

## **Bradesco sees revenue growth as a “primary driver” while building resilience against “adversities,” says Noronha**

BRAZIL JOURNAL

Publication date: 21/Nov/2025

*Even amid the prospect of a complicated 2026, Marcelo Noronha, CEO of Bradesco, says the bank remains focused on growing – more than on cutting costs.*

Despite expectations for a challenging 2026, Marcelo Noronha, CEO of Bradesco, says the bank remains focused on growth – more than on cutting costs. "Our main driver is revenue," he stated in an interview during the CEO Forum that Bradesco BBI hosted this week in New York. He added that this expansion will come mainly from “more secure” segments and clients.

After nearly two years of turnaround, a period during which the bank returned to growth with profitability and delinquencies kept under control, Noronha stated that Bradesco is prepared to "face adversity" and that the restructuring process will end in 2028, as planned. ROE is close to the cost of equity and, "at some point," will return to the 20% level, "but without doing anything reckless and preserving the quality of our assets," asserted the executive. "Brazil is a country that can offer ROE from 15% to 20%."

**Giuliana Napolitano** - I am here with Marcelo Noronha, CEO of Bradesco, and we are going to talk about perspectives for the financial market and also for the bank. Noronha, I wanted to start by talking about the scenario for 2026. It should be a complicated year, with electoral volatility and also some effects of deceleration in the economy. How is Bradesco preparing for this?

**Marcelo de Araújo Noronha** - Juliana, it is a pleasure to be here with you. Thank you once again for talking here in New York. Look, first, it is natural that in an election year there is a little more volatility, particularly in the second semester. We have a perspective from the economic team of a Selic rate falling, perhaps reaching 12% at the end of 2026, with inflation more controlled, around 3.7%, 3.8%. But perhaps the Central Bank already sees in its modeling, in December of this year, looking at a slightly longer horizon, for the beginning of 2027, inflation converging to 3.2%, 3.3%. So, there may be a little more volatility, but I think we should look at this from different angles. First, Gabriel and other directors of the Central Bank have been

vocal in saying that inflation is converging, that it converges in the long term. Now, I look at the activities and see a low level of unemployment, credit portfolio growing. Brazil still has a resilient activity. So, we are very confident in relation to our modeling, to what we choose to do in terms of credit risk for this year and for the next, with good models, good portfolio management and a perspective of growth in lines that are safer, with safer clients. That is what we are seeing. And we will continue our transformation project, implementing everything that we have proposed to do, with stages completed this year, in December. We have stages to fulfill throughout 2026 and beyond. We should deliver the entire Principal segment for next year, for example. That is our perspective. Having increasingly better models, with a very well-calibrated portfolio management, to face any type of adversity. I think Brazil may present an even slightly better scenario than what is imagined. The Central Bank also spoke this week, at the event we had from Bradesco Asset, about this transmission of monetary policy via credit instruments, which would be the most natural. But here there are particularities in the credit instruments, which naturally reflect more in some modalities than in others the monetary policy proposed by the Central Bank itself. This brings some challenge, but I think inflation is converging. That is what we are looking at in all the indicators we have from the economic team in relation to inflation cores as well.

**Giuliana Napolitano** - Why can the perspective be better for next year?

**Marcelo de Araújo Noronha** - I think that, with this economic resilience, perhaps we will grow a little more, but grow with controlled inflation. It does not make sense to see a resurgence of inflation for next year. The phenomenon of the low level of unemployment is something we observe in Brazil and in the United States. I think there is a social phenomenon here, along with the economic aspects, in addition to other particularities that we have in Brazil.

**Giuliana Napolitano** - Perfect. Speaking now about Bradesco, you are close to completing two years of turnaround, and in this period Bradesco has returned to growth, with profitability, controlled delinquency. Inflation has risen, I think 70% around that this year. So, I wanted to know what is missing for you to consider that this turnaround has been completed and Bradesco can return to business as usual?

**Marcelo de Araújo Noronha** - We have positive expectations in relation to Brazil and the sector. When we look at the fall in the interest rate, it is also an instrument of promotion and perspective for the capital market. We will conclude our transformation in 2028. This horizon has not changed. We are delivering step by step, we continue at this pace, so that we increase Bradesco's competitiveness in the short and long term. That is what we are seeing today. The bank is well-tractioned, but well-tractioned in what we want, well-tractioned in what we are willing to take risks, doing better and better. We intend to deliver increasingly better experiences for our clients in 2026 than those we have delivered so far. It has been improving, but it will improve even more. That is our horizon.

**Giuliana Napolitano** - Does the ROE need to exceed 20% for the turnaround to be completed or at least reach the cost of equity?

**Marcelo de Araújo Noronha** - No, I think the diagnosis here is as follows: it depends on the business model of each bank. There is no discussion about that, but the fact is that Brazil is a country that can offer ROE between 15% and 20%, depending on its model, its positioning. We are very close to the cost of equity. In the last quarter we showed that. At some point this will happen, but within our natural process, without committing any madness, preserving the quality of our assets and delivering increasingly better results quarter over quarter.

**Giuliana Napolitano** - Perfect. In this last earnings call, some analysts pointed out the bank's expense line, saying that, from now on, the return will also depend on increased efficiency, cost cutting and not just growth. How do you see this?

**Marcelo de Araújo Noronha** - Juliana, strictly speaking, everyone is always looking for this efficiency indicator. But I think that is not the only explanation we have for this question. Our administrative and personnel expenses lines are absolutely controlled. If you go to the complete publication, you will see administrative lines with reduction due to everything we have done throughout 2024 and 2025. The biggest expense growth occurred due to balance sheet consolidation of related companies that are investing more, they are reporting higher expenses growth than us. That is first. Secondly, in lines of other expenses that weighed a little more. But

in our recurring lines, honestly, we are very well. Even with the profit rising and our profit sharing expense rising, which is natural, in personnel expenses, if you take the administrative and personnel lines combined, you will see that we grew less than inflation, knowing that Brazil is still an indexed country, every year there is a collective agreement, every year there is a readjustment of rents. Even with that, we grew below inflation in the period. If you take the administrative expense specifically, you will see even negative growth. We have very controlled expenses, they have already understood exactly this here, all the movement we have made. Well-controlled portfolio, over 90 days delinquency ratio controlled, controlled cost of risk and growing the vast majority of revenue: gross financial margin, financial margin net of provisions, fees in numerous lines, the insurance group also in its various lines. I think we are doing our homework and the main lever is revenue.

**Giuliana Napolitano** - You even said that, if there is an opportunity to spend R\$ 1 billion to earn R\$ 2 billion, you will do it.

**Marcelo de Araújo Noronha** - Naturally. Life is dynamic.

**Giuliana Napolitano** - Exactly. But do you not see any room for increased efficiency, for cost cutting, for rationalization?

**Marcelo de Araújo Noronha** - Of course we see. We are gaining efficiency, we are increasing productivity. An indicator that I gave to the market, that I have been talking about a lot, many people have been asking me about this, is the indicator of increased productivity in our technology area, in new internal and external applications, in changing legacy systems. Considering 2023 as the base 100, this year of 2025 we are delivering 300. It means multiplying this capacity by three, without having grown the team by three or investments by three. That is, investing almost the same, but investing a little more, but gaining productivity with the intensive use of GenAI, machine learning and proprietary tools for the application of GenAI, we have seen our productivity take impressive leaps and we will see this even more for the year 2026.

**Giuliana Napolitano** - Perfect. Looking at a longer term, three, four, five years, how do you see Bradesco differentiating itself from its main competitors?

**Marcelo de Araújo Noronha** - I think Bradesco continues on its path of the plan, delivering the increase in competitiveness, as I said, in the short and long term. The proof of this is the traction we have in several lines of business, of those lines that we are willing to take risks. We are doing this very well, but I see that there, by the year 2028, we will look ahead and launch ourselves into new challenges for five years ahead, with the entire leadership group of the bank, looking at new ambitions and growing even more.

**Giuliana Napolitano** - But are you already thinking about this? Are you already making the plan for the future?

**Marcelo de Araújo Noronha** - No, this is a new moment there in the future, when we have delivered everything we have proposed to do from our transformation. I have always said that it is not a leap overnight, nor only there at the end of 2028, but that it was a plan during this period until 2028. When we are close to completion, we will look ahead again and look at a new horizon with new ambitions. Ambitions upwards, not downwards.

**Giuliana Napolitano** - Perfect. Speaking a little more about the scenario for large companies for next year. In the earnings call as well, you mentioned some concern with the retail sector, because it is a sector very sensitive to demand and interest rates. Are there any other sectors or some companies that worry for next year and may motivate, suddenly, extra provisions or some movement from Bradesco?

**Marcelo de Araújo Noronha** - There was a question about the sector, I said that perhaps it is from that moment, it was a more sensitive sector. But the fact is that it is not possible to generalize, regardless of the sector. In our pipeline, Juliana, today we do not see a headache, except for older things that already existed, which are known. There is no problem going forward, there is a lot of opportunity. We grew well in our Investment Bank. There is an expectation to continue growing, we gained

share at the year to date, from January to September, in fixed income in the market. We continue with the expectation to continue working very well with large companies, medium and small companies, where we have a very strong traction, these companies up to R\$ 300 million per year of revenue, but naturally choosing the rating, sectors, credit risk model, portfolio management and modalities that we want to operate.

**Giuliana Napolitano** - Perfect. We are here at the CEO Forum in New York and just today the news of the liquidation of Banco Master came out. What should be the impact for the market of this liquidation of Banco Master in your view and for the FGC (Credit Guarantee Fund, similar to FDIC) as well?

**Marcelo de Araújo Noronha** - Juliana, I do not see an impact for the market in the sense of systemic risk. There were even statements from former directors of the Central Bank in this sense. I also do not see, so much so that it is a normal day today in Brazil. In relation to the FGC, we have to await an official pronouncement, because there is a regulation of the Central Bank, which is the regulator, rules of the FGC, which were approved by the National Monetary Council, so that we can know what type of impact and what are the solutions that the regulation itself gives to the FGC. Today I do not have any element. I found out here in New York when the day dawned, but we will await these data from the FGC and the Central Bank. Remembering that banks today in Brazil do not have any participation either in the council of the FGC, nor in the board of the FGC. Therefore, we are far away, we have to effectively await in a more passive way for this information and to know what are the movements required there.

**Giuliana Napolitano** - Perfect. Speaking also of the conference here in New York that started on Tuesday and goes until Wednesday, it brings together a series of executives from companies, investors. What have been the most relevant discussions? What have you heard of interest in the corridors?

**Marcelo de Araújo Noronha** - Juliana, I consider this edition of the Bradesco CEO Forum as one of the best I have participated in, and I have been participating for many years, because I was also responsible for the wholesale bank. This year there was a sensational frequency of many CEOs from different companies, different

sectors, much more than 300 investors from different markets, particularly from the United States, but from other countries as well, from large funds, actively participating with us, clients of the private, a younger group. We had meetings here, but for us it did not start only today and goes until tomorrow. It started on Monday, when we had several meetings with clients, with investors, lunches, dinners and so on. The subjects are those we already know: how is the activity of each of the companies and again the resilience of Brazilian companies is confirmed, mainly publicly traded. That is what we have seen in the conversation with different actors from different sectors. Interesting to see. A lot of conversation about perspectives for 2026, about convergence of inflation and reduction of the interest rate, about the mood and the spirit of international investors to put money and, particularly, in emerging markets, to bet more on Brazil. I am seeing a group of businessmen e executives animated in a general way. I am not seeing anyone with a nebulous scenario. The challenge that was placed, which I commented, by the Central Bank itself, is that we still have a resilient economy in fact. This is a little of the backdrop of the conversations we have had, but I think we do not have this happening only by divine chance, but rather by the competence of Brazilian publicly traded companies, which in their majority and on average have good indicators, with their exceptions that we know, depending on the sector in which they operate as well.

**Giuliana Napolitano** -Is the foreign investor willing to put money back into Brazil?

**Marcelo de Araújo Noronha** - They are already putting. In what dimension, let's look at who has more appetite, less appetite, in which sectors, but in fact, if we have a horizon of falling interest rates and eventually even faster, if inflation is behaved and we have perhaps less volatility in the elections, with a good perspective in relation to fiscal policy, perhaps we will have a return in our equities market, which has been somewhat paralyzed for a good time in Brazil. The expectation for 2026, 2027 tends to be more positive for the second semester of 2026 and for the year 2027 as well, in this sense, of seeing the equities market returning here. Let's see if we can actually materialize this.

Watch the interview here (Portuguese Only):

<https://braziljournal.com/play/bradesco-se-protege-de-adversidades-e-ve-receita-como-principal-alavanca-diz-noronha/>