## Facing a challenging macroeconomic scenario, Bradesco redoubles its efforts to maintain a healthy portfolio; "agribusiness is not an issue," says CFO Estadão E-Investidor

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In an interview with E-Investidor, Cassiano Scarpelli talked about how the second largest bank in the country managed to maintain growth by focusing on small and medium-sized enterprises (SMEs) and payroll- deductible loans.

The figures for the third quarter of 2025 presented by Bradesco (BBDC4) show that the country's second largest private bank continues to grow. Between July and September of this year, the financial institution posted a recurring net income of R\$6.2 billion, in line with most market forecasts, although some buy-side analysts expected an even higher figure for the period.

The fact is that the bank, according to CFO Cassiano Scarpelli, prioritizes working cautiously without taking on too much risk. In an exclusive interview with E-Investor, he mentioned that Bradesco "has a mantra: the quality of our assets today is non-negotiable." The executive asserted that the focus will remain primarily on SMEs.

"Our strategy continues to prioritize SMEs, supported by solid assets and robust risk quality, particularly in government-sponsored credit lines, which offer significant value to our clients as well as us. We also have a strong understanding of individuals, and the general economic outlook for this segment is improving, marked by reduced unemployment, higher disposable income, and a perception of more stable inflation. We are able to make good deals," he stated.

Between July and September of this year, Bradesco's credit portfolio grew 10.4% over the amount recorded in 2024, reaching R\$1.034 billion, of which R\$241.1 million is from SMEs (a 24.8% increase year-over-year) and R\$451.6 million is from individuals (up 13.8% year-over-year) — in this segment, the most significant improvements were in credit cards for high-income individuals (+38.3%) and rural areas (+75.6%). The bank is also a top performer among private institutions in payroll-deductible loans.

The increase in the bank's exposure to rural credit is not an area of concern, according to the CFO, although other financial institutions have recently experienced an increase in delinquencies in this sector.

"The agricultural portfolio at Bradesco is under control. We grasped some minor variation in John Deere Bank, which is natural due to seasonality. There is a specific portfolio for two or three crops, but it is carefully managed to minimize risk through guarantees and fiduciary alienation," he confirmed.

Bradesco's 90-day delinquency ratio remained somewhat stable in the third quarter of 2025 compared to the same period last year, going from 4.2% to 4.1%. Despite this, the bank chose to increase the LLP (Allowance for Loan Losses), a type of financial buffer against potential defaults, which reached R\$8.6 billion, a 20.1% rise year-over-year.

Scarpelli pointed out, "It's a specific case, nothing particular, from the expected losses. It was a larger adjustment that we had to make for the expected loss, nothing beyond that. Delinquency is well under control. We're performing very well, and this reflects what we have been building and stacking up in our credit portfolio. We don't see anything getting out of hand. We do not see anything out of the ordinary, like the delinquencies that the financial sector experienced right at the start of the pandemic."

## Improvement of the macroeconomic environment

Bradesco's CFO expressed concern over Brazil's elevated interest rates, noting that macroeconomic conditions should improve in 2026 with the expected reduction in the Selic rate, now at 15% annually. In general, a higher interest rate can benefit bank profits with more expensive loans, but the downside is that it tends to increase the level of defaults.

"The Central Bank needs to be able to usher in a period of lower real interest rates. This outcome is positive for society as a whole, for the financial sector, and for every person who aims to achieve growth and make their dreams come true. Ultimately, this allows us to continue expanding and building healthy loan books at our institution," the executive added.

## Insurance and dividends

Bradesco's third quarter marked a significant new advance in its insurance, pension plan, and capitalization bond sector, which contributed R\$5.7 billion to the bank's total revenue for the period, out of R\$35 billion. The net income in this segment had a 6.5% increase year-over-year, and 10.3% compared to the second quarter to R\$2.5 billion. Scarpelli believes that the significant growth experienced in recent years is sustainable and, despite acknowledging some challenges, the progress is expected to continue.

"We have had two very good years in insurance. Last year's final quarter was exceptional. Over this quarter, we saw a reduction in claims, which was extremely important. Every year, the IGP-M insurance group faces the challenge of the IPCA, which is inherent to insurance companies as a whole. Yet, we remain robust and forward-looking, with continued investment in technological innovation. This digitization of the insurance group is extremely important," said Scarpelli.

Regarding payrolls, the CFO stated that the bank will maintain interest payments on shareholder's equity (JCP) this year and next fiscal year, "unless there are any structural or governmental changes, which we cannot foresee." The executive also spoke about increased competition from fintechs and the more stringent regulation of credit entities. "We welcome greater competition and hope to operate in a scenario with fair regulation," he concluded.

Watch the interview <u>here</u>.

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