



National Development Financial System in Numbers

YEAR 2023
ED. 06
DATA MAR/23

EXECUTIVE SUMMARY

InfoABDE, an initiative of the Brazilian Development Association (ABDE), aims to provide information on the Development Financial Institutions (DFIs) of the National Development Financial System (NDFS). The NDFS comprises 34 institutions throughout Brazil, all of which are members of ABDE.

NDFS in Numbers is part of a series of publications by InfoABDE to communicate relevant data and information on the System's performance. This edition summarizes the NDFS's main information, based on quarterly data from the Central Bank of Brazil (www3.bcb.gov.br/ifdata) on the Financial and Prudential Conglomerates and Independent Institutions.

The highlight of the analysis of the first quarter of 2023 is the 35% growth in NDFS resources allocated to the Agriculture and Livestock sector in the twelve months prior to March 2023. In total, the sector has an active portfolio of R\$ 376.2 billion with the NDFS, having added R\$ 16 billion over the period. Rural credit programmes, which cover individuals and companies, carried out R\$ 62.7 billion in financing operations in the first quarter of 2023, of which R\$ 41.5 billion were operated by the NDFS.

The data for the first quarter of 2023 indicate a continuation of the expansion trend of the portfolio and of the number and volume of NDFS operations observed in 2022. The results follow the expansion of the total credit market and the Brazilian economy, which registered growth of 1.9% in the first quarter.

Assets closed the first quarter at R\$ 5.1 trillion, an increase of 5.3% compared to March 2022, with a notable growth of 8.7% in the assets of subnational DFIs. The System's trajectory of increasing liquidity continued, with net equity expanding by 2% in the first quarter of 2023.

The number and volume of NDFS operations both grew by 15% year-on-year, while the number of clients increased by 21%. In line with the 2022 results, the volume of operations grew above the rate of the total credit market (14%), resulting in an increase in NDFS market share from 44.3% at the end of 2022 to 44.5% in the first quarter of 2023.

The volume of resources allocated to micro-enterprises grew by 9.4% in the quarter and 48% in the year. There was also a significant increase in the volume of resources allocated to the North (25%), Midwest (17%) and South (16%) regions, increasing their share of the NDFS portfolio since March 2022.

The document initially presents a summary of the NDFS's main figures, demonstrating its relevance and the main lines of its action in the national financial and credit systems. From there, it exposes the performance and general credit data, such as assets, equity, credit operations, clients and regional data of the group of DFIs. It then presents the main figures for the NDFS's credit portfolio with the productive sector, according to size, maturity, modality and sector. Finally, it describes the performance of the portfolio and of the institutions through risk level data and selected indicators.

CREDIT PORTFOLIO FOR THE AGRICULTURE AND LIVESTOCK SECTOR

R\$376,2 billion

The total volume of the NDFS portfolio for the Agriculture and Livestock sector grew by 35% in the twelve months to March 2023.

CLIENTS

49,9 million

19% of the total of the National Financial System

LONG RUN

R\$ 392 billion

73% of long term credit

CREDIT PORTFOLIO

R\$ 2,3 trillion

45% of total credit in the National Financial System

ASSETS

R\$ 5,1 trillion

36% of the National Financial System

NET EQUITY

R\$ 432,2 billion

33% of the National Financial System

CREDIT FOR MSMES

R\$ 281,6 billion

28% of the National Financial System

INVESTMENT

R\$ 498,1 billion

66% of the financing for the modality

WORKING CAPITAL

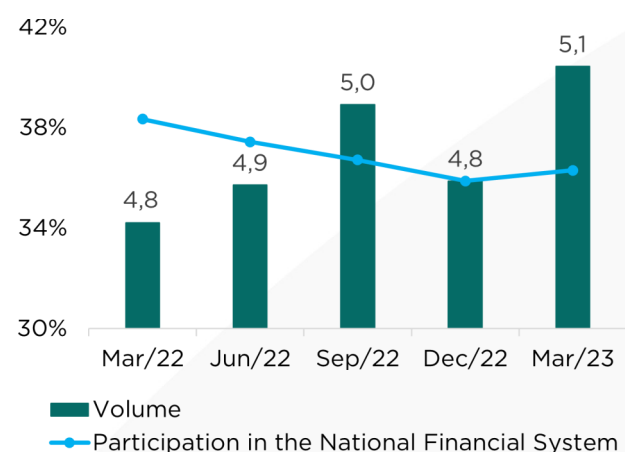
R\$ 189,6 billion

32% of the financing for the modality

NDFS in Numbers is part of a series of reports produced by InfoABDE, the data system that gathers information from the institutions of the **National Development Financial System (NDFS)**. This bulletin was created with the objective of communicating on a quarterly basis the performance of the NDFS in the Brazilian credit market, based on data released by the Central Bank of Brazil (BCB) on the IF.data site. The NDFS brings together 34 Development Financial Institutions (DFIs) throughout the national territory. Check the list at: www.abde.org.br.

PERFORMANCE DATA

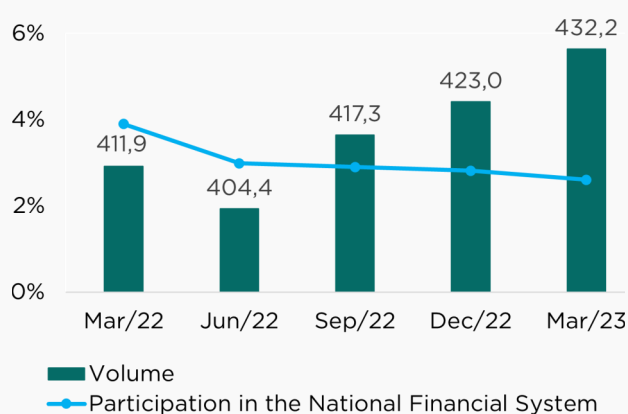
Assets (R\$ trillion)



Participation in the left axis.

The NDFS reached total asset of R\$ 5.1 trillion in the first quarter of 2023, with quarterly growth of 4%. The increase represents a recovery compared to December 2022, when there was a decline. The movement followed the Financial System, which retreated -0.2% in December and grew 3% in March.

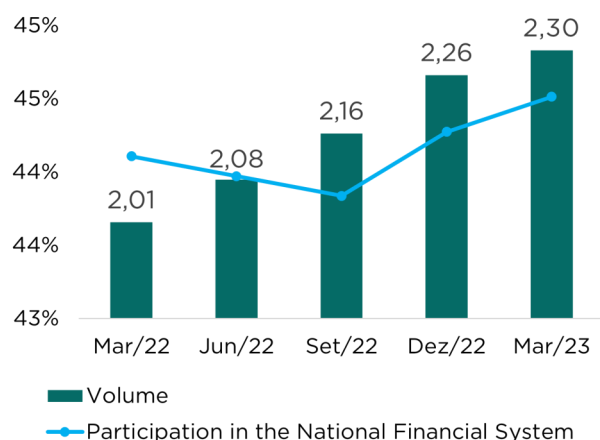
Net equity (R\$ billion)



Participation in the left axis.

NDFS saw a 2% increase in net equity in the first quarter of 2023. Since the beginning of the year, R\$ 10 billion has been added to the volume. The movement follows the trajectory of liquidity expansion observed in the total credit market, which also grew by 2% in the quarter.

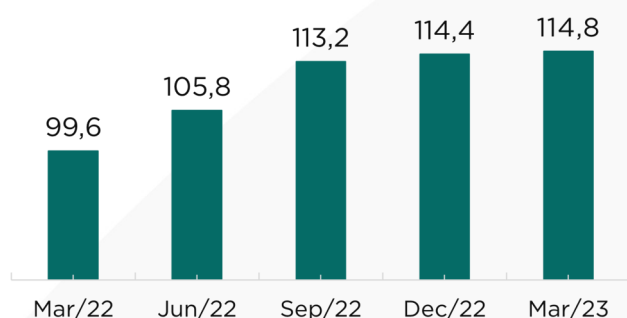
Credit operations (R\$ trillion)



Participation in the left axis.

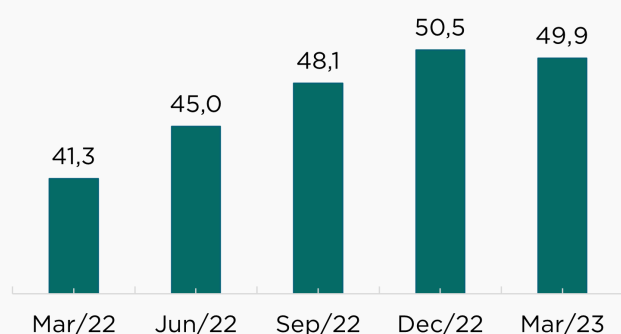
The volume of credit operations of the NDFS grew 2% in the first quarter of 2023. Compared to the beginning of the year, R\$ 42 billion was added to the System's portfolio. The growth rate of the total credit market was 1.3%, which led to an increase in the NDFS's share in the total for the third consecutive quarter.

Number of operations (million)¹



The number of operations remained virtually stable compared to the previous quarter, increasing by 0.4%. In the annual comparison, there was an increase of 15%. The trend followed the total credit market, where the number of operations increased by 14% over the year.

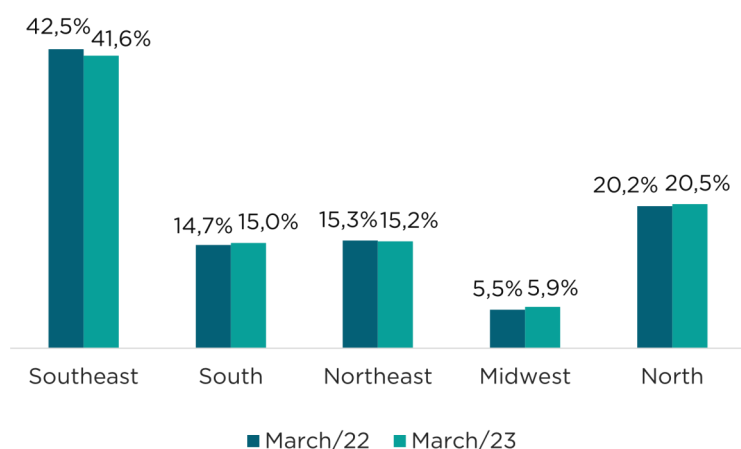
Number of clients (million)¹



The number of NDFS clients grew by 21% year-on-year, reaching 49 million in March 2023. Compared to the previous quarter, there was a decrease in the number of clients, possibly related to the fact that Pronampe reached the planned budget of R\$ 50 billion contracted.

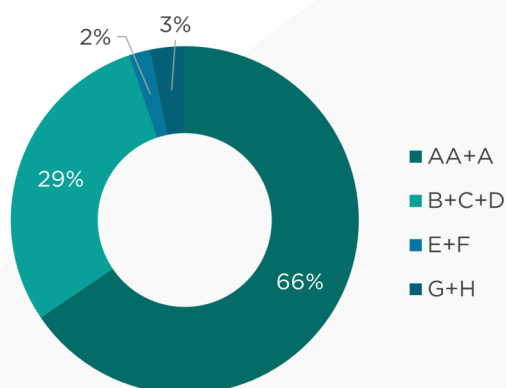
¹ The Central Bank of Brazil changed the methodology for accounting for the number of operations and number of clients in November 2021, therefore, there are divergences between the editions of the NDFS in Numbers.

Participation in portfolio by region



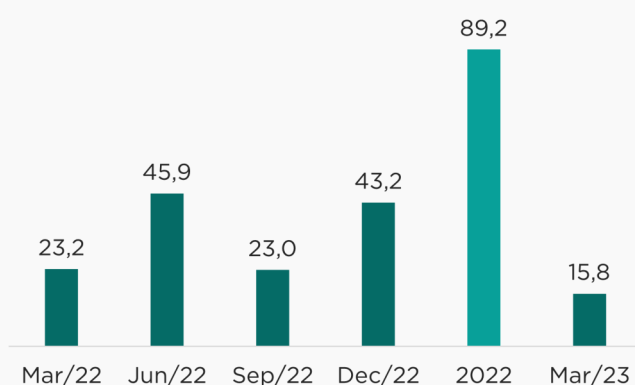
The North, Midwest and South regions have increased their share of the NDFS portfolio since March 2022. In the twelve months prior to March 2023, there was a significant growth in the volume of resources allocated to the North (25%), Midwest (17%) and South (16%) regions.

Participation in portfolio by risk level



In March 2023, 66% of NDFS operations were allocated to operations assessed as lower risk (AA+A). Higher risk operations (E+F and G+H) accounted for 5% of the System's portfolio.

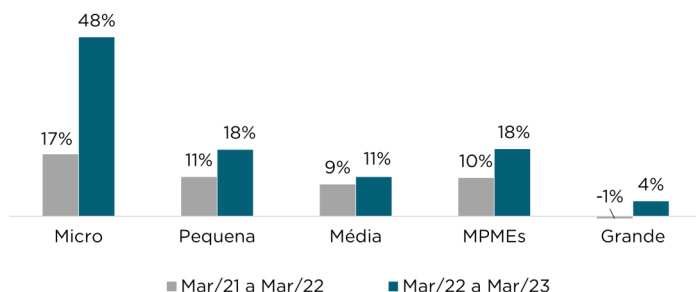
Net profit (R\$ billion)



The net profit of the NDFS in March 2023 amounted to R\$ 15.8 billion, maintaining the profitability of the System's activity. However, the result represents a deceleration of the net profit expansion trajectory experienced in 2022.

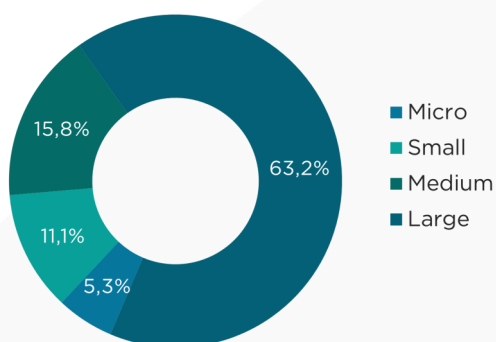
CREDIT DATA FOR THE PRODUCTIVE SECTOR

Growth of participation in portfolio



The volume of resources allocated to micro enterprises grew by 48% between March 2022 and March 2023. A rise of 9.4% was observed in relation to December 2022. Small and medium-sized enterprises also showed a yearly growth of 18% and 11%, respectively.

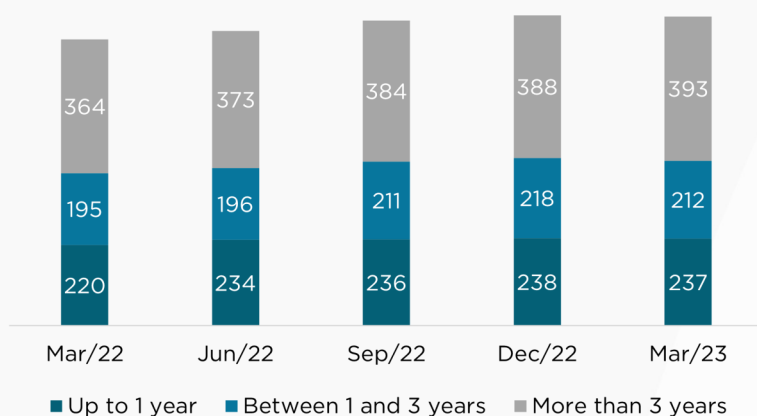
Participation in portfolio by size



MSMEs increased their share of the NDFS portfolio from 29% to 32% between March 2022 and March 2023. In the first quarter of 2023, the volume of resources for MSMEs totalled R\$ 281 billion, an increase of 18% over the previous twelve months.

Corporate loan portfolio by maturity

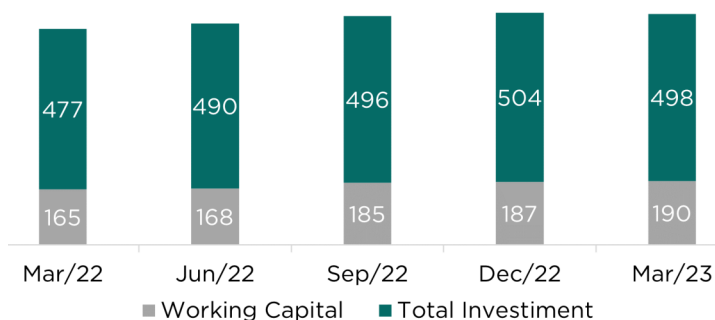
(R\$ billion)



Long-term operations account for 47% of the credit provided by the NDFS. The volume of the credit portfolio with a maturity of more than three years grew by 1% in the quarter, reaching R\$ 392 billion. This growth was higher than the 0.1% observed for the total credit market, with the 6% increase of sub-nationals being particularly noteworthy.

Credit portfolio by modality

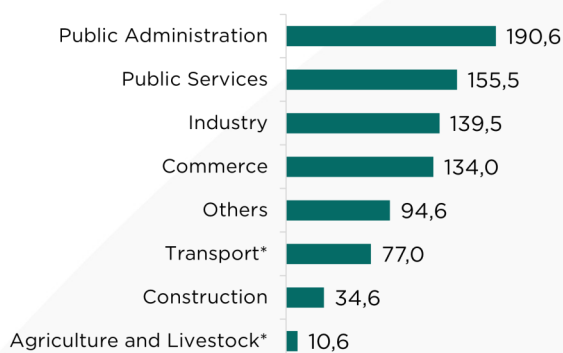
(R\$ billion)



The NDFS's credit portfolio for investments has grown by 4% since March 2022. The volume of the total investment modality reached R\$ 498 billion in the first quarter of 2023, representing 66% of the total credit market.

Credit portfolio by economic sector

(R\$ billion)



The total portfolio for the Agriculture and Livestock sector was R\$ 376.2 billion, an increase of 5% in the quarter. Corporate loans for the sector were R\$ 10.6 billion, up 3% in the quarter. The active portfolio of individuals, which accounts for the majority of the sector's portfolio, grew by 5% and totalled R\$ 365 billion.

This report was produced by the Economics and Sustainability Team of the Brazilian Development Association (ABDE).

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