



# Earnings Summary

Banco do Brasil recorded adjusted net income of R\$8.4 billion in 3Q22, up 7.1% QoQ and up 62.7% YoY. The annualized quarterly market ROE was 21.8%.

In comparison with the previous quarter, the result was influenced by the following factors: **(I)** an increase of 14.7% in the NII, **(II)** an 8.6% growth in fee income; **(III)** expansion of 9.7% in the result of interest in subsidiaries, affiliates, and JVs, and **(IV)** an increase of 53.8% in the ALLL Expanded View.

In the year-to-date (9M22/9M21), adjusted net income grew by 50.9%, influenced by the following reasons: **(I)** 16.7% growth in NII, **(II)** 11.0% increase of fee income, **(III)** a 61.3% growth in the result of interest in subsidiaries, affiliates, and JVs, and **(IV)** control of administrative expenses, with an increase of 6.0% and **(V)** increase of 9.6% in the ALLL Expanded View.



# Statement of Income

Table 1. Summarized Statement of Income – R\$ million

	3Q21	2Q22	3Q22	Chg. %		9M21	9M22	Chg. %
				3Q21	2Q22			
<b>Net Interest Income</b>	<b>15,641</b>	<b>17,056</b>	<b>19,558</b>	<b>25.0</b>	<b>14.7</b>	<b>44,505</b>	<b>51,946</b>	<b>16.7</b>
ALLL Expanded View	(3,924)	(2,937)	(4,517)	15.1	53.8	(9,317)	(10,212)	9.6
ALLL Expenses - Recovery of Write-offs	2,213	2,136	2,224	0.5	4.1	5,858	6,471	10.5
ALLL Expenses - Credit Risk	(5,512)	(4,581)	(6,315)	14.6	37.9	(12,638)	(15,383)	21.7
ALLL Expenses - Discounts Granted	(401)	(347)	(264)	(34.2)	(23.9)	(1,828)	(869)	(52.4)
ALLL Expenses - Impairment	(224)	(146)	(163)	(27.5)	11.2	(710)	(431)	(39.2)
<b>Net Financial Margin</b>	<b>11,717</b>	<b>14,119</b>	<b>15,041</b>	<b>28.4</b>	<b>6.5</b>	<b>35,187</b>	<b>41,734</b>	<b>18.6</b>
Fee income	7,438	7,847	8,524	14.6	8.6	21,522	23,896	11.0
Administrative Expenses	(7,915)	(8,305)	(8,405)	6.2	1.2	(23,509)	(24,910)	6.0
Legal Risk <sup>1</sup>	(1,696)	(1,527)	(1,534)	(9.6)	0.4	(4,946)	(4,635)	(6.3)
Other Operating Income <sup>2</sup>	(1,186)	(274)	(490)	(58.7)	78.7	(5,667)	(1,551)	(72.6)
<b>Income Before Taxes</b>	<b>8,359</b>	<b>11,859</b>	<b>13,138</b>	<b>57.2</b>	<b>10.8</b>	<b>22,586</b>	<b>34,534</b>	<b>52.9</b>
Income and Social Contribution Taxes	(2,189)	(2,491)	(2,980)	36.1	19.6	(4,472)	(7,032)	57.2
Corporate Profit Sharing	(633)	(995)	(1,065)	68.2	7.0	(1,912)	(2,908)	52.1
<b>Adjusted Net Income</b>	<b>5,139</b>	<b>7,803</b>	<b>8,360</b>	<b>62.7</b>	<b>7.1</b>	<b>15,091</b>	<b>22,776</b>	<b>50.9</b>
One-Off Items	(530)	(178)	(261)	(50.8)	46.5	(732)	(391)	(46.5)
<b>Net Income</b>	<b>4,609</b>	<b>7,625</b>	<b>8,099</b>	<b>75.7</b>	<b>6.2</b>	<b>14,358</b>	<b>22,384</b>	<b>55.9</b>
<b>Market ROE - %</b>	<b>14.3</b>	<b>20.6</b>	<b>21.8</b>			<b>15.0</b>	<b>20.5</b>	
<b>Adjusted ROE - %</b>	<b>14.3</b>	<b>20.5</b>	<b>21.5</b>			<b>14.2</b>	<b>20.0</b>	
<b>Shareholders' ROE - %</b>	<b>15.1</b>	<b>21.8</b>	<b>23.0</b>			<b>15.9</b>	<b>21.6</b>	

(1) Group containing the balance of the line 'Civil, Tax and Labor Claims'; (2) Group containing the result of the lines 'Other Provisions', 'Net Gains from Equity Methods Investments', 'PREVI - Benefit Plan 1', 'Previ - Update of Utilization Fund', Tax Expenses, 'Other Income / Operating Expenses' and 'Non-Operating Result'.



## Net Interest Income

In 3Q22, the Net Interest Income (NII) totaled R\$19.6 billion, up 14.7% in the quarterly comparison (3Q22/2Q22) and 25.0% in the 12-month comparison (3Q22/3Q21). In the year-to-date (9M22/9M21), NII was R\$51.9 billion, up 16.7%.

In the quarter, highlight was the increase in Loan Operations Income (10.2%), benefited by the loan portfolio's growth and repricing, and the increase in the Treasury Result (+36.3%), explained, mainly, by the growth of the result of the portfolio of fixed income securities. These effects were partially impacted by the growth observed in Commercial

Funding Financial Expenses (+21.2%), reflecting the higher Selic rate's and number of working days in the period.

In the year-to-date, the increase in Loan Operations Income (+45.0%) and Treasury Result (+106.2%), reinforced by growth in the credit and securities portfolio, contributed to the NII's performance, partially impacted by the 200.9% increase in Commercial Funding Expenses. In the period, financial income and expenses were also influenced by the average Selic rate's increase (8.91% in 9M22 against 2.52% in 9M21, up 252.9%).

**Table 2.** Net Interest Income and NIM – R\$ million

	3Q21	2Q22	3Q22	Chg. %		9M21	9M22	Chg. %
				3Q21	2Q22			9M21
<b>Net Interest Income</b>	<b>15,641</b>	<b>17,056</b>	<b>19,558</b>	<b>25.0</b>	<b>14.7</b>	<b>44,505</b>	<b>51,946</b>	<b>16.7</b>
Loan Operations Income	19,169	26,196	28,875	50.6	10.2	54,477	78,974	45.0
Treasury Result <sup>1</sup>	5,206	7,453	10,155	95.1	36.3	11,378	23,467	106.2
Commercial Funding Expenses	(6,325)	(13,827)	(16,762)	165.0	21.2	(14,112)	(42,462)	200.9
Institutional Funding Expenses <sup>2</sup>	(2,409)	(2,766)	(2,709)	12.4	(2.0)	(7,239)	(8,033)	11.0
<b>NIM - %<sup>3</sup></b>	<b>3.7</b>	<b>3.8</b>	<b>4.2</b>					
<b>Risk Adjusted NIM - %</b>	<b>2.8</b>	<b>3.1</b>	<b>3.2</b>					

(1) It includes the result from interest, tax hedging, derivatives, and other financial instruments that offset the effects of the exchange rate variation on result; (2) It includes senior bonds, subordinated debt, and domestic and abroad hybrid capital and debt instruments; (3) Net Interest Income/Earning Assets Average, annualized.



## ALLL Expanded View

The Expanded ALLL is composed by the amounts recovered from credit risk losses and expenses, in addition to discounts granted and impairment losses, was R\$4.5 billion in 3Q22, up 53.8% QoQ and up 15.1% YoY.

**Table 3.** ALLL Expanded View – R\$ million

	3Q21	2Q22	3Q22	Chg. %		9M21	9M22	Chg. %
				3Q21	2Q22			9M21
<b>ALLL Expanded View</b>	<b>(3,924)</b>	<b>(2,937)</b>	<b>(4,517)</b>	<b>15.1</b>	<b>53.8</b>	<b>(9,317)</b>	<b>(10,212)</b>	<b>9.6</b>
ALLL Expenses - Recovery of Write-offs	2,213	2,136	2,224	0.5	4.1	5,858	6,471	10.5
ALLL Expenses - Credit Risk	(5,512)	(4,581)	(6,315)	14.6	37.9	(12,638)	(15,383)	21.7
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**Recovery of Write-Offs:** Up 4.1% QoQ and up 0.5% YoY, reflecting the greater effectiveness of the credit operations collection process.

**Credit Risk:** Up 37.9% QoQ and up 14.6% YoY.

**Discounts Granted:** Down 23.9% QoQ and down 34.2% YoY.

**Impairment:** Up 11.2% QoQ and down 27.5% YoY.



## Fee Income

Fee income was R\$8.5 billion in 3Q22, up 8.6% QoQ, mainly influenced by the performance of fees from insurance, pension plans & premium bonds (+20.6%) and consortium (+50.6%).

In the accumulated view (9M22/9M21), the 11.0% growth was influenced by the commercial performance in the segments of asset management (+14.8%), insurance, pension plans & premium bonds (+13.8%), and loans and guarantees (+29.3%).

**Table 4.** Fee Income – R\$ million

	3Q21	2Q22	3Q22	Chg. %		9M21	9M22	Chg. %
				3Q21	2Q22			9M21
<b>Fee Income</b>	<b>7,438</b>	<b>7,847</b>	<b>8,524</b>	<b>14.6</b>	<b>8.6</b>	<b>21,522</b>	<b>23,896</b>	<b>11.0</b>
Asset Management	1,990	2,129	2,206	10.8	3.6	5,482	6,295	14.8
Checking Account	1,536	1,544	1,691	10.1	9.5	4,708	4,725	0.3
Insur., Pens. Plans & Premium Bonds	1,145	1,142	1,376	20.3	20.6	3,248	3,697	13.8
Credit/Debit Cards	526	585	647	23.0	10.7	1,552	1,792	15.4
Loans and Guarantees	441	582	572	29.7	(1.6)	1,249	1,616	29.3
Consortium	477	348	524	9.9	50.6	1,289	1,418	10.0
Collections	360	383	386	7.2	0.9	1,087	1,138	4.7
Billings	249	257	252	1.4	(2.0)	734	763	3.9
Contract Processing	172	243	231	34.6	(4.8)	517	623	20.5
Subsidiaries Abroad	191	206	218	14.5	5.9	556	621	11.7
Capital Market	86	120	128	49.5	6.9	280	341	21.8
Nat. Treasury & Manag. of Official Funds	91	93	88	(2.8)	(5.1)	274	269	(2.0)
Foreign Exchange Services	70	64	59	(15.3)	(7.2)	205	187	(9.1)
Other	105	152	144	37.3	(5.2)	339	412	21.5



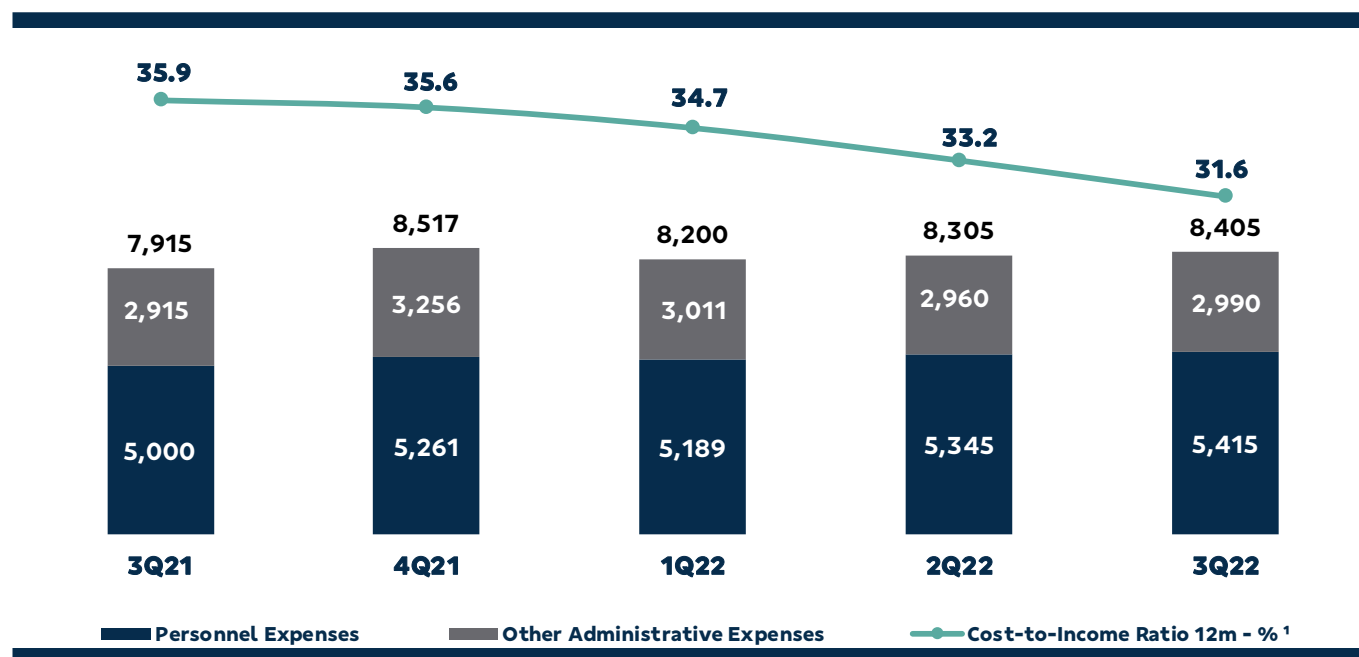
# Administrative Expenses and Cost-to-Income Ratio

In 3Q22, administrative expenses totaled R\$8.4 billion, up 1.2% QoQ, which reflected the 1.3% increase in Personnel Expenses given the 8.0% salary adjustment granted to bank employees as of September/2022, established in the Collective Bargaining Agreement 2022/2024. Other Administrative Expenses increased by 1.0%.

In the nine months comparison, administrative expenses grew 6.0%, within the range of Guidance and below the inflation accumulated in 12 months (7.17%).

The cost-to-income Ratio accumulated in 12 months was 31.6%, the best of the historical series.

Figure 1. Administrative Expenses – R\$ million



(1) Cost-to-Income Ratio: Administrative Expenses / Operating Income. Data referring to the Income Statement with Reallocations.



# BIS Ratio

Banco do Brasil has a three-year prospective Capital Plan and considers (a) the Declaration of Risk Appetite and Tolerance, (b) the Corporate Strategy, (c) the Master Plan (Plano Diretor) and (d) the Corporate Budget. Capital management considers, in addition to regulatory limits, prudential targets and limits.

In September/22, BIS Ratio was 16.72%. Tier I was 14.74%, being 11.77% of Common Equity Tier 1 (CET1).

Figure 2. BIS Ratio – %

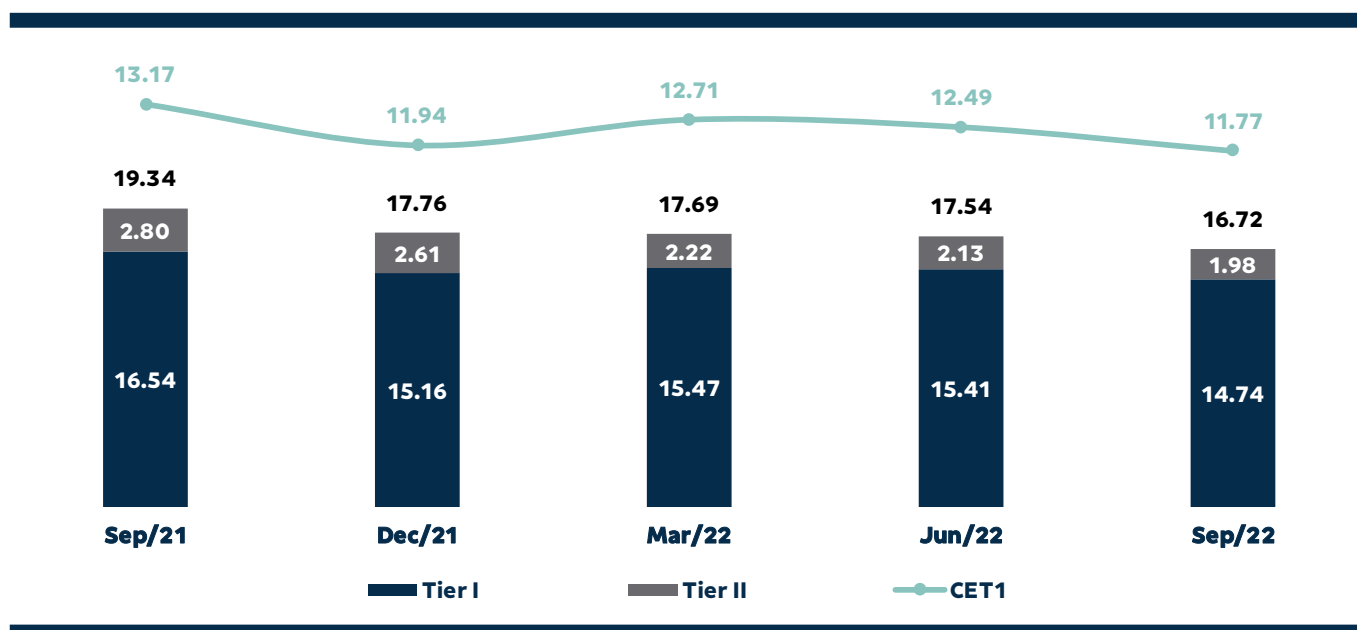
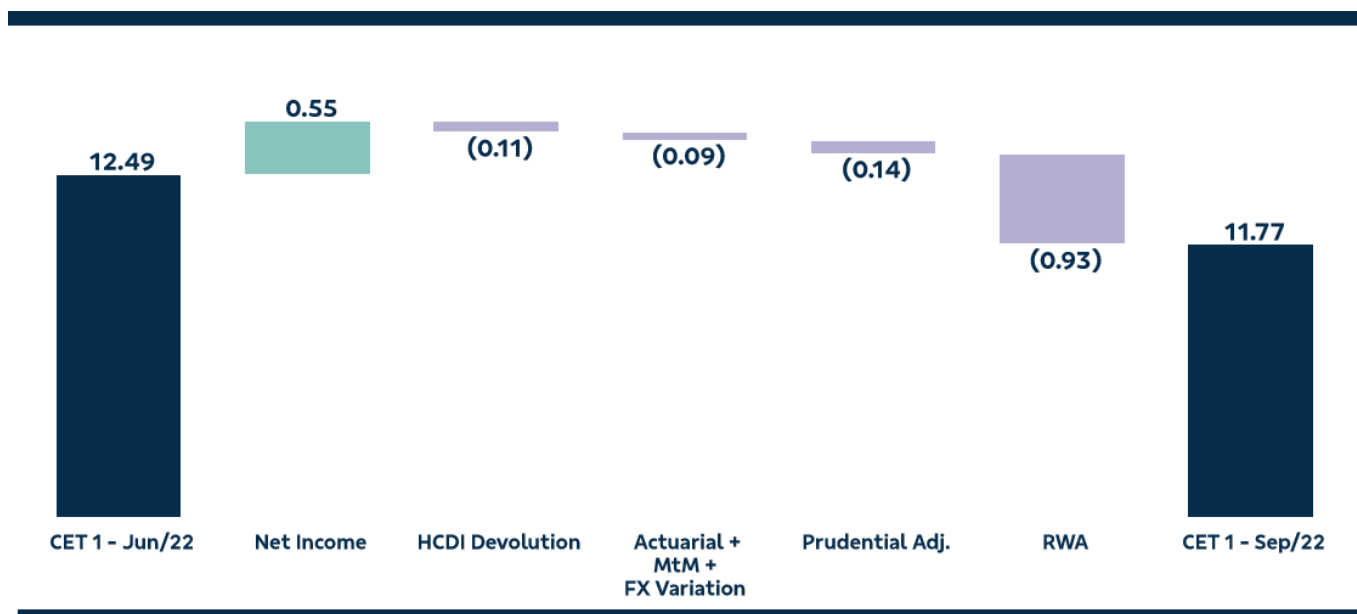


Figure 3. Changes in Common Equity Tier 1 (CET1)- %





# Loan Portfolio

The Expanded Loan Portfolio, which includes, in addition to the Classified Portfolio, private securities and guarantees, was R\$969.2 billion in September/22, up 5.4% QoQ.

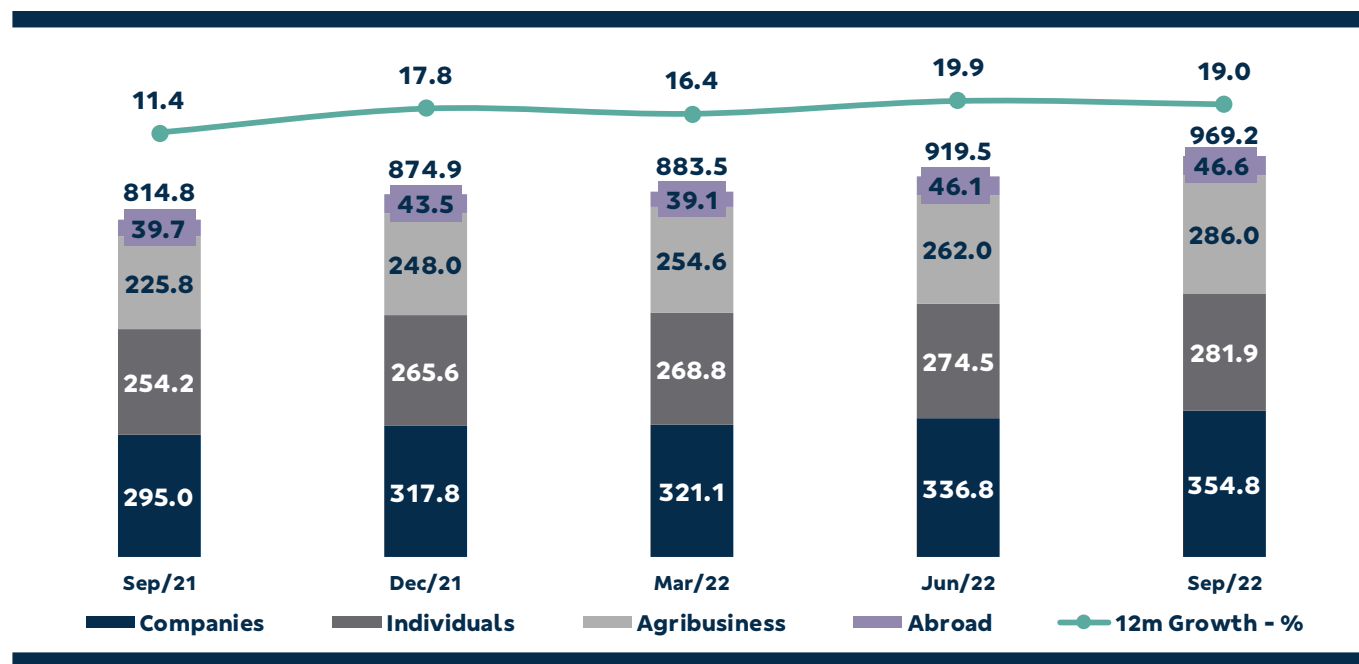
In YoY comparison, the growth was 19.0%. In both comparison periods, positive performances were observed in all business segments.

The individuals expanded portfolio grew 2.7% QoQ and 10.9% YoY, mainly due to the positive performance in payroll loans (+2.4% QoQ and +8.3% YoY), consumer finance (+3.9% QoQ and +22.6% YoY) and in credit card (+3.4% QoQ and +31.5% YoY).

The companies expanded portfolio showed QoQ growth of 5.3% and 20.2% YoY. Highlight to the increase of the working capital (+5.6% QoQ and +8.3% YoY), private securities and guarantees (+3.7% QoQ and +53.3% YoY) and ACC/ACE (+18.5% QoQ and +36.6% YoY), highlighting the disbursements in Pronampe, which totaled R\$ 10 billion.

The agribusiness expanded portfolio was up 9.1% QoQ and up 26.7% YoY, with highlight to the working capital for input purchase (+25.4% QoQ and +53.7% YoY), investment operations (+12.2% QoQ and +59.3% YoY) and Pronaf (+7.5% QoQ and +13.5% YoY).

Figure 4. Loan Portfolio – Expanded View – R\$ billion





## Credit Quality

In September/22, the NPL +90d (ratio between transactions more than 90 days overdue and the classified loan portfolio balance) was 2.34% and the coverage ratio (ratio between allowance for losses associated with credit risk and the balance of transactions overdue for more than 90 days) was 234.9%.

Figure 5. NPL +90d - %

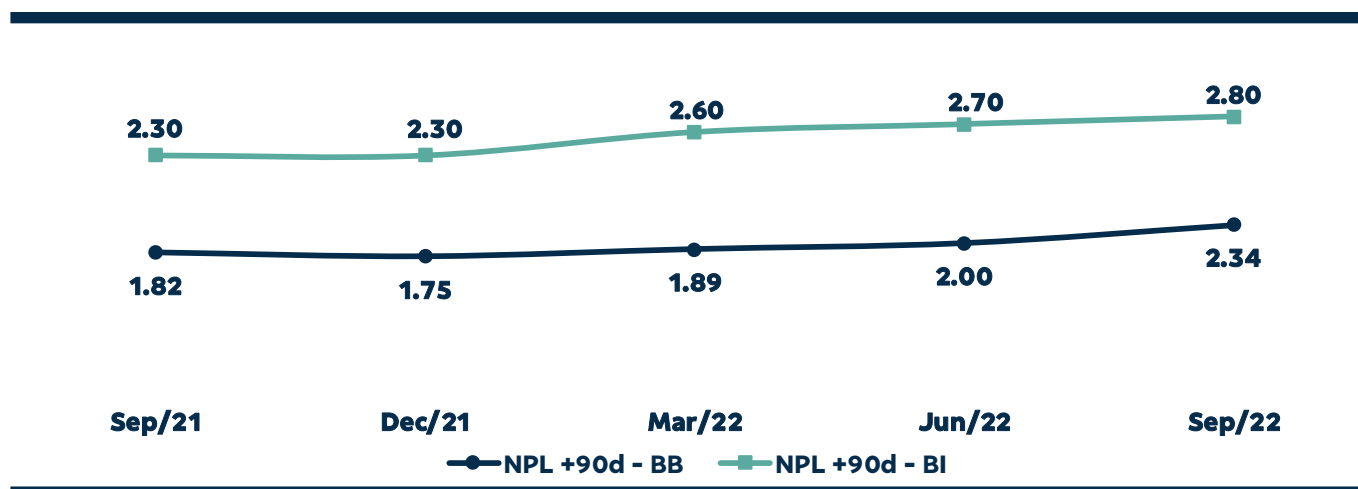
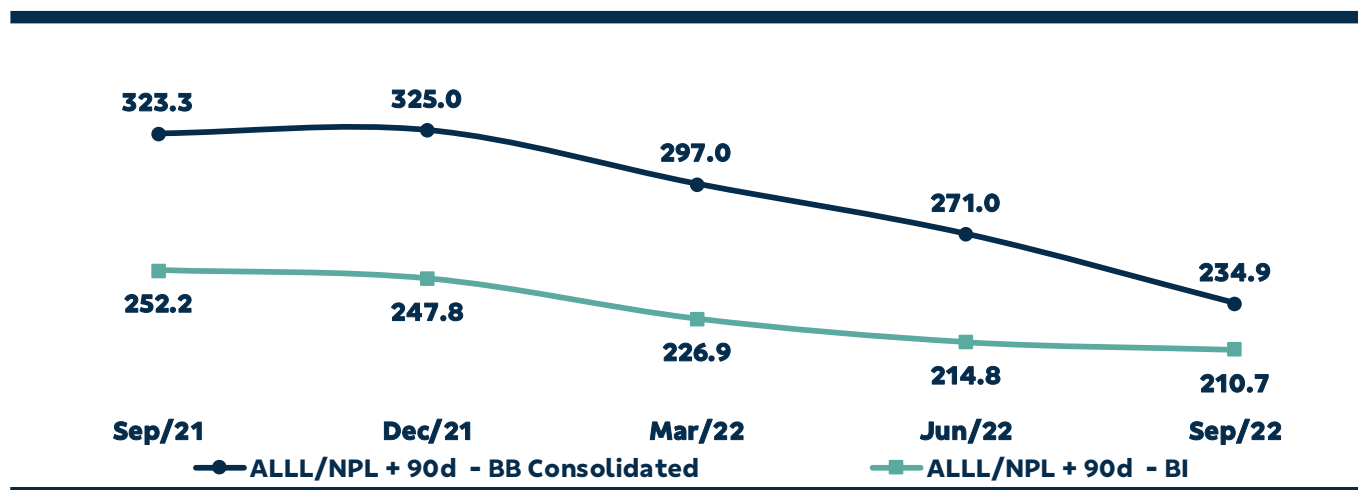


Figure 6. Coverage Index - %





# Guidance

Table 5. 2022 Guidance

	9M22 Performance	Current Guidance	Reviewed
<b>Loan Portfolio<sup>1</sup> - %</b>	<b>20.5</b>	<b>12.0 to 16.0</b>	<b>15.0 to 17.0</b>
Individuals - %	10.9	11.0 to 15.0	11.0 to 13.0
Companies <sup>2</sup> - %	25.0	8.0 to 12.0	15.0 to 17.0
Agribusiness - %	26.7	18.0 to 22.0	unchanged
<b>Net Interest Income - %</b>	<b>16.7</b>	<b>13.0 to 17.0</b>	<b>19.5 to 21.5</b>
<b>ALLL Expanded View - R\$ billion</b>	<b>-10.2</b>	<b>-17.0 to -14.0</b>	<b>unchanged</b>
<b>Fee Income - %</b>	<b>11.0</b>	<b>6.0 to 9.0</b>	<b>9.0 to 11.0</b>
<b>Administrative Expenses - %</b>	<b>6.0</b>	<b>4.0 to 8.0</b>	<b>unchanged</b>
<b>Adjusted Net Income - R\$ billion</b>	<b>22.8</b>	<b>27.0 to 30.0</b>	<b>30.5 to 32.5</b>

(1) Loan Portfolio: it considers organic domestic loan portfolio with private securities and guarantees. Government operations not included (2) Companies: Government operations not included.

## Deviations from Guidance

In the nine first months of 2022, the following indicators showed a variation from what was expected for the year:

**Loan Portfolio:** variation reflects the positive performance in Companies and Agribusiness portfolios.

**Individuals:** explained by lower disbursement in non-payroll loan credit lines.

**Companies:** influenced by the SME portfolio, notably by disbursements in Pronampe.

**Agribusiness:** explained by the strong performance and proximity with the sector.

**Fee Income:** performance impacted especially by the positive performance in asset management, insurance, loans and guarantees operations.