



Press Release – Brasília (DF), November 09<sup>th</sup>, 2022

## BB posts a record adjusted net income of R\$22.8 billion in the 9M22 Up 50.9% over 9M21

Banco do Brasil set an **adjusted net income** of R\$22.8 billion in 9M22, up 50.9% over 9M21, which represents a **ROE** (return on equity) of 20.5%.

The quarterly adjusted net income reached R\$8.4 billion, 62.7% higher than the third quarter of 2021 and 7.1% higher than the second quarter of 2022. The ROE for the third quarter reached 21.8%.

Banco do Brasil's result reflects the **levers** that support the sustainability of its long-term return: the growth of the loan portfolio with a mix that presents a better risk-adjusted return; the continued diversification in the services line, which begins to reflect the monetization of new business models; the constant discipline in cost management; and the solid capital position.

Year-to-date, Banco do Brasil will distribute more than R\$8.5 billion in **dividends and interest on capital** to its shareholders, corresponding to a payout of 40%.

At the same time, BB aggregated to society the **added value** of R\$57.8 billion in the 9M22, a growth of 34.8% compared to the previous year. The statement of added value is an accounting document and represents how much wealth the company generated and its distribution in terms of taxes, dividends, people, remuneration of equity and third-party capital.

### Loan Portfolio

The **Expanded Loan Portfolio** was R\$969.2 billion in September/22, up 5.4% QoQ and 19.0% YoY.

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). In the **22/23 harvest plan**, Banco do Brasil disbursed R\$63.5 billion (+37.8% over the previous) in agribusiness loan operations. There were 197 thousand operations contracted in the period, 56.2% destined to family farming (Pronaf).

In September/22, the **sustainable business portfolio** presented a balance of R\$321.2 billion, up 13.9% YoY. This amount was contracted in loan lines with high environmental and/or social additionality or destined to finance activities and/or segments that have positive externalities.

**Overdue Loans under control:** The NPL +90d (ratio between transactions overdue for more than 90 days and the classified loan portfolio balance) went from 2% in June/22 to 2.3% in September/22, remaining below the Banking Industry, which closed the period at 2.8%. BB's coverage ratio was 234.9% in September/22.



## Bis Ratio

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

## Fee Income and Administrative Expenses Dynamics

**Fee income** was R\$23.9 billion in 9M22, up 11.0% YoY. On the quarter was R\$8.5 billion, up 8.6%, mainly influenced by the performance of consortium (+50.6%) and fees from insurance, pension plans & premium bonds (+20.6%).

**Administrative expenses** reached R\$24.9 billion, up 6.0% YoY, below the inflation recorded in the period. In the third quarter of 2022, it reached R\$8.4 billion, up 1.2% QoQ.

## Solutions and Services Hub

**Broto:** the digital platform focused on agribusiness, completed two years of existence and has been scaling its operation. From its creation until September 2022, R\$1.8 billion in business was contracted, which demonstrates its potential in facilitating rural producers' access to banking and non-banking products and services.

**Loja BB:** In 9M22, Loja BB handled approximately R\$680 million in sales of non-financial products and services, in more than 26 million transactions. Loja BB continues to expand and ended September 2022 with 50 brands, offering cashback directly to the customer's account.

**Liga PJ:** Another important step in BB's expansion of its operations in the micro and small business ecosystem is the Liga PJ platform, available at [ligapj.com.br](http://ligapj.com.br). The solution has reached more than 530 thousand users and 21 partners.

## Guidance 2022 – Revised

We present below our performance in the 9M22 and the guidance for 2022. The ranges established for the year consider the quarters seasonality.

	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 domestic classified portfolio added of Private Securities and Guarantees.

(2) **Companies:** Government operations not included.