



Earnings Summary

Banco do Brasil adjusted net income was R\$9.0 billion in 4Q22, up 8.1% QoQ and up 52.4% YoY. In the same period, annualized quarterly ROE was 23.0%.

Compared to the previous quarter, the result was mainly influenced by the following elements: **(I)** increase in net interest income (+9.7%) and in other income (+64.6%); **(II)** increase in expanded ALLL (+44.7%); and **(III)** increase in administrative expenses (+6.1%) and in other expenses (+13.3%).

The 4th quarter result was impacted by the accounting of a subsequent event that generated the constitution of a provision for a company in the large corporate segment that filed for judicial recovery in January 2023. The personalized analysis of the case applied to the credit methodology resulted in provisioning of R\$788 million, corresponding to 50% of the case. We will keep monitoring the situation and adjusting the volume of provisions if needed. It is also worth mentioning that any need for further worsening of the risk and its impact on the provision are already duly included in the 2023' guidance.

Excluding the subsequent event, the adjusted net income would be R\$9.4 billion in the quarter, equivalent to an annualized ROE of 23.4%. Although the models and credit analysis do not indicate zero return on allocated capital, in a simulation carried out with the application of 100% provision for these assets, the adjusted net income for the quarter would have been R\$8.6 billion, with an annualized ROE of 21.8%.

In 2022, adjusted net income was R\$31.8 billion, up 51.3% compared to the previous year, and ROE was 21.1%. In the year (2022/2021), result was influenced by the following elements: **(I)** increases in net interest income (+23.8%), fee income (+10.2%) and net gains from equity method investments (+69.1%) contributed to the year's result; **(II)** increases of 27.8% in expanded ALLL and of 5.6% in administrative expenses (+6.7% in personnel expenses and +3.7% in other administrative expenses).

Excluding the subsequent event, adjusted net income for the year of 2022 would be R\$32.2 billion, while if 100% of the provision were carried out for the case, the adjusted net income would have been R\$31.4 billion in the year.



Statement of Income

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

	4Q21	3Q22	4Q22	Chg. %		2021	2022	Chg. %
				4Q21	3Q22			2021
Net Interest Income	14,801	19,558	21,451	44.9	9.7	59,305	73,397	23.8
ALLL Expanded View	(3,790)	(4,517)	(6,534)	72.4	44.7	(13,108)	(16,747)	27.8
ALLL Expenses – Recovery of Write-offs	1,950	2,224	2,300	17.9	3.4	7,808	8,771	12.3
ALLL Expenses – Credit Risk	(5,246)	(6,315)	(8,164)	55.6	29.3	(17,884)	(23,547)	31.7
ALLL Expenses – Discounts Granted	(307)	(264)	(306)	(0.3)	16.2	(2,135)	(1,176)	(44.9)
ALLL Expenses – Impairment	(188)	(163)	(363)	93.6	123.5	(897)	(795)	(11.4)
Net Financial Margin	11,010	15,041	14,917	35.5	(0.8)	46,198	56,650	22.6
Fee income	7,822	8,524	8,437	7.9	(1.0)	29,343	32,333	10.2
Administrative Expenses	(8,517)	(8,405)	(8,918)	4.7	6.1	(32,026)	(33,828)	5.6
Legal Risk ¹	(1,318)	(1,534)	(1,398)	6.1	(8.8)	(6,264)	(6,033)	(3.7)
Other Operating Income ²	(231)	(490)	1,129	-	-	(5,898)	(421)	(92.9)
Income Before Taxes	8,766	13,138	14,166	61.6	7.8	31,352	48,700	55.3
Income and Social Contribution Taxes	(1,609)	(2,980)	(3,164)	96.6	6.2	(6,080)	(10,195)	67.7
Corporate Profit Sharing	(733)	(1,065)	(1,151)	57.1	8.1	(2,645)	(4,059)	53.5
Adjusted Net Income	5,930	8,360	9,039	52.4	8.1	21,021	31,815	51.3
One-Off Items	(578)	(261)	(412)	(28.8)	57.9	(1,311)	(803)	(38.7)
Net Income	5,352	8,099	8,627	61.2	6.5	19,710	31,011	57.3
Market ROE - %	16.6	21.8	23.0			15.8	21.1	
Adjusted ROE - %	16.3	21.5	22.7			14.8	20.6	
Shareholders' ROE - %	17.5	23.0	24.1			16.8	22.2	

(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 (NII)

In 4Q22, the Net Interest Income (NII) totaled R\$21.5 billion, up 9.7% in the quarterly comparison (4Q22/3Q22) and 44.9% in the 12-month comparison (4Q22/4Q21). In the year, NII was R\$73.4 billion, up 23.8%.

In the quarter, highlight was the increase in Loan Operations Income (7.0%), benefited by the loan portfolio's growth and repricing, in the Treasury Result (+7.7%), 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 (+4.5%)

In the year, the increase in Loan Operations Income (+43.7%) and Treasury Result (+116.0%), reinforced by growth in the credit and securities portfolio, contributed to the NII's performance, partially impacted by the 158.4% increase in Commercial Funding Expenses. In the period, financial income and expenses were also influenced by the average Selic rate's increase (12.39% in 2022 against 4.42% in 2021, up 7.97%).

Table 2. Net Interest Income (NII) and Net Interest Margin (NIM) – R\$ million

	4T21	3T22	4T22	Var. %		2021	2022	Var. %
				4T21	3T22			2021
Margem Financeira Bruta	14.801	19.558	21.451	44,9	9,7	59.305	73.397	23,8
Receita Financeira de Operações de Crédito	22.002	28.875	30.889	40,4	7,0	76.479	109.863	43,7
Resultado de Tesouraria ¹	4.549	10.155	10.937	140,5	7,7	15.927	34.404	116,0
Despesa Financ. de Captação Comercial	(9.100)	(16.762)	(17.522)	92,6	4,5	(23.211)	(59.985)	158,4
Despesa Financ. de Captação Institucional ²	(2.650)	(2.709)	(2.853)	7,6	5,3	(9.889)	(10.886)	10,1
Spread Global - % ³	3,5	4,2	4,7					
Spread Ajustado pelo Risco - %	2,6	3,2	3,2					

(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\$6.5 billion in 4Q22, up 44.7% QoQ and up 72.4% YoY.

The 4th quarter credit risk was impacted by the accounting of a subsequent event that generated the constitution of a provision for a company in the large corporate segment that filed for judicial recovery in January 2023. The personalized analysis of the case applied to the credit methodology resulted in provisioning of R\$788 million, corresponding to 50% of the case. We will keep monitoring the situation and adjusting the volume of provisions if needed. It is also worth mentioning that any need for further worsening of the risk and its impact on the provision are already duly included in the 2023' guidance.

Table 3. ALLL Expanded View – R\$ million

	4Q21	3Q22	4Q22	Chg. %		2021	2022	Chg. %
				4Q21	3Q22			2021
ALLL Expanded View	(3,790)	(4,517)	(6,534)	72.4	44.7	(13,108)	(16,747)	27.8
ALLL Expenses – Recovery of Write-offs	1,950	2,224	2,300	17.9	3.4	7,808	8,771	12.3
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ALLL Expenses – Impairment	(188)	(163)	(363)	93.6	123.5	(897)	(795)	(11.4)

Recovery of Write-Offs: Up 3.4% QoQ and up 17.9% YoY, reflecting the effectiveness of the credit operations collection process.

Credit Risk: Up 29.3% QoQ and up 55.6% YoY. In the quarter, there was a provision recognition for 50% of the exposure of a client undergoing judicial recovery, classified as a subsequent event.

Discounts Granted: Up 16.2% QoQ. In line with the increase of renegotiations, and flat YoY (-0.3%)

Impairment: Up 123.5% QoQ and up 93.6% YoY, impacted by cases in the wholesale segment.



Fee Income

Fee income totaled R\$8.4 billion in 4Q22, 1.0% decrease QoQ, mainly influenced by the performance of fees from asset management (-7.4%), checking account (-1.8%) and credit/debit cards (-3,6%).

In the accumulated view (2022/2021), the 10.2% up was influenced by the commercial performance in the segments of asset management (+11.8%), insurance, pension plans and premium bonds (+14.6%), and loans and guarantees (+27.2%).

Table 4. Fee Income – R\$ million

	4Q21	3Q22	4Q22	Chg. %		2021	2022	Chg. %
				4Q21	3Q22			2021
Fee Income	7,822	8,524	8,437	7.9	(1.0)	29,343	32,333	10.2
Asset Management	1,978	2,206	2,042	3.2	(7.4)	7,460	8,337	11.8
Checking Account	1,522	1,691	1,660	9.1	(1.8)	6,231	6,385	2.5
Insur., Pens. Plans & Premium Bonds	1,164	1,376	1,359	16.8	(1.3)	4,412	5,056	14.6
Loans and Guarantees	532	572	651	22.3	13.7	1,781	2,267	27.2
Credit/Debit Cards	584	647	624	6.9	(3.6)	2,136	2,416	13.1
Consortium Management Fees	521	524	548	5.1	4.5	1,810	1,966	8.6
Collections	371	386	376	1.3	(2.7)	1,458	1,514	3.8
Billings	254	252	256	0.8	1.5	988	1,019	3.1
Contract Processing	178	231	230	29.1	(0.5)	695	853	22.7
Subsidiaries Abroad	220	218	226	2.7	3.8	777	848	9.1
Capital Market	156	128	157	0.5	22.3	436	498	14.2
Nat. Treasury & Manag. of Official Funds	92	88	90	(2.1)	2.1	366	359	(2.0)
Foreign Exchange Services	65	59	61	(6.0)	3.0	270	248	(8.3)
Other	183	144	156	(14.8)	8.5	523	568	8.7



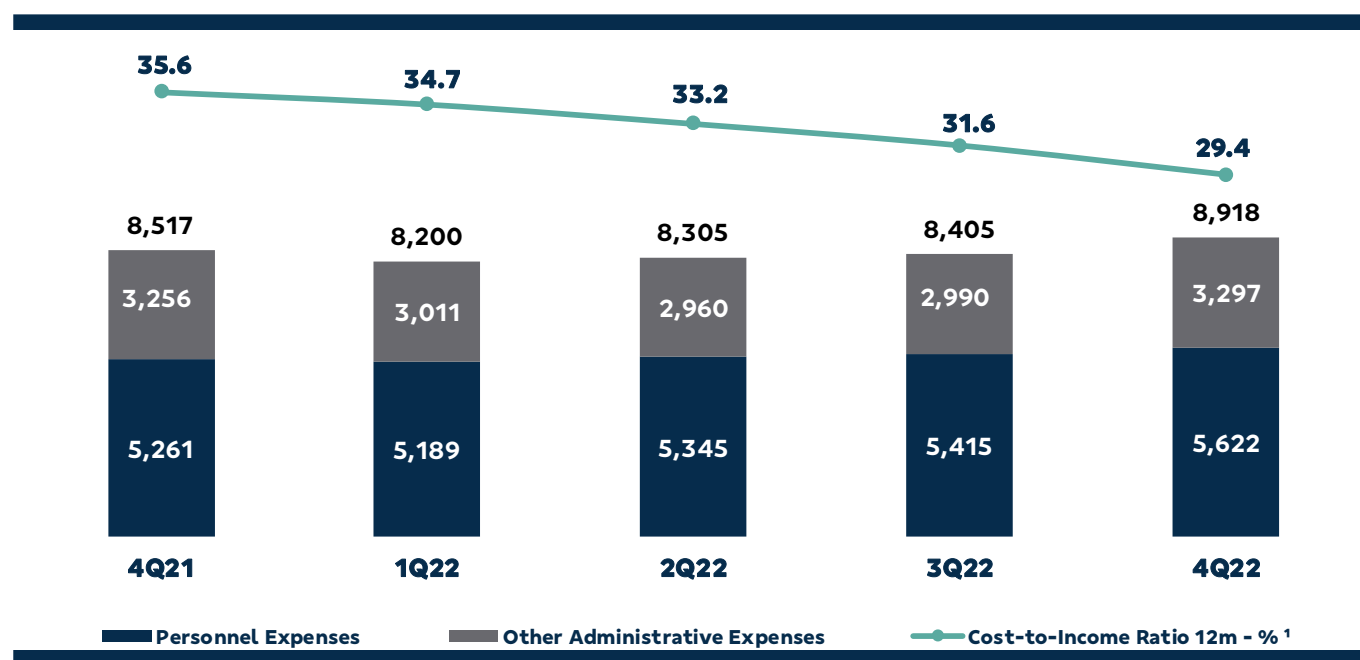
Administrative Expenses and Cost-to-Income Ratio

In 4Q22, administrative expenses totaled R\$ 8.9 billion, up 6.1% QoQ, which reflected the 10.3% increase in other administrative expenses and the 3.8% in personnel expenses.

In annual comparison, administrative expenses grew 5.6%, within the range of Guidance and below the inflation accumulated in 12 months (+5.79%).

The cost-to-income ratio accumulated in 12 months reached 29.4%, the best level of the historical data.

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

In December/22, BIS Ratio was 16.65% and Tier I was 14.74%, being 12.01% of Common Equity Tier 1 (CET1). The CET1 increased 24 bps in the quarter, mainly explained due to the incorporation of net income to the shareholder's equity, discounted of allocated dividends, on the last quarter of 2022 (+59bps), an effect partially offset by the increase of R\$33.5 billion in RWA (-39bps).

Figure 2. BIS Ratio – %

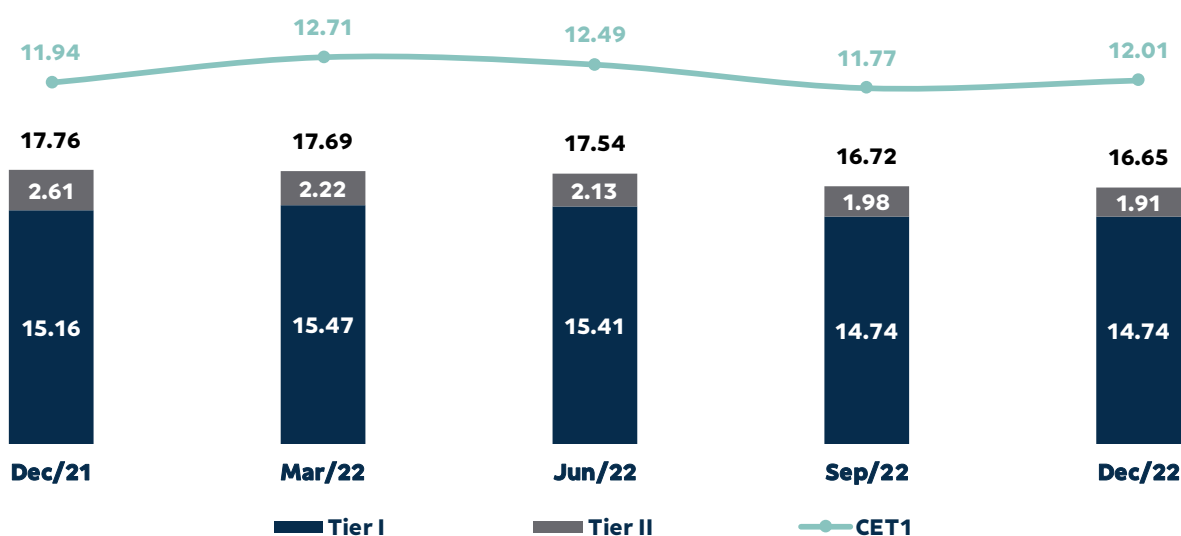
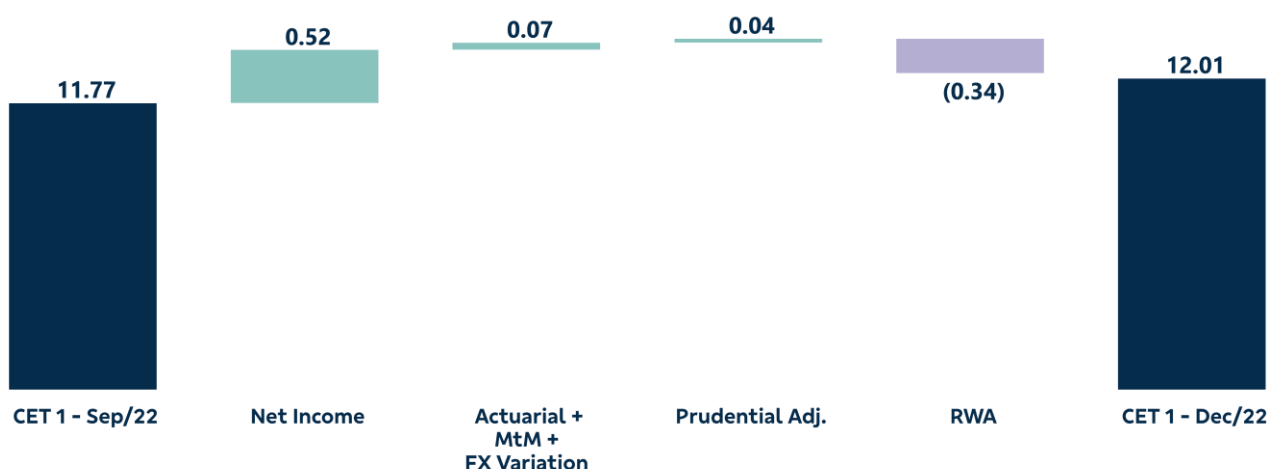


Figure 3. Changes in Common Equity Tier 1 (CET1)– %





Shareholders' Compensation

The shareholders' compensation policy seeks to ensure the proper valuation of shareholders, combined with the continuity and financial sustainability in the short, medium, and long term of the Bank, considering the need of flexibility and financial soundness for the sustainable maintenance of business.

For the fiscal year 2022, the percentage of 40% of net income was approved, adjusted according to letters “a” and “b” of item I of article 202 of Law 6,404/76, to be distributed as dividends and/or Interest on Capital

(JCP), based on the result of the Bank, its financial position, cash requirements, Capital Plan and its goals and respective projections, the Risk Appetite and Tolerance Statement, outlook of the actual and potential markets of operation, investment opportunities and maintenance and expansion of the operational capacity.

The total allocated to shareholders in fiscal year 2022 was R\$11.8 billion. The amount distributed per share was R\$4.138.



Loan Portfolio

The December/22, the Bank reached a balance of R\$1.0 trillion in the Expanded Loan Portfolio, in addition to the Classified Portfolio, private securities and guarantees, a quarterly growth of 3.7%.

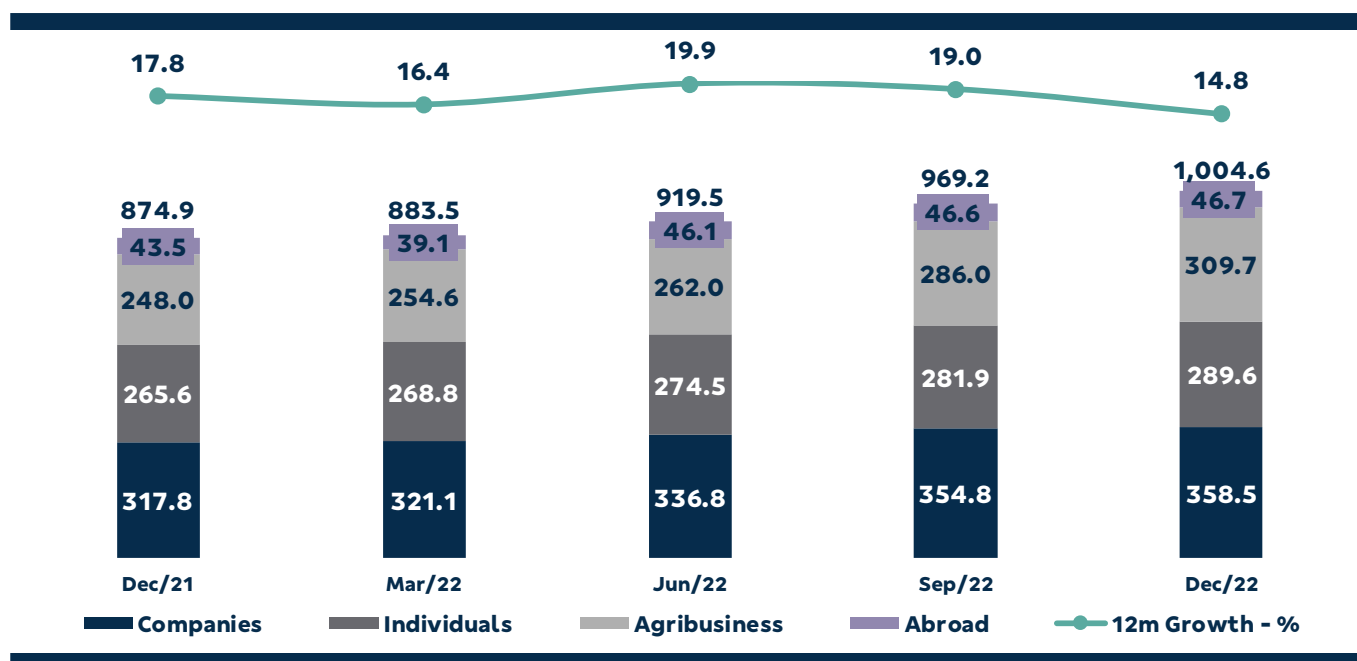
In YoY comparison, the growth was 14.8%. In both comparison periods, positive performances were observed in all business segments.

The individuals expanded portfolio grew 2.7% QoQ and 9.0% YoY, mainly due to the positive performance in payroll loans (+1.6% QoQ and +7.8% YoY), non-payroll loans (flat QoQ and +11.0% YoY) and credit card operations (+4.9% QoQ and +14.5% YoY).

The companies expanded portfolio showed QoQ growth of 1.1% and 12.8% YoY. Highlight to the increase of the receivables (+11.3% QoQ and +20.4% YoY) and private securities and guarantees (+4.6% QoQ and +21.4% YoY), highlighting the disbursements in Pronampe, which, from July to December, totaled R\$12 billion.

The agribusiness expanded portfolio was up 8.3% QoQ and up 24.9% YoY, with highlight to the working capital for input purchase (+9.0% QoQ and +46.5% YoY) and investment operations (+18.4% QoQ and +54.6% YoY).

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





Credit Quality

In December/22, the NPL +90d (ratio between transactions more than 90 days overdue and the classified loan portfolio balance) was 2.51% 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 227.1%, higher than the average values observed in the Brazilian banking industry.

Figure 5. NPL +90d of Classified Loan Portfolio – %

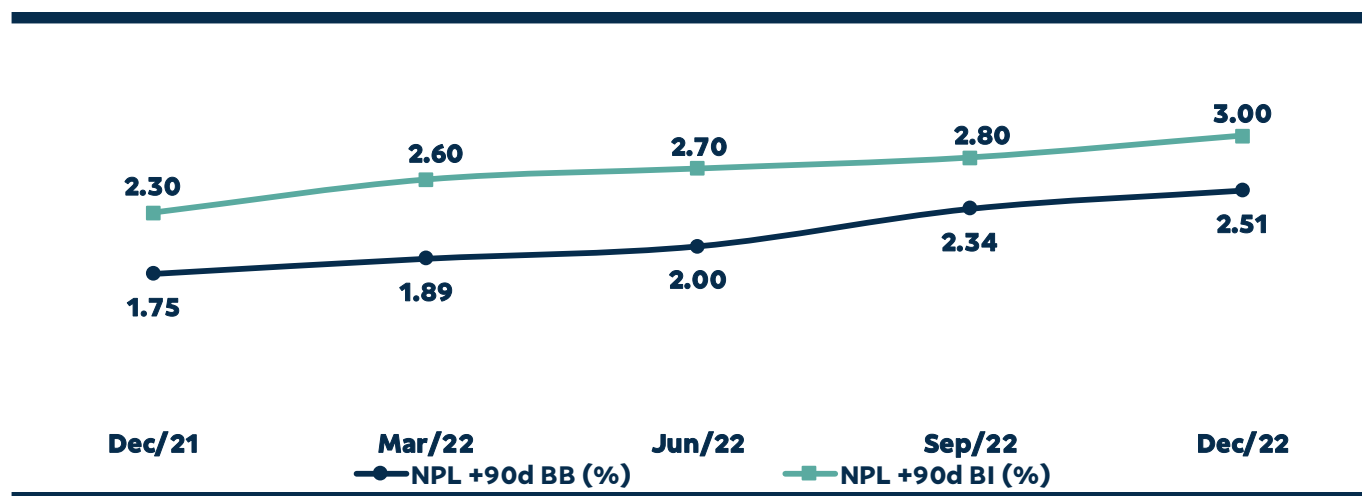
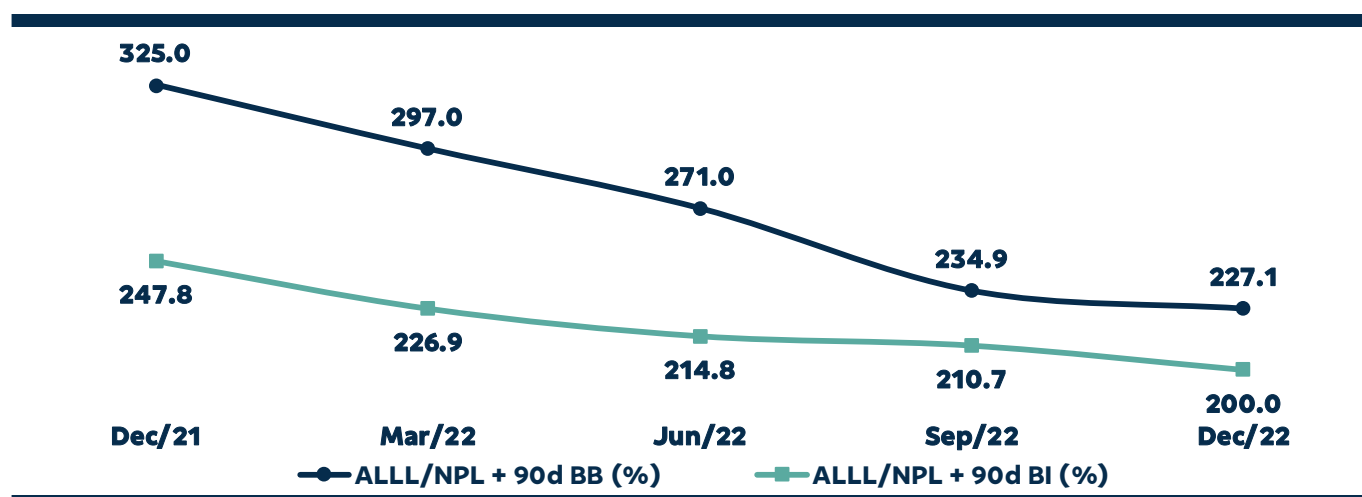


Figure 6. Coverage Index of Classified Loan Portfolio – %





Guidance

Guidance 2022

In the year of 2022, the following indicators showed variation in relation to the guidance for the year:

Individuals Loan Portfolio: explained by the lower disbursement as a result of the macroeconomic scenario.

Companies Loan Portfolio: influenced by the SME portfolio, notably by disbursements in Pronampe, and by the Corporate Expanded portfolio.

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

Net Interest Income: explained by the growth in loan operation income and treasury result benefited by the Average Selic Rate (TMS) in the year.

Table 5. Year's Performance and Guidance (2022)

	Performance 2022	Guidance 2022
Loan Portfolio¹ - %	17.0	15.0 to 17.0
Individuals - %	9.0	11.0 to 13.0
Companies ² - %	17.7	15.0 to 17.0
Agribusiness - %	24.9	18.0 to 22.0
Net Interest Income - %	23.8	19.5 to 21.5
ALLL Expanded View - R\$ billion	-16.7	-17.0 to -14.0
Fee Income - %	10.2	9.0 to 11.0
Administrative Expenses - %	5.6	4.0 to 8.0
Adjusted Net Income - R\$ billion	31.8	30.5 to 32.5

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



Guidance 2023

The guidance for 2023 have been prepared based on the following assumptions:

Assumptions under Management control

- a) Preservation of current business model;
- b) Optimization of capital allocation;
- c) Focus on relationship, being the main solution provider, in order to enhance CX and the Bank's results;
- d) Actions guided by sustainability, promoting ESG business and social development;
- e) Investments in digital acceleration;
- f) Emphasis on improving operational efficiency and expenses' control.

Assumptions that are not under management control

- a) Regulatory changes that may impact the business;
- b) Level of domestic and global economic activity;
- c) Domestic macroeconomic policy structure maintenance;
- d) Unemployment level.

Table 6. Year's Performance and Guidance (2023)

	Observado 2022	Projeções 2023
Carteira de Crédito¹ - %	17,0	8,0 a 12,0
Pessoas Físicas - %	9,0	7,0 a 11,0
Empresas ² - %	17,7	7,0 a 11,0
Agronegócios - %	24,9	11,0 a 15,0
Margem Financeira Bruta - %	23,8	17,0 a 21,0
PCLD Ampliada - R\$ bilhões	-16,7	-23,0 a -19,0
Receitas de Prestação de Serviços - %	10,2	7,0 a 11,0
Despesas Administrativas - %	5,6	7,0 a 11,0
Lucro Líquido Ajustado - R\$ bilhões	31,8	33,0 a 37,0

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