



Earnings Summary

Banco do Brasil registered an adjusted net income of R\$6.6 billion in 1Q22, up 11.5% QoQ and up 34.6% YoY. The annualized quarterly ROE was 17.6%.

In comparison with the previous quarter, the earnings was influenced by the following factors: (i) a 3.6% increase in the NII, (ii) a 27.2% decrease in ALLL expenses and (iii) a 3.7% decrease of administrative expenses.

In comparison with the same period of the previous year, the adjusted net income, which grew by 34.6%, was influenced by the following reasons: (i) a 5.6% growth in NII, (ii) a 9.4% increase in fee income, (iii) a 20.1% increase in net gains from equity method investments, and (iv) a 6% increase in administrative expenses.



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

	1Q21	4Q21	1Q22	Chg. %	
				1Q21	4Q21
Net Interest Income	14,522	14,801	15,332	5.6	3.6
ALLL Expanded View	(2,523)	(3,790)	(2,758)	9.3	(27.2)
ALLL Expenses - Credit Risk	(3,287)	(5,246)	(4,487)	36.5	(14.5)
ALLL Expenses - Recovery of Write-offs	1,746	1,950	2,110	20.8	8.2
ALLL Expenses - Discounts Granted	(736)	(307)	(259)	(64.9)	(15.8)
ALLL Expenses - Impairment	(246)	(188)	(123)	(50.2)	(34.6)
Net Financial Margin	11,999	11,010	12,574	4.8	14.2
Fee income	6,878	7,822	7,525	9.4	(3.8)
Administrative Expenses	(7,737)	(8,517)	(8,200)	6.0	(3.7)
Legal Risk	(1,593)	(1,318)	(1,574)	(1.2)	19.4
Other Operating Income	(2,463)	(231)	(787)	(68.0)	240.8
Income Before Taxes	7,083	8,766	9,537	34.6	8.8
Income and Social Contribution Taxes	(1,169)	(1,609)	(1,560)	33.5	(3.0)
Corporate Profit Sharing	(600)	(733)	(847)	41.3	15.7
Adjusted Net Income	4,913	5,930	6,613	34.6	11.5
One-Off Items	(687)	(578)	47	-	-
Net Income	4,226	5,352	6,660	57.6	24.4
Market ROE - %	15.1	16.6	17.6		
Adjusted ROE - %	14.2	16.3	17.3		
Shareholders' ROE - %	16.1	17.5	18.7		

(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'.



Pre-Tax and Pre-Provision Earnings (PPOP)

Table 2. PPOP – R\$ million

	1Q21	4Q21	1Q22	Chg. %	
				1Q21	4Q21
Total Operating Income	23,681	26,320	26,506	11.9	0.7
Operating Income	23,256	25,207	25,457	9.5	1.0
Net Interest Income	14,522	14,801	15,332	5.6	3.6
Fee Income	6,878	7,822	7,525	9.4	(3.8)
Eq. Interest of Subsidiaries and Affiliates	877	850	1,053	20.1	23.8
Other Operating Income	979	1,734	1,548	58.1	(10.7)
Previ - Plano de Benefícios 1	116	698	553	378.6	(20.8)
Previ - Fundo de Utilização Restatement	310	415	495	59.7	19.5
Total Operating Expenses	(14,198)	(13,775)	(14,208)	0.1	3.1
Administrative Expenses	(7,737)	(8,517)	(8,200)	6.0	(3.7)
Personnel Expenses	(4,989)	(5,261)	(5,189)	4.0	(1.4)
Other Administrative Expenses	(2,748)	(3,256)	(3,011)	9.6	(7.5)
Other Tax Expenses	(1,372)	(1,314)	(1,564)	14.0	19.0
Legal Risk	(1,593)	(1,318)	(1,574)	(1.2)	19.4
Other Provisions	(164)	92	(96)	(41.3)	-
Other Operating Expenses	(3,332)	(2,717)	(2,774)	(16.8)	2.1
Non-Operating Income	123	12	(3)	-	-
Pre-Tax and Pre-Provision Earnings	9,606	12,556	12,295	28.0	(2.1)



Net Interest Income

In 1Q22, Net Interest Income (NII) was R\$15.3 billion, up 3.6% QoQ and up 5.6% YoY.

In the quarterly comparison, highlight was the 12.1% growth in financial income, with +8.6% in loan operations income and +28.8% in treasury result, while commercial funding expenses increased 30.5%.

In year-to-date comparison, similarly to the trend observed in the quarter, highlight was the 46.9% growth in financial income, with +38.6% in loan operations income and +94.3% in treasury income,

while commercial funding expenses increased 263.8%.

It should be noted that the upward movement of the average benchmark interest rate (TMS) in Brazil (2.43% in 1Q22, over 1.85% in 4Q21 and 0.49% in 1Q21) has a negative impact on commercial funding expenses and a positive impact on loan operations income and interest on fixed-income securities (treasury).

Table 3. Net Interest Income and NIM – R\$ million

	1Q21	4Q21	1Q22	Chg. %	
				1Q21	4Q21
Net Interest Income	14,522	14,801	15,332	5.6	3.6
Loan Operations Income	17,243	22,002	23,903	38.6	8.6
Treasury Result ¹	3,019	4,554	5,865	94.3	28.8
Commercial Funding Expenses	(3,266)	(9,105)	(11,879)	263.8	30.5
Institutional Funding Expenses ²	(2,474)	(2,650)	(2,558)	3.4	(3.5)
NIM - % ³	3.7	3.5	3.5		
Risk Adjusted NIM - %	3.1	2.6	2.9		

(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

ALLL Expanded View, comprising the allowance expenses for loan losses net of recovery of write-offs, plus discounts granted and impairment, was R\$2.8 billion in 1Q22, down 27.2% QoQ and up 9.3% YoY.

Table 4. ALLL Expanded View – R\$ million

	1Q21	4Q21	1Q22	Chg. %	
				1Q21	4Q21
ALLL Expanded View	(2,523)	(3,790)	(2,758)	9.3	(27.2)
ALLL Expenses - Credit Risk	(3,287)	(5,246)	(4,487)	36.5	(14.5)
ALLL Expenses - Recovery of Write-offs	1,746	1,950	2,110	20.8	8.2
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Credit Risk: Down 14.5% QoQ. In 2020, the Bank made anticipations of provisions in a prudential manner, raised the coverage which is expected to be gradually reduced over the next quarters.

Recovery of Write-Offs: Up 8.2% QoQ, reflecting the increased effectiveness of the loan collection process.

Discounts Granted: Down 15.8% QoQ.

Impairment: Down 34.6% QoQ.



Fee Income

Fee income was R\$7.5 billion in 1Q22, down 3.8% QoQ, influenced by the seasonal effect and the performance of fees from loans and guarantees operations (-13.3%) and capital market (-40.4%). The positive highlights were insurance (+1.4%) and consortium (+4.6%) segments.

In the 12-month view, the 9.4% growth, which is higher than the guidance, was influenced by the commercial performance in the asset management (+16.7%), insurance (+15.2%), consortium (+41.8%) and loans and guarantees fees, which more than offset the reduction in checking account fees (-8.8%).

Table 5. Fee Income – R\$ million

	1Q21	4Q21	1Q22	Chg. %	
				1Q21	4Q21
Fee Income	6,878	7,822	7,525	9.4	(3.8)
Asset Management	1,679	1,978	1,960	16.7	(0.9)
Checking Account	1,633	1,522	1,490	(8.8)	(2.1)
Insur., Pens. Plans & Premium Bonds	1,024	1,164	1,179	15.2	1.4
Credit/Debit Cards	516	584	560	8.4	(4.2)
Consortium	384	521	545	41.8	4.6
Loans and Guarantees	360	532	462	28.3	(13.3)
Collections	365	371	369	1.1	(0.7)
Billings	242	254	253	4.6	(0.3)
Subsidiaries Abroad	174	220	197	13.6	(10.4)
Contract Processing	163	178	149	(8.3)	(16.2)
Capital Market	68	156	93	35.9	(40.4)
Nat. Treasury and Manag. of Official Funds	96	92	87	(8.6)	(5.0)
Foreign Exchange Services	67	65	64	(4.8)	(2.0)
Other	106	183	116	9.3	(36.6)



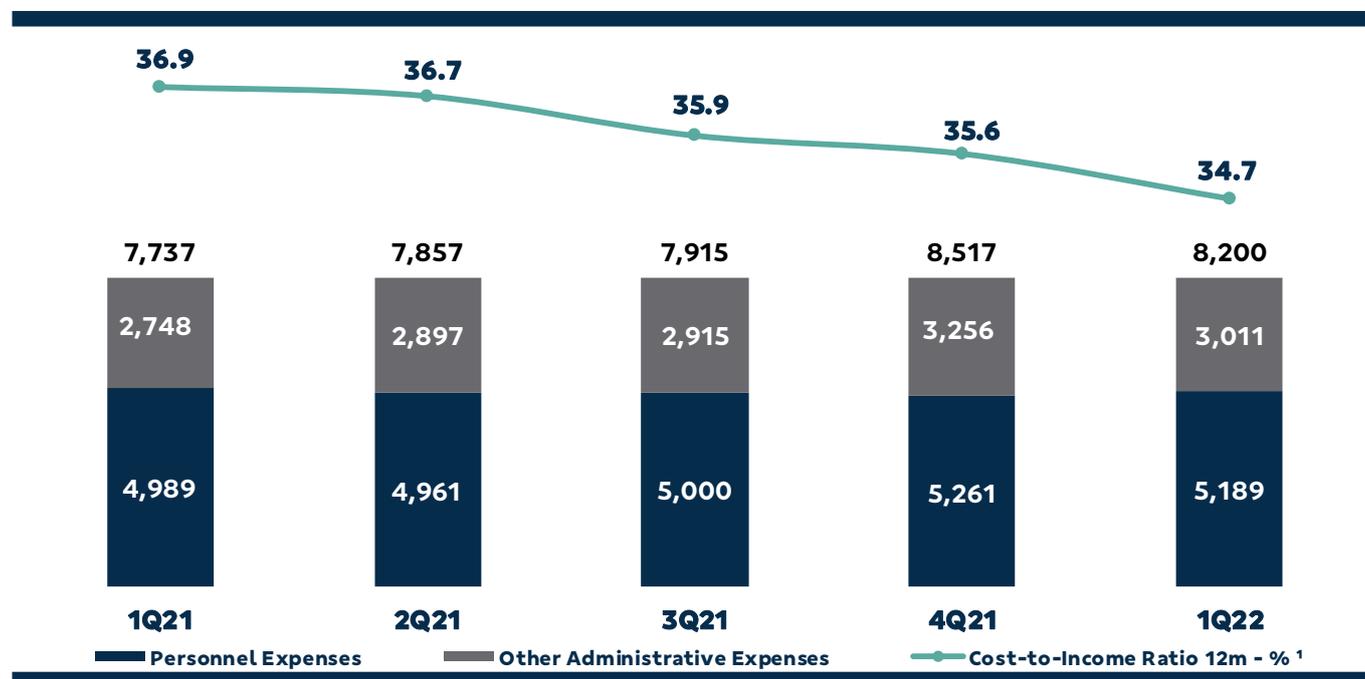
Administrative Expenses and Cost-to-Income Ratio

Administrative expenses was R\$8.2 billion in 1Q22, down 3.7% QoQ. The retraction was influenced by the seasonality of the period, with emphasis on other administrative expenses, with a reduction of 7.5%, notably in the advertising and public relations, which concentrates expenses on end-of-year campaigns and personnel expenses, which reduced by 1.4%, influenced by lower expenses with wages and salaries in the previous quarter.

In the comparison with the same period of the previous year, expenses grew 6.0%, within the range of Guidance, with personnel expenses increasing 4.0% influenced by the readjustment granted in September 2021, partially offset by the reduction in the average number of employees.

The cost-to-income Ratio accumulated in 12 months was 34.7%, the best index in 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 and (c) the Corporate Budget. In March/22, BIS Ratio was 17.69% and the Tier I was 15.47%, being 12.71% of Common Equity Tier 1 (CET1).

Figure 2. BIS Ratio – %

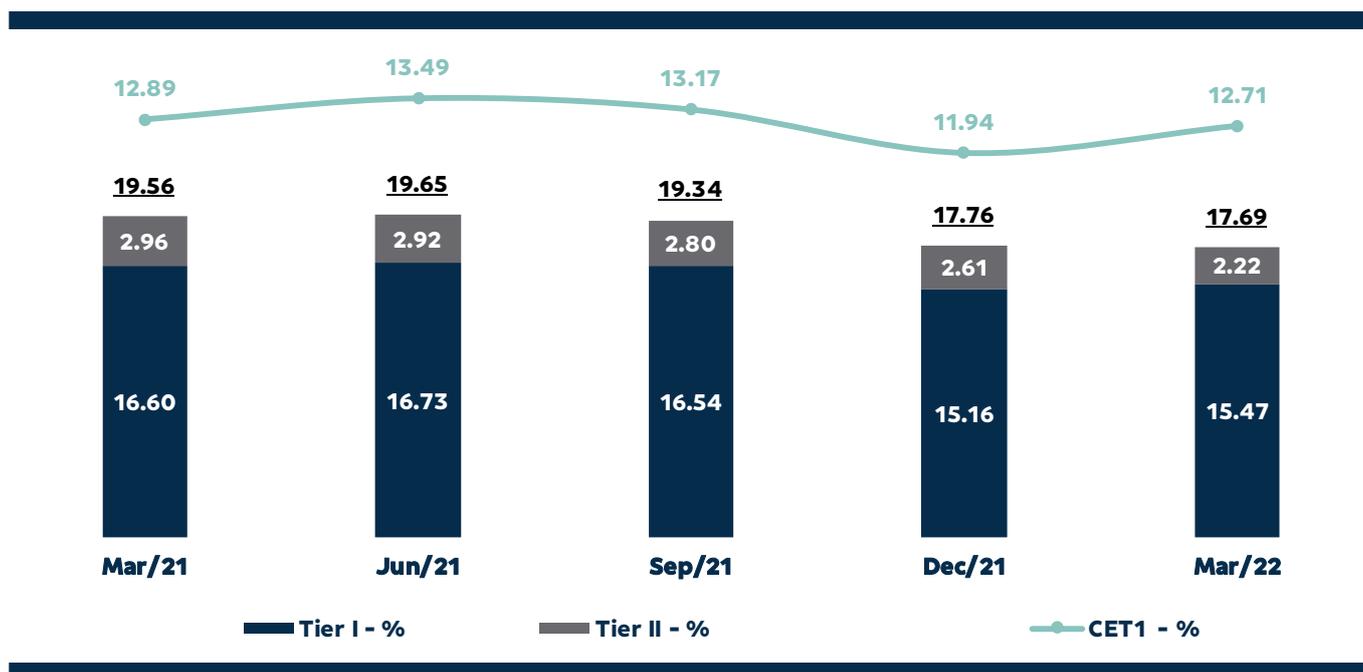
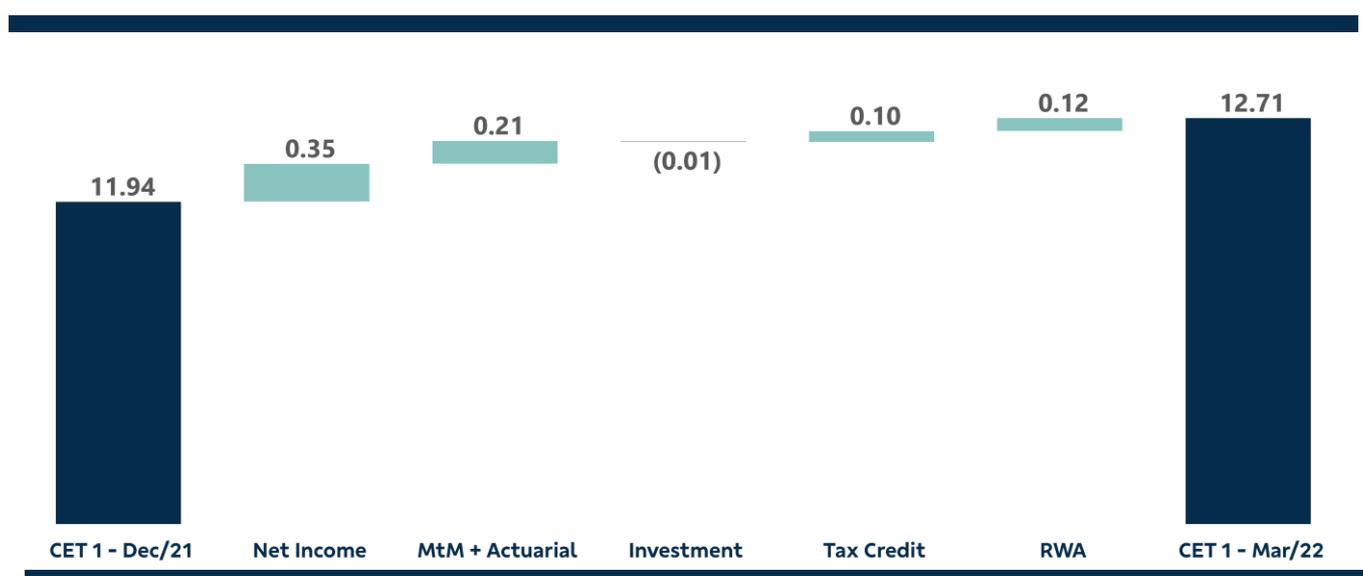


Figure 3. Changes in Common Equity Tier 1 (CET1)- %





Loan Portfolio

The Loan Portfolio Expanded View, which includes, in addition to the classified loan portfolio, private securities and guarantees, was R\$883.5 billion in March/22, up 1.0% QoQ.

In YoY comparison up 16.4%. In both comparison periods robust growths were observed in all segments.

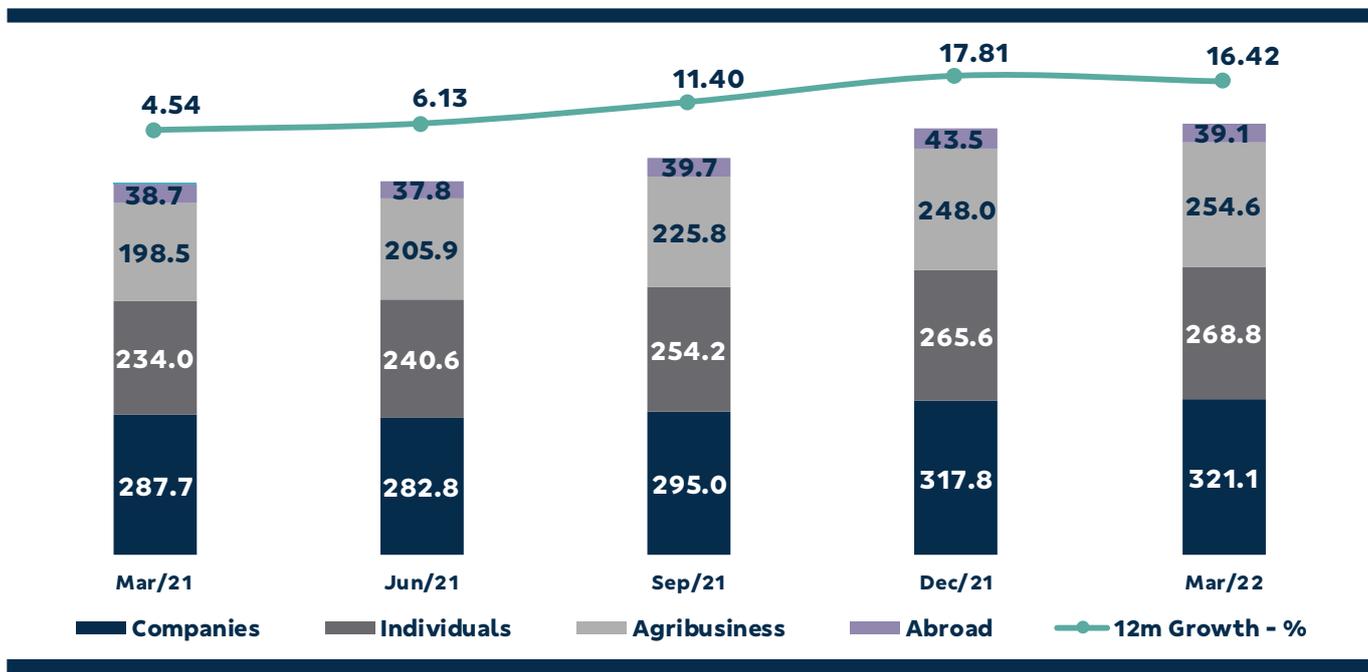
The individuals portfolio grew 1.2% QoQ, mainly due to the positive performance in payroll loans (+1.3%),

salary loans (+3.9%) and in consumer finance (+7.1%).

In companies segment there was a quarterly growth of 1.0%. Highlight to the increase of the corporate expanded portfolio (+4.5%).

In agribusiness the portfolio increased by 2.6% over December/21, with highlight to the working capital for input purchase (+4.8%), investments (+11.0%) and rural product bills and guarantees (+6.4%).

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

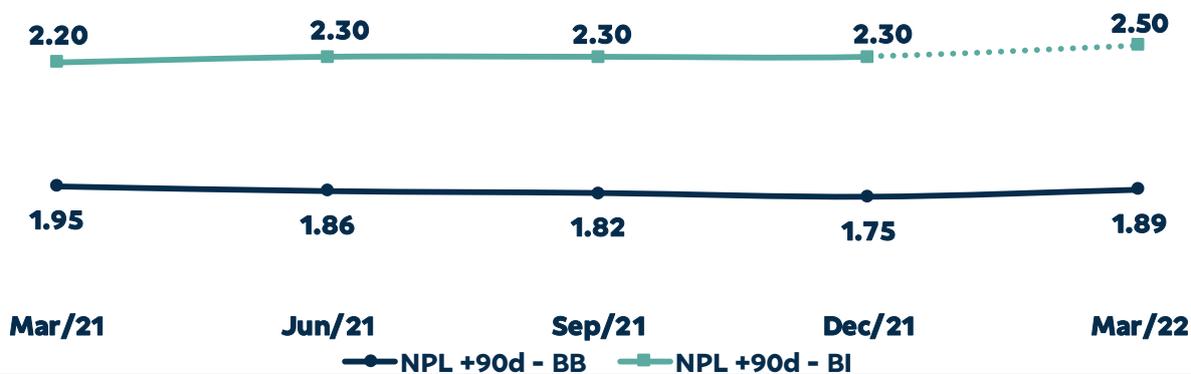




Credit Quality

The NPL +90d (ratio between transactions more than 90 days overdue and the classified loan portfolio balance), showed an increase over December/21 and was 1.89% in March/22, within expectations, and remaining lower than that registered by the BI.

Figure 5. Classified Loan Portfolio NPL +90d¹ – %



(1) February/22 data from the Brazilian Banking Industry (BI), latest available.

The coverage index went from 325.0% in December/21 to 297.0% in March/22.

Figure 6. Classified Loan Portfolio Coverage Index¹ – %



(1) February/22 data from the Brazilian Banking Industry (BI), latest available.



Guidance

The following table presents the 2022 projections compared to that observed in the first quarter:

Table 6. 2022 Guidance

	2022 Guidance	2022 Performance
Adjusted Net Income - R\$ billion	23.0 to 26.0	6.6
Net Interest Income - %	11.0 to 15.0	5.6
Loan Portfolio¹ - %	8.0 to 12.0	19.6
Individuals - %	10.0 to 14.0	14.9
Companies ² - %	3.0 to 7.0	17.0
Agribusiness - %	10.0 to 14.0	28.2
Fee Income - %	4.0 to 8.0	9.4
Administrative Expenses - %	4.0 to 8.0	6.0
ALLL Expanded View - R\$ billion	-16.0 to -13.0	-2.8

(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 2022, the following indicators showed a deviation from what was expected for the year:

Net Interest Income: funding expenses increase derived from the TMS increase impacted the 1Q22 performance.

Loan Portfolio: the performance reflects the strong growth during 2H21 of all portfolios, which affected the YoY (Mar/22 vs Mar/21) comparability.

Individuals: the performance reflects the strong disbursement in 4Q21, notably in the payroll and credit card, a fact that impacted the YoY comparison.

Companies: the strong growth in the large companies' portfolio, notably in securities, and disbursements in Pronampe, contributed to the high growth of this portfolio during 2H21, influencing the YoY comparison.

Agribusiness: the significant growth of the portfolio presented especially in 2H21, in line with the good performance of the sector, influenced the YoY comparability.

Fee Income: the positive performance in 1Q22, especially in the consortium and insurance, as well as the lower comparison base with 1Q21, affected by the conjuncture at the time, justify the overcoming of the range in the period.