1. & Relatório da Administração

Management Report

September 30, 2022

Dear reader,

In 2022 we renewed our commitment to bring robust results, the result of our structuring initiatives, prioritized from Banco do Brasil's Corporate Strategy, which are summable in three pillars: (i) proximity to all stakeholders; (ii) acceleration of digital transformation and innovation to deliver the best customer experience; and (iii) focus on profitability. At the same time, we strengthen our sustainable performance, with businesses that generate positive social and environmental externalities.

The result we presented reflects levers that reinforce the sustainability of our performance. In credit, we seek sustainable growth of the portfolio, with a mix that presents a better risk-adjusted return. We continued the diversification of the service line, which begins to reflect the monetization of new business models that we are growing, the constant discipline in cost management and solid with capital position.

We achieved net income of R$22.4 billion in 9M22, an increase of 55.9% compared to the same period last year. More than a strong result, we delivered to society in this period an added value of R$57.8 billion.

We reinforce our commitment to generating value for all our relationship audiences and invite you to learn more about our deliveries on the next pages. Good reading!

Corporate Strategy

Banco do Brasil's Corporate Strategy (ECBB) has a time horizon of 5 years and is reviewed annually, in the third quarter, through a structured, participatory process based on consolidated methodologies; and its approval is carried out by the Board of Directors (CA), which strengthens the decisions on the Company's performance for the coming years.

This year, in the process of reviewing strategic planning we have evolved our purpose to "Be close and relevant in people's lives at all times".

Thus, we declare that we exist to be always together, support and maintain close relationships with everyone with whom we relate and in the channel of customer preference. We are relevant because we want, more than ever, to generate value and be important in the lives of everyone we live with. In people's lives, because we want that purpose to be expressed in our relationships. At all times, because we have complete solutions so that our customers can count on us throughout the life cycles.

Aligned with the evolution of the purpose and reinforcing the organizational identity of the Company, our values are Proximity, Innovation, Integrity, Efficiency and Commitment with the Society. They represent the basis of our culture, lived by all employees.

The Strategic Map and the Master Plan include the strategic objectives and indicators defined for the five-year horizon, distributed in five perspectives: Clients, Financial, Sustainability, Processes and People.

We put the client at the center of our performance and decisions, at all organizational levels, offering complete solutions, to provide you with the best experience.

We want to be a competitive, profitable, efficient, innovative bank and a reference in sustainability. For this, we strive for the optimization of capital allocation, improvement of operational efficiency, optimization of the organizational structure, development of new business and sources of revenue.

We accelerate digital transformation and innovation, evolving in the development of analytical intelligence, as well as maintaining the focus on operational efficiency and improvement of processes, products, and channels, making them simpler, more agile and integrated with the customer experience.

We seek to continue to transform the organizational culture, with the engaged performance of our professionals, focusing on innovation, meritocracy, and sustainable results.

Macroeconomic Scenario

In the international environment, the third quarter of the year was marked by the persistence of inflation, monetary tightening in central economies and a reduction in the prospects for economic growth for the biennium 2022/2023. Amid the discussion of a slowdown in the world economy, expectations of a stronger and more persistent increase in interest rates in the U.S. have increased risk aversion in the global market in the face of the widening risk of a recessionary process. In this context, prices in the commodity market were also affected, with additional volatilities with a bearish bias in oil and metal prices, for example.

Inflation in the U.S. has continued to be pressured, especially in core measures. Given this picture, the Fed held three interest rate hikes (in July, September, and November) of 75 basis points (p.b.) causing the interest rate to reach the level of 4.00% p.a. in its upper range. Despite the ongoing monetary tightening, during the third quarter, U.S. economic activity also showed signs of resilience, especially on the labor market side, which continues to warm, with unemployment reaching 3.5% in September, a historically low level.

In the Euro area, gas shortages due to restrictions imposed by Russia have reinforced inflationary pressures and has required stronger action from the European Central Bank (ECB). In that sense, the ECB raised rates by 75 p.b. in September, a move that followed the 50 p.b. monetary tightening increase made in July. The ongoing monetary tightening trajectory, coupled with energy scarcity and inflationary pressure, increases the expectation of a recessionary process.

In China, attention is focused on the conditions of the real estate sector and the economic consequences of The Covid-zero policy, through severe restrictions of locomotion in some provinces. As a result, economic activity has slowed in recent months and, with the aim of stimulating the economy, the government has been adopting fiscal and monetary stimulus measures.

In Brazil, the evolution of monthly indicators suggests that the third quarter was more positive than the market previously expected, reflecting the resilience of the service sector, improvement of the labor market and measures to stimulate consumption. During the positive performance of economic activity, the labor market continued to show a reduction in the unemployment rate. Furthermore, there was a qualitative improvement in the labor market, with formal employment growth and expansion of average incomes in real terms, predominantly influenced by the recent fall in inflation.

In relation to inflation, the release of the latest readings reinforced the perception that prices showed significant decompression, taking the IGP-DI and IPCA to a negative field in July, August, and September. The tax measures adopted on electricity, fuels and telecommunications caused the inflation of administered prices to show significant falls, reflecting the calculation of the ACCUMULATED IPCA in 12 months, which went from 11.89% in June to 7.17% in September. As for monetary policy, the Monetary Policy Committee of the Central Bank (Copom) in September decided to keep the basic interest rate at 13.75% p.a., ending the current monetary tightening cycle that began in March 2021, during which time the Selic rate was 2.00% p.a.

The strength of the dollar against the major currencies, the resilience of domestic activity and the interest differential (domestic/external), contributed to limit the bullish pressures on the domestic exchange during the third quarter, despite a higher volatility observed in September.

Shareholders and Holders of debt instruments

Banco do Brasil has a base of more than 943 thousand shareholders, 98.4% of which are individuals and 1.5% are legal entities. Between January 2019 and September 2022, our individual shareholder base grew from 430 thousand to 928 thousand. At the end of September, our shareholding composition was distributed between 50% of shares with the Federal Government and 49.6% in free float, and 0,40% in treasury. Local investors represent 77% of the shareholders and foreign investors for 23%.

Our shares (BBAS3) represented 2.893% of the Ibovespa for the last four months.

The Equity Value per share ended the period at R$51.56, a variation of 10% in relation to December/21. The Closing Price was R$38.52 for BBSA3 and US$7.21 for ADRs that are part of a level I program, traded on the North American OTC market.

BB Day

On September 22, we held BB Day - a meeting with shareholders, investors, analysts, and other capital market agents. - The event was attended by the members of the Board of Directors, who presented information on the Bank's strategies and businesses and was the first public meeting of a publicly traded company held with experience in Metaverso. It was an excellent opportunity for brand positioning and strategy, reinforcing the market's prospects for the future of Banco do Brasil. The event is available on BB's YouTube channel.

ESG Agenda (Environmental, Social and Governance)

Corporate sustainability

Sustainability is not a new subject for Banco do Brasil. It is present in our strategy, practices, management, and business, and in constant evolution, being leveraged from the creation of Fundação Banco do Brasil 36 years ago. We have adopted the best practices Environmental, Social and Governance that allow actions to anticipate and manage risks and opportunities, in addition to translating into positive externalities for our stakeholders. These premises are materialized in the Sustainability Plan - Agenda 30 BB, our main instrument for promoting social and environmental practices since 2005, which is aligned with the United Nations (UN) Sustainable Development Goals (SDGs). The Plan, revised in 2021, has 40 actions and 110 indicators for the period 2021-2023.

Compliance with sustainability indicators and goals impact the remuneration of the entire staff, including senior management, ensuring the alignment between business, people, and the environment.

Commitments to the future

To continue as protagonists in the search for an increasingly sustainable world, in 2021 we released 10 Commitments with goals by 2030, which involve the Sustainable Business, Responsible Investment and ESG Management fronts. In September/22, we reached R$ 140.3 billion destined to Sustainable Agriculture, surpassing the goal of reaching R$ 125 billion of balance in 2025. Previously, we had also fulfilled the commitments “One Million Entrepreneurs” and “Compensate 100% of Direct GHG Emissions”.

**Figure 1.** 10 Commitments to Sustainability

(1) On Balance. (2) In disbursements. (3) Entrepreneurs. (4) Agriculture, culture, civil defense, education, energy efficiency and public lighting, sports and leisure, road infrastructure, public cleaning, environment, urban mobility, health, safety, and sanitary surveillance. (5) AuM applicable. (6) Scopes 1 and 2. Scope 2 has a 100% reduction based on the purchase choice (purchase of i-Recs) (7) Renewable energy acquired in the free market (ACL) and own production at the end of the period; (8) Total investments in 2021 and 9M22.

Carbon Market

In May 2022, we held the Global Carbon Market – Decarbonization and Green Investments Congress. The event was supported by the Central Bank of Brazil, the Ministry of the Environment (MMA) and the Federal Government and aimed to promote debates on the carbon credit market, in addition to presenting corporate strategies, projects and cases to boost green business, focusing on innovation and sustainability. It also sought to connect leaders from different Brazilian segments and audiences around the theme, according to the results presented at the 26th Conference of the Parties to the United Nations Convention on Climate (COP 26).

At the same time, we have launched a set of initiatives to support our clients in the origination, development, and negotiation of carbon credits. In this sense, we structure partnerships to offer technical support for the elaboration of projects following internationally recognized and validated methodologies such as: avoided deforestation, forest recovery, low carbon agriculture, recovery of degraded areas, crop-livestock-forest integration, and energy.

As a result of these activities, in September 2022, the Bank signed the first carbon credit agreements, three contracts for carbon credit origination projects in the Amazon and Cerrado biomes and one of the credit trading businesses in the southern region.

These contracts were made with landowners, with potential preservation areas totaling more than 70,000 hectares and expected to generate 286,000 carbon credits per year. These projects include the avoided deforestation category and use REDD+ methodology - reductions in greenhouse gas emissions and increased forest carbon stocks.

Sustainable Loan Portfolio

At the end of September/22, we reached R$321.2 billion in sustainable credit operations, growth of 13.9% in 12 months. This amount was contracted in credit lines with high environmental and/or social additionality, or intended to finance activities and/or segments that have positive socio-environmental impacts for the sectors of renewable energy, energy efficiency, construction, sustainable transport and tourism, water, fishing, forestry, sustainable agriculture, waste management, education, health and local and regional development, reinforcing our transformative role in supporting the country's development and building an increasingly sustainable future for society.

In line with our long-term commitments and to assist our clients in the transition to a more sustainable portfolio, we have the following goals to be achieved by 2025, some of them already fulfilled: (i) to foster renewable energy, expanding our credit portfolio for this purpose to R$15 billion; (ii) expand the sustainable agriculture portfolio to R$125 billion (already fulfilled) and (iii) assist state and municipal efficiency projects, with disbursements of R$20 billion.

We also awarded the first Sustainable Seal to a real estate development whose implementation was financed by BB, which considered our Sustainable Finance Framework and the Methodology of the Sustainable Business Portfolio, in addition to several national and international standards of sustainability.

The Sustainable Seal is granted to credit operations where the application of resources is made in activities or projects with relevant positive and relevant social, environmental and climate impacts. To further encourage this business segment to adopt ESG practices, a specific methodology for the real estate market is under development, making the evaluation of sustainable enterprises even more robust.

Our Sustainable Business Portfolio is subject to independent evaluation, which considers the main international taxonomies for portfolio classification.

Responsible Investment

We have worked to engage our clients to invest in sustainable assets, offering a diverse range of products that combine profitability with best environmental, social and governance practices. Our responsible investment solutions reached R$8.3 billion in September, up 28.2% in 12 months.

In the quarter, we grew 7.3% in the volume raised via LCA Verde (Letter of Credit to Agribusiness), which aims to promote BB's low carbon agriculture portfolio, reaching R$4.7 billion. The product complements our portfolio of ESG investment solutions, whose demand has been growing.

Social Fund Raising

In January 2022, we issued our first Social Bond in the capital markets. US$ 500 million was raised for a period of seven years. It was fully allocated to micro and small companies in just 30 days after issuance. As the main social additionality, we highlight the maintenance and generation of employment and income. The funding is in line with the sustainable finance framework and the Social Bond Principles and was internationally recognized by The Banker publication.

Also, to promote an increasingly green and inclusive economy and offer differentiated conditions to our customers, BB has made several partnerships with multilateral organizations. The French Development Agency (AFD) will enable a loan of € 100 million, for the financing of projects in the renewable energy sector for the public PF and PJ Varejo, with a total term of 10 years. With the World Bank, we are structuring a $500 million line to promote emission reduction and removal of greenhouse gases (GHG) by encouraging greater private sector participation in carbon credit markets. In addition, it is in an advanced stage agreement with the BRICS Development Bank (NDB), in which the US$ 200 million will be made available for the expansion of BB's ASG portfolio, in addition to establishing a cooperation plan for the selection of sustainable projects.

Social, Environmental and Climate Risk Management

The management of social, environmental and climate risks (RSAC) is a permanent agenda in business processes and risks, and we understand its importance in the sustainability of the Banco do Brasil Conglomerate. The agenda of commitments with sustainable business is integrated with the management of social, environmental and climate risks both in the 1st line, represented by the areas of business, products, and support, as well as in the 2nd line, performing the function of corporate management of these risks and supervision of internal controls in the organization.

The RSAC agenda underwent an important regulatory evolution at the end of 2021, with the publication of regulations by the Brazilian Central Bank (Bc# Sustainability Agenda). We reviewed and implemented relevant actions aligned with CMN Resolutions 4,945/21 and 4,943/21, such as the revision of social, environmental and climate responsibility and risk and capital management policies, as well as methodologies and indicators applied to management. RSAC-related processes are constantly improving based on best practices and market developments.

BB integrates Sustainability Index of the London Stock Exchange

We have been listed again in the London Stock Exchange's sustainability index, the FTSE4 Good Index Series, which assesses and ranks companies with best Environmental, Social and Corporate Governance (ASG) best practices. The Index is a useful tool for investors seeking non-financial information and reliable data that can be integrated into the investment decision-making process.

In 2022, BB was evaluated on climate change (environmental dimension); Supply Chain, Labor Practices, Human Rights and Community (Social Dimension); and Risk Management, Corporate Governance and Anti-Corruption (Governance Dimension). Bb's overall score was 3.6, on a scale of 0 to 5, an evolution of 0.1 p.p. compared to the 2021 note (3.5).

It is noteworthy that Banco do Brasil continua listed in the main national and international sustainability indexes such as the Dow Jones Sustainability Index (DJSI) and the B3 Corporate Sustainability Index (ISE).

BB launches line for acquisition of personal mobility items

We launched BB Credit Mobility, a line designed to finance mobility items such as bicycles, scooters, electric or mechanical scooters and motorcycles below 125 cylinders. The purchase of the goods occurs through suppliers who have an agreement signed with Banco do Brasil.

The line continues the development of sustainability solutions, aiming to encourage sustainable positioning in the individual segment, with expansion of its financing portfolio in promoting the transition to a green economy.

Municipal Efficiency +Sustainable Program

Following the innovation journey to an increasingly sustainable business portfolio, the PEM+Sustainable modality was launched in September, a new modality within the Municipal Efficiency Program (EMP), aimed at offering differentiated conditions to municipalities that present projects aimed at financing: i) generation of electricity from renewable sources; (ii) energy efficiency; and iii) waste treatment.

Energy Eco-Efficiency

We invest in renewable sources to reach 2024 with 90% of our energy decarbonized. We migrated 55 administrative buildings to the Free Contracting Environment (ACL), ensuring the consumption of clean energy and an accumulated savings of R$43.5 million from 2018 to August 2022 (last available data). By the end of the year, another seven units will be migrated and three more in 2023.

We currently have three operational photovoltaic plants that generate 16.62 GWh/year and brought savings of R$12 million from 2020 to 2022. Another eleven are under construction and another 15 plants are in the bidding process. By 2024, we will have 29 units in operation.

Our commitment to reduce greenhouse gas emissions by 30% by 2030 was achieved in 2020. Currently, we are offsetting 100% of direct emissions by acquiring I-Recs (International Renewable Energy Certificate), an international platform that allows acquisition of energy from a renewable source tracked to offset emissions from electricity consumption.

Agribusiness Sustainability and Value Chain

We carried out the first issue of Rural Product Banknote (CPR) based on CBIOs (decarbonization credits). CBIOs are securities issued by biofuel-producing plants to reduce greenhouse gas (GHG) emissions.

CPR's ballast operation in CBIOS demonstrates our cutting edge in structuring innovative solutions to support our customers and foster low carbon agriculture.

Corporate governance

We adopt the best corporate governance practices, maintaining our commitment to the principles of transparency, accountability, equity, and corporate responsibility. We have been, since 2006, the only bank listed on B3's Novo Mercado, a segment with the highest standard of corporate governance.

Our governance structure is composed of the General Shareholders' Meeting; by the Board of Directors and its advisory committees – Audit Committee (Coaud); People, Compensation and Eligibility Committee (Corem); Risk and Capital Committee (Coris), Technology and Innovation Committee (Cotei) and Corporate Sustainability Committee (Cosem); by the Executive Board, composed of the Board of Directors (President and Vice-Presidents) and other Directors; and by the Supervisory Board.

The Board of Directors, an independent collegiate decision-making body, has strategic, guiding, elective and supervisory attributions, as provided for in the Law and in the Bylaws. At least 30% of the members are independent, as defined in the legislation and in the B3 Novo Mercado Regulation. Currently, of the eight members, four are independent, being two representatives of minority shareholders, a number higher than what is established in the Bylaws. In addition, our board has diversity of gender, race and 37.5% of female leaders in its composition, with the current president being the first woman to hold the position.

The Executive Board also has the first woman to hold the position of vice president. Considering directors and committee members, currently, approximately 22% of statutory positions are held by women. In recognition of its management commitment to diversity in leadership positions, BB received the WOB - Women on Board seal.

At Banco do Brasil, decisions are taken collectively at all levels, with the aim of reducing business risks through the involvement of all executives in defining strategies and approving proposals, in their spheres of activity. In this context, management uses a structure of committees, subcommittees and strategic commissions that guarantee agility, quality and security in decision making.

Digital Transformation

Our digital transformation is based on four main fronts. The first, in interfaces and channels, for the expansion of our digital contact points with customers. The second front of new business, to advance in the profitability of the business, especially in those that are gaining space in our App, expansion of our venture capital initiatives, monetization of our Broto platform, new solutions in PIX among others. The third, automation and process intelligence, to optimize processes and free up time and people to focus on service and business. The fourth is the front of cultural transformation focused on technology and innovation, through the Evolution Movement, launched in 2022.

In this quarter, in continuity our evolution on the fronts of innovation and digital transformation, and in the face of structural trends that are transforming the global financial market and opening doors to a new performance, we revisit our strategy and launch a roadmap for accelerating digital transformation through levers and actions of short, medium, and long term.

We made key choices to guide the Bank's digital strategy, deciding to further advance the evolution of our core, strengthening our value offering through digital initiatives for specific niches, capturing synergies and seeking growth in addition to traditional sources of revenue (beyond banking and new channels), as well as leveraging external sources for skills acquisition.

Acting in Ecosystems

Banco do Brasil has advanced its operations in ecosystems, going beyond traditional banking.

For the agro segment, we have the digital platform Broto that has completed two years of existence and has been climbing its operation. During this period, R$ 1.8 billion was contracted in business, which demonstrates its importance in facilitating the access of rural producers to banking and non-banking products and services. Producers can simulate financing through the platform that presents the credit conditions and, if the client is interested in starting the contracting process, internalizes the proposal in the Bank's systems. In this environment it is also possible to access free content such as articles, reports, digital books, podcasts produced daily by agro experts, videos, and lives with the news and leaders of the sector.

To expand its scope of operation, in October, the CA approved the constitution, jointly with Brasilseg, of the company Broto S.A. that will conduct the business of the Broto Digital Platform.

For companies, we created the Liga PJ platform, a space for the exchange of information, experiences and business connections between entrepreneurs and partners in this market. This platform brings solutions and opportunities, with content and partners to act on the main needs of entrepreneurs. Since its launch in May 2022 the platform has accumulated more than 530,000 users.

For individuals, since the end of 2021, bb store has been centralizing the offer of non-banking products and services. We have more than 50 e-commerce’s available on our affiliate marketplace, with cashback for BB customers.

Analytical Intelligence

Seeking to accelerate the data driven culture, Banco do Brasil has a center of analytical competence and data governance to care for, treat and generate value with data. Emphasizing the importance of these as strategic assets, investments in infrastructure and people training have been made over the last few years to contribute to BB in achieving its strategic objectives.

Banco do Brasil has been consolidating itself as a data-driven company, intensified by the use of analytical intelligence in processes of value generation, democratization of analytical culture and innovation.

The daily processing of analytical models currently applies to more than 103 million customers, with hyper personalization of fees, propensity to consumption of products, efficiency in price decision making, sophisticated risk models and prevention of money laundering, among other solutions. We structured analytical models for business prospecting with agro business customers. The first model identified more than 40,000 rural customers with a propensity to invest in photovoltaic projects.

The second analytical model identified more than 49,000 customers with indications for the renovation of the machinery park. The approaches started in conjunction with the 3rd Agro BB Virtual Fair held at Plataforma Broto.

Open Finance

During the third quarter of 2022, Banco do Brasil reached the mark of one million unique customers sharing data from other institutions with BB. Of these, 85% have already received personalized offers using shared data.

Banco do Brasil was the first financial institution in the world to implement the consent journey on WhatsApp, bringing convenience and simplicity in the customer experience, in compliance with the regulated model. The journey, launched in early August, allows open finance to be connected to other related topics that are already offered by BB's virtual assistants such as "My ATM Finance", for example.

Another novelty was the availability of the payment initiation service (ITP), via Pix, for customers to make money transfers from other financial institutions, directly through the BB application. BB was the first major bank to be enabled to operate as an ITP institution in April and became the first bank to offer this possibility associated with another service.

Awards and Acknowledgments

March

We received the **Prêmio Notáveis 2022**, from CNN Brasil, in the “Agribusiness and Food” category with the Mappiá initiative – Smart solutions to support the life of rural producers. It is a solution that applies artificial intelligence to identify patterns in satellite images for monitoring crops financed by BB in soybean and corn.

We were recognized with the **Prêmio Ouvidorias Brasil**, conducted by the Brazilian Association of Company-Client Relations (Abrarec). On the occasion, the best cases of public and private organizations in Brazil and abroad were selected.

April

We were recognized for the third consecutive year as one of the 100 most innovative companies in the world in one of the most important international IT events, the **CIO 100 Awards**, carried out by the American magazine CIO, by IDG Communications.

May

We were recognized by the British magazine The Banker with the **Deals of the Year 2022** award, in the “Americas – Financial Institutions Group Financing” category. The award highlighted BB's first social bond, a sustainable external debt security issued by the Bank in January. The award analyzes the best transactions carried out in five regions: Africa, Asia-Pacific, Middle East, Americas, and Europe.

We were featured in the 24th edition of the **Prêmio Broadcast Analistas** Award with recognition of three analysts who work at BB. The award has been promoted by Agência Estado since 1998 and highlights professionals and brokers who develop strategies with the best recognized performance in the investment sector.

June

The **Rankink Top 5 Banco Central** for April, May, and June (monthly results) and for the second quarter of 2022 (accumulated results) awarded the BB Conglomerate's projections among the best in the market. BB reached the third position among the institutions with the greatest accuracy in April IPCA projections. As for the Selic Rate projections, referring to May and June, Banco do Brasil, BB DTVM and Previ shared the first position of the indicator.

We won the **FIDInsiders** in two categories. The Open Banking Payment Transaction Initiator was the winner in the “Payment Solution for E-Commerce” category, while the Debt Renegotiation Virtual Assistant was recognized in the “Innovation for Debt Renegotiation” category. The award is a partnership between Portal Finsiders, a content platform specializing in the Fintech ecosystem, and Digital Finance for Society (FID), an event that debates the evolution of the financial system for the benefit of society.

Banco do Brasil was recognized as one of the five most innovative financial institutions in the world, by **The Innovators 2022** award. For three consecutive years, BB won this award in different categories, including as the most innovative bank in Latin America. However, this last one was received, for the first time, in the global award.

For the second consecutive year, Banco do Brasil was recognized as the best institution in Latin America in the “Digital Portfolio Management” for clients in the Private segment. The award was announced during the **PWM Wealth Tech Awards 2022**, a global event organized by the specialized vehicle Professional Wealth Management (PWM) – a world reference in matters related to finance and private banking, as well as a member of the international Financial Times group.

We received the **Latam Aloic 2022** award. SIM – Immediate Solution – won Gold for “Best Internal Operation”. The category recognizes strategies that impact different key management indicators.September

In the third quarter, we reached our best position in the history of the **Bacen Ranking** of complaints. We ranked fifth among the top five banks and 14th overall, the best position ever achieved by one of the country's large financial conglomerates.

The Top 5 ranking for the month of September, released by the Central Bank, brought Banco do Brasil, BrasilPrev and Previ in irst place in the Selic Rate projections. The result shows the assertiveness of the economists of the BB Conglomerate.

Banco do Brasil was recognized as the most innovative Private Banking institution in Brazil in the international awards "**Global Business Awards 2022**", organized by Corporate Vision.

Highlights of the Results
of the Consolidated Financial Statements

Net Income of R$22.4 billion in 9M22

Net Income was R$22.4 billion in 9M22, increase of 55.9% compared to 9M21. The result was influenced by the robust growth of credit with a suitable mix, which reflected in the increase in the result of financial intermediation, by the diversification of businesses, contributing positively to the growth of revenues from fee Income, while administrative expenses remained under control.

Below we present the main figures related to our performance in 9M22.

**Table 1**. Financial Highlights

|  |  |  |
| --- | --- | --- |
|  | **BB Multiple Bank** | **BB Consolidated** |
| **Result (R$million)** | **9M22** | **9M21** | **9M22** | **9M21** |
| Net Income | 22,202 | 14,266 | 22,384 | 14,358 |
| Result of Financial Intermediation  | 37,816 | 31,653 | 42,577 | 35,261 |
| Fee Income | 15,291 | 14,042 | 23,896 | 21,522 |
| Administrative Expenses  | 24,081 | 23,895 | 25,465 | 25.146 |

|  |  |  |
| --- | --- | --- |
|  | **BB Multiple Bank** | **BB Consolidated** |
| **(R$million)** | **Sep/22** | **Dec /21** | **Sep/22** | **Dec /21** |
| Assets | 2,187,761 | 1,988,646 | 2,146,487 | 1,932,533 |
| Classified Credit Portfolio | 847,535 | 770,470 | 861,505 | 784,796 |
| Clients' Funds | 720,872 | 647,617 | 748,344 | 671,270 |
| Shareholders’ Equity | 147,129 | 134,226 | 157,890 | 144,857 |

Result of Financial Intermediation

In 9M22, it totaled R$42.6 billion, growth of 20.7% compared to 9M21. Among the components of the result from financial intermediation, the highlight was the growth of 105.4% in Income from Financial Intermediation, notably by the performance in the Result of the Loan Portfolio (54.6%) and Result of operations with securities (229.9%).

Classified Credit Portfolio

Our classified credit portfolio grew 15.6% in relation to September 2021.

In the line of Individuals, excluding rural producers, which correspond to 32.5% of portfolio total, the growth was 10.8% in one year. Highlight to the payroll loan which amounted to R$113.3 billion, growth of 8.3% when compared to the same period last year, as well as for credit card lines (+31.5%) and personal loans (+22.6%), in line with the strategy of changing the mix to more profitable lines.

For Legal Entities, excluding agribusiness companies, the classified portfolio amounted to R$279.7 billion, growth of 13.7% in one year. Highlight to the portfolio of SME clients (annual gross income up to R$200 million), which amounted to R$106.2 billion, growth of 18.4% influenced by disbursements of R$ 10 billion in Pronampe. Large Companies that grew 16.9%.

In agribusiness, in September 2022, the classified portfolio reached the historical figure of R$264.4 billion, with emphasis on the growth of the rural credit portfolio by 25% in 12 months. Also noteworthy was the 84% growth in agribusiness securities - Cédula de Produtor Rural (CPR) and Certificado de Direitos Creditórios do Agronegócio (CDCA).

In July, we announced the largest Crop Plan in history, allocating R$200 billion to Brazilian agribusiness, 48% more than the announced amount made available in the previous harvest.

From July to September of the 22/23 Crop Plan, we disbursed R$ 63.5 billion an increase of 38% compared to the same period of the previous crop.

Fee Income

Fee income grew 11.0% compared to 9M21, totaling R$23.9 billion. Highlight for the growth of Fund Management (+14.8%) and Insurance, Pension Plan and Capitalization Commissions (+13.8%) and Loans and guarantees provided (+29.5%)

The strategy remains centered on relationships, specialized service, diversification of revenue sources and constant improvement of the customer experience.

Administrative Expenses

Administrative expenses reached R$ 25.5 billion in the period, a positive change of 1.3% compared to 9M21, reflecting the salary adjustment of 8.0% granted to bank employees as of September/2022, established in the Collective Bargaining Agreement 2022/2024, offset by the control of other administrative expenses, which grew only 1.3%, below inflation.

Capital

We have a Capital Plan with a prospective horizon of three years, considering (a) the Risk Appetite and Tolerance Statement, (b) the Corporate Strategy, (c) “Plano Diretor” and (d) Corporate Budget. Capital management considers, in addition to regulatory limits, prudential targets and limits.

We reached 11.77% of the Principal Capital Ratio (ICP) in September 2022, whereas the Basel Ratio (IB) reached 16.72%. The Capital Ratio Level I reached 14.74%.

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.

We distributed dividends and interest on equity to shareholders in the amounts of R$8.5 billion so far. Earnings per Share in the period was R$2.983.

People Management

In continuity with the recruiting and selection of new employees of the 2021 external competition, we held the tenure to more than 700 employees in the third quarter. These are added to the 3,000 employees who joined BB during the year. Part of this contingent was selected in a specific competition for the technology area.

We constantly invest in the development and identification of talents. In the quarter, actions were carried out for the different levels of our leadership, among them the 2nd edition of the Talent Identification Program (PIT+) using people analytics, which aims to identify potential talents to perform in more complex functions. More than 2,000 candidates were certified and began to make up a talent bank for appointment.

We consistently advance the data driven journey, engaging, and empowering more than 20,000 employees, from the company's highest level, with the evolution of the BB Command Center, our president's exclusive control center, to the launch of LabbLite, an environment for experimentation and data science available to all employees of the bank. All this with the best practices of data governance and models, ensuring quality and security in access to information.

Potential successors to senior leadership roles conducted the Guided Hackathon by MIT Bootcamps, a course in which participants were introduced to real problems in their niche and invited to develop viable and efficient solutions for these cases. For this audience, there was also the beginning of bb international missions in partnership with AMCHAM, with online immersions in major innovation centers such as Silicon Valley, China, and Israel.

For those who work in the commercial areas, two educational programs were launched, Cultiva Agro focused on the agribusiness market and Jornada Conexão Cliente for service in the branch network. The goal is to expand the training of more than 30,000 employees.

During the period, we purchased OrCam MyEye eyewear for ten visually impaired employees (PcD). The technological device brings real-time information through its camera, which reads printed and digital texts in Portuguese, English and Spanish, recognizes money banknotes, identifies colors, informs date and time, and records and recognizes up to 150 people by facial recognition.

In October, we appeared, for the third time in the last four years, among the best employers in the world, in the annual ranking of Forbes magazine. The award is the result of a continuous investment in people and cultural transformation with a focus on the pride of being BB.

**Table 2**. Employees’ Profile

|  | **Sep/22** | **Sep/21** |
| --- | --- | --- |
| **Employees** | **86,430** | **85,069** |
| Female | 36,171 | 36,060 |
| Male | 50,259 | 49,009 |
| **Education** |  |  |
| High School | 10,453 | 9,375 |
| Graduation | 26,580 | 27,441 |
| Specialization, MA and PhD | 49,315 | 48,167 |
| Other | 82 | 86 |
| **Geographic Distribution** |  |  |
| North | 3,936 | 3,712 |
| Northeast | 14,094 | 14,021 |
| Centre-West | 16,738 | 15,931 |
| Southeast | 36,326 | 36,312 |
| South | 15,318 | 15,076 |
| Abroad | 18 | 17 |
| **Employees’ Turnover (%)** | **0.64** | **0.58** |

**Table 3.** Compensation and Benefits

|  |  |  |
| --- | --- | --- |
|  | Individual Financial Statements | Consolidated Financial Statements |
| R$million | **Sep/22** | **Sep/21** | **Sep/22** | **Sep/21** |
| Payroll ¹ | 13,913 | 13,921 | 15,252 | 15,070 |
| Supplementary Pension ² | 1,342 | 1,240 | 1,342 | 1,240 |
| Health Plans ² | 1,433 | 1,323 | 1,433 | 1,323 |
| Profit Sharing ³ | 2,856 | 1,839 | 2,864 | 1,849 |
| Training ⁴ | 42 | 28 | 47 | 31 |

(1) Expenses related to proceeds, benefits, social charges and administrative provisions, as per Explanatory Note on Personnel Expenses (2) Cost of supplementary pension and health plans, as per Explanatory Note on Employees’ Benefits. (3) Amount reserved to Profit Sharing, according to Statement of Income for the Year. (4) As per Explanatory Note on Personnel Expenses.

Legal Information

General Law of Micro and Small Enterprise

According to criteria defined by the National Stature for Micro and Small Business (General Micro and Small Business Law - Complementary Law No. 123, 12.14.2006), 95.1% of our corporate clients in the retail segment are classified as micro and small businesses. The volume of resources used by these businesses reached R$48.8 billion in September/2022. The balance of working capital operations contracted by micro businesses totaled R$3.6 billion and R$39.3 billion for small businesses. Investment operations directed to micro businesses reached R$367.9 million and R$5.5billion to small businesses.

Independent Audit - CVM Instruction No. 381

In the contracting of services not related to external audit, to avoid a conflict of interest, loss of independence or of the objectivity of independent auditors, we have adopted procedures based on applicable laws and standards and on the best internationally accepted principles related to the topic. These principles require the following: (i) the auditor must not audit its own work, (ii) the auditor must not exercise managerial functions at its customer and (iii) the auditor must not promote the customer interests. Furthermore, at Banco do Brasil, contracting of external audit services must be preceded by a favorable opinion from the Audit Committee.

**Table 4.** Non-Audit Contracts with the Independent Auditor

|  |  |  |  |
| --- | --- | --- | --- |
| **Contracting Company** | **Date of Contract** | **Term1** | **Description of services** |
| Banco Patagonia S.A. | 01/01/2022 | 1 month | Integrated Report Review Service |
| Banco Patagonia S.A. | 01/09/2022 | 8 months | Tax Consulting |

(1) Estimated duration in months based on the expected closing date of contracts.

We hired Deloitte Touche Tohmatsu Auditores Independentes Ltda. to provide services not related to external audit at a level lower than 5% of the total fees related to external audit services. For this evaluation, all agreements in force between January/2022 and September/2022 have been considered.

Justification of the Independent Auditors

In compliance with CVM Instruction 381/2003, we hereby inform that Deloitte Touche Tohmatsu Auditores Independentes Ltda. did not provide services that could affect its independence, ratified through the adherence of its professionals to the relevant ethical and independence standards, which meet or exceed the standards promulgated by International Federation of Accountants (IFAC), the Brazilian Federal Accounting Council (CFC), the Brazilian Securities and Exchange Commission (CVM), the Central Bank of Brazil (Bacen), the Private Insurance Superintendence (Susep), the Brazilian Supplementary Pension Superintendence (Previc) and other regulatory agencies. These policies and procedures covering areas such as personal independence, post-employment relations, turnover of professionals, as well as the approval of audit services and other services, are subject to constant monitoring.

Bonds and Securities Information on Associated Companies and Subsidiaries

In accordance with Article 8 of Circular Bacen 3,068/2001, we affirm that we intend and have the intention and financial capacity to maintain, until maturity, the securities classified in the category "Securities Held to Maturity". Financial capacity is based on cash flow projection that does not consider the possibility of selling these securities. The opening of securities by category and the reclassification of securities can be found in note 10 – Securities and Securities. The amounts related to unrealized gains and losses in the period, related to securities, are disclosed in note 30 – Risk and Capital Management.

In compliance with article 243 of Law 6.404/1976, we inform that the company’s investments in associated companies and subsidiaries are listed in notes 2 – Presentation of Financial Statements and 14 – Investments.

Additional Information

Fixed investments totaled R$1.1 million in 9M22, highlighting the investment in points of service and improving the ambience of the branches (R$668.5 million), security and information systems (R$29.5 million) and in information technology (R$444.6 million).

We have BRL 1.4 billion (individual) and BRL 1.5 billion (consolidated) of unactivated tax credits presented in Note 22 - Taxes on the Individual and Consolidated Financial Statements (subitem “f”) because of the requirements established by the CMN Resolutions 3,059/2002 and 3,355/2006.

In accordance with the rules set forth in the Accounting Plan for Financial Institutions (Cosif), we kept recorded in memorandum accounts the amount of R$21.3 billion arising from co-obligations and risks in guarantees provided to clients and companies that are part of the Banco do Brasil Conglomerate.

We publish annually, in our Annual Letter of Public Policies and Corporate Governance, available on our website (ri.bb.com.br), the investments made as a result of the exercise of public policies.

Banco do Brasil, its shareholders, managers and members of the Fiscal Council undertake to resolve any and all disputes or controversies related to the Novo Mercado Listing Regulations through the B3 Market Arbitration Chamber, pursuant to the arbitration clause contained in the Bylaws of the Bank of Brazil.

Acting in the pandemic - We act in a way to provide support to customers, with seriousness, speed, and security, while strengthening our commitment to society, through actions aimed at supporting the country to overcome this moment of difficulties. We reinforced the commitment to maintain the necessary care for the health of our employees and maintained efforts to serve customers and the general population.

We value and monitor the potential impacts of the pandemic - COVID-19 on the credit portfolio, considering the peculiarities of the various segments and lines and have adopted proactive measures for risk and capital management. We work to preserve the continuity of our operations and the long-term sustainability of our company and the relationship with our customers.

This report was prepared in the Accounting Standard of Institutions Regulated by the Central Bank of Brazil (Cosif) to report Individual and Consolidated Financial Statements

For further information, we make available the Reference Form, Performance Analysis report and Institutional Presentation on the Investor Relations website (bb.com.br/ri).

