

2Q22 Highlights

Recurring Net Income

R\$7.041 billion

+11.4% in 12 months (2Q22 vs. 2Q21)

+3.2% in the quarter (2Q22 vs. 1Q22)

Quarterly ROAE

18.1%



0.5 p.p.

In 12 months

Quarterly ER

42.4%



3.4 p.p.

In 12 months

R\$2.4 bi of Interest on Shareholders' Equity

in the 2Q22, of which **R\$2.0 bi** were of
Intermediary Interest on Shareholders' Equity

(paid on June 30, 2022)

Operating Income

R\$10.4 billion

+8.7% in 12 months

Total Ratio
Basel

15.6%

Income from Insurance, Pension Plans and Capitalization Bonds

R\$3.7 bi

+135.5% in 12 months

+12.8% in the quarter

Fee and Commission Income

R\$9.0 bi

+6.7% in 12 months

+4.2% in the quarter

Client NII

R\$16.9 bi

+25.8% in 12 months

+7.1% in the quarter

Operating Expenses

R\$11.5 bi

+4.9% in 12 months

-1.5% in the quarter

The **Spread** continues to improve, reaching **10.0%** in the 2Q22

Expanded Loan Portfolio

R\$855.4 bi

+17.7% in 12 months

+2.5% in the quarter

Individuals

R\$341.6 bi

+19.6% in 12 months **+3.1%** in the quarter

Companies

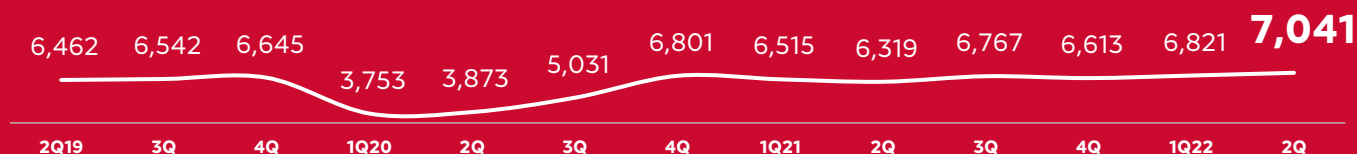
R\$513.8 bi

+16.6% in 12 months **+2.1%** in the quarter

Press Release

Recurring Net Income

R\$ million



Increase of 11% in 12 months and 8% in the half, with accumulated profitability of 18%

We achieved a recurring net income of R\$7 billion in the second quarter of 2022, 11% higher than the same period last year, reflecting the performance of the Client NII, fee and commission income, operations from insurance, and operating expenses control. We have evolved and become every new cycle, reaffirming our aim of creating opportunities even in a challenging scenario, with inflation at high levels, increased interest rates and geopolitical conflicts.

We reiterate our vocation to serve – demonstrating that “Between you and me, you will always be first” – and we continue to work on customized solutions to meet clients’ needs and expectations, in order to provide a convenient, fast and secure banking experience.

Our client base continues to grow and reached the mark of 75.5 million (+6% vs. 2Q21). Digital operations are becoming increasingly relevant on a daily basis – representing 98% of total transactions – with 12 million clients from next, 8 million from Bitz and 4 million from Digio.

We have a complete platform of digital services, which guarantees practicality, autonomy and security for clients. As a result, Digital Channels accounted for more than 33% of the credits granted, reaching the R\$28 billion mark (+40% vs. 2Q21).

The expanded loan portfolio reached R\$855 billion (+18% vs. 2Q21), with emphasis on the operations from Individuals, mainly in credit card products and personal/payroll-deductible loans. In line with this evolution and in a movement already expected (given the portfolio mix, which has more profitable operations, and the high interest/inflation), ALL expenses and default rates also showed growth. The quality of the portfolio continues at normal and profitable levels, maintaining good coverage ratios.

In the quarter, our Client NII reached R\$16.9 billion, with growth in all periods – with improvement in the spread since 3Q21. We remained with consistent service delivery revenues and at the highest historical levels. Operations from insurance also continue to rise, with a solid result of R\$3.7 billion (+136% vs. 2Q21) and quarterly ROAE of 20.9%, favored by the growth of revenues (+19% vs. 2Q21) and by the financing income.

The operating expenses remained stable in the quarter and grew by 4.9% in 12 months, below the accumulated inflation for the period – IPCA 11.9% and IGP-M 10.7%.

We reinforce our purpose and performance in Sustainable Business and Climate Agenda, being internationally recognized, with two cases highlighted as a reference for good practices in financing for the transition from a low carbon economy in the recommendations report of the GFANZ (Glasgow Financial Alliance for Net-Zero), an alliance that brings together companies committed to being Net-Zero. With this recognition, we have strengthened our work for the sustainable development of companies and society.

Throughout this report we will present our main results and details on our performance.

Enjoy the reading!

Main Information

| R\$ million (unless otherwise stated) | 2Q22 | 1Q22 | 2Q21 | 1H22 | 1H21 | 2Q22 x 1Q22 | 2Q22 x 2Q21 | 1H22 x 1H21 |
|--|-----------|-----------|-----------|-----------|-----------|----------------|----------------|----------------|
| \\ Recurring Income Statement | | | | | | | | |
| Recurring Net Income ⁽¹⁾ | 7,041 | 6,821 | 6,319 | 13,862 | 12,834 | 3.2 | 11.4 | 8.0 |
| Book Net Income | 7,075 | 7,009 | 5,974 | 14,084 | 12,127 | 0.9 | 18.4 | 16.1 |
| Operating Income | 10,350 | 10,342 | 9,519 | 20,692 | 19,287 | 0.1 | 8.7 | 7.3 |
| Net Interest Income | 16,361 | 17,061 | 15,738 | 33,422 | 31,316 | (4.1) | 4.0 | 6.7 |
| Expanded ALL | (5,313) | (4,836) | (3,487) | (10,149) | (7,394) | 9.9 | 52.4 | 37.3 |
| Fee and Commission Income | 8,976 | 8,611 | 8,412 | 17,587 | 16,479 | 4.2 | 6.7 | 6.7 |
| Operating Expenses (Personnel, Administrative and Other Operating Expenses, Net of Income) | (11,530) | (11,702) | (10,990) | (23,232) | (22,194) | (1.5) | 4.9 | 4.7 |
| Income from Insurance, Pension Plans and Capitalization Bonds | 3,707 | 3,286 | 1,574 | 6,993 | 4,711 | 12.8 | 135.5 | 48.4 |
| \\ Statement of Financial Position | | | | | | | | |
| Total Assets | 1,757,780 | 1,724,422 | 1,672,753 | 1,757,780 | 1,672,753 | 1.9 | 5.1 | 5.1 |
| Loans - Expanded Loan Portfolio | 855,381 | 834,451 | 726,453 | 855,381 | 726,453 | 2.5 | 17.7 | 17.7 |
| - Individuals | 341,557 | 331,404 | 285,620 | 341,557 | 285,620 | 3.1 | 19.6 | 19.6 |
| - Companies | 513,824 | 503,047 | 440,833 | 513,824 | 440,833 | 2.1 | 16.6 | 16.6 |
| Shareholders' Equity | 152,704 | 151,099 | 146,488 | 152,704 | 146,488 | 1.1 | 4.2 | 4.2 |
| Assets under Management | 2,655,562 | 2,633,530 | 2,593,201 | 2,655,562 | 2,593,201 | 0.8 | 2.4 | 2.4 |
| \\ Capital and Liquidity - % | | | | | | | | |
| Total Ratio | 15.6 | 15.7 | 16.0 | 15.6 | 16.0 | (0.1) p.p. | (0.4) p.p. | (0.4) p.p. |
| Tier I Capital | 13.3 | 13.7 | 14.1 | 13.3 | 14.1 | (0.4) p.p. | (0.8) p.p. | (0.8) p.p. |
| Liquidity Coverage Ratio (LCR) | 168.5 | 137.4 | 156.0 | 168.5 | 156.0 | 31.1 p.p. | 12.5 p.p. | 12.5 p.p. |
| Net Stable Funding Ratio (NSFR) | 119.7 | 118.1 | 116.1 | 119.7 | 116.1 | 1.6 p.p. | 3.6 p.p. | 3.6 p.p. |
| \\ Profitability and Efficiency % | | | | | | | | |
| Annualized Return on Average Equity (ROAE) ⁽²⁾ | 18.1 | 18.0 | 17.6 | 18.0 | 18.2 | 0.1 p.p. | 0.5 p.p. | (0.2) p.p. |
| Annualized Return on Average Assets (ROAA) | 1.6 | 1.6 | 1.5 | 1.6 | 1.5 | - | 0.1 p.p. | 0.1 p.p. |
| Efficiency Ratio (ER) ⁽³⁾ | 42.4 | 43.5 | 45.8 | 44.7 | 45.7 | (1.1) p.p. | (3.4) p.p. | (1.0) p.p. |
| \\ Market Indicators | | | | | | | | |
| Recurring Net Income per Share (accumulated 12 months) - R\$ ⁽⁴⁾ | 2.56 | 2.49 | 2.31 | 2.56 | 2.31 | 2.7 | 10.4 | 10.4 |
| Market Capitalization ⁽⁵⁾ | 168,272 | 196,132 | 231,006 | 168,272 | 231,006 | (14.2) | (27.2) | (27.2) |
| Dividends/Interest on Shareholders' Equity | 2,053 | 1,998 | 3,340 | 4,051 | 5,093 | 2.7 | (38.5) | (20.5) |
| Price/Earnings Ratio ⁽⁶⁾ | 6.2 | 7.4 | 9.4 | 6.2 | 9.4 | (16.5) | (34.0) | (34.0) |
| Price to Book Ratio | 1.1 | 1.3 | 1.6 | 1.1 | 1.6 | (15.4) | (31.3) | (31.3) |
| Dividend Yield - % ^{(7) (8)} | 6.5 | 4.5 | 2.4 | 6.5 | 2.4 | 2.0 p.p. | 4.1 p.p. | 4.1 p.p. |
| \\ Portfolio Indicators - % | | | | | | | | |
| Delinquency Ratio (over 90 days) | 3.5 | 3.2 | 2.5 | 3.5 | 2.5 | 0.3 p.p. | 1.0 p.p. | 1.0 p.p. |
| Delinquency Ratio (over 60 days) | 4.4 | 4.0 | 3.1 | 4.4 | 3.1 | 0.4 p.p. | 1.3 p.p. | 1.3 p.p. |
| NPL Creation - 90 days | 1.1 | 1.2 | 0.8 | 1.1 | 0.8 | (0.1) p.p. | 0.3 p.p. | 0.3 p.p. |
| Coverage Ratio (> 90 days) | 218.1 | 235.4 | 324.7 | 218.1 | 324.7 | (17.3) p.p. | (106.6) p.p. | (106.6) p.p. |
| Coverage Ratio (> 60 days) | 176.5 | 189.3 | 263.2 | 176.5 | 263.2 | (12.8) p.p. | (86.7) p.p. | (86.7) p.p. |

(1) According to the non-recurring events described on page 09 of this report; (2) It excludes the asset valuation adjustments recorded under the Shareholders' Equity; (3) For 1H22 / 1H21, it considers the cumulative index in 12 months; (4) For comparison purposes, shares were adjusted in accordance with bonuses and stock splits occurred in the periods; (5) Number of shares (excluding treasury shares) vs. closing price for common and preferred shares on the last trading day of the period; (6) Recurring net income in 12 months; (7) Source: Economatica; and (8) Calculated by the share with the highest liquidity.