

# SELECTED INFORMATION 4Q22 | 2022

## RECURRING NET INCOME

**R\$1.595** billion

**-75.9%** in 12 months (4Q22 vs. 4Q21)

**-69.5%** in the quarter (4Q22 vs. 3Q22)

## ACCRUED ROAE

**13.1%**

(-5.0 p.p. in 12 months)

## ACCRUED ER

**45.1%**

(-0.9 p.p. in 12 months)

PAYOUT OF **52%**

**R\$10.2** bi of Interest on Shareholders' Equity (gross) in 2022 (+10% vs. 2021)

## INVESTMENTS IN SUSTAINABLE BUSINESS IN 2022

**R\$172.7** bi

(69% of the total goal of **R\$250** bi by 2025)

## LOANS AUTHORIZED THROUGH DIGITAL CHANNELS IN 2022

**R\$105.6** bi

**INDIVIDUALS R\$60.0** bi **+15%** in 12 months  
Around **83%** through the App (**Mobile Channel**)

## INCOME FROM INSURANCE, PENSION PLANS AND CAPITALIZATION BONDS

**R\$4.3** bi

**+21.9%** in 12 months

**+24.0%** in the quarter

## FEE AND COMMISSION INCOME

**R\$9.3** bi

**+4.4%** in 12 months

**+4.5%** in the quarter

## CLIENT NII

**R\$17.5** bi

**+18.3%** in 12 months

**-0.3%** in the quarter

## OPERATING EXPENSES

**R\$13.5** bi

**+4.8%** in 12 months

**+8.6%** in the quarter

Spread of **9.8%** in the 4Q22

## EXPANDED LOAN PORTFOLIO

**R\$891.9** bi

**+9.8%** in 12 months

**+1.5%** in the quarter

## INDIVIDUALS

**R\$361.1** bi

**+12.6%** in 12 months | **+2.4%** in the quarter

## COMPANIES

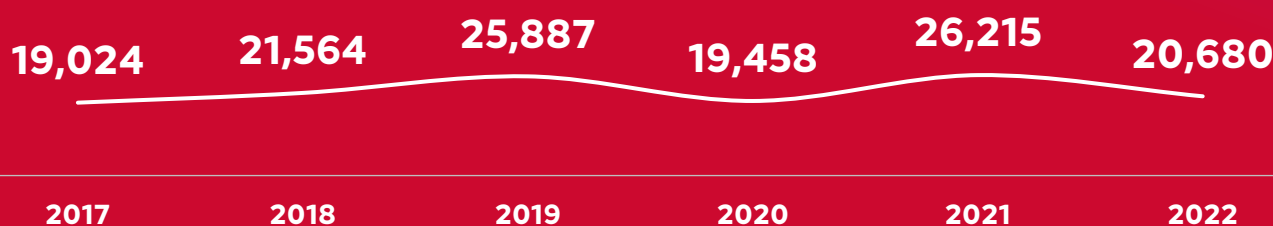
**R\$530.8** bi

**+7.9%** in 12 months | **+0.9%** in the quarter

# PRESS RELEASE

## RECURRING NET INCOME

R\$ million



We ended 2022 with a Recurring Net Income of R\$20.7 billion, a reduction of 21.1% compared to 2021. It was a year of high volatility caused by important events, inflation increasing rapidly and significantly, interest rates increasing more than initially expected, impacts on the credit cycle and a global environment of major political and economic instability. This scenario had a major impact on our results. We maintained a robust capital and liquidity position. In this scenario of challenges, our clients were able to count on the solidity, resilience and presence of Bradesco, reinforcing our commitment: "With us, you come first".

With the recent events involving a specific Large Corporate client, which occurred in early 2023, the Management reassessed the inherent risks and, prudentially, provisioned 100% of the operation, affecting the income of the 4Q22.

Our loan portfolio grew by 9.8% in 12 months and 1.5% in the quarter, highlighting the Individuals, especially in credit card operations. This significant portfolio growth over time, combined with the mix of risks and specific market conditions, was reflected in the high rates of delinquency and higher expenses with ALL, which were also impacted by the provisioning of the specific case occurring in the 4Q22.

The client NII showed a growth of 22% in the accrued of the period, reflecting the increase in the loan portfolio in products with better spreads and the positive performance of interest in the funding margin. The market NII was negatively impacted by the effect of the rapid interest rate (*Selic*) increase on our ALM position.

Fee and Commission Income reached R\$9.3 billion in the quarter, with emphasis on card income and consortia management. Over the year, the total of this revenue was R\$35.7 billion, a growth of 4.7% compared to the previous year.

Insurance operations achieved a result of R\$4.3 billion in 4Q22 and R\$14.8 billion in 2022, a strong performance over previous periods (+24.0% vs. 3Q22 and +28.9% vs. 2021), with growth of revenue in all lines of business and improvement of financial income.

The increase of the operating expenses was 4.8% in 12 months, a result below the accumulated inflation of the period (IPCA 5.8% and IGP-M 5.5%), even with the impacts of the 2021 and 2022 collective bargaining agreements and increase in volume traded.

With technological acceleration and constant investments, we seek to strengthen the relationship with our 77.1 million clients through solutions and increasingly relevant journeys, and our digital channels represented 98% of total transactions and were responsible for more than 33% of the loans released in 2022.

By December 2022, we had already allocated 100% of the US\$500 million of our first Sustainable Bond on the international market, launched in January 2022. Resource allocation follows the requirements of the Bradesco Sustainable Finance Framework with verification and opinions from Sustainalytics, with eligibility criteria focused on renewable energy, water resource management and inclusive finance. This year we reached 69.1% of our goal of targeting R\$250 billion by 2025 in sustainable business.

In January 2023, we completed our first pilot operation of tokenization of a financial asset, with the issuance of a Bank Credit Bill (CCB) worth R\$10 million. It was the first tokenization transaction of the financial market, within the regulatory environment of the Central Bank of Brazil, being an innovative operation, by transforming traditional physical assets into digital assets.

In 2023 we will complete 80 years of a solid and successful history, generating value for our clients, shareholders, employees, partners and society. With rationality, effort, commitment and dedication we will overcome the challenges and turn adversities into achievements.

Next, we will present more details about our numbers and results.

Enjoy the reading!

# MAIN INFORMATION

R\$ million (unless otherwise stated)	4Q22	3Q22	4Q21	12M22	12M21	Variation % (unless otherwise stated)		
						4Q22 x 3Q22	4Q22 x 4Q21	12M22 x 12M21
<b>\\ Recurring Income Statement</b>								
Recurring Net Income <sup>(1)</sup>	1,595	5,223	6,613	20,680	26,215	(69.5)	(75.9)	(21.1)
Book Net Income	1,437	5,211	3,170	20,732	21,945	(72.4)	(54.7)	(5.5)
Operating Income	(99)	7,047	10,283	27,640	40,162	(101.4)	(101.0)	(31.2)
Net Interest Income	16,677	16,283	16,962	66,382	63,980	2.4	(1.7)	3.8
Expanded ALL	(14,881)	(7,267)	(4,283)	(32,297)	(15,035)	104.8	-	114.8
Fee and Commission Income	9,251	8,856	8,864	35,694	34,099	4.5	4.4	4.7
Operating Expenses (Personnel, Administrative and Other Operating Expenses, Net of Income)	(13,491)	(12,418)	(12,867)	(49,140)	(46,942)	8.6	4.8	4.7
Income from Insurance, Pension Plans and Capitalization Bonds	4,300	3,469	3,527	14,761	11,451	24.0	21.9	28.9
<b>\\ Statement of Financial Position</b>								
Total Assets	1,830,247	1,891,631	1,695,217	1,830,247	1,695,217	(3.2)	8.0	8.0
Loans - Expanded Loan Portfolio	891,933	878,571	812,657	891,933	812,657	1.5	9.8	9.8
- Individuals	361,101	352,672	320,760	361,101	320,760	2.4	12.6	12.6
- Companies	530,831	525,899	491,897	530,831	491,897	0.9	7.9	7.9
Shareholders' Equity	154,263	156,884	147,121	154,263	147,121	(1.7)	4.9	4.9
Assets under Management	2,770,585	2,824,049	2,604,416	2,770,585	2,604,416	(1.9)	6.4	6.4
<b>\\ Capital and Liquidity - %</b>								
Total Ratio	14.8	15.8	15.8	14.8	15.8	(1.0) p.p.	(1.0) p.p.	(1.0) p.p.
Tier I Capital	12.4	13.6	13.7	12.4	13.7	(1.2) p.p.	(1.3) p.p.	(1.3) p.p.
Liquidity Coverage Ratio (LCR)	160.1	174.7	138.1	160.1	138.1	(14.6) p.p.	22.0 p.p.	22.0 p.p.
Net Stable Funding Ratio (NSFR)	120.5	121.3	117.1	120.5	117.1	(0.8) p.p.	3.4 p.p.	3.4 p.p.
<b>\\ Profitability and Efficiency %</b>								
Annualized Return on Average Equity (ROAE) <sup>(2)</sup>	3.9	13.0	17.5	13.1	18.1	(9.1) p.p.	(13.6) p.p.	(5.0) p.p.
Annualized Return on Average Assets (ROAA)	0.3	1.1	1.6	1.1	1.6	(0.8) p.p.	(1.3) p.p.	(0.5) p.p.
Efficiency Ratio (ER)	47.7	46.5	46.9	45.1	46.0	1.2 p.p.	0.8 p.p.	(0.9) p.p.
<b>\\ Market Indicators</b>								
Recurring Net Income per Share (accumulated 12 months) - R\$ <sup>(3)</sup>	1.94	2.41	2.46	1.94	2.46	(19.4)	(21.0)	(21.0)
Market Capitalization <sup>(4)</sup>	152,508	192,620	171,480	152,508	171,480	(20.8)	(11.1)	(11.1)
Dividends/Interest on Shareholders' Equity	2,347	2,249	2,613	8,647	8,154	4.4	(10.2)	6.0
Price/Earnings Ratio <sup>(5)</sup>	7.4	7.5	6.5	7.4	6.5	(1.6)	12.7	12.7
Price to Book Ratio	1.0	1.2	1.2	1.0	1.2	(16.7)	(16.7)	(16.7)
Dividend Yield - % <sup>(6) (7)</sup>	2.8	3.2	5.3	2.8	5.3	(0.4) p.p.	(2.5) p.p.	(2.5) p.p.
<b>\\ Portfolio Indicators - %</b>								
Delinquency Ratio (over 90 days)	4.3	3.9	2.8	4.3	2.8	0.4 p.p.	1.5 p.p.	1.5 p.p.
Delinquency Ratio (over 60 days)	5.2	4.7	3.4	5.2	3.4	0.6 p.p.	1.8 p.p.	1.8 p.p.
NPL Creation - 90 days	1.2	1.1	0.9	1.2	0.9	0.1 p.p.	0.3 p.p.	0.3 p.p.
Coverage Ratio (> 90 days)	204.2	200.7	260.9	204.2	260.9	3.5 p.p.	(56.7) p.p.	(56.7) p.p.
Coverage Ratio (> 60 days)	168.5	167.2	215.4	168.5	215.4	1.3 p.p.	(46.9) p.p.	(46.9) 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 comparison purposes, shares were adjusted in accordance with bonuses and stock splits which occurred in the periods; **(4)** Number of shares (excluding treasury shares) vs. closing price for common and preferred shares on the last trading day of the period; **(5)** Accumulated recurring net income in 12 months; **(6)** Source: Economatica; and **(7)** Calculated by the share with the highest liquidity.