



EARNINGS RELEASE

2nd Quarter of 2023

Brasilia,
September 15, 2023

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Administration Message

Brasilia, September 15,
2023

At 2T23, BRB reached a recurring net profit of R\$ 93 million, a growth of 21,3% year over year. In the same period, the Bank reached R\$ 45.4 billion in its total assets, 21.2% more than the same period of the previous year.

This performance was catalyzed by the growth and diversification of the loan portfolio, which reached R\$ 33.2 billion (+ 30.5% year over year). The Bank got this result by keeping its portfolio low-risk profile, which ended the semester with a default of 1.92%, therefore below the market average (3.55%)¹.

In the same period, the Bank continued investing in its modernization to expand business lines and diversify its business base profile, which now amounts to 7.3 million customers. Thus, BRB combines all its history with a plan for the future focused on innovation. New strategies for attracting and making customers loyal include investing in personalized relationships with the Bank’s retail model.

In this way, BRB has competed for the market among the major players: for every challenge, a unique tailored delivery for people; for every customer, the experience they desire. This Earnings Release presents the numbers of a Bank, which continues on its way to modernization and expansion, always based on a customer base every more profitable, continuing to act as a Bank which combines traditions with soundness, practicality, and customization of its digital evolution, which has been recognized for three consecutive years as Latin America’s most innovative retail bank.



Customer Base

7.3 million



Court Deposits

R\$ 12.9 billion



Business Growth

+ 30.5%

Extended Loan Portfolio (2Q23
x 2Q22)



BRB DTVM

R\$ 748 million

AuC



Phygital Expantion

BRB **present of 93%**
Brazilian municipalities

¹ FEBRABAN, Default- Total, Credit Overview – June 2023

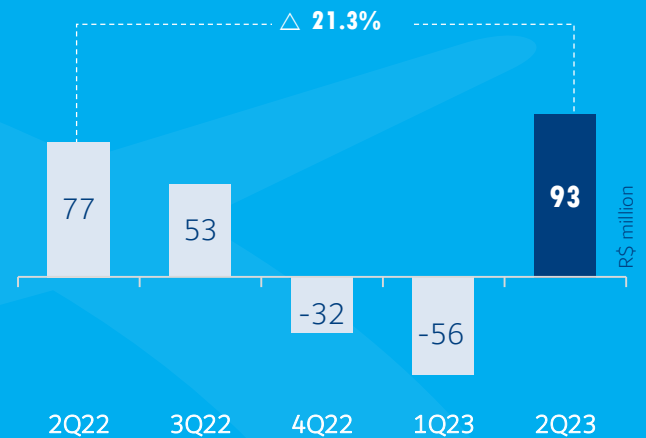
² International Banker Awards

Financial Performance

| Earnings Items (R\$ million) | 2Q22 | 1Q23 | 2Q23 | Δ3M | Δ12M |
|-------------------------------|-----------|------------|-----------|---------------|--------------|
| Financial Margin | 561 | 541 | 820 | 51.5% | 46.1% |
| Loan Loss Provision | -37 | -132 | -132 | -0.1% | 257.0% |
| Net Margin | 525 | 410 | 689 | 68.1% | 31.3% |
| commissions and Fees Revenue | 116 | 137 | 135 | -1.5% | 16.3% |
| Personnel Expenses | -281 | -315 | -337 | 6.7% | 19.9% |
| Other Administrative Expenses | -188 | -234 | -229 | -2.1% | 22.0% |
| Earnings Before Taxes | 95 | -114 | 124 | 208.9% | 31.5% |
| Net Profit | 77 | -56 | 93 | 266.5% | 21.3% |

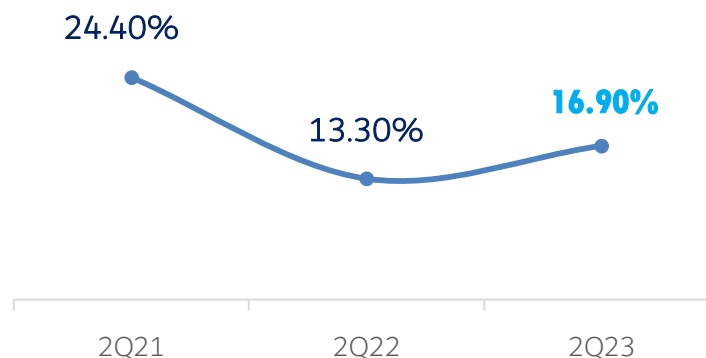
Net Profit

Net Profit in 2T23 was R\$ 93 million. This performance is the expression of BRB's expansion strategy, which foresees the diversification of credit lines in partnerships with business platforms while the Institution reaches more customers and remains loyal to its state bank mission of being an economic and social development major player in its operational region.



ROAE

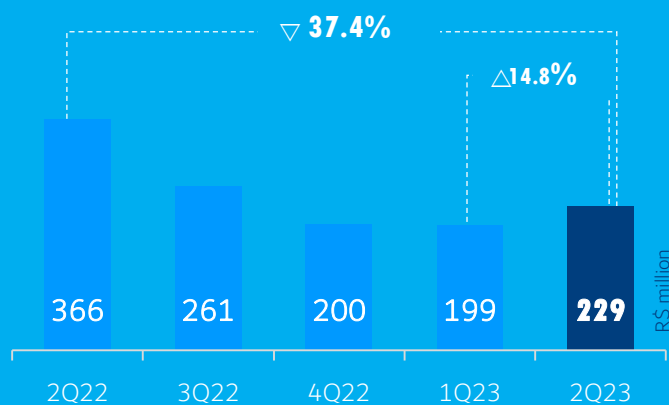
(annualised quarterly)



| Earnings Items (R\$ million) | 2Q22 | 1Q23 | 2Q23 | Δ3M | Δ12M |
|--|-------|-------|--------|-------|--------|
| Financial Intermediation Revenue | 1,378 | 1,499 | 1,825 | 21.7% | 32.4% |
| Credit | 1,001 | 1,287 | 1,584 | 23.1% | 58.3% |
| Real Estate Bonds and Securities | 366 | 199 | 229 | 14.8% | -37.4% |
| Financial Intermediation Expenses | -817 | -958 | -1,004 | 4.9% | 22.9% |
| Market Funding | -802 | -951 | -998 | 4.9% | 24.4% |
| Loans, transfers, and on-lend | -15 | -6 | -6 | -1.8% | -58.5% |
| Financial Margin | 561 | 541 | 820 | 51.5% | 46.1% |

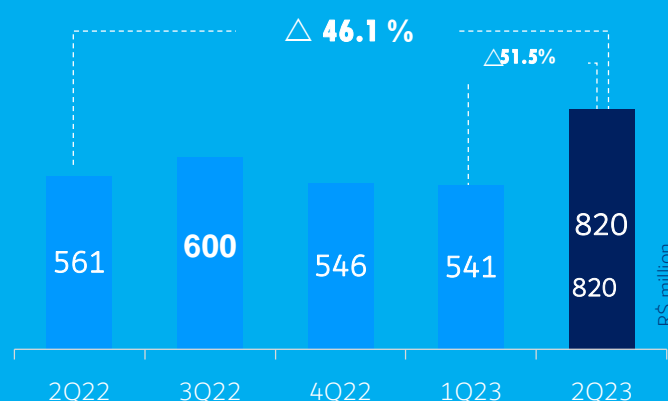
Treasury Earnings

Treasury operations earnings in 2Q23 were R\$ 229 million, a decrease of 37.4% over the same period last year when the amount was R\$ 366 million. This reduction reflects the assets portfolio balance volume, which decreased due to part of the resources being allocated to other business sectors of the Bank.



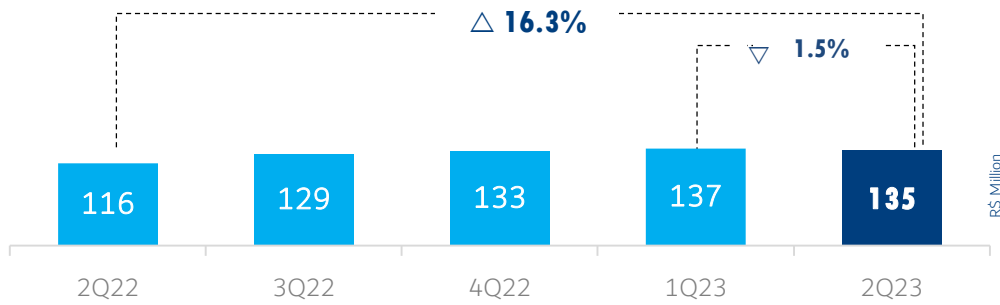
Financial Margin

2Q23 financial margin increased by 46.1% over the same period of the previous year due, among other reasons, to fee re-pricing and an increase in more profitable lines of credit.



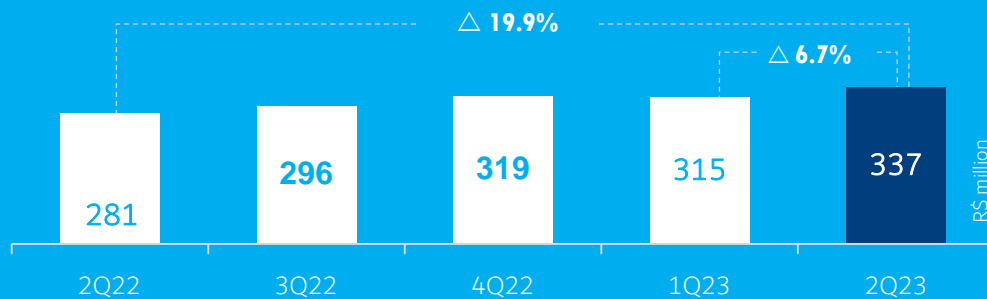
Commissions and Fees Revenue

The commission and fees revenue increased by 16.3% in the twelve-month comparison and a reduction of 1.5% over the previous quarter. , Cards and current accounts revenue stood out in this result.



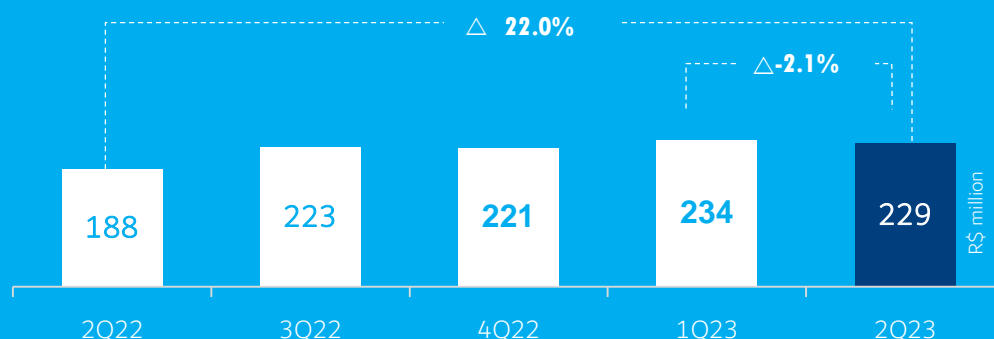
Personnel Expenses

In 2Q23, personnel expenses increased by 19.9% over the same period last year, mainly impacted by the Bank's expansion to other states. In the quarter, the increase was 6.7%.



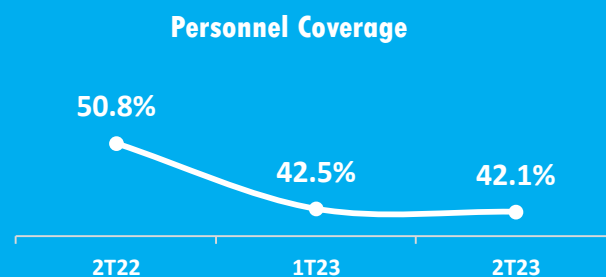
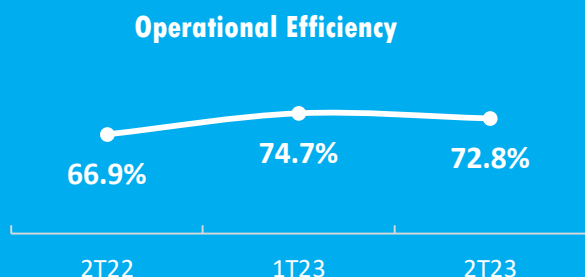
Other administrative expenses

Expenses destined to technology, structure, marketing, and relationship, among others, ended 2Q23 at R\$ 229 million, an increase of 22.0% over 2Q22. At the quarterly comparison, it decreased by -2.1%.



Efficiency

The Operational Efficiency Ratio improved by 1.9 p.p. over 1Q23. Personnel Coverage, in turn, reduced by 8.7 p.p. over 2Q22 and 0.4 p.p. over 1Q23.



Operational Efficiency = (Personnel Expenses + management expenses) / (Gross Margin + commissions and fees Revenue + Equivalent Pat. Rates)

Personnel Coverage = commissions and Fees Revenue and rates / Personnel Expenses.

Assets and Liability Management

The total assets balance was R\$ 45.4 billion at the end of 2Q23, an increase of 21.2% over 2Q22. In the assets composition, the expanded loan portfolio reached R\$ 33.2 billion, representing 73.1% of total assets.

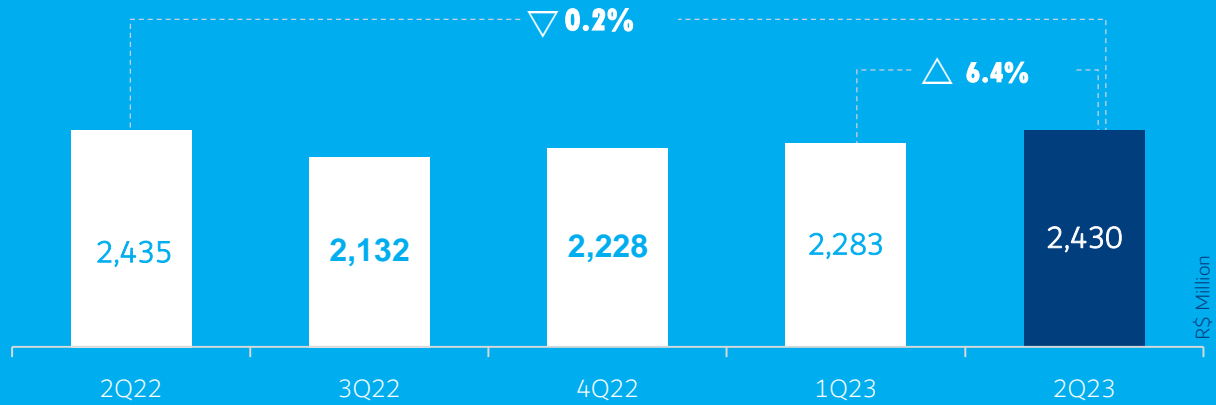
Funding

At the end of 2T23, the funds raised had a balance of R\$ 40.7 billion, a growth of 26.0% in 12 months and 8.9% in the quarter. Court Deposits and Real Estate/Agribusiness Letters of Credit (LCI/ LCA) + Senior Financial Letters (LF) stood out with an increase of 49.7% and 42.9%, respectively, over 2Q22.

| Funding (million) | 2Q22 | 1Q23 | 2Q23 | Δ3M | Δ12M |
|-------------------------|---------------|---------------|---------------|---------------|--------------|
| Customer Funding | 28,986 | 33,151 | 37,021 | 11,7% | 27,7% |
| Demand Deposits | 1,315 | 1,209 | 1,276 | 5.6% | -3.0% |
| Savings | 2,669 | 2,562 | 2,583 | 0.8% | -3.2% |
| Term Deposits | 20,774 | 23,376 | 27,133 | 16.1% | 30.6% |
| Court Deposits | 8,627 | 10,165 | 12,916 | 27.1% | 49.7% |
| LCI/LCA + Senior LF | 4,486 | 6,055 | 6,410 | 5.9% | 42.9% |
| Compulsory Deposits | 260 | 51 | 382 | 651.1% | 47.0% |
| Other Funding | 3,354 | 4,263 | 3,722 | -12.7% | 11.0% |
| Interbank Deposits | 156 | - | - | - | - |
| Resale agreements | 1,879 | 1,977 | 1,384 | -30.0% | -26.4% |
| Subordinate LF | 1,013 | 1,915 | 1,991 | 4.0% | 96.5% |
| Loans and Transfers | 287 | 348 | 347 | -0.3% | 20.7% |
| Other | 17 | 23 | - | - | - |
| Total Funding | 32,339 | 37,414 | 40,743 | 8.9% | 26.0% |

Net Equity

BRB's Net Equity ended the quarter at R\$ 2,430 million, representing an increase of 6.4% in 3 months and a decrease of 0.2% in the annual comparison.



Risk Management

The Bank has policies, standards, and procedures for managing its risks and capital. These instruments establish general operating principles defined by the Top Administration and align with the Institution's strategic objectives following specific regulations.

The risk management process at BRB is available on the [Investors Relations website](http://ri.brb.com.br/en/) under "Risk Management Report".

Market Risk

The Bank always seeks to anticipate the chance of losses arising from fluctuations in its instruments' market values. The main mechanisms used to manage and monitor this possibility are Value at Risk (VaR), sensitivity analyses, stress tests, and backtesting, carried out quarterly.



Value at Risk(VaR)

Value at risk (R\$ Thousand) – Market Risk

At BRB, market risk is measured by the Value at Risk (VaR) metric, which represents, under normal market conditions, the expected loss for the Institution's portfolio based on a certain degree of confidence and within a determined period.

The average VaR, minimum VaR, and maximum VaR of market risk (for the period of one business day and with a 99% confidence level) decreased, respectively, by 19.95%, 35.52%, and 19.87% in 2Q23, compared to the previous quarter. Such reductions in VaR in the period were mainly due to possible loss reductions arising from exposures to the variable income of Conglomerado BRB.

| Conglomerado Prudencial BRB | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 |
|-----------------------------|------|------|------|------|------|
| Average VaR | 387 | 340 | 435 | 413 | 330 |
| Minimum VaR | 334 | 310 | 378 | 308 | 199 |
| Maximum VaR | 476 | 365 | 485 | 516 | 413 |

In Million

Liquidity Risk

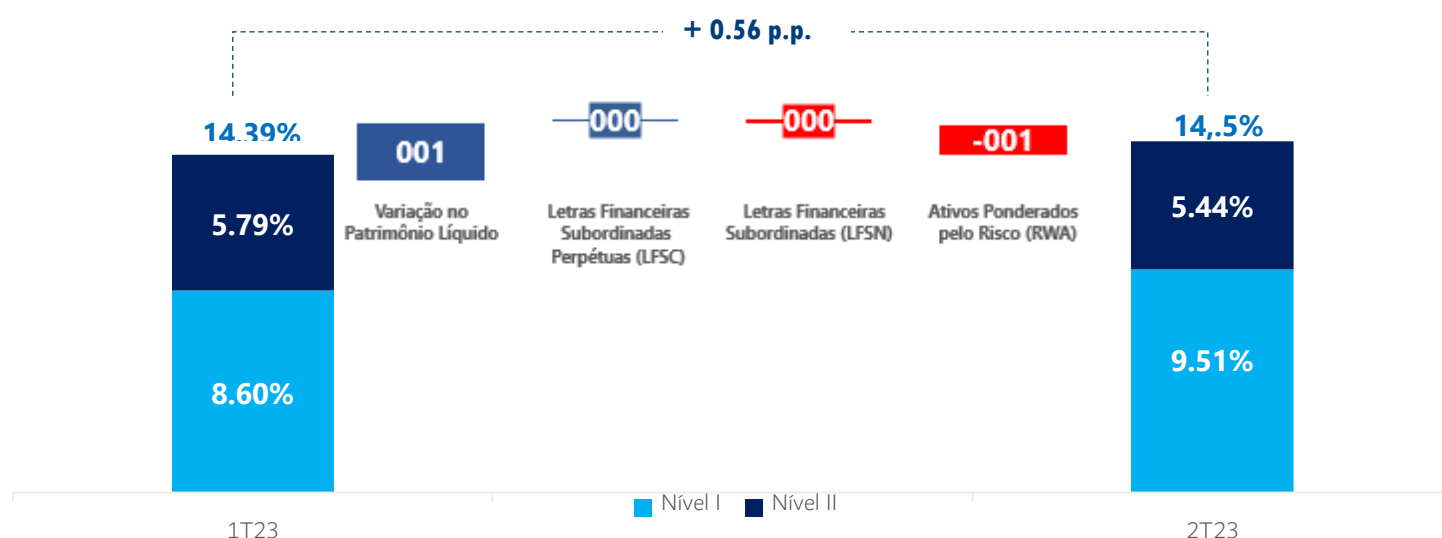
BRB's liquidity risk management is carried out mainly by measuring and controlling specific indicators and by stress tests. Through these instruments, it appears that the Institution holds a quantity of monetizable assets that guarantee the efficient fulfillment of the financial obligations assumed.

During the second quarter of 2023, BRB maintained its dispersed funding strategy, which allows for sustainable growth. It is also worth highlighting that the Short-Term Liquidity Index (ILCP), which is the main metric of BRB's liquidity risk, ended 2Q23 above the limit established in the Risk Appetite Statement (RAS), as well as the Long-Term Liquidity Index (ILLP), which remained above the limits approved by the Institution.



Capital Management

C.A.R. Evolution



In June 2023, Conglomerado Prudencial's C.A.R ratio was 14.95%, representing an increase of 0.56 p.p. over March 2023. The variation is explained by the 8.87% increase in Regulatory Capital, resulting from the earnings in the period and Conglomerado BRB's Corporate Reorganization, presenting a percentage variation higher than the 4.77% increase in Risk Weighted Assets (RWA), resulting from the expansion of the credit risk portion, mainly resulting from the loan portfolio rise.

While the Regulatory Capital reached the level of R\$ 3,888 million in June 2023, against R\$ 3,571 million recorded in March 2023, the total RWA recorded was R\$ 26,004 million, against R\$24,821 million in the previous quarter due to the 5.13% increase in the credit risk allocation portion.

The calculated C.A.R. exceeds the sum of the minimum requirements for Regulatory Capital and Additional Principal Capital by 4.45 p.p..

Subsidiaries

BRBCARD

In 2Q23, BRBCARD reached a revenue of R\$ 2.1 billion, registering an increase of 37% compared to 2Q22. This growth is due to the consolidation of the BRB card in the means of payment market. The impact on revenue boosted the company's Net Profit, reaching R\$ 36.6 million at the end of 2Q23.

| Information | 2Q22 | 1Q23 | 2Q23 | Δ3M | Δ12M |
|---------------------------|-----------|-----------|-----------|------|------|
| Revenue | 1,509 | 1,861 | 2,062 | 11% | 37% |
| Cards base | 1,277,906 | 1,311,849 | 1,251,232 | -5% | -2% |
| Net Result (R\$ thousand) | 29,801 | 12,886 | 36,589 | 184% | 23% |

BRB Seguros

In 2Q23, BRB Seguros, in collaboration with Cardif, in a partnership established for twenty years, launched the new award-winning BRB Vida Super Collective Life Insurance, increasing its presence in the Life, Credit Life, and Protected Card insurance markets.

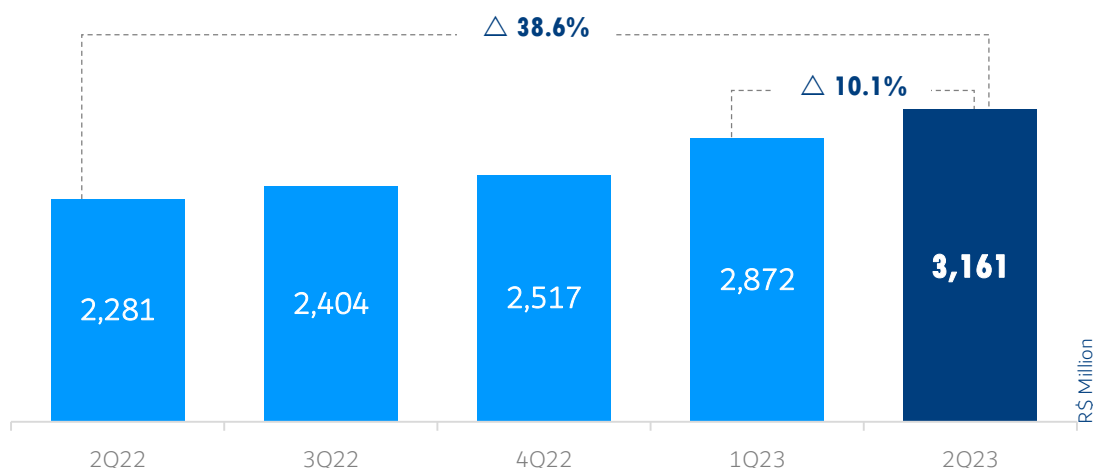
The new brokerage surpassed the results projected for the period, with the issuance of R\$ 234.8 million in premiums, representing an increase of 23.9% compared to 1Q23. The gross revenue generated was R\$50.4 million, registering a decrease of 24.0% over 2Q22. There was a 79.6% increase in Consortium production and 137.9% in Pension production in 2Q23 compared to 2Q22.

Financeira BRB

Financeira BRB ended 2Q23 with R\$ 3.2 billion in its loan portfolio, a growth of 38.6% in 12 months. Financeira BRB's loan portfolio consists of a diversified portfolio, focusing on retail and non-bank account holders, besides implementing its own portfolio origination and sale strategy. Intermediary Revenue grew 171.7% in the year and 104.1% in the quarter.

| | 2Q22 | 1Q23 | 2Q23 | Δ 3M | Δ 12M |
|-----------------------|---------|---------|---------|--------|--------|
| Intermediary Revenue | 74,694 | 99,428 | 202,954 | 104.1% | 171.7% |
| Intermediary Expenses | -55,955 | -80,339 | -86,973 | 8.3% | 55.4% |
| Service Revenue | 707 | 1,135 | 440 | -61.2% | -37.8% |
| Net Profit | 4,453 | -9,091 | 40,641 | 547.1% | 812.6% |

Loan Portfolio

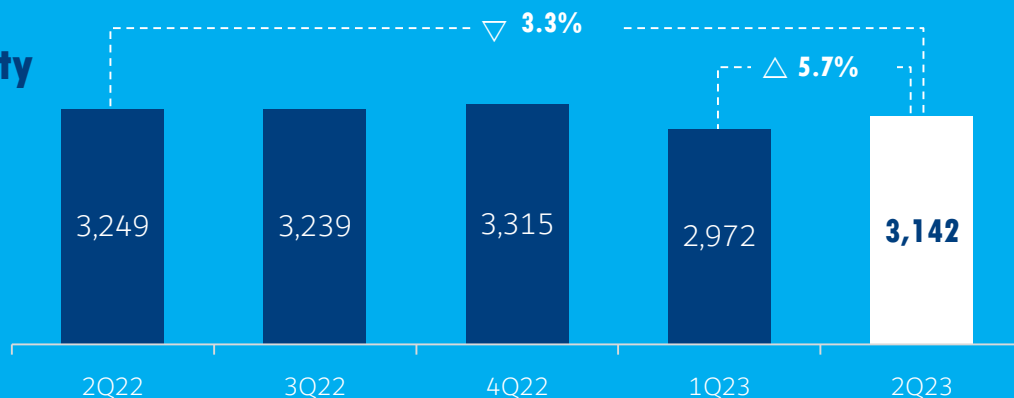


BRB DTVM

BRB DTVM ended 2Q23 with an administered equity of R\$ 3.1 billion, which represents a reduction of 3.3% over 2Q22. Its customer base increased by 89.4% over the same period.

Administered Equity

(R\$ milion)



Investors Relations Management

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