



# Earnings Release

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1st Quarter of 2023

Brasilia,  
May 18, 2023

Access our  
IR webpage



# Management Message

Brasilia, May 18, 2023

In the first quarter of 2023, BRB's credit portfolio increased by 5.7% at the quarter comparison and 38.8% in relation to the same period last year, with the prominence of payroll deductible loans (^38.0%) and mortgages (^48.5%).

The business base with which the Bank relates reached 7 million customers in the quarter.

Amidst a challenging economic scenario, BRB reached the end of the quarter with R\$36.8 billion in total funding, representing an increase of 13.3% year-over-year.

In addition to Court Deposits, which already amount to R\$ 10 billion in funding, this performance was also impacted by operations with Real Estate and Agribusiness Letters of Credit (^38.5%), which reached R\$ 6.1 billion, a direct reflection of the partnerships strategy, which made BRB products available on various distribution platforms.

This strategy is articulated with BRB's current expansion throughout the national territory, in actions driven by the partnerships, generating resources for investments in productive sectors of the economy, and promoting social development in the regions where the Bank operates.



Customer base  
growth  
**7 million**  
customers



Pix Judicial  
**R\$ 10 billion**

Expanded court  
deposits portfolio

  
Business  
growth

**+ 38.8%**  
Expanded credit  
portfolio  
(1Q23 x 1Q22)



BRB DTVM

**R\$ 2.96 billion**  
Administered Legal  
Entity

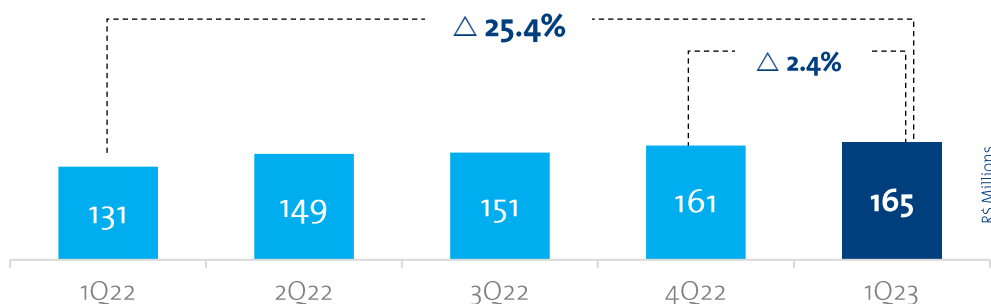


*Phygital expansion*

BRB **present in 93%** of  
Brazilian municipalities

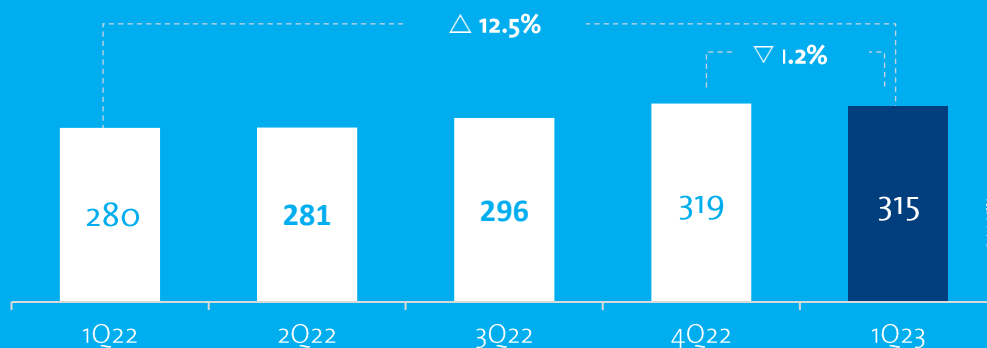
## Comissions and Fees Revenue

Adjusted Commissions and Fees Revenue increased by 23.4% in the twelve-month comparison and 2.4% over the previous quarter. In this result, revenues from cards and checking accounts stood out.



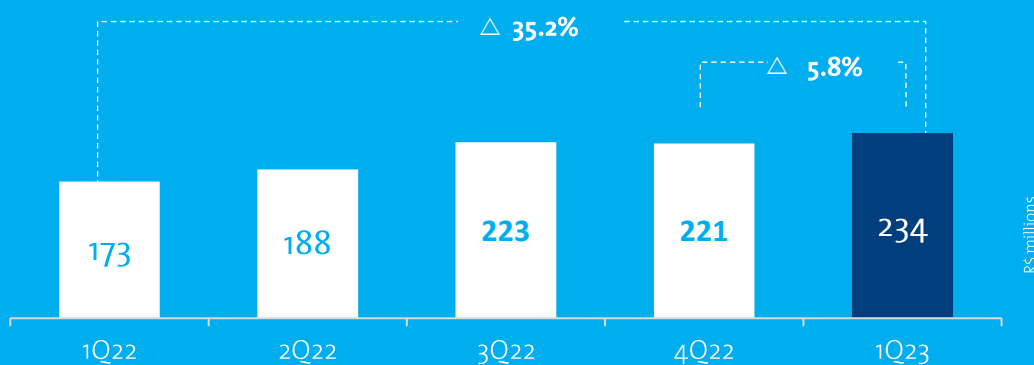
## Personnel Expenses

In 1Q23, personnel expenses increased by 12.5% compared to the same period of the previous year, mainly influenced by the Bank's expansion to other states. In the quarter, the reduction was -1.2%.



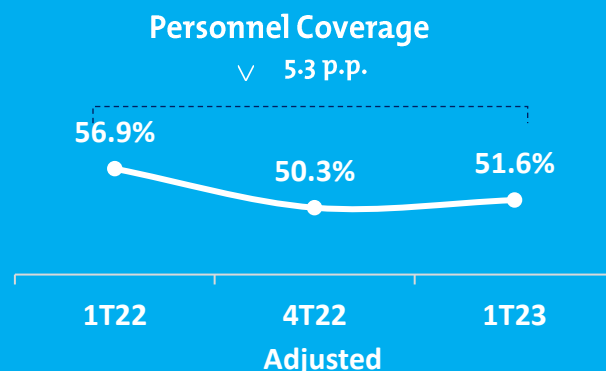
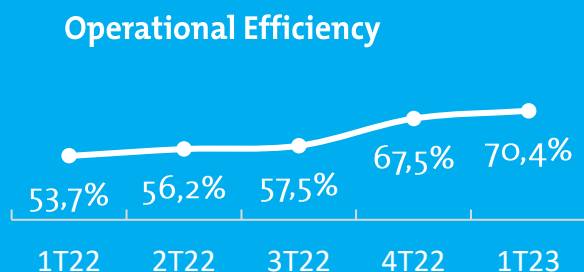
## Other administrative expenses

Expenses for technology, structure, marketing, and relationships, among others, closed 1Q23 at R\$234 million, an increase of 35.2% over 1Q22. In the quarterly comparison, expenses increased by 5.8%. This is because the expansion and modernization project of the Bank's physical and technological structure is in an ascending phase.



## Efficiency

The Operational Efficiency ratio presented a variation of 0.85 p.p. compared to 4Q22 and 7.55 p.p. over the same period of the previous year. Personnel Coverage, in turn, had a reduction of 17.84 p.p. compared to 1Q22 and an increase of 0.94 p.p. compared to 4Q22.



Operational Efficiency = (Personnel expenses + administrative expenses)/(Gross Margin + commissions and fees revenue + equivalent pat. rates) Personnel Coverage = commissions and fees revenue and rates/ personnel expenses.

## Assets and Liability Management

Total assets had a balance of R\$42.9 billion at the end of 1Q23, with an increase of 12.0% over 1Q22. In the composition of the assets, the expanded credit portfolio reached R\$ 32.2 billion, representing 75.0% of total assets.

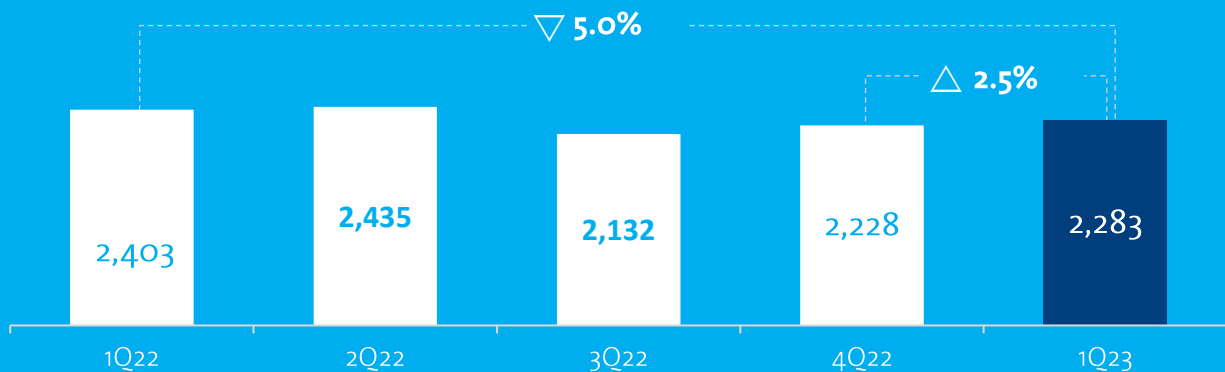
## Funding

At the end of 1Q23, funds raised reached a balance of R\$36.8 billion, up 13.3% in 12 months and 4.1% in the quarter, with the prominence of Court Deposits and Real Estate/Agribusiness Letters of Credit(LCI/LCA) + Financial Letters (LF), with an increase of 24.6% and 38.5% compared to 1Q22, respectively.

Funding (million)	1Q22	4Q22	1Q23	Δ3M	Δ12M
<b>Customer Funding</b>	<b>28,499</b>	<b>31,543</b>	<b>32,533</b>	<b>3.1%</b>	<b>14.2%</b>
Demand Deposits	1,162	1,235	1,209	-2.1%	4.0%
Savings	2,697	2,675	2,562	-4.2%	-5.0%
Term Deposits	20,347	22,497	22,757	1.2%	11.8%
Court Deposits	8,156	9,547	10,165	6.5%	24.6%
LCI/LCA + LF	4,371	5,312	6,055	14.0%	38.5%
Compulsory Deposits	79	176	51	-71.2%	-35.3%
<b>Other Funding</b>	<b>3,277</b>	<b>2,088</b>	<b>2,348</b>	<b>12.5%</b>	<b>-28.3%</b>
Interbank Deposits	701	32	-	-100%	-100%
Resale agreements	1,741	1,697	1,977	16.5%	13.6%
Subordinate Financial Letters	691	1,732	1,915	10.5%	177.3%
Loans and Transfers	790	344	348	1.0%	-56.0%
Other	45	15	23	53.3%	-48.4%
<b>Total Funding</b>	<b>32,466</b>	<b>35,363</b>	<b>36,795</b>	<b>4.1%</b>	<b>13.3%</b>

## Equity

BRB's Shareholders' Equity ended the quarter at R\$2,284 million, representing an increase of 2.5% in 3 months. In the annual comparison, there was a decrease of 5.0%.



## Risk Management

The Bank has policies, rules, and procedures for managing its risks and capital. These instruments establish general operating principles expressed by Senior Management, and are aligned with the Institution's strategic objectives, following specific regulations. The risk management process at BRB is available on the investor relations website (<http://ri.brb.com.br>) under Risk Management Report.

### Market Risk

The Bank always seeks to anticipate the chance of losses occurring due to fluctuations in the market values of its instruments. The main mechanisms used to manage and monitor this possibility are the 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 maximum expected loss for the Institution's portfolio based on a certain degree of confidence and within a certain horizon of time. The average VaR, the minimum VaR, and the maximum VaR of market risk (for a time horizon of one business day and with a confidence level of 99%) registered, respectively, variations of -5.25%, -18.52% and +6.24%, in 1Q23, compared to the previous quarter, mainly due to the natural fluctuations of the BRB Conglomerado exchange rate exposure for the composition of cash in foreign currency. Nevertheless, the average VaR decreased in 1Q23.

Conglomerado Prudencial BRB	1Q22	2Q22	3Q22	4Q22	1Q23
Average VaR	727	387	340	435	413
Minimum VaR	437	334	310	378	308
Maximum VaR	947	476	365	485	516

In Million

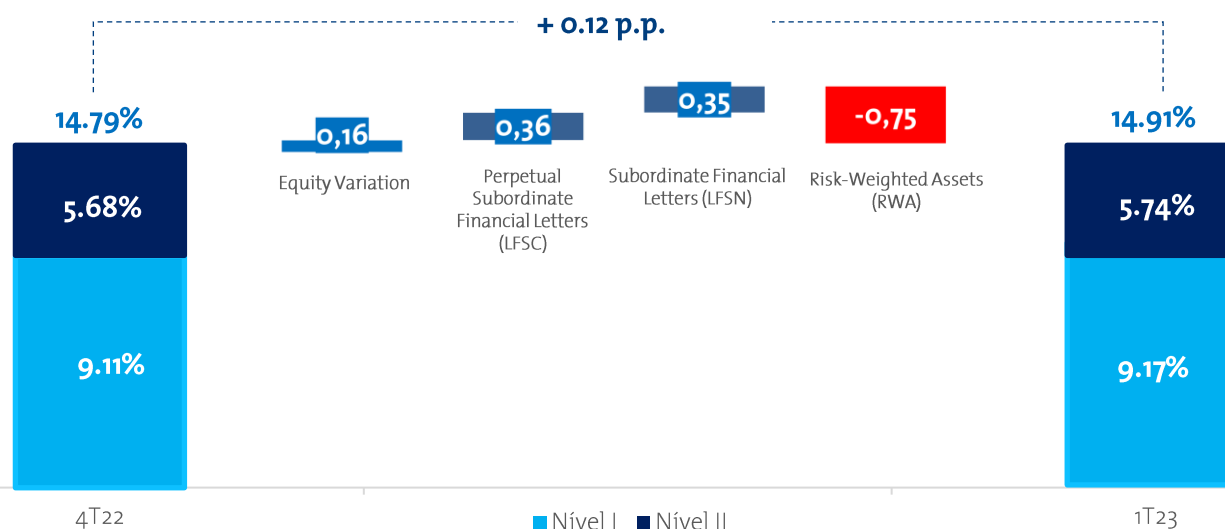
## Liquidity Risk

BRB's liquidity risk is managed mainly by measuring and controlling specific indicators and stress tests. Through these instruments, it is established that the Institution holds a number of monetizable assets that guarantee the efficient fulfillment of the undertaken financial obligations. During the first quarter of 2023, BRB maintained its pulverized funding strategy, which allows for sustainable growth. Note that the Liquidity Coverage Ratio, which is BRB's main liquidity risk metric, closed 1Q23 above the limit established in the Risk Appetite Statement (RAS), as well as the Net Stable Funding Ratio, which remained above the limits approved by the Institution.



## Resource Management

### CAR Evolution



In March 2023, CAR for Conglomerado Prudencial was 14.91%, representing an increase of 0.12 p.p. over December 2022. The variation is explained by the 5.87% increase in Reference Equity, against the 4.99% growth in risk-weighted assets (RWA), mainly in the credit risk portion.

While Reference Equity reached R\$ 3,729 million in March 2023, against R\$ 3,522 million registered in December 2022, the total RWA registered was R\$ 25,007 million, against R\$ 23,819 in the previous quarter.

The calculated CAR exceeds 4.41 p.p. the sum of the minimum requirements for Reference Equity and Additional Main Capital.

## Controlled Companies

### BRBCARD

In 1Q23, BRBCARD reached revenues of R\$ 1.8 billion, registering a growth of 27% compared to 1Q22. It is prominent the growth of 10 p.p. above the market, which is the result of the consolidation of BRB card in the means-of-payment market. The impact of billing boosted the company's Net Profit, reaching R\$ 13 million at the end of 1Q23. Em relação a base de cartões, houve crescimento de 7,0% em relação ao 4T22.

Information	1Q22	4Q22	1Q23	Δ3M	Δ12M
Revenue	1,462	1,673	1,859	11%	27%
Base (Qty)	1,341,849	1,213,693	1,311,849	8%	-2%
Net Results(R\$ thousand)	24,851	71,178	12,886	-82%	-48%

## BRB Seguros

In 1Q23, BRB Seguros completed the implementation and started marketing the first two products resulting from the Safe II Process: BNP Paribas Cardif Payment Protection Insurance and Mapfre Home Insurance. The new broker surpassed the projected results for the term, with the issue of R\$ 124.9 million in premiums<sup>1</sup>, representing an increase of 17.7% compared to 1Q22. Gross revenue generated was R\$55.4 million, registering an increase of 34.5% over 1Q22. There was a growth of 86.5% in the production of home insurance and 28.0% in the production of automobile insurance in 1Q23, compared to 1Q22.

<sup>1</sup> BRB Seguros premiums, released by Wiz, do not consider the sale of Capitalization, Consortium and Pension Plans

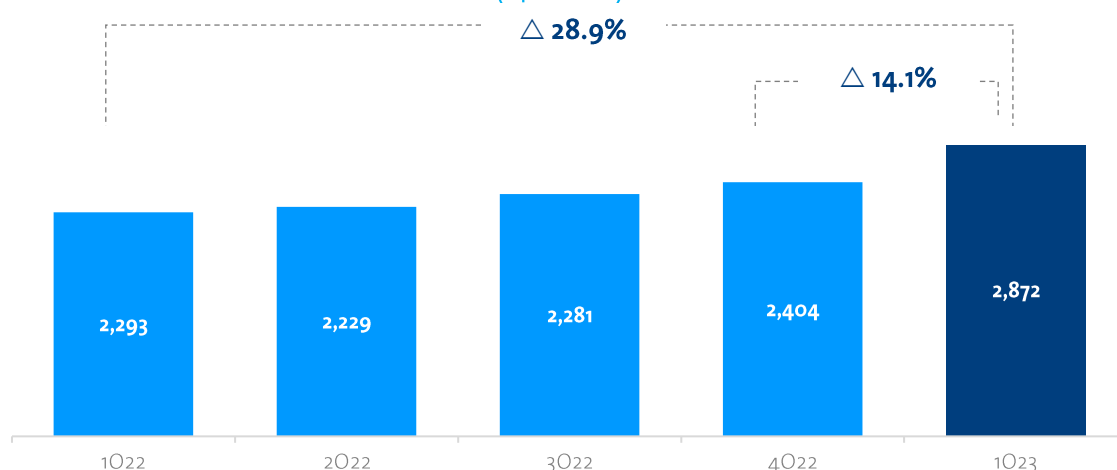
## Financeira BRB

Financeira BRB ended 1Q23 with R\$2.87 billion in its credit portfolio (a growth of 28.9% in 12 months and 14.1% in 3 months). The credit portfolio of Financeira BRB is made up of a diversified portfolio, with a focus on retail and the Bank's non-account holders, in order to expand the Institution's spectrum of activity and the base of potential customers. Intermediation Revenues grew 35.1% in the year and 13.8% in the quarter and Intermediation Expenses grew 71.6% and 12.5% when compared to 1Q22 and 4Q22, respectively.

	1T22	4T22	1T23	Δ 3M	Δ 12M
Intermediary Revenue	73.572	87.386	99.428	13,8%	35,1%
Intermediary Expenses	-46.827	-71.409	-80.339	12,5%	71,6%
Commissions and Fees Revenue	106	1.012	1.135	12,3%	971,5%
Net Profit	4.749	-7.351	-9.091	23,7%	-291,4%

## Credit Portfolio

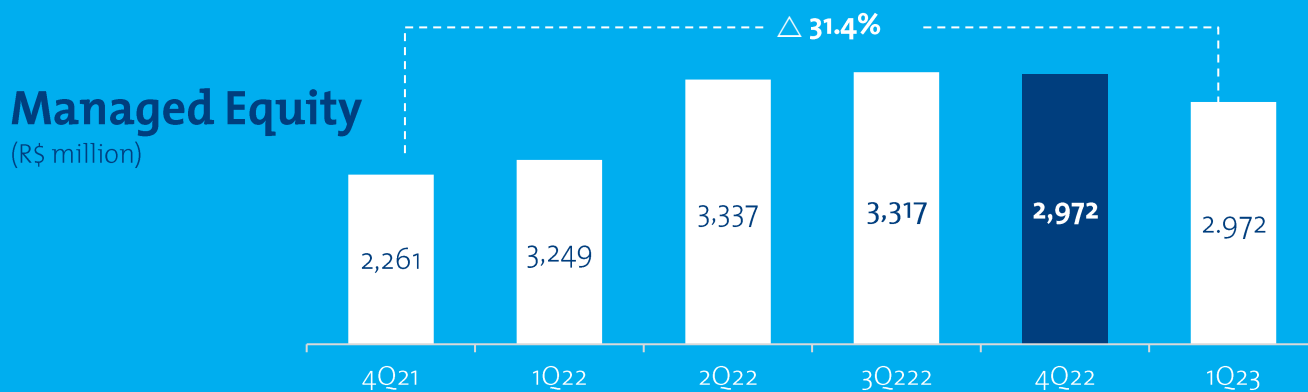
(R\$ million)





## BRB DTVM

BRB DTVM ended 1Q23 with assets under management of R\$2.97 billion, an increase of 31.4% compared to 1Q22. The company generated a net profit of R\$ 3.8 million in the quarter.



## Investor Relations

### Investor Relations Management

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