

# Management Report

2<sup>nd</sup> quarter of 2023

Brasilia,  
September 15, 2023

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IR webpage





## **Administration**

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BRB DTVM President

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## Administration's Message

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%)<sup>1</sup>.

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 **new retail model**.

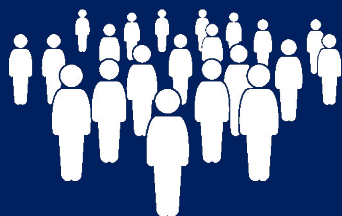
In this way, BRB has competed for the market among the major players: for every challenge, a unique tailored delivery for people; **for every customer, the experience they desire**. This Earnings Release presents the numbers of a Bank, which continues on its way to modernization and expansion, always 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<sup>2</sup>.



**R\$ 93 million**  
Recurring Net Profit  
+ 21.3%



**R\$ 33.2 billion**  
Expanded Portfolio  
+ 30.5%



**7,3 million**  
customers  
+ 34.0%



**R\$ 45.4 billion**  
Total Assets  
+ 21.2%

2T23 x 2T22

<sup>1</sup> FEBRABAN, Default - Total, **Credit Overview**– June2023

<sup>2</sup> International Banker Awards

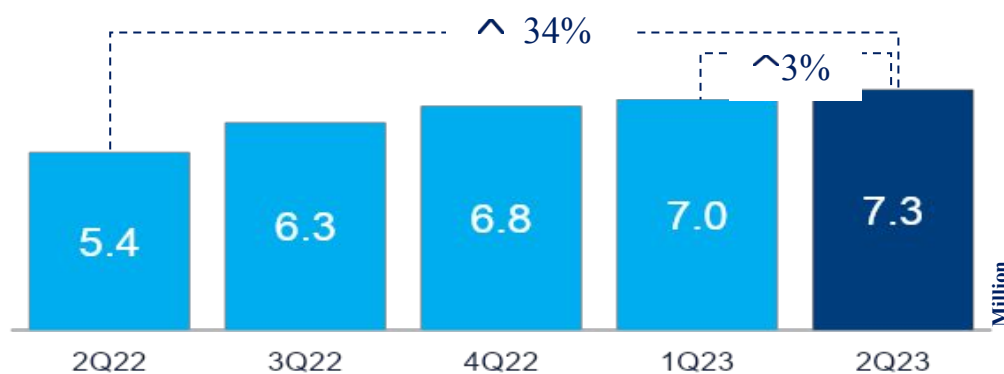
# New retail Model

The BRB's General Business Guideline advocates the need to provide customers with a superior, comprehensive, innovative, and "phygital" (physical and digital) experience. This directive reflects the convergence of physical and digital experiences in offering products and services, an approach aimed at meeting customer's diverse needs and expectations.

This is how BRB continues establishing itself as people's bank of choice. The bank's purpose goes beyond traditional banking operations, as it seeks to transform lives by delivering a superior customer service experience that enables customers to build long-term relationships with the bank that supports them in achieving their dreams. This objective is one of the pillars of the retail model, which also includes the new physical branch ambiance, product and service portfolio diversification, and the training of the service network.

In this objective pursuit, it is worth highlighting the growth in the total number of customers in the High-Income and Private segments in 2Q23, which increased by 17% compared to 1Q23 and 82% compared to 2Q22. This performance is due to a strategy of unique products, services, and experiences, as well as strategic partnerships, including the DUX card, premium insurance products, an investment platform, and preferential access to shows and relevant social, sports, and gastronomic events. The result is also a reflection of these individuals' satisfaction level, which has also been growing, as evidenced by the annual increase of 13.6% in the NPS (Net Promoter Score) index, which reached a score of 67.16% in 2Q23.

This New Retail Model encompasses specific initiatives for each segment, aiming to acquire, engage, and monetize the customer base. These data justify the bank's investments in monetizing relationships with these groups, where the total number of clients increased by 17% over 1Q23 and 82% over 2Q22. With this strategy, BRB has been seeking growth in high-income customers.



Recognizing the most opportune moments in each customer's life and crafting the best banking relationship solution for each of them – that's the strategy BRB has been developing, always attentive to the expectations of the niches it has established relationships with in its operations across the country.

The bank continues to understand Brazil and its current and potential customers, thereby generating results that translate into value for all.

In this way, the institution has managed to become a part of people's lives, identifying the product and service formats that suit them best, making the BRB ecosystem increasingly comprehensive and modern, and becoming the primary bank for its customers.

Thanks to this approach, the bank has been able to sustain its territorial expansion on secure business foundations. Throughout Brazil, BRB has been using its human and technological resources to understand what people expect from a new bank and to tailor the product that can make the most difference for each of them.



## Physical Presence

### Brick-and- mortar Branches and Branchless Banking Network



In 2Q23, BRB reached the milestone of 1089 service stations among 189 brick-and-mortar branches and 900 branchless banking. While the Bank continues to increase the quality of automated service, BRB branches focus on the customer experience, offering personalized service, a welcoming environment, and the presence of qualified managers to deal with customized demands.

In 2Q23, five more units received the new interior design composition, according to the international Muse Design Awards, totaling ten BRB branches that offer this new Bank rapport format with customers.

#### Planned expansion

BRB has safely developed its national expansion, backing each step of this movement with contracts that already add new business opportunities and relationships to its base.

The expansion to Bahia with the capture of Court Deposits from the State Court of Justice, the recent hiring of the Bank by the City of João Pessoa to manage the accounts of more than 35 thousand employees for the next five years, and the 530 active consignment agreements in the 27 federative entities are part of that context.

Aiming at continuous improvement in service provision and relationships with its customers, BRB uses its branch typology model to transform the physical service network according to the specific demands of each location, with business units focused on **service**, with a transactional bias in **retail**, business-oriented, **specialized**, for excellent service, and digital, for transactions through **digital** channels.

#### Expansion via Brancheless Banking

BRB correspondents, in turn, are part of the Bank's augmentation effort, enhancing the operation's opportunities with actions to expand the marketing of BRB products.

In this sense, BRB already has **106 real estate branchless banking**, a modality that plays a significant role in prospecting new customers and carrying out new business, allowing the Bank to go beyond the borders of its branches. This type of solution optimizes operational efficiency, reducing expansion costs.

In the wake of this process, the expectation is that the other types of correspondents will begin to sell credit, insurance, cards, and acquiring products still in 2023. This strategy aims to promote products to customers who are not yet familiar with the digital environment and prefer to use the physical network.



## Innovation

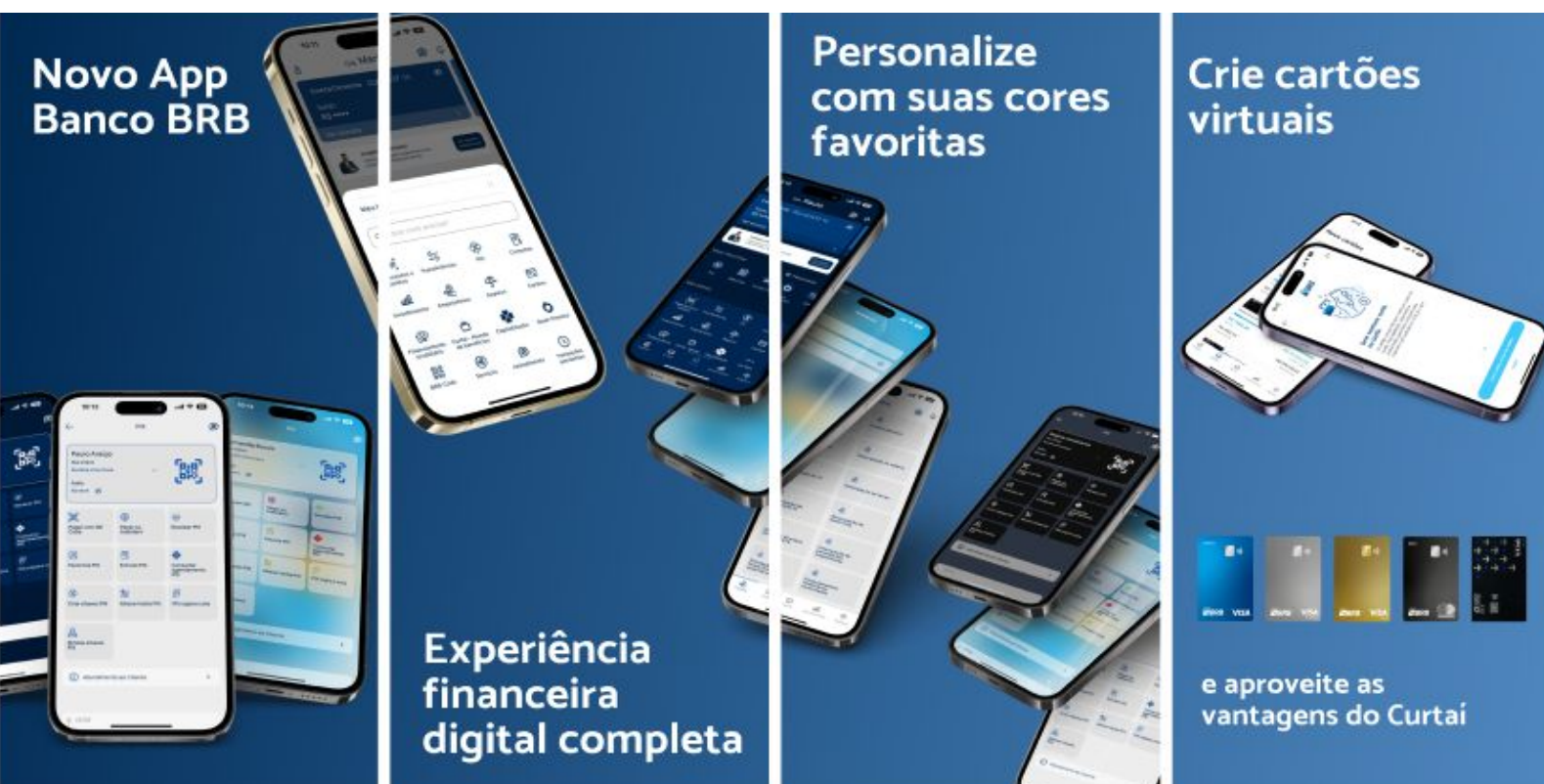
### Super App

Since the launch of its Innovation Program, BRB has carried out actions to incorporate creativity and technology into the Bank's projects, focusing on the best customer experience and improving its processes.

Among the highlighted initiatives, the Bank, through its program in Silicon Valley, accelerated yet another project focused on the quality process of its services: **Super App**, which offers the customer a friendly and comprehensive renewed interface, in addition to a series of new usability and customization options for the tool structure.

The initiative included preparation stages in Brazil and immersion/acceleration at the BRB Innovation Office in California, going through the market research phase, research and validation with customers, and usability tests.

The project involves the participation of employees from multidisciplinary teams who are driving the Institution's digital transformation and the quality of products and services, in addition to internal cultural change.



### Boosting the Best

#### *Pitch Day*

With a focus on entrepreneurship, BRB, in partnership with the Brasília Technological Park, carries out actions to promote innovation with start-ups, the community, and universities through **Pitch Day**. The project, developed at BRBLAB, BRB's Innovation Center, offers mentoring, events, workshops, and access to the Bank's business areas, besides space for developing solutions and co-creation.

#### *BRB Venture Capital Fund*

After the official launch of the Fund, which took place in 1Q23, the start-up scouting phase began, which involves an active search, with the Fund Manager analyzing dozens of these initiatives, looking for those strategically interesting for the Bank. Since the launch of the Fund, KPTL Investimentos (Fund Manager) and Bossanova (Technical Consultant) have analyzed more than 70 of these companies, which operate as agrotechs, fintechs, and socialtechs. The forecast is that, by the end of the year, between 5 and 10 investments will be made with an average ticket of R\$ 3 million.



## Technology

### *Big Data and Machine Learning*

In 2Q23, the Bank made significant progress in implementing strategies that enhance the use of Big Data through Machine Learning techniques. Of particular note is the implementation of a predictive model for detecting Dummy Accounts to identify fraudulent accounts, monitoring transactions to detect scams via Pix transactions, and preventing money laundering. This initiative significantly reduced the number of false positives analyzed by the management area, providing gains in operational efficiency.

### *Foreseeing and Preventing Risks*

In addition, collaborative projects were initiated with the business units aimed at building other relevant predictive models. These models aim to prevent transfer fraud, support Credit Recovery, promote personalized campaigns, and accurately predict investment Churn. These strategic initiatives reinforce the Bank's commitment to using advanced technologies to mitigate risks, drive business growth, and offer personalized solutions to meet the needs of the general public.

### *Information in a Blink of an Eye*

Following the modernization of the technological architecture strategy, the Bank acquired a new and advanced Change Data Capture (CDC) tool. Through it, it will be possible to capture data events instantly, providing processing beyond the traditional method, as other ecosystems use the information acquired. This sharing will enable the improvement of significant analyses of the Bank's sectors, such as credit, risk, compliance, and customers, among others.

### *Activity Tracking*

Another notable initiative in the quarter was the start of the project to monitor user activities in mobile banking through activity tracking. This project's central objective is to structure advanced models that will allow the offering of products and services in a personalized way, at the time and in the most appropriate channel for each client.

### *Self-service terminals renewal*

The replacement of the branches' self-service terminals was completed, which now have a 100% internalized fleet managed by the Bank. Additionally, teller stations were replaced, with a project started in May that resulted in 55% of branches in Brasília having new stations.



**Big Data**  
Qualified services and information



**Change Data Capture**  
For more in-depth business analysis



**On-line Deposit**  
Immediate value availability

## A Bank for people, in a digital age

In this quarter, there were 83.7 million transactions across the channels, representing an increase of 32.2% over 2Q22. BRB Mobile remains the channel most used by our customers, with 66% of transactions carried out.

Throughout the quarter, R\$ 717.4 million in credit was originated through digital channels, registering a growth of 62.7% over 2Q22. These numbers reflect the Bank's growth strategy supported by the robust digitalization process, focusing on usability and agility and providing practicality to people's lives.

### #NAÇÃOBRBFLA

A Digital Bank created through an unprecedented partnership model in the national banking market. The Bank continues to improve [BRBFLA Nation](#) by maintaining its commitment to strengthening values, such as customer focus, results, operational efficiency, innovation, and creativity.

This partnership with Flamengo continues to reach more people throughout Brazil and shows the relationship between a bank, a fan base, and a favorite club.

In this process, the initiative reached the mark of **3.5 million accounts in 2Q23**, a growth of 17% compared to 2Q22 and 6% compared to 1Q23, and with customers in 93% of Brazilian municipalities.

In the same period, **the partnership's loan portfolio grew 11%** in the annual comparison and **19%** in the quarterly comparison. Funding via savings is also noteworthy, with a growth of 31% year-on-year.

The new phase of BRBFla

It is with this loyal customer base as the fans of a big club that BRBFla Nation is now receiving business proposals for the newest phase of its operation: the entry of another commercial partner, who will add expertise in the profitability of this business and provide more reach to the operation as a whole.



Present in **93% of Brazilian Municipalities**




> **1.3 million**  
cards sold



In addition to the digital business expansion strategy, BRB's initiative in partnership with São Paulo telecom Americanet has increased the reach of the Bank's products in the state of São Paulo.

In a growth phase in its business axes, the AmericaBRB platform has invested in expanding its product portfolio since the beginning of the year, with a special focus on personalizing the user experience and anticipating demands. The new features include the FGTS birthday withdrawal anticipation product and improvements to credit card functions.

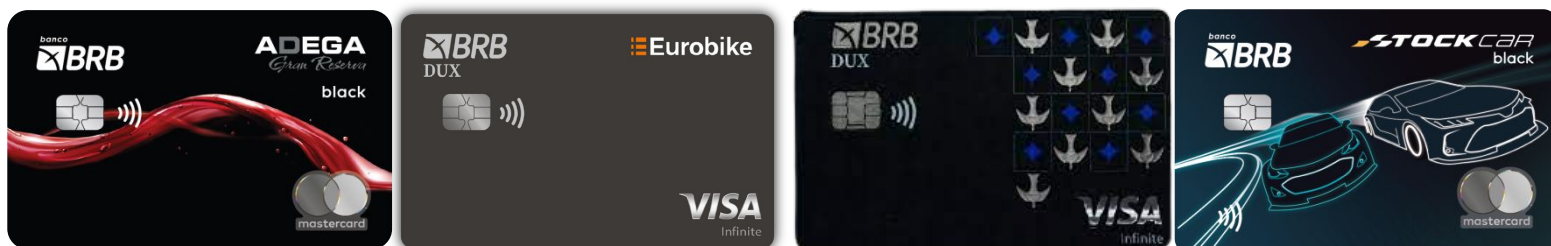


## Payment Methods

BRB continues implementing its payment methods expansion strategy as an important lever in diversifying its customer base. With them, the Bank has started its relationship with various market niches, identified through their passions, be it sports such as tennis and motor racing to decoration, winemaking, or social causes. For each of these groups, BRB prepares unique experiences customized by the resources of their credit cards.

Among the benefits offered to users are BRB coworking spaces at Congonhas and Santos Dumont airports, the BRB VIP Club Room and exclusive parking at Brasília Airport, and special benefits at major events sponsored by the Bank.

To improve the customer experience, the Bank also made the new BRBCARD website ([click here](#)) available to customers, with a more modern design and improved resources available.



## BRB Benefícios Card

With a special focus on business expansion, in 2Q23, BRB launched the BRB Benefícios Card, a differentiated and practical solution for Corporate clients to offer their employees. The product meets the specific needs of each company and provides advantages for both the organization and beneficiaries, allowing them to use the amounts received for different purposes through a single card. Each company can choose the benefit category it wants to offer, whether for food or meals.

The company that hires the BRB Benefícios Card may qualify as eligible to receive benefits for joining the PAT (Worker's Food Program).

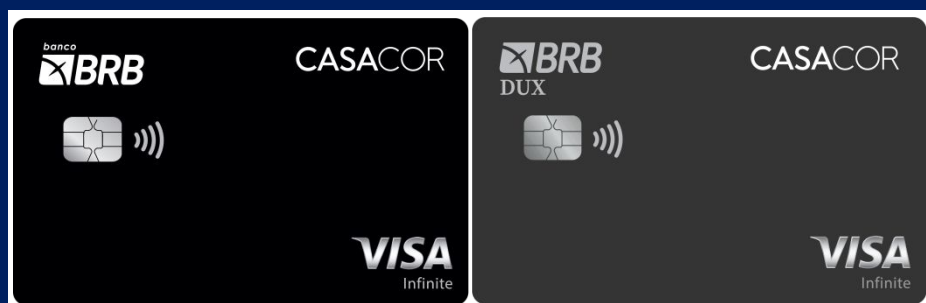


## CASACOR Partnership



Through the partnership with Visa, BRB has remained the national leader among ultra-high credit cards, with the BRB Visa Dux card. Already consolidated as the main guide for the expansion and diversification strategy of the Bank's relationships, Dux was also voted for the third consecutive year the best high-income card on the market according to the specialized websites *Melhores Destinos* and *Passageiro de Primeira*.

It is within the scope of this same partnership that those passionate about interior design, architecture, and landscaping now also have exclusive access guaranteed by BRB's partnership with CASACOR. In the Dux and Infinite variants, the new product provides diverse experiences to users and unique benefits, which can be enjoyed inside and outside CASACOR. In addition to special discounts on tickets and VIP entry to the event, the initiative also guarantees exclusive conditions in hotels, stores, bars, and restaurants and priority communication at CASACOR's Special Sale.



## BRB Pay – Acquiring

In 2Q23, more than 760 thousand transactions happened through BRBPAY, with a TPV of R\$85 million.

The BRBPAY+ Loyalty Program was launched, in which all transactions above R\$100.00 accumulate points. The commercial establishment receives points to be exchanged for more than 400 thousand products from the main retailers in Brazil. By June 2023, more than 1,600 establishments have already accumulated points in the program.

BRBPAY promoted, in partnership with Transdata, the integration between the two solutions to offer the MOBILIDADE DF project a unique experience in payment methods. From July onwards, the BRBPAY machine will be launched at the project's sales points with the mobility card recharge functionality. Purchase and recharge can be done on a single device, enhancing the user experience.



> 760 k transactions completed

TPV<sup>1</sup> R\$ 85 million

<sup>1</sup> Total Payment Volume



## Inssurance



The line of action in insurance brokerage materialized in the partnership between BRB and Wiz, signed in 2021 with the creation of BRB Seguros, expanding and modernizing insurance product offers in the Bank's distribution channels.

In 2Q23, the new brokerage issued R\$234.8 million in premiums, which represents an increase of 23.4% compared to 1Q23, with emphasis on the quarterly growth of products such as Credit Money (+33.4%), Consortium (+43.7%), and Pension (+47.9%).



**R\$ 234.8 mm**

Premium Issuance

+23.4%

2Q23 x 1Q23

Continuing with the integration of strategic partnerships in the Security area, BRB Seguros, in collaboration with Cardif, through a partnership established for twenty years, launched the new Collective Life Insurance, called BRB Vida Super Premiada, increasing the Bank's presence in the markets of Life insurance, Credit Life Insurance, and Protected Card.

With this launch, customers have substantial improvements in the contracting process, coverage, and assistance offered, with access to telemedicine, funeral, residential, and pet assistance and discounts of up to 80% on healthcare in accredited networks. In addition, customers compete for monthly prize draws.

Improvements across the entire contracting flow, which directly affect the BRB Seguros client, were implemented in the quarter, such as new payment methods and the option of digitally signing the policy, which reinforces BRB Seguros' commitment to innovation and security. In addition to BRB Vida Super Premiada, the broker migrated its entire portfolio of Vida Premiada Plus and Vida Prime products to the new partner Cardif, bringing better product conditions and more attractive prices to more than 20 thousand customers.

**BRB**  
**VIDA SUPER**  
*Premiada*

**Segurança para a sua família e benefícios para toda a sua vida.**

**BRB SEGUROS** *Proteção e cuidado completos para você.*



The launch of BRB Residencial Personalizado insurance in partnership with Mapfre reinforced the insurance portfolio. The new product is already being sold on a pilot basis, in the testing phase, and will soon be exclusive to BRB branches for an increasingly better experience for policyholders.

## Investments

BRB DTVM's operations continue to allow BRB to offer its clients a complete structure of investment products.

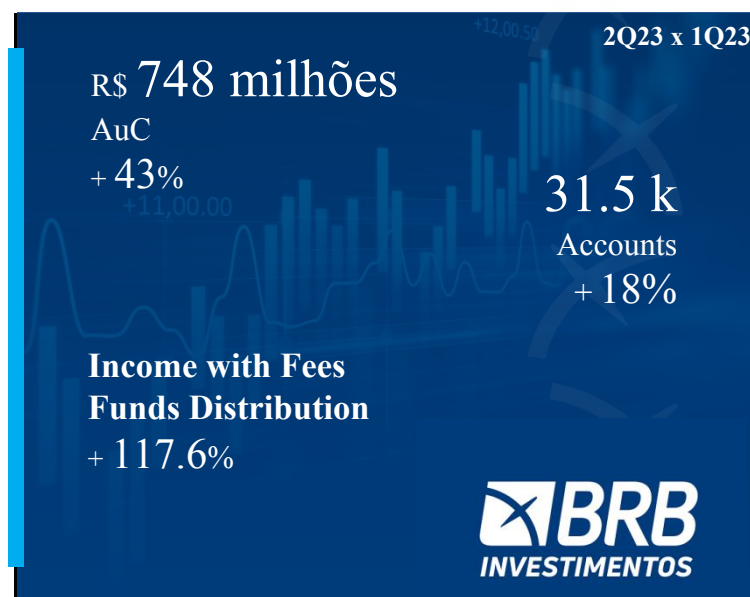
### High Grade Fixed Income Fund

In 2Q23, BRB DTVM started to operate its own high-grade fixed-income investment fund, focusing on low-risk securities and assets. With the product launch, the Distributor complements its product portfolio on the platform and increases the reach of product distribution to BRB customers.

In the same period, the company showed quarterly growth of 19% in financial intermediation revenues and was entitled to R\$ 3.9 million in revenue from administration fees. This performance has been driven by the 38% growth in the shareholder base of its funds, which reached 26.9 thousand members.

The collaboration between the Bank, BRB DTVM, and Genial Investimentos made it possible to expand the range of investment products offered by Conglomerado BRB. The expansion was achieved through a completely digital and interactive platform: BRB Investimentos, which offers more than 600 products, in addition to the exclusive home broker, which allows one to operate directly on the stock market.

BRB Investimentos closed 2Q23 with R\$ 748 million in Assets under Custody (AuC), registering a growth of 43% in the quarterly comparison. In 2Q23 alone, it raised R\$ 223 million.



## Federal District Lottery Games

### Betting on Innovation



With the [exclusivity right provided by law](#), the Bank will begin **operating the Federal District lottery game**. The project is part of the Bank's strategy of diversifying its operations, expanding its sources of results, and enabling new revenues for the Federal District Government without the need to increase taxes while allocating resources to the District Employment Generation Fund and Income to finance social actions and support sports, culture, and leisure.

A partnership is on its way with Santa Casa da Misericórdia de Lisboa (SCML), one of the most traditional lottery operators in the world, selected through a competitive process to make this new operation viable.



## Expanded Loan Portfolio

In 2Q23, BRB followed its loan portfolio strategy, combining growth, diversification, profitability, and maintaining a lower risk profile.

With the improvement in the economic scenario this year, BRB is growing in more profitable credit lines, such as personal loans, revolving loans, and credit cards.

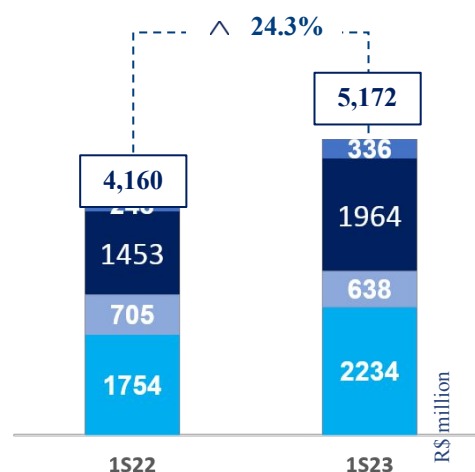
In line with the Bank's portfolio optimization strategy, the quarterly reduction recorded in the payroll loan balance resulted from the sale of R\$ 473.3 million and R\$ 480.6 million in the SIAPE and INSS<sup>1</sup> portfolio, respectively, freeing up capital for new hiring with better margins.

	2Q22	1Q23	2Q23	ΔQua	Δ12M
<b>Individual</b>	<b>15,411</b>	<b>18,440</b>	<b>18,376</b>	<b>-0.3%</b>	<b>19.2%</b>
Payroll Deductible Loans	11,921	14,819	14,325	-3.3%	20.2%
Personal Loan <sup>2</sup>	1,984	1,888	2,202	16.6%	11.0%
Renegociation	1,285	1,503	1,606	6.9%	24.9%
Revolving	220	230	244	6.9%	10.8%
<b>Legal Entity</b>	<b>2,548</b>	<b>3,879</b>	<b>4,093</b>	<b>5.5%</b>	<b>60.6%</b>
Large Enterprises	697	708	901	27.4%	29.4%
Micro, small and medium	1,645	1,853	1,805	-2.6%	9.7%
Infrastructure	206	1,318	1,387	5.2%	572.4%
<b>Credit card</b>	<b>1,441</b>	<b>1,829</b>	<b>1,978</b>	<b>8.1%</b>	<b>37.3%</b>
<b>Mortgage</b>	<b>5,441</b>	<b>7,230</b>	<b>7,879</b>	<b>9.0%</b>	<b>44.8%</b>
<b>Rural and Agribusiness Financing</b>	<b>613</b>	<b>797</b>	<b>885</b>	<b>11.1%</b>	<b>44.3%</b>
<b>Total</b>	<b>25,455</b>	<b>32,174</b>	<b>33,210</b>	<b>3.2%</b>	<b>30.5%</b>

### Credit Origination

As a result of the Bank's growth strategy, the volume originating from new hires follows its evolution path.

In the half-yearly comparison, originations registered a variation of 24.3%, which, together with the repricing of products, has enabled an increase in margins.



<sup>1</sup> INSS Payroll Deductible Loans Portfolio originated by Financeira BRB.  
<sup>2</sup> Personal Loans and Advance against Receivables

## Mortgage

The real estate market is a major sector of the economy, playing an essential role in the country's socioeconomic development. By offering mortgage loans and financing production, the sector directly contributes to job generation, stimulating the construction sector growth and promoting access to decent housing for the population.

For BRB, engagement in the Mortgage Portfolio represents a commitment to society and sustainable development, which seeks to meet the housing needs of people and families, besides supporting companies in the real estate sector.

In the Bank's growth and profitability strategy, real estate credit is also a gateway for customers, for a long-term relationship, with cross-selling opportunities, making the operation profitable.

### Nationally prominent position

The Bank is still the leader in mortgage granting in the Federal District, with 55.2% of the market share. It is also among the six largest banks in mortgage granting.

In addition to competitive rates, the ease and speed of contracting have been essential factors in the portfolio expansion.

The Bank is focused on improving the customer experience and is preparing to make end-to-end **digital Mortgage** available, increasing the speed and quality of the contracting process.



R\$ 7.9 bb

**2Q23 Balance**

(+9.0% in the quarter)



R\$ 1.2 bb

**2Q23 Origination**

(+47.6% in the quarter)



20

**Presence in states +  
the Federal District**



27,712

**Financed Units  
(2018-2023)**

## Production Financing

Through its Business Plan, BRB continues to grow in financing the sector's production, being a leader in the Federal District, besides having operations in GO, PB and MG.

At the end of 2Q23, the balance of this credit line reached R\$ 1.14 billion, with growth of 21.1% and 153.8% in the quarterly and annual comparisons, respectively.

With these numbers, BRB maintains a prominent role in reducing the housing deficit through economic and social subsidies to make the dream of owning a home come true and promoting and giving continuity to jobs in the construction sector.





## Rural and Agribusiness Financing

In 2Q23, BRB reached the mark of **R\$ 885 million in the balance of its agribusiness portfolio**, a growth of 44% over the same period in 2022. With a strategic focus on profitability, more than 55% of the balance of this portfolio (R\$ 495 million) comes from free resources and can be directed to the most profitable products in the Bank's portfolio. The BRB agro portfolio has a **default rate of 0.03%**, remaining in line with the low-risk profile of the Bank's business portfolio.

BRB remained the main financier of agribusiness in the Federal District in 2Q23, covering 40% of the market in general loan granting. The Bank also maintained its leadership in supporting medium producers (Pronamp) and family farming (Pronaf), with a share of 51% and 75% of the district market, respectively.

The Bank also accesses the resource transfer lines of the National Bank for Economic and Social Development (BNDES), the Constitutional Financing Fund for the Central West (FCO), and the Coffee Economy Defense Fund (Funcafé). This line of action reinforces the BRB's nature as an economic and social development agent, with an emphasis on supporting rural production.

One of the quarter highlights was its participation in Agrobrasil 2023, considered one of the biggest Agribusiness fairs in the Center-West. The Bank was, for the first time, the master sponsor of the fair, being the only financial institution to have two stands, one to serve corporate agriculture customers and the other aimed at family farming producers. On that occasion, the Bank established a partnership with the machinery resale company MaqCamp, a John Deere dealer considered one of the largest companies in Brazil. The contract sets conditions for financing agricultural machinery and equipment with interest rates and conditions attractive to rural producers.

### What is being planted

In terms of insurance for this segment, in addition to remodeling the products offered by BRB Seguros and expanding the portfolio, a platform is being implemented for quoting and selling rural insurance more quickly and with customized conditions for each customer.

During 2Q23, BRB also worked on preparing for the harvest year that begins in July, investing in more growth in its rural credit operation as a whole.

### Equalization Subsidies

For the first time, the Bank will have access to equalization subsidies from the National Treasury, which will allow the portfolio to grow while maintaining cost optimization.

### BRB Rural and Agribusiness Financing Portfolio



#### Safra Plan 23/24

BRB is in the process of gaining access to equalization subsidies from the National Treasury.



**Federal District Leader**  
General, Pronaf and Pronamp

## Quality

### Default by Portfolio



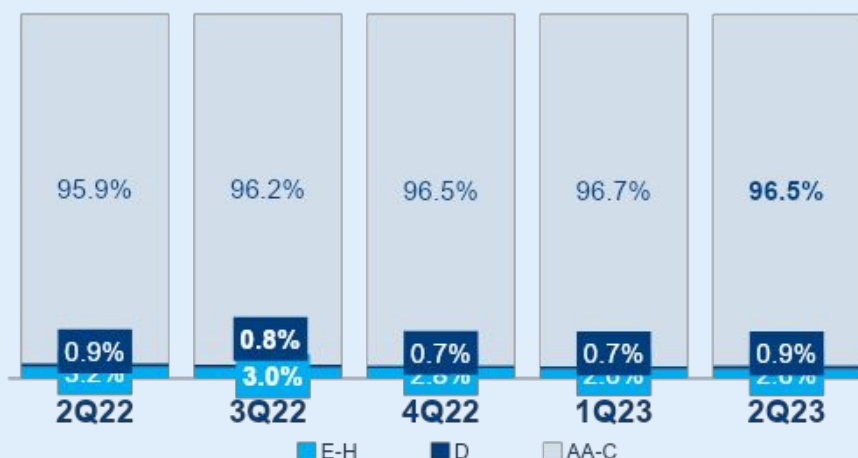
The market remains pressured by the current economic scenario, with a high Brazilian Central Bank Interest Rate (Selic), high household debt level, and reduced economic activity, generating impacts on the demand for loans and an increase in default rates.

Payroll-deductible loans and mortgages still represent the highest portfolio share, with 68% of the total balance.

Maintaining a lower risk profile in the Bank's loan portfolio strategy results in Conglomerado BRB **default** levels remaining **1.92%, below the market average (3.55%)<sup>1</sup>**.

In the same vein, the rating concentration of credit operations demonstrates the quality of the portfolio. The indicator follows a stable trajectory, closing the quarter with **96.5% of operations classified between AA and C**.

### Amount per Rating



## Funding

2Q23



**R\$ 40.7 billion**  
Total Funding

^ 26% (12m)



**R\$ 6.4 billion**  
Real Estate and  
Agribusiness Letters of  
Credit (LCI and LCA)

^73.2% (12m)



**R\$ 27.1 bilhões**  
Term Deposit

^30.6% (12m)



**81.5%**  
*Loan-to-deposit*

With optimistic expectations for the economic scenario, with the beginning of the fall in interest rates predicted for the second half of the year, promoting a reduction in funding costs, BRB follows its strategy of diversification and stability in funding to support the growth of its assets.

Part of its funding strategy is based on entering into partnerships with the main distribution platforms in the market, enabling growth in operations with Estate and Agribusiness Letters of Credit (LCI and LCA), backed by strong growth in mortgage and rural and agribusiness financing credit lines.

Thus, the Bank reaches investors with a diverse profile, including non-account holders.

As for term deposits, funding from Court Deposits stands out, providing stable and low-cost funding. In 2Q23, this funding line reached R\$ 12.9 billion, with a growth of 27.1% in the quarter, leveraged by the inflow of over R\$ 2.2 billion arising from the management of the Court of Justice of the Federal District and Territories (TJDFT) resources. This movement is the result of the vanguard position that BRB has assumed in the market for Government products, having now become the exclusive administrator of the court's deposits.

BRB ends the quarter with a loan-to-deposit ratio of 81.5%, impacted by the inflow of resources from Court Deposits in Treasury, whose allocation is operationalized according to the Bank's strategy for the loan portfolio, concentrating growth in lines that combine profitability and lower risk.



## Financial Performance

In 2Q23, BRB recorded a recurring net profit of **R\$ 93 million**, an increase of **21.3%** over 2Q22.

In the earnings composition, in the annual comparison, the increase in revenue from credit operations (+49.4%) stands out, a movement that accompanies the growth of the portfolio (+30.5%) and the re-pricing of the base, reinforced by portfolio optimization and a rise of origination of operations with higher margins.

BRB's **commissions and fees revenue** was **R\$ 73 million** for the quarter, a growth of 10.1% year-over-year. In this result, revenues from cards, demonstrating a greater volume transacted through this mean, and current accounts stood out.

The diversification of BRB's product portfolio and customer base profile has increased the Bank's total assets, which reached **R\$ 45.4 billion** at the end of 2Q23, a growth of **21.2%** year-over-year.

These numbers are the result of BRB's growth strategy, based on the expansion of its customer base and the strengthening of its complete, robust, and modern environment of financial products and services, providing profitability and longevity in its operations, in addition to making it possible to maintain in line with its mission as a public bank that is a leader of economic and social development in its regions of operation.

2T23



**R\$ 93 million**  
Recurring Net Profit



**R\$ 73 million**  
Commissions and Fees  
Revenue



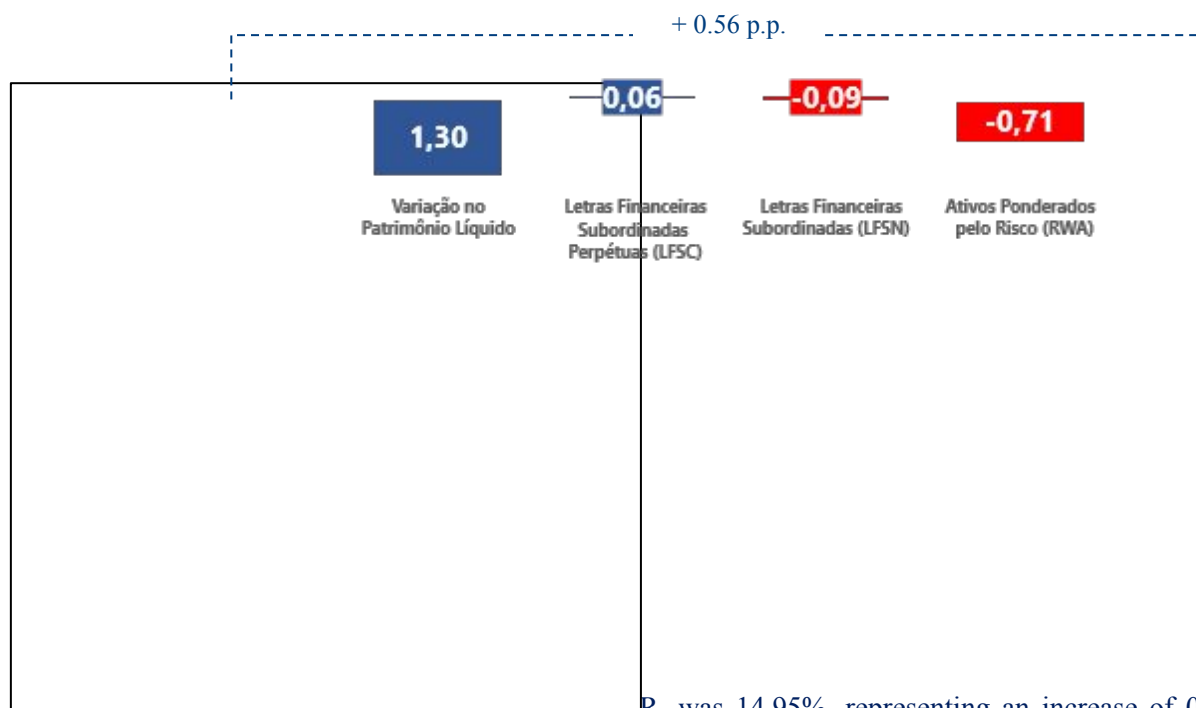
**R\$ 671 million**  
Financial Margin



**R\$ 45 bilhões**  
Total Assets

# Capital

## C.A.R. Evolution



In June 2023, Conglomerado BRB's C.A.R. 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..

14.95%  
C.A.R

^ 0.16 p.p.  
2Q23 x 4Q22

R\$ 3.888 billion  
Regulatory Capital

^ 10.38%  
2Q23 x 4Q22

R\$ 26.00 billion  
Risk Weighted Assets

^ 8.88%  
2Q23 x 4Q22

## Cultural Heritage and Value Generation

BRB continues to use its brand to support sport, culture, and leisure. At the same time, the Bank has used its sponsoring partnerships as a major tool to improve relationships with its customers as well as to reach new people, expanding its relationship base by offering unique experiences.

### Sports and Great Events

It is how, in 2Q23, BRB expanded its relationship to audiences as diverse as Kiss and Deep Purple fans or Fundo de Quintal fans. Joss Stone, the group RBD, and the Swedish band Abba have also been brought to Brazil by BRB. CASACOR, StockCar, and Campus Party Brasília were also made possible with support from the Bank.

In sports, strategic initiatives supported by the Bank include the 2022-2024 season of the Brazilian Tennis Confederation, the Rally dos Sertões, an occasion in which **the Bank sponsored the largest rally circuit in the world**, the clubs Brasília Vôlei, Cerrado Basquete, As Minas (women's football) and Brasília Futsal, in addition to the Candango Football Championship (Candangão).



The Bank of the largest Rally in the world  
Sponsor of Rally dos Sertões 2022



Tennis Bank  
CBT official sponsor

### Revitalizing

In Brasília, BRB manages public spaces such as the TV Tower and holds the naming rights for the BRB Nilson Nelson (sports gymnasium) and Mané Garrincha (football stadium) arenas. The Bank is also revitalizing the International Racetrack (Autódromo Internacional Nelson Piquet).

The initiative aims to return Brasília to the route of major international motorsport and motorcycle racing circuits, besides making available another structure for hosting major national and international sports and entertainment events.

Thus, society will have its racetrack back and a themed space open to visitors, with kart seasons and a pilot school.





## Instituto BRB

### 1<sup>st</sup> Environmental Call Notice

Instituto BRB also launched a call notice to select two Cooperative Centers directly focused on collecting and processing recyclable material in the Federal District. The notice highlights the environmental impacts of the recycling process by improving the recycling rate in the Federal District.

### Mapa Autismo Brasil Research

In the same period, Instituto BRB, in partnership with the Steinkopf Institute, promoted the Mapa Autismo Brasil (MAB) survey. The idea is to use its data to make actions aimed at the population with Autism Spectrum Disorder more effective. The data will help improve clinical care, reduce inequalities, create a more engaged and sustainable community, and promote education with greater access and inclusion. Initially, the survey will focus on the autistic population in the Federal District and will later expand to other Brazilian municipalities.



### Letrar Cidadania

In 2Q23, Instituto BRB entered a partnership with the IESB University Center based in the city of Ceilândia to support the “Letrar Cidadania” project. The initiative promotes linguistic and mathematical education for adults and older adults, with literacy and mathematics classes. The proposal targets people who never had the opportunity to learn to read and write and adults with learning difficulties.

### Social Impact Acceleration Program

The Institute launched the 5th edition of the Social Impact Acceleration Program, which seeks to train social institutions to achieve economic sustainability. The program is a partnership between the BRB, Bancorbrás, Mais Brasal, Sabin, and Sicoob Planalto Central Institutes. In this edition, a match-funding operation was carried out for three NGOs, with each BRL donated being doubled by the institutes participating in the program.

### Other Initiatives

Still in 2Q23, Instituto BRB supported Mão na Massa, which trains women in situations of economic vulnerability; First Job, which qualifies young people between 18 and 25 years old looking for their first professional experience; Trailing the Future, which helps young people leaving shelters to train to enter the job market; Gol de Placa, which provides the opportunity for children and teenagers to visit Arena BRB – Estádio Mané Garrincha and experience the magic of sport.

To find out more about Instituto BRB’s work and support its cause, visit the website at [institutobrb.org.br](https://www.institutobrb.org.br).

# People

## Creating New Talents

People management strategies implemented by BRB in 2Q23 were guided by cultural transformation and increasing employee skills. BRB employees find the Bank the environment and means necessary to develop personally and professionally, and generally choose to keep their talents at this company, which helps their development.

Examples of these measures are the undergraduate and postgraduate funding programs, the Bank's office in Silicon Valley, and the initiatives of the BRB Corporate University, whose partnership with LIT-Saint Paul provides the Bank's professionals with training updated to the challenges and opportunities of the modern market.

Even before retaining talent, BRB develops them.



**40% of women in leadership positions**  
Among Managers, Superintendents and Executive Officers



> 82 k hours  
In training and qualification



> 12 k  
Issued certificates

## Women Leadership

BRB established a partnership with Instituto Soul to create the **Women's Leadership Program**, which has a particular focus on training women, providing them with the tools and skills necessary to achieve leadership positions and exert influence in their respective areas of activity. During over 60 hours of training, the program covered topics such as developing individual potential, self-knowledge, leadership techniques, strategic vision, and decision making.

## Diversity and Inclusion

BRB positions itself as a company committed to diversity and inclusion, recognizing its responsibility to build a more equal and sustainable future as a tool for its financial results. To this end, a calendar of diversity actions was developed based on the following principles: Education, Valuation, Welcoming, and Respect.

Moreover, the Bank built its Inclusive Leadership Program to train leaders in promoting a diverse, fair, and welcoming work environment. This program aims to provide leaders with the tools and skills necessary to value diversity, cultivate equity, and ensure inclusion in the organization.



# People

## A bigger and stronger team

In 2Q23, BRB recruited an additional **76 clerks** from its last entry exam. The measure supports the expansion strategy and search for qualified professionals. The Bank also held meetings in which it listened to employees to formulate a new **Career and Salary Plan**. The proposal is being led by a group specifically designated for this purpose, which seeks to listen to and actively involve employees in building new possibilities for career development.

## For future generations

The **Bem Gestar Project** is a partnership between BRB and Saúde BRB. Throughout this year, the project has already provided two classes, in April and June, intending to prepare pregnant women and future parents for a healthy pregnancy and the baby's first care. The sessions cover relevant topics, such as nutrition and physical exercise during pregnancy, pregnancy psychological aspects, humanized birth, newborn care, breastfeeding, and others. This valuable initiative reflects the Bank's commitment to valuing people, which is the main pillar of its management.



**+ 76 employees**  
called via public entry exam



**Healthy Job**  
BRB professional appreciation and quality of life

## Healthy mind

In June 2023, the Bank launched the **Healthy Mind Project**, which aims to promote and encourage an increasingly welcoming environment for work, focusing on caring for employees' mental health. The project seeks to develop human skills, raise awareness, and qualify leaders through discussions with teams and managers about psychoeducation, prevention, and recovery from mental illnesses.

## Healthy body

Yearly, the Bank holds the **Internal Work Accident Prevention Week (SIPAT)**. And in 2023, the event's theme was the inspiring slogan "Move", emphasizing the fight against a sedentary lifestyle and encouraging proactivity in physical and mental health care. SIPAT provided activities such as vaccinations, expert lectures, emergency exams, yoga, and sports sessions.





## Perpetuity for the company and society



During 2Q23, BRB continued to strengthen the ESG trinomial, always seeking to justify its existence in the benefits that its operation can generate for the entire society in the long run.

This view of a shared future has allowed the Bank to leave a unique mark in its regions of influence, with credit lines specially designed to encourage environmental preservation, such as special rates for renewable energy systems installation. Furthermore, BRB continues to improve its relationship with its stakeholders, understanding their concerns, incorporating them into its Strategic Planning, and reporting these processes in its Integrated Annual Report.

## Environment and Society

BRB continues to improve its ESG practices, using banking expertise to develop products that combine profitability with social and environmental impact. In 2Q23, the Bank advanced in the development of construction financing products for sustainable projects with differentiated conditions, credit lines for social housing, and financing lines for water reuse and renewable energy structures.

In yet another initiative aimed at promoting the social and economic development of the Federal District, BRB launched the PDAF card. The product adds another option to BRB's portfolio of government products, aiming to promote more efficiency and transparency in the use of public resources allocated to the Administrative and Financial Decentralization Program (PDAF) of the Federal District Education Secretariat, in addition to automating the process of accountability.

Concerned about its environmental externalities, BRB initiated a paper consumption reduction project covering the entire Branch Network. In the same direction, the Solidarity Selective Collection Management Committee was recomposed within BRB's scope. We also started a process to raise employee awareness regarding the externalities generated by the use of disposables. In the same period, the Bank's Supplier Code of Conduct was improved, incorporating clearer ESG criteria, which have already been observed in contractual relationships with specific suppliers.

## Governance for the future

In 2021, BRB's General Shareholders' Meeting approved the Conglomerate's General Corporate Reorganization Plan, to be developed in four stages, two of which have already been completed. The objective of the initiative is to improve the Group's strategic management processes, focusing on corporate governance routines and operational efficiency. The project culminates in turning BRB Administradora e Corretora de Seguros S.A. and BRB Serviços S.A. into wholly owned subsidiaries directly linked to the Bank.

## Court Services

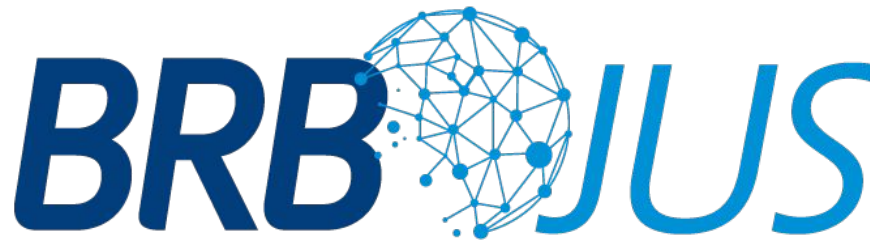
BRB has a judicial deposit management contract with the Court of Justice of the Federal District and Territories – TJDFT, the Court of Justice of the State of Bahia – TJBA and the Court of Justice of the State of Ceará – TJCE, the latter being for management of the accounts of the special court payment orders regime. The portfolio closed 2Q23 with R\$ 12.9 billion in funds raised.

BRB provides the judiciary with a differentiated, modern, and agile service, which enables full management of court deposits by partner courts from the judicial deposit slip issuance to the release of the appeal by means of an official letter or permit.



**R\$ 12.9 billion**  
in resources raised

The Bank continues its expansion strategy in the management of court deposit contracts. Bahia, an important territory in this expansion process, is just the first step of the movement. Even though its court services are very concentrated in this state, the Bank continues to pursue its expansion strategy, taking this service to other federal entities.



## Innovation for the Judiciary

A new functionality in which all court deposit slips will be issued containing a QRCode for payment via Pix is being implemented.

Thus, the documents that are paid in this modality will have their court account opened immediately, and the resource will be credited at the same time. This will speed up the judicial process, especially in cases of bail payments.

In 2023, BRB was at the VI Meeting of the Council of Presidents of the Court of Justice of Brazil – CONSEPRE, held at the Court of Justice of the State of Minas Gerais.

At the meeting, the Bank had the opportunity to present its products and services aimed at the judiciary with an emphasis on Pix Judicial, which allows the transfer of amounts deposited in court immediately after the magistrate signs the license.

The Bank continues with the intention of expanding its services to other spheres of the judiciary throughout the national territory.

## Mobility

### PIX implementation

As the Federal District Automatic Ticketing System (SBA) operator, BRB is **implementing the Complementary Digital Payment Network (RCPD)**, with the payment of top-ups via **PIX**, in the BRB Mobilidade application. The measure is a fundamental step towards modernizing public transport in the Federal District and reinforcing the Bank's role as a ticketing operator in the Federal District.

This line of action has provided positive results for society, besides contributing to the Bank's expansion into new business segments, causing an increase in revenue and greater visibility for the institution.



> **90 million** accesses  
> **R\$ 143 million** transactions



**133 service stations in Federal District**  
BRB Mobilidade, Na Hora, Metrô, BRB  
Conveniência stations and digital channels

2Q23

## A Bank for all

BRB operates its own portfolio of Government products and services, capable of helping managers across the country to optimize their effectiveness and transparency efforts in their income distribution programs and specific benefits. With this, the Bank uses its expertise and technology in payment methods to serve citizenship and social equality, and to generate results in its operations.



> **200 k** lives changed <sup>2Q23</sup>



A total of **15 social programs**



> **R\$ 154 million** distributed

With a complete solution, the current programs were Cartão Gás, Prato Cheio, Cartão Material Escolar, DF Social, Renova DF, Cartão Creche, Bolsa atleta, and Educador Esportivo Voluntário. Furthermore, the population of the Federal District was able to count on occasional benefits: Auxílio Funeral, Auxílio Natalidade, Auxílio Vulnerabilidade Temporária, Auxílio Calamidade, Benefício Excepcional, Caminhos da Cidadania, and Famílias Acolhedoras.





# Public Policies and Government Solutions

## FDR – Federal District Rural Development Fund

BRB is the financial agent of the Federal District Rural Development Fund (FDR), which aims to promote rural development in the Federal District with actions that allow people to remain in rural areas by increasing production, income, and food security. In 2Q23, **164 active operations** totaled more than **R\$15 million** in loans granted.



## FUNGER – Employment and Income Generation Fund

The Bank also operates the Employment and Income Generation Fund (FUNGER), which supports urban and rural entrepreneurs aiming to increase employment and income in the Federal District and its Surroundings (RIDE). The main beneficiaries are micro-enterprises, informal enterprises, small farmers, cooperatives, and recent graduates. In 2Q23, **2,756 active operations** totaled more than **R\$ 29 million** in credits granted.

## Federal District Government Civil Servant’s Health Insurance (GDF Saúde)

The Institute of Health Assistance for the Federal District Civil Servants (INAS), with the assistance of BRB via Conglomerado and sponsoring companies, made the Supplementary Health Assistance Plan viable. Since its implementation, the plan has already made it possible to carry out more than **760 thousand elective and emergency consultations, 138 thousand serial treatments, and 38 thousand clinical or surgical admissions.**



 <p><b>&gt; 82 k</b> assisted lives 2Q23</p>	<p><b>2,430</b> affiliated units Including AMHP/DF</p>	 <p><b>&gt; 4.6 million</b> tests since its implementation</p>
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Na Hora is an integrated service that brings together several public bodies in a single location, streamlining service to citizens. Essential services are available in strategic locations with high circulation and extended opening hours. With more than **7,500 daily services**, BRB replaced the entire technological infrastructure of the units with new and modern equipment.

## Legal Information

Complying with article 8 of Brazilian Central bank-Bacen's circular letter No 3.068/2001, BRB declares to have the economic capacity and the intent of keeping, until maturity, the securities under the Held-to-Maturity Securities.

Complying to Instruction No. 162/22 of the Exchange Commission of Brazil - CVM, in the 1st quarter of 2023, Ernst & Young Auditores Independentes was not hired or provided services unrelated to external audit at a level higher than 5% of the total fees related to external audit services.

In compliance with internationally accepted criteria, the adopted policy complies with the principles that preserve the auditor's independence, meaning: the auditor should not audit his work or perform managerial functions for his client or promote the client's interests. In compliance with article 243 of Law No. 6404/1976 and its amendments, BRB informs the total value of its investments in Subsidiaries and Affiliates is R\$ 905 million, as detailed in the explanatory statement No. 15.

## Acknowledgments

We thank the trust and loyalty of our customers, the support of the Federal District's population, the work and dedication of our collaborators — employees, investors, service providers, and suppliers — and the trust of all our shareholders.

**Paulo Henrique Bezerra Rodrigues Costa**  
BRB President

**Cristiane Maria Lima Bukowitz**  
Chief Human Resources Officer,  
accumulating the Executive Operations Office

**Dario Oswaldo Garcia Junior**  
Chief Financial Officer and Chief Investor Relations Officer

**Diogo Ilário de Araújo Oliveira**  
Retail Banking Operations Officer

**Eugênia Regina de Melo**  
Wholesale and Government Officer

**Hugo Andreolly Albuquerque Costa Santos**  
Chief Digital Business Officer

**Luana de Andrade Ribeiro**  
Chief Controls & Risks Officer

**Hellen Falcão de Carvalho**  
Chief Legal Officer

**José Maria Corrêa Dias Júnior**  
Chief Information Officer