

Earnings Release

4th quarter of 2023

Brasília,
April 10th, 2024

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Relations website:



Administration Message

In 2023, BRB achieved a recurring net profit of R\$ 200 million, an increase of 24.4% over 2022. Total Assets, in turn, grew 23.0% in the period, reaching R\$ 49.2 billion. This amount was also driven by a credit portfolio of R\$ 31.2 billion, representing an annual growth of 16.52%.

This performance was achieved amid a challenging year, with domestic and international instabilities posing new challenges in people's lives and, thus, demanding innovative solutions for the Bank's operations.

The Bank's decisive investments in technology, innovation, and expansion over the last five years have shown excellent results. These achievements are combined with BRB's new relational strategy, with its new retail model being used to prospect new customers throughout Brazil, with high levels of precision and efficiency in product modeling and loan conditions offered by the Bank.

The Bank remains focused on sustainability, with its major priority being the pillars of result for its shareholders and society, together with social and economic development in its areas of operation.

2023 x 2022

R\$ 200 million
Net Profit
+24.4%

R\$ 31.2 billion
Loan Portfolio
+16.52%

R\$ 2.7 billion
Financial Margin
+28.8%

R\$ 7.6 million
Customers
+13.30%

R\$ 5.6 billion
Credit Operation Revenue
+39.6%

Financial Performance

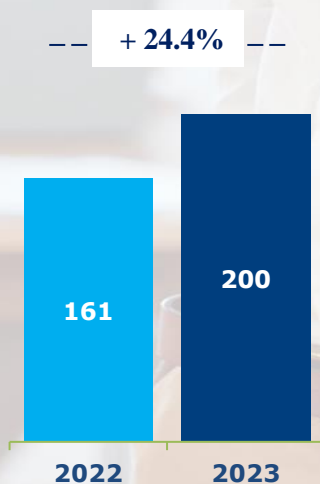
Net Profit

The Bank closed 2023 recording a recurring net profit of R\$ 200 million, corresponding to an annual increase of 24.4%. This result was built while maintaining the portfolio's low-risk profile, which closed the year with a default rate of 2.25%, therefore below the market average (3.27%)¹, with special emphasis on the Individual Mortgage portfolio, whose default rate was 0.23%, while the market average was 1.44%¹.

Credit Operations Revenue grew by 39.6%, in line with the increase in the loan portfolio (16.52%), driven by the rise in the volume of operations and the average rates recomposition, following the related price adjustments to the trajectory of the Selic rate (Brazilian Central Bank interest rate) in 2023.

Additionally, in 4Q23, BRB carried out portfolio assignment operations guided by its strategy of diversifying its business while seeking to increase the financial margin and optimize capital.

In the same year, due to the reduction in the Treasury assets average volume because of the increase in the loan portfolio, the treasury result recorded a drop of 2.2%, year-over-year.



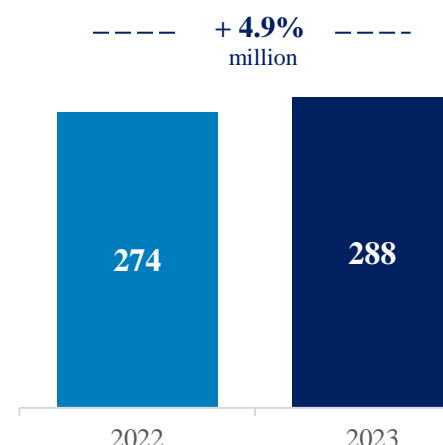
	2022	2023	Δ Year
Financial Intermediation Revenue	5,400	6,840	26.7%
Loan	3,985	5,456	36.9%
Treasury	1,415	1,384	-2.2%
Financial Intermediation Expenses	-3,295	-4,172	26.6%
Financial Margin	2,105	2,668	26.8%

¹ FEBRABAN, Default - Total, Loan Overview – December2023

Commission and Fees Revenue

BRB's physical, digital expansion directly impacted the customer base growth, which increased by 18.1% compared to the previous year. This growth, associated with increases in transactions, was also reflected in the rise in Commissions and Fees Revenue, which expanded 4.9% in the same period.

Another highlight is the transfers coming from the Commissions with transfers from the Court Deposit of the Courts of Justice of the State of Bahia (TJBA) and the Federal District, totaling the value of R\$ 32.3 million, an annual expansion of 270.9% in TJBA deposits and 93.5% on the Federal District deposits.



Operational Expenses

In the annual comparison, Operational Expenses increased by 15.1%, reflecting the expansion of the Bank's reach.

Linked to the Bank's expansion project, which seeks to strengthen its presence in the market, expenses with employees and structure increased in the period. Personnel Expenses grew 12.0%, mainly due to data-base salary adjustments and the hiring of new personnel. Structural Expenses increased by 13.6%, with prominence of security and maintenance costs.

Spending on Technology increased by 10.5% compared to the previous year, driven by the increase in digital presence and the launch of the Super APP.

	2022	2023	Δ 12M
Personnel Expenses	-1,053	-1,180	12.0%
Administrative Expenses	-680	-757	20.4%
Technology	-235	-260	10.5%
Structural	-210	-238	13.6%
Marketing	-71	-117	64.9%
Other Expenses	-24	-29	23.1%
Transactional	-132	-142	7.2%
Customer Relations	-88	-112	26.6%
Amortization and Depreciation	-54	-71	31.5%
Total	-1,868	-2,150	15.1%

Assets and Liabilities Management

At the end of 2023, the total assets balance was R\$ 49.3 billion, marking a growth of 23% over 2022. The expanded loan portfolio reached R\$ 31.2 billion, representing 71.6 % of total assets.

Funding

Funding grew by 22.7% compared to 2022, mainly due to the 45.1% increase in Real Estate/Agribusiness Letters of Credit and 20.8% in Term Deposits. On the other hand, there was a 1.9% drop in the Savings balance, which followed the market trend, as the Brazilian Savings and Loan System - SBPE recorded an accumulated reduction of 1.6%.

Of particular note is the 40.3% increase in the balance of Court Deposits, the result of new funding carried out at the Courts of Justice of the Federal District, which began in June 2023, and also at the Court of Justice of the State of Ceará.

The 23.5% growth in Financial Letters (LF) in December 2023, compared to the same period of the previous year, is the result of both the appropriation of current operations and the volume of issuances (R\$ 107.2 million), motivated by the Bank's strategy of strengthening its capital.



Funding

	2022	2023	Δ 12M	Share
Customer Funding	33,270	40,936	23.0%	94.3%
Demand Deposits	1,235	1,639	32.7%	3.8%
Savings Account	2,675	2,625	-1.9%	6.0%
Term Deposits	22,492	27,172	20.8%	62.6%
Real Estate/Agribusiness Letters of Credit	5,312	7,709	45.1%	17.8%
Financial Letter	1,732	2,140	23.5%	4.9%
Compulsory Deposits	-176	-349	98.2%	0.8%
Other Funding	2,088	2,458	17.7%	5.7%
Resale agreements	1,697	1,941	14.4%	4.5%
Loans and Onlendings	344	426	23.6%	1.0%
Other	15	90	511.1%	0.2%
Total Funding	35,358	43,394	22.7%	100%

R\$ million

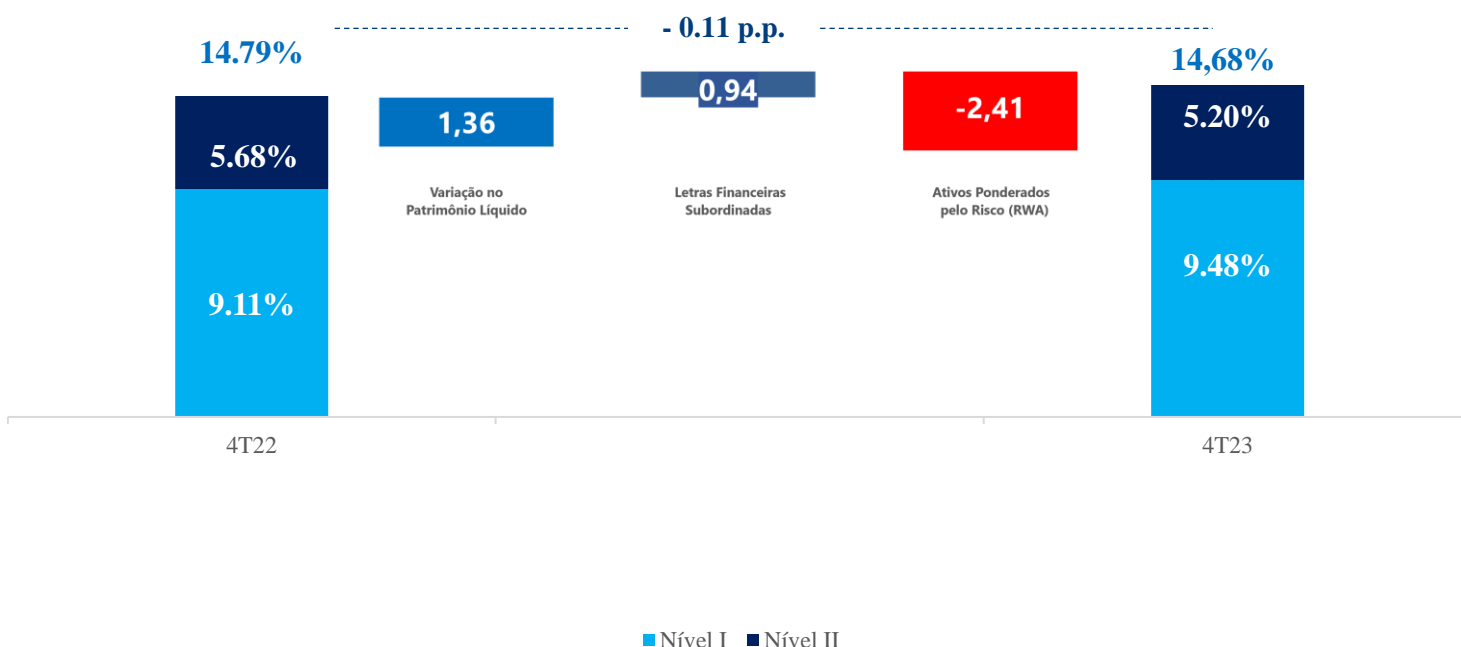
Risk Management

The Bank has policies, standards, and procedures for its risks and capital management. These instruments establish general operating principles that are in accordance with the Institution's strategic objectives and follow specific regulations.

The risk management process at BRB is available on the investor relations website (<http://ri.brb.com.br>) under “Risk Management Report”.

Capital Management

C.A.R Evolution



In December 2023, C.A.R. registered for BRB Group was 14.68%, representing a reduction of 0.11 percentage points compared to December 2022. The variation is explained by the 16.44% increase in Assets Risk Weighted (RWA) compared to the growth of 15.57% in Reference Equity. Risk Weighted Assets (RWA) increased by 3,916 million, while Reference Equity (PR) increased by approximately R\$ 549 million.

The Reference Equity reached R\$ 4.07 billion in December 2023 against R\$ 3.52 billion recorded in December 2022, resulting from the earnings recorded in the period and the issuance of Subordinated Financial Letters. The total RWA recorded in December 2023 was R\$ 27.73 billion, compared to R\$ 23.81 billion in the same period of the previous year, due to the increase in the portion of the loan, market, and operational risks, with percentage increases of 15.64%, 89.33%, and 27.76%, respectively.

C.A.R. calculated in December 2023 exceeds the sum of the minimum requirements for Reference Equity and Additional Main Capital by 4.18 percentage points.

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 determined time frame.

Considering a time frame of one business day and a 99% confidence level, the market risk average VaR and maximum VaR increased by 7.53% and 7.47%, respectively. The minimum VaR decreased by 3.57%. The variations in metrics in the period were mainly due to the volatility associated with foreign currencies.

BRB Group – million

	4Q23	3TQ3	2Q23	1Q23	4Q22
Average VaR in the quarter	297	276	330	413	435
Minimum VaR in the quarter	206	214	199	308	378
Maximum VaR in the quarter	411	382	413	516	485

Liquidity Risk

BRB's liquidity risk management is carried out mainly by monitoring cash flow management and measuring regulatory and managerial indicators, besides periodic stress tests. Through these instruments, it appears that the Institution holds a quantity of monetizable assets that ensures the efficient fulfillment of the financial obligations assumed.

During the fourth quarter of 2023, BRB maintained its dispersed funding strategy, which allows for sustainable growth. It is also worth highlighting that short- and long-term liquidity indexes closed 4Q23 within the limits approved in the Risk Appetite Declaration (RAS). This strategic approach and compliance with the parameters established in the RAS strengthen BRB's position in the financial context, reflecting solid management aligned with the guidelines established by the administration.



Investors Relations Management

 <https://ri.brb.com.br/en>

 ri@brb.com.br

➤ SAUN Quadra 5 Lote C Bloco C 13º Andar
Centro Empresarial CNC Brasília-DF | 70.040-250

banco



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