

# 1Q23

## MAIN INFORMATION

### RECURRING NET INCOME

# R\$4.3 billion

**-37.3%** in 12 months (1Q23 vs. 1Q22)  
**+168.3%** in the quarter (1Q23 vs. 4Q22)

#### QUARTERLY ROAE

**10.6%**

**+6.7 p.p.**

in the quarter

#### QUARTERLY ER

**47.1%**

**-0.6 p.p.**

in the quarter

**R\$2.9 bi** INTEREST ON SHAREHOLDERS'  
EQUITY (gross)  
PAYOUT OF 71%  
in the quarter

#### CLIENT NII

**R\$17.0 bi**

**+7.3%** in 12 months  
**-2.9%** in the quarter

#### FEE AND COMMISSION INCOME

**R\$8.7 bi**

**+1.6%** in 12 months  
**-5.5%** in the quarter

#### OPERATING EXPENSES

**R\$12.8 bi**

**+9.3%** in 12 months  
**-5.2%** in the quarter

#### EXPANDED LOAN PORTFOLIO

**R\$879.3 bi**

**+5.4%** in 12 months  
**-1.4%** in the quarter

#### INSURANCE GROUP

RECURRING NET  
INCOME

**R\$1.8 bi**

**+10.6%** in 12 months  
**-6.4%** in the quarter

QUARTERLY  
ROAE

**18.2%**

## PRESS RELEASE

In 2023, we celebrate 80 years of history full of achievements and breakthroughs, with a strong presence in the lives of Brazilians, offering an excellent service with complete and innovative solutions. We prioritize the satisfaction of our more than 76 million clients, who are at the heart of our decision-making and, in line with this premise, we recently launched "EncantaBra" – a program with the mission to broaden the understanding of their needs and expectations, and we also strengthened the distribution of the NPS (Net Promoter System) across the network, implementing it in products and in the evaluation of teams, aiming at client's engagement and principality.

We recognize the changes in our clients' profile, which are more connected and demanding, prioritizing agility, security and customization. To assist them in the best way possible, we constantly improve our digital platforms and invest in the enhancement of our wide service network, increasingly focused on generating business units and customer service with an advisory profile, making our structure more efficient and profitable. We operate in all client segments and are undergoing a transformation process, with an overhaul in retail and improvement of our value proposition in high income, where we have room to advance and capture more business opportunities, offering specialized services and expanding the team of investment advisors.

In this environment of accelerated technological evolution, our digital channels accounted for more than 98% of the total transactions and 35% of credits released in the first quarter of 2023. Our digital journey is complete, agile and efficient, making us one of the best onboarding processes among the traditional banks.

Reinforcing our commitment to the ESG agenda, we were recognized, for the fifth consecutive time, in the "S&P Global Sustainability Yearbook", remaining among the world's top-rated banking institutions in sustainable practices.

In the financial field, we started the year with recurring net income of R\$4.3 billion, a growth in the quarterly comparison but a decrease in relation to the same period of 2022.

Our loan portfolio grew 5.4% in 12 months and decreased by 1.4% in the quarter, due to the current phase of the credit cycle, as well as the repositioning of our credit policy to less risky modalities. On the other hand, the products with guarantees maintained the growth in 12 months and gained share in the production mix.

Client NII showed a growth of 7.3% compared to 1Q22, reflecting the increase in the loan portfolio, the diversification of the product mix and the positive performance of interest in the fundraising margin. In the credit margin, this dynamic is not repeated in the comparison to the 4Q22 due to the revision of credit policies and the greater rigor in the concession models, which aim to improve the portfolio risk profile and, in consequence, it has produced effects on origination volumes and spreads, as well as the portfolio mix. The market NII has gradually recovered, mainly under the effect of repricing the positions that are part of our ALM.

Fee and commission income reached R\$8.7 billion, with a growth of 1.6% in 12 months.

Insurance operations continue to perform well, contributing to the operating income of R\$3.7 billion in 1Q23, driven by a 13% growth in billing and by the improved net interest income in 12 months.

Operating expenses are in line with our estimates for 2023, with a decrease of 5.2% in the quarter, mainly due to the control of administrative costs, and growth of 9.3% in 12 months, which was already expected, given the effect of the collective bargaining agreement that occurred in 2022 and the increase of the turnover.

In 2023, we will continue to generate value for the entire society and shareholders, with relevant performance in retail, maintenance of leadership in the corporate sector and important operations in the high-income sector.

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

Enjoy the reading!

# MAIN INFORMATION

R\$ million (unless otherwise stated)	1Q23	4Q22	1Q22	Variation % (unless otherwise stated)	
				1Q23 x 4Q22	1Q23 x 1Q22
<b>\\ Recurring Income Statement</b>					
Recurring Net Income <sup>(1)</sup>	4,280	1,595	6,821	168.3	(37.3)
Book Net Income	4,280	1,437	7,009	197.8	(38.9)
Operating Income	4,844	(99)	10,342	-	(53.2)
Net Interest Income	16,653	16,677	17,061	(0.1)	(2.4)
Expanded ALL	(9,517)	(14,881)	(4,836)	(36.0)	96.8
Fee and Commission Income	8,746	9,251	8,611	(5.5)	1.6
Operating Expenses (Personnel, Administrative and Other Operating Expenses, Net of Income)	(12,793)	(13,491)	(11,702)	(5.2)	9.3
Income from Insurance, Pension Plans and Capitalization Bonds	3,669	4,300	3,286	(14.7)	11.7
<b>\\ Statement of Financial Position</b>					
Total Assets	1,864,026	1,830,247	1,724,422	1.8	8.1
Loans - Expanded Loan Portfolio	879,283	891,933	834,451	(1.4)	5.4
- Individuals	365,312	361,101	331,404	1.2	10.2
- Companies	513,972	530,831	503,047	(3.2)	2.2
Shareholders' Equity	155,321	154,263	151,099	0.7	2.8
Assets under Management	2,806,033	2,770,585	2,633,530	1.3	6.6
<b>\\ Capital and Liquidity - %</b>					
Total Ratio	15.1	14.8	15.7	0.3 p.p.	(0.6) p.p.
Tier I Capital	12.6	12.4	13.7	0.2 p.p.	(1.1) p.p.
Liquidity Coverage Ratio (LCR)	165.2	160.1	137.4	5.1 p.p.	27.8 p.p.
Net Stable Funding Ratio (NSFR)	121.3	120.5	118.1	0.8 p.p.	3.2 p.p.
<b>\\ Profitability and Efficiency - %</b>					
Annualized Return on Average Equity (ROAE) <sup>(2)</sup>	10.6	3.9	18.0	6.7 p.p.	(7.4) p.p.
Annualized Return on Average Assets (ROAA)	0.9	0.3	1.6	0.6 p.p.	(0.7) p.p.
Efficiency Ratio (ER)	47.1	47.7	43.5	(0.6) p.p.	3.6 p.p.
<b>\\ Market Indicators</b>					
Recurring Net Income per Share (accumulated 12 months) - R\$ <sup>(3)</sup>	1.70	1.94	2.49	(12.3)	(31.6)
Market Capitalization <sup>(4)</sup>	133,121	152,508	196,132	(12.7)	(32.1)
Dividends/Interest on Shareholders' Equity	2,446	2,347	1,998	4.2	22.4
Price/Earnings Ratio <sup>(5)</sup>	7.3	7.4	7.4	(0.5)	(0.8)
Price to Book Ratio	0.9	1.0	1.3	(10.0)	(30.8)
Dividend Yield - % <sup>(6) (7)</sup>	7.6	2.8	4.5	4.9 p.p.	3.1 p.p.
<b>\\ Portfolio Indicators - %</b>					
Delinquency Ratio (over 90 days)	5.1	4.3	3.2	0.8 p.p.	1.9 p.p.
Delinquency Ratio (over 60 days)	6.3	5.2	4.0	1.1 p.p.	2.3 p.p.
NPL Creation - 90 days	1.9	1.2	1.2	0.6 p.p.	0.7 p.p.
Coverage Ratio (> 90 days)	182.4	204.2	235.4	(21.8) p.p.	(53.0) p.p.
Coverage Ratio (> 60 days)	148.8	168.5	189.3	(19.7) p.p.	(40.5) p.p.

(1) According to the non-recurring events described on page 08 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: Economática; and (7) Calculated by the share with the highest liquidity.