



Bradesco's transformation continues and the bank's results reflect both the greater operational traction and the impact from the cumulative changes. The loan portfolio accelerated in 2Q24, with an emphasis on Micro, Small and Medium-Sized Enterprises (MSME) and Individuals. The downward trend in delinquencies continued, benefiting from 91% of the expanded portfolio being concentrated in AA-C ratings and more secure lines.

Collection processes are also being improved and past due indicators remain low in new vintages. As a result, the cost of credit continues to normalize in all segments. Client NII net of provisions expanded strongly and should continue to recover going forward, and gross client NII reached an inflection point in 2Q24 and should continue to grow in the coming quarters. Fee and commissions income is gradually recovering, benefiting from various lines. We have accelerated the adjustment of our footprint and continue to invest in digital channels. Adjusting the way we serve clients will gradually increase efficiency and profitability, keeping us close and improving our clients' experience. Our transformation office detailed the key initiatives of the strategic plan, defining delivery schedules and the expected financial impact. The execution is underway and will help us resume profitability and evolve the bank, making it more agile and efficient in a sustainable way.



Recurring net income was R\$4.7 billion in 2Q24, implying an ROAE of 11.4%, driven by lower expenses with loan loss provisions, higher NII, fees and income from insurance operations. Operating expenses grew in the quarter in line with expectations, impacted by civil and tax provisions.

The loan portfolio accelerated in the quarter, even controlling for the BRL depreciation, driven by SMEs and Individuals. In terms of SMEs, credit origination for medium-sized companies remained strong and we saw an important recovery in credit origination for small companies. In terms of lines, we continued to see positive growth in rural and real estate and we have seen a significant recovery in foreign trade and working capital. For Individuals, rural and real estate maintained a significant upward trend. Non-secured personal loans showed a significant recovery in the second consecutive quarter, vehicles improved, and credit cards recovered even in the retail market. In other words, the mix is changing in favor of segments and products with higher NIM.

The new vintages continued to show good quality, with leading indicators of delinquency rate at levels well below the pre-pandemic period. This evidence allows us to safely continue to grow our loan portfolio.

Over 90 days past due loans fell by 0.5 p.p. in the quarter. There was a drop in all segments. Moreover, our coverage ratio increased from 164% to 170% in the quarter.



NII resumed growth in 2Q24, driven by client NII, which increased in q/q after falling for six quarters in a row. This recovery in client NII was due to both the increase in the portfolio and the change in the mix, with a gain in the share of segments and products with a higher spread. The client NIM also rose slightly in the quarter. The NII recovery occurred even with market NII worsening due to the deterioration of macro risks and an increase in future interest rates in the period.

The combination of recovering client NII and falling loan loss provisions expenses resulted in a significant increase in the client NII net of provisions in the period, which reached its highest value since 3Q22. At the bank, credit concessions always consider the risk-adjusted return, and this is why we attach great importance to the performance of our net client NII.

Fee and commissions income topped R\$9.3 billion in 2Q24, up 5.1% q/q. We saw growth on several lines, with an emphasis on capital markets, loan operations and asset management.

The performance of insurance operations was again a positive highlight, with an ROAE of 22.1%. Operating income for the insurance segment was R\$4.6 billion (16.2% q/q and -4.1% y/y) and net income reached R\$2.2 billion (12.7% q/q and -7.4% y/y). We saw an improvement in revenues of all segments compared to the previous quarter, and the insurance claims remained steady. The outlook remains positive for the remainder of 2024.

Tier I capital closed the quarter at 12.6%, varying -0.1 p.p. compared to March 2024 and -0.3 p.p. in 12 months, mainly impacted by risk-weighted assets (RWA), which increased due to the growth of the loan portfolio. We allocated R\$5.3 billion in interest on capital to shareholders in 1H24.

We continued to implement the strategic plan and the benefits will influence our operational results partially in 2024, and in higher degree from 2025 onwards. We defined the key workstreams, all associated initiatives, delivery schedules, and expected financial impact. In terms of personnel and organizational structure, we hired two C-levels to lead HR and digital business, and we are adding talents to some of our areas such as credit and technology. We have continued to adjust our footprint as part of our proposal to improve the way we serve clients. We closed traditional branches and further activated our digital channels and our bank correspondents at Bradesco Expresso. Our customer is even more at the center of our decisions. We revitalized and added features to our app. We are reorganizing the bank so that the product areas are more integrated and focused on customer needs. Customer's voice is even more present in our daily lives with initiatives such as EscutaBRA and the customer council. In the first half of 2024, we gained over 1.8 million new customers.



Finally, we would like to note that we were able to accelerate our 2025 target of allocating R\$250 billion to assets, sectors and activities that could generate socio-environmental benefits, a commitment we made in 2021. We remain committed to financing more and more sustainable businesses, supporting our clients in the transition to a greener, more resilient and inclusive economy.

In early June, we published our 2023 Integrated Report and ESG Report, reaffirming our commitment to transparency and sustainability. These documents provide details on our governance, strategy, risk and opportunity management, key financial results, and our performance in environmental, social and climate indicators.

The following information details our performance in 2Q24, including earnings data, balance sheet and various indicators.

*Enjoy the Reading!*



# Bradesco RESULTS

# 2Q24

## MAIN DATA SELECTED

2Q24 vs. 1Q24 (q/q)  
2Q24 vs. 2Q23 (y/y)

Recurring Net Income

**R\$4.7 bi**

△ 12.0% (q/q) △ 4.4% (y/y)

Accrued ROAE

**10.8%**

△ 0.6 p.p. (q/q) ▽ 0.1 p.p. (y/y)

Basel – Tier I

**12.6%**

▽ 0.1 p.p. (q/q) ▽ 0.3 p.p. (y/y)

Total Net Interest Income

**R\$15.6 bi**

△ 2.8% (q/q) ▽ 5.9% (y/y)

Client NII – net loan loss provisions

**R\$8.0 bi**

△ 18.7% (q/q) △ 25.7% (y/y)

Fee and Commission Income

**R\$9.3 bi**

△ 5.1% (q/q) △ 6.4% (y/y)

Operating Expenses

**R\$14.5 bi** △ 8.3% (q/q) △ 10.6% (y/y)

Personnel + Administrative Expenses

△ 4.3% (q/q) △ 5.5% (y/y)

Expanded Loan Portfolio

**R\$912.1 bi**

△ 2.5% (q/q) △ 5.0% (y/y)



Individual

**R\$381.8 bi**

△ 2.5% (q/q) △ 5.7% (y/y)



Companies

**R\$530.3 bi**

△ 2.5% (q/q) △ 4.5% (y/y)

MSME

△ 7.2% (q/q) △ 10.2% (y/y)

Large Corporate

△ 0.2% (q/q) △ 1.7% (y/y)

Delinquency

15 to 90 days **3.7%**

▽ 0.4 p.p. (q/q) ▽ 0.7 p.p. (y/y)

Over 90 days **4.3%**

▽ 0.5 p.p. (q/q) ▽ 1.4 p.p. (y/y)

Expanded loan loss provisions **R\$7.3 bi**

▽ 6.7% (q/q) ▽ 29.3% (y/y)

Retail loan loss provisions **R\$7.2 bi**

▽ 1.4% (q/q) ▽ 28.5% (y/y)

## INSURANCE GROUP

Recurring Net Income

**R\$2.2 bi**

△ 12.7% (q/q)  
▽ 7.4% (y/y)

Quarterly ROAE

**22.1%**

△ 2.3 p.p. (q/q)  
▽ 2.4 p.p. (y/y)

Income from operations

**R\$4.6 bi**

△ 16.2% (q/q)  
▽ 4.1% (y/y)

Revenue

**R\$30.2 bi**

△ 8.0% (q/q)  
△ 18.6% (y/y)

Claims Ratio

**78.6%**

△ 0.2 p.p. (q/q)  
▽ 1.6 p.p. (y/y)

## KEY HIGHLIGHTS

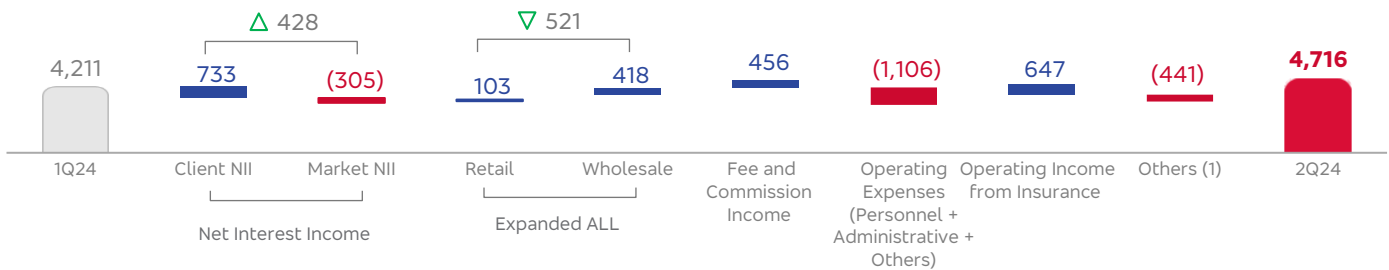
- Improved Client NII performance, with gross and net of loan loss provisions
- Reduction of Expanded Loan Loss Provisions in all comparative periods
- Improvement of delinquency rates from 15 to 90 / >90 days and the coverage ratio >90 days
- Expanded loan portfolio growth in all segments
- Continued good performance of the insurance operations
- Operating expenses aligned with expectations
- Improved accumulated ROAE



# recurring net income statement

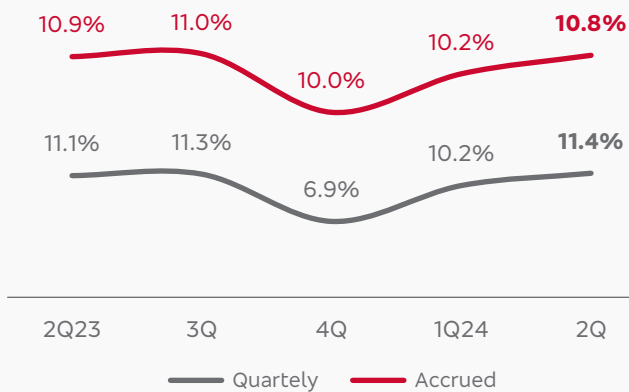
R\$ million	2Q24	1Q24	2Q23	1H24	1H23	Variation %		
						2Q24 x 1Q24	2Q24 x 2Q23	1H24 x 1H23
<b>\\ Net Interest Income</b>	<b>15,580</b>	<b>15,152</b>	<b>16,556</b>	<b>30,732</b>	<b>33,209</b>	<b>2.8</b>	<b>(5.9)</b>	<b>(7.5)</b>
- Client NII	15,255	14,522	16,652	29,777	33,618	5.0	(8.4)	(11.4)
- Market NII	325	630	(96)	955	(409)	(48.4)	-	-
<b>\\ Expanded Loan Loss Provision</b>	<b>(7,290)</b>	<b>(7,811)</b>	<b>(10,316)</b>	<b>(15,101)</b>	<b>(19,833)</b>	<b>(6.7)</b>	<b>(29.3)</b>	<b>(23.9)</b>
<b>\\ Net Interest Margin</b>	<b>8,290</b>	<b>7,341</b>	<b>6,240</b>	<b>15,631</b>	<b>13,376</b>	<b>12.9</b>	<b>32.9</b>	<b>16.9</b>
Income from Insurance, Pension Plans and Capitalization Bonds	4,644	3,997	4,841	8,641	8,510	16.2	(4.1)	1.5
Fee and Commission Income	9,317	8,861	8,756	18,178	17,502	5.1	6.4	3.9
Operating Expenses	(14,466)	(13,360)	(13,074)	(27,826)	(25,867)	8.3	10.6	7.6
Personnel Expenses	(6,627)	(6,368)	(6,155)	(12,995)	(12,186)	4.1	7.7	6.6
Other Administrative Expenses	(5,729)	(5,483)	(5,559)	(11,212)	(10,977)	4.5	3.1	2.1
Other Income / (Operating Expenses)	(2,110)	(1,509)	(1,360)	(3,619)	(2,704)	39.8	55.1	33.8
Tax Expenses	(2,015)	(1,918)	(2,002)	(3,933)	(3,957)	5.1	0.6	(0.6)
Equity in the earnings (losses) of unconsolidated and jointly controlled subsidiaries	109	56	229	165	270	94.6	(52.4)	(38.9)
<b>\\ Operating Income</b>	<b>5,879</b>	<b>4,977</b>	<b>4,990</b>	<b>10,856</b>	<b>9,834</b>	<b>18.1</b>	<b>17.8</b>	<b>10.4</b>
Non-Operating Income	34	14	17	48	56	-	-	(14.3)
Income Tax / Social Contribution	(1,100)	(675)	(393)	(1,775)	(892)	63.0	-	99.0
Non-controlling interests in subsidiaries	(97)	(105)	(96)	(202)	(200)	(7.6)	1.0	1.0
<b>\\ Recurring Net Income</b>	<b>4,716</b>	<b>4,211</b>	<b>4,518</b>	<b>8,927</b>	<b>8,798</b>	<b>12.0</b>	<b>4.4</b>	<b>1.5</b>

## Net Income Movement in the Quarter | R\$ million



(1) Tax Expenses, Equity in the Earnings of Affiliates, Non-Operating Income, Income Tax/Social Contribution and Minority Share.

## ROAE Quarterly and Accrued



## ER / Risk-Adjusted ER

