



# Annual Chart Of **Public Policies** and **Corporate Governance**

2021

**Base-Year 2020**



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## Board of Directors Message

2020 was a challenging and transforming year due to the new Coronavirus pandemic. In view of this scenario, we focus our efforts on the continuous search for quality service, supporting our customers so that they could overcome adversity.

We reinforce our commitment to having the customer at the center of our operations and decisions, at all organizational levels, to meet their needs with the best experience. We seek to make BB your main relationship bank, acting actively, understanding your life context, anticipating your needs and offering the best solutions, according to your profile, and in the convenience of the channel that is most appropriate for you.

We promote relevant structural changes with a focus on improving the customer experience. We reinforce the impact of customer satisfaction indicators on the remuneration and awards of employees and on the variable remuneration of statutory administrators.

We want to remain a competitive, profitable, efficient and innovative bank. To this end, we strive to optimize capital allocation, improve operational efficiency, optimize our structure, new businesses and sources of revenue, as well as accelerating cultural transformation and intensifying the use of data.

We recorded adjusted net income of R\$ 13.9 billion, a decrease of 22.2% in relation to the previous year, mainly impacted by the prudential anticipation of credit provisions, which reached R\$ 8.1 billion. These provisions strengthen our balance sheet and allow us to safely absorb any future impacts of the pandemic on default indicators.

The Structural Result, which does not suffer from the effects of provisions, continued to increase by 5.9%, totaling R\$ 42.4 billion in the year, showing that our operating performance remains solid and resilient. In addition, we highlight our financial margin, which increased by 5.1%, and the ROE of 12.0%.

The control of expenses and the search for efficiency are a constant agenda. Administrative expenses were stable with a variation of 0.1%. We have important initiatives underway that will bring us recurring savings of R\$ 3 billion annually after their complete implementation.

We reinforce our commitment to sustainability at each cycle. It is present in the dynamics of our daily lives, integrated with business and process management, and materialized in our sustainability plan. We have adopted the best Environmental, Social and Governance (ESG) practices, which allow for anticipating and managing risks and opportunities and conducting more and more sustainable businesses.

We reached R\$ 1.2 trillion in assets through the management of BB DTVM, with R\$ 648.9 billion in assets subject to positive screening, considering socio-environmental and corporate governance aspects.

We generated a positive impact in the order of R\$ 43.2 billion which benefited a society, shareholders and more than 91 thousand employees, with R\$ 6.1 billion in taxes being collected from this amount.

We are, by definition of Law 4,595/64, the financial agent of the National Treasury and the main instrument for implementing the Federal Government's credit policy, our controller. As a public policy executing agent, we received, from the National Treasury, R\$ 5.0 billion for funds and programs for loans and financing in 2020. In the same year, R\$ 4.1 billion were repaid, between principal and interest, in installments, with a portfolio balance of R\$ 52.3 billion.

We thank the dedication and strength of our staff, with their ability to overcome challenges, to reinvent themselves, to delight our customers and contribute to the development of the country, as well as to our more than 750 thousand shareholders for their trust in our Company.

In 2021, we want to keep delivering consistent results. We will work tirelessly in favor of customers, shareholders, employees and Brazilian society, in an innovative, efficient and sustainable way. We thank everyone for their confidence in our work.

Iêda Aparecida de Moura Cagni  
Chairman of Banco do Brasil's Board of Directors

Fausto de Andrade Ribeiro  
Banco do Brasil's CEO

## General Identification

In accordance with article 8, items I and VIII, of Law 13,303, of June 30, 2016; with article 13, items I and VIII, of Decree 8,945, of December 27, 2016; the Board of Directors subscribes to this Annual Chart of Public Policies and Corporate Governance of Banco do Brasil S.A. for the fiscal year 2020.

<b>CNPJ</b>	00.000.000/0001-91. NIRE 5330000063-8
<b>Headquarters</b>	Brasília/DF
<b>Type</b>	Mixed Capital
<b>Controlling Shareholder</b>	Federal Government, through the Ministry of Economy
<b>Corporate Type</b>	Joint Stock
<b>Type of Capital</b>	Publicly Held
<b>Scope</b>	Internacional
<b>Sector</b>	Financial/Banking industry
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<b>Board of Directors underwriters of the Annual Chart</b>	lêda Aparecida de Moura Cagni (CPF 820.132.251-72) Walter Eustaquio Ribeiro (CPF 067.936.811-68) Fausto de Andrade Ribeiro (CPF 343.530.971-72) Aramis Sá de Andrade (CPF 215.819.592-49) Waldery Rodrigues Júnior (CPF 357.025.913-72) Paulo Roberto Evangelista de Lima (CPF 117.512.661-68) Rachel de Oliveira Maia (CPF 143.363.438-45) Débora Cristina Fonseca (CPF 352.314.628-37)
<b>Annual Chart Underwriting Administrators</b>	Fausto de Andrade Ribeiro (CPF 343.530.971-72) <b>Position: CEO</b> José Ricardo Fagonde Forni (CPF 455.261.501-78) <b>Position: Vice-President of Finance Management and Investor Relations (CFO)</b>

Release Date: 05/31/21

## Corporate Governance and Public Policies

Law 13,303/2016, in its article 8, items I, III and VIII, sets forth the explanation of the commitments for attainment of objectives of public policies by the mixed-capital company, in response to the collective interest which justified the authorization for its creation, with clear definition of the funds to be used for this purpose, as well as the disclosure of relevant information, in special those related to the activities performed, control structure, risk factors, economic and financial data, management comments on the performance, corporate governance policies and practices and description of the composition and compensation of management. This information is detailed below.

### 1. Public Interest Underlying the Corporate Activities

Law 4,595/1964 introduced the Brazilian Financial System, composed of the National Monetary Council, Central Bank of Brazil (Bacen), Banco do Brasil (BB), National Bank for Economic and Social Development (BNDES) and other financial institutions. The same law defined Banco do Brasil as financial agent of the National Treasury and main instrument of execution of the loan policy of the Federal Government, being responsible for the financing of commercial, industrial and rural activities, disclosure and guideline of loan, performance of the foreign trade policy, among other assignments. With over 210 years, BB operates on responsible basis to promote social inclusion through the creation of jobs and generation of income.

Agribusiness is one of the principal sectors of the Brazilian economy, being fundamental for the growth and development of the country. Banco do Brasil finances the costing of production and the sale of farming products, foments rural investments such as storage, processing, manufacture of agricultural products and modernization of agricultural machines and implements, in addition to the compliance of rural properties to the environmental legislation. Accordingly, BB supports the Brazilian agribusiness sector in all the stages of the production chain.

BB offers to SME solutions of working capital, financing of investments and foreign trade, in addition to many other options related to cash flow, security, pension and services. The several segments of Companies, including Individual Microentrepreneurs (MEI), are offered from financial alternatives to business models that promote the transition to an inclusive economy. In this way, BB seeks to offer adequate solutions to support the development of this audience and encourage the entrepreneurial culture in the country.

In the financing to foreign trade, BB operates public policy instruments of production development, entrepreneurship, social and financial inclusion, including the Income Generation Program (Proger) and the Export Financing Program (Proex), in which BB is exclusive agent of the Federal Government.

Additional information on the history of Banco do Brasil and its main products and services is available at sections 6 and 7 of the [Reference Form](#) (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > Reference Form).

### 2 Activities Developed

Founded on October 12, 1808, Banco do Brasil S.A. was the first banking institution to operate in the country and the first company to carry out a public offering of shares in the Brazilian capital market. Headquartered in Brasilia, Banco do Brasil is a multiple bank, government-controlled company and its controlling shareholder is the Brazilian Government.

Banco do Brasil is one of the largest financial conglomerates in the country in terms of assets, with a 17.6% market share, according to the latest data released by the Central Bank (Dec/20). We are also, based on the same data, the largest bank in asset management for third parties, with 23.4% market share, in loans to agribusiness, with a market share of 54.1%; and in payroll loans, with a 21.3% market share. We also maintain the leadership in the investment fund industry, with a market share of 23.4% and a total of R\$ 1.2 trillion in managed funds.<sup>1</sup>

With more than 210 years of history, our main strength is in retail banking. Through strategic partnerships, affiliated and controlled companies, we offer a wide range of services.

<sup>1</sup> Include resources managed by BB DTVM and other institutions of the BB Conglomerate.



Banco do Brasil has a significant presence in all Brazilian states, in addition to developing activities in important global financial centers, actively contributing to the development of the country, through offering financial services, loans and production financing. On December 31, 2020, we have 91.7 thousand employees, 67.7% of whom have worked for more than 10 years.

Our focus is to conduct business with profitability compatible with the risks of the markets in which we operate. To offer differentiated solutions and strengthen the bond, Banco do Brasil segments its customers in five major segments:

- (i) individuals retail,
- (ii) corporate retail,
- (iii) wholesale,
- (iv) private banking and, e
- (v) government.

The knowledge of the segments allows the development of value proposals appropriate to the customer profiles: service model, channels, portfolios of products and services, integrated communication approach and, when applicable, specific brand.

On December 31, 2020, Banco do Brasil had 74.4 million customers, 39 million checking accounts and one of the largest retail service networks in Brazil, with 49.200 points of service, including 4,368 own branches.

Additional information on the main products and services provided by Banco do Brasil can be found in sections 7.2 and 7.3 of the [Reference Form](#) (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > Reference Form).

### 3. Statutory Duties

Aligned to its public interest, BB develops activities that meet public policies and its social purpose pursuant to articles 5 and 6 of BB's Bylaws:

**Article 5.** The Bank will contract, as stipulated by law or in the regulations, directly with the Federal Government or with its intervention:

- I. carry out the duties and services pertinent to the function of a financial agent of the National Treasury and other functions assigned to it by law;
- II. provide financing of government interest and carry out official programs by investing funds from the Federal Government or any nature; and,
- III. provide guarantee for the Federal Government.

Sole paragraph. The activities provided for by this article are conditioned, as the case may be, to the following:

- IV. the availability of corresponding funds to the Bank and the setting out of a corresponding interest payment;
- V. the prior and formal definition of the terms and proper interest payable in connection with the funds to be invested in case of equalization of financial charges;
- VI. to the prior and formal definition of the terms and assumption of risks and of remuneration, never lower than the costs of the services to be rendered; and,
- VII. to the prior and formal definition of the term to fulfill the obligations and the penalties for non-compliance.

**Article 6.** The Bank may engage the performance of duties, services and transactions that are assigned to the Brazilian Central Bank, if the provisions of the sole Paragraph of article 5 of these bylaws are followed.

Besides important agent of the economic and social development of the country, BB seeks to foment the economy and growth, operating in support to the public management in the promotion of improvements in several sectors. To maintain the growth of its loan portfolio with stability in the quality of assets, it seeks to establish partnerships that assure the same values of integrity, reputation and respect to the community and environment.

BB operates with public policies through financial services available to its clients, also participates in programs, projects and initiatives of public management, offering customized solutions that assist in the coverage of social demands. Accordingly, BB carries out transactions with the Federal Government, controlling shareholder, which generate financial effects on its Equity and Result.

## 4. Public Policies

The Pluriannual Plan (Plano Plurianual – PPA), set forth by Article 165 of the Brazilian Federal Constitution, is the planning tool that establishes the guidelines, objectives, and targets of the Federal Government. The PPA enables the implementation and management of public policies, direct the strategic reach of the governmental action, direct the establishment of priorities, and assist in the promotion of sustainable development.

The Ministry of Economy (ME), together with other bodies and entities of the Executive Branch, is responsible for coordinating the processes of preparation, monitoring, evaluation and review of the applicable PPA, and the release of methodology, guidelines and technical support for its management (Law 13,971/2016 ruled by Decree 10,321/2020).

Banco do Brasil is inserted in the planning as executor agent of governmental public policies, through financing funds (governmental), other initiatives (own funds) and realization of fixed investments, aligned with the programs, objectives and goals previously defined by the ME and by Sector Bodies (Órgãos Setoriais – OS), which correspond to the executor ministries of the public policies.

It is worth mentioning that governmental initiatives under the PPA should maintain consistency with the targeting of the Corporate Strategy of Banco do Brasil (ECBB).

The results of the initiatives under management of Banco do Brasil for 2020 related to the PPA 2020-2023 are presented below.

### 4.1 Governmental Initiatives

#### 4.1.1. PPA 2020-2023

The initiatives and respective goals, according to the planning of the PPA 2020-2023, under the management of Banco do Brasil, are described below

##### **Strengthening and Enhancement of Family Agriculture**

The purpose of the Program is to expand the access to and qualify the loan instruments, protection of production, guarantee of minimum prices and guarantee of income for Family Agriculture

##### **Granting Loan to Family Farmers**

The National Program for the Strengthening of Family Agriculture (Pronaf) aims to foment the generation of income and prize the use of family labor in rural properties as long as the prerogatives of the MCR have been complied with. The financing conditions are established in line with the objectives of Pronaf and are differentiated, especially about interest rates lower than those applied to other rural audiences.

Banco do Brasil develop actions focused on strengthening the Pronaf, mainly the following:

- i. Guideline to the branches on the possibility of covering the loan needs of family farmers;
- ii. Adoption of the model of operation through partners and special agreements contracted as Commercial Correspondents –Agribusiness Segment, which includes the lines of working capital for input purchase and investment and facilitates the origination of financing proposals from digital channels;
- iii. Simplification, de-bureaucracy and digitization of the contracting and renewal processes for the costing and investment lines.

The ongoing performance portrays the scenario and the commitment of BB to expand the service to the Brazilian agriculture in a sustainable way, of which it is the largest financier, in consonance with the Federal Government policies for the segment.

BB promote actions of strategic support to the Family Agriculture, with emphasis on digital solutions to streamline the process, thus fomenting the service to this public and reinforcing its historical partnership with the agribusiness in Brazil.



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Governmental Initiative	Granting Loan to family farmers (Pronaf)
<b>i. description</b>	The National Program for the Strengthening of Family Agriculture (Pronaf) aims to stimulate income generation and value the use of family labor in rural properties, according to prerogatives of the Rural Credit Code (MCR).
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurianual Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. Goals (planned/realized)</b>	Goal projected in 2020: R\$12.1 billion Performed in 2020: R\$14.6 billion (120.6% of the goal)  Goal projected in 2021: R\$12.1 billion  Goal projected in 2022: R\$12.1 billion
<b>iv. Investments made</b>	Amount disbursed in 2020 by the Bank: R\$14.5 billion.
<b>v. costs incurred</b>	Funding, administrative and tax costs.
<b>vi. Origin of funds involved, including sources of funds and conditions</b>	The main sources of funds for financings through the Pronaf are: - Agricultural Savings; - Demand Deposits; - HCD; - FCO; - National Treasury.
<b>vii. Estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$1.04 billion in 2020.

### **Regional and Territorial Development**

Banco do Brasil acts in the program with the purpose of (i) promoting the regional development and the organization of the Brazilian territory through the planning of the occupation and the use of the space in a sustainable way and with territorial approach, besides (ii) to promote the structuring of productive activities, productive arrangements and integration routes for regional and territorial development.

#### **Midwest Constitutional Fund (FCO) – Rural**

The Midwest Constitutional Fund (FCO) was established by Law 7,827/1989, due to the provided for in the Federal Constitution, article 159, item I, paragraph c. The accounting nature fund has purpose to contribute to the economic and social development of the Midwest region through the performance of financing programs to the productive sectors. BB is a director of the FCO jointly with the Ministry of Regional Development (MDR) and the Deliberative Council for the Development of the Midwest Development Authority (Condel/Sudeco). The FCO Rural is available to the finance of fixed and semifixed investments, and costs associated to investment projects, agriculture and livestock.

To disclose the credit line, its purposes, benefits and conditions, in addition to encouraging its hiring, BB has historically implemented actions such as:

- i. Internal dissemination of the credit line through our main communication channels, events and technical lectures;
- ii. Availability of the line according to the budget of the fund;
- iii. Holding of partnerships with entities to support farmers to disseminate the program;
- iv. Simplification and automation of operations contracting processes;
- v. Articulation of Technical Assistance at Portfolio Level, or ATNC, with companies that provide technical assistance to rural producers, to identify the technologies and standardization of investment projects under the program.



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Governmental Initiative	FCO – Rural
<b>i. description</b>	The Midwest Constitutional Fund (FCO) was introduced by Law No. 7.827/89, in view of article 159, item I, subitem c, of the Federal Constitution. It is a fund of accounting nature whose purpose is to contribute to the economic and social development of the Center-Western region, through the performance of financing programs to the production sectors. In rural credit, with FCO Rural funds, fixed and semifixed investments are financed, associated with investment project, agricultural and livestock costing.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Pluriennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. Goals (planned/realized)</b>	Goal projected in 2020: R\$3.1 billion Performed in 2020: R\$4.3 billion (138.7% of the goal)  Goal projected in 2021: R\$3.1 billion  Goal projected in 2022: R\$3.1 billion
<b>iv. Investments made</b>	Amount disbursed in 2020 by the Bank: R\$4.6 billion.
<b>v. costs incurred</b>	Funding, administrative and tax costs.
<b>vi. Origin of funds involved, including sources of funds and conditions</b>	Funds from the Midwest Constitutional Fund (FCO).
<b>vii. Estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$1.15 billion in 2020.

### Midwest Constitutional Fund (FCO) – Corporate

In the scope of business credit, with FCO resources, investment projects located in the Midwest region are financed, in businesses dedicated to the productive activity in the sectors: agro-industrial, industrial, economic, mineral infrastructure, trade and services, and tourism.

The priority objective of financing is to promote projects for individual microentrepreneurs (MEI) and micro and small companies (MPE), as established in Law 7,827/1989, as well as that contained in Complementary Law 123/2006, which established the Statute National Microenterprise and Small Business.



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Governmental Initiative	Financing of Production Channels (FCO – Corporate)
<b>i. description</b>	Financing of production chains prioritized by the Bank territorial development policy, with resources coming from the FCO (Constitutional Fund for Financing of the Midwest), in the case denominated FCO Corporate.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. Goals (planned/realized)</b>	Goal projected in 2020: R\$2.5 billion Performed in 2020: R\$2.24 billion (90% of the goal)  Goal projected in 2020: R\$2.7 billion Goal projected in 2022: R\$2.8 billion
<b>iv. Investments made</b>	Amount of R\$2.4 billion disbursed in 2020.
<b>v. costs incurred</b>	Interest rate of the constitutional funds (TFC) and other administrative costs.
<b>vi. Origin of funds involved, including sources of funds and conditions</b>	Funds from the Constitutional Fund for Financing of the Midwest (FCO).
<b>vii. Estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$344 million in 2020.

#### 4.1.2. Other Public Policies carried out in 2020<sup>2</sup>

##### Sustainable Agribusiness

Banco do Brasil acts in the program with the purpose of (i) increasing the availability and access to rural credit resources and other financing sources, and (ii) strengthening cooperativism and rural associativism, aiming at improving quality of life, organization and sustainability of the productive base, creation of jobs and generation of income, social inclusion and reduction of regional inequalities.

##### **Granting Loan to Rural Producers**

Rural credit covers resources for maintenance, commercialization, industrialization and investment. Its rules, purposes and conditions are defined in the Rural Credit Code (MCR), prepared by the Brazilian Central Bank (Bacen). These codes are followed by all agents from the National Rural Credit System (SNCR) such as banks and credit unions.

Banco do Brasil is historically the principal financial agent of the Brazilian agribusiness, supporting all the production phases, and financing the production costing, the trading and investments, including storage, processing and manufacture of agricultural products.

BB will continue to provide strategic support and encourage rural credit in all its purposes, with an emphasis on digital solutions to simplify the credit process, stimulating the simplification and completeness of service to rural producers and their cooperatives, reinforcing its historic partnership with Brazilian agribusiness.

<sup>2</sup> The other public policies implemented in 2020 comprise initiatives in force in previous periods or within the public interest purposes, and which will be part of the review process of the PPA 2020-2023, conducted by the Ministry of Economy.

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Governmental Initiative	Granting Loan to Rural Producers
<b>i. description</b>	Granting loan to rural producers by the Bank, except deals with cooperatives, BB ABC Program, BNDES/FINAME lines, operations with resources from the Federal Government, Pronaf, Pronamp and agroindustrial credit.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. Goals (planned/realized)</b>	Goal projected in 2020: R\$52.5 billions Performed in 2020: R\$61.4 billion (117.0% of the goal)  Goal projected in 2021: R\$52.5 billion  Goal projected in 2022: R\$52.5 billions
<b>iv. Investments made</b>	Amount disbursed in 2020: R\$63.3 billion.
<b>v. costs incurred</b>	Funding, administrative and tax costs.
<b>vi. Origin of funds involved, including sources of funds and conditions</b>	The main sources of funds for financings are: - Agricultural Savings; - Demand Deposits.
<b>vii. Estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$4.51 billion in 2020.

### **Foreign Trade**

The purpose of the program is to improve the instruments of official loan support to exports.

#### **Financing to Export of Goods and Services**

Proger Export is a loan facility to finance Brazilian Micro and Small Enterprises (MPE) created under the Employment and Income Generation Program (Proger) by the Deliberative Council of FAT (Codefat), through Resolution 330/2003.

Proger resources are lent to official federal banks with authorization from Codefat, which approves yearly a resolution containing the Annual Program for the Application of Special Deposits of the FAT (PDE). The effective contribution of funds is made according to the schedule defined in the FAT Special Deposit Allocation Term (Tade), signed between the executive secretary of the board and each financial agent, for each special program or credit line.

In 2020, as in 2019, Codefat did not guide the PDE, so that the official federal banks did not receive new transfers from the FAT destined to Proger Export. Contrary to what happened in 2019, when Banco do Brasil maintained the active line by making new contracts only with funds from the return of previously contracted operations, in 2020, given the lack of resources, the line had its marketing suspended. Accordingly, the total disbursed in 2020 was R\$ 235 thousand, resulting in the achievement of 1.46% of the target stipulated by the PPA for the period.



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Governmental Initiative	Export Financing of goods and services (Proger Export)
<b>i. description</b>	The Proger (Income Generation Program) Export is a credit line designed to promote the increase of exports from MPE (Micro and Small Companies), with the creation of jobs and income.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Pluriennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. Goals (planned/realized)</b>	Goal projected in 2020: R\$16 million Performed in 2020: R\$235 thousand (1.46% of the goal)
	Goal projected in 2021: R\$19 million Goal projected in 2022: R\$21 million
<b>iv. Investments made</b>	Amount of R\$235 thousand disbursed in 2020.
<b>v. costs incurred</b>	Funding, administrative and tax costs <sup>3</sup> .
<b>vi. Origin of funds involved, including sources of funds and conditions</b>	Funds from the FAT (Fund for Workers' Assistance) to finance Brazilian Micro and Small Companies through Resolution No. 330/03, in the scope of the Income Generation Program (Proger).
<b>vii. Estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$505 thousand in 2020.

### **Promotion of the Rights of the Disabled**

The program's objective is the protection of life, the strengthening of the family, the promotion and defense of human rights for all, through the financing of assistive technology goods and/or services for people with disabilities.

#### **Financing of Goods and/or Services of Assisted Technology to the Disabled**

BB Crédito Acessibilidade originated in February 2012, from the National Plan for the Rights of Persons with Disabilities - Living Without Limits (Decree 7,612/2011). This is a credit line for financing assistive technology goods and services for people with disabilities. The target audience is composed of individuals with gross monthly income of up to 10 minimum wages and credit limit approved and in effect at BB.

Since the beginning of the program, 84,221 operations have been contracted for a total disbursement of R\$647.9 million.

In 2020, R\$79.1 million was disbursed less than in 2019, due to the pandemic and the restrictions measures adopted. However, the subsidy grew by 2.05% over the same period. It is noteworthy that the subsidy is calculated according to the average of the daily balances of the portfolio, recorded monthly, whereas the growth is calculated by comparing the total amounts disbursed in the period.

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Governmental Initiative	Financing of Goods and Services of Assisted Technology to the Disabled
<b>i. description</b>	The BB Crédito Acessibilidade was created in 2012, based on the National Plan for the Rights of Persons with Disabilities - Living without Limit (Decree 7,612/2011). It is an exclusive credit line for the financing of goods and services of assistive technology aimed at people with disabilities.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Pluriennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. Goals (planned/realized)</b>	Goal projected in 2020: R\$8.5 million Performed in 2020: R\$7.8 million (92.2% of the goal)  Goal projected in 2021: R\$8.75 million  Goal projected in 2022: R\$9.0 million
<b>iv. Investments made</b>	Amount of R\$ 79 million disbursed in 2020. <sup>4</sup>
<b>v. costs incurred</b>	Administrative and tax costs. <sup>5</sup>
<b>vi. Origin of funds involved, including sources of funds and conditions</b>	Demand deposits raised by financial institutions, pursuant to CMN Resolution 4,000/11.
<b>vii. Estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$11.9 million in 2020.

### **Promotion of the Decent Work and Solidary Economy**

BB operates in the program with the purpose of (i) promoting work, employment and income opportunities, through the granting of loan directed to entrepreneurial activities and to Oriented Productive Microloan (MPO).

#### **Granting of Oriented Productive Microloan (MPO)**

The MPO is the credit granted to meet the financial needs of individuals and legal companies, entrepreneurs of small productive activities. It uses an entrepreneurial service model with an emphasis on guiding and monitoring the enterprise, aiming at the sustainable development of the business with the consequent increase in the standard of living and job creation, in addition to contributing to the banking of informal micro entrepreneurs.

BB intends to expand direct action to microentrepreneurs through actions to improve the digital reception systems, hiring, renewal and guidance of the MPO and new business partnerships.

Banco do Brasil, in partnership with the Movera company, contracted more than 62.8 thousand new MPO operations, serving almost 55 thousand customers, and disbursing R\$146.6 million, even in the COVID19 pandemic moment, thus expanding access to credit by microentrepreneurs, in particular, those enrolled in the Single Registry of the Federal Government - CadÚnico.

In addition to direct investment, BB also transferred funds to other institutions authorized to operate in the National Program of Productive Microcredit Guided (PNMPO), ending the year 2020 with R\$924 million invested in Interfinancial Deposits in Microfinance (DIM).

<sup>3</sup>The goal achieved in 2020 corresponds to the revenue earned by BB, resulting from the subsidies defined in the PPA 2020-2023. The amount disbursed corresponds to the amount contracted in 2020. For BB Crédito Acessibilidade, from 2012 to 2020, R\$647.9 million were disbursed, totaled 84,221 operations contracted.

<sup>4</sup> Fixed Unit Cost: Hiring R\$28.69 / Maintenance: R\$4.09



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Governmental Initiative	Granting Oriented Productive Microloan (MPO)
<b>i. description</b>	Credit under the support of the National Program of Productive Microcredit Guided (PNMPO), with the objective of supporting and financing productive activities of entrepreneurs, mainly through the provision of resources for oriented productive microcredit.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. Goals (planned/realized)</b>	Goal projected in 2020: R\$800.0 million Performed in 2020: R\$1.070.6 million (133.8% of the goal)  Goal projected in 2021: R\$800.0 million  Goal projected in 2022: R\$800.0 million
<b>iv. Investments made</b>	Amount disbursed in 2020 by the Bank: R\$1.070.6 million
<b>v. costs incurred</b>	Administrative and tax costs.
<b>vi. Origin of funds involved, including sources of funds and conditions</b>	Funds from the demandability of microloan (2% of compulsory demand deposits).
<b>vii. Estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$12.4 million in 2020.

In the process of setting prices and rules applicable to setting tariffs, Banco do Brasil conducts an economic and financial feasibility study for the pricing of its credit lines. This process involves the identification of the financial cost of funding, administrative costs, related risks, taxation, in addition to market research. In relation to the provision of services, BB has its remuneration established in the form of a tariff, calculated according to the efficiency index of the respective service, which expresses the relationship between administrative expenses and revenues.

#### 4.2. Funds for Costing of Public Policies

The operation of Banco do Brasil in support to the federal budgetary execution, as an official financial development agency, is carried out through granting of loans and financings at differentiated rates, backed by funds from the Fiscal Budget and Social Security (OFSS) in addition to own funds. These policies and respective objectives are described below.

##### Midwest Constitutional Fund (FCO)

The purpose of FCO is to contribute to the economic and social development of Brazilian Midwest, being the main financing instrument of the National Policy for Regional Development (PNDR) for the Midwest.

The funds in the fund's credit portfolio are backed by 10-year transfers made by the National Treasury to BB from the Federal Government's tax collection, more specifically 0.6% of the proceeds from the collection of Income Tax and Income from Any Nature (IR) and the Tax on Industrialized Products (IPI), according to art. 6, sole paragraph, item III, of Law 7,827/1989.

##### Amazon Development Fund (FDA)

The purpose of the FDA is to ensure resources for investments in infrastructure, in public services, in productive enterprises with a high germination capacity for new businesses and in productive activities, in addition to financing students regularly enrolled in higher education courses or in professional, technical and technological education, not free, in the area of operation of the Amazon Development Authority (Sudam).

The management of the FDA is the responsibility of Sudam, autarchy linked to the Ministry of Regional Development (MDR).

The FDA was instituted by Provisional Measure 2,157-5/2001 and currently regulated by Decree 10,053/2019.

#### **Midwest Development Fund (FDCO)**

The purpose of FDCO is to ensure resources for the implementation of development projects and investments in: infrastructure, actions and public services considered priority in the Regional Development Plan of the Midwest (PRDCO) and the financing of students regularly enrolled in higher education courses and professional, technical and technological education, not free, in the area of activity of the Midwest Development Authority (Sudeco)

The funds from the FDCO loan portfolio are backed by onlendings made by Sudeco upon release of loans to the borrowers.

The Midwest Development Fund - FDCO was created by Complementary Law 129/2009 and regulated by Decree 10,152/2019.

#### **Northeast Development Fund (FDNE)**

FDNE purpose is to ensure funds to investments related to Northeast Development Authority (Sudene) operations, in infrastructure, public services and production projects of large capacity of new business and production activities.

The funds from the FDNE loan portfolio are backed by onlendings made by Sudene upon release of loans to the borrowers.

The FDNE was created by Provisional Measure 2,156-5/2001 and regulated by Decree 7,838/2012.

#### **Merchant Marine Fund (FMM)**

FMM purpose is to provide funds for the development of the Merchant Marine and the Brazilian industry of shipbuilding and repair. Law 10,893/2004 provides for the Fund.

The funds from the FMM loan portfolio are backed by onlendings made by the Department of Fund for the Merchant Marine, agency linked to the Ministry of Infrastructure, upon release of loans to the borrowers.

#### **Fund for Land and Land Reform – Banco da Terra (FTRA)**

FTRA purpose is to finance Programs of land rearrangement and rural settlement, whose management body is the Secretariat for Family Agriculture and Cooperatives of the Ministry of Agriculture, Livestock and Supply (Mapa).

The funds from the FTRA are transferred to borrowers as debit of available funds established from onlendings made by the Brazilian Development Bank (BNDES), authorized by Mapa, compatible with the demand for financing over the year. The loans are managed by BB and returned to the Federal Government in the month following the debt amortization by the borrowers.

Complementary Law 93/1998 established the Land and Agrarian Reform Fund - Banco da Terra, which is regulated by Decree 4,892/2003.

Decree nº 10,126/2019, which amends Decree nº 4,892/2003, establishes that the FTRA will be governed by the Decree and by the operational regulation approved by the Secretariat of Family Agriculture and Cooperatives of the Ministry of Agriculture, Livestock and Supply (Mapa).

#### **Defense Fund of Coffee Economy (Funcafé)**

Funcafé was created for the financing, modernization, incentive to productivity of the coffee growing, the coffee industry and the export, research development, transportation means and ways, ports, defense of prices and domestic and foreign markets, as well as the conditions of rural workers' life.

The funds from Funcafé loan portfolio are backed by onlendings made by the Mapa based on the demand informed by BB for the crop.

Decree 94,874/1987 provides for the structuring of Funcafé, which was created by Decree-law 2,295/1986.



### Export Financing Program (Proex)

Proex was created by Law 10,184/2001, with the aim of improving the credit policy aimed at foreign trade, to increase the use of official export financing and guarantee instruments and increase the international competitiveness of Brazilian companies.

The program is the principal public instrument of support to Brazilian exports of goods and services, and the funds derive from the Special Program of Official Loan Operations. BB operates on exclusive basis as financial agent of the Federal Government responsible for the management of the program.

The funds from the Proex loan portfolio are backed by onlendings made by the National Treasury based on the expected demand informed by BB.

### National Program of Strengthening of the Family Agriculture/National Treasury (Pronaf/TN)

The Program, managed by the Secretariat of Family Agriculture and Cooperatives (SAF) of Mapa, was created by Decree nº 1946/1996 and aims to promote the sustainable development of the rural segment made up of family farmers, according to Decree nº 9,667/2019.

The National Treasury transfers funds to BB directly from the General Budget of the Union (OGU), within the scope of Official Credit Operations, which are destined to financing under the Program. BB acts as a service provider and carries out operations with the risk of the Federal Government.

## 4.3. Economic and financial impacts of the operationalization of public policies

The National Treasury made available to BB, during fiscal year 2020, R\$ 5,026 million for funds and programs aimed at defraying loans and financing granted with resources from the Fiscal Budgets and Social Security (OFSS), and the FCO, FMM and Proex represented 91.2% of this total.

The amount refunded to the National Treasury, in the same period, referring to the installment return installments (updated principal), totaled R\$ 4,086 million. The total balance of the loan and financing portfolio granted by BB was R\$ 52,329 million in Dec/20, as shown in the next table:

**Table 1. Funds from the OFSS – Values Released and Returned (in R\$ million)**

Fund/Program	Transferred by the National Treasury (a)	Reimbursed to the National Treasury (b)	2020 Flow (a - b)	Portfolio's Balance (Dec/20)
FCO <sup>(1)</sup>	2,596	1	2,595	36,059
FDA	364	7	357	641
FDCO	26	887	-862	247
FDNE	328	287	41	1,717
FMM	26	1,366	-1,340	7,947
FTRA	100	104	-4	966
Funcafé <sup>(2)</sup>	163	47	117	383
Proex	1,392	1,329	63	3,710
Pronaf/TN <sup>(3)</sup>	30	58	-28	660
<b>Total</b>	<b>5,026</b>	<b>4,086</b>	<b>940</b>	<b>52,329</b>

(1) Refers to payment in favor of the Central-West Development Superintendence, through the Union Collection Guide - GRU, to allow the contracting and payment of activities to assess the economic and social impacts resulting from the application of the Fund's resources, in compliance with art. 4 of Interministerial Ordinance 7, of 20.07.2020. (2) Refunds of unapplied amounts were deducted from the amount transferred by TN. (3) Includes amounts transferred to BB as remuneration

In rural and agro-industrial financing, BB uses 74.5% of its own resources (mainly rural savings, agribusiness letters of credit - LCA and demand deposits). In addition to these, BB also transfers funds from Constitutional Funds, such as the Midwest Constitutional Financing Fund (FCO) and the Coffee Economy Defense Fund (Funcafé). The following table shows this stratification:



**Table 2. Agribusiness Loan Portfolio Expanded View by Funding Sources**

Balance / R\$ million	Dec/19	Part. %	Sep/20	Part. %	Dec/20	Part. %
Agricultural Savings	87,595	47.7%	91,600	48.1%	103,169	53.8%
Agribusiness Letters of Credit	33,172	18.0%	25,628	13.5%	21,600	11.3%
Demand Deposits	17,980	9.8%	25,759	13.5%	18,002	9.4%
FCO	24,161	13.1%	25,451	13.4%	26,205	13.7%
BNDES/FINAME	8,524	4.6%	7,295	3.8%	7,184	3.7%
Other <sup>(1)</sup>	12,391	6.7%	14,721	7.7%	15,546	8.1%
<b>Loan Portfolio - Expanded View</b>	<b>183,824</b>	<b>100.0%</b>	<b>190,453</b>	<b>100.0%</b>	<b>191,707</b>	<b>100.0%</b>

(1) National Treasury, Funcafé, Rural Product Bills and Guarantees.

To enable financing with lower interest rates, covering the funding costs, credit risks, tax and administrative costs and BB's profitability, National Treasury and Central Bank of Brazil may authorize the equalization revenues and the weighting factor.

Rural and agro-industrial financing is segmented into equalizable and non-equalizable resources. The breakdown of these segments is shown in the table below:

**Table 3. Equalizable Resources in the Agribusiness Portfolio**

Balance / R\$ million	Dec/19	Sep/20	Dec/20
<b>Classified Loan Portfolio</b>	<b>179,423</b>	<b>185,166</b>	<b>186,208</b>
Equalizable Resources	88,897	83,082	89,960
Investments	55,943	54,072	55,404
Working Capital for Input Purchase	30,601	28,036	33,994
Crop Trading	776	974	562
Other	1,577	0	0
Non-Equalizable Resources	90,526	102,085	96,248
Rural Product Bills and Guarantees	4,113	4,419	4,572
<b>Loan Portfolio - Expanded View</b>	<b>183,824</b>	<b>190,453</b>	<b>191,707</b>

The equalization is an economic subsidy, introduced by Law 8,427/1992, that represents the differential of rates between funding cost, plus administrative and tax costs to which the official financial institutions and cooperative banks are subject, in their active operations, and the charges collected from the final borrower of the rural loan, pursuant to articles 1, items I and II, and 5 of Law 8,427/1992.

The weighting factor is a multiplier adopted by the federal government for the application of resources originating from demand deposits and rural savings. Through this mechanism, banks are allowed to comply with a lower rate of reserve requirements in rural credit, which allows the amount released to be invested in transactions at market rates, with the objective of offsetting the resulting interest rate profitability paid by the final borrower in the rural credit operations encouraged by the government.

The amounts of income from equalization received and receivable by BB are detailed in tables 4 and 5. We point out the cut-away for the portfolio of equalizable funds, already presented in table 3.

**Table 4. Equalization Revenues and Weighting Factor**

Quarter Flow / R\$ million	4Q19	1Q20	2Q20	3Q20	4Q20
Equalization Revenues	628	512	452	261	387
Weighting Factor	24	13	3	2	1
<b>Total</b>	<b>653</b>	<b>525</b>	<b>455</b>	<b>263</b>	<b>388</b>

(1) Revised series.



**Table 5. Equalization Revenue Receivable - Transactions <sup>(1)</sup>**

R\$ million	Dec/17	Dec/18	Dec/19	Dec/20
Initial Balance	3,418	2,166	1,593	1,306
(+/-) Flow	(1,252)	(574)	(286)	(607)
Final Balance	<b>2,166</b>	<b>1,593</b>	<b>1,306</b>	<b>699</b>

(1) Flow of the equalization of agricultural harvest rates - Law 8,427/1992 with the National Treasury, according to the Financial Statements, Explanatory Note 13 - Other Assets, sub-item a) Composition.

## 5. Internal Controls and Risks Management Structure

Banco do Brasil's organizational structure has defined duties and established corporate governance, with the participation of Senior Management, compatible with the business complexity, nature of the operations and risks exposure, as well as ensuring transparency, completeness and accuracy of data provided to the market and regulators.

In this context, to achieve strategic goals, including compliance with public policies, BB adopts the defense lines referential model (MRLD), which reinforces the competencies and responsibilities of all areas related to risk and control management. The model promotes greater interrelationship between business, risk management, controls and auditing, aiming risk mitigation, losses reduction, processes improvement, sustainability and, consequently, better financial results.

One of the tools adopted to ensure the effectiveness of the MRLD and the health of the control environment is the Internal Controls System Panel (PSCI). It is an automated monitoring mechanism that reflects, in a broad and integrated way, the risk management and controls of the evaluated areas through the consolidation of indicators related to the identification, assessment and mitigation of operational and compliance risks, to the management of the control environment and the degree of maturity of the managers in the MRLD.

In addition to being a means of inducing the adoption of the best risk management and control practices by the assessed areas, the information contained in the Panel is also reported monthly to BB's governance bodies.

Regarding the practices adopted by BB to deal with any suspected acts of corruption, BB provides, on its website, the Complaints Channel for reporting criminal offenses of any nature, related to the conglomerate's activities.

Within the scope of the corporate governance architecture, Banco do Brasil has a set of specific risk management policies, internal controls and compliance approved and reviewed annually within the scope of the Board of Directors (CA).

Regarding compliance, BB has a Program approved by the Board of Directors. The Program aims to prevent, detect and correct the institution's exposure to situations of non-compliance with laws, rules and external and internal regulations, as well as the Code of Ethics, in addition to being based on the guidelines of the culture of compliance, ethical and integrity principles and good corporate governance practices. This program also covers the integrity parameters of Decree 8,240/2015, which regulates Law 12,846/2013 on Anti-Corruption.

Detailed information about the internal control structures and risk management, including the Complaints Channel, can be found in section 5 of the [Reference Form](#) (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > Reference Form).

## 6. Risk Factors

BB discloses in its Reference Form the risk factors related to the policies, processes, procedures, systems and models adopted in risk management, internal controls, compliance and corporate governance that may influence the investment decision, in particular to those related to the issuer and its controller, its subsidiaries and affiliates, its suppliers, its customers, the sectors of the economy in which BB operates and its respective regulation and socio-environmental issues.

In addition, BB declares the risk factors related to the public policies adopted by the direct or indirect controller or controlling group that may cause adverse effects on BB, including damage to its reputation.

In relation to sector regulation, BB declares a factor related to unfavorable decisions in judicial, administrative or arbitration proceedings, which may cause adverse effects for Banco do Brasil.

Additional information on risk factors can be found in section 4 of the [Reference Form](#) (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > Reference Form).

## 7. Economic and Financial Data

The [MD&A Report](#) (available at [bb.com.br/ir](http://bb.com.br/ir) > Financial Information > Results Center) presents the BB's economic and financial situation. The public-audience of this report are market analysts, shareholders and investors and it has quarterly disclosure.

The report provides content related to economic indicators, BB's shares performance and risk management, as well as historical series up to eight periods of the Balance Sheet, Income Statement with Reallocations, information on profitability, productivity, quality of credit portfolio, capital structure, capital market and structural data. At the end of the report, it is presented the financial statements and explanatory notes for the period under analysis.

Information on BB's economic-financial data under IFRS can be found in section 3 of the [Reference Form](#) (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > Reference Form).

### 7.1. Comments on Operating Performance

The members of the BB's Executive Board, according to CVM Instruction 480/2009, must comment on section 10 of the Reference Form about the main aspects of BB's operating performance, retrospectively to 2018, 2019 and 2020, stating that the information is true, complete and consistent.

Initially, it is presented BB's financial and equity conditions, its capital structure, sources of financing and its levels of indebtedness. It is also disclosed the most significant changes in the Balance Sheet (2020/2019, 2019/2018 and 2018/2017). The commented performance is based on the IFRS Financial Statements.

Additionally it is presented the BB's earnings based on vertical and horizontal analysis of the statement of income, which shows: (i) Interest Income; (ii) Interest Expenses; (iii) Provision for Expected Losses; (iv) Non-interest income and (v) Non-interest expense.

Lastly, it is shown the planned and accomplished amounts related to advertising and sponsorship expenses.

Officers' detailed comments on BB's performance can be found in section 10 of the [Reference Form](#) (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > Reference Form).

## 8. Corporate governance policies and practices

Since 2006, Banco do Brasil has been the only bank listed Novo Mercado B3, a segment that brings together companies with the best corporate governance practices. With this, BB demonstrates its commitment to transparency, accountability, equity and corporate responsibility, supported by the use of monitoring tools that align the behavior of executives with the interests of shareholders and society.

BB was certified by B3 in the Outstanding State Governance Program in August 2017. The program aimed to certify state companies that voluntarily committed to the best corporate governance practices. In 2019, BB's score was raised from 50 to 56 points and, in 2020, BB obtained the maximum score (60 points), reaching full compliance with the measures of the Program<sup>5</sup>.

Banco do Brasil was also recognized as a "leading company in corporate governance" by the 2020 Sustainable Leaders Agenda (Alas20), an initiative organized by GovernArt to promote sustainable development in Latin America through leadership in business management and investment decisions

Also, in 2020, the Federal Court of Accounts (TCU) granted BB a general level of excellence in relation to Law 13,303/2016 (State Law). The evaluation conducted by TCU analyzed dimensions considered to be structuring in the State Law: public interest and social function of the company; compliance and risk management; transparency and bids and contracts; and corporate governance. Of the 20 federal state companies evaluated, BB was the only one in the financial sector to achieve the general adequacy rating of excellence.

<sup>5</sup> On 12.22.2020, B3 informed BB about the decision to discontinue the Outstanding Program in State-Owned Governance (PDGE). According to B3, "this decision reflects the evolution of the Brazilian legal and regulatory scenario and the contributions brought by PGDE in the corporate governance practices and structures of state-owned companies (...)"

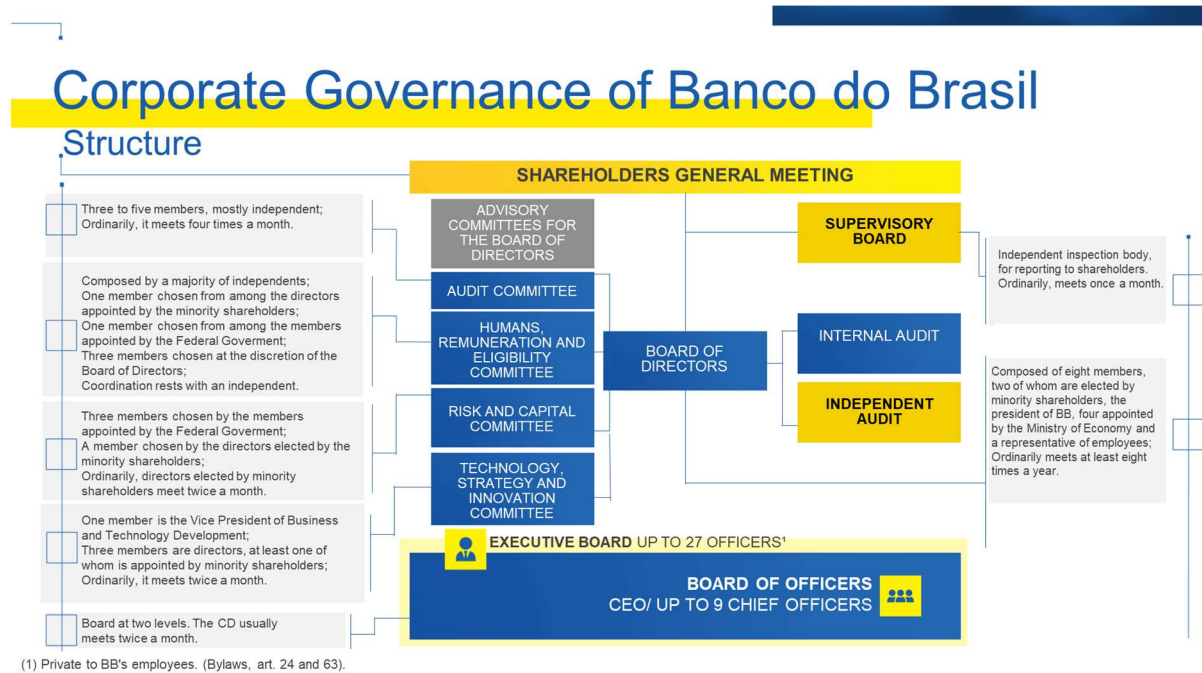


In relation to the main adjustments to BB's governance documents, in 2020, the General Shareholders' Meeting approved amendments to the Bylaws, among which we highlight: (i) the forecast that the management of third party resources can also be carried out directly by Bank; (ii) the capital increase due to the capitalization of part of the Reserve for BB's Operating Margin and the merger of Bescval, through the transfer of shareholders' equity to Banco do Brasil; (iii) the possibility of contracting coverage extensions for D&O insurance and the inclusion of the provision for entering into an Indemnity Agreement; (iv) the adequacy of the composition of effective members of the Human Resources, Compensation and Eligibility Committee and the Technology, Strategy and Innovation Committee; (v) the inclusion of the provision that Executive Officers who, as of December 9, 2020, request retirement under the Pension Plan of Banco Brasil Employees (Previ) may be elected to the position of Executive Officer; and (vi) the procedures to be adopted when conflicts of interest are identified in the meetings of the Board of Directors, Board of Directors, Executive Board and Supervisory Board.

### 8.1 Administrative Structure

Banco do Brasil's administrative structure is established in its Bylaws and in the Internal Regulations of its governance bodies (available at [bb.com.br/ir](http://bb.com.br/ir) > [Bylaws, Policies and Codes](#)). BB also makes available on its portal the [Report on the Brazilian Corporate Governance Code](#), which presents the Company's principles and practices, in a transparent, complete, objective and precise manner. BB's corporate governance structure can be illustrated as shown in the following figure:

Figure 1. Corporate Governance Structure of Banco do Brasil



The following are the Banco do Brasil's management bodies, composed of Brazilian citizens with recognized knowledge, including the best Corporate Governance practices, experience, good character, unblemished reputation and technical capacity compatible with the position:

- i. The Board of Directors, which has, in the manner prescribed by law and in the Bylaws of Banco do Brasil, strategic, guiding, elective and auditing functions, not including operational or executive functions, whose members are elected by the General Meeting; and
- ii. The Board of Executive Officers, responsible for the administration of BB, composed of the Board of Directors and the other Executive Officers, all residing in the country, as established in the Bylaws.

In addition, the following bodies are part of the governance structure of Banco do Brasil

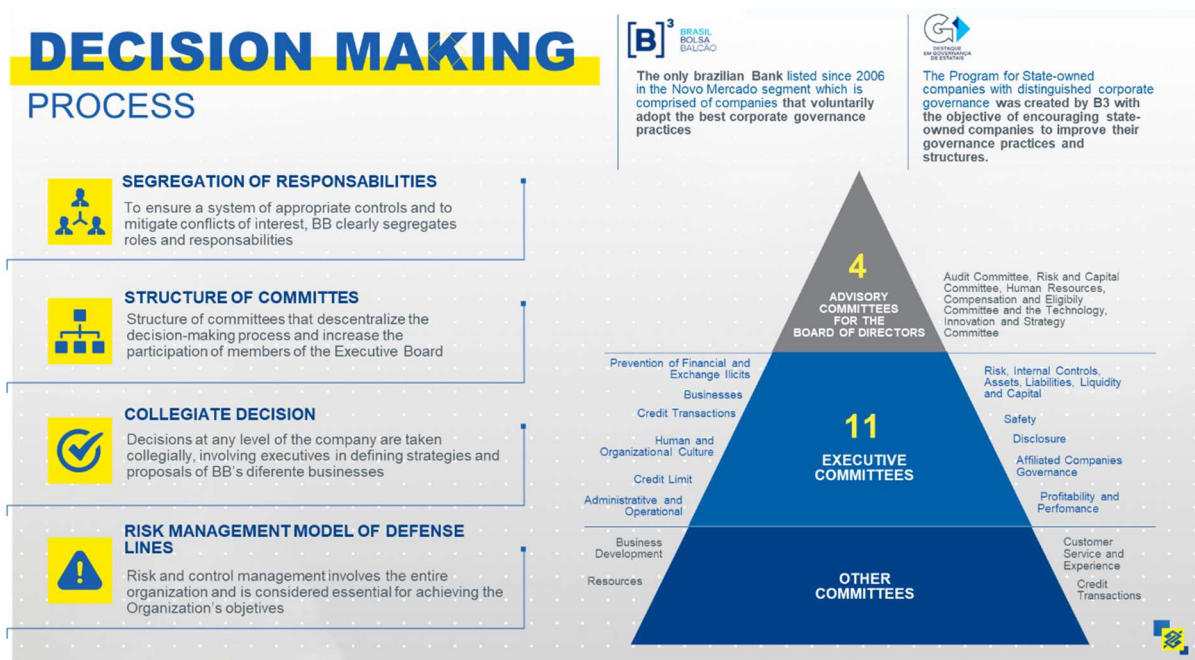
- i. Audit Committee, whose purpose is to advise the Board of Directors regarding the exercise of its audit and supervisory functions and to express its opinion on: (I) the quality of the financial statements; (II) the effectiveness of the internal control system; and (III) the effectiveness of the internal and independent audits;

- ii. Humans, Remuneration and Eligibility Committee, whose purpose is to assist the Board of Directors in establishing the compensation policy and the policy of appointment and succession of management members of Banco do Brasil;
- iii. Risks and Capital Committee, whose purpose is to advise the Board of Directors regarding the exercise of its functions related to risk and capital management, in a unified manner, for the institutions that are part of the Prudential Conglomerate of Banco do Brasil;
- iv. Technology, Strategy and Innovation Committee, whose purpose is to advise the Board of Directors on topics related to technological trends and new business models, projects or innovation initiatives to face these trends and their effects on BB, as well as on monitoring the execution of the Corporate Strategy; and
- v. Supervisory Board, whose duties are established by article 163 of Law 6,404/1976.

## 8.2 Strategic Committees

In order to involve the organizational units in the definition of guidelines and approval of proposals for BB's different businesses, the management uses strategic committees, which are activated within the Board of Executive Officers, which decide on matters of corporate scope and guarantee agility and safety to the process of decision-making, as presented in the following figure

Figure 2. Decision Making Process



The main strategic committees are the Executive Committees: Risk Management, Internal Controls, Assets, Liabilities, Liquidity and Capital; of security; for the Prevention of Financial and Foreign Exchange Illicit; Disclosure; Governance of Related Entities; of business; Profitability and Performance; People and Organizational Culture; Administrative-Operational; Credit Limit; of Credit Operations.

Further information on the structure and governance policies and composition of Banco do Brasil's management can be found in section 12 of the [Reference Form](#) (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > Reference Form).

## 8.3 Remuneration for Directors Policy

The Remuneration for Directors Policy for BB's management members is regulated by Law 6,404/1976, Law 13,303/2016, Decree 89,309/1984, CMN Resolution 3,921/2010, Law 12,813/2013 and Bylaws of Banco do Brasil and aims to:

- i. reinforce commitment to corporate strategies, increase BB's results and recognize the efforts of each management member, in proportion to the achievement of the goals;



- ii. reconcile the Variable Compensation Policy to the Risk Management Policy, so as not to encourage behaviors that increase the risk exposure above levels considered prudent in the Company's short, medium and long-term strategies;
- iii. directly contribute to the scope of the guidance, as it is made up of several performance indicators that are derived from the ECBB and the Master Plan.

The remuneration and other benefits of the members of the Management bodies are fixed annually by the Annual General Meeting (AGO), whose minutes are available on the Investor Relations portal ([bb.com.br/ir](http://bb.com.br/ir)) >Publications and Notices> [Shareholders and Board Meetings](#)).

Values are defined based on market research, internal balance, responsibility, company and individual performance, among other factors. The total compensation includes fixed compensation, variable compensation and benefits.

The Board of Executive Officers' Variable Compensation Program (RVA) aims to recognize the efforts of managers in building the results achieved, based on the performance verified by indicators linked to corporate strategy. The Program is proposed by the Humans, Remuneration and Eligibility Committee, approved by the Board of Directors, and subsequently submitted to the Ministry of Economy/Sest. The payment method follows the definitions proposed by CMN Resolution 3,921/2010, among which the payment in shares of the Company stands out.

Aligned with the public interest and for the benefit of society, the variable remuneration of Banco do Brasil's officers and employees is influenced by the performance of the Public Policy Indicator, as directed by Sest. The performance of this indicator directly reflects the percentage paid to managers (except risk areas) through the Variable Compensation Program of Managers (RVA), in addition to influence the percentage distributed to employees through the Profit-Sharing Program (PLR).

It should be emphasized that the composition of the compensation granted to the members of the Board of Executive Officers is in accordance with the legal provisions regarding state-owned companies and corporations and aims to reward them for the degree of responsibility of their positions and for the trust inherent to them, as well as the value of each professional in the market, considering the Company's Risk Management Policy, its results and the economic environment in which it is inserted.

For the members of the Board of Directors and the Supervisory Board, the amount of fees is set at 10% of the average monthly compensation of the Board of Executive Officers, according to Law 6,404/1976 and Law 9,292/1996, excluding amounts related to vacation premiums and benefits, the payment of interest, of any kind, in the profits of the company being prohibited.

The information related to this item meets the requirements of Law 13,303/2016 and Decree 8,945/2016. In this sense, the annual global amount of the remuneration of the Board of Directors, the Supervisory Board and the Executive Board is presented. The information is not individualized because it is strategic in nature and it is subject to corporate secrecy, from a constitutional source, as a result of the preservation of the privacy guaranteed by art. 5, item X, of the Federal Constitution.

In infra-constitutional headquarters, we emphasize that the protection of corporate secrecy is protected by art. 155, item II, of Law 6,404/1976, as a duty to protect the company's rights; in art. 4, paragraph 2 and art. 8, paragraph 3, of Law 13,303/2016, which submits BB to the information regime according to the provisions of Law 6,385/1976; and in art. 22 of Law 12,527/2011, which imposes a restriction on access to information subject to business secrecy.

The following table details the compensation of the management members segmented by the management body of Banco do Brasil:

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**Table 6. Remuneration of the Management members in 2020**

Body	Board of Directors	Supervisory Board	Executive Board
<b>Total number of members</b>	7.58	4.5	33.5
<b>Number of paid members</b>	4.42	4.84	41.17
<b>Remuneration breakdown:</b>			
<b>1. Fixed Annual Remuneration, breakdown:</b>			
- Salary or Officer Remuneration (R\$)	312,355.78	331,960.48	23,845,535.40
- Direct and indirect benefits (R\$)	--	--	4,307,342.26
- Remuneration for joining committees (R\$)	--	--	--
- Other (R\$)	--	--	--
<b>2. Variable remuneration (R\$)</b>	--	--	9,163,052.97
<b>3. Post-employment benefits (R\$)</b>	--	--	--
<b>4. Benefits motivated by the cessation of tenure (R\$)</b>	--	--	833,824.37
<b>5. remuneration based on shares, including options (R\$)</b>	--	--	10,801,462.74
<b>Annual amount of remuneration by body (R\$)</b>	312,355.78	331,960.48	48,951,217.74
<b>Annual amount of remuneration (R\$)</b>			<b>49,595,534.00</b>

It should be noted that the remuneration of the members of the Executive Board was last readjusted in 2016.

BB's RVA Program for the year 2019-2020 had its value approved by the Annual General Meeting of April 26, 2019, and its definition, which is 50% in cash and 50% in shares, of which 20% can be made in cash and 80% within four years, was proposed by the Humans, Remuneration and Eligibility Committee and approved by the Board of Directors, in accordance with CMN Resolution 3,921/2010 (see Table 7).

**Table 7. Remuneration of the Management Members in 2020**

Type of Remuneration	
<b>Remuneration in Cash (R\$)</b>	<b>9,163,052.97</b>
2019 Program	6,424,157.36
2020 Program Advance	2,738,895.61
<b>Remuneration in Shares (R\$) <sup>(2)</sup></b>	<b>10,801,462.74</b>
2015 Program (portion 4/4)	3,989,576.30
2016 Program (portion 3/4)	1,157,911.19
2017 Program (portion 2/4)	2,261,620.33
2018 Program (portion 1/4)	1,491,060.16
Program 2019 (cash portion)	1,901,294.76
<b>Amount of Remuneration (R\$)</b>	<b>19,964,515.71</b>

1 - Social charges on Variable Remuneration, in accordance with item "b" of subtitle 10.2.13 of Circular Letter / CVM / SEP / N°1 / 2021.

2 - Without the incident social charges, which are included in the remuneration in cash, in accordance with item "b" of subtitle 10.2.13 of Official Letter / CVM / SEP / N°1 / 2021.

The table below presents additional information regarding the compensation of the Board of Directors, the Supervisory Board, and the Executive Board:



**Table 8. Remuneration of the Management Members – Higher amount, lower amount and average amount of compensation**

Body	Board of Directors	Supervisory Board	Executive Board
Number of members (12 months average)	7.58	4.50	33.50
Number of paid members	4.42	4.84	41.17
Amount of the highest individual remuneration (R\$) – year <sup>(1)</sup>	71,079.18	71,072.26	1,449,159.72
Amount of the lowest individual remuneration (R\$) – year <sup>(2)</sup>	71,072.26	71,072.26	931,191.17
Average individual remuneration per annum (R\$) <sup>(3)</sup>	70,668.73	68,586.88	1,189,002.13

1 - The average value calculated for the Board of Directors is the ratio of R\$ 312,355.78 by 4.42, for the Fiscal Council it is the ratio of R\$ 331,960.48 by 4.84 and the Executive Board is the ratio of R\$ 48,951,217.74 by 41.17. Dividers correspond to the number of paid members of each body.

For further information on management members' compensation policy or practice, refer to section 13 of the [Reference Form](#) (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > Reference Form).

## 9. Other Information

### 9.1. Shareholding Structure

Banco do Brasil (BBAS3) shares remained present in all B3 trading sessions and represented 2.34% of the Bovespa Index for the four-month period from September to December 2020. BB also maintains a level 1 ADR program (BDORY), traded on the over-the-counter market in the United States.

Banco do Brasil has a base of more than 750 thousand shareholders, 98.0% of whom are individuals and 1.9% are legal entities. Between January 2018 and December 2020, our base of individual shareholders grew from 330 thousand to 735 thousand. Between December 2019 and December 2020, more than 251 thousand people started to invest in Banco do Brasil. This achievement demonstrates the confidence of our shareholders and the solidity of our company in scenarios of greater volatility.

Reports and information to the CVM are available on the Investor Relations portal. Banco do Brasil also maintains a team dedicated to the relationship with analysts and investors. In 2020, the company made 404 calls, reaching a total of 2,109 investors, market analysts and rating agencies.

The shareholding structure of Banco do Brasil S.A., at the end of 2020, was distributed as follows:

**Table 9. Ownership Structure (%)**

	Dec/20
(a) Federal Government	50.00%
(b) Free Float	49.57%
PF	11.95%
PJ	15.11%
Foreign Capital	22.52%
Others <sup>1</sup>	0.43%
Free Float (%) - b/(a+b) <sup>1</sup>	49.78%
<b>Total</b>	<b>100.00%</b>

(1) Others consists of Treasury Shares, shares held by Members of the Board of Directors, CD and Executive Board and shares referring to the merger of BNC and BESC.



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## DECLARATION OF THE BOARD OF DIRECTORS

Banco do Brasil S.A. Board of Directors declares that approved the Annual Chart of Public Policies and Corporate Governance related to the fiscal year ended 2020, in compliance with the item I of Article 8 of Law 13,303/2016.

On May 31, 2021.

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Iêda Aparecida de Moura Cagni  
**(Chairman)**

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Walter Eustaquio Ribeiro  
**(Vice Chairman)**

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Fausto de Andrade Ribeiro

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Aramis Sá de Andrade

---

Waldery Rodrigues Júnior

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Paulo Roberto Evangelista de Lima

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Rachel de Oliveira Maia

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Débora Cristina Fonseca