



Earnings Summary

Adjusted Net Income rise 6.1% in 4Q20

Banco do Brasil adjusted net income was R\$3.7 billion in the 4Q20, up 6.1% over 3Q20, and down 20.1% over 4Q19. The Market ROE in the quarter was 12.1%.

In comparison with 3Q20, the result was mainly influenced by the reduction 6.3% in the All Expanded View, by the positive performance of Fee Income, which grew 1.5% and the Net Interest Income which grew 1.1%, partially impacted by increased 3.7% Administrative Expenses in and legal Risk in 117.7%

In annual comparison, the adjusted net income decreased 22.2%, totalizing R\$13.9 billion, mainly due to the increase in ALLL Expanded View in 47.6%, mainly impacted by the anticipation of prudential provisions that added up to R\$ 8.1 Billion.

Despite this, the Pre-Tax and Pre-Provision Earnings (PPOP) grew 5.9%, which demonstrates the resilience of operating performance in the period.

Positive highlights in year-over-year comparison (2020/2019) was +5.1% NII's increase, the stability of administrative expenses (+0,1%) and the reduction of 51,1% in legal risk. Annual Market ROE was 12,0%.



Table 1. Summarized Income Statement with Reallocations– R\$ million

	4Q19	3Q20	4Q20	Chg. %		2019	2020	Chg. %
				4Q19	3Q20			
Net Interest Income	14,263	14,017	14,164	(0.7)	1.1	53,999	56,726	5.1
ALLL Expanded View	(3,525)	(5,508)	(5,157)	46.3	(6.4)	(14,983)	(22,110)	47.6
ALLL Expenses – Credit Risk	(4,804)	(6,575)	(6,567)	36.7	(0.1)	(19,748)	(25,561)	29.4
ALLL Expenses – Recovery of Write-offs	1,805	2,283	1,901	5.3	(16.7)	6,745	7,359	9.1
ALLL Expenses – Discounts Granted	(287)	(244)	(267)	(6.9)	9.7	(1,068)	(990)	(7.3)
ALLL Expenses – Impairment	(239)	(973)	(224)	(6.3)	(77.0)	(913)	(2,919)	219.7
Net Financial Margin	10,738	8,509	9,007	(16.1)	5.9	39,016	34,616	(11.3)
Fee income	7,508	7,281	7,389	(1.6)	1.5	29,209	28,702	(1.7)
Administrative Expenses	(8,611)	(7,835)	(8,128)	(5.6)	3.7	(31,537)	(31,583)	0.1
Legal Risk¹	(2,096)	(809)	(1,762)	(15.9)	117.7	(8,603)	(4,207)	(51.1)
Other Operating Income²	(970)	(1,791)	(2,063)	112.7	15.2	(3,046)	(7,272)	138.8
Income Before Taxes	6,570	5,354	4,443	(32.4)	(17.0)	25,038	20,256	(19.1)
Income and Social Contribution Taxes	(868)	(992)	22	–	–	(3,140)	(3,093)	(1.5)
Corporate Profit Sharing	(614)	(442)	(398)	(35.2)	(10.0)	(2,347)	(1,702)	(27.5)
Adjusted Net Income³	4,625	3,482	3,695	(20.1)	6.1	17,848	13,884	(22.2)
One-Off Items	1,069	(397)	(496)	–	24.9	315	(1,186)	–
Net Income	5,694	3,085	3,199	(43.8)	3.7	18,162	12,697	(30.1)
Market ROE - %	17.7	12.0	12.1			17.3	12.0	
Adjusted ROE - %	14.7	10.4	10.8			14.7	10.4	
Shareholders' ROE - %	19.2	12.9	12.9			18.8	12.9	

1) Group containing the balance of the line 'Civil, Tax and Labor Claims'; (2) Group containing the result of the lines 'Other Provisions', 'Result of Investments in Subsidiaries, Affiliates and JV', 'PREVI - Benefit Plan 1', 'Previ - Update of Utilization Fund', 'Tax Expenses', 'Other Income / Operating Expenses' and 'Non-Operating Result'; (3) Adjusted net income is net of the result of 'Minority Interest'.



Pre-Tax and Pre-Provision Earnings (PPOP)

Table 2. PPOP – R\$ million

	4Q19	3Q20	4Q20	Chg. %		2019	2020	Chg. %
				4Q19	3Q20			
Total Operating Income	24,576	23,310	23,714	(3.5)	1.7	94,642	93,346	(1.4)
Operating Income	24,346	23,162	23,402	(3.9)	1.0	93,698	92,910	(0.8)
Net Interest Income	14,263	14,017	14,164	(0.7)	1.1	53,999	56,726	5.1
Fee Income	7,508	7,281	7,389	(1.6)	1.5	29,209	28,702	(1.7)
Net Gains from Equity Method Investments	982	782	939	(4.3)	20.2	4,049	3,110	(23.2)
Other Operating Income	1,593	1,083	910	(42.9)	(16.0)	6,441	4,372	(32.1)
Previ - Plano de Benefícios 1	(61)	(123)	(123)	101.5	0.0	50	(526)	-
Previ - Fundo de Utilização Restatement	292	271	435	49.0	60.6	893	962	7.7
Total Operating Expenses	(14,506)	(12,491)	(14,110)	(2.7)	13.0	(54,743)	(51,135)	(6.6)
Administrative Expenses	(8,611)	(7,835)	(8,128)	(5.6)	3.7	(31,537)	(31,583)	0.1
Personnel Expenses	(5,530)	(4,986)	(5,060)	(8.5)	1.5	(20,200)	(19,973)	(1.1)
Other Administrative Expenses	(3,081)	(2,849)	(3,068)	(0.4)	7.7	(11,337)	(11,610)	2.4
Tax Expenses	(1,380)	(1,347)	(1,469)	6.4	9.1	(4,957)	(5,347)	7.9
Legal Risk 1	(2,096)	(809)	(1,762)	(15.9)	117.7	(8,603)	(4,207)	(51.1)
Other Provisions	(153)	(134)	(99)	(35.4)	(26.6)	(84)	(320)	282.1
Other Operating Expenses	(2,267)	(2,365)	(2,653)	17.1	12.2	(9,563)	(9,678)	1.2
Net Non-Operating Income	24	43	(3)	-	-	123	155	25.7
Pre-Tax and Pre-Provision Earnings	10,094	10,862	9,601	(4.9)	(11.6)	40,022	42,366	5.9



Net Interest Income

Net Interest Income (NII) was R\$14.2 billion in 4Q20, 1.1% up QoQ, influenced by the 1.0% increase in loan operations revenues, softened by the moderate growth in funding expenses (commercial and institutional) of 0.4%.

In 2020, NII was R\$56.7 billion, 5.1% up YoY, explained by the 30.1% decrease in funding expenses, partially offset by the reduction in loan operations revenues (-7.3%) and in treasury results (-16.8%). Both financial income and expenses were influenced by the 53.7% reduction of CDI/TMS in the period.

Table 3. Net Interest Income Breakdown – R\$ million

	4Q19	3Q20	4Q20	Chg. %		2019	2020	Chg. %
				4Q19	3Q20			
Net Interest Income	14,263	14,017	14,164	(0.7)	1.1	53,999	56,726	5.1
Loan Operations	18,410	16,930	17,105	(7.1)	1.0	74,694	69,221	(7.3)
Funding Expenses	(5,308)	(3,095)	(3,062)	(42.3)	(1.1)	(24,481)	(14,340)	(41.4)
Financial Expense for Institutional Funding ¹	(2,707)	(2,563)	(2,622)	(3.2)	2.3	(11,124)	(10,561)	(5.1)
Treasury ²	3,868	2,745	2,742	(29.1)	(0.1)	14,910	12,406	(16.8)
NIM - % ³	4.4	3.7	3.7					
Risk Adjusted NIM - %	3.3	2.2	2.3					

(1) It includes senior bonds, subordinated debt, and Hybrid Instruments (except instruments qualifying as CET1). (2) It includes the result from interest, tax hedging, derivatives, and other financial instruments that offset the effects of the exchange rate variation on result.



ALLL Expanded View

ALLL expanded view composed by ALLL expenses, plus recovery of write-offs, discount granted and impairment, reduced 6.4% over 3Q20, totalizing R\$5.2 billion.

Table 4. ALLL Expanded View – R\$ million

	4Q19	3Q20	4Q20	Chg. %		2019	2020	Chg. %
				4Q19	3Q20			2019
ALLL Expanded View	(3,525)	(5,508)	(5,157)	46.3	(6.4)	(14,983)	(22,110)	47.6
ALLL Expenses - Credit Risk	(4,804)	(6,575)	(6,567)	36.7	(0.1)	(19,748)	(25,561)	29.4
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Credit Risk: In the quarter, there was the prudential anticipation that resulted in the reinforcement of ALLL of R\$2.0 billion, carried out especially in the individuals and companies segments.

Recovery of Write-Offs: Even with the quarterly reduction of 16.7%, the recovery volume was above the average observed in previous quarters, as a result of the continued efficiency in the collection of credits. It is worth noting that in 3Q20 the values

were influenced by the loan portfolio assignment, mostly in losses, according to the July 2020 Information to the Market.

Discounts Granted: Up 9.7% over 3Q20.

Perdas por Imparidade: Down 77,0% over 3Q20. The previous quarter was impacted by Large Corporate operations that were already classified as problematic assets.



Fee Income

Fee income was R\$7.4 billion in 4Q20, 1.5% up QoQ with emphasis on the growth of collections (+6.7%), billings (+5.0%), contract processing (+5.2%) and capital markets operations (+ 5.5%).

The highlight of the period was the expansion of fee income in most lines of business. In addition, it is important to emphasize two facts: (a) 4Q20 had two business days less than the previous quarter and (b) for the second consecutive quarter, fee income increased.

In 2020 fee income was R\$28.7 billion, 1.7% down YoY. The decrease is mainly explained by the reduction in the checking account and loan operations. The asset management (+7.2%), insurance, pension plans and premium bonds (+4.8%) and consortium (+ 14.5%) segments were the highlights of positive performance.



The following table shows the fee income breakdown, and it should be evaluated considering the seasonality effects (products and services volume sold and number of business days)

Table 5. Fee Income – R\$ million

	4Q19	3Q20	4Q20	Chg. %		2019	2020	Chg. %
				4Q19	3Q20			
Fee Income	7,508	7,281	7,389	(1.6)	1.5	29,209	28,702	(1.7)
Checking Account	2,037	1,821	1,862	(8.6)	2.3	7,791	7,524	(3.4)
Asset Management	1,528	1,699	1,763	15.4	3.8	6,399	6,859	7.2
Insurance, P. Plans and Premium Bonds	1,063	1,078	1,046	(1.6)	(3.0)	3,802	3,985	4.8
Credit/Debit Cards	489	528	537	9.9	1.8	2,047	2,069	1.1
Loan Fees	438	439	449	2.3	2.3	1,798	1,640	(8.8)
Collections	344	360	384	11.6	6.7	1,325	1,395	5.3
Consortium	328	388	387	18.0	(0.2)	1,223	1,401	14.5
Billings	274	235	246	(10.2)	5.0	1,108	967	(12.7)
Subsidiaries Abroad	152	187	184	21.6	(1.3)	626	713	13.9
Contract Processing	184	150	158	(14.3)	5.2	641	621	(3.1)
Capital Market	281	143	151	(46.3)	5.5	974	506	(48.1)
Nat. Treasury and Manag. of Official Funds	83	94	95	14.1	1.4	396	385	(2.8)
Foreign Exchange Services	93	67	70	(25.2)	4.1	371	295	(20.6)
Other	213	93	56	(73.8)	(39.9)	707	343	(51.5)



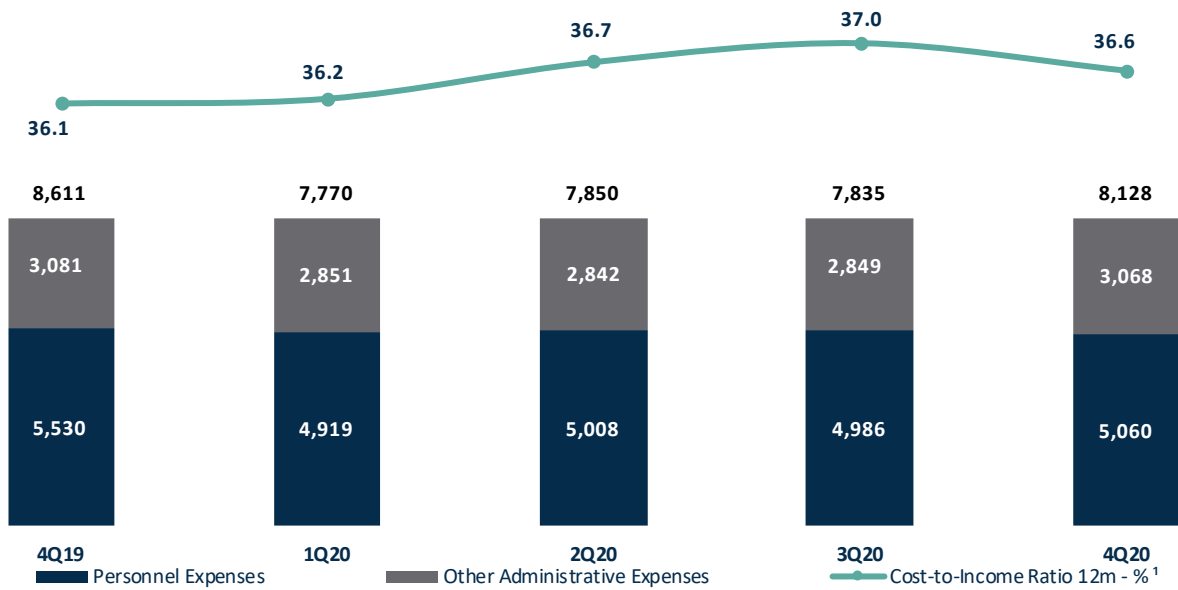
Administrative Expenses and Cost-to-Income Ratio

In 4Q20 the administrative expenses were R\$8.1 billion, 3.7% up QoQ. The increase was influenced by other administrative expenses, 7.7% up in the same comparison, and by the 1.5% increase in personnel expenses, due to the readjustment granted in the collective bargaining agreement as of September 2020.

In 2020, the administrative expenses were R\$31.6 billion, remaining stable (+0.1%) in relation to the previous year. The performance was influenced by 1.1% decrease in personnel expenses, especially due to the adoption of the new Compensation Plan in February 2020.



Figure 1. Administrative Expenses – R\$ milhões



(1) Cost-to-Income Ratio: Administrative Expenses / Operating Income. Data referring to the Income Statement with Reallocations.

Cost-to-Income Ratio

The 12-month accumulated cost-to-income ratio, which measures the relationship between Banco do Brasil's administrative expenses and operating revenues, showed an improvement of 40 bps QoQ.



BIS Ratio

Banco do Brasil has a three-year prospective Capital Plan and considers (a) the Declaration of Risk Appetite and Tolerance, (b) the Corporate Strategy and (c) the Corporate Budget. Following the Risk Appetite Statement and Capital Plan, a minimum CET1 of 11% is defined as of January 2022

In December/20, the BIS Ratio was 21.14% and the Tier I was 17.26%, being 13.62% of Common Equity Tier 1 (CET1).

Figure 2. BIS Ratio – %

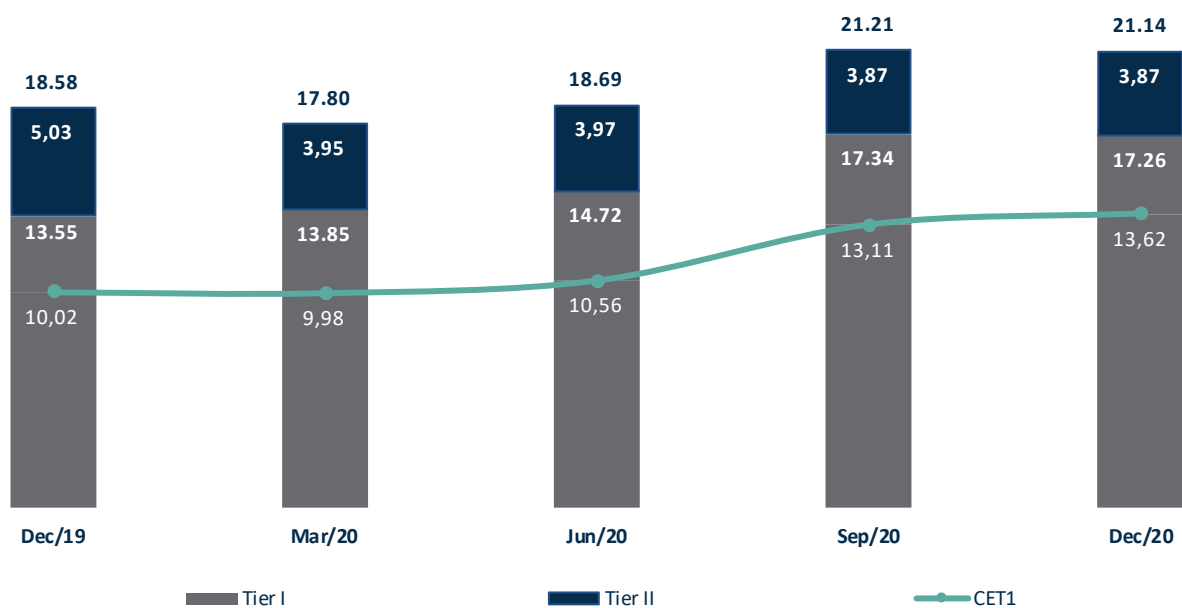
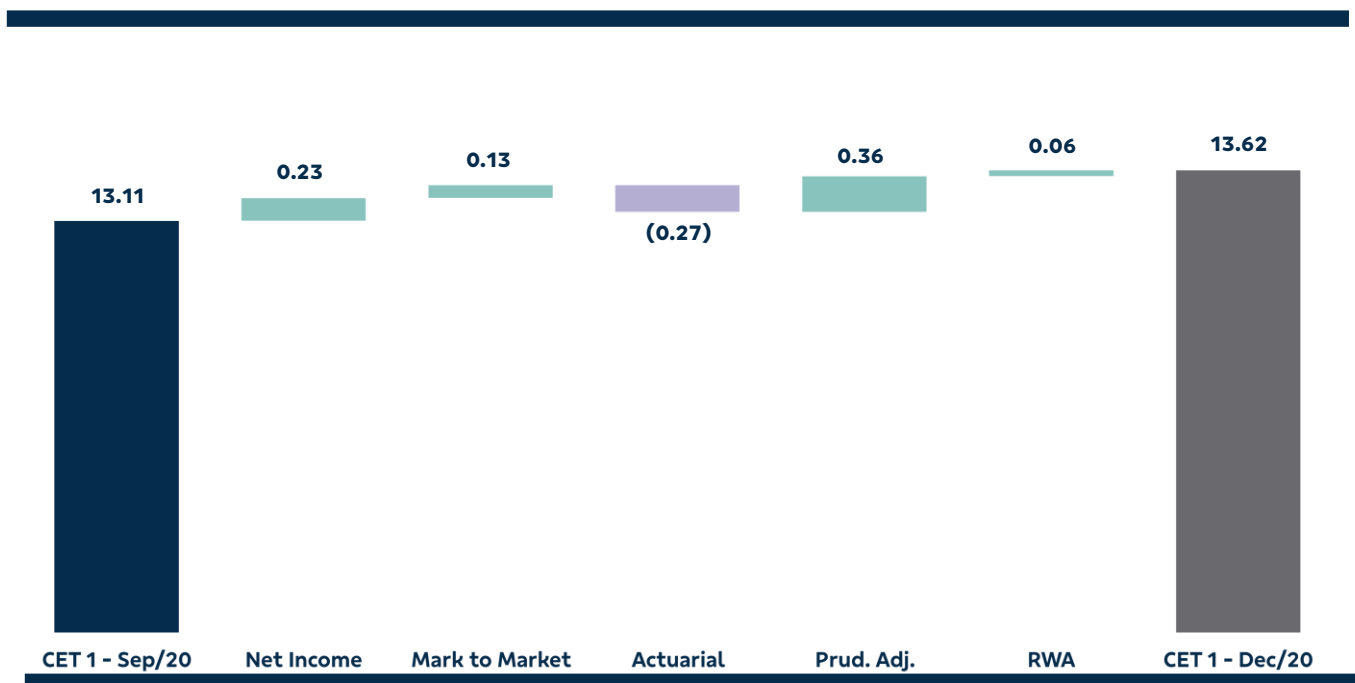




Figure 3. Changes in Common Equity Tier 1 (CET1)- %



Loan Portfolio

The loan portfolio expanded view, which includes in addition to the classified loan portfolio, private securities and guarantees, was R\$742.0 billion in December/20, up 1.5% over September/20, with emphasis on retail and agribusiness operations.

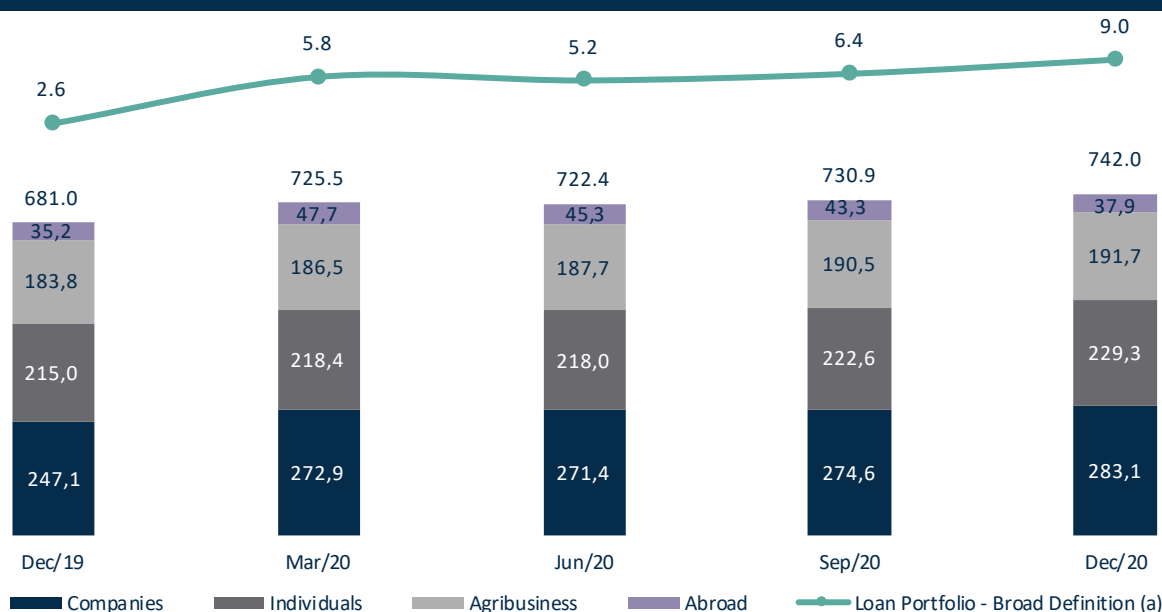
The individual portfolio grew 3.0%, mainly due to the positive performance in payroll loan (+4.0%) and credit cards (+15.9%).

In companies, the operations with SME (+11.1%) stood out, driven by the quarterly variation of R\$2.5 billion in credit lines under the Working Capital for Companies Preservation (CGPE) program. In agribusiness, the highlight is rural loan (+2.7%). In the same period of comparison, the

Agribusiness loans to companies (-29.1%) and the agricultural selling (-31.0%) showed a reduction. The decrease in the loans to companies line decrease can be explained by the specific case renegotiation with the balance transfer to the companies segment. The agricultural selling line can be explained by the amortizations and the price increase of agricultural products, making the sale of the products more attractive to the market, in detriment to the storage.

Over December/19 (+9.0%), highlight to the return of Individuals (+6.7%) and the SME (+25.6%) in addition to the 4.3% increase in the rural portfolio.

Figure 4. Loan Portfolio – Expanded View – R\$ million



(1) The Companies loan portfolio, Corporate and SME segments, was revised as of December/19 in order to reflect the segment review of the clients that make up the SME portfolio and migrated to the corporate's portfolio.



Credit Quality

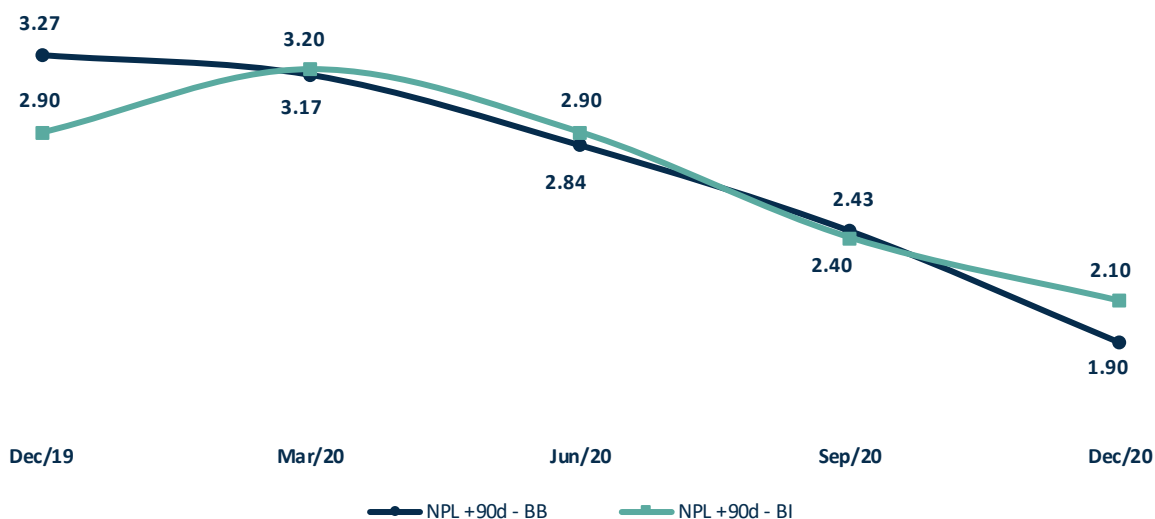
In 2Q19, as reported, there was a judicial reorganization of a group in the Large Corporate segment (specific case). Thus, the coverage ratios of the Loan Portfolio were affected, explaining the fluctuation in relation to previous periods.

In 4Q20, there was a renegotiation of the specific case with the transfer of its balance from the agribusiness segment to the renegotiated portfolio in the companies segment.

The NPL +90d (ratio between transactions more than 90 days overdue and the classified loan portfolio balance), was 1.90% in December/20, a decrease over September/20.

The NPL's reduction in the quarter was influenced by the loan portfolio growth and the renegotiation of the specific case.

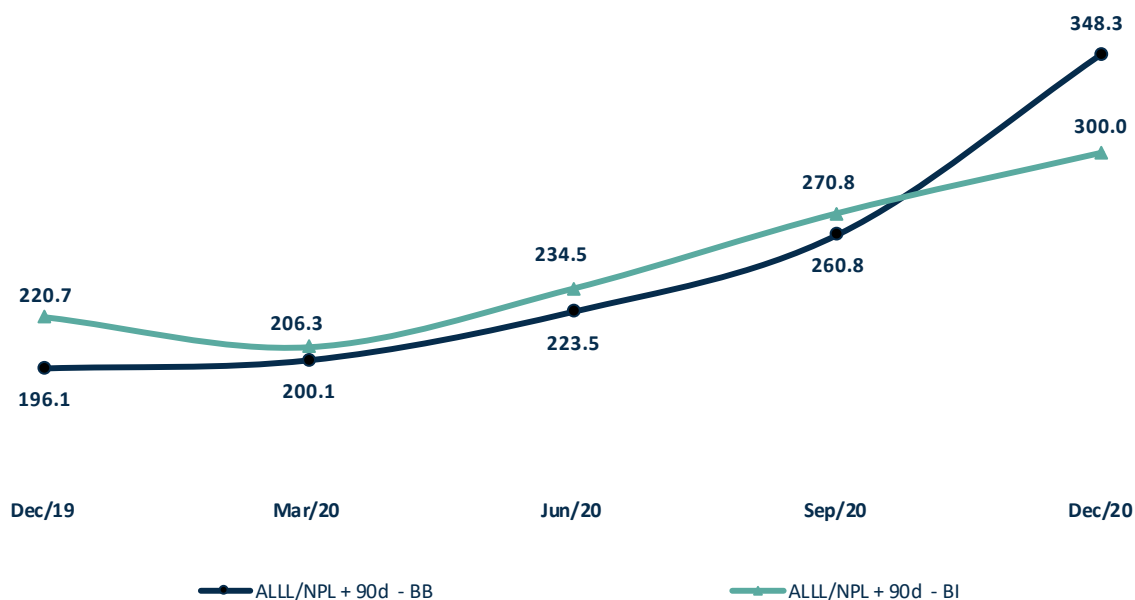
Figure 5. NPL +90d – As % of the Classified Loan Portfolio





The Bank maintains coverage compatible with the risk profile of its portfolio. The coverage index maintained an increasing trajectory throughout 2020, closing the year at 348.3%. The prudential anticipations of ALLL reinforcement and the specific case renegotiation lead the coverage growth.

Figura 6. Classified Loan Portfolio Coverage Index¹– %



(1) Ratio between the total balance of the provision and the balance of operations more than 90 days overdue.



Support to customers in times of pandemic

Faced with the uncertainties brought about by the new coronavirus pandemic (Covid-19), Banco do Brasil has acted to provide our customers with serious, fast and safe support, while at the same time strengthening our commitment to society, based on actions that aim to support the country to overcome this difficult moment.

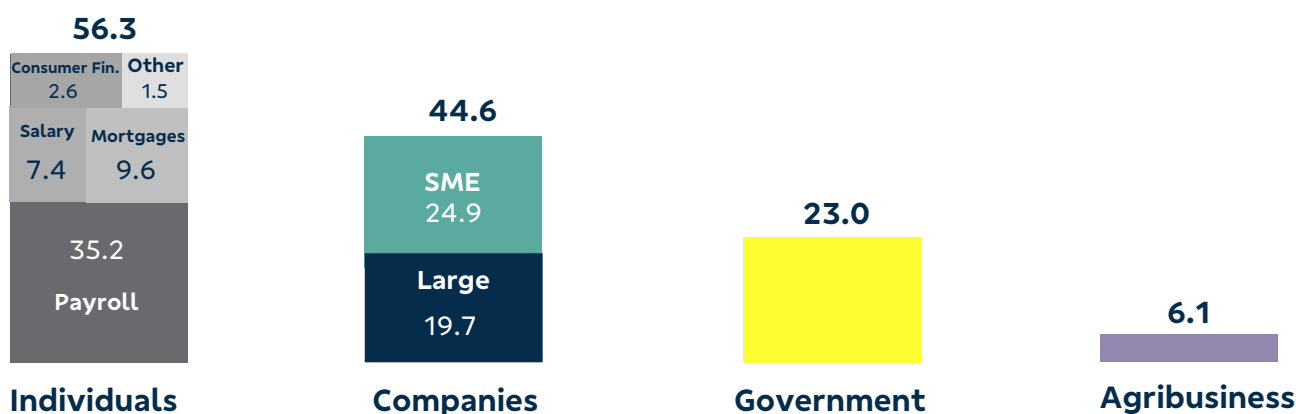


Loan Portfolio under Covid 19 forbearance

The balance of the active Loan Portfolio under Covid 19 forbearance operations, that is, adopting the methodology used by the Central Bank of Brazil, was R\$130.1 billion in December/20 which represents 20.0% of the domestic loan portfolio, in more than three million operations. Of this

amount, 94.7% of the operations have a rating between AA and C and 98.1% of the transactions had no history of overdue in the last 12 months. In addition, 62.6% have guarantees and mitigators. The average relationship time of the customers who extended operations is 17.1 years.

Figure 7. Composition of the Loan Portfolio under Covid 19 forbearance – R\$ billion



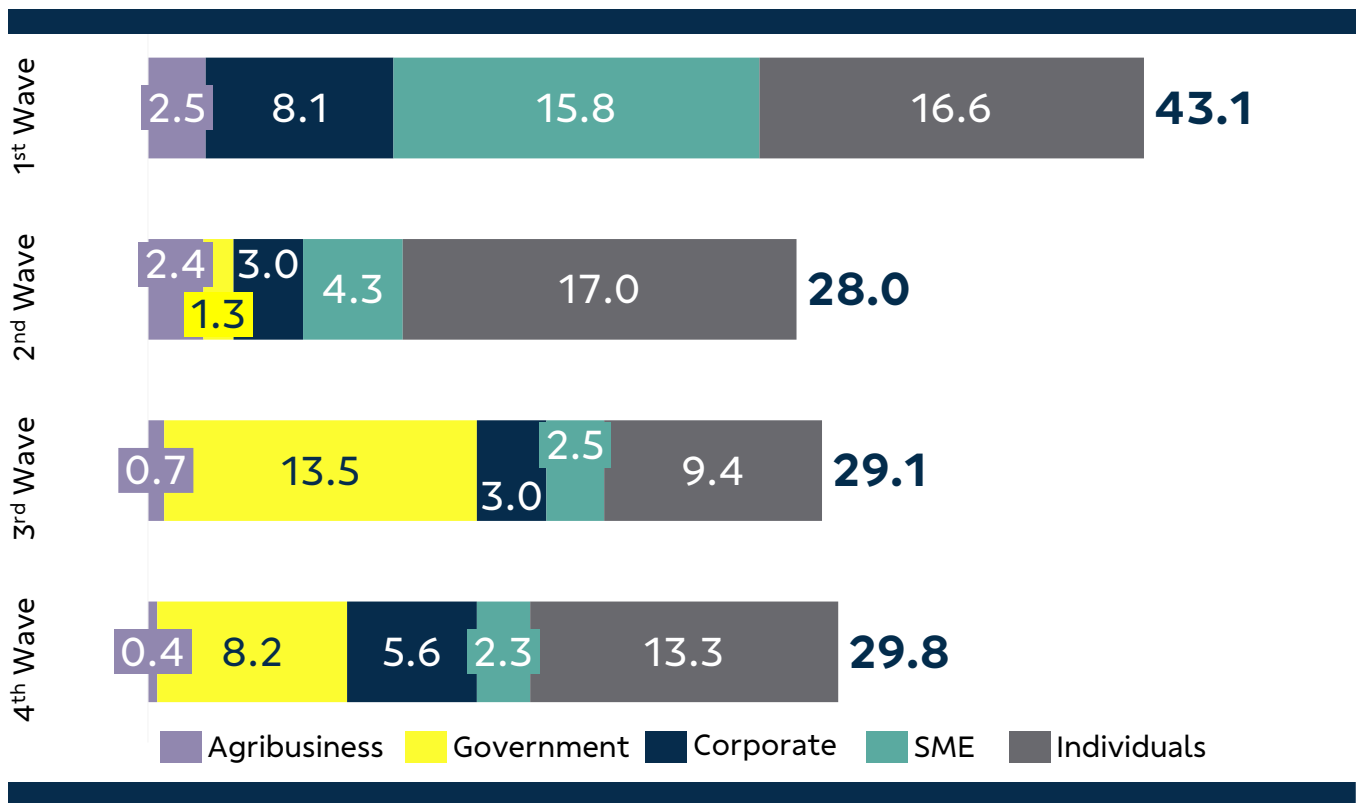
(1) 85.0% of the balance with companies of higher resilience. Calculated from the Resilience Matrix, which combines the Sector View with the Credit Risk Sensing.

The extension dynamics adopted by Banco do Brasil was differentiated by segment, privileging the available digital solution.

Since 03/16/2020, there have been four waves of operations extensions, the 1st between March and April; the 2nd between April and July; the 3rd in August and September and the 4th, which began in October and ended in December. The following figure shows the Loan Portfolio under Covid 19 forbearance values per wave, where clients who used the prerogative in more than one wave had their exposures accumulated in the first period of extensions.



Figure 8. Distribution of the Loan Portfolio under Covid 19 forbearance by waves – R\$ billion

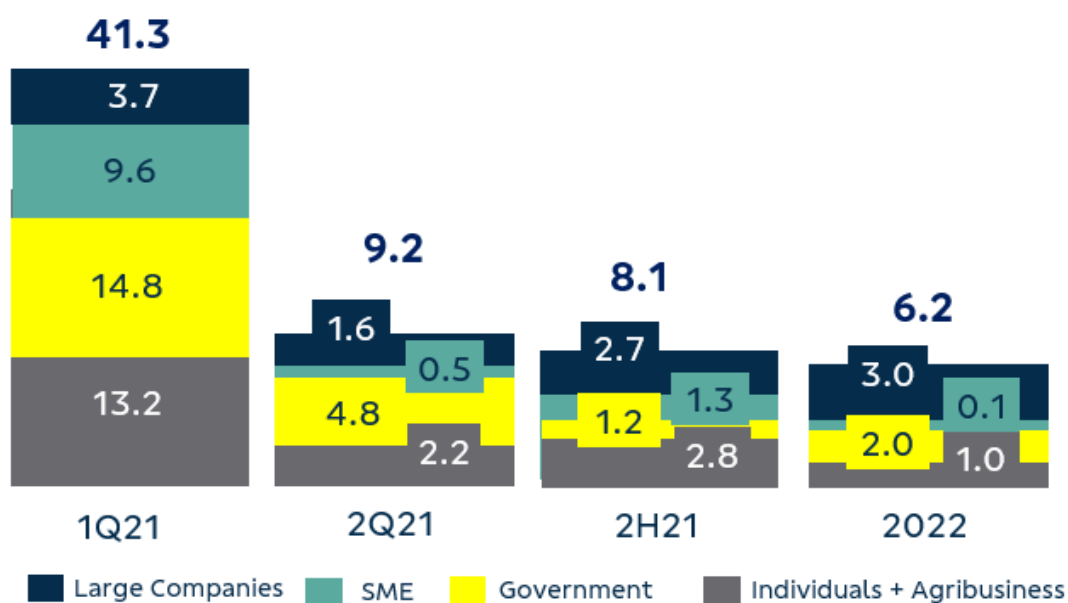


The following figure shows the maturities of the Loan Portfolio under Covid 19 forbearance per segment, using as basis the next installments to mature and not realized in the schedule.



Figure 9. Maturities of the Loan Portfolio under Covid 19 forbearance operations – R\$ billion

Flow of exit from grace periods





Sustainability

Sustainability is incorporated into our strategy, which requires management that integrates economic value with transparency, corporate governance and socio-environmental responsibility.

For this reason, BB believes in the ability to develop and offer products and services aimed at a green and inclusive economy, which increasingly add quality and innovation to the service of our customers and promote less social and environmental impact; to strengthen corporate governance, ethics management and transparency; to develop human capital, value diversity and improve environmental and eco-efficiency practices, ensuring the efficient and sustainable use of natural resources.

The Bank has been developing actions in sustainability companies for many years, which allowed for recognition by society. The awards and the good qualification in the rankings and ratings in ESG reinforce our prominent position on the subject. This process is supported by a sustainability plan that establishes the development objectives of the entire organization.

Sustainability Plan - Agenda 30 BB

Our actions have been guided by the Sustainability Plan for 15 years, which more recently came to be called Agenda 30 BB, in line with the United Nations (UN) Sustainable Development Goals (SDGs). Attentive to the international scenario and the direction of the financial sector, through this instrument we have contributed to the sustainable development agenda and to the perpetuity of our businesses.

Agenda 30 BB 2019–2021 has 50 actions with indicators and targets linked to 21 challenges, that positively impact the global sustainable development agenda. At the moment, Agenda 30 BB is in its 8th review cycle and will have actions, indicators and goals to be implemented by our Strategic Units for the 2021–2023 triennium.

BB launched 10 sustainability commitments with goals for several aspects and we believe they are of importance to society, shareholders and other stakeholders.

Figure 10. Commitments to Sustainability





Sustainable Finance Framework

We have structured our sustainable finance model, which allows the Bank to access the debt securities market categorized as sustainable. The model is unprecedented in the Brazilian financial system, as it was designed, in addition to the categories of financing with environmental (green) and social impact, the SLLP (Sustainable Linked Loan) and SLBP (Sustainable Linked Bond) standards, which link the remuneration on capital due to the positive performance in ESG indicators by the requesting institution.

The construction of this model started with the Technical and Financial Cooperation Agreement

Sustainable Business Portfolio

BB reviewed the credit lines and operations that make up our sustainable business portfolio, based on a methodology developed by the Brazilian Federation of Banks (Febraban) and on our sustainable finance framework, which deals with the measurement and identification of resources allocated in sectors of the Green Economy and business with positive environmental and social impact.

We submitted this review to the independent evaluation of the consultancy Sitawi, which issued a second-party-opinion, assigning a rating according to social and environmental additionalities.

As a result, operations obtained a majority rating of high additionality (rating A), showing that they have a positive and transformational contribution to sustainable

between Banco do Brasil and the Inter-American Development Bank (IDB), and had the technical support of the consultancy Sitawi Finanças do Bem.

The model which was reviewed by Sustainalytics, one of the main independent companies in the world of Second Party-Opinion (SPO), which adds more robustness to the model, following a set of international standards and guidelines.

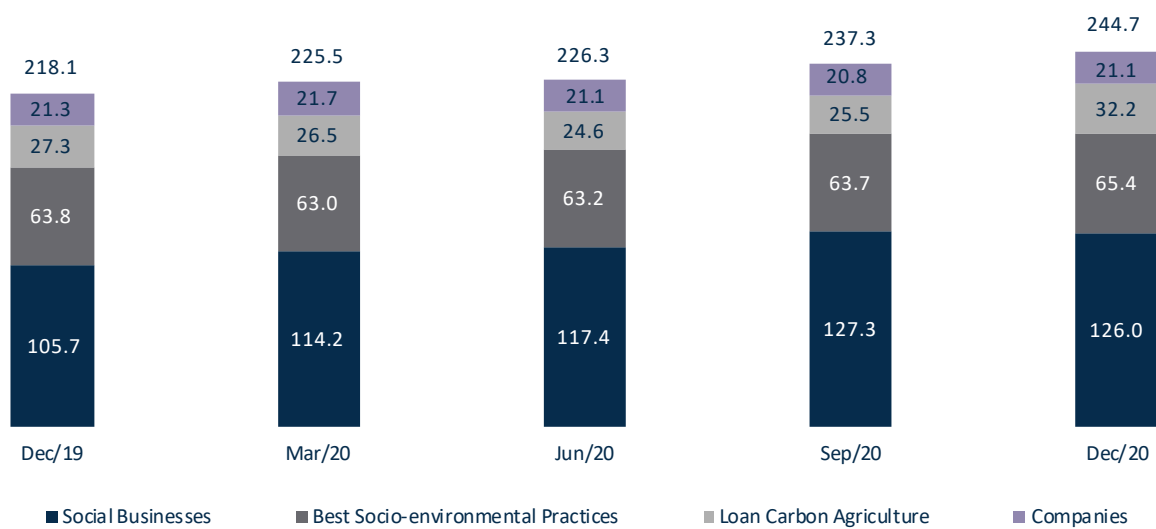
The approved model is supported by BB's broad sustainable portfolio, especially projects that use systems deemed by low carbon agriculture as eligible assets.

In December 2020, the portfolio had a balance of R\$244.7 billion, increase of 12.2% in 12 monthss.

It comprises credit operations for the sectors of renewable energy, energy efficiency, sustainable construction, sustainable travel and tourism, water, fishing, forestry, sustainable agriculture and waste management. In addition, to foster an inclusive economy, this portfolio considers areas of a social nature, such as: education, health and local and regional development. The volume of resources was destined to customers in all segments, such as Individuals (Retail and Private), companies of different sizes (micro and small companies, Corporate, Wholesale) and for the Public Sector.



Figure 11. Sustainable Portfolio – R\$ million





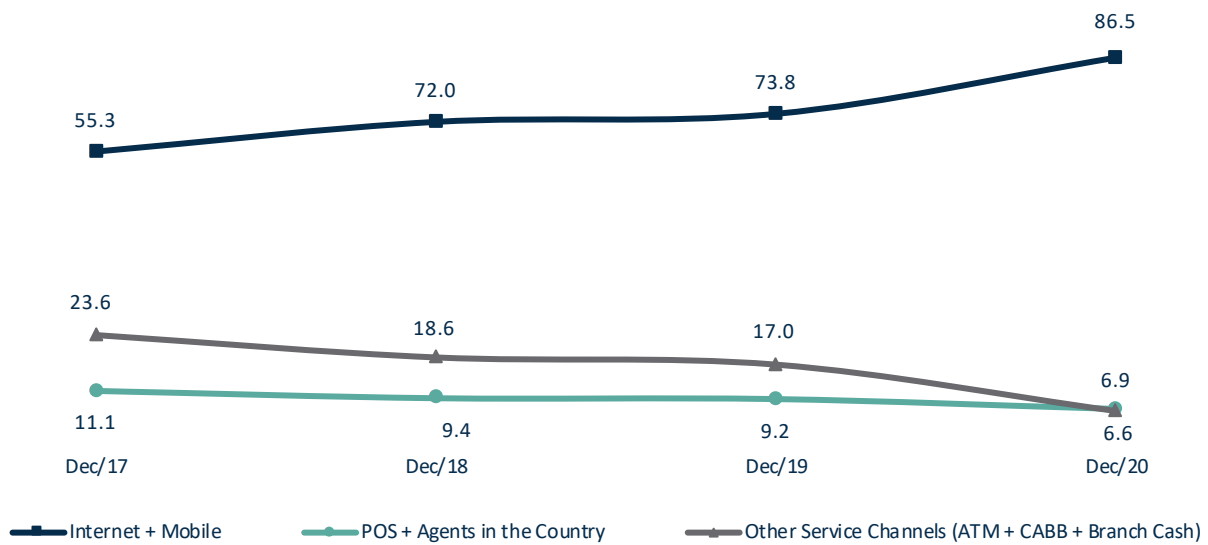
Digital Strategy

Our investments in technology and the focus on digital transformation in recent years have proved essential. For the next three years, we approved an additional investment of R\$2.3 billion for technology, cybersecurity and analytics, to offer customers new experiences with more practical, safe and fast options in the digital world

We reached 21.2 million digital customers, while transactions carried out through internet and mobile channels represented 86.5% of transactions carried out by our customers. The App BB remained one of the best rated in the financial industry with a rating of 4.6 on Google Play (the rating has already been made by more than 3.1 million users) and 4.7 on the App Store (being rated by more 1.9 million users). The maximum score is 5.



Figure 12. Transactions by Service Channel - %

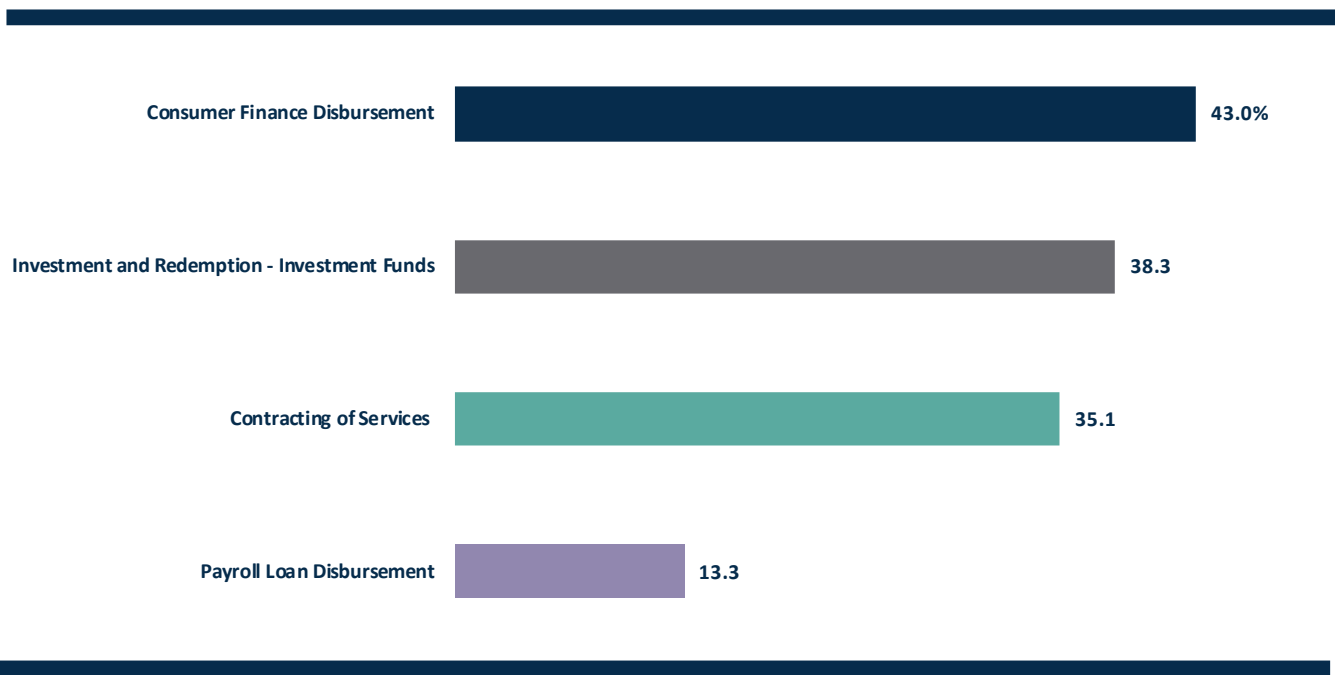


BB reached the number of 6,8 millions of digital native customers, that is, who started the relationship with the Bank, through digital channels, including through the wallet, presented a growth of 78% in twelve months.

Digital channels (internet and mobile) accounted for 43.0% of disbursements in consumer loans, 13.3% in payroll loans, 38.3% of investments and redemptions in investment funds and 35.1% in the number of transactions in services (checking accounts, service packages, investment funds, cards, premium bonds, insurance and consortium).



Figure 13. Digital Channels Participation in Banking Operations – %



Technology Investments

Banco do Brasil consistently invests in technology to improve operational efficiency, reduce operating losses, expand businesses and improve client service. From 2014 to 3Q20, investments totaled R\$22.2 billion. The additional amount of R\$2.3 billion approved for the next three years adds to this total.

The following figure sets forth the annual series of the total invested.

Figure 14. Technology Investments – R\$ billion





Open Banking

In addition to meeting regulatory requirements, which determine the sharing of data, products and services, Open Banking brings opportunities to distribute its own products and services in third-party channels, with a focus on expanding digital capillarity, and also offering third-party products and services in the company's own channels, focusing on the customer experience. In general, this opening broadens the frontiers of operations, bringing more competitiveness, but also allowing

offers with greater added value. To allow better experience and efficiency in connection with the digital ecosystem, we have expanded our portfolio of APIs and created, on the Developer Portal, an environment for testing before contracting.

Banco do Brasil was the first bank to develop credit solutions by API, still in 2017 and today it is the financial institution with the largest number of available interfaces.



PIX

Pix is an Instant Payment System created by the Central Bank of Brazil, in which transfers and payments are made in seconds, 24 hours a day, 7 days a week.

With it, Brazil will reduce the manufacture of paper money, the issuance of slips and the transfer charges. In other words, Pix is more sustainable for you and for everyone. We are the first bank to meet the regulator's requirements, the only one to allow PIX by voice command and ended 2020 with 30% market share in the volume of resources.

For companies, BB is prepared for the changes that will be brought with solutions that will meet the needs of customers, such as in the collection system, where the factor of reconciliation of payments is fundamental and may be connected to

logistics and distribution in electronic commerce, for example. The Bank has also developed APIs for all cash management products so that the accounts payable and receivable are adapted to the instant payments system, bringing new business possibilities and customer loyalty.

For the Public Sector, we are developing collection solutions that incorporate the use of Pix in the payment of taxes, fines and various fees. With the innovation, public managers will be able to expand the range of collection channels currently available, without the need for new investments.

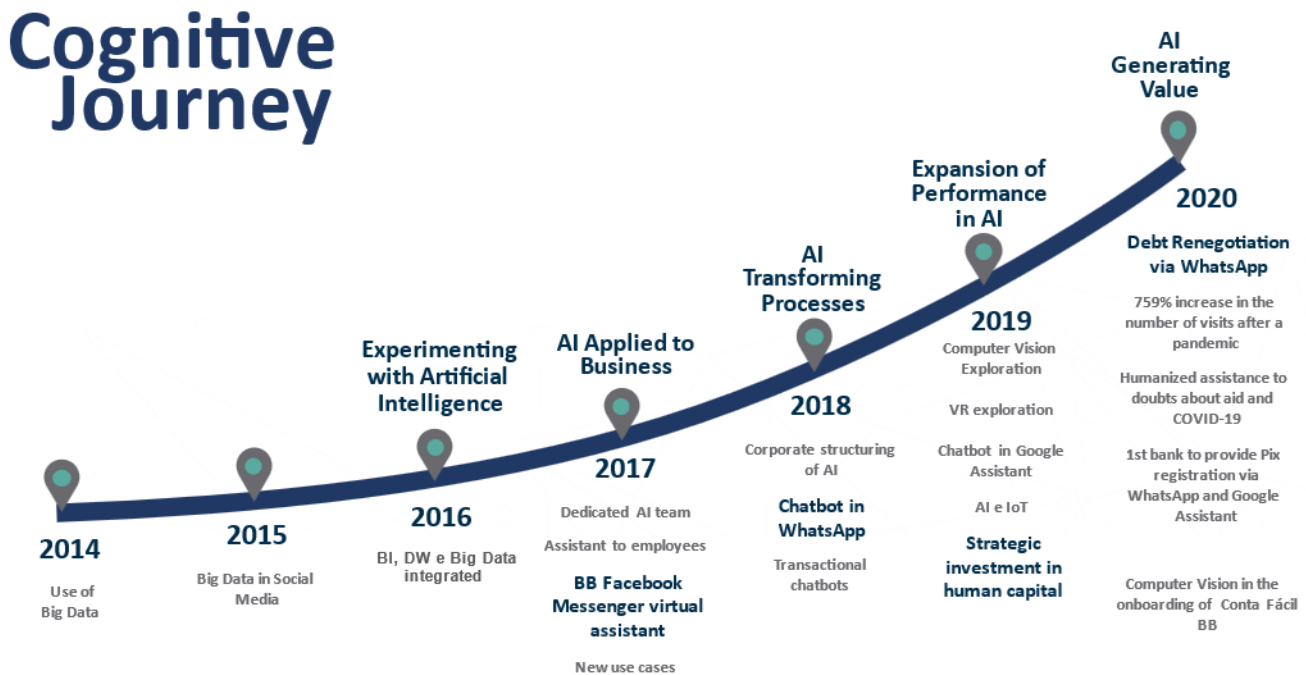
We are prepared to serve our clients safely, quickly and cost-effectively. See more at www.bb.com.br/pix.

Artificial Intelligence

The purpose of using artificial intelligence at Banco do Brasil is to enhance the efficiency, simplification and usability of the processes, in addition to optimizing decision making and promoting engagement with clients, employees and other stakeholders. The purpose is not to replace persons with machines, but to increase the human ability to make decisions, conduct business or solve clients' challenges.



Figure 15. Journey of Artificial Intelligence at BB



In 2016, BB started an experimentation center in artificial intelligence, which focused at first on a solution for use by employees. It was a complex issue - debt renegotiation. Until that moment, the index of resolutive service in first contact (FCR) was 70% for questions involving this topic. After the implementation of a virtual assistant, this rate rose to 96%.

This result gave us a dimension of the power that artificial intelligence could exercise over our ability to serve. After an appraisal, Facebook was the chosen channel for BB to interact via chatbot, making it possible not only to test the technology but also to measure the acceptance of users of the social network.

In 2018, we expanded the use of chatbots in the service via Whatsapp, which greatly increased the scale of interactions. This context led us to the creation of an exclusive structure for teaching artificial intelligence to chatbots - The Robot School, today evolved into a Digital Service Center.

Connected directly to customer service, a structure houses employees who have expertise in customer service and teach the virtual assistant everything they need to know in order to serve BB's customers quickly and efficiently.

In the years 2019 and 2020, BB intensified the experimentation in artificial intelligence aimed at the processing of voice, image and video, especially with the voice service in Google Assistant.

In addition to investing in interfaces for client engagement, BB is also investing in intelligent process automation. This year, we implemented a large-scale image solution that recognizes and extracts information from documents received by clients when opening a current account via digital onboarding.. In 4Q20, we analyzed more than two



million documents in an automated manner, freeing up the labor previously used for this purpose.

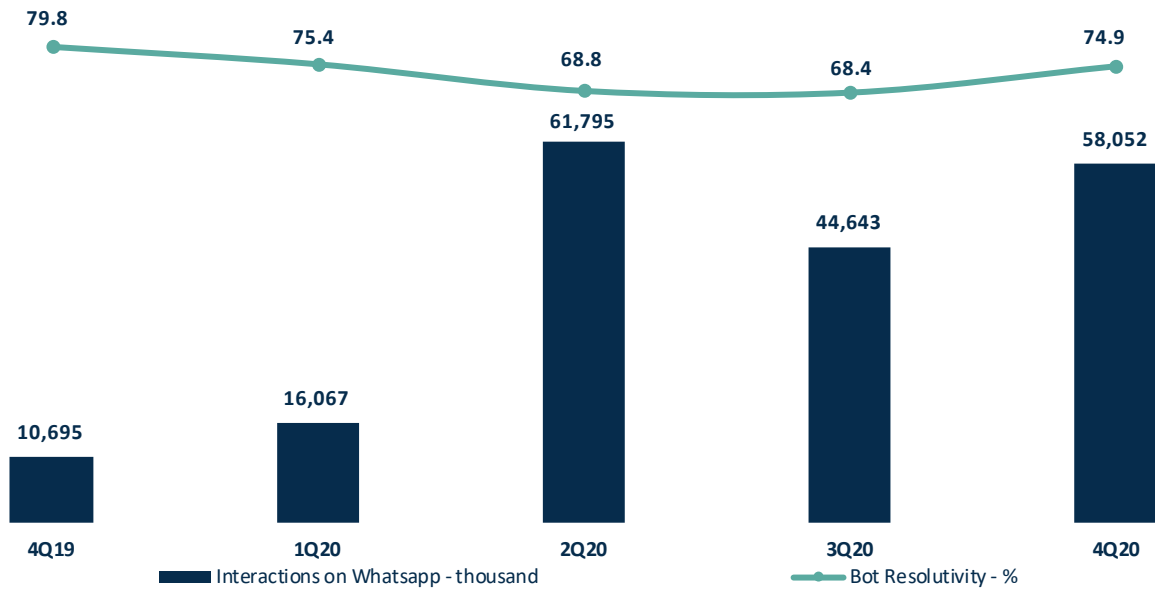
BB’s Acceleration Center, Research and Innovation in Artificial Intelligence is provided with, including employees and contractors, is organized in multidisciplinary squads, a model that generates synergy between the business areas, which directly participate in the evolution of intelligent solutions for its clients with AI experts who work with autonomy and diversity. This organization

encourages a collaborative environment and increases the domain of all involved in Artificial Intelligence.

In addition to the Center, the organization in agile teams allows us to transfer knowledge to the other IT teams of the Bank.

The purpose is that, over time, the areas will be able to apply Artificial Intelligence to all possible Bank solutions while the Center will be dedicated to research, structuring services and innovation.

Figure 16. Interactions on Whatsapp X Bot Resolutivity



Analytical Intelligence

In 2017, Banco do Brasil started a working group to plan and disseminate the use of Analytical Intelligence throughout the institution, which ended up with the creation of the Analytical Intelligence Unit in 2020.

In this year, was implemented of an Analytical Intelligence Governance model structured to address Strategies, Persons, Data, Technologies

and Management of Analytical Models. This model includes activities that contribute to the evolution of the Bank’s level of analytical maturity, which directly impacts the improvement of the client experience in the use of products and services.

The organization of information in BB’s portfolio includes the use of Information Domains, facilitating the control, quality and sharing of data



between units. Indicators used in governance allow monitoring the implementation of predictive and prescriptive models for each initiative presented.

This is supported by all technology available at the bank and the technical architecture joins the tools with the infrastructure required for the construction, appraisal, implementation, monitoring and governance of the models and analytical solutions developed.

For the training of employees and the dissemination of the analytical culture at the Bank, a training trail was created prioritizing the training

of data scientists and engineer, among other courses that enhance activities in this field.

To serve the Bank's business areas, the new unit was organized into multidisciplinary tribes and squads. This creates synergy between the teams that develop products or solutions and the experts in analytics. This collaborative environment facilitates access to data available at the Bank, knowledge sharing and accelerates deliveries to better serve clients.

Below, the main highlights of the period:

- **Proof of life of INSS beneficiaries:** reduction of the need for beneficiaries to travel to branches, with more than 750 thousand automatic life proofs carried out from June to October/2020.
- **Automatic Update of Agricultural Production:** A reduction of 350 thousand interactions in the branches in the period 2020/2021 was projected with the updating of the agricultural production register in a digital way.
- **Infrastructure and analytical intelligence for a real time approach:** To improve the experience of clients with the digital service, we have evolved the ability to offer products like credit and cards to individuals in real time, which has allowed us to reach more than 500 thousand offers per day with analytical models based on clients' actions.
- **PiX for Companies:** The data of more than 2.5 million Corporate clients from BB were analyzed and we segmented the profiles indicating groups of clients with similar behaviors of using services impacted by PIX. This initiative allows defining strategies to optimize the customer experience with the indication of the best offer channel, considering the highest probability of success.
- **PPiX for Individuals:** BB used machine learning to segment individual clients and to define a specific approach strategy. For this purpose, millions of payment transactions, multi-banking data, information on the use of cards, most frequent points of interaction and socio-demographic data were analyzed.
- **Automation of personal data validation for On-boarding:** On October/2020, we started the automation of client data validation processes, with the goal of reaching 70% automation in decisions about personal data validation.



2021 Guidance

Table 6. 2021 Guidance

	2021 Guidance
Adjusted Net Income - R\$ billion	16.0 to 19.0
Net Interest Income - %	2.5 to 6.5
Loan Portfolio - %	8.0 to 12.0
Retail - %	9.0 to 13.0
Wholesale - %	7.0 to 11.0
Rural - %	7.0 to 11.0
Fee Income - %	-1.5 to 1.5
Administrative Expenses - %	-1.5 to 1.5
ALLL Expanded View - R\$ billion	-17.00 to -14.00

Loan Portfolio: it considers organic domestic loan portfolio with private securities and guarantees. Government operations not included; **Retail:** it considers Individuals and SME, with annual revenues of up to R\$200 million; **Wholesale:** it considers Corporates with annual revenues greater than R\$200 million and Agribusiness Loans to Companies.

The guidance for 2021 have been prepared based on the following assumptions:

Assumptions under management control

- Current business model preservation;
- Optimization of capital allocation;
- Focus on relationship, seeking to be the main solution provider, in order to enhance the customer experience and the Bank's results;
- Intensification of the Digital Strategy, with investments in the operational structure rationalization;
- Readjustments in contracts with suppliers and collective bargaining agreement (ACT) aligned with the market practices.

Assumptions that are not under management control

- Regulatory changes that may impact the business;
- Domestic and world economy growth;
- Domestic macroeconomic policy structure maintenance;
- Unemployment level.