



BB Quarterly Bulletin

2nd Quarter 2020
Edition 05 / Year 2

Shareholders' Newsletter
www.bb.com.br/ir

From the CFO Desk



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CFO

Dear Shareholder,

Banco do Brasil is the key player in Brazilians' lives. "To care of what is valuable to people" is more than a purpose, is a guidance for the actions of our employees and management. During the pandemic, BB adopted and improved several preventive measures, reinforcing the commitment with health and security of clients, employees and other stakeholders. In this sense, focused on mitigating the pandemic impacts, BB keeps on supporting its customers and society with quality services and support. In total, BB has disbursed R\$ 171.5 billion to its customers since the beginning of the pandemic.

BB presented in the first half an adjusted net income of R\$ 6.7 billion, a 22.7% reduction compared to the same period last year, reaching a Market ROE of 12.2%. This performance was mainly impacted by the prudential anticipations of credit provisions, due to the current adverse scenario. Despite the profit reduction, the Pre-Tax and Pre-Provision Earnings, which does not consider provisions, increased 11.7% compared to the same period last year. In addition, the efficient capital management allowed the CET1 to reach 10.56% in June/2020.

It is important to highlight that the profile of the loan portfolio indicates greater resilience to the impacts of the pandemic. In fact, approximately one third of the total portfolio is concentrated in the Agribusiness segment; approximately one third of the individuals loan portfolio is destined to payroll line, especially to civil servants; and there is a relatively low exposure in the SME segment, mainly contracted with customers with a long term relationship.

BB is committed to expenses control and seeks for efficiency in all its businesses. In line with this purpose, BB changed its personnel management model, which is now more performance oriented, and implemented a new positions and salaries plan. Also launched the Flexy BB, which will result in the optimization of the occupancy of corporate environments, in the context of a new working model, in property efficiency and in cost reduction. In addition, energy eco-efficiency measures are expected, which will be fundamental to reduce the impacts of operations on the environment and also bring efficiency to the business. Together, these initiatives will bring savings of R\$ 3.3 billion throughout the next 5 years.

The investment in infrastructure and technology over the years has allowed BB to offer agile digital solutions during the crisis and to ensure the expansion of remote service with a complete portfolio of services. In June/2020, we reached the expressive number of 19 million active customers on digital channels. Only in the 2Q20, BB registered 4 million new users on the App. And, reinforcing its leading role in innovation, BB is ready for Facebook Pay and Pix.

Finally, Banco do Brasil remains committed to create a sustainable profitability and cultivating good practices in human resources management.

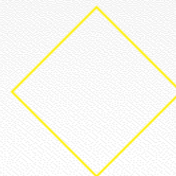
Best Regards,

Carlos Hamilton



Earnings Highlights

1H20/1H19



ADJUSTED NET INCOME

1H19 - R\$ 8.7 Bn

1H20 - R\$ 6.7 Bn

-22.7%



MARKET ROE¹

1H19 – 17.4%

1H20 – 12.2%

-521 bps



FEE INCOME

1H19 - R\$ 14.2 Bn

1H20 - R\$ 14.0 Bn

-1.4%



ALL EXPENSES²

1H19 – (R\$ 7.5 Bn)

1H20 – (R\$ 11.4 Bn)

+51.8%



ADMINISTRATIVE EXPENSES

1H19 - R\$ 15.2 Bn

1H20 - R\$ 15.6 Bn

+2.7%



NET INTEREST INCOME

1H19 - R\$ 26.2 Bn

1H20 - R\$ 28.5 Bn

+9.0%



COST-TO-INCOME RATIO³

2Q19 – 36.4%

2Q20 – 36.7%

+30 bps



LOAN PORTFOLIO⁴

Jun19 - R\$ 686.6 Bn

Jun20 - R\$ 721.6 Bn

+5.1%



(1) It reflects the metric that the main market analysts use to project results. The index is annualized using the linear method. (2) ALL Expanded View: ALL + Recovery of Write-offs + Business Discount + Impairments (3) Administrative Expenses/Operating Revenues. Data from Income Statement with Reallocations.(4) Loan Portfolio – expanded view.

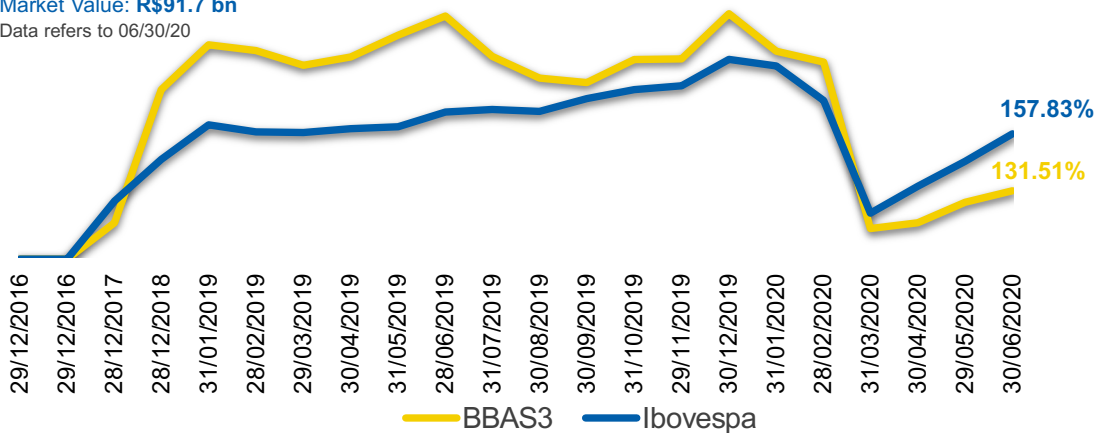
BB Shares

	2Q20	2Q19	Chg (%)
Free Float (Qty)	1,419,296,900	1,332,879,313	6.5%
Book Value per Share (R\$)	40.26	36.58	10.1%
Earnings per Share (R\$)	1.11	1.50	-26.0%
Dividend Yield - %	7.46	4.44	67.9%
Price / Earnings (12 months)	5.60	9.89	-43.4%
Price / Book Value	0.80	1.47	-45.8%

Shares Performance* (base 100)

Share Price: **R\$ 32.15**Market Value: **R\$91.7 bn**

Data refers to 06/30/20



* BBAS3 – Adjusted Closing Price

Profit Distribution

Referring to the first half of 2020, BB will distribute R\$ 1.8 billion to its shareholders, in interest on own capital (IOC), of which R\$ 517.4 million was paid on 03.31.2020, according to the Material Fact of 28.02.2020. The complementary payment of IOC for 1H20 will be made on 08.31.2020. This year, the return on capital is limited to the mandatory minimum defined in the Bylaws, which establishes the distribution of 25% of adjusted net income, in compliance with CMN Resolution No. 4,820, of 05.29.2020.

Support to the Customers

In order to minimize the impacts of the pandemic and allow better financial adequacy, Banco do Brasil offered to its customers the possibility of rolling over the payment of debts that are due in the next months.

Balance of the Rollover Portfolio

R\$ 71.8 Billion

It refers to

11.6%

of the Loan Portfolio¹

1.7 Mm

transactions

14.3 years

average relationship time

98.4%

Rating AA-C

98.8%

were due transactions²

69.1%

with guarantees and mitigators

Credit Disbursements³

R\$ 171.5 Billion



Support to the Country

Pronampe⁴
R\$ 5 Billions at BB

BEm⁵ service to 5 million workers

PESE - Payroll
5.832 operations in BB

Emergency Aid payment to 1.2 million customers

(1) Domestic Loan Portfolio – June/2020. (2) In the last 12 months. (3) It includes new, renewed, rollovers and renegotiated transactions. From 03/16//20 to 06/30/20. (4) Launched in 07/01/20. (5) From 05/04/20 to 07/22/20.



Innovation



Ready to start!

FACEBOOK PAY

Payments through WhatsApp

Waiting for regulator authorization



First bank to meet the requirements of the regulator

Venture Capital

Co-creation of new solutions
New Business Models

R\$ 100 million
1st Trench (3Q20)

PJ Digital

Elos Produtivos
Development of Cash and Credit API's allowing new business models

BB Digital PJ
New Digital Service Platform



broto.com.br
New Agribusiness Digital Platform

Connecting buyers and sellers with agility and support on each stage



Banco do Brasil ESG



Only Latin America financial company to integrate the index in 2020 and the most sustainable financial company in the world in 2019 Ranking Global 100 of Corporate Knights in 2019 and 2020

For BB, ESG initiatives (environmental, social and governance) are not a new trend. More than 20 years of responsible performance.

Geo Socioenvironmental Diagnostic Improvement

Tool that identifies alerts and impediments to financing from geographic bases analysis

Agro Energia Program

Financing for the implementation of renewable energy plants. Since 2016 already R\$ 877 million were granted

ABC Program

Low Carbon Agriculture
Celebrated 10 years
R\$ 15.4 billion hired

Asset Management BBDTVM

8 ESG funds ASG (1st in 2002)
R\$ 141.05 billion in assets
(12.95% of the total assets managed)

2020

Carbon Free Certificates

Structuring of the 1st issue in jun/20

2019

BB Financiamento PJ

R\$ 131 million (jun/20) for the acquisition of renewable energy goods and/or green economy
7.6% of the line transactions

2016

Socioenvironmental Guidelines

Since 2011 for Credit, with 10 sectors evaluated. Since 2014 for Restrictive and Exclusion List

2010

Sustainability Plan

Since 2005. Over 500 actions
7th version (2019-2021 with 50 actions and 86 indicators)

2005

2002

Volunteers Program

Since 2001
33,050 volunteers
Over 25 thousand actions

2001



Company Profile

In June 2020, BB had 92.5 thousand employees, a distribution network of more than 60,000 service points in Brazil and 23 service points abroad, in 15 countries.

In the same period, it reached R\$1.7 trillion in assets and a market value of R\$91.7 billion. Recognized for its solidity, security and credibility, BB was the first Brazilian company to be listed on the stock exchange, in 1906, and is the only bank part of B3's Novo Mercado. Since 2009, it has a Level I ADR (American Depositary Receipts) Program (ticker BDORY).

With 211 years of history, Banco do Brasil is leader in many business segments and a reference in Corporate Governance and Sustainability.

It's one of the largest financial institutions in Latin America, with top-notch technology to attend in a segmented and specialized way, suitable to our costumers profile, offering the best solutions in banking products and services.



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