



Earnings Summary

Adjusted Net Income rise 33.0% in 1Q21

Banco do Brasil adjusted net income was R\$4.9 billion in the 1Q21, up 33.0% over 4Q20, and down 44.7% over 1Q20. The Market ROE in the quarter was 15.1%.

In comparison with 4Q20, the result was mainly influenced by the reduction 50.8% in the All Expanded View, by the positive performance of NII, which grew 2.8% and by the reduction in administrative expenses in 4.8%.

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

	1Q20	4Q20	1Q21	Chg. %	
				1Q20	4Q20
Net Interest Income	14,005	14,164	14,564	4.0	2.8
ALLL Expanded View	(5,539)	(5,157)	(2,536)	(54.2)	(50.8)
ALLL Expenses - Credit Risk	(6,477)	(6,567)	(3,287)	(49.2)	(49.9)
ALLL Expenses - Recovery of Write-offs	1,585	1,901	1,734	9.4	(8.8)
ALLL Expenses - Discounts Granted	(269)	(325)	(736)	173.8	126.4
ALLL Expenses - Impairment	(378)	(166)	(246)	(35.0)	48.7
Net Financial Margin	8,466	9,007	12,028	42.1	33.5
Fee income	7,067	7,389	6,878	(2.7)	(6.9)
Administrative Expenses	(7,770)	(8,128)	(7,737)	(0.4)	(4.8)
Legal Risk¹	(862)	(1,762)	(1,593)	84.9	(9.6)
Other Operating Income²	(1,563)	(2,063)	(2,492)	59.5	20.8
Income Before Taxes	5,339	4,443	7,083	32.7	59.4
Income and Social Contribution Taxes	(1,157)	22	(1,169)	1.0	–
Corporate Profit Sharing	(436)	(398)	(600)	37.5	50.7
Adjusted Net Income³	3,395	3,695	4,913	44.7	33.0
One-Off Items	(191)	(496)	(687)	–	38.5
Net Income	3,205	3,199	4,226	31.9	32.1
Market ROE - %	12.5	12.1	15.1		
Adjusted ROE - %	10.5	10.8	14.2		
Shareholders' ROE - %	13.6	12.9	16.1		

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

	1Q20	4Q20	1Q21	Chg. %	
				1Q20	4Q20
Total Operating Income (Banking Product)	23,115	23,714	23,694	2.5	(0.1)
Operating Income	23,092	23,402	23,269	0.8	(0.6)
Net Interest Income	14,005	14,164	14,564	4.0	2.8
Fee Income	7,067	7,389	6,878	(2.7)	(6.9)
Eq. Interest of Subsidiaries and Affiliates	669	939	877	31.1	(6.7)
Other Operating Income	1,351	910	950	(29.7)	4.5
Previ - Plano de Benefícios 1	(140)	(123)	116	–	–
Previ - Fundo de Utilização Restatement	163	435	310	90.3	(28.6)
Total Operating Expenses	(12,284)	(14,110)	(14,198)	15.6	0.6
Administrative Expenses	(7,770)	(8,128)	(7,737)	(0.4)	(4.8)
Personnel Expenses	(4,919)	(5,060)	(4,989)	1.4	(1.4)
Other Administrative Expenses	(2,851)	(3,068)	(2,748)	(3.6)	(10.4)
Other Tax Expenses	(1,202)	(1,469)	(1,372)	14.1	(6.6)
Legal Risk	(862)	(1,762)	(1,593)	84.9	(9.6)
Other Provisions	(4)	(99)	(164)	3,675.0	66.3
Other Operating Expenses	(2,446)	(2,653)	(3,332)	36.2	25.6
Non-Operating Income	47	(3)	123	159.9	–
Pre-Tax and Pre-Provision Earnings	10,878	9,601	9,619	(11.6)	0.2



Net Interest Income

Net Interest Income (NII) was R\$14.6 billion in 1Q21, 2.8% and 4.0% up in the quarterly (1Q21/4Q20) and annual (1Q21/1Q20) comparison, respectively.

In QoQ, the positive variation is explained by the 1.1% financial revenues' expansion (+1,1% in loan operations and +1,6% in treasury) and by the 3.1% in financial expenses' contraction, influenced by the 14.4% decrease in financial expenses for institutional funding.

In YoY, the positive variation is explained by the 23.2% financial revenues' reduction (-26.7% in commercial funding and -17.6% in institutional funding), partially offset by the 5.2% financial revenues' contraction (-2.3% in loan operations and -20.2% in treasury).

Average Selic Rate's (TMS) reduction in the yearly view, from 1.01% in 1Q20 to 0.49% in 1Q21, had major impact on commercial funding expenses and treasury results

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

	1Q20	4Q20	1Q21	Chg. %	
				1Q20	4Q20
Net Interest Income	14,005	14,164	14,564	4.0	2.8
Loan Operations	17,688	17,105	17,285	(2.3)	1.1
Funding Expenses	(4,454)	(3,062)	(3,266)	(26.7)	6.7
Financial Expense for Institutional Funding ¹	(2,723)	(2,622)	(2,243)	(17.6)	(14.4)
Treasury ²	3,494	2,742	2,788	(20.2)	1.6
NIM - %³	4.2	3.7	3.7		
Risk Adjusted NIM - %	2.5	2.3	3.1		

(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 the net ALLL expenses, plus discounts granted and impairment, was R\$2.5 billion on 1Q21. Below, the behaviors of the lines that are part of the index:

Table 4. ALLL Expanded View – R\$ million

	1Q20	4Q20	1Q21	Chg. %	
				1Q20	4Q20
ALLL Expanded View	(5,539)	(5,157)	(2,536)	(54.2)	(50.8)
ALLL Expenses - Credit Risk	(6,477)	(6,567)	(3,287)	(49.2)	(49.9)
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Credit Risk: Quarterly reduction of 49.9% and 49.2% in comparison with 1Q20. Throughout 2020, BB made prudential provisions totaling R\$8.1 billion. The volumes built up in 2020 prove to be sufficient to cover the increased credit risk of the portfolio so far.

Recovery of Write-Offs: Despite the quarterly drop of 8.8%, the volume recovered in 1Q21 proved to be strong in relation to the historical series being the highest level ever recorded for a first quarter.

Discounts Granted: Up 126.4% over 4Q20, influenced by the new recovery strategies for non-performing assets.

Impairment: Up 48.7% over 4Q20.



Fee Income

Fee income was R\$6.9 billion in 1Q21, 6.9% down QoQ, largely explained by the 12.3% decrease in revenues from checking account fees.

In comparison with the same period of the previous year, the performance was 2.7% down, also justified in large part by the lower checking account fees (-14.8%), partially offset by the performance of the insurance (+5.6%), credit/debit cards (+6.4%) and consortium segments (+17.3%).

The Bank's management has been constantly seeking to improve its products and services portfolio and new ways to monetize its relationship with its customers, either by increasing sales or the development of new products and businesses models.

**Table 5.** Fee Income – R\$ million

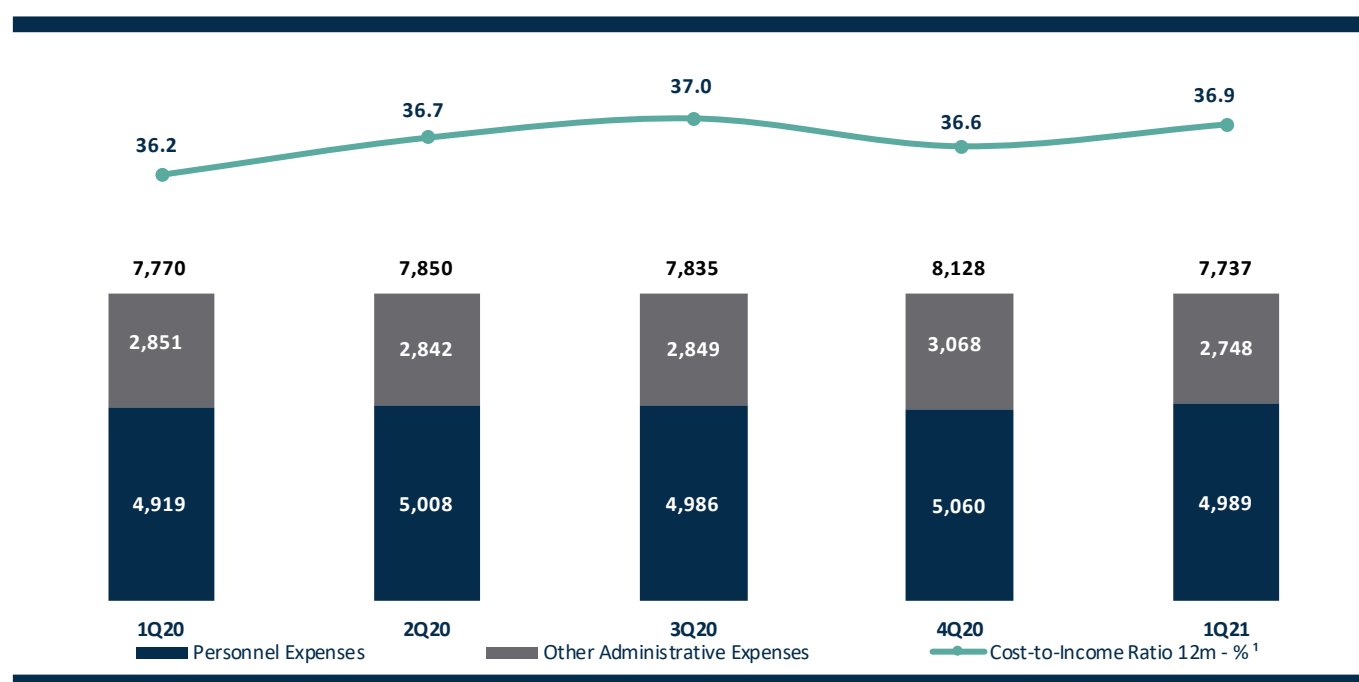
	1Q20	4Q20	1Q21	Chg. %	
				1Q20	4Q20
Fee Income	7,067	7,389	6,878	(2.7)	(6.9)
Asset Management	1,721	1,763	1,679	(2.4)	(4.8)
Checking Account	1,917	1,862	1,633	(14.8)	(12.3)
Insurance, P. Plans and Premium Bonds	970	1,046	1,024	5.6	(2.1)
Credit/ Debit Cards	485	501	516	6.4	3.0
Consortium	328	387	384	17.3	(0.7)
Collections	340	384	365	7.2	(5.1)
Loan Fees	348	449	360	3.5	(19.8)
Billings	262	246	242	(7.7)	(1.8)
Subsidiaries Abroad	162	184	174	7.1	(5.8)
Contract Processing	167	158	163	(2.4)	3.3
Nat. Treasury and Manag. of Official Funds	100	95	96	(3.8)	0.7
Capital Market	85	151	68	(19.2)	(54.6)
Foreign Exchange Services	85	70	67	(21.3)	(3.9)
Other	98	92	106	8.6	15.9



Administrative Expenses and Cost-to-Income Ratio

In 1Q21, administrative expenses were R\$7.7 billion, 4.8% down QoQ. The decrease was mainly influenced by other administrative expenses, 10.4% down QoQ, and by personnel expenses, influenced by the dismissals of employees within the scope of the Staff Adequacy Program (PAQ) and the Extraordinary Dismissal Program (PDE) that occurred, in part, in the quarter, in addition to savings generated in the context of the new Compensation Plan and the Performa Program, among other measures.

In comparison with the same period of the previous year, the decrease of 0.4%, reinforces our commitment to austerity and efficiency in the management of administrative expenses.

**Figure 1. Administrative Expenses – R\$ million**

(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, worsened by 30 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 March/21, the BIS Ratio was 19.56% and the Tier I was 16.6%, being 12.89% of Common Equity Tier 1 (CET1).

Figure 2. BIS Ratio – %

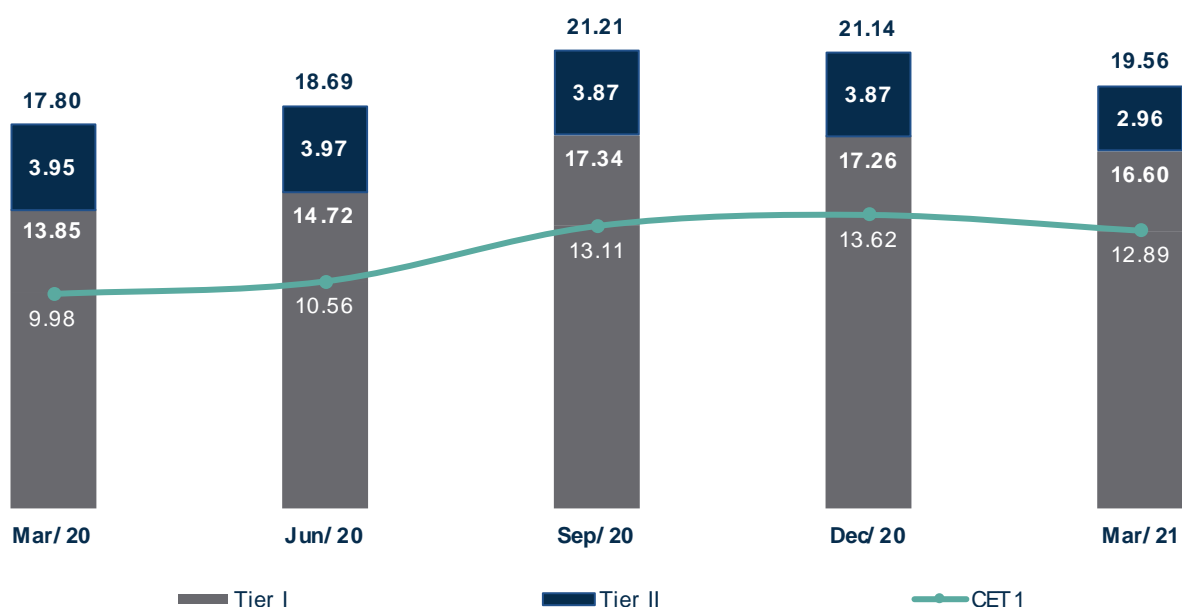




Figure 3. Changes in Common Equity Tier 1 (CET1)- %





Loan Portfolio

The loan portfolio expanded view, which includes in addition to the classified loan portfolio, private securities and guarantees, was R\$758.3 billion in March/21, up 2.2% over December/20, with emphasis on retail and agribusiness operations.

Over March/20 (+4.5%), highlight to the return of Individuals (+7.1%) and the SME (+26.1%) in addition to the 6.4% increase in the rural portfolio.

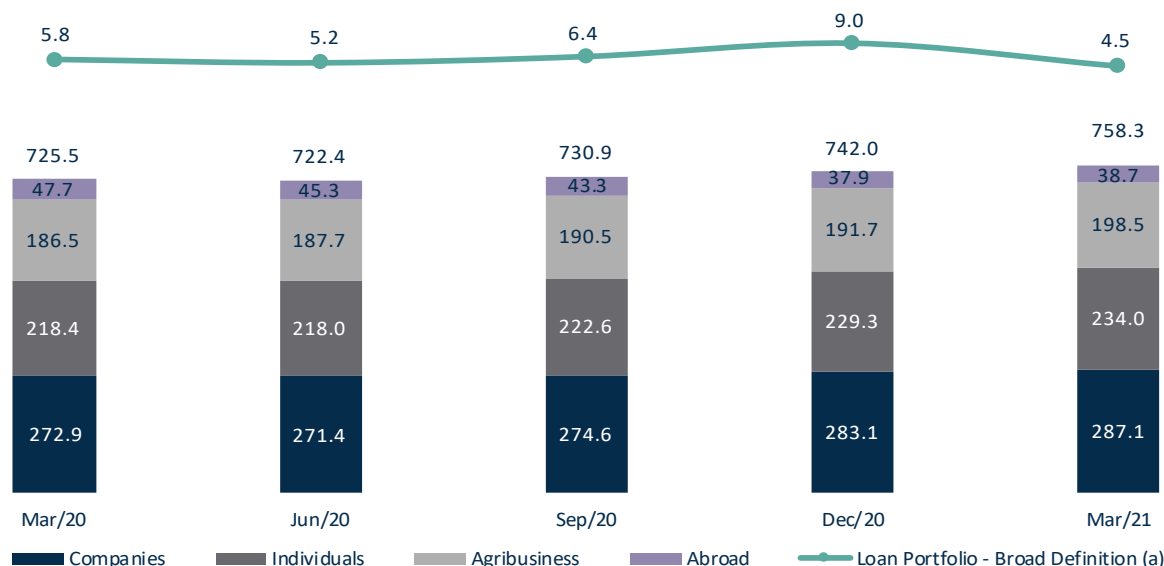
Over December/20, the increase of the individuals portfolio expanded view (+2.0%) can be explained by the growth of payroll loan (+3.2%) and consumer finance (+12.9%). In the yearly comparison (+7.1%), highlight to payroll loan (+14.2%) and individuals credit card line (+10.3%).

In the quarter, the companies loan portfolio expanded view was R\$287.1 billion (+1.4%), with a highlight for the working capital line (+2.0%) and for the receivables growth (+4.2%). In 12 months there was an increase of 5.2% driven by the working capital line (+24.2%).

In the quarter, the Agribusiness Loan Portfolio expanded view was R\$198.5 billion (+3.6%), with the growth of rural credit (+3.2%).

In 12 months, the expanded view increased 6.4%, highlight to Pronaf (+4.5%), working capital for input purchase (+21.1%) and agricultural investment (+39.0%).

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



(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

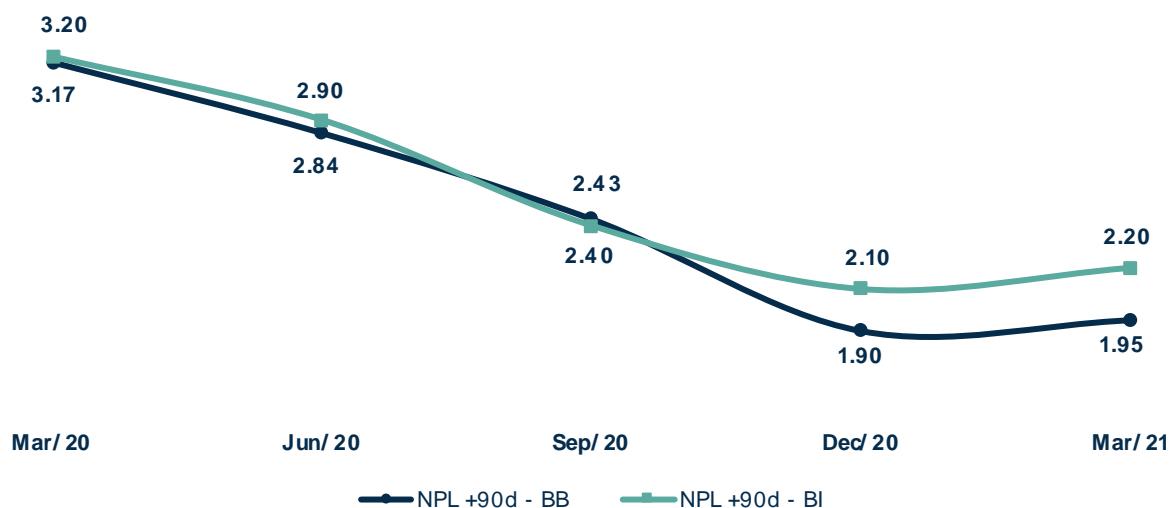
Between 1Q20 and 4Q20, the delinquency and coverage data are increased due to the effect of a specific case in the large companies segment that had filed for judicial reorganization in 2Q19.

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), showed slight growth compared to December and was 1.95% in March/21.

The NPL's increase in the quarter was influenced by the individual loan portfolio.

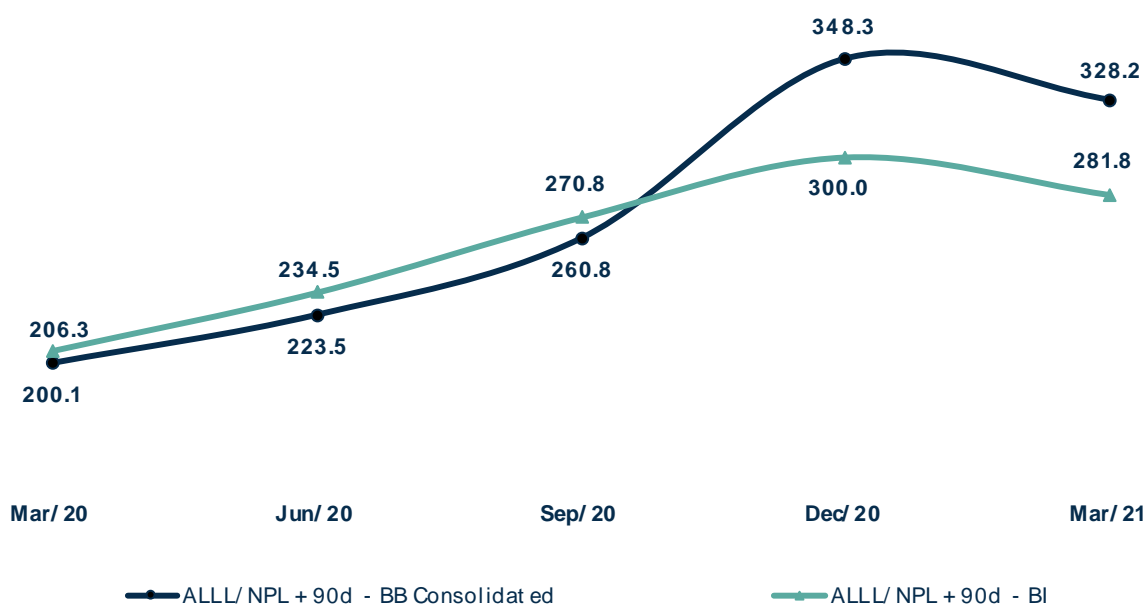
Figure 5. NPL +90d - %





The Bank maintains coverage compatible with the risk profile of its portfolio. The coverage ratio went from 348.3% in December/20 to 328.8% in March/21, in line with expectations. The prudential provisions set up over 2020 have the function of absorbing the impacts of default caused by the effects of covid-19 in the portfolio, as effectively happened this quarter.

Figura 6. 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.



Forbearance Loan Portfolio

The balance of the active Forbearance Loan Portfolio operations was R\$113.8 billion in March/21 which represents 17.1% of the domestic loan portfolio, in more than 2.4 million operations. Of this amount, 93.8% of the operations have a rating between AA and C and 93.3% of the transactions had no history of overdue in the last 12 months. The NPL +15d was 2.84% and the NPL +90d was 0.86%.

In addition, 65.5% have guarantees and mitigators. The average relationship time of the customers who extended operations is 17.5 years.

Figure 7. Forbearance Loan Portfolio – R\$ billion

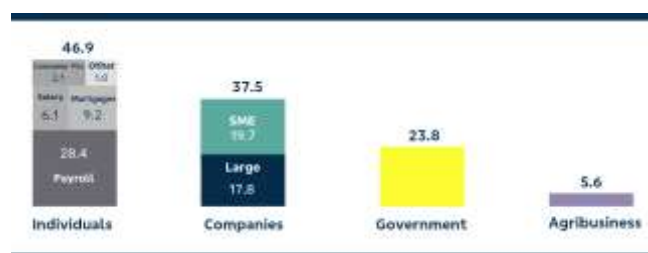
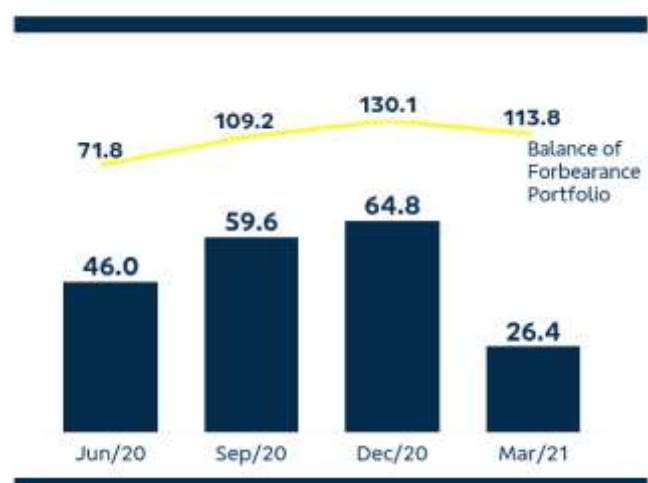
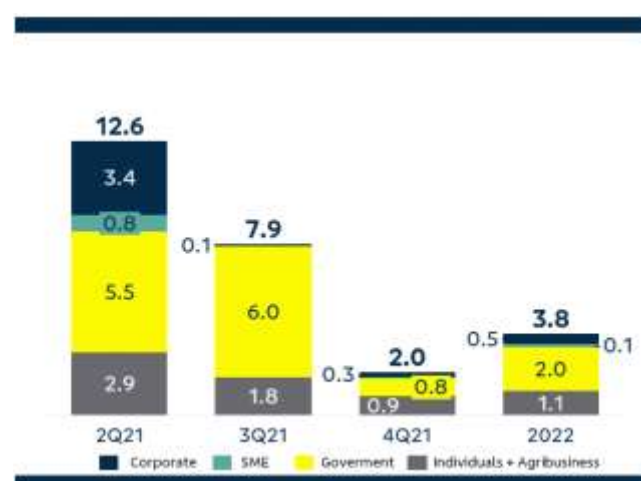


Figure 8. Grace periods – R\$ billion



The following figure shows the maturities of the Forbearance Loan Portfolio. In 2Q21, R\$12.6 billion of the Forbearance Loan Portfolio will expire.

Figure 9. Flow of exit from grace periods – R\$ billion



The potential impacts on the loan portfolio are assessed and monitored, considering the peculiarities of the various segments and credit lines, and we have adopted proactive measures for risk and capital management. We work to preserve the continuity of our operations and the long-term sustainability of our company and our relationship with our customers.



Sustainability

Sustainability is incorporated into our strategy, which is based on integrating the generation of economic value with transparency, corporate governance and socio-environmental responsibility.

At BB we believe in our ability to develop and offer products and services inserted in a low-carbon and inclusive economy, adding greater levels of quality and innovation as we serve our customers and lessen our social and environmental impact, strengthen corporate governance, ethics-based management and transparency; develop human capital, value diversity and improve environmental and eco-efficient practices, in order to ensure the efficient and sustainable use of natural resources.



For several years the Bank has already been developing sustainability initiatives, which has allowed us to evolve and gain recognition by the various stakeholders. The awards and qualification in sustainability indices and global and national ESG rankings and ratings reinforce our outstanding position in this field. This process is supported by a Sustainability Plan, that since 2005 establishes social and environmental, and governance actions and indicators that involve the entire company in its realization.

Sustainability Plan - Agenda 30 BB

Called the Agenda 30 BB, our Sustainability Plan contributes to the improvement of business and administrative practices to generate sustainable results in the short, medium and long terms.

The new version of the Plan, Agenda 30 BB 2021-2023, was updated based on the assessment of good practices and trends in sustainability, market indexes, sustainability ratings, demands from stakeholders, international standards, and strategic drivers.

The Agenda 30 BB 2021-2023 includes 40 initiatives and 110 indicators to positively impact our business strategy and the global sustainable development agenda.

In addition, BB issued 10 long-term sustainability commitments with goals to be implemented by 2030. These 10 commitments seek to assist customers in the transition to a more sustainable portfolio; help investors to direct resources to companies that deliver positive socio-environmental externalities; and further improve the management of Environmental, Social and Governance (ESG) practices at the Bank by increasing the clean energy matrix, reducing greenhouse gas emissions, promoting diversity and applying robust governance practices. In line with commitments, in 1Q20, we launched a credit line to finance renewable energy for individual customers, with 100% digital contracting, available only through the BB App.

Figure 10. Commitments to Sustainability





Sustainable Business Portfolio

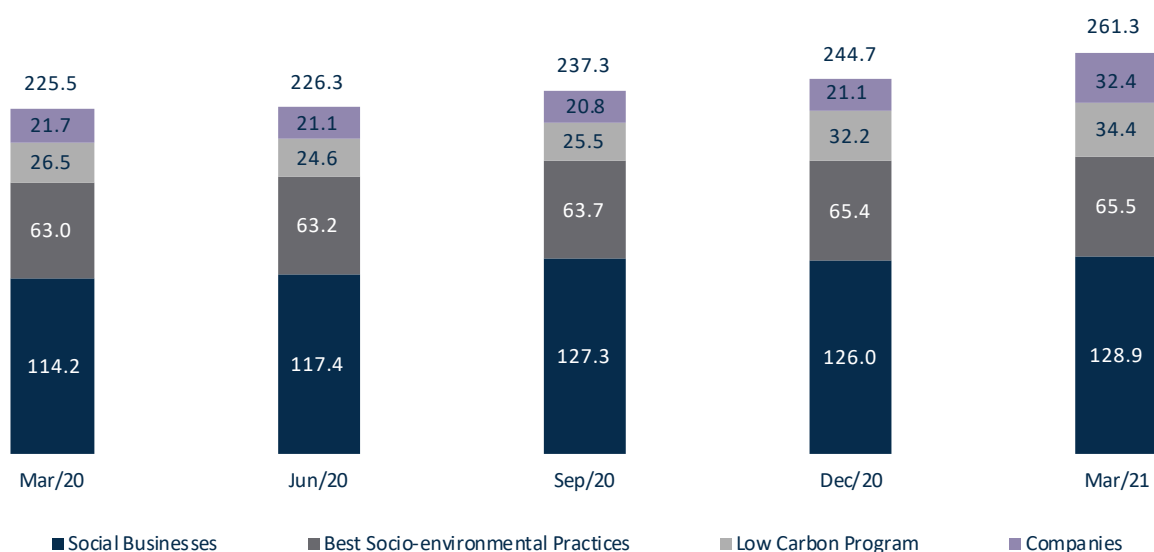
Our sustainable business portfolio comprises the amount of operations/lines of credit intended to finance activities and/or segments with positive socioenvironmental impacts, and comprises credit operations for sectors including renewable energy, energy efficiency, construction, sustainable transport and tourism, water, fisheries, forestry, sustainable agriculture and waste management. In addition, to foster an inclusive economy, this portfolio considers areas with social impact, such as: education, health and local and regional development. The volume of funds was directed to customers in all segments, such as Individuals (Retail and Private), Businesses of different sizes (SMB, Corporate, Wholesale) and the Public Sector.

To ensure even more reliability and robustness to the portfolio, formerly called the green portfolio, we reviewed the related credit facilities and operations following the methodology developed by the Brazilian Federation of Banks (Febraban),

which serves to measure and identify resources allocated to sectors of the green economy, and also our sustainable finance framework, which serves to measure and identify resources allocated to sectors of the Green Economy and businesses with positive environmental and social impact. We submitted the review to an independent assessment by consulting firm Sitawi - Finanças do Bem, who issued a second opinion based on the alignment of credit operations with international standards for the assessment of sustainable projects and businesses, and assigned a rating (from A to C), according to the social and environmental additionalities verified for each line.

Our operations achieved a mostly high-additionality rating (A-rating), showing that they provide a positive and transformational contribution to sustainable development and towards the transition to a low-carbon and inclusive economy.

In March / 21 the portfolio had a balance of R\$261.3 billion, a growth of 6.8% in the last quarter and 15.9% in 12 months, mainly due to performance in sustainable agriculture and social businesses. In the quarter, the green economy CNAES base was reprocessed, based on the new Febraban taxonomy, effective as of Mar/21, which influenced the evolution of the business portfolio.

**Figure 11. Sustainable Portfolio – R\$ million**

Investment Funds

BB, through our asset management arm BB DTVM, has been expanding the offer of investment funds with assets selected according to ESG criteria. In 1Q21, BB began offering 2 new pension funds, in addition to the 10 existing ESG funds, to retail and private banking publics. Together, these 12 funds have a net worth of R\$4.1 billion, an increase of 30.5% in the quarter and 196.4% in the 12 month period. In relation to the total resources managed by BB DTVM, 54.2% assets under management were valued according to ESG aspects at the end of 1Q21.



Customers

Our Banco do Brasil 2021-2025 Corporate Strategy (ECBB) puts customers at the center and takes on the commitment and challenge of providing them with valuable experiences through all relationship channels, as well as prioritizing actions that expand business and favor increased satisfaction, and consequently improve retention and attraction of new customers.



Following best market practices, the Bank monitors the main indicators with a focus on customer satisfaction and consequent loyalty, including NPS, CSAT, CES, churn rate, sales quality index, and also the various interactions at our points of contact, which makes us constantly listen to customers and improve, which, combined with

Figure 12. Expectative of NPS



behavioral economics, ad hoc data analysis, people and technology, puts us in a position to achieve ever higher levels of satisfaction. The investment in analytical models for calculating and predicting Churn are worth mentioning, in order to eliminate the reasons that may impact the customer experience and increase turnover rate.

The Bank has the clear objective of raising the bar for the best experience of our customers, and according to the main KPIs involved we have seen growth of at least 56 NPS points until 2024. Along this path it is already possible to realize the importance of placing the customer always at the center. We can highlight the strength of agribusiness, which has an NPS of 77.8 for Mega Produtor Rural and 68.3 for Agro Credit, which directly results in higher Contribution Margins of up to 4.8 times for our promoting clients.

Designing new products based on customer experience requires agility and adaptability, and Banco BB was elected as the most innovative in Latin America – winning “The Innovators” award from Global Finance magazine. Some of the Bank’s actions aimed at customer centrality and innovation include the following:

In late March of this year, the BB Ação Games Fund was launched, a thematic stock fund to attract new investors linked to the universe of games and eSports. Electronic games is currently the largest entertainment industry on the planet, with a turnover of US\$126.6 billion in the last year. With this strategy, BB becomes more approachable by young audiences, becoming part of the reality of companies in the gamer world, generating greater engagement with this promising audience.

BB put Pix into WhatsApp, allowing customers to register their keys, make and receive payments, generate QR Codes or draw a statement from Pix by text or voice messages. This initiative is already among the 11 most innovative mobile technology initiatives in Brazil.

BB is the first public bank in the world to offer exposure to cryptocurrencies through the first Brazilian cryptocurrency index fund (ETF), the Hashdex Nasdaq Crypto Index Index Fund (HASH11), allowing customers to make investments and have direct exposure to crypto such as Bitcoin, Litecoin, Chainlink and Ethereum.

The Customer and User Relationship Policy, required by the National Monetary Council (CMN), reinforces the commitment to improve the relationship with the customer. This policy guides the behavior and conduct of activities with observance of the principles of ethics, responsibility, transparency and diligence, enabling the



convergence of interests and the consolidation of the institutional image of credibility, security and competence.

Digital Strategy

The first quarter of 2021 was marked by the several social and economic consequences from the COVID-19 pandemic. The adoption of digital means to perform daily services continued to show strong growth as a new habit for millions of Brazilians.

From shopping in the supermarket to participating in social gatherings remotely, digital is no longer a strong future trend, having today become the current form of being present. Following this new certainty at this moment, Banco do Brasil invested in initiatives to enable management and access to digital financial solutions on several fronts.



DIGITAL ENGAGEMENT

We ended 1Q21 with 20.8 million active digital native customers platforms, while transactions carried out through internet and mobile channels represented 89.0% of transactions carried out by our customers, an increase of 2.5 percentage points compared to Dec/2020 (86.5%).

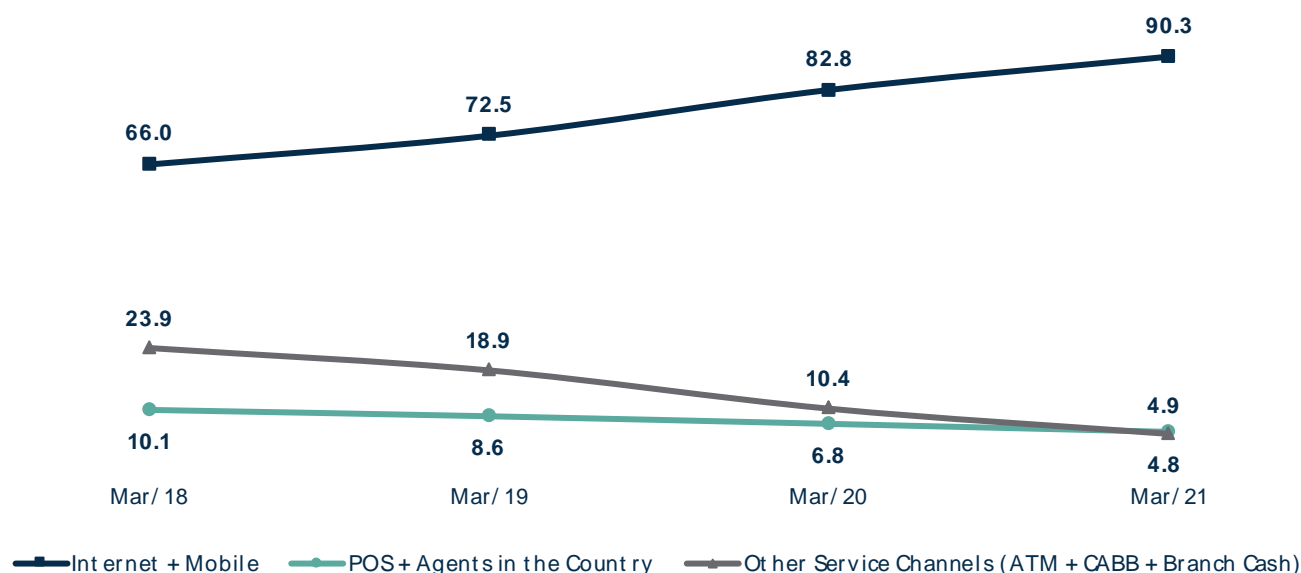
The Banco do Brasil App remained one of the best rated in the financial industry in app stores with a rating of 4.7 on Google Play (the rating has already been made by more than 3.5 million users) and 4.7 on Apple Store (rated by more than 1.9 million users), on a scale with a maximum score of 5 stars.

Following the trend of adopting digital channels started in 2020, we reached the end of this first quarter with 19.1 million App users. Of this total,

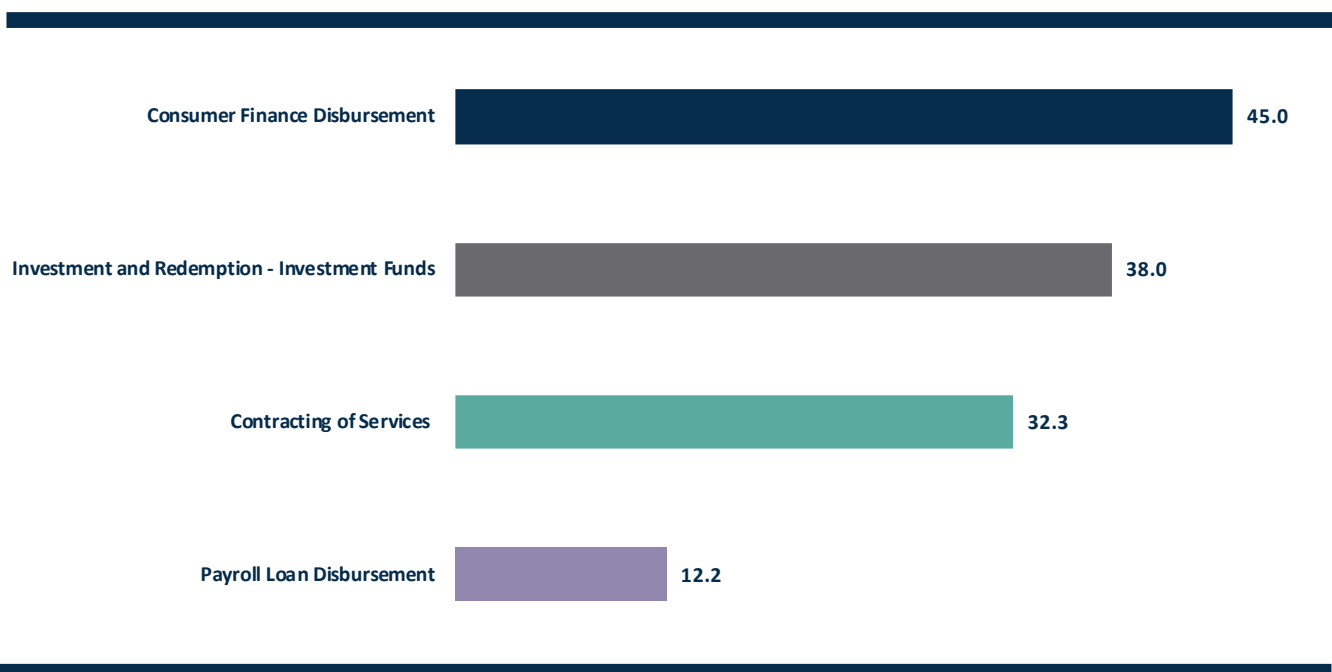
83.2% are qualified to transact: a 16.2% growth in twelve months.

The migration of customers to digital channels has also resulted in an increase in business carried out entirely via digital means. Digital platforms (internet and mobile) represented 45.0% of disbursements in personal loans, 12.2% in payroll loans, 41.8% in vehicle loans and 20.4% in real estate loans. Considering the volume of investments and redemptions, we reached 38.0% in investment funds. In 1Q21, 32.3% in the number of operations in services (accounts, service packages, investment funds, card, capitalization, insurance and consortia), were carried out through digital channels.

Figure 13. Transactions by Service Channel - %



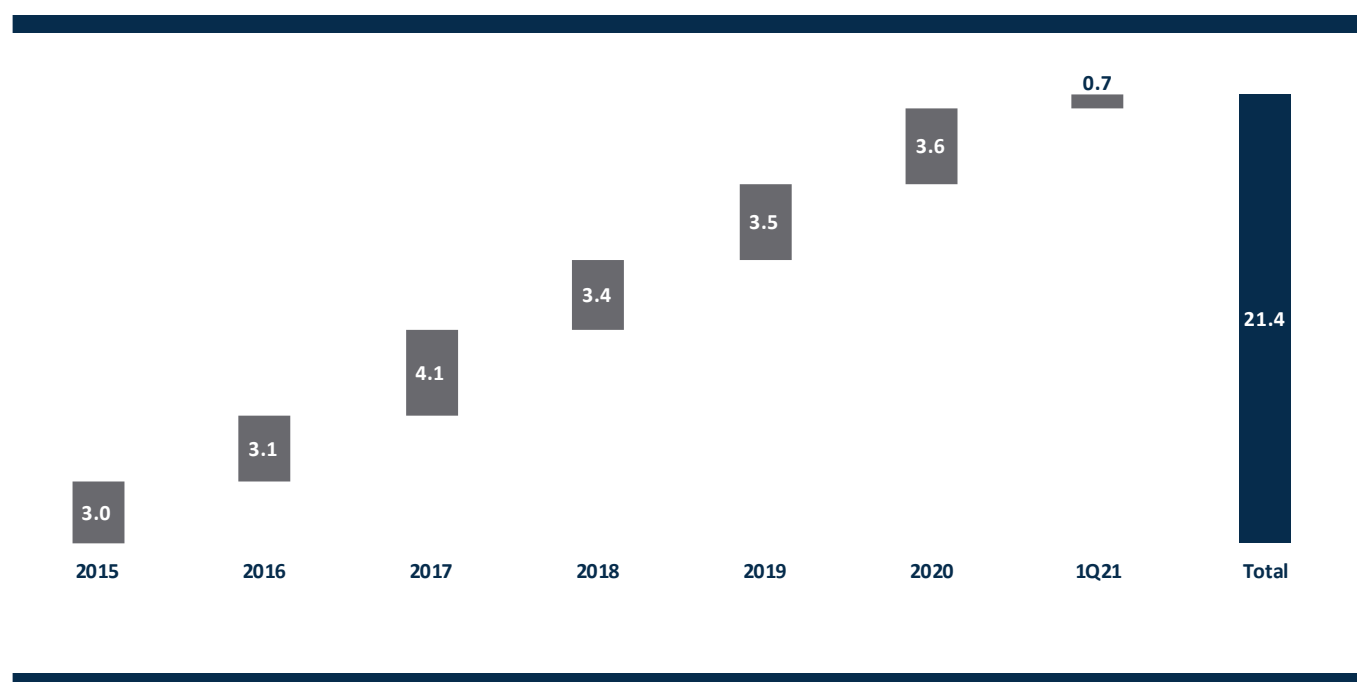
BB reached the number of 6.5 millions of digital native customers, that is, who started the relationship with the Bank, through digital channels, including through the wallet, presented a growth of 42.6% in twelve months.

**Figure 14.** 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 2015 to 1Q21, investments totaled R\$21.4 billion.

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

Figure 15. Technology Investments – R\$ billion



Open Banking

In addition to meeting regulatory requirements, which determine the sharing of data, products and services, Open Banking provides opportunities for distributing our own products and services through third-party channels, with a focus on expanding digital capillarity, and also offering third-party products and services through our own channels, with a focus on customer experience. In general, this opening expands the frontiers of operations, bringing more competitiveness but also allowing for customized offers and greater added value to end customers.

The Open Financial System, whose implementation process is set out in Joint Resolution N° 1, started on 02/01/2021 with the provision of information related to Open Data, that is, with the participating institutions making standardized information available on service channels and characteristics of products and services – account, card and credit (the scope of this first delivery).

We began our journey in the Open Banking environment by disclosing the required APIs in a way that was regarded as fully adequate by the Regulator, according to technical specifications and with availability always above the minimum expected, which confirms the quality of our solutions. From a business point of view, this level of quality is also reflected in the construction of services dedicated to digital integration.

In the context of Open Banking, operating by offering products and services over third-party

platforms, we have the opportunity to offer our solutions within the journey chosen by the customer. Through our 16 APIs, we have already integrated 650 partners and/or customers and we seek to expand and scale the available solutions with quality.

In this scenario, Banco do Brasil was the first bank to develop credit solutions by API, still in 2017, and today we are the financial institution with the largest number of available interfaces. The Developer Portal, launched in the same year and reformulated in December 2020, allows an end-to-end digital integration journey, including a test environment for solutions, in addition to connecting the developer audience, keeping an active community that contributes to the construction and improvement of our services. Currently, BB offers 4 fully digital APIs for consumption via the Developer's Portal: Billing, PIX, Customer Service Channels, and Products and Services, the first two receiving a 5-star rating from the Open Banking Radar portal (<https://openbankingradar.com/>) and the last two related to Regulatory Open Banking.

We had 16 business APIs integrated and with calls during the first quarter. The decrease of one API compared to 4Q20 was due to the technical qualification of our portfolio, with the discontinuation of an old credit card solution. The regulatory APIs, Service Channels and Products and Services, are also available on the Developer Portal.

**Figure 16.** Number Of Partners and APIs

Number of Partners and APIs indicator	Mar/20	Jun/20	Sep/20	Dec/20	Mar/21
APIs with Calls in Production Calls	11	12	13	17	16
Regulatory APIs	-	-	-	-	2
Partners with Production	30	63	163	307	653
Test Partners	8	27	100	273	726

In order to remain compliant from the regulatory point of view, BB remains active in the various forums established for the discussion and detailing of Open Banking regulations, currently focused on the Phase 3 specifications, addressing the operationalization of transaction initiation payments and the submission of credit operation proposals. Regarding the implementation of Phase 2, scheduled to take place in July 15, 2021, BB is working to make the entire process of sharing registration and transactional data available, upon

consent from customers, as well as the structure to consume this data, with a view to expanding the range of products and services available to customers and future customers, within this open financial system. In this sense, it will be possible to offer a complete experience to customers, expanding the assertiveness of the offerings and personalizing financial solutions that are increasingly adherent to the individual needs of each customer.



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.

This cutting-edge approach has had an impact on BB's relevance to the PIX system: from the total volume transferred by Brazilians via Pix, 30.7% go through Banco do Brasil, according to data from the Central Bank (Bacen). At the end of March 2021, BB had 12 million registered keys and 88.5% of registered customers have already received or sent funds using Pix.

In addition, the average ticket for incoming funds to the Bank's accounts is 7.3% higher than the transfers made by our clients to the other 751 institutions participating in the modality.

Mobile is the preferred channel for our individual customers, who make 98.8% of Pix transactions through this channel. In business accounts, the main channel used is Mobile – APJ Atacado (Wholesale), with 54% of transactions. 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.



Cuponeria on App BB

Banco do Brasil understands that taking care of what our customers believe is valuable to them goes far beyond providing financial solutions. For this reason, BB began the Super App project, to expand and diversify the offer of non-financial services through our digital platforms.

This decision is justified by the deepening of the relationship with our large customer base as well as the expansion of business opportunities in an increasingly integrated B2C and B2B ecosystem.

At the end of December 2020, BB began selling giftcards – rechargeable gift cards for our main digital services – available through the Banco do Brasil application to all our customers. These cards function as online prepaid credits for services and

products that use this payment method, such as Uber, Spotify, Xbox, Google Play, among others.

Until the first quarter of 2021 the sale of giftcards totaled more than 315 mil gifts, reaching more than 93 mil customers who accessed the solution via mobile. This generated revenue of R\$830 thousand in fees. And, we continue to expand our partnerships with other renowned companies, such as iFood, the largest food delivery network in Brazil, who were the latest newcomer into the giftcard shelf in the BB App.

With this solution, the Bank anticipates yet another Open Banking experience and began to offer non-financial products and services to customers.

CONNECTION WITH STARTUPS

Experiencing and establishing partnerships with startups is one of the core elements of innovation at Banco do Brasil. Whether through commercial, supply or investment agreements, one of the drivers of our strategy is connecting with startups. The digital logic is fascinating and profoundly changes the way of generating and delivering value to customers. It can be plugged and unplugged, rearranged and adjusted based on what the customer wants. For centuries-old companies like Banco do Brasil, leveraging the competitive strength of technology-based companies obsessed with solving some customer pains and exceeding their expectations is essential to increase our agility and tap the power of value for the customer.

The digital age has raised the level of demand by consumers, as well as transformed the dynamics of the banking sector. In an extremely competitive market that requires agility and adaptive capacity, partnerships become a relevant part of the industry's process of transformation. Banco do Brasil recognizes the imperative need to extend our reach by creating and participating in ecosystems that provide relevance to our customers. We are in a constant dialogue with the market, seeking to identify opportunities that can be explored jointly between Banco do Brasil and our partners.

We ended 1Q21 with solid partnerships with startups and fintechs, such as Resale, ContaAzul,



MagaluPay, SpinPay, BxBlue, BomPraCrédito, JurosBaixos and Conciliadora.

Also, following best market practices, in February of this year we initiated a partnership with Instituto Empreender Endeavor Brasil for a business acceleration and generation journey, under the Scale-Up Endeavor Smart Cities Acceleration Program.

The objective is to do good business, innovate and support the success of technology companies, positioning Banco do Brasil as a relevant agent in the innovation ecosystem.

Partnerships are just one of the paths to Open Innovation that Banco do Brasil sees as opportunities to enter the startup ecosystem.

Another way is via Corporate Venture Capital (CVC), which complements internal R&D efforts. Banco do Brasil's CVC program launched in 2020 with the aim of not only achieving financial returns, but primarily strategic returns.

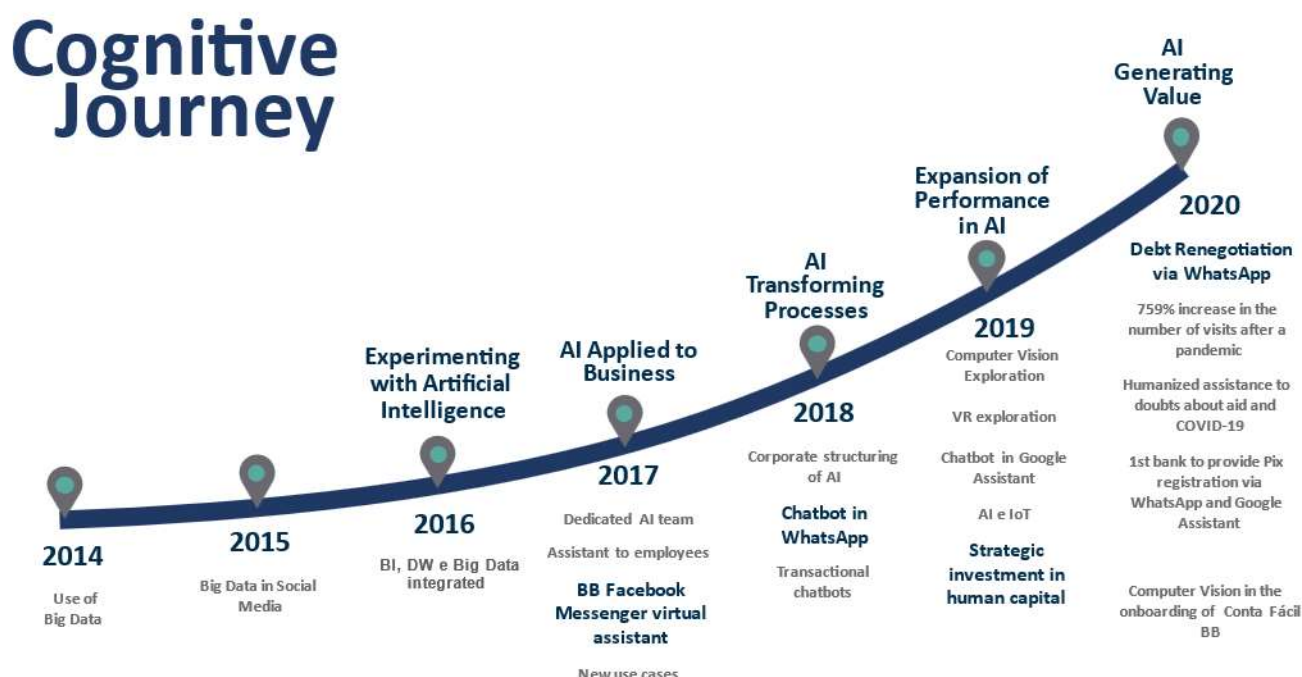
With this vision in mind guiding our investment efforts, we defined four major verticals to be the focus of Banco do Brasil: Customer Experience, Fintechs, Agtechs and Govtechs. For this year, we already have committed 65 million in capital.

Find out more about our Startup Investment Program at:

<https://www.bb.com.br/pbb/pagina-inicial/startups/programa-de-investimento-em-startups-do-bb#/>

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 17.** 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 employee 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.



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.

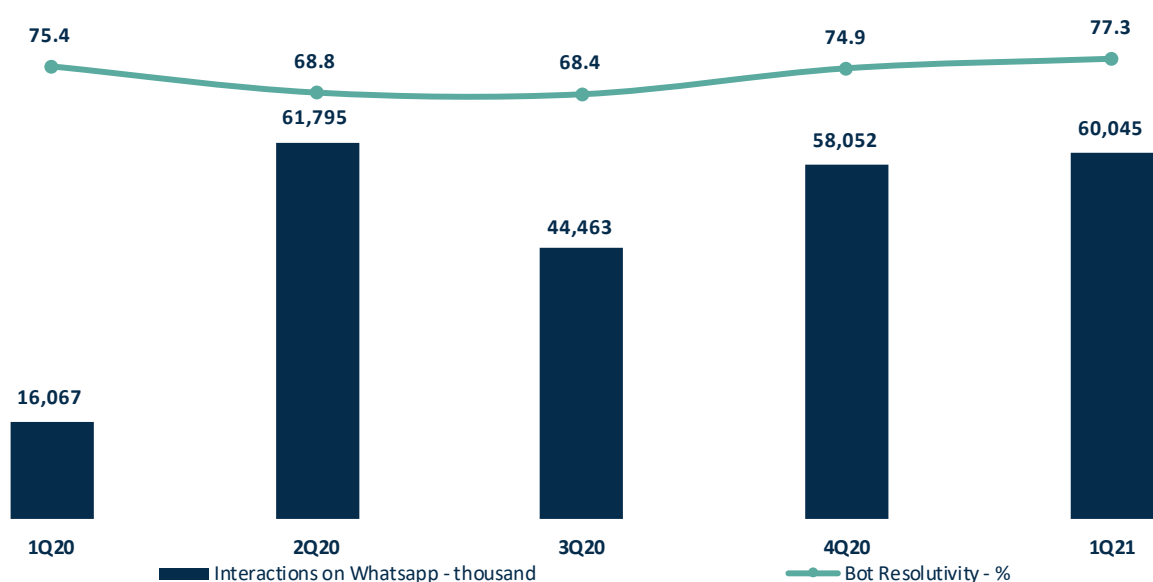
In addition to the Center, the organization in agile teams allows us to transfer knowledge to the other IT teams of the Bank.

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.

The 1Q21 was directed towards the elaboration and approval of an Artificial Intelligence strategy for the next two years. This work involves prioritizing initiatives, resources, training and dissemination actions to expand the use of Artificial Intelligence at BB in an orderly and sustainable manner.

In addition, BB hired specialized labor to drive ongoing initiatives in the areas of customer service and relationship, backoffice processes (improved decision support and operational efficiency) and security.

Figure 18. 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:

- **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.



- **Pix 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.

Virtual Assistants

Banco do Brasil has been working to facilitate the customer's journey by also expanding our services through virtual assistants. Currently, we use artificial intelligence to serve customers through WhatsApp, Google Assistant, Facebook, Twitter, Carteira BB and the internet-based self-service interface. In WhatsApp, in addition to a full service, we offer bank transactions and services for individual and corporate clients.

We are investing in virtual assistants with a view to support customers in their daily requirements, without the need for human intervention. Such an example is Pix – BB was the first financial institution to offer the registration of keys, the possibility to carry out transactions and to draw statements of Pix transactions carried out – all through WhatsApp-based assistant.

Knowing that Brazilians like to send audios, the Banco do Brasil assistant is also capable to understand voice commands and make queries through WhatsApp and Google Assistant. Soon, it will also be available on Alexa.

Last year, the number of customers with access to virtual assistants was increased and in the 1Q21 we reached 4.4 million active customers, 63.7 million interactions and 7.7 million services.

In order to be constantly improving usability and the content presented through the channel, we expanded the area responsible for the curation of the virtual assistant (CAD – the Central de Atendimento Digital – Digital Service Center) and will invest in training the team further. Bots will be even more capable of engaging in closer dialogue, with language and elements that are easy to understand, and seek resolution, service offerings and customer satisfaction.



2021 Guidance

Table 6. 2021 Guidance

	2021 Guidance	1Q21 Performance
Adjusted Net Income - R\$ billion	16.0 to 19.0	4.9
Net Interest Income - %	2.5 to 6.5	4.0
Loan Portfolio ¹ - %	8.0 to 12.0	5.8
Retail ² - %	9.0 to 13.0	11.6
Wholesale ³ - %	7.0 to 11.0	-7.3
Rural - %	7.0 to 11.0	9.2
Fee Income - %	-1.5 to 1.5	-2.7
Administrative Expenses - %	-1.5 to 1.5	-0.4
ALLL Expanded View - R\$ billion	-17.0 to -14.0	-2.5

1-**Loan Portfolio**: it considers organic domestic loan portfolio with private securities and guarantees. Government operations not included; 2-**Retail**: it considers Individuals and SME, with annual revenues of up to R\$200 million; 3-**Wholesale**: it considers Corporates with annual revenues greater than R\$200 million and Agribusiness Loans to Companies.

Deviations from Guidance

In 1Q21, the following indicators deviated from what was expected for the year:

- a) **Loan Portfolio**: impacted by the performance of the Wholesale portfolio;
- b) **Wholesale**: performance influenced by atypical behavior in Mar/20 (beginning of the pandemic). Performance with the prospect of ending the year within the range;
- c) **Fee Income**: performance in line with the strategy adopted for the year.