

# BB Quarterly Bulletin

3rd Quarter 2020  
Edition 05 / Year 2

**Shareholders Newsletter**  
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# Letter from the CFO

Dear Shareholder,

2020 has been a challenging year for all. Banco do Brasil demonstrated great resilience in this period, providing support to its customers with seriousness, readiness and safety, while strengthening our commitment to society. In this quarter, three strengths were highlighted in the result: the substantial increase of CET1, the increase of digital customers and the growth of the loan portfolio with consistency and quality.

The adjusted net income totaled R\$ 10.2 billion in nine months, a decrease of 22.9% in the annual comparison. Even with the decreasing profit in the quarter, business generation remained strong, as evidenced by the 9.5% increase in the pre-tax and pre-provision earnings. The result was mainly influenced by preemptive provisions. Facing the economic uncertainties and in order to strengthen its balance sheet in case of a delinquency increase scenario, BB conservatively constituted preemptive anticipation of credit provisions in the amount of R\$ 6.1 billion in the last nine months.

From March to September, Banco do Brasil disbursed R\$ 292 billion in credit, meeting the demand of 4.2 million customers. We remain committed to control expenses and to the pursuit for efficiency. The investment in the consolidation of digital businesses was noticed with the 33% growth in digital customers and with the acknowledgment of the BB App, which received the best evaluation in the banking industry. BB is also committed to its social and environmental responsibility, with the ESG portfolio representing 23% of the loan portfolio.

In October, Banco do Brasil completed 212 years of history and presented strong earnings in another quarter. BB is focused on offering the best experience to its customers, strengthening its presence with a leading role, leveraging its businesses' synergies and seeking for more efficiency. These foundations will continue to guide the company's operations and support the value generation for our stakeholders.

Thank you trusting in our work and I invite you to get to know more details about BB's performance in the following pages.

Best Regards,

Carlos Hamilton Vasconcelos Araújo  
CFO

# BB Shares

Our shares (BBAS3) maintained their presence in all B3 trading sessions and represented 2.34% of Ibovespa for the last four months. We have also kept a program of Level 1 ADR (BDORY) traded in the over-the-counter market in the United States.

Share Price:

**R\$ 29.80**

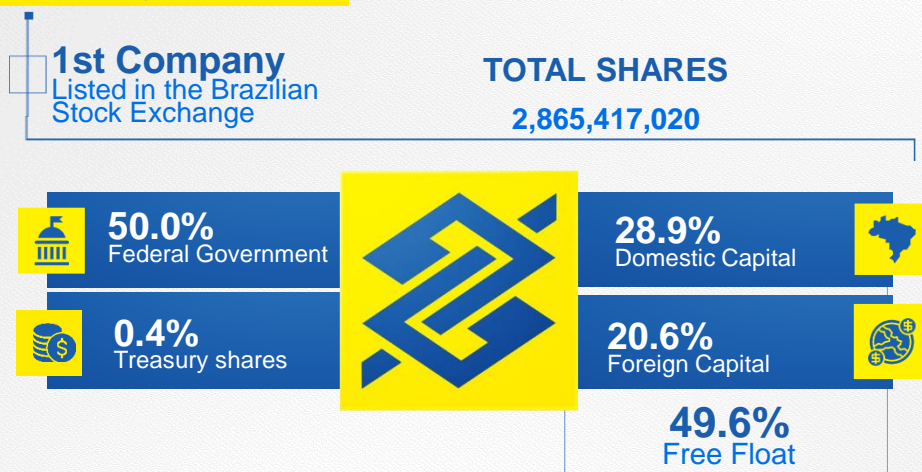
Market Value:

**R\$ 85.0 bn**

Data refers to 10/30/20

	3Q20	3Q19	Chg (%)
Free Float (Qty)	1,420,414,057	1,354,450,647	4.9%
Book Value per Share (R\$)	42.88	37.99	12.9%
Earnings per Share	1.06	1.49	-28.9%
Dividend Yield - %	7.44	5.50	35.5%
Price / Earnings (12 months)	5.56	7.79	-28.6%
Price / Book Value	0.69	1.20	-42.3%

## Shareholding Structure

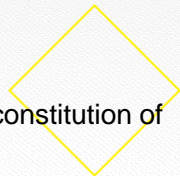


## Profit Distribution

Referring to the 3Q2020, BB will distribute R\$ 849.1 million to its shareholders, in interest on own capital (IOC), of which R\$ 293.4 million were paid on 09.30.2020, according to the Material Fact of 08.28.2020. The complementary payment of IOC for 3Q20 will be made on 11.27.2020. 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

# Earnings Highlights

## 9M20/9M19 (Billion)



### ADJUSTED NET INCOME **R\$ 10.2**

Reduction of 22.9% in comparison with 9M19, influenced by the constitution of preventive prudential provisions. The **Market ROE<sup>1</sup>** was **12.0%**



### NET INTEREST INCOME **R\$ 42.6**

The main catalyst was the reduction of 41.2% in funding expenses, favored by the CDI/TMS reduction movement (-51.2%)



### ALL EXPENSES<sup>2</sup> **R\$ 17.0**

Increase of 47.9% over 9M19, influenced by the prudential provisions



### LOAN PORTFOLIO<sup>3</sup> **R\$ 730.9**

Increase of 6.4% in the annual comparison. The highlight was the performance in operations with Individuals (+6.2%), SME (+17.9%) and Rural (+5.3%)



### FEE INCOME **R\$ 21.3**

Remain under pressure from the economic scenario, but increased in insurance, pension plans and premium bonds (+7.3%) and in consortium (+13.2%), result of the historical sales record



### ADMINISTRATIVE EXPENSES **R\$ 23.5**

Remains under control and increased 2.3% in the 9M comparison, below the accumulated inflation in 12 months (3.14%)

(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) It includes private securities and guarantees provided.

# Banco do Brasil ESG

**For 35 years  
committed to  
sustainable  
practices and  
businesses**



Recognized for the 2nd consecutive year as one of the most sustainable companies in the world in the Corporate Knights ranking

**1985** Start of Fundação Banco do Brasil

**1995** Green Protocol Accession

**2002** Asset Management BBDTVM  
8 ESG funds / R\$ 132 billion in assets

**2005** Sustainability Plan (Agenda 30)  
Over 500 actions / 7th version

**2010** ABC Program  
R\$ 16.4 billion hired

**2016** Agro Energia Programa  
R\$ 971.4 million granted

**2019** BB Financiamento PJ  
R\$ 209.9 million for the acquisition of renewable energy goods or green economy

## 2020



### **Sustainable Finance Framework**

Partnership between BID and BB / New model in banking industry  
Category: green, social and sustainable



### **Opening of two Banco do Brasil Solar Power Plants**

Joint capacity of 6mw that power up 141 branches  
Located at Porteirinha – MG and Lindóia – PA  
Savings of R\$ 57.3 million in 15 years



### **Carbon Free Certificate**

Structuring of the first issue in June/2020



### **Improvement of the Geo Socio-Environmental Diagnosis**

Identification of alerts and restrictions to financing from geographic bases

Aware of its commitment to sustainability, Banco do Brasil will continue to expand the migration of its energy matrix to renewable sources and, from 2021, it will compensate 100% of the greenhouse gas emissions generated by its operations, becoming neutral in carbon emissions.

**BB Quarterly Bulletin** is a quarter release from Banco do Brasil S.A. directed to everyone who is interested and it is available at the Investor Relations website:  
[www.bb.com.br/ir](http://www.bb.com.br/ir) > Financial Information > Presentations and Bulletins

## Investors Relation and Sustainability



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