

Press Release – Brasília (DF), November 8<sup>th</sup>, 2021

## BB adjusted net income reached R\$ 5.1 billion in the 3Q21

Growth of 47.6% compared to the 3Q20

Banco do Brasil reached an adjusted net income of R\$ 5.1 billion in the 3Q21, an increase of 47.6% compared to the 3Q20 and 2% over the 2Q21. In the accumulated view, the growth compared to the 9M20 was of 48.1%. The ROE ended the quarter at 14.3% and in the accumulated view at 15.0%.

Such good performance is explained by lower expenses with credit provisions, higher revenues, with growth in the NII and fee income and solid administrative expenses control.

BIS ratio ended the period at 19.34%, with a CET1 of 13.17%.

### Loan Portfolio

The Loan Portfolio reached R\$ 814.2 billion in September/21, an increase of 6.2% compared to June/21 and 11.4% compared year on year. The portfolio grew in all segments, with emphasis on Agribusiness (18.5%), SMEs (24.6%) and Individuals (14.2%).

Agribusiness was the main growth driver for the portfolio in the quarter. Apart from the high demand, the strong performance is the result of BB's historical role in all levels of the agribusiness chain, with specialized service, dedicated professionals, technical knowledge and relationships and national capillarity. As a result, the agribusiness portfolio grew 9.7% compared to June/21, with highlight for working capital for input purchase (+10.9%), investment lines and agricultural selling (+14.2% and +23.2%, respectively), and industrialization (+270.2%). Agribusiness bonds also had a positive performance, with emphasis on the CDCA (+159.5%).

The Individuals portfolio (expanded view) grew 5.7% compared to June/21 and 14.2% compared to September/20, with a highlight on the positive performance in Payroll (+16.4%), reaching R\$ 104.6 billion, Consumer Finance (+40.1%) and Credit Card (+41.3%) lines in the annual comparison. Reflecting the strategy to change the mix to more profitable lines.

The Companies portfolio growth was of 4.3%. Highlight for the SMEs portfolio increase (+10.0%), influenced by the disbursements of R\$ 8.1 billion in the Pronampe lines. The corporate portfolio was impacted by settlements and the migration to alternatives in the capital market, with an increase in transactions with companies with revenues between R\$ 200 million and R\$ 800 million, positively boosting the portfolio mix.

Credit quality: The NPL +90 days of the total portfolio was 1.82%, remaining below the industry, with a coverage ratio of 323.3%.

### Fee Income and Administrative Expenses

Fee income totaled R\$ 7.4 billion in the quarter, an increase of 2.2% compared to the 3Q20 and of 3.2% over the previous quarter. Such growth was mainly impacted by the positive annual performance in the lines of Insurance, Pension Plan and Premium Bonds (+6%), Consortium (+11.7%) and Asset Management (+9.9%). In the 9 months accumulated, the growth was 1%, within the range of guidance estimates.



As a result of the several measures Banco do Brasil has been implementing to control costs, administrative expenses reached R\$7.9 billion in the 3Q21, an increase of 0.7% compared to the previous quarter, mainly reflecting the increase in personnel expenses due to the salary readjustment of 10.97% as of September/2021, granted to bank employees by the Collective Labor Agreement 2020/2022 for the entire category. In the nine-month comparison, expenses were stable (+0.2%), remaining within the range of the 2021 guidance. The cost-to-income ratio accumulated in 12 months reached 35.9% in the quarter, showcasing cost control and fee income increase in the period.

## Beyond banking

Banco do Brasil expanded its operations as a platform, innovating in offering products and services beyond banking, with the launch of its affiliate marketplace program. Buying from the link on the Loja BB, the customer will receive cashback on purchases made on Amazon.com.br in their account. By accessing Loja BB, customers can also check their statement and follow up on all future releases related to purchases made on Amazon.com.br. Soon, new brands will be available, adding even more value to the relationship with our customers.

BB continues to develop its role as a platform. Broto (broto.com.br), a virtual agribusiness platform jointly built with BB Seguros, reached R\$ 1 billion in business since its launch with 336 thousand accesses on the platform, being a hub for banking and non-banking solutions for the customers. We also highlight the sale of one million gift cards in the 9M21 at Loja BB.

Banco do Brasil has 21.9 million active customers in its digital channels. On average, 6.7 million people access the App daily, qualifying the app as one of the best and most highly rated in the segment.

## ESG

In September/21, the ESG portfolio reached a balance of R\$282.1 billion, growth of 18.9% in 12 months, with emphasis on social and environmental best practices (+16.3%) and low carbon agriculture (+65.4%), reinforcing the transforming role in the country's development to ensure an increasingly sustainable future.

Sustainability is part of Banco do Brasil's strategy and, in this quarter, the recently launched LCA Verde reached the volume of R\$ 158.4 million raised.

## Guidance

Banco do Brasil reviewed its guidance estimates to better represent management's expectations, as follows:



Guidance	Previous	Revised	9M21
Adjusted Net Income – R\$ billion	17.0 to 20.0	19.0 to 21.0	15.1
Net Interest Income - %	1.0 to 4.0	4.0 to 6.0	5.3
Loan Portfolio - %	8.0 to 12.0	14.0 to 16.0	14.1
Retail Business - %	9.0 to 13.0	12.5 to 14.5	17.2
Wholesale - %	3.0 to 7.0	0.0 to 2.0	-4.0
Rural - %	11.0 to 15.0	29.0 to 31.0	24.8
Fee Income - %	-1.5 to 1.5	Held	1.0
Administrative Expenses - %	-1.5 to 1.5	Held	0.2
ALL Expanded View – R\$ billion	-15.0 to -13.0	Held	-9.3

Loan Portfolio: Organic domestic loan portfolio, it includes Securities and Guarantees - Does not consider credit to Government.

Retail Business: Considers the Individual and SME portfolio, with annual revenues of up to R\$ 200 million.

Wholesale: Considers Companies with annual revenues exceeding R\$ 200 million and Agroindustrial Credit.