



Earnings Summary

Banco do Brasil adjusted net income was R\$5.0 billion in the 2Q21, up 2.6% over 1Q21, and down 52.2% over 2Q20. The Market ROE in the quarter was 14.4%.

In comparison with 1Q21, the result was mainly influenced by the reduction 17.7% in the other operations income, by the positive performance of fee income, which grew 4.8% and by the increase of 13.8% in All Expanded View

in the first half of 2021 the BB adjusted net income was R\$10.0 billion, up 48.4% in comparison with 1H20. This increase is mainly due to the reduction in the All Expanded View in 52.1% and NII increase of 2.1%.



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

	2Q20	1Q21	2Q21	Chg. %		1H20	1H21	Chg. %
				2Q20	1Q21			1H20
Net Interest Income	14,297	14,564	14,384	0.6	(1.2)	28,359	28,948	2.1
ALLL Expanded View	(5,719)	(2,523)	(2,870)	(49.8)	13.8	(11,258)	(5,394)	(52.1)
ALLL Expenses – Credit Risk	(5,942)	(3,287)	(3,839)	(35.4)	16.8	(12,419)	(7,126)	(42.6)
ALLL Expenses – Recovery of Write-offs ¹	1,591	1,746	1,899	19.4	8.7	3,176	3,645	14.8
ALLL Expenses – Discounts Granted	(211)	(736)	(690)	–	(6.3)	(480)	(1,427)	–
ALLL Expenses – Impairment	(1,156)	(246)	(239)	(79.3)	(2.8)	(1,535)	(485)	(68.4)
Net Financial Margin	8,578	12,040	11,514	34.2	(4.4)	17,101	23,554	37.7
Fee income	6,965	6,878	7,206	3.5	4.8	14,032	14,084	0.4
Administrative Expenses	(7,850)	(7,737)	(7,857)	0.1	1.6	(15,620)	(15,594)	(0.2)
Legal Risk²	(774)	(1,593)	(1,657)	114.2	4.0	(1,635)	(3,250)	98.8
Other Operating Income³	(1,799)	(2,505)	(2,061)	14.5	(17.7)	(3,419)	(4,566)	33.5
Income Before Taxes	5,120	7,083	7,144	39.5	0.9	10,459	14,227	36.0
Income and Social Contribution Taxes	(967)	(1,169)	(1,113)	15.2	(4.8)	(2,124)	(2,282)	7.5
Corporate Profit Sharing	(426)	(600)	(679)	59.4	13.3	(862)	(1,279)	48.3
Adjusted Net Income⁴	3,311	4,913	5,039	52.2	2.6	6,706	9,952	48.4
One-Off Items	(102)	(687)	485	–	–	(293)	(202)	(30.9)
Net Income	3,209	4,226	5,524	72.1	30.7	6,413	9,750	52.0
Market ROE – %	11.9	15.1	14.4			12.2	14.9	
Adjusted ROE – %	10.0	14.2	14.3			10.2	14.1	
Shareholders' ROE – %	12.8	16.1	15.3			13.2	15.8	

(1) Series revised in 1Q21; (2) Group containing the balance of the line 'Civil, Tax and Labor Claims'; (3) 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'; (4) Adjusted net income is net of the result of 'Minority Interest'.



Pre-Tax and Pre-Provision Earnings (PPOP)

Table 2. PPOP – R\$ million

	2Q20	1Q21	2Q21	Chg. %		1H20	1H21	Chg. %
				2Q20	1Q21			1H20
Total Operating Income (Banking Product)	23,020	23,681	23,542	2.3	(0.6)	46,135	47,223	2.4
Operating Income	23,067	23,256	23,111	0.2	(0.6)	46,159	46,367	0.5
Net Interest Income	14,297	14,564	14,384	0.6	(1.2)	28,359	28,948	2.1
Fee Income	6,965	6,878	7,206	3.5	4.8	14,032	14,084	0.4
Eq. Interest of Subsidiaries and Affiliates	720	877	668	(7.3)	(23.8)	1,389	1,545	11.2
Other Operating Income	1,085	937	853	(21.3)	(9.0)	2,379	1,791	(24.7)
Previ - Plano de Benefícios 1	(140)	116	116	–	–	(280)	231	–
Previ - Fundo de Utilização Restatement	94	310	315	–	1.4	257	625	–
Total Operating Expenses	(12,249)	(14,198)	(13,575)	10.8	(4.4)	(24,533)	(27,773)	13.2
Administrative Expenses	(7,850)	(7,737)	(7,857)	0.1	1.6	(15,620)	(15,594)	(0.2)
Personnel Expenses	(5,008)	(4,989)	(4,961)	(0.9)	(0.6)	(9,927)	(9,949)	0.2
Other Administrative Expenses	(2,842)	(2,748)	(2,897)	1.9	5.4	(5,693)	(5,645)	(0.9)
Other Tax Expenses	(1,329)	(1,372)	(1,497)	12.6	9.1	(2,532)	(2,869)	13.3
Legal Risk	(774)	(1,593)	(1,657)	114.2	4.0	(1,635)	(3,250)	98.8
Other Provisions	(82)	(164)	24	–	–	(87)	(140)	61.0
Other Operating Expenses	(2,214)	(3,332)	(2,587)	16.9	(22.3)	(4,659)	(5,919)	27.0
Non-Operating Income	67	123	48	(29.1)	(61.1)	115	171	48.8
Pre-Tax and Pre-Provision Earnings	10,839	9,606	10,014	(7.6)	4.2	21,716	19,621	(9.6)



Net Interest Income

Net Interest Income (NII) was R\$14.4 billion in 2Q21, a variation of -1.2% and +0.6% in QoQ and YoY respectively. In 1H21, NII increased 2.1%, totaling R\$28.9 billion.

In QoQ, negative variation is explained by 38.5% increase in funding expenses (commercial), partially offset by positive performance of all other NII's components (+4,8% in loan operations and +4,6% in treasury).

Compared to 1H20, positive variation in 1H21 is explained by 6.4% financial expenses' decrease (-4.8% in commercial funding and -8.9% in institutional funding), favored by the TMS variation from 1.75% in 1H20 to 1.28% in 1H21, and by the repurchase/liquidation of hybrid capital instruments and subordinated debt.

Average Selic Rate (TMS) reached its lowest level in February/21 and started to rise again as of March/21, with greater impact on the effective rate of 2Q21.

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

				Chg. %				Chg. %
	2Q20	1Q21	2Q21	2Q20	1Q21	1H20	1H21	1H20
Net Interest Income	14,297	14,564	14,384	0.6	(1.2)	28,359	28,948	2.1
Loan Operations	17,499	17,285	18,107	3.5	4.8	35,187	35,392	0.6
Funding Expenses	(3,729)	(3,266)	(4,525)	21.3	38.5	(8,183)	(7,790)	(4.8)
Financial Expense for Institutional Funding ¹	(2,580)	(2,474)	(2,355)	(8.7)	(4.8)	(5,304)	(4,830)	(8.9)
Treasury ²	3,107	3,019	3,157	1.6	4.6	6,658	6,176	(7.2)
NIM - %³	4.0	3.7	3.6					
Risk Adjusted NIM - %	2.4	3.1	2.9					

(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. (3) Reprocessing from hedged item's mark-to-market income/expenses.



ALLL Expanded View

ALLL expanded view composed by the net ALLL expenses, plus discounts granted and impairment, was R\$2.9 billion on 2Q21. In the year ALLL expenses was R\$5.4 billion, down 52.1% over 1H20. Below, the behaviors of the lines that are part of the index:

Table 4. ALLL Expanded View¹ – R\$ million

	2Q20	1Q21	2Q21	Chg. %		1H20	1H21	Chg. %
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ALLL Expanded View	(5,719)	(2,523)	(2,870)	(49.8)	13.8	(11,258)	(5,394)	(52.1)
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ALLL Expenses – Recovery of Write-offs	1,591	1,746	1,899	19.4	8.7	3,176	3,645	14.8
ALLL Expenses – Discounts Granted	(211)	(736)	(690)	–	(6.3)	(480)	(1,427)	197.4
ALLL Expenses – Impairment	(1,156)	(246)	(239)	(79.3)	(2.8)	(1,535)	(485)	(68.4)

(1) The 1Q21 Recovery of write-offs was revised.

Credit Risk: Up 16.8% on the quarter and down 42.6% over 1H20. Throughout 2020, BB made prudential provisions totaling R\$8.1 billion, an amount that has proven sufficient to adequately cover the portfolio's credit risk so far.

Recovery of Write-Offs: Up 8.7% on the quarter and 14.8% over the year, the volume recovered in 2Q21 maintained an increasing trajectory, registering the highest level in history for a second quarter.

Discounts Granted: Down 6.3% on the quarter and up 197.4% over 1H20, influenced by the new recovery strategies for non-performing assets.

Impairment: Down 2.8% on the quarter and 68.4% over 1H20.



Fee Income

Fee income was R\$7.2 billion in 2Q21, 4.8% up QoQ, with emphasis on the performance of asset management (+7.9%), loans and guarantees (+24.4%), capital market (+83.9%) and consortium fees (+11.1%), which more than offset the reduction in checking account fees (-5.8%).

In the half-year comparison, the 0.4% growth, which is within the range of corporate projections, was influenced by the commercial performance in the insurance (+13.1%) and consortium segments (+29.6%), while checking account fees decreased by 17.4%.

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

	2Q20	1Q21	2Q21	Chg. %		1H20	1H21	Chg. %
				2Q20	1Q21			1H20
Fee Income	6,965	6,878	7,206	3.5	4.8	14,032	14,084	0.4
Asset Management	1,675	1,679	1,812	8.2	7.9	3,396	3,491	2.8
Checking Account	1,923	1,633	1,539	(20.0)	(5.8)	3,840	3,172	(17.4)
Insurance, P. Plans and Premium Bonds	891	1,024	1,080	21.2	5.4	1,861	2,104	13.1
Credit/Debit Cards	519	516	510	(1.8)	(1.3)	1,005	1,026	2.1
Consortium	298	384	427	43.2	11.1	626	812	29.6
Collections	310	365	362	16.8	(0.8)	650	726	11.8
Loan Fees	405	360	448	10.5	24.4	753	808	7.3
Billings	224	242	243	8.7	0.4	486	485	(0.1)
Subsidiaries Abroad	179	174	192	7.1	10.7	342	366	7.1
Contract Processing	147	163	183	24.3	12.2	314	345	10.1
Nat. Treasury and Manag. of Official Funds	97	96	88	(9.1)	(8.3)	196	184	(6.4)
Capital Market	127	68	126	(0.8)	83.9	212	194	(8.2)
Foreign Exchange Services	73	67	69	(6.5)	2.6	158	135	(14.4)
Other	96	106	128	33.0	20.6	194	234	20.7



Administrative Expenses and Cost-to-Income Ratio

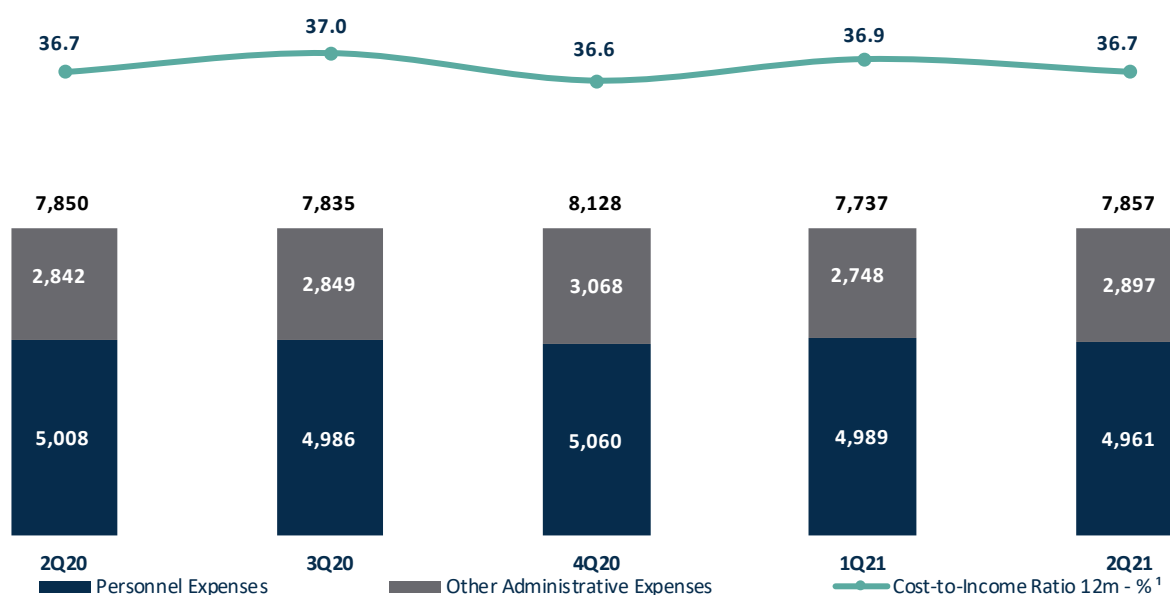
In 2Q21, administrative expenses was R\$7.9 billion, 1.6% up QoQ. The growth was mainly influenced by the 5.4% increase in other administrative expenses, due to new communication projects and the annual transfer to Fundação BB with the objective of promoting social projects.

Personnel expenses decreased by 0.6%, influenced by the dismissal of employees, within the scope of the Staff Adequacy Program (PAQ) and the Extraordinary Dismissal Program (PDE) and by the savings generated by the new Compensation Plan and of the Performa Program, among other efficiency measures.

In the half-year comparison, the 0.2% drop, which is within the range of corporate projections, reinforces the commitment to austerity and efficiency in the management of administrative expenses despite the inflation registered in the period.

The 12-month accumulated cost-to-income ratio, which measures the relationship between Banco do Brasil's administrative expenses and operating revenues, improved by 20 bps QoQ.

Figure 1. Administrative Expenses – R\$ million



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



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 June/21, the BIS Ratio was 19.65% and the Tier I was 16.73%, being 13.49% of Common Equity Tier 1 (CET1).

Figure 2. BIS Ratio – %

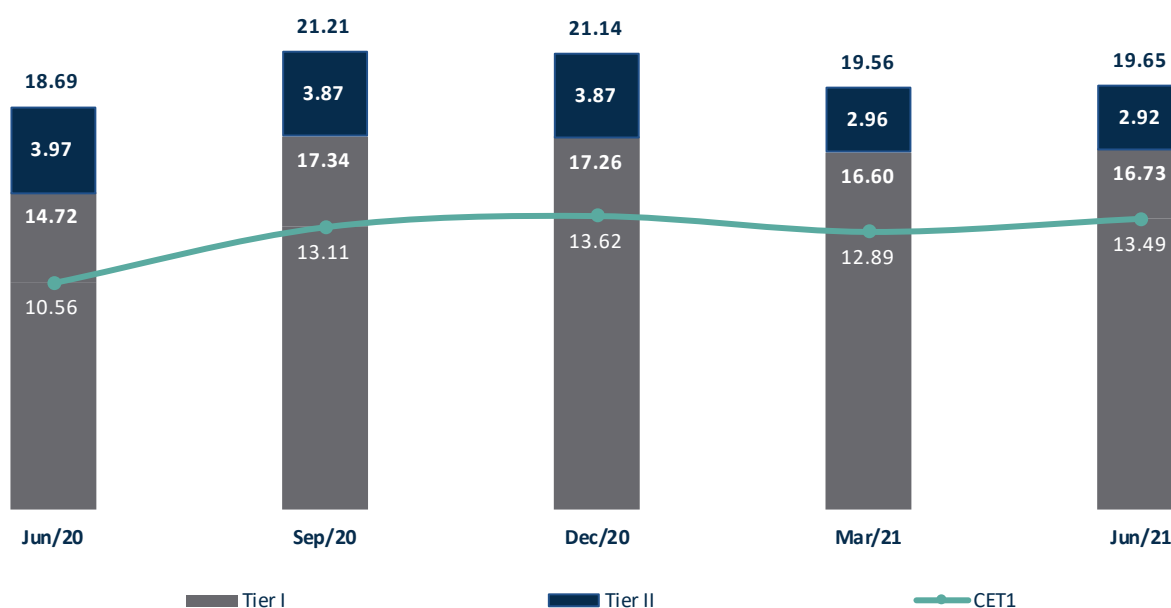
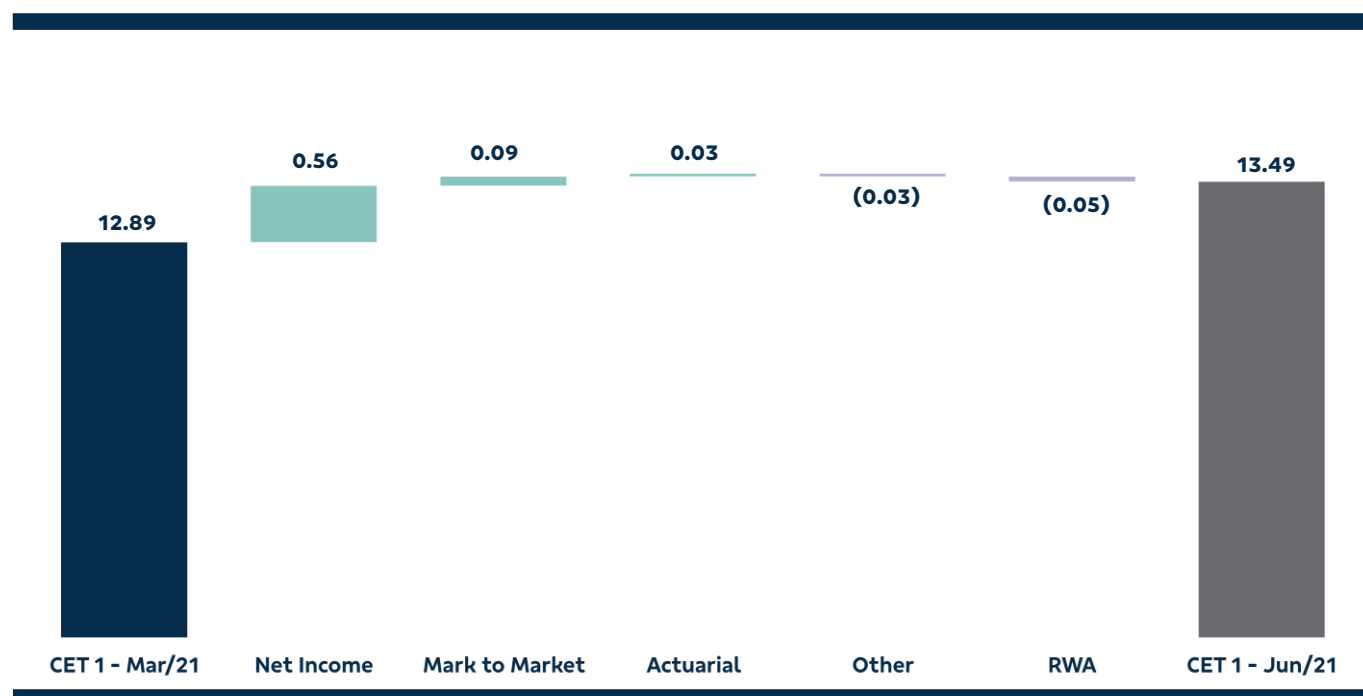




Figure 3. Changes in Common Equity Tier 1 (CET1)– %





Loan Portfolio

The loan portfolio expanded view, which includes in addition to the classified loan portfolio, private securities and guarantees, was R\$766.5 billion in June/21, up 1.1% over March/21, with emphasis on retail and agribusiness operations.

Over June/20 (+6.1%), highlight to the return of Individuals (+10.3%) and the SME (+24.8%) in addition to the 9.7% increase in the rural portfolio.

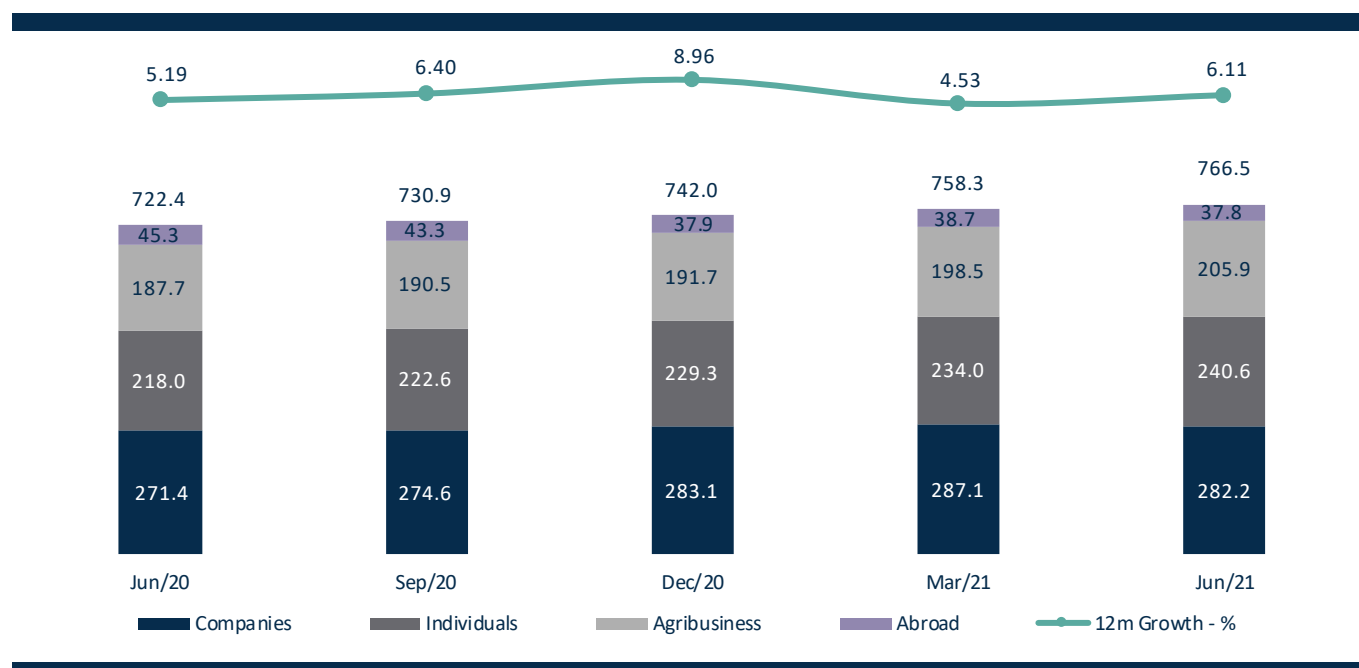
The individual portfolio grew 2.8% on the quarter, mainly due to the positive performance in payroll loan (+3.8%) and consumer finance (+6.5%). It is important to highlight the achievement of the R\$100 billion mark in the payroll loan portfolio,

consolidating BB's leadership in one of the most competitive markets in the banking industry. This achievement comes from strategies that involve daily monitoring of market conditions and qualified offer.

In companies down 1.7%. Besides the growth in operations with SME (+0.6%) and corporate (+1.2%) they were not sufficient to compensate for the reduction in operations with the Government (-9.2%), influenced by the exchange rate.

In agribusiness up 3.7%, the highlight is rural loan (+5.8%), working capital for input purchase (+11.3%) and agribusiness securities (+23.2%).

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

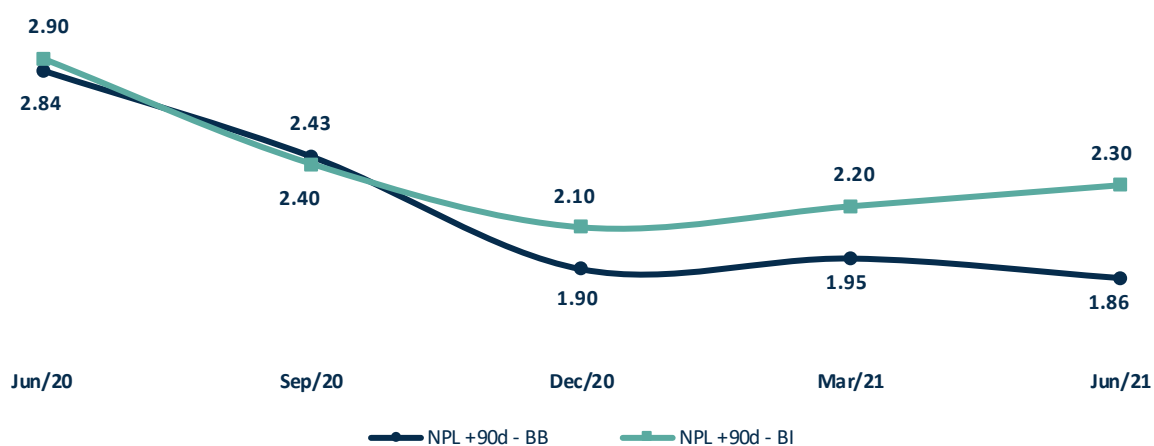




Credit Quality

The NPL +90d (ratio between transactions more than 90 days overdue and the classified loan portfolio balance), showed decrease over march and was 1.86% in June/21.

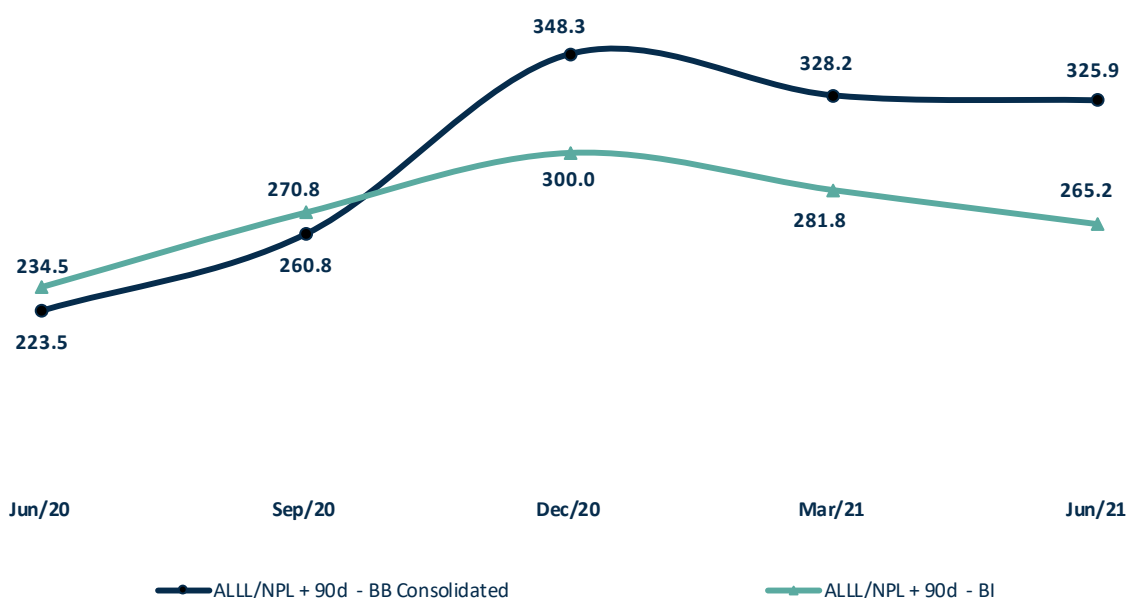
Figure 5. NPL +90d - %





The Bank maintains coverage compatible with the risk profile of its portfolio. The coverage ratio went from 328.2% in March/21 to 325.9% in June/21, following at a high level compared to the same period last year.

Figure 6. Coverage Index¹ – %



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



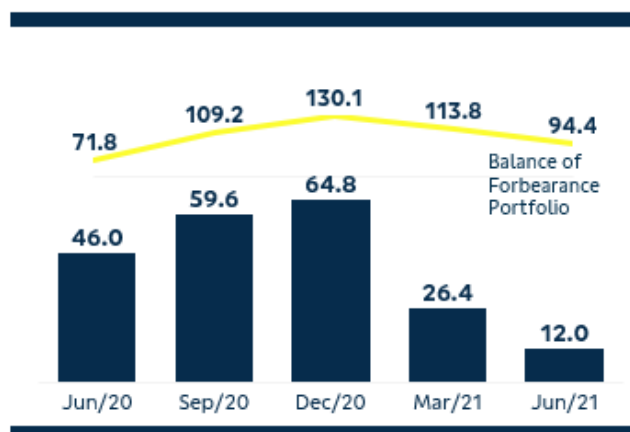
Support to customers in times of pandemic

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

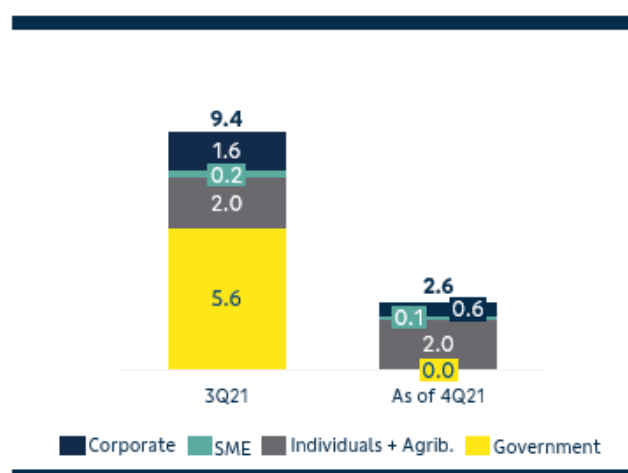
The balance of the active Forbearance Loan Portfolio operations decreased to R\$94.4 billion in June/21, with amortization and settlement in the period, which represents 14.0% of the domestic loan portfolio, R\$12 billion remain in grace period. Of this amount, 93.0% of the operations have a rating between AA and C and 97.6% of the transactions had no history of overdue in the last 12 months. The NPL +15d was 3.37% and the NPL +90d was 1.86%. In addition, 67.5% have guarantees. The average relationship time of the customers who extended operations is 17.2 years.

Figure 7. Grace periods – R\$ billion



The following figure shows the maturities of the Forbearance Loan Portfolio. In 3Q21, 78% of the Forbearance Loan Portfolio, or R\$9.4 billion, will expire.

Figure 8. Flow of exit from grace periods – R\$ billion





Sustainability

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

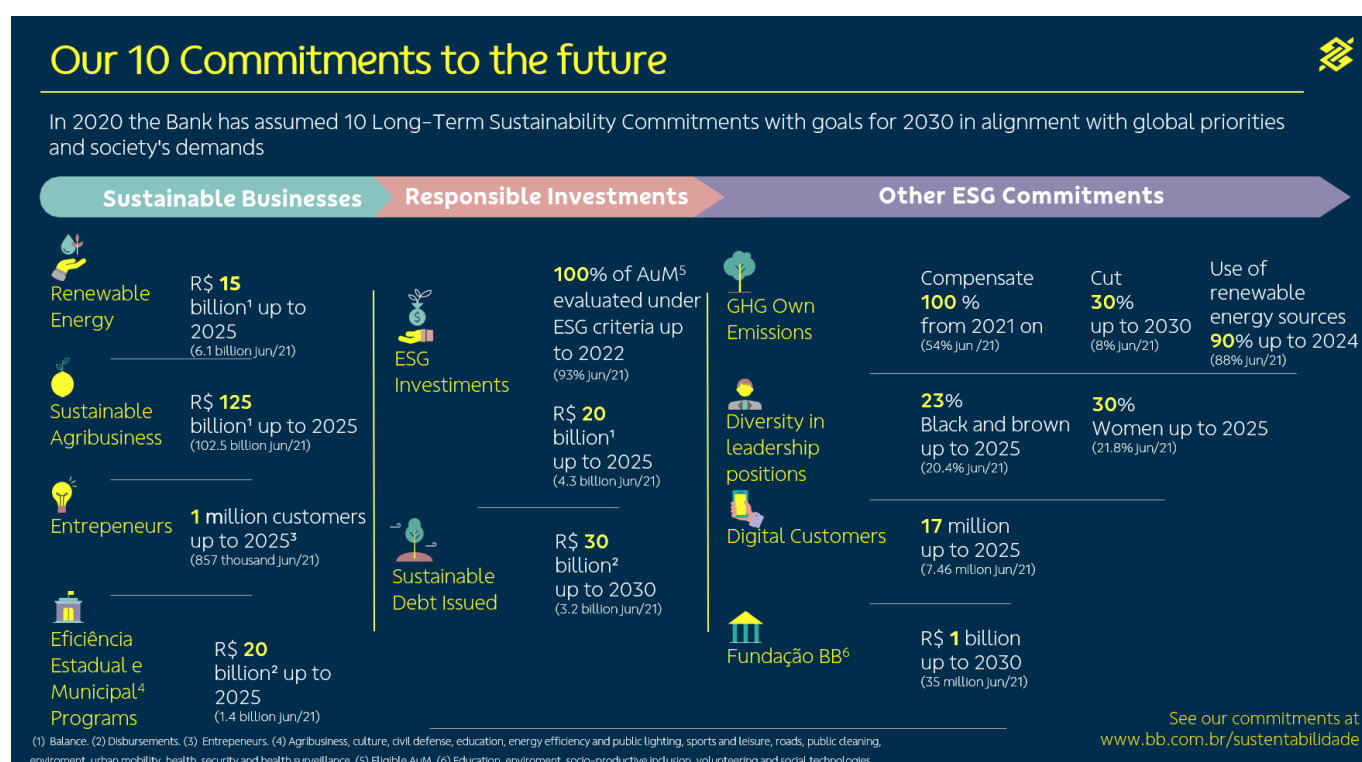
At BB we believe in ability to develop and offer products and services inserted in a low-carbon and inclusive economy, adding greater levels of quality and innovation as we serve our customers and lessen our social and environmental impact, strengthen corporate governance, ethics-based management and 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.

Corporate Sustainability

Have adopted the Environmental, Social and Governance (ESG) best practices, which allow actions to anticipate and manage risks and opportunities. These assumptions are materialized in Sustainability Plan – Agenda 30 BB. The Plan has 40 actions and 110 indicators for the period 2021-2023.

Have established 10 Long-term Sustainability Commitments, with targets to be implemented by 2030, which involve the Sustainable Business, Responsible Investment and ESG Management fronts.

Figure 9. Commitments to Sustainability



To assist customers in the transition to a more sustainable portfolio, one of our goals is to reach a balance of R\$15 billion in credit for renewable energy by 2025. Therefore, chose the month of May as the month of Fostering Renewable Energy. We launched the BB Credit Renewable Energy line, aimed at individual customers, and consortium quotas in the "Green Groups". The 10 thousand consortium quotas offered for sale were sold, totaling more than R\$702 million in sales volume.

Have achieved 100% offsetting of greenhouse gases generated by electricity, neutralized through the purchase of traceable international renewable energy certificates, known as I-RECs (International Renewable Energy Certificate), and the operation of the Solar Plant in Porteirinha (MG).

In addition, started to use energy from renewable sources in 27 administrative buildings through the Free Contracting Environment (FCE). With this, achieved an accumulated savings of R\$13.3 million



(2019/2021), with the expectation of achieving savings of R\$50 million by 2024.

And don't want to stop there. For the expansion of the FCE project, a total of 1.767 Average Voltage (A4) consumer units will be studied, with a view to reaching 68% of BB consumption via renewable sources by December 2024. Savings of over R\$33 million in expenses with electricity are expected.

Also in 2021, BB plans to open three more plants: in Bahia, Goiás and the Federal District. The initiative is part of the Distributed Generation (GD) project, which provides for the generation of clean energy via solar plants. In this context, the expansion foresees a total of 29 plants with potential savings of around R\$558 million in 15 years.

Also within the scope of the DG project, another 19 new plants to be tendered in 2021 will be made viable, with a view to reaching 22% of BB consumption via renewable sources by December 2023. Savings are estimated at approximately R\$277 million over 15 years of provision of service, serving around 789 consumer units.

When all DG projects are completed, with 29 units delivered by 2023, around 117 GWh of energy will be generated per year, which corresponds to the

consumption of 48.7 thousand middle class homes. With these measures, BB will stop emitting approximately 5.9 thousand tons of carbon dioxide per year, which is equivalent to the planting of approximately 16.5 thousand trees.

As a result, around 117 thousand renewable energy certificates in the I-REC standard may be used to offset BB's emissions.

Also focusing on energy efficient, installed an IoT (internet of things) solution to monitor the operation of air conditioning, UPS and lighting systems, in addition to electricity and water consumption, in 230 branches, during the first half. With this, want to achieve a reduction in energy consumption of around 15% in the facilities served. Expect to expand the model to 300 business units by the end of the year.

Another important aspect that has been receiving attention is the selective collection program, which is being reformulated with the support of WWF, BB's partner in the search for "Zero Garbage" and in several other actions on the ESG topic.

Commitment to this agenda allows to evolve and obtain recognition in global and national sustainability indexes, rankings and ratings, which reinforce prominent position on the subject.

International Funding with Sustainable Backing – Sustainable Repo

In April, carried out a US\$100 million financial treasury operation with sustainability characteristics. It is the first operation of this type that has been reported in Latin America. The negotiation with an international investor was carried out with the purpose of raising funds to refinance Pronaf loans

(social category) and BB PJ Financing operations in the modality of installation of solar panels (green category), according to BB's Sustainable Finance Framework.



Adhesion to the Task Force on Climate-Related Financial Disclosures (TCFD)

Seeking to maintain the leading role in the search for new opportunities to generate value for stakeholders and contribute to the preservation of the environment, on May/2021, we adhered to the recommendations of the Task Force on Climate-

Sustainable Business Portfolio

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.

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

Related Financial Disclosures (TCFD), an initiative of the Financial Stability Board (FSB) that aims to develop a consistent way of reporting financial risks related to climate change.

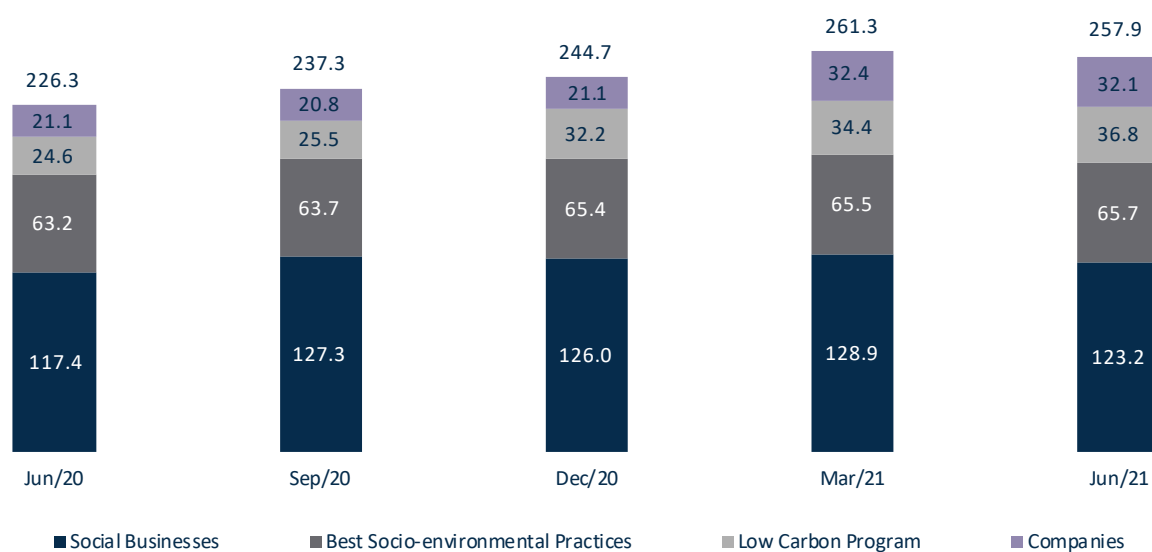
identify resources allocated to sectors of the Green Economy and businesses with positive environmental and social impact. We submitted the review to an independent assessment by consulting firm Sitawi – Finanças do Bem, who issued a second opinion based on the alignment of credit operations with international 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.

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 June/21, the portfolio exceeded three million active operations and presented a balance of \$257.9 billion, quarterly reduction of 1.3%, influenced by the exchange rate in some portfolios, and annual growth 14.0%.



Figure 10. Sustainable Portfolio – R\$ billion



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. currently the bank has 12 funds ESG funds, a net worth of R\$4.3 billion, an increase of 9.9% in relation to March/21 and 229.5% in relation to June/20. In relation to the total resources managed by BB DTVM, 93.1% assets under management were valued according to ESG aspects at the end of 2Q21.



Customer Experience

Live in a time in the financial industry where the consumer has a range of options to choose, comparisons can be made quickly, just a click away, and the difference is increasingly in the experience provided to the customer. In fact, even today, anticipating customer needs remains a major challenge for most companies. It is necessary to listen to the customer in a systematic way and use information not only to solve problems, but as a source of innovation, evolution of the experience as a whole and, at the same time, solve the challenges presented.

The rearrangement carried out by the Bank on the transformation of the types of Business Units resulted in the migration of customers between the different models and made it possible to expand the managed relationship by 1.4 million customers, enabling BB to reach the milestone of seven million customers in managed relationship models, reaching 100% of our high retail customers.

Expanded the managed service model to customers with high digital maturity, that is, those who carry out banking and consumer transactions preferably through digital channels, seeking to increase the experience and profitability of this audience. In this model, the service channel is predominantly through instant messages, delivering more timely service, safety, in addition to helping improve service efficiency and the experience of these customers.

It is worth noting that the first half was a milestone for INSS beneficiaries served by BB, highlighting the several launches in search of the customer's better experience in solutions and products, such as: launch of the proof of life at BB's application (innovative solution), portability of payroll deductible loan operations of non-account holders who receive their INSS retirement or pension benefits at BB through the benefit card, online registration for all INSS payroll deductible loan modalities and the possibility of requesting INSS benefit portability on WhatsApp, allowing the expansion of the relationship and business with this audience.

These and other measures have shown positive results in terms of customer satisfaction, with the NPS (Net Promoter Score), consistently evolving. In comparison with June/20, the indicator grew 10 points, while complaints from the Central Bank Ranking decreased by 20% compared to 1Q21. We have several mechanisms for listening to the customer, in addition to the NPS. We received more than 4.5 million customer reviews about the service we provide in digital and physical media, with a score of 4.83 (the maximum score is 5.0). It is also important to remember that customer satisfaction has a direct impact on our employees' compensation and awards, being an important driver to align the Bank's objective of maintaining excellent service.



Digital Strategy

With an increasingly digital bank, we consolidated our presence in addition to the physical network and offered new solutions and convenience to our customers. The adoption of digital means to carry out many daily services continued to strengthen as a new habit for one million Brazilians and we anticipate it, fostering business origination and digital relationships.

Digital transformation goes far beyond automation process and the provision of solutions on digital channels. It involves placing the customer at the center of our work and our priorities. Thus, processes that have a strong impact on customer satisfaction and efficiency improvement remain prioritized. We use data, analytics and artificial intelligence to have the scale and capacity to deliver a bank to each customer.



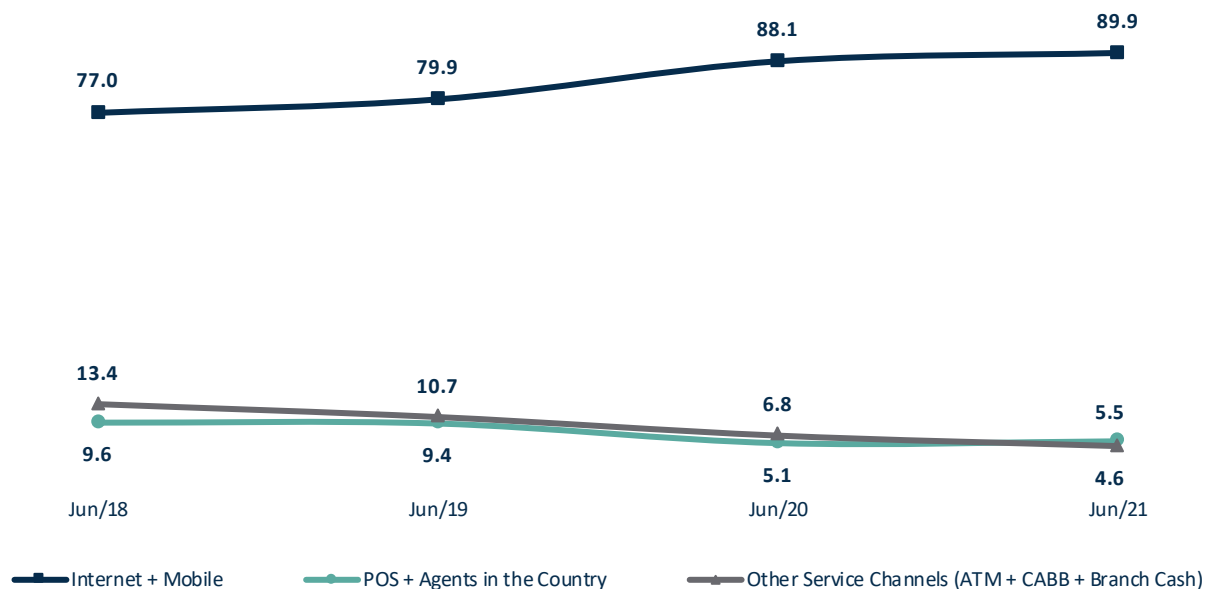
Digital Engagement

Ended 2Q21 with 21.6 million active digital native customers platforms, while transactions carried out through internet and mobile channels represented 89.9% of transactions carried out by our customers, an increase of 1.8 percentage points compared to Jun/2020 (88.1%).

The Banco do Brasil App remained one of the best rated in the financial industry in app stores with a rating of 4.6 on Google Play (the rating has already been made by more than 3.8 million users) and 4.7 on Apple Store (rated by more than 2.1 million users), on a scale with a maximum score of 5 stars.

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 46.0% of disbursements in personal loans, 11.9% in payroll loans, 40.9% in vehicle loans and 27.0% in real estate loans. Considering the volume of investments and redemptions, we reached 36.9% in investment funds.

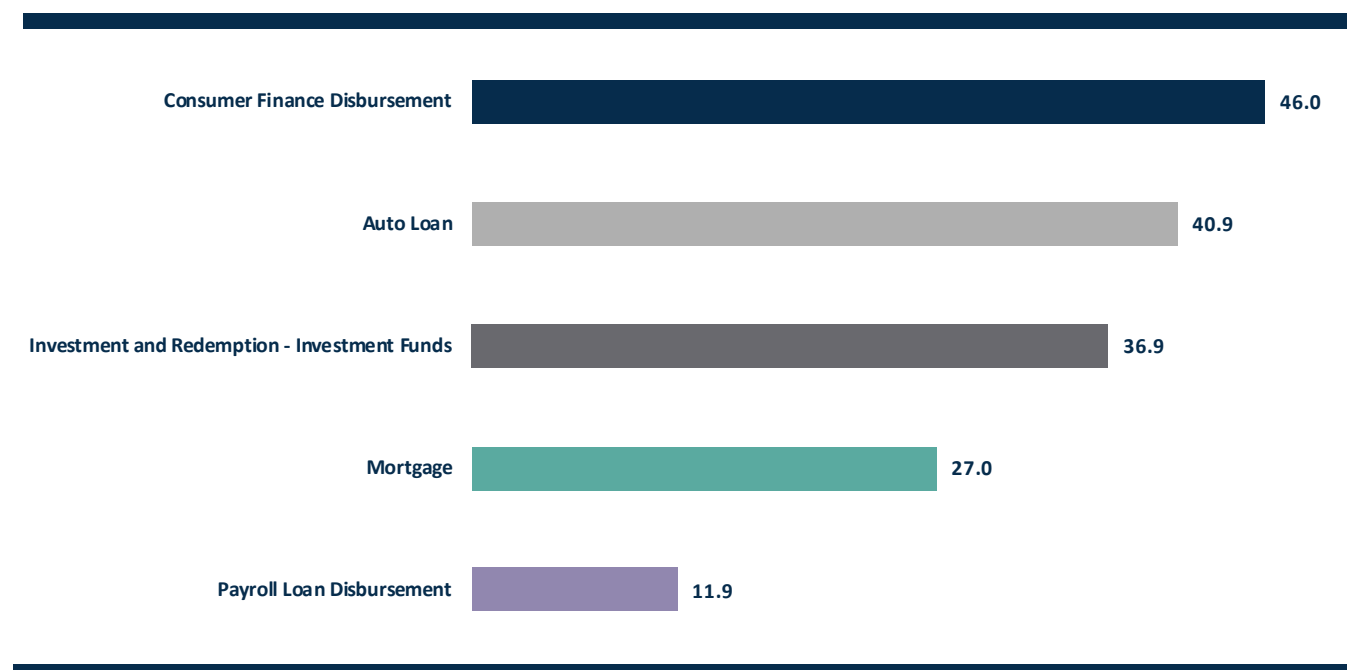
Figure 11. Transactions by Service Channel - %



BB reached the number of 6.6 million of digital native customers, that is, who started the relationship with the Bank, through digital channels, including through the wallet, presented a growth of 27.9% in twelve months.



Figure 12. Digital Channels Participation in Banking Operations – %



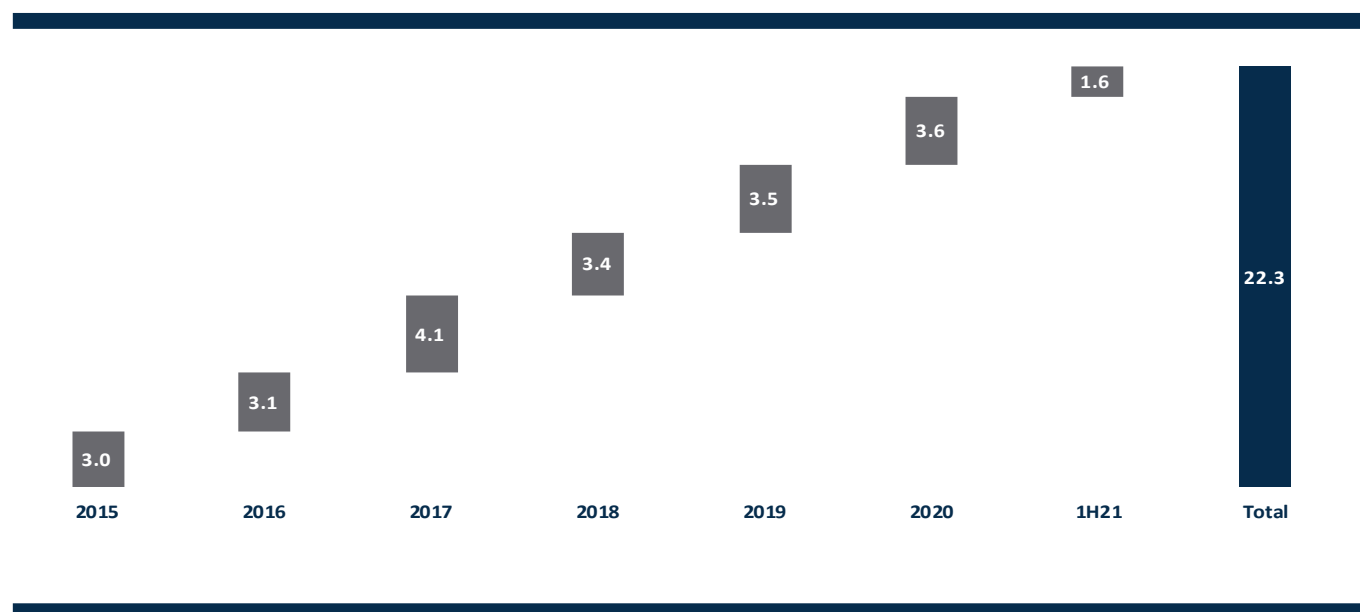


Technology Investments

Banco do Brasil consistently invests in technology to improve operational efficiency, reduce operating losses, expand businesses and improve client service. From 2015 to 1H21, investments totaled R\$22.3 billion.

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

Figure 13. 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.

The Developer Portal, launched in 2017 and reformulated in 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.

Are working to make the entire process of sharing registration and transactional data available, for the implementation of Open Banking Phase 2, scheduled to take place in August 2021, with the consent of customers, as well as structuring us to consume such data, aimed at expanding the range of products and services available to current and future customers. Accordingly, it will be possible to offer a better experience, expanding the assertiveness of the offers and the customization of financial solutions, which will increasingly adhere to the individual needs of each one of them.



In the 1H21, we had 16 business APIs integrated and with calls, whose evolution is detailed in the table below:

Table 6. Number Of Partners and APIs

Number of Partners and APIs indicator	Jun/20	Sep/20	Dec/20	Mar/21	Jun/21
APIs with Calls in Production Calls	12	13	17	16	16
Regulatory APIs	-	-	-	2	4
Partners with Production	63	163	307	653	1,332
TestPartners	27	100	273	726	946

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.

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, 30.4% go through Banco do Brasil, according to data from the Central Bank (Bacen). At the end of June 2021, BB had 15.6 million registered keys.

Mobile is the preferred channel for our individual customers, who make 99% of Pix transactions through this channel. In business accounts, the main channel used is Mobile – APJ Atacado (Wholesale), with 63.9% of transactions. However, payments sent by Wholesale represent 6.5% of the amount and 54.7% of the amount.

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 [Portal BB](#).



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 diversity 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 gift cards – 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, IFood among others.

In 2Q21 alone, 420 thousand giftcards were sold.

With this solution, BB has been carrying out iterations to come up with approaches that promote a more complete experience, including non-financial services for 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. 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.

Accelerations, demodays, challenges are paths that Banco do Brasil's Open Innovation sees as an opportunity to improve the customer experience and accelerate the digital transformation.

At the end of 2Q21, the Scale-Up Acceleration Program Endeavor evaluated and selected startups to develop solutions – with the theme "Smart Cities" in the axes of Gov Techs, Circular Economy, Energy, Water and Light, Digital Security, Logistics and Mobility.

Another avenue, Corporate Venture Capital (CVC), complements internal RD&I efforts. Banco do Brasil's CVC program envisages not only a financial return, but primarily a strategic return. With this vision, four verticals were defined that will be the focus of the Banco do Brasil in its investments: Govtechs, Fintechs, Agtechs and Client Experience, with a focus on mobile first and open banking. Today we have investments in funds from Astella Investimentos, Indicator Capital (IoT) and SP Ventures (Agro). There are more than 20 indirectly invested startups that advance BB's strategy

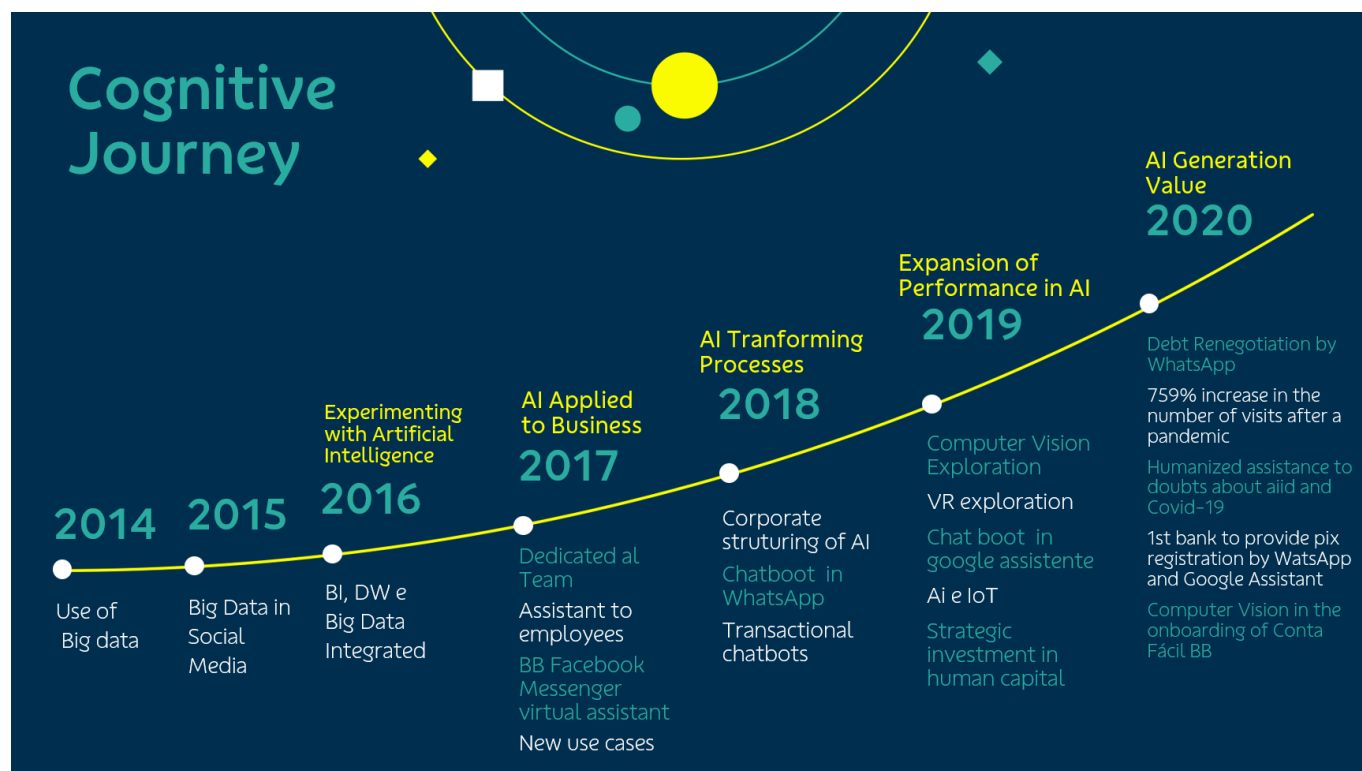
Find out more about our [Startup Investment Program](#) at Portal BB.



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 14. 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.

In 2Q21 was marked by the technological evolution of the AI Platform to allow AI solutions to be evolved in an environment dedicated to Artificial Intelligence. Allied to this, pilots to expand the development of AI services and integrations, until then conducted by the Acceleration Center, are evolving collaboratively with other IT teams at BB to expand the capacity to use Artificial Intelligence in more business processes.

Facial recognition has been improving the experience of many BB customers. Today it brings comfort to INSS beneficiaries, allowing the Proof of Life through the BB App and preventing their attendance at BB branches; speed of credit, accelerating the contracting of loans by non-account holders; agility in opening the Conta Digital PJ through the BB app and the Conta Fácil PF through the Americanas app, BB's partner in digital onboarding.

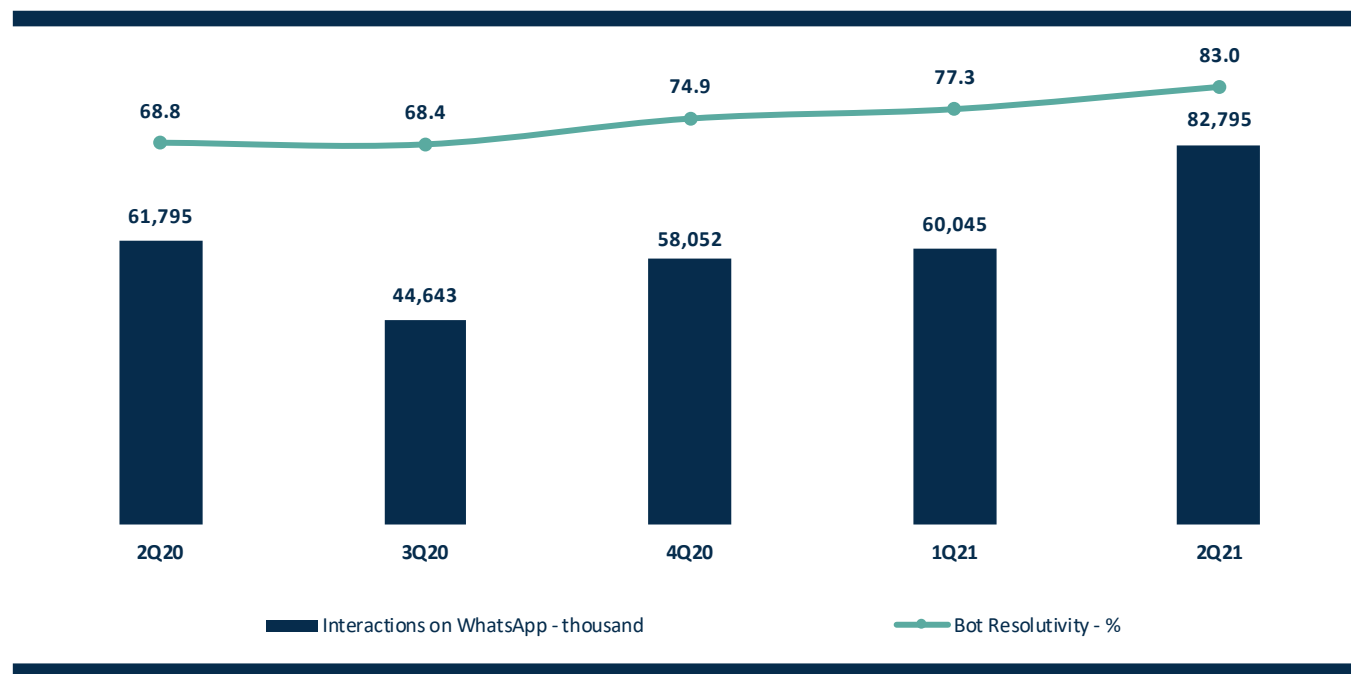
In the Agribusiness segment, the analysis of satellite images with Mappiá has optimized the remote monitoring of crops. Mappiá objective is to offer new services to clients and improvements in the Bank's processes by applying techniques in Computer Vision. The premises of the business model of each Mappiá service are that the customer produces more and that Banco do Brasil has a broader vision and periodic remote monitoring of the financed crops.

Digital customer service also gained more AI features. Text analysis started to help BB Technical Support to automatically classify the high volume of daily emails. Telephone services now have Cognitive URA, an automated service capable of understanding the language naturally spoken by customers. In addition to speech comprehension, this innovation already answers credit card and BB branch information.

BB Virtual Assistant extended the renegotiation of debts on WhatsApp to CDC operations - Direct Consumer Credit. In addition to the process automatically conducted by messages on the channel, the solution has a team of specialists to assist customers in their agreements in an integrated experience.



Figure 15. Interactions on WhatsApp X Bot Reluctivity



Analytical Intelligence

The Banco do Brasil remains focused on the purpose of consolidating the analytical culture throughout the Banco do Brasil conglomerate. To this end, several actions were developed in the second quarter to increase knowledge about data science and value creation, through analytical initiatives aligned with strategic themes with the greatest impact on customer experience, maximization of results and sustainability.

To expand the generation of value, interactions were carried out with the Bank's various business areas and the development of analytical initiatives related to topics highlighted in the financial market, such as Open Banking, was strengthened.

As a way to promote the escalation of the Data Driven Culture to all areas of the Bank, the expansion of knowledge in Analytics was driven by two new teaching platforms (Alura and Coursera), new trainings contracted with MIT and USP and promotion of the BB Data Driven Program, which encompasses communication actions, engagement of the internal public, training and experimentation in data science to generate value for the business. With this, we closed the first half of 2021 with seven partnerships with recognized institutions in the market in teaching knowledge trails in Analytics and more than 1300 employees covered by the training offered.



Virtual Assistants

With an eye on the future and realizing the advancement of Artificial Intelligence and new technologies, BB created the Digital Service Center – CAD BB. The area, created in early 2020, grew in 2021 and is responsible for curating chatbots and serving virtual assistants.

Chatbots have been constantly evolving and reinforcing their importance in customer service in various channels, such as WhatsApp, Google Assistant, Facebook, Twitter, BB Portfolio and in self-service over the Internet.

The use of artificial intelligence has contributed to integrating physical and digital services, offering information and banking transactions to Individual and Corporate clients in a quick, practical and secure manner. The technology also allows the service of non-account holders, providing various information such as social benefits or clarifying doubts about products and services.

In addition to transactions such as balances, statements and queries, through BB's chatbots it is possible to make bill payments and bank slips, transfers between accounts and Pix, debt renegotiation, cell phone recharges.

In the quarter, new features were also launched in the WhatsApp channel, such as the possibility of active contact (managers can provide customer service through the channel), availability of billing transactions for companies and the possibility of requesting portability of INSS benefits. The possibility of simulating and contracting loans directly through the channel, without the need for telephone or face-to-face service, is already being piloted.

Voice assistants are also prepared to interact and answer the main questions about Open Banking.

Voice resources are available on WhatsApp and Google Assistant, also contributing to the accessibility of customers who have difficulty writing or simply prefer to send audios. Soon, the assistant will also be available on Alexa.

In 2Q21, the number of clients with access to virtual assistants grew and we reached 6.5 million active clients, with more than 89 million interactions and 8.6 million assistances.

Aware of the growing trend in the use of chatbots in the future of the financial industry, BB is permanently investing in training the team and in tools that can support the operation and allow for the improvement of service in the channels.



2021 Guidance

Table 7. 2021 Guidance

	2021 Guidance	1H21 Performance	Revised Guidance
Adjusted Net Income - R\$ billion	16.0 to 19.0	10.0	17.0 to 20.0
Net Interest Income - %	2.5 to 6.5	2.1	1.0 to 4.0
Loan Portfolio¹ - %	8.0 to 12.0	8.9	Unchanged
Retail² - %	9.0 to 13.0	14.6	Unchanged
Wholesale³ - %	7.0 to 11.0	-7.1	3.0 to 7.0
Rural - %	7.0 to 11.0	15.0	11.0 to 15.0
Fee Income - %	-1.5 to 1.5	0.4	Unchanged
Administrative Expenses - %	-1.5 to 1.5	-0.2	Unchanged
ALLL Expanded View - R\$ billion	-17.0 to -14.0	-5.4	-15.0 to -13.0

(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 1H21, the following indicators deviated from what was expected for the year:

- a) **Net Interest Income:** Performance influenced by the Average Selic Rate (TMS) increase above projected and its impacts on financial expenses;
- b) **Retail:** Portfolio impacted by the positive performance of payroll loans;
- c) **Wholesale:** Performance influenced by early settlements;
- d) **Rural:** Performance impacted by higher demand in the segment.