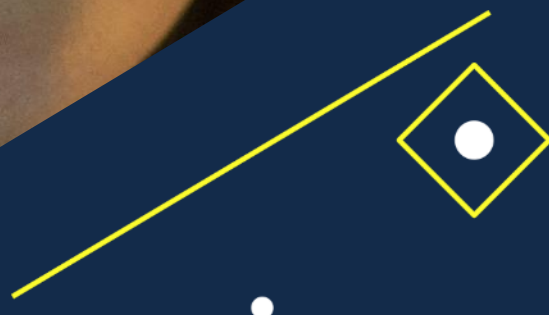




Banco do Brasil S.A.

MD&A
3Q21





This report makes references and statements about expectations, planned synergies, growth estimates, earnings projections and future strategies projections regarding Banco do Brasil's Conglomerate. Such statements are based on current expectations, estimates and projections of management about future events and financial trends that may affect the business of the Group.

These references and statements are not guarantees of future performance and involve risks and uncertainties that could extrapolate the control of management, and thus can result in balances and values different from those anticipated and discussed in this report. The expectations and projections depend of the market conditions (technological changes, competitive pressures on products, prices, etc.), the macroeconomic performance of the country (interest and exchange rates, political and economic changes, inflation, changes in tax legislation, etc.) and international markets.

Future expectations based in this report should consider the risks and uncertainties about the business of the Group. Banco do Brasil has no responsibility to update any estimate contained in reports published in previous periods.

The tables and charts in this report show, in addition to the accounting balances and values, financial and managerial numbers. The changes of relative rates are calculated before rounding procedure in million of R\$. Rounding used follows the rules established by Resolution 886/66 of IBGE's Foundation: if the decimal number is equal or greater than 0.5, it increases by one unit, if the decimal number is less than 0.5, there is no increase.



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Presentation

The Management Discussion and Analysis Report (MD&A) presents Banco do Brasil's economic/financial situation. Addressed to market analysts, stockholders and investors with quarterly periodicity. The reader will see tables with historical series (up to eight periods) of the Balance Sheet, Income Statement with Reallocations, besides information about profitability, productivity, loan portfolio quality, capital structure, capital market, and structural data.

At the end of this report, are presented the Financial Statements and the Notes to the Financial Statements. All the documents are available at Investor Relations website (www.bb.com.br/ir).



Highlights

- ▶ In Chapter 3, Fee Income, we present new figures with quarterly and accumulated changes, highlighting the main segments that influenced the result of the line.



On-line Access

The Management Discussion and Analysis report can be read at Banco do Brasil's Investor Relations website. More information about the Company is available on the website, such as structural information, corporate governance e sustainability, material facts and information to the market, presentation, corporate events, among others. You can check all documents about earnings release on Results Center as well as download them in the Investor Kit.

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Highlights

**Adjusted Net
Income**

R\$5.1 billion

in 3Q21 and

R\$15.1 billion

in 9M21

+2.0% over the
2Q21 and **+48.1%**
over the 9M20





Net Interest Income

+9.0% (3Q21/2Q21)

+5.3% (9M21/9M20)

R\$15.7 billion

in 3Q21 and

R\$44.6 billion

in 9M21



Loan Portfolio
Expanded View
reached **R\$814.2
billion** in Sep/21

+6.2% over
Jun/21 and
+11.4% over
Sep/20

13.17%
Common
Equity
Tier 1 (CET1)

BIS Ratio
19.34%



Administrative Expenses

+0.7% (3Q21/2Q21)

+0.2% (9M21/9M20)

**Cost-to-
Income Ratio**
35.9% in 3Q21



+3.2%
over 2Q21 and
+1.0%
over 9M20

Fee Income
reached
R\$7.4 bi
in 3Q21 and
R\$21.5 bi
in 9M21





Earnings Summary

Banco do Brasil adjusted net income was R\$5.1 billion in the 3Q21, up 2.0% over 2Q21 and 47.6% over 3Q20. The Market ROE in the quarter was 14.3%.

In comparison with 2Q21 the result was positively influenced by the positive performance in the Net Interest Income (+9.0%) and Fee Income (3.2%) and by the increase in the Alll Expanded View (36.7%).

In the first nine months of 2021, BB recorded Adjusted Net Income of R\$15.1 billion, an increase of 48.1% if compared to 9M20. This increase is mainly due to the stability of administrative expenses, the reduction in Alll Expanded View 44.4% and the increase in the Net Interest Income and Fee Income by 5.3% and 1.0%, respectively. The Market ROE in the 9M21 was 15.0%.



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

| | 3Q20 | 2Q21 | 3Q21 | Chg. % | | 9M20 | 9M21 | Chg. % |
|---|----------------|----------------|----------------|---------------|---------------|-----------------|-----------------|---------------|
| | | | | 3Q20 | 2Q21 | | | |
| Net Interest Income | 14,017 | 14,384 | 15,683 | 11.9 | 9.0 | 42,375 | 44,631 | 5.3 |
| ALLL Expanded View | (5,508) | (2,870) | (3,924) | (28.8) | 36.7 | (16,766) | (9,317) | (44.4) |
| ALLL Expenses - Credit Risk | (6,575) | (3,839) | (5,512) | (16.2) | 43.6 | (18,993) | (12,638) | (33.5) |
| ALLL Expenses - Recovery of Write-offs | 2,283 | 1,899 | 2,213 | (3.0) | 16.6 | 5,459 | 5,858 | 7.3 |
| ALLL Expenses - Discounts Granted | (281) | (690) | (401) | 42.5 | (41.9) | (761) | (1,828) | 140.1 |
| ALLL Expenses - Impairment | (935) | (239) | (224) | (76.0) | (6.3) | (2,470) | (710) | (71.3) |
| Net Financial Margin | 8,509 | 11,514 | 11,759 | 38.2 | 2.1 | 25,610 | 35,314 | 37.9 |
| Fee income | 7,281 | 7,206 | 7,438 | 2.2 | 3.2 | 21,313 | 21,522 | 1.0 |
| Administrative Expenses | (7,835) | (7,857) | (7,915) | 1.0 | 0.7 | (23,456) | (23,509) | 0.2 |
| Legal Risk¹ | (809) | (1,657) | (1,696) | 109.5 | 2.3 | (2,445) | (4,946) | 102.3 |
| Other Operating Income² | (1,791) | (2,061) | (1,228) | (31.4) | (40.4) | (5,209) | (5,794) | 11.2 |
| Income Before Taxes | 5,354 | 7,144 | 8,359 | 56.1 | 17.0 | 15,813 | 22,586 | 42.8 |
| Income and Social Contribution Taxes | (992) | (1,113) | (2,189) | 120.7 | 96.6 | (3,116) | (4,472) | 43.5 |
| Corporate Profit Sharing | (442) | (679) | (633) | 43.3 | (6.8) | (1,304) | (1,912) | 46.6 |
| Adjusted Net Income³ | 3,482 | 5,039 | 5,139 | 47.6 | 2.0 | 10,189 | 15,091 | 48.1 |
| One-Off Items | (397) | 485 | (530) | 33.4 | - | (690) | (732) | 6.1 |
| Net Income | 3,085 | 5,524 | 4,609 | 49.4 | (16.6) | 9,498 | 14,358 | 51.2 |
| Market ROE - % | 12.0 | 14.4 | 14.3 | | | 12.0 | 15.0 | |
| Adjusted ROE - % | 10.4 | 14.3 | 14.3 | | | 10.3 | 14.2 | |
| Shareholders' ROE - % | 12.9 | 15.3 | 15.1 | | | 12.9 | 15.9 | |

(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

| | 3Q20 | 2Q21 | 3Q21 | Chg. % | | 9M20 | 9M21 | Chg. % |
|---|-----------------|-----------------|-----------------|---------------|-------------|-----------------|-----------------|---------------|
| | | | | 3Q20 | 2Q21 | | | |
| Total Operating Income (Banking Product) | 23,310 | 23,542 | 26,408 | 13.3 | 12.2 | 69,445 | 73,631 | 6.0 |
| Operating Income | 23,162 | 23,111 | 25,268 | 9.1 | 9.3 | 69,321 | 71,635 | 3.3 |
| Net Interest Income | 14,017 | 14,384 | 15,683 | 11.9 | 9.0 | 42,375 | 44,631 | 5.3 |
| Fee Income | 7,281 | 7,206 | 7,438 | 2.2 | 3.2 | 21,313 | 21,522 | 1.0 |
| Eq. Interest of Subsidiaries and Affiliates | 782 | 668 | 851 | 8.8 | 27.4 | 2,171 | 2,396 | 10.3 |
| Other Operating Income | 1,083 | 853 | 1,296 | 19.6 | 51.8 | 3,462 | 3,087 | (10.8) |
| Previ - Plano de Benefícios 1 | (123) | 116 | 698 | - | - | (403) | 929 | - |
| Previ - Fundo de Utilização Restatement | 271 | 315 | 442 | 63.3 | 40.5 | 527 | 1,067 | 102.3 |
| Total Operating Expenses | (12,491) | (13,575) | (14,189) | 13.6 | 4.5 | (37,024) | (41,962) | 13.3 |
| Administrative Expenses | (7,835) | (7,857) | (7,915) | 1.0 | 0.7 | (23,456) | (23,509) | 0.2 |
| Personnel Expenses | (4,986) | (4,961) | (5,000) | 0.3 | 0.8 | (14,913) | (14,949) | 0.2 |
| Other Administrative Expenses | (2,849) | (2,897) | (2,915) | 2.3 | 0.6 | (8,542) | (8,560) | 0.2 |
| Other Tax Expenses | (1,347) | (1,497) | (1,534) | 13.9 | 2.4 | (3,878) | (4,403) | 13.5 |
| Legal Risk | (809) | (1,657) | (1,696) | 109.5 | 2.3 | (2,445) | (4,946) | 102.3 |
| Other Provisions | (134) | 24 | (16) | (88.3) | - | (221) | (155) | (29.8) |
| Other Operating Expenses | (2,365) | (2,587) | (3,029) | 28.1 | 17.1 | (7,024) | (8,949) | 27.4 |
| Non-Operating Income | 43 | 48 | 64 | 49.1 | 34.0 | 157 | 235 | 48.9 |
| Pre-Tax and Pre-Provision Earnings | 10,862 | 10,014 | 12,283 | 13.1 | 22.7 | 32,578 | 31,904 | (2.1) |



Net Interest Income

Net Interest Income (NII) totaled R\$15.7 billion in 3Q21, increase was 11.9% and 9.0% in the annual (3Q21/3Q20) and quarterly (3Q21/2Q21) comparisons, respectively. In the accumulated comparison, NII totaled R\$44.6 billion, up 5.3% over 9M20.

In QoQ, positive variation is explained by the 14.8% increase in financial income (+6.1% in loan operations and +65.0% in treasury income). In the period, loan

operations income was favored by the classified portfolio's growth (+5.6%) and treasury income was mainly boosted by the increase of interest income from bonds and securities (+37.1%).

In the accumulated comparison, positive variation is explained by the 7.2% increase in financial income (+4.8% in loan operations and +20.8% in treasury income), partially offset by the 25.2% increase in commercial funding expenses.

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

| | 3Q20 | 2Q21 | 3Q21 | Chg. % | | 9M20 | 9M21 | Chg. % |
|--|---------------|---------------|---------------|-------------|------------|---------------|---------------|------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Net Interest Income | 14,017 | 14,384 | 15,683 | 11.9 | 9.0 | 42,375 | 44,631 | 5.3 |
| Loan Operations | 16,930 | 18,107 | 19,212 | 13.5 | 6.1 | 52,117 | 54,603 | 4.8 |
| Funding Expenses | (3,095) | (4,525) | (6,328) | 104.5 | 39.9 | (11,278) | (14,118) | 25.2 |
| Financial Expense for Institutional Funding ¹ | (2,587) | (2,355) | (2,409) | (6.9) | 2.3 | (7,890) | (7,239) | (8.3) |
| Treasury ² | 2,768 | 3,157 | 5,209 | 88.2 | 65.0 | 9,427 | 11,385 | 20.8 |
| NIM - %³ | 3.7 | 3.6 | 3.7 | | | | | |
| Risk Adjusted NIM - % | 2.2 | 2.9 | 2.8 | | | | | |

(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

A ALLL expanded view composed by the net ALLL expenses, plus discounts granted and impairment, was R\$3.9 billion on 3Q21. In the year ALLL expenses was R\$9.3 billion, down 44.4% over 9M20. Below, the behaviors of the lines that are part of the index:

Table 4. ALLL Expanded View – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. % | | 9M20 | 9M21 | Chg. % |
|--|----------------|----------------|----------------|---------------|-------------|-----------------|----------------|---------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| ALLL Expanded View | (5,508) | (2,870) | (3,924) | (28.8) | 36.7 | (16,766) | (9,317) | (44.4) |
| ALLL Expenses - Credit Risk | (6,575) | (3,839) | (5,512) | (16.2) | 43.6 | (18,993) | (12,638) | (33.5) |
| ALLL Expenses - Recovery of Write-offs | 2,283 | 1,899 | 2,213 | (3.0) | 16.6 | 5,459 | 5,858 | 7.3 |
| ALLL Expenses - Discounts Granted | (281) | (690) | (401) | 42.5 | (41.9) | (761) | (1,828) | 140.1 |
| ALLL Expenses - Impairment | (935) | (239) | (224) | (76.0) | (6.3) | (2,470) | (710) | (71.3) |

Credit Risk: Up 43.6% on the quarter, reaching similar levels observed before the pandemic and in line with the growth of the portfolio, and reduction of 33.5% compared to 9M20, justified by the prudential advances made throughout 2020 in the amount of R\$8.1 billion.

Recovery of Write-Offs: Up 16.6% on the quarter and 7.3% accumulated in nine months compared to the same period of the previous year. The volume recovered in 3Q21 maintained an increasing trajectory.

Discounts Granted: Down 41.9% on the quarter and up 140.1% over 9M20, influenced by the new recovery strategies for non-performing assets.

Impairment: Down 6.3% on the quarter and 71.3% over 9M20.



Fee Income

Fee income was R\$7.4 billion in 3Q21, 3.2% up QoQ, with emphasis on the performance of asset management (+9.9%), insurance, pension plans and premium bonds (+6.0%) and consortium fees (+11.7%).

In the 9-month accumulated view, the 1.0% growth, which is within the range of corporate projections, was influenced by the commercial performance in the asset management (+7.6%), insurance (+10.5%), consortium (+27.1%) and collections (+7.5%), which offset the reduction in checking account fees (-16.8%).

Table 5. Fee Income – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. % | | 9M20 | 9M21 | Chg. % |
|--|--------------|--------------|--------------|------------|------------|---------------|---------------|------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Fee Income | 7,281 | 7,206 | 7,438 | 2.2 | 3.2 | 21,313 | 21,522 | 1.0 |
| Asset Management | 1,699 | 1,812 | 1,990 | 17.1 | 9.9 | 5,095 | 5,482 | 7.6 |
| Checking Account | 1,821 | 1,539 | 1,536 | (15.7) | (0.2) | 5,662 | 4,708 | (16.8) |
| Insurance, P. Plans and Premium Bonds | 1,078 | 1,080 | 1,145 | 6.2 | 6.0 | 2,939 | 3,248 | 10.5 |
| Credit/Debit Cards | 528 | 510 | 526 | (0.3) | 3.2 | 1,532 | 1,552 | 1.3 |
| Consortium | 388 | 427 | 477 | 23.0 | 11.7 | 1,014 | 1,289 | 27.1 |
| Collections | 360 | 362 | 360 | (0.1) | (0.5) | 1,010 | 1,087 | 7.5 |
| Loan Fees | 439 | 448 | 441 | 0.6 | (1.4) | 1,191 | 1,249 | 4.8 |
| Billings | 235 | 243 | 249 | 6.0 | 2.3 | 721 | 734 | 1.9 |
| Subsidiaries Abroad | 187 | 192 | 191 | 2.0 | (0.9) | 528 | 556 | 5.3 |
| Contract Processing | 150 | 183 | 172 | 14.6 | (6.0) | 463 | 517 | 11.6 |
| Nat. Treasury and Manag. of Official Funds | 94 | 88 | 91 | (3.1) | 3.5 | 290 | 274 | (5.4) |
| Capital Market | 143 | 126 | 86 | (40.0) | (31.9) | 355 | 280 | (21.0) |
| Foreign Exchange Services | 67 | 69 | 70 | 4.5 | 1.9 | 225 | 205 | (8.8) |
| Other | 93 | 128 | 105 | 12.8 | (18.1) | 287 | 339 | 18.1 |



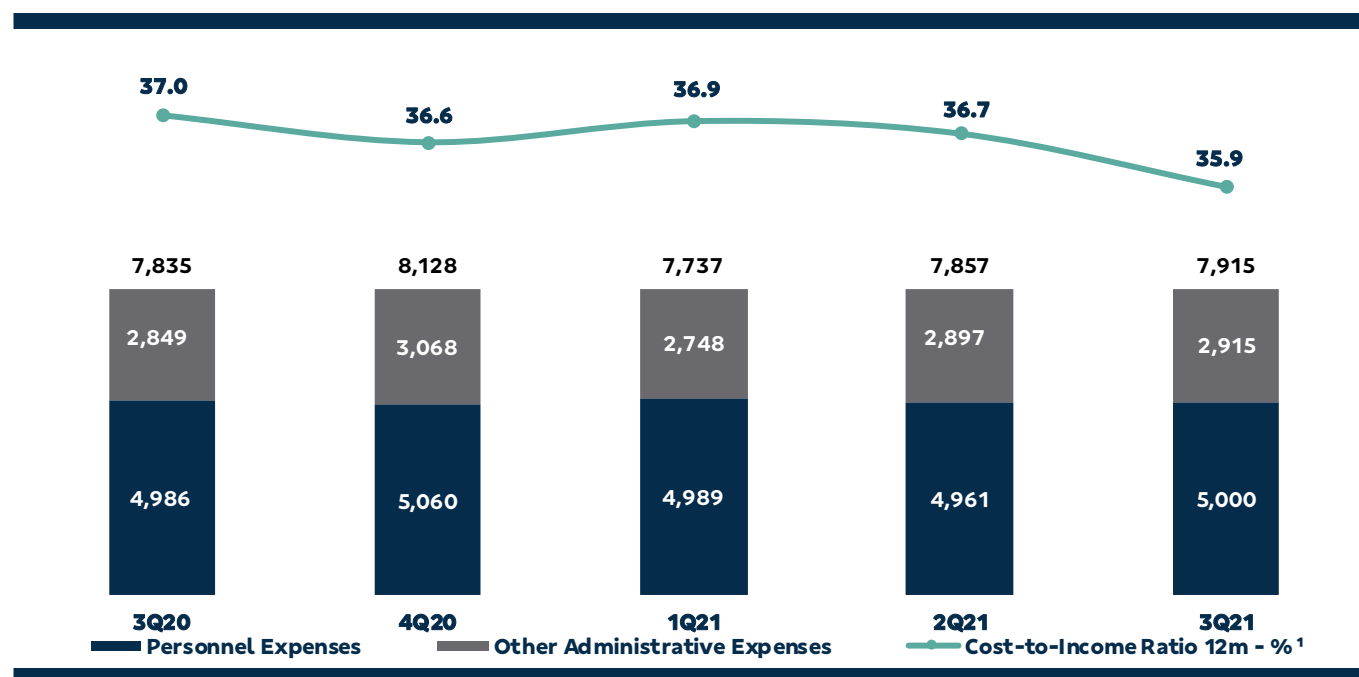
Administrative Expenses and Cost-to-Income Ratio

In 3Q21, administrative expenses was R\$7.9 billion, 0.7% up QoQ, mainly influenced by the increase in personnel expenses, due to the salary readjustment of 10.97% granted to bank employees as of September/2021, in line with the Collective Bargaining Agreement 2020/2022.

In the nine month comparison, expenses were practically stable (+0.2%), remaining within the range of the 2021 guidance, which reinforces the commitment to cost control.

The cost-to-income Ratio accumulated in 12 months was 35.9%, the best ratio in the historical series, reflecting the combination of cost control with increased revenue in the period.

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 September/21, the BIS Ratio was 19.34% and the Tier I was 16.54%, being 13.17% of Common Equity Tier 1 (CET1).

Figure 2. BIS Ratio – %

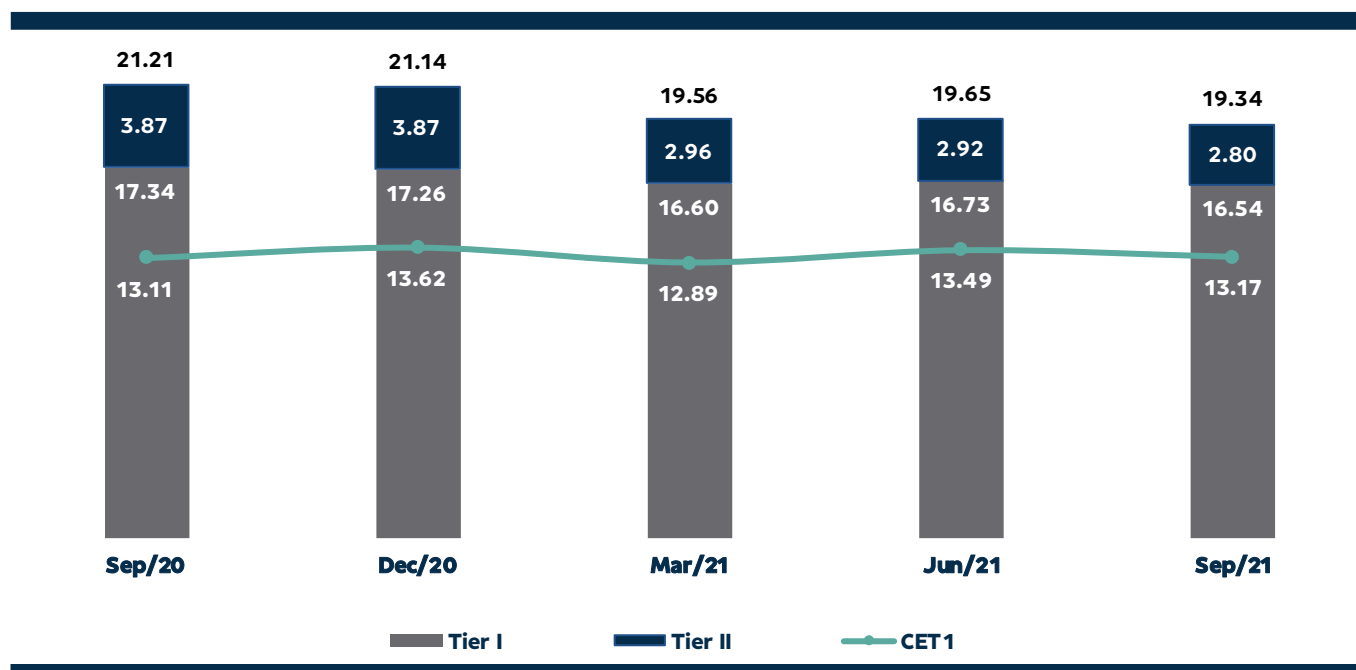
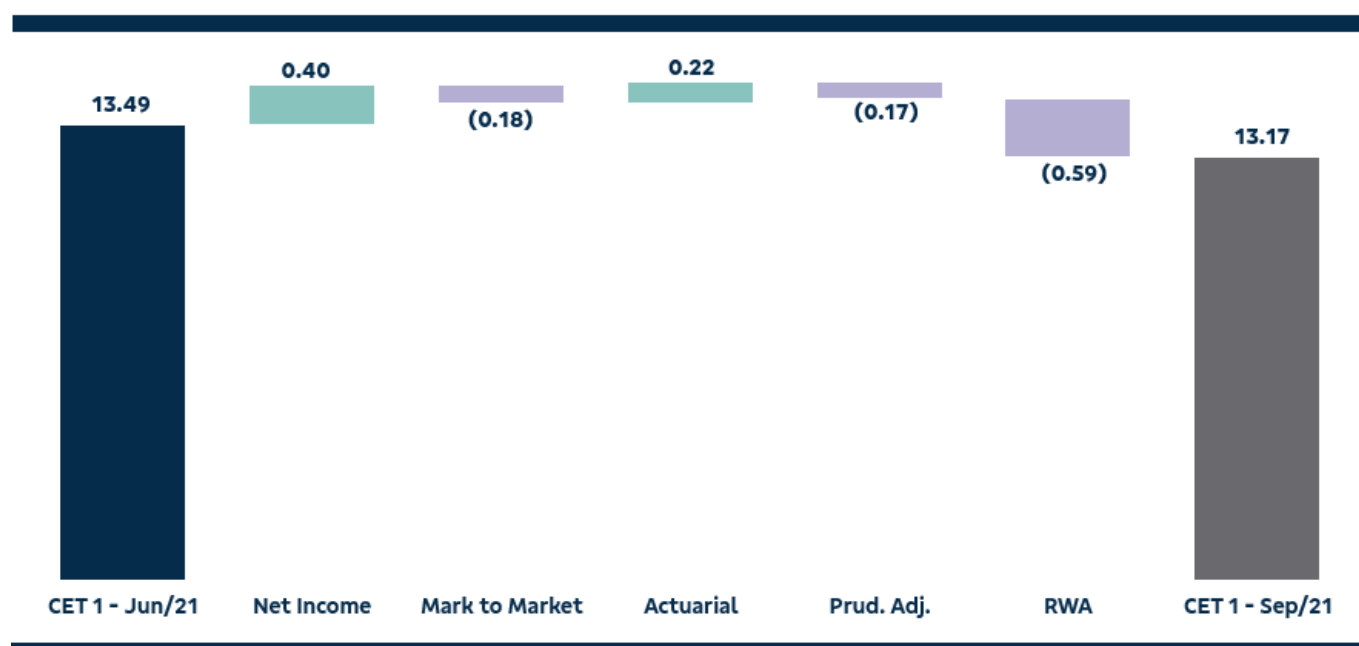




Figure 3. Changes in Common Equity Tier 1 (CET1)- %



Loan Portfolio

The loan portfolio expanded view, which includes in addition to the classified loan portfolio, private securities and guarantees, was R\$814.2 billion in September/21, up 6.2% over June/21, with emphasis on individuals, SME and agribusiness operations.

Over September/20 (+11.4%), highlight to the return of Individuals (+14.2%), SME (+24.6%) and Agribusiness (+18.5%).

The individual portfolio grew 5,7% on the quarter, mainly due to the positive performance in payroll loan (+4.4%), credit card (+19.3%) and in consumer finance (+9.6%).

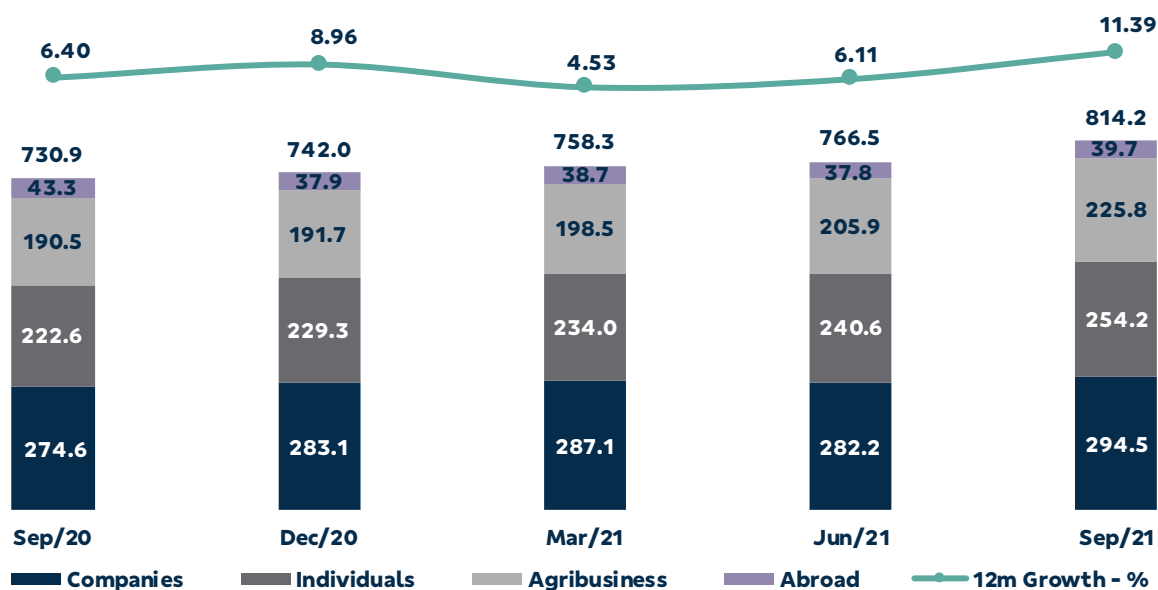
In the companies segment there was a growth of 4.3%. Highlight to the increase of the SME portfolio (+10.0%), influenced by the disbursements of R\$8.1 billion in the Pronampe lines. The corporate portfolio, on the other hand, was impacted by liquidations and

the focus on alternatives in the capital markets. Although the large company portfolio has been reduced in relation to June/21, there has been a growth in operations with companies with revenues between R\$ 200 million and R\$ 800 million, contributing positively to the portfolio mix.

In agribusiness growth of 9.7% over June/21, with highlight to the capital for input purchase (+10.9%), to lines of investment and agricultural selling, (+14.2% and +23.2%, respectively) and industrialization (+270.2%). Agribusiness securities also performed positively, mainly CDCA (+159.5%).

In addition to the high demand, the strong performance is the result of BB's historical role with the entire agribusiness value chain, with specialized service, dedicated professionals, technical knowledge and relationship and national capillarity.

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

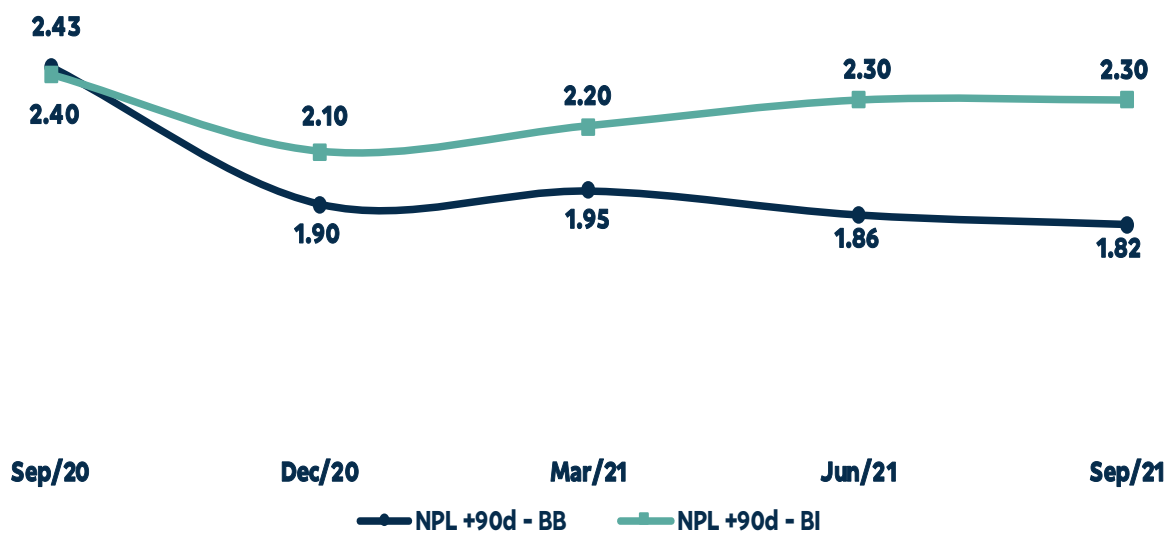




Credit Quality

The NPL +90d (ratio between transactions more than 90 days overdue and the classified loan portfolio balance), showed decrease over march and was 1.82% in September/21, remaining below the market average.

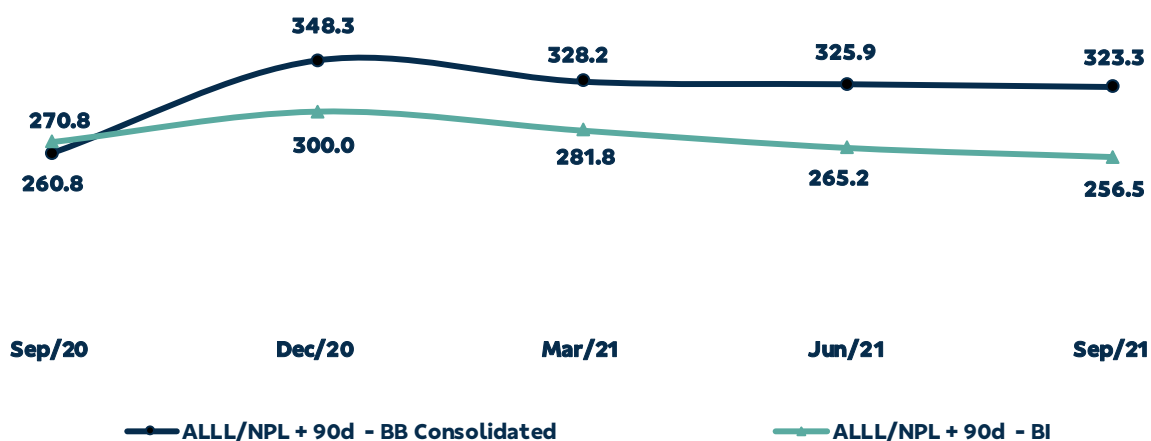
Figure 5. NPL +90d - %





The Bank maintains coverage compatible with the risk profile of its portfolio. The coverage ratio went from 325.9% in June/21 to 323.3% in September/21.

Figure 6. Coverage Index¹– %



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



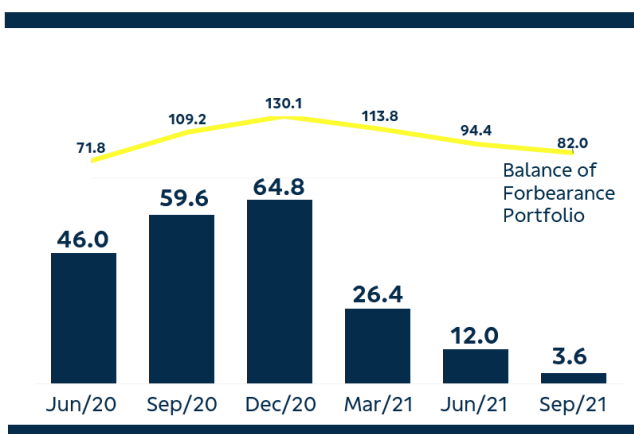
Support to customers in times of pandemic

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

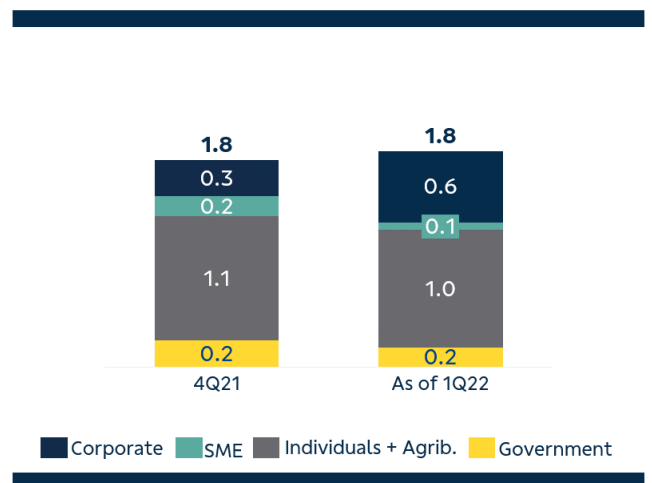
The balance of the active Forbearance Loan Portfolio operations decreased to R\$82.0 billion in September/21, with amortization and settlement in the period, which represents 11.5% of the domestic loan portfolio, R\$3.6 billion remain in grace period. Of this amount, 91.5% of the operations have a rating between AA and C and 97.6% of the transactions had no history of overdue in the last 12 months. The NPL +15d was 3.73% and the NPL +90d was 2.29%. In addition, 70.6% of the operations have guarantees. The average relationship time of the customers who extended operations is 17.6 years.

Figure 7. Grace periods – R\$ billion



The following figure shows the maturities of the Forbearance Loan Portfolio. In 4Q21, 49% of the Forbearance Loan Portfolio, or R\$1.8 billion, will expire.

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





2021 Guidance

Banco do Brasil revised its corporate projections to better represent management's expectations, as follows:

Table 6. 2021 Guidance

| | 2021 Guidance | 9M21 Performance | Revised Guidance |
|-----------------------------------|----------------|------------------|------------------|
| Adjusted Net Income - R\$ billion | 17.0 to 20.0 | 15.1 | 19.0 to 21.0 |
| Net Interest Income - % | 1.0 to 4.0 | 5.3 | 4.0 to 6.0 |
| Loan Portfolio ¹ - % | 8.0 to 12.0 | 14.1 | 14.0 to 16.0 |
| Retail ² - % | 9.0 to 13.0 | 17.2 | 12.5 to 14.5 |
| Wholesale ³ - % | 3.0 to 7.0 | -4.0 | 0.0 to 2.0 |
| Rural - % | 11.0 to 15.0 | 24.8 | 29.0 to 31.0 |
| Fee Income - % | -1.5 to 1.5 | 1.0 | Unchanged |
| Administrative Expenses - % | -1.5 to 1.5 | 0.2 | Unchanged |
| ALLL Expanded View - R\$ billion | -15.0 to -13.0 | -9.3 | Unchanged |

(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 9M21, the following indicators deviated from what was expected for the year:

- Net Interest Income:** growth influenced by the treasury result and the growth of the loan portfolio;
- Loan Portfolio:** growth influenced Retail and Rural performance;
- Retail:** growth due to the positive performance of payroll loans and credit cards for individuals and the MPME portfolio, through Pronampe;
- Wholesale:** performance influenced by early settlements;
- Rural:** performance reflects the good performance of the segment.



Sustainability

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

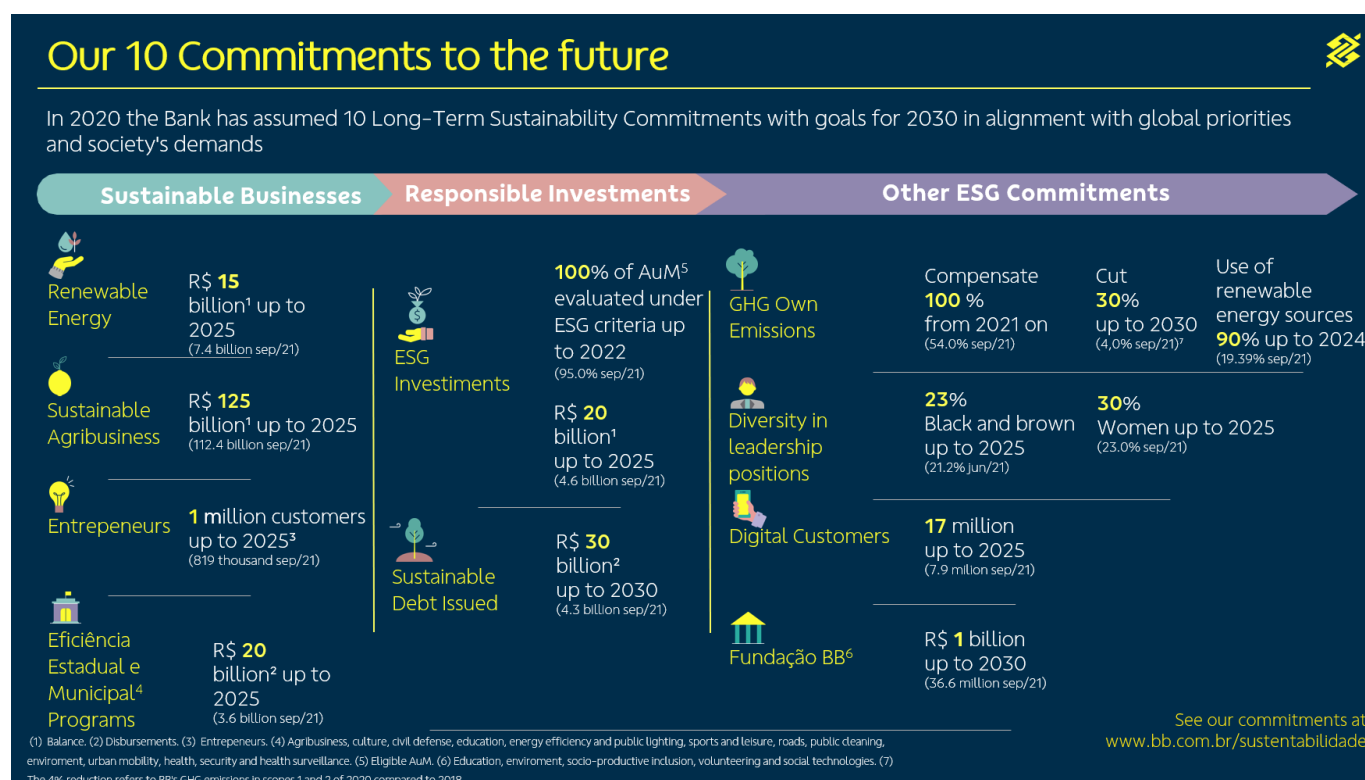
At BB we believe in ability to develop and offer products and services inserted in a low-carbon and inclusive economy, adding greater levels of quality and innovation as we serve our customers and lessen our social and environmental impact, strengthen corporate governance, ethics-based management and 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 and so far it has already promoted a total volume of renewable energy of R\$7.4 billion.

In addition, we started to use energy from renewable sources in 31 administrative buildings through the Free Contracting Environment (FCE). With this, we achieved an accumulated savings of R\$15.6 million (2019/2021), with the expectation of achieving savings of R\$50 million by 2024.

To expand the ACL project, we will study 652 Medium Voltage (A4) consumer units and aim to achieve 68% of BB's consumption through renewable sources by December 2024. We estimate our savings with electricity costs will exceed R\$33 million.

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



Our strategy, in addition to reducing energy consumption, is to continue investing in a cleaner and renewable energy self-generation matrix, with a positive impact on the environment and society, and at the same time, with the scale of production by the energy plants, reduce the number of certificates acquired until we reach organic compensation.

Still focusing on energy efficiency, we installed an IoT (internet of things) solution to monitor the operation of HVAC systems, UPS and lighting, in addition to electricity and water consumption, in 300 branches in 2021. Our goal is to achieve a 15% reduction in energy consumption in said facilities.

In addition to the Solar Power Plant in Porteirinha (MG), BB also owns a power plant in São Domingos do Araguaia (PA). By the end of the year, within the scope of the Distributed Generation (GD) project, bidding procedures will be carried out for the construction of 19 new plants. In 2022, eight plants are likely to open in Bahia, Goiás, Distrito Federal, Ceará, São Paulo, Paraná, Santa Catarina, and a second plant in Minas Gerais.

When all GD projects are completed, with 29 units delivered by 2023, approximately 110 GWh of energy will be generated per year. Said energy corresponds

to the consumption of 48.7 thousand middle class households – with likely savings of R\$561 million. With these measures, BB will guarantee the use of renewable sources in more than 22% of its electrical matrix, besides refraining from emitting around 5.9 thousand tons of carbon dioxide per year, which is equivalent to the planting of approximately 16 .5 thousand trees.

Thus, around 117 thousand renewable energy certificates under the I-REC standard may be used to offset BB's emissions. In addition, we are likely to reach 90% of the electrical matrix in renewable sources, considering both the GD (22%) and ACL (68%) projects.

BB Papel Zero program reduced by 3.9% the number of printed documents from January to September/2021, compared to the same period in the previous year. The project decreased printing expenses by R\$7.8 million in the same period.

These initiatives reinforce BB's historic commitment to sustainability in its broadest sense and allow it to evolve and obtain recognition in global and national sustainability indexes, rankings, and ratings, such as the ISE B3, the DJSI, the FTSE4, among others.

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



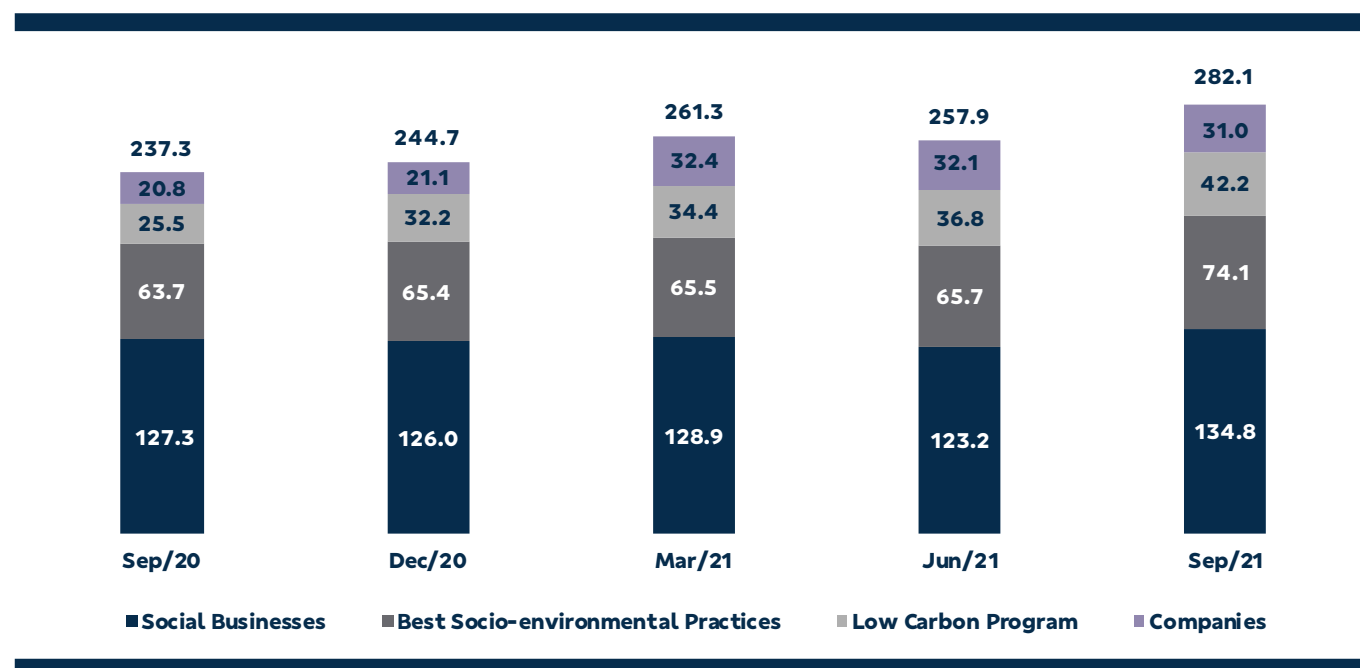
framework, which serves to measure and identify resources allocated to sectors of the Green Economy and businesses with positive environmental and social impact. We submitted the review to an independent assessment by consulting firm Sitawi – Finanças do Bem, who issued a second opinion based on the 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 September/21, the portfolio exceeded three million active operations and presented a balance of \$282.1 billion, quarterly increase of 18.9%, in 12 months, highlighting Best Socio-environmental Practices (+16.3%) and low carbon agriculture (+65.4%), reinforcing our transforming role in the country's development and to ensure an increasingly sustainable future.

Figure 10. Sustainable Portfolio – R\$ billion



Investment ESG

We have been working to engage our clients to invest in sustainable assets, offering a diverse range of products that combine profitability with the best environmental, social, and governance practices.

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 15 funds ESG funds, a net worth of R\$4.4 billion, an increase of 6.5% in relation to June/21 and 182.7% in relation to September/20. In relation to the



total resources managed by BB DTVM, 95.0% assets under management were valued according to ESG aspects at the end of 3Q21.

We highlight the launch of LCA Verde, whose resources are directed exclusively to low-carbon agriculture transactions, renewable energy, and other lines that meet the ESG criteria provided for in BB's Sustainable Finance Framework. The product complements our ESG investment solution portfolio, whose demand has been growing as investors seek diversification strategies that are consistent with their values and market trends. In three months, the LCA Verde has already raised R\$158.4 million.

Always looking for the best ways to serve investor clients, we associate the offering of sustainable investments with financial education. We offer a complete and secure digital consultancy, which includes information and knowledge actions through digital media. The InvesTalk playlist, available on BB's YouTube channel since 2019, has a range of investment suggestions, economic scenario, market analysis, tips, chats, among others, disseminating quality information and focusing on each investor's previous experience at an arm's length and in a simple

way. We recently covered ESG investments in both InvesTalk and Deseconomês, a series of videos created to show the world of investments in a light and easy way, translating financial market expressions for those thinking about starting to invest.

We also provide digital advice on Spotify, through podcasts, including daily analysis. Any client can also access investment suggestions, reports and market analyses produced by Banco do Brasil specialists at bb.com.br/carteirasugerida, including a suggested portfolio of companies that follow the highest standards of sustainability and will likely improve their value.

Upon integrating ESG factors into the recommendation reports and analysis developed by our research team, we started to closely monitor the topic, and select shares from companies that have been successful in aligning their businesses to sustainable and socially responsible practices. The BB ESG Portfolio (Carteira BB ESG) ended its second month of existence with a performance of 1.05 percentage point above the benchmark (ISE B3).

To learn more about Banco do Brasil's ESG investment products, please visit us at bb.com.br/asg.



Customer Experience

The vision of Banco do Brasil's customer strategy is focused on the use of analytical intelligence applied to customer knowledge, allowing for even more relationship personalization, generating good experiences and relevance, so that customers have access to a highly specialized bank, with products, services and advice tailored to your needs.

Look at the customer in a more complete way, breaking the traditional segmentation barriers, going beyond the use of social and demographic data, knowing their interests, consumption habits, lifestyle, values, affinities, knowing and valuing what is important for each one of us is what will increasingly differentiate the way we interact and serve our customers, going beyond the banking core.

The service and channels strategy has sought to align with the customers behavior and preferences, offering points of contact according to convenience, integrating the mix of channels for the best experience wherever the customer prefers. In addition, the bank has added new service structures, proprietary or through partners, in an integrated manner with digital platforms.

In recent years, there was a significant evolution in the customer transactions migration to digital channels. At the same time, human contact remains relevant, either physically or remotely, for advice, closing deals and more complex demands.

Complementarity is necessary for the experience to be fluid, whether in digital self-service, in-person or remote service.

In the first half of 2021, Banco do Brasil optimized operating models, migrating to lighter and more specialized structures. We expanded the individual

customers base, who now have managed service in more than 1.4 million customers, reaching the mark of more than 7 million customers as of Sep/21.

In this context BB 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 between manager to client in a secure ambient, delivering more timely service, safety, in addition to helping improve service efficiency and the experience of these customers.

Another segment in which the Bank has invested in expanding its specialization is Private, in which BB has operated for 17 years. In 2021, seven Private offices began to be dedicated to rural megaproducers, with services dedicated to this niche throughout the entire Brazilian territory. There are eight already.

Recommendation strategies, guided by insights and personalized advice at all points of contact, are part of the relationship guideline with individuals. An example is investment advice. Using intelligence and technology, it was possible to scale the advice to all clients, who can use our robot advisor and investment simulator, via App, and have access to a suggested investment portfolio according to their investor profile and goals.

For more details on Banco do Brasil's investment advice and Private Banking, read chapter 9 of the Performance Analysis.

We have improved the specialized service structures for Companies, both in retail, with specialized



agencies, platforms and entrepreneurial hubs that already serve more than 2.4 million SME customers, and in Wholesale, with a new approach to business customers with invoicing between R\$200 and R\$800 million.

In addition, the bank has expanded its commercial strategy of operating in economic sectors, such as the Agro, Tech and Health segments, with the delivery of value propositions aligned with the characteristics and needs of the target segments, and specialized advice in investments, cash management solutions, foreign trade and services offered by our associated companies.

For agribusiness clients, BB continues to reinforce its leading role in the sector, with specialized, technical and present service, with nationwide coverage. Every BB branch has trained employees who know agribusiness, and with that, are able to serve the agribusiness customer in a complete manner.

Additionally, the rural producer has at his disposal a network of specialized branches. It is also worth noting the specialization of the Private network, with structures dedicated to serving the rural mega-producer. At the same time, Banco do Brasil has added human assistance to the use of artificial intelligence and technology to serve the sector, such as Agrobot, the virtual agro consultant that provides customized information and analysis to optimize the results of producers, in addition to providing 100% digital products and services.

We also seek to increase business in the client's production chain through credit and services for small and medium-sized companies and integrated rural

producers of agro-industries and large companies, promoting synergies between the Wholesale and Retail networks to increase efficiency and results. Through agreements and partnerships with Wholesale companies, we encourage and finance the development of their networks of suppliers and customers, bringing benefits in all links of the production chain.

Reaching the right customer, with the right experience and at the perfect time, is synonymous with a satisfied customer, delivering a differentiated experience without friction.

The initiatives that the bank has been implementing to improve the experience of its customers have shown positive results in terms of customer satisfaction, with the NPS (Net Promoter Score), consistently evolving. In comparison with September/20, the indicator grew more than 10 points, while complaints from the Central Bank Ranking decreased 37,2% compared to 3Q21.

In addition to NPS, BB has several mechanisms for listening to the customer. An important tool is the evaluation of assistance. In 3Q21, we received more than 2.2 million customer reviews about the service we provide in digital and physical means, with a 4.8 score (the maximum being 5.0).

It is important to highlight that we closely monitor the CES (Customer Effort Score) and the EES (Employee Effort Score) to constantly improve our processes.

Customer satisfaction has a direct impact on employee compensation and awards, being an important driver to align the Bank's objective of maintaining excellent service.



Digital Strategy

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

Banco do Brasil's digital strategy is supported by a set of initiatives that unfold in digital optimization and digital transformation.

With optimization, BB aims to improve its business models, adding greater efficiency and productivity, bringing a better experience, and consequently increasing current revenues. Examples of this are the interactions made by virtual assistants, which grew 159% (3Q21/3Q20), and which have significantly increased their resolution, the disbursement of credit in digital channels and digital investment advice using robots for recommendations that consider the profile and the moment in the customers' lives.



Under the transformation pillar, BB seeks new sources of results accelerated by open innovation and digital technologies. The priorities are to seek new sources of results associated with businesses capable of attracting new customer segments and with business solutions that increase customer engagement with our channels and brands. customer engagement with our channels and brands. In this sense, we continue to expand our operations as a platform in the various segments in which BB operates.

In the agribusiness market, for example, we are scaling our The Broto digital platform (broto.com.br), built in conjunction with BB Seguros, and which connects rural producers and suppliers by offering products, services and consulting. Broto already has more than 336 thousand unique accesses on the platform and

Cuponeria on App BB

Banco do Brasil understands that taking care of what is valuable to its customers goes far beyond providing financial solutions. Therefore, it has been working to expand and diversify the offer of non-financial services that add value to the relationship on its digital platforms. This strategy deepens the relationship with our customers as well as expanding business opportunities in an ecosystem that integrates B2B and B2C.

Digital Engagement

Ended 3Q21 with 21.9 million active digital native customers platforms, while transactions carried out through internet and mobile channels represented 90.7% of transactions carried out by our customers, an increase of 4.0 percentage points compared to Sep/2020 (86.7%).

generated R\$1.0 billion in business since its launch, fostering and boosting Brazilian agribusiness. There are more than 1,500 products to maximize the economic productivity of rural producers.

We also added to Broto other solutions such as blogs, podcasts and lives to bring information and knowledge to rural producers Since November 3rd, Banco do Brasil started a new business model, innovating in the offer of products and services beyond banking, with the launch of its affiliate marketplace.

The pillars of digital optimization and transformation are enabled by cultural transformation with the encouragement of the development of digital skills by the workforce, the adoption of analytical intelligence, new ways of acting and new technologies.

Since December 2020, BB has made available the sale of gift cards on the App, which are recharge codes for digital services appreciated by our customers. They work as online prepaid credits for services such as Uber, Spotify, Xbox, Google Play, iFood, Tinder, game platforms, among others Decathlon and McAfee are the two new contents integrated in the quarter. There are already more than one million gift cards sold as of September/21.

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 4.0 million users) and 4.7 on Apple Store (rated by more than 2.2 million users), on a scale with a maximum score of 5 stars.

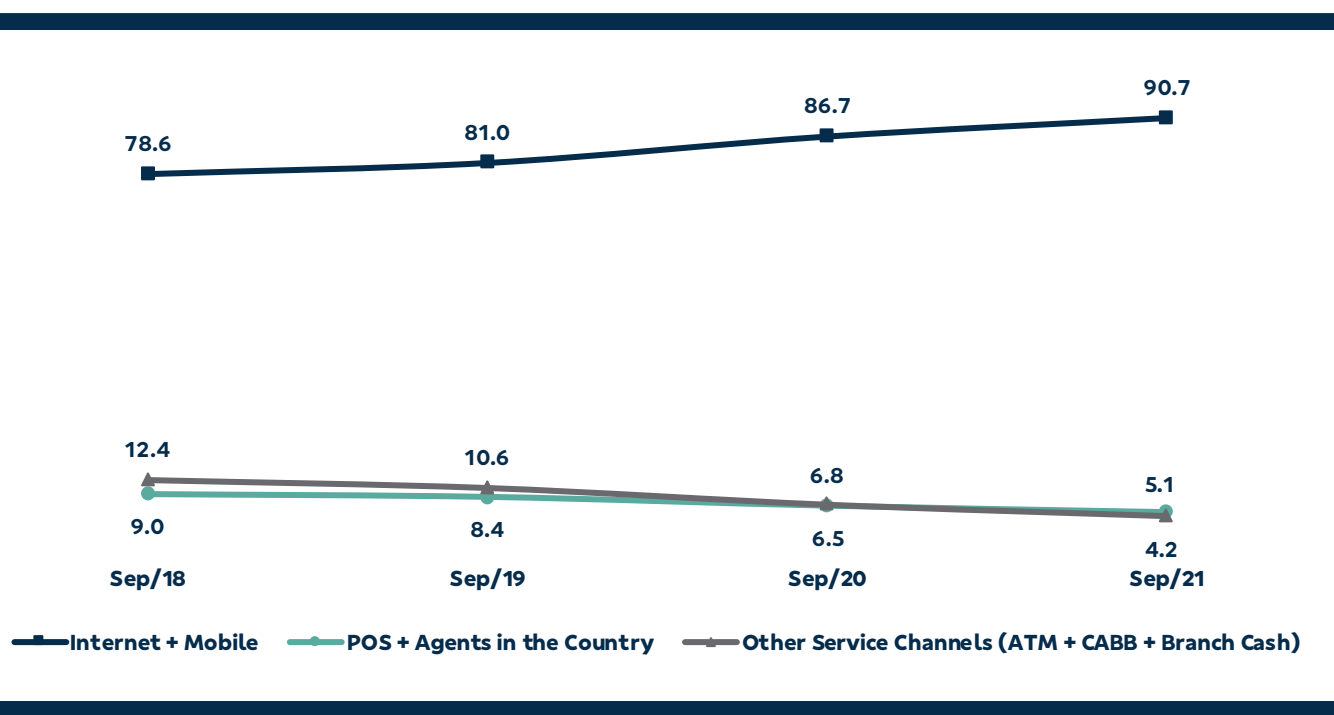


Following the trend of adoption of digital channels that began in 2020, BB reached the end of this third quarter the number of 19.9 million users in the App. Of this total, 87.4% are enabled to transact: a growth of 13.1% in twelve months. This means that the client does not only carry out consultations, but he also buys, invests and carries out his financial transactions in the BB application.

via digital. Digital platforms (internet and mobile) accounted for 43.1% of disbursements in personal credit; 11.6% of payroll-deductible loans; 35.1% of vehicle credit and 23.9% of real estate credit. Considering the volume of applications and redemptions, 23.5% were handled by investment funds.

The migration of customers to digital channels also resulted in an increase in business carried out entirely

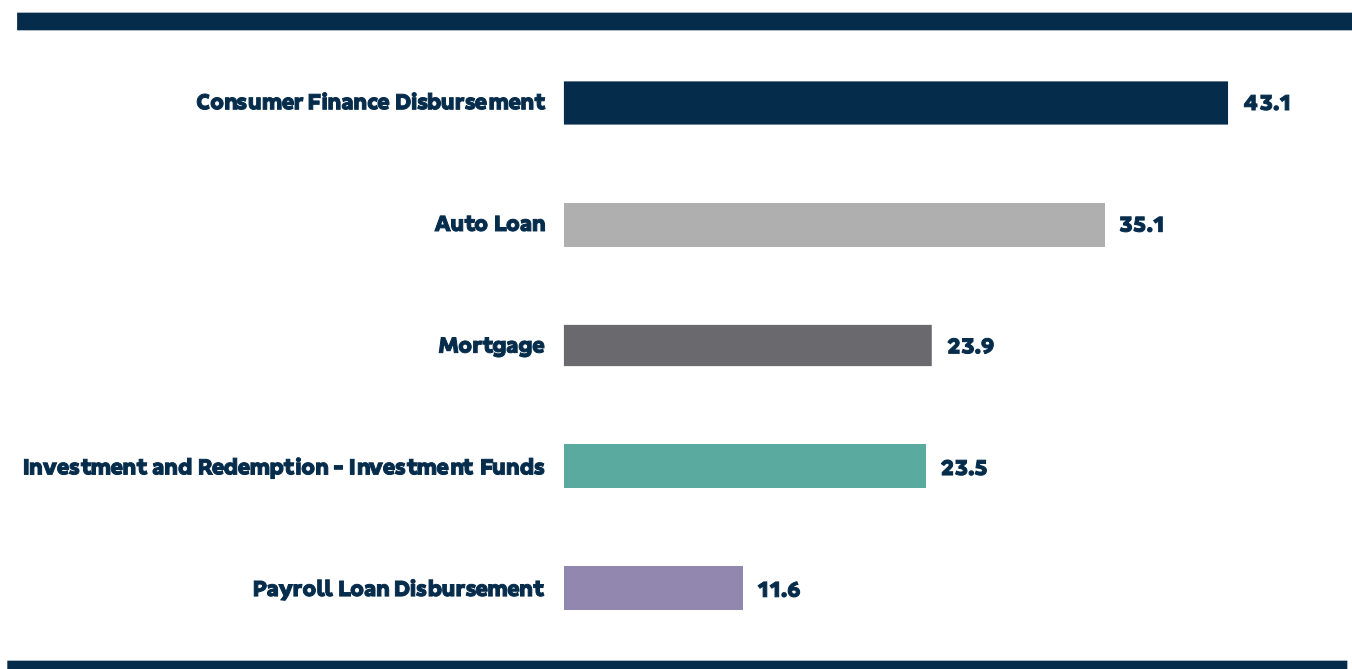
Figure 11. Transactions by Service Channel - %



BB reached the number of 6.9 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 17.0% in twelve months.



Figure 12. Digital Channels Participation in Banking Operations – %

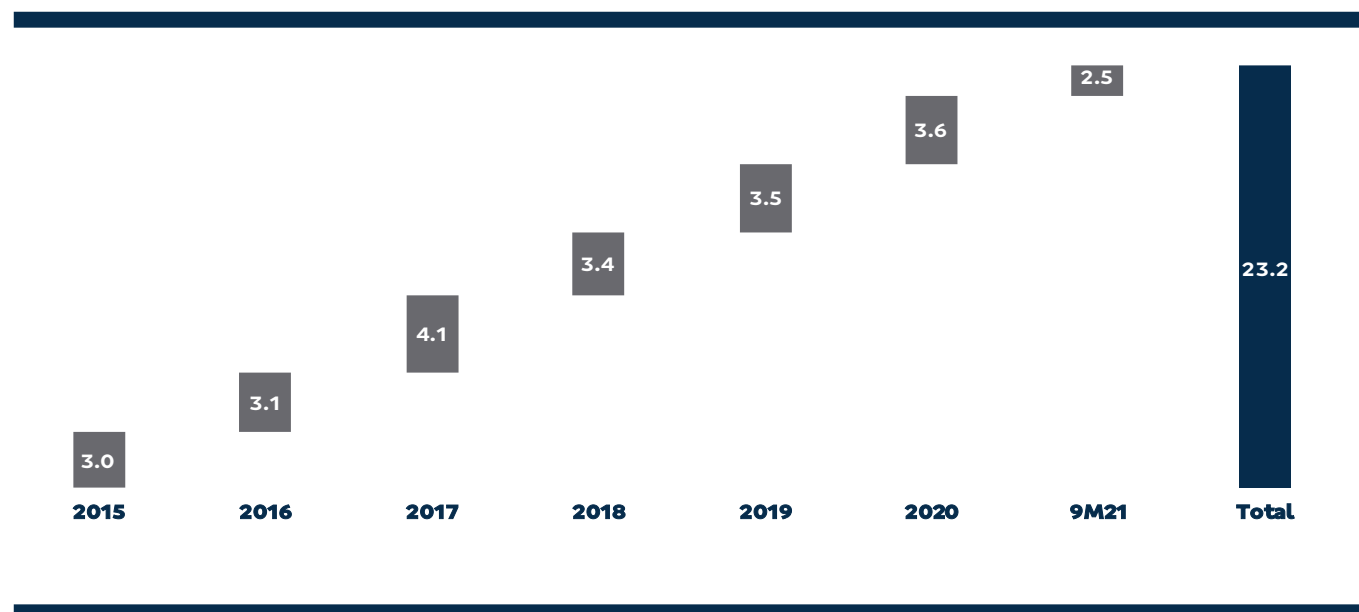


Technology Investments

Banco do Brasil consistently invests in technology to improve operational efficiency, reduce operating losses, expand businesses and improve client service. From 2015 to 9M21, investments totaled R\$23.2 billion.

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

Figure 13. Technology Investments – R\$ billion



Open Banking

During the third quarter, BB continued with the Open Banking implementation movement, publishing the APIs related to the implementation of Phase 2, through which it is possible to share registration and transactional data (account, card and credit operations information). Altogether, there are nine APIs dedicated to the exchange of information between Financial Institutions, with the Client and the journey of consent as the center of the process, essential to the establishment of this new operating model. All of this is permeated by strict security requirements that guarantee the integrity of communication between participating institutions, customer authentication and the information that passes through this new ecosystem.

In addition to preparing the infrastructure for regulatory compliance, Banco do Brasil continued to approach our customers with information about Open Banking and how it has the potential to transform the relationship between the Bank and the Customer, given the empowerment that the customer will have.

To maintain compliance, from a regulatory point of view, BB remains active in the various forums established for the discussion and detailing of regulations related to Open Banking within Febraban and the Open Banking Convention.

Currently, the focus is on the implementation of Phase 3, launched on 10/29 and whose last launch cycle ends only in February/2022, which addresses the operationalization of payment transaction initiation



through the PIX arrangement, whether in the role of institution account holder, either as a service provider or initiator of a payment transaction, and in the discussions on the implementation of Phase 4, scheduled to take place on 12/15/2021.

Business APIs

The Developer Portal, redesigned at the end of 2020, allows for an end-to-end digital journey for integration, including a test environment for solutions, in addition to connecting the developer audience, keeping a community active that contributes to the construction and improvement of our services. Currently, BB has 3 business APIs for consumption via the Developer Portal: Collection, PIX and Integrated Pix Collection.

Given the scope of this new phase, BB has been working together with the companies of the conglomerate to make the required data available, in order to offer the public information on exchange, insurance, pensions, capitalization, investments and accreditation in payment arrangements.

In addition to these, through our Developers Portal the customer can access regulatory APIs (or Open Data – Customer Service and Products and Services Channels), through a link that directs them to the Open Banking Brasil portal.

In the third quarter, we had 15 business APIs built in and with calls. The reduction in the number of APIs with calls was due to the review of the portfolio available for commercial integration.

Table 7. Number of Partners and APIs

| Number of Partners and APIs indicator | Sep/20 | Dec/20 | Mar/21 | Jun/21 | Sep/21 |
|--|---------------|---------------|---------------|---------------|---------------|
| APIs with Calls in Production Calls | 13 | 17 | 16 | 16 | 15 |
| Regulatory APIs | - | - | 2 | 4 | 13 |
| Partners with Production | 163 | 307 | 653 | 1,332 | 2,548 |
| Test Partners | 100 | 273 | 726 | 946 | 1,343 |

PIX

The growing importance of electronic payment methods in Brazil contributes to the consolidation of Pix, the instant payment system with the fastest adoption in the world.

According to the latest report released by Bacen in early October, referring to the months of January to July, the Instant Payments System (SPI), responsible for the interbank settlement of Pix, maintained

availability above 99.9% in the period, with 99% of the transactions settled within 0.6 second.

BB remains relevant in the market, with growth of 13.3% in the number of registered keys in the quarter and 12.5% in the number of registered customers. In the same period, the total number of clients registered with Bacen grew 11.5%. Of the total traded in the market in 3Q21, R\$1.56 trillion, according to



Bacen statistics, 26% passed through BB, whose volume received was 8.3% higher than that sent.

Banco do Brasil is prepared for the new features that will be launched shortly, the Pix Saque and the Pix Troco, which will allow the customer to obtain cash

from the merchant and facilitate the management of cash at the establishments. See more at www.bb.com.br/pix.

Connection with Startups

These connections can occur through commercial agreements, supply or investment, within the scope of the Strategic Startup Investment Program. For centenary companies like BB, relying on the competitive strength of technology-based companies obsessed with solving customer pain by exceeding their expectations is essential to increase the generation of value for the customer.

Relevantly positioning Banco do Brasil in the startup ecosystem through open innovation (challenges, demodays, accelerations and investments via corporate venture capital - CVC) is a strategic move to improve the customer experience and accelerate the company's digital transformation.

Another highlight is Banco do Brasil's CVC program, which seeks financial return, but primarily a strategic return. With this vision, four verticals were defined that are the focus of the Bank in Brazil in its investments: Govtechs, Fintechs, Agtechs and Cliente Experience, with a focus on mobile first and open banking. Today, BB has investments in funds from Astella Investimentos, Indicator Capital (IoT) and SP Ventures (Agro), also counting on the approval of the constitution of two exclusive funds, one focused on impact investments and the other focused on the verticals of program investment.

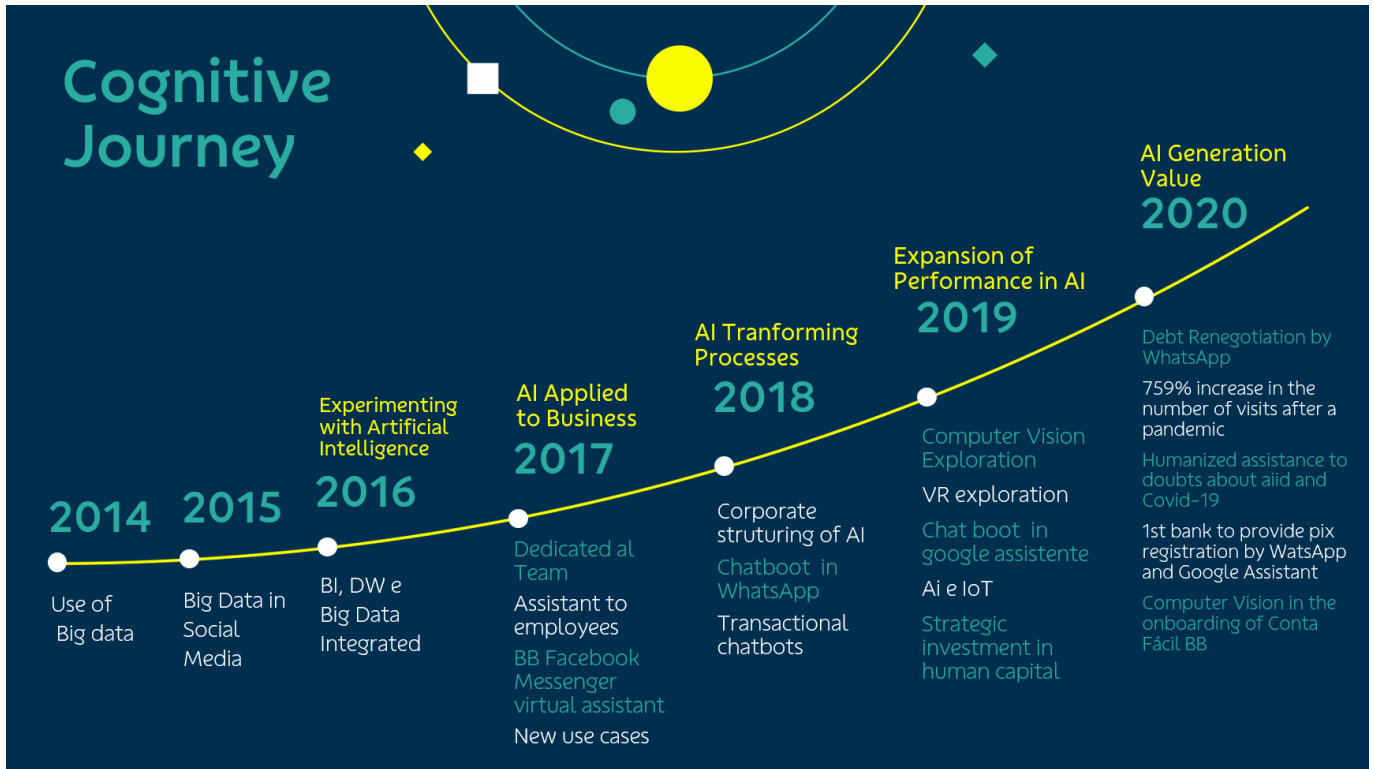
Learn more about the Startup Investment Program at [Portal BB](#).



Artificial and Analytical 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 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 the third quarter of 2021, artificial intelligence solutions expanded the adoption of technology in more and more areas of the business. In addition to new applications, existing solutions have been constantly evolving, allowing for an increase in the perception of value at different points of contact with BB customers.

Backoffice automation by Artificial Intelligence kept evolving, improving operational efficiency and customer experience. In this quarter, the deletion of bad checks from our customers started to have a new automated analysis service.

In Agribusiness, remote AI monitoring was extended to corn crops, bringing gains to the inspection of rural operations. And BB's lawsuits now have semantic analysis carried out by AI, speeding up the process and helping to mitigate losses.

Onboarding also gained momentum. The automated ID document validation process is already in use by new customers participating in the solution's pilot.

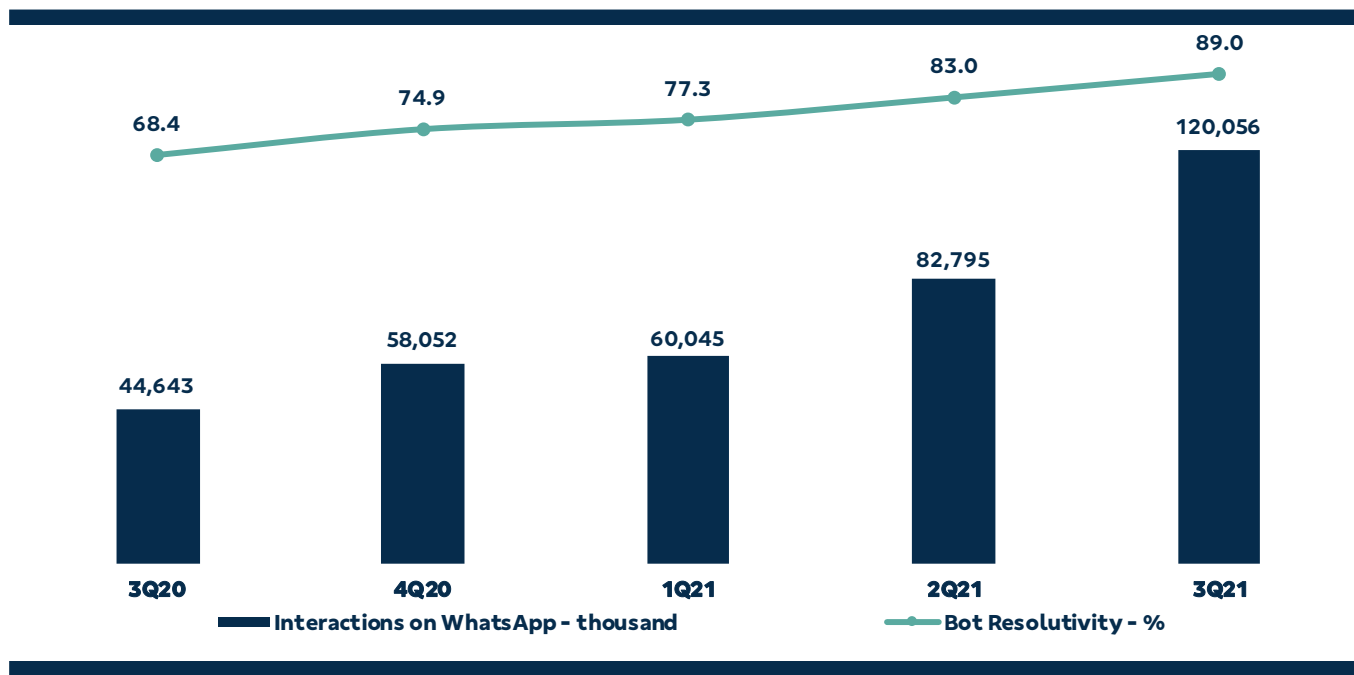
"OK Google, I want to talk to Banco do Brasil". Our BB virtual assistant in Google Assistant has increased its capabilities with Credit Card information and queries about dates, invoices and limits can be requested quickly and conveniently by voice on the channel.

New communication channels have become reality: BB's virtual and extended realities are already in the hands of our employees. Our internal News Center already has a structure and content dedicated to virtual reality and immersive experiences for our employees and collaborators.

Finally, WhatsApp has remained the main BB Virtual Assistant channel and is increasingly popular and effective. There were more than 120 million interactions in the quarter, an increase of 45% in volume when compared to the previous quarter. Around 89% of conversations with the assistant were resolved without human intervention and represented six percentage points in resoluteness higher than in 2Q21.



Figure 15. Interactions on WhatsApp X Bot Reluctivity



Virtual Assistants

BB's assistants aid individuals and legal entities that are clients or not of the Bank. More than providing information on social benefits or clarifying doubts about products and services, the assistants carry out transactions such as PIX, balances, statements, bill payments, bank slips and taxes, transfers, consultation of limits and card bills, consultation of benefits and assistance government, debt renegotiation, cell phone recharges and transport tickets, BB branch search by location, information on how to join and Open Banking advantages, as well as information for startups and software developers.

Our assistants are the artificial intelligence of Banco do Brasil in constant evolution and present in the service to Brazilian customers and citizens in digital channels that Brazilians already use such as WhatsApp, Google Assistant, Facebook, Twitter.

In addition to the possibility for the customer to start a conversation, BB is using the feature known as WhatsApp Ativo. Through it, Banco do Brasil sends a message to the client and the virtual assistant starts the conversation from there. Messages have been sent about personal credit, credit card offers and alerts, information about Open Banking, welcome after purchasing a product, and congratulations to birthday customers, among other initiatives.

The focus is to make the virtual assistant increasingly humanized and resolute. In addition to the continuous improvement of content curation, with investments in training and improvement of employees, the use of buttons and image and video media in conversations was developed, to make them more assertive.

Knowing the Brazilians' habit of sending voice messages, the audio-to-text conversion was also improved, ensuring a good interpretation of the



artificial intelligence. In practice, the customer can send an audio asking to perform a PIX, for example, that the transaction will be performed on Whatsapp itself with all the security of customer authentication through credentials and password, as already happens in other digital channels.

Analytical Intelligence

Banco do Brasil continues to invest in the development of an analytical culture and data science, prioritizing strategic initiatives focused on agribusiness, improving customer experience, operational efficiency, service channels and services fully supported by data analysis.

As a result, the number of customers with access to virtual assistants grew significantly and we reached more than seven million customers served in almost 130 million interactions and 16 million calls, this only on Whatsapp, a channel installed on 99% of cell phones in Brazil. The other channels together represent less than 5% of the total activations of virtual assistants.

Actions related to increasing knowledge and increasing analytical maturity expanded in the third quarter, reaching 1,575 courses in Business Analytics, Data Science and Engineering, among others, at the various levels of the organization.



1.

Summarized Consolidated Financial Information

Banco do Brasil adapted the presentation of its managerial balance sheet and its statement of income with reallocations presented in the managerial documents to reflect the changes made in the 2020 Financial Statements.

The general criteria for preparing and disclosing the financial statements were changed as of January 1st, 2020, in compliance with CMN Resolution 4,720/2019, its complementary regulations and Bacen Circular Letter 3,959/2019.

Previous versions are available in the historical series.



Summarized Balance Sheet

Table 8. Balance Sheet – Total Assets, Total Liabilities and Shareholder's Equity – R\$ million

| | Sep/20 | Jun/21 | Sep/21 | Chg. (%) | |
|---|------------------|------------------|------------------|---------------|---------------|
| | | | | Sep/20 | Jun/21 |
| Total Assets | 1,769,923 | 1,859,955 | 1,975,407 | 11.6 | 6.2 |
| Availabilities | 19,382 | 25,389 | 21,762 | 12.3 | (14.3) |
| Financial Assets | 1,689,480 | 1,746,370 | 1,870,006 | 10.7 | 7.1 |
| Central Bank Compulsory Reserves | 62,217 | 72,024 | 72,514 | 16.6 | 0.7 |
| Interbank Investments | 595,932 | 571,754 | 634,228 | 6.4 | 10.9 |
| Securities | 254,600 | 293,174 | 310,023 | 21.8 | 5.7 |
| Derivative Financial Instruments | 5,179 | 2,683 | 2,624 | (49.3) | (2.2) |
| Loan Portfolio | 668,036 | 705,843 | 745,274 | 11.6 | 5.6 |
| Other Financial Assets | 103,517 | 100,892 | 105,343 | 1.8 | 4.4 |
| (Allowance for Losses Associated with Credit Risk) | (44,935) | (45,732) | (47,296) | 5.3 | 3.4 |
| (Loan Portfolio) | (42,350) | (42,803) | (43,952) | 3.8 | 2.7 |
| (Other Financial Assets) | (2,585) | (2,930) | (3,344) | 29.4 | 14.1 |
| Tax Assets | 69,315 | 68,805 | 67,922 | (2.0) | (1.3) |
| Current Tax Assets | 9,205 | 8,991 | 9,655 | 4.9 | 7.4 |
| Deferred Tax Assets (Tax Credit) | 60,109 | 59,814 | 58,267 | (3.1) | (2.6) |
| Investments | 15,489 | 17,573 | 17,811 | 15.0 | 1.4 |
| Property for Use | 7,925 | 7,922 | 7,988 | 0.8 | 0.8 |
| Intangible | 6,366 | 4,765 | 5,045 | (20.8) | 5.9 |
| Other Assets | 6,901 | 34,862 | 32,170 | - | (7.7) |
| Total Liabilities and Shareholder's Equity | 1,769,923 | 1,859,955 | 1,975,407 | 11.6 | 6.2 |
| Financial Liabilities | 1,568,688 | 1,618,366 | 1,731,632 | 10.4 | 7.0 |
| Customer Resources | 569,872 | 661,334 | 658,711 | 15.6 | (0.4) |
| Financial Institutions Resources | 672,312 | 671,186 | 764,525 | 13.7 | 13.9 |
| Funds from Issuance of Securities | 215,588 | 186,690 | 193,364 | (10.3) | 3.6 |
| Derivative Financial Instruments | 5,012 | 2,901 | 2,480 | (50.5) | (14.5) |
| Other Financial Liabilities | 105,904 | 96,254 | 112,552 | 6.3 | 16.9 |
| Provisions | 31,660 | 35,765 | 37,093 | 17.2 | 3.7 |
| Provisions for Civil, Tax and Labor Claims | 26,240 | 28,756 | 29,446 | 12.2 | 2.4 |
| Other Provisions | 5,420 | 7,009 | 7,647 | 41.1 | 9.1 |
| Tax Liabilities | 13,663 | 24,795 | 24,259 | 77.6 | (2.2) |
| Current Tax Liabilities | 10,647 | 9,733 | 10,368 | (2.6) | 6.5 |
| Deferred Tax Liabilities | 3,016 | 15,063 | 13,891 | - | (7.8) |
| Other Liabilities | 33,578 | 35,222 | 34,911 | 4.0 | (0.9) |
| Shareholder's Equity | 122,334 | 145,807 | 147,512 | 20.6 | 1.2 |
| Capital | 90,000 | 90,000 | 90,000 | 0.0 | - |
| Instruments Qualifying as Common Equity Tier 1 Capital | 8,100 | 8,100 | 8,100 | - | - |
| Capital Reserves | 1,400 | 1,401 | 1,401 | 0.1 | - |
| Revaluation Reserves | 2 | 2 | 2 | (3.4) | (0.9) |
| Profit Reserves | 34,591 | 45,815 | 44,188 | 27.7 | (3.6) |
| Other Comprehensive Incomes | (16,932) | (1,798) | (3,403) | (79.9) | 89.2 |
| Retained Earnings | 3,039 | - | 4,542 | 49.5 | - |
| (Treasury Shares) | (281) | (277) | (277) | (1.4) | - |
| Non-controlling Interest | 2,415 | 2,564 | 2,958 | 22.5 | 15.4 |



Consolidated Statement of Income

Table 9. Statement of Income with Reallocations – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | 9M20 | Chg. (%) |
|--|---------|---------|---------|----------|--------|----------|----------|--------|----------|
| | | | | 3Q20 | 2Q21 | | | | |
| Net Interest Income ^{1 2 3 5 6 7 8 9 12 13 15 16 17 18 19} | 14,017 | 14,384 | 15,683 | 11.9 | 9.0 | 42,375 | 44,631 | 5.3 | |
| ALLL Expanded View | (5,508) | (2,870) | (3,924) | (28.8) | 36.7 | (16,766) | (9,317) | (44.4) | |
| ALLL – Recovery of Write-offs ¹⁵ | 2,283 | 1,899 | 2,213 | (3.0) | 16.6 | 5,459 | 5,858 | 7.3 | |
| ALLL – Credit Risk | (6,575) | (3,839) | (5,512) | (16.2) | 43.6 | (18,993) | (12,638) | (33.5) | |
| ALLL – Discount Granted ^{16 17} | (281) | (690) | (401) | 42.5 | (41.9) | (761) | (1,828) | 140.1 | |
| ALLL – Impairment ^{18 19} | (935) | (239) | (224) | (76.0) | (6.3) | (2,470) | (710) | (71.3) | |
| Net Financial Margin | 8,509 | 11,514 | 11,759 | 38.2 | 2.1 | 25,610 | 35,314 | 37.9 | |
| Other Operating Income/Expenses | (2,254) | (2,784) | (1,753) | (22.2) | (37.0) | (7,289) | (7,861) | 7.8 | |
| Fee Income | 7,281 | 7,206 | 7,438 | 2.2 | 3.2 | 21,313 | 21,522 | 1.0 | |
| Personnel Expenses ^{20 21} | (4,986) | (4,961) | (5,000) | 0.3 | 0.8 | (14,913) | (14,949) | 0.2 | |
| Other Administrative Expenses ^{7 8} | (2,849) | (2,897) | (2,915) | 2.3 | 0.6 | (8,542) | (8,560) | 0.2 | |
| Net Gains from Equity Method Investments | 782 | 668 | 851 | 8.8 | 27.4 | 2,171 | 2,396 | 10.3 | |
| PREVI – Plano de Benefícios I ⁴ | (123) | 116 | 698 | – | – | (403) | 929 | – | |
| Previ – Fundo Utilização Restatement ⁵ | 271 | 315 | 442 | 63.3 | 40.5 | 527 | 1,067 | 102.3 | |
| Tax Expenses ² | (1,347) | (1,497) | (1,534) | 13.9 | 2.4 | (3,878) | (4,403) | 13.5 | |
| Other Income/Expenses ^{4 5 6 7 8 12 13 16} | (1,282) | (1,734) | (1,734) | 35.2 | (0.0) | (3,563) | (5,862) | 64.5 | |
| Provisions | (944) | (1,633) | (1,711) | 81.3 | 4.8 | (2,666) | (5,101) | 91.4 | |
| Civil, Tax and Labor Claims ^{10 11} | (809) | (1,657) | (1,696) | 109.5 | 2.3 | (2,445) | (4,946) | 102.3 | |
| Other Provisions | (134) | 24 | (16) | (88.3) | – | (221) | (155) | (29.8) | |
| Operating Income | 5,311 | 7,096 | 8,295 | 56.2 | 16.9 | 15,655 | 22,352 | 42.8 | |
| Net Non-Operating Income | 43 | 48 | 64 | 49.1 | 34.0 | 157 | 235 | 48.9 | |
| Profit Before Taxation and Profit Sharing | 5,354 | 7,144 | 8,359 | 56.1 | 17.0 | 15,813 | 22,586 | 42.8 | |
| Income Tax and Social Contribution ^{3 14 22} | (992) | (1,113) | (2,189) | 120.7 | 96.6 | (3,116) | (4,472) | 43.5 | |
| Employee and Directors Profit Sharing (Profit Sharing) ²³ | (442) | (679) | (633) | 43.3 | (6.8) | (1,304) | (1,912) | 46.6 | |
| Non-Controlling Interests | (438) | (312) | (398) | (9.2) | 27.3 | (1,204) | (1,112) | (7.7) | |
| Adjusted Net Income | 3,482 | 5,039 | 5,139 | 47.6 | 2.0 | 10,189 | 15,091 | 48.1 | |
| One-Off Items | (397) | 485 | (530) | 33.4 | – | (690) | (732) | 6.1 | |
| Economic Plans ^{9 10} | (579) | (373) | (399) | (31.0) | 7.1 | (1,127) | (1,304) | 15.7 | |
| Extraordinary Provision for Lawsuits ¹¹ | 2 | – | – | – | – | 3 | – | – | |
| Tax Credits – CSLL Rate Differential ¹⁴ | – | 720 | (360) | – | – | – | 360 | – | |
| Lump-sum Bonus – Collective Bargaining Agreement (CBA) 2020-2021 ²⁰ | (189) | – | – | – | – | (189) | – | – | |
| Dismissal Programs ²¹ | – | – | – | – | – | – | (795) | – | |
| Tax Eff. and Profit Sharing on One-Off Items ^{22 23} | 370 | 138 | 229 | (37.9) | 66.6 | 623 | 1,007 | 61.5 | |
| Net Income | 3,085 | 5,524 | 4,609 | 49.4 | (16.6) | 9,498 | 14,358 | 51.2 | |

Each index presented above corresponds to the event item in the "Reallocations and One-Off Items Breakdown" table.



Reallocations Breakdown

The adjustments made to the Statement of Income to obtain the Statement of Income with Reallocations are detailed in this chapter. The purpose of these adjustments is to:

- a) Segregate the one-off items and show the adjusted net income for the period.
- b) Change the arrangement of income and expenses items in order to provide a better understanding of the business and the company's performance.
- c) Allow Net Interest Income (NII) recorded during the period to effectively reflect the gain from all earning assets, informing the market on the spread achieved from the ratio of this margin by the average balance of earning assets. For this, it was necessary to:

- I. include in NII the income recorded in other operating Income with financial intermediation characteristics that was derived from the earning assets accounted for in other financial assets in the balance sheet;
- II. identify in a specific NII item the foreign exchange gains (losses) on assets and liabilities abroad during the period;
- III. maintain the amounts related to negative foreign exchange adjustments and expenses reversal that were accounted for in other operating income and/or other operating expenses to avoid inverting the balance of accounts that have a financial intermediation nature;
- IV. include in NII all expenses related to subordinated debt and perpetual securities.

d) Highlight the credit cost related effects in Allowance for Loan and Lease Losses (ALLL) Extended View. For this, it was necessary to integrate in specific ALLL Expanded View's items:

- I. expenses accounted for in allowance for loan and lease losses;
- II. revenues related to the recovery of loans previously written-off as loss, originally accounted for in loans income;
- III. losses related to the impairment of financial assets, gain (losses) on sale or transfer of financial assets and, gain (losses) on disposal of leased assets, respectively accounted for, securities income, sale or transfer of financial assets income and leases income; and
- IV. the expenses related to discounts granted on renegotiations, originally accounted for in Other Operating Expenses.

The next table shows all the reallocations performed during the period:



Table 10. Reallocations and One-Off Items Breakdown – R\$ million

| Item | From | To | Event | Quarterly Flow | | | 9 Months Flow | |
|------|---------------------------------------|--|---|----------------|---------|-------|---------------|---------|
| | | | | 3Q20 | 2Q21 | 3Q21 | 9M20 | 9M21 |
| 1 | * Financial Institutions Resources | * FX Gain (Loss) on Foreign Equity | FX Gain (Loss) on Foreign Equity | 656 | (1,853) | 1,131 | 5,582 | 406 |
| 2 | Taxes Expenses | * Tax Hedge | Tax Hedge | 32 | (70) | 41 | 272 | 14 |
| 3 | Income Tax and Social Contribution | * Tax Hedge | Tax Hedge | 563 | (815) | 607 | 4,542 | 288 |
| 4 | Other Income/Expenses | PREVI - Plano de Benefícios I | Actuarial Assets and Liabilities Valuation Adjustment: | (123) | 116 | 698 | (403) | 929 |
| 5 | Other Income/Expenses | Previ - Fundo Utilização Restatement | Actuarial Assets and Liabilities Valuation Adjustment: | 271 | 315 | 442 | 527 | 1,067 |
| 6 | Other Financial Assets | Other Income/Expenses | Allow ance for Loan Losses (Cred. w /o Char. of Fin. Int. | (142) | (222) | (405) | (384) | (749) |
| 7 | Other Administrative Expenses | Other Income/Expenses | Goodwill Amorization | (7) | (5) | (5) | (21) | (16) |
| 8 | Other Administrative Expenses | Other Income/Expenses | Premiums Paid to Costumers | (364) | (286) | (179) | (1,055) | (826) |
| 9 | * Financial Institutions Resources | Economic Plans | Economic Plans | (468) | (376) | (364) | (1,081) | (1,148) |
| 10 | Tax, Civil and Labor Claims | Economic Plans | Economic Plans | (111) | 4 | (36) | (46) | (155) |
| 11 | Tax, Civil and Labor Claims | Extraordinary Provision for Lawsuits | Extraordinary Provision for Lawsuits | 2 | - | - | 3 | - |
| 12 | Other Income/Expenses | * Securities | Financial Investment Income | 0 | 1 | 1 | 2 | 2 |
| 13 | * Securities | Other Income/Expenses | Operating Provisions Reversal | 15 | 9 | 3 | 16 | (350) |
| 14 | Income Tax and Social Contribution | Tax Credit on CSLL | Tax Credits – CSLL Rate Differential | - | 720 | (360) | - | 360 |
| 15 | * Loan portfolio | ALLL - Recovery of Write-offs | ALLL - Recovery of Write-offs | 2,283 | 1,899 | 2,213 | 5,459 | 5,858 |
| 16 | Other Income/Expenses | ALLL - Discount Granted | ALLL - Discount Granted | (244) | (457) | (273) | (723) | (1,350) |
| 17 | * Loan portfolio | ALLL - Discount Granted | ALLL - Discount Granted | (38) | (233) | (127) | (38) | (478) |
| 18 | * Loan portfolio | ALLL - Impairment | ALLL - Impairment | (0) | (0) | (0) | (0) | (0) |
| 19 | Securities | ALLL - Impairment | ALLL - Impairment | (935) | (239) | (224) | (2,470) | (710) |
| 20 | Personnel Expenses | Lump-sum Bonus - CBA 2020-2021 | Lump-sum Bonus - CBA 2020-2021 | (189) | - | - | (189) | - |
| 21 | Personnel Expenses | Dismissal Programs | Dismissal Programs | - | - | - | - | (795) |
| 22 | Income Tax and Social Contribution | Tax Eff. and Profit Sharing on One-Off Items | Tax Eff. and Profit Sharing on One-Off Items | 325 | 192 | 189 | 546 | 943 |
| 23 | Employee and Directors Profit Sharing | Tax Eff. and Profit Sharing on One-Off Items | Tax Eff. and Profit Sharing on One-Off Items | 45 | (55) | 40 | 78 | 63 |

(*) Net Interest Income's (NII) subaccounts. More information on Chapter 2.



Glossary of Reallocations

(1) Revenues (expenses) of exchange rate changes on investments in subsidiaries and branches abroad.

(2) and (3) Tax effects on investments abroad hedge.

(4) Revenues (expenses) from Previ's actuarial assets and liabilities review.

(5) Financial income from restatement of Previ's Fundo Utilização.

(6) Allowance for loan losses expenses for credits without financial intermediation characteristics.

(7) Expenses from amortization of goodwill on investments.

(8) Payroll acquisition amortization.

(9) and (10) Expenses with provision arising from lawsuits related to economic plans.

(11) Extraordinary provision for contingent claims.

(12) Revenues from non-financial companies' financial investments.

(13) Operating Provisions Reversal.

(14) Tax impact of the increase in the CSLL rate from 20% to 25%, according to Government Provisional Measure No. 1,034, of March 1, 2021.

(15), (16), (17), (18) and (19) Revenues (expenses) related to the cost of credit. accounted for in recovery of write-offs, discounts granted on renegotiations, impairment of financial assets, sale or transfer of financial assets and disposal of leased assets.

(20) Expenses resulting from the collective labor agreement signed in September/2020, Allowance - Staff Agreement 2020-2021.

(21) Expenses arising from the Staff Adequacy Program (PAQ) and the Extraordinary Dismissal Program (PDE).

(22) and (23) One-off items effects on the calculation of employee and directors profit sharing and unification of these effects on income and social contribution taxes. Demonstration per line of the effects of extraordinary items is available in table as follow.



Tax Effect and Employee and Directors Profit Sharing on One-Off Items

The table below shows the effects of tax expenses and employee and directors profit sharing on each one-off item.

Table 11. Tax effects and employee and directors profit sharing on One-Off Items – R\$ million

| | Quarterly Flow | | | 9 Months Flow | |
|--|----------------|------------|------------|---------------|--------------|
| | 3Q20 | 2Q21 | 3Q21 | 9M20 | 9M21 |
| Economic Plans | 279 | 180 | 210 | 533 | 646 |
| Extraordinary Provision for Lawsuits | (1) | – | – | (1) | – |
| Tax Credit on CSLL ¹ | – | (42) | 19 | – | (23) |
| Lump-sum Bonus - CBA 2020-2021 | 91 | – | – | 91 | – |
| Dismissal Programs | – | – | – | – | 383 |
| Tax Eff. and Stat. Prof. on One-Off Items | 370 | 138 | 229 | 623 | 1,007 |

(1) The amount that constitutes CSLL Tax Credit line of Extraordinary Items results from the effect of PLR and its impact on taxes.



2.

Net Interest Margin

Net Interest Income (NII) totaled R\$15.7 billion in 3Q21, increase was 11.9% and 9.0% in the annual (3Q21/3Q20) and quarterly (3Q21/2Q21) comparisons, respectively. In the accumulated comparison, NII totaled R\$44.6 billion, up 5.3% over 9M20.

In QoQ, positive variation is explained by the 14.8% increase in financial income (+6.1% in loan operations and +65.0% in treasury income). In the period, loan operations income was favored by the classified portfolio's growth (+5.6%) and treasury income was mainly boosted by the increase of interest income from bonds and securities (+37.1%).

In the accumulated comparison, positive variation is explained by the 7.2% increase in financial income (+4.8% in loan operations and +20.8% in treasury income), partially offset by the 25.2% increase in commercial funding expenses.



Table 12. Key Indicators

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|---------------------------|------|------|------|----------|------|------|------|----------|
| | | | | 3Q20 | 2Q21 | | | |
| CDI / TMS – % | 0.51 | 0.79 | 1.23 | 140.3 | 56.2 | 2.28 | 2.52 | 10.9 |
| TJLP – % | 1.23 | 1.16 | 1.23 | (0.6) | 5.9 | 3.80 | 3.52 | (7.2) |
| Exchange Rate – US\$ | 5.64 | 5.00 | 5.44 | (3.6) | 8.7 | – | – | – |
| Business days | 65 | 62 | 65 | – | 4.8 | 188 | 188 | – |
| Number of days in quarter | 92 | 91 | 92 | – | 1.1 | 274 | 273 | (0.4) |

Table 13. Net Interest Income Breakdown – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|--|---------------|---------------|---------------|-------------|------------|---------------|---------------|------------|
| | | | | 3Q20 | 2Q21 | | | |
| Net Interest Income | 14,017 | 14,384 | 15,683 | 11.9 | 9.0 | 42,375 | 44,631 | 5.3 |
| Loan Operations | 16,930 | 18,107 | 19,212 | 13.5 | 6.1 | 52,117 | 54,603 | 4.8 |
| Funding Expenses | (3,095) | (4,525) | (6,328) | 104.5 | 39.9 | (11,278) | (14,118) | 25.2 |
| Financial Expense for Institutional Funding ^{1 3} | (2,587) | (2,355) | (2,409) | (6.9) | 2.3 | (7,890) | (7,239) | (8.3) |
| Treasury ^{2 3} | 2,768 | 3,157 | 5,209 | 88.2 | 65.0 | 9,427 | 11,385 | 20.8 |

(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) In 2Q21, hedged item's mark-to-market income/expenses was reprocessed.



Financial Income

from Loans Operations

Table 14. Revenue from Loans – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|--|---------------|---------------|---------------|-------------|------------|---------------|---------------|------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Revenue from Loans | 16,930 | 18,107 | 19,212 | 13.5 | 6.1 | 52,117 | 54,603 | 4.8 |
| Individuals | 9,311 | 9,548 | 9,880 | 6.1 | 3.5 | 28,335 | 28,721 | 1.4 |
| Companies | 3,567 | 4,105 | 4,888 | 37.0 | 19.1 | 11,340 | 12,840 | 13.2 |
| Agribusiness | 3,107 | 3,491 | 3,476 | 11.9 | (0.4) | 9,538 | 10,201 | 7.0 |
| Abroad | 655 | 660 | 622 | (5.0) | (5.7) | 2,045 | 1,949 | (4.7) |
| Sale or Transference of Financial Assets | 93 | 86 | 111 | 19.6 | 29.2 | 259 | 261 | 0.7 |
| Leasing | 7 | 7 | 9 | 30.3 | 18.7 | 22 | 22 | 1.6 |
| Other | 191 | 210 | 226 | 18.6 | 7.7 | 578 | 609 | 5.3 |

Loan operation income totaled R\$19.2 billion in 3Q21 and R\$54.6 billion in 9M21, increase in all bases of comparison (+6.1% QoQ, +13.5% YoY and +4.8% in year-to-date), influenced by the increase in the average balance of the loan portfolio.

Loan Operations - Individuals: up 3.5% in the quarter and 1.4% in the first nine months of 2021, influenced by the individual classified loan portfolio's growth (+5.6 QoQ and +14.2% YoY), with emphasis on non-payroll loans (consumer finance/salary) and revolving credit (credit card).

Loan Operations – Companies: up 19.1% in the quarter and 13.2% in the first nine months of 2021,

result achieved by the growth in companies classified portfolio (+3.7% QoQ and +9.0% YoY), in both cases, highlight to the working capital portfolio's growth.

Loan Operations – Agribusiness: slight down 0.4% in the quarter and up 7.0% in the accumulated 9M21. In the year-to-date, the 15.6% increase in the classified portfolio prevailed over the growth in agribusiness financial income.

It is worth noting that the pass-through flow of interest rates in the agribusiness portfolio tends to be less immediate than in companies' portfolio, given the nature of its credit lines.



The breakdown of loan revenues by segment is shown below:

Figure 16. Loan Revenues Breakdown – %

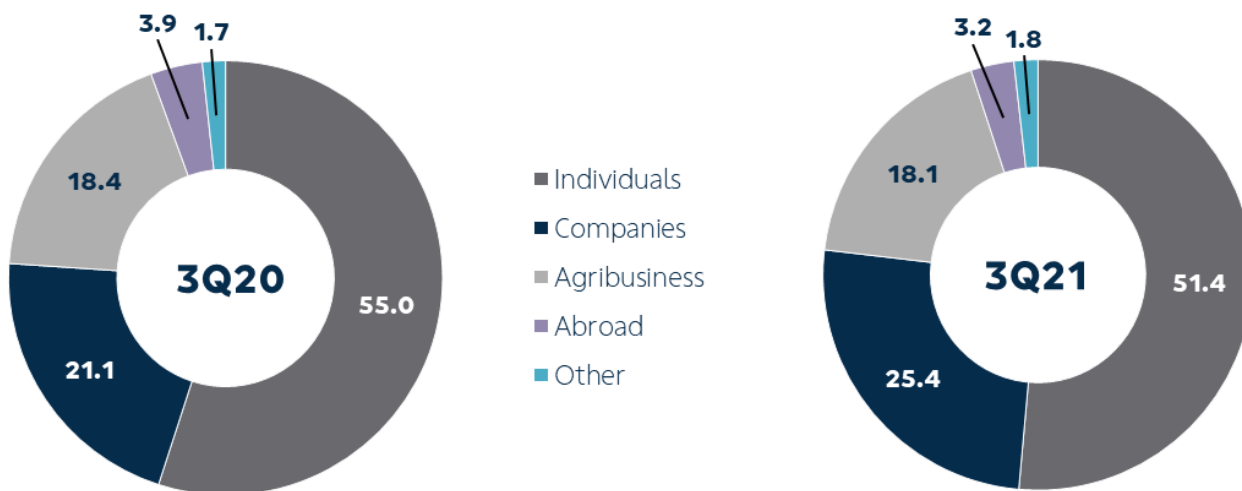


Figure 17. Loan Portfolio Breakdown – %

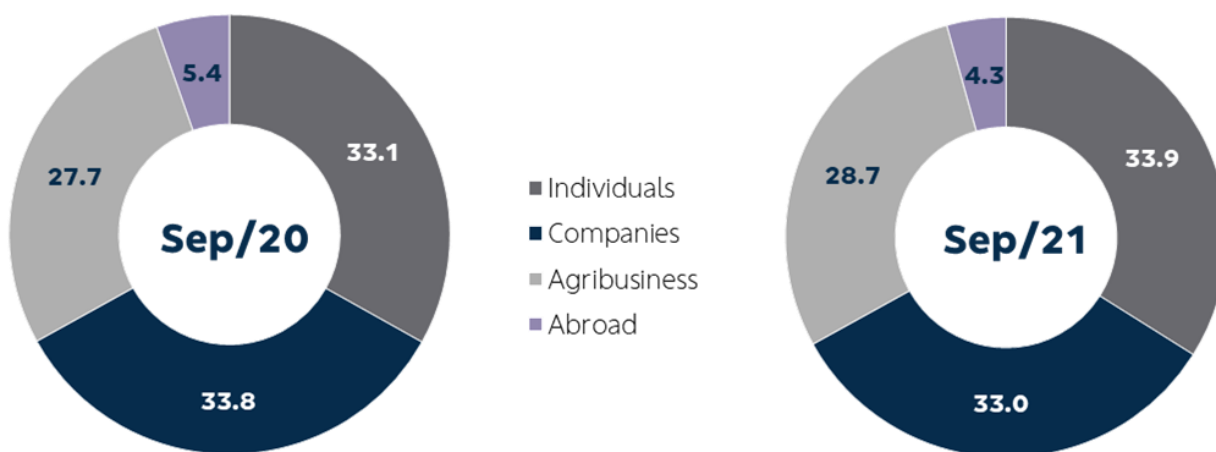




Table 15. Assets Synthetic Breakdown – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. (%) | |
|---------------------|------------------|--------------|------------------|--------------|------------------|--------------|-------------|------------|
| | | | | | | | Sep/20 | Jun/21 |
| Total Assets | 1,769,923 | 100.0 | 1,859,955 | 100.0 | 1,975,407 | 100.0 | 11.6 | 6.2 |
| Loan Portfolio | 668,036 | 37.7 | 705,843 | 37.9 | 745,274 | 37.7 | 11.6 | 5.6 |
| Liquidity Assets | 869,943 | 49.2 | 890,344 | 47.9 | 966,041 | 48.9 | 11.0 | 8.5 |
| Other | 231,944 | 13.1 | 263,767 | 14.2 | 264,092 | 13.4 | 13.9 | 0.1 |

In September/21, Banco do Brasil total assets was R\$1.98 trillion, up 6.2% in the quarter. Classified loan portfolio was R\$745.3 billion in September/21, up 5.6% over June/21, highlighting the increase in retail (individuals and SME) and rural credit. In the same

period, liquidity assets were up 8.5% totaling R\$966.0 billion, highlighting the increases in interbank investments (+10.9%) and in securities portfolio (+5.7%).

Funding Financial Expenses

Funding financial expenses include transactions with clients, except for repo operations with private securities conducted with companies. The result of compulsory deposits and Credit Guarantee Fund (FGC) are also part of these expenses.

Table 16. Funding Result – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|--------------------------------|----------------|----------------|----------------|--------------|-------------|-----------------|-----------------|-------------|
| | | | | 3Q20 | 2Q21 | | | |
| Funding Result | (3,095) | (4,525) | (6,328) | 104.5 | 39.9 | (11,278) | (14,118) | 25.2 |
| Commercial Funding | (2,857) | (4,157) | (5,761) | 101.6 | 38.6 | (10,271) | (12,940) | 26.0 |
| Savings Deposits | (1,118) | (1,409) | (1,966) | 75.8 | 39.5 | (4,029) | (4,464) | 10.8 |
| Time Deposits | (847) | (1,424) | (1,817) | 114.5 | 27.6 | (2,509) | (4,246) | 69.2 |
| Judicial Deposits | (892) | (1,324) | (1,978) | 121.8 | 49.4 | (3,734) | (4,230) | 13.3 |
| Bonds | (411) | (621) | (978) | 137.9 | 57.5 | (1,822) | (1,993) | 9.4 |
| Agribusiness Letters of Credit | (350) | (531) | (838) | 139.4 | 57.7 | (1,532) | (1,707) | 11.5 |
| Mortgage Bonds | (61) | (90) | (140) | 129.6 | 56.1 | (290) | (286) | (1.5) |
| Compulsory Deposits | 304 | 399 | 562 | 85.0 | 41.0 | 1,183 | 1,254 | 6.1 |
| Credit Guarantee Fund (FGC) | (131) | (146) | (152) | 16.1 | 4.4 | (368) | (440) | 19.5 |

In 3Q21, funding result was R\$6.3 billion, 39.9% up over 2Q21, influenced by the increase in commercial funding, with +39.5% in saving deposits, +27.6% in time deposits and +49.4% in judicial deposits, in all cases affected by the increase in the basic interest rate (Selic) and by the growth in average balances.

In year-to-date, funding result was R\$14,1 billion up 25.2% over 9M20, mainly explained by the 69.2% growth in time deposits expenses.

Both in quarterly and year-to-date comparisons, time deposit expenses were affected by expenses

accounted in Argentina (Banco Patagonia). In 9M21, these expenses at Banco Patagonia accounted for approximately 60% of the variation observed in time deposit expenses in the period.

It is worth mentioning that the increase in the cost of funding at Banco Patagonia is offset by the increase in revenues from liquidity investments presented in treasury results.

More information about Banco Patagonia is available in Section 11 of this document.



Table 17. Funding vs. Selic Rate – R\$ million

| | 3Q20 | | | 2Q21 | | | 3Q21 | | |
|---------------------------------|-----------------|----------------|-------------|-----------------|----------------|-------------|-----------------|----------------|-------------|
| | Average Balance | Cost | % Selic | Average Balance | Cost | % Selic | Average Balance | Cost | % Selic |
| Total Funding | 678,368 | (3,393) | 97.7 | 754,786 | (4,866) | 81.8 | 771,844 | (6,850) | 72.1 |
| Savings Deposits | 207,335 | (1,118) | 105.3 | 221,805 | (1,409) | 80.6 | 225,890 | (1,966) | 70.7 |
| Judicial Deposits | 160,966 | (892) | 108.2 | 178,550 | (1,324) | 94.1 | 184,563 | (1,978) | 87.1 |
| Time Deposits | 109,663 | (847) | 150.9 | 127,127 | (1,424) | 142.1 | 132,721 | (1,817) | 111.3 |
| Demand Deposits | 85,863 | – | – | 116,009 | – | – | 116,879 | – | – |
| Agribusiness Letters of Credit | 73,260 | (350) | 93.3 | 72,064 | (531) | 93.5 | 73,755 | (838) | 92.3 |
| Interbank Deposits ¹ | 28,501 | (125) | 85.4 | 26,537 | (89) | 42.3 | 25,124 | (112) | 36.1 |
| Mortgage Bonds | 12,780 | (61) | 93.1 | 12,695 | (90) | 89.6 | 12,912 | (140) | 88.1 |

(1) Expenses with interbank deposits are shown in Open Market Funding Expenses (within Treasury Income).

Average rate in “% Selic” of total deposits reduced 9.7 percentage points (p.p.) in the quarter, the lowest rate since 3Q17, affected by Selic rate's increase.

It is worth mentioning that without Banco Patagonia's impact over the cost of time deposits, the average rate in “% Selic” would have been 74.5% in 3Q21, over 79.3% in 2Q21, a reduction of 4.8 percentage points.



Institutional Funding

Financial Expenses

The following table sets forth the breakdown of institutional funding expenses, composed by corporate bonds issued by the Bank in Brazil and abroad, whose subscribers are qualified investors. It is worth mentioning that the Equity and Debt Hybrid Securities issued in Brazil, as a result of a Loan Agreement with the federal government and eligible as CET1, composes Shareholders' Equity as Instruments Qualifying as Common Equity Tier 1 Capital and its payments are made with resources from retained earnings and profit reserve.

In September, Banco do Brasil realized two deals in the international capital market. First was a US\$750 million senior note issuance with five-year tenor and 3.250% annual interest rate. This is the best (lowest level) interest rate in dollars ever registered by Banco do Brasil for an issuance in the international capital market. Second was a US\$725 million repurchase of senior notes due 2022 previously issued by the Bank with a 3.875% annual interest rate. This is an important liability management transaction to anticipate debts maturing in the coming years, with neutral effect to cash and cash equivalents.

Table 18. Institutional Funding Expenses – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|---|----------------|----------------|----------------|--------------|------------|----------------|----------------|--------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Institutional Funding ¹ | (2,587) | (2,355) | (2,409) | (6.9) | 2.3 | (7,890) | (7,239) | (8.3) |
| Borrowing, Assignments and Onlending | (1,196) | (1,138) | (1,203) | 0.7 | 5.7 | (3,802) | (3,543) | (6.8) |
| Hybrid Capital Instruments | (685) | (579) | (573) | (16.4) | (1.1) | (1,951) | (1,752) | (10.2) |
| Subordinated Debt Abroad | (228) | (177) | (175) | (23.2) | (1.0) | (648) | (543) | (16.2) |
| Securities Issued Abroad ¹ | (402) | (384) | (373) | (7.3) | (3.1) | (1,176) | (1,157) | (1.6) |
| Financial Letters | (76) | (76) | (86) | 13.0 | 12.3 | (313) | (244) | (22.2) |

(1) In 2Q21, hedged item's mark-to-market income/expenses was reprocessed.

In 3Q21, institutional funding totaled R\$2.4 billion, up 2.3% over 2Q21, explained by the 5.7% expenses increase of borrowing, assignments and onlendings.

In year-to-date, decrease was 8.3% over last year's same period, highlighting the 10.2% decrease in

hybrid capital instruments expenses and the 16.2% decrease in subordinated debt abroad expenses. The first is explained by the exercise of repurchase option of perpetual bond in October 2020 and the second due to the settlement of subordinated debt in January 2021.



Treasury

Treasury result includes the result from interest and exchange rate variation of treasury activities. It also includes the effects of structural hedge of the exchange rate variation on financial income from loans, funding expenses, and institutional funding expenses.

Table 19. Treasury – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|--|--------------|--------------|--------------|-------------|-------------|--------------|---------------|-------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Treasury | 2,768 | 3,157 | 5,209 | 88.2 | 65.0 | 9,427 | 11,385 | 20.8 |
| Securities | 2,538 | 3,424 | 4,602 | 81.3 | 34.4 | 9,155 | 10,167 | 11.1 |
| Interbank Accounts ² | 2,909 | 4,644 | 7,607 | 161.5 | 63.8 | 11,079 | 14,825 | 33.8 |
| Open Market Funding | (3,065) | (4,790) | (7,960) | 159.7 | 66.2 | (11,759) | (15,528) | 32.0 |
| Financial Derivatives ² | (1) | (136) | 568 | – | – | (139) | 1,032 | – |
| Other Treasury Components ¹ | 387 | 15 | 393 | 1.5 | – | 1,091 | 890 | (18.5) |

(1) It includes items not listed in the treasury result breakdown, including exchange rate variation. (2) In 2Q21, hedged item's mark-to-market income/expenses was reprocessed.

Treasury income was up 65.0% in the quarter (3Q21/2Q21) and up 20.8% in the year-to-date (9M21/9M20).

Quarterly variation is largely explained by **(i)** the increase in securities income (+34.4%), reinforced in 3Q21 by securities portfolio's growth and Selic average rate (TMS) increase (1.23% in 3Q21, over 0.79% in 2Q21 and 0.51% in 3Q20), and by **(ii)** Banco Patagonia's treasury income increase (+8.9%), with emphasis on the 20.1% increase on interbank accounts in the subsidiary.

Year-to-date variation was similar to quarter variation, but with less intensity, and explained by **(i)** the growth in securities income (+11.1%), in line with the +10.9% TMS increase in the period, reinforce by **(ii)** the 47.0% expansion of Banco Patagonia's treasury income.



Securities Income

Securities income was up 34.4% over 2Q21, influenced by (i) 37.1% increase in interest income, mainly driven by Selic average rate (TMS) variation in the quarter (1.23% in 3Q21, over 0.79% in 2Q21), with an immediate impact on the result of post-fixed securities and fixed-rate securities acquired in the period.

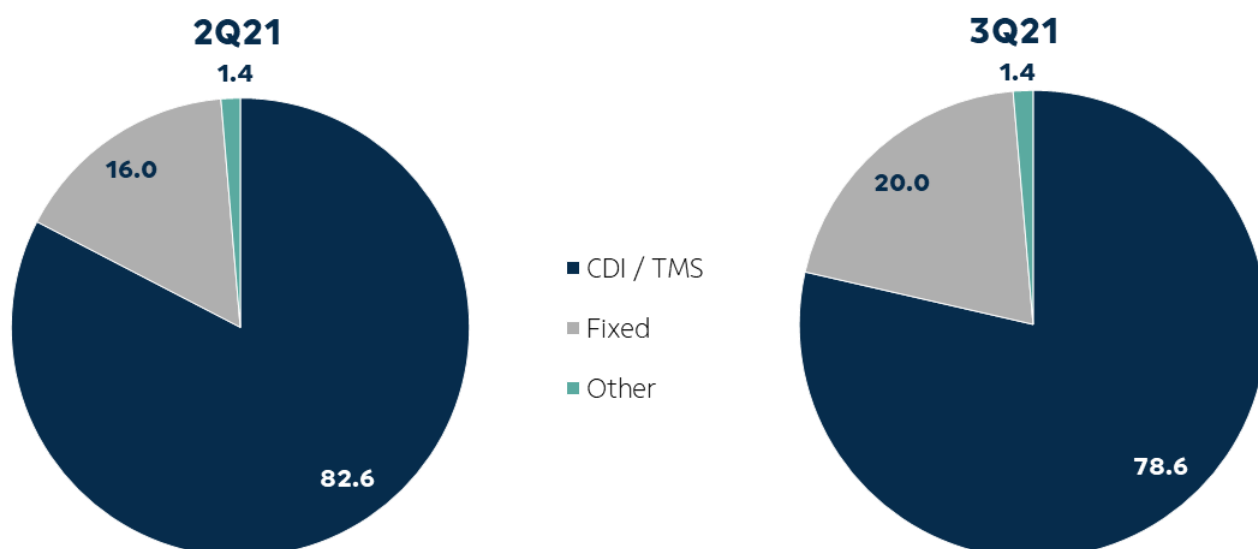
In 9M21, securities income was up 11.1%, explained by (i) 32.1% increase in interest income, driven by the growth in securities portfolio (+22.1%) and in period's TMS, partially offset by (ii) the loss in income/expenses from securities negotiation (-R\$132 million in 9M21 over +R\$939 million in 9M20).

At the end of 3Q21, 78.6% of securities portfolio was indexed to the CDI/TMS, over 82.6% in the previous quarter and 84.8% in the first quarter of 2021.

Table 20. Securities Income – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|------------------------------|--------------|--------------|--------------|-------------|-------------|--------------|---------------|-------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Securities Income | 2,538 | 3,424 | 4,602 | 81.3 | 34.4 | 9,155 | 10,167 | 11.1 |
| Fixed Income Securities | 2,513 | 3,417 | 4,572 | 82.0 | 33.8 | 8,956 | 10,113 | 12.9 |
| Revaluation – Curve | 2,610 | 3,443 | 4,722 | 80.9 | 37.1 | 8,238 | 10,885 | 32.1 |
| Income/Loss from Negotiation | 225 | (122) | 105 | (53.2) | – | 939 | (132) | – |
| Mark to Market | (322) | 95 | (255) | (20.7) | – | (222) | (639) | 188.4 |
| Other ¹ | 26 | 7 | 30 | 15.4 | – | 199 | 53 | (73.3) |

(1) Includes the result of variable income securities, investments in funds and in gold and other income abroad.

Figure 18. Securities Portfolio by Index (BB Multiple Bank) – %


The following tables show the securities portfolio breakdown.

Table 21. Securities Portfolio by Category – Market Value – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. (%) | |
|------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|---------------|--------------|
| | | | | | | | Sep/20 | Jun/21 |
| Securities | 253,427 | 100.0 | 292,420 | 100.0 | 308,715 | 100.0 | 21.8 | 5.6 |
| Trading | 21,485 | 8.5 | 10,720 | 3.7 | 10,424 | 3.4 | (51.5) | (2.8) |
| Available for Sale | 210,145 | 82.9 | 255,812 | 87.5 | 272,111 | 88.1 | 29.5 | 6.4 |
| Held to Maturity | 21,797 | 8.6 | 25,888 | 8.9 | 26,180 | 8.5 | 20.1 | 1.1 |
| Financial Derivatives | 5,179 | 100.0 | 2,683 | 100.0 | 2,624 | 100.0 | (49.3) | (2.2) |



Table 22. Securities Portfolio by Maturity – Market Value – R\$ million

| Reference | Up to 1 year ¹ | | 1 to 5 years | | 5 to 10 years | | Over 10 years | | Total |
|-----------|---------------------------|---------|--------------|---------|---------------|---------|---------------|---------|---------|
| | Balance | Share % | Balance | Share % | Balance | Share % | Balance | Share % | Balance |
| Dec/19 | 39,058 | 19.4 | 86,972 | 43.2 | 65,055 | 32.3 | 10,246 | 5.1 | 201,332 |
| Mar/20 | 41,860 | 22.4 | 83,684 | 44.8 | 50,815 | 27.2 | 10,374 | 5.6 | 186,734 |
| Jun/20 | 43,724 | 16.5 | 134,274 | 50.6 | 76,124 | 28.7 | 11,101 | 4.2 | 265,223 |
| Sep/20 | 40,102 | 15.8 | 151,192 | 59.7 | 51,167 | 20.2 | 10,966 | 4.3 | 253,427 |
| Dec/20 | 41,580 | 14.2 | 184,530 | 62.8 | 55,516 | 18.9 | 12,210 | 4.2 | 293,835 |
| Mar/21 | 43,135 | 15.2 | 190,447 | 67.1 | 41,003 | 14.5 | 9,110 | 3.2 | 283,695 |
| Jun/21 | 45,738 | 15.6 | 197,584 | 67.6 | 40,414 | 13.8 | 8,684 | 3.0 | 292,420 |
| Sep/21 | 75,576 | 24.5 | 182,503 | 59.1 | 40,744 | 13.2 | 9,892 | 3.2 | 308,715 |

(1) As of 2Q21, the “up to 1 year” column also includes the balance of bonds without maturities (with immediately liquid).

Open Market Funding

The following table sets forth the Liquidity Balance, calculated as Liquidity Assets less Liquidity Liabilities.

Table 23. Liquidity Balance – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. (%) | |
|-------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|--------------|--------------|
| | | | | | | | Sep/20 | Jun/21 |
| Liquidity Assets (a) | 869,943 | 100.0 | 890,344 | 100.0 | 966,041 | 100.0 | 11.0 | 8.5 |
| Interbank Investments | 595,932 | 68.5 | 571,754 | 64.2 | 634,228 | 65.7 | 6.4 | 10.9 |
| Securities (except linked to Bacen) | 254,600 | 29.3 | 293,174 | 32.9 | 310,023 | 32.1 | 21.8 | 5.7 |
| Available Funds | 19,412 | 2.2 | 25,415 | 2.9 | 21,791 | 2.3 | 12.3 | (14.3) |
| Liquidity Liabilities (b) | 597,383 | 100.0 | 602,752 | 100.0 | 697,278 | 100.0 | 16.7 | 15.7 |
| Open Market Funding | 569,103 | 95.3 | 578,111 | 95.9 | 672,163 | 96.4 | 18.1 | 16.3 |
| Interbank Deposits | 28,280 | 4.7 | 24,641 | 4.1 | 25,115 | 3.6 | (11.2) | 1.9 |
| Liquidity Balance (a-b) | 272,560 | 100.0 | 287,591 | 100.0 | 268,763 | 100.0 | (1.4) | (6.5) |



Table 24. Open Market Funding Expenses – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|-------------------------------------|----------------|----------------|----------------|--------------|-------------|-----------------|-----------------|-------------|
| | | | | 3Q20 | 2Q21 | | | |
| Open Market Funding Expenses | (3,065) | (4,790) | (7,960) | 159.7 | 66.2 | (11,759) | (15,528) | 32.0 |
| Third Party Portfolio | (2,646) | (4,171) | (6,978) | 163.7 | 67.3 | (9,994) | (13,377) | 33.9 |
| Own Portfolio | (288) | (518) | (869) | – | 67.7 | (1,249) | (1,838) | 47.2 |
| Interbank Deposits | (125) | (89) | (112) | (10.5) | 26.0 | (506) | (297) | (41.3) |
| Other Open Market Operations | (6) | (11) | (1) | (91.3) | (95.2) | (11) | (16) | 47.5 |

Open market funding expenses are mainly expenses incurred with repo backed by the Bank's own portfolio and third parties' securities. As with interbank liquidity investments (which covers income from investments in the open market and interbank deposits), the dynamics of open market operations changes according to the volume applied/raised and the variation of the TMS, considering those are operations backed by government bonds in greater part.

Other Treasury Components

Other treasury components include, in addition to the results from foreign exchange earnings/losses on shareholders' equity abroad and tax hedging, the exchange rate variation on loans, funding, and institutional funding transactions, among others, recorded in "others."

Table 25. Other Treasury Components – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|----------------------------------|------------|-----------|------------|------------|----------|--------------|------------|---------------|
| | | | | 3Q20 | 2Q21 | | | |
| Other Treasury Components | 387 | 15 | 393 | 1.5 | – | 1,091 | 890 | (18.5) |
| Gain (Loss) over Equity Abroad | 656 | (1,853) | 1,131 | 72.3 | – | 5,582 | 406 | (92.7) |
| Tax Hedge | 595 | (885) | 648 | 8.9 | – | 4,815 | 302 | (93.7) |
| Foreign Exchange Portfolio | 133 | 121 | 164 | 23.5 | 35.9 | 408 | 438 | 7.3 |
| Other | (998) | 2,632 | (1,550) | 55.4 | – | (9,713) | (255) | (97.4) |



Assets and Liabilities Analysis

Assets Analysis

Table 26. Average Balances and Interest Rate – Earning Assets (Annual) – R\$ million

| | 3Q20 | | | 3Q21 | | |
|--------------------------------------|------------------------------|-----------------------|------------------------------|------------------------------|-----------------------|------------------------------|
| | Average Balance ¹ | Revenues ² | Yearly ³ Rate (%) | Average Balance ¹ | Revenues ² | Yearly ³ Rate (%) |
| Earning Assets | 1,547,948 | 22,732 | 5.8 | 1,712,549 | 32,031 | 7.4 |
| Loans and Leasing ⁴ | 660,991 | 16,930 | 10.3 | 726,489 | 19,212 | 10.6 |
| Secur. + Interbank Invest. w/o Hedge | 829,598 | 5,448 | 2.6 | 921,886 | 12,209 | 5.2 |
| Remunerated Compulsory Deposits | 47,649 | 304 | 2.5 | 53,142 | 562 | 4.2 |
| Other | 9,709 | 50 | 2.0 | 11,031 | 49 | 1.7 |

(1) Arithmetic average of the final balances in the months of the relevant periods. (2) Calculated including the partial effect of the exchange rate variation. (3) Annualized average (252 business days year/business days of the period). (4) It includes Credit Transactions, Leases, and Acquired Portfolios.

Table 27. Average Balances and Interest Rate – Earning Assets (Quarterly) – R\$ million

| | 2Q21 | | | 3Q21 | | |
|--------------------------------------|------------------------------|-----------------------|------------------------------|------------------------------|-----------------------|------------------------------|
| | Average Balance ¹ | Revenues ² | Yearly ³ Rate (%) | Average Balance ¹ | Revenues ² | Yearly ³ Rate (%) |
| Earning Assets | 1,627,834 | 26,616 | 6.8 | 1,712,549 | 32,031 | 7.4 |
| Loans and Leasing | 695,436 | 18,107 | 11.0 | 726,489 | 19,212 | 10.6 |
| Secur. + Interbank Invest. w/o Hedge | 870,639 | 8,068 | 3.8 | 921,886 | 12,209 | 5.2 |
| Remunerated Compulsory Deposits | 50,212 | 399 | 3.3 | 53,142 | 562 | 4.2 |
| Other | 11,547 | 43 | 1.5 | 11,031 | 49 | 1.7 |

(1) Arithmetic average of the final balances in the months of the relevant periods. (2) Calculated including the partial effect of the exchange rate variation. (3) Annualized average (252 business days year/business days of the period). (4) It includes Credit Transactions, Leases, and Acquired Portfolios.



Table 28. Average Balances and Interest Rate – Earning Assets (Accumulated) – R\$ million

| | 9M20 | | | 9M21 | | |
|--------------------------------------|------------------------------|-----------------------|------------------------------|------------------------------|-----------------------|------------------------------|
| | Average Balance ¹ | Revenues ² | Yearly Rate (%) ³ | Average Balance ¹ | Revenues ² | Yearly Rate (%) ³ |
| Earning Assets | 1,450,288 | 73,741 | 6.9 | 1,640,486 | 80,990 | 6.7 |
| Loans and Leasing ⁴ | 648,569 | 52,117 | 10.9 | 702,191 | 54,603 | 10.6 |
| Secur. + Interbank Invest. w/o Hedge | 743,291 | 20,234 | 3.7 | 875,387 | 24,991 | 3.8 |
| Remunerated Compulsory Deposits | 48,956 | 1,183 | 3.3 | 50,445 | 1,254 | 3.3 |
| Other | 9,471 | 207 | 2.9 | 12,462 | 141 | 1.5 |

(1) Arithmetic average of the final balances in the months of the relevant periods. (2) Calculated including the partial effect of the exchange rate variation. (3) Annualized average (252 business days year/business days of the period). (4) It includes Credit Transactions, Leases, and Acquired Portfolios.

Liabilities Analysis

Table 29. Average Balances and Interest Rates – Interest Bearing Liabilities (Annual) – R\$ million

| | 3Q20 | | | 3Q21 | | |
|---------------------------------------|------------------------------|-----------------------|------------------------------|------------------------------|-----------------------|------------------------------|
| | Average Balance ¹ | Expenses ⁴ | Yearly Rate (%) ² | Average Balance ¹ | Expenses ⁴ | Yearly Rate (%) ² |
| Interest Bearing Liabilities | 1,369,160 | (9,011) | 2.6 | 1,489,417 | (17,289) | 4.6 |
| Open Market Funding | 552,307 | (2,941) | 2.1 | 634,965 | (7,848) | 4.9 |
| Time Deposits | 270,629 | (1,739) | 2.5 | 317,284 | (3,795) | 4.7 |
| Borrowing and Onlending | 75,010 | (1,196) | 6.3 | 67,569 | (1,203) | 7.1 |
| Saving Deposits | 207,335 | (1,118) | 2.1 | 225,890 | (1,966) | 3.4 |
| Subordinated Debt | 85,456 | (989) | 4.6 | 67,299 | (833) | 4.9 |
| Agribusiness Letters of Credit | 73,260 | (350) | 1.9 | 73,755 | (838) | 4.5 |
| Foreign Securities Borrowing | 41,940 | (402) | 3.8 | 38,030 | (373) | 3.9 |
| Financial and Development Funds | 21,320 | (91) | 1.7 | 26,573 | (181) | 2.7 |
| Interbank Deposits | 28,501 | (125) | 1.7 | 25,124 | (112) | 1.7 |
| Others Commercial Papers ³ | 13,402 | (61) | 1.8 | 12,928 | (140) | 4.3 |

(1) Arithmetic average of the final balances in the months of the relevant periods. (2) Annualized average (252 business days year/business days of the period). (3) Included: letters of credit, debentures, mortgage bonds and receivables certificates. (4) Calculated including the partial effect of the exchange rate variation.



Table 30. Average Balances and Interest Rates – Interest Bearing Liabilities (Quarterly) – R\$ million

| | 2Q21 | | | 3Q21 | | |
|---------------------------------------|------------------------------|-----------------------|------------------------------|------------------------------|-----------------------|------------------------------|
| | Average Balance ¹ | Expenses ⁴ | Yearly Rate (%) ² | Average Balance ¹ | Expenses ⁴ | Yearly Rate (%) ² |
| Interest Bearing Liabilities | 1,423,729 | (12,069) | 3.5 | 1,489,417 | (17,289) | 4.6 |
| Open Market Funding | 581,720 | (4,701) | 3.3 | 634,965 | (7,848) | 4.9 |
| Time Deposits | 305,677 | (2,748) | 3.7 | 317,284 | (3,795) | 4.7 |
| Borrowing and Onlending | 69,604 | (1,138) | 6.8 | 67,569 | (1,203) | 7.1 |
| Saving Deposits | 221,805 | (1,409) | 2.6 | 225,890 | (1,966) | 3.4 |
| Subordinated Debt | 68,695 | (832) | 5.0 | 67,299 | (833) | 4.9 |
| Agribusiness Letters of Credit | 72,064 | (531) | 3.0 | 73,755 | (838) | 4.5 |
| Foreign Securities Borrowing | 38,752 | (384) | 4.1 | 38,030 | (373) | 3.9 |
| Financial and Development Funds | 26,145 | (146) | 2.3 | 26,573 | (181) | 2.7 |
| Interbank Deposits | 26,537 | (89) | 1.4 | 25,124 | (112) | 1.7 |
| Others Commercial Papers ³ | 12,731 | (90) | 2.9 | 12,928 | (140) | 4.3 |

(1) Arithmetic average of the final balances in the months of the relevant periods. (2) Annualized average (252 business days year/business days of the period). (3) Included: letters of credit, debentures, mortgage bonds and receivables certificates. (4) Calculated including the partial effect of the exchange rate variation.

Table 31. Average Balances and Interest Rates – Interest Bearing Liabilities (Accumulated) – R\$ million

| | 9M20 | | | 9M21 | | |
|---------------------------------------|------------------------------|-----------------------|------------------------------|------------------------------|-----------------------|------------------------------|
| | Average Balance ¹ | Expenses ⁴ | Yearly Rate (%) ² | Average Balance ¹ | Expenses ⁴ | Yearly Rate (%) ² |
| Interest Bearing Liabilities | 1,291,109 | (32,068) | 3.3 | 1,432,955 | (38,191) | 3.6 |
| Open Market Funding | 503,438 | (11,253) | 3.0 | 587,736 | (15,231) | 3.5 |
| Time Deposits | 254,220 | (6,242) | 3.3 | 304,900 | (8,476) | 3.7 |
| Borrowing and Onlending | 76,803 | (3,802) | 6.7 | 70,379 | (3,543) | 6.8 |
| Saving Deposits | 193,425 | (4,029) | 2.8 | 222,020 | (4,464) | 2.7 |
| Subordinated Debt | 83,724 | (2,912) | 4.7 | 70,143 | (2,539) | 4.9 |
| Agribusiness Letters of Credit | 73,599 | (1,532) | 2.8 | 72,990 | (1,707) | 3.1 |
| Foreign Securities Borrowing | 39,307 | (1,176) | 4.0 | 39,655 | (1,157) | 3.9 |
| Financial and Development Funds | 21,128 | (326) | 2.1 | 26,166 | (491) | 2.5 |
| Interbank Deposits | 30,728 | (506) | 2.2 | 26,230 | (297) | 1.5 |
| Others Commercial Papers ³ | 14,738 | (290) | 2.6 | 12,736 | (286) | 3.0 |

(1) Arithmetic average of the final balances in the months of the relevant periods. (2) Annualized average (252 business days year/business days of the period). (3) Included: letters of credit, debentures, mortgage bonds and receivables certificates. (4) Calculated including the partial effect of the exchange rate variation.



Volume and Rate Analysis

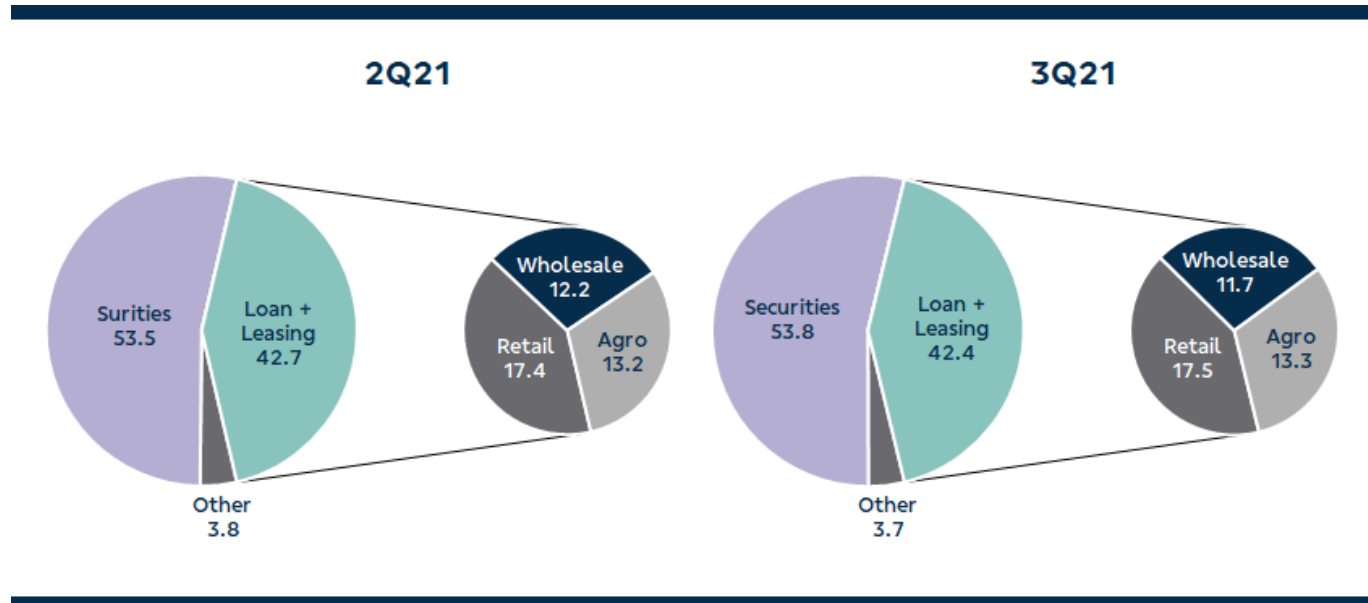
Earning assets average balance up R\$84.7 billion (+5.2%) in the quarter (3Q21/2Q21), influenced by 5.9% (+R\$51.2 billion) growth in the average balance of the securities and interbank investments (without hedge) portfolio and 4.5% (+R\$31.0 billion) growth in the average balance of loan and leasing portfolio. In the same period, Net interest income totaled R\$15.7 billion, up 9.0% over 2Q21.

Table 32. Analysis of Volume (Earning Assets) – R\$ million

| | Quarter Spread | | | Accumulated Spread | | |
|--|----------------|-----------|-----------|--------------------|-----------|-----------|
| | 2Q21 | 3Q21 | Abs. Chg. | 9M20 | 9M21 | Abs. Chg. |
| Assets – Earning Assets (a) ¹ | 1,627,834 | 1,712,549 | 84,714 | 1,450,288 | 1,640,486 | 190,198 |
| Net Interest Income (b) | 14,384 | 15,683 | 1,299 | 42,375 | 44,631 | 2,256 |
| Spread (b/a) - % | 0.884 | 0.916 | 0.032 | 2.922 | 2.721 | (0.201) |
| Gain/(Loss) with Volume ² | | | 749 | | | 5,557 |
| Gain/(Loss) with Spread ³ | | | 523 | | | (2,919) |
| Gain/(Loss) with Volume and Spread | | | 27 | | | (383) |

(1) Arithmetic average of the closing balances of months that comprise the period. (2) Gain/(Loss) resulting from multiplying the earning assets volume of the current period for the spread of the previous period net previous NII. (3) Gain/(Loss) resulting from multiplying the earning assets volume of the previous period for the spread of the current period net previous NII.

Figure 19. Earning Assets Breakdown – %





In 3Q21, net interest margin (NIM) increased 13bps QoQ and remained stable YoY, favored in the short term by the increase in liquidity assets income. Compared to 3Q20, highlight was 56bps increase in the risk adjusted NIM, favored by the 38.2% increase of net financial margin in the period.

Table 33. NIM – %

| | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|--|------|------|------|------|------|------|------|------|
| Net Interest Margin (NIM) ¹ | 4.4 | 4.3 | 4.0 | 3.7 | 3.7 | 3.7 | 3.6 | 3.7 |
| Risk Adjusted NIM ² | 3.3 | 2.6 | 2.4 | 2.2 | 2.3 | 3.1 | 2.9 | 2.8 |

(1) NII/Earning Assets average, annualized. (2) Risk adjusted Net Interest Margin (NII less ALLL Extended View)/Earning Assets average, annualized.

Table 34. Net Interest Margin and Net Interest Income – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | 9M20 | 9M21 |
|--|---------------|---------------|---------------|---------------|---------------|
| (a) Average Interest Earning Assets (AIEA) | 1,547,948 | 1,627,834 | 1,712,549 | 1,450,288 | 1,640,486 |
| (b) Average Interest Bearing Liabilities (AIBL) | 1,369,160 | 1,423,729 | 1,489,417 | 1,291,109 | 1,432,955 |
| (c) NII | 14,017 | 14,384 | 15,683 | 42,375 | 44,631 |
| (d) Net Interest Gain | 13,721 | 14,547 | 14,743 | 41,673 | 42,799 |
| (d.I) Interest Income | 22,732 | 26,616 | 32,031 | 73,741 | 80,990 |
| (d.II) Interest Expense | (9,011) | (12,069) | (17,289) | (32,068) | (38,191) |
| (e) Other Items ¹ | 296 | (163) | 941 | 703 | 1,832 |
| AIBL / AIEA (b/a) – % | 88.5 | 87.5 | 87.0 | 89.0 | 87.3 |
| Yield Average Assets ^{2 4} (d.I/a) – % | 6.0 | 6.7 | 7.7 | 6.8 | 6.6 |
| Liabilities Average Cost ^{2 4} (d.II/b) – % | 2.7 | 3.4 | 4.7 | 3.3 | 3.6 |
| Net Interest Rate ^{2 3} – % | 3.3 | 3.3 | 3.0 | 3.5 | 3.1 |
| Adjusted NIM ² (d/a) – % | 3.6 | 3.6 | 3.5 | 3.8 | 3.5 |
| NIM ² (c/a) – % | 3.7 | 3.6 | 3.7 | 3.9 | 3.6 |

(1) Includes derivatives, debt assumption contracts, foreign exchange portfolio, recovery of write-offs, gold loans, credit guarantor fund, foreign exchange gain/loss abroad and other income of a financial intermediation nature. (2) Annualized Rates. (3) Difference between average rate of earning assets and average rate of interest-bearing liabilities. (4) Calculated partial effect of exchange rate change.



The following tables set forth the variations in interest income and expenses due to the variation in the average volume of interest earning assets and interest-bearing liabilities and by the change in the average interest rate on these assets and liabilities for the periods indicated.

Table 35. Change in Volume and Rate – R\$ million

| | 3Q21 / 2Q21 | | | 3Q21 / 3Q20 | | | 9M21 / 9M20 | | |
|---|-----------------------------|---------------------------|-------------------------|-----------------------------|---------------------------|-------------------------|-----------------------------|---------------------------|-------------------------|
| | Average Volume ¹ | Average Rate ² | Net Change ³ | Average Volume ¹ | Average Rate ² | Net Change ³ | Average Volume ¹ | Average Rate ² | Net Change ³ |
| Earning Assets⁴ | 1,584 | 3,830 | 5,415 | 3,079 | 6,221 | 9,299 | 9,390 | (2,140) | 7,250 |
| Secur. + Interbank Invest. w/o Hedge | 679 | 3,462 | 4,141 | 1,222 | 5,539 | 6,761 | 3,771 | 986 | 4,757 |
| Loans and Leasing | 821 | 284 | 1,105 | 1,732 | 550 | 2,282 | 4,170 | (1,683) | 2,487 |
| Remunerated Compulsory Deposits | 31 | 132 | 163 | 58 | 200 | 258 | 37 | 35 | 72 |
| Other | (2) | 8 | 6 | 6 | (7) | (2) | 34 | (100) | (66) |
| Interest Bearing Liabilities⁴ | (762) | (4,457) | (5,219) | (1,396) | (6,882) | (8,277) | (3,780) | (2,343) | (6,123) |
| Saving Deposits | (36) | (521) | (557) | (161) | (686) | (848) | (575) | 139 | (436) |
| Interbank Deposits | 6 | (29) | (23) | 15 | (2) | 13 | 51 | 158 | 209 |
| Time Deposits | (139) | (909) | (1,047) | (558) | (1,498) | (2,056) | (1,409) | (824) | (2,233) |
| Open Market Funding | (658) | (2,489) | (3,147) | (1,022) | (3,886) | (4,907) | (2,185) | (1,793) | (3,978) |
| Borrowing and Onlending | 36 | (101) | (65) | 133 | (140) | (8) | 323 | (64) | 259 |
| Financial and Development Funds | (3) | (32) | (34) | (36) | (55) | (90) | (95) | (71) | (166) |
| Subordinated Debt | 17 | (18) | (1) | 225 | (69) | 156 | 492 | (118) | 373 |
| Foreign Securities Borrowing | 7 | 5 | 12 | 38 | (9) | 29 | (10) | 29 | 19 |
| Agribusiness Letters of Credit | (19) | (287) | (307) | (6) | (482) | (488) | 14 | (190) | (176) |
| Others Commercial Papers ⁵ | (2) | (48) | (50) | 5 | (84) | (79) | 45 | (41) | 4 |

(1) Net variation – Average Rate. (2) $(\text{Interest for the Current Period} / \text{Balance in the Current Period}) \times (\text{Balance in the Previous Period}) - (\text{Interest for the Previous Period})$. (3) $\text{Interest for the Current Period} - \text{Interest for the Previous Period}$. (4) Calculation based on the same method presented in footnotes 1, 2, and 3. (5) Included: letters of credit, debentures, mortgage bonds and mortgage receivables certificates.



Managerial Financial Margin

Determining the managerial financial margin is performed considering:

- I) accrued interest income classified by type of portfolio and;
- II) opportunity costs determined for each line item of the portfolios.

In the case of fixed rate transactions, the managerial financial spread considers the funding cost at the time of the contracting, and it is not affected by the variation in the Selic rate.

The opportunity cost for Loans allocated to Individuals and Businesses with free resources is the TMS (Taxa Média Selic) and/or Term Structure of Interest Rates (Estrutura a Termo das Taxas de Juros – ETTJ). The opportunity cost for the agribusiness portfolio and other-directed resources is calculated based on the source of funds and the need to make any compulsory investment with a portion of the funds from the relevant source.

Table 36. Managerial Margin – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|------------------------|---------------|---------------|---------------|------------|------------|---------------|---------------|------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Loan Operations | 11,316 | 11,786 | 11,834 | 4.6 | 0.4 | 33,400 | 35,251 | 5.5 |
| Individuals | 6,280 | 6,474 | 6,535 | 4.1 | 0.9 | 19,048 | 19,362 | 1.6 |
| Companies | 2,759 | 2,831 | 2,937 | 6.4 | 3.8 | 7,769 | 8,611 | 10.8 |
| Agribusiness | 2,277 | 2,482 | 2,363 | 3.8 | (4.8) | 6,582 | 7,278 | 10.6 |



Managerial Spread

The managerial spread of loan operations – which is not affected by the movement of liquidity assets – ended 3Q21 at 7.50%, over 7.70% (-20bps QoQ) in the previous quarter and 7.94% (-44bps YoY) in last year's same period.

Individuals: reduced 20bps QoQ and 44bps YoY, pressured by opportunity cost's increase of new deals due to Selic rate's upward movement, despite the growth in the managerial margin (+0.9% QoQ and +4.1% YoY), with emphasis on non-payroll loans and credit card (revolving).

Companies: increased 12bps QoQ and remained stable YoY, positively impacted by the mix, with greater share of retail customers and working capital (both in retail and wholesale) but eased by the increase in opportunity cost.

Agribusiness: decreased 48bps QoQ and 39bps YoY, pressured by the increase in the opportunity cost of loans. In the year-to-date (9M21/9M20), highlight was 10.6% growth in the managerial margin in the period.

The following table presents the managerial spread by portfolio. The rate results from the managerial financial margin divided by its average balances.

Table 37. Spread by Portfolio¹ – %

| | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Loan Operations | 8.2 | 8.0 | 7.9 | 7.9 | 7.8 | 7.8 | 7.7 | 7.5 |
| Individuals | 16.4 | 15.6 | 15.4 | 15.1 | 14.8 | 14.7 | 14.5 | 14.2 |
| Companies ² | 5.1 | 5.3 | 5.1 | 5.2 | 5.0 | 5.1 | 5.1 | 5.2 |
| Agribusiness ³ | 4.8 | 4.8 | 4.9 | 5.1 | 5.3 | 5.3 | 5.2 | 4.7 |

(1) Does not include loan with the Government; (2) Series revised in 3Q20; (3) Series revised in 2Q21.

Foreign Exchange Exposure and Balance Sheet by Index

Balance in Foreign Currencies

Banco do Brasil uses tax hedging strategy, to reduce the result's volatility, after tax effects, considering that earnings with the exchange rate variation of investments abroad are not taxed, just as losses do not generate a deduction in the tax base.

Due to CMN Resolution No. 4,851/20, starting this year (2021), the exchange rate variation of risk covered investments abroad is considered in the evaluation of calculation basis of taxable profit and social contribution, in the proportion of 50% in the first year

(2021) and 100% from 2022 on, resulting in tax hedge balance reduction.

Banco do Brasil manages its foreign exchange exposure to minimize its effects on the Consolidated Result. The following table presents the Bank's consolidated statement of assets, liabilities, and derivatives in foreign currencies. On September 30, 2021, net foreign exchange exposure totaled an expense of US\$1,125 million, and represented 1.75% of the Reference Equity (RE).

Table 38. Balance in Foreign Currencies – R\$ million

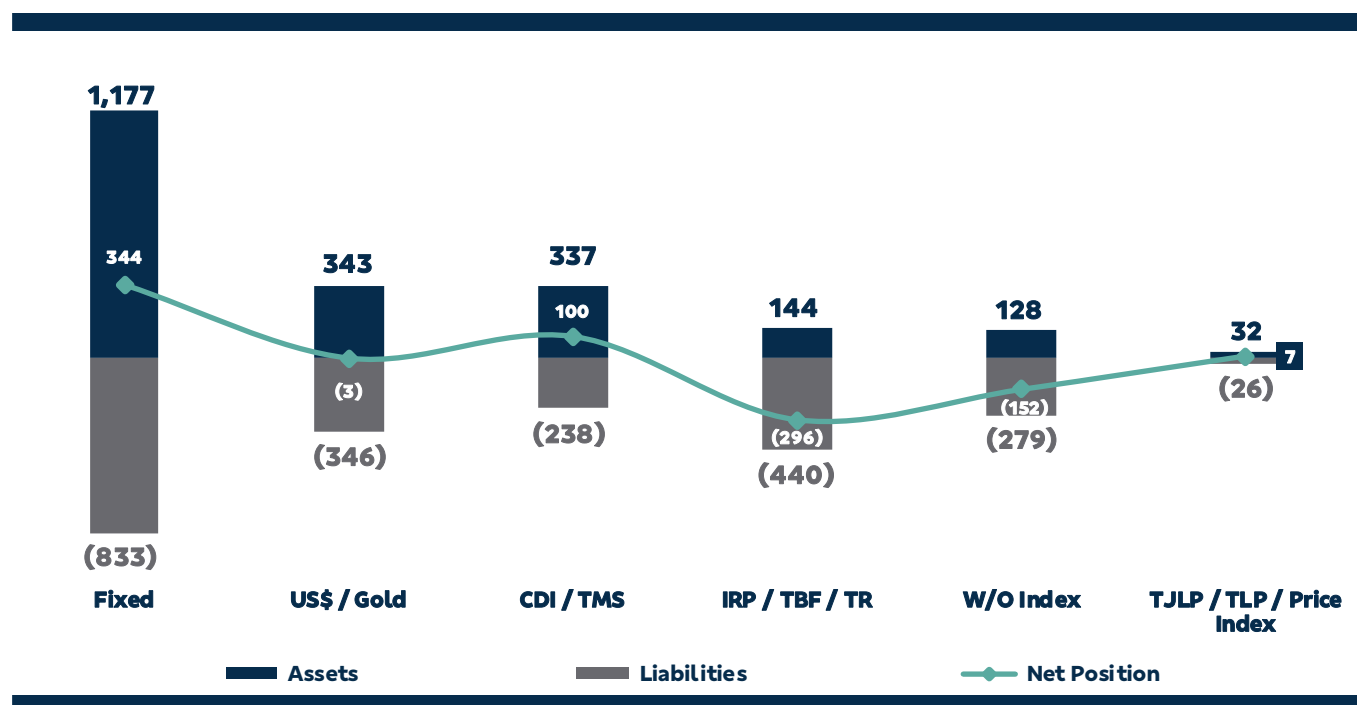
| Currency | Balance Sheet | | Derivatives | | Total | |
|---|----------------|------------------|---------------|-----------------|----------------|---------------------|
| | Assets | Liabilities | Long | Short | Assets + Long | Liabilities + Short |
| U.S. Dollar | 197,717 | (227,887) | 55,764 | (31,912) | 253,481 | (259,799) |
| Euro | 15,588 | (10,423) | 1,718 | (7,905) | 17,306 | (18,328) |
| Yen | 2,900 | (2,297) | – | (1,056) | 2,900 | (3,353) |
| Pound Sterling | 236 | (339) | – | (826) | 236 | (1,165) |
| Swiss Franc | 2 | (1) | – | – | 2 | (1) |
| Gold | 29 | – | – | – | 29 | – |
| Canadian Dollar | 19 | (12) | 4 | – | 23 | (12) |
| Other | 20,516 | (19,567) | 1,613 | – | 22,129 | (19,567) |
| Total | 237,007 | (260,526) | 59,099 | (41,699) | 296,106 | (302,225) |
| Total Net Position | | (23,519) | 17,400 | | | (6,119) |
| Total Net Position in US\$ million | | | | | | (1,125) |



Balance Sheet by Index

The following figure presents Banco do Brasil's breakdown of consolidated assets and liabilities, including derivatives and its net position, by index, on September 30, 2021.

Figure 20. Balance Sheet by Index and Net Position – R\$ billion





Maturity Mismatch Profile

Banco do Brasil's consolidated inventory of transactions sensitive to changes in interest rates (by maturity) is presented in the following table:

Table 39. Maturity Mismatch – R\$ million

| | < 1 Mo | 1 > 3 Mo | 3 > 6 Mo | 6 > 12 Mo | 1 > 3 Yrs | > 3 Yrs | Total |
|-------------------------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|--------------------|
| Assets | 810,361 | 112,075 | 92,182 | 157,335 | 347,207 | 515,017 | 2,034,177 |
| Fixed | 703,504 | 45,334 | 49,549 | 79,948 | 159,295 | 139,435 | 1,177,065 |
| CDI / TMS | 20,119 | 16,451 | 22,087 | 41,104 | 100,664 | 137,032 | 337,457 |
| TR / TBF / IRP | 8,874 | 5,115 | 1,441 | 13,354 | 23,092 | 92,467 | 144,343 |
| Price Index | 123 | 113 | 185 | 3,527 | 9,073 | 1,902 | 14,922 |
| TJLP | 107 | 262 | 271 | 480 | 1,411 | 7,099 | 9,630 |
| TLP | 98 | 203 | 284 | 540 | 1,956 | 4,859 | 7,940 |
| US\$ / ME | 77,536 | 44,597 | 18,365 | 18,383 | 51,716 | 132,223 | 342,820 |
| Liabilities | (821,942) | (69,097) | (57,005) | (83,868) | (353,319) | (497,390) | (1,882,621) |
| Fixed ¹ | (677,349) | (12,454) | (8,551) | (9,992) | (41,376) | (83,333) | (833,054) |
| CDI / TMS | (56,360) | (28,798) | (11,113) | (24,429) | (113,348) | (3,607) | (237,655) |
| TR / TBF / IRP | (15,292) | (8,166) | (7,260) | (17,164) | (109,434) | (282,992) | (440,307) |
| Price Index | (36) | (0) | (2) | (1,168) | (125) | (194) | (1,525) |
| TJLP | (140) | (297) | (399) | (659) | (2,186) | (20,374) | (24,055) |
| TLP | - | - | - | - | - | - | - |
| US\$ / ME | (72,767) | (19,382) | (29,680) | (30,456) | (86,850) | (106,890) | (346,025) |
| Gap | (11,581) | 42,978 | 35,177 | 73,467 | (6,112) | 17,627 | 151,556 |
| Cumulative Gap | (11,581) | 31,397 | 66,574 | 140,040 | 133,928 | 151,556 | - |
| Cumul. Gap as % Assets | (1.4) | 28.0 | 72.2 | 89.0 | 38.6 | 29.4 | - |

(1) Fixed liabilities include checking accounts balance (total amount of R\$86.7 billion).



3.

Fee Income

Fee income was R\$7.4 billion in 3Q21, 3.2% up QoQ, with emphasis on the performance of asset management (+9.9%), insurance, pension plans and premium bonds (+6.0%) and consortium fees (+11.7%).

In the 9-month accumulated view, the 1.0% growth, which is within the range of corporate projections, was influenced by the commercial performance in the asset management (+7.6%), insurance (+10.5%), consortium (+27.1%) and collections (+7.5%), which offset the reduction in checking account fees (-16.8%).



The following table shows the fee income breakdown, and it should be evaluated considering the seasonality effects (products and services volume sold and number of business days).

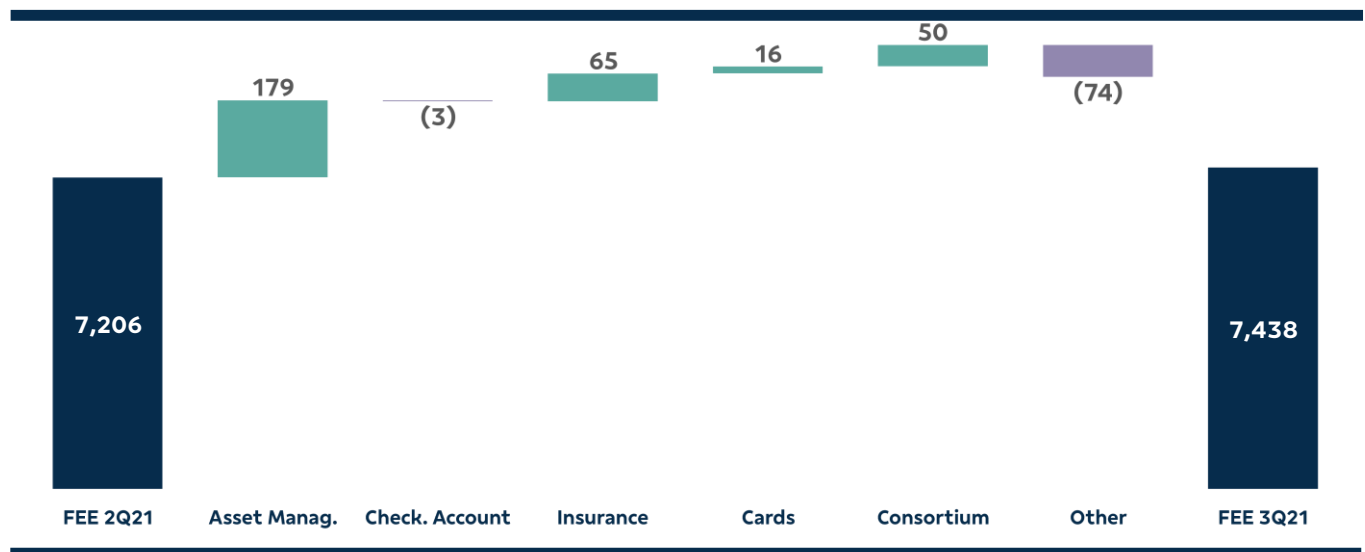
Table 40. Fee Income – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | 9M20 |
|---------------------------------------|--------------|--------------|--------------|------------|------------|---------------|---------------|------------|
| | | | | 3Q20 | 2Q21 | | | |
| Fee Income | 7,281 | 7,206 | 7,438 | 2.2 | 3.2 | 21,313 | 21,522 | 1.0 |
| Asset Management | 1,699 | 1,812 | 1,990 | 17.1 | 9.9 | 5,095 | 5,482 | 7.6 |
| Checking Account | 1,821 | 1,539 | 1,536 | (15.7) | (0.2) | 5,662 | 4,708 | (16.8) |
| Insur., Pens. Plans & Premium Bonds | 1,078 | 1,080 | 1,145 | 6.2 | 6.0 | 2,939 | 3,248 | 10.5 |
| Credit/Debit Cards | 528 | 510 | 526 | (0.3) | 3.2 | 1,532 | 1,552 | 1.3 |
| Consortium | 388 | 427 | 477 | 23.0 | 11.7 | 1,014 | 1,289 | 27.1 |
| Loans and Guarantees | 439 | 448 | 441 | 0.6 | (1.4) | 1,191 | 1,249 | 4.8 |
| Collections | 360 | 362 | 360 | (0.1) | (0.5) | 1,010 | 1,087 | 7.5 |
| Billings | 235 | 243 | 249 | 6.0 | 2.3 | 721 | 734 | 1.9 |
| Subsidiaries Abroad | 187 | 192 | 191 | 2.0 | (0.9) | 528 | 556 | 5.3 |
| Contract Processing | 150 | 183 | 172 | 14.6 | (6.0) | 463 | 517 | 11.6 |
| Capital Market | 143 | 126 | 86 | (40.0) | (31.9) | 355 | 280 | (21.0) |
| Nat. Treas. and Official Funds Manag. | 94 | 88 | 91 | (3.1) | 3.5 | 290 | 274 | (5.4) |
| Foreign Exchange Services | 67 | 69 | 70 | 4.5 | 1.9 | 225 | 205 | (8.8) |
| Other | 93 | 128 | 105 | 12.8 | (18.1) | 287 | 339 | 18.1 |
| Business Days | 65 | 62 | 65 | - | 4.8 | 188 | 188 | - |



The QoQ performance (3Q21/2Q21), 3.2% up, was influenced by the performance on the segments of fund management, insurance and consortium, as detailed in the figure below.

Figure 21. Quarterly Changes in Fee Income – R\$ million



The asset management segment, with an increase of 9.9%, was influenced by the higher number of business days in the quarter (65 vs 62), and by the 5.7% growth in the balance of assets under management in the same comparison. The quarterly highlight was the increase in revenues from exclusive funds and companies funds.

In the insurance segment, the positive variation of 6.0% was influenced by the following reasons: (a)

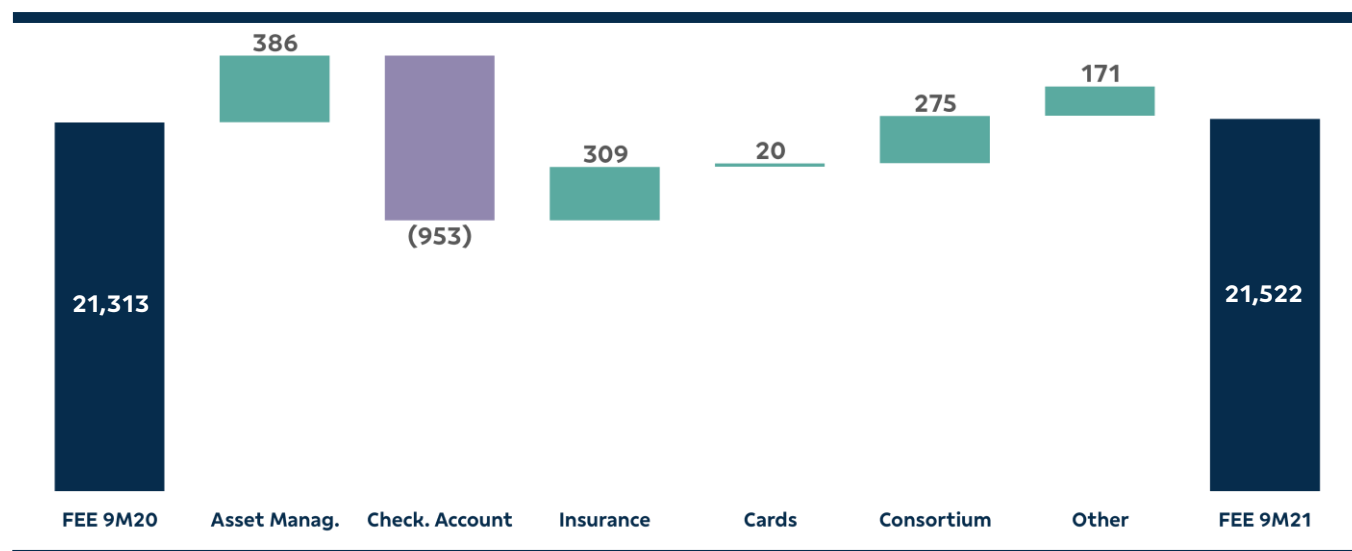
increase in the volume of rural insurance premiums written, in line with the growing demand in the sector; (b) commercial performance in life insurance, with growth in new sales; and (c) increase in pension plans contributions.

Consortiums fees grew by 11.7% due to the sale of more than 148 thousand new quotas in 3Q21, an increase of 12.6% compared to the previous quarter.



In 9M21, fee income was R\$21.5 billion, 1.0% up compared to 9M20. The performance was mainly influenced by the fund management, insurance, consortiums, in addition to the billings segment, which is included in the group “Other” in the figure below.

Figure 22. 9-Month Changes in Fee Income – R\$ million



The asset management segment, 7.6% up, was mainly influenced by the growth of 15.4% in the balance of assets under management. It is worth mentioning that the market share increased from 25.8% in Sep/20 to 26.1% in Sep/21.

The positive performance of 10.5% in the insurance segment was influenced by the good commercial performance of BB Seguros, especially in the rural, life and home insurance segments. In addition, the pension plans segment was benefited from the greater concentration of contributions on products with higher profitability.

Consortiums fees grew by 27.1% in the 9-month comparison, due to: (a) increase in the average rate of the product; and (b) launch of new products. In 9M21, 368.5 thousand new quotas were sold, an increase of 11.8% compared to 9M20.

Another relevant line for the composition of fee income is checking account fees. The negative performance of 16.8% is explained, in large part, by the retraction in checking account packages and wire transfer fees, fueled by the increase in transactionality via PIX (Central Bank’s instant payments system) and the change in customers’ profile, who increasingly demand services that have a higher perceived value, such as the “Clube de Benefícios”, a new type of relationship with exclusive benefits, which works through a monthly subscription. Due to this product specific characteristics, its revenues are accounted for in “Other Operating Income”. For comparison, the amount collected with this product was R\$356 million in 9M21, an increase of 123.7% up in relation to the same period of the previous year.



4.

Administrative Expenses

In 3Q21, administrative expenses was R\$7.9 billion, 0.7% up QoQ, , mainly influenced by the increase in personnel expenses, due to the salary readjustment of 10.97% granted to bank employees as of September/2021, in line with the Collective Bargaining Agreement 2020/2022.

In the nine month comparison, expenses were practically stable (+0.2%), remaining within the range of the 2021 guidance, which reinforces the commitment to cost control.

The cost-to-income Ratio accumulated in 12 months was 35.9%, the best ratio in the historical series.



Table 41. Administrative Expenses – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|--------------------------------|----------------|----------------|----------------|------------|------------|-----------------|-----------------|------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Administrative Expenses | (7,835) | (7,857) | (7,915) | 1.0 | 0.7 | (23,456) | (23,509) | 0.2 |
| Personnel Expenses | (4,986) | (4,961) | (5,000) | 0.3 | 0.8 | (14,913) | (14,949) | 0.2 |
| Other Administrative Expenses | (2,849) | (2,897) | (2,915) | 2.3 | 0.6 | (8,542) | (8,560) | 0.2 |



Personnel Expenses

Table 42. Personnel Expenses – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|-------------------------------------|----------------|----------------|----------------|------------|------------|-----------------|-----------------|------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Personnel Expenses | (4,986) | (4,961) | (5,000) | 0.3 | 0.8 | (14,913) | (14,949) | 0.2 |
| Wages and Salaries | (2,391) | (2,701) | (2,345) | (1.9) | (13.2) | (7,316) | (7,415) | 1.4 |
| Benefits | (808) | (806) | (806) | (0.3) | (0.1) | (2,512) | (2,427) | (3.4) |
| Social Charges | (772) | (804) | (770) | (0.2) | (4.2) | (2,297) | (2,361) | 2.8 |
| Personnel Administrative Provisions | (791) | (418) | (857) | 8.2 | 104.8 | (2,095) | (2,072) | (1.1) |
| Pension Plans | (202) | (207) | (195) | (3.6) | (5.8) | (628) | (602) | (4.0) |
| Directors and Officers Remuneration | (12) | (14) | (14) | 13.0 | (3.0) | (37) | (40) | 8.1 |
| Training | (10) | (11) | (14) | 43.5 | 27.0 | (28) | (31) | 10.3 |

Personnel expenses were R\$5.0 billion in 3Q21, 0.8% up QoQ. Despite the salary readjustment of 10.97% in September/2021, granted to bank employees in the collective bargaining agreement, the result for the quarter was offset by savings resulting from the Staff Adequacy Program (PAQ), the Extraordinary Dismissal Program (PDE) and the Performa Program.

In 9M21, personnel expenses were R\$14.9 billion, remaining practically stable in relation to the same period of the previous year. The balance is the result of the average YoY reduction of 5% of the workforce, within the scope of institutional reorganization and voluntary dismissal programs.



Table 43. BB's Staff Profile

| | Sep/20 | Dec/20 | Mar/21 | Jun/21 | Sep/21 |
|--|---------------|---------------|---------------|---------------|---------------|
| Employees | 92,106 | 91,673 | 87,876 | 85,518 | 85,069 |
| Gender | | | | | |
| Female | 38,757 | 38,645 | 37,200 | 36,186 | 36,060 |
| Male | 53,349 | 53,028 | 50,676 | 49,332 | 49,009 |
| Educational Level | | | | | |
| High School | 11,827 | 11,505 | 10,391 | 9,669 | 9,375 |
| College | 32,602 | 31,735 | 29,380 | 27,933 | 27,441 |
| Specialization, Master's and Doctorate | 47,517 | 48,275 | 47,995 | 47,827 | 48,167 |
| Others | 160 | 158 | 110 | 89 | 86 |
| Position | | | | | |
| Management | 32,140 | 32,036 | 31,566 | 31,491 | 31,383 |
| Technical | 1,236 | 1,233 | 1,164 | 1,187 | 1,200 |
| Advisor | 10,376 | 10,365 | 10,073 | 10,052 | 10,041 |
| Operational | 48,354 | 48,039 | 45,073 | 42,788 | 42,445 |
| Interns | 1,752 | 826 | 563 | 422 | 303 |
| Turnover - Quarterly Index (%) | | | | | |
| | 0.5 | 0.6 | 4.4 | 3.0 | 0.6 |

Since 2017, BB's workforce has reduced 14 thousand employees, of which around 7,800 adhered to incentive plans for retirement or voluntary dismissals carried out in 2019 and 2021. In addition, BB has an organic dismissal of approximately 1,500 employees per year. Considering this context and the principles of customer-centricity and the cultural and digital transformation of the company, in September/21 BB held a contest for 2,000 commercial agent positions available (plus 2,000 reserve land) and 240 technology agent positions available (plus 240 reserve land). The objective is to attract new talent and ensure the replacement of positions and continuity of strategies focused on quality of service and customer satisfaction. The contest reached a record 1.6 million entries.

Other Administrative Expenses

Table 44. Other Administrative Expenses – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|--------------------------------------|----------------|----------------|----------------|------------|--------------|----------------|----------------|------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Other Administrative Expenses | (2,849) | (2,897) | (2,915) | 2.3 | 0.6 | (8,542) | (8,560) | 0.2 |
| Rent and Property Maintenance | (642) | (672) | (683) | 6.4 | 1.7 | (1,975) | (2,045) | 3.6 |
| Amortization and Depreciation | (437) | (442) | (448) | 2.6 | 1.3 | (1,262) | (1,332) | 5.6 |
| Security and Transport Services | (476) | (434) | (441) | (7.5) | 1.6 | (1,518) | (1,314) | (13.5) |
| Expenses with Outsourced Services | (375) | (339) | (367) | (2.1) | 8.3 | (1,018) | (1,052) | 3.3 |
| Telecommunic. and Data Processing | (293) | (270) | (242) | (17.4) | (10.5) | (885) | (754) | (14.7) |
| Advertising and Public Relations | (105) | (155) | (178) | 69.8 | 15.2 | (364) | (420) | 15.5 |
| Other Administrative Expenses | (521) | (584) | (555) | 6.6 | (4.9) | (1,521) | (1,642) | 8.0 |

Other administrative expenses were R\$2.9 billion in 3Q21, 0.6% up QoQ, influenced by for expenses with outsourced services and advertising and public relations.

In the nine-month comparison, other administrative expenses were R\$8.6 billion, remaining practically stable compared to the same period of the previous

year. This performance is a result of (i) a decrease of R\$204.8 million in expenses with transport services, resulting from the pandemic scenario and (ii) a reduction of R\$170 million in expenses with telecommunications and data processing.



Customer Service Network

Banco do Brasil's service network is segmented into its own, shared and correspondent network, and is present in 96.6% of Brazilian municipalities.

Table 45. Service Network

| | Sep/20 | Jun/21 | Sep/21 | Chg. (%) | |
|----------------------------|---------------|---------------|---------------|--------------|--------------|
| | | | | Sep/20 | Jun/21 |
| Service Network | 61,097 | 51,820 | 55,171 | (9.7) | 6.5 |
| Own Service Network | 12,453 | 11,768 | 11,691 | (6.1) | (0.7) |
| Branches | 4,370 | 3,977 | 3,977 | (9.0) | – |
| Service Posts | 1,795 | 1,782 | 1,729 | (3.7) | (3.0) |
| Automated Service Posts | 6,288 | 6,009 | 5,985 | (4.8) | (0.4) |
| MaisBB Network | 10,034 | 15,872 | 18,980 | 89.2 | 19.6 |
| Shared Network Channels | 38,610 | 24,180 | 24,500 | (36.5) | 1.3 |
| Lottery Stores | 12,976 | – | – | – | – |
| Banco24Horas | 23,339 | 23,578 | 23,870 | 2.3 | 1.2 |
| ATM: Partner Banks | 2,295 | 602 | 630 | (72.5) | 4.7 |

Banco do Brasil ended the quarter with 55.2 thousand points of service, 6.5% up QoQ, with emphasis on the growth of 3,108 (+19.6%) banking correspondents of the MaisBB network.

The MaisBB Network plays a relevant social role in accessing banking products and services with complementary operations to the BB service network and presence in unassisted markets, providing an increase in the Bank's capillarity and distribution capacity. Most correspondents are formed by micro

and small companies, with the opportunity to promote their main activity by increasing the flow of people in their stores.

The 6.1% YoY reduction in its own service network is part of the adaptation of BB's physical structure to the changes in customer behavior.

The 72.5% YoY drop in ATMs of partner banks is explained by the end of the partnership with CEF for the use of lotteries and shared ATMs in November 2020.



Table 46. Traditional and Specialized Service Network

| | Sep/20 | Jun/21 | Sep/21 | Chg. (%) | |
|--|---------------|---------------|---------------|--------------|--------------|
| | | | | Sep/20 | Jun/21 |
| Own Service Network | 12,453 | 11,768 | 11,691 | (6.1) | (0.7) |
| Traditional Service | 11,654 | 10,955 | 10,878 | (6.7) | (0.7) |
| Traditional Branches | 3,571 | 3,180 | 3,180 | (10.9) | – |
| Service Posts | 1,795 | 1,766 | 1,713 | (4.6) | (3.0) |
| Automated Service Posts | 6,288 | 6,009 | 5,985 | (4.8) | (0.4) |
| Specialized Service | 799 | 813 | 813 | 1.8 | – |
| Digital and Specialized Serv. Branches | 799 | 797 | 797 | (0.3) | – |
| Digital Offices | – | 16 | 16 | – | – |

In line with the strategy of optimizing our channel platform in search of efficiency and lighter structures, we observed, in 12-month comparison, a reduction in the number of traditional branches and service posts, a small increase in digital and specialized service branches, in addition to the expansion of banking correspondents, demonstrating an important adjustment in the Bank's cost structure, migrating to more efficient structures and, above all, without reducing the bank's service coverage to community.

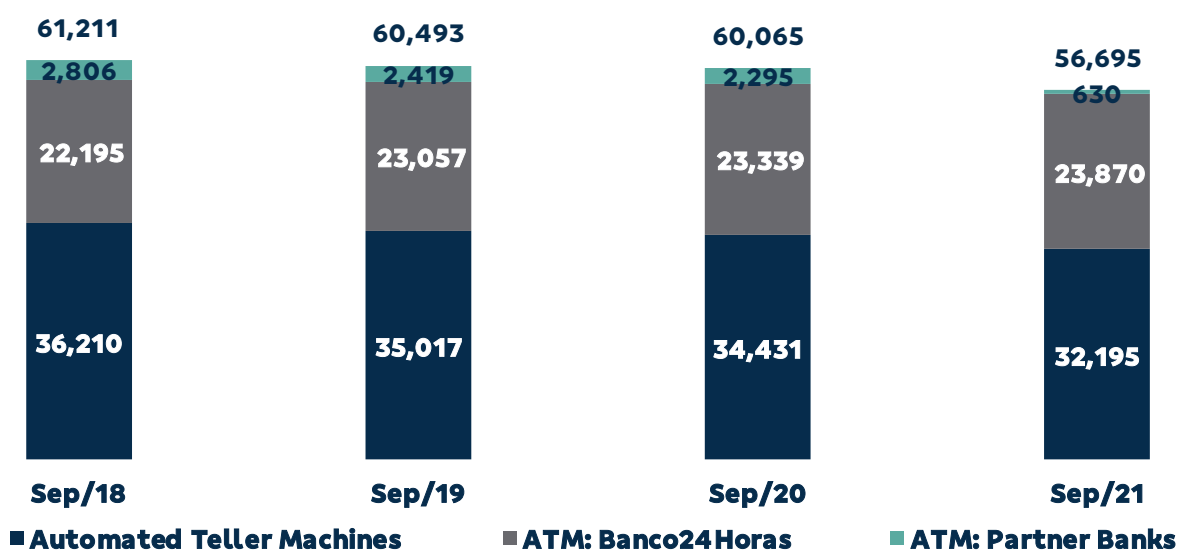


Automated Teller Machines (ATM)

Banco do Brasil provides its customers with an extensive ATMs network in Brazil. The next figure shows the number of ATMs in its own network, in partnerships with other banks and the Banco24Horas network. Among the efficiency initiatives adopted, Banco do Brasil has been prioritizing the use of shared Banco24Horas ATMs network in relation to its own ATMs network.

The 5.6% decrease YoY is explained by the strategy of resizing the ATM park according to the customer's behavior.

Figure 23. Automated Teller Machines (ATM) – %





Indicators

Table 47. Adjusted Coverage Ratios – R\$ million

| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|--------------|--------------|--------------|--------------|--------------|
| Fee Income (A) | 7,281 | 7,389 | 6,878 | 7,206 | 7,438 |
| Administrative Expenses (B) = (C) + (D) | 7,835 | 8,128 | 7,737 | 7,857 | 7,915 |
| Personnel Expenses (C) | 4,986 | 5,060 | 4,989 | 4,961 | 5,000 |
| Other Administrative Expenses (D) | 2,849 | 3,068 | 2,748 | 2,897 | 2,915 |
| Personnel Expenses Coverage (A/C) - % | 146.0 | 146.0 | 137.9 | 145.3 | 148.8 |
| Personnel Expenses Coverage 12 months - % | 141.0 | 143.7 | 142.3 | 143.8 | 144.5 |
| Administrative Expenses Coverage (A/B) - % | 92.9 | 90.9 | 88.9 | 91.7 | 94.0 |
| Administrative Expenses Coverage 12 months - % | 89.9 | 90.9 | 90.4 | 91.1 | 91.4 |

In QoQ comparison, the 12-month accumulated coverage ratios increased, mainly, due to the stability of administrative expenses and the growth of fee income.



Table 48. Adjusted Cost-to-Income Ratio – R\$ million

| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|--|---------------|---------------|---------------|---------------|---------------|
| Administrative Expenses (A) | 7,835 | 8,128 | 7,737 | 7,857 | 7,915 |
| Personnel Expenses | 4,986 | 5,060 | 4,989 | 4,961 | 5,000 |
| Other Administrative Expenses | 2,849 | 3,068 | 2,748 | 2,897 | 2,915 |
| Operating Income (B) | 21,730 | 22,060 | 20,688 | 21,519 | 23,814 |
| Net Interest Income | 14,017 | 14,164 | 14,564 | 14,384 | 15,683 |
| Recovery of Write-offs | 2,283 | 1,901 | 1,746 | 1,899 | 2,213 |
| Discounts Granted | (281) | (325) | (736) | (690) | (401) |
| Impairments | (935) | (166) | (246) | (239) | (224) |
| Fee Income | 7,281 | 7,389 | 6,878 | 7,206 | 7,438 |
| Equity Interest in Associated Companies and JV | 782 | 939 | 877 | 668 | 851 |
| Other Operating Income | 1,096 | 909 | 945 | 905 | 1,338 |
| Other Operating Expenses | (2,512) | (2,751) | (3,339) | (2,614) | (3,084) |
| Cost-to-Income Ratio (A/B) - % | 36.1 | 36.8 | 37.4 | 36.5 | 33.2 |
| Cost-to-Income Ratio 12 months - % | 37.0 | 36.6 | 36.9 | 36.7 | 35.9 |

The 12-month accumulated cost-to-income ratio, which measures the relationship between Banco do Brasil's administrative expenses and operating revenues, improved by 80 bps QoQ, reflecting the combination of cost control and increased revenue in the period.



The following table sets forth other productivity and efficiency indicators used for analysis.

Table 49. Other Productivity and Efficiency Indicators

| | Sep/20 | Dec/20 | Mar/21 | Jun/21 | Sep/21 |
|--|--------|--------|--------|--------|--------|
| Checking Accounts/Own Service Network | 3,120 | 3,226 | 3,284 | 3,370 | 3,420 |
| Checking Accounts/Employees in Branches | 679 | 687 | 776 | 819 | 829 |
| Fee Income/Own Service Network - R\$ thousand | 585 | 612 | 574 | 612 | 636 |
| Loan Portf. (Exp. View)/Own Serv. Network - R\$ million | 58.7 | 61.4 | 63.3 | 65.1 | 69.7 |
| Commercial Funding/Employees in Branches - R\$ million | 12.2 | 12.8 | 14.7 | 16.1 | 16.2 |
| Inv. Funding/Employees in Branches - R\$ million | 20.5 | 20.8 | 24.0 | 26.5 | 28.1 |
| Pers. Exp. per Employee (quarter average) - R\$ thousand | 54.0 | 55.1 | 55.6 | 57.2 | 58.6 |
| Employees in Branches/(Branches+Services Posts) | 9.3 | 9.3 | 9.7 | 8.4 | 8.4 |



5.

Other Operating Income and Expenses

This section presents the main lines that composes the result of Other Operating Income and Expenses, namely: Other Incomes, Other Expenses and Equity Income, this last, part of its results is consolidated in other lines of the Statement of Income, and the remaining results, highlighted in Net gains from equity method investments.

In year-to-date comparison (9M21/9M20), Other Income/Expenses increased 64.5% driven by the accounting of impairment losses in 1Q21 (-R\$959 million) and by the accumulated effect of other income's reduction and other expenses' increase in card transactions (-R\$399 million), besides other variations presented in the next table.



Other Income and Expenses

It is worth noting that line “Other Income/Expense” represents the sum of the sub-accounts of less relevant values individually and spread out. The following table presents the main lines that composes the results on other operating income and expenses:

Table 50. Other Operating Income/Expenses – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|---|----------------|----------------|----------------|--------------|--------------|----------------|----------------|---------------|
| | | | | 3Q20 | 2Q21 | | | |
| Other Income/Expenses | (1,282) | (1,734) | (1,734) | 35.2 | (0.0) | (3,563) | (5,862) | 64.5 |
| Other Income | 1,083 | 853 | 1,296 | 19.6 | 51.8 | 3,462 | 3,087 | (10.8) |
| Recovery of Charges and Expenses | 427 | 400 | 472 | 10.7 | 17.9 | 1,401 | 1,317 | (6.0) |
| Clube de Benefícios BB | 123 | 115 | 111 | (9.5) | (3.4) | 159 | 356 | 123.7 |
| Income from Guarantee Deposits | 230 | 246 | 342 | 48.7 | 38.8 | 864 | 703 | (18.7) |
| Card Transactions | 26 | 14 | 36 | 38.3 | 152.0 | 278 | 82 | (70.4) |
| Income from non-financial Associated Companies | 15 | 15 | 18 | 19.1 | 18.5 | 51 | 48 | (5.1) |
| Receivables Income | 12 | 15 | 15 | 25.7 | 0.4 | 37 | 45 | 21.5 |
| Other Expenses | (2,365) | (2,587) | (3,029) | 28.1 | 17.1 | (7,024) | (8,949) | 27.4 |
| Impairment losses of intangible assets ¹ | - | - | - | - | - | - | (959) | - |
| Card Transactions | (398) | (445) | (565) | 42.0 | 26.9 | (1,233) | (1,436) | 16.5 |
| Negotiation Relationship Allowance | (364) | (286) | (179) | (50.8) | (37.4) | (1,055) | (826) | (21.7) |
| Negotiation Relationship Bonus | (302) | (316) | (454) | 50.0 | 43.6 | (904) | (1,083) | 19.8 |
| Actuarial Liabilities ² | (295) | (294) | (292) | (1.0) | (0.6) | (886) | (880) | (0.6) |
| Other Oper. Exp. from Non-Financ. Comp. | (115) | (143) | (204) | 77.0 | 42.5 | (333) | (461) | 38.5 |
| Self-Service Terminals | (133) | (92) | (85) | (36.3) | (8.0) | (365) | (254) | (30.6) |
| INSS Agreement | (61) | (61) | (78) | 27.9 | 27.3 | (187) | (199) | 6.5 |
| Operating losses | (40) | (104) | (108) | 167.8 | 3.9 | (102) | (265) | 160.4 |
| Life Insurance Premium - Consumer Credit | (48) | (55) | (56) | 16.0 | 1.6 | (138) | (164) | 18.2 |
| Goodwill Amotization | (7) | (5) | (5) | (26.9) | (2.8) | (21) | (16) | (24.9) |
| Payment Bonus | (3) | (3) | (2) | (43.1) | (29.8) | (16) | (9) | (44.9) |
| Other Income/Expenses ² | (347) | (736) | (700) | 101.8 | (4.9) | (1,112) | (1,862) | 67.4 |

(1) In 1Q21, there was an impairment loss of R\$959 million (Financial Statements > Note 27), related to intangible assets (Financial Statements > Note 16). (2) In 2Q21, reprocessing of historical data to adjust 'Actuarial Liabilities' and 'Other Income/Expenses' by the reallocation related to actuarial assets/liabilities valuation adjustments of *Previ - Plano de Benefícios 1*.



Information on Subsidiaries and Affiliates

Table 51. Investments in associates and joint ventures in Brazil – R\$ thousand

| Equity Interest | Activity | Share | Book Value | | Equity Income | |
|---|--------------------------|-------------|----------------|------------------|-------------------|----------------|
| | | | Sep/20 | Sep/21 | 3Q21 | |
| Banco Votorantim S.A. | Multiple Bank | (II) | 50.00% | 5,321,652 | 6,112,036 | 185,294 |
| BB Administradora de Cartões de Crédito S.A. | Service Rendering | (I) | 100.00% | 43,559 | 41,724 | 6,383 |
| BB Administradora de Consórcios S.A. | Consortiums | (I) | 100.00% | 654,203 | 931,283 | 230,056 |
| BB Banco de Investimento S.A. – BBBI | Investment Bank | (I) | 100.00% | 651,748 | 1,085,540 | 204,718 |
| ▪ Ativos S.A. Securitizadora de Créditos Financeiros ¹ | Credit Acquisition | (I) | 100.00% | 1,120,116 | 1,170,513 | 76,914 |
| ▪ Kepler Weber S.A. | Industry | (II) | 0.00% | 81,580 | – | – |
| ▪ Tecnologia Bancária S.A. – Tecban ² | Service Rendering | (II) | 12.98% | 72,996 | 109,724 | 5,304 |
| ▪ UBS BB Serv. de Assessoria Fin. e Participações S.A. ³ | Investment Bank | (II) | 49.99% | – | 706,468 | 14,898 |
| BB DTVM S.A. | Asset Management | (I) | 100.00% | 1,095,710 | 1,655,544 | 400,881 |
| BB Elo Cartões Participações S.A. ⁴ | Holding | (I) | 100.00% | 9,532,899 | 10,223,156 | 301,555 |
| ▪ Cateno Gestão de Contas de Pagamento S.A. ^{3 5 6} | Service Rendering | (II) | 50.17% | 3,640,803 | 3,081,620 | 54,877 |
| ▪ Cielo S.A. | Service Rendering | (II) | 28.81% | 3,248,777 | 3,385,735 | 60,011 |
| ▪ Elo Participações S.A. | Holding | (II) | 49.99% | 1,443,940 | 1,429,501 | 129,285 |
| ▫ Alelo S.A. | Service Rendering | (II) | 49.99% | 366,865 | 399,593 | 29,191 |
| ▫ Elo Serviços S.A. | Service Rendering | (II) | 28.48% | 252,802 | 306,715 | 31,641 |
| BB Leasing S.A. Arrendamento Mercantil | Leasing | (I) | 100.00% | 4,772,925 | 4,809,860 | 30,941 |
| BB Seguridade Participações S.A. | Holding | (I) | 66.36% | 3,785,158 | 4,737,156 | 649,306 |
| ▪ BB Corretora de Seg. e Adm. de Bens S.A. | Brokerage | (I) | 66.36% | 592,283 | 626,242 | 579,169 |
| ▪ BB Seguros Participações S.A. | Holding | (I) | 66.36% | 4,854,856 | 6,359,214 | 397,967 |
| ▫ BB Mapfre Participações S.A. | Holding | (II) | 49.76% | 1,097,078 | 1,413,456 | 245,972 |
| ▫ Brasilcap Capitalização S.A. | Capitalization | (II) | 44.24% | 301,910 | 251,302 | 39,633 |
| ▫ Brasildental S.A. | Service Rendering | (II) | 49.76% | 14,283 | 11,805 | 3,591 |
| ▫ Brasilprev Seguros e Previdência S.A. | Insurance/Pension | (II) | 49.76% | 2,394,049 | 4,114,983 | 117,923 |
| BB Tecnologia e Serviços S.A. – BBTS | IT | (I) | 99.99% | 192,261 | 265,110 | 17,237 |
| Besc DTVM S.A. – Bescval | Asset Management | (I) | 0.00% | 6,013 | – | – |

(I) Subsidiaries fully included in the accounting consolidation. (II) Affiliate companies accounted for by equity method.

(1) BB holds indirect participation in Ativos S.A. 75.71% by BBBI and 24.29% by BB Cayman Islands Holding. (2) BB holds indirect participation in Tecban 7.02% by BBBI and direct participation 5.96% by Banco do Brasil, totaling 12.98%. (3) Book value does not include unrealised profit arising (RNR) from a new strategic partnership between BB Elo Cartões Participações S.A. and Cielo S.A., forming Cateno Gestão de Contas de Pagamento S.A. and unrealised profit arising from strategic partnership between BBBI and UBS A.G. (4) Incorporation of Cielo S.A. in June/2019. (5) Banco do Brasil holds direct participation in Cateno 30.0% by BB Multiple Bank and indirect participation 20.17% by BBBI, totaling 50.17%. (6) The values shown (Book Value and Equity Income) of company Cateno Gestão de Contas de Pagamento S.A. are equivalent to 30% of direct participation by Banco do Brasil.



Table 52. Investments in associates and joint ventures Overseas – R\$ thousand

| Equity Interest | Activity | Share | Book Value | | Equity Income |
|---|-------------------|---------|------------|-----------|---------------|
| | | | Sep/20 | Sep/21 | 3Q21 |
| Banco do Brasil Aktiengesellschaft – BBAG | Holding (I) | 100.00% | 1,301,345 | 1,250,438 | 4,126 |
| Banco Patagonia S.A. | Multiple Bank (I) | 80.39% | 2,034,804 | 2,281,111 | 281,013 |
| BB Americas | Multiple Bank (I) | 100.00% | 349,186 | 357,068 | 4,598 |
| BB Cayman Islands Holding – BBCI | Holding (I) | 100.00% | 1,652,987 | 1,688,913 | 25,716 |
| ▪ BB Securities Asia PTE LTD | Brokerage (I) | 100.00% | 50,857 | 46,065 | (87) |
| ▪ BB Securities LLC | Brokerage (I) | 100.00% | 471,172 | 457,781 | 1,402 |
| ▪ BB Securities LTD | Brokerage (I) | 100.00% | 423,110 | 414,407 | 8,624 |
| BB USA Holding Company INC | Holding (I) | 100.00% | 1,002 | 916 | – |

(I) Subsidiaries fully included in the accounting consolidation. (II) Affiliate companies accounted for by equity method.



6.

Capital Management

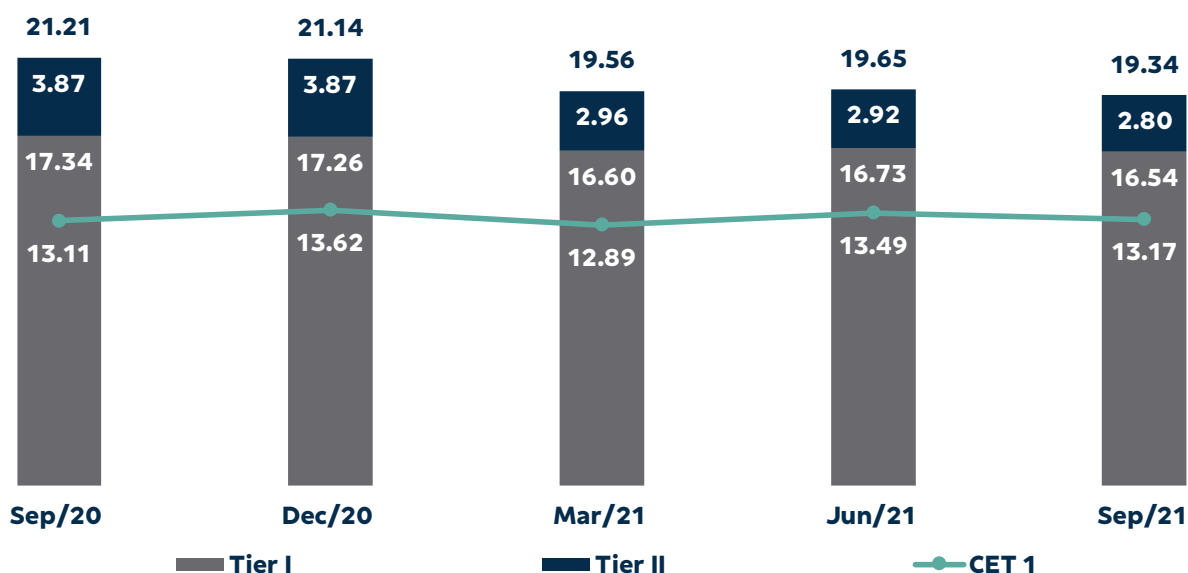
Risk and capital management is fundamental to the banking industry sustainability. Risk identification, measurement, evaluation, monitoring, reporting, controlling and mitigation methods safeguard financial institutions in adverse times and support for the generation of positive and recurring results over time.

Capital adequacy ratio was 19.34% in September 2021. The Tier I was 16.54%, with 13.17% of CET1. The Referential Equity, which considers the requirements to assess Basel III regulatory capital, was R\$167.8 billion and MRER was R\$69.4 billion.

Risk management at Banco do Brasil contemplates all relevant risks declared in BB's risk inventory. Management activities are carried out by specialized structures, according to the objectives, policies, strategies, processes and systems described in each of these risks.



Figure 24. Capital Adequacy Ratio Performance - %



The capital adequacy ratio is calculated according to the criteria established by CMN Resolutions No. 4,192/2013 and No. 4,193/2013, which provides the calculation of the Referential Equity and the Minimum Referential Equity Requirements (MRER) in relation to the Risk-Weighted Assets (RWA), respectively. Technical terms used for capital regulation are available in the glossary.

BB has a Capital Plan with a three-year prospective view, considering (a) the Risk Appetite Statement (RAS), (b) the Corporate Strategy and (c) the Corporate Budget. In the RAS and Capital Plan, a minimum CET1 of 11% is defined as of January 2022.

The focus is on organic capital generation and credit growth on lines with better return versus risk.

The consolidation scope used as the basis for verifying the operating limits is the Prudential Conglomerate, defined in CMN Resolution No.4,280/2013, in force since January 1, 2014.

Pursuant to the Brazil's Accounting Plan of the Financial Institutions (Cosif), the Prudential Conglomerate encompasses not only financial institutions, but also consortium administrators, payment institutions, companies that directly or indirectly purchase transactions or assume credit risk, and investment funds in which the conglomerate retains significant risks and benefits.



Covid-19- Reduction of banks' Main Capital Conservation Additional CMN Resolution No 4,783/2020

The Principal Capital Conservation Additional Rate (ACCP) was reduced from 2.5% to 1.25% for one-year period, with a gradual reversal until March 2022. This measure improves the conditions for carrying out

eventual renegotiations, in addition to help financial institutions maintain, or even expand, the credit disbursement flow. More information is available in Explanatory Notes.

Integrated Stress Test

Banco do Brasil has an Integrated Stress Test (*Teste de Estresse Integrado - TEI*) methodology, Stress Test Program and Capital Contingency Plan, in order to assess the impacts on the Bank's business, results and capital and provide relevant information for formulation of your corporate strategy. The methodology is reviewed at least annually and approved by the Executive Committee for Risk Management, Internal Controls, Assets, Liabilities, Liquidity and Capital. The Stress Test Program and the Capital Contingency Plan are reviewed annually and approved by the Board of Directors.

The current TEI methodology considers credit (including concentration), market, IRRBB (risk of changes in interest rate on the bank portfolio), liquidity, operational, contagion and actuarial.

The exercise of the TEI occurs from the macroeconomic scenarios produced by the Bank's economy area, with prospective shocks in the variables GDP, Inflation Index (IPCA), Foreign Exchange, Selic, Growth of Banking Industry Credit, country risk, among others, in a period of three years.

The Integrated Stress Test allows the measurement of the effects of stress scenarios on the credit portfolio, net interest income, expenses with allowance for loan losses, fee income, administrative expenses, equity income, net income and capital and liquidity indicators.

With relevance to the Bank's decision-making process, the results of the TEI are reported periodically in collegiate bodies of BB and support the formulation of the Institution's strategy and capital management.



Table 53. Capital Adequacy Ratio – R\$ million

| | Quarterly Flow | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | Sep/20 | Dec/20 | Mar/21 | Jun/21 | Sep/21 |
| Referential Equity (RE) | 163,255 | 161,924 | 161,783 | 163,153 | 167,786 |
| Tier I | 133,500 | 132,248 | 137,275 | 138,943 | 143,511 |
| Common Equity Tier 1 Capital (CET1) | 100,868 | 104,315 | 106,652 | 112,037 | 114,255 |
| Shareholders Equity | 112,315 | 116,941 | 127,903 | 135,604 | 137,010 |
| Instruments Eligible to Capital | 8,100 | 8,100 | 8,100 | 8,100 | 8,100 |
| Prudential Adjustments | (19,547) | (20,726) | (29,351) | (31,668) | (30,856) |
| Additional Tier I Capital | 32,632 | 27,932 | 30,623 | 26,907 | 29,257 |
| Tier II | 29,755 | 29,677 | 24,508 | 24,210 | 24,275 |
| FCO Funding ¹ | 26,403 | 26,403 | 23,470 | 23,470 | 23,470 |
| Risk-Weighted Assets (RWA) | 769,682 | 766,065 | 827,163 | 830,491 | 867,512 |
| Credit Risk (RWACPAD) | 682,593 | 677,256 | 706,343 | 705,828 | 741,373 |
| Market Risk (RWAMPAD) | 19,405 | 21,125 | 17,042 | 20,885 | 19,497 |
| Operational Risk (RWAOPAD) | 67,683 | 67,683 | 103,778 | 103,778 | 106,642 |
| Tier I Capital Ratio (Tier I/RWA) - (%)² | 17.34 | 17.26 | 16.60 | 16.73 | 16.54 |
| CET1 Ratio (CET1/RWA) - (%)² | 13.11 | 13.62 | 12.89 | 13.49 | 13.17 |
| Capital Adequacy Ratio (RE/RWA) - (%)² | 21.21 | 21.14 | 19.56 | 19.65 | 19.34 |

(1) In compliance to the provisions of Article 29-A of CMN Resolution No. 4,192/2013, the FCO balances correspond to the application of the 90% limiter to the amount computed in Level II on 06.30.2018.; (2) Values from the Operational Limits Statement (DLO – *Demonstrativo de Limites Operacionais*).



Risk Weighted Asset – RWA

The Working Capital Program for the Preservation of Companies (*Programa de Capital de Giro para Preservação de Empresas – CGPE*), defined in CMN Resolution No. 4,838/2020, since July 22, 2020, was offered in a credit line to the SME clients facing difficulties with the Covid-19 pandemic.

Figure 25. RWA Consumption – R\$ billion

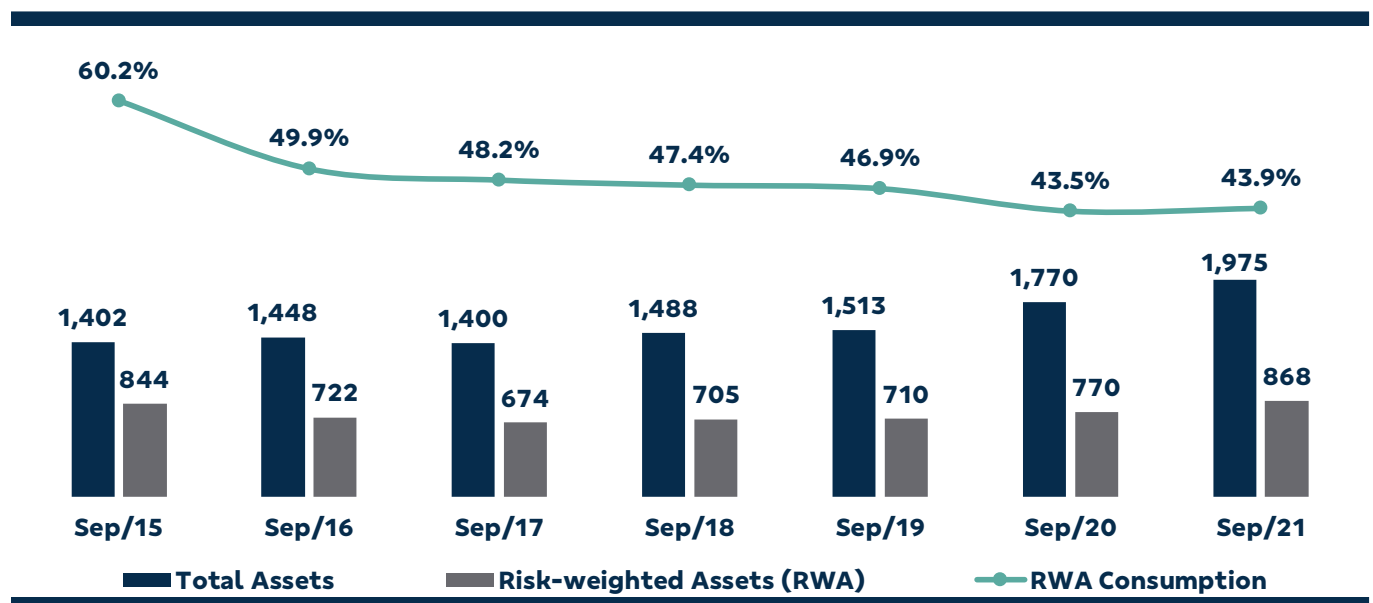


Figure 26. Risk Type RWA Consumption – %



The following tables present the MRER breakdown correspondent to the RWA subject to credit, operational and market risk, through the standardized approach. The “F” factor is 8.0%.

 Table 54. MRER in Relation to RWA_{CPAD}¹ – R\$ million

| | Sep/20 | | | Jun/21 | | | Sep/21 | | |
|--|---------------------|---------------|--------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
| | RWA _{CPAD} | MRER | % | RWA _{CPAD} | MRER | % | RWA _{CPAD} | MRER | % |
| Total | 682,592 | 54,607 | 100.0 | 705,828 | 56,466 | 100.0 | 741,373 | 59,310 | 100.0 |
| Loan Operations | 394,873 | 31,590 | 57.8 | 418,892 | 33,511 | 59.3 | 440,354 | 35,228 | 59.4 |
| Tax Credits | 68,937 | 5,515 | 10.1 | 66,842 | 5,347 | 9.5 | 64,427 | 5,154 | 8.7 |
| Other Credits | 48,095 | 3,848 | 7.0 | 52,051 | 4,164 | 7.4 | 55,495 | 4,440 | 7.5 |
| Securities and Derivatives | 52,600 | 4,208 | 7.7 | 48,900 | 3,912 | 6.9 | 49,956 | 3,997 | 6.7 |
| Permanent Assets | 33,934 | 2,715 | 5.0 | 35,906 | 2,873 | 5.1 | 38,504 | 3,080 | 5.2 |
| Loans to release | 21,180 | 1,694 | 3.1 | 22,115 | 1,769 | 3.1 | 24,048 | 1,924 | 3.2 |
| Guarantees Provided | 8,030 | 642 | 1.2 | 7,962 | 637 | 1.1 | 11,264 | 901 | 1.5 |
| Investments in Clearings Guarantee Funds | 188 | 15 | 0.0 | 120 | 10 | 0.0 | 217 | 17 | 0.0 |
| Other | 54,755 | 4,380 | 8.0 | 53,039 | 4,243 | 7.5 | 57,108 | 4,569 | 7.7 |

(1) RWA_{CPAD}: weighting related to credit risk exposures, subject to the calculation of capital requirements under standardized approach.



Table 55. MRER in Relation to RWA_{OPAD}¹ – R\$ million

| | Sep/20 | | | Jun/21 | | | Sep/21 | | |
|--------------------------|---------------------|--------------|--------------|---------------------|--------------|--------------|---------------------|--------------|--------------|
| | RWA _{OPAD} | MRER | % | RWA _{OPAD} | MRER | % | RWA _{OPAD} | MRER | % |
| Total | 67,683 | 5,415 | 100.0 | 103,778 | 8,302 | 100.0 | 106,642 | 8,531 | 100.0 |
| Commercial | 32,453 | 2,596 | 47.9 | 33,933 | 2,715 | 32.7 | 35,334 | 2,827 | 33.1 |
| Trading and Sales | (4,818) | (385) | (7.1) | 27,588 | 2,207 | 26.6 | 28,057 | 2,245 | 26.3 |
| Retail | 16,199 | 1,296 | 23.9 | 16,732 | 1,339 | 16.1 | 17,415 | 1,393 | 16.3 |
| Asset Management | 11,030 | 882 | 16.3 | 11,542 | 923 | 11.1 | 11,971 | 958 | 11.2 |
| Payments and Settlements | 7,555 | 604 | 11.2 | 9,624 | 770 | 9.3 | 9,745 | 780 | 9.1 |
| Corporate Finance | 2,678 | 214 | 4.0 | 2,697 | 216 | 2.6 | 2,502 | 200 | 2.3 |
| Financial Agent Services | 2,524 | 202 | 3.7 | 1,595 | 128 | 1.5 | 1,546 | 124 | 1.4 |
| Retail Brokerage | 64 | 5 | 0.1 | 67 | 5 | 0.1 | 73 | 6 | 0.1 |

(1) RWA_{OPAD}: weighting related to capital requirement for operational risk exposures under standardized approach.

Table 56. MRER in Relation to RWA_{MPAD}¹ – R\$ million

| | Sep/20 | | | Jun/21 | | | Sep/21 | | |
|---------------|---------------------|--------------|-------------|---------------------|--------------|-------------|---------------------|--------------|-------------|
| | RWA _{MPAD} | MRER | % | RWA _{MPAD} | MRER | % | RWA _{MPAD} | MRER | % |
| Total | 19,405 | 1,552 | 71.0 | 20,885 | 1,671 | 64.8 | 19,497 | 1,560 | 48.2 |
| Interest Rate | 5,636 | 451 | 29.0 | 7,349 | 588 | 35.2 | 10,093 | 807 | 51.8 |
| FX | 13,320 | 1,066 | 68.6 | 12,729 | 1,018 | 61.0 | 8,015 | 641 | 41.1 |
| Commodities | 449 | 36 | 2.3 | 806 | 65 | 3.9 | 1,389 | 111 | 7.1 |

(1) RWA_{MPAD}: weighting related to capital requirement for market risk exposures under standardized approach.



Table 57. RWA_{CPAD} Segregated by Risk Weighting Factor (RWF) – R\$ million

| | Loans | | Tax Credits | | Securities and Financial Derivatives | | Other Receivables | | Permanent Assets | | Other | | Total | |
|----------------------|----------------------------------|-------------------|----------------------------------|-------------------|--------------------------------------|-------------------|----------------------------------|-------------------|----------------------------------|-------------------|----------------------------------|-------------------|----------------------------------|-------------------|
| | RWA _{CPAD} ¹ | PRMR ² | RWA _{CPAD} ¹ | PRMR ² | RWA _{CPAD} ¹ | PRMR ² | RWA _{CPAD} ¹ | PRMR ² | RWA _{CPAD} ¹ | PRMR ² | RWA _{CPAD} ¹ | PRMR ² | RWA _{CPAD} ¹ | PRMR ² |
| Total | 440,354 | 35,228 | 64,427 | 5,154 | 49,956 | 3,997 | 55,495 | 4,440 | 38,504 | 3,080 | 92,637 | 7,411 | 741,373 | 59,310 |
| - | - | - | - | - | - | - | - | - | - | - | 3,480 | 278 | 3,480 | 278 |
| FPR 2% | - | - | - | - | 11 | 1 | - | - | - | - | 523 | 42 | 534 | 43 |
| FPR 12% ³ | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| FPR 20% | 182 | 15 | - | - | - | - | - | - | - | - | 2,063 | 165 | 2,245 | 180 |
| FPR 35% | 14,452 | 1,156 | - | - | - | - | - | - | - | - | - | - | 14,452 | 1,156 |
| FPR 50% | 1,427 | 114 | - | - | 1,163 | 93 | 7,486 | 599 | - | - | 3,638 | 291 | 13,713 | 1,097 |
| FPR 70% | 9,877 | 790 | - | - | - | - | - | - | - | - | - | - | 9,877 | 790 |
| FPR 75% | 202,680 | 16,214 | - | - | - | - | 27,210 | 2,177 | - | - | 15,944 | 1,276 | 245,834 | 19,667 |
| FPR 85% | 71,925 | 5,754 | - | - | 15,972 | 1,278 | 875 | 70 | - | - | 30,255 | 2,420 | 119,027 | 9,522 |
| FPR 100% | 139,811 | 11,185 | 40,411 | 3,233 | 31,573 | 2,526 | 19,924 | 1,594 | 15,707 | 1,257 | 34,559 | 2,765 | 281,986 | 22,559 |
| FPR 150% | 1 | 0 | - | - | - | - | 0 | 0 | - | - | 2,174 | 174 | 2,176 | 174 |
| FPR 250% | - | - | 20,049 | 1,604 | - | - | - | - | 22,797 | 1,824 | - | - | 42,846 | 3,428 |
| FPR 300% | - | - | 3,967 | 317 | - | - | - | - | - | - | - | - | 3,967 | 317 |
| FPR 1250% | - | - | - | - | 1,238 | 99 | - | - | - | - | - | - | 1,238 | 99 |

(1) Sum of the exposures multiplied by the respective risk weighting factors, adjusted by the conversion factor; (2) Exposure weighted by the risk factor multiplied by 8.0%; (3) Pronampe.



7. Loan

The loan portfolio expanded view, which includes in addition to the classified loan portfolio, private securities and guarantees, was R\$814.2 billion in September/21, up 6.2% over June/21, with emphasis on individuals, SME and agribusiness operations.

Over September/20 (+11.4%), highlight to the return of Individuals (+14.2%), SME (+24.6%) and Agribusiness (+18.5%).



The individual portfolio grew 5,7% on the quarter, mainly due to the positive performance in payroll loan (+4.4%), credit card (+19.3%) and in consumer finance (+9.6%).

In the companies segment there was a growth of 4.3%. Highlight to the increase of the SME portfolio (+10.0%), influenced by the disbursements of R\$8.1 billion in the Pronampe lines. The corporate portfolio, on the other hand, was impacted by liquidations and the focus on alternatives in the capital markets. Although the large company portfolio has been reduced in relation to June/21, there has been a growth in operations with companies with revenues

between R\$200 million and R\$800 million, contributing positively to the portfolio mix.

In agribusiness growth of 9.7% over June/21, with highlight to the capital for input purchase (+10.9%), to lines of investment and agricultural selling, (+14.2% and +23.2%, respectively) and industrialization (+270.2%). Agribusiness securities also performed positively, mainly CDCA (+159.5%).

In addition to the high demand, the strong performance is the result of BB's historical role with the entire agribusiness value chain, with specialized service, dedicated professionals, technical knowledge and relationship and national capillarity.



Table 58. Loan Portfolio – Classified and Expanded View – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. % on | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|--------------|-------------|
| | | | | | | | Sep/20 | Jun/21 |
| Classified Loan Portfolio (a) | 668,036 | 100.0 | 705,843 | 100.0 | 745,274 | 100.0 | 11.6 | 5.6 |
| Brazil | 632,257 | 94.6 | 674,871 | 95.6 | 712,973 | 95.7 | 12.8 | 5.6 |
| Individuals | 221,389 | 33.1 | 239,532 | 33.9 | 252,894 | 33.9 | 14.2 | 5.6 |
| Companies | 225,702 | 33.8 | 237,233 | 33.6 | 246,043 | 33.0 | 9.0 | 3.7 |
| Corporate | 95,427 | 14.3 | 102,328 | 14.5 | 98,631 | 13.2 | 3.4 | (3.6) |
| SME | 72,002 | 10.8 | 81,576 | 11.6 | 89,748 | 12.0 | 24.6 | 10.0 |
| Government | 58,272 | 8.7 | 53,328 | 7.6 | 57,664 | 7.7 | (1.0) | 8.1 |
| Agribusiness | 185,166 | 27.7 | 198,106 | 28.1 | 214,036 | 28.7 | 15.6 | 8.0 |
| Individuals | 163,301 | 24.4 | 185,076 | 26.2 | 198,207 | 26.6 | 21.4 | 7.1 |
| Companies | 21,865 | 3.3 | 13,030 | 1.8 | 15,830 | 2.1 | (27.6) | 21.5 |
| Abroad | 35,778 | 5.4 | 30,973 | 4.4 | 32,301 | 4.3 | (9.7) | 4.3 |
| Private Securities and Guarantees (b) | 62,909 | 100.0 | 60,705 | 100.0 | 68,928 | 100.0 | 9.6 | 13.5 |
| Loan Portfolio - Expanded View (a + b) | 730,945 | 100.0 | 766,548 | 100.0 | 814,202 | 100.0 | 11.4 | 6.2 |
| Brazil | 687,614 | 94.1 | 728,733 | 95.1 | 774,461 | 95.1 | 12.6 | 6.3 |
| Individuals | 222,600 | 30.5 | 240,603 | 31.4 | 254,225 | 31.2 | 14.2 | 5.7 |
| Companies | 274,561 | 37.6 | 282,226 | 36.8 | 294,455 | 36.2 | 7.2 | 4.3 |
| Agribusiness | 190,453 | 26.1 | 205,904 | 26.9 | 225,781 | 27.7 | 18.5 | 9.7 |
| Abroad | 43,331 | 5.9 | 37,815 | 4.9 | 39,741 | 4.9 | (8.3) | 5.1 |
| BB Market Share - %¹ | 16.6 | | 16.0 | | 16.1 | | | |

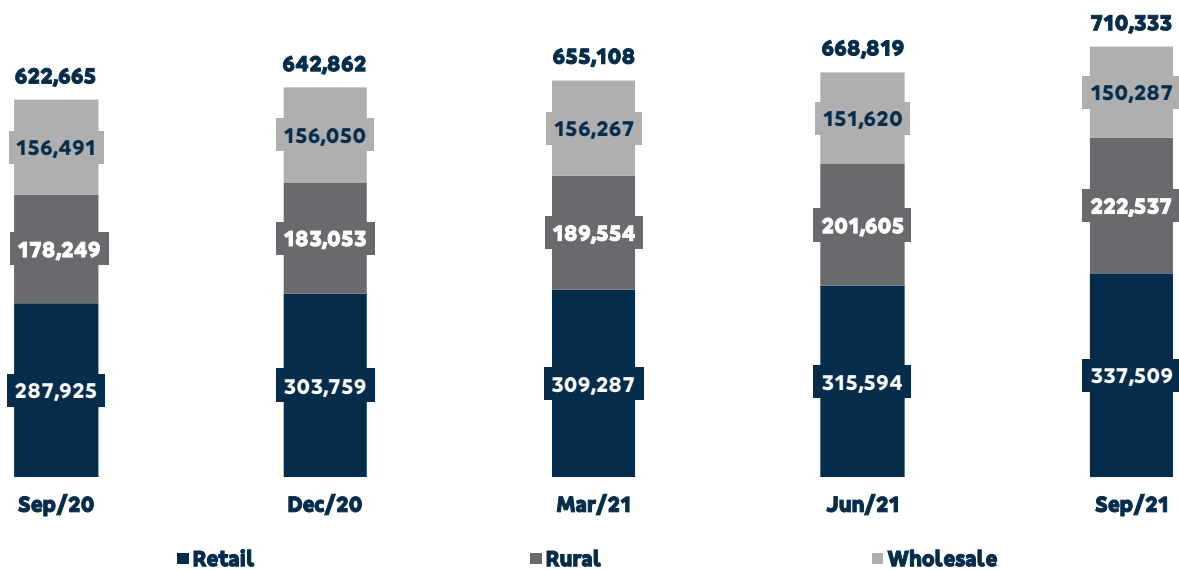
(1) Market share in the classified loan portfolio of the Brazilian Banking Industry (BI).



The following figure sets forth the vision of the Retail, Wholesale and Rural expanded view portfolio, as presented in Banco do Brasil's guidance on MD&A summary.

In the quarter, while the Retail (+6.9%) and Rural (+10.4%) portfolios grew and the Wholesale (-0.9%) portfolio decreased, as a result of making advance payments, and to the increasing focus of the corporates on the capital market.

Figure 27. Retail, Wholesale and Rural – R\$ million

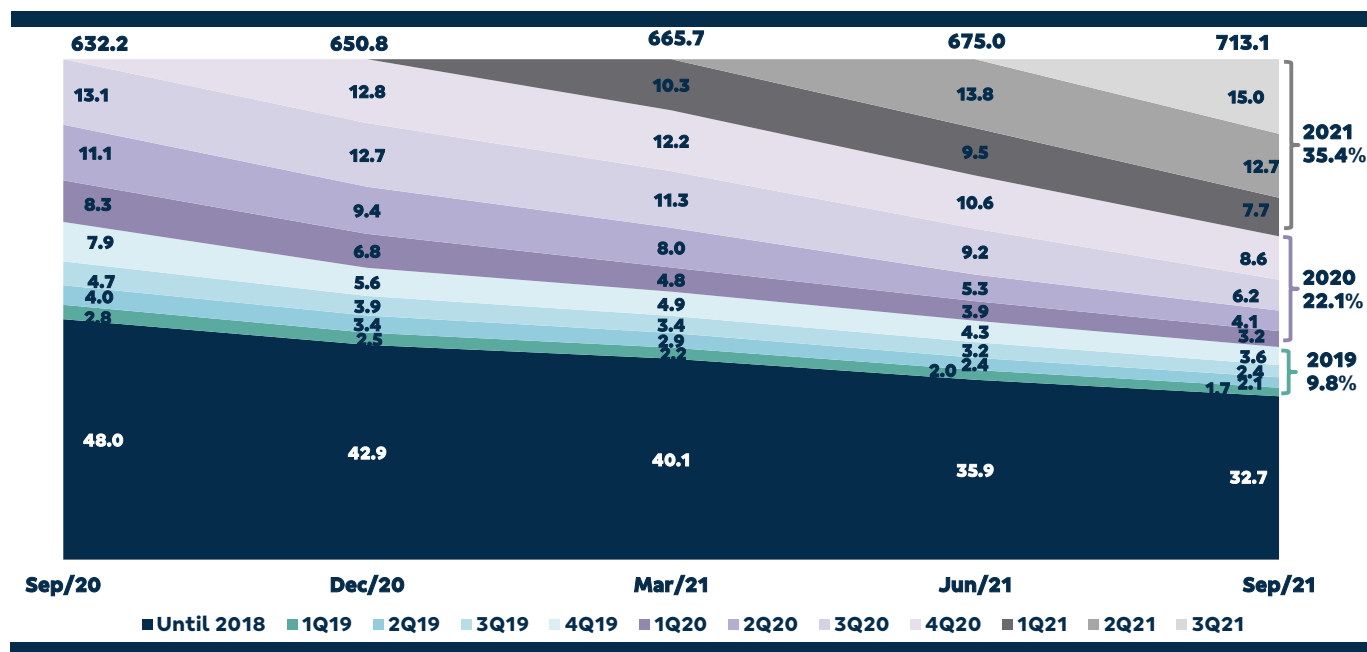




The following figure sets forth the domestic classified loan portfolio by the loans closing date. In certain cases, loan disbursement may continue to occur during quarters after the loan’s closing, being then added to the original closing quarter.

Considering the portfolio in September/21, 67.3% of the assets were contracted as of 2019. Assets contracted before 2014 correspond to 16.7%.

Figure 28. BB’s Classified Loan Portfolio in Brazil by Contracted Period - % and R\$ billion



The following tables sets forth the concentration level of the portfolio with customers and business groups with which Banco do Brasil has relations.

Table 59. 100 Largest Customers in Relation to the Classified Loan Portfolio and RE– R\$ million

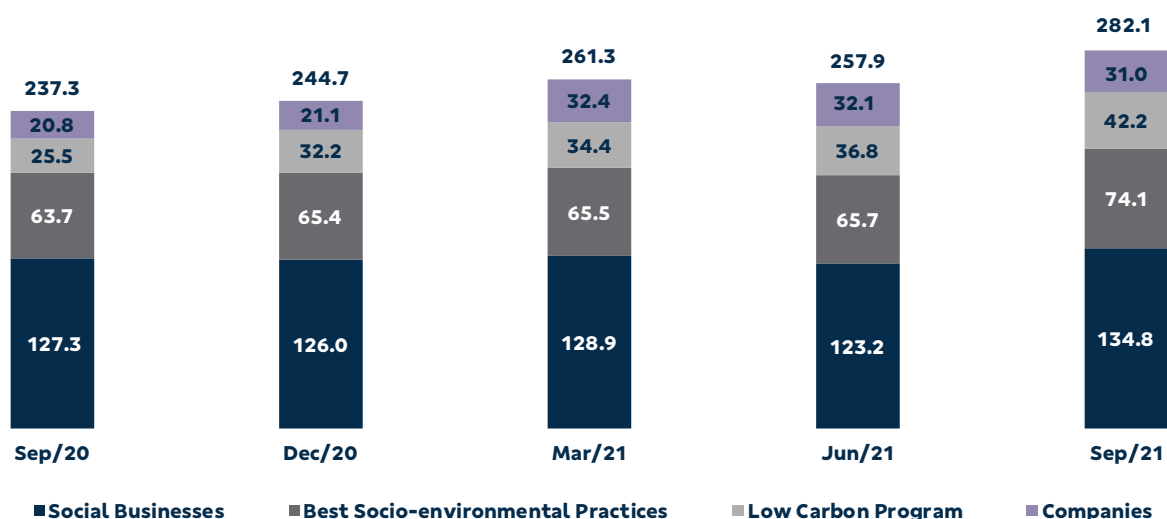
| | Sep/20 | Jun/21 | Sep/21 | Share on Sep/21 - % | |
|------------------------|----------------|----------------|----------------|-----------------------------|-------------------------------|
| | | | | Loan Portfolio ¹ | Reference Equity ² |
| 1st. Customer | 13,806 | 11,219 | 12,248 | 1.6 | 7.3 |
| 2nd. to 20th. | 73,647 | 61,857 | 59,331 | 8.0 | 35.4 |
| 21st. to 100th | 48,844 | 48,375 | 49,584 | 6.7 | 29.6 |
| Top 100 Largest | 136,297 | 121,451 | 121,163 | 16.3 | 72.2 |

(1) Classified Loan Portfolio.; (2) Reference Equity.

BB’s sustainable business portfolio comprises the amount of operations/lines of credit intended to finance activities and/or segments with positive socioenvironmental impacts.

In September/21, the portfolio presented a balance of R\$282.1 billion, up 9.4% on the quarter and an annual growth of 18.9%.

Figure 29. Sustainable Business Portfolio – R\$ billion



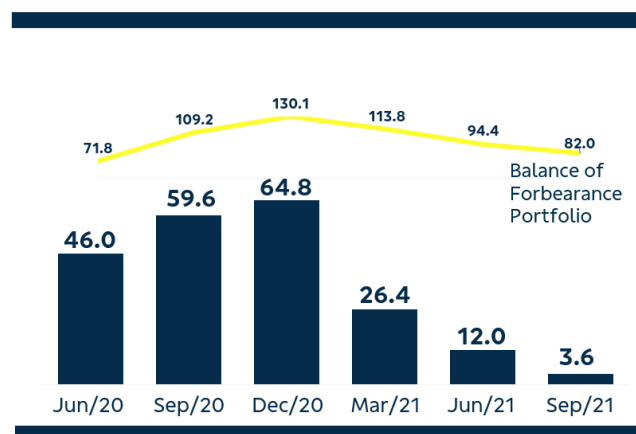
Support to customers in times of pandemic

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

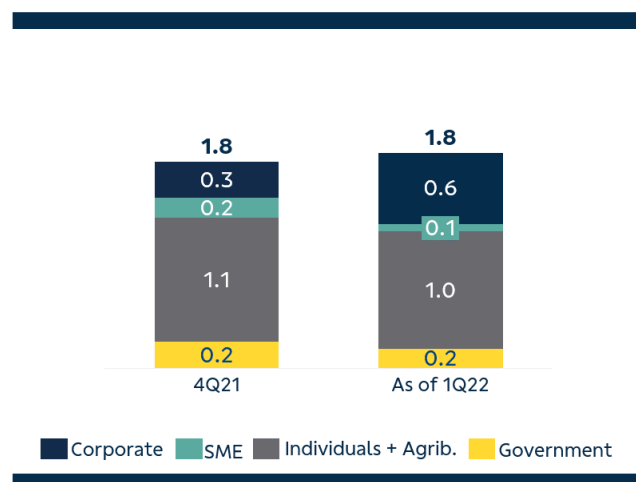
The balance of the active Forbearance Loan Portfolio operations decreased to R\$82.0 billion in September/21, with amortization and settlement in the period, which represents 11.5% of the domestic loan portfolio, R\$3.6 billion remain in grace period. Of this amount, 91.5% of the operations have a rating between AA and C and 97.6% of the transactions had no history of overdue in the last 12 months. The NPL +15d was 3.73% and the NPL +90d was 2.29%. In addition, 70.6% of the operations have guarantees. The average relationship time of the customers who extended operations is 17.6 years.

Figure 30. Grace periods – R\$ billion



The following figure shows the maturities of the Forbearance Loan Portfolio. In 4Q21, 49% of the Forbearance Loan Portfolio, or R\$1.8 billion, will expire.

Figure 31. Flow of exit from grace periods – R\$ billion



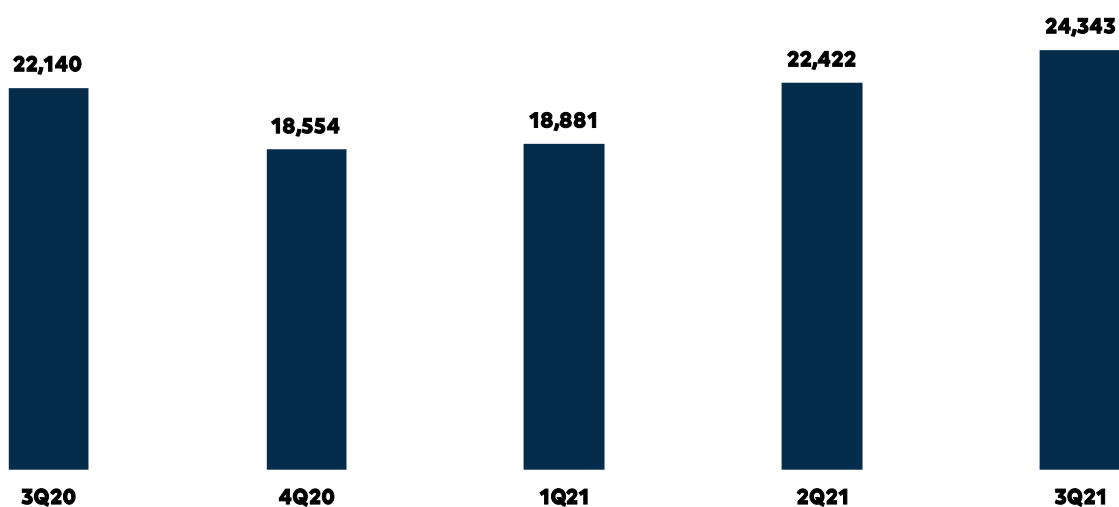


Renovated Loans

Renovated loans are loan operations not past due, which are renegotiated during the period to settle in whole or in part previous operations or any other kind of agreement that changes the maturity or payment terms originally agreed to, including the possibility of new disbursements.

In 3Q21 R\$24.3 billion were renewed, an increase of R\$1.9 billion compared to 2Q21. It is worth noting that part of these operations were carried out with new disbursements, boosting this portfolio.

Figure 32. Renovated Loans – R\$ million





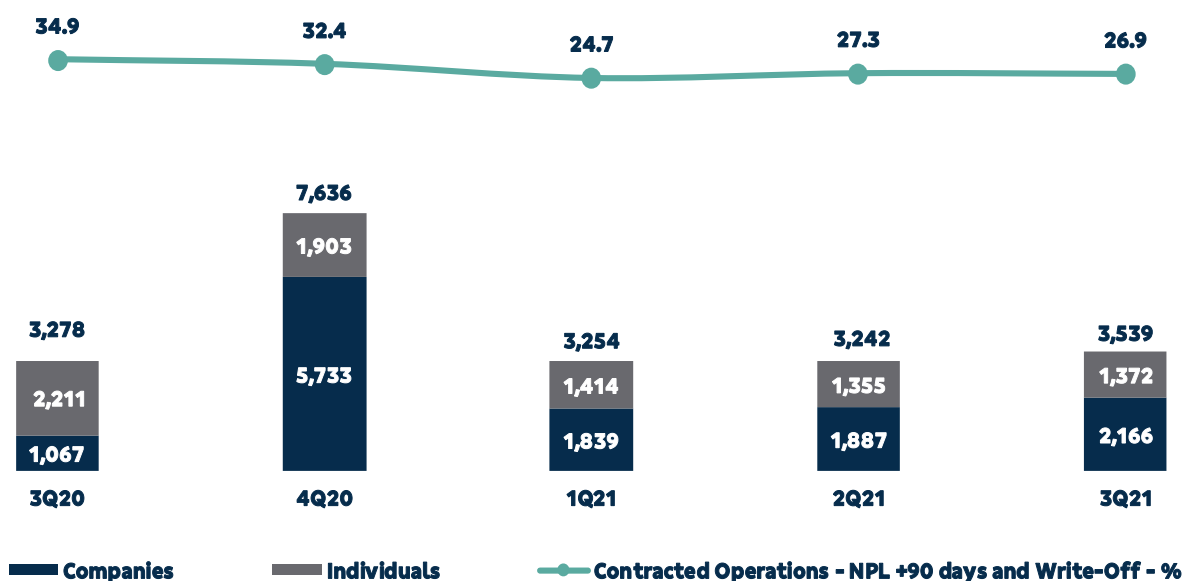
Credits Renegotiated When Past Due

The Forbearance Loan Portfolio, within the scope of operations in time of pandemic, are not included in the line of credits renegotiated when past due in the graph below. The renegotiated portfolio also does not include the rollover transactions of the agribusiness portfolio.

The credits renegotiated when past due are operations renegotiated during the period due to

payment delay. The Bank has been working in a preventive way in order to readjust the customers' portfolio to their ability to pay. Below is observed that 26.9% of the total contracted renegotiated operations were in arrears for more than 90 days (10.0%) and in losses (16.9%). The other contracts were for operations were in arrears for less than 15 days (37.8%) and in arrears between 15 and 90 days (35.3%).

Figure 33. Credits Renegotiated When Past Due Disbursement – Multiple Bank¹– R\$ million



(1) According to Financial Statements Note 12.i



In 3Q21, the final balance of the renegotiated portfolio was R\$28.8 billion, up 0.3% over 2Q21. The coverage of the credits renegotiated when past due portfolio was 566.8%.

Table 60. Credits Renegotiated When Past Due Balance – Multiple Bank¹– R\$ million

| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | Chg. % on | |
|---|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| | | | | | | 3Q20 | 2Q21 |
| Initial Balance | 25,497 | 25,474 | 29,642 | 30,269 | 28,752 | 12.8 | (5.0) |
| New Transactions | 3,278 | 7,636 | 3,254 | 3,242 | 3,539 | 8.0 | 9.2 |
| No delay (From 0 to 14 days past due) | 1,287 | 3,914 | 1,627 | 1,374 | 1,338 | 4.0 | (2.6) |
| From 15 to 90 days past due | 846 | 1,247 | 824 | 983 | 1,248 | 47.6 | 26.9 |
| NPL + 90 days | 636 | 2,104 | 278 | 368 | 354 | (44.3) | (3.8) |
| Write-off credits | 509 | 372 | 525 | 516 | 598 | 17.6 | 15.8 |
| Amortization Net of Interest² | (1,857) | (2,834) | (1,768) | (2,549) | (2,290) | 23.3 | (10.1) |
| Write-Off | (1,444) | (634) | (859) | (2,210) | (1,173) | (18.8) | (46.9) |
| Credit Renegotiated When Past Due (a) | 25,474 | 29,642 | 30,269 | 28,752 | 28,827 | 13.2 | 0.3 |
| ALLL Balance (b) | 12,943 | 17,739 | 17,961 | 16,843 | 16,792 | 29.7 | (0.3) |
| NPL + 90 days (c) | 1,935 | 2,663 | 3,586 | 2,813 | 2,963 | 53.1 | 5.3 |
| Indicators – % | | | | | | | |
| ALLL / Loan Portfolio (b/a) | 50.8 | 59.8 | 59.3 | 58.6 | 58.2 | | |
| NPL + 90 days / Loan Portfolio | 7.6 | 9.0 | 11.8 | 9.8 | 10.3 | | |
| ALLL Balance/NPL + 90 days - % | 669.0 | 666.1 | 500.8 | 598.8 | 566.8 | | |
| Credits Renegotiated/Classified Portfolio | 3.8 | 4.3 | 4.3 | 4.1 | 3.9 | | |

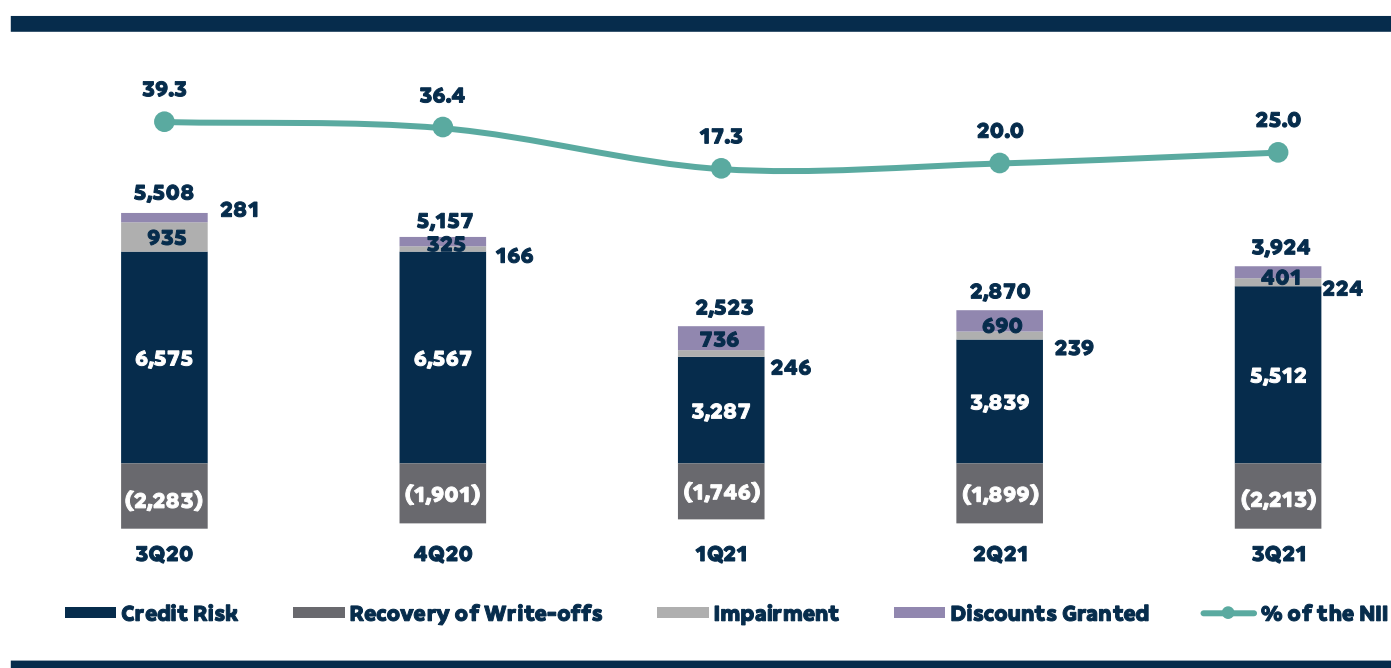
(1) According to Financial Statements Note 12.i; (2) Principal Payments and Interest Payment Net, including extended operations in the period.

Cost and Risk of Credit

ALLL expanded view composed by the net ALLL expenses, plus discounts granted and impairment, was R\$3.9 billion on 3Q21. In the year ALLL expenses was R\$9.3 billion, down 44.4% over 9M20.

Below, the behaviors of the lines that are part of the index:

Figure 34. ALLL Expanded View¹ – R\$ million



(1) The 2Q21 Recovery of write-offs was revised.

Credit Risk: Up 43.6% on the quarter, reaching similar levels observed before the pandemic and in line with the growth of the portfolio, and reduction of 33.5% compared to 9M20, justified by the prudential advances made throughout 2020 in the amount of R\$8.1 billion.

Recovery of Write-Offs: Up 16.6% on the quarter and 7.3% accumulated in nine months compared to

the same period of the previous year. The volume recovered in 3Q21 maintained an increasing trajectory.

Discounts Granted: Down 41.9% on the quarter and up 140.1% over 9M20, influenced by the new recovery strategies for non-performing assets.

Impairment: Down 6.3% on the quarter and 71.3% over 9M20.



Credit Risk

Banco do Brasil continues to maintain provision levels in line with credit risks. The prudential anticipations of individualized provisions in the portfolio throughout 2020, using analytical intelligence models as a way to anticipate potential scenario effects showed a more cautious posture regarding the necessary allocation of resources, given the uncertain environment associated

In 3Q21, the ALLL expanded view was R\$5.5 billion, up 43.6% on the quarter, reaching similar levels observed before the pandemic and in line with the growth of the portfolio, and reduction of 33.5% compared to 9M20, justified by the base effect resulting from the prudential advances made throughout 2020 in the amount of R\$8.1 billion.

with the pandemic. This movement was relevant to minimize the expected worsening of risks at the beginning of this year.

In fact, the flow of expenses has been consistent with this dynamic and with the evolution of the loan portfolio.

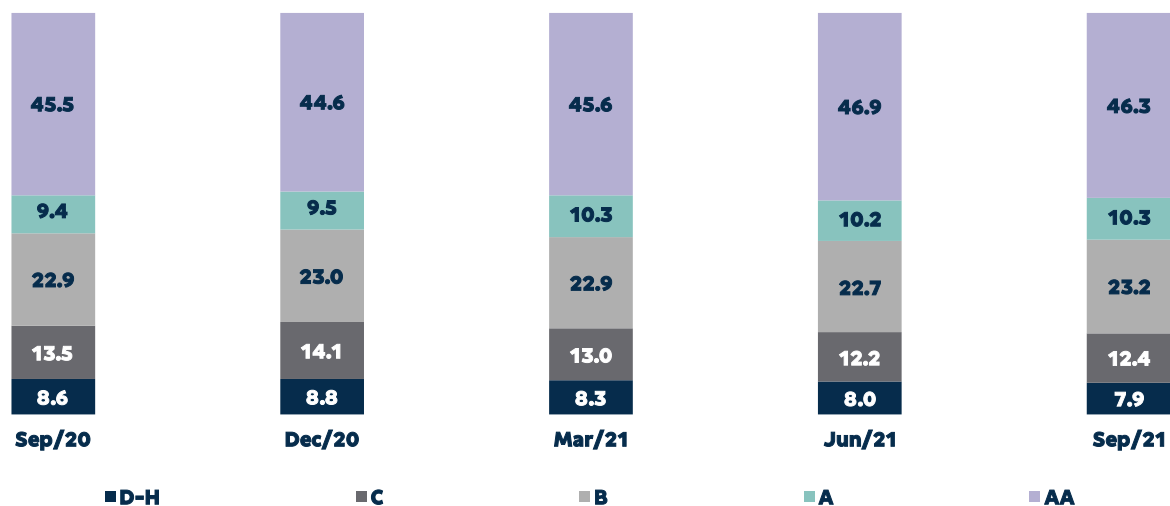
Table 61. Credit Risk – R\$ million

| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | Chg. % on | |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| | | | | | | 3Q20 | 2Q21 |
| Credit Risk | (6,575) | (6,567) | (3,287) | (3,839) | (5,512) | (16.2) | 43.6 |
| Risk Deterioration | (6,499) | (6,904) | (4,433) | (6,417) | (5,496) | (15.4) | (14.4) |
| Individuals | (2,476) | (3,064) | (1,907) | (4,003) | (3,233) | 30.6 | (19.2) |
| Companies | (2,946) | (2,852) | (1,638) | (1,555) | (1,528) | (48.1) | (1.8) |
| Agribusiness | (1,077) | (988) | (888) | (859) | (735) | (31.7) | (14.3) |
| Risk Improvement | 1,705 | 1,945 | 2,372 | 1,881 | 1,936 | 13.5 | 2.9 |
| Individuals | 909 | 982 | 1,577 | 917 | 828 | (8.9) | (9.7) |
| Companies | 341 | 497 | 442 | 508 | 729 | 113.7 | 43.4 |
| Agribusiness | 455 | 465 | 353 | 456 | 379 | (16.8) | (16.9) |
| New Transactions | (1,283) | (817) | (948) | (1,382) | (2,024) | 57.8 | 46.4 |
| Individuals | (444) | (343) | (532) | (804) | (975) | 119.5 | 21.2 |
| Companies | (700) | (381) | (324) | (430) | (893) | 27.5 | 107.5 |
| Agribusiness | (138) | (93) | (91) | (147) | (156) | 12.5 | 5.9 |
| Other¹ | (498) | (791) | (279) | 2,079 | 72 | - | (96.5) |
| Prudential Anticipation | (2,050) | (2,000) | - | - | - | - | - |
| Individuals | (540) | (1,099) | - | - | - | - | - |
| Companies | (1,490) | (873) | - | - | - | - | - |
| Agribusiness | (20) | (28) | - | - | - | - | - |

(1) Other is the Abroad Loan Portfolio credit risk flow and other impacts (Amortization, settlement, release of installments and charge debt).



Figure 35. Classified Loan Portfolio by Risk Level – %

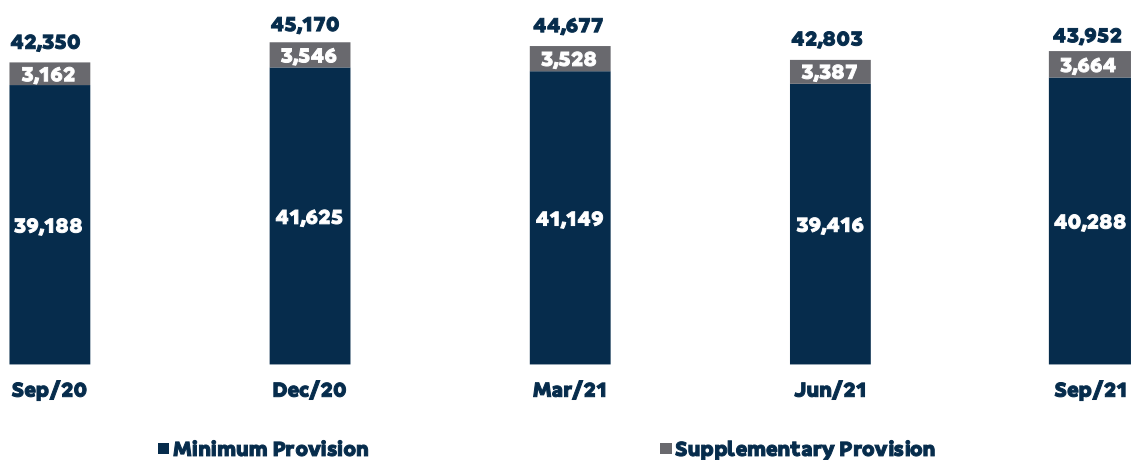




The next figure shows the Allowance for Loan and Lease Losses – ALLL, detailing the minimum provision, which is the provision corresponding to the nine risk levels (AA to H) pursuant to CMN Resolution 2,682/99, the supplementary provision, which corresponds to the provision of the 30 intermediary levels established by BB's Management, and the required provision, which corresponds to the sum of the previous ones.

The balance of loan provision went from R\$42.8 billion to R\$44.0 billion in the quarter.

Figure 36. ALLL – Classified Loan Portfolio – R\$ million





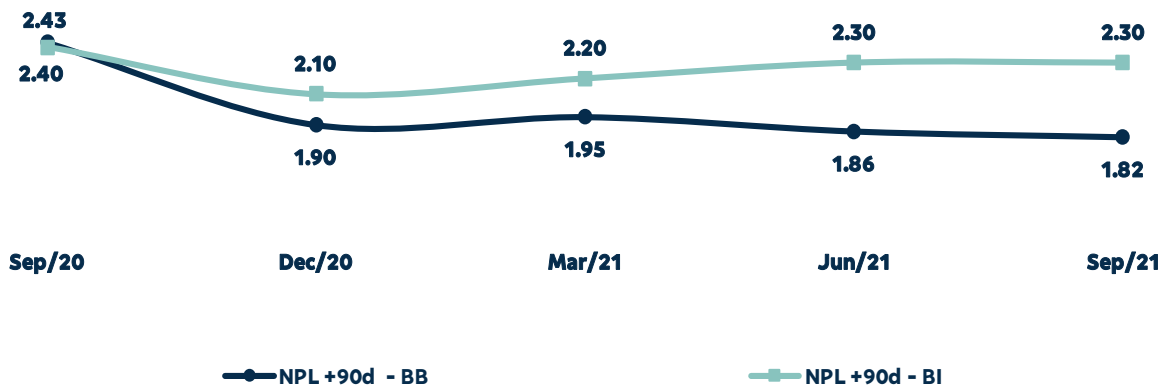
In September/20, the delinquency and coverage data were increased due to the effect of a specific case in the large companies segment that had filed for judicial reorganization in 2Q19.

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 decrease over June and was 1.82% in September/21, remaining below the BI.

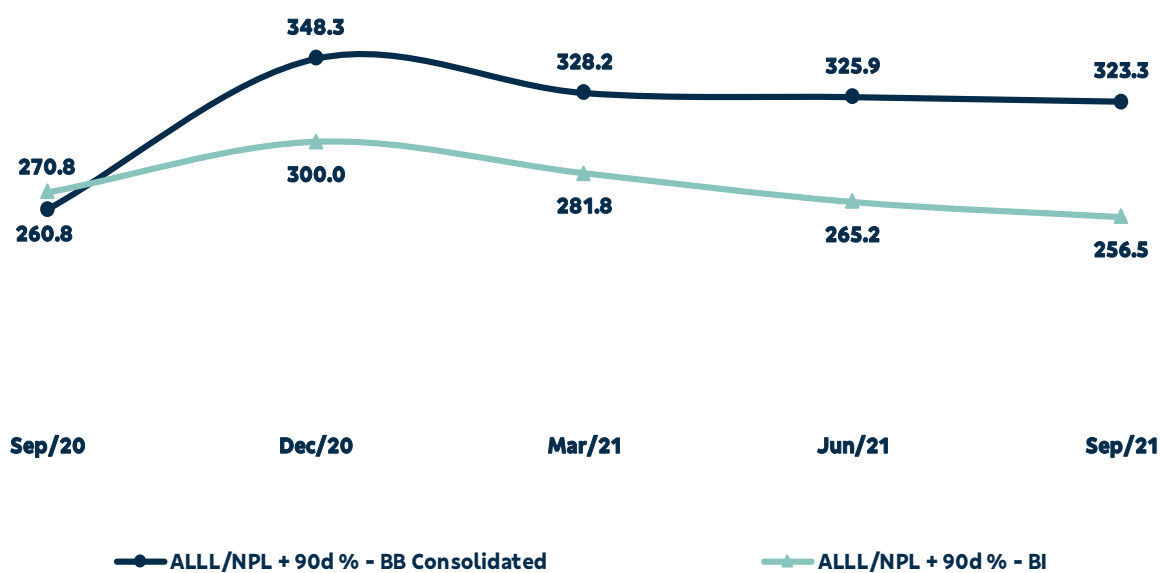
Figure 37. NPL +90d – As % of the Classified Loan Portfolio





The Bank maintains coverage compatible with the risk profile of its portfolio. The coverage ratio went from 325.9% in June/21 to 323.3% in September/21.

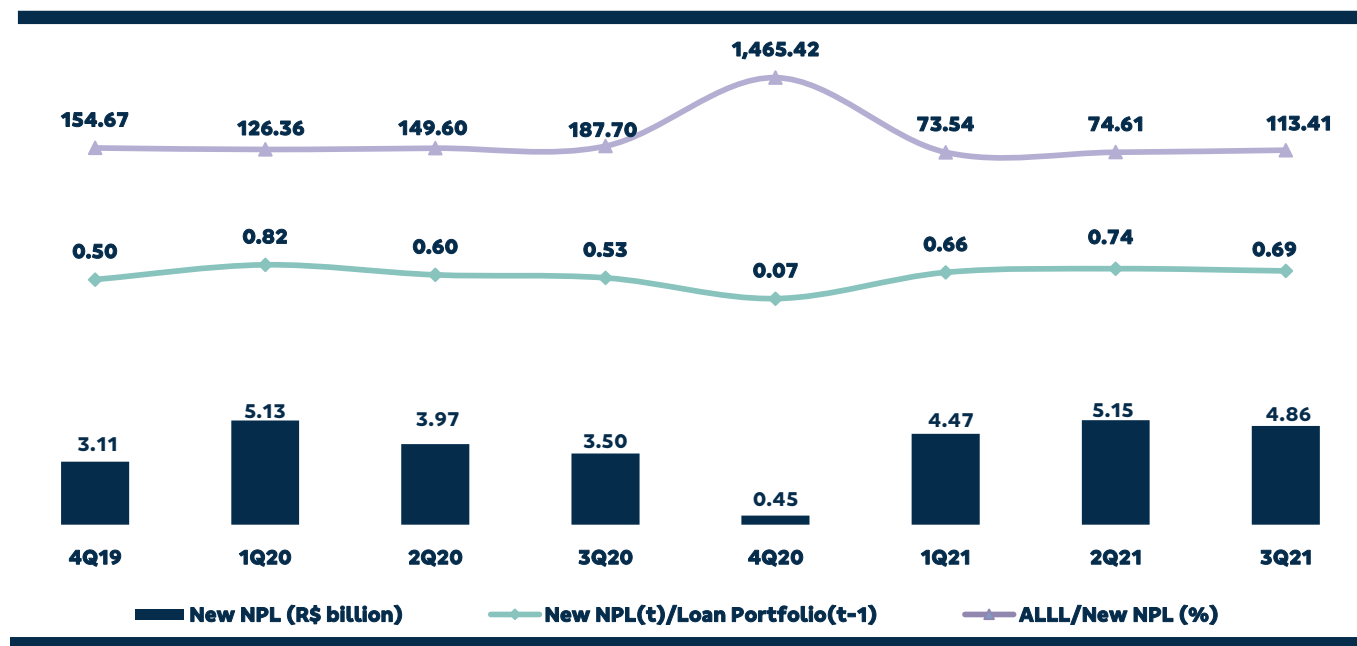
Figure 38. Classified Loan Portfolio Coverage Index



The following chart shows the New NPL/Loan Portfolio index, which indicates the future delinquency trend. The index is calculated by the ratio between: (i) the quarterly change of the operations more than 90 days overdue balance plus the quarterly write-off, and (ii) the classified loan portfolio balance of the previous quarter.

The write-off process is strictly pursuant to CMN Resolution 2,682/99. Operations classified as H risk are accounted as write-off only after six months in delinquency at this risk level, never before that period. The index closed at 0.69% compared to 0.74% presented in 2Q21. New NPL coverage was 113.41%.

Figure 39. New NPL – % on the Classified Loan Portfolio



Recovery of Write-Offs and Discounts Granted

The discounts granted in renegotiation of loan operations or other operations with loan granting characteristics resulted in a decrease of 41.9% on the quarter and up 140.1% over 9M20, influenced by the new recovery strategies for non-performing assets.

Recovery of write-offs up 16.6% on the quarter and 7.3% over the year. The volume recovered in 3Q21 maintained an increasing trajectory.

Of the volume of credit that entered the collection process in the last 12 months before September/21, 93.9% were settled within 360 days.

Figure 40. Credit Regularization Rate Over Collection Period - %





BB prioritizes receiving past due operations as soon as possible, and even acting preventively to avoid worsening the risk and new write-offs. In the last 12 months, past due loans collected and received classified at risk H represented 14.5% of the total received. The other 85.5% were collected and settled while they were at better risk levels.

Figure 41. Collection and Regularization before Write Off¹ – %

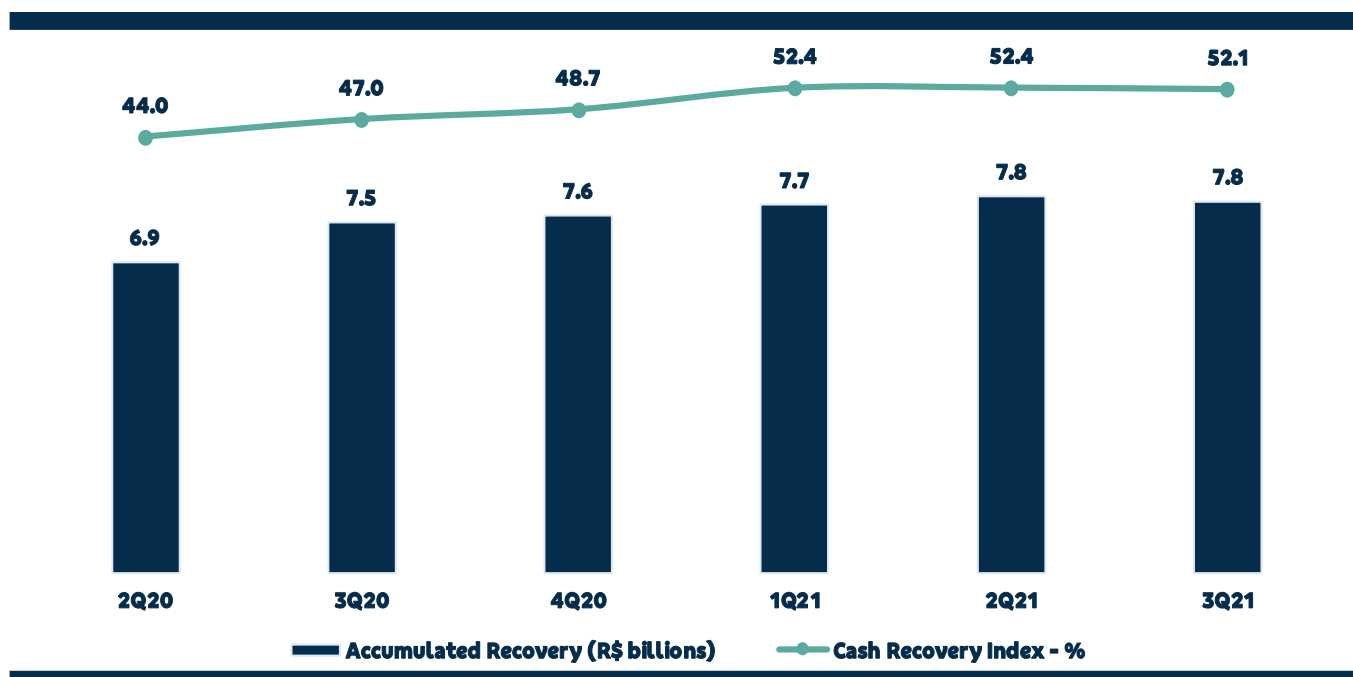


(1) 12 months accumulated.



In the last 12 months R\$7.8 billion were recovered. Of this total, the amount of R\$4.0 billion was received in cash, leading to an increase in the percentage of cash receipt percentage to 52.1% on 3Q21.

Figure 42. Accumulated Recovery (R\$ billions) and Cash Recovery Index – %





Individuals Loan Portfolio

The individuals portfolio expanded view grew 5.7% in the quarter and 14.2% in the year, mainly due to the positive performance in payroll loans (+4.4% QoQ and +16.4% YoY), credit card (+19.3% QoQ and 41.3% YoY) and consumer finance (+9.6% QoQ and 40.1% YoY).

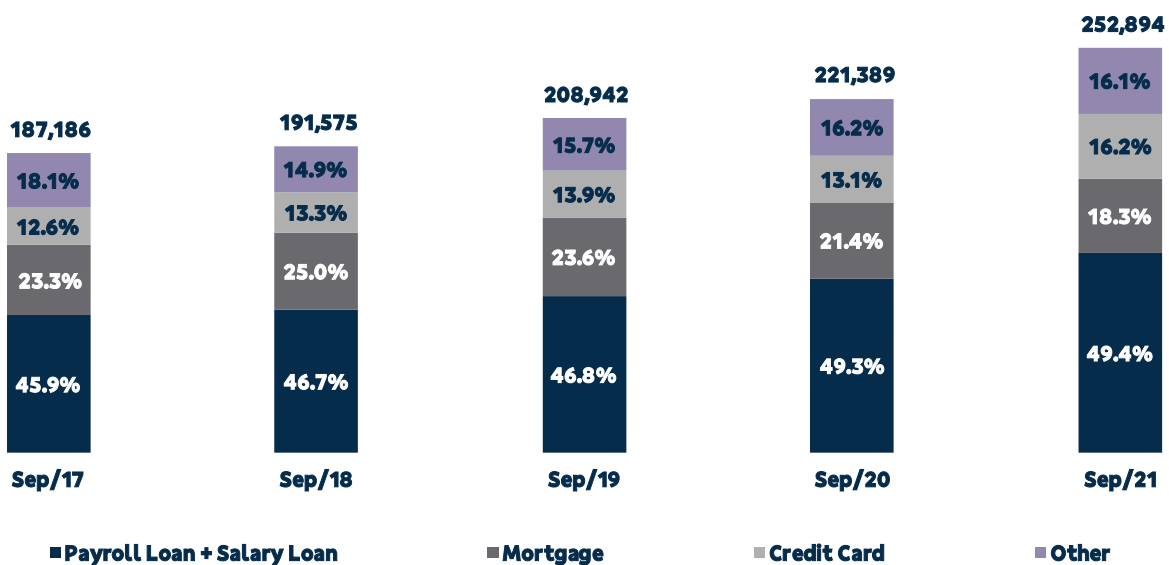
Table 62. Individuals Loan Portfolio – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. % on | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|--------------|--------------|
| | | | | | | | Sep/20 | Jun/21 |
| Organic Classified Loan Portfolio (a) | 214,712 | 96.5 | 232,947 | 96.8 | 246,430 | 96.9 | 14.8 | 5.8 |
| Direct Consumer Credit | 119,703 | 53.8 | 133,324 | 55.4 | 139,747 | 55.0 | 16.7 | 4.8 |
| Payroll Loan | 89,892 | 40.4 | 100,171 | 41.6 | 104,597 | 41.1 | 16.4 | 4.4 |
| Salary Loan | 19,184 | 8.6 | 19,563 | 8.1 | 20,259 | 8.0 | 5.6 | 3.6 |
| Consumer Finance | 10,627 | 4.8 | 13,590 | 5.6 | 14,890 | 5.9 | 40.1 | 9.6 |
| Mortgage | 47,358 | 21.3 | 46,314 | 19.2 | 46,353 | 18.2 | (2.1) | 0.1 |
| Credit Card | 28,999 | 13.0 | 34,350 | 14.3 | 40,970 | 16.1 | 41.3 | 19.3 |
| Renegotiated Loan | 12,330 | 5.5 | 12,260 | 5.1 | 12,280 | 4.8 | (0.4) | 0.2 |
| Individuals | 7,781 | 3.5 | 7,835 | 3.3 | 7,911 | 3.1 | 1.7 | 1.0 |
| Rural Producer | 4,549 | 2.0 | 4,425 | 1.8 | 4,369 | 1.7 | (4.0) | (1.3) |
| Auto Loan | 4,392 | 2.0 | 4,636 | 1.9 | 4,757 | 1.9 | 8.3 | 2.6 |
| Overdraft Account | 1,390 | 0.6 | 1,489 | 0.6 | 1,642 | 0.6 | 18.1 | 10.3 |
| Microcredit | 269 | 0.1 | 275 | 0.1 | 268 | 0.1 | (0.5) | (2.3) |
| Other | 270 | 0.1 | 300 | 0.1 | 413 | 0.2 | 53.2 | 38.0 |
| Acquired Loan Portfolio (b) | 6,677 | 3.0 | 6,585 | 2.7 | 6,464 | 2.5 | (3.2) | (1.8) |
| Auto Loan | 6,668 | 3.0 | 6,585 | 2.7 | 6,464 | 2.5 | (3.1) | (1.8) |
| Payroll Loan | 9 | 0.0 | - | - | - | - | - | - |
| Classified Loan Portfolio (a+b) | 221,389 | 99.5 | 239,532 | 99.6 | 252,894 | 99.5 | 14.2 | 5.6 |
| Private Securities and Guarantees (c) | 1,211 | 0.5 | 1,071 | 0.4 | 1,331 | 0.5 | 9.9 | 24.4 |
| Expanded View Loan Portfolio (a+b+c) | 222,600 | 100.0 | 240,603 | 100.0 | 254,225 | 100.0 | 14.2 | 5.7 |



In 12 months, the individuals loan portfolio showed a growth of 14.2%, with a highlight for payroll loan + salary loan (from 49.3% to 49.4%) and credit card (from 13.1% to 16.2%).

Figure 43. Composition of the Individuals Loan Portfolio Expanded View – R\$ million





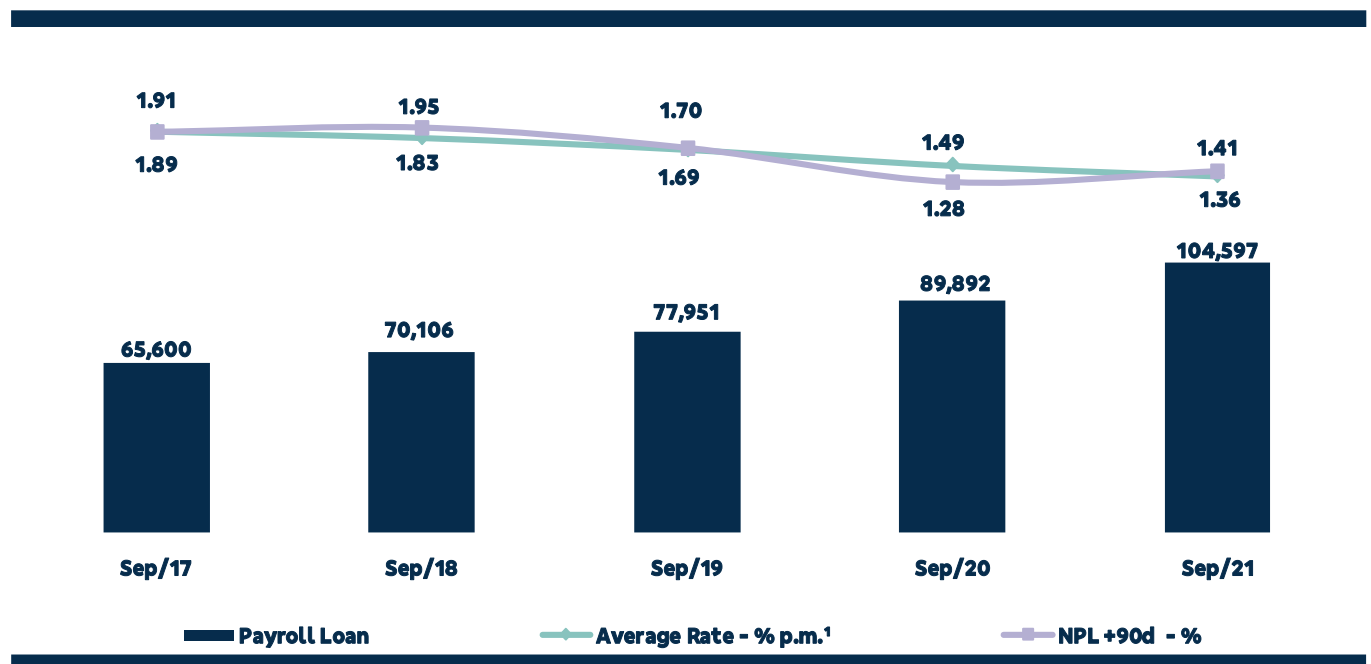
One of the important components of the loan methodology is the history that Banco do Brasil has of its customers. Of those with loan operations at BB, 94.5% have an account for at least five years. Considering the organic portfolio, direct consumer credit operations (payroll, salary and consumer Finance), was R\$139.7 billion in September/21. Of this amount, 89.5% was made with civil servants and INSS retirees and pensioners.

Payroll Loan

The payroll loan portfolio, up 16.4% in 12 months is composed in almost its totality, by operations with civil servants and INSS retirees and pensioners customers (98.0%), that contributes on the low NPL +90d of 1.41% in September/21.

Most of the payroll loan granted by BB in 3Q21 have a maturity over 60 months (85.5%). The profile of this portfolio allows customers to extend the term, generating loyalty and opportunity to offer other products during this time. Banco do Brasil has a 21.0% market share.

Figure 44. Payroll Loans – R\$ million



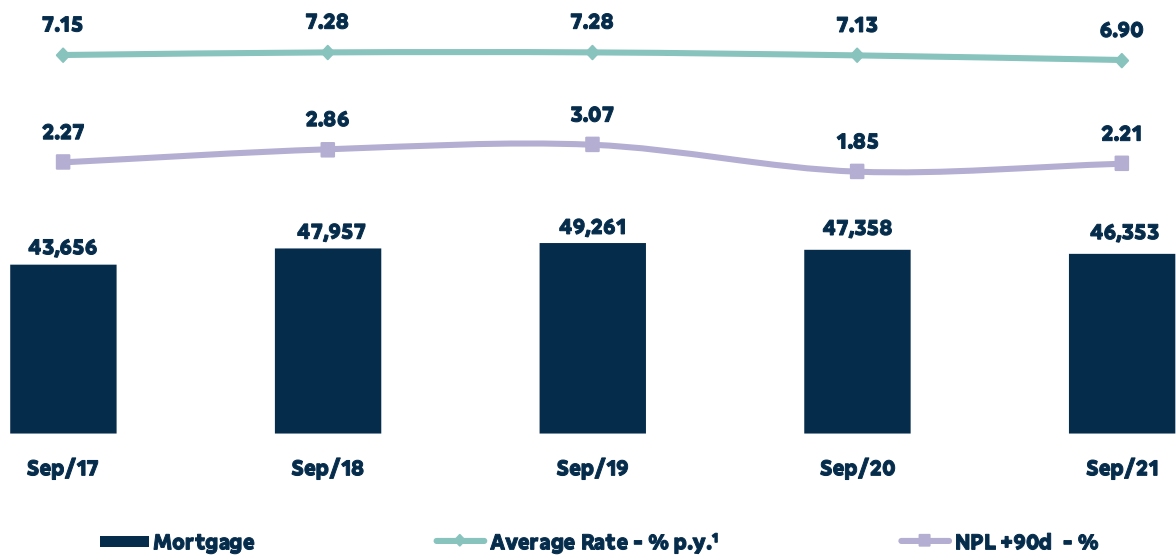
(1) Considers the portfolio



Mortgage

The mortgage portfolio was R\$46.4 billion in September/21 (-2.1% in 12 months) and the percentage financed was 61.7% (Loan-to-Value LTV). In the same period, the average maturity of the portfolio was 297 months and the market share was 5.9%. The NPL +90d was 2.21% in September/21.

Figure 45. Mortgage – R\$ million



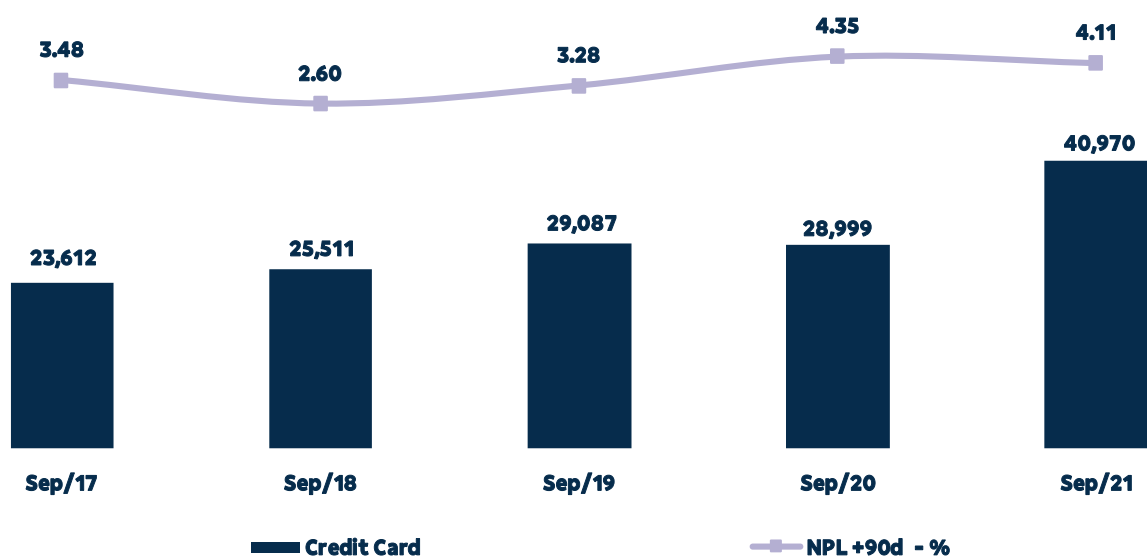
(1) Considers the portfolio



Credit Card

The credit card showed growth in the year (+41.3%), driven by the increase in turnover (+41.4%). The NPL +90d decreased over September/20.

Figure 46. Credit Card – R\$ million

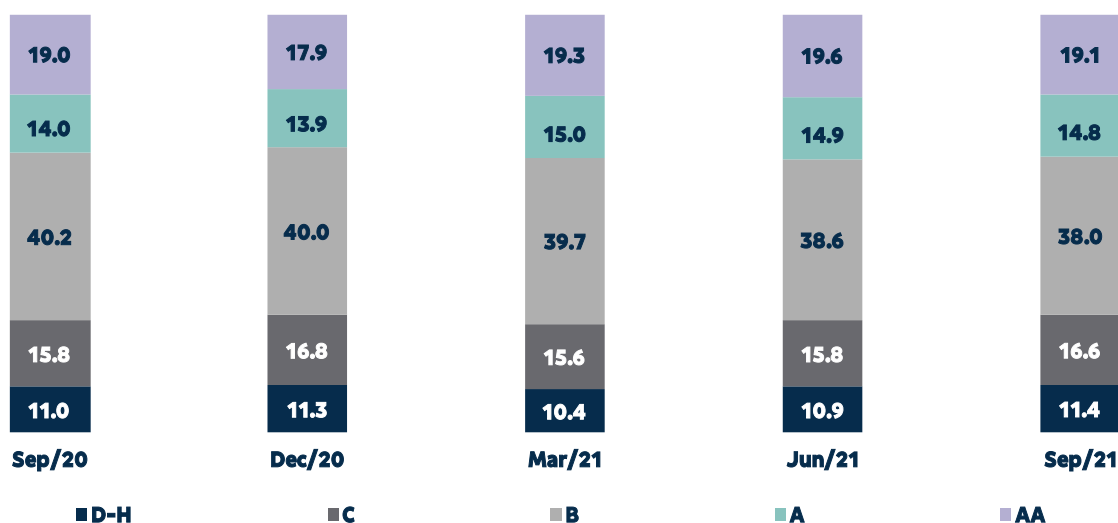




Individuals Credit Risk

Over June/21, there was an increase in the percentage of operations classified at C, D and H risk level and a decrease at AA, A and B risk level. The balance of individuals loan provision went from R\$17.4 billion to R\$19.0 billion in the same period of comparison.

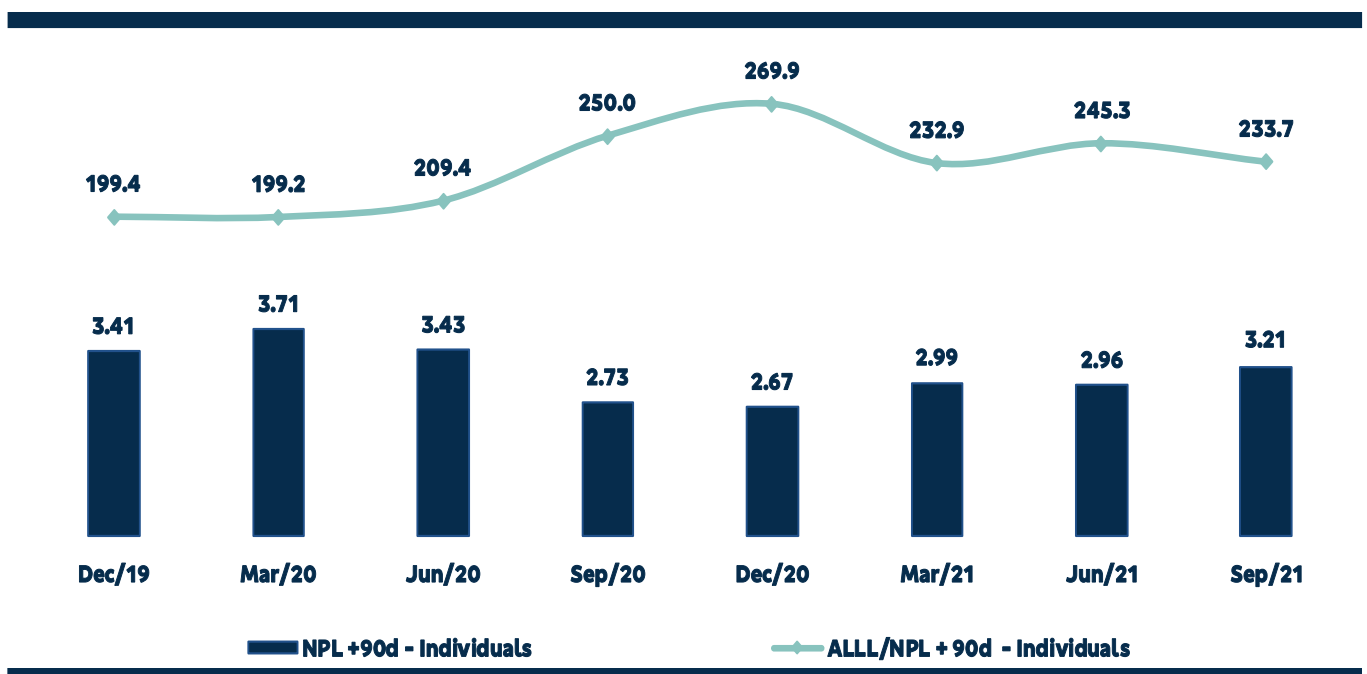
Figure 47. Individuals Classified Loan Portfolio by Risk Level – %





Over June/21, there was a decrease in NPL +90d influenced by the payroll loan, salary loan and consumer finance, in line with the portfolio mix change strategy. The coverage index was 233.7% in September/21.

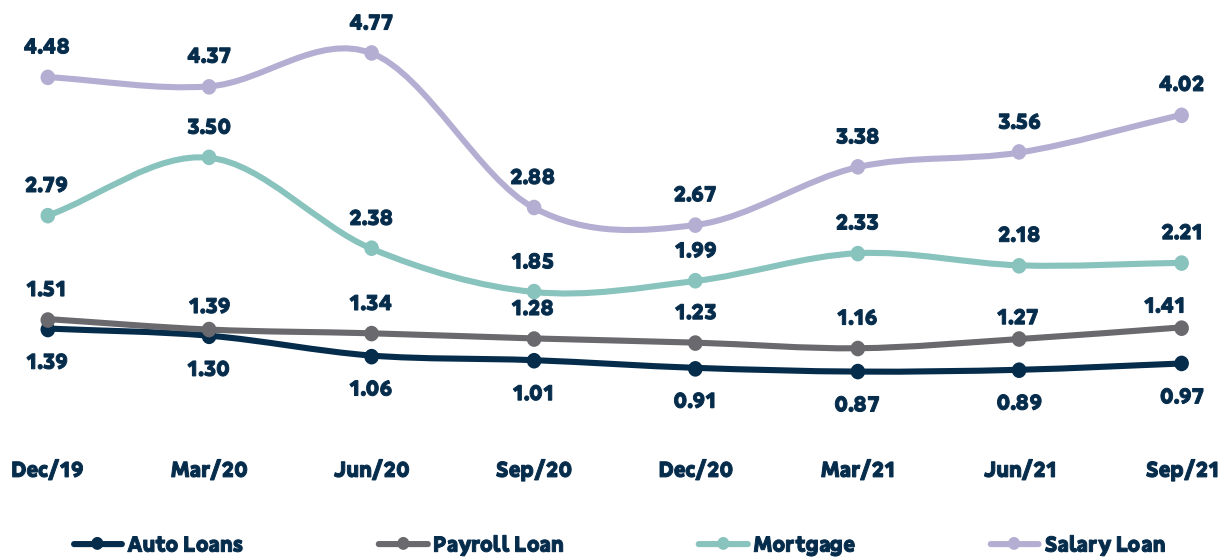
Figure 48. Individuals NPL +90d and Classified Loan Portfolio Coverage Index – %





The following graph details the Individuals Loan Portfolio NPL +90d by credit line over the past eight quarters.

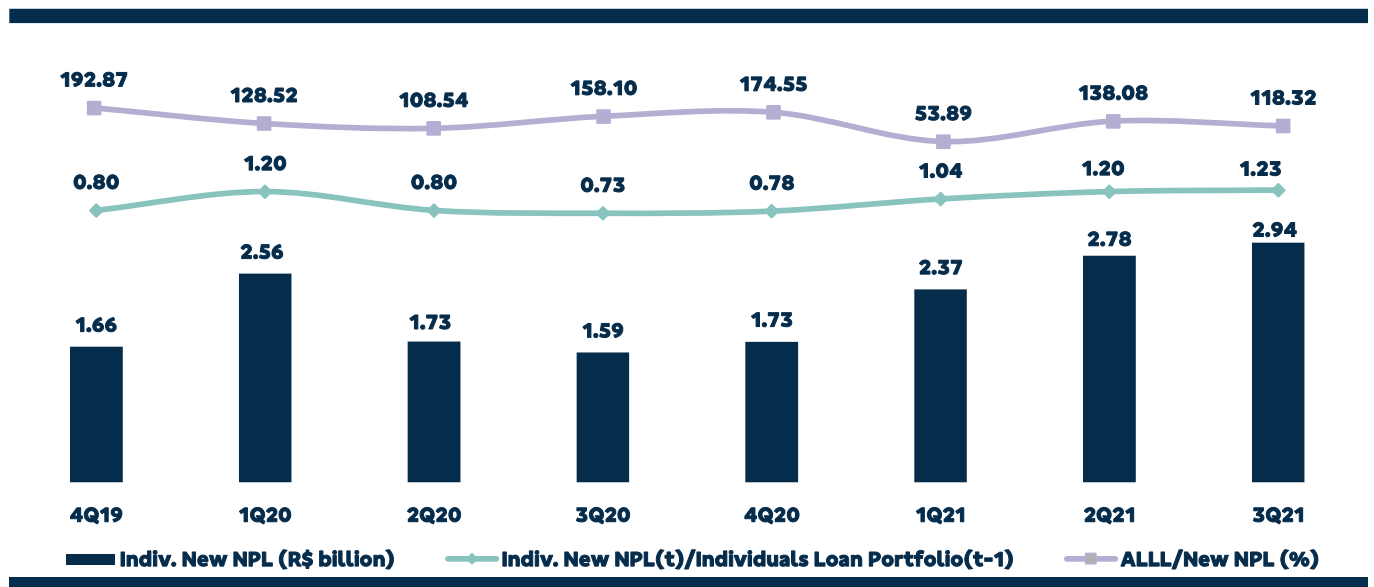
Figure 49. NPL +90d Individuals Portfolio – % by Credit Line





The next figure shows the individuals loan portfolio's new NPL in the last eight quarters. The index closed at 1.23% over 1.20% presented in 2Q21. New NPL coverage was 118.32%.

Figure 50. New NPL – Individuals Loan Portfolio



Vintage

The following graph shows the individual’s loan portfolio delinquency per vintages. This methodology provides greater detailing and is closer to the portfolio than traditional indicators, in order to evaluate how the delinquency of a set of operations contracted for in a particular period behaves over time.

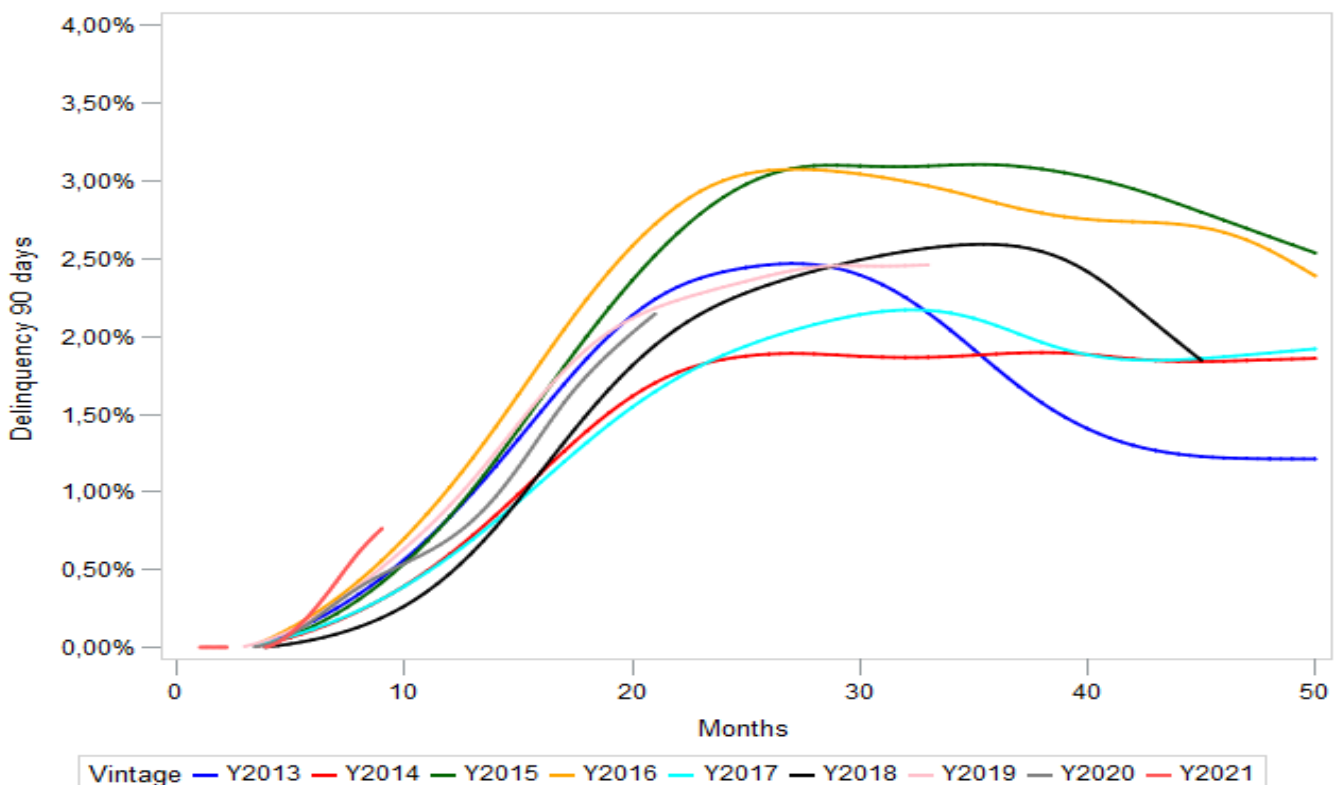
Loans that have been nonperforming for more than 90 days are considered delinquent. Overdraft and

credit card operations are not included in the individuals’ loan portfolio.

The following graph shows the vintage by year, making it easier to interpret the data.

The growth of the 2021 crop reflects the behavior of non-payroll operations. The elevation is within the expected and according to risk-adjusted return metrics.

Figure 51. Individuals Loan Portfolio – Annual Vintage





Companies Loan Portfolio

In the companies segment there was a growth of 4.3%. Highlight to the increase of the SME portfolio (+10.0%), influenced by the disbursements of R\$8.1 billion in the Pronampe lines. The portfolio of corporate, on the other hand, was impacted by liquidations and the focus on alternatives in the capital markets. Although the large company portfolio has been reduced in relation to June/21, there has been a growth in operations with companies with revenues between R\$200 million and R\$800 million, contributing positively to the portfolio mix.

In 12 months there was an increase of 7.2% driven by the working capital line (+7.6%) and receivables (+37.5%).

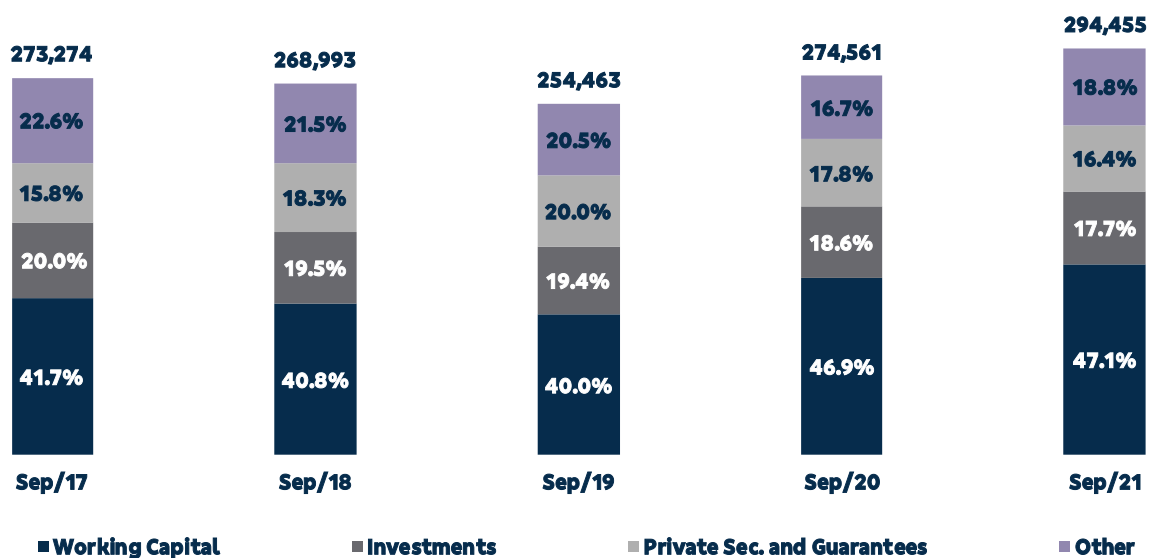
Table 63. Companies Loan Portfolio – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. % on | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|---------------|---------------|
| | | | | | | | Sep/20 | Jun/21 |
| Classified Loan Portfolio (a) | 225,702 | 82.2 | 237,233 | 84.1 | 246,043 | 83.6 | 9.0 | 3.7 |
| Broad Working Capital | 140,645 | 51.2 | 147,278 | 52.2 | 152,941 | 51.9 | 8.7 | 3.8 |
| Working Capital | 128,728 | 46.9 | 133,423 | 47.3 | 138,565 | 47.1 | 7.6 | 3.9 |
| Receivables | 9,261 | 3.4 | 12,333 | 4.4 | 12,734 | 4.3 | 37.5 | 3.3 |
| Pre-Approved-Credit | 2,355 | 0.9 | 1,084 | 0.4 | 1,187 | 0.4 | (49.6) | 9.5 |
| Overdraft Account | 300 | 0.1 | 438 | 0.2 | 455 | 0.2 | 51.6 | 3.8 |
| Investments | 50,987 | 18.6 | 50,206 | 17.8 | 52,205 | 17.7 | 2.4 | 4.0 |
| ACC/ACE | 14,073 | 5.1 | 16,329 | 5.8 | 17,212 | 5.8 | 22.3 | 5.4 |
| Renegotiated Loan | 13,117 | 4.8 | 16,476 | 5.8 | 16,533 | 5.6 | 26.0 | 0.3 |
| Credit Card | 2,690 | 1.0 | 3,440 | 1.2 | 3,783 | 1.3 | 40.6 | 9.9 |
| Mortgage | 2,241 | 0.8 | 757 | 0.3 | 665 | 0.2 | (70.3) | (12.2) |
| Other | 1,949 | 0.7 | 2,747 | 1.0 | 2,705 | 0.9 | 38.8 | (1.5) |
| Private Sec. and Guarantees (b) | 48,859 | 17.8 | 44,993 | 15.9 | 48,412 | 16.4 | (0.9) | 7.6 |
| Loan Portfolio - Expanded View (a+b) | 274,561 | 100.0 | 282,226 | 100.0 | 294,455 | 100.0 | 7.2 | 4.3 |



In the figure below we can observe BB's strategy of growth, over September/17, of the portfolio participation in the working capital lines (from 41.7% to 47.1%).

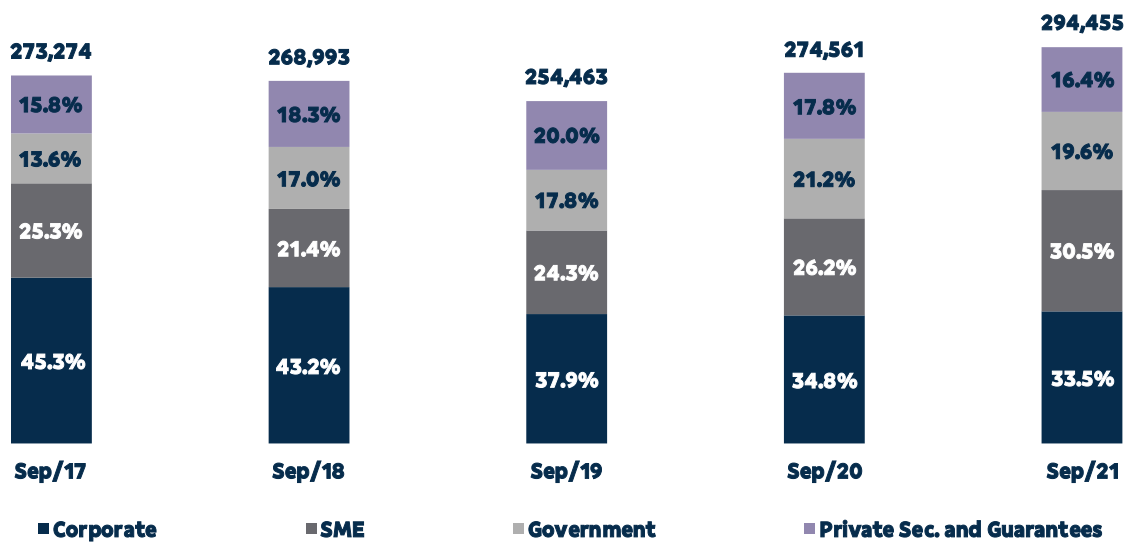
Figure 52. Composition of the Companies Portfolio Expanded View – R\$ million





We can see in the companies breakdown chart BB's strategy of reducing exposure in SME until 2018 (21.4% in September/18), due to the repositioning movement of the bank to the segment, making the reduction of problematic credits and concentrating on operations with shorter duration. Since 2019, when this process was concluded, the bank resumed the growth in share (30.5% in September/21) and reduced in Corporate that began to seek funding alternatives in the capital market (from 45.3% in September/17 to 33.5% in September/21).

Figure 53. Companies Portfolio Breakdown – R\$ million





Micro, Small and Medium-sized Enterprises

Micro, Small and Medium-sized Enterprises are included in the segment with annual revenues of up to R\$200 million.

Loans to SME ended September/21, with a balance of R\$89.7 billion (+10.0% over June/21), influenced by disbursements of R\$8.1 billion in Pronampe lines in the quarter. Over September/20, disbursement in the Pronampe, Pese and CGPE lines influenced the growth of 24.6%.

From the balance of this portfolio, 94.2% was concentrated by account holders for more than two years.

In October, Banco do Brasil was recognized as the Best Bank of Small and Medium Enterprises in Latin America, by the SME Bank Award 2022, organized by Global Finance Magazine, with the case “Support to the Financial Health of Brazilian SMEs during the pandemic”. The award recognizes the best financial institutions in the world, which have been instrumental in supporting SMEs during the pandemic.

Table 64. SME Loan Portfolio – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. % on | |
|--------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | | | | | | | Sep/20 | Jun/21 |
| SME Classified Loan Portfolio | 72,002 | 100.0 | 81,576 | 100.0 | 89,748 | 100.0 | 24.6 | 10.0 |
| Broad Working Capital | 45,170 | 62.7 | 54,392 | 66.7 | 61,891 | 69.0 | 37.0 | 13.8 |
| Working Capital | 40,634 | 56.4 | 48,721 | 59.7 | 55,906 | 62.3 | 37.6 | 14.7 |
| Receivables | 3,355 | 4.7 | 4,305 | 5.3 | 4,525 | 5.0 | 34.9 | 5.1 |
| Pre-Approved-Credit | 882 | 1.2 | 930 | 1.1 | 1,006 | 1.1 | 14.1 | 8.2 |
| Overdraft Account | 299 | 0.4 | 436 | 0.5 | 453 | 0.5 | 51.9 | 4.0 |
| Investments | 12,746 | 17.7 | 12,421 | 15.2 | 12,617 | 14.1 | (1.0) | 1.6 |
| Renegotiated Loan | 7,279 | 10.1 | 7,510 | 9.2 | 7,366 | 8.2 | 1.2 | (1.9) |
| ACC/ACE | 3,364 | 4.7 | 3,717 | 4.6 | 4,111 | 4.6 | 22.2 | 10.6 |
| Credit Card | 2,156 | 3.0 | 2,711 | 3.3 | 2,988 | 3.3 | 38.6 | 10.2 |
| Mortgage | 905 | 1.3 | 378 | 0.5 | 366 | 0.4 | (59.5) | (3.1) |
| Other | 382 | 0.5 | 448 | 0.5 | 409 | 0.5 | 6.9 | (8.7) |



Loan to the Government

Banco do Brasil supports the states, Federal District and the municipalities in their demands, financing investment programs that aims to improve quality and transparency of public administration, urban mobility, health, education and public safety, generating real benefits for the population and contributing to the develop of the country.

The government is an important customer for BB, and just as our goal is to be close to our clients and help them at this time, with the government segment we do not act differently. In adherence to the Strategic Direction, we support the states, the Federal District and the municipalities in their demands, financing investment programs aimed at improving the quality and transparency of public management, urban mobility, health, education and public safety,

generating effective benefits for the population and contributing to the development of the country.

In 3Q21, R\$2.1 billion was disbursed, largely with Treasury guarantees, to the states and municipalities to enable capital expenditures and execution of investment programs included in the multi-annual plan of public entities. Under Central Bank of Brazil Circular 3,644/2013, Article 37, a Risk Weighting Factor (FPR) of 0% must be applied to the portion of exposure covered by credit guarantees provided by the National Treasury transactions, without thereby compromising capital.

The government portfolio has an important participation of on-lending in foreign currency, which implies in quarterly variations in function of the behavior of the exchange rate.

Concentration of Companies by Macro-Sector

The next table presents the concentration by economic macro-sectors of the Companies loan portfolio and agro companies loan portfolio, considering the Banco Múltiplo portfolio, operations with guarantees and securities and abroad loan portfolio.

Each macro-sector is composed by its respective economic segments, according to a productive chain vision. The portfolio is constituted from exposures with clients according to their respective main economic activity, being aggregated according to the macro-sector structure adopted by BB.

Table 65. Concentration of Companies and Agro Companies Loan Portfolio by Macro-Sector – R\$ million

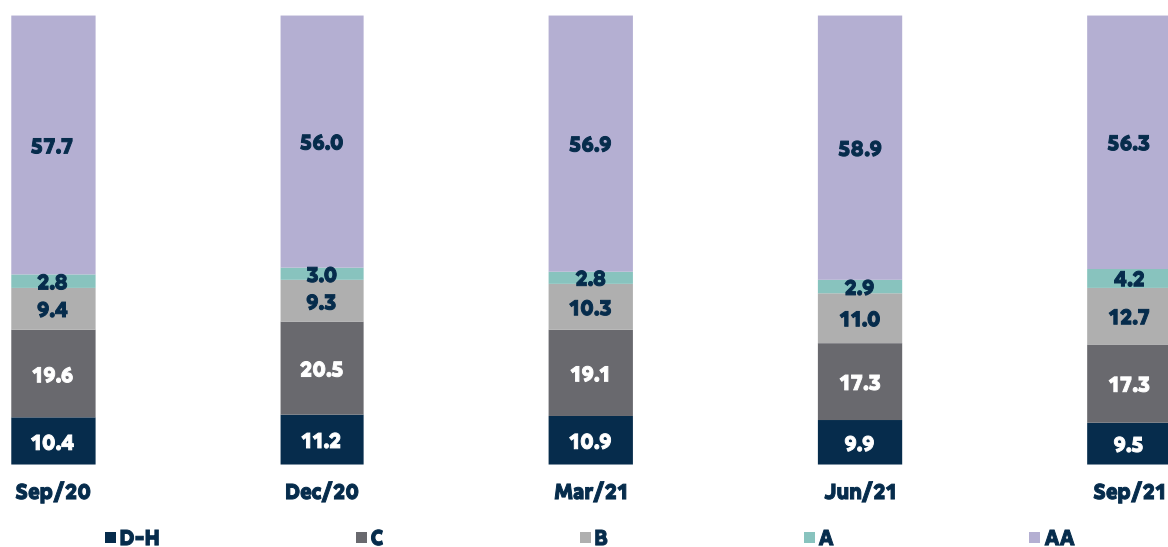
| | Sep/20 | | Jun/21 | | Sep/21 | | Chg. % on | |
|-----------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|------------|------------|
| | Share % | Share % | Share % | Share % | Sep/20 | Jun/21 | Sep/20 | Jun/21 |
| Total | 329,387 | 100.0 | 326,068 | 100.0 | 344,835 | 100.0 | 4.7 | 5.8 |
| Public Administration | 58,957 | 17.9 | 53,767 | 16.5 | 58,119 | 16.9 | (1.4) | 8.1 |
| Food Products of Vegetable Origin | 32,591 | 9.9 | 37,493 | 11.5 | 40,496 | 11.7 | 24.3 | 8.0 |
| Services | 26,941 | 8.2 | 28,751 | 8.8 | 33,755 | 9.8 | 25.3 | 17.4 |
| Transportation | 22,641 | 6.9 | 21,161 | 6.5 | 21,787 | 6.3 | (3.8) | 3.0 |
| Oil and Gas | 28,646 | 8.7 | 22,620 | 6.9 | 20,480 | 5.9 | (28.5) | (9.5) |
| Electric Utilities | 19,144 | 5.8 | 17,832 | 5.5 | 19,597 | 5.7 | 2.4 | 9.9 |
| Metalworking and Steel | 18,256 | 5.5 | 16,029 | 4.9 | 16,666 | 4.8 | (8.7) | 4.0 |
| Automobiles and Components | 16,423 | 5.0 | 14,808 | 4.5 | 15,398 | 4.5 | (6.2) | 4.0 |
| Retail | 13,281 | 4.0 | 13,740 | 4.2 | 14,298 | 4.1 | 7.7 | 4.1 |
| Food Products of Animal Origin | 11,325 | 3.4 | 11,840 | 3.6 | 13,701 | 4.0 | 21.0 | 15.7 |
| Agricultural Inputs | 7,667 | 2.3 | 9,221 | 2.8 | 10,133 | 2.9 | 32.2 | 9.9 |
| Construction Materials | 9,026 | 2.7 | 9,533 | 2.9 | 10,053 | 2.9 | 11.4 | 5.5 |
| Electrical and Electronic Goods | 7,898 | 2.4 | 9,076 | 2.8 | 9,400 | 2.7 | 19.0 | 3.6 |
| Financials | 8,463 | 2.6 | 10,845 | 3.3 | 8,359 | 2.4 | (1.2) | (22.9) |
| Chemicals | 6,969 | 2.1 | 7,528 | 2.3 | 8,342 | 2.4 | 19.7 | 10.8 |
| Wholesale and Industries | 6,409 | 1.9 | 7,270 | 2.2 | 8,130 | 2.4 | 26.9 | 11.8 |
| Textiles | 6,895 | 2.1 | 7,059 | 2.2 | 7,460 | 2.2 | 8.2 | 5.7 |
| Housing | 7,953 | 2.4 | 5,939 | 1.8 | 6,325 | 1.8 | (20.5) | 6.5 |
| Telecommunication Services | 4,520 | 1.4 | 5,050 | 1.5 | 5,653 | 1.6 | 25.1 | 11.9 |
| Pulp and Paper | 4,608 | 1.4 | 4,069 | 1.2 | 5,224 | 1.5 | 13.4 | 28.4 |
| Furniture and Forest Products | 4,017 | 1.2 | 4,235 | 1.3 | 4,583 | 1.3 | 14.1 | 8.2 |
| Heavy Construction | 3,414 | 1.0 | 3,161 | 1.0 | 3,348 | 1.0 | (1.9) | 5.9 |
| Leather and Shoes | 1,947 | 0.6 | 1,758 | 0.5 | 1,893 | 0.5 | (2.8) | 7.6 |
| Beverages | 1,271 | 0.4 | 1,043 | 0.3 | 1,198 | 0.3 | (5.8) | 14.9 |
| Other Activities | 126 | 0.0 | 2,243 | 0.7 | 437 | 0.1 | - | (80.5) |
| Total | 329,387 | 100.0 | 326,068 | 100.0 | 344,835 | 100.0 | 4.7 | 5.8 |
| Domestic Loan Portfolio | 247,502 | 75.1 | 250,362 | 76.8 | 261,999 | 76.0 | 5.9 | 4.6 |
| Abroad Loan Portfolio | 24,720 | 7.5 | 21,804 | 6.7 | 21,551 | 6.2 | (12.8) | (1.2) |
| Guarantees | 17,914 | 5.4 | 16,847 | 5.2 | 18,056 | 5.2 | 0.8 | 7.2 |
| Securities | 39,251 | 11.9 | 37,055 | 11.4 | 43,229 | 12.5 | 10.1 | 16.7 |



Companies Credit Risk

Over June/21, there was an increase in the percentage of operations classified at A and B risk levels and a decrease in AA and H risk levels. The balance of Companies loan provision went from R\$20.8 billion to R\$20.7 billion in the same period of comparison.

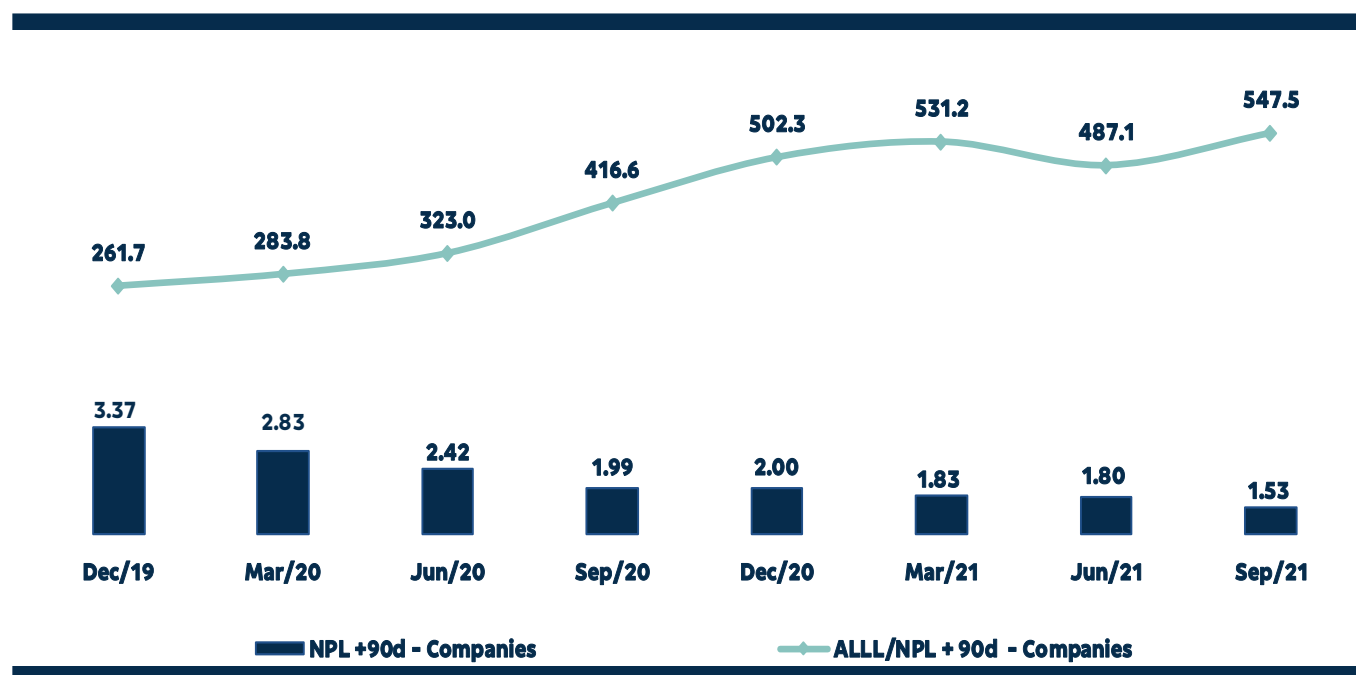
Figure 54. Companies Classified Loan Portfolio by Risk Level – %





The NPL +90d companies (ratio between operations overdue for more than 90 days and the balance of the companies classified loan portfolio) was 1.53% in September/21, a decrease over June/21. The coverage index was 547.5% in the same period.

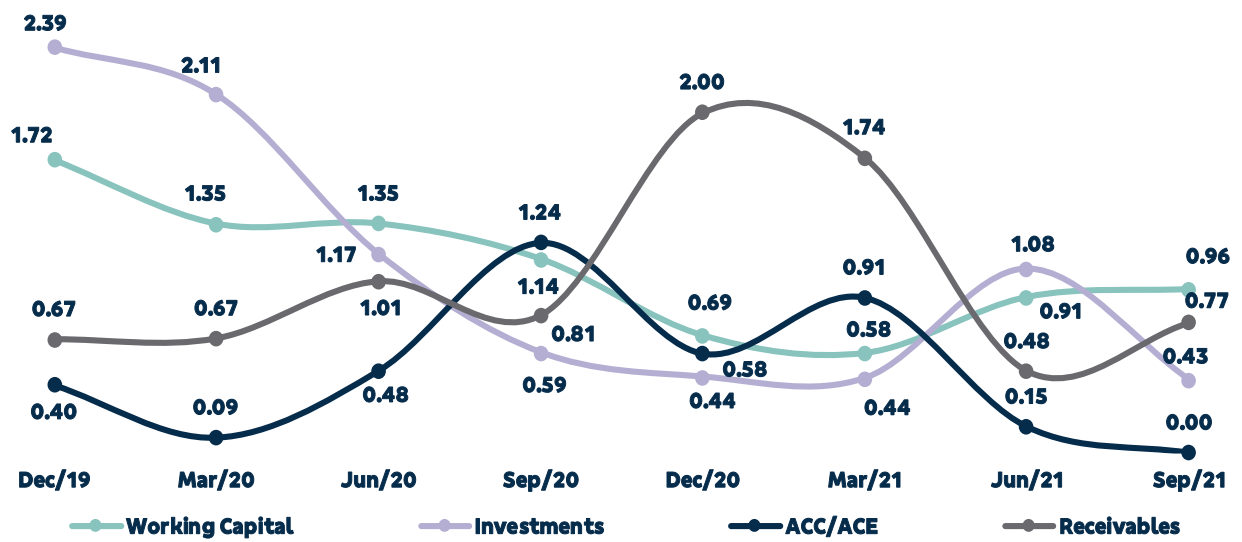
Figure 55. Companies NPL +90d and Classified Loan Portfolio Coverage Index – %





Over June/21, it is worth mentioning the NPL's decrease in investments and an increase in receivables.

Figure 56. NPL +90d Companies Portfolio – % by Credit Line

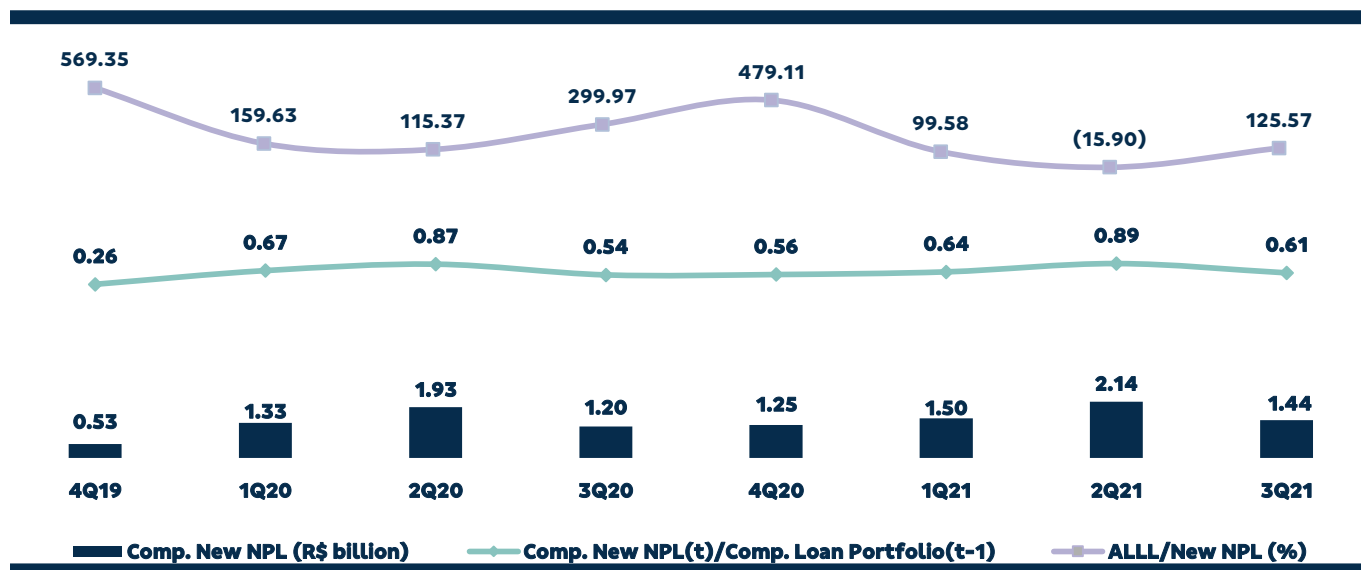




The next figure shows the companies' loan portfolio's new NPL in the last eight quarters. The index closed at 0.61% compared to 0.89% over 2Q21. New NPL coverage was 125.57%.

In 2Q21, the Companies provision expense in the quarter was influenced especially by the recovery strategy for non-performing assets related to corporates. This movement, however, did not impact the performance of the ALLL expanded view, considering not only the evolution of the organic flow of expenses in the portfolio, but also possible worsening resulting from the constant monitoring of operations in other portfolios.

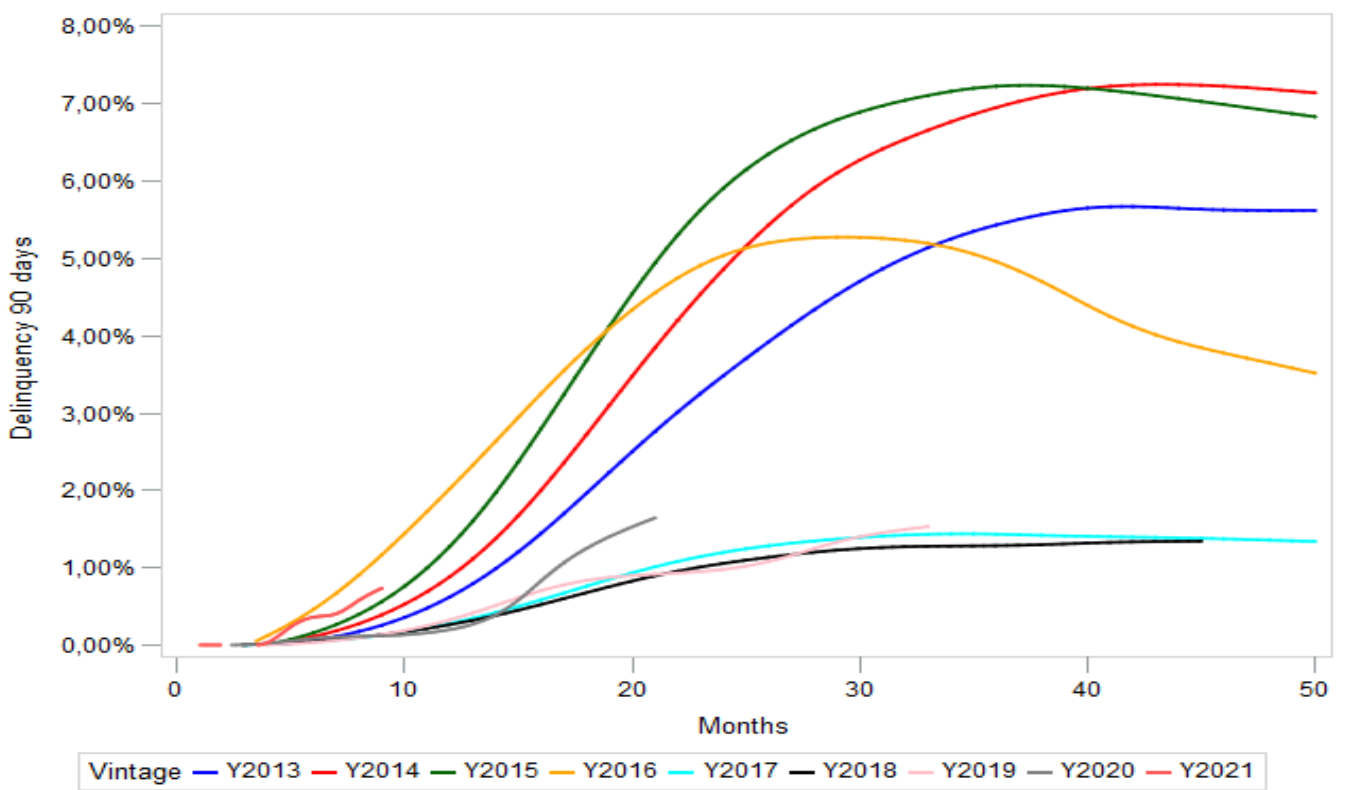
Figure 57. New NPL – Companies Loan Portfolio





The following chart shows SME credit on an annual basis, making it easier to interpret the data.

Figure 58. SME Companies Loans Portfolio – Annual Vintage





Agribusiness Loan Portfolio

In agribusiness up 9.7% over June/21, the highlight is capital for input purchase (+10.9%), for the lines of investment and agricultural selling, (+14.2% and +23.2%, respectively) and industrialization (+270.2%). Agribusiness titles also performed positively, mainly CDCA (+159.5%).

In addition to the high demand, the strong performance is the result of BB's historical role with the entire agribusiness value chain, with specialized service, dedicated professionals, technical knowledge and relationship and national capillarity.

In 12 months, the expanded view increased 18.5%, highlight to working capital for input purchase (+39.5%) and agricultural investment (+53.2%).

Table 66. Agribusiness Loan Portfolio – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. % on | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|---------------|---------------|
| | | | | | | | Sep/20 | Jun/21 |
| Classified Loan Portfolio (a) | 185,166 | 97.2 | 198,106 | 96.2 | 214,036 | 94.8 | 15.6 | 8.0 |
| Rural Credit | 172,962 | 90.8 | 193,807 | 94.1 | 210,793 | 93.4 | 21.9 | 8.8 |
| Pronaf | 45,252 | 23.8 | 46,457 | 22.6 | 48,937 | 21.7 | 8.1 | 5.3 |
| Working Capital for Input Purchase | 40,151 | 21.1 | 50,506 | 24.5 | 55,992 | 24.8 | 39.5 | 10.9 |
| Agricultural Investment | 20,989 | 11.0 | 28,177 | 13.7 | 32,165 | 14.2 | 53.2 | 14.2 |
| FCO Rural | 21,202 | 11.1 | 23,815 | 11.6 | 24,600 | 10.9 | 16.0 | 3.3 |
| Pronamp | 21,349 | 11.2 | 19,781 | 9.6 | 20,173 | 8.9 | (5.5) | 2.0 |
| Low Carbon | 7,926 | 4.2 | 7,283 | 3.5 | 6,884 | 3.0 | (13.1) | (5.5) |
| BNDES/Finame Rural | 5,918 | 3.1 | 5,526 | 2.7 | 5,002 | 2.2 | (15.5) | (9.5) |
| Agricultural Selling | 4,855 | 2.5 | 7,132 | 3.5 | 8,789 | 3.9 | 81.0 | 23.2 |
| Industrialization | 1,757 | 0.9 | 1,148 | 0.6 | 4,252 | 1.9 | 141.9 | – |
| Other | 3,562 | 1.9 | 3,982 | 1.9 | 4,000 | 1.8 | 12.3 | 0.5 |
| Loans to Companies | 12,204 | 6.4 | 4,299 | 2.1 | 3,243 | 1.4 | (73.4) | (24.6) |
| Rural Product Bills and Guarantees (b) | 4,419 | 2.3 | 5,849 | 2.8 | 6,687 | 3.0 | 51.3 | 14.3 |
| CDCA (c) | 867 | 0.5 | 1,949 | 0.9 | 5,058 | 2.2 | – | 159.5 |
| Loan Portfolio - Expanded View (a+b+c) | 190,453 | 100.0 | 205,904 | 100.0 | 225,781 | 100.0 | 18.5 | 9.7 |



The following table shows the balance of agribusiness loan transactions by financed item.

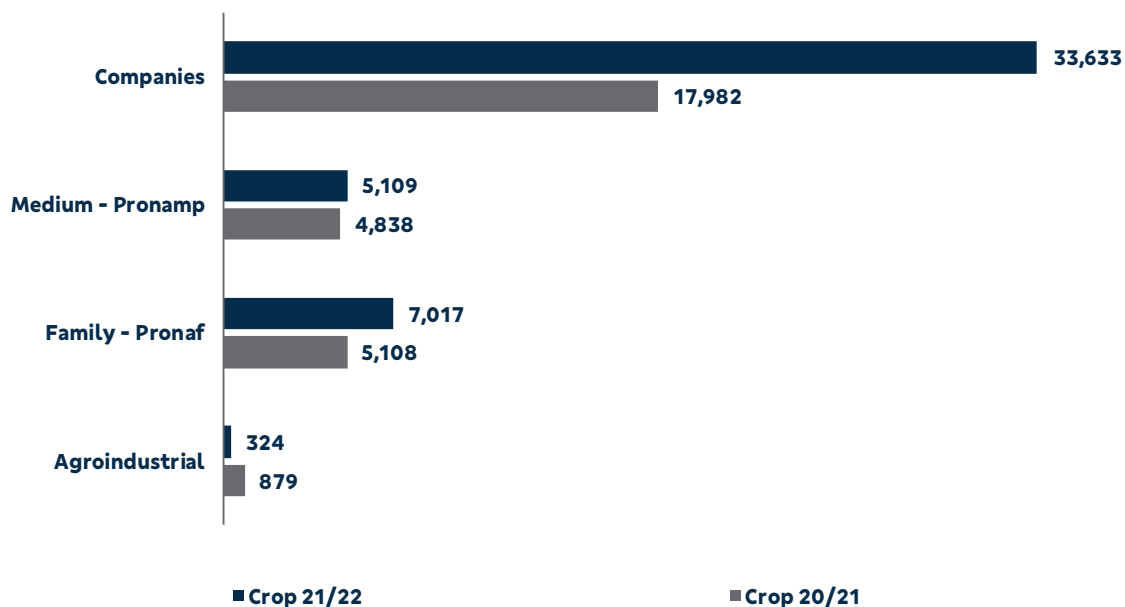
Table 67. Agribusiness Loan Portfolio by Financed Item – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. % on | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|---------------|---------------|
| | | | | | | | Sep/20 | Jun/21 |
| Classified Loan Portfolio | 185,166 | 97.2 | 198,106 | 96.2 | 214,036 | 94.8 | 15.6 | 8.0 |
| Livestock | 45,393 | 23.8 | 51,126 | 24.8 | 54,033 | 23.9 | 19.0 | 5.7 |
| Meat | 31,916 | 16.8 | 37,590 | 18.3 | 40,004 | 17.7 | 25.3 | 6.4 |
| Milk | 13,477 | 7.1 | 13,536 | 6.6 | 14,029 | 6.2 | 4.1 | 3.6 |
| Machinery and Equipment | 29,664 | 15.6 | 34,229 | 16.6 | 36,758 | 16.3 | 23.9 | 7.4 |
| Soybean | 20,554 | 10.8 | 24,894 | 12.1 | 29,768 | 13.2 | 44.8 | 19.6 |
| Corn | 7,784 | 4.1 | 9,290 | 4.5 | 11,969 | 5.3 | 53.8 | 28.8 |
| Agricultural Storage | 7,243 | 3.8 | 8,882 | 4.3 | 9,236 | 4.1 | 27.5 | 4.0 |
| Soil Improvement | 6,796 | 3.6 | 7,406 | 3.6 | 7,722 | 3.4 | 13.6 | 4.3 |
| Coffee | 5,213 | 2.7 | 5,712 | 2.8 | 6,343 | 2.8 | 21.7 | 11.0 |
| Pasture | 4,921 | 2.6 | 5,369 | 2.6 | 5,759 | 2.6 | 17.0 | 7.3 |
| Aviculture | 3,006 | 1.6 | 2,962 | 1.4 | 3,658 | 1.6 | 21.7 | 23.5 |
| Sugarcane | 2,775 | 1.5 | 2,939 | 1.4 | 2,938 | 1.3 | 5.9 | (0.0) |
| Rice | 1,765 | 0.9 | 2,334 | 1.1 | 2,706 | 1.2 | 53.3 | 15.9 |
| Swine Production | 2,042 | 1.1 | 2,157 | 1.0 | 2,520 | 1.1 | 23.4 | 16.8 |
| Trucks/vehicles | 2,604 | 1.4 | 2,395 | 1.2 | 2,373 | 1.1 | (8.9) | (0.9) |
| Wheat | 1,101 | 0.6 | 1,672 | 0.8 | 1,660 | 0.7 | 50.8 | (0.7) |
| Cotton | 1,363 | 0.7 | 1,131 | 0.5 | 1,240 | 0.5 | (9.0) | 9.6 |
| Eucalyptus/Pinus/Forests | 1,270 | 0.7 | 1,090 | 0.5 | 1,093 | 0.5 | (13.9) | 0.3 |
| Other | 29,470 | 15.5 | 30,219 | 14.7 | 31,017 | 13.7 | 5.2 | 2.6 |
| Loans to Companies | 12,204 | 6.4 | 4,299 | 2.1 | 3,243 | 1.4 | (73.4) | (24.6) |
| Rural Product Bills and Guarantees | 4,419 | 2.3 | 5,849 | 2.8 | 6,687 | 3.0 | 51.3 | 14.3 |
| CDCA | 867 | 0.5 | 1,949 | 0.9 | 5,058 | 2.2 | - | 159.5 |
| Loan Portfolio - Expanded View | 190,453 | 100.0 | 205,904 | 100.0 | 225,781 | 100.0 | 18.5 | 9.7 |



In the 21/22 crop, Banco do Brasil disbursed R\$46.1 billion (+60.0% over the previous crop) in rural loan operations. The following figure shows a comparison of the disbursement in the 21/22 crop with the same period of the 20/21 crop, detailing the customer type.

Figure 59. Rural Credit Disbursements by Purpose – R\$ million





Risk Mitigators

Banco do Brasil encourages the linking of risk mitigation mechanisms to the contracting of working capital for input purchase operations. The strategy is improved with each new crop, extending the protection mechanisms so that producers can invest safely.

The risk mitigation strategy considers several types of information such as activity risk, type of crop to be

financed and financing location. Those types of information allow the use of protective devices that best fit the risk profile of each transaction.

The following table shows the recent historic use of risk mitigators in the working capital for input purchases.

Table 68. Insurance in the Working Capital for Input Purchase – R\$ million

| | Crop 19/20 | Share % | Crop 20/21 | Share % | Crop 21/22 | Share % |
|---|---------------|--------------|---------------|--------------|---------------|--------------|
| Working Capital for Input Purchase | 11,379 | 100.0 | 14,022 | 100.0 | 15,869 | 100.0 |
| Total Insured | 6,855 | 60.2 | 8,423 | 60.1 | 9,671 | 60.9 |
| Crop Insurance | 4,512 | 39.7 | 6,578 | 46.9 | 7,419 | 46.8 |
| Proagro | 2,259 | 19.9 | 1,844 | 13.2 | 2,217 | 14.0 |
| Hedge Price | 84 | 0.7 | 1 | 0.0 | 36 | 0.2 |
| Without Insurance | 4,524 | 39.8 | 5,599 | 39.9 | 6,198 | 39.1 |

The distribution of risks assumed by the insurer as a result of agricultural insurance of crop 21/22 will be distributed as follows: 36.0% for IRB Brasil Resseguros, 24.0% for Mapfre Re, 20.0% for Brasilseg, 16.0% for Munich Re and 4.0% for General Reinsurance AG.



Market Share of the Agribusiness

Historically, Banco do Brasil remains as the main agribusiness financial agent in the country, contributing significantly to supply the credit demand. According to Central Bank of Brazil's data, BB accounted for 54% of all financings granted to the agribusiness sector in September/21. In direct loans to rural producers

(market share in agribusiness loans to individuals), the market share is 59%.

The distribution of agribusiness operations by Brazilian region shows the share of each in the loan portfolio.

Table 69. Classified Agribusiness Loan Portfolio by Region – %

| | 3Q21 | | |
|-----------|--------------|--------------|-------|
| | Rural Credit | Agroindustry | Total |
| Midwest | 33.7 | 14.4 | 33.5 |
| Southeast | 23.5 | 56.3 | 24.0 |
| South | 25.2 | 18.7 | 25.1 |
| Northeast | 9.1 | 7.8 | 9.1 |
| North | 8.4 | 2.7 | 8.3 |



Agribusiness Securities

As a complement to Rural Credit, the rural producer has at his disposal the Rural Product Bills and Guarantees (CPR) and the Agribusiness Loan Rights Certificate (CDCA), among others.

On September/21, the agribusiness securities increased in the quarter and was R\$11.7 billion (+50.6%), of which R\$6.7 billion in CPR (+14.3%) and R\$5.1 billion in CDCA (+159.5%).

Rural Product Bills and Guarantees (CPR)

CPR enables the client to generate financial resources with coverage in pending or harvested agricultural production. It is an instrument that has amplified its importance in the agribusiness market due to its advantages and flexibility and can be used for the acquisition of products and inputs, production financing and provision of collateral, among others. In August/18, BB launched the issue of CPR Digital for the individual rural producer. The client can issue the title quickly and easily via mobile.

Digital CPR

Solution that allows the hiring of CPR directly by mobile phone. In 3Q21, a total of R\$2.4 billion in 6,415

operations of CPR were contracted. Of this amount, 82.8% were via mobile. Among the main products contracted via CPR Digital are soybeans and cattle, which together represent 83.4% of the amount.

Certificate of Agribusiness Loan Rights (CDCA)

CDCA is an efficient instrument to support and complement funding for the entire production chain. It can be issued by agribusinesses, cooperatives of rural producers and other legal entities, which carry out activities of commercialization, processing or industrialization of agricultural products and inputs or machinery and implements used in agricultural production. The CDCA brings the possibility for companies to anticipate their cash flows, because it uses as ballast the already negotiated sales of agricultural products or the anticipated acquisition of products. BB started the acquisition of these securities at the end of 2018 and the work has contributed to the growth of hiring.



In 2020, BB defined 10 Long-Term Sustainability Commitments with targets up to 2030 in alignment with global priorities and society's demands. One of these commitments is to reach R\$125 billion in the sustainable agriculture loan portfolio by 2025. In September/21, this portfolio had a balance of R\$112.4 billion, which represents more than 80% of the target and a growth of 9.6% in the quarter and 26.0% in 12 months.

Table 70. Breakdown of the Sustainable Loan Portfolio – Agribusiness – R\$ million

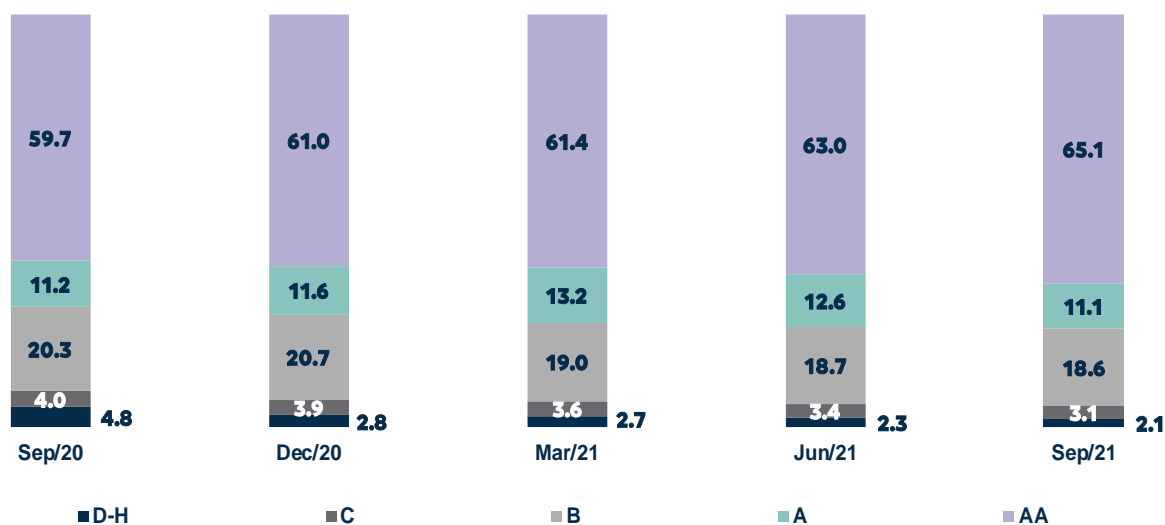
| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % |
|---|---------------|--------------|----------------|--------------|----------------|--------------|
| Sustainable Loan Portfolio - Agriculture | 89,252 | 100.0 | 102,531 | 100.0 | 112,415 | 100.0 |
| Best Socio-environmental Practices | 63,714 | 71.4 | 65,722 | 64.1 | 70,183 | 62.4 |
| Pronaf Mais Alimentos | 35,658 | 40.0 | 35,982 | 35.1 | 37,247 | 33.1 |
| Investment Loans | 21,060 | 23.6 | 22,792 | 22.2 | 25,453 | 22.6 |
| Working Capital (Pronaf) | 6,995 | 7.8 | 6,948 | 6.8 | 7,483 | 6.7 |
| Low Carbon Program | 25,539 | 28.6 | 36,815 | 35.9 | 42,232 | 37.6 |
| Working Capital (No-till) | 18,726 | 21.0 | 30,514 | 29.8 | 35,006 | 31.1 |
| Low Carbon Program | 6,813 | 7.6 | 6,301 | 6.1 | 7,226 | 6.4 |



Agribusiness Credit Risk

Over June/21 there was an increase in risk level AA and decrease in the others. The balance of Companies loan provision went from R\$3.9 billion to R\$3.7 billion in the same period of comparison.

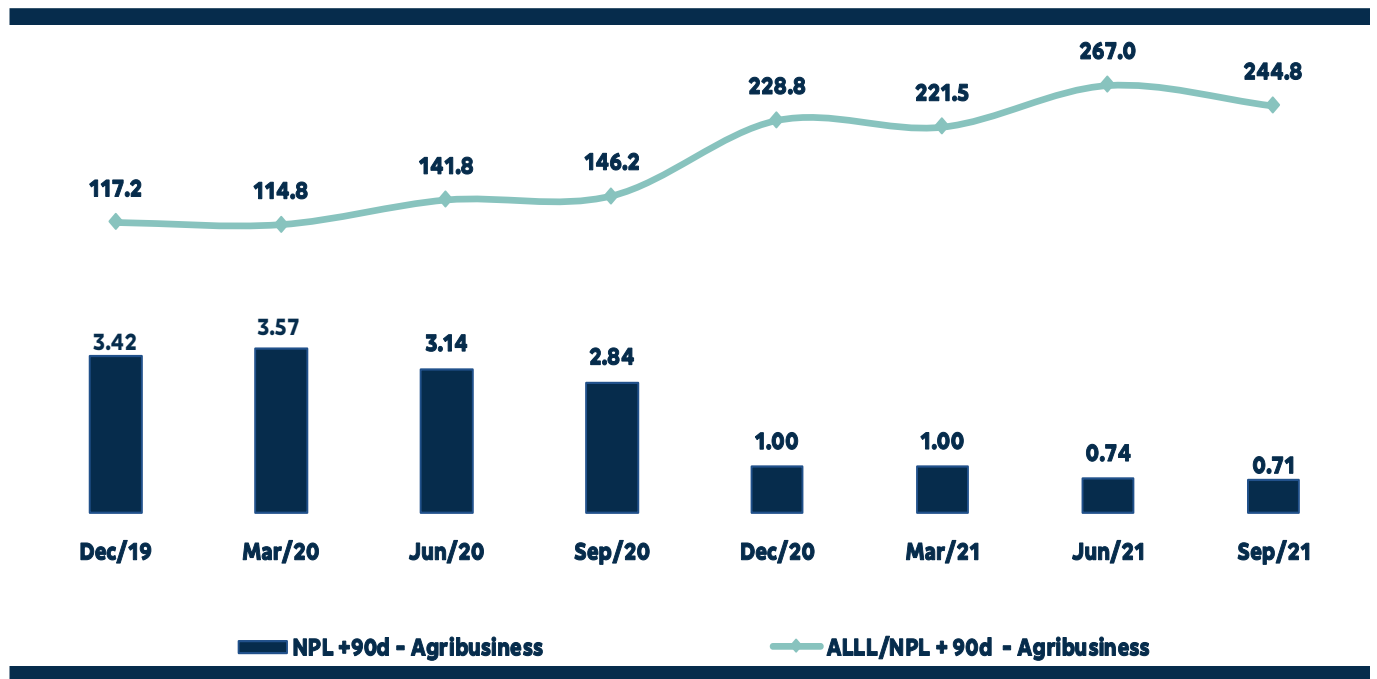
Figure 60. Agribusiness Classified Loan Portfolio by Risk Level – %





The following graph details the formation of Agribusiness Loan Portfolio NPL +90d over the past eight quarters. The default was 0.71% in the quarter, while the coverage was 244.8%.

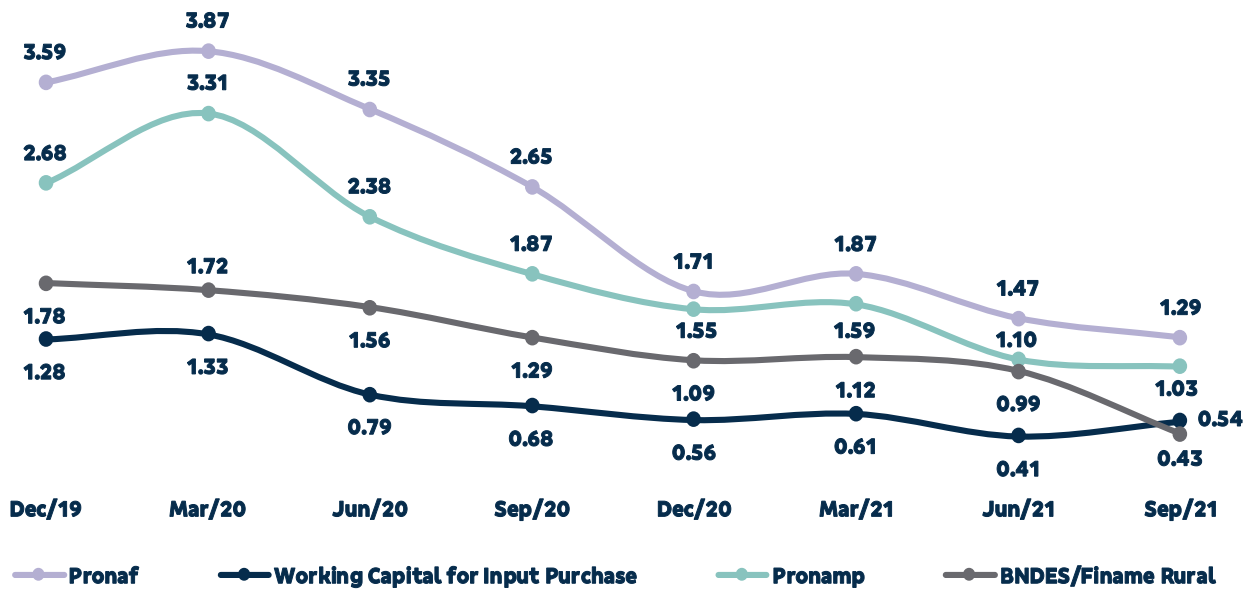
Figure 61. Agribusiness NPL +90d and Classified Loan Portfolio Coverage Index – %





The following graph details the Agribusiness Loan Portfolio NPL +90d by credit line over the past eight quarters.

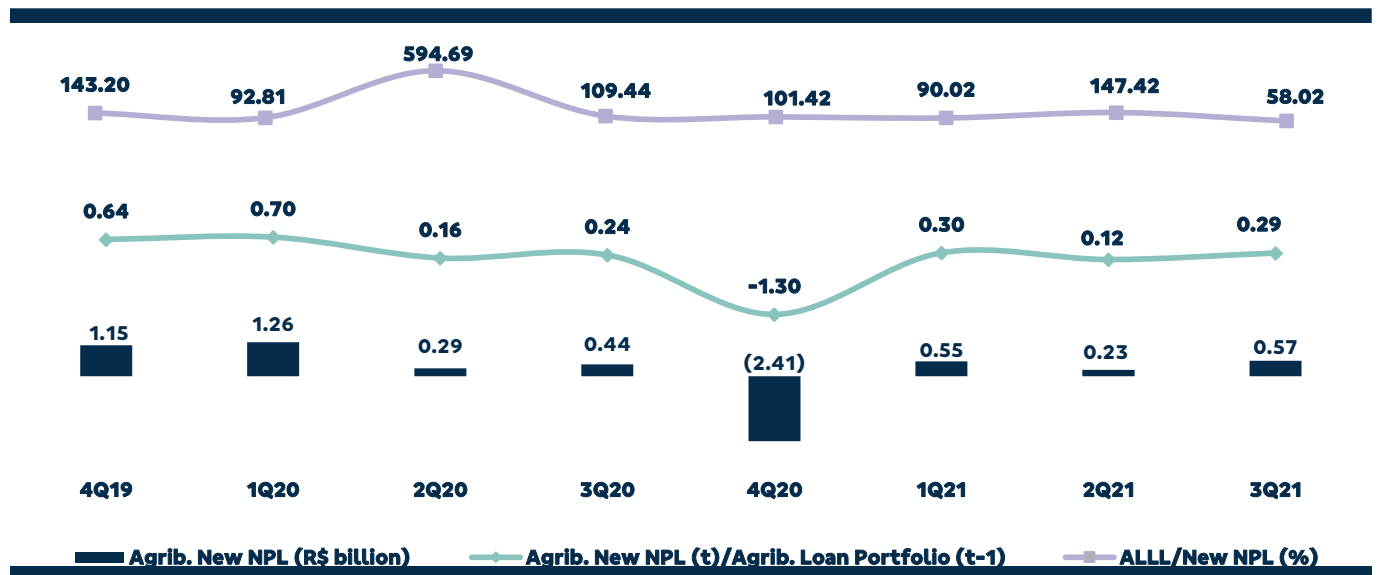
Figure 62. NPL +90d Agribusiness Portfolio – % by Credit Line





The next figure shows the agribusiness loan portfolio’s new NPL in the last eight quarters. The index closed at 0.29% over 0.12% in 2Q21. New NPL coverage was 58.02%.

Figure 63. New NPL – Agribusiness Loan Portfolio





Portfolio with and without Rollover

The average portfolio risk is affected by rollover transactions. CMN Resolution 2,682/99, which provides for the classification of risk and constitution of allowances for loan losses, requires the maintenance of risk of the renegotiated loans at the risk level of the time of renegotiation. Due to this regulation, renegotiated transactions increase the loan portfolio's average risk.

Table 71. Agribusiness Transactions with Rollover and without it – R\$ million

| | Portfolio without Rollover ¹ | | | Portfolio with Rollover ¹ | | |
|--------------|---|--------------|--------------|--------------------------------------|--------------|--------------|
| | Balance | Provision | NPL +90 days | Balance | Provision | NPL +90 days |
| Total | 203,159 | 2,096 | 1,070 | 10,878 | 1,647 | 458 |
| AA | 135,225 | – | – | 2,966 | – | – |
| A | 22,724 | 126 | – | 1,117 | 7 | – |
| B | 37,685 | 442 | – | 2,423 | 33 | – |
| C | 5,051 | 203 | 43 | 1,883 | 73 | 15 |
| D | 469 | 35 | 57 | 473 | 50 | 22 |
| E | 571 | 70 | 121 | 502 | 150 | 52 |
| F | 164 | 82 | 123 | 249 | 124 | 41 |
| G | 169 | 119 | 130 | 184 | 129 | 41 |
| H | 1,101 | 1,019 | 596 | 1,081 | 1,081 | 287 |
| Total | 203,159 | 2,096 | 1,070 | 10,878 | 1,647 | 458 |
| AA-C | 200,685 | 771 | 43 | 8,389 | 113 | 15 |
| D-H | 2,474 | 1,325 | 1,027 | 2,489 | 1,534 | 443 |

(1) Non-performing loans at AA level refers to credit with third-party risk



8.

Funding

Commercial funding reached R\$782.3 billion, growth of 0.3% compared to June 2021 and 12.5% in 12 months. Compared to September/20, the highlight is to the positive performance of most commercial deposit lines.



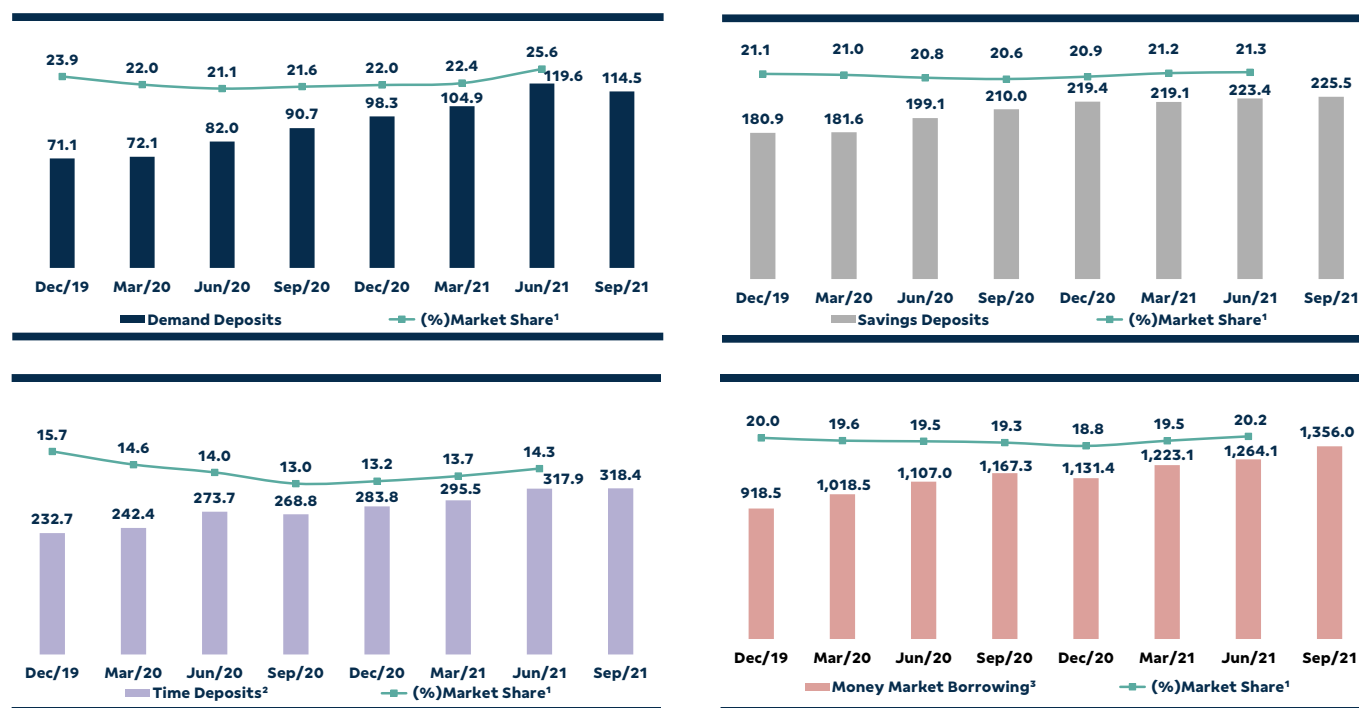
In 3Q21, BB launched the Green Agribusiness Letters of Credits (LCA Verde), whose resources are directed exclusively to low-carbon agriculture operations, renewable energy and other lines that meet the ESG criteria provided for in BB's Sustainable Finance Framework. The product complements the ASG investment solutions portfolio, whose demand has been growing, as investors seek diversification strategies that are in line with their values and market trends. In three months, LCA Verde has already reached the volume of R\$158.4 million raised.

Table 72. Commercial Funding – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. (%) | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|-------------|------------|
| | | | | | | | Sep/20 | Jun/21 |
| Commercial Funding | 695,367 | 100.0 | 779,986 | 100.0 | 782,273 | 100.0 | 12.5 | 0.3 |
| Savings Deposits | 210,009 | 30.2 | 223,427 | 28.6 | 225,458 | 28.8 | 7.4 | 0.9 |
| Judicial Deposits | 160,233 | 23.0 | 190,660 | 24.4 | 183,094 | 23.4 | 14.3 | (4.0) |
| Time Deposits ¹ | 108,916 | 15.7 | 127,626 | 16.4 | 135,677 | 17.3 | 24.6 | 6.3 |
| Demand Deposits | 90,715 | 13.0 | 119,622 | 15.3 | 114,482 | 14.6 | 26.2 | (4.3) |
| Agribusiness Letters of Credits | 73,352 | 10.5 | 71,915 | 9.2 | 75,115 | 9.6 | 2.4 | 4.4 |
| Interbank Deposits | 28,280 | 4.1 | 24,641 | 3.2 | 25,115 | 3.2 | (11.2) | 1.9 |
| Mortgage Bonds ³ | 12,524 | 1.8 | 12,778 | 1.6 | 12,846 | 1.6 | 2.6 | 0.5 |
| Rep. Agreement with Private Securities ² | 11,338 | 1.6 | 9,318 | 1.2 | 10,486 | 1.3 | (7.5) | 12.5 |

(1) Includes the balance of other deposits presented in the Notes to the Consolidated Financial Statements; (2) Includes part of the balances of Private Securities presented in the Notes to the Consolidated Financial Statements; (3) Includes the balance of CRI (Certificates of Real Estate Receivables).

Figure 64. BB's Funding Market Share – R\$ billion



(1) Market share in the BI was obtained from the report of the Central Bank of Brazil selected data from supervised entities available at <https://www3.bcb.gov.br/infdata/?lang=1>. Position: June 2021; (2) Includes judicial deposits; (3) Includes total deposits and money market borrowing. Historical series updated by the Central Bank of Brazil.



The following table shows the balance of BB's institutional funding, which mostly consists of issuance of securities acquired by qualified investors.

Table 73. Institutional Funding – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. (%) | |
|--------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|---------------|------------|
| | | | | | | | Sep/20 | Jun/21 |
| Institutional Funding | 216,692 | 100.0 | 191,011 | 100.0 | 192,724 | 100.0 | (11.1) | 0.9 |
| Borrowing, Assignments and Onlending | 105,232 | 48.6 | 104,377 | 54.6 | 102,677 | 53.3 | (2.4) | (1.6) |
| Securities Issued Abroad | 41,785 | 19.3 | 35,725 | 18.7 | 38,187 | 19.8 | (8.6) | 6.9 |
| Equity and Debt Hybrid Instrument | 44,536 | 20.6 | 35,445 | 18.6 | 38,442 | 19.9 | (13.7) | 8.5 |
| Subordinated Debt Overseas | 16,463 | 7.6 | 11,435 | 6.0 | 12,260 | 6.4 | (25.5) | 7.2 |
| Financial Letters | 8,677 | 4.0 | 4,029 | 2.1 | 1,157 | 0.6 | (86.7) | (71.3) |

The following tables show BB's funding abroad balance (by type and by product).

Table 74. Commercial Funding Abroad – Modality – US\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. (%) | |
|---|---------------|--------------|---------------|--------------|---------------|--------------|--------------|--------------|
| | | | | | | | Sep/20 | Jun/21 |
| Funding Abroad | 29,518 | 100.0 | 29,411 | 100.0 | 29,178 | 100.0 | (1.2) | (0.8) |
| Fixed Income Securities and Certificates of Deposit | 15,188 | 51.5 | 13,451 | 45.7 | 13,398 | 45.9 | (11.8) | (0.4) |
| Interbanking Deposits and Loans | 6,578 | 22.3 | 6,226 | 21.2 | 6,201 | 21.3 | (5.7) | (0.4) |
| Companies | 4,232 | 14.3 | 5,974 | 20.3 | 5,474 | 18.8 | 29.3 | (8.4) |
| Individuals | 3,234 | 11.0 | 3,390 | 11.5 | 3,403 | 11.7 | 5.2 | 0.4 |
| Repo | 242 | 0.8 | 342 | 1.2 | 645 | 2.2 | 166.3 | 88.5 |
| Special Account | 44 | 0.1 | 28 | 0.1 | 57 | 0.2 | 29.2 | 106.1 |

Table 75. Commercial Funding Abroad – Product – US\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. (%) | |
|---|---------------|--------------|---------------|--------------|---------------|--------------|--------------|--------------|
| | | | | | | | Sep/20 | Jun/21 |
| Funding Abroad | 29,518 | 100.0 | 29,411 | 100.0 | 29,178 | 100.0 | (1.2) | (0.8) |
| Fixed Income Securities and Certificates of Deposit | 15,188 | 51.5 | 13,451 | 45.7 | 13,398 | 45.9 | (11.8) | (0.4) |
| Time Deposits | 6,916 | 23.4 | 8,124 | 27.6 | 7,742 | 26.5 | 11.9 | (4.7) |
| Demand Deposits | 2,384 | 8.1 | 2,638 | 9.0 | 2,644 | 9.1 | 10.9 | 0.2 |
| Loans | 3,037 | 10.3 | 2,575 | 8.8 | 2,568 | 8.8 | (15.4) | (0.3) |
| Savings Deposits | 1,073 | 3.6 | 1,093 | 3.7 | 1,082 | 3.7 | 0.8 | (1.0) |
| Over | 348 | 1.2 | 840 | 2.9 | 741 | 2.5 | 112.8 | (11.8) |
| Repo | 242 | 0.8 | 342 | 1.2 | 645 | 2.2 | 166.3 | 88.5 |
| Call Account | 225 | 0.8 | 262 | 0.9 | 263 | 0.9 | 16.9 | 0.1 |
| Pledge | 60 | 0.2 | 58 | 0.2 | 38 | 0.1 | (36.3) | (33.7) |
| Special Account | 44 | 0.1 | 28 | 0.1 | 57 | 0.2 | 29.2 | - |

Demand deposits, time deposits and savings funding abroad are part of BB's commercial funding.

Sources and Uses

The indicators presented in the following table shows the relation between funding sources and investments at Banco do Brasil. BB aims to diversify its funding sources by offering attractive alternatives to customers and providing a reduction in the funding cost for the Bank.

The loan portfolio remains the main use of funding with a share of 81.1% of total uses. The following table

also shows the relation between the adjusted net loan portfolio and the commercial funding, which disregards the credit originated by domestic onlending.

More information on the Bank's liquidity can be found in the Risk Management Report, available at <https://ri.bb.com.br/en/>.



Table 76. Sources and Uses – R\$ million

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. (%) | |
|---|-----------------|--------------|-----------------|--------------|-----------------|--------------|---------------|---------------|
| | | | | | | | Sep/20 | Jun/21 |
| Sources | 867,228 | 100.0 | 912,300 | 100.0 | 916,894 | 100.0 | 5.7 | 0.5 |
| Commercial Funding | 695,367 | 80.2 | 779,986 | 85.5 | 782,273 | 85.3 | 12.5 | 0.3 |
| Total Deposits | 598,152 | 69.0 | 685,975 | 75.2 | 683,826 | 74.6 | 14.3 | (0.3) |
| Agrib. Letters of Credit and Mortgage Bonds | 85,877 | 9.9 | 84,693 | 9.3 | 87,961 | 9.6 | 2.4 | 3.9 |
| Rep. Agreement with Private Securities ¹ | 11,338 | 1.3 | 9,318 | 1.0 | 10,486 | 1.1 | (7.5) | 12.5 |
| Domestic Onlending | 57,215 | 6.6 | 54,854 | 6.0 | 52,592 | 5.7 | (8.1) | (4.1) |
| Subordinated Debt | 50,953 | 5.9 | 38,874 | 4.3 | 36,848 | 4.0 | (27.7) | (5.2) |
| Foreign Borrowing² | 59,223 | 6.8 | 49,078 | 5.4 | 52,632 | 5.7 | (11.1) | 7.2 |
| Equity and Debt Hybrid Instrument | 44,536 | 5.1 | 35,445 | 3.9 | 38,442 | 4.2 | (13.7) | 8.5 |
| Financial and Development Funds | 21,614 | 2.5 | 26,053 | 2.9 | 26,616 | 2.9 | 23.1 | 2.2 |
| Commercial Paper³ | 538 | 0.1 | 32 | 0.0 | 5 | 0.0 | (99.1) | (84.3) |
| Compulsory Deposits | (62,217) | (7.2) | (72,024) | (7.9) | (72,514) | (7.9) | 16.6 | 0.7 |
| Uses | 867,228 | 100.0 | 912,300 | 100.0 | 916,894 | 100.0 | 5.7 | 0.5 |
| Net Loan Portfolio (a) | 664,776 | 76.7 | 699,754 | 76.7 | 744,049 | 81.1 | 11.9 | 6.3 |
| Classified Loan Portfolio | 668,036 | 77.0 | 705,843 | 77.4 | 745,400 | 81.3 | 11.6 | 5.6 |
| Private Securities | 39,090 | 4.5 | 36,713 | 4.0 | 42,600 | 4.6 | 9.0 | 16.0 |
| Allowance for Loan Losses | (42,350) | (4.9) | (42,803) | (4.7) | (43,951) | (4.8) | 3.8 | 2.7 |
| Available Funds | 202,453 | 23.3 | 212,546 | 23.3 | 172,845 | 18.9 | (14.6) | (18.7) |
| Domestic Onlending Loans (b) | 105,295 | 12.1 | 104,447 | 11.4 | 102,791 | 11.2 | (2.4) | (1.6) |
| Adjusted Net Loan Portfolio (a) - (b) | 559,481 | 64.5 | 595,306 | 65.3 | 641,258 | 69.9 | 14.6 | 7.7 |
| Net Loan Portfolio / Total Deposits – % | 111.1 | | 102.0 | | 108.8 | | | |
| Net Loan Portfolio / Commercial Funding – % | 95.6 | | 89.7 | | 95.1 | | | |
| Adj. Net Loan Portfolio / Commercial Funding – % | 80.5 | | 76.3 | | 82.0 | | | |
| Net Loan Portfolio / Sources – % | 76.7 | | 76.7 | | 81.1 | | | |

(1) Includes part of the balance of private securities presented in the Notes to the Consolidated Financial Statements; (2) Includes foreign borrowings, foreign securities, foreign onlending, subordinated debt abroad and hybrid capital and debit instruments abroad; (3) Includes letters of credit and debentures.



The following table presents the Fixed Income Securities issued by BB in the international capital market.

Table 77. Current Bonds Issued Abroad

| Issue Date | Maturity | Call Date | Issued Amount (US\$ thousand) | Outstanding Amount (US\$) | Cupon (%) ¹ | Issue price | Return for Investor (%) | Spread over Treasury | Currency | Rating S&P/Moody's/Fitch |
|--|------------|------------|-------------------------------|---------------------------|------------------------|-------------|-------------------------|----------------------|----------|--------------------------|
| Banco do Brasil Issues | | | | | | | | | | |
| 05/26/2011 | 01/26/2022 | | 1,500,000 | 1,490,000 | 5.875 S | 98.70 | 6.04 | 287.5 | USD | SR / Ba3 / SR |
| 01/20/2012 | PERPETUAL | 04/15/2023 | 1,000,000 | 535,950 | 9.250 S | 100.00 | 9.25 | 732.7 | USD | CCC+ / SR / SR |
| 03/05/2012 | PERPETUAL | 04/15/2023 | 750,000 | 750,000 | 9.250 S | 108.50 | 8.49 | - | USD | CCC+ / SR / SR |
| 06/19/2012 | 01/19/2023 | | 750,000 | 741,115 | 5.875 S | 99.02 | 6.00 | 434.1 | USD | B- / Ba3 / SR |
| 10/10/2012 | 10/10/2022 | | 1,925,000 | 1,085,133 | 3.875 S | 98.98 | 4.00 | 237.5 | USD | BB- / Ba2 / BB- |
| 01/31/2013 | PERPETUAL | 04/15/2024 | 2,000,000 | 1,950,000 | 6.250 S | 100.00 | 6.25 | 439.8 | USD | CCC+ / SR / SR |
| 06/18/2014 | PERPETUAL | 06/18/2024 | 2,500,000 | 2,150,000 | 9.000 S | 100.00 | 9.00 | 636.2 | USD | CCC+ / B2 / SR |
| 10/23/2017 | 01/15/2025 | | 1,000,000 | 1,000,000 | 4.625 S | 99.55 | 4.70 | 250.9 | USD | BB- / Ba2 / BB- |
| 04/19/2018 | 04/19/2023 | | 750,000 | 750,000 | 4.875 S | 100.00 | 4.88 | 219.9 | USD | BB- / Ba2 / BB- |
| 03/20/2019 | 03/20/2024 | | 750,000 | 750,000 | 4.750 S | 100.00 | 4.75 | 232 | USD | BB- / Ba2 / SR |
| 09/30/2021 | 09/30/2026 | | 750,000 | 750,000 | 3.250 S | 100.00 | 3.25 | 244.5 | USD | BB- / Ba2 / BB- |
| Issues in Special Purpose Company | | | | | | | | | | |
| 07/02/2019 | 06/15/2024 | | 100,000 | 91,667 | 1.20 Q | 100.00 | 1,20 + 3mL | NA | USD | BBB |
| 07/02/2019 | 06/15/2024 | | 100,000 | 91,667 | 1.20 + 3mL Q | 100.00 | 1,20 + 3mL | NA | USD | BBB |
| 07/02/2019 | 06/15/2026 | | 200,000 | 190,000 | 3.70 + 3mL Q | 100.00 | 3.7 | NA | USD | BBB |
| 12/09/2014 | 11/01/2034 | | 500,000 | 500,000 | 2.50 + 6mL S | 100.00 | 2,50 + 6mL S | NA | USD | AA- |
| 12/23/2015 | 12/16/2030 | | 320,000 | 320,000 | 3.20 + 6mL S | 100.00 | 3,20 + 6mL S | NA | USD | AA- |

(1) A: Annual; S: Semiannual; Q: Quarterly.

In the international market, Banco do Brasil performed two relevant operations in September. The first was a senior debt funding of US\$750 million with a maturity of 5 years and a coupon of 3.250% per year. This is the lowest level of interest rates in dollars ever recorded in the entire history of Banco do Brasil in the international capital market. The second was a repurchase operation of US\$725 million of senior debt previously issued by the Bank with a coupon of 3.875% per year and maturing in 2022. This is an important advance in the management of liabilities maturing in the coming years with neutral box effect.



9.

Investment Advisory Services

On 2017, Banco do Brasil created the Funding and Investments Unit (UCI), with the purpose of centralizing investment portfolio solutions, as well as acting in processes related to customers with an investor profile, such as: suitability, allocation strategy, distribution strategy, advisory, innovation and induction.

The benefits of this strategy involve improving the experience and customer satisfaction with specialized investment advisory solutions, investor profitability and loyalty through a qualified and centralized offer, meeting the needs and profile of each investor, the expansion of the investing customer base and sustainable revenues growth and diversification of the Conglomerate's sources of funding.



Performance pillars

Banco do Brasil's investment advisory model privileges the interests and objectives of clients, promoting sustainable results. Managers and specialists are evaluated by indicators that measure customer satisfaction and the balance applied, regardless of the products, which reinforces the investor-centric view and employees' exemption from investment recommendations.

Complete, accessible and competitive portfolio

The strategy of providing advice on investments of excellence involves offering a complete and diversified portfolio to all investors.

In 2004, the process of opening investment product architecture on our shelf was initiated, with funds from other asset management companies being made available to high-income customers. In 2017, the same movement was made to customers in the Retail segment.

Allied to this, Banco do Brasil revitalized the BB DTVM investment funds offered, with initiatives such as the merger of funds with similar characteristics (simplification), the reduction of incoming values (accessibility), the reduction of management fees (profitability), the opening of funds from Estilo segment to retail customers (democratization) and

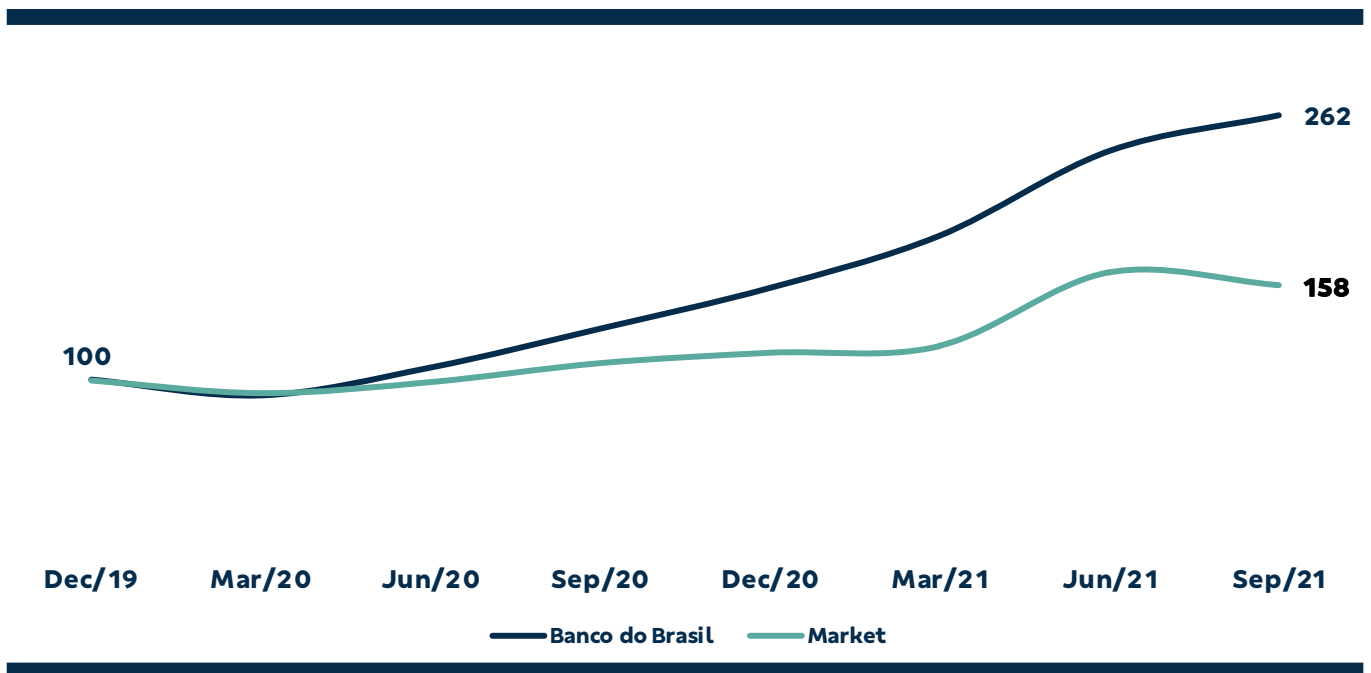
the launch of new sophisticated funds (diversification).

Among the products launched in 2021, two highlights reached important marks in 3Q21. The **BB Ações Agro Fund**, the first stock fund with a focus on the agro sector launched in Brazil, reached the amount of R\$400 million raised. **BB LCA Verde**, launched at the end of June with the objective of promoting BB's sustainability portfolio, reached the mark of R\$150 million invested in just over 90 days in the market.

The strategy of democratizing access to the portfolio, combined with accuracy in the offer of products, presented relevant results in the last quarters. Considering the last 12 months, the balance invested in multimarket and stock funds almost doubled, reaching a growth of 99.5%, while in the same period, the market grew by 42.7%.



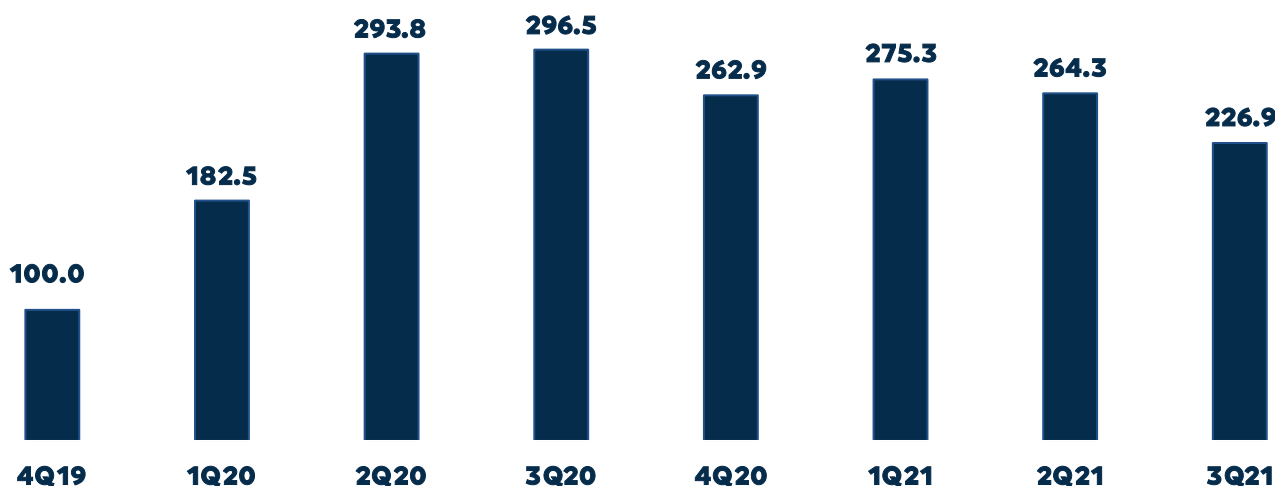
Figure 65. Evolution equity and multimarkets funds – Retail and Estilo – Base 100¹



(1) As of June/21, Anbima made it mandatory to send data from all participating institutions. Thus, the base that forms the "Market" line now has the contribution of 73 participants – until May/21, there were 15 participants.

In 2018, BB zeroed the Tesouro Direto and Fixed Income custody fees. In the first half of 2020, the equity custody fee was also zeroed and the brokerage fee on digital channels was reduced. These actions increase the number of daily orders at the home broker, which increased about 185% in the first 9 months of 2021, compared to the same period in 2019, and remained stable compared to the same period in 2020.

Figure 66. BB Home Broker Orders Numbers – 4Q19 Base 100



The product offering follows a centralized allocation strategy, carried out by suggested portfolios customized according to the profile and objectives of each investor. The Suitability process defines the maximum percentages in each asset class, considering risk and return levels compatible with each customer.

Depending on the investor’s objectives, in addition to the portfolios suggested for the Conservative, Moderate, Moderately Aggressive and Aggressive profiles, stock portfolios, Real Estate Funds, Social Security and Direct Treasury and BDRs are made available.

Human Advisory

The availability of more sophisticated and accessible products is combined with investment advisory.

All BB’s branches have professionals certified by Anbima (CPA-10 and/or CPA-20) to offer investment products. Altogether there are 43,897 certified professionals at the institution. The employees work in customer service count on the support of automated tools to assist in offering products and customized investment portfolios, according to the investor’s profile and objectives.

There is a specialized area that provides support to the branches, in addition to providing direct advice to

customers. The service is provided by certified investment specialists, at least with the CEA (Anbima Investment Specialist Certification).

To reinforce the specialization in investment advisory, Estilo Investidor offices were also created, exclusive to high-income segment investor clients.

During the first half of 2021, the advisory area was reformulated, as well as the expansion of the Estilo Investidor portfolios and offices. With these movements, BB surpassed the mark of 800 professionals fully dedicated to advising investor



customers, which allowed it to more than double the number of clients served by this model.

In 3Q21, we consolidated the new restructured model and matured the service niches according to the profile of our customers. In addition to specialized service to PF Alta Renda clients, investment advice is also provided for Agro, RPPS (Own Social Security Regimes), Wholesale Corporate and Micro and Small Businesses.

Digital Solutions

Banco do Brasil has been working intensively in the development of self-service solutions and digital tools.

Combining the use of agile methodologies with the application of algorithms and investor profile analysis, digital solutions bring greater assertiveness in suggesting portfolios, suited to the customer's objectives and moments in life.

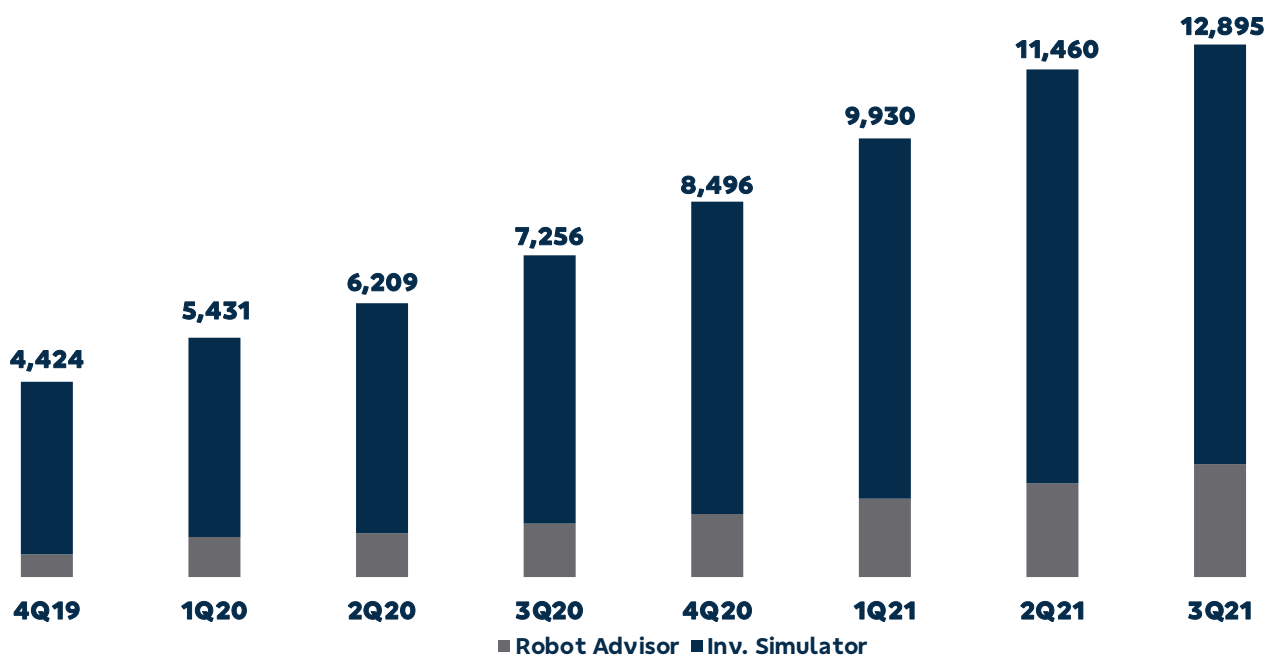
BB's Robot Advisor is an artificial intelligence that aggregates client information, with market and economic trends, to build a customized investment

BB registered a growth of 19.6% from June to September in the balance invested in multimarket funds, while the market, in the same period, presented a retraction of 2.8%, according to the Anbima Retail Statistics. The new model has proven to be efficient in its proposal to ensure quality advice with a focus on diversification for investor clients.

portfolio for your objectives, in an automated and large-scale manner. Since its launch in the second half of 2019, the tool has raised more than R\$2.56 billion, with 45% of applications being made in products aimed at diversification.

Precursor to Robot Advisor, the Investment Simulator, launched in 2017, remains available on BB's application and represents an important tool for expanding the investor base and financial education for BB's customers.

Figure 67. Volume contracted by Robot Advisor and Investment Simulator (Accumulated) – R\$ million



Banco do Brasil concentrates its digital solutions for investors in two applications: BB app and Investimentos BB app, in addition to their versions in Internet Banking. The BB app is the institutional application that provides several banking products and services, while the BB Investimentos app is exclusive for investment products and solutions, with the possibility of even contracting more sophisticated products.

With complementary digital journeys, the investor has access to simulations, applications and monitoring of their investments in a different way and can choose which tool to use based on the level of sophistication in which it finds itself. In Investimentos BB application, the most sophisticated investor has access to tools for managing its portfolio, home broker, participation in

public offers, access to fixed income products, among others.

Banco do Brasil’s digital advisory also includes actions to bring information and knowledge to investors in digital media. The InvesTalk playlist, available on BB’s YouTube channel completed 2 years of life and surpassed the mark of 23 million views, and its programming includes investment suggestions, economic scenario, market analysis, tips, chats, among others, disseminating quality information and focusing on the prior experience of each investor, in an unbiased and uncomplicated way. Currently, the digital advisory is also on Spotify, through podcasts, including daily analysis.

Investment suggestions, reports and market analysis produced by Banco do Brasil specialists are available at bb.com.br/carteirasugerida.



BB Private

Banco do Brasil has been operating for 17 years in the private banking market and is one of the four largest players in terms of AuM (Assets Under Management) in the country, as well as a leader in the credit portfolio and RoCAL (Return on AuM and Credit).

For the second consecutive year, BB Private was recognized as the best bank in the world in the Private Banker Education and Training category at the **Global Private Banking Awards 2021**, annually organized by the specialized vehicles PWM (Professional Wealth Management) and The Banker, which are part of the Financial Times international group and which are world references in matters related to finance and Private Banking. The award embodies our commitment and commitment to offering the best specialized financial advice to this audience. In this same award, BB Private was also recognized as a highly recommended Institution for the wealth and wealth management of Women – Investors and Mega Rural Producers.

BB has the largest capillarity of offices in Brazil, with 27 in total, serving investors and mega rural

producers in 79 cities, with the highest exposure in São Paulo and Rio de Janeiro. The segment has service at BB Miami branch and BB Securities, in the USA, and at BB Lisboa's branch in Portugal.

The segment has 261 bankers dedicated exclusively to full customer service, of which with 79% are CFP (Certified Financial Planner) certified. Exceeding the parameters required by Anbima (Brazilian Association of Financial and Capital Markets Entities), Banco do Brasil is one of the institutions with the highest percentage of certified bankers, a fact that demonstrates the BB's commitment to the specialization of employees to provide the best advice to customers in the segment.

BB Private's ambition is to add value to customers in their different moments of life and objectives in terms of wealth management. The whole structure, solidity and expertise of a large bank in wealth management attracts many customers to BB Private, but the purpose is to build long-term relationships, sustainable and based on trust and credibility.

Relationship Management

In order to improve the experience, define the best approach and further specialize level of service to be offered to customers, Private family groups were sub-segmented into the following ranges:

- **Private**
($> R\$3$ million $<$ revenues $<$ $R\$15$ million);
- **Private Sophisticated**
($> R\$15$ million $<$ revenues $<$ $R\$50$ million);
- **UHNWI and Family Office**
(revenues $>$ $R\$50$ million);

- **Rural Megaproducer**
(Annual Gross Income $>$ $R\$ 10$ million).

The relationship's differentials begin with delivering the value proposition to customers, with individually built solutions. The bankers' personal knowledge, CRM - Customer Relationship Management, consumer behavior analysis, Satisfaction Survey, NPS and Customer Advice are relevant inputs for creating these solutions.



We carry out experience and relationship events with customers, successors and prospects in order to strengthen relational ties, improve the customer experience and generate communicational buzz.

BB Private Wealth Management is a service available to a select group of customers, addressing the concept of ultra-personalized service, with a comprehensive view of the customer's entire assets. It is carried out by highly qualified and certified professionals, whose objective is to offer unique solutions for the management of the customer's portfolio.

Among the anticipated benefits, BB's wealth management structure offers direct contact with the country's largest entrepreneurs, which expands the capacity to capture resources in liquidity events, such as public offerings of shares, sale of equity interests, distributions of profits and dividends, among others.

In the Megaproducer Rural segment, BB has expanded its service throughout the entire Brazilian

territory and continues with its relationship strategy developing credit solutions for all production chain, always seeking to offer a reference consultancy with a holistic view, starting from customer's Wealth Management, and suitable for the management of rural businesses.

For this audience, the Confraria Agro was developed, small group meetings, always with the participation of an opinion makers/influencer speaker invited to promote debate on the agribusiness chain at an international level.

The ALTUS Card, exclusively for Private customers, has established itself as the best card in the national market, currently recognized by customers and by the financial market for its quality. With Altus, we promote and strengthen the relationship, win new customers and make the existing Private business even more profitable.

Sophistication and advisory

The sophistication of the financial market expands the investment alternatives available to our customers, making it challenging and paramount to take care in the selection and recommendation of the available opportunities. Therefore, an investment plan appropriate to the objectives and risk tolerance is the determining factor in defining the quality of the advice provided.

In addition to professional advisory, the sophistication process of the offer involves monitoring news in the market and macrothemes for the prospective scenario, seeking to deliver investment solutions that meet the diverse profiles of Private customers.

Thus, the private customer loyalty strategy permeates four fronts:

- **Relationship** – establishment of long-term relationship, confidence, availability and relationship with the Family Group (retain generations);
- **Advisory** – specialization and comprehensive view of heritage, with guidance for diversification of the resource in Brazil and abroad;
- **Solutions** – wide offer in investment funds, treasury products (Certificate of Bank Deposit, Agribusiness Letters of Credit, Mortgage Bonds, Structured Transaction Certificates), exclusive funds, equity, pension plan and qualified custody of public securities with competitive conditions, performance and long-term instruments aimed at protecting the assets of customers in BB.



- **New ESG Solutions** – BB Ações FX Nordea Glob Disruption ESG Private IE was launched in 3Q21, theme open architecture fund ESG (Environmental, Social and Governance), whose strategy is to compose a portfolio of financial assets directed, preferably, to shares issued by global companies, focusing on disruptive and transformative themes linked to sustainability, digital consumer, 5G technology, fintech, healthtech, greentech.

- **Global positioning** – relationship model and solutions available in Brazil and abroad.

The multi-bank character of Private customers, BB uses the holistic relationship and advisory model with the Private manager as the customer's trusted contact, aiming at a closer relationship for the better identification of the appropriate investment solutions and a consequent increase in business. In addition to the opportunity to attract customers and businesses, the model adopted aims at maintaining the satisfaction of current customers and retaining the business won.

Regarding advisory solutions, Banco do Brasil Private uses the classic concept of investment diversification, with the construction of allocation models following the theories of Asset Allocation. Our MAPA – Asset Portfolio Allocation Model, which is based on the asset allocation theory with a focus on achieving consistent and adequate returns. The strategies are planned to bring together the best combination of assets and the model that has as premise to propose to customers a reflection on their current investment strategies.

Our models provide the necessary dynamism in the allocations of the portfolio to adapt the market movements and changes in the scenario that our strategists evaluate. BB offers different allocation strategies in Brazil and abroad to keep up with the changing investment strategy of costumers throughout their lives.

We have nine investment strategies in Brazil, two of which are specific strategies for the Rural Megaproducer, because of the peculiarity of the activity performed that demands a larger volume of resources in liquidity. We also have five global allocation strategies focused on diversification by asset classes, currencies, demographic regions and macrothemes.

With the low interest scenario globally, the internationalization movement of investments has intensified, and Banco do Brasil Private, whether through solutions in Brazil or transferring resources abroad, guides its customers through these 5 strategies mentioned.

All models, onshore and offshore, are periodically reviewed and rebalanced to consider changes in the prospective scenario together with a strong risk management process.



Generations Program

In 2018, we created the Generations program with as main objective to add value to all phases of families advised by BB Private. Through it, BB seeks to contribute to the formation and development of new leaders in topics such as family succession, asset management, innovation, digital transformation, human behavior, sustainability and legacy.

In the program, successor customers participate in meetings that address issues such as succession, planning, management and wealth management solutions of BB Private adhering to their family realities, in addition to promoting the exchange of experiences among participants both in Brazil and abroad.

Content Marketing

Consolidation of its presence on social networks through the distribution of its own content on LinkedIn, YouTube and Spotify in order to relate more closely and position your brand with this audience and stakeholders. Among the routinely posted contents, Start (daily summary of the main financial indicators), the Weekly Summary (main news from the world macroeconomics), the Investment Strategy (analysis and perspectives for the month that starts), PrivateTalks (sporadic conversations with market specialists), the opening Daily Cast and, in this quarter, the launch of the Daily Cast for the closing of the markets (main market movements after the close of trading), as well as the BB Investimentos Reports.

Rural Megaproducer

- BB is also specialized in the Private Rural Megaproducer segment and has been promoting the service to this niche throughout the Brazilian territory. We continue with the integrated relationship strategy, developing credit solutions for the entire production chain, reflecting positively on the Recommendation Level (NPS) of this segment. The Result of the Megaproducer NPS was 79.4 (Moving Average September/21), with an increase of 260 bps in the indicator compared to September/20.

- In the current scenario, which is increasingly challenging for agribusiness, we seek to offer a reference consultancy, focused on customized solutions and alternatives for financing. We encourage with our customers, solutions for investments based on sustainable projects, such as photovoltaic energy production, improvement in direct planting and crop-livestock integration, with the objective of economic

development and support for environmental preservation.

- The Agro market has developed in several aspects in recent years, highlighting the expansion of the sustainable production capacity of food. To accompany this great evolution, we highlight the expansion of solutions in derivatives, monitoring of scenarios and the development of structured operations in the capital market. Internally, we developed thematic lives "Forum Megaproducer" and planning the expansion of the project for clients.

- Specialization of most Private Offices, with separate service between rural megaproducers and investors, seeking to customize service and the particularities of each market. The template for these customers should be expanded. In 2021, we have already migrated seven Private units to the Rural Megaproducer segment, totaling eight.



Research

Recognition and prominence by Valor Econômico newspaper:

- BB Allocation Funds: best risk x return ratio, based on the strategy defined by the Allocation Model (MAPA);
- The 5+ Portfolio is part of the Valor Portfolio (of Valor Econômico) and, in the accumulated return over 5 years, until 2020, it ranks first in comparison with the other participating brokers;
- The Real Estate Funds Portfolio presents an accumulated valuation of 1.69% in 12

months, versus a fall of 2.83% of the IFIX, a difference of 4.5 percentage points.

- In September/2021, analysts from the research team were awarded for the 7th time in the Broadcast Analysts Ranking, carried out by Agência Estado, including first place. The team also has recognized analysts in the Refinitiv StarMine Analyst Awards, among the top 3 in Latin America.



10.

Financial Services

Banco do Brasil offers its customers a wide variety of financial solutions that meet the different needs of individuals and organizations, seeking to deliver the best experience, in a fast, secure, and agile manner, through its vast network of offices or digitally.

BB's solutions are aligned with the moment of life and the demands of its public and range from payment services, which have a broad portfolio of solutions for individuals, companies, agribusiness, and government, to the asset management through a variety of investment products, capital markets, as one of the main sources of financing productive activity in the country and the offer of different funding instruments, and the flexibility offered by the consortia.



Payment Methods

Banco do Brasil is one of the leaders in the e-payments segment in the country, always investing heavily in technology and in the full satisfaction of its customers, providing varied and complete products and services to meet the diverse interests of our customers.

With a focus on quick and efficient service, BB is constantly improving its various channels, offering security and fluidity through self-service on the Internet, Banco do Brasil App and Ourocard App, WhatsApp and call center.

BB also actively makes available and offers its customers the latest technologies on the market, providing agility and security in transactions, in addition to contributing to the reduction in the consumption of various resources.

Cards Base and Turnover

Table 78. Cards Base – Recurring Use¹ – Million

| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | Chg. (%) | |
|--------------|------|------|------|------|------|----------|------|
| | | | | | | 3Q20 | 2Q21 |
| Credit Cards | 9.6 | 10.1 | 10.3 | 10.7 | 11.8 | 22.8 | 10.5 |
| Debit Cards | 14.9 | 15.7 | 15.4 | 15.5 | 15.7 | 5.3 | 1.4 |

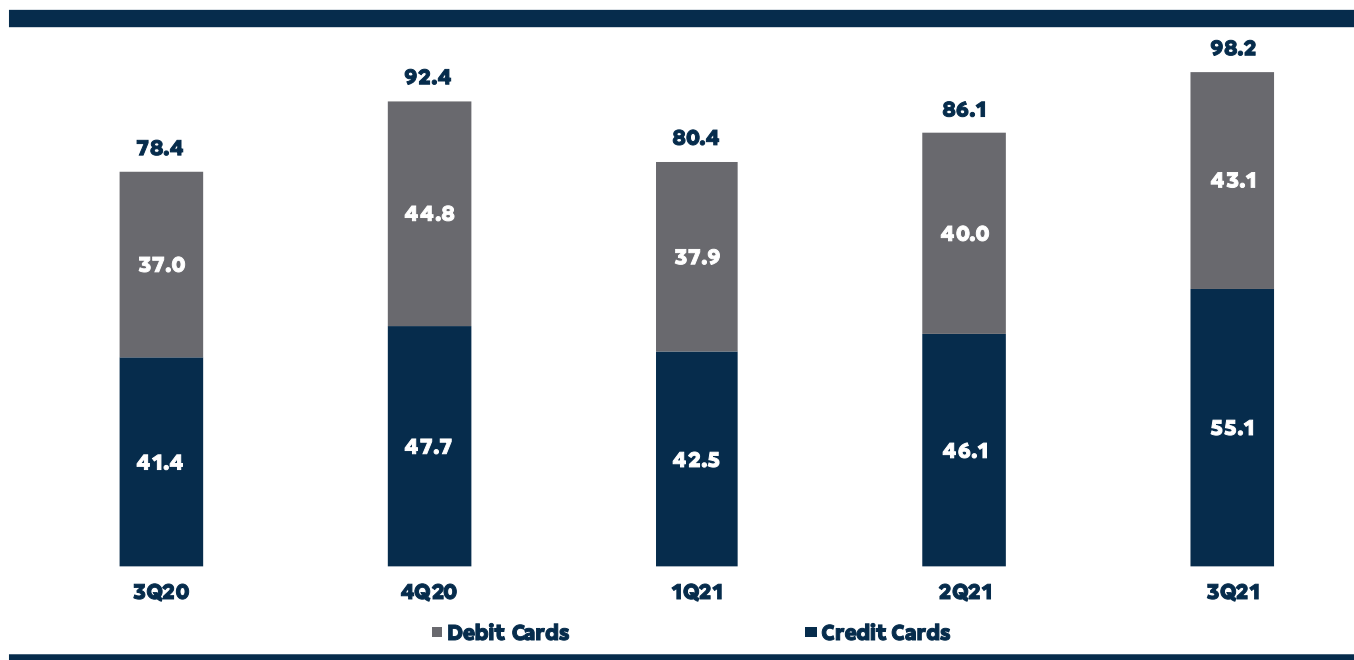
(1) At least one use in the quarter.

Keeping the growth trend observed in recent periods, BB's active card base showed a strong increase of 22.8% in 3Q21 in the credit function compared to 3Q20, with more than 2.2 million cards now being used recurrently in the period. Compared to the previous quarter, growth was 10.5%.

In the debit function, the expansion was 5.3% compared to 3Q20, an increase of 800 thousand cards with regular use in the period.

The total volume billed in the quarter through BB cards expanded 25.3% compared to the same period in 2020, with the credit function growing by 3% and the debit function 16.5% in the comparison. Part of this growth is due to the decline that occurred in the most acute periods of Covid-19, however, the various marketing actions, mainly aimed at the digital audience, campaigns to activate the requested cards and the recurring use by cardholders, contributed assertively to the good performance in the quarter.

Figure 68. BB's Cards Turnover – R\$ billion



Cards Business Income

The Net Result in 3Q21 decreased compared to the same period in 2020, mainly due to the supplementary volume provisioned in PCLD, as a result of the strong growth in the credit portfolio, of 41.6% compared to 3Q20, and the active customer base.

The other card businesses showed strong growth compared to 3Q20 and the previous quarter, in line with the scenario of economic recovery in the country.

 Table 79. Cards Business Income¹ – R\$ million

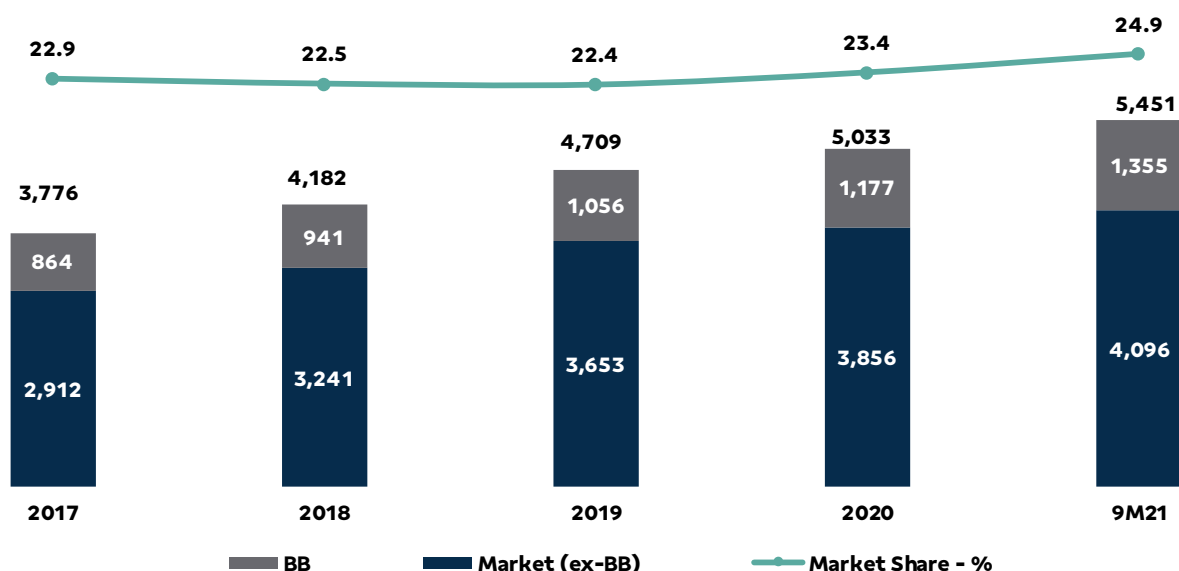
| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | Chg. (%) | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | | | | | | 3Q20 | 2Q21 |
| Net Income | 359.0 | 410.0 | 638.0 | 413.0 | 145.0 | (59.6) | (64.9) |
| Net Income with BB issuance | 121.0 | (40.0) | 328.0 | 109.0 | (369.0) | - | - |
| Other Cards Results | 238.0 | 450.0 | 310.0 | 304.0 | 514.0 | 116.0 | 69.1 |

Asset Management

The main activities of BB Gestão de Recursos DTVM S.A. include administration, management and distribution of funds and managed portfolios.

The following chart presents asset management's balance and BB DTVM market share in the Global Fund Administration of the Anbima Ranking (Brazilian Financial and Capital Markets Association).

Figure 69. Fiduciary Management and Market Share – R\$ billion



Source: Anbima.

In 3Q21, BB DTVM recorded a positive net funding of R\$ 82.4 billion, having as main responsible the categories Fixed Income (R\$77.8 billion), Multimarkets (R\$4.6 billion) and Equities (R\$1.9 billion). Regarding the segmentation per investor,

according to Anbima's Global Fund Management Ranking of September 2021, BB DTVM remained as leader in the segments: Corporate, Government, Institutional Investor and Retail.

The following tables show resources managed by segment and by Anbima class. BB DTVM ended September 2021.

Table 80. Investment Funds and Managed Portfolio by Segment – R\$ million

| | Sep/20 | | Jun/21 | | Sep/21 | | Chg. (%) | |
|-------------------------|------------------|--------------|------------------|--------------|------------------|--------------|-------------|------------|
| | Value | Share % | Value | Share % | Value | Share % | Sep/20 | Jun/21 |
| Total | 1,175,159 | 100.0 | 1,281,692 | 100.0 | 1,354,594 | 100.0 | 15.3 | 5.7 |
| Institutional Investors | 449,943 | 38.3 | 464,889 | 36.3 | 472,997 | 34.9 | 5.1 | 1.7 |
| Government | 280,431 | 23.9 | 345,858 | 27.0 | 410,445 | 30.3 | 46.4 | 18.7 |
| Retail | 125,610 | 10.7 | 109,019 | 8.5 | 112,078 | 8.3 | (10.8) | 2.8 |
| High income | 100,800 | 8.6 | 107,579 | 8.4 | 105,176 | 7.8 | 4.3 | (2.2) |
| Others | 218,375 | 18.6 | 254,346 | 19.8 | 253,897 | 18.7 | 16.3 | (0.2) |

Source: Anbima.

Table 81. Investment Funds and Managed Portfolio by Anbima's Categories¹ – R\$ million

| | Sep/20 | | Jun/21 | | Sep/21 | | Chg. (%) | |
|---------------------------|------------------|--------------|------------------|--------------|------------------|--------------|-------------|-------------|
| | Value | Share % | Value | Share % | Value | Share % | Sep/20 | Jun/21 |
| Total | 1,175,159 | 100.0 | 1,281,692 | 100.0 | 1,354,594 | 100.0 | 15.3 | 5.7 |
| Investment Fund | 1,180,491 | 100.0 | 1,286,550 | 100.0 | 1,376,709 | 100.0 | 16.6 | 7.0 |
| Fixed | 759,300 | 64.3 | 842,709 | 65.5 | 931,649 | 67.7 | 22.7 | 10.6 |
| Equity | 45,432 | 3.8 | 29,012 | 2.3 | 28,647 | 2.1 | (36.9) | (1.3) |
| Multimarket | 28,246 | 2.4 | 33,432 | 2.6 | 38,854 | 2.8 | 37.6 | 16.2 |
| Others ² | 347,514 | 29.4 | 381,397 | 29.6 | 377,559 | 27.4 | 8.6 | (1.0) |
| Managed Portfolios | 21,774 | 1.9 | 22,602 | 1.8 | 23,401 | 1.7 | 7.5 | 3.5 |
| Fixed | 21,351 | 1.8 | 22,056 | 1.7 | 22,895 | 1.7 | 7.2 | 3.8 |
| Equity | 423 | 0.0 | 546 | 0.0 | 506 | 0.0 | 19.6 | (7.5) |
| Thirty-party Funds | (27,106) | (2.3) | (27,460) | (2.1) | (45,516) | (3.4) | 67.9 | 65.8 |

(1) Data on the Anbima's distribution by categories are disclosed without deduction of own and third-party quotas, which in September 2021 was R\$27.5 billion; (2) Includes Pension, Exchange, FIDC, FIP, ETF, Real Estate and Off Shore funds. Source: Anbima

Portfolio with socio-environmental characteristics

BB DTVM (Distribuidora de Títulos e Valores Mobiliários) reaffirms its commitment to good social, environmental and governance (ESG) practices, and continues to make progress in generating sustainable business.

In December, BB DTVM approved the methodology of ESG Sovereign Rating (MRS-ESG), integrating the ESG criteria with Sovereign papers and, also, funds from the Manager acquired Green Financial Letters, until then, of unprecedented issue in Brazil.

Currently BB DTVM manages 15 investment funds with social and environmental characteristics. In addition to the funds with the ESG investment strategy, 50% of the administration fee of the BB Renda Fixa Referenciado DI Social 50 Fund and 20% of the administration fee of the BB Ações

Sustentabilidade Fund are transferred to the Fundação Banco do Brasil, where they are invested in projects that aim to contribute to the social transformation and sustainable development of the country. The following table presents these funds managed balance.

Table 82. Investment Funds with Social Environmental Characteristics Management – R\$ million

| | Sep/20 | Jun/21 | Sep/21 | Chg. (%) | |
|---|--------------|--------------|--------------|--------------|------------|
| | | | | Sep/20 | Jun/21 |
| Total | 1,660 | 4,359 | 4,466 | 169.0 | 2.5 |
| BB Ações ESG Globais BDR I | – | 998 | 1,182 | – | 18.4 |
| BB Ações Governança | 900 | 1,351 | 1,121 | 24.5 | (17.0) |
| Brasilprev Top ASG Multi IE Cred | – | 538 | 786 | – | 46.2 |
| BB MM LP Global Vita Private FI | 264 | 588 | 541 | 104.9 | (7.9) |
| BB MM Global Green Pvt | 214 | 386 | 375 | 75.5 | (2.9) |
| BB Ações Equidade Private FIC | 170 | 207 | 157 | (8.1) | (24.3) |
| Brasilprev Top ASG Brasil FI Ações | – | 110 | 127 | – | 15.5 |
| BB Ações Equidade FIC | 42 | 65 | 47 | 11.8 | (27.8) |
| BB Ações Sustentabilidade | 25 | 39 | 31 | 27.0 | (20.0) |
| BB FX Nordea Global Disruption ESG Private IE | – | – | 18 | – | – |
| BB Nordea Global Disruption ESG IE | – | – | 18 | – | – |
| BB Ações Carbono Sust. FIA | 3 | 3 | 3 | (9.3) | (14.9) |
| BB Asset Ações Equidade FIC | 42 | 65 | 47 | 11.8 | (27.8) |
| BB Ações ASG Brasil | – | 8 | 11 | – | 42.2 |
| BB Asset Nordea Global Disruption ESG IE | – | – | 1 | – | – |

Source: Brazilian Securities and Exchange Commission – CVM



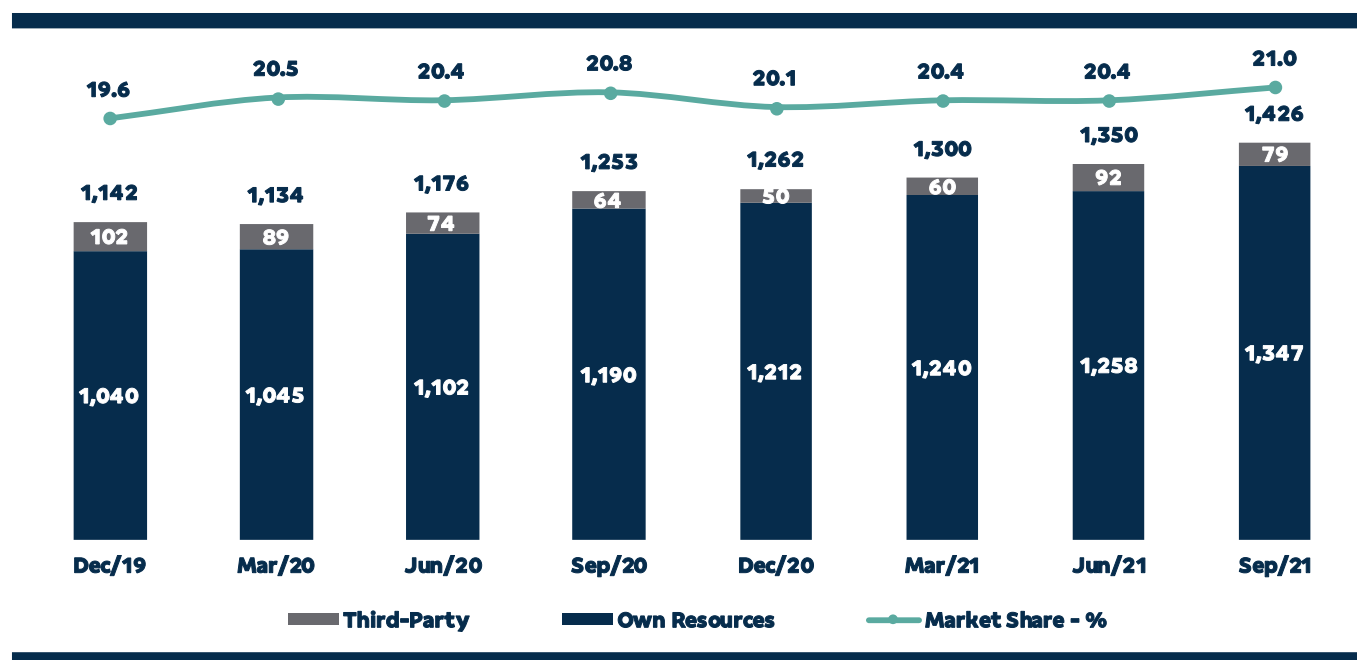
Custody

Banco do Brasil is one of the main leaders in the asset custody and controlling industry. In September/21, BB reached R\$1.4 trillion in custody, up 5.7% over June/21 and 13.8% in comparison with the same period in 2020.

The development of the fund industry and portfolio diversification ensure constant expansion to BB's volume on funds in custody.

The following figure presents the performance of the assets in custody at Banco do Brasil.

Figure 70. Total Domestic Custody Assets and Market Share – R\$ billion



Source: Anbima.



Capital Market

Capital market is one of the main funding sources for production activities in economies worldwide. Funding instruments not only enable companies to grow, but also contribute to dilute the risk of new investments.

Banco do Brasil has a prominent presence in the Brazilian capital market through its wholly owned subsidiary, BB – Banco de Investimento S.A. (BB-BI) and the Joint Venture UBS BB Investment Bank (UBS BB).

In the portfolios of BB-BI and UBS BB are excellent services that involve market research, structuring and distribution of operations, liquidation and custody of assets, as well as products and services for individuals and companies.

Performance in the Capital Market

Political and economic uncertainties generated a strong opening of the short and long-term interest rate curves, bringing greater inflation and real interest pricing for the coming years. Given the uncertainties, BB-BI observed in most customers a concern regarding the 2022 scenario, a fact that is generating an anticipation of funding planned for next year, generating a volume in 2021 much higher than expected, with potential to surpass the historic year of 2019 in volume of emissions. According to data from ANBIMA, in 2019 the local debt market had a volume of R\$233.9 billion. From January to September 2021, the volume was R\$187.7 billion.

At the last Copom meeting, on October 27, 2021, the target of the basic interest rate – Selic – rose from 6.25% to 7.75%, reaffirming a future scenario of higher interest rates and greater inflationary pressure.

From the investors' point of view, they turned their attention to fixed income assets, in a movement of greater risk aversion, through direct investments (primary and secondary) and through funds managed by assets. By the end of August, according to data from ANBIMA, the net funding of these investors already exceeds R\$192 billion. This fact was boosted by the cooling of the upward trend that the Stock Exchange (B3) had been showing, also reflecting a more challenging macro scenario.

From the stock market point of view, in 3Q21, R\$47.7 billion were raised in 17 IPO offers and 8 follow-ons, according to data from B3. From January to September, R\$125.7 billion were raised in 69 offers, surpassing the year 2020.



The main products and services are described below:

Fixed Income Domestic Market and

Securitization: Coordination, structuring and distribution services for debentures, commercial promissory notes, financial bills, credit rights investment funds, real estate receivables certificates and agribusiness receivables certificates. In 3Q21, the bank participated in 28 operations, totaling R\$18.8 billion in business volume, being 23 debenture operations, four CRA operations and one FIDC operations.

Fixed Income International Market: Acting in the coordination, structuring and distribution of new securities and debt management processes of debt management for companies, banks and governments through UBS brokers, providing a global presence in capital markets. In 3Q21, the bank participated in the structuring of seven operations, with total funding of US\$4.9 billion.

Equity: Advisory service in all stages of shares public offerings. It also operates in the structuring and distribution of Real Estate Investment Funds (*Fundos de Investimento Imobiliários – FII*). For individual investors, variable income portfolio covers share buy/sell service, and for private investors it also covers share rental service. In 3Q21, BB participated in 14

operations in the local market with total funding R\$21 billion and an IPO in the international market.

Domestic Mergers and acquisitions: BB-BI and UBS BB provide financial advisory services in sales transactions, corporate reorganizations (mergers and spin-offs), private placements and tender offers. In 3Q21, BB-BI concluded pre-auction advisory services for 2 projects: concession of public lighting and urban mobility in Pernambuco and the structuring of financing for investments in a project in Arco Norte linked to crop/grains. Also, participation in the issuance of securities related to the BR-153 concession and the wind energy project located in Rio Grande do Norte. Finally, we advise two M&A operations.

Private Equity: BB-BI is a shareholder of 11 funds, which invest in 19 companies located in various regions of the country, in the most diverse segments (energy, infrastructure, logistics, consumption, education, IT, services, agribusiness, etc.) and in different stages of development (consolidated companies, emerging companies and companies with innovative technology). By the end of 3Q21, the total capital committed by BB-BI in the private equity industry reached R\$952.3 million.



Consortium

According to the most current data released by the Brazilian Association of Consortium Administrators – ABAC, the consortium market closed the first eight months of 2021 with R\$145.8 billion in turnover. There were 8.2 million participants up 9.20% over August 2020.

Between January and August, 2.3 million new consortium quotas were sold. By August/21, R\$41.8 billion in credits had been made available, an expansion of 15.1% in relation to the same period in 2020.

Banco do Brasil operates in the consortium market through its subsidiary, BB Administradora de Consórcios S.A. (BB Consórcios), which, in August

2021, had a portfolio of 1.3 million active quotas. According to the latest information released by the Central Bank of Brazil, in August 2021, BB Consórcios has a market share, in number of quotas, of 15.3%.

In 3Q21, BB Consórcios recorded the sale of more than 148 thousand new consortium quotas, constituting R\$6.3 billion. Sales in digital channels, (Mobile, Internet) was R\$514 million while Partners channel was R\$717 million.

With this performance, BB Consórcios presented a Fee Income in 3Q21 of R\$477.0 million, compared to R\$387.9 million in the same period of 2020, up 23.0%.

Figure 71. Consortium – Fee Income and Active Quotas

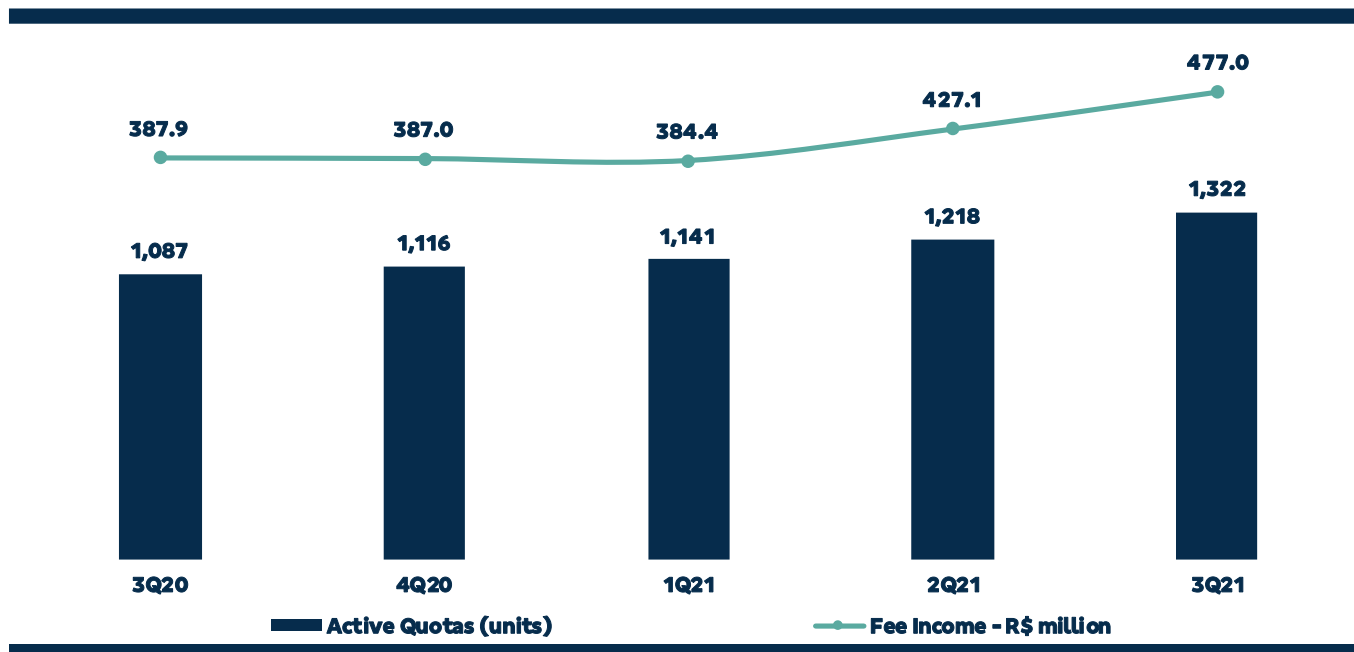


Table 83. Consortium – Active Quotas by Modality - Thousand

| | Sep/20 | Share % | Jun/21 | Share % | Sep/21 | Share % | Chg. (%) | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|------------|
| | | | | | | | Sep/20 | Jun/21 |
| Total | 1,087 | 100.0 | 1,218 | 100.0 | 1,322 | 100.0 | 21.7 | 8.6 |
| Auto | 597 | 55.0 | 632 | 51.9 | 674 | 51.0 | 12.9 | 6.8 |
| Electric and Electronic Devices | 70 | 6.4 | 87 | 7.2 | 114 | 8.6 | 62.6 | 30.2 |
| Mortgage | 53 | 4.9 | 64 | 5.2 | 71 | 5.4 | 33.9 | 11.3 |
| Motorcycle | 237 | 21.8 | 272 | 22.3 | 284 | 21.5 | 20.2 | 4.7 |
| Services | 105 | 9.7 | 114 | 9.3 | 119 | 9.0 | 13.3 | 5.0 |
| Tractor/Truck | 25 | 2.3 | 50 | 4.1 | 60 | 4.5 | 143.4 | 20.3 |



The following tables present a comparison between the average balance, average term and average management rates of quotas sold in the period.

Table 84. Consortium – Average Ticket – R\$

| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Auto | 49,063 | 52,847 | 52,824 | 53,230 | 52,921 |
| Electric and Electronic Devices | 5,073 | 5,742 | 8,193 | 4,485 | 4,432 |
| Mortgage | 123,650 | 103,328 | 113,370 | 126,558 | 117,009 |
| Motorcycle | 15,723 | 16,711 | 17,864 | 15,970 | 17,190 |
| Services | 5,651 | 8,809 | 8,636 | 7,156 | 7,494 |
| Tractor/Truck | 141,976 | 137,181 | 128,744 | 87,597 | 121,078 |

Table 85. Consortium – Average Term and Average Management Rate

| | Average Term (months) | | | Average Rate (%) | | |
|---------------------------------|------------------------------|-------------|-------------|-------------------------|-------------|-------------|
| | 3Q20 | 2Q21 | 3Q21 | 3Q20 | 2Q21 | 3Q21 |
| Auto | 56 | 68 | 73 | 15.8 | 14.9 | 14.7 |
| Electric and Electronic Devices | 28 | 43 | 46 | 17.9 | 21.2 | 21.4 |
| Mortgage | 156 | 170 | 192 | 17.9 | 20.8 | 19.9 |
| Motorcycle | 51 | 70 | 71 | 19.6 | 19.6 | 20.0 |
| Services | 26 | 41 | 32 | 21.0 | 21.9 | 23.7 |
| Tractor/Truck | 90 | 116 | 115 | 14.2 | 15.3 | 15.5 |



11.

Other Information

In this chapter, other information about Banco do Brasil is presented. In the first part (11.1) the actuarial asset and liability arising from the benefit plans to its employees is detailed. The most significant actuarial asset is Previ Plano 1 and the most significant actuarial liability is the health plan administered by Cassi. Amounts are assessed every six months based on an actuarial valuation report and the availability of funds is subject to the fulfillment of the requirements set forth by law and regulatory authorities. The second part (11.2) presents the main information of the external network and Banco Patagonia. BB's presence abroad aims to maintain its position of reference for Brazilian companies and individuals in international markets.



Actuarial Assets and Liabilities

Previ

The plan's actuarial balance is measured on a semiannual basis (June and December) and contemplates: (i) the plan's surplus/deficit amount at the end of the current semester and (ii) the plan's estimated financial results of the subsequent semester, considering current service cost projections, contributions, liabilities interest costs and return on assets.

BB performs the advanced monthly recognition based on the estimated financial result of the Plan for the end of the following semester.

The most relevant differences are concentrated in the definition of the values related to Plan 1 - Previ.



Table 86. Assets Breakdown – %

| | Sep/20 | Mar/21 | Sep/21 |
|---|---------------|---------------|---------------|
| Fixed Income | 46.1 | 45.8 | 48.4 |
| Variable Income | 43.8 | 45.6 | 43.2 |
| Real Estate Investments | 6.3 | 5.4 | 5.0 |
| Loans and Financing | 3.1 | 2.6 | 2.4 |
| Others | 0.7 | 0.6 | 0.9 |
| Amounts Listed in Fair Value of Plan Asset | Sep/20 | Mar/21 | Sep/21 |
| In the Entity's Own Financial Instruments | 3.6 | 3.6 | 5.3 |
| In Properties or Other Assets Used by Entity | 0.1 | 0.0 | 0.6 |

Table 87. Main Actuarial Assumptions¹ – %

| | Sep/20 | Mar/21 | Sep/21 |
|--|--------|--------|--------|
| Real Discount Rate (p.y.) | 4.2 | 4.2 | 6.2 |
| Nominal Rate of Return on Investments (p.y.) | 7.9 | 7.7 | 9.9 |

(1) On September 30, 2021, the real discount rates (p.y.) used in the intermediate update of the plans were: Plano 1 – Previ 8.10%, Informal Plan – Previ 7.54%, Plano de Associados – Cassi 8.15% and Other Plans 8.09%.


Table 88. Effects of Previ (Plano 1) Accounting – CVM Deliberation No.695/2012 – R\$ million

| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|--|----------------|--------------|---------------|---------------|---------------|
| (a) Fair Value of the Plan's Assets | 177,474 | 208,906 | 208,906 | 221,343 | 221,343 |
| (b) Present Value of Actuarial Liabilities | (190,767) | (197,182) | (197,182) | (163,923) | (163,923) |
| (c) Surplus/(Deficit) BB (a+b) x 0,5¹ | (6,646) | 5,862 | 5,862 | 28,710 | 28,710 |
| (d) Actuarial Assets (Initial Period) | (6,646) | 400 | 5,862 | 22,791 | 28,710 |
| (e) Anticipated Financial Results | (152) | (152) | 89 | 89 | 682 |
| (f) Contributions of Funds | 135 | 179 | 140 | 139 | 137 |
| (g) Actuarial Valuation ² | 7,063 | 5,435 | 16,700 | 5,690 | (3,347) |
| (h) Actuarial Assets/(Liabilities) (End Period)³ (d+e+f+g) | 400 | 5,862 | 22,791 | 28,710 | 26,182 |
| Actuarial assets/(liabilities) updated after interim movements (Notes to the Financial Statements 29.d.3) | | | | | |
| (i) Fair Value of the Plan's Assets | 177,165 | | 208,661 | | 195,926 |
| (j) Present Value of Actuarial Liabilities | (176,365) | | (163,078) | | (143,561) |
| (k) Surplus/(Deficit) (i+j) | 800 | | 45,583 | | 52,364 |
| (l) Actuarial Assets/(Liabilities) (End Period)³ (k) x 0,5 | 400 | | 22,791 | | 26,182 |

(1) On 3Q20, 1Q21 and 3Q21, the superavits/deficit refer to the values contained in the actuarial valuation before the intermediate remeasurement. (2) On 3Q20, 1Q21 and 3Q21, there was an intermediate update of the fair value of the plan's guaranteeing assets resulting from changes in market values, as well as the present value of actuarial obligations arising from changes in discount rates used in actuarial calculations (Note 29. d.8). (3) Refers to the sponsor's share of the surplus/(deficit).

Previ - Plano 1: Surplus Allocation Fund

Table 89. Previ (Plano 1) – Fundos de Utilização¹ – R\$ million

| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|--------------------------|--------------|--------------|---------------|---------------|---------------|
| Initial Balance | 9,522 | 9,657 | 9,912 | 10,083 | 10,258 |
| Contributions to Plano 1 | (135) | (179) | (140) | (139) | (137) |
| Restatement | 271 | 435 | 310 | 315 | 442 |
| Closing Balance | 9,657 | 9,912 | 10,083 | 10,258 | 10,563 |

(1) Constituted by resources transferred from the *Fundo de Destinação* (from the surplus of the plan). It can be used by the Bank, as a form of reimbursement or as a reduction in future contributions, after complying with the requirements established by the applicable legislation. It is corrected by the actuarial target (INPC + 4.75% p.y.).



Cassi

The Bank sponsors a health plan administered by Cassi, whose main purpose is to assist members and their registered beneficiaries in the coverage of their health expenses.

On July 22, 2019, the National Supplementary Health Agency (ANS) published the Operational Resolution No. 2,439, which establishes the tax office at Cassi. The ANS clarifies that the fiscal management regime is not an intervention. The agency has appointed a tax director, with no management powers at the operator, to assess Cassi's situation in person. It is up to the director to analyze the remedial measures proposed by the operator and to subsidize the ANS in its decisions. The tax office has a duration of up to 365 days and the regime may be renewed.

On October 31, 2019, Banco do Brasil S.A. (BB) announced that the Board of Directors approved a new proposal for bylaw reform presented by the

Deliberative Council of Cassi. The proposal intends to change the Associate Plan's cost structure and to make improvements in Cassi's governance.

On November 28, 2019, the reform proposal, submitted to its members, was approved in the voting process, held between November 18, 2019 and November 28, 2019, with additional administrative expense of R\$514 million in 2019. The proposal also provided for the early settlement by BB of a contractual obligation of R\$450.9 million related to compensation for the deficit of the Group of Indirect Dependents, amount already provisioned, which will not affect the result. Cassi's actuarial liability, calculated in accordance with CVM Deliberation No. 695 will not be affected.

The following table sets forth the evolution of Cassi's actuarial liability, pursuant to CVM Deliberation No. 695/2012.



Table 90. Effects of the Cassi Accounting – CVM Deliberation No.695/2012 – R\$ million

| | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| (a) Fair Value of the Plan's Assets | 162 | 81 | 81 | 81 | 81 |
| (b) Present Value of Actuarial Liabilities | (12,078) | (12,359) | (12,359) | (10,300) | (10,300) |
| (c) Deficit BB ¹ (a+b) | (11,916) | (12,279) | (12,279) | (10,219) | (10,219) |
| (d) Actuarial Liabilities (Initial Period) | (12,078) | (11,066) | (12,359) | (10,088) | (10,300) |
| (e) Amounts recognized in statement of income | (458) | (49) | (254) | (254) | (258) |
| (f) BB - Amount paid | 382 | 16 | 183 | 211 | 184 |
| (g) Actuarial Valuation ² | 1,087 | (1,260) | 2,343 | (168) | 1,420 |
| (h) Actuarial Liabilities (Period End)³ (d+e+f+g) | (11,066) | (12,359) | (10,088) | (10,300) | (8,874) |
| Actuarial assets/(liabilities) updated after interim movements (Notes to the Financial Statements 29.d.3) | | | | | |
| (j) Fair Value of the Plan's Assets | 162 | | 81 | | 81 |
| (k) Present Value of Actuarial Liabilities | (11,066) | | (10,088) | | (8,954) |
| (l) Deficit (i+j) | (10,905) | | (10,007) | | (8,874) |
| (m) Actuarial Liabilities (End Period)³ | (10,905) | | (10,007) | | (8,874) |

(1) On 3Q20, 1Q21 and 3Q21, the deficits refer to the values contained in the actuarial valuation before the intermediate remeasurement. (2) On 3Q20, 1Q21 and 3Q21, there was an intermediate update of the fair value of the plan's guaranteeing assets resulting from changes in market values, as well as the present value of actuarial obligations arising from changes in discount rates used in actuarial calculations (Note 29. d.8). (3) Refers to the sponsor's share of the surplus/(deficit).



International Businesses

The BB's foreign service network consists of 21 subsidiaries located in 13 countries. In addition to this structure, Banco do Brasil has an agreement with others financial institutions abroad to service its customers. In 3Q21 there were 673 banks acting as BB correspondents in 94 countries.

Table 91. Foreign Service Network

| Branches | Sub-Branches | Shared Services Units |
|---|---|---|
| <ul style="list-style-type: none"> ▶ Asuncion - Paraguay ▶ Frankfurt - Germany ▶ Grand Cayman - Cayman Islands ▶ London - England ▶ Miami - USA ▶ New York - USA ▶ Tokyo - Japan ▶ Shanghai - China | <ul style="list-style-type: none"> ▶ Hamamatsu - Japan ▶ Nagoya - Japan | <ul style="list-style-type: none"> ▶ BB USA Servicing Center / Orlando - USA ▶ BB Europa Servicing Center / Lisbon - Portugal |
| | Subsidiaries And Branches | Securities |
| | <ul style="list-style-type: none"> ▶ BB Americas / Miami - USA ¹ ▶ Banco Patagonia / Buenos Aires - Argentina ² ▶ BB AG (Aktiengesellschaft) / Vienna - Austria ³ | <ul style="list-style-type: none"> ▶ Banco do Brasil Securities LLC - USA ▶ BB Securities Ltd - England |

(1) Banco do Brasil Americas has branches in Miami, Boca Raton, Lighthouse Point, Orlando and Aventura; (2) Banco Patagonia has a service network with 207 points and presence in all provinces of Argentina; (3) BB AG Vienna also has branches located in the cities of Madrid, Paris, Milan and Lisbon.



Table 92. Consolidated Abroad – Assets – R\$ million

| | Sep/20 | Jun/21 | Sep/21 | Chg. (%) | |
|----------------------------------|----------------|----------------|----------------|--------------|------------|
| | | | | Sep/20 | Jun/21 |
| Assets | 228,686 | 193,339 | 207,158 | (9.4) | 7.1 |
| Short-term Interbank Investments | 44,139 | 38,660 | 37,678 | (14.6) | (2.5) |
| Securities | 33,951 | 29,250 | 32,098 | (5.5) | 9.7 |
| Securities Available for Trading | 7,162 | 7,554 | 7,960 | 11.1 | 5.4 |
| Securities Available for Sale | 21,924 | 17,601 | 19,422 | (11.4) | 10.3 |
| Securities Held to Maturity | 4,865 | 4,095 | 4,716 | (3.1) | 15.2 |
| Loans | 35,778 | 30,973 | 32,301 | (9.7) | 4.3 |
| Public Sector | 292 | 250 | 309 | 5.8 | 23.6 |
| Private Sector | 35,486 | 30,723 | 31,992 | (9.8) | 4.1 |
| Other Assets | 8,916 | 8,927 | 8,250 | (7.5) | (7.6) |
| BB Group | 105,902 | 85,529 | 96,831 | (8.6) | 13.2 |


Table 93. Consolidated Abroad – Liabilities – R\$ million

| | Sep/20 | Jun/21 | Sep/21 | Chg. (%) | |
|--|----------------|----------------|----------------|--------------|------------|
| | | | | Sep/20 | Jun/21 |
| Liabilities | 228,686 | 193,339 | 207,158 | (9.4) | 7.1 |
| Deposits | 62,432 | 65,669 | 68,758 | 10.1 | 4.7 |
| Demand Deposits | 13,535 | 13,373 | 14,557 | 7.6 | 8.9 |
| Time Deposits | 29,293 | 34,397 | 34,557 | 18.0 | 0.5 |
| Interbank Deposits | 19,604 | 17,899 | 19,644 | 0.2 | 9.7 |
| Funds from Acceptances and Securities Issuance | 34,850 | 29,613 | 31,652 | (9.2) | 6.9 |
| Borrowings | 17,212 | 12,590 | 13,548 | (21.3) | 7.6 |
| Subordinated Debt and Perpetual Bonuses | 52,782 | 38,703 | 42,475 | (19.5) | 9.7 |
| Other Liabilities | 5,636 | 5,379 | 7,318 | 29.8 | 36.0 |
| BB Group | 35,654 | 24,153 | 24,938 | (30.1) | 3.3 |
| Shareholders' Equity | 20,120 | 17,232 | 18,469 | (8.2) | 7.2 |
| Controlling | 19,624 | 16,771 | 17,912 | (8.7) | 6.8 |
| Non-Controlling Interest ¹ | 496 | 461 | 557 | 12.3 | 20.8 |

(1) It corresponds to non-controlling shareholders' participation of Banco Patagonia.

Table 94. Consolidated Abroad – Statement of Income – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|---|------------|------------|------------|-------------|------------|--------------|--------------|---------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Income after Taxes and Statutory Participations | 498 | 529 | 575 | 15.5 | 8.7 | 2,097 | 1,401 | (33.2) |
| Non-Controlling Interest ¹ | 69 | 58 | 69 | 0.0 | 19.0 | 215 | 199 | (7.4) |
| Net Income | 567 | 587 | 644 | 13.5 | 9.7 | 2,313 | 1,600 | (30.8) |

(1) It corresponds to non-controlling shareholders' participation of Banco Patagonia.



Banco Patagonia

All figures presented in this chapter reflect the integrally of the balances, equity and income accounts. More detailed information is available on Banco Patagonia's official website (<https://www.bancopatagonia.com.ar>).

Table 95. Banco Patagonia – Balance Sheet Highlights – R\$ million

| | Sep/20 | Jun/21 | Sep/21 | Chg. (%) | |
|----------------------|--------|--------|--------|----------|--------|
| | | | | Sep/20 | Jun/21 |
| Assets | 20,069 | 20,728 | 23,252 | 3.3 | 12.2 |
| Loans | 7,309 | 5,947 | 7,127 | (18.6) | 19.8 |
| Deposits | 14,917 | 15,785 | 17,611 | 5.8 | 11.6 |
| Shareholders' Equity | 2,531 | 2,352 | 2,838 | (7.1) | 20.7 |



Figure 72. Banco Patagonia – Funding – R\$ million

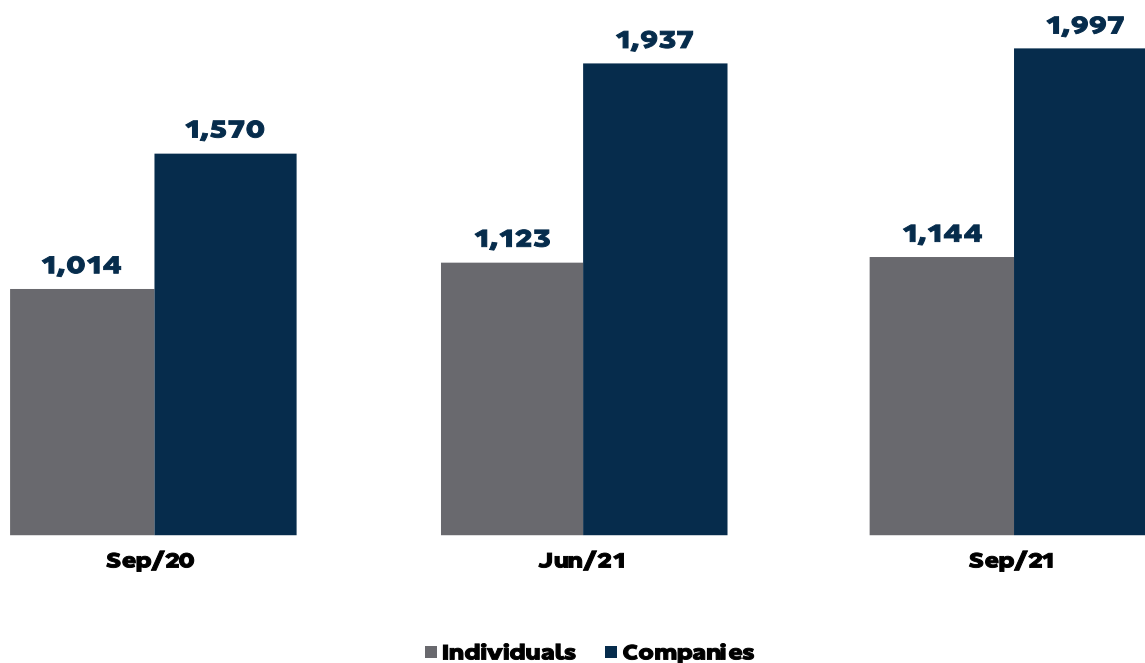
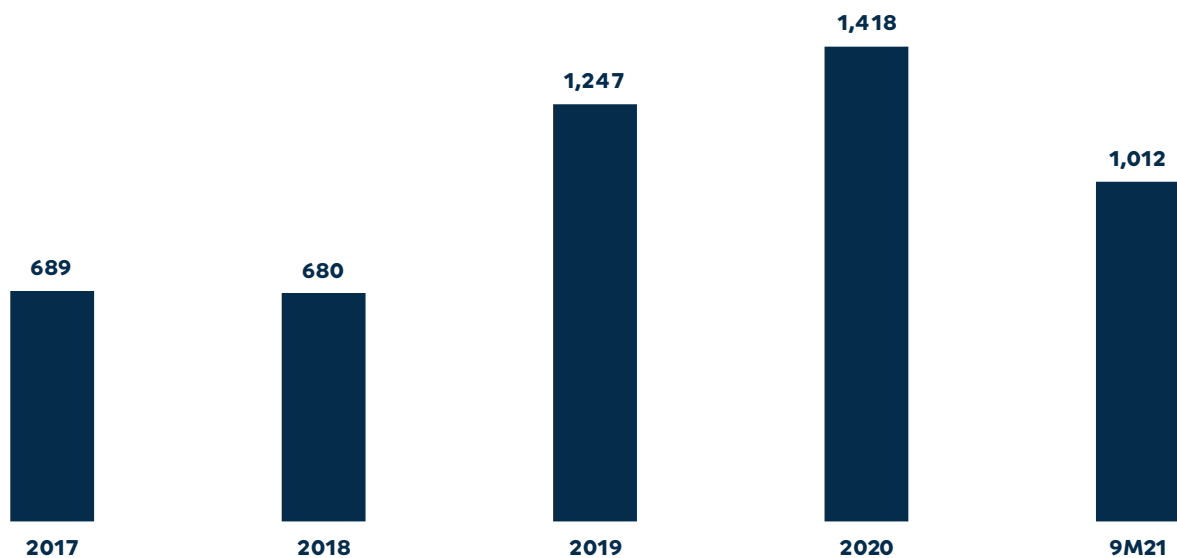


Table 96. Banco Patagonia – Main Statement of Income Items – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|---|------------|------------|------------|--------------|-------------|--------------|--------------|---------------|
| | | | | 3Q20 | 2Q21 | | | |
| Income from Financial Intermediation | 657 | 587 | 636 | (3.2) | 8.4 | 2,014 | 1,857 | (7.8) |
| Allowance for Loan Losses | (4) | (23) | (30) | 0.0 | 29.6 | (41) | (98) | 140.5 |
| Net Income from Financial Intermediation | 653 | 564 | 606 | (7.2) | 7.5 | 1,974 | 1,759 | (10.9) |
| Fee income | 230 | 223 | 231 | 0.7 | 3.7 | 649 | 673 | 3.7 |
| Administrative Expenses | (319) | (320) | (339) | 6.2 | 5.8 | (874) | (979) | 12.0 |
| Other | (79) | (146) | (152) | 91.4 | 4.0 | (247) | (439) | 77.4 |
| Income Before Taxes | 485 | 320 | 347 | (28.5) | 8.2 | 1,501 | 1,014 | (32.5) |
| Income and Social Contribution Taxes | (132) | (26) | 3 | 0.0 | 0.0 | (405) | (2) | (99.5) |
| Net Income | 353 | 295 | 350 | (0.9) | 18.6 | 1,096 | 1,012 | (7.7) |

Figure 73. Banco Patagonia – Net Income – R\$ million


Regarding the treasury result, it is worth mentioning the existence of an inflationary context in Argentina, which affects the financial situation, results and cash flows and therefore the impact of inflation must be taken in consideration. For management and control, Banco Patagonia has measurement tools that allow an integrated management of interest rate risk together with liquidity risk (ALM strategy).

Table 97. Banco Patagonia – Net Interest Income – R\$ million

| | 3Q20 | 2Q21 | 3Q21 | Chg. (%) | | 9M20 | 9M21 | Chg. (%) |
|---|------------|------------|------------|--------------|-------------|--------------|--------------|--------------|
| | | | | 3Q20 | 2Q21 | | | 9M20 |
| Net Interest Income | 639 | 572 | 630 | (1.4) | 10.1 | 1,990 | 1,819 | (8.6) |
| Loan Operations | 411 | 415 | 426 | 3.7 | 2.7 | 1,289 | 1,296 | 0.5 |
| Funding Expenses | (453) | (763) | (805) | 77.5 | 5.5 | (1,084) | (2,157) | 99.1 |
| Financial Expense for Institutional Funding | (29) | (23) | (18) | (36.7) | (21.4) | (84) | (66) | (21.4) |
| Treasury | 710 | 942 | 1,026 | 44.6 | 8.9 | 1,868 | 2,746 | 47.0 |

**Table 98.** Banco Patagonia – Profitability, Capital and Credit Indicators – %

| | 3Q20 | 2Q21 | 3Q21 |
|---------------------------|-------------|-------------|-------------|
| ROE ¹ | 36.2 | 8.6 | 9.8 |
| Capital Adequacy Ratio | 18.8 | 21.5 | 21.6 |
| Coverage Index (+90 days) | 223.5 | 297.5 | 284.2 |
| NPL+90 days | 2.0 | 1.0 | 0.9 |

(1) The calculation is annualized (multiplication of quarterly results by four).



Glossary

ADB: Average Daily Balance.

Adjusted Net Income: net income excluding one-off items.

Adjusted Return on Equity: calculated by the ratio between the adjusted net income and the average shareholders' equity deducted the minority interest and the benefit plans. The ratio is annualized by simple capitalization.

ALLL Expenses – Credit Risk: Allowances for loan and lease losses (ALLL) expenses, as Resolution 2,682/99.

ALLL Extended View: corresponds to the net ALLL Expenses, added to the discounts granted and impairment.

Annualized Return on Equity: ratio between the net income and the arithmetic average of shareholders' equity of the reporting period and the shareholders' equity for the previous period, excluding non-controlling interest. The ratio is annualized by simple capitalization.

Average Risk: required provisions over classified loan portfolio ratio.

Classified Loan Portfolio: sum of the credit transactions, financing, leasing, other credit with loan characteristics and acquired loan portfolio.

Commercial Funding: it includes Total Deposits, Agribusiness Letters of Credit - LCA, Mortgage Bonds - LCI and repurchase agreements transactions with private securities.

Correspondent Services: are companies contracted by financial institutions and other institutions authorized by the Central Bank of Brazil to provide services to clients and customers of such institutions.

Cost of risk: ratio between the net ALLL expenses and the average classified loan portfolio of the period.

Cost to Income Ratio: productivity indicator that measures the relation between administrative expenses and operating revenues. The smaller the ratio more efficient is the company.

Coverage Ratio Adjusted: indicates the magnitude of the coverage of administrative expenses by fees income.

Domestic Loan Portfolio – expanded view: classified Loan Portfolio plus guarantees provided and private securities booked in Brazilian branches.

Earnings Assets: reflects the sum of all assets that produce a financial return to the institution. The total return of these assets is included in the gross income from financial intermediation.

Extraordinary Items: relevant revenues or expenses registered in the Income Statement that are originated from transactions that are not part of the normal business of the Bank and/or refer to items that should have been recorded in previous years.

Guarantees: transactions where the BB ensures the payment of its client's obligations towards third parties.

Impairment: grouping of accounts that record permanent losses in bonds and securities, expenses with provision for impairment in bonds and securities and the negative result from sales or transfers of financial assets that were written off by the selling or transferring institution.

Institutional Funding: includes funding raised from to institutional investors, with the use of instruments



such Senior Debt, Letters Financial and Capital and Debt Hybrid Instrument (IHCD).

Interest Bearing Liabilities: includes the sum of all liabilities that carry an expense for the institution. The total financial cost of these liabilities reflects the expense of financial intermediation.

Leverage: financial indicator that measures the ratio between the total assets and shareholders' equity of the company.

Loan Portfolio – expanded view: it corresponds to the Classified Loan Portfolio added of the private securities and guarantees transactions.

Managerial Net Interest Income: calculated on the basis of the financial revenues received, less any opportunity costs and is defined according to each type of product.

Managerial Net Interest Margin: is the result of the Managerial Net Interest Income divided by the respective average balances. For Managerial Net Interest Income calculation, financial revenues classified by portfolio are calculated first. Subsequently, the opportunity costs defined for each of the portfolio lines are deducted. In the case of individuals and companies loan portfolios, with free resources, the opportunity cost is the average Selic rate. For the agribusiness portfolio and other directed loans, the opportunity cost is calculated according to the funding source and the need or not of compulsory investing part of this funding.

Market Return on Equity: reflects the metric that the main market analysts use to project results. Calculated by the ratio between the adjusted net income and the average shareholders' equity deducted the minority interest. The ratio is annualized by simple capitalization.

Micro, Small and Middle Market Companies (SME) – companies with up to R\$200 million in annual revenues

Net ALLL Expenses: ALLL expenses, as Resolution 2,682/99, net recovery of Write-offs.

Net Interest Gain: defined as interest income from earning assets less interest expenses from interest bearing liabilities.

Net Interest Income (NII): it is calculated as the difference between income and expenses from financial intermediation considering the reallocations. It represents the performance of financial intermediation transactions before ALLL.

Net Interest Margin: net interest income divided by the average balance of earning assets.

Net Interest Rate: difference between average rate of earning assets and average rate of interest bearing liabilities.

NPL +15d: ratio between the balance of more than 15 days overdue operations and the loan portfolio balance.

NPL +60d: ratio between the balance of more than 60 days overdue operations and the loan portfolio balance.

NPL +90d: ratio between the balance of more than 90 days overdue operations and the loan portfolio balance.

Opportunity Cost: managerial assessment tool used to compare the effective result of active transactions and the hypothetical result of use in a replacement alternative. The Average Selic Rate (TMS) is generally considered.

Organic Domestic Loan Portfolio – expanded view: it corresponds to the Organic Domestic Loan Portfolio – expanded view concept considering acquired portfolio.



Organic Loan Portfolio: Loan Portfolio excluding the acquired portfolios.

Overdue Renegotiated Loan Portfolio: it comprises the renegotiated loans for debts composition due to delay in payments by customers. Furthermore, it does not comprise the rollover of agribusiness loans made in accordance with Federal Regulation.

Private Securities: transactions characterized by the acquisition of securities (commercial paper and debentures) mainly issued by private companies.

Reallocations: adjustments made in the Corporate Law Income Statement in order to provide a better understanding of the business and the company's performance.

Retail Loan Operations: corresponds to the individuals organic domestic loan portfolio - expanded view added to the classified loan portfolio Micro, Small and Medium Enterprises (SME);

Shareholders Return on Equity: return to BB's

shareholders. Calculated by the ratio between the adjusted net income and the average shareholders' equity deducted the minority interest and the core capital eligible instrument, which is not taken into account in the calculation because the payment of compensation is made with funds from accumulated earnings and profit reserves. The ratio is annualized by simple capitalization.

Structural Hedge: transactions made by the Bank to protect itself against variations in value of assets kept abroad in foreign currency.

Tax Hedge: transactions made by BB on top of the Structural Hedge to mitigate the effects of taxation on gains and losses made through the Hedge position.

Wholesale Loan Operations: considers Corporates with annual revenues greater than R\$200 million, Agribusiness Loans to Companies and private securities



Banco do Brasil's Capital Regulation:

Additional Tier 1 Capital: Hybrid Capital and Debt Instruments that meet the CMN Resolution nº 4,192/13 requirements can make up Tier 1, as long as they are authorized by Bacen.

Common Equity Tier 1: Shareholders' Equity and income accounts, deducted the Regulatory Adjustments.

Minimum Required Reference Equity (MRRE): is the equity required (capital volume required) from institutions, conglomerates, and other institutions authorized to operate by Bacen, to face the risks to which they are exposed due to the activities they are involved in, and it is defined by CMN Resolution nº 4,193/13.

Prudential Adjustments: the Regulatory Adjustments are deductions from the Common Equity Tier 1 Capital of elements that can degrade its quality due to their

low liquidity, difficulty to evaluate or reliance on future profits to be realized.

Reference Equity (RE): sum of Tier 1 with Tier 2.

RWA_{CPAD}: weighting related to credit risk exposures, subject to the calculation of capital requirements under standardized approach.

RWA_{MPAD}: weighting related to market risk exposures, subject to the calculation of capital requirements under standardized approach.

RWA_{OPAD}: weighting related to capital requirement for operational risk exposures under standardized approach.

Tier 1: sum of Common Equity Tier 1 and Additional Tier 1 Capital.

Tier 2: Subordinated Debt Instruments that meet the CMN Resolution nº 4,192/13 requirements can make up Tier 2, as long as they are authorized by Bacen



Vice Presidency of Financial Management and Investor Relations

CFO

José Ricardo Fagonde Forni

IR Head

Daniel Alves Maria

Executive Manager

Janaína Marques Storti

Managers

Fabíola Lopes Ribeiro

Felipe de Mello Pimentel

Hilzenar Souza Alves da Cunha

Marcelo Oliveira Alexandre

Coordinator

Daniela Priscila da Silva

Analysts

Adriano Gonçalves de Souza

Bruno Santos Garcia

Caroline Rosa

Diogo Simas Machado

Eva Maria Gitirana de Oliveira

Fabrcio da Costa Santin

Fernanda Vasconcelos de Meneses

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Gustavo Correia de Brito

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Laura Daianna Fernandes Cunha

Luiz Fernando de Almeida

Marco Antonio Datolo Fernandes

Maria Angélica de Paiva Rezende

Regina Knysak

Tatiana Dias Coelho

Vitor Lopes Rodrigues

Viviane de Sousa

William Barbosa Pontes Junior

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Original Previously Issued in Portuguese)

Banco do Brasil S.A.

Independent Auditor's Limited Assurance
Report on the Process of Compilation and
Presentation of Supplementary Financial
Information Included in the Management
Discussion and Analysis Report for the Three- and
Nine-month Periods Ended September 30, 2021

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE
PROCESS OF COMPILATION AND PRESENTATION OF SUPPLEMENTARY
FINANCIAL INFORMATION INCLUDED IN THE MANAGEMENT DISCUSSION AND
ANALYSIS REPORT FOR THE THREE- AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

To the Board of Directors, Shareholders and Management of
Banco do Brasil S.A.

Introduction

We have been engaged by Banco do Brasil S.A. ("Bank") to submit our limited assurance report on the process of compilation and presentation of summary financial information included in the section Summary Consolidated Financial Information of the Bank's Management Discussion and Analysis Report ("supplementary financial information"), for the three- and nine-month periods ended September 30, 2021, prepared by and under the responsibility of the Bank's Management.

The supplementary financial information was compiled and presented in reliance upon the individual and consolidated financial statements prepared in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil - BACEN, for the three- and nine-month periods ended September 30, 2021, which was reviewed by us in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 - "Revisão de Informações Intermediárias Executada pelo Auditor da Entidade" and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity), on which we issued a review report dated November 5, 2021. The supplementary financial information compiled includes reclassifications in accordance with the interpretation and judgment of the Bank's Management, according to the criteria for preparation of such supplementary financial information described in the section Summary Consolidated Financial Information, in the Reallocations Breakdown item of the Bank's Management Discussion and Analysis Report.

Responsibilities of the Bank's Management for the process of compilation and presentation of supplementary financial information included in the Management Discussion and Analysis Report

The Bank's Management is responsible for the preparation of the Bank's individual and consolidated financial statements for the three- and nine-month periods ended September 30, 2021, prepared in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil - BACEN, as well as for the process of compilation and presentation of the supplementary financial information disclosed in the section Summary Consolidated Financial Information of the Bank's Management Discussion and Analysis Report, including certain reclassifications made by the Bank's Management to allow an additional analysis, as described in the section Summary Consolidated Financial Information, in the Reallocations Breakdown item of the Bank's Management Discussion and Analysis Report, whose values are obtained from the Bank's individual and consolidated financial statements, reviewed by us, or the Bank's accounting records.

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Independent auditor's responsibilities

Our responsibility is to express a conclusion on the process of compilation of the supplementary financial information included in the section Summary Consolidated Financial Information of the Bank's Management Discussion and Analysis Report for the three- and nine-month periods ended September 30, 2021, based on the limited assurance engagement conducted by us in accordance with NBC TO 3000 - "Trabalhos de Asseguração Diferente de Auditoria e Revisão", issued by the Brazilian Federal Accounting Council - CFC, equivalent to the International Standard ISAE 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Federation of Accountants - IFAC, applicable to non-historical financial information.

This standard requires compliance with ethical requirements, including independence requirements, and that the engagement be conducted to obtain limited assurance that nothing has come to our attention that causes us to believe that the supplementary financial information included in the section Summary Consolidated Financial Information of the Management Discussion and Analysis Report, for the three- and nine-month periods ended September 30, 2021, has not been compiled, in all material respects, in accordance with the criteria for preparation described in the section Summary Consolidated Financial Information, in the Reallocations Breakdown item of the Bank's Management Discussion and Analysis Report.

These assurance procedures were considered satisfactory to allow a limited level of assurance and do not include all the procedures that would otherwise be required to provide a higher level of assurance and, therefore, we do not express an opinion.

Conclusion

Based on the limited assurance procedures described above, nothing has come to our attention that causes us to believe that the process of compilation and presentation of the supplementary financial information included in the section Summary Consolidated Financial Information of the Bank's Management Discussion and Analysis Report, for the three- and nine-month periods ended September 30, 2021, referred to above, has not been followed by the Bank's Management, in all material respects, in accordance with the preparation criteria described in the section Summary Consolidated Financial Information, in the Reallocations Breakdown item of the Bank's Management Discussion and Analysis Report.

Convenience translation into English

This independent auditor's limited assurance report has been translated into English for the convenience of readers outside Brazil.

Brasília, November 5, 2021

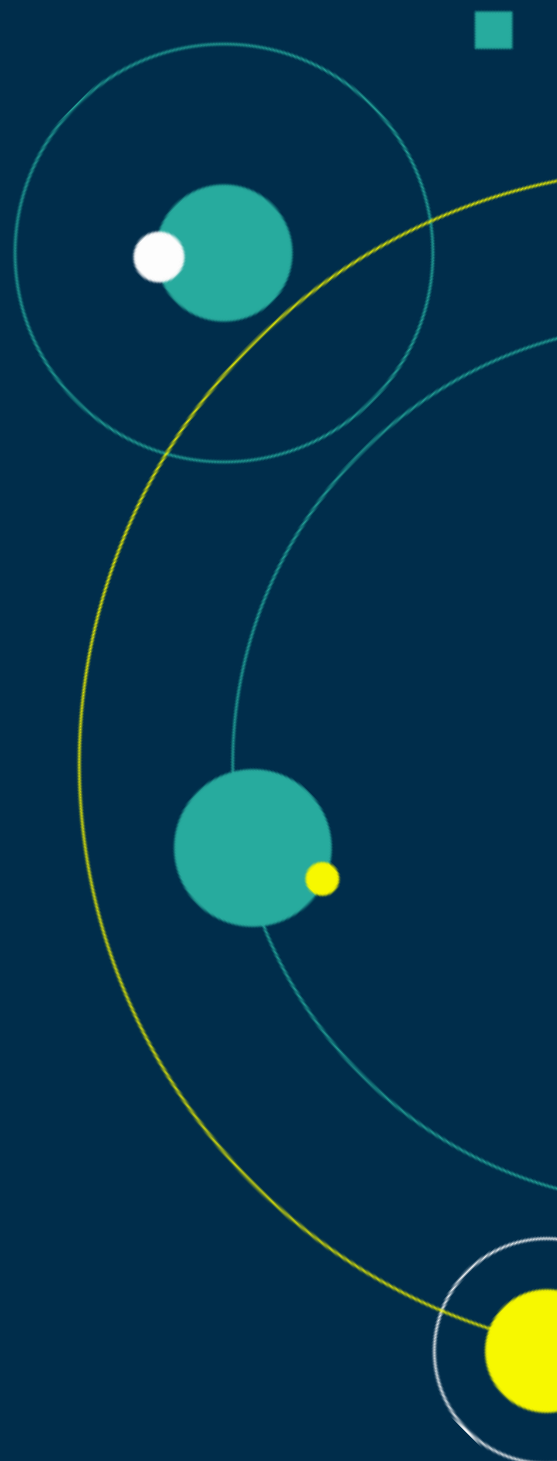
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Auditores Independentes Ltda.

Luiz Carlos Oseliero Filho
Engagement Partner



Management Report

3Q21





Message from the Management

In an increasingly integrated environment, we were the first bank ready for the open banking, offering the complete consent journey with data consumption via API. We are prepared to implement the next stages, which bring opportunities for creating new business models and relationship to people and companies.

Banco do Brasil, over the past six years, invested more than R\$23,2 billion in the thorough use of technology to get even closer to its customers, integrating physical and digital channels, innovating in financial solutions, and offering a unique experience.

We have prioritized in high-performance training and qualification of our employees, helping to drive digital transformation and organizational culture, focusing on customer, innovation, and value delivery. With the Movimento Evolution, we offer incentives for undergraduate, graduate non-degree, master's degree and doctoral programs focused on technology and innovation, in addition to foreign language scholarships and other training through our award-winning Corporate University (UniBB). UniBB acts as a hub, integrating worldwide partners in corporate education, such as Alura, the Massachusetts Institute of Technology Center for Information Systems Research (MIT CISR), Coursera, among others.

In the development of new skills, since August, we have provided employees with the Faz.áí platform, focused on low-Code software development, supporting the automation of less complex internal processes in a faster and more independent way, with corporate governance and management. This tool increases the BB's capacity to automate work processes and more than one hundred projects are being developed using Low-Code.

On September 26, we held an exam to select people for 2,240 commercial agent post, that will work in the business units, and technology agent posts, that will work in the strategic IT management units. Additionally, we created a reserve register of over 2,240 people to be on standby. We registered a record 1.6 million applicants, which demonstrates the public's interest in working for a company that offers growth opportunities across several areas. Furthermore, employees share a unique identity, linked to transparency, ethics, safety, and social and environmental responsibility.

Our vision of customer strategy is focused on the use of analytical intelligence applied to customer knowledge, allowing for additional customization of the relationship, generating good experiences and, above all, relevance. This enables our customers to have access to a highly specialized bank, with products, services and advice tailored to their needs.

We revised our channel architecture, adding new formats of contact and service points, through

proprietary structures or through partners, always aiming to offer the best convenience to the customer in an integrated manner with digital platforms. Business can be carried out through multiple channels (omnichannel), for example, a transaction can be initiated by a physical service, remotely or in person, and be completed digitally. In the first nine months of 2021, around 60% of our loan's transactions were carried out using the omnichannel concept.

We observe that the improvement in experience and greater convenience for customers have resulted in consistent growth in satisfaction levels, in all the niches in which Banco do Brasil operates.

We continue to expand our role as a platform in the various segments in which we operate. In the agribusiness market, for example, we are scaling up our digital platform Broto (broto.com.br), built in partnership with BB Seguros, which connects rural producers and suppliers to offer products, services and consulting and already reached more than 336 thousand visits and more than R\$1.0 billion of businesses originated since its creation.

In the individual's segment, in the first nine months of 2021, we reached more than one million gift cards of various brands sold in our BB Store (Loja BB) in the App and more than 11 million accesses in the Vantagens BB counter. With these movements, we will continue to expand our BB Store, integrating new brands appreciated by our customers.

We made progress in strengthening our protagonisms. The retail portfolio, which comprises our business with individuals and companies with turnover of up to R\$200 million, showed a remarkable performance, both for the disbursement of Pronampe for micro, small and medium companies, as well as for the payroll lines, which reached R\$104.6 billion, growth of 16.4% in one year. Likewise, BB's historical support for agribusiness, with specialization, dedicated professionals, technical knowledge, and high capillarity, favored the growth of the portfolio, ending September with a market share of 53.7%.

Another highlight of the period was the celebration of one year of partnership with UBS and has leveraged businesses in capital markets and investment banking. The partnership combines UBS' expertise and global distribution platform with BB's network of relationships in Brazil. Furthermore, the partnership has already brought results beyond what has been planned within the business model. Within the first nine months in 2021, UBS BB carried out 140 transactions, with a total volume of R\$179 billion.

We play an important role as a transforming agent in society. We also want to support our customers in the conversion to a more sustainable portfolio. By offering



ASG credit facilities (focused on Environmental, Social, and Governance aspects), we encourage entrepreneurship, the growth of small, medium, and large businesses, and supports State and Municipal Governments, and the sustainable productive development across all regions in Brazil, both in the urban areas and the countryside.

Our sustainable business portfolio, which is submitted to an independent third-party assessment, exceeded R\$282 billion.

We are investing in energy efficiency and changing the matrix of energy that is consumed, increasing the market share of renewable sources. We are already consuming energy generated from two solar power plants and other three renewable source plants are under construction, with more than five at the contracting phase. In addition, other 19 plants are expected by 2023.

As of April 2021, we started to offset 100% of emissions related to electricity consumption. A total of 532,8 thousand Megawatt/hour. Thus, we will neutralize the emission of 33 thousand tons of carbon dioxide. We are committed to going further and reducing greenhouse gas emissions by 30% by 2030.

We finance projects for State and Municipal efficiency, in public lighting, sports, leisure, road infrastructure, public cleaning, environment, urban mobility, health, security, health surveillance, among other areas, with disbursements of R\$3.6 billion over the first nine months of 2021.

Finally, we shall continue our commitment to controlling expenses and striving to improve our efficiency. This process is continuously improved. With said initiatives that enhance the customer experience, bring innovation, support sustainable business growth, and increase operational efficiency, we believe we will be able to continue generating consistent returns for our shareholders, and have a positive impact on society.

BB Família Agro Program

On September 30, Banco do Brasil launched the BB Família Agro Program. Created to support succession in the field, the BB Família Agro is a relationship and benefits program to monitor the first experiences of the agricultural leader's successor with Banco do Brasil. The program aims to transfer a successor's first contacts with BB into extraordinary experiences, bringing elasticity to agricultural credit and replicating the leader's benefits and conditions to the successor.

Activities in the pandemic

We act to provide support to customers with seriousness, speed and security, while strengthening our commitment to society, based on actions that aim to support the country in overcoming this difficult moment. We reinforce our commitment to maintaining the necessary care for the health of our employees, while maintaining our efforts aimed at serving customers and the population in general.

We got closer to customers in this very challenging moment, bringing new solutions and bringing the possibility of extending and adjusting their financial needs and cash flows, considering the impacts of the pandemic for people and companies.

At the same time, we assess and monitor the potential impacts of the crisis on the credit portfolio, considering the peculiarities of the different segments and credit facilities and we have adopted proactive measures to manage risk and capital. We work to preserve the continuity of our operations and the long-term sustainability of our company and our relationships with our customers.

We acknowledge the dedication of our employees who have worked to ensure the provision of quality financial services to customers and society, with all the necessary measures to maintain safe face-to-face service.

Shareholders and Holders of Debt Instruments

Banco do Brasil has a base of more than 862 thousand shareholders, of which 98.3% are individuals and 1.6% legal entities. Between January 2019 and September 2021, our individuals' shareholder base grew from 446 thousand to 847 thousand. This achievement shows the trust of our shareholders and the strength of our company in scenarios of greater volatility.



Our shares (BBAS3) maintained their presence in all B3 trading sessions and represented 1.8% 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.

Our shareholding structure, at the end of September, was distributed as follows:

Table 1. Shareholding Structure

| | Sep/21 | % |
|---|--------|---|
| Total | 100.00 | |
| (a) Federal Government | 50.00 | |
| (b) Free Float | 49.58 | |
| PF | 16.12 | |
| (PJ) | 12.90 | |
| Foreign Capital | 20.56 | |
| Others ¹ | 0.42 | |
| Free Float Ex-Others (%) - b/(a+b) ¹ | 49.79 | |

(11) Composed of Treasury Shares, shares held by Members of the Board of Directors and Executive Board and shares related to the merger of BNC and BESC.

| | Sep/21 | Dec/20 |
|--------------------------------------|--------|--------|
| Equity Value per Share - BBAS3 (R\$) | 47.92 | 40.91 |
| Closing Price - BBAS3 (R\$) | 28.90 | 38.80 |
| ADR Quotation (US\$) | 5.36 | 7.43 |

In the foreign market, we carried out two relevant transactions in September. In the first transaction, a senior funding of USD750 million in debts. The bonds, maturing in 5 years, will pay interest of 3.25% per annum. This is the lowest level of interest rate in USD currency ever recorded in the entire history of Banco do Brasil in the international capital market. The second transaction was a repo of USD725 million of senior investor debt, with 3.875% coupon, due in 2022. The strategy had a neutral cash effect, and we believe this was a critical forward-thinking move in the management of our liabilities.

1. Strategy and Corporate Governance

Banco do Brasil Corporate Strategy (ECBB) is prepared through a structured, participatory process based on consolidated methodologies, which strengthens decisions on the Company's operations for the following five years.

Our actions and decisions are all focused on the customers, at all organizational levels, in order to provide them with the best experience. For this, we continually seek to make BB their main relationship bank, improving the offer of customized and innovative solutions.

We are a competitive, profitable, efficient and innovative bank. For this, we excel in capital optimization, operational efficiency improvement, optimization of our structure, new business and revenue sources, as well as the acceleration of cultural transformation and intensification of the use of data.

BB, in its planning, considers its transforming role in the country and actions to increase its positive impact on

the economy further, as well as the environment, and society. Its sustainability plan is fully integrated into its strategic planning.

We consolidate day by day, together with our employees, our Purpose of "taking care of what is valuable to people." This means that we focus on people and what matters to them (return on investments, security, preservation of assets, achievements, among others). People, in turn, comprise all our stakeholders, that is, customers, shareholders, employees, and society as a whole.

Values are principles that guide the organization, emphasizing the focus on the customer, efficiency, innovation, the sense of ownership, ethics, reliability and the public spirit. With solid organizational values, we seek to transform each person's contribution to the Company's perpetuity into attitudes.

Our Vision is "To be the company that provides the best experience in people's lives and promotes the



development of society, in an innovative, efficient and sustainable way”.

Corporate Governance

We have adopted the best practices of corporate governance, maintaining our commitment to the principles of transparency, accountability, equity and corporate responsibility. We are the only financial institution in Brazil voluntarily listed on Novo Mercado of B3 (Brasil, Bolsa, Balcão), the highest standard segment in terms of corporate governance, since 2006.

Our corporate governance structure is composed of the Shareholders' General Meeting; the Board of Directors (BD) and its advisory committees – Audit Committee, Persons Committee, Compensation and Eligibility, Risks and Capital Committee and Technology, Strategy and Innovation Committee; the Executive Board and the Supervisory Board.

The BD, an independent collegiate decision-making body, has, as provided for in Law and in the Bylaws, strategic, guiding, elective and supervisory duties. At

least 30% of the eight members of the BD are independent, as defined in the legislation and in the B3 Novo Mercado Regulation, and currently, of the eight members, four are independent, with two being representatives of the minority shareholders. The Advisory Committees for the Board of Directors are composed mostly of independent directors.

BB's decision-making model is based on collegiate decision-making. This model integrates visions and shares knowledge and responsibilities. This adds greater safety and quality to the process. We adopt segregated functions within the management bodies and we work with committee structures that decentralize the decision-making process and allow specialization concerning relevant topics. Under the Bylaws, the Board of Directors is responsible for establishing the duties and authorities of the committees within the Executive Board.

2. Corporate Sustainability

We 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 our Sustainability Plan – Agenda 30 BB, main instrument for promoting social and environmental practices at BB since 2005. The Plan has 40 actions and 110 indicators for the period 2021-2023.

We 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.

To assist our 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.

In addition, we started to use energy from renewable sources in 31 administrative buildings through the Free Contracting Environment (FCE). With this, we achieved an accumulated savings of R\$15.6 million (2019/2021), with the expectation of achieving savings of R\$50 million by 2024.

We don't want to stop there. To expand the ACL project, we will study 652 Medium Voltage (A4) consumer units and aim to achieve 68% of BB's consumption through renewable sources by December 2024. We estimate our savings with electricity costs will exceed R\$33 million.

We achieved 100% offsetting of greenhouse gases generated by electricity, neutralized through the purchase of traceable international renewable energy

certificates, known as I-REC (International Renewable Energy Certificate), and the operation of the Solar Plant in Porteirinha (MG).

Our strategy, in addition to reducing energy consumption, is to continue investing in a cleaner and renewable energy self-generation matrix, with a positive impact on the environment and society, and at the same time, with the scale of production by the energy plants, reduce the number of certificates acquired until we reach organic compensation.

Still focusing on energy efficiency, we installed an IoT (internet of things) solution to monitor the operation of HVAC systems, UPS and lighting, in addition to electricity and water consumption, in 300 branches in 2021. Our goal is to achieve a 15% reduction in energy consumption in said facilities.

In addition to the Solar Power Plant in Porteirinha (MG), BB also owns a power plant in São Domingos do Araguaia (PA). By the end of the year, within the scope of the Distributed Generation (GD) project, bidding procedures will be carried out for the construction of 19 new plants. In 2022, eight plants are likely to open in Bahia, Goiás, Distrito Federal, Ceará, São Paulo, Paraná, Santa Catarina, and a second plant in Minas Gerais.

When all GD projects are completed, with 29 units delivered by 2023, approximately 110 GWh of energy will be generated per year. Said energy corresponds to the consumption of 48.7 thousand middle class households – with likely savings of R\$561 million. With these measures, BB will guarantee the use of renewable sources in more than 22% of its electrical matrix, besides refraining from emitting around 5.9 thousand



tons of carbon dioxide per year, which is equivalent to the planting of approximately 16.5 thousand trees.

Thus, around 117 thousand renewable energy certificates under the I-REC standard may be used to offset BB's emissions. In addition, we are likely to reach 90% of the electrical matrix in renewable sources, considering both the GD (22%) and ACL (68%) projects.

BB Papel Zero program reduced by 3.9% the number of printed documents from January to September/2021,

compared to the same period in the previous year. The project decreased printing expenses by R\$7.8 million in the same period.

These initiatives reinforce BB's historic commitment to sustainability in its broadest sense and allow it to evolve and obtain recognition in global and national sustainability indexes, rankings, and ratings, such as the ISE B3, the DJSI, the FTSE4, among others.

BB integrates the FTSE4 Good Index Series for the sixth consecutive year.

In 2021, BB was included for the sixth consecutive year in the FTSE4 Good Index Series, of the London Stock Exchange, which evaluates and ranks companies with the best Environmental, Social, and Governance (ASG) practices. This achievement is in addition to other recognitions such as listing on the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange; the B3 Corporate Sustainability Index (ISE), and the classification in the Global 100 ranking of Corporate Knights as the most Sustainable Bank in the World and the 3rd place among the 100 listed companies.

Net Zero Leaders Summit (Japan Business Conference 2021)

In parallel to the Tokyo Olympic and Paralympic Games, the government of Japan and the Japan Foreign Trade Organization (Jetro) held the Net Zero Leaders Summit (Japan Business Conference 2021). This online event brought together opinion makers and leaders of major companies worldwide to discuss future and current trends related to the transition to carbon neutrality and promote sustainable economic growth. BB was the only Brazilian company invited to participate in the debates of said conference, due to its recent international acknowledgment as one of the most sustainable banks in the world.

Brazil Wi-Fi Program

The Banco do Brasil Foundation and Sebrae entered into Technical Cooperation Agreements with the Brazilian Ministry of Communications to bring the Internet to up to a thousand municipalities, promoting digital inclusion for those without access to the Internet.

Sustainable Business Portfolio

At the end of September/21, we hit R\$282.1 billion in sustainable credit operations, accounting for a growth of 18.9% in 12 months. We point out the participation of sustainable agribusiness (39.9%) and social businesses (47.8%) for the achievement of said figure. Said amount resulted from credit facility lines that added environmental and/or social value, or facilities to finance activities and/or segments that have positive social and environmental impacts for the renewable energy, energy efficiency, construction, sustainable transport and tourism, water, fishing, forestry, sustainable agriculture, waste management, education, health and local and regional development industries, reinforcing our transforming role in the country's development and ensuring an increasingly sustainable future.

Our sustainable business portfolio is submitted to an independent third-party assessment, which considers the main international taxonomies for the classification of the portfolio, ensuring more transparency to the market.

Sustainable Investments

We have been working to engage our clients to invest in sustainable assets, offering a diverse range of products that combine profitability with the best environmental, social, and governance practices.

We offer a portfolio of 15 funds linked to this theme, with options to invest in Brazil or abroad, or in specific causes the client believes. Until September/21, the net equity of these funds grew 48.8%, reaching R\$4.4 billion.

We highlight the launch of LCA Verde, whose resources are directed exclusively to low-carbon agriculture transactions, renewable energy, and other lines that meet the ESG criteria provided for in BB's Sustainable Finance



Framework. The product complements our ESG investment solution portfolio, whose demand has been growing as investors seek diversification strategies that are consistent with their values and market trends. In three months, the LCA Verde has already raised R\$158.4 million.

Always looking for the best ways to serve investor clients, we associate the offering of sustainable investments with financial education. We offer a complete and secure digital consultancy, which includes information and knowledge actions through digital media. The InvesTalk playlist, available on BB's YouTube channel since 2019, has a range of investment suggestions, economic scenario, market analysis, tips, chats, among others, disseminating quality information and focusing on each investor's previous experience at an arm's length and in a simple way. We recently covered ASG investments in both InvesTalk and Deseconomês, a series of videos created to show the world of investments in a light and easy way, translating financial market expressions for those thinking about starting to invest.

We also provide digital advice on Spotify, through podcasts, including daily analysis. Any client can also access investment suggestions, reports and market analyses produced by Banco do Brasil specialists at bb.com.br/carteirasugerida, including a suggested portfolio of companies that follow the highest standards of sustainability and will likely improve their value.

To learn more about Banco do Brasil's ESG investment products, please visit us at bb.com.br/asg.

Also concerning this theme, we created the ESG Portfolio (Carteira BB ESG), designed to indicate to our clients the actions of companies that are more in line with the best environmental, social, and corporate governance practices.

Upon integrating ESG factors into the recommendation reports and analysis developed by our research team, we started to closely monitor the topic, and select shares from companies that have been successful in aligning their businesses to sustainable and socially responsible practices. The BB ESG Portfolio (Carteira BB ESG) ended its second month of existence with a performance of 1.05 percentage point above the benchmark (ISE B3).

3. Macroeconomic Scenario

Brazil

The advance of vaccination, greater control of the pandemic situation, and the recovery of employment and the service sector represented positive points for economic activity throughout the third quarter of 2021. However, the economy's performance was limited due to problems related to the global supply chain, which affected the productive capacity of several industry's sector. In addition, the lack of rain further increased the cost of energy in the country and put pressure on consumer inflation, which was already at high levels due to the prices of food, transport (oil and gas adjustments), and manufactured goods. Given this scenario, the Central Bank decided to raise the interest

rate throughout the third quarter, ending September at 6.25% pa.

Concerning credit from the Brazilian Banking Industry (SFN), the growth rate of total credit suffered a slowdown due to the lower offering of corporate credit facilities. In turn, the improvement in mobility and positive factors on the consumption side contributed to the increased grant of individual credit facilities.

Finally, uncertainties in the domestic environment affected the economic scenario at the beginning of the second half of the year and harmed the main financial assets (stock exchange and foreign exchange).

Worldwide

Problems in the global supply chain also affected other economies in the world and, together with the new wave of Covid-19 infections, caused a slowdown in the growth rate of some countries during the third quarter.

In the United States, concerns about persistent inflation have grown and the Federal Reserve's (Fed) monetary policy committee has indicated that the reduction in asset purchases may start shortly. Additionally, part of

the projections of the committee members indicates an increase in interest rates as of 2022.

Towards the end of the quarter, world markets were affected by the risk of a default by Evergrande, a giant in the Chinese real estate industry. Thus, the Chinese economy lost dynamism throughout the quarter, also influenced by the effects of the Delta variant of Covid-19, the ongoing energy crisis, and mismatches in supply chains.



4. Highlights of the Consolidated Financial Statements Results

Net Income of R\$14.4 billion in 9M21

Net income was R\$14.4 billion in 9M21, an increase of 51.2% compared to 9M20. The result was impacted by the increase in the result of financial intermediation resulting mainly from the reduction in the provision for losses. Administrative expenses reached R\$25.1 billion, growth of 1.7%, whereas fee income was R\$21.5 billion, a growth of 1.0%.

We present below the main figures related to our performance in the 9M21.

Table 2. Financial Highlights

| Result (R\$ million) | BB Multiservice Bank | | BB Consolidated | |
|--------------------------------------|----------------------|----------|-----------------|----------|
| | 9M21 | 9M20 | 9M21 | 9M20 |
| Net Income | 14,266 | 9,385 | 14,358 | 9,498 |
| Financial Intermediation Results | 30,505 | 11,338 | 34,113 | 20,067 |
| Fee Income | 14,042 | 14,350 | 21,522 | 21,313 |
| Administrative Expenses ¹ | (23,895) | (23,469) | (25,146) | (24,721) |

(1) Composed of the sum of Personnel Expenses and Other Administrative Expenses.

| Equity (R\$ million) | Sep/21 | Dec/20 | Sep/21 | Dec/20 |
|---------------------------|-----------|-----------|-----------|-----------|
| Assets | 2,033,137 | 1,782,539 | 1,975,407 | 1,725,672 |
| Classified Loan Portfolio | 733,073 | 669,332 | 745,274 | 681,776 |
| Customer Resources | 635,741 | 583,654 | 658,711 | 601,984 |
| Shareholders Equity | 136,731 | 116,723 | 147,512 | 126,971 |

| | 9M21 | 9M20 |
|--|-------|-------|
| Earnings per Share (R\$) | 5.00 | 3.29 |
| Dividends and Interest on Equity distributed to shareholders (R\$ million) | 4,716 | 2,623 |

The Shareholder Compensation Policy seeks to ensure the proper appreciation of the shareholder, together with the BB's perpetuity and short, medium and long-term financial sustainability, based on the need for flexibility and financial soundness for the sustainable maintenance of the business. For the year 2021, the percentage of 40% of the net profit was approved, adjusted as provided for in letters "a" and "b" of item I of article 202 of Law 6.404/76, to be distributed via dividends and/or interest on own capital, based on the BB's results, its financial condition, cash requirements, the Capital Plan and its targets and respective forecasts, the Risk Appetite Statement, prospects for present and potential markets of operation, opportunities for investment and the maintenance and expansion of operational capacity.



Financial Intermediation Results

The Financial intermediation result corresponds to the sum of the revenues from the financial intermediation, the expenses from the financial intermediation and the provision for loan losses. In 9M21, it totaled R\$34.1 billion, growth of 70.0% compared to 9M20. Among the components of financial intermediation revenues, we highlight the reduction in losses associated with the risk of credit, which totaled R\$13.4 billion, a drop of 30.9%.

Fee Income

Fee Income grew 1.0% compared to 9M20, totaling R\$21.5 billion. Emphasis in lines of asset management with growth of 7.6% and commissions on insurance, pension plans and capitalization with 10.5%.

The strategy remains focused on relationships, on segmented service and on the constant improvement of the customer experience.

Administrative Expenses

The administrative expenses reached R\$25.1 billion in the period, growth of 1.7%. Personnel expenses went up by 4.2%, because of salary readjustment of 10.97% in September/21 and other administrative expenses reduced 2.3%, especially due to the drop in amortizations (15.9%), transport (30.6%) and communications (32.7%) expenses.

Capital Adequacy

We have a three-year prospective Capital Plan, considering (a) Risk Appetite Statement, (b) the Corporate Strategy and (c) the Corporate Budget.

We reached 13.17% in the CET1 (ICP in the Brazilian acronym) in September 2021, while the Capital Adequacy Ratio (IB) reached 19.34%. The Tier I was 16.54%.

We remain focused on organic capital generation. In addition, following the RAS and the Capital Plan, our aim for January 2022 is to maintain at least 11.0% of the CET1.

Classified Loan Portfolio

Our classified loan portfolio grew 9.3% compared to December 2020.

In the individual's portfolio, except for rural producers, which represents 33.9% of the total, the growth was 14.2% in a year. Highlight is given to the payroll loan line, which reached R\$104.6 billion, growth of 16.3% compared to the same period of the previous year.

In the companies, except for agribusiness companies, the classified portfolio reached R\$246.0 billion, a growth of 9.0%. Highlight is given for the portfolio for SME customers (gross annual turnover of up to R\$200 million), which reached R\$89.7 billion, a growth of 24.6%.

In agribusiness, on September/21 the classified portfolio reached the historical figure of R\$214.0 billion, with emphasis on the growth of the rural credit portfolio by 21.9%.

5. Personnel Management

Personnel management policies and practices are guided by meritocracy, commitment to company values, focus on customer experience, digital transformation, and innovation. The profile of our employees is presented below:

**Table 3. Employee Profiles**

| Employee Profiles | Sep/21 | Sep/20 |
|--|--------|--------|
| Employees | 85,069 | 92,106 |
| Women | 36,060 | 38,757 |
| Men | 49,009 | 53,349 |
| Education | | |
| High School | 9,375 | 11,827 |
| Graduation | 27,441 | 32,602 |
| Specialization, Masters and Doctor Courses | 48,167 | 47,517 |
| Others | 86 | 160 |
| Geographic distribution | | |
| North | 3,712 | 4,002 |
| Northeast | 14,021 | 15,185 |
| Midwest | 15,931 | 16,469 |
| Southeast | 36,312 | 40,243 |
| South | 15,076 | 16,207 |
| Abroad | 17 | 0 |
| Employee Turnover (%) | 0.58 | 0.46 |

In September, BB launched the Mental Health Program, which is grounded on five pillars (Healthy Habits, Education, Ergonomics, Psychological Support, and Care), involving different actions and levels of prevention, so that we can treat the individual, focused on their integral health.

In the same month, BB held the largest exam in the country's history, according to the Cesgranrio Foundation, the organizer of the exam. There were more than 1.645 million entries for all states and the Federal District. There are 2,240 vacancies for the commercial and technology agent post, plus 2,240 to be listed as standby. The vacancies for the function of commercial agent are in the business units and those for technology agent are in the strategic IT management units. More than 880 thousand applicants took the exam in 147 cities across Brazil. The legal provision was made to reserve 5% of the vacancies for People with Disabilities, in addition to 20% of the vacancies to fulfill the share for Black or Brown Persons. Applicants will be contracted as of 2022, observing BB's needs and the applicant's ranking.

We also highlight the inclusion of the Code of Ethics and Ethical Trail courses as prerequisites for internal recruitment and appointment opportunities, as well as the intensification of actions on Non-Violent Communication aimed at leaders and subordinates. We also emphasize that the flow for receiving complaints about violence against women has been defined as part of the Sinal Vermelho against Domestic Violence campaign, of which BB is a signatory.

**Table 4. Compensation and Benefits**

| R\$ million | Individual Financial Statements | | Consolidated Financial Statements | |
|-------------------------------------|---------------------------------|--------|-----------------------------------|--------|
| | 9M21 | 9M20 | 9M21 | 9M20 |
| Payroll ¹ | 13,921 | 13,305 | 15,070 | 14,410 |
| Supplementary Pension ² | 1,240 | 1,255 | 1,240 | 1,255 |
| Health Insurance ² | 1,323 | 2,128 | 1,323 | 2,128 |
| Profit Sharing Program ³ | 1,839 | 1,223 | 1,849 | 1,227 |
| Training ⁴ | 28 | 25 | 31 | 28 |

(1) Expenses with earnings, benefits, social charges and administrative provisions, according to the Explanatory Note on Personnel Expenses. (2) Funding of Supplementary Pension and health plans, according to the Explanatory Note on Personnel Expenses. (3) Amount allocated to Profit Sharing and Results, according to the Income Statement for the Year. (4) According to the Explanatory Note on Personnel Expenses.

6. Legal Information

General Micro and Small Business Law

According to criteria defined by the National Statute for Micro and Small Business (General Micro and Small Business Law), 95.5% of our corporate clients in the retail segment are classified as micro and small businesses. The volume of resources used by these businesses reached R\$41.3 billion on September/2021. The balance of working capital operations contracted by micro businesses totaled R\$4.6 billion and R\$34.5 billion for small businesses. Investment operations directed to micro businesses reached R\$386.1 billion and R\$5.6 billion to small businesses.

Independent Audit – CVM Instruction No. 381

In the contracting of services not related to external audit, in order to avoid a conflict of interest, loss of independence or of the objectivity of independent auditors, we have adopted procedures based on applicable laws and standards and on the best internationally accepted principles related to the topic. These principles require the following: (i) the auditor must not audit its own work, (ii) the auditor must not exercise managerial functions at its customer and (iii) the auditor must not promote the customer interests. Furthermore, at Banco do Brasil, contracting of external audit services must be preceded by a favorable opinion from the Audit Committee.

Table 5. Non-Audit Agreements with the Independent

| Contracting Company | Date of hire | Term ¹ | Description of Services |
|----------------------------------|--------------|-------------------|---|
| Banco Patagonia S.A. | 07/01/2020 | 11 months | Tax Consulting |
| BB Seguridade Participações S.A. | 12/16/2020 | 1 month | Distance Learning Training on the Law 13.303 - Law of State-owned Companies |

(1) Estimated duration in months based on expected contract termination date.

We hired Deloitte Touche Tohmatsu Auditores Independentes to provide services not related to external audit at a level lower than 5% of the total fees related to external audit services. For this evaluation, all agreements in force between January/2021 and September/2021 have been considered.



Justification of Independent Auditors

In compliance with CVM Instruction 381/2003, we hereby inform that Deloitte Touche Tohmatsu Auditores Independentes did not provide services that could affect its independence, ratified through the adherence of its professionals to the relevant ethical and independence standards, which meet or exceed the standards promulgated by International Federation of Accountants (IFAC), the Brazilian Federal Accounting Council (CFC), the Brazilian Securities and Exchange Commission (CVM), the Central Bank of Brazil (Bacen), the Private Insurance Superintendence (Susep), the Brazilian Supplementary Pension Superintendence (Previc) and other regulatory agencies. These policies and procedures covering areas such as personal independence, post-employment relations, turnover of professionals, as well as the approval of audit services and other services, are subject to constant monitoring.

Bonds and Securities

In accordance with article 8 of Bacen Letter 3.068/2001, we affirm that we have the intention and the financial capacity to maintain, until maturity, the securities classified in the category "Securities Held to Maturity". Financial capacity is supported by a cash flow projection that does not consider the possibility of selling these securities.

The opening of securities by category and the reclassification of bonds and securities can be found in note 10 – Bonds and Securities and Derivative Financial Instruments. The amounts referring to unrealized gains and losses in the period, related to bonds and securities, are disclosed in note 30 – Risks and Capital Management.

Information on Associated Companies and Subsidiaries

In compliance with article 243 of Law 6.404/1976, we inform that the company's investments in associated companies and subsidiaries are listed in notes 2 – Presentation of Financial Statements and 14 – Investments.

Additional Information

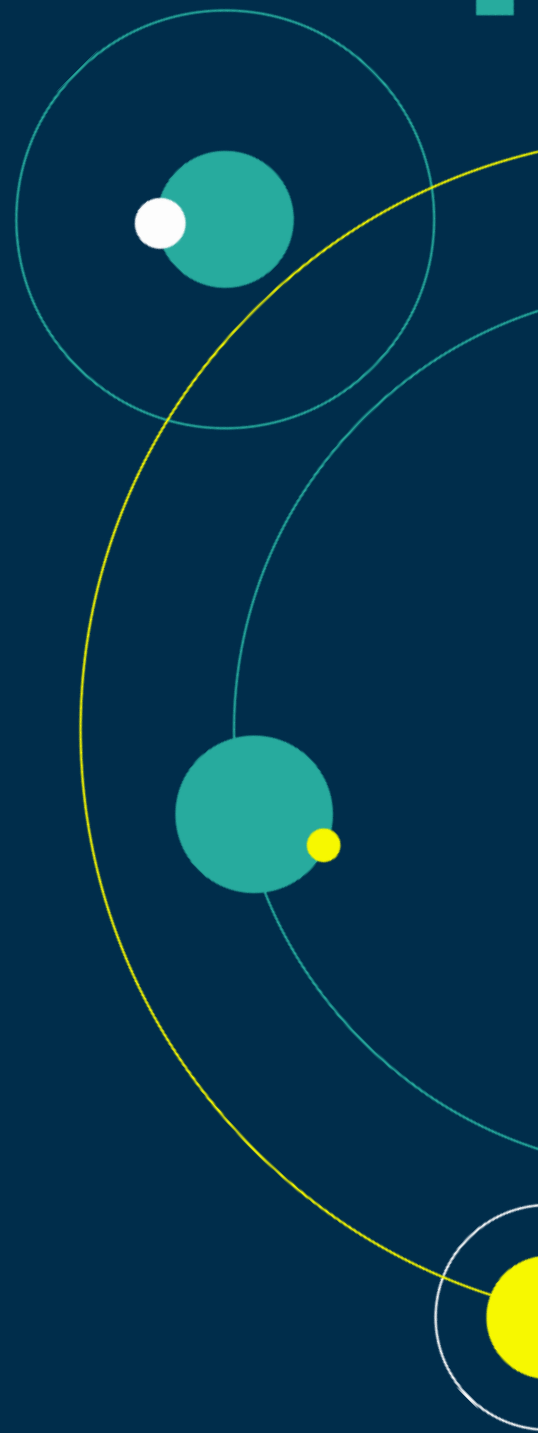
- i. Fixed investments totaled R\$852.8 million in 9M21, with highlight of investment in points of service and in improving the ambience of branches (R\$401.0 million), safety and information systems (R\$92.3 million) and in information technology (R\$359.5 million).
- ii. We have R\$1.3 billion (individual and consolidated) of non-activated tax credits presented in note 22 – Taxes on Individual and Consolidated Financial Statements (sub-item "f") due to the requirements established by CMN Resolutions 3.059/2002 and 3.355/2006.
- iii. We have recorded in the clearing accounts, according to the rules set out in the Accounting Plan of the Financial institutions (Cosif), the amount of R\$16.2 billion resulting from co-obligations and risks in guarantees provided to customers and companies that are members of Banco do Brasil Conglomerate.
- iv. We publish annually, in our Annual Public Policies and Corporate Governance Letter, available on our website (ri.bb.com.br), the investments made as a result of the implementation of public policies.
- v. Banco do Brasil, its shareholders, officers and members of the Fiscal Council undertake to resolve any and all disputes or controversies related to Novo Market's Listing Regulation through the B3 Market Arbitration Chamber, pursuant to the arbitration clause of Banco do Brasil's Bylaws.

For further information, we make available the Reference Form, Performance Analysis report and Institutional Presentation on the Investor Relations website (bb.com.br/ri).



Financial Statements

September 30, 2021





| | |
|--|------------|
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In thousands of Reais, unless otherwise stated

BALANCE SHEET

| ASSETS | Note | Banco do Brasil | | BB Consolidated | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Cash and due from banks | 7 | 18,950,192 | 14,239,838 | 21,761,866 | 16,784,560 |
| Financial assets | | 1,914,773,667 | 1,693,389,093 | 1,870,005,584 | 1,647,636,148 |
| Central Bank compulsory reserves | 8 | 72,514,250 | 60,308,542 | 72,514,250 | 60,308,542 |
| Interbank investments | 9 | 708,827,089 | 583,328,103 | 634,227,610 | 510,645,791 |
| Securities | 10 | 295,283,827 | 282,416,189 | 310,022,558 | 294,912,849 |
| Derivative financial instruments | 11 | 2,602,858 | 3,531,425 | 2,624,070 | 3,527,336 |
| Loan portfolio | 12 | 733,072,945 | 669,332,086 | 745,273,942 | 681,776,452 |
| Other financial assets | 13 | 102,472,698 | 94,472,748 | 105,343,154 | 96,465,178 |
| (Allowance for losses associated with credit risk) | | (46,808,207) | (47,314,670) | (47,296,167) | (47,781,060) |
| (Loan portfolio) | 12 | (43,762,656) | (44,966,048) | (43,952,119) | (45,170,370) |
| (Other financial assets) | 13 | (3,045,551) | (2,348,622) | (3,344,048) | (2,610,690) |
| Tax assets | | 65,586,242 | 64,737,934 | 67,922,355 | 66,694,029 |
| Current tax assets | | 8,464,151 | 7,812,278 | 9,655,130 | 8,551,454 |
| Deferred tax assets (tax credit) | 22 | 57,122,091 | 56,925,656 | 58,267,225 | 58,142,575 |
| Investments | 14 | 36,394,530 | 32,363,137 | 17,810,983 | 16,290,239 |
| Investments in subsidiaries, associates and joint ventures | | 36,257,021 | 32,197,480 | 17,580,425 | 16,051,488 |
| Other investments | | 214,661 | 210,821 | 317,521 | 305,772 |
| (Impairment losses) | | (77,152) | (45,164) | (86,963) | (67,021) |
| Property for use | 15 | 7,754,829 | 8,023,960 | 7,987,716 | 8,230,854 |
| Property and equipment | | 19,775,197 | 19,515,238 | 20,245,727 | 19,938,808 |
| (Accumulated depreciation) | | (11,986,821) | (11,457,731) | (12,224,303) | (11,674,188) |
| (Impairment losses) | | (33,547) | (33,547) | (33,708) | (33,766) |
| Intangible | 16 | 4,979,102 | 6,155,723 | 5,044,801 | 6,220,666 |
| Intangible assets | | 14,119,381 | 13,693,901 | 14,268,129 | 13,830,738 |
| (Accumulated amortization) | | (7,159,423) | (6,516,516) | (7,242,472) | (6,588,408) |
| (Impairment losses) | | (1,980,856) | (1,021,662) | (1,980,856) | (1,021,664) |
| Other assets | 13 | 31,506,907 | 10,944,189 | 32,169,736 | 11,596,452 |
| TOTAL ASSETS | | 2,033,137,262 | 1,782,539,204 | 1,975,406,874 | 1,725,671,888 |

See the accompanying notes to the financial statements.



In thousands of Reais, unless otherwise stated

| LIABILITIES AND SHAREHOLDERS' EQUITY | Note | Banco do Brasil | | BB Consolidated | |
|--|-----------|----------------------|----------------------|----------------------|----------------------|
| | | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Financial liabilities | | 1,807,683,820 | 1,594,916,801 | 1,731,631,960 | 1,520,202,850 |
| Customers resources | 17 | 635,741,446 | 583,654,485 | 658,710,821 | 601,984,265 |
| Financial institutions resources | 18 | 859,649,287 | 691,691,613 | 764,525,356 | 603,552,262 |
| Funds from issuance of securities | 19 | 194,953,063 | 204,967,358 | 193,363,850 | 203,192,140 |
| Derivative financial instruments | 11 | 3,970,808 | 5,213,967 | 2,480,286 | 3,049,843 |
| Other financial liabilities | 20 | 113,369,216 | 109,389,378 | 112,551,647 | 108,424,340 |
| Provisions | 21 | 36,280,666 | 32,993,546 | 37,092,680 | 34,036,170 |
| Provisions for civil, tax and labor claims | | 29,207,237 | 26,807,922 | 29,445,811 | 27,288,400 |
| Other provisions | | 7,073,429 | 6,185,624 | 7,646,869 | 6,747,770 |
| Tax liabilities | | 21,349,003 | 10,285,268 | 24,259,040 | 13,191,621 |
| Current tax liabilities | | 7,626,285 | 7,795,599 | 10,368,380 | 10,541,252 |
| Deferred tax liabilities | 22 | 13,722,718 | 2,489,669 | 13,890,660 | 2,650,369 |
| Other liabilities | 20 | 31,092,864 | 27,620,367 | 34,911,269 | 31,270,138 |
| Shareholders' Equity | 23 | 136,730,909 | 116,723,222 | 147,511,925 | 126,971,109 |
| Capital | 23.b | 90,000,023 | 90,000,023 | 90,000,023 | 90,000,023 |
| Instruments qualifying as common equity tier 1 capital | 23.c | -- | -- | 8,100,000 | 8,100,000 |
| Capital reserves | 23.e | 1,399,561 | 1,397,697 | 1,401,177 | 1,399,152 |
| Revaluation reserves | 23.d | 1,987 | 2,040 | 1,987 | 2,040 |
| Profit reserves | 23.e | 44,465,330 | 39,454,038 | 44,188,424 | 39,198,468 |
| Other comprehensive income | 23.i | (3,402,987) | (13,851,389) | (3,402,987) | (13,851,389) |
| (Treasury shares) | 23.m | (275,297) | (279,187) | (276,913) | (280,642) |
| Retained earnings/accumulated losses | | 4,542,292 | -- | 4,542,292 | -- |
| Non-controlling interests | 23.j | -- | -- | 2,957,922 | 2,403,457 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 2,033,137,262 | 1,782,539,204 | 1,975,406,874 | 1,725,671,888 |

See the accompanying notes to the financial statements.



In thousands of Reais, unless otherwise stated

STATEMENT OF INCOME

| | Note | Banco do Brasil | | BB Consolidated | |
|---|------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Income from Financial Intermediation | | 87,469,842 | 103,452,864 | 89,430,814 | 103,714,786 |
| Loan portfolio | 12.b | 59,815,892 | 70,062,791 | 61,943,149 | 72,191,237 |
| Interbank investments | 9.b | 17,123,388 | 15,126,850 | 14,702,203 | 11,273,812 |
| Securities | 10.b | 8,409,094 | 12,874,615 | 10,501,135 | 14,743,618 |
| Derivative financial instruments | 11.b | 1,203,464 | 4,344,891 | 1,310,019 | 4,493,870 |
| Reserve requirement | 8.b | 1,135,493 | 1,070,634 | 1,135,493 | 1,070,634 |
| Other financial assets | 13.e | (217,489) | (26,917) | (161,185) | (58,385) |
| Expenses from Financial Intermediation | | (43,702,803) | (72,894,606) | (41,930,951) | (64,269,858) |
| Financial institutions resources | 18.d | (25,607,822) | (53,470,253) | (21,607,605) | (43,616,097) |
| Customers resources | 17.c | (11,666,084) | (10,703,318) | (13,840,188) | (11,810,410) |
| Funds from issuance of securities | 19.e | (5,145,603) | (5,774,836) | (5,313,336) | (5,959,814) |
| Other funding expenses | 20.c | (1,283,294) | (2,946,199) | (1,169,822) | (2,883,537) |
| Allowance for Losses Associated with Credit Risk | | (13,261,942) | (19,220,545) | (13,387,357) | (19,377,557) |
| Loan portfolio | 12.f | (12,575,589) | (18,957,680) | (12,638,322) | (18,993,409) |
| Other financial assets | 13.c | (686,353) | (262,865) | (749,035) | (384,148) |
| Net income from financial intermediation | | 30,505,097 | 11,337,713 | 34,112,506 | 20,067,371 |
| Other operating income/expenses | | (8,815,003) | (2,785,217) | (8,890,284) | (7,559,173) |
| Service fee income | 24 | 14,041,832 | 14,349,696 | 21,521,546 | 21,312,928 |
| Personnel expenses | 25 | (14,572,299) | (13,974,258) | (15,744,158) | (15,102,778) |
| Other administrative expenses | 26 | (9,322,299) | (9,494,753) | (9,402,051) | (9,618,586) |
| Tax expenses | 22.c | (3,163,923) | (2,596,621) | (4,388,703) | (3,606,080) |
| Net gains from equity method investments | 14.a | 6,833,952 | 11,151,870 | 2,395,537 | 2,171,023 |
| Other operating income/expenses | 27 | (2,632,266) | (2,221,151) | (3,272,455) | (2,715,680) |
| Provisions | 21.e | (5,206,212) | (2,419,242) | (5,256,628) | (2,708,774) |
| Civil, tax and labor claims | | (5,049,000) | (2,199,915) | (5,101,436) | (2,489,898) |
| Other | | (157,212) | (219,327) | (155,192) | (218,876) |
| Operating income | | 16,483,882 | 6,133,254 | 19,965,594 | 9,799,424 |
| Net non-operating income | | (34,578) | 9,030 | 234,521 | 157,496 |
| Profit Before Taxation and Profit Sharing | | 16,449,304 | 6,142,284 | 20,200,115 | 9,956,920 |
| Income tax and social contribution | 22.a | (344,457) | 4,465,902 | (2,880,916) | 1,972,131 |
| Employee and directors profit sharing | | (1,838,915) | (1,222,852) | (1,849,153) | (1,226,540) |
| Non-controlling interests | 23.j | -- | -- | (1,111,607) | (1,204,180) |
| Net Income | | 14,265,932 | 9,385,334 | 14,358,439 | 9,498,331 |
| Net income attributable to shareholders | | | | | |
| Shareholders of the bank | | 14,265,932 | 9,385,334 | 14,358,439 | 9,498,331 |
| Non-controlling interests | | -- | -- | 1,111,607 | 1,204,180 |
| Earnings per share | 23.f | | | | |
| Weighted average number of shares - basic | | 2,853,577,258 | 2,852,229,008 | | |
| Weighted average number of shares - diluted | | 2,853,346,589 | 2,852,014,936 | | |
| Basic and diluted earnings per share (R\$) | | 5.00 | 3.29 | | |

See the accompanying notes to the financial statements.



In thousands of Reais, unless otherwise stated

STATEMENT OF COMPREHENSIVE INCOME

| | Banco do Brasil | | BB Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Net income attributable to controlling interests | 14,265,932 | 9,385,334 | 14,358,439 | 9,498,331 |
| Net income attributable to non-controlling interests | -- | -- | 1,111,607 | 1,204,180 |
| Net income attributable to shareholders | 14,265,932 | 9,385,334 | 15,470,046 | 10,702,511 |
| Items that may be subsequently reclassified to the Statement of Income | | | | |
| Financial assets available for sale | (2,458,999) | (369,975) | (2,639,491) | (574,132) |
| Unrealized gains/(losses) on financial assets available for sale | (4,668,517) | (2,336,648) | (4,952,563) | (2,726,540) |
| Realized (gains)/losses on financial assets available for sale - reclassified to profit or loss | 1,156,369 | 1,592,039 | 1,120,703 | 1,623,069 |
| Tax effect | 1,053,149 | 374,634 | 1,192,369 | 529,339 |
| Share in the comprehensive income of subsidiaries, associates and joint ventures | 52,570 | (115,319) | 140,385 | 63,638 |
| Unrealized gains/(losses) on financial assets available for sale | (291,845) | (254,729) | (139,977) | 61,170 |
| Unrealized gains/(losses) on cash flow hedge | 405,145 | 78,324 | 405,145 | 78,324 |
| Unrealized gains/(losses) on other comprehensive income | (4,827) | 6,787 | (4,827) | 6,787 |
| Tax effect | (55,903) | 54,299 | (119,956) | (82,643) |
| Foreign currency exchange adjustments | (231,958) | 433,177 | (286,365) | 479,610 |
| Items that will not be subsequently reclassified to the Statement of Income | | | | |
| Defined benefit pension plans | 13,086,789 | 6,400,782 | 13,086,789 | 6,400,782 |
| Gains/(losses) related to remeasurement of defined benefit pension plans | 24,291,579 | 11,639,229 | 24,291,579 | 11,639,229 |
| Tax effect | (11,204,790) | (5,238,447) | (11,204,790) | (5,238,447) |
| Other comprehensive income net of tax effects | 10,448,402 | 6,348,665 | 10,301,318 | 6,369,898 |
| Comprehensive income | 24,714,334 | 15,733,999 | 25,771,364 | 17,072,409 |
| Comprehensive income attributable to controlling interests | 24,714,334 | 15,733,999 | 24,806,841 | 15,848,442 |
| Comprehensive income attributable to non-controlling interests | -- | -- | 964,523 | 1,223,967 |

See the accompanying notes to the financial statements.



In thousands of Reais, unless otherwise stated

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| Banco do Brasil | Note | Capital | Capital reserves | Revaluation reserves | Profit reserves | | Other comprehensive income | Treasury shares | Retained earnings/accumulated losses | Total |
|--|------|-------------------|------------------|----------------------|------------------|---------------------|----------------------------|------------------|--------------------------------------|--------------------|
| | | | | | Legal reserve | Statutory reserves | | | | |
| Balances at Dec 31, 2019 | | 67,000,000 | 1,365,081 | 2,169 | 8,633,464 | 45,500,671 | (23,280,948) | (324,438) | -- | 98,895,999 |
| Capital increase - capitalization of reserves | | 23,000,000 | -- | -- | -- | (23,000,000) | -- | -- | -- | -- |
| Accumulated other comprehensive income of financial instruments, net of taxes | 23.i | -- | -- | -- | -- | -- | (532,684) | -- | -- | (532,684) |
| Accumulated other comprehensive income - benefit plans, net of taxes | 23.i | -- | -- | -- | -- | -- | 6,400,782 | -- | -- | 6,400,782 |
| Foreign exchange variation of investments abroad | 23.i | -- | -- | -- | -- | -- | 433,177 | -- | -- | 433,177 |
| Cash flow hedge | 23.i | -- | -- | -- | -- | -- | 42,575 | -- | -- | 42,575 |
| Accumulated other comprehensive income - benefit plans of nonconsolidated entities, net of taxes | 23.i | -- | -- | -- | -- | -- | 4,815 | -- | -- | 4,815 |
| Share-based payment transactions | | -- | 32,536 | -- | -- | -- | -- | 45,187 | -- | 77,723 |
| Subsequent offering of shares (follow on) | | -- | 819 | -- | -- | -- | -- | -- | -- | 819 |
| Expired dividends and interest on own capital | | -- | -- | -- | -- | -- | -- | -- | 2,977 | 2,977 |
| Realization of revaluation reserve in associates and subsidiaries | 23.d | -- | -- | (112) | -- | -- | -- | -- | 112 | -- |
| Net income | 23.h | -- | -- | -- | -- | -- | -- | -- | 9,385,334 | 9,385,334 |
| Allocation - Reserves | 23.g | -- | -- | -- | 317,393 | 5,862,066 | -- | -- | (6,179,459) | -- |
| Allocation - Interest on own capital | 23.g | -- | -- | -- | -- | (2,453,193) | -- | -- | (170,088) | (2,623,281) |
| Balances at Sep 30, 2020 | | 90,000,000 | 1,398,436 | 2,057 | 8,950,857 | 25,909,544 | (16,932,283) | (279,251) | 3,038,876 | 112,088,236 |
| Changes in the period | | 23,000,000 | 33,355 | (112) | 317,393 | (19,591,127) | 6,348,665 | 45,187 | 3,038,876 | 13,192,237 |
| Balances at Dec 31, 2020 | | 90,000,023 | 1,397,697 | 2,040 | 9,259,072 | 30,194,966 | (13,851,389) | (279,187) | -- | 116,723,222 |
| Accumulated other comprehensive income of financial instruments, net of taxes | 23.i | -- | -- | -- | -- | -- | (2,624,613) | -- | -- | (2,624,613) |
| Accumulated other comprehensive income - benefit plans, net of taxes | 23.i | -- | -- | -- | -- | -- | 13,086,789 | -- | -- | 13,086,789 |
| Foreign exchange variation of investments abroad | 23.i | -- | -- | -- | -- | -- | (231,958) | -- | -- | (231,958) |
| Cash flow hedge | 23.i | -- | -- | -- | -- | -- | 223,011 | -- | -- | 223,011 |
| Accumulated other comprehensive income - benefit plans of nonconsolidated entities, net of taxes | 23.i | -- | -- | -- | -- | -- | (4,827) | -- | -- | (4,827) |
| Share-based payment transactions | | -- | 1,864 | -- | -- | -- | -- | 3,881 | -- | 5,745 |
| Incorporation of associates and subsidiaries - cancellation of treasury stocks | | -- | -- | -- | -- | (9) | -- | 9 | -- | -- |
| Expired dividends and interest on own capital | | -- | -- | -- | -- | -- | -- | -- | 3,430 | 3,430 |
| Realization of revaluation reserve in associates and subsidiaries | 23.d | -- | -- | (53) | -- | -- | -- | -- | 53 | -- |
| Net income | 23.h | -- | -- | -- | -- | -- | -- | -- | 14,265,932 | 14,265,932 |
| Allocation - Reserves | 23.g | -- | -- | -- | 486,221 | 8,724,657 | -- | -- | (9,210,878) | -- |
| Allocation - Dividends | 23.g | -- | -- | -- | -- | (212,107) | -- | -- | -- | (212,107) |
| Allocation - Interest on own capital | 23.g | -- | -- | -- | -- | (3,987,470) | -- | -- | (516,245) | (4,503,715) |
| Balances at Sep 30, 2021 | | 90,000,023 | 1,399,561 | 1,987 | 9,745,293 | 34,720,037 | (3,402,987) | (275,297) | 4,542,292 | 136,730,909 |
| Changes in the period | | -- | 1,864 | (53) | 486,221 | 4,525,071 | 10,448,402 | 3,890 | 4,542,292 | 20,007,687 |

See the accompanying notes to the financial statements.



In thousands of Reais, unless otherwise stated

| BB Consolidated | Note | Capital | Instruments qualifying to common equity tier 1 Capital | Capital reserves | Revaluation reserves | Profit reserves | | Other comprehensive income | Treasury shares | Retained earnings/accumulated losses | Non-controlling interest | Total |
|--|------|-------------------|--|------------------|----------------------|------------------|---------------------|----------------------------|------------------|--------------------------------------|--------------------------|--------------------|
| | | | | | | Legal reserve | Statutory reserves | | | | | |
| Balances at Dec 31, 2019 | | 67,000,000 | 8,100,000 | 1,366,443 | 2,169 | 8,633,464 | 45,181,192 | (23,282,394) | (339,636) | -- | 1,903,656 | 108,564,894 |
| Capital increase - capitalization of reserves | | 23,000,000 | -- | -- | -- | -- | (23,000,000) | -- | -- | -- | -- | -- |
| Accumulated other comprehensive income of financial instruments, net of taxes | 23.i | -- | -- | -- | -- | -- | -- | (531,238) | -- | -- | -- | (531,238) |
| Accumulated other comprehensive income - benefit plans, net of taxes | 23.i | -- | -- | -- | -- | -- | -- | 6,400,782 | -- | -- | -- | 6,400,782 |
| Foreign exchange variation of investments abroad | 23.i | -- | -- | -- | -- | -- | -- | 433,177 | -- | -- | -- | 433,177 |
| Cash flow hedge | 23.i | -- | -- | -- | -- | -- | -- | 42,575 | -- | -- | -- | 42,575 |
| Accumulated other comprehensive income - benefit plans of nonconsolidated entities, net of taxes | 23.i | -- | -- | -- | -- | -- | -- | 4,815 | -- | -- | -- | 4,815 |
| Share-based payment transactions | | -- | -- | 32,629 | -- | -- | -- | -- | 45,094 | -- | -- | 77,723 |
| Expired dividend/interest on own capital | | -- | -- | -- | -- | -- | -- | -- | -- | 2,977 | -- | 2,977 |
| Disposal of treasury shares (follow on) | | -- | -- | 819 | -- | -- | -- | -- | 13,836 | -- | -- | 14,655 |
| Realization of revaluation reserve in associates and subsidiaries | 23.d | -- | -- | -- | (112) | -- | -- | -- | -- | 112 | -- | -- |
| Change in noncontrolling interest | | -- | -- | -- | -- | -- | -- | -- | -- | -- | (692,733) | (692,733) |
| Net income | 23.h | -- | -- | -- | -- | -- | -- | -- | -- | 9,498,331 | 1,204,180 | 10,702,511 |
| Interest on instruments qualifying to common equity | | -- | -- | -- | -- | -- | -- | -- | -- | (63,193) | -- | (63,193) |
| Unrealized gains | | -- | -- | -- | -- | -- | 49,804 | -- | -- | (49,804) | -- | -- |
| Allocation - Reserves | 23.g | -- | -- | -- | -- | 317,393 | 5,862,066 | -- | -- | (6,179,459) | -- | -- |
| - Interest on own capital | 23.g | -- | -- | -- | -- | -- | (2,453,193) | -- | -- | (170,088) | -- | (2,623,281) |
| Balances at Sep 30, 2020 | | 90,000,000 | 8,100,000 | 1,399,891 | 2,057 | 8,950,857 | 25,639,869 | (16,932,283) | (280,706) | 3,038,876 | 2,415,103 | 122,333,664 |
| Changes in the period | | 23,000,000 | -- | 33,448 | (112) | 317,393 | (19,541,323) | 6,350,111 | 58,930 | 3,038,876 | 511,447 | 13,768,770 |
| Balances at Dec 31, 2020 | | 90,000,023 | 8,100,000 | 1,399,152 | 2,040 | 9,259,072 | 29,939,396 | (13,851,389) | (280,642) | -- | 2,403,457 | 126,971,109 |
| Accumulated other comprehensive income of financial instruments, net of taxes | 23.i | -- | -- | -- | -- | -- | -- | (2,624,613) | -- | -- | -- | (2,624,613) |
| Accumulated other comprehensive income - benefit plans, net of taxes | 23.i | -- | -- | -- | -- | -- | -- | 13,086,789 | -- | -- | -- | 13,086,789 |
| Foreign exchange variation of investments abroad | 23.i | -- | -- | -- | -- | -- | -- | (231,958) | -- | -- | -- | (231,958) |
| Cash flow hedge | 23.i | -- | -- | -- | -- | -- | -- | 223,011 | -- | -- | -- | 223,011 |
| Accumulated other comprehensive income - benefit plans of nonconsolidated entities, net of taxes | 23.i | -- | -- | -- | -- | -- | -- | (4,827) | -- | -- | -- | (4,827) |
| Share-based payment transactions | | -- | -- | 2,025 | -- | -- | -- | -- | 3,720 | -- | -- | 5,745 |
| Incorporation of associates and subsidiaries - cancellation of treasury stocks | | -- | -- | -- | -- | -- | (9) | -- | 9 | -- | -- | -- |
| Expired dividend/interest on own capital | | -- | -- | -- | -- | -- | -- | -- | -- | 3,430 | -- | 3,430 |
| Realization of revaluation reserve in associates and subsidiaries | 23.d | -- | -- | -- | (53) | -- | -- | -- | -- | 53 | -- | -- |
| Change in noncontrolling interest | | -- | -- | -- | -- | -- | -- | -- | -- | -- | (557,142) | (557,142) |
| Net income | 23.h | -- | -- | -- | -- | -- | -- | -- | -- | 14,358,439 | 1,111,607 | 15,470,046 |
| Interest on instruments qualifying to common equity | | -- | -- | -- | -- | -- | -- | -- | -- | (113,843) | -- | (113,843) |
| Unrealized gains | | -- | -- | -- | -- | -- | (21,336) | -- | -- | 21,336 | -- | -- |
| Allocation - Reserves | 23.g | -- | -- | -- | -- | 486,221 | 8,724,657 | -- | -- | (9,210,878) | -- | -- |
| - Dividends | 23.g | -- | -- | -- | -- | -- | (212,107) | -- | -- | -- | -- | (212,107) |
| - Interest on own capital | 23.g | -- | -- | -- | -- | -- | (3,987,470) | -- | -- | (516,245) | -- | (4,503,715) |
| Balances at Sep 30, 2021 | | 90,000,023 | 8,100,000 | 1,401,177 | 1,987 | 9,745,293 | 34,443,131 | (3,402,987) | (276,913) | 4,542,292 | 2,957,922 | 147,511,925 |
| Changes in the period | | -- | -- | 2,025 | (53) | 486,221 | 4,503,735 | 10,448,402 | 3,729 | 4,542,292 | 554,465 | 20,540,816 |

See the accompanying notes to the financial statements.



In thousands of Reais, unless otherwise stated

STATEMENT OF CASH FLOWS

| | Note | Banco do Brasil | | BB Consolidated | |
|--|-----------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Cash flows from operating activities | | | | | |
| Income before taxation and profit sharing | | 16,449,304 | 6,142,284 | 20,200,115 | 9,956,920 |
| Adjustments to income before taxation and profit sharing | | 14,440,850 | 27,768,561 | 18,264,011 | 31,347,696 |
| Provision for credit losses | 12 and 13 | 13,261,942 | 19,220,545 | 13,387,357 | 19,377,557 |
| Depreciation and amortization | | 2,107,745 | 2,273,688 | 2,158,604 | 2,316,657 |
| Exchange (gain) loss on the conversion of assets and liabilities into foreign currency | | 2,079,382 | 27,634,829 | 1,079,169 | 22,700,774 |
| (Reversal) expenses from impairment | | 959,194 | 17,723 | 959,134 | 16,681 |
| Share of (earnings) losses of subsidiaries, associates and joint ventures | 14.a | (6,833,952) | (11,151,870) | (2,395,537) | (2,171,023) |
| (Gain) loss on the disposal of assets | | (34,632) | (47,491) | (121,692) | (53,752) |
| Capital (gain) loss | | 64,027 | 39,148 | (137,829) | (121,378) |
| (Reversal) provision for devaluation of other assets | | -- | 10,882 | -- | 10,902 |
| Amortization of goodwill | 14.d | 16,049 | 21,368 | 16,049 | 21,368 |
| Civil, tax and labor claims and other provisions | 21.e | 5,206,212 | 2,419,242 | 5,256,628 | 2,708,774 |
| Adjustment of actuarial assets/liabilities and surplus allocation funds | 29.d.4/f | (971,457) | 1,021,959 | (971,457) | 1,021,959 |
| Commissions income deferred | | -- | -- | (233,196) | (185,879) |
| Effect of changes in foreign exchange rates in cash and cash equivalents | | (1,414,622) | (13,477,268) | (731,795) | (14,079,722) |
| Other adjustments | | 962 | (214,194) | (1,424) | (215,222) |
| Income adjusted before taxation and profit sharing | | 30,890,154 | 33,910,845 | 38,464,126 | 41,304,616 |
| Changes in assets and liabilities | | (111,428,426) | 8,745,500 | (113,786,167) | 16,605,721 |
| (Increase) decrease in Central Bank compulsory reserves | | (12,205,708) | 2,907,067 | (12,205,708) | 2,907,067 |
| (Increase) decrease in short-term interbank investments | | (250,836,410) | (183,409,064) | (248,848,093) | (169,709,448) |
| (Increase) decrease in trading securities | | 7,648,675 | 88,596 | 6,279,325 | (722,929) |
| (Increase) decrease in derivatives | | (314,590) | (210,806) | 333,709 | (307,741) |
| (Increase) decrease in loans, net of provision | | (75,364,665) | (45,005,648) | (75,225,143) | (47,848,623) |
| (Increase) decrease in other financial assets | | (6,429,389) | 1,260,731 | (2,906,180) | 559,240 |
| (Increase) decrease in other assets | | (20,766,238) | (5,324,598) | (19,312,401) | (1,599,039) |
| Income tax and social contribution paid | | (409,656) | (37,213) | (3,409,418) | (2,909,688) |
| (Decrease) increase in customer resources | | 53,781,867 | 77,411,886 | 58,421,462 | 86,214,549 |
| (Decrease) increase in financial institution resources | | 164,731,582 | 139,386,184 | 158,120,103 | 135,119,589 |
| (Decrease) increase in funds from issuance of securities | | 3,637,750 | (765,179) | 3,418,995 | 1,384,125 |
| (Decrease) increase in other financial liabilities | | 2,005,122 | 21,367,456 | (1,896,588) | 12,627,573 |
| (Decrease) increase in other liabilities | | 23,093,234 | 1,076,088 | 23,443,770 | 891,046 |
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | (80,538,272) | 42,656,345 | (75,322,041) | 57,910,337 |
| Cash flows from investing activities | | | | | |
| Purchase of securities available for sale | | (175,730,133) | (124,488,773) | (194,075,986) | (135,827,203) |
| Disposal of securities available for sale | | 159,693,328 | 79,761,908 | 177,400,496 | 87,722,874 |
| Purchase of securities held to maturity | | (8,063,716) | (3,859,063) | (8,202,987) | (4,474,798) |
| Redemption of securities held to maturity | | 1,125,209 | 340,288 | 1,125,209 | 340,288 |
| Dividends received from associates and joint ventures | | 3,485,475 | 6,799,508 | 1,153,897 | 1,842,657 |
| Purchase of property and equipment | | (768,580) | (1,051,291) | (854,155) | (1,086,281) |
| Disposal of property and equipment | | 45,918 | 74,195 | 67,706 | 68,590 |
| Acquisition of investments | | -- | -- | -- | (12,750) |
| Disposal of investments | | -- | -- | 72,990 | 2,625 |
| Purchase of intangible assets | | (894,619) | (1,729,323) | (906,560) | (1,722,562) |
| Cash received on BB Seguridade's capital decrease | | -- | 1,791,795 | -- | -- |
| Redemption of preferred shares of UBS BB | | -- | -- | -- | 145,000 |
| Capital Investment on Brasilprev Seguros e Previdência S.A. | 14.a | -- | -- | (449,969) | -- |
| CASH USED IN INVESTING ACTIVITIES | | (21,107,118) | (42,360,756) | (24,669,359) | (53,001,560) |
| Cash flows from financing activities | | | | | |
| (Decrease) increase in subordinated debts | | (14,366,459) | (4,939,942) | (14,331,958) | (4,935,908) |
| (Decrease) increase in equity and debt hybrid securities | | (1,197,590) | (2,023,146) | (1,195,498) | (2,023,296) |
| (Acquisition) disposal of treasury shares | | -- | -- | -- | 15,268 |
| Dividends paid to non-controlling shareholders | | -- | -- | (669,654) | (1,871,080) |
| Interest on own capital paid | | (4,832,253) | (3,310,056) | (4,832,253) | (3,310,056) |
| Amount paid to non controlling interests due to BB Seguridade's capital decrease | | -- | -- | -- | (908,109) |
| CASH USED IN FINANCING ACTIVITIES | | (20,396,302) | (10,273,144) | (21,029,363) | (13,033,181) |
| Net variation of cash and cash equivalents | | (122,041,692) | (9,977,555) | (121,020,763) | (8,124,404) |
| At the beginning of the period | | 173,400,753 | 69,713,238 | 176,189,508 | 71,936,023 |
| Effect of changes in foreign exchange rates in cash and cash equivalents | | 1,414,622 | 13,477,268 | 731,795 | 14,079,722 |
| At the end of the period | | 52,773,683 | 73,212,951 | 55,900,540 | 77,891,341 |
| Increase (decrease) in cash and cash equivalents | | (122,041,692) | (9,977,555) | (121,020,763) | (8,124,404) |

See the accompanying notes to the financial statements.



In thousands of Reais, unless otherwise stated

STATEMENT OF VALUE ADDED

| | Note | Banco do Brasil | | BB Consolidated | |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Income | | 81,961,091 | 94,431,447 | 90,832,028 | 100,777,091 |
| Income from financial intermediation | | 87,469,842 | 103,452,864 | 89,430,814 | 103,714,786 |
| Service fee income | | 14,041,832 | 14,349,696 | 21,521,546 | 21,312,928 |
| Allowance for losses associated with credit risk | | (13,261,942) | (19,220,545) | (13,387,357) | (19,377,557) |
| Capital gains | | 11,066 | 6,124 | 215,011 | 167,637 |
| Other income/(expenses) | | (6,299,707) | (4,156,692) | (6,947,986) | (5,040,703) |
| Expenses from Financial Intermediation | | (43,702,803) | (72,894,606) | (41,930,951) | (64,269,858) |
| Inputs purchased from third parties | | (6,316,143) | (5,528,124) | (6,245,298) | (5,450,055) |
| Materials, water, electric and gas | 26 | (383,247) | (392,572) | (397,408) | (412,181) |
| Expenses with outsourced services | 26 | (717,172) | (661,193) | (784,457) | (730,594) |
| Communications | 26 | (330,024) | (509,031) | (373,511) | (554,817) |
| Data processing | 26 | (602,674) | (589,295) | (380,981) | (329,825) |
| Transport | 26 | (406,090) | (611,370) | (452,706) | (652,604) |
| Security services | 26 | (836,685) | (842,466) | (860,826) | (865,738) |
| Financial system services | 26 | (688,055) | (598,169) | (762,010) | (671,409) |
| Advertising and marketing | 26 | (326,459) | (259,683) | (339,127) | (266,283) |
| Maintenance and upkeep | 26 | (770,516) | (713,450) | (562,842) | (546,462) |
| Impairment losses | 27.b | (959,194) | -- | (959,231) | -- |
| Other | | (296,027) | (350,895) | (372,199) | (420,142) |
| Gross added value | | 31,942,145 | 16,008,717 | 42,655,779 | 31,057,178 |
| Depreciation and amortization | 26 | (2,123,794) | (2,295,056) | (2,174,653) | (2,338,025) |
| Value added produced by entity | | 29,818,351 | 13,713,661 | 40,481,126 | 28,719,153 |
| Value added received through transfer | | 6,833,952 | 11,151,870 | 2,395,537 | 2,171,023 |
| Net gains from equity method investments | | 6,833,952 | 11,151,870 | 2,395,537 | 2,171,023 |
| Added value to distribute | | 36,652,303 | 24,865,531 | 42,876,663 | 30,890,176 |
| Value added distributed | | 36,652,303 | 24,865,531 | 42,876,663 | 30,890,176 |
| Personnel | | 16,117,115 | 14,701,224 | 17,253,934 | 15,784,259 |
| Salaries and fees | | 10,015,382 | 8,937,949 | 10,888,213 | 9,764,749 |
| Employee and directors profit sharing | | 1,838,915 | 1,222,852 | 1,849,153 | 1,226,540 |
| Benefits and staff training | | 2,442,074 | 2,533,840 | 2,549,286 | 2,643,938 |
| FGTS (Government severance indemnity fund for employees) | | 559,864 | 523,951 | 577,646 | 543,852 |
| Other charges | | 1,260,880 | 1,482,632 | 1,389,636 | 1,605,180 |
| Taxes, rates and contributions | | 5,269,628 | (179,695) | 9,088,124 | 3,385,757 |
| Federal | | 4,482,601 | (984,877) | 7,712,461 | 2,144,312 |
| State | | 832 | 626 | 832 | 626 |
| Municipal | | 786,195 | 804,556 | 1,374,831 | 1,240,819 |
| Interest on third parties' capital | | 999,628 | 958,668 | 1,064,559 | 1,017,649 |
| Rent | 26 | 999,628 | 958,668 | 1,064,559 | 1,017,649 |
| Interest on own capital | | 14,265,932 | 9,385,334 | 15,470,046 | 10,702,511 |
| Federal government's interest on own capital | | 2,251,858 | 1,311,641 | 2,251,858 | 1,311,641 |
| Other shareholders' interest on own capital | | 2,251,857 | 1,311,640 | 2,251,857 | 1,311,640 |
| Federal government dividends | | 106,054 | -- | 106,054 | -- |
| Other shareholders' dividends | | 106,053 | -- | 106,053 | -- |
| Non-controlling interest's dividends | | -- | -- | 410,564 | 712,955 |
| Interest on the instrument eligible to the federal government's common equity tier 1 capital | | -- | -- | 113,844 | 63,194 |
| Retained earnings | | 9,550,110 | 6,762,053 | 9,528,773 | 6,811,856 |
| Non-controlling interest in retained earnings | | -- | -- | 701,043 | 491,225 |

See the accompanying notes to the financial statements.



In thousands of Reais, unless otherwise stated

1 - THE BANK AND ITS OPERATIONS

Banco do Brasil S.A. (Banco do Brasil or the Bank) is a publicly-traded company, which explores economic activity pursuant to art. 173 of the Brazilian Federal Constitution, subject to the rules of Brazilian Corporate Law, and is governed by Laws 4,595/1964, 13,303/2016 and the respective ruling Decree. The Brazilian Federal Government controls the Bank. Its headquarters and domicile are located at Setor de Autarquias Norte, Quadra 5, Lote B, Edifício Banco do Brasil, Brasília, Federal District, Brazil.

The Bank has its shares traded in the segment known as Novo Mercado of B3 S.A. - Brasil, Bolsa, Balcão (B3), under the ticker "BBAS3" and its American Depositary Receipts (ADRs) on the over-the-counter market in the United States under the ticker "BDORY". The Bank's shareholders, managers and members of the Fiscal Council are subject to the provisions of B3's Novo Mercado Regulation. The provisions of Novo Mercado will prevail over the statutory provisions, in case of prejudice to the rights of the recipients of the public offers provided for in the Bylaws.

The Bank is a multiple bank with operations throughout the national territory also develops activities in important global financial centers. The Bank's business activities include the following:

- all active, passive and ancillary banking operations;
- banking and financial services, including foreign exchange transactions and other services such as insurance, pension plans, capitalization bonds, securities brokerage, credit/debit card management, consortium management, investment funds and managed portfolios; and
- all other types of transactions available to banks within Brazil's National Financial System.

The Bank also acts as an agent for execution of the Brazilian Federal Government's credit and financial policies, Brazilian Law requires the Bank to perform functions, specifically those under art. 19 of Law 4,595/1964:

- act as financial agent for the National Treasury;
- provide banking services on behalf of the Federal Government and other governmental agencies;
- provide clearing services for checks and other documents;
- buy and sell foreign currencies as determined by the National Monetary Council (CMN) for the Bank's own account and for the account of the Brazilian Central Bank (Bacen);
- provide receipt and payment services for Bacen, in addition to other services;
- finance the purchase and development of small and medium-sized farms; and
- disseminate and provide credit.

With a history of 213 years, the Bank operates in a responsible manner to promote social inclusion through the generation of jobs and income.

The Bank finances the production and commercialization of agricultural products; foster rural investments such as storage, processing, industrialization of agricultural products and modernization of machinery and implements; and adjust rural properties to environmental law. Accordingly, the Bank supports the Brazilian agribusiness in all stages of the production chain.

The Bank offers to micro and small companies working capital, financings for investments, and foreign trade solutions, in addition to several other options related to cash flow, social security, pension plan, and services. The Bank provides financing alternatives and business models that promote the transition to an inclusive economy to several companies, including Individual Microentrepreneurs (Microempreendedores Individuais – MEI).

In foreign trade financing, the Bank operates government policy instruments regarding productive development, entrepreneurship, social and financial inclusion, including the Income Generation Program (Programa de Geração e Renda – Proger) and the Export Financing Program (Programa de Financiamento às Exportações – Proex).

More information about the subsidiaries is included in Note 2, while Note 6 contains a description of the Bank's business segments.



In thousands of Reais, unless otherwise stated

2 - PRESENTATION OF FINANCIAL STATEMENTS

a) Statement of compliance

These financial statements have been prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (Bacen), including accounting guidelines issued by the Brazilian Corporate Law in compliance with the rules and instructions of the Brazilian Securities Commission (Comissão de Valores Mobiliários - CVM), when applicable. All relevant information specific to the financial statements is highlighted and corresponds to that used by Management in its administration.

The Statement of Comprehensive Income (DRA) is disclosed as a mandatory financial statement.

In compliance with Resolution BCB 2/2020, the Bank is presenting financial leasing operations at the present value of the total amounts receivable provided for in the contract, including the provision for losses associated with credit risk. The Bank also observed what is required by CPC 41 to calculate earnings per share.

These individual and consolidated financial statements were approved by the Executive Board of Directors and authorized for issuance on November 4, 2021.

b) Functional and presentation currency

These individual and consolidated financial statements are presented in Brazilian Reais, which is the Bank's functional and presentation currency. Unless otherwise indicated, the quantitative financial information is presented in thousands of Reais (R\$ thousand).

c) Going concern

Management has assessed the Bank's ability to continue its normal operations and is convinced that it has the resources to continue its business in the future. In addition, Management is not aware of any material uncertainty that could generate significant doubts about its ability to continue operating. Thus, these individual and consolidated financial statements were prepared based on the assumption of going concern.

Although the economic slowdown resulting from the adoption of social isolation measures to contain the Covid-19 pandemic has affected several companies in Brazil and worldwide, the Bank has sufficient capital and liquidity to support any projected losses for business in that period and in the following periods. Among other reasons, this is based on the fact that a large part of its business operations continues to be conducted on digital platforms with remote access and service, in addition to having quality advice and special credit conditions.

Despite the gravity and unprecedented nature of the current situation in recent history, considering the Bank's experience in managing and monitoring risks, capital and liquidity, as well as the information existing at the time of this assessment, there was no evidence of any events that could interrupt operations in the foreseeable future. It should be added that the countercyclical economic policies adopted by all countries around the globe are helping to reduce uncertainty, as well as the adverse effects on companies and families.



In thousands of Reais, unless otherwise stated

d) Changes in accounting policies

These individual and consolidated financial statements were prepared using the same policies and accounting methods used to prepare the individual and consolidated financial statements for the year ended December 31, 2020, except in the cases indicated in item "g" of this Note.

e) Consolidated financial statements

The consolidated financial statements include the operations of the Bank performed by their domestic agencies and abroad and also include the operations of the Bank's controlled entities. The consolidated financial statements reflect the assets, liabilities, income and expenses of Banco do Brasil and its controlled entities, in accordance with CPC 36 (R3) – Consolidated financial statements.

In the preparation of the consolidated financial statements, amounts resulting from transactions between consolidated companies, including the equity interest held by one in another, balances of balance sheet accounts, revenues, expenses and unrealized profits, net of tax effects, were eliminated. Non-controlling interest in net equity and in income of the controlled entities were separately disclosed in the financial statements. The profit and loss with foreign exchange from branches operations are presented in the groupings of income in which the charges and income on these transactions are recognized. The foreign exchange profit and loss on overseas investments are presented in the grouping of Borrowings and onlendings, in order to eliminate the effect of protection for the exchange rate fluctuations of these investments.

In the consolidated financial statements, there was a reclassification of the Instrument qualifying as CET1 - hybrid capital and debt instrument to Shareholder's equity. This adjustment is also performed in the Prudential Conglomerate financial statement and to International Financial Reporting Standards - IFRS to improve the quality and transparency of these consolidated financial statements.



In thousands of Reais, unless otherwise stated

Equity interest included in the consolidated financial statements, segregated by business segments:

| | Activity | Functional currency | Sep 30, 2021 | Dec 31, 2020 |
|--|---------------------|---------------------|------------------|--------------|
| | | | % of Total Share | |
| Banking segment | | | | |
| Banco do Brasil AG | Banking | Real | 100.00% | 100.00% |
| BB Leasing S.A. - Arrendamento Mercantil | Leasing | Real | 100.00% | 100.00% |
| BB Securities Asia Pte. Ltd. | Broker | Real | 100.00% | 100.00% |
| Banco do Brasil Securities LLC. | Broker | Real | 100.00% | 100.00% |
| BB Securities Ltd. | Broker | Real | 100.00% | 100.00% |
| BB USA Holding Company, Inc. | Holding | Real | 100.00% | 100.00% |
| BB Cayman Islands Holding | Holding | Real | 100.00% | 100.00% |
| Banco do Brasil Americas | Banking | American Dollar | 100.00% | 100.00% |
| Banco Patagonia S.A. | Banking | Argentinian Peso | 80.39% | 80.39% |
| Investment segment | | | | |
| BB Banco de Investimento S.A. | Investment bank | Real | 100.00% | 100.00% |
| Segment of fund management | | | | |
| BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A. | Asset management | Real | 100.00% | 100.00% |
| Segment of insurance private pension fund and capitalization | | | | |
| BB Seguridade Participações S.A. ⁽¹⁾ | Holding | Real | 66.36% | 66.36% |
| BB Corretora de Seguros e Administradora de Bens S.A. ⁽¹⁾ | Broker | Real | 66.36% | 66.36% |
| BB Seguros Participações S.A. ⁽¹⁾ | Holding | Real | 66.36% | 66.36% |
| Segment of payment methods | | | | |
| BB Administradora de Cartões de Crédito S.A. | Service rendering | Real | 100.00% | 100.00% |
| BB Elo Cartões Participações S.A. | Holding | Real | 100.00% | 100.00% |
| Other segments | | | | |
| Ativos S.A. Securitizadora de Créditos Financeiros | Credits acquisition | Real | 100.00% | 100.00% |
| Ativos S.A. Gestão de Cobrança e Recuperação de Crédito | Credits acquisition | Real | 100.00% | 100.00% |
| BB Administradora de Consórcios S.A. | Consortium | Real | 100.00% | 100.00% |
| BB Tur Viagens e Turismo Ltda. | Tourism | Real | 100.00% | 100.00% |
| BB Asset Management Ireland Limited | Asset management | Real | 100.00% | 100.00% |
| BB Tecnologia e Serviços ⁽¹⁾ | IT | Real | 99.99% | 99.99% |
| Investment Funds ⁽²⁾ | | | | |
| Compesa Fundo de Investimento em Direitos Creditórios Cia. Pernambucana de Saneamento (FI Compesa) | Investment funds | Real | 57.35% | 75.41% |
| BB Asset Ações Nordea Global Disruption ESG IE FIC FI ⁽³⁾ | Investment funds | Real | 100.00% | -- |
| BB Renda Fixa Curto Prazo Automático ⁽³⁾ | Investment funds | Real | 100.00% | -- |
| BB Renda Fixa Simples Solidez Clássico ⁽³⁾ | Investment funds | Real | 100.00% | -- |
| BB Renda Fixa Simples Solidez Absoluto ⁽³⁾ | Investment funds | Real | 100.00% | -- |
| BB Renda Fixa Simples Solidez Automático ⁽³⁾ | Investment funds | Real | 92.32% | -- |
| BB Renda Fixa Simples Solidez Pleno ⁽³⁾ | Investment funds | Real | 100.00% | -- |
| BB Espelho Multimercado Canvas Vector ⁽³⁾ | Investment funds | Real | 50.46% | 90.32% |

(1) Refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury.

(2) Investment funds in which the Bank substantially assumes or retains risks and benefits.

(3) Non-exclusive and open funds from the initial application of BB DTVM's own resources, destined for sale to external investors, the referred entity does not have the intention to substantially assume or retain risks and benefits in these investment funds, which the Bank consolidates only in the months when most of the shares are still held by BB DTVM.



In thousands of Reais, unless otherwise stated

The consolidated financial statements also include securitization vehicles and investment funds controlled by the Bank, directly or indirectly, described below.

Dollar Diversified Payment Rights Finance Company (SPE Dollar)

SPE Dollar was organized under the laws of the Cayman Islands for the following purposes:

- fund raising by issuance of securities in the international market;
- use of resources obtained by issuing securities to pay for the purchase, with the Bank, of the rights to payment orders issued by banking correspondents located in the U.S. and by the agency of BB New York, in U.S. dollars, for any agency in Brazil (Rights on Consignment); and
- making payments of principal and interest on securities issued and other payments defined in the contract of issuance of these securities.

The SPE pays the obligations under the securities with USD funds received from the payment orders. The SPE has no material assets or liabilities other than rights and obligations under the securities contracts. The SPE has no subsidiaries or employees.

Loans Finance Company Limited (SPE Loans)

SPE Loans was organized under the laws of the Cayman Islands for the following purposes:

- fund raising by issuance of securities in the international market;
- closing and booking repurchase agreements with the Bank;
- purchasing of protection against credit risk of the Bank through a credit derivative, which is actionable only in case of Bank's default in any of the obligations assumed in repurchase agreements.

The amounts, terms, currencies, rates and cash flows of the repurchase agreements are identical to those of the securities. The rights and income created from the repurchase agreements cover and match the obligations and expenses created by the securities. As a result, the SPE does not generate profit or loss. The SPE does not hold any assets and liabilities other than those from the repurchase agreements, credit default swap and outstanding securities.

Other information

Despite the challenging economic scenario arising from the Covid-19 pandemic, the Banco do Brasil Conglomerate did not carry out corporate restructuring or increased significant intra-group transactions that were not initially planned by Management, so that there were no changes in the Conglomerate's consolidation process.

f) Convergence to international accounting standards

The Accounting Pronouncements Committee (CPC) issues pronouncements and accounting interpretations aligned with international accounting standards and approved by the CVM. CMN and Bacen approved the following pronouncements, fully observed by the Bank, when applicable:

| CPC | |
|--|---------------------------|
| CPC 00 (R1) - Conceptual framework for Financial Reporting | CMN Resolution 4,144/2012 |
| CPC 01 - Impairment of Assets | CMN Resolution 3,566/2008 |
| CPC 03 (R2) - Statement of Cash Flows | CMN Resolution 4,818/2020 |
| CPC 05 (R1) - Related Party Disclosures | CMN Resolution 4,818/2020 |
| CPC 10 (R1) - Share-based Payment | CMN Resolution 3,989/2011 |
| CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors | CMN Resolution 4,007/2011 |
| CPC 24 - Events after the Reporting Period | CMN Resolution 4,818/2020 |
| CPC 25 - Provisions, Contingent Liabilities and Contingent Assets | CMN Resolution 3,823/2009 |
| CPC 33 (R1) - Employee Benefits | CMN Resolution 4,877/2020 |
| CPC 41 - Earnings per Share | Resolution BCB 2/2020 |
| CPC 46 - Fair Value Measurement | CMN Resolution 4,748/2019 |



In thousands of Reais, unless otherwise stated

CMN also issued proprietary rules that partially incorporate the pronouncements issued by the CPC and are applicable to the individual and consolidated financial statements:

| CMN Standart | CPC Pronunciament Equivalent |
|--|------------------------------|
| CMN Resolution 4,524/2016 - recognition of the effects of foreign exchange variations resulting from the conversion of transactions into foreign currency and financial statements of investees abroad and to foreign exchange hedge operations of investments abroad. | CPC 02 (R2) |
| CMN Resolution 4,534/2016 - accounting recognition and measurement of intangible asset components. | CPC 04 (R1) |
| CMN Resolution 4,535/2016 - recognition and accounting record of components of property and equipment in use. | CPC 27 |

In addition, it was published the CMN Resolution 3,533/2008, whose term began in January 2012, which established procedures for classification, recording and disclosure of sales operations or transfer of financial assets.

The Bank also applied the following pronouncements that are not in conflict with Bacen rules, as determined by article 22, paragraph 2, of Law 6,385/1976:

| CPC Pronunciament |
|---|
| CPC 09 - Statement of Added Value (DVA) |
| CPC 12 - Present Value Adjustment |
| CPC 22 - Operating Segments |
| CPC 36 (R3) - Consolidated Financial Statements |

g) Recently issued standards, applicable or to be applied in future periods

Standards applicable from January 1, 2021

CMN Resolution 4,747, of August 29, 2019. The standard establishes criteria for the recognition and measurement of non-financial assets held for sale by Financial Institutions. A non-financial asset held for sale is an asset not covered by the concept of a financial asset that meets the following conditions:

I - has been made through its sale, being available for immediate sale in its current conditions and its sale is highly probable within a maximum period of one year; or

II - has been received by the institution in liquidation of financial instruments of difficult or doubtful solution not intended for its own use.

The Bank applied this standard as of January 1, 2021 (Note 3.p).

CMN Resolution 4,877, of December 23, 2020. The standard consolidates the general criteria for measuring and recognizing social and labor obligations by financial institutions, establishing that institutions must comply with Technical Pronouncement CPC 33 (R1) - Benefits to Employees in measuring, recognizing and disclosing employee benefits.

The standard allows the determination of the discount rate dealt with in items 83 to 86 of Pronouncement CPC 33 (R1) based on the average market yield determined in the six months prior to the date specified as accounted for, observing the other production provisions without pronouncement. When using this faculty, as necessary institutions (i) apply it prospectively; (ii) show, in an explanatory note, the amount of the effect on shareholders' equity if the rate referred to in item 83 of CPC 33 (R1) is used; and (iii) applying an average discount rate consistently over time.

The Bank evaluated this Resolution and concluded that it adopts the indicated procedures. Regarding the discount rate, for these financial statements, the Bank did not use the above prerogative.

CMN Resolution 4,818, of May 29, 2020. The standard consolidates the general criteria for the preparation and disclosure of individual and consolidated financial statements by financial institutions.



In thousands of Reais, unless otherwise stated

The Resolution came into force as of January 1, 2021, except for the preparation of consolidated interim financial statements adopting IFRS, which will only be effective in January 1, 2022, and early application is prohibited (art. 10, sole paragraph).

The Bank evaluated this Resolution and concluded that it adopts the indicated procedures. With respect to articles 10 and 11, the Bank started to assess the impacts, which will be concluded by the effective date.

Standards to be adopted in future periods

CMN Resolution 4,817, of May 29, 2020. The standard establishes the criteria for accounting measurement and recognition, by financial institutions, of investments in associates, subsidiaries and jointly controlled companies, in Brazil and abroad, including operations for the acquisition of interests; valuation using the equity method; investments held for sale; and incorporation, merger and spin-off operations.

CMN Resolution 4,817/2020 is effective as of January 1, 2022.

The Bank has begun to assess the impacts of adopting the new standards. Any impacts resulting from the assessment of these standards are being evaluated and will be concluded by the effective date of each standard.



In thousands of Reais, unless otherwise stated

3 - DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

The accounting practices adopted by Banco do Brasil are applied consistently in all periods presented in these financial statements and applied to all the entities of the Group Banco do Brasil.

a) Statement of income

In accrual basis accounting, revenues and expenses are reported in the closing process of the period in which they are incurred, regardless of receipt or payment. The operations with floating rates are adjusted pro rata die, based on the variation of the indexes agreed, and operations with fixed rates are recorded at future redemption value, adjusted for the unearned income or prepaid expenses for future periods. The operations indexed to foreign currencies are converted at the reporting date using current rates.

b) Present value measurement

Financial assets and liabilities are presented at present value due to the application of the accrual basis in the recognition of their interest income and expenses.

Non-contractual liabilities are primarily represented by provisions for lawsuit and legal obligations, for which the disbursement date is uncertain and is not under the Bank's control. They are measured at present value because they are initially recognized at estimated disbursement value on the valuation date and are updated monthly.

c) Cash and cash equivalents

Cash and cash equivalents comprise available funds in local currency, foreign currency, securities purchased under resale agreements – guaranteed by securities not repledged/re-sold, interbank deposits and investments in foreign currencies, with high liquidity and insignificant risk of change in value, with maturity at time of acquisition not exceeding 90 days.

d) Interbank investments

Interbank investments are recorded at their investment or acquisition amount, plus income accrued up to the balance sheet date and adjustments for allowance for losses.

e) Securities

The securities purchased for the Bank's portfolio are recorded at the actual amount paid, including brokerage charges and fees, and are classified based on management's intention, in one of three categories, according to Bacen Circular 3,068/2001:

Trading Securities: these are securities purchased to be actively and frequently traded. They are adjusted monthly to fair value. The increases and decreases in value are recorded in income and expense accounts for the period;

Securities available for sale: these are securities that may be traded at any time, but are not acquired to be actively and frequently traded. They are adjusted monthly to market value and their increases and decreases in value are recorded, net of tax effects, in Accumulated other comprehensive income in Shareholders' equity; and

Securities held to maturity: these are securities that the Bank owns and has the financial capacity and intent to hold to maturity. These securities are not adjusted to market value. The Bank's financial capacity to hold to maturity is supported by a cash flow projection that does not consider the possibility of sale of these securities.



In thousands of Reais, unless otherwise stated

The fair value methodology used for securities was established following consistent, verifiable criteria, which consider the average price of trading on the day of calculation or, if not available, the indicative price reported by Anbima (Brazilian Financial and Capital Markets Association), or relationship between the unit price and the latest business value in the last 30 day, or the net expected realizable value obtained through pricing models, using credit risk curves, expected credit losses, future values of interest rates, foreign exchange rates, price and currency indices, and similar financial instruments.

Income accrued on the securities, irrespective of the category in which they are classified, is appropriated on a pro rata die basis on an accrual basis until the date of maturity or final sale, using the cumulative or straight-line method, based on the contractual remuneration and purchase price, and recorded directly in the statement of income for the period.

Impairment of securities classified as available for sale and held to maturity, if considered not to be temporary, are recorded directly in expense for the period and a new cost basis for the asset is determined.

Upon sale, the difference between the sale amount and the cost of purchase plus accrued income is considered as a result of the transaction and is recorded on the date of the transaction as a gain or loss on securities.

f) Derivative financial instruments

Derivative financial instruments are adjusted to market value at each monthly trial balance and balance sheet date. Increases or decreases in value are recorded in the appropriate income or expense accounts.

The fair value methodology used for derivative financial instruments was established following consistent and verifiable criteria, which consider the closing price, or adjustment, when applicable, on the day of calculation or, if not available, pricing models that estimate the expected net realizable value, or the price of a similar financial instrument, considering at least, the payment or maturity date, the currency or index, and the credit risk associated with the counterparty.

Derivative financial instruments used to offset, in whole or in part, the risks arising from exposure to variations in the fair value or asset cash flow or financial liabilities, commitment or future transaction, are considered hedge instruments and are classified according to their nature:

Market Risk Hedge: increases or decreases in value of the financial instruments, as well as of the hedged item, are recorded in income/expense accounts for the period; and

Cash Flow Hedge: the effective portion of the increases or decreases in value of the derivative financial instruments classified in this category are recorded, net of tax effects, in Accumulated other comprehensive income in Shareholders' equity. The effective amount is that in which the variation of the hedged item, directly related to the corresponding risk, is offset by the variation in the financial instrument used for the hedge, considering the accumulated effect of the transaction. Other variations in these instruments are recorded directly in the statement of income for the period.

g) Loan and leasing transactions, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for loan losses

Loans, leases, advances on foreign exchange contracts and other receivables with loan characteristics are classified according to Management's judgment with respect to the level of risk, taking into consideration market conditions, past experience and specific risks in relation to the transaction, to borrowers and guarantors, observing the parameters established by CMN Resolution 2,682/1999, which requires periodic analyses of the portfolio and its classification into nine levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of transactions more than 15 days overdue as non-performing. For atypical transactions with a term of more than 36 months, there is a double counting on the days-past-due intervals defined for the nine levels of risk, as permitted by CMN Resolution 2,682/1999.

Income from loans overdue for more than 60 days, regardless of their risk level, will only be recognized as income when effectively received.



In thousands of Reais, unless otherwise stated

The operations classified as level H risk are written off against the existing allowance after six months of classification in this level of risk, and they are delayed more than 180 days.

Renegotiated transactions are maintained, at a minimum, at the same level at which they were rated on the date of renegotiation. The renegotiations of loans already written off against the allowance are rated as H level and any gains from renegotiation are recognized as income when effectively received. Reclassification to a lower risk category is allowed when there is significant amortization of the transaction or when new material facts justify a change in risk level, according to CMN Resolution 2,682/1999.

Allowance for loan losses, considered sufficient by management, satisfies the minimum requirement established by the aforementioned CMN Resolution 2,682/1999.

h) Taxes

Taxes are calculated based on the rates shown in the table below:

| Taxes | Rate |
|--|-------------|
| Income tax (15.00% + additional 10.00%) | 25.00% |
| Social Contribution on Net Income – CSLL ⁽¹⁾ | 25.00% |
| Social Integration Program/Public servant fund program(PIS/Pasep) ⁽²⁾ | 0.65% |
| Contribution to Social Security Financing – (Cofins) ⁽²⁾ | 4.00% |
| Tax on services of any kind – (ISSQN) | Up to 5.00% |

(1) Rate changed from 20% to 25% applied to Banco do Brasil and Banco de Investimentos in the period from July 1, 2021 to December 31, 2021, in accordance with art. 1 of Law 14,183, of July 14, 2021. The aforementioned Law also changes, in the same period, the rate from 15% to 20% in the Conglomerate's other financial companies and in the companies in the areas of insurance, private pension plans and capitalization. For other non-financial companies, the social contribution rate on net income is 9%.

(2) For non-financial firms that have opted for the non-cumulative regime of calculation, the PIS/PASEP rate is 1.65% and the Cofins rate is 7.6%.

Deferred tax assets (DTA) and deferred tax liabilities are recorded by applying the current rates of taxes on their respective bases. In view of the increase in the social contribution on net income required by article 1 of Law 14,183, of July 14, 2021, and the provisions of article 10, sole paragraph, of CMN Resolution 4,842/2020, the rate of 25% was considered for deferred tax assets and liabilities of this tax with expected realization by December 31, 2021. For the recording, maintaining and writing-off of deferred tax assets, the Bank follows the established criteria by CMN Resolution 4,842/2020, supported by a study of their realizability.

i) Prepaid expenses

These expenses refer to the application of payments made in advance, for which the benefits or the services will occur in subsequent periods. Prepaid expenses are recorded at cost and amortized as incurred.

j) Permanent assets

Investments: investments in associates and joint ventures in which the Bank has significant influence or an ownership interest of 20% or more of the voting shares, and in other companies which are part of a group or are under common control are accounted for by the equity method based on the Shareholders' equity of the associates and joint ventures.

The cash flows related to dividends and interest on equity received are presented separately in the statement of cash flows, being consistently classified, from period to period, as arising from investment activities.

In the consolidated financial statements, the subsidiaries are fully consolidated and the associates and joint ventures are accounted under the equity method.

Goodwill, the premium paid over the fair value of the investment acquired due to expectations of future profitability, is based on a financial-economic assessment which substantiate the purchase price of the business and is amortized based on annual income projections as per the assessment. Goodwill is tested for impairment annually.



In thousands of Reais, unless otherwise stated

Other permanent investments are valued at acquisition cost, less allowance for impairment losses, as applicable.

Property and equipment: property and equipment are stated at acquisition cost less the impairment losses and depreciation, calculated using the straight-line method by the useful life of the asset. Depreciation of property and equipment in use is recorded in the Other administrative expenses account.

Intangible: intangible assets consist of rights over intangible assets used in the running of the Bank, including acquired goodwill.

An asset meets the criteria for identification as an intangible asset, when it is separable, i.e, it can be separated from the entity and sold, transferred or licensed, rented or exchanged, individually or jointly with a contract, related assets or liabilities, regardless of the intention for use by the entity; or results from contractual rights or other legal rights, regardless of whether these rights are transferable or separable from the entity or other rights and obligations.

Intangible assets with finite useful lives comprise: disbursements for the acquisition of rights to provide banking services (rights to managing payrolls), amortized over the terms of contracts; software, amortized on a straight-line basis by the useful life from the date it is available for use. Intangible assets are adjusted by allowance for impairment losses, if applicable. The amortization of intangible assets is recorded in the Other administrative expenses account.

k) Impairment of non-financial assets

Non-financial assets are reviewed to see if there is any indication that they may have depreciated, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If there is any indication of devaluation, the Bank estimates the asset's recoverable value, which is the higher of its fair value, less costs to sell it, and its value in use.

If the recoverable amount of the asset is less than its carrying amount, the asset's carrying amount is reduced to its recoverable amount through a provision for impairment, which is recognized in the Income statement.

Methodologies in assessing the recoverable amount of the main non-financial assets:

Property and equipment in use

Land and buildings – the Bank relies on technical evaluations prepared in accordance with the standards of the Brazilian Association of Technical Standards - ABNT to determine the recoverable amount of land and buildings. The ABNT establishes general concepts, methods and procedures for the valuation of urban properties.

Data processing equipment – when available, the Bank uses market values to determine the recoverable amount of data processing equipment. When market values are not readily available, the Bank considers the amount recoverable by using the asset in its operations. Recoverable amount is calculated based on cash flow projections for the asset over its useful life, discounted to present value using the interbank deposit certificate - CDI rate.

Other items of property and equipment – these items are individually insignificant. Although subject to evaluation of impairment indicators, the Bank does not determine their recoverable amount on an individual basis due to cost benefit considerations. The Bank conducts annual inventory counts and writes off assets that are lost or showing signs of deterioration.



In thousands of Reais, unless otherwise stated

Investments and goodwill on acquisition of investments

The recoverable amount of goodwill arising from business combinations is calculated using a discounted cash flow model based on the investments' expected results. Assumptions used in estimating the results consist of:

- the company's operating projections, results and investment plans;
- macroeconomic scenarios developed by the Bank; and
- internal methodologies to determine cost of capital under CAPM.

Intangible

Rights due to the acquisition of payrolls – the recoverability of acquired payroll contracts is determined based on the contribution margin of the client relationships generated under each contract. The objective is to determine if the projections that justified the initial acquisition correspond to actual performance. An impairment loss is recognized on underperforming contracts.

Software – the Bank continuously invests in the modernization and adequacy of its internally developed software to accompany new technologies and meet the demands of the business. Since there is no similar software in the market, and because of the significant cost associated with developing models to calculate value in use, the Bank evaluates the ongoing utility of its software to test for impairment.

The losses recorded in the Statement of Income to adjust the recoverable value of these assets, if any, are stated in the respective notes.

l) Employee benefits

Employee benefits related to short-term benefits for current employees are recognized on the accrual basis as the services are provided. Post-employment benefits, comprising supplementary retirement benefits and medical assistance for which the Bank is responsible, are assessed in accordance with criteria established by CPC 33 (R1) - Employee benefits, approved by CVM Resolution 695/2012 and by the CMN Resolution 4,877/2020. The evaluations are performed semiannually.

In defined-contribution plans, the actuarial risk and the investment risk are borne by the plan participants. Accordingly, cost accounting is based on each period's contribution amount representing the Bank's obligation. Consequently, no actuarial calculation is required when measuring the obligation or expense, and there are neither actuarial gains nor losses.

In defined benefit plans, the actuarial risk and the investment risk value of plan assets fall either partially or fully on the sponsoring entity. Accordingly, cost accounting requires the measurement of plan obligations and expenses, with a possibility of actuarial gains and losses, leading to the register of a liability when the amount of the actuarial obligation exceeds the value of plan assets, or an asset when the amount of assets exceeds the value of plan obligations. In the latter instance, the asset should be recorded only when there is evidence that it can effectively reduce the contributions from the sponsor or will be refundable in the future.

The Bank recognizes the components of defined benefit cost in the period in which the actuarial valuation was performed, in accordance with criteria established by CPC 33 (R1), as follows:

- the current service cost and the net interest on the net defined benefit liability (asset) are recognized in profit or loss; and
- the remeasurements of the net defined benefit liability (asset) resulting from changes in actuarial assumptions are recognized in Accumulated other comprehensive income in Shareholders' equity, net of tax effects. And, according to the normative provision, these effects recognized directly in equity should not be reclassified to the result in subsequent periods.



In thousands of Reais, unless otherwise stated

Contributions to be paid by the Bank to medical assistance plans in some cases will continue after the employee's retirement. Therefore, the Bank's obligations are evaluated by the present actuarial value of the contributions to be paid over the expected period in which the plan participants and beneficiaries will be covered by the plan. Such obligations are evaluated and recognized under the same criteria used for defined benefit plans.

m) Deposits and Securities sold under repurchase agreements

Deposits and Securities sold under repurchase agreements are recorded at the amount of the liabilities and include, when applicable, related charges up to the balance sheet date, on a daily pro rata die basis.

n) Provisions, contingent assets and liabilities and legal obligations

The Bank recognizes a provision when:

- the Bank has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the obligation can be reasonably estimated.

The Bank recognizes provisions based on its best estimate of the probable losses.

The Bank continually monitors lawsuits in progress to evaluate, among other factors:

- the nature and complexity;
- the progress of the proceedings;
- the opinion of the Bank's lawyers; and
- the Bank's experience with similar proceedings.

In determining whether a loss is probable, the Bank considers:

- the likelihood of loss resulting from claims that occurred prior to or on the reporting date that were identified after that date but prior to issuance of the financial statements; and
- the need to disclose claims or events occurring after the reporting date but prior to the issuance of the financial statements.

Contingent assets are not recognized in the financial statements. However when there is evidence assuring their realization, usually represented by the final judgment of the lawsuit and by the confirmation of the capacity for its recovery by receipt or offsetting by another receivable, they are recognized as assets.

The Bank recognizes tax liabilities for taxes that are the object of legal discussions regarding their constitutionality. In these cases, the Bank recognizes an obligation to the government and a judicial deposit in the same amount, however, no payment is made until the Courts reach a final decision.

o) Debt instrument issue expense

Expenses related to transactions involving the issue of debt instruments are capitalized and presented as a reduction of the corresponding liability. The expenses are recognized in the income statement over the term of the transaction.



In thousands of Reais, unless otherwise stated

p) Non-financial assets held for sale

These not covered by the concept of financial assets, according to specific regulations, and refer mainly to properties not in use received in the settlement of credit operations that are difficult or doubtful to resolve.

They are initially recognized in the appropriate account grouping item of current or noncurrent assets realizable in the long term, according to the expected sale term, on the date of their receipt by the Bank, being valued at the lowest value between:

- (i) the gross book value of the respective credit operation that is difficult or doubtful to resolve; and
- (ii) the fair value of the asset, assessed in accordance with specific regulations, net of selling expenses.

Any difference between the book value of the respective difficult or doubtful financial instrument, net of provisions, and the fair value is recognized in the income statement for the period.

q) Other assets and liabilities

Other assets are stated at their realizable amounts, including, when applicable, related income and monetary and exchange variations on a pro rata die basis, and allowance for losses, when deemed appropriate. Other liabilities are stated at their known and measurable amounts, plus, when applicable, related charges and monetary and exchange variations on a pro rata die basis.

r) Earnings per share

Two different methods are used to calculate earnings per share:

- basic earnings per share: calculated by dividing net income attributable to the Bank's shareholders by the weighted average number of common shares outstanding during each of the periods presented; and
- diluted earnings per share: calculated by dividing net income attributed to the Bank's shareholders by the weighted average of outstanding common shares, adjusted to reflect the effect of all dilutable common shares.

s) Functional and presentation currency

Functional and presentation currency – These individual and consolidated financial statements are presented in Brazilian Reais, which is the Bank's functional and presentation currency. The functional currency is the currency of the main economic environment in which an entity operates. For all of the Group entities, the functional currency is the Real (except for BB Americas and Banco Patagonia).

The financial statements of branches and subsidiaries abroad follow the accounting criteria in force in Brazil and are converted into the Real currency by the current rate criterion, as provided for in Bacen Circular 2,397/1993 and CMN Resolution 4,524/2016. Their effects are recognized in the income statement, under the equity method for those who record the functional currency equal to the national currency, and in Accumulated other comprehensive income in Shareholders' equity, for those who record the functional currency different from the national currency.

t) Non-recurring results

As defined by BCB Resolution 2/2020, non-recurring results are those that are not related or are only incidentally related to the institution's typical activities, and are not expected to occur frequently in future years. The information on the recurring and non-recurring results is included in Note 31.



In thousands of Reais, unless otherwise stated

4 - SIGNIFICANT JUDGMENTS AND ACCOUNTING ESTIMATES

The preparation of financial statements requires the application of certain relevant assumptions and judgments that involve a high degree of uncertainty and that may have a material impact on these statements. Accordingly, it requires Management to make judgments and use estimates that affect the recognized amounts of assets, liabilities, income and expenses. These adopted estimates and assumptions are reviewed on an ongoing basis, with the revisions recognized in the period in which the estimate is reassessed, with prospective effects. It should be noted that actual results may differ from these estimates.

There are certain alternatives to accounting treatments. The Bank's results may differ if alternative accounting principles had been used. Management believes its choice of accounting principles to be appropriate and that the individual and consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of the Bank's operations.

Significant classes of assets and liabilities subject to estimates and the use of assumptions cover items for which fair value valuation is required. The following components of the consolidated financial statements require the highest degree of judgment and use of estimates:

a) Fair value of financial instruments

When it is impossible to determine the fair value of financial assets and liabilities based on price derivatives from an active market, they are measured using valuation techniques based on mathematical models. The inputs to these models come from observable market data, whenever available. If there is not enough information to apply the aforementioned criteria, other technical and judgmental parameters are adopted, duly approved by the Organization's Risk Governance.

The methodologies used to assess the fair value of certain financial instruments are shown in Note 30.a.

b) Allowance for losses associated with credit risk of the loan portfolio (loans, leasing, advances on foreign exchange contracts, other receivables with loan characteristics and guarantees provided)

The loan portfolio is classified according to Management's judgment on the risk level. Economic situation, past experience and specific risks in relation to the operation, to debtors and guarantors, are taken into account, observing the parameters established by CMN Resolution 2,682/1999, which requires periodic portfolio analysis and its classification into nine risk levels (rating), AA (minimum risk) and H (maximum risk), as well as the classification of operations overdue for more than 15 days as non-performing. For non-performing loan with a maturity of more than 36 months, double counting over the delay intervals defined for the nine risk levels is carried out, as provided by CMN Resolution 2,682/1999.

Allowance for losses is constituted or reversed according to the risk levels established by CMN Resolution 2,682/1999, considering the risk levels attributed to the operations.

The allowance is considered sufficient by Management and meets the minimum requirement established by CMN Resolution 2,682/1999.

c) Permanent loss of securities

Securities are subject to periodic evaluation by the Permanent Loss Assessment Forum, which is responsible for identifying problematic assets, pursuant to CMN Resolution 4,557/2017, proposing the marking of new problematic assets, assessing the need of an asset to be subject to impairment test and the impact of any loss within the scope of the Conglomerate.



In thousands of Reais, unless otherwise stated

A problematic asset is characterized when there is a pending settlement for more than ninety days or there are indications that the asset will not be realized without the need to resort to guarantees and collateral. Indications that the asset will not be realized are: when the Bank considers that the debtor no longer has the financial capacity to honor its obligation, if the Bank recognizes a significant deterioration in the credit quality of the debtor, if the operation is subject to renegotiation that implies a concession of advantages to the debtor as a result of the deterioration of its creditworthiness or of its mitigators (debt restructuring), if the Bank asks for bankruptcy or other similar attitude towards the debtor, or if the debtor requests any type of judicial measure that limits, delay or prevent the fulfillment of its obligations under the agreed conditions.

The problematic assets can be reverted to the condition of normal course assets as long as there is evidence that the debtor has returned its ability to honor its obligations under the agreed conditions. It is analyzed whether the debtor is not responsible for any pending arrears for more than ninety days, whether the asset no longer meets the criteria of problematic assets, whether continuous and effective payments have occurred in a period of not less than 3 months and whether the debtor's financial situation has improved to such an extent that the realization of the asset is probable.

d) Impairment of non-financial assets

At each reporting date, based on internal and external sources of information, the Bank determines if there are any indicators that a non-financial asset may be impaired. If an indicator does exist, the Bank calculates the asset's recoverable amount, which is the highest of: i) its fair value less costs to sell it; and ii) its value in use.

Regardless any indicator of impairment, the Bank tests the recoverable value of intangible assets not yet available for use and of goodwill in the acquisition of investments, at least annually, always at the same period.

If the asset's recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount by recording an impairment loss.

Determining the recoverable amount of non-financial assets requires Management to exercise judgment and make assumptions. These estimates are based on market prices, present value calculations, other pricing techniques, or a combination of these methods.

e) Income taxes

Income and gains generated by the Bank are subject to income taxes in the jurisdictions in which the Bank operates. The determination of income taxes requires interpretation and the use of estimates. In the ordinary course of business, the final amount of income tax payable is uncertain for many different types of transactions and calculations. In these cases, the use of different interpretations and estimates may have resulted in different tax amounts being recorded.

Brazilian tax authorities can review the calculations made by the Bank and its subsidiaries for up to five years subsequent to the date on which a tax becomes due. During this process, the tax authorities may question the procedures adopted by the Bank, mainly with respect to the interpretation of tax legislation. However, Management believe that will not be required any significant adjustments to the income tax recorded in these financial statements.

f) Recognition and assessment of deferred taxes

Deferred tax assets are calculated on temporary differences and tax loss carryforwards. They are only recognized when the Bank expects to generate sufficient taxable income in the future to offset the amounts. The expected realization of the Bank's deferred tax assets is based on projections of future income and technical analyses in line with current tax legislation



In thousands of Reais, unless otherwise stated

The Bank reviews the estimates involved in the recognition and valuation of deferred tax assets based on current expectations and projections about future events and trends. The most important assumptions affecting these estimates relate to:

- (i) changes in the amounts deposited, delinquencies and customer base;
- (ii) changes in tax law;
- (iii) changes in interest rates;
- (iv) changes in inflation rates;
- (v) legal claims with an adverse impact on the Bank;
- (vi) credit, market and other risks associated with lending and investing activities;
- (vii) changes in the fair value of Brazilian securities, especially Brazilian government securities; and
- (viii) changes in domestic and global economic conditions.

g) Pensions and other employee benefits

The Bank sponsors defined contribution and defined benefit pension plans, accounted for in accordance with CPC 33 (R1). Actuarial valuations for defined benefit plans are based on a series of assumptions, including:

- (i) interest rates;
- (ii) mortality tables;
- (iii) annual rate applied to the revision of retirement benefits;
- (iv) inflation index;
- (v) annual salary adjustment; and
- (vi) the method used to calculate vested benefit obligations for active employees.

Changes in these assumptions can have significant impact on the amounts determined.

h) Provisions, contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of provisions, contingent assets and liabilities and legal obligations are carried out in accordance with the criteria defined by CPC 25.

Contingent assets are not recognized in the financial statements, however, they are recognized as assets when there is evidence assuring their realization, usually represented by the final judgment of the lawsuit and by the confirmation of the capacity for its recovery by receipt or offsetting by another receivable.

Contingent liabilities are recognized in the financial statements when, based on the opinion of legal advisor and Management, the risk of loss of legal or administrative proceedings is considered probable, with a probable outflow of financial resource for the settlement of the obligation and when the amounts involved are measurable with sufficient assurance, being quantified when judicial noticed and revised monthly as follows:

Aggregated Method: cases that are similar and recurring in nature and whose values are not considered individually significant. Provisions are based on statistical data. It covers civil, tax or labor judicial proceedings (except labor claims filed by trade unions and all proceedings classified as strategic) with probable value of award, estimated by legal advisors, up to R\$ 1 million.

Individual Method: cases considered unusual or whose value is considered relevant by our legal advisor. Provisions are based on: the amount claimed; probability of an unfavorable decision; evidence presented; evaluation of legal precedents; other facts raised during the process; judicial decisions made during the course of the case; and the classification and the risk of loss of legal actions.



In thousands of Reais, unless otherwise stated

Contingent liabilities, subject to individual method, considered as possible losses are not recognized in the financial statements, they are disclosed in notes, while those classified as remote do not require any provision or disclosure.

Legal obligations (fiscal and social security) are derived from tax obligations provided in the legislation are fully recognized in the financial statements.

5 - ACQUISITIONS, DISPOSALS AND CORPORATE RESTRUCTURING

a) UBS A.G. Strategic partnership

On September 23, 2019, the Bank informed to the market that it signed a Memorandum of Understanding of a non-binding nature with UBS AG (UBS), establishing a strategic partnership to operate in investment banking and securities broker activities in the institutional segment in Brazil and in certain South American countries.

On November 6, 2019, the Bank published a Material Fact informing the signing of the Association Agreement with UBS with a binding nature, to operate in investment banking and securities broker activities in the institutional segment in Brazil and in certain South American countries.

On December 27, 2019, the Administrative Council for Economic Defense approved, without restrictions, the strategic partnership, through the Concentration Act 08700.005886/2019-11. Bacen authorized this partnership on August 24, 2020.

On September 30, 2020, the Bank issued a Material Fact that BB-Banco de Investimento S.A. (BB-BI), its wholly-owned subsidiary, and UBS settled the definitive documents to start operating the strategic partnership in investment banking and securities brokerage activities in the institutional segment in Brazil, Argentina, Chile, Paraguay, Peru and Uruguay. All regulatory and contractual conditions for closing of the transaction were fulfilled.

The strategic partnership results in a new company and its subsidiaries, starting its operations as a complete investment banking platform, combining the Bank's relationship network in Brazil and its distribution capacity to individuals, with UBS's global distribution platform and expertise.

Governance and management of the new company are supported by a Shareholders' Agreement and an Operating Agreement, observing the best global practices in corporate governance and business management. Each shareholder will appoint three members to the Board of Directors, with the Chairman appointed by the Bank and the Vice Chairman by UBS. The executive board will also be composed by professionals from the two shareholders and UBS will appoint the Chief Executive Officer.

The Bank's corporate clients, in addition to the service and complete offering of corporate banking solutions, through the network of branches and specialized offices, now count with UBS's global reach platform, providing access to products and investment banking solutions and expansion of the offer of integrated solutions in these markets.

The Banks's investor clients, through the partnership, in addition to the current portfolio of products and services, also now have access to a variety of funding instruments and investments linked to the capital markets.

The common voting shares of the company is divided in the proportion of 50.01% for UBS and 49.99% for BB-BI. The Bank, through BB-BI, incorporated the right of access to corporate clients for prospecting and originating typical investment banking businesses. UBS integrated its investment bank operating platform in the region and securities brokerage in the domestic institutional segment.



In thousands of Reais, unless otherwise stated

The contribution of intangible assets to UBS Serviços shareholders' equity represented R\$ 829,726 thousand, according to a technical report prepared by an independent company. On the other hand, for purposes of equalization of intended corporate shares, UBS Serviços handed to BB-BI R\$ 145,000 thousand, in local currency, referring to the redemption, at book value, of 100% of the preferred shares by BB-BI. Consequently, BB-BI's current investment represents 49.99% of the new company's net equity, in the value of R\$ 684,726 thousand.

The conclusion of the transaction did not impact the Bank's results. An unrealized result was recorded in the same amount of the recognition of capital gain as a counterpart of the registration of the initial investment in BB-BI. There is also a contractual commitment to exclusive access to the customer base that must be fulfilled by BB-BI over the 15 years of association. The impact on the result follows an accrual basis, as shown in the table below:

| | Sep 30, 2020 |
|---------------------------------------|--------------|
| 1) Capital gain of BB-BI | 829,726 |
| 2) Taxes | (373,377) |
| 3) BB-BI income, net of taxes (1+2) | 456,349 |
| 4) Unrealized profit (100% of item 3) | (456,349) |
| 5) Impact on net income (3+4) | -- |

Accordingly, the amount recognized as unrealized income correspond to the full amount of the intangible asset contributed to UBS Serviços, net of tax effects, and will be realized in the same amortization schedule for that asset, which is equivalent to the term of the association. Other information are disclosed in Note 14.

b) Bescval - Incorporation

On December 09, 2020, according to Extraordinary General Meetings (EGMs) held on the same date, by the shareholders of Banco do Brasil and Besc Distribuidora de Títulos e Valores Mobiliários S.A. (Bescval), the Bank incorporated the subsidiary Bescval.

The merger of Bescval aimed to rationalize and simplify the Bank's corporate structure and, consequently, consolidate and reduce combined costs and operating expenses.

As a result of the approval of the merger by the EGMs, Bescval is extinguished pleno jure, as of this date, with a complete version of its assets for the Bank, which will succeed and absorb, in a universal manner and for all legal purposes, all assets, rights, obligations, liabilities of the merged company.

As a result, the Bank's share capital were increased by R\$ 23 thousand, due to the issuance of 425 new common shares, with no par value, registered and book-entry, by the Incorporator, already considering the applicable fractions, to be attributed to the minority shareholders of Bescval corresponding to its minority shareholders' equity in Bescval's shareholders' equity, calculated considering the book value of the company incorporated on the base date of June 30, 2020.

The issuance of the new shares will be preceded by the cancellation of an equal number of treasury stocks issued and held by the Bank, in order to avoid diluting the holdings of the current shareholders of the Bank and the change in the total number of shares representing the Bank's capital stock, as informed. in its Bylaws.

Bescval shares owned by the Bank will be extinguished. The incorporation will be submitted, under the terms of the legislation in force, to the approval of the Brazilian Central Bank, which was communicated on June 1, 2021.

Incorporated balances

| | Dec 09, 2020 |
|----------------------------|--------------|
| Total assets | 5,925 |
| Total liabilities | 1 |
| Total shareholders' equity | 5,924 |



In thousands of Reais, unless otherwise stated

6 - INFORMATION BY SEGMENT

The segment information was prepared based on internal reports used by the Executive Board of Directors to assess performance, and make decision about the allocation of fund for investment and other purposes. The framework also takes into account the regulatory environment and the similarities between goods and services. The information was prepared based on internal management reports (Management Information), reviewed regularly by Management.

The Bank's operations were mainly in Brazil, divided into five segments: banking, investments, fund management, insurance (insurance, pension and capitalization) and payment methods. The Bank also engages in other activities, including consortium business and other services aggregated in "Other Segments".

The measurement of managerial income and of managerial assets and liabilities by segment takes into account all income and expenses as well as all assets and liabilities recorded by the controlled companies (Note 2). There were no common income or expenses nor common assets or liabilities allocated between the segments, for any distribution criteria.

Transactions between segments were eliminated in the column "Intersegment transactions". They were conducted at the same terms and conditions as those practiced with unrelated parties for similar transactions. These transactions do not involve any unusual payment risks.

None of the Bank's customers individually account for more than 10% of the Bank's income.

a) Banking segment

The result was mainly from operations in Brazil with a wide array of products and services, including deposits, loans and services provided to customers through different distribution channels, located in the country and abroad.

The banking segment includes business with the retail, wholesale and public sector, which were carried out by the Bank's network and customer service teams. It also engages in business with micro-entrepreneurs and low-income population, undertaken through banking correspondents.

b) Investments segment

This segment was responsible for operations in the domestic capital markets, acting in intermediation and distribution of debts in the primary and secondary markets, as well as being responsible for equity investments and the rendering of some financial services.

The income from financial intermediation of this segment were the accrued interest on securities investments net of interest expenses from third party funding costs. The principal equity investments were those in the associates, subsidiary companies and joint ventures. Financial service fee income were from economic/financial advisory services and the underwriting of fixed and variable income.

c) Fund management segment

This segment comprises purchase, sale and custody of securities, portfolio management, and management of investment funds and clubs. Income consists mainly of commissions and management fees for services charged to investors.

d) Insurance, pension and capitalization segment

In this segment, products and services offered were related to life, property and automobile insurance, private pension and capitalization plans.



In thousands of Reais, unless otherwise stated

The income were mainly from revenues from insurance premiums issued, contributions to private pension plans, capitalization bonds and investments in securities. The amounts offset by selling cost, technical insurance provision and expenses related to benefits and redemptions.

e) Payment methods segment

This segment comprises funding, transmission, processing and settlement of operations via electronic means.

Revenues were mainly from commissions and management fees charged to businesses and financial institutions for the services rendered, as well as income from rent, installation and maintenance of electronic terminals.

f) Other segments

Other segments comprise the consortium management and other services segments, which have been aggregated as they were not individually significant.

Their revenues were originated mainly from rendering services not covered in previous segments, such as: credit recovery; consortium management; development, manufacturing, sale, lease and integration of digital electronic systems and equipment, peripherals, programs, inputs and computing supplies.

g) Information of external customers by geographic region

| | Jan 1 to Sep 30, 2021 | | Jan 1 to Sep 30, 2020 | |
|---|-----------------------|------------------|-----------------------|------------------|
| | Brazil | Abroad | Brazil | Abroad |
| Income from External Customers | 112,662,178 | 6,263,388 | 125,022,860 | 6,553,513 |
| Income from Financial Intermediation | 84,243,057 | 5,187,757 | 98,275,816 | 5,438,970 |
| Loan portfolio | 60,049,089 | 1,894,060 | 70,121,274 | 2,069,963 |
| Interbank investments | 13,895,748 | 806,455 | 10,710,548 | 563,264 |
| Securities | 8,044,327 | 2,456,808 | 12,299,368 | 2,444,250 |
| Derivative financial instruments | 1,202,239 | 107,780 | 4,317,060 | 176,810 |
| Reserve requirement | 1,135,493 | -- | 1,070,634 | -- |
| Other financial assets | (83,839) | (77,346) | (243,068) | 184,683 |
| Other Income | 28,419,121 | 1,075,631 | 26,747,044 | 1,114,543 |
| Service fee income | 20,641,544 | 880,002 | 20,424,398 | 888,530 |
| Share of earnings (losses) of associates and joint ventures | 2,395,537 | -- | 2,171,023 | -- |
| Other | 5,382,040 | 195,629 | 4,151,623 | 226,013 |
| Non Current Assets⁽¹⁾ | 30,447,278 | 396,222 | 29,332,933 | 447,712 |

(1) Except for financial instruments, deferred tax assets and post-employment benefit assets.

Revenues from abroad were mainly obtained by operations held by the branches in South America in the nine-month period ended September 30, 2021 (South and Central America in the nine-month period ended September 30, 2020)



In thousands of Reals, unless otherwise stated

h) Breakdown of managerial information by segment and accounting reconciliation

| | Jan 1 to Sep 30, 2021 | | | | | | | | BB Consolidated |
|---|-----------------------------------|------------------|------------------|---------------------------------------|-------------------|--------------------|---------------------------|----------------------|-----------------|
| | Managerial Information by Segment | | | | | | | | |
| | Banking | Investments | Fund Management | Insurance, pension and capitalization | Payment methods | Other segments | Intersegment transactions | | |
| Income from Financial Intermediation | 89,121,222 | 250,298 | 49,253 | 7,768 | 90,670 | 132,894 | (221,291) | 89,430,814 | |
| Loan portfolio | 61,946,826 | -- | -- | -- | -- | -- | (3,677) | 61,943,149 | |
| Interbank investments | 14,739,441 | 955 | 47,764 | -- | -- | 131,655 | (217,612) | 14,702,203 | |
| Securities | 10,150,629 | 249,343 | 1,489 | 7,768 | 90,670 | 1,236 | -- | 10,501,135 | |
| Derivative financial instruments | 1,310,019 | -- | -- | -- | -- | -- | -- | 1,310,019 | |
| Reserve requirement | 1,135,493 | -- | -- | -- | -- | -- | -- | 1,135,493 | |
| Other financial assets | (161,186) | -- | -- | -- | -- | 3 | (2) | (161,185) | |
| Expenses from Financial Intermediation | (42,055,467) | (37,311) | -- | -- | -- | (141,680) | 303,507 | (41,930,951) | |
| Financial institutions resources | (21,873,798) | (37,311) | -- | -- | -- | -- | 303,504 | (21,607,605) | |
| Customers resources | (13,840,191) | -- | -- | -- | -- | -- | 3 | (13,840,188) | |
| Funds from issuance of securities | (5,171,997) | -- | -- | -- | -- | (141,339) | -- | (5,313,336) | |
| Other funding expenses | (1,169,481) | -- | -- | -- | -- | (341) | -- | (1,169,822) | |
| Allowance for Losses Associated with Credit Risk | (13,340,536) | (17,617) | 116 | -- | (4) | (29,316) | -- | (13,387,357) | |
| Loans portfolio | (12,638,322) | -- | -- | -- | -- | -- | -- | (12,638,322) | |
| Other financial assets | (702,214) | (17,617) | 116 | -- | (4) | (29,316) | -- | (749,035) | |
| Other Income | 20,090,228 | 411,508 | 2,247,676 | 4,179,986 | 851,156 | 3,055,919 | (1,341,721) | 29,494,752 | |
| Service fee income | 14,783,436 | 232,320 | 2,242,599 | 2,982,824 | 24,921 | 2,122,833 | (867,387) | 21,521,546 | |
| Share of earnings (losses) of associates and joint ventures | 616,521 | 27,595 | -- | 1,112,460 | 638,961 | -- | -- | 2,395,537 | |
| Other | 4,690,271 | 151,593 | 5,077 | 84,702 | 187,274 | 933,086 | (474,334) | 5,577,669 | |
| Other Expenses | (36,739,406) | (90,319) | (288,081) | (643,612) | (31,145) | (1,617,457) | 1,259,505 | (38,150,515) | |
| Personnel expenses | (15,324,872) | (17,967) | (76,490) | (44,682) | (4,177) | (278,230) | 2,260 | (15,744,158) | |
| Other administrative expenses | (7,592,499) | (31,624) | (30,496) | (72,863) | (1,345) | (347,007) | 848,436 | (7,227,398) | |
| Amortization | (1,142,216) | -- | -- | -- | -- | (2,792) | -- | (1,145,008) | |
| Depreciation | (1,008,636) | -- | -- | (7) | -- | (21,002) | -- | (1,029,645) | |
| Tax expenses | (3,531,660) | (27,802) | (151,758) | (342,359) | (20,263) | (314,861) | -- | (4,388,703) | |
| Other | (8,139,523) | (12,926) | (29,337) | (183,701) | (5,360) | (653,565) | 408,809 | (8,615,603) | |
| Provisions | (5,237,346) | (153) | 2,894 | 2,269 | 10 | (24,302) | -- | (5,256,628) | |
| Civil, tax and labor claims | (5,082,154) | (153) | 2,894 | 2,269 | 10 | (24,302) | -- | (5,101,436) | |
| Other | (155,192) | -- | -- | -- | -- | -- | -- | (155,192) | |
| Profit Before Taxation and Profit Sharing | 11,838,695 | 516,406 | 2,011,858 | 3,546,411 | 910,687 | 1,376,058 | -- | 20,200,115 | |
| Income tax and social contribution | (392,809) | (229,334) | (840,637) | (831,208) | (118,423) | (468,505) | -- | (2,880,916) | |
| Employee and directors profit sharing | (1,838,915) | -- | (2,189) | -- | -- | (8,049) | -- | (1,849,153) | |
| Non-controlling interests | (198,441) | -- | -- | (913,159) | -- | (7) | -- | (1,111,607) | |
| Net Income | 9,408,530 | 287,072 | 1,169,032 | 1,802,044 | 792,264 | 899,497 | -- | 14,358,439 | |
| Balance Sheet | | | | | | | | | |
| Interbank investments | 635,607,083 | 20,192 | 1,941,161 | 2,750,311 | 1,391,152 | 5,916,724 | (13,399,013) | 634,227,610 | |
| Securities and derivative financial instruments | 306,724,381 | 1,752,661 | 372,850 | 10,398 | 3,324,005 | 609,061 | (146,728) | 312,646,628 | |
| Loan portfolio net of provisions | 701,463,073 | -- | -- | -- | -- | -- | (141,250) | 701,321,823 | |
| Investments | 24,106,619 | 957,970 | 2,000 | 5,794,807 | 5,185,060 | 25 | (18,235,498) | 17,810,983 | |
| Other assets | 304,413,714 | 790,112 | 576,949 | 2,464,468 | 508,743 | 3,788,432 | (3,142,588) | 309,399,830 | |
| Total Assets | 1,972,314,870 | 3,520,935 | 2,892,960 | 11,019,984 | 10,408,960 | 10,314,242 | (35,065,077) | 1,975,406,874 | |
| Liabilities | 1,828,515,175 | 2,493,631 | 1,237,492 | 3,881,407 | 144,079 | 7,901,505 | (16,278,340) | 1,827,894,949 | |
| Customers resources | 658,929,790 | -- | -- | -- | -- | -- | (218,969) | 658,710,821 | |
| Financial institutions resources | 776,386,207 | 1,538,162 | -- | -- | -- | 141,250 | (13,540,263) | 764,525,356 | |
| Funds from issuance of securities | 186,828,767 | -- | -- | -- | -- | 6,535,083 | -- | 193,363,850 | |
| Provisions | 36,756,386 | 1,481 | 3,135 | 18,002 | 44 | 323,686 | (10,054) | 37,092,680 | |
| Other liabilities | 169,614,025 | 953,988 | 1,234,357 | 3,863,405 | 144,035 | 901,486 | (2,509,054) | 174,202,242 | |
| Shareholders' Equity | 143,799,695 | 1,027,304 | 1,655,468 | 7,138,577 | 10,264,881 | 2,412,737 | (18,786,737) | 147,511,925 | |
| Total Liabilities | 1,972,314,870 | 3,520,935 | 2,892,960 | 11,019,984 | 10,408,960 | 10,314,242 | (35,065,077) | 1,975,406,874 | |



In thousands of Reals, unless otherwise stated

| | Jan 1 to Sep 30, 2020 | | | | | | | |
|---|-----------------------------------|------------------|------------------|---------------------------------------|------------------|--------------------|---------------------------|----------------------|
| | Managerial Information by Segment | | | | | | | |
| | Banking | Investments | Fund Management | Insurance, pension and capitalization | Payment methods | Other segments | Intersegment transactions | BB Consolidated |
| Income from Financial Intermediation | 103,516,985 | 141,484 | 27,695 | 10,381 | 83,659 | 146,000 | (211,418) | 103,714,786 |
| Loan portfolio | 72,192,333 | -- | -- | -- | -- | -- | (1,096) | 72,191,237 |
| Interbank investments | 11,314,538 | 554 | 24,215 | -- | -- | 144,807 | (210,302) | 11,273,812 |
| Securities | 14,504,016 | 140,930 | 3,480 | 10,381 | 83,659 | 1,152 | -- | 14,743,618 |
| Derivative financial instruments | 4,493,870 | -- | -- | -- | -- | -- | -- | 4,493,870 |
| Reserve requirement | 1,070,634 | -- | -- | -- | -- | -- | -- | 1,070,634 |
| Other financial assets | (58,406) | -- | -- | -- | -- | 41 | (20) | (58,385) |
| Expenses from Financial Intermediation | (64,365,481) | (40,976) | -- | -- | -- | (174,691) | 311,290 | (64,269,858) |
| Financial institutions resources | (43,886,386) | (40,976) | -- | -- | -- | -- | 311,265 | (43,616,097) |
| Customers resources | (11,810,435) | -- | -- | -- | -- | -- | 25 | (11,810,410) |
| Funds from issuance of securities | (5,785,624) | -- | -- | -- | -- | (174,190) | -- | (5,959,814) |
| Other funding expenses | (2,883,036) | -- | -- | -- | -- | (501) | -- | (2,883,537) |
| Allowance for Losses Associated with Credit Risk | (19,272,090) | (9,631) | 22 | -- | -- | (95,858) | -- | (19,377,557) |
| Loans portfolio | (18,993,409) | -- | -- | -- | -- | -- | -- | (18,993,409) |
| Other financial assets | (278,681) | (9,631) | 22 | -- | -- | (95,858) | -- | (384,148) |
| Other Income | 19,224,108 | 282,114 | 2,192,264 | 4,317,883 | 544,607 | 2,554,351 | (1,253,740) | 27,861,587 |
| Service fee income | 15,112,013 | 254,274 | 2,188,263 | 2,730,774 | 27,081 | 1,774,171 | (773,648) | 21,312,928 |
| Share of earnings (losses) of associates and joint ventures | 349,715 | 6,006 | -- | 1,467,283 | 348,019 | -- | -- | 2,171,023 |
| Other | 3,762,380 | 21,834 | 4,001 | 119,826 | 169,507 | 780,180 | (480,092) | 4,377,636 |
| Other Expenses | (33,979,541) | (138,612) | (272,538) | (622,745) | (27,602) | (1,376,094) | 1,153,868 | (35,263,264) |
| Personnel expenses | (14,661,628) | (38,903) | (77,873) | (46,890) | (3,860) | (277,090) | 3,466 | (15,102,778) |
| Other administrative expenses | (7,526,411) | (57,305) | (20,432) | (187,075) | (1,230) | (297,333) | 809,225 | (7,280,561) |
| Amortization | (1,359,516) | -- | -- | -- | -- | (2,363) | -- | (1,361,879) |
| Depreciation | (961,849) | -- | -- | (7) | -- | (14,290) | -- | (976,146) |
| Tax expenses | (2,830,219) | (28,490) | (147,263) | (321,233) | (15,636) | (263,239) | -- | (3,606,080) |
| Other | (6,639,918) | (13,914) | (26,970) | (67,540) | (6,876) | (521,779) | 341,177 | (6,935,820) |
| Provisions | (2,451,787) | 354 | (13,983) | 968 | (204) | (244,122) | -- | (2,708,774) |
| Civil, tax and labor claims | (2,232,911) | 354 | (13,983) | 968 | (204) | (244,122) | -- | (2,489,898) |
| Other | (218,876) | -- | -- | -- | -- | -- | -- | (218,876) |
| Profit Before Taxation and Profit Sharing | 2,672,194 | 234,733 | 1,933,460 | 3,706,487 | 600,460 | 809,586 | -- | 9,956,920 |
| Income tax and social contribution | 3,980,015 | (100,825) | (772,997) | (765,279) | (95,774) | (273,009) | -- | 1,972,131 |
| Employee and directors profit sharing | (1,222,853) | -- | (1,686) | -- | -- | (2,001) | -- | (1,226,540) |
| Non-controlling interests | (214,887) | -- | -- | (989,307) | -- | 14 | -- | (1,204,180) |
| Net income | 5,214,469 | 133,908 | 1,158,777 | 1,951,901 | 504,686 | 534,590 | -- | 9,498,331 |
| Balance Sheet | | | | | | | | |
| Interbank investments | 539,230,099 | 18,562 | 1,610,278 | 1,818,105 | 469,098 | 5,677,628 | (11,401,799) | 537,421,971 |
| Securities and derivative financial instruments | 253,849,707 | 1,317,222 | 10,168 | 1,051,100 | 3,175,357 | 503,467 | (128,092) | 259,778,929 |
| Loan portfolio net of provisions | 625,685,683 | -- | -- | -- | -- | -- | -- | 625,685,683 |
| Investments | 20,839,970 | 899,366 | 46,252 | 3,810,549 | 5,505,917 | 27 | (15,612,953) | 15,489,128 |
| Other assets | 326,098,966 | 1,123,558 | 537,036 | 2,370,582 | 542,724 | 3,953,519 | (3,078,897) | 331,547,488 |
| Total Assets | 1,765,704,425 | 3,358,708 | 2,203,734 | 9,050,336 | 9,693,096 | 10,134,641 | (30,221,741) | 1,769,923,199 |
| Liabilities | 1,646,202,896 | 2,784,353 | 1,101,987 | 3,346,503 | 118,662 | 8,087,654 | (14,052,520) | 1,647,589,535 |
| Customers resources | 570,037,085 | -- | -- | -- | -- | -- | (164,992) | 569,872,093 |
| Financial institutions resources | 681,904,868 | 1,809,379 | -- | -- | -- | -- | (11,401,799) | 672,312,448 |
| Funds from issuance of securities | 208,653,143 | -- | -- | -- | -- | 6,934,502 | -- | 215,587,645 |
| Provisions | 31,260,454 | 1,300 | 18,075 | 17,735 | 430 | 380,496 | (18,610) | 31,659,880 |
| Other liabilities | 154,347,346 | 973,674 | 1,083,912 | 3,328,768 | 118,232 | 772,656 | (2,467,119) | 158,157,469 |
| Shareholders' Equity | 119,501,529 | 574,355 | 1,101,747 | 5,703,833 | 9,574,434 | 2,046,987 | (16,169,221) | 122,333,664 |
| Total Liabilities | 1,765,704,425 | 3,358,708 | 2,203,734 | 9,050,336 | 9,693,096 | 10,134,641 | (30,221,741) | 1,769,923,199 |



In thousands of Reais, unless otherwise stated

7 - CASH AND CASH EQUIVALENTS

| | Banco do Brasil | | BB Consolidated | |
|--|-------------------|--------------------|-------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Cash and due from banks | 18,950,192 | 14,239,838 | 21,761,866 | 16,784,560 |
| Local currency | 13,460,036 | 9,696,140 | 13,463,384 | 9,697,457 |
| Foreign currency | 5,490,156 | 4,543,698 | 8,298,482 | 7,087,103 |
| Interbank investments⁽¹⁾ | 33,823,491 | 159,160,915 | 34,138,674 | 159,404,948 |
| Securities purchased under resale agreement – securities not repledged / re-sold | 1,078,186 | 118,776,694 | 5,700,520 | 119,375,173 |
| Interbank deposits | 32,745,305 | 40,384,221 | 28,438,154 | 40,029,775 |
| Total | 52,773,683 | 173,400,753 | 55,900,540 | 176,189,508 |

(1) Investments whose original maturity is less than or equal to 90 days and with insignificant risk of change in fair value.

8 - COMPULSORY DEPOSITS WITH BRAZILIAN CENTRAL BANK**a) Breakdown**

| | Banco do Brasil | | BB Consolidated | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Set 30, 2021 | Dec 31, 2020 | Set 30, 2021 | Dec 31, 2020 |
| Savings deposit requirements | 36,314,929 | 32,383,686 | 36,314,929 | 32,383,686 |
| Demand deposit requirements | 18,600,960 | 12,908,748 | 18,600,960 | 12,908,748 |
| Time deposit requirements | 14,824,152 | 13,465,192 | 14,824,152 | 13,465,192 |
| Instant payment account | 2,043,436 | 990,249 | 2,043,436 | 990,249 |
| Electronic currency deposits | 420,619 | 422,356 | 420,619 | 422,356 |
| Resources for microfinance | 310,154 | 138,311 | 310,154 | 138,311 |
| Current assets | 72,514,250 | 60,308,542 | 72,514,250 | 60,308,542 |
| Non-current assets | -- | -- | -- | -- |
| Total | 72,514,250 | 60,308,542 | 72,514,250 | 60,308,542 |

b) Income due to reserve requirements

| | Banco do Brasil | | BB Consolidated | |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Savings deposit requirements | 779,822 | 782,004 | 779,822 | 782,004 |
| Time deposit requirements | 355,671 | 288,630 | 355,671 | 288,630 |
| Total | 1,135,493 | 1,070,634 | 1,135,493 | 1,070,634 |



In thousands of Reais, unless otherwise stated

9 - INTERBANK INVESTMENTS**a) Breakdown**

| | Banco do Brasil | | BB Consolidated | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Securities purchased under resale agreement | 595,970,180 | 465,746,721 | 600,412,160 | 466,345,480 |
| Reverse repos - own resources | 1,078,186 | 118,776,694 | 5,739,054 | 119,375,453 |
| National Treasury notes | -- | 266,499 | 189,109 | 266,499 |
| National Treasury bills | -- | 117,989,892 | -- | 117,989,892 |
| Treasury financial bills | -- | 350,757 | 29,779 | 350,757 |
| Other securities | 1,078,186 | 169,546 | 5,520,166 | 768,305 |
| Reverse repos - financed position | 594,891,994 | 346,970,027 | 594,673,106 | 346,970,027 |
| National Treasury notes | 354,527,353 | 161,715,081 | 354,508,929 | 161,715,081 |
| Treasury financial bills | 189,862,360 | 173,148,915 | 189,661,896 | 173,148,915 |
| National Treasury bills | 50,502,281 | 8,532,956 | 50,502,281 | 8,532,956 |
| Other securities | -- | 3,573,075 | -- | 3,573,075 |
| Interbank deposits | 112,856,909 | 117,581,382 | 33,815,450 | 44,300,311 |
| Total | 708,827,089 | 583,328,103 | 634,227,610 | 510,645,791 |
| Current assets | 636,830,632 | 509,622,409 | 632,713,342 | 505,900,976 |
| Non-current assets | 71,996,457 | 73,705,694 | 1,514,268 | 4,744,815 |

b) Income from interbank investments

| | Banco do Brasil | | BB Consolidated | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Income from securities purchased under resale agreement | 13,872,595 | 10,581,219 | 14,649,884 | 10,694,144 |
| Funded position | 13,608,648 | 10,220,723 | 13,608,648 | 10,220,725 |
| Own portfolio position | 263,947 | 360,496 | 1,041,236 | 473,419 |
| Income from investments in interbank deposits | 3,250,793 | 4,545,631 | 52,319 | 579,668 |
| Total | 17,123,388 | 15,126,850 | 14,702,203 | 11,273,812 |



In thousands of Reais, unless otherwise stated

10 - SECURITIES**a) We present the portfolio of securities by classification category, quantity, type of paper and maturity ranges:****a.1) Summary by category and completion period**

| Classification Category | Banco do Brasil | | | | | | | |
|---------------------------------------|-----------------|-------------|-------------|-------------------------|--------------|-------------|-------------|-------------------------|
| | Jun 30, 2021 | | | | Dec 31, 2020 | | | |
| | Current | Non-current | Total | Portfolio Participation | Current | Non-current | Total | Portfolio Participation |
| 1 – Trading securities ⁽¹⁾ | 1,127,583 | -- | 1,127,583 | 0,38 % | 9,999,449 | -- | 9,999,449 | 3,54 % |
| 2 – Available for sale securities | 61,948,590 | 203,995,624 | 265,944,214 | 90,06 % | 29,490,601 | 220,155,700 | 249,646,301 | 88,4 % |
| 3 – Held to maturity securities | 4,871,162 | 23,340,868 | 28,212,030 | 9,56 % | 3,217,803 | 19,552,636 | 22,770,439 | 8,06 % |
| Portfolio book value | 67,947,335 | 227,336,492 | 295,283,827 | 100 % | 42,707,853 | 239,708,336 | 282,416,189 | 100 % |
| Mark to Market – held to maturity | (663,973) | (681,433) | (1,345,406) | | (680,198) | (521,976) | (1,202,174) | |
| Portfolio fair value | 67,283,362 | 226,655,059 | 293,938,421 | | 42,027,655 | 239,186,360 | 281,214,015 | |

(1) Trading securities are presented in current assets, regardless of maturity, in accordance with Bacen Circular 3,068/2001.



In thousands of Reais, unless otherwise stated

a.2) Breakdown of the portfolio by category, type of bonds and maturity

| Maturity in days | Banco do Brasil | | | | | | | | | |
|--|------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| | Sep 30, 2021 | | | | | | | Dec 31, 2020 | | |
| | Fair value | | | | Total | | | Total | | |
| | 0 to 30 | 31 to 180 | 181 to 360 | More than 360 | Cost value | Fair value | Mark to market | Cost value | Fair value | Mark to market |
| 1 - Trading securities | 5,983 | 45,039 | 58,314 | 1,018,247 | 1,141,837 | 1,127,583 | (14,254) | 9,866,442 | 9,999,449 | 133,007 |
| Federal government bonds | 5,702 | 45,009 | 51,790 | 464,070 | 570,791 | 566,571 | (4,220) | 9,752,845 | 9,884,516 | 131,671 |
| National Treasury notes | -- | -- | -- | 351,207 | 353,167 | 351,207 | (1,960) | 718,985 | 735,388 | 16,403 |
| National Treasury bills | 5,702 | 41,972 | 33,342 | 87,576 | 170,437 | 168,592 | (1,845) | 8,716,947 | 8,832,068 | 115,121 |
| Treasury financial bills | -- | -- | 18,448 | 25,287 | 43,744 | 43,735 | (9) | 314,938 | 314,436 | (502) |
| Foreign Government bonds | -- | 3,037 | -- | -- | 3,443 | 3,037 | (406) | 1,975 | 2,624 | 649 |
| Private securities | 281 | 30 | 6,524 | 554,177 | 571,046 | 561,012 | (10,034) | 113,597 | 114,933 | 1,336 |
| Debentures | -- | -- | 6,019 | 348,389 | 361,794 | 354,408 | (7,386) | 66,414 | 67,641 | 1,227 |
| Agrobusiness receivable certificates | -- | 30 | 505 | 205,492 | 208,949 | 206,027 | (2,922) | 47,165 | 46,940 | (225) |
| Real estate receivables certificates | -- | -- | -- | 296 | 292 | 296 | 4 | -- | -- | -- |
| Other | 281 | -- | -- | -- | 11 | 281 | 270 | 18 | 352 | 334 |
| 2 - Available for sale securities | 3,350,346 | 19,042,014 | 39,556,230 | 203,995,624 | 268,039,177 | 265,944,214 | (2,094,963) | 248,225,766 | 249,646,301 | 1,420,535 |
| Federal government bonds | 376,618 | 15,178,122 | 36,139,378 | 175,026,300 | 229,475,817 | 226,720,418 | (2,755,399) | 216,603,634 | 217,916,826 | 1,313,192 |
| Treasury financial bills | -- | 14,161,263 | 29,887,132 | 138,996,702 | 183,476,486 | 183,045,097 | (431,389) | 180,233,573 | 179,697,760 | (535,813) |
| National Treasury bills | -- | 589,644 | 6,251,902 | 15,288,457 | 22,854,220 | 22,130,003 | (724,217) | 10,754,400 | 11,058,017 | 303,617 |
| Brazilian foreign debt securities | -- | -- | -- | 10,808,103 | 10,963,332 | 10,808,103 | (155,229) | 10,880,279 | 12,076,518 | 1,196,239 |
| National Treasury notes | -- | -- | -- | 8,655,634 | 10,115,500 | 8,655,634 | (1,459,866) | 10,818,747 | 11,011,356 | 192,609 |
| Foreign Government bonds | 376,618 | 427,192 | -- | 1,211,017 | 1,996,605 | 2,014,827 | 18,222 | 3,837,454 | 3,989,721 | 152,267 |
| Agricultural debt securities | -- | 23 | 344 | 104 | 520 | 471 | (49) | 882 | 858 | (24) |
| Other | -- | -- | -- | 66,283 | 69,154 | 66,283 | (2,871) | 78,299 | 82,596 | 4,297 |
| Private securities | 2,973,728 | 3,863,892 | 3,416,852 | 28,969,324 | 38,563,360 | 39,223,796 | 660,436 | 31,622,132 | 31,729,475 | 107,343 |
| Debentures | -- | 584,136 | 53,301 | 18,206,661 | 19,377,259 | 18,844,098 | (533,161) | 18,442,601 | 17,670,504 | (772,097) |
| Rural product bills - commodities | 389,537 | 2,586,987 | 3,185,552 | 489,367 | 6,708,336 | 6,651,443 | (56,893) | 4,453,303 | 4,535,550 | 82,247 |
| Certificates of agribusiness credit rights | -- | 692,769 | 49,897 | 4,436,995 | 5,057,850 | 5,179,661 | 121,811 | 926,671 | 934,412 | 7,741 |
| Eurobonds | 48,216 | -- | 107,947 | 4,085,121 | 4,438,781 | 4,241,284 | (197,497) | 4,254,709 | 4,048,496 | (206,213) |
| Shares in Investment Funds | 2,535,934 | -- | 20,155 | 959,824 | 2,267,937 | 3,515,913 | 1,247,976 | 2,494,916 | 3,315,795 | 820,879 |
| Real estate receivables certificates | -- | -- | -- | 17,783 | 17,339 | 17,783 | 444 | 22,788 | 26,365 | 3,577 |
| Shares | 41 | -- | -- | -- | 218 | 41 | (177) | 218 | 43 | (175) |
| Promissory notes | -- | -- | -- | -- | -- | -- | -- | 254,728 | 256,691 | 1,963 |
| Other | -- | -- | -- | 773,573 | 695,640 | 773,573 | 77,933 | 772,198 | 941,619 | 169,421 |



In thousands of Reais, unless otherwise stated

| Maturity in days | Banco do Brasil | | | | | | | | | |
|--|------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Sep 30, 2021 | | | | | | | Dec 31, 2020 | | |
| | Fair value | | | | Total | | | Total | | |
| | 0 to 30 | 31 to 180 | 181 to 360 | More than 360 | Cost value | Fair value | Mark to market | Cost value | Fair value | Mark to market |
| 3 - Held to maturity securities | 408,018 | 3,502,672 | 960,473 | 21,995,461 | 28,212,030 | 26,866,624 | (1,345,406) | 22,770,439 | 21,568,265 | (1,202,174) |
| Federal government bonds | -- | -- | -- | 14,329,258 | 14,615,150 | 14,329,258 | (285,892) | 9,259,997 | 9,696,863 | 436,866 |
| National Treasury bills | -- | -- | -- | 11,183,227 | 11,813,785 | 11,183,227 | (630,558) | 6,573,995 | 6,573,995 | -- |
| Brazilian foreign debt securities | -- | -- | -- | 3,146,031 | 2,801,365 | 3,146,031 | 344,666 | 2,686,002 | 3,122,868 | 436,866 |
| Private securities | 408,018 | 3,502,672 | 960,473 | 7,666,203 | 13,596,880 | 12,537,366 | (1,059,514) | 13,510,442 | 11,871,402 | (1,639,040) |
| Debentures | 231,317 | 1,617,611 | 196,999 | 7,666,201 | 10,780,642 | 9,712,128 | (1,068,514) | 12,391,636 | 10,904,667 | (1,486,969) |
| Certificate of deposit | 163,461 | 1,166,117 | -- | -- | 1,328,005 | 1,329,578 | 1,573 | 728,864 | 730,873 | 2,009 |
| Eurobonds | -- | 592,638 | 515,088 | -- | 1,103,892 | 1,107,726 | 3,834 | -- | -- | -- |
| Real estate receivables certificates | -- | -- | -- | 2 | 3 | 2 | (1) | 389,942 | 235,862 | (154,080) |
| Other | 13,240 | 126,306 | 248,386 | -- | 384,338 | 387,932 | 3,594 | -- | -- | -- |
| Total | 3,764,347 | 22,589,725 | 40,575,017 | 227,009,332 | 297,393,044 | 293,938,421 | (3,454,623) | 280,862,647 | 281,214,015 | 351,368 |

a.3) Breakdown of the portfolio by financial statement classification and maturity date

| Maturity in days | Banco do Brasil | | | | | | | | | |
|----------------------------------|------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|
| | Sep 30, 2021 | | | | | | | Dec 31, 2020 | | |
| | Fair value | | | | Total | | | Total | | |
| | 0 to 30 | 31 to 180 | 181 to 360 | More than 360 | Cost value | Fair value | Mark to market | Cost value | Fair value | Mark to market |
| Total by portfolio | 3,764,347 | 22,589,725 | 40,575,017 | 227,009,332 | 297,393,044 | 293,938,421 | (3,454,623) | 280,862,647 | 281,214,015 | 351,368 |
| Own portfolio | 3,572,951 | 7,436,957 | 19,553,867 | 156,715,876 | 190,565,845 | 187,279,651 | (3,286,194) | 88,879,963 | 89,284,372 | 404,409 |
| Subject to repurchase agreements | 27,935 | 13,518,576 | 21,021,150 | 61,316,682 | 95,730,822 | 95,884,343 | 153,521 | 178,049,626 | 178,005,788 | (43,838) |
| Pledged in guarantee | 163,461 | 1,634,192 | -- | 8,976,774 | 11,096,377 | 10,774,427 | (321,950) | 13,933,058 | 13,923,855 | (9,203) |



In thousands of Reais, unless otherwise stated

a.4) Summary of the consolidated by category and completion period

| Classification Category | BB Consolidated | | | | | | | |
|---------------------------------------|-----------------|-------------|-------------|-------------------------|--------------|-------------|-------------|-------------------------|
| | Jun 30, 2021 | | | | Dec 31, 2020 | | | |
| | Current | Non-current | Total | Portfolio Participation | Current | Non-current | Total | Portfolio Participation |
| 1 – Trading securities ⁽¹⁾ | 10,423,674 | -- | 10,423,674 | 3,36 % | 17,774,838 | -- | 17,774,838 | 6,03 % |
| 2 – Available for sale securities | 62,893,053 | 209,218,269 | 272,111,322 | 87,77 % | 30,135,348 | 225,079,103 | 255,214,451 | 86,54 % |
| 3 – Held to maturity securities | 4,871,162 | 22,616,400 | 27,487,562 | 8,87 % | 3,571,801 | 18,351,759 | 21,923,560 | 7,43 % |
| Portfolio book value | 78,187,889 | 231,834,669 | 310,022,558 | 100 % | 51,481,987 | 243,430,862 | 294,912,849 | 100 % |
| Mark to Market – held to maturity | (663,972) | (643,108) | (1,307,080) | | (679,993) | (397,635) | (1,077,628) | |
| Portfolio fair value | 77,523,917 | 231,191,561 | 308,715,478 | | 50,801,994 | 243,033,227 | 293,835,221 | |

(1) Trading securities are presented in current assets, regardless of maturity, in accordance with Bacen Circular 3,068/2001.



In thousands of Reais, unless otherwise stated

a.5) Breakdown of the consolidated portfolio by category, type of bonds and maturity

| Maturity in days | BB Consolidated | | | | | | | | | |
|--|------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| | Sep 30, 2021 | | | | | Dec 31, 2020 | | | | |
| | Fair value | | | | Total | | | Total | | |
| | 0 to 30 | 31 to 180 | 181 to 360 | More than 360 | Cost value | Fair value | Mark to market | Cost value | Fair value | Mark to market |
| 1 - Trading securities | 5,805,674 | 740,646 | 1,265,845 | 2,611,509 | 9,783,794 | 10,423,674 | 639,880 | 17,306,281 | 17,774,838 | 468,557 |
| Federal government bonds | 5,111,422 | 714,649 | 1,259,321 | 914,384 | 7,423,790 | 7,999,776 | 575,986 | 15,871,523 | 16,271,480 | 399,957 |
| Foreign Government bonds | 5,105,720 | 672,677 | 1,207,531 | 184,637 | 6,581,955 | 7,170,565 | 588,610 | 6,057,671 | 6,326,559 | 268,888 |
| National Treasury notes | -- | -- | -- | 351,207 | 353,167 | 351,207 | (1,960) | 718,985 | 735,388 | 16,403 |
| Brazilian foreign debt securities | -- | -- | -- | 265,677 | 274,487 | 265,677 | (8,810) | 62,982 | 63,028 | 46 |
| National Treasury bills | 5,702 | 41,972 | 33,342 | 87,576 | 170,437 | 168,592 | (1,845) | 8,716,947 | 8,832,069 | 115,122 |
| Treasury financial bills | -- | -- | 18,448 | 25,287 | 43,744 | 43,735 | (9) | 314,938 | 314,436 | (502) |
| Private securities | 694,252 | 25,997 | 6,524 | 1,697,125 | 2,360,004 | 2,423,898 | 63,894 | 1,434,758 | 1,503,358 | 68,600 |
| Debentures | -- | -- | 6,019 | 891,076 | 898,577 | 897,095 | (1,482) | 511,398 | 521,240 | 9,842 |
| Agrobusiness receivable certificates | -- | 30 | 505 | 480,725 | 488,875 | 481,260 | (7,615) | 47,165 | 46,940 | (225) |
| Shares in investment funds | 465,920 | -- | -- | -- | 464,269 | 465,920 | 1,651 | 610,212 | 604,184 | (6,028) |
| Eurobonds | 5,310 | 25,394 | -- | 268,223 | 304,166 | 298,927 | (5,239) | 132,457 | 132,928 | 471 |
| Real estate receivables certificates | -- | -- | -- | 56,519 | 59,581 | 56,519 | (3,062) | 41,957 | 44,115 | 2,158 |
| Shares | 59 | -- | -- | -- | 5 | 59 | 54 | 5 | 31 | 26 |
| Other | 222,963 | 573 | -- | 582 | 144,531 | 224,118 | 79,587 | 91,564 | 153,920 | 62,356 |
| 2 - Available for sale securities | 3,574,520 | 19,585,454 | 39,733,079 | 209,218,269 | 274,050,412 | 272,111,322 | (1,939,090) | 253,824,141 | 255,214,451 | 1,390,310 |
| Federal government bonds | 376,618 | 15,536,529 | 36,203,181 | 176,006,970 | 230,848,190 | 228,123,298 | (2,724,892) | 217,565,843 | 218,910,264 | 1,344,421 |
| Treasury financial bills | -- | 14,519,669 | 29,887,132 | 138,996,701 | 183,829,500 | 183,403,502 | (425,998) | 180,233,573 | 179,697,759 | (535,814) |
| National Treasury bills | -- | 589,644 | 6,251,902 | 15,288,455 | 22,854,220 | 22,130,001 | (724,219) | 10,754,400 | 11,058,015 | 303,615 |
| Brazilian foreign debt securities | -- | 1 | -- | 11,173,871 | 11,307,284 | 11,173,872 | (133,412) | 11,177,576 | 12,403,613 | 1,226,037 |
| National Treasury notes | -- | -- | -- | 8,655,634 | 10,115,500 | 8,655,634 | (1,459,866) | 10,818,747 | 11,011,356 | 192,609 |
| Foreign Government bonds | 376,618 | 427,192 | 63,803 | 1,825,922 | 2,672,012 | 2,693,535 | 21,523 | 4,502,366 | 4,656,067 | 153,701 |
| Agricultural debt securities | -- | 23 | 344 | 104 | 520 | 471 | (49) | 882 | 858 | (24) |
| Other | -- | -- | -- | 66,283 | 69,154 | 66,283 | (2,871) | 78,299 | 82,596 | 4,297 |
| Private securities | 3,197,902 | 4,048,925 | 3,529,898 | 33,211,299 | 43,202,222 | 43,988,024 | 785,802 | 36,258,298 | 36,304,187 | 45,889 |
| Debentures | -- | 584,136 | 53,301 | 21,784,530 | 22,991,338 | 22,421,967 | (569,371) | 22,130,542 | 21,190,459 | (940,083) |
| Rural product bills - commodities | 389,537 | 2,586,987 | 3,185,552 | 489,367 | 6,708,336 | 6,651,443 | (56,893) | 4,453,303 | 4,535,550 | 82,247 |
| Certificates of agribusiness credit rights | -- | 692,769 | 49,897 | 4,436,995 | 5,057,850 | 5,179,661 | 121,811 | 926,671 | 934,412 | 7,741 |
| Eurobonds | 48,216 | -- | 107,947 | 4,313,541 | 4,653,021 | 4,469,704 | (183,317) | 4,436,878 | 4,263,129 | (173,749) |
| Shares in investment funds | 2,668,097 | 174,372 | 133,201 | 1,152,990 | 2,719,550 | 4,128,660 | 1,409,110 | 2,981,815 | 3,882,354 | 900,539 |
| Shares | 22,438 | -- | -- | -- | 32,076 | 22,438 | (9,638) | 60,838 | 58,941 | (1,897) |
| Real estate receivables certificates | -- | -- | -- | 21,373 | 21,156 | 21,373 | 217 | 26,424 | 29,899 | 3,475 |
| Certificate of Deposit | -- | 10,661 | -- | -- | 10,661 | 10,661 | -- | 2,694 | 2,694 | -- |
| Promissory notes | -- | -- | -- | -- | -- | -- | -- | 254,728 | 256,692 | 1,964 |
| Other | 69,614 | -- | -- | 1,012,503 | 1,008,234 | 1,082,117 | 73,883 | 984,405 | 1,150,057 | 165,652 |



In thousands of Reais, unless otherwise stated

| Maturity in days | BB Consolidated | | | | | | | | | |
|--|------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Sep 30, 2021 | | | | | | | Dec 31, 2020 | | |
| | Fair value | | | | Total | | | Total | | |
| | 0 to 30 | 31 to 180 | 181 to 360 | More than 360 | Cost value | Fair value | Mark to market | Cost value | Fair value | Mark to market |
| 3 - Held to maturity securities | 408,018 | 3,502,672 | 960,473 | 21,309,319 | 27,487,562 | 26,180,482 | (1,307,080) | 21,923,560 | 20,845,932 | (1,077,628) |
| Federal government bonds | -- | -- | -- | 14,912,229 | 15,201,359 | 14,912,229 | (289,130) | 9,962,696 | 10,399,952 | 437,256 |
| National Treasury bills | -- | -- | -- | 11,183,227 | 11,813,785 | 11,183,227 | (630,558) | 6,573,995 | 6,573,995 | -- |
| Brazilian foreign debt securities | -- | -- | -- | 3,146,031 | 2,801,365 | 3,146,031 | 344,666 | 2,686,004 | 3,122,869 | 436,865 |
| Foreign Government bonds | -- | -- | -- | 582,971 | 586,209 | 582,971 | (3,238) | 702,697 | 703,088 | 391 |
| Private securities | 408,018 | 3,502,672 | 960,473 | 6,397,090 | 12,286,203 | 11,268,253 | (1,017,950) | 11,960,864 | 10,445,980 | (1,514,884) |
| Debentures | 231,317 | 1,617,611 | 196,999 | 6,397,088 | 9,469,965 | 8,443,015 | (1,026,950) | 10,392,508 | 9,029,694 | (1,362,814) |
| Certificate of Deposit | 163,461 | 1,166,117 | -- | -- | 1,328,005 | 1,329,578 | 1,573 | 728,864 | 730,873 | 2,009 |
| Eurobonds | -- | 592,638 | 515,088 | -- | 1,103,892 | 1,107,726 | 3,834 | -- | -- | -- |
| Real estate receivables certificates | -- | -- | -- | 2 | 3 | 2 | (1) | 389,942 | 235,863 | (154,079) |
| Promissory notes | -- | -- | -- | -- | -- | -- | -- | 449,550 | 449,550 | -- |
| Other | 13,240 | 126,306 | 248,386 | -- | 384,338 | 387,932 | 3,594 | -- | -- | -- |
| Total | 9,788,212 | 23,828,772 | 41,959,397 | 233,139,097 | 311,321,768 | 308,715,478 | (2,606,290) | 293,053,982 | 293,835,221 | 781,239 |



In thousands of Reais, unless otherwise stated

a.6) Breakdown of the consolidated portfolio by financial statement classification and maturity date

| Maturity in days | BB Consolidated | | | | | | | | | |
|----------------------------------|------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|
| | Sep 30, 2021 | | | | | | | Dec 31, 2020 | | |
| | Fair value | | | | Total | | | Total | | |
| | 0 to 30 | 31 to 180 | 181 to 360 | More than 360 | Cost value | Fair value | Mark to market | Cost value | Fair value | Mark to market |
| Total by portfolio | 9,788,212 | 23,828,772 | 41,959,397 | 233,139,097 | 311,321,768 | 308,715,478 | (2,606,290) | 293,053,982 | 293,835,221 | 781,239 |
| Own portfolio | 9,590,307 | 8,675,908 | 20,921,319 | 179,632,179 | 221,289,360 | 218,819,713 | (2,469,647) | 117,582,700 | 118,336,509 | 753,809 |
| Subject to repurchase agreements | 34,444 | 13,518,576 | 21,038,056 | 44,506,420 | 78,920,700 | 79,097,496 | 176,796 | 161,521,387 | 161,556,759 | 35,372 |
| Pledged in guarantee | 163,461 | 1,634,288 | 22 | 9,000,498 | 11,111,708 | 10,798,269 | (313,439) | 13,949,895 | 13,941,953 | (7,942) |

b) Income from operations with securities

| | Banco do Brasil | | BB Consolidated | |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Fixed-income securities | 6,933,214 | 4,755,230 | 9,053,267 | 6,501,756 |
| Variable-income securities | 1,475,880 | 8,119,385 | 1,447,868 | 8,241,862 |
| Total | 8,409,094 | 12,874,615 | 10,501,135 | 14,743,618 |

c) Reclassification of securities

There was no reclassification of securities in the period from January 1 to September 30, 2021.

In fiscal year 2020, the following reclassifications took place, due to the criteria for allocating papers in the "Securities for Trading" category, which establishes a maximum trading term of 270 days:

- Securities (debentures) from the "Securities for Trading" category to the "Securities Available for Sale" category, in the amount of R\$ 23,315 thousand (cost value) and R\$ 21,438 thousand (market value). The negative mark-to-market of R\$ 1,877 thousand remained in the result of the 1st Semester/2020.

- Securities (debentures and agribusiness receivable certificates) from the "Securities for Trading" category to the "Securities Available for Sale" category, in the amount of R\$ 331,416 thousand (cost value) and R\$ 324,802 thousand (market value). The negative mark to market of R\$ 6,614 thousand remained in the result of the 2nd Semester/2020.



In thousands of Reais, unless otherwise stated

11 - DERIVATIVE FINANCIAL INSTRUMENTS

The Bank uses derivative financial instruments to manage, at the consolidated level, its positions manage credit risk and to meet clients' needs, classifying its own positions as hedge (market risk) and trading, both within limits approved by committees of the Bank. The hedge strategy of the equity positions is in line with macroeconomic analyses and it is approved by the Executive Board of Directors.

The derivative financial instruments used by the Bank are compatible with the defined objectives, observing the best risk and return ratio and considering the economic scenario. The risk categories of the derivative financial instruments are considered in the management of these instruments and the consolidated view of different risk factors are adopted.

The Bank assesses the liquidity of derivative financial instruments and identifies, in advance, means of reversing positions. Systems and processes that allow the recording, monitoring and controlling of operations with derivative financial instruments are used.

In the options market, long positions have the Bank as holder, while short positions have the Bank as writer.

The main risks inherent to derivative financial instruments resulting from the business of the Bank and its subsidiaries are credit, market, liquidity and operational, which has its management process presented in note 30.

The models used to manage derivatives' risks are reviewed periodically and the decisions made follow the best risk/return relationship, estimating possible losses based on the analysis of macroeconomic scenarios.

The Bank uses appropriate tools and systems to manage the derivatives. New derivatives trades standardized or not, are subjected to a prior risk analysis.

Positioning strategies comply with established limits and risk exposure. Positions are reassessed daily and at the beginning of each day an evaluation of strategies and performances is conducted.

Strategies are developed based on:

- analysis of economic scenarios;
- technical analysis (graphical) and fundamental analysis;
- simulation of expected results;
- Value-at-risk simulation (VaR, EVE, Stress).

Until June 2021, the Bank used credit derivatives in the proprietary management of its portfolios, positions and operations, such as Credit Linked Notes operations, in order to raise funds and manage credit risks. For this purpose, the branches abroad use the credit default swap modality in the over-the-counter market abroad. This modality refers to a contract between two parties to sell credit protection in exchange for the payment of a periodic interest rate.

The Bank carries out transactions with derivative financial instruments to hedge its own positions to meet the needs of our clients and to take intentional positions, according to limits, accountability and previously established procedures.

The objectives to be achieved with hedge operations are defined on a consolidated basis, ensuring effectiveness of each operation and observing the regulations of each jurisdiction. Mechanisms are used to evaluate and monitor the effectiveness of hedge operations in order to offset the effects of the variation in the market value or in the cash flow of the hedged item.

The Bank documents the identification of the hedged item of carried out transactions in order to offset its risks since its conception.



In thousands of Reais, unless otherwise stated

The risk assessment of the subsidiaries is undertaken on an individual basis and its management is done on a consolidated basis.

The Bank uses statistical methods and simulations to measure the risks of its positions, including derivatives, using values at risk, sensibility and stress analysis models.

The VaR is used to estimate the potential loss, under usual market conditions, daily measured in monetary values, considering a confidence interval of 99.21%, a 10-day time horizon and a historical series of 252 business days.

In order to calculate the VaR, the Bank uses the Historical Simulation methodology, which assumes that the retrospective behavior of observed (historical) returns of risk factors constitutes relevant information to the measurement of market risks.

Accordingly, the calculated VaR for the Bank derivatives portfolio, on September 30, 2021, was R\$ 354,078 thousand (R\$ 257,135 thousand on September 30, 2020).

Total credit exposure from swaps is R\$ 277,157 thousand on September 30, 2021 (R\$ 210,390 thousand on September 30, 2020).



In thousands of Reais, unless otherwise stated

a) Compositions

a.1) Breakdown of the portfolio of derivatives for trading by index

| By Index | Banco do Brasil | | | | | | BB Consolidated | | | | | |
|--|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | Sep 30, 2021 | | | Dec 31, 2020 | | | Sep 30, 2021 | | | Dec 31, 2020 | | |
| | Notional value | Cost value | Fair value | Notional value | Cost value | Fair value | Notional value | Cost value | Fair value | Notional value | Cost value | Fair value |
| Future contracts | | | | | | | | | | | | |
| Purchase commitments | 16,941,350 | -- | -- | 27,929,239 | -- | -- | 17,348,006 | -- | -- | 28,590,657 | -- | -- |
| Interbank deposits | 9,096,922 | -- | -- | 11,501,501 | -- | -- | 9,096,922 | -- | -- | 11,501,501 | -- | -- |
| Currencies | 4,304,750 | -- | -- | 16,324,524 | -- | -- | 4,711,406 | -- | -- | 16,985,942 | -- | -- |
| Bovespa Index | 554 | -- | -- | 56,043 | -- | -- | 554 | -- | -- | 56,043 | -- | -- |
| On-shore USD rates | 3,372,161 | -- | -- | 43,231 | -- | -- | 3,372,161 | -- | -- | 43,231 | -- | -- |
| Commodities | 166,963 | -- | -- | 3,940 | -- | -- | 166,963 | -- | -- | 3,940 | -- | -- |
| Sales commitments | 21,410,242 | -- | -- | 22,145,083 | -- | -- | 21,841,399 | -- | -- | 22,411,530 | -- | -- |
| Interbank deposits | 7,985,351 | -- | -- | 11,304,962 | -- | -- | 7,985,351 | -- | -- | 11,304,962 | -- | -- |
| Currencies | 1,438,894 | -- | -- | 5,954,830 | -- | -- | 1,870,051 | -- | -- | 6,221,277 | -- | -- |
| T-Note | 471,163 | -- | -- | -- | -- | -- | 471,163 | -- | -- | -- | -- | -- |
| Bovespa Index | -- | -- | -- | 134 | -- | -- | -- | -- | -- | 134 | -- | -- |
| On-shore USD rates | 3,339,503 | -- | -- | 14,005 | -- | -- | 3,339,503 | -- | -- | 14,005 | -- | -- |
| Libor | 7,134,416 | -- | -- | 4,657,647 | -- | -- | 7,134,416 | -- | -- | 4,657,647 | -- | -- |
| Commodities | 1,040,915 | -- | -- | 213,505 | -- | -- | 1,040,915 | -- | -- | 213,505 | -- | -- |
| Forward operations | | | | | | | | | | | | |
| Asset position | 22,199,936 | 1,268,670 | 1,743,961 | 13,889,806 | 1,195,704 | 1,185,729 | 22,547,401 | 1,289,920 | 1,765,211 | 14,421,418 | 1,213,145 | 1,203,171 |
| Term securities | 628,771 | 628,771 | 628,771 | -- | -- | -- | 628,771 | 628,771 | 628,771 | -- | -- | -- |
| Term currencies | 20,524,485 | 483,743 | 858,300 | 13,691,474 | 1,164,054 | 1,161,446 | 20,871,950 | 504,993 | 879,550 | 14,223,086 | 1,181,495 | 1,178,888 |
| Term commodities | 1,046,680 | 156,156 | 256,890 | 198,332 | 31,650 | 24,283 | 1,046,680 | 156,156 | 256,890 | 198,332 | 31,650 | 24,283 |
| Liability position | 18,753,610 | (1,842,587) | (1,292,271) | 22,238,742 | (1,734,345) | (1,469,393) | 18,781,748 | (1,843,219) | (1,292,902) | 22,238,742 | (1,734,345) | (1,469,393) |
| Term securities | 628,771 | (628,771) | (628,771) | -- | -- | -- | 628,771 | (628,771) | (628,771) | -- | -- | -- |
| Term currencies | 18,009,530 | (1,195,979) | (650,075) | 21,927,251 | (1,710,453) | (1,434,933) | 18,037,668 | (1,196,611) | (650,706) | 21,927,251 | (1,710,453) | (1,434,933) |
| Term commodities | 115,309 | (17,837) | (13,425) | 311,491 | (23,892) | (34,460) | 115,309 | (17,837) | (13,425) | 311,491 | (23,892) | (34,460) |
| Option market | | | | | | | | | | | | |
| Purchase commitments - long position | 9,269 | 131 | 197 | -- | -- | -- | 9,269 | 131 | 197 | -- | -- | -- |
| Foreign currency | 9,269 | 131 | 197 | -- | -- | -- | 9,269 | 131 | 197 | -- | -- | -- |
| Purchase commitments - short position | 1,562,808 | (22,432) | (42,963) | 2,213,895 | (33,075) | (65,413) | 82,786 | (2,945) | (12,116) | 48,912 | (2,069) | (12,494) |
| Foreign currency | 49,663 | (1,430) | (1,149) | 22,632 | (683) | (538) | 49,663 | (1,430) | (1,149) | 22,632 | (683) | (538) |
| Pre-fixed | 1,483,332 | (19,890) | (31,385) | 2,164,983 | (31,006) | (52,919) | 3,310 | (403) | (538) | -- | -- | -- |
| Bovespa Index | -- | -- | -- | 51 | (3) | (6) | -- | -- | -- | 51 | (3) | (6) |
| IPCA | -- | -- | -- | 3,415 | (446) | (416) | -- | -- | -- | 3,415 | (446) | (416) |
| Commodities | 29,813 | (1,112) | (10,429) | 22,814 | (937) | (11,534) | 29,813 | (1,112) | (10,429) | 22,814 | (937) | (11,534) |



In thousands of Reais, unless otherwise stated

| By Index | Banco do Brasil | | | | | | BB Consolidated | | | | | |
|--|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|------------------|--------------------|-------------------|--------------------|--------------------|
| | Sep 30, 2021 | | | Dec 31, 2020 | | | Sep 30, 2021 | | | Dec 31, 2020 | | |
| | Notional value | Cost value | Fair value | Notional value | Cost value | Fair value | Notional value | Cost value | Fair value | Notional value | Cost value | Fair value |
| Sale commitments - short position | 1,776,886 | (1,469,577) | (1,451,489) | 2,477,054 | (2,138,914) | (2,107,130) | 296,864 | (9,042) | (2,282) | 312,071 | (5,978) | 4,054 |
| Foreign currency | 155,477 | (4,841) | (3,982) | 157,460 | (2,093) | 5,572 | 155,477 | (4,841) | (3,982) | 157,460 | (2,093) | 5,572 |
| Pre-fixed | 1,480,022 | (1,460,535) | (1,449,207) | 2,164,983 | (2,132,936) | (2,111,184) | -- | -- | -- | -- | -- | -- |
| Bovespa Index | 1,140 | (68) | (19) | 11 | -- | -- | 1,140 | (68) | (19) | 11 | -- | -- |
| Interbank deposit | 10,090 | (146) | 5,965 | 9,842 | (146) | (728) | 10,090 | (146) | 5,965 | 9,842 | (146) | (728) |
| Commodities | 130,157 | (3,987) | (4,246) | 144,758 | (3,739) | (790) | 130,157 | (3,987) | (4,246) | 144,758 | (3,739) | (790) |
| Swap contracts | | | | | | | | | | | | |
| Asset position | 17,722,389 | 576,416 | 654,924 | 22,294,063 | 2,158,220 | 2,224,870 | 16,242,367 | 576,416 | 654,924 | 22,294,063 | 2,158,220 | 2,224,870 |
| Interbank deposits | 4,472,869 | 165,348 | 173,756 | 17,056,269 | 954,934 | 979,075 | 4,472,869 | 165,348 | 173,756 | 17,056,269 | 954,934 | 979,075 |
| Foreign currency | 11,746,578 | 410,243 | 480,475 | 4,840,051 | 1,199,918 | 1,239,840 | 11,746,578 | 410,243 | 480,475 | 4,840,051 | 1,199,918 | 1,239,840 |
| Pre-fixed | 1,502,942 | 825 | 693 | 397,743 | 3,368 | 5,955 | 22,920 | 825 | 693 | 397,743 | 3,368 | 5,955 |
| Liability position | 15,510,628 | (783,200) | (1,150,029) | 23,232,636 | (1,383,922) | (1,493,156) | 15,510,628 | (783,189) | (1,150,018) | 21,068,694 | (1,383,874) | (1,493,135) |
| Interbank deposits | 1,147,871 | (9,923) | (12,364) | 7,693,435 | (270,443) | (274,708) | 1,147,871 | (9,923) | (12,364) | 5,529,493 | (270,395) | (274,687) |
| Foreign currency | 7,734,984 | (683,535) | (1,048,564) | 8,789,458 | (1,090,491) | (1,189,782) | 7,734,984 | (683,524) | (1,048,553) | 8,789,458 | (1,090,491) | (1,189,782) |
| Pre-fixed | 6,593,173 | (86,971) | (86,832) | 6,728,443 | (21,882) | (25,686) | 6,593,173 | (86,971) | (86,832) | 6,728,443 | (21,882) | (25,686) |
| IPCA | 34,600 | (2,771) | (2,269) | 21,300 | (1,106) | (2,980) | 34,600 | (2,771) | (2,269) | 21,300 | (1,106) | (2,980) |
| Credit Derivatives⁽¹⁾ | | | | | | | | | | | | |
| Asset position | | | | | | | | | | | | |
| Brazilian public debt securities | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Liability position | | | | | | | | | | | | |
| Brazilian public debt securities | -- | -- | -- | 374,162 | (1,429) | (1,429) | -- | -- | -- | 374,162 | (1,429) | (1,429) |
| Other Derivatives⁽²⁾ | | | | | | | | | | | | |
| Asset position | | | | | | | | | | | | |
| Foreign currency | 6,966,257 | 193,276 | 203,776 | 2,960,888 | 129,548 | 120,826 | 6,960,847 | 193,238 | 203,738 | 2,704,318 | 108,028 | 99,295 |
| Liability position | | | | | | | | | | | | |
| Foreign currency | 934,529 | (29,270) | (34,056) | 2,537,013 | (75,980) | (77,446) | 669,733 | (18,165) | (22,968) | 2,537,013 | (75,980) | (77,446) |

(1) Refers to credit derivatives originating from a structure involving CDS (Credit Default Swap) and CLN (Credit Linked Notes) operations, whose risks received and transferred are offset. In fiscal year 2020, these operations did not impact the Reference Equity and there were no credit events provided for in the contract.

(2) Related to transactions carried out in the Forex market abroad, recorded as Non Deliverable Forwards (NDF) which object is an exchange rate of a specific currency and is traded in the over-the-counter (OTC) market.



In thousands of Reais, unless otherwise stated

a.2) Breakdown of the derivatives portfolio by maturity (notional value)

| Maturity in days | Banco do Brasil | | | | | | BB Consolidated | | | | | |
|--------------------|-----------------|------------|------------|---------------|--------------|--------------|-----------------|------------|------------|---------------|--------------|--------------|
| | 0 to 30 | 31 to 180 | 181 to 360 | More than 360 | Sep 30, 2021 | Dec 31, 2020 | 0 to 30 | 31 to 180 | 181 to 360 | More than 360 | Sep 30, 2021 | Dec 31, 2020 |
| Future contracts | 2,359,496 | 13,516,820 | 9,232,525 | 13,242,751 | 38,351,592 | 50,074,322 | 3,197,309 | 13,516,820 | 9,232,525 | 13,242,751 | 39,189,405 | 51,002,187 |
| Forwards | 8,010,418 | 16,120,181 | 12,340,166 | 4,482,781 | 40,953,546 | 36,128,548 | 8,386,021 | 16,120,181 | 12,340,166 | 4,482,781 | 41,329,149 | 36,660,160 |
| Options | 3,012,711 | 302,455 | 25,798 | 7,999 | 3,348,963 | 4,690,949 | 52,667 | 302,455 | 25,798 | 7,999 | 388,919 | 360,983 |
| Swap | 3,798,455 | 13,678,851 | 2,234,992 | 13,520,719 | 33,233,017 | 45,526,699 | 2,318,433 | 13,678,851 | 2,234,992 | 13,520,719 | 31,752,995 | 43,362,757 |
| Credit derivatives | -- | -- | -- | -- | -- | 374,162 | -- | -- | -- | -- | -- | 374,162 |
| Other | 1,776,517 | 5,185,493 | 823,902 | 114,874 | 7,900,786 | 5,497,901 | 1,506,311 | 5,185,493 | 823,902 | 114,874 | 7,630,580 | 5,241,331 |



In thousands of Reais, unless otherwise stated

a.3) Breakdown of the derivative portfolio by trading market and counterparty (notional value on September 30, 2021)

| | Banco do Brasil | | | | | BB Consolidated | | | | |
|-------------------------|-----------------|------------|-----------|------------|-----------|-----------------|------------|---------------|------------|-----------|
| | Futures | Forwards | Options | Swaps | Other | Futures | Forwards | Option market | Swaps | Other |
| Stock exchange | | | | | | | | | | |
| B3 | 30,746,013 | -- | 159,970 | -- | -- | 31,583,826 | -- | 159,970 | -- | -- |
| Abroad | 7,605,579 | -- | -- | -- | -- | 7,605,579 | -- | -- | -- | -- |
| Over-the-counter | | | | | | | | | | |
| Financial Institutions | -- | 1,257,542 | 2,963,354 | 29,331,167 | 7,900,786 | -- | 1,633,145 | 3,310 | 27,851,145 | 7,630,580 |
| Clients | -- | 39,696,004 | 225,639 | 3,901,850 | -- | -- | 39,696,004 | 225,639 | 3,901,850 | -- |

a.4) Breakdown of margin given as guarantee for transactions with derivative financial instruments

| | Banco do Brasil | | BB Consolidated | | |
|--------------------------|-----------------|--------------|-----------------|--------------|-----------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 | |
| Treasury financial bills | | 2,806,158 | 4,717,046 | 2,806,158 | 4,717,046 |

a.5) Portfolio of derivatives designated as hedge accounting

| | Banco do Brasil | | BB Consolidated | |
|----------------------------|---------------------|--------------------|---------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Market risk hedge | | | | |
| Hedging instruments | | | | |
| Liabilities | (12,425,590) | (7,007,786) | (12,425,590) | (7,007,786) |
| Futures | (4,817,379) | (44,619) | (4,817,379) | (44,619) |
| Swaps | (7,608,211) | (6,963,167) | (7,608,211) | (6,963,167) |
| Hedged items | | | | |
| Assets | 14,805,993 | 9,733,434 | 14,805,993 | 9,733,434 |
| Securities | 11,626,921 | 6,618,355 | 11,626,921 | 6,618,355 |
| Interbank deposits | 3,136,104 | 3,115,079 | 3,136,104 | 3,115,079 |
| Loan | 42,968 | -- | 42,968 | -- |
| Liabilities | (2,309,604) | (2,687,214) | (2,309,604) | (2,687,214) |
| Foreign securities | (2,309,604) | (2,687,214) | (2,309,604) | (2,687,214) |

Banco do Brasil, in its branches abroad, uses Swap Operations (Cross Currency Interest Rate Swap) to hedge external borrowings against possible fluctuations in interest and exchange rates of their financial instruments. In Brazil strategies whose objects are federal government bonds (National Treasury Bills) of the available for sale and held to maturity categories, in addition to Direct Consumer Credit (CDC) loan, were designated as fair value hedges, with the objective of protection of the fixed rate market risk, changing the exposure to floating. Interest rate futures contracts protect available-for-sale securities and CDC transactions, while swaps protect held to maturity securities.

These hedge operations are effective, in accordance with Central Bank Circular No. 3,082/2002, which requires evidence of hedge effectiveness in the range of 80 % to 125 %.



In thousands of Reais, unless otherwise stated

a.6) Income gains and losses with hedging instruments and hedged items

| | Banco do Brasil | | BB Consolidated | |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Hedge items losses | (163,985) | (216,928) | (163,985) | (216,928) |
| Hedging instruments gains | 197,546 | 212,882 | 197,546 | 212,882 |
| Net effect | 33,561 | (4,046) | 33,561 | (4,046) |
| Hedge items gains | 762,946 | 880,398 | 762,946 | 880,398 |
| Hedging instruments losses | (695,197) | (877,480) | (695,197) | (877,480) |
| Net effect | 67,749 | 2,918 | 67,749 | 2,918 |

a.7) Derivative financial instruments segregated by current and non-current

| | Banco do Brasil | | | | BB Consolidated | | | |
|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| | Sep 30, 2021 | | Dec 31, 2020 | | Sep 30, 2021 | | Dec 31, 2020 | |
| | Current | Non-current | Current | Non-current | Current | Non-current | Current | Non-current |
| Assets | | | | | | | | |
| Forwards | 1,540,723 | 203,238 | 1,074,333 | 111,396 | 1,561,973 | 203,238 | 1,091,775 | 111,396 |
| Options | 197 | -- | -- | -- | 197 | -- | -- | -- |
| Swap | 485,434 | 169,490 | 1,933,799 | 291,071 | 485,434 | 169,490 | 1,933,799 | 291,071 |
| Other Derivatives | 195,683 | 8,093 | 115,961 | 4,865 | 195,645 | 8,093 | 94,430 | 4,865 |
| Total | 2,222,037 | 380,821 | 3,124,093 | 407,332 | 2,243,249 | 380,821 | 3,120,004 | 407,332 |
| Liabilities | | | | | | | | |
| Forwards | (1,245,314) | (46,957) | (1,180,689) | (288,704) | (1,245,945) | (46,957) | (1,180,689) | (288,704) |
| Options | (1,494,359) | (93) | (2,172,168) | (375) | (14,305) | (93) | (8,065) | (375) |
| Swap | (139,128) | (1,010,901) | (931,138) | (562,018) | (139,128) | (1,010,890) | (931,117) | (562,018) |
| Credit derivatives | -- | -- | (1,429) | -- | -- | -- | (1,429) | -- |
| Other Derivatives | (33,446) | (610) | (77,446) | -- | (22,358) | (610) | (77,446) | -- |
| Total | (2,912,247) | (1,058,561) | (4,362,870) | (851,097) | (1,421,736) | (1,058,550) | (2,198,746) | (851,097) |

b) Income from derivative financial instruments

| | Banco do Brasil | | BB Consolidated | |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Futures | 1,198,535 | 2,064,278 | 1,171,515 | 2,045,013 |
| Forwards | 1,233,937 | 3,441,293 | 1,318,558 | 3,479,509 |
| Options | (32,244) | (41,383) | 6,341 | 7,718 |
| Swaps | (1,232,094) | (1,249,259) | (1,232,057) | (1,249,979) |
| Credit derivatives | 1,795 | 1,128 | 1,795 | 1,128 |
| Other Derivatives | 33,535 | 128,834 | 43,867 | 210,481 |
| Total | 1,203,464 | 4,344,891 | 1,310,019 | 4,493,870 |



In thousands of Reais, unless otherwise stated

12 - LOAN PORTFOLIO**a) Loan portfolio by modality**

| | Banco do Brasil | | BB Consolidated | |
|--|---------------------|---------------------|---------------------|---------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Loans | 664,615,605 | 613,470,272 | 675,191,677 | 624,416,758 |
| Loans and discounted credit rights | 276,079,952 | 252,596,535 | 283,518,970 | 260,104,534 |
| Financing | 127,490,536 | 130,915,360 | 127,932,518 | 131,721,007 |
| Rural financing | 214,020,280 | 181,110,513 | 214,020,280 | 181,110,513 |
| Real estate financing | 46,813,270 | 48,589,142 | 49,508,342 | 51,221,982 |
| Loans sold under assignment ⁽¹⁾ | 211,567 | 258,722 | 211,567 | 258,722 |
| Other receivables with loan characteristics | 68,457,340 | 55,861,814 | 69,826,306 | 57,187,216 |
| Credit card operations | 37,803,390 | 31,610,988 | 39,172,356 | 32,936,390 |
| Advances on exchange contracts (Note 13.d) | 17,265,879 | 13,438,613 | 17,265,879 | 13,438,613 |
| Other receivables purchase under assignment ⁽²⁾ | 6,463,928 | 5,561,823 | 6,463,928 | 5,561,823 |
| Receivables acquisition | 5,506,033 | 4,269,049 | 5,506,033 | 4,269,049 |
| Guarantees honored | 83,118 | 223,307 | 83,118 | 223,307 |
| Other | 1,334,992 | 758,034 | 1,334,992 | 758,034 |
| Leasing | -- | -- | 255,959 | 172,478 |
| Total loan portfolio | 733,072,945 | 669,332,086 | 745,273,942 | 681,776,452 |
| Current assets | 291,435,935 | 157,272,039 | 298,738,145 | 164,223,867 |
| Non-current assets | 441,637,010 | 512,060,047 | 446,535,797 | 517,552,585 |
| Allowance for losses associated with credit risk | (43,762,656) | (44,966,048) | (43,952,119) | (45,170,370) |
| (Allowance for loan losses - loans) | (41,728,735) | (42,788,058) | (41,892,412) | (42,968,298) |
| (Allowance for other losses - other receivables with loan characteristics) | (2,033,921) | (2,177,990) | (2,056,698) | (2,198,371) |
| (Allowance for lease losses - leasing transactions) | -- | -- | (3,009) | (3,701) |
| Total loan portfolio net of provisions | 689,310,289 | 624,366,038 | 701,321,823 | 636,606,082 |

(1) Loans assigned with retention of the risks and benefits of the financial assets.

(2) Loans acquired with retention of the risks and benefits by the assignor of the financial assets.



In thousands of Reais, unless otherwise stated

b) Loan portfolio income

| | Banco do Brasil | | BB Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Loans income | 60,033,899 | 69,843,935 | 62,137,700 | 71,948,015 |
| Loans and discounted credit rights | 33,944,770 | 31,976,807 | 35,241,653 | 33,220,529 |
| Rural financing | 9,023,914 | 8,388,875 | 9,023,914 | 8,388,875 |
| Financing | 6,519,131 | 18,842,530 | 6,534,090 | 18,878,843 |
| Recovery of loans previously written-off as loss ⁽¹⁾ | 5,229,682 | 4,779,676 | 5,858,124 | 5,458,664 |
| Real estate financing | 2,552,289 | 2,839,377 | 2,699,758 | 2,971,074 |
| Equalization of rates - agricultural crop- Law 8,427/1992 | 1,365,149 | 1,224,381 | 1,365,149 | 1,224,381 |
| Export financing | 786,714 | 711,388 | 786,714 | 711,388 |
| Income from foreign currency financing | 212,504 | 718,507 | 214,883 | 715,408 |
| Receivables acquisition | 212,409 | 178,881 | 212,409 | 178,881 |
| Advances to depositors | 131,485 | 130,373 | 145,154 | 146,832 |
| Guarantees honored | 10,084 | 26,132 | 10,084 | 26,132 |
| Other | 45,768 | 27,008 | 45,768 | 27,008 |
| Leasing transactions income/(expenses) | -- | -- | 22,160 | 21,758 |
| Transfer of financial assets income/(expenses)⁽²⁾ | (218,007) | 218,856 | (216,711) | 221,464 |
| Total | 59,815,892 | 70,062,791 | 61,943,149 | 72,191,237 |

(1) It was received from assignments without recourse of written off credits to entities outside the financial system the amount of R\$ 444,813 thousand in the period from January 1, 2021 to September 30, 2021 (with impact on the income of R\$ 233,707 thousand, net of taxes) and R\$ 163,600 thousand in the period from January 1, 2020 to September 30, 2020 (with impact on the income of R\$ 85,796 thousand, net of taxes), in accordance with CMN Resolution 2,836/2001. The book value of these transactions was R\$ 1,191,737 thousand and R\$ 242,951 thousand, respectively.

(2) In the period from January 1, 2021 to September 30, 2021 includes the amount of R\$ 475,634 thousand (R\$ 246,037 thousand, net of taxes) the result of credit operations assignments without recourse to entities outside of the financial system, in accordance with CMN Resolution 2,836/2001. These assignments generated a positive impact on the result of R\$ 458,420 thousand, net of allowance for loan losses. The book value of these transactions was R\$ 1,530,092 thousand.



In thousands of Reais, unless otherwise stated

c) Breakdown of the loan portfolio by sector

| | Banco do Brasil | | | | BB Consolidated | | | |
|-------------------------------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| | Sep 30, 2021 | % | Dec 31, 2020 | % | Sep 30, 2021 | % | Dec 31, 2020 | % |
| Public sector | 63,791,201 | 8.7 | 71,361,303 | 10.7 | 64,060,533 | 8.6 | 71,632,396 | 10.6 |
| Public administration | 57,144,355 | 7.8 | 55,325,371 | 8.3 | 57,412,949 | 7.7 | 55,596,464 | 8.2 |
| Oil sector | 2,819,510 | 0.4 | 12,009,390 | 1.8 | 2,819,510 | 0.4 | 12,009,390 | 1.8 |
| Electricity | 3,177,104 | 0.4 | 3,346,430 | 0.5 | 3,177,104 | 0.4 | 3,346,430 | 0.5 |
| Services | 303,889 | -- | 393,291 | 0.1 | 303,889 | -- | 393,291 | 0.1 |
| Other activities | 346,343 | 0.1 | 286,821 | -- | 347,081 | 0.1 | 286,821 | -- |
| Private sector | 669,281,744 | 91.3 | 597,970,783 | 89.3 | 681,213,409 | 91.4 | 610,144,056 | 89.4 |
| Individuals | 452,073,924 | 61.7 | 399,013,143 | 59.6 | 455,343,796 | 61.1 | 402,336,537 | 59.0 |
| Companies | 217,207,820 | 29.6 | 198,957,640 | 29.7 | 225,869,613 | 30.3 | 207,807,519 | 30.4 |
| Agribusiness of plant origin | 34,391,715 | 4.7 | 30,823,713 | 4.6 | 35,685,328 | 4.8 | 31,730,654 | 4.7 |
| Services | 28,316,200 | 3.9 | 23,951,018 | 3.6 | 29,387,324 | 3.9 | 25,298,128 | 3.7 |
| Transportation | 14,663,392 | 2.0 | 16,617,630 | 2.5 | 14,831,368 | 2.0 | 16,767,186 | 2.5 |
| Mining and metallurgy | 13,807,087 | 1.9 | 13,380,615 | 2.0 | 14,425,708 | 1.9 | 13,760,773 | 2.0 |
| Automotive sector | 13,410,789 | 1.8 | 12,398,571 | 1.9 | 13,803,569 | 1.9 | 13,016,570 | 1.9 |
| Retail commerce | 13,116,527 | 1.8 | 11,579,915 | 1.7 | 13,359,222 | 1.8 | 11,814,949 | 1.7 |
| Agribusiness of animal origin | 12,088,840 | 1.6 | 9,495,065 | 1.4 | 12,479,635 | 1.7 | 9,749,250 | 1.4 |
| Agricultural inputs | 8,937,540 | 1.2 | 7,471,646 | 1.1 | 9,000,067 | 1.2 | 7,560,925 | 1.1 |
| Electricity | 8,413,725 | 1.1 | 8,077,112 | 1.2 | 8,543,536 | 1.1 | 8,187,291 | 1.2 |
| Wholesale and various industries | 7,231,905 | 1.0 | 6,221,437 | 0.9 | 8,001,105 | 1.1 | 6,949,717 | 1.0 |
| Electronics | 7,828,529 | 1.0 | 6,622,077 | 1.0 | 7,865,819 | 1.1 | 6,656,646 | 1.0 |
| Chemical | 7,026,933 | 1.0 | 6,445,198 | 1.0 | 7,781,134 | 1.0 | 6,862,817 | 1.0 |
| Specific activities of construction | 7,296,048 | 1.0 | 6,726,150 | 1.0 | 7,513,432 | 1.0 | 6,984,339 | 1.0 |
| Fuel | 6,985,942 | 1.0 | 6,980,355 | 1.0 | 7,254,301 | 1.0 | 7,410,164 | 1.1 |
| Financial services | 6,527,414 | 0.9 | 5,069,010 | 0.8 | 7,008,480 | 0.9 | 6,453,003 | 0.9 |
| Textile and clothing | 6,715,929 | 0.9 | 6,414,886 | 1.0 | 6,803,353 | 0.9 | 6,474,714 | 1.0 |
| Real estate agents | 4,969,027 | 0.7 | 6,331,230 | 0.9 | 5,767,685 | 0.8 | 7,050,108 | 1.0 |
| Woodworking and furniture market | 4,426,181 | 0.6 | 4,019,401 | 0.6 | 4,448,491 | 0.6 | 4,043,707 | 0.6 |
| Pulp and paper | 3,424,660 | 0.5 | 2,670,623 | 0.4 | 3,575,853 | 0.5 | 2,876,369 | 0.4 |
| Telecommunications | 2,801,317 | 0.4 | 2,306,937 | 0.3 | 3,115,432 | 0.4 | 2,423,001 | 0.4 |
| Heavy construction | 2,078,000 | 0.3 | 2,387,953 | 0.4 | 2,434,818 | 0.3 | 2,690,989 | 0.4 |
| Other activities | 2,750,120 | 0.3 | 2,967,098 | 0.4 | 2,783,953 | 0.4 | 3,046,219 | 0.4 |
| Total | 733,072,945 | 100.0 | 669,332,086 | 100.0 | 745,273,942 | 100.0 | 681,776,452 | 100.0 |



In thousands of Reais, unless otherwise stated

d) Loan portfolio by risk level and maturity

| | Banco do Brasil | | | | | | | | | | Sep 30, 2021 | Dec 31, 2020 |
|---------------------------------|--------------------|-------------------|--------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------|
| | AA | A | B | C | D | E | F | G | H | | | |
| Loans not past due | | | | | | | | | | | | |
| Installments falling due | | | | | | | | | | | | |
| 01 to 30 | 17,029,704 | 6,656,674 | 14,994,518 | 12,035,073 | 1,653,247 | 448,527 | 21,382 | 19,725 | 195,421 | 53,054,271 | 40,118,996 | |
| 31 to 60 | 12,489,086 | 2,903,241 | 5,729,080 | 3,762,256 | 389,209 | 135,339 | 16,526 | 23,047 | 236,654 | 25,684,438 | 20,425,024 | |
| 61 to 90 | 11,532,520 | 2,788,160 | 4,806,089 | 3,403,310 | 413,957 | 203,038 | 50,856 | 22,519 | 376,158 | 23,596,607 | 20,639,674 | |
| 91 to 180 | 26,059,489 | 7,789,845 | 12,041,018 | 8,315,219 | 1,016,693 | 243,725 | 48,913 | 158,938 | 5,011,286 | 60,685,126 | 56,231,953 | |
| 181 to 360 | 63,301,546 | 9,132,235 | 30,651,228 | 12,407,274 | 1,320,251 | 551,246 | 89,852 | 86,287 | 822,162 | 118,362,081 | 97,295,803 | |
| More than 360 | 212,529,554 | 42,198,842 | 98,407,538 | 48,769,258 | 9,528,848 | 4,595,838 | 970,471 | 1,887,221 | 10,282,692 | 429,170,262 | 413,121,242 | |
| Installments overdue | | | | | | | | | | | | |
| Up to 14 days | 80,161 | 28,146 | 65,700 | 148,484 | 53,908 | 11,347 | 1,673 | 2,534 | 23,625 | 415,578 | 453,394 | |
| Subtotal | 343,022,060 | 71,497,143 | 166,695,171 | 88,840,874 | 14,376,113 | 6,189,060 | 1,199,673 | 2,200,271 | 16,947,998 | 710,968,363 | 648,286,086 | |
| Loans past due | | | | | | | | | | | | |
| Installments falling due | | | | | | | | | | | | |
| 01 to 30 | -- | -- | 39,802 | 301,916 | 207,796 | 35,234 | 23,624 | 20,061 | 288,780 | 917,213 | 508,753 | |
| 31 to 60 | -- | -- | 19,535 | 75,892 | 60,161 | 34,898 | 20,257 | 18,719 | 130,955 | 360,417 | 263,594 | |
| 61 to 90 | -- | -- | 17,441 | 67,133 | 55,282 | 28,362 | 22,989 | 14,461 | 125,666 | 331,334 | 230,678 | |
| 91 to 180 | -- | -- | 44,838 | 165,348 | 143,985 | 87,832 | 53,604 | 34,700 | 313,156 | 843,463 | 631,910 | |
| 181 to 360 | -- | -- | 94,952 | 275,934 | 262,575 | 183,944 | 89,313 | 69,256 | 631,638 | 1,607,612 | 1,292,771 | |
| More than 360 | -- | -- | 1,081,434 | 1,693,905 | 1,478,068 | 991,085 | 559,189 | 677,160 | 5,336,263 | 11,817,104 | 11,967,788 | |
| Installments overdue | | | | | | | | | | | | |
| 01 to 14 | -- | -- | 4,086 | 20,178 | 18,122 | 13,204 | 9,037 | 5,697 | 51,550 | 121,874 | 80,216 | |
| 15 to 30 | -- | -- | 71,617 | 224,509 | 110,910 | 26,809 | 12,559 | 9,668 | 82,638 | 538,710 | 392,752 | |
| 31 to 60 | -- | -- | 14,401 | 336,083 | 181,656 | 48,749 | 25,729 | 19,756 | 175,275 | 801,649 | 541,715 | |
| 61 to 90 | -- | -- | 2 | 19,226 | 324,661 | 48,104 | 31,771 | 17,601 | 162,391 | 603,756 | 460,128 | |
| 91 to 180 | -- | -- | 2 | 12,065 | 40,899 | 139,133 | 180,373 | 118,415 | 1,231,963 | 1,722,850 | 1,778,402 | |
| 181 to 360 | -- | -- | -- | 1,086 | 7 | 17,964 | 29,870 | 22,157 | 1,963,836 | 2,034,920 | 2,113,652 | |
| More than 360 | -- | -- | 573 | 105 | 12,613 | 120 | 854 | -- | 389,415 | 403,680 | 783,641 | |
| Subtotal | -- | -- | 1,388,683 | 3,193,380 | 2,896,735 | 1,655,438 | 1,059,169 | 1,027,651 | 10,883,526 | 22,104,582 | 21,046,000 | |
| Total | 343,022,060 | 71,497,143 | 168,083,854 | 92,034,254 | 17,272,848 | 7,844,498 | 2,258,842 | 3,227,922 | 27,831,524 | 733,072,945 | 669,332,086 | |



In thousands of Reais, unless otherwise stated

| | BB Consolidated | | | | | | | | | | Sep 30, 2021 | Dec 31, 2020 |
|---------------------------------|--------------------|-------------------|--------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------|
| | AA | A | B | C | D | E | F | G | H | | | |
| Loans not past due | | | | | | | | | | | | |
| Installments falling due | | | | | | | | | | | | |
| 01 to 30 | 17,019,317 | 8,446,914 | 16,559,055 | 12,037,040 | 1,668,583 | 448,872 | 21,574 | 19,901 | 198,744 | 56,420,000 | 44,165,753 | |
| 31 to 60 | 12,537,947 | 3,348,509 | 5,742,766 | 3,763,158 | 440,421 | 135,432 | 16,543 | 23,131 | 236,739 | 26,244,646 | 20,864,346 | |
| 61 to 90 | 11,832,288 | 2,928,758 | 4,813,868 | 3,404,209 | 414,075 | 203,136 | 50,905 | 22,590 | 376,318 | 24,046,147 | 21,161,046 | |
| 91 to 180 | 26,180,784 | 8,758,965 | 12,135,314 | 8,337,058 | 1,029,175 | 244,038 | 49,018 | 159,284 | 5,011,770 | 61,905,406 | 57,404,032 | |
| 181 to 360 | 63,600,576 | 9,754,327 | 30,742,238 | 12,412,266 | 1,321,944 | 551,920 | 90,153 | 86,965 | 823,506 | 119,383,895 | 97,855,660 | |
| More than 360 | 213,793,458 | 43,125,877 | 101,369,667 | 48,783,263 | 9,684,288 | 4,598,463 | 972,718 | 1,908,114 | 10,290,096 | 434,525,944 | 418,475,032 | |
| Installments overdue | | | | | | | | | | | | |
| Up to 14 days | 80,161 | 39,866 | 150,710 | 148,755 | 54,258 | 11,424 | 1,729 | 2,616 | 23,762 | 513,281 | 579,643 | |
| Subtotal | 345,044,531 | 76,403,216 | 171,513,618 | 88,885,749 | 14,612,744 | 6,193,285 | 1,202,640 | 2,222,601 | 16,960,935 | 723,039,319 | 660,505,512 | |
| Loans past due | | | | | | | | | | | | |
| Installments falling due | | | | | | | | | | | | |
| 01 to 30 | -- | -- | 39,830 | 301,926 | 207,797 | 35,237 | 23,624 | 20,063 | 288,797 | 917,274 | 508,778 | |
| 31 to 60 | -- | -- | 19,562 | 75,901 | 60,161 | 34,902 | 20,257 | 18,719 | 130,971 | 360,473 | 263,619 | |
| 61 to 90 | -- | -- | 17,467 | 67,142 | 55,282 | 28,366 | 22,989 | 14,461 | 125,682 | 331,389 | 230,703 | |
| 91 to 180 | -- | -- | 44,917 | 165,361 | 143,985 | 87,842 | 53,604 | 34,700 | 313,202 | 843,611 | 631,971 | |
| 181 to 360 | -- | -- | 95,059 | 275,945 | 262,575 | 183,960 | 89,313 | 69,256 | 631,658 | 1,607,766 | 1,292,869 | |
| More than 360 | -- | -- | 1,081,434 | 1,693,907 | 1,478,068 | 991,085 | 559,189 | 677,160 | 5,336,293 | 11,817,136 | 11,967,986 | |
| Installments overdue | | | | | | | | | | | | |
| 01 to 14 | -- | -- | 4,086 | 20,187 | 18,122 | 13,208 | 9,037 | 5,697 | 51,563 | 121,900 | 80,220 | |
| 15 to 30 | -- | -- | 119,049 | 225,078 | 111,493 | 27,042 | 12,774 | 10,342 | 82,811 | 588,589 | 466,908 | |
| 31 to 60 | -- | -- | 14,401 | 346,118 | 182,360 | 49,026 | 26,009 | 20,514 | 175,511 | 813,939 | 553,775 | |
| 61 to 90 | -- | -- | 2 | 19,226 | 330,160 | 48,446 | 32,380 | 18,351 | 162,685 | 611,250 | 535,255 | |
| 91 to 180 | -- | -- | 2 | 12,065 | 40,899 | 142,169 | 184,182 | 124,201 | 1,233,314 | 1,736,832 | 1,790,470 | |
| 181 to 360 | -- | -- | -- | 1,086 | 7 | 17,964 | 29,870 | 22,157 | 1,977,875 | 2,048,959 | 2,129,207 | |
| More than 360 | -- | -- | 573 | 105 | 12,613 | 120 | 854 | -- | 421,240 | 435,505 | 819,179 | |
| Subtotal | -- | -- | 1,436,382 | 3,204,047 | 2,903,522 | 1,659,367 | 1,064,082 | 1,035,621 | 10,931,602 | 22,234,623 | 21,270,940 | |
| Total | 345,044,531 | 76,403,216 | 172,950,000 | 92,089,796 | 17,516,266 | 7,852,652 | 2,266,722 | 3,258,222 | 27,892,537 | 745,273,942 | 681,776,452 | |



In thousands of Reais, unless otherwise stated

e) Allowance for loan losses by risk level

| Level of risk | % Minimum provision | Banco do Brasil | | | | | | | |
|---------------|---------------------|--------------------|----------------------------|--|-------------------|--------------------|----------------------------|--|-------------------|
| | | Sep 30, 2021 | | | | Dec 31, 2020 | | | |
| | | Value of loans | Minimum required allowance | Supplementary allowance ⁽¹⁾ | Total | Value of loans | Minimum required allowance | Supplementary allowance ⁽¹⁾ | Total |
| AA | | 343,022,060 | -- | -- | -- | 301,098,321 | -- | -- | -- |
| A | 0.5 | 71,497,143 | 357,486 | 45,462 | 402,948 | 60,566,146 | 302,831 | 42,150 | 344,981 |
| B | 1 | 168,083,854 | 1,680,839 | 689,258 | 2,370,097 | 151,983,519 | 1,519,835 | 625,182 | 2,145,017 |
| C | 3 | 92,034,254 | 2,761,028 | 2,496,379 | 5,257,407 | 96,204,176 | 2,886,125 | 2,667,037 | 5,553,162 |
| D | 10 | 17,272,848 | 1,727,285 | 308,726 | 2,036,011 | 15,982,367 | 1,598,237 | 207,319 | 1,805,556 |
| E | 30 | 7,844,498 | 2,353,349 | 177 | 2,353,526 | 9,063,556 | 2,719,067 | 143 | 2,719,210 |
| F | 50 | 2,258,842 | 1,129,421 | -- | 1,129,421 | 3,137,358 | 1,568,679 | -- | 1,568,679 |
| G | 70 | 3,227,922 | 2,259,545 | 122,177 | 2,381,722 | 1,557,333 | 1,090,133 | -- | 1,090,133 |
| H | 100 | 27,831,524 | 27,831,524 | -- | 27,831,524 | 29,739,310 | 29,739,310 | -- | 29,739,310 |
| Total | | 733,072,945 | 40,100,477 | 3,662,179 | 43,762,656 | 669,332,086 | 41,424,217 | 3,541,831 | 44,966,048 |

(1) Refers to the supplementary allowance to the minimum percentage required by CMN Resolution 2,682/1999. It is established based on the internal scale of credit risk level.

| Level of risk | % Minimum provision | BB Consolidated | | | | | | | |
|---------------|---------------------|--------------------|----------------------------|--|-------------------|--------------------|----------------------------|--|-------------------|
| | | Sep 30, 2021 | | | | Dec 31, 2020 | | | |
| | | Value of loans | Minimum required allowance | Supplementary allowance ⁽¹⁾ | Total | Value of loans | Minimum required allowance | Supplementary allowance ⁽¹⁾ | Total |
| AA | | 345,044,531 | -- | -- | -- | 303,830,220 | -- | -- | -- |
| A | 0.5 | 76,403,216 | 382,016 | 45,523 | 427,539 | 65,026,705 | 325,134 | 42,219 | 367,353 |
| B | 1 | 172,950,000 | 1,729,500 | 689,376 | 2,418,876 | 156,701,836 | 1,567,018 | 625,322 | 2,192,340 |
| C | 3 | 92,089,796 | 2,762,694 | 2,497,849 | 5,260,543 | 96,381,043 | 2,891,431 | 2,670,593 | 5,562,024 |
| D | 10 | 17,516,266 | 1,751,627 | 308,731 | 2,060,358 | 16,225,097 | 1,622,510 | 207,337 | 1,829,847 |
| E | 30 | 7,852,652 | 2,355,796 | 177 | 2,355,973 | 9,067,476 | 2,720,243 | 143 | 2,720,386 |
| F | 50 | 2,266,722 | 1,133,361 | -- | 1,133,361 | 3,144,336 | 1,572,168 | -- | 1,572,168 |
| G | 70 | 3,258,222 | 2,280,755 | 122,177 | 2,402,932 | 1,578,289 | 1,104,802 | -- | 1,104,802 |
| H | 100 | 27,892,537 | 27,892,537 | -- | 27,892,537 | 29,821,450 | 29,821,450 | -- | 29,821,450 |
| Total | | 745,273,942 | 40,288,286 | 3,663,833 | 43,952,119 | 681,776,452 | 41,624,756 | 3,545,614 | 45,170,370 |

(1) Refers to the supplementary allowance to the minimum percentage required by CMN Resolution 2,682/1999. It is established based on the internal scale of credit risk level.



In thousands of Reais, unless otherwise stated

f) Changes in allowance for losses associated with credit risk

Includes loans, leases and other receivables with characteristics of credit.

| | Banco do Brasil | | BB Consolidated | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Opening balance | 44,966,048 | 39,592,667 | 45,170,370 | 39,799,866 |
| Addition/(reversal) | 12,575,589 | 18,957,680 | 12,638,322 | 18,993,409 |
| Minimum required allowance | 12,455,241 | 17,981,194 | 12,520,103 | 18,011,455 |
| Supplementary allowance ⁽¹⁾ | 120,348 | 976,486 | 118,219 | 981,954 |
| Exchange fluctuation - foreign allowances | 7,427 | 166,627 | (9,587) | 211,183 |
| Write off | (13,786,408) | (16,600,444) | (13,846,986) | (16,654,595) |
| Closing balance | 43,762,656 | 42,116,530 | 43,952,119 | 42,349,863 |

(1) Refers to the supplementary allowance to the minimum percentage required by CMN Resolution 2,682/1999. It is established based on the internal scale of credit risk level.

g) Leasing portfolio by maturity

| | Banco do Brasil | | BB Consolidated | |
|------------------------------------|-----------------|--------------|-----------------|----------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Up to 1 year ⁽¹⁾ | -- | -- | 97,871 | 88,126 |
| More than 1 year and up to 5 years | -- | -- | 157,970 | 84,352 |
| Over 5 years | -- | -- | 118 | -- |
| Total present value | -- | -- | 255,959 | 172,478 |

(1) Includes amounts related to overdue installments.

h) Concentration of loans

| | Sep 30, 2021 | % of credit portfolio | Dec 31, 2020 | % of credit portfolio |
|---------------------|--------------|-----------------------|--------------|-----------------------|
| Largest debtor | 12,248,104 | 1.6 | 12,140,090 | 1.8 |
| 10 largest debtors | 51,748,201 | 6.9 | 62,413,919 | 9.2 |
| 20 largest debtors | 71,578,819 | 9.6 | 81,548,565 | 12.0 |
| 50 largest debtors | 101,413,426 | 13.6 | 109,019,299 | 16.0 |
| 100 largest debtors | 121,163,278 | 16.3 | 127,563,170 | 18.7 |

i) Renegotiated credits

| | Banco do Brasil | | BB Consolidated | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Credits renegotiated during the period | 75,680,142 | 73,876,991 | 75,680,142 | 73,878,423 |
| Renegotiated when past due ⁽¹⁾ | 10,033,909 | 12,746,355 | 10,033,909 | 12,746,355 |
| Renovated ⁽²⁾ | 65,646,233 | 61,130,636 | 65,646,233 | 61,132,068 |
| Changes on credits renegotiated when past due | | | | |
| Opening balance | 29,641,629 | 23,657,317 | 29,641,629 | 23,657,317 |
| Contracts ⁽¹⁾ | 10,033,909 | 12,746,355 | 10,033,909 | 12,746,355 |
| Interest (received) and appropriated | (6,607,143) | (6,851,738) | (6,607,143) | (6,851,738) |
| Write off | (4,241,591) | (4,078,390) | (4,241,591) | (4,078,390) |
| Closing balance ⁽³⁾ | 28,826,804 | 25,473,544 | 28,826,804 | 25,473,544 |
| Allowance for loan losses of the portfolio renegotiated when past due | 16,791,567 | 12,943,072 | 16,791,567 | 12,943,072 |
| (%) Allowance for loan losses on the portfolio | 58.2% | 50.8% | 58.2% | 50.8% |
| 90 days default of the portfolio renegotiated when past due | 2,962,560 | 1,934,645 | 2,962,560 | 1,934,645 |
| (%) Portfolio default | 10.3% | 7.6% | 10.3% | 7.6% |

(1) Renegotiated credit under debt composition as a result of payment delay by the clients.

(2) Renegotiated current credits (i.e. not past due) in the form of the extension or renewal of the credit or the granting of new loans for partial or full settlement of previous contracts or any other type of agreement that changes the maturity or the payment terms, originally agreed.

(3) Includes the amount of R\$ 14,416 thousand (R\$ 26,190 thousand as of September 30, 2020) related to renegotiated rural credits. The amount of R\$ 10,877,297 thousand (R\$ 9,793,550 thousand as of September 30, 2020), related to deferred credits from rural portfolio governed by specific legislation, is not included.



In thousands of Reais, unless otherwise stated

j) Supplementary information

| | Banco do Brasil | | BB Consolidated | |
|-------------------------------------|-----------------|--------------|-----------------|--------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Undrawn credit lines | 169,007,374 | 127,265,525 | 169,409,020 | 127,849,028 |
| Guarantees provided ⁽¹⁾ | 10,605,448 | 9,868,714 | 10,025,681 | 9,569,192 |
| Contracted credit opened for import | 1,766,777 | 545,722 | 1,794,887 | 570,402 |
| Confirmed export credit | 572,969 | 388,151 | 573,154 | 390,200 |
| Linked resources | 210,247 | 296,602 | 210,342 | 311,779 |

(1) For these operations, the Bank maintains a provision recorded in Provisions (Note 21.d).

k) Loans by line of credit from Fund for Workers' Assistance (Fundo de Amparo ao Trabalhador – FAT)

| Lines of FAT | TADE ⁽¹⁾ | Sep 30, 2021 | Dec 31, 2020 |
|---|---------------------|----------------|----------------|
| Loans and discounted credit rights | | 4,645 | 32,485 |
| Proger Urbano Capital de Giro | 01/2016 and 01/2020 | 4,645 | 32,209 |
| FAT Turismo - Capital de Giro | 02/2012 | -- | 276 |
| Financing | | 604,159 | 944,872 |
| Proger Urbano Investimento | 18/2005 | 546,480 | 839,264 |
| FAT Taxista | 02/2009 | 57,260 | 101,234 |
| FAT Turismo - Investimento | 01/2012 | 369 | 4,098 |
| Proger Exportação | 27/2005 | 50 | 276 |
| Rural financing | | 2,396 | 2,841 |
| Pronaf Investimento | 05/2005 | 2,051 | 2,276 |
| Proger Rural Investimento | 13/2005 | 147 | 352 |
| Pronaf Custeio | 04/2005 | 198 | 211 |
| Proger Rural Custeio | 02/2006 | -- | 2 |
| Total | | 611,200 | 980,198 |

(1) TADE - Allocation Term of Special Deposits.



In thousands of Reais, unless otherwise stated

l) Emergency Employment Support Program (Pese)

The CMN Resolution 4,846/2020 allows financial institutions to participate in the government emergency employment support program (Programa Emergencial de Suporte a Empregos – Pese), under Law 14,043/2020.

According to this Program, financial institutions can provide funding to payroll of entrepreneurs, business companies and cooperative companies, except credit companies. Every financing operation have 85% of resources coming from the national Treasury Secretariat (STN) and the remaining 15% from the Financial Institution counterparty.

The same percentage will be applied to the risk of default on credit operations and to possible financial losses.

The amount of Pese credit operations and the allowance for loan losses by risk level are presented in the table below:

| Level of risk | % Minimum provision | Sep 30, 2021 | | | | Dec 31, 2020 | | | |
|---------------|---------------------|----------------|----------------------------|--|--------------|------------------|----------------------------|--|--------------|
| | | Value of loans | Minimum required allowance | Supplementary allowance ⁽¹⁾ | Total | Value of loans | Minimum required allowance | Supplementary allowance ⁽¹⁾ | Total |
| AA | | 662,559 | -- | -- | -- | 884,964 | -- | -- | -- |
| A | 0.5 | 1,003 | 5 | -- | 5 | 1,134 | 6 | -- | 6 |
| B | 1 | 46,215 | 462 | 350 | 812 | 40,742 | 407 | 388 | 795 |
| C | 3 | 65,568 | 1,967 | 2,678 | 4,645 | 112,574 | 3,377 | 5,060 | 8,437 |
| D | 10 | 1,152 | 115 | 50 | 165 | 281 | 28 | 13 | 41 |
| E | 30 | 848 | 254 | -- | 254 | 497 | 149 | -- | 149 |
| F | 50 | 370 | 185 | -- | 185 | 34 | 17 | -- | 17 |
| G | 70 | 564 | 395 | -- | 395 | -- | -- | -- | -- |
| H | 100 | 1,786 | 1,786 | -- | 1,786 | 37 | 37 | -- | 37 |
| Total | | 780,065 | 5,169 | 3,078 | 8,247 | 1,040,263 | 4,021 | 5,461 | 9,482 |

(1) Refers to the supplementary allowance to the minimum percentage required by CMN Resolution 2,682/1999. It is established based on the internal scale of credit risk level.



In thousands of Reais, unless otherwise stated

13 - OTHER ASSETS**a) Breakdown**

| | Banco do Brasil | | BB Consolidated | |
|--|--------------------|-------------------|--------------------|-------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Financials | 102,472,698 | 94,472,748 | 105,343,154 | 96,465,178 |
| Sundry debtors from escrow deposits | 53,867,453 | 53,088,467 | 54,557,820 | 53,761,258 |
| Foreign exchange portfolio (Note 13.d) | 23,398,956 | 18,707,062 | 23,458,997 | 18,759,182 |
| Fund of allocation of surplus - Previ (Note 29.f) | 10,562,718 | 9,912,387 | 10,562,718 | 9,912,387 |
| Accrued income | 3,119,561 | 4,109,986 | 4,082,092 | 4,296,619 |
| Notes and credits receivable ⁽¹⁾ | 2,396,920 | 2,986,613 | 3,005,190 | 3,496,564 |
| Fundo de Compensação de Variações Salariais | 2,689,890 | 2,577,555 | 2,689,890 | 2,577,555 |
| Other | 6,437,200 | 3,090,678 | 6,986,447 | 3,661,613 |
| Current assets | 49,950,995 | 43,791,588 | 51,774,148 | 44,855,609 |
| Non-current assets | 52,521,703 | 50,681,160 | 53,569,006 | 51,609,569 |
| Non-Financial | 31,506,907 | 10,944,189 | 32,169,736 | 11,596,452 |
| Actuarial assets (Note 29.e) | 26,549,582 | 6,080,658 | 26,549,582 | 6,080,658 |
| Sundry debtors | 3,367,351 | 2,841,717 | 3,674,209 | 3,234,211 |
| Held for sale - Received ⁽²⁾ | 760,426 | -- | 762,935 | -- |
| Prepaid expenses | 254,375 | 296,026 | 301,617 | 339,601 |
| Assets not for own use and materials in stock ⁽²⁾ | 12,228 | 786,566 | 73,453 | 848,127 |
| Held for sale - Own ⁽²⁾ | 42,295 | -- | 45,131 | -- |
| Specific credits ⁽³⁾ | -- | 392,414 | 494 | 392,908 |
| Other | 520,650 | 546,808 | 762,315 | 700,947 |
| Current assets | 4,875,062 | 4,389,111 | 5,515,154 | 5,021,779 |
| Non-current assets | 26,631,845 | 6,555,078 | 26,654,582 | 6,574,673 |

(1) It includes sundry receivables from the Brazilian National Treasury, in the amount of R\$ 639,918 thousand (R\$ 855,196 thousand on December 31, 2020). Mainly refers to amounts of subsidies in operations with funds MCR 6-2, MCR 6-4 (Rural Credit Manual) and are supported by specific legislation, such as CMN resolutions, the Bahia Cocoa Agriculture Recovery Program (CMN Resolution 2,960/2002) and regional funds (FDNE and FDCO). On December 31, 2020, the bank had credits receivable from the Federal Government, from expanded and securitized rural operations under the terms of Law 9,138/1995, assigned through Provisional Measure 2,196/2001, these operations were settled during the 1st quarter/2021. It also includes receivables from the National Treasury from interest rate equalization of agricultural crops Law 8,427/1992, of R\$ 345,393 thousand (R\$ 698,835 thousand on Dec 31, 2020).

(2) As of January 1, 2021, the assets not for own use were reclassified to non-financial assets held for sale, attending CMN Resolution 4,747/2019 (Note 3.p).

(3) On December 31, 2020 the bank had credits receivable from the Federal Government, from extended and securitized rural transactions under Law 9,138/1995, assigned through Provisional Measure 2,196/2001, these operations were settled during the 1st quarter/2021 alongside with liabilities payable to the Federal Government recorded in Other non-financial liabilities - Sundry creditors - domestic (Note 20.a).

b) Allowance for losses associated with credit risk

| | Banco do Brasil | | BB Consolidated | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Notes and credits receivable | (1,509,424) | (1,168,213) | (1,807,714) | (1,430,083) |
| Sundry debtors | (820,341) | (878,833) | (820,549) | (879,031) |
| Accrued income | (697,699) | (171,676) | (697,699) | (171,676) |
| Other | (18,087) | (129,900) | (18,086) | (129,900) |
| Total | (3,045,551) | (2,348,622) | (3,344,048) | (2,610,690) |



In thousands of Reais, unless otherwise stated

c) Breakdown of the allowance

| | Banco do Brasil | | BB Consolidated | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Opening balance | (2,348,622) | (1,965,878) | (2,610,690) | (2,195,153) |
| (Addition)/reversal | (686,353) | (262,865) | (749,035) | (384,148) |
| Exchange fluctuation - foreign allowances | -- | -- | 10,604 | (6,297) |
| Write-off/other adjustments | (10,576) | 1,468 | 5,073 | 736 |
| Closing balance | (3,045,551) | (2,227,275) | (3,344,048) | (2,584,862) |

d) Foreign exchange portfolio

| | Banco do Brasil | | BB Consolidated | |
|---|-------------------|---------------------|-------------------|---------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Asset position | | | | |
| Exchange purchases pending settlement | 20,994,727 | 17,880,523 | 21,054,766 | 17,927,393 |
| Receivables from sales of foreign exchange | 19,911,361 | 29,407,245 | 19,911,363 | 29,412,495 |
| Bills of exchange and time drafts in foreign currency | 67,152 | 64,155 | 67,152 | 64,155 |
| Foreign currency receivables | 910 | 872 | 910 | 872 |
| (Advances received in national/foreign currency) | (17,575,194) | (28,645,733) | (17,575,194) | (28,645,733) |
| Total | 23,398,956 | 18,707,062 | 23,458,997 | 18,759,182 |
| Current assets | 22,056,665 | 18,611,696 | 22,116,706 | 18,663,816 |
| Non-current assets | 1,342,291 | 95,366 | 1,342,291 | 95,366 |
| Liability position | | | | |
| Exchange sales pending settlement | 21,038,363 | 34,049,369 | 21,038,363 | 34,049,369 |
| Exchange purchase liabilities | 20,168,462 | 17,209,178 | 20,228,642 | 17,261,661 |
| Foreign currency payables | 1,733 | 1,897 | 67,377 | 65,906 |
| Subtotal (Note 20.a) | 41,208,558 | 51,260,444 | 41,334,382 | 51,376,936 |
| (Advances on exchange contracts) (Note 12.a) | (17,265,879) | (13,438,613) | (17,265,879) | (13,438,613) |
| Total | 23,942,679 | 37,821,831 | 24,068,503 | 37,938,323 |
| Current liabilities | 16,984,403 | 33,943,389 | 17,110,227 | 34,059,881 |
| Non-current liabilities | 6,958,276 | 3,878,442 | 6,958,276 | 3,878,442 |
| Net foreign exchange portfolio | (543,723) | (19,114,769) | (609,506) | (19,179,141) |
| Off balance accounts | | | | |
| Credit opened for imports | 2,285,153 | 887,011 | 2,313,264 | 911,691 |
| Confirmed export credit | 572,969 | 388,151 | 573,154 | 390,200 |

e) Results from other financial assets

| | Banco do Brasil | | BB Consolidated | |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Foreign exchange results | (336,279) | (138,988) | (279,976) | (170,454) |
| Other | 118,790 | 112,071 | 118,791 | 112,069 |
| Total | (217,489) | (26,917) | (161,185) | (58,385) |



In thousands of Reais, unless otherwise stated

14 - INVESTMENTS

a) Changes in associates and joint ventures

| Banco do Brasil | Share capital | Adjusted shareholders' equity | Net income/(loss) - Jan 1 to Sep 30, 2021 | Number of shares (in thousands) | | Ownership interest in share capital % | Book value Dec 31, 2020 | Changes - Jan 1 to Sep 30, 2021 | | | Book value Sep 30, 2021 | Equity income Jan 1 to Sep 30, 2020 |
|---|---------------|-------------------------------|---|---------------------------------|-----------|---------------------------------------|----------------------------|---------------------------------|-----------------------------|------------------|----------------------------|--|
| | | | | Common | Preferred | | | Dividends | Other events ⁽¹⁾ | Equity income | | |
| Domestic | | | | | | | 26,358,058 | (2,069,999) | 89,539 | 5,574,142 | 29,951,740 | 4,632,169 |
| BB Elo Cartões Participações S.A. | 7,734,513 | 10,223,156 | 774,873 | 17,703 | -- | 100.00% | 9,368,728 | -- | 78,943 | 775,485 | 10,223,156 | 485,459 |
| BB Seguridade Participações S.A. ⁽²⁾⁽³⁾ | 3,396,767 | 7,138,577 | 2,714,502 | 1,325,000 | -- | 66.36% | 3,808,088 | (690,159) | (182,817) | 1,802,044 | 4,737,156 | 1,951,902 |
| BB Leasing S.A. - Arrendamento Mercantil | 3,261,860 | 4,809,860 | 66,304 | 3,000 | -- | 100.00% | 4,777,151 | (33,595) | -- | 66,304 | 4,809,860 | 50,214 |
| Banco Votorantim S.A. ⁽⁴⁾ | 8,130,372 | 12,229,314 | 1,185,973 | 1,065,794 | 584,042 | 50.00% | 5,372,810 | -- | 144,812 | 594,414 | 6,112,036 | 359,922 |
| BB Banco de Investimento S.A. | 417,788 | 1,085,540 | 470,262 | 3,790 | -- | 100.00% | 825,140 | (252,267) | 42,405 | 470,262 | 1,085,540 | 290,209 |
| BB Tecnologia e Serviços ⁽⁴⁾ | 282,606 | 273,356 | 52,696 | 248,458 | 248,586 | 99.99% | 210,813 | -- | -- | 54,296 | 265,109 | (105,993) |
| BB Administradora de Consórcios S.A. | 363,783 | 931,283 | 613,194 | 14 | -- | 100.00% | 682,070 | (363,981) | -- | 613,194 | 931,283 | 430,288 |
| BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A. | 606,573 | 1,655,544 | 1,169,298 | 100,000 | -- | 100.00% | 1,213,299 | (729,997) | 2,944 | 1,169,298 | 1,655,544 | 1,159,212 |
| BB Administradora de Cartões de Crédito S.A. | 9,300 | 41,724 | 17,391 | 398,158 | -- | 100.00% | 24,333 | -- | -- | 17,391 | 41,724 | 19,227 |
| Other investments | | | | | | | 75,626 | -- | 3,252 | 11,454 | 90,332 | (8,271) |
| Overseas | | | | | | | 5,839,422 | (248,824) | (545,127) | 1,259,810 | 6,305,281 | 6,519,701 |
| Banco Patagonia S.A. | 39,618 | 2,837,577 | 1,011,910 | 578,117 | -- | 80.39% | 1,939,499 | (248,824) | (223,031) | 813,467 | 2,281,111 | 880,891 |
| BB Cayman Islands Holding | 1,311,021 | 1,688,913 | 67,674 | 241,023 | -- | 100.00% | 1,574,906 | -- | 46,333 | 67,674 | 1,688,913 | 70,311 |
| Banco do Brasil AG | 401,695 | 1,250,438 | (16,381) | 638 | -- | 100.00% | 1,282,686 | -- | (15,867) | (16,381) | 1,250,438 | (34,149) |
| BB Securities LLC | 27,197 | 457,781 | 1,857 | 5 | -- | 100.00% | 435,543 | -- | 20,381 | 1,857 | 457,781 | 20,377 |
| Banco do Brasil Americas ⁽⁵⁾ | 334,523 | 382,719 | 20,119 | 11,086 | -- | 100.00% | 322,352 | -- | 14,597 | 20,119 | 357,068 | 12,672 |
| BB USA Holding Company | -- | 916 | (26) | -- | -- | 100.00% | 902 | -- | 40 | (26) | 916 | (29) |
| Goodwill on acquisition of investments abroad | | | | | | | 283,534 | -- | (14,480) | -- | 269,054 | -- |
| Profit/(loss) with foreign exchange in the branches | | | | | | | -- | -- | (400,925) | 400,925 | -- | 4,442,993 |
| Profit/(loss) with foreign exchange in the affiliates and associates | | | | | | | -- | -- | 31,689 | (31,689) | -- | 1,094,061 |
| Profit/loss with exchange in the other equity | | | | | | | -- | -- | (3,864) | 3,864 | -- | 32,574 |
| Total investments in associates and joint ventures | | | | | | | 32,197,480 | (2,318,823) | (455,588) | 6,833,952 | 36,257,021 | 11,151,870 |
| (Allowance for losses) | | | | | | | (228) | -- | (34,549) | -- | (34,777) | -- |

(1) These basically refer to the exchange fluctuation and equity valuation adjustments of available-for-sale securities and the foreign exchange variation on investments abroad.

(2) On September 30, 2021, the price of BB Seguridade share was R\$ 19.95.

(3) Refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury.

(4) Excluded unrealized profits on transactions with the Banco do Brasil.

(5) Including the provision for impairment loss on investment in Banco do Brasil Americas in the amount of R\$ 25,651 thousand, recorded in previous years.



In thousands of Reais, unless otherwise stated

| BB Consolidated | Share capital | Adjusted shareholders' equity | Net income – Jan 1 to Sep 30, 2021 | Number of shares (in thousands) | | Ownership interest in share capital % | Book value Dec 31, 2020 | Changes – Jan 1 to Sep 30, 2021 | | | Book value Sep 30, 2021 | Equity income Jan 1 to Sep 30, 2020 |
|---|---------------|-------------------------------|------------------------------------|---------------------------------|-----------|---------------------------------------|----------------------------|---------------------------------|-----------------------------|------------------|----------------------------|--|
| | | | | Common | Preferred | | | Dividends | Other events ⁽¹⁾ | Equity income | | |
| Domestic | | | | | | | 15,767,954 | (1,202,281) | 350,161 | 2,395,537 | 17,311,371 | 2,171,023 |
| Banco Votorantim S.A. ⁽²⁾ | 8,130,372 | 12,229,314 | 1,185,973 | 1,065,794 | 584,042 | 50.00% | 5,372,810 | -- | 144,812 | 594,414 | 6,112,036 | 359,922 |
| Cateno Gestão de Contas de Pagamento S.A. ⁽³⁾ | 414,000 | 10,272,070 | 399,666 | 2,029,930 | 1,014,965 | 30.00% | 3,114,837 | (139,030) | (14,091) | 119,904 | 3,081,620 | 75,071 |
| Cielo S.A. ⁽²⁾⁽⁴⁾ | 5,700,000 | 11,776,912 | 1,033,384 | 778,320 | -- | 28.81% | 3,272,950 | (64,454) | 6,232 | 171,007 | 3,385,735 | 31,571 |
| Brasilprev Seguros e Previdência S.A. ⁽²⁾⁽⁵⁾⁽⁶⁾ | 3,529,258 | 5,543,562 | 466,133 | 879 | 1,759 | 74.99% | 3,319,682 | -- | 449,169 | 346,132 | 4,114,983 | 592,454 |
| BB Mapfre Participações S.A. ⁽⁵⁾ | 1,469,848 | 1,884,859 | 902,914 | 944,858 | 1,889,339 | 74.99% | 1,357,044 | (520,359) | (100,323) | 677,094 | 1,413,456 | 790,030 |
| Brasilcap Capitalização S.A. ⁽⁵⁾ | 254,393 | 377,104 | 129,155 | 107,989 | 107,989 | 66.66% | 359,580 | (19,998) | (174,374) | 86,094 | 251,302 | 84,155 |
| Elo Participações S.A. ⁽⁷⁾ | 1,052,000 | 2,859,575 | 691,796 | 525,895 | -- | 49.99% | 1,525,119 | (441,863) | (1,805) | 348,050 | 1,429,501 | 241,377 |
| UBS BB Serviços de Assessoria Financeira e Participações S.A. ⁽⁸⁾ | 2,289,917 | 1,413,219 | 38,492 | 1,954,245 | -- | 49.99% | 687,304 | -- | (78) | 19,242 | 706,468 | -- |
| Other investments | | | | | | | 232,155 | (16,577) | (80,472) | 33,600 | 168,706 | (3,557) |
| Goodwill/(bargain) purchase on acquisition of investments | | | | | | | (1,561) | -- | -- | -- | (1,561) | -- |
| Unrealized profits on transactions with equity-accounted investees ⁽⁹⁾ | | | | | | | (3,471,966) | -- | 121,091 | -- | (3,350,875) | -- |
| Overseas | | | | | | | 283,534 | -- | (14,480) | -- | 269,054 | -- |
| Goodwill on acquisition of investments abroad | | | | | | | 283,534 | -- | (14,480) | -- | 269,054 | -- |
| Total investments in associates and joint ventures | | | | | | | 16,051,488 | (1,202,281) | 335,681 | 2,395,537 | 17,580,425 | 2,171,023 |
| (Allowance for losses) | | | | | | | (21,316) | -- | (22,503) | -- | (43,819) | -- |

(1) These basically refer to the equity valuation adjustments of available-for-sale securities.

(2) Excluded unrealized profits on transactions with the Banco do Brasil.

(3) Indirect interest of the Bank in Cateno, through its subsidiary BB Elo Cartões Participações S.A. The total share of the Bank is 50.17 % (Cielo S.A. holds 70.00 % of direct interest in Cateno).

(4) Refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury.

(5) Equity interest held by BB Seguros Participações S.A. It includes harmonization adjustments in accounting practices.

(6) There was a capital input in the amount of R\$ 449,969 thousand by the controlling party - BB Seguros.

(7) The equity of Elo Participações S.A. is calculated in proportion to the monthly contribution of BB Elo Cartões in the business of the company, according to agreement of November 1, 2017, between BB Elo Cartões and Bradescard.

(8) Company arising from the strategic partnership between BB-Banco de Investimentos S.A. and UBS A.G. to operate in investment banking and securities brokerage activities (Note 5).

(9) Unrealized profit arising from a new strategic partnership between BB Elo Cartões Participações S.A. and Cielo S.A., forming Cateno Gestão de Contas de Pagamento S.A. and unrealized profit arising from strategic partnership between BB-BI and UBS A.G.



In thousands of Reais, unless otherwise stated

b) Summarized financial information of associates and joint ventures, not adjusted for the equity interest percentage held by the Bank

| Balance sheet | Sep 30, 2021 | | | | | | |
|--|---------------------------------------|-----------------------|---|------------------------------|-------------------|-------------------|--------------------|
| | Brasilprev Seguros e Previdência S.A. | Banco Votorantim S.A. | Cateno Gestão de Contas de Pagamento S.A. | BB Mapfre Participações S.A. | Cielo S.A. | Other | Total |
| Total assets | 317,276,399 | 120,563,580 | 11,143,367 | 19,394,590 | 91,175,686 | 18,672,590 | 578,226,212 |
| Cash and due from banks | 34,950 | 257,783 | 2,919 | 2,811 | 248,445 | 873,468 | 1,420,376 |
| Short-term interbank investments | -- | 7,568,208 | 1,037 | -- | -- | -- | 7,569,245 |
| Securities and derivative financial instruments | 315,393,263 | 39,564,256 | 1,012,623 | 7,866,501 | 7,803,677 | 8,170,537 | 379,810,857 |
| Loans | -- | 53,005,749 | -- | -- | -- | -- | 53,005,749 |
| Other credits and other assets | 1,622,334 | 17,354,320 | 1,080,579 | 11,338,412 | 71,911,170 | 2,882,575 | 106,189,390 |
| Permanent assets | 225,852 | 2,813,264 | 9,046,209 | 186,866 | 11,212,394 | 6,746,010 | 30,230,595 |
| Total liabilities | 311,732,837 | 108,334,266 | 871,298 | 17,509,731 | 79,398,774 | 12,829,291 | 530,676,197 |
| Deposits, securities, borrowings, derivative financial instruments and others onlendings | 558,801 | 90,958,091 | -- | -- | 63,136,505 | -- | 154,653,397 |
| Other liabilities | 311,174,036 | 17,376,175 | 871,298 | 17,509,731 | 16,262,269 | 12,829,291 | 376,022,800 |
| Technical provisions for insurance, pension plans and capitalization | 310,772,275 | -- | -- | 13,093,784 | -- | 7,983,483 | 331,849,542 |
| Subordinated debts and equity and debt hybrid securities | -- | 428,184 | -- | -- | -- | -- | 428,184 |
| Other | 401,761 | 16,947,991 | 871,298 | 4,415,947 | 16,262,269 | 4,845,808 | 43,745,074 |
| Shareholders' equity | 5,543,562 | 12,229,314 | 10,272,069 | 1,884,859 | 11,776,912 | 5,843,299 | 47,550,015 |
| % of Total Share | 74.99% | 50.00% | 30.00% | 74.99% | 28.81% | -- | -- |
| Shareholders' equity (proportional to the equity interest) | 4,157,394 | 6,114,657 | 3,081,620 | 1,413,456 | 3,383,342 | 2,597,822 | 20,748,291 |
| Goodwill/(bargain) purchase on acquisition of investments | (1,561) | -- | -- | -- | -- | 269,054 | 267,493 |
| Other amounts ⁽¹⁾ | (42,411) | (2,621) | (2,711,797) | -- | 2,393 | (680,923) | (3,435,359) |
| Investment book value | 4,113,422 | 6,112,036 | 369,823 | 1,413,456 | 3,385,735 | 2,185,953 | 17,580,425 |

(1) It refers, mainly, to unrealized profits on transactions with equity-accounted investees, harmonization in accounting practices and prior fiscal year adjustments of non-financial companies to Chart of Accounts for Financial Institutions - Cosif.



In thousands of Reais, unless otherwise stated

| Statements of income | Jan 1 to Sep 30, 2021 | | | | | | |
|---|---------------------------------------|-----------------------|---|------------------------------|------------------|------------------|------------------|
| | Brasilprev Seguros e Previdência S.A. | Banco Votorantim S.A. | Cateno Gestão de Contas de Pagamento S.A. | BB Mapfre Participações S.A. | Cielo S.A. | Other | Total |
| Income from financial intermediation | (617,412) | 3,764,109 | -- | 220,319 | 96,402 | 175,896 | 3,639,314 |
| Service fee income | 2,346,280 | 522,052 | 2,643,556 | -- | 6,796,254 | 4,322,550 | 16,630,692 |
| Other administrative expenses | (126,790) | (1,161,281) | (682,506) | (193,567) | (935,708) | (3,205,842) | (6,305,694) |
| Other operating income/expenses | (792,743) | (1,134,020) | (1,354,173) | 1,182,791 | (4,379,690) | 609,129 | (5,868,706) |
| Non-operating income | (56) | 26,545 | -- | 1,950 | (236,390) | (58,991) | (266,942) |
| Net income before tax | 809,279 | 2,017,405 | 606,877 | 1,211,493 | 1,340,868 | 1,842,742 | 7,828,664 |
| Income tax and profit sharing | (343,146) | (831,432) | (207,211) | (308,579) | (307,484) | (355,301) | (2,353,153) |
| Net income | 466,133 | 1,185,973 | 399,666 | 902,914 | 1,033,384 | 1,487,441 | 5,475,511 |
| % of Total Share | 74.99% | 50.00% | 30.00% | 74.99% | 28.81% | -- | -- |
| Net income (proportional to the equity interest) | 349,577 | 592,986 | 119,904 | 677,094 | 297,701 | 716,611 | 2,753,873 |
| Other amounts ⁽¹⁾ | (3,445) | 1,428 | -- | -- | (126,694) | (229,625) | (358,336) |
| Equity income | 346,132 | 594,414 | 119,904 | 677,094 | 171,007 | 486,986 | 2,395,537 |

(1) It refers, mainly, to unrealized profits on transactions with equity-accounted investees, harmonization in accounting practices and prior fiscal year adjustments of non-financial companies to Chart of Accounts for Financial Institutions - Cosif.



In thousands of Reais, unless otherwise stated

| Balance sheet | Dec 31, 2020 | | | | | | |
|--|---------------------------------------|-----------------------|---|------------------------------|-------------------|-------------------|--------------------|
| | Brasilprev Seguros e Previdência S.A. | Banco Votorantim S.A. | Cateno Gestão de Contas de Pagamento S.A. | BB Mapfre Participações S.A. | Cielo S.A. | Other | Total |
| Total assets | 312,871,595 | 117,928,511 | 11,082,701 | 17,137,752 | 89,724,921 | 19,723,475 | 568,468,955 |
| Cash and due from banks | 3,782 | 491,165 | 2,130 | 9,540 | 206,958 | 1,180,233 | 1,893,808 |
| Interbank investments | -- | 9,856,237 | 4,001 | -- | -- | 14,404 | 9,874,642 |
| Securities and derivative financial instruments | 311,171,234 | 38,063,112 | 840,743 | 7,249,134 | 4,482,695 | 8,889,849 | 370,696,767 |
| Loans | -- | 50,003,679 | -- | -- | -- | -- | 50,003,679 |
| Other credits and other assets | 1,454,805 | 17,143,891 | 896,233 | 9,664,528 | 73,658,576 | 5,376,740 | 108,194,773 |
| Permanent assets | 241,774 | 2,370,427 | 9,339,594 | 214,550 | 11,376,692 | 4,262,249 | 27,805,286 |
| Total liabilities | 308,543,128 | 107,146,286 | 699,912 | 15,328,118 | 78,340,948 | 13,398,891 | 523,457,283 |
| Deposits, securities, borrowings, derivative financial instruments and others onlendings | -- | 92,269,129 | -- | -- | 68,098,100 | 526 | 160,367,755 |
| Other liabilities | 308,543,128 | 14,877,157 | 699,912 | 15,328,118 | 10,242,848 | 13,398,365 | 363,089,528 |
| Technical provisions for insurance, pension plans and capitalization | 308,210,264 | -- | -- | 10,960,355 | -- | 8,261,132 | 327,431,751 |
| Subordinated debts and equity and debt hybrid securities | -- | 193,542 | -- | -- | -- | -- | 193,542 |
| Other | 332,864 | 14,683,615 | 699,912 | 4,367,763 | 10,242,848 | 5,137,233 | 35,464,235 |
| Shareholders' Equity | 4,328,467 | 10,782,225 | 10,382,789 | 1,809,634 | 11,383,973 | 6,324,584 | 45,011,672 |
| % of Total Share | 74.99 % | 50.00 % | 30.00 % | 74.99 % | 28.75 % | -- | -- |
| Shareholders' equity (proportional to the equity interest) | 3,246,134 | 5,391,113 | 3,114,837 | 1,357,044 | 3,270,456 | 3,012,117 | 19,391,701 |
| Goodwill/(bargain) purchase on acquisition of investments | (1,561) | -- | -- | -- | -- | 283,534 | 281,973 |
| Other amounts ⁽¹⁾ | 73,548 | (18,303) | (2,798,654) | -- | 2,494 | (881,271) | (3,622,186) |
| Investment book value | 3,318,121 | 5,372,810 | 316,183 | 1,357,044 | 3,272,950 | 2,414,380 | 16,051,488 |

(1) It refers, mainly, to unrealized profits on transactions with equity-accounted investees, harmonization in accounting practices and prior fiscal year adjustments of non-financial companies to Chart of Accounts for Financial Institutions - Cosif.



In thousands of Reais, unless otherwise stated

| Statements of income | Jan 1 to Sep 30, 2020 | | | | | | |
|---|---------------------------------------|-----------------------|---|------------------------------|----------------|----------------|------------------|
| | Brasilprev Seguros e Previdência S.A. | Banco Votorantim S.A. | Cateno Gestão de Contas de Pagamento S.A. | BB Mapfre Participações S.A. | Cielo S.A. | Other | Total |
| Income from financial intermediation | 18,984 | 2,120,504 | -- | 224,341 | 493,959 | 186,889 | 3,044,677 |
| Service fee income | 2,160,104 | 409,819 | 2,044,428 | -- | 6,194,751 | 3,999,300 | 14,808,402 |
| Other administrative expenses | (152,602) | (1,117,044) | (613,168) | (191,532) | (746,494) | (3,201,845) | (6,022,685) |
| Other operating income/expenses | (724,568) | (1,278,362) | (1,050,027) | 1,403,050 | (5,297,882) | (10,827) | (6,958,616) |
| Non-operating income | -- | (4,964) | -- | 1,198 | (35,686) | (59,402) | (98,854) |
| Net income before tax | 1,301,918 | 129,953 | 381,233 | 1,437,057 | 608,648 | 914,115 | 4,772,924 |
| Income tax and profit sharing | (510,308) | 587,742 | (130,943) | (383,542) | (325,016) | (79,111) | (841,178) |
| Net Income | 791,610 | 717,695 | 250,290 | 1,053,515 | 283,632 | 835,004 | 3,931,746 |
| % of Total Share | 74.99% | 50.00% | 30.00% | 74.99% | 28.73% | -- | -- |
| Net income (proportional to the equity interest) | 593,668 | 358,848 | 75,087 | 790,030 | 81,483 | 361,443 | 2,260,559 |
| Other amounts ⁽¹⁾ | (1,214) | 1,074 | (16) | -- | (49,912) | (39,468) | (89,536) |
| Equity income | 592,454 | 359,922 | 75,071 | 790,030 | 31,571 | 321,975 | 2,171,023 |

(1) It refers, mainly, to unrealized profits on transactions with equity-accounted investees, harmonization in accounting practices and prior fiscal year adjustments of non-financial companies to Chart of Accounts for Financial Institutions - Cosif.



In thousands of Reais, unless otherwise stated

c) Other investments

| | Banco do Brasil | | BB Consolidated | |
|---------------------------|-----------------|----------------|-----------------|----------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Tax incentive investments | 9,754 | 9,882 | 10,423 | 10,551 |
| Equity securities | 57 | 57 | 57 | 57 |
| Stocks and shares | 76,918 | 76,832 | 90,037 | 90,065 |
| Other investments | 3,074 | 3,056 | 3,898 | 3,902 |
| Other equity abroad | 124,858 | 120,994 | 213,106 | 201,197 |
| Total | 214,661 | 210,821 | 317,521 | 305,772 |
| (Allowance for losses) | (42,375) | (44,936) | (43,144) | (45,705) |

d) Goodwill arising on acquisition of investments

| Changes of goodwill | Banco do Brasil | | BB Consolidated | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Opening balance | 283,534 | 333,720 | 283,534 | 333,720 |
| Amortizations ⁽¹⁾ | (16,049) | (21,368) | (16,049) | (21,368) |
| Foreign exchange fluctuation ⁽²⁾ | (30,638) | 33,850 | (30,638) | 33,850 |
| Closing balance ⁽³⁾ | 236,847 | 346,202 | 236,847 | 346,202 |

(1) Booked in other administrative expenses.

(2) Relates to the goodwill from Banco Patagonia.

(3) Includes provision for losses on goodwill on the acquisition of BB Americas, in the amount of R\$ 32,208 thousand.

e) Expected goodwill amortization

| | 2021 | 2022 | 2023 | After 2023 | Total |
|---------------------------------------|--------------|---------------|---------------|----------------|----------------|
| Banco Patagonia ⁽¹⁾ | 5,245 | 20,712 | 20,712 | 158,786 | 205,455 |
| Tax effects | (2,360) | (9,320) | (9,320) | (71,454) | (92,454) |
| Net total | 2,885 | 11,392 | 11,392 | 87,332 | 113,001 |

(1) The goodwill to be amortized does not include an amount of R\$ 31,392 thousand related to an indefinite life intangible asset and other assets not subject to amortization.

The expected amortization of goodwill arising on the acquisition of investments is based on the projections of results made at the time of the purchase, prepared by specialized firms or technical departments within the Bank, and considers the timing of the estimates and discount rates used in calculating the net present value of expected cash flows.

f) Goodwill impairment test

The recoverable amount of goodwill arising on acquisition of investments is determined by the value in use, which is the discounted value of the cash flow projections of the invested entity (cash-generating unit). For the evaluation of the banks, the free cash flow for shareholders discounted by the cost of equity capital calculated for each institution was used.

Assumptions used to project these cash flows are based on public information, budgets and/or business plans of the purchased entities. These assumptions consider current and past performance, as well as expected market and macroeconomic growth.

The cash flow of the entity below was actively projected for six years and considered perpetual from the last period with fixed growth rates. For the periods that exceed the terms of the budget or business plan, the growth estimates are in line with those adopted by the entity. The nominal discount rate is determined annually based on the CAPM (Capital Asset Pricing Model) adjusted for the market and the currency of each country.



In thousands of Reais, unless otherwise stated

| Entity (cash-generating unit) | Growth rate p.a. ⁽¹⁾ | Discount rate p.a. ⁽²⁾ |
|-------------------------------|---------------------------------|-----------------------------------|
| Banco Patagonia | 14.4 % | 39.5 % |

(1) Nominal growth in perpetuity.

(2) Geometric average used in economic evaluations.

According to the sensitivity analysis performed, there is no indication that changes in the assumptions would cause the book value of the cash-generating units to exceed the recoverable amount.

In the periods presented, there was no impairment loss on goodwill arising on the acquisition of investments.

15 - PROPERTY AND EQUIPMENT

| | Banco do Brasil | | | | | | | |
|--------------------------------------|--------------------------|------------------|-----------------------|------------------|-------------------|--------------------------|-------------------|------------------|
| | Annual depreciation rate | Dec 31, 2020 | Jan 1 to Sep 30, 2021 | | Set 30, 2021 | | | |
| | | Book value | Changes | Depreciation | Cost value | Accumulated depreciation | Impairment losses | Book value |
| Buildings | 4 to 10% | 3,449,148 | 277,974 | (312,405) | 8,578,219 | (5,129,997) | (33,505) | 3,414,717 |
| Furniture and equipment | 10% | 1,714,969 | 215,854 | (225,311) | 3,880,764 | (2,175,214) | (38) | 1,705,512 |
| Data processing systems | 10 to 20% | 1,571,018 | 191,972 | (394,998) | 4,669,777 | (3,301,785) | -- | 1,367,992 |
| Constructions in progress | -- | 608,539 | (38,896) | -- | 569,643 | -- | -- | 569,643 |
| Land | -- | 322,124 | (6,996) | -- | 315,128 | -- | -- | 315,128 |
| Communication and security equipment | 10% | 227,583 | 71,760 | (37,147) | 733,897 | (471,697) | (4) | 262,196 |
| Facilities | 10% | 127,608 | 11,020 | (21,407) | 1,018,633 | (901,412) | -- | 117,221 |
| Vehicles | 10% | 2,089 | (6) | (525) | 8,274 | (6,716) | -- | 1,558 |
| Furniture and equipment in stock | -- | 882 | (20) | -- | 862 | -- | -- | 862 |
| Total | | 8,023,960 | 722,662 | (991,793) | 19,775,197 | (11,986,821) | (33,547) | 7,754,829 |

| | BB Consolidated | | | | | | | | |
|--------------------------------------|--------------------------|------------------|-----------------------|--------------------|---------------------|-------------------|--------------------------|-------------------|------------------|
| | Annual depreciation rate | Dec 31, 2020 | Jan 1 to Sep 30, 2021 | | | Set 30, 2021 | | | |
| | | Book value | Changes | Depreciation | Reversal for losses | Cost value | Accumulated depreciation | Impairment losses | Book value |
| Buildings | 4 to 10% | 3,480,209 | 276,536 | (316,822) | -- | 8,647,834 | (5,174,406) | (33,505) | 3,439,923 |
| Furniture and equipment | 10% | 1,801,349 | 258,606 | (239,334) | -- | 4,090,285 | (2,269,501) | (163) | 1,820,621 |
| Data processing systems | 10 to 20% | 1,608,408 | 225,538 | (411,021) | 58 | 4,808,140 | (3,385,121) | (36) | 1,422,983 |
| Constructions in progress | -- | 640,992 | (59,916) | -- | -- | 581,076 | -- | -- | 581,076 |
| Land | -- | 329,730 | (7,645) | -- | -- | 322,085 | -- | -- | 322,085 |
| Communication and security equipment | 10% | 234,773 | 80,083 | (39,882) | -- | 756,796 | (481,818) | (4) | 274,974 |
| Facilities | 10% | 131,281 | 13,392 | (21,816) | -- | 1,028,595 | (905,738) | -- | 122,857 |
| Vehicles | 10% | 3,230 | (125) | (770) | -- | 10,054 | (7,719) | -- | 2,335 |
| Furniture and equipment in stock | -- | 882 | (20) | -- | -- | 862 | -- | -- | 862 |
| Total | | 8,230,854 | 786,449 | (1,029,645) | 58 | 20,245,727 | (12,224,303) | (33,708) | 7,987,716 |



In thousands of Reais, unless otherwise stated

16 - INTANGIBLE ASSETS**a) Changes and breakdown**

| | Banco do Brasil | | | | | | | | | | |
|---|--------------------------|------------------|-----------------------|----------------------|-----------------|--------------------|-------------------------------------|-------------------|--------------------------|--------------------|------------------|
| | Annual amortization rate | Dec 31, 2020 | Jan 1 to Sep 30, 2021 | | | | | Sep 30, 2021 | | | |
| | | Book value | Acquisitions | Exchange fluctuation | Write offs | Amortization | Allowance for losses ⁽¹⁾ | Cost value | Accumulated amortization | Impairment losses | Book value |
| Rights to manage payroll ⁽²⁾ | Contract | 3,201,374 | 369,086 | -- | (3,481) | (826,209) | (959,194) | 7,736,913 | (3,998,578) | (1,956,759) | 1,781,576 |
| Software | 10% | 2,954,349 | 573,096 | 3,906 | (44,082) | (289,743) | -- | 6,343,872 | (3,146,346) | -- | 3,197,526 |
| Other intangible assets | Contract | -- | -- | -- | -- | -- | -- | 38,596 | (14,499) | (24,097) | -- |
| Total | | 6,155,723 | 942,182 | 3,906 | (47,563) | (1,115,952) | (959,194) | 14,119,381 | (7,159,423) | (1,980,856) | 4,979,102 |

| | BB Consolidated | | | | | | | | | | |
|---|--------------------------|------------------|-----------------------|----------------------|-----------------|--------------------|--|-------------------|--------------------------|--------------------|------------------|
| | Annual amortization rate | Dec 31, 2020 | Jan 1 to Sep 30, 2021 | | | | | Sep 30, 2021 | | | |
| | | Book value | Acquisitions | Exchange fluctuation | Write offs | Amortization | (Allowance)/reversal for losses ⁽¹⁾ | Cost value | Accumulated amortization | Impairment losses | Book value |
| Rights to manage payroll ⁽²⁾ | Contract | 3,201,374 | 369,086 | -- | (3,481) | (826,209) | (959,194) | 7,736,913 | (3,998,578) | (1,956,759) | 1,781,576 |
| Software | 10% | 3,019,292 | 591,992 | 5,726 | (51,037) | (302,750) | 2 | 6,492,620 | (3,229,395) | -- | 3,263,225 |
| Other intangible assets | Contract | -- | -- | -- | -- | -- | -- | 38,596 | (14,499) | (24,097) | -- |
| Total | | 6,220,666 | 961,078 | 5,726 | (54,518) | (1,128,959) | (959,192) | 14,268,129 | (7,242,472) | (1,980,856) | 5,044,801 |

(1) The reinforcement and reversal for losses are recognized in other income/expenses (Note 27).

(2) The values of acquisitions and write-offs include contracts renegotiated in the period, in which the new contract value is activated and the value of the previous contract is written-off without impact on the income statement.

b) Estimate for amortization

| | Banco do Brasil | | | | | | |
|-------------------------|------------------|---------|---------|---------|---------|------------|------------------|
| | 4th quarter/2021 | 2022 | 2023 | 2024 | 2025 | After 2025 | Total |
| Amounts to be amortized | 258,906 | 968,689 | 746,495 | 715,320 | 448,214 | 1,841,478 | 4,979,102 |

| | BB Consolidated | | | | | | |
|-------------------------|------------------|---------|---------|---------|---------|------------|------------------|
| | 4th quarter/2021 | 2022 | 2023 | 2024 | 2025 | After 2025 | Total |
| Amounts to be amortized | 260,548 | 975,259 | 753,065 | 721,890 | 454,784 | 1,879,255 | 5,044,801 |



In thousands of Reais, unless otherwise stated

17 - CUSTOMER RESOURCES**a) Deposits**

| | Banco do Brasil | | BB Consolidated | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Demand deposits | 110,452,295 | 94,388,414 | 114,481,706 | 98,307,410 |
| Individuals | 54,882,376 | 52,131,205 | 56,226,762 | 53,213,887 |
| Corporations | 37,883,746 | 29,383,049 | 40,695,487 | 32,405,615 |
| Restricted ⁽¹⁾ | 12,282,939 | 6,849,446 | 12,391,842 | 6,864,873 |
| Government | 2,798,376 | 2,511,563 | 2,798,376 | 2,511,563 |
| Associated | 1,052,956 | 751,053 | 914,676 | 630,451 |
| Foreign currency | 553,018 | 531,029 | 553,018 | 531,029 |
| Financial system institutions | 587,865 | 1,277,128 | 493,668 | 1,199,708 |
| National Treasury Special | 303,768 | 179,905 | 303,768 | 179,905 |
| Domiciled abroad | 51,180 | 81,246 | 48,038 | 77,589 |
| Other | 56,071 | 692,790 | 56,071 | 692,790 |
| Savings deposits | 225,458,001 | 219,396,331 | 225,458,001 | 219,396,331 |
| Individuals | 217,595,025 | 211,872,717 | 217,595,025 | 211,872,717 |
| Corporations | 7,407,851 | 7,120,911 | 7,407,851 | 7,120,911 |
| Associated | 438,057 | 386,187 | 438,057 | 386,187 |
| Financial system institutions | 17,068 | 16,516 | 17,068 | 16,516 |
| Time deposits | 299,427,526 | 269,408,816 | 318,367,490 | 283,819,600 |
| Judicial | 182,937,883 | 164,388,100 | 183,093,654 | 164,538,401 |
| National currency | 93,199,425 | 82,329,375 | 93,199,425 | 82,329,374 |
| Foreign currency | 15,444,571 | 14,435,524 | 34,228,764 | 28,696,008 |
| Special Regime ⁽²⁾ | 3,005,870 | 2,800,973 | 3,005,870 | 2,800,973 |
| Third party collaterals ⁽³⁾ | 2,054,614 | 1,832,849 | 2,054,614 | 1,832,849 |
| Fundo de Amparo ao Trabalhador - FAT (Note 17.d) | 800,766 | 1,903,053 | 800,766 | 1,903,053 |
| Funproger (Note 17.e) | 489,642 | 485,872 | 489,642 | 485,872 |
| Other | 1,494,755 | 1,233,070 | 1,494,755 | 1,233,070 |
| Other deposits | 403,624 | 460,924 | 403,624 | 460,924 |
| Total | 635,741,446 | 583,654,485 | 658,710,821 | 601,984,265 |
| Current liabilities | 552,377,775 | 510,122,688 | 574,360,482 | 527,711,085 |
| Non-current liabilities | 83,363,671 | 73,531,797 | 84,350,339 | 74,273,180 |

(1) Includes the amount of R\$ 1,029,611 thousand (R\$ 3,218,726 thousand as of December 31, 2020) relating to DAF resources - Demonstrativos da Distribuição de Arrecadação Federal e Ordens Bancárias do Tesouro. On December 31, 2020, the amount of R\$ 55,316 thousand, relating to obligations with the Federal Government, from extended and securitized rural transactions under Law 9,138/1995, assigned through Provisional Measure No. 2,196/2001, was settled during the 1st quarter/2021.

(2) Special deposits for the Justice Courts, to comply with the Constitutional Transitory Acts pursuant to Constitutional Amendment No. 99/2017.

(3) Cooperation agreements made between the Court houses or councils to attend Brazilian Justice National Council Resolution 98/2009.



In thousands of Reais, unless otherwise stated

b) Deposits by maturity

| | Banco do Brasil | | | | | | Sep 30, 2021 | Dec 31, 2020 |
|------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------|
| | Without maturity | Up to 3 months | 3 to 12 months | 1 to 3 years | 3 to 5 years | | | |
| Time deposits ⁽¹⁾ | 190,823,305 | 11,224,486 | 14,016,064 | 15,787,958 | 67,575,713 | 299,427,526 | 269,408,816 | |
| Savings deposits | 225,458,001 | -- | -- | -- | -- | 225,458,001 | 219,396,331 | |
| Demand deposits | 110,452,295 | -- | -- | -- | -- | 110,452,295 | 94,388,414 | |
| Other deposits | 403,624 | -- | -- | -- | -- | 403,624 | 460,924 | |
| Total | 527,137,225 | 11,224,486 | 14,016,064 | 15,787,958 | 67,575,713 | 635,741,446 | 583,654,485 | |

(1) Includes the amount of R\$ 89,483,987 thousand (R\$ 77,225,836 thousand as of December 31, 2020), of time deposits with early repurchase clause (liquidity commitment), classified based on the contractual maturity dates.

| | BB Consolidated | | | | | | Sep 30, 2021 | Dec 31, 2020 |
|------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------|
| | Without maturity | Up to 3 months | 3 to 12 months | 1 to 3 years | 3 to 5 years | | | |
| Time deposits ⁽¹⁾ | 190,823,305 | 27,958,830 | 15,235,016 | 16,355,410 | 67,994,929 | 318,367,490 | 283,819,600 | |
| Savings deposits | 225,458,001 | -- | -- | -- | -- | 225,458,001 | 219,396,331 | |
| Demand deposits | 114,481,706 | -- | -- | -- | -- | 114,481,706 | 98,307,410 | |
| Other deposits | 403,624 | -- | -- | -- | -- | 403,624 | 460,924 | |
| Total | 531,166,636 | 27,958,830 | 15,235,016 | 16,355,410 | 67,994,929 | 658,710,821 | 601,984,265 | |

(1) Includes the amount of R\$ 89,483,987 thousand (R\$ 77,225,836 thousand as of December 31, 2020), of time deposits with early repurchase clause (liquidity commitment), classified based on the contractual maturity dates.

c) Expenses with customer resources

| | Banco do Brasil | | BB Consolidated | |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Savings deposits | (5,604,821) | (5,103,245) | (5,604,821) | (5,103,245) |
| Time deposits | (6,061,263) | (5,600,073) | (8,235,367) | (6,707,165) |
| Judicial | (4,226,234) | (3,731,200) | (4,229,891) | (3,733,614) |
| Other | (1,835,029) | (1,868,873) | (4,005,476) | (2,973,551) |
| Total | (11,666,084) | (10,703,318) | (13,840,188) | (11,810,410) |

d) Fund for worker's assistance (Fundo de Amparo ao Trabalhador – FAT)

| | Resolution/ TADE ⁽¹⁾ | Repayment of FAT Funds | | Sep 30, 2021 | | | Dec 31, 2020 | | |
|--------------------------------|------------------------------------|------------------------|--------------|------------------------------|--------------------------------------|----------------|------------------------------|--------------------------------------|------------------|
| | | Type ⁽²⁾ | Initial date | Available TMS ⁽³⁾ | Invested TJLP and TLP ⁽⁴⁾ | Total | Available TMS ⁽³⁾ | Invested TJLP and TLP ⁽⁴⁾ | Total |
| Proger Rural and Pronaf | | | | 351 | 1,896 | 2,247 | 419 | 11,571 | 11,990 |
| Pronaf Custeio | 04/2005 | RA | 11/2005 | 2 | 115 | 117 | 10 | 127 | 137 |
| Pronaf Investimento | 05/2005 | RA | 11/2005 | 326 | 1,137 | 1,463 | 283 | 10,734 | 11,017 |
| Rural Custeio | 02/2006 | RA | 11/2005 | -- | -- | -- | -- | 1 | 1 |
| Rural Investimento | 13/2005 | RA | 11/2005 | 23 | 644 | 667 | 126 | 709 | 835 |
| Proger Urbano | | | | 130,823 | 588,420 | 719,243 | 868,766 | 885,941 | 1,754,707 |
| Urbano Investimento | 18/2005 | RA | 11/2005 | 129,310 | 582,454 | 711,764 | 444,683 | 853,032 | 1,297,715 |
| Urbano Capital de Giro | 01/2016 | RA | 06/2016 | 100 | 2,775 | 2,875 | 129,800 | 27,432 | 157,232 |
| Urbano Capital de Giro 2020 | 01/2020 | RA | 04/2020 | 1,413 | 3,191 | 4,604 | 294,283 | 5,477 | 299,760 |
| Other | | | | 18,071 | 61,205 | 79,276 | 29,753 | 106,603 | 136,356 |
| Proger Exportação | 27/2005 | RA | 11/2005 | -- | 57 | 57 | 1,022 | 98 | 1,120 |
| FAT Taxista | 02/2009 | RA | 09/2009 | 17,143 | 60,739 | 77,882 | 25,299 | 102,593 | 127,892 |
| FAT Turismo Investimento | 01/2012 | RA | 08/2012 | 928 | 409 | 1,337 | 3,432 | 3,912 | 7,344 |
| Total | | | | 149,245 | 651,521 | 800,766 | 898,938 | 1,004,115 | 1,903,053 |

(1) TADE - Allocation Term of Special Deposits.

(2) RA - Automatic Return (monthly, 2% of the total balance).

(3) Funds remunerated by the Taxa Média Selic (average selic rate - TMS).

(4) Funds remunerated by Long-term interest rate (TJLP) for resources released until December 31, 2017 and Long-Term Rate (TLP) for those released as of January 1, 2018.



In thousands of Reais, unless otherwise stated

FAT is a special accounting and financial fund, established by Law 7,998/1990, associated with the Ministério do Trabalho e Previdência (Ministry of Labor and Pensions) and managed by the Executive Council of the Fundo de Amparo ao Trabalhador (Fund for Workers' Assistance) – Codefat. Codefat is a collective, tripartite, equal level organization, composed of representatives of workers, employers and government, who acts as manager of the FAT.

The main actions to promote employment using FAT funds are structured around the Employment and Earnings Generating Program (Proger), which resources are invested through special deposits, established by Law 8,352/1991, in official federal financial institutions. These programs include, among others, the urban Proger program (Investment and Working Capital), Popular Entrepreneur, the National Program for Strengthening Family Farming – Pronaf, in addition to special lines such as FAT Taxista, FAT Turismo Investimento and FAT Turismo Capital de Giro.

The FAT special deposits invested in Banco do Brasil are daily accrued the Average Selic Rate (TMS), when not lent out. As they are invested in the financing, they will be remunerated by the Long Term Rate (TLP) as of January 1, 2018 and TJLP (Long Term Interest Rate) for funds released through December 31, 2017, until maturity. The accruals are paid to FAT monthly, as established in Codefat Resolutions 439/2005, 489/2006 and 801/2017.

e) Endorsement fund for the generation of employment and income (Funproger)

The Endorsement fund for the generation of employment and income (Funproger) is a special accounting fund established on November 23, 1999 by Law 9,872/1999, amended by Law 10,360/2001 and by Law 11,110/2005 and regulated by Codefat Resolution 409/2004, and its amendments. It is managed by Banco do Brasil under the supervision of Codefat.

The objective of Funproger is to provide endorsement to entrepreneurs who do not have the necessary guarantees to contract financing by Proger Urbano and Programa Nacional de Microcrédito Produtivo Orientado, through the payment of a commission. The Funproger's equity were incorporated from the spread between TMS and TJLP accrued over FAT special deposits. Other sources of funds are the operations accruals and the income paid by Banco do Brasil, the fund manager.



In thousands of Reais, unless otherwise stated

18 - FINANCIAL INSTITUTIONS RESOURCES**a) Breakdown**

| | Banco do Brasil | | BB Consolidated | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Securities sold under repurchase agreements (Note 18.b) | 688,453,521 | 519,049,785 | 672,162,716 | 503,722,822 |
| Borrowings and onlendings (Note 18.c) | 146,317,517 | 147,301,946 | 67,035,895 | 73,884,058 |
| Interbank deposits | 24,666,911 | 25,081,389 | 25,115,407 | 25,686,889 |
| Liabilities for operations linked to assignments | 211,338 | 258,493 | 211,338 | 258,493 |
| Total | 859,649,287 | 691,691,613 | 764,525,356 | 603,552,262 |
| Current liabilities | 748,738,038 | 586,833,204 | 726,201,586 | 565,348,523 |
| Non-current liabilities | 110,911,249 | 104,858,409 | 38,323,770 | 38,203,739 |

b) Securities sold under repurchase agreements

| | Banco do Brasil | | BB Consolidated | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Own portfolio | 93,561,527 | 175,652,834 | 77,489,609 | 160,325,871 |
| Treasury financial bills | 75,032,272 | 156,326,238 | 63,461,807 | 145,274,215 |
| Private securities | 10,485,685 | 13,675,125 | 10,485,685 | 13,675,125 |
| Securities abroad | 8,043,570 | 5,651,471 | 3,542,117 | 1,376,531 |
| Third-party portfolio | 594,891,994 | 343,396,951 | 594,673,107 | 343,396,951 |
| National Treasury notes | 354,527,353 | 161,715,081 | 354,495,830 | 161,715,081 |
| Treasury financial bills | 189,862,360 | 173,148,914 | 189,674,996 | 173,148,914 |
| National Treasury bills | 50,502,281 | 8,532,956 | 50,502,281 | 8,532,956 |
| Total | 688,453,521 | 519,049,785 | 672,162,716 | 503,722,822 |
| Current liabilities | 672,235,980 | 508,055,826 | 660,452,530 | 497,004,107 |
| Non-current liabilities | 16,217,541 | 10,993,959 | 11,710,186 | 6,718,715 |

c) Borrowings and onlendings**Borrowings**

| | Banco do Brasil | | | | Sep 30, 2021 | Dec 31, 2020 |
|---|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| | up to 90 days | from 91 to 360 days | from 1 to 3 years | from 3 to 5 years | | |
| Overseas | 3,565,448 | 8,752,018 | 44,209,820 | 564,977 | 57,092,263 | 51,850,980 |
| Borrowings from BB Group companies abroad | 23,148 | 3,562 | 42,761,837 | -- | 42,788,547 | 36,674,498 |
| Borrowings from bankers abroad | 3,456,518 | 8,573,759 | 1,306,354 | 546,467 | 13,883,098 | 14,997,098 |
| Imports | 85,782 | 174,697 | 141,629 | 18,510 | 420,618 | 179,384 |
| Total | 3,565,448 | 8,752,018 | 44,209,820 | 564,977 | 57,092,263 | 51,850,980 |
| Current liabilities | | | | | 12,317,466 | 12,641,428 |
| Non-current liabilities | | | | | 44,774,797 | 39,209,552 |



In thousands of Reais, unless otherwise stated

| | BB Consolidated | | | | | |
|--------------------------------|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| | up to 90 days | from 91 to 360 days | from 1 to 3 years | from 3 to 5 years | Sep 30, 2021 | Dec 31, 2020 |
| Overseas | 3,578,285 | 8,749,913 | 1,506,692 | 609,481 | 14,444,371 | 15,552,734 |
| Borrowings from bankers abroad | 3,492,505 | 8,575,219 | 1,365,063 | 590,971 | 14,023,758 | 15,373,357 |
| Imports | 85,780 | 174,694 | 141,629 | 18,510 | 420,613 | 179,377 |
| Total | 3,578,285 | 8,749,913 | 1,506,692 | 609,481 | 14,444,371 | 15,552,734 |
| Current liabilities | | | | | 12,328,198 | 12,846,812 |
| Non-current liabilities | | | | | 2,116,173 | 2,705,922 |

Onlendings

Domestic – official institutions

| | Finance charges | Banco do Brasil | | BB Consolidated | |
|--|--|-------------------|-------------------|-------------------|-------------------|
| | | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| National Treasury - rural credits resources | | 152,138 | 172,994 | 152,138 | 172,994 |
| Pronaf | TMS (if available) or Fixed 0.50 % p.a. to 4.00 % p.a. (if applied) | 20,638 | 13,605 | 20,638 | 13,605 |
| Cacau (cocoa) | IGP-M + 8.00 % p.a. or TJLP + 0.60 % p.a. or Fixed 6.35 % p.a. | 115,439 | 144,272 | 115,439 | 144,272 |
| Recoop | Fixed 5.75 % p.a. to 8.25 % p.a. or IGP-DI + 1.00 % p.a. or IGP-DI + 2.00 % p.a. | 10,770 | 10,770 | 10,770 | 10,770 |
| Other | | 5,291 | 4,347 | 5,291 | 4,347 |
| BNDES | Fixed 0.00 % p.a. to 8.00 % p.a. TJLP + 0.50 % p.a. to 4.00 % p.a. IPCA + 7.02 % p.a. to 9.41 % p.a. Selic + 2.08 % p.a. FX Variation + 0.90 % p.a. to 3.00 % p.a. TLP + 1.30 % p.a. to 2.10 % p.a. | 17,311,824 | 19,161,196 | 17,311,824 | 19,161,196 |
| Caixa Econômica Federal | Fixed 4.87 % p.a. (average) | 28,768,513 | 30,259,319 | 28,768,513 | 30,259,319 |
| Finame | Fixed 0.00 % p.a. to 8.00 % p.a. TJLP + 0.90 % p.a. to 4.00 % p.a. Selic + 2.08 % p.a. to 2.45 % p.a. FX Variation + 1.40 % p.a. to 3.00 % p.a. TLP + 1.42 % p.a. to 2.25 % p.a. | 6,313,223 | 8,587,353 | 6,313,223 | 8,587,353 |
| Other official institutions | | 45,826 | 150,462 | 45,826 | 150,462 |
| Funcafé | TMS (if available) Fixed 5.25 % p.a. to 6.75 % p.a. | 45,798 | 150,434 | 45,798 | 150,434 |
| Other | | 28 | 28 | 28 | 28 |
| Total | | 52,591,524 | 58,331,324 | 52,591,524 | 58,331,324 |
| Current liabilities | | 35,111,090 | 36,417,742 | 35,111,090 | 36,417,742 |
| Non-current liabilities | | 17,480,434 | 21,913,582 | 17,480,434 | 21,913,582 |



In thousands of Reais, unless otherwise stated

Overseas

| | Banco do Brasil | | BB Consolidated | |
|---|-------------------|-------------------|-----------------|--------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Funds obtained under the terms of Resolution CMN 3,844/2010 | 36,633,730 | 37,119,642 | -- | -- |
| Total | 36,633,730 | 37,119,642 | -- | -- |
| Current liabilities | 9,856,515 | 9,982,115 | -- | -- |
| Non-current liabilities | 26,777,215 | 27,137,527 | -- | -- |

d) Expenses from financial institutions resources

| | Banco do Brasil | | BB Consolidated | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Securities sold under repurchase agreements | (15,588,258) | (11,600,297) | (15,215,422) | (11,243,041) |
| Third-party portfolio | (13,603,494) | (10,209,047) | (13,377,216) | (9,993,711) |
| Own portfolio | (1,984,764) | (1,391,250) | (1,838,206) | (1,249,330) |
| Interbank deposits | (311,881) | (505,561) | (329,626) | (512,982) |
| Borrowings | (4,733,121) | (25,594,509) | (2,567,425) | (23,162,414) |
| Onlendings | (4,974,562) | (15,769,886) | (3,868,232) | (14,267,288) |
| Overseas | (2,914,221) | (13,631,759) | (1,807,891) | (12,129,161) |
| Caixa Econômica Federal | (1,111,664) | (1,167,630) | (1,111,664) | (1,167,630) |
| BNDES | (762,876) | (742,893) | (762,876) | (742,893) |
| Finame | (149,604) | (190,061) | (149,604) | (190,061) |
| Tesouro Nacional | (21,564) | (16,498) | (21,564) | (16,498) |
| Other | (14,633) | (21,045) | (14,633) | (21,045) |
| Foreign exchange profit/(loss) on overseas investments | -- | -- | 373,100 | 5,569,628 |
| Total | (25,607,822) | (53,470,253) | (21,607,605) | (43,616,097) |



In thousands of Reais, unless otherwise stated

19 - RESOURCES FROM ISSUANCE OF DEBT SECURITIES

a) Breakdown

| | Banco do Brasil | | BB Consolidated | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Funds from issuance of securities (Note 19.b) | 119,613,823 | 118,381,903 | 126,153,264 | 124,768,859 |
| Subordinated debts (Note 19.c) | 36,881,910 | 50,009,050 | 36,868,695 | 49,963,306 |
| Equity and debt securities (Note 19.d) | 38,457,330 | 36,576,405 | 30,341,891 | 28,459,975 |
| Total | 194,953,063 | 204,967,358 | 193,363,850 | 203,192,140 |
| Current liabilities | 55,402,614 | 43,853,991 | 55,456,336 | 43,913,905 |
| Non-current liabilities | 139,550,449 | 161,113,367 | 137,907,514 | 159,278,235 |

b) Funds from issuance of securities

| Funding | Currency | Issued value | Remuneration p.a. | Issue date | Maturity | BB Consolidated | |
|--|----------|--------------------------|---|------------|----------|--------------------|--------------------|
| | | | | | | Sep 30, 2021 | Dec 31, 2020 |
| Banco do Brasil | | | | | | 119,613,823 | 118,381,903 |
| Global Medium - Term Notes Program | | | | | | 19,956,725 | 15,850,558 |
| | USD | 1,000,000 | 4.63% | 2017 | 2025 | 5,474,339 | 5,286,224 |
| | BRL | 293,085 | 10.15% | 2017 | 2027 | 292,661 | 366,360 |
| | USD | 750,000 | 4.88% | 2018 | 2023 | 4,167,025 | 3,932,664 |
| | COL | 160,000,000 | 8.51% | 2018 | 2025 | 268,667 | 304,179 |
| | USD | 750,000 | 4.75% | 2019 | 2024 | 4,081,447 | 3,944,455 |
| | BRL | 398,000 | 9.50% | 2019 | 2026 | 404,259 | 469,785 |
| | MXN | 1,900,000 | 8.50% | 2019 | 2026 | 539,314 | 604,458 |
| | COL | 520,000,000 | 6.50% | 2019 | 2027 | 804,704 | 942,433 |
| | USD | 750,000 ⁽¹⁾ | 3.25% | 2021 | 2026 | 3,924,309 | -- |
| "Senior Notes" | | | | | | 5,997,375 | 9,448,593 |
| | USD | 1,085,133 ⁽¹⁾ | 3.88% | 2012 | 2022 | 5,997,375 | 9,448,593 |
| Structured notes | | | | | | -- | 305,850 |
| | EUR | 18,400 | 2.22 to 3.55% | | 2021 | -- | 118,508 |
| | USD | 36,000 | 2.21 to 4.10% | | 2021 | -- | 187,342 |
| Certificates of deposits ⁽²⁾ | | | | | | 5,693,665 | 5,748,485 |
| Short term | | | 0.00 to 3.80% | | | 5,538,096 | 4,334,395 |
| Long term | | | 0.67 to 2.78% | | 2024 | 155,569 | 1,414,090 |
| Certificates of structured operations | | | | | | 3,694 | 2,563 |
| Short term | | | 2.99 to 10.07% of DI | | | 1,860 | 1,084 |
| Long term | | | 3.93 to 9.35% of DI | | 2023 | 1,834 | 1,479 |
| Letters of credit - real estate | | | 65.00 to 98.00% of DI TR + 7.7151% | | | 12,846,382 | 12,437,868 |
| Short term | | | | | | 2,293,508 | 1,863,775 |
| Long term | | | | | 2026 | 10,552,874 | 10,574,093 |
| Letters of credit - agribusiness | | | 79.00 to 103.00% of DI Fixed 2.09 to 8.26% | | | 75,114,586 | 74,210,446 |
| Short term | | | | | | 37,370,468 | 25,537,358 |
| Long term | | | | | 2024 | 37,744,118 | 48,673,088 |
| Financial letters | | | 98.25% of DI Fixed 7.65% | | | 1,396 | 377,540 |
| Short term | | | | | | 1,396 | 376,529 |
| Long term | | | | | 2022 | -- | 1,011 |
| Banco Patagonia | | | Fixed 38.50% 500 pts + Badlar | | | 65,776 | 60,287 |
| Short term | ARS | | | | | 65,776 | 60,287 |
| Special purpose entities SPE abroad ⁽³⁾ | | | | | | 6,535,083 | 6,349,294 |
| Securitization of future flow of payment orders from abroad | | | | | | | |
| | USD | 200,000 | Libor 3m+1.20% | 2019 | 2024 | 992,070 | 1,033,053 |
| | USD | 200,000 | 3.70% | 2019 | 2026 | 1,034,897 | 1,040,718 |
| Structured notes | | | | | | -- | -- |
| | USD | 500,000 | Libor 6m + 2.50% | 2014/2015 | 2034 | 2,750,164 | 2,610,030 |
| | USD | 320,000 | Libor 6m + 3.20% | 2015 | 2030 | 1,757,952 | 1,665,493 |
| Eliminated amount on consolidation ⁽⁴⁾ | | | | | | (61,418) | (22,625) |
| Total | | | | | | 126,153,264 | 124,768,859 |
| Current liabilities | | | | | | 45,271,104 | 32,479,278 |
| Non-current liabilities | | | | | | 80,882,160 | 92,289,581 |

(1) In September 2021, there was an exchange of securities with the repurchase of "Senior Notes" and an issue included in the "Global Medium - Term Notes" Program. The Issues are presented by their outstanding value since partial repurchases occurred.

(2) Securities issued abroad in USD.

(3) Information about SPEs may be found in Note 2.e.

(4) Refers to securities issued by Banco do Brasil Conglomerate, which are in possession of overseas subsidiaries/entities.



In thousands of Reais, unless otherwise stated

c) Subordinated debts

| Funding | Currency | Issued value | Remuneration p.a. | Issue date | Maturity | Sep 30, 2021 | Dec 31, 2020 |
|---|----------|--------------|------------------------|------------|-----------|-------------------|-------------------|
| FCO – Resources from Fundo Constitucional do Centro-Oeste | | | | | | 23,469,518 | 26,403,208 |
| Subordinated debt abroad | | | | | | 12,260,367 | 15,387,511 |
| | USD | 660,000 | 5.38% | 2010 | 2021 | -- | 3,514,727 |
| | USD | 1,490,000 | 5.88% | 2011 | 2022 | 8,187,138 | 7,927,674 |
| | USD | 741,115 | 5.88% | 2012 | 2023 | 4,073,229 | 3,945,110 |
| Subordinated letters of credit | | | | | | 1,152,025 | 8,218,331 |
| | | 68,732 | 115.00% of CDI | 2014 | 2021 | 71,102 | 7,283,702 |
| | | 895,023 | 8.08% + IPCA | 2014 | 2022 | 1,060,607 | 934,629 |
| | | 20,000 | 100.00% of CDI + 2.75% | 2021 | Perpetual | 20,316 | -- |
| Total subordinated debt issued by Banco do Brasil | | | | | | 36,881,910 | 50,009,050 |
| Eliminated amount on consolidation | | | | | | (13,215) | (45,744) |
| Total subordinated debt issued consolidated ⁽¹⁾ | | | | | | 36,868,695 | 49,963,306 |
| Current liabilities | | | | | | 9,282,603 | 11,134,396 |
| Non-current liabilities | | | | | | 27,586,092 | 38,828,910 |

(1) The amount of R\$ 24,274,549 thousand (R\$ 29,676,974 thousand as of December 31, 2020) comprise the tier II of the Referential Equity (RE).

d) Equity and debt hybrid securities

| Funding | Currency | Issued value ⁽¹⁾ | Remuneration p.a. | Issue date | Sep 30, 2021 | Dec 31, 2020 |
|--|----------|-----------------------------|----------------------|------------|-------------------|-------------------|
| Perpetual bonds | | | | | | |
| | USD | 1,285,950 | 9.25% | 2012 | 7,365,287 | 6,915,600 |
| | USD | 1,950,000 | 6.25% | 2013 | 10,898,779 | 10,250,286 |
| | BRL | 8,100,000 | 5.50% ⁽²⁾ | 2012 | 8,213,843 | 8,221,320 |
| | USD | 2,150,000 | 9.00% | 2014 | 11,979,421 | 11,189,199 |
| Total Banco do Brasil | | | | | 38,457,330 | 36,576,405 |
| Eliminated amount on consolidation | | | | | (15,439) | (16,430) |
| Total reclassified to shareholders' equity (Note 23.c) | | | | | (8,100,000) | (8,100,000) |
| Total BB Consolidated | | | | | 30,341,891 | 28,459,975 |
| Current liabilities | | | | | 902,629 | 300,231 |
| Non-current liabilities | | | | | 29,439,262 | 28,159,744 |

(1) Refers in funding in US dollars, the outstanding value, as occurred partial repurchases of these instruments.

(2) Since August 28, 2014, the remuneration is fully variable (Note 23.c).

The amount of R\$ 29,256,775 thousand of the Perpetual bonds is included in the Referential Equity (R\$ 27,932,263 thousand as of December 31, 2020), as supplementary capital, see PR calculation table presented in Note 30.c.

Banco do Brasil exercised on October 20, 2020 the call option of the total perpetual debt security issued in 2009 of USD 1,500,000 thousand (outstanding value USD 851,012 thousand), in force under the Basel II rules. The redemption was for 100% of its face value and interest accrued and unpaid to date, amounting R\$ 4,953 billion.

The bonds issued in January 2012 and March 2012 (reopening) of USD 1,750,000 thousand (outstanding value USD 1,285,950 thousand), and the bonds issued in January 2013 of USD 2,000,000 thousand (outstanding value USD 1,950,000 thousand), had their terms and conditions modified on September 27, 2013, in order to adjust them to the rules of Bacen through CMN Resolution 4,192, which regulates the implementation of Basel III in Brazil. The changes were effective from October 1, 2013, when the instruments were submitted to Bacen to obtain authorization to be included in the Supplementary Capital (Tier I) of the Bank. The authorization was granted on October 30, 2013.



In thousands of Reais, unless otherwise stated

The bonds issued in June 2014 of USD 2,500,000 thousand (outstanding value USD 2,150,000 thousand), have the option of redemption at the discretion of the Bank from June 18, 2024 or on each subsequent, semi-annual interest payment date, as long as it has been previously authorized by the Central Bank of Brazil. If the Bank does not exercise the option to redeem in June 2024, the interest on the bonds will be adjusted to 6.362% plus the traded rate on 10-year North American Treasury bonds.

If the Bank does not exercise the redemption option in April 2023 for the bonds issued in 2012, in April 2024 for the bonds issued in 2013, and in June 2024 for the bonds issued in 2014, the rate of bond interest is adjusted on that date and every 10 years according to the 10-year North American Treasury bonds at the time plus the initial credit spread. The bonds have the following options of redemption, subject to prior authorization of Bacen:

- (i) the Bank may, at its option, redeem the bonds in whole but not in part in April 2023 for the bonds issued in 2012, in April 2024 for the bonds issued in 2013, and in June 2024 for the bonds issued in 2014, and on each subsequent, semi-annual interest payment date, at the base redemption price;
- (ii) the Bank may, at its option, redeem the bonds in whole, but not in part, after five years from the date of issue, as long as it is before April 2023, for the bonds issued in 2012, before April 2024 for the bonds issued in 2013, and before April 2024 for the bonds issued in 2014, as a result of a tax event, at the base redemption price;
- (iii) the Bank may, at its option, redeem the bonds in whole but not in part, after five years from the date of issue, as long as it is before April 2023, for the bonds issued in 2012, and in April 2024 for the bonds issued in 2013, on the occurrence of a regulatory event, at the higher value between the base redemption price and the Make-whole amount;
- (iv) the Bank may, at its option, redeem the bonds in whole but not in part, after five years from the date of issue as long as it is before June 2024 for the bonds issued in 2014, on the occurrence of a regulatory event at the base redemption price.

The bonds issued in January and March 2012, in January 2013 and in June 2014 determine that the Bank suspend the semi-annual payments of interest and/or accessories on those securities issued (which will not be due or accrued) if:

- (i) distributable income for the period are not sufficient for making the payment (discretionary condition of the Bank);
- (ii) the Bank does not comply or the payment of such charges does not allow the Bank to comply with the levels of capital adequacy, operating limits, or its financial indicators are under the minimum level required by Brazilian regulations applicable to banks;
- (iii) Bacen or the regulatory authorities determine the suspension of payment of such charges;
- (iv) any event of insolvency or bankruptcy occurs; or
- (v) a default occurs.

According to Basel III rules, the bonds issued in January 2012, March 2012, in January 2013 and in June 2014 have mechanisms of loss absorption. Moreover, if the item (i) occurs, the payment of dividends by Bank to its shareholders will be limited to the minimum required determined by applicable law until the semi-annual interest payments and / or accessories on those titles have been resumed in full. Finally, these bonds will expire permanently and at the minimum value corresponding to the balance recorded in the Tier I capital of the Bank if:

- (i) the main capital of the Bank is less than 5.125% of the amount of risk-weighted assets (RWA);
- (ii) the decision to make a capital injection from the public sector or an equivalent capital contribution to the Bank is taken, in order to maintain the bank's viability;
- (iii) the Central Bank, on a discretionary assessment regulated by the CMN, sets out, in writing, the expiration of the bonds to enable the continuity of the Bank.



In thousands of Reais, unless otherwise stated

e) Expenses from Issuance of Debt Securities

| | Banco do Brasil | | BB Consolidated | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Funds from acceptance and issuance of securities | (2,736,560) | (3,112,731) | (3,018,136) | (3,360,902) |
| Letters of credit – agribusiness | (1,707,328) | (1,531,766) | (1,707,328) | (1,531,766) |
| Securities issued abroad | (499,465) | (977,407) | (781,041) | (1,225,578) |
| Letters of credit – real estate | (285,829) | (290,099) | (285,829) | (290,099) |
| Financial bills | (243,798) | (313,211) | (243,798) | (313,211) |
| Certificates of structured operations | (140) | (248) | (140) | (248) |
| Subordinated debt abroad | (543,001) | (648,054) | (543,001) | (648,054) |
| Equity and debt hybrid securities | (1,866,042) | (2,014,051) | (1,752,199) | (1,950,858) |
| Total | (5,145,603) | (5,774,836) | (5,313,336) | (5,959,814) |

20 - OTHER LIABILITIES**a) Breakdown**

| | Banco do Brasil | | BB Consolidated | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Financial | 113,369,216 | 109,389,378 | 112,551,647 | 108,424,340 |
| Foreign exchange portfolio (Note 13.d) | 41,208,558 | 51,260,444 | 41,334,382 | 51,376,936 |
| Credit/debit card operations | 35,751,240 | 30,591,884 | 36,038,786 | 30,774,028 |
| Financial and development funds (Note 20.b) | 26,616,415 | 21,650,544 | 26,616,415 | 21,650,544 |
| Other | 9,793,003 | 5,886,506 | 8,562,064 | 4,622,832 |
| Current liabilities | 86,640,888 | 90,989,430 | 87,178,368 | 91,689,574 |
| Non-current liabilities | 26,728,328 | 18,399,948 | 25,373,279 | 16,734,766 |
| Non-financial | 31,092,864 | 27,620,367 | 34,911,269 | 31,270,138 |
| Actuarial liabilities (Note 29.e) | 11,040,156 | 16,033,679 | 11,040,156 | 16,033,679 |
| Sundry creditors ⁽¹⁾ | 8,676,423 | 388,859 | 8,690,669 | 392,242 |
| Billing and collection of taxes and contributions | 3,852,824 | 4,305,854 | 7,252,814 | 7,266,865 |
| Third party payment obligations | 3,549,610 | 2,861,625 | 3,549,610 | 2,861,625 |
| Shareholders and statutory distributions | 1,822,886 | 2,065,789 | 1,973,160 | 2,486,199 |
| Liabilities for official agreements | 1,013,962 | 893,291 | 1,013,962 | 893,291 |
| Unearned revenues | -- | -- | 135,333 | 142,583 |
| Other | 1,137,003 | 1,071,270 | 1,255,565 | 1,193,654 |
| Current liabilities | 31,007,806 | 27,489,087 | 33,065,272 | 29,705,397 |
| Non-current liabilities | 85,058 | 131,280 | 1,845,997 | 1,564,741 |

(1) Includes the amount of R\$ 22,247 thousand (R\$ 492,918 thousand on December 31, 2020) relating to obligations with the Federal Government, from extended and securitized rural transactions under Law 9,138/1995, assigned through Provisional Measure 2,196/2001.



In thousands of Reais, unless otherwise stated

b) Financial and development funds

| | Banco do Brasil | | BB Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Fundo Constitucional do Centro Oeste - FCO ⁽¹⁾ | 15,412,569 | 9,771,373 | 15,412,569 | 9,771,373 |
| Marinha Mercante | 8,042,583 | 8,103,425 | 8,042,583 | 8,103,425 |
| Fundo de Desenvolvimento do Nordeste - FDNE | 1,885,117 | 1,719,753 | 1,885,117 | 1,719,753 |
| Fundo de Desenvolvimento do Centro Oeste - FDCO | 233,932 | 258,860 | 233,932 | 258,860 |
| Funds from Governo do Estado de São Paulo | 192,578 | 756,060 | 192,578 | 756,060 |
| Pasep | 56 | 314,982 | 56 | 314,982 |
| Other | 849,580 | 726,091 | 849,580 | 726,091 |
| Total | 26,616,415 | 21,650,544 | 26,616,415 | 21,650,544 |
| Current liabilities | 8,399,887 | 9,278,885 | 8,399,887 | 9,278,885 |
| Non-current liabilities | 18,216,528 | 12,371,659 | 18,216,528 | 12,371,659 |

(1) CMN Resolution 4,192/2013 limited FCO resources to be considered as tier II of the Referential Equity – RE (Note 30.c), thus the amount disclosed refers to what exceed this value. The amount of R\$ 14,994,000 thousand refers to funds applied (remunerated at the rates on the loans funded with these amounts less the del credere of the financial institution, according to article 9 of Law 7,827/1989) and R\$ 418,569 thousand refers resources available (remunerated based on extra-market rate announced by the Banco Central do Brasil, according to article 9 of Law 7,827/1989).

c) Other funding expenses

| | Banco do Brasil | | BB Consolidated | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Financial and development funds ⁽¹⁾ | (722,115) | (2,508,787) | (722,115) | (2,508,787) |
| Other | (561,179) | (437,412) | (447,707) | (374,750) |
| Total | (1,283,294) | (2,946,199) | (1,169,822) | (2,883,537) |

(1) Includes the interest payment about FCO financial intermediation, according to Law 7,827/1989 (Note 20.b).



In thousands of Reais, unless otherwise stated

21 - PROVISIONS

a) Breakdown

| | Banco do Brasil | | BB Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Provisions for civil, tax and labor claims | 29,207,237 | 26,807,922 | 29,445,811 | 27,288,400 |
| Civil lawsuits (b) | 11,207,858 | 9,195,502 | 11,349,908 | 9,579,206 |
| Labor lawsuits (b) | 4,565,261 | 4,442,070 | 4,625,112 | 4,499,477 |
| Tax lawsuits (b) | 476,712 | 408,370 | 506,047 | 440,539 |
| Provision for tax risks (restatement of deposit) (c) ⁽¹⁾ | 12,957,406 | 12,761,980 | 12,964,744 | 12,769,178 |
| Other provisions | 7,073,429 | 6,185,624 | 7,646,869 | 6,747,770 |
| Provisions for pending payments | 4,773,038 | 4,031,911 | 5,345,663 | 4,593,046 |
| Financial guarantees (d) | 710,234 | 752,249 | 710,468 | 752,473 |
| Other | 1,590,157 | 1,401,464 | 1,590,738 | 1,402,251 |
| Total | 36,280,666 | 32,993,546 | 37,092,680 | 34,036,170 |

(1) It includes, in BB Consolidated, the amount of R\$ 7,338 thousand (R\$ 7,198 thousand on December 31, 2020) related to BB Consórcio.

b) Provisions, contingent assets and liabilities

Contingent assets

Contingent assets are not recognized in the financial statements according to CPC 25 – Provisions, Contingent Liabilities and Contingent Assets.

Civil lawsuits

Civil lawsuits relate mainly to claims from customers and users of the Bank's network. In most cases, they are requesting indemnification for material or moral damages arising from banking products or services, inflationary deductions from Economic Plans about financial investments, judicial deposits and rural credit, return of payment due to revision of contractual clauses on financial responsibilities and actions of demanding accounts proposed by customers to explain entries made in checking accounts.

Indemnifications for material and moral damages are ordinarily based on consumer protection laws and generally settled in specific civil courts. The awards are limited to forty times the minimum wage.

The Bank is a defendant in claims seeking the payment and refunding the overpayment of the difference between the actual inflation rate and the inflation rate used for the adjustment of financial investments and rural credit when Economic Plans (Bresser Plan, Verão Plans and Collor Plans I and II) were implemented in the late 1980's and early 1990's.

Although it complied with prevailing laws and regulations at the time, the Bank set-up provisions for these lawsuits. The provisions consider claims brought against the Bank and the loss risk. Loss probabilities are determined after an analysis of each claim considering the most recent decisions in the Superior Courts of Justice (STJ) in the Federal Supreme Court (STF).

With respect to cases involving the financial investments related to Economic Plans, the Federal Supreme Court (STF) suspended prosecution of all cases in the knowledge phase. This will be the case until the court issues a definitive ruling. In the end of 2017, Febraban and the entities representing the savers signed an agreement about the demands involving the economic plans in savings accounts. This agreement has already been approved by the Federal Supreme Court. Since May 2018, savers will can join the agreement, through a tool made available by Febraban. On March 12, 2020, the contract was extended for another 30 months, extendable for another 30 months, according to the Amendment signed by the entities representing financial institutions and consumers, according to the ratification ruling rendered by the STF Plenary on May 29, 2020, published on June 18, 2020.



In thousands of Reais, unless otherwise stated

Regarding lawsuits related to inflationary purges in judicial deposits, Minister Edson Fachin of the Federal Supreme Court, after acknowledging the general repercussion of the constitutional matter dealt with in the Extraordinary Appeal interposed by the Bank, the Caixa Econômica Federal, the Federal Government and the Febraban (RE no. 1,141,156/RJ), has ordered the suspension of the processes that deal with the matter and that process in the national territory, which was confirmed by STF on September 11, 2019.

The Bank is a defendant on civil lawsuits moved by rural credit borrowers linked to Collor Plan I. The plaintiffs motioned that the Bank indexed their loans incorrectly and is liable to pay the difference. In 2015, Superior Courts of Justice (STJ) decided on the Special Appeal RESP 1,319,232-DF in the Public Civil Lawsuit ACP 94,008514-1, that the Federal Government, the Brazilian Central Bank and the Bank are jointly and severally liable for the indexation differences between the Customer Price Index (IPC - 84.32%) and the National Treasury Bonus (BTN - 41.28%), as found in March 1990, monetarily correcting the amounts from the overpayment, by the index applicable to judicial debts, plus interest for late payment. The defendants appealed and the litigation has yet to be resolved. A suspensive effect was attributed to the Extraordinary Appeal interposed by Banco do Brasil until the STF judges Extraordinary Appeal 1,101,937/SP, which deals about the territorial extension of the collective sentence. Considering the conclusion of the judgment of RE 1,101,937/SP with the establishment of the thesis of unconstitutionality of art. 16, of Law 7,347/1985, and the consequent possibility of national coverage of the collective judgment, on March 24, 2021, the Vice President of the STJ revoked the suspensive effect previously attributed to the Extraordinary Appeal filed by the Bank and dismissed it on June 22, 2021, the appropriate appeals await judgment.

Labor lawsuits

The Bank is a party to labor claims involving mainly former employees, banking industry unions or former employees of companies that provide services (outsourced). These claims cover requests of compensation, overtime, incorrect working hours, and additional functions bonus, subsidiary liability, among others.

Tax lawsuits

The Bank, in spite of its conservative profile, may receive tax inquiries during inspections by the tax authorities, which could lead to the issuance of tax notices. These notices relate to the calculation base for income/social contribution taxes (mainly regarding deductibility) and matters involving payment of other taxes (based upon the occurrence of certain events). Most claims arising from the notices relate to service tax (ISSQN), income tax, social contribution (CSLL), the Social Integration Program (PIS), Contribution to Social Security Financing (Cofins), Tax on Financial Transactions (IOF), and Employer Social Security Contributions (INSS). As a guarantee in some of these cases, the Bank has pledged collateral in the form of cash, bonds, real estate or judicial deposits when necessary, preventing the Bank to be included in restrictive registration, as well as not to obstruct the semiannual renewal of its tax regularity certificate.



In thousands of Reais, unless otherwise stated

Provisions for civil, labor and tax claims – probable loss

The Bank recorded a provision for civil, labor and tax demands with risk of loss probable, quantified using individual or aggregated methodology (includes processes with the author's probability of success equal to remote, possible or probable), according to the nature and/or process value.

The estimates of outcome and financial effect are determined by the nature of the claims, the management's judgment, by the opinion of legal counsel on the basis of process elements, complemented by the complexity and the experience of similar demands.

The Management considers to be sufficient the provision for losses of civil, labor and tax claims.

Changes in the provisions for civil, labor and tax claims classified as probable

| | Banco do Brasil | | BB Consolidated | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Civil lawsuits | | | | |
| Opening balance | 9,195,502 | 8,697,684 | 9,579,206 | 8,851,582 |
| Addition | 4,197,815 | 2,129,659 | 4,261,293 | 2,389,250 |
| Reversal of the provision | (112,061) | (275,287) | (389,406) | (303,813) |
| Write off | (2,303,068) | (1,975,102) | (2,338,475) | (1,978,202) |
| Inflation correction and exchange fluctuation | 229,670 | 162,204 | 237,290 | 172,114 |
| Closing balance | 11,207,858 | 8,739,158 | 11,349,908 | 9,130,931 |
| | | | | |
| Labor lawsuits | | | | |
| Opening balance | 4,442,070 | 3,610,333 | 4,499,477 | 3,663,769 |
| Addition | 1,428,192 | 1,379,657 | 1,437,960 | 1,391,812 |
| Reversal of the provision | (164,994) | (320,067) | (172,434) | (327,802) |
| Write off | (1,368,298) | (952,179) | (1,370,483) | (955,903) |
| Inflation correction and exchange fluctuation | 228,291 | 175,908 | 230,592 | 179,627 |
| Closing balance | 4,565,261 | 3,893,652 | 4,625,112 | 3,951,503 |
| | | | | |
| Tax lawsuits | | | | |
| Opening balance | 408,370 | 382,388 | 440,539 | 415,396 |
| Addition | 141,221 | 126,163 | 148,382 | 140,091 |
| Reversal of the provision | (42,665) | (102,106) | (51,839) | (106,449) |
| Write off | (36,899) | (31,317) | (36,899) | (31,317) |
| Inflation correction and exchange fluctuation | 6,685 | 5,482 | 5,864 | 7,237 |
| Closing balance | 476,712 | 380,610 | 506,047 | 424,958 |
| | | | | |
| Total civil, labor and tax | 16,249,831 | 13,013,420 | 16,481,067 | 13,507,392 |

Expected outflows of economic benefits

| | Banco do Brasil | | | BB Consolidated | | |
|---------------|-------------------|------------------|----------------|-------------------|------------------|----------------|
| | Civil | Labor | Tax | Civil | Labor | Tax |
| Up to 5 years | 9,662,635 | 4,252,681 | 210,088 | 9,761,189 | 4,312,226 | 231,403 |
| Over 5 years | 1,545,223 | 312,580 | 266,624 | 1,588,719 | 312,886 | 274,644 |
| Total | 11,207,858 | 4,565,261 | 476,712 | 11,349,908 | 4,625,112 | 506,047 |

The scenario of unpredictability of the duration of proceedings, and the possibility of changes in the case law of the courts, make values and the expected outflows of economic benefits uncertain.



In thousands of Reais, unless otherwise stated

Contingent liabilities – possible loss

The civil, labor and tax lawsuits for which the risk of loss is considered possible do not require provisions when the final outcome of the process is unclear and when the probability of losing is less than probable and higher than the remote.

The balances of contingent liabilities classified as possible loss

| | Banco do Brasil | | BB Consolidated | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Tax lawsuits ⁽¹⁾ | 13,585,865 | 13,115,848 | 14,484,921 | 14,000,019 |
| Civil lawsuits | 2,297,534 | 2,351,648 | 2,534,842 | 2,527,303 |
| Labor lawsuits | 84,528 | 98,276 | 123,372 | 155,729 |
| Total | 15,967,927 | 15,565,772 | 17,143,135 | 16,683,051 |

(1) The main contingencies originate from (i) notices of labor infraction from the National Social Security Institute (INSS) aiming at the payment of contributions applicable on year-end bonuses paid under the collective agreements in the period from 1995 to 2006, in the amount of R\$ 1,396,471 thousand, public transport pay and use of private car by employees of Banco do Brasil, in the amount of R\$ 899,161 thousand and employee profit sharing corresponding to the period from April 2001 to October 2003, in the amount of R\$ 1,270,131 thousand; and (ii) notices of tax assessment drawn by the Treasuries of the Municipalities, which amounts R\$ 1,771,986 thousand.

Deposits in guarantee**Deposits given in guarantee of contingencies**

| | Banco do Brasil | | BB Consolidated | |
|----------------|-------------------|-------------------|-------------------|-------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Civil lawsuits | 18,667,193 | 18,643,924 | 18,720,985 | 18,687,428 |
| Tax lawsuits | 8,964,004 | 8,852,638 | 9,526,239 | 9,411,760 |
| Labor lawsuits | 6,671,034 | 6,242,101 | 6,705,067 | 6,275,600 |
| Total | 34,302,231 | 33,738,663 | 34,952,291 | 34,374,788 |

c) Legal liabilities

The Bank has a record in Provisions – Provisions for civil, labor and tax claims and Tax liabilities – Current tax liabilities the amount of R\$ 19,529,079 thousand (R\$ 19,333,653 thousand on December 31, 2020) relating to the following action:

In 1998, the Bank requested full compensation of the accumulated tax losses of income tax and the negative calculation bases of social contribution. Thus, the Bank began to fully offset tax losses (until October 2005) and negative bases (until February 2009) with the amount due from these taxes. The Bank obtained, at an injunction, the suspension of the payment of these taxes, by means of a judicial deposit (guarantee) of the amount due (70% of the amount offset).

In June 26, 2019, the STF finalized the Extraordinary Appeal judgment (RE 591,340-SP) and concluded that the 30% limitation of the right to offset tax losses and the negative basis is constitutional. This conclusion of the STF will be reflected in the judgment of the Extraordinary Appeal interposed by the Bank.

After the judgment of the Bank's Extraordinary Appeal, the amounts deposited in escrow will be converted into income in favor of the Federal Government.



In thousands of Reais, unless otherwise stated

The amounts related to this matter

| | Sep 30, 2021 | Dec 31, 2020 |
|--|-------------------|-------------------|
| Judicial deposits | 19,529,079 | 19,333,653 |
| Amount realized (70%) | 7,817,011 | 7,817,011 |
| Inflation correction | 11,712,068 | 11,516,642 |
| Legal liability – provision for lawsuit | 19,529,079 | 19,333,653 |
| Tax losses of income tax (Tax liabilities – Current tax liabilities) | 3,002,033 | 3,002,033 |
| Social contribution negative bases/social contribution recoverable (Tax liabilities – Current tax liabilities) | 3,569,640 | 3,569,640 |
| Provision for tax risks (restatement of deposit) | 12,957,406 | 12,761,980 |

d) Financial Guarantees

| | Banco do Brasil | | | | BB Consolidated | | | |
|--|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|
| | Sep 30, 2021 | | Dec 31, 2020 | | Sep 30, 2021 | | Dec 31, 2020 | |
| | Guaranteed values | Provision | Guaranteed values | Provision | Guaranteed values | Provision | Guaranteed values | Provision |
| Other financial guarantees provided ⁽¹⁾ | 2,931,234 | 587,893 | 2,976,940 | 598,932 | 2,347,042 | 588,126 | 2,671,307 | 599,156 |
| Sureties or guarantees in lawsuits and in tax-based administrative proceedings | 522,357 | 60,972 | 456,289 | 55,680 | 393,291 | 60,972 | 327,223 | 55,680 |
| Guarantees related to bidding, auctions, service rendering or execution of works | 1,230,588 | 50,224 | 906,105 | 89,646 | 1,230,588 | 50,224 | 906,105 | 89,646 |
| Other bank guarantees | 5,719,646 | 10,797 | 5,320,997 | 7,883 | 5,850,858 | 10,798 | 5,453,866 | 7,883 |
| Guarantees related to international trade of goods | 91,129 | 297 | 46,442 | 55 | 91,129 | 297 | 46,442 | 55 |
| Guarantees related to the supply of goods | 110,494 | 51 | 161,941 | 53 | 110,494 | 51 | 161,941 | 53 |
| Other guarantees | -- | -- | -- | -- | 2,279 | -- | 2,308 | -- |
| Total | 10,605,448 | 710,234 | 9,868,714 | 752,249 | 10,025,681 | 710,468 | 9,569,192 | 752,473 |

(1) Refers mainly to guarantees provided in foreign currency.

The operations of financial guarantees provided are evaluated through the risk classification models of operations in force in the institution, in the same format as the credit operations, which follow the provisions of CMN Resolutions 2,682 and 2,697 disclosed on December 21, 1999 and February 24, 2000, respectively, which set out the classification criteria for credit operations and the rules for the constitution of allowance for losses associated with credit risk.

The risk classification of operations is carried out by applying methodologies developed that take into account the characteristics of customers, operations and guarantees. The final result of the classification is the assignment of risk according to the scale contained in CMN Resolution 2,682/1999, which defines the percentage of provision that should be allocated to the operation.

e) Provisions expenses

| | Banco do Brasil | | BB Consolidated | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Civil, tax and labor claims | (5,049,000) | (2,199,915) | (5,101,436) | (2,489,898) |
| Civil | (3,256,844) | (800,797) | (3,307,345) | (1,066,235) |
| Labor | (1,491,489) | (1,193,696) | (1,496,118) | (1,206,746) |
| Tax | (105,241) | (29,539) | (102,407) | (40,879) |
| Provision for tax risks (restatement of deposit) | (195,426) | (175,883) | (195,566) | (176,038) |
| Other | (157,212) | (219,327) | (155,192) | (218,876) |
| Financial guarantees | 42,929 | (219,327) | 44,949 | (218,876) |
| Other | (200,141) | -- | (200,141) | -- |
| Total | (5,206,212) | (2,419,242) | (5,256,628) | (2,708,774) |



In thousands of Reais, unless otherwise stated

22 - TAXES**a) Breakdown of income tax (IR) and social contribution expenses (CSLL)**

| | Banco do Brasil | | BB Consolidated | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Current values | (41,733) | (68,183) | (2,521,779) | (2,642,447) |
| Domestic income tax and social contribution | 11,619 | (2,676) | (2,430,757) | (2,169,231) |
| Foreign income tax | (53,352) | (65,507) | (91,022) | (473,216) |
| Deferred values | (302,724) | 4,534,085 | (359,137) | 4,614,578 |
| Deferred tax liabilities | (1,846,955) | (850,235) | (1,841,136) | (1,174,408) |
| Leasing - portfolio adjustment and accelerated depreciation | -- | -- | (4,582) | (3,763) |
| Fair value | (275,204) | (17,974) | (264,803) | (30,257) |
| Positive adjustments of benefits plans | (351,474) | -- | (351,474) | -- |
| Interest and inflation adjustment of fiscal judicial deposits | (87,941) | (79,147) | (87,941) | (79,147) |
| Foreign profits | (683,973) | (743,484) | (683,973) | (743,484) |
| Transactions carried out on the futures market | (122,049) | (43,195) | (122,049) | (43,195) |
| Recovered term credits | (326,314) | 33,565 | (326,314) | 33,565 |
| Unrealized gains (BB-BI) | -- | -- | -- | (308,127) |
| Deferred tax assets | 1,544,231 | 5,384,320 | 1,481,999 | 5,788,986 |
| Temporary differences | (493,279) | 2,431,572 | (605,728) | 2,814,766 |
| Tax losses/CSLL negative bases | 1,942,744 | 2,907,378 | 1,942,744 | 2,907,378 |
| Fair value | 117,096 | 45,370 | 167,313 | 66,842 |
| Transactions carried out on the futures market | (22,330) | -- | (22,330) | -- |
| Total | (344,457) | 4,465,902 | (2,880,916) | 1,972,131 |

b) Reconciliation of income tax and social contribution charges

| | Banco do Brasil | | BB Consolidated | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Profit Before Taxation and Profit Sharing | 16,449,304 | 6,142,284 | 20,200,115 | 9,956,920 |
| Total charges of IR (25%) and CSLL (20% up to June, 2021 and 25% since July, 2021) | (7,696,256) | (2,764,028) | (9,457,704) | (4,480,614) |
| Charges upon interest on own capital | 2,158,503 | 1,180,476 | 2,158,503 | 1,180,476 |
| Net gains from equity method investments | 3,248,830 | 5,018,342 | 1,121,000 | 976,960 |
| Employee profit sharing | 881,858 | 542,766 | 884,759 | 542,920 |
| Other amounts ^{(1) (2)} | 1,062,608 | 488,346 | 2,412,526 | 3,752,389 |
| Income tax and social contribution | (344,457) | 4,465,902 | (2,880,916) | 1,972,131 |

(1) Includes, in the BB Consolidated, in the period from January 1 to September 30, 2021, the amount of R\$ 112,132 thousand related to foreign exchange net income on foreign investments (R\$ 2,506,333 thousand in the period from January 1 to September 30, 2020)

(2) Includes, in the period from January 1 to September 30, 2021, R\$ 306,920 thousand related to the recognition of deferred tax assets and liabilities due to the increase in the CSLL rate (Law 14,183/2021) and R\$ 1,638,939 thousand related to the income of Fundo Constitucional de Financiamento do Centro-Oeste – FCO (R\$ 1,389,159 thousand in the period from January 1 to September 30, 2020).



In thousands of Reais, unless otherwise stated

c) Tax expenses

| | Banco do Brasil | | BB Consolidated | |
|--------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Cofins | (2,044,500) | (1,541,924) | (2,571,821) | (2,019,090) |
| ISSQN | (653,318) | (679,753) | (866,873) | (873,238) |
| PIS/Pasep | (332,397) | (249,516) | (438,509) | (345,215) |
| Other | (133,708) | (125,428) | (511,500) | (368,537) |
| Total | (3,163,923) | (2,596,621) | (4,388,703) | (3,606,080) |

d) Deferred tax liabilities

| | Banco do Brasil | | BB Consolidated | |
|---|-------------------|------------------|-------------------|------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Financial instruments fair value | 1,256,374 | 994,183 | 1,353,597 | 1,055,198 |
| Interest and inflation adjustment of fiscal judicial deposits | 361,318 | 361,318 | 361,318 | 361,318 |
| Recovered term credits | 861,102 | 534,788 | 861,102 | 534,788 |
| Foreign entities | 66,466 | 21,389 | 113,760 | 102,232 |
| Leasing portfolio adjustment | -- | -- | 23,425 | 18,842 |
| Foreign income | 683,973 | -- | 683,973 | -- |
| Positive adjustments of benefits plans | 10,305,671 | 525,452 | 10,305,671 | 525,452 |
| Futures market transactions | 135,275 | -- | 135,275 | -- |
| Other | 52,539 | 52,539 | 52,539 | 52,539 |
| Total Deferred Tax Liabilities | 13,722,718 | 2,489,669 | 13,890,660 | 2,650,369 |
| Income tax | 6,277,917 | 1,458,573 | 6,376,757 | 1,553,699 |
| Social contribution ⁽¹⁾ | 6,659,005 | 932,110 | 6,718,521 | 991,565 |
| Cofins | 675,534 | 84,730 | 683,780 | 89,994 |
| PIS/Pasep | 110,262 | 14,256 | 111,602 | 15,111 |

(1) Includes, in the period from January 1 to September 30, 2021, R\$ 72,680 thousand related to the recognition of deferred tax liabilities due to the increase in the CSLL rate (Law 14,183/2021).

e) Deferred tax assets (tax credit)

| | Banco do Brasil | | | |
|--|-------------------|-----------------------|---------------------|-------------------|
| | Dec 31, 2020 | Jan 1 to Sep 30, 2021 | | Sep 30, 2021 |
| | Balance | Constitution | Write off | Balance |
| Temporary differences | 53,989,119 | 15,271,556 | (17,017,826) | 52,242,849 |
| Allowance for losses associated with credit risk | 31,977,932 | 7,092,563 | (9,001,661) | 30,068,834 |
| Provisions - taxes and social security | 1,085,459 | 107,355 | (962) | 1,191,852 |
| Provisions - others | 13,066,486 | 4,712,108 | (4,355,665) | 13,422,929 |
| Negative adjustments of benefits plans | 4,065,523 | 1,734,026 | (3,200,389) | 2,599,160 |
| Fair value adjustments (MTM) | 807,542 | 1,061,309 | (148,304) | 1,720,547 |
| Other provisions | 2,986,177 | 564,195 | (310,845) | 3,239,527 |
| CSLL written to 18% (MP 2,158/2001) | 636,538 | -- | -- | 636,538 |
| Tax losses carryforward/negative bases | 2,299,999 | 2,831,791 | (889,086) | 4,242,704 |
| Total deferred tax assets | 56,925,656 | 18,103,347 | (17,906,912) | 57,122,091 |
| Income tax | 31,208,029 | 8,534,966 | (9,257,882) | 30,485,113 |
| Social contribution ⁽¹⁾ | 25,619,910 | 9,468,887 | (8,634,530) | 26,454,267 |
| Cofins | 84,058 | 85,586 | (12,473) | 157,171 |
| PIS/Pasep | 13,659 | 13,908 | (2,027) | 25,540 |

(1) Includes, in the period from January 1 to September 30, 2021, R\$ 379,600 thousand related to the recognition of deferred tax assets due to the increase in the CSLL rate (Law 14,183/2021).



In thousands of Reais, unless otherwise stated

| | BB Consolidated | | | |
|--|-------------------|-----------------------|---------------------|-------------------|
| | Dec 31, 2020 | Jan 1 to Sep 30, 2021 | | Sep 30, 2021 |
| | Balance | Constitution | Write off | Balance |
| Temporary differences | 55,158,475 | 15,646,616 | (17,509,026) | 53,296,065 |
| Allowance for loan losses | 32,060,635 | 7,111,417 | (9,006,312) | 30,165,740 |
| Provisions - taxes and social security | 1,094,553 | 108,093 | (3,764) | 1,198,882 |
| Provisions - others | 13,130,069 | 4,714,662 | (4,356,655) | 13,488,076 |
| Negative adjustments of benefits plans | 4,065,523 | 1,734,026 | (3,200,390) | 2,599,159 |
| Fair value adjustments (MTM) | 891,536 | 1,112,768 | (245,046) | 1,759,258 |
| Other provisions | 3,916,159 | 865,650 | (696,859) | 4,084,950 |
| CSLL written to 18% (MP 2,158/2001) | 636,538 | -- | -- | 636,538 |
| Tax losses/excess depreciation | 34,399 | -- | (7,115) | 27,284 |
| Tax losses carryforward/negative bases | 2,313,163 | 2,883,222 | (889,047) | 4,307,338 |
| Total deferred tax assets | 58,142,575 | 18,529,838 | (18,405,188) | 58,267,225 |
| Income tax | 32,162,809 | 8,796,009 | (9,685,535) | 31,273,283 |
| Social contribution ⁽¹⁾ | 25,872,142 | 9,629,325 | (8,694,231) | 26,807,236 |
| Cofins | 92,580 | 89,896 | (21,869) | 160,607 |
| PIS/Pasep | 15,044 | 14,608 | (3,553) | 26,099 |

(1) Includes, in the period from January 1 to September 30, 2021, R\$ 379,600 thousand related to the recognition of deferred tax assets due to the increase in the CSLL rate (Law 14,183/2021).

f) Deferred tax assets (tax credit - not recorded)

| | Banco do Brasil | | BB Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Foreign deferred tax assets | 1,257,754 | 1,672,771 | 1,257,754 | 1,672,771 |
| Tax losses carryforward/negative bases | -- | -- | 21,849 | 19,530 |
| Temporary differences | -- | -- | 4,564 | 3,734 |
| Total deferred tax assets | 1,257,754 | 1,672,771 | 1,284,167 | 1,696,035 |
| Income tax | 628,877 | 929,317 | 648,298 | 946,423 |
| Social contribution | 628,877 | 743,454 | 635,869 | 749,612 |

Realization expectative

The expectation of realization of the deferred tax assets (tax credits) is based on a technical study, prepared on June 30, 2021, and the present value is determined based on the average rate of funding of Banco do Brasil.

| | Banco do Brasil | | BB Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | Future value | Present value | Future value | Present value |
| In 2021 | 7,504,412 | 7,490,797 | 7,645,971 | 7,561,016 |
| In 2022 | 17,569,017 | 17,056,449 | 17,813,794 | 17,133,174 |
| In 2023 | 17,542,954 | 16,594,938 | 17,737,541 | 16,624,989 |
| In 2024 | 14,373,129 | 13,248,852 | 14,585,138 | 13,314,802 |
| In 2025 | 891,581 | 800,832 | 1,209,486 | 1,039,616 |
| In 2026 | 607,764 | 531,949 | 629,371 | 543,439 |
| In 2027 | 41,897 | 35,733 | 53,250 | 42,976 |
| In 2028 | 986 | 819 | 11,680 | 7,448 |
| In 2029 | 20,522 | 16,620 | 30,686 | 22,417 |
| In 2030 | -- | -- | 8,883 | 4,799 |
| In 2031 | 21,312 | 16,389 | 88,217 | 50,204 |
| Total deferred tax assets on Jun 30, 2021 | 58,573,574 | 55,793,378 | 59,814,017 | 56,344,880 |



In thousands of Reais, unless otherwise stated

In the period from January 1 to September 30, 2021, it was possible to observe the realization of tax credits at Banco do Brasil, in the amount of R\$ 17,906,912 thousand corresponding to 84.24% of the projection of use for the period of 2021 contained in the technical study prepared on December 31, 2020.

The realization of the nominal value of tax credits registered, considering the recovery of those written-off during the lawsuits (Note 21.b), based on a technical study conducted by Banco do Brasil on June 30, 2021, is projected for 10 years in the following proportions:

| | Banco do Brasil | | BB Consolidated | |
|-----------|--|--------------------------------------|--|--------------------------------------|
| | Tax losses/CSLL recoverable ⁽¹⁾ | Temporary Differences ⁽²⁾ | Tax losses/CSLL recoverable ⁽¹⁾ | Temporary Differences ⁽²⁾ |
| In 2021 | 6% | 13% | 7% | 13% |
| In 2022 | 16% | 31% | 17% | 30% |
| In 2023 | 20% | 30% | 19% | 30% |
| From 2024 | 58% | 26% | 57% | 27% |

(1) Projected consumption linked to the capacity to generate IR and CSLL taxable amounts in subsequent periods.

(2) The consumption capacity results from the movements of provisions (expectation of reversals, write offs and uses).



In thousands of Reais, unless otherwise stated

23 - SHAREHOLDERS' EQUITY

a) Book value and market value per common share

| | Sep 30, 2021 | Dec 31, 2020 |
|---|--------------|--------------|
| Shareholders' equity - Banco do Brasil | 136,730,909 | 116,723,222 |
| Book value per share (R\$) ⁽¹⁾ | 47.92 | 40.91 |
| Fair value per share (R\$) | 28.90 | 38.80 |
| Shareholders' equity - consolidated | 147,511,925 | 126,971,109 |

(1) Calculated based on the equity attributable to shareholders of Banco do Brasil.

b) Capital

Banco do Brasil's share capital of R\$ 90,000,023 thousand (R\$ 90,000,023 thousand on December 31, 2020) is fully subscribed and paid-in and consists of 2,865,417,020 common shares with no par value. The Federal Government is the largest shareholder and holds a majority of the Bank's voting shares.

The Bank may, even without amending its by-laws, if approved by the Meeting of Shareholders, and in the conditions established therein, increase its capital up to the limit of R\$ 120,000,000 thousand by issuing common shares, for which shareholders should be granted preference in the subscription in proportion to the number of shares held.

c) Instruments qualifying as common equity tier 1 capital

The Bank signed a loan agreement with the federal government on September 26, 2012, as hybrid capital and debt instrument, in the amount up to R\$ 8,100,000 thousand, whose resources were designated to finance agribusiness. The Bank signed an amendment to the contract on August 28, 2014, under the terms of Law 12,793 of April 02, 2013. The purpose of the amendment was to allow the instrument to qualify as common equity in Tier I capital, under Article 16 of CMN Resolution 4,192/2013.

As result of the amendment, the interest rate was changed to variable rate, and the interest period was changed to match the Bank's fiscal year (January 1 to December 31). Each years' interest is paid in a single annual installment, adjusted by the Selic rate up to the effective payment date. Payment must be made within 30 calendar days after the dividend payment for the fiscal year.

The interest payment must be made from profits or profit reserves available for distribution at the end of the fiscal year preceding the calculation date. Payment is at Management's discretion. Unpaid interest does not accumulate. If the payment or dividend distribution is not made (including in the form of interest on own capital) prior to the end of the subsequent fiscal year, the accrued interest is no longer owed.

If the Bank's retained earnings, profit reserves (including the legal reserve) and capital reserve cannot fully absorb losses calculated at the end of a fiscal year, the Bank will no longer be obligated to the interest. The Bank will apply the accrued interest and principal balance, in this order, to offset any remaining losses. This will be considered a pay-down of the instrument.

The instrument does not have a maturity date. It is only payable if the Bank is dissolved or Bacen authorizes the repurchase of the instrument. If the Bank is dissolved, the payment of principal and interest is subordinated to payment of the Bank's other liabilities. There will be no preferred interest on the loan under any circumstances, including in relation to other equity instruments included in Reference Equity.

As the instrument is qualifying as Common Equity Tier I Capital, its balance is reclassified to the Shareholders' Equity, for disclosure purposes.



In thousands of Reais, unless otherwise stated

According to the Information to the Market, dated April 8, 2021, the Bank presented a proposal to return the referred instrument in seven annual installments of R\$ 1 billion and a final installment of R\$ 1.1 billion, based on a schedule between July/2022 and July/2029, still pending analysis and deliberation by the competent bodies.

d) Revaluation reserves

The revaluation reserves, totaling R\$ 1,987 thousand (R\$ 2,040 thousand as of December 31, 2020), refer to revaluations of assets made by the associates/subsidiaries.

In the period from January 1, 2021 to September 30, 2021, there was a reserve realization of R\$ 53 thousand (R\$ 112 thousand in the period from January 1, 2020 to September 30, 2020), due to depreciation, transferred to Retained Earnings (Accumulated Losses), net of taxes. In accordance with CMN Resolution 3,565/2008, the remaining amount will be recognized until the date of its effective realization.

e) Capital and profit reserves

| | Banco do Brasil | | BB Consolidated | |
|-----------------------------|-----------------|--------------|-----------------|--------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Capital reserves | 1,399,561 | 1,397,697 | 1,401,177 | 1,399,152 |
| Profit reserves | 44,465,330 | 39,454,038 | 44,188,424 | 39,198,468 |
| Legal reserve | 9,745,293 | 9,259,072 | 9,745,293 | 9,259,072 |
| Statutory reserves | 34,720,037 | 30,194,966 | 34,443,131 | 29,939,396 |
| Operating margin | 27,688,392 | 21,581,142 | 27,299,668 | 21,225,998 |
| Capital payout equalization | 7,031,645 | 8,613,824 | 7,143,463 | 8,713,398 |

The capital reserve is intended, among others, to recognize the amounts related to transactions with share based payments or other share capital instruments to be settled with the delivery of equity instruments, as well as the profit earned on the sale of treasury shares.

The legal reserve ensures the adequacy of the Bank's capital structure and can only be used to offset losses or increase capital. Five percent of net income, before any other allocations, is transferred to the legal reserve. The amount of the reserve cannot exceed 20% of the share capital.

The operating margin statutory reserve ensures the adequacy of the Bank's operating margins in accordance with its business activities. The reserve consists of up to 100% of net income after allocation to legal reserve (including dividends) and is limited to 80% of the share capital.

The reserve for capital payout equalization provides funds for the capital payout. The reserve consists of up to 50% of net income after allocation to legal reserve (including dividends) and is limited to 20% of the share capital.

f) Earnings per share

| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
|---|-----------------------|-----------------------|
| Net income Banco do Brasil (R\$ thousand) | 14,265,932 | 9,385,334 |
| Weighted average number of shares (basic) ⁽¹⁾ | 2,853,577,258 | 2,852,229,008 |
| Weighted average number of shares (diluted) ⁽¹⁾⁽²⁾ | 2,853,346,589 | 2,852,014,936 |
| Earnings per share (basic and diluted) (R\$) | 5.00 | 3.29 |

(1) The treasury shares are not included.

(2) The reconciliation of the weighted average number of shares is represented by the future distribution of shares to the executives of the Bank according to the Variable Remuneration Program (Notes 23.m and 23.n), of 230,669 and 214,072, respectively, in each of the periods in the table above.



In thousands of Reais, unless otherwise stated

g) Interest on own capital/dividends

In accordance with Laws 9,249/1995, 9,430/1996 and the Bank's Bylaws, Management decided on the payment of Interest on own capital to its shareholders.

In compliance with the income tax as well as social contribution legislation, the interest on own capital is calculated based on adjusted net equity value. It is limited, on a pro rata die basis, to the variation of long-term interest rate, as long as there is profit (before the deduction of interest on own capital) or reserves for retained earnings and profit reserves of at least twice its value, being deductible in the calculation of the taxable income.

The total interest on own capital in the period from January 1, 2021 to September 30, 2021, in the amount of R\$ 4,503,715 thousand (R\$ 2,623,281 thousand in the period from January 1, 2020 to September 30, 2020), provided an expense reduction on tax charges totaling R\$ 2,158,503 thousand (R\$ 1,180,476 thousand in the period from January 1, 2020 to September 30, 2020).

Payment schedule of interest on own capital and dividends:

| | Amount | Amount per share (R\$) | Base date of payment | Payment date |
|--|------------------|------------------------|----------------------|--------------|
| 1st quarter/2021 | | | | |
| Dividends | 212,107 | 0.074 | May 21, 2021 | May 28, 2021 |
| Interest on own capital ⁽¹⁾ | 415,758 | 0.146 | Mar 11, 2021 | Mar 31, 2021 |
| Complementary Interest on own capital ⁽¹⁾ | 970,473 | 0.340 | May 21, 2021 | May 28, 2021 |
| 2nd quarter/2021 | | | | |
| Interest on own capital ⁽¹⁾ | 480,852 | 0.169 | Jun 11, 2021 | Jun 30, 2021 |
| Complementary Interest on own capital ⁽¹⁾ | 986,104 | 0.346 | Aug 23, 2021 | Aug 31, 2021 |
| 3rd quarter/2021 | | | | |
| Interest on own capital ⁽¹⁾ | 527,136 | 0.185 | Sep 13, 2021 | Sep 30, 2021 |
| Complementary Interest on own capital ⁽¹⁾ | 1,123,392 | 0.394 | Nov 22, 2021 | Nov 30, 2021 |
| Total allocated to the shareholders | 4,715,822 | 1.654 | | |
| Dividends | 212,107 | 0.074 | | |
| Interest on own capital ⁽¹⁾ | 4,503,715 | 1.580 | | |

(1) Amounts subject to Withholding Tax, with the exception of shareholders who are exempted or immune.

| | Amount | Amount per share (R\$) | Base date of payment | Payment date |
|--|------------------|------------------------|----------------------|--------------|
| 1st quarter/2020 | | | | |
| Interest on own capital ⁽¹⁾ | 517,440 | 0.181 | Mar 11, 2020 | Mar 31, 2020 |
| 2nd quarter/2021 | | | | |
| Interest on own capital ⁽¹⁾ | 1,256,723 | 0.441 | Aug 21, 2020 | Aug 31, 2020 |
| 3rd quarter/2021 | | | | |
| Interest on own capital ⁽¹⁾ | 293,382 | 0.103 | Sep 11, 2020 | Sep 30, 2020 |
| Complementary Interest on own capital ⁽¹⁾ | 555,736 | 0.195 | Nov 16, 2020 | Nov 27, 2020 |
| Total allocated to the shareholders | 2,623,281 | 0.920 | | |

(1) Amounts subject to Withholding Tax, with the exception of shareholders who are exempted or immune.



In thousands of Reais, unless otherwise stated

h) Reconciliation of net income and shareholders' equity

| | Net Income | | Shareholders' Equity | |
|---|-----------------------|-----------------------|----------------------|--------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Banco do Brasil | 14,265,932 | 9,385,334 | 136,730,909 | 116,723,222 |
| Instruments qualifying to common equity tier 1 capital ⁽¹⁾ | 113,843 | 63,193 | 8,100,000 | 8,100,000 |
| Unrealized gains ⁽²⁾ | (21,336) | 49,804 | (276,906) | (255,570) |
| Non-controlling interests | -- | -- | 2,957,922 | 2,403,457 |
| BB Consolidated | 14,358,439 | 9,498,331 | 147,511,925 | 126,971,109 |

(1) The instrument qualifying as CET1 was registered in the liabilities in the Individual Financial Statements and its interest recognized as expenses with securities sold under repurchase agreements. This Instrument was reclassified to Shareholder's Equity in the consolidated financial statements. (Notes 2.e and 23.c).

(2) Refers to unrealized results arising from the assignment of credits from the Bank to Ativos S.A.

i) Accumulated other comprehensive income

| | Banco do Brasil and BB Consolidated | |
|--|-------------------------------------|---------------------|
| | Sep 30, 2021 | Dec 31, 2020 |
| Banco do Brasil | | |
| Securities available for sale | (1,165,627) | 1,293,372 |
| Foreign exchange variation in investments abroad | (1,692,570) | (1,460,612) |
| Actuarial gains/(losses) on pension plans | (678,370) | (13,765,159) |
| Subsidiaries, associates and joint ventures | | |
| Securities available for sale | (32,132) | 133,482 |
| Cash flow hedge | 166,552 | (56,459) |
| Actuarial gains/(losses) on pension plans | (840) | 3,987 |
| Total | (3,402,987) | (13,851,389) |

j) Noncontrolling interests

| | Net Income | | Shareholders' Equity | |
|--|-----------------------|-----------------------|----------------------|------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Banco Patagonia S.A. | 198,441 | 214,889 | 556,465 | 473,131 |
| Besc Distribuidora de Títulos e Valores Mobiliários S.A. | -- | (2) | -- | -- |
| BB Tecnologia e Serviços | 7 | (14) | 36 | 29 |
| BB Seguridade S.A. | 913,159 | 989,307 | 2,401,421 | 1,930,297 |
| Non-controlling interest | 1,111,607 | 1,204,180 | 2,957,922 | 2,403,457 |



In thousands of Reais, unless otherwise stated

k) Shareholdings (number of shares)

Number of shares issued by the Bank to shareholders which, directly or indirectly, hold more than 5% of the shares:

| Shareholders | Sep 30, 2021 | | Dec 31, 2020 | |
|--|----------------------|--------------|----------------------|--------------|
| | Shares | % Total | Shares | % Total |
| Federal government - Tesouro Nacional | 1,432,708,542 | 50.0 | 1,432,708,542 | 50.0 |
| Caixa de Previdência dos Funcionários do Banco do Brasil - Previ | 133,629,314 | 4.7 | 134,751,214 | 4.7 |
| Treasury shares ⁽¹⁾ | 12,017,619 | 0.4 | 12,175,335 | 0.4 |
| Other shareholders | 1,287,061,545 | 44.9 | 1,285,781,929 | 44.9 |
| Total | 2,865,417,020 | 100.0 | 2,865,417,020 | 100.0 |
| Resident shareholders | 2,276,328,897 | 79.4 | 2,220,240,434 | 77.5 |
| Non resident shareholders | 589,088,123 | 20.6 | 645,176,586 | 22.5 |

(1) It includes, on September 30, 2021, 42,983 shares of the Bank held by BB DTVM (31,496 on December 31, 2020).

Number of shares issued by the Bank, held by the Board of Directors, the Executive Board, Fiscal Council and the Audit Committee:

| | Common shares (ON) ⁽¹⁾ | |
|--|-----------------------------------|--------------|
| | Sep 30, 2021 | Dec 31, 2020 |
| Board of Directors (except for the Bank's CEO) | 3,599 | 4,628 |
| Executive Committee (the Bank's CEO is included) | 116,136 | 114,966 |
| Fiscal Council | 7,012 | -- |
| Audit Committee | 2,012 | 57 |

(1) The shareholding interest of the Board of Directors, Executive Committee, Fiscal Council and Audit Committee represents approximately 0.004% of the Bank's capital stock.

l) Movement of shares outstanding/free float

| | Sep 30, 2021 | | Dec 31, 2020 | |
|--|----------------------|--------------|----------------------|--------------|
| | Total | % | Total | % |
| Free float at the beginning of the period | 1,420,413,540 | 49.6 | 1,397,382,845 | 48.8 |
| Banco Nacional de Desenvolvimento Econômico e Social - BNDES - FND | -- | | 20,785,200 | |
| Other changes ⁽¹⁾ | 157,575 | | 2,245,495 | |
| Free float at the end of the period ⁽²⁾ | 1,420,571,115 | 49.6 | 1,420,413,540 | 49.6 |
| Outstanding shares | 2,865,417,020 | 100.0 | 2,865,417,020 | 100.0 |

(1) It includes changes coming from Technical and Advisory Bodies.

(2) According to the Law 6,404/1976 and the regulation of B3's New Market. The shares held by the Board of Directors and Executive Committee are not included. The shares held by the Caixa de Previdência dos Funcionários do Banco do Brasil - Previ compose the free float shares.



In thousands of Reais, unless otherwise stated

m) Treasury shares

The composition of the treasury shares is shown below:

| | Banco do Brasil | | | | BB Consolidated | | | |
|---|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| | Sep 30, 2021 | | Dec 31, 2020 | | Sep 30, 2021 | | Dec 31, 2020 | |
| | Shares | % Total | Shares | % Total | Shares | % Total | Shares | % Total |
| Treasury shares | 11,974,636 | 100.0 | 12,143,839 | 100.0 | 12,017,619 | 100.0 | 12,175,335 | 100.0 |
| Received in order to comply with operations secured by the FGCN - Fundo de Garantia para a Construção Naval | 8,075,350 | 67.4 | 8,075,350 | 66.5 | 8,075,350 | 67.2 | 8,075,350 | 66.3 |
| Repurchase Programs (2012 and 2015) | 3,570,196 | 29.8 | 3,764,352 | 31.0 | 3,570,196 | 29.7 | 3,764,352 | 30.9 |
| Share-based payment | 329,027 | 2.8 | 304,074 | 2.5 | 372,010 | 3.1 | 335,570 | 2.8 |
| Mergers | 63 | -- | 63 | -- | 63 | -- | 63 | -- |
| Book value | (275,297) | | (279,187) | | (276,913) | | (280,642) | |

n) Share-based payment**The Program of Variable Remuneration**

The program of variable remuneration was based on the CMN Resolution 3,921 of November 25, 2010, which governs compensation policies for executives of financial institutions.

The program has a yearly basis period. It is established according to the risks and the activity overseen by the executive and has as pre requirements: the activation of the Participation in Profit and Results Program and the achievement of accounting profit by the Bank.

The calculation of variable remuneration is based on indicators that measure the achievement of corporate and individual goals, based on the Corporate Strategy of Banco do Brasil - ECBB for the period. The program also determines that 50% of the remuneration should be paid in cash (CPC 33 (R1) - Employee benefits) and the remaining 50% should be paid in shares.

The number of Banco do Brasil shares to be allocated to each participant is calculated by dividing the net amount equivalent to 50% of variable remuneration to which one is entitled, to the average price of the share in the week prior to the payment. The average price is the simple arithmetic mean of the daily average prices of the week prior to the payment. At the time of calculation of deferred installments, if fractions occur, they are accumulated in the first installment to be made available.

The distribution of compensation in shares occurs in a way that 20% is immediately transferred for the beneficiary's ownership and 80% is deferred for a period of four years, in which: 20% within one year, 20% within two years, 20% within three years and 20% within four years.

The effects of the Program of Variable Remuneration on the income of Banco do Brasil were R\$ 16,707 thousand in the period from January 1, 2021 to September 30, 2021 (R\$ 16,707 thousand in the period from January 1, 2020 to September 30, 2020).

BB DTVM, in accordance to the resolution mentioned above, also adopted variable remuneration policy for its directors, directly acquiring treasury shares of the Banco do Brasil. All shares acquired are BBAS3 and its fair value is the quoted market price on the date of grant.



In thousands of Reais, unless otherwise stated

We present the statement of acquired shares, its distribution and its transfer schedule:

| | Total Program Shares | Average Cost | Shares Distributed | Shares to Distribute ⁽¹⁾ | Estimated Schedule Transfers |
|---------------------------------------|----------------------|--------------|--------------------|-------------------------------------|------------------------------|
| 2017 Program | | | | | |
| Banco do Brasil | 193,976 | 42.65 | 154,039 | 38,762 | Mar 2022 |
| Total shares to be distributed | | | | 39,937 | |
| BB DTVM | 20,270 | 42.65 | 16,218 | 4,052 | Mar 2022 |
| Total shares to be distributed | | | | 4,052 | |
| 2018 Program | | | | | |
| Banco do Brasil | 127,860 | 53.44 | 75,945 | 25,556 | Mar 2022 |
| | | | | 25,556 | Mar 2023 |
| Total shares to be distributed | | | | 51,915 | |
| BB DTVM | 14,218 | 53.44 | 8,534 | 2,842 | Mar 2022 |
| | | | | 2,842 | Mar 2023 |
| Total shares to be distributed | | | | 5,684 | |
| 2019 Program | | | | | |
| Banco do Brasil | 162,641 | 46.05 | 57,848 | 32,509 | Mar 2022 |
| | | | | 32,509 | Mar 2023 |
| | | | | 32,509 | Mar 2024 |
| Total shares to be distributed | | | | 104,793 | |
| BB DTVM | 15,998 | 46.07 | 6,407 | 3,197 | Mar 2022 |
| | | | | 3,197 | Mar 2023 |
| | | | | 3,197 | Mar 2024 |
| Total shares to be distributed | | | | 9,591 | |
| 2020 Program | | | | | |
| Banco do Brasil | 164,146 | 29.65 | 32,193 | 32,809 | Mar 2022 |
| | | | | 32,809 | Mar 2023 |
| | | | | 32,809 | Mar 2024 |
| | | | | 32,809 | Mar 2025 |
| Total shares to be distributed | | | | 131,953 | |
| BB DTVM | 29,585 | 29.65 | 5,929 | 5,914 | Mar 2022 |
| | | | | 5,914 | Mar 2023 |
| | | | | 5,914 | Mar 2024 |
| | | | | 5,914 | Mar 2025 |
| Total shares to be distributed | | | | 23,656 | |

(1) Any difference between the total number of shares to be distributed and the transfer schedule results from specific cases of shares pending transfer/reversal.



In thousands of Reais, unless otherwise stated

24 - SERVICE FEE INCOME

| | Banco do Brasil | | BB Consolidated | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Fund management | 3,263,810 | 2,928,347 | 5,481,624 | 5,095,438 |
| Account fee | 4,706,615 | 5,659,356 | 4,708,442 | 5,661,577 |
| Commissions on insurance, pension plans and capitalization | 265,516 | 208,171 | 3,248,340 | 2,938,946 |
| Card income | 1,348,294 | 1,313,805 | 1,552,219 | 1,532,070 |
| Consortium management fees | -- | -- | 1,288,569 | 1,013,820 |
| Loans and guarantees provided | 1,250,411 | 1,191,519 | 1,249,141 | 1,191,427 |
| Billing | 1,050,856 | 981,929 | 1,086,605 | 1,010,379 |
| Collection | 758,754 | 739,201 | 734,081 | 720,651 |
| Capital market income | 88,484 | 69,812 | 280,164 | 354,671 |
| National Treasury and official funds management ⁽¹⁾ | 274,344 | 289,880 | 274,344 | 289,880 |
| Interbank | 98,751 | 96,268 | 98,751 | 96,268 |
| Other | 935,997 | 871,408 | 1,519,266 | 1,407,801 |
| Total | 14,041,832 | 14,349,696 | 21,521,546 | 21,312,928 |

(1) Includes the amount of R\$ 28,984 thousand in the period from January 1, 2021 to September 30, 2021 related to the collection of contributions and federal tax (R\$ 23,067 thousand in the period from January 1, 2020 to September 30, 2020).

25- PERSONNEL EXPENSES

| | Banco do Brasil | | BB Consolidated | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Wages and salaries | (6,558,279) | (6,694,245) | (7,414,679) | (7,505,725) |
| Personnel administrative provisions | (2,867,394) | (2,095,076) | (2,867,395) | (2,095,076) |
| Benefits | (2,322,932) | (2,404,594) | (2,426,986) | (2,511,700) |
| Social charges | (2,172,733) | (2,111,096) | (2,361,428) | (2,297,102) |
| Pension plans | (594,374) | (618,846) | (602,450) | (627,875) |
| Director's and officer's remuneration | (28,564) | (25,129) | (40,039) | (37,031) |
| Training | (28,023) | (25,272) | (31,181) | (28,269) |
| Total | (14,572,299) | (13,974,258) | (15,744,158) | (15,102,778) |



In thousands of Reais, unless otherwise stated

26 - OTHER ADMINISTRATIVE EXPENSES

| | Banco do Brasil | | BB Consolidated | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Amortization | (1,132,001) | (1,349,210) | (1,145,008) | (1,361,879) |
| Rent | (999,628) | (958,668) | (1,064,559) | (1,017,649) |
| Depreciation | (991,793) | (945,846) | (1,029,645) | (976,146) |
| Security services | (836,685) | (842,466) | (860,826) | (865,738) |
| Expenses with outsourced services | (717,172) | (661,193) | (784,457) | (730,594) |
| Financial system services | (688,055) | (598,169) | (762,010) | (671,409) |
| Maintenance and upkeep | (770,516) | (713,450) | (562,842) | (546,462) |
| Transport | (406,090) | (611,370) | (452,706) | (652,604) |
| Data processing | (602,674) | (589,295) | (389,981) | (329,825) |
| Communications | (330,024) | (509,031) | (373,511) | (554,817) |
| Water, electricity and gas | (342,572) | (337,634) | (353,214) | (348,164) |
| Advertising and marketing | (326,459) | (259,683) | (339,127) | (266,283) |
| Specialized technical services | (206,787) | (236,970) | (267,561) | (287,541) |
| Promotion and public relations | (78,720) | (92,006) | (80,963) | (97,389) |
| Materials | (40,675) | (54,938) | (44,194) | (64,017) |
| Domestic travel | (10,520) | (21,919) | (23,675) | (35,212) |
| Other | (841,928) | (712,905) | (876,772) | (812,857) |
| Total | (9,322,299) | (9,494,753) | (9,402,051) | (9,618,586) |

27 - OTHER INCOME/EXPENSES**a) Other operating income**

| | Banco do Brasil | | BB Consolidated | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Recovery of charges and expenses | 1,643,644 | 1,673,461 | 1,317,421 | 1,401,249 |
| Surplus allocation update – Previ Plan 1 (Note 29.f) | 1,066,853 | 527,279 | 1,066,853 | 527,279 |
| Defined benefit plan income | 946,307 | 9,774 | 946,307 | 9,773 |
| Update of deposits in guarantee | 702,901 | 864,249 | 702,901 | 864,249 |
| Clube de Benefícios BB | 355,994 | 159,140 | 355,994 | 159,140 |
| Reversal of provisions – other | 49,260 | 62,841 | 189,953 | 97,841 |
| Reversal of provisions – administrative and personnel expenses | 110,046 | 163,877 | 110,046 | 163,877 |
| Cards transactions | 35,976 | 263,977 | 82,348 | 277,760 |
| From non-financial subsidiaries | -- | -- | 48,115 | 50,689 |
| Receivables income | 45,326 | 37,307 | 45,326 | 37,307 |
| Convictions, costs and court settlements income | 36,398 | 20,425 | 36,398 | 20,425 |
| Adjustment of recoverable tax | 24,039 | 25,001 | 24,039 | 25,001 |
| Dividends received | 20,501 | 37,317 | 3,908 | 5,394 |
| Other | 190,261 | 257,136 | 154,919 | 351,166 |
| Total | 5,227,506 | 4,101,784 | 5,084,528 | 3,991,150 |

b) Other operating expenses

| | Banco do Brasil | | BB Consolidated | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Cards transactions | (1,330,763) | (1,152,200) | (1,436,422) | (1,233,126) |
| Business relationship bonus | (1,082,647) | (904,018) | (1,082,647) | (904,017) |
| Discounts granted on renegotiations | (986,774) | (723,260) | (986,774) | (723,280) |
| Impairment losses ⁽¹⁾ | (959,194) | -- | (959,231) | -- |
| Actuarial liabilities update | (880,336) | (1,289,264) | (880,336) | (1,289,264) |
| Outsourced services | (802,997) | (674,710) | (764,868) | (626,938) |
| From non-financial subsidiaries | -- | -- | (460,953) | (332,718) |
| Failures/frauds and other losses | (257,863) | (93,733) | (264,818) | (101,694) |
| ATM Network | (253,537) | (365,499) | (253,537) | (365,499) |
| INSS – Social Security | (199,157) | (186,927) | (199,157) | (186,927) |
| Compensation for transactions of banking correspondents | (195,929) | (179,261) | (195,929) | (179,261) |
| Life insurance premium – consumer credit | (163,584) | (138,358) | (163,584) | (138,358) |
| Other expenses – operational provisions | (181) | (23,434) | (39,341) | (28,080) |
| Compliance bonus | (8,874) | (16,115) | (8,874) | (16,115) |
| Compensation for transactions of Banco Postal | -- | (17,580) | -- | (17,580) |
| Other | (737,936) | (558,576) | (660,512) | (563,973) |
| Total | (7,859,772) | (6,322,935) | (8,356,983) | (6,706,830) |

(1) In the period from January 1 to September 30, 2021, there was impairment of R\$ 959,194 thousand, related to intangible assets (Note 16).



In thousands of Reais, unless otherwise stated

28 - RELATED PARTY TRANSACTIONS

a) Bank's key management personnel

Salaries and other benefits paid the Bank's key management personnel (Executive Board and Board of Directors) are as follows:

| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
|---|-----------------------|-----------------------|
| Short-term benefits | 37,202 | 40,309 |
| Fees and social security contributions | 22,803 | 23,212 |
| Executive Board | 22,506 | 22,894 |
| Board of Directors | 297 | 318 |
| Variable remuneration (cash) and social charges | 11,789 | 13,986 |
| Other ⁽¹⁾ | 2,610 | 3,111 |
| Termination benefits | 2,055 | 607 |
| Share-based payment benefits | 5,719 | 10,801 |
| Total | 44,976 | 51,717 |

(1) Includes contributions to pension plan and complementary healthy plan, housing and relocation benefits, group insurance, among others.

The Bank's variable compensation policy (developed in accordance with CMN Resolution 3,921/2010) requires variable compensation for the Executive Directors to be paid partially in shares (Note 23.n).

The Bank does not offer post-employment benefits to its key management personnel, except for those who are part of the staff of the Bank.

b) Details of related party transactions

The Bank has the policy of related party transactions approved by the Board of Directors and disclosed to the market. The policy aims to establish rules to assure that all decisions, especially those involving related party and other situations potentially conflicted, are made observing the interests of the Bank and its shareholders. It is applicable to all staff and directors of the company.

The policy forbids related party transactions under conditions other than those of the market or that may adversely affect the Bank's interest. Therefore, the transactions are conducted under normal market conditions. The terms and conditions reflect comparable transactions with unrelated parties (including interest rates and collateral requirements). These transactions do not involve unusual payment risks, as disclosed in other notes.

The transactions between the consolidated companies are eliminated in the consolidated financial statements.

The main transactions carried out by the Bank with related parties are:

- i. intercompany transactions, such as: interbank deposits, securities, loans, interest bearing and non-interest bearing deposits, securities sold under repurchase agreements, borrowings and onlendings, guarantees given and others;
- ii. receivables from the National Treasury for interest rate equalization under Federal Government programs (Law 8,427/1992). Interest rate equalization represents an economic subsidy for rural credit, which provides borrowers with discounted interest rates compared to the Bank's normal funding costs (including administrative and tax expenses). The equalization payment is updated by the Selic rate in accordance with the National Treasury's budgeting process (as defined by law) and is designed to preserve the Bank's earnings;
- iii. Previ uses the Bank's internal systems for voting, selective processes and access to common internal standards, which generates cost savings for both parties involved;



In thousands of Reais, unless otherwise stated

- iv. Related parties loan physical space to the Bank free of charge with the Bank, using the spaces mainly for the installation of self-service terminals, banking service offices and branches. These free of charge loans with related parties do not represent significant value, because the most of them are carried out with third parties;
- v. provision of business support services for controlled and sponsored entities for which the Bank is reimbursed for its costs with employees, technology and materials. Sharing of structure aims to gain efficiency for the Conglomerate. Additional information regarding the assignment of employees can be obtained in Note 32.d - Assignment of employees to outside agencies;
- vi. contracts in which the Bank rents property owned by the entities sponsored to carry out its activities;
- vii. acquisition of portfolio of loans transferred by Banco Votorantim;
- viii. assignment of credits arising from loans written off as losses to Ativos S.A; and
- ix. hiring specialized services from BB Tecnologia S.A (BBTS) for specialized technical assistance, digitization and copy of documents, telemarketing, extrajudicial collection, support and backing for financial and non- financial business processes, monitoring, supervision and execution of activities inherent to equipment and environments, software development, support and testing, data center support and operation, management of cell phone electronic messages, outsourcing and monitoring of physical security systems and telephony outsourcing.

The Bank and Caixa Econômica Federal (CEF) signed a credit opening agreement for real estate loans, in the amount up to R\$ 457,193 thousand, related to the period from January 1 to September 30, 2021 (up to R\$ 4,100,200 thousand in 2020).

The balances arising from the transactions above mentioned are disclosed in the "Summary of related party transactions" segregated by nature and category of related parties.

Some transactions are disclosed in other notes: the resources applied in federal government securities are listed in Note 10; information about the government funds are related in Note 20; and additional information about the Bank's contributions and other transactions with sponsored entities are listed in Note 29.

Fundação Banco do Brasil (FBB) promotes, encourages and sponsors actions in the areas of education, culture, health, social welfare, recreation and sports, science, technology and community development. In the period from January 1 to September 30, 2021, the Bank's contributions to FBB totaled R\$ 65,418 thousand (R\$ 81,287 thousand in the period from January 1 to September 30, 2020).

c) Acquisition of portfolio of loans transferred by Banco Votorantim

| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
|---|-----------------------|-----------------------|
| Assignment with substantial retention of risks and rewards (with co-obligation) | 4,387,491 | 7,856,098 |



In thousands of Reais, unless otherwise stated

d) Summary of related party transactions

| | Banco do Brasil | | | | | |
|--|------------------------------|-----------------------------|--|---|--------------------------------------|-------------|
| | Sep 30, 2021 | | | | | |
| | Controller ⁽¹⁾ | Subsidiaries ⁽²⁾ | Associates and joint ventures ⁽³⁾ | Key management personnel ⁽⁴⁾ | Other related parties ⁽⁵⁾ | Total |
| Assets | | | | | | |
| Interbank investments | -- | 82,737,476 | 1,180,481 | -- | 930,695 | 84,848,652 |
| Securities | -- | 1,310,722 | 299,785 | -- | 551,734 | 2,162,241 |
| Loan portfolio ⁽⁶⁾ | -- | 610,413 | 6,497,836 | 7,344 | 5,245,528 | 12,361,121 |
| Receivables from related companies | -- | 65,429 | 265,867 | -- | 9,415 | 340,711 |
| Other assets ⁽⁷⁾ | 1,774,026 | 989,182 | 1,168 | -- | 262,929 | 3,027,305 |
| Guarantees received ⁽⁸⁾ | -- | -- | 3,657 | -- | 731,427 | 735,084 |
| Liabilities | | | | | | |
| Demand deposits | 1,241,422 | 236,672 | 90,372 | 1,127 | 1,898,271 | 3,467,864 |
| Saving deposits | 1,427 | -- | -- | 362 | 241,444 | 243,233 |
| Time deposits | 1,258,196 | 1,037,634 | 992,085 | 1,058 | 9,427,069 | 12,716,042 |
| Securities sold under repurchase agreements | -- | 16,296,708 | 17,167 | -- | 3,330,732 | 19,644,607 |
| Borrowings and onlendings | 152,138 | 79,422,283 | -- | -- | 52,439,386 | 132,013,807 |
| Other liabilities ⁽⁹⁾ | 9,159,293 | 3,761,868 | 10,235,290 | 17,445 | 1,549,563 | 24,723,459 |
| Guarantees given and other coobligations ⁽¹⁰⁾ | -- | 1,288,202 | 5,006,208 | -- | 199,413 | 6,493,823 |
| | Jan 1 to Sep 30, 2021 | | | | | |
| Income from financial intermediation | 1,365,222 | 3,432,784 | 345,489 | 561 | 450,038 | 5,594,094 |
| Expenses from financial intermediation | (223,277) | (3,579,236) | (17,826) | (482) | (2,367,051) | (6,187,872) |
| Service fee income | 84,705 | 38,217 | 430,937 | -- | 528,627 | 1,082,486 |
| Other income ⁽¹¹⁾ | 13,373 | 345,744 | 346,220 | -- | 4,411 | 709,748 |
| Other expenses | (716,419) | (871,366) | (555,668) | -- | (534,031) | (2,677,484) |

(1) Union (National Treasury and agencies of the direct administration of the Federal Government).

(2) Companies are listed in Note 2.e.

(3) Mainly refer to Banco Votorantim, Cielo, BB Mapfre Participações, Brasilprev, Brasilcap, Alelo, Cateno and Tecban.

(4) Board of Directors and Executive Board.

(5) Includes the most significant transactions with state-owned companies and public companies controlled by the Federal Government, such as: Petrobras, CEF, BNDES, Eletrobras. Government funds such as: Fundo de Amparo ao Trabalhador – FAT, Fundo de Aval para Geração de Emprego e Renda – Funproger. In addition, entities linked to employees and sponsored entities: Cassi, Previ and others.

(6) The Bank constituted the amount of R\$ 48 thousand as allowance for losses associated with credit risk on related parties' loan portfolio. The constitution of expense for allowance was R\$ 16 thousand in the period from January 1 to September 30, 2021.

(7) The transactions with the Controller refer mainly to interest rate equalization – agricultural crop and receivables – National Treasury.

(8) Mainly include National Treasury guarantees, billing with registration, among others.

(9) Mainly include derivate financial instruments and financial bills. Mainly include derivate financial instruments and financial bills. The associates and joint ventures' and balance mainly refers to amounts payable to Cielo relating to transactions carried out with credit and debit cards issued by the Bank to be transferred by the Cielo to the accredited establishments.

(10) Includes contract of opening of a revolving interbank credit line with Banco Votorantim.

(11) Includes the amount of R\$ 607,735 thousand in the period from January 1 to September 30, 2021 related recoveries of costs and expenses from the structure sharing.



In thousands of Reais, unless otherwise stated

29 - EMPLOYEE BENEFITS

Banco do Brasil sponsors the following pension and health insurance plans for its employees, that ensure the complementation of retirement benefits and medical assistance:

| | Plans | Benefits | Classification |
|---|---|------------------------|-----------------------|
| Previ - Caixa de Previdência dos Funcionários do Banco do Brasil | Previ Futuro | Retirement and Pension | Defined contribution |
| | Plano de Benefícios 1 | Retirement and Pension | Defined benefit |
| | Plano Informal | Retirement and Pension | Defined benefit |
| Cassí - Caixa de Assistência dos Funcionários do Banco do Brasil | Plano de Associados | Health Care | Defined benefit |
| Economus - Instituto de Seguridade Social | Prevmais | Retirement and Pension | Variable contribution |
| | Regulamento Geral | Retirement and Pension | Defined benefit |
| | Regulamento Complementar 1 | Retirement and Pension | Defined benefit |
| | Grupo B' | Retirement and Pension | Defined benefit |
| | Plano Unificado de Saúde - PLUS | Health Care | Defined benefit |
| | Plano Unificado de Saúde - PLUS II | Health Care | Defined benefit |
| | Plano de Assistência Médica Complementar - PAMC | Health Care | Defined benefit |
| Fusesc - Fundação Codesc de Seguridade Social | Multifuturo I | Retirement and Pension | Variable contribution |
| | Plano de Benefícios I | Retirement and Pension | Defined benefit |
| SIM - Caixa de Assistência dos Empregados dos Sistemas Besc e Codesc, do Badesc e da Fusesc | Plano de Saúde | Health Care | Defined contribution |
| Prevbep - Caixa de Previdência Social | Plano BEP | Retirement and Pension | Defined benefit |

Number of participants covered by benefit plans sponsored by the Bank

| | Sep 30, 2021 | | | Dec 31, 2020 | | |
|-------------------------------------|------------------------|----------------|----------------|------------------------|----------------|----------------|
| | Number of participants | | | Number of participants | | |
| | Active | Retired/users | Total | Active | Retired/users | Total |
| Retirement and pension plans | 87,087 | 123,655 | 210,742 | 94,026 | 119,972 | 213,998 |
| Plano de Benefícios 1 - Previ | 4,243 | 101,260 | 105,503 | 6,722 | 99,812 | 106,534 |
| Plano Previ Futuro | 72,050 | 3,377 | 75,427 | 74,760 | 2,344 | 77,104 |
| Plano Informal | -- | 2,333 | 2,333 | -- | 2,480 | 2,480 |
| Other plans | 10,794 | 16,685 | 27,479 | 12,544 | 15,336 | 27,880 |
| Health care plans | 88,284 | 108,444 | 196,728 | 94,704 | 106,104 | 200,808 |
| Cassí | 79,359 | 102,348 | 181,707 | 84,523 | 99,885 | 184,408 |
| Other plans | 8,925 | 6,096 | 15,021 | 10,181 | 6,219 | 16,400 |

Bank's contributions to benefit plans

| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
|--|-----------------------|-----------------------|
| Retirement and pension plans | 1,240,363 | 1,254,679 |
| Plano de Benefícios 1 - Previ ⁽¹⁾ | 416,523 | 442,842 |
| Plano Previ Futuro | 545,161 | 527,978 |
| Plano Informal | 99,030 | 104,182 |
| Other plans | 179,649 | 179,677 |
| Health care plans | 1,322,649 | 2,127,509 |
| Cassí ⁽²⁾ | 1,185,094 | 2,004,872 |
| Other plans | 137,555 | 122,637 |
| Total | 2,563,012 | 3,382,188 |

(1) Refers to the contributions relating to participants subject to Agreement 97 and Plan 1, whereby these contributions occur by the realization of Fundo Paridade until 2018 and Fundo de Utilização (Note 29.f). Agreement 97 aims to regulate the funding required to constitute a portion equivalent to 53.7% of guaranteed amount relating to the supplementary pension due to the participants who joined the Bank up to April 14, 1967 and who have retired or will retire after the aforementioned date, except for those participants who are part of the Plano Informal.

(2) From January 1 to September 30, 2020, it includes contributions retroactive to January/2019, referring to the temporary administration fee and employer contribution on dependents, as well as the early settlement of the Bank to the group of indirect dependents (GDI) (Note 32.g).

On June 30, 2021 the Bank's contributions to defined benefit plans (post-employment) were estimated at R\$ 995,378 thousand for the next 6 months and R\$ 1,865,933 thousand for the next 12 months.



In thousands of Reais, unless otherwise stated

Values recognized in income

| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
|-------------------------------------|-----------------------|-----------------------|
| Retirement and pension plans | 131,534 | (1,273,099) |
| Plano de Benefícios 1 - Previ | 859,626 | (512,187) |
| Plano Previ Futuro | (545,161) | (527,978) |
| Plano Informal | (68,866) | (82,341) |
| Other plans | (114,065) | (150,593) |
| Health care plans | (1,525,063) | (1,553,472) |
| Cassi | (1,374,535) | (1,425,370) |
| Other plans | (150,528) | (128,102) |
| Total | (1,393,529) | (2,826,571) |

Detailed information regarding defined benefit plans is provided in Note 29.d.4.

a) Retirement and pension plans**Previ Futuro (Previ)**

Participants in this plan include Bank employees hired after December 24, 1997. Depending on time of service and salary, active participants may contribute between 7% and 17% of their salary (retired participants do not contribute). The plan sponsor matches participants' contributions up to 14% of their salaries.

Plano de Benefícios 1 (Previ)

Participants in this plan include Bank employees hired prior to December 23, 1997. Active and retired participants may contribute between 1.8% and 7.8% of their salary or pension.

Plano Informal (Previ)

Banco do Brasil is fully responsible for this plan. The Bank's contractual obligations include to:

- (i) providing retirement benefits to the initial group of participants and pension payments to the beneficiaries of participants who died prior to April 14, 1967;
- (ii) paying additional retirement benefits to plan participants who retired prior to April 14, 1967, or had the right to retire based on time of service and at least 20 years of service with the Bank; and
- (iii) increasing retirement and pension benefits due to judicial and administrative decisions related to changes in the Bank's career, salary and incentive plans (in excess of the plan's original benefits).

The Bank and Previ formalized an agreement on December 31, 2012. Under the agreement, Banco do Brasil paid 100% of the mathematical reserves for the so-called Grupo Especial (for which it was fully liable) using funds from the Fundo Paridade. As a result, this group migrated from the Plano Informal to Plano de Benefícios 1. The Grupo Especial included participants from Plano de Benefícios 1 (Previ) listed in the paragraph of first clause of the agreement signed on December 24, 1997. These participants received additional retirement benefits due to administrative and/or judicial decisions.

Prevmais (Economus)

Participants in this plan include employees of Banco Nossa Caixa (a bank acquired by Banco do Brasil on November 30, 2009) who enrolled after August 1, 2006, or were part of the Regulamento Geral benefit plan and opted to receive their vested account balances. The sponsor and participants make equal contributions, which may not exceed 8% of participants' salaries. The plan provides additional risk coverage, including supplemental health, work-related accident, disability and death benefits.



In thousands of Reais, unless otherwise stated

Regulamento Geral (Economus)

Participants in this plan include employees of Banco Nossa Caixa who enrolled prior to July 31, 2006. This plan is closed to new members. The sponsor and participants contribute equally.

Regulamento Complementar 1 (Economus)

Participants in this plan include employees of Banco Nossa Caixa. This plan offers supplemental health benefits and annuities upon death or disability. The sponsor, participants and retired/other beneficiaries fund the plan.

Grupo B' (Economus)

Group of employees and retirees of Banco Nossa Caixa admitted between January 22, 1974, and May 13, 1974, and their beneficiaries. Benefit levels are based on the fulfillment of certain conditions outlined in the plan regulation.

Multifuturo I (Fusesc)

Participants in this plan include employees of the State Bank of Santa Catarina – Besc (acquired by Banco do Brasil on September 30, 2008) who enrolled after January 12, 2003, or were part of the Plano de Benefícios I (Fusesc) and chose to participate in this plan. Participants may contribute from 2.33% to 7% of their salaries. The plan sponsor matches these contributions.

Plano de Benefícios I (Fusesc)

Participants in this plan include employees of Besc who enrolled prior to January 11, 2003. This plan is closed to new members. The sponsor and participants contribute equally.

Plano BEP (Prevbep)

Participants in this plan include employees of the State Bank of Piauí – BEP (acquired by Banco do Brasil on November 30, 2008). The sponsor and participants contribute equally.

b) Health Care Plans

Plano de Associados (Cassi)

The Bank sponsors a health care plan managed by Cassi. The plan covers health care services related to prevention, protection, recovery and rehabilitation for participants and their beneficiaries. Each month, the Bank contributes 4.5% of participants' salaries or pension benefits, in addition to 3% per dependent of active employee (up to three dependents), plus a temporary administration fee, corresponding to 10% on the sum of employers' and personal contributions (active holders), until 2021.

Monthly contributions by participants and pensioners total 4% of their salary or pension, copayments for certain hospital procedures, in addition to the contribution per dependent, following the rules provided for in the Cassi Statute and in the plan's regulations.



In thousands of Reais, unless otherwise stated

Plano Unificado de Saúde - PLUS (Economus)

Participants in this plan include employees from Banco Nossa Caixa, who enrolled prior to December 12, 2000. Participation in this plan requires a direct payroll deduction of 1.5%, providing coverage for employees and certain preferred dependents. An additional 10% copayment is required for each medical visit and low-cost exam performed by employees and their dependents (both preferred and non-preferred).

Plano Unificado de Saúde - PLUS II (Economus)

Participants in this plan include employees from Banco Nossa Caixa, who enrolled after January 1, 2001. Participation in this plan requires a direct payroll deduction of 1.5%, providing coverage for employees and certain preferred dependents. An additional 10% copayment is required for each medical visit and low-cost exam performed by employees and their dependents and adult children. This plan does not cover non-preferred dependents.

Plano de Assistência Médica Complementar - PAMC (Economus)

Participants in this plan include employees of Banco Nossa Caixa located in the state of São Paulo. The plan serves disabled employees under the Complementar and Regulamento Geral and their dependents. Participant costs vary based on usage and in accordance with a progressive salary table.

Plano de Saúde (SIM)

Participants in this plan include employees of Besc and other sponsors of the plan (including Badesc, Codesc, Bescor, Fusc and SIM). For active members, monthly contributions total 4.55% of salary, including their 13th salary. For inactive members, monthly contributions total 11.72% of salary, while the plan sponsors contribute 7.17%. Beneficiaries also contribute 0.99% per dependent. The plan requires a copayment for ambulatory care procedures.

c) Risk factors

The Bank may need to make unplanned contributions to Previ, Economus, Fusc and Prevbep, which could negatively affect operating income.

Determination of the Bank's obligations to these entities is based on long-term actuarial and financial estimates and the application and interpretation of current regulatory standards. Inaccuracies inherent to the estimation process could result in differences between recorded amounts and the actual obligations in the future. This could have a negative impact on the Bank's operating results.

d) Actuarial valuations

Actuarial evaluations are performed every six months. The information contained in the below tables refers to the calculations at June 30, 2021 and December 31, 2020, unless otherwise noted.



In thousands of Reais, unless otherwise stated

d.1) Changes in present value of defined benefit actuarial obligations

| | Plano 1 - Previ | | Plano Informal - Previ | | Plano de Associados - Cassi | | Other plans | |
|--|----------------------|----------------------|------------------------|--------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 1st half/2021 | 2020 | 1st half/2021 | 2020 | 1st half/2021 | 2020 | 1st half/2021 | 2020 |
| Opening balance | (197,181,895) | (211,164,640) | (1,058,846) | (1,100,658) | (12,359,453) | (13,234,231) | (11,411,961) | (11,833,607) |
| Interest cost | (7,177,530) | (14,289,666) | (34,031) | (68,305) | (456,449) | (907,097) | (416,570) | (813,178) |
| Current service cost | (106,927) | (275,589) | -- | -- | (52,124) | (94,355) | (4,113) | (9,911) |
| Past service cost | -- | -- | (12,606) | (37,482) | -- | (56,700) | -- | -- |
| Benefits paid using plan assets | 7,068,150 | 13,117,049 | 69,878 | 150,481 | 393,307 | 763,559 | 347,034 | 725,222 |
| Reductions/settlements ⁽¹⁾ | -- | -- | -- | -- | -- | 450,920 | -- | -- |
| Remeasurements of actuarial gain/(losses) | 33,475,375 | 15,430,951 | 129,565 | (2,882) | 2,174,895 | 718,451 | 1,965,434 | 519,513 |
| Experience adjustment | (5,651,146) | (3,704,965) | (8,680) | (36,898) | (245,174) | (499,419) | (127,794) | (265,968) |
| Changes to biometric/demographic assumptions | -- | -- | -- | -- | -- | -- | -- | (48,938) |
| Changes to financial assumptions | 39,126,521 | 19,135,916 | 138,245 | 34,016 | 2,420,069 | 1,217,870 | 2,093,228 | 834,419 |
| Closing balance | (163,922,827) | (197,181,895) | (906,040) | (1,058,846) | (10,299,824) | (12,359,453) | (9,520,176) | (11,411,961) |
| Present value of actuarial liabilities with surplus | (163,922,827) | (197,181,895) | -- | -- | (80,750) | (80,750) | (8,137,586) | (7,922,125) |
| Present value of actuarial liabilities without surplus | -- | -- | (906,040) | (1,058,846) | (10,219,074) | (12,278,703) | (1,382,590) | (3,489,836) |

(1) Settlement of the Bank's contractual obligation to the Group of Indirect Dependents (GDI), belonging to the Plano de Associados, managed by Cassi.

d.2) Changes in fair value of plan assets

| | Plano 1 - Previ | | Plano Informal - Previ | | Plano de Associados - Cassi | | Other plans ⁽¹⁾ | |
|---|--------------------|--------------------|------------------------|-----------|-----------------------------|----------------|----------------------------|------------------|
| | 1st half/2021 | 2020 | 1st half/2021 | 2020 | 1st half/2021 | 2020 | 1st half/2021 | 2020 |
| Opening balance | 208,906,421 | 194,700,370 | -- | -- | 80,750 | 161,500 | 7,922,125 | 7,416,701 |
| Interest income | 7,639,552 | 13,237,239 | -- | -- | -- | -- | 292,711 | 529,344 |
| Advance of consideration ⁽²⁾ | -- | -- | -- | -- | -- | (80,750) | -- | -- |
| Contributions received | 557,117 | 1,209,842 | 69,878 | 150,480 | 393,307 | 763,559 | 185,506 | 398,249 |
| Participants | 277,660 | 587,996 | -- | -- | -- | -- | 70,903 | 152,858 |
| Sponsor ⁽³⁾ | 279,457 | 621,846 | 69,878 | 150,480 | 393,307 | 763,559 | 114,603 | 245,391 |
| Benefits paid using plan assets | (7,068,150) | (13,117,049) | (69,878) | (150,480) | (393,307) | (763,559) | (347,035) | (725,221) |
| Actuarial gain/(loss) on plan assets | 11,307,965 | 12,876,019 | -- | -- | -- | -- | 84,279 | 303,052 |
| Closing balance | 221,342,905 | 208,906,421 | -- | -- | 80,750 | 80,750 | 8,137,586 | 7,922,125 |

(1) Refers to the following plans: Regulamento Geral (Economus), Prevmis (Economus), Regulamento Complementar 1 (Economus), Multifuturo I (Fusesc), Plano I (Fusesc) and Plano BEP (Prevbep).

(2) Refers to the Advance of employer contributions on Christmas bonus (13th salary) corresponding to the period from 2018 to 2021.

(3) Includes in Plano 1 – Previ, the amount of R\$ 1,797 thousand (R\$ 33,850 thousand in 2020), related to the Agreement 97 and Grupo Especial).

On September 30, 2021, an interim assessment was carried out on the values of guaranteeing assets and actuarial liabilities, in view of the significant changes in market values and interest rates, resulting from the impacts of Covid-19.



In thousands of Reals, unless otherwise stated

d.3) Amounts recognized in the balance sheet

| | Plano 1 - Previ | | Plano Informal - Previ | | Plano de Associados - Cassi | | Other plans | |
|---|-------------------|------------------|------------------------|--------------------|-----------------------------|---------------------|--------------------|--------------------|
| | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| 1) Fair value of the plan assets ⁽¹⁾ | 221,342,905 | 208,906,421 | -- | -- | 80,750 | 80,750 | 8,137,586 | 7,922,125 |
| 2) Present value of actuarial liabilities ⁽¹⁾ | (163,922,827) | (197,181,895) | (906,040) | (1,058,846) | (10,299,824) | (12,359,453) | (9,520,176) | (11,411,961) |
| 3) Surplus/(deficit) (1+2) ⁽¹⁾ | 57,420,078 | 11,724,526 | (906,040) | (1,058,846) | (10,219,074) | (12,278,703) | (1,382,590) | (3,489,836) |
| 4) Surplus/(deficit) - plot sponsor ⁽¹⁾ | 28,710,039 | 5,862,263 | (906,040) | (1,058,846) | (10,219,074) | (12,278,703) | (1,240,463) | (2,477,735) |
| 5) Intermediate actuarial update ⁽²⁾ | (3,347,042) | -- | 53,618 | -- | 1,419,659 | -- | 256,271 | -- |
| 6) Amounts recognized in profit | 682,079 | -- | (22,228) | -- | (258,412) | -- | (28,001) | -- |
| 7) Amounts received from funds (Note 29.f) | 137,066 | -- | -- | -- | -- | -- | -- | -- |
| 8) Benefits paid | -- | -- | 29,152 | -- | 184,238 | -- | 58,564 | -- |
| 9) Net actuarial asset/(liability) (4+5+6+7+8) ⁽³⁾ | 26,182,142 | 5,862,263 | (845,498) | (1,058,846) | (8,873,589) | (12,278,703) | (953,629) | (2,477,735) |
| Actuarial assets/(liabilities) updated after the above changes | | | | | | | | |
| Fair value of the plan assets | 195,925,756 | -- | -- | -- | 80,750 | -- | 8,232,585 | -- |
| Present value of actuarial liabilities | (143,561,473) | -- | (845,498) | -- | (8,954,339) | -- | (9,379,564) | -- |
| Surplus/(deficit) | 52,364,283 | -- | (845,498) | -- | (8,873,589) | -- | (1,146,979) | -- |
| Net actuarial asset/(liability) ⁽³⁾ | 26,182,142 | -- | (845,498) | -- | (8,873,589) | -- | (953,629) | -- |

(1) On September 30, 2021, they refer to the values contained in the actuarial valuation on June 30, 2021, before the intermediate update.

(2) On September 30, 2021 there was an intermediate update of the fair value of the plan's guaranteeing assets resulting from changes in market values, as well as the present value of actuarial liabilities due to changes in discount rates used in actuarial calculations (Note 29.d.8).

(3) Refers to the portion of the surplus/(deficit) due from the sponsor.

d.4) Breakdown of the amounts recognized in statement of income relating to defined benefit plans

| | Plano 1 - Previ | | Plano Informal - Previ | | Plano de Associados - Cassi | | Other plans | |
|---|-----------------------|-----------------------|------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
| Current service cost | (69,493) | (108,974) | -- | -- | (73,236) | (69,114) | (2,703) | (3,877) |
| Interest cost | (5,472,699) | (5,365,441) | (52,931) | (51,255) | (693,749) | (679,237) | (357,446) | (341,526) |
| Expected yield on plan assets | 6,401,818 | 4,962,228 | -- | -- | -- | -- | 240,977 | 195,745 |
| Unrecognized past service cost | -- | -- | (15,935) | (31,086) | -- | (56,700) | -- | -- |
| Expense with active employees | -- | -- | -- | -- | (607,550) | (620,319) | (146,821) | (130,691) |
| Other adjustments/reversals | -- | -- | -- | -- | -- | -- | 1,400 | 1,654 |
| (Expense)/income recognized in the statement of income | 859,626 | (512,187) | (68,866) | (82,341) | (1,374,535) | (1,425,370) | (264,593) | (278,695) |

d.5) Amounts recognized in the shareholders' equity

| | Plano 1 - Previ | | Plano Informal - Previ | | Plano de Associados - Cassi | | Other plans | |
|--|-----------------------------|---------------------|-----------------------------|------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | Sep 30, 2021 ⁽¹⁾ | Dec 31, 2020 | Sep 30, 2021 ⁽¹⁾ | Dec 31, 2020 | Sep 30, 2021 ⁽¹⁾ | Dec 31, 2020 | Sep 30, 2021 ⁽¹⁾ | Dec 31, 2020 |
| Opening balance | (9,715,783) | (17,490,891) | (227,609) | (226,025) | (2,813,815) | (3,208,963) | (1,007,952) | (1,236,627) |
| Accumulated other comprehensive income | 19,043,729 | 14,136,560 | 183,184 | (2,880) | 3,594,554 | 718,451 | 1,470,112 | 417,576 |
| Tax effects | (8,840,006) | (6,361,452) | (82,433) | 1,296 | (1,617,549) | (323,303) | (664,802) | (188,901) |
| Closing balance | 487,940 | (9,715,783) | (126,858) | (227,609) | (836,810) | (2,813,815) | (202,642) | (1,007,952) |

(1) On September 30, 2021, there was an intermediate update of the guaranteeing assets and actuarial liabilities, in view of the significant changes in market values and interest rates, resulting from the impacts of Covid-19.



In thousands of Reais, unless otherwise stated

d.6) Maturity profile of defined benefit actuarial obligations on June 30, 2021

| | Duration ⁽¹⁾ | Expected benefit payments ⁽²⁾ | | | | |
|---------------------------------------|-------------------------|--|--------------|--------------|--------------|-------------|
| | | Up to 1 year | 1 to 2 years | 2 to 3 years | Over 3 years | Total |
| Plano 1 (Previ) | 11.09 | 14,512,358 | 14,379,459 | 14,175,208 | 305,682,023 | 348,749,048 |
| Plano Informal (Previ) | 6.27 | 149,714 | 137,146 | 121,435 | 918,834 | 1,327,129 |
| Plano de Associados (Cassi) | 12.00 | 915,566 | 907,939 | 896,623 | 22,384,263 | 25,104,391 |
| Regulamento Geral (Economus) | 10.86 | 599,861 | 599,846 | 599,433 | 13,083,470 | 14,882,610 |
| Regulamento Complementar 1 (Economus) | 13.11 | 3,082 | 3,231 | 3,390 | 136,601 | 146,304 |
| Plus I e II (Economus) | 15.55 | 42,232 | 43,463 | 45,073 | 2,185,082 | 2,315,850 |
| Grupo B' (Economus) | 9.88 | 20,945 | 20,770 | 20,574 | 382,396 | 444,685 |
| Prevmais (Economus) | 14.28 | 17,221 | 17,888 | 18,413 | 750,815 | 804,337 |
| Multifuturo I (Fusesc) | 15.95 | 7,439 | 7,579 | 7,732 | 408,238 | 430,988 |
| Plano I (Fusesc) | 9.06 | 47,279 | 46,429 | 45,524 | 707,609 | 846,841 |
| Plano BEP (Prevbep) | 11.06 | 6,150 | 6,411 | 6,618 | 144,907 | 164,086 |

(1) Weighted average duration, in years, of the defined benefit actuarial obligation.

(2) Amounts considered without discounting at present value.

d.7) Composition of the plan assets before the intermediate update of guaranteeing assets

| | Plano 1 - Previ | | Other plans | |
|--|--------------------|--------------------|------------------|------------------|
| | Jun 30, 2021 | Dec 31, 2020 | Jun 30, 2021 | Dec 31, 2020 |
| Fixed income | 107,240,637 | 95,762,703 | 6,597,638 | 6,431,346 |
| Equity securities and similar instruments ⁽¹⁾ | 95,642,269 | 95,240,437 | 793,000 | 719,745 |
| Real estate investments | 11,045,011 | 11,239,165 | 290,149 | 312,911 |
| Loans and financing | 5,334,364 | 5,368,895 | 169,556 | 172,841 |
| Other ⁽²⁾ | 2,080,624 | 1,295,221 | 367,993 | 366,032 |
| Total | 221,342,905 | 208,906,421 | 8,218,336 | 8,002,875 |
| Amounts listed in fair value of plan assets | | | | |
| In the entity's own financial instruments | 11,819,711 | 7,510,061 | 13,497 | 30,554 |
| In properties or other assets used by the entity | 1,305,923 | 82,975 | 34,511 | 38,701 |

(1) Includes, in Plano 1 – Previ, the amount of R\$ 8,195,905 thousand (R\$ 41,919,306 thousand on December 31, 2020), related to the assets that are not quoted in active markets.

(2) Includes, in Other Plans, the amount of R\$ 80,750 thousand related to the assets of Cassi.

d.8) Main actuarial assumptions adopted

| | Plano 1 - Previ | | Plano Informal - Previ | | Plano de Associados - Cassi | | Other plans | |
|--|-----------------------|--------------|------------------------|--------------|-----------------------------|--------------|-----------------------|--------------|
| | Jun 30, 2021 | Dec 31, 2020 | Jun 30, 2021 | Dec 31, 2020 | Jun 30, 2021 | Dec 31, 2020 | Jun 30, 2021 | Dec 31, 2020 |
| Inflation rate (p.a.) | 3.42% | 3.31% | 3.49% | 3.36% | 3.41% | 3.31% | 3.40% | 3.29% |
| Real discount rate (p.a.) ⁽¹⁾ | 6.22% | 4.24% | 5.64% | 3.58% | 6.29% | 4.33% | 6.25% | 4.25% |
| Nominal rate of return on investments (p.a.) | 9.85% | 7.69% | -- | -- | -- | -- | 9.86% | 7.69% |
| Real rate of expected salary growth (p.a.) | 0.93% | 0.93% | -- | -- | -- | -- | 0.92% | 0.92% |
| Actuarial life table | BR-EMSSb-2015 | | BR-EMSSb-2015 | | BR-EMSSb-2015 | | AT-2000 / AT-83 | |
| Capitalization method | Projected credit unit | | Projected credit unit | | Projected credit unit | | Projected credit unit | |

(1) On September 30, 2021, the real discount rates (p.a.) used in the intermediate update of the plans were: Plano 1 - Previ 8.10 %, Plano Informal - Previ 7.54 %, Plano de Associados - Cassi 8.15 % and Other plans 8.09 %.

In order to determine the values for the defined benefit plans, the Bank uses methods and assumptions different from those submitted by the entities sponsored.

CPC 33 (R1) prescribes the accounting, as well as the effects that occurred or that will occur in the entities that sponsor employee benefits plans. However, the sponsored entities themselves must comply with the rules issued by the Ministério da Economia Social, through the Conselho Nacional de Previdência Complementar (CNPc) and the Superintendência Nacional de Previdência Complementar (Previc). The most significant differences are in the definition of the assumptions used in Plano 1 – Previ.



In thousands of Reais, unless otherwise stated

d.9) Differences in assumptions of the Plano 1 – Previ on June 30, 2021

| | Bank | Previ |
|--|-----------------------|-------------------------------|
| Real discount rate (p.a.) ⁽¹⁾ | 6.22% | 4.75% |
| Evaluation of assets | | |
| Federal Government securities | Fair value | Amortized Cost |
| Equity stakes | Fair value | Adjusted Value ⁽²⁾ |
| Capitalization method | Projected credit unit | Aggregate method |

(1) On September 30, 2021, the real discount rate (p.a.) used by the Bank in the interim update was 8.10 %.

(2) Previ evaluates the investment on Litel through a valuation method that considers the average trading price of Vale's share, the Litel group's main asset, on the last business day of each month, with adjustments.

d.10) Reconciliation of amounts calculated in Plan 1 - Previ/Bank

| | Plan assets | | Actuarial liabilities | | Effect in surplus/(deficit) | |
|---|-----------------------------|--------------------|-----------------------------|----------------------|-----------------------------|-------------------|
| | Sep 30, 2021 ⁽¹⁾ | Dec 31, 2020 | Sep 30, 2021 ⁽¹⁾ | Dec 31, 2020 | Sep 30, 2021 ⁽¹⁾ | Dec 31, 2020 |
| Value determined - Previ ⁽²⁾ | 197,641,031 | 185,396,375 | (194,858,254) | (171,558,201) | 2,782,777 | 13,838,174 |
| Incorporation of values from agreement 97 ⁽²⁾ | -- | 12,531,309 | -- | (12,531,309) | -- | -- |
| Incorporation of values from Grupo Especial ⁽²⁾ | -- | 1,070,509 | -- | (1,070,509) | -- | -- |
| Adjustment in the value of plan assets ⁽³⁾ | (1,715,275) | 9,908,228 | -- | -- | (1,715,275) | 9,908,228 |
| Adjustment in the liabilities - discount rate/capitalization method | -- | -- | 51,296,781 | (12,021,876) | 51,296,781 | (12,021,876) |
| Value determined - Bank | 195,925,756 | 208,906,421 | (143,561,473) | (197,181,895) | 52,364,283 | 11,724,526 |

(1) On September 30, 2021, there was an intermediate update of the guaranteeing assets and actuarial liabilities, in view of the significant changes in market values and interest rates, due to the impacts of Covid-19.

(2) From the year 2021, the values from agreement 97 and from Grupo Especial are included in the value determined - Previ, in accordance with Previc Instruction 31/2020, making it unnecessary to apply these adjustments by the Bank.

(3) Refers mainly to adjustments made by the Bank in determining the fair value of the investments in Litel and in securities held to maturity.

d.11) Sensitivity analysis

The sensitivity analysis is performed for changes in a single assumption while maintaining all others constant. This is unlikely in reality, since some of the assumptions are correlated.

The same methodology was used to perform the sensitivity analysis in each of the periods presented. However, the discount rate was updated to reflect market conditions.

The table below presents the sensitivity analysis of the most relevant actuarial assumptions, showing the increase/(decrease) in defined benefit obligations, with variations reasonably possible for June 30, 2021.

| | Discount rate | | Life expectancy | | Salary increase | |
|---------------------------------------|---------------|-----------|-----------------|-------------|-----------------|----------|
| | +0.25% | -0.25% | +1 age | -1 age | +0.25% | -0.25% |
| Plano 1 (Previ) | (3,643,356) | 3,799,856 | 2,743,238 | (2,790,001) | 29,374 | (29,195) |
| Plano Informal (Previ) | (11,872) | 12,215 | 29,583 | (29,092) | -- | -- |
| Plano de Associados (Cassi) | (217,342) | 227,019 | 134,167 | (135,455) | 795 | (776) |
| Regulamento Geral (Economus) | (163,812) | 170,495 | 125,584 | (129,433) | -- | -- |
| Regulamento Complementar 1 (Economus) | (1,731) | 1,808 | (709) | 732 | -- | -- |
| Plus I e II (Economus) | (22,155) | 23,364 | 33,455 | (32,620) | -- | -- |
| Grupo B' (Economus) | (4,698) | 4,871 | 4,984 | (5,142) | -- | -- |
| Prevmais (Economus) | (7,940) | 8,317 | 1,283 | (1,210) | 1,248 | (1,231) |
| Multifuturo I (Fusesc) | (3,846) | 3,889 | 892 | (1,147) | 1,313 | (1,450) |
| Plano I (Fusesc) | (9,702) | 8,508 | 9,268 | (10,915) | 755 | (757) |
| Plano BEP (Prevbep) | (1,796) | 1,872 | 1,185 | (1,214) | 19 | (19) |



In thousands of Reais, unless otherwise stated

e) Overview of actuarial asset/(liability) recorded by the Bank

| | Actuarial assets | | Actuarial liabilities | |
|---------------------------------------|-----------------------------|------------------|-----------------------------|---------------------|
| | Sep 30, 2021 ⁽¹⁾ | Dec 31, 2020 | Sep 30, 2021 ⁽¹⁾ | Dec 31, 2020 |
| Plano 1 (Previ) | 26,182,142 | 5,862,263 | -- | -- |
| Plano Informal (Previ) | -- | -- | (845,498) | (1,058,846) |
| Plano de Associados (Cassi) | -- | -- | (8,873,589) | (12,278,703) |
| Regulamento Geral (Economus) | -- | -- | (343,829) | (1,364,974) |
| Regulamento Complementar 1 (Economus) | 5,583 | -- | -- | (3,578) |
| Plus I e II (Economus) | -- | -- | (744,984) | (1,052,895) |
| Grupo B' (Economus) | -- | -- | (232,256) | (274,683) |
| Prevmais (Economus) | 125,660 | 69,947 | -- | -- |
| Multifuturo I (Fusesc) | 96,381 | 67,904 | -- | -- |
| Plano I (Fusesc) | 111,040 | 63,645 | -- | -- |
| Plano BEP (Prevbep) | 28,776 | 16,899 | -- | -- |
| Total | 26,549,582 | 6,080,658 | (11,040,156) | (16,033,679) |

(1) On September 30, 2021, there was an intermediate update of the guaranteeing assets and actuarial liabilities, in view of the significant changes in market values and interest rates, due to the impacts of Covid-19.

f) Allocations of the Surplus - Plano 1

| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
|---|-----------------------|-----------------------|
| Fundo de Utilização ⁽¹⁾ | | |
| Opening balance | 9,912,387 | 9,572,386 |
| Contributions to Plano 1 | (416,523) | (442,842) |
| Restatement | 1,066,854 | 527,278 |
| Closing balance | 10,562,718 | 9,656,822 |

(1) Contains resources transferred from the Allocation Fund (because of the plan's surplus). The Bank can use for repayments or to reduce future contributions (after first meeting all applicable legal requirements). The fund is recalculated based on the actuarial target (INPC + 4.75 % p.a.).



In thousands of Reais, unless otherwise stated

30 - RISK AND CAPITAL MANAGEMENT

a) Risk management process

For Banco do Brasil, risk management is one of the most important elements of the decision-making process.

The institution has a process to identify the risks that comprise the corporate set of relevant risks, performed by analyzing the business segments, direct and indirectly, considering Banco do Brasil related entities.

Risk definition is carried out considering quantitative and qualitative criteria, and results in the following relevant risks:

- a) Credit Risk;
- b) Market Risk;
- c) Banking Book Interest Rate Risk;
- d) Liquidity Risk;
- e) Operational Risk;
- f) Legal Risk;
- g) Environmental Risk;
- h) Climate Risk;
- i) Strategic Risk;
- j) Reputational Risk;
- k) Actuarial Risk;
- l) Model Risk;
- m) Cybernetic Risk;
- n) IT Risk;
- o) Safety Risk
- p) Contagion Risk;
- q) Compliance Risk;
- r) Behavioral Risk; and
- s) Supplier Risk.

In the Bank, the collegiate risk management is parted from the business units and internal auditors. Risk management policies are approved by the Board of Directors, with the opinion of the Advisory Committees. Risk management is performed in accordance with the Bank's Senior Management policies and strategies.

To learn more about the risk and capital management process in Banco do Brasil, visit the information available in the Risk Management Report and in the Recovery Plan at the website bb.com.br/ir.



In thousands of Reais, unless otherwise stated

Financial instruments - fair value

Financial instruments recorded in balance sheet accounts, compared to fair value:

| | Sep 30, 2021 | | Dec 31, 2020 | | Unrealized gain/(loss) without tax effects | | | |
|---|--------------|-------------|--------------|-------------|--|-------------------|-------------------------|-------------------|
| | Book value | Fair value | Book value | Fair value | On income | | On shareholders' equity | |
| | | | | | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2021 | Dec 31, 2020 |
| Assets | | | | | | | | |
| Cash and due from banks | 21,761,866 | 21,761,866 | 16,784,560 | 16,784,560 | -- | -- | -- | -- |
| Central bank compulsory reserves | 72,514,250 | 72,514,250 | 60,308,542 | 60,308,542 | -- | -- | -- | -- |
| Short-term interbank investments | 634,227,610 | 634,227,610 | 510,645,791 | 510,645,484 | -- | (307) | -- | (307) |
| Securities | 310,022,558 | 308,715,478 | 294,912,849 | 293,835,221 | (3,246,170) | 312,682 | (1,307,080) | (1,077,628) |
| Adjustment of securities available for sale (Note 10.a) | | | | | (1,939,090) | 1,390,310 | -- | -- |
| Adjustment of securities held to maturity (Note 10.a) | | | | | (1,307,080) | (1,077,628) | (1,307,080) | (1,077,628) |
| Derivative financial instruments | 2,624,070 | 2,624,070 | 3,527,336 | 3,527,336 | -- | -- | -- | -- |
| Loans portfolio | 745,273,942 | 785,641,765 | 681,776,452 | 709,622,236 | 40,367,823 | 27,845,784 | 40,367,823 | 27,845,784 |
| Other financial assets | 105,343,154 | 105,343,154 | 96,465,178 | 96,465,178 | -- | -- | -- | -- |
| Liabilities | | | | | | | | |
| Customers resources | 658,710,821 | 659,020,499 | 601,984,265 | 601,882,881 | (309,678) | 101,384 | (309,678) | 101,384 |
| Financial institutions resources | 764,525,356 | 765,765,023 | 603,552,262 | 604,917,932 | (1,239,667) | (1,365,670) | (1,239,667) | (1,365,670) |
| Securities resources | 193,363,850 | 193,363,850 | 203,192,140 | 203,192,140 | -- | -- | -- | -- |
| Derivative financial instruments | 2,480,286 | 2,480,286 | 3,049,843 | 3,049,843 | -- | -- | -- | -- |
| Other financial liabilities | 112,551,647 | 112,551,647 | 108,424,340 | 108,424,340 | -- | -- | -- | -- |
| Unrealized gain/(loss) without tax effects | | | | | 35,572,308 | 26,893,873 | 37,511,398 | 25,503,563 |

Determination of fair value of financial instruments

Short-term interbank investments: The fair value was obtained by discounting future cash flows, using interest rates traded by the market in similar operations on the balance sheet date.

Securities: accounted by fair value, according to Bacen Circular 3,068/2001, except for securities held to maturity. The fair value of the securities, including those held to maturity, was obtained from rates practiced in the market.

Loan operations: For the operations of this group, remunerated at post-fixed rates, the fair value of the book value itself was considered, due to the equivalence between them. The operations remunerated at prepaid interest rates were estimated by discounting future cash flows, adopting market interest rates to contract similar operations at the balance sheet date.

Interbank deposits: The fair value was calculated by the discount of the future cash flows using rates currently applicable in the market for fixed rate deposits. For post-fixed operations whose maturities were less than 30 days, the book value was deemed approximately equivalent to the fair value.

Time deposits: The same criteria adopted for interbank deposits are utilized in the determination of the fair value.

Liabilities related to repurchase agreement: For operations at fixed rates, the fair value was determined calculating the discount of the estimated cash flows adopting a discount rate equivalent to the rates applied in contracting similar operations on the last trading day. For post-fixed operations, book values have been deemed approximately equivalent to fair value.

Borrowings and onlendings: Such operations are exclusive to the Bank with no similar operations in the market. Given their specific characteristics, the exclusive rates for each fund, the inexistence of an active market or similar traded instruments, the fair values of such operations are considered equivalent to the book value.



In thousands of Reais, unless otherwise stated

Other liabilities: Fair values have been determined by the discounted cash flow method, which takes into account interest rates offered in the market for obligations with similar maturities, risks and terms.

Derivatives financial instruments: Derivatives were booked at fair value, according to Bacen Circular No. 3,082/2002. The fair value of derivatives was estimated in accordance with internal pricing models, using the interest rates disclosed for transactions with similar terms and indices on the last business day of the period.

Other financial instruments: Included or not in the balance sheet, fair value is approximately equivalent to the corresponding book value.

Source of information regarding assets and liabilities measured at fair value in the balance sheet

The Bank's fair value measurements consider the following input levels:

Level 1 – Price quotations are derived from active markets for identical financial instruments. Financial instruments are considered to be quoted in an active market if prices are readily available and are based on regularly occurring arm's length transactions.

Level 2 – Requires the use of information obtained from the market that is not Level 1. This includes prices quoted in non-active markets for similar assets and liabilities and information that can be corroborated in the market.

Level 3 – Requires the use of information not obtained from the market to measure fair value. When there is not an active market for an instrument, the Bank uses valuation techniques that incorporate internal data. The Bank's methodologies are consistent with commonly used techniques for pricing financial instruments.

Assets and liabilities measured at fair value in the consolidated balance sheet

| | Balance at Sep 30, 2021 | Level 1 | Level 2 | Level 3 |
|---|-------------------------|--------------------|--------------------|--------------------|
| Assets | 288,295,170 | 240,847,366 | 44,639,693 | 2,808,111 |
| Hedge interbank deposit | 3,136,104 | -- | 3,136,104 | -- |
| Trading securities, measured by fair value | 10,423,674 | 8,298,762 | 2,081,690 | 43,222 |
| Derivative financial instruments | 2,624,070 | -- | 1,969,146 | 654,924 |
| Available-for-sale securities, measured by fair value | 272,111,322 | 232,548,604 | 37,452,753 | 2,109,965 |
| Liabilities | (4,789,890) | -- | (3,639,872) | (1,150,018) |
| Hedge funding | (2,309,604) | -- | (2,309,604) | -- |
| Derivative financial instruments | (2,480,286) | -- | (1,330,268) | (1,150,018) |

| | Balance at Dec 31, 2020 | Level 1 | Level 2 | Level 3 |
|---|-------------------------|--------------------|--------------------|--------------------|
| Assets | 279,631,704 | 242,939,698 | 32,369,841 | 4,322,165 |
| Hedge interbank deposit | 3,115,079 | -- | 3,115,079 | -- |
| Trading securities, measured by fair value | 17,774,838 | 16,517,985 | 1,255,818 | 1,035 |
| Derivative financial instruments | 3,527,336 | -- | 1,302,466 | 2,224,870 |
| Available-for-sale securities, measured by fair value | 255,214,451 | 226,421,713 | 26,696,478 | 2,096,260 |
| Liabilities | (5,737,058) | -- | (4,243,923) | (1,493,135) |
| Hedge funding | (2,687,215) | -- | (2,687,215) | -- |
| Derivative financial instruments | (3,049,843) | -- | (1,556,708) | (1,493,135) |



In thousands of Reais, unless otherwise stated

Sensitivity analysis

Banco do Brasil manages its risks in a dynamic process, identifying, measuring, assessing, monitoring, reporting, controlling, and mitigating market risk exposure arising on its positions. In this context, the Bank takes into account the risk limits defined by the Strategic Committees and possible scenarios, to act in a timely manner to reverse any adverse results.

In accordance with CMN Resolution 4,557/2017 and with Bacen Circular 3,354/2007, to manage more efficiently its transactions exposed to market risks, Banco do Brasil separates its transactions, including derivative financial instruments, as follows:

1) Trading Book: consisting of own positions held for trading or as a hedge for its trading portfolio, for which there is an intention of trading prior to their contractual maturity, subject to normal market conditions and that do not have a non-trading clause.

2) Banking Book: consisting of transactions not classified in the Trading Book whose feature is held to maturity.

In order to determine the sensitivity of the Bank's capital to the impacts of market volatility, simulations were performed with three likely scenarios, two of which assume adverse movements for the Bank. The scenarios used are set out below:

Scenario I: Likely situation, which reflects the perception of the Bank's senior management, the scenario most likely to occur for a 3-month horizon, considering macroeconomic factors and market information (B3, Anbima, etc.). Assumptions: exchange rate real/dollar of R\$ 5.40 and increase the Selic rate to 8.25% per annum based on market conditions observed on September 30, 2021.

Scenario II: Possible situation. Assumptions adopted: parallel shock of 25.00% in the risk variables, based on market conditions observed on September 30, 2021 considering the worst losses by risk factor and, therefore, ignoring the dynamics of correlation between macroeconomic factors.

Scenario III: Possible situation. Assumptions adopted: parallel shock of 50.00% in the risk variables, based on market conditions observed on September 30, 2021 considering the worst losses by risk factor and thus ignoring the dynamics of correlation between macroeconomic factors.

The tables below summarize the results for the Trading Portfolio (Trading), composed of public and private securities, derivative financial instruments and funds obtained through repurchase agreements:

| Risk factor | Concept | Scenario I | | | |
|--------------------------|--|--------------------|------------------|--------------------|------------------|
| | | Sep 30, 2021 | | Dec 31, 2020 | |
| | | Variation of rates | Income/(expense) | Variation of rates | Income/(expense) |
| Prefixed rate | Risk of variation of prefixed interest rates | Increase | 9,662 | Maintenance | -- |
| TMS and CDI indices | Risk of variation of interest rate indices | Decrease | 62,489 | Increase | (49) |
| IPCA index | Risk of variation of inflation indices | Increase | (175,487) | Maintenance | -- |
| Exchange rates variation | Risk of variation of foreign exchange rates | Decrease | (5,263) | Increase | 10,401 |

| Risk factor | Concept | Scenario II | | | |
|--------------------------|--|--------------------|------------------|--------------------|------------------|
| | | Sep 30, 2021 | | Dec 31, 2020 | |
| | | Variation of rates | Income/(expense) | Variation of rates | Income/(expense) |
| Prefixed rate | Risk of variation of prefixed interest rates | Decrease | (13,145) | Increase | (14,845) |
| TMS and CDI indices | Risk of variation of interest rate indices | Increase | (337) | Increase | (10) |
| IPCA index | Risk of variation of inflation indices | Increase | (107,589) | Increase | (3,631) |
| Exchange rates variation | Risk of variation of foreign exchange rates | Decrease | (181,664) | Decrease | (130,805) |



In thousands of Reais, unless otherwise stated

| Risk factor | Concept | Scenario III | | | |
|--------------------------|--|--------------------|------------------|--------------------|------------------|
| | | Sep 30, 2021 | | Dec 31, 2020 | |
| | | Variation of rates | Income/(expense) | Variation of rates | Income/(expense) |
| Prefixed rate | Risk of variation of prefixed interest rates | Decrease | (27,209) | Increase | (29,352) |
| TMS and CDI indices | Risk of variation of interest rate indices | Increase | (675) | Increase | (21) |
| IPCA index | Risk of variation of inflation indices | Increase | (204,273) | Increase | (7,092) |
| Exchange rates variation | Risk of variation of foreign exchange rates | Decrease | (363,328) | Decrease | (261,609) |

For transactions classified in the Banking Book, appreciations or depreciations resulting from changes in interest rates practiced in the market do not imply in a significant financial or accounting impact on the Bank's income as a result of the portfolio composition which is principally: loan operations (consumer credit, agribusiness, working capital, etc.); retail funding (demand, time, and savings deposits), and securities, which are booked by the contracted interest rates. In addition, it should be pointed out that these portfolios, except the securities available for sale, have as their principal characteristic the intention to hold the respective operations to maturity and, hence they are not subject to the effects of fluctuating interest rates, or the fact that such transactions are naturally related to other instruments (natural hedge), hence minimizing the impacts of a stress scenario.

The tables below show a summary of the Trading Portfolio (Trading) and of the Banking Book for the financial and non-financial entities controlled by the bank:

| Risk factor | Concept | Scenario I | | | |
|------------------------|---|--------------------|------------------|--------------------|------------------|
| | | Sep 30, 2021 | | Dec 31, 2020 | |
| | | Variation of rates | Income/(expense) | Variation of rates | Income/(expense) |
| Prefixed rate | Risk of variation of prefixed interest rates | Increase | (14,245,918) | Maintenance | -- |
| TR | Risk of variation of interest rate indices | Increase | 12,117,101 | Maintenance | -- |
| TBF | | Increase | 1,588 | Increase | 874 |
| TJLP | | Increase | 1,398,917 | Increase | 173,053 |
| TMS and CDI | | Decrease | 2,850,615 | Increase | (304,611) |
| IGP-M | Risk of variation of inflation indices | Increase | (56,746) | Maintenance | -- |
| INPC | | Increase | (315,706) | Maintenance | -- |
| IPCA | | Increase | (179,121) | Maintenance | -- |
| Foreign currency rates | Risk of variation of foreign currency indices | Increase | 1,063,988 | Increase | 1,118,634 |
| Exchange rate | Risk of variation of foreign exchange rates | Decrease | (41,377) | Increase | 113,302 |

| Risk factor | Concept | Scenario II | | | |
|------------------------|---|--------------------|------------------|--------------------|------------------|
| | | Sep 30, 2021 | | Dec 31, 2020 | |
| | | Variation of rates | Income/(expense) | Variation of rates | Income/(expense) |
| Prefixed rate | Risk of variation of prefixed interest rates | Increase | (16,810,184) | Increase | (10,330,984) |
| TR | Risk of variation of interest rate indices | Decrease | (15,623,593) | Decrease | (6,960,855) |
| TBF | | Decrease | (233) | Decrease | (153) |
| TJLP | | Decrease | (4,288,600) | Decrease | (384,922) |
| TMS and CDI | | Increase | (62,338) | Decrease | (31,616) |
| IGP-M | Risk of variation of inflation indices | Increase | (30,647) | Increase | (34,437) |
| INPC | | Increase | (144,369) | Increase | (154,100) |
| IPCA index | | Increase | (113,594) | Increase | (31,942) |
| Foreign currency rates | Risk of variation of foreign currency indices | Decrease | (601,040) | Decrease | (379,024) |
| Exchange rate | Risk of variation of foreign exchange rates | Decrease | (1,428,098) | Decrease | (1,424,966) |



In thousands of Reais, unless otherwise stated

| Risk factor | Concept | Scenario III | | | |
|------------------------|---|--------------------|------------------|--------------------|------------------|
| | | Sep 30, 2021 | | Dec 31, 2020 | |
| | | Variation of rates | Income/(expense) | Variation of rates | Income/(expense) |
| Prefixed rate | Risk of variation of prefixed interest rates | Increase | (32,167,290) | Increase | (19,949,072) |
| TR | Risk of variation of interest rate indices | Decrease | (32,699,080) | Decrease | (14,204,528) |
| TBF | | Decrease | (467) | Decrease | (307) |
| TJLP | | Decrease | (10,508,464) | Decrease | (784,332) |
| TMS and CDI | | Increase | (124,657) | Decrease | (63,269) |
| IGP-M | | Increase | (60,745) | Increase | (68,208) |
| INPC | Risk of variation of inflation indices | Increase | (285,107) | Increase | (304,213) |
| IPCA index | | Increase | (215,633) | Increase | (62,398) |
| Foreign currency rates | Risk of variation of foreign currency indices | Decrease | (1,213,481) | Decrease | (764,112) |
| Exchange rate | Risk of variation of foreign exchange rates | Decrease | (2,856,197) | Decrease | (2,849,932) |

The scenarios used for preparing the framework for sensitivity analysis must use situations of deterioration of at least 25% and 50% of the variable risks, on an individualized basis. Thus, the combined analysis of the results does not reflect real expectations, for example, simultaneous shocks of increase in the prefixed interest rate and reduction of the TR rate are not consistent from the macroeconomic perspective.

The derivative transactions classified in the Banking Book, do not represent a relevant market risk to Banco do Brasil, as these positions are usually originated with the following objectives:

- Swapping the index of funding and lending transactions performed to meet customer needs;
- Hedging market risk, the purpose and effectiveness of which are described in Note 11.a.5. Also in this transaction, the interest and exchange rate variations have no effects on the Bank's income.

On September 30, 2021, Banco do Brasil did not enter into any transaction classified as an exotic derivative.

b) Capital management

Objectives and policies

In 2017, Bacen issued CMN Resolution 4,557, which defines the scope and requirements of the risk management structure and the capital management structure for financial institutions.

In compliance with the Resolution, the Board of Directors has established Coris and has appointed as the Chief Risk Officer (CRO), responsible for risk and capital management, the Vice President of Internal Controls and Risk Management.

Capital management aims to ensure the Institution's future solvency concurrent with the implementation of business strategies.

Capital management is carried out through an organizational structure appropriate to the nature of its operations, the complexity of its business and the extent of exposure to relevant risks.

There are defined and documented capital management strategies that establish mechanisms and procedures to keep capital compatible with the Risk Appetite and Tolerance Statement (RAS).

In addition, the Bank has specific policies, approved by the Board, which aim to guide the development of functions or behaviors, through strategic drivers that guide capital management actions. These specific policies apply to all businesses that involve risk and capital at the Bank.



In thousands of Reais, unless otherwise stated

Elements comprised by capital management:

Strategic plans, business goals and budgets respect the risk appetite and tolerance and indicators of capital adequacy and risk-adjusted return.

The Capital Plan is prepared in consistency with the business strategy, seeking to maintain capital indicators at appropriate levels. This Plan highlights the capital planning of Banco do Brasil and the prospective assessment of any need for capital contribution.

The Capital Plan preparation is referenced in the guidelines and limits contained in RAS and the Bank's Corporate Budget (BB Budget), considering that this represents the materialization of the guidelines of ECBB, the Master Plan (PD), the Markets Business Plan, the Fixed Investment Plan and the Strategic Information Technology Plan.

The budgeted amounts must correspond to the goals and objectives defined by the Board of Directors for the Banco do Brasil Conglomerate. Thus, premises such as business growth, credit growth in operations with higher profitability, restrictions on operations in segments with lower profitability, among others, are contained in the BB Budget.

In addition, the BB Budget considers the macroeconomic scenario prepared by the Global Treasury Unit (Tesou) and the legislation applied to the Brazilian Banking Industry (SFN).

The review of the ECBB and the PD results from the application of a set of strategic planning methodologies, observing the best market practices. It is noteworthy that the review of the ECBB and the PD takes place in an integrated manner with the budgeting process, with the RAS and with the other documents of the strategic architecture, which ensures the alignment between such documents, giving greater internal consistency to the strategic planning process.

The BB Budget follows the guidelines defined in the ECBB, respects the RAS and aims to meet the floors and ceilings defined in the indicators approved in the PD. The BB Budget allows the quantification in financial values of the strategic objectives defined in the ECBB.

The RAS is the strategic document that guides the planning of the business strategy, directing budget and capital towards a sustainable and optimized allocation, according to the Institution's capacity to assume risks and its strategic objectives, in addition to promoting understanding and dissemination of the risk culture.

This statement is applied to the Bank and considers potential impacts on the capital of the Banco do Brasil Prudential Conglomerate. It is expected that the Subsidiaries, Affiliates and Investment companies (ELBB) define their drivers based on these guidelines considering specific needs and legal and regulatory aspects to which they are subject.

As defined in the RAS, risk appetite is the maximum level of risk that the Institution accepts to incur in order to achieve its objectives, materialized by indicators that define an aggregate view of risk exposure. Tolerance, in turn, induces risk management in a more granular way, considering the defined appetite.

RAS defines prudential minimum limits that aim to perpetuate the strategy of strengthening the Bank's capital structure. These limits are established above the regulatory minimum, represent the Bank's Risk Appetite and are effective as of January of each year.

The capital target is the level of capital desired by the Bank, which is why its management actions must be guided by this driver. The goals are distinguished from tolerance and risk appetite because the latter defines the level at which the Institution does not accept to operate, and must take timely measures for readjustment, which may trigger contingency measures.



In thousands of Reais, unless otherwise stated

Integration:

Adopting a prospective stance, the Bank assesses the capital status, classified as Critical, Alert or Surveillance, according to the time horizon that precedes the projected deadline for the breach of the prudential minimum capital limits defined by Senior Management and detailed in the RAS, as the figure below:

| | Capital Ratio | Period of noncompliance (months) | | | | | |
|-----------------------|----------------------------|----------------------------------|---------|----------|--------------|--------------|---------|
| | | 0 to 6 | 7 to 12 | 13 to 18 | 19 to 24 | 25 to 30 | over 31 |
| Target ¹ | ICP | ALERT | | | SURVEILLANCE | | |
| Appetite ² | Common Equity Tier 1 Ratio | CRITICAL | | | ALERT | SURVEILLANCE | |
| | Tier 1 Ratio | CRITICAL | | ALERT | SURVEILLANCE | | |
| | Basel Prudential Ratio | CRITICAL | ALERT | | SURVEILLANCE | | |

¹ level of capital desired by the institution
² maximum level of risk that institution agrees to incur in order to achieve its goals

The Capital Forum has the responsibility of identify the capital status of the Bank and occurs through the control of Common Equity Tier 1 Capital Ratio (ICP), Tier I Ratio and Capital Adequacy Ratio projected for a time horizon of at least 36 months. When the projections indicate a potential breach of the prudential minimum capital limits (risk appetite), the Institution will have enough time to promote strategic changes that avoid extrapolation, according to the deadlines defined for each indicator.

The assessment of the sufficiency of capital maintained by the Bank contemplates a 3-year time horizon and considers: i) the types of risks and respective levels to which the Institution is exposed and willing to assume; ii) the Institution's ability to manage risks effectively and prudently; iii) the Institution's strategic objectives; and iv) the conditions of competitiveness and the regulatory environment in which it operates.

In compliance with the provisions of Bacen Circular 3,846/2017, this analysis is also part of the Internal Capital Adequacy Assessment Process (Icaap) and must cover, at least:

- I - the assessment and measurement of the need for capital to cover credit risks (includes concentration and credit risk of the counterparty), market risk, interest rate variations for instruments classified in the bank portfolio (IRRBB) and operational;
- II - the assessment of the capital need to cover the other relevant risks to which the Institution is exposed, considering, at least, the strategy, reputation and socio-environmental risks; and
- III - the assessment of capital requirements based on the results of the stress test program.

The Icaap, implemented by the Bank on June 30, 2013, follows the disposed on CMN Resolution 4,557/2017. At the Bank, the responsibility for coordinating Icaap was assigned to the Risk Management Directorship. In turn, the Internal Controls Directorship is the responsible for validating the Icaap. Finally, Internal Audit is responsible for performing an annual evaluation of the overall capital management process.

Procedures:

Capital management is an ongoing process of planning, evaluating, controlling and monitoring capital. It supports the Board in the decision process that will lead the Institution to adopt a posture capable of absorbing eventual losses arising from business risks or changes in the financial environment.

Capital simulations are carried out, integrating the results of risk and business stress tests, based on macroeconomic and/or idiosyncratic scenarios. Stress tests are carried out periodically and their impacts are assessed from the perspective of capital.



In thousands of Reais, unless otherwise stated

It is conducted monthly monitoring of the variables used in the preparation of the Capital Plan due to the review of the behavior projected in the preparation of the BB Budget, based on the observed numbers, market expectations and business dynamics. The relevant deviations are presented and discussed, by the Boards participating in the process, in the monthly meetings of the Capital Forum.

Management reports on capital adequacy are disclosed to the areas and strategic intervening committees, supporting the decision-making process by the Board of Directors.

The adoption of a prospective stance, by conducting continuous assessments of the capital need, makes it possible to proactively identify events with a non-zero probability of occurrence or changes in market conditions that may have an adverse effect on capital adequacy, including in stress scenarios.

c) Capital Adequacy Ratio

The Bank has calculated the Capital Adequacy Ratio in accordance with the requirements established by CMN Resolutions 4,192/2013 and 4,193/2013. Those requirements are related to the calculation of Referential Equity (RE) and Minimum Referential Equity Required (MRER) as a percentage of Risk Weighted Assets (RWA).

Bacen published its Basel III capital regulations on March 2013. The regulations came into force on October 1, 2013 and apply to all banks. Recommend by the Basel Committee, Basel III represents a new set of regulations governing the capital structure of financial institutions. The new rules establish the following:

- a new methodology for calculating regulatory capital, which continues to be divided into Tier I and Tier II. Tier I consists of Common Equity Tier I Capital – CET1 (net of regulatory adjustments) and Additional Tier I Capital;
- a new methodology for calculating capital requirements, establishing minimum requirements for RE, Tier I and CET1, and introducing the Additional CET1.

Regulatory adjustments listed below are considered for calculating CET1 ratio:

- goodwill;
- intangible assets;
- actuarial assets related to defined benefit pension plans, net of deferred tax liabilities;
- significant investments (greater than 10% of the share capital) in: non-consolidated entities similar to financial institutions, insurance companies, reinsurance companies, capitalization companies and open-ended pension funds; and institutions authorized by Bacen that are not part of the Prudential Conglomerate.
- non-controlling interests;
- deferred tax assets on temporary differences that rely on the generation of future taxable profits or income to be realized;
- deferred tax assets resulting from tax losses on excess depreciation;
- deferred tax assets resulting from tax losses carry forward;
- value between the provisioned amount and the amount of the adjustments resulting from the evaluation provided by CMN Resolution 4,277/2013.

On August 28, 2014, Bacen authorized the R\$ 8,100,000 thousand perpetual bond included in Additional Tier I Capital to be considered as Common Equity Tier I Capital, as described in Note 23.c.



In thousands of Reais, unless otherwise stated

According to the Resolution 4,192/2013 and 4,193/2013, the calculation of the RE and the amount of RWA should be based on Prudential Conglomerate.

| | Sep 30, 2021 | Dec 31, 2020 |
|---|--------------------|--------------------|
| RE - Referential Equity | 167,786,026 | 161,924,480 |
| Tier I | 143,511,477 | 132,247,506 |
| Common Equity Tier 1 Capital (CET1) | 114,254,702 | 104,315,243 |
| Shareholders' Equity | 137,010,468 | 116,940,782 |
| Instrument qualifying as CET1 | 8,100,000 | 8,100,000 |
| Regulatory adjustments | (30,855,766) | (20,725,539) |
| Additional Tier 1 Capital (AT1) | 29,256,775 | 27,932,263 |
| Hybrid instruments authorized in accordance with CMN Resolution 4,192/2013 | 29,236,775 | 27,932,263 |
| Perpetual subordinated notes | 20,000 | -- |
| Tier II | 24,274,549 | 29,676,974 |
| Subordinated debt qualifying as capital | 24,274,549 | 29,676,974 |
| Subordinated debt authorized in accordance with CMN Resolution 4,192/2013 - Financial bills | -- | 186,926 |
| Subordinated Debt authorized in accordance with regulations preceding the CMN Resolution 4,192/2013 | 24,274,549 | 29,490,048 |
| Funds obtained from the FCO ⁽¹⁾ | 23,469,518 | 26,403,208 |
| Funds raised in financial bills and CD ⁽²⁾ | 805,031 | 3,086,840 |
| Risk Weighted Assets (RWA) | 867,511,800 | 766,064,658 |
| Credit risk (RWA _{CPAD}) | 741,373,273 | 677,256,134 |
| Market risk (RWA _{MPAD}) | 19,496,857 | 21,125,396 |
| Operational risk (RWA _{OPAD}) | 106,641,670 | 67,683,128 |
| Minimum referential equity requirements ⁽³⁾ | 69,400,944 | 61,285,173 |
| Margin on the minimum referential equity required ⁽⁴⁾ | 98,385,082 | 100,639,307 |
| Tier I Ratio (Tier I/RWA) ⁽⁴⁾ | 16.54% | 17.26% |
| Common Equity Tier 1 Capital Ratio (CET1/RWA) ⁽⁴⁾ | 13.17% | 13.62% |
| Capital Adequacy Ratio (RE/RWA) ⁽⁴⁾ | 19.34% | 21.14% |

(1) According to CMN Resolution 4,192/2013, the balance of FCO is limited to 80% of the amount that composed the Tier II of the RE on June 30, 2018.

(2) On September 30, 2021 it was considered the current value of subordinated debt instruments, applying on it the factor due to maturity date as determined by CMN Resolution 4,192/2013, in its 29th article.

(3) According to CMN Resolution 4,193/2013, corresponds to the application of the "F" factor to the amount of RWA, where "F" equals 8%.

(4) Values from DLO (Operational Threshold Statement).

Regulatory adjustments deducted from CET1:

| | Sep 30, 2021 | Dec 31, 2020 |
|--|---------------------|---------------------|
| Actuarial assets related to defined benefit pension funds net of deferred tax liabilities | (14,307,945) | (4,588,635) |
| Significant investments and tax assets resulting from temporary differences that rely on the generation of future taxable profits or revenues for their realization (amount exceeding the 15% threshold) | (5,800,802) | (6,702,085) |
| Intangible assets | (5,035,163) | (6,211,770) |
| Tax assets resulting from tax losses carry forward ⁽¹⁾ | (3,563,462) | (1,609,596) |
| Significant investments (excess of 10%) ⁽²⁾ | (1,994,742) | (1,375,048) |
| Non-controlling interests ⁽³⁾ | (95,846) | (112,462) |
| Goodwill | (28,127) | (35,026) |
| Tax assets resulting from tax loss of excess depreciation | (27,284) | (34,399) |
| Shortfall of the value between the provisioned amount and the amount of the adjustments resulting from the evaluation provided by CMN Resolution 4,277/2013 | (2,395) | (56,518) |
| Total | (30,855,766) | (20,725,539) |

(1) It was applied the CMN Resolution 4,192/2013, which determines the non-deduction of the tax assets resulting from tax losses, recognized from January 1, 2018 to December 31, 2020, arising from short position in foreign currency for the purpose of providing hedge of investments in foreign operations.

(2) It refers, mainly, to significant investments in non-consolidated entities similar to financial institutions, non-consolidated financial institutions and insurance companies, reinsurance companies, capitalization companies and open-ended pension funds.

(3) The adjustment of non-controlling interests was calculated according to CMN Resolution 4,192/2013, 1st paragraph of the article 9.



In thousands of Reais, unless otherwise stated

d) Fixed asset ratio and margin

| | Sep 30, 2021 | Dec 31, 2020 |
|---------------------------------------|--------------|--------------|
| Fixed asset ratio | 14.80% | 14.12% |
| Margin in relation to the fixed asset | 59,066,949 | 58,099,596 |

Bacen defines the fixed asset ratio as the percentage of fixed assets to Referential Equity. The maximum rate allowed is 50%, according to CMN Resolution 2,669/1999.

Margin refers to the difference between the 50% limit of Referential Equity and total fixed assets.

e) Regulatory indicators vs. observed indicators

CMN Resolution 4,783/2020 reduced, for a determined period, the percentages to be applied on RWA amount, for calculating the conservation capital buffer referred by CMN Resolution 4,193/2013, which, between April 1, 2021 and September 30, 2021, is 1.625%. This reduction impacted the minimum regulatory requirement, as shown in the table below:

| | Regulatory | Sep 30, 2021 |
|---|------------|--------------|
| Common Equity Tier 1 Capital Ratio ⁽¹⁾ | 7.125% | 13.17% |
| Tier I Ratio ⁽¹⁾ | 8.625% | 16.54% |
| Capital Adequacy Ratio ⁽¹⁾ | 10.625% | 19.34% |
| Minimum referential equity requirements | 69,400,944 | 167,786,026 |
| Fixed asset ratio | Up to 50% | 14.80% |

(1) Includes additional main conservation, countercyclical and systemic capital

On September 30, 2021, the compliance with the regulatory indicators is observed. The Bank, through the capital management strategies already listed, aims to surpass the minimum regulatory indicators, keeping them at levels capable of perpetuating the strategy of reinforcing the structure of capital of the Bank. In this way, the Bank defines the minimum prudential limits of capital indicators and the main capital target to be reached in each period. Following RAS and the Capital Plan, the goal to 2022 is to maintain a minimum of 11% Core Capital Ratio.

f) Instruments eligible as capital

The instruments eligible as capital are described in the Notes 19.c, 19.d and 23.c.

For subordinated financial bills issued up to the present date, there are the possibilities described in the emission instrument, as listed below:

1. There is no possibility of repurchase or redemption, total or partially, by the security holder and the expected cash flows will occur only on the maturity or on the exercise of the repurchase option by the Bank, as applicable.
2. For the perpetual instruments, there is a repurchase or redemption option, observing the following requirements:
 - a. minimum of five years interval between the issue date and the first exercise date of the repurchase or redemption option;
 - b. the exercise of the repurchase or redemption option is subject, on the exercise date, to the authorization of the Central Bank of Brazil;
 - c. lack of characteristics that lead to the expectation that the repurchase or redemption option will be exercised, constituting an attribution of the Issuer;
 - d. the interval between the repurchase or redemption option must be, at least, 180 days.



In thousands of Reais, unless otherwise stated

For securities issued abroad, there is, until now, no possibility for the holder of the security to request repurchase or redemption, total or partial. The expected cash flows will occur when the coupon is paid, upon maturity or when exercising the repurchase by the Bank, as applicable.

The Instrument qualifying as Common Equity Tier I Capital does not have a maturity date and can only be settled in situations of dissolution of the issuing institution or of repurchases authorized by the Central Bank of Brazil. The expected cash flows occur only through the payment of annual remuneration interest. According to the Information to the Market, on April 8, 2021, the Bank presented a proposal to return the referred instrument in seven annual installments of R\$ 1 billion and a final installment of R\$ 1.1 billion, based on a schedule between July/2022 and July/2029, still pending analysis and deliberation by the competent bodies.

Regarding the dynamics of the FCO, the monthly flows contemplate the inflows/origins, such as the transfers from the National Treasury resulting from the collection of taxes (made every ten days of the month), returns originating from payments of credit operations and remuneration on the available resources and the exits, such as the reimbursement of payment / rebate bonuses, the audit, del credere, provision and remuneration expenses in the operationalization of Pronaf - National Program for Strengthening Family Agriculture. The use of FCO resources as an instrument eligible as capital is limited by CMN Resolution 4,192/2013 (Art. 29-A).

31 - RECURRING AND NON-RECURRING NET INCOME

As defined by BCB Resolution 2/2020, non-recurring results are those that are not related or are only incidentally related to the institution's typical activities, and are not expected to occur frequently in future years.

During the reporting period, the events recorded in the table below were identified as "Non-recurring items", with the respective tax effect and profit sharing, detailed below, when necessary for better understanding:

Economic plans: Provision expenses from lawsuits related to economic plans.

Tax Credit: Tax credit activation due to the increase in the CSLL ratio, from 20% to 25%, according to Law 14,183 from July 14, 2021.

Staff Agreement 2020-2021 - Lump-sum Bonus: Expenses resulting from the collective labor agreement signed in September/2020, Allowance -Staff Agreement 2020-2021.

Termination Programs: Expenses from the Staff Adequacy Program - PAQ, and from the Extraordinary Termination Program - PDE, as disclosed in the Information to the Market issued on April 8, 2021.

a) Breakdown of Net Income for the period into non-recurring items and recurring income

| | Jan 1 to Sep 30, 2021 | Jan 1 to Sep 30, 2020 |
|--|-----------------------|-----------------------|
| Net income ⁽¹⁾ | 14,358,439 | 9,498,331 |
| Non-recurring items | (732,251) | (690,214) |
| Economic plans | (1,303,693) | (1,127,184) |
| Termination Programs - PAQ and PDE | (794,829) | -- |
| Extraordinary provision for contingent claims | -- | 3,143 |
| Tax Credit | 359,641 | -- |
| Staff Agreement 2020-2021 - Lump-sum Bonus | -- | (189,402) |
| Tax effect and employee and directors profit sharing effect on non-recurring items | 1,006,630 | 623,229 |
| Recurring net income | 15,090,690 | 10,188,545 |

(1) Consolidated Net Income from the Statement of Income. Reconciliation of Banco do Brasil and BB Consolidated net income disclosed in Note 23.h.



In thousands of Reais, unless otherwise stated

d) Assignment of employees to outside agencies

Federal government assignments are regulated by Law 10,470/2002 and Decree No. 9,144/2017.

| | Jan 1 to Sep 30, 2021 | | Jan 1 to Sep 30, 2020 | |
|---|---|--------------------|---|--------------------|
| | Quantity of assigned employees ⁽¹⁾ | Cost in the period | Quantity of assigned employees ⁽¹⁾ | Cost in the period |
| With costs for the Bank | | | | |
| Labor unions | 209 | 32,527 | 209 | 32,560 |
| Other organizations/entities | 2 | 619 | 2 | 677 |
| Subsidiaries and associates | 2 | 1,335 | 3 | 1,946 |
| Without cost to the Bank⁽²⁾ | | | | |
| Federal, state and municipal governments | 169 | -- | 167 | -- |
| External organizations (Cassi, Previ, Economus, Fusesc and PrevBep) | 508 | -- | 535 | -- |
| Employee entities | 70 | -- | 73 | -- |
| Subsidiaries and associates | 579 | -- | 553 | -- |
| Total | 1,539 | 34,481 | 1,542 | 35,183 |

(1) Balance on the last day of the period.

(2) In the period of January 1 to September 30, 2021, the Bank was reimbursed in the amount of R\$ 384,123 thousand (R\$ 377,475 thousand in the period of January 1 to September 30, 2020), referring to the costs of assigned employees.

e) Remuneration of employees and managers

Monthly wages paid to employees and Directors of the Banco do Brasil (in Reais):

| | Sep 30, 2021 | Dec 31, 2020 |
|----------------------------|--------------|--------------|
| Lowest salary | 3,353.92 | 3,022.37 |
| Highest salary | 56,116.99 | 50,569.51 |
| Average salary | 8,706.31 | 8,379.41 |
| President | 68,781.86 | 68,781.86 |
| Vice-president | 61,564.83 | 61,564.83 |
| Director | 52,177.45 | 52,177.45 |
| Fiscal council | 5,914.84 | 5,914.84 |
| Board of Directors | 5,914.84 | 5,914.84 |
| Audit Committee - member | 46,959.71 | 46,959.71 |
| Capital and Risk Committee | 46,959.71 | 46,959.71 |

f) Insurance policy of assets

Despite the reduced level of risk to which its assets are subject, the Bank insured its assets in amounts rendered enough to hedge any losses.

Insurance contracted by the Bank in force on September 30, 2021

| Covered risks | Amounts covered | Value of the premium |
|--|------------------|----------------------|
| Property insurance for the relevant fixed assets | 1,055,139 | 4,305 |
| Life insurance and collective personal accident insurance for the Executive Board ⁽¹⁾ | 105,260 | 306 |
| Other | 1,300 | 1 |
| Total | 1,161,699 | 4,612 |

(1) Refers to individual coverage for members of the Executive Board.



In thousands of Reais, unless otherwise stated

g) Cassi

On July 22, 2019, the National Agency of Supplementary Health (ANS) published Operational Resolution 2,439, which establishes fiscal administration at Cassi. ANS clarifies that the fiscal administration regime is not an intervention. The agency has appointed a tax director, with no management powers at the operator, to evaluate Cassi's situation in person. The director will analyze the remedial measures proposed by the operator and subsidize the ANS in its decisions. The fiscal administration has a duration of up to 365 days and the regime may be renewed.

After 90 days subject to a financial accounting audit, the ANS issued the Directive Instruction No. 12, on October 23, 2019, ratifying that Cassi meet the precepts required by accounting control standards and recommended two specific adjustments. Moreover, the Fiscal Director gave 30 days to present a Sanitation Program, which must imply actions and goals to revert all the noncompliance indicators.

On October 31, 2019, the Bank announced that the Board of Officers has approved a new proposal for Bylaw reform presented by the Deliberative Council of Cassi. On November 28, 2019, the Bank announced that associates approved the new proposal. In 2019, there was an additional administrative expense of R\$ 549 million, related to funding the new model, that was recognized in Personnel expenses.

On January 17, 2020, the Bank published Transaction with Related Party informing the settlement of the Bank's contractual obligation to the Group of Indirect Dependents (GDI), belonging to the Associates Plan, managed by Cassi, for the amount of R\$ 451 million. The settlement of this obligation represents a decrease in the Bank's provisions, resulting from CVM Deliberation 695/2012, this not generating a financial impact on Banco do Brasil.

On January 20, 2020, the Bank published Transaction with Related Party informing the following resources were made to Cassi, retroactive to January 2019: a payment of the Management Fee, in the amount of R\$ 124 million about the Administration Fee, and a payment of the Employer's Contribution on Dependents of Cassi's Associates Plan, for the amount of R\$ 425 million. The increase in expenses does not impact the actuarial liability, calculated in accordance with CVM Deliberation 695/2012.

On June 15, 2020, ANS published the Operational Resolution No. 2,556, announcing the end of the special fiscal administration at CASSI. The decision attests that CASSI regularized all the economic and financial indicators that led to the establishment of fiscal administration in July 2019 and fulfills the projections that make up the Sanitation Program, presented to ANS in December of the same year.

h) BB Seguridade Share Capital Reduction

On September 25, 2019, the Board of Directors of BB Seguridade Participações S.A., a subsidiary of Banco do Brasil, approved the submission of a proposal to the Extraordinary Shareholders Meeting to reduce the share capital in the amount of R\$ 2.7 billion, without cancelling shares, for considering it excessive, pursuant to article 173 of Law 6,404/1976.

On October 30, 2019, the BB Seguridade's Extraordinary Shareholders Meeting approved the proposal to reduce the share capital, that will be effective 60 (sixty) days after the meeting's protocol.

On April 30, 2020, with this approval, the Bank has received the approximate amount of R\$ 1.8 billion as a refund of part of the value of its shares. This amount did not affect the Bank's profit or loss.

i) Assignment of credit portfolio

On July 1, 2020, the Bank assigned a loan portfolio, mostly in losses, to the Non-Standardized and Exclusive Credit Rights Investment Fund (FIDC-NP), managed by BTG Pactual Serviços Financeiros S.A. DTVM.

The assigned portfolio has a book value of R\$ 2.9 billion and the financial impact of the transaction was R\$ 371 million, before taxes, recorded in the 3rd quarter/2020 net income.



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j) Call option for perpetual debt security

Banco do Brasil exercised on October 20, 2020 the call option of the total perpetual debt security issued in 2009 (Banbra 8.5%), in force under the Basel II rules. The redemption was for 100% of its face value and interest accrued and unpaid to date, amounting R\$ 4.953 billion (Note 19.d).

The redemption was paid in cash and will not have any significant impact on the institution's liquidity and capital levels.

k) Review and resizing of the organizational structure and incentive termination

As disclosed in the Relevant Fact to the market on January 11, 2021, the Bank approved a set of measures related to the revision and resizing of its organizational structure, in line with the strategic objectives of centrality in the client and increase of operational efficiency.

The full implementation of the measures occurred since the first half of 2021, providing efficiency and optimization gains in 870 service points in the country, including: i) deactivation of units; ii) conversion of branches into service stations and service stations transformed into branches; iii) transformation of business units into BB Stores, without cashier counters, with a greater vocation for advisory and relationship; iv) shared relocation of business units; and v) creation of specialized branches for agribusiness customers and Leve Digital Offices (specialized services to customers with digital maturity).

The reorganization of the service network is being adapted driven by the new profile and behavior of customers and includes, in addition to the structure optimization measures described above, other revision and resizing measures in the directorships, support areas and service network, favoring the specialization of service and expanding the offer of digital solutions.

Furthermore, with the measures, BB expands its capacity of serving customers with managed advisory, expanding relationship and businesses and enhancing satisfaction and loyalty.

At the same time, two modalities of voluntary termination incentive program were approved: the Staff Adequacy Program (PAQ), in order to optimize the distribution of the workforce, addressing the situations of vacancies and excesses in the bank units, and the Extraordinary Dismissal Program (PDE), available to all employees that meet the prerequisites. The Programs have specific regulations that define the rules for adhesion.

After completing the phase of voluntary expression of interest in the incentive termination programs, the terminations of 5,533 employees in the PAQ and PDE were validated, whose financial impacts are estimated at R\$ 795 thousand, in the 1st half 2021.

l) Tax rate increase

On July 14, 2021 the Provisional Measure (MP) 1,034 was converted in to the Law 14,183/2021, that modify the Law 7,689/1988 to increase the social contribution rate (CSLL) due by financial sector entities. The CSLL tax rate was fixed at 25% in the period from July to December 2021, returning to 20% from January 1, 2022.

m) Coronavirus Pandemic (Covid-19)

Since the 1st quarter/2020, the world economy was negatively impacted by the spread of respiratory disease caused by the new Coronavirus (Covid-19), raised to the level of a pandemic by the World Health Organization (WHO).

Banco do Brasil adopted several preventive measures recommended by specialists, by the Ministry of Health and by the authorities of the countries where it operates, reaffirming the commitment to the health and safety of employees, collaborators, customers and the society.



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At the same time, Banco do Brasil is working to guarantee quality financial services, being prepared to continue attending its demands, as communicated to the market on March 24, 2020.

Among the measures taken, it stands out:

Collective Labor Agreement (CLA)

The Bank signed the Collective Labor Agreement (CLA) with Union Entities on July 16, 2020, reaching to minimize Covid-19 impacts. The new rules are specific to this period and temporary, and they are valid up to 2 (two) years from the signing date. Main themes celebrated in the CLA:

- Working from home, remote work or home office: prioritized use by risk group employees.
- Vacation: must be informed up to 5 days before the absence date, there will be preserved 15 days from the acquisition period to be used in the future, when anticipating. In addition, an allowance on April 7, 8, 9, 28 and 29, 2020 to the employees who received a vacation notice at the initiative of the company and were in a situation other than “real workforce”.
- Bank of negative hours: applies to all employees subject to journey control, without the need for accession; 18-month deadline to compensate for negative hours made since July 7, 2020; in order to use the hour bank, the need for negotiation between the employee and the manager remains; 10% discount on the negative hours accumulated until July and on the month-to-month balance from August to December 2020.
- Other commitments arising from the negotiation: no decommissioning due to performance during the pandemic; possibility of using the positive balance of the hour bank, together with other situations of absences, for post-pandemic rest, primarily for employees who are in person attendance; maintenance of the possibility, even if on a rotating basis, of the manager paying 1 or 2 hours for employees who are in person at the branches.

Additionally to signing the agreement, the Bank adopted these actions:

Employees and collaborators

- Communication with employees, guiding constantly about work conditions and customer service, according to the disease evolution in the country.
- Creation of a Strategic Group for the Crisis Management to properly deal with the matter, ensuring uniqueness and opportune dissemination of information to the internal and external public.
- Suspension of international and national travels.
- Replacement of physical meetings for videoconferences and audio conferences.
- Increased cleanliness and sanitation of the ambience and spaces.
- Work leave for 14 days of employees who have symptoms and who had contact with confirmed or suspected cases (social isolation).
- Work leave for seven days of employees arriving from any country from the date of departure of any foreign country (social isolation).
- Prioritization of home office according to the process criticality and to the type of work, and for employees considered as risk group.
- Distinguished working hours, change on vacation period and licenses.

Customers and users

- Securing essential banking services to the population, prioritizing the continued supply and operation of ATMs in self-service rooms.
- Providing physical assistance for services considered essential exceptionally at the branches.
- Special hours (9 am to 10 am) exclusive for INSS retirees and the public of greater risk.



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- Encouraging the use of digital channels for services and customer relations through internet and mobile phones, expanding access to other customer profiles for customer service through messages, as well as the possibility of performing banking transactions directly by message apps for all the customers.
- Availability of up to R\$100 billion of loans to individuals, companies, agribusiness, in addition to health supplies for city halls and governments. The funds refer to existing credit lines, mainly consumer loans and working capital.
- Complying with the note issued by Febraban on March 16, 2020, and in order to minimize the momentary impacts of this situation, the bank is offering an option to extend the installments falling due in the next 60 days, upon the customer's manifestation, available in the Bank's digital channels. Customers can also adjust their financial commitments, through loans renegotiation, with a grace period for payment of the first installment between 60 and 180 days, depending on the loan line, and the payment term lengthening. This renegotiation process is also available through digital channels.

Society

- Resources donation by the Group companies to promote pandemic combat actions.
- Fundação Banco do Brasil performance in actions to implement assistance and awareness projects with communities.

Banco do Brasil continues to evaluate and monitor the potential impacts on the credit portfolio, considering the various segments and sectors and has adopted proactive measures for risk management.

In addition, the Bank is working to preserve the regularity of its activities and the continuity of operations.

Accounting and Capital Implications of COVID-19 Effects

The Covid-19 pandemic crisis is significantly affecting the economic environment of countries affected by the virus. Despite the mitigating actions adopted to date, implications for the Bank's financial statements are expected. The main reflexes and measures are presented below.

i) Main judgments and uncertainties

Because of the uncertainties caused by the Covid-19 pandemic scenario, the Bank revised some judgments and estimates historically adopted so that the accounting information derived from these judgments and estimates would reflect with higher reliability the equity position and the results for the period disclosed.

ii) Consolidation

Despite the challenging economic scenario arising from the confrontation of the pandemic, Banco do Brasil Conglomerate did no corporate restructuring or increased significant intragroup transactions that were not initially foreseen by the Bank's Management, so that there were no changes in the Conglomerate's consolidation process.

iii) Profit Distribution

According to the Material Fact released on January 25, 2021, the Board of Directors approved, in accordance with CMN Resolution 4,885, dated December 23, 2020, which amended CMN Resolution 4,820, dated May 29, 2020, the payout ratio of 35.29% for the fiscal year of 2020. The Board of Directors also approved a policy revision and established a 40% payout in 2021, through dividends and/or interest on shareholders' equity.

iv) Risk and capital management

- Capitalization - Sufficiency for protection in a stress event.



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Releasing the Capital Conservation Buffer – CMN Resolution 4,783/2020

The Capital Conservation Buffer (CCoB) was reduced from 2.5% to 1.25% with an additional year to gradually reestablish the original buffer rate by March 2022. The measure aims at strengthening banks confidence in providing credit, supporting the credit flow. Expected impact: a capital relief (specifically banks' CET1 capital) — creating room for credit supply expansion (Note 30.c).

FX overhedge of equity abroad – CMN Resolution No. 4,192/2013 (amended by CMN Resolution 4,851/2020)

The measure establishes no capital deduction for the tax effects arising from the FX hedge operations of banks foreign equity investments. Banks hedge their investments on equity held abroad in order to obtain protection against Exchange rate (FX) fluctuations. Specifically, the measure provides financial institutions with confidence to implement or expand their credit grant plans.

- Liquidity - Sufficiency to withstand long periods of stress.

Enhancement of the Leverage Coverage Ratio's (LCR) regulation - Bacen Circular 3,986/2020

The measure safely reduced liquidity requirements for Brazilian institutions. The reduction in the need for financial institutions to carry other HQLA will allow an expansion in the ability to grant credit.

Credit, Market and Business - Strategy to mitigate increased volatility in earnings (such as concentration limits and incentives to diversify revenues).

Operational Risk - Identification and mitigation of operational risk events (remote work, occurrence monitoring, fraud prevention).

Reputation - Monitoring the assertiveness of the measures and their impacts in order to mitigate any negative consequences on brand value and reputation.

Credit risk - Monitoring, provisioning, policy review and risk appetite.

v) Impairment of Assets

Banco do Brasil carried out studies to identify whether its non-financial assets showed signs of devaluation due to the reduction in their value in use or by discounted cash flows, which may indicate an Impairment of Assets.

In the period of January 1 to September 30, 2021, the Bank recognized R\$ 959 million impairment losses, related to rights to manage payroll contracts booked as intangible assets (Note 16). The Bank did not identify relevant impacts on the recoverable amounts of property and investments.

vi) Fair value of financial instruments

As established in the risk and capital management item, Banco do Brasil adapted its procedures for daily monitoring of the financial market, carrying out simulations and projections that aimed to identify significant variations in the fair value of the financial instruments held or traded by the Bank.

The Bank revised mark-to-market models to take into account the possible impacts of the Covid-19 on the economic and financial indicators used in the projection of scenarios, especially in the calculation of the fair value of financial instruments classified at level 2 and level 3 in the fair value hierarchy.

Changes in the fair value of the financial instruments, caused by the Covid-19 pandemic and so far identified, have already affected these financial statements.



In thousands of Reais, unless otherwise stated

There was no change in the intention to hold or trade the Conglomerate's securities that may give rise to a change in the category of financial instruments, as defined in Bacen Circular 3,068/2001, which the Bank initially intended to hold until maturity and booked at amortized cost.

The Bank reviewed the market value of the main asset securities and recognize an impairment amounting to R\$ 869 million in the period of January 1 to September 30, 2021 (R\$ 2.6 billion in the period of January 1 to September 30, 2020) to some financial instruments.

vii) Provision for losses associated with credit risk of the loans portfolio

The internal model developed to comply with CMN Resolution 2,682/99 (amended by Resolution 2697/00) implies the attribution of a risk to customer, to the economic group to which this customer belongs and the country risk in which the customer conducts its main business.

The pandemic caused by the Covid-19 generated an increase in the credit risk of customers located in the main affected countries, in which there was a noticeable reduction in economic activity and, therefore, possibly in the ability of these customers to honor their contracts.

In March 2020, CMN Resolution 4,782/2020, updated by CMN Resolutions 4,791/2020 and 4,856/2020, established for a determined period of time, for the purposes of credit risk management, due to the eventual impacts of Covid-19 on the economy, temporary criteria for the characterization of the restructuring of loans up to September 30, 2020.

In September 2020, CMN Resolution 4,856/2020 was issued, changing the deadlines in CMN Resolution 4,782/2020 to December 31, 2020, and CMN Resolution 4,855/2020, establishing standards for the provision for loan losses measurement within the scope of the programs addressing the effects of the Covid-19 pandemic on the economy.

In the period of January 1 to September 30, 2021, there was not a constitution of prudential provision (constitution of prudential provision of R\$ 6.1 billion in the period of January 1 to September 30, 2020).

viii) Use of recognized deferred tax assets

The Bank carried out studies for the recognized deferred tax asset consumptions, in view of the projections of results from the Bank or its subsidiaries in 10 years period.

The study concluded that there would be no change in the expectation of deferred tax assets realization.

ix) Impacts in the discount rate and in the fair value of assets guaranteeing defined benefit plans

In the period, the Bank identified an increase in the discount rate used in actuarial calculations, due to changes in the fair value of Brazilian government bonds, as well as a reduction in the fair value of certain assets guaranteeing defined benefit plans, including publicly traded company shares. These effects jointly generate net adjustments to actuarial assets and liabilities, with an impact of R\$ 13.08 billion in the period of January 1 to September 30, 2021 (6.4 billion in the period of January 1 to September 30, 2020) in shareholders' equity, net of taxes (Statement of Comprehensive Income). However, given the situation of uncertainty at the present economic moment, we observe that these two premises have presented important fluctuations to follow-up.

x) Provisions for labor, tax and civil lawsuits

The Bank reassessed the risks involved, especially with regard to civil and labor claims, with no relevant impacts identified so far, in view of the existing provisions.



In thousands of Reais, unless otherwise stated

xi) Restructuring plans

There is no expectation that restructuring will occur, such as the sale or closing of part of business or the reduction of operations due to the Covid-19 crisis.

xii) Other possible identified/expected effects

Governmental assistance

During the pandemic confrontation period, governmental and regulatory measures took place that provided support to the business and improved the Bank's performance. We list some of these measures and their impacts in the national financial system:

Taxes:

Postponement of tax collection, in compliance with ordinance Ministry's of Economy 139/2020. The Group did not adopt the option granted.

Business support:

Reduction of the IOF tax rate charged to borrowers of loans (Decreets 10,305, 10,414, 10,504, 10,551 and 10,572/2020). Reduction to zero of IOF rates on loans specified in the Decreets, acquired between April 3 and November 26, 2020 and between December 15 and December 31, 2020.

Emergency Employment Support Program provides emergency payroll financing for small and medium-sized businesses - CMN Resolution 4,846/2020

The program was instituted for Law 14,043 on August 19, 2020. Total amount of the credit goes down to R\$ 29 billion, of which R\$ 12 billion on guarantees for loans of Pronampe (Programa Nacional de Apoio à Microempresas e Empresas de Pequeno Porte) and R\$ 17 billion to be injected from de federal government on the BNDES (Banco Nacional de Desenvolvimento Econômico e Social) for funding the credit line. The resources are still 85% from the BNDES and the remaining from participating financial institutions. The measure provides for return to federal government up to 50% of resources that had not been passed to the banks as of September 30, 2020. In 2020, the Bank lent the amount of R\$ 8.0 billion on the program. This Resolution determined that the loans fund must be dealt until October.

Additional reduction in reserve requirements - Bacen Resolution 78/ 2020

Resolution BCB No. 78/2021 revoked Resolution BCB No. 21/2020, changing Circular Bacen No. 3,916/2018, decreasing time deposits reserve requirements to 17% from March 2020 to November 2021 and increasing to 20% until December 2021. The measure aims the strategic increase of liquidity to the economy. The releases adds up to the amount of R\$ 50 billion already released from March 16, 2020.

Dollar sovereign bond repos - Bacen Resolution 76/2021

The Resolution 76 revoked the Bacen Circular 3,990/2020 and others. The measure aims to review, update, simplify and consolidate the normative acts, to rationalize the regulatory capital. The Bank ceased to do liquidity operations in US dollars through repos of Brazilian sovereign bonds denominated in dollars (global bonds) held by national financial institutions. The measure regulates the definitive purchase or sale of foreign currency in the spot markets, with settlement on a future and forward date, including a resale commitment together with a repurchase commitment, assumed by the counterparty, for settlement on a pre-established date, within a period of up to 360 days.



In thousands of Reais, unless otherwise stated

New Time Deposit with Special Guarantees - CMN Resolution 4,785/2020.

The New Time Deposit with Special Guarantees (NDPGE) is an additional option for fundraising accessible to the financial institutions associated with the Credit Guarantee Fund (FGC). It is about the possibility of these institutions taking deposits guaranteed by the FGC, which also contributes to the continuity of the credit offer for the real sector. The FGC coverage, previously limited to R\$ 20 million, was increased to R\$ 40 million per holder. This guarantee does not involve public funds, since the FGC is a 100% private entity.

Flexibility in Agribusiness Letters of Credit (LCAs) – Manual de Crédito Rural (MCR)

The calculation basis was adjusted in order to allow more institutions to raise funds with LCAs, increasing their liquidity. Thus, the funds application rules from agribusiness funding activities were relaxed. CMN Resolution 4,903/2021 revoked the CMN Resolution 4,787/2020 to comply with the review and consolidation of normative acts lower than the decree referred to in Decree 10,139, of November 28, 2019.

Loan backed by debentures - CMN Resolution 4,786/2020 (revoked by Resolution CMN 4,953/2021)

Bacen now has the possibility to grant loans backed by debentures (private securities) to financial institutions. The resources that financial institutions compulsorily maintain in their reserve accounts with Bacen also guarantees these operations, eliminating the risk to the monetary authority. This is a Special Temporary Liquidity Line, which aims to guarantee liquidity and the normal functioning of the private corporate credit market during the crisis. This prerogative was discontinued as of November 1, 2021 by CMN Resolution No. 4,953 of September 30, 2021.

Greater possibility for banks to repurchase their own financial bills - CMN Resolution 4,788/2020

The largest banks will be able to repurchase a larger volume of their own financial bills. As a result, holders of these securities (mostly investment funds) will find it easier to redeem the funds invested, if necessary. The allowed repurchase percentage went from 5% to 20%.

Loan backed by financial bills guaranteed by credit operations (revoked by Resolution 4,953/2021)

CMN Resolution No. 4,795/2020 authorized Bacen granting loans to financial institutions with the guarantee of the institutions' credit portfolios. The measure provided liquidity and guarantee the normal functioning of the credit market in the country. This prerogative was discontinued as of November 1, 2021 by CMN Resolution No. 4,953 of September 30, 2021.

Injection of longer-term funds by Bacen via repo operations backed by Federal Public Securities

In times of crisis, institutions may find it difficult to access liquid resources for longer periods. In order to provide liquidity to the SFN, Bacen started to offer longer repo operations at the donor end, through its open market operations. As a result, institutions can obtain liquid resources for longer terms as opposed to the demand for very short-term liquidity by market agents. This measure also facilitates the management of liquidity in its balance sheets, as it provides a reduction in the cost of maintaining a longer-term portfolio (duration cost).

US dollar liquidity swap line

The Bacen established a US\$ 60 billion liquidity swap line in cooperation with the Federal Reserve (FED). The line expands the potential supply of dollars in the domestic market and does not imply economic policy conditionalities. If necessary, it can be used to increase the funds available for operations in the foreign exchange market by the Bacen. The swap agreement between the Bacen and the FED will remain effective until March 31, 2021.



In thousands of Reais, unless otherwise stated

Working Capital Program for the Preservation of Companies (CGPE)

On July 16, 2020, the Provisional Measure 992/2020 was issued, which provides, among other purposes, for the financing to micro and small and medium-sized companies within the scope of the Working Capital Program for the Preservation of Companies (CGPE). In addition, it provides for the use of presumed credit calculated based on credits arising from temporary differences and the sharing of fiduciary alienation. On July 21, 2020, the Resolution CMN 4,838 was issued, which provides for credit operations contracted within the scope of the CGPE. In 2020, the Bank registered the amount of R\$ 10.2 billion in program operations. The measure was effective until November 12, 2020.

Credit Incentive Program (PEC)

The Program was established by Provisional Measure 1,057, of July 6, 2021, which also establish the presumed credit calculated from credits arising on temporary differences. The MP allows loaning to individual microentrepreneurs, microenterprises, small businesses and rural producers, with annual gross revenue up to R\$ 4.8 million, until December 31, 2021, in exchange for presumed credits to temporary differences, in the framework of this MP, and which have not yet been used for loans under MP No. 992/2020.

33 - SUBSEQUENT EVENTS

a) Disposal of indirect equity interest

On October 8, 2021, the Board of Directors approved the sale of the entire indirect equity interest held in Banco Digio S.A., by BB Elo Cartão Participações S.A., a wholly owned subsidiary of BB. The sale contract of 49.99% interest, for R\$ 625 million, was signed on that date with Bradescard Elo Participações S.A., a company owned by Banco Bradesco S.A.

The transaction pends on previous corporate actions, as well as the approval of Brazilian Central Bank and the Administrative Council for Economic Defense.

The Bank estimated an impact on net income, via equity accounting, of approximately R\$ 175 million, without material effect on capital.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Board of Directors, Management and Shareholders of
Banco do Brasil S.A.

Introduction

We have reviewed the accompanying individual and consolidated balance sheet of Banco do Brasil S.A. ("Bank") as at September 30, 2021, and the related individual and consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and proper presentation of these individual and consolidated interim financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN). Our responsibility is to express a conclusion on these individual and consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 - "Revisão de Informações Intermediárias Executada pelo Auditor da Entidade" and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial statements referred to above do not present fairly, in all material respects, the individual and consolidated financial position of Banco do Brasil S.A. as at September 30, 2021, its individual and consolidated financial performance, and its individual and consolidated cash flows for the nine-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the BACEN.

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Other matters

Statements of value added

The individual and consolidated interim financial statements referred to above include the individual and consolidated statements of value added (“DVA”) for the nine-month period ended September 30, 2021, prepared under the responsibility of the Bank’s Management, the presentation of which is made on a voluntary basis. These statements were subject to the review procedures performed together with the review of the individual and consolidated interim financial statements to reach a conclusion on whether they are reconciled with the individual and consolidated interim financial statements and accounting records, as applicable, and if their form and content are consistent with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added are not fairly presented, in all material respects, in accordance with the criteria set out in technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial statements taken as a whole.

Convenience translation into English

The accompanying individual and consolidated interim financial statements have been translated into English for the convenience of readers outside Brazil.

Brasília, November 5, 2021

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Luiz Carlos Oseliero Filho
Engagement Partner

*Original signed.



Original signed

**DECLARATION OF THE EXECUTIVE BOARD MEMBERS
ABOUT THE FINANCIAL STATEMENTS**

According to the article 25, item VI, of CVM Instruction No. 480 of December 07, 2009, we declare that the Financial Statements of the Banco do Brasil S.A. related to the period ended September 30, 2021 were reviewed and, based on subsequent discussions, we agree that such statement fairly reflects, in all material facts, the financial position for the periods presented.

Brasília (DF), November 04, 2021.

Fausto de Andrade Ribeiro
CHIEF EXECUTIVE OFFICER (CEO)

Ana Paula Teixeira de Sousa
CHIEF INTERNAL CONTROLS AND RISK
MANAGEMENT OFFICER (CRO)

Carlos Motta dos Santos
CHIEF RETAIL BUSINESS OFFICER

João Carlos de Nobrega Pecego
CHIEF WHOLESALE OFFICER

Marcelo Cavalcante de Oliveira Lima
CHIEF BUSINESS DEVELOPMENT OFFICER (CTO)

Antônio José Barreto de Araújo Júnior
CHIEF GOVERNMENT AFFAIRS AND
SUSTAINABILITY OFFICER

Ênio Mathias Ferreira
CHIEF CORPORATE OFFICER

José Ricardo Fagonde Forni
CHIEF FINANCIAL MANAGEMENT
AND INVESTOR RELATIONS OFFICER (CFO)

Renato Luiz Bellinetti Naegele
CHIEF AGRIBUSINESS AND FINANCING SOLUTIONS
OFFICER



Original signed

**DECLARATION OF THE EXECUTIVE BOARD MEMBERS
ABOUT THE REPORT OF INDEPENDENT AUDITORS**

According to article 25, item V, of CVM Instruction No. 480 of December 07, 2009, we affirm based on our knowledge, on auditor's plan and on discussions about the audit results, that we agree, with no dissent, to the opinions expressed in the Report of Independent Auditors for Financial Statements.

Brasília (DF), November 04, 2021.

Fausto de Andrade Ribeiro
CHIEF EXECUTIVE OFFICER (CEO)

Ana Paula Teixeira de Sousa
CHIEF INTERNAL CONTROLS AND RISK
MANAGEMENT OFFICER (CRO)

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AND INVESTOR RELATIONS OFFICER (CFO)

Renato Luiz Bellinetti Naegele
CHIEF AGRIBUSINESS AND FINANCING SOLUTIONS
OFFICER



MEMBERS OF MANAGEMENT

CHIEF EXECUTIVE OFFICER (CEO)

Fausto de Andrade Ribeiro

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Ana Paula Teixeira de Sousa
Antônio José Barreto de Araújo Júnior
Carlos Motta dos Santos
Ênio Mathias Ferreira
João Carlos de Nobrega Pecego
José Ricardo Fagonde Forni
Marcelo Cavalcante de Oliveira Lima
Renato Luiz Bellinetti Naegele

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Carla Nesi
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Lucas Pedreira do Couto Ferraz
Rafael Cavalcanti de Araújo
Samuel Yoshiaki Oliveira Kinoshita

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Egídio Otmar Ames
Marcos Tadeu de Siqueira
Rachel de Oliveira Maia
Vera Lucia de Almeida Pereira Elias

ACCOUNTING DEPT.

Eduardo Cesar Pasa
General Accountant
Accountant CRC-DF 017601/O-5
CPF 541.035.920-87

Pedro Henrique Duarte Oliveira
Accountant CRC-DF 023407/O-3
CPF 955.476.143-00

