

# RESULTS

## 1<sup>st</sup> QUARTER

# 2020



# MAIN HIGHLIGHTS



# HIGHLIGHTS | 1Q20



## RECURRING NET INCOME:

**R\$3.8** billion  
-39.8% in 12 months  
-43.5% in the quarter



## EXPANDED LOAN PORTFOLIO:

**R\$655.1** billion  
+17.0% in 12 months  
+5.1% in the quarter



## ROAE / ROAA:

**11.7% / 1.0%**  
-8.8 p.p. / -0.8 p.p. in 12 months  
-9.5 p.p. / -0.8 p.p. in the quarter



## DELINQUENCY RATIO 90 DAYS:

**3.7%**  
+40 bps in 12 months  
+40 bps in the quarter

# SUSPENSION OF THE GUIDANCE | 2020

	GUIDANCE 2020	ACTUAL 2M20 X 2M19	ACTUAL 1Q20 x 1Q19
<b>Expanded Loan Portfolio</b>	9% to 13%	14.4%	17.0%
<b>Net Interest Income</b>	4% to 8%	11.7%	2.9%
<b>Fee and Commission Income</b>	3% to 7%	3.6%	2.6%
<b>Operating Expenses</b> (Personnel + Administrative Expenses + Other Operating Expenses, Net of Income)	0% to 4%	-0.1%	-0.4%
<b>Income from Insurance, Pension Plans and Capitalization Bonds</b> (It includes the financial income of the operation)	4% to 8%	-4.0%	-23.4%
<b>Expanded ALL - R\$ billion</b>	<b>R\$13.5 a R\$16.5</b>	<b>R\$2.6</b> (Realized 2M20)	<b>R\$6.7</b> (Realized 1Q20)

# PROVISION AND CREDIT RISK

EVALUATION OF THE FUTURE DELINQUENCY SCENARIO AND CONSEQUENTIAL NEED FOR ADDITIONAL PROVISIONS TO THE IMPACT OF THE COVID-19 PANDEMIC:

## MAIN ASSUMPTIONS FOR PROVISION NECESSITY:

### MASS-MARKET LOANS

Review of the **Loan Portfolio growth** expectation for 2020

Delinquency **deterioration scenarios** based on previous crisis experiences, **considering the evolution** in credit models and processes and also in credit recovery

Worsening in the **performance of vintages** according to our assumptions

Deterioration of the **arrears** (in up to 59 days delinquent) and in **credits in arrears** (from 60 days delinquent until the write-off)

Use of **debt rollover** by customers

Use of **credit risk mitigation** tools.

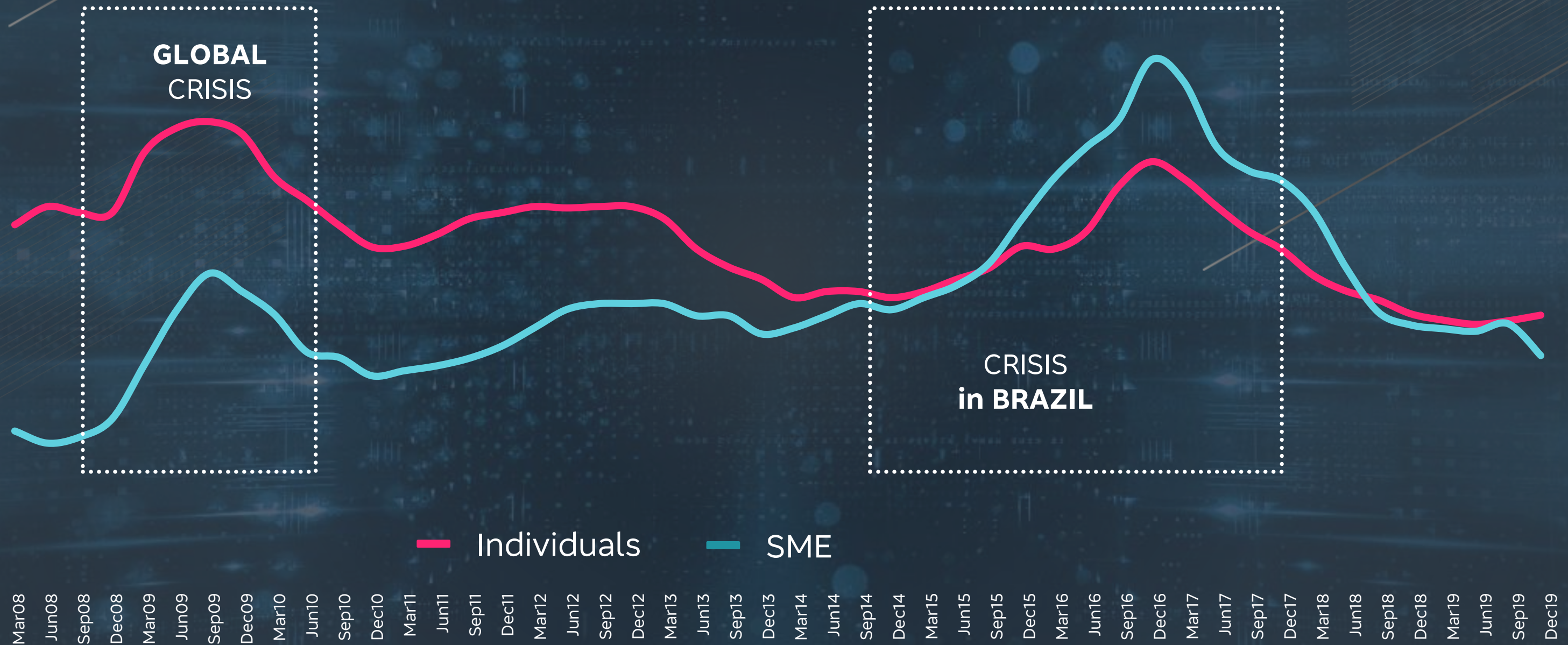
Intensification of **credit recovery actions**

### CREDIT FOR LARGE COMPANIES

**Individual assessment** of each group considering guarantees and **future perspective** regarding possible **impacts on the activity**

# MASS-MARKET OPERATIONS

## DELINQUENCY | OVER 90 DAYS

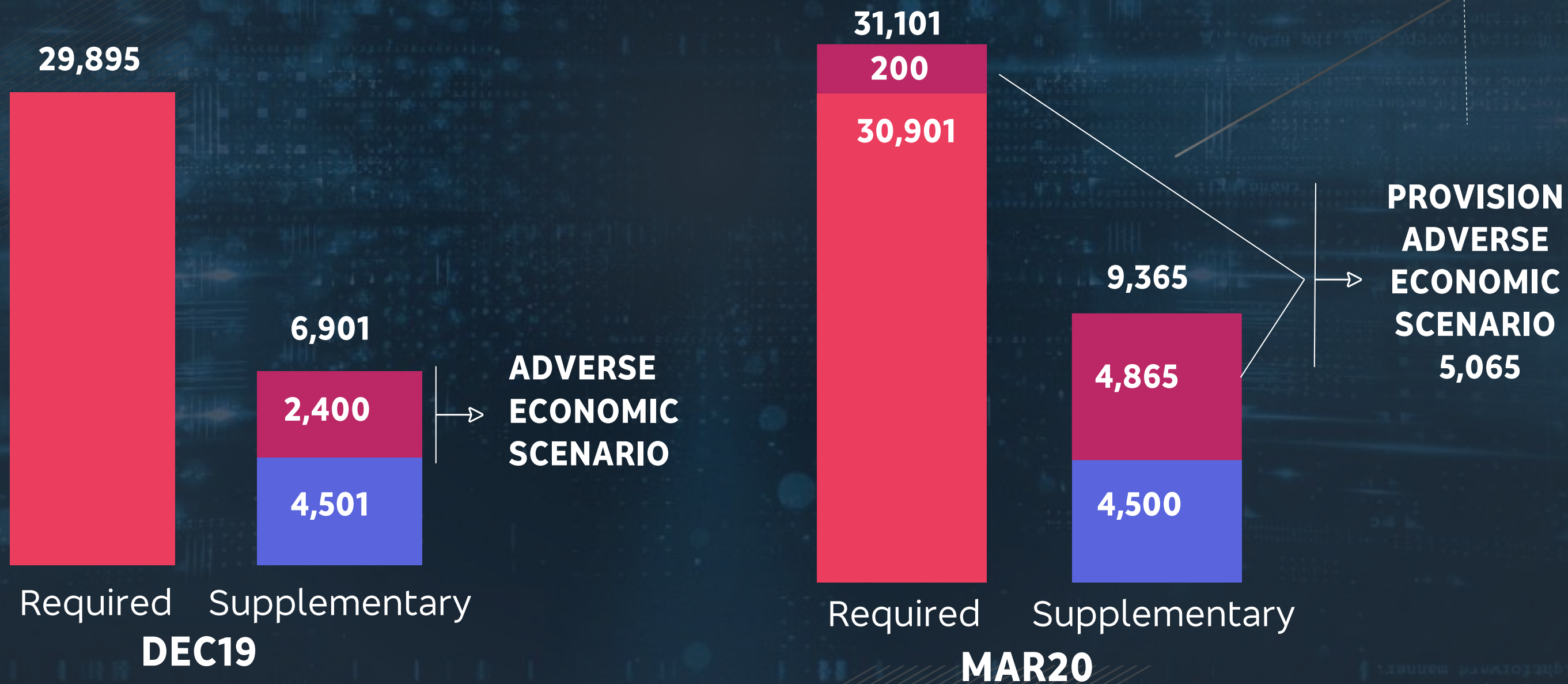


— Individuals — SME

# ALL | ADVERSE ECONOMIC SCENARIO



R\$ million



# COVID-19 | LOAN OPERATIONS

**EXTENSION  
OF INSTALLMENTS  
FOR 60 DAYS**



Quantity  
of Operations  
**~1 million**  
Financial Volume  
Total of the  
Installments\*  
**R\$1.4 bi**

**FINANCING  
OF  
PAYROLL**



Quantity  
of Operations  
**7,000**  
Employees  
met  
**~100 k**

**RELEASE OF LIQUIDITY BY  
RESERVE REQUIREMENT  
REDUCTION**



Financial Volume  
**R\$24.1 bi**

**INCREASE OF CREDIT  
ORIGINATION**



Financial  
Volume  
**R\$57 bi**

\* Does not include operations of the Wholesale segment

from 3/16 to 4/23

# • CONTRIBUTING TO OVERCOME THE CRISIS



**TAKE CARE  
OF PEOPLE**



**FACILITATE  
TO OVERCOME  
THE CRISIS BY ALL  
STAKEHOLDERS**



**MAINTAIN  
THE PROVISION  
OF SERVICES  
TO SOCIETY**



**MAINTAIN  
THE BANK  
CAPITALIZED  
AND LIQUID**

# FINANCIAL RESULTS

## 1<sup>st</sup> QUARTER 2020



**bradesco**

# RECURRING INCOME STATEMENT

R\$ MILLION				VARIATION%	
	1Q20	4Q19	1Q19	1Q20 x 4Q19	1Q20 x 1Q19
NET INTEREST INCOME	14,499	15,428	14,087	(6.0)	2.9
EXPANDED ALL	(6,708)	(3,981)	(3,604)	68.5	86.1
GROSS INCOME FROM FINANCIAL INTERMEDIATION	7,791	11,447	10,483	(31.9)	(25.7)
Income from Insurance, Pension Plans and Capitalization Bonds <sup>(1)</sup>	2,931	3,900	3,826	(24.8)	(23.4)
Fee and Commission Income	8,283	8,829	8,074	(6.2)	2.6
Operating Expenses <sup>(2)</sup>	(11,757)	(12,660)	(11,809)	(7.1)	(0.4)
Tax Expenses / Equity in the earnings (losses) of unconsolidated and jointly controlled subsidiaries	(1,851)	(1,936)	(1,704)	(4.4)	8.6
<b>OPERATING INCOME</b>	<b>5,397</b>	<b>9,580</b>	<b>8,870</b>	<b>(43.7)</b>	<b>(39.2)</b>
Income Tax / Social Contribution / Non-Operating Income / Non-controlling interests in subsidiaries	(1,644)	(2,935)	(2,632)	(44.0)	(37.5)
<b>RECURRING NET INCOME</b>	<b>3,753</b>	<b>6,645</b>	<b>6,238</b>	<b>(43.5)</b>	<b>(39.8)</b>
Non-Recurring Events	(371)	(1,762)	(418)	(78.9)	(11.2)
<b>BOOK NET INCOME</b>	<b>3,382</b>	<b>4,883</b>	<b>5,820</b>	<b>(30.7)</b>	<b>(41.9)</b>

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Retained Premiums from Insurance, Pension Plans and Capitalization Bonds (-) Variation in technical reserves for Insurance, Pension Plans and Capitalization Bonds (-) Retained Claims (-) Capitalization Bond Draws and Redemptions (-) Insurance Plan, Pension Plan and Capitalization Bond Selling Expenses + Financial Income of the Operation; and  
(2) Includes Personnel Expenses + Other Administrative Expenses + Other Operating Expenses, Net of Income.

# ROAE / ROAA QUARTELY and SHAREHOLDERS' EQUITY AND TOTAL ASSETS

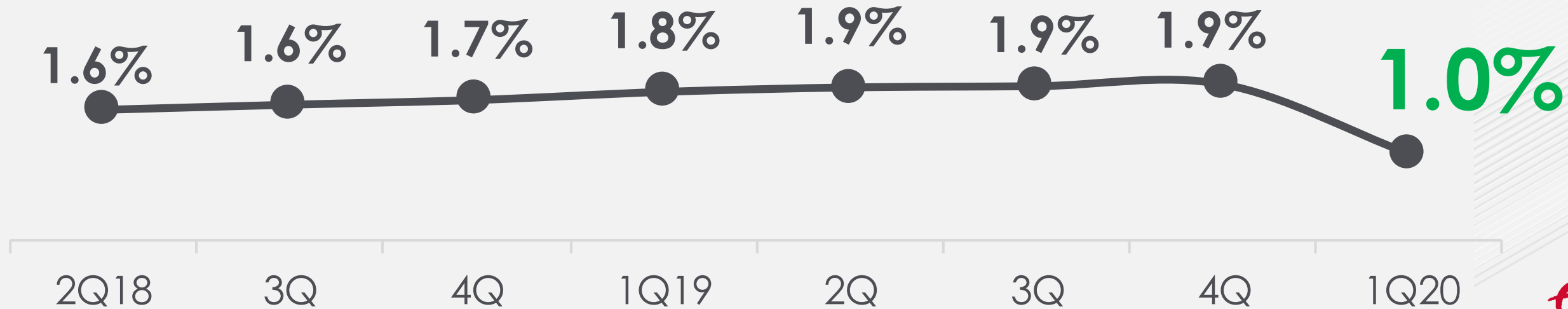
**ROAE**  
Reduction of  
**▼ 880 bps**  
YoY

**Shareholders' Equity**  
**R\$129,548** ▲ 2.3% YoY  
million ▼ 3.1% QoQ



**ROAA**  
Reduction of  
**▼ 80 bps**  
YoY

**Total Assets**  
**R\$1,486** ▲ 7.1% YoY  
billion ▲ 5.5% QoQ



# EXPANDED LOAN PORTFOLIO

R\$ MILLION	MAR20	DEC19	MAR19	VARIATION%		% IN RELATION TO TOTAL MAR20
				Q-o-Q	Y-o-Y	
<b>COMPANIES</b>	<b>415,880</b>	<b>389,966</b>	<b>359,622</b>	<b>6.6</b>	<b>15.6</b>	<b>63.5</b>
Large Corporates	296,733	275,890	258,462	7.6	14.8	45.3
Micro, Small and Medium-Sized Enterprises	119,148	114,076	101,160	4.4	17.8	18.2
<b>INDIVIDUALS</b>	<b>239,214</b>	<b>233,079</b>	<b>200,198</b>	<b>2.6</b>	<b>19.5</b>	<b>36.5</b>
Payroll-deductible Loans	65,320	62,987	53,505	3.7	22.1	10.0
Real Estate Financing	46,173	44,288	39,759	4.3	16.1	7.0
Credit Card	39,496	41,114	34,319	(3.9)	15.1	6.0
CDC / Vehicle Leasing	29,471	28,987	24,628	1.7	19.7	4.5
Personal Loans	29,639	26,918	21,688	10.1	36.7	4.5
Others	29,114	28,785	26,299	1.1	10.7	4.4
<b>TOTAL EXPANDED LOAN PORTFOLIO</b>	<b>655,094</b>	<b>623,045</b>	<b>559,820</b>	<b>5.1</b>	<b>17.0</b>	<b>100.0</b>
				WITHOUT EXCHANGE VARIATION	<b>3.4</b>	<b>14.8</b>

# NET INTEREST INCOME

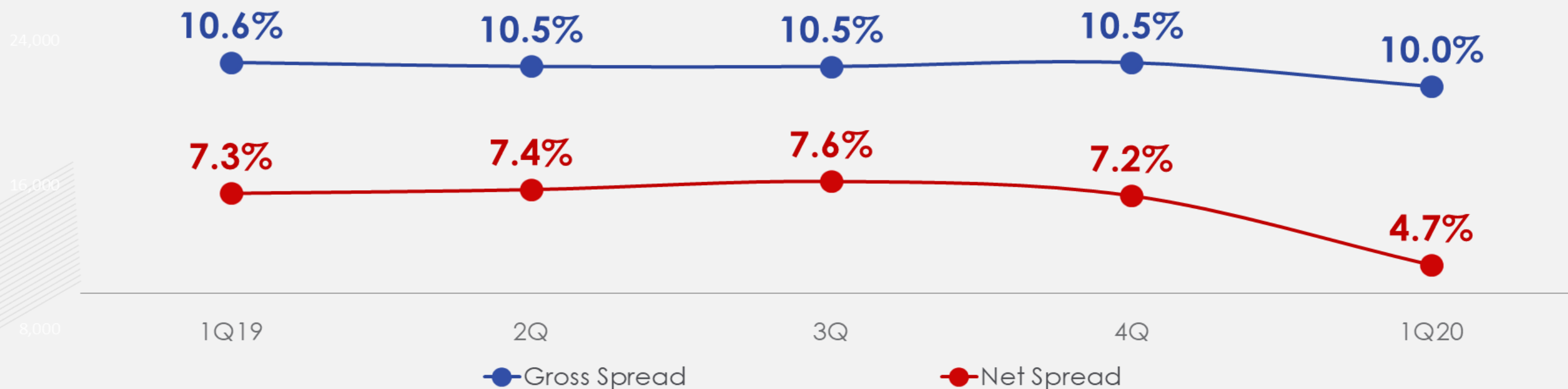
R\$ MILLION

<h3>Net Interest Income</h3> <p><b>14,499</b> { <span style="color: red;">▼ 6.0% QoQ</span> <span style="color: green;">▲ 2.9% YoY</span></p>	<h3>Client Portion</h3> <p><b>12,964</b> { <span style="color: red;">▼ 0.1% QoQ</span> <span style="color: green;">▲ 8.4% YoY</span></p>	<h3>Market Portion</h3> <p><b>1,535</b> { <span style="color: red;">▼ 37.2% QoQ</span> <span style="color: red;">▼ 27.8% YoY</span></p>
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Client Portion



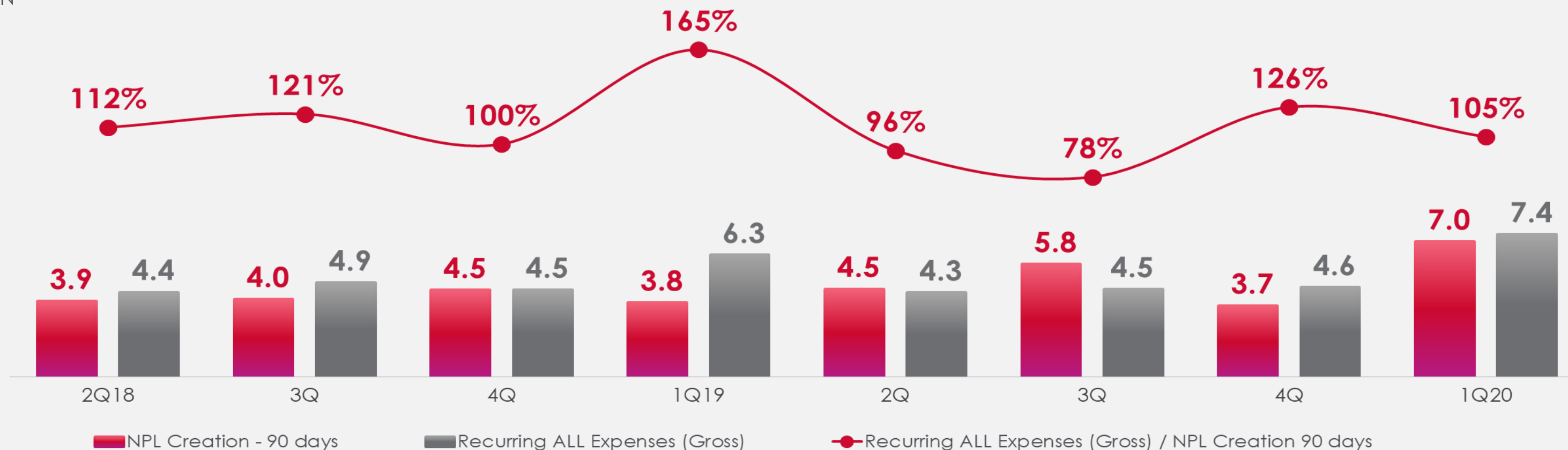
Gross Spread x Net Spread



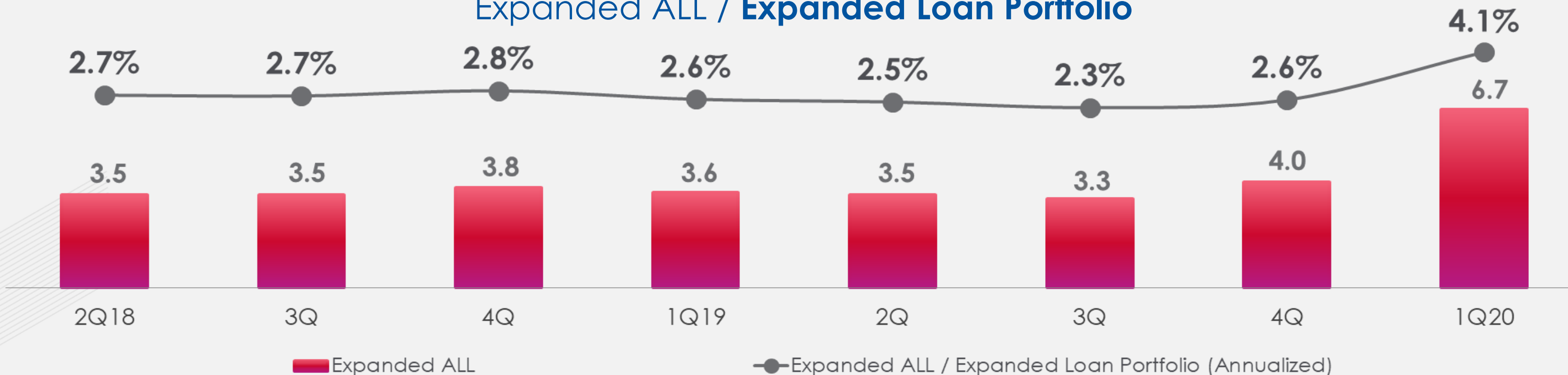
# NPL CREATION AND ALLOWANCE FOR LOAN LOSSES (ALL) EXPENSES

R\$ BILLION

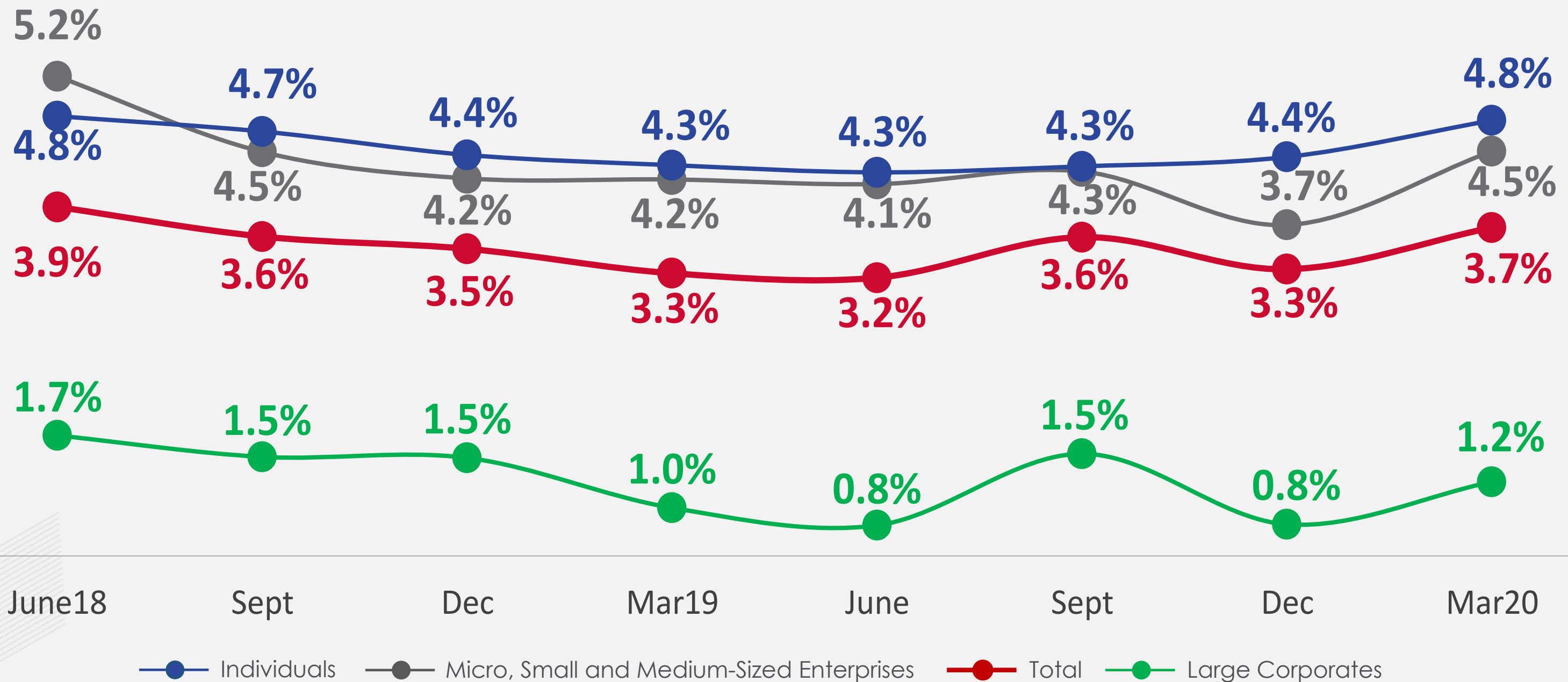
NPL Creation >90 days x ALL Expenses Recurring



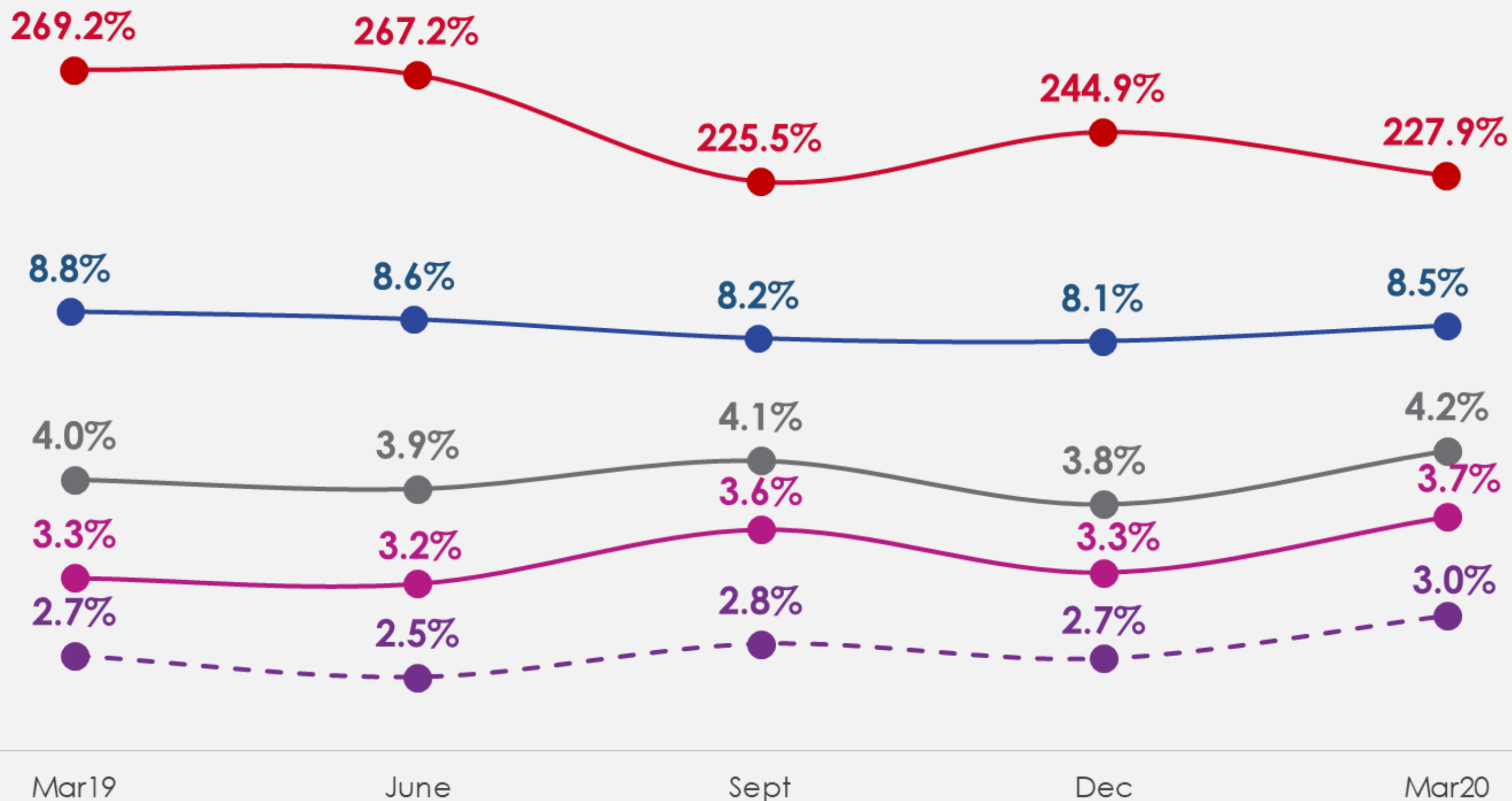
## Expanded ALL / Expanded Loan Portfolio



# DELINQUENCY RATIO – OVER 90 DAYS



# COVERAGE RATIO OVER 90 DAYS



● Coverage Ratio over 90 days    
 ● Net Losses in 12 months    
 ● Total Provision  
● Delinquency Ratio over 90 days    
 ● E-H Non-Performing Loans

# FEE AND COMMISSION INCOME

R\$ MILLION	VARIATION%				
	1Q20	4Q19	1Q19	1Q20 x 4Q19	1Q20 x 1Q19
Card Income	2,700	2,906	2,766	(7.1)	(2.4)
Checking Account	1,980	1,980	1,851	-	7.0
Asset Management	913	968	966	(5.7)	(5.5)
Loans Operations	721	807	726	(10.7)	(0.7)
Collections and Payments	659	653	641	0.9	2.8
Consortium Management	490	513	457	(4.5)	7.2
Custody and Brokerage Services	346	307	264	12.7	31.1
Underwriting / Financial Advisory Services	192	434	121	(55.8)	58.7
Others	282	261	282	8.0	-
<b>TOTAL</b>	<b>8,283</b>	<b>8,829</b>	<b>8,074</b>	<b>(6.2)</b>	<b>2.6</b>

# OPERATING EXPENSES

R\$ MILLION

## PERSONNEL

### Structural

### Non-Structural

- Management and Employee Profit Sharing
- Provision for Labor Claims
- Training
- Termination Costs

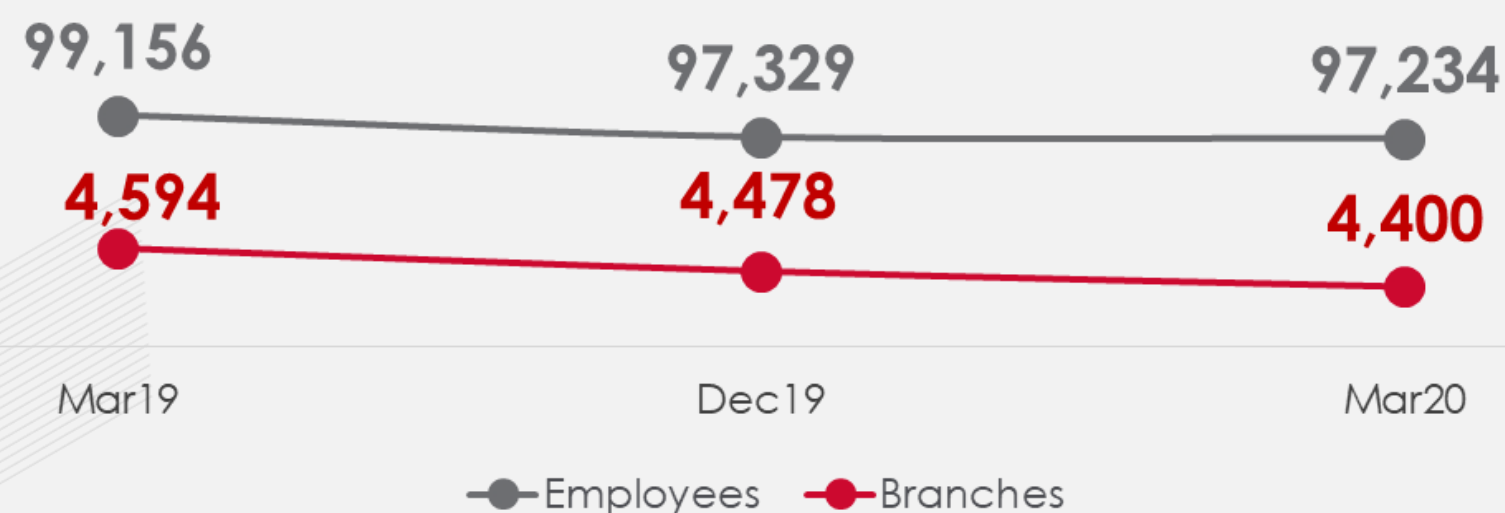
## ADMINISTRATIVE

## SUBTOTAL PERSONNEL + ADMINISTRATIVE

## OTHER OPERATING EXPENSES, NET OF INCOME

## TOTAL

	1Q20	4Q19	1Q19	VARIATION%	
				1Q20 x 4Q19	1Q20 x 1Q19
PERSONNEL	5,321	5,468	5,158	(2.7)	3.2
Structural	4,289	4,289	4,089	-	4.9
Non-Structural	1,032	1,179	1,069	(12.5)	(3.5)
- Management and Employee Profit Sharing	778	708	695	9.9	11.9
- Provision for Labor Claims	148	325	259	(54.5)	(42.9)
- Training	34	49	34	(30.6)	-
- Termination Costs	72	97	81	(25.8)	(11.1)
ADMINISTRATIVE	5,078	5,811	5,026	(12.6)	1.0
SUBTOTAL PERSONNEL + ADMINISTRATIVE	10,399	11,279	10,184	(7.8)	2.1
OTHER OPERATING EXPENSES, NET OF INCOME	1,358	1,381	1,625	(1.7)	(16.4)
TOTAL	11,757	12,660	11,809	(7.1)	(0.4)



## Variation

(In Quantity)

Mar20 x Dec19    Mar20 x Mar19

(95)

(1,922)

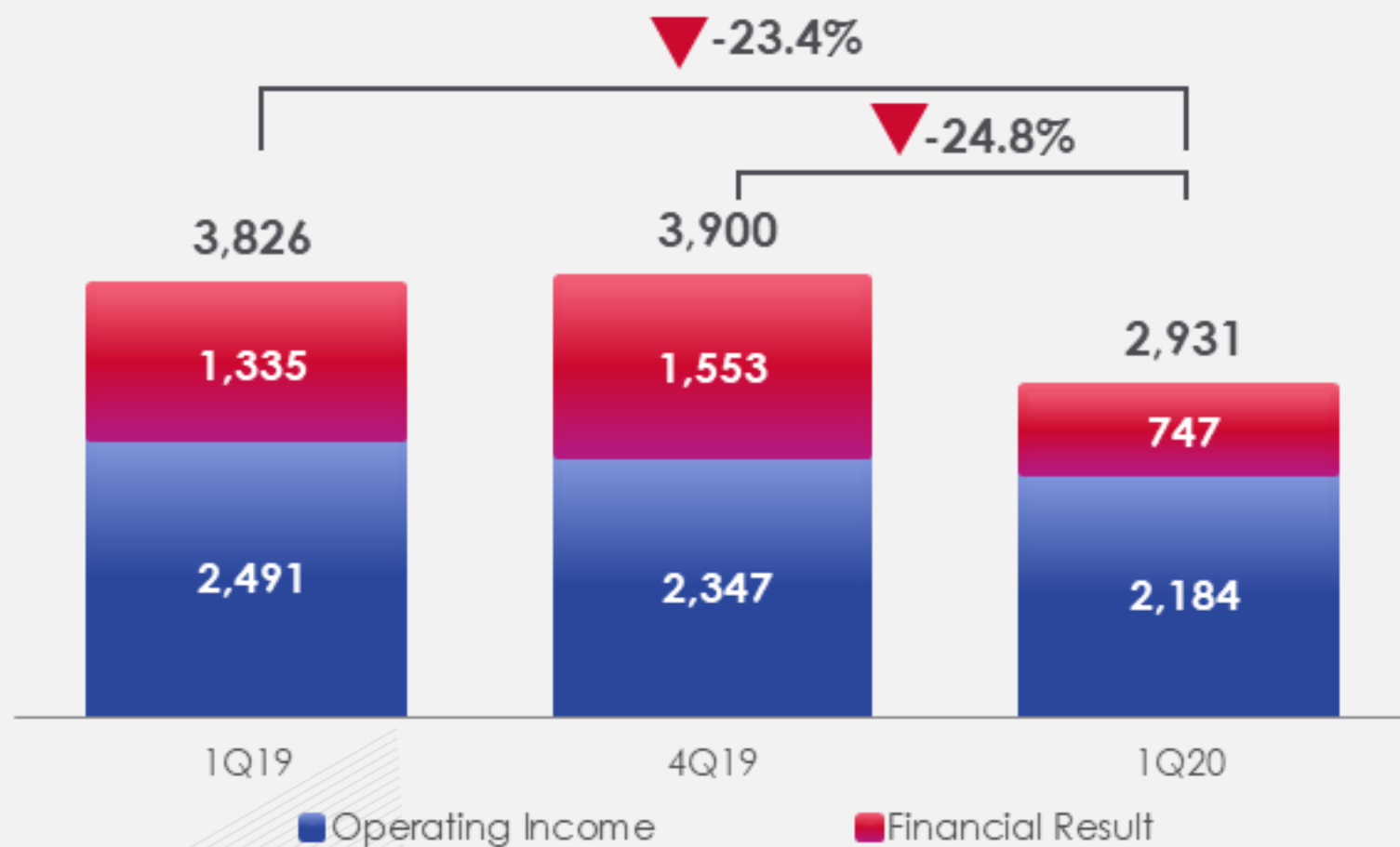
(78)

(194)

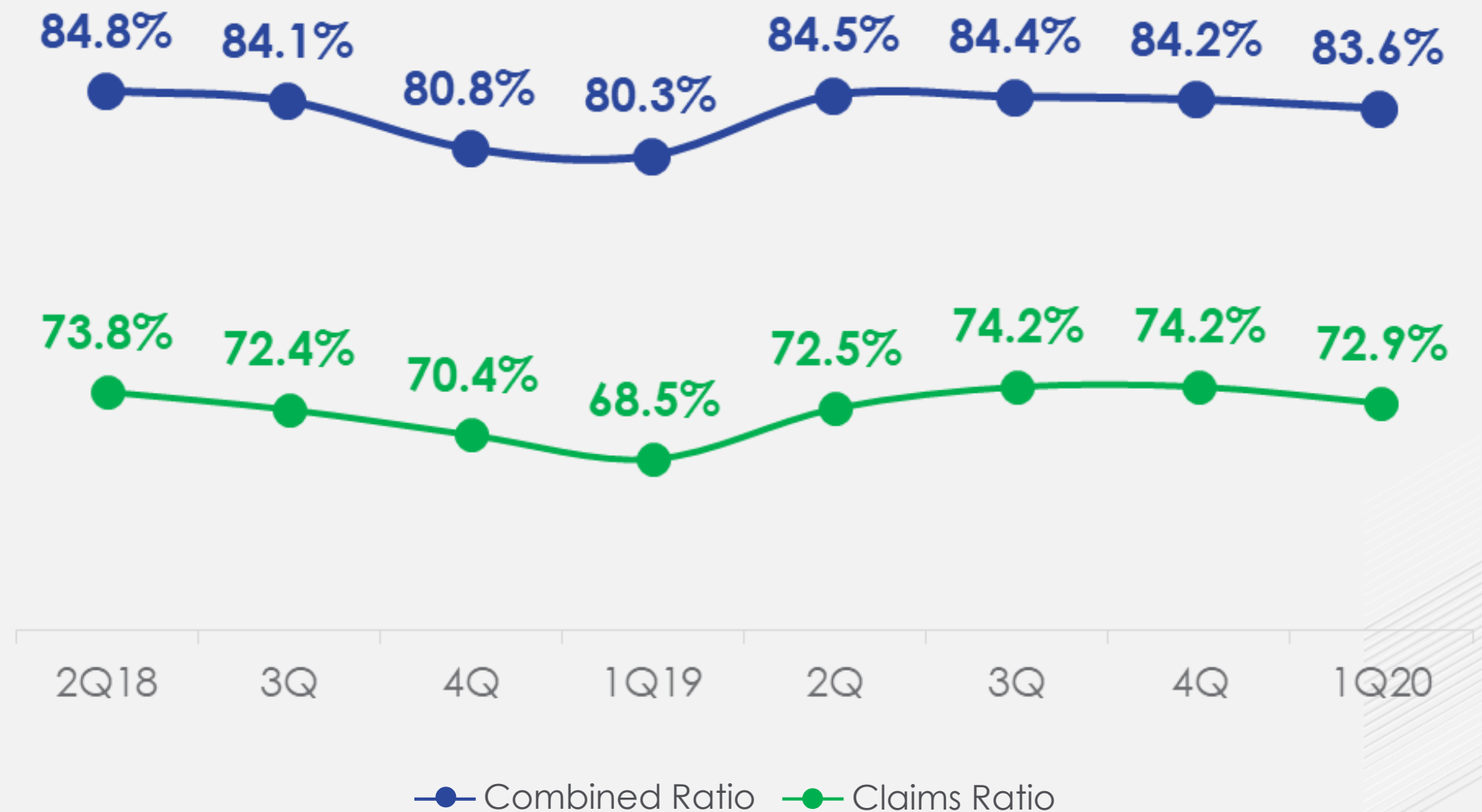
# INSURANCE, PENSION PLANS AND CAPITALIZATION BONDS

## Income from Insurance Operations, Pension Plans and Capitalization Bonds

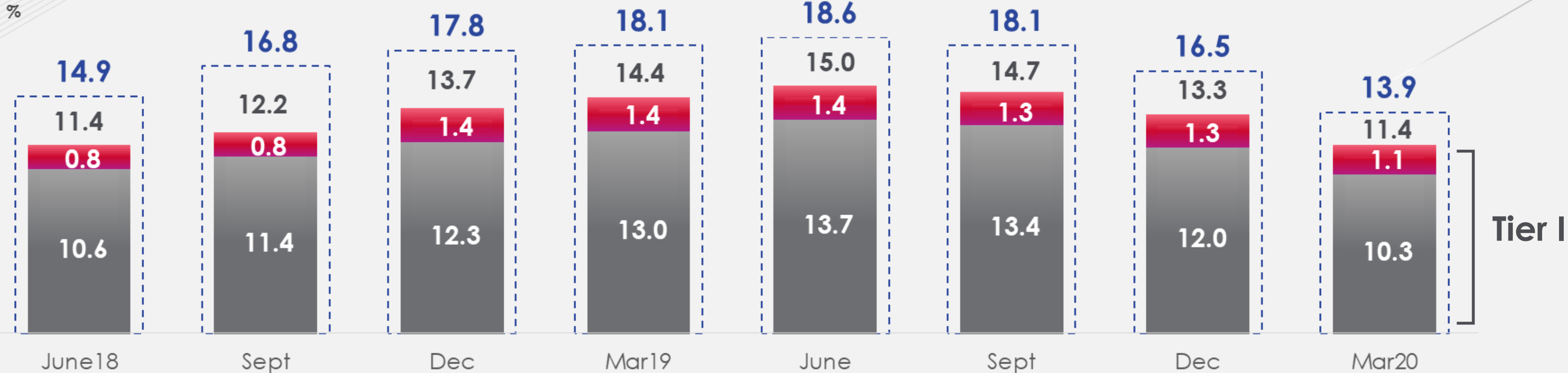
R\$ MILLION



## Combined Ratio and Claims Ratio Quarterly

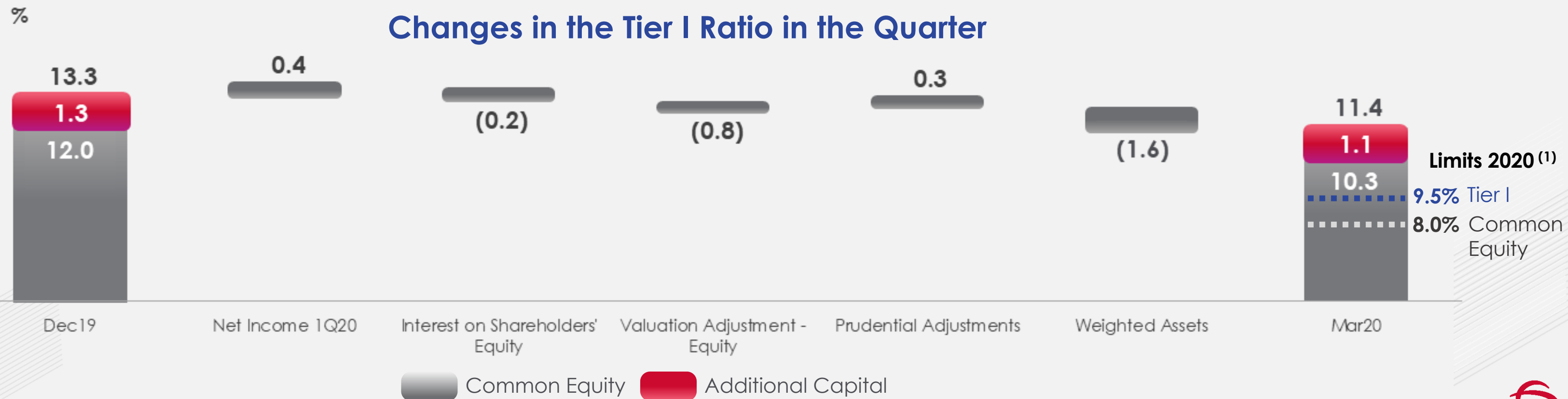


# BIS RATIO



  Total Ratio  
  Common Equity  
  Additional Capital

### Changes in the Tier I Ratio in the Quarter



(1) They refer to the required minimums, in accordance with Resolution No. 4,193/13, added to the additional capital contributions established by Circulars No. 3,768/15 and No. 3,769/15. It is noteworthy that, from April 1, 2020, the minimum required capital shall be 8.25% for tier I capital and 6.75% for the common equity, according to Resolution No. 4,783/20.

# THANK YOU

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RESULTS  
1<sup>st</sup> QUARTER  
2020



# ADDITIONAL SLIDES

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RESULTS  
1<sup>st</sup> QUARTER  
2020



# LOAN PORTFOLIO BACEN X EXPANDED

R\$ MILLION	MAR20	DEC19	MAR19	VARIATION%	
				Q-o-Q	Y-o-Y
Individuals	237,261	231,468	199,480	2.5	18.9
Companies	240,315	222,505	220,734	8.0	8.9
<b>TOTAL LOAN PORTFOLIO - BACEN</b>	<b>477,577</b>	<b>453,973</b>	<b>420,214</b>	<b>5.2</b>	<b>13.7</b>
Sureties and Guarantees	84,890	78,231	73,314	8.5	15.8
Operations bearing Credit Risk - Commercial Portfolio <sup>(1)</sup>	62,484	61,770	49,364	1.2	26.6
Other <sup>(2)</sup>	30,143	29,070	16,928	3.7	78.1
<b>TOTAL EXPANDED LOAN PORTFOLIO</b>	<b>655,094</b>	<b>623,045</b>	<b>559,820</b>	<b>5.1</b>	<b>17.0</b>
			<b>WITHOUT EXCHANGE VARIATION</b>	<b>3.4</b>	<b>14.8</b>

(1) It includes debentures operations and promissory notes; and

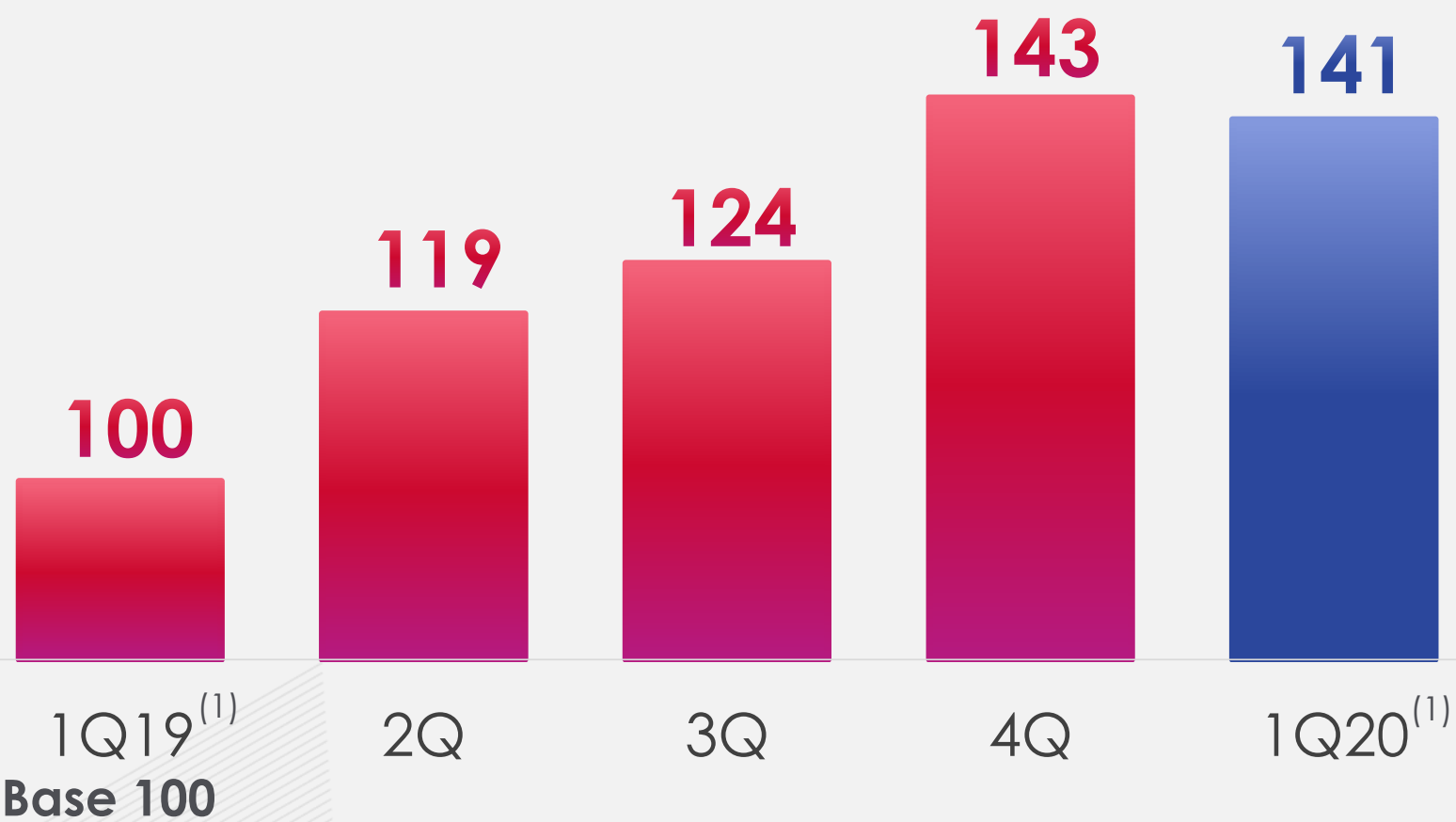
(2) It considers letters of credit, advances of credit card receivables, rural product notes (CPR), certificates of real estate receivables (CRI), certificate of agribusiness credit rights (CDCA), receivables-backed investment funds (FIDC) and co-obligation in the assignment (CRI and rural credit).

# LOAN ORIGINATION PER BUSINESS DAY EARMARKED AND NON-EARMARKED LOANS



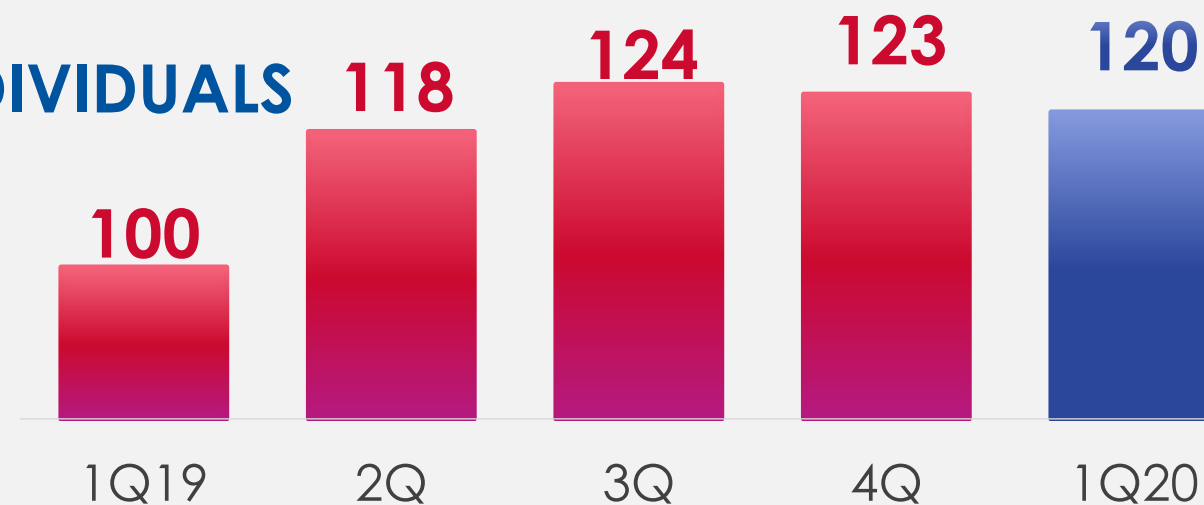
TOTAL

**+41% in 12 months**



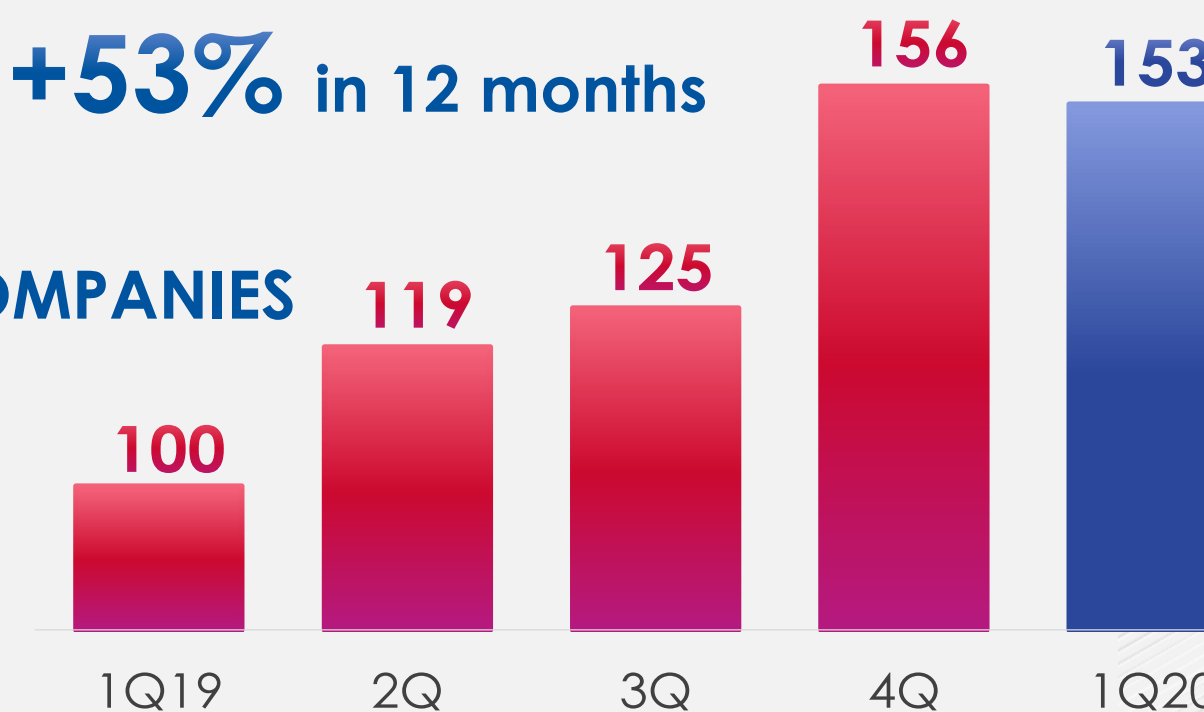
INDIVIDUALS

**+20% in 12 months**



COMPANIES

**+53% in 12 months**

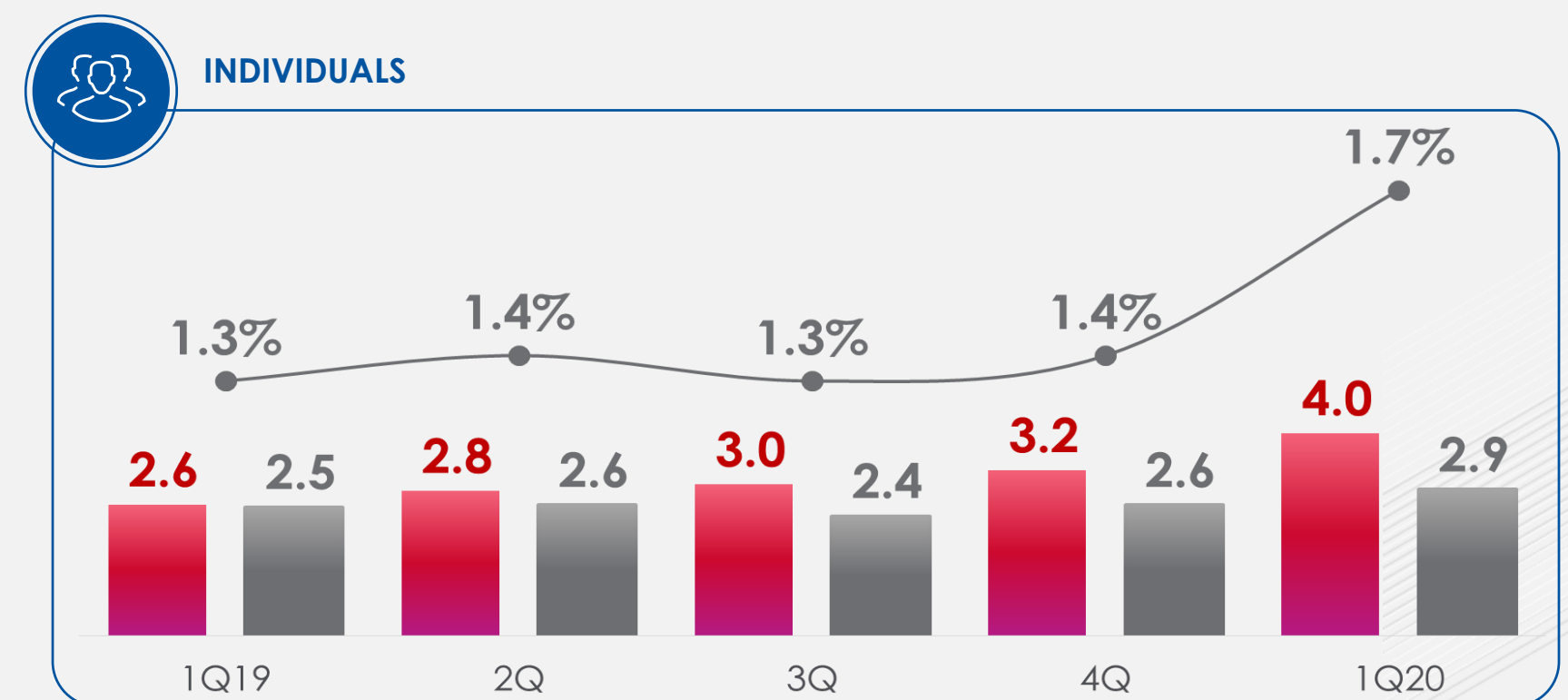
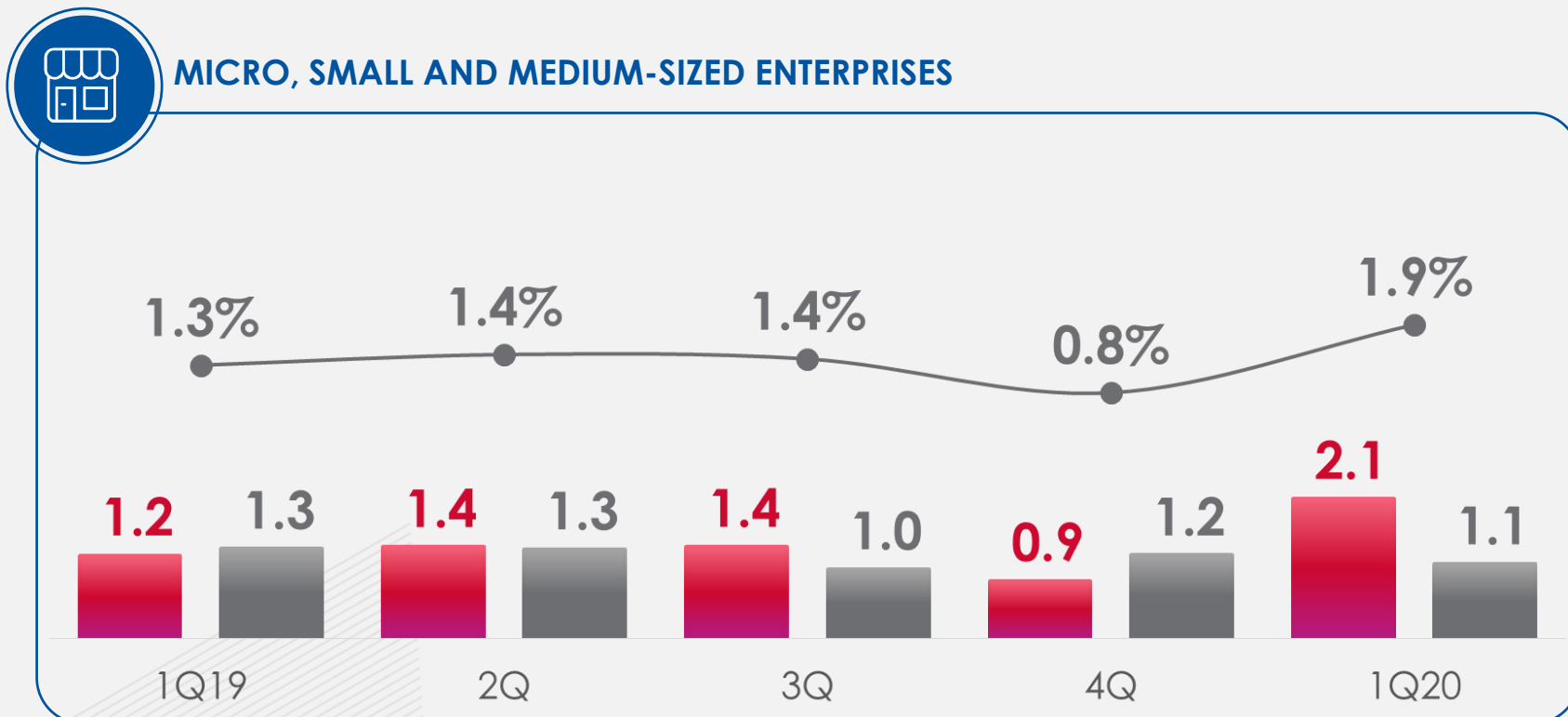
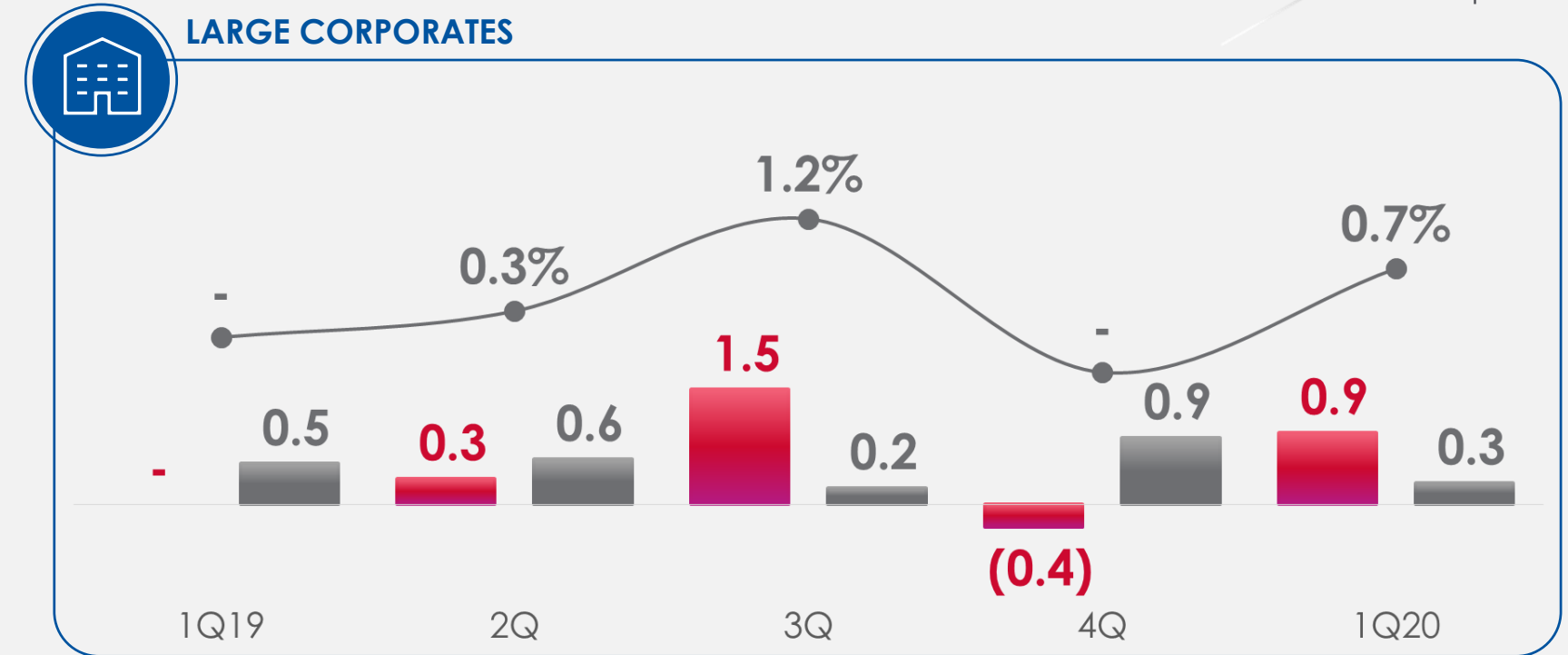
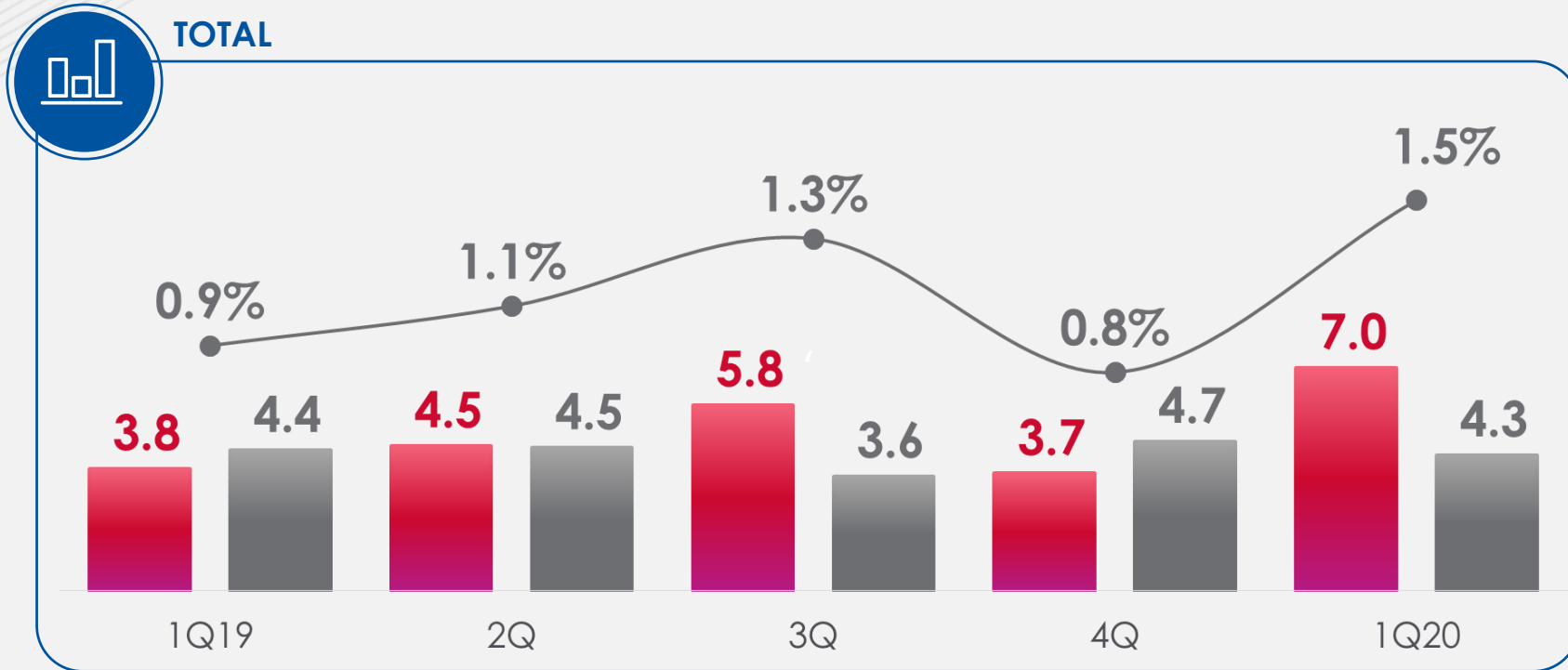


Note: Does not include sureties and guarantees, debentures, foreign exchange products and limits. And includes financial Rural Product Notes (CPR).

(1) In the 1Q120, the total amount originated per business day was R\$ 1.7 billion (R\$ 1.2 billion in the 41Q19).

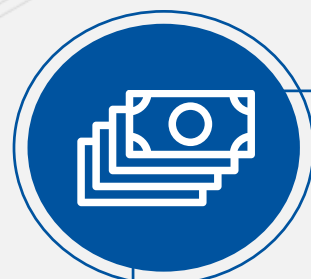
# NPL CREATION 90-DAYS BY PORTFOLIO

R\$ BILLION

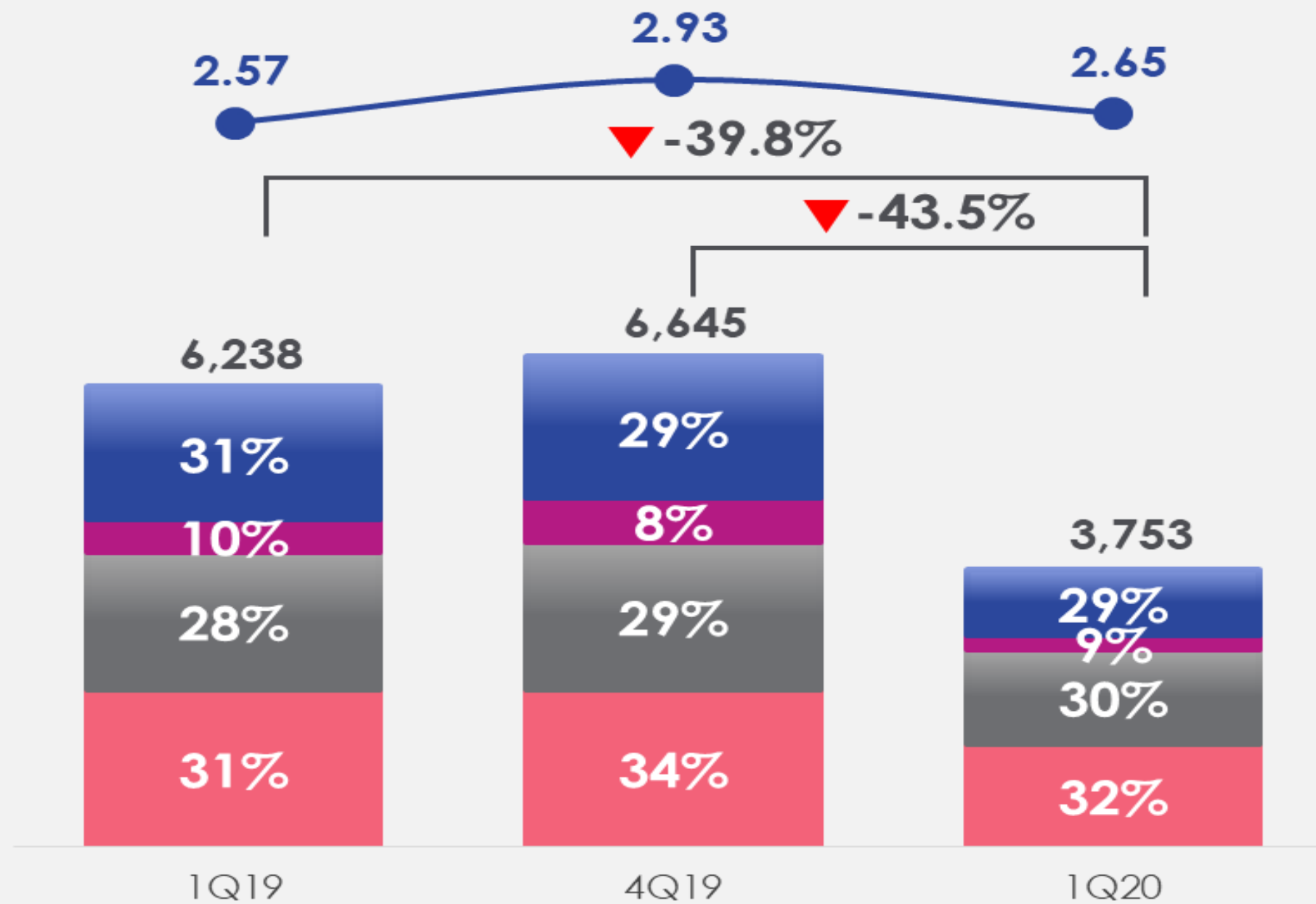


■ NPL Creation   
 ■ Write-offs   
 ●— NPL Creation / Loan Portfolio – As defined by the Central Bank

# RECURRING NET INCOME AND EARNINGS PER SHARE

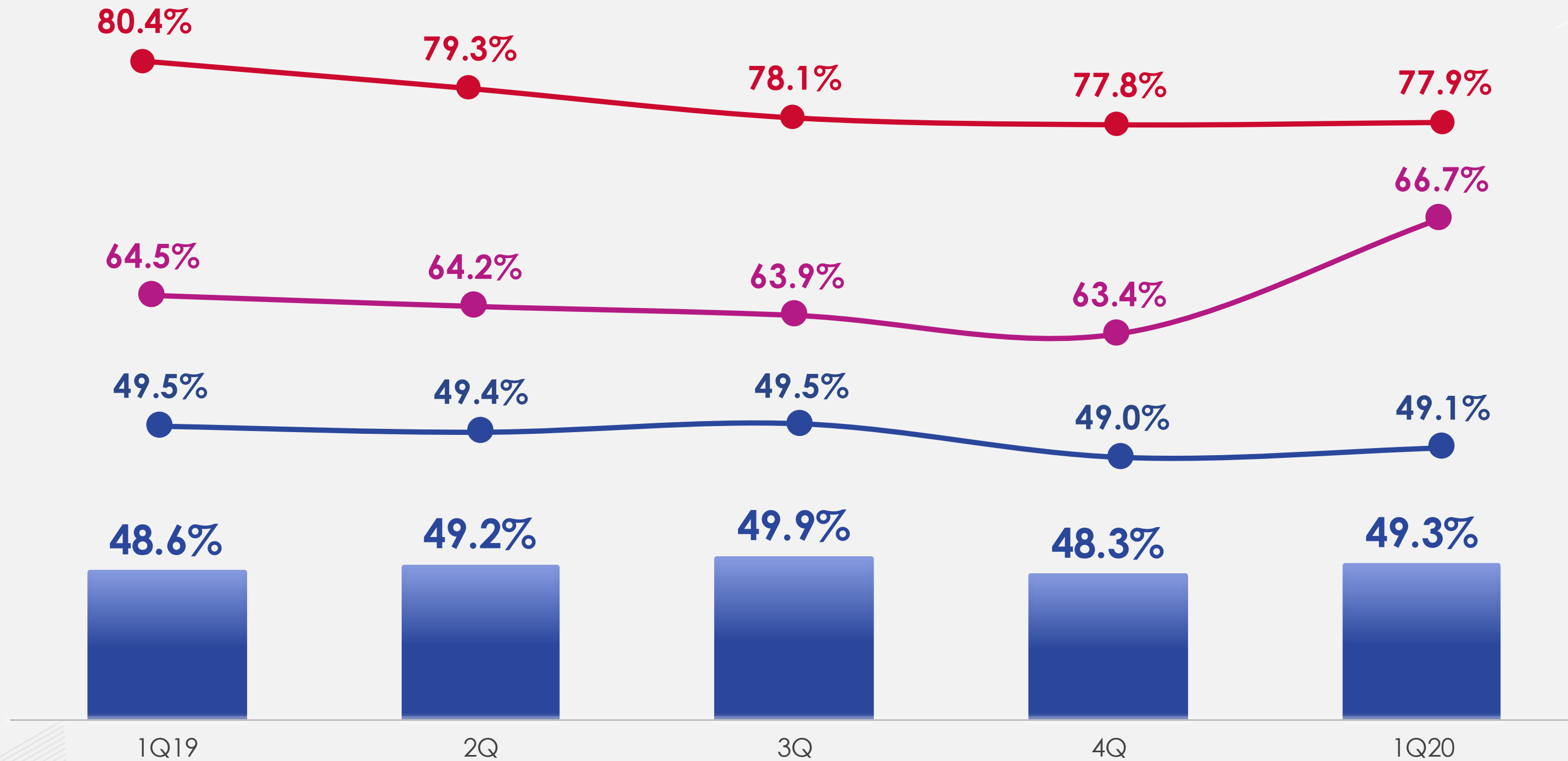


R\$ MILLION



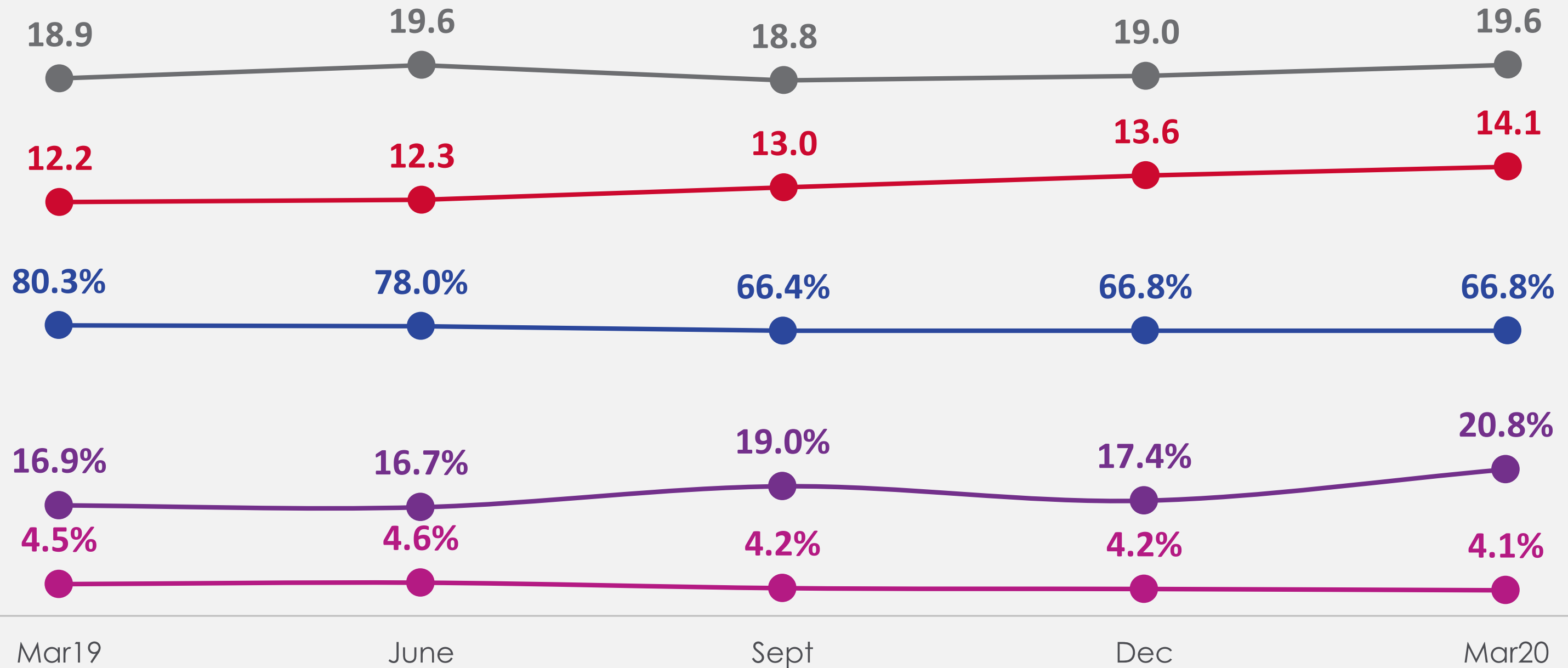
■ Credit Intermediation  
 ■ Fees  
 ■ Securities/Others  
 ■ Insurance  
 ● Earnings per Share (In the last 12 Months) – R\$

# EFFICIENCY AND OPERATING COVERAGE RATIOS



- Quartely ER
- 12-month risk-adjusted ER
- Operating Coverage Ratio (Fees / Personnel + Administrative Expenses) - Accumulated for 12 months
- 12-month ER

# RENEGOTIATED PORTFOLIO



● Renegotiated Portfolio – R\$ billion

● Renegotiated Portfolio (Excluding Loans from Write-offs) – R\$ billion

● Allowance for Loan Losses as a % of the Total Renegotiated Portfolio

● Total Renegotiated Portfolio / Loan Portfolio

● 90-day delinquency ratio

# INCOME FROM INSURANCE, PENSION PLANS AND CAPITALIZATION BONDS

R\$ MILLION	VARIATION% (unless otherwise stated)				
	1Q20	4Q19	1Q19	1Q20 x 4Q19	1Q20 x 1Q19
Life and Pension Plans	9,062	10,845	8,685	(16.4)	4.3
Health	7,146	7,117	6,586	0.4	8.5
Auto/P&C + DPVAT	1,298	1,422	1,313	(8.7)	(1.1)
Capitalization Bonds	1,460	1,654	1,478	(11.7)	(1.2)
<b>OVERALL INCOME</b>	<b>18,966</b>	<b>21,038</b>	<b>18,062</b>	<b>(9.8)</b>	<b>5.0</b>
INCOME FROM INSURANCE, PENSION PLANS AND CAPITALIZATION BONDS <sup>(1)</sup>	<b>2,931</b>	<b>3,900</b>	<b>3,826</b>	<b>(24.9)</b>	<b>(23.4)</b>
FINANCIAL ASSETS	<b>298,754</b>	<b>306,876</b>	<b>291,422</b>	<b>(2.6)</b>	<b>2.5</b>
TECHNICAL PROVISIONS	<b>272,257</b>	<b>274,765</b>	<b>261,106</b>	<b>(0.9)</b>	<b>4.3</b>
SHAREHOLDERS' EQUITY	<b>35,946</b>	<b>38,614</b>	<b>32,209</b>	<b>(6.9)</b>	<b>11.6</b>
NET INCOME	<b>1,158</b>	<b>1,919</b>	<b>1,814</b>	<b>(39.7)</b>	<b>(36.2)</b>
ROAE	<b>13.4%</b>	<b>24.2%</b>	<b>23.4%</b>	<b>(10.8) p.p.</b>	<b>(10.0) p.p.</b>

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Retained Premiums from Insurance, Pension Plans and Capitalization Bonds (-) Variation in technical reserves for Insurance, Pension Plans and Capitalization Bonds (-) Retained Claims (-) Capitalization Bond Draws and Redemptions (-) Insurance Plan, Pension Plan and Capitalization Bond Selling Expenses + Financial Income of the Operation.

# RESULTS

## 1<sup>st</sup> QUARTER

# 2020

