



BB Quarterly Bulletin

1st Quarter 2020
Edition 04 / Year 3

Shareholders' newsletter
www.bb.com.br/ir

From the CFO Desk



CFO

Carlos Hamilton Vasconcelos Araújo

Dear Shareholder,

The year 2020 will be marked by challenges. The world scenario has changed with the social isolation reality imposed by the new coronavirus (Covid-19). Such shifts are felt in the economy and reflected in the market which became highly volatile. Banco do Brasil has been a strong ally to contain the effects of the pandemic, acting responsibly in the development of solutions for its customers, employees and society.

BB has monitored the pandemic evolution in Brazil and has adopted preventive measures, reaffirming its commitment to providing an outstanding quality customer service and to caring about health and safety of its employees. Loan lines and extensions were made available and have already exceeded R\$ 98.0 billion in disbursements (between March 16th and April 30th). In addition, the bank maintains adequate capital levels.

The conglomerate has also supported several actions to help people in social vulnerability situation. Altogether, there are already over R\$ 75 million in donations.

BB posted an adjusted net income of R\$ 3.4 billion in the first quarter, a 20% reduction compared to the same period last year, which corresponds to a ROE of 12.5%. Due to the unfavorable scenario for the entire system, this quarter's result was impacted by the prudential anticipation of provisions of R\$ 2.0 billion.

I would like to highlight that despite the decrease in the net income, the operating income generation remained strong, with a 15.4% growth in the Pre-provision operating profit (PPOP) compared to the

first quarter of last year. This metric is not impacted by the provisions effects. The main positive drivers of the period were the credit portfolio and fee income growth.

It is important to notice that the defensive profile of the credit portfolio shows greater resilience to face the future impacts of the delinquency crisis. This is because approximately one third of the portfolio is concentrated in the agribusiness segment; we have a significant portion of the individuals portfolio destined to payroll loans and there is a relatively low exposure in the SME segment, added to the fact that we work with customers with whom we already have a long-term relationship.

Current scenario needs have accelerated BB's digital transformation process. There has been an increase of 1.7 million users on our App since March 16th, totaling 15.8 million customers on the channel. There was also an increase in the number of daily accesses to the App, representing a growth of 25% in April.

Several actions were also carried out to improve efficiency and sustainability. An example was the inauguration of BB's first distributed solar power plant, located in Porteirinha (MG). The plant has an installed capacity of 14 megawatts and will ensure the supply of renewable energy to 100 branches in the state of Minas Gerais, allowing BB to save R\$ 80 million in 12 years.

Banco do Brasil is committed to the purpose of "Taking care of what is valuable to people". The Board of Officers has been meeting daily and will keep on assessing the situation in depth and making coordinated decisions while the pandemic lasts. There are more than 92,700 employees dedicated to provide the best solutions, working to keep the bank operational, maintain the long-term sustainability of the company and the relationship with our customers and shareholders.

Best Regards,

Carlos Hamilton



Covid-19

Commitment to support the Economy



Credit¹

More than R\$ 98 billion in disbursements

Extensions, renewals and new credits:

- R\$ 21.3 billion to Individuals.
- R\$ 13.5 billion to Agribusiness.
- R\$ 63.8 billion to Companies.



Emergency Actions¹

- Emergency aid: **R\$ 862 million** for over **1.2 million** costumers.
- **3,271** FOPAS contracts.
- BEm payments.
- **47** agreements for the payment of benefits with public administration agencies in several regions of the country

Service focused on offering the best experience to our costumers

Face-to-face Service

- Maintenance of essential services.
- Special time for risk group.
- Self service room prioritization.

Remote Service

- Complete digital service portfolio.
- Chat Service (Fale com) – extended to costumers without a manager assigned and to companies
- Expansion of services via WhatsApp and social media.
- Incentive to increase digital channels and tools usage
- +1.7 million new users in the APP.
- 480% increase on the number of costumers served by WhatsApp¹.

The Conglomerate fighting the pandemic

Donation to Fundação Banco do Brasil



R\$ 40 million



R\$ 15 million

Donations to Fio Cruz /
Ministério da Saúde



R\$ 20 million

(1) Actions and disbursements from 03/16/2020 to 04/30/2020.



Earnings Highlights

1Q20/1Q19



ADJUSTED NET INCOME

1Q19 - R\$ 4.2 Bi

1Q20 - R\$ 3.4 Bi

-20.1%

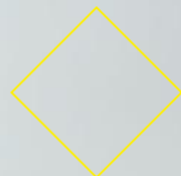


MARKET ROE¹

1Q19 – 16.8%

1Q20 – 12.5%

-430 bps



FEE INCOME

1Q19 - R\$ 6.8 Bi

1Q20 - R\$ 7.1 Bi

+4.0%



ALL EXPENSES²

1Q19 – (R\$ 3.4 Bi)

1Q20 – (R\$ 5.5 Bi)

+63.3%



ADMINISTRATIVE EXPENSES

1Q19 - R\$ 7.6 Bi

1Q20 - R\$ 7.8 Bi

+2.7%



NII

1Q19 - R\$ 12.7 Bi

1Q20 - R\$ 14.0 Bi

+9.9%



COST TO INCOME RATIO

1Q19 – 37.1%

1Q20 – 36.2%

Improve
of 90bps



LOAN PORTFOLIO³

1Q19 - R\$ 685.3 Bi

1Q20 - R\$ 725.1 Bi

+5.8%

(1) It reflects the metric that main Market analysts use to project results. The index is annualized using the linear method.(2) ALL expanded view. (3) Loan Portfolio (expanded view).



BB Shares

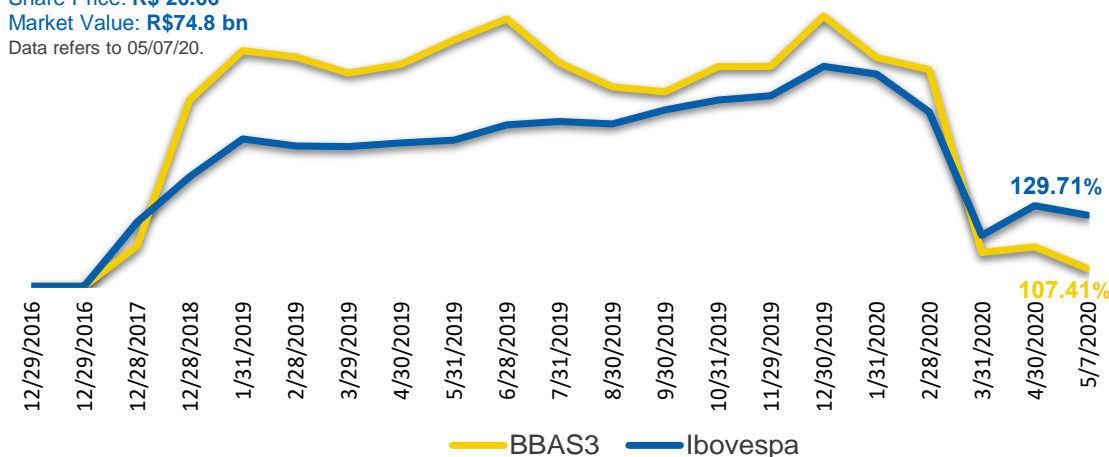
	1Q20	1Q19	Chg (%)
Free Float (Qty)	1,419,292,723	1,332,858,319	6.5%
Book Value per Share (R\$)	39.38	37.71	4.4%
Earnings per Share (R\$)	1.12	1.41	-20.6%
Dividend Yield - %	7.58	4.37	73.6%
Price / Earnings (12 months)	4.58	9.61	-52.4%
Price / Book Value	0.71	1.29	-45.2%

Shares Performance* (base 100)

Share Price: R\$ 26.66

Market Value: R\$74.8 bn

Data refers to 05/07/20.

* BBAS3 – Adjusted Closing Price as of May 7th, 2020.

Profit Distribution

In 2020, BB paid R\$ 517.4 million to its shareholders, in interest on own capital (IOC), referring to the advance of the remuneration to shareholders under the result related to the 1Q20, according to the Material Fact of 02/28/2020. In compliance with CMN Resolution No. 4,797, the return on capital is limited to the mandatory minimum defined in the Bylaws, which establishes the distribution of 25% of adjusted net income. Also, according to the Material Fact of 7/5/2020, the IOC payment will be made after the closing of the 1H20 earnings, according to the minimum frequency and other provisions defined in article 48 of the Bylaws, therefore not making quarterly advances commonly distributed by BB.

Company Profile

In March 2020, BB had over 92,700 employees, a distribution network of more than 62,000 service points in Brazil and 19 service points abroad, in 15 countries.

In the same period, it reached R\$ 1.6 trillion in assets and a market value of R\$ 77.7 billion (03/31/20). Recognized for its solidity, security and credibility, BB was the first Brazilian company to be listed on the stock exchange in 1906 and is the only bank part of B3's Novo Mercado. Since 2009 it has a Level I ADR (American Depositary Receipts) Program (ticker BDORY).

With 211 years of history, Banco do Brasil is leader in many business segments and a reference in Corporate Governance and Sustainability.

It's one of the largest financial institutions in Latin America, with top-notch technology to attend in a segmented and specialized way, suitable to our costumers profile, offering the best solutions in banking products and services.



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Investor Relations and Sustainability



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