



3Q
19



Earnings
Release



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04	Earnings Highlights	10	Loan Portfolio	16	Credit Quality by Segment
05	BB Results	11	Individuals Loan Portfolio	17	New NPL
06	Net Interest Income	12	Companies Loan Portfolio	18	Capital
07	Net Interest Margin	13	Agribusiness Loans	19	Guidance 2019
08	Fee Income	14	ALL Expenses	20	Appendix
09	Administrative Expenses and Cost-to-Income Ratio	15	Credit Quality		

Index

Earnings Highlights (9M19 vs 9M18)

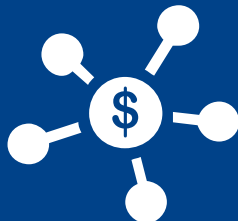


Adjusted net
Income

13.2 Bn



+36.8%



Fee Income

21.7 Bn



+7.3%



Administrative
Expenses

22.9 Bn



+0.7%



Cost to Income
Ratio¹

35.7%



204bps
Improvement



Market ROE²

17.5%



+ 429 bps

(1) Administrative Expenses / Operating Revenues accumulated in 12 months. Data refers to the income statement with reallocations.

(2) It reflects the metric that the main market analysts use to project results. The index is annualized using the linear method.

BB Results

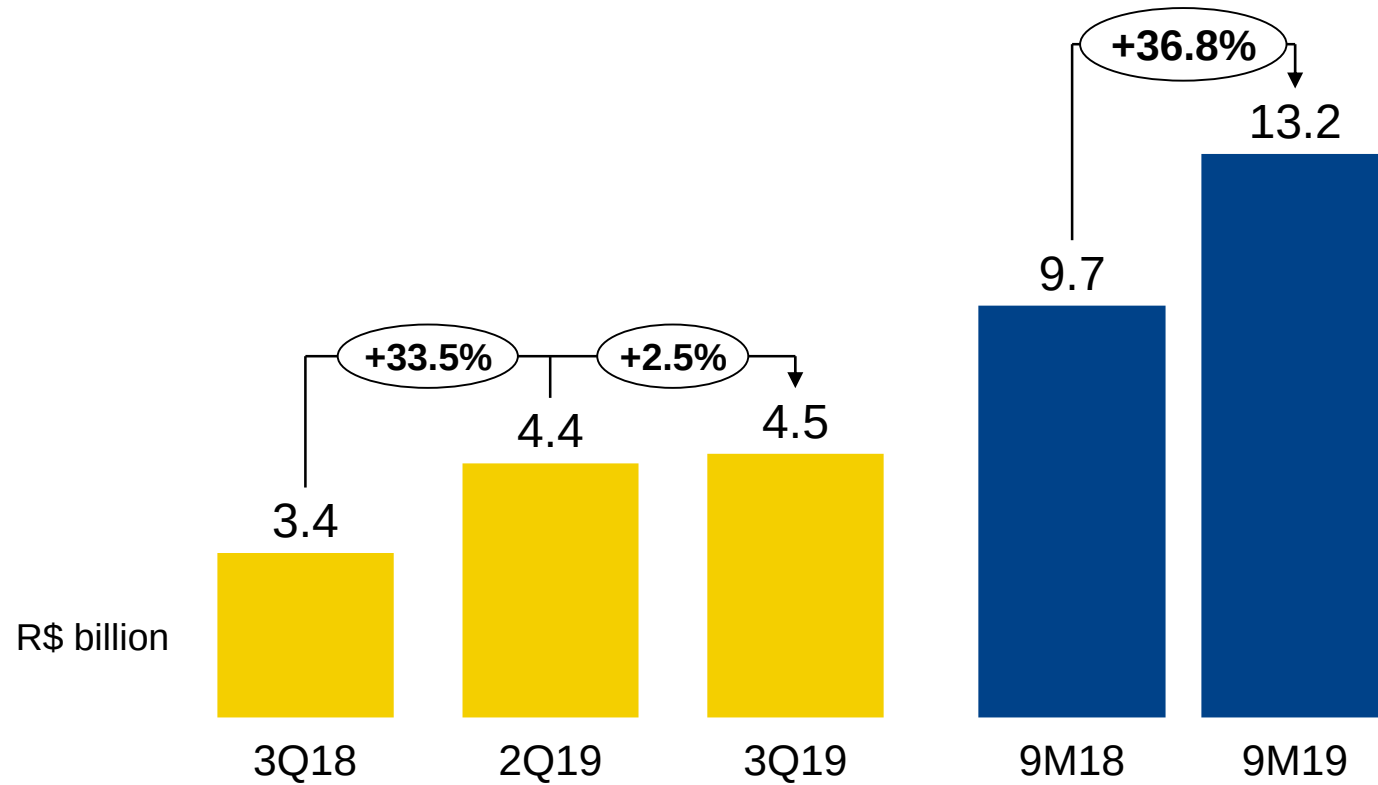
Guidance 2019 (R\$ bn)

16.5

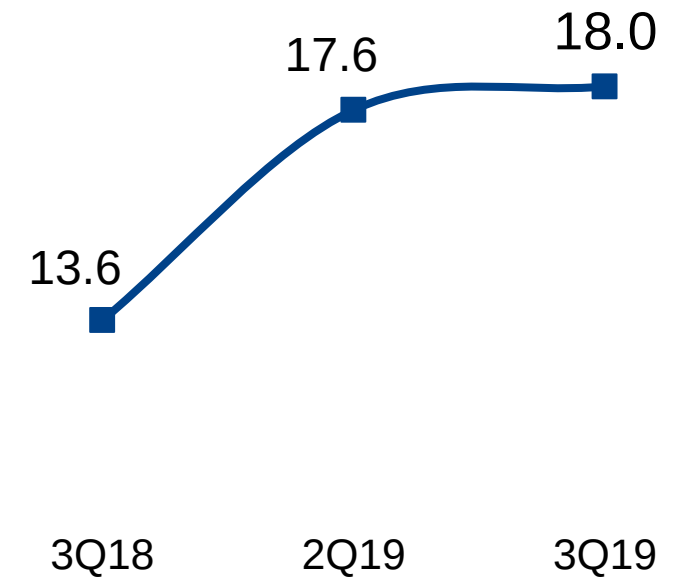
18.5



Adjusted Net Income



ROE¹ (%)



(1) It reflects the metric that the main market analysts use to project results. The index is annualized using the linear method.

Net Interest Income

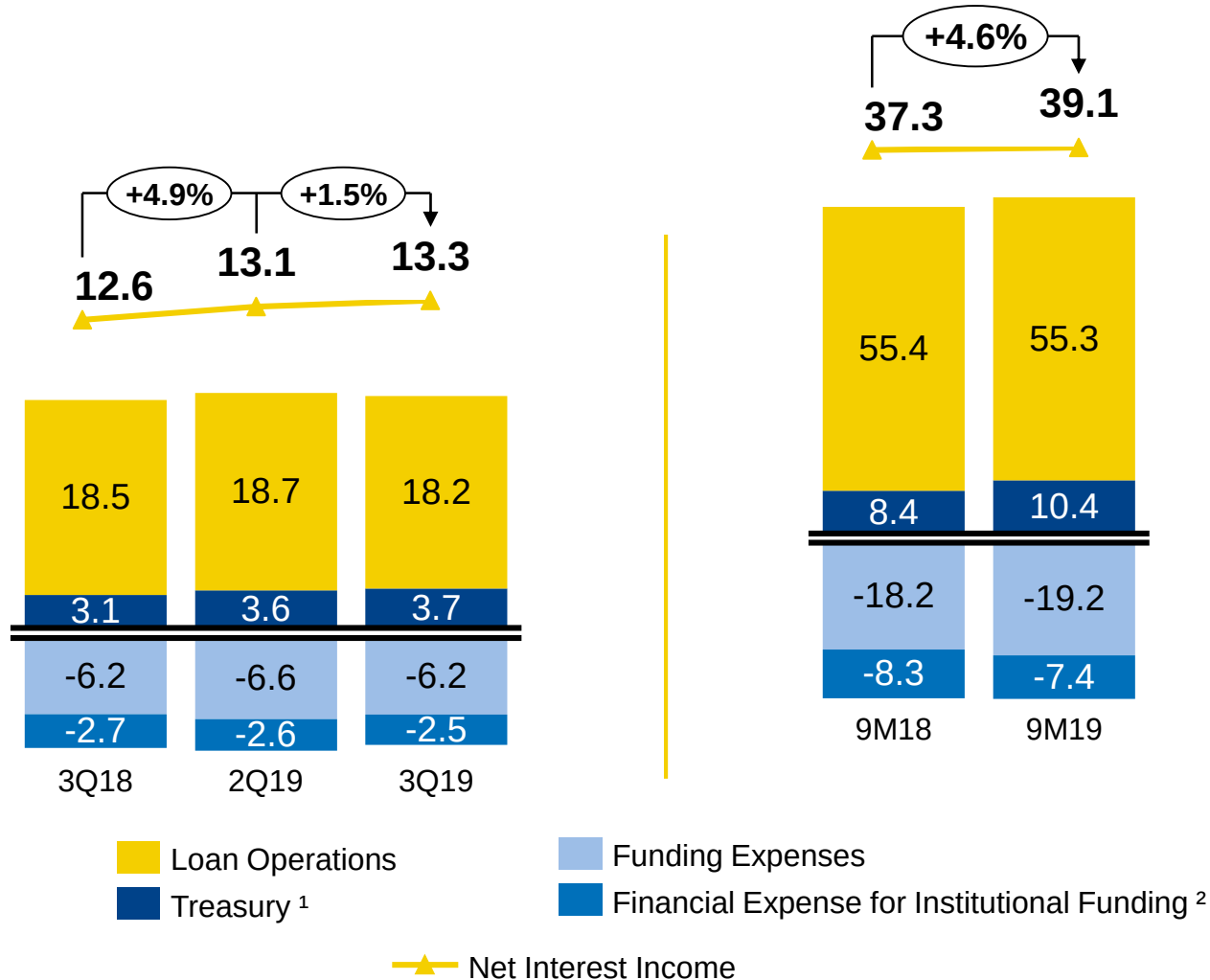
Guidance 2019 (%)

3.0

7.0



R\$ billion

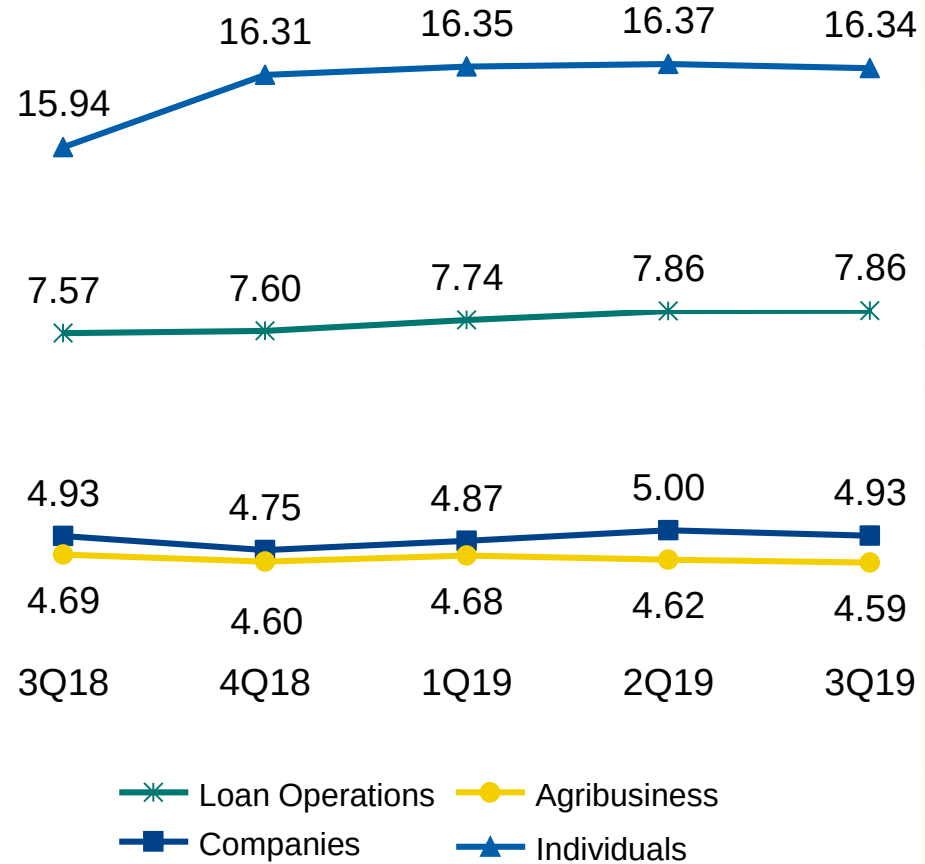
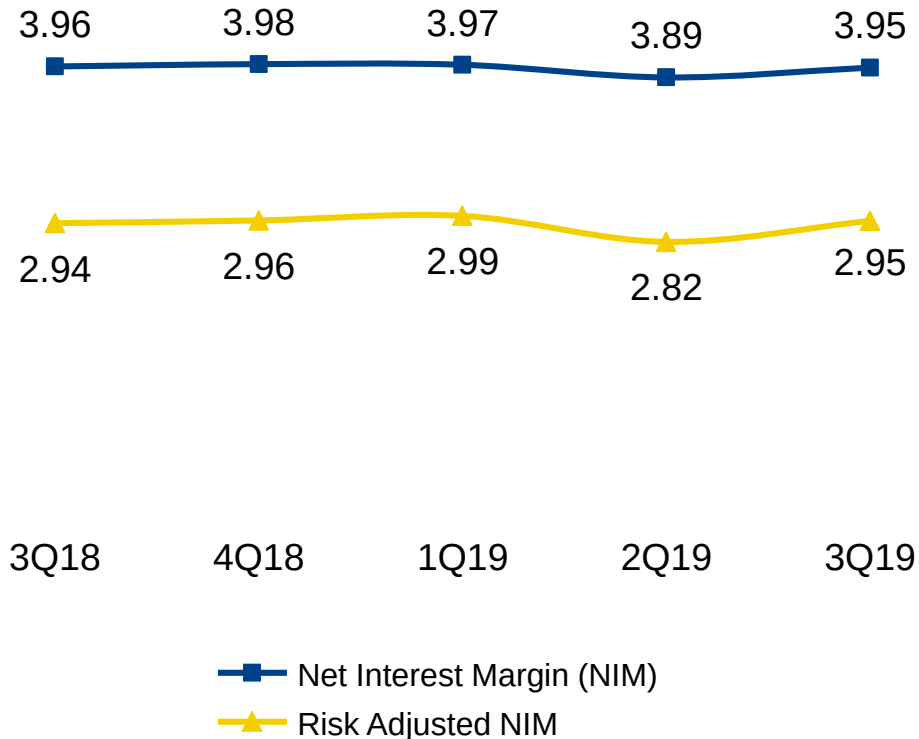


Individuals' loan operations
 ● revenues growth
+1.1% 3Q19/2Q19

● Good performance
 from Treasury
+4.4% 3Q19/2Q19

(1) It includes the result from interest, tax hedging, derivatives, and other financial instruments that offset the effects of the exchange rate variation in the result. (2) It includes senior bonds, subordinated debt, and Hybrid Instruments in Brazil and abroad.

Net Interest Margin¹ and by portfolio(%)



● **+6 bps** on NIM
3Q19/2Q19

● **+29 bps** on loan
operations spread
3Q19/3Q18

(1) Net interest income / average balance of earnings assets, annualized. It does not include recovery of write-offs

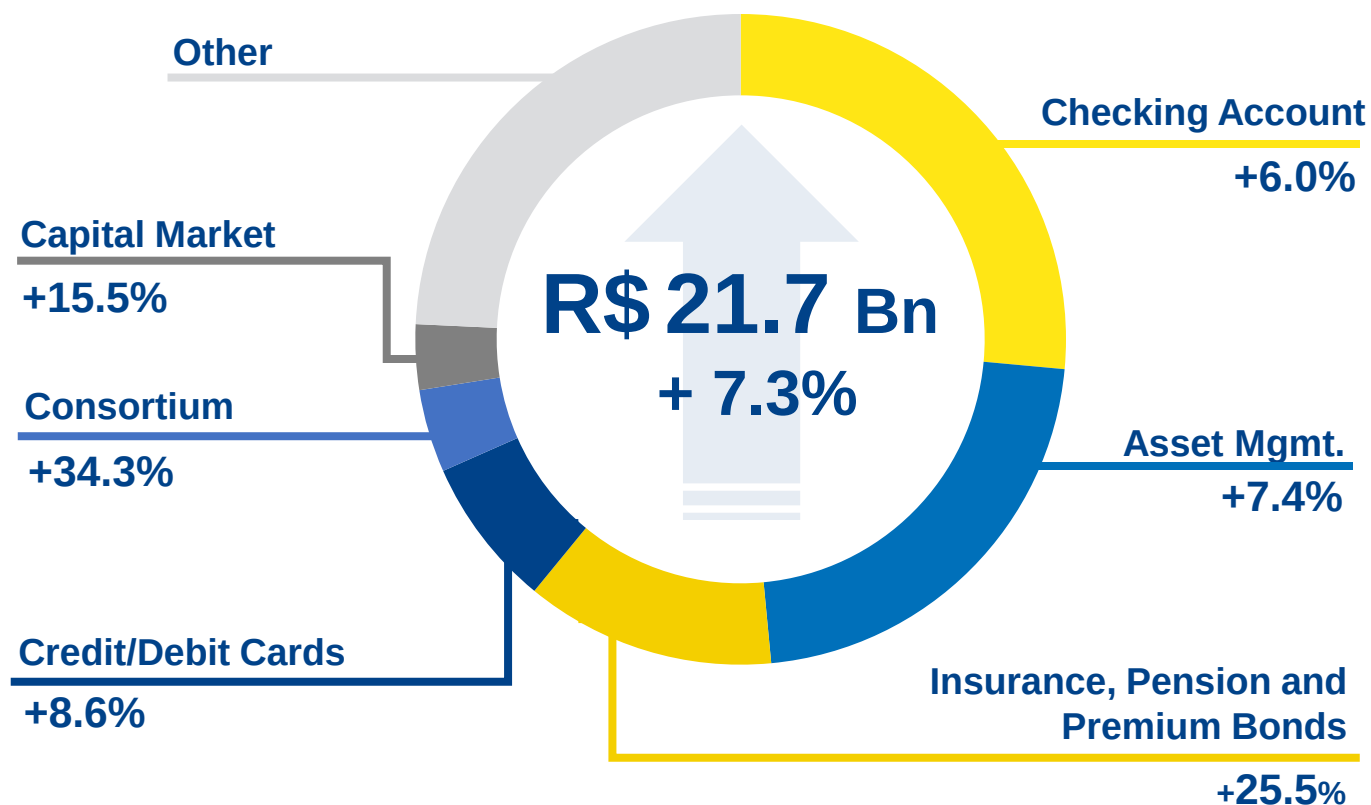
(2) It does not include government operations.

Fee Income (9M19 vs 9M18)

Guidance 2019 (%)

5.0

8.0



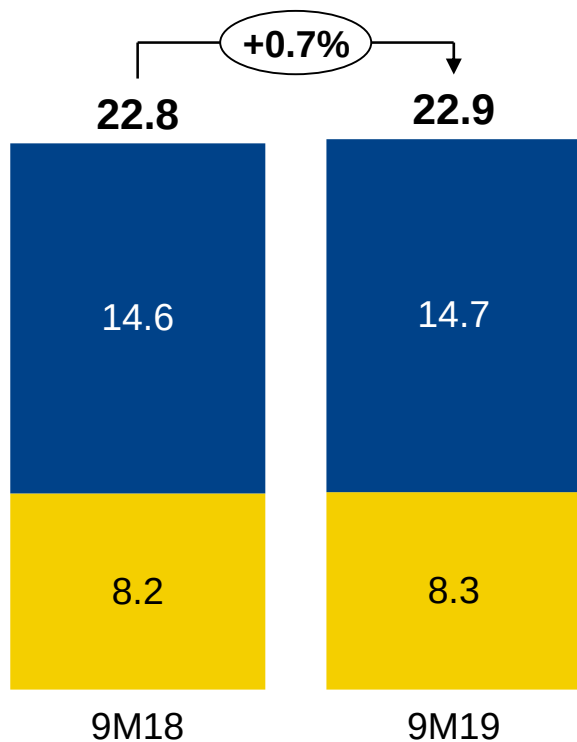
- **Growth** above inflation

- Revenues' growth expectation with **cross-selling** and **upselling**

Administrative Expenses and Cost-to-Income Ratio

Guidance 2019 (%)

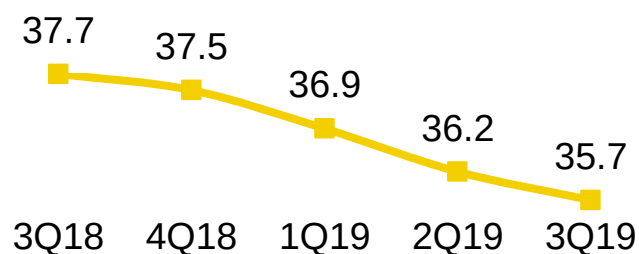
2.0 5.0



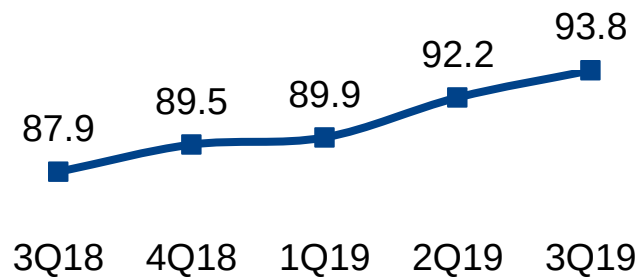
R\$ billion

■ Personnel Expenses
■ Other Administrative Expenses

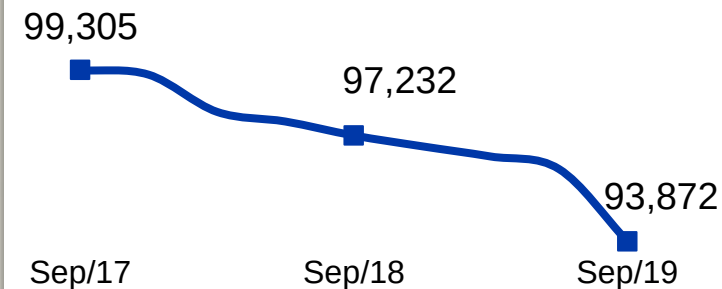
Cost to Income Ratio (12 months)¹



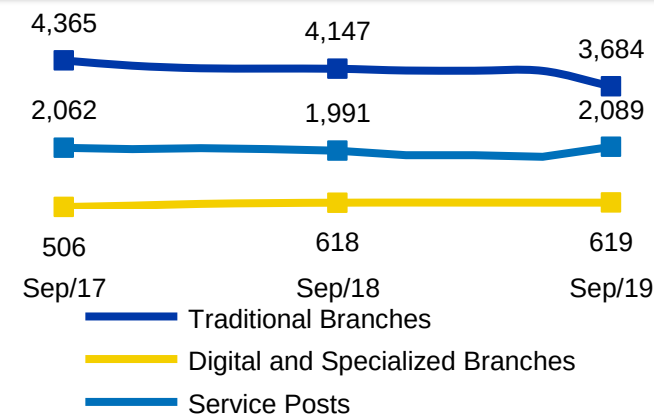
Coverage Ratio (12 months)²



Number of Employees



Number of Branches



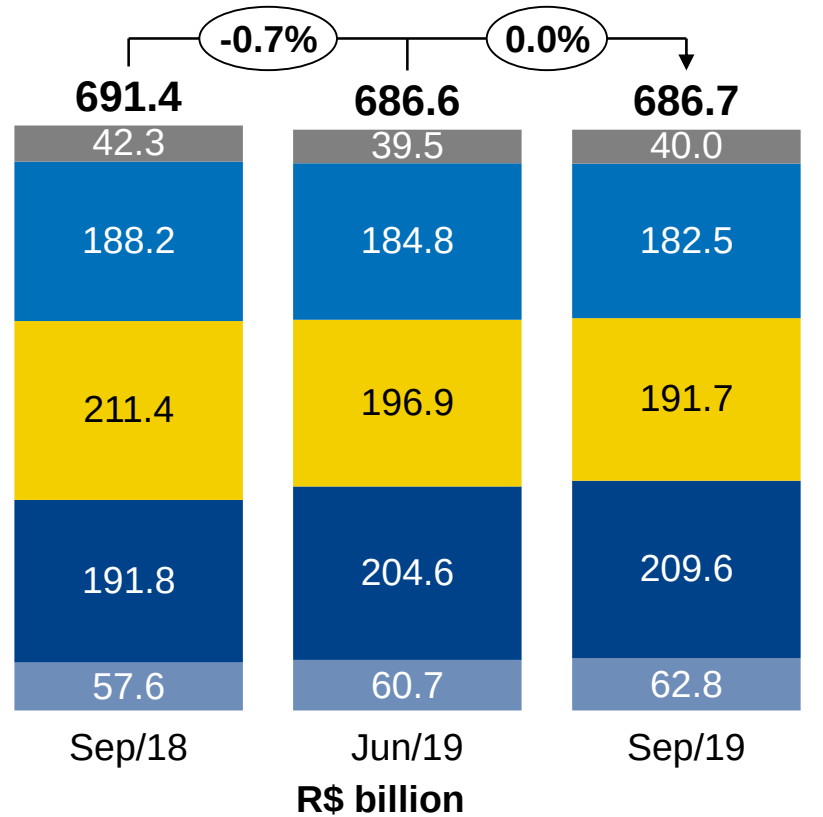
(1) Administrative Expenses / Operating Revenues, 12 months accumulated. Data refers to the income statement with reallocations.

(2) Fee Income / Administrative Expenses, 12 months accumulated. Data refers to the income statement with reallocations.

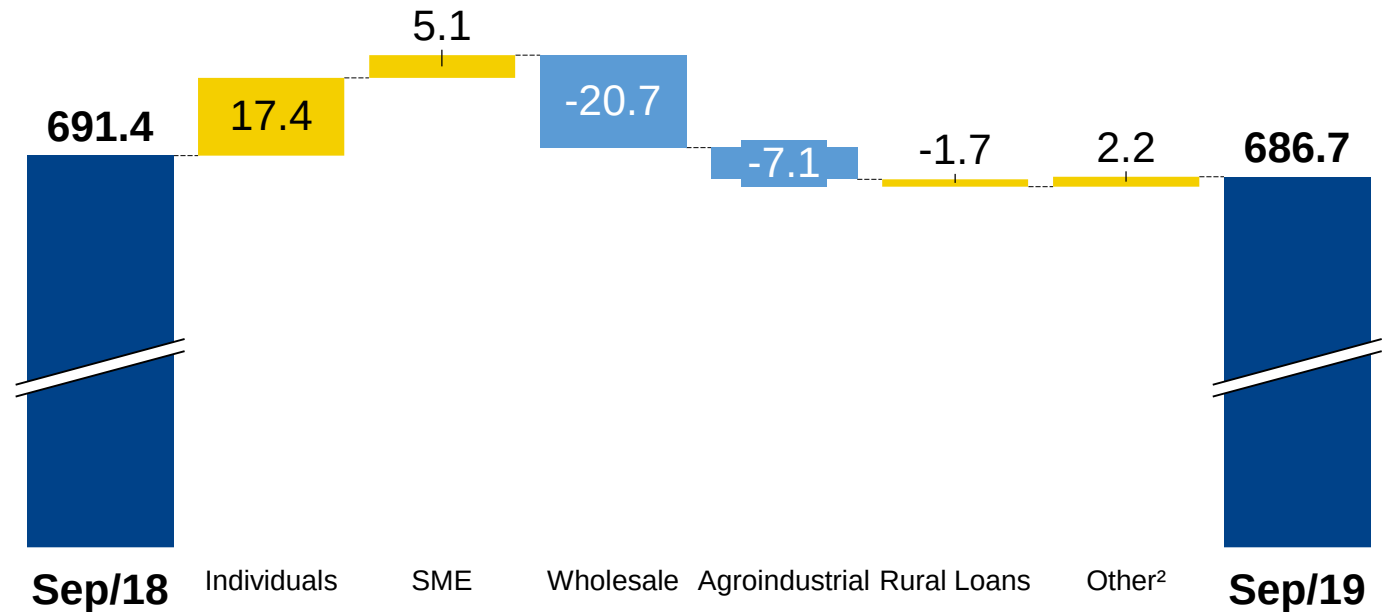
Loan Portfolio¹

Guidance 2019 (%)

-2.0 1.0



Abroad
 Agribusiness
 Middle Market and Corporates + Government
 SME
 Individuals



Percentage of the Loan Portfolio

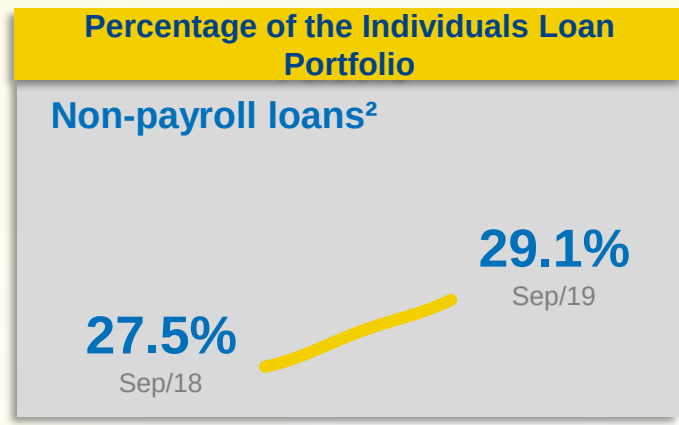
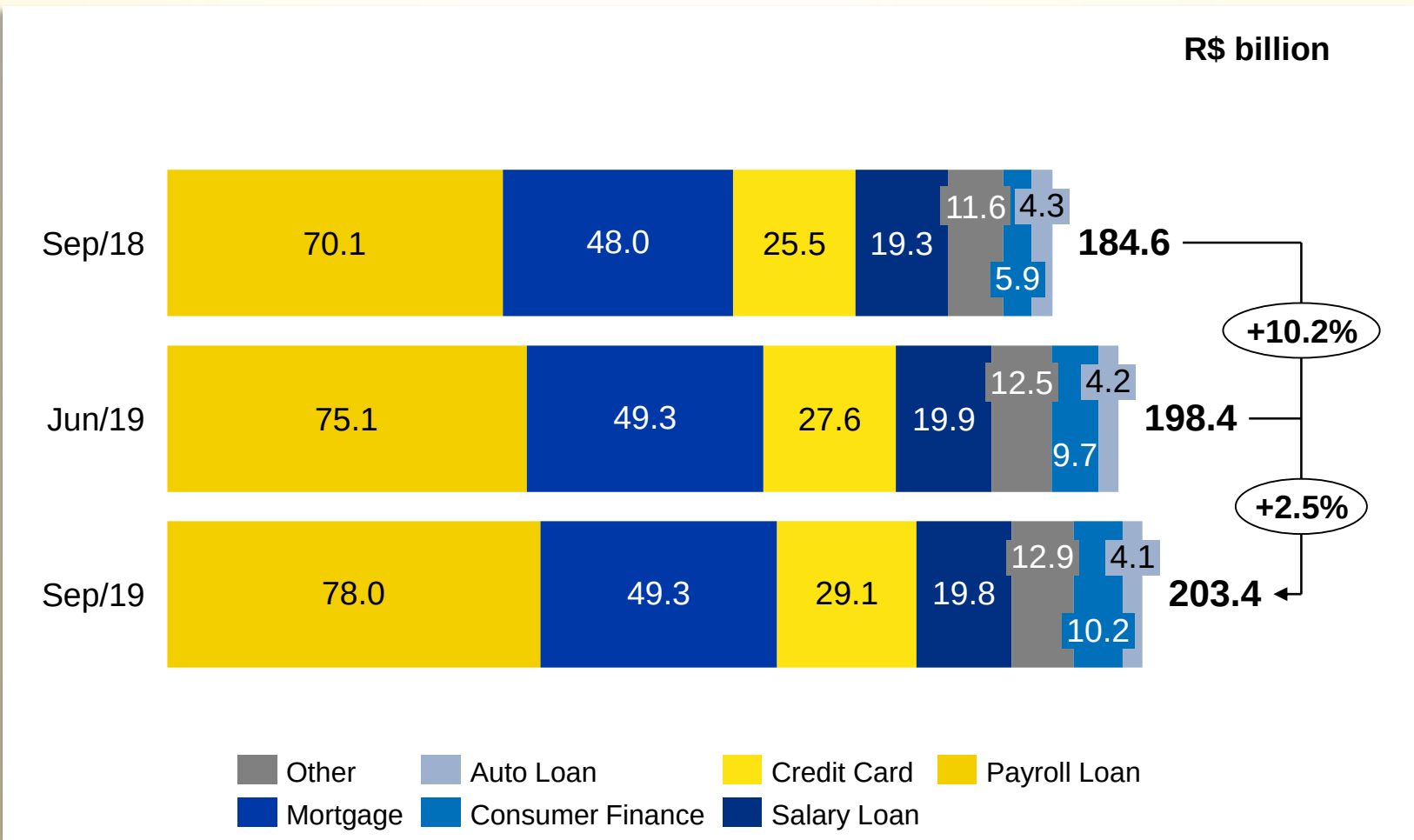
Retail Operations
(Individuals + SME)

36.0%
Sep/18

39.6%
Sep/19

- (1) It includes private securities and guarantees provided.
 (2) Variation in the government and abroad portfolios and guarantees.

Individuals Loan Portfolio¹



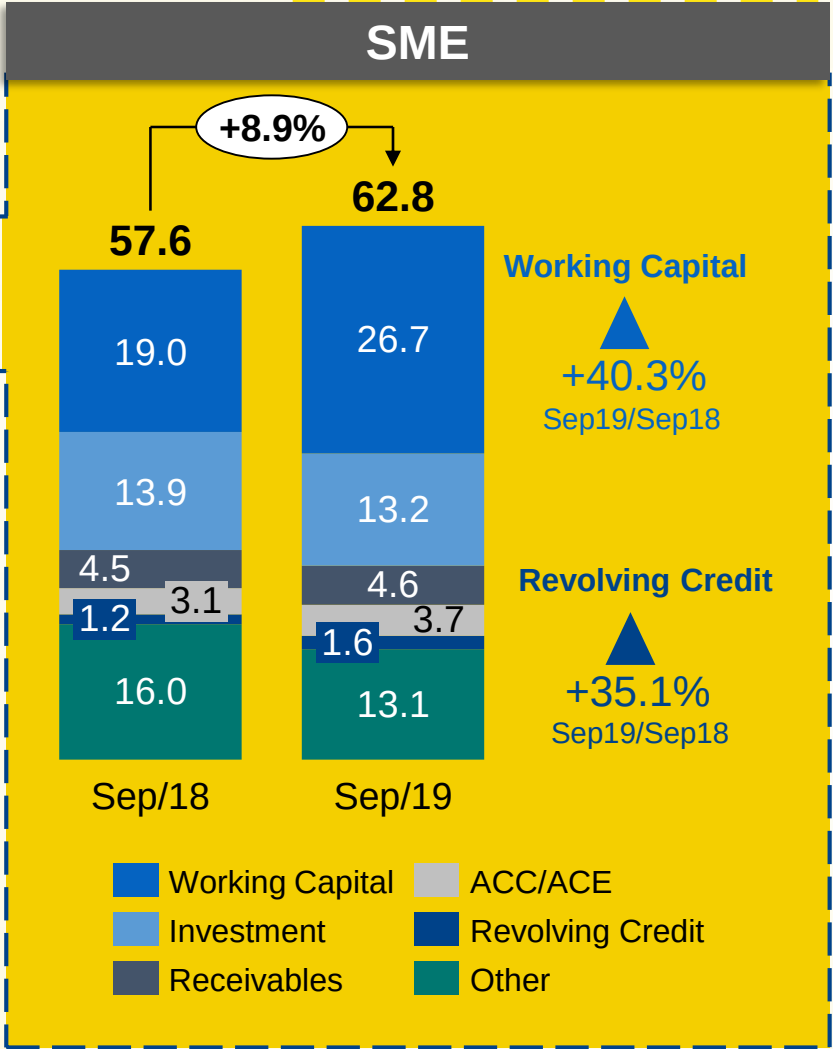
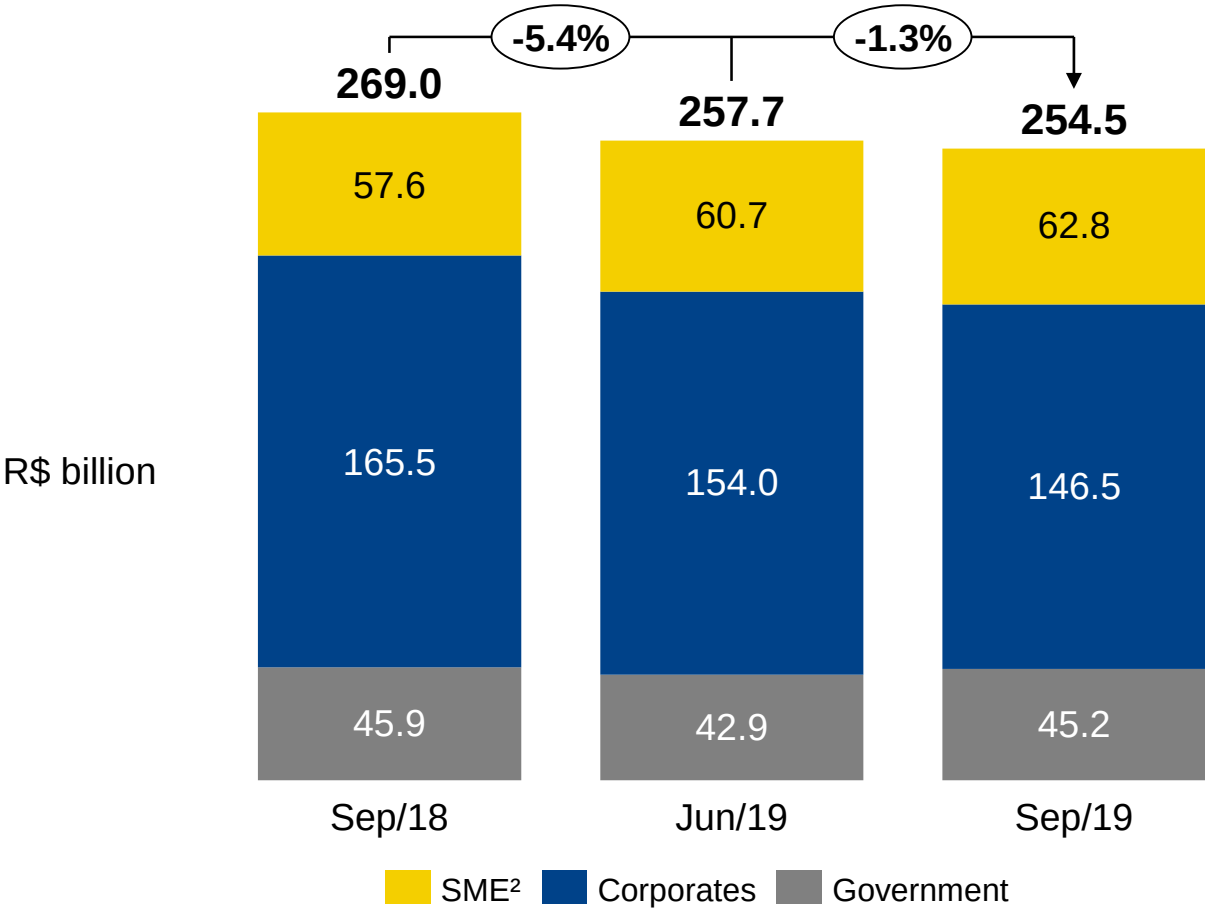
- **Consumer Finance:**
+73% Sep/19 vs Sep/18
- **Credit Card:**
+14% Sep/19 vs Sep/18

(1) It considers the organic Loan Portfolio.
(2) It includes Consumer Finance, Salary Loan and Credit Card.

Companies Loan Portfolio¹

Guidance 2019 (%)

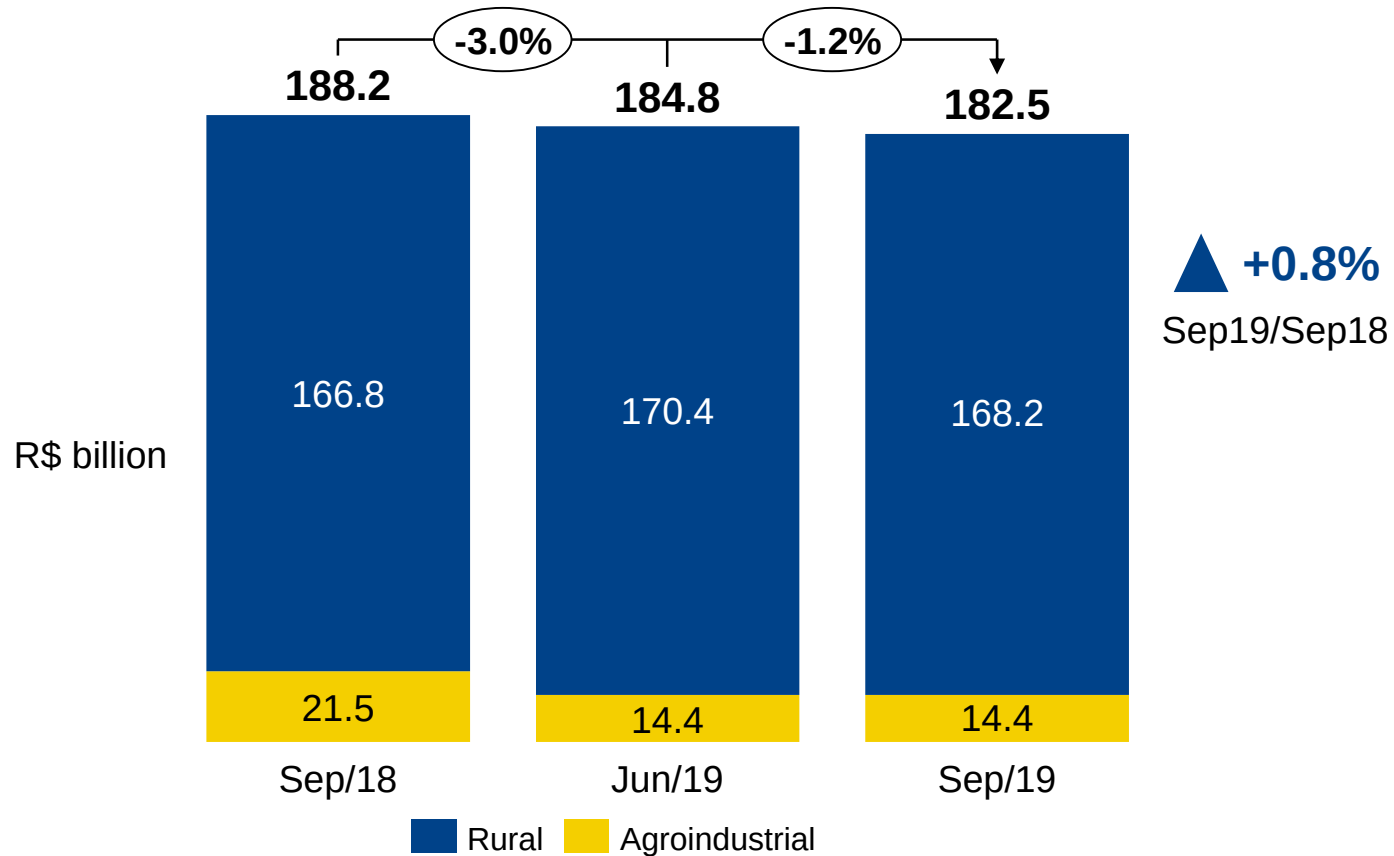
-13.0 -10.0



(1) Expanded view. It includes private securities and guarantees provided.
(2) Companies with gross revenue up to R\$ 200 million.

Agribusiness Loans¹

Guidance 2019 (%)
0.5 3.0

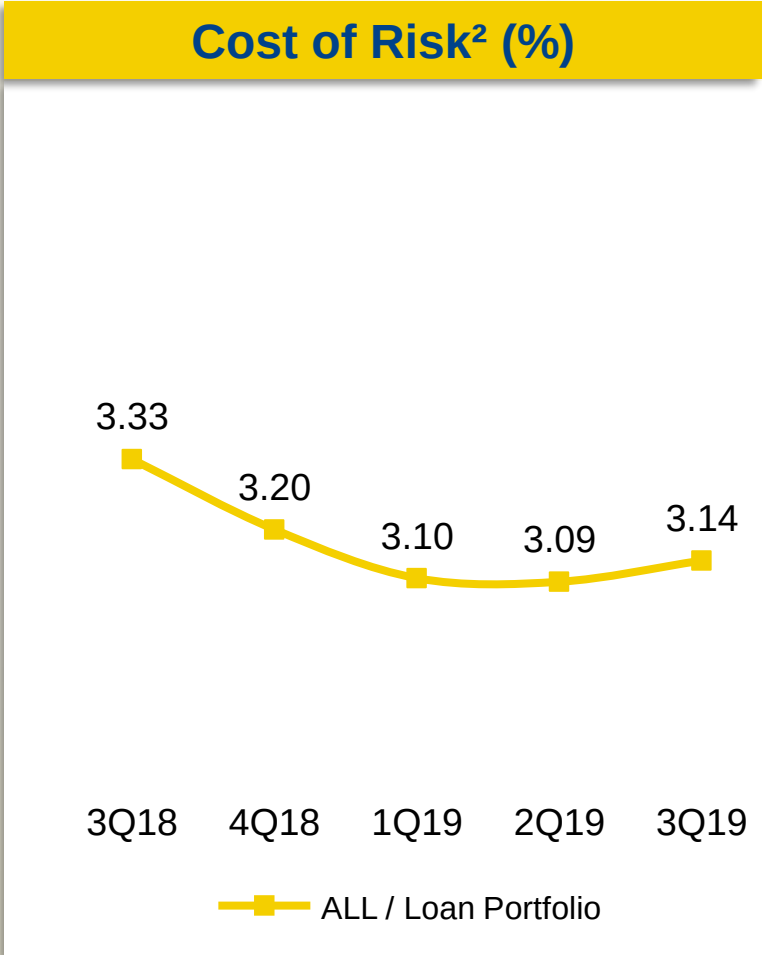
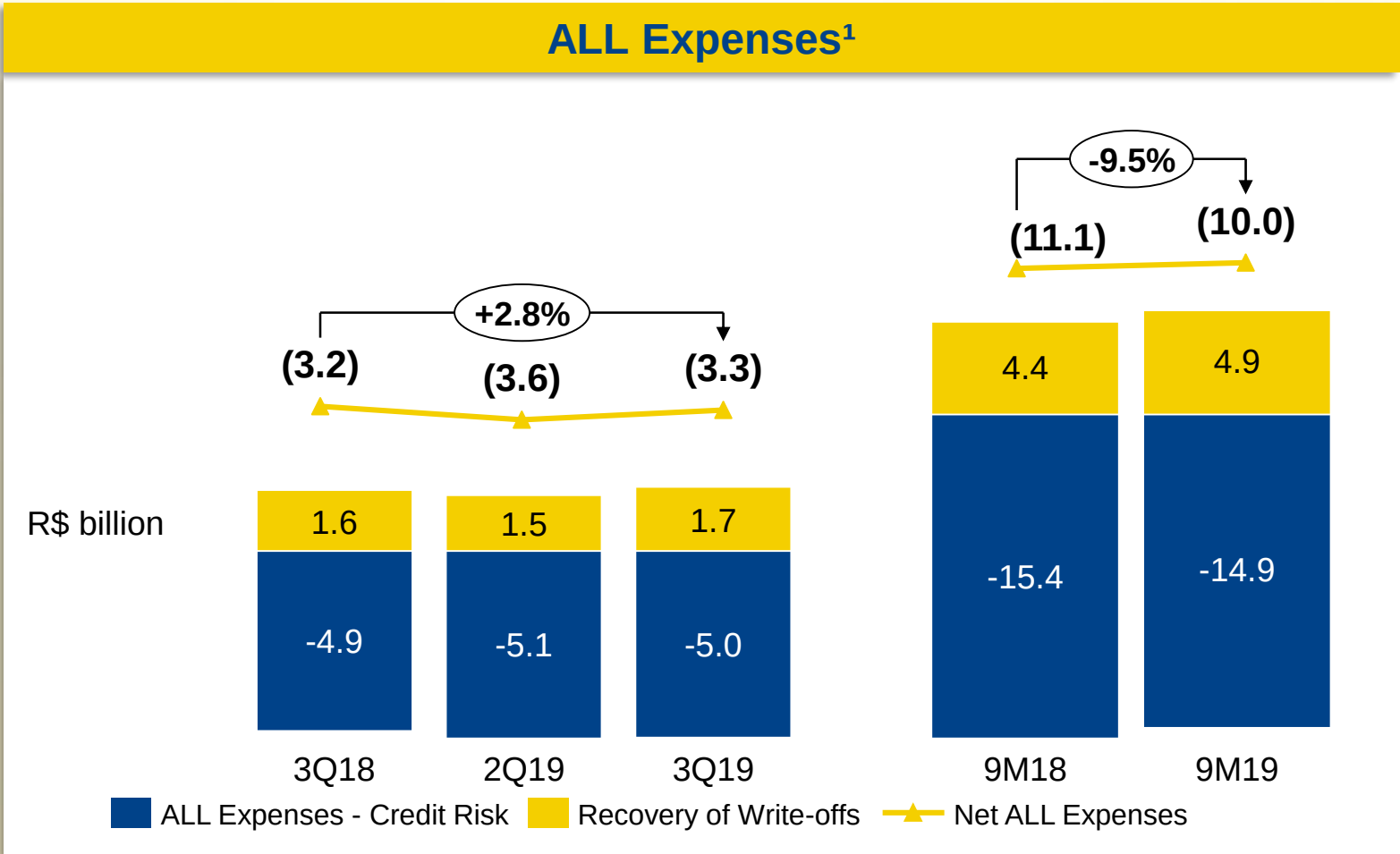


- **65.1% Rural Credit** Market Share

- **4.5% growth** in the Agro portfolio for individuals 3Q19/3Q18
Aligned with the strategy to grow in **more profitable lines**

(1) It includes Rural Product Bills and guarantees provided.

ALL Expenses – Total Loan Portfolio

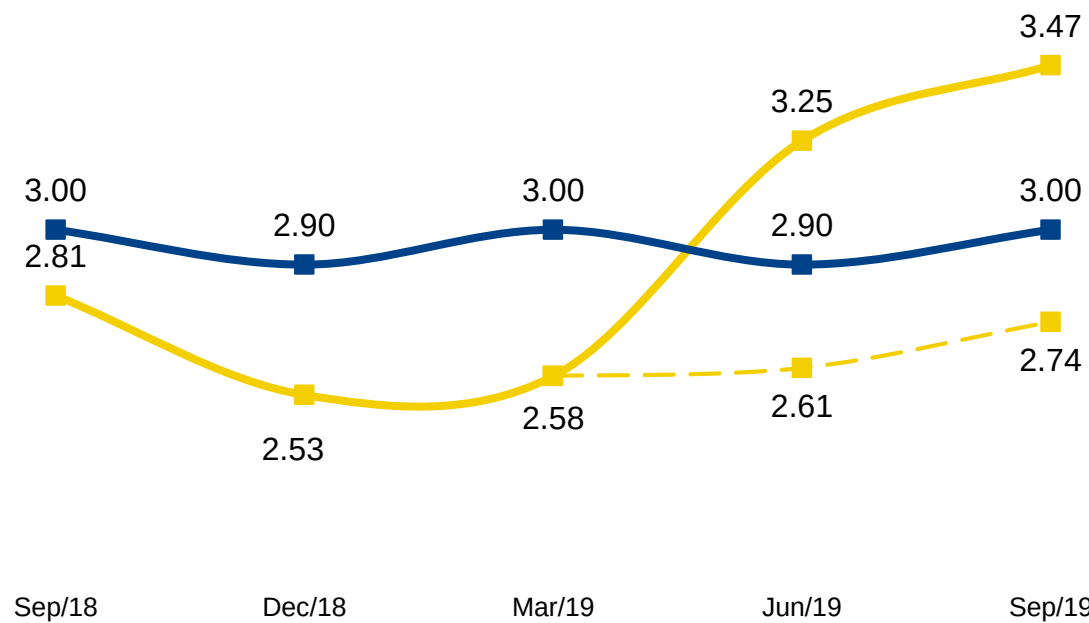


(1) Allowance for Loan and Lease Losses Expenses Net of Recovery of Write-offs.(2) ALL expenses accumulated in 12 months / 12 months Average Loan Portfolio.

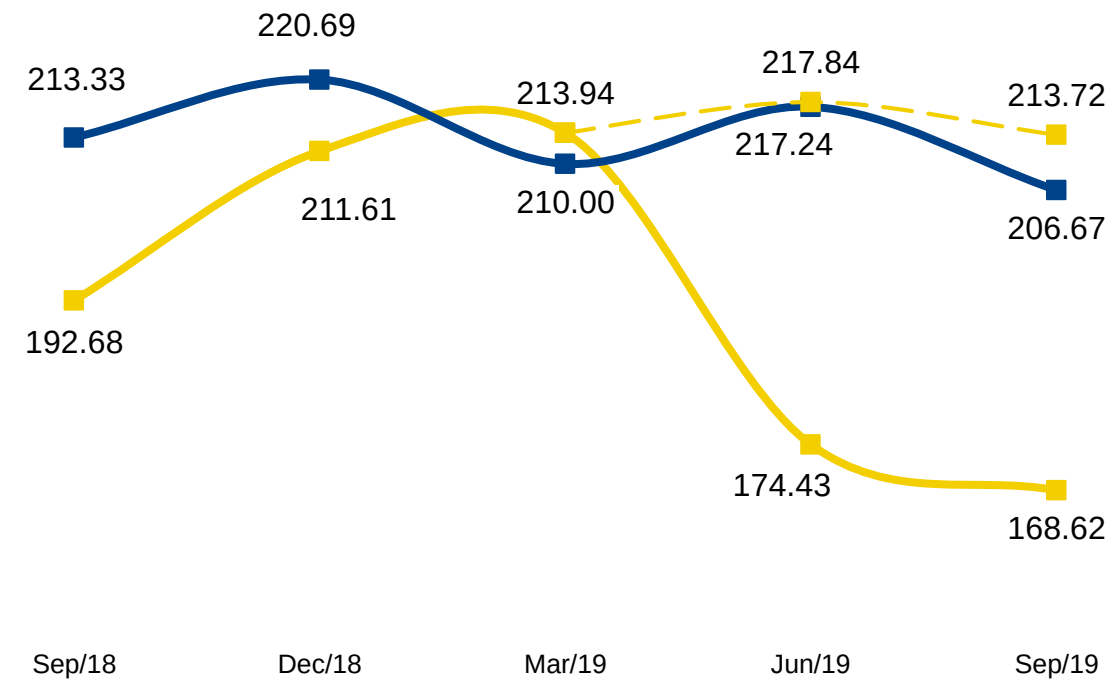
Credit Quality – Total Portfolio



NPL +90 days (%)



Coverage Ratio (%)



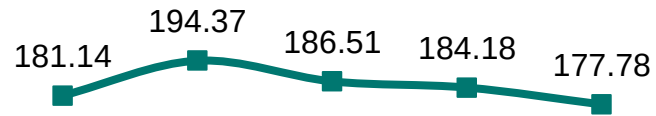
—■— BB —■— Banking Industry —■— BB ex-specific case

Credit Quality by Segment

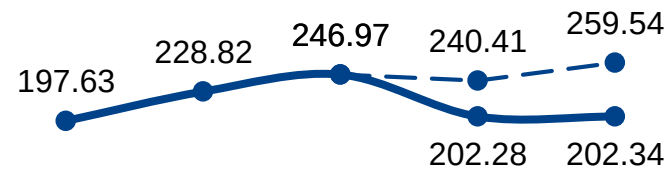


Coverage (%)

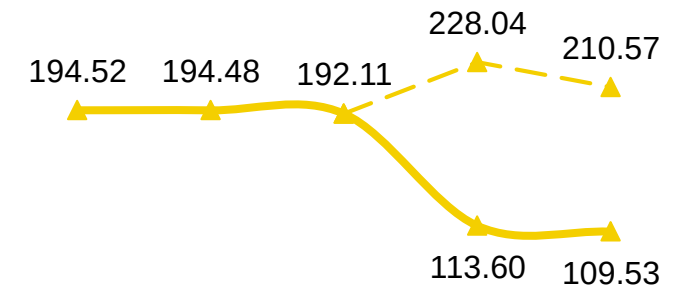
Individuals



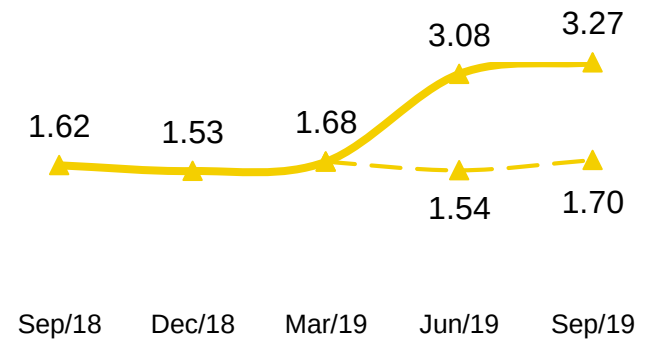
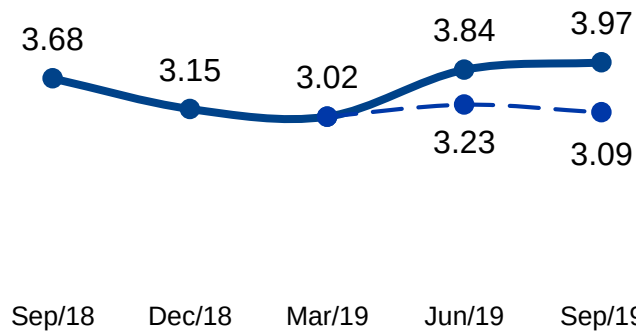
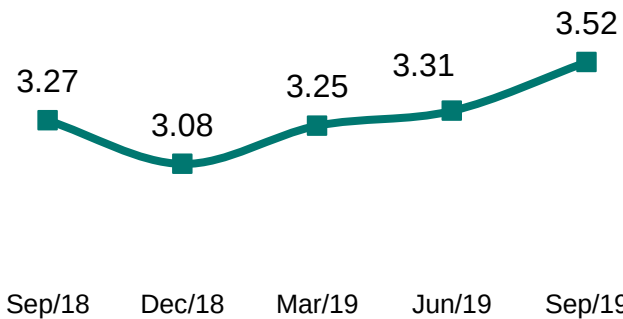
Companies



Agribusiness



NPL +90 days (%)

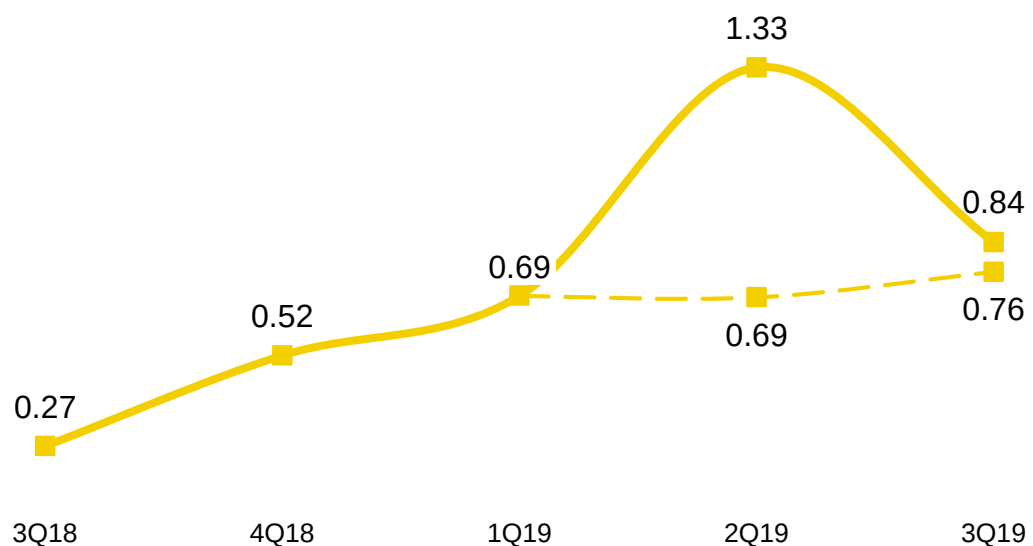


--- Ex-Specific Case

New NPL¹



BB Portfolio

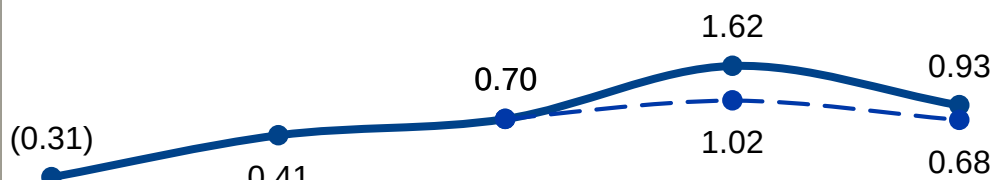


By Segment

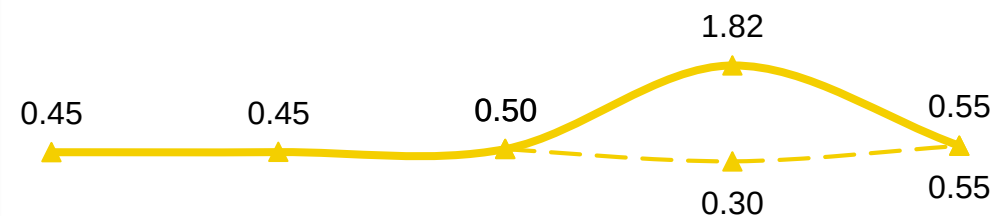
Individuals



Companies



Agribusiness

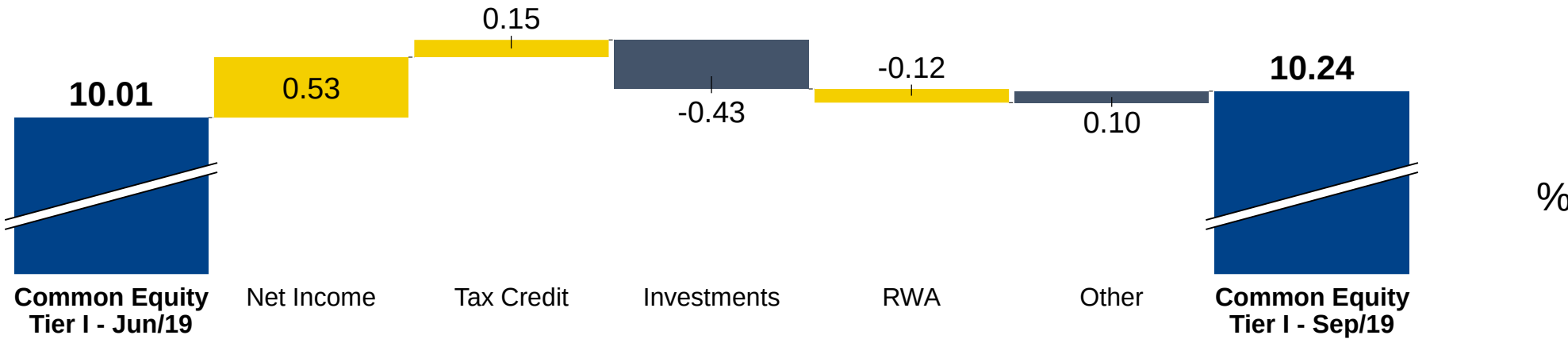
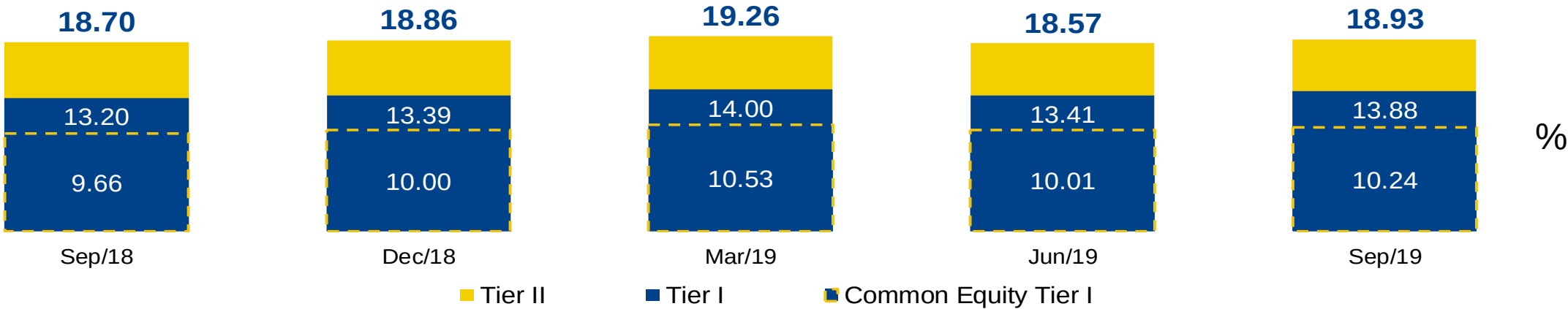


-- -- Ex-Specific Case

(1) Quarterly change in the balance of transactions over 90 days past due + current quarter write-offs / Classified Loan Portfolio of the previous quarter.

Capital

Minimum CET1 of 11% in January/2022



Guidance 2019



	2019 Guidance	9M19 Performance	Revised Guidance
Adjusted Net Income - R\$ billion	14.5 to 17.5	13.2	16.5 to 18.5
NII - %	3 to 7	4.6	Unchanged
Loan Portfolio¹ (%)	-2 to 1	-0.1	Unchanged
Individuals (%)	8 to 11	10.4	Unchanged
Companies ² (%)	-13 to -10	-8.6	Unchanged
Rural Loans (%)	3 to 6	0.8	0.5 to 3.0
Net ALL Expenses - R\$ billion	-14.5 to -11.5	-10.0	Unchanged
Fee Income (%)	5 to 8	7.3	Unchanged
Administrative Expenses (%)	2 to 5	0.7	Unchanged

1 - Organic Domestic Loan Portfolio with private securities and guarantees. Government operations not included.

2 - Government operations not included.



21 Net Income Breakdown

22 Income Statement with
Reallocations

23 One-Off Items

24 Net Interest Income

25 Commercial Funding

26 Loan Portfolio by Risk Level

27 Renegotiated Overdue Loan
Portfolio

28 Portfolio Delinquency

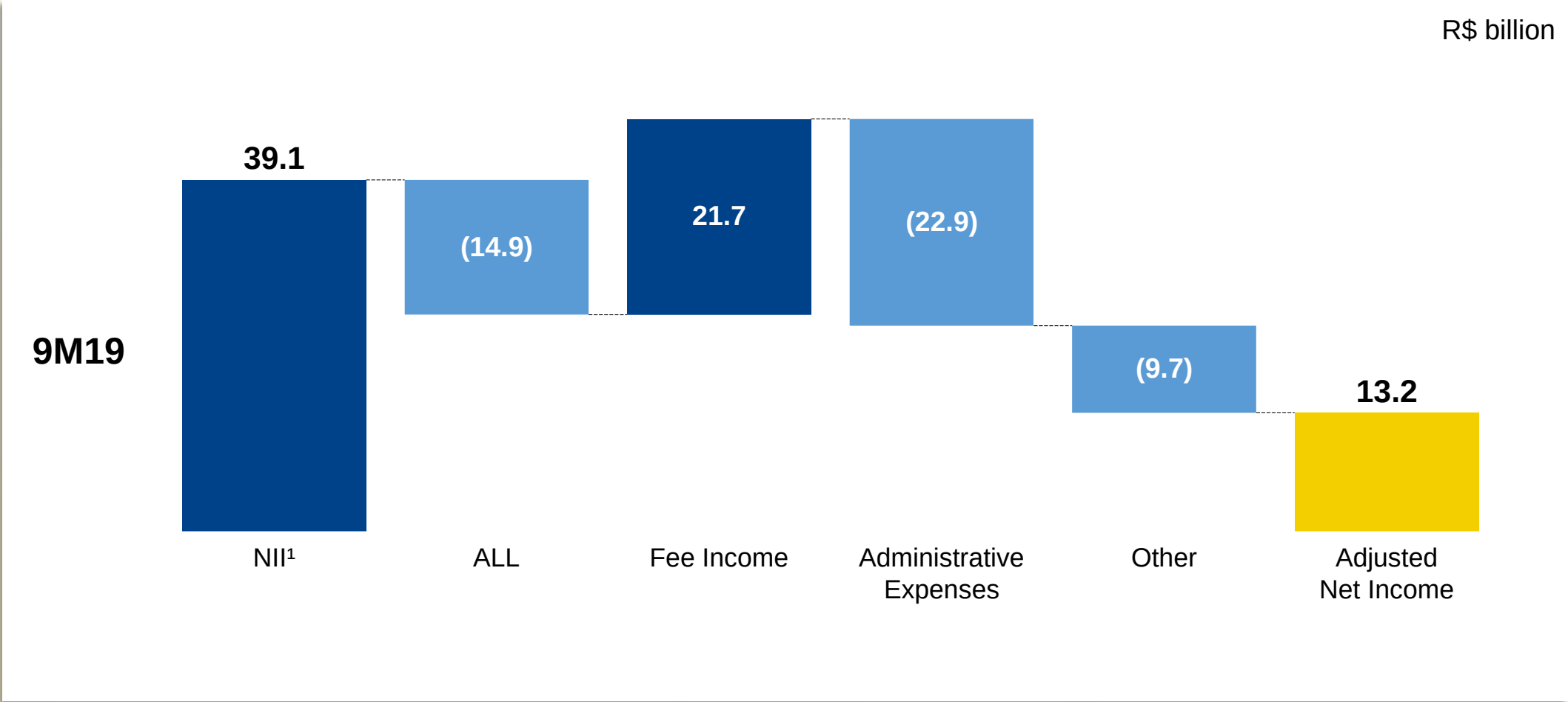
29 Vintages

30 Disbursements

APPENDIX



Net Income Breakdown



(1) NII net of recovery or White-offs.

Income Statement with Reallocations – Main Lines



	3Q18	2Q19	3Q19	Chg. (%) on		9M18	9M19	Chg. (%) on
				3Q18	2Q19			9M18
Net Interest Income	12,644	13,062	13,260	4.9	1.5	37,340	39,062	4.6
Allowance for Loan Losses	(3,226)	(3,561)	(3,316)	2.8	-6.9	(11,053)	(10,003)	-9.5
ALL Expenses - Credit Risk	(4,858)	(5,055)	(5,037)	3.7	-0.4	(15,441)	(14,944)	-3.2
Credit Recovery	1,632	1,494	1,721	5.5	15.2	4,388	4,941	12.6
Net Financial Margin	9,417	9,501	9,944	5.6	4.7	26,287	29,058	10.5
Fee income	6,871	7,439	7,466	8.7	0.4	20,217	21,701	7.3
Contribution Margin	15,175	15,864	16,456	8.4	3.7	43,072	47,557	10.4
Administrative Expenses	(7,593)	(7,649)	(7,710)	1.5	0.8	(22,757)	(22,926)	0.7
Commercial Income	7,451	8,084	8,629	15.8	6.7	19,902	24,256	21.9
Other Operating Income	(156)	67	(340)	117.4	-	(486)	(68)	-86.1
Income Before Taxes	6,016	6,037	6,398	6.3	6.0	16,716	18,469	10.5
Income and Social Contribution Taxes	(1,832)	(571)	(850)	-53.6	49.0	(4,706)	(2,272)	-51.7
Statutory Profit Sharing	(432)	(604)	(584)	35.1	-3.3	(1,227)	(1,733)	41.2
Adjusted Net Income	3,402	4,432	4,543	33.5	2.5	9,668	13,222	36.8
One-Off Items	(227)	(225)	(287)	26.5	27.4	(609)	(754)	23.8
Net Income	3,175	4,207	4,256	34.0	1.2	9,059	12,468	37.6

One-Off Items



R\$ million

	3Q18	2Q19	3Q19	Chg. (%) on		9M18	9M19	Chg. (%) on
				3Q18	2Q19			9M18
Adjusted Net Income	3,402	4,432	4,543	33.5	2.5	9,668	13,222	36.8
One-Off Items	(227)	(225)	(287)	26.5	27.4	(609)	(754)	23.8
Economic Plans	(444)	(547)	(993)	123.6	81.4	(1,486)	(2,004)	34.8
Extraordinary Provision for Lawsuits	7	3	11	63.2	-	12	34	189.4
Provision Legal Law suits – Adjustment of Parameters	-	(1,579)	-	-	-	-	(1,579)	-
Tax Credit	-	1,034	-	-	-	-	1,034	-
BB Seguridade - Premium and Brokerage Adjustments	-	-	-	-	-	75	-	-
Real Estate exchange with the Federal Government	-	-	-	-	-	162	-	-
Sales of Investment - IRB-Brasil Resseguros S.A.	-	-	2,733	-	-	-	2,733	-
Staff Adequacy Program - PAQ	-	-	(250)	-	-	-	(250)	-
Intangible Assest Impairment - VRN	-	-	(983)	-	-	-	(983)	-
Securities Impairment	-	-	(853)	-	-	-	(853)	-
Tax Eff. and Stat. Prof. on One-Off Items	211	864	49	-76.9	-94.4	628	1,114	77.4
Net Income	3,175	4,207	4,256	34.0	1.2	9,059	12,468	37.6

Net Interest Income

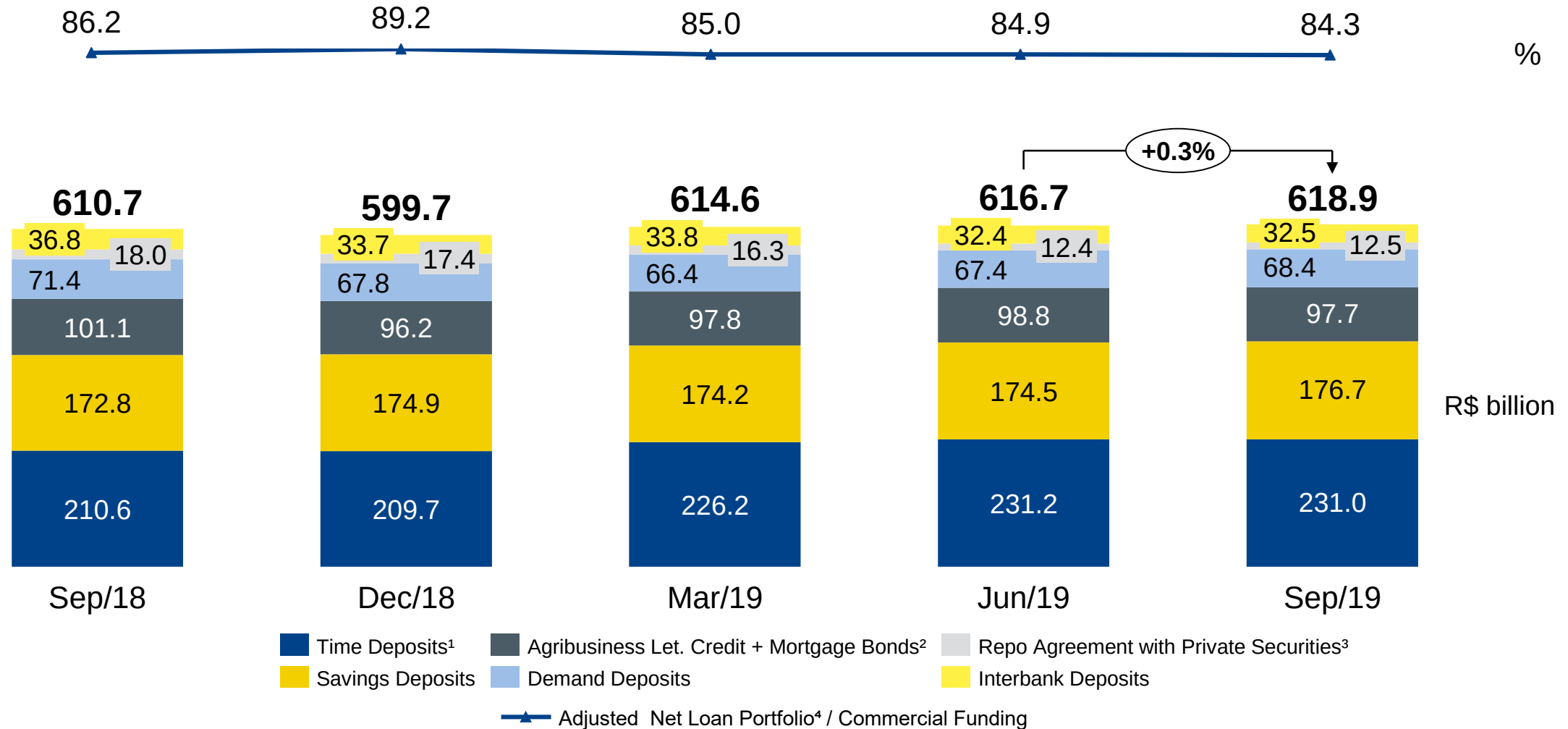


R\$ million

	3Q18	2Q19	3Q19	Chg. (%) on 3Q18 2Q19		9M18	9M19	Chg. (%) on 9M18
Net Interest Income	12,644	13,062	13,260	4.9	1.5	37,340	39,062	4.6
Loan Operations	18,455	18,655	18,222	-1.3	-2.3	55,436	55,254	-0.3
Funding Expenses	(6,190)	(6,582)	(6,213)	0.4	-5.6	(18,156)	(19,174)	5.6
Financial Expense for Institutional Funding ¹	(2,734)	(2,565)	(2,458)	-10.1	-4.2	(8,311)	(7,435)	-10.5
Treasury ²	3,112	3,554	3,710	19.2	4.4	8,371	10,416	24.4

(1) It includes senior bonds, subordinated debt, and Hybrid Instruments in Brazil and abroad. (2) It includes the result from interest, tax hedging, derivatives, and other financial instruments that offset the effects of the exchange rate variation in the result.

Commercial Funding



R\$ billion

(1) It includes Other Deposits. (2) It includes the balance of CRI (Certificates of Real Estate Receivables). (3) It includes part of the balances of the Private Securities shown on Notes to the Consolidated Financial Statements. (4) It does not include the domestic onlending loans.

Loan Portfolio by Risk Level¹



R\$ million

	Sep/18					Jun/19					Sep/19				
	Balance	Minimum	Provision Supplementary	Required	Share %	Balance	Minimum	Provision Supplementary	Required	Share %	Balance	Minimum	Provision Supplementary	Required	Share %
AA	331,402	0	0	0	52.1	305,770	0	0	0	48.8	306,385	0	0	0	48.9
A	66,036	330	38	368	10.4	71,219	356	43	399	11.4	64,831	324	38	363	10.4
B	133,225	1,332	468	1,801	21.0	141,931	1,419	490	1,909	22.7	145,473	1,455	512	1,967	23.2
C	53,886	1,617	1,041	2,657	8.5	56,875	1,706	1,239	2,945	9.1	57,771	1,733	1,337	3,070	9.2
D	12,860	1,286	574	1,860	2.0	10,196	1,020	171	1,191	1.6	10,591	1,059	186	1,245	1.7
E	9,797	2,939	58	2,997	1.5	8,078	2,424	7	2,430	1.3	8,469	2,541	25	2,565	1.4
F	4,750	2,375	63	2,438	0.7	9,198	4,599	33	4,632	1.5	7,663	3,832	32	3,864	1.2
G	4,127	2,889	3	2,892	0.6	3,390	2,373	2	2,375	0.5	4,552	3,186	5	3,191	0.7
H	19,419	19,419	0	19,419	3.1	19,665	19,665	0	19,665	3.1	20,356	20,356	0	20,356	3.3
Total	635,502	32,188	2,245	34,432	100.0	626,322	33,562	1,985	35,547	100.0	626,090	34,485	2,136	36,621	100.0
AA-C	584,548	3,279	1,547	4,826	92.0	575,795	3,482	1,772	5,254	91.9	574,460	3,512	1,887	5,399	91.8
D-H	50,954	28,909	698	29,606	8.0	50,527	30,080	213	30,293	8.1	51,630	30,973	248	31,222	8.2

(1) BB Classified Loan Portfolio.

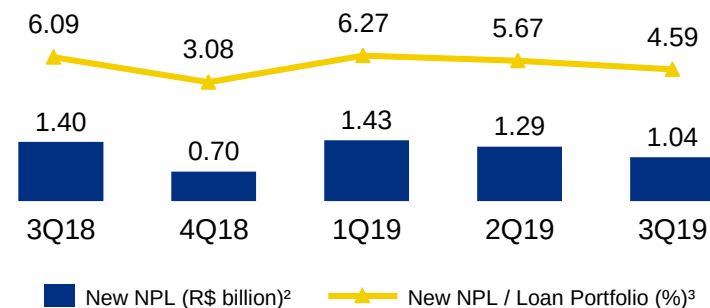
Renegotiated Overdue Loan Portfolio



R\$ million

	3Q18	2Q19	3Q19
Credits Renegotiated When Past Due - Changes			
Initial Balance	22,914	22,727	22,669
Contracts	2,403	2,736	2,756
Amortization Net of Interest ¹	(996)	(1,439)	(1,213)
Write-Off	(1,410)	(1,355)	(1,071)
Past due Renegotiated Loan Portfolio (A)	22,911	22,669	23,141
ALL Balance (B)	12,072	12,165	12,249
NPL + 90 days (C)	4,476	3,584	3,554
Indicators - %			
ALL / Loan Portfolio (B/A)	52.7	53.7	52.9
NPL + 90 days / Loan Portfolio (C/A)	19.5	15.8	15.4
ALL Balance/NPL + 90 days (B/C)	269.7	339.5	344.7
Credits Renegotiated/Classified Loan Portfolio	3.6	3.6	3.7

3Q19		
Credits Renegotiated	Contracts	%
0 to 14 days Past due	670	24.30
15 to 90 days Past due	705	25.58
Over 90 days Past due	857	31.09
Written-Off Recovery	524	19.03
Total	2,756	100



(1) Principal and interest payments net of interest accrued in the period. (2) Quarterly change in the balance of over 90 days past due transactions + current quarter write-off. (3) It considers the Classified Loan Portfolio of the previous quarter.

Portfolio Delinquency by Lines



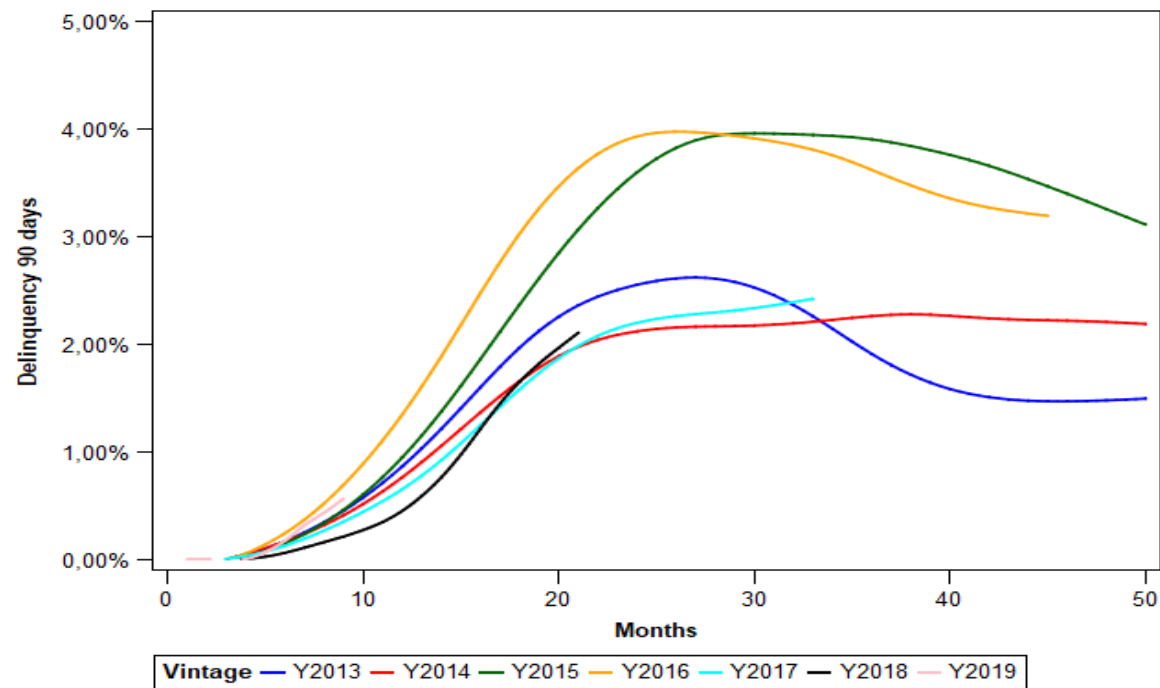
%

	Sep/18		Jun/19		Sep/19	
	NPL	Share %	NPL	Share %	NPL	Share %
Individuals	3.27	100.00	3.31	100.00	3.52	100.00
Payroll Loan	1.9	36.7	1.8	36.9	1.7	37.4
Mortgage	2.9	25.0	3.2	24.2	3.1	23.6
Credit Card	2.6	13.3	3.2	13.5	3.3	13.9
Salary Loan	4.7	10.1	4.2	9.8	4.2	9.5
Auto Loans	1.0	5.8	1.2	4.8	1.2	4.6
Companies	3.68	100.00	3.84	100.00	3.97	100.00
Working Capital	1.2	49.9	1.6	49.5	1.9	50.0
Investments	1.4	23.8	2.5	23.8	2.4	24.3
FEC/ACE	1.0	8.0	0.0	8.6	0.2	7.9
Receivables	1.4	5.4	1.0	6.0	1.1	5.7
Agribusiness	1.62	100.00	3.08	100.00	3.27	100.00
Pronaf	3.1	23.1	3.2	24.1	3.4	24.0
Working Capital for Input Purchase	1.0	19.6	0.9	21.0	1.1	20.2
Pronamp	2.5	12.8	2.2	12.6	2.4	12.8
BNDES/Finame Rural	1.9	3.6	0.9	3.7	1.3	3.6

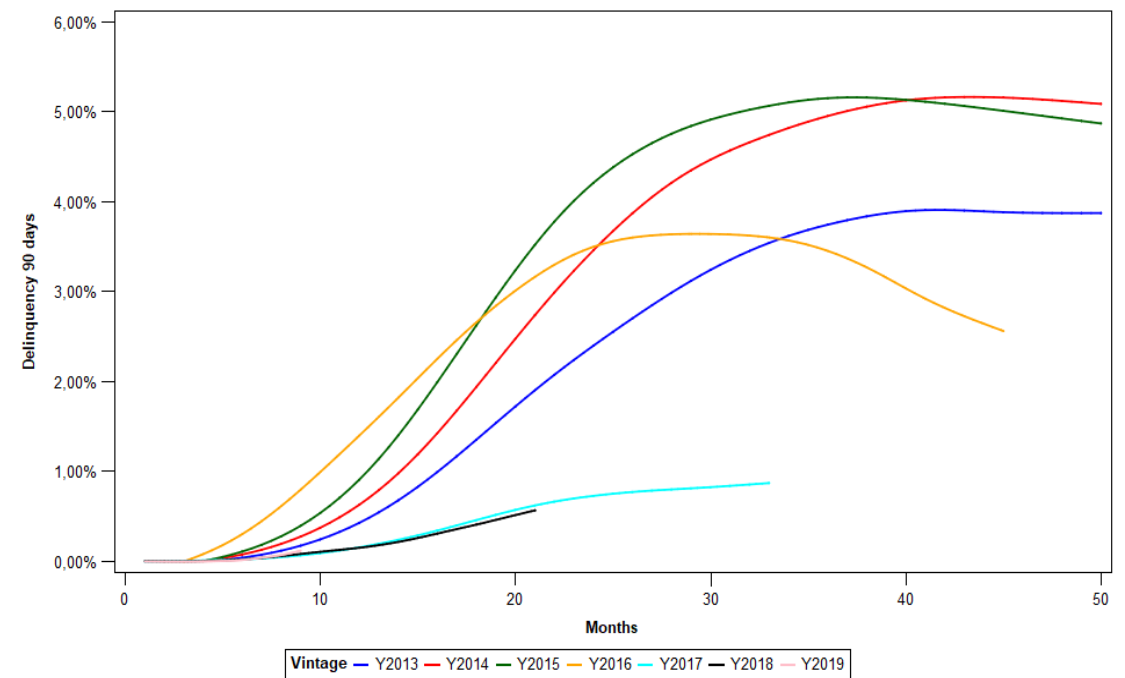
Vintages



Annual Vintage – Individuals Loan Portfolio



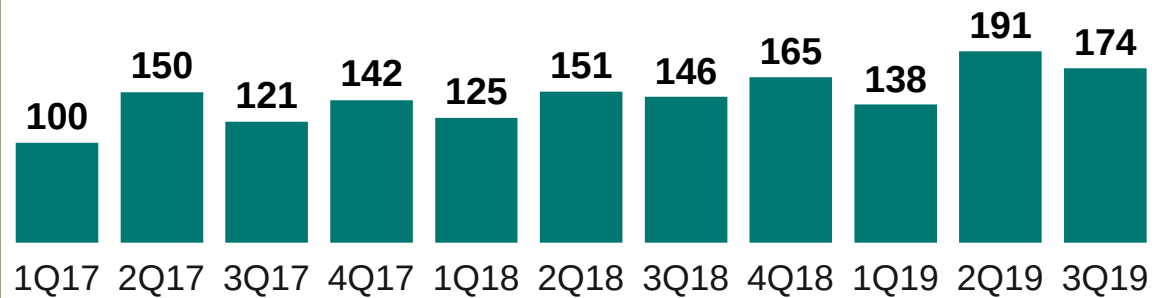
Annual Vintage – SME Loan Portfolio



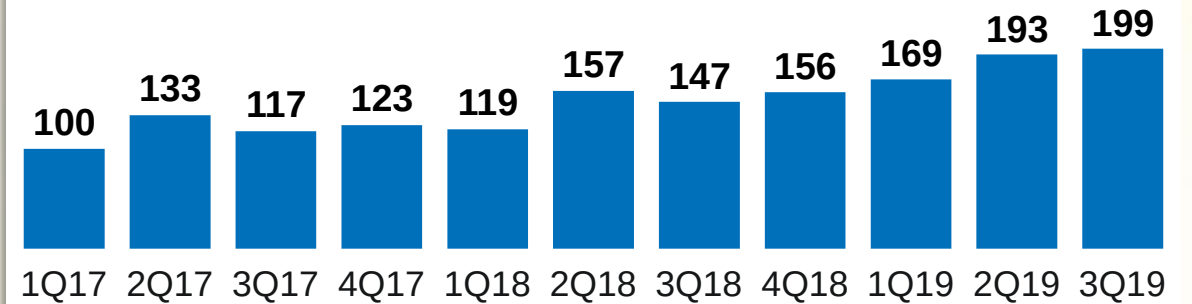
Gross Quarterly Disbursement¹ (Base 100 on 1Q17)



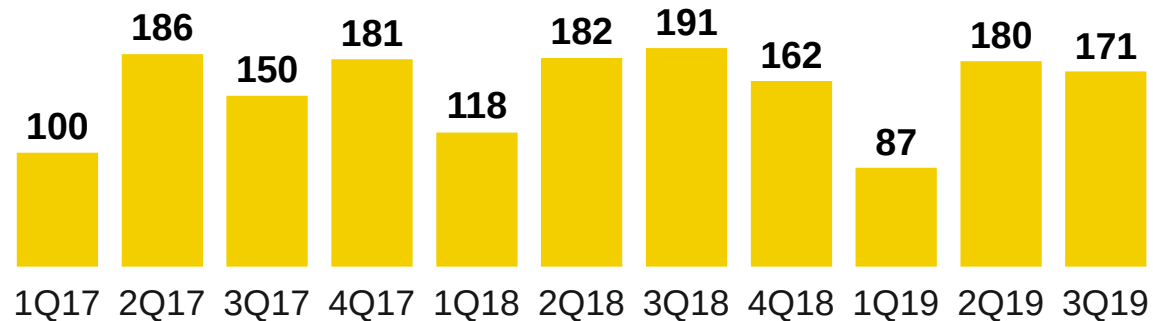
Brazil



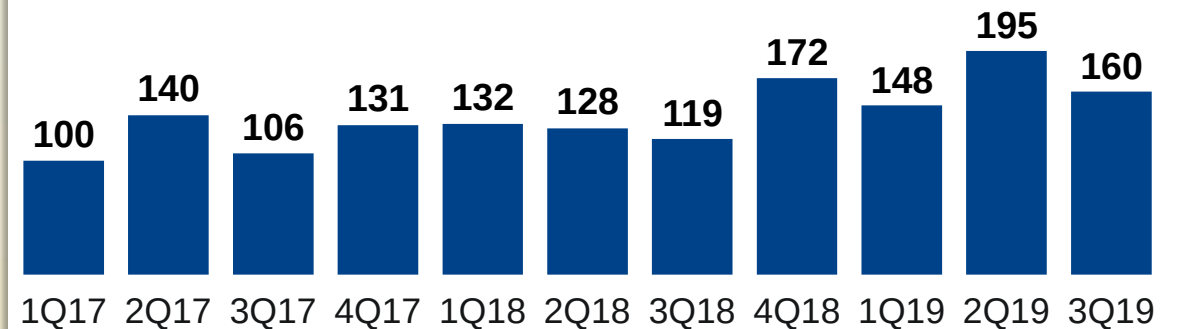
Individuals Loan



Agribusiness Loans



Companies Loans





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