



Recurring Net Income

R\$ 6.8 billion

+35.2% in the quarter

+2.3% in 12 months (4Q20 x 4Q19)



Quarterly ROAE

20.0%

+4.8 p.p. in the quarter

-1.2 p.p. in 12 months (4Q20 x 4Q19)



Reduction of

R\$ 3.2 billion

in the operating expenses
during the year

(disregarding the provision for the adverse economic
scenario of the Insurance Group)

12 – month ER

46.3%

Improvement of 2.7 p.p.

(12M20 x 12M19)



Expanded Loan Portfolio

R\$ 687 billion

+10.3% in 12 months

+3.4% in the quarter



COMPANIES

+9.4%

in 12 months

+1.4%

in the quarter



INDIVIDUALS

+11.7%

in 12 months

+6.9%

in the quarter

Expanded ALL

R\$ 4.6 billion

-18.3% in the quarter

+14.7% in 12 months (4Q20 x 4Q19)

Coverage ratio over 90 days

402.8%

Delinquency ratio over 90 days

2.2%

Analysis of the 4Q20 Income

We closed the last quarter of the year with a Recurring Net Income of R\$6.8 billion, a growth of 35% compared to the previous quarter and 2% in the annual comparison (4Q20 vs. 4Q19). The quarterly ROAE returned to the levels observed before the COVID-19 pandemic, reaching 20% in the fourth quarter.

Our expanded loan portfolio continues to evolve, growing 3% in the quarter and 10% in the annual comparison. It is important to note the strong growth acceleration in individuals from 7% in the quarter and 12% in the year, driven mainly by the products of payroll-deductible loans and real estate financing. In companies, the emphasis is on the growth in the SMEs portfolio, which evolved 7% in the quarter and 19% in the year. In this quarter, we completed the acquisition of BAC Florida Bank (BAC) and we have now consolidated it in our financial statements. BAC has a portfolio of R\$8.6 billion.

Our Basel I Ratio grew 90 bps, remaining at 13.8%.

We have finalized the extension of loans in the fourth quarter. As a consequence, the balance of operations with a grace period closed the quarter with only R\$3.8 billion, of which 50% were settled in January. In December, the extension portfolio, net of amortizations totaled R\$48 billion, of which R\$41 billion or 86% of the balance of these operations had already returned to normal payment and only R\$2.9 billion were in arrears.

The Expanded ALL was of R\$4.6 billion, presenting a reduction of 18% in comparison to the previous quarter, even considering the increase of expenses with the impairment of financial assets, which was impacted by the case of a specific client, in the amount of R\$1 billion. Disregarding this effect, the total expenses would be a reduction of 36% in comparison to the previous quarter and 10% in comparison to 4Q19.

It is also worth noting the increase of our coverage ratio over 90 days that reached 403% in December, demonstrating our high level of provisioning and the reduction of the delinquency indicator overdue for more than 90 days, which showed a decline in all segments.

The net interest income reached R\$16.7 billion, with a growth of 9% in the quarter and 8% compared to the same period of the previous year, reflecting the good performance of the market portion. The client portion increased 3.3% in the quarter.

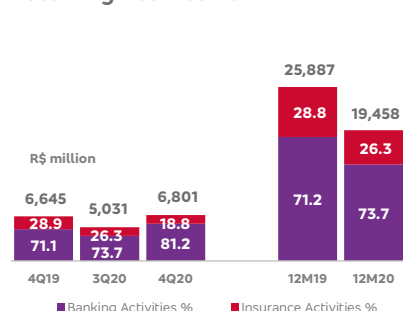
At the end of 2020, we made restructuring adjustments that resulted in the closure of 400 branches in the quarter (1,083 branches in the year).

Such actions linked to the strong cost control enabled a reduction of R\$3.2 billion or 6.6% in our operating expenses, contributing to an annual improvement in our operating efficiency. It is worth noting that our accrued ER for 12 months reached 46.3%, an improvement of 2.7 p.p., the best index of our historical series.

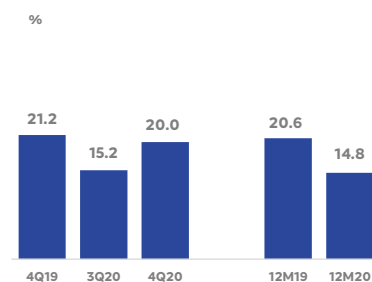
Fee and commission income, we had a strong growth of 7% in comparison with the previous quarter, driven, largely, by the gradual recovery of the economic activity, observed in the last months of 2020, and by the growth of our business.

In relation to Insurance activities, our operating income for the quarter was impacted mainly by the behavior of the economic-financial index, which affected the correction of the technical provisions, in addition to the reduction of the billing and the increase in the claims ratio, which was driven by the gradual resumption of the elective procedures and indemnifiable events due to the repressed demand during the period of social isolation. As a positive aspect, it is important to note the improvement of the financial income, with a growth of 43% in the quarter.

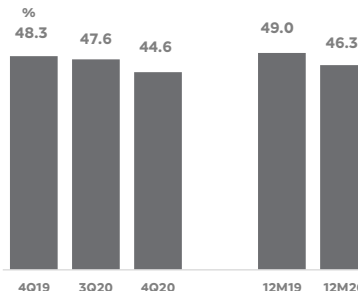
Recurring Net Income



ROAE



ER



Main Information

						Variation % (unless otherwise stated)		
	4Q20	3Q20	4Q19	12M20	12M19	4Q20 x 4Q19	4Q20 x 4Q19	12M20 x 12M19
R\$ million (unless otherwise stated)								
Recurring Income Statement								
Recurring Net Income ⁽¹⁾	6,801	5,031	6,645	19,458	25,887	35.2	2.3	(24.8)
Book Net Income	5,464	4,194	4,883	16,546	22,582	30.3	11.9	(26.7)
Operating Income	9,672	7,342	9,580	28,115	36,635	31.7	1.0	(23.3)
Net Interest Income	16,657	15,288	15,428	63,128	58,756	9.0	8.0	7.4
Expanded ALL	(4,568)	(5,588)	(3,981)	(25,754)	(14,408)	(18.3)	14.7	78.7
Fee and Commission Income	8,717	8,121	8,829	32,747	33,606	7.3	(1.3)	(2.6)
Operating Expenses (Personnel, Administrative and Other Operating Income / (Expenses))	(11,483)	(11,724)	(12,660)	(46,423)	(49,026)	(2.1)	(9.3)	(5.3)
Income from Insurance, Pension Plans and Capitalization Bonds	2,281	3,131	3,900	12,121	14,793	(27.1)	(41.5)	(18.1)
Statement of Financial Position								
Total Assets	1,644,804	1,659,687	1,409,305	1,644,804	1,409,305	(0.9)	16.7	16.7
Loans - Expanded Loan Portfolio	686,968	664,414	623,045	686,968	623,045	3.4	10.3	10.3
- Individuals	260,258	243,404	233,079	260,258	233,079	6.9	11.7	11.7
- Companies	426,711	421,010	389,966	426,711	389,966	1.4	9.4	9.4
Shareholders' Equity	143,703	137,461	133,723	143,703	133,723	4.5	7.5	7.5
Assets under Management	2,508,295	2,474,764	2,259,133	2,508,295	2,259,133	1.4	11.0	11.0
Capital and Liquidity - %								
Total Ratio	15.8	15.1	16.5	15.8	16.5	0.7 p.p.	(0.7) p.p.	(0.7) p.p.
Tier I Capital	13.8	12.9	13.3	13.8	13.3	0.9 p.p.	0.5 p.p.	0.5 p.p.
Liquidity Coverage Ratio (LCR)	178.4	184.6	143.8	178.4	143.8	(6.3) p.p.	34.6 p.p.	34.6 p.p.
Net Stable Funding Ratio (NSFR)	120.3	120.9	115.2	120.3	115.2	(0.5) p.p.	5.1 p.p.	5.1 p.p.
Profitability and Efficiency %								
Annualized Return on Average Equity (ROAE) ⁽²⁾	20.0	15.2	21.2	14.8	20.6	4.8 p.p.	(1.2) p.p.	(5.8) p.p.
Annualized Return on Average Assets (ROAA)	1.6	1.2	1.9	1.2	1.8	0.4 p.p.	(0.3) p.p.	(0.6) p.p.
Efficiency Ratio (ER)	44.6	47.6	48.3	46.3	49.0	(3.0) p.p.	(3.7) p.p.	(2.7) p.p.
Market Indicators								
Recurring Net Income per Share (accumulated 12 months) - R\$ ⁽³⁾	2.20	2.18	2.93	2.20	2.93	0.8	(24.8)	(24.8)
Market Capitalization ⁽⁴⁾	226,778	165,343	282,075	226,778	282,075	37.2	(19.6)	(19.6)
Dividends/Interest on Shareholders' Equity	1,557	1,195	9,461	4,716	14,758	30.3	(83.5)	(68.0)
Price/Earnings Ratio ⁽⁵⁾	11.7	8.6	10.9	11.7	10.9	3.1	0.8	0.8
Price to Book Ratio	1.6	1.2	2.1	1.6	2.1	0.4	(0.5)	(0.5)
Dividend Yield - % ^{(6) (7)}	2.6	8.9	5.5	2.6	5.5	(6.3) p.p.	(3.0) p.p.	(3.0) p.p.
Portfolio Indicators - %								
Delinquency Ratio (over 90 days)	2.2	2.3	3.3	2.2	3.3	(0.1) p.p.	(1.1) p.p.	(1.1) p.p.
Delinquency Ratio (over 60 days)	2.9	2.7	4.2	2.9	4.2	0.1 p.p.	(1.3) p.p.	(1.3) p.p.
NPL Creation - 90 days	0.7	0.1	0.8	0.7	0.8	0.6 p.p.	(0.1) p.p.	(0.1) p.p.
Coverage Ratio (> 90 days)	402.8	398.2	244.9	402.8	244.9	4.7 p.p.	157.9 p.p.	157.9 p.p.
Coverage Ratio (> 60 days)	310.6	337.4	193.6	310.6	193.6	(26.8) p.p.	117.0 p.p.	117.0 p.p.

(1) According to the non-recurring events described on page 30 of the Report on Economic and Financial Analysis; (2) It excludes the asset evaluation adjustments recorded under the Shareholders' Equity; (3) For comparison purposes, shares were adjusted in accordance with bonuses and stock splits occurred in the periods; (4) Number of shares (excluding treasury shares) multiplied by the closing price for common and preferred shares on the period's last trading day; (5) Recurring net income in 12 months; (6) Source: Economática; and (7) Calculated by the share with highest liquidity.