Earnings Release

2Q20

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Content

Our Strategic Pillars

The strategic pillars guide and define the priorities of all our decisions in pursuit of our long-term goals

Efficiency and financial strength

Efficiency Ratio

31.5%

Improved by 0.9 p.p. vs 2Q19

Efficient and Light Business Model

Liquidity Coverage Ratio

184%

Regulatory minimum: 100%

Basel Ratio

14.4%

Core capital: 11.0%

Solid Balance Sheet and Conservative Risk Management

Continuous improvement of our customers' experience

Reclame Aqui[1]

Banco BV ÓTIMO 8.5/10

Best rating among Brazil's largest banks[2]

(1º half 2020)

Customer Centrality

Brazilian Central Bank Complaints Ranking[3]

BANCO CENTRAL DO BRASIL

Lower number of complaints per customer among Brazil's largest banks[4]

(2nd quarter 2020)

Continuous improvement process

Digital maturity

Use of digital channels

6.6 million

+13% vs 1H19

Auto finance simulations in 1H20 carried out at BV's digital channels and commercial partners

Solutions and Digital Channels

BVˣ is the innovation business unit of banco BV

178

partners using BV's API's library (BV open)

18.2 million

transactions carried out in BaaS[5] **during 1H20, +211% vs 1H19**

Open Banking as a pillar for our innovation strategy

1 - Brazilian website where consumers assess company's customer service and products (https://www.reclameaqui.com.br)

2 - Based on the amount of assets. Period considered: 01/01/2020 to 06/30/2020. Source: https://www.reclameaqui.com.br/

3 - Ranking of the 2nd quarter of 2020 for Institutions with more than 4 million customers. Source: https://www.bcb.gov.br/

4 - Banks with more than 4 million customers. It does not include credit companies and credit unions

5 - Bank as a Service

Executive Summary

Net income
R$ 222 M
ROE 8.8%

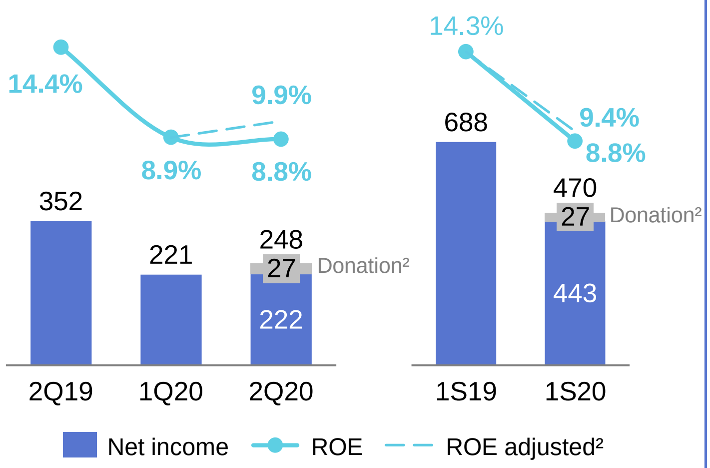
Credit Portfolio
R$ 69 Billion
+11% vs 2Q19

Liquidity ratio (LCR)[1]
184%
vs 156% in 2Q19

Basel Ratio
14.4%
Core capital 11.0%

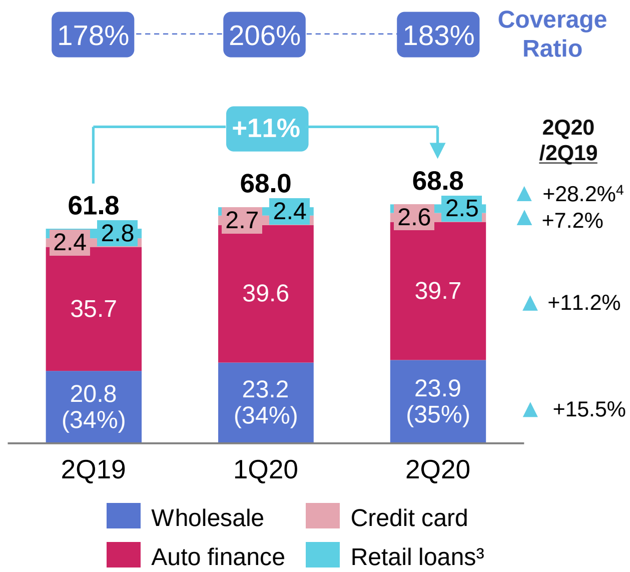
Net Income (R$ M) and ROE (%)

Net Income of R$443 million in 1H20 influenced by the prudential provisions accrued in the period to address the effects of the Covid-19 pandemic. Adjusting the impact of the donation to support the fight against the effects of the pandemic, net income would be R$ 470 million in 1H20 and R$ 248 million in 2Q20 (ROE of 10%).



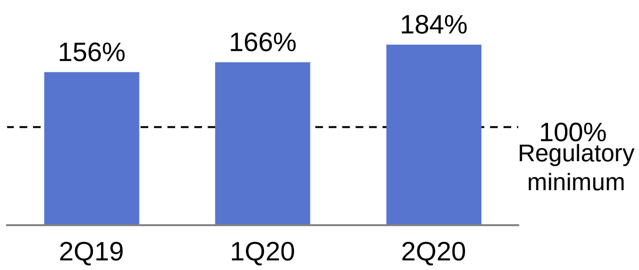
Credit Portfolio (R$ B)

Loan portfolio grew 11.4% vs. 1H19. Coverage ratio remained fairly solid at 183%.



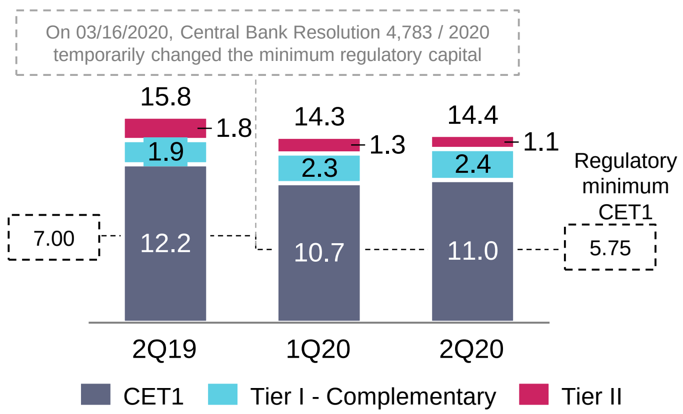
Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) rose from 156% in the 2Q19 to 184%, demonstrating BV's liquidity at relatively conservative levels



Basel Ratio (%)

Basel Ratio closed at 14.4% in Jun.20, with Core Capital ratio reaching 11.0%, remaining well above the regulatory minimum of 5.75% in the period



1 – Liquidity Coverage Ratio (LCR)
2 - R$ 30M donation made by BV to support the fight against the Covid-19 pandemic, net of taxes

3 - Includes personal loans, consumer finance, private payroll
4 – Excluding public payroll

Measures taken by banco BV amidst the Covid-19 pandemic

Due to the advance of the Covid-19 pandemic in Brazil, BV structured a **Crisis Committee**, formed by its CEO and main executives.

The Committee defined **3 areas of action to combat the impacts of the pandemic**

- Preserve the lives of our employees, family and business partners
- Ensure business continuity
- Create a positive impact on the society

Preserve the lives of our employees, family and business partners

Remote work

Extending remote work to about 7,000 people

This number accounts for almost all of our in-house and outsourced employees

Health Committee

In partnership with the Hospital Sírio Libanês, we provide 24h per day support to employees and families

Monitoring suspected or confirmed cases. Shipping protection kits to all employees

Benefits

New benefits introduced during the pandemic

Flexible hours extended to all employees; Potential for combining the Meal and Food Voucher; Early advance of the 13th salary

Digital experience

Development of new digital solutions. 100% digital hiring

The selection, hiring and onboarding processes are conducted in a 100% digital way, along with talent development activities

Internal communication

Prompt communication with all employees about the measures adopted by BV

Frequent guidance on health issues, the remote working model and benefits

Satisfaction survey

98% of employees are satisfied with the way that BV is handling the pandemic

New survey to gauge employees' experience during the pandemic

Measures taken by banco BV amidst the Covid-19 pandemic

Ensure business continuity

BV's business model, characterized by its lightness and robustness, allows quick adaptation, ensuring the continuity of business during crisis, with safety

Infrastructure and information security

Infrastructure for remote work was already in place to **quickly** and **reliably** serve 100% of BV's employees.

Organizational culture

Remote work has been adopted by BV since 2017. **Digital transformation** is key component of the bank's strategy and culture

Governance and crisis management

- Installation of the Crisis Committee
- Daily ALM Committee meetings
- Review of credit policies aimed at assisting clients and preserving the soundness of the bank's balance sheet
- Adequacy of the analysis and policy process for carrying out contract renegotiations and rearrangements

Strengthening Governance, reviewing policies and intensifying monitoring

Solid and resilient balance sheet

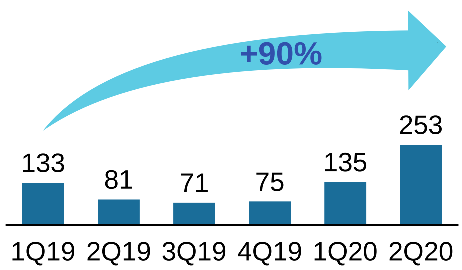
- Resilience in the core business
  After falling 80% during the first weeks of the pandemic, there was a gradual recovery in the demand for light vehicle finance to pre-crisis levels at the **end of June/20**
- Solidness in the balance sheet reflected in the strength of capital, liquidity and hedging delinquencies

  Basel Ratio: **14.4%**
  Liquidity Coverage Ratio (LCR): **184%**

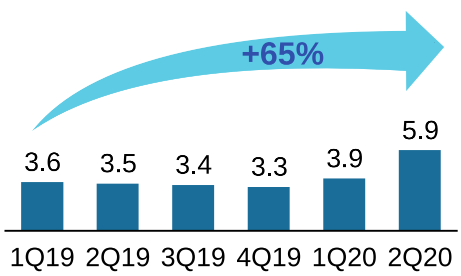
Use of Digital Channels by our clients

✓ Celerity in the development of solutions: Creation of the tool that allows the renegotiation of contracts via digital channels
✓ Strong growth in the use of digital channels by our clients

New clients on digital channels
(in '000)



Clients logged in the BV website
(in '000)



Approximately **1 million contracts** renegotiated since the beginning of the Covid-19 crisis,
77% of renegotiations carried out via **digital channels**

Measures taken by banco BV amidst the Covid-19 pandemic

Supporting our customers during the pandemic

Since the beginning of the pandemic in Brazil, we have sought to support our clients with solutions to meet their needs. In March, we allowed the **extension of installments for 60 days**. In this initiative, non-overdue clients were able to postpone 2 installments to the end of the contract, **with no interest embedded** and maintaining the same installment value. At the end of the 60 days, clients who needed, had an additional term through the renegotiation of their contract.

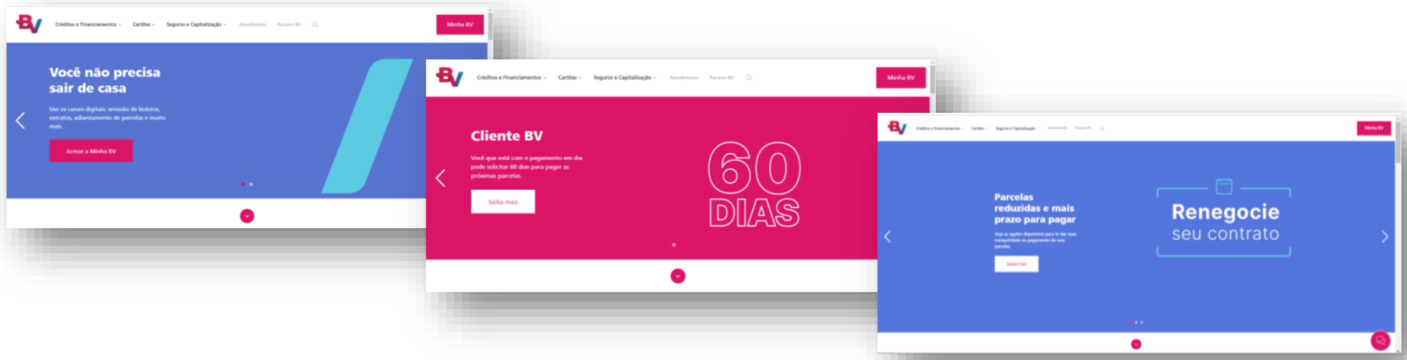
This measure is in line with our **customer centricity strategy**. The initiative provided greater financial strength to clients, allowing greater flexibility and conditions to reorganize their financials amid the economic crisis generated by the pandemic.

+ 60 days
No interest
Same installment

R$ 17.6 billion renegotiated[1]

+ 800,000 clients benefited[1]

To make our clients' lives easier, in just a few days we developed the entire digital solution so that customers could join the installment extension through **Minha BV**, the client's area on our website, without the need to leave home.

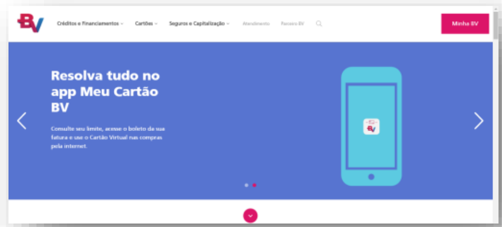


77% of renegotiations carried out via digital channels

50% reduction in fees and charges on BV Credit Cards

Another initiative that we implemented to support our clients was a **50% reduction in interest rates on BV Credit Cards** for installments, with an extension in the financing term of the invoice to 18 months. Exemption from fees and tariffs for payment of fixed bills, such as water, electricity and telephone with BV cards

+ 100,000 contracts benefited[1]



[1] as of June 30, 2020

Measures taken by banco BV amidst the Covid-19 pandemic

Create a positive impact on the society

60 days extension of installment payments

60-day extension of due dates for paying installments on loan contracts, with no credit collection

+ 800,000 clients benefited[1]

Reduction of fees and rates for BV's Credit Cards

Additionally, the financing period for billing was increased to 18 months Exemption of fees and charges for paying regular expenses such as water, electricity and telephone bills

+ 100,000 contracts renegotiated[1]

R$ 50 million credit line

It was created a R$50 million credit line for national suppliers of essential hospital equipment and services to combat Covid-19, such as manufacturers of ventilators

+R$ 23 million already disbursed, including to one of the largest national ventilators manufactures

Social mobilization campaign

A campaign, in partnership with the Instituto Votorantim and the Banco do Brasil Foundation, to donate resources for hospital infrastructure and to socially vulnerable families. The donations were allocated to families in the social projects supported by the bank

More than R$ 2.8 million raised, with BV contributing R$1 for each R$1 donated.

Donation

R$30 million donation (in addition to the **R$ 2.8 million** raised) to combat Covid-19, especially for support to vulnerable families

+ 18.000 meal cards delivered to over 73,000 people

Donation for constructing 200 beds for the hospital in the campaign

Purchase of + 3,5 million pieces of PPE (masks, gloves, alcohol etc.) for hospitals across the country

Purchase of 1,017 pieces of equipment, including respirators and freezers for storing tests

Support provided to 32 projects (social, charitable organizations and hospitals) throughout Brazil

Donation of 26,000 hygiene kits for the elderly

Over 550,000 people[2] impacted by BV's initiatives

[1] as of June 30, 2020
[2] as of July 31, 2020

Main Information

The table below shows the information and management indicators selected from banco BV in order to allow analysis on the same comparison basis.

ANALYSUS OF MANAGERIAL RESULTS	2Q19	1Q20	2Q20	1H19	1H20	Variation %		
						2Q20/1Q20	2Q20/2Q19	1H20/1H19
RESULTS (R$ M)								
Net Interest Income (i)	1,631	1,663	1,629	3,190	3,292	-2.1%	-0.1%	3.2%
Income from services and banking fees (ii)	503	513	384	998	897	-25.2%	-23.7%	-10.1%
Total revenues (i) + (ii)	2,134	2,177	2,013	4,188	4,189	-7.5%	-5.7%	0.0%
Cost of credit	(541)	(916)	(871)	(1,082)	(1,786)	-4.9%	60.9%	65.1%
Personnel and administrative expenses	(506)	(517)	(435)	(1,013)	(952)	-16.0%	-14.1%	-6.0%
Net Income	352.0	221	222	688	443	0.3%	-37.0%	-35.6%
BALANCE SHEET (R$ M)								
Total Assets	94,180	107,400	121,582	94,180	121,582	13.2%	29.1%	29.1%
Expanded loan portfolio	61,738	67,976	68,767	61,738	68,767	1.2%	11.4%	11.4%
Wholesale segment	20,730	23,186	23,941	20,730	23,941	3.3%	15.5%	15.5%
Retail segment	41,008	44,791	44,826	41,008	44,826	0.1%	9.3%	9.3%
Funding Sources	60,986	69,351	76,027	60,986	76,027	9.6%	24.7%	24.7%
Shareholders' equity	9,747	10,014	10,151	9,747	10,151	1.4%	4.2%	4.2%
Basel ratio (%)	15.8%	14.3%	14.4%	15.8%	14.4%	0.1 p.p.	-1.4 p.p.	-1.4 p.p.
Tier I Capital Ratio (%)	14.0%	13.0%	13.3%	14.0%	13.3%	0.3 p.p.	-0.7 p.p.	-0.7 p.p.
Common Equity Tier I (%)	12.2%	10.7%	11.0%	12.2%	11.0%	0.2 p.p.	-1.2 p.p.	-1.2 p.p.
MANAGERIAL INDICATORS (%)								
Return on Average Equity[1] (ROAE)	14.4%	8.9%	8.8%	14.3%	8.8%	-0.1 p.p.	-5.6 p.p.	-5.4 p.p.
Return on Average Equity[1] (ROAE) - exponential	15.2%	9.2%	9.1%	14.8%	9.0%	-0.1 p.p.	-6.1 p.p.	-5.7 p.p.
Return on Average Assets[2] (ROAA)	1.5%	0.9%	0.8%	1.4%	0.8%	-0.1 p.p.	-0.7 p.p.	-0.6 p.p.
Net Interest Margin[3] (NIM) - Clients	9.8%	10.3%	9.3%	9.6%	9.7%	-1.0 p.p.	-0.6 p.p.	0.1 p.p.
Net Interest Margin[3] (NIM) - Clients + Market	7.8%	7.4%	6.7%	7.4%	7.0%	-0.7 p.p.	-1.1 p.p.	-0.4 p.p.
Efficiency Ratio (ER) - accumulated of 12 months[4]	32.4%	31.8%	31.5%	32.4%	31.5%	-0.3 p.p.	-1.0 p.p.	-1.0 p.p.
90-day NPL	4.4%	4.5%	5.2%	4.4%	5.2%	0.7 p.p.	0.7 p.p.	0.7 p.p.
Coverage Ratio (90-day NPL)	178%	206%	183%	178%	183%	-23.4 p.p.	4.9 p.p.	4.9 p.p.
OTHER INFORMATION								
Employees[7] (quantity)	3,776	3,959	3,979	3,776	3,979	0.5%	5.4%	5.4%
Assets under Management (R$ Million)	50,980	51,011	50,732	50,980	50,732	-0.5%	-0.5%	-0.5%

1. Ratio between net income and average equity for the period; 2. Ratio between net income and average total assets for the period; Exponentially annualized; 3. Ratio between gross financial margin with clients and average assets sensitive to spreads in the period. Annualized; 4. Ratio between gross financial margin and average profitable assets for the period. Annualized; 5. ER = personnel (excluding labor claims) and administrative expenses / (gross financial margin + service and fee income + other operating income + other operating expenses - tax expenses); 6. It does not consider interns and statutory employees; 7. It includes onshore funds (ANBIMA criteria) and private client funds (fixed income, variable income and offshore funds).

Note: In line with the best market practices and in synergy with shareholders, as of 2Q19 we started to disclose the ROE calculated using the exponential and linear methodology

Accounting versus Managerial Reconciliation

In order to better understand and analyze the Bank's financial performance, the explanations of this report are based on the Managerial Income Statement, which considers some managerial reallocations carried out in the audited Financial Statement, with no impact in the net income. These reallocations refer to :

- Related provision expenses reallocated from "(Provision) / reversal for contingent liabilities" to" Other Income (Expenses)"
- Operating costs of subsidiary Promotiva S.A. reallocated from "Other income (Expenses)" to "Revenue from services"
- "Discounts granted "reallocated from" Gross Financial Margin" to "Cost of Risk"
- Costs directly related to business generation reallocated from "Personnel and Administrative Expenses" to "Other Income (Expenses)"
- Taxation effects of the hedge operations related to foreign currency exchange variations on investments abroad that are accounted in "Tax Expenses" (PIS and COFINS) and "Income Tax and Social Contribution" were reallocated to "Income from Derivative Financial Instruments".

The strategy of managing the foreign currency exchange risk of resources invested abroad aims to avoid the effects of exchange rate variation on the result, and for this purpose, the foreign exchange risk is neutralized through use of derivative financial instruments.

Accounting adjustments: Resolution No. 4,720 / 2019 and Bacen Circular Letter No. 3,959 / 2019

Based on Resolution No. 4,720 / 2019 and Circular Letter No. 3,959 / 2019, banco BV carried out changes in the Financial Statements from March 31, 2020 onwards, to comply with the requirements of the respective circular letter. In order to ensure the comparability of financial information and indicators, such changes have been implemented retroactively to the previous quarters. We highlight the main changes below. Further details available in the 2Q20 Financial Statements.

Balance Sheet

- *Opening of new accounting groups, such as: financial assets and liabilities; provision for contingency; and tax assets and liabilities.*

Income Statement

- *Opening of provision expenses segregated by the most relevant classes presented in the line "Result of provision for losses" (note 9e / 12f of the Financial Statements);*
- *Change in the allocation of the "Result of provision for losses" presented after "Gross Result from financial intermediation";*
- *Opening of the line "Results with provision for contingency" (note 28e.3 of the Financial Statements);*
- *Elimination of the term "Non-operating income"*

Accounting versus Managerial Reconciliation (cont.)

Reconciliation for the 2Q19, 1Q20 and 2Q20

INCOME STATEMENT (R$ M)	2Q19 Audited	Managerial Adjust.	2Q19 Managerial	1Q20 Audited	Managerial Adjust.	1Q20 Managerial	2Q20 Audited	Managerial Adjust.	2Q20 Managerial
Net interest income - NII	**1,557**	**74**	**1,631**	**1,129**	**534**	**1,663**	**1,428**	**201**	**1,629**
Cost of Risk	(449)	(93)	(541)	(814)	(102)	(916)	(715)	(156)	(871)
Net financial margin	**1,109**	**(19)**	**1,090**	**315**	**433**	**748**	**713**	**45**	**758**
Other income/expenses	**(528)**	**(1)**	**(529)**	**(465)**	**5**	**(460)**	**(458)**	**4**	**(454)**
Fee income	583	(80)	503	583	(70)	513	445	(61)	384
Personnel and administrative expenses	(788)	282	(506)	(639)	122	(517)	(624)	190	(435)
Tax expenses	(178)	(1)	(179)	(136)	1	(135)	(122)	(3)	(125)
Equity in income of subsidiaries	(34)	34	0	(30)	30	0	(3)	3	0
(Provision) / reversal of provision for contingent	161	(161)	0	(33)	33	0	27	(27)	0
Other operating income/expenses	(272)	(75)	(347)	(211)	(111)	(321)	(180)	(97)	(278)
Income before taxes and contributions	**581**	**(20)**	**561**	**(151)**	**438**	**287**	**255**	**50**	**304**
Provision for income tax and social contribution	(229)	20	(209)	372	(438)	(66)	(33)	(50)	(83)
Net Income	**352**		**352**	**221**		**221**	**222**		**222**

Reconciliation for the 1H19 and 1H20

INCOME STATEMENT (R$ M)	1H19 Audited	Managerial Adjustments	1H19 Managerial	1H20 Managerial	Managerial Adjustments	1H20 Managerial
Net interest income - NII	**3,043**	**147**	**3,190**	**2,557**	**735**	**3,292**
Cost of Risk	(913)	(169)	(1,082)	(1,529)	(257)	(1,786)
Net financial margin	**2,130**	**(22)**	**2,108**	**1,028**	**478**	**1,506**
Other income/expenses	**(1,006)**	**(2)**	**(1,008)**	**(923)**	**10**	**(914)**
Fee income	1,153	(154)	998	1,028	(131)	897
Personnel and administrative expenses	(1,405)	392	(1,013)	(1,264)	312	(952)
Tax expenses	(299)	(2)	(302)	(258)	(2)	(260)
Equity in income of subsidiaries	(9)	9	0	(33)	33	0
(Provision) / reversal of provision for contingent	130	(130)	0	0	0	0
Other operating income/expenses	(575)	(117)	(692)	(397)	(202)	(599)
Income before taxes and contributions	**1,125**	**(25)**	**1,100**	**104**	**488**	**592**
Provision for income tax and social contribution	(437)	25	(412)	339	(488)	(149)
Net Income	**688**		**688**	**443**		**443**

Analysis of Managerial Results

Net income totaled R$222 million in 2Q20, in line with the previous quarter and 37.0% lower than 2Q19. Adjusting the effect of the donation made to support the combating the Covid-19 pandemic, 2Q20 net income would be R$ 248 million, 12.3% above the 1Q20. **In 1H20, net income totaled R$ 443 million,** a decrease of 35.6% in relation to 1H19. Adjusting the effect of the donation, the 1H20 net income would be R$ 470 million, down 31.8% compared to 1H19. The drop stemmed from the effects that the Covid-19 pandemic had on the economy and its respective impacts on the demand for new loans and on the level of provisions in the portfolio. The lower return from proprietary positions at the trading desk also contributed to the decline in the net income, reflecting the greater volatility recorded in the period also triggered by the Covid-19 crisis.

It should be noted that BV's business operations remain solid and profitable, despite the impacts of the pandemic. The crisis, which deepened in the second half of March, caused a strong retraction in the origination process in the first weeks of April. A gradual recovery in the demand for used auto finance, BV's core business, started by the end of April and, by the end of June, originations already reached levels similar to the same period of 2019, emphasizing the resilience of the used auto business in Brazil.

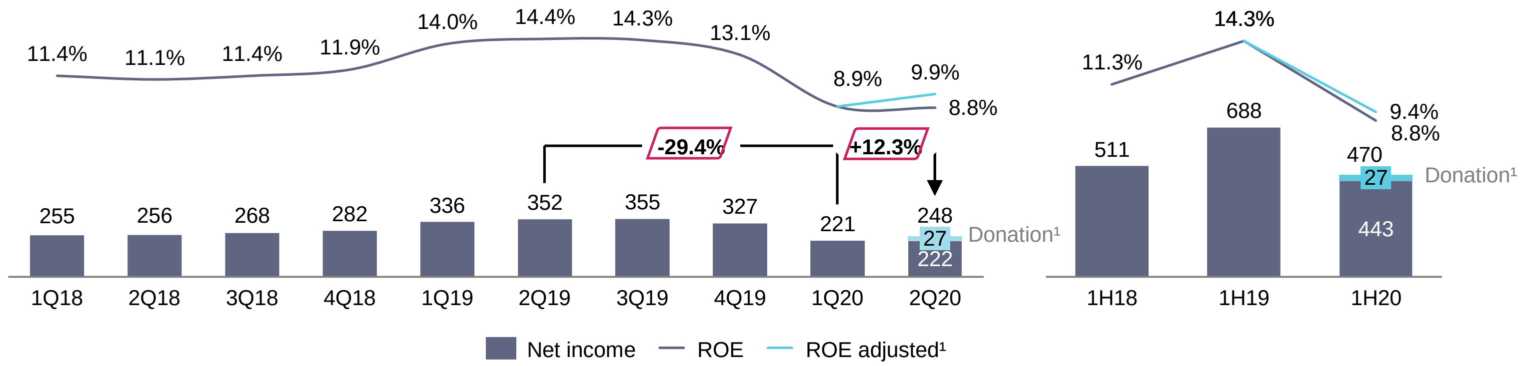
The pandemic also highlighted the importance of portfolio diversification. Because of the pandemic, there was a strong demand for credit by companies in order to reinforce their cash and liquidity during the crisis. As such, part of the slumping demand in Retail was offset by the increase in demand from Wholesale. However, BV maintained a rather conservative credit policy in order to protect its balance sheet and safeguard its financial health.

The annualized return on equity (ROE) in 2Q20 was 8.8% p.a. (9.9% adjusting the donation effect), compared to 14.4% in 2Q19. In 1H20, ROE stood at 8.8% (9.4% adjusting the donation effect).

In order to mitigate the effects of the crisis, BV continued to explore opportunities for improving efficiency, either through digital transformation or through efforts to effectively manage its cost base. In 1H20, expenses recorded a 3.1% decrease versus 1H19, compared to 2.1% accumulated inflation in the same period. As a result, the Efficiency Ratio improved by 0.9 p.p. to 31.5%, compared to 32.4% in the same period of 2019.

INCOME STATEMENT (R$ M)	2Q19	1Q20	2Q20	1H19	1H20	Variação %		
						2Q20/1Q20	2Q20/2Q19	1H20/1H19
Net interest income - NII	**1,631**	**1,663**	**1,629**	**3,190**	**3,292**	**-2.1**	**-0.1**	**3.2**
Cost of Credit	(541)	(916)	(871)	(1,082)	(1,786)	-4.9	60.9	65.1
Net financial margin	**1,090**	**748**	**758**	**2,108**	**1,506**	**1.4**	**-30.5**	**-28.6**
Other income/expenses	**(529)**	**(460)**	**(454)**	**(1,008)**	**(914)**	**-1.5**	**-14.3**	**-9.3**
Fee income	503	513	384	998	897	-25.2	-23.7	-10.1
Personnel and administrative expenses	(506)	(517)	(435)	(1,013)	(952)	-16.0	-14.1	-6.0
Tax expenses	(179)	(135)	(125)	(302)	(260)	-7.6	-30.4	-13.8
Other operating income/expenses	(347)	(321)	(278)	(692)	(599)	-13.6	-19.9	-13.4
Income before taxes and contributions	**561**	**287**	**304**	**1,100**	**592**	**5.9**	**-45.7**	**-46.2**
Provision for income tax and social contribution	(209)	(66)	(83)	(412)	(149)	24.8	-60.5	-63.9
Net Income	**352**	**221**	**222**	**688**	**443**	**0.3**	**-37.0**	**-35.6**
Net Income - Adjusted	**352**	**221**	**248**	**688**	**470**	**12.3**	**-29.4**	**-31.7**
Return on Average Equity (ROAE)	**14.4%**	**8.9%**	**8.8%**	**14.3%**	**8.8%**	**-0.1 p.p.**	**-5.6 p.p.**	**-5.4 p.p.**
Return on Average Equity (ROAE) – Adjusted	**14.4%**	**8.9%**	**9.9%**	**14.3%**	**9.4%**	**1.0 p.p.**	**-4.5 p.p.**	**-4.9 p.p.**
Efficiency Ratio (ER) – accum. of 12 months	**32.4%**	**31.8%**	**31.5%**	**32.4%**	**31.5%**	**-0.3 p.p.**	**-1.0 p.p.**	**-1.0 p.p.**

Net income (R$ M) and ROE



¹ R$ 30 mln donation made by BV to support the fight against the Covid-19 pandemic, net of taxes

Gross Financial Margin

The **Gross Financial Margin** in 2Q20 remained in line with 2Q19, with an increase in the financial margin with clients and a narrowing of the financial margin with the market. The margin grew 3,2% in 1H20, with an 11% surge in the margin with clients, more than offsetting the 34% decrease in the margin with the market.

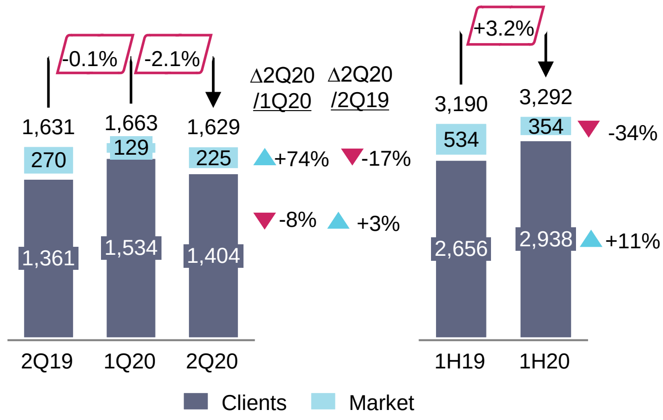
Financial Margin with Clients grew by 3% in 2Q20 vs 2Q19. There was an 8% decline in comparison to 1Q20, justified by the pro-clients initiatives implemented by BV in response to the Covid-19 pandemic. Among other initiatives, BV conducted a wave of renegotiations for Retail clients, which allowed for a deferral of 2 installments to the end of the contract with no interest embedded. Since there was no interest embedded and the term was extended, such initiative resulted in the rate reduction for clients who joined the program. Over 800,000 customers joined the program.

In 1H20, margin with clients grew by 11% over the 1H19, in line with the loan portfolio growth in the same period. Despite the impacts of the Covid-19 crisis during this period, this expansion reflects the growth in the loan portfolio – both in Retail, with greater diversification, and in Wholesale, with higher penetration in the Corporate segment.

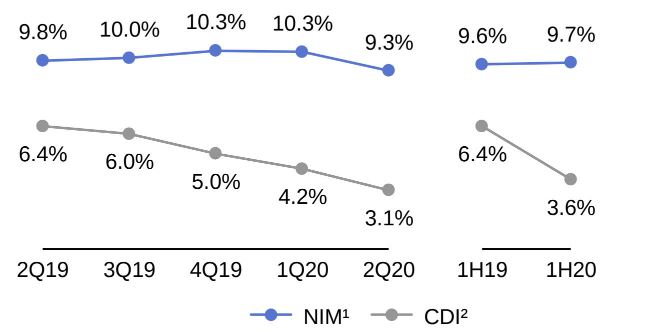
The **net interest margin (NIM) with clients** stood at 9.3% in 2Q20, down 1.0 p.p. versus the 1Q20 and 0.5 p.p. when compared to 2Q19. The lower NIM was driven by the clients initiatives adopted by BV, as explained above. In the year-to-date comparison, the NIM with clients climbed to 9.7% in 1H20 versus 9.6% in 1H19.

The Financial Margin with the Market improved by 74% in relation to 1Q20, primarily explained by the recovery of earnings in proprietary treasury positions, which was affected in 1Q20 by the volatility observed at the end of the quarter due to the Covid-19 crisis. When comparing 2Q20 vs. 2Q19 and 1H20 vs. 1H19, the downward shift can be explained by the fall in interest rates, which influence the structural hedges in the balance sheet.

Gross Financial Margin (R$ M)



NIM¹ (% a.a.) vs CDI²



1. *Net Interest Margin:* Ratio between Financial Margin with clients and the average assets sensitive to spread.
2. Brazilian benchmark interest rate. Annualized (Source: Cetip)

Cost of Risk

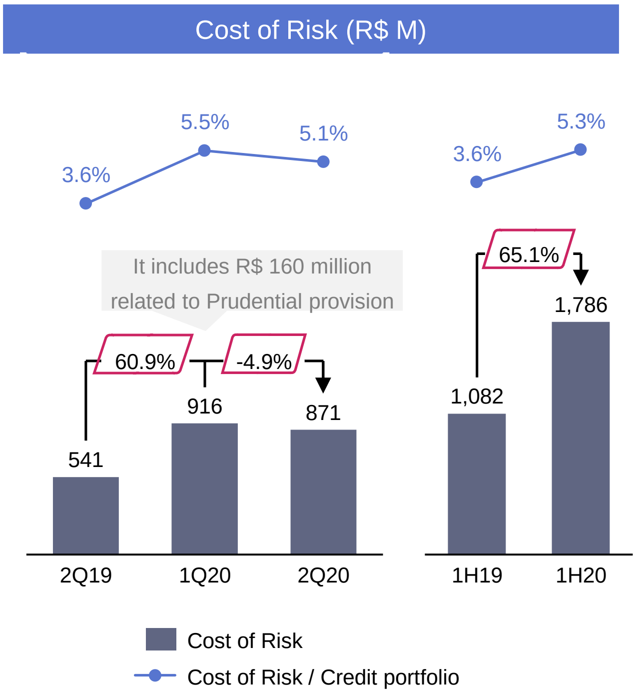
Cost of Risk (R$ M)	2Q19	1Q20	2Q20	1H19	1H20	Variation %		
						2Q20/1Q20	2Q20/2Q19	1H20/1H19
Allowance for loan losses expenses (managerial)	(628)	(954)	(836)	(1,246)	(1,790)	-12.4	33.1	43.7
Revenues from recovery of written-off loans	128	133	119	276	253	-10.4	-6.5	-8.6
Result from Loan Losses	**(500)**	**(821)**	**(717)**	**(969)**	**(1,538)**	**-12.7**	**43.3**	**58.6**
Impairments	48	9	9	(11)	18	3.5	-81.1	-261.1
Discounts Grated	(93)	(102)	(156)	(169)	(257)	53.1	67.9	51.8
Reversal (provision) for guarantees provided	4	(2)	(8)	68	(9)	328.4	-310.2	-113.8
Cost of Risk	**(541)**	**(916)**	**(871)**	**(1,082)**	**(1,786)**	**-4.9**	**60.9**	**65.1**
Cost of Risk / Loan Portfolio¹	**3.6%**	**5.5%**	**5.1%**	**3.6%**	**5.3%**	**-0.3 p.p.**	**1.6 p.p.**	**1.7 p.p.**

1. Calculation performed on the expanded portfolio

Cost of Risk

In the six-month comparison, the 65.1% growth in the Cost of Risk reflects the deterioration in the macroeconomic environment due to the impacts of the Covid-19 pandemic, and its effects on credit quality and consequent rating revisions. A prudential provision of R$ 160 million was set up during 1Q20 in order to protect the Bank's balance sheet in the midst of a difficult economic outlook and a consequent increase in delinquency levels. The increase in Cost of Risk was also driven by the expansion of the credit portfolio, particularly in Retail segment, and the more conservative approach for provisions to the Retail portfolio for individuals with exposure above R$ 50,000.

Comparing the 2Q20 and 1Q20, Cost of Risk declined by 4.9%, reflecting the gradual improvement in the delinquency ratios recorded between April and June, resulting from the renegotiation measures implemented in the Retail portfolio. As a result, the Cost of Risk/Credit Portfolio shifted from 5.5% to 5.1% between 1Q20 and 2Q20.

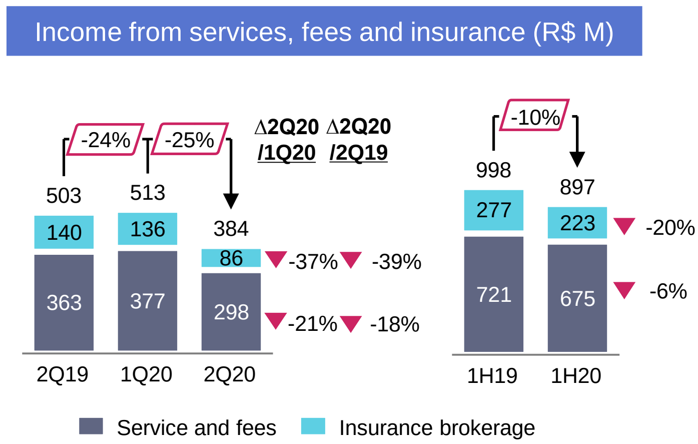


Income from Services and Insurance

Income from services, fees and insurance (R$ M)	2Q19	1Q20	2Q20	1H19	1H20	Variation %		
						2Q20/1Q20	2Q20/2Q19	1H20/1H19
Master file registration and Appraisal of assets	185	188	119	371	307	-36.8	-35.6	-17.3
Revenues from insurance brokerage	140	136	86	277	223	-36.6	-38.5	-19.7
Credit cards	46	63	59	114	122	-6.6	28.9	7.3
Income from guarantees provided	23	29	28	44	57	-3.8	23.1	29.4
Management of investment funds	36	32	36	68	69	11.7	1.6	1.6
Commissions on placing of securities	35	22	19	50	41	-9.6	-43.9	-18.1
Banking correspondent (Promotiva)	18	20	16	33	36	-18.0	-9.9	7.2
Other[1]	21	23	20	42	43	-15.4	-6.8	4.2
Total Income from services, fees and insurance	**503**	**513**	**384**	**998**	**897**	**-25.2**	**-23.7**	**-10.1**

Income from services, fees and insurance totaled R$384 million in 2Q20, a 25.2% decline from 1Q20, mostly driven by the effects of the pandemic on the auto finance origination. With the 34% decline in the auto finance origination over the period, there was a downturn in insurance sales in which BV operates as a broker, in addition to the lower fees from registration and appraisal of assets.

Income from services, fees and insurance during the six-month period reached R$897 million, down 10.1% over 1H19, due to the same reasons noted above.



[1] includes custody services, stock exchange brokerage, financial advisory, among others

Personnel and Administrative Expenses

Administrative and Personnel Expenses (R$ M)	2Q19	1Q20	2Q20	1H19	1H20	Variation % 2Q20/1Q20	Variation % 2Q20/2Q19	Variation % 1H20/1H19
Benefits e Social Charges	(196)	(169)	(92)	(384)	(260)	-45.5	-53.1	-32.2
Salaries and Profit sharing	(76)	(90)	(77)	(157)	(168)	-14.3	1.8	6.7
Training	(2)	(2)	(2)	(3)	(4)	-23.8	-8.4	55.2
Personnel Expenses	**(274)**	**(261)**	**(171)**	**(544)**	**(432)**	**-34.5**	**-37.5**	**-20.5**
Specialized technical services	(86)	(83)	(99)	(175)	(182)	19.0	15.5	4.4
Data processing	(28)	(45)	(47)	(73)	(92)	6.3	68.4	26.9
Judicial and Notary public fees	(22)	(23)	(12)	(41)	(35)	-49.9	-47.5	-14.2
Marketing	(9)	(15)	(15)	(16)	(30)	3.5	67.4	87.7
Services of the financial system	(9)	(6)	(8)	(16)	(13)	35.1	-10.0	-15.5
Other	(52)	(52)	(46)	(98)	(98)	-11.5	-11.9	-0.2
Subtotal	**(206)**	**(224)**	**(227)**	**(418)**	**(451)**	**1.5**	**10.1**	**7.8**
Depreciation and Amortization	(26)	(32)	(37)	(51)	(69)	13.3	41.1	34.7
Administrative Expenses	**(232)**	**(256)**	**(264)**	**(469)**	**(520)**	**3.0**	**13.6**	**10.7**
Total	**(506)**	**(517)**	**(435)**	**(1,013)**	**(952)**	**-16.0**	**-14.1**	**-6.0**

Administrative and personnel expenses were R$ 435 million in 2Q20, a 14.1% reduction compared to 1Q20. In 1H20, expenses stood at R$ 952 million, down 6.0% from 1H19, compared to an inflation (IPCA) of 2.1% over the same period.

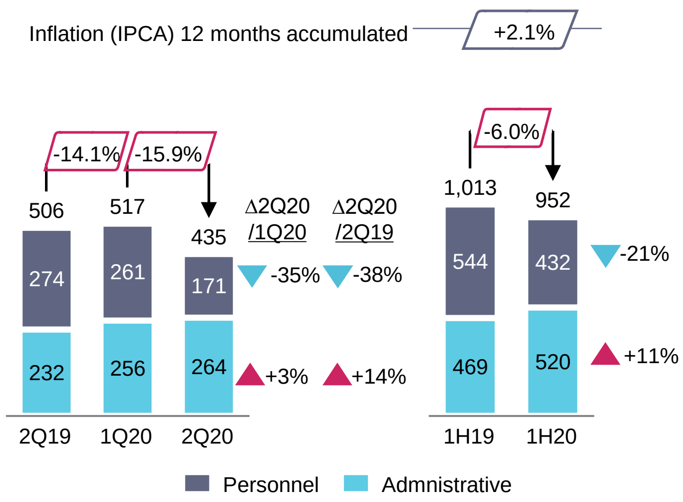
Personnel expenses totaled R$ 171 million in 2Q20, 34.5% lower than in 1Q20. The decline mainly reflects the lower provisions for variable compensation driven by poorer business performance in the midst of the pandemic crisis. Year-to-date, personnel expenses amounted to R$432 million, 20.5% below 1H19, due to the same reasons mentioned above.

Administrative expenses were 3.0% higher than 1Q20, reaching R$264 million, driven mainly by higher expenses related to legal and financial advisory services.

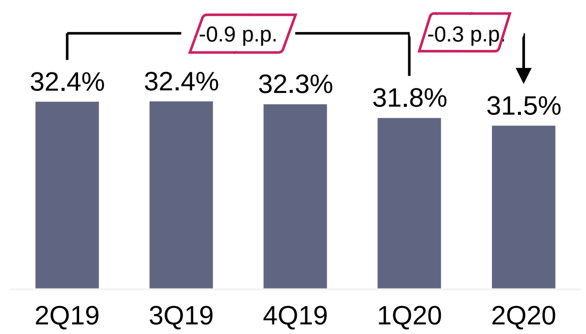
Administrative expenses over the half-year period totaled R$520 million, 10.7% higher than 1H19. The increase was mostly due to higher marketing expenses, in addition to higher investments in technology in line with BV's digital strategy. Moreover, higher amortization expenses resulting from more investments in technology also contributed to the increase.

The **Efficiency Ratio (ER)** ended 2Q20 at 31.5%, a decrease of 0.3 p.p. if compared to 1Q20 and 0.9 p.p. over the previsous year. The improvement in the index reflects the consistent increase in revenues and the strict cost base control, supported mainly by investments in technology and digital transformation.

Personnel and administrative expenses (R$ M)



Efficiency Ratio (%)



Number of employees at the end of the 2Q20 was 3,979, excluding interns and statutory employees.

Other Income (Expenses) and Controlled Companies/Subsidiaries

Other Income / Expenses (R$ millions)	2Q19	1Q20	2Q20	1H19	1H20	Variation %		
						2Q20/1Q20	2Q20/2Q19	1H20/1H19
Costs associated with the production	(252)	(254)	(191)	(486)	(445)	-24.9	-24.3	-8.5
Civel and Fiscal lawsuits	(36)	(39)	(34)	(64)	(73)	-12.7	-5.7	13.2
Labor lawsuits	(39)	(49)	(46)	(99)	(95)	-7.0	17.8	-4.0
Results from Real estate subsidiaries	(6)	5	6	5	11	9.6	-186.2	113.5
Donation (Covid-19)	-	-	(30)	-	(30)			
Other	(13)	16	18	(47)	34	10.4	-237.0	-172.9
Total	**(347)**	**(321)**	**(278)**	**(692)**	**(599)**	**-13.6**	**-19.9**	**-13.4**

Other income and expenses added to the results from subsidiaries totaled R$ 278 million in 2Q20, down 13.6% if compared to 1Q20, explained by lower production costs reflecting the decreased origination during the period due to the impacts of the Covid-19 pandemic. Part of this effect was offset by the R$ 30 million donation carried out in 2Q20 to combat the Covid-19 pandemic,.

Year-to-date, other income and expenses added to the result from subsidiaries totaled R$599 million over the period, a 13.4% decrease compared to 1H19. Likewise, the decrease stems from lower production costs, due to the decreased origination of auto finance, in addition to positive impact from the reversal of taxes paid and the reversal of other provisions in the “Others” line. Such decline was also partially offset by the effect of the donation in the period, as mentioned above.

Balance Sheet Analysis

Balance Sheet

Total assets reached R$122 billion at the end of 2Q20, 13.2% above the quarter and up 29.1% compared to 2Q19, driven by the increase in cash balance, financial investments and marketable securities aimed at boosting the bank's liquidity strength, in addition to the increase of R$ 6.7 billion in repurchasing commitments operations involving government bonds in order to capture market opportunities.

Shareholders' equity totaled R$ 10.2 billion at the quarter-end, compared to R$ 10.0 billion in the previous quarter and R$ 9.7 billion in 2Q19.

Balance Sheet | Assets (R$ M)	2Q19	1Q20	2Q20	Variation %	
				2Q20/1Q20	2Q20/2Q19
Cash and cash equivalents	**738**	**2,240**	**3,917**	**74.9**	**430.5**
Financial assets	**84,226**	**95,634**	**107,779**	**12.7**	**28.0**
Interbank funds applied	5,874	4,614	6,122	32.7	4.2
Securities and derivative financial instruments	24,639	29,595	39,869	34.7	61.8
Derivative financial instruments	2,755	8,092	7,353	-9.1	166.9
Interbank accounts or relations	822	133	792	493.9	-3.7
Loan Portfolio	52,485	56,618	56,655	0.1	7.9
Allowance for loan losses	(3,906)	(5,034)	(5,164)	2.6	32.2
Other financial assets	1,556	1,616	2,152	33.2	38.3
Tax assets	**6,963**	**7,695**	**7,930**	**3.1**	**13.9**
Investments in subsidiaries, associates and joint ventures	**270**	**85**	**83**	**-2.9**	**-69.3**
Property for use	**99**	**94**	**100**	**6.5**	**1.5**
Intangible assets	**362**	**349**	**396**	**13.4**	**9.5**
Other assets	**1,523**	**1,304**	**1,377**	**5.6**	**-9.6**
TOTAL ASSETS	**94,180**	**107,400**	**121,582**	**13.2**	**29.1**

Balance Sheet | Liabilities (R$ M)	2Q19	1Q20	2Q20	Variation %	
				2Q20/1Q20	2Q20/2Q19
Financial liabilities	**81,119**	**94,760**	**108,726**	**14.7**	**34.0**
Deposits	12,485	20,318	25,062	23.3	100.7
Money market repurchase commitments	17,349	16,411	24,635	50.1	42.0
Securities issued	30,299	32,318	31,964	-1.1	5.5
Interbank accounts	1,488	1,518	1,383	-8.9	-7.0
Borrowings and domestic onlendings	3,324	5,594	4,977	-11.0	49.7
Derivative financial instruments	2,590	7,596	6,846	-9.9	164.3
Subordinated debts and debt instruments eligible as capital	6,362	3,889	3,919	0.8	-38.4
Other financial liabilities	7,223	7,115	9,940	39.7	37.6
Tax liabilities	**341**	**381**	**515**	**35.4**	**51.3**
Provisions for contingencies	**1,172**	**939**	**912**	**-2.9**	**-22.2**
Other liabilities	**1,802**	**1,307**	**1,277**	**-2.3**	**-29.1**
SHAREHOLDER'S EQUITY	**9,747**	**10,014**	**10,151**	**1.4**	**4.2**
TOTAL LIABILITIES	**94,180**	**107,400**	**121,582**	**13.2**	**29.1**

Credit Portfolio

The credit portfolio reached R$ 68.8 billion at the end of 2Q20, growth of 11.4% over 2Q19 and 1.2% compared to 1Q20.

The **Retail** portfolio grew 9.3% to R$ 44.8 billion, against R$ 41.0 billion in 2Q19, with an expansion in all segments, notably an 11.2% hike in the auto finance portfolio and 28.2% in the personal loans portfolio, which includes financing for solar panels, loans using a vehicle as collateral, personal credit, as well as other products for Retail that are aligned with the bank's diversification strategy.

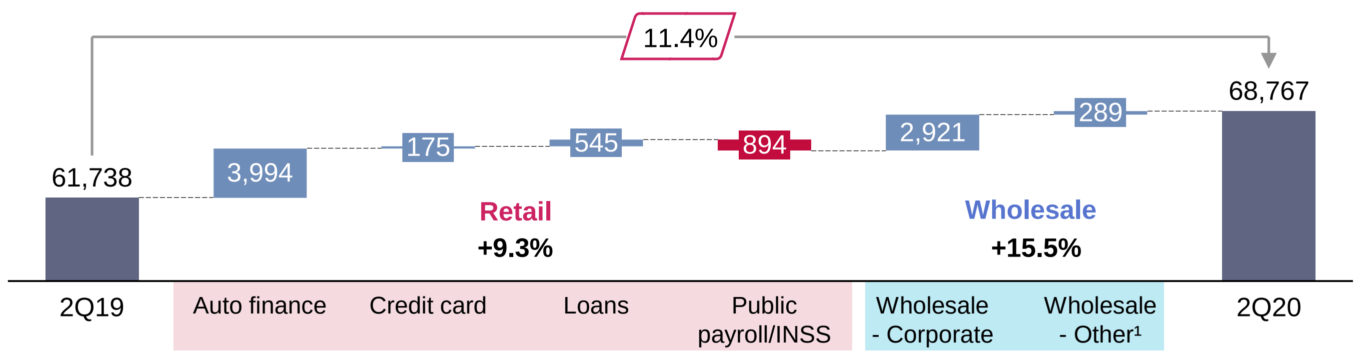
In terms of quarterly comparisons, the Retail portfolio remained virtually unchanged, with a 0.1% shift over 1Q20. There was a 33.7% decline in the auto finance origination during the period, with more severe impacts from the Covid-19 pandemic observed in the beginning of the 2Q20.

The **Wholesale** portfolio grew 15.5% if compared to 2Q19, reaching R$ 23.9 billion. The highlight was the expansion of the Corporate portfolio (clients with annual turnover between R$ 300 million and R$ 1.5 billion), consistent with our strategic plan to seek a greater risk diversification with higher profitability. The dollar appreciated significantly versus the real during the period, which affected operations indexed to the dollar. Excluding the impact from the exchange rate, the growth of the Wholesale portfolio would have stood at 8.2%.

When compared to 1Q20, the Wholesale portfolio grew by 3.3% (2.3% excluding the exchange rate effect), supported by the higher demand for credit during the pandemic crisis.

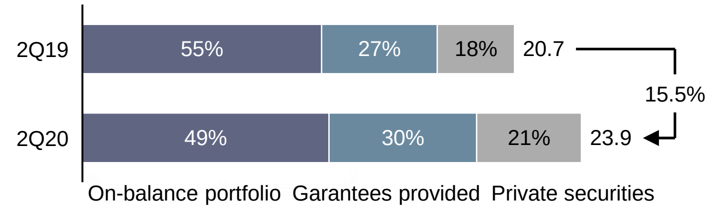
Credit Portfolio (R$ M)	2Q19	1Q20	2Q20	Variation %	
				2Q20/1Q20	2Q20/2Q19
Retail segment (a)	**41,008**	**44,791**	**44,826**	**0.1**	**9.3**
Auto financing	35,726	39,611	39,720	0.3	11.2
Personal Loans	1,932	2,391	2,477	3.6	28.2
Credit Cards	2,436	2,746	2,611	-4.9	7.2
Public Payroll Loans / INSS (run-off)	913	43	19	-56.9	-98.0
Wholesale segment (b)	**11,472**	**11,827**	**11,829**	**0.0**	**3.1**
Corporate	3,672	5,308	5,193	-2.2	41.4
Large corporate + financial institutions	7,800	6,520	6,636	1.8	-14.9
On-balance loan portfolio (a+b)	**52,480**	**56,618**	**56,655**	**0.1**	**8.0**
Wholesale segment (b+c+d)	**20,730**	**23,186**	**23,941**	**3.3**	**15.5**
Guarantees provided (c)	5,543	7,095	7,078	-0.2	27.7
Private securities (d)	3,715	4,264	5,034	18.1	35.5
Retail segment (a)	**41,008**	**44,791**	**44,826**	**0.1**	**9.3**
Expanded credit portfolio (a+b+c+d)	**61,738**	**67,976**	**68,767**	**1.2**	**11.4**

Credit portfolio bridge Evolution 2Q20 vs 2Q19 (R$ M)

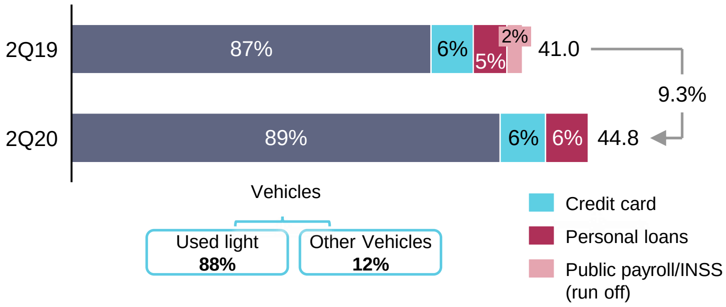


1-Includes Large Corporate + Financial institutions

Wholesale expanded portfolio (R$ B)



Retail portfolio (R$ B)



Quality of the Credit Portfolio

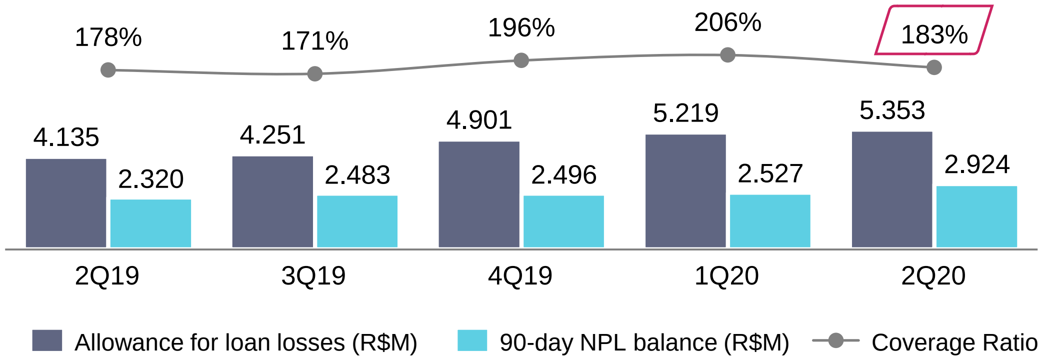
All credit portfolio risk segmentations in this section refer to the classified portfolio (Res. CMN nº 2,682 / 99), unless otherwise indicated. The Bank maintains a consistent process of assessing and monitoring credit risk in transactions with clients.

Loan Portfolio Quality Indicators (R$ M, except where indicated)	2Q19	1Q20	2Q20
90-Day NPL balance	2,320	2,527	2,924
90-Day NPL ratio	4.4%	4.5%	5.2%
90-Day NPL ratio Consumer Finance	4.8%	5.2%	6.0%
90-Day NPL ratio Auto Finance	4.2%	4.4%	5.1%
90-Day NPL ratio Wholesale	3.1%	1.5%	2.1%
Write-off (a)	(521)	(636)	(706)
Credit recovery (b)	128	133	119
Net Loss (a+b)	(393)	(503)	(587)
Net Loss / Loan portfolio - annualized	3.0%	3.6%	4.2%
New NPL	469	668	1,103
New NPL / Loan portfolio[1] - quarter	1.00%	1.20%	1.95%
ALL balance[2]	4,135	5,219	5,353
ALL balance / Loan portfolio	7.9%	9.2%	9.4%
ALL balance / 90-day NPL	178%	206%	183%
AA-C balance	46,743	49,566	48,831
AA-C balance / Loan portfolio	89.1%	87.5%	86.2%

1. D NPL quarterly + write-offs for the period) / Credit Portfolio of the immediately previous quarter; 2. Includes provisions for financial guarantees provided and the balance of the provision for generic credit recorded in liabilities in the line "Sundry".

Coverage Ratio

Reflecting the solid risk management model and balance sheet robustness, the Overdue Balance Coverage Ratio over 90 days remained at a comfortable level, reaching 183% in 2Q20, 5 p.p. above the level reported in the same period of the previous year.

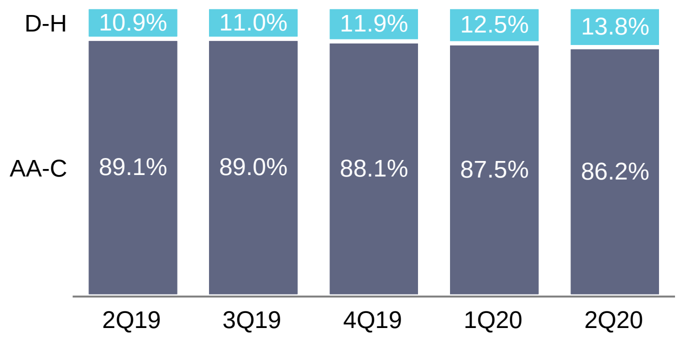


Credit portfolio by risk level (%)

Banco BV's credit risk management aims to maintain the quality of the credit portfolio at adequate levels for each segment. The increase in the D-H index observed in 2Q20 reflects the increase in customer delinquency credit risk due to the impacts of the Covid-19 pandemic in the economy.

Loans classified as "AA-C", according to Central Bank Resolution 2,682 (BACEN), represented 86.2% of the loan portfolio at the end of 2Q20 when compared to 87.5% in 1Q20 and 89.1% in 2Q19.

Credit portfolio by risk level (%)

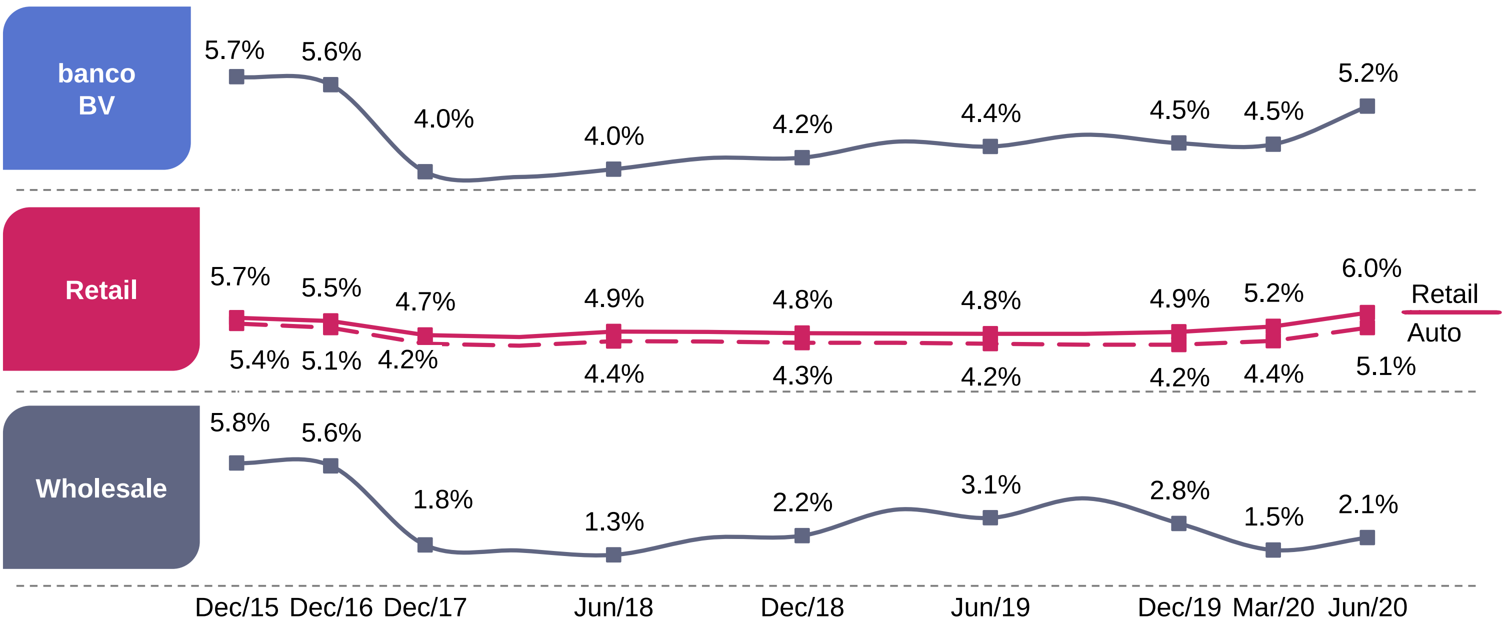


Nonperforming Loans - NPL ratio | Over 90 days

The main indicator of delinquencies (Over-90) increased in 2Q20, reflecting the Covid-19 pandemic and its effects on the economy and subsequent impacts on credit quality and reviews of customer ratings. Banco BV upheld its conservative policy and has made amendments to its credit policies, with further monitoring of credit risk, renegotiation strategies and revisions to credit limits. The consolidated Over-90 climbed 0.7 p.p. compared to 1Q20, to 5.2%, primarily reflecting the increase of Over-90 in Retail, which went from 5.2% in 1Q20 to 6.0% in 2Q20.

Over-90 for Retail ended 2Q20 at 6.0%, 0.8 p.p. above the 1Q20, reflecting the impact of the Covid-19 pandemic in the economy. In response to the pandemic, BV has initiated a financial relief program for its customers with 60 days installments extension. After 60 days, the payment level reached quite satisfactory levels Nevertheless, there was an impact due to the fall in economic activity and hike in unemployment levels. According to the IBGE, unemployment increased by 26% between May and June, affecting 12.4 million people. Despite the deteriorating unemployment rate, a IPEA report (from July 2020) pointed out that a slight improvement can already be seen in economic activity, with positive, albeit mild, impacts on the labor market. BV remains proactive in order to serve its clients in this adverse environment, whilst it maintains its strictness and conservatism credit policy. The **Over-90 for Vehicles** stood at 5.1% in 2Q20, 0.7 p.p. above 1Q20.

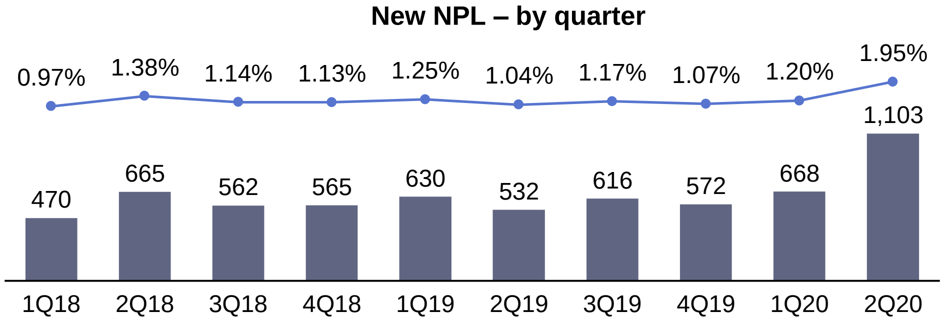
The **Over-90 for Wholesale** increased to 2.1% at the end of 2Q20, compared to 1.5% in 1Q20. Such increase reflects an specific client who rolled-over to the 90-day range, nevertheless, who was already properly provisioned.

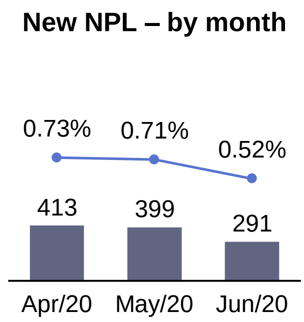


New NPL Index

The New NPL Index, which considers the volume of credit operations that became overdue over 90 days in the quarter, was R$1,103 million in 2Q20. As a result, the New NPL in relation to the portfolio was 1.95%, compared to 1.20% in 1Q20 and 1.07% in 2Q19. It should be pointed out that, despite the increase in 2Q20, the indicator recorded a retreat in June to 0.52%, versus 0.71% in May and 0.73% in April.

New NPL (R$ M)	2Q19	1Q20	2Q20	Variation %	
				2Q20/1Q20	2Q20/2Q19
Managed loan portfolio (A)	52,480	56,618	56,655	0.1	8.0
90-day NPL Balance (NPL)	2,320	2,527	2,924	15.7	26.0
Quartely NPL variation (B)	11	32	396	1148.7	3587.1
Write-off (C)	521	636	706	11.1	35.6
New NPL (D=B+C)	532	668	1103	65.1	107.3
New NPL Rate (D/A)	**1.04%**	**1.20%**	**1.95%**	**0.75 p.p.**	**0.91 p.p.**

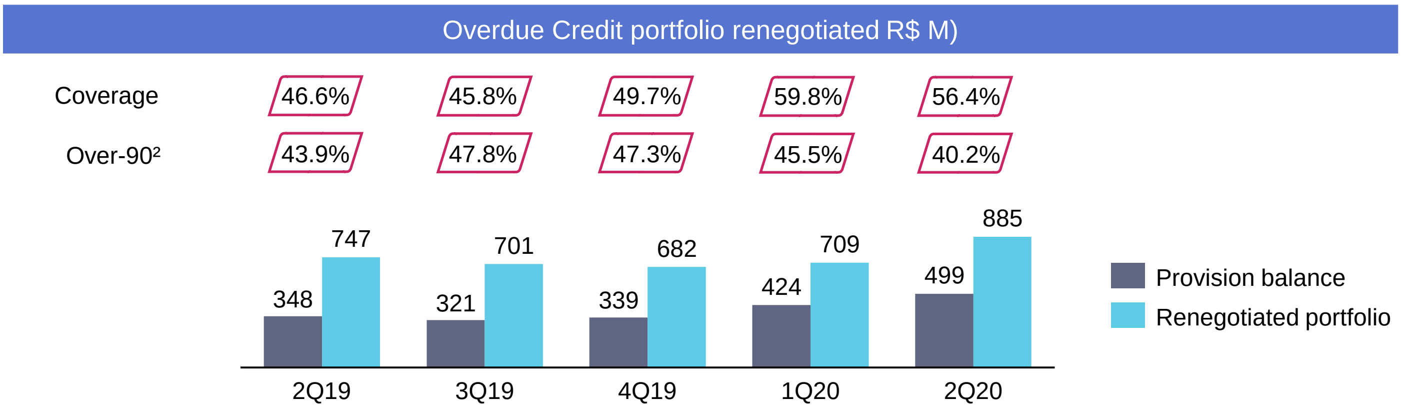




New NPL (R$ M) — New NPL / Credit portfolio of the immediately previous quarter

Overdue Credit Negotiated

The chart below shows information about the renegotiated credit portfolio due to late payment.



1. Provision balance / Portfolio Balance
2. Over 90 days (Over-90) of the renegotiated portfolio.

The balance of overdue credit portfolio renegotiated totaled R$ 885 million in 2Q20. In comparison with 2Q19, there was an 18.5% increase in the balance of the renegotiated portfolio. In the same period, delinquency over 90 days of this portfolio declined 3.7 p.p. to 40.2%, while the portfolio's coverage ratio increased 9.8 p.p., to 56.4%, compared to 46.6% in 2Q19.

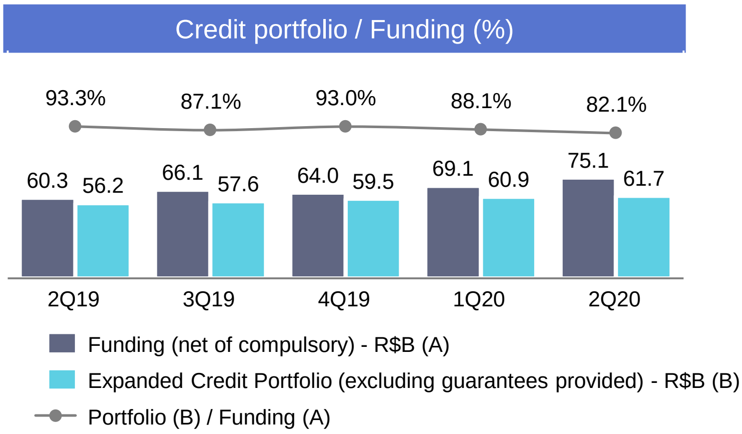
The increase in the overdue portfolio primarily reflects the pro-client initiatives implemented by BV in the midst of the pandemic and the consequent economic downturn, through measures such as extending terms and reducing installments in an effort to adapt the financing contract to the financial capacity of clients.

More information can be found in the Financial Statements for 2Q20, Note 11-k.

Funding and Liquidity

Total funds raised reached R$ 76.0 billion in 2Q20, an increase of 9.6% in the quarter and 24.7% in 12 months. Such increase is in line with the strategy to reinforce the bank's liquidity robustness in light of the current adverse economic scenario. Stable funding instruments represented 55% of the total funds raised in the quarter.

The ratio between the expanded credit portfolio (excluding guarantees provided) and funding net of compulsory reached 82.1% in 2Q20, down by 6.0 p.p in the quarter and 11.2 p.p. in 12 months.



Funding instruments (R$ B)	2Q19	1Q20	2Q20	Variation % 2Q20/1Q20	Variation % 2Q20/2Q19	% of total 2Q20
Debentures	**2.6**	**1.7**	**2.2**	**30.5**	**-17.2**	**2.8**
Deposits	**12.5**	**20.3**	**25.1**	**23.3**	**100.7**	**33.0**
Time deposits	10.3	16.3	20.8	27.7	100.9	27.3
Deposits on demand and interbank	2.1	4.1	4.3	6.1	100.2	5.7
Subordinated debts[1]	**6.4**	**3.9**	**3.9**	**0.8**	**-38.4**	**5.2**
Subordinated Financing bills	2.2	2.3	2.3	-0.8	1.3	3.0
Others subordinated debts	4.1	1.6	1.6	3.0	-60.0	2.2
Borrowings and onlendings	**3.3**	**5.6**	**5.0**	**-11.0**	**49.7**	**6.5**
Bills	**29.7**	**27.0**	**26.4**	**-2.4**	**-11.3**	**34.7**
Financing bills[1]	25.4	24.7	24.5	-0.9	-3.6	32.2
Agribusiness credit bills and real estate credit bills	2.1	1.9	1.9	-2.7	-8.7	2.5
Financial lease bills ("LAM")	2.3	0.4	0.0	-100.0	-100.0	0.0
Securitization with recourses[1]	**5.6**	**5.6**	**8.0**	**42.5**	**42.7**	**10.5**
Securities abroad[1]	**0.8**	**5.3**	**5.5**	**5.4**	**615.6**	**7.3**
Other*	**0.1**	**0.0**	**0.0**	**0.8**	**-62.8**	**0.1**
Total funding	**61.0**	**69.4**	**76.0**	**9.6**	**24.7**	**100.0**
(-) Compulsory deposits	0.8	0.1	0.8	496.5	-3.8	
(-) Cash in local currency	0.0	0.1	0.1	-24.2	1959.3	
Total funding net of compulsory	**60.2**	**69.1**	**75.1**	**8.8**	**24.9**	
[1] Stable funding instruments	38.1	39.4	41.9	6.2	9.9	
Stable funding instruments/Total funding	62.5%	56.9%	55.1%	-1.8 p.p.	-7.4 p.p.	

In terms of liquidity, BV has maintained its cash balance at a very conservative level. Liquidity Coverage Ratio (LCR), whose objective is to measure banks' short-term liquidity in a stress scenario, shifted from 156% in 2Q19 to 184% in 2Q20, the highest level over the last 9 quarters. It's important to point out that the regulatory minimum stipulated by the Brazilian Central Bank is 100%.

Banco BV has maintained a credit line with Banco do Brasil since 2009, which represents a significant liquidity reserve, and it has never been used.

Liquidity Coverage Ratio (LCR)	2Q19	1Q20	2Q20
High-quality liquid assets (HQLA)[1]- R$M	11,663	11,992	14,119
Total cash inflows – R$M	7,461	7,216	7,672
LCR (%)	**156%**	**166%**	**184%**

1 Mainly federal government bonds and bank reserves;

Further information of the LCR can be found in the "Risk and Capital Management Report" on the IR website: **www.bancobv.com.br/ri**.

* Includes debentures of BVEP.

Capital

The Basel Ratio reached 14.4% in 2Q20, with the Tier I Capital ratio totaling 13.3%, 11.0% of Core Capital and 2.4% of Complementary Capital.

With respect to 1Q20, the Basel Ratio posted an increase of 0.1 p.p., explained by:

(1) The net income registered in the quarter, with a 0.3 p.p impact;

(2) The maintenance of risk-weighted asset levels, and;

(3) A decline in subordinated debt (Level II) and declaration of dividends and interest on equity in the quarter, with an impact of -0.3 p.p.

Change in the Basel Ratio 2Q20

Basel Ratio (R$ M)	2Q19	1Q20	2Q20	Variation % 2Q20/1Q20	Variation % 2Q20/2Q19
Total Capital	**9,808**	**9,927**	**9,978**	**0.5**	**1.7**
Tier I Capital	8,695	9,041	9,228	2.1	6.1
Common Equity Tier I	7,544	7,440	7,579	1.9	0.5
Additional Tier I	1,151	1,602	1,649	3.0	43.2
Tier II Capital	1,113	886	750	-15.3	-32.6
Risk Weighted Assets (RWA)	**61,912**	**69,457**	**69,156**	**-0.4**	**11.7**
Credit risk	53,448	60,825	61,633	1.3	15.3
Market risk	2,063	2,150	1,041	-51.6	-49.5
Operational risk	6,401	6,482	6,482	0.0	1.3
Minimum Capital Requirement	**4,953**	**5,557**	**5,533**	**-0.4**	**11.7**
Tier I Capital Ratio	**14.0%**	**13.0%**	**13.3%**	**0.3 p.p.**	**-0.7 p.p.**
Common Equity Tier I Ratio	12.2%	10.7%	11.0%	0.2 p.p.	-1.2 p.p.
Additional Tier I Ratio	1.9%	2.3%	2.4%	0.1 p.p.	0.5 p.p.
Tier II Capital Ratio	**1.8%**	**1.3%**	**1.1%**	**-0.2 p.p.**	**-0.7 p.p.**
Basel Ratio (Capital/RWA)	**15.8%**	**14.3%**	**14.4%**	**0.1 p.p.**	**-1.4 p.p.**

With respect to 2T19, the Basel Ratio decreased by 1.4 p.p., mainly due to the decline in subordinated debt that make up the Tier II Capital and the prudential adjustments deducted from capital resulting from tax credits generated by the exchange rate impact on financial instruments that make up the hedge for the Equity of the bank's branch abroad (Nassau Branch).

The Basel Ratio was calculated according to the Basel III methodology for calculating the minimum requirements for Reference Equity, Level I and Core Capital.

At the end of 2Q20, the minimum capital requirement is 9.25%, with 7.25% being the minimum for Tier I Capital, and 5.75% for Core Capital (CET1).

Diversified Business Portfolio

Supported by the pillars of Efficiency & Financial Strength, Customer Centrality and Digital Maturity

Credit portfolio[1]

R$ 69 billion

+11% vs 2Q19

Retail

auto finance

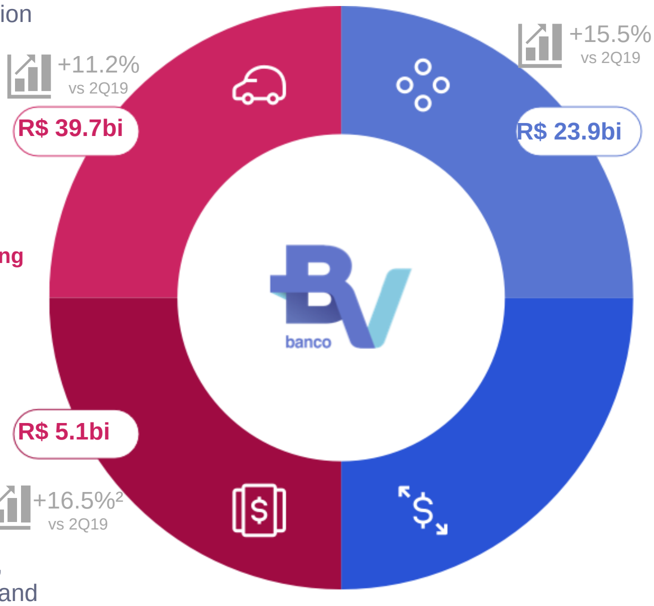
- Capillarity (+19,500 *dealers*)
- Innovation and digital transformation
- 100% digital contracting
- 97% automatic response

11% growth in the portfolio vs. 2Q19, maintaining **the leadership in financing used vehicles** in Brazil

other businesses

- **Credit cards:** +917,000 enable cards. Mastercard, Visa e Elo
- **Insurance:** Auto, credit protection, residential, life, dental, credit card and assistance (residential, funeral, pet)
- **Loans:** Personal loans, private payroll loans, credit with vehicle in guarantee, home equity, student loans, solar panels, tourism and medical procedures

Retail loans: growth of 722% vs 2Q19 in the financing for solar panels portfolio



Wholesale

corporate & investment banking

Corporate Banking

- Corporate (> R$ 300 million)
- Large Corporate (> R$ 1.5 billion)

Banking as a Service

- Settling and custodian bank for fintechs (ex. Neon)

47% growth **in the Corporate portfolio** vs 2Q19

wealth management

16º largest asset in Brazil[3]
R$ 51 billion under management (AuM)

36% of managed funds backed by **real economy assets**

Private Bank: customized solutions for high-income customers

AuM remained stable in the quarter, reinforcing the resilience of BV Asset's fund portfolio

BV^x is the innovation business unit that generates value through connection with the startup ecosystem, with co-creation methods, proprietary developments and investments in our partners.

- Partnerships and corporate venture capital
- Open BV Platform
- Lab – Innovation Lab

1 - Loan portfolio expanded in Jun/20 (includes guarantees provided and private securities)
2 - Does not consider Public Payroll Loan portfolio
3 - ANBIMA ranking

Retail portfolio

Auto Finance

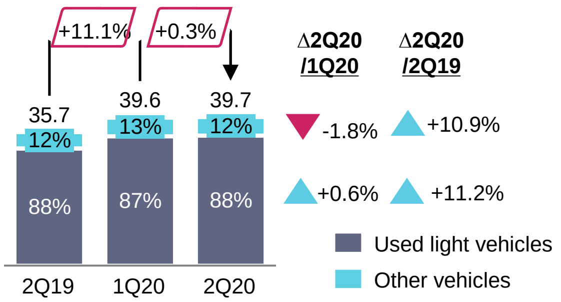
Auto finance is the core business of banco BV. Throughout our its more than 20 years history, BV has acquired relevant competitive advantages in this segment, which ensure a prominent position in Brazil's sector. Among the main competitive advantages, we highlight :

- Capillarity: presence in ~ 19,500 dealers throughout the country; 32 own stores; app
- Agility: 97% automatic credit response
- Digital transformation: digitalization of the whole financing treadmill, from the simulation to the contract signature and payment
- Expertise: continuous improvement of management tools with strong use of data science (analytics, modeling, etc.) and innovation (OCR, biometrics, etc.)

In 2Q20, the **auto finance portfolio** grew 11.1% if compared to 2Q19, reaching R$ 39.7 billion. Used light vehicles amounted to R$ 34.8 billion, accounting for 88% of the total auto portfolio, and recording a 11.2% and 0.6% growth in relation to 2Q19 and 1Q20, respectively.

In turn, the new vehicles portfolio grew 10.9% compared to 2Q19, and decreased 1.8% in relation to 1Q20, reaching R$ 4.9 billion at the end of 2Q20.

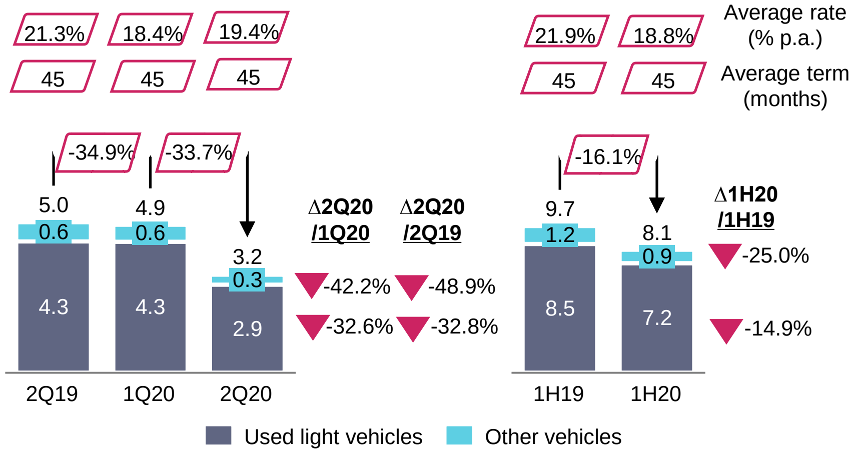
Auto finance portfolio (R$ B)



The **auto finance origination** totaled R$ 3.2 billion in 2Q20, down by 34.9% over the 2Q19 and 33.7% compared to 1Q20. Used light vehicles accounted for 90% of the total origination during the period.

The demand for auto finance was heavily impacted by the pandemic crisis at the end of March, with a more pronounced effect observed in April, when demand levels reached a 80% drop in the first half of the month, compared to the pre-pandemic period. Since then, we have been seeing a gradual demand recovery, with the last week of June/20 recording levels that are equivalent to June/19.

Auto finance Origination (R$ B)



Auto Finance - Origination	2Q19	1Q20	2Q20	1H19	1H20	Variation % 2Q20/1Q20	Variation % 2Q20/2Q19	Variation % 1H20/1H19
Average rate (% p.a.)	21.3	18.4	19.4	21.9	18.8	1.0 p.p.	-1.9 p.p.	-3.1 p.p.
Average term (months)	45	45	45	45	45	0	0	0
Down payment (%)	39.3	38.9	41.1	39.3	39.8	2.2 p.p.	1.8 p.p.	0.5 p.p.
Used cars / Auto finance origination (%)	87.1	88.4	89.9	87.7	89.0	1.5 p.p.	2.8 p.p.	1.3 p.p.
Total auto finance origination (R$ B)	5.0	4.9	3.2	9.7	8.1	-33.7%	-34.9%	-16.1%

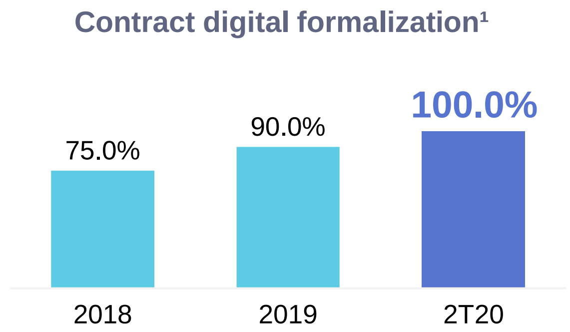
Auto Finance - Portfolio	2Q19	1Q20	2Q20	1H19	1H20	Variation % 2Q20/1Q20	Variation % 2Q20/2Q19	Variation % 1H20/1H19
Average rate (% p.a.)	23.4	21.5	19.7	23.4	19.7	-1.8 p.p.	-3.7 p.p.	-3.7 p.p.
Average term (months)	46	46	41	46	41	-4	-5	-5
Used cars / Auto finance portfolio (%)	87.7	87.5	87.7	87.7	87.7	0.2 p.p.	0.0 p.p.	0.0 p.p.
Average vehicle age (years)	5.7	6.4	6.4	5.7	6.4	0.0 p.p.	0.7 p.p.	0.7 p.p.
Auto finance portfolio (R$ B)	35.7	39.6	39.7	35.7	39.7	0.3%	11.2%	11.2%

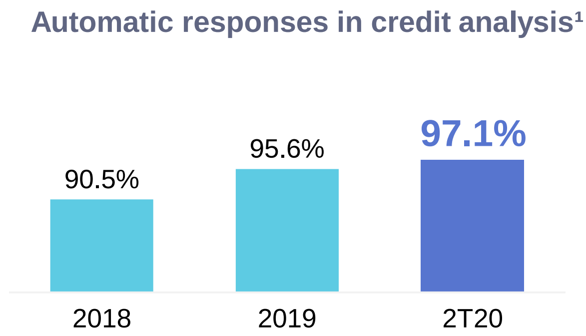
Retail portfolio

Auto Finance – Digital Transformation

We continually invest in digital transformation in our auto finance core business. **In addition to boosting efficiency, digital transformation aims to improve our client's experience.**

Agility and efficiency





Higher use of digital channels

5.2 million
Simulations conducted on the digital channels of BV's partners

1.4 million
Simulations conducted on BV's digital channels

+ 6.6 million
Simulations carried out in 1H20
+13% vs 1H19

New solution

#Levamos até você (#We'll bring it to you)

In partnership with car dealers throughout the country, **#LevamosAtéVocê** assists clients who prefer to search, negotiate and purchase a vehicle **without leaving home,** with the safety and comfort of an end-to-end online process. Launched in May/20 with a group of pilot stores, the initiative comes out at a time when the market is incorporating new ways of consumption and the digital channels are continuously increasingly its relevance for doing business. With **#LevamosAtéVocê**, anyone interested in purchasing a vehicle will receive a thoroughly sanitized car at their home in order to take a **test drive**. If the vehicle is to their liking, the car will be delivered right to their garage.

[1] for light used vehicles

Retail portfolio

Insurance brokerage

The insurance business is complementary to our auto finance business and provides greater revenue diversification, with a high potential for cross-selling to the broad customer base. Below, the diversified portfolio of products offered by BV and its respective partners :

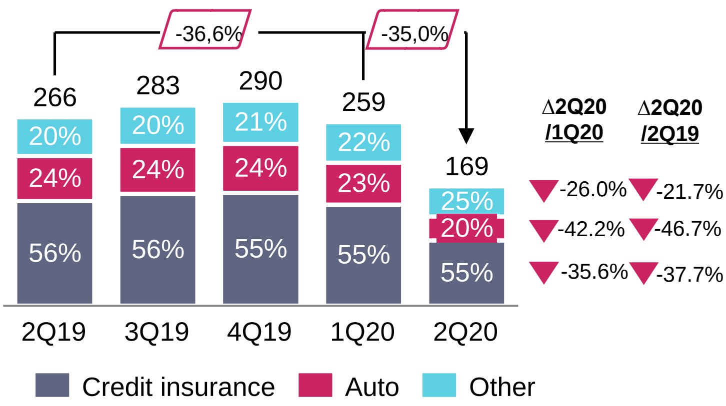
Insurance	Auto	Credit insurance	Residential	Life	Dental	Card	Assistances¹
Partner	MAPFRE, Liberty Seguros, SulAmérica	CARDIF	CARDIF	Icatu	MetLife	MAPFRE	AXA

¹ Residential, funeral and pet assistances

In 2Q20, insurance premiums reached R$ 169 million, down 36.6% when compared to the previous year and 35.0% if compared to the last quarter.

The insurance business is complementary to the auto finance business, whereby it is primarily offered at the time that the auto finance is granted to the client. As mentioned earlier, origination fell by 33.7% in 2Q20 vs 1Q20 and 34.9% when compared to 2Q19. As such, the decrease in insurance premiums is in line with the variation observed in origination. As previously stated, the demand for auto finance, especially for used vehicles, has been gradually recovering since April. As a consequence, the demand for insurance has also been steadily improving.

Insurance premiums (R$ M)



Credit Card

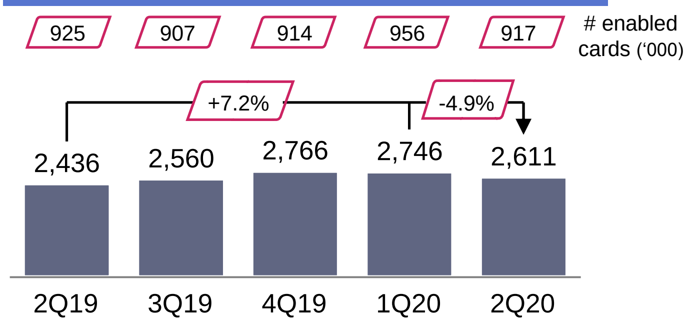
BV offers several credit card options such as Mastercard, Visa and Elo

- The card business offers broad cross-selling opportunities to BV's clients base
- Expansion also through new partnerships, such as Dotz
- Investments to improve App, digital customer service and new features such as virtual card.

At the end of 2Q20, our credit card portfolio amounted to R$ 2.6 billion, representing a 7.2% growth in relation to 2Q19. The portfolio posted a 4.9% drop compared to 1Q20. At the end of 2Q20, BV's credit card (enabled) base had over 917 thousand cards.

New pro-clients measures were taken during 2Q20: We allowed the extension for installment payments terms from 12 to 18 months and began offering such service through the App "Meu Cartão BV".

Credit card portfolio (R$ M)



Digital evolution

We hit our highest level of digital engagement in history during 2Q20, reaching a total of 10.1 million visits to our digital channels, App and Website, representing an increase of 11.3% compared to 1Q20. During the same period, approximately 90% of all active clients logged onto the digital channels at least once.

Initiating Dotz cards sales

In 2Q20, we began offering Dotz credit cards. The cards are available under the Visa and Mastercard brands in International and Platinum versions, and all expenses incurred are converted into Dotz points, which can be exchanged for a variety of products and services, such as airline tickets, products, bill payments etc.

Retail portfolio

Loans

Wide range of products for individuals, with important synergies to the bank's core business, in addition to financing products in partnerships with fintechs and startups

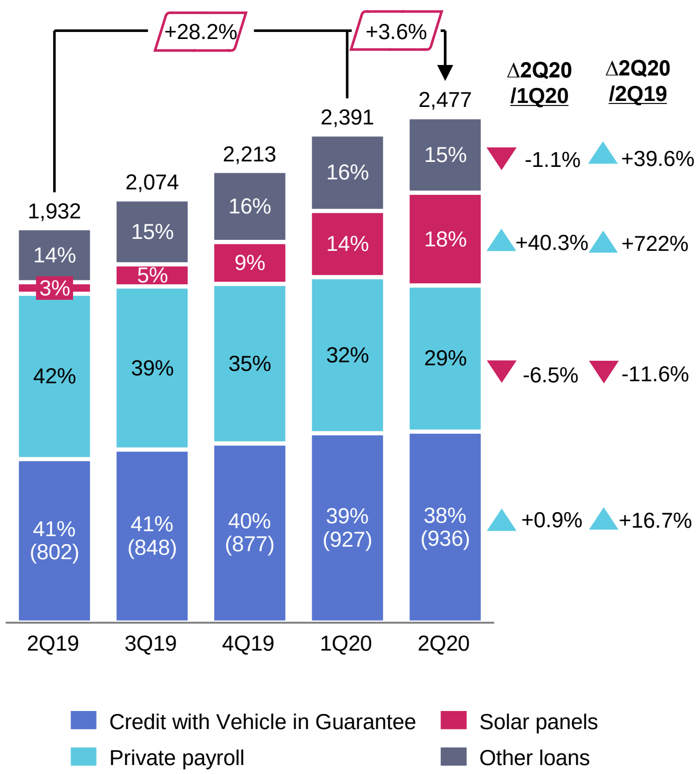
- Personal loans
- Credit with vehicle in guarantee (CVG)
- Home equity
- Private payroll
- Solar panels
- Studant loan
- Tourism
- Medical procedures

JUST. Expansion of the personal credit platform in partnership with GuiaBolso	TOTVS New partnership in the provision of private payroll loans	Digitalization of the tools for the commercial team focused on loans	bom pra crédito, eCred, Finan Zero, Guiabolso, Juros baixos, neon: 6 digital partners for online credit origination

Other Retail loans portfolio recorded a 28.2%[1] growth in relation to 2Q19, reaching R$ 2.5 billion. It is worth to highlight the 722% increase in the portfolio of solar panel financing, a product developed with Portal Solar, the largest solar energy market-place in Brazil, which reached R$ 455 million and already accounts for 18% of this portfolio. Another product that has been registering a consistent growth is the Credit with Vehicle as Collateral (CVG), a segment that has a considerable synergy with our auto finance business and which grew 16.7% compared to 2Q19. Other loan include student loans, provided in partnership with Pravaler – the country's largest student financing portal – home equity, and other products created in partnership with fintechs, such as financing for medical procedures, tourism etc.

The portfolio grew by 3.6% in relation to 1Q20, driven mainly by the expansion in the solar panels portfolio, and CVG which demonstrated a solid demand resilience during the adverse economic environment.

Loan portfolio[1] (R$ B)



1 - excluding the public payroll loan portfolio (run-off)

Wholesale portfolio

Corporate & Investment Banking (CIB)

With agile and customized solutions that simplify the daily processes of companies, CIB offers a wide variety of loan products, capital markets, treasury and services. The CIB serves economic groups with annual revenues above R$ 300 million, classified in two segments:

Growing Corporate

Customers[1]:
Annual revenue > R$ 300m <R$ 1.5 billion

Strategic Focus:
Expansion of the portfolio

Large Corporate

Customers[1]:
Annual revenue> R$ 1.5 billion

Strategic Focus:
Selective performance with a view to portfolio profitability

Wide variety of products

Local currency & Cash Management	Derivatives	Capital markets & M&A
Foreign currency & FX	Fund raising	Corporate & Project Finance

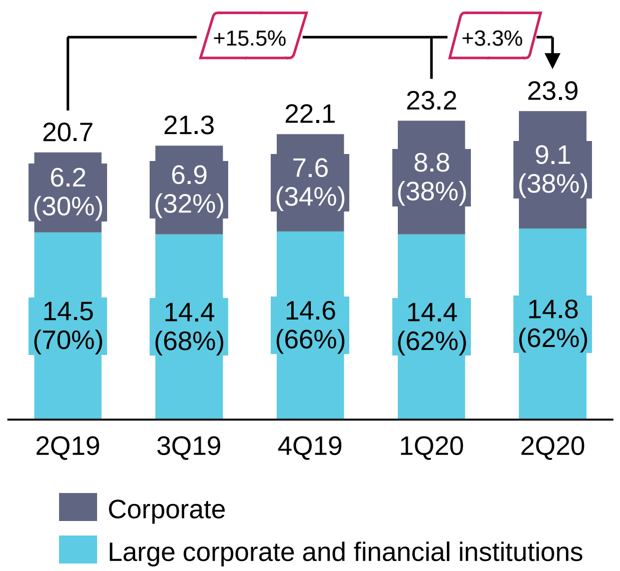
1. Economic groups

The CIB loan portfolio ended 2Q20 at R$ 23.9 billion, a 15.5% increase in the last 12 months and 3.3% compared to the previous quarter. Excluding the exchange variation effects, growth would have been 8.2% in the last 12 months and 2.3% over the previous quarter.

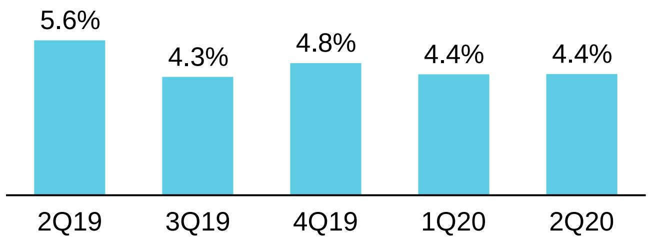
The Growing Corporate segment grew by 47.1% compared to 2Q19 and 3.4% compared to 1Q20. While expressive, this growth was more subdued compared to the previous quarter, reflecting the increased conservatism that the current scenario demanded. In turn, the Large Corporate and Financial Institutions segment grew by 2.0% and 3.2% over the 2Q19 and 1Q20, respectively.

Such results reflect the strategic plan for CIB to seek growth in the Growing Corporate segment portfolio and operate more selectively in Large Corporate, thereby spreading the portfolio's risk and improving the portfolio's profitability. At the end of 2Q20, the Growing Corporate portfolio represented 38% of the CIB portfolio, compared to 30% in the previous year.

CIB – Expanded portfolio (R$ B)

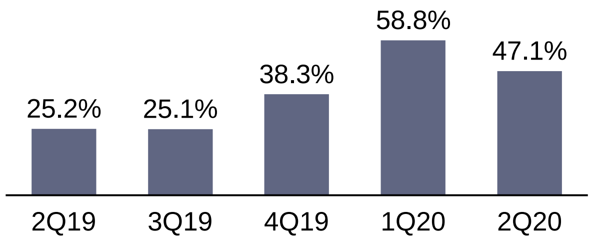


10 largest debtors [1]



[1] Regarding the consolidated loan portfolio

Growing Corporate segment portfolio growth[2]



[2] Over the last 12 months

CIB portfolio breakdown by sector

At the end of 2Q20, CIB had a very diversified portfolio, with no exposure concentrated in any economic sector.

Wholesale portfolio by sector	1Q20		2Q20	
	R$ M	Part.(%)	R$ M	Part.(%)
Financial institutions	3,764	16.2%	3,448	14.4%
Construction	1,865	8.0%	2,050	8.6%
Industry	1,774	7.7%	1,807	7.5%
Retail	1,267	5.5%	1,678	7.0%
Sugar and alcohol	1,852	8.0%	1,669	7.0%
Electric power	480	2.1%	1,064	4.4%
Project Finance	972	4.2%	1,005	4.2%
Telecomunication	989	4.3%	942	3.9%
Oil & Gas	817	3.5%	861	3.6%
Cooperatives	742	3.2%	759	3.2%
Car assemblers / dealers	658	2.8%	710	3.0%
Services	676	2.9%	649	2.7%
Water and sanitation	292	1.3%	597	2.5%
Mining	538	2.3%	505	2.1%
Rental	507	2.2%	496	2.1%
Other	5,994	25.9%	5,701	23.8%
Total	**23,186**	**100%**	**23,941**	**100%**

1 – It considers the on-balance portfolio of Legal Entities according to note 11 of the 1Q20 Financial Statements

Wholesale - Wealth Management

The Wealth Management business develops and provides investment management solutions in a sustainable manner, with well-defined strategic objectives for the two distinct markets in which it operates.

Asset Management – BV Asset

Recognized for its consistent performance, great innovative capacity, development of solutions appropriate to the needs of customers and extensive knowledge of the actual economy.

BV Asset has a prominent position in the wealth management industry in Brazil, ranked **16th in the ANBIMA ranking[1].**

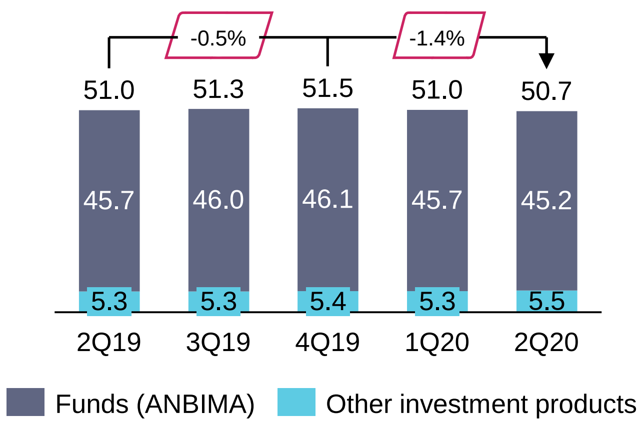
Private Bank – BV Private

It offers financial products and solutions suited to the needs of each investor, whose profile is always thoroughly analyzed, in addition to always seeking the best solutions in asset and portfolio management (expertise in financial planning advisor and succession planning).

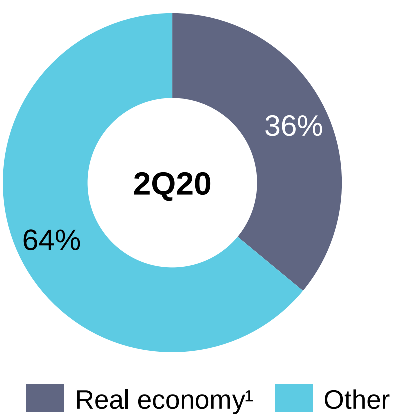
It manages the resources of more than a thousand customers, with the support of a structure made up of 15 private bankers.

BV Asset ended 2Q20 with R$ 50.7 billion of assets under management (AuM), virtually in line with the AuM in 2Q19 and ranking among the largest asset managements in Brazil. The year has been marked by the increase of uncertainties regarding the crisis caused by the Covid-19 pandemic and its impacts on the economy. In this scenario, the investment fund industry posted a net outflow of R$ 16.2 billion in the 1H20, according to ANBIMA. BV Asset is characterized for having a significant portion of its funds backed by assets in the real economy, providing enhanced resilience during adverse scenarios.

Assets under management (R$ B)



Funds backed by real economy assets[1]



[1] includes real estate, energy, infrastructure and other sectors

asset	**16th** largest asset in Brazil	**R$ 50.7** billion AuM	**4th** largest real estate fund manager	**255** funds under management

[1] ANBIMA ranking, as of Jun/2020

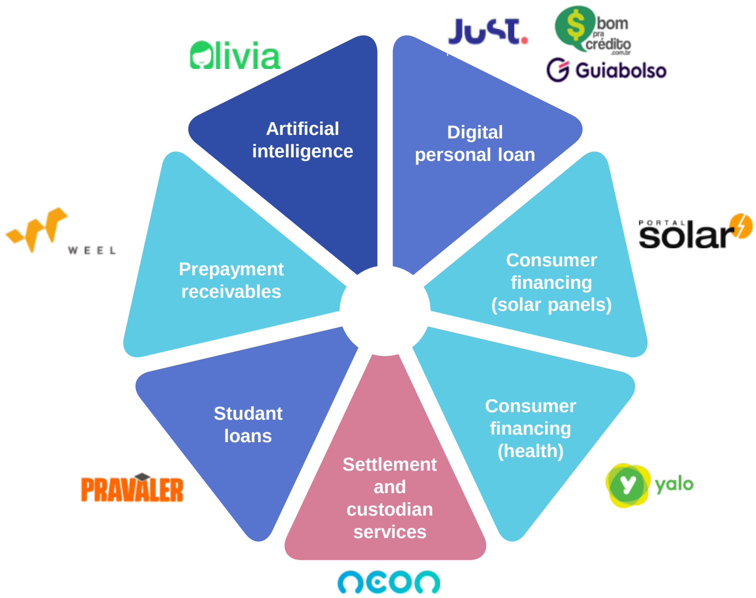
BVx Innovation Business Unit

The mission of **BVx** is to drive value through a connection with the startup ecosystem by means of co-creation, proprietary developments and investments in strategic partnerships. BVx has 3 operating fronts:

1) **Corporate Venture Capital and strategic partnerships**: Investments and partnerships with fintechs and other startups that have synergies with BV and that complement the portfolio of solutions for bank clients;

2) **BV open (Bank as a Platform)**: Using Open Banking initiatives to expand BV's role as a **Bank as a Platform**, creating greater efficiency and diversifying revenues through partners;

3) **BV Lab:** Its mission is to foster innovation through the following actions: i) experimentation with emerging technologies with potential impact on the financial industry; ii) integration and incubation of new partnerships with startups, and; iii) connection with innovation ecosystems.



New partnership in the provision of private payroll loans

A new partnership with TOTVS was signed to make BV's private payroll loan offer available in the software company's management system, thus reaching an audience of around 10 million employees of companies using TOTVS ERP solutions

Investment in the Carflix startup

BV headed the R$ 15 million investment in Carflix, a startup that acts as a middle-man for the purchase and sale of used cars, connecting buyers and sellers through its technological platform.

We ended 1S20 with 24 strategic partnerships with innovative companies, enriching our ecosystem

BV open – Bank as a Platform

Open BV is a platform that connects partners who, on the one hand use our API's, divided into 3 classes (**Banking-as-a-Service; Credit-as-a-Service and Investment-as-a-Service**), and on the other hand, they offer their products and services to their customers and to ours as well.

Via **Banking as a Service (BaaS)**, we act as a settlement and custodian bank for fintechs and startups. Through our platform, we allow such institutions to carry out transactions with the financial market through a superior and individualized experience to their customers. Fintechs such as Neon, Nubank and Stone currently use the services of our BaaS platform.

In 1H20, we posted the largest historical growth in volume[1] in BaaS, amounting to over 18.2 million financial transactions processed in our platform.

+18.2 million
transactions carried out in 1S20, +211% above 1S19

As of today, our library of API's is accessed by 178 partners

1. Includes registration and payment of slips and electronic transferring

Ratings

Banco BV is rated by international rating agencies and the marks given reflect its operational performance, financial strength and the quality of its management, in addition to other factors related to the financial sector and the economic environment in which the company operates. It is worth mentioning that the long-term rating in foreign currency is limited to the sovereign rating of Brazil.

The table below shows the ratings assigned by the main agencies :

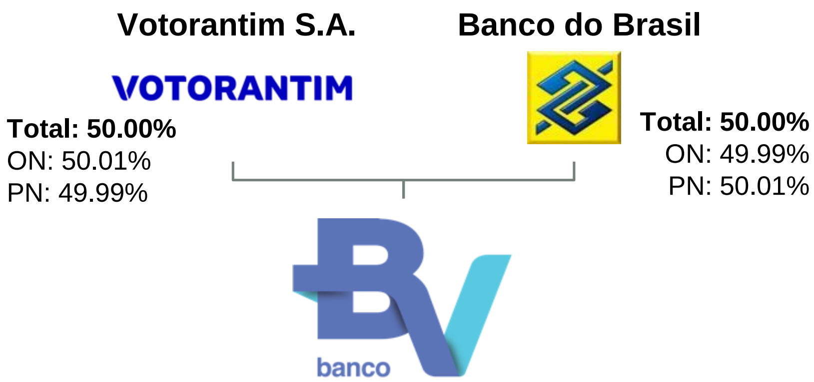
RATING AGENCIES		Global scale – Local currency	Global scale – Foreign currency	National scale – Local currency	Brazil – Sovereign rating (outlook)
Moody's	Long-Term	**Ba2** (stable)	**Ba3**	**Aa3.br**	**Ba2** (stable)
	Short-Term	**NP**	**NP**	**BR-1**	
Standard & Poor's	Long-Term	**BB-** (stable)		**brAAA**	**BB-** (stable)
	Short-Term	**B**		**brA-1+**	

On April 7, 2020, S&P changed the outlook for Brazil's sovereign rating from positive to stable, reflecting the updated expectations of the country's fiscal and economic situation due to the crisis caused by Covid-19. Thus, BV's outlook also received the same modification. The rating has not changed.

Corporate Governance

Banco BV adopts the best governance practices, ensuring transparency and equity of information, in order to contribute to the decision-making process.

Shareholding structure



The Bank's management is shared between the shareholders Votorantim Finanças and Banco do Brasil, with equal participation of both on the Board of Directors (BD), which is composed of six members.

Board meetings take place at least monthly to deliberate on strategic issues and monitor and guide the Conglomerate's business. Decisions are taken by absolute majority, with no casting vote.

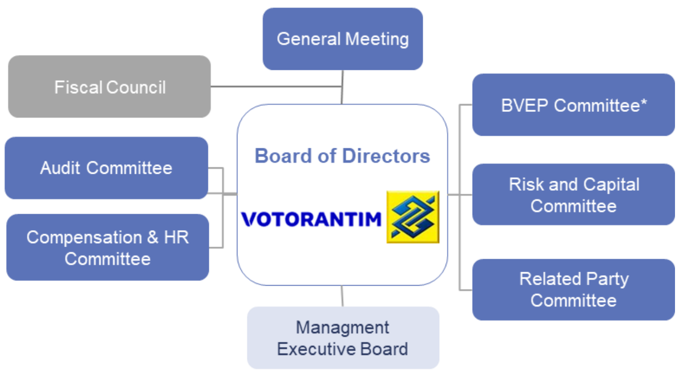
The Fiscal Council and the advisory forums to the Board of Directors are also part of the governance bodies, in addition to the Executive Board, Executive Committee and internal governance technical committees.

At the Annual General Meeting held in Apr.19, in addition to the re-election of the members of the Board of Directors for the next biennial term that will remain in force until 2021, José Luiz Majolo and Rubem de Freitas Novaes were re-elected, respectively, to the positions of President and Vice-President of the board.

Board of Directors

Name	Position	Shareholder
José Luiz Majolo	President	Votorantim Finanças
Rubem de Freitas Novaes	Vice-President	Banco do Brasil
Celso Scaramuzza	Member	Votorantim Finanças
Carlos Hamilton V. Araújo	Member	Banco do Brasil
Jairo Sampaio Saddi	Member	Votorantim Finanças
Carlos Renato Bonetti	Member	Banco do Brasil

Corporate Governance Structure



* BV Empreendimentos e Participações