Interim Financial Statements

March, 31 2020

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KPMG Auditores Independentes
Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A
04711-904 - São Paulo/SP - Brasil
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500
kpmg.com.br

Review report on the individual and consolidated financial statements

To the Shareholders and Board of Directors of

Banco Votorantim S.A.
São Paulo – SP

Introduction

We have reviewed the individual and consolidated financial statements of Banco Votorantim S.A. ("Bank") as at March 31, 2020, which comprise the statement of financial position as at March 31, 2020 and the respective individual and consolidated statements of income, comprehensive income, changes in shareholder's equity and cash flows for the three-month period then ended, including the explanatory notes, containing the significant accounting practices and other elucidative information.

Management is responsible for the preparation of the interim individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil. Our responsibility is to express a conclusion on these individual and consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and International Standards of Interim Financial Information (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim accounting information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Brazilian and International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial statements

Based on our review, we are not aware of any fact that would lead us to believe that the accompanying individual and consolidated interim financial statements mentioned above do not adequately present, in all material aspects, the Bank's financial position as of March 31, 2020 and the performance of its operations and its cash flows for the three-month period ended on that date, in accordance with the accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil.

Other matters - Statement of value added

The individual and consolidated financial statements includes the individual and consolidated statements of value added for the three-month period ended March 31, 2020, prepared under the responsibility of the Bank´s management, and presented as supplementary information for purposes of accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil. These statements were submitted to review procedures performed in conjunction with the review of the Bank's individual and consolidated interim financial statements, for the purpose of conclude whether the statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria set forth in Technical Pronouncement CPC 09 - Statement of Value Added. Based in our review we are not aware of any fact that would lead us to believe that the accompanying individual and consolidated statements of value added, were not prepared, in all material aspects, according to the criteria defined in this standard and in a consistent manner in relation to the individual and consolidated financial statements taken as a whole.

São Paulo, May 07, 2020

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by

João Paulo Dal Poz Alouche

Accountant CRC 1SP245785/O-2

Banco Votorantim S.A.

STATEMENT OF FINANCIAL POSITION

On March 31, 2020 and December 31, 2019

(In thousands of Reais)

	Note	Bank		Consolidated	
		03.31.2020	12.31.2019	03.31.2020	12.31.2019
Cash and due from banks	**6**	**9,111,063**	**2,327,760**	**2,239,558**	**1,051,889**
Financial assets		**81,893,521**	**78,836,931**	**95,633,911**	**86,703,431**
Interbank investments	**7a**	**34,797,646**	**39,037,190**	**4,614,045**	**2,531,995**
Securities		**26,225,001**	**24,567,184**	**29,595,314**	**27,720,262**
Securities portfolio	8a	27,122,736	25,473,689	30,493,049	28,626,767
(Provision for impairment of securities)	8a	(897,735)	(906,505)	(897,735)	(906,505)
Derivative financial instruments	**9**	**9,369,104**	**3,082,862**	**8,091,718**	**2,737,346**
Interbank accounts	**10a**	**133,287**	**1,772,165**	**133,287**	**1,772,165**
Loan portfolio	**11a**	**10,060,508**	**9,639,694**	**51,583,825**	**50,960,142**
Loans		8,019,632	7,087,393	51,210,627	49,516,883
Other receivables with loan characteristics		3,717,114	4,325,923	5,316,781	6,061,460
Lease portfolio		-	-	90,489	97,677
(Allowance for losses associated with credit risk)		(1,676,238)	(1,773,622)	(5,034,072)	(4,715,878)
Other financial assets	**12a**	**1,307,975**	**737,836**	**1,615,722**	**981,521**
Tax assets		**4,042,130**	**3,609,762**	**7,694,802**	**7,229,052**
Current tax assets	24a.1	218,845	251,392	462,489	590,499
Deferred tax assets	24a.2	3,823,285	3,358,370	7,232,313	6,638,553
Investments		**3,644,769**	**3,563,998**	**85,383**	**79,649**
Investments in subsidiaries, associates and joint ventures	13a	3,644,582	3,563,813	85,196	79,463
Other investments	13d	187	185	187	186
Property for use	**14**	**68,983**	**67,079**	**93,897**	**94,416**
Other property for use		240,468	232,748	375,121	366,423
(Accumulated depreciation)		(171,485)	(165,669)	(281,224)	(272,007)
Intangible assets	**15a**	**220,618**	**211,655**	**349,210**	**303,404**
Intangible assets		529,791	504,698	772,987	702,674
(Accumulated amortization)		(163,437)	(147,307)	(272,802)	(248,295)
(Accumulated impairment)		(145,736)	(145,736)	(150,975)	(150,975)
Other assets	**12a**	**522,197**	**371,884**	**1,303,545**	**1,400,139**
TOTAL ASSETS		**99,503,281**	**88,989,069**	**107,400,306**	**96,861,980**

See the accompanying notes to the financial statements.

Banco Votorantim S.A.
STATEMENT OF FINANCIAL POSITION
On March 31, 2020 and December 31, 2019

(In thousands of Reais)

	Note	Bank		Consolidated	
		03.31.2020	12.31.2019	03.31.2020	12.31.2019
Financial liabilities		**88,728,377**	**78,232,869**	**94,759,854**	**84,001,354**
Deposits	16a	**21,182,185**	**17,207,376**	**20,318,172**	**16,355,713**
Money market repurchase commitments	16c	**16,506,895**	**15,832,953**	**16,411,398**	**15,206,091**
Securities issued	18	**31,914,262**	**31,134,839**	**32,318,337**	**32,066,337**
Interbank accounts	10c	**17,855**	**144**	**1,517,658**	**1,642,152**
Borrowings and domestic onlendings	17a	**5,594,108**	**3,578,360**	**5,594,108**	**3,578,360**
Derivative financial instruments	9	**8,350,781**	**3,017,252**	**7,596,367**	**2,934,562**
Subordinated debts and debt instruments eligible as capital	19a	**3,889,187**	**6,597,168**	**3,889,187**	**6,597,168**
Other financial liabilities	20a	**1,273,104**	**864,777**	**7,114,627**	**5,620,971**
Tax liabilities		**61,832**	**120,529**	**380,600**	**566,872**
Current tax liabilities	24b.1	42,713	77,790	337,125	478,488
Deferred tax liabilities	24b.2	19,119	42,739	43,475	88,384
Provisions for contingencies	**27e**	**104,236**	**103,860**	**939,265**	**906,308**
Other liabilities	**20a**	**614,576**	**676,354**	**1,307,020**	**1,501,565**
SHAREHOLDER'S EQUITY		**9,994,260**	**9,855,457**	**10,013,567**	**9,885,881**
Capital	**23a**	**8,130,372**	**8,130,372**	**8,130,372**	**8,130,372**
Capital reserves	**23b**	**372,120**	**372,120**	**372,120**	**372,120**
Profit reserves		**1,379,702**	**1,379,702**	**1,334,069**	**1,334,069**
Other comprehensive income	**23f**	**(92,420)**	**(26,737)**	**(44,159)**	**49,320**
Retained earnings		**204,486**	**-**	**221,165**	**-**
Non-Controlling Interests		**-**	**-**	**-**	**-**
TOTAL LIABILITIES		**99,503,281**	**88,989,069**	**107,400,306**	**96,861,980**

See the accompanying notes to the financial statements.

Banco Votorantim S.A.

INCOME STATEMENT

Quarters ended March 31, 2020 and March 31, 2019

(In thousands of Reais, unless otherwise stated)

	Note	Bank		Consolidated	
		01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
FINANCIAL INTERMEDIATION INCOME		**2,978,377**	**1,398,163**	**4,569,666**	**2,768,773**
Loans	11b	290,332	180,564	2,236,428	1,956,479
Leases	11h	-	-	2,938	7,317
Income from securities	8d	1,282,668	1,180,786	1,129,887	644,568
Income (Losses) from derivative financial instruments	9i	1,140,311	355	727,822	(126,162)
Income from exchange foreign operations	12c	247,136	28,065	247,136	28,065
Income from compulsory deposits	10d	17,930	8,393	17,930	8,393
Liabilities associated with assigned financial assets	11j.1	-	-	207,525	250,113
FINANCIAL INTERMEDIATION EXPENSES		**(3,360,787)**	**(1,168,432)**	**(3,440,874)**	**(1,283,201)**
Deposits and securities sold under repurchase agreements	16d	(2,547,751)	(1,102,970)	(2,541,951)	(1,083,110)
Borrowings and onlendings	17d	(813,036)	(65,462)	(813,036)	(65,462)
Liabilities associated with assigned financial assets	11j.1	-	-	(85,887)	(134,629)
INCOME (LOSS) FROM FINANCIAL INTERMEDIATION		**(382,410)**	**229,731**	**1,128,792**	**1,485,572**
INCOME (LOSS) FROM ALLOWANCE FOR LOSSES		**9,367**	**(38,468)**	**(813,856)**	**(464,051)**
(Provision) / reversal of provision for loan losses	11f	884	(39,065)	(820,855)	(468,989)
Other (provision) / reversal of provision associated with credit risk	11f	(287)	59,683	(1,771)	64,024
(Provision) / reversal of provision for securities impairment	8e	8,770	(59,086)	8,770	(59,086)
OPERATING INCOME/EXPENSES		**135,136**	**200,654**	**(431,983)**	**(434,471)**
Service income	21a	65,937	48,397	363,110	343,738
Income from banking fees	21b	817	119	219,953	225,988
Personnel expenses	21c	(26,628)	(62,590)	(213,964)	(255,176)
Other administrative expenses	21d	(60,953)	(69,024)	(355,633)	(318,525)
Tax expenses	24c	(11,445)	(9,790)	(135,699)	(120,739)
Share of profit (loss) in subsidiaries, associates and joint ventures	13a	165,334	318,665	(29,850)	24,592
(Provision) / reversal of provision for contingent liabilities	27e.3	(376)	2,909	(32,957)	(30,489)
Other operating income	21e	8,777	3,246	45,748	21,472
Other operating expenses	21f	(6,327)	(31,278)	(292,691)	(325,332)
OPERATING INCOME		**(237,907)**	**391,917**	**(117,047)**	**587,050**
OTHER INCOME AND EXPENSES	**22**	**(3,125)**	**1,528**	**36,135**	**906**
Other income		3,159	2,153	49,350	4,341
Other expenses		(6,284)	(625)	(13,215)	(3,435)
INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING		**(241,032)**	**393,445**	**(80,912)**	**587,956**
INCOME TAX AND SOCIAL CONTRIBUTION	**24d.1**	**458,412**	**(40,663)**	**371,668**	**(207,946)**
PROFIT SHARING - EMPLOYEES AND MANAGEMENT		**(12,894)**	**(16,763)**	**(69,591)**	**(43,991)**
NON-CONTROLLING INTERESTS		-	-	-	-
NET PROFIT		**204,486**	**336,019**	**221,165**	**336,019**
EARNINGS PER SHARE					
Earnings per share - R$	23d	1.94	3.19		
Number of shares (thousand lot)	23a	105,391,473	105,391,473		

See the accompanying notes to the financial statements.

Banco Votorantim S.A.

STATEMENT OF OTHER COMPREHENSIVE INCOME

Quarters ended March 31, 2020 and March 31, 2019

(In thousands of Reais)

	Note	Bank	
		01.01 to 03.31.2020	**01.01 to 03.31.2019**
Net income for the period		**204,486**	**336,019**
Other comprehensive income that can be subsequently reclassified to profit or loss:			
Net variation in the fair value of financial assets available for sale	**23f**	**(99,993)**	**67,957**
Adjustment to fair value against shareholder's equity		(67,169)	126,439
Adjustment to fair value transferred to income		(110,239)	(13,298)
Tax effect		77,415	(45,184)
Cash flow hedge	**23f**	**34,310**	**10,504**
Adjustment to fair value against shareholder's equity		62,579	14,301
Adjustment to fair value transferred to income		(197)	3,205
Tax effect		(28,072)	(7,002)
Total comprehensive income		**138,803**	**414,480**

	Note	Consolidated	
		01.01 a 03.31.2020	**01.01 a 03.31.2019**
Net income for the period		**221,165**	**336,019**
Other comprehensive income that can be subsequently reclassified to profit or loss:			
Net variation in the fair value of financial assets available for sale	**23f**	**(127,789)**	**67,957**
Adjustment to fair value against shareholder's equity		(70,192)	126,439
Adjustment to fair value transferred to income		(135,012)	(13,298)
Tax effect		77,415	(45,184)
Cash flow hedge	**23f**	**34,310**	**10,504**
Adjustment to fair value against shareholder's equity		62,579	14,301
Adjustment to fair value transferred to income		(197)	3,205
Tax effect		(28,072)	(7,002)
Total comprehensive income		**127,686**	**414,480**

See the accompanying notes to the financial statements.

Banco Votorantim S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Quarters ended March 31, 2020 and March 31, 2019

(In thousands of Reais)

Bank	Note	Capital Social	Capital	Profit reserves		Adjustments to equity value	Retained earnings	Total
EVENTS		Paid-up capital	reserves	Legal	Others reserves			
Balances at December 31, 2018		**8,130,372**	**372,120**	**134,733**	**915,365**	**(178,995)**	**-**	**9,373,595**
Equity valuation adjustments for financial instruments, net of taxes	23f	-	-	-	-	78,461	-	78,461
Net income for the period		-	-	-	-	-	336,019	336,019
Balances at March 31, 2019		**8,130,372**	**372,120**	**134,733**	**915,365**	**(100,534)**	**336,019**	**9,788,075**
Changes in the period		**-**	**-**	**-**	**-**	**78,461**	**336,019**	**414,480**
Balances at December 31, 2019 [(1)]		**8,130,372**	**372,120**	**205,527**	**1,174,175**	**(26,737)**	**-**	**9,855,457**
Equity valuation adjustments for financial instruments, net of taxes	23f	-	-	-	-	(65,683)	-	(65,683)
Net income for the period		-	-	-	-	-	204,486	204,486
Balances at March 31, 2020 [(1)]		**8,130,372**	**372,120**	**205,527**	**1,174,175**	**(92,420)**	**204,486**	**9,994,260**
Changes in the period		**-**	**-**	**-**	**-**	**(65,683)**	**204,486**	**138,803**

(1) Does not includes effects of elimination of unrealized income arising from transactions between linked parties described in note 23e.
Earnings per Share are disclosed in the Statement of Income.
See the accompanying notes to the financial statements.

Banco Votorantim S.A.

STATEMENT OF CASH FLOWS

Quarters ended March 31, 2020 and March 31, 2019

(In thousands of Reais)

	Note	Bank		Consolidated	
		01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Cash flows from operating activities					
Income (loss) before income and social contribution taxes		**(241,032)**	**393,445**	**(80,912)**	**587,956**
Adjustments to income (loss) before income and social contribution taxes		**(306,169)**	**(116,907)**	**807,027**	**751,450**
(Provision) / reversal of provision for loan losses	11f.1	49,141	82,922	954,195	617,683
(Provision) / reversal of provision for securities impairment	8e	(8,770)	59,086	(8,770)	59,086
Other (provision) / reversal of provision associated with credit risk	11f	287	(59,683)	1,771	(64,024)
Depreciation and amortization	21d	5,397	18,591	32,280	27,698
Allowance for impairment losses	22	(2,485)	-	(5,931)	-
Income from investments in associates and joint ventures	13a	(165,334)	(318,665)	29,850	(24,592)
Exchange variation of investments abroad	9i	(505,698)	7,337	(505,698)	7,337
Exchange variation on financing abroad	29e	350,400	22,783	350,400	22,783
(Profit) / loss on disposal of assets	22	(674)	(606)	3,219	1,432
Provision / (Reversal of provision) to devaluation of other assets	22	5,547	(1,507)	(34,988)	(2,187)
Expenses / (Reversal of expenses) with civil, labor and tax provisions	27e.3	376	(2,909)	32,957	30,489
Effect of changes in foreign exchange rates on cash and cash equivalents		(39,345)	(848)	(39,345)	(848)
Interest expense on subordinated debt obligations and debt instruments eligible for capital	29e	34,404	121,345	34,404	121,345
Interest income from securities held to maturity		(29,366)	(44,752)	(37,267)	(44,752)
Other adjustments		(49)	(1)	(50)	-
Adjusted income before income and tax social contribution		**(547,201)**	**276,538**	**726,115**	**1,339,406**
Changes in assets/liabilities		**10,907,828**	**(401,438)**	**4,158,703**	**833,978**
(Increase) / decrease in interbank investments		4,239,544	5,980,466	(2,082,050)	6,128,547
(Increase) Decrease in trading securities and derivative financial instruments		(1,602,992)	2,707,624	(1,622,166)	4,994,119
(Increase) / decrease in interbank accounts		1,656,589	130,534	1,514,384	125,116
(Increase) / decrease in loans and leases		(467,072)	328,016	(1,578,021)	(1,161,700)
(Increase) / decrease in other assets		(662,876)	(801,642)	(456,352)	(1,047,993)
(Increase) Decrease in tax assets		27,806	50,335	123,270	111,783
Income and social contribution taxes paid		(9,242)	(1,034)	(190,198)	(179,987)
(Decrease) / increase in deposits		3,974,809	(935,664)	3,962,459	(920,484)
(Decrease) / increase in money market repurchase commitments		673,942	(7,989,884)	1,205,307	(8,189,186)
(Decrease) / increase in securities issued		779,423	171,450	252,000	198,080
(Decrease) / increase in liabilities from borrowings and onlendings		2,015,748	(599,886)	2,015,748	(599,886)
(Decrease) / increase in other obligations		333,367	567,021	1,227,749	1,466,637
(Increase) / decrease in tax liabilities		(51,218)	(8,774)	(213,427)	(91,068)
CASH USED BY OPERATING ACTIVITIES		**10,360,627**	**(124,900)**	**4,884,818**	**2,173,384**
Cash flows from investing activities					
(Acquisition / increase) of securities available for sale		(1,589,489)	(220,140)	(1,673,999)	(220,140)
(Acquisition / increase) of securities held to maturity		(882,584)	-	(1,167,280)	-
(Acquisition) of property for use		(7,201)	(2,271)	(7,294)	(3,150)
(Acquisition / activation) of intangible		(59,230)	(40,114)	(70,222)	(43,634)
(Acquisition / increase) of investments in subsidiaries		(707)	-	(42,114)	-
Disposal / decrease of securities available for sale		1,387,645	3,274,101	1,799,041	1,092,059
Disposal of property for use		-	7	-	7
Disposal / decrease of investments in subsidiaries		593,453	220,090	518,159	147,471
Disposal of intangible assets		34,229	-	-	-
NET CASH GENERATED BY INVESTING ACTIVITIES		**(523,884)**	**3,231,673**	**(643,709)**	**972,613**
Cash flows from financing activities					
(Decrease) / increase in obligations due to subordinated debts	29e	(3,096,991)	(123,514)	(3,096,991)	(123,514)
(Decrease) / increase in debt instruments eligible for capital	29e	4,206	3,143	4,206	3,143
CASH GENERATED BY FINANCING ACTIVITIES		**(3,092,785)**	**(120,371)**	**(3,092,785)**	**(120,371)**
Net variation in cash and cash equivalents		**6,743,958**	**2,986,402**	**1,148,324**	**3,025,626**
Beginning of the period		2,327,760	1,554,979	1,051,889	1,609,240
Effect of changes in foreign exchange rates on cash and cash equivalents		39,345	848	39,345	848
End of the period	6	9,111,063	4,542,229	2,239,558	4,635,714
Net increase (decrease) in cash and cash equivalents		**6,743,958**	**2,986,402**	**1,148,324**	**3,025,626**

See the accompanying notes to the financial statements.

Banco Votorantim S.A.

See the accompanying notes to the financial statements.

Quarters ended March 31, 2020 and March 31, 2019

(In thousands of Reais)

	Note	Bank				Consolidated			
		01.01 to 03.31.2020		01.01 to 03.31.2019		01.01 to 03.31.2020		01.01 to 03.31.2019	
Income		**3,053,447**		**1,384,616**		**4,095,108**		**2,541,005**	
Financial intermediation income		2,978,377		1,398,163		4,569,666		2,768,773	
Service income and banking fees	21a / 21b	66,754		48,516		583,063		569,726	
Allowance for loan losses	8e / 11f	9,367		(38,468)		(813,856)		(464,051)	
(Provision) / reversal of provision for contingent liabilities	27e.3	(376)		2,909		(32,957)		(30,489)	
Other income/(expenses)	21e / 21f / 22	(675)		(26,504)		(210,808)		(302,954)	
Financial Intermediation expenses		**(3,360,787)**		**(1,168,432)**		**(3,440,874)**		**(1,283,201)**	
Inputs acquired from third parties		**(51,159)**		**(47,841)**		**(306,711)**		**(277,857)**	
Water, electricity and gas	21d	(535)		(203)		(2,389)		(1,889)	
Outsourced services	21d	(700)		(327)		(2,551)		(2,722)	
Communications	21d	(397)		(372)		(14,214)		(13,637)	
Data processing	21d	(17,407)		(22,115)		(70,562)		(64,947)	
Transportation	21d	(201)		(253)		(2,285)		(2,524)	
Surveillance and security services	21d	(260)		(130)		(567)		(364)	
Specialized technical services	21d	(14,586)		(12,455)		(117,535)		(114,550)	
Financial system services	21d	(6,197)		(6,888)		(26,312)		(21,602)	
Advertising and publicity	21d	(4,633)		(178)		(13,017)		(7,268)	
Judicial and notary public fees	21d	(733)		(896)		(23,377)		(18,676)	
Other	21d	(5,510)		(4,024)		(33,902)		(29,678)	
Gross value added		**(358,499)**		**168,343**		**347,523**		**979,947**	
Amortization/depreciation expenses	21d	(5,397)		(18,591)		(32,280)		(27,698)	
Amortization/depreciation expenses		**(363,896)**		**149,752**		**315,243**		**952,249**	
Value added received as transfer		**165,334**		**318,665**		**(29,850)**		**24,592**	
Income from investments in associates and joint ventures	13a	165,334		318,665		(29,850)		24,592	
Value added payable		**(198,562)**	**100.00%**	**468,417**	**100.00%**	**285,393**	**100.00%**	**976,841**	**100.00%**
Distributed value added		**(198,562)**	**100.00%**	**468,417**	**100.00%**	**285,393**	**100.00%**	**976,841**	**100.00%**
Personnel		**22,354**	**-11.26%**	**56,186**	**11.99%**	**230,769**	**80.86%**	**239,528**	**24.52%**
Salaries, fees and labor demands [1]	21c	(9,749)		23,930		97,723		137,110	
Profit sharing - Employees and Management		12,894		16,763		69,591		43,991	
Benefits, training programs and other	21c	13,228		6,667		44,036		32,789	
FGTS		5,968		8,816		19,405		25,628	
Other charges		13		10		14		10	
Taxes, rates and contributions		**(429,799)**	**216.45%**	**73,620**	**15.72%**	**(183,183)**	**-64.18%**	**388,324**	**39.75%**
Federal		(433,148)		71,297		(205,555)		367,581	
State		19		16		20		183	
Municipal		3,330		2,307		22,352		20,560	
Third-party capital remuneration		**4,397**	**-2.21%**	**2,592**	**0.55%**	**16,642**	**5.83%**	**12,970**	**1.33%**
Rental	21d	4,397		2,592		16,642		**12,970**	
Remuneration of own capital		**204,486**	**-102.98%**	**336,019**	**71.75%**	**221,165**	**77.49%**	**336,019**	**34.40%**
Retained earnings		204,486		336,019		221,165		336,019	

[1] Includes reversal of provision for long-term incentive plan expenses.

See the accompanying notes to the financial statements.

Notes to the Individual and Consolidated Interim Financial Statements

1. THE CONGLOMERATE AND ITS OPERATIONS

Banco Votorantim S.A. ("banco BV", "Bank", "Institution", "Company", "Conglomerate" or "Consolidated") is a private company with its headquarters located at Av. das Nações Unidas, nº 14.171, in the city of São Paulo – SP, Brazil. The bank operates as a Multiple Bank, develops banking activities in areas it is authorized to operate in, which include commercial banking, investment banking and foreign exchange operation portfolios.

In December 2019 the Bank announced the change of brand "Banco Votorantim" to "banco BV". The abbreviation assumes the nickname which was already used by many of our clients and partners. This way, the banco BV unifies its trademarks in a single architecture, assumes the "carry for your life" signature and enhances its position both for retail, where, mainly, operates with vehicle financing, and for wholesale, where it operates in both corporate and wealth management.

Through its subsidiaries, the Conglomerate also carries out operations in the areas of consumer credit, leasing, administration of investment funds and credit cards, securities brokerage and distribution, insurances brokerage, sales promotion services and/or commercial representation, venture participation and real estate incorporations and any other activities in which institutions that are part of the National Financial System are permitted to engage. Other information about the companies which comprise the Conglomerate are described in note 3.

Since 2014, banco BV has expanded its investments in technology and data, consolidated its corporative culture and diversified its business, becoming one of most connected banks to fintechs and the startup ecosystem. Therefore, the restructuring of the visual identity was the natural course to reflect the evolution to all segments that operate, creating synergy and logic between brands and company's business units.

Transactions are conducted in the context of a set of institutions that operate in an integrated manner in the financial market, including in relation to risk management, and certain transactions have the joint participation or the intermediation of member institutions, which form an integral part of the financial system. The benefits of the services provided between these institutions and the costs of the operational and administrative structures, are absorbed based on the practicality and reasonableness of the allocation of the benefits and costs, jointly or individually.

2. CORPORATE RESTRUCTURING

In the meeting between the Board of Directors of Banco Votorantim S.A., held on November 7, 2019, the plan for the change of BV Leasing - Arrendamento Mercantil S.A. to Multiple Bank was approved, whose shareholders restructuring is subject to regulatory approvement.

3. PRESENTATION OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Individual and Consolidated Financial Statements contemplates operations realized between their financial and nonfinancial companies that integrates the Conglomerate and were prepared based on the accounting guidelines derived from Brazilian Corporation Law and the rules and instructions of the National Monetary Council (CMN), the Central Bank of Brazil (Bacen), Securities and Exchange Commission (CVM), when applicable, and are presented in accordance with the Accounting Plan for Institutions in the National Financial System (COSIF).

As of the year ended in December 31, 2019, the management chooses to disclose the Consolidated Financial Statements of banco BV including the consolidation of non-financial companies (Economic-financial conglomerate). Before that, the consolidation contemplates only the financial companies (Financial conglomerate). All the periods presented in these Financial Statements refers to the Economic-financial conglomerate. This arrangement has as intention to have a greater alignment with market practices of disclosure of financial statements.

The preparation of the financial statements in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil, requires that Management use its judgment in determining and recording accounting estimates, when applicable. The main accounting judgments and estimates applied to assets and liabilities are described in note 5.

In the preparation of the consolidated interim financial statements, the intercompany transactions, and any unrealized income and expenses arising from intercompany transactions, and intercompany balances, including interest held by one company in another, were eliminated, net of tax effects. Interest held by non-controlling shareholders in the shareholders' equity of the subsidiaries and in income were highlighted in consolidated financial statements. The lease transactions were classified as finance leases, and the amounts of leased property, plant and equipment were reclassified to the caption Leases including the excess and/or insufficient depreciation, less residual value received in advance. The process does not include the consolidation of equity investment funds with the characteristics of a venture capital entity. The accounting balances of Banco Votorantim's branch abroad were translated into Reais, using the foreign currency quotation on the closing date of the period, and were adjusted to conform to the accounting policies described in Note 4. The foreign exchange gains and losses of the operations in the Country of the branch were presented in the lines of the statement of income, according to the respective assets and liabilities which originated them. The result of foreign exchange movements of foreign investments, as well as the adjustments to fair value of financial instruments designated to hedge are presented in the group are presented in the "Income from derivative financial instruments" with the purpose of eliminating the effect of hedging against the exchange rate fluctuations of these investments and these financial instruments.

In compliance with the process of convergence with international accounting standards, some guidelines and their interpretations were issued by the Accounting Pronouncements Committee (CPC), which are applicable to financial institutions when approved by CMN.

Accordingly, the accounting pronouncements already approved by CMN and applicable to these Interim Financial Statements are:

Resolution No. 3,566 / 2008 - Impairment of assets - CPC 01 (R1).
Resolution No. 3,604 / 2008 - Statement of cash flows - CPC 03 (R2).
Resolution No. 3,823 / 2009 - Provisions, contingent liabilities and contingent assets - CPC 25.
Resolution No. 3,973 / 2011 - Subsequent events - CPC 24.
Resolution No. 3,989 / 2011 - Share-based payment - CPC 10 (R1).
Resolution No. 4,007 / 2011 - Accounting policies, change in estimate and correction of error - CPC 23.
Resolution No. 4,144 / 2012 - Basic Conceptual Pronouncement - CPC 00 (R1).
Resolution No. 4,424 / 2015 - Employee benefits - CPC 33 (R1).
Resolution No. 4,636 / 2018 - Disclosure about related parties - CPC 05 (R1).
Resolution No. 4,748 / 2019 - Measurement at fair value - CPC 46.

The Conglomerate also applied the following pronouncements that are not in conflict with Bacen rules, as determined by article 22, paragraph 2, of Law No. 6,385 / 1976: CPC 09 - Statement of Added Value (DVA), CPC 12 - Adjustment to Present Value, CPC 36 (R3) - Consolidated Statements and CPC 41 - Earnings per Share.

Resolutions that partially incorporated the pronouncements issued by the CPC and are applicable to the Financial Statements:

Resolution No. 4,524 / 2016 - Effects of changes in exchange rates and conversion of financial statements - CPC 02 (R2).
Resolution No. 4,534 / 2016 - Intangible assets - CPC 04 (R1).
Resolution No. 4,535 / 2016 - Property, plant and equipment - CPC 27.

Changes in the presentation of the Financial Statements

Based on CMN Resolution No. 4,720 / 2019 and Bacen Circular No. 3,959 / 2019, the Conglomerate made changes to the presentation of the interim Financial Statements of March 31, 2020, meeting the requirements of the respective circular, where we highlight the main changes:

Statement of Financial Position

- Presentation of assets and liabilities exclusively in order of liquidity and enforceability. The opening of short and long term segregation is being disclosed in the respective notes;
- Adoption of new nomenclature and grouping of equity items, such as: financial assets (including the grouped presentation of the loans portfolio), financial liabilities, tax assets and liabilities, provision for contingencies.

Income Statement

- Opening of expenses for provisions segregated by the most relevant classes presented in the line "Income (loss) from allowance for losses";

Amounts in thousands of Reais, unless indicated

- Change in the allocation of the “Income (loss) from allowance for losses”, starting to be presented immediately after “Income (loss) from financial intermediation”. Revenue from the recovery of credits previously written off as losses is now presented in this line;
- Presentation of the provision for contingencies in a specific line in: "(Provision) / reversal of provision for contingent
- Elimination of the “Non-operating income” nomenclature, as well as non-operating income and expenses. Items with these characteristics are now called "Other income" or "Other expenses".

Notes

- Inclusion of note 5 "Main judgments and accounting estimates", which describes the application of certain assumptions and relevant judgments on equity elements that involve a high degree of uncertainty and that may have a material impact on these interim Financial Statements.

Presentation of comparative balances

For better presentation and comparability in these interim financial statements, the comparative balances reflect these changes in the presentation of the financial statements.

Regulations that depend on Bacen regulations that can generate relevant impacts on the Financial Statements:

CPC 18 (R2) - Investment in associates, subsidiaries and joint ventures:

The equity method or the cost method is applied or, according to the rules, for investment in an associate, subsidiary or joint venture. This procedure differs from CPC 18, which provides for the possibility of adopting measurement at fair value through profit or loss, in accordance with IFRS 9, for a portion of the investment in an associate, subsidiary or joint venture controlled, qualified as a venture capital organization, regardless of whether it exerts significant influence over this portion of the participation.

Unconsolidated investment due to non-adoption of CPC 18	Activity	Interest %
Fundo de Invest. em Participações BV - Multiestratégia Investimento no Exterior	Investment fund	100.00%

The recognition of goodwill amortization expense arising from goodwill identified in the acquisitions differs from the provisions of CPC 18, which does not allow amortization of goodwill, and this intangible asset is only subject to periodic impairment tests.

CPC 48 - Financial instruments:

The classification of financial assets is carried out in accordance with the entity's intention on these assets, different from the provisions of CPC 18, in which there is the introduction of the concept of business model evaluation and evaluation of contractual cash flow characteristics.

Regarding the impairment of financial assets, CPC 48 brings a new model of expected credit loss instead of an incurred loss model, to be measured depending on the classification of financial assets in three stages according to changes in credit risk, in addition to the use of forward looking information, such as macroeconomic expectations, to reflect the impacts of future events on the expected loss.

In case of discontinuity of cash flow hedge, the accumulated value in shareholders' equity is transferred immediately to the income for the period, different from the provisions of CPC 48, which provides for the deferral of this item according to the same maturity period of the operations that were hedged object. For hedge accounting purposes, the IASB continues to work on the macro hedge accounting project and, for this reason, brings the option expressed in CPC 48 to maintain the same requirements presented by CPC 38 - Financial Instruments, which is the standard that preceded CPC 48.

CPC 47 - Customer contract revenue:

The remuneration for domestic correspondents referring to the origination of credit operations is recognized as an expense on the date of contracting, renegotiation or renewal of these operations, different from the provisions of CPC 47, in which there cognition of this expense is deferred for the term of the operation.

Amounts in thousands of Reais, unless indicated

These Interim Financial Statements were authorized for issue by Executive Board on May 07, 2020.

Shareholding interest included in the consolidated interim Financial Statements, segregated by activity:

	Activity	03.31.2020	12.31.2019
		Interest %	
Financial institutions - domestic			
BV Financeira S.A. Crédito, Financiamento e Investimento (BV Financeira) [1]	Financial services	100.00%	100.00%
BV Leasing Arrendamento Mercantil S.A. (BV Leasing) [1]	Lease	100.00%	100.00%
Votorantim Asset Management Distribuidora de TVM Ltda. (Votorantim Asset DTVM) [1]	Asset Management	99.99%	99.99%
Insurance market institutions			
Votorantim Corretora de Seguros S.A (Votorantim Corretora Seguros)	Brokerage securities	100.00%	100.00%
Non-financial institutions			
Promotiva S.A. (Promotiva)	Rendering of services	100.00%	100.00%
BV Investimentos Altern. e Gestão de Recursos S.A. (BVIA)	Asset Management	100.00%	100.00%
BV Empreendimentos e Participações S.A. (BVEP)	Holding	100.00%	100.00%
Atenas SP 02 - Empreendimento Imobiliário (Atenas)	SPE	100.00%	100.00%
Consolidated investment funds			
Votorantim Expertise Multimercado Fundo de Investimento. (Expertise)	Investment fund	100.00%	100.00%
BVIA subsidiaries			
Marques de Monte Santo Empreend. Imobiliário SPE Ltda. (Monte Santo)	SPE	100.00%	100.00%
Parque Valença Empreendimento Imobiliário SPE Ltda. (Parque Valença)	SPE	100.00%	100.00%
BVEP subsidiaries			
IRE República Empreendimento Imobiliário S.A. (IRE República)	SPE	100.00%	100.00%
Senador Dantas Empreendimento Imobiliário SPE S.A. (Senador Dantas)	SPE	100.00%	100.00%
Henri Dunant Empreend. Imobiliário S.A. (Henri Dunant)	SPE	100.00%	100.00%
Arena XI Incorporações SPE Ltda. (Arena XI)	SPE	100.00%	100.00%
D'oro XVIII Incorporações Ltda. (D'oro XVIII)	SPE	100.00%	100.00%
BVEP Vila Parque Empreendimentos Imobiliários SPE Ltda. (Vila Parque) [2]	SPE	100.00%	-
Atenas subsidiaries			
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 1	SPE	100.00%	100.00%
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 3	SPE	100.00%	100.00%

[1] Financial instituion subsidiaries.
[2] In February 2020, BVEP carried out an asset exchange transaction, assigning SPEs classified as non-financial assets held for sale and receiving control of SPE NS Emp. Imob. 23 SPE Ltda, later called BVEP Vila Parque Empreendimentos Imobiliários SPE Ltda.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by banco BV were consistently applied to all periods presented in these individual and consolidated interim Financial Statements and have been applied consistently by all entities of the Conglomerate.

a) Income Statement

Revenues and expenses are recognized on an accrual basis in the period earned or incurred. Transactions that were carried out with floating financial charges are adjusted on a pro rata die, based on the variation of the respective agreed-on indices; and transactions with fixed financial charges are recorded at redemption value, rectified by unrecognized income or unrecognized expenses corresponding to the future period. Transactions indexed to foreign currencies are adjusted at the reporting sheet date at the current rate criteria.

b) Functional and presentation currency

The functional currency, which is the currency of the principal economic environment in which an entity operates, is the Real for all Conglomerate entities. In these Financial Statements, the presentation currency is also the Real.

c) Measurement at present value

Financial assets and liabilities are presented at present value as a result of application of accrual regime for recognition of respective interest revenues and expenses.

Non-contractual obligations, mainly represented by provisions for lawsuits and legal obligations whose disbursement date is unknown and not under control of the Conglomerate, are measured at present value, as they are initially recognized at estimated disbursement value on evaluation date and are adjusted on a monthly basis.

d) Cash and cash equivalents

Cash and cash equivalents are represented by available funds in domestic currency, foreign currency, money market repurchase commitments - own portfolio, interbank deposit investments and foreign currency investments with high liquidity and insignificant risk of changes in value, whose maturity of the operations on the date of the investment is equal to or shorter than 90 days.

e) Interbank investments

Interbank investments are shown at cost of investment or acquisition, plus income accrued up to the reporting date and adjusted for reserve for losses, as applicable.

Interbank investments that are subject to market risk hedging are valued at their fair value using consistent and verifiable criteria. The fair value adjustments of these operations are recorded in the same line as the financial asset, contra entry to income from derivative financial instruments.

f) Securities

Securities acquired for the formation of its own portfolio are recorded are recorded at the amount effectively paid, net of provision for loss, when necessary, and classified into three different categories based on Management's intent:

Trading securities: Securities acquired for the purpose of being actively and frequently negotiated. Subsequent to initial recognition, trading securities are measured at fair value with changes therein recognized in profit or loss;

Securities available for sale: Securities that may be traded at any time, though are not acquired for the purpose of being actively and frequently negotiated. Subsequent to initial recognition, securities available for sale are measured at fair value with changes therein recognized in a separate account in shareholders' equity, net of taxes; and

Securities held to maturity: Securities acquired with the positive intent and financial capacity to hold to maturity. Held-to maturity securities are initially recognized at cost plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. For securities reclassified to this category, the fair value adjustment is recognized. For securities reclassified to this category, the fair value adjustment is incorporated to cost, and is recorded prospectively at amortized cost using the effective interest rate method.

The methodology of adjustment to fair value was established in compliance with consistent and verifiable criteria, which take into consideration the average price of trading on the date of calculation, or, in the absence thereof, the daily basis adjustment of forward market transactions disclosed by external sources, or the probable net realizable value determined by pricing models, using interest rate future value curves, exchange rates, price and currency indexes. The determination of fair value takes unto consideration the credit risk of the issuer (credit spread adjustment).

Income on securities, regardless of the category, is accrued pro rata die, based on the variation of the index and on the agreed-upon interest rates, by the compounding or straight-line method, up to the date of maturity or of the final sale of the security, and is recognized directly in profit or loss.

Losses on securities classified as available for sale and as held to maturity that are not temporary losses are directly recognized in profit or loss and now comprise the new asset cost basis.

Upon disposal, difference determined between sales value and acquisition cost adjusted by earnings and other than temporary impairment losses, are considered as the transaction result and is accounted for on transaction date as income or loss of securities.

Following guidelines of the Central Bank of Brazil, the Conglomerate adopts the change in unit price as an adjustment to fair value recognized directly in equity for funds with the following characteristics:

- Funds in which the quoted price of the units is not available for redemption (realization) in the short term, that is, when the redemption of units occurs only in the liquidation or closure of the fund; and
- Funds in which there is a forecast of payment of dividends, as a form of remuneration of its unitholders in the course of the fund's business.

g) Derivative financial instruments

Derivative financial instruments are valued at fair value at the reporting date. Changes in value are recorded in the income or expense accounts of the respective financial instruments.

The fair value adjustment methodology of derivative financial instruments was established based on consistent and verifiable criteria, considering the average price of trading on the date of calculation, or, in the absence thereof, conventional and proven methodologies and pricing models that reflect the net realizable value. The fair value considers the credit risk of the counterparty (credit valuation adjustment).

Derivative financial instruments used to offset, in whole or in part, the risks arising from exposure to variations in the fair value of financial assets or liabilities are considered hedging instruments and are classified according to their nature as either:

Market risk hedge: changes in the fair values of the financial instruments and the corresponding hedged items are recognized in profit or loss; and

For object items that were discontinued from the market risk hedge relationship and remain recorded in the statement of financial position, as in the case of credit contracts assigned with substantial retention of risks and benefits, when applicable, the fair value adjustment is recognized in the result for the remaining term of the operations.

Cash flow hedge: the derivative financial instruments intended to offset the variation of the institution's estimated future cash flow are classified in the cash flow hedge category. These derivative financial instruments are adjusted to fair value, and the effective portion of the appreciations or devaluations, net of tax effects, is recorded in the separate shareholders' equity account. Effective portion is that in which the variation in the hedged item, directly related to the corresponding risk, is offset by the variation in the financial instrument used for hedge, considering the accumulated effect of the operation. Other variations in these instruments are recognized directly in income for the period.

For the object items that were discontinued from the cash flow hedge ratio and remain recorded in the statement of financial position, the accumulated reserve in shareholders' equity is immediately transferred to the income for the period.

Banco BV realizes hedge operations that include linked characteristics to third-parties credit risk or related parts which can result in advanced derivative maturity without any value being owed to the Bank, as forecasted contractually.

h) Loan portfolio - Loans, leases, other receivables with loan characteristics and allowance for losses associated with credit risk

The loan portfolio, including loans, leases and other receivables with loan characteristics are classified according to Management's assessment regarding the level of risk, taking into consideration the current economic environment, past experience and risks specifically related to the respective operation, the counterparty and guarantors, periods of delinquency, and economic group in accordance with the parameters established by CMN, which requires the classification of the portfolio into nine risk levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of transactions with delinquency of more than 14 days as non-performing loans. In relation to the delinquency period for operations with a term of over thirty-six 36 months, the Conglomerate left adopting from December, 2019 the double counting of days is adopted over intervals of delinquency defined for the nine levels risks to retail operations as well as to wholesale operations, which followed the internal assessment.

Income from credit transactions are no longer appropriated as income as long as operations are over 59 days past.

Operations with a risk level H continue in this status for 180 days, at which time they are written off against the existing provision and controlled in off-balance sheet accounts.

Renegotiated operations are maintained, at a minimum, at the level at which they were initially rated on the date of renegotiation. Renegotiations of credit transactions that had been previously written off against provisions are rated as level H and any gains from renegotiation are recognized in profit or loss when effectively received. In order to mitigate the impact of the covid-19 on the economy, the National Monetary Council, through CMN Resolution No. 4,791 / 2020, flexibilized the characterization of a problematic asset allowing situations of (i) incapacity of the counterparty to honor the obligation under the agreed conditions and (ii) restructuring the transaction related to the exposure, are no longer considered indicative that an obligation will not be fully honored. This flexibility is valid for restructuring loans operations carried out up to September 30, 2020.

The allowance for losses associated with credit risk, considered sufficient by Management, complies with the requirement established by CMN Resolution no. 2,682/1999 (note 11e).

Loans that are hedged against market risk are stated at fair value using consistent and verifiable criterion. Adjustments to these transactions from fair value adjustment valuations are recorded in loans, also considering the classification percentage of allowance for losses associated with credit risk as a contra-entry to income from derivative financial instruments.

Financial assets assigned consider the transfer level of risks and benefits of assets transferred to other entity:

- When financial assets are transferred to another entity, but there is no substantial transfer of the risks and benefits related to the transferred assets, assets remain on the Company’s statement of financial position. The income and expenses arising from these operations are recognized in an accrual basis accordingly to the remaining period of these operations; and
- When all the risks and benefits related to assets are substantially transferred to an entity, assets are derecognized from the Conglomerate Statement of Financial Position.

i) Other assets - Other receivables and assets

Assets not for own use

The assets not for own use are recorded when adjudicated, received in payment or otherwise received for settlement or amortization of debts, based on the following criteria for recognition of these assets:

The value of the assets is recorded considering the following criteria:

- Assets with funded amounts in excess of R$ 50,100.00 are recorded at the value obtained through a technical report from a third-party company and not related to the Conglomerate;
- Assets with funded amounts between R$ 25,550.00 e R$ 51,100.00: are recorded by the value obtained through a technical report; and
- Assets with funded amounts of less than R$ 25,550.00 are recorded for the average balance obtained in the sales of the last 6 months, taking into account the characteristics of the asset.

In addition, in the case of recovery of credits through payment in kind, the following procedures are observed:

- When the valuation of the assets exceeds the book value of the credits, the amount recorded is equal to the amount of the credit, since it is not allowed to account for the differential as income; and
- When the valuation of the assets is less than the book value of the credits, the amount recorded is limited to the amount of the valuation of the assets.

The Conglomerate periodically evaluates if there is any indication that these assets may have suffered a devaluation. If there is any indication, the entity estimates its recoverable amount. If the recoverable amount is less than its carrying amount, the asset is reduced to its recoverable amount through a provision for impairment loss, which is recognized in the statement of income under "Other expenses".

Prepaid expenses

These expenses refer to the application of payments made in advance, for which the benefits or the services will occur in subsequent periods. Prepaid expenses are recorded at cost and amortized as incurred.

From January 2, 2015, in compliance with requirements of CMN Resolution no. 4,294/2013, and in accordance with permission provided for in Bacen Circular no. 3,738/2014, two thirds of the remuneration relating to 2015 origination of credit or lease transactions by correspondents are recorded in assets, and the remaining portion is recognized in profit or loss for the period upon origination. As of January 1, 2016, the portion recorded in assets was reduced to one third of the remuneration of operations originated in 2016. In the semester ended June 30, 2019, the amortization of the amounts recorded in assets based on the faculty provided for in Bacen Circular no. 3,738/2014.

The operations generated as from January 1, 2017, have the remuneration fully recognized as an expense.

j) Investments

Investments in subsidiaries and associates with significant influence or interest of 20% or more in the voting capital are accounted for by the equity method based on the shareholders' equity in the subsidiary. Financial statements of Banco Votorantim's branch abroad are conformed to accounting criteria in force in Brazil and translated into Brazilian Reais in accordance with prevailing law, and their effects are recognized in profit or loss. Other permanent investments are valued at cost of acquisition, less provision for impairment, as applicable.

The goodwill paid on the acquisition of investments, which corresponds to the amount that exceeds the investee's equity value, is amortized based on the expectation of future profitability or for its realization.

Other permanent investments are stated at acquisition cost, less a provision for impairment losses (impairment), when applicable.

k) Property for use

Property for use is valued at acquisition cost less depreciation, which is calculated on a straight-line basis using the following annual rates in accordance with estimated useful lives of assets. Due to this practice, the following annual depreciation rates are used: depreciable value (corresponding to the acquisition cost less the residual value, if any): vehicles - 20%, data processing systems - 20% and other items - 10% (Note 14). The residual value of these assets is reviewed annually or when there are significant changes in the assumptions used.

l) Intangible

Intangible assets have defined useful lives and primarily relates to softwares and use licenses or rights (Note 15). Amortization is calculated by the straight-line method, based on the period over which the benefit is generated and is levied on the amortizable amount (corresponding to the acquisition cost less the residual value, when applicable), as of the date of availability of the intangible asset for use and is recorded under Other administrative expenses - Amortization (Note 21d). The residual value and the useful life of these assets is reviewed annually or when there are significant changes in the assumptions used.

m) Earnings per Share

Earnings per share are disclosed in accordance with the criteria defined in CPC 41 - Earnings per share. The Bank's basic and diluted earnings per share were calculated by dividing the net profit attributable to shareholders by the weighted average number of their shares. There is no distinction in the method of calculating both indices, since the Bank does not hold treasury shares and there are currently no equity instruments or any associated instrument that produce a potential dilution.

n) Impairment of non-financial assets - Impairment

The Conglomerate assesses periodically, if there is any sign that an asset may be impaired. If so, the Institution estimates the asset's recoverable value, which is the greater of: i) the asset’s fair value less costs to sell; and ii) the asset’s value in use.

If the asset’s recoverable value is lower than its carrying value, the asset’s carrying value is reduced to its recoverable value through a provision for impairment losses that is recognized in Statement of Income, in Other administrative expenses or Other operating expenses, according to the nature of the asset.

Methodologies applied to the evaluation of the recoverable value of non-financial assets:

Investments: the methodology for determining the recoverable value of investments accounted for by the equity method is based on evaluation of equity in investees, their business plans and invested amounts’ return capacity. A provision for impairment loss is recognized in profit or loss in the period when the carrying value of an investment, including goodwill, exceeds its recoverable value. Impairment tests are performed on a quarterly basis.

Intangible assets: Software acquired, developed internally and use licenses - softwares developed internally according to the Conglomerate’s needs are part of the Bank investment policy which aims the modernization and adequacy to new technologies and business requirements. As there are no similar items in the market and also because of the high cost to implement metrics that permit determining the value in use, testing of software recoverability and use license recoverability are comprised of the evaluation of its utility for the Institution such that when the software no longer has future economic benefits, the recoverable value of the intangible asset is adjusted. Management performs impairment tests every six months for software under development and annually for completed software.

Assets not for use: Real Estate - provision made based on annual appraisal reports made by specialized consultants and the total provision is made if the asset has been classified in BNDU (assets not for use) for more than 36 months, regardless of the number of auctions held to dispose of the asset.

Furniture - For vehicles, the provision for devaluation is constituted monthly based on the term of permanence of BNDU - assets not for use (obsolescence of the asset). For registrations longer than 720 days, a provision of 100% of the book balance is recorded. Physical inventories are carried out annually in the yards.

Machinery and equipment - a provision for devaluation is set up based on the survey of Annual Valuation Reports carried out by specialized consultants and the total provision is set up if the asset has been classified in BNDU (assets not for use) for more than 720 days.

Impairment loss recognized to adjust these assets’ recoverable value is stated in the respective notes.

o) Employee benefits

Recognition, measurement and disclosure of employee benefits short and long-term are conducted in accordance with criteria defined in CPC 33 (R1) - Benefits to employees, approved by the CMN Resolution no. 4,424/2015. In accordance with the accrual regime, this pronouncement requires that an entity recognize a liability as a contra-entry to the net income of the period when the employee provides services in exchange for benefits to be paid in the future.

The Conglomerate has a variable compensation program eligible for its officers and employees. Amounts to be paid that are adjusted according to the grace period (from one to a maximum of four years) and to the characteristics of each benefit are recorded under “Other liabilities - Provision for personnel expenses” as a contra entry to caption “Personnel expenses - Proceeds”. Program details are disclosed in Note 26.

The amounts referring to the profit sharing (PLR) of directors and employees are recognized in "Other liabilities - Provision for profit sharing" against the result, in "Profit sharing - employees and management".

p) Deposits, money market repurchase commitments, securities issued, borrowings and onlendings and subordinated debts

Amounts in thousands of Reais, unless indicated

Deposits and money market repurchase commitments are stated at the amounts of the liabilities and consider, when applicable, the charges enforceable up to the reporting date, recognized on a “pro rata die”.

Costs incurred in issuing securities or other forms of funding that are included as transaction costs are recognized in the income statement on an accrual basis for the term of the original operations and are stated as reducers of the corresponding

Funding that is subject to market risk hedging is valued at its fair value using consistent and verifiable criteria. The valuation adjustments to fair value of these operations are recorded in the same line as the financial liability, in contra-entry to income from derivative financial instruments.

q) Taxes

The bank taxes, including revenues taxes, are calculated based on rates shown in the chart below:

Taxes	Current rates
Income tax (15% + 10% additional)	25%
Social contribution on net income - Banco Votorantim S.A. (1)	20%
Social contribution on net income - other financial and non-financial institutions	De 9% a 15%
PIS / PASEP (2) (3)	De 0,65 a 1,65%
Contribution for Social Security Funding (2) (3)	De 3% a 7,6%
Service tax (3)	De 2% a 5%

(1) Article 32 of Constitutional Amendment No. 103, November 12, 2019, increased the social contribution on net income rate from banks of any kind, from 15% to 20%, starting as of March 1, 2020. The effects of the increase in the Social contribution rate are reflected in the balances of existing deferred tax assets and liabilities as of

(2) For the non-financial institutions that choose the non-cumulative regime, PIS/PASEP rate is 1,65% and Contribution for Social Security Funding rate is 7,6%.

(3) Service income taxes.

Deferred tax assets (tax credits) and deferred tax liabilities are constituted by the application of the tax rates in force on their respective bases. In the event of a change in tax legislation that changes criteria and rates to be adopted in future periods, the effects are recognized immediately based on the criteria and rates applicable to the period in which each portion of the assets will be realized or the liability settled. For the constitution, maintenance and write-off of deferred tax assets, the criteria established by CMN Resolution no. 3,059/2002, as amended by CMN Resolutions no. 3,355/2006 and CMN no. 4,192/2013, are observed and are supported by a study of realization capacity.

Deferred income tax is recognized at the subsidiary BV Leasing, calculated at the rate of 25%, on the adjustment of excess of depreciation of the lease portfolio of subsidiary BV Leasing.

r) Provisions, contingent liabilities, legal obligations and contingent assets

Recognition, measurement and disclosure of provisions, contingent assets and liabilities and of legal obligations are conducted in accordance with criteria defined in CPC 25 - Provisions, contingent liabilities and contingent assets, approved by the CMN Resolution 3,823/2009 (Note 27).

Contingent liabilities are recognized in the Financial Statements when, based on the opinion of legal advisors and Management, the risk of losing a legal or administrative claim is considered probable, with a probable outflow of funds for the settlement of obligations and when the amounts involved measurable with sufficient security. Contingent liabilities classified as possible losses are not recognized in the accounts, and should only be disclosed in the explanatory notes, and those classified as remote do not require provision or disclosure.

Based on loss forecasts assessed by Management, the Conglomerate constitutes a provision for labor, tax and civil claims. For labor-related lawsuits, the provision volume is determined by means of legal assessments and statistical models. For tax lawsuits, the probable loss amount is estimated through the assessment of legal counsel (individualized method). For civil cases considered similar and usual, and whose value is not considered relevant, the provision volume is determined using a statistical model based on the loss observed in the history of closed suits of the same characteristics (mass method).

For unusual civil cases, or whose value is considered relevant, the probable loss is estimated through the assessment of legal counsel (individualized method).

Legal obligations comprise lawsuits related to tax obligations, where the subject being contested is the legality or constitutionality of such obligations, which, regardless of the probability of success, are recognized in full in the Financial Statements.

Contingent assets are not recognized in the Financial Statements, since they may be a result that can never be realized. However, when the realization of the gain is virtually certain, then the related asset is no longer a contingent asset and it is recognized in the Financial Statements.

s) Guarantees and sureties

The financial guarantees provided, which require contractually defined payments, as a result of non-payment of the obligation by the debtor on the due date, such as: guarantee, sureties, recourse, or other obligation that represents a guarantee of compliance with third parties' financial obligations, are recorded and controlled in off-balance sheet accounts.

When the obligation value is subject to foreign exchange movements or to any other type of adjustment, balances of these accounts are adjusted at the reporting date.

Income for the period from provided guarantee and sureties commissions not yet received, are accounted for on a monthly basis in "Other credits and income receivable", with a corresponding entry to "Income from guarantees provided".

Commissions received in advance are recorded in "Commissions for intermediation of operations payable", in the group "Other financial liabilities", appropriated monthly, on an accrual basis.

In line with the requirements of CMN Resolutions 2,682/1999 and 4,512/2016, the constitution of a provision for losses in the provision for financial guarantees to customers, takes into account:

- The sector of performance, competitive and regulatory environment, stock control and management, as well as financial solidity, being these variables captured through the qualitative and quantitative rating models, as well as; and
- The probability of unsuccessful judicial or administrative proceedings, leading to the withdrawal of funds necessary to settle the obligation in financial guarantees provided in contingent liabilities of third-parties.

With the application of CMN Resolution no. 4,512/2016, provisions for losses on the financial guarantees provided are presented in Other Liabilities (Note 20b).

t) Other assets and liabilities

Other assets and liabilities are stated at realizable values, including, when applicable, monetary and foreign exchange movements on a pro rata die basis and a reserve for losses, as necessary. Liabilities are stated at known measurable amounts plus, as applicable, monetary charges, inflation adjustments and foreign exchange movements on a pro rata basis.

5. MAIN JUDGMENTS AND ACCOUNTING ESTIMATES

The preparation of consolidated interim Financial Statements requires the application of certain relevant assumptions and judgments that involve a high degree of uncertainty and that may have a material impact on these statements. Management applies estimates that can significantly change the amounts presented in the Financial Statements, and the amounts may differ in scenarios in which such propositions are not used. The accounting policies adopted are described below, which are highly complex and guide relevant aspects in determining our operations.

The estimates and judgments considered most relevant by the Conglomerate are detailed below:

a) Allowance for losses associated with credit risk of loans, leases e other credits with loan characteristics

In addition to observing the requirements for setting up a provision due to the delay in the payment of a portion of the principal or charges for operations, the provision is calculated based on management's judgment of the level of risk, considering the economic situation, the specific risks in relation to operation, debtors and guarantors, delay periods and the economic group, following the provisions of CMN Resolution 2,682 / 1999.

Further details on the criteria used to measure losses associated with credit risk are presented in note 11.

b) Provisions for impairment of securities

Management applies judgments to identify and provision transactions that have impairment losses and considers the following situations, not limited to them, as indicative:

(a) Significant financial difficulty for the issuer or bond;

(b) Breach of contract, such as non-compliance or delay in payment of interest or principal;

(c) Lender or financier, for economic or legal reasons related to the borrower or financing borrower's financial difficulties, offers the borrower a concession that the lender or financier would not otherwise consider;

(d) It is likely that the debtor will enter bankruptcy or other financial reorganization;

(e) Disappearance of an active market for this financial asset due to financial difficulties; among others.

The general application of the provision for impairment losses on securities is described in Note 8e.

c) Projection of future results for the realization of tax credits

The realization of tax credits is supported by the Institution's budget projections, duly approved by the governance bodies. These projections are based on the current strategic planning, which considers business plan assumptions, corporate strategies, macroeconomic scenario such as inflation and interest rates, historical performance and expectations for future growth, among others.

This item is highlighted especially because of the representativeness of the balances of activated tax credits, the use of estimates of future profitability that incur a high degree of judgment and the relevant impacts that changes in assumptions can bring to the Financial Statements.

Details on the projection of future results for the realization of tax credits are presented in Note 24.

d) Fair value of financial instruments

There are specific techniques for assessing the fair value of Financial Instruments that are not traded in active markets and for which prices and market parameters are not available. This calculation incorporates assumptions under Management's judgment, which takes into account the assessment of market information and circumstances.

The methodologies used to assess the fair value of certain financial instruments are described in Note 4g.

e) Provisions for contingent liabilities - tax, civil and labor

Based on loss forecasts evaluated by Management, the Conglomerate constitutes a provision for tax, civil and labor claims through legal assessments and statistical models.

The assessment of loss forecasts takes into account the probability of the entity's disbursements for each procedural element and may incur a high degree of judgment the greater the existing uncertainty.

Details of provisions and contingent liabilities are presented in Note 27.

f) Amortization and impairment of goodwill due to expected future profitability

According to the rules of the Central Bank, the goodwill recorded in the investor or parent company, which is based on the forecast of future results of the associate or subsidiary, must be amortized in line with the projection terms that justified it. Estimating the terms for generating future results of investments in an associate, subsidiary or joint venture for which goodwill has been recognized involves significant judgments by Management.

Additionally, goodwill is tested periodically for its recoverable value, which also involve assumptions and a considerable degree of judgment in estimating future cash flows to discount them at present value.

g) Impairment of the cost of investments in subsidiaries, associates and jointly controlled companies, intangible assets and other assets

The impairment test of these assets is carried out, at least annually, in order to determine whether there is any indication that an asset may have suffered a devaluation.

When the recoverable value of these assets cannot be obtained through external sources, the valuation of the recoverable value of these assets may incur considerable judgments, mainly in the measurement of the potential associated future economic benefits.

The general application of the criteria for recognizing the provision for impairment losses on non-financial assets is described in Note 4f.

h) Investment in equity investment funds (FIPs)

For investments in quotas of investment funds qualified as a venture capital organization, regardless of having significant influence, the classification of these assets as marketable securities is maintained, measured at fair value in equity.

The measurement of the fair value of these assets incurs a significant degree of judgment in the adoption of assumptions, as described in Note 4f.

Amounts in thousands of Reais, unless indicated

i) Significant events arising from Covid-19

The economic impacts in Brazil and in the world resulting from the measures taken to contain the spread of covid-19 are difficult to measure. The effects of covid-19, to the extent that they can be measured and incorporated into the accounting judgments and estimates mentioned in this note, may have a material impact on the Financial Statements. The possible impacts that may be observed are an increase in the credit risk of customers for default in payments and the consequent increase in provisions for expected losses in financial assets, volatility and reduction in the fair value of bonds and securities, significant variations in the fair value of instruments derivative financial instruments, reduction in the recoverable value of goodwill on expected future profitability of investments in associates and subsidiaries, as well as an increase in contingent

The Conglomerate has been monitoring the evolution of its operations on a daily basis, which includes monitoring foreign exchange and interest positions, capital and liquidity levels, the credit risk behavior of assets, the market risks of its financial instruments, the production of new credit operations and the evolution of funding.

A series of measures were taken by management to protect and support its employees, customers, business partners and suppliers and business continuity management, which includes the use of remote work, the extension of the payment term for installments of credit operations, encouraging the use of digital channels.

The National Monetary Council and the Central Bank have adopted measures to minimize the effects of the crisis on the economy and to ensure the maintenance of adequate levels of liquidity in the financial system. Among them, the flexibility of the criteria for characterizing the restructuring of credit operations for the purpose of credit risk management and the granting of loans to financial institutions through the Special Temporary Liquidity Line will contribute to mitigate the impacts resulting from the pandemic.

6. CASH AND CASH EQUIVALENTS

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Cash and due from banks	**557,222**	**263,089**	**688,393**	**359,360**
Cash and due from banks in national currency	1,409	2,778	131,219	97,759
Cash and due from banks in foreign currency	555,813	260,311	557,174	261,601
Interbank funds applied [1]	**8,553,841**	**2,064,671**	**1,551,165**	**692,529**
Securities purchased under resale agreements	1,606,005	307,586	1,005,988	307,586
Interbank accounts or relations	6,558,621	1,372,142	155,962	-
Investments in foreign currency	389,215	384,943	389,215	384,943
Total	**9,111,063**	**2,327,760**	**2,239,558**	**1,051,889**

[1] Refer to transactions with original maturities of 90 days or less from the acquisition date and are subject to an insignificant risk change in fair value.

7. INTERBANK INVESTMENTS

a) Breakdown

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Reverse repurchase agreements	**4,219,415**	**2,887,414**	**4,207,369**	**2,281,503**
Reverse repurchase agreements - Held	**277,054**	**1,139,799**	**265,008**	**533,888**
National Treasury Bill - LTN	2,585	119,825	2,585	119,825
National Treasury Notes - NTN	103,140	843,787	91,094	237,876
Securities of Brazilian Foreign Debt	171,329	176,187	171,329	176,187
Reverse repurchase agreements - Resold	**3,106,721**	**966,389**	**3,106,721**	**966,389**
National Treasury Bill - LTN	989,537	966,389	989,537	966,389
National Treasury Notes - NTN	2,117,184	-	2,117,184	-
Reverse repurchase agreements - Short position	**835,640**	**781,226**	**835,640**	**781,226**
National Treasury Bill - LTN	329,452	36,684	329,452	36,684
National Treasury Notes - NTN	506,188	744,542	506,188	744,542
Interbank deposit investments	**30,578,231**	**36,149,776**	**406,676**	**250,492**
Total	**34,797,646**	**39,037,190**	**4,614,045**	**2,531,995**
Current assets	19,356,491	21,660,976	4,614,045	2,531,995
Non-current assets	15,441,155	17,376,214	-	-

Amounts in thousands of Reais, unless indicated

b) Income from interbank investments

	Bank		Consolidated	
	01.01 to 03.31.2020	**01.01 to 03.31.2019**	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
Income from securities purchased under resale agreements	**43,725**	**166,990**	**37,575**	**158,558**
Own portfolio	20,310	90,113	14,160	81,681
Financed operations	15,480	62,700	15,480	62,700
Short position	7,935	14,177	7,935	14,177
Income from interbank deposits (1)	**711,188**	**593,642**	**209,775**	**9,854**
Total (2)	**754,913**	**760,632**	**247,350**	**168,412**

(1) Includes the effects of exchange rate changes on the corresponding assets.

(2) The amounts comprise the balance of income from securities (Note 8d).

Amounts in thousands of Reais, unless indicated

8. SECURITIES

a) Composition of the portfolio by category, type of paper and maturity term

Bank	03.31.2020								12.31.2019		
	Fair value					Total			Total		
Maturity in days	Without maturity	From 0 to 30 days	From 31 to 180 days	From 181 to 360 days	Over 360 days	Cost	Fair value	Fair value adjustment	Cost	Fair value	Fair value adjustment
1 – Trading securities	**-**	**3,687,549**	**221,448**	**141,778**	**5,210,304**	**9,186,237**	**9,261,079**	**74,842**	**8,543,857**	**8,548,418**	**4,561**
Government bonds	**-**	**3,687,549**	**221,448**	**141,725**	**5,210,282**	**9,186,161**	**9,261,004**	**74,843**	**8,543,748**	**8,548,308**	**4,560**
Financial Treasury Bills	-	-	-	-	-	-	-	-	15,035	15,035	-
National Treasury Bills	-	3,687,549	80,317	220	1,485,892	5,239,078	5,253,978	14,900	7,747,699	7,749,484	1,785
National Treasury Notes	-	-	141,131	141,505	3,724,390	3,947,083	4,007,026	59,943	781,014	783,789	2,775
Private securities	**-**	**-**	**-**	**53**	**22**	**76**	**75**	**(1)**	**109**	**110**	**1**
Eurobonds	-	-	-	53	22	76	75	(1)	109	110	1
2 – Securities available for sale	**8,888**	**116,377**	**1,339,591**	**1,179,978**	**11,761,972**	**14,473,387**	**14,406,806**	**(66,581)**	**14,310,438**	**14,373,600**	**63,162**
Government bonds	**-**	**-**	**525,092**	**966,924**	**8,736,430**	**10,143,981**	**10,228,446**	**84,465**	**10,300,422**	**10,517,502**	**217,080**
Financial Treasury Bills	-	-	243,711	422,802	4,557,185	5,224,675	5,223,698	(977)	5,644,435	5,645,111	676
National Treasury Bills	-	-	247,952	-	1,495,944	1,704,419	1,743,896	39,477	1,415,782	1,431,924	16,142
National Treasury Notes	-	-	33,429	-	760,616	787,623	794,045	6,422	1,613,499	1,759,519	146,020
Brazilian Foreign Debt Securities	-	-	-	544,122	1,922,685	2,427,264	2,466,807	39,543	1,626,706	1,680,948	54,242
Private securities	**8,888**	**116,377**	**814,499**	**213,054**	**3,025,542**	**4,329,406**	**4,178,360**	**(151,046)**	**4,010,016**	**3,856,098**	**(153,918)**
Debentures [(1)]	-	52,943	16,106	8,345	1,876,296	2,113,359	1,953,690	(159,669)	2,188,774	2,037,580	(151,194)
Promissory notes	-	-	259,191	87,584	128,186	476,197	474,961	(1,236)	140,580	140,180	(400)
Shares [(2)]	8,888	-	-	-	-	8,222	8,888	666	9,387	10,092	705
Quotas of investment funds[(3)]	-	-	-	-	265,843	249,074	265,843	16,769	242,391	260,583	18,192
Rural Product Notes - Commodities [(4)]	-	5,528	52,761	102,111	357,660	524,375	518,060	(6,315)	464,552	441,443	(23,109)
Eurobonds	-	-	254,246	-	-	256,231	254,246	(1,985)	202,097	203,767	1,670
Financial Bills	-	57,906	-	-	20,991	79,103	78,897	(206)	78,007	77,836	(171)
Floating Rate Notes	-	-	232,195	-	68,157	297,179	300,352	3,173	334,446	337,354	2,908
Certificate of Real Estate Receivables	-	-	-	-	189,413	191,193	189,413	(1,780)	206,555	204,571	(1,984)
Agribusiness Receivables Certificate	-	-	-	15,014	118,996	134,473	134,010	(463)	143,227	142,692	(535)
3 – Securities held to maturity	**-**	**-**	**241,311**	**-**	**2,396,066**	**2,557,116**	**2,637,377**	**80,261**	**1,645,166**	**1,735,352**	**90,186**
Government bonds	**-**	**-**	**241,311**	**-**	**2,396,066**	**2,557,116**	**2,637,377**	**80,261**	**1,645,166**	**1,735,352**	**90,186**
National Treasury Notes	-	-	241,311	-	2,396,066	2,557,116	2,637,377	80,261	1,645,166	1,735,352	90,186
Total (1 + 2 + 3)	**8,888**	**3,803,926**	**1,802,350**	**1,321,756**	**19,368,342**	**26,216,740**	**26,305,262**	**88,522**	**24,499,461**	**24,657,370**	**157,909**

Amounts in thousands of Reais, unless indicated

Consolidated	**03.31.2020**								**12.31.2019**		
	Fair value					**Total**			**Total**		
Maturity in days	**Without maturity**	**From 0 to 30 days**	**From 31 to 180 days**	**From 181 to 360 days**	**Over 360 days**	**Cost**	**Fair value**	**Fair value adjustment**	**Cost**	**Fair value**	**Fair value adjustment**
1 – Trading securities	**192**	**3,687,549**	**222,855**	**148,684**	**6,367,572**	**10,227,945**	**10,426,852**	**198,907**	**9,366,461**	**9,434,871**	**68,410**
Government bonds	**-**	**3,687,549**	**222,855**	**148,631**	**6,363,581**	**10,223,708**	**10,422,616**	**198,908**	**9,362,179**	**9,430,588**	**68,409**
Financial Treasury Bills	-	-	1,407	6,906	92,302	100,641	100,615	(26)	109,804	109,808	4
National Treasury Bills	-	3,687,549	80,317	220	1,485,892	5,239,078	5,253,978	14,900	7,747,699	7,749,484	1,785
National Treasury Notes	-	-	141,131	141,505	4,785,387	4,883,989	5,068,023	184,034	1,504,676	1,571,296	66,620
Private securities	**192**	**-**	**-**	**53**	**3,991**	**4,237**	**4,236**	**(1)**	**4,282**	**4,283**	**1**
Eurobonds	-	-	-	53	22	76	75	(1)	109	110	1
Debentures	-	-	-	-	3,969	3,969	3,969	-	3,872	3,872	-
Quotas of investment funds	192	-	-	-	-	192	192	-	301	301	-
2 – Securities available for sale	**9,321**	**116,377**	**1,339,591**	**1,747,651**	**12,531,410**	**15,731,477**	**15,744,350**	**12,873**	**15,852,976**	**16,065,826**	**212,850**
Government bonds	**-**	**-**	**525,092**	**1,534,597**	**9,469,912**	**11,364,861**	**11,529,601**	**164,740**	**11,812,687**	**12,180,191**	**367,504**
Financial Treasury Bills	-	-	243,711	423,966	4,557,184	5,225,838	5,224,861	(977)	5,656,620	5,657,297	677
National Treasury Bills	-	-	247,952	-	1,495,944	1,704,419	1,743,896	39,477	1,415,782	1,431,924	16,142
National Treasury Notes	-	-	33,429	-	1,494,099	1,453,292	1,527,528	74,236	2,569,295	2,853,151	283,856
Brazilian Foreign Debt Securities	-	-	-	544,122	1,922,685	2,427,264	2,466,807	39,543	1,626,706	1,680,948	54,242
Government Notes - other countries	-	-	-	566,509	-	554,048	566,509	12,461	544,284	556,871	12,587
Private securities	**9,321**	**116,377**	**814,499**	**213,054**	**3,061,498**	**4,366,616**	**4,214,749**	**(151,867)**	**4,040,289**	**3,885,635**	**(154,654)**
Debentures (1)	-	52,943	16,106	8,345	1,867,452	2,104,516	1,944,846	(159,670)	2,154,665	2,003,470	(151,195)
Promissory notes	-	-	259,191	87,584	128,186	476,197	474,961	(1,236)	140,580	140,180	(400)
Shares (2)	8,888	-	-	-	-	8,222	8,888	666	9,387	10,092	705
Quotas of investment funds(3)	433	-	-	-	310,643	295,127	311,076	15,949	306,773	324,230	17,457
Rural Product Notes - Commodities (4)	-	5,528	52,761	102,111	357,660	524,375	518,060	(6,315)	464,552	441,443	(23,109)
Eurobonds	-	-	254,246	-	-	256,231	254,246	(1,985)	202,097	203,767	1,670
Financial Bills	-	57,906	-	-	20,991	79,103	78,897	(206)	78,007	77,836	(171)
Floating Rate Notes	-	-	232,195	-	68,157	297,179	300,352	3,173	334,446	337,354	2,908
Certificate of Real Estate Receivables	-	-	-	-	189,413	191,193	189,413	(1,780)	206,555	204,571	(1,984)
Agribusiness Receivables Certificate	-	-	-	15,014	118,996	134,473	134,010	(463)	143,227	142,692	(535)
3 – Securities held to maturity	**-**	**-**	**241,311**	**482,392**	**2,801,892**	**3,424,112**	**3,525,595**	**101,483**	**2,219,565**	**2,317,247**	**97,682**
Government bonds	**-**	**-**	**241,311**	**482,392**	**2,801,892**	**3,424,112**	**3,525,595**	**101,483**	**2,219,565**	**2,317,247**	**97,682**
National Treasury Notes	-	-	241,311	482,392	2,801,892	3,424,112	3,525,595	101,483	2,219,565	2,317,247	97,682
Total (1 + 2 + 3)	**9,513**	**3,803,926**	**1,803,757**	**2,378,727**	**21,700,874**	**29,383,534**	**29,696,797**	**313,263**	**27,439,002**	**27,817,944**	**378,942**

The fair value considers the prudential adjustment of credit risk spread, fulfilling the provision in Article 8 of the CMN Resolution no. 4,277/2013.

The securities classified as "Held to maturity" are recorded at cost in accordance with Bacen Circular No. 3,068/2001. For purposes of presentation, these operations are adjusted to fair value.

(1) The cost of the Debentures includes a provision for losses in the amount of R$ 767,052 (R$ 766,851 on December 31, 2019) counterpart the Income from securities.

(2) The cost value of the Shares includes a provision for losses in the amount of R$ 76,337 (R$ 84,307 on December 31, 2019) counterpart the Income from securities. The fair value of the shares represents the quotation disclosed by B3 - Brasil, Bolsa, Balcão.

(3) The cost value of the Quotas of investments funds includes a provision for losses in the amount of R$ 29,032 (R$ 29,056 on December 31, 2019) counterpart the Income from securities.

(4) The cost of the Rural Product Notes also considers the provision for losses in the amount of R$ 25,314 (R$ 26,291 on December 31, 2019) counterpart the Income from securities.

Amounts in thousands of Reais, unless indicated

b) Composition of portfolio by caption in the statement of financial position and maturity term

Maturity in years	03.31.2020							12.31.2019	
	Fair value					Total		Total	
	Without maturity	Falling due, up to 1 year	Falling due - From 1 to 5 years	Falling due from 5 to 10 years	Falling due for more than 10 years	Cost	Fair value	Cost	Fair value
Bank									
By category	**8,888**	**6,928,032**	**16,719,384**	**2,269,559**	**379,399**	**26,216,740**	**26,305,262**	**24,499,461**	**24,657,370**
Trading securities	-	4,050,775	5,075,671	133,485	1,148	9,186,237	9,261,079	8,543,857	8,548,418
Securities available for sale	8,888	2,635,946	9,356,347	2,136,074	269,551	14,473,387	14,406,806	14,310,438	14,373,600
Securities held to maturity	-	241,311	2,287,366	-	108,700	2,557,116	2,637,377	1,645,166	1,735,352
Consolidated									
By category	**9,513**	**7,986,410**	**19,015,066**	**2,338,756**	**347,052**	**29,383,534**	**29,696,797**	**27,439,002**	**27,817,944**
Trading securities	192	4,059,088	6,232,939	133,485	1,148	10,227,945	10,426,852	9,366,461	9,434,871
Securities available for sale	9,321	3,203,619	10,088,935	2,205,271	237,204	15,731,477	15,744,350	15,852,976	16,065,826
Securities held to maturity	-	723,703	2,693,192	-	108,700	3,424,112	3,525,595	2,219,565	2,317,247

Amounts in thousands of Reais, unless indicated

c) Summary of the portfolio by category

By category	03.31.2020		12.31.2019	
Bank				
1 – Trading securities	9,261,079	35%	8,548,418	35%
2 – Securities available for sale	14,406,806	55%	14,373,600	58%
3 – Securities held to maturity	2,557,116	10%	1,645,166	7%
Book value of portfolio	**26,225,001**	**100%**	**24,567,184**	**100%**
Fair value adjustment of category three	80,261		90,186	
Fair value of portfolio	**26,305,262**		**24,657,370**	
Consolidated				
1 – Trading securities	10,426,852	35%	9,434,871	34%
2 – Securities available for sale	15,744,350	53%	16,065,826	58%
3 – Securities held to maturity	3,424,112	12%	2,219,565	8%
Book value of portfolio	**29,595,314**	**100%**	**27,720,262**	**100%**
Fair value adjustment of category three	101,483		97,682	
Fair value of portfolio	**29,696,797**		**27,817,944**	

Fulfilling the provision of Article 8 of Circular 3,068/01, of the Central Bank of Brazil, banco BV declares that it has the necessary financial capacity and intention to hold to maturity the securities classified in the “securities held to maturity” category, in the amount of R$ 2,557,116 in Bank and R$ 3,424,112 in Consolidated (R$ 1,645,166 in Bank and R$ 2,219,565 in Consolidated on December 31, 2019), representing 10% e 12% of the total securities in Bank and Consolidated, respectively (7% in Bank and 8% in Consolidated on December 31, 2019).

d) Income from securities

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Interbank investments (Note 7b)	754,913	760,632	247,350	168,412
Fixed income securities	435,872	379,460	782,155	427,606
Securities abroad	91,808	26,672	101,571	35,661
Variable income securities [1]	(6,941)	1,412	(9,387)	1,321
Investments in investment funds	6,073	7,702	7,255	6,660
Other	943	4,908	943	4,908
Total	**1,282,668**	**1,180,786**	**1,129,887**	**644,568**

[1] Includes income from the sale of investments by tax incentives

e) (Provision) / reversal of provision for impairment of securities

	Bank and Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019
Shares	7,970	1,558
Debentures	(201)	(48,097)
Quotas of investment funds	24	12
Agribusiness Receivables Certificate	977	(12,559)
Total	**8,770**	**(59,086)**

Amounts in thousands of Reais, unless indicated

f) Reclassifications of securities

There was no reclassification of Securities between categories in the quarter ended March 31, 2020.

In the year ended December 31, 2019 the National Treasury Notes were reclassified from the "Available for sale" category to the ''Held to maturity'' category, as a result of Management's intention in relation to the securities, in accordance with Bacen Circular No. 3,068/2001. The reclassification of these securities had no impact on income and shareholder's equity on the respective base date of the event.

	Consolidated		
	Cost	Fair value	Unrealized gain / (loss)
National Treasury Notes	541,969	583,066	41,097
Total	**541,969**	**583,066**	**41,097**

9. DERIVATIVE FINANCIAL INSTRUMENTS

The Conglomerate uses derivative financial instruments to manage its positions on a consolidated basis and to fulfill the needs of it's client's, classifying its own positions as necessary for hedging (of market risk and cash flow) and trading, both with approval limits in the Company. The hedging strategy for asset protection, which is approved by Management, is in line with the macroeconomic scenario analyses.

In the options market, assets or long positions have the Conglomerate as the holder, while liability or short positions have the Conglomerate as the seller.

The models employed in derivative risk management are periodically reviewed, and decision making is based on the best risk/return ratios, with likely losses being estimated following an analysis of macroeconomic scenarios.

The Conglomerate has tools and systems that are adequate to manage derivative financial instruments. Negotiation of new derivatives, standardized or not, depends on prior risk analysis. Subsidiaries' risk evaluation is carried out on an individual basis and its management is carried out on a consolidated basis.

The Conglomerate uses statistical methodologies and simulations to measure the risk of its positions, including with derivatives, using value at risk and sensitivity models and stress analysis.

Risks

The principal risks inherent in derivative financial instruments deriving from the Bank and its subsidiaries' businesses are credit risk, market risk, liquidity risk and operational risk.

Credit risk is defined as the possibility of losses associated with: (a) Non-compliance by the counterparty (the borrower, the guarantor or the issuer of securities or securities acquired), of its obligations under the terms agreed upon; (b) Devaluation, reduction of income and expected gains on financial instruments arising from the deterioration of the credit quality of the counterparty, the intervening party or the mitigating instrument; (c) Restructuring of financial instruments; or (d) Costs of recovery of exposures of problematic assets.

Exposure to credit risk in futures contracts is minimized due to the daily financial settlement. Swap contracts registered with CETIP are subject to credit risk in case that the counterparty is not able or willing to comply with its contractual obligations, while swap contracts registered with B3 S.A. - Brasil, Bolsa, Balcão are not subject to the same risk, considering that B3 S.A. guarantees these transactions.

Market risk is defined as the possibility of financial losses arising from variations in the fair value of exposures held by a Financial Institution. These financial losses may be incurred due to the impact produced by the variation of risk factors, such as interest rates, exchange rates, share and commodity prices, among others.

Liquidity risk is defined as:

- The possibility of the Bank not being able to effectively honor expected and unexpected current and future obligations, including those deriving from binding guarantees, without affecting its daily operations and without incurring significant losses; and
- The possibility that the Bank may not be able to trade a position at the market price due to its large size in relation to the usually traded volume, or due to market discontinuity.

Operational risk is defined as the possibility of occurrence of losses resulting from external events or from failure, deficiency or inadequacy of internal processes, people or systems.

Amounts in thousands of Reais, unless indicated

a) Breakdown of derivative financial instruments portfolio by index

	Bank						Consolidated					
	03.31.2020			12.31.2019			03.31.2020			12.31.2019		
By index	**Reference value**	**Cost**	**Fair value**	**Reference value**	**Cost**	**Fair value**	**Reference value**	**Cost**	**Fair value**	**Reference value**	**Cost**	**Fair value**
1 - Futures contracts												
Purchase commitments	**10,343,519**	**-**	**-**	**13,300,742**	**-**	**-**	**10,354,926**	**-**	**-**	**13,312,003**	**-**	**-**
Interbank deposits	4,198,876	-	-	5,069,867	-	-	4,210,283	-	-	5,081,128	-	-
Currencies	1,415,555	-	-	2,303,496	-	-	1,415,555	-	-	2,303,496	-	-
Index	353,063	-	-	363,757	-	-	353,063	-	-	363,757	-	-
Foreign currency coupon	4,345,952	-	-	5,563,622	-	-	4,345,952	-	-	5,563,622	-	-
Outros	30,073	-	-	-	-	-	30,073	-	-	-	-	-
Sales commitments	**61,376,217**	**-**	**-**	**45,919,609**	**-**	**-**	**77,950,310**	**-**	**-**	**64,005,583**	**-**	**-**
Interbank deposits	29,096,136	-	-	28,040,373	-	-	45,670,229	-	-	46,126,347	-	-
Currencies	-	-	-	765,832	-	-	-	-	-	765,832	-	-
Index	619,581	-	-	606,836	-	-	619,581	-	-	606,836	-	-
Libor	24,954,227	-	-	10,613,592	-	-	24,954,227	-	-	10,613,592	-	-
Foreign currency coupon	6,692,338	-	-	5,892,976	-	-	6,692,338	-	-	5,892,976	-	-
Others	13,935	-	-	-	-	-	13,935	-	-	-	-	-
2 - Forward contracts												
Asset position	**2,215,546**	**2,215,546**	**2,211,783**	**264,867**	**264,867**	**264,852**	**2,215,546**	**2,215,546**	**2,211,783**	**264,867**	**264,867**	**264,852**
Currency term	884,157	884,157	880,343	151,331	151,331	151,331	884,157	884,157	880,343	151,331	151,331	151,331
Government bond term	1,331,389	1,331,389	1,331,440	113,536	113,536	113,521	1,331,389	1,331,389	1,331,440	113,536	113,536	113,521
Liability position	**2,215,546**	**(2,215,546)**	**(2,209,415)**	**264,867**	**(264,867)**	**(264,288)**	**2,215,546**	**(2,215,546)**	**(2,209,415)**	**264,867**	**(264,867)**	**(264,288)**
Currency term	884,157	(884,157)	(878,060)	151,331	(151,331)	(150,752)	884,157	(884,157)	(878,060)	151,331	(151,331)	(150,752)
Government bond term	1,331,389	(1,331,389)	(1,331,355)	113,536	(113,536)	(113,536)	1,331,389	(1,331,389)	(1,331,355)	113,536	(113,536)	(113,536)
3 - Option contracts[(1)]												
Call option - Long position	**6,372,394**	**455,638**	**1,564,161**	**6,722,669**	**468,858**	**246,866**	**7,497,394**	**491,540**	**1,743,444**	**7,847,669**	**504,760**	**252,649**
Foreign currency	5,308,875	419,378	1,395,243	5,527,950	432,220	227,445	6,433,875	455,280	1,574,526	6,652,950	468,122	233,228
Flexible options	1,001,226	33,880	166,810	1,021,719	35,060	14,146	1,001,226	33,880	166,810	1,021,719	35,060	14,146
Shares	51,500	2,027	-	173,000	1,578	5,275	51,500	2,027	-	173,000	1,578	5,275
Others	10,793	353	2,108	-	-	-	10,793	353	2,108	-	-	-
Put option - Long position	**48,487,474**	**510,289**	**146,362**	**35,143,955**	**590,887**	**445,254**	**46,072,732**	**402,273**	**140,195**	**32,729,213**	**482,871**	**369,326**
Foreign currency	4,679,250	262,272	7,260	6,226,125	307,616	182,428	5,791,750	395,390	8,180	7,338,625	440,734	287,158
Interbank deposits	40,162,500	3,969	118,316	25,238,000	40,579	80,496	40,162,500	3,969	118,316	25,238,000	40,579	80,496
Flexible options	3,543,477	241,424	7,089	3,550,235	241,507	181,203	16,235	290	2	22,993	373	545
Shares	50,000	2,328	13,587	104,000	1,163	1,108	50,000	2,328	13,587	104,000	1,163	1,108
Foreign government index	52,247	296	110	25,595	22	19	52,247	296	110	25,595	22	19
Call option - short position	**9,845,086**	**(637,899)**	**(2,537,728)**	**17,182,025**	**(648,322)**	**(402,146)**	**7,430,344**	**(436,765)**	**(1,803,956)**	**14,767,283**	**(447,188)**	**(267,913)**
Foreign currency	6,157,000	(394,230)	(1,599,271)	6,365,125	(403,525)	(255,748)	7,269,500	(432,312)	(1,790,531)	7,477,625	(441,607)	(262,651)
Interbank deposits	-	-	-	7,125,000	(761)	-	-	-	-	7,125,000	(761)	-
Flexible options	3,568,086	(241,611)	(935,667)	3,576,400	(241,776)	(143,070)	40,844	(2,395)	(10,635)	49,158	(2,560)	(1,934)
Shares	110,000	(1,385)	-	115,500	(2,260)	(3,328)	110,000	(1,385)	-	115,500	(2,260)	(3,328)
Others	10,000	(673)	(2,790)	-	-	-	10,000	(673)	(2,790)	-	-	-

Amounts in thousands of Reais, unless indicated

By index	Bank						Consolidated					
	03.31.2020			12.31.2019			03.31.2020			12.31.2019		
	Reference value	Cost	Fair value	Reference value	Cost	Fair value	Reference value	Cost	Fair value	Reference value	Cost	Fair value
Put Option - Short position	**44,997,996**	**(244,067)**	**(144,470)**	**31,776,379**	**(311,539)**	**(311,346)**	**46,122,996**	**(386,199)**	**(145,812)**	**32,901,379**	**(453,671)**	**(427,196)**
Foreign currency	3,818,750	(205,330)	(8,277)	5,449,625	(234,370)	(202,769)	4,943,750	(347,462)	(9,619)	6,574,625	(376,502)	(318,619)
Interbank deposits	40,159,500	(2,813)	(115,998)	25,237,000	(40,097)	(79,496)	40,159,500	(2,813)	(115,998)	25,237,000	(40,097)	(79,496)
Flexible options	876,864	(33,653)	(961)	888,754	(34,768)	(27,985)	876,864	(33,653)	(961)	888,754	(34,768)	(27,985)
Shares	92,000	(2,117)	(19,185)	201,000	(2,304)	(1,096)	92,000	(2,117)	(19,185)	201,000	(2,304)	(1,096)
Foreign government index	50,882	(154)	(49)	-	-	-	50,882	(154)	(49)	-	-	-
4 - Swap contracts [1]												
Asset position	**11,399,036**	**3,378,602**	**3,429,933**	**14,413,674**	**1,882,970**	**2,049,858**	**9,782,137**	**2,978,436**	**2,897,378**	**11,735,282**	**1,696,673**	**1,784,456**
Interbank deposits	35,100	3,683	1,193	1,456,664	88,041	91,203	35,100	3,683	1,193	1,456,664	88,041	91,203
Foreign currency	4,545,098	2,557,522	2,336,307	4,053,773	1,024,592	781,671	4,005,858	2,205,753	1,877,209	3,514,533	897,897	606,146
Prefixed	4,839,229	383,002	641,814	6,931,078	396,141	659,916	3,761,570	334,605	568,357	4,791,926	336,539	570,039
IPCA	1,854,876	431,793	444,065	1,854,876	372,109	510,996	1,854,876	431,793	444,065	1,854,876	372,109	510,996
IGP-M	78,000	-	3,784	78,000	743	4,598	78,000	-	3,784	78,000	743	4,598
Libor	46,733	2,602	2,770	39,283	1,344	1,474	46,733	2,602	2,770	39,283	1,344	1,474
Liability position	**8,118,000**	**(3,128,011)**	**(3,306,740)**	**6,884,259**	**(1,551,394)**	**(1,876,280)**	**8,075,064**	**(3,111,161)**	**(3,284,756)**	**6,631,005**	**(1,538,959)**	**(1,861,464)**
Interbank deposits	569,011	(601)	(1,752)	714,116	(28,443)	(6,145)	569,011	(601)	(1,752)	714,116	(28,443)	(6,145)
Foreign currency	4,915,768	(1,899,742)	(1,705,330)	3,054,159	(507,092)	(306,925)	4,883,217	(1,883,423)	(1,683,879)	3,021,607	(502,356)	(299,990)
Prefixed	404,206	(366,926)	(754,822)	760,398	(373,956)	(778,408)	393,821	(366,395)	(754,289)	539,696	(366,257)	(770,527)
IPCA	1,633,009	(632,743)	(655,016)	1,723,625	(571,079)	(717,425)	1,633,009	(632,743)	(655,016)	1,723,625	(571,079)	(717,425)
IGP-M	-	(737)	-	-	-	(630)	-	(737)	-	-	-	(630)
Libor	596,006	(227,262)	(189,820)	631,961	(70,824)	(66,747)	596,006	(227,262)	(189,820)	631,961	(70,824)	(66,747)
5 - Other derivatives financial instruments												
Asset position	**11,949,455**	**1,998,868**	**2,016,865**	**11,371,072**	**78,563**	**76,032**	**8,588,112**	**1,086,205**	**1,098,918**	**8,009,729**	**73,573**	**66,063**
Non Deliverable Forward - Foreign currency[1]	11,845,481	1,992,790	2,005,576	11,107,061	77,353	74,863	8,484,138	1,080,127	1,087,629	7,745,718	72,363	64,894
Credit derivatives [2]	103,974	6,078	11,289	261,996	1,210	1,147	103,974	6,078	11,289	261,996	1,210	1,147
Credit Linked Notes	-	-	-	2,015	-	22	-	-	-	2,015	-	22
Liability position	**941,461**	**(150,472)**	**(152,428)**	**1,156,578**	**(134,424)**	**(163,192)**	**941,461**	**(150,472)**	**(152,428)**	**1,156,578**	**(110,652)**	**(113,701)**
Non Deliverable Forward - Foreign currency[1]	806,296	(141,976)	(138,871)	1,094,102	(133,635)	(162,499)	806,296	(141,976)	(138,871)	1,094,102	(109,863)	(113,008)
Credit derivatives [2]	132,566	(8,496)	(13,532)	62,476	(789)	(693)	132,566	(8,496)	(13,532)	62,476	(789)	(693)
Credit Linked Notes	2,599	-	(25)	-	-	-	2,599	-	(25)	-	-	-
Total Assets (1 + 2 + 3 + 4 + 5)	**90,767,424**	**8,558,943**	**9,369,104**	**81,216,979**	**3,286,145**	**3,082,862**	**84,510,847**	**7,174,000**	**8,091,718**	**73,898,763**	**3,022,744**	**2,737,346**
Total Liabilities (1 + 2 + 3 + 4 + 5)	**125,278,760**	**(6,375,995)**	**(8,350,781)**	**102,918,850**	**(2,910,546)**	**(3,017,252)**	**140,520,175**	**(6,300,143)**	**(7,596,367)**	**119,461,828**	**(2,815,337)**	**(2,934,562)**

[1] The fair value for swap operations, options and non deliverable forward - foreign currency considers the credit risk of the counterparty (credit valuation adjustment).

[2] The presentation of credit derivatives by position (asset or liability) takes into account the respective fair value of each contract.

Amounts in thousands of Reais, unless indicated

b) Breakdown of derivative financial instruments by maturity date (reference value)

Maturity in days	Bank						Consolidated					
	From 0 to 30	From 31 to 180	From 181 to 360	Over 360	31.03.2020	31.12.2019	From 0 to 30	From 31 to 180	From 181 to 360	Over 360	31.03.2020	31.12.2019
Future contracts	8,306,179	15,595,693	15,222,189	32,595,675	71,719,736	59,220,351	8,306,179	18,083,850	18,355,686	43,559,521	88,305,236	77,317,586
Forward contracts	2,215,546	-	-	-	2,215,546	264,867	2,215,546	-	-	-	2,215,546	264,867
Option contracts	855,167	63,673,412	30,859,263	14,315,108	109,702,950	90,825,028	855,167	68,148,412	27,177,871	10,942,016	107,123,466	88,245,544
Swap contracts	1,278,371	6,846,544	2,759,343	8,632,778	19,517,036	21,297,933	1,051,651	6,653,130	2,059,397	8,093,023	17,857,201	18,366,287
Non Deliverable Forward - Foreign currency	891,001	6,391,833	3,125,232	2,243,711	12,651,777	12,201,163	891,001	6,391,833	1,403,908	603,692	9,290,434	8,839,820
Credit derivatives	-	2,600	-	233,940	236,540	324,472	-	2,600	-	233,940	236,540	324,472
Credit Linked Notes	-	2,599	-	-	2,599	2,015	-	2,599	-	-	2,599	2,015
Total	**13,546,264**	**92,512,681**	**51,966,027**	**58,021,212**	**216,046,184**	**184,135,829**	**13,319,544**	**99,282,424**	**48,996,862**	**63,432,192**	**225,031,022**	**193,360,591**

c) Breakdown of derivative financial instruments Portfolio by market and counterparty (reference value on March 31, 2020)

	Futures	Terms	Options	Swap	Credit derivatives	Non Deliverable Forward	Credit Linked Notes
Bank							
B3	**71,719,736**	**-**	**100,692,504**	**-**	**-**	**-**	**-**
Over-the-counter market (Cetip)	**-**	**2,215,546**	**9,010,446**	**19,517,036**	**236,540**	**12,651,777**	**2,599**
Financial institutions	-	2,215,546	7,076,028	14,653,390	236,540	6,992,443	2,599
Client	-	-	1,934,418	4,863,646	-	5,659,334	-
Bank							
B3	**88,305,236**	**-**	**105,167,504**	**-**	**-**	**-**	**-**
Over-the-counter market (Cetip)	**-**	**2,215,546**	**1,955,962**	**17,857,201**	**236,540**	**9,290,434**	**2,599**
Financial institutions	-	2,215,546	21,544	13,493,555	236,540	3,631,100	2,599
Client	-	-	1,934,418	4,363,646	-	5,659,334	-

Amounts in thousands of Reais, unless indicated

d) Breakdown of credit derivative financial instruments portfolio

Bank and Consolidated	03.31.2020			12.31.2019		
	Reference value	Cost	Fair value	Reference value	Cost	Fair value
Credit Swap						
Received risk	132,566	(8,496)	(13,532)	264,011	(425)	(197)
Transferred risk	103,974	6,078	11,289	60,461	846	651
By index						
Asset position - Prefixed	103,974	6,078	11,289	261,996	1,210	1,147
Liability position - Prefixed	132,566	(8,496)	(13,532)	62,476	(789)	(693)

For received risk transactions, credit limits are approved both for client risk and counterparty risk, according to the credit committee’s levels and forums. Credit limits are assigned to the underlying exposure at derivative reference value, considering amounts deposited in guarantee.

For transferred risk, transaction is conducted in a trading portfolio with a sovereign risk client. In this case, future possible exposure is considered to assign the counterparty limit. The credit derivative financial instruments portfolio impacted Portion Referring to Weighed Exposures per Risk Factor (PRMR) for determination of the Bank’s Basel ratio of R$ 2,993 (R$ 2,843 on December 31, 2019).

Amounts in thousands of Reais, unless indicated

e) Breakdown of margin given in guarantee of operations with derivative financial instruments and other transactions settled in clearing or providers of clearing and settlement services

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Financial Treasury Bills - LFT	212,145	77,708	296,234	80,712
National Treasury Notes - NTN	-	-	450,594	291,294
National Treasury Bills - LTN	8,233	17,946	8,233	17,946
Units in investment funds	34,513	34,175	48,969	48,109
Others	137,185	55,084	137,185	55,084
Total	**392,076**	**184,913**	**941,215**	**493,145**

f) Breakdown of derivatives portfolio for hedging

Hedge transactions were evaluated as effective, in accordance with provisions of Bacen Circular no. 3,082/2002, and hedge effectiveness varies from 80% to 125%. For loans operations, the risk level is considered in the risk assessment of the fair value and consequently considered in the effectiveness calculation metric.

Market risk hedge

The Conglomerate, in order to protect itself against fluctuations in its financial instruments' interest and exchange rates, contracted derivatives to offset risks deriving from exposures to fair value variations.

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Market risk hedge				
Hedge instruments				
Liabilities	**1,934,614**	**2,403,396**	**18,508,707**	**20,489,371**
Futures	1,934,614	2,403,396	18,508,707	20,489,371
Hedged items				
Assets	**1,507,526**	**2,062,710**	**18,562,939**	**20,540,376**
Purchase and sale commitments	1,296,148	1,877,581	1,296,148	1,877,581
Loans	211,378	185,129	17,266,791	18,662,795

In the quarters ended March 31, 2020 and 2019, some operations are no longer qualified as market risk hedge. The balance corresponding to the adjustment to the fair value of the hedged item existing on the closing date of the accounting hedge started to be deferred (except for the cases of early settlement of the object) by the contractual term of these operations whose effect on the result in the quarter ended on 31 March, 2020 was R$ 2,319 (R$ 7,819 as of March 31, 2019) net of tax effects, presented under "Income (Losses) from derivative financial instruments".

Cash flow hedge

To protect the future cash flows of payments against exposure to variable interest rate (CDI), the Conglomerate traded DI Future contracts at B3.

To protect the cash flow of future disbursements on securities issued abroad against exposure to exchange rate risk USD, the Conglomerate has traded over-the-counter swap contracts recorded in B3.

	Bank and Consolidated	
	03.31.2020	12.31.2019
Cash flow hedge		
Hedge instruments		
Assets	**628,771**	**175,326**
Swap [(1)]	628,771	175,326
Liabilities	**14,404,818**	**12,820,188**
Future	14,404,818	12,820,188
Hedged items		
Liabilities	**15,823,616**	**13,931,487**
Perpetual bonus - Instrument of debts eligible for Capital	1,605,767	1,216,494
Financial bills	13,563,993	12,010,105
Subordinated debt - Instrument of debts eligible for Capital	653,856	704,888

(1) The nominal value of the swap is R$ 970,620 on March 31, 2020 and December 31, 2019.

Amounts in thousands of Reais, unless indicated

In the quarter ended March 31, 2019, some operations were no longer classified as cash flow hedge, which generated income / (expense) in the period of R$ (2,050) net of tax effects, presented under the caption "Income from derivative financial instruments". In the quarter ended March 31, 2020 there were no operation that were no longer classified as cash flow hedge.

g) Gains and losses on hedge instruments and hedged items

Market risk hedge

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 31.03.2019	01.01 to 03.31.2020	01.01 to 31.03.2019
Losses from hedged Items [(1)]	-	-	-	-
Gains from hedge instruments [(1)]	-	-	-	-
Net effect	**-**	**-**	**-**	**-**
Gains from hedge items	31,524	34,903	428,202	244,797
Losses from hedged instruments	(32,195)	(36,285)	(423,829)	(249,068)
Net effect	**(671)**	**(1,382)**	**4,373**	**(4,271)**

[(1)] Refers to the hedge accounting of the portfolio of assets that had a decline in the curve in the quarters ended March 31, 2020 and March 31, 2019.

Cash flow hedge

Bank and Consolidated	03.31.2020		12.31.2019	
Hedge instruments	Effective portion accumulated	Ineffective portion accumulated	Effective portion accumulated	Ineffective portion accumulated
Future DI	(227,304)	(70)	(173,676)	(65)
Swaps	58,652	(2,986)	(57,358)	(3,188)
Total	**(168,652)**	**(3,056)**	**(231,034)**	**(3,253)**

The effective portion is recognized in shareholders' equity in equity valuation adjustments and the ineffective portion is recognized in the statement of income in financial intermediation income - income from derivative financial

In the quarter ended March 31, 2020, the fair value adjustment of the effective portion, in the amount of R$ 62,382 (R$ 17,506 in the quarter ended March 31, 2019), was recognized in shareholders' equity and ineffective portion, in the amount of R$ 197 (R$ 211 in the quarter ended March 31, 2019) was recognized in "Income from derivative financial

Net gains of tax effects relating to cash flow hedges that the Conglomerate expects to recognize in income over the next 12 months totaling R$ 99,873 (loss of R$ 53,753 in the quarter ended March 31, 2019).

h) Derivative financial instruments breakdown into current and non-current

	Bank					
	03.31.2020			12.31.2019		
	Current	Non-Current	Total	Current	Non-Current	Total
Assets						
Term operations	2,211,783	-	2,211,783	264,852	-	264,852
Options market	887,157	823,366	1,710,523	268,864	423,256	692,120
Swap contracts	1,062,133	2,367,800	3,429,933	822,060	1,227,798	2,049,858
Non Deliverable Forward - Foreign currency	1,429,462	576,114	2,005,576	64,800	10,063	74,863
Credit derivatives	-	11,289	11,289	454	693	1,147
Credit linked notes	-	-	-	22	-	22
Total	**5,590,535**	**3,778,569**	**9,369,104**	**1,421,052**	**1,661,810**	**3,082,862**
Liabilities						
Term operations	(2,209,415)	-	(2,209,415)	(264,288)	-	(264,288)
Options market	(1,362,364)	(1,319,834)	(2,682,198)	(302,258)	(411,234)	(713,492)
Swap contracts	(1,586,129)	(1,720,611)	(3,306,740)	(844,823)	(1,031,457)	(1,876,280)
Non Deliverable Forward - Foreign currency	(138,871)	-	(138,871)	(98,343)	(64,156)	(162,499)
Credit derivatives	(35)	(13,497)	(13,532)	-	(693)	(693)
Credit linked notes	(25)	-	(25)	-	-	-
Total	**(5,296,839)**	**(3,053,942)**	**(8,350,781)**	**(1,509,712)**	**(1,507,540)**	**(3,017,252)**

Amounts in thousands of Reais, unless indicated

	Consolidated					
	03.31.2020			12.31.2019		
	Current	Non-Current	Total	Current	Non-Current	Total
Assets						
Term operations	2,211,783	-	2,211,783	264,852	-	264,852
Options market	1,065,355	818,284	1,883,639	379,377	242,598	621,975
Swap contracts	970,243	1,927,135	2,897,378	743,410	1,041,046	1,784,456
Non Deliverable Forward - Foreign currency	963,551	124,078	1,087,629	64,800	94	64,894
Credit derivatives	-	11,289	11,289	454	693	1,147
Credit linked notes	-	-	-	22	-	22
Total	**5,210,932**	**2,880,786**	**8,091,718**	**1,452,915**	**1,284,431**	**2,737,346**
Liabilities						
Term operations	(2,209,415)	-	(2,209,415)	(264,288)	-	(264,288)
Options market	(1,087,049)	(862,719)	(1,949,768)	(425,010)	(270,099)	(695,109)
Swap contracts	(1,584,696)	(1,700,060)	(3,284,756)	(836,693)	(1,024,771)	(1,861,464)
Non Deliverable Forward - Foreign currency	(138,871)	-	(138,871)	(98,343)	(14,665)	(113,008)
Credit derivatives	(35)	(13,497)	(13,532)	-	(693)	(693)
Credit linked notes	(25)	-	(25)	-	-	-
Total	**(5,020,091)**	**(2,576,276)**	**(7,596,367)**	**(1,624,334)**	**(1,310,228)**	**(2,934,562)**

i) Income from derivative financial instruments

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 31.03.2019	01.01 to 03.31.2020	01.01 to 31.03.2019
Swap contracts	(102,866)	67,459	(379,197)	47,190
Term operations	2,723	477	2,723	477
Options market	(940,166)	29,419	17,145	(13,813)
Futures contracts	(425,385)	(95,130)	(637,120)	(132,266)
Credit derivatives	(8,262)	(289)	(8,262)	(289)
Fair value adjustments of hedged financial instruments	6,876	14,240	82,611	(53,924)
Non Deliverable Forward - Foreign currency	2,101,749	(8,503)	1,144,280	33,781
Income from foreign exchange movements of investments abroad	505,698	(7,337)	505,698	(7,337)
Credit Linked Notes	(56)	19	(56)	19
Total	**1,140,311**	**355**	**727,822**	**(126,162)**

j) *Hedge accounting*

Bank	Hedge object			Hedge instruments		
	03.31.2020		12.31.2019		03.31.2020	12.31.2019
Strategy/Risk	Fair value	Unrealized gain (loss)	Fair value	Derivative	Fair value	Fair value
Purchase and sale commitment hedge/ fair value / pre-fixed rate	1,296,148	1,053	1,877,581	Futuro DI	1,716,789	2,211,053
Loan operations hedge / fair value / pre-fixed rate / exchange variation	211,378	8,181	185,129	Futuro DI	217,825	192,343
Hedge of financial bills, interbank deposits, perpetual bonus and subordinated debt / Cash flow / pre-fixed rate	15,823,616	289,894	13,931,487	Futuro DI	14,404,818	12,820,188
				Swap	1,937,530	1,449,655

Consolidated	Hedge object			Hedge instruments		
	03.31.2020		12.31.2019		03.31.2020	12.31.2019
Strategy/Risk	Fair value	Unrealized gain (loss)	Fair value	Derivative	Fair value	Fair value
Purchase and sale commitment hedge/ fair value / pre-fixed rate	1,296,148	1,053	1,877,581	Futuro DI	1,716,789	2,211,053
Loan operations hedge / fair value / pre-fixed rate / exchange variation	17,266,791	406,107	18,662,795	Futuro DI	16,791,918	18,278,318
Hedge of financial bills, interbank deposits, perpetual bonus and subordinated debt / Cash flow / pre-fixed rate	15,823,616	289,894	13,931,487	Futuro DI	14,404,818	12,820,188
				Swap	1,937,530	1,449,655

Amounts in thousands of Reais, unless indicated

10. INTERBANK ACCOUNTS

a) Breakdown

Bank and Consolidated	03.31.2020	12.31.2019
Assets	**133,287**	**1,772,165**
Reserve requirements (Note 10b)	132,513	1,772,165
Payments and receivables to be settled (Note 10c)	774	-

b) Reserve requirements

	Bank and Consolidated	
	03.31.2020	12.31.2019
Assets		
Compulsory deposits at the Central Bank of Brazil	**132,513**	**1,772,165**
Demand deposits	131,051	1,769,417
Microfinance transactions	1,462	2,748
Total	**132,513**	**1,772,165**
Current assets	132,513	1,772,165

c) Payments and receivables to be settled

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Assets				
Rights with participants in settlement systems	**774**	**-**	**774**	**-**
Checks and other papers remitted	38	-	38	-
Receipts of documents sent by other system participants	736	-	736	-
Total	**774**	**-**	**774**	**-**
Current assets	774	-	774	-
Liabilities				
Liabilities to settlement system participants	**16,647**	**-**	**16,647**	**-**
Checks and other papers received	16,647	-	16,647	-
Payment Transactions	**1,208**	**144**	**1,501,011**	**1,642,152**
Credit cards	1,208	144	1,501,011	1,642,152
Total	**17,855**	**144**	**1,517,658**	**1,642,152**
Current liabilities	17,855	144	1,517,658	1,642,152

d) Income from compulsory deposits

	Bank and Consolidated	
	01.01 to 03.31.2020	01.01 to 31.03.2019
Credits linked to Central Bank of Brazil	**17,930**	**8,393**
Requirement on time deposits	17,930	8,393
Total	**17,930**	**8,393**

Amounts in thousands of Reais, unless indicated

11. LOANS

a) Portfolio by modality

	Bank		Consolidated	
	03.31.2020	**12.31.2019**	**03.31.2020**	**12.31.2019**
Loans	**8,019,632**	**7,087,393**	**51,210,627**	**49,516,883**
Loans and discounted notes	3,552,603	2,712,110	5,834,778	5,365,913
Financings	3,884,763	3,695,334	39,953,853	39,574,734
Rural and agribusiness financing	568,923	659,025	568,923	659,025
Real estate financing agreements	13,343	20,924	13,343	20,924
Loans linked to assignments (Note 11j.1) [1]	-	-	4,839,730	3,896,287
Other receivables with loan characteristics	**3,717,114**	**4,325,923**	**5,316,781**	**6,061,460**
Credit card operations	-	-	1,597,858	1,733,714
Advances on exchanges contracts and others linked credits	567,786	389,749	567,786	389,749
Other credits linked to payment transactions [2]	678,708	377,341	678,708	377,341
Trade and credit receivables	2,470,620	3,558,833	2,472,429	3,560,656
Leases (Note 11g)	**-**	**-**	**90,489**	**97,677**
Total loan portfolio	**11,736,746**	**11,413,316**	**56,617,897**	**55,676,020**
Allowance for losses associated with credit risk	**(1,676,238)**	**(1,773,622)**	**(5,034,072)**	**(4,715,878)**
(Allowance for loan losses)	(332,324)	(435,789)	(3,658,536)	(3,346,584)
(Allowance for loans linked to assignments losses) [3]	(1,343,914)	(1,337,833)	(1,373,547)	(1,367,077)
(Allowance for lease losses)	-	-	(1,989)	(2,217)
Total loan portfolio, net of provisions	**10,060,508**	**9,639,694**	**51,583,825**	**50,960,142**

[1] Credit transactions assigned with substantial retention of the risks and benefits of the financial asset that is the transaction object.
[2] Credit rights on payment transactions acquired by assignment with retention of risks and benefits by the assignor.
[3] Includes provision for losses on operations under homologated judicial reorganization and allowed for linked payment transactions losses.

b) Income from loans and leases

	Bank		Consolidated	
	01.01 to 03.31.2020	**01.01 to 31.03.2019**	**01.01 to 03.31.2020**	**01.01 to 31.03.2019**
Loans	**290,332**	**180,564**	**2,236,428**	**1,956,479**
Loans and discounted notes	68,785	89,647	319,347	349,424
Financings	194,662	80,591	1,885,286	1,592,996
Rural and agribusiness financing	8,397	7,837	8,397	7,837
Real estate financing agreements	302	1,212	302	1,212
Financing in foreign currency	11,349	1,277	11,348	1,277
Other	6,837	-	11,748	3,733
Income from leases (Note 11h)	**-**	**-**	**2,938**	**7,317**
Total [1]	**290,332**	**180,564**	**2,239,366**	**1,963,796**

[1] Credit transactions linked to assignments are not included. Considering such assets, income from Consolidated loan and lease operations in the quarter ended March 31, 2020 would total R$ 2,446,891 (R$ 2,213,909 in the quarter ended March 31, 2019).

Amounts in thousands of Reais, unless indicated

c) Loan portfolio by sector of economic activity

Bank	03.31.2020	%	12.31.2019	%
Private sector	**11,728,565**	**100.00%**	**11,407,499**	**100.00%**
Individual [1]	**152,944**	**1.30%**	**159,038**	**1.39%**
Legal entities	**11,575,621**	**98.70%**	**11,248,461**	**98.61%**
Animal agribusiness	354,169	3.02%	346,911	3.04%
Vegetable agribusiness	149,752	1.28%	144,088	1.26%
Specific construction activities	22,809	0.19%	23,165	0.20%
Automotive	46,295	0.39%	49,287	0.43%
Wholesale commerce and sundry industries	5,039,258	42.97%	4,501,583	39.46%
Retail business	852,048	7.26%	859,299	7.53%
Heavy construction	21,047	0.18%	5,957	0.05%
Electronics	3,210	0.03%	-	0.00%
Electric power	114,000	0.97%	130,152	1.14%
Real estate	103,057	0.88%	76,000	0.67%
Financial institutions and services	925,279	7.89%	574,634	5.04%
Wood and furniture	9,688	0.08%	9,131	0.08%
Mining and Metallurgy	162,974	1.39%	100,857	0.88%
Paper and pulp	138,047	1.18%	127,879	1.12%
Chemical	57,201	0.49%	127,906	1.12%
Services	2,685,694	22.90%	3,209,915	28.14%
Telecommunications	34,038	0.29%	98,229	0.86%
Textile and apparel	111,120	0.95%	114,858	1.01%
Transportation	567,811	4.84%	594,286	5.21%
Other activities	178,124	1.52%	154,324	1.37%
Total	**11,728,565**	**100.00%**	**11,407,499**	**100.00%**
(+/-) Adjustment to fair value [2]	**8,181**		**5,817**	
Total of loan portfolio adjusted to fair value	**11,736,746**		**11,413,316**	

Consolidated	03.31.2020	%	12.31.2019	%
Private sector	**56,211,790**	**100.00%**	**55,348,482**	**100.00%**
Individual [1]	**43,378,112**	**77.17%**	**42,881,930**	**77.48%**
Legal entities	**12,833,678**	**22.83%**	**12,466,552**	**22.52%**
Animal agribusiness	358,582	0.64%	351,227	0.63%
Vegetable agribusiness	157,579	0.28%	151,702	0.27%
Specific construction activities	76,344	0.14%	77,146	0.14%
Automotive	58,895	0.10%	61,564	0.11%
Wholesale commerce and sundry industries	5,170,039	9.20%	4,626,748	8.36%
Retail business	1,133,428	2.02%	1,121,604	2.03%
Heavy construction	22,858	0.04%	7,632	0.01%
Electronics	3,225	0.01%	27	0.00%
Electric power	115,639	0.21%	131,693	0.24%
Real estate	110,998	0.20%	84,142	0.15%
Financial institutions and services	926,703	1.65%	576,200	1.04%
Wood and furniture	19,729	0.04%	18,990	0.03%
Mining and Metallurgy	165,312	0.29%	103,422	0.19%
Paper and pulp	139,854	0.25%	129,499	0.23%
Chemical	57,646	0.10%	128,462	0.23%
Services	3,046,043	5.42%	3,566,698	6.44%
Telecommunications	37,951	0.07%	102,406	0.19%
Textile and apparel	121,190	0.22%	124,601	0.23%
Transportation	926,688	1.65%	941,880	1.70%
Other activities	184,975	0.30%	160,909	0.30%
Total	**56,211,790**	**100.00%**	**55,348,482**	**100.00%**
(+/-) Adjustment to fair value [2]	**406,107**		**327,538**	
Total of loan portfolio adjusted to fair value	**56,617,897**		**55,676,020**	

[1] Includes loans operations of the agribusiness sectors and other sectors of economic activity made with individuals.
[2] Refers to fair value adjustment of loan operations that are the object of market risk hedge.

Amounts in thousands of Reais, unless indicated

d) Loan portfolio by risk level and maturity

Bank	AA	A	B	C	D	E	F	G	H	03.31.2020	12.31.2019
					Performing loans						
Falling due installments	**3,281,027**	**5,109,312**	**1,025,693**	**202,068**	**98,101**	**92,007**	**139,359**	**1,305,899**	**346,962**	**11,600,428**	**11,129,570**
From 01 to 30	466,323	297,027	138,369	1,407	14,868	896	568	738	646	920,842	1,655,072
From 31 to 60	307,914	337,325	66,871	1,356	6,153	653	524	-	1,307	722,103	652,577
From 61 to 90	308,267	333,435	79,324	11,019	3,453	4,636	9,378	141	862	750,515	764,822
From 91 to 180	933,427	846,602	317,708	24,699	2,862	2,007	10,221	6,706	3,433	2,147,665	1,382,934
From 181 to 360	641,168	948,711	129,514	22,198	6,052	11,935	11,846	2,611	9,352	1,783,387	1,695,817
Over 360 days	623,928	2,346,212	293,907	141,389	64,713	71,880	106,822	1,295,703	331,362	5,275,916	4,978,348
Installments overdue	**-**	**11,726**	**2,393**	**-**	**-**	**169**	**-**	**143**	**434**	**14,865**	**8,746**
Up to 14 days	-	11,726	2,393	-	-	169	-	143	434	14,865	8,746
Subtotal	**3,281,027**	**5,121,038**	**1,028,086**	**202,068**	**98,101**	**92,176**	**139,359**	**1,306,042**	**347,396**	**11,615,293**	**11,138,316**
					Non-performing loans						
Falling due installments	**-**	**-**	**6,018**	**-**	**-**	**7,147**	**-**	**-**	**4,734**	**17,899**	**99,897**
From 01 to 30	-	-	1,018	-	-	1,547	-	-	57	2,622	4,167
From 31 to 60	-	-	1,000	-	-	-	-	-	38	1,038	587
From 61 to 90	-	-	1,000	-	-	-	-	-	38	1,038	795
From 91 to 180	-	-	3,000	-	-	1,400	-	-	102	4,502	9,494
From 181 to 360	-	-	-	-	-	2,800	-	-	267	3,067	21,358
Over 360 days	-	-	-	-	-	1,400	-	-	4,232	5,632	63,496
Installments overdue (1)	**-**	**-**	**1,007**	**-**	**-**	**22,011**	**429**	**19,130**	**52,796**	**95,373**	**169,286**
From 01 to 14	-	-	-	-	-	-	234	-	-	234	9,972
From 15 to 30	-	-	1,007	-	-	-	-	-	65	1,072	2,628
From 31 to 60	-	-	-	-	-	-	195	-	57	252	1,548
From 61 to 90	-	-	-	-	-	21,867	-	-	59	21,926	1,388
From 91 to 180	-	-	-	-	-	144	-	19,130	105	19,379	36,260
From 181 to 360	-	-	-	-	-	-	-	-	35,207	35,207	90,849
Over 360 days	-	-	-	-	-	-	-	-	17,303	17,303	26,641
Subtotal	**-**	**-**	**7,025**	**-**	**-**	**29,158**	**429**	**19,130**	**57,530**	**113,272**	**269,183**
Total	**3,281,027**	**5,121,038**	**1,035,111**	**202,068**	**98,101**	**121,334**	**139,788**	**1,325,172**	**404,926**	**11,728,565**	**11,407,499**
(+/-) Adjustment to fair value (2)										**8,181**	**5,817**
Total of loan portfolio adjusted to fair value										**11,736,746**	**11,413,316**

Amounts in thousands of Reais, unless indicated

Consolidated	AA	A	B	C	D	E	F	G	H	03.31.2020	12.31.2019
					Performing loans						
Falling due installments	**3,285,083**	**23,712,752**	**9,566,283**	**7,755,778**	**516,825**	**198,812**	**181,969**	**1,381,943**	**427,435**	**47,026,880**	**47,197,664**
From 01 to 30	466,670	1,697,037	437,265	273,443	34,137	5,754	3,462	5,238	8,135	2,931,141	3,581,254
From 31 to 60	308,129	1,279,824	363,289	268,598	24,121	5,167	3,158	4,237	7,781	2,264,304	2,278,263
From 61 to 90	308,482	1,235,445	366,405	269,851	20,774	8,988	11,933	4,086	6,992	2,232,956	2,299,040
From 91 to 180	934,072	3,405,459	1,163,058	786,079	53,309	14,782	17,603	18,339	20,787	6,413,488	5,727,530
From 181 to 360	642,291	5,263,236	1,701,207	1,438,323	97,492	35,593	25,079	22,492	22,799	9,248,512	9,277,829
Over 360 days	625,439	10,831,751	5,535,059	4,719,484	286,992	128,528	120,734	1,327,551	360,941	23,936,479	24,033,748
Installments overdue	**-**	**1,468,912**	**145,890**	**162,661**	**60,872**	**10,173**	**12,191**	**10,517**	**33,380**	**1,904,596**	**1,947,780**
Up to 14 days	-	1,468,912	145,890	162,661	60,872	10,173	12,191	10,517	33,380	1,904,596	1,947,780
Subtotal	**3,285,083**	**25,181,664**	**9,712,173**	**7,918,439**	**577,697**	**208,985**	**194,160**	**1,392,460**	**460,815**	**48,931,476**	**49,145,444**
					Non-performing loans						
Falling due installments	**-**	**-**	**1,177,520**	**1,463,389**	**738,413**	**206,518**	**256,042**	**735,742**	**865,282**	**5,442,906**	**4,429,828**
From 01 to 30	-	-	64,457	76,059	37,896	9,328	9,905	40,063	48,005	285,713	233,889
From 31 to 60	-	-	62,694	69,116	36,468	7,272	9,317	37,002	44,586	266,455	226,989
From 61 to 90	-	-	60,664	66,793	34,063	6,971	9,018	34,925	42,262	254,696	212,335
From 91 to 180	-	-	169,419	190,788	96,860	22,002	26,349	99,457	119,695	724,570	601,059
From 181 to 360	-	-	276,294	327,256	165,736	40,924	48,269	167,244	199,587	1,225,310	1,023,256
Over 360 days	-	-	543,992	733,377	367,390	120,021	153,184	357,051	411,147	2,686,162	2,132,300
Installments overdue (1)	**-**	**-**	**166,811**	**254,782**	**213,521**	**99,302**	**89,870**	**278,237**	**734,885**	**1,837,408**	**1,773,210**
From 01 to 14	-	-	1	32,934	18,947	4,115	4,538	18,471	21,526	100,532	90,793
From 15 to 30	-	-	166,810	112,779	79,142	27,591	27,721	30,475	41,912	486,430	424,172
From 31 to 60	-	-	-	109,069	38,840	8,982	14,496	42,189	52,556	266,132	228,303
From 61 to 90	-	-	-	-	76,592	25,298	8,218	41,944	48,120	200,172	177,602
From 91 to 180	-	-	-	-	-	33,316	34,897	145,158	141,654	355,025	362,727
From 181 to 360	-	-	-	-	-	-	-	-	203,631	203,631	265,407
Over 360 days	-	-	-	-	-	-	-	-	225,486	225,486	224,206
Subtotal	**-**	**-**	**1,344,331**	**1,718,171**	**951,934**	**305,820**	**345,912**	**1,013,979**	**1,600,167**	**7,280,314**	**6,203,038**
Total	**3,285,083**	**25,181,664**	**11,056,504**	**9,636,610**	**1,529,631**	**514,805**	**540,072**	**2,406,439**	**2,060,982**	**56,211,790**	**55,348,482**
(+/-) Adjustment to fair value (2)										**406,107**	**327,538**
Total of loan portfolio adjusted to fair value										**56,617,897**	**55,676,020**

(1) Up to November 2019, for retail operations with a maturity of more than 36 months, the double counting of days overdue were performed, as permitted by CMN Resolution No. 2,682/1999. For wholesale operations, double counting over delay intervals were also applied, according to an internal assessment. As of December 2019, the Conglomerate stopped adopting double counting for wholesale and retail operations.

(2) Refers to fair value adjustment of loan operations that are the object of market risk hedge.

Amounts in thousands of Reais, unless indicated

e) Allowance for loan losses by risk levels

		03.31.2020				12.31.2019			
Risk level	**% Provision**	**Value of operations**	**Minimum provision required**	**Additional provision [(1)]**	**Existing provision**	**Value of operations**	**Minimum provision required**	**Additional provision [(1)]**	**Existing provision**
Bank									
AA	0.00%	3,281,027	-	-	-	3,184,377	-	-	-
A	0.50%	5,121,038	(25,605)	-	(25,605)	4,950,639	(24,753)	-	(24,753)
B	1.00%	1,035,111	(10,351)	-	(10,351)	881,032	(8,810)	-	(8,810)
C	3.00%	202,068	(6,062)	-	(6,062)	216,882	(6,507)	-	(6,507)
D	10.00%	98,101	(9,811)	-	(9,811)	123,845	(12,384)	-	(12,384)
E	30.00%	121,334	(36,401)	-	(36,401)	75,363	(22,608)	-	(22,608)
F	50.00%	139,788	(69,894)	-	(69,894)	128,831	(64,415)	-	(64,415)
G	70.00%	1,325,172	(927,620)	(185,568)	(1,113,188)	1,324,272	(926,990)	(184,897)	(1,111,887)
H	100.00%	404,926	(404,926)	-	(404,926)	522,258	(522,258)	-	(522,258)
Total		**11,728,565**	**(1,490,670)**	**(185,568)**	**(1,676,238)**	**11,407,499**	**(1,588,725)**	**(184,897)**	**(1,773,622)**
(+/-) Adjustment to fair value [(2)]		**8,181**				**5,817**			
Total of loan portfolio adjusted to fair value		**11,736,746**				**11,413,316**			
Consolidated [(3)]									
AA	0.00%	3,285,083	-	-	-	3,192,300	-	-	-
A	0.50%	25,181,664	(125,908)	-	(125,908)	25,261,517	(126,308)	-	(126,308)
B	1.00%	11,056,504	(110,565)	-	(110,565)	10,911,587	(109,116)	-	(109,116)
C	3.00%	9,636,610	(289,098)	-	(289,098)	9,374,955	(281,249)	-	(281,249)
D	10.00%	1,529,631	(152,964)	-	(152,964)	1,371,789	(137,180)	-	(137,180)
E	30.00%	514,805	(154,443)	-	(154,443)	669,746	(200,925)	-	(200,925)
F	50.00%	540,072	(270,037)	-	(270,037)	671,774	(335,887)	-	(335,887)
G	70.00%	2,406,439	(1,684,507)	(185,568)	(1,870,075)	1,848,322	(1,293,824)	(184,897)	(1,478,721)
H	100.00%	2,060,982	(2,060,982)		(2,060,982)	2,046,492	(2,046,492)	-	(2,046,492)
Total		**56,211,790**	**(4,848,504)**	**(185,568)**	**(5,034,072)**	**55,348,482**	**(4,530,981)**	**(184,897)**	**(4,715,878)**
(+/-) Adjustment to fair value [(2)]		**406,107**				**327,538**			
Total of loan portfolio adjusted to fair value		**56,617,897**				**55,676,020**			

(1) New additional provisions were constituted, whose increase in risk level is not applicable.
(2) Refers to fair value adjustment of loan operations that are the object of market risk hedge.
(3) Includes remeasurement of risks due to an unexpected lockdown event, resulting from the COVID-19 pandemic.

Amounts in thousands of Reais, unless indicated

f) Allowance for losses associated with credit risk

f.1) Income (loss) from allowance for losses associated with credit risk

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
(Provision) / reversal of provision for losses associated with the loan portfolio (Note 11f.2)	**(49,141)**	**(82,922)**	**(954,195)**	**(617,683)**
Loans	(46,258)	(75,072)	(954,567)	(607,079)
Leases	-	-	229	(1,396)
Other receivables with loan characteristics	(2,883)	(7,850)	143	(9,208)
Income from recovery of loans previously written off as losses	**50,025**	**43,857**	**133,340**	**148,694**
Loans	50,025	41,705	133,328	145,623
Leases	-	-	12	919
Other receivables with loan characteristics	-	2,152	-	2,152
Total (provision) / reversal of provision for losses associated with the loan portfolio	**884**	**(39,065)**	**(820,855)**	**(468,989)**
Other (provisions) / reversals of provisions for losses associated with credit risk [(1)]	**(287)**	**59,683**	**(1,771)**	**64,024**
Financial guarantees provided	304	59,336	304	59,336
Other risks	(591)	347	(2,075)	4,688
Total other (provisions) / reversals of provisions associated with credit risk	**(287)**	**59,683**	**(1,771)**	**64,024**
Total	**597**	**20,618**	**(822,626)**	**(404,965)**

(1) The respective provisions are presented in Other Liabilities - "Provision for loss with financial guarantees provided" and "Provision for loss - other risks" (Note 20a).

f.2) Changes

Comprise loans, leases and other receivables with loan characteristics.

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Opening balance	**1,773,622**	**1,250,029**	**4,715,878**	**3,630,864**
Reinforcement / (reversal) [(1)] [(2)]	**49,141**	**82,922**	**954,195**	**617,683**
Minimum allowance for loan losses required	48,470	82,922	953,524	617,683
Incremental allowance for loan losses	671	-	671	-
Write-offs to losses	**(146,525)**	**(3,161)**	**(636,001)**	**(449,882)**
Closing balance	**1,676,238**	**1,329,790**	**5,034,072**	**3,798,665**

(1) It does not include income from recovery of loans previously written off for losses.
(2) In the consolidated, it includes remeasurement of risks due to an unexpected lockdown event, resulting from the COVID-19 pandemic.

g) Lease portfolio by maturity

Consolidated	**03.31.2020**	**12.31.2019**
Up to 1 year [(1)]	37,269	40,259
From 1 to 5 years	53,220	57,418
Total present value	**90,489**	**97,677**

(1) Includes overdue installments.

h) Net profit from leases

Consolidated	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
Leases	2,937	654
Profit on disposal of leases	1	6,663
Total	**2,938**	**7,317**

Amounts in thousands of Reais, unless indicated

i) Concentration of loans

	03.31.2020	% of portfolio	12.31.2019	% of portfolio
Bank				
Largest debtor	670,316	5.72%	670,316	5.88%
10 largest debtors	2,463,459	21.00%	2,675,864	23.46%
20 largest debtors	3,634,201	30.99%	3,777,315	33.11%
50 largest debtors	5,864,579	50.00%	5,940,865	52.08%
100 largest debtors	8,015,441	68.34%	7,974,936	69.91%
Consolidated				
Largest debtor	670,316	1.19%	670,316	1.21%
10 largest debtors	2,465,014	4.39%	2,677,503	4.84%
20 largest debtors	3,635,756	6.47%	3,778,953	6.83%
50 largest debtors	5,866,134	10.44%	5,942,503	10.74%
100 largest debtors	8,018,166	14.26%	7,977,849	14.41%

j) Information on loan assignments

j.1) Assignments with recourse

Transfers of financial assets (consumer loans) to related parties were undertaken, with a substantial retention of the risks and benefits.

	03.31.2020		12.31.2019	
	Financial assets subject to sale	Liability related to recourse assumed [1]	Financial assets subject to sale	Liability related to recourse assumed [1]
Financial institutions - related parties	4,839,730	5,583,960	3,896,287	4,494,033
Total	**4,839,730**	**5,583,960**	**3,896,287**	**4,494,033**

(1) Recorded in caption "Other liabilities - Sundry - Bond transactions linked to disposals (Note 20a).

In the quarter ended March 31, 2020, the income from assigned financial assets in the Conglomerate R$ 207,525 (R$ 250,113 in the quarter ended March 31, 2019) and expenses on the liabilities with assigned financial assets totaled R$ 85,887 (R$ 134,629 in the quarter ended March 31, 2019). In the Bank, there was no income or expense from operations with these characteristics in the quarters ended March 31, 2020 and 2019.

j.2) Sales without recourse of credits previously written off as loss

In the quarter ended March 31, 2020, revenues from sales without recourse of loans previously written off as losses totaled R$ 29,134 in the Bank and R$ 58,606 in the Conglomerate (R$ 14,910 in the Bank and Conglomerate in the quarter ended March 31, 2019), which were recognized in income for the period under "Income from loans".

k) Changes in renegotiated credit

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Credits renegotiated in the period [1]	**783,666**	**790,603**	**1,291,193**	**1,143,787**
Renegotiated for delay [2]	36,049	46,887	157,802	144,296
Renovated [3]	747,617	743,716	1,133,391	999,491
Movement of renegotiated credits due to delay				
Opening balance	**284,293**	**452,434**	**681,811**	**785,169**
Signings	36,049	46,887	157,802	144,296
Amounts received, net of interest accrued	(15,761)	(59,832)	(62,920)	(92,238)
Written off as losses	(9,466)	(1,290)	(67,822)	(60,260)
Closing balance	**295,115**	**438,199**	**708,871**	**776,967**
Allowance for losses of the renegotiated portfolio due to delay	106,208	141,587	424,170	384,853
(%) Allowance for losses on the portfolio renegotiated	35.99%	32.31%	59.84%	49.53%
90-day delinquency of portfolio renegotiated due to delay	-	73,371	322,822	346,047
(%) Delinquency on the portfolio renegotiated by delay	0.00%	16.74%	45.54%	44.54%

(1) Represents the balance renegotiated in the period of credit operations, maturing or in delay.
(2) Credits renegotiated in the period for debt composition due to delayed payment by customers.
(3) Renegotiated credits of non-overdue operations for extension, novation, granting of a new transaction for partial or full settlement of a previous transaction or any other type of agreement that implies a change in the terms of payment or in terms of payment originally agreed upon.

Amounts in thousands of Reais, unless indicated

l) Other information

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Credit contracted to be released	547,269	537,818	3,273,088	3,067,962
Financial guarantees provided (Note 28.1.a.1)	6,762,374	6,607,112	6,762,374	6,607,112

12. OTHER ASSETS

a) Breakdown

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Other financial assets	**1,307,975**	**737,836**	**1,615,722**	**981,521**
Relations with correspondents	271	39	271	39
Other credits and receivables	9,680	9,127	204,306	131,938
Credit card transactions	-	-	46,985	44,845
Receivables from securities settlements abroad	15,775	14,042	15,775	14,042
Other credits for trading and intermediation of securities	164,094	103,999	199,715	140,697
Foreign exchange portfolio (Note 12b)	1,117,885	610,359	1,117,885	610,359
Other	270	270	30,785	39,601
Other assets	**522,197**	**371,884**	**1,303,545**	**1,400,139**
Other assets (Note 12d)	85,671	79,223	488,249	566,304
Sundry domestic debtors	86,538	11,019	72,961	61,818
Salary advances and prepayments	248	231	743	458
Advances to suppliers	1,039	3,641	2,240	4,859
Deposits in guarantee - Contingencies (Note 27g)	176,041	174,248	700,057	714,856
Deposits in guarantee - Other	957	807	964	814
Amounts to be received by related parties	136,247	53,242	-	-
Dividends receivable	956	4,581	2,258	2,251
Other	34,500	44,892	36,073	48,779
Total	**1,830,172**	**1,109,720**	**2,919,267**	**2,381,660**

b) Foreign exchange portfolio

Bank and Consolidated	03.31.2020	12.31.2019
Assets - Other receivables [(1)]		
Purchased foreign exchange contracts to be settled	919,680	455,240
Receivables from foreign exchange sales contracts	249,067	155,119
(Advances in national / foreign currency received)	(50,862)	-
Total	**1,117,885**	**610,359**
Current assets	1,117,885	610,359
Liabilities - Other liabilities [(2)]		
Sold foreign exchange to be settled	(252,150)	(153,229)
Liabilities for foreign exchange purchases	(792,265)	(448,879)
Total	**(1,044,415)**	**(602,108)**
Current liabilities	(1,044,415)	(602,108)
Memorandum Accounts		
Credits opened for imports	80,259	104,342

(1) The income receivable from advances granted in foreign exchange contracts are presented in "Loans - Other credits with credit granting characteristics" (Note 11a).

(2) Advances granted in foreign exchange contracts are presented in "Loans - Other credits with credit granting characteristics" (Note 11a).

c) Income from foreign exchange transactions

	Bank and Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019
Foreign exchange income	932,475	439,690
Foreign exchange expenses	(685,339)	(411,625)
Income from foreign exchange transactions	**247,136**	**28,065**

Amounts in thousands of Reais, unless indicated

d) Other assets

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Assets not for own use	**68,688**	**68,703**	**480,850**	**454,496**
Vehicles and alike	3,131	3,073	119,484	108,861
Real estate [1]	65,557	65,630	361,366	345,635
(Provision for devaluation) [2]	**(26,478)**	**(20,537)**	**(63,052)**	**(56,925)**
Prepaid expenses	**43,461**	**31,057**	**50,617**	**40,003**
Insurance costs	1,280	2,000	3,581	4,720
Data processing expenses	15,606	14,308	16,252	14,971
Financial system service expenses	2,838	2,816	2,989	3,023
Specialized technical service expenses	13,573	6,030	14,240	6,919
Expenses with repairs, adaptations and maintenance	5,670	5,849	5,670	5,849
Others	4,494	54	7,885	4,521
Others	**-**	**-**	**19,834**	**128,730**
Investments in real estate [3]	-	-	19,834	128,730
Total	**85,671**	**79,223**	**488,249**	**566,304**
Current assets	85,374	78,973	423,513	565,959
Non-current assets	297	250	64,736	345

(1) Property not for own use built by investee companies of specific purpose and held for sale.
(2) In the consolidated, it includes a provision for losses in real estate projects classified as "Assets not for own use".
(3) Refers to temporary shareholdings, as of the intention change of the Administration over this shareholding interests.

13. INVESTMENTS

a) Changes in associates, subsidiaries and joint ventures

	12.31.2019	Changes from 01.01 to 03.31.2020			03.31.2020	01.01 to 03.31.2019	
	Investment Value	Dividends/ Other events [3]	Share of profit (loss)	Impairment/ Goodwill [4]	Investment Value	Share of profit (loss)	Impairment/ Goodwill [4]
Domestic - Bank Venture							
BV Financeira	763,308	(29,565)	66,898	-	800,641	198,212	-
BV Leasing	967,168	707	4,975	-	972,850	5,407	-
Votorantim Asset DTVM	140,895	-	4,792	-	145,687	(920)	-
Votorantim Corretora	680,592	(82)	77,015	-	757,525	63,936	-
BVIA	146,209	-	5,297	-	151,506	5,929	-
Promotiva	68,307	(625)	7,929	-	75,611	6,958	-
Atenas [1]	201,858	(55,000)	21,166	(24,583)	143,441	12,734	10,496
BVEP	595,476	-	1,845	-	597,321	15,913	-
Total - Bank	**3,563,813**	**(84,565)**	**189,917**	**(24,583)**	**3,644,582**	**308,169**	**10,496**
Domestic - BVEP Associates and joint ventures							
BVEP associates [1]	21,692	(6,531)	(1,101)	-	14,060	3,176	12,515
BVEP joint ventures [1]	26,724	1,327	1,648	(1,698)	28,001	561	(2,629)
Goodwill of subsidiaries [2]	31,047	40,787	-	(28,699)	43,135	-	473
Total - Consolidated	**79,463**	**35,583**	**547**	**(30,397)**	**85,196**	**3,737**	**20,855**

(1) Includes goodwill in the acquisition of this investments, detailed in note 13b.
(2) They refer to the goodwill for expected future profitability that remain in the consolidation of subsidiaries directly and indirectly by banco BV.
(3) Includes capital reduction of investments.
(4) Recognized in results in item "Income from investments in ventures, associates and joint ventures".

Amounts in thousands of Reais, unless indicated

b) Goodwill and impairment - outstanding balances

	Goodwill		Impairment	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Banco BV associates	**3,339**	**27,922**	**-**	**-**
Atenas SP 02	3,339	27,922	-	-
BVEP associates	**-**	**-**	**(2,334)**	**(2,334)**
BVEP Joint ventures	**-**	**1,698**	**(1,535)**	**(1,535)**
BVEP ventures (1)	**43,916**	**6,121**	**(4,119)**	**(2,995)**
Total	**47,255**	**35,741**	**(7,988)**	**(6,864)**

(1) Includes goodwill on acquisition of investment made in the quarter ended March 31, 2020.

c) Summary financial information of affiliates and jointly controlled entities not consolidated in the consolidated Financial Statements

	03.31.2020		12.31.2019	
	BVEP Associates	BVEP Joint Ventures	BVEP Associates	BVEP Joint Ventures
Total Assets (1)	**93,862**	**112,981**	**141,416**	**128,998**
Total Liabilities (1)	**93,862**	**112,981**	**141,416**	**128,998**
Liabilities	62,793	38,209	91,640	57,496
Shareholders' equity	31,069	74,772	49,776	71,502
	01.01 to 03.31.2020		**01.01 to 03.31.2019**	
Profit / (loss) for the period (1)	**1,170**	**3,997**	**19,525**	**(481)**

(1) The information on assets, liabilities and profit / (loss) are not adjusted by the percentages held directly or indirectly by banco BV.

d) Other investments

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Investments via tax incentives	11,608	14,093	92,748	98,680
Shares and quotas	180	180	180	180
Other	7	5	1,759	1,757
(Accumulated impairment)	(11,608)	(14,093)	(94,500)	(100,431)
Total	**187**	**185**	**187**	**186**

Amounts in thousands of Reais, unless indicated

14. PROPERTY FOR USE

	12.31.2019	01.01 to 03.31.2020		03.31.2020		
	Book value	Changes [1]	Depreciation	Cost value	Accumulated depreciation	Book value
Bank						
Facilities	30,053	35	(1,733)	84,304	(55,949)	28,355
Furniture and equipment in use	5,404	295	(271)	29,913	(24,485)	5,428
Communication system	2,202	292	(265)	12,088	(9,859)	2,229
System data processing	28,866	6,600	(3,027)	110,777	(78,338)	32,439
Security system	138	6	(16)	2,550	(2,422)	128
Transportation system	416	19	(31)	836	(432)	404
Total	**67,079**	**7,247**	**(5,343)**	**240,468**	**(171,485)**	**68,983**
Consolidated						
Facilities	51,175	116	(3,509)	142,122	(94,340)	47,782
Furniture and equipment in use	10,426	307	(656)	48,184	(38,107)	10,077
Communication system	2,238	292	(271)	16,771	(14,512)	2,259
System data processing	29,973	6,600	(3,371)	164,221	(131,019)	33,202
Security system	188	6	(21)	2,708	(2,535)	173
Transportation system	416	19	(31)	1,115	(711)	404
Total	**94,416**	**7,340**	**(7,859)**	**375,121**	**(281,224)**	**93,897**

(1) Includes exchange variation.

15. INTANGIBLE ASSETS

a) Breakdown

	03.31.2020				12.31.2019			
	Cost value	Accumulated amortization	Accumulated impairment [1]	Accounting balance	Cost value	Accumulated amortization	Accumulated impairment	Book value
Bank								
Software acquired	31,274	(26,638)	-	4,636	31,061	(25,994)	-	5,067
Licenses	177,432	(114,250)	-	63,182	145,704	(100,603)	-	45,101
Softwares developed internally	321,085	(22,549)	(145,736)	152,800	327,933	(20,710)	(145,736)	161,487
Total	**529,791**	**(163,437)**	**(145,736)**	**220,618**	**504,698**	**(147,307)**	**(145,736)**	**211,655**
Consolidated								
Software acquired	58,523	(29,369)	-	29,154	58,310	(28,624)	-	29,686
Licenses	266,440	(176,664)	-	89,776	231,863	(160,029)	-	71,834
Sales rights agreements	25,766	(23,082)	-	2,684	21,966	(20,654)	-	1,312
Softwares developed internally	421,258	(43,687)	(149,975)	227,596	389,535	(38,988)	(149,975)	200,572
Trademark and Patent	1,000	-	(1,000)	-	1,000	-	(1,000)	-
Total	**772,987**	**(272,802)**	**(150,975)**	**349,210**	**702,674**	**(248,295)**	**(150,975)**	**303,404**

(1) It mainly results from the change in the software development model applied in the Conglomerate in December 2019, which now follows the agile method. With the modification, which produced a greater granularity of technology initiatives, the Conglomerate reassessed the criteria for recognizing these intangible assets, promoting the impairment of intangible assets not adhering to the new criterion, in order to preserve the reliable measurement of the activated expenses and respective future economic benefits over time.

Amounts in thousands of Reais, unless indicated

b) Changes

	12.31.2019	01.01 to 03.31.2020			03.31.2020
	Book value	Acquisitions [(1)]	Transfer [(2)]	Amortization	Book value
Bank					
Software acquired	5,067	213	-	(644)	4,636
Licenses	45,101	31,641	-	(13,560)	63,182
Softwares developed internally	161,487	27,381	(34,229)	(1,839)	152,800
Total	**211,655**	**59,235**	**(34,229)**	**(16,043)**	**220,618**
Consolidated					
Software acquired	29,686	213	-	(745)	29,154
Licenses	71,834	34,491	-	(16,549)	89,776
Sales rights agreements	1,312	3,800	-	(2,428)	2,684
Softwares developed internally	200,572	31,723	-	(4,699)	227,596
Total	**303,404**	**70,227**	**-**	**(24,421)**	**349,210**

(1) Includes exchange variation.

(2) They refer to the transfer of software between companies of the Conglomerate.

c) Amortization estimate on March 31, 2020

	2020	2021	2022	2023	2024	As from 2025	Total
Bank							
Amounts to be amortized	65,972	45,419	26,229	25,788	25,788	31,422	**220,618**
Consolidated							
Amounts to be amortized	89,686	72,311	46,856	40,980	38,812	60,565	**349,210**

16. DEPOSITS AND REPURCHASE COMMITMENTS

a) Deposits

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Demand deposits	**187,172**	**247,101**	**179,094**	**242,203**
Individuals	29,435	32,259	29,435	32,259
Legal entities	152,035	210,104	149,650	209,934
Related companies	5,693	4,728	-	-
Linked	9	10	9	10
Interbank deposits	**4,032,163**	**2,027,581**	**3,875,569**	**1,840,080**
Time deposits	**16,962,850**	**14,932,694**	**16,263,509**	**14,273,430**
Local currency	15,880,620	14,557,951	15,181,279	13,898,687
Foreign currency	1,082,230	374,743	1,082,230	374,743
Total	**21,182,185**	**17,207,376**	**20,318,172**	**16,355,713**
Current liabilities	16,774,985	14,758,724	16,189,825	14,178,896
Non-current liabilities	4,407,200	2,448,652	4,128,347	2,176,817

b) Segregation of deposits by due date on March 31, 2020

	Without maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	03.31.2020	12.31.2019
Bank								
Demand deposits	187,172	-	-	-	-	-	187,172	247,101
Interbank accounts or relations	-	283,098	183,079	3,565,986	-	-	4,032,163	2,027,581
Time deposits	-	3,742,850	12,378,786	839,826	482	906	16,962,850	14,932,694
Total	**187,172**	**4,025,948**	**12,561,865**	**4,405,812**	**482**	**906**	**21,182,185**	**17,207,376**
Consolidated								
Demand deposits	179,094	-	-	-	-	-	179,094	242,203
Interbank accounts or relations	-	126,503	183,079	3,565,987	-	-	3,875,569	1,840,080
Time deposits	-	3,629,025	12,072,124	560,972	482	906	16,263,509	14,273,430
Total	**179,094**	**3,755,528**	**12,255,203**	**4,126,959**	**482**	**906**	**20,318,172**	**16,355,713**

Amounts in thousands of Reais, unless indicated

c) Money market repurchase commitments

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Own portfolio	**12,583,254**	**14,085,957**	**12,487,757**	**13,459,095**
Private securities - Debentures [1]	1,654,907	2,766,114	1,654,907	2,766,114
Financial Treasury Bills	248,169	2,976,022	152,672	2,349,160
National Treasury Bills	2,634,139	5,385,396	2,634,139	5,385,396
National Treasury Notes	5,966,150	1,378,268	5,966,150	1,378,268
Private securities - Other	2,079,889	1,580,157	2,079,889	1,580,157
Third-party portfolio	**3,108,255**	**962,957**	**3,108,255**	**962,957**
National Treasury Bills	996,055	962,957	996,055	962,957
National Treasury Notes	2,112,200	-	2,112,200	-
Free movement portfolio	**815,386**	**784,039**	**815,386**	**784,039**
National Treasury Bills	332,157	36,408	332,157	36,408
National Treasury Notes	483,229	747,631	483,229	747,631
Total	**16,506,895**	**15,832,953**	**16,411,398**	**15,206,091**
Current liabilities	15,231,335	14,354,973	15,135,838	13,728,111
Non-current liabilities	1,275,560	1,477,980	1,275,560	1,477,980

(1) Includes operations with repurchase commitments with debentures coverage issued by linked companies according Bacen Resolution nº 4,527/2016.

d) Expenses from deposits and securities sold under repurchase agreements

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Funding expenses	**(191,899)**	**(175,372)**	**(183,248)**	**(169,233)**
Time Deposits	(150,230)	(138,478)	(143,484)	(137,423)
Interbank accounts	(41,669)	(36,894)	(39,764)	(31,810)
Expenses with repurchase commitments	**(185,053)**	**(321,004)**	**(180,666)**	**(268,437)**
Own portfolio	(144,307)	(214,163)	(110,285)	(112,294)
Third-party portfolio	(13,537)	(111,676)	(43,172)	(160,978)
Free portfolio [1]	(27,209)	4,835	(27,209)	4,835
Expenses with fund raising from securities issued	**(1,626,543)**	**(499,519)**	**(1,633,781)**	**(538,365)**
Mortgage Bonds	(3,037)	(5,582)	(3,037)	(5,582)
Agribusiness Letters of Credit	(16,507)	(26,213)	(16,507)	(26,213)
Financial lease bills	-	-	(6,767)	(36,952)
Financial bills	(320,327)	(458,911)	(320,327)	(458,911)
Issue of securities abroad [2]	(1,275,922)	(5,024)	(1,275,922)	(5,024)
Debentures	(5,632)	-	(6,104)	(1,894)
Structured operations certificates	(85)	-	(85)	-
Other	(5,033)	(3,789)	(5,032)	(3,789)
Expenses with subordinated debts abroad [2]	**(544,256)**	**(107,075)**	**(544,256)**	**(107,075)**
Total	**(2,547,751)**	**(1,102,970)**	**(2,541,951)**	**(1,083,110)**

(1) Includes effects of changes in the fair value of the corresponding liability.
(2) Includes the foreign exchange movements effects of the corresponding liabilities.

17. BORROWINGS AND DOMESTIC ONLENDINGS

a) Breakdown

	Bank and Consolidated	
	03.31.2020	12.31.2019
Borrowings (Note 17b)	4,252,708	2,127,900
Domestic onlendings (Note 17c)	1,341,400	1,450,460
Total	**5,594,108**	**3,578,360**

b) Borrowings

Bank and Consolidated	3 months	From 3 to 12 months	03.31.2020	12.31.2019
Abroad	**1,290,009**	**2,962,699**	**4,252,708**	**2,127,900**
Raised from foreign banks	1,265,308	2,940,405	4,205,713	2,074,673
Imports	24,701	22,294	46,995	53,227
Total	**1,290,009**	**2,962,699**	**4,252,708**	**2,127,900**
Current liabilities			4,252,708	2,114,453
Non-current liabilities			-	13,447

Amounts in thousands of Reais, unless indicated

c) Onlendings

Domestic - Official institutions

Programs	Interest rates p.a. [1]	Bank and Consolidated	
		03.31.2020	12.31.2019
National Treasury		**127,603**	**146,625**
Fixed rate	from 5.00% to 7.00% p.a.	99,365	142,828
Variable rate	Selic	28,238	3,797
BNDES		**491,405**	**522,438**
Fixed rate	from 0.70% a 5.70% p.a.	77,311	88,014
Variable rate	from 1.42% a 1.50% p.a. + IPCA from 1.00% a 4.00% p.a. + TJLP from 2.28% a 2.38% p.a. + Selic	371,930	401,295
Foreign exchange	1.80% + foreign exchange movements	42,164	33,129
FINAME		**722,392**	**781,397**
Fixed rate	up to 8.50% p.a.	542,073	590,135
Variable rate	from 1.60% a 4.00% p.a. + TJLP from 1.42% a 2.33% p.a. + IPCA from 1.70% a 2.56% p.a. + SELIC	179,552	190,546
Foreign exchange	from 1.70% a 2.00% p.a + foreign exchange movements	767	716
Total		**1,341,400**	**1,450,460**
Current liabilities		428,717	466,203
Non-current liabilities		912,683	984,257

(1) The interest rates refer to the balances held on March 31, 2020.

d) Expenses with liabilities from borrowings and transfer from Brazilian government

	Bank and Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019
Borrowing expenses [1]	**(625,692)**	**(35,915)**
Expenses with transfer from Brazilian government	**(31,279)**	**(27,790)**
National Treasury	(2,034)	(1,494)
BNDES	(18,126)	(11,104)
FINAME	(11,119)	(15,192)
Expenses with Obligations to foreign bankers [1]	**(156,065)**	**(1,757)**
Total	**(813,036)**	**(65,462)**

(1) Includes foreign exchange movements on loans and onlendings abroad.

Amounts in thousands of Reais, unless indicated

18. SECURITIES ISSUED

FUNDING	Currency	Amount issued	Interest rates p.a. [1]	Issue year	Maturity year	Bank	
						03.31.2020	12.31.2019
Real estate credit note funds						**304,877**	**258,567**
Fixed rate	R$	1,340	from 8.39% to 15.04% p.a.	2016	2021	1,670	1,634
Variable rate	R$	289,190	from 93.00% a 100.00% of Interbank deposits	2017	2022	300,654	254,450
Variable rate	R$	2,000	4.43% p.a. + IPCA	2017	2021	2,553	2,483
Agribusiness credit bills						**1,629,762**	**1,735,854**
Fixed rate	R$	12,347	from 3.35% to 12.53% p.a.	2015	2022	14,260	13,653
Variable rate	R$	1,495,691	from 90.00% to 100.00% p.a. of Interbank deposits	2015	2022	1,614,528	1,721,253
Variable rate	R$	834	from 3.91% to 5.99% p.a. +IPCA	2016	2021	974	948
Financial bills						**24,720,707**	**25,081,447**
Fixed rate	R$	385,003	from 5.97% to 16.33% p.a.	2012	2027	428,222	388,617
Variable rate	R$	22,233,337	from 100.00% to 114.00% p.a. of Interbank deposits from 0.29% to 0.57% p.a. + Interbank deposits	2016	2024	23,818,829	24,220,838
Variable rate	R$	386,967	from 3.20% to 9.45% p.a.+ IPCA	2013	2026	473,656	471,992
Securities issued abroad						**5,249,552**	**4,058,971**
Fixed rate	R$	125,304	from 2.44% to 15.19% p.a.	2013	2023	101,681	161,616
Variable rate	R$	5,205	from 90.00% to 98.47% of Interbank deposits	2019	2020	4,804	5,372
Foreign exchange [2]	USD	1,318,339	up to 6.60% p.a. + foreign exchange movements	2015	2024	5,066,821	3,891,983
Foreign exchange	EUR	14,900	0.08% p.a. + foreign exchange movements	2020	2020	76,246	-
Structured operations certificates						**9,364**	**-**
Fixed rate	R$	10,000	7.93% p.a. + foreign exchange movements	2020	2021	9,364	-
Total						**31,914,262**	**31,134,839**
Current liabilities						17,007,782	14,426,241
Non-current liabilities						14,906,480	16,708,598

[1] The interest rates refers to the balances held on March 31, 2020.
[2] In September 2019, USD 850,000 was issued abroad with semiannual interest payments.

FUNDING	Currency	Amount issued	Interest rates p.a. [1]	Issue year	Maturity year	Consolidated	
						03.31.2020	12.31.2019
Debentures						**45,105**	**45,718**
Variable rate	R$	45,000	97% p.a. of Interbank deposits	2017	2026	45,105	45,718
Leasing Letters						**358,970**	**885,780**
Variable rate	R$	341,878	from 101.00% to 103.00% of Interbank deposits	2019	2020	358,970	885,780
Real estate credit note funds						**304,877**	**258,567**
Fixed rate	R$	1,340	from 8.39% to 15.04% p.a.	2016	2021	1,670	1,634
Variable rate	R$	289,190	from 93.00% to 100.00% of Interbank deposits	2017	2022	300,654	254,450
Variable rate	R$	2,000	4.43% p.a. + IPCA	2017	2021	2,553	2,483
Agribusiness credit bills						**1,629,762**	**1,735,854**
Fixed rate	R$	12,347	from 3.35% to 12.53% p.a.	2015	2022	14,260	13,653
Variable rate	R$	1,495,691	from 90.00% to 100.00% p.a. of Interbank deposits	2015	2022	1,614,528	1,721,253
Variable rate	R$	834	from 3.91% to 5.99% p.a. + IPCA	2016	2021	974	948
Financial bills						**24,720,707**	**25,081,447**
Fixed rate	R$	385,003	from 5.97% to 16.33% p.a.	2012	2027	428,222	388,617
Variable rate	R$	22,233,337	from 100.00% to 114.00% p.a of Interbank deposits from 0.29% à 0.57% p.a. + Interbank deposits	2016	2024	23,818,829	24,220,838
Variable rate	R$	386,967	from 3.20% to 9.45% p.a.+ IPCA	2013	2026	473,656	471,992
Securities issued abroad						**5,249,552**	**4,058,971**
Fixed rate	R$	125,304	from 2.44% to 15.19% p.a.	2013	2023	101,681	161,616
Variable rate	R$	5,205	from 90.00% to 98.47% of Interbank deposits	2019	2020	4,804	5,372
Foreign exchange [2]	USD	1,318,339	up to 6.60% p.a. + foreign exchange movements	2015	2024	5,066,821	3,891,983
Foreign exchange	EUR	14,900	0.08% p.a. + foreign exchange movements	2020	2020	76,246	-
Structured operations certificates						**9,364**	**-**
Fixed rate	R$	10,000	7.93% p.a. + foreign exchange movements	2020	2021	9,364	-
Total						**32,318,337**	**32,066,337**
Current liabilities						17,413,631	15,312,021
Non-current liabilities						14,904,706	16,754,316

Amounts in thousands of Reais, unless indicated

(1) The interest rates refers to the balances held on March 31, 2020.
(2) In September 2019, USD 850,000 was issued abroad with semiannual interest payments.

19. SUBORDINATED DEBTS AND DEBT INSTRUMENTS ELIGIBLE AS CAPITAL

a) Breakdown

Bank and Consolidated	Bank and Consolidated	
	03.31.2020	12.31.2019
Subordinated debts (Note 19b)	19,902	3,116,893
Debt instruments eligible as capital (Note 19c)	3,869,285	3,480,275
Total	**3,889,187**	**6,597,168**

b) Subordinated debts

Funding	Amount issued	Interest rates p.a. (1)	Issue year	Maturity year	Bank and Consolidated	
					03.31.2020	12.31.2019
Subordinated debt					**-**	**3,097,563**
Exchange rate variation	USD 740,319	7.38% p.a. + exchange	2013	2020	-	3,097,563
Subordinated financing bills					**19,902**	**19,330**
Variable rate	1,800	119.00% of Interbank deposits	2016	2023	2,515	2,485
Variable rate	15,090	7.11% p.a. + IPCA	2010	2020	17,387	16,845
Total					**19,902**	**3,116,893**
Current liabilities					17,386	3,114,408
Non-current liabilities					2,516	2,485

(1) The interest rates refers to balances held on March 31, 2020.

c) Debt instruments eligible as capital

Funding	Amount issued	Interest rates p.a. (1)	Issue year	Maturity year	Bank and Consolidated	
					03.31.2020	12.31.2019
Subordinated financing bills					**2,267,754**	**2,268,410**
Variable rate	984,326	up to 2.16% p.a. + Interbank deposits from 100.00% to 120.00% of Interbank deposits	2014	2024	1,421,535	1,443,708
Variable rate	321,732	from 5.72% to 9.31% p.a. + IPCA	2013	2030	617,816	603,469
Fixed rate	103,200	from 11.03% to 17.98% p.a.	2015	2024	188,482	181,784
Variable rate	27,500	117.50% of SELIC	2016	2023	39,921	39,449
Funding	**Amount issued**	**Interest rates p.a. (1)**	**Issue year**			
Perpetual Bond (2)					**1,601,531**	**1,211,865**
Fixed rate	USD 300,000	8.25% p.a.	2017		1,601,531	1,211,865
Total					**3,869,285**	**3,480,275**
Current liabilities					393,240	221,789
Non-current liabilities					3,476,045	3,258,486

(1) The interest rates refers to balances held on March 31, 2020.
(2) On November 30, 2017, the issuance abroad of USD 300,000 million was made with semi-annual interest payments.
The bonds have a redemption option on the initiative of the Bank as of Dec. 2022 or at each subsequent half-yearly interest payment, once previously authorized by the Central Bank of Brazil (Bacen). Includes the costs of issuing these instruments, which are deferred through it's life, as well as the costs do not set part of the hedge framework.

Amounts in thousands of Reais, unless indicated

20. OTHER LIABILITIES

a) Breakdown

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Other financial liabilities	**1,273,104**	**864,777**	**7,114,627**	**5,620,971**
Obligations from transactions linked to assignments (Note 11j.1) [(1)]	-	-	5,583,960	4,494,033
Commissions for operations payable	24,772	27,637	25,412	29,910
Credit card operations	-	-	102,581	118,176
Liabilities for acquisition of assets and rights	1,661	332	1,661	332
Trading and intermediation of securities	200,567	231,355	267,347	289,542
Foreign exchange portfolio (Note 12b)	1,044,415	602,108	1,044,415	602,108
Others	1,689	3,345	89,251	86,870
Other liabilities	**614,576**	**676,354**	**1,307,020**	**1,501,565**
Third-party transit resources	42,138	46,925	42,138	46,925
Provision for profit sharing	26,748	84,309	73,748	188,666
Provision for personnel expenses	192,025	252,835	298,244	430,801
Provision for administrative expenses	31,307	30,935	251,727	234,745
Provision for financial guarantees provided (Note 28.1.a.1)	181,458	181,762	181,458	181,762
Provision for losses - other risks	-	-	2,984	3,183
Legal obligations (Note 27h)	25,343	24,116	39,310	37,117
Sundry creditors - domestic	86,433	25,501	346,631	322,595
Sundry creditors - overseas	752	1,341	752	1,341
Amounts payable to associated companies	237	205	-	-
Dividends payable	25,042	25,042	25,042	25,042
Others	3,093	3,383	44,986	29,388
Total	**1,887,680**	**1,541,131**	**8,421,647**	**7,122,536**

(1) Refers to obligations for sale or transfer of financial assets with substantial retention of risks and benefits.

21. OPERATING INCOME/EXPENSES

a) Service income

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Asset management	-	-	32,445	31,924
Collection	10,396	6,537	867	587
Commissions on placing of securities	21,402	15,217	21,526	15,361
Brokerage of Stock Exchange transactions	-	-	1,839	848
Income from custody services	79	178	4,841	4,513
Income from guarantees provided	29,242	21,475	29,242	21,475
Credit card transactions	-	-	32,568	28,765
Insurance brokerage commission	-	-	136,180	136,626
Financial advisory services	1,383	2,792	1,383	2,792
Banking correspondent	-	-	89,207	89,761
Other services	3,435	2,198	13,012	11,086
Total	**65,937**	**48,397**	**363,110**	**343,738**

b) Income from banking fees

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Master file registration	-	-	109,418	108,311
Funds transfer	736	85	736	85
Appraisal of assets	-	-	78,545	78,081
Income from credit card	-	-	30,468	39,139
Other	81	34	786	372
Total	**817**	**119**	**219,953**	**225,988**

Amounts in thousands of Reais, unless indicated

c) Personnel expenses

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Administrators' remuneration and other (Note 25)	(1,567)	(1,443)	(5,235)	(4,945)
Benefits	(11,750)	(6,038)	(38,974)	(31,459)
Social charges	(23,149)	(31,993)	(72,205)	(85,277)
Salary	12,716	(15,808)	(70,179)	(103,027)
Labor claims	(1,400)	(6,679)	(22,309)	(29,138)
Training	(540)	(191)	(2,375)	(721)
Supplementary private pension	(938)	(438)	(2,687)	(609)
Total	**(26,628)**	**(62,590)**	**(213,964)**	**(255,176)**

[1] Includes reversal of provision for long-term incentive plan expenses.

d) Other administrative expenses

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Water, energy and gas	(266)	(137)	(1,169)	(1,232)
Rental	(4,397)	(2,592)	(16,642)	(12,970)
Communications	(397)	(372)	(14,214)	(13,637)
Maintenance of property, plant and equipment	(575)	(544)	(2,646)	(3,585)
Material	(269)	(66)	(1,220)	(657)
Data processing	(17,407)	(22,115)	(70,562)	(64,947)
Promotions and public relations	(1,216)	(364)	(7,708)	(3,190)
Advertising and publicity	(4,633)	(178)	(13,017)	(7,268)
Publications	(428)	(354)	(1,110)	(726)
Insurance	(343)	(356)	(1,226)	(1,315)
Financial system services	(6,197)	(6,888)	(26,312)	(21,602)
Outsourced services	(700)	(327)	(2,551)	(2,722)
Surveillance and security services	(260)	(130)	(567)	(364)
Specialized technical services	(14,586)	(12,455)	(117,535)	(114,550)
Transportation	(201)	(253)	(2,285)	(2,524)
Traveling	(256)	(311)	(2,465)	(1,913)
Judicial and notary public fees	(733)	(896)	(23,377)	(18,676)
Amortization [1]	(5,249)	(12,709)	(24,421)	(18,910)
Depreciation [1]	(148)	(5,882)	(7,859)	(8,788)
Other	(2,692)	(2,095)	(18,747)	(18,949)
Total	**(60,953)**	**(69,024)**	**(355,633)**	**(318,525)**

[1] In the Bank, includes the effects of the agreement for apportionment / reimbursement of expenses and direct and indirect costs entered into between banco BV and its subsidiaries.

e) Other operating income

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Recovery of charges and expenses	5,478	-	8,071	701
Restatement of judicial deposits	1,597	1,608	4,334	10,983
Inflation indexation	653	355	5,113	4,767
Reimbursement of overpaid tax fines	768	-	4,583	-
Operating cost reimbursement	-	-	1,357	1,036
Recovery from operational losses	-	-	19,129	806
Other	281	1,283	3,161	3,179
Total [1]	**8,777**	**3,246**	**45,748**	**21,472**

[1] Income and expenses of the same type are presented at the net amount determined in each period.

f) Other operating expenses

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Costs associated with the production - Business partners [1]	(648)	(653)	(224,264)	(227,189)
Civil claims	(91)	(451)	(30,813)	(27,173)
Tax claims	(1,228)	(836)	(2,188)	(1,816)
Expenses with interest (REFIS joining and PERT)	-	-	(41)	(60)
Operating losses	(257)	(49)	(2,404)	-
Premium paid on financial assets	(57)	(637)	(57)	(637)
Real estate activity expense [2]	-	(24,376)	(6,128)	(13,201)
Premium paid on financial assets	(2,530)	(1,167)	(2,530)	(1,167)
Others	(1,516)	(3,109)	(24,266)	(54,089)
Total [3]	**(6,327)**	**(31,278)**	**(292,691)**	**(325,332)**

[1] Mainly refer to commissions on loans originated by partners and trade agreements with tenants and freelancers, including maintenance expenses.
[2] Includes income from shareholding sale.
[3] Income and expenses of the same type are presented at the net amount determined in each period.

Amounts in thousands of Reais, unless indicated

22. OTHER INCOME AND EXPENSES

	Bank		Consolidated	
	01.01 to 03.31.2020	01.01 to 03.31.2019	01.01 to 03.31.2020	01.01 to 03.31.2019
Other Incomes	**3,159**	**2,153**	**49,350**	**4,341**
Profit on the disposal of assets	674	606	-	-
Rental income	-	40	9	55
Reversal of provision for devaluation of other assets [(1)]	-	1,507	41,034	2,187
Reversal of provision for investment losses due to tax incentives	2,485	-	5,931	-
Other income not directly associated with operating activity	-	-	2,376	2,099
Other expenses	**(6,284)**	**(625)**	**(13,215)**	**(3,435)**
Loss on disposal of assets	-	-	(3,219)	(1,432)
Capital losses	-	-	(1,290)	(1,262)
Devaluation of other assets	(5,547)	-	(6,046)	-
Expense on real estate not in use	(723)	(556)	(2,645)	(664)
Other expenses not directly associated with operating activity	(14)	(69)	(15)	(77)
Total [(2)]	**(3,125)**	**1,528**	**36,135**	**906**

(1) Includes reversal of provision for losses on interests in real estate projects presented in “Other assets” (Note 12d).

(2) Income and expenses of the same type are presented at the net amount determined in each period.

23. SHAREHOLDER’S EQUITY

a) Capital

Capital of Banco Votorantim S.A., fully subscribed and paid-in, in the amount of R$ 8,130,372 (R$ 8,130,372 on December 31, 2019) is represented by 105,391,472,816 shares, of which 53,760,296,740 are common shares with no par value and 51,631,176,076 nominative preferred shares with no par value (86,229,386,840 common shares with no par value and 19,162,085,976 nominative preferred shares with no par value on December 31, 2019). Preferred shares have priority in reimbursement from capital without premium.

On February 6, 2020, the Extraordinary General Meeting approved the conversion of 32,469,090,100 common shares into preferred shares.

b) Capital reserve

Capital reserve is related to premium arose on subscription of shares, in the amount of R$ 372,120.

c) Profit reserve

Legal reserve

Composed mandatorily of 5% of the period’s net profit, up to the limit of 20% of Capital. The Legal Reserve may cease to be funded when jointly with Capital Reserves it exceeds 30% of Capital. The Legal Reserve may be employed only in a capital increase or to offset losses.

Statutory reserve for expansion

The law and the Bylaws allow management, at the end of the period, making a proposal to allocate to "Statutory reserve for expansion" the portion of the profit not allocate to the Legal reserve and not distributed, if any, in order to meet the investments for business expansion. In addition, the reserve balance may also be used to pay dividends.

d) Earnings per share

	01.01 to 03.31.2020	01.01 to 03.31.2019
Net profit - Banco Votorantim S.A (R$ thousand)	204,486	336,019
Weighted average number by thousand shares (basic and diluted)	105,391,473	105,391,473
Income per share (basic and diluted) (R$)	1.94	3.19

e) Reconciliation of shareholders’ equity and net profit

	Net profit		Shareholders' equity	
	01.01 to 03.31.2020	01.01 to 03.31.2019	03.31.2020	12.31.2019
Banco Votorantim S.A.	204,486	336,019	9,994,260	9,855,457
Unrealized income [(1)]	16,679	-	19,307	30,424
Consolidated	**221,165**	**336,019**	**10,013,567**	**9,885,881**

(1) Refers to unrealized income from linked transactions, net of taxes.

Amounts in thousands of Reais, unless indicated

f) Other comprehensive income

Bank and Consolidated	01.01 to 03.31.2020				01.01 to 03.31.2019			
	Opening balance	Changes	Tax effect	Closing balance	Opening balance	Changes	Tax effect	Closing balance
Securities available for sale	**100,332**	**(177,408)**	**77,415**	**339**	**(79,381)**	**113,141**	**(45,184)**	**(11,424)**
Banco BV [(1) (2)]	38,374	(129,188)	58,134	(32,680)	(122,286)	110,604	(44,242)	(55,924)
Ventures	61,958	(48,220)	19,281	33,019	42,905	2,537	(942)	44,500
Cash flow hedge	**(127,069)**	**62,382**	**(28,072)**	**(92,759)**	**(99,614)**	**17,506**	**(7,002)**	**(89,110)**
Banco BV [(1) (2)]	(127,069)	62,382	(28,072)	(92,759)	(99,614)	17,506	(7,002)	(89,110)
Total - Bank	**(26,737)**	**(115,026)**	**49,343**	**(92,420)**	**(178,995)**	**130,647**	**(52,186)**	**(100,534)**
Unrealized income effect [(3)]	**76,057**	**(27,796)**	**-**	**48,261**	**-**	**-**	**-**	**-**
Total - Consolidated	**49,320**	**(142,822)**	**49,343**	**(44,159)**	**(178,995)**	**130,647**	**(52,186)**	**(100,534)**

(1) Includes agency abroad.
(2) Includes the effect of unrealized income from transactions of linked companies.
(3) Tax effect is presented in "Other credits - Sundry".

g) Shareholders interest (Amount of shares)

The amount of issued shares from Banco Votorantim S.A. in which shareholders are owners, directly and indirectly, of more than 5% of shares:

Shareholders - Shares (thousand)	03.31.2020					
	Ordinary	% Ordinary	Preference	% Preference	Total	% Total
Votorantim Finanças S.A.	26,880,148	50.00%	25,815,588	50.00%	52,695,736	50.00%
Banco do Brasil S.A.	26,880,148	50.00%	25,815,588	50.00%	52,695,736	50.00%
Total	**53,760,297**	**100.00%**	**51,631,176**	**100.00%**	**105,391,473**	**100.00%**
Domestic residents	53,760,297	100.00%	51,631,176	100.00%	105,391,473	100.00%

Shareholders - Shares (thousand)	12.31.2019					
	Ordinary	% Ordinary	Preference	% Preference	Total	% Total
Votorantim Finanças S.A.	43,114,693	50.00%	9,581,043	50.00%	52,695,736	50.00%
Banco do Brasil S.A.	43,114,693	50.00%	9,581,043	50.00%	52,695,736	50.00%
Total	**86,229,387**	**100.00%**	**19,162,086**	**100.00%**	**105,391,473**	**100.00%**
Domestic residents	86,229,387	100.00%	19,162,086	100.00%	105,391,473	100.00%

24. TAXES

a) Tax assets

a.1) Current tax assets

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Taxes and contributions to be offset	70,080	102,627	312,903	436,973
Recoverable income tax	-	-	821	4,761
Presumed credit - Law no. 12,838/13	148,765	148,765	148,765	148,765
Total	**218,845**	**251,392**	**462,489**	**590,499**

a.2) Deferred tax assets (Recognised)

Bank	12.31.2019	01.01 to 03.31.2020		03.31.2020 [(1)]
	Balance	Net changes in the period		Balance
		Constitution [(4)]	Write-off	
Temporary differences	**2,541,395**	**487,788**	**(173,266)**	**2,855,917**
Allowance for loan losses	1,539,427	22,967	(40,088)	1,522,306
Liability provisions	263,800	2,328	(46,343)	219,785
Fair value adjustments of financial instruments [(2)]	214,459	447,213	(83,197)	578,475
Other provisions [(3)]	523,709	15,280	(3,638)	535,351
Social contribution on net profit tax loss/negative basis	**816,975**	**150,393**	**-**	**967,368**
Total deferred tax assets recognized	**3,358,370**	**638,181**	**(173,266)**	**3,823,285**
Income tax	1,863,170	348,187	(99,300)	2,112,057
Social contribution	1,495,200	289,994	(73,966)	1,711,228

Amounts in thousands of Reais, unless indicated

Consolidated	12.31.2019	01.01 to 03.31.2020		03.31.2020 [1]
	Balance	Net changes in the period		Balance
		Constitution [4]	Write-off	
Temporary differences	**5,194,681**	**904,852**	**(387,970)**	**5,711,563**
Allowance for loan losses	3,671,054	390,431	(180,765)	3,880,720
Liability provisions	739,167	27,194	(98,558)	667,803
Fair value adjustments of financial instruments [2]	238,783	461,926	(102,478)	598,231
Other provisions [3]	545,677	25,301	(6,169)	564,809
Social contribution on net profit tax loss/negative basis	**1,443,872**	**162,156**	**(85,278)**	**1,520,750**
Total deferred tax assets recognized	**6,638,553**	**1,067,008**	**(473,248)**	**7,232,313**
Income tax	4,090,276	602,732	(277,803)	4,415,205
Social contribution	2,548,277	464,276	(195,445)	2,817,108

(1) In the quarter ended March 31, 2020 the amount of R$ 108,706 (from R$ 578,475 total) in Bank, and R$ 108,706 (from R$ 598,231) in Consolidated, is the deferred tax asset arising from fair value adjustments of securities classified as available for sale, recorded in Shareholder's equity.

(2) The amounts corresponding to the changes of deferred tax asset arising from adjustments to fair value of securities available for sale, recorded in shareholder's equity account in the quarter ended March 31, 2020 are R$ 4,740 of the total R$ 364,016 in the Bank and of R$ 4,740 of the total R$ 359,448 in the Consolidated.

(3) Includes tax assets from expenses of provision por securities losses.

(4) Includes, in the quarter ended March 31, 2020, the amount of R$ 33,585, related to the effects of Social contribution on net profit rate increase to 20%, applicable to deferred tax asset from banco BV realizable from March 2020, referring to the amounts January and February.

Realization estimate

The realization estimate of deferred tax assets is supported by in the technical study prepared as at December 31, 2019.

	Bank		Consolidated	
	Nominal value	Present value	Nominal value	Present value
In 2020	954,132	931,623	1,994,590	1,947,536
In 2021	880,818	826,722	1,691,199	1,587,334
In 2022	695,082	619,708	1,320,274	1,177,105
In 2023	532,029	447,065	1,105,160	928,669
In 2024	303,483	238,773	430,554	338,749
From 2025 to 2026	309,103	220,457	494,846	352,420
From 2027 to 2029	148,638	81,056	195,690	108,389
Total deferred tax assets	**3,823,285**	**3,365,404**	**7,232,313**	**6,440,202**

Realization of nominal values for deferred tax assets

	Bank		Consolidated	
	Tax losses/Social contribution on net profit to offset [1]	Intertemporal Differences [2]	Tax losses/Social contribution on net profit to offset [1]	Intertemporal Differences [2]
In 2020	12%	29%	12%	32%
In 2021	8%	28%	10%	27%
In 2022	12%	20%	13%	20%
In 2023	9%	17%	11%	16%
In 2024	28%	1%	25%	1%
From 2025 to 2026	31%	0%	29%	1%
From 2027 to 2029	0%	5%	0%	3%

(1) Projected consumption linked to the capacity to generate IRPJ and CSLL taxable amounts in subsequent periods.

(2) The consumption capacity arises from movements in provisions expectation of reversals, write-offs and uses.

a.3) Deferred tax asset (Not recognised)

	Consolidated	
	03.31.2020	12.31.2019
Social contribution on net profit tax loss/negative basis portions	41,912	22,866
Intertemporal Differences portions	17,652	35,008
Total of deferred tax assets not recorded in assets	**59,564**	**57,874**
Income tax	42,122	40,879
Social contribution	17,442	16,995

b) Tax liabilities

b.1) Current tax liabilities

	Bank		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
IOF payable	13,449	686	22,745	16,106
Income tax and social contribution payable	-	-	5,974	5,940
Provision for taxes and contributions on income	-	41,091	214,631	354,526
Taxes and contributions payable	29,264	36,013	93,775	101,916
Total	**42,713**	**77,790**	**337,125**	**478,488**

Amounts in thousands of Reais, unless indicated

b.2) Deferred tax liabilities

	Bank		Consolidated	
	03.31.2020	**12.31.2019**	**03.31.2020**	**12.31.2019**
Fair value adjustments of financial instruments	3,682	27,472	25,194	68,266
Presumed credit - Law nº 12,838/13	15,075	15,075	15,075	15,075
Other liabilities	362	192	3,206	5,043
Total deferred tax liabilities	**19,119**	**42,739**	**43,475**	**88,384**
Income tax	10,783	23,829	27,435	54,466
Social contribution	8,336	18,910	16,040	33,918

c) Tax expenses

	Bank		Consolidated	
	01.01 to 03.31.2020	**01.01 to 03.31.2019**	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
Contribution for Social Security Funding	(3,439)	(3,948)	(91,714)	(80,705)
Service tax	(2,402)	(1,958)	(20,674)	(19,598)
PIS	(559)	(642)	(15,529)	(13,724)
Others	(5,045)	(3,242)	(7,782)	(6,712)
Total	**(11,445)**	**(9,790)**	**(135,699)**	**(120,739)**

d) Income tax and contribution expenses

d.1) Expenses of taxes and contributions on profit - Income tax and social contribution

	Bank		Consolidated	
	01.01 to 03.31.2020	**01.01 to 03.31.2019**	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
Current amounts	**-**	**-**	**(215,616)**	**(155,580)**
Income tax and social contribution on net profit - current	-	-	(215,616)	(155,580)
Deferred amounts	**458,412**	**(40,663)**	**587,284**	**(52,366)**
Deferred tax liabilities	**(1,763)**	**(1,755)**	**(1,736)**	**99,634**
Fair value adjustments of financial instruments	(1,532)	(1,755)	(1,532)	99,668
Other liabilities	(231)	-	(204)	(34)
Deferred tax assets	**460,175**	**(38,908)**	**589,020**	**(152,000)**
Tax loss carryforwards and negative basis of social contribution on net profit	150,393	89,447	76,879	50,303
Temporary difference	(49,494)	(44,401)	157,433	(10,484)
Fair value adjustment	359,276	(83,954)	354,708	(191,819)
Total	**458,412**	**(40,663)**	**371,668**	**(207,946)**

d.2) Reconciliation of Income tax and social contribution on net profit charges

	Bank		Consolidated	
	01.01 to 03.31.2020	**01.01 to 03.31.2019**	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
Income (loss) before taxes and contributions	**(241,032)**	**393,445**	**(80,912)**	**587,956**
Total IR charges (25% rate) and CSLL (15% until February 2019 and 20% from March 2020)	109,040	(157,378)	36,410	(235,182)
JCP charges	-	(2,000)	-	-
Equity in the earnings of subsidiaries	74,400	121,070	4,100	9,837
Charges on employees' profit sharing	5,802	6,557	31,316	17,596
Other amounts [1]	269,170	(8,912)	299,842	(197)
Income tax and social contribution for the period	**458,412**	**(40,663)**	**371,668**	**(207,946)**

[1] Includes, in the quarter ended March 31, 2020, the amount of R$ 33,585 related to the effects of Social contribution on net profit rate increase to 20%, applicable to deferred tax asset from banco BV with initial effect as of March 2020, referring to the values of January and February

[2] Includes foreign exchange variation on investments abroad.

25. RELATED PARTIES

Costs of salaries and other benefits granted to key management personnel of banco BV, comprising the Board, Audit Committee, Board of Directors and Fiscal Council:

	Bank		Consolidated [1]	
	01.01 to 03.31.2020	**01.01 to 03.31.2019**	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
Administrators' remuneration and other	1,567	1,443	5,235	4,945
Bonuses	6,850	8,226	10,978	11,399
Social charges	3,233	3,547	4,715	4,833
Total	**11,650**	**13,216**	**20,928**	**21,177**

[1] Includes the members of Audit Committee, Compensation Committee, Risk and Capital Committee and Related Parties Transactions Committee.

The Conglomerate offers a defined contribution private pension plan to key management personnel.

The Conglomerate did not grant loans to key management personnel during the period.

The balances of accounts relating to transactions between consolidated companies of the Bank are eliminated in the consolidated interim Financial Statements and also take into consideration risk free basis. The shareholders of the Company are Banco do Brasil Conglomerate and Votorantim S.A. (main firms that set part of the Votorantim S.A Group are: Votorantim Finanças and Votorantim Cimentos).

Amounts in thousands of Reais, unless indicated

The Conglomerate carries out banking transactions with related parties, such as current account deposits (not remunerated), remunerated deposits, money market repurchase commitments, derivative financial instruments and assignment of Loan portfolios. There are also service agreements, which include the agreement for apportionment / reimbursement of expenses and direct and indirect costs entered into with the companies of the Conglomerate

These transactions are carried out under terms and conditions similar to those performed with third parties where applicable, prevailing at the transaction dates. These transactions do not involve abnormal default risks.

The Conglomerate, through its subsidiary BV Financeira, carried out credit assignments with a related party, with substantial risk retention. In the quarter ended March 31, 2020, these transactions amounted R$ 1,923,912 (R$ 2,256,907 in the quarter ended March 31, 2019). The net result of credit assignments, considering income and expenses of the assignments with substantial retention of risks and benefits is presented in the table below under “Income from interest, provision of services and other income”.

	03.31.2020						
	Conglom. Banco do Brasil	**Votorantim S.A**	**Financial Institution subsidiaries (1)**	**Non-financial Institution subsidiaries (2)**	**Key management personnel (3)**	**Other (4)**	**Total**
Assets							
Cash and cash equivalents	1,162	-	-	-	-	-	**1,162**
Interbank deposit investments	805,992	-	36,574,213	-	-	612,064	**37,992,269**
Securities and derivative financial instruments	-	123,076	51,246	31,054	-	1,499,115	**1,704,491**
Other assets	135,346	7,956	158,554	64,613	166	18,903	**385,538**
Liabilities							
Demand deposits	(537)	(8,519)	(1,113)	(2,930)	(21)	(2,901)	**(16,021)**
Time Deposits	(961,443)	(972,243)	(12)	(699,330)	-	-	**(2,633,028)**
Interbank accounts	-	-	(156,595)	-	-	-	**(156,595)**
Money market repurchase commitments	(3,762)	(44,915)	(95,496)	-	-	-	**(144,173)**
Securities issued	(331,682)	(712,507)	-	-	(5,476)	-	**(1,049,665)**
Derivative financial instruments	(101,953)	-	(532)	-	-	(946,484)	**(1,048,969)**
Other liabilities	(5,787,324)	(12,521)	(19,542)	-	-	(2,266)	**(5,821,653)**
	01.01 to 03.31.2020						
Income (loss)							
Income from interest, provision of services and other income	92,647	-	526,877	-	-	5,155	**624,679**
Income (Losses) from derivative financial instruments	(59,102)	144,226	3,442	3,832	-	294,842	**387,240**
Fund raising, administrative expenses and other	(14,298)	(14,943)	(6,292)	(6,383)	(64)	-	**(41,980)**

Amounts in thousands of Reais, unless indicated

	12.31.2019						
	Conglom. Banco do Brasil	**Votorantim S.A**	**Financial Institution subsidiaries [(1)]**	**Non-financial Institution subsidiaries [(2)]**	**Key management personnel [(3)]**	**Other [(4)]**	**Total**
Assets							
Cash and cash equivalents	2,253	-	-	-	-	-	**2,253**
Interbank deposit investments	-	-	37,271,426	-	-	605,911	**37,877,337**
Securities and derivative financial instruments	-	1,614	96,764	27,222	-	478,363	**603,963**
Other assets	70,448	11,657	89,380	2,200	225	670	**174,580**
Liabilities							
Demand deposits	(383)	(3,029)	(1,707)	(1,553)	(12)	(375)	**(7,059)**
Time Deposits	(208,043)	(808,485)	(12)	(659,252)	(127)	-	**(1,675,919)**
Interbank accounts	-	-	(187,500)	-	-	-	**(187,500)**
Money market repurchase commitments	(803,876)	(42,084)	(626,862)	-	(316)	-	**(1,473,138)**
Securities issued	(129,788)	(559,839)	-	-	(6,680)	-	**(696,307)**
Derivative financial instruments	(42,788)	(8,525)	(7,881)	-	-	(197,562)	**(256,756)**
Other liabilities	(4,678,996)	-	(32,366)	-	-	(593)	**(4,711,955)**
	01.01 to 03.31.2019						
Income (loss)							
Income from interest, provision of services and other income	127,141	22	596,426	-	-	10,913	**734,502**
Income (Losses) from derivative financial instruments	(1,052)	(630)	8,649	2,388	-	9,232	**18,587**
Fund raising, administrative expenses and other	(9,767)	(16,733)	(57,651)	(1,055)	(114)	-	**(85,320)**

(1) Companies related in note nº 3. Does not include transactions between ventures.
(2) Includes Promotiva S.A., BVIA - BV Investimentos e Participações de Gestão de Recursos S.A., Votorantim Corretora de Seguros S.A, BV Empreendimentos e Participações S.A. and Atenas SP 02 Empreendimentos Imobiliários Ltda. Does not include transactions between ventures.
(3) Board of Directors and their respective advisory committees, Executive Board, Fiscal Council and family members (spouse, children and stepchildren) of key management personnel.
(4) Includes Votorantim Votorantim Expertise Multimercado, controlled companies of BVIA – BV Investimentos e Participações de Gestão de Recursos S.A.and subsidiaries of BV Empreendimentos e Participações S.A., as well as all companies in which key personnel holds equity interest or in which they hold a statutory position. As of February 2019, it also includes FIP BV - Multiestrategy Investment Abroad.

26. EMPLOYEES BENEFITS

The main benefits offered to the employees of the Conglomerate, provided for in the category collective agreement are health insurance, life insurance, dental care, meal and food vouchers, variable compensation programs and profit sharing. Among the mentioned benefits, we highlight the variable remuneration programs.

The Long-Term and Short-Term Compensation Programs: Conditional Variable Incentive, Long-Term Incentive and Phantom Share Repurchase Program approved by the Board of Directors on May 10, 2012 were valid until 2016, with effect until 2021.

In the first semester of 2017, the Conglomerate implemented the new Variable Compensation Program. The directors and employees of the Conglomerate are eligible for the program. This program was approved by the Board of Directors on March 09, 2017.

The Conglomerate also has a long-term incentive plan that aims to: (i) attract, motivate and retain talent; (ii) alignment of the interests of the officers and employees with the objectives and interests of the shareholders; (iii) generation of results and sustainable creation of value; and (iv) creating a long-term vision:

ILP plan: a four-year plan consisting of granting an incentive in kind linked to the performance of the organization over the time horizon.

In the quarter ended March 31, 2020, Personnel Expenses - Earnings R$ 25,932 were recognized in the Conglomerate's result (R$ 30,910 in the quarter ended March 31, 2019) in relation to long-term incentives transactions. These incentives in general become a right between one and in not more than four years as of the granting date.

The following payments were made to employees related to the Long-Term Remuneration Programs:

Amounts in thousands of Reais, unless indicated

Program Year	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
2012 / 2013	-	1,620
2014	-	66,316
2015	1,278	42,775
2016	5,524	29,872
2017	1,350	8,300
2018	3,166	250
2019	1,955	-
2020	47,970	-
Total	**61,243**	**149,133**

In March 31, 2020, the Conglomerate recorded under "Other liabilities - provision payment payable", the amount of R$ 204,717 (R$ 309,879 in December 31, 2019).

Phantom share value is calculated at least on a quarterly basis and is based on the Conglomerate's income and on entries directly made to shareholders' equity accounts, as determined by prevailing accounting practices. From this change in shareholders' equity value, non-recurring movements will be excluded, individually evaluated and submitted to the Remuneration Committee, which will decide on its exclusion or not from shareholders' equity calculation basis to measure the

Changes in phantom shares

	Bank		**Consolidated**	
	01.01 to 03.31.2020	**01.01 to 03.31.2019**	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
Opening quantity	**17,620,394**	**36,376,442**	**24,125,108**	**50,493,793**
New / Updates	5,286,259	4,705,946	6,331,233	5,711,497
Paid	(12,023,883)	(27,561,058)	(15,327,763)	(34,666,290)
Expired	-	(141,112)	(244,546)	(2,561,846)
Closing quantity	**10,882,770**	**13,380,218**	**14,884,032**	**18,977,154**

In addition to the benefits provided in the collective agreement category, the Conglomerate still offers other benefits, among which we highlight the private pension plan.

In March 2019, the defined contribution private pension plan was launched, in the Free Benefit Generation Plan and Life Generating Free Benefits modalities, where the Conglomerate, as a sponsor contributes to the formation of the amount to be turn in complementary post-employment retirement income. This new plan was approved by the Board of Directors on December 6, 2018.

The private pension program aims to (i) strengthen the long-term bond; (ii) awareness of financial planning; and (iii) supplement the retirement income.

27. CONTINGENT ASSETS AND LIABILITIES AND LEGAL, TAX AND SOCIAL SECURITY OBLIGATIONS

a) Contingents Assets

Contingent assets are not recognized in the Interim Financial Statements in accordance with CMN Resolution 3,823/2009.

b) Labor lawsuits

The Conglomerate is the defendant in labor lawsuits mostly filed by former employees. Provisions for probable losses represent several claims, such as: indemnities, overtime, working time exemption, supplement per function and representation, among other matters.

c) Tax lawsuits

The Conglomerate is subject, to inspections made by tax authorities, to questionings related to taxes, which may eventually generate assessments, for example: composition of the Income tax/Social contribution on net income tax basis (deductibility); and discussion related to the levy of taxes, upon occurrence of certain economic facts. Most lawsuits deriving from tax assessments refer to Services tax, Income tax, Social contribution on net profit, PIS/Contribution for Social Security Funding and Employer Social Security Contributions. Some of them are guaranteed, when necessary, by escrow deposits made to suspend payment of taxes under discussion.

Amounts in thousands of Reais, unless indicated

d) Civil lawsuits

Basically, refer to indemnity actions whose nature is as follows: challenge on contracts' total effective cost; review on contract conditions and charges; and fees.

e) Provision for tax, civil and labor lawsuits - Probable

The Conglomerate recognized a provision for labor, tax and civil lawsuits with "probable" risk of loss, classified by individual methodology or on a collective basis, according to the nature and/or value of the process.

The estimates of outcome and financial effect are determined by the nature of the actions, by the judgment of the entity's Management, by the opinion of the legal counsel, based on the process elements, supplemented by the experience and complexity of similar claims.

The provision for labor, tax and civil lawsuits that was set up to cover the losses estimated, are considered sufficient by the Conglomerate's Management.

Balances of contingent liabilities classified as probable

	Bank		Consolidated	
	03.31.2020	**12.31.2019**	**03.31.2020**	**12.31.2019**
Tax claims	5,710	5,653	61,420	58,027
Civil claims	9,062	8,916	263,814	261,263
Labor claims	89,464	89,291	614,031	587,018
Total	**104,236**	**103,860**	**939,265**	**906,308**

e.1) Changes in provisions for tax, civil and labor claims classified as probable

	Bank		Consolidated	
	01.01 to 03.31.2020	**01.01 to 03.31.2019**	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
Tax claims				
Opening balance	**5,653**	**5,351**	**58,027**	**60,102**
Additions	30	-	2,007	1,742
Reversal of provision	-	(332)	(76)	(2,319)
Reversals due to payment	-	-	(84)	(3,202)
Other adjustments	27	33	1,546	389
Closing balance	**5,710**	**5,052**	**61,420**	**56,712**
Civil claims				
Opening balance	**8,916**	**10,487**	**261,263**	**292,870**
Additions	2	474	13,375	14,438
Reversal of provision	(5)	(52)	(11,498)	(9,070)
Reversals due to payment	(2)	(46)	(16,998)	(14,825)
Other adjustments [(1)]	151	1,806	17,672	12,264
Closing balance	**9,062**	**12,669**	**263,814**	**295,677**
Labor claims				
Opening balance	**89,291**	**185,390**	**587,018**	**949,423**
Additions	8,083	9,316	81,163	74,933
Reversal of provision	(4,984)	(13,807)	(30,545)	(34,438)
Reversals due to payment	(4,284)	(5,631)	(32,797)	(31,401)
Other adjustments	1,358	5,330	9,192	21,978
Closing balance	**89,464**	**180,598**	**614,031**	**980,495**
Total Tax, Civil and Labor claims	**104,236**	**198,319**	**939,265**	**1,332,884**

[(1)] It includes inflation adjustments and the effects of remeasurement of "unit prices", which compose the methodology for calculating losses.

e.2) Estimated schedule of disbursements on March 31, 2020

	Bank			Consolidated		
	Tax	**Civil**	**Labor**	**Tax**	**Civil**	**Labor**
Up to 5 years	5,241	9,062	89,464	20,415	263,814	614,031
From 5 to 10 years	469	-	-	41,005	-	-
Total	**5,710**	**9,062**	**89,464**	**61,420**	**263,814**	**614,031**

Uncertain lawsuit duration and the possibility of changes in prior court judgments make disbursement schedule and values uncertain.

Amounts in thousands of Reais, unless indicated

e.3) (Provision) / reversal of provision for contingent liabilities

	Bank		Consolidated	
	01.01 to 03.31.2020	**01.01 to 03.31.2019**	**01.01 to 03.31.2020**	**01.01 to 03.31.2019**
Civil claims	(146)	(2,182)	(2,551)	(2,807)
Labor claims	(173)	4,792	(27,013)	(31,072)
Tax claims	(57)	299	(3,393)	3,390
Total	**(376)**	**2,909**	**(32,957)**	**(30,489)**

f) Contingent liabilities - Possible

Amounts shown in the chart below represent estimated disbursement value in case the Bank receives a negative judgement. Claims are classified as possible when there are no elements that permit concluding final lawsuit outcome and when likelihood of loss is lower than probable and higher than remote.

Balances of contingent liabilities classified as possible

	Bank		Consolidated	
	03.31.2020	**12.31.2019**	**03.31.2020**	**12.31.2019**
Tax claims (1)	654,132	652,738	1,974,858	1,970,642
Civil claims (2)	16,653	15,055	162,492	147,216
Labor claims (3)	46,856	49,122	208,434	187,468
Total	**717,641**	**716,915**	**2,345,784**	**2,305,326**

(1) Refer to the following causes:

	Bank		Consolidated	
Description of the main possible causes - Taxes	**03.31.2020**	**12.31.2019**	**03.31.2020**	**12.31.2019**
INSS on Profit Sharing	197,974	197,094	603,474	601,024
IRPJ - FINOR	22,704	22,583	25,955	25,820
ISS	978	967	17,886	13,831
INSS on Profit Sharing - Nassau Branch	38,891	38,734	38,891	38,733
PIS/COFINS on demutualization	21,488	21,310	45,523	45,260
IRPJ on undue offset of tax loss - Gratuities to statutory officers	26,947	26,808	26,947	26,808
IRPJ/CSLL - Deduction Allowance for loan losses 2008	-	-	117,223	116,522
Infringement Fine (non-homologation of DCOMP)	-	-	46,944	68,154
IRPJ/CSLL - Assessment notice: improper exclusion of premium arose on acquisition of se	23,609	23,369	23,609	23,369
IRRF from remittances abroad: impossibility of compensation	48,452	48,131	48,452	48,131
PF e BNCSLL: excess compensation AB 2012	89,550	88,921	89,550	88,921
IRPJ/CSLL on JCP cumulatively distributed	110,461	109,924	135,600	134,854
IPVA - Third parties	37	37	157,496	139,809
INSS - Benefits (VA/VR)	22,027	21,923	22,027	21,923
IRPJ/CSLL - Deduction Allowance for loan losses 2014	-	-	303,531	300,429
ISS VRG	-	-	102,975	99,499
Other causes	51,014	52,937	168,775	177,555
Total	**654,132**	**652,738**	**1,974,858**	**1,970,642**

(2) Refers, basically, to collection actions.

(3) Refers to actions mostly brought by former employees claiming compensation, overtime pay, working hours, extra pay associated with certain jobs, and representation costs, and others.

g) Deposits as collateral

Balances of escrow deposits recognized for contingencies

	Bank		Consolidated	
	03.31.2020	**12.31.2019**	**03.31.2020**	**12.31.2019**
Tax claims	144,788	142,619	226,887	223,304
Civil claims	7,014	6,769	176,477	182,907
Labor claims	24,239	24,860	296,693	308,645
Total	**176,041**	**174,248**	**700,057**	**714,856**

h) Legal obligations

The Consolidated maintains recorded under Other liabilities - legal obligation accounts the amount of R$ 39,310 (R$ 37,117 as of December 31, 2019) the Bank has recorded the amount of R$ 25,343 (R$ 24,116 as of December 31, 2019), whose main discussion due to a Declaratory Claim where the Group seeks to exclude the levy of ISS on revenues from sureties, warrants and other guarantees provided, as well as the reimbursement of the amounts paid in the last five year, the amount of which has been provisioned at Bank is R$ 23,231 (R$ 22,088 as of December 31, 2019).

The other actions refer to PIS LC 07/70, ISS Deduction in the PIS and COFINS calculation basis and APF - Accident Protection Factor.

i) Public civil lawsuits

Conglomerate has contingent liabilities involving public civil actions in which, based on the analysis of the legal advisors and/or assessment of internal lawyers, the risk of loss is considered possible. Depending of their current stage of completion, measurement of amounts involved in these lawsuits could not be determined with accuracy, while the possibility of loss depends on the qualification of the clients interested in the lawsuit.

Main themes discussed in these lawsuits, which we can highlight are lawsuits of collection of tariffs and issues involving payroll credit to INSS retirees and pensioners, and CDC (direct credit to consumers).

28. RISK AND CAPITAL MANAGEMENT

1) Risk management process

The integrated risk-management approach includes adopting instruments to ensure that material risks incurred by the Conglomerate. This approach aims to organize the decision process and define the mechanisms that establish risk appetite and risk level that is acceptable and compatible with the volume of capital available, in line with the business strategy adopted.

The Institution has a group of risks considered to be material, whose approving is done periodically by the Board of Directors. For each listed risk an assessment the most appropriate treatment is done (Management, Hedge / Insurances or Capitalization) with the goal to address the best monitoring and controlling way of each exposure. Risks considered to be material in the reference date are:

- Credit risk;
- Counterpart credit risk;
- Credit concentration risk;
- Market risk;
- Interests rate variation of banking portfolio risk (RBAN);
- Liquidity risk;
- Operational risk;
- Reputation risk;
- Strategy risk;
- Socio-environmental risk;
- Models risk;
- Compliance risk; and
- Contagion risk.

Amounts in thousands of Reais, unless indicated

The levels of risk exposure are monitored through a risk limit framework, incorporated into the Conglomerate's daily activities. Senior Management gets involved by following up and performing actions that are necessary for risk management.

Compliance framework for capital and risks management comprise the entire Prudential Conglomerate and is composed, besides the respectives teams and directors responsible for risks and ALM (Asset Liability Management), also for collegiate forums, domestic and corporative, formally organized and with ranges representatives. Each compliance board have role, scope and composition determined by normative, that orientates about the rules, responsibilities and limits according to business strategies and market scenarios. Main forums are:

- Board of Controls and Risks and Board of ALM and taxes are the main internal management forums of risks and capital of the administration. In addition, the Executive Board (ComEx) has by assignment the general supervision of such subjects.
- Board of Risks and Capital (CRC) is in charge of assist the Board of Directors, in accordance with Resolution no 4,557 from BACEN, in the creation of a capital allocation strategy for the Conglomerate, in note to the risk appetite statement (RAS) and in the risk and capital monitoring, besides coordinate its activities with the Audit Board (COAUD), in order to turn the exchange of information easy, the necessary adjustments to the risks and capital compliance framework and guarantee the effective treatment to the risks the Conglomerate is exposed.

Risk appetite consists in risk statement that the Institution is inclined to accept to reach its goals, and is tracked through the indicators and its respective limits. Risks appetite statement is approved by the Board of Directors and reflects the expectation of the Senior Management and orientates the strategic planning and budget, permeating the Institution. As of this certificate, its monitoring happens through a dashboard composed by indicators and limits that are monthly followed-up in the competent ranges, besides shares, complementary monitoring and specific projects.

The Conglomerate has general and specific structures and policies for risk and capital management, in accordance with Resolution No. 4,557, approved by the Board of Directors and the basic principles observed in the management and control of risks and capital were established in accordance with current regulations and market practices.

In addition emphasize that the Institution realizes the Internal Capital Adequacy Assessment Process (ICAAP), in line with CMN Resolution nº 4,557, Bacen Circular nº 3,911 and Bacen Circular-letter nº 3,907, and the respective report is annually disclosed to Bacen, comprising the plan of capital, stress test, plan of capital and management contingencies and the assessment of capital need before the relevant risks the Institution is exposed, among other subjects.

Detailed information on the risk and capital management process can be observed in the document "Risk and Capital Management Report", prepared based on compliance with Bacen Circular Nos. 3,678 and 3,716, available on the Investor Relations website at www.bancovotorantim.com.br/ri. Below are the definitions of the main risks of the Conglomerate.

a) Credit risk

Credit Risk is defined as the possibility of occurrence of losses associated to:

- Non-compliance by the counterparty (the borrower, the guarantor or the issuer of securities or securities acquired), from its obligations under the terms agreed upon;
- Devaluation, reduction of remuneration and expected gains in financial instruments arising from the deterioration of the credit quality of the counterparty, the intervening party or the mitigating instrument;
- Restructuring of financial instruments; and
- Costs of recovery of exposures of problematic assets.

a.1) Financial guarantees provided

	Bank e Consolidated			
	03.31.2020		12.31.2019	
	Guaranteed Values	Provision	Guaranteed Values	Provision
Linked to bids, auctions, provision of services or execution of works	844	-	833	-
Guarantee or surety in judicial and administrative tax proceedings	3,617,361	146,945	3,591,541	148,302
Linked to the distribution of securities by public offering	83,006	415	91,007	455
Other bank guarantees	3,060,032	34,092	2,687,491	32,999
Other financial guarantees provided	1,131	6	236,240	6
Total	**6,762,374**	**181,458**	**6,607,112**	**181,762**

b) Liquidity risk

Liquidity risk is defined as:

- Possibility of the Conglomerate not being able to effectively honor expected and unexpected current and future obligations, including those deriving from guarantee binding, without affecting its daily operations and without incurring significant losses; and
- Possibility that the Conglomerate not be able to trade a position at market price due to its large size in relation to the usually traded volume, or due to market discontinuity.

c) Operational risk

Operational risk is defined as the possibility of occurrence of losses resulting from external events or from failure, deficiency or inadequacy of internal processes, people or systems.

Amounts in thousands of Reais, unless indicated

This definition includes the Legal Risk associated with inadequacies or deficiencies in contracts signed by the Conglomerate, penalties for noncompliance with legal provisions and indemnities for damages to third parties arising from the activities developed by the Conglomerate. Operational risk events include:

- Internal and external fraud;
- Labor claims and poor workplace safety;
- Inadequate practices regarding customers, products and services;
- Damage to physical assets owned or in use by the Conglomerate;
- Situations that lead to the disruption of the activities of the Conglomerate;
- Failures in information technology (IT) systems, processes or infrastructure; and
- Failure to execute, comply with deadlines or manage the activities of the Conglomerate.

d) Market risk

Market risk is defined as the possibility of financial losses arising from the variation in the fair value of exposures held by a financial institution. These financial losses may be incurred due to the impact produced by the variation of risk factors, such changes in interest rates, exchange rates, and stock or commodity prices.

d.1) Sensitivity analysis

Conglomerate uses two methodologies for sensitivity analysis of its exposures:

Sensitivity analysis 1

Initially, it uses the application of parallel shocks on most relevant risk factor curves. The purpose of this method is to simulate effects on Conglomerate income in view of possible scenarios, which consider possible fluctuations in market interest rates. Two possible scenarios are simulated in which analyzed risk would be increased or reduced by 100 base points.

Trading portfolio

Risk Factor	Concept	Basic interest rate shock			
		03.31.2020		12.31.2019	
		+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	4,056	(4,138)	(5,001)	5,102
Foreign currency coupons	Foreign currency coupon exchange movements	(479)	489	(96)	98
Price indexes	Price indexes coupons variation risk	(937)	956	197	(201)

Trading and Banking portfolio

Risk Factor	Concept	Basic interest rate shock			
		03.31.2020		12.31.2019	
		+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	(178,549)	182,156	(170,356)	173,798
Foreign currency coupons	Foreign currency coupon exchange movements	151,557	(154,619)	117,803	(120,183)
Price indexes	Price indexes coupons variation risk	(15,803)	16,122	(14,587)	14,881
TR/TBF	Risk of TR (reference rate) and TBF (basic financial rate) coupon variation	3,719	(3,794)	461	(470)

Sensitivity analysis 2

Simulations that measure the effect of changes in market and price curves on Conglomerate exposures for the purpose of simulating effects on income of three specific scenarios, as follows:

• Scenario 1 - In constructing this scenario, the currencies and the ibovespa index suffer shocks of 1% over the closing price on March 31, 2020. The curves of fixed-rate yields, price index coupons, foreign currency coupons and other interest rate coupons suffer parallel shocks of 10 base points, i.e. all the amounts, regardless of the maturity, increase by 0.10%.

• Scenario 2 - Scenario where the currencies and the ibovespa index suffer shocks of 25% and interest rates suffer parallel shocks of 25% on the closing value on March 31, 2020.

• Scenario 3 - Scenario where the currencies and the ibovespa index suffer 50% shocks and interest rates suffer a 50% parallel shocks on the closing value on March 31, 2020.

Amounts in thousands of Reais, unless indicated

In the analysis performed for transactions classified in the banking portfolio, valuation or devaluation resulting from changes in market interest rates and prices do not have a financial and accounting impact on Conglomerate income. This is because this portfolio is mainly comprised by loan operations, fundings and securities that are accounted for, mainly, by agreed-on rates. In addition, note that the main characteristic of these portfolios is that they are classified as financial assets measured at fair value through other comprehensive income and, therefore, effects of interest rate or price fluctuations are reflected in shareholders' equity and not in income (loss). There are also other transactions naturally linked to other instruments (natural hedge) that minimize impacts in stress scenario.

The tables below summarize Trading Portfolio results - public and private securities, derivatives and borrowing through repurchase agreements, ebanking, showing amounts by base date:

Trading portfolio

Risk factor / Concept	Exposure	Scenario I		Scenario II		Scenario III	
		Movements of rates	Income (loss)	Movements of rates	Income (loss)	Movements of rates	Income (loss)
	03.31.2020						
Fixed rate / Fixed interest rate movements risk	1,920,048	Increase	410	Decrease	(4,571)	Decrease	(8,932)
Foreign currency coupons / Foreign currency coupon exchange movements risk	331,242	Increase	(459)	Increase	(2,277)	Increase	(4,227)
Foreign exchange movements / Exchange rate movements risk	(308,125)	Increase	(5,204)	Increase	(113,728)	Increase	(186,115)
Price indexes / Price indexes coupons movements risk	13,818	Increase	(95)	Decrease	(41)	Decrease	(81)
Other / Other coupons movements risk	2,860	Increase	29	Decrease	(715)	Increase	(9,595)
	12.31.2019						
Fixed rate / Fixed interest rate movements risk	(795,483)	Increase	502	Decrease	(5,887)	Decrease	(12,105)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(763,414)	Increase	(9)	Increase	(105)	Increase	(218)
Foreign exchange movements / Exchange rate movements risk	(293,074)	Increase	4,682	Decrease	(132,822)	Decrease	(302,418)
Price indexes / Price indexes coupons movements risk	(140,849)	Increase	(20)	Decrease	(9)	Decrease	(17)
Other / Other coupons movements risk	9,746	Increase	123	Decrease	(6,279)	Decrease	(29,466)

Amounts in thousands of Reais, unless indicated

Trading and Banking portfolio

Risk factor / concept	Exposure	Scenario I		Scenario II		Scenario III	
		Movements of rates	Income (loss)	Movements of rates	Income (loss)	Movements of rates	Income (loss)
	03.31.2020						
Fixed rate / Fixed interest rate movements risk	(27,992,760)	Increase	(18,027)	Increase	(200,896)	Increase	(392,643)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(5,672,718)	Increase	14,136	Decrease	(87,570)	Decrease	(164,245)
Foreign exchange movements / Exchange rate movements risk	(308,125)	Increase	397	Decrease	(3,474)	Increase	871
TJLP / TJLP coupon movements risk	(82,878)	Increase	363	Increase	(981)	Increase	(1,978)
TR/TBF / TR (reference rate) and TBF (basic financial rate)	33,413	Increase	315	Maintenance	-	Maintenance	-
Price indexes / Price indexes coupons movements risk	764,054	Increase	(1,596)	Decrease	(437)	Decrease	(874)
Other / Other coupons movements risk	9,380	Increase	29	Decrease	(715)	Increase	(9,595)
	12.31.2019						
Fixed rate / Fixed interest rate movements risk	10,237,376	Increase	(17,175)	Increase	(191,930)	Increase	(375,665)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(4,469,421)	Increase	11,891	Decrease	(74,897)	Decrease	(152,101)
Foreign exchange movements / Exchange rate movements risk	(293,074)	Increase	3,354	Decrease	(89,803)	Decrease	(174,801)
TJLP / TJLP coupon movements risk	113,867	Increase	(1,473)	Decrease	(361)	Decrease	(721)
TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk	36,579	Increase	398	Maintenance	-	Maintenance	-
Price indexes / Price indexes coupons movements risk	21,484	Increase	(61)	Decrease	(161)	Decrease	(317)
Other / Other coupons movements risk	20,284	Increase	123	Decrease	(6,279)	Decrease	(29,466)

d.2) Stress tests

The Conglomerate uses stress measures resulting from simulations of their exposures subject to market risks under extreme conditions, such as financial crises and economic shocks. These tests aim at measuring impacts of events that are plausible but not likely to occur. The Conglomerate test program on market risk stress uses evaluation methods based on retrospective tests.

Retrospective tests

The retrospective test on stress estimates Bank's consolidated portfolio exposure variation by applying shocks to risk factors that are equivalent to those recorded in historic market stress periods, considering the following parameters:

• Extension of historic series to determine the scenarios: from 2005 to reference base date;
• Maintenance period: 10-business-day accumulated returns;
• Test frequency: daily.

Results of retrospective stress tests intent to assess the capacity to absorb great losses and identify possible measures to reduce institution's risks.

For estimates of profits and losses of the retrospective stress test in the consolidated portfolio on March 31, 2020 and based on the perception of top Management about the behavior of stocks, commodities, foreign exchange and interest rates, two scenarios were used:

Scenario I - In this scenario, the yield curves suffer parallel positive shocks; the exchange rate (BRL/USD) considered is R$ 5.88 (R$ 4.38 on December, 31 2019); commodities suffer positive shocks of 10% over the closing price on March 31, 2020; and a negative variation of -15.28% in the BOVESPA Index is applied (the same rates were used as of December 31, 2019).

Scenario II - In this scenario, the yield curves suffer parallel negative shocks; the exchange rate (BRL/USD) considered is R$ 4.63 (R$ 3.45 on December, 31 2019); commodities suffer positive shocks of 10% over the closing price on March 31, 2020; and a positive variation of 24.49% in the BOVESPA Index is applied (the same rates were used as of December 31, 2019).

Chart amounts represent greatest losses and gains of the Consolidated Portfolio considering scenarios of the historic series used for the simulation.

Amounts in thousands of Reais, unless indicated

Results of the retrospective stress test on consolidated portfolio, in accordance with the Conglomerate's market risk stress test program, are as follows.

Estimates of retrospective stress test greatest losses - Consolidated portfolio

Risk factor	03.31.2020		12.31.2019	
	Exposure	Stress	Exposure	Stress
Shares	9,380	(1,078)	20,284	(743)
Foreign currencies	(308,125)	(44,127)	287,562	(39,336)
Interest rate	(1,652,314)	(399,573)	5,960	(73,923)
Total	**(1,951,059)**	**(444,778)**	**313,806**	**(114,002)**

Estimates of retrospective stress test greatest gains - Consolidated portfolio

Risk factor	03.31.2020		12.31.2019	
	Exposure	Stress	Exposure	Stress
Shares	9,380	301	20,284	5,326
Foreign currencies	(308,125)	40,509	287,562	30,050
Interest rate	(1,652,314)	209,232	5,960	25,316
Total	**(1,951,059)**	**250,042**	**313,806**	**60,692**

d.3) Fair value hierarchy

Calculation of fair value is subject to a control structure defined to assure that the calculated amounts are determined by a department that is independent from the risk taker.

Fair value is determined according to the following hierarchy:

• **Level 1**: prices quoted (not adjusted) in active market;
• **Level 2**: inputs which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices); and
• **Level 3**: assumptions which are not based on observable market data (non-observable inputs). It involves the use of quantitative methods, widely accepted, which use market references and data not observable in the market in the production of

The amounts calculated for instruments classified at level 3, referring to March 31, 2020 and December 31, 2019 are not

The table below presents financial instruments recorded at fair value at March 31, 2020 and December 31, 2019, classified in different hierarchy levels for the fair value measurement:

Consolidated	03.31.2020			
	Level 1	Level 2	Level 3	Total
Asset				
Hedged interbank investments (Note 9f)	-	1,296,148	-	1,296,148
Securities (Note 8a)	20,829,278	5,120,700	221,224	26,171,202
Trading securities	9,361,694	1,065,158	-	10,426,852
Available for sale securities	11,467,584	4,055,542	221,224	15,744,350
Derivatives financial instruments (Note 9)	1,714,718	6,377,000	-	8,091,718
Hedged loan portfolio (Note 9f)	-	17,266,791	-	17,266,791
Total	**22,543,996**	**30,060,639**	**221,224**	**52,825,859**
Liability				
Money market repurchase commitments - Free Portfolio (Note 16c)	-	(815,386)	-	(815,386)
Derivatives financial instruments (Note 9)	(1,935,385)	(5,660,982)	-	(7,596,367)
Total	**(1,935,385)**	**(6,476,368)**	**-**	**(8,411,753)**

Amounts in thousands of Reais, unless indicated

Consolidated	**12.31.2019**			
	Level 1	**Level 2**	**Level 3**	**Total**
Asset				
Hedged interbank investments (Note 9f)	-	1,877,581	-	1,877,581
Securities (Note 8a)	20,730,129	4,554,525	216,043	25,500,697
Trading securities	8,643,190	791,681	-	9,434,871
Available for sale securities	12,086,939	3,762,844	216,043	16,065,826
Derivatives financial instruments (Note 9)	607,284	2,130,062	-	2,737,346
Hedged loan portfolio (Note 9f)	-	18,662,795	-	18,662,795
Total	**21,337,413**	**27,224,963**	**216,043**	**48,778,419**
Liability				
Money market repurchase commitments - Free Portfolio (Note 16c)	-	(784,039)	-	(784,039)
Derivatives financial instruments (Note 9)	(665,190)	(2,269,372)	-	(2,934,562)
Total	**(665,190)**	**(3,053,411)**	**-**	**(3,718,601)**

The fair value of financial instruments negotiated on active markets (such as securities held for trading and available for sale) is based on market prices, quoted at the balance sheet date. A market is considered active when the quoted prices are readily and regularly available from an Exchange, distributor, broker, industry group, pricing service or regulatory agency, and these prices represent actual market transactions which occur regularly on a purely commercial basis.

The best evidence of fair value is the price quoted in an active market. Most valuation techniques use observable market inputs, characterizing a high degree of confidence in the estimated fair value.

According to the levels of information in the measurement of fair value, the following evaluation techniques are applied:

The fair value determined for financial instruments classified as level 1 assumes the pricing, at the daily minimum, through price quotes, indices and rates immediately available for non-forced transactions and originating from independent sources.

In cases where quoted market prices are not available, fair values are obtained by using quoted prices for similar assets and liabilities in active markets, or through future cash flows discounted to present value at discount rates obtained through observable market inputs or other valuation techniques based on mathematical methods that use market references.

In this context, the fair value of financial instruments that are not negotiated on active markets (for example, over the counter derivatives) is determined based on evaluation techniques. These valuation techniques maximize the use of the data adopted by the market where it is available and rely as little as possible on entity-specific estimates. If all relevant information required for the fair value of an instrument is adopted by the market, the instrument is included in level 2.

For the fair value of financial instruments classified as level 3, there is no pricing information observable in active markets. The Conglomerate uses pricing criteria based on mathematical models known in the academic environment and/or use specific governance with the participation of experts and structured internal processes.

For non-listed shares, currently classified at level 3, the process of fair value assessment uses the Merton model, considering the expected cash flows, subject to the conditions defined in the contract, and evaluates the behavior of the company's assets (information of the companies' financial statements) by estimating the volatility of the assets. This parameter is generated based on the historical volatility of similar assets observable on the market.

The quality of and adherence to the models used are guaranteed through a structured governance process. The areas responsible for defining and implementing the pricing models are segregated from the business areas. The models used are documented and submitted to validation of an independent area and approved by the Market Risk Committee.

Amounts in thousands of Reais, unless indicated

(ii) Transfers of level 3

Consolidated	Balances at 12.31.2019	01.01 to 03.31.2020		Balances at 03.31.2020
		Additions / (Settlements)	Income (loss) / Other changes	
Assets				
Securities				
Available for sale securities	216,043	25,268	(20,087)	221,224
Total	**216,043**	**25,268**	**(20,087)**	**221,224**

d.4) Fair value of financial instruments measured at adjusted cost

Financial instruments registered in equity accounts, compared to fair value:

Consolidated	03.31.2020		12.31.2019	
	Balance Value	Fair Value	Balance Value	Fair Value
Assets	**37,335,039**	**37,436,522**	**34,189,374**	**34,287,056**
Securities - Held to Maturity (Note 8a)	3,424,112	3,525,595	2,219,565	2,317,247
Loan portfolio (Notes 11a / 28.1.d.3)	33,910,927	33,910,927	31,969,809	31,969,809
Liabilities	**(77,715,816)**	**(80,894,321)**	**(73,019,630)**	**(75,234,022)**
Money market repurchase commitments (Notes 16c / 28.1.d.3)	(15,596,012)	(15,313,822)	(14,422,052)	(14,759,257)
Deposits (Note 16a)	(20,318,172)	(20,955,464)	(16,355,713)	(17,073,975)
Borrowings and transfers from Brazilian government (Onlendings) (Note 17)	(5,594,108)	(6,246,553)	(3,578,360)	(3,787,750)
Securities issued (Note 18)	(32,318,337)	(34,033,549)	(32,066,337)	(32,686,979)
Subordinated debts and debt instruments eligible for capital (Notes 19a)	(3,889,187)	(4,344,932)	(6,597,168)	(6,926,061)
Total	**(40,380,777)**	**(43,457,799)**	**(38,830,256)**	**(40,946,966)**

d.5) Determination of the Fair Value of Financial Instruments

Securities: Securities classified in the “trading” and “available for sale” categories are accounted by their market value, based on the collection of market information and the use of standardized mark-to-market methodologies, generally based on the discounted cash flow method. For the calculation of fair value, the aforementioned techniques are also applied to securities classified in the “held to maturity” category.

Loan and lease operations: Loan operations allocated to Hedge Accounting programs, of the market risk hedge type, are accounted by their market value. For other operations, the book value was considered as an equivalent approximation of the fair value.

Deposits: For time deposit operations, discounted future flow amounts were used for the calculation of fair value considering current market rates. For demand deposits, the book value was considered as fair value.

Money market purchase commitment: For variable rate commitments, it was considered the book value as an equivalent approach to fair value. For fixed rate commitments, it was used the values of discounted future flow to calculate fair value, considering present market rates.

Borrowings and onlendings: It was taken into account the fair value of this group operations equals to its book value.

Securities issued: For the operations of this group, the book value was considered as an approximation equivalent to the fair value. For fixed-rate transactions, the discounted future flows values were used to calculate the fair value considering current market rates.

Subordinated debts and debt instruments eligible for capital: For the operations of this group, the discounted future flow values were used for the calculation of fair value considering current market rates.

e) Socio-environmental risk

Socio-environmental risk is defined as the possibility of loss (financial or reputation) due to socio-environmental damage.

Socio-environmental risk management must comply with the applicable environmental legislation, as well as assess and monitor the socio-environmental aspects which the client must use, in order to identify, measure and mitigate the credit, legal and socio-environmental risks inherent to the activities of your customers. The management of socio-environmental risk in the Conglomerate aims to subsidize the decision making of the applicable areas during the processes of granting credit, evaluation of real estate guarantee and approval of suppliers.

The socio-environmental risk management procedures during the granting of credit are carried out through analysis methodologies that determine the Socio-Environmental Rating, inserted in the process of attributing the Credit Rating.

The Conglomerate is a signatory of the Equator Principles, a global initiative that establishes guidelines for the identification, assessment, and management of environmental and social risks in Project Finance (in operations over US$ 10 million) and corporate financing for projects. These guidelines also stipulate a minimum standard for carrying out due diligence during the implementation of these ventures and assist in making credit decisions.

2) Capital management

Capital management in the Conglomerate is carried out with the objective of ensuring compliance with regulatory limits and establishing a solid capital base that enables the development of business and operations in accordance with the Conglomerate's strategic plan.

In accordance with Resolutions no. 4,557, of National Monetary Council (CMN, in portuguese), and Bacen Circular no. 3,846, the Conglomerate has structure and policies for capital management approved by the Board of Directors, in compliance with Internal Capital Adequacy Assessment Process (ICAAP), contemplating the following items:

- Capital management through a continuous process of planning, evaluating, controlling and monitoring the capital needed to deal with the relevant risks;
- Documented policies and strategies;
- Specific forums to compose strategies and manage the use of capital;
- Capital Plan for three years, including Capital targets and projections, main funding sources and Capital contingency plan;
- Stress tests and their impacts on Capital;
- Managerial reports to the Senior Management (Executive Board and Board of Directors);
- Evaluation of Capital Adequacy in the Regulatory and Economic View; and
- Report to the regulator regarding capital management, through the Statement of Operational Limits and Annual Report of ICAAP.

In addition, analyzes of the feasibility of repurchasing instruments eligible for capital with redemption clauses are performed, whenever pertinent.

a) Capital sufficiency (Regulatory view)

Capital management in institution is done aiming to guarantee adequacy for regulatory limits and establishment of a solid capital basis that make possible business developments and operations according to strategic plan of the institution.

Aiming at assessing capital adequacy to address associated risks and compliance with regulatory operational limits, the institution annually prepares a Capital Plan considering growth projections for the loan portfolio and other operations and assets.

Monthly after the calculation of the Referential Equity (PR, in portuguese) and Required Capital, management reports for monitoring the capital allocated to risks and capital ratios (Basel, Level I and Principal) are published for the areas involved.

a.1) Capital ratios

Capital ratios are calculated according to the criteria set by CMN Resolutions no. 4,192 and no. 4,193, which refer to the calculation of Reference Equity (PR, in portuguese) and Minimum Required Reference Equity (MRE) in relation to Risk Weighted Assets (RWA), respectively, as follows:

- Basel Index (PR / RWA);
- Principal Capital Index (Principal Capital / RWA);
- Level I Index (Level I / RWA).

As of October 1, 2015, Circular no. 3,748 came into force, which provides for the methodology for calculating the Leverage Ratio (RA). This circular is aligned with the recommendations contained in the Basel III documents, which are designed to improve the capacity of financial institutions to absorb shocks from the financial system itself or from other sectors of the economy, thereby maintaining financial stability.

The Leverage Ratio (RA), as established in the circular, is defined by the ratio of Level I to the Total Exposure of the Conglomerate. The minimum limit of the Leverage Ratio (RA) is 3%, according to Resolution no. 4,615 of the National Monetary Council.

CMN Resolution no. 4,192/ 2013 defines the following items related to prudential adjustments deducted in full from Reference Equity since January 2018:

(i) goodwill paid on acquisition of investments based on expected future income net of deferred tax liabilities;
(ii) intangible assets formed as from October 2013;
(iii) actuarial assets related to defined benefit pension plans net of related deferred tax liabilities associated to them;
(iv) non-controlling interest;
(v) direct or indirect investments higher than 10% of capital of entities similar to non-consolidated financial institutions and of insurance and reinsurance firms, capitalization organizations and open pension plan entities (higher investments);
(vi) deferred tax assets deriving from temporary differences that depend from future income generation or tax revenues for their realization;
(vii) deferred tax assets from depreciation excess tax loss;
(viii) deferred tax assets deriving from tax losses and social contribution on net profit negative basis. As of December 31, 2018, the Conglomerate began to consider the effects of the application of CMN Resolution No. 4,680/2018, as amended later by Resolution No. 4,784/2020, which authorized financial institutions to no longer deduct from Principal Capital (in the proportion of at least 50% up to June 30, 2021, and 100% up to December 31, 2021) the tax credits of tax loss carryforwards arising from positions held in foreign currency carried out with the purpose of providing hedge for their participation in investments

Consolidation scope used as the basis to verify operating limits and also considers the Financial Conglomerate, and the Prudential Conglomerate beginning as of January 1, 2015, as defined in CMN Resolution no. 4,280/2013.

Amounts in thousands of Reais, unless indicated

For presentation purposes, Basel Ratio information is for the Prudential Conglomerate:

Basel ratio	**03.31.2020**	**12.31.2019**
PR - Reference Equity	**9,926,921**	**9,975,245**
Tier I	**9,041,372**	**9,008,047**
Complementary Capital	**1,601,531**	**1,211,865**
Common Equity	**7,439,841**	**7,796,182**
Shareholders' equity [1]	10,103,034	10,011,553
Prudential adjustments [2]	(2,663,193)	(2,215,371)
Other	(2,662,914)	(2,215,063)
Adjustment to fair value	(279)	(308)
Tier II	**885,551**	**967,199**
Subordinated debts eligible as capital	885,551	967,199
Subordinated debts authorized pursuant to CMN Resolution no. 4,192/2013	885,551	967,199
Subordinated debts authorized pursuant to rules prior to CMN Resolution no. 4,192/2013 [3]	-	-
Funding sources abroad	-	-
Funds raised with Financing Bills	-	-
Risk-weighted assets (RWA)	**69,456,801**	**66,069,415**
Credit risk (RWACPAD)	60,825,498	57,265,932
Market risk (RWAMPAD)	2,149,690	2,499,867
Operational risk (RWAOPAD)	6,481,613	6,303,616
Minimum Required Regulatory Capital [4]	**5,556,544**	**5,285,553**
Minimum Required Capital [5]	**3,125,556**	**2,973,124**
Tier I Minimum Required Reference Equity [6]	**4,167,408**	**3,964,165**
Regulatory Capital determined to cover interest rate risk of transactions not classified in trading portfolio (RBAN)	**141,218**	**256,887**
Margin on Minimum Required Regulatory Capital	**4,370,377**	**4,689,692**
Margin on Minimum Required Capital	**4,314,283**	**4,823,058**
Margin on Minimum Required Tier I Regulatory Capital	**4,873,962**	**5,043,882**
Margin on Minimum Required Regulatory Capital including RBAN and ACP [7]	**756,319**	**1,129,334**
Common Equity Index (CP / RWA)	**10.71%**	**11.80%**
Tier I Capital Index (Tier I / RWA)	**13.02%**	**13.63%**
Basel Ratio (PR / RWA)	**14.29%**	**15.10%**

(1) According to article art. 4º, paragraph 2 of CMN Resolution No. 4,192/2013, the values related to the adjustments to fair value of the derivative financial instruments used for hedge of cash flow of protected items that do not have their mark-to-market adjustments recorded in the accounts do not compose the base calculated for purposes of determining the Reference Equity. The values reported include these adjustments.

(2) They consider the effects of the application of CMN Resolution 4,680/2018, as amended later by Resolution No. 4,784 / 2020, which authorized financial institutions to no longer deduct from the Principal Capital (in the proportion of at least 50% until June 30, 2021 and 100% up to December 31, 2021) the deferred tax assets of tax losses arising from positions held in foreign currency held with the purpose of providing hedge for its participation in investments abroad.

(3) The balance of the Subordinated Debt instruments issued prior to CMN Resolution No. 4,192 / 2013 was considered with the application of the reducing factors established in art. 27 of that Resolution.

(4) Corresponds to the application of the “F” factor to RWA amount, being “F” equal to 8% of RWA, as of 01.01.2019

(5) It represents at least 4.5% of RWA.

(6) It represents at least 6% of RWA.

(7) Additional Principal Capital (ACP) which corresponds to Conservation Additional and Countercyclical Additional. Resolution No. 4,783 / 2020 was published, which altered, for certain periods, the percentages to be applied to the amount of RWA for purposes of calculating the ACPConservação portion, with the beginning of the April 2020 base date formalized by Circular Letter No. 4,016 / 2020. Said Resolution contemplates the scope of regulatory actions disclosed in March 2020 to cover possible impacts from Covid-19.

Prudential Adjustments deducted from Common Equity:

	03.31.2020	**12.31.2019**
Prudential Adjustment I - Goodwill paid	(14,170)	(38,518)
Prudential Adjustments II - Intangible assets	(323,452)	(277,669)
Prudential Adjustments VII Deferred tax assets and Intertemporal differences	(930,606)	(581,067)
Prudential Adjustments VIII - Deferred tax assets of Tax losses/negative basis of CSLL	(1,394,686)	(1,317,809)
Prudential Adjustments XV - Understatement - Resolution 4,277/13 Adjustments	(279)	(308)
Total	**(2,663,193)**	**(2,215,371)**

b) Fixed asset ratio

The property, plant and equipment index required ratio of the Prudential Conglomerate amounted to 18.32**%** (17.65% on December 31, 2019), and determinated in accordance with CMN Resolutions No. 4,192/2013 and No. 2,669/1999.

Amounts in thousands of Reais, unless indicated

	03.31.2020	12.31.2019
Fixed assets limit	**4,963,461**	**4,987,622**
Value of fixed assets limit position	1,818,162	1,760,563
Value of margin or insufficiency	3,145,299	3,227,059

In accordance with Bacen Circular nº 3,930/2019, the Conglomerate holds additional information of its procedure of capital and risks management in the website: www.bancobv.com.br/ri.

29. OTHER INFORMATION

a) Commitments undertaken due to funding from international financial institutions

The Conglomerate is a borrower of short-term loans from international financial institutions, who in certain cases may require compliance with financial ratios (financial covenants). When required, the financial ratios are calculated based on the financial information prepared in accordance with Brazilian law and standards of the Central Bank of Brazil (Bacen). On March 31, 2020 the Conglomerate did not have operations with these characteristics.

b) Information about branches abroad

	03.31.2020	12.31.2019
Current and non-current assets	**11,633,468**	**6,654,327**
Banco Votorantim S.A. – Nassau Branch	11,633,468	6,654,327
Total assets	**11,633,468**	**6,654,327**
Current and non-current liabilities	**(9,360,109)**	**(4,923,521)**
Banco Votorantim S.A. – Nassau Branch	(9,360,109)	(4,923,521)
Shareholders' equity	**(2,273,359)**	**(1,730,806)**
Banco Votorantim S.A. – Nassau Branch	(2,273,359)	(1,730,806)
Total liabilities	**(11,633,468)**	**(6,654,327)**

	01.01 to 03.31.2020	01.01 to 03.31.2019
Income (Loss)	**(28,813)**	**33,274**
Banco Votorantim S.A. – Nassau Branch	(28,813)	33,274

c) Insurance coverage

The Conglomerate contracts insurance coverage for assets subject to risks for amounts considered to be sufficient to cover eventual claims, considering the nature of its activity.

Insurance in force on March 31, 2020

Covered risk	Covered values	Award amount
Insurance Guarantee - Guarantee for legal proceedings	894,836	6,180
Real estate insurance for properties in use of relevant third parties	273,527	74

d) Agreements for offset and settlement of liabilities in the scope of the National Financial System

Agreements were executed for the offset and settlement of receivables and payables pursuant to CMN Resolution No. 3,263/2005, the purpose of which is to enable the offsetting of credits and debits maintained with the same counterparty, and in which the maturity dates of receivables and payables can be advanced to the date in event of default by one of the parties occurs or in case of the bankruptcy of the debtor.

Amounts in thousands of Reais, unless indicated

e) Reconciliation of equity transactions with cash flows arising from financing activities

Bank and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends	Capital	Capital and income reserves	
Balance at 12.31.2019	**3,116,893**	**3,480,275**	**25,042**	**8,130,372**	**1,706,189**	**16,458,771**
Liquidation	(3,096,991)	(1,047)				(3,098,038)
Interest expenses	-	34,404	-	-	-	34,404
Foreign exchange movements	-	350,400	-	-	-	350,400
Other	-	5,253	-	-	-	5,253
Total changes in financing cash flows	**(3,096,991)**	**389,010**	**-**	**-**	**-**	**(2,707,981)**
Balance at 03.31.2020	**19,902**	**3,869,285**	**25,042**	**8,130,372**	**1,706,189**	**13,750,790**

Bank and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends	Capital	Capital and income reserves	
Balance at 12.31.2018	**3,084,749**	**3,248,846**	**18,859**	**8,130,372**	**1,422,218**	**15,905,044**
Liquidation	(116,953)	(1,320)	-	-	-	(118,273)
Transfer	(625)	625	-	-	-	-
Interest expenses	51,874	69,471	-	-	-	121,345
Foreign exchange movements	16,213	6,570	-	-	-	22,783
Other	(5,936)	3,838	-	-	-	(2,098)
Total changes in financing cash flows	**(55,427)**	**79,184**	**-**	**-**	**-**	**23,757**
Balance at 03.31.2019	**3,029,322**	**3,328,030**	**18,859**	**8,130,372**	**1,422,218**	**15,928,801**

f) Assets under management

Position of investment funds managed by Votorantim Asset Management Distribuidora de TVM Ltda.

	Amount of funds/portfolios		Balance	
	03.31.2020	**12.31.2019**	**03.31.2020**	**12.31.2019**
Investment funds and portfolios managed accounts	267	267	51,011,215	51,472,062

30. SUBSEQUENT EVENTS

In April 2020, after approvals from regulatory agencies, banco BV made the contribution to Neon Payments, announced to the market on November 18, 2019.

MANAGEMENT

Alexei De Bona - Accountant - CRC PR-036459/O-3

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