



Earnings Presentation

2nd Quarter | 2021



Highlights

2nd Quarter 2021



/ 2Q21 Highlights

Consistent results improvement, with **record Net Income** in the quarter



R\$ 388 million

+76.4% vs 2Q20

Recurring Net Income



13.9%

vs 8.7% in 2Q20

Recurring ROE



R\$ 73.2 billion

+6.4% vs 2Q20

Credit Portfolio



32.6%

vs 31.2% no 2Q20

Efficiency Ratio



3.5%

vs 5.2% in 2Q20

NPL 90-days



15.2%

vs 14.4% in 2Q20

Basel Ratio

Strategic Pillars

Efficiency and financial strength

Digital Strategy

Customers' experience

ESG

/ 2Q21 Highlights

Important advances in
the **digital strategy**
and **partnerships**
agenda

Strategic Pillars

Efficiency and
financial strength

Digital Strategy

Customers'
experience

ESG

/ App / digital account BV



+ 3 million

downloads



+ 900k

customers accessed the
platform per month¹



4.2

4.3

improvement in
customer's score

/ Strategic investments



We increased our stake
in Portal Solar²,
consolidating BV as one
of the main players in
the market



We invested in
Trademaster aiming to
strengthen our **strategy** in
the **SME³** segment

/ Banking as a Service



74 million

transactions carried out on
our BaaS platform
+308% vs 1H20



3.5 million

accounts opened
for our BaaS
partner

¹ 2Q21 average

² Small and medium enterprises

/ 2Q21 Highlights

Continuous
improvement of our
customers'
experience

Strategic Pillars

Efficiency and
financial strength

Digital Strategy

Customers'
experience

ESG

/ Reclame Aqui

ReclameAQUI

Score: GOOD

7.6/10

outstanding reputation among
the best banks in Brazil¹

/ Consumidor.gov

consumidor.gov.br

Consumer's score was

12.5%

above the average of
the financial industry¹

/ Central Bank rankings

Top 2

in the Ombudsman Quality
Ranking²

Lowest number

of complaints per client among
Brazil's largest banks²

1 - Considers the largest banks in number of assets (Sources: Reclame Aqui and Consumidor.gov);
2 - Ranking of the 2nd quarter of 2021. in number of assets (Source: <https://www.bcb.gov.br/>)

/ 2Q21 Highlights

ESG: New initiatives aimed at the commitment to the environment, social and governance

Strategic Pillars

Efficiency and financial strength

Digital Strategy

Customers' experience

ESG

/ ESG 2030 Commitments

In May 2021, we launched a commitment to achieving goals by 2030, based on 3 pillars of action:

- 01 **Neutralize our environmental impact**
- 02 **Accelerate social inclusion**
- 03 **Mobilize resources to foster sustainable business**

/ Taís Araújo is the new ambassador for banco BV



In addition to support in the disclosing of our ESG initiative, she will also help us in creating solutions that make life easier for people and companies.

/ Offset CO2 emissions

469,000 vehicles

already been included in the program and will have their emissions offset

/ Green Financial Bill

R\$ 500 million

was raised and will be used to finance solar energy projects

/ Fighting the pandemic

+15,000 people

benefited by our new donation campaign

¹ It considers 100% of the 1H21 production, in addition to the clients before 2021 who adhered to the program

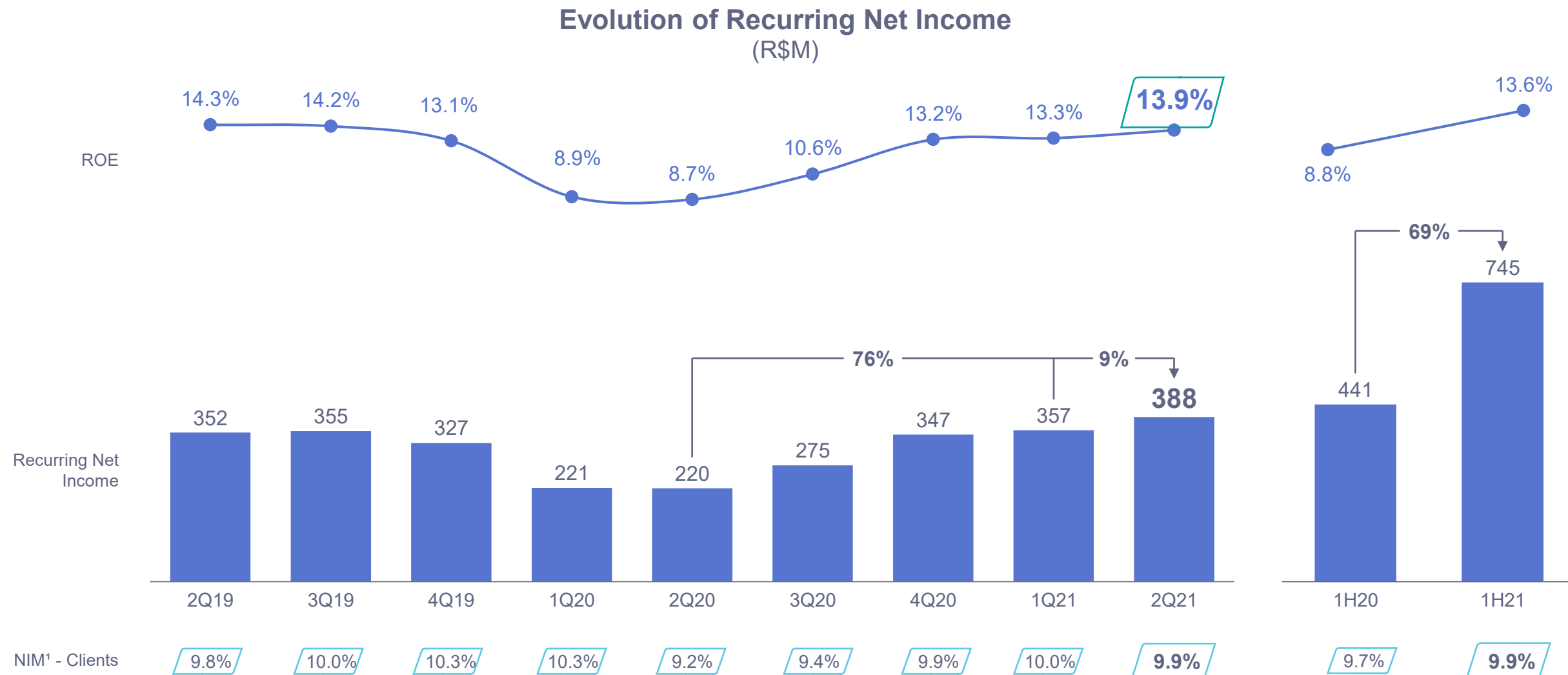
Result Analysis

2nd Quarter 2021



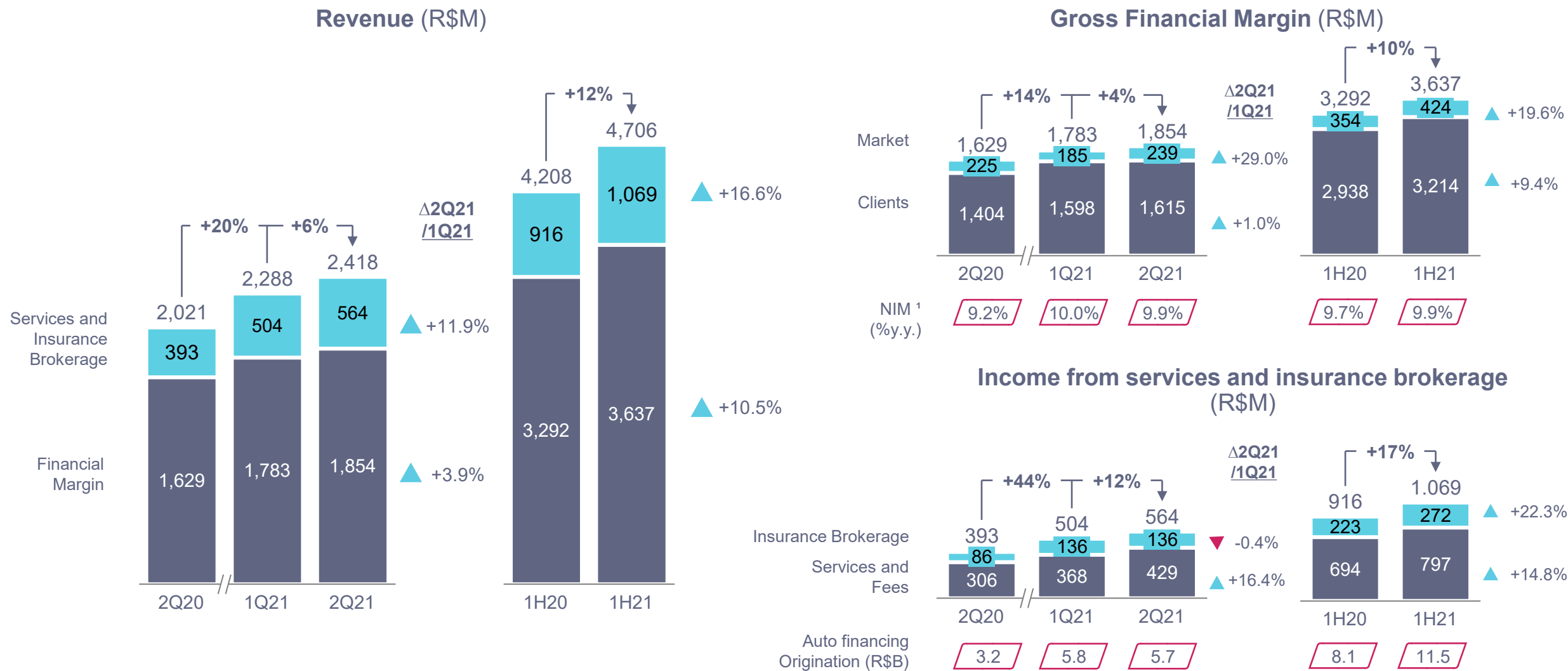
Record quarterly Net Income and ROE at pre-pandemic levels, at 13.9%

The consistent improvement in results reflects the resilient business model and the drop in the cost of credit



Revenue growth and improvement on financial margin

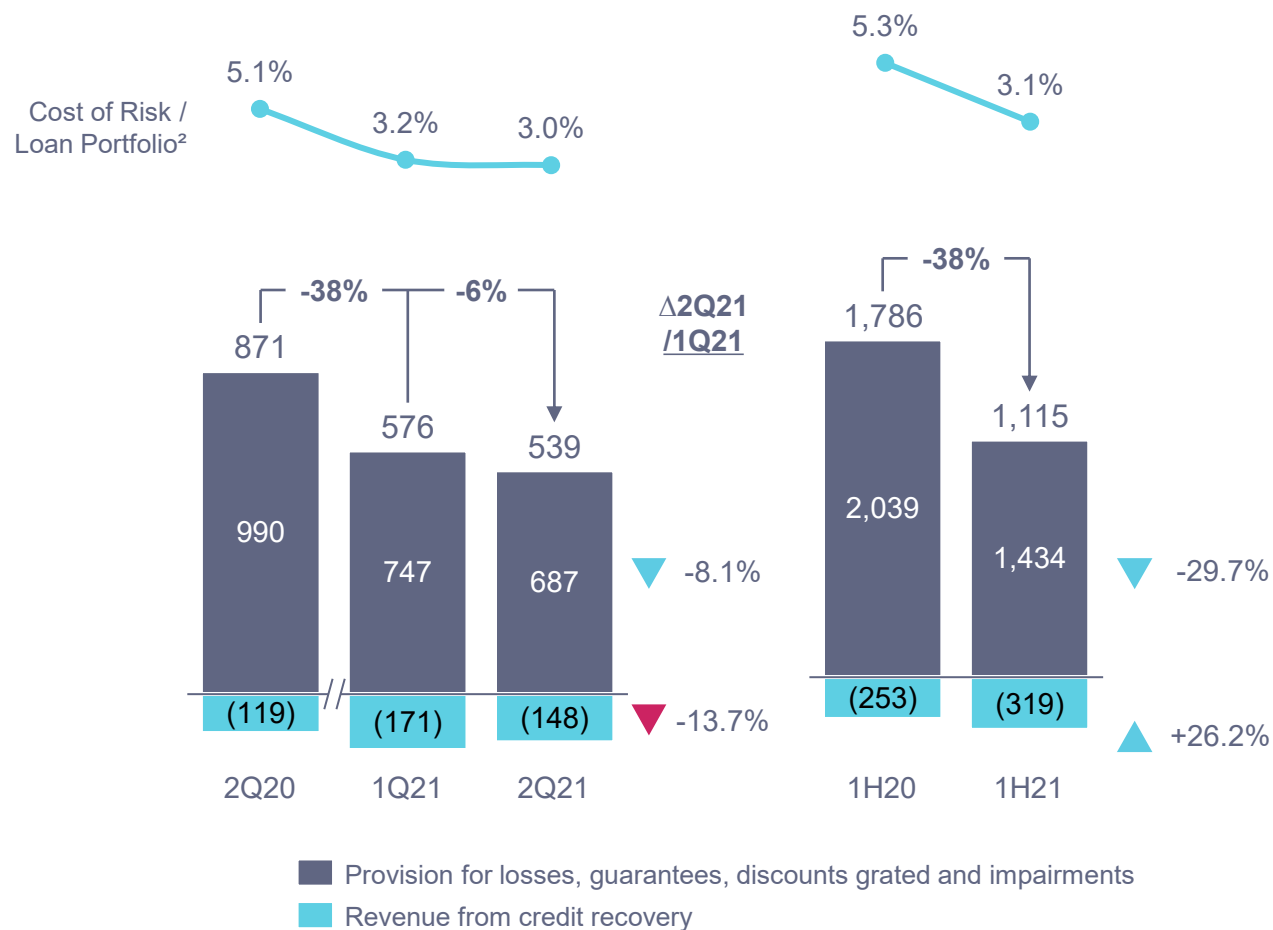
Recovery of NIM with portfolio expansion and dilution of the renegotiation's effects carried out in 2020, without additional interest charges



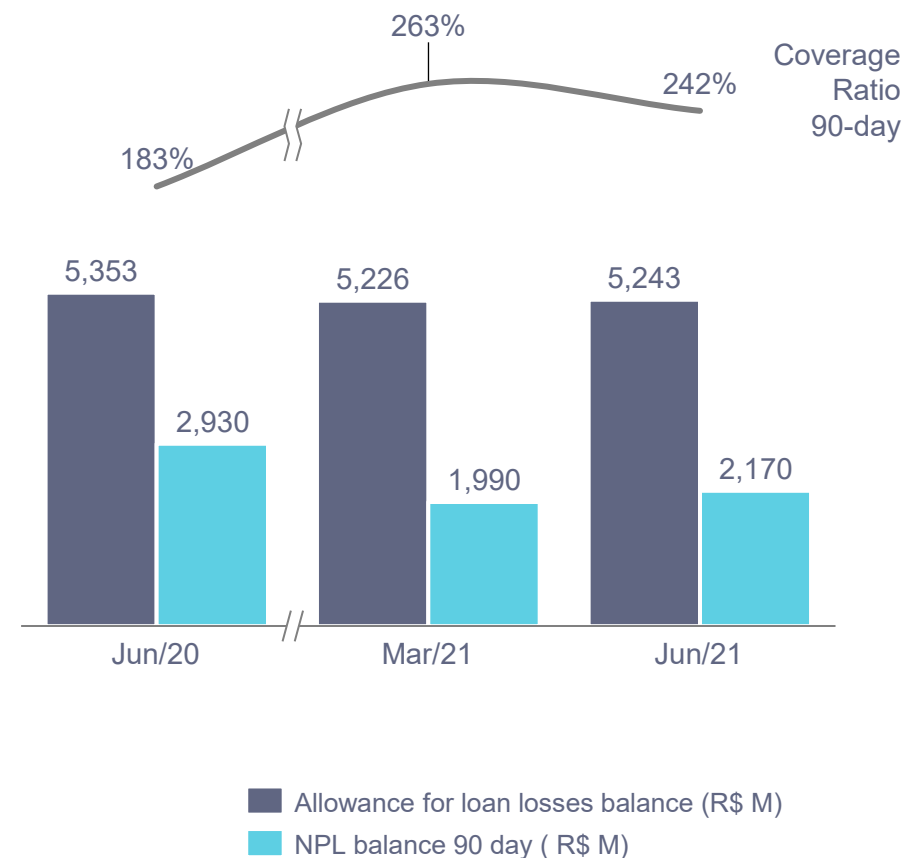
Cost of Risk dropped 38% vs 2Q20, with coverage ratio reaching 242%

Lower cost of risk reflects the improvement in delinquency rates and the reduction in the uncertainty level generated by the pandemic

Cost of Risk (R\$M)

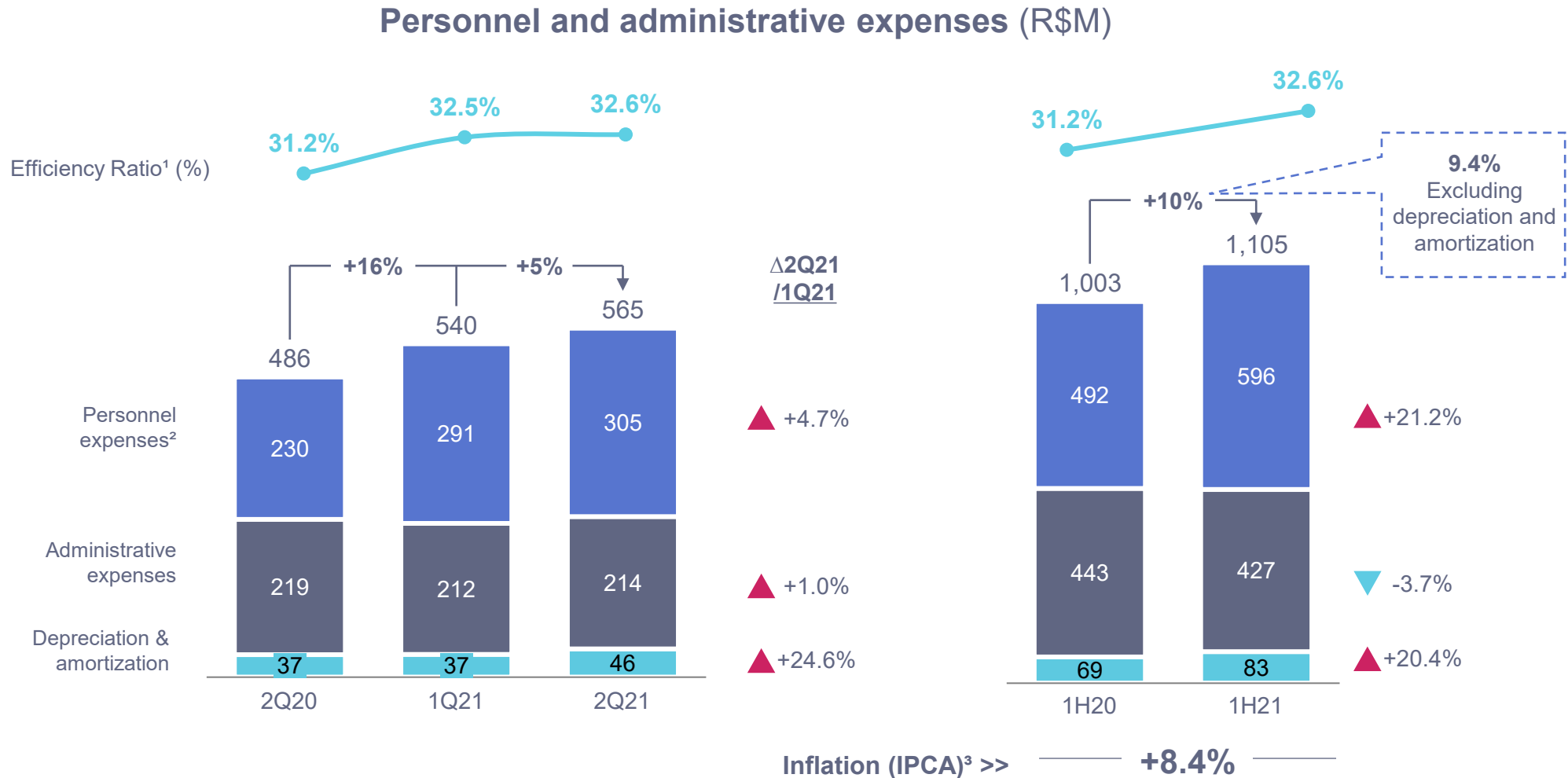


Coverage Ratio 90-days



Ongoing investments in new business and digital strategy fronts

Despite the new investments, personnel and administrative (excluding depreciation and amortization) expenses varied nearly in line with inflation

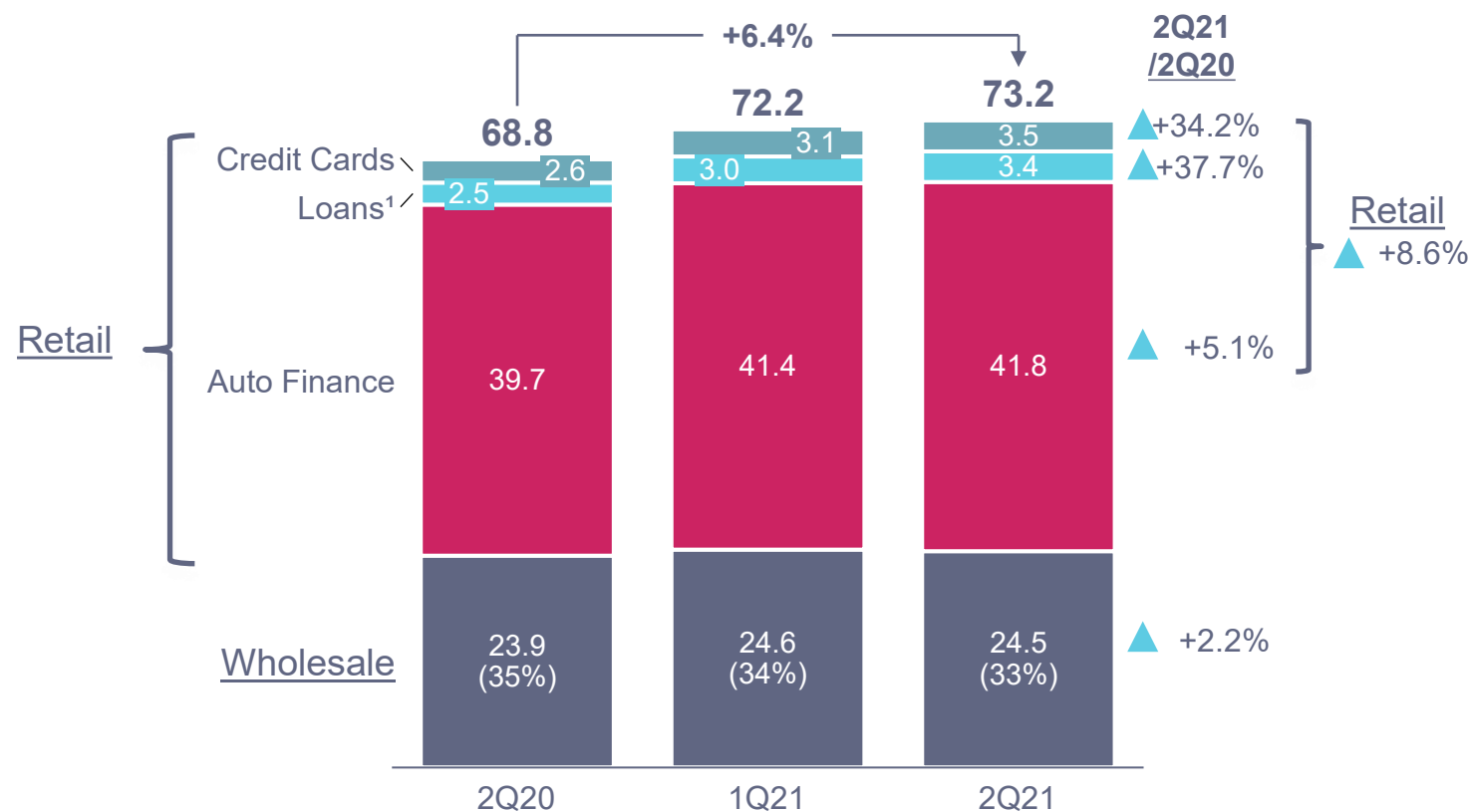


Credit portfolio grew 6.4%, with important progresses in the diversification strategy

Highlight for expansion in Loans and Credit cards in Retail, and Corporate in Wholesale

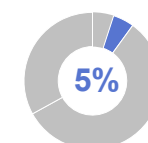
Expanded credit portfolio (R\$B)

(includes guarantees provided and private securities)

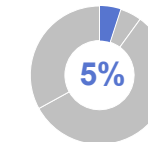


Segment

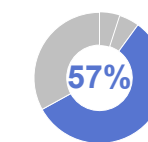
Credit Cards



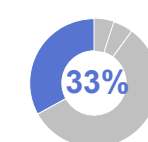
Loans¹



Auto Finance



Wholesale



Main Highlights

Credit Cards



34.2%
vs 2Q20

Solar panel financing



237%
vs 2Q20

Auto Finance –
Maintaining leadership



5.1%
vs 2Q20

Corporate

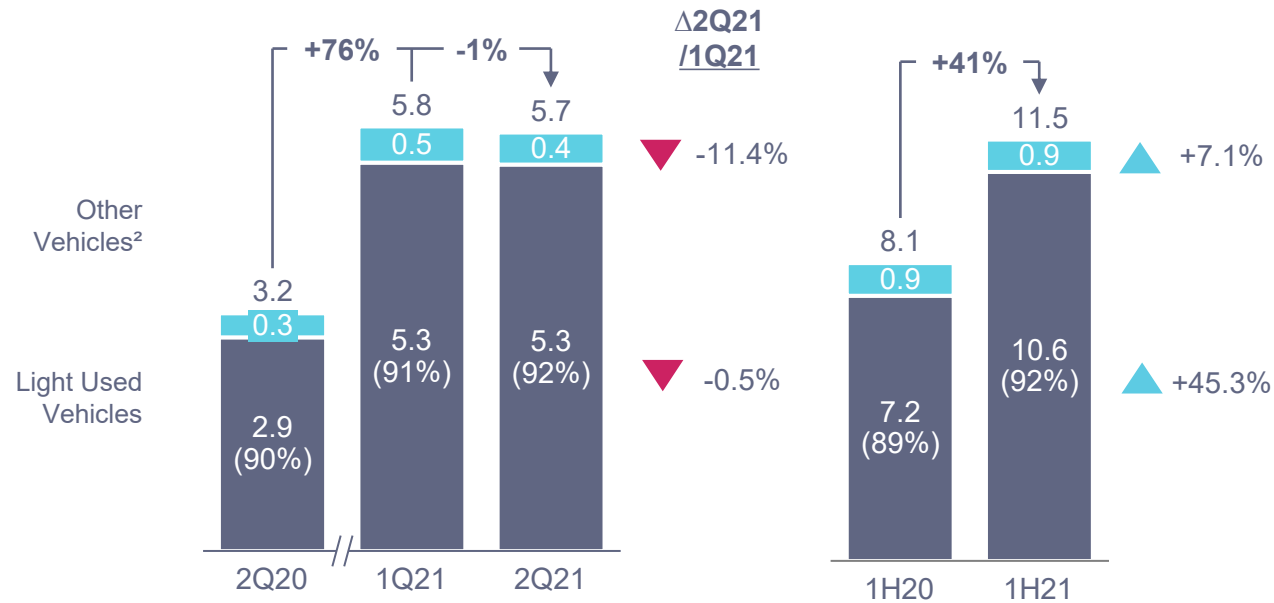


25.2%
vs 2Q20

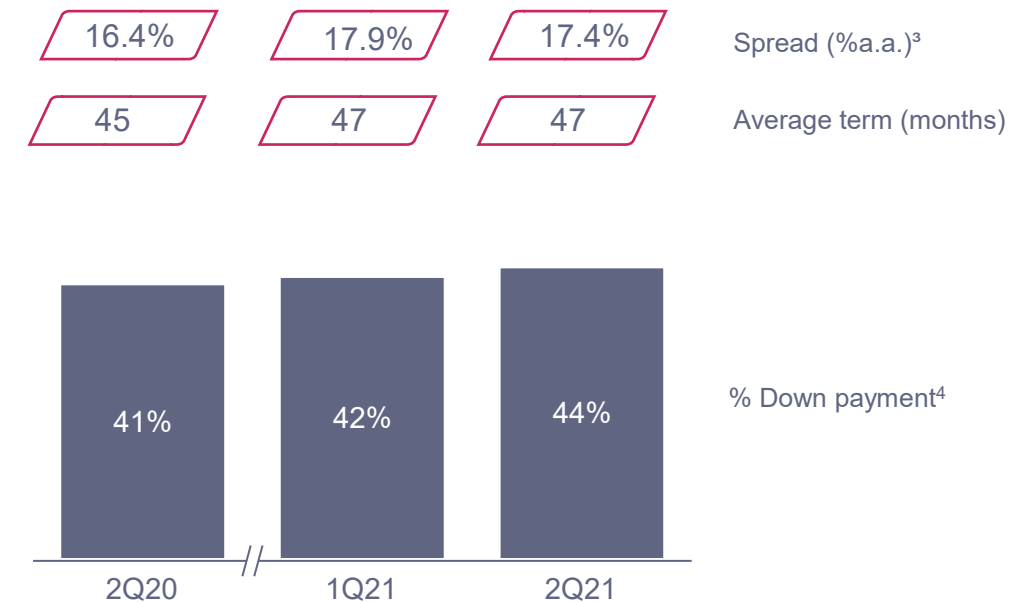
Auto finance origination recorded 76% growth vs 2Q20

We maintained our leadership in the auto finance segment¹. Record production on 1H21, with 41% growth over 1H20

Auto finance origination (R\$B)



% Down payment, average term and spread



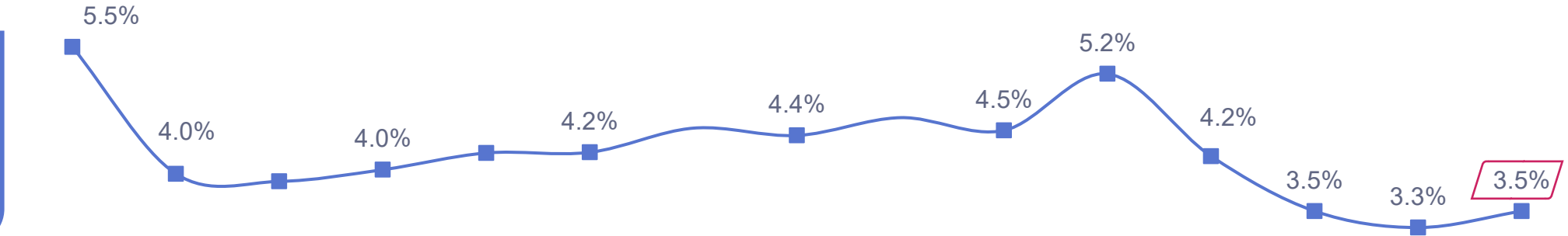
Leadership in the auto finance segment¹

NPL Ratio (90-days) remained at a historically low level

Ratio ended the quarter at 3.5%, with very controlled levels in Retail and Wholesale

NPL 90-days ratio (%)

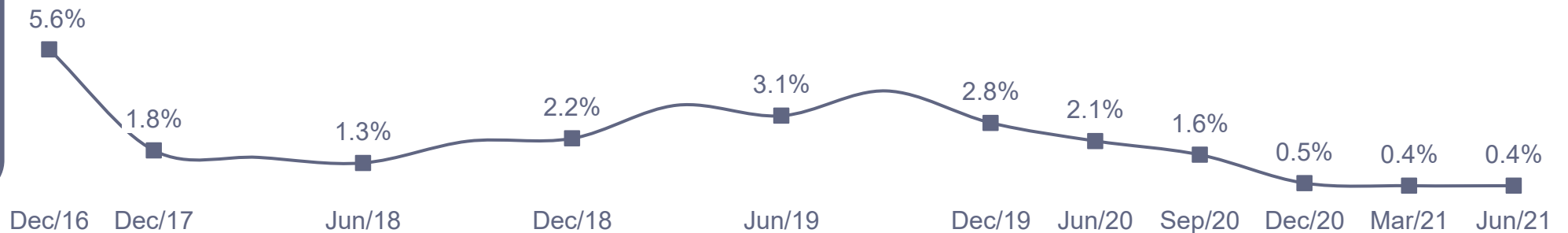
Banco BV



Retail

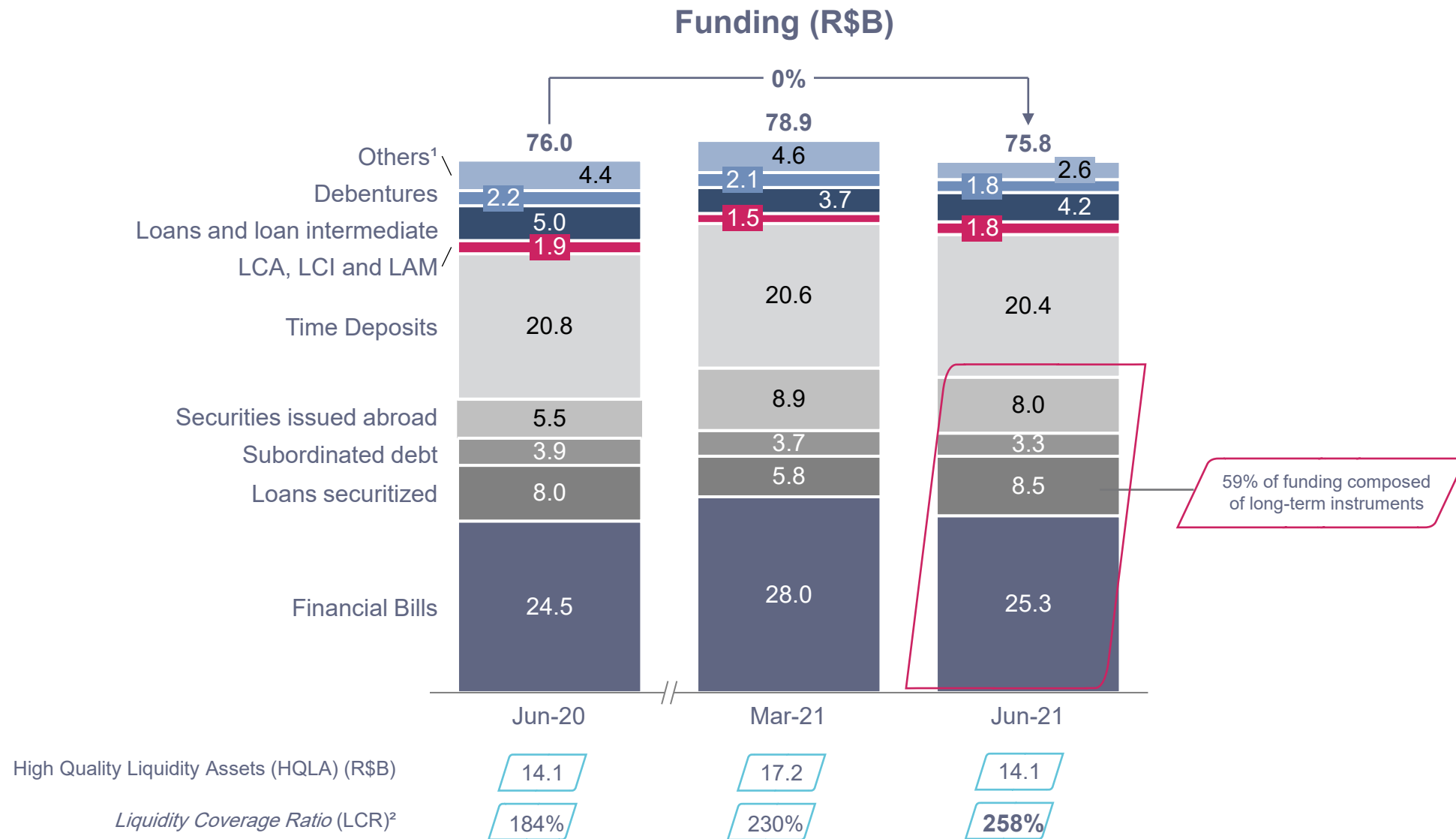


Wholesale



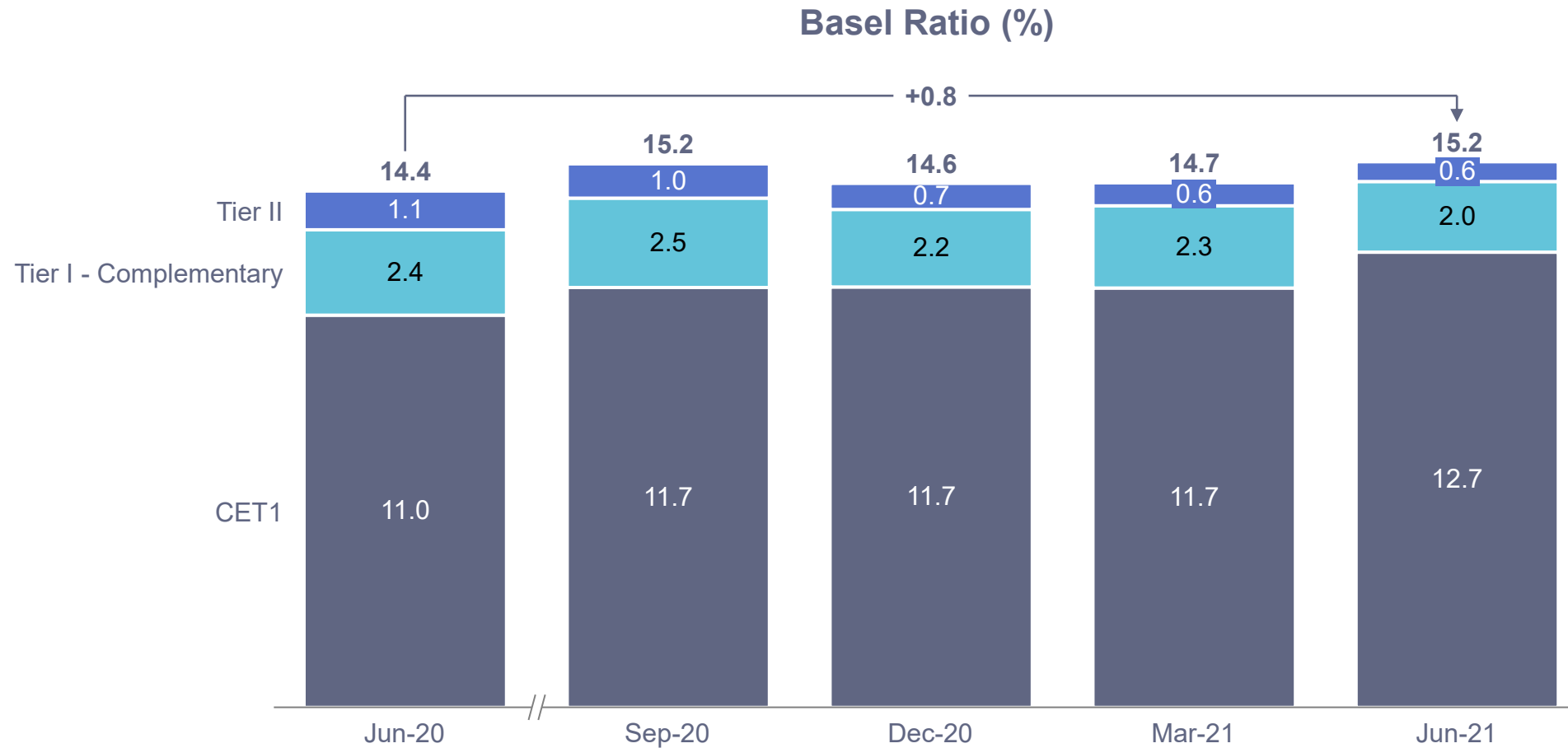
Diversified funding base with strong liquidity levels. LCR reached 258% in 2Q21

Stable funding instruments accounted for 59% of total funding



Improvement in the Basel Ratio, reaching 15.2% in 2Q21

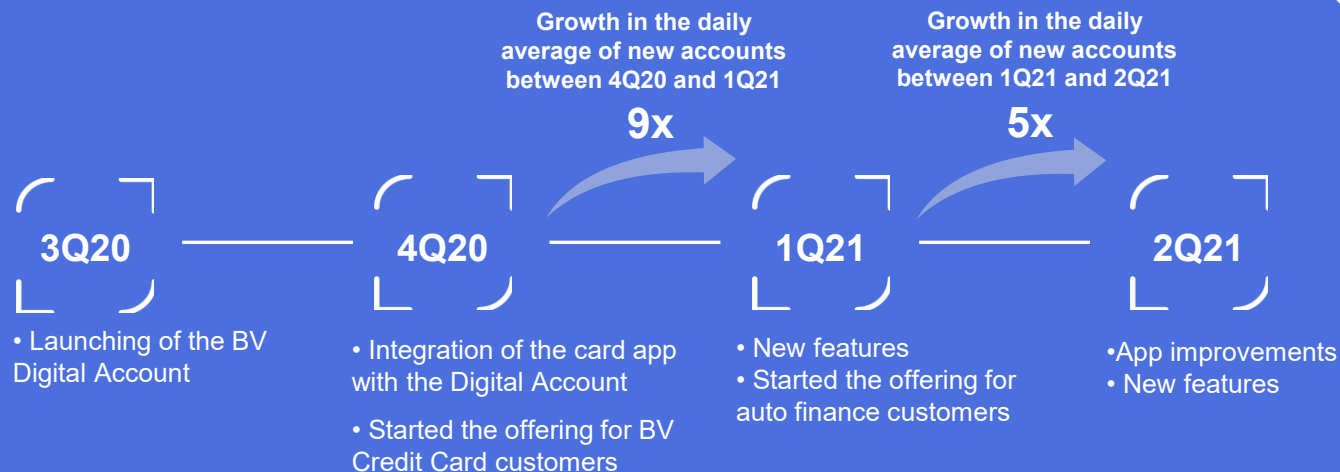
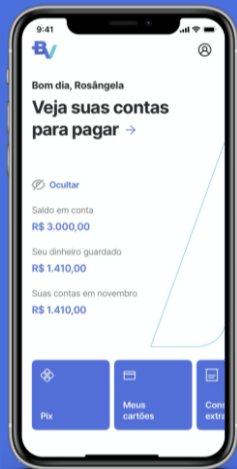
Tier I of 14.7%, with 12.7% of CET 1



Appendix

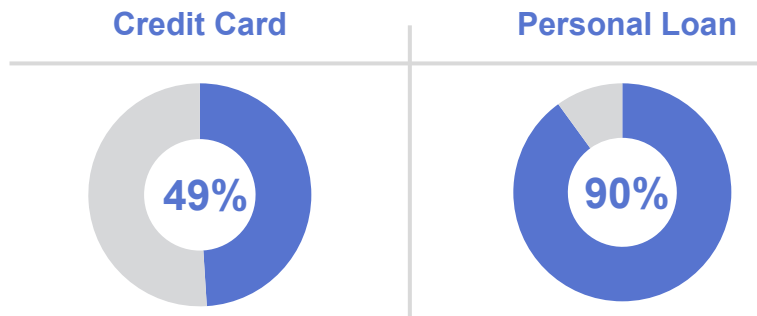
App / Digital account BV

the app offers an intuitive experience in which customers can manage all their products contracted with the bank in one place, including the **BV digital account**.



Engagement in digital channels

% of credit origination from digital channels in 1H21



Highlights App / Digital account

+3 million

downloads

900,000

Clients accessed the platform per month¹








RATINGS



4.2

4.3

In May of this year, we released our “**Pact BV for a lighter future**”. In it, we assumed 5 public commitments in ESG actions to be achieved by 2030, which are:

01 Neutralize our environmental impact	02 Accelerate social inclusion	03 Mobilize resources to foster sustainable business
<div data-bbox="361 582 631 716">   </div> <ol style="list-style-type: none"> 1. To compensate 100% of CO₂ emissions in our main business, the used auto finance 2. To compensate 100% of direct GHG¹ emissions by BV 	<div data-bbox="1098 582 1368 716">   </div> <p>We commit by 2030 to:</p> <ol style="list-style-type: none"> 3. To reach 50% of leadership positions held by people who identify with the female gender 4. To ensure the participation of 35% of afro-descendants in BV's workforce 	<div data-bbox="1798 591 2219 725">    </div> <ol style="list-style-type: none"> 5. To finance and distribute in the capital markets R\$ 80 billion for ESG initiatives

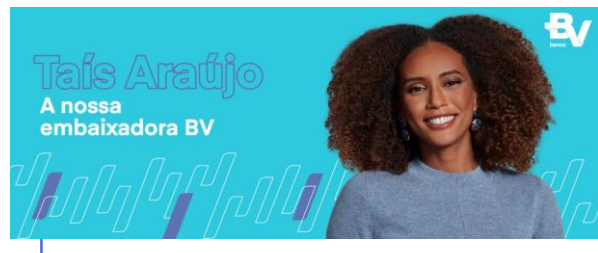
Offset 100% of the CO₂ emissions

As of 2021, we are offsetting the CO₂ emission from cars we finance: + 460,000 vehicles have already been included in the program



Taís Araújo is the new ambassador for banco BV

In addition to the support in the disclosing of our ESG initiatives, she will also help us in creating solutions that make life easier for people and companies.



Issuance of R\$ 500 million Green Financial Bill

The proceeds raised will be used to finance solar energy projects



Solar Panels Financing

237% growth in the solar panel portfolio, reaching R\$ 1.5 billion

Fighting the pandemic

R\$ 1.3 million were raised in the new campaign to combat Coronavirus, which have already benefited more than 15 thousand people

“Elas por elas 2.0” (“She for she”)

We launched the second edition of the internship program, 100% exclusively for cis and trans women

“Mother’s place is in BV”

Project aimed at hiring mothers who want to resume their careers after having children

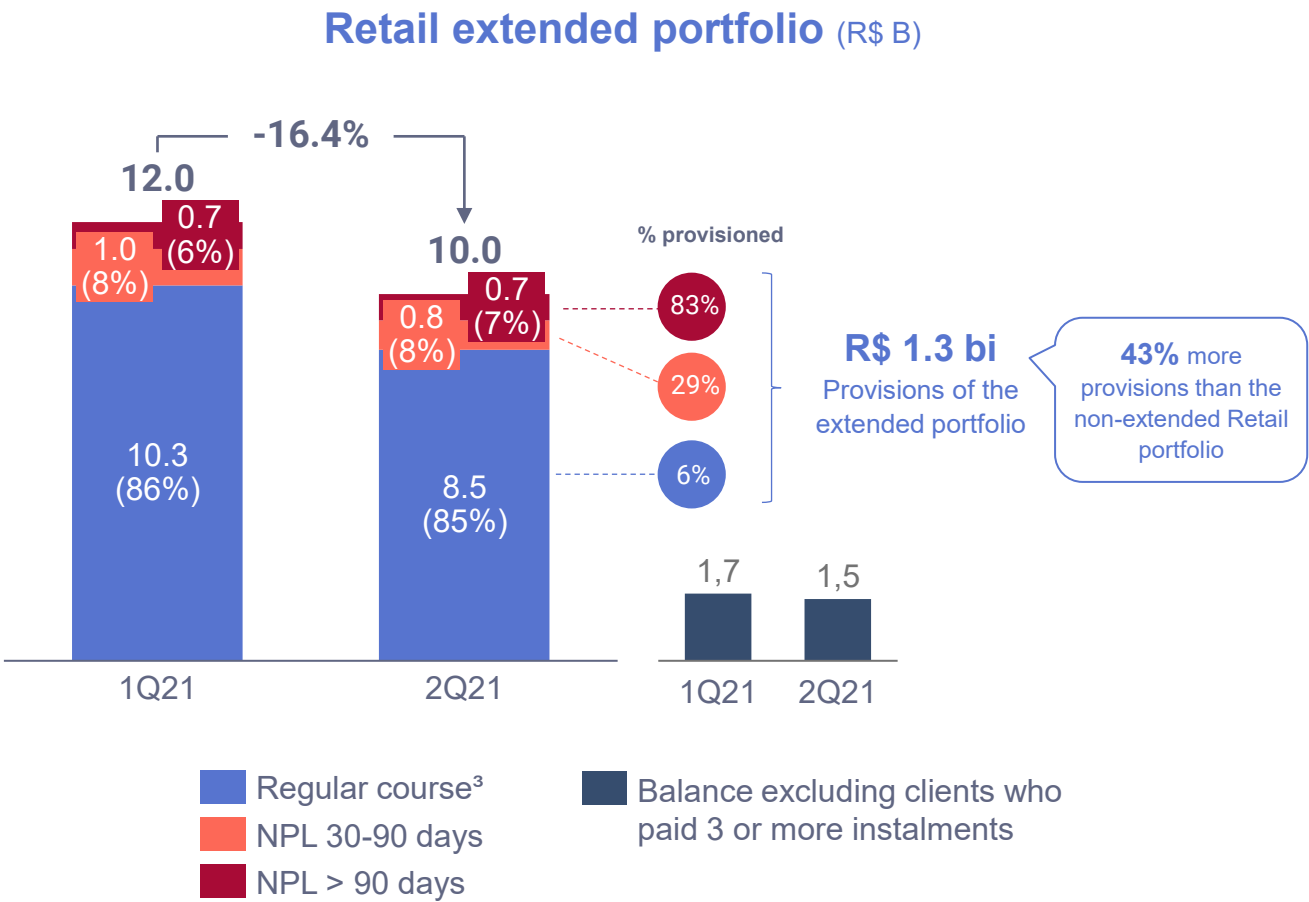


Retail extended Portfolio: Supporting our clients during the pandemic



In March/20, we provided installment extensions by 60 days¹, same installment. In addition to supporting our customers, the initiative helped to mitigate credit risk, with an impact on more than 800,000 customers

R\$ 10 billion extended portfolio balance on June 30
R\$ 1.5 billion extended portfolio balance, excluding clients who have already paid 3 or more installments
R\$ 1.3 billion provision for the extended portfolio
184% Coverage ratio ² of the extended portfolio
99% of the portfolio with real collateral





Diversified business portfolio

Supported by the pillars of Efficiency & Financial Strength, Digital Strategy, Customer Centrality and ESG Agenda



Retail

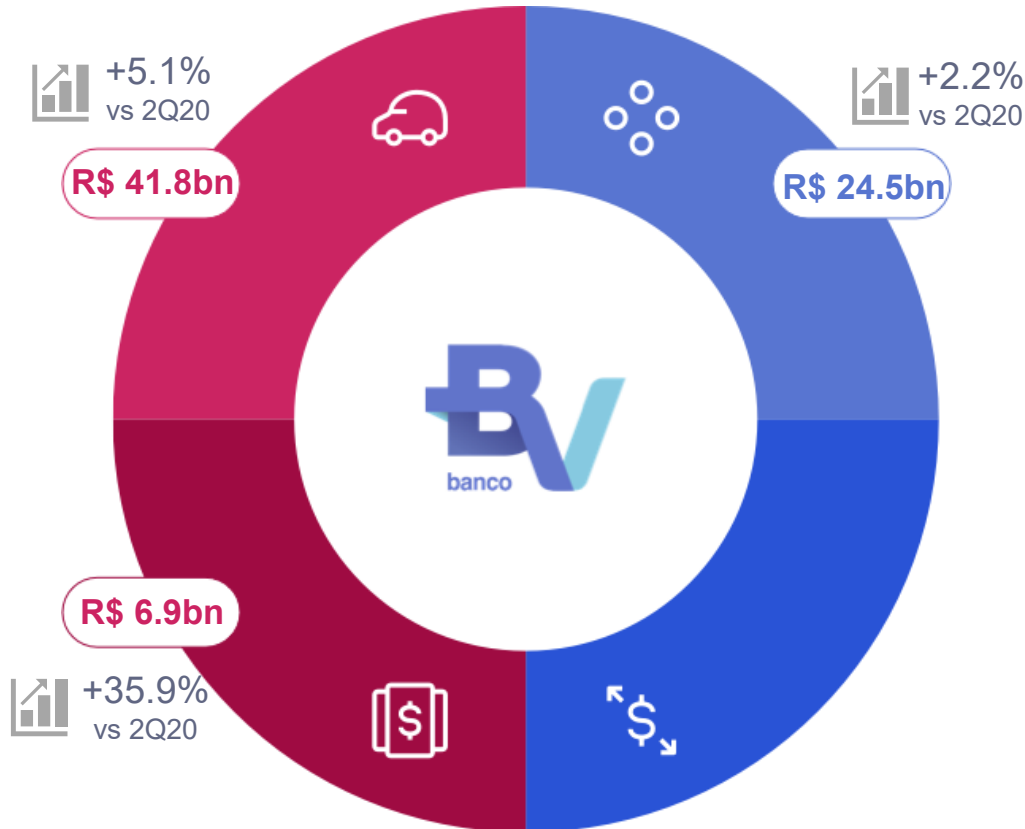
auto finance

- Leader in the segment²
- Capillarity (+21,400 dealers)
- Innovation and digital transformation
- 100% digital contracting
- 98% automatic response

Other business

- **Credit Cards:** 1,000,000 credit card accounts. Mastercard, Visa and Elo flags
- **Insurance brokerage:** Auto, credit protection, residential, life, dental, credit card and assistance (residential, funeral, pet)
- **Solar panel financing portfolio:** 237% growth in the portfolio vs 2Q20
- **Loans:** Personal loans, private payroll loans, car equity, home equity, student loans, solar panels, tourism and medical procedures

Credit portfolio¹
R\$ 73 billion
 +6.4% vs 2Q20



Innovation Business Unit

Wholesale

corporate & investment banking

Corporate Banking

- Corporate (> R\$ 300 million)
- Large Corporate (> R\$ 1,5 billion)
- SME (prepayment of receivables)

Corporate segment growth: +25.2% vs 2Q20, accounting for 48.1% of on-balance Wholesale portfolio

Banking as a Service (BaaS)

- Settlement and custodian bank for startups

wealth management

BV Asset

- **R\$ 48 billion** under management (AuM)
- Prominent position in **structured funds**
- **8th largest³** real estate fund manager
- **48% of managed funds** backed by real economy assets

- **BV Private:** Recognized brand in the industry, with customized solutions for high-income clients

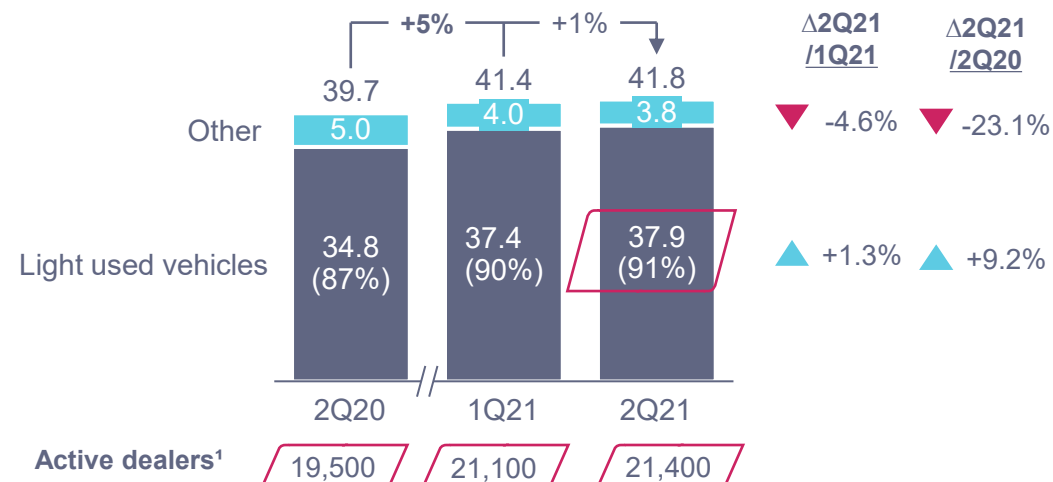
Retail: Leadership in auto finance and strong presence in insurance brokerage



Retail business

Auto Finance

Credit portfolio (R\$ B)

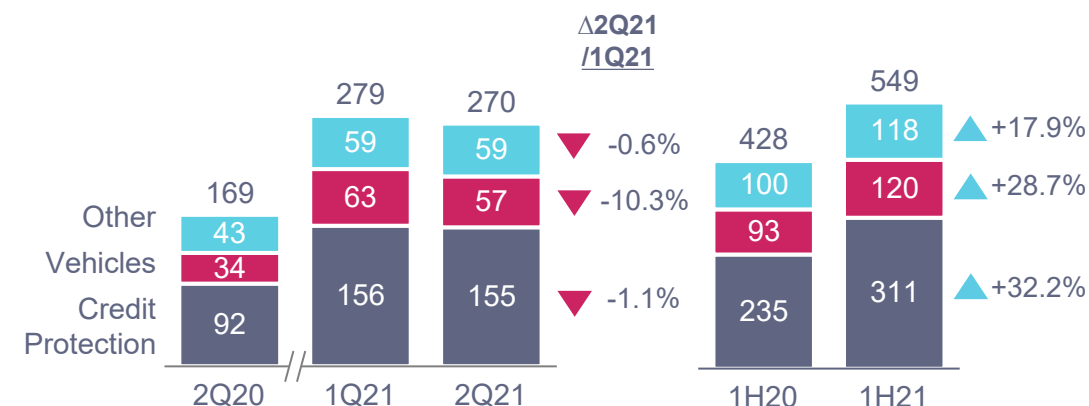


Among the main competitive advantages in this segment, we highlight:

- Capillarity: presence in more than 21,400 dealers throughout Brazil; 20 physical stores.
- Agility: 98% of automatic credit analysis, with a response time of less than 1 minute.
- Digital transformation: digitalization of the whole financing treadmill, from the simulation to the contract signature and payment.
- Digital origination partners: Meu Carro Novo, Mobiauto, Mercado Livre and Icarros.
- Expertise: continuous improvement of management tools with strong use of data science (e.g. analytics, modeling) and innovation (e.g. OCR “optical character recognition”, biometrics).

Insurance Brokerage

Insurance premiums (R\$ M)



Diversified portfolio of insurance products:

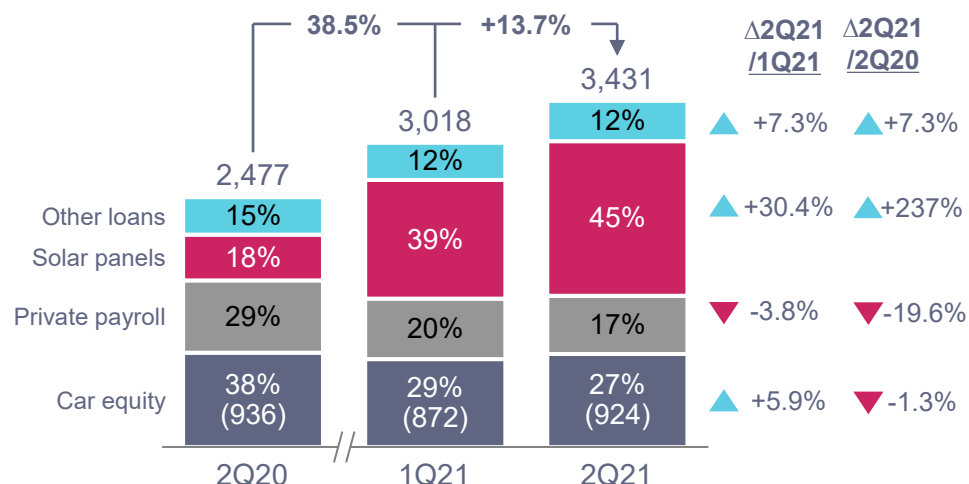
Insurance	Vehicles	Credit protection	Residential	Life + personal accident
Partner				
Insurance	Dental	Credit Card	Assistance services ²	
Partner				

Loans and Credit Card: diversification strategy leveraging on the auto customer base



Retail Business

Other Loan Portfolio (R\$ B)



Wide range of products for individuals:

- Solar panel financing
- Car equity (credit with vehicle as collateral)
- Private payroll
- Personal loan, student loan, medical procedures, etc

Digital Partners

for online credit origination

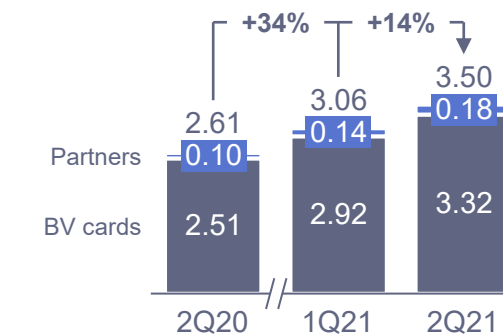


Partners in the offering products



Credit Card

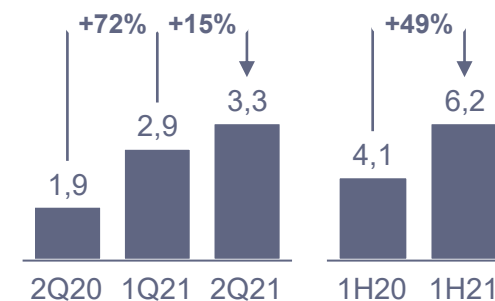
Portfolio (R\$ B)



Card accounts¹
(thousand)

790 960 1,000

Traded Volume (R\$ B)



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

- Expansion also through new partnerships, such as Dotz
- Differentiated benefits
- Improvement of the cards' portfolio: Launching of a BV card with no annual fee in 1Q21
- Credit cards app integrated with the digital account services and auto finance



Wholesale Business

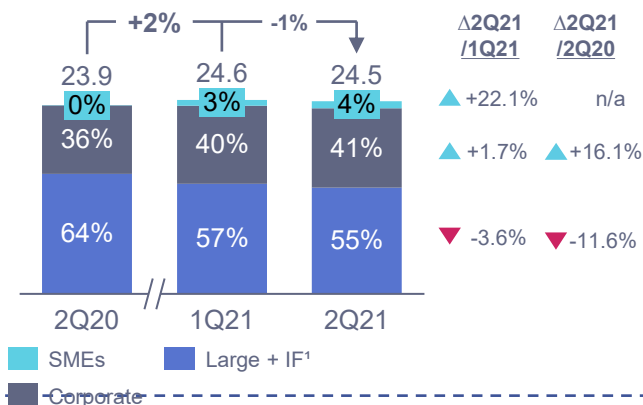
Corporate Banking (CIB)



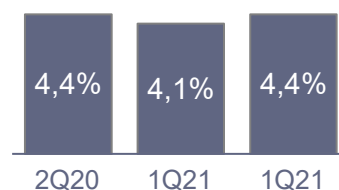
- **Large Corporate (>R\$ 1,500mln)**
 - ✓ **Strategic Focus:** Selective performance, leveraging products where we have a recognized competitive advantage as DCM local (capital market).
- **Growing Corporate (R\$ 300M - R\$ 1,500mln):**
 - ✓ **Strategic Focus:** Expansion of the portfolio
- **SMEs (Small and Medium Enterprises)**
 - ✓ **Strategic Focus:** prepayment of receivables through (i) penetration into the value chain of our CIB customers and (ii) partnership with fintechs

Wide variety of products as cash management operations, financial structuring, guarantees, working capital, hedge, FX, capital markets and M&A

Expanded Portfolio CIB (R\$ B)



10 largest customers / Total credit portfolio



Portfolio by sector

CIB portfolio by sector	2Q20		2Q21	
	R\$ M	Part.(%)	R\$ M	Part.(%)
Financial Institution	3,448	14.4%	3,231	13.2%
Industry	1,807	7.5%	2,123	8.7%
Real Estate	2,050	8.6%	2,021	8.3%
Sugar and ethanol	1,669	7.0%	1,668	6.8%
Retail business	1,678	7.0%	1,352	5.5%
Electric power	1,064	4.4%	1,233	5.0%
Project Finance	1,005	4.2%	1,068	4.4%
Telecommunications	942	3.9%	944	3.9%
Agroindustry / Agrochemicals	627	2.6%	912	3.7%
SME's	11	0.0%	888	3.6%
Oil & gas	861	3.6%	823	3.4%
Cooperatives	759	3.2%	780	3.2%
Rentals	496	2.1%	762	3.1%
Vehicle assemblers / Dealers	710	3.0%	591	2.4%
Health	487	2.0%	460	1.9%
Mining	505	2.1%	454	1.9%
Services	649	2.7%	387	1.6%
Pharmaceutical	438	1.8%	339	1.4%
Sanitation	597	2.5%	330	1.3%
Other	4,145	17.3%	4,097	16.7%
Total	23,947	100%	24,463	100%

Wealth Management: BV Asset and BV Private



Wealth Management

Asset Management – BV Asset



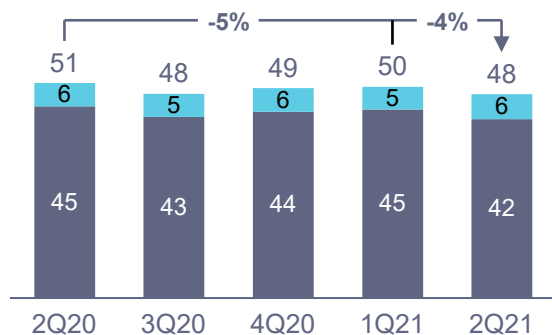
- Wide offer of products for all target client segments: Institutional, corporates, private and platforms.
- R\$ 48 billion asset under management (AuM)**
- 225 funds under management
- 8th largest** real estate fund manager¹

Private Bank – BV Private



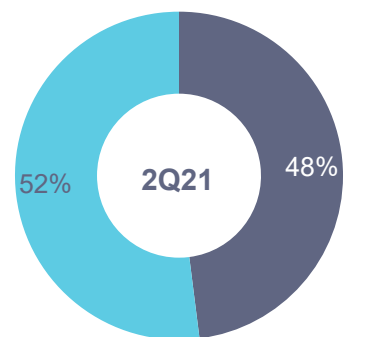
- Products and solutions suited to investors' needs.
- Solutions for wealth management in Brazil and abroad
- Expertise from our asset allocation team to the portfolios.
- 8th position¹ in the Private segment in the Anbima management ranking¹**, with approximately R\$ 22 billion in assets under management.

BV Asset: Asset under management (R\$ B)



■ Funds (ANBIMA)
■ Other Investments products

BV Asset: Funds backed by real economy assets



■ Real Economy² ■ Other

BV Asset: Excellence in investment management

Signatory of:



Since 2019, BV Asset is a signatory of **PRI** (Principles for Responsible Investment)



3rd place in the category Leader Institution in Responsible Investment



Recognized with rating **AMP-1 ("Very Strong")⁵** by S&P Global Ratings

1. . Base date: June 2021; 2 - Includes real estate, energy, infrastructure and others sectors

BV^x : Innovation unit focus on generating value through the connection with the fintechs and startups ecosystem

Innovation Business Unit



The mission of **BV^x** is to drive value through a connection with the startup ecosystem by means of co-creation, proprietary developments and investments in strategic partnerships.

Three operating fronts :

- I. Corporate Venture Capital and strategic partnerships:** we invest and establish partnerships with fintechs and other startups that have synergies with BV and that complement our portfolio of solutions for the clients
- II. BV Open:** we ended 2Q21 with 47 partners from the most varied segments such as education, energy, healthcare and e-commerce connected and using the services of our BV Open platform.
- III. BV Lab:** continuing the actions of BV Lab in Israel, during 2Q21 we signed a key partnership with StartUp Nation Central (SNC), a non-profit organization that connects Israel's innovation ecosystem with potential partners in the global market.

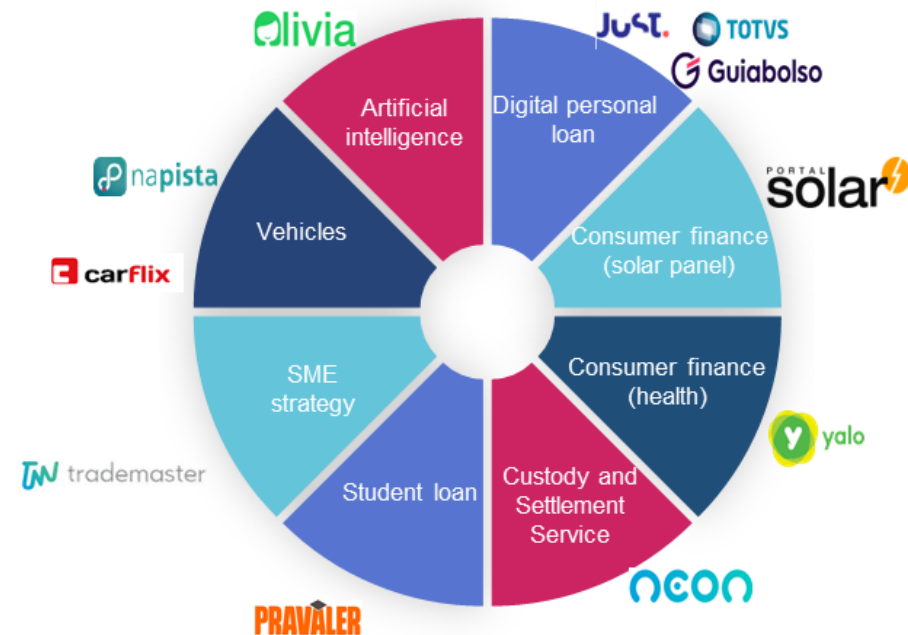
+ 3.5 million

accounts opened on Abastece Aí, our BaaS partner

74 million

transactions¹ carried out on our BaaS platform
+308% vs 1H20

Examples of partnerships in our ecosystem



Note: non-exhaustive vision of BV^x

~30 partnerships for co-creation and distribution of products
that accelerate our diversification into new segments, enriching our ecosystem

Balance sheet

ASSETS (R\$ M)	jun/20	mar/21	jun/21
Cash and cash equivalents	3,917	4,723	4,029
Financial Assets	107,779	106,830	105,371
Interbank funds applied	6,122	6,590	3,395
Securities and derivative financial instruments	39,869	34,062	36,142
Derivative financial instruments	7,353	5,462	3,957
Interbank accounts or relations	792	831	868
Loan Operation	56,655	60,803	62,164
Allowance for loans losses	(5,164)	(4,973)	(5,067)
Other financial assets	2,152	4,055	3,912
Tax assets	7,930	7,684	7,493
Investments and interests in associates and subsidiaries	43	6	14
Fixed asset	100	91	83
Intangible	436	478	548
Other assets	1,377	1,147	1,078
TOTAL ASSETS	121,582	120,960	118,615

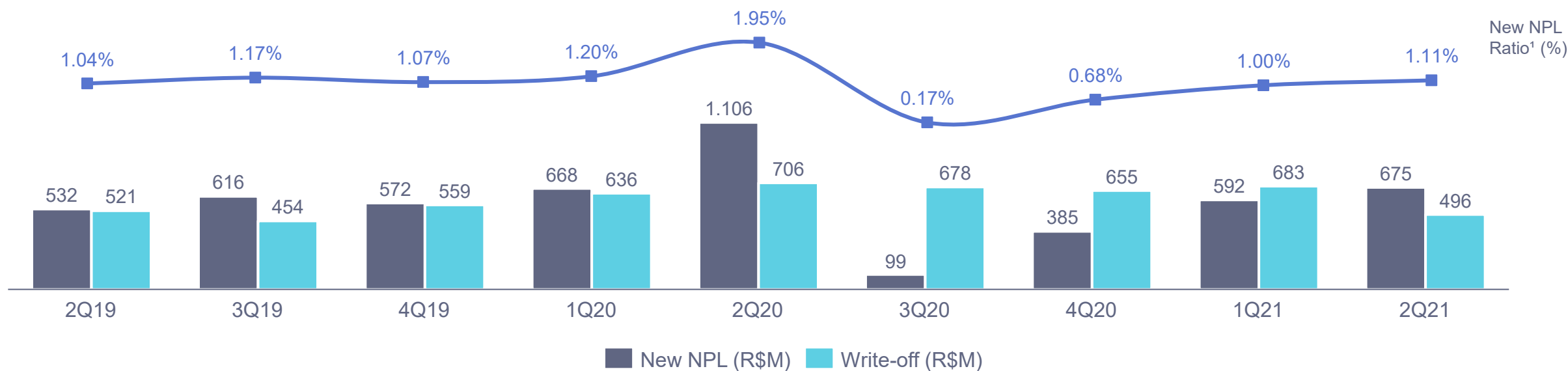
LIABILITIES (R\$ M)	jun/20	mar/21	jun/21
Financial Liabilities	108,726	106,932	104,194
Deposits	25,062	25,234	22,963
Money Market borrowings	24,635	19,674	20,110
Acceptances and endorsements	31,964	38,324	35,054
Interbank accounts	1,383	1,976	2,250
Borrowings and onlendings	4,977	3,707	4,198
Derivative financial instruments	6,846	4,645	3,938
Subordinated debts and debt instruments eligible for equity	3,919	3,673	3,305
Other financial liabilities	9,940	9,698	12,378
Tax liabilities	515	427	464
Provisions for contingencies	912	806	780
Other liabilities	1,277	1,595	1,505
Shareholder's equity	10,151	11,201	11,671
TOTAL LIABILITIES	121,582	120,960	118,615

Managerial Income Statement

INCOME STATEMENT (R\$ M)	2Q20	1Q21	2Q21	1H20	1H21	Variation %		
						2Q21/1Q21	2Q21/2Q20	1H21/1H20
Total Revenues (i + ii)	2,021	2,288	2,418	4,208	4,706	5.7	19.6	11.8
Gross financial margin (i)	1,629	1,783	1,854	3,292	3,637	3.9	13.8	10.5
Financial margin with clients	1,404	1,598	1,615	2,938	3,214	1.0	15.0	9.4
Financial margin with the market	225	185	239	354	424	29.0	6.2	19.6
Income from Services and Baking Fees (ii)	393	504	564	916	1,069	11.9	43.7	16.6
Cost of Risk¹	(871)	(576)	(539)	(1,786)	(1,115)	-6.4	-38.1	-37.6
Operating Expenses	(867)	(1,062)	(1,154)	(1,851)	(2,216)	8.7	33.1	19.7
Personnel ² and Administrative Expenses	(486)	(540)	(565)	(1,003)	(1,105)	4.6	16.2	10.1
Tax Expenses	(125)	(148)	(144)	(260)	(292)	-2.8	15.1	12.1
Other Income/Expenses	(256)	(374)	(446)	(588)	(820)	19.1	73.9	39.4
Income before taxes and contributions	283	650	725	571	1,375	11.5	155.8	140.9
Provision for income tax and social contribution	(63)	(293)	(337)	(129)	(630)	14.8	433.5	387.2
Recurring Net Income	220	357	388	441	745	8.8	76.3	68.8

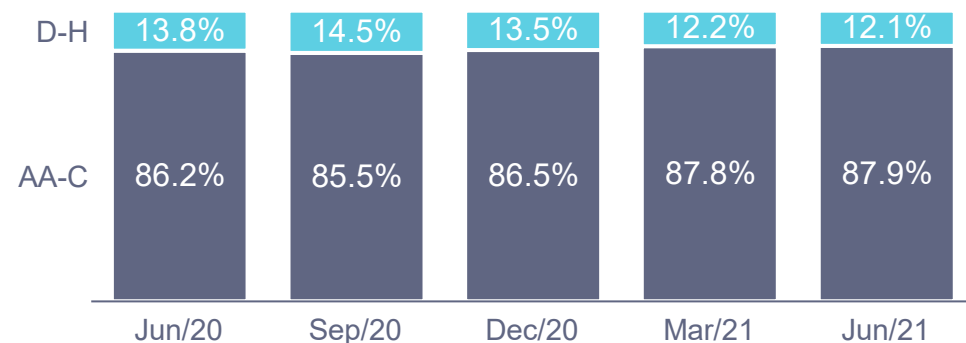
Credit portfolio quality – New NPL Ratio

NEW NPL (R\$ M)	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Managed loan portfolio (A)	52,480	53,519	55,676	56,618	56,655	56,396	59,444	60,803	62,164
90-day NPL Balance (NPL)	2,320	2,483	2,496	2,530	2,930	2,351	2,081	1,990	2,170
Quarterly NPL variation (B)	11	162	14	33	400	(579)	(270)	(91)	180
Write-off (C)	521	454	559	636	706	678	655	683	496
New NPL (D=B+C)	532	616	572	669	1,106	99	385	592	675
New NPL Ratio ¹ (D/A)	1.04%	1.17%	1.07%	1.20%	1.95%	0.17%	0.68%	1.00%	1.11%

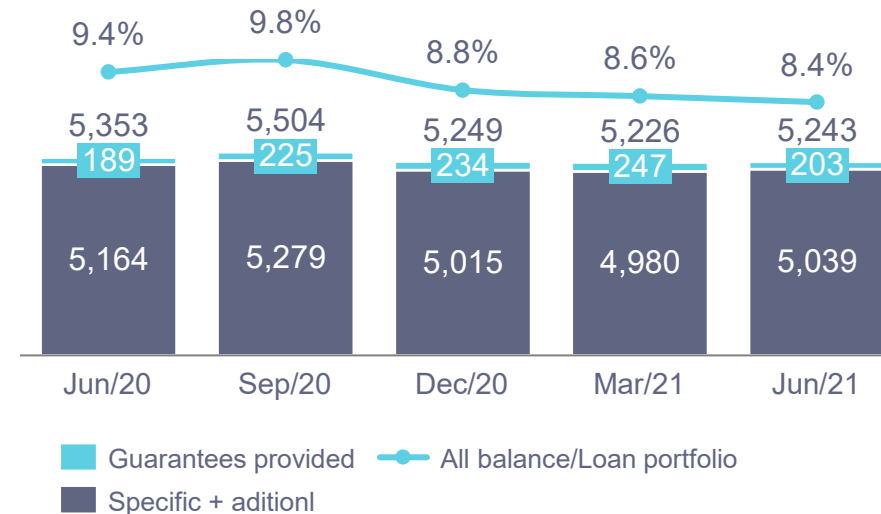


Credit quality indicators

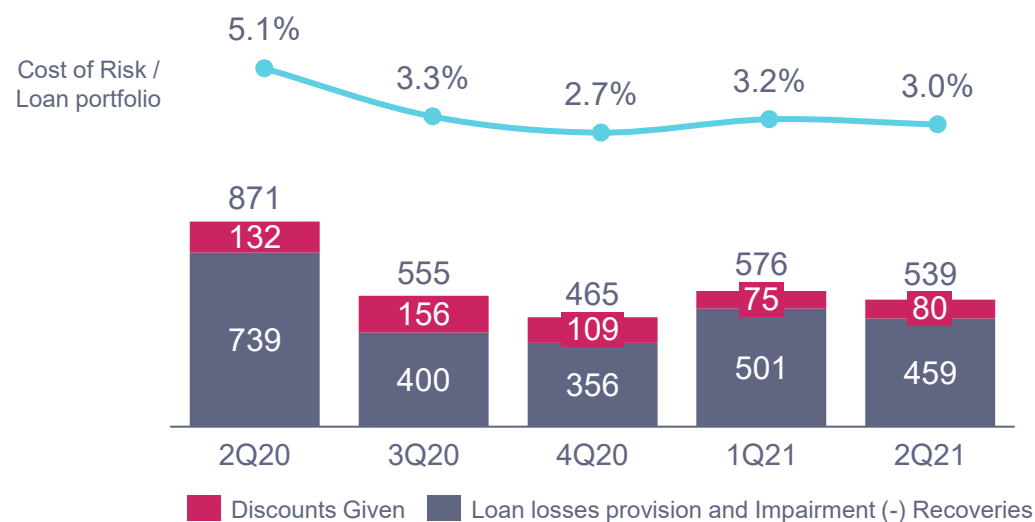
Loan portfolio rated by risk level (%)



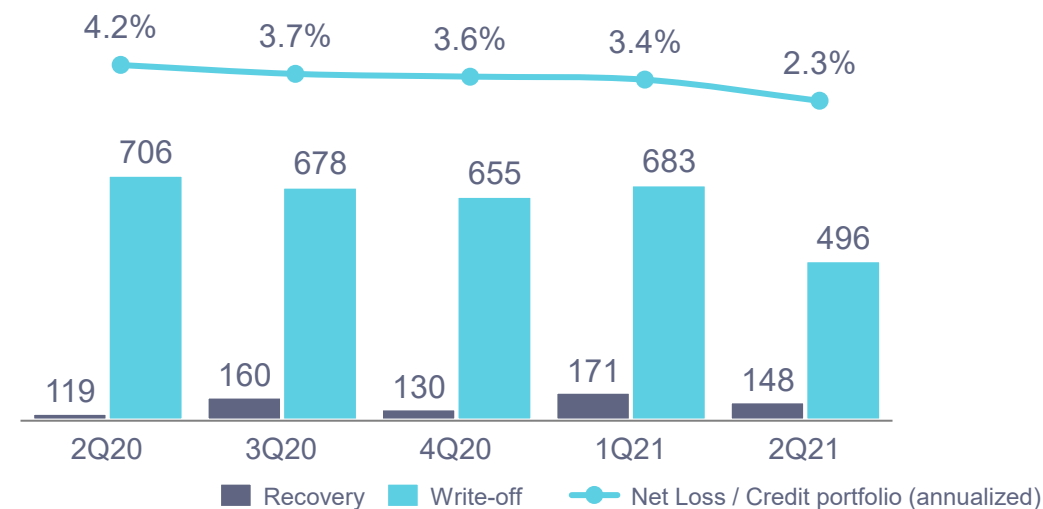
Allowance for loan losses balance (R\$M)



Result of loan losses¹, guarantees and impairments (R\$M)



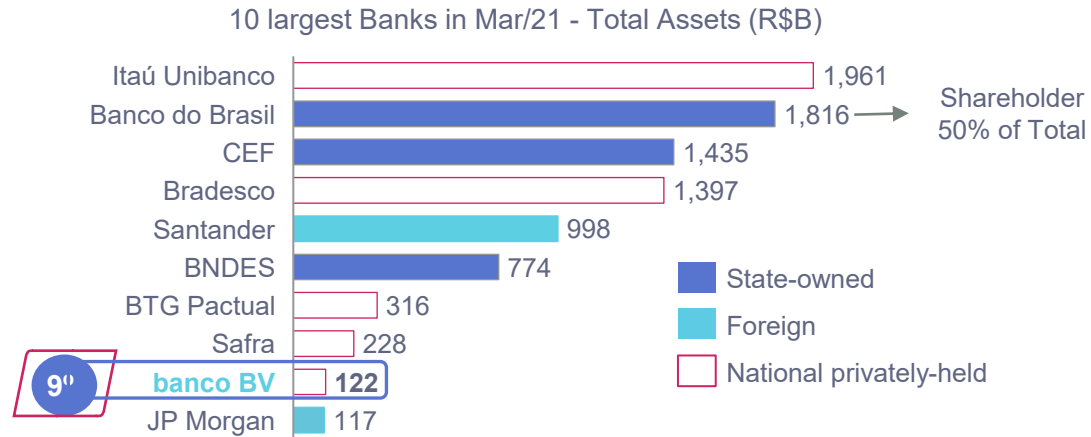
Net Loss² (R\$M)



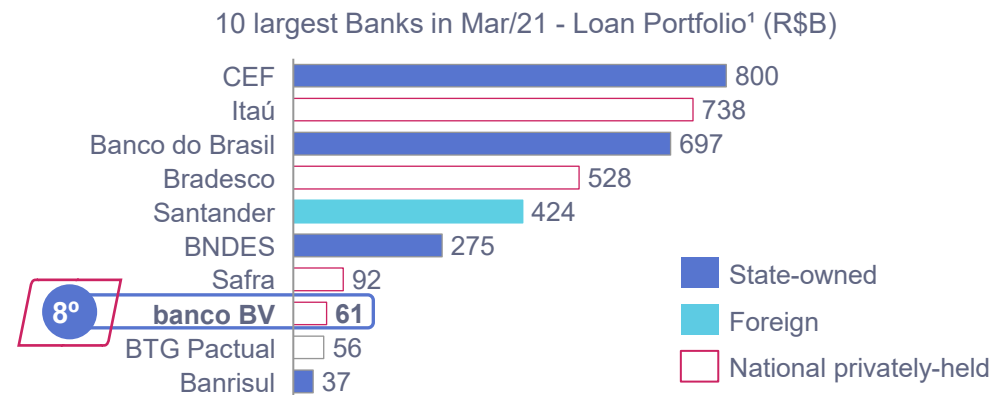
Banco BV is one of the leading banks in Brazil

Top 10 in total assets, with strong shareholders and corporate governance practices

Banco BV is one of the largest privately-held Brazilian banks in total assets...



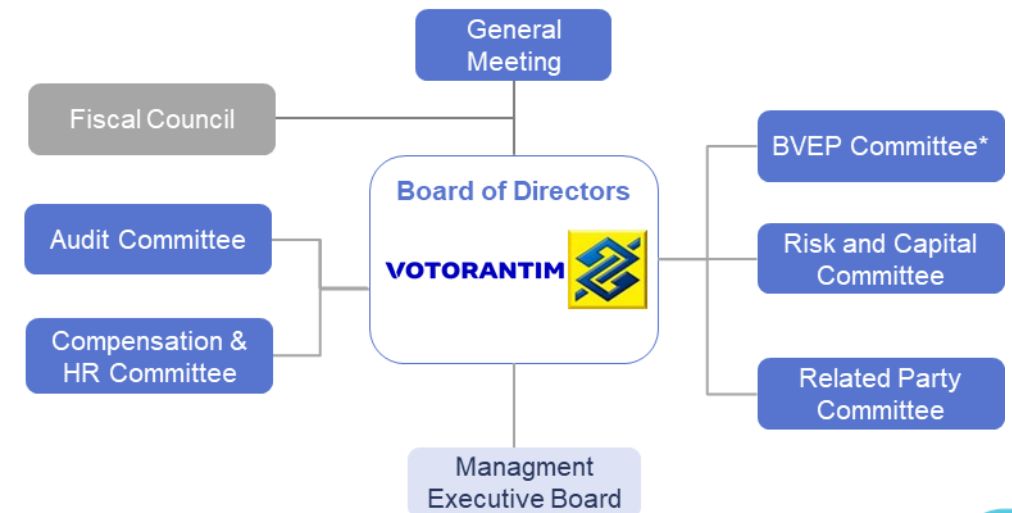
... and also in terms of loan portfolio



Ownership Structure



Corporate Governance Structure



* BV Empreendimentos e Participações

RATING AGENCIES		Global		Local	Brazil
		Local currency	Foreign currency	Local currency	
Moody's	Long-Term	Ba2 (stable)	Ba2	AA.Br	Sovereign rating (outlook)
	Short-Term	NP	NP	A-1.br	
Standard & Poor's	Long-Term	BB- (stable)		brAAA	BB- (stable)
	Short-Term	B		brA-1+	

Earnings Presentation

2Q21

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