

Financial Statements

March, 31 2021





PARENT COMPANY AND CONSOLIDATED INTERIM STATEMENTS

as of March 31, 2021

(In thousands of Reais, unless otherwise stated)

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Report on review of parent company and consolidated interim financial statements

To the Board of Directors and Shareholders
Banco Votorantim S.A.

Introduction

We have reviewed the accompanying interim statement of financial position of Banco Votorantim S.A. ("Bank") as at march 31, 2021, and the related income statement, statement of other comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the three-month period then ended, as well as the accompanying consolidated interim statement of financial position of Banco Votorantim S.A. and its subsidiaries ("Consolidated") as at march 31, 2021, and the related consolidated income statement, statement of other comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes.

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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 Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements referred to above do not present fairly, in all material respects, the financial position of Banco Votorantim S.A. and of Banco Votorantim S.A. and its subsidiaries as at March 31, 2021, and the parent company financial performance and its cash flows for the three-month period then ended, as well as the consolidated financial performance and its cash flows for the three-month period then ended, in accordance with accounting standards adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.



Other matters

Statements of added value

The interim financial statements referred to above include the parent company and consolidated statements of added value for three-month period ended March 31, 2021. These statements are the responsibility of the Bank's management and are presented as supplementary information for the Central Bank of Brazil. These statements have been subjected to review procedures performed together with the review of the interim financial statements for the purpose of concluding whether they are reconciled with the interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of added value have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim financial statements taken as a whole.

São Paulo, May 5, 2021

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Maria José De Mula Cury
Accountant CRC 1SP192785/O-4



STATEMENT OF FINANCIAL POSITION

as of March 31, 2021 and December 31, 2020

(In thousands of Reals, unless otherwise stated)

	Note	Parent Company		Consolidated	
		03.31.2021	12.31.2020	03.31.2021	12.31.2020
Cash and cash equivalents	7	5,473,463	5,457,830	4,723,455	4,808,466
Cash and due from banks		140,126	487,652	185,432	539,335
Interbank funds applied		5,333,337	4,970,178	4,538,023	4,269,131
Financial assets		103,456,808	98,648,528	106,830,329	101,582,819
Interbank investments	8a	6,588,601	4,988,959	6,589,546	4,991,024
Securities		32,460,235	32,657,421	34,062,254	34,198,210
Securities portfolio	9a	33,419,133	33,595,049	35,021,152	35,135,838
(Provision for impairment of securities)	9a	(958,898)	(937,628)	(958,898)	(937,628)
Derivative financial instruments	10a	6,851,534	5,081,402	5,461,979	3,621,140
Interbank accounts	11a	831,483	984,105	831,483	984,105
Loan portfolio	12a	53,045,024	51,834,046	55,830,100	54,428,883
Loans		53,473,301	52,851,117	54,493,500	53,792,865
Other receivables with loan characteristics		4,188,295	3,601,821	6,243,817	5,577,846
Lease portfolio		-	-	66,062	73,353
(Allowance for losses associated with credit risk)		(4,616,572)	(4,618,892)	(4,973,279)	(5,015,181)
Other financial assets	13a	3,679,931	3,102,595	4,054,967	3,359,457
Tax assets		6,739,498	7,110,133	7,684,493	8,035,798
Current tax assets	25a.1	296,385	303,609	348,179	358,504
Deferred tax assets	25a.2	6,443,113	6,806,524	7,336,314	7,677,294
Investments		3,559,694	3,477,873	6,096	19,457
Investments in subsidiaries, associates and joint ventures	14a	3,559,506	3,477,686	5,909	19,270
Other investments	14d	188	187	187	187
Property, plant and equipment	15	89,906	94,427	90,584	95,227
Other property, plant and equipment		385,923	390,135	397,333	401,544
(Accumulated depreciation)		(296,017)	(295,708)	(306,749)	(306,317)
Intangible assets and goodwill		438,195	397,652	478,074	462,960
Intangible assets	16a	1,028,967	957,987	1,091,333	1,010,073
(Accumulated amortization)	16a	(386,022)	(355,585)	(398,680)	(366,651)
(Accumulated impairment)	16a	(204,750)	(204,750)	(214,579)	(214,579)
Goodwill and fair value adjustment	16d	-	-	-	34,117
Other assets	13a	949,457	1,033,211	1,146,692	1,272,410
TOTAL ASSETS		120,707,021	116,219,654	120,959,723	116,277,137

The accompanying notes are an integral part of these parent company and consolidated interim financial statements.



STATEMENT OF FINANCIAL POSITION

as of March 31, 2021 and December 31, 2020

(In thousands of Reals, unless otherwise stated)

	Note	Parent Company		Consolidated	
		03.31.2021	12.31.2020	03.31.2021	12.31.2020
Financial liabilities		107,001,027	102,905,467	106,931,709	102,518,146
Deposits	17a	26,078,840	26,344,211	25,233,815	25,510,391
Money market repurchase commitments	17c	20,316,000	15,639,154	19,674,441	15,028,829
Securities issued	19	38,324,366	40,154,521	38,324,366	40,154,521
Interbank accounts	11a	35,867	5,887	1,975,696	1,887,891
Borrowings and domestic onlendings	18a	3,707,301	3,745,402	3,707,301	3,745,402
Derivative financial instruments	10a	5,516,996	4,629,350	4,645,375	3,605,657
Subordinated debts and debt instruments eligible as capital	20a	3,673,014	3,693,126	3,673,014	3,693,126
Other financial liabilities	21a	9,348,643	8,693,816	9,697,701	8,892,329
Tax liabilities		333,308	472,397	426,519	605,913
Current tax liabilities	25b.1	247,309	136,295	337,341	259,497
Deferred tax liabilities	25b.2	85,999	336,102	89,178	346,416
Provision for tax, civil and labor lawsuits	28e	756,566	767,733	806,038	818,698
Other liabilities	21a	1,422,520	1,327,888	1,594,709	1,580,663
SHAREHOLDERS' EQUITY		11,193,600	10,746,169	11,200,748	10,753,717
Capital	24a	8,130,372	8,130,372	8,130,372	8,130,372
Capital reserves	24b	372,120	372,120	372,120	372,120
Profit reserves		2,094,324	2,094,324	2,083,002	2,083,002
Other comprehensive income	24f	242,246	149,353	260,117	168,223
Accumulated profits		354,538	-	355,137	-
TOTAL LIABILITIES		120,707,021	116,219,654	120,959,723	116,277,137

The accompanying notes are an integral part of these parent company and consolidated interim financial statements.



INCOME STATEMENT

Three-month period ended as of March 31, 2021 and 2020
(In thousands of Reals, unless otherwise stated)

	Note	Parent Company ⁽¹⁾		Consolidated	
		01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
FINANCIAL INTERMEDIATION INCOME		3,476,685	2,978,377	3,629,414	4,569,666
Loans	12b	1,921,436	290,332	2,067,381	2,236,428
Leasing operations	12h	-	-	1,828	2,938
Income from securities	9c	249,019	1,282,668	335,223	1,129,887
Income (Losses) from derivative financial instruments	10h	922,193	1,140,311	840,945	727,822
Income from exchange foreign operations	13c	193,255	247,136	193,255	247,136
Income from compulsory deposits	11d	3,999	17,930	3,999	17,930
Liabilities associated with assigned financial assets	12j.1	186,783	-	186,783	207,525
FINANCIAL INTERMEDIATION EXPENSES		(2,010,440)	(3,360,787)	(2,003,454)	(3,440,874)
Deposits and securities sold under repurchase agreements	17d	(1,627,920)	(2,547,751)	(1,620,934)	(2,541,951)
Borrowings and onlendings	18d	(313,465)	(813,036)	(313,465)	(813,036)
Liabilities associated with assigned financial assets	12j.1	(69,055)	-	(69,055)	(85,887)
INCOME (LOSS) FROM FINANCIAL INTERMEDIATION		1,466,245	(382,410)	1,625,960	1,128,792
INCOME (LOSS) FROM ALLOWANCE FOR LOSSES		(417,038)	9,367	(498,356)	(813,856)
(Provision) / reversal of allowance of loan losses	12f.1	(392,293)	884	(469,844)	(820,855)
Other (provision) / reversal of provision associated with credit risk	12f.1	(3,475)	(287)	(7,242)	(1,771)
(Provision) / reversal of provision for securities impairment	9d	(21,270)	8,770	(21,270)	8,770
OPERATING INCOME/EXPENSES		(494,283)	159,719	(481,835)	(403,284)
Service income	22a	61,890	65,937	349,384	363,110
Income from banking fees	22b	180,581	817	212,610	219,953
Personnel expenses	22c	(218,620)	(26,628)	(268,891)	(213,964)
Other administrative expenses	22d	(290,650)	(60,953)	(356,440)	(355,633)
Tax expenses	25c	(93,187)	(11,445)	(128,683)	(135,699)
Share of profit (loss) in subsidiaries, associates and joint ventures	14a	89,327	189,917	(640)	(1,151)
(Provision) / reversal of provision for contingent liabilities	28e.3	11,167	(376)	12,660	(32,957)
Other operating income	22e	17,977	8,777	30,032	45,748
Other operating expenses	22f	(252,768)	(6,327)	(331,867)	(292,691)
OPERATING INCOME		554,924	(213,324)	645,769	(88,348)
OTHER INCOME AND EXPENSES	23	5,231	(27,708)	(7,802)	7,436
Other income		12,401	3,159	12,476	49,350
Other expenses		(7,170)	(30,867)	(20,278)	(41,914)
INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING		560,155	(241,032)	637,967	(80,912)
INCOME TAX AND SOCIAL CONTRIBUTION	25d.1	(159,092)	458,412	(223,018)	371,668
PROFIT SHARING - EMPLOYEES AND MANAGEMENT		(46,525)	(12,894)	(59,812)	(69,591)
NET PROFIT		354,538	204,486	355,137	221,165
EARNINGS PER SHARE	24d				
Earnings per share - R\$		9.50	5.48		
Number of shares (thousand lot)		37,330,271	37,330,271		

⁽¹⁾ Includes appropriation of income generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event (Note 2b).

The accompanying notes are an integral part of these Parent Company and consolidated interim financial statements.



STATEMENT OF OTHER COMPREHENSIVE INCOME

Three-month period ended as of March 31, 2021 and 2020
(In thousands of Reais, unless otherwise stated)

	Note	Parent Company ⁽¹⁾		Consolidated	
		01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Net income for the period		354,538	204,486	355,137	221,165
Other comprehensive income that can be subsequently reclassified to profit or loss:					
Net variation in the fair value of financial assets available for sale	24f	(126,156)	(99,993)	(127,155)	(127,789)
Adjustment to fair value against shareholder's equity		(201,027)	(67,169)	(202,026)	(70,192)
Adjustment to fair value transferred to income		(27,939)	(110,239)	(27,939)	(135,012)
Tax effect		102,810	77,415	102,810	77,415
Cash flow hedge	24f	219,049	34,310	219,049	34,310
Adjustment to fair value against shareholder's equity		403,162	62,579	403,162	62,579
Adjustment to fair value transferred to income		(4,891)	(197)	(4,891)	(197)
Tax effect		(179,222)	(28,072)	(179,222)	(28,072)
Total of other comprehensive income for the period		92,893	(65,683)	91,894	(93,479)
Total comprehensive income		447,431	138,803	447,031	127,686

⁽¹⁾ In the three-month period ended March 31, 2021, the Bank includes appropriation of results generated by the assets and liabilities received from the incorporation of the spun-off portion of BV Financeira, after that event (Note 2b).

The accompanying notes are an integral part of these Parent Company and consolidated interim financial statements.



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Three-month period ended as of March 31, 2021 and 2020
(In thousands of Reais, unless otherwise stated)

Parent company and Consolidated Events	Note	Capital	Capital reserves	Profit reserves		Other comprehensive income	Retained earnings	Total
		Paid-up capital		Legal	Other reserves			
Balances in 12.31.2019 ⁽¹⁾		8,130,372	372,120	205,527	1,174,175	(26,737)	-	9,855,457
Equity valuation adjustments, net of taxes	24f	-	-	-	-	(65,683)	-	(65,683)
Net income for the period		-	-	-	-	-	204,486	204,486
Balances in 03.31.2020 ⁽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
Balances in 12.31.2020 ⁽¹⁾		8,130,372	372,120	257,043	1,837,281	149,353	-	10,746,169
Equity valuation adjustments, net of taxes	24f	-	-	-	-	92,893	-	92,893
Net income for the period		-	-	-	-	-	354,538	354,538
Balances in 03.31.2021 ⁽¹⁾		8,130,372	372,120	257,043	1,837,281	242,246	354,538	11,193,600
Changes in the period		-	-	-	-	92,893	354,538	447,431

⁽¹⁾ Does not include effects of elimination of unrealized income arising from transactions between related parties described in note 24f.

Earnings per Share are disclosed in the Statement of Income.

The accompanying notes are an integral part of these Parent Company and consolidated interim financial statements.



STATEMENT OF CASH FLOWS

Three-Month period ended as of March 31, 2021 and 2020
(In thousands of Reais, unless otherwise stated)

	Note	Parent Company		Consolidated	
		01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Cash flows from operating activities					
Income (loss) before income and social contribution taxes		560,155	(241,032)	637,967	(80,912)
Adjustments to income (loss) before income and social contribution taxes		456,644	(330,752)	685,829	778,328
Provision / (reversal of provision) for loan losses	12f.1	553,662	49,141	640,992	954,195
Provision / (reversal of provision) for securities provision	9d	21,270	(8,770)	21,270	(8,770)
Other provision / (reversal of provision) associated with credit risk	12f.1	3,475	287	7,242	1,771
Depreciation and amortization	22d	32,287	5,397	38,797	32,280
Provision / (reversal of provision) for investment losses due to tax incentives	23	-	(2,485)	-	(5,931)
Income from investments in associates and joint ventures	14a	(89,327)	(189,917)	640	1,151
Exchange variation of investments abroad	10h	(146,724)	(505,698)	(146,724)	(505,698)
Exchange variation of subordinated debts and debt instruments eligible for capital	31e	150,180	350,400	150,180	350,400
(Profit) / Loss on disposal of assets	23	(9,229)	(674)	(9,222)	3,219
Provision / (provision reversal) for devaluation of other assets	23	1,813	5,547	5,042	(34,988)
Expenses / (Reversal of expenses) with civil, labor and tax provisions	28e.3	(11,167)	376	(12,660)	32,957
Effect of changes in foreign exchange rates on cash and cash equivalents		(41,345)	(39,345)	(41,345)	(39,345)
Interest expense on subordinated debt obligations and debt instruments eligible for capital	31e	72,795	34,404	72,795	34,404
Interest income from securities held to maturity		(93,225)	(29,366)	(93,225)	(37,267)
Other income and expenses		11,835	-	51,703	-
Other adjustments		344	(49)	344	(50)
Adjusted income before income and tax social contribution		1,016,799	(571,784)	1,323,796	697,416
Changes in operating assets and liabilities		(837,476)	10,917,070	(1,134,410)	4,348,901
(Increase) / decrease in interbank liquidity applications		(1,599,642)	4,239,544	(1,598,522)	(2,082,050)
(Increase) Decrease in trading securities and derivative financial instruments		(480,524)	(1,602,992)	(476,825)	(1,622,166)
(Increase) / decrease in interbank accounts		182,602	1,656,589	240,427	1,514,384
(Increase) / decrease in loans and leases		(1,744,581)	(467,072)	(2,019,429)	(1,578,021)
(Increase) / decrease in other assets		(586,931)	(662,876)	(673,795)	(456,352)
(Increase) Decrease in tax assets		186,445	27,806	189,547	123,270
(Increase) / decrease in deposits		(265,371)	3,974,809	(276,576)	3,962,459
(Decrease) / increase in money market repurchase commitments		4,676,846	673,942	4,645,612	1,205,307
(Decrease) / increase in securities issued		(1,830,155)	779,423	(1,830,155)	252,000
(Decrease) / increase in liabilities from borrowings and onlendings		(38,101)	2,015,748	(38,101)	2,015,748
(Decrease) / increase in other obligations		743,302	333,367	800,152	1,227,749
(Decrease) / increase in tax liabilities		(81,366)	(51,218)	(96,745)	(213,427)
Income tax and social contribution paid		(32,625)	(9,242)	(143,909)	(190,198)
CASH USED BY OPERATING ACTIVITIES (GENERATED)		146,698	10,336,044	45,477	4,856,119
Cash flows from investing activities					
(Acquisition / increase) of securities available for sale		(1,756,514)	(1,589,489)	(1,749,225)	(1,673,999)
(Acquisition / increase) of securities held to maturity		(590,634)	(882,584)	(590,634)	(1,167,280)
(Acquisition) of property for use		(4,807)	(7,201)	(4,807)	(7,294)
(Acquisition) of intangible		(70,936)	(34,647)	(81,215)	(41,523)
(Acquisition / increase) of investments in associates and joint ventures		-	(707)	-	(42,114)
Disposal / decrease of securities available for sale		1,905,355	1,387,645	1,913,503	1,799,041
Maturity of securities held to maturity		478,182	-	478,182	-
Disposal / decrease of investments in subsidiaries		154,231	593,453	149,650	518,159
Disposal / write-off of intangibles		-	34,229	-	-
NET CASH GENERATED BY INVESTING ACTIVITIES (USED IN)		114,877	(499,301)	115,454	(615,010)
Cash flows from financing activities					
Dividends / interest on own capital paid	31e	(44,200)	-	(44,200)	-
Settlement of subordinated debts and debt instruments eligible for capital	31e	(371,902)	(3,098,038)	(371,902)	(3,098,038)
Funding of subordinated debts and debt instruments eligible for capital	31e	122,065	-	122,065	-
Other changes in subordinated debts and debt instruments eligible to capital	31e	6,750	5,253	6,750	5,253
CASH GENERATED BY FINANCING ACTIVITIES		(287,287)	(3,092,785)	(287,287)	(3,092,785)
Net variation in cash and cash equivalents		(25,712)	6,743,958	(126,356)	1,148,324
Beginning of the period		5,457,830	2,327,760	4,808,466	1,051,889
Effect of changes in foreign exchange rates on cash and cash equivalents		41,345	39,345	41,345	39,345
End of the period	7	5,473,463	9,111,063	4,723,455	2,239,558
Net increase (decrease) in cash and cash equivalents		(25,712)	6,743,958	(126,356)	1,148,324

⁽¹⁾ The accompanying notes are an integral part of these Parent Company and consolidated interim financial statements



STATEMENT OF ADDED VALUE

Three-month period ended as of March 31, 2021 and 2020
(In thousands of Reais, unless otherwise stated)

	Note	Parent Company (1)				Consolidated			
		01.01 to 03.31.2021		01.01 to 03.31.2020		01.01 to 03.31.2021		01.01 to 03.31.2020	
Income		3,083,725		3,028,864		3,396,075		4,066,409	
Financial intermediation income		3,476,685		2,978,377		3,629,414		4,569,666	
Service income and banking fees	22a / 22b	242,471		66,754		561,994		583,063	
Allowance for loan losses	9d / 12f.1	(417,038)		9,367		(498,356)		(813,856)	
(Provision) / reversal of provision for contingent liabilities	28e.3	11,167		(376)		12,660		(32,957)	
Other income/(expenses)	22e / 22f / 23	(229,560)		(25,258)		(309,637)		(239,507)	
Financial Intermediation expenses		(2,010,440)		(3,360,787)		(2,003,454)		(3,440,874)	
Inputs acquired from third parties		(238,484)		(51,159)		(294,610)		(306,711)	
Materials, water, electricity and gas	22d	(1,177)		(535)		(1,366)		(2,389)	
Outsourced services	22d	(2,333)		(700)		(3,122)		(2,551)	
Communications	22d	(7,300)		(397)		(11,551)		(14,214)	
Data processing	22d	(44,769)		(17,407)		(65,808)		(70,562)	
Transportation	22d	(1,156)		(201)		(1,210)		(2,285)	
Surveillance and security services	22d	(326)		(260)		(384)		(567)	
Specialized technical services	22d	(116,413)		(14,586)		(129,207)		(117,535)	
Financial system services	22d	(21,790)		(6,197)		(24,165)		(26,312)	
Advertising and publicity	22d	(5,639)		(4,633)		(10,980)		(13,017)	
Judicial and notary public fees	22d	(16,491)		(733)		(16,710)		(23,377)	
Other	22d	(21,090)		(5,510)		(30,107)		(33,902)	
Gross added value		834,801		(383,082)		1,098,011		318,824	
Amortization/depreciation expenses	22d	(32,287)		(5,397)		(38,797)		(32,280)	
Net added value produced by the entity		802,514		(388,479)		1,059,214		286,544	
Added value received as transfer		89,327		189,917		(640)		(1,151)	
Income from investments in associates and joint ventures	14a	89,327		189,917		(640)		(1,151)	
Added value payable		891,841	100.00%	(198,562)	100.00%	1,058,574	100.00%	285,393	100.00%
Distributed added value		891,841	100.00%	(198,562)	100.00%	1,058,574	100.00%	285,393	100.00%
Personnel		220,416	24.71%	22,354	-11.26%	273,038	25.79%	230,769	80.86%
Salaries, fees and labor demands ⁽²⁾	22c	124,209		(9,749)		153,650		97,723	
Profit sharing - Employees and Management		46,525		12,894		59,812		69,591	
Benefits, training programs and other	22c	34,026		13,228		39,841		44,036	
Government Severance Indemnity Funds for Employees (FGTS)		15,641		5,968		19,720		19,405	
Other charges		15		13		15		14	
Taxes, rates and contributions		297,008	33.30%	(429,799)	216.45%	407,366	38.48%	(183,183)	-64.18%
Federal		284,670		(433,148)		387,599		(205,555)	
State		103		19		103		20	
Municipal		12,235		3,330		19,664		22,352	
Third-party capital remuneration		19,879	2.23%	4,397	-2.21%	23,033	2.18%	16,642	5.83%
Rental	22d	19,879		4,397		23,033		16,642	
Remuneration of own capital		354,538	39.76%	204,486	-102.98%	355,137	33.55%	221,165	77.49%
Retained earnings		354,538		204,486		355,137		221,165	

⁽¹⁾ In the three-moth period ended March 31, 2021, the Bank includes appropriation in the subsequent result of assets and liabilities received from the incorporation of BV Financeira's Spun-off portion (Note 2b).

⁽²⁾ In the three-moth period ended March 31, 2020, includes reversal of the provision of expenses of long-term incentive plans, referring to disbursements, the realization of which is no longer expected.

The accompanying notes are an integral part of these Parent Company and consolidated interim financial statements.



PARENT COMPANY AND CONSOLIDATED INTERIM STATEMENTS

as of March 31, 2021

(Amounts in thousand of Reals, unless otherwise indicated)

Notes to the Parent Company 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, providing financial services as permitted by its banking licence, 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, banco BV unifies its trademarks in a single architecture, assumes the "light for your life" slogan and enhances its position both for retail, where, it 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, management 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 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 corporate culture and diversified its business, becoming one of the banks that is most connected 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 the Conglomerate's business units.

The Conglomerate's operations 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 related parties, which are 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

a) Banco BV S.A. (former BV Leasing Arrendamento Mercantil S.A.)

In the meeting of the Board of Directors of Banco Votorantim S.A., held on November 7, 2019, the plan to convert the subsidiary BV Leasing - Arrendamento Mercantil S.A. to a multiple bank was approved through the addition of the commercial portfolio. This plan was approved by the Central Bank of Brazil on July 22, 2020 and, on August 19, 2020, the change in the company name of BV Leasing to Banco BV S.A. were approved, as well as its corporate purpose to contemplate the activities of the commercial portfolio.

b) Partial spun-off and subsequent incorporation of BV Financeira S.A. - Crédito, Financiamento e Investimento

As determined by the General Meetings of BV Financeira S.A. - Crédito, Financiamento e Investimento ("BV Financeira") and Banco Votorantim S.A., on July 31, 2020, the partial spun-off of BV Financeira which was incorporated into banco BV was approved, under the terms of the Spun-Off Protocol and Justification signed between both companies. The net assets incorporated in banco BV were valued, on June 30, 2020, base date of the transaction, in the book value of R\$ 226,607, adding the equity variations occurred between the base date of the accounting appraisal report and the date of the Spun-off. The spun-off is justified by the redistribution of BV Financeira's activities, in the context of administrative and operational reorganization of the business of such company, in order to allow its relocation with greater efficiency and consequent reduction of operational and administrative costs related to the maintenance of its structure. The spun-off did not result in an increase in the share capital of Banco Votorantim and, consequently, in a change in its bylaws. The Central Bank of Brazil authorized the transaction on October 7, 2020.

As a result of this incorporation of BV Financeira's spun-off assets and liabilities, Banco Votorantim recognized in its Statement of Financial Position, as of July 31, 2020, the effects of changes in tax rates and deferred tax assets between BV Financeira and Banco Votorantim, as well as the effects of prudential provisions, which together did not generate significant effects on Banco Votorantim's financial performance and shareholders' equity.



PARENT COMPANY AND CONSOLIDATED INTERIM STATEMENTS

as of March 31, 2021

(Amounts in thousand of Reals, unless otherwise indicated)

The financial assets and liabilities of BV Financeira on June 30, 2020, which were spun-off and incorporated into Banco Votorantim on July 30, 2020, are shown below:

Assets: R\$ 43,895,330

Liabilities: R\$ 43,668,723

Shareholders' Equity: R\$ 226,607

The main amounts of BV Financeira incorporated as of July 31, 2020 in the balance sheet of Banco Votorantim are shown below:

Assets	07.31.2020	Liabilities	07.31.2020
Securities	1,090,846	Deposits	34,986,406
Loan portfolio	39,108,135	Provision for tax, civil and labor lawsuits	730,644
Tax assets	2,741,270	Other liabilities	8,066,646
Other assets	1,034,386		

On August 31, 2020, by resolution of the General Meetings of BV Financeira and Banco BV S.A. ("BV S.A.", the new company name of BV Leasing Arrendamento Mercantil S.A.), the incorporation of BV Financeira by Banco BV S.A. was approved. The spun-off is justified by the redistribution of its activities, in the context of the administrative and operational reorganization of the business of such company, so as to allow the allocation of digital business in the same legal vehicle, facilitating its management and, also, allowing greater efficiency and consequent reduction of operating and administrative costs related to the maintenance of the BV Financeira structure, which was extinguished as a result of the incorporation. The Central Bank of Brazil approved the movement on October 29th, 2020.

The net assets and liabilities incorporated in Banco BV S.A. were valued, on July 31, 2020, the date of the transaction, at the book value of R\$ 580,044, adding the changes in equity that occurred between the date of the accounting valuation report and the incorporation date. With the spun-off, Banco BV S.A. had its share capital increased by R\$ 367,619, totaling R\$ 1,300,131.

Due to the incorporation of the assets and liabilities of BV Financeira, Banco BV S.A. recognized in its Statement of Financial Position, also on August 31, 2020, the effects arising from changes in tax rates and deferred tax assets between BV Financeira and Banco BV S.A., as well as the effects of prudential provisions, which together did not generate significant effects on the income and shareholders' equity of Banco BV S.A.

The financial assets and liabilities of BV Financeira on July 31, 2020, which were incorporated into Banco BV S.A. on August 31, 2020, are shown below:

Assets: R\$ 2,528,948

Liabilities: R\$ 1,948,904

Shareholders' Equity: R\$ 580,044

3. PRESENTATION OF PARENT COMPANY AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Parent Company and Consolidated Interim Financial Statements include operations realized between their financial and non financial 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).

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 uses 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 interim financial statements. Non-controlling interests in funds qualified as structured entities were recognized as financial liabilities. 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 BV'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 financial statements are:

Resolution CMN No. 3,566/2008 - Reduction to recoverable asset value - CPC 01.
Resolution CMN No. 3,823/2009 - Provisions, contingent liabilities and contingent assets - CPC 25.
Resolution CMN No. 3,989/2011 - Stock-based payment - CPC 10 (R1).
Resolution CMN No. 4,007/2011 - Accounting policies, change of estimate and rectification of error - CPC 23.
Resolution CMN No. 4,144/2012 - Basic conceptual pronouncement - CPC 00 (R1).
Resolution CMN No. 4,877/2020 - Employee benefits - CPC 33 (R1).
Resolution CMN No. 4,748/2019 - Fair value measurement - CPC 46.
Resolution CMN No. 4,818/2020 - Statement of cash flows - CPC 03 (R2), Disclosure of related parties - CPC 05 (R1), Subsequent Events - CPC 24, and Income per share - CPC 41.

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).

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

Resolution No. 4,524/2016 - Effects of changes in exchange rates and conversion of financial statements - CPC 02 (R2).
Resolution CMN No. 4,534/2016 - Intangible assets - CPC 04 (R1).
Resolution CMN No. 4,535/2016 - Fixed assets - CPC 27.
Resolution CMN No. 4,747/2019 - Non-current assets kept for sale - CPC 31.
Resolution CMN No. 4,818/2020 - Consolidated Statements - CPC 36 (R3).

Changes in the presentation of the Financial Statements

The Conglomerate, as from the Financial Statements of March 31, 2020, made changes in the presentation of these statements, in compliance with the requirements of CMN Resolution No. 4,720 / 19 and Bacen Circular No. 3,959 / 2019, replaced as of January 1, 2021 by CMN Resolution 4,818 / 20 and BCB Resolution 2/2020, respectively. The main changes that we highlight (and which remain in force even with the entry into force of the new Resolutions mentioned) are:

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";
- 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 liabilities";

- Elimination of the "Non-operating income" nomenclature, as well as non-operating income and expenses. Items with these characteristics are now described as "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 financial statements.
- Inclusion of note 6 "Recurrent and non-recurring results", where components of the result (non-recurring events) that are not related to or are incidentally related to the typical activities of the institution are presented, and are not expected to occur frequently in future years. The deduction of these components from the reported book income is presented in that note as a recurring result.

In addition, the National Monetary Council edited the Resolution no. 4,818 / 2020, consolidating the criteria for preparation and disclosure of individual and consolidated Financial Statements by financial institutions and other institutions authorized to operate by the Central Bank. By means of this Resolution, which partially incorporates pronouncement CPC 36 (R3), it will be required that the Consolidated Financial Statements of entities registered as publicly-held companies or that are leaders of a prudential conglomerate within the scope of Segment 1 (S1), Segment 2 (S2) or Segment 3 (S3), according to specific regulations, be disclosed exclusively under International Financial Reporting Standards (IFRS), as from January 1, 2022.

Other CMN Resolutions that will come into force in future periods, which partially incorporate the pronouncements issued by the CPC and are applicable to the Financial Statements:

- Resolution nº. 4,817/2019 - Investment in Affiliate, Subsidiary and Jointly Controlled Enterprise - CPC 18 (R2) - effective for periods beginning on or after January 1, 2022.

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 regulation, 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%
Fundo de Invest. em Participações BV Tech I - Multiestratégia Investimento no Exterior ⁽¹⁾	Investment fund	100.00%

⁽¹⁾ Investment fund constituted in April 2020.

The recognition of goodwill amortization expense whose economic basis is based on the expectation of future results identified in the acquisitions, differs from the provisions of CPC 18, which does not allow for amortization of goodwill of this nature, being this intangible asset 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 48, 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 the case of cash flow hedge discontinuance, the accumulated value in shareholders' equity is transferred to the income of 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. For hedge accounting purposes, the IASB continues to work on the macro hedge accounting project and, for this reason, the standard corresponding to the theme (CPC 48) brings the express option of maintaining the same requirements presented by the predecessor standard, CPC 38 - Financial Instruments.

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, in accordance with the provisions of Bacen Circular No. 3,693/2013. This procedure differs from the provisions of CPC 47, which establishes that the recognition of this expense is deferred for the term of the operation.

These Interim Financial Statements were authorized for issue by Management on May 05, 2021.

Shareholding interest included in the Consolidated Interim Financial Statements, segregated by activity:

	Activity	03.31.2021	12.31.2020
		Interest %	
Financial institutions - domestic			
Banco BV S.A. (former BV Leasing Arrendamento Mercantil S.A.) ⁽¹⁾	Multiple Bank	100.00%	100.00%
Votorantim Asset Management Distribuidora de TVM Ltda. (Votorantim Asset DTVM)	Asset Management	100.00%	100.00%
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)	Service provider	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) ⁽²⁾	SPE	100.00%	100.00%
Consolidated investment funds			
Votorantim Expertise Multimercado Fundo de Investimento (Expertise)	Investment Fund	100.00%	100.00%
Crédito Universitário III Fundo de Investimento em Direitos Creditórios (FIDC Universitário) ⁽²⁾⁽³⁾	Investment Fund	90.00%	90.00%
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) ⁽²⁾	SPE	100.00%	100.00%
Senador Dantas Empreendimento Imobiliário SPE S.A. (Senador Dantas) ⁽²⁾	SPE	100.00%	100.00%
Henri Dunant Empreend. Imobiliário S.A. (Henri Dunant) ⁽²⁾	SPE	100.00%	100.00%
Arena XI Incorporações SPE Ltda. (Arena XI) ⁽²⁾	SPE	100.00%	100.00%
D'oro XVIII Incorporações Ltda. (D'oro XVIII) ⁽²⁾	SPE	100.00%	100.00%
BVEP Vila Parque Empreendimentos Imobiliários SPE Ltda. (Vila Parque) ^{(2) (4)}	SPE	100.00%	100.00%
Atenas subsidiaries			
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 1 ⁽²⁾	SPE	100.00%	100.00%
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 3 ⁽²⁾	SPE	100.00%	100.00%

⁽¹⁾ On August 19, 2020, the change in the corporate name of BV Leasing to Banco BV S.A. were approved, as well as its corporate purpose to be a multiple bank (Note 2a).

⁽²⁾ For consolidation purposes, it contemplates a delay up to 2 months in the respective balance sheet.

⁽³⁾ Investment fund set up in September 2020

⁽⁴⁾ 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 in exchange, afterwards renamed as 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 Parent Company 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 date at the current rate criteria

b) Functional and presentation currency

The functional currency, which is the currency of the main economic environment in which an entity operates, is the Real for all entities in the Conglomerate. The presentation currency in these Interim Financial Statements 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, in counterpart to income from derivative financial instruments.

f) Securities

Securities acquired for the formation of its own portfolio 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 amortized 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 into 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 updated balance of the units is not available for redemption (realization) in the short term, that is, when the redemption of units occurs only at 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 unit holders in the course of the fund's business.

The investments in units of investment funds held by the Conglomerate that present these characteristics are from Investment Funds in Participations.

g) Derivative financial instruments

Derivative financial instruments are measured 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: The financial instruments thus classified, as well as the item hedged, have their valuations or devaluations recognized in income accounts for the period.

For hedged items that were discontinued from the fair value 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 income statement 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 statement of the period.

For the hedged 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 recognized in the income statement remaining term of the operations.

The Bank performs hedge operations that include provisions for the liquidation of rights and contractual obligations related to the risk of own credit, of third parties or of parties related to the Bank that may result, under certain conditions of eventual occurrence, in the anticipated maturity of the derivative without any amount being due to the Bank or that the amount due to the Bank may be settled with debt securities issued by the Bank itself, as established in the contract.

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 ceased adopting from December, 2019 the double counting of days adopted over intervals of delinquency defined for the nine risk levels to retail operations as well as to wholesale operations, which followed the internal assessment. For operations contracted with clients whose total liability exceeds R\$ 50,000.00, a client evaluation of expected losses associated with credit risk is made.

Income from credit transactions is 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 transactions are maintained at least at the same level as they were classified. Renegotiations of credit operations already downloaded against the provision are classified as level H. Any gains arising from overdue contract renegotiation above 59 days or to a loss are recognized as revenue when actually received. In order to mitigate COVID-19's impacts on the economy, the National Monetary Council, through CMN Resolution nº. 4,782/2020, temporarily relaxed the characterization of a problematic asset allowing situations of (i) the debtor's financial incapacity to honor the obligation under the agreed conditions and (ii) restructuring of the operation relating to exposure, no longer considered indicative that an obligation will not be fully honored. This flexibility, adopted by the Conglomerate, is valid for restructuring of credit operations carried out until December 31, 2021.

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 12e).

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:

They are recognized on the date of receipt by the institution and are valued at the lowest value between the gross book value of the respective financial instrument of difficult or dubious solution that gave rise to it or the fair value of the asset, net of sales expenses.

The Conglomerate periodically evaluates if there is any indication that these assets may have undergone devaluation. If there is any indication, the entity estimates its recoverable value. If the recoverable value is less than its book value, the asset is reduced to its recoverable value through a provision for loss by parity, which is recognized in the Income Statement in "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 the cost method and amortized as incurred.

Up to December 31, 2016, part of the remuneration related to the origination of credit and leasing operations forwarded by correspondents was recorded in assets and has already been fully amortized. The operations generated since 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 investments are stated at acquisition cost, less the provision for impairment losses, when applicable.

k) Property, plant and equipment

Property, plant and equipment are 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 15). The residual value of these assets is reviewed annually or when there are significant changes in the assumptions used.

l) Intangible and goodwill

Intangible assets have defined useful lives and primarily relates to softwares and use licenses or rights (Note 16). 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 22d). The residual value and the useful life of these assets is reviewed annually or when there are significant changes in the assumptions used.

Intangible assets include goodwill paid in the acquisition of investments, which correspond to the amount exceeding the asset value of the invested, are amortized based on the expectation of future profitability or its realization. The balances corresponding to the capital gain in the acquisition of real estate developments, when attributed to the stock of completed properties or land, are amortized depending on the realization (sale) of the assets of the invested that gave rise to it, or carried out in case of reduction in the recoverable value of the corresponding assets.

Intangibles also include carbon credits that will be acquired for the purpose of offsetting CO₂ emissions by vehicles financed by BV bank. CO₂ is one of the greenhouse gases. The mechanism for neutralizing CO₂ emissions adopted by the Conglomerate includes the effective declaration of use (retirement), in the shortest possible time, of the carbon credits acquired. There is no provision for the allocation of these credits for any purpose other than clearing, such as their trading on the market. For this reason, as there is no exposure of the institution to fair value on the credits purchased, these are recognized by the price paid and form a stock of tons of CO₂, controlled by the average cost that, once retired, is consumed (amortized) based on the monthly volume of CO₂ produced by the financed vehicles.

Regardless of the time of acquisition and retirement of carbon credits, the commitment made by the Institution to offset the CO₂ emission of vehicles financed from 2021 and financing prior to 2021 whose customers have chosen to join the compensation program, is the institution's present obligation, following the provisions described in note 4r.

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 – General Application

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 the main 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 at least annually.

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, at least annually, 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 value is recorded. Physical inventories are carried out annually in the yards.

Machines and equipments - 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.

Carbon credits: As these acquired credits will be used exclusively to meet the commitment to offset CO₂ emissions by vehicles financed by BV bank, i.e. the institution is not exposed to a change in the fair value of this asset in the balance sheet, the possible reduction for a long period in the fair value of these credits by market conditions does not expose the institution to losses by reduction to the recoverable value of that asset.

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. 4,877/2020. 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 27.

The amounts referring to profit sharing (PLR), established by Law no. 10,101 / 2000, are recognized in "Other liabilities - Provision for profit sharing" against the result, in "Profit sharing".

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

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 liability.

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:

	Current rates
Income Taxes	
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%
Other taxes	
Social Integration Program (PIS) / Public Servant Fund (PASEP) ⁽²⁾	de 0,65% a 1,65%
Contribution for Social Security Funding ⁽²⁾	de 3% a 7,6%
Service tax - ISSQN ⁽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.	
⁽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 and deferred tax liabilities are comprised by the application of the current tax rates on their respective amounts. In case of changes in tax legislation that modify criteria and rates to be adopted in future periods, the effects are recognized based on the criteria and rates applicable to the period in which each portion of the asset 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. 4,842/2020 and are supported by a study of the realization capacity.

Deferred income tax is recognized, calculated at the rate of 25%, on the adjustment of excess of depreciation of the lease portfolio of subsidiary Banco BV S.A (former BV Leasing S.A.).

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 28).

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 prognoses evaluated by Management, the Conglomerate recognizes provisions 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 professionals (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 professionals (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.

Compensation of CO₂ emissions by vehicles financed by BV - The commitment made by the Institution to offset CO₂ emissions by vehicles financed from 2021 and financing prior to 2021 whose customers have chosen to join the compensation program is the institution's present obligation. The Institution estimates monthly the amount of emissions of these gases that is produced by the vehicles and provisions the corresponding cost of acquiring the credits that are necessary to offset such emission. The provision will be reversed at the time when the amortization of these credits is calculated and recognized.

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 financial assets - Other credits and income receivable", with a corresponding entry to "Service Income - 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 29.1 a1).

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 where such propositions are not used. The following are described accounting policies adopted that have high complexity and guide relevant aspects in the calculation of 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 No. 2,682 / 1999.

Further details on the criteria used to measure losses associated with credit risk are presented in note 12.

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:

- (i) Significant financial difficulty for the issuer or bond;
- (ii) Breach of contract, such as non-compliance or delay in payment of interest or principal;
- (iii) Concession of benefit to the issuer or obligated, for economic or legal reasons related to its financial difficulties, carried out by the Bank or its related companies, which would not otherwise consider;
- (iv) It is likely that the debtor will enter bankruptcy or other financial reorganization;
- (v) 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 9d.

c) Projection of future results for the realization of deferred tax assets

The realization of deferred tax assets is supported by the Conglomerate budget projections, properly approved by the governance bodies. These projections are based on current strategic planning, which considers business plan assumptions, corporate strategies, macroeconomic scenarios such as inflation and interest rates, historical performance and expectations for future growth expectations, 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 Interim Financial Statements.

Details on the projection of future results for the realization of tax credits are presented in Note 25.

d) Fair value of financial instruments

The Conglomerate uses specific techniques for the determination of fair value of financial instruments that are not negotiated in active markets and for which market prices and parameters are not available. These valuations require assumptions using Management judgment, which takes into account the assessment of information and market circumstances.

Methodologies used to evaluate the fair value of certain financial instruments is described in Notes 4f and 4g.

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

Based on the likelihood of loss and the estimated loss amount, both forecasts determined by management, the Conglomerate recognizes a provision for labor, tax and civil claims through legal assessments and statistical models.

The determination of the provision amounts takes into account the probability of payment for each claim element and can incur in a high degree of judgement as the existing uncertainty increases.

Details of the policy for provisions and contingent liabilities are presented in Note 28.

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 involves assumptions and a considerable degree of judgment in estimating future cash flows to discount them at present value.

g) Impairment on 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 4n.

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.

i) Effects arising from covid-19 on the Interim Financial Statements

Management monitors its operations on an on-going basis, which includes monitoring foreign exchange and interest positions, capital and liquidity levels, the behavior of the credit risk of assets, the market risks of its financial instruments, the origination of new loans and the evolution of funding.

Several measures were taken by Management to protect and support its employees, clients, commercial partners, suppliers and the management of business continuity, which includes remote work and incentivizing the use of digital channels. Regarding loans, the Conglomerate allowed its customers (subject to certain conditions) to renegotiate contracts that include the postponement of the payment term of installments and the extension of the total term of these contracts, with the purpose of reducing the impact on the cash flows of its customers in this pandemic scenario.

Renegotiations of loan and lease operations were treated differently among the operating segments. In Wholesale, renegotiation analysis was carried out individually by the credit department and monitored by the risk department. These analysis were based on the real and estimated effects of each company and its respective segment. In Retail, two stages of renegotiations were carried out, with the first stage (from March to May/20) contemplating the postponement of 60 days of the installments payment term without changing the quantity and amount of the installments. The second stage (started at the end of May/20) contemplates options of postponement of 30 or 60 days with interest, as well as increasing the term of the contract by reducing the amount of the monthly installment.

In addition, National Monetary Council (CMN) and the Central Bank of Brazil (Bacen) have been adopting measures to mitigate the effects of the economic crisis caused by the pandemic and assure the maintenance of appropriate liquidity levels of the financial system. Among them, a more flexible criteria to characterize a restructured loan for credit risk management purposes and the granting of borrowings to financial institutions through the Special Temporary Liquidity Line which are intended to contribute to mitigating the impacts resulting from the pandemic.

The main effects and impacts arising from covid-19 on the Interim Financial Statements for this period are described below and, when applicable, in the notes corresponding to the Statement of Financial Position lines that were affected.

■ Provision for expected losses associated with credit risk from loans, leases and other receivables with loan characteristics

In view of the increase in credit risk in the face of the pandemic scenario, adjustments have been made to the management of this risk, taking into account the effects on credit quality, adjustments in concession policies, renegotiation strategies and reviews of client risk levels and credit limits.

■ Provisions for securities impairment

The securities portfolio is monitored on an on-going basis, with reviews of the financial position and risk levels of the counterparties. There was no significant impact on provisions for impairment of securities as a result of the pandemic.

■ Projection of future results for realization of deferred tax assets

The studies of expectation of realization of tax credits consider updating the estimates of future results of the Conglomerate with the reflections of COVID-19. We conclude that the consumption of tax credits are still expected to be completed within the 10-year period, as established by the rules in force (CMN Resolution No. 3,059/2002, revoked from January 1, 2021 by CMN Resolution No. 4,842/2020).

■ Reduction to recoverable value of investments, intangible assets and other assets

relevant impacts were observed due to the pandemic.

■ Amortization and impairment of goodwill for expectation of future profitability

There was no significant impact of the impairment of the goodwill recorded in the Conglomerate as a result of covid-19

■ Provisions and contingent liabilities - tax, civil and labor

There was not identified any significant impacts on contingencies.

■ Capital management

The devaluation of the Real negatively impacted the capitalization indexes, due to its impacts on deferred tax assets arising from temporary differences, primarily related to the hedge of investment abroad. However, at September 30, 2020, they remained at levels substantially higher than the minimums required by the current regulation and above the risk appetite established by the shareholders. In this context, Management also decided in the year ended December 31, 2020 to reduce USD 150,000 (R\$ 754,545) of capital invested in the branch in Nassau, mitigating possible future impacts in a scenario of worsening of the devaluation of the national currency.

■ Liquidity management

The Conglomerate focuses on maintaining conservative cash levels and structural liquidity indicators, which improved even in the current scenario impacted by covid-19. An example of this is the short-term liquidity indicator (LCR) which increased from 180% on December 31, 2019 to 199% on September 30, 2020, mainly due to increase in free cash in the period, due to a higher volume of credit assignments with substantial retention of risks and benefits, funding through Guaranteed Financial Bills (LFG) and funding from Corporate clients.

■ Asset and liability management

The Conglomerate had a reduced impact on the oscillation of the economic value of its positions, mainly due to hedge policies of its assets, liabilities and investments in foreign currency.

6. RECURRING AND NON-RECURRING INCOME

For classification of income between recurring and non-recurring, Banco BV considers as recurring, the income obtained from its regular and customary activities, such as revenue and expenses related to asset (investments) and liability (funding) operations, services rendered and other expenses related to the maintenance of the Organization's activities.

Non-recurring results include revenue and expenses arising from administrative events and facts that are not usual or that have a low probability of occurring in consecutive years.

	Parent Company		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Net profit	354,538	204,486	355,137	221,165
(-) Non-recurring events	(1,845)	-	(1,845)	-
Expenses related to BV's IPO process ⁽¹⁾	(1,845)	-	(1,845)	-
Recurring net profit	356,383	204,486	356,982	221,165

⁽¹⁾ According to the Material Fact published on April 13, 2021, the going public process of BV was canceled due to the current market situation.

7. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Cash and due from banks	140,126	487,652	185,432	539,335
Cash and due from banks in national currency	625	1,215	43,663	50,800
Cash and due from banks in foreign currency	139,501	486,437	141,769	488,535
Interbank funds applied ⁽¹⁾	5,333,337	4,970,178	4,538,023	4,269,131
Securities purchased under resale agreements	903,923	1,802,421	108,609	1,204,275
Interbank accounts or relations	205,968	132,944	205,968	30,043
Investments in foreign currency	4,223,446	3,034,813	4,223,446	3,034,813
Total	5,473,463	5,457,830	4,723,455	4,808,466

⁽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.

8. INTERBANK INVESTMENTS

a) Breakdown

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Reverse repurchase agreements	6,513,414	4,400,118	6,514,359	4,402,183
Reverse repurchase agreements - Held	906,336	1,323,038	907,281	1,325,103
National Treasury Bill - LTN	340,895	1,901	341,840	3,966
National Treasury Notes - NTN	-	914,364	-	914,364
Securities of Brazilian Foreign Debt	565,441	406,773	565,441	406,773
Reverse repurchase agreements - Repledged	1,604,627	591,292	1,604,627	591,292
National Treasury Bill - LTN	342,006	444,983	342,006	444,983
National Treasury Notes - NTN	1,262,621	146,309	1,262,621	146,309
Reverse repurchase agreements - Short position	4,002,451	2,485,788	4,002,451	2,485,788
National Treasury Bill - LTN	3,147,445	1,708,440	3,147,445	1,708,440
National Treasury Notes - NTN	855,006	777,348	855,006	777,348
Interbank deposit investments	75,187	588,841	75,187	588,841
Total	6,588,601	4,988,959	6,589,546	4,991,024
Current assets	6,023,160	4,455,302	6,024,105	4,457,367
Non-current assets	565,441	533,657	565,441	533,657

b) Income from interbank investments

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Income from securities purchased under resale agreements	46,912	43,725	43,221	37,575
Own portfolio	23,818	20,310	20,127	14,160
Financed operations	8,934	15,480	8,934	15,480
Short position	14,160	7,935	14,160	7,935
Income from interbank deposits ⁽²⁾	45,339	711,188	45,327	209,775
Total ⁽³⁾	92,251	754,913	88,548	247,350

⁽¹⁾ In the three-month period ended March 31, 2021, the Bank includes the appropriation of income generated by the assets received from the incorporation of bv financeira's spun-off portion after the said event (Note 2b).

⁽²⁾ Includes the effects of exchange rate changes on the corresponding assets.

⁽³⁾ The amounts comprise the balance of income from securities (Note 9c)



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9. SECURITIES

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

Parent Company	03.31.2021								12.31.2020		
	Fair value					Total			Total		
	Without maturity	From 0 to 90 days	From 90 to 360 days	From 1 to 5 years	Over 5 years	Cost	Fair value	Fair value adjustment	Cost	Fair value	Fair value adjustment
1 – Trading securities	-	75,200	75,601	4,123,952	1,000,125	5,367,522	5,274,878	(92,644)	5,059,375	5,130,668	71,293
Government bonds	-	75,200	75,601	4,123,928	984,842	5,352,235	5,259,571	(92,664)	5,004,781	5,074,377	69,596
Financial Treasury Bills	-	-	30,853	-	-	30,853	30,853	-	54	54	-
National Treasury Bills	-	41,053	44,748	2,540,867	-	2,633,833	2,626,668	(7,165)	1,257,504	1,273,047	15,543
National Treasury Notes	-	34,147	-	1,583,061	984,842	2,687,549	2,602,050	(85,499)	3,747,223	3,801,276	54,053
Private securities	-	-	-	24	15,283	15,287	15,307	20	54,594	56,291	1,697
Eurobonds	-	-	-	24	-	24	24	-	75	75	-
Debentures	-	-	-	-	15,283	15,263	15,283	20	54,519	56,216	1,697
2 – Securities available for sale	20,038	694,639	2,323,846	10,850,585	3,950,863	17,631,768	17,839,971	208,203	17,819,238	18,239,143	419,905
Government bonds	-	144,982	1,553,615	8,516,707	2,981,626	13,211,854	13,196,930	(14,924)	13,786,789	13,958,730	171,941
Financial Treasury Bills	-	-	1,505,286	4,178,633	2,328,643	8,035,862	8,012,562	(23,300)	8,853,666	8,826,315	(27,351)
National Treasury Bills	-	-	48,329	2,261,709	-	2,342,600	2,310,038	(32,562)	1,407,912	1,451,535	43,623
National Treasury Notes	-	144,982	-	267,702	652,983	1,093,370	1,065,667	(27,703)	946,457	983,454	36,997
Brazilian Foreign Debt Securities	-	-	-	1,808,663	-	1,740,022	1,808,663	68,641	2,578,754	2,697,426	118,672
Private securities	20,038	549,657	770,231	2,333,878	969,237	4,419,914	4,643,041	223,127	4,032,449	4,280,413	247,964
Debentures ⁽¹⁾	-	181,745	399,900	1,475,268	292,043	2,391,749	2,348,956	(42,793)	2,185,843	2,160,150	(25,693)
Promissory Notes ⁽²⁾	-	296,144	45,649	83,149	-	424,576	424,942	366	419,088	417,544	(1,544)
Shares ⁽³⁾	19,735	-	-	-	-	8,641	19,735	11,094	8,502	14,754	6,252
Quotas of investment funds ⁽⁴⁾	303	-	20,066	80,403	666,347	522,277	767,119	244,842	513,510	775,559	262,049
Rural Product Notes -Commodities ⁽⁵⁾	-	49,906	58,215	433,104	-	529,272	541,225	11,953	561,791	571,880	10,089
Financial Bills	-	21,862	-	-	-	22,102	21,862	(240)	21,889	21,674	(215)
Floating Rate Notes	-	-	138,263	157,318	-	294,893	295,581	688	85,621	85,851	230
Certificate of Real Estate Receivables ⁽⁶⁾	-	-	76,045	60,348	10,847	149,305	147,240	(2,065)	153,506	150,705	(2,801)
Agribusiness Receivables Certificate	-	-	32,093	44,288	-	77,099	76,381	(718)	82,699	82,296	(403)
3 – Securities held to maturity	-	-	1,227,558	6,327,659	1,609,868	9,345,386	9,165,085	(180,301)	9,287,610	9,598,667	311,057
Government bonds	-	-	1,227,558	6,327,659	1,609,868	9,345,386	9,165,085	(180,301)	9,287,610	9,598,667	311,057
National Treasury Bills	-	-	1,227,558	3,239,448	-	4,570,533	4,467,006	(103,527)	4,225,904	4,279,580	53,676
National Treasury Notes	-	-	-	3,088,211	1,609,868	4,774,853	4,698,079	(76,774)	5,061,706	5,319,087	257,381
Total (1 + 2 + 3)	20,038	769,839	3,627,005	21,302,196	6,560,856	32,344,676	32,279,934	(64,742)	32,166,223	32,968,478	802,255



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Parent Company	03.31.2021								12.31.2020		
	Fair value					Total			Total		
	Without maturity	From 0 to 90 days	From 90 to 360 days	From 1 to 5 years	Over 5 years	Cost	Fair value	Fair value adjustment	Cost	Fair value	Fair value adjustment
1 – Trading securities	-	75,200	84,569	5,338,069	1,003,735	6,509,785	6,501,573	(8,212)	6,095,504	6,279,697	184,193
Government bonds	-	75,200	84,569	5,328,869	988,452	6,485,322	6,477,090	(8,232)	6,031,998	6,214,495	182,497
Financial Treasury Bills	-	-	39,821	84,520	3,610	128,342	127,951	(391)	104,459	103,998	(461)
National Treasury Bills	-	41,053	44,748	2,540,867	-	2,633,833	2,626,668	(7,165)	1,257,504	1,273,047	15,543
National Treasury Notes	-	34,147	-	2,703,482	984,842	3,723,147	3,722,471	(676)	4,670,035	4,837,450	167,415
Private securities	-	-	-	9,200	15,283	24,463	24,483	20	63,506	65,202	1,696
Eurobonds	-	-	-	24	-	24	24	-	75	75	-
Debentures	-	-	-	9,176	15,283	24,439	24,459	20	63,431	65,127	1,696
2 – Securities available for sale	20,119	694,639	2,369,864	11,250,319	3,880,354	17,986,084	18,215,295	229,211	18,175,494	18,630,903	455,409
Government bonds	-	144,982	1,599,633	8,927,737	2,981,626	13,657,431	13,653,978	(3,453)	14,232,517	14,440,467	207,950
Financial Treasury Bills	-	-	1,551,304	4,323,206	2,328,643	8,227,142	8,203,153	(23,989)	9,038,819	9,010,963	(27,856)
National Treasury Bills	-	-	48,329	2,261,709	-	2,342,600	2,310,038	(32,562)	1,407,912	1,451,535	43,623
National Treasury Notes	-	144,982	-	534,159	652,983	1,347,667	1,332,124	(15,543)	1,207,032	1,280,543	73,511
Brazilian Foreign Debt Securities	-	-	-	1,808,663	-	1,740,022	1,808,663	68,641	2,578,754	2,697,426	118,672
Private securities	20,119	549,657	770,231	2,322,582	898,728	4,328,653	4,561,317	232,664	3,942,977	4,190,436	247,459
Debentures ⁽¹⁾	-	181,745	399,900	1,475,268	292,043	2,391,749	2,348,956	(42,793)	2,185,843	2,160,150	(25,693)
Promissory Notes ⁽²⁾	-	296,144	45,649	83,149	-	424,576	424,942	366	419,088	417,544	(1,544)
Shares ⁽³⁾	19,735	-	-	-	-	8,641	19,735	11,094	8,502	14,754	6,252
Quotas of investment funds ⁽⁴⁾	384	-	20,066	69,107	595,838	431,016	685,395	254,379	424,038	685,582	261,544
Rural Product Notes -Commodities ⁽⁵⁾	-	49,906	58,215	433,104	-	529,272	541,225	11,953	561,791	571,880	10,089
Financial Bills	-	21,862	-	-	-	22,102	21,862	(240)	21,889	21,674	(215)
Floating Rate Notes	-	-	138,263	157,318	-	294,893	295,581	688	85,621	85,851	230
Certificate of Real Estate Receivables ⁽⁶⁾	-	-	76,045	60,348	10,847	149,305	147,240	(2,065)	153,506	150,705	(2,801)
Agribusiness Receivables Certificate	-	-	32,093	44,288	-	77,099	76,381	(718)	82,699	82,296	(403)
3 – Securities held to maturity	-	-	1,227,558	6,327,659	1,609,868	9,345,386	9,165,085	(180,301)	9,287,610	9,598,667	311,057
Government bonds	-	-	1,227,558	6,327,659	1,609,868	9,345,386	9,165,085	(180,301)	9,287,610	9,598,667	311,057
National Treasury Bills	-	-	1,227,558	3,239,448	-	4,570,533	4,467,006	(103,527)	4,225,904	4,279,580	53,676
National Treasury Notes	-	-	-	3,088,211	1,609,868	4,774,853	4,698,079	(76,774)	5,061,706	5,319,087	257,381
Total (1 + 2 + 3)	20.119	769.839	3.681.991	22.916.047	6.493.957	33.841.255	33.881.953	40.698	33.558.608	34.509.267	950.659

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\$ 783.123 (R\$ 771.535 on December 31, 2020) counterpart the Income from securities.

⁽²⁾ Includes promissory notes convertible into shares

⁽³⁾ The cost of the Shares includes a provision for losses in the amount of R\$ 79.084 (R\$ 76.743 on December 31, 2020) counterpart the Income from securities. The fair value of the shares represents the quotation disclosed by B3 - Brasil, Bolsa, Balcão.

⁽⁴⁾ The cost value of the Quotas of investments funds includes a provision for losses in the amount of R\$ 70.590 (R\$ 62.463 on December 31, 2020) counterpart the Income from securities. On March 31, 2021, it includes fair value adjustment effect of investment funds (FIP) that are not consolidated.

⁽⁵⁾ The cost of the Rural Product Notes also considers the provision for losses in the amount of R\$ 25.314 (R\$ 26.005 on December 31, 2020) counterpart the Income from securities.

⁽⁶⁾ The cost value of the Certificates of Real Estate Receivables also considers the provision for losses in the amount of R\$ 787 (R\$ 882 on December 31, 2020) as a contra entry to Income from securities.

b) Summary of the portfolio by category

By category	03.31.2021		12.31.2020	
Bank				
1 – Trading securities	5,274,878	16%	5,130,668	16%
2 – Securities available for sale	17,839,971	55%	18,239,143	56%
3 – Securities held to maturity	9,345,386	29%	9,287,610	28%
Book value of portfolio	32,460,235	100%	32,657,421	100%
Fair value adjustment of level three	(180,301)		311,057	
Fair value of portfolio	32,279,934		32,968,478	
Consolidated				
1 – Trading securities	6,501,573	19%	6,279,697	18%
2 – Securities available for sale	18,215,295	54%	18,630,903	54%
3 – Securities held to maturity	9,345,386	27%	9,287,610	28%
Book value of portfolio	34,062,254	100%	34,198,210	100%
Fair value adjustment of level three	(180,301)		311,057	
Fair value of portfolio	33,881,953		34,509,267	

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\$ 9,345,386 in the Bank and Consolidated (R\$ 9,287,610 in Bank and Consolidated on December 31, 2020), representing 29% the total securities in Bank and 27% in Consolidated (28% in Bank and Consolidated on December 31, 2020).

c) Income from securities

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Interbank investments (note 8b)	92,251	754,913	88,548	247,350
Fixed income securities	100,203	435,872	192,108	782,155
Securities abroad ⁽²⁾	39,940	91,808	39,940	101,571
Variable income securities	1,638	(6,941)	1,638	(9,387)
Investments in investment funds ⁽²⁾	14,909	6,073	12,911	7,255
Other	78	943	78	943
Total	249,019	1,282,668	335,223	1,129,887

⁽¹⁾ In the three-month period ended March 31, 2021, the Bank includes appropriation of results generated by the assets and liabilities received from the incorporation of the spun-off portion of BV Financeira, after that event.

⁽²⁾ Includes exchange variation on bonds and securities.

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

	Parent Company and consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020
Shares	(2,341)	7,970
Agribusiness Receivables Certificate	95	-
Debentures	(11,588)	(201)
Quotas of investment funds	(8,127)	24
Rural Product Notes	691	977
Total	(21,270)	8,770

e) Reclassifications of securities

There was no reclassification of securities between levels as of March 31, 2021 and December 31, 2020.

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Conglomerate uses derivative financial instruments to manage its positions on a consolidated basis and to fulfill the needs of its 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 hedge strategy for asset protection, which is approved by Management, is in line with the macroeconomic scenario analysis.

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 used in the management of risks with derivatives are periodically reviewed and the decisions taken observe the best risk/return ratio, estimating possible losses based on the 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 main 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.



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a) Breakdown of derivative financial instruments portfolio by index

By index	Parent Company						Consolidated					
	03.31.2021			12.31.2020			03.31.2021			12.31.2020		
	Reference value	Cost	Fair value	Reference value	Cost	Fair value	Reference	Cost	Fair value	Reference value	Cost	Fair value
1 - Futures contracts												
Purchase commitments	22,706,231	-	-	19,974,135	-	-	22,706,231	-	-	19,974,135	-	-
Interbank deposits	14,191,079	-	-	9,379,921	-	-	14,191,079	-	-	9,379,921	-	-
Currencies	217,686	-	-	2,497,406	-	-	217,686	-	-	2,497,406	-	-
Index	187,846	-	-	536,903	-	-	187,846	-	-	536,903	-	-
Libor ⁽¹⁾	1,382	-	-	-	-	-	1,382	-	-	-	-	-
Foreign currency coupon	8,108,238	-	-	7,559,905	-	-	8,108,238	-	-	7,559,905	-	-
Sales commitments	61,346,104	-	-	76,712,516	-	-	61,346,104	-	-	76,712,516	-	-
Interbank deposits	48,994,967	-	-	48,548,485	-	-	48,994,967	-	-	48,548,485	-	-
Currencies	4,890,886	-	-	7,350,599	-	-	4,890,886	-	-	7,350,599	-	-
Index	59,879	-	-	110,077	-	-	59,879	-	-	110,077	-	-
Libor ⁽¹⁾	377,076	-	-	13,903,508	-	-	377,076	-	-	13,903,508	-	-
Foreign currency coupon	6,530,436	-	-	6,799,847	-	-	6,530,436	-	-	6,799,847	-	-
Others	492,860	-	-	-	-	-	492,860	-	-	-	-	-
2 - Term contracts												
Asset position	1,448,139	1,448,139	1,448,794	251,738	251,738	253,956	1,448,139	1,448,139	1,448,794	251,738	251,738	253,956
Currency term	268,368	268,368	269,210	251,738	251,738	253,956	268,368	268,368	269,210	251,738	251,738	253,956
Government bond term	1,179,771	1,179,771	1,179,584	-	-	-	1,179,771	1,179,771	1,179,584	-	-	-
Liability position	1,448,139	(1,448,139)	(1,443,659)	251,738	(251,738)	(257,123)	1,448,139	(1,448,139)	(1,443,659)	251,738	(251,738)	(257,123)
Currency term	268,368	(268,368)	(265,193)	251,738	(251,738)	(257,123)	268,368	(268,368)	(265,193)	251,738	(251,738)	(257,123)
Government bond term	1,179,771	(1,179,771)	(1,178,466)	-	-	-	1,179,771	(1,179,771)	(1,178,466)	-	-	-
3 - Option contracts ⁽²⁾												
Call option - Long position	6,182,814	560,314	1,178,666	5,173,755	538,071	751,614	6,182,814	560,314	1,178,666	5,173,755	538,071	751,614
Foreign currency	3,272,500	448,468	1,006,723	3,206,500	447,608	682,219	3,272,500	448,468	1,006,723	3,206,500	447,608	682,219
Flexible options	2,730,768	111,341	170,168	1,961,049	90,193	68,249	2,730,768	111,341	170,168	1,961,049	90,193	68,249
Foreign government index	173,340	235	35	-	-	-	173,340	235	35	-	-	-
Others	6,206	270	1,740	6,206	270	1,146	6,206	270	1,740	6,206	270	1,146
Put option - Long position	9,388,605	376,580	87,525	22,795,131	471,136	294,538	5,457,630	154,411	8,390	17,466,875	138,073	167,263
Foreign currency	5,418,500	153,179	7,318	4,385,375	136,591	11,411	5,418,500	153,179	7,318	4,385,375	136,591	11,411
Interbank deposits index	-	-	-	13,081,500	1,482	155,852	-	-	-	13,081,500	1,482	155,852
Flexible options	3,930,975	222,169	79,135	5,328,256	333,063	127,275	-	-	-	-	-	-
Shares	11,000	459	270	-	-	-	11,000	459	270	-	-	-
Foreign government index	28,130	773	802	-	-	-	28,130	773	802	-	-	-
Call option - short position	8,241,626	(544,794)	(1,976,585)	8,798,225	(640,589)	(1,754,880)	4,310,651	(324,213)	(1,140,114)	3,469,969	(310,066)	(770,836)
Foreign currency	4,290,125	(322,150)	(1,131,998)	3,448,500	(307,951)	(764,421)	4,290,125	(322,150)	(1,131,998)	3,448,500	(307,951)	(764,421)
Flexible options	3,945,751	(222,174)	(842,419)	5,343,975	(332,168)	(988,927)	14,776	(1,593)	(5,948)	15,719	(1,645)	(4,883)
Others	5,750	(470)	(2,168)	5,750	(470)	(1,532)	5,750	(470)	(2,168)	5,750	(470)	(1,532)



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By index	Parent Company						Consolidated					
	03.31.2021			12.31.2020			03.31.2021			12.31.2020		
	Reference value	Cost	Fair value	Reference value	Cost	Fair value	Reference	Cost	Fair value	Reference value	Cost	Fair value
Put option - Short position	7,598,595	(257,414)	(38,344)	19,328,515	(233,174)	(271,455)	7,598,595	(257,414)	(38,344)	19,328,515	(233,174)	(271,455)
Foreign currency	4,957,500	(145,057)	(2,730)	4,356,250	(142,291)	(14,216)	4,957,500	(145,057)	(2,730)	4,356,250	(142,291)	(14,216)
Interbank deposits	-	-	-	13,077,000	(690)	(151,352)	-	-	-	13,077,000	(690)	(151,352)
Flexible options	2,588,620	(111,341)	(34,789)	1,895,265	(90,193)	(105,887)	2,588,620	(111,341)	(34,789)	1,895,265	(90,193)	(105,887)
Shares	20,000	(418)	(202)	-	-	-	20,000	(418)	(202)	-	-	-
Foreign government index	32,475	(598)	(623)	-	-	-	32,475	(598)	(623)	-	-	-
4 - Swap contracts ^{(2) (3)}												
Asset position	14,830,314	3,068,549	3,082,296	9,149,353	2,612,290	2,665,608	14,321,348	2,588,204	2,538,576	8,640,387	2,250,138	2,207,636
Interbank deposits	6,563,339	19,182	173,648	804,749	19,363	35,441	6,563,339	19,182	173,648	804,749	19,363	35,441
Foreign currency	5,823,230	2,643,221	2,410,516	3,320,305	2,180,936	1,964,087	5,314,264	2,162,876	1,866,796	2,811,339	1,818,784	1,506,115
Fixed rate	2,159,920	344,342	430,035	4,740,474	368,409	607,158	2,159,920	344,342	430,035	4,740,474	368,409	607,158
IPCA	205,825	30,253	39,474	205,825	22,225	38,626	205,825	30,253	39,474	205,825	22,225	38,626
IGP-M	78,000	29,011	28,623	78,000	21,357	20,296	78,000	29,011	28,623	78,000	21,357	20,296
Selic	-	2,540	-	-	-	-	-	2,540	-	-	-	-
Liability position	10,025,621	(2,120,656)	(1,970,741)	7,104,657	(2,032,028)	(2,269,132)	9,994,832	(2,097,800)	(1,944,954)	7,073,868	(2,015,230)	(2,247,730)
Interbank deposits	1,615,161	(9,621)	(60,572)	212,627	(2,327)	(1,056)	1,615,161	(9,621)	(60,572)	212,627	(2,327)	(1,056)
Foreign currency	3,154,168	(1,556,786)	(1,085,793)	2,112,328	(1,209,442)	(909,252)	3,123,379	(1,533,930)	(1,060,006)	2,081,539	(1,192,644)	(887,850)
Fixed rate	3,924,499	(418,478)	(719,625)	4,079,799	(692,766)	(1,254,967)	3,924,499	(418,478)	(719,625)	4,079,799	(692,766)	(1,254,967)
IPCA	164,004	(33,821)	(45,999)	352,838	(44,760)	(54,603)	164,004	(33,821)	(45,999)	352,838	(44,760)	(54,603)
IGP-M	96,719	(13,790)	(12,749)	96,719	(9,280)	(4,550)	96,719	(13,790)	(12,749)	96,719	(9,280)	(4,550)
Libor ⁽¹⁾	271,070	(88,160)	(44,202)	250,346	(73,453)	(44,704)	271,070	(88,160)	(44,202)	250,346	(73,453)	(44,704)
Selic	800,000	-	(1,801)	-	-	-	800,000	-	(1,801)	-	-	-
5 - Other derivatives financial instruments												
Asset position	11,946,155	1,189,674	1,054,253	11,589,196	1,139,417	1,115,686	8,107,793	350,077	287,553	6,461,825	248,121	240,671
Non Deliverable Forward - Foreign currency ⁽²⁾	11,718,263	1,184,810	1,048,354	11,589,196	1,139,417	1,115,686	7,879,901	345,213	281,654	6,461,825	248,121	240,671
Credit derivatives ⁽³⁾	227,892	4,864	5,899	-	-	-	227,892	4,864	5,899	-	-	-
Liability position	1,830,455	(92,520)	(87,667)	1,584,431	(82,155)	(76,760)	1,830,455	(92,520)	(78,304)	1,584,431	(69,591)	(58,513)
Non Deliverable Forward - Foreign currency ⁽²⁾	1,545,590	(83,369)	(76,785)	1,584,431	(82,155)	(76,760)	1,545,590	(83,369)	(67,422)	1,584,431	(69,591)	(58,513)
Credit Linked Notes	284,865	(9,151)	(10,882)	-	-	-	284,865	(9,151)	(10,882)	-	-	-
Total assets (1 + 2 + 3 + 4 + 5)	66,502,258	6,643,256	6,851,534	68,933,308	5,012,652	5,081,402	58,223,955	5,101,145	5,461,979	57,968,715	3,426,141	3,621,140
Total liabilities (1 + 2 + 3 + 4 + 5)	89,042,401	(4,463,523)	(5,516,996)	113,528,344	(3,239,684)	(4,629,350)	85,080,637	(4,220,086)	(4,645,375)	108,169,299	(2,879,799)	(3,605,657)

⁽¹⁾ Libor-indexed futures and swap contracts have not suffered impact stemming from the reform of benchmark interest rates.

⁽²⁾ The fair value for swaps, options and non deliverable forward considers the credit risk of the counterparty (credit valuation adjustment).

⁽³⁾ The presentation of credit derivatives by position (asset or liability) takes into account the respective fair value of each contract.



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as of March 31, 2021

(Amounts in thousand of Reais, unless otherwise indicated)

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

Maturity in days	Parent Company						Consolidated					
	0 to 30	31 to 180	181 to 360	Over 360	03.31.2021	12.31.2020	0 to 30	31 to 180	181 to 360	Over 360	03.31.2021	12.31.2020
Future contracts	4,103,921	18,165,314	16,249,463	45,533,637	84,052,335	96,686,651	4,103,921	18,165,314	16,249,463	45,533,637	84,052,335	96,686,651
Forward contracts	1,448,139	-	-	-	1,448,139	251,738	1,448,139	-	-	-	1,448,139	251,738
Option contracts	1,577,807	23,102,184	5,021,630	1,710,019	31,411,640	56,095,626	930,317	20,376,582	532,772	1,710,019	23,549,690	45,439,114
Swap contracts	439,236	1,867,900	1,732,886	20,815,913	24,855,935	16,254,010	423,812	1,867,900	1,717,843	20,306,625	24,316,180	15,714,255
Non Deliverable Forward - Foreign currency	1,411,440	8,301,348	1,126,350	2,424,715	13,263,853	13,173,627	1,092,840	6,979,929	1,126,350	226,372	9,425,491	8,046,256
Credit derivatives	-	-	-	512,757	512,757	-	-	-	-	512,757	512,757	-
Total	8,980,543	51,436,746	24,130,329	70,997,041	155,544,659	182,461,652	7,999,029	47,389,725	19,626,428	68,289,410	143,304,592	166,138,014

c) Breakdown of derivative financial instruments Portfolio by market and counterparty (reference value)

	03.31.2021							12.31.2020
	Futures	Terms	Options	Swap	Non Deliverable Forward	Credit Derivatives	Total	
Bank								
Stock exchange market (B3)	84,052,335	-	18,172,570	-	-	-	102,224,905	138,241,776
Over-the-counter market (Cetip)	-	1,448,139	13,239,070	24,855,935	13,263,853	512,757	53,319,754	44,219,876
Financial institutions	-	1,448,139	11,107,486	21,730,511	8,421,193	512,757	43,220,086	36,650,906
Client	-	-	2,131,584	3,125,424	4,842,660	-	10,099,668	7,568,970
Consolidated								
Stock exchange market (B3)	84,052,335	-	18,172,570	-	-	-	102,224,905	138,241,776
Over-the-counter market (Cetip)	-	1,448,139	5,377,120	24,316,180	9,425,491	512,757	41,079,687	27,896,238
Financial institutions	-	1,448,139	3,245,536	21,190,756	4,582,831	512,757	30,980,019	20,327,268
Client	-	-	2,131,584	3,125,424	4,842,660	-	10,099,668	7,568,970



PARENT COMPANY AND CONSOLIDATED INTERIM STATEMENTS

as of March 31, 2021

(Amounts in thousand of Reais, unless otherwise indicated)

d) Breakdown of credit derivative financial instruments portfolio

Bank and consolidated	03.31.2021			12.31.2020		
	Notional value	Cost	Fair value	Notional value	Cost	Fair value
Credit Swap						
Received risk	284,865	(9,151)	(10,882)	-	-	-
Transferred risk	227,892	4,864	5,899	-	-	-
By index						
Asset position - Fixed rate	227,892	4,864	5,899	-	-	-
Liability position - Fixed rate	284,865	(9,151)	(10,882)	-	-	-

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

For the purchase of protection, it operates in a trading portfolio with a sovereign risk client. In this case, the potential future exposure to allocate the counterparty limit is considered. The credit derivatives portfolio had an impact on the Portion Referring to Exposures Weighted by Risk Factor (PRMR), to calculate the Basel Ratio in the amount of R\$ 2,328 on March 31, 2021. As of December 31, 2020 there was no exposure for this type of operation.

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

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Financial Treasury Bills - LFT	1,655,616	1,679,959	1,658,208	1,687,155
National Treasury Notes - NTN	126,668	294,304	126,668	294,304
National Treasury Bills - LTN	93,827	8,783	93,827	8,783
Shares of the investment fund liquidity of board B3	35,144	34,987	49,864	49,641
Others	85,055	64,894	85,055	64,894
Total	1,996,310	2,082,927	2,013,622	2,104,777

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

	Parent Company					
	03.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Assets						
Term operations	1,448,794	-	1,448,794	253,956	-	253,956
Options market	1,213,377	52,814	1,266,191	914,872	131,280	1,046,152
Swap contracts	196,171	2,886,125	3,082,296	311,098	2,354,510	2,665,608
Non Deliverable Forward - Foreign currency	1,039,926	8,428	1,048,354	1,105,234	10,452	1,115,686
Credit derivatives	-	5,899	5,899	-	-	-
Total	3,898,268	2,953,266	6,851,534	2,585,160	2,496,242	5,081,402
Liabilities						
Term operations	(1,443,659)	-	(1,443,659)	(257,123)	-	(257,123)
Options market	(1,976,753)	(38,176)	(2,014,929)	(1,899,959)	(126,376)	(2,026,335)
Swap contracts	(144,984)	(1,825,757)	(1,970,741)	(133,377)	(2,135,755)	(2,269,132)
Non Deliverable Forward - Foreign currency	(73,741)	(3,044)	(76,785)	(71,723)	(5,037)	(76,760)
Credit derivatives	-	(10,882)	(10,882)	-	-	-
Total	(3,639,137)	(1,877,859)	(5,516,996)	(2,362,182)	(2,267,168)	(4,629,350)

	Consolidated					
	03.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Assets						
Term operations	1,448,794	-	1,448,794	253,956	-	253,956
Options market	1,134,242	52,814	1,187,056	912,962	5,915	918,877
Swap contracts	171,866	2,366,710	2,538,576	291,658	1,915,978	2,207,636
Non Deliverable Forward - Foreign currency	273,226	8,428	281,654	236,263	4,408	240,671
Credit derivatives	-	5,899	5,899	-	-	-
Total	3,028,128	2,433,851	5,461,979	1,694,839	1,926,301	3,621,140
Liabilities						
Term operations	(1,443,659)	-	(1,443,659)	(257,123)	-	(257,123)
Options market	(1,140,282)	(38,176)	(1,178,458)	(1,035,236)	(7,055)	(1,042,291)
Swap contracts	(143,800)	(1,801,154)	(1,944,954)	(132,443)	(2,115,287)	(2,247,730)
Non Deliverable Forward - Foreign currency	(64,378)	(3,044)	(67,422)	(53,477)	(5,036)	(58,513)
Credit derivatives	-	(10,882)	(10,882)	-	-	-
Total	(2,792,119)	(1,853,256)	(4,645,375)	(1,478,279)	(2,127,378)	(3,605,657)

g) Breakdown of the derivatives portfolio for hedge accounting

The Conglomerate uses two types of Hedge strategies: Fair Value Hedge and Cash Flow Hedge.

These strategies are carried out in the following risk categories:

- Interest rate risk; and
- Exchange rate risk.

The protected risks and their limits are defined in a committee. The Conglomerate determines the relationship between hedge instruments and hedged items so that the fair value of these instruments is expected to move in opposite directions and in the same proportions.

The hedge index established is always 100% of the protected risk. The sources of ineffectiveness are due to mismatches of terms between the instruments and hedged items.

For loans the effectiveness tests are adjusted for the respective allowance for losses in order to exclude the effects arising from these provisions, given that credit risk is not the risk being hedged.

The hedge operations were evaluated as effective, in accordance with the Bacen Circular no. 3,082/2002, with the hedge effectiveness falling between 80% to 125%. The Conglomerate does not use the qualitative method to evaluate the effectiveness of the strategies.

Fair value hedge

The Conglomerate, in order to protect itself from possible fluctuations in the interest and exchange rates of its financial instruments, contracted derivative operations to offset the risks arising from exposures to changes in fair value, as follows:

- Hedge of financial assets with purchase and sale agreements indexed with risk at fixed rate are hedged with DI future contracts;
- Hedge of loans with a fixed rate/exchange rate risk are hedged with future DI and DDI contracts.

Hedged items		03.31.2021		
		Fair value of hedged items	Fair value adjustment of hedged items	Base value for calculating hedge ineffectiveness ⁽¹⁾
Parent Company and Consolidated	Statement of Financial Position line item	Asset	Asset	
Interest rate risk				
Hedge of purchase and sale commitment	Financial assets with resale agreements	701,217	(182)	2,058
Hedge of loan contracts	Loans and leases	19,999,326	(384,699)	(315,368)
Exchange rate risk				
Hedge of loan contracts	Loans and leases	72,954	(913)	2,168
Total		20,773,497	(385,794)	(311,142)
		12.31.2020		
Interest rate risk				
Hedge of purchase and sale commitment	Financial assets with resale agreements	501,451	22	38,215
Hedge of loan contracts	Loans and leases	18,909,474	255,934	1,128,894
Exchange rate risk				
Hedge of loan contracts	Loans and leases	75,688	507	9,302
Total		19,486,613	256,463	1,176,411

⁽¹⁾ Changes in the fair value of the hedge instrument that are not offset by changes in the value of the hedged item result in the amount of hedge ineffectiveness

For the strategies of purchase and sale commitment and loans and leases, the Conglomerate reestablishes the hedging relationship since both the hedged item and the instruments are re-evaluated throughout the life of the hedged portfolio. This is because they are portfolio strategies, reflecting the risk management strategy guidelines approved by the competent authority.

Hedge instruments	03.31.2021		
	Notional value	Base amount to calculate the ineffectiveness of hedge ⁽¹⁾	Hedge ineffectiveness recorded in income ⁽²⁾
	Liabilities		
Parent Company and Consolidated			
Interest rate risk			
Future DI ⁽¹⁾	20,790,898	309,059	(4,252)
Exchange rate risk			
Future DDI	76,014	(2,291)	(123)
Total	20,866,912	306,768	(4,375)
Parent Company and Consolidated	12.31.2020		
Interest rate risk			
Future DI	19,821,974	(1,163,991)	3,118
Exchange rate risk			
Future DDI	79,089	(9,464)	(162)
Total	19,901,063	(1,173,455)	2,956

⁽¹⁾ Changes in the fair value of the hedge instrument that are not offset by changes in the value of the hedged item result in the amount of hedge ineffectiveness

⁽²⁾ Balances presented on an annual basis so that it is possible to confront changes in the fair value of the instrument and the hedged object.

In the year ended December 31, 2018, some operations were no longer classified as part of a market risk hedge. The balance corresponding to the fair value adjustment of the hedged item existing on the termination of the accounting hedge began to be deferred (except for the cases of early settlement of the object) by the contractual term of these operations whose effect on the income statement in the year ended December 31, 2020 was R\$ 1,398, net of tax effects, presented under "Income (losses) from derivative financial instruments". There were no new dismantles of operations and no effect on the result was produced in the three-month period ended March 31, 2021, as the amortization of previous dismantles had already been concluded.

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 (Stock exchange market).

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.

Hedge instruments	Statement of Financial Position line item	03.31.2021		
		Book/notional amount	Base amount for calculating hedge ineffectiveness ⁽¹⁾	Cash flow hedge reserve
		Liabilities		
Parent Company and Consolidated				
Interest rate risk				
Hedge of Financial Bills	Securities issued	7,848,298	3,738	58,858
Hedge of subordinated financial bills - Debt instruments eligible for capital	Debt instruments eligible for capital	151,000	12,864	(956)
Hedge of financial bills with guarantee	Securities issued	2,671,948	(12,755)	14,807
Exchange rate risk				
Hedge of perpetual bonds - Subordinated liabilities	Debt instruments eligible for capital	1,761,262	(798,742)	47,588
Hedge of liabilities with securities abroad	Securities issued	3,468,909	(83,911)	103,106
Total		15,901,417	(878,806)	223,403
Parent Company and Consolidated		12.31.2020		
Interest rate risk				
Hedge of Financial Bills	Securities issued	10,949,085	167,381	(25,191)
Hedge of subordinated financial bills - Debt instruments eligible for capital	Debt instruments eligible for capital	410,305	36,161	(3,780)
Hedge of financial bills with guarantee	Securities issued	3,186,374	1,947	(1,531)
Exchange rate risk				
Hedge of perpetual bonds - Subordinated liabilities	Debt instruments eligible for capital	1,568,677	(615,921)	17,561
Hedge of liabilities with securities abroad	Securities issued	3,193,642	465,790	(161,927)
Total		19,308,083	55,358	(174,868)

⁽¹⁾ Changes in the amount of the hedged item that compared to changes in the fair value of the hedge instrument result in the ineffective amount of the hedge.

Hedge instruments	03.31.2021				
	Book/notional amount		Base amount for calculating hedge ineffectiveness ⁽¹⁾	Changes in the amount of the recorded hedge instrument in OCI	Hedge Ineffectiveness recorded in net profit (loss) ⁽⁴⁾
	Assets	Liabilities			
Parent Company and Consolidated					
Interest rate risk					
Future DI	-	12,641,544	(1,301)	103,210	1,945
Exchange rate risk					
Swap ⁽²⁾⁽³⁾	5,207,967	-	881,573	295,061	1,374
Total	5,207,967	12,641,544	880,272	398,271	3,319
Parent Company and Consolidated	12.31.2020				
Interest rate risk					
Future DI	-	14,513,812	(201,137)	143,175	(13)
Exchange rate risk					
Swap ⁽²⁾	5,566,692	-	147,288	(87,008)	(1,559)
Total	5,566,692	14,513,812	(53,849)	56,167	(1,572)

⁽¹⁾ Changes in the fair value of the hedge instrument that are not offset by changes in the value of the hedged item result in the amount of hedge ineffectiveness.

⁽²⁾ The notional amount of the swap for the hedge of perpetual bonus is R\$ 970,620 at March 31, 2021 and December 31, 2020.

⁽³⁾ The notional value of swap for the Hedge of liabilities with securities abroad is R\$ 3.406.100 on March 31 and 2021 December 31, 2020.

⁽⁴⁾ Balances presented on an annual basis so that it is possible to confront changes in the fair value of the instrument and the hedged object.

The effective portion is recognized in Shareholders' Equity in Other Comprehensive Income and the ineffective portion is recognized in the Income Statement in "Income (losses) from derivative financial instruments".

In the three-month period ended March 31, 2021, the mark-to-market of the effective installment, in the amount of R\$ 398,271 (R\$ 62,382 in the three-month period ended March 31, 2020), was recognized in equity and the ineffective installment, in the amount of R\$ 4,891 (R\$ 197 in the three-month period ended March 31, 2020) was recognized in the result of "Results of derivative financial instruments".

Net gains from the tax effects reAssets to the Cash Flow Hedge that the Conglomerate expects to recognize in profit in the next 12 months total R\$ 63,872 (net earnings of R\$ 99,873 in the three-month period ended March 31, 2020).

In the three-month period ended March 31, 2021 and 2020, there were no transactions that were no longer classified as cash flow hedge.

h) Income from derivative financial instruments

	Parent Company		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Swap contracts	506,207	(102,866)	424,843	(379,197)
Term operations	7,650	2,723	7,650	2,723
Options market	(202,726)	(940,166)	143,810	17,145
Futures contracts	653,100	(425,385)	653,100	(637,120)
Credit derivatives	(30)	(8,262)	(30)	(8,262)
Fair value adjustments of hedged financial instruments	(677,444)	6,876	(677,444)	82,611
Non Deliverable Forward - Foreign currency	488,712	2,101,749	142,292	1,144,280
Income from foreign exchange movements of investments abroad	146,724	505,698	146,724	505,698
Credit Linked Notes	-	(56)	-	(56)
Total	922,193	1,140,311	840,945	727,822

11. INTERBANK ACCOUNTS

a) Breakdown

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Assets	831,483	984,105	831,483	984,105
Reserve requirements (Note 11b)	830,807	984,105	830,807	984,105
Payments and receivables to be settled (Note 11c)	676	-	676	-
Liabilities	35,867	5,887	1,975,696	1,887,891
Payments and receivables to be settled (Note 11c)	35,867	5,887	1,975,696	1,887,891

b) Reserve requirements

	Parent Company and Consolidated	
	03.31.2021	12.31.2020
Assets		
Compulsory deposits at the Central Bank of Brazil	830,807	984,105
Demand deposits	813,320	964,085
Microfinance transactions	5,616	3,126
Instant payments	11,871	16,894
Total	830,807	984,105
Current Assets	830,807	984,105

c) Payments and receivables to be settled

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Assets				
Rights with settlement system participants	676	-	676	-
Checks and other papers issued	121	-	121	-
Receipts of documents sent by other system participants	555	-	555	-
Total	676	-	676	-
Current Assets	676	-	676	-
Liabilities				
Obligations with settlement system participants	30,016	-	30,016	-
Checks and other papers received	30,016	-	30,016	-
Payment transactions	5,851	5,887	1,945,680	1,887,891
Credit card	5,851	5,887	1,945,680	1,887,891
Total	35,867	5,887	1,975,696	1,887,891
Current Liabilities	35,867	5,887	1,975,696	1,887,891

d) Income from compulsory deposits

	Parent Company and Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020
Credits linked to Central Bank of Brazil	3,999	17,930
Requirement on time deposits	3,999	17,930
Total	3,999	17,930

12. LOANS
a) Portfolio by type

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Loans	53,473,301	52,851,117	54,493,500	53,792,865
Loans and discounted notes	5,929,761	6,115,631	6,938,756	7,049,607
Financings	42,044,064	41,409,362	42,055,268	41,417,134
Rural and agribusiness financing	452,585	513,184	452,585	513,184
Real estate financing agreements	5,001	7,975	5,001	7,975
Loans linked to assignments (Note 12j.1) ⁽¹⁾	5,041,890	4,804,965	5,041,890	4,804,965
Other receivables with loan characteristics	4,188,295	3,601,821	6,243,817	5,577,846
Credit card operations	-	-	2,055,522	1,976,025
Advances on exchanges contracts and other linked credits	653,637	408,709	653,637	408,709
Other credits linked to payment transactions ⁽²⁾	178,970	406,709	178,970	406,709
Trade and credit receivables	3,355,688	2,786,403	3,355,688	2,786,403
Leases (Note 12g)	-	-	66,062	73,353
Total loan portfolio	57,661,596	56,452,938	60,803,379	59,444,064
Allowance for losses associated with credit risk	(4,616,572)	(4,618,892)	(4,973,279)	(5,015,181)
(Allowance for loan losses)	(3,403,589)	(3,427,336)	(3,713,407)	(3,781,281)
(Allowance for other credits with credit grant characteristics) ⁽³⁾	(1,212,983)	(1,191,556)	(1,259,560)	(1,233,550)
(Allowance for lease losses)	-	-	(312)	(350)
Total loan portfolio, net of provisions	53,045,024	51,834,046	55,830,100	54,428,883
Current Assets	26,427,020	24,919,633	28,933,580	27,278,776
Non-current assets	26,618,004	26,914,413	26,896,520	27,150,107

⁽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

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Loans	1,921,436	290,332	2,067,381	2,236,428
Loans and discounted notes	143,384	68,785	289,993	319,347
Loans and discounted notes	1,760,239	194,662	1,760,239	1,885,286
Rural and agribusiness financing	7,435	8,397	7,435	8,397
Real estate financing agreements	61	302	61	302
Financing in foreign currency	6,392	11,349	6,392	11,348
Other	3,925	6,837	3,261	11,748
Leases (Note 12h)	-	-	1,828	2,938
Total ⁽²⁾	1,921,436	290,332	2,069,209	2,239,366

⁽¹⁾ In the three-month period ended March 31, 2021, the Bank includes appropriation of results generated by the Assets and Liabilities received from the incorporation of bv financeira's spun-off portion after that event (note 2b).

⁽²⁾ Does not comprises the loans and leases linked to assignments. Considering such Assets, the Bank's Loans and Leases revenues, in the three-month period ended March 31, 2021 totaled R\$ 2,108,219 (R\$ 290,332 in the three-month period ended March 31, 2020) and consolidated, also considering lease operations, would total R\$ 2,255,992 (R\$ 2,446,891 in the three-month period ended March 31, 2020).

c) Loan portfolio by sector of economic activity

Parent Company	03.31.2021	%	12.31.2020	%
Private sector	58,047,208	100.00%	56,196,497	100.00%
Individual ⁽¹⁾	43,741,589	75.36%	42,005,326	74.75%
Legal entities	14,305,619	24.64%	14,191,171	25.25%
Animal agribusiness	268,705	0.46%	268,591	0.48%
Vegetable agribusiness	156,493	0.27%	152,117	0.27%
Specific construction activities	72,201	0.12%	88,697	0.16%
Automotive	159,641	0.28%	114,217	0.20%
Wholesale commerce and sundry industries	5,753,366	9.91%	5,235,912	9.32%
Retail business	1,694,531	2.92%	1,927,469	3.43%
Heavy construction	76,544	0.13%	34,176	0.06%
Electronics	5,182	0.01%	1,994	0.00%
Electric power	44,246	0.08%	36,403	0.06%
Real estate	94,373	0.16%	102,954	0.18%
Financial institutions and services	668,036	1.15%	551,554	0.98%
Wood and furniture	50,565	0.09%	55,731	0.10%
Mining and Metallurgy	102,643	0.18%	105,265	0.19%
Paper and pulp	107,031	0.18%	103,733	0.18%
Chemical	135,251	0.23%	89,048	0.16%
Services	3,737,352	6.44%	3,880,855	6.91%
Telecommunications	10,414	0.02%	12,302	0.02%
Textile and apparel	93,807	0.16%	132,562	0.24%
Transportation	886,748	1.53%	1,108,185	1.97%
Other activities	188,490	0.32%	189,406	0.34%
Total	58,047,208	100.00%	56,196,497	100.00%
(+/-) Adjustment to fair value ⁽²⁾	(385,612)		256,441	
Total of loan portfolio adjusted to fair value	57,661,596		56,452,938	
Consolidated	03.31.2021	%	12.31.2020	%
Private sector	61,188,991	100.00%	59,187,623	100.00%
Individual ⁽¹⁾	46,817,330	76.51%	44,923,118	75.90%
Legal entities	14,371,661	23.49%	14,264,505	24.10%
Animal agribusiness	268,705	0.44%	268,591	0.45%
Vegetable agribusiness	156,493	0.26%	152,117	0.26%
Specific construction activities	85,240	0.14%	103,147	0.17%
Automotive	159,641	0.26%	114,217	0.19%
Wholesale commerce and sundry industries	5,774,530	9.44%	5,259,616	8.89%
Retail business	1,699,608	2.78%	1,933,202	3.27%
Heavy construction	76,544	0.13%	34,176	0.06%
Electronics	5,182	0.01%	1,994	0.00%
Electric power	44,246	0.07%	36,403	0.06%
Real estate	94,373	0.15%	102,954	0.17%
Financial institutions and services	668,036	1.09%	551,554	0.93%
Wood and furniture	50,565	0.08%	55,731	0.09%
Mining and Metallurgy	102,643	0.17%	105,265	0.18%
Paper and pulp	107,031	0.17%	103,733	0.18%
Chemical	135,251	0.22%	89,048	0.15%
Services	3,753,979	6.14%	3,899,683	6.59%
Telecommunications	10,414	0.02%	12,302	0.02%
Textile and apparel	93,807	0.15%	132,562	0.22%
Transportation	896,883	1.47%	1,118,804	1.89%
Other activities	188,490	0.30%	189,406	0.33%
Total	61,188,991	100.00%	59,187,623	100.00%
(+/-) Adjustment to fair value ⁽²⁾	(385,612)		256,441	
Total of loan portfolio adjusted to fair value	60,803,379		59,444,064	

⁽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.



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d) Loan portfolio by risk level and maturity

Parent Company	AA	A	B	C	D	E	F	G	H	03.31.2021	12.31.2020
Performing loans											
Falling due installments	3,035,124	25,250,177	10,644,897	10,189,521	780,900	910,949	129,044	1,388,119	336,808	52,665,539	51,519,197
From 01 to 30	894,757	1,666,823	426,006	359,429	33,475	44,858	3,963	9,813	22,137	3,461,261	2,642,599
From 31 to 60	368,861	1,402,104	413,622	363,522	27,417	40,564	2,773	8,543	10,393	2,637,799	2,527,627
From 61 to 90	106,386	1,378,571	456,722	347,449	26,581	41,759	2,737	8,380	10,343	2,378,928	2,426,798
From 91 to 180	476,927	3,594,412	1,125,713	1,029,080	90,686	112,571	11,483	28,439	28,789	6,498,100	6,256,392
From 181 to 360	696,733	5,627,915	1,974,945	1,881,934	140,066	206,973	21,369	45,109	83,846	10,678,890	10,157,489
Over 360 days	491,460	11,580,352	6,247,889	6,208,107	462,675	464,224	86,719	1,287,835	181,300	27,010,561	27,508,292
Installments overdue	-	73,203	24,689	39,958	6,875	10,041	1,588	62,473	2,998	221,825	159,028
Up to 14 days	-	73,203	24,689	39,958	6,875	10,041	1,588	62,473	2,998	221,825	159,028
Subtotal	3,035,124	25,323,380	10,669,586	10,229,479	787,775	920,990	130,632	1,450,592	339,806	52,887,364	51,678,225
Non-performing loans											
Falling due installments	-	-	624,419	860,100	400,958	1,036,265	126,019	540,633	749,983	4,338,377	3,680,079
From 01 to 30	-	-	33,740	42,694	19,252	49,999	6,462	25,878	41,747	219,772	189,382
From 31 to 60	-	-	32,560	39,664	18,198	47,602	6,056	46,175	39,149	229,404	189,100
From 61 to 90	-	-	31,504	37,220	17,529	45,074	5,734	23,071	36,743	196,875	183,966
From 91 to 180	-	-	87,512	108,596	48,974	131,005	16,435	66,592	104,583	563,697	506,782
From 181 to 360	-	-	145,895	188,397	85,017	229,514	28,245	115,016	175,170	967,254	824,390
Over 360 days	-	-	293,208	443,529	211,988	533,071	63,087	263,901	352,591	2,161,375	1,786,459
Installments overdue ⁽¹⁾	-	-	37,445	78,335	50,707	125,292	28,866	137,424	363,398	821,467	838,193
01 to 14	-	-	210	17,097	8,342	19,277	2,914	11,560	18,304	77,704	66,101
15 to 30	-	-	37,104	24,899	10,912	30,757	3,385	13,979	22,670	143,706	123,129
From 31 to 60	-	-	131	36,339	16,393	44,707	6,612	43,218	44,559	191,959	155,899
From 61 to 90	-	-	-	-	15,060	21,919	5,141	21,733	37,853	101,706	102,489
From 91 to 180	-	-	-	-	-	8,632	10,814	46,934	111,590	177,970	185,676
From 181 to 360	-	-	-	-	-	-	-	-	128,422	128,422	204,899
Subtotal	-	-	661,864	938,435	451,665	1,161,557	154,885	678,057	1,113,381	5,159,844	4,518,272
Total	3,035,124	25,323,380	11,331,450	11,167,914	1,239,440	2,082,547	285,517	2,128,649	1,453,187	58,047,208	56,196,497
(+/-) Adjustment to fair value ⁽²⁾										(385,612)	256,441
Total of loan portfolio adjusted to fair value										57,661,596	56,452,938



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Consolidated	AA	A	B	C	D	E	F	G	H	03.31.2021	12.31.2020
Performing loans											
Falling due installments	3,042,911	25,634,551	10,653,182	10,192,654	783,149	912,497	129,755	1,388,670	341,598	53,078,967	51,882,421
From 01 to 30	894,950	1,989,769	431,174	362,562	35,724	46,406	4,674	10,364	26,927	3,802,550	2,927,828
From 31 to 60	369,054	1,404,677	413,861	363,522	27,417	40,564	2,773	8,543	10,393	2,640,804	2,530,811
From 61 to 90	106,579	1,381,093	456,961	347,449	26,581	41,759	2,737	8,380	10,343	2,381,882	2,429,977
From 91 to 180	477,506	3,601,525	1,126,429	1,029,080	90,686	112,571	11,483	28,439	28,789	6,506,508	6,265,411
From 181 to 360	697,891	5,640,343	1,976,378	1,881,934	140,066	206,973	21,369	45,109	83,846	10,693,909	10,173,691
Over 360 days	496,931	11,617,144	6,248,379	6,208,107	462,675	464,224	86,719	1,287,835	181,300	27,053,314	27,554,703
Installments overdue	-	1,661,082	202,283	206,746	85,136	32,720	1,588	67,743	12,406	2,269,704	2,126,614
Up to 14 days	-	1,661,082	202,283	206,746	85,136	32,720	1,588	67,743	12,406	2,269,704	2,126,614
Subtotal	3,042,911	27,295,633	10,855,465	10,399,400	868,285	945,217	131,343	1,456,413	354,004	55,348,671	54,009,035
Non-performing loans											
Falling due installments	-	-	625,022	860,189	402,143	1,036,263	126,019	540,634	750,016	4,340,286	3,680,079
From 01 to 30	-	-	33,740	42,694	19,253	49,999	6,462	25,878	41,747	219,773	189,382
From 31 to 60	-	-	32,560	39,664	18,199	47,602	6,056	46,175	39,149	229,405	189,100
From 61 to 90	-	-	31,504	37,220	17,530	45,074	5,734	23,071	36,743	196,876	183,966
From 91 to 180	-	-	87,512	108,596	48,975	131,005	16,435	66,592	104,583	563,698	506,782
From 181 to 360	-	-	145,895	188,397	85,020	229,514	28,245	115,016	175,170	967,257	824,390
Over 360 days	-	-	293,811	443,618	213,166	533,069	63,087	263,902	352,624	2,163,277	1,786,459
Installments overdue ⁽¹⁾	-	-	123,031	184,901	144,746	202,282	89,529	190,184	565,361	1,500,034	1,498,509
From 01 to 14	-	-	10,223	28,890	20,866	27,902	17,369	16,399	44,167	165,816	66,101
From 15 to 30	-	-	112,677	92,608	60,456	62,623	17,587	27,233	39,467	412,651	405,603
From 31 to 60	-	-	131	63,403	18,689	47,855	7,577	47,375	46,339	231,369	181,985
From 61 to 90	-	-	-	-	44,735	25,451	6,114	25,473	40,220	141,993	129,834
From 91 to 180	-	-	-	-	-	38,451	40,882	73,704	119,453	272,490	277,801
From 181 to 360	-	-	-	-	-	-	-	-	275,715	275,715	437,185
Subtotal	-	-	748,053	1,045,090	546,889	1,238,545	215,548	730,818	1,315,377	5,840,320	5,178,588
Total	3,042,911	27,295,633	11,603,518	11,444,490	1,415,174	2,183,762	346,891	2,187,231	1,669,381	61,188,991	59,187,623
(+/-) Adjustment to fair value ⁽²⁾										(385,612)	256,441
Total of loan portfolio adjusted to fair value										60,803,379	59,444,064

⁽¹⁾ The Conglomerate does not adopt double counting for credit operations.

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

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e) Allowance for loan losses by risk levels

Risk level	% Provision	03.31.2021				12.31.2020			
		Value of operations	Minimum provision required	Additional provision ⁽¹⁾	Existing provision	Value of operations	Minimum provision required	Additional provision ⁽¹⁾	Existing provision
Parent Company									
AA	0.00%	3,035,124	-	-	-	3,101,853	-	-	-
A	0.50%	25,323,380	(126,617)	-	(126,617)	24,900,437	(124,502)	-	(124,502)
B	1.00%	11,331,450	(113,315)	-	(113,315)	10,661,454	(106,615)	-	(106,615)
C	3.00%	11,167,914	(335,037)	-	(335,037)	10,357,960	(310,739)	-	(310,739)
D	10.00%	1,239,440	(123,944)	-	(123,944)	1,130,176	(113,018)	-	(113,018)
E	30.00%	2,082,547	(624,764)	-	(624,764)	2,199,395	(659,818)	-	(659,818)
F	50.00%	285,517	(142,759)	-	(142,759)	306,653	(153,326)	-	(153,326)
G	70.00%	2,128,649	(1,490,054)	(206,895)	(1,696,949)	1,980,888	(1,386,622)	(206,571)	(1,593,193)
H	100.00%	1,453,187	(1,453,187)	-	(1,453,187)	1,557,681	(1,557,681)	-	(1,557,681)
Total		58,047,208	(4,409,677)	(206,895)	(4,616,572)	56,196,497	(4,412,321)	(206,571)	(4,618,892)
(+/-) Adjustment to fair value ⁽²⁾		(385,612)				256,441			
Total of loan portfolio adjusted to fair value		57,661,596				56,452,938			
Consolidated									
AA	0.00%	3,042,911	-	-	-	3,110,269	-	-	-
A	0.50%	27,295,633	(136,478)	-	(136,478)	26,808,373	(134,042)	-	(134,042)
B	1.00%	11,603,518	(116,034)	-	(116,034)	10,889,247	(108,892)	-	(108,892)
C	3.00%	11,444,490	(343,337)	-	(343,337)	10,597,615	(317,928)	-	(317,928)
D	10.00%	1,415,174	(141,517)	-	(141,517)	1,273,659	(127,366)	-	(127,366)
E	30.00%	2,183,762	(655,129)	-	(655,129)	2,283,606	(685,083)	-	(685,083)
F	50.00%	346,891	(173,443)	-	(173,443)	359,217	(179,609)	-	(179,609)
G	70.00%	2,187,231	(1,531,065)	(206,895)	(1,737,960)	2,033,161	(1,423,214)	(206,571)	(1,629,785)
H	100.00%	1,669,381	(1,669,381)	-	(1,669,381)	1,832,476	(1,832,476)	-	(1,832,476)
Total		61,188,991	(4,766,384)	(206,895)	(4,973,279)	59,187,623	(4,808,610)	(206,571)	(5,015,181)
(+/-) Adjustment to fair value ⁽²⁾		(385,612)				256,441			
Total of loan portfolio adjusted to fair value		60,803,379				59,444,064			

⁽¹⁾ New additional provisions were constituted, when increase in risk level is not applicable.

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

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

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
(Provision) / reversal of provision for losses associated with the loan portfolio (Note 12f.2)	(553,662)	(49,141)	(640,992)	(954,195)
Loans	(533,603)	(46,258)	(618,250)	(954,567)
Leases	-	-	38	229
Other receivables with loan characteristics	(20,059)	(2,883)	(22,780)	143
Income from recovery of loans previously written off as losses	161,369	50,025	171,148	133,340
Loans	161,369	50,025	169,041	133,328
Leases	-	-	2,107	12
Total (provision) / reversal of provision for losses associated with the loan portfolio	(392,293)	884	(469,844)	(820,855)
Other (provisions) / reversals of provisions for losses associated with credit risk	(3,475)	(287)	(7,242)	(1,771)
Financial guarantees provided ⁽²⁾	11,619	304	11,619	304
Other risks	(15,094)	(591)	(18,861)	(2,075)
Total other (provisions) / reversals of provisions associated with credit risk	(3,475)	(287)	(7,242)	(1,771)
Total	(395,768)	597	(477,086)	(822,626)

⁽¹⁾ In the three-month period ended March 31, 2021, the Bank includes appropriation of results generated by the assets and liabilities received from the incorporation of the spun-off portion of BV Financeira, after that event (Note 2b).

⁽²⁾ The respective provisions are presented in Other Liabilities - "Provision for loss with financial guarantees provided" and "Provision for loss - other risks" (Note 21a).

f.2) Changes

Comprise loans, leases and other receivables with loan characteristics.

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Opening balance	4,618,892	1,773,622	5,015,181	4,715,878
Reinforcement / (reversal) ^{(2) (3)}	553,662	49,141	640,992	954,195
Minimum allowance for loan losses required	553,338	48,470	640,668	953,524
Incremental allowance for loan losses	324	671	324	671
Write-offs to losses	(555,982)	(146,525)	(682,894)	(636,001)
Closing balance	4,616,572	1,676,238	4,973,279	5,034,072

⁽¹⁾ In the three-month period ended March 31, 2021, the bank includes amounts related to the incorporation of BV financeira's spun-off portion (Note 2b).

⁽²⁾ It does not include income from recovery of loans previously written off for losses.

⁽³⁾ In the three-month period ended March 31, 2020, consolidated includes risk remeasurement by unexpected lockdown point event resulting from the COVID-19 pandemic.

g) Lease portfolio by maturity

Consolidated	03.31.2021	12.31.2020
Up to 1 year ⁽¹⁾	28,549	31,700
From 1 to 5 years	37,513	41,653
Total present value	66,062	73,353

⁽¹⁾ Includes overdue installments.

h) Net profit from leases

Consolidated	01.01 to 03.31.2021	01.01 to 03.31.2020
Leases	1,828	2,937
Profit on disposal of leases	-	1
Total	1,828	2,938

i) Concentration of Loans

	03.31.2021	% of portfolio	12.31.2020	% of portfolio
Bank				
Largest debtor	620,316	1.07%	620,316	1.10%
10 largest debtors	2,514,910	4.33%	2,606,190	4.64%
20 largest debtors	3,654,026	6.29%	3,881,105	6.91%
50 largest debtors	6,028,262	10.39%	6,111,693	10.88%
100 largest debtors	8,277,456	14.26%	8,096,306	14.41%
Consolidated				
Largest debtor	620,316	1.01%	620,316	1.05%
10 largest debtors	2,514,910	4.11%	2,606,190	4.40%
20 largest debtors	3,654,026	5.97%	3,882,961	6.56%
50 largest debtors	6,028,262	9.85%	6,113,549	10.33%
100 largest debtors	8,278,142	13.53%	8,099,025	13.68%

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.

	03.31.2021		12.31.2020	
	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	5,041,890	5,802,661	4,804,965	5,561,659
Total	5,041,890	5,802,661	4,804,965	5,561,659

⁽¹⁾ Recorded in caption "Other liabilities - Bond transactions linked to disposals (Note 21a).

In the three-month period ended March 31, 2021, revenues from the sale or transfer of financial assets totaled R\$ 186,783 in the Bank and conglomerate (R\$ 207,525 in the Conglomerate in the three-month period ended March 31, 2020). Expenses with obligations for transactions with these same characteristics totaled R\$ 69,055 at Bank and Conglomerate (R\$ 85,887 in the Conglomerate in the three-month period ended March 31, 2020). At Bank, there were no revenues and expenses from operations with these characteristics for the three-month period ended March 31, 2020.

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

In the three-month period ended March 31, 2021, revenues from sales without recourse of loans previously written off as losses amounted R\$ 7,968 at Bank and Conglomerate (R\$ 29,134 at Bank and R\$ 58.606 in the Conglomerate in the three-month period ended March 31, 2020), which were recognized in the results of the period in "Loans Revenues".

k) Changes in renegotiated credit

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Amount of renegotiated credits in the period ⁽²⁾	1,177,775	783,666	1,244,161	1,291,193
Renegotiated for past due contracts ⁽³⁾	91,656	36,049	91,816	157,802
Renewed contracts ^{(4) (5)}	1,086,119	747,617	1,152,345	1,133,391
Changes in portfolio of renegotiated past due contracts				
Opening balance	922,412	284,293	957,016	681,811
Signings	91,656	36,049	91,816	157,802
Amounts received, net of interest accrued	(92,505)	(15,761)	(83,428)	(62,920)
Written off as losses	(27,088)	(9,466)	(37,708)	(67,822)
Closing balance	894,475	295,115	927,696	708,871
Allowance for losses of the portfolio of renegotiated past due	431,193	106,208	459,790	424,170
(%) Allowance for losses on the portfolio of renegotiated past due contracts	48.21%	35.99%	49.56%	59.84%
90-day delinquency of portfolio of renegotiated past due contracts	343,744	-	376,865	322,822
(%) Delinquency on the portfolio of renegotiated past due	38.43%	0.00%	40.62%	45.54%

⁽¹⁾ In the three-month period ended March 31, 2021, the bank includes amounts related to the incorporation of BV financeira's spun-off portion (Note 2b).

⁽²⁾ Represents the amount renegotiated in the period of credit operations, falling due or overdue.

⁽³⁾ Credits renegotiated in the period due to delayed payment by customers.

⁽⁴⁾ Credits renegotiated from operations not yet due for extension, novation, concession of a new operation for partial or full settlement of a previous operation or any other type of agreement that implies changes in the maturity terms or in the payment terms originally agreed.

⁽⁵⁾ In the consolidated, It includes customer contracts renegotiated as a result of actions to minimize the effects of Covid-19, carried out from March 2020.

I) Other information

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Credit contracted to be released	604,938	519,815	4,417,409	3,927,857
Financial guarantees provided (Note 29.1.to.1)	7,276,694	6,942,116	7,276,694	6,942,116

13. OTHER ASSETS
a) Breakdown

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Other financial assets	3,679,931	3,102,595	4,054,967	3,359,457
Relations with correspondents	20,820	33,749	20,820	33,749
Other credits and receivables	33,354	31,922	160,999	178,494
Credit card transactions	-	-	59,435	57,421
Receivables from securities settlements abroad	31,900	14,613	31,900	14,613
Other credits for trading and intermediation of securities	319,387	118,612	480,278	129,029
Foreign exchange portfolio (Note 13b)	3,274,154	2,903,561	3,274,154	2,903,561
Other	316	138	27,381	42,590
Other assets	949,245	1,033,211	1,146,478	1,272,410
Other assets (Note 13d)	193,245	176,266	421,384	373,605
Sundry domestic debtors	46,330	122,904	27,916	146,530
Salary advances and prepayments	2,028	3,786	2,115	3,968
Advances to suppliers	3,960	4,798	4,321	5,152
Deposits in guarantee - Contingencies (Note 28g)	599,709	626,853	650,846	679,546
Deposits in guarantee - Other	636	627	636	627
Amounts to be received by related parties	48,166	16,054	-	-
Dividends receivable	19,321	22,493	127	3,299
Other	35,850	59,430	39,133	59,683
Total	4,629,176	4,135,806	5,201,445	4,631,867
Current assets	3,986,135	3,461,650	4,403,454	3,754,713
Non-current assets	643,253	674,156	798,204	877,154

b) Foreign exchange portfolio

Parent Company and Consolidated		03.31.2021	12.31.2020
Assets - Other receivables ⁽¹⁾			
Purchased foreign exchange contracts to be settled		2,652,581	2,857,377
Receivables from foreign exchange sales contracts		621,573	46,184
Total		3,274,154	2,903,561
Current assets		3,274,154	2,903,561
Liabilities - Other liabilities ⁽²⁾			
Sold foreign exchange to be settled		(633,944)	(55,671)
Liabilities for foreign exchange purchases		(2,588,335)	(2,830,288)
Total		(3,222,279)	(2,885,959)
Current liabilities		(3,222,279)	(2,885,959)
Off-balance accounts			
Credits opened for imports		158,639	230,785

⁽¹⁾ The income receivable from advances granted in foreign exchange contracts are presented in "Loans - Other credits with credit granting characteristics" (Note 12a).

⁽²⁾ Advances granted in foreign exchange contracts are presented in "Loans - Other credits with credit granting characteristics" (Note 12a).

c) Income from foreign exchange transactions

	Parent Company and Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020
Foreign exchange income	1,199,381	932,475
Foreign exchange expenses	(1,006,126)	(685,339)
Income from foreign exchange transactions	193,255	247,136

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d) Other assets

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Assets not for own use	195,581	182,305	427,293	371,912
Vehicles and alike	117,583	104,676	118,034	105,162
Real estate ⁽¹⁾	77,998	77,629	309,259	266,750
(Provision for devaluation)	(47,250)	(44,921)	(72,108)	(66,466)
Prepaid expenses	44,914	38,882	51,863	46,249
Others	-	-	14,336	21,910
Investments in real estate ⁽²⁾	-	-	14,336	21,910
Total	193,245	176,266	421,384	373,605
Current assets	192,975	174,145	261,830	220,939
Non-current assets	270	2,121	159,554	152,666

⁽¹⁾ Property not for own use built by investee companies of specific purpose and held for sale

⁽²⁾ Refers to temporary shareholdings, as of the intention change of the Management over this shareholding interests.

14. INVESTMENTS

a) Changes in associates, subsidiaries and joint ventures

	12.31.2020	Changes from 01.01 to 03.31.2021			03.31.2021	01.01 to 03.31.2020	
	Investment value	Dividends/ Other events ⁽⁴⁾	Share of profit (loss)	Impairment/ Goodwill ⁽⁵⁾	Investment value	Share of profit (loss)	Impairment/ Goodwill ⁽⁵⁾
Domestic - Bank Ventures							
BV Financeira ⁽¹⁾	-	-	-	-	-	66,898	-
Bank BV S.A. (former BV Leasing) ⁽²⁾	1,559,891	(7,324)	22,895	-	1,575,462	4,975	-
Votorantim Asset DTVM	141,391	-	(5,830)	-	135,561	4,792	-
Votorantim Corretora Seguros	900,362	-	77,710	-	978,072	77,015	-
BVIA	159,307	-	3,652	-	162,959	5,297	-
Promotiva	93,497	-	8,690	-	102,187	7,929	-
Atenas	42,565	-	(6,168)	1,364	37,761	21,166	-
BVEP	580,673	(183)	(12,986)	-	567,504	1,845	-
Total - Bank	3,477,686	(7,507)	87,963	1,364	3,559,506	189,917	-
Domestic - BVEP Associates and joint ventures							
BVEP associates ⁽³⁾	5,186	(3,213)	221	-	2,194	(1,101)	-
BVEP joint ventures ⁽³⁾	14,084	(9,508)	(810)	(51)	3,715	1,648	(1,698)
Total - Consolidated	19,270	(12,721)	(589)	(51)	5,909	547	(1,698)

⁽¹⁾ As described in note 2b, BV Financeira had part of its assets and liabilities transferred to Banco Votorantim in July 2020 and the remaining assets were subsequently incorporated into Banco BV S.A., culminating in the extinction of BV Financeira in August 2020.

⁽²⁾ The corporate name of BV Leasing was changed to Banco BV S.A., as detailed in note 2a. Banco BV S.A. also incorporated part of the assets and liabilities of BV Financeira, as detailed in note 2b.

⁽³⁾ Includes goodwill in the acquisition of this investments, detailed in note 14c.

⁽⁴⁾ Includes capital decrease of investments and changes in other comprehensive income, in addition to changes referred of corporate restructuring.

⁽⁵⁾ Recognized in results in item "Income from investments in ventures, associates and joint ventures".

b) Goodwill and impairment - outstanding balances

	Impairment ⁽¹⁾	
	03.31.2021	12.31.2020
Atenas	(18,926)	(20,290)
Total - Bank	(18,926)	(20,290)
BVEP subsidiaries	(458)	(458)
BVEP joint ventures	(245)	(194)
Total - Consolidated	(703)	(652)

⁽¹⁾ Applied on the investment amount, not only on the goodwill.

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c) Summary financial information of associates and jointly controlled entities

	03.31.2021		12.31.2020	
	BVEP Associates	BVEP Joint Ventures	BVEP Associates	BVEP Joint Ventures
Total Assets ⁽¹⁾	5,869	19,453	95,748	26,185
Total Liabilities ⁽¹⁾	5,869	19,453	95,748	26,185
Liabilities	3,326	3,438	60,505	2,730
Shareholder's equity	2,543	16,015	35,243	23,455
	01.01 to 03.31.2021		01.01 to 03.31.2020	
Profit / (loss) for the period ⁽¹⁾	5,596	(996)	1,170	3,997

⁽¹⁾ The balance of assets, liabilities and income are not adjusted by the percentages held directly or indirectly by Banco Votorantim.

d) Other investments

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Investments via tax incentives	51,254	51,254	79,877	79,877
Shares and quotas	180	180	180	180
Others	8	7	1,759	1,759
(Accumulated impairment)	(51,254)	(51,254)	(81,629)	(81,629)
Total	188	187	187	187

15. PROPERTY, PLANT AND EQUIPMENT

	12.31.2020	01.01 to 03.31.2021			03.31.2021		
	Book value	Changes ⁽¹⁾	Write-offs	Depreciation	Cost value	Accumulated depreciation	Book value
Parent Company							
Facilities	45,981	989	(107)	(2,831)	148,301	(104,269)	44,032
Furniture and equipment in use	10,758	112	(1,459)	(413)	42,991	(33,993)	8,998
Communication system	3,856	266	(181)	(344)	17,497	(13,900)	3,597
System data processing	33,311	3,448	(871)	(3,057)	173,490	(140,659)	32,831
Security system	203	-	(32)	(13)	2,635	(2,477)	158
Transportation system	318	5	-	(33)	1,009	(719)	290
Total	94,427	4,820	(2,650)	(6,691)	385,923	(296,017)	89,906
Consolidated							
Facilities	46,612	989	(107)	(2,930)	152,012	(107,448)	44,564
Furniture and equipment in use	10,898	112	(1,459)	(429)	45,876	(36,754)	9,122
Communication system	3,863	266	(181)	(345)	18,873	(15,270)	3,603
System data processing	33,321	3,448	(871)	(3,061)	176,832	(143,995)	32,837
Security system	215	-	(32)	(15)	2,731	(2,563)	168
Transportation system	318	5	-	(33)	1,009	(719)	290
Total	95,227	4,820	(2,650)	(6,813)	397,333	(306,749)	90,584

	12.31.2019	2020			12.31.2020		
	Book value	Changes ^{(1) (2)}	Transfer ⁽³⁾	Depreciation	Cost value	Accumulated depreciation	Book value
Parent Company							
Facilities	30,053	8,995	16,402	(9,469)	147,452	(101,471)	45,981
Furniture and equipment in use	5,404	3,061	3,980	(1,687)	48,030	(37,272)	10,758
Communication system	2,202	2,741	15	(1,102)	17,848	(13,992)	3,856
System data processing	28,866	18,826	394	(14,775)	173,096	(139,785)	33,311
Security system	138	104	20	(59)	2,714	(2,511)	203
Transportation system	416	27	1	(126)	995	(677)	318
Total	67,079	33,754	20,812	(27,218)	390,135	(295,708)	94,427
Consolidated							
Facilities	51,175	9,184	-	(13,747)	151,163	(104,551)	46,612
Furniture and equipment in use	10,426	3,072	-	(2,600)	50,915	(40,017)	10,898
Communication system	2,238	2,741	-	(1,116)	19,223	(15,360)	3,863
System data processing	29,973	18,828	-	(15,480)	176,439	(143,118)	33,321
Security system	188	104	-	(77)	2,809	(2,594)	215
Transportation system	416	28	-	(126)	995	(677)	318
Total	94,416	33,957	-	(33,146)	401,544	(306,317)	95,227

⁽¹⁾ Includes exchange variation

⁽²⁾ In the year ended December 31, 2020, there was no disposal of property, plant and equipment.

⁽³⁾ Includes amounts referring to the incorporation of the spun-off portion of BV Financeira (Note 2b).

16. INTANGIBLE ASSETS AND GOODWILL

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Intangible	438,195	397,652	478,074	428,843
Intangible	1,028,967	957,987	1,091,333	1,010,073
(Accumulated amortization)	(386,022)	(355,585)	(398,680)	(366,651)
(Provisions for impairment)	(204,750)	(204,750)	(214,579)	(214,579)
Goodwill ⁽¹⁾	-	-	-	34,117
Goodwill and adjustment to recoverable value	-	-	-	34,117
Total	438,195	397,652	478,074	462,960

⁽¹⁾ Includes goodwill recorded from subsidiaries

a) Breakdown

	03.31.2021				12.31.2020			
	Cost value	Accumulated amortization	Accumulated impairment ⁽¹⁾	Book value	Cost value	Accumulated amortization	Accumulated impairment ⁽¹⁾	Book value
Parent Company								
Software acquired	41,889	(34,037)	-	7,852	37,184	(32,029)	-	5,155
Licenses	318,960	(237,763)	-	81,197	297,044	(223,037)	-	74,007
Sales rights agreements	34,161	(32,644)	-	1,517	31,841	(30,829)	-	1,012
Internally developed software	627,957	(80,745)	(203,750)	343,462	585,918	(69,107)	(203,750)	313,061
Trademark and patents	6,000	(833)	(1,000)	4,167	6,000	(583)	(1,000)	4,417
Total	1,028,967	(386,022)	(204,750)	438,195	957,987	(355,585)	(204,750)	397,652
Consolidated								
Software acquired	66,358	(34,228)	-	32,130	61,652	(32,220)	-	29,432
Licenses	326,449	(244,637)	-	81,812	303,321	(229,284)	-	74,037
Sales rights agreements	34,161	(32,644)	-	1,517	31,841	(30,829)	-	1,012
Internally developed software	658,365	(86,338)	(213,579)	358,448	607,259	(73,735)	(213,579)	319,945
Trademark and patents	6,000	(833)	(1,000)	4,167	6,000	(583)	(1,000)	4,417
Total	1,091,333	(398,680)	(214,579)	478,074	1,010,073	(366,651)	(214,579)	428,843

⁽¹⁾ In 2020, it includes effects of tactical redefinitions of projects.

b) Changes

	12.31.2020	01.01 to 03.31.2021				03.31.2021
	Book value	Changes ^{(1) (2)}	Transfer	Amortization	Impairment	Book value
Parent Company						
Software acquired	5,155	4,705	-	(2,008)	-	7,852
Licenses	74,007	21,872	-	(14,682)	-	81,197
Sales rights agreements	1,012	2,320	-	(1,815)	-	1,517
Internally developed software	313,061	51,106	(9,067)	(11,638)	-	343,462
Trademark and patents	4,417	-	-	(250)	-	4,167
Total	397,652	80,003	(9,067)	(30,393)	-	438,195
Consolidated						
Software acquired	29,432	4,706	-	(2,008)	-	32,130
Licenses	74,037	23,083	-	(15,308)	-	81,812
Sales rights agreements	1,012	2,320	-	(1,815)	-	1,517
Internally developed software	319,945	51,106	-	(12,603)	-	358,448
Trademark and patents	4,417	-	-	(250)	-	4,167
Total	428,843	81,215	-	(31,984)	-	478,074

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	12.31.2019	2020				12.31.2020
	Book value	Changes ^{(1) (2)}	Transfer ⁽³⁾	Amortization	Impairment ⁽⁴⁾	Book value
Parent Company						
Software acquired	5,067	3,343	135	(3,390)	-	5,155
Licenses	45,101	68,407	23,328	(62,829)	-	74,007
Sales rights agreements	-	3,255	3,788	(6,031)	-	1,012
Internally developed software	161,487	140,074	88,238	(22,962)	(53,776)	313,061
Trademark and patents	-	-	5,000	(583)	-	4,417
Total	211,655	215,079	120,489	(95,795)	(53,776)	397,652
Consolidated						
Software acquired	29,686	3,343	-	(3,597)	-	29,432
Licenses	71,834	71,385	-	(69,182)	-	74,037
Sales rights agreements	1,312	9,875	-	(10,175)	-	1,012
Internally developed software	200,572	217,724	-	(34,747)	(63,604)	319,945
Trademark and patents	-	5,000	-	(583)	-	4,417
Total	303,404	307,327	-	(118,284)	(63,604)	428,843

⁽¹⁾ Includes exchange variation.

⁽²⁾ In the three-month period ended March 31, 2021 and for the year ended December 31, 2020, there was no disposal of intangible assets.

⁽³⁾ Includes amounts referring to the incorporation of the spun-off portion of BV Financeira (Note 2b).

⁽⁴⁾ In 2020, it includes effects of tactical redefinitions of projects.

c) Amortization estimate on December 31, 2020

	2021	2022	2023	2024	2025	As from to 2026	Total
Parent Company							
Amounts to be amortized	102,326	99,414	86,473	76,179	52,151	21,652	438,195
Consolidated							
Amounts to be amortized	105,476	102,799	89,798	79,328	54,671	46,002	478,074

d) Goodwill and impairment on goodwill

	Consolidated			
	Goodwill		Impairment	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Subsidiaries of Banco Votorantim and BVEP	-	40,786	-	(6,669)
Total	-	40,786	-	(6,669)

⁽¹⁾ Includes goodwill on the acquisition of the Atenas and Vila Parque investments as of December 31, 2020

⁽²⁾ As of March 31, 2021, it includes reclassification of goodwill for the respective assets that were the objects of Vila Parque's Fair Value Assets and Liabilities Assessment Report (PPA).

17. DEPOSITS AND REPURCHASE COMMITMENTS

a) Deposits

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Demand deposits	399,876	435,183	390,199	429,711
Individuals	43,201	43,295	43,201	43,295
Legal entities	353,519	389,818	346,992	386,407
Related companies	3,150	2,061	-	-
Linked	6	9	6	9
Interbank deposits	4,340,834	4,188,194	4,211,431	4,042,750
Time deposits	21,338,130	21,720,834	20,632,185	21,037,930
Local currency	19,335,578	19,774,377	18,629,633	19,091,473
Foreign currency	2,002,552	1,946,457	2,002,552	1,946,457
Total	26,078,840	26,344,211	25,233,815	25,510,391
Current liabilities	24,776,880	25,014,000	23,975,973	24,216,817
Non-current liabilities	1,301,960	1,330,211	1,257,842	1,293,574

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b) Segregation of deposits by due date on March 31, 2021

	Without maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	03.31.2021	12.31.2020
Parent Company								
Demand deposits	399,876	-	-	-	-	-	399,876	435,183
Interbank accounts or relations	-	270,038	3,951,182	119,614	-	-	4,340,834	4,188,194
Time deposits	-	5,940,228	14,215,556	1,137,886	44,448	12	21,338,130	21,720,834
Total	399,876	6,210,266	18,166,738	1,257,500	44,448	12	26,078,840	26,344,211
Consolidated								
Demand deposits	390,199	-	-	-	-	-	390,199	429,711
Interbank accounts or relations	-	248,038	3,843,779	119,614	-	-	4,211,431	4,042,750
Time deposits	-	5,507,155	13,986,802	1,093,768	44,448	12	20,632,185	21,037,930
Total	390,199	5,755,193	17,830,581	1,213,382	44,448	12	25,233,815	25,510,391

c) Liabilities with repurchase agreement

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Own portfolio	14,861,073	12,513,833	14,219,514	11,903,508
Private securities - Debentures ⁽¹⁾	2,113,372	1,911,055	2,113,372	1,911,055
Financial Treasury Bills	430,357	1,582,982	430,357	1,581,063
National Treasury Bills	5,720,735	5,421,326	5,079,176	4,812,920
National Treasury Notes	4,835,728	1,466,900	4,835,728	1,466,900
Private securities - Other	1,760,881	2,131,570	1,760,881	2,131,570
Third-party portfolio	1,523,364	599,570	1,523,364	599,570
National Treasury Bills	332,839	447,024	332,839	447,024
National Treasury Notes	1,190,525	152,546	1,190,525	152,546
Free portfolio	3,931,563	2,525,751	3,931,563	2,525,751
National Treasury Bills	3,116,812	1,720,308	3,116,812	1,720,308
National Treasury Notes	814,751	805,443	814,751	805,443
Total	20,316,000	15,639,154	19,674,441	15,028,829
Current liabilities	18,128,639	13,645,174	17,487,080	13,034,849
Non-current liabilities	2,187,361	1,993,980	2,187,361	1,993,980

⁽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

	Parent Company		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Funding expenses	(130,797)	(191,899)	(126,766)	(183,248)
Time deposits	(103,156)	(150,230)	(99,845)	(143,484)
Interbank accounts or relations	(27,641)	(41,669)	(26,921)	(39,764)
Expenses with repurchase commitments	(22,742)	(185,053)	(19,787)	(180,666)
Own portfolio	(60,091)	(144,307)	(57,136)	(110,285)
Third-party portfolio	(8,760)	(13,537)	(8,760)	(43,172)
Free portfolio ⁽¹⁾	46,109	(27,209)	46,109	(27,209)
Expenses with fund raising from securities issued	(1,172,889)	(1,626,543)	(1,172,889)	(1,633,781)
Mortgage Bonds	(1,410)	(3,037)	(1,410)	(3,037)
Agribusiness Letters of Credit	(6,995)	(16,507)	(6,995)	(16,507)
Letters of Leases	-	-	-	(6,767)
Financial bills	(189,824)	(320,327)	(189,824)	(320,327)
Financial Guaranteed Bills	(59,538)	-	(59,538)	-
Issue of securities abroad ⁽²⁾	(908,526)	(1,275,922)	(908,526)	(1,275,922)
Debentures	-	(5,632)	-	(6,104)
Structured Operations Certificates	(70)	(85)	(70)	(85)
Others	(6,526)	(5,033)	(6,526)	(5,032)
Expenses with subordinated debts abroad ⁽²⁾	(301,492)	(544,256)	(301,492)	(544,256)
Total	(1,627,920)	(2,547,751)	(1,620,934)	(2,541,951)

⁽¹⁾ Includes effects of changes in the fair value of the corresponding liability.

⁽²⁾ Includes the foreign exchange movements effects of the corresponding liabilities

18. BORROWINGS AND DOMESTIC ONLENDINGS
a) Breakdown

	Parent Company and Consolidated	
	03.31.2021	12.31.2020
Borrowings (Note 18b)	2,994,183	2,822,895
Domestic onlendings (Note 18c)	713,118	922,507
Total	3,707,301	3,745,402

b) Borrowings

	Up to 3 months	From 3 to 12 months	Parent Company and Consolidated	
			03.31.2021	12.31.2020
Abroad	578,038	2,416,145	2,994,183	2,822,895
Raised from foreign banks	457,305	2,388,849	2,846,154	2,786,230
Imports	120,733	27,296	148,029	36,665
Total	578,038	2,416,145	2,994,183	2,822,895
Current liabilities			2,994,183	2,822,895

c) Onlendings
Domestic - Official institutions

Programs	Interest rates p.a. ⁽¹⁾	Parent Company and Consolidated	
		03.31.2021	12.31.2020
National Treasury		107,474	120,655
Fixed rate	from 3,50% to 7,00% p.a.	83,016	110,603
Variable rate	Selic	24,458	10,052
BNDES		221,742	259,720
Fixed rate	from 0,70% to 5,70% p.a.	61,441	66,062
Variable rate	from 1,42% to 1,50% p.a. + IPCA from 1,80% to 4,00% p.a. + TJLP 2,28% p.a. + Selic	117,493	193,658
Foreign exchange	1,80% p.a. + foreign exchange variation	42,808	-
FINAME		383,902	542,132
Fixed rate	from 0,50% to 8,00% p.a.	244,946	389,575
Variable rate	from 1,60% to 2,10% p.a. + TJLP from 1,15% to 2,25% p.a. + IPCA from 1,43% to 2,40% p.a. + Selic	138,956	152,483
Foreign exchange	2,00% p.a. + foreign exchange variation	-	74
Total		713,118	922,507
Current liabilities		292,874	356,866
Non-current liabilities		420,244	565,641

⁽¹⁾ The interest rates refer to the balances held on March 31, 2021.

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

	Parent Company and Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020
Borrowing expenses ⁽¹⁾	(210,780)	(625,692)
Expenses with transfer from Brazilian government	(14,039)	(31,279)
National Treasury	(768)	(2,034)
BNDES	(5,134)	(18,126)
FINAME	(8,137)	(11,119)
Expenses with Obligations to foreign bankers ⁽¹⁾	(88,646)	(156,065)
Total	(313,465)	(813,036)

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

19. SECURITIES ISSUED

Funding	Currency	Amount issued	Interest rates p.a. ⁽¹⁾	Issuance year	Maturity year	Parent Company and Consolidated	
						03.31.2021	12.31.2020
Real estate credit note funds						256,809	190,375
Fixed rate	R\$	41,886	from 3,25% to 8,64% p.a.	2020	2024	42,151	3,582
Variable rate	R\$	187,985	from 94,00% to 117,00% of DI	2019	2024	191,879	184,090
Variable rate	R\$	22,619	from 0,76% to 3,20 p.a. + IPCA	2021	2024	22,779	2,703
Agribusiness credit bills						1,198,978	1,439,983
Fixed rate	R\$	115,868	from 2,03% to 7,36% p.a.	2020	2024	117,896	107,660
Variable rate	R\$	1,036,664	from 90,00% to 116,50% of DI	2015	2024	1,076,493	1,330,972
Variable rate	R\$	4,484	from 0,73% to 2,47% p.a. + IPCA	2020	2023	4,589	1,351
Financial bills						19,374,816	19,613,705
Fixed rate	R\$	1,649,740	from 4,03% to 13,76% p.a.	2012	2031	1,728,872	1,166,149
Variable rate	R\$	16,216,608	from 100,00% to 130,00% of DI toté 7,23% p.a. + DI	2017	2024	16,902,347	17,851,640
Variable rate	R\$	626,905	from 1,82% to 7,17% p.a.+ IPCA	2014	2032	743,597	595,916
Financial Guaranteed Bills						8,584,455	10,674,459
Variable rate	R\$	8,517,100	0,59% p.a.+ Selic	2020	2021	8,584,455	10,674,459
Securities issued abroad						8,903,775	8,230,537
Fixed rate	R\$	49,279	from 1,92% to 10,00% p.a.	2019	2023	55,944	55,290
Foreign exchange ⁽²⁾ ⁽³⁾	USD	1,745,909	from 1,04% to 8,12% p.a. + foreign exchange variation	2019	2025	8,847,831	8,175,247
Structured Operations Certificates						5,533	5,462
Variable rate	R\$	5,202	5,25% p.a. or foreign exchange	2020	2021	5,533	5,462
Total						38,324,366	40,154,521
Current liabilities						17,490,136	22,463,691
Non-current liabilities						20,834,230	17,690,830

⁽¹⁾ The interest rates refers to the balances held on March 31, 2021.

⁽²⁾ In July 2020, USD 500,000 was issued abroad with semiannual interest payments.

⁽³⁾ Includes green bond issue in the amount of R\$ 255,535 (Note 30).

20. SUBORDINATED DEBTS AND DEBT INSTRUMENTS ELIGIBLE AS CAPITAL

a) Breakdown

	Parent Company and Consolidated	
	03.31.2021	12.31.2020
Subordinated debts (Note 20b)	167,510	193,543
Debt instruments eligible as capital (Note 20c)	3,505,504	3,499,583
Total	3,673,014	3,693,126

b) Subordinated debts

Funding	Currency	Amount issued	Interest rates p.a. ⁽¹⁾	Issuance year	Maturity year	Parent Company and Consolidated	
						03.31.2021	12.31.2020
Subordinated financial bills						167,510	193,543
Variable rate		157,464	from 112,50 to 119,00% of DI	2016	2026	167,510	166,521
Variable rate ⁽²⁾		-	8,09% p.a. + IPCA	2015	2022	-	27,022
Total						167,510	193,543
Non-current liabilities						167,510	193,543

⁽¹⁾ The interest rates refers to balances held on March 31, 2021.

⁽²⁾ In the three-month period ended March 31, 2021, the subordinated financial bills were repurchased by the Parent company.

c) Debt instruments eligible as capital

Funding	Currency	Amount issued	Interest rates p.a. ⁽¹⁾	Issuance year	Maturity year	Parent Company and Consolidated	
						03.31.2021	12.31.2020
Subordinated financial bills						1,746,902	1,933,954
Variable rate		760,445	from 100,00% to 120,00% of DI up to 1,71% a.a + DI	2014	2024	1,106,995	1,243,812
Variable rate		210,640	from 5,72% to 9,31% p.a. + IPCA	2013	2030	440,530	439,792
Fixed rate		77,890	from 11,03% to 17,98% p.a.	2015	2024	158,410	209,615
Variable rate		27,500	117,50% of Selic	2016	2023	40,967	40,735
Funding		Amount issued	Interest rates p.a. ⁽¹⁾	Maturity year			
Perpetual bond ⁽²⁾						1,758,602	1,565,629
Fixed rate		USD 300.000	8,25% p.a.	2017		1,758,602	1,565,629
Total						3,505,504	3,499,583
Current liabilities						609,220	727,139
Non-current liabilities						2.896.284	2.772.444

⁽¹⁾ The interest rates refers to balances held on March 31, 2021.

⁽²⁾ On November 30, 2017, USD 300 million was issued abroad with semiannual interest payments. The bonds have the option of redemption at the initiative of the Bank as of Dec. 2022 or at each subsequent semiannual interest payment, as long as previously authorized by the Central Bank of Brazil (Bacen). It includes the costs of issuing these instruments, which are deferred for the contractual term, and do not form part of the hedge structure.

21. OTHER LIABILITIES

a) Breakdown

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Other financial liabilities	9,348,643	8,693,816	9,697,701	8,892,329
Obligations from transactions linked to assignments (Nota 12j.1) ⁽¹⁾	5,802,661	5,561,659	5,802,661	5,561,659
Commissions for operations payable	20,740	23,844	22,663	26,275
Credit card operations	-	-	111,851	109,880
Liabilities for acquisition of assets and rights	385	3,277	385	3,277
Trading and intermediation of securities	286,053	208,361	445,773	221,053
Foreign exchange portfolio (Note 13b)	3,222,279	2,885,959	3,222,279	2,885,959
Others	16,525	10,716	92,089	84,226
Other liabilities	1,422,520	1,327,888	1,594,709	1,580,663
Third-party transit resources	353,920	15,197	353,920	15,197
Provision for profit sharing	82,901	193,096	96,947	216,977
Provision for personnel expenses	174,861	254,378	195,280	297,411
Provision for administrative expenses	174,089	198,351	210,061	222,411
Provision for financial guarantees provided (Note 29.1.a.1)	206,911	218,530	206,911	218,530
Provision for losses - other risks	20,735	4,684	20,735	4,684
Legal obligations (Note 28h)	42,602	40,684	47,961	45,662
Sundry creditors - domestic	239,126	212,523	291,536	330,373
Sundry creditors - overseas	2,245	2,408	2,245	2,408
Amounts payable to associated companies	1,287	3,338	-	-
Dividends payable / Interest on own capital ⁽²⁾	28,509	72,709	28,509	72,709
Compensation of CO ₂ emissions by vehicles financed by Bank BV	357	-	357	-
Others	94,977	111,990	140,247	154,301
Total	10,771,163	10,021,704	11,292,410	10,472,992
Current liabilities	7,079,562	6,476,491	7,589,011	6,895,857
Non-current liabilities	3,691,601	3,545,213	3,703,399	3,577,135

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

⁽²⁾ For interest on own capital, it refers to the net amount of tax effects.

22. OPERATING INCOME/EXPENSES

a) Service income

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Third party funds management	-	-	27,824	32,445
Collection	6,527	10,396	3,276	867
Commissions on placing of securities	15,280	21,402	15,383	21,526
Stock exchange transaction brokerages	-	-	961	1,839
Income from custody services	27	79	4,659	4,841
Income from guarantees provided	27,555	29,242	27,555	29,242
Credit card transactions	-	-	37,518	32,568
Insurance brokerage commission	6,605	-	136,388	136,180
Financial advisory services	863	1,383	863	1,383
Income from banking settlement services with business partners	-	-	79,455	89,207
Income from bank settlement services with partners	2,740	2,403	2,740	2,403
Others	2,293	1,032	12,762	10,609
Total	61,890	65,937	349,384	363,110

⁽¹⁾ In the three-month period ended March 31, 2021, includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event (Note 2b).

b) Income from banking fees

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Master file registration	132,641	-	132,641	109,418
Funds transfer	54	736	54	736
Appraisal of assets	47,753	-	47,753	78,545
Income from credit card	-	-	31,778	30,468
Others	133	81	384	786
Total	180,581	817	212,610	219,953

⁽¹⁾ In the three-month period ended March 31, 2021, includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event (Note 2b).

c) Personnel expenses

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Administrators' remuneration and other (Note 26)	(4,962)	(1,567)	(6,299)	(5,235)
Benefits	(29,826)	(11,750)	(34,652)	(38,974)
Social charges	(38,592)	(23,149)	(46,635)	(72,205)
Salary ^{(2) (3)}	(104,014)	12,716	(138,407)	(70,179)
Labor claims	(37,026)	(1,400)	(37,709)	(22,309)
Training	(1,925)	(540)	(2,306)	(2,375)
Supplementary private pension	(2,275)	(938)	(2,883)	(2,687)
Total	(218,620)	(26,628)	(268,891)	(213,964)

⁽¹⁾ In the three-month period ended March 31, 2021, includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event (Note 2b).

⁽²⁾ Includes reversal of provision for long-term incentive plan expenses, to which the realization is no longer expected

⁽³⁾ Includes expenses and related charges for variable remuneration programs.

d) Other administrative expenses

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Water, energy and gas	(596)	(266)	(703)	(1,169)
Rental	(19,879)	(4,397)	(23,033)	(16,642)
Communications	(7,300)	(397)	(11,551)	(14,214)
Maintenance of property, plant and equipment	(4,095)	(575)	(7,523)	(2,646)
Material	(581)	(269)	(663)	(1,220)
Data processing	(44,769)	(17,407)	(65,808)	(70,562)
Promotions and public relations	42	(1,216)	(776)	(7,708)
Advertising and publicity	(5,639)	(4,633)	(10,980)	(13,017)
Publications	-	(428)	(521)	(1,110)
Insurance	(1,435)	(343)	(1,655)	(1,226)
Financial system services	(21,790)	(6,197)	(24,165)	(26,312)
Outsourced services	(2,333)	(700)	(3,122)	(2,551)
Surveillance and security services	(326)	(260)	(384)	(567)
Specialized technical services	(116,413)	(14,586)	(129,207)	(117,535)
Transportation	(1,156)	(201)	(1,210)	(2,285)
Traveling	(64)	(256)	(70)	(2,465)
Judicial and notary public fees	(16,491)	(733)	(16,710)	(23,377)
Amortization ⁽²⁾	(26,493)	(5,249)	(31,984)	(24,421)
Depreciation ⁽²⁾	(5,794)	(148)	(6,813)	(7,859)
Other	(15,538)	(2,692)	(19,562)	(18,747)
Total	(290,650)	(60,953)	(356,440)	(355,633)

⁽¹⁾ In the three-month period ended March 31, 2021, includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event (Note 2b).

⁽²⁾ 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

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Recovery of charges and expenses	1,201	5,478	1,499	9,629
Restatement of judicial deposits	-	1,597	-	4,334
Inflation indexation	10	653	181	5,113
Reimbursement of overpaid tax fines	197	768	197	4,583
Operating cost reimbursement	157	-	157	1,357
Recovery from operational losses	-	-	-	19,129
Reversal of provision for insurance cancellation	-	-	3,945	-
Exclusive and preemptive rights	-	-	3,508	-
Income from real estate activity ⁽²⁾	-	-	1,349	-
Others ⁽³⁾	16,412	281	19,196	1,603
Total ⁽⁴⁾	17,977	8,777	30,032	45,748

⁽¹⁾ In the three-month period ended March 31, 2021, includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event (Note 2b).

⁽²⁾ Includes income from the sale of shares.

⁽³⁾ Includes reversal of provision for restructuring.

⁽⁴⁾ Revenues and expenses of the same nature are presented by the net amount calculated in each period. The presentation in the respective revenue or expense line takes into account the most recent period.

f) Other operating expenses

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Costs associated with the origination - Business partners ⁽²⁾	(194,607)	(648)	(264,431)	(224,264)
Civil claims	(23,931)	(91)	(24,979)	(30,813)
Tax claims	(1,918)	(1,228)	(2,299)	(2,188)
Restatement of judicial deposits ⁽³⁾	(9,185)	-	(9,086)	-
Operating losses	(3,403)	(257)	(3,505)	(2,404)
Premium paid on financial assets	(61)	(57)	(61)	(57)
Income (loss) of real estate activity ⁽⁴⁾	-	-	-	(6,128)
Premium paid for bank services preference	(8,190)	(2,530)	-	(2,530)
Provision for insurance cancellation	-	-	-	(4,920)
Provision for CO ₂ offset expenses for vehicles financed by Bank BV	(357)	-	(357)	-
Others	(11,116)	(1,516)	(27,149)	(19,387)
Total ⁽⁵⁾	(252,768)	(6,327)	(331,867)	(292,691)

⁽⁴⁾ In the three-month period ended March 31, 2021, includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event (Note 2b).

⁽²⁾ Mainly refer to commissions on loans originated by partners and trade agreements with tenants and freelancers, including maintenance expenses.

⁽³⁾ In the three-month period ended March 31, 2021, it includes changes in the judicial deposits update index.

⁽⁴⁾ It includes income from the sale of shares.

⁽⁵⁾ Income and expenses of the same type are presented at the net amount determined in each period. The presentation in the respective line of income or expense takes into account the most recent period.

23. OTHER INCOME AND EXPENSES

	Parent Company		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Other income	12,401	3,159	12,476	49,350
Profit on the disposal of assets	9,229	674	9,222	-
Rental income	-	-	-	9
Reversal of provision for devaluation of other assets ⁽¹⁾	-	-	83	41,034
Reversal of provision for investment losses due to tax incentives	-	2,485	-	5,931
Other income not directly associated with operating activity	3,172	-	3,171	2,376
Other expenses	(7,170)	(30,867)	(20,278)	(41,914)
Loss on disposal of assets	-	-	-	(3,219)
Capital losses	(50)	-	(50)	(1,290)
Devaluation of other assets	(1,813)	(5,547)	(5,125)	(6,046)
Expense on real estate not in use	(497)	(723)	(497)	(2,645)
Expenses with goodwill and impairment of subsidiaries	-	(24,583)	(9,795)	(28,699)
Write-offs of fixed assets	(2,650)	-	(2,650)	-
Other expenses not directly associated with operating activity	(2,160)	(14)	(2,161)	(15)
Total ⁽²⁾	5,231	(27,708)	(7,802)	7,436

⁽¹⁾ In the year ended December 31, 2020, it refers to the reversal of provisions for losses that were originated from the exchange of SPEs GMAX, Reserva Natural and NS Emp. Imob 10, under the control of SPE BVEP Vila Parque (This provision had been constituted in the year ended December 31, 2019).

⁽²⁾ Income and expenses of the same type are presented at the net amount calculated in each period. The presentation in the respective income or expense line takes into account the most recent period.

24. SHAREHOLDERS' EQUITY

a) Capital

The capital of Banco Votorantim S.A., fully subscribed and paid-in, in the amount of R\$ 8,130,372 (R\$ 8,130,372 as of December 31, 2020) is represented by 3,299,670,406 shares, of which 2,131,587,081 common shares are held, book-entry and no nominal value and 1,168,083,325 nominal, book-entry and non-nominal preferred shares (53,760,296,740 nominative, book-entry and non-nominal value common shares and 51,631,176,076 nominative preferred shares, book-entry and without nominal value as of December 31, 2020).

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

On February 8, 2021, the group of all shares representing the Bank's Share Capital was approved at an Extraordinary General Meeting, in the proportion of 31.94 to 1 share of the same species, with the Share Capital being represented by 3,299,670,406 shares. After the grouping, the conversion of 448,421,874 preferred shares into common shares was approved.

b) Capital reserve

Capital reserve is related to premium that 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 03.31.2021	01.01 to 03.31.2020
Net profit - Banco Votorantim S.A (R\$ thousand)	354,538	204,486
Weighted average number by thousand shares (basic and diluted)	37,330,271	37,330,271
Earnings per share (basic and diluted) (R\$)	9.50	5.48

e) Reconciliation of shareholders' equity and net profit

	Net Profit		Shareholders' equity	
	01.01 to 03.31.2021	01.01 to 03.31.2020	03.31.2021	12.31.2020
Banco Votorantim S.A.	354,538	204,486	11,193,600	10,746,169
Unrealized income ⁽¹⁾	599	16,679	7,148	7,548
Consolidated	355,137	221,165	11,200,748	10,753,717

⁽¹⁾ Refers to unrealized income from related parties, net of taxes.

f) Other comprehensive income

Parent Company and Consolidated	01.01 to 03.31.2021				01.01 to 03.31.2020			
	Opening balance	Changes	Tax effect	Closing balance	Opening balance	Changes	Tax effect	Closing balance
Securities available to sale	245,530	(228,966)	102,810	119,374	100,332	(177,408)	77,415	339
Banco Votorantim ⁽¹⁾	237,675	(215,467)	96,818	119,026	38,374	(129,188)	58,134	(32,680)
Subsidiaries	7,855	(13,499)	5,992	348	61,958	(48,220)	19,281	33,019
Cash flow hedge	(96,177)	398,271	(179,222)	122,872	(127,069)	62,382	(28,072)	(92,759)
Banco Votorantim ⁽¹⁾	(96,177)	398,271	(179,222)	122,872	(127,069)	62,382	(28,072)	(92,759)
Total - Parent Company	149,353	169,305	(76,412)	242,246	(26,737)	(115,026)	49,343	(92,420)
RNR effect ⁽²⁾	18,870	(999)	-	17,871	76,057	(27,796)	-	48,261
Total - Consolidated	168,223	168,306	(76,412)	260,117	49,320	(142,822)	49,343	(44,159)

⁽¹⁾ Includes agency abroad.

⁽²⁾ Tax effect is presented in "Other credits - Sundry".

g) Shareholders interest (quantity of shares)

The quantity of issued shares from Banco Votorantim S.A. in which shareholders are owners are directly:

Shareholders - Shares (thousand)	03.31.2021					
	Ordinary	% Ordinary	Preference	% Preference	Total	% Total
Votorantim Finanças S.A.	1,065,793	50.00%	584,042	50.00%	1,649,835	50.00%
Banco do Brasil S.A.	1,065,793	50.00%	584,042	50.00%	1,649,835	50.00%
Total	2,131,587	100.00%	1,168,083	100.00%	3,299,670	100.00%
Domestic residents	2,131,587	100.00%	1,168,083	100.00%	3,299,670	100.00%

Shareholders - Shares (thousand)	12.31.2020					
	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%

25. TAXES

a) Tax assets

Total tax assets recognized

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Current tax assets (Note 25 a.1)	296,385	303,609	348,179	358,504
Deferred tax assets (Note 25 a.2)	6,443,113	6,806,524	7,336,314	7,677,294
Total	6,739,498	7,110,133	7,684,493	8,035,798
Current assets	47,152	13,932	67,121	46,268
Non-current assets	6,692,346	7,096,201	7,617,372	7,989,530

PARENT COMPANY AND CONSOLIDATED INTERIM STATEMENTS

as of March 31, 2021

(Amounts in thousand of Reais, unless otherwise indicated)

a.1) Current tax assets

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Taxes and contributions to be offset	147,620	154,844	199,170	206,500
Recoverable income tax	-	-	244	3,239
Presumed credit - Law no. 12,838/13	148,765	148,765	148,765	148,765
Total ⁽¹⁾	296,385	303,609	348,179	358,504

⁽¹⁾ Includes taxes and current contributions to be offset whose expected offset time is more than 12 months.

a.2) Deferred tax assets (Recognised)

Parent Company	12.31.2020	01.01 to 03.31.2021		03.31.2021 ⁽¹⁾
	Balance	Net changes in the period		Balance
		Constitution ⁽²⁾	Write-off	
Temporary differences	6,099,560	535,882	(817,910)	5,817,532
Provision for losses associated with credit risk	4,070,766	345,137	(253,387)	4,162,516
Provisions	685,508	7,690	(109,948)	583,250
Fair value adjustments ⁽²⁾	739,186	173,483	(453,869)	458,800
Other provisions ⁽³⁾	604,100	9,572	(706)	612,966
Tax loss/CSLL negative basis	706,964	-	(81,383)	625,581
Total deferred tax assets recognized	6,806,524	535,882	(899,293)	6,443,113
Income tax	3,761,050	297,769	(497,214)	3,561,605
Social contribution	3,045,474	238,113	(402,079)	2,881,508

Consolidated	12.31.2020	01.01 to 03.31.2021		03.31.2021 ⁽¹⁾
	Balance	Net changes in the period		Balance
		Constitution ⁽²⁾	Write-off	
Temporary differences	6,531,918	577,082	(839,221)	6,269,779
Provision for losses associated with credit risk	4,408,134	386,384	(264,659)	4,529,859
Provisions	765,941	7,643	(118,340)	655,244
Fair value adjustments ⁽²⁾	739,186	173,483	(453,869)	458,800
Other provisions ⁽³⁾	618,657	9,572	(2,353)	625,876
Tax loss/CSLL negative basis	1,145,376	6,088	(84,929)	1,066,535
Total deferred tax assets recognized	7,677,294	583,170	(924,150)	7,336,314
Income tax	4,437,855	324,057	(515,746)	4,246,166
Social contribution	3,239,439	259,113	(408,404)	3,090,148

⁽¹⁾ In the three-month period ended March 31, 2021, the portion of (R\$ 100,531) (of the total of R\$ 458,800) in Parent Company and Consolidated, corresponds to the tax credit arising from adjustments of the effective portion of the hedge instruments. cash flow, recorded in a shareholders' equity.

⁽²⁾ The amounts corresponding to the changes in deferred tax assets arising from adjustments to the fair value of the effective portion of the cash flow hedge instruments, recorded in the shareholders' equity account, in the three-month period ended March 31, 2021, are amounted to (R\$ 179,221) of the total of (R\$ 280,386), in the Parent Company and Consolidated.

⁽³⁾ Includes tax credits arising from constitution expenses of provisions for reduction to recoverable value of securities.

Realization estimate

The realization estimate of deferred tax assets is supported by the technical study prepared as at March 31, 2021.

	Parent Company		Consolidated	
	Nominal value	Present value	Nominal value	Present value
In 2021	1,529,625	1,487,274	1,597,698	1,553,463
In 2022	1,509,854	1,409,228	1,616,598	1,508,585
In 2023	1,394,420	1,239,281	1,558,025	1,384,684
In 2024	404,060	339,778	594,920	500,274
In 2025	521,422	413,351	822,706	652,190
From 2026 to 2027	467,680	342,099	517,978	379,569
From 2028 to 2030	616,052	336,769	628,389	343,822
Total deferred tax assets	6,443,113	5,567,780	7,336,314	6,322,587

Realization of nominal values for deferred tax assets

	Parent Company		Consolidated	
	Tax losses/Social contribution onnet profit to offset ⁽¹⁾	Temporary differences ⁽²⁾	Tax losses/Social contribution onnet profit to offset ⁽¹⁾	Temporary differences ⁽²⁾
In 2021	4%	26%	5%	25%
In 2022	11%	25%	14%	23%
In 2023	12%	23%	17%	22%
In 2024	13%	6%	17%	7%
In 2025	16%	7%	17%	10%
From 2026 to 2027	38%	4%	27%	4%
From 2028 to 2030	6%	9%	3%	9%

⁽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) Unrecognized deferred tax assets

	Parent Company		Consolidated	
	03.31.2021	31.12.2020	03.31.2021	12.31.2020
Social contribution on net profit tax loss/negative basis portions of CSLL	94,088	94,088	166,925	170,807
Temporary Differences portions	-	-	24,498	21,160
Total of deferred tax assets not recorded in assets	94,088	94,088	191,423	191,967
Income tax	52,271	52,271	137,012	137,411
Social contribution	41,817	41,817	54,411	54,556

The balance not constituted of tax assets will only be recognized in the accounting books when it meets the regulatory aspects for its activation and presents effective prospect of realization.

b) Tax liabilities

Total tax liabilities recognized

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Current tax liabilities (Note 25 b.1)	247,309	136,295	337,341	259,497
Deferred tax liabilities - (Note 25 b.2)	85,999	336,102	89,178	346,416
Total	333,308	472,397	426,519	605,913
Current liabilities	244,491	136,295	323,428	254,649
Non-current liabilities	88,817	336,102	103,091	351,264

b.1) Current tax liabilities

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Financial transaction tax payable	25,604	1,877	26,882	1,911
Income tax and social contribution payable	-	-	6,051	6,036
Provision for taxes and contributions on income	127,466	32,866	190,759	129,131
Taxes and contributions payable	94,239	101,552	113,649	122,419
Total ⁽¹⁾	247,309	136,295	337,341	259,497

⁽¹⁾ Includes current taxes and contributions, whose settlement period is longer than 12 months.

b.2) Deferred tax liabilities

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Fair value adjustments	70,466	320,175	72,226	327,928
Presumed credit - Law no. 12,838/13	15,075	15,075	15,075	15,075
Other liabilities	458	852	1,877	3,413
Total deferred tax liabilities	85,999	336,102	89,178	346,416
Income tax	48,254	187,375	50,642	194,228
Social contribution	37,745	148,727	38,536	152,188

c) Tax expenses

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Contribution for Social Security Funding	(67,782)	(3,439)	(90,750)	(91,714)
ISSQN	(11,094)	(2,402)	(18,059)	(19,612)
PIS	(11,015)	(559)	(15,385)	(15,529)
Others	(3,296)	(5,045)	(4,489)	(8,844)
Total	(93,187)	(11,445)	(128,683)	(135,699)

⁽¹⁾ In the three-month period ended March 31, 2021, includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event (Note 2b).

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

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Current amounts	(127,466)	-	(213,905)	(215,616)
Income tax and social contribution on net profit - current	(127,466)	-	(213,905)	(215,616)
Deferred amounts	(31,626)	458,412	(9,113)	587,284
Deferred tax liabilities	152,564	(1,763)	152,645	(1,736)
Fair value adjustments	152,892	(1,532)	152,892	(1,532)
Other liabilities	(328)	(231)	(247)	(204)
Deferred tax assets	(184,190)	460,175	(161,758)	589,020
Tax loss carryforwards and negative basis of social contribution on net profit	(81,383)	150,393	(78,841)	76,879
Temporary differences	(1,643)	(49,494)	18,247	157,433
Fair value adjustments	(101,164)	359,276	(101,164)	354,708
Total	(159,092)	458,412	(223,018)	371,668

⁽¹⁾ In the three-month period ended March 31, 2021, includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financiera, after the referred event (Note 2b).

d.2) Reconciliation of IR and CSLL charges

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Income (loss) before taxes and contributions	560,155	(241,032)	637,967	(80,912)
Total IR charges (25% rate) and CSLL (20%)	(252,070)	109,040	(287,086)	36,410
Equity in the earnings of subsidiaries	40,197	74,400	377	4,100
Charges on employees' profit sharing	20,936	5,802	26,916	31,316
Other amounts ^{(2) (3)}	31,845	269,170	36,775	299,842
Income tax and social contribution for the period	(159,092)	458,412	(223,018)	371,668

⁽¹⁾ In the three-month period ended March 31, 2021, it includes appropriation of income (expense) generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financiera, after the referred event (Note 2b).

⁽²⁾ In the three-month period ended March 31, 2020, it includes the amount of R\$ 33,585 related to the effects of csll's rate increase to 20%, applicable to bank BV Tax Credit effective from March 2020, referring to the amounts of January and February.

⁽³⁾ Includes foreign exchange variation on investments abroad.

26. 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:

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Administrators' remuneration and other	4,962	1,567	6,299	5,235
Bonuses	20,073	6,850	19,960	10,978
Social charges	7,629	3,233	7,760	4,715
Total	32,664	11,650	34,019	20,928

⁽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 Parent Company 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).

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. These transactions do not involve abnormal default risks.

The Conglomerate performs assigned loans to a related party whilst retaining substantially all the risks and rewards. In the three-month period ended March 31, 2021, these transactions amounted R\$ 1,285,833 (R\$ 1,923,912 in the three-month period ended March 31, 2020). The net result of credit assignments, considering the income and expenses of the assignments with substantial retention of risks and benefits, is shown in the table below under "Interest income, services and other income".

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	03.31.2021						
	Conglom. Banco do Brasil	Votorantim S.A.	Financial Institution subsidiaries ⁽¹⁾	Non-financial Institution subsidiaries ⁽²⁾	Key management personnel ⁽³⁾	Others ⁽⁴⁾	Total
Assets							
Funds available	279	-	-	-	-	-	279
Interbank deposit investments ⁽⁵⁾	-	-	197,701	-	-	597,613	795,314
Securities and derivative financial instruments	-	80,027	-	-	-	1,904,715	1,984,742
Loans and leases	-	2,723	-	-	-	-	2,723
Other assets	28,104	8,466	49,117	42,832	372	7,378	136,269
Liabilities							
Demand deposits	(3,563)	(10,113)	(1,808)	(1,096)	(86)	(6,771)	(23,437)
Time deposits	(1,086,621)	(790,496)	-	(659,992)	(1,186)	(45,954)	(2,584,249)
Interbank accounts or relations	-	-	(129,403)	-	-	-	(129,403)
Money market repurchase	(16)	(105,664)	-	(641,560)	(131)	-	(747,371)
Funds for accepting and issuing bonds	(205,565)	(436,630)	-	-	(1,696)	-	(643,891)
Derivative financial instruments	-	-	-	-	-	(871,621)	(871,621)
Subordinated debts and debt instruments eligible for capital	(211,478)	-	-	-	-	-	(211,478)
Other liabilities	(5,818,187)	(14,254)	(13,328)	-	-	(105,863)	(5,951,632)
01.01 to 03.31.2021							
Income (loss)							
Income from interest, provision of services and other income	118,783	964	8,313	-	-	5,232	133,292
Income (losses) from derivative financial instruments	-	42,791	-	-	-	18,495	61,286
Fund raising, administrative expenses and other	(11,375)	(7,172)	(720)	(5,548)	(28)	(131)	(24,974)
12.31.2020							
	Conglom. Banco do Brasil	Votorantim S.A.	Financial Institution subsidiaries ⁽¹⁾	Non-financial Institution subsidiaries ⁽²⁾	Key management personnel ⁽³⁾	Others ⁽⁴⁾	Total
	Conglom. Banco do Brasil	Votorantim S.A.	Financial Institution subsidiaries ⁽¹⁾	Non-financial Institution subsidiaries ⁽²⁾	Key management personnel ⁽³⁾	Others ⁽⁴⁾	Total
Assets							
Funds available	972	-	-	-	-	-	972
Interbank deposit investments ⁽⁵⁾	999,998	-	102,900	-	-	598,147	1,701,045
Securities and derivative financial instruments	-	109,703	-	-	-	1,971,994	2,081,697
Loans and leases	-	2,700	-	-	-	-	2,700
Other assets	13,422	9,608	20,837	23,034	431	15,676	83,008
Liabilities							
Demand deposits	(2,221)	(5,432)	(1,185)	(733)	(52)	(3,554)	(13,177)
Time deposits	(586,735)	(826,270)	-	(637,150)	(49)	(45,754)	(2,095,958)
Interbank accounts or relations	-	-	(145,443)	-	-	-	(145,443)
Money market repurchase	(739)	(91,905)	-	(608,406)	(135)	(1,919)	(703,104)
Funds for accepting and issuing bonds	(259,458)	(547,671)	-	-	(4,896)	-	(812,025)
Derivative financial instruments	-	(12,202)	-	-	-	(1,023,692)	(1,035,894)
Other liabilities	(5,802,007)	(36,355)	(15,367)	-	-	(105,905)	(5,959,634)
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)

⁽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 Expertise Multimercado, Fundo de Invest. em Participações BV - Multiestratégia Investimento no Exterior, Fundo de Invest. em Participações BV Tech I - Multiestratégia Investimento no Exterior, subsidiaries 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 have a stake or in which they hold a statutory position.

⁽⁵⁾ Includes operations with an original maturity of 90 days or less classified as Cash and cash equivalents.

27. 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 short-term and long-term compensation programs: Conditional Variable Incentive, Long-Term Incentive and Virtual Stock Purchase Program, approved by the Board of Directors on May 10, 2012, were terminated in the 2016 competency exercise with effect until February 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.

ILP Plan: In 2021, the Conglomerate implemented a long-term incentive plan for executives, which consists of an expectation of the right to receive virtual shares, conditioned to the organization's performance over time, with the objective (i) attraction, motivation and talent retention; (ii) alignment of the interests of the executives to the objectives and interests of the shareholders; (iii) generating results and creating sustainable value; and (iv) creating a long-term vision. This plan lasts for 4 years.

Expenses whose expectation of realization arises exclusively from the provision of services to the Conglomerate by the beneficiaries of variable compensation programs: in the three-month period ended March 31, 2021 were recognized in the conglomerate's results, in Personnel Expenses – Income R\$ 14,148 (R\$ 25,932 in the three-month period ended March 31, 2020) in relation to long-term incentive transactions. Incentives generally become entitlement between 1 and no later than 4 years from the date of grant.

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

Program year	01.01 to 03.31.2021	01.01 to 03.31.2020
2015	-	20,936
2016	27,625	6,525
2017	5,453	5,337
2018	674	6,329
Total	33,752	39,127

In March 31, 2021, the Conglomerate recorded under "Other liabilities - Provision for personnel expenses", the amount of R\$ 95,954 (R\$ 187,049 as of December 31, 2020).

Phantom share value is calculated a minimum 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 value of the phantom shares.

Changes in phantom shares

	Parent Company		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Opening quantity	12,792,843	17,620,394	14,137,436	24,125,108
New / Updates	-	5,286,259	-	6,331,233
Paid	(12,743,493)	(12,023,883)	(14,088,086)	(15,327,763)
Expired	(49,350)	-	(49,350)	(244,546)
Closing quantity	-	10,882,770	-	14,884,032

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 converted to 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.

28. 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 claim types, 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 which may eventually generate assessments, for example: composition of the IRPJ/CSLL 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.

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 loss

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

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

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

Contingent liability balances classified as probable

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Tax claims	38,094	37,235	53,624	53,301
Civil claims	258,857	259,758	274,748	273,612
Labor claims	459,615	470,740	477,666	491,785
Total	756,566	767,733	806,038	818,698

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

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Tax claims				
Opening balance	37,235	5,653	53,301	58,027
Constitutions	49	30	342	2,007
Reversal of provision	-	-	(78)	(76)
Write-off due to payment	(11)	-	(752)	(84)
Updates	821	27	811	1,546
Closing balance	38,094	5,710	53,624	61,420
Civil claims				
Opening balance	259,758	8,916	273,612	261,263
Constitutions	11,903	2	14,656	13,375
Reversal of provision	(11,804)	(5)	(12,593)	(11,498)
Write-off due to payment ⁽²⁾	(12,989)	(2)	(13,820)	(16,998)
Updates ⁽³⁾	11,989	151	12,893	17,672
Closing balance	258,857	9,062	274,748	263,814
Labor claims				
Opening balance	470,740	89,291	491,785	587,018
Constitutions	46,079	8,083	46,992	81,163
Reversal of provision	(37,168)	(4,984)	(39,794)	(30,545)
Write-off due to payment ⁽²⁾	(25,788)	(4,284)	(27,336)	(32,797)
Updates	5,752	1,358	6,019	9,192
Closing balance	459,615	89,464	477,666	614,031
Total tax, civil and labor claims	756,566	104,236	806,038	939,265

⁽¹⁾ In the three-month period ended March 31, 2021, the Parent Company includes amounts related to the incorporation of BV Financeira's split portion (Note 2b).

⁽²⁾ Refers to write-off for payment by judicial decision or agreement between the parties. The amount effectively paid is presented in note 22c and 22f.

⁽³⁾ It includes inflation indexation and the effects of remeasurement of "unit prices", which compose the methodology for calculating losses.

e.2) Estimated schedule of disbursements on March 31, 2021

	Parent Company			Consolidated		
	Fiscais	Cíveis	Trabalhistas	Fiscais	Cíveis	Trabalhistas
Up to 5 years	19,317	258,857	459,615	29,945	274,748	477,666
From to 10 years	18,777	-	-	23,679	-	-
Total	38,094	258,857	459,615	53,624	274,748	477,666

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

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

	Parent Company ⁽¹⁾		Consolidated	
	01.01 to 03.31.2021	01.01 to 03.31.2020	01.01 to 03.31.2021	01.01 to 03.31.2020
Tax claims	(859)	(57)	(323)	(3,393)
Civil claims	901	(146)	(1,136)	(2,551)
Labor claims	11,125	(173)	14,119	(27,013)
Total	11,167	(376)	12,660	(32,957)

⁽¹⁾ In the three-month period ended March 31, 2021, it includes appropriation of income (expense) generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event (Note 2b).

f) Contingent liabilities - Possible loss

Amounts shown in the chart below represent estimated disbursement value in case the Parent Company receives a negative judgement. Claims are classified as possible when likelihood of loss is lower than probable and higher than remote.

f.1) Balances of contingent liabilities classified as possible

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Civil claims ⁽¹⁾	148,470	144,573	152,750	146,293
Labor claims ⁽²⁾	292,832	244,676	334,401	280,774
Tax claims (Note 28.f.1.1)	1,875,585	1,878,755	2,089,257	2,075,715
Total	2,316,887	2,268,004	2,576,408	2,502,782

⁽¹⁾ Refer, basically, to collection actions.

⁽²⁾ Refer to lawsuits filed, mostly, by former employees, whose nature of the claims involves indemnification, overtime, mischaracterization of working hours, additional function and representation and others.

f.1.1) Main lawsuits of tax nature classified as possible loss

Possible causes description - Tax	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
INSS without profit sharing ⁽¹⁾	612,771	605,577	633,865	626,602
IRPJ - FINOR	23,090	23,038	27,100	27,041
ISS	20,409	20,029	21,670	21,199
INSS on profit sharing - Nassau Branch	39,242	39,175	39,242	39,175
PIS/COFINS on demutualization	21,664	21,810	45,891	46,001
IRPJ on undue offset of tax loss - Gratuities to statutory officers	27,258	27,199	27,258	27,199
IRPJ/CSLL - Deduction Allowance for loan losses 2008 ⁽²⁾	124,046	118,497	124,046	118,497
Infringement Fine (non-homologation of DCOMP)	47,146	47,013	47,146	47,013
IRPJ/CSLL - Assessment notice: improper exclusion of premium arose on acquisition of securities	24,148	24,047	24,148	24,047
IRRF from remittances abroad: impossibility of compensation	49,170	49,035	49,170	49,035
PF and BNCSLL: excess of compensation AB 2012	90,959	90,693	90,959	90,693
IRPJ/CSLL on JCP cumulatively distributed of previous periods ⁽³⁾	109,400	109,172	135,007	134,692
IPVA - Third parties ⁽⁴⁾	216,280	232,824	223,906	240,183
INSS - Benefits (VA/VR)	22,838	22,762	22,838	22,762
IRPJ/CSLL - Deduction Allowance for loan losses 2014	308,664	307,622	308,664	307,622
ISS VRG ⁽⁵⁾	-	-	125,998	109,841
Others causes	138,500	140,262	142,349	144,113
Total	1,875,585	1,878,755	2,089,257	2,075,715

⁽¹⁾ Refer to assessments drawn up by the Brazilian Internal Revenue Service that deal with the collection of Social Security Contribution calculated on the amounts paid by companies as PLR supposedly in disagreement with the rules established by Law n°. 10,101/2000.

⁽²⁾ Refer to assessments drawn up on the Brazilian Internal Revenue Service alleging the improper deduction of losses in Loans for allegedly not meeting legal requirements.

⁽³⁾ Refer to the possibility of distribution of the accumulated JCP based on the profits earned in previous years, within the legal limit of 50% of the profit calculated in the distribution year.

⁽⁴⁾ Refer to the liability for the payment of the IPVA of vehicles financed with fiduciary disposal in fiduciary creditor guarantee only in cases where they make the guarantee.

⁽⁵⁾ Refer to the discussion on the incidence of ISS on the Guaranteed Residual Value - VRG charged by the company in leases held in the period from 2014 to 2017.

g) Deposits as collateral
Balances of escrow deposits recognized for contingencies

	Parent Company		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Tax claims	199,306	198,072	234,983	233,648
Civil claims	163,850	162,221	177,871	177,693
Labor claims	236,553	266,560	237,992	268,205
Total	599,709	626,853	650,846	679,546

h) Legal obligations

Consolidated keeps the legal obligation in the amount of R\$ 47,961 (R\$ 45,662 as of December 31, 2020) and the Parent Company registered the amount of R\$ 42,602 (R\$ 40,684 as of December 31, 2020), the main discussion of which is in a declaratory action in which the is intended to remove the incidence of ISS on revenue stemming from endorsement operations, bail and Others guarantees provided, as well as obtaining the refund of the amounts paid in such a capacity in the last five years, the amount provisioned at the Bank is R\$ 24,853 (R\$ 26,560 at December 31, 2020).

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).

29. 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;
- Climate risk.
- Models risk;
- Compliance risk;
- Underwriting risk;
- Collateral risk;
- Cyber security risk; and
- Contagion risk.

The levels of risk exposure are monitored through a risk limit framework, incorporated into the Conglomerate's daily activities. Senior Management is involved by following through 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 respective 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 risk and capital. In addition, the Executive Board (ComEx) has by assignment the general supervision of such matters.
- 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 CMN 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 BCB Resolution No. 54/2020, available on the Investor Relations website at www.bancobv.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

	Parent Company and Consolidated			
	03.31.2021		12.31.2020	
	Guaranteed values	Provision	Guaranteed values	Provision
Linked to bids, auctions, provision of services or execution of works	680,257	2,399	694,486	2,481
Guarantee or surety in judicial and administrative tax proceedings	3,333,966	167,014	3,314,308	166,517
Linked to the distribution of securities by public offering	35,247	176	54,733	274
Other bank guarantees	3,029,638	37,319	2,697,807	49,252
Other financial guarantees provided	197,586	3	180,782	6
Total	7,276,694	206,911	6,942,116	218,530

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.

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 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 the fair value of the Conglomerate portfolio 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			
		03.31.2021		12.31.2020	
		+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	(1,490)	1,461	(1,412)	1,384
Foreign currency coupons	Foreign currency coupon exchange movements	8,220	(8,057)	10,669	(10,458)
Price indexes	Price indexes coupons variation risk	(774)	759	(703)	689

Trading and Banking portfolio

Risk Factor	Concept	Basic interest rate shock			
		03.31.2021		12.31.2020	
		+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	(170,853)	167,470	(184,375)	180,724
Foreign currency coupons	Foreign currency coupon exchange movements	130,347	(127,766)	120,641	(118,252)
Price indexes	Price indexes coupons variation risk	(10,947)	10,730	(11,205)	10,984
TR/TBF	Risk of TR (reference rate) and TBF (basic financial rate) coupon variation	113	(111)	199	(195)

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 the construction of this scenario, currencies suffer shock of 1% on the closing value on December 31, 2020 (1% on December 31, 2019). The stressed value of the US dollar (BM&F DOL-CL) would be R\$ 5,2297 (101%) (R\$ 4.0182 (101%) on December 31, 2019). The shocked BOVESPA index is 120.603 points, equivalent to 101% of the closing value on December 31, 2020 (115,645 points, equivalent to 101% of the closing value on December 31, 2019). The curves of fixed interest rates, price index coupons, foreign currency coupons and other interest rate coupons suffer parallel shocks of 10 basis points, that is, all values, regardless of the term, increase or decrease by 0.10% (0.10% on December 31, 2019).

• **Scenario 2** - Scenario where currencies and the BOVESPA index suffer shock of 25% and interest rates suffer parallel shock of 25% over the closing value on December 31, 2020 (25% on December 31, 2019). The pre-tax rate, on December 31, 2020, for the one-year term is 2.8590% (4.5583% on December 31, 2019). Thus, the entire curve is shocked by 0.71% more or less, depending on the hypothetical result generated (1.14% on December 31, 2019).

• **Scenario 3** - Scenario where the currencies and the BOVESPA index suffer 50% shock and interest rates suffer a 50% parallel shocks on the closing value on December 31, 2020 (50% on December 31, 2019).

In the analysis made for operations classified in the banking portfolio, the valuation or devaluation due to changes in interest rates and market prices do not represent a significant financial and accounting impact on the results of the Conglomerate. This is because this portfolio is mainly composed of credit operations, borrowings and securities, whose accounting record is carried out mainly at the rates agreed upon when the operations were contracted. In addition, the main characteristic of these portfolios is the accounting classification of financial assets measured at fair value through other comprehensive results and, therefore, the effects of interest rate or price fluctuations are reflected in shareholders' equity and not in results. There are also operations naturally linked to other instruments (natural hedge), thus minimizing the impacts in a stress scenario.

The tables below summarize the results for the trading portfolio, composed of public and private securities, derivative financial instruments and funds raised through repurchase agreement operations, and banking, presenting the amounts observed on each reference 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)
	03.31.2021						
Fixed rate / Fixed interest rate variation risk	519,131	Increase	(149)	Increase	(2,031)	Increase	(4,290)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(233,464)	Increase	1,414	Decrease	(1,151)	Decrease	(2,366)
Foreign exchange movements / Exchange rate movements risk	934,960	Increase	9,445	Decrease	(208,300)	Decrease	(453,019)
Price indexes / Price indexes coupons variation risk	18,948	Increase	(77)	Increase	(18)	Increase	(36)
Other / Other coupons movements risk	(575)	Increase	(12)	Decrease	(348)	Decrease	(3,196)
	12.31.2020						
Fixed rate / Fixed interest rate variation risk	656,318	Increase	(140)	Increase	(1,082)	Increase	(2,341)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(68,618)	Increase	1,078	Decrease	(2,324)	Decrease	(4,674)
Foreign exchange movements / Exchange rate movements risk	(155,881)	Increase	(1,523)	Increase	(26,443)	Increase	(30,705)
Price indexes / Price indexes coupons variation risk	16,076	Increase	(70)	Increase	(313)	Increase	(614)
Other / Other coupons movements risk	-	Maintenance	-	Maintenance	-	Maintenance	-

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)
	03.31.2021						
Fixed rate / Fixed interest rate variation risk	6,178,991	Increase	(15,196)	Increase	(190,815)	Increase	(375,729)
Foreign currency coupons / Foreign currency coupon exchange movements	(4,657,957)	Increase	13,921	Decrease	(39,859)	Decrease	(80,214)
Foreign exchange movements / Exchange rate movements risk	(517,055)	Increase	(4,703)	Increase	(141,865)	Increase	(278,525)
TJLP / TJLP coupon movements risk	(20,344)	Increase	6	Decrease	(4)	Decrease	(7)
TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk	29,132	Increase	251	-	-	-	-
Price indexes / Price indexes coupons variation risk	704,038	Increase	(1,341)	Increase	(2,948)	Increase	(5,601)
Other / Other coupons movements risk	18,658	Increase	(12)	Decrease	(348)	Decrease	(3,196)
	12.31.2020						
Fixed rate / Fixed interest rate variation risk	16,373,558	Increase	(16,897)	Increase	(119,848)	Increase	(237,485)
Foreign currency coupons / Foreign currency coupon exchange movements	(7,091,414)	Increase	11,651	Decrease	(32,808)	Decrease	(65,909)
Foreign exchange movements / Exchange rate movements risk	(337,278)	Increase	(2,582)	Increase	(51,297)	Increase	(76,646)
TJLP / TJLP coupon movements risk	(29,586)	Increase	12	Decrease	(70)	Decrease	(141)
TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk	35,152	Increase	342	Maintenance	-	Maintenance	-
Price indexes / Price indexes coupons variation risk	591,925	Increase	(1,111)	Increase	(5,188)	Increase	(10,090)
Other / Other coupons movements risk	14,414	Maintenance	-	Maintenance	-	Maintenance	-

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 the estimates of gains and losses of the retrospective stress test in the consolidated portfolio, on March 31, 2021 and based on the perception of Management regarding the behavior of shares, commodities, foreign currencies and interest rates, two scenarios were used:

Scenario I - In this Scenario, interest curves suffer positive parallel shocks; the exchange rate (reais/dollar) considered is R\$ 5.88 (R\$ 5.86 at December 31, 2020); commodities suffer positive shocks of 10% on the closing value as of March 31, 2021; and a negative variation of -15.28% is applied in the BOVESPA Index (the same rates were used on December 31, 2020).

Scenario II - In this Scenario the interest curves suffer parallel shocks negAssets; the exchange rate (reais/dollar) considered is R\$ 4.63 (R\$ 4.62 at December 31, 2020); commodities suffer negAssets shocks of 10% on the closing value as of March 31, 2021; and a positive variation of 24.49% of the BOVESPA Index is applied (the same rates were used on December 31, 2020).

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

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	03.31.2021		12.31.2020	
	Exposure	Stress ⁽¹⁾	Exposure	Stress ⁽¹⁾
Shares	18,658	(2,233)	14,414	-
Foreign currencies	(517,055)	(83,429)	(337,278)	(42,530)
Interest rate	2,233,860	(206,999)	9,879,634	(309,818)
Total	1,735,463	(292,661)	9,556,770	(352,348)

Estimates of retrospective stress test greatest gains - Consolidated portfolio

Risk Factor	03.31.2021		12.31.2020	
	Exposure	Stress ⁽¹⁾	Exposure	Stress ⁽¹⁾
Shares	18,658	-	14,414	-
Foreign currencies	(517,055)	81,639	(337,278)	41,462
Interest rate	2,233,860	159,181	9,879,634	196,501
Total	1,735,463	240,820	9,556,770	237,963

⁽¹⁾ The optimistic and pessimistic stress tests for the group of stocks are done only under the BOVESPA index.

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 (unobservable inputs). Involve the use of quantitative methods that use market references and unobservable data in the market in producing its estimates.

The amounts calculated for the instruments classified at level 3 for March 31, 2021 and December 31, 2020 are not material.

The following table presents financial instruments recorded at fair value on March 31, 2021 and December 31, 2020, classified at the different hierarchical levels of fair value measurement:

Consolidated	03.31.2021			
	Level 1	Level 2	Level 3	Total
Asset				
Hedged interbank investments (Note 10g)	-	701,217	-	701,217
Securities (Note 9a)	19,287,388	4,835,392	594,088	24,716,868
Trading securities	5,356,695	1,144,878	-	6,501,573
Securities available to sale	13,930,693	3,690,514	594,088	18,215,295
Derivatives financial instruments (Note 10a)	1,014,878	4,447,101	-	5,461,979
Hedged loan portfolio (Note 10g)	-	20,072,280	-	20,072,280
Total	20,302,266	30,055,990	594,088	50,952,344
Liability				
Money market repurchase commitments - Free portfolio (Note 17c)	-	(3,931,563)	-	(3,931,563)
Derivatives financial instruments (Note 10a)	(1,135,352)	(3,510,023)	-	(4,645,375)
Total	(1,135,352)	(7,441,586)	-	(8,576,938)

Consolidated	12.31.2020			
	Level 1	Level 2	Level 3	Total
Asset				
Hedged interbank investments (Note 10g)	-	501,451	-	501,451
Securities (Note 9a)	19,907,487	4,427,674	575,439	24,910,600
Trading securities	5,178,398	1,101,299	-	6,279,697
Securities available to sale	14,729,089	3,326,375	575,439	18,630,903
Derivatives financial instruments (Note 10a)	849,482	2,771,658	-	3,621,140
Hedged loan portfolio (Note 10g)	-	18,985,162	-	18,985,162
Total	20,756,969	26,685,945	575,439	48,018,353
Liability				
Money market repurchase commitments - Free portfolio (Note 17c)	-	(2,525,751)	-	(2,525,751)
Derivatives financial instruments (Note 10a)	(929,988)	(2,675,669)	-	(3,605,657)
Total	(929,988)	(5,201,420)	-	(6,131,408)

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.

(i) Transfers of level 3

Consolidated	Balance in 31.12.2020	01.01 to 03.31.2021		Balance in 03.31.2021
		Additions / (Settlements)	Income (loss) / Other changes	
Assets				
Securities				
Securities available to sale	575,439	20,066	(1,417)	594,088
Total	575,439	20,066	(1,417)	594,088

Consolidated	Balance in 31.12.2019	2020		Balance in 31.12.2020
		Additions / (Settlements)	Income (loss) / Other changes	
Assets				
Securities				
Securities available to sale	216,043	401,308	(41,912)	575,439
Total	216,043	401,308	(41,912)	575,439

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

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

Consolidated	03.31.2021		12.31.2020	
	Book value	Fair value	Book value	Fair value
Assets	9,345,386	45,309,607	44,474,890	44,790,370
Securities - Held to Maturity (Note 9a)	9,345,386	9,165,085	9,287,610	9,598,667
Loan portfolio (Notes 12a / 29.1.d.3)	36,143,432	36,144,522	35,187,280	35,191,703
Liabilities	(86,681,374)	(89,737,946)	(85,606,518)	(88,666,002)
Money market repurchase commitments (Notes 17c / 29.1.d.3)	(15,742,878)	(16,559,227)	(12,503,078)	(13,095,974)
Deposits (Note 17a)	(25,233,815)	(25,728,755)	(25,510,391)	(25,919,341)
Borrowings and transfers from Brazilian government (Onlendings) (Note 18)	(3,707,301)	(3,938,734)	(3,745,402)	(4,294,627)
Securities issued (Note 19)	(38,324,366)	(39,419,545)	(40,154,521)	(41,295,284)
Subordinated debts and debt instruments eligible for capital (Note 20)	(3,673,014)	(4,091,685)	(3,693,126)	(4,060,776)
Total	(77,335,988)	(44,428,339)	(41,131,628)	(43,875,632)

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 fair 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 fair value. For leasing operations, the fair value was calculated based on discounted future flow values considering current market rates and for other operations, the book value was considered 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.

The management of social and environmental risk by the Conglomerate is led by the Corporate Policy of Sustainability and Social and Environmental Responsibility (PSRSA). This policy complies with the provisions of CMN Resolution No. 4,327/2014 and the self-regulation Febraban SARF No. 14, guiding the behavior of companies of the Votorantim Financial Economic Conglomerate with regard to socio-environmental business practices and relationships with stakeholders.

The importance of the theme to the Institution, Bank BV's risk appetite (RAS) includes an exclusive dimension on socio-environmental risk, and the indicator is monitored monthly and reported to the Controls and Risks Committee (CCR), Risk and Capital Committee (CRC) and Board of Directors (CA).

BV's socio-environmental risk management structure is responsible for identifying, classifying, evaluating, monitoring, mitigating and controlling the socio-environmental risk associated with the institution's activities and operations, in view of the principles of relevance and proportionality of CMN Resolution No. 4.327/2014.

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 socioenvironmental 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), 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, Bacen Circular no. 3,748/2015 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.

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) Investments in a) entity similar to unconsolidated financial institution, insurance company, reinsurer, capitalization company and open entity of supplementary pension; and b) an institution authorized to operate by The Central Bank of Brazil or in an institution located abroad that has an activity equivalent to that of a financial institution in Brazil, which does not compose the conglomerate;
- (v) participation of non-controlling shareholders in the capital of a) subsidiary that is an institution authorized to operate by Bank Central do Brasil; and b) subsidiary abroad that has an activity equivalent to that of a financial institution in Brazil;
- (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) tax credits arising from tax losses and negative social contribution base on net income. The Conglomerate considers the effects of the application of CMN Resolution No. 4,851 / 2020, which authorizes financial institutions to stop deducting tax losses from tax losses arising from a short position in foreign currency by the end of December 31, 2021 to provide hedge for their participation in investments abroad. After 01.01.2022, tax credits must be included with the following schedule: at least 50%, up to 06.30.2022 and 100% up to 12.31.2022;
- (ix) permanently deferred assets;
- (x) others.

Consolidation scope used as the basis to verify operating limits and also considers the Financial Conglomerate, and the Prudential Conglomerate, as defined in CMN Resolution no. 4,280/2013 and subsequent amendments.

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

Basel ratio	03.31.2021	12.31.2020
PR - Reference Equity	11,182,419	10,610,530
Level I	10,697,403	10,078,251
Complementary Capital	1,758,602	1,565,629
Common Equity	8,938,801	8,512,622
Shareholders' equity ⁽¹⁾	10,942,224	10,698,401
Prudential adjustments ⁽²⁾	(2,003,423)	(2,185,779)
Others	(2,002,852)	(2,185,402)
Adjustment to fair value	(571)	(377)
Level II	485,016	532,280
Subordinated debts eligible as capital	485,016	532,280
Subordinated debts authorized pursuant to rules prior to CMN Resolution no. 4,192/2013 ⁽³⁾	485,016	532,280
Risk-weighted assets (RWA)	76,323,467	72,467,089
Credit risk (RWACPAD)	66,053,916	63,770,830
Market risk (RWAMPAD)	3,690,582	2,250,837
Operational risk (RWAOPAD)	6,578,969	6,445,422
Minimum Required Regulatory Capital ⁽⁴⁾	6,105,877	5,797,367
Minimum Required Capital ⁽⁵⁾	3,434,556	3,261,019
Tier I Minimum Required Reference Equity ⁽⁶⁾	4,579,408	4,348,025
Regulatory Capital determined to cover interest rate risk of transactions not classified in trading portfolio (RBAN)	278,200	333,008
Margin on Minimum Required Regulatory Capital	5,076,541	4,813,163
Margin on Minimum Required Capital	5,504,245	5,251,603
Margin on Minimum Required Tier I Regulatory Capital	6,117,995	5,730,225
Margin on Minimum Required Regulatory Capital including RBAN and ACP ⁽⁷⁾	3,844,298	3,574,316
Common Equity Index (CP / RWA)	11.71%	11.75%
Tier I Capital Index (Tier I / RWA)	14.02%	13.91%
Basel ratio (PR / RWA)	14.65%	14.64%
Leverage ratio	7.25%	7.32%

⁽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⁾ Consider the effects of the application of CMN Resolution No. 4,851 / 2020, which authorizes financial institutions to stop deducting tax credits from tax losses arising from a short position in foreign currency by the end of December 31, 2020 with the objective of providing hedge for its participation in investments abroad. After 01.01.2022, tax credits must be included with the following schedule: at least 50%, up to 06.30.2022 and 100% up to 12.31.2022.

⁽³⁾ The Balance of subordinated debt instruments issued prior to CMN Resolution No. 4,192/2013 was considered with the application of the reducers 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 ACP Conservation 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:

	03.31.2021	12.31.2020
Prudential Adjustments I - Goodwill paid	(10,796)	(10,548)
Prudential Adjustments II - Intangible assets	(452,340)	(403,105)
Prudential Adjustments VII - Deferred tax assets from temporary differences	(777,031)	(930,220)
Prudential Adjustments VIII - Deferred tax assets of Tax losses/negative basis of CSLL	(762,685)	(841,529)
Prudential Adjustments XV - Understatement - Resolution No. 4,277/13 Adjustments	(571)	(377)
Total	(2,003,423)	(2,185,779)

b) Fixed asset ratio

The property, plant and equipment index required ratio of the Prudential Conglomerate amounted to 18.49% (18.70% on December 31, 2020), and determinated in accordance with CMN Resolutions No. 4,192/2013 and No. 2,669/1999.

	03.31.2021	12.31.2020
Fixed assets limit	5,591,209	5,305,265
Value of fixed assets limit position	2,067,357	1,983,723
Value of margin or insufficiency	3,523,852	3,321,542

In accordance with BCB Resolution nº 54/2020, the Conglomerate holds additional information of its procedure of capital and risks management in the website: www.bancobv.com.br/ri.

30. ENVIRONMENT, SOCIAL AND GOVERNANCE - ESG PRACTICES

In 2020, Bank BV created a Sustainability Committee, in which it defines the objectives and strategies of ESG. The main reflexes observed in the financial statements of sustainability practices, social and environmental responsibility and governance improvement are:

In the three-month period ended March 31, 2020, Bank BV made the first green bond issue in the amount of R\$ 255,535 registered in the "Resources of acceptance and issuance of securities", which were destined to assets or projects related to the generation of renewable energy, such as financing of solar panels and development of wind farms.

	Currency	Amount issued	Interest rates p.a.	Issuance year	Maturity year	Parent Company and Consolidated	
						03.31.2021	12.31.2020
Green bond						289,000	261,431
With exchange variation	USD	50,000	3,35% p.a. + exchange variation	2020	2024	289,000	261,431

In November 2020, Bank BV announced a public commitment to offset all CO₂ emissions from cars it finances from 2021. In the three-month period ended March 31, 2021, Bank BV recognized in income (Other operating expenses) the amount of R\$ (357) of provision of CO₂-emission compensation expenses from financed vehicles, equivalent to the emission of 69,469 tons of CO₂, in return for the corresponding liabilities, recorded in Other abilities - Provision for CO₂ offset expenses for vehicles financed by BV Bank. The accounting practices adopted by the Institution for the recognition and measurement of carbon credits that will be acquired and the liabilities corresponding to the commitment to offset carbon emissions are described in explanatory notes 4l and 4r, respectively.

BV, aiming to reduce the impacts of the COVID-19 pandemic, implemented a broad credit renegotiation program. Additional information about this program and renegotiated volumes are described in the 5i and 12k explanatory notes.

The possibility of loss (financial or reputation) due to socio-environmental damage is defined as socio-environmental risk, the guidelines of which are established by CMN Resolution No. 4,327/2014 and by the self-regulation promoted by Febraban. Additional information on socio-environmental risk and its management by the Conglomerate is described in note 29.1.e.

31. 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, 2021 and December 31, 2020 the Conglomerate did not have operations with these characteristics.

b) Information about branches abroad

	03.31.2021	12.31.2020
Current and non-current assets	8,110,868	8,747,286
Banco Votorantim S.A. – Nassau Branch	8,110,868	8,747,286
Total assets	8,110,868	8,747,286
Current and non-current liability	(6,302,676)	(7,105,914)
Banco Votorantim S.A. – Nassau Branch	(6,302,676)	(7,105,914)
Shareholder's equality	(1,808,192)	(1,641,372)
Banco Votorantim S.A. – Nassau Branch ⁽¹⁾	(1,808,192)	(1,641,372)
Total liabilities	(8,110,868)	(8,747,286)
	01.01 to 03.31.2021	01.01 to 03.31.2020
Income (loss)	67,057	(28,813)
Banco Votorantim S.A. – Nassau Branch	67,057	(28,813)

⁽¹⁾ In the year ended December 31, 2020, the Nassau Branch abroad paid dividends in the amount of USD 150,000 (R\$ 754,545).

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 coverage

Covered risk	03.31.2021		12.31.2020	
	Covered values	Insurance premium	Covered values	Insurance premium
Parent Company				
Insurance Guarantee - Guarantee for legal proceedings	1,089,090	6,938	1,118,545	7,062
Real estate insurance for properties in use of relevant third parties	117,300	40	117,300	40
Cybersecurity insurance	100,000	1,810	100,000	1,810
Consolidated				
Insurance Guarantee - Guarantee for legal proceedings	1,146,591	7,275	1,159,710	7,384
Real estate insurance for properties in use of relevant third parties	123,000	43	123,000	43
Cybersecurity insurance	100,000	1,810	100,000	1,810

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.

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

Parent Company and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends and interest over capital	Capital	Capital and income reserves ⁽¹⁾	
Balance in 31.12.2020	193,543	3,499,583	72,709	8,130,372	2,466,444	14,362,651
Changes with cash effect	(27,614)	(215,473)	(44,200)	-	-	(287,287)
Interest over income paid ⁽²⁾	-	-	(44,200)	-	-	(44,200)
Liquidation	(27,684)	(344,218)	-	-	-	(371,902)
Transfers	(121,995)	121,995	-	-	-	-
Income from new funding	122,065	-	-	-	-	122,065
Taxes	-	6,750	-	-	-	6,750
Changes with no cash effect	1,581	221,394	-	-	-	222,975
Interest expenses	1,581	71,214	-	-	-	72,795
Exchange rate variation	-	150,180	-	-	-	150,180
Balance in 03.31.2021	167,510	3,505,504	28,509	8,130,372	2,466,444	14,298,339

Parent Company and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends and interest over capital	Capital	Capital and income reserves ⁽¹⁾	
Balance in 31.12.2019	3,116,893	3,480,275	25,042	8,130,372	1,751,822	16,504,404
Changes with cash effect	(3,096,991)	4,206	-	-	-	(3,092,785)
Liquidation	(3,096,991)	(1,047)	-	-	-	(3,098,038)
Taxes	-	5,253	-	-	-	5,253
Changes with no cash effect	-	384,804	-	-	-	384,804
Interest expenses	-	34,404	-	-	-	34,404
Exchange rate variation	-	350,400	-	-	-	350,400
Balance in 03.31.2020	19,902	3,869,285	25,042	8,130,372	1,751,822	13,796,423

⁽¹⁾ It refers to the balances of capital and profit reserves of Banco Votorantim. Does not include profit for the period recorded in retained earnings.

⁽²⁾ Net value of taxes.



PARENT COMPANY AND CONSOLIDATED INTERIM STATEMENTS

as of March 31, 2021

(Amounts in thousand of Reais, unless otherwise indicated)

f) Assets under management

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

	Quantity of funds/portfolios		Balance	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Investment funds and portfolios managed accounts	236	239	49,931,779	49,493,721

g) Rate increase - Social Contribution (CSLL)

On March 1, 2021, the Provisional Measure No. 1,034 was published, increasing the CSLL rate of entities in the financial sector. This Provisional Measure is pending in the National Congress, taking effect from July 1, 2021 if it is converted into law. The Conglomerate will await the conversion of Provisional Measure 1,034 / 2021 into Law for an analysis as to the impacts of this Provisional Measure on the Financial Entities of the Conglomerate, due to the amendments to the Provisional Measure that were proposed by the National Congress.

This Provisional Measure sets the CSLL at 25% for banks and 20% for other entities in the financial sector by December 31, 2021, returning to 20% for banks and 15% for other entities in the financial sector as of January 1, 2022.

32. SUBSEQUENT EVENTS

A) Voluntary Public Offering of Units and Issuances of Real Estate Investment Funds Securities and Securities III

On January 11, 2021, Banco Votorantim SA (Banco BV) communicated the approval to its clients and the market of the beginning of the procedures for the presentation of a voluntary public offer for the acquisition of all shares (OPAC) issued by the Fundo de Investimento Imobiliário Securities and the Fundo de Investimento Imobiliário Securities III, managed and administered by Votorantim Asset Management DTVM Ltda., At the equity value of the fund's shares, on the base date of 12.31.2020, being carried out under the terms of CVM Instruction 472/2008, the B3 Trading Regulations and the B3 Trading Operating Procedures Manual, as applicable.

On February 11, 2021, Bank BV (OPAC's offeror) and XP Investimentos CCTVM S.A. (OPAC intermediary institution) filed the OPAC Notice with B3. On March 12, 2021, OPAC was approved by B3, and the public offering was launched on March 15, 2021. As of April 15, 2021, OPAC had a 99.25% of the quotaholder, with R\$ 1,629,968 already effectively settled on April 19, 2021. The public offer will remain in force until May 15, 2021, the maximum date for the manifestation of the remaining quotaholders.

THE BOARD

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