Banco Votorantim S.A.

Consolidated Interim Financial Statements
in accordance with IFRS
March 31, 2022

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as of March 31, 2022

(Amounts in thousands of Reais, unless otherwise indicated)

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

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Banco Votorantim S.A. and its subsidiaries ("Bank") as at March 31, 2022, 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 the notes, including a summary of significant accounting policies and other elucidative information.

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with international accounting standard IAS 34 – Interim Financial Reporting, issued by International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these consolidated 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 consolidated interim financial statements referred to above are not prepared, in all material respects, the financial position of Banco Votorantim S.A. and its subsidiaries as at March 31, 2022, and their consolidated financial performance and their consolidated cash flows for the three-month period then ended in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by International Accounting Standards Board (IASB).

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Banco Votorantim S.A.

Other matters

Statements of value added

The consolidated interim financial statements referred to above include the consolidated statements of value added for the three-month period ended March 31, 2022, prepared under the responsibility of the Bank's management and presented as supplementary information for IAS 34 purposes. These statements have been subjected to review procedures performed together with the review of the consolidated interim financial statements for the purpose of concluding whether they are reconciled with the consolidated 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 value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the consolidated interim financial statements taken as a whole.

São Paulo, May 10, 2022

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

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Signed By: MARIA JOSE DE MULA CURY:10357176898
CPF: 10357176898
Signing Time: 12 de maio de 2022 | 09:33 BRT

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

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

as of March 31, 2022 and December 31, 2021

(Amounts in thousands of Reais, unless otherwise indicated)

	Note	03.31.2022	12.31.2021
ASSETS			
Cash and cash equivalents	8	3.811.886	2.935.119
Financial assets		105.996.156	105.742.202
Deposits at the Central Bank of Brazil	9	1.374.855	1.492.118
Financial Assets at fair value through profit or loss		12.730.613	12.909.670
Securities	10a	7.567.274	9.195.913
Derivatives	11a	5.163.339	3.713.757
Financial assets at fair value through other comprehensive income		11.119.246	12.279.933
Securities	10a	11.107.795	12.271.497
Interbank deposit investments	13	11.451	8.436
Financial assets measured at amortized cost		80.771.442	79.060.481
Loans and leases	12a	59.861.695	60.344.750
Interbank deposit investments	13	341.445	244.311
Financial assets with resale agreements	14	4.916.711	3.170.496
Securities	10a	15.055.593	14.555.565
Other Financial assets	17	595.998	745.359
Non-financial assets held for sale	15a	225.857	200.640
Deferred	24a	8.482.332	8.423.281
Investments in associates and joint ventures	16a	218.310	110.163
Property, plant and equipment	18	101.126	81.408
Intangible assets and goodwill	19	844.806	762.872
Other assets	17	829.017	877.623
TOTAL ASSETS		**120.509.490**	**119.133.308**
LIABILITIES		**108.491.526**	**107.103.924**
Financial liabilities at fair value through profit or loss		4.747.373	2.948.090
Derivatives	11a	4.259.012	2.365.339
Other financial liabilities	20	488.361	582.751
Financial liabilities measured at amortized cost	21	99.368.318	99.583.206
Provision for tax, civil and labor lawsuits	25e	726.070	732.091
Tax liabilities	24b	1.231.675	1.514.908
Other liabilities	22	2.418.090	2.325.629
TOTAL SHAREHOLDERS' EQUITY		**12.017.964**	**12.029.384**
Capital	23a	8.130.372	8.130.372
Capital reserves	23b	3.318.960	3.318.960
Other comprehensive income	23e	147.157	312.312
Non-appropriated accumulated earnings		421.475	267.740
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**120.509.490**	**119.133.308**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED INTERIM INCOME STATEMENT

Three-month period ended March 31, 2022 and 2021

(Amounts in thousands of Reais, unless otherwise indicated)

	Note	01.01 to 03.31.2022	01.01 to 03.31.2021
Interest revenues	26	3.217.934	2.929.459
Interest expenses	27	(67.515)	(2.078.211)
Net Interest Income		**3.150.419**	**851.248**
Net income from services and commissions	**28**	**242.558**	**338.575**
Income from financial instruments at fair value through profit or loss	29	180.094	(839.111)
Income from financial instruments at fair value through other comprehensive income		24.417	281
Income (losses) from derivative financial instruments	11g	(1.409.870)	1.476.732
Other operating income (expense)	30	(28.126)	(31.508)
Income (loss) from financial intermediation		**2.159.492**	**1.796.217**
Net impairment loss of financial assets	31	(922.863)	(732.705)
Personnel expenses	32	(437.180)	(328.703)
Other administrative expenses	33	(198.202)	(152.024)
Depreciation and amortization expenses		(64.131)	(46.062)
Tax expenses	24c	(149.791)	(128.683)
Share of profit (loss) in associates and joint ventures	16a	(1.106)	(589)
Gain / (loss) from disposal of non-financial assets held for sale	15b	12.468	4.180
Net income before taxes and contributions		**398.687**	**411.631**
Current taxes	24d.1	(94.178)	(213.905)
Deferred taxes	24d.1	18.717	65.682
Net income		**323.226**	**263.408**
EARNINGS PER SHARE	**23d**		
Basic and diluted earnings per thousand shares - R$		97,96	79,83
Number of shares (thousand shares) - Banco Votorantim S.A.		3.299.670	3.299.670

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Three-month period ended March 31, 2022 and 2021

(Amounts in thousands of Reais, unless otherwise indicated)

	Note	01.01 to 03.31.2022	01.01 to 03.31.2021
Net income for the year		**323.226**	**263.408**
Items that are or can be subsequently reclassified to profit or loss:			
Net variation in the fair value of financial assets measured at fair value through other comprehensive income	**23e**	**(27.418)**	**(120.704)**
Adjustment to fair value recorded in shareholder's equity		(69.850)	(190.532)
Adjustment to fair value transferred to income statement		20.646	(27.962)
Tax effect		21.786	97.790
Cash flow hedge	**23e**	**(137.737)**	**241.961**
Adjustment to fair value recorded in shareholder's equity		(251.260)	403.162
Adjustment to fair value transferred to income statement		829	36.766
Tax effect		112.694	(197.967)
Total other comprehensive income (loss) for the year		**(165.155)**	**121.257**
Comprehensive income		**158.071**	**384.665**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

Three-month period ended March 31, 2022 and 2021

(Amounts in thousands of Reais, unless otherwise indicated)

	Note	Capital	Capital reserves	Profit reserves	Other comprehensive income	Non-appropriated retained earnings	Total
Balances at December 31, 2020		**8.130.372**	**372.120**	**2.083.002**	**(30.037)**	**197.082**	**10.752.539**
Other comprehensive income	23e	-	-	-	121.257	-	121.257
Net profit for the year		-	-	-	-	263.408	263.408
Balances at March 31, 2021		**8.130.372**	**372.120**	**2.083.002**	**91.220**	**460.490**	**11.137.204**
Changes for the year		**-**	**-**	**-**	**121.257**	**263.408**	**384.665**
Balances at December 31, 2021		**8.130.372**	**372.120**	**2.946.840**	**312.312**	**267.740**	**12.029.384**
Other comprehensive income	23e	-	-	-	(165.155)	-	(165.155)
Net profit for the year		-	-	-	-	323.226	323.226
Destinations:							
Interest on equity declared	23c	-	-	-	-	(169.491)	(169.491)
Balances at March 31, 2022		**8.130.372**	**372.120**	**2.946.840**	**147.157**	**421.475**	**12.017.964**
Changes for the year		**-**	**-**	**-**	**(165.155)**	**153.735**	**(11.420)**

Earnings per share are disclosed in the Income Statement.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Three-month period ended March 31, 2022 and 2021

(Amounts in thousands of Reais, unless otherwise indicated)

	Note	01.01 to 03.31.2022	01.01 to 03.31.2021
Cash flows from operating activities			
Net income before taxes and contributions		**398.687**	**411.631**
Adjustments to net income before taxes and contributions		**902.639**	**841.298**
Provision for impairment losses	31	1.010.132	817.171
Depreciation and amortization		64.131	46.062
Income from investments in associates and joint ventures	16a	1.106	589
Foreign exchange of investments abroad	11g	265.308	(146.724)
Foreign exchange on subordinated liabilities	38e	(252.810)	150.180
(Profit) / loss on disposal of non-financial assets held for sale	15b	(3.764)	(9.222)
Expenses / (reversal of expenses) with civil, labor and tax provisions	25e.1	(6.021)	(12.660)
Effect of changes in foreign exchange rates on cash and cash equivalents		65.184	(41.345)
Interest accrued and not paid on subordinated liabilities	38e	87.343	72.795
Interest accrued and not received from financial assets at amortized cost		(310.690)	(92.688)
Reversal of provision for devaluation of non-financial assets held for sale		(8.704)	5.042
(Reversal) / provision for impairment losses on equity investments	30	3.293	9.846
Other operating income (loss)		(11.869)	42.252
Cash flows from operating activities		**(1.029.315)**	**(1.520.679)**
(Increase) / decrease of financial assets at fair value through profit or loss		(701.341)	(2.061.068)
(Increase) / decrease of compulsory deposits in the Central Bank of Brazil		117.263	153.298
(Increase) / decrease of financial assets at amortized cost (leases and loans)		(527.077)	(2.038.365)
(Increase) / decrease of financial assets at amortized cost (Others)		(1.693.989)	(2.130.192)
(Increase) / decrease of deferred		164.454	107.787
Increase / (decrease) of tax liabilities		(209.839)	(91.394)
Increase / (decrease) of non-financial assets held for sale		(12.749)	(37.985)
Increase / (decrease) of financial liabilities at fair value through profit or loss		1.799.283	2.445.530
Increase / (decrease) of financial liabilities at amortized cost		(1.640.890)	3.470.401
Increase / (decrease) of securities issued		1.695.130	(1.830.155)
Other changes in assets		54.314	443.112
Other changes in liabilities		(73.874)	48.352
Income tax and social contribution paid		**(237.880)**	**(143.909)**
Net cash generated (used in) by operating activities		**34.131**	**(411.659)**
Cash flows from investment activities			
(Acquisition / increase) of securities measured at fair value through other comprehensive income		(1.389.964)	(946.912)
(Acquisition / increase) of securities measured at amortized cost		(1.739.404)	(792.853)
(Acquisition) property, plant and equipment		(25.940)	(4.807)
(Acquisition) of intangible assets and goodwill		(139.853)	(81.215)
(Acquisition / increase) of shares in associates and joint ventures		(377.982)	-
Disposal / decrease of financial assets measured at fair value through other comprehensive income		3.134.429	2.223.421
Maturity of financial assets measured at amortized cost		1.550.066	25.306
(Disposal / decrease) of shares in associates and joint ventures		128	149.650
Cash generated by (used in) investing activities		**1.011.481**	**572.590**
Cash flows from financing activities			
Dividends / interest on equity paid (1)	38e	-	(44.200)
Liquidation of subordinated liabilities	38e	(108.988)	(371.902)
Fundraising of subordinated liabilities	38e	-	122.065
Other changes in subordinated liabilities	38e	5.327	6.750
Cash generated by (used in) financing activities		**(103.661)**	**(287.287)**
Net change in cash and cash equivalents		**941.951**	**(126.356)**
Beginning of the year		2.935.119	4.808.466
Effect of changes in exchange rates on cash and cash equivalents		(65.184)	41.345
End of the year	8	3.811.886	4.723.455
Net increase (decrease) in cash and cash equivalents		**941.951**	**(126.356)**

(1) Amount net of taxes

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF VALUE ADDED

Three-month period ended March 31, 2022 and 2021

(Amounts in thousands of Reais, unless otherwise indicated)

	Note	01.01 to 03.31.2022		01.01 to 03.31.2021	
Revenues		**1.456.973**		**3.280.043**	
Interest income	26	3.217.934		2.929.459	
Adjusted net income from services and commissions		382.919		472.715	
Income from financial instruments		(1.205.359)		637.902	
Losses due to impairment	31	(922.863)		(732.705)	
Gains on sale of non-financial assets held for sale	15b	12.468		4.180	
Other operating results	30	(28.126)		(31.508)	
Interest expenses [(1)]	**27**	**(67.515)**		**(2.078.211)**	
Inputs acquired from third parties		**(338.134)**		**(270.912)**	
Technical / financial advice	28	(124.663)		(102.956)	
Legal and cartel fees and attorneys' expenses	28	(15.698)		(16.710)	
Materials, water, electricity and gas	33	(1.983)		(1.366)	
Outsourced services	33	(20.642)		(29.501)	
Communications	33	(7.728)		(11.551)	
Data processing	33	(103.345)		(65.808)	
Transportation	33	(1.669)		(1.210)	
Surveillance and security services	33	(321)		(384)	
Advertising	33	(42.365)		(10.980)	
Others		(19.720)		(30.446)	
Gross value added		**1.051.324**		**930.920**	
Amortization/depreciation expenses		**(64.131)**		**(46.062)**	
Depreciation /amortization expenses		(62.771)		(46.062)	
Amortization expenses - Carbon credits [(2)]	37b	(1.360)		-	
Net value added produced by the Entity		**987.193**		**884.858**	
Value added received as transfer		**(1.106)**		**(589)**	
Income from investments in associates and joint ventures	16a	(1.106)		(589)	
Value added payable		**986.087**	**100,00%**	**884.269**	**100,00%**
Distributed value added		**986.087**	**100,00%**	**884.269**	**100,00%**
Personnel		**375.743**	**38,11%**	**273.038**	**30,88%**
Salaries, fees and labor demands	32	239.714		153.650	
Profit sharing - Employees and Management	32	66.616		59.812	
Benefits and training programs	32	48.717		39.841	
Government Severance Indemnity Funds for Employees (FGTS)		20.683		19.720	
Other charges		13		15	
Taxes, rates and contributions		**286.689**	**29,07%**	**332.571**	**37,61%**
Federal		269.141		312.804	
State		24		103	
Municipal		17.524		19.664	
Third-party capital remuneration		**429**	**0,04%**	**15.252**	**1,72%**
Rental	33	429		15.252	
Remuneration of own capital		**323.226**	**32,78%**	**263.408**	**29,79%**
Dividends / interest on equity		169.491		-	
Retained earnings		153.735		263.408	

(1) Includes exchange rate variation on funding abroad.

(2) It is part of the expenditure arising from ESG practices. Additional information is described in note 37.

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. THE CONGLOMERATE AND ITS OPERATIONS

Banco Votorantim SA (Banco BV, Banco Votorantim, Bank, Institution, Company, Conglomerate or Consolidated) is a privately held company and its head office is located at Av. of the United Nations, nº 14.171, in the city of São Paulo – SP, Brazil. The Bank operates as a multiple bank, develops banking activities in authorized modalities, through its commercial, investment and foreign exchange portfolios, connected with the fintech and startup ecosystem together with other entities of the conglomerate, including Banco BV SA, our digital bank.

Through its subsidiaries, the Conglomerate also operates in several other modalities, with emphasis on consumer credit, leasing, investment fund and credit card management, brokerage and distribution of securities, insurance brokerage, provision of sales promotion and/or commercial representation services, participation in real estate developments or developments and the exercise of any activities provided to the institutions comprising the National Financial System. Other information about the companies that make up the Conglomerate is described in Note 3.

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. AQUISITIONS AND COORPORATE RESTRUCTURING

a) Acquisition of a stake in Trademaster

In July 2021, the Central Bank of Brazil authorized banco BV to acquire a stake in Trademaster Serviços e Participações S.A. (Trademaster). The amounts involved are being disbursed under established contractual conditions.

b) Acquisition of participation in Portal Solar

In December 2021, the Central Bank of Brazil authorized BV to increase the percentage of equity interest in Portal Solar SA with an investment of R$ 45 million. The transaction was settled in January 2022, through the acquisition of interest by Banco BV SA (a subsidiary of Banco Votorantim SA). Additionally, in February 2022, the equity interest that was already held by an entity that is part of the Prudencial Conglomerate was acquired by Banco BV SA, consolidating its interest in Portal Solar SA.

3. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Statement of conformity

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and respective predecessor bodies.

Although IAS 34 - Interim financial report allows entities to publish the Interim Consolidated Financial Statements in a condensed format, the Conglomerate has chosen to disclose these consolidated Financial Statements in a complete format and in accordance with the provisions of IAS 1 - Presentation of the financial statements.

All relevant information inherent to these Financial Statements under IFRS is properly evidenced and corresponds to the information used to manage the Bank and its subsidiaries.

Under IAS 1, operations whose maturity is less than 12 months are presented in the notes as "current" assets or liabilities and operations with maturity greater than 12 months are presented as "non-current".

As of January 1, 2022, the Central Bank made it mandatory that the consolidated Financial Statements be disclosed exclusively in the international accounting standard (IFRS), as required by CMN Resolution No. 4,818/2020, applicable to entities registered as a publicly-held company or that are leaders of a prudential conglomerate classified in Segment 1 (S1), in Segment 2 (S2) or in Segment 3 (S3).

4. SIGNIFICANT ACCOUNTING PRACTICES

a) Recognition of income and expenses

Income is recognized in accordance with the requirements established by IFRS 9 or IFRS 15, depending on the nature - provision of service or income from financial instruments.

Expense is recognized in the financial statements for the periods to which they refer, following the requirement of applicable standards.

Net interest income - Interest income and expenses arising from all interest-earning assets and interest-bearing liabilities are recognized in profit or loss for the period, in accordance with the requirements established by IFRS 9, by the effective interest rate, including exchange variations from the foreign currency contracts. The determination takes into account all the financial instruments contractual terms, but not the future loan losses. The incremental costs directly attributable to the financial instruments, are presented in the "Interest revenues" line, in note 26.

The effective interest rate method is a method for subsequently measuring the amortized cost of a financial asset or financial liability (or of a group of financial assets or financial liabilities) and of allocating the interest income or expense over the relevant period of the financial asset or liability.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or liability. The effective interest rate is established upon initial recognition of the financial asset or liability. When calculating the effective interest rate method, the Conglomerate's companies estimates the future cash flows considering all contractual terms of the financial instrument, without considering any estimated future losses.

Effective rate includes commissions, transaction costs and discounts or premiums that are associated with a financial instrument. Transaction costs correspond to incremental costs directly attributable to the acquisition, issuance or disposal of a financial asset or liability.

The interest income and expenses presented in the Consolidated Income Statement mainly include: (i) interest on financial assets and liabilities measured at amortized cost, based on the effective interest rate; (ii) income from financial assets recorded at fair value through profit or loss; (iii) income from financial assets at fair value through other comprehensive income and (iv) exchange variations of contracts in foreign currency.

The Conglomerate uses a deferred income and expense mechanism that results in the effective interest rate, producing an effect similar to that of using a single subsequent measurement rate of the financial instrument, as established in IFRS 9.

Net profit (loss) from services and commissions - The Conglomerate earns income from services and commissions from a number of services provided to its clients. Revenue earned from services are accrued throughout the same period the services are supplied. The recognition of revenue from services rendered under contracts with clients is recognized in accordance with the principles described in IFRS 15, at the amount that reflects consideration that the entity expects to be entitled in exchange for those products or services. The income recognition process takes place according to the following steps:

- Identification of the contract and performance obligations;
- Determination of the price of the transaction;
- Allocation of the transaction price; and
- Revenue recognition.

Commissions paid related expenses are accrued throughout the period in which the services are supplied.

If there is an associated financial instrument and income or loss from fees and commissions are considered as part of the effective interest rate, they are no longer recognized by IFRS 15 and are recognized based on the provisions of IFRS 9, deferred and recognized in the profit and loss over the term of the associated financial instrument.

Income from investments in associates and joint ventures - income resulting from application of the equity method to investments in associated companies and joint ventures. The amount recognized is based on the net income determined under IFRS, of the investee and the Conglomerate's proportional interest in the equity of that investee.

Income from dividends and interest on equity - Income from dividends and interest on equity arising from financial instruments measured at fair value through profit or loss are recognized in profit or loss when the right to receive is established, as a component of “Income with financial instruments at fair value through profit or loss”.

b) Consolidation basis

The Conglomerate's consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Bank and its subsidiaries.

Intragroup balances and transactions, as well as any revenues or expenses not realized in transactions between the Bank and its subsidiaries, are eliminated in the preparation of the consolidated financial statements. Unrealized gains originating from transactions with investees recorded using the equity method, are eliminated against the investment in the proportion of the Conglomerate's interest in the investee.

IAS 28 allows the measurement at fair value through profit or loss, in accordance with IFRS 9, for investments in associates, subsidiaries and joint ventures by an entity which qualifies as a risk capital organization, regardless of its significant influence through this shareholding or the adoption of the equity method for the remaining shareholding portion which are not held by risk capital organization. The Bank adopts this option for shareholdings in its venture capital investment funds.

Subsidiaries - Subsidiaries are entities over which the Bank has control. The Bank controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through exerting its power over the entity. Subsidiaries are fully consolidated as from the moment the Bank assumes the control of its activities until the end of this control.

Business combination - The acquisition of a subsidiary through a business combination is recorded at the acquisition date, i.e., the date on which control is transferred to the Group, using the acquisition method. Under this method, identifiable acquired assets (including intangible assets not previously recognized), assumed liabilities and contingent liabilities are recognized at fair value at the acquisition date. Positive values that exceed the difference between the acquisition cost and the fair value of the identifiable net assets acquired are recognized as goodwill. In the event a negative difference is calculated (gain from a bargain purchase), the identified amount is recognized in the Consolidated Income Statement within "Other operating income (loss)."

Transaction costs incurred by the Bank in a business combination, except for those related to the issue of debt or equity instruments, are recorded in the Consolidated Income Statement when incurred. Any contingent payments to be made are stated at their fair value on the acquisition date.

The results of subsidiaries acquired during the accounting period are included in the consolidated financial statements from the date of the acquisition until the reporting date. The results of subsidiaries sold during the year are included in the consolidated financial statements from the beginning of the year until the date of the disposal, or the date on which the Bank ceased to have control.

Business combinations of entities under common control - A business combination involving entities under common control is one in which all entities of the combination are controlled by the Bank, both before and after the combination, and that control is not transitory.

In this situation, the pre-combination carrying amounts of the assets and liabilities are merged into the Bank, without any fair value measurements.

The Bank does not recognize goodwill arising from these combinations. Any differences between the cost of the transaction and the carrying amount of the net assets is recorded directly in equity.

Changes in ownership interests in subsidiaries - Changes in ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). Consequently, no goodwill is recognized as a result of such transactions.

In these circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

Loss of control - In accordance with IFRS 10, in the event the control of a subsidiary is lost, the Bank ceases to recognize on the date control is lost: (i) assets, including goodwill, and liabilities of the subsidiary at their book values; and (ii) the book value of any non-controlling interests in the former subsidiary, including any components of other comprehensive income attributable to it.

In addition, the Bank recognizes on the date control is lost: (i) the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; (ii) a distribution of the shares of the subsidiary to owners if the transaction that resulted in the loss of control involves a distribution of shares; (iii) any investment retained in the former subsidiary at its fair value; and (iv) any resulting difference as a gain or loss in profit or loss attributable to the parent.

Special Purpose Entity (SPE) and Participation Partnership (SCP) – The Bank invests in SPEs and SCPs through its subsidiaries BV Empreendimentos e Participações SA (BVEP), BV Investimentos Alternativos e Gestão de Recursos SA (BVIA) and Atenas SP 02 - Empreendimento Imobiliário (Atenas), mainly aimed at investing in real estate projects. In special cases, SPEs and SCPs are received as payment in full or partial settlement of credits. SPEs are fully consolidated from the moment the Bank assumes control over their activities until the moment this control ceases.

The Bank reassesses the process of consolidating an SPE if certain facts and circumstances indicate that there is a change in one or more elements that constitute control.

Joint venture - a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, rather than rights to the assets and obligations for the liabilities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions on relevant activities require the unanimous consent of the parties sharing control. The Bank recognizes its interests in joint ventures under the equity method.

The Group's investments in joint ventures are initially recorded at acquisition cost and subsequently accounted for under the equity method, and their carrying amounts are increased (or decreased) to reflect the Bank's share of the results of the investee after the acquisition date. The Bank's share of the profit or loss of the investee is recognized in the Consolidated Income Statement, in the periods this profit or loss is earned. The Bank adjusts the carrying amounts of its investments by recognizing its proportionate share of changes in the balance of components of the investee's other comprehensive income (loss). The Bank's share of these changes is recognized directly in equity under "Other comprehensive income".

Upon the acquisition of investments in joint ventures, any positive difference between the cost of the investment and the Bank's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill and included in the carrying amount of the investment. The Bank does not amortize this goodwill, however, its recoverable amount is tested, at least annually, for the evaluation of impairment losses. Subsequently, any excess of the Bank’s share of the net fair value of the investee’s identifiable assets and liabilities over the cost of the investment is included as revenue in the Consolidated Income Statement by the equity method.

When the Bank's share of the joint venture's loss for the period equals or exceeds the carrying amount of its interest, the Bank discontinues the recognition of its share of future losses. After the carrying amount of the Bank's interest has been reduced to zero, further losses are only recognized as a liability to the extent that the Bank has incurred legal or constructive obligations or made payments on behalf of the investee. If the investee subsequently reports profits, the Bank resumes applying the equity method only after its share of those profits equals its share of the losses not recognized.

All the Bank's investments in joint ventures are structured through separate vehicles.

Associates - An associate is an entity over which the Bank has significant influence, i.e. the power to participate in its financial and operating policy decisions, but not control or joint control. Significant influence is presumed to exist when the Bank holds 20% or more of the voting power of the investee. Even when the Bank holds less than 20% of the voting stock, significant influence may exist if the Bank participates in the management of the associated company, or its governing bodies with executive powers. The existence and effect of potential voting rights that are currently exercisable or convertible, and material transactions between the companies, are considered when assessing whether the Bank controls another entity.

The Group's investments in associates are initially recorded at acquisition cost and subsequently accounted for under the equity method, and their carrying amounts are increased (or decreased) to reflect the Bank's share of the results of the investee after the acquisition date. The Bank's share of the profit or loss of the investee is recognized in the Consolidated Income Statement, in the periods this profit or loss is calculated. The Bank adjusts the carrying amounts of its investments by recognizing its proportionate share of changes in the balance of components of the investee's other comprehensive income (loss). The Bank's share of these changes is recognized directly in equity under "Other comprehensive income."

Upon the acquisition of investments in associates, any positive difference between the cost of the investment and the Bank's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill and included in the book value of the investment. The Bank does not amortize this goodwill, however, its recoverable amount is tested, at least annually, for the assessment of impairment losses. Subsequently, any excess of the Bank’s share of the net fair value of the investee’s identifiable assets and liabilities over the cost of the investment is included as revenue in the Consolidated Income Statement by the equity method.

When the Bank's share of the associate's loss for the period equals or exceeds the carrying amount of its interest, the Bank discontinues the recognition of its share of future losses. After the carrying amount of the Bank's interest has been reduced to zero, further losses are only recognized as a liability to the extent that the Bank has incurred legal or constructive obligations or made payments on behalf of the investee. If the investee subsequently reports profits, the Bank resumes applying the equity method only after its share of those profits equals its share of the losses not recognized.

Non-monetary contributions to associates and joint ventures - In compliance with IAS 28, when the Bank makes contributions of non-monetary assets to an associated company or jointly-controlled entity in exchange for an equity interest in the associate or jointly-controlled entity, the gain or loss on the transaction is recognized to the extent of the interests of the other non-related investors. No gain or loss is recognized if the transaction has no commercial substance.

Structured entities - The interest in a structured entity is considered an interest in other entities (with or without contractual involvement) that exposes the entity to the variability of profits and losses arising from the performance of the other entity. That can be proven, for example, by holding equity or debt instruments, in addition to other forms of involvement, such as the provision of resources as a source of funding, liquidity support, credit improvement and guarantees. For such cases, when there is no full interest by companies in the Conglomerate, the proportion of equity interests held by non-controlling partners is recorded as a financial liability.

c) Offset of asset and liabilities

The Bank does not offset assets or liabilities against other assets or liabilities, or any revenues or expenses against other revenues and expenses, unless there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously, according to IAS 32.

d) Translation of operations in foreign currency

Functional and presentation currency - The consolidated financial statements are presented in Brazilian Reais, Bank's functional and presentation currency. The functional currency, which is the currency of the primary economic environment in which the entity operates, is the real for all Group entities.

Transactions and balances - Transactions in foreign currency are initially recorded at the exchange rate of the functional currency in force on the date of transaction.

The Bank's assets and liabilities denominated in foreign currency, mostly monetary, are converted at the foreign exchange rate of the functional currency in force on the statement of financial position date. All translation differences are recognized in the Consolidated Income Statement in the period in which they occur.

Translation into the presentation currency - The financial statements of entities domiciled abroad (none of which has the currency of a hyperinflationary economy) are translated into the presentation currency at the exchange rate in effect at the end of the period.

When applicable, exchange differences arising from the translation of the financial statements of entities located abroad, whose functional currency is the real, are recognized in the Consolidated Income Statement. When applicable, for the entities whose functional currency is not the real, accumulated exchange differences are recognized directly in equity, until the sale or loss of control of the subsidiary abroad. At this moment these accumulated exchange differences are reclassified from Other comprehensive income (loss) to profit or loss. The amount of exchange differences attributable to noncontrolling shareholders is allocated and recognized as part of non-controlling interests in the statement of financial position.

e) 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 on the date of the investment is equal to or shorter than 90 days.

f) Financial instruments with repurchase/resale agreement

Securities sold with agreement to repurchase on a specific future date are not derecognized from the statement of financial position, given that the Conglomerate retains substantially all of the risks and benefits of ownership. The corresponding cash received is recognized in the statement of financial position as an obligation for reimbursement, including interest appropriated. The difference between sale and repurchase prices is treated as interest expense and accrued over the duration of the contract using the effective interest rate.

Conversely, for securities purchased under agreements to resell at a specific future date, the amount paid, including interest accrued, is recorded on the statement of financial position as “Financial assets with repurchase agreements”, reflecting the economic substance of the transaction. The difference between purchase and resale price is recorded in ‘Interest income’ and accrued during the contractual term using the effective interest rate.

g) Financial instruments

According to IFRS 9, all financial assets and liabilities, including derivative financial instruments, must be recognized on the statement of financial position and measured according to the category in which the respective instrument is classified.

Financial assets and liabilities can be classified in the following categories:

- Financial assets measured at fair value through profit or loss;
- Financial assets measured at fair value through profit or loss - Designated at fair value;
- Financial assets measured at fair value through other comprehensive income;
- Financial assets measured at amortized cost;
- Financial liabilities measured at fair value through profit or loss;
- Financial liabilities measured at fair value through profit or loss - Designated at fair value;
- Financial liabilities measured at amortized cost.

In relation to financial assets, the classification depends on both the Business Model definition and the SPPI test (Solely Payments of Principal and Interest).

The SPPI test assesses whether cash flows from operations are exclusively comprised of principal and interest payments on the outstanding principal amount, this evaluation is based on the contractual terms of the financial asset. Accordingly, it is necessary to assess whether financial assets include contractual terms that may change the period or amount of contractual cash flows.

The Bank's business models reflect how a financial asset or groups of financial assets are managed to achieve a business objective. The assessment of the business model in which each product or portfolio of products is managed is performed using the following definitions, as required by IFRS 9:

- Business model whose objective is to maintain assets in order to receive contractual cash flows: in this model the assets are measured at amortized cost, using the effective interest rate.
- Business model whose objective is achieved both by receiving contractual cash flows and by selling financial assets: in this model the assets are measured at fair value, unrealized gains and losses (except for expected credit loss, exchange differences, dividends and interest) are recognized in Shareholder's equity; and
- Other Business Models: this model applies to classifies assets that are not classified in any of the models described above or that have been designated at fair value through profit or loss, being measured at fair value, gains and losses are recognized directly in the Income Statement.

The financial assets are classified according to the assigned business model, unless the instrument does not meet the SPPI test. Financial assets that do not pass the SPPI test can not be measured at amortized cost or fair value through other comprehensive income, and must be measured at fair value through profit or loss.

Assets can be measured as amortized cost, fair value through other comprehensive income or fair value through profit or loss:

- Amortized cost: the accounting for this measurement method is carried out through the appropriation (accrual) of interest on the financial asset in the income.
- Fair value through other comprehensive income: the accounting of this measurement method carried out by means of adjustment to fair value of the financial asset in shareholders' equity under the caption “Other comprehensive income”; and
- Fair value through profit or loss: the accounting of this measurement method carried out by means of adjustment to fair value of the financial asset in income.

(i) Equity instruments

The characteristics of these financial assets do not meet the SPPI test, that is, they do not only present payment of principal and interest. Therefore, these assets are classified as fair value through profit or loss, unless the Bank chooses the irrevocable option to classify them as fair value through other comprehensive income.

If this option is used, the gains or losses in the fair value of the asset are recognized in other comprehensive income and are not reclassified to profit and loss in any event, only dividends received are recognized in the Consolidated Income Statement.

Regular purchases and sales of financial instruments, including derivatives, are recognized on the trade date - the date on which the Conglomerate agrees to the purchase or sale of the asset.

The Conglomerate adopted a new accounting criterion for recognition of variation of unit prices of investment funds with the

- 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 shares held by the Conglomerate of investment funds that have these characteristics are equity funds (FIPs) and real estate investment funds (FIIs).

The Conglomerate classifies fair value measurements using a fair value hierarchy, which reflects the characteristics of the inputs used in measuring these values:

- Level 1: Financial instruments with prices immediately available from market transactions and arising from independent sources, are classified on this level. These instruments are adjusted to fair value using these not adjusted quoted prices, in active markets;
- Level 2: Financial instruments whose valuation uses mathematic methods accepted in the market, prices and curves, built from observable data in the market;
- Level 3: Financial instruments whose fair value valuation involves the use of mathematical methods which utilize prices, rates and data not observable in the market in the computation of their estimates, are classified at this level.

Other information about the fair value hierarchy are shown in Note 36.1.b.v.

(ii) Derivative financial instruments - Always measured at fair value, the derivative financial instruments that do not meet the criteria for hedges have their fair value adjustments recorded directly in profit and loss and presented in the income statement through "Income from derivative financial instruments".

Financial instruments combined with other financial instruments, derivatives or not, are treated as separate financial instruments and recorded to include the economic characteristics and risks directly related to the main contract.

Embedded derivatives in financial liabilities are separated from the host contracts and accounted for separately if the economic characteristics and risks of the host contract and embedded derivative are not intrinsically related; or a separate instrument with the same terms as the embedded derivative meets the definition of a derivative.

h) Changes in contractual cash flows

For changes in contractual cash flows of a financial asset that does not substantially change its terms and conditions and that, therefore, does not lead to its write-off, any existing difference between the recalculated value and the gross book value is immediately recognized as a gain or loss. Any incurred costs adjust the modified book value and are amortized throughout the financial assets remaining period.

When changes in financial assets with a significant increase in credit risk occur, the Conglomerate records the loss on renegotiations when it occurs and the gain is recorded on a cash basis. In case the gain was recorded immediately, it would be mirrored by an increase in expected loss.

If the renegotiation or modification substantially change the financial asset terms and conditions, the Conglomerate effects the original asset write-off and recognizes a new asset. The renegotiation date is used as the new recognition date for purposes of the expected loss calculation, including to establish significant increases in credit risk.

Effects of modified assets movement and measurement of provision for expected credit loss are detailed in Note 36.1.a.vi.

i) Write-off of a financial instruments

Financial assets are written off when the Conglomerate transfers most of the risks and benefits associated with the transaction to third parties. Therefore, if the risks and benefits have not been substantially transferred, the Conglomerate reassesses its control and determines whether the actual involvement related to any retained control does not prevent it from effecting such reversal.

The write-off of a financial asset is carried out simultaneously with the reversal of the related provision for expected credit loss, without changes in the Income Statement.

Financial liabilities are derecognized upon liquidation or extinction thereof.

(i) Financial assets

A financial asset (or applicable portion of a financial asset or group of similar assets) is derecognized when:

- The right to receive cash flows from the asset has expired; or
- The Conglomerate has transferred the right to receive cash flows from the asset or has assumed an obligation to pay the cash flow received, in full and without material delay, to a third party due to a transfer agreement, or:
- The Conglomerate has substantially transferred all the risks and rewards of the asset, or

- The Conglomerate transferred control, but retained substantial risks and rewards on the asset. In this case, the Conglomerate must derecognize the financial asset and separately recognize as assets or liabilities any rights or obligations created or retained in the transfer.

(ii) Financial liabilities

A contract-based financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled, expires or settles. When an existing financial liability is replaced by another of the same creditor on substantially different terms, or the terms of the existing liability are substantially modified, the exchange or modification is treated as a derecognition of the original liability, a new liability is recognized, and the difference is determined. in the carrying amount is recognized in profit or loss. As of March 31, 2022 and December 31, 2021, financial liabilities have not been significantly replaced.

j) Hedge accounting

The Conglomerate uses derivatives to hedge its exposures to foreign currency and interest rate changes. The Conglomerate continues to apply the hedge accounting requirements set forth in IAS 39, as allowed by IFRS 9.

The Conglomerate may choose to change its accounting policy and begin applying the hedge accounting requirements of IFRS 9 at the beginning of each reporting period until the Macro Hedge project takes effect.

Upon initial designation of the hedge, the Conglomerate formally documents the relationship between the hedge instruments and the hedged instruments, including the risk management goals and strategy in the execution of the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedge relationship. The Conglomerate evaluates - both at the beginning of the hedge relationship and continuously - whether hedge instruments are expected to be highly effective to offset fair value changes of hedged items against respective hedges in the hedged period, and whether actual results of each hedge are within the interval of 80-125 percent (range within which a hedge is considered highly effective).

Derivative financial instruments considered as hedging instruments (hedge) are classified by their nature as follows:

Fair value hedge - Derivative financial instruments classified in this category as well as the hedged item, have their fair value adjustments recorded against income and shown in the income statement as a income from derivative financial instruments; and

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 - Derivative financial instruments in this class, have their fair value adjustments recognized in shareholders' equity as other comprehensive income, net of tax.

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 carries out hedging operations that include devices for the settlement of contractual rights and obligations linked to the risk of its own credit, of third parties or of parties related to the Bank that may result, under certain conditions of eventual occurrence, in the early maturity of the derivative without any amount is due to the Bank or that the amount due to the Bank can be settled with debt securities issued by the Bank itself, in accordance with the contractual provision.

k) Impairment losses – General Application

The financial assets measured at amortized cost or fair value through other comprehensive income, which include loan operations and leasing transactions, debt securities, loan commitments, financial guarantee contracts (off-balance operations) and receivables, are classified as recoverable amounts, which are under the scope of IFRS 15 and IFRS 16.

Investments in equity instruments (irrespective of the use of irrevocable option of treating them at fair value through other comprehensive income) value and other instruments measured at fair value through profit or loss are excluded from the scope of the impairment analysis.

The impairment model provides for provisioning for the expected credit losses for 12 months or expected credit losses for the lifetime of the contract. The applicable period of expected credit losses depends on the stage of the financial asset, the migration of stages occurs due to the significant increase / decrease in the credit risk of the instruments.

Losses are measured as expected credit losses for 12 months unless credit risk has increased significantly since initial recognition or for purchased or originated credit impaired assets or for receivables where the Bank uses the simplified approach to the provision for expected losses.

To determine whether the risk of default of a financial asset has increased significantly since its initial recognition, the entity compares the default risk at the reporting date to the default risk at the initial recognition, individually or collectively.

The expected credit losses are probability weighted estimates of the credit losses over the expected life of the financial instrument, credit losses are the present value of the expected cash insufficiencies reflecting:

- An unbiased and probability weighted amount;
- The time value of money; and
- reasonable and supportable information (not only about late payments, but also forward looking information such as macroeconomic factors - forward looking), which is available without undue cost or effort.

IFRS 9 does not prescribe a single method for measuring expected credit losses and recognizes that the methods used to measure expected credit losses may change depending on the type of financial asset and the information available.

The criteria for expected losses are also applicable to credit operations resulting from the consolidation of credit rights investment funds (FIDCs).

Details of the methodologies and assumptions adopted for measuring the provision for expected credit loss are in Note 36 - Risk and Capital Management.

Non-financial assets

The impairment loss test of non-financial assets is conducted at least annually, in order to ascertain if there is any sign that an asset may have lost value. If any such indication exists, the Conglomerate estimates the recoverable amount of the asset, which is either i) its fair value less costs to sell it; or ii) its value in use, whichever is higher. If the asset's recoverable value is lower that its book value, the asset is reduced to its recoverable value through a provision for impairment losses that is recognized under "Other operating income (loss)".

Once the provision for impairment reaches 100% of the cost of the asset and the absence of future economic benefits is verified, whether due to obsolescence, discontinuation of use or when there is, under any circumstances, the ability to reliably measure such economic benefits, the asset is written off.

Intangible assets - Carbon credits: As these acquired credits are used exclusively to meet the commitment to offset CO_2 emissions by vehicles financed by BV bank, that is, the institution is not exposed to changes in the fair value of this asset in the balance sheet, the possible long-term reduction in the fair value of these credits due to market conditions does not expose the institution to losses due to reduction to the recoverable value of that asset.

l) Determination of the fair value

The fair value of publicly quoted financial instruments is based on market prices.

For financial assets and liabilities with no active market, the Conglomerate establishes fair value by using valuation techniques. These techniques are established based on consistent and verifiable criteria and may include:

- Comparison with transactions recently contracted with third parties;
- Reference to other instruments that are substantially similar;
- Analysis of discounted cash flows; and
- Conventional and established pricing models.

The main additional data about the assumptions used to determine fair values are disclosed in specific notes for respective assets or liabilities.

m) Assignment of financial assets

In order to determine the accounting treatment for assigned financial assets, the Conglomerate takes into account the extent of transfer of risks and benefits of the assets transferred to another entity:

- When the Conglomerate transfers financial assets to another entity, but does not substantially transfers all risks and rewards related to the assets transferred, assets will continue being recognized in the Conglomerate's statement of financial position;
- When the Conglomerate transfers substantially all risks and benefits related to the assets transferred to an entity other than a subsidiary, the assets are derecognized in the Conglomerate's statement of financial position;
- If the Conglomerate does not transfer or retain substantially all risks and benefits related to transferred financial assets and retains control of the transferred assets, the Conglomerate continues to recognize the transferred asset to the extent of its continuing involvement in the transferred financial asset.

In the course of its activities, the Conglomerate carries out transactions that give rise to the transfer of financial assets to third parties or to Credit Rights Investment Funds, but the credit risk of these financial assets is substantially retained. Therefore, the Conglomerate continues to recognize these financial assets in its statement of financial position and an associated liability.

n) Non-financial assets held for sale

Non-current assets and groups of assets for sale, that include ventures participation and real estate developments, are classified as held for sale if their book value is expected to be recovered mainly through sale instead of continuous use.

This condition is fulfilled only when sale is highly probable and the non-current asset is available for immediate sale in its current state. Management should be committed to this sale, which is expected to be completed within one year of classification date.

Reclassification to this line item, when the referred condition is achieved is effected by the lowest value between its book value and fair value of the assets less selling expenses.

Also part of the non-financial assets held for sale are the assets awarded, received in payment or in any other way received for the settlement or amortization of debts, which are not intended for the Conglomerate's own use. Such assets are recognized on the date of their receipt by the institution. The date of receipt is considered to be the date on which the institution obtained possession, domain and control of the asset, observing the legal particularities and characteristics of each type of asset.

The disposal of recovered assets is done through regular official auctions.

o) Investments in associated companies and jointly-controlled entities

Information on the initial recognition and measurement, as well as the subsequent measurement of investments in associated companies and jointly-controlled entities, is described in Note 4b.

p) 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, as follows:

- Vehicles - 20%;
- Data processing systems - 20%;
- Facilities, furniture and equipment in use - 10%;
- Improvements in third-party property – term of the lease – 10%.

The software acquired as an integral part of the functionality of an item of equipment is capitalized as part of that equipment.

At least annually, the Conglomerate assesses whether there is any indication that a property, plant and equipment may be impaired.

The residual value of these assets is reviewed annually or when there are significant changes in the assumptions used.

q) Intangible assets

Refers to the rights related to intangible assets intended for the maintenance of the Company or exercised for this purpose. Intangible assets have a defined useful life and refer mainly to software and licenses, amortized by the straight-line method from the date they are available for use. The Software developed internally, in compliance with the needs of the Conglomerate, is part of the investment policy for upgrading and adapting to new technologies and business needs. Due to the lack of similarity in the market, as well as the high cost to implement measurements that allow the evaluation of their amount in use, the Software impairment test, as well as the use licenses, consists in evaluating their utility to the company so that, whenever a software or license does not reach the expected generation of future economic benefits by Management, the recoverable value of the intangible asset is adjusted. Management performs impairment tests at least annually for software under development and each year for completed software.

Amortization is calculated using the straight-line method based on the period in which the benefit is generated, presented in the line item “Depreciation and amortization expenses”, according to the Consolidated Income Statement.

The residual value of these assets, when applicable, is reviewed annually or when there are significant changes in the assumptions used.

Intangible assets with indefinite useful lives are not subject to amortization and are tested annually for their recoverable value. The write-off of intangible assets, with a defined or indefinite useful life, occurs when the absence of future economic benefits for the asset is verified.

The goodwill recognized on the acquisition of investments in subsidiaries is also part of the group of intangible assets in the consolidated balance sheet of the entity, for it refers to the expected future profitability of the acquired subsidiary. Goodwill is not subject to amortization, but its recoverable amount is tested, at least annually, for impairment. Additionally, the balances corresponding to the capital gain calculated 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 written off in case of reduction to the recoverable value of the corresponding assets.

Intangibles also include carbon credits that were acquired for the purpose of offsetting CO_2 emissions by vehicles financed by BV bank. CO_2 is one of the greenhouse gases. The mechanism for neutralizing CO_2 emissions that was 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 was no exposure of the institution to fair value on the credits purchased, these were recognized at the price paid and form a stock of tons of CO_2, controlled by the average cost that, once retired, is consumed (amortized) based on the monthly volume of CO_2 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 CO_2 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 the explanatory note 4v.

r) Lease operations

Regarding rights of use assets, IFRS 16 establishes that the rights and obligations of a lease agreement must be registered at the lessee, as follows:

- Recognition of leases with a term of more than 12 months and of significant amounts;
- Initial recognition of leases as assets (intangible assets, from the right to use the asset) and as present value liabilities (financial liabilities representative of the lease obligations related to the rights of use); and
- Allocation of the expenses for amortization of the rights to use of the asset and the interest on the financial liability representative of the lease obligations related to the right of use, for the period of use of the asset.

s) Contingent assets

Contingent assets usually arise from unplanned events or other unexpected events that give rise to the possibility of an inflow of economic benefits to the enterprise.

Contingent assets are not recognized in Statement of Financial Position since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition occurs.

t) Financial liabilities measured at amortized cost

They are initially recognized at fair value plus any transaction costs directly assignable. After the initial recognition, these financial liabilities are stated at amortized cost using the effective interest rate method. Expenses under the effective interest rate method are presented in the income statement as interest expenses.

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost, unless they meet the criteria described in item 4u.

(i) Financial liabilities associated with transferred assets

Financial liabilities arising from signed contractual obligations with assignees, purchasers of portfolios of loans and receivables with co-obligation clauses or significant credit risk retention.

Financial liabilities associated with transferred assets consist of contractual obligations entered into with assignees, purchasers of loan portfolios and receivables with a co-obligation clause or significant retention of credit risk are initially recognized at fair value, plus any attributable transaction costs. After their initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method. Charges calculated at amortized cost are presented in the income statement as interest expense.

(ii) Financial institution and client deposits

They are initially recognized at fair value, deducting any transaction costs directly assignable. After initial recognition, these deposits are measured at amortized cost using the effective interest method. Expenses under the effective interest rate method are presented in the income statement as interest expense.

(iii) Loans and onlendings, securities issued and subordinated liabilities

They are initially recognized at fair value deducting any transaction costs directly assignable. After initial recognition, these liabilities are measured at amortized cost using the effective interest method. Expenses under the effective interest rate method are presented in the income statement as interest expense.

Those that are designated and effective as hedge instruments are measured at fair value, using consistent and verifiable criteria. Changes in fair value are recognized in:

- Profit or loss are presented in the Consolidated Income Statement as income from financial instruments at fair value through profit or loss, when classified as a fair value hedge or;
- In shareholders' equity as equity valuation adjustments, net of tax effects, when classified as a cash flow hedge.

u) Financial liabilities measured at fair value through profit or loss

(i) Financial liabilities measured at fair value through profit or loss - designated at fair value - The Conglomerate does not have any financial liabilities at fair value through profit or loss - designated at fair value in its portfolio on March 31, 2022 and December 31, 2021.

This designation cannot be subsequently changed. The fair value option can only be applied when its application reduces or eliminates accounting inconsistencies in the result.

(ii) Financial liabilities measured at fair value through profit or loss - Correspond to transactions with repurchase agreements, stock loans, securities issued, subordinated liabilities, loans and onlendings and derivative financial instruments, unless they are designated and effective as hedging instruments.

The changes in the fair value of the instrument is recorded as follows:

- The change in the fair value attributable to the credit risk (own) of the liability is accounted for in "Other Comprehensive Income" (OCI). The amounts recorded in OCI are not reclassified to the income statement, even in settlement or transfer of liabilities.
- The remainder of the change in fair value, is accounted for in the income statement.

v) Provisions

Contingent liabilities are recognized in the Financial Statements when, based on the opinion of legal advisors and Management, the risk of loss in a judicial or administrative proceeding is considered probable, with a probable outflow of resources to settle the obligations and when the amounts involved are measurable with sufficient certainty.

Contingent liabilities classified as possible losses are not recognized as liabilities, and are only disclosed in the notes to the financial statements, whereas those classified as remote do not require provision nor disclosure.

Based on loss forecasts evaluated by Management, the Conglomerate recognizes a provision for labor, tax and civil claims. For labor lawsuits, the provision volume is calculated through legal assessments and statistical models. For legal proceedings of a tax nature, the probable amount of loss is estimated through the assessment of legal advisors (individualized method). For civil cases considered similar and usual, and the amount of which is not considered relevant, the determination of the volume of provision is performed using a statistical model based on the loss observed in the history of closed lawsuits of the same characteristics (massive method).

For unusual civil cases, or for which the amount is considered material, the probable amount of loss is estimated through the assessment of legal advisors (individualized method).

Legal obligations are lawsuits discussing tax obligations legality or constitutionality and whose amounts are fully recognized in financial statements, based on Management's risk assessment.

Compensation of CO_2 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 is reversed at the time when the amortization of these loans is calculated and recognized.

(Amounts in thousands of Reais, unless otherwise indicated)

w) Income and revenues taxes and contributions

The Conglomerate's taxes, including revenue incidents, are calculated based on the rates shown in the following table:

	Current rates
Taxes on profit	
Income Tax (15% + additional 10%)	25%
Social Contribution on Net Income (CSLL) - Banco Votorantim S.A. and Banco BV S.A.[1]	20%
Social Contribution on Net Income (CSLL) - Other financial and non-financial institutions [1]	de 9% a 15%
Other tributes	
PIS / PASEP [2]	de 0,65% a 1,65%
Contribution to the Financing of Social Security - COFINS [2]	de 3% a 7,6%
Tax on Services of Any Nature - ISSQN [3]	de 2% a 5%

(1) Article 32 of Constitutional Amendment No. 103, of November 12, 2019, raised the CSLL rate of banks of any kind, from 15% to 20%, effective March 1, 2020.

(2) For non-financial companies opting for the non-cumulative calculation regime, the PIS/Pasep rate is 1.65% and Cofins is 7.6%.

(3) Taxes levied on revenue from the provision of services.

Income tax and social contribution (IRPJ and CSLL) are income taxes applicable to financial institutions in Brazil. Both are taxes owed by the taxpayer (legal entity) to the State from the occurrence of taxable profits, calculated by applying a rate to a calculation base.

Income taxes comprise current taxes and deferred taxes and are recognized in income, except when they relate to items that are recognized directly in equity and other comprehensive income. Taxes recognized in equity are subsequently recorded in profit or loss to the extent that the gains and losses that gave rise to them are recognized, except for those arising from equity instruments classified in the fair value category through other comprehensive income, which will not affect profit or loss, even in its alienation.

Current taxes – Current tax expense is the amount of income tax and social contribution payable or recoverable in relation to the taxable income for the period.

Current tax assets are the income tax and social contribution amounts to be recovered in the next 12 months. Current taxes relating to current and prior periods must, to the extent that they are not paid, be recognized as liabilities. If the amount already paid for current and prior periods exceeds the amount due for those periods, the excess must be recognized as an asset.

Current tax assets and liabilities of the last period and of previous years are measured at recoverable value expected to be received from or paid to the tax agency. Tax rates and the tax laws used to calculate the amount are those that are in force on the statement of financial position date.

Deferred taxes - these consist of amounts of tax assets and liabilities to be recovered or settled, respectively, in future periods. Deferred tax liabilities arise from taxable temporary differences, and deferred tax assets arise from deductible temporary differences and carryforward of unused tax losses.

Deferred tax assets arising from income tax loss carryforwards, negative basis of social contribution on net income and those arising from temporary differences are recognized to the extent that it is probable that there will be taxable income against which the deductible temporary difference can be used.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. An entity reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that it will obtain sufficient taxable profit to allow the benefit of part or all of that deferred tax asset to be used. Any reduction is reversed to the extent that it becomes probable that the entity will obtain sufficient taxable profit.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to be applicable in the moment the asset is recorded or the liability is settled, based on the tax rates (or tax law) that were enacted at the reporting date. In case of a tax law change that modifies criteria and rates to be adopted in future periods, the effects are recognized immediately based on the criteria and rates applicable to the period in which each portion of the asset will be realized or the liability settled.

Temporary differences - these are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base that impact or may impact the calculation of income tax and social contribution

Temporary differences may be taxable or deductible. Temporary taxable differences are temporary differences that will yield taxable amounts to determine taxable income (tax loss) of future periods when the book value of an asset or liability is recovered or settled. Deductible temporary differences are temporary differences that will yield deductible amounts in determining taxable profit (tax loss) of future periods when the book value of the asset or liability is recovered or settled.

The tax base of an asset is the amount that will be tax deductible against any taxable economic benefits that will flow to the entity when it recovers the book value of this asset. If those economic benefits are not taxable, the tax base of the asset is equal to its book value.

The tax base of a liability is its book value, less any amount that will be deductible for tax purposes, related to that liability in future periods. In the case of revenue received in advance, the tax base of the resulting liability is its book value, less any amount of revenue that will not be taxable in future periods.

Offsetting of income taxes

Current and tax assets and liabilities are offset if, and only if, the entity: (i) has the legal right to offset the recognized amounts; and (ii) intends to either settle on a net basis, or realize the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities are offset if, and only if: (i) the entity has a legal right to offset current tax assets against current tax liabilities; and (ii) the deferred tax assets and tax liabilities are related to income taxes levied by the same tax authority: (a) at the same taxable entity or (b) different taxable entities that intend to settle the current tax liabilities and assets on net bases, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant values of deferred tax assets or liabilities are expected to be paid off or recovered.

x) Earnings per share

The disclosure of earnings per share is made according to the criteria defined in IAS 33 - Earnings per share. The Bank's basic and diluted earnings per share were calculated by dividing the net income attributable to shareholders by the weighted average number of its shares. There is no distinction in the calculation method of both indices, since the Bank does not hold treasury shares and there are currently no equity instruments or any associated instrument that produce potential dilution.

When the number of common shares or total potential common shares decreases as a result of grouping of shares, the calculation of basic and diluted earnings per share for all periods presented is adjusted for comparability purposes.

y) Other assets and liabilities

Prepaid expenses

Investments of funds in advance payments, whose benefits or provision of services will occur in future periods are recorded. Prepaid expenses are recorded at cost and amortized as they are incurred.

Other heritage items

Other assets are stated at realizable values, including, when applicable, earnings and monetary and exchange variations earned on a pro rata die basis and provision for losses, when deemed necessary. Other liabilities are stated at known and measurable amounts, plus, when applicable, charges and monetary and exchange variations incurred on a pro rata die basis.

z) Investment fund management

The Conglomerate manages and administers assets held in investment funds and other types of investment in favor of investors. These funds are not consolidated in the Consolidated Financial Statements of the Conglomerate, except those investment funds controlled by the Conglomerate, whose information is stated in Note 6a.

aa) Operating segments

The operating segments the Conglomerate operates, as well as its characteristics and operating strategies are described in Note 7.

bb) Standards and interpretations that became effective in 2022

- **Cycle of annual improvements 2018-2020 -** The amendments issued by the IASB include the following standards: (i) IFRS 9 - clarifies which fees paid or received must be included in the 10% test for the write-off of financial liabilities, (ii) IFRS 16 - amends example 13 by excluding the reimbursement paid by the lessor to the lessee as an incentive and (iii) IFRS 1 - easing procedures that a subsidiary may apply when adopting IFRS for the first time after its parent company. These changes are applicable for periods beginning on or after January 1, 2022. There were no impacts on its initial adoption.
- **Amendments to IAS 37 –** The amendments aim to clarify the costs that the entity must consider as costs to fulfill a contract when assessing when this contract is onerous. The amendments are effective as of January 1, 2022 as the Conglomerate does not have contracts under such conditions.

- **Amendments to IFRS 3 –** The amendments aim to align the references made to the new Conceptual Framework, including guidelines to determine when a provision or a contingent liability exists on the acquisition date (of a business combination). These amendments are applicable to business combinations whose acquisition date is on or after January 1, 2022. There were no impacts on its initial adoption.

cc) Main standards and interpretations that will come into force in future periods

- **Amendments to IAS 1 - Classification of current or non-current liabilities:** refers to the presentation of liabilities in the balance sheet, and the amendments aim to (i) clarify that such classification must be carried out based on the entity's rights, existing at the end of the reporting period, to defer payments for more than 12 months; (ii) clarify that the classification is not affected by expectations about when the entity will exercise the right to defer such payments and (iii) detail that settlement refers to the transfer of cash, equity instruments or other assets and services to the counterparty. The amendments were postponed to take effect as of January 1, 2023 and the Conglomerate assesses the effects of these amendments and no material impacts are expected upon their adoption.

- **Amendments to IAS 1 - Changes in the disclosure of accounting policies:** The changes are intended to require that only material information on accounting policies be disclosed, that is, those capable of influencing the decision-making of the primary users of accounting information, eliminating disclosures of information that duplicate or summarize regulatory requirements. The changes are effective as of January 1, 2023 and the Conglomerate evaluates possibilities for optimizing the information to be disclosed.

- **Amendments to IAS 12 –** The amendments aim to clarify that the exemption for accounting for deferred taxes arising from temporary differences generated in the initial recognition of assets or liabilities do not apply to leasing operations. The amendments are effective as of January 1, 2023 and the Conglomerate assesses the effects of these amendments and no material impacts are expected upon their adoption.

- **Amendments to IAS 8 –** Changes the definition of an accounting estimate, as constant amounts in the financial statements that are subject to uncertainty in their measurement, and clarifies that a change in an accounting estimate resulting from new information is not a correction of an error. The amendments are effective as of January 1, 2023 and no impacts are expected upon their adoption.

dd) Authorization of financial statements

The issuance of the Financial Statements was authorized by the Board of Directors on May 10, 2022.

5. MAIN JUDGMENTS AND ACCOUNTING ESTIMATES

1) Significant accounting estimates and judgments made in the use of these estimates, as well as in the application of accounting policies

The preparation of Consolidated Financial Statements in IFRS requires the application of certain relevant assumptions and judgments that involve a high degree of uncertainty and that may produce material impact on the financial statements. In compliance with IFRS, management applies on a continuous basis and periodic review estimates that affect the amounts presented in our consolidated financial statements, and the results actually incurred may differ from the estimates. The following are described accounting policies adopted that have high complexity and guide relevant aspects in the calculation of our operations.

a) Provision for loans and lease impairment losses

The impairment requirements provided in IFRS 9 require an expected credit loss model considering assumptions, such as:

- The definition of criteria for significant increase or decrease in credit risk: based on the observation of credit risk indicators, the ongoing monitoring of the counterparty's financial situation and of other public information, the Conglomerate determines if there was a significant increase or decrease in credit risk.

- Term: The life time of a financial asset is considered to be the contractual term when there is an established maturity date, otherwise the financial assets expected life is estimated based on the estimated period of exposure to credit risk.

- Prospective information: The use of forward looking estimates, such as macroeconomic expectations, to reflect the impacts of future events on expected losses.

- Scenarios of loss weighted by probability: Use of impartial and weighted macroeconomic scenarios to estimate the expected losses.

The general application of provisions for loans and lease impairment losses is described in Note 4k. and 36.1.a.(v)

b) Projected Futures Results for the realization of Deferred Tax Assets

As explained in Note 4w, the realization of deferred tax assets is supported by the Bank's budget projection, as approved by the governance bodies. These projections are based on present Strategic Planning, that considers business plan assumptions, corporate strategies, macroeconomic scenarios (for example inflation, interest rates, etc.), historical performance and future growth expectations, among others.

This item is particularly significant because of the materiality of the recognized deferred tax assets, the use of estimates of future earnings that require a high degree of judgement and because of the relevant impacts that changes in assumptions can bring to the consolidated financial statements.

Details related to the projection of future results for the realization of deferred tax assets is described in Note 4w.

c) Fair value of financial instruments

There are specific techniques for the fair value assessment of financial instruments that are not negotiated in active markets and for which the market prices and parameters are not available. Such assessments comprise assumptions under Management judgement, which takes into account the assessment of market information and circumstances.

Methodologies used to evaluate the fair value of certain financial instruments is described in Note 4l.

d) Provisions and contingent liabilities – labor, tax and civil

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 entity's 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 4v.

e) Impairment of Goodwill

Goodwill identified in the acquisition of equity investments is initially measured as the difference between the price paid and the fair value adjustment of the identified assets and the assumed liabilities of the acquired entity on the date of purchase. Goodwill is not amortized, but subject to periodic impairment tests (at least annually), which also involve significant estimates and judgments on future cash flows from cash generating units and on rates used to discount these cash flows.

The general application of the criteria for recognition of a provision for impairment of goodwill losses are described in Note 4b.

f) Impairment of the cost of investments in interests of subsidiaries, affiliates and jointly controlled companies, intangible assets and other assets

The impairment test of non-financial assets is performed, at least annually, in order to ascertain 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 assessment of the recoverable value of these assets may incur considerable judgments, mainly in the measurement of the potential future economic benefits associated.

The general application of the criteria for recognizing the provisions for impairment losses is described in note 4k.

g) Investment in equity investment funds (FIPs)

IAS 28 allows for an entity, which qualifies itself as a venture capital organization to measure its investments in associates or joint ventures, at fair value through profit or loss, in accordance with IFRS 9, regardless of the investor having significant influence over the investee. It also allows for the adoption of the equity method for the remaining portion of the investment that is not owed through a venture organization.

The conglomerate adopts this option for venture capital FIPs. The measurement of fair value of these assets requires a significant degree of judgement in the adoption of assumptions.

2) Other relevant information

a) Remaining effects resulting from COVID-19 on the Financial Statements and impacts on the Conglomerate

The measures taken by Management to protect and support its employees, customers and business partners in the face of the challenging scenario, especially in 2020 and 2021, caused by the pandemic directly contributed to minimizing the effects of the crisis on the Conglomerate's operations, ensuring the maintenance of levels adequate liquidity, capital and other asset and liability positions of the Institution.

In addition, the National Monetary Council and the Central Bank adopted, since the beginning of the pandemic in 2020, measures to minimize the effects of the crisis on the economy and ensure the maintenance of adequate levels of liquidity in the financial system. Among them, the relaxation of the criteria for characterizing the restructuring of credit operations for the purpose of credit risk management and the granting of loans to financial institutions through a special temporary liquidity line contribute to mitigating the impacts resulting from the pandemic.

Thus, the remaining effects of the pandemic did not produce relevant impacts on the assumptions used to apply the accounting estimates and judgments made by Management in this period.

6. CONSOLIDATED FINANCIAL STATEMENTS

a) Shareholding interests and investment funds included in the consolidated Financial Statements, segregated by activities:

Companies over which the Conglomerate exercises control, which is based on the assessment of an investor having power over the investee, are classified as subsidiaries; exposure to, or rights over, variable returns arising from its involvement with the investee; and the ability to use its power over the onslaught to affect its return. Subsidiary investees are consolidated using the full consolidation method from the moment the Conglomerate assumes control over their activities until the moment this control ceases.

(Amounts in thousands of Reais, unless otherwise indicated)

The consolidated financial statements include the transactions of Banco Votorantim (parent company) and the following controlled investees:

	Activity	Interest %	
		03.31.2022	31.12.2021
Financial institutions - domestic			
Banco BV S.A.	Multiple bank	100,00%	100,00%
BV Distribuidora de Títulos e Valores Mobiliários Ltda. (former Votorantim Asset DTVM) [1]	Third party management	100,00%	100,00%
Insurance market institutions			
BV Corretora de Seguros S.A. (former Votorantim Corretora Seguros) [2]	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) [3]	SPE	100,00%	100,00%
Consolidated investment funds [4]			
Votorantim Expertise Multimercado Fundo de Investimento. (Expertise)	Fund	100,00%	100,00%
Fundo de Invest. em Participações BV - Multiestratégia Investimento no Exterior (Multiestratégia)	Fund	100,00%	100,00%
Fundo de Invest. em Participações BV Tech I - Multiestratégia Investimento no Exterior (BV Tech I)	Fund	100,00%	100,00%
Crédito Universitário III Fundo de Investimento em Direitos Creditórios (FIDC Universitário) [3]	Fund	90,00%	90,00%
Fundo de Investimento em Direitos Creditórios BV - Crédito de Veículos (FIDC BV) [5] [6]	Fund	25,00%	25,00%
Fundo de Investimento em Direitos Creditórios TM II (FIDC TM) [5]	Fund	100,00%	100,00%
Fundo de Investimento Imobiliário Votorantim BII BTS (BTS) [7]	Fund	62,70%	62,70%
Votorantim Securities Master Fundo de Investimento Imobiliário (Master) [7]	Fund	88,40%	88,40%
Fundo de Investimento Imobiliário Votorantim Patrimonial (Patrimonial) [7]	Fund	99,60%	99,60%
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) [3]	SPE	100,00%	100,00%
Senador Dantas Empreendimento Imobiliário SPE S.A. (Senador Dantas) [3]	SPE	100,00%	100,00%
Henri Dunant Empreend. Imobiliário S.A. (Henri Dunant) [3]	SPE	100,00%	100,00%
Arena XI Incorporações SPE Ltda. (Arena XI) [3]	SPE	100,00%	100,00%
D'oro XVIII Incorporações Ltda. (D'oro XVIII) [3]	SPE	100,00%	100,00%
BVEP Vila Parque Empreendimentos Imobiliários SPE Ltda. (Vila Parque) [3]	SPE	100,00%	100,00%
Atenas subsidiaries			
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 1 [3]	SPE	100,00%	100,00%
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 3 [3]	SPE	100,00%	100,00%

(1) On September 30, 2021, the amendment of the company name of Votorantim Asset Management Distribuidora de TVM Ltda (Votorantim Asset DTVM) to BV Distribuidora de Títulos e Valores Mobiliários Ltda (BV DTVM) was approved.

(2) On December 28, 2021, the change of the corporate name of Votorantim Corretora de Seguros SA (Votorantim Corretora Seguros) to BV Corretora de Seguros SA (BV Corretora de Seguros) was approved.

(3) For consolidation, it includes a lag of up to 2 months in the respective balance sheet.

(4) The Fixed Income (Maritime) Maritime Investment Fund was liquidated in July 2021.

(5) Investment fund set up in May 2021.

(6) Investment fund in which the Bank assumes or substantially retains risks and benefits through subordinated quotas.

(7) Fund became part of the Conglomerate's assets in June 2021.

7. OPERATING SEGMENTS

An operating segment is a component of the Conglomerate that develops business activities, from which it can obtain revenues and incur expenses, including from transactions with other components of the Conglomerate. Information for decision making about resources to be allocated to each segment and for its performance assessment are regularly reviewed by the Executive Board, who is the chief operating decision maker of the Conglomerate's operations.

Segment results include items directly attributable to each segment, as well as items that can be allocated on reasonable grounds.

(Amounts in thousands of Reais, unless otherwise indicated)

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.

Interest revenues are disclosed net, following business performance measures, and not as gross income and expenses separately. Transfer pricing between operating segments is done at market prices, in a similar way to third party operations.

The Conglomerate has three segments, as described above, that are business units of the Conglomerate. The business units offer different products and services and are managed separately, have specific management models, target markets, marketing strategies and different sub-segmentations. The following summary describes the operations in each of the Conglomerate's segments:

• **Retail** - The most significant activity of the Conglomerate is Vehicle financing, mainly used light vehicles (cars). In addition, in line with the strategy to diversify income sources, we offer other products to our Vehicle Financing clients base. Among these offers, there are credit cards, securities brokerage, loans (payroll loan, individual loan and home equity) and financing, for items such as: residential solar panels, student loans, tourism and health.

• **Wholesale and market activities -** Operations and financial services aimed mainly at financial institutions, corporate clients with annual revenues above R$300 million and clients with high financial assets (Private Banking). The types of products and services include: Loans and financing, derivatives, foreign trade, bank guarantees, investments (fixed income, investment funds, shares and structured products), payments and collection services. It also considers results from businesses associated with venture capital strategies and the financial margin with the market, arising from the activity of trading financial instruments via proprietary positions, from the management of gaps between assets and liabilities, among others.

• **Corporate** - Comprise run-off investments from BV Empreendimentos e Participações S.A., financial income generated by excess capital and costs associated with tax losses from deferred tax asset charges.

Information related to each segment results are listed below. Performance is evaluated based on the net income.

a) Statement of managerial income by segment and reconciliation of managerial income by segment with consolidated income in accordance with IFRS standards

	01.01 to 03.31.2022					
	Retail	Wholesale and market activities	Corporate	Consolidated management	Adjustments and reclassifications [1]	Consolidated IFRS
Financial margin	**1.714.597**	**244.745**	**53.446**	**2.012.788**	**1.137.631**	**3.150.419**
Net impairment losses (Note 31)	(771.971)	79.211	-	(692.760)	(230.103)	(922.863)
Net financial margin	**942.626**	**323.956**	**53.446**	**1.320.028**	**907.528**	**2.227.556**
Net profit from services and commissions (Note 28)	337.945	110.434	-	448.379	(205.821)	242.558
Personnel expenses (Note 32)	(279.726)	(131.956)	(83)	(411.765)	(25.415)	(437.180)
Other administrative expenses (Note 33)	(266.014)	(50.742)	(4.890)	(321.646)	123.444	(198.202)
Tax expenses (Note 24c)	(110.641)	(33.917)	517	(144.041)	(5.750)	(149.791)
Income from shareholding in associates and joint ventures (Note 16a)	-	-	-	-	(1.106)	(1.106)
Other revenues/expenses	(330.312)	(2.970)	19.103	(314.179)	286.053	(28.126)
Income before taxes and contributions and profit sharing	**293.878**	**214.805**	**68.093**	**576.776**	**(178.089)**	**398.687**
Tax income and social contribution (Note 24d.1)	(117.859)	(82.718)	69.931	(130.646)	55.185	(75.461)
Non-controlling interests [2]	-	(58.334)	-	(58.334)	58.334	-
Recurring net income (Note 7c) [3]	**176.019**	**73.753**	**138.024**	**387.796**	**(64.570)**	**323.226**

(Amounts in thousands of Reais, unless otherwise indicated)

	01.01 to 03.31.2021					
	Retail	Wholesale and market activities	Corporate	Consolidated management	Adjustments and reclassifications [1]	Consolidated IFRS
Financial margin	**1.485.311**	**297.051**	**555**	**1.782.917**	**(931.669)**	**851.248**
Net impairment losses (Note 31)	(550.184)	(26.667)	-	(576.851)	(155.854)	(732.705)
Net financial margin	**935.127**	**270.384**	**555**	**1.206.066**	**(1.087.523)**	**118.543**
Net profit from services and commissions (Note 28)	419.438	84.993	-	504.431	(165.856)	338.575
Personnel expenses (Note 32)	(198.167)	(92.241)	(586)	(290.994)	(37.709)	(328.703)
Other administrative expenses (Note 33)	(184.840)	(54.789)	(9.490)	(249.119)	97.095	(152.024)
Tax expenses (Note 24c)	(101.486)	(20.565)	(25.852)	(147.903)	19.220	(128.683)
Income from shareholding in associates and joint ventures (Note 16a)	-	-	(640)	(640)	51	(589)
Other revenues/expenses	(362.079)	211	(9.464)	(371.332)	935.844	564.512
Income before taxes and contributions and profit sharing	**507.993**	**187.993**	**(45.477)**	**650.509**	**(238.878)**	**411.631**
Tax income and social contribution (Note 24d.1)	(222.136)	(83.186)	11.795	(293.527)	145.304	(148.223)
Recurring net income (Note 7c) [3]	**285.857**	**104.807**	**(33.682)**	**356.982**	**(93.574)**	**263.408**

(1) Balances refers to differences in accounting criteria between BRGAAP (Bacen) and IFRS, such as: differences in aggregation and different openings in the "Income statement" lines and respective GAAP adjustments (note 23h). It also includes reclassifications between lines justified by differences in aggregation between management and accounting criteria.

(2) As of 2022, in the BRGAAP (Bacen) book, non-controlling interests started to be highlighted, predominantly, by the position of the shares of controlled investment funds held by third parties.

(3) In the Consolidated IFRS view, it refers to net income.

b) Equity information by segment

	03.31.2022					
	Retail	Wholesale and market activities	Corporate	Consolidated management	Adjustments and reclassifications [1]	Total [2]
Loans and leases (Note 12a)	52.022.308	13.666.053	-	65.688.361	767.193	66.455.554
Allowance for losses on loans and leases (Note 12a)	(4.367.916)	(1.337.911)	-	(5.705.827)	(867.351)	(6.573.178)
Deferred tax assets (Note 24 a.2)	3.509.563	3.051.055	1.064.205	7.624.823	389.254	8.014.077
Total assets	51.163.955	68.685.427	2.788.710	122.638.092	(2.128.602)	120.509.490
Total liabilities	45.337.166	62.864.942	-	108.202.108	289.418	108.491.526
Non-controlling interests	-	2.316.618	-	2.316.618	(2.316.618)	-
Total shareholders' equity [3]	5.826.789	3.503.867	2.788.710	12.119.366	(101.402)	12.017.964

	12.31.2021					
	Retail	Wholesale and market activities	Corporate	Consolidated management	Adjustments and reclassifications [1]	Total [2]
Loans and leases (Note 12a)	51.319.860	14.513.931	-	65.833.791	789.445	66.623.236
Allowance for losses on loans and leases (Note 12a)	(4.167.158)	(1.377.862)	-	(5.545.020)	(717.353)	(6.262.373)
Deferred tax assets (Note 24 a.2)	3.476.822	3.117.775	1.031.672	7.626.269	297.762	7.924.031
Total assets	50.629.525	67.285.219	2.250.759	120.165.503	(1.032.195)	119.133.308
Total liabilities	44.702.097	63.534.855	-	108.236.952	(1.133.028)	107.103.924
Total shareholders' equity	5.927.428	3.750.364	2.250.759	11.928.551	100.833	12.029.384

(1) Balances refers to differences in accounting criteria between BRGAAP (Bacen) and IFRS, such as: differences in aggregation and different openings in the "Income statement" lines and respective GAAP adjustments (note 23h). It also includes reclassifications between lines justified by differences in aggregation between management and accounting criteria.

(2) In credit and financial leasing operations it does not include the adjustment to fair value of the portfolio that is hedged.

(3) In the BRGAAP book, it considers the shareholders' equity position of the controlling shareholders.

c) Recurring and non-recurring income

	01.01 to 03.31.2022	01.01 to 03.31.2021
Net income - BRGAAP (Bacen) Consolidated [1]	**387.796**	**355.137**
(-) Non-recurring events	**-**	**(1.845)**
Expenses related to bv's capital opening process [2]	-	(1.845)
Recurring net income - Management consolidated	**387.796**	**356.982**

(1) It considers the result attributable to the controlling shareholders.

(2) According to the Material Fact disclosed on April 13, 2021, BV's IPO process was canceled due to the market situation at the time.

(Amounts in thousands of Reais, unless otherwise indicated)

8. CASH AND CASH EQUIVALENTS

	03.31.2022	12.31.2021
Cash and due from banks	**134.456**	**278.383**
Cash and due from banks in national currency	31.728	37.297
Cash and due from banks in foreign currency	102.728	241.086
Interbank funds applied [(1)]	**3.677.430**	**2.656.736**
Open market applications - Resales to be liquidated - Bench position	200.193	359.988
Interbank deposit investments	271.964	240.448
Investments in foreign currency	3.205.273	2.056.300
Total	**3.811.886**	**2.935.119**

(1) Refer to transactions with an original term of 90 days or less and present negligible risk of change in fair value.

9. COMPULSORY DEPOSITS AT THE CENTRAL BANK OF BRAZIL

	03.31.2022	12.31.2021
Compulsory time deposits	1.368.521	1.351.625
Compulsory micro-finance transaction deposits	378	134
Instant payments	5.956	140.359
Total	**1.374.855**	**1.492.118**
Current assets	1.374.855	1.492.118

(Amounts in thousands of Reais, unless otherwise indicated)

10. FINANCIAL ASSETS - SECURITIES

a) Breakdown of the portfolio by category and type of security

	03.31.2022								12.31.2021		
	Book / fair value					Total			Total		
	Without maturity	Up to 90 days	From 90 to 360 days	From 1 to 5 years	Over 5 years	Cost	Book / Fair value	Fair value adjustment	Cost	Book / Fair value	Fair value adjustment
1 - Financial assets at fair value through profit or loss	**2.464.832**	**264.597**	**2.275.338**	**1.562.691**	**999.816**	**7.206.188**	**7.567.274**	**361.086**	**8.839.014**	**9.195.913**	**356.899**
Government bonds	**-**	**261.082**	**2.200.423**	**1.344.641**	**324.972**	**4.126.877**	**4.131.118**	**4.241**	**5.714.977**	**5.790.244**	**75.267**
Financial Treasury Bills	-	-	708.558	137.970	1.029	847.549	847.557	8	515.617	515.433	(184)
National Treasury Bills	-	261.082	1.009.144	930.962	-	2.201.220	2.201.188	(32)	2.898.559	2.899.653	1.094
National Treasury Notes	-	-	482.721	275.709	323.943	1.078.108	1.082.373	4.265	2.300.801	2.375.158	74.357
Private securities	**2.464.832**	**3.515**	**74.915**	**218.050**	**674.844**	**3.079.311**	**3.436.156**	**356.845**	**3.124.037**	**3.405.669**	**281.632**
Investment funds	1.902.057	-	64.124	96.512	306.917	2.415.833	2.369.610	(46.223)	1.931.257	1.885.200	(46.057)
Shares	562.775	-	-	-	-	124.824	562.775	437.951	131.278	475.729	344.451
Debêntures	-	3.399	10.791	953	239.265	261.674	254.408	(7.266)	528.860	523.565	(5.295)
Notes convertible into shares	-	-	-	6.000	-	32.126	6.000	(26.126)	52.028	47.576	(4.452)
Agribusiness Receivables Certificate	-	-	-	24.886	-	25.223	24.886	(337)	24.513	24.513	-
Real Estate Receivables Certificate	-	116	-	89.699	128.662	219.631	218.477	(1.154)	456.101	449.086	(7.015)
2 - Financial assets measured at fair value through other comprehensive income	**-**	**298.020**	**1.659.496**	**8.387.269**	**763.010**	**11.251.428**	**11.107.795**	**(143.633)**	**12.366.160**	**12.271.497**	**(94.663)**
Government bonds	**-**	**279.877**	**1.571.721**	**6.806.291**	**234.357**	**9.041.666**	**8.892.246**	**(149.420)**	**10.312.531**	**10.215.321**	**(97.210)**
Financial Treasury Bills	-	-	138.289	1.683.121	-	1.821.062	1.821.410	348	4.471.442	4.468.592	(2.850)
National Treasury Bills	-	279.877	485.665	854.204	-	1.669.735	1.619.746	(49.989)	1.691.301	1.644.701	(46.600)
National Treasury Notes	-	-	512.587	2.224.345	148.450	3.001.658	2.885.382	(116.276)	1.927.744	1.834.343	(93.401)
Brazilian Foreign Debt Securities	-	-	435.180	1.000.931	85.907	1.527.926	1.522.018	(5.908)	1.717.559	1.751.021	33.462
Government notes from other countries	-	-	-	1.043.690	-	1.021.285	1.043.690	22.405	504.485	516.664	12.179
Private securities	**-**	**18.143**	**87.775**	**1.580.978**	**528.653**	**2.209.762**	**2.215.549**	**5.787**	**2.053.629**	**2.056.176**	**2.547**
Debentures	-	4.748	35.332	1.348.899	414.684	1.787.874	1.803.663	15.789	1.533.581	1.546.060	12.479
Promissory notes	-	6.565	52.327	14.647	-	73.480	73.539	59	73.412	73.379	(33)
Eurobonds	-	-	-	-	1	23	1	(22)	27	1	(26)
Certificate of Real Estate Receivables	-	6.830	116	217.432	113.968	348.385	338.346	(10.039)	446.609	436.736	(9.873)
3 - Financial assets measured at amortized cost [(1)]	**-**	**1.330.844**	**3.163.351**	**9.781.591**	**779.807**	**15.055.593**	**15.055.593**	**-**	**14.555.565**	**14.555.565**	**-**
Government bonds	**-**	**1.077.893**	**2.731.827**	**9.257.671**	**779.807**	**13.847.198**	**13.847.198**	**-**	**13.353.956**	**13.353.956**	**-**
National Treasury Bills	-	1.077.893	638.371	2.562.033	-	4.278.297	4.278.297	-	5.228.362	5.228.362	-
National Treasury Notes	-	-	1.571.391	6.695.638	779.807	9.046.836	9.046.836	-	7.611.478	7.611.478	-
Government notes from other countries	-	-	522.065	-	-	522.065	522.065	-	514.116	514.116	-
Private securities	**-**	**252.951**	**431.524**	**523.920**	**-**	**1.208.395**	**1.208.395**	**-**	**1.201.609**	**1.201.609**	**-**
Rural Product Notes - Commodities	-	116.073	70.255	149.107	-	335.435	335.435	-	431.769	431.769	-
Floating Rate Notes	-	136.878	361.269	374.813	-	872.960	872.960	-	769.840	769.840	-
Total (1 + 2 + 3)	**2.464.832**	**1.893.461**	**7.098.185**	**19.731.551**	**2.542.633**	**33.513.209**	**33.730.662**	**217.453**	**35.760.739**	**36.022.975**	**262.236**

(1) These financial assets are not measured at fair value and the fair value of these instruments is presented in note 36.1.b. (v).

(Amounts in thousands of Reais, unless otherwise indicated)

b) Reconciliation of expected losses for financial assets classified as measured at fair value through other comprehensive income and amortized cost, segregated by stages:

Financial assets measured at fair value through other comprehensive income	Expected loss 12/31/2021	Constitution / (Reversal)	Acquisitions	Liquid Shares	Transfer between stages	Expected loss 03/30/2022	% on 12/31/2021	% on 03/30/2022
Stage 1								
Debentures	6.375	-	1.912	(1.166)	-	7.121		
Promissory notes	265	-	-	-	-	265		
Total	**6.640**	**-**	**1.912**	**(1.166)**	**-**	**7.386**	**0,8%**	**0,8%**
Stage 2								
Debentures	1.745	-	-	(92)	-	1.653		
Total	**1.745**	**-**	**-**	**(92)**	**-**	**1.653**	**0,2%**	**0,2%**
Stage 3								
Certificate of Real Estate Receivables	-	109.836	-	-	-	109.836		
Debentures	810.022	-	-	(29.087)	-	780.935		
Total	**810.022**	**109.836**	**-**	**(29.087)**	**-**	**890.771**	**99,0%**	**99,0%**
Summary of 3 Stages								
Debentures	818.142	-	1.912	(30.345)	-	789.709		
Promissory notes	265	-	-	-	-	265		
Certificate of Real Estate Receivables	-	109.836	-	-	-	109.836		
Total	**818.407**	**109.836**	**1.912**	**(30.345)**	**-**	**899.810**	**100%**	**100%**

Financial assets measured at amortized cost	Expected loss 12/31/2021	Constitution / (Reversal)	Acquisitions	Liquid Shares	Transfer between stages	Expected loss 03/30/2022	% on 12/31/2021	% on 03/30/2022
Stage 1								
Rural Product Notes	1.648	-	756	(880)	-	1.524		
Total	**1.648**	**-**	**756**	**(880)**	**-**	**1.524**	**6,0%**	**5,6%**
Stage 3								
Rural Product Notes	25.659	-	-	-	-	25.659		
Total	**25.659**	**-**	**-**	**-**	**-**	**25.659**	**94,0%**	**94,4%**
Summary of 3 Stages								
Rural Product Notes	27.307	-	756	(880)	-	27.183		
Total	**27.307**	**-**	**756**	**(880)**	**-**	**27.183**	**100%**	**100%**

(Amounts in thousands of Reais, unless otherwise indicated)

Summary of 3 Stages	Expected loss 12/31/2021	Constitution / (Reversal)	Acquisitions	Liquid Shares	Transfer between stages	Expected loss 03/30/2022	% on 12/31/2021	% on 03/30/2022
By category:								
Financial assets measured at fair value through other comprehensive income	818.407	109.836	1.912	(30.345)	-	899.810	96,8%	97,1%
Financial assets measured at amortized cost	27.307	-	756	(880)	-	27.183	3,2%	2,9%
Total	**845.714**	**109.836**	**2.668**	**(31.225)**	**-**	**926.993**	**100%**	**100%**
Por Stage:								
Stage 1	8.288	-	2.668	(2.046)	-	8.910	1,0%	1,0%
Stage 2	1.745	-	-	(92)	-	1.653	0,2%	0,2%
Stage 3	835.681	109.836	-	(29.087)	-	916.430	98,8%	98,8%
Total	**845.714**	**109.836**	**2.668**	**(31.225)**	**-**	**926.993**	**100%**	**100%**

Financial assets measured at fair value through other comprehensive income	Expected loss 12/31/2020	Constitution / (Reversal)	Acquisitions	Liquid Shares	Transfer between stages	Expected loss 12/31/2021	% on 12/31/2020	% on 12/31/2021
Stage 1								
Debentures	6.627	(939)	2.874	(1.860)	(327)	6.375		
Financial Bills	68	-	-	(68)	-	-		
Promissory notes	1.263	15	-	(1.013)	-	265		
Total	**7.958**	**(924)**	**2.874**	**(2.941)**	**(327)**	**6.640**	**1,0%**	**0,8%**
Stage 2								
Debentures	11.907	1.190	11.418	(11.680)	(11.090)	1.745		
Total	**11.907**	**1.190**	**11.418**	**(11.680)**	**(11.090)**	**1.745**	**1,5%**	**0,2%**
Stage 3								
Debentures	762.121	36.484	-	-	11.417	810.022		
Total	**762.121**	**36.484**	**-**	**-**	**11.417**	**810.022**	**97,5%**	**99,0%**
Summary of 3 Stages								
Debentures	780.655	36.735	14.292	(13.540)	-	818.142		
Financial Bills	68	-	-	(68)	-	-		
Promissory notes	1.263	15	-	(1.013)	-	265		
Total	**781.986**	**36.750**	**14.292**	**(14.621)**	**-**	**818.407**	**100%**	**100%**

(Amounts in thousands of Reais, unless otherwise indicated)

Financial assets measured at amortized cost	Expected loss 12/31/2020	Constitution / (Reversal)	Acquisitions	Liquid Shares	Transfer between stages	Expected loss 12/31/2021	% on 12/31/2020	% on 12/31/2021
Stage 1								
Rural Product Notes	2.242	(631)	926	(889)	-	1.648		
Total	**2.242**	**(631)**	**926**	**(889)**	**-**	**1.648**	**8,0%**	**6,0%**
Stage 3								
Rural Product Notes	25.659	-	-	-	-	25.659		
Total	**25.659**	**-**	**-**	**-**	**-**	**25.659**	**92,0%**	**94,0%**
Summary of 3 Stages								
Rural Product Notes	27.901	(631)	926	(889)	-	27.307		
Total	**27.901**	**(631)**	**926**	**(889)**	**-**	**27.307**	**100%**	**100%**

Summary of 3 Stages	Expected loss 12/31/2020	Constitution / (Reversal)	Acquisitions	Liquid Shares	Transfer between stages	Expected loss 12/31/2021	% on 12/31/2020	% on 12/31/2021
By category:								
Financial assets measured at fair value through other comprehensive income	781.986	36.750	14.292	(14.621)	-	818.407	96,6%	96,8%
Financial assets measured at amortized cost	27.901	(631)	926	(889)	-	27.307	3,4%	3,2%
Total	**809.887**	**36.119**	**15.218**	**(15.510)**	**-**	**845.714**	**100%**	**100%**
Por Stage:								
Stage 1	10.200	(1.555)	3.800	(3.830)	(327)	8.288	1,3%	1,0%
Stage 2	11.907	1.190	11.418	(11.680)	(11.090)	1.745	1,5%	0,2%
Stage 3	787.780	36.484	-	-	11.417	835.681	97,2%	98,8%
Total	**809.887**	**36.119**	**15.218**	**(15.510)**	**-**	**845.714**	**100%**	**100%**

(Amounts in thousands of Reais, unless other wise indicated)

11. FINANCIAL ASSETS MENSURED AT FAIR VALUE THROUGH PROFIT OF LOSS - DERIVATIVES

a) Breakdown of derivative financial instruments portfolio by index

By index	03.31.2022			12.31.2021		
	Reference value	Cost	Fair value	Reference value	Cost	Fair value
1 - Futures contracts						
Purchase commitments	**27.520.937**	**-**	**-**	**25.171.942**	**-**	**-**
DI	17.013.208	-	-	16.772.346	-	-
Currencies	1.850.109	-	-	347.320	-	-
Index	195.507	-	-	319.532	-	-
Foreign currency coupon	8.462.113	-	-	7.732.744	-	-
Sales commitments	**50.410.068**	**-**	**-**	**63.957.208**	**-**	**-**
DI	39.520.504	-	-	56.055.124	-	-
Currencies	5.277.532	-	-	2.863.884	-	-
Index	545.476	-	-	183.881	-	-
Libor [1]	697.273	-	-	1.121.951	-	-
Foreign currency coupon	3.335.889	-	-	2.766.289	-	-
Other	1.033.394	-	-	966.079	-	-
2 - Term operations						
Asset position	**1.531.177**	**1.531.177**	**1.531.184**	**276.038**	**276.038**	**276.164**
Currency term	164.091	164.091	164.047	276.038	276.038	276.164
Government bond term	1.367.086	1.367.086	1.367.137	-	-	-
Liability position	**1.531.177**	**(1.531.177)**	**(1.527.711)**	**276.038**	**(276.038)**	**(273.166)**
Currency term	164.091	(164.091)	(160.501)	276.038	(276.038)	(273.166)
Government bond term	1.367.086	(1.367.086)	(1.367.210)	-	-	-
3 - Option contracts [2]						
Call option - Long position	**2.525.735**	**88.357**	**16.147**	**2.109.409**	**72.673**	**69.719**
Foreign currency	449.500	5.817	919	57.000	869	-
Flexible options	2.076.235	82.540	15.228	2.052.409	71.804	69.719
Put option - Long position	**1.248.221**	**33.978**	**98.284**	**1.517.500**	**40.413**	**21.357**
Foreign currency	1.130.250	33.497	96.322	1.502.500	40.406	21.356
Foreign government index	117.971	481	1.962	-	-	-
DI Index	-	-	-	15.000	7	1
Call option - Short position	**2.064.864**	**(56.997)**	**(7.725)**	**1.603.064**	**(55.327)**	**(37.861)**
Foreign currency	2.051.000	(53.813)	(6.451)	1.588.250	(52.082)	(34.252)
Flexible options	13.864	(3.184)	(1.274)	14.814	(3.245)	(3.609)
Put option - Short position	**1.948.539**	**(83.656)**	**(199.808)**	**2.413.935**	**(72.969)**	**(43.973)**
Foreign currency	25.250	(746)	(1.560)	619.500	(1.065)	(1.293)
Foreign government index	117.971	(370)	(1.791)	-	-	-
Flexible options	1.805.318	(82.540)	(196.457)	1.789.185	(71.804)	(42.593)
Shares	-	-	-	5.250	(100)	(87)
4 - Swap contracts [2] [3]						
Asset position	**25.346.405**	**2.273.338**	**3.293.777**	**26.510.501**	**2.389.387**	**3.271.778**
DI	21.105.400	727.169	1.728.555	18.838.153	97.261	412.138
Foreign currency	2.473.416	1.205.987	1.322.978	6.340.510	1.974.555	2.404.034
Fixed rate	1.516.065	251.566	159.828	1.136.040	239.752	384.056
IPCA	173.477	41.419	38.486	117.742	37.204	33.610
IGP-M	78.000	45.590	43.065	78.000	40.174	37.581
Libor [1]	47	895	865	56	401	359
Selic	-	712	-	-	40	-
Liability position	**10.379.729**	**(2.007.871)**	**(2.014.863)**	**7.433.274**	**(2.047.619)**	**(1.958.371)**
DI	4.055.742	(40.910)	(218.396)	3.171.764	(10.038)	(62.645)
Foreign currency	1.572.120	(790.109)	(699.081)	3.413.067	(1.530.419)	(1.282.387)
Prefixed	3.859.737	(1.036.507)	(958.760)	350.080	(414.889)	(548.180)
IPCA	529.988	(104.255)	(76.700)	106.709	(36.177)	(35.849)
IGP-M	96.719	(27.734)	(26.097)	96.719	(23.178)	(21.042)
Libor [1]	65.423	(8.356)	(35.435)	94.935	(32.918)	(8.179)
Selic	200.000	-	(394)	200.000	-	(89)
5 - Other derivative financial instruments						
Asset position	**12.161.033**	**229.751**	**223.947**	**10.585.464**	**53.632**	**74.739**
Non Deliverable Forward - Foreign currency [2]	12.161.033	229.751	223.947	10.585.464	53.632	74.739
Liability position	**2.612.467**	**(695.709)**	**(508.905)**	**1.316.926**	**(120.050)**	**(51.968)**
Non Deliverable Forward - Foreign currency [2]	2.612.467	(695.709)	(508.905)	1.316.926	(120.050)	(51.968)
Total assets (1 + 2 + 3 + 4+ 5)	**70.333.508**	**4.156.601**	**5.163.339**	**66.170.854**	**2.832.143**	**3.713.757**
Total liabilities (1 + 2 + 3 + 4 + 5)	**67.415.667**	**(4.375.410)**	**(4.259.012)**	**76.724.407**	**(2.572.003)**	**(2.365.339)**

[1] Futures contracts and swaps indexed to Libor have not suffered impact stemming from the reform of reference interest rates.

[2] The fair value for swaps, options and non deliverable forwards 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

(Amounts in thousands of Reais, unless other wise indicated)

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

Maturity in days	03.31.2022					12.31.2021
	0 to 30	31 to 180	181 to 360	Over 360	Total	
Futures contracts	7.639.497	25.570.230	11.737.373	32.983.905	77.931.005	89.129.150
Forward contracts	1.427.666	64.090	28.579	10.842	1.531.177	276.038
Option contracts	1.562.885	3.377.284	1.081.609	1.765.581	7.787.359	7.643.908
Swap contracts	1.136.618	1.854.458	6.309.930	26.425.128	35.726.134	33.943.775
Non Deliverable Forward - Foreign currency	2.152.197	10.825.303	1.369.029	426.971	14.773.500	11.902.390
Total	**13.918.863**	**41.691.365**	**20.526.520**	**61.612.427**	**137.749.175**	**142.895.261**

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

	03.31.2022						12.31.2021
	Futures	Terms	Options	Swap	Non Deliverable Forward	Total	
Stock exchange market	**77.931.005**	**-**	**3.891.942**	**-**	**-**	**81.822.947**	**92.911.400**
Over-the-counter market	**-**	**1.531.177**	**3.895.417**	**35.726.134**	**14.773.500**	**55.926.228**	**49.983.861**
Financial institutions	-	1.531.177	13.864	29.401.971	7.858.567	38.805.579	35.947.084
Client	-	-	3.881.553	6.324.163	6.914.933	17.120.649	14.036.777

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

	03.31.2022	12.31.2021
Financial Treasury Bills	560.360	999.905
National Treasury Bills	1.107.478	461.638
Units in investment funds (B3)	53.340	51.959
Others	25.994	49.886
Total	**1.747.172**	**1.563.388**

e) Derivative financial instruments segregated as current and non-current

	03.31.2022			12.31.2021		
	Current	Non-current	Total	Current	Non-current	Total
Assets						
Forward contracts	1.520.291	10.893	1.531.184	258.451	17.713	276.164
Options market	82.536	31.895	114.431	53.095	37.981	91.076
Swap contracts	1.825.771	1.468.006	3.293.777	1.803.726	1.468.052	3.271.778
Non Deliverable Forward - Foreign currency	218.228	5.719	223.947	61.358	13.381	74.739
Total	**3.646.826**	**1.516.513**	**5.163.339**	**2.176.630**	**1.537.127**	**3.713.757**
Liabilities						
Forward contracts	(1.516.745)	(10.966)	(1.527.711)	(255.453)	(17.713)	(273.166)
Options market	(136.639)	(70.894)	(207.533)	(40.540)	(41.294)	(81.834)
Swap contracts	(1.100.285)	(914.578)	(2.014.863)	(1.100.766)	(857.605)	(1.958.371)
Non Deliverable Forward - Foreign currency	(455.910)	(52.995)	(508.905)	(43.999)	(7.969)	(51.968)
Total	**(3.209.579)**	**(1.049.433)**	**(4.259.012)**	**(1.440.758)**	**(924.581)**	**(2.365.339)**

f) Breakdown of 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 of ALM. 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 hedge objects.

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 Conglomerate has chosen to continue using the method where the hedge operations have been evaluated as effective, when the hedge's effectiveness is proven to be in the range of 80% to 125%. The Conglomerate does not use the qualitative method to evaluate the effectiveness of the strategies.

(Amounts in thousands of Reais, unless other wise indicated)

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 repurchase agreements indexed with risk at a fixed rate are hedged with future DI floating rate contracts;
- Hedge of loans with a fixed rate/exchange rate risk are hedged with future DI and DDI contracts.

Hedged items	Statement of Financial Position line item	03.31.2022		
		Fair value of hedged items	Fair value adjustment of hedged items	Base value for calculating hedge ineffectiveness [1]
		Asset	Asset	
Interest rate risk				
Hedge of purchase and sale commitment	Financial assets with resale agreements	101.319	5	10.111
Hedge of loan contracts	Loans and leases	17.869.130	(767.226)	298.445
Exchange rate risk				
Hedge of loan contracts	Loans and leases	4.568	33	(992)
Total		**17.975.017**	**(767.188)**	**307.564**
		12.31.2021		
Interest rate risk				
Hedge of purchase and sale commitment	Financial assets with resale agreements	402.746	(19)	8.439
Hedge of loan contracts	Loans and leases	16.736.078	(789.545)	(189.539)
Exchange rate risk				
Hedge of loan contracts	Loans and leases	8.880	100	1.312
Total		**17.147.704**	**(789.464)**	**(179.788)**

(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	03.31.2022		
	Reference value	Base value to calculate the ineffectiveness of hedge [1]	Hedge ineffectiveness recognized in income [2]
	Liabilities		
Interest rate risk			
Future DI	19.779.237	(313.892)	(5.336)
Exchange rate risk			
Future DDI	4.966	1.001	9
Total	**19.784.203**	**(312.891)**	**(5.327)**
	12.31.2021		
Interest rate risk			
Future DI	18.473.942	174.987	(6.113)
Exchange rate risk			
Future DDI	8.892	(1.625)	(313)
Total	**18.482.834**	**173.362**	**(6.426)**

(1) Changes in the fair value of the hedge instruments 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 compare with the changes in the Fair value of the instrument and the hedged object.

In the quarters ended March 31, 2022 and 2021, there were no dismantling of operations and no effect on the result was produced, as the amortization of previous dismantling had already been completed.

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 contract recorded in B3.

(Amounts in thousands of Reais, unless other wise indicated)

Hedged Items	Statement of Financial Position line item	03.31.2022 Book / reference value Assets	Liabilities	Base value for calculating hedge ineffectiveness [1]	Cash flow hedge reserve
Interest rate risk					
Hedge of Financial Bills	Financial liabilities at amortized	-	12.018.853	(254.942)	154.779
Hedge of subordinated financial bills - Debt instruments eligible for capital	Financial liabilities at amortized cost	-	90.968	(3.683)	2.395
Exchange rate risk					
Perpetual bonus hedge - Subordinated liabilities	Financial liabilities at amortized cost	-	1.464.642	(495.041)	47.977
Hedge of bonds with TVM abroad	Financial liabilities at amortized cost	-	2.877.388	392.677	206.143
Hedge of Brazilian external debt securities	Marketable securities	85.907	-	655	(982)
Total		**85.907**	**16.451.851**	**(360.334)**	**410.312**
			12.31.2021		
Interest rate risk					
Hedge of Financial Bills	Financial liabilities at amortized cost	-	13.573.577	(262.256)	244.173
Hedge of subordinated financial bills - Debt instruments eligible for capital	Financial liabilities at amortized cost	-	93.362	(3.172)	2.596
Exchange rate risk					
Perpetual bonus hedge - Subordinated liabilities	Financial liabilities at amortized cost	-	1.684.531	(792.965)	84.108
Hedge of bonds with TVM abroad	Financial liabilities at amortized cost	-	3.433.131	(186.465)	330.224
Total		**-**	**18.784.601**	**(1.244.858)**	**661.101**

(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.

Hedge Instruments	03.31.2022 Book / reference value Assets	Liabilities	Base value for calculating hedge ineffectiveness [1]	Change in the value of the hedge instrument recognized in other comprehensive results	Ineffectiveness of hedge recognized in the result [2]
Interest rate risk					
Future DI	-	11.640.660	259.051	(89.594)	3.281
Exchange rate risk					
Swap [3][4][5]	4.608.890	97.688	102.791	(161.195)	2.158
Total	**4.608.890**	**11.738.348**	**361.842**	**(250.789)**	**5.439**
			12.31.2021		
Interest rate risk					
Future DI	-	13.187.458	265.693	277.270	3.913
Exchange rate risk					
Swap [3]	5.634.894	-	984.150	558.699	1.997
Total	**5.634.894**	**13.187.458**	**1.249.843**	**835.969**	**5.910**

(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 compare with the changes in the Fair value of the instrument and the hedged object.
(3) The reference amount of the swap contract for the perpetual bond hedge is R$970,620 as of March 31, 2022 and December 31, 2021.
(4) The reference amount of swap contracts for hedging securities with securities abroad is R$3,406,100 as of March 31, 2022 and December 31, 2021.
(5) The reference amount of swap contracts to hedge Brazilian foreign debt securities is R$105,341 as of March 31, 2022 (as of December 31, 2021 there was no such hedge).

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 quarter ended March 31, 2022, the mark-to-market of the effective portion, in the amount of R$ (250,431) (R$ 439,928 in the quarter ended March 31, 2021), was recognized in equity and the ineffective portion, in the amount of R$ (471) (R$ 4,891 in the quarter ended March 31, 2021) was recognized in profit or loss under “Income from derivative financial instruments”.

The net gains from tax effects related to the cash flow hedge that the Conglomerate expects to recognize in income over the next 12 months total R$149,955 (net gains of R$63,872 in the quarter ended March 31, 2021).

As of March 31, 2022, the gross amount accumulated in Other comprehensive income referring to discontinued strategies is R$ (250) (R$ (608) as of December 31, 2021) and the amount of this reserve that affected the gross profit of the period is R$ (358) (R$ (41,657) in the quarter ended March 31, 2021).

In the quarters ended March 31, 2022 and 2021, there were no transactions that were no longer qualified as cash flow hedges.

(Amounts in thousands of Reais, unless other wise indicated)

g) Income from derivative financial instruments

	01.01 to 03.31.2022	01.01 to 03.31.2021
Swap contracts	263.731	424.843
Forward contracts	4.371	7.650
Option contracts	(102.935)	143.810
Futures contracts	(934.216)	611.443
Credit derivatives	-	(30)
Non Deliverable Forward - Foreign currency	(375.513)	142.292
Income from foreign exchange movements of investments abroad	(265.308)	146.724
Total	**(1.409.870)**	**1.476.732**

12. FINANCIAL ASSETS MEASURED AT AMORTIZED COST - LOAN AND LEASES

a) Breakdown of portfolio

	Note	03.31.2022	12.31.2021
Loans		**66.407.876**	**66.574.497**
Individuals		3.972.344	3.028.878
Payroll loans		518.834	538.964
Vehicle financing		43.394.176	44.031.336
Credit card		4.955.096	4.574.173
Loans and financing - Corporate		7.455.694	7.174.778
Loans and financing - Large Corporate		6.111.732	7.226.368
Leases		**47.678**	**48.739**
Total loans and leases (gross balance)		**66.455.554**	**66.623.236**
Provision for impairment losses	12e	(6.573.178)	(6.262.373)
Fair value adjustment	12a.1	(767.193)	(789.445)
Associated costs [1]		746.512	773.332
Total loans and leases (net balance)		**59.861.695**	**60.344.750**
Current assets		31.732.812	32.266.074
Non-current assets		28.128.883	28.078.676

[1] It mainly includes commissions associated with the origination of credit operations and financial leasing.

a.1) Breakdown of fair value adjustment

The amounts that comprise the fair value adjustment balance refer to the valuation of loan and lease portfolios that are hedged and are part of hedge accounting relationships.

	03.31.2022	12.31.2021
Loans	(11.422)	(11.398)
Financing	(755.756)	(778.032)
Others	(15)	(15)
Total	**(767.193)**	**(789.445)**

(Amounts in thousands of Reais, unless other wise indicated)

b) Loan portfolio by sector of economic activity

The maximum exposure to credit risk for loans with credit concession characteristics on the date of the Consolidated Financial Statements by economic activity sector are as follows:

	03.31.2022	%	12.31.2021 [(1)]	%
Private sector	**65.688.361**	**100,00%**	**65.833.791**	**100,00%**
Individual [(2)]	**52.225.751**	**79,51%**	**51.911.330**	**78,85%**
Legal entities	**13.462.610**	**20,49%**	**13.922.461**	**21,15%**
Sugar and alcohol	1.111.535	1,69%	740.410	1,12%
Agribusiness	1.370.878	2,09%	1.279.415	1,94%
Specific construction activities	774.775	1,18%	829.518	1,26%
Automotive	394.444	0,60%	776.692	1,18%
Wholesale commerce and sundry industries	2.136.086	3,25%	2.362.379	3,59%
Retail business	1.165.016	1,77%	872.411	1,33%
Heavy construction	585.558	0,89%	619.977	0,94%
Cooperatives	1.072.014	1,63%	896.112	1,36%
Electric power	259.716	0,40%	295.295	0,45%
Financial institutions and services	767.356	1,17%	961.156	1,46%
Wood and furniture	5.869	0,01%	6.340	0,01%
Mining and metallurgy	48.142	0,07%	64.345	0,10%
Paper and pulp	40.122	0,06%	64.954	0,10%
Small and Medium Enterprises [(3)]	995.578	1,52%	1.092.025	1,66%
Chemical	817.394	1,24%	808.721	1,23%
Services	1.301.132	1,98%	1.541.344	2,34%
Telecommunications	36.145	0,06%	118.580	0,18%
Textile and appeal	150.437	0,23%	153.445	0,23%
Transportation	399.783	0,61%	420.855	0,64%
Other activities	30.630	0,04%	18.487	0,03%
Total credit portfolio [(4)]	**65.688.361**	**100,00%**	**65.833.791**	**100,00%**

(1) As of March 31, 2022, the criteria for presenting the sectors of activities were changed and each sector started to be presented not only at amortized cost in general, but also at fair value exclusively for operations that are subject to hedge risk of market and the classification started to follow the standard used in the bank's management. For comparability purposes, the balances as of December 31, 2021 are restated.

(2) Includes credit operations with the agribusiness sectors and other sectors of economic activity carried out with individuals.

(3) Includes credit operations with the agribusiness sectors and other sectors of economic activity carried out with small and medium-sized companies.

(4) Includes adjustment to fair value of credit operations that are subject to market risk hedge in the amount of R$ (767,193) as of March 31, 2022 (R$ (789,445) as of December 31, 2021).

c) Maturity analysis

The maturity flow of the installments of the existing loan and financial lease portfolio is:

	03.31.2022	12.31.2021
Overdue	5.352.476	5.005.609
Due within 3 months	11.957.299	11.986.625
Due in 3 to 12 months	18.074.041	18.480.920
To mature more than 1 year	31.071.738	31.150.082
Total credit and financial leasing operations (gross balance) [(1)]	**66.455.554**	**66.623.236**

(1) Does not include adjustment to fair value of credit operations that are subject to market risk hedge.

The maximum exposure to credit risk for the loan and leases portfolio by risk concentration, is as follows:

	03.31.2022	% of portfolio	12.31.2021	% of portfolio
Largest debtor	620.316	0,93%	620.316	0,93%
10 largest debtors	2.718.565	4,09%	2.874.205	4,31%
20 largest debtors	3.838.343	5,78%	4.173.942	6,26%
50 largest debtors	5.911.569	8,90%	6.523.486	9,79%
100 largest debtors	8.163.647	12,28%	8.929.287	13,40%

d) Gross value [(1)] (loans and leases)

Reconciliation of gross value, segregated by stages:

Stage 1	Balances at 12/31/2021	Transfer from stage 2	Transfer from stage 3	Transfer to stage 2	Transfer to stage 3	Granted loan / (Settlement) [(2)]	Balance at 03/31/2022
Loans	**52.920.983**	**1.297.975**	**32.256**	**(2.566.428)**	**(149.507)**	**656.695**	**52.191.974**
Individuals	2.841.014	18.173	4.115	(103.002)	(14.532)	936.961	3.682.729
Payroll credit	414.420	993	476	(7.439)	(14.604)	5.968	399.814
Vehicle financing	33.164.020	1.237.878	4.867	(2.251.192)	(38.323)	38.507	32.155.757
Credit card	3.766.034	40.135	22.798	(200.995)	(79.378)	407.556	3.956.150
Loans and financing - Corporate	6.912.774	796	-	(3.800)	(2.670)	299.674	7.206.774
Loans and financing - Large corporate	5.822.721	-	-	-	-	(1.031.971)	4.790.750
Leases	**48.668**	**71**	**-**	**(2.915)**	**-**	**(1.061)**	**44.763**
Total	**52.969.651**	**1.298.046**	**32.256**	**(2.569.343)**	**(149.507)**	**655.634**	**52.236.737**

(Amounts in thousands of Reais, unless other wise indicated)

Stage 2	Balances at 12/31/2021	Transfer from stage 1	Transfer from stage 3	Transfer to stage 1	Transfer to stage 3	Granted loan / (Settlement) [2]	Balance at 03/31/2022
Loans	**9.278.444**	**2.566.428**	**182.963**	**(1.297.975)**	**(1.092.700)**	**6.916**	**9.644.076**
Individuals	90.555	103.002	2.076	(18.173)	(53.073)	24.875	149.262
Payroll credit	23.511	7.439	381	(993)	(8.267)	(3.032)	19.039
Vehicle financing	8.635.377	2.251.192	156.057	(1.237.878)	(859.987)	(57.872)	8.886.889
Credit card	297.818	200.995	24.449	(40.135)	(155.322)	48.563	376.368
Loans and financing - Corporate	109.575	3.800	-	(796)	(16.051)	(3.202)	93.326
Loans and financing - Large corporate	121.608	-	-	-	-	(2.416)	119.192
Leases	**71**	**2.915**	**-**	**(71)**	**-**	**-**	**2.915**
Total	**9.278.515**	**2.569.343**	**182.963**	**(1.298.046)**	**(1.092.700)**	**6.916**	**9.646.991**

Stage 3	Balances at 12/31/2021	Transfer from stage 1	Transfer from stage 2	Transfer to stage 1	Transfer to stage 2	Write off	Granted loan / (Settlement) [2] [3]	Balance at 03/31/2022
Loans	**4.375.070**	**149.507**	**1.092.700**	**(32.256)**	**(182.963)**	**(618.411)**	**(211.821)**	**4.571.826**
Individuals	97.309	14.532	53.073	(4.115)	(2.076)	(18.443)	73	140.353
Payroll credit	101.033	14.604	8.267	(476)	(381)	(21.013)	(2.053)	99.981
Vehicle financing	2.231.939	38.323	859.987	(4.867)	(156.057)	(446.347)	(171.448)	2.351.530
Credit card	510.321	79.378	155.322	(22.798)	(24.449)	(132.043)	56.847	622.578
Loans and financing - Corporate	152.429	2.670	16.051	-	-	(565)	(14.991)	155.594
Loans and financing - Large	1.282.039	-	-	-	-	-	(80.249)	1.201.790
Leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**4.375.070**	**149.507**	**1.092.700**	**(32.256)**	**(182.963)**	**(618.411)**	**(211.821)**	**4.571.826**

(1) Does not include adjustment to fair value of credit operations that are subject to market risk hedge.
(2) Includes interest allocation for loan and leases.
(3) Includes restructuring of assets

All stages (1, 2 and 3)	Balances at 12/31/2021	Transfer between stages	Write off	Granted loan / (Settlement)	Balance at 03/31/2022
By portfolio:					
Loans	**66.574.497**	**-**	**(618.411)**	**451.790**	**66.407.876**
Individuals	3.028.878	-	(18.443)	961.909	3.972.344
Payroll credit	538.964	-	(21.013)	883	518.834
Vehicle financing	44.031.336	-	(446.347)	(190.813)	43.394.176
Credit card	4.574.173	-	(132.043)	512.966	4.955.096
Loans and financing - Corporate	7.174.778	-	(565)	281.481	7.455.694
Loans and financing - Large corporate	7.226.368	-	-	(1.114.636)	6.111.732
Leases	**48.739**	**-**	**-**	**(1.061)**	**47.678**
Total	**66.623.236**	**-**	**(618.411)**	**450.729**	**66.455.554**
By Stage:					
Stage 1	52.969.651	(1.388.548)	-	655.634	52.236.737
Stage 2	9.278.515	361.560	-	6.916	9.646.991
Stage 3	4.375.070	1.026.988	(618.411)	(211.821)	4.571.826
Total	**66.623.236**	**-**	**(618.411)**	**450.729**	**66.455.554**

Stage 1	Balances at 12/31/2020	Transfer from stage 2	Transfer from stage 3	Transfer to stage 2 [1]	Transfer to stage 3	Granted loan / (Settlement) [2]	Balances at 12/31/2021
Loans	**45.804.862**	**5.946.141**	**43.506**	**(7.556.867)**	**(359.038)**	**9.042.379**	**52.920.983**
Individuals	1.136.665	32.839	7.657	(118.619)	(19.297)	1.801.769	2.841.014
Payroll credit	437.950	21.091	9.416	(35.524)	(77.533)	59.020	414.420
Vehicle financing	31.367.980	5.667.979	16.380	(6.887.315)	(151.103)	3.150.099	33.164.020
Credit card	2.374.013	204.220	10.053	(426.063)	(70.117)	1.673.928	3.766.034
Loans and financing - Corporate	5.622.719	20.012	-	(89.346)	(40.988)	1.400.377	6.912.774
Loans and financing - Large corporate	4.865.535	-	-	-	-	957.186	5.822.721
Leases	**66.732**	**6.561**	**-**	**(246)**	**-**	**(24.379)**	**48.668**
Total	**45.871.594**	**5.952.702**	**43.506**	**(7.557.113)**	**(359.038)**	**9.018.000**	**52.969.651**

Stage 2	Balances at 12/31/2020	Transfer from stage 1	Transfer from stage 3	Transfer to stage 1	Transfer to stage 3	Granted loan / (Settlement) [2]	Balances at 12/31/2021
Loans	**9.107.060**	**7.556.867**	**678.002**	**(5.946.141)**	**(3.285.404)**	**1.168.060**	**9.278.444**
Individuals	32.247	118.619	5.169	(32.839)	(79.195)	46.554	90.555
Payroll credit	47.243	35.524	6.426	(21.091)	(21.387)	(23.204)	23.511
Vehicle financing	8.566.421	6.887.315	601.588	(5.667.979)	(2.880.423)	1.128.455	8.635.377
Credit card	144.358	426.063	64.819	(204.220)	(204.957)	71.755	297.818
Loans and financing - Corporate	205.219	89.346	-	(20.012)	(99.442)	(65.536)	109.575
Loans and financing - Large corporate	111.572	-	-	-	-	10.036	121.608
Leases	**6.621**	**246**	**-**	**(6.561)**	**-**	**(235)**	**71**
Total	**9.113.681**	**7.557.113**	**678.002**	**(5.952.702)**	**(3.285.404)**	**1.167.825**	**9.278.515**

(Amounts in thousands of Reais, unless other wise indicated)

Stage 3	Balances at 12/31/2020	Transfer from stage 1	Transfer from stage 2	Transfer to stage 1	Transfer to stage 2	Write off	Granted loan / (Settlement) (2) (3)	Balances at 12/31/2021
Loans	**4.202.348**	**359.038**	**3.285.404**	**(43.506)**	**(678.002)**	**(2.310.491)**	**(439.721)**	**4.375.070**
Individuals	59.848	19.297	79.195	(7.657)	(5.169)	(78.339)	30.134	97.309
Payroll credit	149.280	77.533	21.387	(9.416)	(6.426)	(116.144)	(15.181)	101.033
Vehicle financing	2.056.804	151.103	2.880.423	(16.380)	(601.588)	(1.569.602)	(668.821)	2.231.939
Credit card	391.834	70.117	204.957	(10.053)	(64.819)	(378.903)	297.188	510.321
Loans and financing - Corporate	259.110	40.988	99.442	-	-	(162.449)	(84.662)	152.429
Loans and financing - Large corporate	1.285.472	-	-	-	-	(5.054)	1.621	1.282.039
Leases	-	-	-	-	-	-	-	-
Total	**4.202.348**	**359.038**	**3.285.404**	**(43.506)**	**(678.002)**	**(2.310.491)**	**(439.721)**	**4.375.070**

(1) Does not include adjustment to fair value of credit operations that are subject to market risk hedge.
(2) Includes interest allocation for loan and leases.
(3) Includes restructuring of assets

All stages (1, 2 and 3)	Balances at 12/31/2020	Transfer between stages	Write off	(Constitution) / Reversal	Balances at 12/31/2021
By portfolio:					
Loans	**59.114.270**	**-**	**(2.310.491)**	**9.770.718**	**66.574.497**
Individuals	1.228.760	-	(78.339)	1.878.457	3.028.878
Payroll credit	634.473	-	(116.144)	20.635	538.964
Vehicle financing	41.991.205	-	(1.569.602)	3.609.733	44.031.336
Credit card	2.910.205	-	(378.903)	2.042.871	4.574.173
Loans and financing - Corporate	6.087.048	-	(162.449)	1.250.179	7.174.778
Loans and financing - Large corporate	6.262.579	-	(5.054)	968.843	7.226.368
Leases	**73.353**	**-**	**-**	**(24.614)**	**48.739**
Total	**59.187.623**	**-**	**(2.310.491)**	**9.746.104**	**66.623.236**
By stage:					
Stage 1	45.871.594	(1.919.943)	-	9.018.000	52.969.651
Stage 2	9.113.681	(1.002.991)	-	1.167.825	9.278.515
Stage 3	4.202.348	2.922.934	(2.310.491)	(439.721)	4.375.070
Total	**59.187.623**	**-**	**(2.310.491)**	**9.746.104**	**66.623.236**

f) Expected losses

Reconciliation of expected losses, segregated by stages:

Stage 1	Balances at 12/31/2021	Transfer from stage 2	Transfer from stage 3	Transfer to stage 2 (1)	Transfer to stage 3	(Constitution) / Reversal	Balance at 03/31/2022
Loans	**(1.170.354)**	**(165.456)**	**(16.131)**	**113.222**	**28.002**	**23.437**	**(1.187.280)**
Individuals	(144.301)	(3.102)	(2.713)	11.852	1.308	(28.908)	(165.864)
Payroll credit	(19.959)	(434)	(411)	695	811	1.077	(18.221)
Vehicle financing	(394.183)	(132.818)	(3.209)	52.699	1.485	98.705	(377.321)
Credit card	(541.652)	(29.022)	(9.798)	47.801	24.230	(48.176)	(556.617)
Loans and financing - Corporate	(51.840)	(80)	-	175	168	(1.642)	(53.219)
Loans and financing - Large corporate	(18.419)	-	-	-	-	2.381	(16.038)
Leases	**(215)**	**-**	**-**	**16**	**-**	**5**	**(194)**
Total	**(1.170.569)**	**(165.456)**	**(16.131)**	**113.238**	**28.002**	**23.442**	**(1.187.474)**

Stage 2	Balances at 12/31/2021	Transfer from stage 1	Transfer from stage 3	Transfer to stage 1	Transfer to stage 3	(Constitution) / Reversal	Balance at 03/31/2022
Loans	**(1.908.782)**	**(113.222)**	**(118.112)**	**165.456**	**474.347**	**(578.439)**	**(2.078.752)**
Individuals	(30.204)	(11.852)	(1.442)	3.102	20.897	(34.041)	(53.540)
Payroll credit	(12.177)	(695)	(335)	434	5.228	(545)	(8.090)
Vehicle financing	(1.577.952)	(52.699)	(99.862)	132.818	318.660	(435.187)	(1.714.222)
Credit card	(247.609)	(47.801)	(16.473)	29.022	128.737	(110.785)	(264.909)
Loans and financing - Corporate	(3.746)	(175)	-	80	825	338	(2.678)
Loans and financing - Large corporate	(37.094)	-	-	-	-	1.781	(35.313)
Leases	**-**	**(16)**	**-**	**-**	**-**	**(28)**	**(44)**
Total	**(1.908.782)**	**(113.238)**	**(118.112)**	**165.456**	**474.347**	**(578.467)**	**(2.078.796)**

(Amounts in thousands of Reais, unless other wise indicated)

Stage 3	Balances at 12/31/2021	Transfer from stage 1	Transfer from stage 2	Transfer to stage 1	Transfer to stage 2	Write off	(Constitution) / Reversal	Balance at 03/31/2022
Loans	**(3.183.022)**	**(28.002)**	**(474.347)**	**16.131**	**118.112**	**618.411**	**(374.191)**	**(3.306.908)**
Individuals	(73.200)	(1.308)	(20.897)	2.713	1.442	18.443	(32.571)	(105.378)
Payroll credit	(88.929)	(811)	(5.228)	411	335	21.013	(14.780)	(87.989)
Vehicle financing	(1.432.001)	(1.485)	(318.660)	3.209	99.862	446.347	(299.045)	(1.501.773)
Credit card	(349.901)	(24.230)	(128.737)	9.798	16.473	132.043	(85.596)	(430.150)
Loans and financing - Corporate	(125.496)	(168)	(825)	-	-	565	(1.580)	(127.504)
Loans and financing - Large corporate	(1.113.495)	-	-	-	-	-	59.381	(1.054.114)
Leases	-	-	-	-	-	-	-	-
Total	**(3.183.022)**	**(28.002)**	**(474.347)**	**16.131**	**118.112**	**618.411**	**(374.191)**	**(3.306.908)**

All stages (1, 2 and 3)	Balances at 12/31/2021	Transfer between stages	Write off	(Constitution) / Reversal	Balance at 03/31/2022
By portfolio:					
Loans	**(6.262.158)**	-	**618.411**	**(929.193)**	**(6.572.940)**
Individuals	(247.705)	-	18.443	(95.520)	(324.782)
Payroll credit	(121.065)	-	21.013	(14.248)	(114.300)
Vehicle financing	(3.404.136)	-	446.347	(635.527)	(3.593.316)
Credit card	(1.139.162)	-	132.043	(244.557)	(1.251.676)
Loans and financing - Corporate	(181.082)	-	565	(2.884)	(183.401)
Loans and financing - Large corporate	(1.169.008)	-	-	63.543	(1.105.465)
Leases	**(215)**	-	-	**(23)**	**(238)**
Total	**(6.262.373)**	-	**618.411**	**(929.216)**	**(6.573.178)**
By stage:					
Stage 1	(1.170.569)	(40.347)	-	23.442	(1.187.474)
Stage 2	(1.908.782)	408.453	-	(578.467)	(2.078.796)
Stage 3	(3.183.022)	(368.106)	618.411	(374.191)	(3.306.908)
Total	**(6.262.373)**	-	**618.411**	**(929.216)**	**(6.573.178)**

Stage 1	Balances at 12/31/2020	Transfer from stage 2	Transfer from stage 3	Transfer to stage 2 [1]	Transfer to stage 3	(Constitution) / Reversal	Balances at 12/31/2021
Loans	**(985.411)**	**(800.395)**	**(31.358)**	**321.119**	**34.106**	**291.585**	**(1.170.354)**
Individuals	(53.109)	(8.950)	(5.147)	17.101	2.653	(96.849)	(144.301)
Payroll credit	(34.517)	(12.818)	(8.288)	5.372	5.559	24.733	(19.959)
Vehicle financing	(466.495)	(679.865)	(10.801)	189.754	6.839	566.385	(394.183)
Credit card	(384.494)	(97.452)	(7.122)	108.157	18.774	(179.515)	(541.652)
Loans and financing - Corporate	(30.609)	(1.310)	-	735	281	(20.937)	(51.840)
Loans and financing - Large corporate	(16.187)	-	-	-	-	(2.232)	(18.419)
Leases	**(373)**	**(35)**	-	-	-	**193**	**(215)**
Total	**(985.784)**	**(800.430)**	**(31.358)**	**321.119**	**34.106**	**291.778**	**(1.170.569)**

Stage 2	Balances at 12/31/2020	Transfer from stage 1	Transfer from stage 3	Transfer to stage 1	Transfer to stage 3	(Constitution) / Reversal	Balances at 12/31/2021
Loans	**(1.667.897)**	**(321.119)**	**(440.761)**	**800.395**	**1.353.832**	**(1.633.232)**	**(1.908.782)**
Individuals	(17.607)	(17.101)	(3.721)	8.950	40.911	(41.636)	(30.204)
Payroll credit	(30.442)	(5.372)	(5.652)	12.818	13.083	3.388	(12.177)
Vehicle financing	(1.486.001)	(189.754)	(385.437)	679.865	1.177.936	(1.374.561)	(1.577.952)
Credit card	(80.295)	(108.157)	(45.951)	97.452	113.751	(224.409)	(247.609)
Loans and financing - Corporate	(24.895)	(735)	-	1.310	8.151	12.423	(3.746)
Loans and financing - Large corporate	(28.657)	-	-	-	-	(8.437)	(37.094)
Leases	**(41)**	-	-	**35**	-	**6**	-
Total	**(1.667.938)**	**(321.119)**	**(440.761)**	**800.430**	**1.353.832**	**(1.633.226)**	**(1.908.782)**

(Amounts in thousands of Reais, unless other wise indicated)

Stage 3	Balances at 12/31/2020	Transfer from stage 1	Transfer from stage 2	Transfer to stage 1	Transfer to stage 2	Write off	(Constitution) / Reversal	Balances at 12/31/2021
Loans	**(3.093.885)**	**(34.106)**	**(1.353.832)**	**31.358**	**440.761**	**2.145.758**	**(1.319.076)**	**(3.183.022)**
Individuals	(49.075)	(2.653)	(40.911)	5.147	3.721	77.032	(66.461)	(73.200)
Payroll credit	(131.520)	(5.559)	(13.083)	8.288	5.652	116.144	(68.851)	(88.929)
Vehicle financing	(1.317.650)	(6.839)	(1.177.936)	10.801	385.437	1.569.602	(895.416)	(1.432.001)
Credit card	(278.204)	(18.774)	(113.751)	7.122	45.951	322.330	(314.575)	(349.901)
Loans and financing - Corporate	(201.791)	(281)	(8.151)	-	-	55.849	28.878	(125.496)
Loans and financing - Large corporate	(1.115.645)	-	-	-	-	4.801	(2.651)	(1.113.495)
Leases	-	-	-	-	-	-	-	-
Total	**(3.093.885)**	**(34.106)**	**(1.353.832)**	**31.358**	**440.761**	**2.145.758**	**(1.319.076)**	**(3.183.022)**

All stages (1, 2 and 3)	Balances at 12/31/2020	Transfer between stages	Write off	(Constitution) / Reversal	Balances at 12/31/2021
By portfolio:					
Loans	**(5.747.193)**	-	**2.145.758**	**(2.660.723)**	**(6.262.158)**
Individuals	(119.791)	-	77.032	(204.946)	(247.705)
Payroll credit	(196.479)	-	116.144	(40.730)	(121.065)
Vehicle financing	(3.270.146)	-	1.569.602	(1.703.592)	(3.404.136)
Credit card	(742.993)	-	322.330	(718.499)	(1.139.162)
Loans and financing - Corporate	(257.295)	-	55.849	20.364	(181.082)
Loans and financing - Large corporate	(1.160.489)	-	4.801	(13.320)	(1.169.008)
Leases	**(414)**	-	-	**199**	**(215)**
Total	**(5.747.607)**	-	**2.145.758**	**(2.660.524)**	**(6.262.373)**
By stage:					
Stage 1	(985.784)	(476.563)	-	291.778	(1.170.569)
Stage 2	(1.667.938)	1.392.382	-	(1.633.226)	(1.908.782)
Stage 3	(3.093.885)	(915.819)	2.145.758	(1.319.076)	(3.183.022)
Total	**(5.747.607)**	-	**2.145.758**	**(2.660.524)**	**(6.262.373)**

(1) Includes the effects of improving the criteria for changes between stages arising from renegotiation of the transaction

13. FINANCIAL ASSETS - INTERBANK DEPOSITS

	03.31.2022	12.31.2021
Financial assets measured at amortized cost		
Interbank deposits	341.445	244.311
Financial assets measured at fair value through other comprehensive income		
Interbank deposits	11.451	8.436
Total (1)	**352.896**	**252.747**
Current assets	342.870	246.006
Non-current assets	10.026	6.741

(1) Refer to transactions with an original maturity of more than 90 days, which is not classified as Cash and cash equivalents.

14. FINANCIAL ASSETS MEASURED AT AMORTIZED COST - ASSETS WITH RESALE AGREEMENTS

	03.31.2022		12.31.2021	
	Book value	Fair value of guarantee	Book value	Fair value of guarantee
Reverse repurchase agreements - Held	**765.223**	**753.783**	**279.342**	**280.894**
National Treasury Bills	300.622	300.249	280	284
National Treasury Notes	262.463	262.675	101.544	102.098
Brazilian Foreign Debt Securities	202.138	190.859	177.518	178.512
Reverse repurchase agreements - Repledged	**3.669.425**	**3.681.877**	**2.306.239**	**2.309.789**
Financial Treasury Bills	2.711.043	2.712.695	2.199.989	2.202.868
National Treasury Bills	90.954	91.376	-	-
National Treasury Notes	867.428	877.806	106.250	106.921
Reverse repurchase agreements - Short position	**482.063**	**488.361**	**584.915**	**582.751**
National Treasury Bills	164.506	164.098	-	-
National Treasury Notes	317.557	324.263	584.915	582.751
Total	**4.916.711**	**4.924.021**	**3.170.496**	**3.173.434**
Current assets	4.714.573		2.992.978	
Non-current assets	202.138		177.518	

(Amounts in thousands of Reais, unless other wise indicated)

15. NON-FINANCIAL ASSETS HELD FOR SALE

a) Breakdown of non-financial assets held for sale

Non-current assets held for sale refer mainly to property, plant, equipment and vehicle not in use (i) granted, received in payment or in any other form for the settlement or amortization of debts; (ii) properties built by invested special purposes entities and held for sale; and (iii) interests in real estate projects held for sale.

	03.31.2022	12.31.2021
Real estate [1]	172.583	176.686
Vehicle and alike	131.187	110.571
Provision of devaluation and impairment	(77.913)	(86.617)
Total	**225.857**	**200.640**
Current assets	146.479	118.056
Non-current assets	79.378	82.584

(1) Includes non-use properties built by companies invested for specific purpose and intended for sale.

b) Income from disposal of non-financial assets held for sale

	01.01 to 03.31.2022	01.01 to 03.31.2021
Disposal of real estate	1.549	854
Disposal of vehicles	2.215	8.368
Provision of devaluation of non-financial assets held for sale	995	(5.125)
Impairment	7.709	83
Total	**12.468**	**4.180**

16. INVESTMENTS IN ASSOCIATED AND JOINT VENTURES

a) Changes in shareholding of associates and joint ventures

	12.31.2021	01.01 to 03.31.2022		03.31.2022	01.01 to 03.31.2021
	Investment value	Dividends/ Other events [1]	Equity income	Investment value	Equity income
Domestic - Bank associates	**5.381**	**-**	**(838)**	**4.543**	**-**
Associates [2]	5.381	-	(838)	4.543	-
In the country - Banco BV SA Associates	**-**	**10.703**	**(210)**	**10.493**	**-**
Associates [3]	-	10.703	(210)	10.493	-
Domestic - Associates and Joint ventures BVEP	**14.303**	**(128)**	**(58)**	**14.117**	**(589)**
BVEP associates [4]	2.601	-	(6)	2.595	221
BVEP joint ventures [4]	11.702	(128)	(52)	11.522	(810)
Goodwill arising on acquisition and impairment (Nota 16b)	**90.479**	**98.678**	**-**	**189.157**	**-**
Total	**110.163**	**109.253**	**(1.106)**	**218.310**	**(589)**

(1) Includes moving other comprehensive results
(2) Includes investments acquired in August 2021 (Note 2a).
(3) Includes investment acquired in January 2022 (Note 2b).
(4) Includes holdings in real estate developments or incorporations.

b) Goodwill and impairment

	Goodwill		Impairment [1]	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
Bank associates	91.455	91.455	-	-
Banco BV S.A. associates	98.678	-	-	-
BVEP associates	-	-	(453)	(453)
BVEP joint ventures	-	-	(523)	(523)
Total	**190.133**	**91.455**	**(976)**	**(976)**

(1) Applied on the investment value.

c) Summarized financial information of associates and joint ventures

	03.31.2022		01.01 to 03.31.2022	Number of shares / Quotas (in thousands)	Shareholding %
	Capital	Adjusted shareholders' equity	Net Income / (Loss)	Ordinary	
Domestic - Bank Subsidiaries					
Banco BV S.A.	1.300.131	1.483.241	(25.774)	823	100%
BV DTVM (former Votorantim Asset DTVM) [1] [2][3]	322.774	299.219	(8.510)	32.277.389	100%
BV Corretora de Seguros (former Votorantim Corretora Seguros) [4]	651.674	1.208.638	71.411	200	100%
BVIA	132.186	192.080	9.357	75.758	100%
Promotiva	67.269	128.194	7.330	5.000	100%
Atenas	51.610	33.764	4.933	51.610	100%
BVEP [5]	598.400	533.901	9.875	598.400	100%

(1) Balances presented in BRGAAP (Bacen)
(2) On September 30, 2021, the change of the corporate name of Votorantim Asset DTVM to BV DTVM was approved.
(3) On July 30, 2021, BV DTVM approved the increase in share capital in the amount of R$ 200,000, through the issuance of 20,000,000,000 new quotas.
(4) On December 28, 2021, the change
(4) Includes impairment of subsidiaries.

d) Summarized financial information of associates and jointly-owned subsidiaries in the consolidated interim financial

	03.31.2022				12.31.2021		
	BVEP associates	BVEP joint ventures	Bank associates [1]	Banco BV S.A associates [2]	BVEP associates	BVEP joint ventures	Bank associates [1]
Total assets [3]	**5.901**	**25.857**	**11.257**	**34.392**	**5.908**	**25.967**	**13.331**
Total liabilities [3]	**5.901**	**25.857**	**11.257**	**34.392**	**5.908**	**25.967**	**13.331**
Liability	3.421	2.860	3	191	3.420	2.624	2
Shareholder's equity	2.480	22.997	11.254	34.201	2.488	23.343	13.329
	01.01 to 03.31.2022				01.01 to 03.31.2021		
Profit for the period [1]	**(13)**	**(93)**	**(3.527)**	**(682)**	**5.596**	**(996)**	**-**

(1) Investment acquired in August 2021.
(2) Investment acquired in January 2022.
(3) Assets and liabilities balances are not adjusted by direct or indirect ownership percentages held by banco BV. The equity position of the companies does not consider the start date of the investment by banco BV.

17. OTHER ASSETS

	03.31.2022	12.31.2021
Others financial assets	**595.998**	**745.359**
Relations with correspondents	11.142	4.347
Other credits and receivables	293.887	312.584
Credit card transactions	140.473	122.212
Receivables from securities settlements abroad	4.266	60
Other credits for trading and intermediation of securities	116.279	201.516
Foreign exchange portfolio	-	76.130
Other	29.951	28.510
Other assets	**829.017**	**877.623**
Sundry domestic debtors	83.681	95.399
Salary advances and prepayments	2.272	5.384
Advances to suppliers	966	999
Deposits in guarantee - Contingencies (Note 25g)	567.202	573.609
Deposits in guarantee - Other	626	640
Prepaid expenses	104.911	69.946
Dividends receivable	314	657
Other	69.045	130.989
Total	**1.425.015**	**1.622.982**
Current assets	919.718	1.042.892
Non-current assets	505.297	580.090

(Amounts in thousands of Reais, unless other wise indicated)

18. PROPERTY, PLAT AND EQUIPMENT

	12.31.2021	01.01 to 03.31.2022		03.31.2022		
	Book value	Acquisition [1] [2]	Depreciation	Cost	Accumulated depreciation	Book value
Facilities	34.961	-	(2.121)	142.558	(109.718)	32.840
Furniture and equipment for use	7.832	7	(366)	45.474	(38.001)	7.473
Communication system	2.991	253	(274)	19.387	(16.417)	2.970
System data processing	35.152	25.370	(3.395)	213.685	(156.558)	57.127
Security system	121	6	(11)	2.732	(2.616)	116
Transportation system	351	294	(45)	1.361	(761)	600
Total	**81.408**	**25.930**	**(6.212)**	**425.197**	**(324.071)**	**101.126**

	12.31.2020	2021			12.31.2021		
	Book value	Acquisition [1]	Write-offs	Depreciation	Cost	Accumulated depreciation	Book value
Facilities	46.612	1.346	(107)	(12.890)	142.587	(107.626)	34.961
Furniture and equipment for use	10.898	269	(1.459)	(1.876)	45.486	(37.654)	7.832
Communication system	3.863	537	(181)	(1.228)	19.134	(16.143)	2.991
System data processing	33.321	15.231	(871)	(12.529)	188.555	(153.403)	35.152
Security system	215	-	(32)	(62)	2.730	(2.609)	121
Transportation system	318	160	-	(127)	1.089	(738)	351
Total	**95.227**	**17.543**	**(2.650)**	**(28.712)**	**399.581**	**(318.173)**	**81.408**

(1) Includes foreign exchange variation
(2) In the quarter ended March 31, 2022, there was no write-off of fixed assets in use.

19. INTANGIBLE ASSETS

a) Intangible Assets

a.1) Breakdown

	03.31.2022				12.31.2021			
	Cost	Accumulated amortization	Accumulated impairment [1]	Book value	Cost	Accumulated amortization	Accumulated impairment [1]	Book value
Acquired Software's	52.297	(41.494)	-	10.803	52.297	(40.577)	-	11.720
Licenses and right of use [2]	604.758	(430.899)	-	173.859	576.083	(404.020)	-	172.063
Sales rights agreements	40.973	(40.335)	-	638	39.846	(38.723)	-	1.123
Internally developed software	978.138	(166.470)	(177.156)	634.512	869.858	(141.340)	(177.156)	551.362
Trademark and patents	6.000	(1.833)	(1.000)	3.167	6.000	(1.583)	(1.000)	3.417
Carbon credits	27.573	(5.746)	-	21.827	27.573	(4.386)	-	23.187
Other	7.370	(7.370)	-	-	7.370	(7.370)	-	-
Total	**1.717.109**	**(694.147)**	**(178.156)**	**844.806**	**1.579.027**	**(637.999)**	**(178.156)**	**762.872**

(1) Includes effects of tactical redefinitions of projects.
(2) Includes rights of use recorded based on IFRS 16, in the amount of R$ 71.185 as of March 31, 2022 (R$ 102.917 as of December 31, 2021).

a.2) Changes

	12.31.2021	01.01 to 03.31.2022			03.31.2022
	Book value	Acquisition [1] [2]	Amortization	Other changes [3]	Book value
Acquired Software's	11.720	-	(917)	-	10.803
Licenses and right of use [6]	172.063	58.009	(28.651)	(27.562)	173.859
Sales rights agreements	1.123	1.127	(1.612)	-	638
Internally developed software	551.362	108.279	(25.129)	-	634.512
Trademark and patents	3.417	-	(250)	-	3.167
Carbon credits	23.187	-	(1.360)	-	21.827
Total	**762.872**	**167.415**	**(57.919)**	**(27.562)**	**844.806**

(Amounts in thousands of Reais, unless other wise indicated)

	12.31.2020	2021				12.31.2021
	Book value	Acquisition [1]	Write offs [4]	Amortization	Impairment [4] [5]	Book value
Acquired Software's	14.729	5.348	-	(8.357)	-	11.720
Licenses and right of use [6]	206.018	70.189	-	(104.144)	-	172.063
Sales rights agreements	1.012	8.005	-	(7.894)	-	1.123
Internally developed software	319.945	312.514	(49.914)	(67.606)	36.423	551.362
Trademark and patents	4.417	-	-	(1.000)	-	3.417
Carbon credits	-	27.573	-	(4.386)	-	23.187
Other	-	7.370	-	(7.370)	-	-
Total	**546.121**	**430.999**	**(49.914)**	**(200.757)**	**36.423**	**762.872**

(1) Includes foreign exchange
(2) In the quarter ended March 31, 2022, there was no write-off of intangible assets.
(3) In the quarter ended March 31, 2022, assets and liabilities were remeasured due to contractual modification.
(4) As of December 31, 2021, it includes the reversal of the impairment of projects and the respective write-off of intangible assets.
(5) Includes effects of tactical redefinitions of projects.
(6) Includes rights of use recorded under IFRS 16.

a.3) Amortization estimates of March 31, 2022

	2022	2023	2024	2025	2026	from 2027 [1]	Total
Amounts to be amortized	211.426	184.692	167.745	133.998	94.193	52.752	**844.806**

(1) Includes non-amortizable amounts referring to intangible assets with indefinite useful lives in the amount of R$9,575.

20. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - OTHER FINANCIAL LIABILITIES

	03.31.2022			12.31.2021		
	Cost	Fair value (Book)	Unrealized gain/ (loss)	Cost	Fair value (Book)	Unrealized gain/ (loss)
Domestic						
Repurchase agreement operations - Free movement	494.064	488.361	(5.703)	591.923	582.751	(9.172)
Total	**494.064**	**488.361**	**(5.703)**	**591.923**	**582.751**	**(9.172)**
Current liabilities		488.361			582.751	

21. FINANCIAL LIABILITIES AT AMORTIZED COST

	03.31.2022	12.31.2021
Financial Liabilities under repurchase agreements (Note 21a)	17.655.172	16.237.842
Financial liabilities related to transferred financial assets	5.473.046	6.621.686
Financial institution deposits	1.476.100	1.349.787
Customer deposits (Note 21b)	20.400.896	22.696.933
Borrowings (Note 21c)	4.271.346	4.277.287
Onleading's (Note 21d)	1.016.999	825.268
Securities issued (Note 21e)	39.968.411	38.273.281
Subordinated liabilities (Note 21f)	3.319.319	3.588.447
Other financial liabilities (Note 21g)	5.787.029	5.712.675
Total [1]	**99.368.318**	**99.583.206**
Current liabilities	69.331.895	66.949.722
Non-current liabilities	30.036.423	32.633.484

(1) Includes transactions adjusted to fair value by the Hedge Accounting structure (Note 11f).

a) Breakdown of financial liabilities under repurchase agreement

	03.31.2022	12.31.2021
Own portfolio	**14.004.552**	**13.932.899**
Private securities – Debentures	1.428.011	1.401.031
Financial Treasury Bills	71.018	2.112.017
National Treasury Bills	2.452.175	4.563.958
National Treasury Notes	8.559.907	3.907.630
Private securities - Other	1.493.441	1.948.263
Third-party portfolio	**3.650.620**	**2.304.943**
Financial Treasury Bills	2.711.775	2.199.989
National Treasury Bills	86.635	-
National Treasury Notes	852.210	104.954
Total	**17.655.172**	**16.237.842**
Current liabilities	16.730.815	14.723.417
Non-current liabilities	924.357	1.514.425

(Amounts in thousands of Reais, unless other wise indicated)

b) Breakdown of customer deposits

	03.31.2022	12.31.2021
Demand deposits	**505.771**	**579.934**
Individuals	85.335	76.488
Legal entities	420.430	503.440
Linked	6	6
Time deposits	**19.895.125**	**22.116.999**
Local currency	18.418.358	20.441.839
Foreign currency	1.476.767	1.675.160
Total	**20.400.896**	**22.696.933**
Current liabilities	18.612.940	20.649.593
Non-current liabilities	1.787.956	2.047.340

c) Breakdown of borrowings

	03.31.2022	12.31.2021
Abroad	**4.271.346**	**4.277.287**
Raised from foreign banks	4.218.118	4.187.259
Imports	53.228	90.028
Total	**4.271.346**	**4.277.287**
Current liabilities	3.807.153	4.277.287
Non-current liabilities	464.193	-

d) Onleading's

Domestic – Official institutions

Programs	Interest rates p.a. [1]	03.31.2022	12.31.2021
National Treasury		**325.778**	**286.899**
Fixed rate	from 3,50% to 7,00% p.a.	294.446	245.826
Variable rate	100,00% of Selic	31.332	41.073
BNDES		**176.585**	**199.688**
Fixed rate	from 0,80% to 5,70% p.a.	50.513	55.572
Variable rate	from 1,42% to 1,50% p.a. + IPCA 1,80% p.a. + TJLP	126.072	144.116
FINAME		**514.636**	**338.681**
Fixed rate	from 0,80% to 8,00% p.a.	170.236	187.254
Variable rate	from 2,00% to 2,10% p.a. + TJLP from 1,00% to 2,25% p.a. + IPCA from 0,95% to 2,40% p.a. + Selic	344.400	151.427
Total		**1.016.999**	**825.268**
Current liabilities		564.428	450.658
Non-current liabilities		452.571	374.610

[1] The remuneration rates refer to the operations existing on March 31, 2022.

(Amounts in thousands of Reais, unless other wise indicated)

e) Breakdown of securities issued

Funding	Currency	Amount issued	Interest rates p.a. (1)	Issuance year	Maturity year	03.31.2022	12.31.2021
Real estate credit note funds						**327.185**	**330.963**
Fixed rate	R$	68.801	from 4,76% to 11,24% p.a.	2020	2024	73.562	72.281
Variable rate	R$	197.777	from 99,00% to 117,00% of DI from 0,33% to 0,39% p.a. + DI	2021	2024	208.913	215.256
Variable rate	R$	39.869	from 0,76% to 5,37% p.a. + IPCA	2021	2024	44.710	43.426
Agribusiness credit bills						**2.541.134**	**1.954.932**
Fixed rate	R$	494.347	from 4,00% to 13,18% p.a.	2020	2025	514.804	358.046
Variable rate	R$	1.341.324	from 94,30% to 116,50% of DI from 0,15% to 5,72% p.a. + DI	2020	2025	1.403.111	1.193.206
Variable rate	R$	589.943	from 0,73% to 6,55% p.a. + IPCA	2020	2025	623.219	403.680
Financial bills						**25.446.021**	**23.151.473**
Fixed rate	R$	1.929.724	from 4,03% to 13,83% p.a.	2012	2031	2.141.646	2.069.161
Variable rate (2)	R$	19.976.674	from 100,00% to 130,00% of DI from 0,32% to 7,23% p.a. + DI	2017	2026	21.400.975	19.315.720
Variable rate (2)	R$	1.574.827	from 1,82% to 7,17% p.a.+ IPCA	2017	2032	1.903.400	1.766.592
Financial Guaranteed Bills						**4.126.075**	**4.020.986**
Variable rate	R$	4.000.000	0,74% p.a.+ Selic	2021	2022	4.126.075	4.020.986
Securities issued abroad						**7.527.996**	**8.814.927**
Fixed rate	R$	58.459	from 5,79% to 13,15% p.a.	2019	2023	68.654	54.029
Foreign exchange (2)	USD	1.615.123	from 1,05% to 8,12% p.a. + foreign exchange variation	2019	2025	7.459.342	8.760.898
Total						**39.968.411**	**38.273.281**
Current liabilities						18.277.164	15.060.253
Non-current liabilities						21.691.247	23.213.028

(1) The remuneration rates refer to the operations existing on March 31, 2022.
(2) Includes green bond issue, more details are described in note 37.

f) Breakdown of subordinated liabilities

Funding	Amount issued	Interest rate p.a. (1)	Issuance year	Maturity	03.31.2022	12.31.2021
Subordinated financing bills					**1.855.760**	**1.905.388**
Variable rate	1.024.660	From 100,00% to 120,00% of DI From 0,95% to 2,36% p.a. + DI	2015	2028	1.266.889	1.232.873
Variable rate	189.140	From 5,72% to 8,75% p.a. +	2013	2030	460.274	466.773
Fixed rate	42.890	From 11,03% to 15,46% p.a.	2015	2024	84.526	162.894
Variable rate	27.500	117,50% of Selic	2016	2023	44.071	42.848
Funding	**Amount issued**	**Interest rate p.a. (1)**	**Issuance year**		**03.31.2022**	**12.31.2021**
Perpetual bond (3)					**1.463.559**	**1.683.059**
Fixed rate	USD 300.000	8,25% p.a.	2017		1.463.559	1.683.059
Total					**3.319.319**	**3.588.447**
Current liabilities					1.693.159	2.010.348
Non-current liabilities					1.626.160	1.578.099

(1) The remuneration rates refer to the operations existing on March 31, 2022.
(2) On November 30, 2017, USD 300 million was issued abroad with semiannual interest payments.
The bond shave 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.

g) Breakdown of other financial liabilities

	03.31.2022	12.31.2021
Payments and earnings to be settled	2.963.118	2.840.131
Bonds by shares of investment funds (1)	2.316.618	2.262.809
Payable commissions for intermediation of transaction	21.934	21.096
Credit card transactions	125.685	150.610
Obligations for purchase of assets and rights to use	195	14.371
Negotiation and intermediation of values	155.335	306.612
Lease liabilities (IFRS 16)	61.547	95.282
Currency exchange	117.539	-
Other	25.058	21.764
Total	**5.787.029**	**5.712.675**
Current liabilities	3.444.021	3.333.341
Non-current liabilities	2.343.008	2.379.334

(1) The shares of consolidated investment funds belonging to non-member entities of the Conglomerate are recorded under IFRS 12 as other financial liabilities.

(Amounts in thousands of Reais, unless other wise indicated)

h) Financial liabilities at amortized cost, financial liabilities measured at fair value through profit or loss and financial guarantees presented on an undiscounted cash flow basis.

	03.31.2022	12.31.2021
Without maturity	573.363	581.809
Up to 90 days	34.580.793	34.163.160
From 91 to 360 days	40.453.727	36.031.192
From1 to 3 years	26.584.837	28.394.591
From 3 to 5 years	5.752.270	7.081.070
Over 5 years	4.680.447	4.665.907
Total	**112.625.437**	**110.917.729**

22. OTHER LIABILITIES

	03.31.2022	12.31.2021
Third-party transit resources	88.398	29.925
Provision for profit sharing	98.856	254.076
Provision for personnel expenses	299.615	333.808
Provision for administrative expenses	241.900	275.857
Provision for losses on off balance operations (Note 36.1.a VII)	184.220	182.538
Provision for losses - other risks	12.845	15.217
Legal obligations (Note 25h)	62.582	59.394
Sundry creditors - domestic	484.451	421.602
Sundry creditors - overseas	127.065	191
Dividends payable / Interest on own capital [1]	739.067	595.000
Compensation of CO_2 emissions by vehicles financed by banco BV (Note 37)	488	428
Others	78.603	157.593
Total	**2.418.090**	**2.325.629**
Current liabilities	2.095.684	1.910.591
Non-current liabilities	322.406	415.038

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

23. SHAREHOLDER'S EQUITY

a) Capital

The capital stock of Banco Votorantim SA, fully subscribed and paid in, in the amount of R$8,130,372 (R$8,130,372 as of December 31, 2021) is represented by 3,299,670,406 shares, of which 2,131,587,081 are registered common shares, book-entry and with no par value and 1,168,083,325 registered, book-entry preferred shares with no par value (2,131,587,081 registered, book-entry common shares with no par value and 1,168,083,325 registered, book-entry preferred shares with no par value as of December 31, 2021).

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) Breakdown of reserves

b.1) Capital Reserve

As of March 31, 2022 and December 31, 2021, the Capital reserve is constituted by goodwill on subscription of shares, in the amount of R$372,120.

b.2) Profit reserve

Legal reserve

Must be continued on the basis of 5% of net income for the period, until it reaches the limit of 20% of share capital. The legal reserve may cease to be created when the amount of the capital reserves exceeds 30% of the share capital. The Legal Reserve can only be used to increase capital or to offset losses.

Statutory reserve for expansion

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

c) Interest on Equity

Shareholders are guaranteed a minimum mandatory dividend, both in the form of dividends and interest on equity, corresponding to 25% of net income for the period, deducted from the legal reserve (Adjusted net income).

Pursuant to Laws No. 9,249/1995 and No. 12,973/2014 and the Company's Bylaws, Management decided to issue interest on equity and dividends to its shareholders, in relation to the results for the quarter ended March 31, 2022. There was no decision on capital remuneration for the quarter ended March 31, 2021.

(Amounts in thousands of Reais, unless other wise indicated)

Interest on equity is calculated on adjusted equity accounts and limited to the variation, pro rata die, of the long-term interest rate (TJLP), subject to the existence of profits computed before its deduction or accumulated profits and profit reserves, in an amount equal to or greater than twice its value.

For the quarter ended March 31, 2022, the Company made the following distribution:

	01.01 to 03.31.2022			
	Value (R$ thousand)	Value per thousand shares - R$	Base date of shareholding position	Date of payment
Interest on equity [1]	169.491	1,61	31.03.2022	payable until 12.31.2022
Total for shareholders	**169.491**	**1,61**		

[1] Amounts subject to the 15% withholding income tax rate.

	01.01 to 03.31.2022	01.01 to 03.31.2021
	Value (R$ thousand)	Value (R$ thousand)
Net income for the period - Banco Votorantim S.A. (BRGAAP - Bacen)	**421.636**	**354.538**
Legal reserve	-	-
Calculation basis	**421.636**	**354.538**
Interest on equity (gross)	169.491	-
IRRF on interest on equity	(25.424)	-
Proposed value	**144.067**	**-**
% on calculation basis	**34%**	**0%**

d) Earnings per share

	01.01 to 03.31.2022	01.01 to 03.31.2021
Net profit - IFRS (R$ thousand)	323.226	263.408
Weighted average number weighted by thousand Shares (basic and diluted) - Banco Votorantim S.A. [1] [2]	3.299.670	3.299.670
Earnings per share (basic and diluted) (R$)	97,96	79,83

[1] The weighted average number of shares is calculated based on the average number of shares for each month of the quarter ended March 31, 2022.
[2] The weighted average number of shares was restated for the quarter ended March 31, 2021 due to the reverse split of all shares described in note 23a, in accordance with IAS 33.

e) Other comprehensive income

	01.01 to 03.31.2022				01.01 to 03.31.2021			
	Opening balance	Changes	Tax effect	Closing balance	Opening balance	Changes	Tax effect	Closing balance
Marketable securities	**(50.961)**	**(49.204)**	**21.786**	**(78.379)**	**112.061**	**(218.494)**	**97.790**	**(8.643)**
Banco Votorantim [1]	(67.950)	(46.852)	20.600	(94.202)	90.230	(206.106)	92.298	(23.578)
Subsidiaries	16.989	(2.352)	1.186	15.823	21.831	(12.388)	5.492	14.935
Cash flow hedge	**363.273**	**(250.431)**	**112.694**	**225.536**	**(142.098)**	**439.928**	**(197.967)**	**99.863**
Banco Votorantim	363.273	(250.431)	112.694	225.536	(142.098)	439.928	(197.967)	99.863
Total	**312.312**	**(299.635)**	**134.480**	**147.157**	**(30.037)**	**221.434**	**(100.177)**	**91.220**

[1] Includes overseas branch.

f) Non-appropriated retained earnings

Net income in accordance with accounting practices generally accepted in Brazil are fully utilized for dividends, interest on equity or the establishment of profit reserves. Thus, the balance presented in this account, in these consolidated financial statements prepared in accordance with IFRS, mainly represents the effect of the differences between the accounting practices adopted in Brazil and international Accounting Standards.

g) Shareholders interest (quantity of shares)

Breakdown of the class of shares issued by Banco Votorantim SA in which the shareholders are directly holders on March 31, 2022 and December 31, 2021:

Shareholders - Shares (thousand)	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%

h) Reconciliation of shareholders' equity' and net profit from BRGAAP (Bacen) to IFRS

Summary of the main differences between BRGAAP (Bacen) and IFRS:

Provision for impairment - In BRGAAP (Bacen), the provision for doubtful accounts is measured considering a risk analysis as to the realization of receivables, in an amount considered sufficient to cover possible losses following the guidelines established by the Central Bank of Brazil and National Monetary Council by means of the CMN Resolution No. 2,682/99 and its supplementary items. According to such standards, provisions are recognized as from the date of credit concession, based on the credit risk rating, which is updated periodically through an analysis of the client's quality and the segments of activity, and not only upon occurrence of default. In BRGAAP, the provision cannot be lower than the minimum required by the regulator's standards, though an additional provision is recognized when the minimum provision is considered insufficient.

The impairment model of IFRS 9 for a provision for expected credit losses for 12 months or expected credit losses for the lifetime of the contract. Losses are measured as expected credit losses for 12 months unless there has been a significant increase in credit risk since initial recognition or for purchased or originated credit impaired assets or for receivables where the bank uses the simplified approach to the provision for expected losses.

To determine whether the risk of default of a financial asset has increased significantly since its recognition, an entity compares the default risk at the statement of financial position date with the default risk at initial recognition.

Applies to the financial assets measured at amortized cost or fair value through other comprehensive income, which include loans and leases, debt securities, loan commitments, financial guarantee contracts, receivable witch are under the scope of IFRS 15 and IFRS 16.

Investments in equity instruments (irrespective of the use of irrevocable option of treating them at fair value through other comprehensive income) and the other instruments measured at fair value through profit or loss are excluded from the scope of impairment.

Adjustment of deferral of commissions - The operations generated in BRGAAP have the remuneration fully recognized as an expense. For IFRS purposes, commissions are appropriated in profit or loss according to the contractual term, following the concept of effective interest rate on credit operations.

Deferral of the fair value adjustment due to the dismantling of cash flow hedge - As determined in Bacen Circular 3082/2002, if any cash flow hedge strategy fails to comply with the requirements described in the circular itself, the amounts recorded in a separate account shareholders' equity must be immediately transferred to profit or loss for the period. For IFRS purposes, the amounts accumulated in the cash flow hedge reserves must be reclassified to the result, in a deferred manner, according to the maturity of the operations that were the object of hedge.

Reversal of the adjustments of CMN Resolution 4,277 - CMN Resolution 4,277/2013 establishes minimum requirements and prudential adjustments for the measurement of instruments measured at fair value. For the expected credit losses model of IFRS 9, unlike the BRGAAP (Bacen), there is no concept of prudent adjustments, the model as a whole encompasses assumptions for estimating losses, which involves historical and forward looking information.

Changes in the fair value adjustment of financial instruments due to differences in classification between books - In BRGAAP (BACEN) some securities classified as available of sale are classified in IFRS as financial assets measured at fair value through profit or loss, according to business models and SPPI tests. As a result, the respective adjustment to fair value and its tax effects recorded in shareholders' equity in BRGAAP are transferred to the Consolidated income Statement in IFRS, in order to reflect the applicable IFRS as amortized cost. Due to this difference in classification, the respective adjustment to fair value and its tax effects recorded in reserves in shareholders' equity under BRGAAP are reverted to the asset under IFRS.

IFRS 16 adjustments - In BRGAAP (BACEN), risks and benefits associated with the asset underlying an operational lease are considered to remain with the lessor, and the lessor, and the lessee just recognizes the lease expenses throughout the contract. In IFRS 16, the accounting for operational lease for the lessee differs from BRGAAP, as this international standard establishes: (a) recognition of leases with a term greater than 12 months and substantial amounts; (b) initial registration of the lease in the asset (the right to use of the asset) and in the liability at present value (representative liability of these lease obligations related to use rights); and (c) appropriation of the amortization expenses for the rights to use the asset and interest on the financial liability representing the lease obligations related to the right to use, for the term of use of the asset. The Adjustment of these differences in accounting practice consists of reversing the accounting for lease expenses recognized in BRGAAP and recognizing the rights and obligations of the contract, as well as the amortization of the rights and interest on the liability.

(Amounts in thousands of Reais, unless other wise indicated)

	Shareholder's equity	
	03.31.2022	12.31.2021
Balance - BRGAAP (Bacen) - Consolidated [1]	**12.119.366**	**11.928.551**
GAAP adjustments, net of tax effects	**(101.402)**	**100.833**
Provision for losses due to reduction to recoverable value	(512.725)	(368.122)
Adjustment of commission deferral	410.582	425.332
Reversal of adjustments to CMN Resolution 4,277	66.039	70.074
Movement of the adjustment to the fair value of financial instruments due to differences in classification between books	(55.893)	(15.945)
Other adjustments [3]	(9.405)	(10.506)
Balance - IFRS	**12.017.964**	**12.029.384**

	Net profit (loss)	
	01.01 to 03.31.2022	01.01 to 03.31.2021
Balance - BRGAAP (Bacen) - Consolidated [1] [2]	**387.796**	**355.137**
GAAP adjustments, net of tax effects	**(64.570)**	**(91.729)**
Provision of impairment losses	(144.603)	(81.827)
Adjustment of deferral of commissions	(14.750)	12.802
Deferral of adjustment to fair value due to the dismantling of cash flow Hedge	(197)	(22.911)
Movement of the adjustment to the fair value of financial instruments due to differences in classification between books	93.879	87
Other adjustments [3]	1.101	120
Balance - IFRS	**323.226**	**263.408**

(1) Considers the position attributable to controlling shareholders.
(2) Includes non-recurring events in the net income presented.
(3) Includes adjustment of lease agreements (IFRS 16).

24. TAXES

a) Taxes assets

Total tax assets recognized

	03.31.2022	12.31.2021
Current tax assets (Note 24 a.1)	468.255	499.250
Deferred tax assets (Note 24 a.2)	8.014.077	7.924.031
Total	**8.482.332**	**8.423.281**
Current assets	172.167	329.129
Non-current assets	8.310.165	8.094.152

a.1) Current tax assets

	03.31.2022	12.31.2021
Taxes and contributions to be offset	318.972	349.322
Recoverable income tax	518	1.163
Presumed credit - Law no. 12,838/13	148.765	148.765
Total [1]	**468.255**	**499.250**

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

a.2) Deferred tax assets (Recognized)

	12.31.2021	01.01 to 03.31.2022		03.31.2022
	Balance	Net changes in the period		Balance [1]
		Constitution	Write-off	
Temporary differences	**6.886.519**	**583.547**	**(494.277)**	**6.975.789**
Provision for losses associated with credit risk	5.740.340	560.016	(377.201)	5.923.155
Provision	525.715	13.997	(92.535)	447.177
Fair value adjustments [2]	358.536	1.021	(9.692)	349.865
Other provisions [3]	261.928	8.513	(14.849)	255.592
Tax loss/Social contribution negative basis	**1.037.512**	**33.817**	**(33.041)**	**1.038.288**
Total deferred tax assets recognized	**7.924.031**	**617.364**	**(527.318)**	**8.014.077**
Income tax	4.552.887	341.678	(295.177)	4.599.388
Social contribution	3.371.144	275.686	(232.141)	3.414.689

(1) In the quarter ended March 31, 2022, the portion of R$5,656 (out of the total of R$349,865) corresponds to the tax credit arising from fair value adjustments of financial instruments measured at fair value through other comprehensive income. As of December 31, 2021, the installment was R$4,635 (out of a total of R$358,536).

(2) The amounts corresponding to the movement of the tax credit arising from the fair value adjustments of the effective portion of the financial instruments measured at fair value through other comprehensive income, recorded in equity, in the quarter ended March 31, 2022, are of BRL 1,021 of the total of BRL (8,671). The amounts, in the quarter ended March 31, 2021, were R$ (197,638) of the total of R$ (280,386).

(3) It includes tax credits arising from expenses with the constitution of provisions for the reduction to the recoverable value of bonds and securities.

(Amounts in thousands of Reais, unless other wise indicated)

Realization estimate

The expected realization of deferred tax assets (tax credits) is shown below:

	Nominal value	Present value
In 2022	2.028.238	1.853.975
In 2023	1.749.095	1.428.704
In 2024	1.677.572	1.228.759
In 2025	1.122.117	738.447
In 2026	769.075	455.439
From 2027 to 2028	132.379	69.110
From 2029 to 2031	535.601	172.034
Total deferred tax assets	**8.014.077**	**5.946.468**

Realization of nominal values for deferred tax assets

	Tax losses/Social contribution on net profit to offset (1)	Temporary Differences (2)
In 2022	4%	28%
In 2023	16%	23%
In 2024	21%	21%
In 2025	22%	13%
In 2026	25%	7%
From 2027 to 2028	11%	0%
From 2029 to 2031	1%	8%

(1) Projected consumption linked to the capacity to generate IRPJ and CSLL taxable amounts in subsequent periods.
(2) The consumption capacity arises from the movements in provisions (expected to occur reversals, write-offs and uses).

a.3) Unrecognized deferred tax assets

	03.31.2022	12.31.2021
Social contribution on net profit tax loss/negative basis portions of CSLL	167.146	168.052
Temporary differences portions	39.827	42.533
Total of deferred tax assets not recorded in assets	**206.973**	**210.585**
Income tax	148.066	150.713
Social contribution	58.907	59.872

The balance not constituted of tax credit will be recognized in the accounting books only when presenting an effective prospect of realization.

b) Tax liabilities

Total tax liabilities recognized

	03.31.2022	12.31.2021
Current tax liabilities (Note 24 b.1)	239.316	459.590
Deferred tax liabilities (Note 24 b.2)	992.359	1.055.318
Total	**1.231.675**	**1.514.908**
Current liabilities	229.677	454.564
Non-current liabilities	1.001.998	1.060.344

b.1) Current tax liabilities

	03.31.2022	12.31.2021
Financial transaction tax payable	34.794	35.074
Income tax and social contribution payable	6.233	6.569
Provision for taxes and contributions on income	56.453	197.262
Taxes and contributions payable	141.836	220.685
Total (1)	**239.316**	**459.590**

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

(Amounts in thousands of Reais, unless other wise indicated)

b.2) Deferred tax liabilities

	03.31.2022 [1]	12.31.2021
Fair value adjustments [2]	616.151	689.259
Presumed credit - Law no. 12,838/13	15.075	15.075
Other liabilities [3]	361.133	350.984
Total deferred tax liabilities	**992.359**	**1.055.318**
Income tax	553.214	587.878
Social contribution	439.145	467.440

(1) As of March 31, 2022, the portion of R$114,887 (out of the total of R$616,151), corresponds to the deferred tax liability arising from fair value adjustments of the effective portion of cash flow hedge instruments and financial instruments measured at fair value through other comprehensive income, recorded in equity. As of December 31, 2021, the installment was R$248,344 (out of a total of R$689,259).

(2) The amounts corresponding to the movement of the deferred tax liability arising from the fair value adjustments of the effective portion of cash flow hedge instruments and financial instruments measured at fair value through other comprehensive income, recorded in equity, in the quarter ended March 31, 2022, are R$ (133,457) of the total of R$ (73,108). The amounts, in the quarter ended March 31, 2021, were R$ (98,119) of the total of R$ (250,353).

(3) It refers mainly to the tax liability on the costs associated with the origination of credit operations and financial leasing.

c) Tax expenses

	01.01 to 03.31.2022	01.01 to 03.31.2021
Cofins	(109.968)	(90.750)
ISSQN	(16.278)	(18.059)
PIS	(18.364)	(15.385)
Other	(5.181)	(4.489)
Total	**(149.791)**	**(128.683)**

d) Income tax and social contribution expenses

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

	01.01 to 03.31.2022	01.01 to 03.31.2021
Current amounts	**(94.178)**	**(213.905)**
Income tax and social contribution on net profit - current	(94.415)	(213.905)
Income tax and social contribution on net profit - previous exercises	237	-
Deferred amounts	**18.717**	**65.682**
Deferred tax liabilities	**(70.308)**	**142.173**
Fair value adjustments	(60.350)	152.892
Temporary differences	(9.958)	(10.719)
Deferred tax assets	**89.025**	**(76.491)**
Tax loss carryforwards and negative basis of social contribution on net profit	776	(78.841)
Temporary differences	97.941	85.098
Fair value adjustments	(9.692)	(82.748)
Total	**(75.461)**	**(148.223)**

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

	01.01 to 03.31.2022	01.01 to 03.31.2021
Income (loss) before taxes and contributions	**398.687**	**411.631**
Total IR charges (25% rate) and CSLL (20%)	(179.409)	(185.235)
JCP charge	76.271	-
Income from investments in associates and joint ventures	(498)	(288)
Participation in profits and results	29.977	26.916
Results from abroad [1]	3.952	33.374
Other amounts	(5.754)	(22.990)
Income tax and social contribution for the period	**(75.461)**	**(148.223)**
Effective rate of IR and CSLL	**19%**	**36%**

(1) In the quarter ended March 31, 2021, it includes charges on foreign exchange variation on investments abroad.

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

a) Contingent assets

Contingent assets are not recognized in the financial statements, per IAS 37.

b) Labor lawsuits

The Conglomerate is a defendant in labor lawsuits filed, for the most part, by ex-employees. The provisions for probable losses represent several claims, such as: indemnities, overtime, work shift mischaracterization, additional job and representation and others.

(Amounts in thousands of Reais, unless other wise indicated)

c) Tax lawsuits

The Conglomerate is subject, in inspections carried out by the tax authorities, to questions regarding taxes, which may eventually generate assessments, such as: composition of the IRPJ / CSLL calculation base (deductibility); and discussion about the incidence of taxes, when certain economic facts occur. Most of the Shares arising from the assessments deal with ISS, IRPJ, CSLL, PIS / Cofins and employers' social security contributions. As a guarantee of some of them, when necessary, there are judicial deposits or surety insurance to suspend the payment of the taxes under discussion.

d) Civil lawsuits

Refers to indemnity actions whose nature is as follows: questioning on contracts' total effective cos; 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 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.

Balances of contingent liabilities classified as probable

	03.31.2022	12.31.2021
Tax Claims	65.451	73.819
Civil Claims	264.612	266.316
Labor Claims	396.007	391.956
Total	**726.070**	**732.091**

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

	01.01 to 03.31.2022	01.01 to 03.31.2021
Tax claims		
Opening balance	**73.819**	**53.301**
Additions	630	342
Reversal of provisions	(4.160)	(78)
Write-offs due to payment (1)	(6.134)	(752)
Updates	1.296	811
Closing balance	**65.451**	**53.624**
Civil claims		
Opening balance	**266.316**	**273.612**
Additions	11.876	14.656
Reversal of provisions	(11.474)	(12.593)
Write-offs due to payment (1)	(8.400)	(13.820)
Updates (2)	6.294	12.893
Closing balance	**264.612**	**274.748**
Labor demands		
Opening balance	**391.956**	**491.785**
Additions	24.450	46.992
Reversal of provisions	(6.805)	(39.794)
Write-offs due to payment (1)	(20.170)	(27.336)
Updates (2)	6.576	6.019
Closing balance	**396.007**	**477.666**
Total tax, civil and labor claims	**726.070**	**806.038**

(1) Refers to write-off for payment by judicial decision or agreement between the parties. The amount effectively paid is presented in notes 30 and 32.

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

e.2) Expected schedule of disbursements on March 31, 2022

	Tax	Civil	Labor
Up to 5 years	36.282	264.612	396.007
From to 10 years	29.169	-	-
Total	**65.451**	**264.612**	**396.007**

(Amounts in thousands of Reais, unless other wise indicated)

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

f) Contingent liabilities - Possible loss

The amounts shown in the table below represent the estimate of the amount that will possibly be disbursed in the event of the Conglomerate's conviction. Claims are classified as possible when there are no secure elements that allow concluding the final outcome of the process and when the probability of loss is lower than probable and higher than remote.

f.1) Balances of contingent liabilities classified as possible

	03.31.2022	12.31.2021
Tax claims (Note 25.f.1.1)	2.191.780	2.239.056
Civil claims [1]	151.261	139.108
Labor claims [2]	216.572	250.663
Total	**2.559.613**	**2.628.827**

(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

Description of the main possible causes - Tax	03.31.2022	12.31.2021
INSS without profit sharing [1]	709.588	699.820
IRPJ/CSLL - PDD Deduction 2014/2016 [2]	419.582	412.534
IPVA - Third parties [3]	168.791	172.530
IRPJ/CSLL - PDD Deduction 2008	169.017	166.645
ISS VRG [4]	149.815	143.476
IRPJ/CSLL on JCP: cumulative distribution in previous years [5]	138.997	137.376
PF and BNCSLL: excess compensation AB 2012	94.322	92.955
IRRF from remittances abroad: impossibility of compensation [6]	-	50.083
PIS/COFINS on demutualization	43.344	46.725
ISS	42.078	42.384
INSS on profit sharing - Nassau Branch	42.908	42.040
IRPJ undue compensation - Bonuses to statutory directors	30.750	30.186
IRPJ/CSLL - Undue exclusion: goodwill on the acquisition of foreign government bonds	25.435	24.912
INSS - Benefits (VA/VR) [7]	-	23.413
IRPJ - FINOR	11.532	11.403
Other causes	145.621	142.574
Total	**2.191.780**	**2.239.056**

(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 nº. 10,101/2000.

(2) They refer to assessments issued by the RFB alleging the improper deduction of losses on credit operations for allegedly not meeting legal requirements.

(3) Refer to the discussion on the liability for the payment of IPVA of vehicles financed with fiduciary disposal in guarantee only in cases where the fiduciary creditor makes the guarantee.

(4) Refer to the discussion on the incidence of ISS on the Guaranteed Residual Value - VRG charged by the company in the leasing operations carried out in the period from 2014 to 2017.

(5) 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.

(6) On March 31, 2022, the origin of the offset was definitively recognized, with only the debts related to the isolated fine remaining under discussion, which were reclassified to remote, due to the success obtained in the main action.

(7) On March 31, 2022, the prognosis was changed from possible to remote, due to the success obtained in previous processes that had the same credit as origin.

g) Deposits as collateral

Balances of escrow deposits recognized for contingencies

	03.31.2022	12.31.2021
Tax claims	244.993	240.504
Civil claims	162.032	160.249
Labor claims	160.177	172.856
Total	**567.202**	**573.609**

h) Legal obligations

The Conglomerate has recorded under Other liabilities the legal obligation in the amount of R$ 62,582 (R$ 59,394 on December 31, 2021), whose main discussion falls on a declaratory action aimed at removing the levy of ISS on income from operations of surety, surety and other guarantees provided, as well as obtaining the refund of amounts paid in this way in the last five years, whose provisioned amount is R$ 33,742 (R$ 32,013 on December 31, 2021).

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

(Amounts in thousands of Reais, unless other wise indicated)

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 on 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).

26. INTEREST REVENUE

	01.01 to 03.31.2022	01.01 to 03.31.2021
Investments in fixed income securities	718.289	461.440
Investments in foreign securities	14.226	22.784
Investments abroad	9.508	78
Loans	633.531	298.256
Discounted titles	42.989	15.692
Financings	1.815.792	1.823.176
Financing transactions in foreign currency	4.653	6.392
Rural and agribusiness financing	10.347	7.435
Real estate financing agreements	1.446	61
Foreign Exchange contracts	(225.469)	193.255
Leases	3.376	1.828
Reverse repurchase agreements	130.697	43.412
Interbank deposit investments	5.520	45.327
Compulsory applications	35.393	3.999
Other	17.636	6.324
Total [1]	**3.217.934**	**2.929.459**

[1] Includes foreign exchange variation.

27. INTEREST EXPENSES

	01.01 to 03.31.2022	01.01 to 03.31.2021
Repurchase agreements	(363.028)	(94.544)
Expenses with credit assignments with substantial retention of risks and benefits	(232.058)	(69.055)
Interbank deposits	(44.989)	(26.921)
Time deposits	(510.078)	(99.845)
Foreign borrowings	542.686	(210.780)
National Treasury Onleading's	(4.696)	(768)
BNDES Onleading's	(4.139)	(5.134)
FINAME Onleading's	(8.206)	(8.137)
Obligations with financial institutions abroad	174.496	(88.646)
Funds from real estate credit bills	(7.954)	(1.410)
Agribusiness credit bill funds	(58.255)	(6.995)
Financial Bills	(728.817)	(189.824)
Financial Guaranteed Bills	(105.089)	(59.538)
Securities issued abroad [1]	1.292.699	(1.210.018)
Structured Operator Certificates - COE	-	(70)
Other	(10.087)	(6.526)
Total [2]	**(67.515)**	**(2.078.211)**

[1] Includes subordinated debt abroad.
[2] Includes exchange variation on loans and obligations abroad, as well as onlendings in the country backed by the variation of Foreign currency.

(Amounts in thousands of Reais, unless other wise indicated)

28. NET INCOME FROM SERVICES AND COMMISSIONS

	01.01 to 03.31.2022	01.01 to 03.31.2021
Income from services and commissions	**473.297**	**537.841**
Banking fees	159.533	212.610
Income from guarantees granted	23.388	27.555
Third-party resource management	24.051	27.824
Commissions on credit card transactions	31.418	30.009
Commissions on placing of securities	37.208	15.383
Income from brokerage of stock exchange transactions	546	961
Collection income	2.353	3.276
Income from commissions on intermediations of transactions	194.800	220.223
Expenses from services and commissions	**(230.739)**	**(199.266)**
Technical/financial advisory	(124.663)	(102.956)
Judicial and notary public fees and attorneys expenses	(15.698)	(16.710)
Expenses from intermediation commissions operations	(82.019)	(75.541)
Expenses from brokerage of stock exchange transactions	(1.316)	(768)
Other	(7.043)	(3.291)
Total	**242.558**	**338.575**

29. INCOME WITH FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	01.01 to 03.31.2022	01.01 to 03.31.2021
Financial assets at fair value through profit or loss	**159.199**	**(236.425)**
Government bonds	(26.842)	(268.026)
Private securities	186.041	31.601
Financial liabilities at fair value through profit or loss	**(20.693)**	**74.757**
Repurchase agreement operations - Free movement	(20.693)	74.757
Loan Contracts	**41.588**	**(677.443)**
Loans [(1)]	(24)	(7.334)
Financing [(1)]	22.276	(634.719)
Portfolio ceded [(2)]	19.336	(35.390)
Total	**180.094**	**(839.111)**

(1) Refer to adjustments to fair value of financial instruments that are subject to hedge accounting.
(2) Refer to adjustments to fair value of portfolio ceded in the period.

30. OTHER OPERATING INCOME

	01.01 to 03.31.2022	01.01 to 03.31.2021
Operating Income	**36.102**	**45.719**
Restatement of judicial deposits	8.722	-
Change in currency assets	7.697	181
Income from real estate activities [(1)]	3.002	1.349
Operational cost reimbursement	87	157
Recovery of charges and expenses	3.439	1.499
Reversal of provision for contingent liabilities	6.021	12.660
Reversal of provision for insurance cancellation	3.217	3.945
Exclusive rights and bank preference	870	3.508
Other [(2)]	3.047	22.420
Operating expenses	**(64.228)**	**(77.227)**
Restatement of judicial deposits [(3)]	-	(9.086)
Capital losses	(41)	(50)
Operational losses	(9.729)	(3.505)
Provision for impairment on equity investments	(3.293)	(9.846)
Expenses with non-use properties	(443)	(497)
Civil claims	(23.554)	(24.979)
Tax claims	(3.188)	(2.299)
Provision for CO_2 emission compensation expenses for vehicles financed by the banco BV	(60)	(357)
Write-off of fixed assets	-	(2.650)
Other	(23.920)	(23.958)
Total [(4)]	**(28.126)**	**(31.508)**

(1) Includes result in the sale of stakes.
(2) In the quarter ended March 31, 2021, it includes reversal of provision for restructuring.
(3) In the quarter ended March 31, 2021, it includes the effects arising from the change in the judicial deposits index.
(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.

(Amounts in thousands of Reais, unless other wise indicated)

31. NET IMPAIRMENT LOSS OF FINANCIAL ASSETS

	01.01 to 03.31.2022	01.01 to 03.31.2021
(Constitutions) / reversals of provision for losses	(1.010.132)	(817.171)
Recovery of written off loans	170.334	171.148
Discounts on renegotiation	(83.065)	(86.682)
Total	**(922.863)**	**(732.705)**

32. PERSONNEL EXPENSES

	01.01 to 03.31.2022	01.01 to 03.31.2021
Administrator's remuneration and other benefits (Note 34)	(7.378)	(6.299)
Benefits	(41.902)	(34.652)
Social charges	(60.249)	(46.635)
Salary [1]	(228.805)	(138.407)
Labor claims	(25.415)	(37.709)
Training	(2.879)	(2.306)
Complementary private pension	(3.936)	(2.883)
Profit sharing	(66.616)	(59.812)
Total	**(437.180)**	**(328.703)**

(1) Includes expenses and related charges for variable remuneration plans.

33. OTHER ADMINISTRATIVE EXPENSES

	01.01 to 03.31.2022	01.01 to 03.31.2021
Water, energy and gas	(504)	(703)
Rents [1] [2]	(429)	(15.252)
Communications	(7.728)	(11.551)
Maintenance of property, plant and equipment [1]	(2.506)	(7.523)
Material	(1.479)	(663)
Data processing	(103.345)	(65.808)
Promotions and public relations	(5.460)	(776)
Advertising and publicity	(42.365)	(10.980)
Publications	-	(521)
Insurance	(2.068)	(1.655)
Outsourced services	(20.642)	(29.501)
Surveillance and security	(321)	(384)
Transportation	(1.669)	(1.210)
Traveling	(775)	(70)
Other [3]	(8.911)	(5.427)
Total	**(198.202)**	**(152.024)**

(1) In 2021, it includes the effects of the Administration's review of the occupation of third-party real estate floors.

(2) Includes reversals of rental expenses recorded based on IFRS 16, in the amount of R$ 6,454 in the quarter ended March 31, 2022 (R$ 7,781 in the quarter ended March 31, 2021).

(3) Includes expenditure related to the compensation of direct greenhouse gas emissions, as detailed in note 37b.

34. RELATED PARTIES

Costs of salaries and other benefits granted to key management [1] personnel of banco BV, comprising the Board, Audit Committee, Board of Directors and Fiscal Council:

	01.01 to 03.31.2022	01.01 to 03.31.2021
Administrators' remuneration and other	7.378	6.299
Bonuses	28.034	19.960
Social charges	10.522	7.760
Total	**45.934**	**34.019**

(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 balances of accounts relating to transactions between consolidated companies of the Bank are eliminated in the consolidated interim Financial Statements and also take in to 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, Votorantim Cimentos, Votorantim Energia and Companhia Brasileira de Alumínio).

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.

(Amounts in thousands of Reais, unless other wise indicated)

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.

Banco BV carries out credit assignments (assignments with recourse) with substantial retention of risks and benefits with a related party. No new assignments were made in the quarter ended March 31, 2022 (R$ 1,285,833 in the quarter ended March 31, 2021). Banco BV also carries out credit assignments without recourse, but with substantial retention of risks and benefits with subsidiary and in the quarter ended March 31, 2022, the sum of present values totaled R$ 154,522 (in the quarter ended March 31, 2021 there were no assignments with this characteristic). The net result of credit assignments, considering the income and expenses of assignments with substantial retention of risks and benefits, is presented in the following table under "Income from interest, provision of services and other income".

	03.31.2022						
	Conglom. Banco do Brasil	Votorantim S.A.	Financial Institution subsidiaries [1]	Non-financial Institution subsidiaries [2]	Key management personnel [3]	Other [4]	Total
Assets							
Cash and cash equivalents	673.728	-	-	-	-	-	**673.728**
Applications in interbank deposits	-	-	1.576.860	-	-	-	**1.576.860**
Securities and securities	-	-	-	-	-	1.898.686	**1.898.686**
Derivative financial instruments	9	17.788	-	-	-	-	**17.797**
Loans and leases	-	1.773	-	-	48	-	**1.821**
Other assets	4.437	8.832	136.932	102.051	471	8.190	**260.913**
Liabilities							
Financial liabilities at amortized cost	(6.644.622)	(1.201.447)	(488.618)	(1.708.388)	(9.339)	(46.261)	**(10.098.675)**
Derivative financial instruments	(5.055)	(29.415)	-	-	-	-	**(34.470)**
Other liabilities	(374.742)	(369.534)	(65.437)	(1.877)	-	(1.287.857)	**(2.099.447)**
	01.01 to 03.31.2022						
Income (loss)							
Income from interest, income from services and other income	117.798	68	47.084	-	-	60.891	**225.841**
Income (losses) from derivative financial instruments	(5.048)	(119.182)	-	-	-	(133.757)	**(257.987)**
Interest, administrative and other expenses	(30.172)	(37.069)	(14.336)	(38.416)	(242)	(510)	**(120.745)**

	12.31.2021						
	Conglom. Banco do Brasil	Votorantim S.A.	Financial Institution subsidiaries [1]	Non-financial Institution subsidiaries [2]	Key management personnel [3]	Others [4]	Total
Assets							
Cash and cash equivalents	8	-	-	-	-	-	**8**
Applications in interbank deposits	-	-	1.039.991	-	-	587.933	**1.627.924**
Securities and securities	2	-	-	-	-	1.723.836	**1.723.838**
Derivative financial instruments	-	80.255	-	-	-	672.990	**753.245**
Loans and leases	-	1.721	-	-	59	-	**1.780**
Other assets	5.536	11.276	125.599	98.337	607	8.336	**249.691**
Liabilities							
Financial liabilities at amortized cost	(8.434.030)	(1.566.308)	(544.079)	(1.643.770)	(5.960)	(44.379)	**(12.238.526)**
Derivative financial instruments	-	(1.901)	-	-	-	(74.116)	**(76.017)**
Other liabilities	(297.502)	(351.570)	(12.144)	(33.775)	-	(1.560.676)	**(2.255.667)**
	01.01 to 03.31.2021						
Income (loss)							
Income from interest, income from 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**
Interest, administrative and other expenses	(11.375)	(7.172)	(720)	(5.548)	(28)	(131)	**(24.974)**

(1) Companies listed in note 6. Does not include transactions between subsidiaries.

(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 subsidiaries.

(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 consolidated investment funds, controlled companies of BVIA – BV Investimentos e Participações de Gestão de Recursos S.A. and the subsidiaries of BV Empreendimentos e Participações S.A., as well as all companies in which the key personnel have a stake or in which he holds a statutory position. The list of funds is described in Note 6a.

35. EMPLOYEES BENEFITS

The main benefits offered to the employees of the Conglomerate, provided for in the category collective agreement are health insurance, life insurance, dentalcare, 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 Director son May 10, 2012, were terminated in the 2016 competency exercise with effect until February 2021.

(Amounts in thousands of Reais, unless other wise indicated)

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 and was granted until 2020, with effect until February 2021.

ILP plan: In 2021, the Conglomerate implemented a long-term incentive plan for executives, which consists on an expectation of the right to receive virtual actions, conditioned to the organization's performance over time, with the objective of: (i) attract, motivate and retain talent; (ii) alignment of the interest of the officers and employees with the objectives and interests of the shareholders; (iii) generate results and sustainable creation of value (in relation to ESG practices - Environment, Social and Governance (note 37a), in this fiscal year the executives have a specific indicator linked to ESG and its result will impact the variable remuneration calculated at the end of the cycle); and (iv) create a long-term vision. This plan lasts for 4 years.

Expenses whose expected realization arises exclusively from the provision of services to the Conglomerate by the beneficiaries of the variable compensation programs: in the quarter ended in March 31, 2022 were recognized in the Conglomerate's results, in Personnel expenses - Earnings R$ 53,300 (R$ 14,148 in the quarter ended March 31, 2021) in relation to long-term incentive transactions. Incentives generally become entitlement between 1 and a maximum of 4 years from the grant date.

The following payments were made to employees referring to the long-term compensation programs that were terminated in the 2016 fiscal year:

Program year	01.01 to 03.31.2022	01.01 to 03.31.2021
2016	-	27.625
2017	5.534	5.453
2018	778	674
Total	**6.312**	**33.752**

On March 31, 2022, the Conglomerate recorded under Other liabilities - Provision for personnel expenses the amount of R$ 156,622 (R$ 148,820 on December 31, 2021).

Changes in phantom shares

Phantom shares Purchase Program	01.01 to 03.31.2022	01.01 to 03.31.2021
Opening quantity	**-**	**14.137.436**
New / Updates	-	-
Paid	-	(14.088.086)
Expired	-	(49.350)
Closing quantity [(1)]	**-**	**-**

(1) The Virtual Share Purchase Program was terminated in the 2016 fiscal year with effect until February 2021.

ILP Plan	01.01 to 03.31.2022	01.01 to 03.31.2021
Opening quantity	**22.449**	**-**
New / Updates	9.909	-
Closing quantity [(1)]	**32.358**	**-**

(1) The ILP Plan for executives came into force in 2021.

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.

36. RISK AND CAPITAL MANAGEMENT

1) Risk management process

The approach integrated to risk management includes the adoption od instruments that allow the consolidation and control of relevant risks incurred by the Conglomerate. This approach' intent is to organize the decision process and set control measures to levels of acceptable risk and suitable to the volume of available capital, in line with the adopted business strategy.

The Conglomerate has a group of risks considered to be material, whose approvals are made periodically by the board of Directors. For each listed risk an assessment of the most appropriate treatment is performed (Management, Hedge / Insurance or Capitalization) with the goal to address the best way of monitoring and controlling each exposure. Risks considered to be material at the reporting date are:

- Credit risk
- Counterparty credit risk
- Credit concentration risk

- Market risk
- Interest rate risk of banking portfolio;
- Liquidity risk
- Operational risk
- Reputation risk
- Strategy risk
- Social risk;
- Environmental risk;
- Climate risk;
- Model risk
- Compliance risk
- Underwriting risk;
- Collateral risk;
- Technology risk;
- Cyber security risk; and
- Contagion risk;

The levels of exposure to risks are monitored through a structure of risk limits, which are incorporated into the daily activities of the Conglomerate. Senior Management is involved in monitoring and executing the Shares necessary for risk management.

Compliance framework for capital and risks management comprise the entire Prudential Conglomerate and is composed, in addition to the respective teams and directors responsible for risks and ALM (Asset Liability Management), also for collegiate, domestic and corporative forums, formally organized and with delegation of powers. Each board has is a role, scope and composition defined in regulations, which provide guidance on rules, responsibilities and limits in accordance with business strategies and market scenarios. The 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 charged with assisting 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 the note to the risk appetite statement (RAS) and in the risk and capital monitoring, besides simply coordinating its activities with the Audit Board (COAUD), in order to facilitate the exchange of information in a simpler manner, the necessary adjustments to the risks and capital compliance framework and guarantee the effective treatment to the risks the Conglomerate is exposed.

The risk appetite consists of the declaration of risk that the Institution is willing to accept in order to archive its objectives, and is monitored by means of indicators and their respective limits. The risk appetite statement approved by the Board of directors reflects the expectations of Senior Management and guider strategic planning and budget, permeating the institution. Based on this statement, its monitoring occurs through a dashboard consisting of indicators and limits that are monitored monthly at the competent levels, in addition to actions, complementary monitoring and specific projects.

The conglomerate has general and specific structures and polices for risk and capital management, according to 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 the regulations market practices.

Additionally, it should be noted that the institution carries out the Internal Capital Adequacy Assessment Process (ICAAP), in line with CMN Resolution No. 4,557, Circular Bacen No. 3,911 and Circular Letter Bacen No. 3,907, and the respective report is made available to Bacen annually, covering the capital plan, stress test, capital contingency plan and management and assessment of the capital need in view of the relevant risks to which the Institution is exposed, among other topics.

Detailed information on the risk and capital management process can be found 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 describer the definitions of the main risk of the Conglomerate.

a) Credit risk

(i) Definition

Credit risk is defined as the possibility of occurrence of losses associated with:

- 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.

(ii) Credit Risk Management

The institution manages credit risk through the adoption of tools that allow the identification, evaluation, measurement, monitoring and reporting of the risk incurred in its activities in the main stages of credit management, such as credit granting, credit monitoring and credit recovery.

Credit risk management functions are performed by formally constituted units, with technically capable teams, under segregated management, and with defined assignments.

The wholesale credit process is driven by detailed assessments of customers who wish to renew or request credits or limits for their business. In the on-boarding process, the Institution has systems for registering clients, granting and approving proposals for credit limits. After the evaluation of a given credit granting opportunity by the officers, the proposal is inserted in a specific credit area system (which has a workflow characteristic), and can be tracked by those involved, according to the specific level of approval until the final approval of the limit and/ or credit operation.

In the evaluation, aspects related to the shareholding control and management of the company, economic-financial information, competitive environment, market and economic sector aspects, among others, are considered.

In the retail segment, credit proposals are processed by an automated and parameterized system, supported by a score model, which provides greater agility and reliability in decision-making on the granting of credit, which are intended for individuals who demonstrate suitability and the ability to pay. For cases where the score model does not automatically decide, the credit department performs a more detailed check of all aspects that involve the contract, in order to approve or deny the credit proposal.

The monitoring of the credit risk of the wholesale portfolios is carried out on a on-going basis, capturing warning signs that identify, accurately in advance and in a timely manner, the deterioration of credit at the individual and aggregate level in order to ensure the good quality of the portfolio. In the retail segment, the Conglomerate carries out monitoring of credit risk through performance indicators and management reports of the credit portfolio.

The credit recovery department works in conjunction with the monitoring department as the first day of delay observed in the loan and lease portfolio and other financial assets. Several strategies are used to maximize collection opportunities.

The definition of default used by banco BV corresponds to that used in the credit risk management of financial instruments and considers qualitative indicators when appropriate. Delinquency parameters are considered as: (a) delay greater than 90 days; (b) debt restructuring; and (c) accounting recognition of credit deterioration of the debt.

For the Retail business portfolio, additional data taken into account includes: (d) death, (e) non-use assets; (f) under exploitation. Wholesale also takes into account: (g) declaration of bankruptcy; and (h) judicial recovery that limits, delays or prevents compliance with the obligations under the agreed conditions.

To determine whether the risk of default on a financial asset has increased significantly, BV uses internal customer information, days of delay, qualitative analyzes and statistical models, determining the credit status of portfolio contracts.

The indication of credit deterioration occurs using days in absolute terms. Delays over 30 days are considered to represent a significant increase in credit risk. In addition, for the wholesale business portfolio, the identification of a significant increase in credit risk also consider quantitate criteria since internal ratings are important classification factors. For the retail portfolio, the behavior of customers is also considered.

The stages are reviewed on a monthly basis in order to capture possible changes in clients' financial capacity. Migrations of contracts between stages may occur, when the analysis indicates an improvement or worsening of the credit risk of the contract.

For each contract, the credit situation of the contract has been defined, its classification is established in one of three stages:

Stage 1 - Normal operations: Assets are classified in this stage when in a normal situation, with the delay of less than or equal to 30 days, and without indication of a significant increase in credit risk.

Stage 2 - Transactions with a significant increase in credit risk: Assets are classified at this stage when they have a delay of more than 30 days or present a significant increase in credit risk;

Stage 3 - Operations in default: Assets are classified in this stage when they are overdue for more than 90 days or are in qualitative default characterized by indications that the customer will not fully honor the credit operation.

An asset can migrate from stage to stage as its credit risk increases. If, in a subsequent period, the quality of a financial asset improves or the significant increase in the previously identified credit risk is reversed, the financial asset may return to earlier stages.

(Amounts in thousands of Reais, unless other wise indicated)

(iii) Counterparty Credit Risk

Counterparty credit risk is defined as the possibility of losses arising from non-compliance with obligations relating to the settlement of operations involving bilateral flows, including the trading of financial assets or derivatives. The Conglomerate manages the counterparty's credit risk based on monitoring the exposures that are associated with this type of risk and calculates the regulatory capital.

The Conglomerate considers that the counterparty's credit risk is present mainly in operations with derivative financial instruments, operations to be settled, operations with resale agreement and asset loans.

(iv) Exposure to credit risk

The book value of financial assets and off balance balances represent the maximum credit exposure. The maximum credit risk exposure on the date of the Financial Statements is as follows:

	Assets with sufficient guarantees		Assets with insufficient guarantees		Assets without guarantees	Total	
	Asset value [(1)]	Guarantee value	Asset value [(1)]	Guarantee value	Asset value [(1)]	Assets [(1)]	Guarantees
				03.31.2022			
Financial assets	**5.352.351**	**5.464.248**	**2.223.482**	**1.391.590**	**40.995.659**	**48.571.492**	**6.855.838**
Cash and cash equivalent (Note 8)	-	-	-	-	3.811.886	3.811.886	-
Financial assets at fair value through profit or loss (Notes 10a and 11a)	409.684	423.503	2.223.482	1.391.590	10.097.447	12.730.613	1.815.093
Financial assets at fair value through other comprehensive income (Notes 10a e 13)	-	-	-	-	11.119.246	11.119.246	-
Financial assets at amortized (Notes 10a, 13, 14 and 17)	4.942.667	5.040.745	-	-	15.967.080	20.909.747	5.040.745
Loans and leases - Gross value (Note 12a)	**7.628.146**	**14.865.025**	**53.316.313**	**48.031.815**	**5.511.095**	**66.455.554**	**62.896.840**
Off balance operations	**1.940.966**	**2.474.843**	**936.983**	**235.271**	**4.009.549**	**6.887.498**	**2.710.114**
Total	**14.921.463**	**22.804.116**	**56.476.778**	**49.658.676**	**50.516.303**	**121.914.544**	**72.462.792**
				12.31.2021			
Financial assets	**3.279.005**	**3.404.591**	**2.502.300**	**1.795.775**	**41.059.148**	**46.840.453**	**5.200.366**
Cash and cash equivalent (Note 8)	-	-	-	-	2.935.119	2.935.119	-
Financial assets at fair value through profit or loss (Notes 10a and 11a)	67.648	67.648	2.502.300	1.795.775	10.339.722	12.909.670	1.863.423
Financial assets at fair value through other comprehensive income (Notes 10a e 13)	-	-	-	-	12.279.933	12.279.933	-
Financial assets at amortized (Notes 10a, 13, 14 and 17)	3.211.357	3.336.943	-	-	15.504.374	18.715.731	3.336.943
Loans and leases - Gross value (Note 12a)	**6.907.405**	**13.914.606**	**54.475.547**	**50.902.991**	**5.236.003**	**66.623.236**	**64.817.597**
Off balance operations	**2.096.776**	**2.715.171**	**765.302**	**150.702**	**4.046.753**	**6.908.831**	**2.865.873**
Total	**12.283.186**	**20.034.368**	**57.743.149**	**52.849.468**	**50.341.904**	**120.372.520**	**72.883.836**

[(1)] For sureties and guarantees, refers to the value of commitment assumed.

(v) Provision for impairment losses

Assessments of impairment of financial assets are based on the expected credit loss model and classifies financial assets in three stages:

Stage 1 - Credit loss expected for 12 months applicable to financial assets originated or purchased without credit recovery problem, considering possible default events within 12 months;

Stage 2 - Credit loss expected over the life of the financial instrument applicable to financial assets originated or purchased without credit recovery problems whose credit risk has increased significantly, considering default events throughout the life of the contract; and

Stage 3 - Expected credit loss for assets with recovery problems applicable to financial assets originating or purchased with credit recovery problems.

For the measurement of expected credit loss, financial assets are classified into groups of assets with credit risk characteristics in a shared way and assessed collectively. The collective assessment of loans takes into account characteristics such as the type of instrument (grouping by product and modality), the type of guarantee, the internal risk classification, among other factors.

For the Retail business portfolio, the expected loss is calculated based on statistical models (behavior score) of the operations. For Wholesale and market activities, it is based on information's such as the economic and financial situation of the counterparty, the economic group to which it belongs, its ability to generate cash, the current situation and the prospects of the segment in which it operates.

Also for the Wholesale business portfolio and activities with the market, during the loan evaluation process and the calculation of the customer's rating, the banco BV checks, among other factors, the forecast of the companies. The forecast for the calculation of the forecast is evaluated: the prospects of the sector in which the client is inserted, the prospects of the company's economic and financial condition and the predictability of revenues, costs and stability of its players' strategic planning.

(Amounts in thousands of Reais, unless other wise indicated)

(vi) Changes in modified assets (renegotiated credits)

	01.01 to 03.31.2022	01.01 to 03.31.2021
Amount of renegotiated credits in the year [(1)]	**1.713.614**	**1.244.161**
Renegotiated for past due contracts [(2)]	129.238	91.816
Renewed contracts [(3)]	1.584.376	1.152.345
Changes in portfolio of renegotiated past due contracts		
Opening balance	**876.493**	**957.016**
Signings	129.238	91.816
(recording) / appropriation of interest	(89.526)	(83.428)
Written off as losses	(115.413)	(37.708)
Closing balance	**800.792**	**927.696**
Allowance for losses of the portfolio of renegotiated past due contracts	393.306	443.390
(%) Allowance for losses on the portfolio of renegotiated past due contracts	49,11%	47,79%
90-day delinquency of portfolio of renegotiated past due contracts	394.963	376.865
(%) Delinquency on the portfolio of renegotiated past due contracts	49,32%	40,62%

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

(2) Credits renegotiated in the period to compose debts due to late payment by customers.

(3) 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.

(vii) Financial guarantees provided

The maximum exposure to credit risk for the portfolio of credit commitments by sureties and guarantees, recorded in memorandum accounts, on the date of the Financial Statements, by counterparty area of activity, is as follow:

	03.31.2022						12.31.2021
	Commerce	Industry	Financial institutions	Individuals	Services	Total	Total
Sureties and guarantees	954.452	1.254.858	2.155.822	9.302	2.513.064	6.887.498	6.908.831
Total	**954.452**	**1.254.858**	**2.155.822**	**9.302**	**2.513.064**	**6.887.498**	**6.908.831**

The guarantees provided are segregated in the following stages:

	03.31.2022	%	12.31.2021	%
Stage 1	5.958.214	87%	5.978.892	87%
Stage 2	929.284	13%	923.939	13%
Stage 3	-	0%	6.000	0%
Total	**6.887.498**	**100%**	**6.908.831**	**100%**

	03.31.2022		12.31.2021	
	Guaranteed values	Provision	Guaranteed values	Provision
Linked to bindings, auctions, services or work execution	1.313.682	6.580	955.502	3.489
Surety or warrant in legal and administrative lawsuits of legal nature	3.248.331	164.742	3.197.605	162.960
Linked to securities disclosure for public supply	442.504	70	257.278	66
Other banking sureties	1.685.211	12.828	2.312.293	15.991
Other financial guarantees	197.770	-	186.153	32
Total	**6.887.498**	**184.220**	**6.908.831**	**182.538**

(viii) Guarantees received

The banco BV uses guarantees in order to reduce the occurrence of losses in credit risk operations, managing them in such a way that they are sufficient and legally enforceable.

The main types of guarantees in the retail business portfolio are: vehicles - in this type of operation, the fiduciary sale of the vehicle itself is used as a guarantee; personal loan with guarantee - a loan that contains the client's assets as collateral.

In the Wholesale portfolio, the following are requested as guarantees, mainly: assignment of credit rights, fiduciary sale of real estate and vehicles, guarantee and mortgage.

In situations where the value of the associated guarantee is sufficient to cover part of the debt, the recognition of loss on this exposure is weighted considering the value of such guarantee, given that the Conglomerate believes that it is possible to receive part of this amount through the execution of goods.

For the bonding of guarantees, the assets are submitted to technical evaluation and their values are updated regularly, depending on the type of guarantee. In the case of personal guarantee, the economic and financial situation of the guarantors or guarantors is also analyzed.

The guarantees received in loan and leases operations, as well as in operations with securities in the Wholesale and market activities, and Retail, on the date of the Financial Statements, by counterparty, are:

(Amounts in thousands of Reais, unless other wise indicated)

	03.31.2022					
	Commerce	Industry	Financial institutions	Individuals	Services	Total
Sureties and guarantees	4.957.800	3.308.541	-	25.952	2.927.985	11.220.278
Marketable securities	624.304	745.714	1.406.647	287.173	1.359.833	4.423.671
Machinery and equipment	62.099	137.800	-	-	173.613	373.512
Mortgage	318.630	1.272.035	-	51.355	318.725	1.960.745
Vehicles through fiduciary alienation	-	-	-	47.715.653	-	47.715.653
Other	1.005.513	374.458	4.924.021	-	464.941	6.768.933
Total	**6.968.346**	**5.838.548**	**6.330.668**	**48.080.133**	**5.245.097**	**72.462.792**

	12.31.2021					
	Commerce	Industry	Financial institutions	Individuals	Services	Total
Sureties and guarantees	4.460.318	3.369.609	-	25.952	3.039.165	10.895.044
Marketable securities	614.644	879.848	1.797.110	315.659	1.415.635	5.022.896
Machinery and equipment	65.721	170.965	-	-	187.943	424.629
Mortgage	403.431	1.296.694	-	51.355	418.160	2.169.640
Vehicles through fiduciary alienation	-	-	-	49.496.895	-	49.496.895
Other	871.155	353.160	3.173.434	-	476.983	4.874.732
Total	**6.415.269**	**6.070.276**	**4.970.544**	**49.889.861**	**5.537.886**	**72.883.836**

The maximum exposure to credit risk and its respective guarantees are presented in note 36.1.a (iv) Exposure to credit risk.

(ix) Transfer of financial assets that are not derecognized

In the quarter ended March 31, 2022 and in the year ended December 31, 2021, the Conglomerate carried out transactions that resulted in the transfer of financial assets represented by publicly issued securities and credit and leasing operations for customers . In accordance with the conditions of the operations in which the Conglomerate substantially retains risks and rewards on these transactions, the transferred financial assets continue to be fully recognized in the Company's books.

The Conglomerate transfers financial assets through the following transactions:

	03.31.2022	12.31.2021
Financial assets transferred	**23.569.372**	**23.222.325**
Financial assets with resale agreements (Note 14)	4.151.488	2.891.154
Financial assets measured at fair value through profit or loss (1)	1.950.696	1.620.746
Financial assets measured at fair value through other comprehensive income (1)	4.935.766	7.063.985
Financial assets measured at amortized cost (1)	7.639.615	5.771.267
Loans (2)	4.891.807	5.875.173
Associated liabilities	**(23.616.579)**	**(23.442.279)**
Financial liabilities measured at amortized cost (Note 21) (3)	(23.128.218)	(22.859.528)
Financial liabilities measured at fair value through profit or loss (Note 20)	(488.361)	(582.751)
Total	**(47.207)**	**(219.954)**

(1) Refers to securities linked to repurchase agreements.

(2) Financial assets refer to credits assigned with co-obligation and the financial liabilities associated with transferred assets refer to assignees (assignments with co-obligation).

(3) Refer to financial liabilities with repurchase agreement and financial liabilities associated with transferred assets.

Financial liabilities - transactions with repurchase agreement

Repurchase agreement transactions are transactions in which the Conglomerate sells bonds, most publicly issued, and simultaneously undertakes to purchase that same bond at a fixed price, at a set future date. The Conglomerate continues to recognize the bond in its entirety in the balance sheet because the risks and benefits of the bonds have been substantially retained, that is, the yields that the securities offer are recognized by the Conglomerate.

Credit assignment with substantial risk and benefit retention

The Conglomerate transfers the right to receive the future financial flow of financial assets classified as loan and finance lease transactions to the assignee, upon receipt of a cash amount, calculated on the date of the transfer. However, the Conglomerate continues to recognize in its balance sheet, the balances of financial assets in separate headings because the risks and benefits of the securities have been substantially retained, that is, any default situation occurred in the transferred receivables is the Conglomerate's entire responsibility. Because of this responsibility to the assignee, an associated financial liability is recognized.

The Conglomerate holds guarantees for loan and lease operations in the form of mortgages on properties, securities and other guarantees.

(Amounts in thousands of Reais, unless other wise indicated)

(x) Derivative Instruments subject to compensation with enforceable master agreements of liquidation

The Conglomerate contracts derivative operations, through a General Derivative Agreement (GDC) and Derivative Transactions Agreements (DTA), which provide for net payments. In general, based on these contracts, the amounts held by each counterparty on a given day in relation to all open transactions and in the same currency, are aggregated in a single net amount that is paid by the party to the other. In certain circumstances, for example, when a default event occurs, all outstanding transactions under that contract are closed, then the closing value is determined and only a single net amount is paid to settle all transactions.

These contracts do not meet the criteria for offset balances in the Statement of Financial Position. This is because the Conglomerate currently has no legally exercisable right to offset the recognized amounts, since the right to offset can only be exercised in the future occurrence of certain events, such as the delinquency transactions.

The following table indicates the book values of the recognized financial instruments that are subject to the contracts mentioned above.

Description	Gross amounts of recognized financial assets	Gros amounts of recognized financial liabilities	Net Balances
Derivatives			
03/31/2022	1.146.386	(177.799)	968.586
12/31/2021	338.716	(201.475)	137.241

b) Market risk

(i) Definition

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.

(ii) Market risk management

Market risk management functions comprise a set of functional activities that permeate the entire business chain, from product development, trading of operations, modeling and control of market and result risk and formalization, accounting and liquidation of operations, as well as monitoring the effectiveness of the processes and controls used.

Such functions are performed by functional units, with technically capable staff, under segregated management, and with clearly defined duties.

The Conglomerate adopts a set of objective measures for the management and control of market risks:

- VaR (Value at risk): seeks to determine the risk arising from market exposures, by determining the highest expected loss within a confidence interval and a time horizon;
- Stress test: used to estimate potential fluctuations in the value of financial instruments, which occur due to extreme changes in market variables (or risk factors);
- Regulatory capital for market risk: comprises regulatory capital determined as a result of exposures in trading and non-trading portfolios;
- Sensitivity analyzes: it is used to estimate potential fluctuations in value in financial instruments, which occur due to fluctuations in risk factors;
- GAP analysis: consists of measuring cash flow mismatches by risk factor. The analysis is made for the Consolidated and for the trading and non-trading portfolios; and
- sVar (VAR stressed). sVAR consists of a complementary measure to the historical Var, with the objective of simulating, for the current portfolio of the institution, the impact of historical periods of stress not considered in the historical window of returns of the VAR.

Risk measures are used in conjunction with limits for the management of market risk. These limits include the definition of the maximum authorized values, in adherence to the strategies adopted, the scope of products authorized for trading, consistent with budget assumptions and targets.

The establishment of limits is based on risk appetite and is defined in such a way as to enable, in a pragmatic way, the achievement of the intended financial performance goals. The limits and targets are made compatible when budgeting. The values established in the limits are updated and revised at least annually, together with budgetary programming.

For management purposes and the consolidated control of the market risk of exposures, the transactions are segregated into two types of portfolios, according to their business strategy: trading portfolio (trading) or banking portfolio (non-trading).

The trading portfolio covers all transactions, financial instruments, commodities or derivatives, held with the intention of trading, or turning, or intended for hedging of other operations that are part of the trading portfolio, and which are not subject to the limitation of their negotiability. The banking portfolio covers all transactions not classified as trading.

The trading portfolio is comprised of the Conglomerate's transactions available for negotiation. To measure the risk of the trading portfolio, the Conglomerate adopts VaR methodology by historical simulation.

(Amounts in thousands of Reais, unless other wise indicated)

The VaR (Value at Risk) metric used to determine, based on statistical techniques, the maximum loss in market value, under normal conditions, of a given position or portfolio, given a degree of statistical certainty (confidence level) and a certain time horizon.

For the calculation of VaR, the historical simulation approach is used, based on the concept of P&L (Profit and Loss Statement), which is adopted in the full valuation model. It is a non-parametric model that uses historical data to infer the future. The full valuation model allows taking into account all the characteristics of the instruments, including non-linear instruments.

the bank BV adopts the following assumptions for calculating VaR:

- Historical sample of the last 500 working days;
- Confidence level of 99%;
- Holding period of 10 working days.

The table below presents the minimum, average and the maximum VaR of the trading portfolio.

Period	Minimum	Average	Maximum
January to March/2022	79.085	117.751	179.144
January to March/2021	15.306	34.919	92.905

The banking portfolio is made up of structural exposures, arising from the granting and maintenance of credit operations, per se, and funding, which provide funding for these credit operations, regardless of the terms and currencies of the operations or their commercial segmentation (retail and wholesale: middle or corporate). Also considered in the banking portfolio are operations aimed at hedging assets or credit or funding operations that are part of the banking portfolio.

This portfolio is also known as the structural portfolio, as it comprises the structural management of mismatches between assets and liabilities.

In this context, the assessment and control of interest rate risk involves measuring the following metrics:

- Delta EVE (Change in Economic Value of Equity): The economic value approach calculates the effect of interest rate variation based on the economic value of the institution's assets and liabilities. This metric assesses the impact on the institution's capital arising from the hypothetical sale or liquidation of its positions (assets and liabilities) under conditions different from those prevailing in the market;
- Delta NII (Change in Net Interest Income): The interest margin variation approach aims to capture the effects of changes in the Conglomerate's net interest income due to changes in interest rates.

The Conglomerate adopts corporate systems for measuring and controlling market risks, combining internally developed applications with proven market solutions.

In addition, the Conglomerate adopts a structured process for communicating matters related to market risk to management, which includes the periodic issuance of reports that demonstrate the levels of utilization of the limits used, the periodic holding of collegiate monitoring forums, and the issuance of electronic messages. specific situations in the event of exceeding limits or mismatches of operations.

(iii) 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	Exposure	Basic interest rate schlock			
			03.31.2022		12.31.2021	
			+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	488.501	4.220	(4.137)	106	(104)
Foreign currency coupons	Foreign currency exchange movements	348.063	11.296	(11.072)	7.191	(7.049)
Price indexes	Price indexes coupons variation risk	31.445	273	(267)	(1.333)	1.306

Trading and banking portfolio

Risk factor	Concept	Exposure	Basic interest rate schlock			
			03.31.2022		12.31.2021	
			+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	9.766.793	(184.710)	181.053	(186.677)	182.980
Foreign currency coupons	Foreign currency exchange movements	2.879.173	31.016	(30.402)	48.703	(47.739)
Price indexes	Price indexes coupons variation risk	632.360	(7.987)	7.829	(9.578)	9.388
TR/TBF	Risk of TR (reference rate) ad TBF (basic	20.491	(64)	63	(48)	47

(Amounts in thousands of Reais, unless other wise indicated)

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, the currencies suffer shocks of 1% on the closing value. The stressed value of the US dollar (BM&F DOL-CL) would be BRL 4.7532 (101% of BRL 4.8007) (BRL 5.5779 on December 31, 2021). The shocked BOVESPA index is 121,199 points, equivalent to 101% of the closing value on March 31, 2022 (105,871 points on December 31, 2021). The fixed-rate interest curves, 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 in 0.10%.

• **Scenario 2 -** Scenario where currencies and the BOVESPA index suffer shocks of 25% and interest rates suffer parallel shocks of 25% on the closing value. The pre rate, as of March 31, 2022, for the one-year term is 12.7117% (11.8056% as of December 31, 2021). Thus, the entire curve is bumped by 3.18% more or less, depending on the hypothetical result generated (2.95% on December 31, 2021).

• **Scenario 3 -** Scenario where currencies and the BOVESPA index suffer shocks of 50% and interest rates suffer parallel shocks of 50% on the closing value.

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)
	03.31.2022						
Fixed rate / Fixed interest rate variation risk	488.501	Increase	437	Decrease	(14.344)	Decrease	(29.375)
Foreign currency coupons / Foreign currency coupon exchange movements risk	348.063	Increase	(432)	Increase	(2.417)	Increase	(4.671)
Foreign exchange movements / Exchange rate movements risk	1.518.175	Increase	15.271	Decrease	(369.343)	Decrease	(736.627)
Price indexes / Price indexes coupons variation risk	31.445	Increase	(35)	Increase	(285)	Increase	(316)
	12.31.2021						
Fixed rate / Fixed interest rate variation risk	676.492	Increase	52	Decrease	(1.675)	Decrease	(3.729)
Foreign currency coupons / Foreign currency coupon exchange movements risk	1.446.655	Increase	(816)	Increase	(1.945)	Increase	(3.882)
Foreign exchange movements / Exchange rate movements risk	2.005.058	Increase	19.969	Decrease	(513.924)	Decrease	(1.023.743)
Price indexes / Price indexes coupons variation risk	47.172	Increase	(194)	Increase	(2.198)	Increase	(3.605)
Other / Other coupons movements risk	2.552	Increase	21	Decrease	(1.220)	Decrease	(2.530)

(Amounts in thousands of Reais, unless other wise indicated)

Trading and banking portfolio

Risk Factor / Concept	Exposure	Scenario I		Scenario II		Scenario III	
		Movements of rates	Income (loss)	Movements of rates	Income (loss)	Movements of rates	Income (loss)
	03.31.2022						
Fixed rate / Fixed interest rate variation risk	9.766.793	Increase	(17.602)	Increase	(538.599)	Increase	(1.035.364)
Foreign currency coupons / Foreign currency coupon exchange movements risk	2.879.173	Increase	4.453	Decrease	(28.616)	Decrease	(57.933)
Foreign exchange movements / Exchange rate movements risk	(84.113)	Increase	(199)	Increase	(18.933)	Increase	(771)
TJLP / TJLP coupon movements risk	(10.047)	Increase	(7)	Increase	(107)	Increase	(207)
TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk	20.491	Increase	205	Maintenance	-	Maintenance	-
Price indexes / Price indexes coupons variation risk	632.360	Increase	(823)	Increase	(9.354)	Increase	(16.746)
Other / Other coupons movements risk	36	Maintenance	-	Maintenance	-	Maintenance	-
	12.31.2021						
Fixed rate / Fixed interest rate variation risk	(2.305.895)	Increase	(16.593)	Increase	(472.276)	Increase	(911.620)
Foreign currency coupons / Foreign currency coupon exchange movements risk	1.219.867	Increase	6.250	Decrease	(16.254)	Decrease	(32.705)
Foreign exchange movements / Exchange rate movements risk	(56.928)	Increase	495	Decrease	(29.560)	Decrease	(57.266)
TJLP / TJLP coupon movements risk	(15.048)	Increase	(6)	Increase	(73)	Increase	(142)
TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk	20.929	Increase	218	Maintenance	-	Maintenance	-
Price indexes / Price indexes coupons variation risk	682.265	Increase	(985)	Increase	(11.895)	Increase	(21.081)
Other / Other coupons movements risk	2.610	Increase	21	Decrease	(1.220)	Decrease	(2.530)

(iv) 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 September 30, 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, the yield curves suffer positive parallel shocks; the exchange rate (Reais/dollar) considered is BRL 5.38 (BRL 6.31 on December 31, 2021); commodities suffer positive shocks of 10% on the closing value on March 31, 2022; and a negative variation of -15.28% is applied to the BOVESPA Index (the same rates were used on December 31, 2021).

Scenario II - In this scenario, the yield curves suffer parallel negative shocks; the exchange rate (Reais/dollar) considered is BRL 4.24 (BRL 4.97 on December 31, 2021); commodities suffer negative shocks of 10% on the closing value on March 31, 2022; and a positive variation of 24.49% of the BOVESPA Index is applied (the same rates were used on December 31, 2021).

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	03.31.2022		12.31.2021	
	Exposure	Stress [1]	Exposure	Stress [1]
Shares	36	-	2.610	(1.797)
Foreign currencies	(84.113)	(9.093)	(56.928)	(11.392)
Interest rate	13.288.770	(305.944)	(397.882)	(282.723)
Total	**13.204.693**	**(315.037)**	**(452.200)**	**(295.912)**

(Amounts in thousands of Reais, unless other wise indicated)

Estimates of higher gains from the retrospective stress test - Consolidated portfolio

Risk Factor	03.31.2022		12.31.2021	
	Exposure	Stress [1]	Exposure	Stress [1]
Shares	36	-	2.610	86
Foreign currencies	(84.113)	9.444	(56.928)	10.040
Interest rate	13.288.770	247.184	(397.882)	223.992
Total	**13.204.693**	**256.628**	**(452.200)**	**234.118**

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

(v) 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) inactive 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 following table presents financial instruments recorded at fair value as of March 31, 2022 and December 31, 2021, classified in the different hierarchical levels of measurement at fair value:

	03.31.2022				12.31.2021			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Asset								
Financial assets with resale agreements [1]	-	101.319	-	101.319	-	402.746	-	402.746
Financial assets at fair value through profit or loss - securities (Note 10a)	4.436.959	2.292.903	837.412	7.567.274	4.981.196	3.402.156	812.561	9.195.913
Financial assets at fair value through other comprehensive income - Securities (Note 10a)	7.224.865	3.874.888	8.042	11.107.795	10.123.268	2.148.229	-	12.271.497
Derivative financial instruments (Note 11a)	99.204	5.064.135	-	5.163.339	21.357	3.692.400	-	3.713.757
Loans and Leases [1]	-	17.873.698	-	17.873.698	-	16.744.958	-	16.744.958
Total	**11.761.028**	**29.206.943**	**845.454**	**41.813.425**	**15.125.821**	**26.390.489**	**812.561**	**42.328.871**
Liabilities								
Financial liabilities at fair value through profit or loss - Other liabilities (Note 20)	-	(488.361)	-	(488.361)	-	(582.751)	-	(582.751)
Derivative financial instruments (Note 11a)	(9.803)	(4.249.209)	-	(4.259.012)	(35.545)	(2.329.794)	-	(2.365.339)
Total	**(9.803)**	**(4.737.570)**	**-**	**(4.747.373)**	**(35.545)**	**(2.912.545)**	**-**	**(2.948.090)**

(1) Refer to those transactions to market by the hedge accounting structure (Note nº 11f).

The fair value of financial instruments traded on active markets (such as securities held in financial assets measured at fair value in income and financial assets measured at fair value through other comprehensive results) is based on market prices quoted on the balance sheet date. A market is seen as active if quoted prices are ready and regularly available from a Stock Exchange, distributor, broker, industry group, pricing service or regulatory agency, and those prices represent real market transactions and occur regularly on purely commercial bases.

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 as sets and liabilities inactive 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.

(Amounts in thousands of Reais, unless other wise indicated)

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.

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.

(vi) Transfers of level 3

	Balances at 12.31.2021	01.01 to 03.31.2022			Balances at 03.31.2022
		Transfers between levels [1]	Additions / (Settlements)	Income (loss) / Other changes	
Assets					
Financial assets at fair value through profit or loss - securities	812.561	(55.020)	(99.528)	179.399	837.412
Financial assets measured at fair value through other comprehensive income - Securities	-	8.042	-	-	8.042
Total	**812.561**	**(46.978)**	**(99.528)**	**179.399**	**845.454**

[1] These assets were reclassified between levels 2 and 3, due to the periodic review of the hierarchy.

	Balances at 12.31.2020	Exercício/2021		Balances at 12.31.2021
		Additions / (Settlements)	Income (loss) / Other changes	
Assets				
Financial assets at fair value through profit or loss - securities	604.436	64.121	144.004	812.561
Total	**604.436**	**64.121**	**144.004**	**812.561**

(vii) Fair value of financial instruments measured at amortized cost

Financial instruments recorded in equity accounts, at fair value:

	03.31.2022		12.31.2021	
	Book value	Fair value	Book value	Fair value
Financial assets measured at amortized cost	**65.039.792**	**64.378.712**	**64.597.086**	**63.951.477**
Deposits at the Central Bank of Brazil (Note 9)	1.374.855	1.374.855	1.492.118	1.492.118
Investments in interbank deposits (Note 13)	341.445	341.445	244.311	244.311
Financial assets with resale agreement (Note 14)	4.916.711	4.916.711	3.170.496	3.170.496
Securities (Note 10a)	15.055.593	14.396.304	14.555.565	13.909.999
Loan and lease portfolio (Note 12a) [1]	42.755.190	42.753.399	44.389.237	44.389.194
Other financial assets (Note 17)	595.998	595.998	745.359	745.359
Financial liabilities at amortized cost (Note 21)	**(99.368.318)**	**(100.489.456)**	**(99.583.206)**	**(100.707.677)**
Money market repurchase commitments (Note 21a)	(17.655.172)	(17.599.093)	(16.237.842)	(16.102.470)
Financial liabilities at amortized cost associated with transferred financial assets	(5.473.046)	(5.447.158)	(6.621.686)	(6.540.593)
Interbank deposits	(1.476.100)	(1.439.300)	(1.349.787)	(1.201.452)
Costumer deposits (Note 21b)	(20.400.896)	(21.128.396)	(22.696.933)	(23.448.944)
Borrowings and onleading's (Note 21c and 21d)	(5.288.345)	(5.301.918)	(5.102.555)	(5.038.626)
Securities issued (Note 21e)	(39.968.411)	(40.250.304)	(38.273.281)	(38.797.695)
Subordinated debts (Note 21f)	(3.319.319)	(3.536.258)	(3.588.447)	(3.865.222)
Other (Note 21g)	(5.787.029)	(5.787.029)	(5.712.675)	(5.712.675)
Total	**(34.328.526)**	**(36.110.744)**	**(34.986.120)**	**(36.756.200)**

[1] Excludes the transactions at fair value by the Hedge Accounting structure (Note nº 11f).

Metrics used to determine the fair value of the main financial instruments

Investments in interbank deposits and financial assets with resale agreement: For the operations of this group, the book value was considered as an approximation equivalent to the fair value, as they are mostly short-term operations.

Securities: Securities classified in the categories of "financial assets measured at fair value in income" and "financial assets measured at fair value through other comprehensive results" are accounted for at their fair value, from the collection of market information and the use of standardized market marking methodologies, generally based on the cash flow method. For the calculation of fair value, the above techniques are also applied to securities classified in the category "financial assets measured at amortized cost".

Credit and leasing operations: Credit operations located in Hedge Accounting programs, of the market risk hedge type, are accounted for at their fair value. For the leasing operations, the calculated future flow values were used for the calculation of the fair value, considering the prevailing market rates and for the other operations, the book value was considered as an equivalent approximation of fair value

Deposits: For term deposit operations, the lowered future flow values were used for the calculation of fair value considering the prevailing market rates. For spot deposits, the book value itself was considered as fair value.

Financial liabilities with repurchase agreement: Financial liabilities with repurchase agreement: For borrowings at post-fixed rates, the book value was considered as an approximation equivalent to fair value. For pre-fixed transactions, the cash flow values devalued considering the prevailing market rates were used to calculate fair value.

Obligations for loans and transfers: The fair value of the operations of this group equivalent to its book value was considered.

Securities issued: For the operations of this group, the book value was considered as an approximation equivalent to fair value. For pre-fixed transactions, the cash flow values devalued considering the prevailing market rates were used to calculate fair value.

Subordinated liabilities: For the operations of this group, the lowered future flow values were used to calculate the fair value, considering the prevailing market rates.

c) Liquidity risk

(i) Definition

Liquidity risk is defined by:

- The possibility of the Conglomerate 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 Conglomerate 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.

(ii) Liquidity risk management

The liquidity risk management structure identifies, measures, evaluates, monitors, reports, controls and proposes risk mitigation actions associated with the Prudential Conglomerate through the following practices:

- Maintenance of an adequate level of free assets witch can be easily monetized and use of benchmark liquidity parameter (target cash);
- Management of the mismatch profile between liabilities and assets, funding and credit operations granted, optimizing the allocation of own resources and minimizing liquidity risk;
- Optimization of the diversification of funding sources, monitoring the concentration of funding providers, and the practice of remuneration in compliance with the levels practiced in the market for third party resources, and the level of return expected by shareholders for own resources.

The Conglomerate maintains a contingency plan structured and periodically reviewed in order to enable, in the short term, the recomposition of pre-established levels of cash, with the assignment of responsible persons and instruments.

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

The Conglomerate's liquidity management is the responsibility of the treasury department and the liquidity risk is managed by the risk area that assesses and monitors the Conglomerate's risk, establishing the processes, tools and limits necessary for the generation and analysis of scenarios and the monitoring and adjustments to the levels of appetite for this risk established by Senior Management.

The main objective measures for the management and control of liquidity risks are:

- The liquidity benchmark and the minimum operating cash establish minimum acceptable intervals and thresholds, setting prospective limits for adverse liquidity scenarios;
- Maturity scenarios: comprise the calculation of the future liquidity profile, based on the general maturity premise of the current portfolios and all cash flows;
- Budgetary scenarios: comprise the calculation of the future liquidity profile, with assumptions consistent with budgetary planning, based on the general rollover premise of current portfolios;
- Stress scenarios: comprise simulations of the impact on the portfolios resulting from extreme market conditions and / or the dynamics and composition of the portfolios, which can significantly alter the Bank's projected liquidity scenarios;
- Sensitivity analyzes: comprise sensitivity simulations in the future liquidity profile due to small fluctuations in market conditions and / or in the dynamics and composition of the portfolios; and
- Funding concentration profile: includes monitoring the portfolio concentration profile, in terms of volumes, terms, instruments, segments and counterparties.

The CMN, through Resolution No. 4,401, establishes the minimum limits of the Short-term Liquidity Indicator (SLI, LCR in Portuguese) and the conditions for its observance. The LCR is a metric that aims to show that financial institutions have highly liquid resources to withstand a stress scenario in the horizon of 30 days, according to criteria established by regulation.

As of March 31, 2022, the average LCR was 242%, above the minimum regulatory requirement which is 100%.

(Amounts in thousands of Reais, unless other wise indicated)

Short-term liquidity indicator	03.31.2022	12.31.2021
LCR	242%	214%
Total HQLA [(1)]	13.445	13.072
Total net cash outflows	5.561	6.110

(1) These highly liquid assets, which remain liquid in the markets during periods of stress and which meet some minimum requirements defined by Circular Bacen nº 3,749.

Additionally, the Company adopts a structured process for the communication of matters related to the management of liquidity risks. This communication process comprises:

- The periodic issue of objective reports, in which the liquidity scenarios and the evolution of the profile of the funding portfolios are presented, as well as the levels of use of authorized limits are demonstrated; and
- The regular holding of collegiate follow-up forums, in compliance with the decision-making powers.

d) Operational risk

(i) Definition

Operational risks 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 within adequacies or deficiencies in contracts signed by the Conglomerate, penalties for non compliance 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.

(ii) Operational risk management

Operational risk management aims to support business management by assessing and controlling risk, capturing and managing the base of operational losses and measuring the capital allocated to operational risk, enabling the prioritization and implementation of improvement plans processes, according to the levels of risk tolerance defined by Senior Management.

The operational risk management functions comprise a set of activities, such as modeling and operational risk control, monitoring the effectiveness of controls, business continuity plan and crisis management. These activities permeate the entire "business chain", from product development to negotiation and disbursement of operations, including support and after-sales processes. These functions are performed by segregated functional units, formally constituted, formed by trained teams and with clearly defined attributions.

e) Social, environmental and climate risk

In September 2021, the Central Bank of Brazil and the National Monetary Council published a series of prudential-focused regulatory actions to improve social, environmental and climate risk management (RSAC) rules.

In this context, CMN Resolution No. 4,943 (effective July/22 for institution framed in S2, which is the case of banco BV) redefines social and environmental risk and introduces the concept of climate risk. Social risk is related to practices of violation of fundamental rights and guarantees or common interests. Environmental risk is associated with environmental degradation. Climate risk is divided into: (i) risk of transition, related to the transition process to a low-carbon economy, and (ii) physical risk, related to the occurrence of frequent and severe weather or long-term environmental changes, which may be associated with changes in climate patterns.

Currently, the conglomerate's social, environmental and climate risk management is supported by the Corporate Sustainability and Social and Environmental Responsibility Policy (PSRSA). This policy complies with the provisions of CMN Resolution No. 4,327/2014, which is in force until Dec/22, and the self-regulation Febraban SARB No. 14, guiding the behavior of the companies of the Votorantim Financial Economic Conglomerate regarding social, environmental and climate business practices and relationships with stakeholders.

The importance of the theme to the Institution, the banco BV 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).

The banco BV social, environmental and climate risk management structure is responsible for identifying, classifying, evaluating, monitoring, mitigating and controlling these risks associated with the Institution's activities and operations, in view of the principles of relevance and proportionality of the CMN Resolution No. 4,327/2014.

Social, environmental and climate risk management observes the applicable environmental legislation, as well as evaluates the socio-environmental aspects with which the customer or supplier is involved, in order to support the decision-making of the competent areas during the credit granting processes, evaluation of real estate guarantees and approval of suppliers.

The management of social, environmental and climate risk during the granting of credit is carried out through analysis methodologies that determine the ESG Rating, which is included in the Credit Rating assignment process.

In line with the Conglomerate's PSRSA, Banco BV became a signatory to the Equator Principles (PE) in 2016. The PE is a global initiative that establishes guidelines for the identification, assessment, and management of environmental and social risks in project finance (in operations above 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 projects and assist in credit decision making.

2. Capital management process

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 (NMC), 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.

(i) Regulatory capital

Regulatory Capital, classified as Reference Equity (PR in Portuguese), is the equity used as a basis for verifying compliance with the operational limits of financial institutions.

The norms enforced In Brazil, which implemented recommendations of the Basel Committee on Banking Supervision regarding the capital structure of financial institutions, known as Basel III, dealt mainly with the following matters:

- Methodology for calculating regulatory equity (PR), which continues to be divided into Levels I and II, with Level I composed of Principal Capital (less Prudential Adjustments) and Complementary Capital;
- Methodology for calculating the capital maintenance requirement, adopting minimum regulatory capital (PR), Tier I and Core Capital requirements, and introduction of Additional Core Capital (ACP). The ACP is made up of the ACPConservation, Countercyclical ACP and Systemic ACPS, defined by CMN Resolution No. 4,958.

CMN Resolution No. 4,955/2021 defines the items referring to prudential adjustments to be deducted from the Reference Equity, such as tax credits arising from temporary differences that depend on the generation of profits or future tax revenues for their realization, tax credits arising from tax losses and negative basis of social contribution on net income, goodwill paid on the acquisition of investments with expectation of future profitability, among others. CMN Resolution No. 4,955/2021 came into force on January 3, 2022 and revoked CMN Resolution No. 4,192/2013. There were no relevant impacts on the calculation of the Reference Equity of the Prudential Conglomerate with this regulatory change.

The consolidation scope used as a basis for verifying operating limits considers the Prudential Conglomerate, as defined in CMN Resolution No. 4,950/2021, which replaced CMN Resolution No. 4,280/2013 and subsequent amendments as of January 1, 2022. There are no impacts relevant in the calculation of the Reference Equity of the Prudential Conglomerate with this normative change.

(ii) Risk Weighted Asset - RWA

For the purposes of calculating the minimum capital requirement, the RWA is calculated, as defined by CMN Resolution 4,193, and is composed of the sum of risk-weighted assets referring to credit (RWACPAD), market risk (RWAMPAD) and operational risks (RWAOPAD).

The Required Capital is obtained from the risk-weighted Assets (RWA) components, calculated through multiplication by the “F factor”, which is 8%.

(iii) Capital ratios

The capital ratios are calculated according to the criteria established by CMN Resolutions No. 4,192 and No. 4,193, which deal with the calculation of the Reference Equity (PR, in Portuguese) and the Minimum Required Equity Reference (MRE) in relation to the Risk Weighted Assets (RWA) , respectively, as follows:

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

The Leverage Ratio (RA), as established by BACEN Circular No. 3,748 / 2015, is defined by the Level I ratio on the Conglomerate Total Exposure. The minimum limit of the Leverage Ratio (RA) is 3%, according to Resolution No. 4.615 of the National Monetary Council.

CMN Resolution No. 4,955 defines the items referring to prudential adjustments deducted in full from the Reference Equity:

(i) goodwill paid on the acquisition of investments based on expected future profitability, net of deferred tax liabilities associated therewith;

(ii) intangible assets;

(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 an unconsolidated financial institution, insurance company, reinsurance company, capitalization company and open supplementary pension entity; and b) institution authorized to operate by the Central Bank of Brazil or in an institution located abroad that carries out an activity equivalent to that of a financial institution in Brazil, which is not part of the Conglomerate;

(v) non-controlling interest in the capital of a) subsidiary that is an institution authorized to operate by the Central Bank of Brazil; and b) subsidiary abroad that carries out an activity equivalent to that of a financial institution in Brazil;

(vi) tax credits arising from temporary differences that depend on the generation of profits or future tax revenues for their realization;

(vii) tax credits arising from tax losses and negative basis of social contribution on net income. The Conglomerate considers the effects of the application of § 10 of Article 5 of CMN Resolution No. 4,955/2021, which authorizes financial institutions to stop deducting from the Principal Capital, tax credits from tax losses arising from a short position in foreign currency held with the objective of providing hedge for its participation in investments abroad, in the following schedule: I - at least 50% (fifty percent), until June 30, 2022; and II - 100% (one hundred percent), until December 31, 2022.

(viii) Non-controlling interest in the capital of: a) subsidiary in the country that is not an institution authorized to operate by the Central Bank of Brazil; and b) subsidiary abroad that does not carry out an activity equivalent to that of a financial institution in Brazil;

(ix) Among others.

(iv) Capital Adequacy (Regulatory View)

The analysis of capital sufficiency in the regulatory view aims to assess whether the Company has Reference Equity (Available Capital) at a level higher than the capital required to cover Pillar I risks, plus the additional requirement to cover the risk of variation in rates interest on operations not classified in the trading book (IRRBB) according to BCB Resolution No. 48/2020.

Monthly, after calculating the Reference Equity (PR) and Required Capital, management reports are released to monitor the Capital allocated to risks and the capital ratios (Basel, Tier I and Principal) for the areas involved.

(Amounts in thousands of Reais, unless other wise indicated)

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

Basel Ratio	03.31.2022	12.31.2021
PR - Reference Equity	**12.081.020**	**12.209.489**
Level I	**11.310.211**	**11.419.468**
Complementary Capital	**1.463.559**	**1.683.059**
Common Equity	**9.846.652**	**9.736.409**
Shareholders' equity [(1)]	14.035.878	11.390.169
Prudential adjustments [(2)]	(4.189.226)	(1.653.760)
Others	(4.187.249)	(1.652.121)
Adjustment to fair value	(1.977)	(1.639)
Level II	**770.810**	**790.021**
Subordinated debts eligible as capital	770.810	790.021
Subordinated debts authorized in accordance with CMN Resolution No. 4,955/2021 [(3)]	770.810	790.021
Risk-weighted assets (RWA)	**75.517.188**	**77.154.848**
Credit risk (RWACPAD)	67.967.142	69.307.571
Market risk (RWAMPAD)	602.258	909.356
Operational risk (RWAOPAD)	6.947.788	6.937.921
Minimum Required Regulatory Capital [(4)]	**6.041.375**	**6.172.388**
Minimum Required Capital [(5)]	**3.398.273**	**3.471.968**
Tier I Minimum Required Reference Equity [(6)]	**4.531.031**	**4.629.291**
Regulatory Capital determined to cover interest rate risk of transactions not classified in trading portfolio (RBAN)	**324.772**	**310.146**
Margin on Minimum Required Regulatory Capital	**6.039.645**	**6.037.101**
Margin on Minimum Required Capital	**6.448.379**	**6.264.441**
Margin on Minimum Required Tier I Regulatory Capital	**6.779.179**	**6.790.178**
Margin on Minimum Required Regulatory Capital including RBAN and ACP [(7)]	**4.204.529**	**4.183.859**
Common Equity Index (CP / RWA)	**13,04%**	**12,62%**
Tier I Capital Index (Tier I / RWA)	**14,98%**	**14,80%**
Basel ratio (PR / RWA)	**16,00%**	**15,82%**
Leverage ratio	**7,75%**	**8,02%**

(1) According to article art. 4, § 2 of CMN Resolution No. 4,955/2021, the amounts related to adjustments to the fair value of derivative financial instruments used to hedge the cash flow of hedged items that do not have their fair value adjustments recorded in the books do not make up the basis of calculation for purposes of calculating the Reference Equity. The amounts reported include these adjustments.

(2) Consider the effects of the application of § 10 of Article 5 of CMN Resolution No. 4,955/2021, which authorizes financial institutions to stop deducting from the Principal Capital, tax credits from tax losses arising from a short position in foreign currency carried out with the objective of to provide hedge for its participation in investments abroad in the following schedule: I - at least 50% (fifty percent), until June 30, 2022; and II - 100% (one hundred percent), until December 31, 2022.

(3) The balance of Subordinated Debt instruments issued prior to CMN Resolution No. 4,955/2021 was considered with the application of the reducers established in art. 27 of the aforementioned Resolution.

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

(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 Counter cyclical Additional.

Prudential Adjustments deducted from Common Equity:

	03.31.2022	12.31.2021
Prudential Adjustments I - Goodwill paid	(190.134)	(101.827)
Prudential Adjustments II - Intangible assets	(762.808)	(647.617)
Prudential Adjustments VII - Deferred tax assets from Temporary differences	(139.699)	(169.013)
Prudential Adjustments VIII - Deferred tax assets of Tax losses/negative basis of CSLL	(836.318)	(733.664)
Prudential Adjustment XIV – Non-controlling interest in subsidiaries not authorized by the BCB [(1)]	(2.258.290)	-
Prudential Adjustments XV – Understatement - Resolution No. 4,277/13 Adjustments	(1.977)	(1.639)
Total	**(4.189.226)**	**(1.653.760)**

(1) As of 2022, non-controlling interests, predominantly, the position of shares in controlled investment funds held by third parties, began to be presented in the BRGAAP book as a component of shareholders' equity.

Fixed asset ratio

Conglomerate Prudential's fixed assets ratio totaled 19,88% (18,19% on December 31, 2021), being calculated in accordance with CMN Resolution No. 4,957/2021, which became effective as of January 3, 2022. There were no relevant impacts on the calculation of the fixed asset ratio of the Prudential Conglomerate with this regulatory change.

	03.31.2022	12.31.2021
Fixed assets limit	**6.040.510**	**6.104.745**
Value of fixed assets limit position	2.401.342	2.220.489
Value of margin or insufficiency	3.639.168	3.884.256

(v) Asset and liability management

The ALM and Taxes Committee is responsible for the management of structural interest rate, exchange rate and liquidity risks, as well as for capital management, which seeks to improve the risk-return ratio and greater efficiency in the composition of the factors that impact the Solvency Index (Basel).

The Conglomerate's exposure to foreign currency risk, presented in thousands of Reais, is as follows:

	03.31.2022				
	Local currency	Dollar	Euro	Other	Total
Assets					
Cash and cash equivalents (Note 8)	507.444	3.284.266	19.296	880	3.811.886
Financial Assets at fair value through profit or loss - Securities (Note 10a)	7.567.274	-	-	-	7.567.274
Financial Assets at fair value through other comprehensive income	8.509.088	2.610.158	-	-	11.119.246
Interbank deposits investments (Note 13)	11.451	-	-	-	11.451
Securities (Note 10a) [1]	8.497.637	2.610.158	-	-	11.107.795
Financial assets at amortized cost	75.128.819	5.317.655	324.968	-	80.771.442
Loans and leases (Note 12a) [2]	55.460.938	4.081.419	319.338	-	59.861.695
Interbank deposits investments (Note 13)	341.445	-	-	-	341.445
Financial assets with resale agreements (Note 14)	4.701.502	215.209	-	-	4.916.711
Securities (Note 10a) [1]	14.237.611	817.982	-	-	15.055.593
Other financial assets (Note 17)	387.323	203.045	5.630	-	595.998
Other assets (Note 17)	824.787	4.230	-	-	829.017
Total	**92.537.412**	**11.216.309**	**344.264**	**880**	**104.098.865**
Liability					
Financial liabilities at fair value through income or loss - other financial liabilities (Note 20)	(488.361)	-	-	-	(488.361)
Financial liabilities at amortized cost (Note 21)	(83.853.305)	(15.385.060)	(129.853)	(100)	(99.368.318)
Other liabilities (Note 22)	(2.301.122)	(99.024)	(17.849)	(95)	(2.418.090)
Total	**(86.642.788)**	**(15.484.084)**	**(147.702)**	**(195)**	**(102.274.769)**
Derivative financial instruments					
Foreign currency asset position		25.308.337	235.542	-	
Foreign currency liability position		(21.129.509)	(427.954)	-	
Total		**4.178.828**	**(192.412)**	**-**	
Net foreign currency exposure - long (short) position		**(88.947)**	**4.150**	**685**	

	12.31.2021				
	Local currency	Dollar	Euro	Other	Total
Asset					
Cash and cash equivalents (Note 8)	644.732	2.241.077	47.754	1.556	2.935.119
Financial Assets at fair value through profit or loss - Securities (Note 10a)	8.138.350	1.057.563	-	-	9.195.913
Financial Assets at fair value through other comprehensive income	10.011.790	2.268.143	-	-	12.279.933
Interbank deposits investments (Note 13)	8.436	-	-	-	8.436
Securities (Note 10a) [1]	10.003.354	2.268.143	-	-	12.271.497
Financial assets at amortized cost	74.882.116	3.893.668	284.697	-	79.060.481
Loans and leases (Note 12a) [2]	57.683.134	2.376.919	284.697	-	60.344.750
Interbank deposits investments (Note 13)	244.311	-	-	-	244.311
Financial assets with resale agreements (Note 14)	2.947.788	222.708	-	-	3.170.496
Securities (Note 10a) [1]	13.775.056	780.509	-	-	14.555.565
Other financial assets (Note 17)	231.827	513.532	-	-	745.359
Other assets (Note 17)	877.513	110	-	-	877.623
Total	**94.554.501**	**9.460.561**	**332.451**	**1.556**	**104.349.069**
Liability					
Financial liabilities at fair value through income or loss - other financial liabilities (Note 20)	(582.751)	-	-	-	(582.751)
Financial liabilities at amortized cost (Note 21)	(82.403.955)	(17.147.507)	(31.744)	-	(99.583.206)
Other liabilities (Note 22)	(2.213.525)	(56.633)	(55.431)	(40)	(2.325.629)
Total	**(85.200.231)**	**(17.204.140)**	**(87.175)**	**(40)**	**(102.491.586)**
Derivative financial instruments					
Foreign currency asset position		33.779.707	340.560	-	
Foreign currency liability position		(26.076.744)	(603.644)	(19)	
Total		**7.702.963**	**(263.084)**	**(19)**	
Net foreign currency exposure - long (short) position		**(40.616)**	**(17.808)**	**1.497**	

[1] Includes provision for impairment losses.
[2] Includes provision for losses, fair value adjustments, associated costs and other receivables.

(Amounts in thousands of Reais, unless other wise indicated)

37. ENVIRONMENT, SOCIAL AND GOVERNANCE - ESG PRACTICES

a) Governance and regulation

In May 2021, the bank launched its long-term ESG commitments, until 2030, called the “Pact for a lighter future”, which defines 5 public goals that will guide the Conglomerate's actions, divided into 3 pillars: climate change, sustainable business and diversity. In addition, the bank has included sustainability goals in the variable compensation of executives and in the strategic planning, as described in note 35. Banco BV's Executive Committee (ComEx) is responsible for the general monitoring and deliberation of ESG-related issues.

In the context of the Sustainability dimension of the BC# Agenda, the Central Bank of Brazil (Bacen), using as a reference the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a task force created in 2015 by the Financial Stability Committee (FSB)), published in September 2021: BCB Resolution No. 139 and BCB Normative Instruction No. 153, which provide for the Social, Environmental and Climate Risks and Opportunities Report (GRSAC) and enter into force in December 2022 and CMN Resolution No. 4,945 which provides for the Social, Environmental and Climate Responsibility Policy (PRSAC), and comes into force in July 2022 for an institution classified under S2, which is the case of Banco BV.

The socio-environmental risk management guidelines and definitions established by CMN Resolution No. 4,327/2014 will be replaced by CMN Resolution No. 4,943/2021, which amends CMN Resolution 4,557/2017, to include a specific section with definitions and requirements for managing social, environmental and climate risks applicable to Financial Institutions, coming into force in July 2022 for an institution classified under S2, which is the case of Banco BV. Additional information on social, environmental and climate risk and its management by the Conglomerate is described in Note 36.1.e.

b) Environment

Banco BV is one of the main financing banks of photovoltaic panels for solar energy for residential use and as of March 31, 2022 this portfolio is R$ 3.084.497 (R$ 2.513.353on December 31, 2021).

In March 2020, the banco BV issued the first green bond issue in the amount of R$ 255,535 registered under the heading of Resources for acceptances 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. The banco BV inaugural issue was awarded international certification by the Climate Bonds Standard, which is coordinated by the Climate Bonds Initiative (CBI). Cbi is a non-profit organization focused on promoting large-scale investments in the low-carbon economy. It is the only organization in the world that has Climate Bonds Standard and Sector Criteria to certify emissions as green. Materials relating to the issue such as Green Bond Framework, Second Opinion Opinion, Annual Report, and Post-issuance Verification can be found www.bancobv.com.br.

In the year ended December 31, 2021, the Bank carried out new issuances of green bonds (financial bills) in the amount of R$ 759.050, recorded under Financial liabilities measured at amortized cost.

	Currency	Value issued emitted	Remuneration a.a.	Year capture	Year salary	03.31.2022	12.31.2021
Obligations by TVM abroad						**240.329**	**280.739**
Exchange rate variation	USD	50.000	3,35% p.a. + exchange variation	2020	2024	240.329	280.739
Financial bills						**837.961**	**801.992**
Post-fixed	R$	293.150	From 1,23% to 1,37% p.a. + DI	2021	2024	312.514	302.919
Post-fixed	R$	465.900	From 5,26% to 5,84% p.a. + IPCA	2021	2027	525.447	499.073
Total						**1.078.290**	**1.082.731**

In November 2020, Banco BV announced a public commitment to offset the entirety of CO_2 emissions from the cars it finances from 2021 onwards. In the quarter ended March 31, 2022, Banco BV recognized in income (under Other operating) the provision for CO_2 expenses, as a contra entry to the corresponding liability, recorded in Other liabilities - Offsetting the CO_2 emission by vehicles financed by Banco BV. The bank acquired carbon credits, representing a total of 5.359 million tons of CO_2, recorded under Intangible assets and their consumption (amortization) is carried out based on the volume of CO_2 produced by the financed vehicles, recorded under Other administrative expenses - Amortization. The accounting practices adopted by the Institution for the recognition and measurement of carbon credits that are acquired and the liability corresponding to the commitment to offset carbon emissions are described in explanatory notes 4q and 4v, respectively.

In the following table, the accounting effects of the historical record and income are demonstrated:

	03.31.2022	12.31.2021
Assets	**21.827**	**23.187**
Intangible assets (Note 19a)	**21.827**	**23.187**
Carbon credits - Cost amount	27.573	27.573
Carbon credits - Accumulated amortization	(5.746)	(4.386)
Liabilities		
Other liabilities (Note 22)	**488**	**428**
Compensation of CO_2 emissions by vehicles financed by banco BV	488	428

(Amounts in thousands of Reais, unless other wise indicated)

	01.01 to 03.31.2022	01.01 to 03.31.2021
Income		
Depreciation and amortization expenses	**(1.360)**	**-**
Amortization	(1.360)	-
Other operating incomes (Note 30)	**(60)**	**357**
Provision for compensation expenses for CO_2 emissions by vehicles financed by banco BV	(60)	357
Total expenses incurred	**(1.420)**	**357**

Since 2020, the banco BV has been offsetting its greenhouse gas (GHG) emissions, which became a public commitment in 2021. The commitment is to offset 100% of direct GHG emissions annually.

c) Social

Faced with the pandemic caused by COVID-19, Banco BV supported vulnerable families and contributed to the improvement of hospital infrastructure, whose management is supported by Fundação Banco do Brasil and Instituto Votorantim. Banco BV also supports various social projects incentivized.

38. OTHER INFORMATION

a) Commitments undertaken due to funding from international financial institutions

The Conglomerate is a borrower of short-term loans with international financial institutions, which in certain cases may require maintenance of financial ratios (financial covenants). When required, financial ratios are calculated based on accounting information, prepared in accordance with Brazilian legislation and Bacen standards. As of March 31, 2022 and December 31, 2021, the Conglomerate did not have operations with these characteristics.

b) Information about branches abroad

	03.31.2022	12.31.2021
Current and non-current assets	**6.909.508**	**7.979.096**
Banco Votorantim S.A. – Nassau Branch	6.909.508	7.979.096
Total assets	**6.909.508**	**7.979.096**
Current and non-current liability	**(5.382.647)**	**(6.185.903)**
Banco Votorantim S.A. – Nassau Branch	(5.382.647)	(6.185.903)
Shareholder's equality	**(1.526.861)**	**(1.793.193)**
Banco Votorantim S.A. – Nassau Branch	(1.526.861)	(1.793.193)
Total liabilities	**(6.909.508)**	**(7.979.096)**

	01.01 to 03.31.2022	01.01 to 03.31.2021
Income	**47.845**	**67.057**
Banco Votorantim S.A. – Nassau Branch (1)	47.845	67.057

(1) Includes exchange variation.

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	03.31.2022		12.31.2021	
	Covered values	Insurance premium	Covered values	Insurance premium
Insurance Guarantee - Guarantee for legal proceedings	1.370.711	8.876	1.374.444	8.411
Real estate insurance for properties in use of relevant third parties	122.700	31	122.700	31
Cybersecurity insurance	100.000	2.318	100.000	2.318

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 counter party, and in which the maturity dates of receivables and payables can be advanced to the date in event of default by one of the parties occurs or in case of the bankruptcy of the debtor.

(Amounts in thousands of Reais, unless other wise indicated)

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

	Liabilities		Shareholder's equity		
	Subordinated debts	Dividends	Capital	Capital and income reserves [1]	Total
Balance in 12.31.2021	**3.588.447**	**595.000**	**8.130.372**	**3.318.960**	**15.632.779**
Changes with cash effect	**(103.661)**	**-**	**-**	**-**	**(103.661)**
Liquidation	(108.988)	-	-	-	(108.988)
Taxes	5.327	-	-	-	5.327
Changes with no cash effect	**(165.467)**	**144.067**	**-**	**-**	**(21.400)**
Interest expenses	87.343	-	-	-	87.343
Exchange rate variation	(252.810)	-	-	-	(252.810)
Interest over income paid [2]	-	144.067	-	-	144.067
Balance in 03.31.2022	**3.319.319**	**739.067**	**8.130.372**	**3.318.960**	**15.507.718**

	Liabilities		Shareholder's equity		
	Subordinated debts	Dividends	Capital	Capital and income reserves [1]	Total
Balance in 12.31.2020	**3.693.126**	**72.709**	**8.130.372**	**2.455.122**	**14.351.329**
Changes with cash effect	**(243.087)**	**(44.200)**	**-**	**-**	**(287.287)**
Dividends and interest on equity paid [2]	-	(44.200)	-	-	(44.200)
Liquidation	(371.902)	-	-	-	(371.902)
Resources from new funding	122.065	-	-	-	122.065
Taxes	6.750	-	-	-	6.750
Changes with no cash effect	**222.975**	**-**	**-**	**-**	**222.975**
Interest expenses	72.795	-	-	-	72.795
Exchange rate variation	150.180	-	-	-	150.180
Balance in 03.31.2021	**3.673.014**	**28.509**	**8.130.372**	**2.455.122**	**14.287.017**

[1] Does not include profit for the period recorded in unappropriated retained earnings.
[2] Net value of taxes.

f) Assets under management

Position of investment funds managed by BV Distribuidora de Títulos e Valores Mobiliários Ltda. [1]:

	Quantity of funds/portfolios		Balance	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
Investment funds and portfolios managed accounts	201	210	49.067.984	52.340.574

[1] On September 30, 2021, the amendment of the registered name of Votorantim Asset DTVM to BV DTVM was approved.

39. SUBSEQUENT EVENTS

a) Payment of interest on equity

On April 13, 2022, interest on equity was paid to shareholders in the net amount of R$ 245,000, in relation to the results for the year ended December 31, 2021.

b) Assignments without recourse

During the month of April 2022, Banco BV carried out credit assignments without recourse with substantial retention of risks and benefits with a subsidiary in the amount of R$ 1.881.495.

c) Increase in capital

On April 29, 2022, the Annual and Extraordinary Shareholders' Meeting approved the increase in the share capital of Banco Votorantim SA in the amount of R$ 350,000, through the recapitalization of interest on equity payable calculated based on the year ended on 31 December 2021. The capital stock increases from R$ 8,130,372 to R$ 8,480,372, through the issuance of 95,539,646 new shares, of which 61,718,611 are common shares and 33,821,035 are preferred shares, all nominative, book-entry and without par value, at the issue price of R$ 3.663400624 per share.

THE BOARD

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