

# Earnings presentation

2<sup>nd</sup> Quarter  2023

# Strategy Highlights

2<sup>nd</sup> Quarter / 2023

# We continue with efficient risk management and a strengthened balance sheet, supporting the bank's strategic advances

## Recurring Net Income

**2Q23**  
**R\$ 284 mln**

▲ 1.0%  
2Q23 vs 1Q23  
▼ 30.9%  
2Q23 vs 2Q22

222	388	412	282
2Q20	2Q21	2Q22	1Q23

(in R\$ million)

## Recurring ROE

**2Q23**  
**9.0%**

–  
in line with 1Q23  
▼ 4.9 p.p.  
2Q23 vs 2Q22

8.7	13.9	13.9	9.0
2Q20	2Q21	2Q22	1Q23

(in %)

## Credit Portfolio<sup>1</sup>

**2Q23**  
**R\$ 84.8 bn**

▲ 0.5%  
2Q23 vs 1Q23  
▲ 10.7%  
2Q23 vs 2Q22

68.8	73.2	76.6	84.4
2Q20	2Q21	2Q22	1Q23

(in R\$ billion)

## Coverage Ratio

**2Q23**  
**154%**

▼ 8.3%  
2Q23 vs 1Q23  
▼ 48.9%  
2Q23 vs 2Q22

183	242	203	162
2Q20	2Q21	2Q22	1Q23

(in %)

## NPL 90-days

**2Q23**  
**5.4%**

▲ 0.2 p.p.  
2Q23 vs 1Q23  
▲ 1.1 p.p.  
2Q23 vs 2Q22

5.2	3.5	4.3	5.2
2Q20	2Q21	2Q22	1Q23

(in %)

## Basel Ratio

**2Q23**  
**14.7%**

▲ 0.5 p.p.  
2Q23 vs 1Q23  
▼ 2.4 p.p.  
2Q23 vs 2Q22

14.4	15.2	17.1	14.2
2Q20	2Q21	2Q22	1Q23

(in %)

# Resilience in the core business, important advances in the portfolio diversification agenda and customer relationship

## Large, Growing Corporate and Financial Institutions

**2Q23**  
**R\$ 25.5 bn**

▲ 0.2% vs 1Q23    ▲ 8.5% vs 2Q22

## Auto Finance

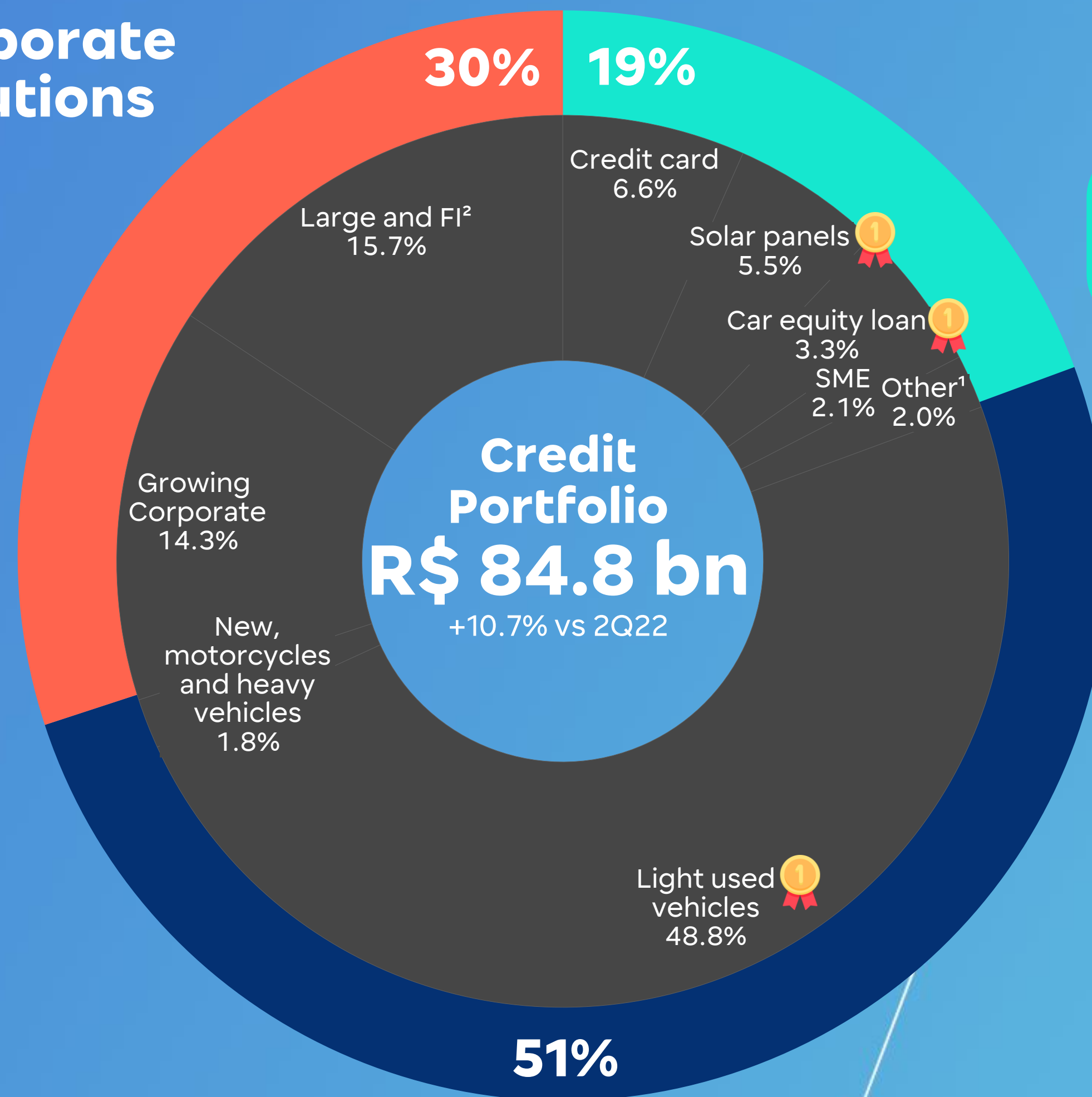
**2Q23**  
**R\$ 42.9 bn**

▲ 2.2% vs 1Q23    ▲ 6.7% vs 2Q22

## Growth

**2Q23**  
**R\$ 16.4 bn**

▼ 3.4% vs 1Q23  
▲ 26.9% vs 2Q22



### Credit Card

**2Q23**  
**R\$ 5.6 bn**

▼ 3.3% vs 1Q23    ▲ 9.9% vs 2Q22

### Solar Panel

**2Q23**  
**R\$ 4.6 bn**

▼ 1.3% vs 1Q23    ▲ 27.5% vs 2Q22

### Car Equity Loan

**2Q23**  
**R\$ 2.8 bn**

▲ 17.4% vs 1Q23    ▲ 81.7% vs 2Q22

### SME

**2Q23**  
**R\$ 1.8 bn**

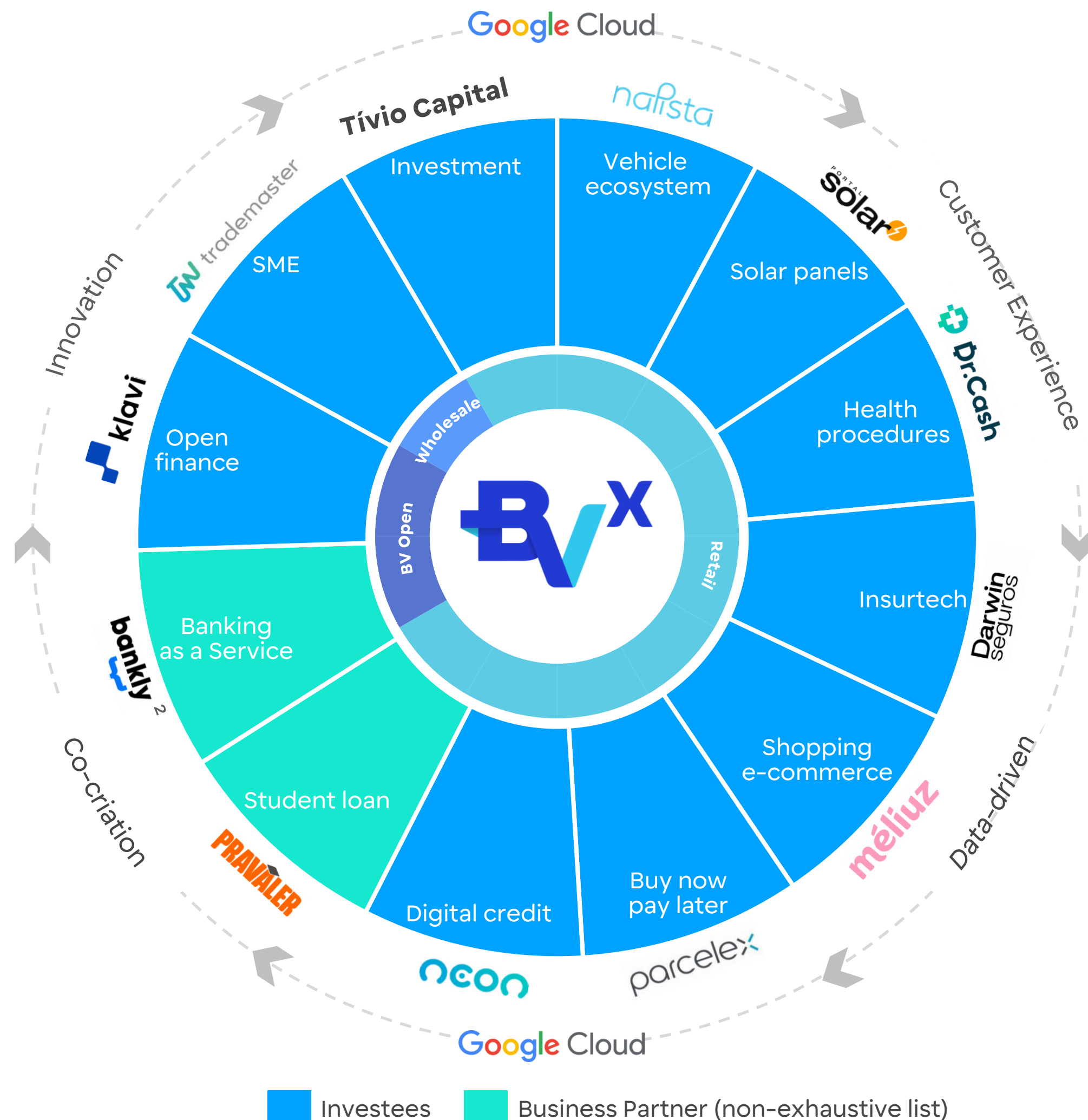
▼ 23.4% vs 1Q23    ▲ 39.7% vs 2Q22

■ Growth   ■ Auto Finance   ■ Large, Corporate and Financials Institutions



# BVx: BV's innovation ecosystem and digital partnerships

## Building a Complete Ecosystem



## Méliuz's Partnership

### Important advances in the 1<sup>st</sup> semester:

- **Account integration:** all new accounts opened are already BV's account
- **Credit Cards:** we surpassed the mark of 8,000 credit cards issued

## BV Open Platform

**# 112 million** transactions<sup>1</sup> performed on our BaaS platform in 1H23

**+ 100 partners** connected on the platform and using our APIs solutions

1 - Includes registration and payment of bank slips, TED and Pix; 2 - The acquisition of Bankly depends on conditions precedent as per the Notice to the Market disclosed on 12/30/2022

# Strengthening our Digital Bank and seeking customer engagement and satisfaction supported by the ESG agenda

## BV Digital Bank

**4.8 million** individual customer

**64%** of customers are banking clients<sup>1</sup>

**R\$ 17.1 bn** Total Payment Volume<sup>2</sup>  
▲ 27,8% 1H23 vs 1H22

## Satisfaction and Customer Experience

*Brand Finance Brasil*  
Ranking of the 100 **most valuable brands** in Brazil

Consumidor.GOV **best score** by customers among the largest banks

**77** Customer Service NPS<sup>3</sup>  
**76** Collection NPS<sup>3</sup>

## Environmental, Social and Governance

**2.9 million** tonnes of CO2 offset<sup>4</sup>

**Rappi Partnership** to facilitate the acquisition of electric motorcycles for couriers

**R\$ 18.3 bn** financed and distributed to ESG businesses in Brazil<sup>5</sup>

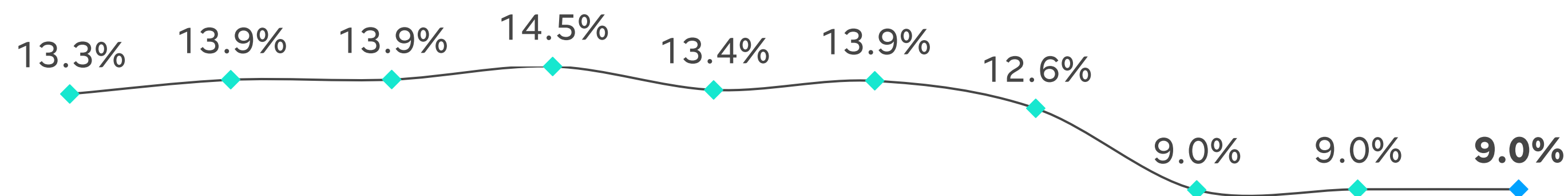
# Results Analysis

2<sup>nd</sup> Quarter / 2023

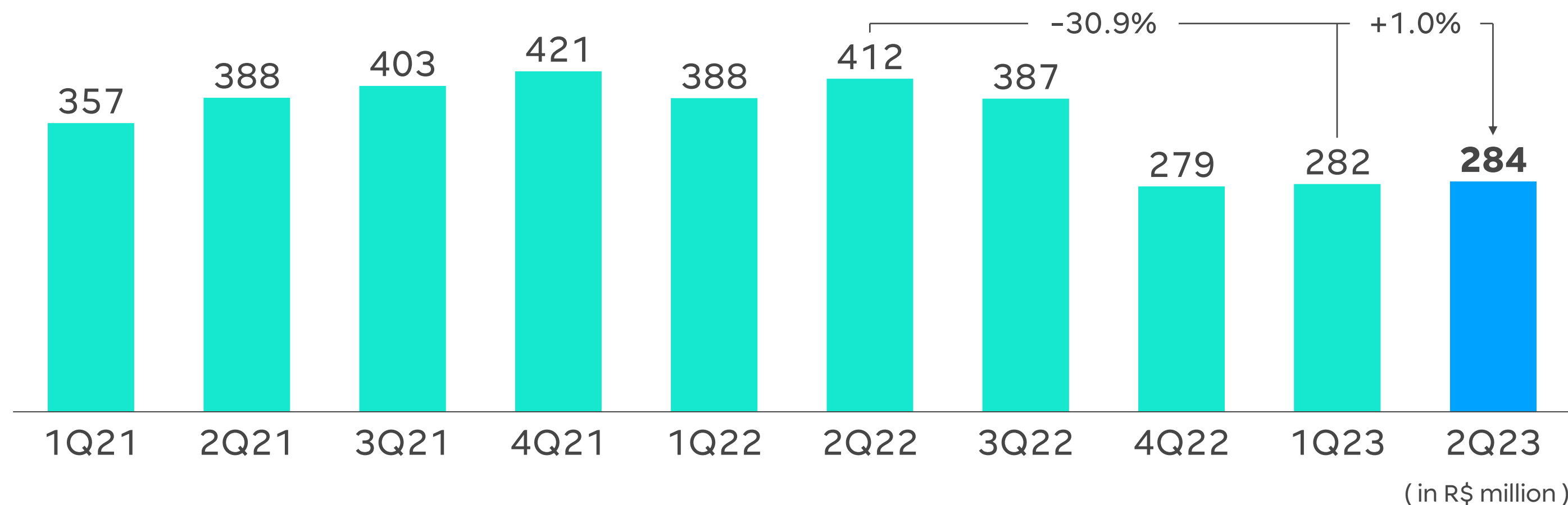
# Net income grew 1.0% compared to 1Q23, to R\$ 284 million

Results in 2023 are still pressured by adverse economic conditions, especially due to the high commitment of families' income, with an impact on the cost of risk

**Recurring ROE**  
**9.0%**



**Recurring Net Income**  
**R\$ 284 million**



**NIM<sup>1</sup> Clients**  
**9.7%**



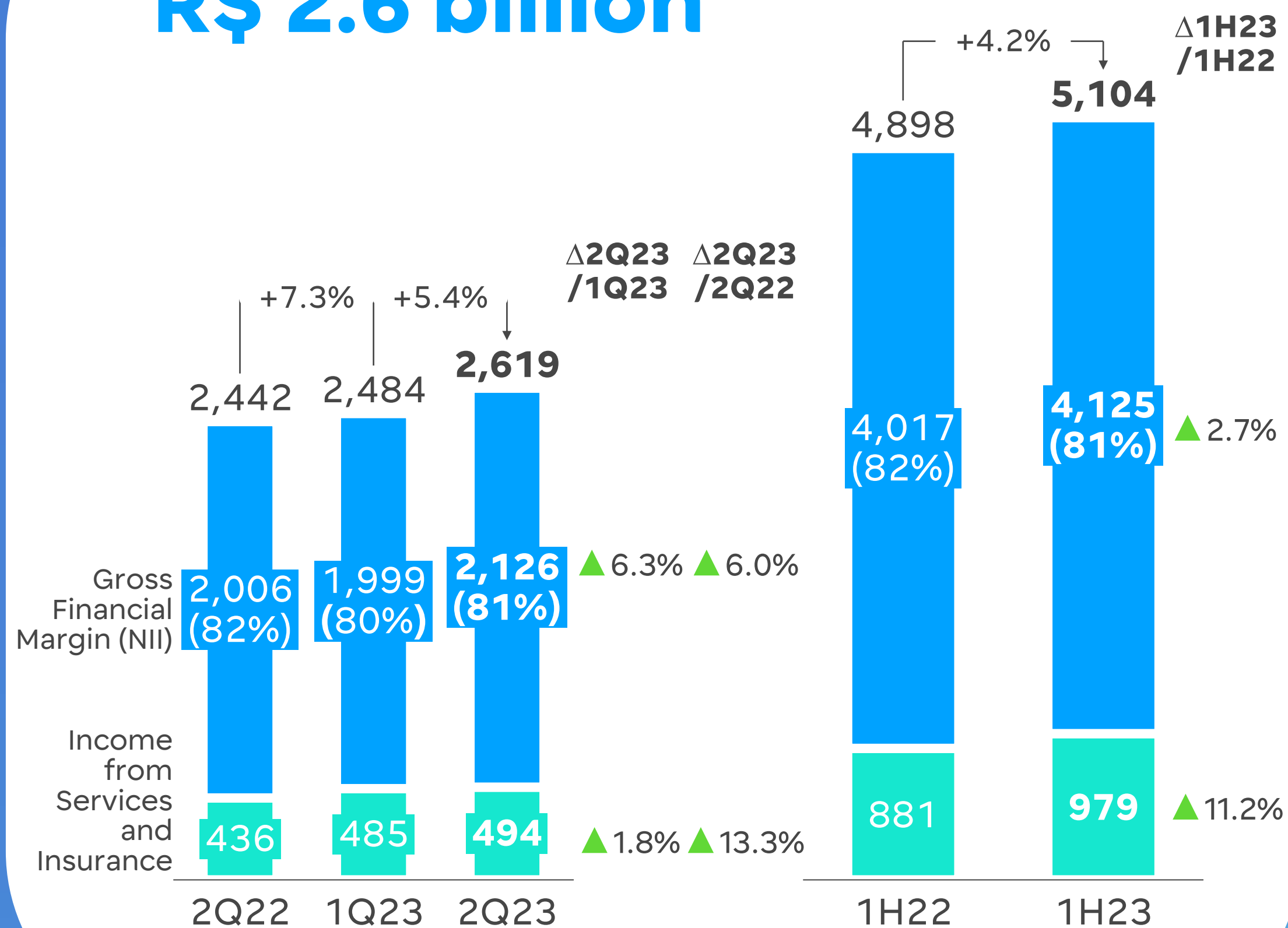
1 - Net Interest Margin: Net Interest Margin: Ratio between gross financial margin with Clients and average spread-sensitive assets. In 1Q23, we made an adjustment to the NIM calculation methodology with a marginal impact on the historical NIM



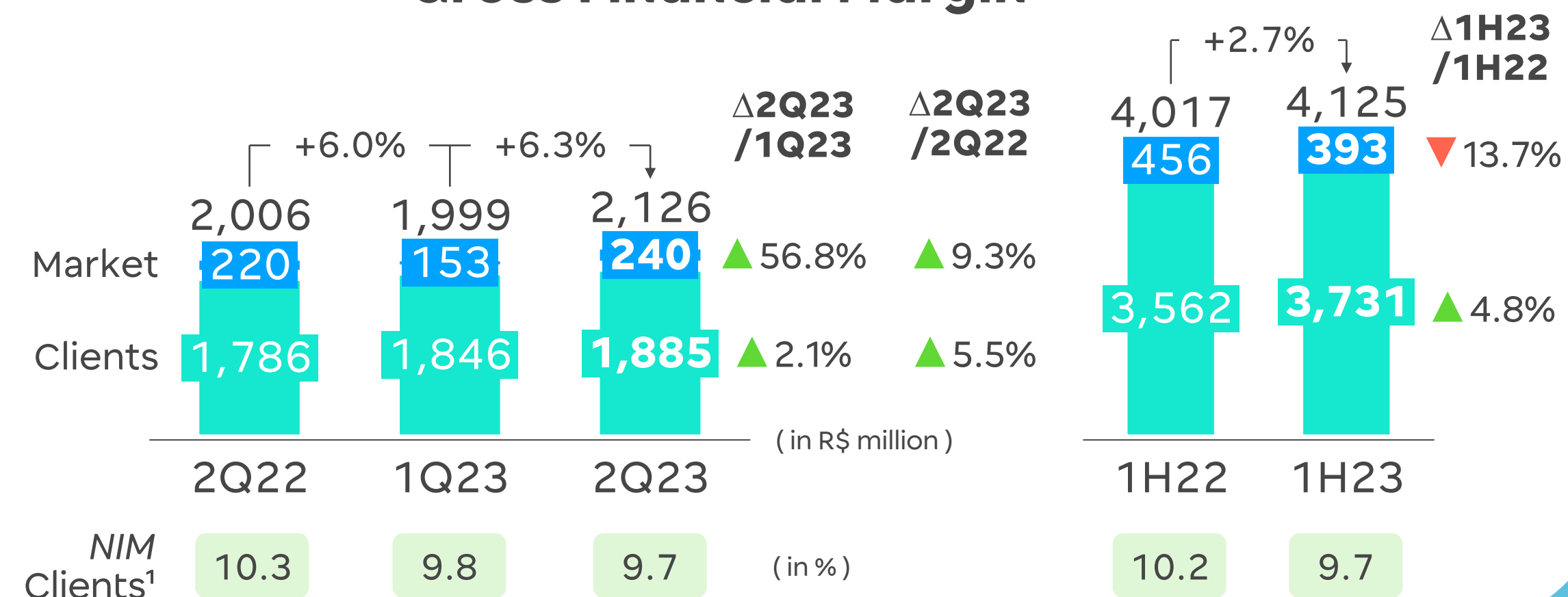
# Resilience in revenue generation, which recorded R\$ 2.6 billion

We recorded growth in the financial margin and service revenues both in the quarter and in the year. Performance reflects portfolio growth, with emphasis on the improvement in auto finance origination

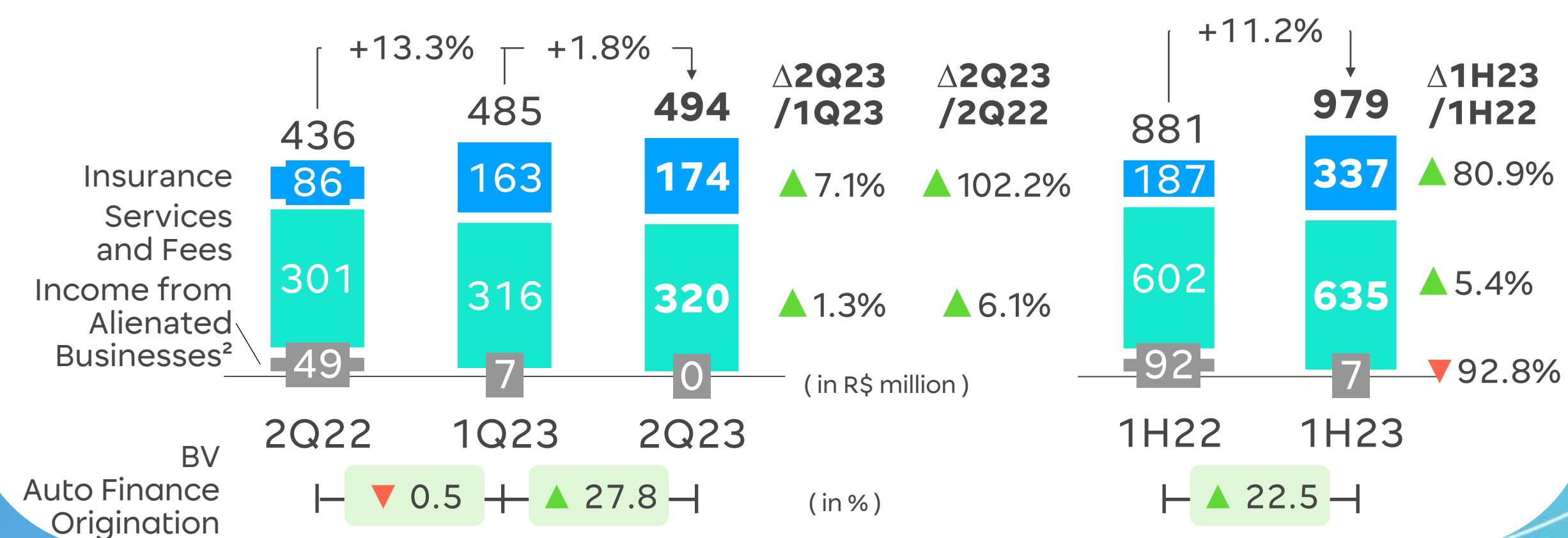
## Total Revenue R\$ 2.6 billion



## Gross Financial Margin



## Income from Services and Insurance Brokerage

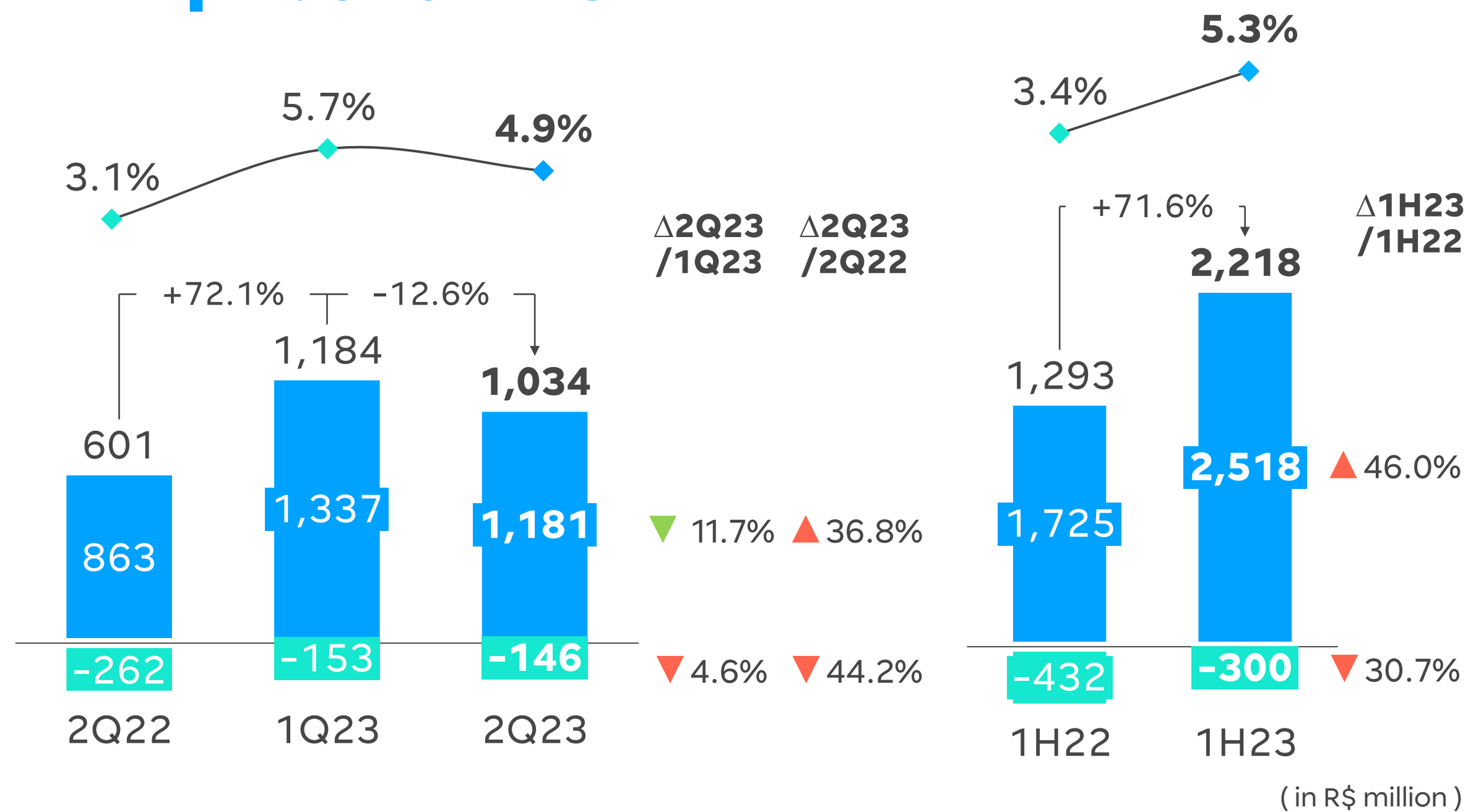


1 - Net Interest Margin: Quotient between the gross financial margin with Customers and average assets sensitive to spreads. In 1Q23, we made an adjustment to the NIM calculation methodology with a marginal impact on the historical NIM; 2 - In Dec/22 we sold 100% of the subsidiary Promotiva and in Feb/23 we concluded the partial sale of Wealth, in the context of the partnership announced with Bradesco.

# Cost of risk fell 12.6% in the quarter, with the macro scenario still under pressure

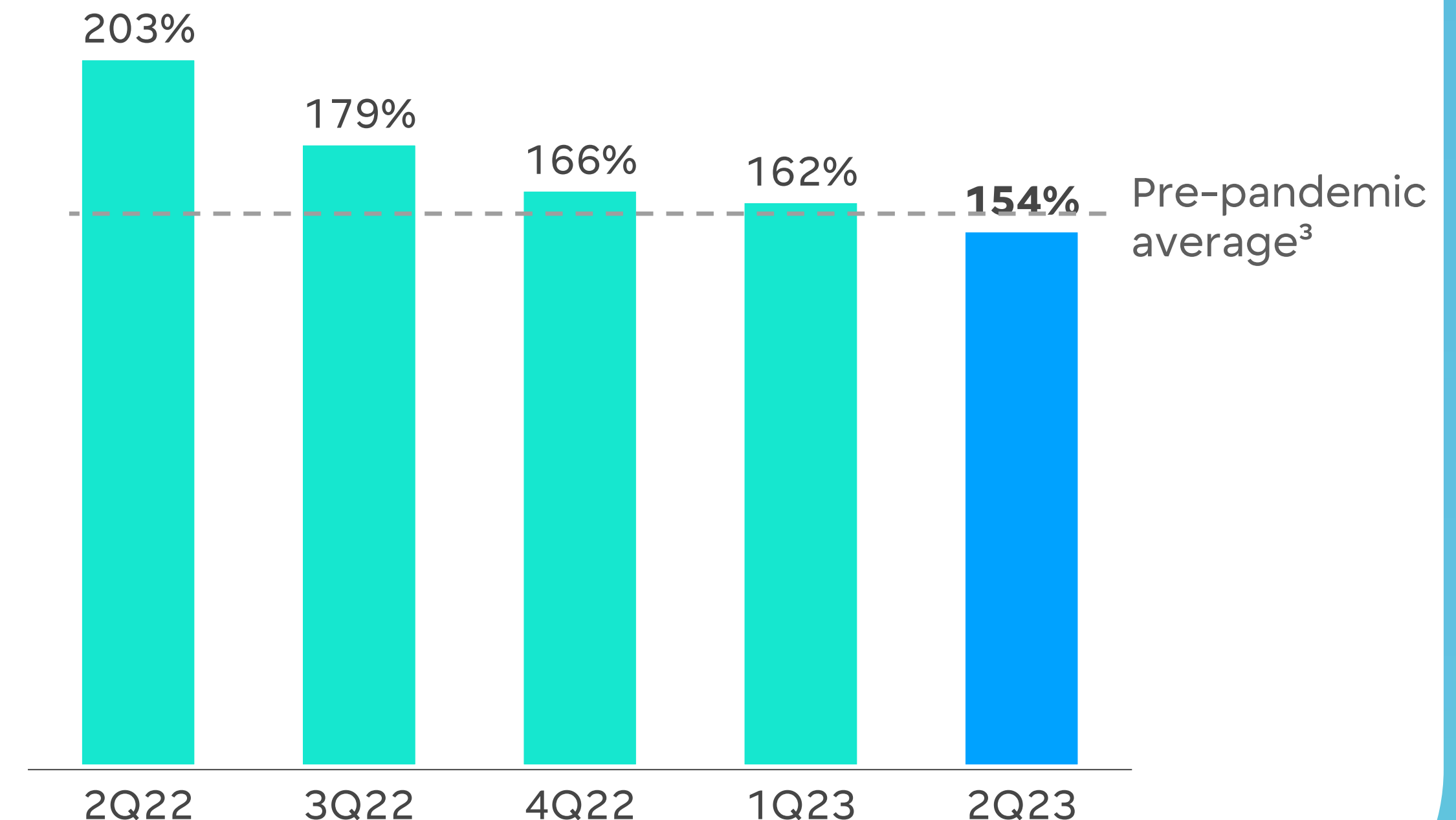
In the year, the cost of risk rose 72% with retail default indicators still under pressure, mainly impacted by the high level of household debt

## Cost of Risk R\$ 1.0 billion



- Provision for losses, guarantees, discounts granted and impairments
- Revenue from credit recovery
- ◆ Cost of Risk / Credit Portfolio<sup>1</sup>

## Coverage Ratio 90-days<sup>2</sup> 154%

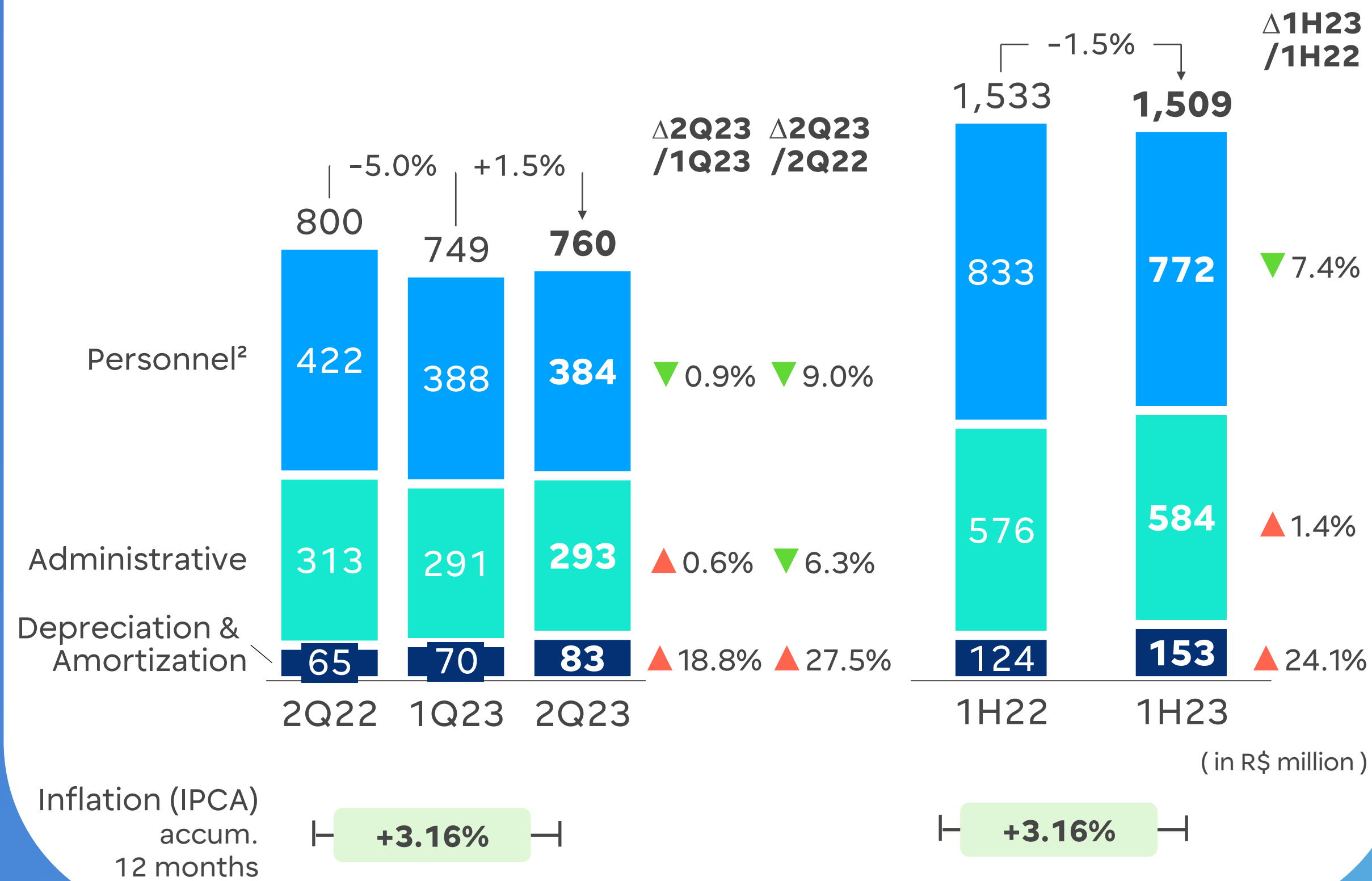


1. Calculation performed on the expanded portfolio; 2. Ratio between the provision balance and the balance of credit operations overdue for more than 90 days; includes provisions for guarantees provided; 3. Average 2015 to 2019.

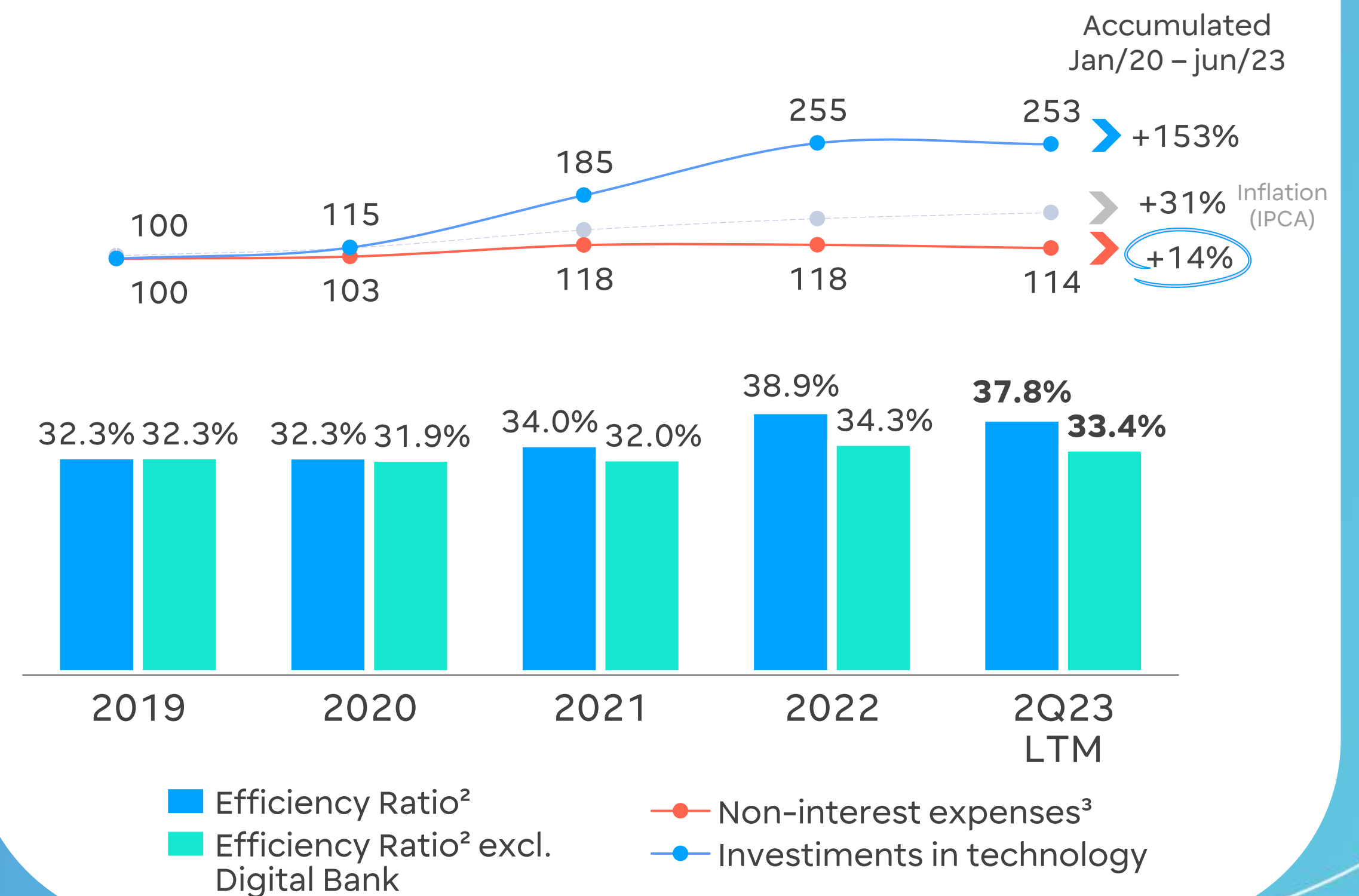
# Personnel and administrative expenses fell vs 2Q22 and vs 1H22, with an improvement in the Efficiency Ratio

We continue with the structuring investment agenda aimed at continuing to modernize our technological platform, digital bank, as well as the growth and diversification of business

## Personnel and Administrative Expenses R\$ 760 million



## Investments in technology enabled an efficiency rate better than the market average

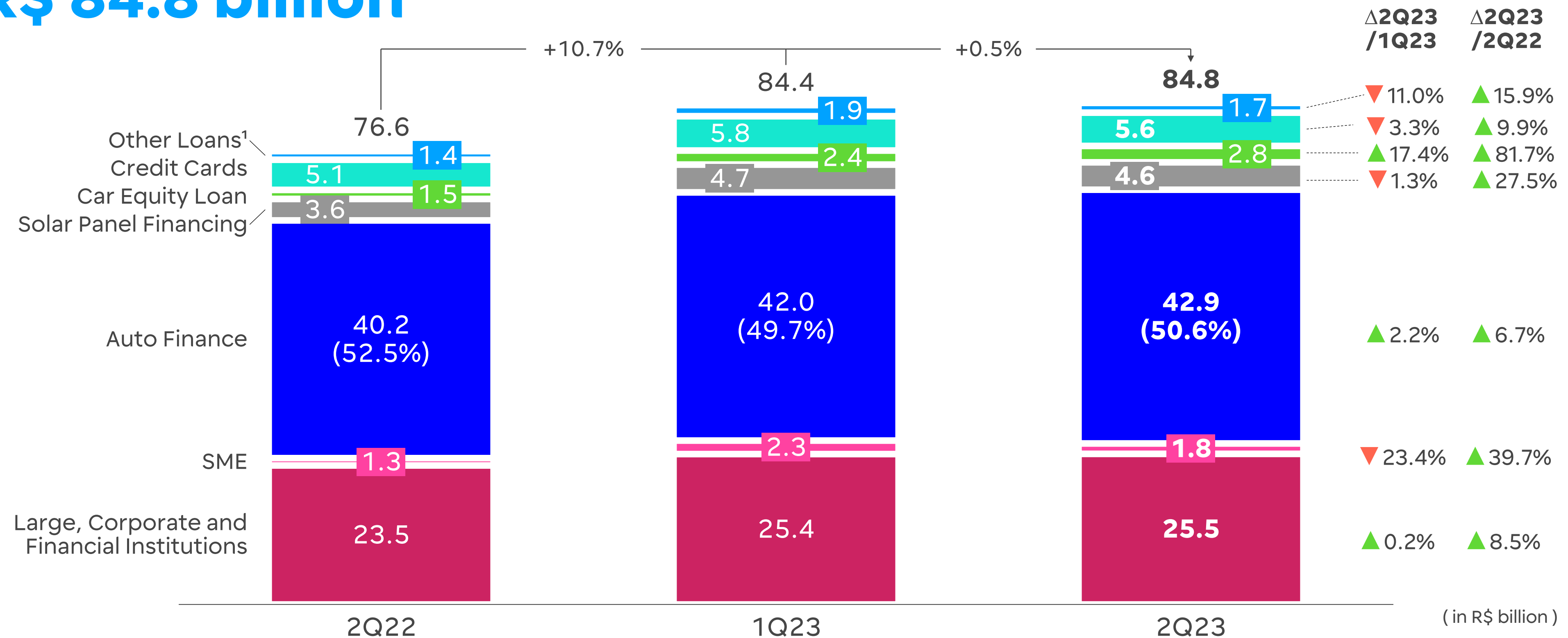




# Loan portfolio grew 10.7% vs 2Q22, with leadership in used vehicles and advances in the diversification agenda

Challenging macro scenario has demanded greater selectivity in the concession, so we continue to prioritize products with warranty such as vehicles, solar panels and car equity loan

## Expanded Credit Portfolio R\$ 84.8 billion



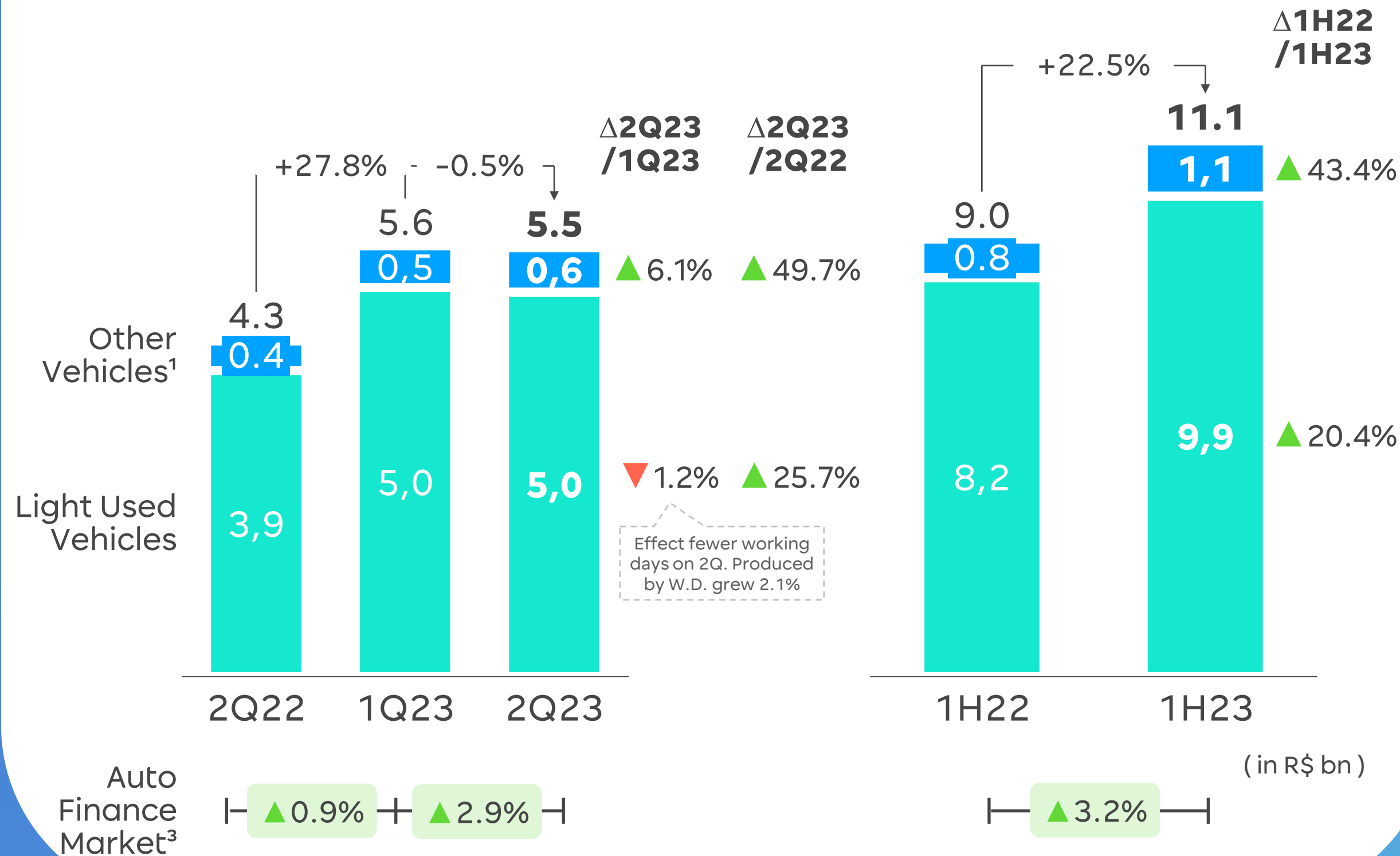
1 - Portfolio consisting of FGTS loan, health financing, private payroll loans, personal loans.



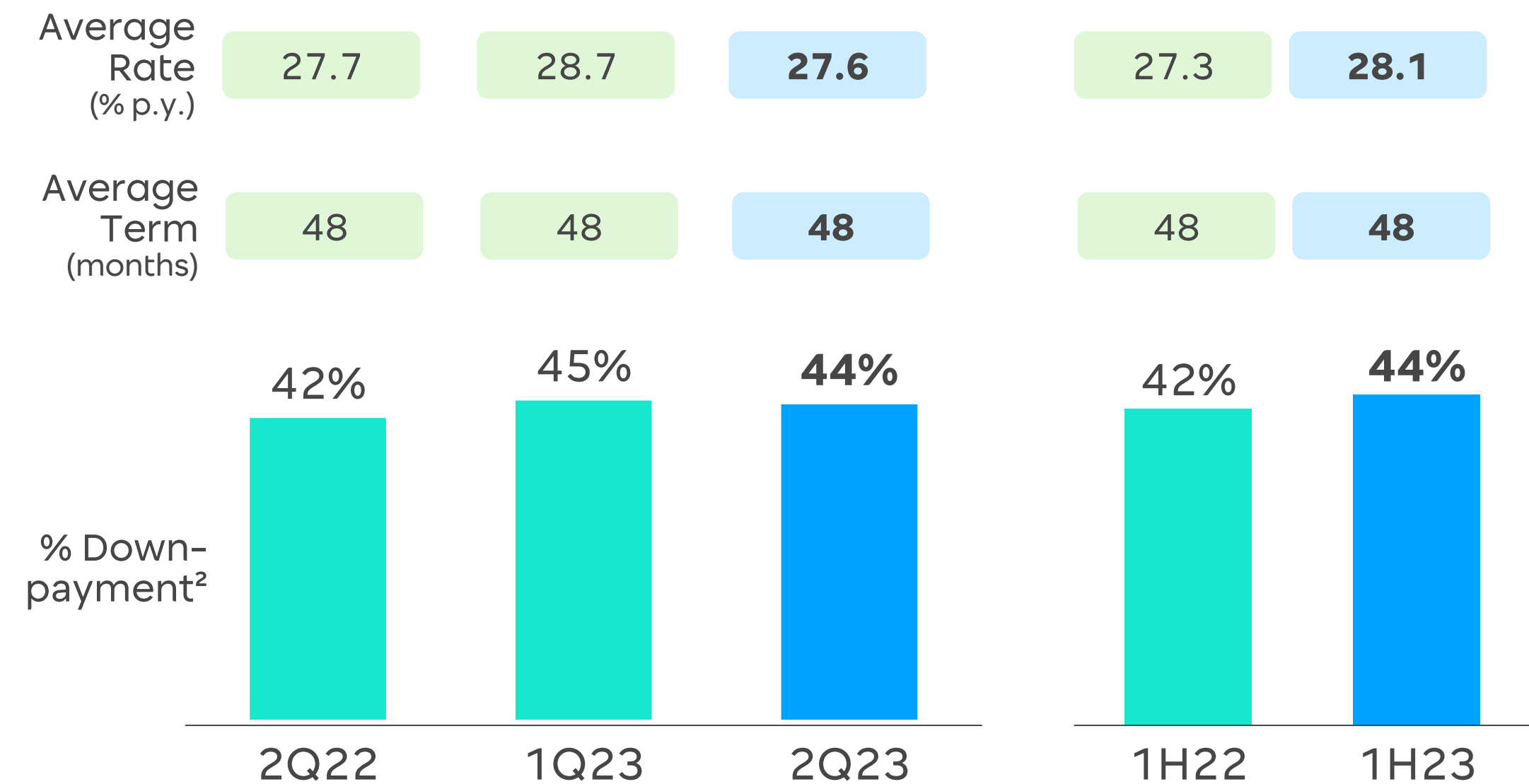
# Resumption in vehicle financing origination levels, with expansion of 27.8% vs 2Q22 and 22.5% vs 1H22

Growth reflects greater rationality observed in the market, and consequent resumption of our historic leadership in the used light vehicle segment

## Auto Finance Origination R\$ 5.5 bn in 2Q23



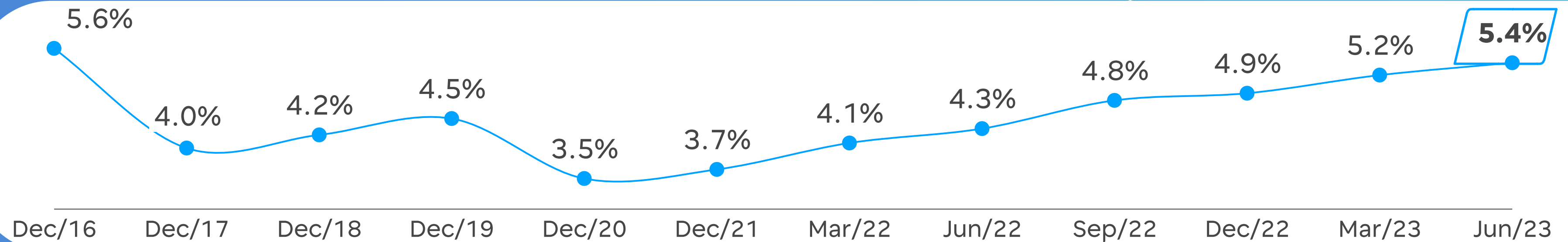
## 44% Average Downpayment Average Term 48 months



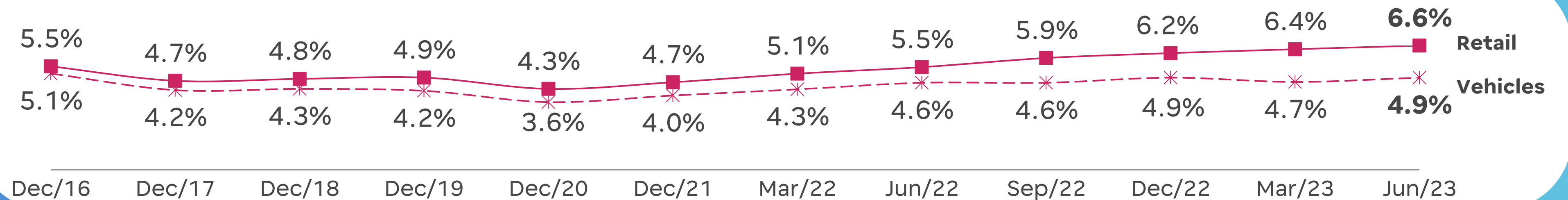
# NPL ratio showed a quarterly variation of 0.2 p.p., to 5.4%

Retail portfolio still pressured, mainly by the product mix effect as a reflection of the growth initiatives. Wholesale portfolio remains at a historically low level

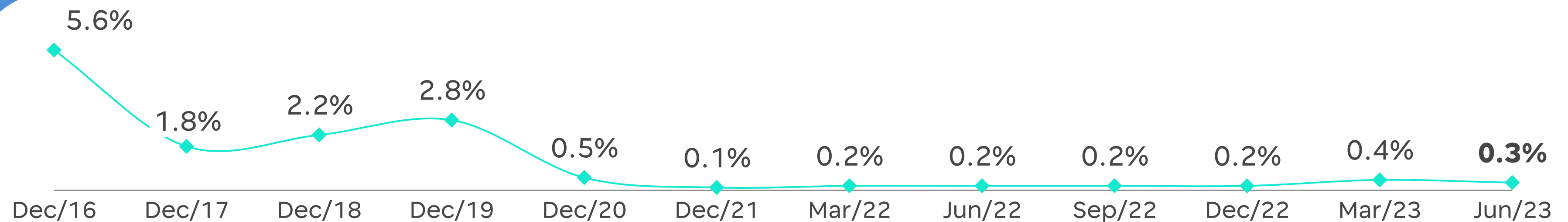
## Total NPL-90 days



## Retail NPL-90 days

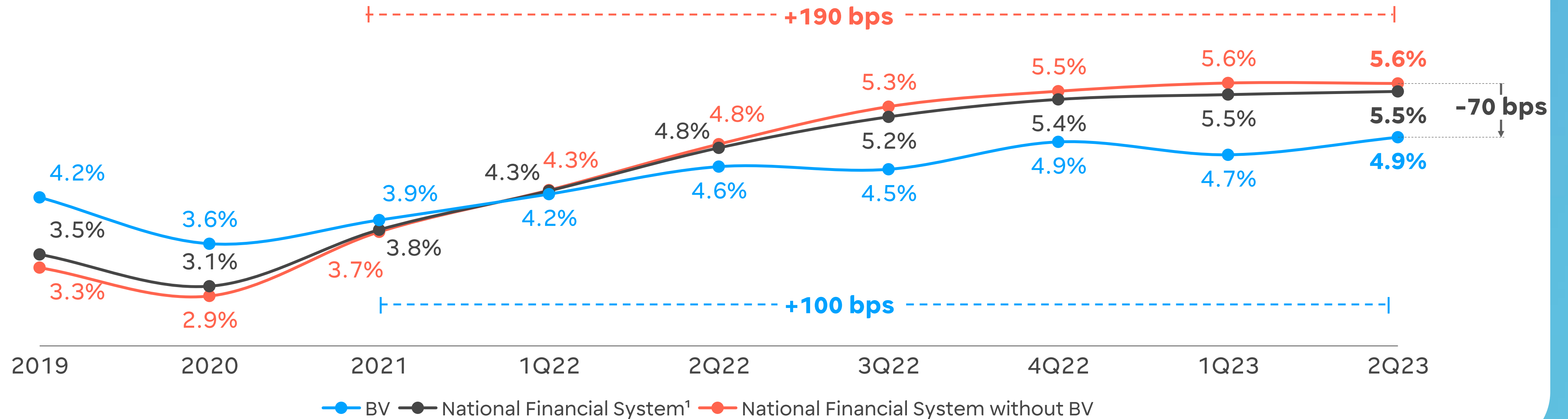


## Wholesale NPL-90 days

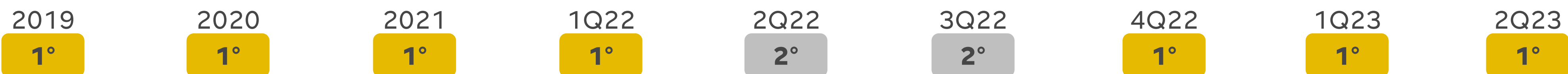


# Proven resilience in core business during adverse macroeconomic conditions

## NPL-90 days vehicles: **BV vs Market**



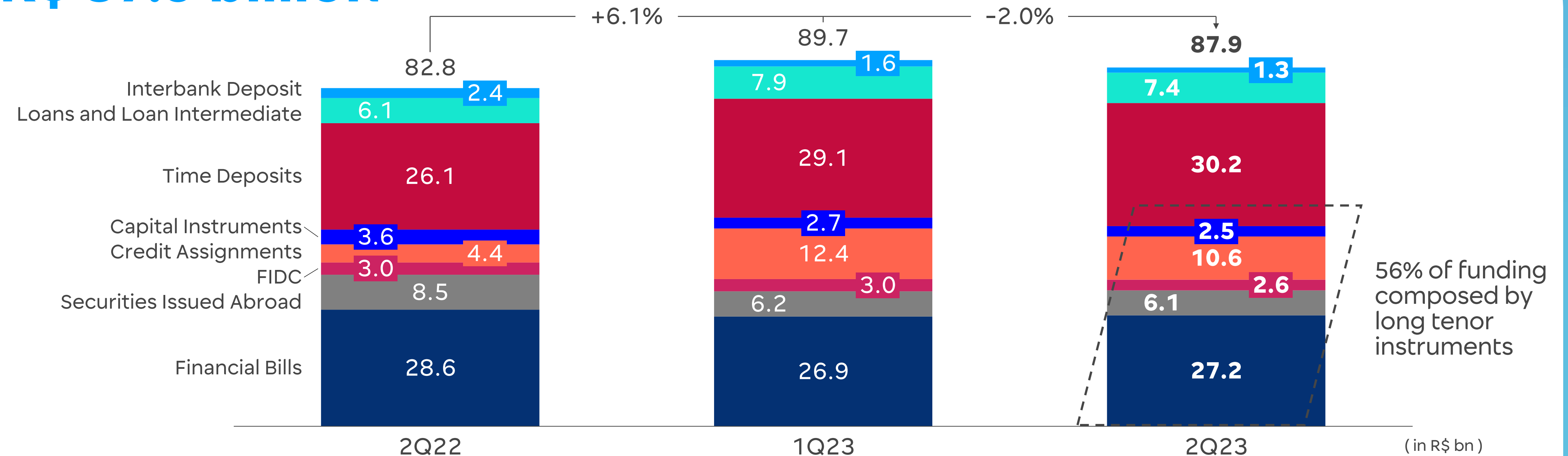
## Market Share auto finance: **Leadership in used vehicles<sup>2</sup>**



# Diversified funding base and robust liquidity

LCR (Liquidity Coverage Ratio<sup>1</sup>) ended 2Q23 at 182%, well above the regulatory minimum required by Central Bank (100%)

## Total Funding R\$ 87.9 billion



High Quality Liquidity Assets HQLA  
(in R\$ bn)

14.7

14.4

13.6

Liquidity Coverage Ratio (LCR)<sup>1</sup>

216%

155%

182%

100% regulatory minimum

% of Funding raised via digital platforms/Total

8.7%

8.1%

8.5%



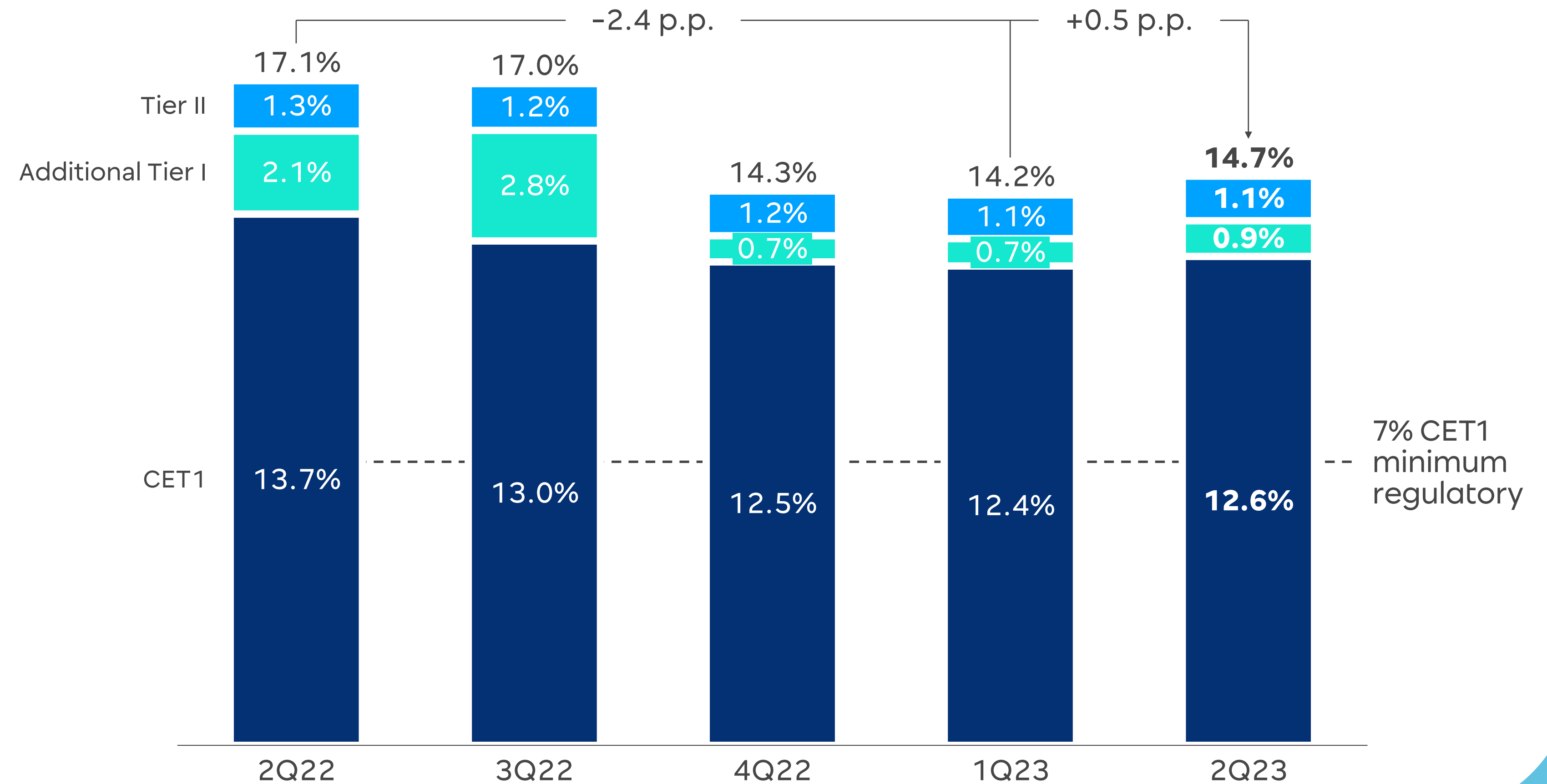
# Efficient capital management with robust Basel Ratio

Basel Ratio ended 2Q23 at 14.7%, with CET1 at 12.6%. Decrease in the Basel Ratio vs 2Q22 mainly reflects the repurchase of the perpetual bond, carried out in Dec/22, which made up the entirety of Complementary Tier I Capital

**Basel Ratio**  
**14.7%**

**CET1**  
**12.6%**

**Tier II**  
**1.1%**



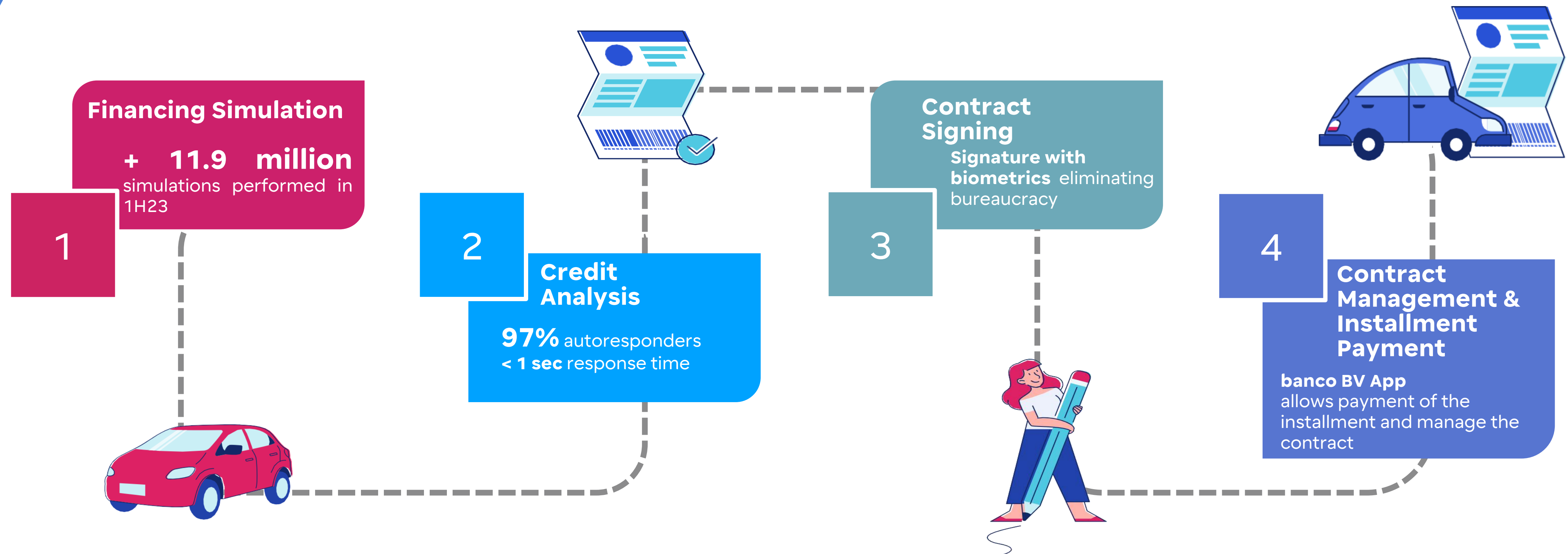
Note: 1 - At the end of 2Q23, the minimum regulatory capital requirement was 10.5% Basel Ratio, 8.5% Tier I Capital and 7.0% CET1. 2 - 2Q22 figures have been updated due to a post-closing Basel reprocessing.

# Appendix

2<sup>nd</sup> Quarter / 2023

# Core business digitization

Our vehicle financing treadmill is 100% digital. In addition to our own digital channels (BV website and Meu Carro Novo portal), we have partners such as: SoCarrão and Karvi



# ESG – Our five 2030 Public Commitments

In May 2021, we announced the “BV Pact for a lighter future”, where we made five public commitments on ESG actions to be achieved by 2030. These commitments are in line with the UN Sustainable Development Goals

## 01 Neutralize our environmental impact



1. To compensate **100%** of **CO<sub>2</sub>** emissions in our **main business**, the used auto finance
2. To compensate **100%** of direct **GHG<sup>1</sup>** emissions by BV

## 02 Accelerate social inclusion



3. To reach **50%** of leadership positions held by people who identify with the **female gender**
4. To ensure the participation of **35%** of **afro-descendants** in the BV's workforce

## 03 Mobilize resources to foster sustainable business



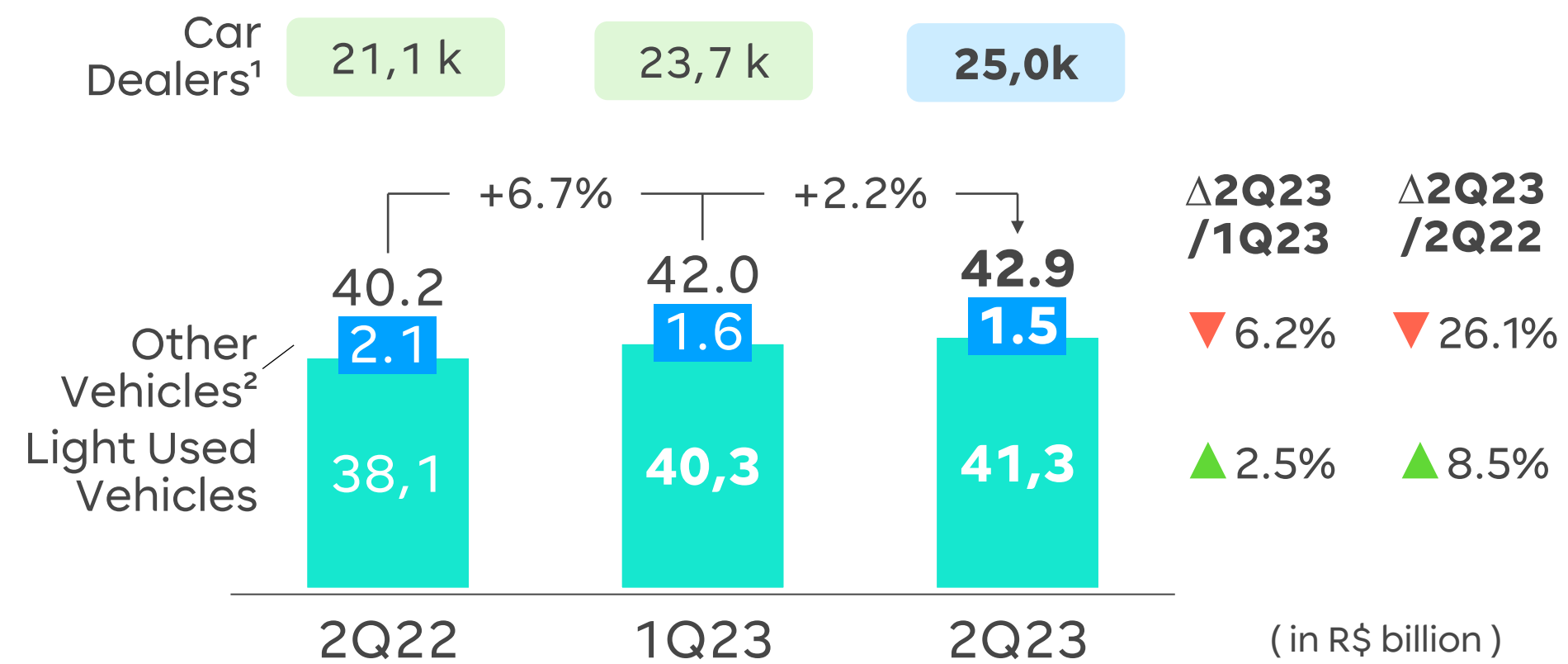
5. To finance and distribute in the capital market **R\$ 80 billion** for **ESG initiatives**

1 – Greenhouse gases



# Retail: Leading position in auto finance and one of the largest insurance brokerages

## Auto Finance Credit Portfolio of R\$ 42.9 billion



### Main BV's competitive advantages

**Expertise**  
continuous improvement, utilization of data science and innovation

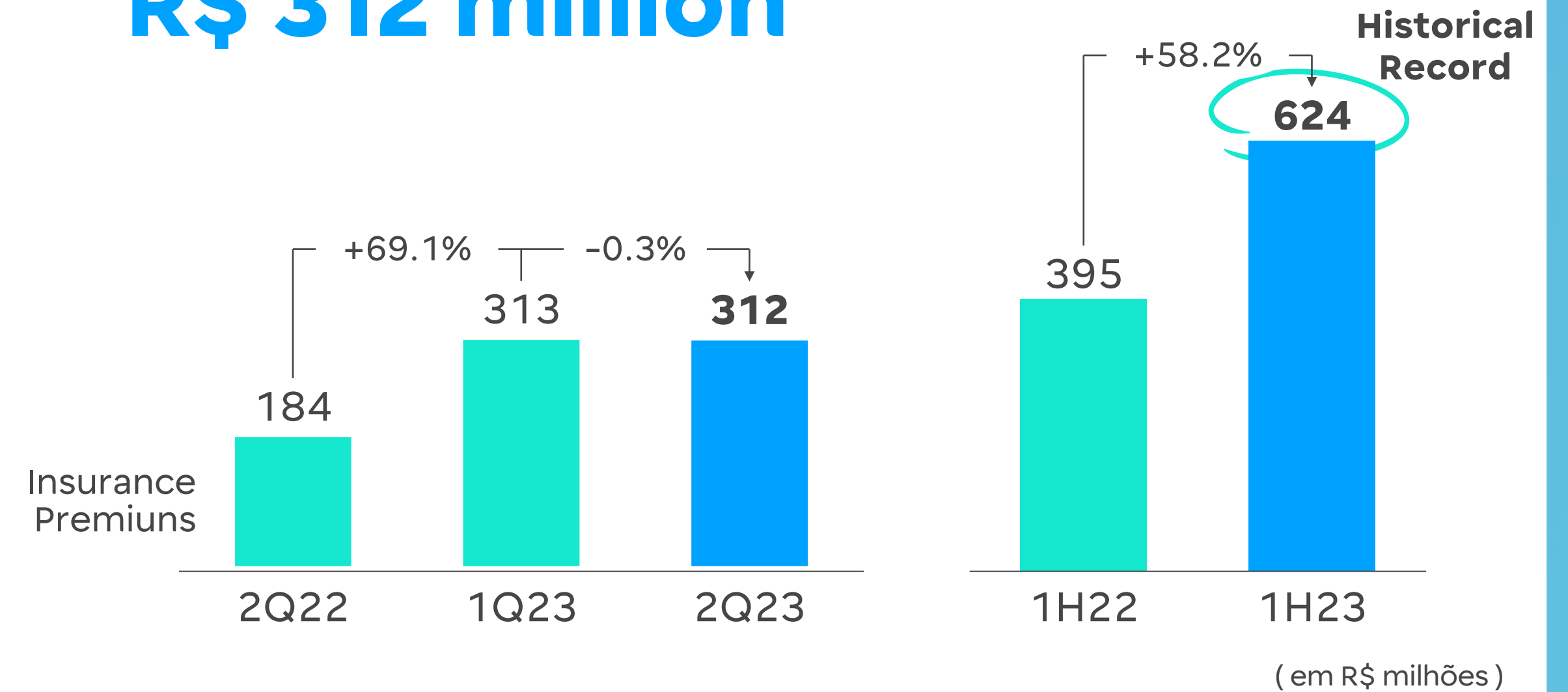
**Agility**  
97% automatic credit analysis

**Digital Transformation**  
digitization of the end-to-end financing treadmill

**Capilarity**  
+25,000 car dealers throughout the country

**Digital Origination Partners**  
Meu Carro Novo, SoCarrão and Karvi

## Insurance Brokerage Insurance premiums totaled R\$ 312 million



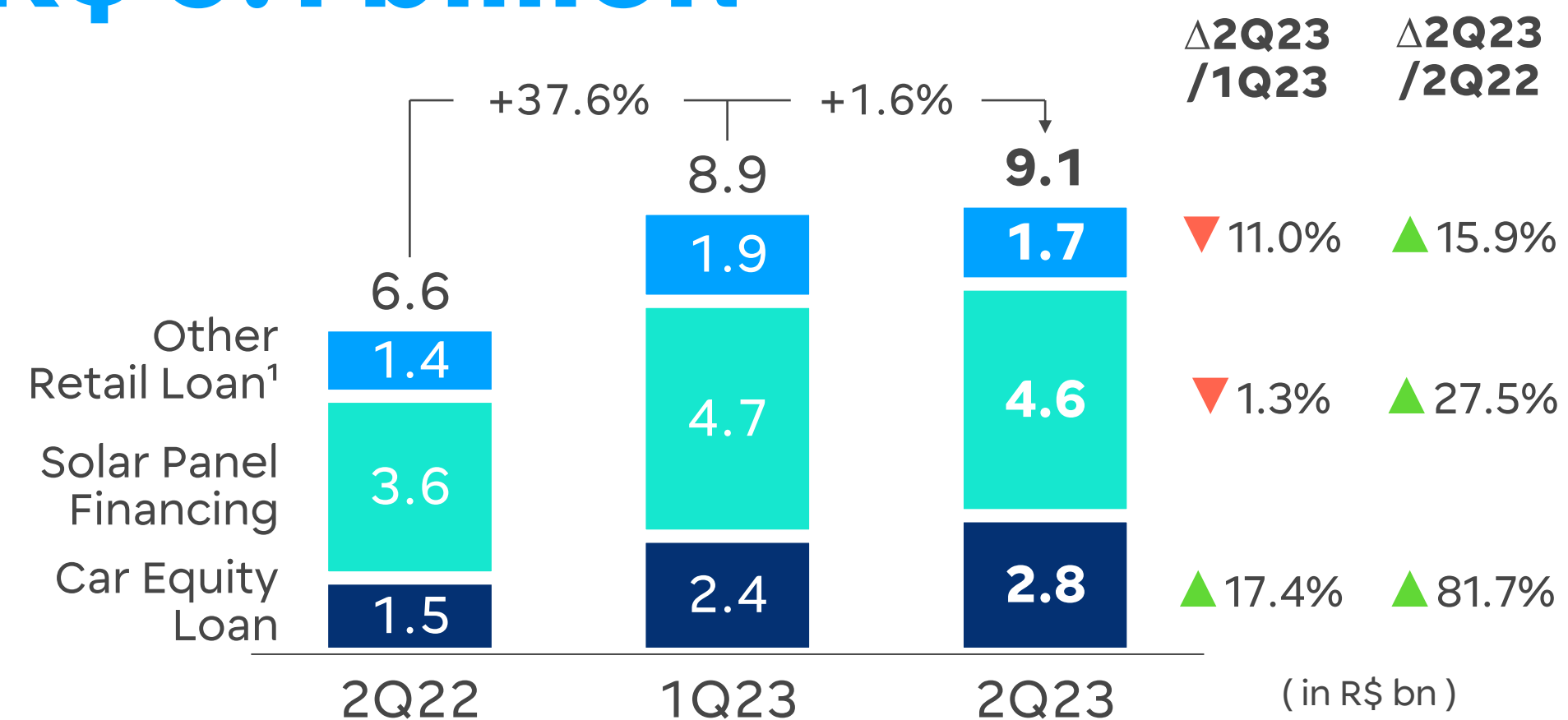
We are **one of the largest insurance brokers in Brazil**, with options ranging from **complete auto insurance, credit protection, residential, life and personal accidents, even assistance for pets and funerals**, in partnership with the main insurance companies operating in the country

**Partnership with over 10 largest insurance companies operating in Brazil**

1 - Active dealers in the last 6 months; 2 - New light vehicles,, motorcycles and heavy vehicles.

# Other loans and Credit Card: cross-sell leveraging on the auto customer base

## Loans Credit Portfolio of R\$ 9.1 billion



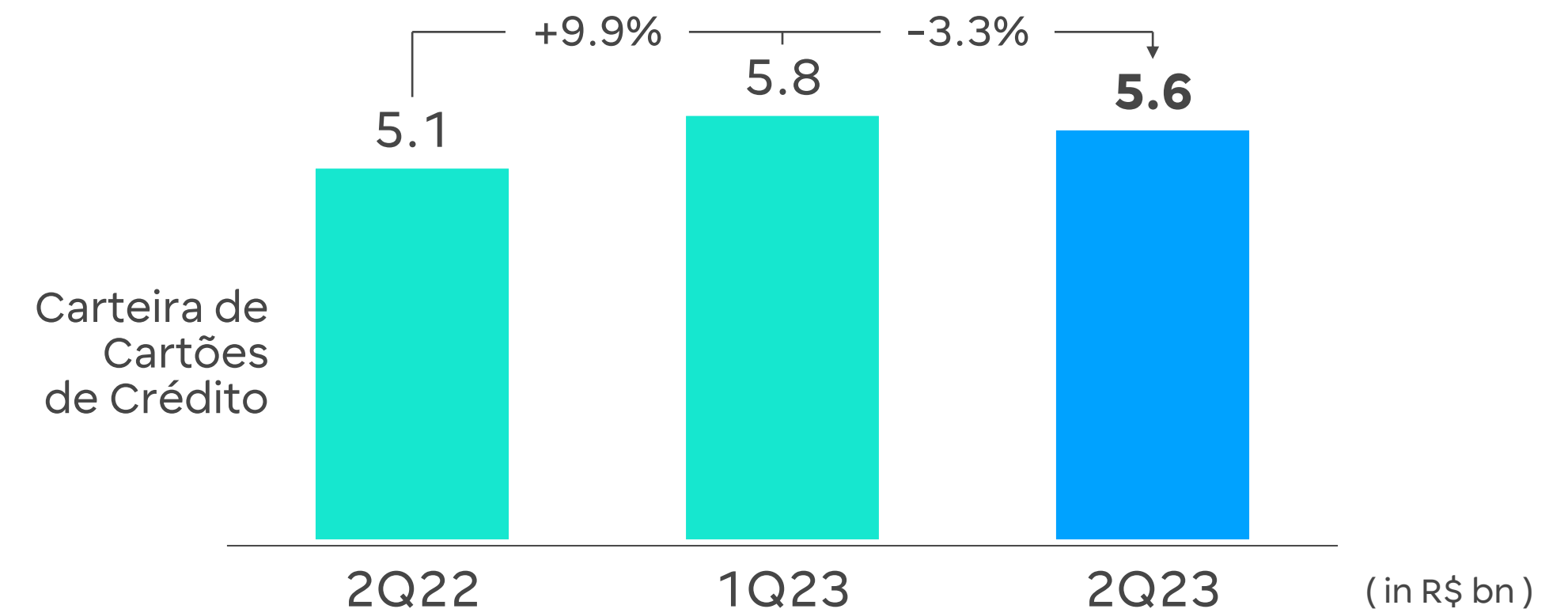
**BV works with prominent partners in the segments of:**

**Solar Panel Financing:** Partnership with *Portal Solar e Meu Financiamento Solar* (BV's own platform)

**Financing of Medical and Dental Procedures:** Partnership with *Dr. Cash*, network with more than 3,000 associated clinics

**Student Loan:** Partnership with *PraValer*

## Credit Cards Credit Portfolio of R\$ 5.6 billion



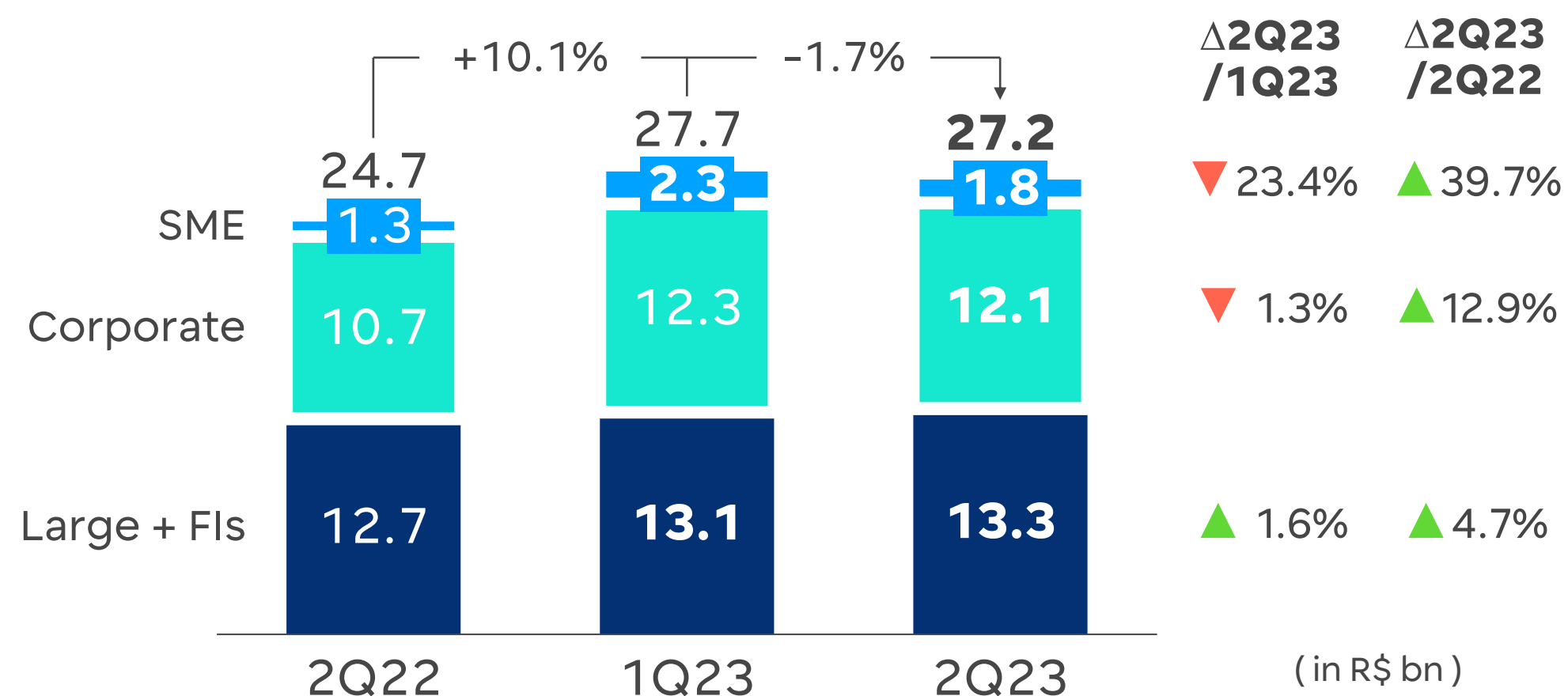
**BV offers several credit card options such as Mastercard, Visa and Elo**

- Expansion also through **new partnerships**
- Differentiated benefit:** loyalty program, cashback, annuity discount and vehicle assistance
- Cards app integrated** with **digital account** and **vehicle financing services**
- Credit Cards Portfolio:** BV Livre, BV Mais and BV Único

1 - Includes: personal loans, private payroll loans, student loans, medical procedures and FGTS credit

# Wholesale: Focus on expanding in Corporate and SME segments

## Expanded Portfolio of R\$ 27.2 billion



### Large Corporate (annual revenue above R\$ 1.5 billion) + Financial Institutions (FIs)

- **Strategy:** Opportunistic approach, leveraging products where we have a recognized competitive advantage, such as local DCM (capital markets), cash, exchange

### Corporate (annual revenue from R\$ 300 million up to R\$ 1.5 billion)

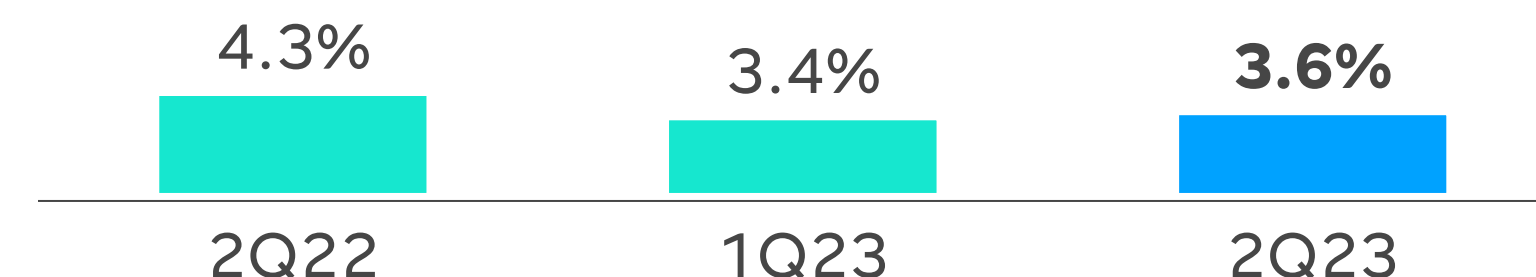
- **Strategy:** Portfolio growth

### SME (Small and Medium Enterprises)

- **Strategy:** prepayment of receivables through (i) penetration into the value chain of our CIB customers and (ii) partnership with fintechs

Wide range of products such as cash management, financial structuring, guarantees (guarantees), working capital, hedging, FX, capital markets and M&A

## 10 Largest Customers represent 3.6% of the Total Credit Portfolio



## Wholesale: Exposure by sector

Sector	2Q22		2Q23	
	R\$ million	Part.(%)	R\$ million	Part.(%)
Financial Institution	3,617	15%	4,770	18%
Industry	1,972	8%	2,174	8%
Agroindustry / Agrochemicals	1,377	6%	1,937	7%
Project Finance	1,157	5%	1,780	7%
SME	1,253	5%	1,751	6%
Construction	1,952	8%	1,528	6%
Cooperatives	1,204	5%	1,500	6%
Retail Business	1,047	4%	1,252	5%
Sugar and Ethanol	1,498	6%	1,249	5%
Telecommunications	861	3%	1,014	4%
Vehicle assemblers / Dealers	551	2%	954	4%
Oil & Gas	1,198	5%	740	3%
Rentals	1,065	4%	681	3%
Services	377	2%	592	2%
Sanitation	294	1%	418	2%
Electric Power	928	4%	415	2%
Mining	302	1%	411	2%
Health	347	1%	259	1%
Pharmaceutical	268	1%	160	1%
Other	3,454	14%	3,618	13%
<b>Total</b>	<b>24,721</b>	<b>100%</b>	<b>27,207</b>	<b>100%</b>



# Balance Sheet

## Assets

(in R\$ million)

	2Q22	1Q23	2Q23
<b>Cash and cash equivalents</b>	<b>2,811</b>	<b>1,328</b>	<b>1,663</b>
<b>Financial assets</b>	<b>108,573</b>	<b>120,661</b>	<b>125,435</b>
Interbank funds applied	3,921	2,594	1,496
Securities and derivative financial instruments	34,646	42,909	45,713
Derivative financial instruments	4,272	2,909	4,756
Interbank accounts or relations	1,677	2,567	2,279
Loan Portfolio	66,084	71,710	72,016
Allowance for loan losses	(5,576)	(5,843)	(5,785)
Other financial assets	3,549	3,814	4,959
<b>Non-financial assets held for sale</b>	<b>222</b>	<b>225</b>	<b>220</b>
<b>Tax assets</b>	<b>8,262</b>	<b>8,187</b>	<b>8,471</b>
<b>Investments in subsidiaries, associates and joint ventures</b>	<b>203</b>	<b>254</b>	<b>256</b>
<b>Property for use</b>	<b>94</b>	<b>82</b>	<b>75</b>
<b>Intangible assets</b>	<b>856</b>	<b>1,096</b>	<b>1,180</b>
<b>Other assets</b>	<b>915</b>	<b>1,128</b>	<b>1,119</b>
<b>TOTAL ASSETS</b>	<b>121,936</b>	<b>132,961</b>	<b>138,418</b>

## Liabilities

(in R\$ million)

	2Q22	1Q23	2Q23
<b>Financial liabilities</b>	<b>103,720</b>	<b>115,552</b>	<b>121,417</b>
Deposits	23,421	24,115	23,738
Money market repurchase commitments	16,074	20,061	24,810
Securities issued	40,891	37,969	38,450
Interbank accounts	3,113	3,269	3,146
Borrowings and domestic onlendings	6,132	7,892	7,442
Derivative financial instruments	2,779	3,684	5,971
Subordinated debts and debt instruments eligible as capital	3,639	2,657	2,523
Other financial liabilities	7,670	15,904	15,337
<b>Tax liabilities</b>	<b>872</b>	<b>281</b>	<b>453</b>
<b>Provisions for contingencies</b>	<b>709</b>	<b>591</b>	<b>567</b>
<b>Other liabilities</b>	<b>1,861</b>	<b>2,387</b>	<b>2,208</b>
<b>SHAREHOLDER'S EQUITY</b>	<b>14,774</b>	<b>14,151</b>	<b>13,773</b>
Shareholders Equity	12,703	12,766	12,904
Minority shareholders <sup>1</sup>	2,071	1,385	869
<b>TOTAL LIABILITIES</b>	<b>121,936</b>	<b>132,961</b>	<b>138,418</b>

1 – Since 2022, the position of shares in controlled investment funds held by third parties is presented as a component of shareholders' equity. More details in Explanatory Note 3C.



# Managerial Income Statement

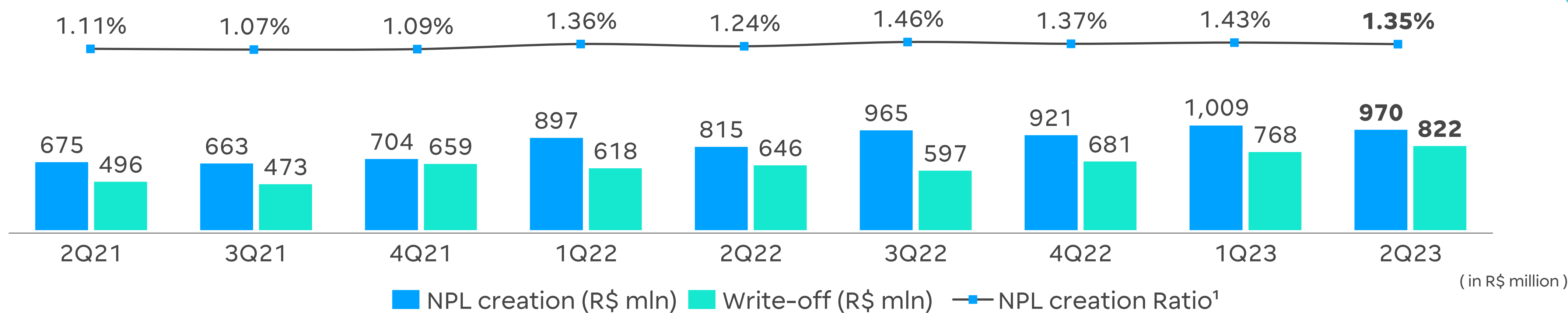
## Managerial Income Statement

(in R\$ million)

	2Q22	1Q23	2Q23	1H22	1H23	Variation %		
						2Q23/1Q23	2Q23/2Q22	1H22/1H23
<b>Total Revenue (i + ii)</b>	<b>2,442</b>	<b>2,484</b>	<b>2,619</b>	<b>4,898</b>	<b>5,104</b>	<b>5.4</b>	<b>7.3</b>	<b>4.2</b>
<b>Gross financial margin (i)</b>	<b>2,006</b>	<b>1,999</b>	<b>2,126</b>	<b>4,017</b>	<b>4,125</b>	<b>6.3</b>	<b>6.0</b>	<b>2.7</b>
Financial margin with clients	1,786	1,846	1,885	3,562	3,731	2.1	5.5	4.8
Financial margin with the market	220	153	240	456	393	56.8	9.3	-13.7
<b>Income from services and insurance brokerage (ii)</b>	<b>436</b>	<b>485</b>	<b>494</b>	<b>881</b>	<b>979</b>	<b>1.8</b>	<b>13.3</b>	<b>11.2</b>
<b>Cost of risk</b>	<b>(601)</b>	<b>(1,184)</b>	<b>(1,034)</b>	<b>(1,293)</b>	<b>(2,218)</b>	<b>-12.6</b>	<b>72.1</b>	<b>71.6</b>
<b>Operating expenses</b>	<b>(1,228)</b>	<b>(1,108)</b>	<b>(1,204)</b>	<b>(2,416)</b>	<b>(2,311)</b>	<b>8.7</b>	<b>-2.0</b>	<b>-4.3</b>
Personnel and administrative expenses	(800)	(749)	(760)	(1,533)	(1,509)	1.5	-5.0	-1.5
Tax expenses	(111)	(142)	(133)	(255)	(276)	-6.1	20.3	8.1
Other expenses (income)	(317)	(216)	(310)	(628)	(527)	43.3	-2.2	-16.2
<b>Result before taxes and contributions</b>	<b>613</b>	<b>193</b>	<b>381</b>	<b>1,190</b>	<b>574</b>	<b>97.6</b>	<b>-37.8</b>	<b>-51.7</b>
Income tax and social contribution	(130)	145	(61)	(261)	85	-141.7	-53.4	-132.5
Minority interests	(71)	(57)	(36)	(129)	(93)	-35.8	-48.8	-28.1
<b>Recurring Net Income</b>	<b>412</b>	<b>282</b>	<b>284</b>	<b>800</b>	<b>566</b>	<b>1.0</b>	<b>-30.9</b>	<b>-29.2</b>

# Asset Quality – NPL Creation

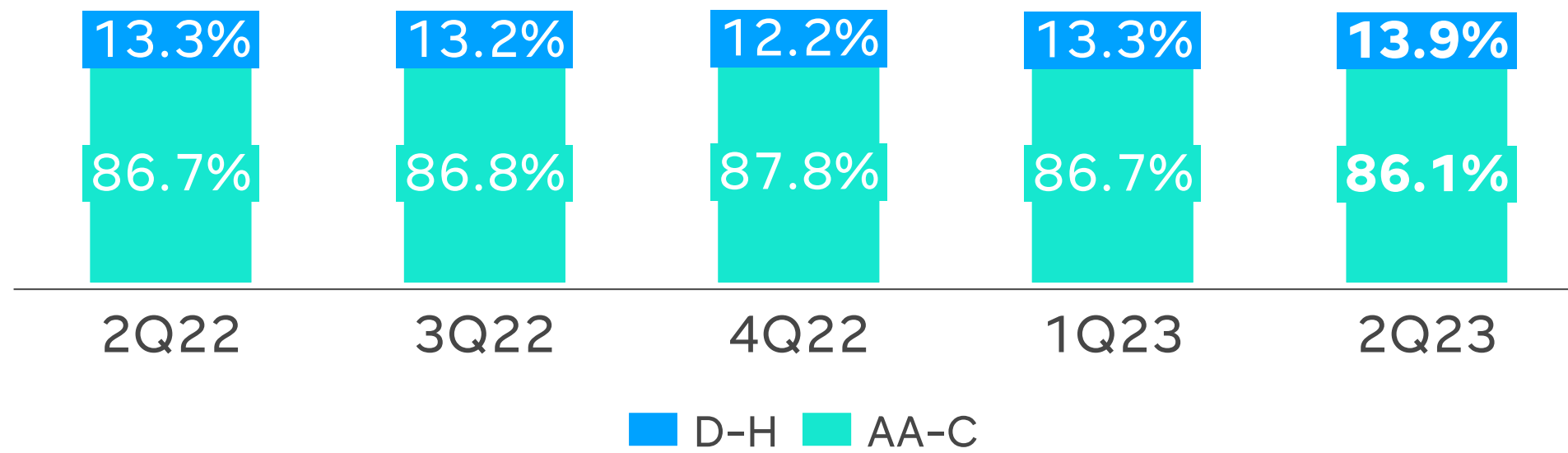
<b>NPL Creation</b> <i>(in R\$ million)</i>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>	<b>1Q22</b>	<b>2Q22</b>	<b>3Q22</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>
Classified Loan Portfolio (A)	62,164	64,336	65,715	65,688	66,084	67,379	70,318	71,710	<b>72,016</b>
90-day NPL Balance (NPL)	2,170	2,360	2,404	2,683	2,852	3,220	3,461	3,702	<b>3,849</b>
Quarterly NPL Variation (B)	180	190	45	278	169	368	241	241	<b>147</b>
Write-off (C)	496	473	659	618	646	597	681	768	<b>822</b>
NPL Creation (D=B+C)	675	663	704	897	815	965	921	1,009	<b>970</b>
NPL Creation Ratio <sup>1</sup> (D/A)	1.11%	1.07%	1.09%	1.36%	1.24%	1.46%	1.37%	1.43%	<b>1.35%</b>



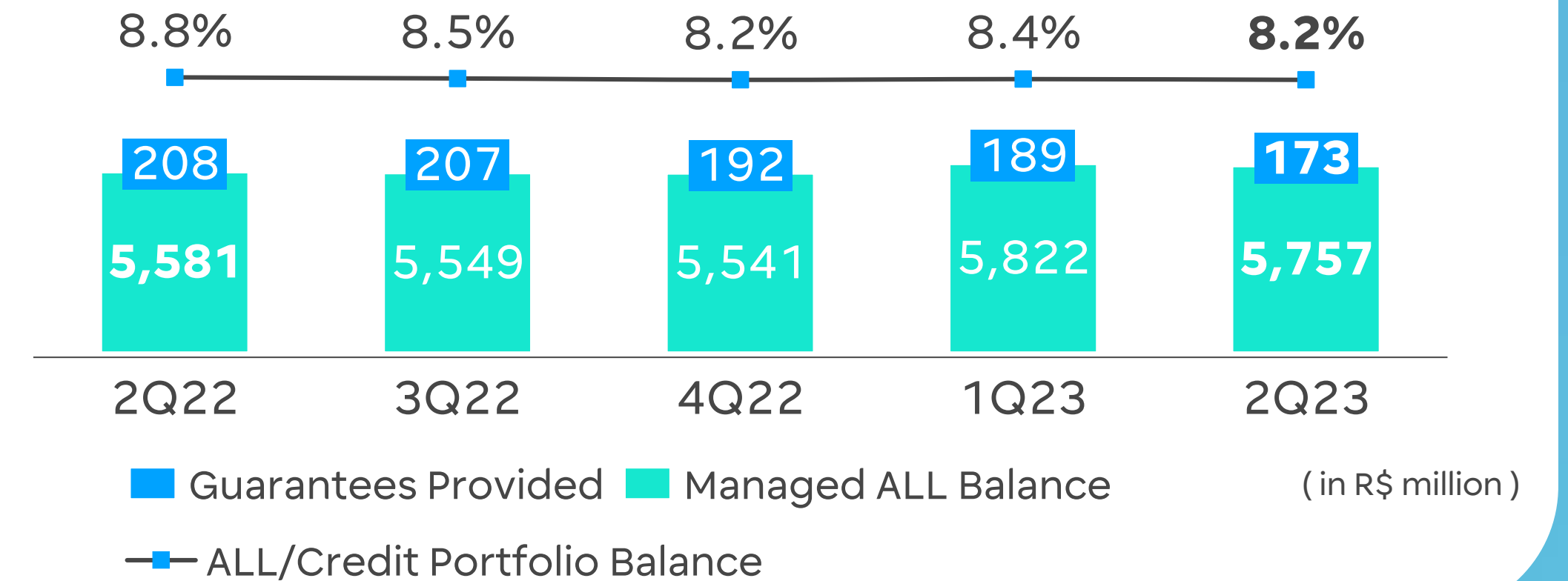
1. Change in overdue balance over 90 days (NPL) + write-offs for loss in the quarter (write-off), divided by the final portfolio of the previous quarter

# Asset Quality

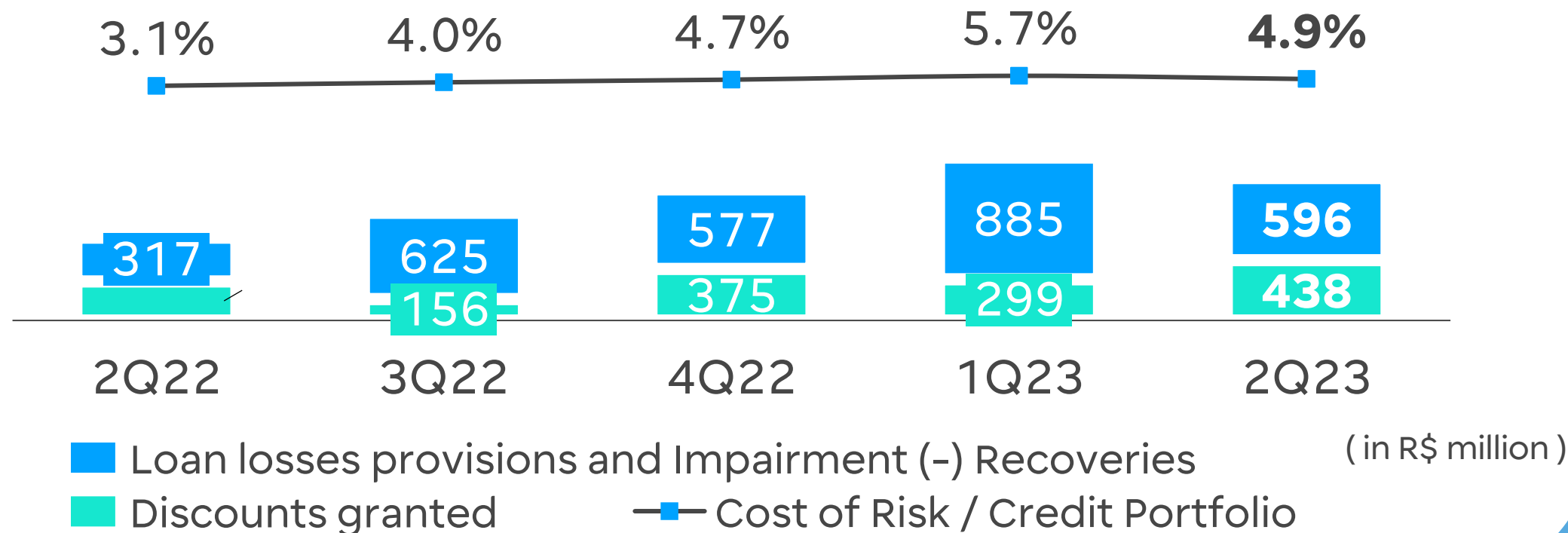
## Loan Portfolio rated by Risk Level



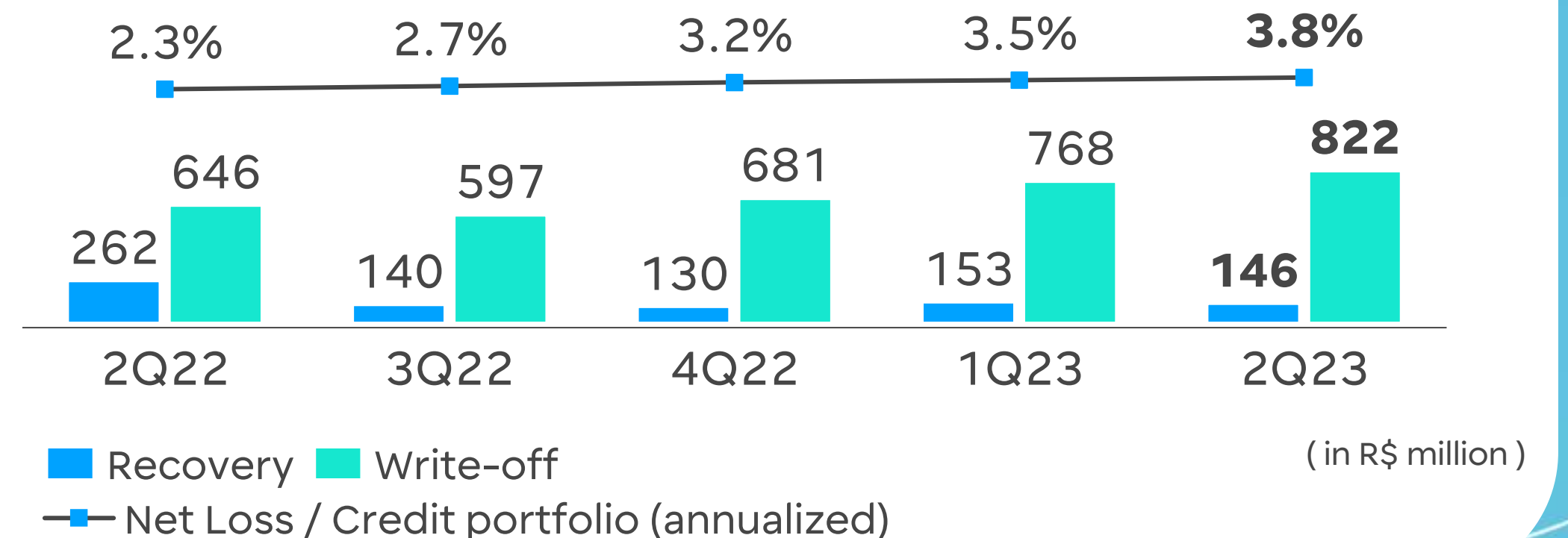
## Allowance for Loan Losses (ALL) Balance



## Result of Loan Losses, Guarantees and Impairments



## Net Loss<sup>1</sup>



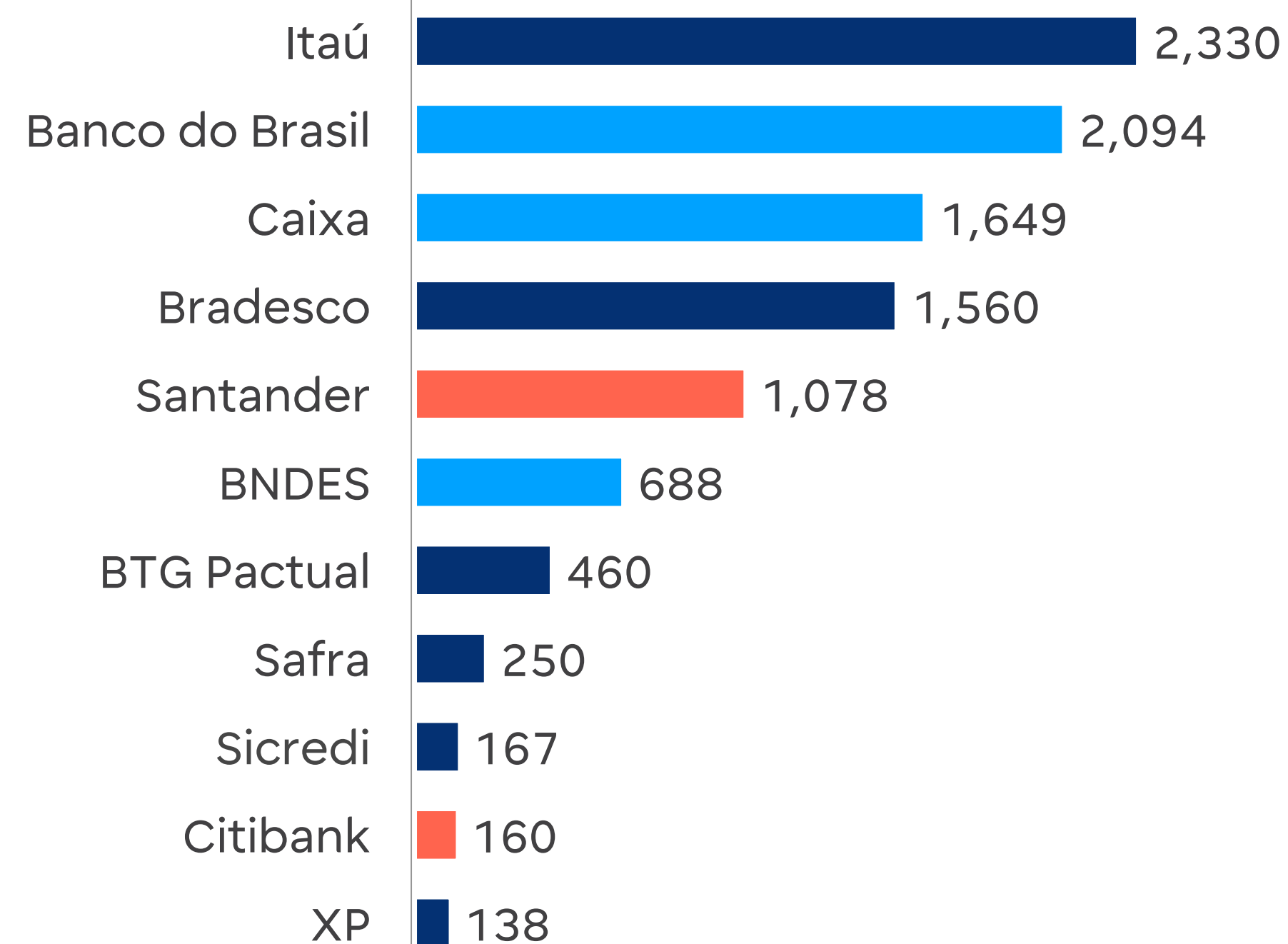
1 - Net loss = loans written-off t+ income from credit recovery

# Banco BV is one of the main banks in Brazil...

Top 10 largest in credit portfolio

## Largest banks in total Assets...

(Mar/23 - in R\$ billion)

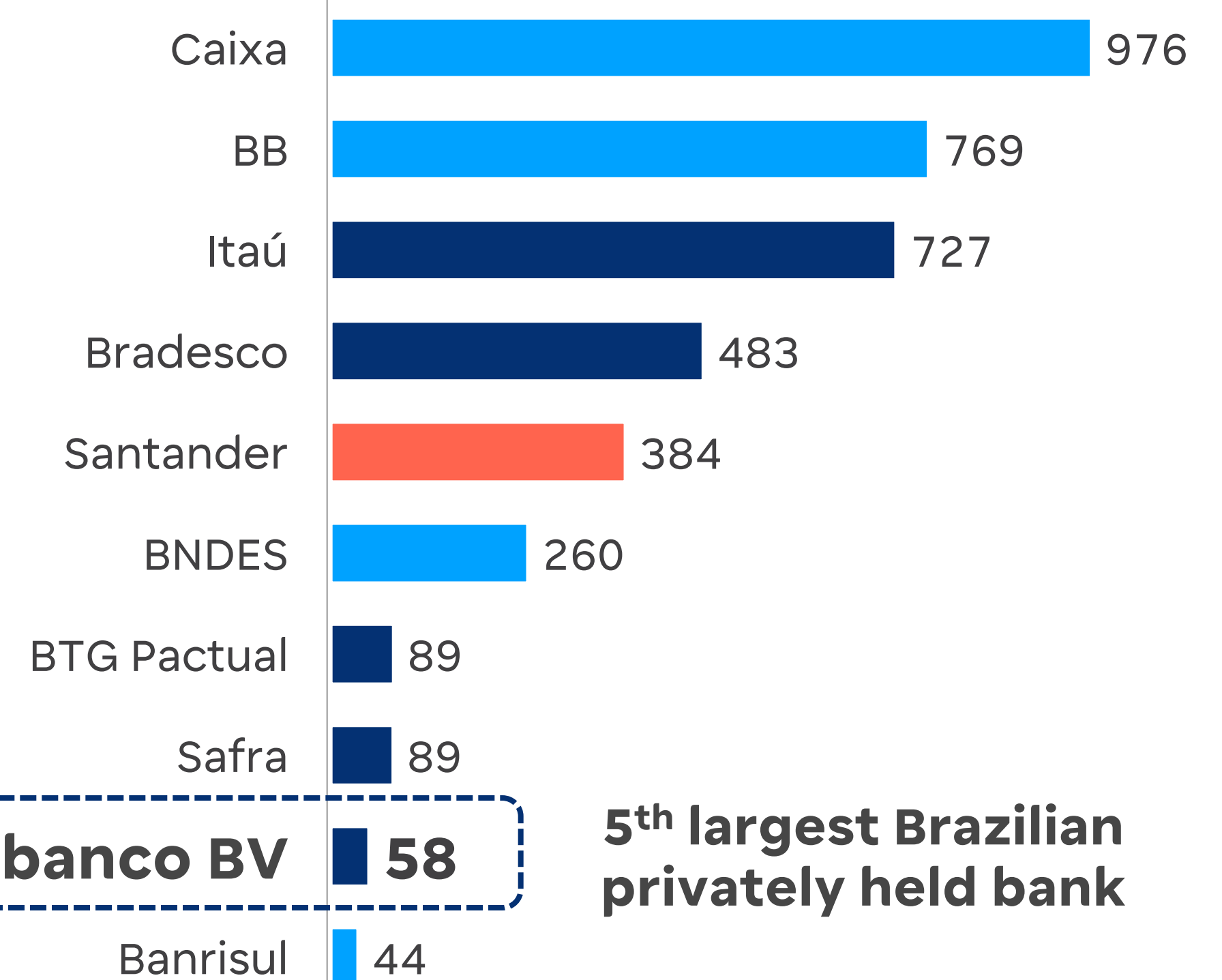


**12° banco BV 134**

State-owned Foreigners Brazilian Privately-Held

## ... and Credit Portfolio<sup>1</sup>

(Mar/23 - in R\$ billion)



**9°**

**5<sup>th</sup> largest Brazilian privately held bank**

State-owned Foreigners Brazilian Privately-Held

1. Portfolio classified by Central Bank Resolution 2,682



# ... with strong shareholders and corporate governance

BV's governance is aligned with the best market practices, committing to the principles of transparency, equity, accountability and corporate responsibility

## Ownership Structure

**VOTORANTIM**

**Votorantim  
Finanças S.A.**

Total: 50%

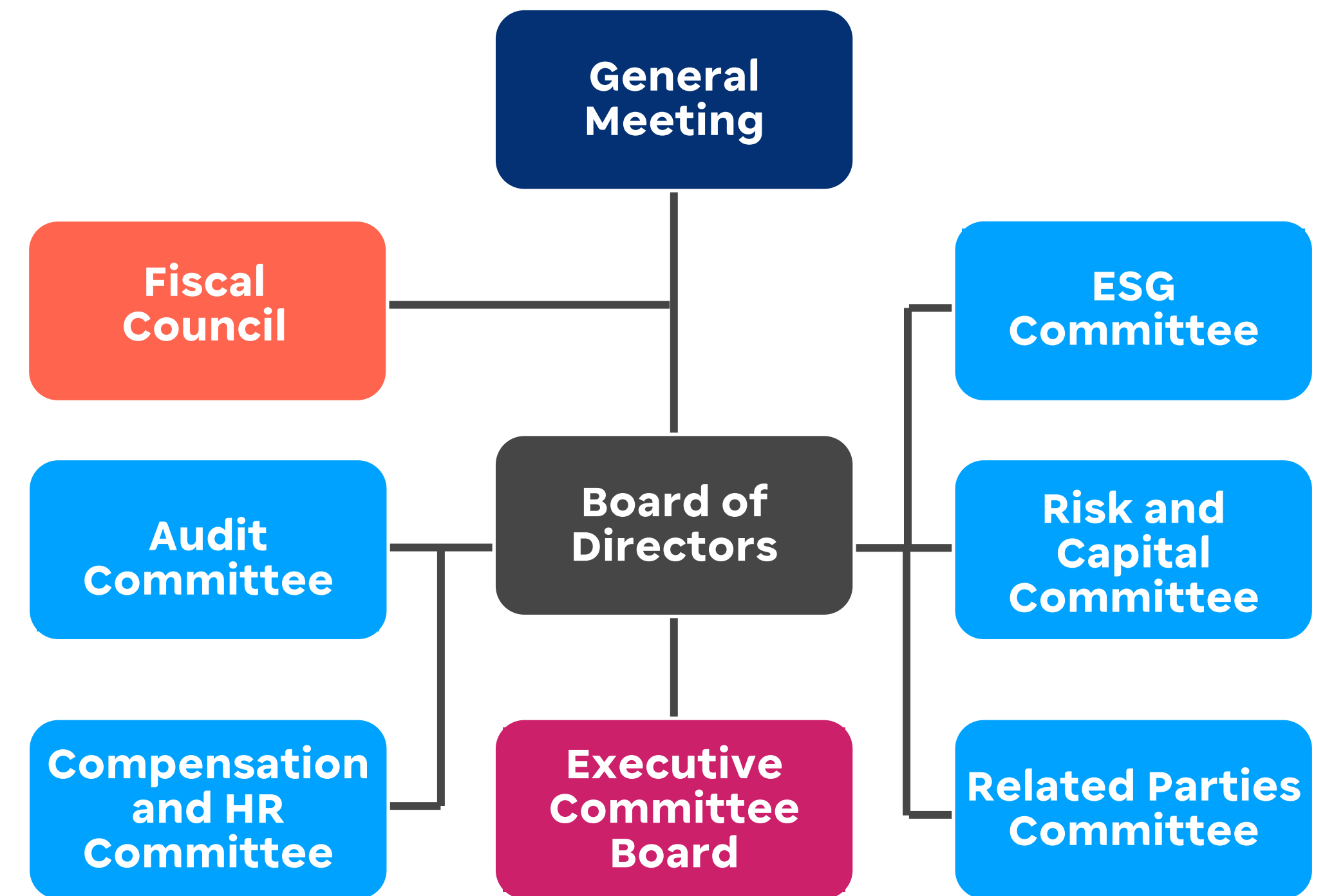


**Banco  
do Brasil**

Total: 50%



## Corporate Governance Structure



# Ratings

Rating Agencies		Global Scale		Local Scale
		Local Currency	Foreign Currency	Local Currency
Moody's	Long-Term	Ba2 (stable)	Ba2	AA.Br
	Short-Term	NP	NP	A-1.br
Standard & Poor's	Long-Term	BB- (positive)		brAAA
	Short-Term	B		brA-1+

# Earnings Presentation / 2Q23

Disclaimer: This presentation may include references and statements on expectations, planned synergies, growth estimates, projections of results, and future strategies for banco BV, its associated and affiliated companies, and subsidiaries. Although these references and statements reflect the management's belief, they also involve imprecision and risks that are highly difficult to be foreseen. Consequently, they may conduct to different results from those anticipated and discussed here. These expectations are highly dependent on market conditions, on Brazil's economic and banking system performances, as well as on international market conditions. banco BV is not responsible for bringing up to date any estimate in this presentation.

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