

Financial Statements

December, 31 2021



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Financial Statements

as of December 31, 2021

(In thousands of Reais, unless otherwise stated)

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Management Report

December 31st, 2021

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Management Report,

December 31st, 2021



Highlights 2021 / Digital Strategy / Client Centricity / ESG
Diversified Business Portfolio / Results 2021 / Acknowledgment



MANAGEMENT REPORT

DECEMBER 31, 2021

We present the Management Report and the Individual and Consolidated Financial Statements of Banco Votorantim SA (banco BV or Banco) for the year ended December 31, 2021, prepared in accordance with the accounting practices adopted in Brazil, established by the Brazilian Corporate Law in compliance with the rules and instructions of the National Monetary Council (CMN), the Central Bank of Brazil (BACEN), the Securities and Exchange Commission of Brazilian (CVM), when applicable, and presented in accordance with the Accounting Plan of the Institutions of the National Financial System (COSIF).



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/ Highlights 2021 - Financial Strength

IN 2021, WE RECORDED CONSISTENT RESULTS, WITH GREATER DIVERSIFICATION AND SOLID BALANCE SHEET

RECURRENT NET INCOME

R\$ 1.6 Bi

+47.6% vs 2020



RECURRENT ROE

14.0%

+3.6 p.p. vs 2020



EFFICIENCY RATIO

34.1%

+1.8 p.p. vs 2020

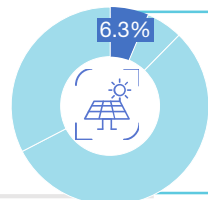


LOANS¹

75.0%

vs 2020

Solar panel grew
182% vs 2020

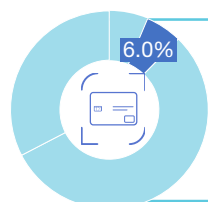


CARDS

57.2%

vs 2020

New portfolio
launched



CREDIT PORTFOLIO

Expanded portfolio

R\$ 76 Bi

+8.6% vs 2020

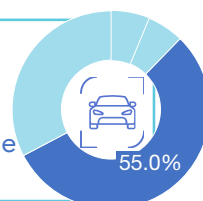


VEHICLES

1.4%

vs 2020

Leadership for the
9th year in a row

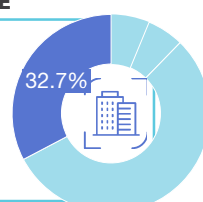


WHOLESALE

7.4%

vs 2020

SME grew
96.3% vs 2020



NPL

90 days

3.7%

vs 3.5% in 2020



COVERAGE RATIO

239%

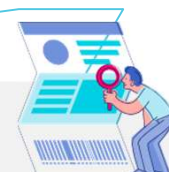
vs 252% in 2020



BASEL RATIO

15.8%

vs 14.6% in 2020



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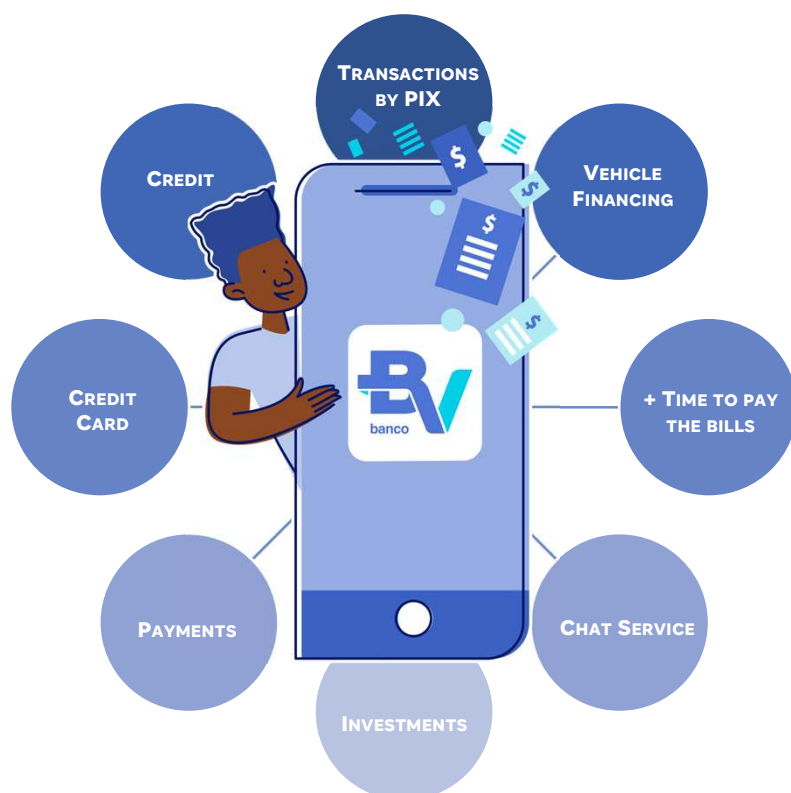
Highlights 2021 / Digital Strategy / Client Centricity / ESG
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/ Highlights 2021 – Digital Strategy



DIGITAL BANK BV

IN ADDITION TO THE SERVICES YOU ALREADY KNOW, SUCH AS VEHICLE FINANCING AND CREDIT CARD, WE BECAME IN 2021 A COMPLETE **DIGITAL BANK**, WITH ALL PRODUCTS AND SERVICES IN ONE PLACE



BV DIGITAL ACCOUNT

IS SAFE,
100% DIGITAL
AND FREE

ONLY A LIGHT AND DIGITAL BANK TO CREATE
SUCH A COMPLETE AND FREE ACCOUNT

2.0 MILLIONS
CLIENTS

7x
GROWTH IN THE AVERAGE
DAILY ACCOUNTS OPEN¹

99%
GROWTH IN THE TOTAL
VOLUME OF PAYMENTS (TPV)

NEW CREDIT CARDS PORTFOLIO

NEW OPTIONS MORE SUITED TO OUR CLIENT'S MOMENT OF LIFE



BV LIVRE

ZERO ANNUAL FEE
FOREVER²



BV MAIS

1% OF
CASHBACK²



BV Único

1,5% OF
CASHBACK²

Management Report,

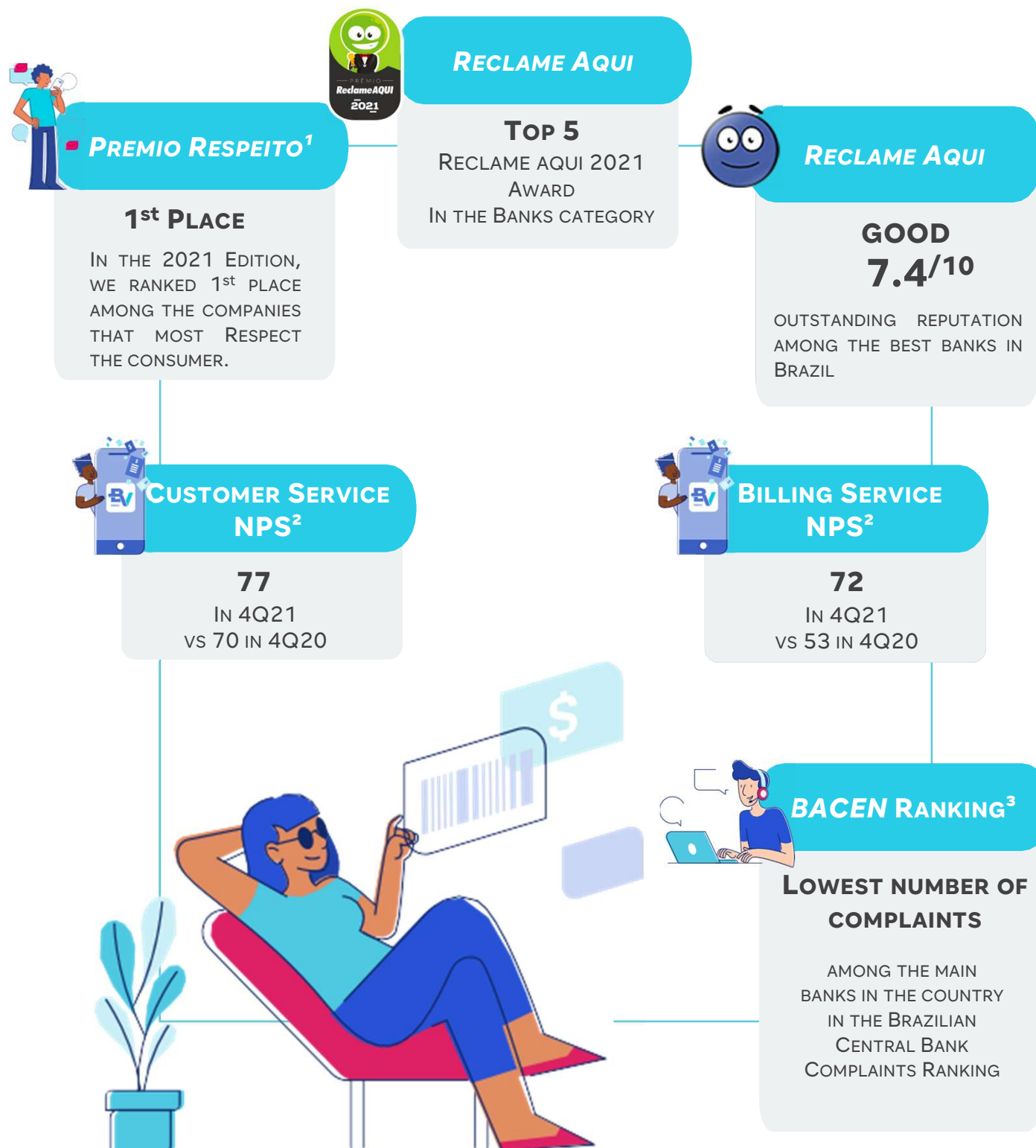
December 31st, 2021



Highlights 2021 / Digital Strategy / Client Centricity / ESG
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/ Highlights 2021 – Continuous improvement in customer experience

OUR CONTINUOUS PURSUIT OF IMPROVING OUR CUSTOMERS' EXPERIENCE DROVE A SOLID IMPROVEMENT IN CLIENT'S PERCEPTION IN 2021.



Management Report,

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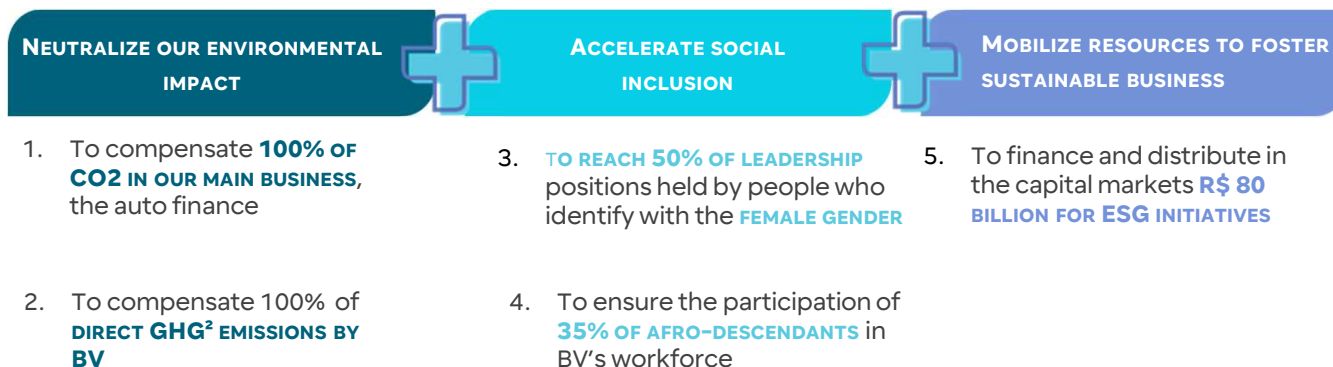


Highlights 2021 / Digital Strategy / Client Centricity / ESG
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/ Highlights 2021 – ESG

IN 2021, WE ANNOUNCED A PUBLIC COMMITMENT TO ESG 2030 GOALS

OUR GOALS ARE IN LINE WITH THE UN'S SDGs¹, OF WHICH WE ARE SIGNATORIES



PANDEMIC SUPPORT ACTIONS

WE IMPACTED MORE THAN **15 THOUSAND PEOPLE** THROUGH THE DONATION OF FOOD VOUCHER FOR FAMILIES AND BASIC-NEEDS GROCERY PACKAGES

BV OFFSET PROGRAM

WE OFFSET **100% OF THE CO₂** EMISSIONS OF THE VEHICLES WE FINANCE IN 2021. **+756 THOUSAND** VEHICLES INCLUDED IN THE PROGRAM

FIRST SOLAR SLUM IN BRAZIL

THE PROJECT WILL INCLUDE THE INSTALLATION OF SOLAR PANELS IN THE 240 RESIDENCES IN THE MARTE SLUM (SP). ALL EQUIPMENT AND INSTALLATION WILL BE FUNDED BY BANCO BV AND MEU FINANCIAMENTO SOLAR

1st PLACE IN GOVERNANCE

WE RANKED 1st IN THE RANKING BY SECTOR (BANKS) AND 14th IN THE OVERALL RANKING IN THE CORPORATE GOVERNANCE RANKING OF ESTADÃO EMPRESAS MAIS

WE REINFORCED OUR SUPPORT FOR THE SPORT



- ✓ **10 SOCIAL PROJECTS** OF RENOWNED ATHLETES AND FORMER ATHLETES
- ✓ MORE THAN **1,500 CHILDREN AND YOUNG PEOPLE** SERVED BY SOCIAL PROJECTS
- ✓ MORE THAN **6 THOUSAND** PEOPLE DIRECTLY IMPACTED
- ✓ SPONSORSHIP OF THE BIGGEST SKATE EVENT IN LATIN AMERICA (STU)

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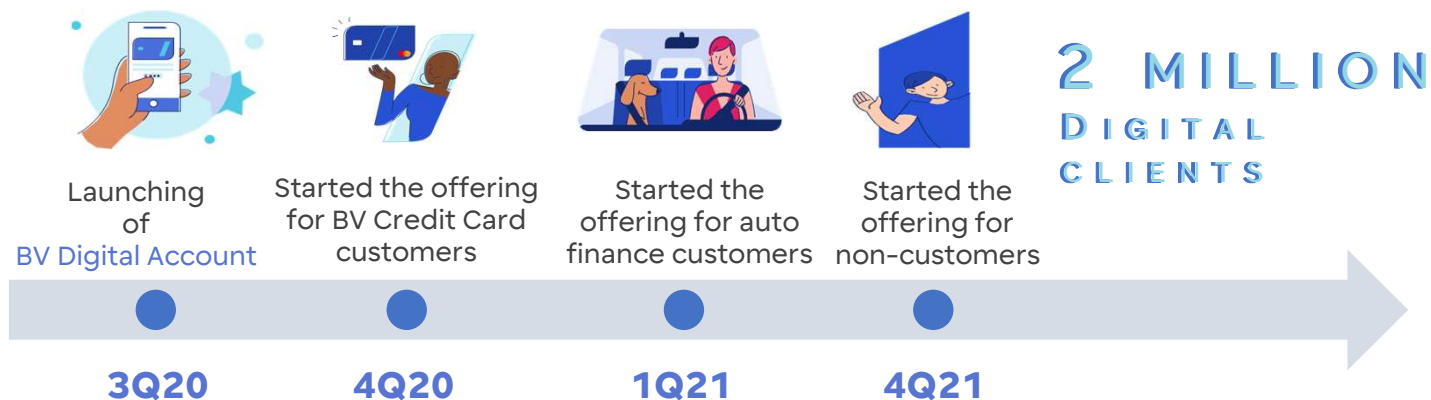


Highlights 2021 / **Digital Strategy** / Client Centricity / ESG
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/ Digital Strategy

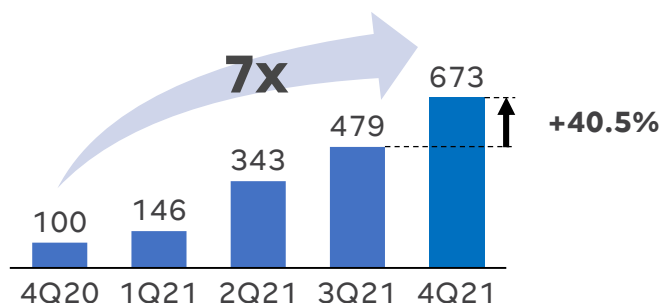
BV DIGITAL BANK

In 2021 we made important progresses in the Strategy of our BV digital bank. **We launched the BV digital account about 18 months ago, with an offer that combined of account and credit card.** The account was initially offered to our credit card customer base. Throughout 2021, we also started to offer to our vehicle clients, focusing on cross-selling, which has been contributing to increase customers (lifetime) relationship.

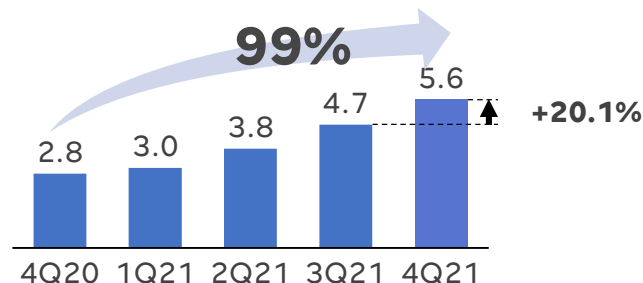


The growth in the accounts opened by our current clients (vehicles, solar financing, personal credit, car equity, etc.) demonstrated that there is a demand for an increase in the relationship with BV. At the end of 2021, we reached 2 million clients in our Digital Bank, with the daily average accounts opened in 4Q21 growing 7 times over 4Q20. The total payments volume (TPV) reached R\$ 5.6 billion in the last quarter of the year, an 99% growth over the same period in 2020.

AVERAGE DAILY ACCOUNTS OPENED²
(BASE 100)



TOTAL PAYMENT VOLUME
(R\$B)



ENGAGEMENT

Since the beginning of the pandemic, it was observed a significant growth in consumers digital engagement. In 2021, we invested in improving our digital channels, always aiming at providing a better experience for our customers. For us, it is crucial to provide to our customers a **lighter, simple and safe experience.**

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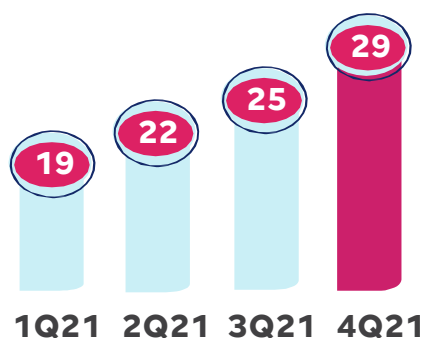
Highlights 2021 / **Digital Strategy** / Client Centricity / ESG
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/ Digital Strategy

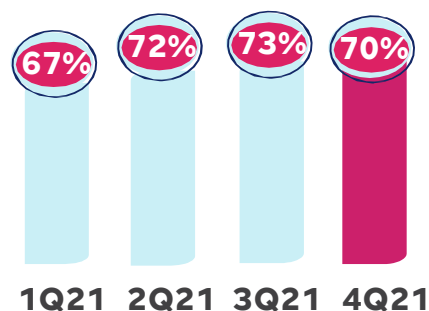
A way of measuring the digital engagement of our customers is by the growth in the number of accesses to our digital platforms (app banco BV and website), which reached 29 million in 4Q21 and 94 million in 2021.

In addition to accesses, we also monitor the Active User, that is, the customer who has logged into the app Banco BV over the last 90 days. The indicator remained around 70% throughout 2021.

**ACCESSES BY CLIENTS IN THE APP/MINHA BV
(IN MILLIONS)**



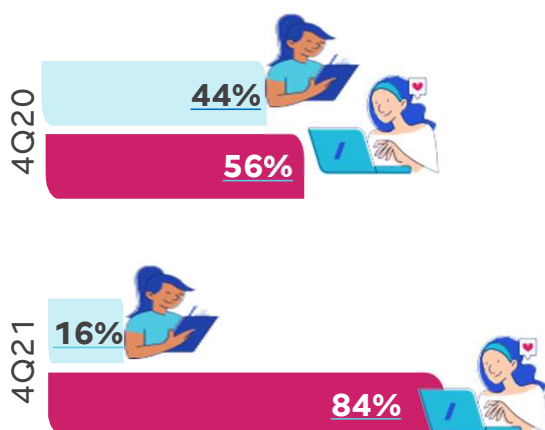
**ACTIVE USERS IN THE APP BANCO BV¹
(IN %)**



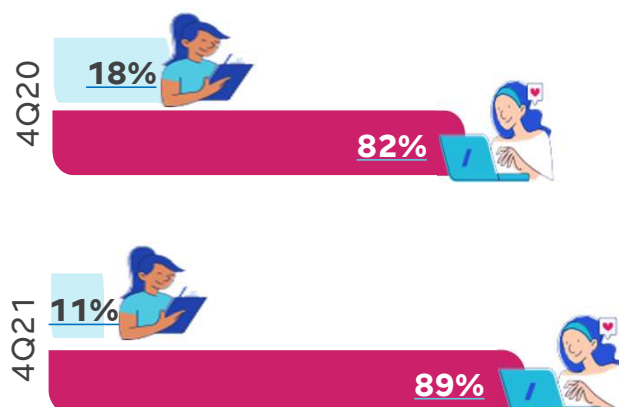
Another fact that evidences the higher digital engagement of clients is the **PERCENTAGE OF BUSINESS ORIGINATED THROUGH DIGITAL CHANNELS**. The sale of BV credit cards through digital platforms reached 84% in 4Q21, against 56% in 4Q20. The production of personal credit through digital channels represented 89% of all production in 4Q21 (vs. 82% in 4Q20).

% OF PRODUCTION ORIGINATED FROM DIGITAL CHANNELS

CREDIT CARD



PERSONAL CREDIT



■ Production from digital channels ■ Production from human channels

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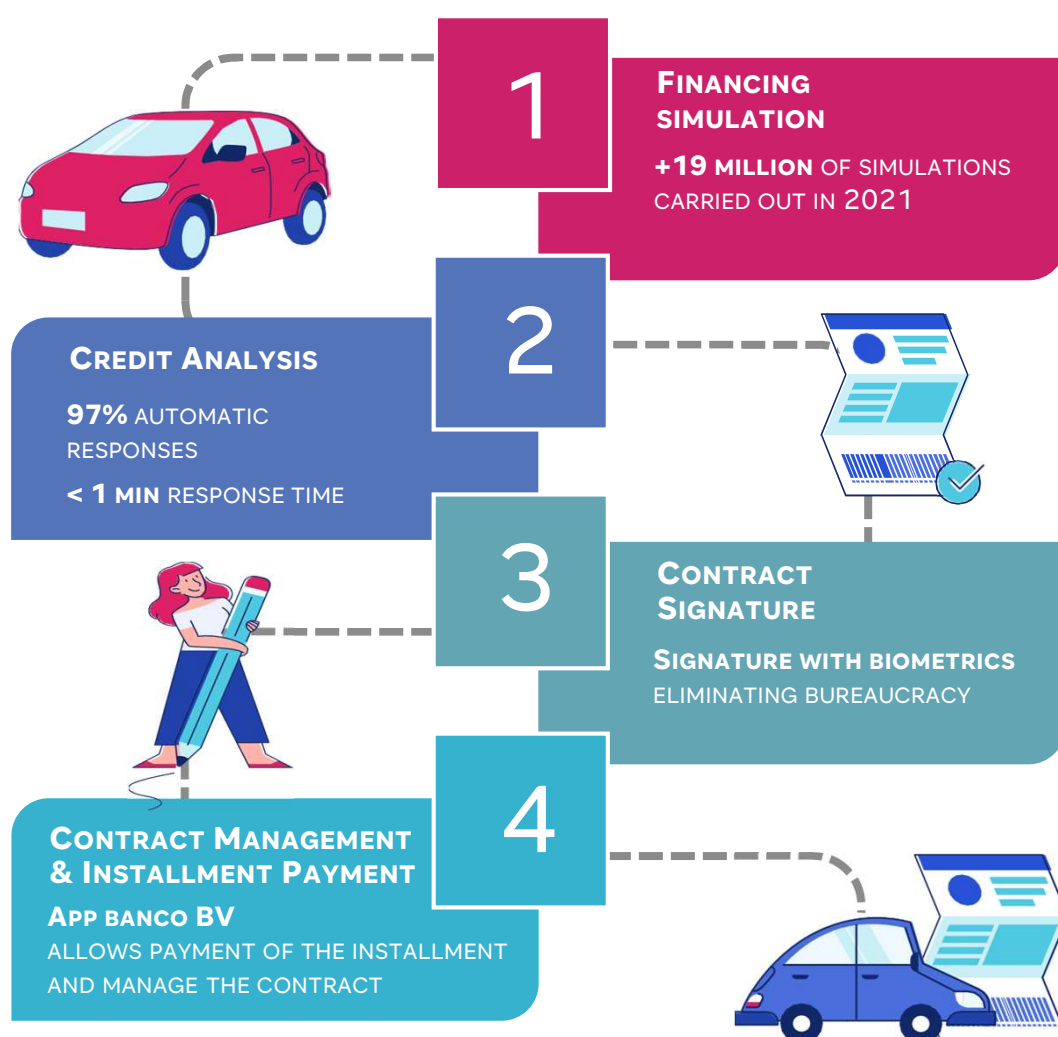


Highlights 2021 / *Digital Strategy* / Client Centricity / ESG
Diversified Business Portfolio / Results 2021 / Acknowledgment

/ Digital Strategy

AUTO FINANCE CONTRACTING PROCESS 100% DIGITAL

Our main business is also digital! **OUR AUTO FINANCE PROCESS IS 100% DIGITAL**, from the financing simulation, going through the signing of the contract, up to the payment of installments. We have developed a fully effective and secure credit analysis process that provides automatic responses in 97% of cases in less than 1 minute, which guarantees agility for the dealer and satisfaction for our clients.



We reinforced investments to expand sales via digital channels and expanded our digital partnerships which today include **MEU CARRO NOVO, MERCADO LIVRE, USADOSBR AND CARFLIX**.

During 2021, we recorded **19 MILLION AUTO FINANCE SIMULATIONS**, a growth of 28% over 2020, with **38%** of the simulations carried out on **DIGITAL CHANNELS** (BV website and digital partners), compared to 22% in 2020.

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Highlights 2021 / **Digital Strategy** / Client Centricity / ESG
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/ Digital Strategy

BV^x INNOVATION BUSINESS UNIT

A BV's digital strategy involves the incessant search for better services and experiences for our clients, always using innovation as a tool. **BV^x, OUR INNOVATION BUSINESS UNIT**, has the mission of generating value through the connection with the startup ecosystem, through co-creation, proprietary developments and investments in strategic partnerships and acts on 3 fronts: **i) CORPORATE VENTURE CAPITAL; ii) BV OPEN AND; iii) BV LAB (INNOVATION LABORATORY).**

I. CORPORATE VENTURE CAPITAL AND STRATEGIC PARTNERSHIPS

We invest and establish partnerships with fintechs and startups that have synergies with BV and complement our portfolio of solutions for the clients. **DURING 2021, WE HIGHLIGHT NEW PARTNERSHIPS:**



CONSOLIDATED BV AS THE MAIN PLAYER IN THE SOLAR PANEL FINANCING SEGMENT IN BRAZIL. OUR SOLAR PORTFOLIO IN 4Q21 REACHED R\$2.5 BILLION.

R\$ 2.5 BI
SOLAR PORTFOLIO 4Q21



THE FINTECH ALREADY SERVES MORE THAN 700,000 SMALL AND MEDIUM RETAILERS, REINFORCING OUR STRATEGY IN THE SME¹ SEGMENT

R\$ 1.2 BI
SME¹ PORTFOLIO 4Q21



TOP TIER TECHNOLOGY IN BANKING AS A SERVICE (BAAS). THE PARTNERSHIP OFFERS A COMPLETE WHITE LABEL BAAS PLATFORM THAT PROVIDES CUSTOMERS WITH A BANK-LIKE EXPERIENCE FOR THEIR BUSINESS

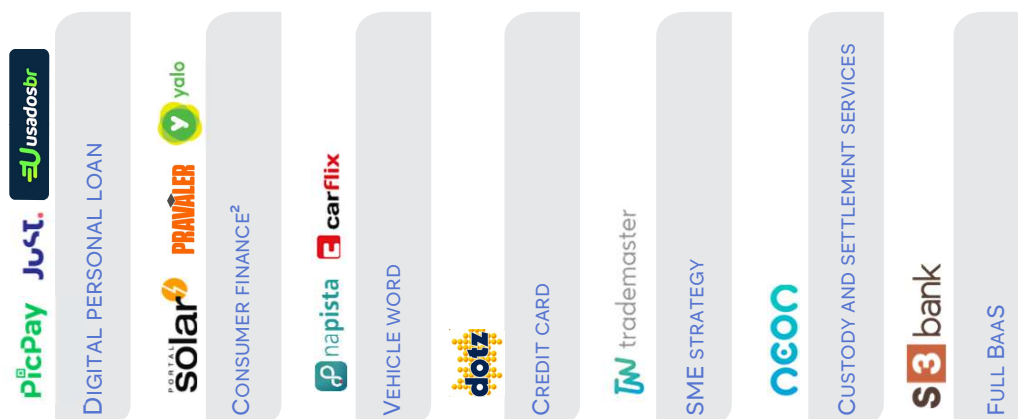
WHITE LABEL
OF DIGITAL ACCOUNT

Between **DIRECT INVESTMENTS AND PARTNERSHIPS FOR CO-CREATION AND LEAD/DISTRIBUTION** of products, we had approximately 30 innovative companies enriching our ecosystem at the end of 2021.

30 PARTNERSHIPS

for co-creation and lead/distribution of products

(Grafic Representation: non-exhaustive)



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Highlights 2021 / **Digital Strategy** / Client Centricity / ESG
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/ Digital Strategy

II. BV OPEN: THE PLATFORM FOR PARTNERSHIPS VIA OUR API'S

BV Open brings together a set of proprietary API's (Application Programming Interface). This allows business partners (including startups) to quickly and effectively integrate with us and take advantage of our banking structure, settlement and custody services and other financial products, through a white label basis to offer their customers digital banking services under their own brands.

BV Open plays an important role in Banco BV's revenue diversification strategy, acting as a distribution channel for our services. We offer our partners and customers the following BV Open solutions: **BANKING AS A SERVICE (BAAS), CREDIT AS A SERVICE (CAAS) AND INVESTMENT AS A SERVICE (IAAS).**

We ended 2021 with **57 BV OPEN PARTNERS** from the most varied segments such as education, energy, health and e-commerce connected and using the services of our BV Open platform.

The volume of transactions¹ carried out in our BaaS platform reached **208 MILLION** in the year, growth of 334% vs 2020, mainly driven by PIX, an instant payment method launched at the end of 2020.



**57 BV OPEN
PARTNERS**

from the most varied segments
connected to our BV Open platform



**208
MILLION**

of transactions in our BaaS
platform during the year 2021



III. BV LAB: INNOVATION LABORATORY

CONNECTION WITH INNOVATION ECOSYSTEM

In 2021 we became partners of the Brazilian Startup Association (Abstartups) and participated in several joint initiatives. In November we participated in CASE (Annual Startup and Entrepreneurship), the largest startup event in Latin America, held by Abstartups. Collaborating with the entrepreneurial ecosystem, we bring to the main arena of CASE the themes of partnership between corporates and with startups, innovation, entrepreneurship and sports.

Strengthening the relationship with the innovation ecosystem, throughout the year we received some funds from Venture Capital to participate in the "Innovating with the Ecosystem" meetings. At these meetings, representatives of the Redpoint e.Ventures (Flávio Pripas), Mindset Ventures (Daniel Ibri) & Astella Ventures (Daniel Chalfon) funds spoke with BV employees about entrepreneurship, their investment theses and the evolution of the local ecosystem.

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/ Digital Strategy

Also, with a view outside Brazil, we continue to be even more connected to the international innovation ecosystem through the **OPERATION OF THE BV LAB IN ISRAEL**. In partnership with one of the largest connection centers with Israel, Startup Nation Central, we held two events to get to know the ecosystem in depth and connect with the best of the “entrepreneurial nation”.

And to be more open and more connected, **WE LAUNCHED THE FIRST VERSION OF OUR INNOVATION PLAYBOOK**, with the aim of facilitating the interaction between the bank and startups and the realization of Open Innovation projects. The material provides more transparency about the bank's innovation flow, along with the roles and responsibilities of those involved.

OPEN INNOVATION

Together with Distrito, banco BV partner, **WE LAUNCHED FOUR OPEN INNOVATION PROGRAMS** in 2021 and evaluated more than **300 STARTUPS**, promoting the connection with dozens of internal needs of the customer service, data science, ESG, collections, people and culture, among others.

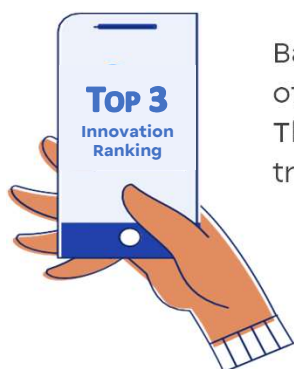
It was in one of these programs that we connected with **SIGNUMWEB**, a startup that **PROVIDES COMMUNICATION FOR PEOPLE WITH HEARING IMPAIRMENTS** through fluent interpreters certified Brazilian Sign Language (Libras), which today is a partner of Banco BV. The tool has been used in our internal meetings and events, which we consider an **IMPORTANT STEP TOWARDS MAKING BANCO BV EVEN MORE INCLUSIVE**, in the direction of our ESG commitments.

Another partnership recently signed is with **LINKANA**, a startup focused on the **PURCHASING PROCESS AND SUPPLIER MANAGEMENT**. Together with the purchasing team, we carry out the trial and implementation process of your supplier management solution, which **ORGANIZES AND AUTOMATES THE APPROVAL PROCESS**, simplifying the entire analysis and decision-making process.

DIGITAL EXPANSION

In 2021, we get even closer to people's daily lives, taking the main subjects about the financial market through Alexa and Google Assistant. The initiative features **PODCASTS WITH DAILY AND WEEKLY ANALYZES BY THE BANK'S ECONOMISTS**, Roberto Padovani and Carlos Lopes.

2021 INNOVATION RANKING – *ESTADÃO EMPRESAS MAIS*



Banco BV was in the Top 3 of the 2021 Innovation Ranking in the “Banks” segment of *Estadão Empresas Mais*, the largest and most complete business ranking in Brazil. This recognition is the result of building a culture that values innovation, digital transformation, the ecosystem of partnerships and the intelligent use of data.

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Highlights 2021 / Digital Strategy / **Client Centricity** / ESG
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/ Client Centricity

CONTINUOUS PURSUIT OF IMPROVING OUR CUSTOMERS' EXPERIENCE

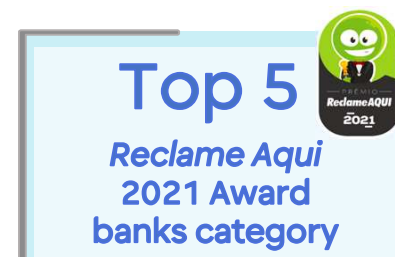
Our purpose is **TO MAKE THE FINANCIAL LIFE OF PEOPLE AND COMPANIES EASIER**. We have always sought to develop an entrepreneurial culture that emphasized a strong commitment to caring for our customers and serving them with high-quality support. We seek to implement this approach because we believe it helps to differentiate our solutions and establish customer loyalty in a market where financial services are traditionally offered by established institutions in the market, which we believe often do not provide a quality service equivalent to the fees charged. This belief is evidenced by the large number of consumer complaints against such institutions.

We at banco BV place the customer at the center of our strategy, with a philosophy of being close to the customer, creating empathy and having a respectful relationship. Our positioning has continuously ensured us the **LOWEST NUMBER OF COMPLAINTS PER MILLION CUSTOMERS** among the country's major banks, according to the Brazilian Central Bank's Ranking of Complaints¹.

Another important recognition was the achievement of **1st PLACE IN THE 2021 PRÊMIO RESPEITO ("RESPECT AWARD")** in the Personal Loan category. Currently in its 19th edition, the award aims to recognize companies that present attributes considered by consumers as signs of respect, quality service, fair prices, agility and courtesy.

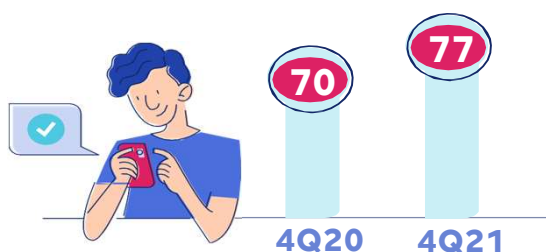


Additionally, we were nominated for the **2021 RECLAME AQUI AWARD** and ranked in the **TOP 5 OF THE BEST COMPANIES FOR CONSUMERS** in the "banks" category, a great recognition for companies that offer the best service to their customers. Our reputation on the portal remained **"Good"** and with **7.4** score (out of 10), one of the best ratings in the financial industry in Brazil.

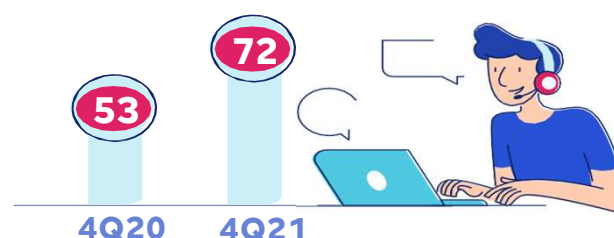


Finally, when we talk about customer centricity, it is essential to mention the **NPS (NET PROMOTER SCORE)**, a widely known survey methodology used to measure customer satisfaction. We have seen important advances in our NPS indicators, reflecting our ongoing efforts to deliver a better experience. In the customer service channel, our average transactional **SERVICE NPS IN 4Q21 WAS 77** compared to 70 in 4Q20. In the **BILLING SECTOR, THE NPS INCREASED FROM 53 IN 4Q20 TO 72 IN 4Q21**.

CUSTOMER SERVICE NPS



BILLING SERVICE NPS



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/ ESG – Environmental, Social and Governance

ESG 2030 COMMITMENT: PACT FOR A LIGHTER FUTURE

For us, sustainability is the development and execution of perennial actions that reaffirm our commitment to the development of Brazil, reduce the impact on the environment and ensure a lighter and expanded management of risks and opportunities for our customers and employees. This aspiration includes 3 pillars of action: 1) Neutralize our environmental impact; 2) Accelerate social inclusion and; 3) Mobilize resources to foster sustainable business.

In May of this year, we released our “BV Pact for a lighter future”, in which we made **5 PUBLIC COMMITMENTS IN ESG ACTIONS TO BE FULFILLED BY 2030**. These commitments reinforce our pillars and our purpose of making financial life lighter of people and companies. Our goals are in line with the UN SDGs¹, to which we are signatories. Below, we present the 5 commitments for 2030:

PACT BV FOR A LIGHTER FUTURE

NEUTRALIZE OUR ENVIRONMENTAL IMPACT



ACCELERATE SOCIAL INCLUSION



MOBILIZE RESOURCES TO FOSTER SUSTAINABLE BUSINESS

1. To compensate **100% OF CO₂ EMISSIONS** in our main business, the used auto finance
2. **TO COMPENSATE 100%** of direct **GHG¹** emissions by BV
3. To reach **50% OF LEADERSHIP POSITIONS** held by people who identify with the **FEMALE GENDER**
4. To ensure the participation of **35% OF AFRO-DESCENDANTS** in BV's workforce
5. To finance and distribute in the capital markets **R\$ 80 BILLION** for **ESG INITIATIVES**

LAUNCH OF THE “LET'S TALK ABOUT MONEY?” CAMPAIGN

We take seriously our purpose of making the financial lives of people and companies easier, and we are putting it into practice. In 2021, we launched the “Let's talk about money” campaign in which the main

proposal is to promote conversations about people's relationship with money. The conversations are led by our ambassador, Taís Araújo, and are held with several guests in an open and calm way.



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/ ESG – Environmental, Social and Governance

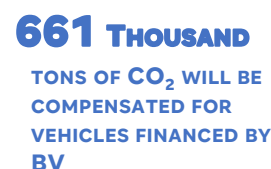
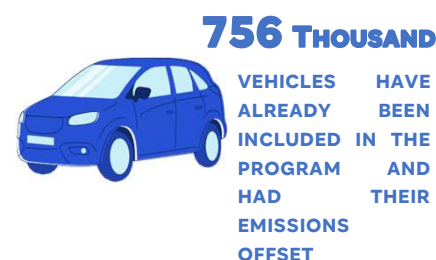
ENVIRONNEMENTAL

Compensating 100% of the CO₂ emissions of the cars we finance from 2021 is one of our goals in the “BV Pact for a lighter future”. Moving in this direction, we launched an important campaign: **BV “OFFSET”**, which in 2021 reached **661 THOUSAND TONS OF CO₂EQ¹**, offsetting the emission of **756 THOUSAND VEHICLES**.

We also aim to offset 100% of our direct emissions. During 2021, **WE OFFSET AROUND 3,100 TONS OF GHG²**, which eliminated our direct emissions.

In the pillar of **MOBILIZING RESOURCES FOR SUSTAINABLE BUSINESS**, we participated in the **FIRST ISSUE OF DEBENTURE CLASSIFIED AS SUSTAINABILITY-LINKED BONDS (SLB)** by Allonda, an engineering company focused on sustainable solutions. We also consolidated our **PRESENCE AND PIONEERING IN THE SOLAR PANEL FINANCING MARKET**, with a 181.6% growth in the portfolio vs 2020, reaching R\$2.5 billion. Additionally, we launched a line with **DIFFERENT RATES AND TERMS FOR THE FINANCING OF ELECTRIC AND HYBRID CARS**. All initiatives totaled more than **BRL 6.2 BILLION TO FOSTER ESG BUSINESSES IN 2021**.

In 2021, **WE WERE PRESENT AT “EMPRESÁRIOS PELO CLIMA”** (Entrepreneurs for the Climate). The event was led by Amcham Brasil and coordinated by the Brazilian Business Council for Sustainable Development (CEBDS). The main objective of the event was **TO REINFORCE THE COMMITMENT OF THE BUSINESS SECTOR TO THE CLIMATE ISSUE** and to highlight the relevance of the negotiations that took place at the 26th UN Conference on Climate Change in November.



SOCIAL



Accelerating social inclusion is one of our pillars of action to fulfill the 2030 Commitments. We are focused on being agents of change and ensuring that the diversity present in society is represented among our employees.

Therefore, by 2030, we are committed to: achieving 50% of leadership positions held by people who identify with the female gender and ensuring the participation of 35% of black people in BV's workforce.

Management Report,

December 31st, 2021



Highlights 2021 / Digital Strategy / Client Centricity / ESG
Diversified Business Portfolio / Results 2021 / Acknowledgment

/ ESG – Environmental, Social and Governance

In 2021, we launched several **PROGRAMS FOCUSED ON DIVERSITY AND INCLUSION**, including:

- "BV DO SEU JEITO"**, program aimed at apprentices and interns, focusing on gender diversity, LGBTQIA+, people with disabilities and black people;
- "ELAS POR ELAS 2.0"**, internship program that has openings in different areas, 100% exclusively for cis and trans women;
- "LUGAR DE MÃE É NO BV"**, recruitment project that invites mothers away from the labor market;
- "BV A BORDO"**, initiative to encourage active parenting for all employees who have children.

BV SPORTS

Since 2018, we have a **PLATFORM FOR SOCIAL SUPPORT THROUGH SPORT**, which has social projects by renowned athletes and former athletes. In 2021, we expanded the platform and reached **10 INSTITUTES** that served more than **1,500 CHILDREN AND YOUNG PEOPLE** who participated in 2,000 presential or virtual classes. In addition, the projects provided assistance such as consultations with professionals in the areas of psychology, medicine, nutrition, and physiotherapy, and provided teachers in the areas of English language and mathematics. The organizations supported by BV **DIRECTLY IMPACTED THE LIVES OF MORE THAN 6 THOUSAND PEOPLE**.

We believe that behavior change generates development, and that sport can be a great catalyst for this transformation. In 2021, we expanded support for the sport through **SPONSORSHIP OF THE LARGEST SKATEBOARDING EVENT IN LATIN AMERICA, STU (SKATE TOTAL URBE)**.



INSTALLATION OF SOLAR PANELS IN SOCIAL PROJECTS



In partnership with Meu Financiamento Solar, **WE DONATED SOLAR PANELS TO FOUR SOCIAL PROJECTS SUPPORTED BY THE BANK**. The installation will bring **BENEFITS AND SAVINGS** to the institutes, combining a **CLEAN ENERGY SOLUTION WITH SOCIAL RESPONSIBILITY**, two fronts that are in line with our ESG commitments.

We donated **MORE THAN 140 MODULES** that will offer savings of up to 95% on each entity's electricity bill. With this, each institution will be able to invest the amount saved in new projects within its purposes, ensuring the best functioning of the places with clean, renewable and sustainable energy.

PANDEMIC SUPPORT ACTIONS

In the first quarter of 2021, we resumed the campaign to support the fight against the pandemic. We invited our customers, partners and society, individuals and legal entities, to engage in fundraising for families in situations of social vulnerability. **WE STARTED WITH A DONATION OF R\$ 500 THOUSAND AND FOR EVERY R\$ 1 DONATED, WE DOUBLED THE DONATION.**

In total, more than **R\$ 1.3 MILLION WERE ALLOCATED IN FOOD CARDS AND BASIC FOOD BASKETS**, which served more than **15 THOUSAND PEOPLE** through the social projects we support.



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/ **ESG – Environmental, Social and Governance**



OUR VOLUNTARY PUBLIC CERTIFICATIONS AND COMMITMENTS IN 2021

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GLOBAL PACT: UN initiative for companies to align their strategies to 10 universal principles in the areas of Human Rights, Labor, Environment and Anti-corruption and contribute to the achievement of the 17 Sustainable Development Goals (SDGs)

PACT FOR SPORT: Private and voluntary agreement between companies to promote more transparency and governance in national sports management

GHG PROTOCOL: Responsible for adapting the GHG Protocol method to the Brazilian context and developing calculation tools to estimate greenhouse gas (GHG) emissions

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PRINCIPLES FOR RESPONSIBLE INVESTMENT: ONE OF THE LARGEST RESPONSIBLE INVESTMENT INITIATIVES IN THE WORLD, SUPPORTED BY THE UN

EQUATOR PRINCIPLES: Set of socio-environmental requirements applied in granting financing for large projects

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MOVIMENTO MULHER 360:

Independent association that aims to contribute to the economic empowerment of Brazilian women, through the promotion, systematization and dissemination of advances in business policies and practices

UN WOMEN: Created in 2010, UN Women seeks to unite, strengthen and expand global efforts in defense of women's human rights

REDE EMPRESARIAL DE INCLUSÃO

SOCIAL: Business group whose mission is to mobilize companies in Brazil to promote the inclusion of people with disabilities in the labor market

FÓRUM DE EMPRESAS E DIREITOS

LGBTQIA+: Business movement that brings together large companies around 10 commitments to the promotion of LGBTQIA+ human rights

INICIATIVA EMPRESARIAL PELA

IGUALDADE RACIAL: Movement formed by companies and institutions committed to promoting racial inclusion and overcoming racism in the corporate environment

GPTW RANKING 2021

We continue to do our best to be a company that provides a place more welcoming and lighter for everyone. In the GPTW of 2021, an award that highlights the best companies to work for and assesses attributes for a good work environment, we were Top 3 in Financial Institutions Ranking in the category of large banks.



**BV IS
TOP 3!**

GPTW RANKING

BEST COMPANIES TO WORK FOR

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/ ESG –Environmental, Social and Governance

CORPORATE GOVERNANCE

Banco BV has an organizational structure that is aligned with the best market governance practices, committing to the principles of transparency, equity, accountability and corporate responsibility, as well as adopting standards of good practices in line with the Anti-Corruption and Social and Environmental Responsibility Laws

Putting our governance to the test in terms of transparency and engagement in the field of social responsibility, we were ranked 1st in the ranking by sector (banks) and 14th in the overall ranking in the Corporate Governance ranking of Estadão Empresas Mais.

BV stands out in Corporate Governance¹

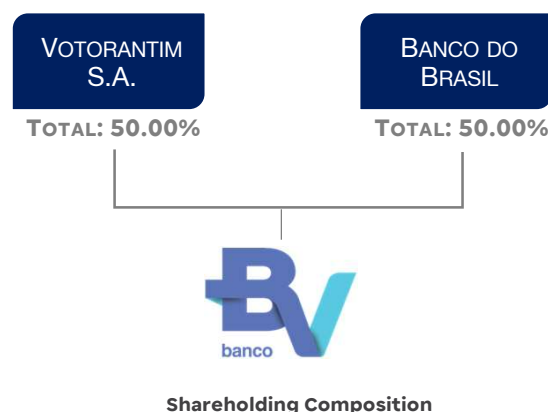
1st PLACE

Banks category

14th
overall ranking



The following organization chart lists the Governance bodies and the bank's shareholding structure:



The administration of banco BV is shared between the shareholders Votorantim Finanças and Banco do Brasil, with equal participation in the Board of Directors (BD). The Board is composed of 7 members, with 3 members appointed by each of the controlling shareholders and 1 independent member¹. Board meetings take place at least six times a year, and decisions are taken by an absolute majority, with no casting vote. At the General Meeting held in April 2021, the body was elected for the new term that will run until the 2023.

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/ Diversified Business Portfolio

Multi-niche business portfolio with a wide range of products in Retail and Wholesale, supported by our BV^x innovation unit, which guarantees us diversification of revenue sources and important synergies between the various activities we carry out.

RETAIL

Auto Finance

- Leadership in the used light vehicle segment
- Capillarity: +20.9 thousand resellers; digital partners
- Innovation and digital transformation
- 100% digital contracting process
- 97% automatic response

✓ Leadership in the segment for the 9th year in a row

R\$ 42.0B
+1.4%
vs 2020

Other Retail

- Credit Card:** New portfolio with flags Mastercard, Visa e Elo
- Solar panel financing:** portfolio grew 181.6% vs 4Q20
- Other retail loans:** car equity, private payroll, personal loan, student loan, medial procedure finance
- Insurance brokerage:** one of the largest brokers in Brazil, with a wide range of products: auto, credit protection, residential, life and others

✓ Important advances in the diversification strategy with growth of 75.0% in other retail loans and 57.2% in cards

R\$ 9.4B
+65.8%
vs 2020

WHOLESALE

Corporate & Investment Banking

- Corporate Banking**
 - Corporate (> R\$ 300 million)
 - Large Corporate (> R\$ 1,5 billion)
 - SME (prepayment of receivables)
- Banking as a Service (BaaS)**
 - Settlement and custodian bank for startups and fintechs

✓ Corporate portfolio grew +13.9% vs 4Q20. SME grew 96.3% vs 4Q20

R\$ 25.0B
+7.4%
vs 2020

Wealth management

R\$ 52.3 billion under management

- BV Asset**
 - Awarded as one of the best asset managers of 2021²
 - 8th largest real estate fund manager in Brazil
 - 50% of managed funds backed by real economy assets

✓ **BV Private:** Customized solutions for high-income customers

✓ 6 funds classified as 5 stars by the 2021 FGV Investment Fund Guide

Credit Portfolio¹
R\$ 76 bi
+8.6% vs 2020



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/ Results 2021

ACCOUNTING VERSUS MANAGERIAL RECONCILIATION

In order to better understand and analyze the Bank's financial performance, the explanations of this report are based on the Managerial Income Statement, which considers some managerial reallocations carried out in the audited Financial Statement, with no impact on the net income. These reallocations refer to :

- Expenses related to provisions (civil, labor and tax) reallocated from "(Provision) / reversal for contingent liabilities" and from "Personnel Expenses" to "Other Income (Expenses)"
- Operational costs of subsidiary Promotiva S.A. reallocated from "Other income (Expenses)" to "Income from rendered Services"
- Discounts granted reallocated from "Gross Financial Margin" to "Cost of Risk"
- Costs directly related to business generation reallocated from "Administrative Expenses" to "Other Income (Expenses)"
- Taxation effects of the hedge operations related to foreign currency exchange variations on investments abroad that are accounted in "Tax Expenses" (PIS and COFINS) and "Income Tax and Social Contribution" were reallocated to "Income from Derivative Financial Instruments"

In addition to the management adjustments described above, the numbers presented in this section of the Report follow the Recurring Results view. More details of this view are available in Note 6 "Recurring and non-recurring results".

INCOME STATEMENT (R\$ M)	2021 ACCOUNTING	NON-RECURRING EVENTS	MANAGERIAL ADJUSTMENTS	2021 MANAGERIAL
Revenues – Total (i + ii)	9,422	0	69	9,492
Gross financial margin (i)	7,049	0	348	7,397
Income from services and brokerage fees (ii)	2,374	0	(279)	2,095
Cost of risk	(2,225)	0	(296)	(2,521)
Operating expenses	(5,039)	10	270	(4,760)
Personnel and administrative expenses	(3,261)	10	688	(2,563)
Tax expenses	(499)	0	(42)	(541)
Other expenses (income)	(1,280)	0	(376)	(1,655)
Result before taxes and contributions	2,158	10	44	2,211
Provision for income tax and social contribution	(594)	(4)	(44)	(642)
Recurring Net Income	1,564	5	0	1,569

For a detailed analysis of the figures presented in this section, we recommend reading this document together with the 4Q21 Earnings Release, available on our Investor Relations website (ir.bv.com.br/).

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MAIN INDICATORS

Income Statement (R\$ M)	2020	2021	Δ%
Total revenue (i)+(ii)	8,506	9,492	11.6%
Gross financial margin (i)	6,518	7,397	13.5%
Income from services and brokerage fees (ii)	1,988	2,095	5.4%
Cost of risk	(2,807)	(2,521)	-10.2%
Personnel and administrative expenses	(2,194)	(2,563)	16.8%
Recurring Net Income	1,063	1,569	47.6%
Balance Sheet (R\$ M)	2020	2021	Δ%
Total assets	116,277	120,166	3.3%
Expanded loan portfolio	70,280	76,304	8.6%
Wholesale segment	23,264	24,984	7.4%
Retail segment	47,015	51,320	9.2%
Funding sources	80,576	80,590	0.0%
Shareholders' equity	10,754	11,929	10.9%
Basel ratio (%)	14.6%	15.8%	1.2 p.p.
Tier I Capital Ratio (%)	13.9%	14.8%	0.9 p.p.
Common Equity Tier I (%)	11.7%	12.6%	0.9 p.p.
Managerial Indicators (%)	2020	2021	Δ%
Return on Average Equity ¹ (ROAE)	10.4%	14.0%	3.6 p.p.
Return on Average Assets ² (ROAA)	0.9%	1.3%	0.4 p.p.
Net Interest Margin ³ (NIM) - Clients	9.8%	10.2%	0.4 p.p.
Net Interest Margin ⁴ (NIM) - Clients + Market	6.8%	7.2%	0.4 p.p.
Efficiency Ratio (ER) - accumulated of 12 months ⁵	32.3%	34.1%	1.7 p.p.
NPL 90-days	3.5%	3.7%	0.1 p.p.
Coverage Ratio (NPL 90-days)	252%	239%	-12.7 p.p.
Additional Information	2020	2021	Δ%
Employees ⁶ (quantity)	3,914	4,376	11.8%
Assets under Management ⁷ (R\$ Million)	49,494	52,341	5.8%

1. Ratio between net income and average equity for the period. Annualized; 2. Ratio between net income and average total assets for the period. Annualized; 3. Ratio between gross financial margin with clients and average assets sensitive to spreads in the period. Annualized; 4. Ratio between gross financial margin and average profitable assets for the period. Annualized; 5. ER = personnel (excluding labor claims) and administrative expenses / (gross financial margin + income from rendered services and banking fees + other operational income + other operational expenses - tax expenses - income from the real state activity); 6. It does not consider interns and statutory employees; 7. It includes onshore funds (ANBIMA criteria) and private client funds (fixed income, variable income and offshore funds)

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RECURRING NET INCOME

Recurring net income reached R\$1.6 billion in 2021, an increase of 47.6% compared to 2020, equivalent to an annualized return on equity (recurring ROE) of 14.0%, comparable to R\$1,1 billion and ROE of 10.4% in the previous year. The increase in profit in the period was mainly due to the 13.1% growth in the margin with clients, with an expansion greater than the growth of the loan portfolio; ii) growth of 16.7% in the margin with the market; iii) expansion of 5.4% in revenues from services and brokerage and; iv) a 10.2% drop in the cost of risk.

NET INCOME

R\$ 1.6 BI

+47.6% vs 2020



ROE

14.0%

vs 10.4% in 2020



TOTAL REVENUES

Total revenues (which is equivalent to the sum of gross margin plus revenues from services and insurance) reached BRL 9.5 billion in 2021, 11.6% higher than in 2020, when it totaled BRL 8.5 billion.

TOTAL REVENUES

R\$ 9.5 BI

+11.6% vs 2020



GROSS FINANCIAL MARGIN

Gross financial margin grew 13.5% compared to 2020, to R\$7.4 billion. The 13.1% expansion in the margin with clients mainly reflects the expansion in the loan portfolio, a mix effect with stronger growth in the credit card segment, in addition to the gradual dilution of the impact resulting from the pro-customer initiatives adopted by the BV in 2020 because of the pandemic. NIM of clients grew by 0.4 p.p. to 10.2%, against 9.8% in 2020. The 16.7% growth in the margin with the market was mainly driven by the positive result of the structural hedge positions and the application of shareholders' equity.

GROSS FINANCIAL
MARGIN

R\$ 7.4 BI

+13.5% vs 2020



NIM OF CLIENTS

10.2%

vs 9.8% in 2020



COST OF RISK

The cost of risk decreased 10.2% compared to 2020, to R\$2.5 billion, mainly explained by the lower expense of net provisions, as well as lower discounts granted in 2021. The cost of risk on the expanded credit portfolio decreased from 4.1% in 2020 to 3.4% in 2021.

COST OF RISK

R\$ 2.5 BI

-10.2% vs 2020



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PERSONNEL AND ADMINISTRATIVE EXPENSES

Administrative and personnel expenses grew 16.8% in 2021, to R\$2.6 billion. In the period, there was a 20.6% increase in personnel expenses, explained by: i) the effects of the negotiation of the collective bargaining agreement, which includes a 10.97% readjustment on salaries and benefits as of September; ii) the higher profit-sharing expenses, reflecting the improvement in the bank's results and; iii) increase in the number of employees aligned with the Bank's digital strategy, which continues with investments in avenues of growth, including digital banking. Administrative expenses (excluding depreciation and amortization), in turn, increased by 10.2% in 2021, mainly explained by greater investments in marketing with institutional campaigns, in addition to investments in avenues of growth..

EFFICIENCY RATIO

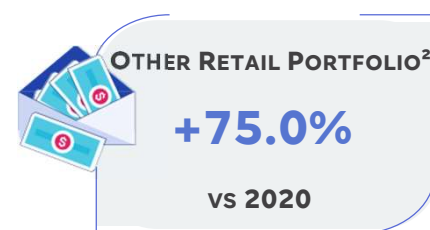
The Efficiency Ratio (ER) ended 2021 at 34.1%, 1.8 pp above the ER of 2020. The observed increase is related to higher investments in avenues of growth, including digital banking, solar finance, SME's and Banking as a Service. These investments in avenues of growth will be further reinforced in 2022 with greater investments in technology and marketing. Nevertheless, efficiency continues to be a fundamental pillar in BV's strategy, as evidenced by the healthy ER level of 32.0% when we exclude investments in avenues of growth.

CREDIT PORTFOLIO

The expanded loan portfolio ended 2021 at R\$76.3 billion, an 8.6% growth compared to 2020, with an expansion of 9.2% in Retail and 7.4% in Wholesale.

»» RETAIL

The Retail portfolio grew 9.2% compared to 2020, to R\$51.3 billion. In line with our strategic plan, in 2021 we recorded important advances in the diversification agenda, while maintaining the leadership in auto finance¹ for the 9th year in a row. The other retail portfolio² grew 75.0%, with emphasis on the 181.6% expansion in the solar panel financing portfolio. Another highlight was the 57.2% growth in the credit card portfolio, which saw the launch of the new portfolio, in addition to improvements in the sales pipeline in digital channels and commercial strategy. The vehicle portfolio grew 1.4% vs 2020, with the portfolio reaching R\$42.0 billion.



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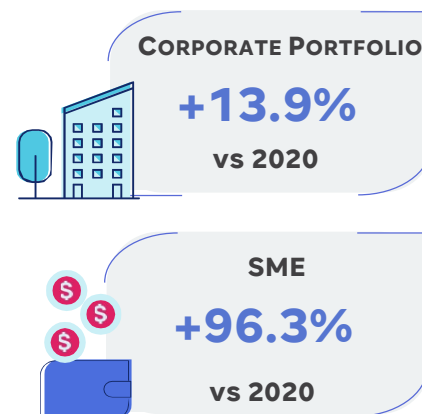


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»» WHOLESALE

In Wholesale, we also made important advances in the strategy of greater diversification and dispersion of the portfolio's risk and increase in the portfolio's profitability. The on-balance portfolio grew 16.8% vs 2020, to R\$14.5 billion, highlighting the 13.9% expansion in Corporate (customers with annual revenues between R\$300 million and R\$1.5 billion), segment that represents 46.5% of the on-balance Wholesale portfolio. Another highlight in the year was the 96.3% expansion in the SME portfolio, reaching R\$1.2 billion. The expanded portfolio reached R\$25.0 billion at the end of 2021, an expansion of 7.4% over 2020.



NPL 90 DAYS

The main delinquency indicator (NPL-90 days) ended 2021 at 3.7%. Despite the 0.2 p.p. increase vs 2020, the indicator remains at a very controlled level and below pre-pandemic historical levels. Nevertheless, it was already possible to verify during 4Q21 an increase in delinquency in Retail, which, as we have indicated, should gradually return to historical levels throughout 2022.

FUNDING AND LIQUIDITY

Total funding reached R\$80.6 billion at the end of 2021, with stable funding instruments representing 59.3% of total funding. Banco BV has maintained its liquidity at very conservative levels. The liquidity indicator LCR (Liquidity Coverage Ratio), whose objective is to measure short-term liquidity in a stress scenario, ended 2021 at 214%, compared to 226% at the end of 2020. It is worth noting that the minimum regulatory requirement by the Central Bank is 100% for this indicator.

CAPITAL

Capital ratios remained solid and at conservative levels. The Basel Ratio reached 15.8% at the end of 2021, compared to 14.6% at the end of 2020. The Tier I Capital ratio totaled 14.8% with 12.6% of Principal Capital and 2.2 % of Complementary Capital. It is important to highlight that, at the end of 2021, the regulatory minimums verified were 10.0% for the total Basel Ratio, 8.0% for Tier I Capital and 6.5% for Core Capital.

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/ Acknowledgment

We thank our customers, partners, investors and shareholders for their trust and our employees for their continued commitment and dedication.

BOARD OF DIRECTORS

FAUSTO A. RIBEIRO	CHAIRMAN
JOÃO H. B. SCHMIDT	VICE-CHAIRMAN
JOSÉ R. FAGONDE FORNI	MEMBER
JOSÉ LUIZ MAJOLO	MEMBER
RENATO NAEGELE	MEMBER
JAIRÓ SAMPAIO SADDI	MEMBER
ANDREA DA M. CHAMMA	INDEPENDENT MEMBER

AUDIT COMMITTEE

JOSÉ DANUBIO ROZO	COORDINATOR
WALTER E. RIBEIRO	MEMBER
RUDINEI DOS SANTOS	MEMBER

FISCAL COUNCIL

LUPÉRCIO DE S. IZABEL	CHAIRMAN
DIOGO M. C. DE FARIA	MEMBER
CÉLIO FARIA JÚNIOR	MEMBER

ACCOUNTANT

ALEXEI DE BONA	CRC PR-036459/O-3
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EXECUTIVE OFFICERS

GABRIEL FERREIRA	CEO
ADRIANA C. GOMES	EXECUTIVE OFFICER
ALBERTO CAMPOS	EXECUTIVE OFFICER
ALEXANDRE IBRAHIM	EXECUTIVE OFFICER
FLÁVIO SUCHEK	EXECUTIVE OFFICER
GUILHERME HORN	EXECUTIVE OFFICER
JOSÉ R. SALVINI	EXECUTIVE OFFICER
ROBERTO JÁBALI	EXECUTIVE OFFICER
RODRIGO TREMANTE	CFO
ROGERIO MONORI	EXECUTIVE OFFICER
ALBANO CORREA	OFFICER
ALEXANDRE ZIMATH	OFFICER
ANA PAULA TARCIA	OFFICER
CELSO ROCHA	OFFICER
EDUARDO TELES	OFFICER
MARCELO KENJI	OFFICER
RONALDO HELPE ¹	OFFICER
EDMAR CASALATINA ²	OFFICER
MARCOS BARROS ²	OFFICER
LUIZ SEDRANI ²	DIRECTOR

1 - Investor Relations Officer

2 - Directors of companies controlled by Banco BV

Summary of the Audit Committee Report Second Half of 2021

Introduction

The Audit Committee (“Committee”) is a statutory body that is governed by Resolution 4,910/2021 of the National Monetary Council (“CMN”), by the Bylaws and by its Internal Regulations.

The Committee is an advisory entity for the Board of Directors of Banco Votorantim S.A. (“Banco”), operating independently and on a permanent basis. Over the second half of 2021, the Committee operated with three members, of whom one was appointed by the shareholder Banco do Brasil S.A. (Nilson Martiniano Moreira), one was appointed by the shareholder Votorantim Finanças S.A. (José Danúbio Roza) and one was appointed in common agreement among the shareholders (Rudinei dos Santos).

On 11/10/2021, the Board of Directors approved:

- (i) The election of Walter Eustáquio Ribeiro, appointed in common agreement among the shareholders Banco do Brasil S.A., replacing Nilson Martiniano Moreira. Walter Eustáquio Ribeiro was sworn into office on 12/31/2021;

As permitted by Article 9, paragraph 4º, I of CMN Resolution 4,910/2021, Banco opted to establish a single Audit Committee for Banco and its subsidiaries, jointly referred to as “Conglomerate”. In accordance with the Bylaws of Banco BV and its Internal Regulations, the Audit Committee’s primary duties are to assess the effectiveness of the internal control system, to examine the financial statements prior to their publication, to evaluate the effectiveness of internal and independent audits, to exercise its duties and responsibilities with the Bank’s subsidiaries that have joined the single Audit Committee, in addition to others stipulated in law or determined by the Board of Directors.

The management of the Banco and its subsidiaries is responsible for preparing and ensuring the integrity of financial statements, managing risks, maintaining an effective internal control system, and ensuring compliance with legal and regulatory standards.

The mission of the Internal Audit is to provide shareholders, the Board of Directors, and the Executive Board with independent, impartial, and prompt

assessments of the effectiveness of risk management, the appropriateness of controls and compliance with the rules and regulations related to the Conglomerate's operations.

PricewaterhouseCoopers Auditores Independentes ("PWC") is entrusted with providing the auditing services for the financial statements and is responsible for expressing its opinion on the suitability, with regards to the financial and equity position, in accordance with the accounting practices adopted in Brazil, as well as for evaluating the quality and appropriateness of the internal control system, including electronic data processing and risk management systems, and the compliance with legal and regulatory requirements.

Activities carried out during the period

In an effort to perform its duties and in compliance with the provisions of its Annual Work Plan – approved by the Board of Directors on 12/03/2020 – the Audit Committee held 48 meetings with a range of departments and areas, including the Board of Directors, Fiscal Council, Risk and Capital Committee, representatives from senior management, internal and independent audits, and with the key heads of the business and control areas.

At these meetings, there was particular attention paid to matters related to internal controls, business and product areas, operations, prevention of money laundering, security, recommendations for internal and independent auditing, and external inspection entities.

Meetings with the internal audit focused on the work performed during the period, key findings, and recommendations. A copy of the reports on the work performed was received and the results were examined. Through the independent audit, the work from the period was tracked and verified, in particular the review of the financial statements of second half of 2021.

The financial statements related to the Corporate Consolidation were examined, as well as the Bank's individual financial statement, the main assets, liabilities, shareholder equity, earnings and explanatory notes in the BRGAAP standard, the accounting practices adopted and the content of the independent auditors' report. The Technical Study of consumption of the Tax Credit referring to the 2 second half of 2021 was also examined.

In situations where the need for refinements was pointed out, improvements were recommended.

Conclusions

Based on the activities performed during the period and bearing in mind the duties and limitations inherent in the scope of its activities, the Audit Committee concludes that:

- a) The Conglomerate's Internal Control System is effective and is appropriate for its size, type of operations, and risk appetite approved by the Board of Directors;
- b) The Internal Auditor carried out its activities in a satisfactory, professional, and independent manner;
- c) The Independent Auditor acted effectively and allocated the proper number of qualified professionals to examine the financial statements for the period; and
- d) The Financial Statements from December 31, 2021, related to the Bank's Corporate Consolidation, as well as the individual one, were prepared in accordance with legal norms and practices adopted in Brazil and reflect, in material respects, the financial position of the companies mentioned in that period.

São Paulo, February 7, 2022.

José Danúbio Rozo
Coordinator

Walter Eustáquio Ribeiro
Member

Rudinei dos Santos
Member



Banco Votorantim S.A.

Independent auditor's report

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

Opinion

We have audited the accompanying parent company financial statements of Banco Votorantim S.A. ("Bank"), which comprise the statement of financial position as at December 31, 2021 and the income statement, statement of other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the six-month period and year then ended, as well as the accompanying consolidated financial statements of Banco Votorantim S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated income statement, statement of other comprehensive income and statement of cash flows for the six-month period and year then ended, and the notes, including a summary of significant accounting policies and other elucidative information.

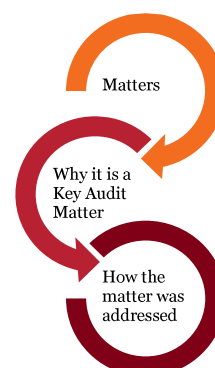
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco Votorantim S.A. and of Banco Votorantim S.A. and its subsidiaries as at December 31, 2021, and the financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the six-month period and year then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements" section of our report. We are independent of the Bank and of its subsidiaries in accordance with the ethical requirements established in the Accountant's Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Banco Votorantim S.A.

Why it is a Key Audit Matter	How the matter was addressed in the audit
Allowance for losses associated with credit risk (Notes 4 (h), 5 (a) and 12 (f))	
<p>The measurement of the amount of the allowance for losses associated with credit risk requires the determination of assumptions and judgment by management, which considers the delay, the current economic environment, economic situation, past experience and the risks specifically related to the respective operations, the counterparty and guarantees, in accordance with the rules of the National Monetary Council – CMN and Central Bank of Brazil – BACEN. Additionally, as a result of COVID 19, were issued standards related to the criteria of temporary flexibility for the characterization of a problematic credit in situations of renegotiation and restructuring of credit operations, for the purpose of measuring the respective provision.</p> <p>Considering the relevance of loan portfolio, the high degree of judgment related to the measurement of the allowance for losses associated with credit risk, we defined this as a focus area in our audit.</p>	<p>We updated our understanding of the internal control environment and evaluated the relevant controls related to measurement and verification related to allowance for losses associated with credit risk.</p> <p>We performed tests, on a sample basis, on the assumptions and parameters adopted in the classification by risk levels, as well as the overdue position used as a basis for measuring the provision. We performed the totalization of the bases for recalculation of the provision, in accordance with the criteria established by the CMN and BACEN regulations.</p> <p>We considered that the criteria and assumptions adopted by Management for the measurement of the allowance for losses associated with credit risk are consistent with the information analyzed in our audit.</p>
Measurement of the fair value of securities and financial instruments with low liquidity and/or without active market (Notes 4 (f) and (g), 5 (b) and (d), 9 (a), 10 (a) and 29 (b))	
<p>The fair value measurement of securities and financial instruments with low liquidity and/or without an active market is an area that includes subjectivity, as it depends on valuation techniques based on internal models that involve management's assumptions for their measurement.</p> <p>In highly volatile times, as result of the pandemic COVID 19 and when there are no observable market prices or parameters available, market risk management is more complex.</p>	<p>We updated our understanding of the design of internal controls related to internal models for measuring the fair value of securities and financial instruments with low liquidity and/or no active market. We perform tests on the effectiveness of relevant controls in measuring these assets, as well as management approval of the models adopted and required disclosures.</p> <p>With the support of our financial instrument pricing specialists, we analyze the main valuation methodologies for these securities and financial</p>



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Why it is a Key Audit Matter	How the matter was addressed in the audit
This is an area of focus carried in our audit since the use of different valuation techniques and assumptions could produce fair value estimates significantly different.	<p>instruments, as well as the most significant assumptions adopted by management by comparing them with market methodologies. We carried out independent recalculations, on a sample basis, of the valuation of certain operations.</p> <p>We considered that the criteria and assumptions adopted by management in measuring the fair value of these financial instruments are consistent with the information analyzed in our audit.</p>

Deferred tax assets – tax credit (Notes 4 (q), 5 (c) and 25 (a.2))

Deferred tax assets, composed of tax credit, are based on temporary differences, income tax losses and negative basis of social contribution, and their registration in the financial statements is supported by the study of realization of future taxable profits.

This referred study is based on projections arising from strategic planning, which considers assumptions of business plans, corporate strategies, macroeconomic scenario, historical performance, among others, which are approved by the governance bodies, as required by the CMN and BACEN regulations.

The projection of future taxable profits contains several assumptions of a subjective nature established by management. In this way, we consider this area as focus of our audit, as the amounts involved are relevant and the use of different assumptions in the projection of taxable profits could significantly change the amounts and periods for the realization of tax credits, with a consequent impact on the financial statements.

We updated our understanding of the processes established by management to determine the assumptions used in preparing the tax credit realization study, as well as its registration and disclosures in accordance with CMN and BACEN standards.

We compared the critical assumptions used to project future results with information of macroeconomic projections available in the market, when applicable. Additionally, we compared the study data with the approved budgets and the compliance with CMN and BACEN rules.

With the help of our tax specialists, we carried out tests on the nature and amounts of temporary differences, tax losses and negative basis of social contribution on income, which can be deducted from future tax bases.

The assumptions adopted by management in the calculation and registration of tax credits are consistently applied and are in line with the information approved by the governance bodies.

Provision and contingent liabilities (Notes 4 (r) and 28)

The Bank registers provisions and contingent

We updated our understanding of the main controls



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Why it is a Key Audit Matter	How the matter was addressed in the audit
<p>liabilities arising mainly from legal and administrative proceedings, inherent to the normal course of its business, issued by third parties, former employees and public bodies; in civil, labor and tax and social security natures.</p> <p>These processes are usually closed after a long period of time and involve not only discussions on the merits, but also complex procedural aspects, in accordance with current legislation.</p> <p>Management, based on its judgment and through the opinion of its legal advisors, estimates the provisions and contingent liabilities that are likely to be lost. For labor-related lawsuits, the provision volume is determined by means of legal assessments and statistical models. For tax lawsuits, the probable loss amount is estimated through the assessment of legal advisors (individualized method). For civil cases considered similar and usual, and whose value is not considered relevant, the calculation of the provision is determined using a statistical model based on the loss observed in the history of closed suits of the same characteristics (mass method).</p> <p>Due to the relevance of the amounts and the uncertainties and judgments involved, as described above, for the determination and constitution of the provision and required disclosures for contingent liabilities, we considered this an area of focus for the audit.</p>	<p>for evaluation, classification, monitoring, measurement, recording and disclosure of provisions and contingent liabilities.</p> <p>We carried out confirmation procedures with the external legal advisors responsible for the processes and confronted with the management's analytical controls.</p> <p>We carried out tests on the risks and values of causes used in the measurement methodologies of the amounts provisioned. For civil and labor lawsuits of the same nature, we compared, on a sample basis, the amounts paid in closed cases with the amounts provisioned. In our tests related to tax lawsuits on an individual basis, we analyzed the risk assessment with the support of our tax specialists.</p> <p>We considered that our audit procedures provided adequate and sufficient evidence regarding the criteria and assumptions adopted by management for the determination, constitution and disclosure of the provision for contingent liabilities.</p>

Information technology environment (Note 29 (c))

<p>The Bank has a highly technology-dependent business environment, requiring a complex infrastructure to support the high volume. Information technology represents a fundamental aspect in the evolution of the Bank's business.</p> <p>The risks involving information technology, associated with any eventual deficiencies in processes and controls that support the processing of technology systems, may eventually lead to</p>	<p>As part of our audit procedures, with the assistance of our specialists we updated the assessment of the information technology environment, including the automated controls of the relevant application systems for the preparation of the financial statements.</p> <p>The procedures performed involved the combination of tests on the main controls, as well as the execution of tests related to information</p>
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Why it is a Key Audit Matter	How the matter was addressed in the audit
incorrect processing of critical information, including those used in the preparation of the financial statements, as well as causing risks related to information security. Therefore, this was considered an area of focus in our audit.	security, including management of access, segregation of functions and monitoring of the technology infrastructure's operational capacity. The audit procedures applied resulted in appropriate evidence that was considered in determining the nature, timing and extent of the audit procedures.

Other matters

Statements of added value

The parent company and consolidated statements of added value for the year ended on December 31, 2021, prepared under the responsibility of the Bank's management and presented as supplementary information for purposes of the BACEN, were submitted to audit procedures performed in conjunction with the audit of the financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09, "Statement of Added Value". In our opinion, these statements of added value have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Audit of corresponding values to the prior period

The audit of the financial statements for the six-month period and year ended December 31, 2020 was carried out under the responsibility of other independent auditors, who issued an audit report, dated February 4, 2021, without modifications.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Bank's management is responsible for the other information which comprise the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether these reports are materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements



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Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by BACEN, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, Management is responsible for assessing the Bank's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance in the Bank and its subsidiaries are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence



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obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and its subsidiaries to cease to continue as going concern.

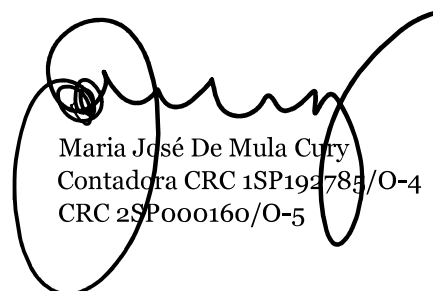
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the related entities to express an opinion on the Bank Financial Statements. We are responsible for the direction, supervision and performance of the audit considering these investments and, consequently, for the audit opinion of the Bank.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 7 2022


PricewaterhouseCoopers
Auditores Independentes


Maria José De Mula Cury
Contadora CRC 1SP192785/O-4
CRC 2SP000160/O-5



STATEMENT OF FINANCIAL POSITION

as of December 31, 2021 and 2020

(In thousands of Reals, unless otherwise stated)

	Note	Bank		Consolidated	
		12.31.2021	12.31.2020	12.31.2021	12.31.2020
Cash and cash equivalents	7	2,892,037	5,457,830	2,935,119	4,808,466
Availabilities		235,301	487,652	278,383	539,335
Interbank funds applied		2,656,736	4,970,178	2,656,736	4,269,131
Financial assets		102,550,902	98,648,528	107,162,395	101,582,819
Interbank investments	8a	5,050,887	4,988,959	3,423,243	4,991,024
Securities		33,628,761	32,657,421	35,897,868	34,198,210
Securities portfolio	9a	34,616,765	33,595,049	36,885,872	35,135,838
(Provision for impairment of securities)	9a	(988,004)	(937,628)	(988,004)	(937,628)
Derivative financial instruments	10a	4,386,747	5,081,402	3,713,757	3,621,140
Interbank accounts	11a	1,490,076	984,105	1,492,118	984,105
Loan portfolio	12a	56,073,621	51,834,046	60,288,771	54,428,883
Loans		55,569,267	52,851,117	57,332,216	53,792,865
Other receivables with loan characteristics		5,437,360	3,601,821	8,452,836	5,577,846
Lease portfolio		-	-	48,739	73,353
(Allowance for losses associated with credit risk)		(4,933,006)	(4,618,892)	(5,545,020)	(5,015,181)
Other financial assets	13a	1,920,810	3,102,595	2,346,638	3,359,457
Tax assets		6,996,647	7,110,133	8,125,519	8,035,798
Current tax assets	25a.1	447,097	303,609	499,250	358,504
Deferred tax assets	25a.2	6,549,550	6,806,524	7,626,269	7,677,294
Investments		3,911,807	3,477,873	110,447	19,457
Investments in subsidiaries, associates and joint ventures	14a	3,911,523	3,477,686	110,163	19,270
Other investments	14f	284	187	284	187
Property, plant and equipment	15	81,092	94,427	81,408	95,227
Other property, plant and equipment		390,080	390,135	399,581	401,544
(Accumulated depreciation)		(308,988)	(295,708)	(318,173)	(306,317)
Intangibles and goodwill		594,519	397,652	674,658	462,960
Intangible assets	16a	1,280,807	957,987	1,391,171	1,010,073
(Accumulated amortization)	16a	(517,961)	(355,585)	(538,357)	(366,651)
(Accumulated impairment)	16a	(168,327)	(204,750)	(178,156)	(214,579)
Goodwill and fair value adjustment	16d	-	-	-	34,117
Other assets	13a	1,048,079	1,033,211	1,075,957	1,272,410
TOTAL ASSETS		118,075,083	116,219,654	120,165,503	116,277,137

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



STATEMENT OF FINANCIAL POSITION

as of December 31, 2021 and 2020

(In thousands of Reals, unless otherwise stated)

	Note	Bank		Consolidated	
		12.31.2021	12.31.2020	12.31.2021	12.31.2020
Financial liabilities		102,517,581	102,905,467	104,109,826	102,518,146
Deposits	17a	25,002,756	26,344,211	24,046,720	25,510,391
Money market repurchase commitments	17c	18,010,986	15,639,154	16,820,593	15,028,829
Funds from acceptance and issuance of securities	19	38,273,281	40,154,521	38,273,281	40,154,521
Interbank accounts	11a	16,946	5,887	2,840,131	1,887,891
Borrowings and domestic onlendings	18a	5,102,555	3,745,402	5,102,555	3,745,402
Derivative financial instruments	10a	2,439,455	4,629,350	2,365,339	3,605,657
Subordinated debts and debt instruments eligible as capital	20a	3,588,447	3,693,126	3,588,447	3,693,126
Other financial liabilities	21a	10,083,155	8,693,816	11,072,760	8,892,329
Tax liabilities		893,272	472,397	1,122,621	605,913
Current tax liabilities	25b.1	230,910	136,295	459,590	259,497
Deferred tax liabilities	25b.2	662,362	336,102	663,031	346,416
Provisions for contingencies	28e	679,559	767,733	732,091	818,698
Other liabilities	21a	2,061,981	1,327,888	2,272,414	1,580,663
SHAREHOLDERS' EQUITY		11,922,690	10,746,169	11,928,551	10,753,717
Capital	24a	8,130,372	8,130,372	8,130,372	8,130,372
Capital reserves	24b	372,120	372,120	372,120	372,120
Profit reserves		2,955,632	2,094,324	2,946,841	2,083,002
Other comprehensive income	24g	464,566	149,353	479,218	168,223
TOTAL LIABILITIES		118,075,083	116,219,654	120,165,503	116,277,137

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



INCOME STATEMENT

Years ended as of December 31, 2021 and 2020

Six-month periods ended as of December 31, 2021 and 2020

(In thousands of Reals, unless otherwise stated)

	Note	Bank ⁽¹⁾			
		2° Semester/ 2021	2° Semester/ 2020	2021	2020
FINANCIAL INTERMEDIATION INCOME		7,927,741	3,148,728	12,192,042	7,618,263
Loans	12b	4,267,770	2,931,807	7,929,054	3,405,681
Income from securities	9c	1,437,940	825,417	2,187,974	3,173,095
Income (Losses) from derivative financial instruments	10g	1,339,444	(967,403)	709,428	271,694
Income from exchange foreign operations	13c	153,671	(42,854)	204,763	344,951
Income from compulsory deposits	11d	32,630	10,019	44,015	31,100
Sale or transfer transactions of financial assets	12h.1	696,286	391,742	1,116,808	391,742
FINANCIAL INTERMEDIATION EXPENSES		(4,808,002)	(882,430)	(5,984,927)	(5,624,665)
Funding operations in the market	17d	(3,891,110)	(801,321)	(5,049,026)	(4,505,989)
Borrowings and onlendings	18d	(502,730)	108,887	(348,064)	(928,680)
Liabilities associated with assigned financial assets	12h.1	(414,162)	(189,996)	(587,837)	(189,996)
INCOME (LOSS) FROM FINANCIAL INTERMEDIATION		3,119,739	2,266,298	6,207,115	1,993,598
RESULT OF PROVISION FOR LOSSES		(917,107)	(701,831)	(1,667,186)	(691,054)
(Provision) / reversal of provision for loan losses	12f.1	(854,295)	(711,645)	(1,566,305)	(711,017)
Other (provision) / reversal of provision associated with credit risk	12f.1	15,051	58,783	22,079	51,086
(Provision) / reversal of provision for securities impairment	9d	(77,863)	(48,969)	(122,960)	(31,123)
OPERATING INCOME/EXPENSES		(1,409,063)	(970,976)	(2,395,295)	(728,490)
Service income	22a	153,319	156,716	351,043	288,567
Income from banking fees	22b	314,545	326,004	655,915	327,112
Personnel expenses	22c	(649,595)	(511,097)	(1,106,922)	(553,645)
Other administrative expenses	22d	(770,927)	(584,879)	(1,359,686)	(720,253)
Tax expenses	25c	(169,987)	(174,628)	(349,909)	(206,967)
Share of profit (loss) in subsidiaries, associates and jointly controlled subsidiaries	14a	176,519	208,693	310,386	530,785
(Provision) / reversal of provision for contingent liabilities	28e.3	55,873	67,533	88,174	66,771
Other operating income	22e	14,100	21,344	36,665	33,364
Other operating expenses	22f	(532,910)	(480,662)	(1,020,961)	(494,224)
OPERATING INCOME		793,569	593,491	2,144,634	574,054
OTHER NON-OPERATING INCOME AND EXPENSES	23	2,535	(29,514)	16,536	(64,140)
INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING		796,104	563,977	2,161,170	509,914
INCOME TAX AND SOCIAL CONTRIBUTION	25d.1	33,346	153,211	(424,890)	641,449
PROFIT SHARING - EMPLOYEES AND MANAGEMENT		(82,748)	(96,780)	(174,972)	(121,053)
NET PROFIT		746,702	620,408	1,561,308	1,030,310
EARNINGS PER SHARE	24e				
Earnings per share - R\$		63.24	52.54	132.23	87.26
Number of shares (thousand lot)		11,807,321	11,807,321	11,807,321	11,807,321

⁽¹⁾ Includes in the Bank appropriation of incomes generated by assets and liabilities received from the merger of the spun-off portion of BV Financeira, after said event (Note 2b).

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



INCOME STATEMENT

Years ended as of December 31, 2021 and 2020

Six-month periods ended as of December 31, 2021 and 2020

(In thousands of Reais, unless otherwise stated)

	Note	Consolidated			
		2° Semester/ 2021	2° Semester/ 2020	2021	2020
FINANCIAL INTERMEDIATION INCOME		8,418,177	3,802,263	13,020,863	11,271,656
Loans	12b	4,880,734	3,619,464	8,866,456	7,772,870
Leasing operations	12b	3,200	3,491	6,842	8,921
Income from securities	9c	1,403,175	722,912	2,123,355	2,643,417
Income (Losses) from derivative financial instruments	10g	1,248,481	(995,278)	658,624	(411,390)
Income from exchange foreign operations	13c	153,671	(42,854)	204,763	344,951
Income from compulsory deposits	11d	32,630	10,019	44,015	31,100
Sale or transfer transactions of financial assets	12h.1	696,286	484,509	1,116,808	881,787
FINANCIAL INTERMEDIATION EXPENSES		(4,800,521)	(933,228)	(5,972,325)	(5,846,053)
Funding operations in the market	17d	(3,822,707)	(818,304)	(4,959,980)	(4,511,813)
Borrowings and onlendings	18d	(502,730)	108,887	(348,064)	(928,680)
Liabilities associated with assigned financial assets	12h.1	(475,084)	(223,811)	(664,281)	(405,560)
INCOME (LOSS) FROM FINANCIAL INTERMEDIATION		3,617,656	2,869,035	7,048,538	5,425,603
RESULT OF PROVISION FOR LOSSES		(1,275,598)	(977,763)	(2,225,239)	(2,506,817)
(Provision) / reversal of provision for loan losses	12f.1	(1,212,786)	(984,139)	(2,124,358)	(2,521,681)
Other (provision) / reversal of provision associated with credit risk	12f.1	15,051	55,345	22,079	45,987
(Provision) / reversal of provision for securities impairment	9d	(77,863)	(48,969)	(122,960)	(31,123)
OPERATING INCOME/EXPENSES		(1,471,128)	(1,133,695)	(2,391,336)	(1,953,649)
Service income	22a	794,244	759,078	1,587,350	1,396,759
Income from banking fees	22b	380,110	457,323	786,587	828,828
Personnel expenses	22c	(772,398)	(670,922)	(1,330,610)	(1,098,844)
Other administrative expenses	22d	(982,880)	(810,241)	(1,712,924)	(1,544,080)
Tax expenses	25c	(250,285)	(288,409)	(499,216)	(546,409)
Share of profit (loss) in subsidiaries, associates and jointly controlled subsidiaries	14a	(1,136)	2,352	(1,667)	995
(Provision) / reversal of provision for contingent liabilities	28e.3	48,334	93,643	86,607	87,610
Other operating income	22e	27,253	68,471	72,847	165,705
Other operating expenses	22f	(714,370)	(744,990)	(1,380,310)	(1,244,213)
OPERATING INCOME		870,930	757,577	2,431,963	965,137
OTHER NON-OPERATING INCOME AND EXPENSES	23	(2,539)	(59,681)	(57,094)	(61,297)
INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING		868,391	697,896	2,374,869	903,840
INCOME TAX AND SOCIAL CONTRIBUTION	25d.1	(19,663)	34,136	(594,041)	373,039
PROFIT SHARING - EMPLOYEES AND MANAGEMENT		(100,729)	(110,415)	(216,990)	(212,260)
NET PROFIT		747,999	621,617	1,563,838	1,064,619

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



STATEMENT OF OTHER COMPREHENSIVE INCOME

Years ended as of December 31, 2021 and 2020

Six-month periods ended as of December 31, 2021 and 2020

(In thousands of Reals, unless otherwise stated)

	Note	Bank ⁽¹⁾			
		2º Semester/ 2021	2º Semester/ 2020	2021	2020
Net income for the period		746,702	620,408	1,561,308	1,030,310
Other comprehensive income that can be subsequently reclassified to profit or loss:					
Net variation in the fair value of financial assets available for sale	24g	(10,448)	210,225	(144,570)	145,198
Adjustment to fair value against shareholder's equity		(75,709)	383,830	(278,169)	432,715
Adjustment to fair value transferred to income		56,368	3,478	15,529	(158,289)
Tax effect		8,893	(177,083)	118,070	(129,228)
Cash flow hedge	24g	222,009	14,302	459,783	30,892
Adjustment to fair value against shareholder's equity		406,806	(28,813)	843,451	1,753
Adjustment to fair value transferred to income		(3,151)	54,816	(7,482)	54,414
Tax effect		(181,646)	(11,701)	(376,186)	(25,275)
Total of other comprehensive income for the period		211,561	224,527	315,213	176,090
Total comprehensive income		958,263	844,935	1,876,521	1,206,400

	Note	Consolidated			
		2º Semester/ 2021	2º Semester/ 2020	2021	2020
Net income for the period		747,999	621,617	1,563,838	1,064,619
Other comprehensive income that can be subsequently reclassified to profit or loss:					
Net variation in the fair value of financial assets available for sale	24g	(12,611)	208,212	(148,788)	88,011
Adjustment to fair value against shareholder's equity		(77,872)	381,817	(282,387)	425,847
Adjustment to fair value transferred to income		56,368	3,478	15,529	(208,608)
Tax effect		8,893	(177,083)	118,070	(129,228)
Cash flow hedge	24g	222,009	14,302	459,783	30,892
Adjustment to fair value against shareholder's equity		406,806	(28,813)	843,451	1,753
Adjustment to fair value transferred to income		(3,151)	54,816	(7,482)	54,414
Tax effect		(181,646)	(11,701)	(376,186)	(25,275)
Total of other comprehensive income for the period		209,398	222,514	310,995	118,903
Total comprehensive income		957,397	844,131	1,874,833	1,183,522

⁽¹⁾ Includes in the Bank appropriation of incomes generated by assets and liabilities received from the merger of the spun-off portion of BV Financeira, after said event (Note 2b).

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Years ended as of December 31, 2021 and 2020

Six-month periods ended as of December 31, 2021 and 2020

(In thousands of Reais, unless otherwise stated)

Bank Events	Note	Share capital	Capital reserves	Profit reserves		Other comprehensive income	Retained earnings	Total
		Paid-up capital		Legal	Other reserves			
Balances in 12.31.2019 ⁽¹⁾		8,130,372	372,120	205,527	1,174,175	(26,737)	-	9,855,457
Adjustments to fair value, net of taxes	24g	-	-	-	-	176,090	-	176,090
Net income for the period		-	-	-	-	-	1,030,310	1,030,310
Destinations:								
Legal reserve	24d	-	-	51,516	-	-	(51,516)	-
Dividends	24d	-	-	-	-	-	(168,688)	(168,688)
Interest on equity	24d	-	-	-	-	-	(147,000)	(147,000)
Statutory reserve for expansion		-	-	-	663,106	-	(663,106)	-
Balance in 12.31.2020 ⁽¹⁾		8,130,372	372,120	257,043	1,837,281	149,353	-	10,746,169
Changes in the period		-	-	51,516	663,106	176,090	-	890,712
Balance in 06.30.2021 ⁽¹⁾		8,130,372	372,120	297,773	1,837,281	253,005	773,876	11,664,427
Adjustments to fair value, net of taxes	24g	-	-	-	-	211,561	-	211,561
Net income for the period		-	-	-	-	-	746,702	746,702
Destinations:								
Legal reserve	24d	-	-	37,335	-	-	(37,335)	-
Interest on equity	24d	-	-	-	-	-	(700,000)	(700,000)
Statutory reserve for expansion		-	-	-	783,243	-	(783,243)	-
Balance in 12.31.2021 ⁽¹⁾		8,130,372	372,120	335,108	2,620,524	464,566	-	11,922,690
Changes in the period		-	-	37,335	783,243	211,561	(773,876)	258,263
Balance in 12.31.2020 ⁽¹⁾		8,130,372	372,120	257,043	1,837,281	149,353	-	10,746,169
Adjustments to fair value, net of taxes	24g	-	-	-	-	315,213	-	315,213
Net income for the period		-	-	-	-	-	1,561,308	1,561,308
Destinations:								
Legal reserve	24d	-	-	78,065	-	-	(78,065)	-
Interest on equity	24d	-	-	-	-	-	(700,000)	(700,000)
Statutory reserve for expansion		-	-	-	783,243	-	(783,243)	-
Balance in 12.31.2021 ⁽¹⁾		8,130,372	372,120	335,108	2,620,524	464,566	-	11,922,690
Changes in the period		-	-	78,065	783,243	315,213	-	1,176,521

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

Earnings per Share are disclosed in the Statement of Income.

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



STATEMENT OF CASH FLOWS

Years ended as of December 31, 2021 and 2020
(In thousands of Reals, unless otherwise stated)

	Note	Bank		Consolidated	
		2021	2020	2021	2020
Cash flows from operating activities					
Income (loss) before income and social contribution taxes		2,161,170	509,914	2,374,869	903,840
Adjustments to income (loss) before income and social contribution taxes		1,490,450	660,978	2,511,125	3,267,733
Provision / (reversal of provision) for loan losses	12f.1	2,246,289	1,035,658	2,840,330	3,064,323
Provision / (reversal of provision) for securities impairment		50,376	31,123	50,376	31,123
Other provision / (reversal of provision) associated with credit risk	12f.1	(22,079)	(51,086)	(22,079)	(45,987)
Depreciation and amortization	22d	162,993	74,940	200,405	151,430
Provision / (reversal of provision) for investment losses due to tax incentives	23	(1,483)	(6,451)	(3,616)	(14,419)
Income from investments in subsidiaries, associates and joint ventures	14a	(310,386)	(530,785)	1,667	(995)
Exchange variation of investments abroad	10g	(119,454)	(478,653)	(119,454)	(478,653)
Exchange variation of subordinated debts and debt instruments eligible for capital	31e	115,140	462,477	115,140	462,477
(Profit) / Loss on disposal of assets	23	(32,341)	(14,563)	(32,501)	(8,882)
Provision / (provision reversal) for devaluation of other assets	23	(8,246)	6,878	8,344	(32,255)
Provision / (provision reversal) for impairment of intangible assets	23	13,491	53,776	13,491	63,604
Expenses / (Reversal of expenses) with civil, labor and tax provisions	28e.3	(88,174)	(66,771)	(86,607)	(87,610)
Effect of changes in foreign exchange rates on cash and cash equivalents		(31,697)	(39,278)	(31,697)	(39,278)
Interest expense on subordinated debt obligations and debt instruments eligible for capital	31e	291,787	292,732	291,787	292,732
Interest income from securities held to maturity		(776,823)	(136,893)	(776,823)	(136,893)
Expenses with goodwill and impairment of subsidiaries	23	-	27,922	66,608	58,006
Other operating income and expenses		1,065	-	(4,238)	(10,942)
Other adjustments		(8)	(48)	(8)	(48)
Changes in operating assets and liabilities		(4,099,231)	16,535,082	(3,995,929)	13,255,704
(Increase) / decrease in interbank investments		(61,928)	(938,175)	1,567,781	(2,459,029)
(Increase) / decrease in trading securities and derivative financial instruments		(377,910)	4,288,099	(614,148)	3,129,644
(Increase) / decrease in interbank accounts		(494,912)	793,803	444,227	1,033,799
(Increase) / decrease in loans and leases		(6,472,556)	(4,142,573)	(8,655,733)	(6,601,371)
(Increase) / decrease in other assets		958,646	(2,092,239)	943,557	(2,295,724)
(Increase) / decrease in tax assets		(64,799)	38,186	(66,690)	257,272
(Increase) / decrease in deposits		(1,341,455)	9,136,835	(1,463,671)	9,154,678
(Decrease) / increase in money market repurchase commitments		2,371,832	(193,799)	1,791,764	(177,262)
(Decrease) / increase in securities issued		(1,881,240)	9,019,682	(1,881,240)	8,088,184
(Decrease) / increase in liabilities from borrowings and onlendings		1,357,153	167,042	1,357,153	167,042
(Decrease) / increase in other obligations		1,342,820	274,242	2,053,586	3,125,408
(Decrease) / increase in tax liabilities		565,118	183,979	527,484	(166,937)
Income tax and social contribution paid		(390,848)	(9,242)	(627,848)	(485,001)
CASH USED BY OPERATING ACTIVITIES		(838,459)	17,696,732	262,216	16,942,276
Cash flows from investing activities					
(Acquisition / increase) of securities available for sale		(4,508,758)	(5,201,845)	(4,879,019)	(5,294,586)
(Acquisition / increase) of securities held to maturity		(4,135,067)	(7,878,091)	(4,135,067)	(7,303,692)
(Acquisition) of property for use		(17,535)	(33,709)	(17,535)	(33,911)
(Acquisition / activation) of intangible		(372,721)	(166,730)	(396,882)	(310,394)
(Acquisition / increase) of investments in associates and joint ventures		(198,150)	(660,345)	(98,028)	(58,006)
Disposal / decrease of securities available for sale		7,065,828	1,579,605	7,102,097	2,915,625
Maturity / interest received of securities held to maturity		789,102	241,538	789,102	241,538
Disposal / decrease of investments in associates and joint ventures		176,218	1,307,667	61,833	521,904
Dividends / interest on equity received ⁽¹⁾		19,321	88,245	-	1,767
NET CASH GENERATED BY INVESTING ACTIVITIES		(1,181,761)	(10,723,665)	(1,573,498)	(9,319,755)
Cash flows from financing activities					
Dividends / interest on own capital paid	31e	(72,709)	(245,971)	(72,709)	(245,971)
Settlement of subordinated debts and debt instruments eligible for capital	31e	(1,040,434)	(3,696,463)	(1,040,434)	(3,696,463)
Fundraising of subordinated debt and capital-eligible debt instruments	31e	503,564	15,000	503,564	15,000
Other changes in subordinated debts and debt instruments eligible to capital	31e	25,264	22,212	25,264	22,212
CASH GENERATED BY FINANCING ACTIVITIES		(584,315)	(3,905,222)	(584,315)	(3,905,222)
Net variation in cash and cash equivalents		(2,604,535)	3,067,845	(1,895,597)	3,717,299
Beginning of the period		5,457,830	2,327,760	4,808,466	1,051,889
Effect of changes in foreign exchange rates on cash and cash equivalents		31,697	39,278	31,697	39,278
End of the period	7	2,892,037	5,434,883	2,935,119	4,808,466
Net increase (decrease) in cash and cash equivalents		(2,597,490)	3,067,845	(1,905,044)	3,717,299

⁽¹⁾ Values net of taxes.

⁽²⁾ In 2020, the equity of BV Financeira existing on June 30, 2020 and spun off from Banco Votorantim on July 31, 2020, was disregarded in this Cash Flow Statement as it does not involve cash and cash equivalents.

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



STATEMENT OF ADDED VALUE

Years ended as of December 31, 2021 and 2020
(In thousands of Reals, unless otherwise stated)

	Note	Bank ⁽¹⁾				Consolidated			
		2021		2020		2021		2020	
Income		11,405,007		7,408,865		12,978,542		10,856,709	
Financial intermediation income		12,192,042		7,618,263		13,020,863		11,271,656	
Service income and banking fees	22a / 22b	1,006,958		615,679		2,373,937		2,225,587	
Allowance for loan losses	9d / 12f.1	(1,667,186)		(691,054)		(2,225,239)		(2,506,817)	
(Provision) / reversal of provision for contingent liabilities	28e.3	88,174		66,771		86,607		87,610	
Other income/(expenses)		(214,981)		(200,794)		(277,626)		(221,327)	
Financial Intermediation expenses		(5,984,927)		(5,624,665)		(5,972,325)		(5,846,053)	
Inputs acquired from third parties		(1,900,106)		(934,550)		(2,533,068)		(2,204,939)	
Materials, water, electricity and gas	22d	(4,972)		(2,691)		(6,661)		(6,546)	
Outsourced services	22d	(12,419)		(9,804)		(14,127)		(14,733)	
Communications	22d	(25,690)		(17,961)		(42,706)		(60,623)	
Data processing	22d	(239,932)		(138,108)		(375,488)		(306,323)	
Transportation	22d	(4,129)		(737)		(4,438)		(3,714)	
Surveillance and security services	22d	(994)		(1,135)		(1,359)		(1,902)	
Specialized technical services	22d	(513,669)		(267,810)		(596,670)		(533,180)	
Financial system services	22d	(68,324)		(50,428)		(74,575)		(100,502)	
Advertising and publicity	22d	(102,387)		(30,510)		(128,422)		(57,087)	
Judicial and notary public fees	22d	(63,209)		(31,059)		(65,362)		(68,369)	
Costs associated with production - Business partners	22f	(752,779)		(324,206)		(1,086,931)		(918,478)	
Other	22d	(111,602)		(60,101)		(136,329)		(133,482)	
Gross value added		3,519,974		849,650		4,473,149		2,805,717	
Amortization/depreciation expenses	22d	(162,993)		(74,940)		(200,405)		(151,430)	
Amortization/depreciation expenses		(158,607)		(74,940)		(196,019)		(151,430)	
Amortization expenses - Carbon credits ⁽²⁾		(4,386)		-		(4,386)		-	
Net value added produced by the entity		3,356,981		774,710		4,272,744		2,654,287	
Value added received as transfer		310,386		530,785		(1,667)		995	
Income from investments in associates and joint ventures	14a	310,386		530,785		(1,667)		995	
Value added payable		3,667,367	100.00%	1,305,495	100.00%	4,271,077	100.00%	2,655,282	100.00%
Distributed value added		3,667,367	100.00%	1,305,495	100.00%	4,271,077	100.00%	2,655,282	100.00%
Philanthropic Contributions ⁽²⁾	22d	2,538	0.07%	987	0.08%	11,594	0.27%	43,439	1.64%
Personnel		1,142,901	31.16%	595,224	45.59%	1,375,656	32.21%	1,161,865	43.76%
Salaries, fees and labor demands ⁽²⁾		772,353		368,677		924,340		744,423	
Profit sharing - Employees and Management		174,972		121,053		216,990		212,260	
Benefits, training programs and other	22c	146,382		76,349		173,515		151,372	
FGTS		49,137		29,089		60,754		53,754	
Other charges		57		56		57		56	
Taxes, rates and contributions		913,792	24.92%	(355,008)	-27.19%	1,265,201	29.62%	322,609	12.15%
Federal		862,739		(385,843)		1,182,109		239,837	
State		1,331		25		1,343		26	
Municipal		49,722		30,810		81,749		82,746	
Third-party capital remuneration		46,828	1.28%	33,982	2.60%	54,788	1.28%	62,750	2.36%
Rental	22d	46,828		33,982		54,788		62,750	
Remuneration of own capital		1,561,308	42.57%	1,030,310	78.92%	1,563,838	36.62%	1,064,619	40.09%
Dividends / interest on equity		700,000		315,688		700,000		315,688	
Retained earnings		861,308		714,622		863,838		748,931	

⁽¹⁾ Includes in the Bank appropriation of incomes generated by assets and liabilities received from the merger of the spun-off portion of BV Financeira, after said event (Note 2b).

⁽²⁾ It is part of the expenses arising from ESG practices. Additional information is described in explanatory note 30.

⁽³⁾ Mainly includes, in the year ended December 31, 2020, the reversal of the provision for expenses from long-term incentive plans, referring to disbursements, whose realization is no longer expected. The accompanying notes are an integral part of these financial statements.

Notes to the Individual and Consolidated Financial Statements**1. THE CONGLOMERATE AND ITS OPERATIONS**

Banco Votorantim S.A. ("banco BV", "Banco Votorantim", "Institution", "Company", "Conglomerate" or "Consolidated") is a private company with its headquarters located at Av. das Nações Unidas, nº 14,171, in the city of São Paulo – SP, Brazil. The bank operates as a Multiple Bank, providing financial services as permitted by its banking license, which include commercial banking, investment banking and foreign exchange operation portfolios.

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

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

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

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

2. ACQUISITIONS AND CORPORATE RESTRUCTURINGS**a) Banco BV S.A. (former BV Leasing Arrendamento Mercantil S.A.)**

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

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

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

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

The financial assets and liabilities of BV Financeira on June 30, 2020, which were spin-off and incorporated into Banco Votorantim on July 31, 2020, are shown below:

Assets: R\$ 43,895,330

Liabilities: R\$ 43,668,723

Shareholders' Equity: R\$ 226,607

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

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

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

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

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

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

Assets: R\$ 2,528,948

Liabilities: R\$ 1,948,904

Shareholders' Equity: R\$ 580,044

c) Acquisition of a stake in Trade master

In July 2021, the Central Bank of Brazil authorized Banco BV to acquire an equity interest in Trade master Serviços e Participações SA (Trade master). The amounts involved were disbursed under established contractual conditions.

3. PRESENTATION OF INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Accordingly, the accounting pronouncements already approved by CMN and applicable to these financial statements are:

Resolution CMN No. 3,566/2008 - Reduction to recoverable asset value - CPC 01.

Resolution CMN No. 3,823/2009 - Provisions, contingent liabilities and contingent assets - CPC 25.

Resolution CMN No. 3,989/2011 - Stock-based payment - CPC 10 (R1).

Resolution CMN No. 4,007/2011 - Accounting policies, change of estimate and rectification of error - CPC 23.

Resolution CMN No. 4,144/2012 - Basic conceptual pronouncement - CPC 00 (R1).

Resolution CMN No. 4,877/2020 - Employee benefits - CPC 33 (R1).

Resolution CMN No. 4,748/2019 - Fair value measurement - CPC 46.

Resolution CMN No. 4,818/2020 - Statement of cash flows - CPC 03 (R2), Disclosure of related parties - CPC 05 (R1), Subsequent Events - CPC 24, and Income per share - CPC 41.

The Conglomerate also applied the following pronouncements that are not in conflict with Bacen rules, as determined by article 22, paragraph 2, of Law No. 6,385 / 1976: CPC 09 - Statement of Added Value (DVA).

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

Resolution No. 4,524/2016 - Effects of changes in exchange rates and conversion of financial statements - CPC 02 (R2).

Resolution CMN No. 4,534/2016 - Intangible assets - CPC 04 (R1).

Resolution CMN No. 4,535/2016 - Fixed assets - CPC 27.

Resolution CMN No. 4,747/2019 - Non-current assets kept for sale - CPC 31.

Resolution CMN No. 4,818/2020 - Consolidated Statements - CPC 36 (R3).

Changes in the presentation of the Financial Statements

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

Statement of Financial Position

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

Income Statement

- Opening of expenses for provisions segregated by the most relevant classes presented in the line "Income (loss) from allowance for losses";
- Change in the allocation of the "Income (loss) from allowance for losses", starting to be presented immediately after "Income (loss) from financial intermediation". Revenue from the recovery of credits previously written off as losses is now presented in this line;
- Presentation of the provision for contingencies in a specific line in: "(Provision) / reversal of provision for contingent liabilities".

Notes

- Inclusion of note 5 "Main judgments and accounting estimates", which describes the application of certain assumptions and relevant judgments on equity elements that involve a high degree of uncertainty and that may have a material impact on these financial statements;
- Inclusion of note 6 "Recurrent and non-recurring results", where components of the result (non-recurring events) that are not related to or are incidentally related to the typical activities of the institution are presented, and are not expected to occur frequently in future years. The deduction of these components from the reported book income is presented in that note as a recurring result.

Additionally, the aforementioned CMN Resolution No. 4,818/2020, which consolidated the criteria for the preparation and disclosure of individual and consolidated Financial Statements by financial institutions and other institutions authorized to operate by Banco Central, partially incorporated pronouncement CPC 36 (R3). As a result of this normative adoption, it will be required that the corporate consolidated Financial Statements of entities registered as a publicly-held company or that are leaders of prudential conglomerate classified in Segment 1 (S1), in Segment 2 (S2) or in Segment 3 (S3), as specific regulation, are disclosed exclusively in the international accounting standard (IFRS), as of January 1, 2022.

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

- CMN Resolution No. 4,817/2019 - incorporates concepts from CPC 18 (R2) - Investment in Affiliate, Subsidiary and Joint Venture and CPC 15 (R1) - Business Combination - effective for periods beginning on or after January 1 of 2022;
- CMN Resolution No. 4924/2021 - effective on January 1, 2022, approves the adoption of the following pronouncements:
 - CPC 00 (R2) - Conceptual framework for Financial Reporting;
 - CPC 01 (R1) - Reduction to the recoverable amount of assets;
 - CPC 47 - Customer contract revenue.

The aforementioned resolution, together with BCB Resolution No. 120/2021, also provides in the conversion of transactions and statements in foreign currency to the national currency, the option of using by the financial institution a spot exchange rate ("reference rate") different from that informed by Bacen (PTAX). Such option is conditioned, among several normative conditions, to:

- have the purpose of eliminating or significantly reducing measurement or accounting recognition inconsistency that may occur as a result of the measurement of equity or income items on different bases; or offer more reliable and relevant information to the user of accounting information;
- be disclosed by an entity responsible for a system managed by stock exchanges, commodities and futures exchanges, or by entities for the registration and financial settlement of assets authorized by the Central Bank of Brazil or the Brazilian Securities Commission;
- be applied uniformly to all equity and income items and consistently over time;
- be defined by the institution until the first business day of the fiscal year in which it will be used, with no possibility of alteration during the respective fiscal year.

For the year 2022, the Conglomerate chose not to adopt the alternative rate option.

- CMN Resolution No. 4,966/2021 - effective on January 1, 2025, provides for the accounting criteria applicable to financial instruments, as well as for the designation and recognition of hedging relationships (hedge accounting), incorporating concepts from the CPC 48 - Financial Instruments. The Resolution establishes the obligation to submit a plan for the implementation of the regulation provided for in the standard, by June 30, 2022;
- The aforementioned rule also establishes the power of financial institutions to prepare and disclose Consolidated Financial Statements in accordance with Bacen rules and instructions and presented in accordance with COSIF until the year ended December 31, 2024, that is, until the entry into force of the new accounting policies applicable to financial instruments. Banco BV will adopt this prerogative, continuing to disclose Consolidated Financial Statements in accordance with the COSIF standard;

- CMN Resolution No. 4,975/2021 - effective on January 1, 2025, approves the adoption of CPC 06 (R2) which provides for the recognition, measurement, presentation and disclosure of leasing operations by a financial institution, either in the condition lessor or and lessee.

CPC regulations, incorporated in whole or in part by the CMN for future adoption that may generate relevant impacts on the Financial Statements upon their respective adoption:

CPC 48 - Financial instruments:

The classification of financial assets is carried out in accordance with the entity's intention on these assets, different from the provisions of CPC 48, in which there is the introduction of the concept of business model evaluation and evaluation of contractual cash flow characteristics.

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

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

The aforementioned provisions, as well as other differences between the Central Bank's regulation and the international accounting standards relating to financial instruments, were addressed by the Central Bank with the issuance of CMN Resolution N° 4.966/2021, with the effective date on January 1, 2025. The accounting adjustments resulting from the first-time adoption will be recorded as a contra-entry to retained earnings or losses, in equity.

CPC 47 - Customer contract revenue:

The remuneration for domestic correspondents referring to the origination of credit operations is recognized as an expense on the date of contracting, renegotiation or renewal of these operations, in accordance with the provisions of Bacen Circular No. 3,693/2013. This procedure differs from the provisions of CPC 47, which establishes that the recognition of this expense is deferred for the term of the operation. Although CPC 47 was approved through CMN Resolution No. 4,924/2021 as of January 1, 2022, this difference remains since the provisions of Bacen Circular No. 3,693/2013 were maintained. On the other hand, CMN Resolution No. 4,966/2021 establishes procedures for the application of the effective interest method, therefore, this issue will be pacified until the term of said Resolution, on January 1, 2025.

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

The equity method or the cost method is applied or, according to the regulation, for investment in an associate, subsidiary or joint venture. This procedure differs from CPC 18, which provides for the possibility of adopting measurement at fair value through profit or loss, in accordance with CPC 48, for a portion of the investment in an associate, subsidiary or joint venture controlled, qualified as a venture capital organization, regardless of whether it exerts significant influence over this portion of the participation. CMN Resolution No. 4,817/2019, effective as of January 1, 2022, which incorporates concepts from CPC 18, does not specifically mention the treatment of venture capital organization. On the other hand, as the accounting treatment of this type of investment is addressed in CPC 48, this issue will be pacified until January 1, 2025 with the entry into force of CMN Resolution No. 4,966/2021.

Unconsolidated investment due to non-adoption of CPC 18	Activity	Interest %
Fundo de Invest. em Participações BV - Multiestratégia Investimento no Exterior	Investment fund	100.00%
Fundo de Invest. em Participações BV Tech I - Multiestratégia Investimento no Exterior ⁽¹⁾	Investment fund	100.00%

⁽¹⁾ Investment fund constituted in April 2020.

The recognition of goodwill amortization expense whose economic basis is based on the expectation of future results identified in the acquisitions, differs from the provisions of CPC 18, which does not allow for amortization of goodwill of this nature, being this intangible asset only subject to periodic impairment tests. CMN Resolution No. 4,817/2019 maintained the existing goodwill amortization accounting procedure.

These Interim Financial Statements were authorized for issue by Management on February 07, 2022.

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

	Activity	12.31.2021	12.31.2020
		% Participation	
Financial institutions - domestic			
Banco BV S.A. (former BV Leasing Arrendamento Mercantil S.A.) ⁽¹⁾	Multiple Bank	100.00%	100.00%
BV Distribuidora de Títulos e Valores Mobiliários Ltda. (former Votorantim Asset DTVM) ⁽²⁾	Third party resource management	100.00%	100.00%
Insurance market institutions			
BV Corretora de Seguros S.A. (antiga Votorantim Corretora Seguros) ⁽³⁾	Broker	100.00%	100.00%
Non-financial institutions			
Promotiva S.A. (Promotiva)	Service Delivery	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) ⁽⁴⁾	SPE	100.00%	100.00%
Consolidated investment funds ⁽⁵⁾			
Votorantim Expertise Multimercado Fundo de Investimento (Expertise)	Fund	100.00%	100.00%
Crédito Universitário III Fundo de Investimento em Direitos Creditórios (FIDC Universitário) ^{(4) (6)}	Fund	90.00%	90.00%
Fundo de Investimento em Direitos Creditórios BV - Crédito de Veículos (FIDC BV) ^{(7) (8)}	Fund	25.00%	-
Fundo de Investimento em Direitos Creditórios TM II (FIDC TM) ⁽⁷⁾	Fund	100.00%	-
Fundo de Investimento Imobiliário Votorantim BII BTS (BTS) ⁽⁹⁾	Fund	62.70%	-
Votorantim Securities Master Fundo de Investimento Imobiliário (Master) ⁽⁹⁾	Fund	88.40%	-
Fundo de Investimento Imobiliário Votorantim Patrimonial (Patrimonial) ⁽⁹⁾	Fund	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) ⁽⁴⁾	SPE	100.00%	100.00%
Senador Dantas Empreendimento Imobiliário SPE S.A. (Senador Dantas) ⁽⁴⁾	SPE	100.00%	100.00%
Henri Dunant Empreend. Imobiliário S.A. (Henri Dunant) ⁽⁴⁾	SPE	100.00%	100.00%
Arena XI Incorporações SPE Ltda. (Arena XI) ⁽⁴⁾	SPE	100.00%	100.00%
D'oro XVIII Incorporações Ltda. (D'oro XVIII) ⁽⁴⁾	SPE	100.00%	100.00%
BVEP Vila Parque Empreendimentos Imobiliários SPE Ltda. (Vila Parque) ^{(4) (10)}	SPE	100.00%	100.00%
Atenas subsidiaries			
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 1 ⁽⁴⁾	SPE	100.00%	100.00%
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 3 ⁽⁴⁾	SPE	100.00%	100.00%

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

⁽²⁾ On September 30, 2021, approval was given to change the corporate name of Votorantim Asset Management Distribuidora de TVM Ltda (Votorantim Asset DTVM) to BV Distribuidora de Títulos e Valores Mobiliários Ltda (BV DTVM).

⁽³⁾ On December 28, 2021, approval was given to change the corporate name of Votorantim Corretora de Seguros SA (Votorantim Corretora Seguros) to BV Corretora de Seguros SA (BV Corretora de Seguros).

⁽⁴⁾ For consolidation purposes, it contemplates a delay up to 2 months in the respective balance sheet.

⁽⁵⁾ The Fixed Income Maritime Investment Fund (Marítimo), which became part of the Conglomerate's assets in June 2021, was liquidated in July 2021.

⁽⁶⁾ Investment fund set up in September 2020.

⁽⁷⁾ Investment fund established in May 2021.

⁽⁸⁾ Investment fund in which the Bank substantially assumes or retains risks and benefits, through subordinated shares.

⁽⁹⁾ Investment fund established in June 2021.

⁽¹⁰⁾ In February 2020, BVEP carried out an asset exchange transaction, assigning SPEs classified as non-financial assets held for sale and receiving control of SPE NS Emp. Imob. 23 SPE Ltda in exchange, afterwards renamed as BVEP Vila Parque Empreendimentos Imobiliários SPE Ltda.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Income Statement

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

b) Functional and presentation currency

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

c) Measurement at present value

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

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

d) Cash and cash equivalents

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

e) Interbank investments

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

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

f) Bonds and Securities - TVM

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

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

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

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

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

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

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

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

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

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

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

g) Derivative financial instruments

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

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

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

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

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

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

For the hedged items that were discontinued from the cash flow hedge ratio and remain recorded in the statement of financial position, the accumulated reserve in shareholders' equity is recognized in the income statement remaining term of the operations.

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

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

The loan portfolio, including loans, leases and other receivables with loan characteristics are classified according to Management's assessment regarding the level of risk, taking into consideration the current economic environment, past experience and risks specifically related to the respective operation, the counterparty and guarantors, periods of delinquency, and economic group in accordance with the parameters established by CMN, which requires the classification of the portfolio into nine risk levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of transactions with delinquency of more than 14 days as non-performing loans. In relation to the delinquency period for operations with a term of over thirty-six 36 months, the Conglomerate left adopting from December, 2019 the double counting of days adopted over intervals of delinquency defined for the nine risk levels to retail operations as well as to wholesale operations, which followed the internal assessment. For operations contracted with clients whose total liability exceeds R\$ 50,000.00, a client evaluation of probable losses associated with credit risk is made.

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

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

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

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

The allowance for losses associated with credit risk, considered sufficient by Management, complies with the requirement established by CMN Resolution no. 2,682 / 1999 (note 12e).

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

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

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

i) Other assets - Other receivables and assets

Assets not for own use

Assets not for the institution's own use are recorded as 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, based on the following recognition criteria:

- They are recognized on the date of receipt by the institution and are valued at the lowest value between the gross book value of the respective financial instrument of difficult or dubious solution that gave rise to it or the fair value of the asset, net of sales expenses. The 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 Conglomerate periodically evaluates if there is any indication that these assets may have undergone devaluation. If there is any indication, the entity estimates its recoverable value. If the recoverable value is less than its book value, the asset is reduced to its recoverable value through a provision for loss by parity, which is recognized in the Income Statement in "Other expenses".

Prepaid expenses

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

j) Investments

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

Other investments are stated at acquisition cost, less the provision for impairment losses, when applicable.

k) Property, plant and equipment

Property, plant and equipment are valued at acquisition cost less depreciation, which is calculated on a straight-line basis using the following annual rates in accordance with estimated useful lives of assets. Due to this practice, the following annual depreciation rates are used: depreciable value (corresponding to the acquisition cost less the residual value, if any): vehicles - 20%, data processing systems - 20% and other items - 10% (Note 15). The residual value of these assets is reviewed annually or when there are significant changes in the assumptions used.

l) Intangibles and goodwill

Intangible assets correspond to rights that have as their object intangible assets intended for the maintenance of the Conglomerate or exercised for this purpose. Intangible assets have a defined useful life and basically refer to software and licenses or usage rights (note 16a). Amortization is carried out using the straight-line method based on the term in which the benefit is generated and is levied on the amortizable value (corresponding to the acquisition cost minus the residual value, when applicable), from the date of availability of the intangible asset for use and accounted for in Other administrative expenses – Amortization (note 22d). The useful life and residual value of these assets, when applicable, are 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.

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

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

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

m) Earnings per Share

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

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

n) Impairment of non-financial assets - Impairment and write-off

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

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

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

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

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

Assets not for use: Real Estate – provision made based on annual appraisal reports carried out by a specialized consultancy.

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

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

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

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

Write-off of assets: Once the provision for impairment – 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 not, under any circumstances, the ability to reliably measure such economic benefits, the asset is derecognized.

o) Employee benefits

The recognition, measurement and disclosure of short- and long-term employee benefits are carried out in accordance with the criteria defined by CPC 33 (R1) – Employee Benefits, in accordance with the provisions of CMN Resolution No. 4,877/2020. In line with the accrual basis, the pronouncement requires the entity to recognize a liability in return for the result of the period when the employee provides services in exchange for benefits to be paid in the future.

The Conglomerate has a variable compensation program eligible for its officers and employees. Amounts to be paid that are adjusted according to the grace period (from one to a maximum of four years) and to the characteristics of each benefit are recorded under "Other liabilities - Provision for personnel expenses" as a contra entry to caption "Personnel expenses - Proceeds". Program details are disclosed in Note 27.

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

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

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

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

Funding that is subject to market risk hedge is valued at fair value, using consistent and verifiable criteria. The fair value valuation adjustments of these operations are recorded in the same line as the financial instrument, with a contra entry to "Income from derivative financial instruments".

q) Taxes

The Conglomerate's taxes, including those levied on revenue, are calculated based on the rates shown in the chart below:

	Current rates
Income Taxes	
Income tax (15% + 10% additional)	25%
Social Contribution on Net Income (CSLL) - Banco Votorantim SA and Banco BV SA. ^{(1) (2)}	25%
Social contribution on net income - other financial and non-financial institutions ⁽²⁾	de 9% a 20%
Other taxes	
PIS / PASEP ⁽³⁾	de 0,65% a 1,65%
Contribution for Social Security Funding – COFINS ⁽³⁾	de 3% a 7,6%
Service tax - ISSQN ⁽⁴⁾	de 2% a 5%

⁽¹⁾ Article 32 of Constitutional Amendment No. 103, November 12, 2019, increased the social contribution on net income rate from banks of any kind, from 15% to 20%, starting as of March 1, 2020.

⁽²⁾ Law No. 14,183, published in the Federal Official Gazette on July 15, 2021, raised the CSLL rate from 20% to 25%, for banks of any kind, and from 15% to 20%, for other financial institutions, in the period from July 1st to December 31st, 2021, returning to the previous rates from January 1st, 2022.

⁽³⁾ For the non-financial institutions that choose the non-cumulative regime, PIS/PASEP rate is 1.65% and Contribution for Social Security Funding rate is 7.6%.

⁽⁴⁾ Taxes levied on revenue from services rendered.

Deferred tax assets (tax credits) and deferred tax liabilities are constituted by applying the prevailing tax rates on their respective bases. In case of a change in tax legislation 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 of the liability settled. For the constitution, maintenance and write-off of deferred tax assets, the criteria established by CMN Resolution No. 4,842/2020 are observed and are supported by a realization capacity study.

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

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

Recognition, measurement and disclosure of provisions, contingent assets and liabilities and of legal obligations are conducted in accordance with criteria defined in CPC 25 - Provisions, contingent liabilities and contingent assets, approved by the CMN Resolution 3,823/2009 (Note 28).

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

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

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

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

Compensation of CO₂ emissions by vehicles financed by Banco 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 credits is calculated and recognized.

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

s) Guarantees and sureties

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

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

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

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

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

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

With the application of CMN Resolution no. 4,512/2016, provisions for losses on the financial guarantees provided are presented in "Other Liabilities" (note 21.a and 29.1.a.ii).

t) Other assets and liabilities

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

5. MAIN JUDGMENTS AND ACCOUNTING ESTIMATES**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 requires the application of certain relevant assumptions and judgments that involve a high degree of uncertainty and that may have a material impact on these statements. Management applies estimates that can significantly change the amounts presented in the Financial Statements, and the amounts may differ in scenarios where such propositions are not used. The following are described accounting policies adopted that have high complexity and guide relevant aspects in the calculation of our operations.

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

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

In addition to observing the requirements for setting up a provision due to the delay in the payment of a portion of the principal or charges for operations, the provision is calculated based on management's judgment of the level of risk, considering the economic situation, the specific risks in relation to operation, debtors and guarantors, delay periods and the economic group, following the provisions of CMN Resolution No. 2,682 / 1999.

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

b) Provisions for impairment of securities

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

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

The general application of the provision for impairment losses on securities is described in Note 9d.

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

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

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

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

d) Fair value of financial instruments

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

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

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

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

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

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

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

According to the rules of Banco Central, the goodwill recorded in the investor or parent company, which is based on the forecast of future results of the affiliate or subsidiary, must be amortized in accordance with the deadlines of the projections that justified it. This treatment also applies to the balances corresponding to the capital gain calculated on the acquisition of real estate projects, when attributed to the inventory of completed properties or land, which are amortized as a result of the realization (sale) of the investee's assets that gave rise to it, or carried out in case of impairment of the corresponding assets. Estimating the periods for generating future results from investments in an associate, subsidiary or joint venture for which goodwill has been recognized involves significant judgments by Management.

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

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

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

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

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

h) Investment in equity investment funds (FIPs)

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

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

2) Other relevant information
a) Effects resulting from COVID-19 on the Financial Statements and impacts on the Conglomerate

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

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

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

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

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

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

Faced with the higher credit risk scenario, as a result of the effects of the pandemic and the macroeconomic scenario, the process of managing this risk was resized, contemplating the respective effects on credit quality, adjustments in concession policies, renegotiation strategies and revisions ratings and customer credit limits, with the respective impact on provisions for realized losses.

■ Provisions for securities impairment

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

■ Projection of future results for realization of deferred tax assets

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

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

No relevant impacts were observed due to the pandemic in the Conglomerate's accounting.

■ Amortization and impairment of goodwill for expectation of future profitability

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

■ Provisions and contingent liabilities - tax, civil and labor

There was not identified any significant impacts on contingencies.

■ Capital management

The devaluation of the Real had a negative impact on capitalization ratios, as a result of its impacts on the tax credit of temporary differences, arising from the hedge of the investment abroad. However, they remained at levels substantially above the minimum required by current regulation and above the risk appetite established by shareholders. In this context, the Management also decided in the year ended December 31, 2020 to reduce USD 150,000 (R\$ 754,545) of capital invested in the branch in Nassau, mitigating any future impacts in a scenario of worsening devaluation of the national currency.

■ Liquidity management

The Conglomerate focuses on maintaining conservative levels of cash and structural liquidity indicators. An example of this is the short-term liquidity indicator (LCR) which remained at high levels, 214% on December 31, 2021 (226% on December 31, 2020). Additionally, it is worth noting that in the period, Banco BV further diversified funding sources, such as the issuance of Financial Bills (including green bonds) and the structuring of FIDC.

■ Asset and liability management

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

6. RECURRING AND NON-RECURRING INCOME

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

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

	Bank			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Net profit	746,702	620,408	1,561,308	1,030,310
(-) Non-recurring events	(72,361)	48,110	(5,284)	67,602
Donations related to the fight against COVID-19, net of taxes ⁽¹⁾	(191)	-	(569)	-
Revaluation of tax credit stock	(72,170)	280,648	-	280,648
(Provision) / reversal of provision for losses associated with the loan portfolio	-	(199,511)	-	(199,511)
Expenses related to BV's IPO process	-	-	(4,715)	-
Other	-	(33,027)	-	(13,535)
Recurring net profit	819,063	572,298	1,566,592	962,708

	Consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Net profit	747,999	621,617	1,563,838	1,064,619
(-) Non-recurring events	(75,861)	(262)	(5,284)	1,415
Donations related to the fight against COVID-19, net of taxes ⁽¹⁾	(191)	-	(569)	(26,566)
Revaluation of tax credit stock	(75,670)	232,277	-	232,277
(Provision) / reversal of provision for losses associated with the loan portfolio	-	(199,511)	-	(199,511)
Expenses related to BV's IPO process	-	-	(4,715)	-
Other	-	(33,028)	-	(4,785)
Recurring net profit	823,860	621,879	1,569,122	1,063,204

⁽¹⁾ For the years ended December 31, 2021 and 2020, the gross amount is R\$ 1,068 and R\$ 30,000, respectively.

Summary of non-recurring events:

Donations related to the fight against COVID-19 - Extraordinary expenses for donations aimed at fighting the new Coronavirus and its effects on Brazilian society.

Effects of the increase in the rate on tax credit - Effect arising from the increase in the rate of social contribution, for financial institutions, recognized in the line of Income Tax and Social Contribution and impairment of tax credit from tax losses. As of December 31, 2021, the tax credit generated from the enactment of Law No. 14,183 was fully realized (Note 4q).

(Provision) / reversal of provision for losses associated with the loan portfolio - Prudential credit provisions made to neutralize the impact of the CSLL increase.

Expenses related to BV's IPO process - According to the Material Fact disclosed on April 13, 2021, BV's IPO process was canceled due to the current market situation.

7. CASH AND CASH EQUIVALENTS

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Cash and due from banks	235,301	487,652	278,383	539,335
Cash and due from banks in national currency	685	1,215	37,297	50,800
Cash and due from banks in foreign currency	234,616	486,437	241,086	488,535
Interbank funds applied ⁽¹⁾	2,656,736	4,970,178	2,656,736	4,269,131
Open market applications - Resales to be liquidated - Bench position	359,988	1,802,421	359,988	1,204,275
Interbank accounts or relations	240,448	132,944	240,448	30,043
Investments in foreign currency	2,056,300	3,034,813	2,056,300	3,034,813
Total	2,892,037	5,457,830	2,935,119	4,808,466

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

8. INTERBANK INVESTMENTS

a) Breakdown

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Reverse repurchase agreements	3,758,149	4,400,118	3,170,496	4,402,183
Reverse repurchase agreements - Held	866,995	1,323,038	279,342	1,325,103
National Treasury Bill - LTN	-	1,901	280	3,966
National Treasury Notes - NTN	689,477	914,364	101,544	914,364
Securities of Brazilian Foreign Debt	177,518	406,773	177,518	406,773
Reverse repurchase agreements - Repledged	2,306,239	591,292	2,306,239	591,292
Financial Treasury Bills	2,199,989	-	2,199,989	-
National Treasury Bill - LTN	-	444,983	-	444,983
National Treasury Notes - NTN	106,250	146,309	106,250	146,309
Reverse repurchase agreements - Short position	584,915	2,485,788	584,915	2,485,788
National Treasury Bill - LTN	-	1,708,440	-	1,708,440
National Treasury Notes - NTN	584,915	777,348	584,915	777,348
Interbank deposit investments	1,292,738	588,841	252,747	588,841
Total	5,050,887	4,988,959	3,423,243	4,991,024
Current assets	4,866,628	4,455,302	3,238,984	4,457,367
Non-current assets	184,259	533,657	184,259	533,657

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as of 31 December, 2021

(Amounts in thousand of Reais, unless otherwise indicated)

b) Income from interbank investments

	Bank ⁽¹⁾			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Income from securities purchased under resale agreements	113,338	114,313	200,278	218,775
Own portfolio	44,429	63,231	77,839	106,357
Financed operations	42,916	29,046	61,058	69,262
Short position	25,993	22,036	61,381	43,156
Income from investments in interbank deposits ⁽²⁾	45,711	102,502	56,675	1,362,442
Total ⁽³⁾	159,049	216,815	256,953	1,581,217

	Consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Income from securities purchased under resale agreements	95,510	108,062	173,755	201,890
Own portfolio	26,601	56,980	51,316	89,472
Financed operations	42,916	29,046	61,058	69,262
Short position	25,993	22,036	61,381	43,156
Income from investments in interbank deposits ⁽²⁾	9,500	9,154	16,142	350,267
Total ⁽³⁾	105,010	117,216	189,897	552,157

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

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

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



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as of 30 December, 2021

(amounts in thousands of Reals, unless otherwise indicated)

9. SECURITIES

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

Bank	12.31.2021								12.31.2020		
	Fair value					Total			Total		
	Without maturity	From 0 to 90 days	From 90 to 360 days	From 1 to 5 years	Over 5 years	Cost	Fair value	Fair value adjustment	Cost	Fair value	Fair value adjustment
1 – Trading securities	-	217,532	645,898	3,314,176	671,701	4,856,712	4,849,307	(7,405)	5,059,375	5,130,668	71,293
Government bonds	-	217,532	645,898	3,314,176	75,343	4,253,883	4,252,949	(934)	5,004,781	5,074,377	69,596
Financial Treasury Bills	-	-	-	35,703	-	35,700	35,703	3	54	54	-
National Treasury Bills	-	217,532	627,505	2,054,616	-	2,898,559	2,899,653	1,094	1,257,504	1,273,047	15,543
National Treasury Notes	-	-	18,393	1,223,857	75,343	1,319,624	1,317,593	(2,031)	3,747,223	3,801,276	54,053
Private securities	-	-	-	-	596,358	602,829	596,358	(6,471)	54,594	56,291	1,697
Eurobonds	-	-	-	-	-	-	-	-	75	75	-
Debentures	-	-	-	-	509,526	514,096	509,526	(4,570)	54,519	56,216	1,697
Certificate of Agribusiness Receivables	-	-	-	-	86,832	88,733	86,832	(1,901)	-	-	-
2 – Securities available for sale	2,486	498,216	1,390,630	9,424,274	3,667,742	14,777,971	14,983,348	205,377	17,819,238	18,239,143	419,905
Government bonds	-	148,068	895,996	6,860,192	1,487,613	9,453,650	9,391,869	(61,781)	13,786,789	13,958,730	171,941
Financial Treasury Bills	-	98,086	88,944	3,245,377	879,768	4,314,787	4,312,175	(2,612)	8,853,666	8,826,315	(27,351)
National Treasury Bills	-	49,982	747,506	731,224	-	1,570,809	1,528,712	(42,097)	1,407,912	1,451,535	43,623
National Treasury Notes	-	-	59,546	615,906	607,845	1,346,010	1,283,297	(62,713)	946,457	983,454	36,997
Brazilian Foreign Debt Securities	-	-	-	1,751,021	-	1,717,559	1,751,021	33,462	2,578,754	2,697,426	118,672
Government notes from other countries	-	-	-	516,664	-	504,485	516,664	12,179	-	-	-
Private securities	2,486	350,148	494,634	2,564,082	2,180,129	5,324,321	5,591,479	267,158	4,032,449	4,280,413	247,964
Debentures ⁽¹⁾	-	-	7,044	1,390,013	99,926	1,503,944	1,496,983	(6,961)	2,185,843	2,160,150	(25,693)
Promissory Notes ⁽²⁾	-	1,958	57,207	14,243	-	73,677	73,408	(269)	419,088	417,544	(1,544)
Shares ⁽³⁾	936	-	-	-	-	936	936	-	8,502	14,754	6,252
Quotas of investment funds ⁽⁴⁾	1,550	213,054	-	122,650	1,813,135	1,767,791	2,150,389	382,598	513,510	775,559	262,049
Rural Product Notes - Commodities ⁽⁵⁾	-	115,443	133,815	183,571	-	431,184	432,829	1,645	561,791	571,880	10,089
Eurobonds	-	-	-	-	1	27	1	(26)	-	-	-
Financial Bills	-	-	-	-	-	-	-	-	21,889	21,674	(215)
Floating Rate Notes	-	11,986	243,445	517,253	-	769,840	772,684	2,844	85,621	85,851	230
Certificated of Real Estate Receivables ⁽⁶⁾	-	7,707	53,123	311,962	267,067	752,410	639,859	(112,551)	153,506	150,705	(2,801)
Agribusiness Receivables Certificate	-	-	-	24,390	-	24,512	24,390	(122)	82,699	82,296	(403)
3 – Securities held to maturity	-	1,269,553	2,310,907	7,225,220	2,309,672	13,796,106	13,115,352	(680,754)	9,287,610	9,598,667	311,057
Government bonds	-	1,269,553	2,310,907	7,225,220	2,309,672	13,796,106	13,115,352	(680,754)	9,287,610	9,598,667	311,057
National Treasury Bills	-	1,269,553	1,222,653	2,642,554	-	5,348,854	5,134,760	(214,094)	4,225,904	4,279,580	53,676
National Treasury Notes	-	-	606,736	4,582,666	2,309,672	7,933,136	7,499,074	(434,062)	5,061,706	5,319,087	257,381
Government notes from other countries	-	-	481,518	-	-	514,116	481,518	(32,598)	-	-	-
Total (1 + 2 + 3)	2,486	1,985,301	4,347,435	19,963,670	6,649,115	33,430,789	32,948,007	(482,782)	32,166,223	32,968,478	802,255



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(amounts in thousands of Reais, unless otherwise indicated)

Consolidated	12.31.2021								12.31.2020		
	Fair value					Total			Total		
	Without maturity	From 0 to 90 days	From 90 to 360 days	From 1 to 5 years	Over 5 years	Cost	Fair value	Fair value adjustment	Cost	Fair value	Fair value adjustment
1 – Trading securities	-	226,922	907,692	4,589,566	672,699	6,328,083	6,396,879	68,796	6,095,504	6,279,697	184,193
Government bonds	-	226,922	897,415	4,589,566	76,341	5,714,977	5,790,244	75,267	6,031,998	6,214,495	182,497
Financial Treasury Bills	-	9,390	251,517	253,528	998	515,617	515,433	(184)	104,459	103,998	(461)
National Treasury Bills	-	217,532	627,505	2,054,616	-	2,898,559	2,899,653	1,094	1,257,504	1,273,047	15,543
National Treasury Notes	-	-	18,393	2,281,422	75,343	2,300,801	2,375,158	74,357	4,670,035	4,837,450	167,415
Private securities	-	-	10,277	-	596,358	613,106	606,635	(6,471)	63,506	65,202	1,696
Eurobonds	-	-	-	-	-	-	-	-	75	75	-
Debentures	-	-	10,277	-	509,526	524,373	519,803	(4,570)	63,431	65,127	1,696
Certificate of Agribusiness Receivables	-	-	-	-	86,832	88,733	86,832	(1,901)	-	-	-
2 – Securities available for sale	1,410,784	308,426	1,390,630	9,854,165	2,740,878	15,496,002	15,704,883	208,881	18,175,494	18,630,903	455,409
Government bonds	-	150,202	895,996	7,266,550	1,490,053	9,870,381	9,802,801	(67,580)	14,232,517	14,440,467	207,950
Financial Treasury Bills	-	100,220	88,944	3,397,220	882,208	4,471,442	4,468,592	(2,850)	9,038,819	9,010,963	(27,856)
National Treasury Bills	-	49,982	747,506	731,224	-	1,570,809	1,528,712	(42,097)	1,407,912	1,451,535	43,623
National Treasury Notes	-	-	59,546	870,421	607,845	1,606,086	1,537,812	(68,274)	1,207,032	1,280,543	73,511
Brazilian Foreign Debt Securities	-	-	-	1,751,021	-	1,717,559	1,751,021	33,462	2,578,754	2,697,426	118,672
Government notes from other countries	-	-	-	516,664	-	504,485	516,664	12,179	-	-	-
Private securities	1,410,784	158,224	494,634	2,587,615	1,250,825	5,625,621	5,902,082	276,461	3,942,977	4,190,436	247,459
Debentures ⁽¹⁾	-	-	7,044	1,390,013	99,926	1,503,944	1,496,983	(6,961)	2,185,843	2,160,150	(25,693)
Promissory Notes ⁽²⁾	-	1,958	57,207	14,243	-	73,677	73,408	(269)	419,088	417,544	(1,544)
Shares ⁽³⁾	936	-	-	-	-	936	936	-	8,502	14,754	6,252
Quotas of investment funds ⁽⁴⁾	1,409,848	21,130	-	125,832	851,589	2,007,524	2,408,399	400,875	424,038	685,582	261,544
Rural Product Notes -Commodities ⁽⁵⁾	-	115,443	133,815	183,571	-	431,184	432,829	1,645	561,791	571,880	10,089
Eurobonds	-	-	-	-	1	27	1	(26)	-	-	-
Financial Bills	-	-	-	-	-	-	-	-	21,889	21,674	(215)
Floating Rate Notes	-	11,986	243,445	517,253	-	769,840	772,684	2,844	85,621	85,851	230
Certificated of Real Estate Receivables ⁽⁶⁾	-	7,707	53,123	332,313	299,309	813,977	692,452	(121,525)	153,506	150,705	(2,801)
Agribusiness Receivables Certificate	-	-	-	24,390	-	24,512	24,390	(122)	82,699	82,296	(403)
3 – Securities held to maturity	-	1,269,553	2,310,907	7,225,220	2,309,672	13,796,106	13,115,352	(680,754)	9,287,610	9,598,667	311,057
Government bonds	-	1,269,553	2,310,907	7,225,220	2,309,672	13,796,106	13,115,352	(680,754)	9,287,610	9,598,667	311,057
National Treasury Bills	-	1,269,553	1,222,653	2,642,554	-	5,348,854	5,134,760	(214,094)	4,225,904	4,279,580	53,676
National Treasury Notes	-	-	606,736	4,582,666	2,309,672	7,933,136	7,499,074	(434,062)	5,061,706	5,319,087	257,381
Government notes from other countries	-	-	481,518	-	-	514,116	481,518	(32,598)	-	-	-
Total (1 + 2 + 3)	1,410,784	1,804,901	4,609,229	21,668,951	5,723,249	35,620,191	35,217,114	(403,077)	33,558,608	34,509,267	950,659

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

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

⁽¹⁾ The cost value of the Debentures includes a provision for impairment in the amount of R\$ 847,120 (R\$ 771,535 as of December 31, 2020) as a contra entry to (Provision) / reversal of provision for impairment of marketable securities.

⁽²⁾ The cost value of the Promissory Notes includes a provision for impairment in the amount of R\$ 26,126 as a contra entry to (Provision) / reversal of provision for impairment of marketable securities. As of December 31, 2020, there was no provision.

⁽³⁾ The cost value of the Shares includes a provision for impairment in the amount of R\$ 3,225 (R\$ 76,743 as of December 31, 2020) as a contra entry to (Provision) / reversal of provision for impairment of marketable securities. The fair value of the shares represents the quotation disclosed by B3 SA - Brasil, Bolsa, Balcão.

⁽⁴⁾ The cost value of investment fund Quotas also considers the provision for impairment in the amount of R\$ 85,458 (R\$ 62,463 on December 31, 2020) as a contra entry to (Provision) / reversal of provision for reduction in value the recoverable amount of bonds and securities. Includes the effect of adjustment to fair value of equity funds (FIP) and real estate investment funds (FII) that are not consolidated.

⁽⁵⁾ The cost value of the Rural Product Certificates also considers the provision for impairment in the amount of R\$ 25,314 (R\$ 26,005 on December 31, 2020) as a contra entry to (Provision) / reversal of provision for impairment of securities.

⁽⁶⁾ The cost value of Certificates of Real Estate Receivables also considers the provision for impairment in the amount of R\$ 761 (R\$ 882 on December 31, 2020) as a contra entry to (Provision) / reversal of provision for impairment of securities.

b) Summary of the portfolio by category

By category	12.31.2021		12.31.2020	
Bank				
1 – Trading securities	4,849,307	14%	5,130,668	16%
2 – Securities available for sale	14,983,348	45%	18,239,143	56%
3 – Securities held to maturity	13,796,106	41%	9,287,610	28%
Book value of portfolio	33,628,761	100%	32,657,421	100%
Fair value adjustment of category three	(680,754)		311,057	
Fair value of portfolio	32,948,007		32,968,478	
Consolidated				
1 – Trading securities	6,396,879	18%	6,279,697	18%
2 – Securities available for sale	15,704,883	44%	18,630,903	54%
3 – Securities held to maturity	13,796,106	38%	9,287,610	28%
Book value of portfolio	35,897,868	100%	34,198,210	100%
Fair value adjustment of category three	(680,754)		311,057	
Fair value of portfolio	35,217,114		34,509,267	

In compliance with the provisions of article 8 of Circular No. 3,068/01 of the Central Bank of Brazil, Banco BV declares that it has financial capacity and intention to hold to maturity securities classified in the “held-to-maturity securities” category” in the amount of R\$ 13,796,106 in the Bank and Consolidated (R\$ 9,287,610 in the Bank and in the Consolidated as of December 31, 2020), representing 41% of the total securities held by the Bank and 38% in the Consolidated (28% in the Bank and in the Consolidated on December 31, 2020).

c) Income from securities

	Bank ⁽¹⁾			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Interbank investments (note 8b)	159,049	216,815	256,953	1,581,217
Fixed income securities	1,058,428	488,649	1,611,271	1,331,488
Securities abroad ⁽²⁾	32,572	119,095	98,245	253,830
Variable income securities ⁽³⁾	14,964	(903)	16,301	(10,852)
Investments in investment funds ⁽²⁾	172,797	1,442	190,351	13,964
Other	130	319	14,853	3,448
Total	1,437,940	825,417	2,187,974	3,173,095

	Consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Interbank investments (note 8b)	105,010	117,216	189,897	552,157
Fixed income securities	1,196,889	478,519	1,735,256	1,805,812
Securities abroad ⁽²⁾	32,572	131,849	98,245	286,285
Variable income securities ⁽³⁾	13,868	(3,972)	16,282	(16,348)
Investments in investment funds ⁽²⁾	54,706	(1,019)	68,822	12,063
Other	130	319	14,853	3,448
Total	1,403,175	722,912	2,123,355	2,643,417

⁽¹⁾ Includes appropriation of results generated by the assets and liabilities received from the incorporation of the split portion of BV Financeira, after that event. (Nota 2b).

⁽²⁾ Includes exchange variation on bonds and securities.

⁽³⁾ Includes the income from the sale of investments through tax incentives.

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

	Bank and consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Shares	675	(341)	934	7,564
Promissory Notes	(16,122)	-	(26,126)	-
Agribusiness Receivables Certificate	(76)	(882)	121	(882)
Debentures	(63,535)	(14,080)	(75,585)	(4,684)
Quotas of investment funds	1,195	(33,425)	(22,995)	(33,407)
Rural Product Notes	-	(241)	691	286
Total	(77,863)	(48,969)	(122,960)	(31,123)

e) Reclassifications of securities

There was no reclassification of securities between categories in the year ended December 31, 2020.

In the semester ended June 30, 2021, government securities were reclassified - National Treasury Notes and National Treasury Bills, from the category "Available for sale" to the category "Held to maturity", as a result of the revision of the intention of the Administration on the respective titles, in accordance with Bacen Circular nº 3.068/2001. The reclassification of these titles did not have an impact on income and equity on the respective base date of the event.

	Bank and consolidated		
	Cost value	Fair Value	Unrealized gain / (loss)
National Treasury Notes	246,925	237,245	(9,680)
National Treasury Bills	125,795	118,170	(7,625)
Total	372,720	355,415	(17,305)

10. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

Risks

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

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

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

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

Liquidity risk is defined as:

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

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



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a) Breakdown of derivative financial instruments portfolio by index

By index	Bank						Consolidated					
	12.31.2021			12.31.2020			12.31.2021			12.31.2020		
	Reference value	Cost	Fair value	Reference value	Cost	Fair value	Reference	Cost	Fair value	Reference value	Cost	Fair value
1 - Futures contracts												
Purchase commitments	25,171,942	-	-	19,974,135	-	-	25,171,942	-	-	19,974,135	-	-
Interbank deposits	16,772,346	-	-	9,379,921	-	-	16,772,346	-	-	9,379,921	-	-
Currencies	347,320	-	-	2,497,406	-	-	347,320	-	-	2,497,406	-	-
Index	319,532	-	-	536,903	-	-	319,532	-	-	536,903	-	-
Foreign currency coupon	7,732,744	-	-	7,559,905	-	-	7,732,744	-	-	7,559,905	-	-
Sales appointments	63,957,208	-	-	76,712,516	-	-	63,957,208	-	-	76,712,516	-	-
Interbank deposits	56,055,124	-	-	48,548,485	-	-	56,055,124	-	-	48,548,485	-	-
Currencies	2,863,884	-	-	7,350,599	-	-	2,863,884	-	-	7,350,599	-	-
Index	183,881	-	-	110,077	-	-	183,881	-	-	110,077	-	-
Libor ⁽¹⁾	1,121,951	-	-	13,903,508	-	-	1,121,951	-	-	13,903,508	-	-
Foreign currency coupon	2,766,289	-	-	6,799,847	-	-	2,766,289	-	-	6,799,847	-	-
Other	966,079	-	-	-	-	-	966,079	-	-	-	-	-
2 - Term contracts												
Asset position	276,038	276,038	276,164	251,738	251,738	253,956	276,038	276,038	276,164	251,738	251,738	253,956
Currency term	276,038	276,038	276,164	251,738	251,738	253,956	276,038	276,038	276,164	251,738	251,738	253,956
Liability position	276,038	(276,038)	(273,166)	251,738	(251,738)	(257,123)	276,038	(276,038)	(273,166)	251,738	(251,738)	(257,123)
Currency term	276,038	(276,038)	(273,166)	251,738	(251,738)	(257,123)	276,038	(276,038)	(273,166)	251,738	(251,738)	(257,123)
3 - Option contracts ⁽²⁾												
Call option - Long position	2,109,409	72,673	69,719	5,173,755	538,071	751,614	2,109,409	72,673	69,719	5,173,755	538,071	751,614
Foreign currency	57,000	869	-	3,206,500	447,608	682,219	57,000	869	-	3,206,500	447,608	682,219
Flexible options	2,052,409	71,804	69,719	1,961,049	90,193	68,249	2,052,409	71,804	69,719	1,961,049	90,193	68,249
Others	-	-	-	6,206	270	1,146	-	-	-	6,206	270	1,146
Put option - Long position	4,041,296	93,507	98,365	22,795,131	471,136	294,538	1,517,500	40,413	21,357	17,466,875	138,073	167,263
Foreign currency	1,502,500	40,406	21,356	4,385,375	136,591	11,411	1,502,500	40,406	21,356	4,385,375	136,591	11,411
Interbank deposits index	15,000	7	1	13,081,500	1,482	155,852	15,000	7	1	13,081,500	1,482	155,852
Flexible options	2,523,796	53,094	77,008	5,328,256	333,063	127,275	-	-	-	-	-	-
Put option - Short position	4,126,860	(108,308)	(62,918)	8,798,225	(640,589)	(1,754,880)	1,603,064	(55,327)	(37,861)	3,469,969	(310,066)	(770,836)
Foreign currency	1,588,250	(52,082)	(34,252)	3,448,500	(307,951)	(764,421)	1,588,250	(52,082)	(34,252)	3,448,500	(307,951)	(764,421)
Flexible options	2,538,610	(56,226)	(28,666)	5,343,975	(332,168)	(988,927)	14,814	(3,245)	(3,609)	15,719	(1,645)	(4,883)
Others	-	-	-	5,750	(470)	(1,532)	-	-	-	5,750	(470)	(1,532)



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(Amounts in thousands of Reais, unless otherwise indicated)

By index	Bank						Consolidated					
	12.31.2021			12.31.2020			12.31.2021			12.31.2020		
	Reference value	Cost	Fair value	Reference value	Cost	Fair value	Reference	Cost	Fair value	Reference value	Cost	Fair value
Put option - Short position	2,413,935	(72,969)	(43,973)	19,328,515	(233,174)	(271,455)	2,413,935	(72,969)	(43,973)	19,328,515	(233,174)	(271,455)
Foreign currency	619,500	(1,065)	(1,293)	4,356,250	(142,291)	(14,216)	619,500	(1,065)	(1,293)	4,356,250	(142,291)	(14,216)
Interbank deposits	-	-	-	13,077,000	(690)	(151,352)	-	-	-	13,077,000	(690)	(151,352)
Flexible options	1,789,185	(71,804)	(42,593)	1,895,265	(90,193)	(105,887)	1,789,185	(71,804)	(42,593)	1,895,265	(90,193)	(105,887)
Shares	5,250	(100)	(87)	-	-	-	5,250	(100)	(87)	-	-	-
4 - Swap contracts ^{(2) (3)}												
Asset position	26,990,692	2,819,751	3,760,166	9,149,353	2,612,290	2,665,608	26,510,501	2,389,387	3,271,778	8,640,387	2,250,138	2,207,636
Interbank deposits	18,838,153	97,261	412,138	804,749	19,363	35,441	18,838,153	97,261	412,138	804,749	19,363	35,441
Foreign currency	6,820,701	2,404,919	2,892,422	3,320,305	2,180,936	1,964,087	6,340,510	1,974,555	2,404,034	2,811,339	1,818,784	1,506,115
Fixed rate	1,136,040	239,752	384,056	4,740,474	368,409	607,158	1,136,040	239,752	384,056	4,740,474	368,409	607,158
IPCA	117,742	37,204	33,610	205,825	22,225	38,626	117,742	37,204	33,610	205,825	22,225	38,626
IGP-M	78,000	40,174	37,581	78,000	21,357	20,296	78,000	40,174	37,581	78,000	21,357	20,296
Libor ⁽¹⁾	56	401	359	-	-	-	56	401	359	-	-	-
Selic	-	40	-	-	-	-	-	40	-	-	-	-
Liability position	7,462,371	(2,067,811)	(1,981,306)	7,104,657	(2,032,028)	(2,269,132)	7,433,274	(2,047,619)	(1,958,371)	7,073,868	(2,015,230)	(2,247,730)
Interbank deposits	3,171,764	(10,038)	(62,645)	212,627	(2,327)	(1,056)	3,171,764	(10,038)	(62,645)	212,627	(2,327)	(1,056)
Foreign currency	3,442,164	(1,550,611)	(1,305,322)	2,112,328	(1,209,442)	(909,252)	3,413,067	(1,530,419)	(1,282,387)	2,081,539	(1,192,644)	(887,850)
Fixed rate	350,080	(414,889)	(548,180)	4,079,799	(692,766)	(1,254,967)	350,080	(414,889)	(548,180)	4,079,799	(692,766)	(1,254,967)
IPCA	106,709	(36,177)	(35,849)	352,838	(44,760)	(54,603)	106,709	(36,177)	(35,849)	352,838	(44,760)	(54,603)
IGP-M	96,719	(23,178)	(21,042)	96,719	(9,280)	(4,550)	96,719	(23,178)	(21,042)	96,719	(9,280)	(4,550)
Libor ⁽¹⁾	94,935	(32,918)	(8,179)	250,346	(73,453)	(44,704)	94,935	(32,918)	(8,179)	250,346	(73,453)	(44,704)
Selic	200,000	-	(89)	-	-	-	200,000	-	(89)	-	-	-
5 - Other derivatives financial instruments												
Asset position	15,398,668	161,625	182,333	11,589,196	1,139,417	1,115,686	10,585,464	53,632	74,739	6,461,825	248,121	240,671
Non Deliverable Forward - Foreign currency ⁽²⁾	15,398,668	161,625	182,333	11,589,196	1,139,417	1,115,686	10,585,464	53,632	74,739	6,461,825	248,121	240,671
Liability position	6,130,130	(180,059)	(78,092)	1,584,431	(82,155)	(76,760)	1,316,926	(120,050)	(51,968)	1,584,431	(69,591)	(58,513)
Non Deliverable Forward - Foreign currency ⁽²⁾	6,130,130	(180,059)	(78,092)	1,584,431	(82,155)	(76,760)	1,316,926	(120,050)	(51,968)	1,584,431	(69,591)	(58,513)
Total assets (1 + 2 + 3 + 4 + 5)	73,988,045	3,423,594	4,386,747	68,933,308	5,012,652	5,081,402	66,170,854	2,832,143	3,713,757	57,968,715	3,426,141	3,621,140
Total liabilities (1 + 2 + 3 + 4 + 5)	84,090,504	(2,705,185)	(2,439,455)	113,528,344	(3,239,684)	(4,629,350)	76,724,407	(2,572,003)	(2,365,339)	108,169,299	(2,879,799)	(3,605,657)

⁽¹⁾ Futures and swap contracts indexed to Libor were not impacted by the reform of the reference interest rates.

⁽²⁾ The fair value of swap, options and non-deliverable forward operations - foreign currency include the credit risk of the counterparty (credit spread adjustment).

⁽³⁾ The presentation of swap contracts and credit derivatives by position (active or passive) takes into account the respective fair value of each contract.



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(Amounts in thousands of Reais, unless otherwise indicated)

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

Maturity in days	Bank						Consolidated					
	0 to 30	31 to 180	181 to 360	Above 360	12.31.2021	12.31.2020	0 to 30	31 to 180	181 to 360	Above 360	12.31.2021	12.31.2020
futures contracts	21,946,421	13,531,275	18,423,879	35,227,575	89,129,150	96,686,651	21,946,421	13,531,275	18,423,879	35,227,575	89,129,150	96,686,651
Forward contracts	82,382	147,214	28,730	17,712	276,038	251,738	82,382	147,214	28,730	17,712	276,038	251,738
options contracts	1,408,860	7,279,342	2,054,368	1,948,930	12,691,500	56,095,626	1,408,860	2,231,750	2,054,368	1,948,930	7,643,908	45,439,114
Swap contracts	605,843	2,230,096	5,594,120	26,023,004	34,453,063	16,254,010	575,757	2,230,916	5,579,076	25,558,026	33,943,775	15,714,255
Non Deliverable Forward - Foreign currency	5,742,115	14,373,707	837,298	575,678	21,528,798	13,173,627	1,098,179	9,391,235	837,298	575,678	11,902,390	8,046,256
Total	29,785,621	37,561,634	26,938,395	63,792,899	158,078,549	182,461,652	25,111,599	27,532,390	26,923,351	63,327,921	142,895,261	166,138,014

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

	12.31.2021						12.31.2020
	Futures	Term	Options	Swaps	Non Deliverable Forward	Total	
Bank							
Stock exchange market	89,129,150	-	3,782,250	-	-	92,911,400	138,241,776
Over-the-counter market	-	276,038	8,909,250	34,453,063	21,528,798	65,167,149	44,219,876
Financial institutions	-	276,038	5,062,406	28,985,952	16,805,976	51,130,372	36,650,906
Client	-	-	3,846,844	5,467,111	4,722,822	14,036,777	7,568,970
Consolidated							
Stock exchange market	89,129,150	-	3,782,250	-	-	92,911,400	138,241,776
Over-the-counter market	-	276,038	3,861,658	33,943,775	11,902,390	49,983,861	27,896,238
Financial institutions	-	276,038	14,814	28,476,664	7,179,568	35,947,084	20,327,268
Client	-	-	3,846,844	5,467,111	4,722,822	14,036,777	7,568,970

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

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Financial Treasury Bills - LFT	997,210	1,679,959	999,905	1,687,155
National Treasury Notes - NTN	-	294,304	-	294,304
National Treasury Bills - LTN	461,638	8,783	461,638	8,783
Shares of the investment fund liquidity of board B3	36,621	34,987	51,959	49,641
Others	49,886	64,894	49,886	64,894
Total	1,545,355	2,082,927	1,563,388	2,104,777

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

	Bank					
	12.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Assets						
Term operations	258,451	17,713	276,164	253,956	-	253,956
Options market	130,103	37,981	168,084	914,872	131,280	1,046,152
Swap contracts	1,825,771	1,934,395	3,760,166	311,098	2,354,510	2,665,608
Non Deliverable Forward - Foreign currency	163,390	18,943	182,333	1,105,234	10,452	1,115,686
Total	2,377,715	2,009,032	4,386,747	2,585,160	2,496,242	5,081,402
Liabilities						
Term operations	(255,453)	(17,713)	(273,166)	(257,123)	-	(257,123)
Options market	(65,597)	(41,294)	(106,891)	(1,899,959)	(126,376)	(2,026,335)
Swap contracts	(1,100,285)	(881,021)	(1,981,306)	(133,377)	(2,135,755)	(2,269,132)
Non Deliverable Forward - Foreign currency	(70,123)	(7,969)	(78,092)	(71,723)	(5,037)	(76,760)
Total	(1,491,458)	(947,997)	(2,439,455)	(2,362,182)	(2,267,168)	(4,629,350)

	Consolidated					
	12.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Assets						
Term operations	258,451	17,713	276,164	253,956	-	253,956
Options market	53,095	37,981	91,076	912,962	5,915	918,877
Swap contracts	1,803,726	1,468,052	3,271,778	291,658	1,915,978	2,207,636
Non Deliverable Forward - Foreign currency	61,358	13,381	74,739	236,263	4,408	240,671
Total	2,176,630	1,537,127	3,713,757	1,694,839	1,926,301	3,621,140
Liabilities						
Term operations	(255,453)	(17,713)	(273,166)	(257,123)	-	(257,123)
Options market	(40,540)	(41,294)	(81,834)	(1,035,236)	(7,055)	(1,042,291)
Swap contracts	(1,100,766)	(857,605)	(1,958,371)	(132,443)	(2,115,287)	(2,247,730)
Non Deliverable Forward - Foreign currency	(43,999)	(7,969)	(51,968)	(53,477)	(5,036)	(58,513)
Total	(1,440,758)	(924,581)	(2,365,339)	(1,478,279)	(2,127,378)	(3,605,657)

f) Breakdown of the derivatives portfolio for hedge accounting

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

These strategies are carried out in the following risk categories:

- Interest rate risk; and
- Exchange rate risk.

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

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

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

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

Fair value hedge

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

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

Hedged items	Statement of Financial Position line item	12.31.2021		
		Fair value of hedged items	Fair value adjustment of hedged items	Base value for calculating hedge ineffectiveness ⁽¹⁾
Bank and Consolidated		Asset	Asset	
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)
12.31.2020				
Interest rate risk				
Hedge of purchase and sale commitment	Financial assets with resale agreements	501,451	22	38,215
Hedge of loan contracts	Loans and leases	18,909,474	255,934	1,128,894
Exchange rate risk				
Hedge of loan contracts	Loans and leases	75,688	507	9,302
Total		19,486,613	256,463	1,176,411

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

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

Hedge instruments	12.31.2021		
	Reference value	Base amount to calculate the ineffectiveness of hedge ⁽¹⁾	Hedge ineffectiveness recorded in income ⁽²⁾
Bank and Consolidated	Liabilities		
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)
12.31.2020			
Interest rate risk			
Future DI	19,821,974	(1,163,991)	3,118
Exchange rate risk			
Future DDI	79,089	(9,464)	(162)
Total	19,901,063	(1,173,455)	2,956

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

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

In December 2018, some operations were no longer qualified as market risk hedge. The balance corresponding to the adjustment to fair value of the hedged item existing on the date of closing of the hedge accounting started to be deferred (except for cases of early settlement of the object) for the contractual term of these operations whose effect on the income for the semester ended on June 30 of 2020 was R\$1,398, net of tax effects, presented under "Income from derivative financial instruments". There were no new dismantling of operations and no effect on the result was produced in the year ended December 31, 2021, 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 contracts recorded in B3.

Hedged items	Statement of Financial Position line item	12.31.2021		
		Book/referen ce amount	Base amount for calculating hedge ineffectiveness ⁽¹⁾	Cash flow hedge reserve
		Liabilities		
Bank and Consolidated				
Interest rate risk				
Hedge of Financial Bills	Features of acceptance and issuance of bonds	13,573,577	(262,256)	244,173
Hedge of subordinated financial bills - Debt instruments eligible for capital	Equity eligible debt instruments	93,362	(3,172)	2,596
Exchange rate risk				
Hedge of perpetual bonds - Subordinated liabilities	Equity eligible debt instruments	1,684,531	(792,965)	84,108
Hedge of liabilities with securities abroad	Features of acceptance and issuance of bonds	3,433,131	(186,465)	330,224
Total		18,784,601	(1,244,858)	661,101
Bank and Consolidated		12.31.2020		
Interest rate risk				
Hedge of Financial Bills	Features of acceptance and issuance of bonds	10,949,085	167,381	(25,191)
Hedge of subordinated financial bills - Debt instruments eligible for capital	Equity eligible debt instruments	410,305	36,161	(3,780)
Exchange rate risk				
Hedge of perpetual bonds - Subordinated liabilities	Features of acceptance and issuance of bonds	3,186,374	1,947	(1,531)
Hedge of liabilities with securities abroad	Equity eligible debt instruments	1,568,677	(615,921)	17,561
Hedge of bonds with TVM abroad	Features of acceptance and issuance of bonds	3,193,642	465,790	(161,927)
Total		19,308,083	55,358	(174,868)

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

Hedge instruments	12.31.2021				
	Book/reference amount		Base amount for calculating hedge ineffectiveness ⁽¹⁾	Changes in the amount of the recorded hedge instrument in OCI	Hedge Ineffectiveness s recorded in net profit (loss) ⁽²⁾
	Assets	Liabilities			
Bank and Consolidated					
Interest rate risk					
Future DI	-	13,187,458	265,693	277,270	3,913
Exchange rate risk					
Swap ^{(3)/(4)}	5,634,894	-	984,150	558,699	1,997
Total	5,634,894	13,187,458	1,249,843	835,969	5,910
Bank and Consolidated	12.31.2020				
Interest rate risk					
Future DI	-	14,513,812	(201,137)	143,175	(13)
Exchange rate risk					
Swap ⁽³⁾	5,566,692	-	147,288	(87,008)	(1,559)
Total	5,566,692	14,513,812	(53,849)	56,167	(1,572)

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

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

⁽³⁾ The notional value of the swap contract to hedge perpetual bonds is R\$970,620 on December 31, 2020 and 2021.

⁽⁴⁾ The notional value of swap contracts to hedge obligations with securities abroad is R\$3,406,100 on December 31, 2020 and 2021.

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 year ended December 31, 2021, the mark-to-market of the effective portion, in the amount of R\$ 835,969 (R\$ 56,167 In the year ended December 31, 2020), was recognized in equity and the ineffective portion in the the amount of R\$ 7,482 (R\$ 1,681 In the year ended December 31, 2020) was recognized in income under "Results from derivative financial instruments".

The net gains of tax effects related to the cash flow hedge that the Conglomerate expects to recognize in the result in the next 12 months, total R\$ 224,883 (net gains of R\$ 29,000 In the year ended December 31, 2020).

In the year ended December 31, 2021, the mark-to-market of the effective portion, in the amount of R\$ 835,969 (R\$ 56,167 In the year ended December 31, 2020), was recognized in equity and the ineffective portion in the the amount of R\$ 7,482 (R\$ 1,681 In the year ended December 31, 2020) was recognized in income under "Results from derivative financial instruments".

g) Income from derivative financial instruments

	Bank			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Swap contracts	944,379	(385,463)	850,708	(471,411)
Term operations	7,433	(8,514)	11,541	(13,617)
Options market	(144,113)	129,810	(84,595)	(867,051)
Futures contracts	430,034	1,220	685,042	(741,261)
Credit derivatives	296	(1,888)	(285)	(9,782)
Fair value adjustments of hedged financial instruments	(423,594)	(282,295)	(1,178,938)	(273,010)
Non Deliverable Forward - Foreign currency	348,548	(340,960)	306,501	2,169,205
Income from foreign exchange movements of investments abroad	176,461	(79,313)	119,454	478,653
Credit Linked Notes	-	-	-	(32)
Total	1,339,444	(967,403)	709,428	271,694

	Consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Swap contracts	852,988	(346,815)	799,333	(770,574)
Term operations	7,433	(8,514)	11,541	(13,617)
Options market	58,428	(97,933)	99,796	29,602
Futures contracts	430,034	(97,093)	685,042	(1,346,405)
Credit derivatives	296	(1,888)	(285)	(9,782)
Fair value adjustments of hedged financial instruments	(423,594)	(251,023)	(1,178,938)	(52,149)
Non Deliverable Forward - Foreign currency	146,435	(112,699)	122,681	1,272,914
Income from foreign exchange movements of investments abroad	176,461	(79,313)	119,454	478,653
Credit Linked Notes	-	-	-	(32)
Total	1,248,481	(995,278)	658,624	(411,390)

11. INTERBANK ACCOUNTS
a) Breakdown

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Assets	1,490,076	984,105	1,492,118	984,105
Related loans (Note 11b)	1,490,076	984,105	1,492,118	984,105
Liabilities	16,946	5,887	2,840,131	1,887,891
Payments and receivables to be settled (Note 11c)	16,946	5,887	2,840,131	1,887,891

b) Reserve requirements

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Assets				
Compulsory deposits at the Central Bank of Brazil	1,490,076	984,105	1,492,118	984,105
Demand deposits	1,351,625	964,085	1,351,625	964,085
Microfinance transactions	-	3,126	134	3,126
Instant payments	138,451	16,894	140,359	16,894
Total	1,490,076	984,105	1,492,118	984,105
Current Assets	1,490,076	984,105	1,492,118	984,105

c) Payments and receivables to be settled

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Liabilities				
Payment transactions	16,946	5,887	2,840,131	1,887,891
Credit card	16,946	5,887	2,840,131	1,887,891
Total	16,946	5,887	2,840,131	1,887,891
Current Liabilities	16,946	5,887	2,840,131	1,887,891

d) Income from compulsory deposits

	Bank and consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Credits linked to Central Bank of Brazil	32,630	10,019	44,015	31,100
Requirement on time deposits	32,630	10,019	44,015	31,100
Total	32,630	10,019	44,015	31,100

12. LOANS
a) Portfolio by modality

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Loans	55,569,267	52,851,117	57,332,216	53,792,865
Loans and discounted notes ⁽¹⁾	6,160,416	6,115,631	7,909,577	7,049,607
Financings ⁽¹⁾	41,110,430	41,409,362	42,680,041	41,417,134
Rural and agribusiness financing	811,970	513,184	811,970	513,184
Real estate financing agreements	55,455	7,975	55,455	7,975
Loans linked to assignments (Note 12h.1) ⁽²⁾	7,430,996	4,804,965	5,875,173	4,804,965
Other receivables with loan characteristics	5,437,360	3,601,821	8,452,836	5,577,846
Credit card operations	-	-	2,983,607	1,976,025
Advances on foreign exchange contracts and other related credits	819,305	408,709	819,305	408,709
Other credits linked to payment transactions ⁽³⁾	873,663	406,709	873,663	406,709
Credits for honorable endorsements and sureties	3,744,392	2,786,403	3,776,261	2,786,403
Trade and credit receivables	-	-	48,739	73,353
Total loan portfolio	61,006,627	56,452,938	65,833,791	59,444,064
Allowance for losses associated with credit risk	(4,933,006)	(4,618,892)	(5,545,020)	(5,015,181)
(Allowance for loan losses)	(3,784,887)	(3,427,336)	(4,320,467)	(3,781,281)
(Allowance for other credits with credit grant characteristics) ⁽⁴⁾	(1,148,119)	(1,191,556)	(1,224,334)	(1,233,550)
(Allowance for lease losses)	-	-	(219)	(350)
Total loan portfolio, net of provisions	56,073,621	51,834,046	60,288,771	54,428,883
Current Assets	28,507,847	24,919,633	32,266,074	27,278,776
Non-current assets	27,565,774	26,914,413	28,022,697	27,150,107

⁽¹⁾ As of December 31, 2021, includes reclassification to "discounted loans and securities" of products previously classified as "financing".

⁽²⁾ Credit transactions assigned with substantial retention of the risks and benefits of the financial asset that is the transaction object.

⁽³⁾ Credit rights on payment transactions acquired by assignment with retention of risks and benefits by the assignor.

⁽⁴⁾ Includes provision for losses on operations under homologated judicial reorganization and allowed for linked payment transactions losses.

b) Income from loans and leases

	Bank ⁽¹⁾			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Loans	4,267,770	2,931,807	7,929,054	3,405,681
Loans and discounted notes	549,703	283,361	878,956	437,640
Financing	3,666,752	2,619,559	6,975,993	2,900,645
Rural and agribusiness financing	19,221	11,355	32,995	24,158
Real estate financing agreements	1,292	240	1,960	718
Financing in foreign currency	5,095	5,219	7,411	24,073
Honored bails and guarantees	220	-	220	-
Other	25,487	12,073	31,519	18,447
Total ⁽²⁾	4,267,770	2,931,807	7,929,054	3,405,681

	Consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Loans	4,880,734	3,619,464	8,866,456	7,772,870
Loans and discounted notes	1,004,770	488,881	1,644,278	1,113,844
Financing	3,836,439	3,098,906	7,161,494	6,575,489
Rural and agribusiness financing	19,221	11,355	32,995	24,158
Real estate financing agreements	1,292	240	1,960	718
Financing in foreign currency	5,095	5,219	7,411	24,073
Honored bails and guarantees	220	-	220	-
Other	13,697	14,863	18,098	34,588
Mercantile lease	3,200	3,491	6,842	8,921
Total ⁽²⁾	4,883,934	3,622,955	8,873,298	7,781,791

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

⁽²⁾ It does not include credit operations linked to assignments. Considering these assets, the Bank's income from credit operations for the semester ended December 31, 2021 would total R\$ 9045862.000.000 (R\$ 3797423.000.000 for the year ended december 31, 2020) and in the Consolidated, also considering the operations of lease, would total R\$ 9990106.000.000 (R\$ 8663578.000.000 for the year ended december 31, 2020).

c) Loan portfolio by sector of economic activity

Bank	12.31.2021	%	12.31.2020	%
Private sector	61,796,072	100.00%	56,196,497	100.00%
Individual ⁽¹⁾	46,350,822	75.01%	42,005,326	74.75%
Legal entities	15,445,250	24.99%	14,191,171	25.25%
Animal agribusiness	338,724	0.55%	268,591	0.48%
Vegetable agribusiness	262,356	0.42%	152,117	0.27%
Specific construction activities	89,538	0.14%	88,697	0.16%
Automotive	249,758	0.40%	114,217	0.20%
Wholesale commerce and sundry industries	6,167,205	9.98%	5,235,912	9.32%
Retail business	1,391,669	2.25%	1,927,469	3.43%
Heavy construction	75,082	0.12%	34,176	0.06%
Electronics	30,900	0.05%	1,994	0.00%
Electric power	19,313	0.03%	36,403	0.06%
Real estate	128,908	0.21%	102,954	0.18%
Financial institutions and services	927,557	1.50%	551,554	0.98%
Wood and furniture	54,833	0.09%	55,731	0.10%
Mining and Metallurgy	2,876	0.00%	105,265	0.19%
Paper and pulp	95,316	0.15%	103,733	0.18%
Chemical	365,198	0.59%	89,048	0.16%
Services	3,699,665	5.99%	3,880,855	6.91%
Telecommunications	8,898	0.01%	12,302	0.02%
Textile and apparel	45,562	0.07%	132,562	0.24%
Transportation	722,880	1.17%	1,108,185	1.97%
Other activities	769,012	1.27%	189,406	0.34%
Total	61,796,072	100.00%	56,196,497	100.00%
(+/-) Adjustment to fair value ⁽²⁾	(789,445)		256,441	
Total of loan portfolio adjusted to fair value	61,006,627		56,452,938	
Consolidated	12.31.2021	%	12.31.2020	%
Private sector	66,623,236	100.00%	59,187,623	100.00%
Individual ⁽¹⁾	51,097,402	76.70%	44,923,118	75.90%
Legal entities	15,525,834	23.30%	14,264,505	24.10%
Animal agribusiness	338,724	0.51%	268,591	0.45%
Vegetable agribusiness	262,356	0.39%	152,117	0.26%
Specific construction activities	99,108	0.15%	103,147	0.17%
Automotive	249,758	0.37%	114,217	0.19%
Wholesale commerce and sundry industries	6,182,383	9.28%	5,259,616	8.89%
Retail business	1,397,799	2.10%	1,933,202	3.27%
Heavy construction	75,082	0.11%	34,176	0.06%
Electronics	30,900	0.05%	1,994	0.00%
Electric power	19,313	0.03%	36,403	0.06%
Real estate	128,908	0.19%	102,954	0.17%
Financial institutions and services	927,557	1.39%	551,554	0.93%
Wood and furniture	54,833	0.08%	55,731	0.09%
Mining and Metallurgy	2,876	0.00%	105,265	0.18%
Paper and pulp	95,316	0.14%	103,733	0.18%
Chemical	365,198	0.55%	89,048	0.15%
Services	3,741,060	5.62%	3,899,683	6.59%
Telecommunications	8,898	0.01%	12,302	0.02%
Textile and apparel	45,562	0.07%	132,562	0.22%
Transportation	731,191	1.10%	1,118,804	1.89%
Other activities	769,012	1.16%	189,406	0.33%
Total	66,623,236	100.00%	59,187,623	100.00%
(+/-) Adjustment to fair value ⁽²⁾	(789,445)		256,441	
Total of loan portfolio adjusted to fair value	65,833,791		59,444,064	

⁽¹⁾ Includes loans operations of the agribusiness sectors and other sectors of economic activity made with individuals

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



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d) Loan portfolio by risk level and maturity

Bank	AA	A	B	C	D	E	F	G	H	12.31.2021	12.31.2020
Performing loans											
Falling due installments	2,373,963	29,101,438	10,711,411	9,479,334	1,258,046	941,462	157,882	1,464,239	214,322	55,702,097	51,519,197
From 01 to 30	819,791	2,289,604	478,589	365,141	47,795	54,157	5,764	36,146	19,737	4,116,724	2,642,599
From 31 to 60	294,881	1,882,977	460,026	365,633	48,910	51,255	4,197	13,644	9,664	3,131,187	2,527,627
From 61 to 90	514,903	1,844,528	464,790	338,421	50,236	48,022	8,030	12,993	9,070	3,290,993	2,426,798
From 91 to 180	167,320	4,224,820	1,151,103	1,034,738	152,629	139,228	11,342	35,805	26,799	6,943,784	6,256,392
From 181 to 360	282,964	5,327,630	1,949,836	1,739,668	236,339	246,381	28,105	167,561	47,147	10,025,631	10,157,489
Over 360 days	294,104	13,531,879	6,207,067	5,635,733	722,137	402,419	100,444	1,198,090	101,905	28,193,778	27,508,292
Installments overdue	6,888	58,664	167,532	45,333	11,510	16,477	1,588	4,211	3,521	315,724	159,028
Up to 14 days	6,888	58,664	167,532	45,333	11,510	16,477	1,588	4,211	3,521	315,724	159,028
Subtotal	2,380,851	29,160,102	10,878,943	9,524,667	1,269,556	957,939	159,470	1,468,450	217,843	56,017,821	51,678,225
Non-performing loans											
Falling due installments	-	-	582,879	897,952	560,211	1,167,868	162,353	612,702	840,579	4,824,544	3,680,079
From 01 to 30	-	-	24,689	35,108	22,094	48,937	6,839	25,836	44,735	208,238	189,382
From 31 to 60	-	-	24,538	35,618	22,453	49,906	6,965	26,230	44,790	210,500	189,100
From 61 to 90	-	-	22,384	32,490	20,919	45,353	6,222	23,815	41,140	192,323	183,966
From 91 to 180	-	-	64,814	91,602	58,348	128,945	17,678	67,319	114,513	543,219	506,782
From 181 to 360	-	-	107,032	160,031	101,493	223,659	30,669	117,447	193,482	933,813	824,390
Over 360 days	-	-	339,422	543,103	334,904	671,068	93,980	352,055	401,919	2,736,451	1,786,459
Installments overdue ⁽¹⁾	-	-	32,495	70,242	57,918	131,065	35,262	124,886	501,839	953,707	838,193
01 to 14	-	-	-	13,788	9,528	20,435	3,405	11,879	19,799	78,834	66,101
15 to 30	-	-	32,495	25,937	14,335	34,871	3,850	15,528	28,765	155,781	123,129
From 31 to 60	-	-	-	30,517	18,245	43,527	7,584	27,099	55,591	182,563	155,899
From 61 to 90	-	-	-	-	15,810	21,377	6,109	22,969	43,871	110,136	102,489
From 91 to 180	-	-	-	-	-	10,855	14,314	47,411	121,562	194,142	185,676
From 181 to 360	-	-	-	-	-	-	-	-	232,251	232,251	204,899
Subtotal	-	-	615,374	968,194	618,129	1,298,933	197,615	737,588	1,342,418	5,778,251	4,518,272
Total	2,380,851	29,160,102	11,494,317	10,492,861	1,887,685	2,256,872	357,085	2,206,038	1,560,261	61,796,072	56,196,497
(+/-)Adjustment to fair value ⁽²⁾										(789,445)	256,441
Total of loan portfolio adjusted to fair value										61,006,627	56,452,938



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Consolidated	AA	A	B	C	D	E	F	G	H	12.31.2021	12.31.2020
Performing loans											
Falling due installments	2,396,180	29,760,653	10,768,528	9,597,600	1,349,396	985,646	181,369	1,486,283	233,648	56,759,303	51,882,421
From 01 to 30	819,791	2,829,567	498,989	448,217	125,254	100,453	29,070	58,190	39,051	4,948,582	2,927,828
From 31 to 60	295,081	1,884,983	460,271	365,633	48,910	51,255	4,197	13,644	9,664	3,133,638	2,530,811
From 61 to 90	515,103	1,846,434	465,035	338,421	50,236	48,022	8,030	12,993	9,070	3,293,344	2,429,977
From 91 to 180	167,920	4,230,183	1,151,570	1,535,738	152,629	139,228	11,342	35,805	26,799	7,451,214	6,265,411
From 181 to 360	284,164	5,337,295	1,949,881	1,255,801	236,339	246,381	28,105	167,561	47,147	9,552,674	10,173,691
Over 360 days	314,121	13,632,191	6,242,782	5,653,790	736,028	400,307	100,625	1,198,090	101,917	28,379,851	27,554,703
Installments overdue	6,888	2,358,647	406,032	255,954	166,498	50,620	24,643	16,126	13,923	3,299,331	2,126,614
Up to 14 days	6,888	2,358,647	406,032	255,954	166,498	50,620	24,643	16,126	13,923	3,299,331	2,126,614
Subtotal	2,403,068	32,119,300	11,174,560	9,853,554	1,515,894	1,036,266	206,012	1,502,409	247,571	60,058,634	54,009,035
Non-performing loans											
Falling due installments	-	-	616,659	897,952	560,211	1,167,868	162,175	612,880	840,579	4,858,324	3,680,079
From 01 to 30	-	-	24,689	35,108	22,094	48,937	6,839	25,836	44,735	208,238	189,382
From 31 to 60	-	-	24,538	35,618	22,453	49,906	6,965	26,230	44,790	210,500	189,100
From 61 to 90	-	-	22,384	32,490	20,919	45,353	6,222	23,815	41,140	192,323	183,966
From 91 to 180	-	-	64,814	91,602	58,348	128,945	17,678	67,319	114,513	543,219	506,782
From 181 to 360	-	-	107,032	160,031	101,493	223,659	30,669	117,447	193,482	933,813	824,390
Over 360 days	-	-	373,202	543,103	334,904	671,068	93,802	352,233	401,919	2,770,231	1,786,459
Installments overdue ⁽¹⁾	-	-	64,780	135,779	136,748	221,488	108,786	214,618	824,079	1,706,278	1,498,509
01 to 14	-	-	13,797	32,651	27,275	38,251	16,721	24,176	89,476	242,347	66,101
15 to 30	-	-	50,983	28,679	16,634	37,436	27,079	38,302	43,699	242,812	405,603
From 31 to 60	-	-	-	74,449	22,394	47,819	8,725	37,396	57,567	248,350	181,985
From 61 to 90	-	-	-	-	70,445	26,048	7,456	34,674	46,096	184,719	129,834
From 91 to 180	-	-	-	-	-	71,934	48,805	80,070	130,880	331,689	277,801
From 181 to 360	-	-	-	-	-	-	-	-	456,361	456,361	437,185
Subtotal	-	-	681,439	1,033,731	696,959	1,389,356	270,961	827,498	1,664,658	6,564,602	5,178,588
Total	2,403,068	32,119,300	11,855,999	10,887,285	2,212,853	2,425,622	476,973	2,329,907	1,912,229	66,623,236	59,187,623
(+/-)Adjustment to fair value ⁽²⁾										(789,445)	256,441
Total of loan portfolio adjusted to fair value										65,833,791	59,444,064

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

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



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e) Constitution of the provision for losses associated with the credit portfolio by risk levels

Risk level	% Provision	12.31.2021				12.31.2020			
		Transaction value	Minimum provision required	Additional provision ⁽¹⁾	Existing provision	Transaction value	Minimum provision required	Additional provision ⁽¹⁾	Existing provision
Bank									
AA	0.00%	2,380,851	-	-	-	3,101,853	-	-	-
A	0.50%	29,160,102	(145,801)	-	(145,801)	24,900,437	(124,502)	-	(124,502)
B	1.00%	11,494,317	(114,943)	-	(114,943)	10,661,454	(106,615)	-	(106,615)
C	3.00%	10,492,861	(314,786)	-	(314,786)	10,357,960	(310,739)	-	(310,739)
D	10.00%	1,887,685	(188,769)	-	(188,769)	1,130,176	(113,018)	-	(113,018)
E	30.00%	2,256,872	(677,055)	-	(677,055)	2,199,395	(659,818)	-	(659,818)
F	50.00%	357,085	(178,542)	-	(178,542)	306,653	(153,326)	-	(153,326)
G	70.00%	2,206,038	(1,544,230)	(208,619)	(1,752,849)	1,980,888	(1,386,622)	(206,571)	(1,593,193)
H	100.00%	1,560,261	(1,560,261)	-	(1,560,261)	1,557,681	(1,557,681)	-	(1,557,681)
Total		61,796,072	(4,724,387)	(208,619)	(4,933,006)	56,196,497	(4,412,321)	(206,571)	(4,618,892)
(+/-)Adjustment to fair value ⁽²⁾		(789,445)				256,441			
Total of loan portfolio adjusted to fair value		61,006,627				56,452,938			
Consolidated									
AA	0.00%	2,403,068	-	-	-	3,110,269	-	-	-
A	0.50%	32,119,300	(160,596)	-	(160,596)	26,808,373	(134,042)	-	(134,042)
B	1.00%	11,855,999	(118,560)	-	(118,560)	10,889,247	(108,892)	-	(108,892)
C	3.00%	10,887,285	(326,620)	-	(326,620)	10,597,615	(317,928)	-	(317,928)
D	10.00%	2,212,853	(221,286)	-	(221,286)	1,273,659	(127,366)	-	(127,366)
E	30.00%	2,425,622	(727,687)	-	(727,687)	2,283,606	(685,083)	-	(685,083)
F	50.00%	476,973	(238,487)	-	(238,487)	359,217	(179,609)	-	(179,609)
G	70.00%	2,329,907	(1,630,936)	(208,619)	(1,839,555)	2,033,161	(1,423,214)	(206,571)	(1,629,785)
H	100.00%	1,912,229	(1,912,229)	-	(1,912,229)	1,832,476	(1,832,476)	-	(1,832,476)
Total		66,623,236	(5,336,401)	(208,619)	(5,545,020)	59,187,623	(4,808,610)	(206,571)	(5,015,181)
(+/-)Adjustment to fair value ⁽²⁾		(789,445)				256,441			
Total of loan portfolio adjusted to fair value		65,833,791				59,444,064			

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

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

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

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
(Provision) / reversal of provision for losses associated with the loan portfolio (Note 12f.2)	(1,234,450)	(945,328)	(2,246,289)	(1,035,658)
Loans	(1,284,452)	(935,574)	(2,232,981)	(1,056,356)
Other receivables with loan characteristics	50,002	(9,754)	(13,308)	20,698
Income from recovery of loans previously written off as losses	380,155	233,683	679,984	324,641
Loans	371,395	233,665	671,224	309,623
Other receivables with loan characteristics	8,760	18	8,760	15,018
Total (provision) / reversal of provision for losses associated with the loan portfolio	(854,295)	(711,645)	(1,566,305)	(711,017)
Other (provisions) / reversals of provisions for losses associated with credit risk ⁽²⁾	15,051	58,783	22,079	51,086
Financial guarantees provided	(778)	58,946	17,055	52,070
Other risks	15,829	(163)	5,024	(984)
Total other (provisions) / reversals of provisions associated with credit risk	15,051	58,783	22,079	51,086
Total	(839,244)	(652,862)	(1,544,226)	(659,931)

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
(Provision) / reversal of provision for losses associated with the loan portfolio (Note 12f.2)	(1,609,891)	(1,274,024)	(2,840,330)	(3,064,323)
Loans	(1,637,189)	(1,310,298)	(2,795,976)	(3,134,497)
Leases	131	1,457	131	1,867
Other receivables with loan characteristics	27,167	34,817	(44,485)	68,307
Income from recovery of loans previously written off as losses	397,105	289,885	715,972	542,642
Loans	387,969	289,472	704,364	527,216
Leases	376	395	2,848	408
Other credits with credit granting characteristics	8,760	18	8,760	15,018
Total (provision) / reversal of provision for losses associated with the loan portfolio	(1,212,786)	(984,139)	(2,124,358)	(2,521,681)
Other (provisions) / reversals of provisions for losses associated with credit risk ⁽²⁾	15,051	55,345	22,079	45,987
Financial guarantees provided	(778)	58,946	17,055	52,070
Other risks	15,829	(3,601)	5,024	(6,083)
Total other (provisions) / reversals of provisions associated with credit risk	15,051	55,345	22,079	45,987
Total	(1,197,735)	(928,794)	(2,102,279)	(2,475,694)

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

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

f.2) Changes

Comprise loans, leases and other receivables with loan characteristics.

	Bank ⁽¹⁾		Consolidated	
	2021	2020	2021	2020
Opening balance	4,618,892	1,773,622	5,015,181	4,715,878
Transfers	-	3,400,985	-	-
Reinforcement / (reversal) ^{(2) (3)}	2,246,289	1,035,658	2,840,330	3,064,323
Minimum allowance for loan losses required	2,244,241	1,013,984	2,838,282	3,042,649
Incremental allowance for loan losses	2,048	21,674	2,048	21,674
Write-offs to losses	(1,932,175)	(1,591,373)	(2,310,491)	(2,765,020)
Closing balance	4,933,006	4,618,892	5,545,020	5,015,181

⁽¹⁾ Includes amounts referring to the merger of the spun-off portion of BV Financeira (Note 2b).

⁽²⁾ It does not include income from the recovery of credits previously written off.

⁽³⁾ Includes remeasurement of risks arising from the COVID-19 pandemic.

g) Concentration of loans

	12.31.2021	% of portfolio	12.31.2020	% of portfolio
Bank				
Largest debtor	620,316	1.00%	620,316	1.10%
10 largest debtors	2,874,205	4.65%	2,606,190	4.64%
20 largest debtors	4,173,942	6.75%	3,881,105	6.91%
50 largest debtors	6,522,388	10.55%	6,111,693	10.88%
100 largest debtors	8,928,189	14.45%	8,096,306	14.41%
Consolidated				
Largest debtor	620,316	0.93%	620,316	1.05%
10 largest debtors	2,874,205	4.31%	2,606,190	4.40%
20 largest debtors	4,173,942	6.26%	3,882,961	6.56%
50 largest debtors	6,523,486	9.79%	6,113,549	10.33%
100 largest debtors	8,929,287	13.40%	8,099,025	13.68%

h) Information on loan assignments
h.1) Assignments with recourse

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

	12.31.2021		12.31.2020	
	Financial assets subject to sale	Liability related to recourse assumed ⁽¹⁾	Financial assets subject to sale	Liability related to recourse assumed ⁽¹⁾
Bank	7,430,996	8,177,509	4,804,965	5,561,659
With co-obligation	5,875,173	6,621,686	4,804,965	5,561,659
Financial institutions - Related parties	5,875,173	6,621,686	4,804,965	5,561,659
Without co-obligation	1,555,823	1,555,823	-	-
Credit Rights Investment Fund - Subsidiary	1,555,823	1,555,823	-	-
Consolidated	5,875,173	6,621,686	4,804,965	5,561,659
With co-obligation	5,875,173	6,621,686	4,804,965	5,561,659
Financial institutions - related parties	5,875,173	6,621,686	4,804,965	5,561,659

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

In the year ended December 31, 2021, income from the sale or transfer of financial assets totaled R\$ 1,116,808 in the Bank and in the Conglomerate (R\$ 391,742 in the Bank and R\$ 881,787 in the Conglomerate in the year ended December 31, 2020). Expenses with obligations for operations with the same characteristics totaled R\$ 587,837 in the Bank and R\$ 664,281 in the Conglomerate (R\$ 189,996 in the Bank and R\$ 405,560 in the Conglomerate in the year ended December 31, 2020).

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

In the year ended December 31, 2021, income from assignments without recourse of credits previously written off as losses totaled R\$ 21,434 in the Bank and in the Conglomerate (R\$ 42,029 in the bank and 71,501 in the Conglomerate for the year ended December 31, 2020), which were recognized in income for the period under "Income from credit operations".

i) Changes in renegotiated credit

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Amount of renegotiated credits in the period ⁽²⁾	2,613,158	1,440,889	5,442,565	2,924,689
Renegotiated for past due contracts ⁽³⁾	265,564	275,061	507,220	347,821
Renewed contracts ⁽⁴⁾	2,347,594	1,165,828	4,935,345	2,576,868
Changes in portfolio of renegotiated past due contracts				
Opening balance	889,939	321,148	922,412	284,293
Transfers	-	446,389	-	446,389
Signings	265,564	275,061	507,220	347,821
Amounts received, net of interest accrued	(214,782)	40,537	(407,858)	19,014
Written off as losses	(101,137)	(160,723)	(182,190)	(175,105)
Closing balance	839,584	922,412	839,584	922,412
Allowance for losses of the portfolio of renegotiated past due	423,478	451,806	423,478	451,806
(%) Allowance for losses on the portfolio of renegotiated past due contracts	50.44%	48.98%	50.44%	48.98%
90-day delinquency of portfolio of renegotiated past due contracts	365,973	278,331	365,973	278,331
(%) Delinquency on the portfolio of renegotiated past due	43.59%	30.17%	43.59%	30.17%

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	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Amount of renegotiated credits in the period ⁽²⁾	2,794,095	1,450,497	5,773,453	20,497,806
Renegotiated for past due contracts ⁽³⁾	265,933	292,724	507,894	818,266
Renewed contracts ^{(4) (5)}	2,528,162	1,157,773	5,265,559	19,679,540
Changes in portfolio of renegotiated past due contracts				
Opening balance	926,000	885,393	957,016	681,811
Signings	265,933	292,724	507,894	818,266
Amounts received, net of interest accrued	(191,918)	(50,108)	(365,006)	(213,413)
Written off as losses	(123,522)	(170,993)	(223,411)	(329,648)
Closing balance	876,493	957,016	876,493	957,016
Allowance for losses of the portfolio of renegotiated past due	454,425	481,810	454,425	481,810
(%) Allowance for losses on the portfolio of renegotiated past due contracts	51.85%	50.35%	51.85%	50.35%
90-day delinquency of portfolio of renegotiated past due contracts ⁽⁵⁾	402,850	312,858	402,850	312,858
(%) Delinquency on the portfolio of renegotiated past due ⁽⁵⁾	45.96%	32.69%	45.96%	32.69%

⁽¹⁾ Includes in the Bank amounts referring to the merger of the spun-off portion of BV Financeira (Note 2b).

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

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

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

⁽⁵⁾ In the Consolidated, mainly for the year ended December 31, 2020, it includes customer contracts renegotiated and their respective impacts on default, as a result of actions to minimize the effects of COVID-19.

j) Other information

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Contracted credits to be released	553,973	519,815	6,359,005	3,927,857
Financial guarantees provided (Note 29.1.a.ii)	6,908,831	6,942,116	6,908,831	6,942,116

13. OTHER ASSETS

a) Breakdown

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Other financial assets	1,920,810	3,102,595	2,346,638	3,359,457
Relations with correspondents	4,290	33,749	4,347	33,749
Other credits and receivables	40,261	31,922	312,584	178,494
Credit card transactions	-	-	122,212	57,421
Receivables from securities settlements abroad	60	14,613	60	14,613
Other credits for trading and intermediation of securities	194,310	118,612	201,516	129,029
Foreign exchange portfolio (Note 13b)	1,677,409	2,903,561	1,677,409	2,903,561
Other	4,480	138	28,510	42,590
Other assets	1,048,079	1,033,211	1,075,957	1,272,410
Other assets (Note 13d)	174,792	176,266	270,586	373,605
Sundry domestic debtors	86,626	122,904	93,685	146,530
Salary advances and prepayments	5,182	3,786	5,384	3,968
Advances to suppliers	667	4,798	999	5,152
Deposits in guarantee - Contingencies (Note 28g)	524,421	626,853	573,609	679,546
Deposits in guarantee - Other	640	627	640	627
Amounts to be received by related parties	30,939	16,054	-	-
Dividends receivable / Interest on equity receivable ⁽¹⁾	149,095	22,493	657	3,299
Other	75,717	59,430	130,397	59,683
Total	2,968,889	4,135,806	3,422,595	4,631,867
Current assets	2,398,021	3,461,650	2,748,596	3,754,713
Non-current assets	570,868	674,156	673,999	877,154

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

b) Foreign exchange portfolio

Bank and Consolidated	12.31.2021	12.31.2020
Assets - Other receivables ⁽¹⁾		
Purchased foreign exchange contracts to be settled	1,470,398	2,857,377
Receivables from foreign exchange sales contracts	207,011	46,184
Total	1,677,409	2,903,561
Current assets	1,677,409	2,903,561
Liabilities - Other liabilities ⁽²⁾		
Sold foreign exchange to be settled	(163,423)	(55,671)
Liabilities for foreign exchange purchases	(1,437,856)	(2,830,288)
Total	(1,601,279)	(2,885,959)
Current liabilities	(1,601,279)	(2,885,959)
Off-balance accounts		
Credits opened for imports	59,498	230,785

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

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

c) Income from foreign exchange transactions

	Bank and Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Exchange income	1,451,378	1,075,441	3,038,002	3,530,130
Exchange expenses	(1,297,707)	(1,118,295)	(2,833,239)	(3,185,179)
Result of foreign exchange operations	153,671	(42,854)	204,763	344,951

d) Other assets

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Assets not for own use	158,413	182,305	287,257	371,912
Vehicles and alike	110,181	104,676	110,571	105,162
Real estate ⁽¹⁾	48,232	77,629	176,686	266,750
(Provision for devaluation)	(49,644)	(44,921)	(86,617)	(66,466)
Prepaid expenses	66,023	38,882	69,946	46,249
Others	-	-	-	21,910
Investments in real estate ⁽²⁾	-	-	-	21,910
Total	174,792	176,266	270,586	373,605
Current assets	174,610	174,145	187,776	220,939
Non-current assets	182	2,121	82,810	152,666

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

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

14. INVESTMENTS

a) Changes in associates, subsidiaries and joint ventures

	12.31.2020	Changes 2021			12.31.2021	2020	
	Investment value	Dividends/ Other events ⁽⁸⁾	Share of profit (loss)	Impairment/ Goodwill ⁽⁹⁾	Investment value	Share of profit (loss)	Impairment/ Goodwill ⁽⁸⁾
Domestic - Bank Ventures	3,477,686	25,520	306,154	5,327	3,814,687	551,075	(20,290)
BV Financeira ⁽¹⁾	-	-	-	-	-	157,901	-
Banco BV S.A. (former BV Leasing) ⁽²⁾	1,559,891	(85,140)	35,511	-	1,510,262	17,755	-
BV DTVM (former Votorantim Asset DTVM) ⁽³⁾	141,391	200,000	(33,662)	-	307,729	650	-
BV Corretora Seguros (former Votorantim)	900,362	(73,777)	310,642	-	1,137,227	299,116	-
BVIA	159,307	(7,294)	30,710	-	182,723	17,178	-
Promotiva	93,497	(8,524)	35,891	-	120,864	33,855	-
Atenas	42,565	-	(15,756)	5,327	32,136	38,918	(20,290)
BVEP ⁽⁵⁾	580,673	255	(57,182)	-	523,746	(14,298)	-
Domestic - Bank Associates	-	97,931	(1,095)	-	96,836	-	-
Associates ^{(6) (7)}	-	97,931	(1,095)	-	96,836	-	-
Total - Bank	3,477,686	123,451	305,059	5,327	3,911,523	551,075	(20,290)
Domestic - BVEP Associates and joint ventures	19,270	(5,371)	(248)	(324)	13,327	2,319	(1,324)
BVEP associates ⁽⁷⁾	5,186	(3,213)	171	5	2,149	(1,480)	425
BVEP joint ventures ⁽⁷⁾	14,084	(2,158)	(419)	(329)	11,178	3,799	(1,749)
Domestic - Bank Associates	-	97,931	(1,095)	-	96,836	-	-
Associates ^{(6) (7)}	-	97,931	(1,095)	-	96,836	-	-
Total - Consolidated	19,270	92,560	(1,343)	(324)	110,163	2,319	(1,324)

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

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

⁽³⁾ On September 30, 2021, the change of the corporate name of Votorantim Asset DTVM to BV DTVM was approved.

⁽⁴⁾ On December 28, 2021, the change of the corporate name of Votorantim Corretora Seguros to BV Corretora Seguros was approved.

⁽⁵⁾ In the year ended December 31, 2021, it includes impairment of subsidiaries.

⁽⁶⁾ Includes investment acquired in August 2021.

⁽⁷⁾ Includes goodwill on the acquisition of these investments, detailed in note 14c.

⁽⁸⁾ Includes capital increase in investments and changes in other comprehensive income.

⁽⁹⁾ Recognized in results in item "Income from investments in ventures, associates and joint ventures".

b) Goodwill and impairment - outstanding balances

	2021			2020
	Payment through period profit		Total	
	Dividends	Interest on equity ⁽⁵⁾		
Domestic - Bank Ventures				
Banco BV S.A. ⁽¹⁾	-	70,000	70,000	4,930
BV DTVM (former Votorantim Asset DTVM). ⁽²⁾	-	-	-	154
BV Corretora Seguros (former Votorantim Corretora Seguros) ⁽³⁾	73,777	-	73,777	71,040
BVIA	7,294	-	7,294	4,080
Promotiva	8,524	-	8,524	8,041
Atenas	-	-	-	-
BVEP	-	-	-	-
Total - Bank ⁽⁴⁾	89,595	70,000	159,595	88,245
BVEP subsidiaries	-	-	-	390
BVEP joint ventures	-	-	-	1,767
Total - Consolidated	89,595	70,000	159,595	90,402

⁽¹⁾ The corporate name of BV Leasing changed to Banco BV SA, as detailed in note 2a.

⁽²⁾ On September 30, 2021, the change of the corporate name of Votorantim Asset DTVM to BV DTVM was approved.

⁽³⁾ On December 28, 2021, the change of the corporate name of Votorantim Corretora Seguros to BV Corretora Seguros was approved.

⁽⁴⁾ Refers to capital remuneration already declared in the base period itself.

⁽⁵⁾ Consider or declared gross value.

c) Equity position of adjustment to recoverable value (Impairment)

	Goodwill		Impairment ⁽¹⁾	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Atenas	-	-	(14,963)	(20,290)
Bank Associates	91,455	-	-	-
Total - Bank	91,455	-	(14,963)	(20,290)
BVEP Associates	-	-	(453)	(458)
BVEP joint ventures	-	-	(523)	(194)
Bank Associates	91,455	-	-	-
Total - Consolidated	91,455	-	(976)	(652)

⁽¹⁾ Applied on the investment value.

d) Summarized financial information of subsidiaries in the Financial Statements

	12.31.2021		2021	Number of shares / quotas (in thousands)	Share of share capital %
	Share capital	Adjusted equity	Net Profit/(Loss)	Ordinary	
Domestic - Bank Ventures					
Banco BV S.A. (former BV Leasing)	1,300,131	1,510,262	35,511	823	100%
BV DTVM (former Votorantim Asset DTVM) ^{(1) (2)}	322,774	307,729	(33,662)	32,277,389	100%
BV Corretora Seguros (former Votorantim Corretora Seguros) ⁽³⁾	651,674	1,137,227	310,642	200	100%
BVIA	132,186	182,723	30,710	75,758	100%
Promotiva	67,269	120,864	35,891	5,000	100%
Atenas	51,610	32,136	(15,756)	51,610	100%
BVEP ⁽⁴⁾	598,400	523,746	(57,182)	598,400	100%
Total	3,124,044	3,814,687	306,154	33,009,180	

⁽¹⁾ On September 30, 2021, the change of the corporate name of Votorantim Asset DTVM to BV DTVM was approved.

⁽²⁾ The Management of BV DTVM approved on July 30, 2021 the capital increase in the amount of R\$ 200,000, through the issuance of 20,000,000,000 of new quotas.

⁽³⁾ On December 28, 2021, the change of the corporate name of Votorantim Corretora Seguros to BV Corretora Seguros was approved.

⁽⁴⁾ Includes impairment of subsidiaries.

e) Summarized financial information of associates and joint ventures in the consolidated financial statements

	12.31.2021			12.31.2020	
	BVEP Associates	Joint Subsidiaries of BVEP	Bank Associates	BVEP Associates	Joint Subsidiaries of BVEP
Total Assets ⁽¹⁾	5,908	25,967	13,331	95,748	26,185
Total Liabilities ⁽¹⁾	5,908	25,967	13,331	95,748	26,185
Liabilities	3,420	2,624	2	60,505	2,730
Shareholder's equity	2,488	23,343	13,329	35,243	23,455
	2º Semester/2021			2º Semester/2020	
Profit / (loss) for the period ⁽¹⁾	(68)	(81)	(2,712)	21,087	1,328
	2021			2020	
Profit / (loss) for the period ⁽¹⁾	5,500	(65)	(10,345)	19,386	6,620

⁽¹⁾ The information on assets, liabilities and results are not adjusted by the percentages held directly or indirectly by Banco Votorantim. The equity position of the companies does not consider the start date of the investment by the BV bank.

f) Other investments

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Investments via tax incentives	49,771	51,254	76,261	79,877
Shares and quotas	277	180	277	180
Others	7	7	1,759	1,759
(Accumulated impairment)	(49,771)	(51,254)	(78,013)	(81,629)
Total	284	187	284	187

15. PROPERTY, PLANT AND EQUIPMENT

	12.31.2020	2021			12.31.2021		
	Book value	Changes ⁽¹⁾	Write-offs	Depreciation	Cost value	Accumulated depreciation	Book value
Bank							
Facilities	45,981	1,346	(107)	(12,488)	140,704	(105,972)	34,732
Furniture and equipment in use	10,758	269	(1,459)	(1,824)	42,680	(34,936)	7,744
Communication system	3,856	537	(181)	(1,221)	17,759	(14,768)	2,991
System data processing	33,311	15,231	(871)	(12,519)	185,213	(150,061)	35,152
Security system	203	-	(32)	(49)	2,635	(2,513)	122
Transportation system	318	160	-	(127)	1,089	(738)	351
Total	94,427	17,543	(2,650)	(28,228)	390,080	(308,988)	81,092
Consolidated							
Facilities	46,612	1,346	(107)	(12,890)	142,587	(107,626)	34,961
Furniture and equipment in 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

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

⁽¹⁾ Includes exchange variation

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

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

16. INTANGIBLE ASSETS

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Intangible	594,519	397,652	674,658	428,843
Intangible	1,280,807	957,987	1,391,171	1,010,073
(Accumulated amortization)	(517,961)	(355,585)	(538,357)	(366,651)
(Provisions for impairment)	(168,327)	(204,750)	(178,156)	(214,579)
Goodwill ⁽¹⁾	-	-	-	34,117
Goodwill and adjustment to recoverable value	-	-	-	34,117
Total	594,519	397,652	674,658	462,960

⁽¹⁾ Includes goodwill recorded from subsidiaries

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a) Breakdown

	12.31.2021				12.31.2020			
	Cost value	Accumulated amortization	Accumulated impairment ⁽¹⁾	Book value	Cost value	Accumulated amortization	Accumulated impairment ⁽¹⁾	Book value
Bank								
Software acquired	42,533	(40,387)	-	2,146	37,184	(32,029)	-	5,155
Licenses	366,034	(296,890)	-	69,144	297,044	(223,037)	-	74,007
Sales rights agreements	39,846	(38,723)	-	1,123	31,841	(30,829)	-	1,012
Internally developed software	791,451	(128,622)	(167,327)	495,502	585,918	(69,107)	(203,750)	313,061
Trademark and patents	6,000	(1,583)	(1,000)	3,417	6,000	(583)	(1,000)	4,417
Carbon credits	27,573	(4,386)	-	23,187	-	-	-	-
Others	7,370	(7,370)	-	-	-	-	-	-
Total	1,280,807	(517,961)	(168,327)	594,519	957,987	(355,585)	(204,750)	397,652
Consolidated								
Software acquired	67,000	(40,577)	-	26,423	61,652	(32,220)	-	29,432
Licenses	373,524	(304,378)	-	69,146	303,321	(229,284)	-	74,037
Sales rights agreements	39,846	(38,723)	-	1,123	31,841	(30,829)	-	1,012
Internally developed software	869,858	(141,340)	(177,156)	551,362	607,259	(73,735)	(213,579)	319,945
Trademark and patents	6,000	(1,583)	(1,000)	3,417	6,000	(583)	(1,000)	4,417
Carbon credits	27,573	(4,386)	-	23,187	-	-	-	-
Others	7,370	(7,370)	-	-	-	-	-	-
Total	1,391,171	(538,357)	(178,156)	674,658	1,010,073	(366,651)	(214,579)	428,843

⁽¹⁾ It includes effects of tactical redefinitions of projects.

b) Changes

	12.31.2020	2021					12.31.2021
	Book value	Changes ^{(1) (2)}	Write-off ⁽³⁾	Transfer	Amortization	Impairment ⁽³⁾⁽⁵⁾	Book value
Bank							
Software acquired	5,155	5,348	-	-	(8,357)	-	2,146
Licenses	74,007	68,979	-	-	(73,842)	-	69,144
Sales rights agreements	1,012	8,005	-	-	(7,894)	-	1,123
Internally developed software	313,061	264,513	(49,914)	(9,067)	(59,514)	36,423	495,502
Trademark and patents	4,417	-	-	-	(1,000)	-	3,417
Carbon Credits	-	27,573	-	-	(4,386)	-	23,187
Others	-	7,370	-	-	(7,370)	-	-
Total	397,652	381,788	(49,914)	(9,067)	(162,363)	36,423	594,519
Consolidated							
Software acquired	29,432	5,348	-	-	(8,357)	-	26,423
Licenses	74,037	70,189	-	-	(75,080)	-	69,146
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
Others	-	7,370	-	-	(7,370)	-	-
Total	428,843	430,999	(49,914)	-	(171,693)	36,423	674,658

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

⁽¹⁾ Includes exchange variation.

⁽²⁾ In the year ended December 31, 2020, there was no write-off of intangible assets.

⁽³⁾ As at 31 December 2021, it includes the reversal of the impairment of projects and the respective write-off of intangible assets.

⁽⁴⁾ In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira (Note 2b).

⁽⁵⁾ It includes effects of tactical redefinitions of projects.

c) Amortization estimate on December 31, 2021

	2022	2023	2024	2025	2026	From 2027	Total
Bank							
Amounts to be amortized	173,027	137,487	124,565	92,283	58,746	8,411	594,519
Consolidated							
Amounts to be amortized and other amounts ⁽¹⁾	186,291	150,476	137,273	104,227	63,703	32,688	674,658

⁽¹⁾ Includes non-amortizable amounts, refer to intangible assets with an indefinite useful life in the amount of R\$ 14,703.

d) Goodwill and impairment on goodwill

	Consolidated			
	Goodwill		Impairment	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Subsidiaries of Banco Votorantim and BVEP ^{(1) (2)}	-	40,786	-	(6,669)
Total	-	40,786	-	(6,669)

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

⁽²⁾ As of December 31, 2021, includes the reclassification of goodwill for the respective assets that were the subject of Vila Parque's fair value asset and liability appraisal report (PPA).

17. DEPOSITS AND REPURCHASE COMMITMENTS
a) Deposits

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Demand deposits	544,745	435,183	579,934	429,711
Individuals	24,886	43,295	76,488	43,295
Legal entities	516,716	389,818	503,440	386,407
Related companies	3,137	2,061	-	-
Linked	6	9	6	9
Interbank deposits	1,408,191	4,188,194	1,349,787	4,042,750
Time deposits	23,049,820	21,720,834	22,116,999	21,037,930
Local currency	21,374,660	19,774,377	20,441,839	19,091,473
Foreign currency	1,675,160	1,946,457	1,675,160	1,946,457
Total	25,002,756	26,344,211	24,046,720	25,510,391
Current liabilities	22,616,210	25,014,000	21,998,978	24,216,817
Non-current liabilities	2,386,546	1,330,211	2,047,742	1,293,574

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

	Without maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	12.31.2021	12.31.2020
Bank								
Demand deposits	544,745	-	-	-	-	-	544,745	435,183
Interbank accounts or	-	895,761	512,028	402	-	-	1,408,191	4,188,194
Time deposits	-	9,794,576	10,869,100	2,244,215	141,922	7	23,049,820	21,720,834
Total	544,745	10,690,337	11,381,128	2,244,617	141,922	7	25,002,756	26,344,211
Consolidated								
Demand deposits	579,934	-	-	-	-	-	579,934	429,711
Interbank accounts or	-	837,357	512,028	402	-	-	1,349,787	4,042,750
Time deposits	-	9,597,254	10,472,405	1,905,380	141,953	7	22,116,999	21,037,930
Total	579,934	10,434,611	10,984,433	1,905,782	141,953	7	24,046,720	25,510,391

c) Open market funding

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Own portfolio	15,123,292	12,513,833	13,932,899	11,903,508
Private securities - Debentures	1,401,031	1,911,055	1,401,031	1,911,055
Financial Treasury Bills	2,560,755	1,582,982	2,112,017	1,581,063
National Treasury Bills	5,270,015	5,421,326	4,563,958	4,812,920
National Treasury Notes	3,943,228	1,466,900	3,907,630	1,466,900
Private securities - Other	1,948,263	2,131,570	1,948,263	2,131,570
Third-party portfolio	2,304,943	599,570	2,304,943	599,570
Financial Treasury Bills	2,199,989	-	2,199,989	-
National Treasury Bills	-	447,024	-	447,024
National Treasury Notes	104,954	152,546	104,954	152,546
Free portfolio	582,751	2,525,751	582,751	2,525,751
National Treasury Bills	-	1,720,308	-	1,720,308
National Treasury Notes	582,751	805,443	582,751	805,443
Total	18,010,986	15,639,154	16,820,593	15,028,829
Current liabilities	16,496,561	13,645,174	15,306,168	13,034,849
Non-current liabilities	1,514,425	1,993,980	1,514,425	1,993,980

d) Expenses from deposits and securities sold under repurchase agreements

	Bank			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Funding expenses	(713,668)	(321,092)	(1,062,380)	(700,820)
Time deposits	(648,690)	(228,402)	(926,536)	(517,732)
Interbank accounts or relations	(64,978)	(92,690)	(135,844)	(183,088)
Expenses with repurchase commitments	(575,946)	(164,355)	(825,399)	(569,027)
Own portfolio	(485,921)	(121,975)	(687,640)	(360,946)
Third-party portfolio	(41,430)	(28,408)	(59,318)	(65,942)
Free portfolio ⁽¹⁾	(48,595)	(13,972)	(78,441)	(142,139)
Expenses with fund raising from securities issued	(2,348,802)	(114,733)	(2,854,854)	(2,371,543)
Mortgage Letters of Credit	(12,805)	(2,401)	(18,118)	(7,604)
Agribusiness Letters of Credit	(59,492)	(15,129)	(80,439)	(43,469)
Financial bills	(966,059)	(366,760)	(1,414,279)	(905,344)
Financial Guaranteed Bills	(123,845)	(44,994)	(245,386)	(48,507)
Issue of securities abroad ⁽²⁾	(1,171,739)	328,255	(1,068,251)	(1,341,759)
Structured Operations Certificates	(4)	(234)	(146)	(234)
Others	(14,858)	(13,470)	(28,235)	(24,626)
Expenses with subordinated debts abroad ⁽²⁾	(252,694)	(201,141)	(306,393)	(864,599)
Total	(3,891,110)	(801,321)	(5,049,026)	(4,505,989)

	Consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Funding expenses	(683,818)	(340,679)	(1,021,944)	(705,253)
Time deposits	(622,205)	(221,097)	(891,203)	(498,309)
Interbank accounts or relations	(61,613)	(119,582)	(130,741)	(206,944)
Expenses with repurchase commitments	(537,375)	(161,586)	(776,771)	(561,744)
Own portfolio	(447,350)	(119,211)	(639,012)	(298,424)
Third-party portfolio	(41,430)	(28,403)	(59,318)	(121,181)
Free portfolio ⁽¹⁾	(48,595)	(13,972)	(78,441)	(142,139)
Expenses with fund raising from securities issued	(2,348,820)	(114,898)	(2,854,872)	(2,380,217)
Mortgage Letters of Credit	(12,805)	(2,401)	(18,118)	(7,604)
Agribusiness Letters of Credit	(59,492)	(15,129)	(80,439)	(43,469)
Letters of Leases	-	-	-	(7,673)
Financial bills	(966,059)	(366,760)	(1,414,279)	(905,344)
Financial Guaranteed Bills	(123,845)	(44,994)	(245,386)	(48,507)
Issue of securities abroad ⁽²⁾	(1,171,739)	328,255	(1,068,251)	(1,341,759)
Structured Operations Certificates	(4)	(234)	(146)	(234)
Others	(14,876)	(13,635)	(28,253)	(25,627)
Expenses with subordinated debts abroad ⁽²⁾	(252,694)	(201,141)	(306,393)	(864,599)
Total	(3,822,707)	(818,304)	(4,959,980)	(4,511,813)

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

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

18. BORROWINGS AND DOMESTIC ONLENDINGS
a) Breakdown

	Bank and Consolidated	
	12.31.2021	12.31.2020
Borrowing obligations (Note 18b)	4,277,287	2,822,895
Obligations for onlendings (Note 18c)	825,268	922,507
Total	5,102,555	3,745,402

b) Obligations for loans

	Up to 3 months	From 3 to 12 months	Bank and Consolidated	
			12.31.2021	12.31.2020
Abroad	1,695,631	2,581,656	4,277,287	2,822,895
Raised from foreign banks	1,628,133	2,559,126	4,187,259	2,786,230
Imports	67,498	22,530	90,028	36,665
Total	1,695,631	2,581,656	4,277,287	2,822,895
Current liabilities			4,277,287	2,822,895

c) Onlendings
Domestic - Official institutions

Programs	Interest rates p.a. ⁽¹⁾	Bank and Consolidated	
		12.31.2021	12.31.2020
National Treasury		286,899	120,655
Fixed rate	from 3,50% to 7,00% p.a.	245,826	110,603
Variable rate	100,00% of Selic	41,073	10,052
BNDIS		199,688	259,720
Fixed rate	from 0,70% to 5,70% p.a.	55,572	66,062
Variable rate	from 1,42% to 1,50% p.a. + IPCA 1,80% p.a. + TJLP 100,00% of Selic	144,116	193,658
FINAME		338,681	542,132
Fixed rate	from 0,80% to 8,00% p.a.	187,254	389,575
Variable rate	from 1,60% to 2,10% p.a. + TJLP from 1,00% to 2,25% p.a. + IPCA from 0,95% to 2,40% p.a. + Selic	151,427	152,483
Foreign exchange	2,00% p.a. + foreign exchange variation	-	74
Total		825,268	922,507
Current liabilities		450,658	356,866
Non-current liabilities		374,610	565,641

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

d) Expenses with obligations for loans and onlendings

	Bank and Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Borrowing expenses ⁽¹⁾	(335,841)	106,386	(189,763)	(678,236)
Expenses with obligations for loans and onlendings	(31,962)	(36,145)	(56,818)	(81,162)
National Treasury	(6,721)	(1,553)	(8,115)	(4,573)
BNDIS	(10,689)	(18,439)	(20,059)	(42,314)
FINAME	(14,552)	(16,153)	(28,644)	(34,275)
Expenses with Obligations to foreign bankers ⁽¹⁾	(134,927)	38,646	(101,483)	(169,282)
Total	(502,730)	108,887	(348,064)	(928,680)

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

19. SECURITIES ISSUED

Funding	Currency	Amount issued	Interest p.a. ⁽¹⁾	Issuance year	Maturity year	Bank and Consolidated	
						12.31.2021	12.31.2020
Real estate credit note funds						330,963	190,375
Fixed rate	R\$	68,325	from 4,76% to 11,24% p.a.	2020	2024	72,281	3,582
Variable rate	R\$	208,853	from 94,00% to 117,00% do DI from 0,33% to 0,39% p.a. + DI	2019	2024	215,256	184,090
Variable rate	R\$	39,869	from 0,76% to 5,37% p.a. + IPCA	2021	2024	43,426	2,703
Agribusiness credit bills						1,954,932	1,439,983
Fixed rate	R\$	344,173	from 4,00% to 12,30% p.a.	2020	2024	358,046	107,660
Variable rate	R\$	1,149,487	from 94,11% to 116,50% do DI from 0,15% to 4,22% p.a. + DI	2015	2024	1,193,206	1,330,972
Variable rate	R\$	388,688	from 0,73% to 5,54% p.a. + IPCA	2020	2024	403,680	1,351
Financial bills						23,151,473	19,613,705
Fixed rate	R\$	1,895,240	from 4,03% to 13,76% p.a.	2012	2031	2,069,161	1,166,149
Variable rate ⁽²⁾	R\$	18,336,941	from 100,00% to 130,00% do DI from 0,32% to 7,23% p.a. + DI	2017	2026	19,315,720	17,851,640
Variable rate ⁽²⁾	R\$	1,511,339	from 1,82% to 7,17% p.a. + IPCA	2017	2032	1,766,592	595,916
Financial Guaranteed Bills						4,020,986	10,674,459
Variable rate	R\$	4,000,000	0,74% p.a. + Selic	2021	2022	4,020,986	10,674,459
Securities issued abroad						8,814,927	8,230,537
Fixed rate	R\$	44,775	from 3,78% to 10,59% p.a.	2019	2023	54,029	55,290
Foreign exchange ^{(3) (4)}	USD	1,658,016	from 1,05% to 8,12% p.a. + exchange variation	2019	2025	8,760,898	8,175,247
Structured Operations Certificates						-	5,462
Variable rate	R\$	-	5,25% p.a. or foreign exchange	2020	2021	-	5,462
Total						38,273,281	40,154,521
Current liabilities						15,060,253	22,463,691
Non-current liabilities						23,213,028	17,690,830

⁽¹⁾ Remuneration rates refers to existing operations as of December 31, 2021.

⁽²⁾ Includes green bond issuance, further details are described in note 30.

⁽³⁾ In July 2020, USD 500,000 was issued abroad with semiannual interest payments.

20. SUBORDINATED DEBTS AND DEBT INSTRUMENTS ELIGIBLE AS CAPITAL
a) Breakdown

	Bank and Consolidated	
	12.31.2021	12.31.2020
Subordinated debts (Note 20b)	93,651	193,543
Debt instruments eligible as capital (Note 20c)	3,494,796	3,499,583
Total	3,588,447	3,693,126

b) Subordinated debts

Funding	Amount issued	Interest rates p.a. ⁽¹⁾	Issuance year	Maturity year	Bank and Consolidated	
					12.31.2021	12.31.2020
Subordinated financial bills					93,651	193,543
Variable rate	79,738	from 100,00% to 119,00% do DI 2,36% p.a. + DI	2016	2028	92,576	166,521
Variable rate ⁽²⁾	1,000	6,08% p.a. + IPCA	2021	2028	1,075	27,022
Total					93,651	193,543
Non-current liabilities					93,651	193,543

⁽¹⁾ Remuneration rates refer to existing operations as of December 31, 2021.

⁽²⁾ In the year ended December 31, 2021, the Bank repurchased subordinated financial bills.

c) Debt instruments eligible as capital

Funding	Amount issued	Interest rates p.a. ⁽¹⁾	Issuance year	Maturity year	Bank and Consolidated	
					12.31.2021	12.31.2020
Subordinated financial bills					1,811,737	1,933,954
Variable rate	944,922	from 100,00% to 120,00% do DI from 0,95% a 2,36% p.a. + DI	2015	2028	1,140,297	1,243,812
Variable rate	198,140	from 5,72% to 8,75% p.a. + IPCA	2013	2030	465,698	439,792
Fixed rate	72,890	from 11,03% to 17,98% p.a.	2015	2024	162,894	209,615
Variable rate	27,500	117,50% of Selic	2016	2023	42,848	40,735
Funding	Amount issued	Interest rates p.a. ⁽¹⁾	Issuance year	Maturity year		
Perpetual bond ⁽²⁾					1,683,059	1,565,629
Fixed rate	USD 300.000	8,25% p.a.	2017		1,683,059	1,565,629
Total					3,494,796	3,499,583
Current liabilities					1,916,697	727,139
Non-current liabilities					1,578,099	2,772,444

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

⁽²⁾ On November 30, 2017, USD 300 million was issued abroad with semiannual interest payments.

The bonds have the option of redemption at the initiative of the Bank as of Dec. 2022 or at each subsequent semiannual interest payment, as long as previously authorized by the Central Bank of Brazil (Bacen). It includes the costs of issuing these instruments, which are deferred for the contractual term, and do not form part of the hedge structure.

21. OTHER LIABILITIES

a) Breakdown

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Other financial liabilities	10,083,155	8,693,816	11,072,760	8,892,329
Obligations from transactions linked to assignments (Note 12h.1) ⁽¹⁾	8,177,509	5,561,659	6,621,686	5,561,659
Commissions for operations payable	19,623	23,844	21,096	26,275
Credit card operations	-	-	150,610	109,880
Liabilities for acquisition of assets and rights	14,371	3,277	14,371	3,277
Trading and intermediation of securities	245,900	208,361	303,612	221,053
Foreign exchange portfolio (Note 13b)	1,601,279	2,885,959	1,601,279	2,885,959
Obligations for quotas of investment funds ⁽²⁾	-	-	2,262,809	-
Others	24,473	10,716	97,297	84,226
Other liabilities	2,061,981	1,327,888	2,272,414	1,580,663
Third-party transit resources	24,388	15,197	29,925	15,197
Provision for profit sharing	211,299	193,096	254,076	216,977
Provision for personnel expenses	272,793	254,378	333,808	297,411
Provision for administrative expenses	256,094	198,351	275,613	222,411
Provision for financial guarantees provided (Note 29.1.a.ii)	201,475	218,530	201,475	218,530
Provision for losses - other risks	15,217	20,241	15,217	20,241
Legal obligations (Note 28h)	52,325	40,684	59,394	45,662
Sundry creditors - domestic	358,317	212,523	415,261	330,373
Sundry creditors - overseas	191	2,408	191	2,408
Amounts payable to associated companies	23,378	3,338	-	-
Dividends payable / Interest on own capital ⁽³⁾	595,000	72,709	595,000	72,709
Compensation of CO ₂ emissions by vehicles financed by Banco BV (Note 30)	428	-	428	-
Other	51,076	96,433	92,026	138,744
Total	12,145,136	10,021,704	13,345,174	10,472,992
Current liabilities	7,127,010	6,476,491	9,174,755	6,895,857
Non-current liabilities	5,018,126	3,545,213	4,170,419	3,577,135

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

⁽²⁾ The quotas of consolidated investment funds belonging to entities that are not part of the Conglomerate are accounted for under the terms of Bacen Circular No. 3701/2014 as other financial liabilities. The aforementioned Bacen Circular will be revoked with the entry into force of BCB Resolution No. 168/2021, so that as of 2022 these amounts will form part of the institution's Shareholders' Equity, being presented in non-controlling shareholders' equity.

⁽³⁾ For interest on own capital, it refers to the net amount of tax effects.

22. OPERATING INCOME/EXPENSES

a) Service income

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Charge	11,850	10,280	24,415	33,436
Commissions on placing of securities	47,319	52,204	148,747	92,800
Income from custody services	100	110	127	270
Income from guarantees provided	57,152	50,046	111,337	107,433
Insurance commissions	11,521	15,141	24,435	15,141
Financial advisory services	6,870	4,194	9,115	6,184
Income from bank settlement services with partners	12,051	12,702	21,749	19,335
Other services	6,456	12,039	11,118	13,968
Total	153,319	156,716	351,043	288,567

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Third party funds management	53,899	62,445	111,953	131,144
Collection	4,954	4,851	11,164	7,606
Commissions on placing of securities	47,737	52,304	149,399	93,294
Stock exchange transaction brokerages	1,178	2,007	2,925	5,010
Income from custody services	8,501	8,928	17,704	18,405
Income from guarantees provided	57,152	50,046	111,337	107,433
Credit card transactions	135,448	66,014	213,911	125,422
Insurance brokerage commission	257,995	294,916	530,196	517,425
Financial advisory services	6,870	4,206	9,115	6,256
Income from banking settlement services with business partners	194,750	167,261	369,715	314,794
Income from bank settlement services with partners	(3,941)	12,702	3,283	19,335
Other Services	29,701	33,398	56,648	50,635
Total	794,244	759,078	1,587,350	1,396,759

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

b) Income from banking fees

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Master file registration	232,487	237,869	481,677	237,869
Funds transfer	93	157	184	949
Appraisal of assets	81,647	87,776	173,472	87,776
Others	318	202	582	518
Total	314,545	326,004	655,915	327,112

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Master file registration	232,487	280,131	481,677	463,243
Funds transfer	93	157	184	949
Appraisal of assets	81,647	103,966	173,472	227,681
Income from credit card	65,292	72,283	128,829	134,814
Others	591	786	2,425	2,141
Total	380,110	457,323	786,587	828,828

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

c) Personnel expenses

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Administrators' remuneration and other (Note 26)	(11,376)	(8,539)	(21,588)	(11,890)
Benefits	(66,515)	(40,892)	(125,737)	(62,758)
Social charges	(87,528)	(73,987)	(164,614)	(96,108)
Salary ^{(2) (3)}	(346,786)	(252,164)	(572,994)	(242,191)
Labor claims	(126,029)	(124,688)	(201,344)	(127,107)
Training	(5,757)	(6,474)	(10,449)	(7,631)
Supplementary private pension	(5,604)	(4,353)	(10,196)	(5,960)
Total	(649,595)	(511,097)	(1,106,922)	(553,645)

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Administrators' remuneration and other (Note 26)	(14,959)	(11,556)	(28,372)	(22,312)
Benefits	(78,666)	(54,365)	(147,745)	(128,378)
Social charges	(108,327)	(93,678)	(202,038)	(171,810)
Salary ^{(2) (3)}	(421,597)	(330,460)	(713,396)	(489,073)
Labor claims	(134,613)	(166,774)	(213,289)	(264,277)
Training	(7,053)	(8,317)	(12,710)	(12,503)
Supplementary private pension	(7,183)	(5,772)	(13,060)	(10,491)
Total	(772,398)	(670,922)	(1,330,610)	(1,098,844)

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

⁽²⁾ Includes, mainly in the year ended December 31, 2020, reversal of provision for expenses from long-term incentive plans, referring to disbursements, whose realization is no longer expected.

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

d) Other administrative expenses

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Water, energy and gas	(762)	(940)	(1,783)	(1,392)
Rental	(18,393)	(24,925)	(46,828)	(33,982)
Communications	(11,932)	(17,208)	(25,690)	(17,961)
Philanthropic Contributions ⁽²⁾	(1,851)	(987)	(2,538)	(987)
Maintenance of property, plant and equipment	(6,484)	(6,046)	(12,861)	(7,344)
Material	(2,034)	(745)	(3,189)	(1,299)
Data processing	(144,739)	(99,944)	(239,932)	(138,108)
Promotions and public relations	(21,355)	(7,593)	(24,652)	(10,727)
Advertising and publicity	(90,112)	(19,148)	(102,387)	(30,510)
Publications	-	(1)	(521)	(460)
Insurance	(2,801)	(2,732)	(5,638)	(3,425)
Financial system services	(27,247)	(36,750)	(68,324)	(50,428)
Outsourced services	(7,136)	(8,600)	(12,419)	(9,804)
Surveillance and security services	(486)	(702)	(994)	(1,135)
Specialized technical services	(272,804)	(231,691)	(513,669)	(267,810)
Transportation	(2,414)	(397)	(4,129)	(737)
Traveling	(758)	(259)	(859)	(783)
Judicial and notary public fees	(32,357)	(29,853)	(63,209)	(31,059)
Amortization ^{(3) (4)}	(82,625)	(50,938)	(139,413)	(60,401)
Depreciation ⁽³⁾	(9,962)	(12,902)	(23,580)	(14,539)
Other ⁽⁵⁾	(34,675)	(32,518)	(67,071)	(37,362)
Total	(770,927)	(584,879)	(1,359,686)	(720,253)

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	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Water, energy and gas	(1,018)	(1,218)	(2,347)	(3,194)
Rental	(22,295)	(31,999)	(54,788)	(62,750)
Communications	(20,138)	(33,405)	(42,706)	(60,623)
Philanthropic Contributions ⁽²⁾	(10,907)	(13,143)	(11,594)	(43,439)
Maintenance of property, plant and equipment	(8,490)	(11,136)	(16,691)	(17,896)
Material	(2,726)	(1,215)	(4,314)	(3,352)
Data processing	(228,925)	(163,703)	(375,488)	(306,323)
Promotions and public relations	(22,773)	(10,538)	(27,160)	(22,706)
Advertising and publicity	(104,754)	(29,224)	(128,422)	(57,087)
Publications	-	(1)	(1,104)	(1,068)
Insurance	(3,228)	(3,365)	(6,438)	(5,912)
Financial system services	(30,352)	(47,369)	(74,575)	(100,502)
Outsourced services	(7,973)	(10,042)	(14,127)	(14,733)
Surveillance and security services	(653)	(891)	(1,359)	(1,902)
Specialized technical services	(323,961)	(292,175)	(596,670)	(533,180)
Transportation	(2,599)	(680)	(4,438)	(3,714)
Traveling	(925)	(321)	(1,038)	(3,374)
Judicial and notary public fees	(33,051)	(33,230)	(65,362)	(68,369)
Amortization ^{(3) (4)}	(101,501)	(65,471)	(171,693)	(118,284)
Depreciation ⁽³⁾	(12,209)	(17,113)	(28,712)	(33,146)
Other ⁽⁵⁾	(44,402)	(44,002)	(83,898)	(82,526)
Total	(982,880)	(810,241)	(1,712,924)	(1,544,080)

⁽¹⁾ Includes the appropriation of expenses incurred on liabilities received from the merger of the spun-off portion of BV Financeira, after said event (Note 2b).

⁽²⁾ The respective philanthropic contributions are detailed in note 30.

⁽³⁾ Includes the effects of the agreement for apportionment / reimbursement of expenses and direct and indirect costs entered into between Banco Votorantim and its subsidiaries.

⁽⁴⁾ In the year ended December 31, 2021, it includes the amount of R\$ 4,386 in the Bank and in the Consolidated referring to the amortization expenses of carbon credits consumed by offsetting the CO₂ emission by vehicles financed by Banco BV (Note 30).

⁽⁵⁾ Includes expenses related to offsetting direct greenhouse gas emissions, as detailed in note 30.

e) Other operating income

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Recovery of charges and expenses	747	6,214	3,118	12,182
Restatement of judicial deposits ⁽²⁾	5,487	6,825	2,013	9,966
Inflation indexation	2,138	1,584	3,005	2,779
Reimbursement of overpaid tax fines	718	2,394	1,788	3,317
Operating cost reimbursement	951	329	1,329	329
Recovery from operational losses	-	1,322	-	1,325
Others ⁽⁴⁾	4,059	2,676	25,412	3,466
Total ⁽⁵⁾	14,100	21,344	36,665	33,364

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Recovery of charges and expenses	1,703	8,042	4,533	17,034
Restatement of judicial deposits ⁽²⁾	6,576	8,929	3,282	25,364
Inflation indexation	2,633	1,966	4,230	8,546
Reimbursement of overpaid tax fines	718	2,394	1,788	7,132
Operating cost reimbursement	951	360	1,329	1,846
Recovery from operational losses	-	1,465	-	21,247
Reversal of provision for insurance cancellation	(1,813)	(4,268)	4,034	10,942
Exclusive and preemptive rights	9,824	23,965	20,796	43,126
Income from real estate activity ⁽³⁾	-	17,049	-	19,559
Others ⁽⁴⁾	6,661	8,569	32,855	10,909
Total ⁽⁵⁾	27,253	68,471	72,847	165,705

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

⁽²⁾ In the year ended December 31, 2021, it includes the effects arising from the change in the index for updating judicial deposits.

⁽³⁾ Includes income from the sale of shares.

⁽⁴⁾ Includes reversal of provision for restructuring.

⁽⁵⁾ Revenues and expenses of the same nature are presented by the net amount calculated in each period. The presentation in the respective revenue or expense line takes into account the most recent period.

f) Other operating expenses

	Bank ⁽¹⁾			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Costs associated with the origination - Business partners ⁽²⁾	(378,479)	(323,045)	(752,779)	(324,206)
Civil claims	(51,960)	(52,628)	(105,724)	(52,752)
Tax claims	(7,699)	(3,274)	(11,641)	(5,872)
Operating losses	(24,981)	(21,446)	(50,869)	(23,595)
Premium paid on financial assets	(123)	(206)	(233)	(327)
Premium paid for bank services preference	(15,980)	(7,419)	(30,566)	(13,307)
Provision for CO ₂ offset expenses for vehicles financed by Banco BV	(1)	-	(428)	-
Others	(53,687)	(72,644)	(68,721)	(74,165)
Total ⁽³⁾	(532,910)	(480,662)	(1,020,961)	(494,224)

	Consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Costs associated with the origination - Business partners ⁽²⁾	(559,375)	(526,024)	(1,086,931)	(918,478)
Civil claims	(55,306)	(67,918)	(111,492)	(128,238)
Tax claims	(9,012)	(4,302)	(13,732)	(8,541)
Operating losses	(22,659)	(26,799)	(54,332)	(49,953)
Premium paid on financial assets	(123)	(206)	(233)	(327)
Premium paid for bank services preference	-	(7,419)	-	(13,307)
Income (loss) from real estate activity ⁽²⁾	1,866	-	(1,947)	-
Provision for CO ₂ offset expenses for vehicles financed by Banco BV	(1)	-	(428)	-
Others	(69,760)	(112,322)	(111,215)	(125,369)
Total ⁽³⁾	(714,370)	(744,990)	(1,380,310)	(1,244,213)

⁽¹⁾ Includes the appropriation of expenses incurred on liabilities received from the merger of the spun-off portion of BV Financeira, after said event (Note 2b).

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

⁽³⁾ Income and expenses of the same type are presented at the net amount determined in each period. The presentation in the respective line of income or expense takes into account the most recent period.

23. OTHER INCOME AND EXPENSES

	Bank			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Other income	20,735	24,408	42,896	28,120
Profit on the disposal of assets	19,236	13,286	29,125	14,563
Reversal of provision for devaluation of other assets	(2,011)	-	4,417	-
Reversal of provision for investment losses due to tax incentives	1,483	3,965	1,483	6,451
Other income not directly associated with operating activity	2,027	7,157	7,871	7,106
Other expenses	(18,200)	(53,922)	(26,360)	(92,260)
Capital losses	(688)	(76)	(767)	(76)
Devaluation of other assets	-	(1,597)	-	(6,878)
Provision for impairment of intangible assets	(13,491)	(49,914)	(13,491)	(53,776)
Expense on real estate not in use	(1,255)	(964)	(6,675)	(2,239)
Expenses with goodwill and impairment of subsidiaries	-	-	-	(27,922)
Loss on intangible assets	-	-	(2,650)	-
Other expenses not directly associated with operating activity	(2,766)	(1,371)	(2,777)	(1,369)
Total ⁽²⁾	2,535	(29,514)	16,536	(64,140)

	Consolidated			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Other income	25,118	28,921	41,024	67,863
Profit on the disposal of assets	19,390	12,222	29,285	8,882
Rental income	-	-	-	9
Reversal of provision for devaluation of other assets ⁽¹⁾	-	(1,252)	-	32,255
Reversal of provision for investment losses due to tax incentives	3,616	8,488	3,616	14,419
Other income not directly associated with operating activity	2,112	9,463	8,123	12,298
Other expenses	(27,657)	(88,602)	(98,118)	(129,160)
Expenses with goodwill and impairment of subsidiaries	(181)	(26,415)	(66,608)	(58,006)
Capital losses	(688)	(87)	(767)	(1,945)
Provision for provision for devaluation of other assets ⁽¹⁾	(9,262)	-	(5,128)	-
Loss on intangible assets	-	-	(2,650)	-
Provision for impairment of intangible assets	(13,491)	(59,743)	(13,491)	(63,604)
Expense on real estate not in use	(1,255)	(964)	(6,675)	(4,144)
Other expenses not directly associated with operating activity	(2,780)	(1,393)	(2,799)	(1,461)
Total ⁽²⁾	(2,539)	(59,681)	(57,094)	(61,297)

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

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

24. SHAREHOLDERS' EQUITY

a) Capital

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

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

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

b) Capital reserve

As of December 31, 2021 and 2020, the Capital reserve is constituted by goodwill on the subscription of shares, in the amount of R\$ 372,120.

c) Profit reserve

Legal reserve

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

Statutory reserve for expansion

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

d) Dividends / Interest on Equity

Shareholders are guaranteed a minimum mandatory dividend, both in the form of dividends and interest on equity, corresponding to 25% of the net income for the period, deducted from the legal reserve (adjusted net income). As provided for in CMN Resolution No. 4,820/2020, amended by CMN Resolution No. 4,885/2020, for the 2020 fiscal year, the remuneration of capital allowed is up to 30% of the adjusted Net Income for the period. For the 2021 fiscal year, there is no such cap on capital remuneration.

Pursuant to Laws No. 9,249/1995 and No. 12,973/2014 and the Company's Bylaws, Management decided to resolve to its shareholders on interest on equity and dividends, in relation to the results for the years ended December 31, 2021 and 2020.

Interest on equity is calculated on the 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 deduction or retained earnings and profit reserves, in an amount equal to or greater than twice its value.

In compliance with the procedures established by CMN Resolution No. 4,706/2018, the recognition of the remuneration of capital must be made against the retained earnings or reserves account, that is, no longer processed in income accounts.

For the years ended December 31, 2021 and 2020, the Company made the following distributions:

	2021			
	Value (R\$ thousand)	Value per lot of one thousand shares - R\$	Base date of the share position	Payday
Interest on equity ⁽¹⁾	700,000	6.64	12.31.2021	payable until 12.31.2022
Total for shareholders	700,000	6.64		

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	2020			
	Value (R\$ thousand)	Value per lot of one thousand shares - R\$	Base date of the share position	Payday
Dividends	26,545	0.25	06.29.2020	12.18.2020
Interest on equity ⁽¹⁾	47,500	0.45	06.29.2020	12.18.2020
Interest on equity ⁽¹⁾	47,500	0.45	12.31.2020	12.18.2020
Dividends	113,634	1.08	12.31.2020	12.18.2020
Interest on equity ⁽¹⁾	52,000	0.49	12.31.2020	01.18.2021
Dividends	28,509	0.27	12.31.2020	05.24.2021
Total for shareholders	315,688	3.00		

⁽¹⁾ Amounts subject to 15% withholding income tax.

	2021	2020
	Value (R\$ thousand)	
Net income for the period - Banco Votorantim SA	1,561,308	1,030,310
Legal reserve	(78,065)	(51,516)
Calculation basis	1,483,243	978,794
Dividends	-	168,688
Interest on equity (gross)	700,000	147,000
IRRF related to interest on equity	(105,000)	(22,050)
Proposed value	595,000	293,638
Amount paid in advance	-	220,929
% on the calculation basis	40%	30%

e) Earnings per share

	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Net profit - Banco Votorantim S.A (R\$ thousand)	746,702	620,408	1,561,308	1,030,310
Weighted average number by thousand shares (basic and diluted) ^{(1) (2)}	11,807,321	11,807,321	11,807,321	11,807,321
Earnings per share (basic and diluted) (R\$)	63.24	52.54	132.23	87.26

⁽¹⁾ The weighted average number of shares is calculated based on the average number of shares for each month of the year ended December 31, 2021.

⁽²⁾ The weighted average number of shares was restated for the year ended December 31, 2020 due to the reverse split of all shares described in note 24a, in accordance with CPC 41.

f) Reconciliation of shareholders' equity and net profit

	Net profit				Shareholders' equity	
	2° Semester/ 2021	2° Semester/ 2020	2021	2020	12.31.2021	12.31.2020
Banco Votorantim S.A.	746,702	620,408	1,561,308	1,030,310	11,922,690	10,746,169
Unrealized income ⁽¹⁾	1,297	1,209	2,530	34,309	5,861	7,548
Consolidated	747,999	621,617	1,563,838	1,064,619	11,928,551	10,753,717

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

g) Other comprehensive income

Bank and Consolidated	2° Semester/2021			
	Opening balance	Changes	Tax effect	Closing balance
Securities available to sale	111,408	(19,341)	8,893	100,960
Banco Votorantim ⁽¹⁾	110,632	(4,640)	1,998	107,990
Subsidiaries	776	(14,701)	6,895	(7,030)
Cash flow hedge	141,597	403,655	(181,646)	363,606
Banco Votorantim ⁽¹⁾	141,597	403,655	(181,646)	363,606
Total - Bank	253,005	384,314	(172,753)	464,566
RNR effect ⁽²⁾	16,815	(2,163)	-	14,652
Total - Consolidated	269,820	382,151	(172,753)	479,218

Bank and Consolidated	2021				2020			
	Opening balance	Changes	Tax effect	Closing balance	Opening balance	Changes	Tax effect	Closing balance
Securities available to sale	245,530	(262,640)	118,070	100,960	100,332	274,426	(129,228)	245,530
Banco Votorantim ⁽¹⁾	237,675	(235,368)	105,683	107,990	38,374	361,827	(162,526)	237,675
Subsidiaries	7,855	(27,272)	12,387	(7,030)	61,958	(87,401)	33,298	7,855
Cash flow hedge	(96,177)	835,969	(376,186)	363,606	(127,069)	56,167	(25,275)	(96,177)
Banco Votorantim ⁽¹⁾	(96,177)	835,969	(376,186)	363,606	(127,069)	56,167	(25,275)	(96,177)
Total - Bank	149,353	573,329	(258,116)	464,566	(26,737)	330,593	(154,503)	149,353
RNR effect ⁽²⁾	18,870	(4,218)	-	14,652	76,057	(57,187)	-	18,870
Total - Consolidated	168,223	569,111	(258,116)	479,218	49,320	273,406	(154,503)	168,223

⁽¹⁾ Includes agency abroad.

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

h) Shareholders interest (quantity of shares)

Composition of the class of shares issued by Banco Votorantim SA in which the shareholders are holders directly:

Shareholders - Shares (thousand)	12.31.2021					
	Ordinary	% Ordinary	Preference	% Preference	Total	% Total
Votorantim Finanças S.A.	1,065,793	50.00%	584,042	50.00%	1,649,835	50.00%
Banco do Brasil S.A.	1,065,793	50.00%	584,042	50.00%	1,649,835	50.00%
Total	2,131,587	100.00%	1,168,083	100.00%	3,299,670	100.00%
Domestic residents	2,131,587	100.00%	1,168,083	100.00%	3,299,670	100.00%

Shareholders - Shares (thousand)	12.31.2020					
	Ordinary	% Ordinary	Preference	% Preference	Total	% Total
Votorantim Finanças S.A.	26,880,148	50.00%	25,815,588	50.00%	52,695,736	50.00%
Banco do Brasil S.A.	26,880,148	50.00%	25,815,588	50.00%	52,695,736	50.00%
Total	53,760,297	100.00%	51,631,176	100.00%	105,391,473	100.00%
Domestic residents	53,760,297	100.00%	51,631,176	100.00%	105,391,473	100.00%

25. TAXES

a) Tax assets

Total tax assets recognized

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Current tax assets (Note 25 a.1)	447,097	303,609	499,250	358,504
Deferred tax assets (Note 25 a.2)	6,549,550	6,806,524	7,626,269	7,677,294
Total	6,996,647	7,110,133	8,125,519	8,035,798
Current assets	297,514	13,932	329,129	46,268
Non-current assets	6,699,133	7,096,201	7,796,390	7,989,530

a.1) Current tax assets

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Taxes and contributions to be offset	298,332	154,844	349,322	206,500
Recoverable income tax	-	-	1,163	3,239
Presumed credit - Law no. 12,838/13	148,765	148,765	148,765	148,765
Total ⁽¹⁾	447,097	303,609	499,250	358,504

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

a.2) Deferred tax assets (Recognized)

Bank	12.31.2020	2021		12.31.2021
	Balance	Net changes in the period		Balance
		Constitution ⁽³⁾	Write-off ⁽⁴⁾	
Temporary differences	6,099,560	2,395,451	(2,570,175)	5,924,836
Provision for losses associated with credit risk	4,070,766	1,926,032	(1,649,383)	4,347,415
Provisions	685,508	83,166	(139,076)	629,598
Fair value adjustments ⁽¹⁾	739,186	353,887	(739,186)	353,887
Other provisions ⁽²⁾	604,100	32,366	(42,530)	593,936
Tax loss / CSLL negative base	706,964	26,492	(108,742)	624,714
Total activated tax credits	6,806,524	2,421,943	(2,678,917)	6,549,550
Income tax	3,761,050	1,276,754	(1,424,512)	3,613,292
Social contribution	3,045,474	1,145,189	(1,254,405)	2,936,258

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Consolidated	12.31.2020	2020		12.31.2021
	Balance	Net changes in the period		Balance
		Constitution ⁽³⁾	Write-off ⁽⁴⁾	
Temporary differences	6,531,918	2,720,428	(2,663,589)	6,588,757
Provision for losses associated with credit risk	4,408,134	2,198,534	(1,708,414)	4,898,254
Provisions	765,941	129,032	(170,010)	724,963
Fair value adjustments ⁽¹⁾	739,186	358,536	(739,186)	358,536
Other provisions ⁽²⁾	618,657	34,326	(45,979)	607,004
Tax loss / CSLL negative base	1,145,376	42,977	(150,841)	1,037,512
Total activated tax credits	7,677,294	2,763,405	(2,814,430)	7,626,269
Income tax	4,437,855	1,466,927	(1,517,317)	4,387,465
Social contribution	3,239,439	1,296,478	(1,297,113)	3,238,804

⁽¹⁾ The amounts corresponding to the change of the tax credit arising from the fair value adjustments of the effective portion of the cash flow hedge instruments and the fair value adjustments of the securities classified as available for sale, recorded in equity, for the year ended December 31, 2021, are R\$ (78,690) of the total of R\$ (385,299) in the Bank and R\$ (74,056) of the total of R\$ (380,650) in the Consolidated.

⁽²⁾ Includes tax credits arising from constitution expenses of provisions for reduction to recoverable value of securities.

⁽³⁾ Includes the effects of the increase in the CSLL rate of financial institutions in the amount of R\$ 72,070, in the individual, and of R\$ 75,670, in the consolidated, applicable to tax credit realizable in the period from July 1 to December 31, 2021.

⁽⁴⁾ Includes the amount of R\$ (72,070) in the Bank and of R\$ (75,670) in the Consolidated, related to the tax credit realized in the period from July 1 to December 31, 2021, arising from the increase in the CSLL rate, described in footnote 3.

Realization estimate

The expectation of realization of deferred tax assets (tax credits) is supported by a technical study prepared on December 31, 2021.

	Bank		Consolidated	
	Nominal value	Present value	Nominal value	Present value
In 2022	1,880,809	1,682,967	2,182,491	1,952,916
In 2023	1,558,862	1,258,472	1,722,237	1,390,365
In 2024	1,416,255	1,032,911	1,678,855	1,224,431
In 2025	832,520	549,206	1,036,731	683,923
In 2026	213,883	127,663	340,687	203,350
From 2027 to 2028	126,941	67,420	130,324	69,126
From 2029 to 2031	520,280	174,150	534,944	179,550
Total deferred tax assets	6,549,550	4,892,789	7,626,269	5,703,661

In the year ended December 31, 2021, there was a partial realization of tax credits at Banco Votorantim in the amount of R\$ 1,986,861 (R\$ 2,471,499 in the year ended December 31, 2020), corresponding to 100% (167% in the year ended December 31, 2020) of the respective estimate of tax realization of the balance of tax credits for the entire year 2021, which was included in the technical study prepared on December 31, 2020.

Realization of nominal values for deferred tax assets

	Bank		Consolidated	
	Tax losses/Social contribution on net profit to offset ⁽¹⁾	Intertemporal differences ⁽²⁾	Tax losses/Social contribution on net profit to offset ⁽¹⁾	Intertemporal differences ⁽²⁾
In 2022	6%	31%	6%	32%
In 2023	16%	25%	16%	24%
In 2024	19%	22%	21%	22%
In 2025	20%	12%	22%	12%
In 2026	22%	1%	24%	1%
From 2027 to 2028	17%	0%	11%	0%
From 2029 to 2031	0%	9%	0%	9%

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

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

a.3) Unrecognized deferred tax assets

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Social contribution on net profit tax loss/negative basis portions of CSLL	94,088	94,088	168,052	170,807
Intertemporal differences portions	-	-	42,533	21,160
Total of deferred tax assets not recorded in assets	94,088	94,088	210,585	191,967
Income tax	52,271	52,271	150,713	137,411
Social contribution	41,817	41,817	59,872	54,556

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

b) Tax liabilities
Total tax liabilities recognized

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Current tax liabilities (Note 25 b.1)	230,910	136,295	459,590	259,497
Deferred tax liabilities - (Note 25 b.2)	662,362	336,102	663,031	346,416
Total	893,272	472,397	1,122,621	605,913
Current liabilities	230,910	136,295	454,564	254,649
Non-current liabilities	662,362	336,102	668,057	351,264

b.1) Current tax liabilities

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Financial transaction tax payable ⁽¹⁾	32,911	1,877	35,074	1,911
Income tax and social contribution payable	410	-	6,569	6,036
Provision for taxes and contributions on income	-	32,866	197,262	129,131
Taxes and contributions payable	197,589	101,552	220,685	122,419
Total ⁽²⁾	230,910	136,295	459,590	259,497

⁽¹⁾ Decree 10,572 of December 11, 2020, reduced the IOF (Financial transaction tax) rate on credit operations to zero, from December 15 to December 31, 2020.

⁽²⁾ Includes current taxes and contributions, whose settlement period is longer than 12 months.

b.2) Deferred tax obligations

	Bank		Consolidated	
	12.31.2021 ⁽¹⁾	12.31.2020	12.31.2021 ⁽¹⁾	12.31.2020
Fair value adjustments ⁽²⁾	644,971	320,175	644,971	327,928
Presumed credit - Law no. 12,838/13	15,075	15,075	15,075	15,075
Other liabilities	2,316	852	2,985	3,413
Total deferred tax liabilities	662,362	336,102	663,031	346,416
Income tax	369,282	187,375	369,941	194,228
Social contribution	293,080	148,727	293,090	152,188

⁽¹⁾ As of December 31, 2021, the portion of R\$ 383,087 (out of a total of R\$ 644,971), in the Bank and of R\$ 383,052 (out of a total of R\$ 644,971), in the Consolidated, corresponds to the deferred tax liability arising from adjustments to fair value of the effective portion of cash flow hedge instruments and securities classified as available for sale, recorded in equity. On December 31, 2020, the installment was R\$189,411 (out of a total of R\$ 320,175), in the Bank, and of R\$ 193,195 (out of a total of R\$ 327,928), in the Consolidated.

⁽²⁾ The amounts corresponding to the movement of the deferred tax liability arising from the fair value adjustments of the effective portion of the cash flow hedge instruments and the fair value adjustments of securities classified as available for sale, recorded in equity, in the year ended December 31, 2021, they are R\$ 193,676 of the total of R\$ 324,795 in the Bank and R\$ 185,924 of the total of R\$ 317,043 in the Consolidated.

c) Tax expenses

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Contribution for Social Security Funding	(124,938)	(124,804)	(251,566)	(138,034)
ISSQN	(21,124)	(22,030)	(45,983)	(26,731)
PIS	(20,302)	(20,281)	(40,879)	(22,431)
Others	(3,623)	(7,513)	(11,481)	(19,771)
Total	(169,987)	(174,628)	(349,909)	(206,967)

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Contribution for Social Security Funding	(180,336)	(189,194)	(354,273)	(364,752)
ISSQN	(37,246)	(40,389)	(76,504)	(74,367)
PIS	(30,520)	(32,096)	(60,073)	(61,647)
Others	(2,183)	(26,730)	(8,366)	(45,643)
Total	(250,285)	(288,409)	(499,216)	(546,409)

⁽¹⁾ Includes in the Bank the appropriation of expenses incurred on liabilities received from the merger of the spun-off portion of BV Financeira, after said event (Note 2b).

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

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Current amounts	54,999	(23,590)	(110,213)	(23,590)
Income tax and social contribution on net profit - current	25,120	(37,734)	(140,092)	(37,734)
Income tax and social contribution on net profit – previous years	29,879	14,144	29,879	14,144
Deferred amounts	(21,653)	176,801	(314,677)	665,039
Deferred tax liabilities	(325,860)	(128,401)	(136,392)	(132,248)
Fair value adjustments	(323,527)	(126,623)	(132,982)	(130,175)
Other liabilities	(2,333)	(1,778)	(3,410)	(2,073)
Deferred tax assets	304,207	305,202	(178,285)	797,287
Tax loss carryforwards and negative basis of social contribution on net profit	18,248	(246,687)	(82,250)	(110,011)
Temporary differences	118,101	451,358	210,575	379,079
Fair value adjustments	167,858	100,531	(306,610)	528,219
Total	33,346	153,211	(424,890)	641,449

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Current amounts	(134,217)	(177,558)	(480,537)	(559,144)
Income tax and social contribution on net profit - current	(163,878)	(191,702)	(510,198)	(573,288)
Income tax and social contribution on net profit – previous years	29,661	14,144	29,661	14,144
Deferred amounts	114,554	211,694	(113,504)	932,183
Deferred tax liabilities	(325,993)	(128,113)	(136,535)	(131,835)
Fair value adjustments	(323,527)	(126,623)	(132,982)	(130,175)
Other liabilities	(2,466)	(1,490)	(3,553)	(1,660)
Deferred tax assets	440,547	339,807	23,031	1,064,018
Tax loss carryforwards and negative basis of social contribution on net profit	755	(305,878)	(107,864)	(298,496)
Temporary differences	271,918	546,926	437,489	836,836
Fair value adjustments	167,874	98,759	(306,594)	525,678
Total	(19,663)	34,136	(594,041)	373,039

⁽¹⁾ Includes the appropriation of expenses incurred on liabilities received from the merger of the spun-off portion of BV Financeira, after said event (Note 2b).

d.2) Reconciliation of IR and CSLL charges

	Bank			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Income (loss) before taxes and contributions	796,104	563,977	2,161,170	509,914
Full IR and CSLL commission ⁽¹⁾	(398,132)	(253,789)	(1,012,411)	(228,885)
Charges on JCP	315,000	44,775	315,000	66,150
Equity in the earnings of subsidiaries	88,259	93,912	148,499	226,289
Participation in profits and results	41,374	43,551	82,875	54,474
CSLL rate increase ⁽²⁾	(72,170)	336,545	-	370,131
Income from abroad ⁽³⁾	59,871	(24,462)	45,618	237,236
Other values	(856)	(87,321)	(4,471)	(83,946)
Income tax and social contribution for the period	33,346	153,211	(424,890)	641,449

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Income (loss) before taxes and contributions	868,391	697,896	2,374,869	903,840
Full IR and CSLL commission ⁽¹⁾	(434,195)	(314,053)	(1,112,110)	(406,729)
Charges on JCP	350,000	44,775	350,000	66,150
Equity in the earnings of subsidiaries	(511)	1,059	(750)	(13,768)
Participation in profits and results	45,328	49,687	97,645	95,517
CSLL rate increase ⁽²⁾	(75,670)	375,654	-	409,239
Income from abroad ⁽³⁾	59,871	(24,462)	45,618	237,236
Other values	35,514	(98,524)	25,556	(14,606)
Income tax and social contribution for the period	(19,663)	34,136	(594,041)	373,039

⁽¹⁾ The IR charges were calculated at the nominal rate of 25% and the CSLL charges were calculated at the rates: (i) 15% from January 1 to February 28, 2020; (ii) 20% in the period from March 1, 2020 to June 30, 2021; and (iii) 25% in the period from July 1 to December 31, 2021 (note 4q).

⁽²⁾ Includes, in the year ended December 31, 2020, the effects of the increase in the CSLL rate to 20%, applicable to tax credits realizable as of March 2020, referring to amounts arising from January and February and amounts referring to the merger of spun-off portion of BV Financeira and subsequent merger into Banco BV SA. In the year ended December 31, 2021, the effects of the increase in the CSLL rate of financial institutions, applicable to tax credits realizable in the period from July 1 to December 31, 2021, were recognized on June 30, 2021, with no effect on tax credits realizable as of January 2022.

⁽³⁾ Includes charges on exchange variation on investments abroad.

26. RELATED PARTIES

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

	Bank ⁽¹⁾			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Administrators' remuneration and other	11,376	8,539	21,588	11,890
Bonuses	44,542	28,237	78,334	38,992
Social charges	17,277	11,325	30,811	16,972
Total	73,195	48,101	130,733	67,854

	Consolidated ⁽¹⁾			
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Administrators' remuneration and other	14,959	11,556	28,372	22,312
Bonuses	46,702	33,342	82,099	49,990
Social charges	18,248	13,008	32,625	20,906
Total	79,909	57,906	143,096	93,208

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

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

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

Account balances referring to transactions between the Bank's consolidated companies are eliminated in the consolidated Financial Statements and also consider the absence of risk. In relation to controlling shareholders, transactions with the Banco do Brasil Conglomerate and Votorantim S.A. are included (among the main companies, we highlight: 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.

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 assignment loans (assignments with recourse) with substantial retention of risks and benefits with a related party. In the year ended December 31, 2021, the sum of the present values totaled R\$ 5,852,020 (R\$ 7,856,099 for the year ended December 31, 2020). Banco BV also carries out assignment loans without recourse, but with substantial retention of risks and benefits with a subsidiary and in the year ended December 31, 2021, the sum of present values totaled R\$ 2,676,052 (in the year ended December 31, 2020 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".

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	12.31.2021						
	Conglom. Banco do Brasil	Votorantim S.A.	Financial Institution subsidiaries ⁽¹⁾	Non-financial Institution subsidiaries ⁽²⁾	Key management personnel ⁽³⁾	Other ⁽⁴⁾	Total
Assets							
Funds available	8	-	-	-	-	-	8
Interbank deposit investments ⁽⁵⁾	-	-	1,039,991	-	-	587,933	1,627,924
Securities and derivative financial instruments	2	80,255	-	-	-	2,396,826	2,477,083
Loans and leases	-	1,721	-	-	59	-	1,780
Other assets	5,536	11,276	125,599	98,337	607	8,336	249,691
Liabilities							
Demand deposits	(761)	(1,442)	(1,338)	(1,584)	(232)	(13,491)	(18,848)
Time deposits	(1,306,989)	(1,153,805)	-	(936,130)	-	(30,888)	(3,427,812)
Interbank accounts or relations	-	-	(58,404)	-	-	-	(58,404)
Money market repurchase	-	(31,332)	(484,337)	(706,056)	(1,330)	-	(1,223,055)
Funds for accepting and issuing bonds	(260,229)	(379,729)	-	-	(4,398)	-	(644,356)
Derivative financial instruments	-	(1,901)	-	-	-	(74,116)	(76,017)
Other liabilities	(7,163,553)	(351,570)	(12,144)	(33,775)	-	(1,560,676)	(9,121,718)
2° Semester/2021							
Income (loss)							
Income from interest, provision of services and other income	141,822	430	55,677	-	4	165,752	363,685
Income (losses) from derivative financial instruments	1,990	63,941	-	-	-	90,963	156,894
Fund raising, administrative expenses and other	(55,046)	(50,162)	(20,021)	(44,765)	(187)	(6,374)	(176,555)
2021							
Income (loss)							
Income from interest, provision of services and other income	392,310	1,419	78,998	-	9	177,019	649,755
Income (losses) from derivative financial instruments	285	31,473	-	-	-	50,803	82,561
Fund raising, administrative expenses and other	(81,535)	(69,691)	(23,578)	(58,731)	(261)	(6,457)	(240,253)

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	12.31.2020						
	Conglom. Banco do Brasil	Votorantim S.A	Financial Institution subsidiaries ⁽¹⁾	Non-financial Institution subsidiaries ⁽²⁾	Key management personnel ⁽³⁾	Other ⁽⁴⁾	Total
Assets							
Funds available	972	-	-	-	-	-	972
Interbank deposit investments ⁽⁵⁾	999,998	-	102,900	-	-	598,147	1,701,045
Securities and derivative financial instruments	-	109,703	-	-	-	1,971,994	2,081,697
Loans and leases	-	2,700	-	-	-	-	2,700
Other assets	2,955	9,608	20,837	23,034	431	15,676	72,541
Liabilities							
Demand deposits	(2,221)	(5,432)	(1,185)	(733)	(52)	(3,554)	(13,177)
Time deposits	(586,735)	(826,270)	-	(637,150)	(49)	(45,754)	(2,095,958)
Interbank accounts or relations	-	-	(145,443)	-	-	-	(145,443)
Money market repurchase	(739)	(91,905)	-	(608,406)	(135)	(1,919)	(703,104)
Funds for accepting and issuing bonds	(259,458)	(547,671)	-	-	(4,896)	-	(812,025)
Derivative financial instruments	-	(12,202)	-	-	-	(1,023,692)	(1,035,894)
Other liabilities	(5,802,007)	(36,355)	(15,367)	-	-	(105,905)	(5,959,634)
2° Semester/2020							
Income (loss)							
Income from interest, provision of services and other income	310,955	7,454	140,922	-	-	8,732	468,063
Income (losses) from derivative financial instruments	-	(34,017)	183	350	-	(39,270)	(72,754)
Fund raising, administrative expenses and other	(23,742)	(15,042)	(4,272)	(8,140)	(69)	(58)	(51,323)
2020							
Income (loss)							
Income from interest, provision of services and other income	496,495	7,481	1,114,974	-	-	18,405	1,637,355
Income (losses) from derivative financial instruments	(62,693)	128,934	5,435	6,397	-	356,782	434,855
Fund raising, administrative expenses and other	(50,469)	(48,492)	(11,822)	(19,462)	(191)	(58)	(130,494)

⁽¹⁾ Companies related in note no. 3. Does not include transactions between ventures.

⁽²⁾ Includes Promotiva S.A., BVIA - BV Investimentos e Participações de Gestão de Recursos S.A., BV Corretora de Seguros S.A. (former Votorantim Corretora de Seguros S.A., BV Empreendimentos e Participações S.A. and Atenas SP 02 Empreendimentos Imobiliários Ltda. Does not include transactions between ventures.

⁽³⁾ Board of Directors and their respective advisory committees, Executive Board, Fiscal Council and family members (spouse, children and stepchildren) of key management personnel.

⁽⁴⁾ It includes consolidated investment funds, subsidiaries of BVIA - BV Investimentos e Participações de Gestão de Recursos SA and subsidiaries of BV Empreendimentos e Participações SA, as well as all companies in which key personnel have an interest or in which they hold statutory positions. The ratio of funds is described in Note 3.

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

27. EMPLOYEES BENEFITS

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

The short-term and long-term compensation programs: Conditional Variable Incentive, Long-Term Incentive and Virtual Stock Purchase Program, approved by the Board of Directors on May 10, 2012, were terminated in the 2016 competency exercise with effect until February 2021.

In the first half of 2017, the Conglomerate implemented a new variable compensation program. The Conglomerate's directors and employees are eligible for the program. This program was approved by the Board of Directors on March 9, 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 of an expectation of the right to receive virtual shares, conditioned to the organization's performance over time, with the objective of (i) attracting, motivating and retaining talent; (ii) alignment of executives' interests with shareholders' objectives and interests; (iii) generation of results and sustainable creation of value (in relation to ESG practices - Environment, Social and Governance, in this year the executives have a specific indicator linked to ESG and its result will impact the variable compensation calculated at the end of the cycle, the higher details in explanatory note 30a); and (iv) creating 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 year ended December 31, 2021 were recognized in the Conglomerate's results, in Personnel expenses - Earnings R\$ 67,335 (R\$ 72,760 for the year ended December 31, 2020) 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 related to the Long-Term Remuneration Programs:

Program year	2° Semester/ 2021	2° Semester/ 2020	2021	2020
2015	-	-	-	20,936
2016	-	937	27,625	7,462
2017	-	-	5,453	5,337
2018	-	-	674	6,329
Total	-	937	33,752	40,064

As at December 31, 2021, the Conglomerate recorded under Other liabilities - Provision for personnel expenses the amount of R\$ 148,820 (R\$ 187,049 on December 31, 2020).

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

Changes in phantom shares

	Bank			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Opening quantity	-	10,801,381	12,792,843	17,620,394
New / Updates	-	-	-	5,430,248
Paid	-	(294,211)	(12,743,493)	(12,428,878)
Expired	-	(102,404)	(49,350)	(216,998)
Transfer ⁽¹⁾	-	2,388,077	-	2,388,077
Final quantity	-	12,792,843	-	12,792,843

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Opening quantity	-	14,843,371	14,137,436	24,125,108
New / Updates	-	-	-	6,515,950
Paid	-	(510,413)	(14,088,086)	(15,948,960)
Expired	-	(195,522)	(49,350)	(554,662)
Final quantity	-	14,137,436	-	14,137,436

⁽¹⁾ Includes amounts referring to the merger of the spun-off portion of BV Financeira.

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

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

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

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

a) Contingents Assets

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

b) Labor lawsuits

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

c) Tax lawsuits

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

d) Civil lawsuits

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

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

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

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

The Conglomerate's Management considers the provision constituted to cover losses arising from tax, civil and labor claims sufficient.

Contingent liability balances classified as probable

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Tax claims	53,398	37,235	73,819	53,301
Civil claims	253,641	259,758	266,316	273,612
Labor claims	372,520	470,740	391,956	491,785
Total	679,559	767,733	732,091	818,698

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

	Bank			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Tax claims				
Opening balance	39,236	5,731	37,235	5,653
Transfers ⁽¹⁾	-	31,116	-	31,116
Constitutions	22,891	667	22,975	697
Reversal of provision	(7,488)	(1,437)	(7,523)	(1,437)
Write-off due to payment	(3,841)	-	(3,852)	-
Updates	2,600	1,158	4,563	1,206
Final balance	53,398	37,235	53,398	37,235
Civil claims				
Opening balance	253,902	9,032	259,758	8,916
Transfers ⁽¹⁾	-	245,339	-	245,339
Constitutions	25,597	10,019	50,946	15,617
Reversal of provision	(23,064)	(4,414)	(47,733)	(13,164)
Write-off due to payment ⁽²⁾	(20,088)	(5,122)	(46,900)	(15,413)
Updates ⁽³⁾	17,294	4,904	37,570	18,463
Final balance	253,641	259,758	253,641	259,758
Labor claims				
Opening balance	442,294	89,859	470,740	89,291
Transfers ⁽¹⁾	-	454,189	-	454,189
Constitutions	65,331	80,783	179,073	93,843
Reversal of provision	(31,103)	(45,548)	(107,800)	(52,663)
Write-off due to payment ⁽²⁾	(114,143)	(121,686)	(189,941)	(129,902)
Updates ⁽³⁾	10,141	13,143	20,448	15,982
Final balance	372,520	470,740	372,520	470,740
Total tax, civil and labor claims	679,559	767,733	679,559	767,733

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as of 31 December, 2021

(Amounts in thousands of Reais, unless otherwise indicated)

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Tax claims				
Opening balance	52,127	56,492	53,301	58,027
Constitutions	38,729	13,128	39,105	15,439
Reversal of provision	(9,774)	(67)	(9,966)	(356)
Write-off due to payment ⁽²⁾	(10,060)	(18,376)	(13,402)	(24,112)
Updates	2,797	2,124	4,781	4,303
Final balance	73,819	53,301	73,819	53,301
Civil claims				
Opening balance	267,803	271,165	273,612	261,263
Constitutions	28,530	33,930	57,318	62,133
Reversal of provision	(24,678)	(24,339)	(51,033)	(47,538)
Write-off due to payment ⁽²⁾	(22,435)	(34,959)	(52,421)	(68,028)
Updates ⁽³⁾	17,096	27,815	38,840	65,782
Final balance	266,316	273,612	266,316	273,612
Labor claims				
Opening balance	460,495	584,684	491,785	587,018
Constitutions	77,539	104,811	195,901	238,881
Reversal of provision	(34,688)	(64,457)	(115,214)	(118,395)
Write-off due to payment ⁽²⁾	(121,883)	(153,082)	(201,670)	(254,211)
Updates	10,493	19,829	21,154	38,492
Final balance	391,956	491,785	391,956	491,785
Total tax, civil and labor claims	732,091	818,698	732,091	818,698

⁽¹⁾ Includes amounts referring to the merger of the spun-off portion of BV Financeira (note 2b).

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

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

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

	Bank			Consolidated		
	Tax	Civil	Labor	Tax	Civil	Labor
Up to 5 years	28,805	253,641	372,520	35,922	266,316	391,956
From to 10 years	24,593	-	-	37,897	-	-
Total	53,398	253,641	372,520	73,819	266,316	391,956

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

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

	Bank ⁽¹⁾			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Tax claims	(14,162)	(388)	(16,163)	(466)
Civil claims	261	(5,387)	6,117	(5,503)
Labor claims	69,774	73,308	98,220	72,740
Total	55,873	67,533	88,174	66,771

	Consolidated			
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Tax claims	(21,692)	3,191	(20,518)	4,726
Civil claims	1,487	(2,447)	7,296	(12,349)
Labor claims	68,539	92,899	99,829	95,233
Total	48,334	93,643	86,607	87,610

⁽¹⁾ Includes the appropriation in the result of the effects of contingent liabilities levied on businesses received from the merger of the spun-off portion of BV Financeira, after said event (Note 2b).

f) Contingent liabilities - Possible loss

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

f.1) Balances of contingent liabilities classified as possible

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Tax claims (Note 28.f.1.1)	1,881,740	1,878,755	2,239,056	2,075,715
Civil claims ⁽¹⁾	122,950	144,573	139,108	146,293
Labor claims ⁽²⁾	223,760	244,676	250,663	280,774
Total	2,228,450	2,268,004	2,628,827	2,502,782

⁽¹⁾ Refer, basically, to collection actions.

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

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

Possible causes description - Tax	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
INSS without profit sharing ⁽¹⁾	678,211	605,577	699,820	626,602
IRPJ/CSLL - PDD Deduction 2014/2016 ⁽²⁾	316,479	307,622	412,534	307,622
IPVA - Third parties ⁽³⁾	164,497	232,824	172,530	240,183
IRPJ/CSLL - PDD Deduction 2008	166,645	118,497	166,645	118,497
ISS VRG ⁽⁴⁾	-	-	143,476	109,841
IRPJ/CSLL on JCP: cumulative distribution in previous years ⁽⁵⁾	111,104	109,172	137,376	134,692
PF and BNCSLL: excess compensation AB 2012	92,955	90,693	92,955	90,693
IRRF from remittances abroad: impossibility of compensation	50,083	49,035	50,083	49,035
PIS/COFINS on demutualization	22,227	21,810	46,725	46,001
ISS	22,325	20,029	42,384	21,199
INSS on profit sharing - Nassau Branch	42,040	39,175	42,040	39,175
IRPJ on undue offset of tax loss - Gratuities to statutory officers	30,186	27,199	30,186	27,199
IRPJ/CSLL - Undue exclusion: goodwill on the acquisition of foreign government bonds	24,912	24,047	24,912	24,047
INSS - Benefits (VA/VR)	23,413	22,762	23,413	22,762
IRPJ - FINOR	7,659	23,038	11,403	27,041
Fine for non-approval PER/DCOMP ⁽⁶⁾	-	47,013	-	47,013
Others causes	129,004	140,262	142,574	144,113
Total	1,881,740	1,878,755	2,239,056	2,075,715

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

⁽²⁾ They refer to assessments issued by the Brazilian Federal Revenue Service alleging the undue deduction of losses on credit operations for allegedly not meeting legal requirements.

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

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

⁽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⁾ In the year ended December 31, 2021, the prognosis was changed from possible to remote, due to the success in previous cases originating from the same credit.

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

	Bank		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Tax claims	205,966	198,072	240,504	233,648
Civil claims	146,728	162,221	160,249	177,693
Labor claims	171,727	266,560	172,856	268,205
Total	524,421	626,853	573,609	679,546

h) Legal obligations

The Consolidated maintains a legal obligation in the amount of R\$ 59,394 (R\$ 45,662 on December 31, 2020) and the Bank recorded the amount of R\$ 52,325 (R\$ 40,684 on December 31, 2020), the main discussion of which is a declaratory action in which the aim is to remove the levy of ISS on revenues from guarantee operations, surety and other guarantees provided, as well as obtaining the refund of the amounts paid in this way in the last five years, the amount of which provisioned at the Bank is R\$ 32,013 (R\$ 26,560 on December 31, 2020).

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

i) Public civil lawsuits

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

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

29. RISK AND CAPITAL MANAGEMENT

1) Risk management process

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

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

- Credit risk;
- Counterpart credit risk;
- Credit concentration risk;
- Market risk;
- Interests rate variation of banking portfolio risk (IRRBB);
- Liquidity risk;
- Operational risk;
- Reputation risk;
- Strategy risk;
- Social risk;
- Environmental risk;
- Climate risk.
- Models risk;
- Compliance risk;
- Underwriting risk;
- Collateral risk;
- Technology risk;
- Cyber security risk; and
- Contagion risk;

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

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

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

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

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

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

Detailed information on the risk and capital management process can be observed in the document "Risk and Capital Management Report", prepared based on compliance with BCB Resolution No. 54/2020, available on the Investor Relations website at www.bancobv.com.br/ri. Below are the definitions of the main risks of the Conglomerate.

a) Credit risk

(i) Definition

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

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

(ii) Financial guarantees provided (off balance)

	Bank and Consolidated			
	12.31.2021		12.31.2020	
	Guaranteed values	Provision	Guaranteed values	Provision
Linked to bids, auctions, provision of services or execution of works	955,502	3,060	694,486	2,481
Guarantee or surety in judicial and administrative tax proceedings	3,197,605	163,868	3,314,308	166,517
Linked to the distribution of securities by public offering	257,278	86	54,733	274
Other bank guarantees	2,312,293	34,458	2,697,807	49,252
Other financial guarantees provided	186,153	3	180,782	6
Total	6,908,831	201,475	6,942,116	218,530

b) Market risk

(i) Definition

Market risk is defined as the possibility of incurring financial losses arising from the fluctuation in the market values of exposures held by a financial institution. These financial losses may be incurred as a result of the impact produced by the variation of risk factors, such as interest rates, exchange parities, stock and commodity prices, among others.

(ii) 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 shock			
			12.31.2021		12.31.2020	
			+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	676,492	106	(104)	(1,412)	1,384
Foreign currency coupons	Foreign currency coupon	1,446,655	7,191	(7,049)	10,669	(10,458)
Price indexes	Price indexes coupons variation risk	47,172	(1,333)	1,306	(703)	689

Trading and banking portfolio

Risk Factor	Concept	Exposure	Basic interest rate shock			
			12.31.2021		12.31.2020	
			+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	(2,305,895)	(186,677)	182,980	(184,375)	180,724
Foreign currency coupons	Foreign currency coupon exchange movements	1,219,867	48,703	(47,739)	120,641	(118,252)
Price indexes	Price indexes coupons variation risk	682,265	(9,578)	9,388	(11,205)	10,984
TR/TBF	Risk of TR (reference rate) and TBF (basic financial rate) coupon variation	20,929	(48)	47	199	(195)

Sensitivity analysis 2

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

• **Scenario 1** - In the construction of this scenario, the currencies suffer shocks of 1% on the closing value. The stressed value of the US dollar (BM&F DOL-CL) would be BRL 5.5779 (101% of BRL 5.6337) (BRL 5.2297 on December 31, 2020). The shocked BOVESPA index is 105,871 points, equivalent to 101% of the closing value on December 31, 2021 (120,603 points on December 31, 2020). The fixed 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 December 31, 2021, for the one-year term is 11.8056% (2.8590% as of December 31, 2020). Thus, the entire curve is bumped by 2.95% more or less, depending on the hypothetical result generated (0.71% on December 31, 2020).

• **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)
	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 index / 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)
	12.31.2020						
Fixed rate / Fixed interest rate variation risk	656,318	Increase	(140)	Increase	(1,082)	Increase	(2,341)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(68,618)	Increase	1,078	Decrease	(2,324)	Decrease	(4,674)
Foreign exchange movements / Exchange rate movements risk	(155,881)	Increase	(1,523)	Increase	(26,443)	Increase	(30,705)
Price index / Price indexes coupons variation risk	16,076	Increase	(70)	Increase	(313)	Increase	(614)
Other / Other coupons movements risk	-	Maintenance	-	Maintenance	-	Maintenance	-

Trading and Banking Portfolio

Risk Factor / Concept	Exposure	Scenario I		Scenario II		Scenario III	
		Movements of rates	Income (loss)	Movements of rates	Income (loss)	Movements of rates	Income (loss)
	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 index / 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)
	12.31.2020						
Fixed rate / Fixed interest rate variation risk	16,373,558	Increase	(16,897)	Increase	(119,848)	Increase	(237,485)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(7,091,414)	Increase	11,651	Decrease	(32,808)	Decrease	(65,909)
Foreign exchange movements / Exchange rate movements risk	(337,278)	Increase	(2,582)	Increase	(51,297)	Increase	(76,646)
TJLP / TJLP coupon movements risk	(29,586)	Increase	12	Decrease	(70)	Decrease	(141)
TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk	35,152	Increase	342	Maintenance	-	Maintenance	-
Price index / Price indexes coupons variation risk	591,925	Increase	(1,111)	Increase	(5,188)	Increase	(10,090)
Other / Other coupons movements risk	14,414	Maintenance	-	Maintenance	-	Maintenance	-

(iii) 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 June 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 6.31 (BRL 5.86 on December 31, 2020); commodities suffer positive shocks of 10% on the closing value on December 31, 2021; and a negative variation of -15.28% is applied to the BOVESPA Index (the same rates were used on December 31, 2020).

Scenario II - In this scenario, the yield curves suffer parallel negative shocks; the exchange rate (Reais/dollar) considered is BRL 4.97 (BRL 4.62 on December 31, 2020); commodities suffer negative shocks of 10% on the closing value on December 31, 2021; and a positive variation of 24.49% of the BOVESPA Index is applied (the same rates were used on December 31, 2020).

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

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

Estimates of retrospective stress test greatest losses - Consolidated portfolio

Risk Factor	12.31.2021		12.31.2020	
	Exposure	Stress ⁽¹⁾	Exposure	Stress ⁽¹⁾
Shares	2,610	(1,797)	14,414	-
Foreign currencies	(56,928)	(11,392)	(337,278)	(42,530)
Interest rate	(397,882)	(282,723)	9,879,634	(309,818)
Total	(452,200)	(295,912)	9,556,770	(352,348)

Estimates of retrospective stress test greatest gains - Consolidated portfolio

Risk Factor	12.31.2021		12.31.2020	
	Exposure	Stress ⁽¹⁾	Exposure	Stress ⁽¹⁾
Shares	2,610	86	14,414	-
Foreign currencies	(56,928)	10,040	(337,278)	41,462
Interest rate	(397,882)	223,992	9,879,634	196,501
Total	(452,200)	234,118	9,556,770	237,963

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

(iv) Fair value hierarchy

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

Fair value is determined according to the following hierarchy:

- **Level 1:** prices quoted (not adjusted) in active market;
- **Level 2:** Inputs included in level 1 that are observable for the asset or liability, 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 on December 31, 2021 and 2020, classified in the different hierarchical levels of measurement at fair value:

FINANCIAL STATEMENTS

as of 31 December, 2021

(Amounts in thousands of Reals, unless otherwise indicated)

Consolidated	12.31.2021				12.31.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Interbank liquidity investments subject to hedge (Note 10f)	-	402,746	-	402,746	-	501,451	-	501,451
Securities (Note 9a)	14,592,676	6,796,323	712,763	22,101,762	19,907,487	4,427,674	575,439	24,910,600
Trading securities	4,732,679	1,664,200	-	6,396,879	5,178,398	1,101,299	-	6,279,697
Securities available to sale	9,859,997	5,132,123	712,763	15,704,883	14,729,089	3,326,375	575,439	18,630,903
Derivatives financial instruments (Note 10a)	21,357	3,692,400	-	3,713,757	849,482	2,771,658	-	3,621,140
Hedged loan portfolio (Note 10f)	-	16,744,958	-	16,744,958	-	18,985,162	-	18,985,162
Total	14,614,033	27,636,427	712,763	42,963,223	20,756,969	26,685,945	575,439	48,018,353
Liability								
Money market repurchase commitments - Free portfolio (Note 17c)	-	(582,751)	-	(582,751)	-	(2,525,751)	-	(2,525,751)
Derivatives financial instruments (Note 10a)	(35,545)	(2,329,794)	-	(2,365,339)	(929,988)	(2,675,669)	-	(3,605,657)
Total	(35,545)	(2,912,545)	-	(2,948,090)	(929,988)	(5,201,420)	-	(6,131,408)

The fair value of financial instruments traded in active markets (such as securities held for trading and available for sale) is based on market prices quoted at the balance sheet date. A market is viewed as active if quoted prices are readily and regularly available from an exchange, distributor, broker, industry group, pricing service or regulatory agency, and those prices that represent actual market transactions and occur regularly on a regular basis. purely commercial.

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

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

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

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

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

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

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

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

(v) Transfers of level 3

Consolidated	Balance in 12.31.2020	2021		Balance in 12.31.2021
		Additions / (settlements)	Result / other transactions	
Assets				
Securities				
Securities available to sale	575,439	64,121	73,203	712,763
Total	575,439	64,121	73,203	712,763

Consolidated	Balance in 31.12.2019	2020		Balance in 12.31.2020
		Additions / (Settlements)	Income (loss) / Other changes	
Assets				
Securities				
Securities available to sale	216,043	401,308	(41,912)	575,439
Total	216,043	401,308	(41,912)	575,439

(vi) Fair value of financial instruments measured at adjusted cost

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

Consolidated	12.31.2021		12.31.2020	
	Book value	Fair value	Book value	Fair value
Assets	68,048,099	67,367,302	58,078,607	58,394,087
Compulsory deposits at the Central Bank of Brazil (Note 11b)	1,492,118	1,492,118	984,105	984,105
Liquidity interbank investments (Notes 7 / 8a)	6,079,979	6,079,979	9,260,155	9,260,155
Securities - Held to Maturity (Note 9a)	13,796,106	13,115,352	9,287,610	9,598,667
Loan portfolio (Notes 12a / 29.1.d.3)	44,333,258	44,333,215	35,187,280	35,191,703
Other financial assets (Note 13a)	2,346,638	2,346,638	3,359,457	3,359,457
Liabilities	(98,321,605)	(99,527,169)	(94,498,847)	(97,558,331)
Money market repurchase commitments (Notes 17c / 29.1.d.3)	(16,237,842)	(16,102,470)	(12,503,078)	(13,095,974)
Deposits (Note 17a)	(24,046,720)	(24,650,396)	(25,510,391)	(25,919,341)
Borrowings and transfers from Brazilian government (Onlendings) (Note 18)	(5,102,555)	(5,038,626)	(3,745,402)	(4,294,627)
Securities issued (Note 19)	(38,273,281)	(38,797,695)	(40,154,521)	(41,295,284)
Subordinated debts and debt instruments eligible for capital (Note 20)	(3,588,447)	(3,865,222)	(3,693,126)	(4,060,776)
Other financial liabilities (Note 21a)	(11,072,760)	(11,072,760)	(8,892,329)	(8,892,329)
Total	(30,273,506)	(32,159,867)	(36,420,240)	(39,164,244)

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

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

Loan and lease operations: Loan operations allocated to Hedge Accounting programs, of the market risk hedge type, are accounted by their fair value. For leasing operations, the fair value was calculated based on discounted future flow values considering current market rates and for other operations, the book value was considered an equivalent approximation of the fair value.

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

Borrowings and transfers from Brazilian government (Onlendings): For the operations of this group, the book value was considered as an approximation equivalent to the fair value.

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

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

Subordinated debt and debt instruments eligible for equity: For the operations of this group, the discounted future flow values were used to calculate the fair value, considering the prevailing market rates.

c) Liquidity risk

(i) Definition

Liquidity risk is defined as:

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

d) Operational risk

(i) Definition

Operational risk is defined as the possibility of losses resulting from external events or from failure, deficiency or inadequacy of internal processes, people or systems. This definition includes the legal risk associated with inadequacies or deficiencies in contracts signed by the Conglomerate, sanctions due to non-compliance with legal provisions and indemnities for damages to third parties arising from the activities carried out 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.

e) Social, environmental and climate risk

In September 2021, the Central Bank of Brazil and the National Monetary Council published a series of regulatory actions with a prudential approach to improve the rules for managing social, environmental and climate risks (RSAC).

In this context, CMN Resolution No. 4,943 (effective from Jul/22 for an institution classified 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 that violate fundamental rights and guarantees or common interests. Environmental risk is associated with acts of environmental degradation. Climate risk is divided into: (i) transition risk, related to the process of transition 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 weather patterns.

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

Demonstrating the importance of the topic for the Institution, the risk appetite (RAS) of Banco BV includes an exclusive dimension on social and environmental risk, and the indicator is monitored monthly and reported to the Controls and Risks Committee (CCR), and Capital (CRC) and Board of Directors (CA).

Banco BV's 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 (CMN), and Bacen Circular no. 3,846, the Conglomerate has structure and policies for capital management approved by the Board of Directors, in compliance with Internal Capital Adequacy Assessment Process (ICAAP), contemplating the following items:

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

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

(i) Capital ratios

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

- Basel Index (PR / RWA);
- Principal Capital Index ($\text{Principal Capital} / RWA$);
- Level I Index ($\text{Level I} / RWA$).

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

CMN Resolution No. 4,192/2013 defines the items referring to prudential adjustments deducted in full from the Reference Equity:

- (i) goodwill paid on acquisition of investments based on expected future income net of deferred tax liabilities;
- (ii) intangible assets formed as from October 2013;
- (iii) actuarial assets related to defined benefit pension plans net of related deferred tax liabilities associated to them;
- (iv) Investments in a) entity similar to unconsolidated financial institution, insurance company, reinsurer, capitalization company and open entity of supplementary pension; and b) an institution authorized to operate by The Central Bank of Brazil or in an institution located abroad that has an activity equivalent to that of a financial institution in Brazil, which does not compose the conglomerate;
- (v) participation of non-controlling shareholders in the capital of a) subsidiary that is an institution authorized to operate by Bank Central do Brasil; and b) subsidiary abroad that has an activity equivalent to that of a financial institution in Brazil;
- (vi) tax credits arising from temporary differences that depend on the generation of profits or future tax revenues for their realization;
- (vii) tax credits from tax losses arising from the supervening of depreciation;
- (viii) tax credits arising from tax losses and negative social contribution base on net income. The Conglomerate considers the effects of the application of CMN Resolution No. 4,851/2020, which authorizes financial institutions to stop deducting from the Principal Capital, until 12.31.2021, the tax credits of tax losses arising from a short position in foreign currency carried out for the purpose to provide hedge for its participation in investments abroad. After 01.01.2022, tax credits must be included with the following schedule: at least 50%, by 06.30.2022 and 100% by 12.31.2022;
- (ix) permanently differed assets;
- (x) others.

CMN Resolution No. 4,955/2021 comes into force on January 3, 2022 and revokes CMN Resolution No. 4,192/2013. There are no relevant impacts on the calculation of the Reference Equity of the Prudential Conglomerate with this regulatory change.

The scope of consolidation used as the basis for checking the operating limits considers the Prudential Conglomerate, defined in CMN Resolution No. 4,280/2013 and subsequent amendments. As of January 1, 2022, this resolution will be replaced by CMN Resolution No. 4,950/2021 and there are no relevant impacts on the calculation of the Reference Equity of the Prudential Conglomerate with this normative change.

(ii) Capital sufficiency (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.

The information on the Basel Ratio of the Prudential Conglomerate is presented below:

Basel ratio	12.31.2021	12.31.2020
PR - Reference Equity	12,209,489	10,610,530
Level I	11,419,468	10,078,251
Complementary Capital	1,683,059	1,565,629
Common Equity	9,736,409	8,512,622
Shareholders' equity ⁽¹⁾	11,390,169	10,698,401
Prudential adjustments ⁽²⁾	(1,653,760)	(2,185,779)
Others	(1,652,121)	(2,185,402)
Adjustment to fair value	(1,639)	(377)
Level II	790,021	532,280
Subordinated debts eligible as capital	790,021	532,280
Subordinated debts authorized pursuant to rules prior to CMN Resolution no. 4,192/2013 ⁽³⁾	790,021	532,280
Risk-weighted assets (RWA)	77,113,098	72,467,089
Credit risk (RWACPAD)	69,265,821	63,770,830
Market risk (RWAMPAD)	909,356	2,250,837
Operational risk (RWAOPAD)	6,937,921	6,445,422
Minimum Required Regulatory Capital ⁽⁴⁾	6,171,750	5,797,367
Minimum Required Capital ⁽⁵⁾	3,471,609	3,261,019
Tier I Minimum Required Reference Equity ⁽⁶⁾	4,628,812	4,348,025
Regulatory Capital determined to cover interest rate risk of transactions not classified in trading portfolio (RBN)	310,146	333,008
Margin on Minimum Required Regulatory Capital	6,037,739	4,813,163
Margin on Minimum Required Capital	6,264,800	5,251,603
Margin on Minimum Required Tier I Regulatory Capital	6,790,657	5,730,225
Margin on Minimum Required Regulatory Capital including RBN and ACP ⁽⁷⁾	4,089,490	3,574,316
Common Equity Index (CP / RWA)	12.62%	11.75%
Tier I Capital Index (Tier I / RWA)	14.80%	13.91%
Basel ratio (PR / RWA)	15.83%	14.64%
Leverage ratio	8.02%	7.32%

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

⁽²⁾ They consider the effects of the application of CMN Resolution No. 4,192/2013, which authorizes financial institutions to stop deducting from the Principal Capital, until 12.31.2021, tax credits from tax losses arising from a short position in foreign currency held in order to provide hedge for its participation in investments abroad. After 01.01.2022, tax credits must be included with the following schedule: at least 50%, until 06.30.2022 and 100% until 12.31.2022.

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

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

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

⁽⁶⁾ It represents at least 6% of RWA.

⁽⁷⁾ Additional Principal Capital (ACP) which corresponds to the Conservation Additional and Countercyclical Additional.

Prudential Adjustments deducted from Common Equity:

	12.31.2021	12.31.2020
Prudential Adjustments I - Goodwill paid	(101,827)	(10,548)
Prudential Adjustments II - Intangible assets	(647,617)	(403,105)
Prudential Adjustments VII - Deferred tax assets from Intertemporal differences	(169,013)	(930,220)
Prudential Adjustments VIII - Deferred tax assets of Tax losses/negative basis of CSLL	(733,664)	(841,529)
Prudential Adjustments XV - Understatement - Resolution No. 4,277/13 Adjustments	(1,639)	(377)
Total	(1,653,760)	(2,185,779)

Fixed asset index

Conglomerate Prudential's fixed assets ratio totaled 18,19% (18,70% on December 31, 2020), being calculated in accordance with CMN Resolutions No. 4,192/2013. As of January 03, 2022, a new fixed asset ratio regulation comes into force, CMN Resolution No. 4,957/2021. There are no relevant impacts on the calculation of the fixed asset ratio of the Prudential Conglomerate with this regulatory change.

	12.31.2021	12.31.2020
Fixed assets limit	6,104,745	5,305,265
Value of fixed assets limit position	2,220,489	1,983,723
Value of margin or insufficiency	3,884,256	3,321,542

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

30. ENVIRONMENT, SOCIAL AND GOVERNANCE - ESG PRACTICES

a) Governance and regulation

In December 2020, BV bank created a Sustainability Committee, in which it defines ESG objectives and strategies. 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 included sustainability goals in the variable remuneration of executives and in the strategic planning, as described in explanatory note 27.

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 BV Bank. Additional information on social, environmental and climate risk and its management by the Conglomerate is described in note 29.1.e.

b) Environment

Banco BV is one of the main financing banks of photovoltaic panels for solar energy for residential use and as of December 31, 2021 this portfolio is R\$ 2,513,353 (R\$ 892,086 on December 31, 2020).

In March 2020, BV bank carried out the first issuance of a green bond in the amount of R\$ 255,535 recorded under the heading of Resources from acceptance and issuance of bonds, which were allocated to assets or projects related to the generation of renewable energy, such as financing solar panels and developing wind farms. The bank's inaugural issue obtained the international certification of 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 Sectoral Criteria to certify emissions as green. Issue materials such as the Green Bond Framework, Second-Party Opinion, Green Bond Annual Report, and Post-issuance Verification can be found at www.bancobv.com.br.

In the year ended December 31, 2021, Banco BV carried out new issuances of green bonds (financial bills) in the amount of R\$ 759,050, recorded under the heading of Funds from acceptances and issuance of bonds.

	Currency	issued amount	Interest rates p.a.	Issuance year	Maturity year	Bank and Consolidated	
						12.31.2021	12.31.2020
Securities issued abroad						280,739	261,431
Foreign exchange	USD	50,000	3,35% p.a. + foreign exchange variation	2020	2024	280,739	261,431
Financial bills						801,992	-
Variable rate	R\$	293,150	From 1,23% to 1,37% p.a. + DI	2021	2024	302,919	-
Variable rate	R\$	465,900	From 5,26% to 5,84% p.a. + IPCA	2021	2027	499,073	-
Total						1,082,731	261,431

In November 2020, Banco BV announced a public commitment to offset all CO₂ emissions from the cars it finances from 2021 onwards.) the provision for CO₂ expenses, as a contra entry to the corresponding liability, recorded in Other liabilities - Offsetting the CO₂ emission by vehicles financed by Banco BV. The bank acquired carbon credits, representing a total of 5,274 million tons of CO₂, recorded under Intangible assets and their consumption (amortization) is based on the volume of CO₂ 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 emission are described in explanatory notes 4I and 4r, respectively."

The table below shows the accounting effects of the equity record and income:

			Bank and Consolidated	
			12.31.2021	12.31.2020
Asset			23,187	-
Intangible assets (note 16a)			23,187	-
Carbon credits - Cost value			27,573	-
Carbon credits - Accumulated amortization			(4,386)	-
Liabilities				
Other liabilities (note 21a)			428	-
Compensation of CO2 emissions by vehicles financed by BV bank			428	-
	2° Semester/ 2021	2° Semester/ 2020	2021	2020
Income				
Other administrative expenses (note 22d)	(2,550)	-	(4,386)	-
Amortization	(2,550)	-	(4,386)	-
Other operating expenses (note 22f)	(1)	-	(428)	-
Provision for offsetting CO2 emissions by vehicles financed by BV bank	(1)	-	(428)	-
Total expenses recognized in income	(2,551)	-	(4,814)	

Since 2020, the Bank 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, recognizing in the result (under Other administrative expenses - Others) the amount of R\$ 57 in the year ended December 31, 2021 (R\$ 196 for the year ended December 31, 2020), referring to the acquisition of 10,000 tons of carbon credits and other consulting and auditing expenses to carry out the GHG inventory.

c) Social

In view of the pandemic caused by COVID-19, Banco BV allocated the amount of R\$32,548 in the year ended December 31, 2020 recorded in Other administrative expenses - philanthropic contributions. The objective is to support vulnerable families and contribute to the improvement of hospital infrastructure, whose management is supported by Fundação Banco do Brasil and Instituto Votorantim. In 2021, Banco BV continues to promote support actions and allocated the amount of R\$ 1,068 in the year ended December 31, 2021. Banco BV also supports several incentivized social projects and allocated the amount of R\$10,525 in the year ended December 31, 2021 (R\$11,981 in the year ended December 31, 2020).

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

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

b) Information about branches abroad

	12.31.2021	12.31.2020		
Current and non-current assets	7,979,096	8,747,286		
Banco Votorantim S.A. – Nassau Branch	7,979,096	8,747,286		
Total assets	7,979,096	8,747,286		
Current and non-current liability	(6,185,903)	(7,105,914)		
Banco Votorantim S.A. – Nassau Branch	(6,185,903)	(7,105,914)		
Shareholder's equality	(1,793,193)	(1,641,372)		
Banco Votorantim S.A. – Nassau Branch ⁽¹⁾	(1,793,193)	(1,641,372)		
Total liabilities	(7,979,096)	(8,747,286)		
	2º Semester/ 2021	2º Semester/ 2020	2021	2020
Income (loss)	54,098	47,426	114,327	43,649
Banco Votorantim S.A. – Nassau Branch ⁽²⁾	54,098	47,426	114,327	43,649

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

⁽²⁾ Includes exchange rate 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	12.31.2021		12.31.2020	
	Covered values	Insurance premium	Covered values	Insurance premium
Bank				
Insurance Guarantee - Guarantee for legal proceedings	1,196,449	7,676	1,118,545	7,062
Real estate insurance for properties in use of relevant third parties	117,000	28	117,300	40
Cybersecurity insurance	100,000	2,318	100,000	1,810
Consolidated				
Insurance Guarantee - Guarantee for legal proceedings	1,374,444	8,411	1,159,710	7,384
Real estate insurance for properties in use of relevant third parties	122,700	31	123,000	43
Cybersecurity insurance	100,000	2,318	100,000	1,810

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

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

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

Bank and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends and interest over capital	Capital	Capital and income reserves	
Balance in 06.30.2021	169,195	3,135,728	-	8,130,372	2,507,174	13,942,469
Resources from the allocation of income	-	-	-	-	820,578	820,578
Changes with cash effect	(84,938)	37,199	-	-	-	(47,739)
Liquidation	-	(442,033)	-	-	-	(442,033)
Transfers	(466,437)	466,437	-	-	-	-
Income from new funding	381,499	-	-	-	-	381,499
Taxes	-	12,795	-	-	-	12,795
Changes with no cash effect	9,394	321,869	595,000	-	-	926,263
Interest expenses	9,394	148,379	-	-	-	157,773
Exchange rate variation	-	173,490	-	-	-	173,490
Dividends and interest on equity payable, net of taxes ⁽²⁾	-	-	595,000	-	-	595,000
Balance in 12.31.2021	93,651	3,494,796	595,000	8,130,372	3,327,752	15,641,571

Bank and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends and interest over capital	Capital	Capital and income reserves ⁽¹⁾	
Balance in 12.31.2020	193,543	3,499,583	72,709	8,130,372	2,466,444	14,362,651
Resources from the allocation of income	-	-	-	-	861,308	861,308
Changes with cash effect	(112,552)	(399,054)	(72,709)	-	-	(584,315)
Dividends and interest on equity paid ⁽²⁾	-	-	(72,709)	-	-	(72,709)
Liquidation	(27,684)	(1,012,750)	-	-	-	(1,040,434)
Transfers	(588,432)	588,432	-	-	-	-
Income from new funding	503,564	-	-	-	-	503,564
Taxes	-	25,264	-	-	-	25,264
Changes with no cash effect	12,660	394,267	595,000	-	-	1,001,927
Interest expenses	12,660	279,127	-	-	-	291,787
Exchange rate variation	-	115,140	-	-	-	115,140
Dividends and interest on equity payable, net of taxes ⁽²⁾	-	-	595,000	-	-	595,000
Balance in 12.31.2021	93,651	3,494,796	595,000	8,130,372	3,327,752	15,641,571

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as of 31 December, 2021

(Amounts in thousands of Reals, unless otherwise indicated)

Bank and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends and interest over capital	Capital	Capital and income reserves ⁽¹⁾	
Balance in 12.31.2019	3,116,893	3,480,275	25,042	8,130,372	1,751,822	16,504,404
Resources from the allocation of income	-	-	220,929	-	714,622	935,551
Changes with cash effect	(3,055,154)	(604,097)	(245,971)	-	-	(3,905,222)
Dividends paid	-	-	(245,971)	-	-	(245,971)
Liquidation	(3,227,232)	(469,231)	-	-	-	(3,696,463)
Transfers	157,078	(157,078)	-	-	-	-
Income from new funding	15,000	-	-	-	-	15,000
Taxes	-	22,212	-	-	-	22,212
Changes with no cash effect	131,804	623,405	72,709	-	-	827,918
Interest expenses	19,127	273,605	-	-	-	292,732
Exchange rate variation	112,677	349,800	-	-	-	462,477
Dividends and interest on equity payable, net of taxes ⁽²⁾	-	-	72,709	-	-	72,709
Balance in 12.31.2020	193,543	3,499,583	72,709	8,130,372	2,466,444	14,362,651

⁽¹⁾ Refers to the balance of Banco Votorantim's capital and profit reserves. Does not include profit for the period recorded in retained earnings.

⁽²⁾ Net value of taxes.

f) Assets under management

Position of investment funds under management and/or managed by BV Distribuidora de Títulos e Valores Mobiliários Ltda. ⁽¹⁾:

	Quantity of funds/portfolios		Balance	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Investment funds and portfolios managed accounts	210	239	52,340,574	49,493,721

⁽¹⁾ On September 30, 2021, the change of the corporate name of Votorantim Asset DTVM to BV DTVM was approved.

32. SUBSEQUENT EVENTS

a) Acquisition of participation in Portal Solar

On December 14, 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 on January 12, 2022.

THE BOARD

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