

# Risk and Capital Management

March 2025





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## INTRODUCTION

This document presents information regarding risk management, the calculation of the amount of risk-weighted assets (RWA<sup>1</sup>), the adequacy of the Total Capital of the Prudential Consolidated, the comparison between Accounting information and Prudential information, the leverage ratio, liquidity indicators, capitalization indicators, and compensation of directors and officers, in line with the requirements of the Brazilian Central Bank (Bacen), through Resolution BCB nº 54/2020, and in line with Pillar 3 of the Basel Accord rules.

In accordance with Resolution nº 4.557/2017 issued by Brazil's National Monetary Council (CMN), the Institution has a formal disclosure policy as well as institutional frameworks and policies for risk management and capital management approved by the Board of Directors. The basic principles observed in management and control were established pursuant to current regulations and market practices, as detailed in the specific chapters on each of these topics presented in this report.

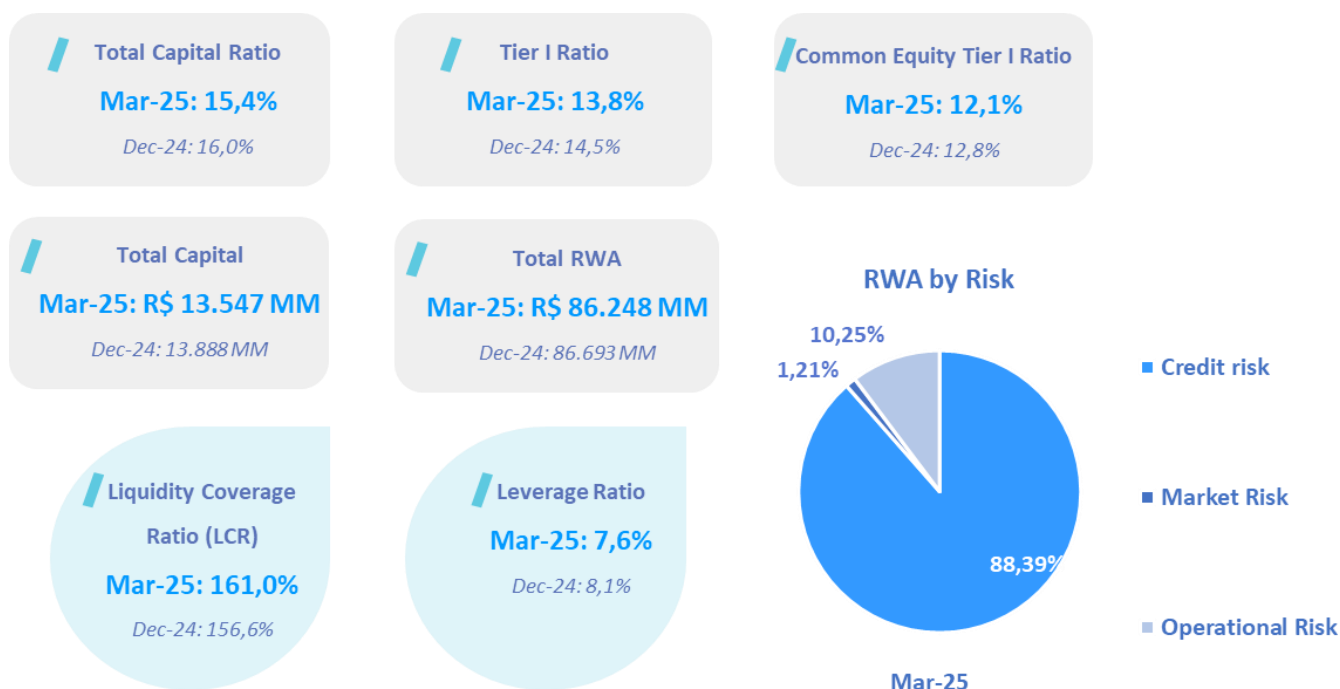
This document is divided into sections composed of tables, which present qualitative and quantitative information, in fixed or flexible formats, and with different frequency, which are:

- 1st Quarter of the year: disclosure of the quarterly quantitative tables;
- 2nd Quarter of the year: updating of the quarterly tables and dissemination of the quantitative half-yearly tables;
- 3rd Quarter of the year: updating of the quarterly quantitative tables;
- 4th quarter of the year: updating of the quarterly and half-yearly quantitative tables and disclosure of the annual quantitative and qualitative tables.

The coming sections present updated information for the 4<sup>th</sup> quarter, including quantitative tables, as established in BCB Resolution nº 54/2020. The following tables are outside the scope of updating for S2 Banks: GSIB1, LIQ2 and the tables for exclusive disclosure of institutions authorized to use internal models.

The detailed information is described in the report, in the respective appendices, and in the spreadsheets supporting the tables available on the Investor Relations website at [www.bancovotorantim.com.br/ri](http://www.bancovotorantim.com.br/ri).

Following are the main indicators on the base date of March 31, 2025, for the Prudential Conglomerate:



<sup>1</sup> Risk Weighted Assets

## I. Prudential Indicators and Risk Management

### 1) KM1: Quantitative information on the prudential requirements

The Institution considers that it is at adequate levels of capitalization, since required capital is lower than available capital and there is sufficient capital margin to support business growth. In March 2025, the Total Capital Ratio was 15.4%, with a capital margin, calculated by the difference between the Total Capital and the required capital, was roughly R\$ 5.7 billion (considering IRRBB). The Tier 1 Capital Ratio ended at 13.8% and the Common Equity Tier I Ratio closed at 12.1%.

| Quarterly Update<br>Prudential Consolidated - R\$ million         |  | Mar-25  | Dec-24  | Sep-24  | Jun-24  | Mar-24  |
|---|--|---------|---------|---------|---------|---------|
| <b>Available capital (amounts)</b>                                |  |         |         |         |         |         |
| 1   | Common Equity Tier I (CET1)  | 10,668  | 11,084  | 11,073  | 10,639  | 10,509  |
| 2   | Tier I   | 12,211  | 12,559  | 12,564  | 11,780  | 11,650  |
| 3   | Total Capital  | 13,547  | 13,888  | 13,863  | 12,807  | 12,654  |
| 3b  | Excess of resources invested on permanent assets                     | -       | -       | -       | -       | -       |
| 3c  | Total Capital Detachments  | -       | -       | -       | -       | -       |
| <b>Risk-weighted assets (amounts)</b>                             |  |         |         |         |         |         |
| 4   | Total risk-weighted assets (RWA)                                     | 88,248  | 86,693  | 85,408  | 81,886  | 81,618  |
| <b>Risk-based capital ratios as a percentage of RWA</b>           |  |         |         |         |         |         |
| 5   | CET1 ratio   | 12.1%   | 12.8%   | 13.0%   | 13.0%   | 12.9%   |
| 6   | Tier I ratio   | 13.8%   | 14.5%   | 14.7%   | 14.4%   | 14.3%   |
| 7   | Total Capital Ratio  | 15.4%   | 16.0%   | 16.2%   | 15.6%   | 15.5%   |
| <b>Additional CET1 buffer requirements as a percentage of RWA</b> |  |         |         |         |         |         |
| 8   | Capital conservation buffer requirement                              | 2.5%    | 2.5%    | 2.5%    | 2.5%    | 2.5%    |
| 9   | Countercyclical capital buffer requirement                           | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    |
| 10  | Systemic capital buffer requirement                                  | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    |
| 11  | Total of bank CET1 specific buffer requirements                      | 2.5%    | 2.5%    | 2.5%    | 2.5%    | 2.5%    |
| 12  | CET1 available after meeting the bank's minimum capital requirements | 5.1%    | 5.8%    | 6.0%    | 6.0%    | 5.9%    |
| <b>Leverage Ratio (LR)</b>  |  |         |         |         |         |         |
| 13  | Total exposure   | 161,024 | 155,057 | 156,280 | 147,670 | 150,386 |
| 14  | LR   | 7.6%    | 8.1%    | 8.0%    | 8.0%    | 7.7%    |
| <b>Liquidity Coverage Ratio (LCR)</b>                             |  |         |         |         |         |         |
| 15  | Total high-quality liquid assets (HQLA)                              | 14,913  | 16,865  | 18,386  | 18,099  | 16,518  |
| 16  | Total net cash outflow   | 9,265   | 10,768  | 12,320  | 10,930  | 11,060  |
| 17  | LCR ratio  | 161.0%  | 156.6%  | 149.0%  | 165.6%  | 149.3%  |
| <b>Net Stable Funding Ratio (NSFR)<sup>1</sup></b>                |  |         |         |         |         |         |
| 18  | Total available stable funding (ASF)                                 |         |         |         |         |         |
| 19  | Total required stable funding (RSF)                                  |         |         |         |         |         |
| 20  | NSFR ratio   |         |         |         |         |         |

1 - Gradual increase of CET1 buffer Conservation (up to 2.5% from April/22), according to CMN Resolution nº 4.958/21.

2 - Capital conservation buffer requirement is established by the Financial Stability Committee (Comef) and is currently set to zero, according to BACEN nº 42,856/25).

3 - Institutions classified in segment 1 (S1) are subject to compliance with the Systemic Capital Buffer portion, pursuant to CMN Resolution No. 4,553/17).

4 - NSFR information not applicable through segmentation provided for by BACEN No. 3,390/19.

The Total Capital (TC) ended the period at R\$ 13.5 billion, showing a reduction of R\$ 340 million compared to the previous quarter's TC, with 90,1% of the TC amount being composed of Tier 1 Capital. Common Equity Tier I Ratio ended the period at R\$ 10.7 billion, showing a reduction of R\$ 416 million in relation to the previous quarter, mainly due to the impact of the implementation of Resolution No. 4,966, which provides for accounting concepts and criteria applicable to financial instruments, among others.

## 2) OV1: Overview of risk-weighted assets (RWA)

For the purposes of calculating the minimum capital requirement, the following is determined: RWA, as defined by CMN Resolution No. 4,958/2021, which is comprised of the sum of risk-weighted assets referring to the credit (RWACPAD), market (RWAMPAD) and operational (RWAOPAD) risks.

As of July 2023, BCB Resolution No. 229/2022 came into force, establishing the procedures for calculating the portion of assets weighted by credit risk (RWACPAD), replacing Circular No. 3,644/2013. This new regulation improves and consolidates procedures for calculating RWACPAD, reflecting recommendations from the Basel Committee on Banking Supervision (BCBS) contained in the document “Basel III: Finalising post crisis reforms”. BCB Resolution No. 202/2022, in force since January 2024 for Type 1 conglomerates (S2 to S4), establishes the procedures for calculating the portion of assets weighted by risks associated with payment services (RWASP).

| Quarterly Update<br>Prudential Consolidated - R\$ million |  | RWA           |               | Minimum capital |
|---|--|---------------|---------------|-----------------|
|   |  | Mar-25        | Dec-24        | Mar-25          |
| <b>1</b>  | <b>Credit Risk in the strictest sense</b>                                    | <b>63,864</b> | <b>65,059</b> | <b>5,109</b>    |
| 2   | Of which: determined using the standardized approach                         | 63,864        | 65,059        | 5,109           |
| 3   | Of which: determined through the basic IRB approach                          | 0             | 0             | 0               |
| 5   | Of which: determined through the advanced IRB approach                       | 0             | 0             | 0               |
| 6   | Counterparty Credit Risk (CCR)   | 3,346         | 4,230         | 268             |
| 7   | <u>Of which:</u> standardized approach for counterparty credit risk (SA-CCR) | -             | -             | -               |
| 7a  | <u>Of which:</u> CEM approach  | 2,879         | 3,564         | 230             |
| 9   | <u>Of which:</u> other CCR   | 467           | 666           | 37              |
| 12  | Equity investments in funds – look-through approach                          | 411           | 649           | 33              |
| 13  | Equity investments in funds – mandate-based approach                         | 0             | 0             | 0               |
| 14  | Equity investments in funds – fall-back approach                             | 0             | 0             | 0               |
| 16  | Securitisation exposures in banking book                                     | 357           | 362           | 29              |
| <b>20</b>   | <b>Market Risk</b>   | <b>1,071</b>  | <b>773</b>    | <b>86</b>       |
| 21  | <u>Of which:</u> standardized approach (SA)                                  | 1,071         | 773           | 86              |
| 22  | <u>Of which:</u> internal model approach (IMA)                               | -             | -             | -               |
| <b>24</b>   | <b>Operational risk</b>  | <b>9,049</b>  | <b>6,588</b>  | <b>724</b>      |
| <b>I</b>  | <b>Payments Risk</b>   | <b>125</b>    | <b>103</b>    | <b>10</b>       |
| <b>25</b>   | <b>Values referring to exposures not deducted in the PR calculation</b>      | <b>10,025</b> | <b>8,929</b>  | <b>802</b>      |
| <b>29</b>   | <b>Total (1+6+12+13+14+16+20+24+I+25)</b>                                    | <b>88,248</b> | <b>86,693</b> | <b>7,060</b>    |

## II. Leverage ratio

Circular Letter No. 3,748/2015 and subsequent amendments sets out the methodology for calculating the Leverage Ratio (LR), which is in line with the recommendations contained in the Basel III documents. The aim of this indicator is to improve financial institutions' ability to absorb shocks from the financial system itself or from other sectors of the economy, enabling financial stability to be maintained. The Leverage Ratio (RA) is defined by the ratio of Level I on Institution's Total Exposure:

$$RA = \frac{\text{Tier I}}{\text{Total exposure}}$$

- Tier I Ratio: corresponds to the sum of Common Equity Tier I and Complementary Capital, as defined in CMN Resolution No. 4,955/2021;

- Total exposure: it is determined by accounting information net of allowances, advances received, and unearned income, and without the deduction of any type of mitigator, as defined by Circular Letter No. 3,748/2015.

The minimum limit of the Leverage Ratio (LR) is 3%, according to CMN Resolution No. 4,615/2017 issued by the National Monetary Council.

### 3) LR2: Detailed information on the Leverage Ratio

| Atualização Trimestral<br>Consolidado Prudencial - Em R\$ milhões                      |   | mar/25         | dez/24         |
|--|---|----------------|----------------|
| <b>Itens contabilizados no balanço patrimonial</b>                                     |   |                |                |
| 1  | Itens patrimoniais, exceto instrumentos financeiros derivativos, títulos e valores mobiliários recebidos por empréstimo e revenda a liquidar em operações compromissadas  | 129.221        | 122.945        |
| 2  | Ajustes relativos aos elementos patrimoniais deduzidos na apuração do Nível I   | -3.098         | -3.429         |
| <b>3</b>   | <b>Total das exposições contabilizadas no balanço patrimonial</b>   | <b>126.123</b> | <b>119.517</b> |
| <b>Operações com instrumentos financeiros derivativos</b>                              |   |                |                |
| 4  | Valor de reposição em operações com derivativos   | 1.964          | 2.549          |
| 5  | Ganho potencial futuro decorrente de operações com derivativos  | 1.516          | 1.204          |
| 7  | Ajuste relativo à margem de garantia diária prestada  | -              | -              |
| 8  | Ajuste relativo à dedução da exposição relativa a contraparte central qualificada (QCCP) nas operações de derivativos em nome de clientes nas quais não há obrigatoriedade contratual de reembolso em decorrência de falência ou inadimplemento das entidades responsáveis pela liquidação e compensação das transações | -              | -              |
| 9  | Valor de referência dos derivativos de crédito  | 17             | -              |
| 10   | Ajuste no valor de referência dos derivativos de crédito  | -              | -              |
| <b>11</b>  | <b>Total das exposições relativas a operações com instrumentos financeiros derivativos</b>  | <b>3.497</b>   | <b>3.754</b>   |
| <b>Operações compromissadas e de empréstimo de títulos e valores mobiliários (TVM)</b> |   |                |                |
| 12   | Aplicações em operações compromissadas e em empréstimo de TVM   | 1.304          | 7.889          |
| 13   | Ajuste relativo a recompras a liquidar e a TVM cedidos por empréstimo   | -              | -              |
| 14   | Valor relativo ao risco de crédito da contraparte (CCR)   | 25.885         | 19.323         |
| 15   | Valor relativo ao CCR em operações de intermediação   | -              | -              |
| <b>16</b>  | <b>Total das exposições relativas a operações compromissadas e de empréstimo de TVM</b>   | <b>27.189</b>  | <b>27.212</b>  |
| <b>Itens não contabilizados no balanço patrimonial</b>                                 |   |                |                |
| 17   | Valor de referência das operações não contabilizadas no balanço patrimonial   | 7.901          | 8.571          |
| 18   | Ajuste relativo à aplicação de FCC específico às operações não contabilizadas no balanço patrimonial  | -3.686         | -3.996         |
| <b>19</b>  | <b>Total das exposições não contabilizadas no balanço patrimonial</b>   | <b>4.215</b>   | <b>4.574</b>   |
| <b>Capital e Exposição Total</b>   |   |                |                |
| 20   | Nível I   | 12.211         | 12.559         |
| <b>21</b>  | <b>Exposição Total</b>  | <b>161.024</b> | <b>155.057</b> |
| <b>Razão de Alavancagem (RA)</b>   |   |                |                |
| <b>22</b>  | <b>Razão de Alavancagem (%)</b>   | <b>7,6%</b>    | <b>8,1%</b>    |

### III. Liquidity risk

#### 4) LIQ1: Liquidity Coverage Ratio (LCR)

BACEN Circular Letter No. 3,749/2015 and subsequent amendments, establishes the methodology for calculating the Liquidity Coverage Ratio (LCR). This Circular Letter is in line with the recommendations contained in the Basel III documents, published with the aim of showing that large financial institutions have high liquidity resources to withstand a scenario of standardized month-long acute financial stress, through pre-established criteria in the regulations. Resolution No. 4,401/2015, on the other hand, establishes the minimum limits and conditions for its observance.

The LCR, as defined by the Circular Letter, is the ratio between the stocks of high-quality liquid assets (HQLA) and the total net cash outflows planned for a 30-day period.

In accordance with Circular Letter No. 3.905/2018, the Institution started to send to the Brazilian Central Bank the calculation of the LCR referring to the last business day of each month, in the specific layout for institutions in the S2 segment. It is worth emphasizing that, in the management controls, the Institution maintained the daily calculation of the index internally, using the same weights used by institutions in the S1 segment, ensuring timely monitoring of the metric.

The Institution has risk appetite for the LCR, which consists of comparing the current LCR and the projection of the index for the next six months with a pre-established minimum index. Additionally, it is important to emphasize that the Bank has a credit facility at Banco do Brasil since 2009, which represents a significant liquidity reserve and that has never been used.

|  |  | Total unweighted value | Total weighted value |
|--|--|------------------------|----------------------|
| <i>Base Date: Mar-25</i>                     |  |                        |                      |
| <i>Quarterly Update</i>                      |  |                        |                      |
| <i>Prudential Consolidated - R\$ million</i> |  |                        |                      |
| <b>High Quality Liquidity Assets (HQLA)</b>  |  |                        |                      |
| 1  | Total High Quality Liquid Assets (HQLA)  |                        | 14,913               |
| <b>Cash Outflows</b>                         |  |                        |                      |
| 2  | Retail deposits and deposits from small business customers, of which:                                  | 752                    | 125                  |
| 3  | Stable deposits  | -                      | -                    |
| 4  | Less stable deposits   | 752                    | 125                  |
| 5  | Unsecured wholesale funding, of which:   | 14,518                 | 7,884                |
| 6  | Operational deposits (all counterparties) and deposits in networks of cooperative banks                | -                      | -                    |
| 7  | Non-operational deposits (all counterparties)  | 14,376                 | 7,742                |
| 8  | Unsecured debt   | 142                    | 142                  |
| 9  | Secured wholesale funding  | -                      | 3,028                |
| 10   | Additional requirements, of which:   | 4,482                  | 296                  |
| 11   | Outflows related to derivative exposures and other collateral requirements                             | 75                     | 75                   |
| 12   | Outflows related to loss of funding on debt products   | -                      | -                    |
| 13   | Credit and liquidity facilities  | 4,407                  | 220                  |
| 14   | Other contractual funding obligations  | 1,555                  | 1,555                |
| 15   | Other contingent funding obligations   | 7,208                  | 49                   |
| <b>16</b>                                    | <b>Total Cash Outflows</b>   | <b>28,516</b>          | <b>12,936</b>        |
| <b>Cash Inflows</b>                          |  |                        |                      |
| 17   | Secured lending (eg reverse repos)   | 1,383                  | 0                    |
| 18   | Inflows from fully performing exposures  | 3,616                  | 2,173                |
| 19   | Other cash inflows   | 1,613                  | 1,498                |
| <b>20</b>                                    | <b>TOTAL CASH INFLOWS</b>  | <b>6,612</b>           | <b>3,671</b>         |
| <b>Adjusted Total value</b>                  |  |                        |                      |
| <b>21</b>                                    | <b>Total HQLA</b>  |                        | <b>14,913</b>        |
| <b>22</b>                                    | <b>Total net cash outflows</b>   |                        | <b>9,265</b>         |
| <b>23</b>                                    | <b>Liquidity Coverage Ratio (%)</b>  |                        | <b>161.0%</b>        |
| <b>Comments</b>                              | Considered the simple average of the closing dates for the months of January, February and March 2025. |                        |                      |

#### IV. Market risk management

##### 5) MR1: Market Risk under Standardized Approach

Base Date: Mar-25  
 Quarterly Update  
 Prudential Consolidated - R\$ million

|          | Risk factors                                   | RWA <sub>MPAD</sub> |
|----------|--|---------------------|
| 1        | Interest rate                                  | 645                 |
| 1a       | Fixed Rate in Reais (RWA <sub>JUR1</sub> )     | 225                 |
| 1b       | Foreign Currency Coupon (RWA <sub>JUR2</sub> ) | 73                  |
| 1c       | Price Index Coupon (RWA <sub>JUR3</sub> )      | 347                 |
| 1d       | Interest Rate Coupon (RWA <sub>JUR4</sub> )    | -                   |
| 2        | Shares (RWA <sub>ACS</sub> )                   | 3                   |
| 3        | Foreign exchange (RWA <sub>CAM</sub> )         | 342                 |
| 4        | Commodity (RWA <sub>COM</sub> )                | -                   |
| 5        | RWA <sub>DRC</sub>                             | 71                  |
| 6        | RWA <sub>CVA</sub>                             | 10                  |
| <b>9</b> | <b>Total</b>                                   | <b>1,071</b>        |