

# Interim Financial Statements

September, 30 2020



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# INTERIM FINANCIAL STATEMENTS

as of September 30, 2020

(In thousands of Reais, unless otherwise stated)

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## Review report on the individual and consolidated financial statements

To the Shareholders and Board of Directors of

Banco Votorantim S.A.

São Paulo – SP

### Introduction

We have reviewed the individual and consolidated financial statements of Banco Votorantim S.A. ("Bank") as at September 30, 2020, which comprise the individual and consolidated statement of financial position as at September 30, 2020 and the respective individual and consolidated statements of income and comprehensive income for the three and nine-month periods then ended, and changes in shareholder's equity and cash flows for the nine-month period then ended, including the explanatory notes, containing the significant accounting practices and other elucidative information.

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

### Scope of review

We conducted our review in accordance with the Brazilian and International Standards of Interim Financial Information (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim accounting information consists of making inquiries, primarily of people responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Brazilian and International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

### Conclusion on the individual and consolidated interim financial statements

Based on our review, we are not aware of any fact that would lead us to believe that the accompanying individual and consolidated interim financial statements mentioned above do not adequately present, in all material aspects, the Bank's financial position as of September 30, 2020 and the performance of its operations for the three and nine-month periods then ended and its cash flows for the nine-month period ended then ended, in accordance with the accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil.

### Other matters - Statement of value added

The individual and consolidated financial statements include the individual and consolidated statements of value added for the nine-month period ended September 30, 2020, prepared under the responsibility of the



Bank's management, whose presentation is not required to private companies. These statements were submitted to review procedures performed in conjunction with the review of the Bank's individual and consolidated interim financial statements, for the purpose of conclude whether the statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria set forth in Technical Pronouncement CPC 09 - Statement of Value Added. Based in our review we are not aware of any fact that would lead us to believe that the accompanying individual and consolidated statements of value added, were not prepared, in all material aspects, according to the criteria defined in this standard and in a consistent manner in relation to the individual and consolidated financial statements taken as a whole.

São Paulo, November 05, 2020

KPMG Auditores Independentes  
CRC 2SP014428/O-6

*Original report in Portuguese signed by*

João Paulo Dal Poz Alouche

Accountant CRC 1SP245785/O-2



# STATEMENT OF FINANCIAL POSITION

As of september 30, 2020 and December 31, 2019

(In thousands of Reais, unless otherwise stated)

|  | Note  | Bank               |                   | Consolidated       |                   |
|--|-------|--------------------|-------------------|--------------------|-------------------|
|  |       | 09.30.2020         | 12.31.2019        | 09.30.2020         | 12.31.2019        |
| Cash and due from banks                                    | 6     | 4,213,029          | 2,327,760         | 3,683,028          | 1,051,889         |
| Financial assets   |       | 103,462,598        | 78,836,931        | 106,364,547        | 86,703,431        |
| Interbank investments                                      | 7a    | 7,142,191          | 39,037,190        | 7,158,689          | 2,531,995         |
| Securities   |       | 31,187,267         | 24,567,184        | 33,348,311         | 27,720,262        |
| Securities portfolio                                       | 8a    | 32,167,079         | 25,473,689        | 34,328,123         | 28,626,767        |
| (Provision for impairment of securities)                   | 8a    | (979,812)          | (906,505)         | (979,812)          | (906,505)         |
| Derivative financial instruments                           | 9a    | 8,562,670          | 3,082,862         | 6,738,713          | 2,737,346         |
| Interbank accounts   | 10a   | 870,058            | 1,772,165         | 870,058            | 1,772,165         |
| Loan portfolio   | 11a   | 48,835,254         | 9,639,694         | 51,116,908         | 50,960,142        |
| Loans  |       | 50,955,950         | 7,087,393         | 51,982,645         | 49,516,883        |
| Other receivables with loan characteristics                |       | 2,726,948          | 4,325,923         | 4,332,130          | 6,061,460         |
| Lease portfolio  |       | -                  | -                 | 80,759             | 97,677            |
| (Allowance for losses associated with credit risk)         |       | (4,847,644)        | (1,773,622)       | (5,278,626)        | (4,715,878)       |
| Other financial assets                                     | 12a   | 6,865,158          | 737,836           | 7,131,868          | 981,521           |
| Tax assets   |       | 7,190,350          | 3,609,762         | 8,101,050          | 7,229,052         |
| Current tax assets   | 24a.1 | 298,381            | 251,392           | 356,968            | 590,499           |
| Deferred tax assets  | 24a.2 | 6,891,969          | 3,358,370         | 7,744,082          | 6,638,553         |
| Investments  |       | 3,473,619          | 3,563,998         | 53,975             | 79,649            |
| Investments in subsidiaries, associates and joint ventures | 13a   | 3,473,431          | 3,563,813         | 53,787             | 79,463            |
| Other investments  | 13e   | 188                | 185               | 188                | 186               |
| Property, plant and equipment                              | 14    | 95,280             | 67,079            | 96,208             | 94,416            |
| Other property, plant and equipment                        |       | 382,594            | 232,748           | 394,003            | 366,423           |
| (Accumulated depreciation)                                 |       | (287,314)          | (165,669)         | (297,795)          | (272,007)         |
| Intangible assets  | 15a   | 392,646            | 211,655           | 434,589            | 303,404           |
| Intangible assets  |       | 873,481            | 504,698           | 925,537            | 702,674           |
| (Accumulated amortization)                                 |       | (321,372)          | (147,307)         | (331,485)          | (248,295)         |
| (Accumulated impairment)                                   |       | (159,463)          | (145,736)         | (159,463)          | (150,975)         |
| Other assets   | 12a   | 1,395,519          | 371,884           | 1,297,855          | 1,400,139         |
| <b>TOTAL ASSETS <sup>(1)</sup></b>                         |       | <b>120,223,041</b> | <b>88,989,069</b> | <b>120,031,252</b> | <b>96,861,980</b> |

<sup>(1)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.  
The accompanying notes are an integral part of these individual and consolidated financial statements.



## STATEMENT OF FINANCIAL POSITION

As of september 30, 2020 and December 31, 2019

(In thousands of Reais, unless otherwise stated)

|   | Note       | Bank               |                   | Consolidated       |                   |
|---|------------|--------------------|-------------------|--------------------|-------------------|
|   |            | 09.30.2020         | 12.31.2019        | 09.30.2020         | 12.31.2019        |
| <b>Financial liabilities</b>                                |            | <b>106,987,515</b> | <b>78,232,869</b> | <b>106,452,532</b> | <b>84,001,354</b> |
| Deposits  | 16a        | 26,059,244         | 17,207,376        | 25,198,092         | 16,355,713        |
| Money market repurchase commitments                         | 16c        | 16,221,981         | 15,832,953        | 16,067,181         | 15,206,091        |
| Securities issued   | 18         | 35,713,393         | 31,134,839        | 35,713,393         | 32,066,337        |
| Interbank accounts  | 10c        | 23,930             | 144               | 1,571,958          | 1,642,152         |
| Borrowings and domestic onlendings                          | 17a        | 4,517,460          | 3,578,360         | 4,517,460          | 3,578,360         |
| Derivative financial instruments                            | 9a         | 6,896,513          | 3,017,252         | 5,629,885          | 2,934,562         |
| Subordinated debts and debt instruments eligible as capital | 19a        | 4,024,274          | 6,597,168         | 4,024,274          | 6,597,168         |
| Other financial liabilities                                 | 20a        | 13,530,720         | 864,777           | 13,730,289         | 5,620,971         |
| <b>Tax liabilities</b>                                      |            | <b>326,833</b>     | <b>120,529</b>    | <b>431,502</b>     | <b>566,872</b>    |
| Current tax liabilities                                     | 24b.1      | 90,512             | 77,790            | 187,215            | 478,488           |
| Deferred tax liabilities                                    | 24b.2      | 236,321            | 42,739            | 244,287            | 88,384            |
| <b>Provision for tax, civil and labor lawsuits</b>          | <b>27e</b> | <b>809,499</b>     | <b>103,860</b>    | <b>867,709</b>     | <b>906,308</b>    |
| <b>Other liabilities</b>                                    | <b>20a</b> | <b>1,455,052</b>   | <b>676,354</b>    | <b>1,627,406</b>   | <b>1,501,565</b>  |
| <b>SHAREHOLDERS' EQUITY</b>                                 |            | <b>10,644,142</b>  | <b>9,855,457</b>  | <b>10,652,103</b>  | <b>9,885,881</b>  |
| <b>Capital</b>  | <b>23a</b> | <b>8,130,372</b>   | <b>8,130,372</b>  | <b>8,130,372</b>   | <b>8,130,372</b>  |
| <b>Capital reserves</b>                                     | <b>23b</b> | <b>372,120</b>     | <b>372,120</b>    | <b>372,120</b>     | <b>372,120</b>    |
| <b>Profit reserves</b>                                      |            | <b>1,400,198</b>   | <b>1,379,702</b>  | <b>1,354,565</b>   | <b>1,334,069</b>  |
| <b>Other comprehensive income</b>                           | <b>23g</b> | <b>151,991</b>     | <b>(26,737)</b>   | <b>171,893</b>     | <b>49,320</b>     |
| <b>Retained earnings</b>                                    |            | <b>589,461</b>     | <b>-</b>          | <b>623,153</b>     | <b>-</b>          |
| <b>Non-controlling interests</b>                            |            | <b>-</b>           | <b>-</b>          | <b>-</b>           | <b>-</b>          |
| <b>TOTAL LIABILITIES <sup>(1)</sup></b>                     |            | <b>120,223,041</b> | <b>88,989,069</b> | <b>120,031,252</b> | <b>96,861,980</b> |

<sup>(1)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

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



## INCOME STATEMENT

Nine-month period from January, 1 to September, 30 2020 and 2019

and three-month period ended September, 30 2020

(In thousands of Reais, unless otherwise stated)

|   | Note         | Bank                   |                        |                        |                        |
|---|--------------|------------------------|------------------------|------------------------|------------------------|
|   |              | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>FINANCIAL INTERMEDIATION INCOME</b>                                |              | <b>2,129,076</b>       | <b>1,761,459</b>       | <b>6,598,610</b>       | <b>4,479,362</b>       |
| Loans   | 11b          | 1,191,037              | 244,798                | 1,664,911              | 596,549                |
| Income from securities  | 8c           | 379,406                | 1,278,209              | 2,727,084              | 3,778,631              |
| Income (Losses) from derivative financial instruments                 | 9i           | 341,575                | 117,204                | 1,580,671              | (69,448)               |
| Income from exchange foreign operations                               | 12c          | 47,274                 | 102,895                | 435,079                | 138,265                |
| Income from compulsory deposits                                       | 10d          | 5,519                  | 18,353                 | 26,600                 | 35,365                 |
| Liabilities associated with assigned financial assets                 | 11j.1        | 164,265                | -                      | 164,265                | -                      |
| <b>FINANCIAL INTERMEDIATION EXPENSES</b>                              |              | <b>(1,242,965)</b>     | <b>(1,650,640)</b>     | <b>(5,985,200)</b>     | <b>(3,892,313)</b>     |
| Deposits and securities sold under repurchase agreements              | 16d          | (1,042,553)            | (1,432,504)            | (4,747,221)            | (3,605,026)            |
| Borrowings and onlendings   | 17d          | (137,192)              | (218,136)              | (1,174,759)            | (287,287)              |
| Liabilities associated with assigned financial assets                 | 11j.1        | (63,220)               | -                      | (63,220)               | -                      |
| <b>INCOME (LOSS) FROM FINANCIAL INTERMEDIATION</b>                    |              | <b>886,111</b>         | <b>110,819</b>         | <b>613,410</b>         | <b>587,049</b>         |
| <b>INCOME (LOSS) FROM ALLOWANCE FOR LOSSES</b>                        |              | <b>(549,994)</b>       | <b>30,885</b>          | <b>(539,217)</b>       | <b>(36,499)</b>        |
| (Provision) / reversal of provision for loan losses                   | 11f.1        | (421,557)              | (30,111)               | (420,929)              | (151,464)              |
| Other (provision) / reversal of provision associated with credit risk | 11f.1        | (37,284)               | 57,414                 | (44,981)               | 122,463                |
| (Provision) / reversal of provision for securities impairment         | 8d           | (91,153)               | 3,582                  | (73,307)               | (7,498)                |
| <b>OPERATING INCOME/EXPENSES</b>                                      |              | <b>(389,472)</b>       | <b>263,016</b>         | <b>(174,907)</b>       | <b>703,921</b>         |
| Service income  | 21a          | 81,865                 | 48,371                 | 213,716                | 163,271                |
| Income from banking fees  | 21b          | 120,302                | 279                    | 121,410                | 812                    |
| Personnel expenses  | 21c          | (227,263)              | (79,399)               | (269,811)              | (214,434)              |
| Other administrative expenses   | 21d          | (235,830)              | (55,298)               | (371,204)              | (156,395)              |
| Tax expenses  | 24c          | (69,467)               | 5,487                  | (101,806)              | (28,763)               |
| Share of profit (loss) in subsidiaries, associates and joint ventures | 13a          | 118,850                | 316,414                | 413,021                | 893,751                |
| (Provision) / reversal of provision for contingent liabilities        | 27e.3        | 25,767                 | 43,365                 | 25,005                 | 72,082                 |
| Other operating income  | 21e          | 10,274                 | 2,246                  | 22,292                 | 11,430                 |
| Other operating expenses  | 21f          | (213,970)              | (18,449)               | (227,530)              | (37,833)               |
| <b>OPERATING INCOME</b>   |              | <b>(53,355)</b>        | <b>404,720</b>         | <b>(100,714)</b>       | <b>1,254,471</b>       |
| <b>OTHER INCOME AND EXPENSES</b>                                      | <b>22</b>    | <b>2,508</b>           | <b>2,741</b>           | <b>(4,198)</b>         | <b>2,549</b>           |
| Other income  |              | 8,661                  | 3,069                  | 12,423                 | 5,310                  |
| Other expenses  |              | (6,153)                | (328)                  | (16,621)               | (2,761)                |
| <b>INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING</b>       |              | <b>(50,847)</b>        | <b>407,461</b>         | <b>(104,912)</b>       | <b>1,257,020</b>       |
| <b>INCOME TAX AND SOCIAL CONTRIBUTION</b>                             | <b>24d.1</b> | <b>382,745</b>         | <b>31,433</b>          | <b>870,983</b>         | <b>(71,175)</b>        |
| <b>PROFIT SHARING - EMPLOYEES AND MANAGEMENT</b>                      |              | <b>(57,795)</b>        | <b>(36,193)</b>        | <b>(82,069)</b>        | <b>(95,137)</b>        |
| <b>NON-CONTROLLING INTERESTS</b>                                      |              | <b>-</b>               | <b>-</b>               | <b>-</b>               | <b>-</b>               |
| <b>NET PROFIT <sup>(1)</sup></b>                                      |              | <b>274,103</b>         | <b>402,701</b>         | <b>684,002</b>         | <b>1,090,708</b>       |
| <b>EARNINGS PER SHARE</b>   |              |                        |                        |                        |                        |
| Earnings per share - R\$  | 23e          | 2.60                   | 3.82                   | 6.49                   | 10.35                  |
| Number of shares (thousand lot)                                       | 23a          | 105,391,473            | 105,391,473            | 105,391,473            | 105,391,473            |

<sup>(1)</sup> In the Bank, it includes appropriation of income generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

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



## INCOME STATEMENT

Nine-month period from January, 1 to September, 30 2020 and 2019

and three-month period ended September, 30 2020

(In thousands of Reais, unless otherwise stated)

|   | Note         | Consolidated           |                        |                        |                        |
|---|--------------|------------------------|------------------------|------------------------|------------------------|
|   |              | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>FINANCIAL INTERMEDIATION INCOME</b>                                |              | <b>2,643,590</b>       | <b>3,145,878</b>       | <b>10,112,983</b>      | <b>8,670,147</b>       |
| Loans   | 11b          | 1,784,203              | 2,113,261              | 5,937,609              | 6,064,376              |
| Leases  | 11h          | 1,902                  | 10,298                 | 7,332                  | 23,348                 |
| Income from securities  | 8c           | 310,947                | 696,307                | 2,231,452              | 2,133,323              |
| Income (Losses) from derivative financial instruments                 | 9i           | 236,713                | (54,223)               | 820,601                | (506,818)              |
| Income from exchange foreign operations                               | 12c          | 47,274                 | 102,895                | 435,079                | 138,265                |
| Income from compulsory deposits                                       | 10d          | 5,519                  | 18,353                 | 26,600                 | 35,365                 |
| Liabilities associated with assigned financial assets                 | 11j.1        | 257,032                | 258,987                | 654,310                | 782,288                |
| <b>FINANCIAL INTERMEDIATION EXPENSES</b>                              |              | <b>(1,263,468)</b>     | <b>(1,764,752)</b>     | <b>(6,176,293)</b>     | <b>(4,246,177)</b>     |
| Deposits and securities sold under repurchase agreements              | 16d          | (1,029,241)            | (1,421,535)            | (4,722,750)            | (3,558,872)            |
| Borrowings and onlendings   | 17d          | (137,192)              | (218,136)              | (1,174,759)            | (287,287)              |
| Liabilities associated with assigned financial assets                 | 11j.1        | (97,035)               | (125,081)              | (278,784)              | (400,018)              |
| <b>INCOME (LOSS) FROM FINANCIAL INTERMEDIATION</b>                    |              | <b>1,380,122</b>       | <b>1,381,126</b>       | <b>3,936,690</b>       | <b>4,423,970</b>       |
| <b>INCOME (LOSS) FROM ALLOWANCE FOR LOSSES</b>                        |              | <b>(761,787)</b>       | <b>(390,913)</b>       | <b>(2,290,841)</b>     | <b>(1,303,601)</b>     |
| (Provision) / reversal of provision for loan losses                   | 11f.1        | (632,864)              | (451,486)              | (2,170,406)            | (1,420,728)            |
| Other (provision) / reversal of provision associated with credit risk | 11f.1        | (37,770)               | 56,991                 | (47,128)               | 124,625                |
| (Provision) / reversal of provision for securities impairment         | 8d           | (91,153)               | 3,582                  | (73,307)               | (7,498)                |
| <b>OPERATING INCOME/EXPENSES</b>                                      |              | <b>(591,178)</b>       | <b>(472,379)</b>       | <b>(1,442,722)</b>     | <b>(1,340,208)</b>     |
| Service income  | 21a          | 379,744                | 363,495                | 1,036,586              | 1,089,496              |
| Income from banking fees  | 21b          | 209,890                | 215,387                | 581,395                | 641,993                |
| Personnel expenses  | 21c          | (346,357)              | (403,055)              | (774,279)              | (1,029,618)            |
| Other administrative expenses   | 21d          | (380,095)              | (361,854)              | (1,113,934)            | (1,003,036)            |
| Tax expenses  | 24c          | (134,045)              | (114,286)              | (392,045)              | (413,477)              |
| Share of profit (loss) in subsidiaries, associates and joint ventures | 13a          | (3,238)                | 5,746                  | (36,186)               | (3,428)                |
| (Provision) / reversal of provision for contingent liabilities        | 27e.3        | 44,632                 | 152,033                | 38,599                 | 282,359                |
| Other operating income  | 21e          | 18,736                 | 18,612                 | 96,810                 | 83,687                 |
| Other operating expenses  | 21f          | (380,445)              | (348,457)              | (879,668)              | (988,184)              |
| <b>OPERATING INCOME</b>   |              | <b>27,157</b>          | <b>517,834</b>         | <b>203,127</b>         | <b>1,780,161</b>       |
| <b>OTHER INCOME AND EXPENSES</b>                                      | <b>22</b>    | <b>4,108</b>           | <b>6,776</b>           | <b>34,082</b>          | <b>6,570</b>           |
| Other income  |              | 6,163                  | 10,961                 | 41,244                 | 18,310                 |
| Other expenses  |              | (2,055)                | (4,185)                | (7,162)                | (11,740)               |
| <b>INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING</b>       |              | <b>31,265</b>          | <b>524,610</b>         | <b>237,209</b>         | <b>1,786,731</b>       |
| <b>INCOME TAX AND SOCIAL CONTRIBUTION</b>                             | <b>24d.1</b> | <b>310,819</b>         | <b>(115,045)</b>       | <b>649,722</b>         | <b>(551,559)</b>       |
| <b>PROFIT SHARING - EMPLOYEES AND MANAGEMENT</b>                      |              | <b>(67,392)</b>        | <b>(54,423)</b>        | <b>(169,237)</b>       | <b>(192,023)</b>       |
| <b>NON-CONTROLLING INTERESTS</b>                                      |              | <b>-</b>               | <b>-</b>               | <b>-</b>               | <b>-</b>               |
| <b>NET PROFIT</b>   |              | <b>274,692</b>         | <b>355,142</b>         | <b>717,694</b>         | <b>1,043,149</b>       |

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





## STATEMENT OF OTHER COMPREHENSIVE INCOME

Nine-month period from January, 1 to September, 30 2020 and 2019  
and three-month period ended September, 30 2020  
(In thousands of Reais, unless otherwise stated)

|  | Note       | Bank                   |                        |                        |                        |
|--|------------|------------------------|------------------------|------------------------|------------------------|
|  |            | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Net income for the period</b>   |            | <b>274,103</b>         | <b>402,701</b>         | <b>684,002</b>         | <b>1,090,708</b>       |
| <b>Other comprehensive income that can be subsequently reclassified to profit or loss:</b> |            |                        |                        |                        |                        |
| <b>Net variation in the fair value of financial assets available for sale</b>              | <b>23g</b> | <b>156,369</b>         | <b>(9,296)</b>         | <b>91,342</b>          | <b>143,447</b>         |
| Adjustment to fair value against shareholder's equity                                      |            | 286,241                | 57,754                 | 335,126                | 350,331                |
| Adjustment to fair value transferred to income   |            | 3,762                  | (85,481)               | (158,005)              | (124,332)              |
| Tax effect   |            | (133,634)              | 18,431                 | (85,779)               | (82,552)               |
| <b>Cash flow hedge</b>   | <b>23g</b> | <b>70,796</b>          | <b>(24,633)</b>        | <b>87,386</b>          | <b>(93,942)</b>        |
| Adjustment to fair value against shareholder's equity                                      |            | 108,098                | (52,103)               | 138,664                | (170,836)              |
| Adjustment to fair value transferred to income   |            | 20,621                 | 11,048                 | 20,219                 | 14,266                 |
| Tax effect   |            | (57,923)               | 16,422                 | (71,497)               | 62,628                 |
| <b>Total of other comprehensive income for the period</b>                                  |            | <b>227,165</b>         | <b>(33,929)</b>        | <b>178,728</b>         | <b>49,505</b>          |
| <b>Total comprehensive income <sup>(1)</sup></b>   |            | <b>501,268</b>         | <b>368,772</b>         | <b>862,730</b>         | <b>1,140,213</b>       |

  

|  | Note       | Consolidated           |                        |                        |                        |
|--|------------|------------------------|------------------------|------------------------|------------------------|
|  |            | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Net income for the period</b>   |            | <b>274,692</b>         | <b>355,142</b>         | <b>717,694</b>         | <b>1,043,149</b>       |
| <b>Other comprehensive income that can be subsequently reclassified to profit or loss:</b> |            |                        |                        |                        |                        |
| <b>Net variation in the fair value of financial assets available for sale</b>              | <b>23g</b> | <b>155,388</b>         | <b>71,113</b>          | <b>35,187</b>          | <b>223,856</b>         |
| Adjustment to fair value against shareholder's equity                                      |            | 285,260                | 57,754                 | 329,290                | 350,331                |
| Adjustment to fair value transferred to income   |            | 3,762                  | (5,072)                | (208,324)              | (43,923)               |
| Tax effect   |            | (133,634)              | 18,431                 | (85,779)               | (82,552)               |
| <b>Cash flow hedge</b>   | <b>23g</b> | <b>70,796</b>          | <b>(24,633)</b>        | <b>87,386</b>          | <b>(93,942)</b>        |
| Adjustment to fair value against shareholder's equity                                      |            | 108,098                | (52,103)               | 138,664                | (170,836)              |
| Adjustment to fair value transferred to income   |            | 20,621                 | 11,048                 | 20,219                 | 14,266                 |
| Tax effect   |            | (57,923)               | 16,422                 | (71,497)               | 62,628                 |
| <b>Total of other comprehensive income for the period</b>                                  |            | <b>226,184</b>         | <b>46,480</b>          | <b>122,573</b>         | <b>129,914</b>         |
| <b>Total comprehensive income</b>  |            | <b>500,876</b>         | <b>401,622</b>         | <b>840,267</b>         | <b>1,173,063</b>       |

<sup>(1)</sup> In the Bank, it includes appropriation of income generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event. The accompanying notes are an integral part of these individual and consolidated financial statements.



## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Nine-month period from January 1 to September, 30 2020 and 2019

(In thousands of Reais, unless otherwise stated)

| Bank<br>Events                                       | Note | Capital          | Capital<br>reserves | Profit reserves |                   | Other<br>comprehensive<br>income | Retained<br>earnings | Total             |
|--|------|------------------|---------------------|-----------------|-------------------|----------------------------------|----------------------|-------------------|
|  |      | Paid-up capital  |                     | Legal           | Other<br>reserves |                                  |                      |                   |
| <b>Balances at December 31, 2018</b>                 |      | <b>8,130,372</b> | <b>372,120</b>      | <b>134,733</b>  | <b>915,365</b>    | <b>(178,995)</b>                 | <b>-</b>             | <b>9,373,595</b>  |
| Equity valuation adjustments, net of taxes           | 23g  | -                | -                   | -               | -                 | 49,505                           | -                    | 49,505            |
| Net income for the period                            |      | -                | -                   | -               | -                 | -                                | 1,090,708            | 1,090,708         |
| Allocations:   |      |                  |                     |                 |                   |                                  |                      |                   |
| Legal reserve  | 23d  | -                | -                   | 34,401          | -                 | -                                | (34,401)             | -                 |
| Declared dividends                                   | 23d  | -                | -                   | -               | -                 | -                                | (400,000)            | (400,000)         |
| <b>Balances at September 30, 2019 <sup>(1)</sup></b> |      | <b>8,130,372</b> | <b>372,120</b>      | <b>169,134</b>  | <b>915,365</b>    | <b>(129,490)</b>                 | <b>656,307</b>       | <b>10,113,808</b> |
| <b>Changes in the period</b>                         |      | <b>-</b>         | <b>-</b>            | <b>34,401</b>   | <b>-</b>          | <b>49,505</b>                    | <b>656,307</b>       | <b>740,213</b>    |
| <b>Balances at December 31, 2019 <sup>(1)</sup></b>  |      | <b>8,130,372</b> | <b>372,120</b>      | <b>205,527</b>  | <b>1,174,175</b>  | <b>(26,737)</b>                  | <b>-</b>             | <b>9,855,457</b>  |
| Equity valuation adjustments, net of taxes           | 23g  | -                | -                   | -               | -                 | 178,728                          | -                    | 178,728           |
| Net income for the period                            |      | -                | -                   | -               | -                 | -                                | 684,002              | 684,002           |
| Allocations:   |      |                  |                     |                 |                   |                                  |                      |                   |
| Legal reserve  | 23d  | -                | -                   | 20,496          | -                 | -                                | (20,496)             | -                 |
| Declared dividends                                   | 23d  | -                | -                   | -               | -                 | -                                | (26,545)             | (26,545)          |
| Declared interest on own capital                     | 23d  | -                | -                   | -               | -                 | -                                | (47,500)             | (47,500)          |
| <b>Balances at September 30, 2020 <sup>(1)</sup></b> |      | <b>8,130,372</b> | <b>372,120</b>      | <b>226,023</b>  | <b>1,174,175</b>  | <b>151,991</b>                   | <b>589,461</b>       | <b>10,644,142</b> |
| <b>Changes in the period</b>                         |      | <b>-</b>         | <b>-</b>            | <b>20,496</b>   | <b>-</b>          | <b>178,728</b>                   | <b>589,461</b>       | <b>788,685</b>    |

<sup>(1)</sup> Does not includes effects of elimination of unrealized income arising from transactions between related parties described in note 23f.

Earnings per Share are disclosed in the Statement of Income.

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



## STATEMENT OF CASH FLOWS

Nine-month period from January 1 to September, 30 2020 and 2019  
(In thousands of Reals, unless otherwise stated)

|   | Note  | Bank                   |                        | Consolidated           |                        |
|---|-------|------------------------|------------------------|------------------------|------------------------|
|   |       | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Cash flows from operating activities  |       |                        |                        |                        |                        |
| Income (loss) before income and social contribution taxes                                   |       | (104,912)              | 1,257,020              | 237,209                | 1,786,731              |
| Adjustments to income (loss) before income and social contribution taxes                    |       | 468,217                | (298,690)              | 2,884,162              | 2,147,963              |
| Provision / (reversal of provision) for loan losses   | 11f   | 624,132                | 218,722                | 2,582,814              | 1,874,217              |
| Provision / (reversal of provision) for securities impairment                               | 8d    | 73,307                 | 7,498                  | 73,307                 | 7,498                  |
| Other provision / (reversal of provision) associated with credit risk                       | 11f   | 44,981                 | (122,463)              | 47,128                 | (124,625)              |
| Depreciation and amortization   | 21d   | 36,479                 | 18,124                 | 107,418                | 84,337                 |
| Provision / (reversal of provision) for investment losses due to tax incentives             | 22    | (2,485)                | -                      | (5,931)                | (4,954)                |
| Income from investments in associates and joint ventures                                    | 13a   | (413,021)              | (893,751)              | 36,186                 | 3,428                  |
| Exchange variation of investments abroad  | 9i    | (604,736)              | (104,656)              | (604,736)              | (104,656)              |
| Exchange variation of financing abroad  | 29e   | 595,677                | 301,276                | 595,677                | 301,276                |
| (Profit) / Loss on disposal of assets   | 22    | (6,062)                | (147)                  | (499)                  | 6,940                  |
| Provision / (provision reversal) for devaluation of other assets                            | 22    | 13,269                 | (3,015)                | (26,047)               | (4,118)                |
| Expenses / (Reversal of expenses) with civil, labor and tax provisions                      | 27e.3 | (25,005)               | (72,082)               | (38,599)               | (282,359)              |
| Effect of changes in foreign exchange rates on cash and cash equivalents                    |       | (54,239)               | (11,221)               | (54,239)               | (11,221)               |
| Interest expense on subordinated debt obligations and debt instruments eligible for capital | 29e   | 227,429                | 375,016                | 227,429                | 375,016                |
| Interest income from securities held to maturity  |       | (41,473)               | (11,942)               | (41,473)               | (11,942)               |
| Other operating income and expenses   |       | -                      | -                      | (14,241)               | 39,177                 |
| Other adjustments   |       | (36)                   | (49)                   | (32)                   | (51)                   |
| Adjusted income before income and tax social contribution                                   |       | 363,305                | 958,330                | 3,121,371              | 3,934,694              |
| Changes in operating assets and liabilities   |       | 10,212,189             | (3,980,075)            | 7,687,458              | (3,401,780)            |
| (Increase) / decrease in interbank investments <sup>(1)</sup>                               |       | (3,091,406)            | 1,863,189              | (4,626,694)            | 5,771,410              |
| (Increase) Decrease in trading securities and derivative financial instruments              |       | (868,214)              | 218,378                | (2,007,133)            | 2,279,300              |
| (Increase) / decrease in interbank accounts   |       | 925,893                | (1,333,101)            | 831,913                | (1,229,834)            |
| (Increase) / decrease in loans and leases   |       | (704,839)              | 1,092,816              | (2,773,070)            | (4,325,633)            |
| (Increase) / decrease in other assets   |       | (6,235,655)            | (656,837)              | (6,138,582)            | (744,822)              |
| (Increase) Decrease in tax assets   |       | 89,635                 | (4,842)                | 305,029                | 75,003                 |
| (Decrease) / increase in deposits   |       | 8,851,867              | 5,284,471              | 8,842,379              | 5,049,106              |
| (Decrease) / increase in money market repurchase commitments                                |       | 389,028                | (13,699,656)           | 861,090                | (12,067,317)           |
| (Decrease) / increase in securities issued  |       | 4,578,554              | 3,736,899              | 3,647,056              | 2,688,534              |
| (Decrease) / increase in liabilities from borrowings and onlendings                         |       | 939,100                | (832,010)              | 939,100                | (832,010)              |
| (Decrease) / increase in other obligations  |       | 5,201,943              | 341,753                | 7,984,044              | (7,191)                |
| (Decrease) / increase in tax liabilities  |       | 136,283                | 8,865                  | (177,674)              | (58,326)               |
| Income tax and social contribution paid   |       | (9,242)                | (1,034)                | (485,001)              | (179,987)              |
| CASH USED BY OPERATING ACTIVITIES   |       | 10,566,252             | (3,022,779)            | 10,323,828             | 352,927                |
| Cash flows from investing activities  |       |                        |                        |                        |                        |
| (Acquisition / increase) of securities available for sale                                   |       | (4,539,324)            | 237,864                | (4,534,053)            | (313,212)              |
| (Acquisition / increase) of securities held to maturity                                     |       | (3,409,609)            | (903,925)              | (2,835,213)            | (903,925)              |
| (Acquisition) of property for use   |       | (25,928)               | (11,705)               | (26,105)               | (12,914)               |
| (Acquisition / activation) of intangible  |       | (130,390)              | (112,902)              | (222,744)              | (154,693)              |
| (Acquisition / increase) of investments in subsidiaries                                     |       | (527,169)              | 102,216                | (40,791)               | (38,197)               |
| Disposal / decrease of securities available for sale  |       | 1,728,771              | 2,056,153              | 2,448,770              | 359,395                |
| Maturity of securities held to maturity   |       | 241,538                | 1,367,761              | 241,538                | 1,367,761              |
| Disposal of property for use  |       | -                      | 15                     | -                      | 22                     |
| Disposal / decrease of investments in subsidiaries  |       | 1,324,984              | 168,091                | 640,945                | 300,755                |
| Dividends / interest on own capital received <sup>(2)</sup>                                 |       | -                      | 900,975                | 1,767                  | 1,873                  |
| NET CASH GENERATED BY INVESTING ACTIVITIES  |       | (5,337,127)            | 3,804,543              | (4,325,886)            | 606,865                |
| Cash flows from financing activities  |       |                        |                        |                        |                        |
| Dividends paid  |       | (25,042)               | (18,859)               | (25,042)               | (18,859)               |
| Liquidation in obligations due to subordinated debts  | 29e   | (3,426,284)            | (331,536)              | (3,426,284)            | (331,536)              |
| Fundraising in obligations due to subordinated debts  | 29e   | 15,000                 | -                      | 15,000                 | -                      |
| Other changes in subordinated debts and debt instruments eligible for capital               | 29e   | 15,284                 | (4,611)                | 15,284                 | (4,611)                |
| CASH GENERATED BY FINANCING ACTIVITIES  |       | (3,421,042)            | (355,006)              | (3,421,042)            | (355,006)              |
| Net variation in cash and cash equivalents  |       |                        |                        |                        |                        |
|   |       | 1,808,083              | 426,758                | 2,576,900              | 604,786                |
| Beginning of the period   |       | 2,327,760              | 1,554,979              | 1,051,889              | 1,609,240              |
| Effect of changes in foreign exchange rates on cash and cash equivalents                    |       | 54,239                 | 11,221                 | 54,239                 | 11,221                 |
| End of the period <sup>(1)</sup>  | 6     | 4,190,082              | 1,992,958              | 3,683,028              | 2,225,247              |
| Net increase (decrease) in cash and cash equivalents  |       | 1,808,083              | 426,758                | 2,576,900              | 604,786                |

<sup>(1)</sup> The assets and liabilities of BV Financeira existing at June 30, 2020 and spun off to Banco Votorantim on July 31, 2020, were not considered in this Statement of Cash Flows as it does not involve cash and cash equivalents.

<sup>(2)</sup> Amounts net of taxes.

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



## STATEMENT OF ADDED VALUE

Nine-month period from January 1 to September, 30 2020 and 2019  
(In thousands of Reais, unless otherwise stated)

|  | Note           | Bank                   |                 |                        |                | Consolidated           |                |                        |                |
|--|----------------|------------------------|-----------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|
|  |                | 01.01 to<br>09.30.2020 |                 | 01.01 to<br>09.30.2019 |                | 01.01 to<br>09.30.2020 |                | 01.01 to<br>09.30.2019 |                |
| <b>Income</b>  |                | <b>6,210,088</b>       |                 | <b>4,655,174</b>       |                | <b>8,729,946</b>       |                | <b>8,482,467</b>       |                |
| Financial intermediation income                                |                | 6,598,610              |                 | 4,479,362              |                | 10,112,983             |                | 8,670,147              |                |
| Service income and banking fees                                | 21a / 21b      | 335,126                |                 | 164,083                |                | 1,617,981              |                | 1,731,489              |                |
| Allowance for loan losses                                      | 8d / 11f       | (539,217)              |                 | (36,499)               |                | (2,290,841)            |                | (1,303,601)            |                |
| (Provision) / reversal of provision for contingent liabilities | 27e.3          | 25,005                 |                 | 72,082                 |                | 38,599                 |                | 282,359                |                |
| Other income/(expenses)  | 21e / 21f / 22 | (209,436)              |                 | (23,854)               |                | (748,776)              |                | (897,927)              |                |
| <b>Financial Intermediation expenses</b>                       |                | <b>(5,985,200)</b>     |                 | <b>(3,892,313)</b>     |                | <b>(6,176,293)</b>     |                | <b>(4,246,177)</b>     |                |
| <b>Inputs acquired from third parties</b>                      |                | <b>(314,931)</b>       |                 | <b>(129,877)</b>       |                | <b>(960,740)</b>       |                | <b>(878,914)</b>       |                |
| Materials, water, electricity and gas                          | 21d            | (1,686)                |                 | (810)                  |                | (5,371)                |                | (5,824)                |                |
| Outsourced services  | 21d            | (3,241)                |                 | (917)                  |                | (7,283)                |                | (7,565)                |                |
| Communications   | 21d            | (8,344)                |                 | (1,044)                |                | (45,592)               |                | (36,505)               |                |
| Data processing  | 21d            | (77,746)               |                 | (45,779)               |                | (218,831)              |                | (189,741)              |                |
| Transportation   | 21d            | (503)                  |                 | (850)                  |                | (3,274)                |                | (9,546)                |                |
| Surveillance and security services                             | 21d            | (752)                  |                 | (408)                  |                | (1,465)                |                | (1,289)                |                |
| Specialized technical services                                 | 21d            | (129,505)              |                 | (36,145)               |                | (381,010)              |                | (349,684)              |                |
| Financial system services                                      | 21d            | (32,748)               |                 | (22,602)               |                | (78,906)               |                | (70,553)               |                |
| Advertising and publicity                                      | 21d            | (17,749)               |                 | (810)                  |                | (37,628)               |                | (31,367)               |                |
| Judicial and notary public fees                                | 21d            | (12,001)               |                 | (3,934)                |                | (49,002)               |                | (64,947)               |                |
| Other  | 21d            | (30,656)               |                 | (16,578)               |                | (132,378)              |                | (111,893)              |                |
| <b>Gross value added</b>                                       |                | <b>(90,043)</b>        |                 | <b>632,984</b>         |                | <b>1,592,913</b>       |                | <b>3,357,376</b>       |                |
| Amortization/depreciation expenses                             | 21d            | (36,479)               |                 | (18,124)               |                | (107,418)              |                | (84,337)               |                |
| <b>Net value added produced by the entity</b>                  |                | <b>(126,522)</b>       |                 | <b>614,860</b>         |                | <b>1,485,495</b>       |                | <b>3,273,039</b>       |                |
| <b>Value added received as transfer</b>                        |                | <b>413,021</b>         |                 | <b>893,751</b>         |                | <b>(36,186)</b>        |                | <b>(3,428)</b>         |                |
| Income from investments in associates and joint ventures       | 13a            | 413,021                |                 | 893,751                |                | (36,186)               |                | (3,428)                |                |
| <b>Value added payable <sup>(2)</sup></b>                      |                | <b>286,499</b>         | <b>100.00%</b>  | <b>1,508,611</b>       | <b>100.00%</b> | <b>1,449,309</b>       | <b>100.00%</b> | <b>3,269,611</b>       | <b>100.00%</b> |
| <b>Distributed value added <sup>(2)</sup></b>                  |                | <b>286,499</b>         | <b>100.00%</b>  | <b>1,508,611</b>       | <b>100.00%</b> | <b>1,449,309</b>       | <b>100.00%</b> | <b>3,269,611</b>       | <b>100.00%</b> |
| <b>Personnel</b>   |                | <b>301,564</b>         | <b>105.26%</b>  | <b>273,656</b>         | <b>18.14%</b>  | <b>828,334</b>         | <b>57.15%</b>  | <b>1,108,756</b>       | <b>33.91%</b>  |
| Salaries, fees and labor demands <sup>(1)</sup>                | 21c            | 161,888                |                 | 142,521                |                | 508,421                |                | 763,699                |                |
| Profit sharing - Employees and Management                      |                | 82,069                 |                 | 95,137                 |                | 169,237                |                | 192,023                |                |
| Benefits, training programs and other                          | 21c            | 40,466                 |                 | 22,069                 |                | 110,546                |                | 105,132                |                |
| FGTS   |                | 17,098                 |                 | 13,898                 |                | 40,087                 |                | 47,871                 |                |
| Other charges  |                | 43                     |                 | 31                     |                | 43                     |                | 31                     |                |
| <b>Taxes, rates and contributions</b>                          |                | <b>(718,861)</b>       | <b>-250.91%</b> | <b>135,853</b>         | <b>9.01%</b>   | <b>(142,495)</b>       | <b>-9.83%</b>  | <b>1,077,921</b>       | <b>32.97%</b>  |
| Federal  |                | (735,262)              |                 | 128,209                |                | (202,327)              |                | 976,972                |                |
| State  |                | 24                     |                 | 206                    |                | 24                     |                | 536                    |                |
| Municipal  |                | 16,377                 |                 | 7,438                  |                | 59,808                 |                | 100,413                |                |
| <b>Third-party capital remuneration</b>                        |                | <b>19,794</b>          | <b>6.91%</b>    | <b>8,394</b>           | <b>0.56%</b>   | <b>45,776</b>          | <b>3.16%</b>   | <b>39,785</b>          | <b>1.22%</b>   |
| Rental   | 21d            | 19,794                 |                 | 8,394                  |                | 45,776                 |                | 39,785                 |                |
| <b>Remuneration of own capital</b>                             |                | <b>684,002</b>         | <b>238.74%</b>  | <b>1,090,708</b>       | <b>72.29%</b>  | <b>717,694</b>         | <b>49.52%</b>  | <b>1,043,149</b>       | <b>31.90%</b>  |
| Dividends / interest of own capital                            |                | 74,045                 |                 | 400,000                |                | 74,045                 |                | 400,000                |                |
| Retained earnings  |                | 609,957                |                 | 690,708                |                | 643,649                |                | 643,149                |                |

<sup>(1)</sup> Includes reversal of provision for long-term incentive plan expenses, related to disbursements, whose realization is no longer expected.

<sup>(2)</sup> In the Bank, it includes the subsequent income of assets and liabilities received from the incorporation of the spun-off portion of BV Financeira.

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



## INTERIM FINANCIAL STATEMENTS

as of September 30, 2020

(Amounts in thousand of Reais, unless otherwise indicated)

### Notes to the Individual and Consolidated Interim Financial Statements

#### 1. THE CONGLOMERATE AND ITS OPERATIONS

Banco Votorantim S.A. (banco BV, Banco Votorantim, Bank, Institution, Company, Conglomerate or Consolidated) is a private company with its headquarters located at Av. das Nações Unidas, nº 14.171, in the city of São Paulo – SP, Brazil. The Bank operates as a Multiple Bank, providing financial services as permitted by its banking licence, which include commercial banking, investment banking and foreign exchange operation portfolios.

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

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

Since 2014, banco BV has expanded its investments in technology and data, consolidated its 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. CORPORATE RESTRUCTURING

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

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

##### b) Partial 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 BV were valued, on June 30, 2020, base date of the transaction, in the book value of R\$ 226,607, adding the equity variations occurred between the base date of the accounting appraisal report and the date of the 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 29, 2020.

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



## INTERIM FINANCIAL STATEMENTS

as of September 30, 2020

(Amounts in thousand of Reals, unless otherwise indicated)

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

Assets: R\$ 43,895,330

Liabilities: R\$ 43,668,723

Shareholders' Equity: R\$ 226,607

With the incorporation of the spun-off portion of BV Financeira, several lines of the Statement of Financial Position suffered an increase in its balances impairing comparability with December 2019. The main amounts of BV Financeira incorporated on July 31, 2020 in Banco Votorantim's Statement of Financial Position are shown below:

| Assets         | 07.31.2020 | Liabilities                                 | 07.31.2020 |
|----------------|------------|---|------------|
| Securites      | 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  |   |            |

Subsequently 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 authorized the transaction on October 29, 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

### 3. PRESENTATION OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Individual and Consolidated Interim 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).

As of the year ended in December 31, 2019, the management chooses to disclose the Consolidated Financial Statements of banco BV including the consolidation of non-financial companies (Economic-financial conglomerate). Before that, the consolidation contemplates only the financial companies (Financial conglomerate). All the periods presented in these Financial Statements refers to the Economic-financial conglomerate. This arrangement has as intention to have a greater alignment with market practices of disclosure of financial statements.

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. 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 No. 3,566 / 2008 - Impairment of assets - CPC 01 (R1).
- Resolution No. 3,604 / 2008 - Statement of cash flows - CPC 03 (R2).
- Resolution No. 3,823 / 2009 - Provisions, contingent liabilities and contingent assets - CPC 25.
- Resolution No. 3,973 / 2011 - Subsequent events - CPC 24.
- Resolution No. 3,989 / 2011 - Share-based payment - CPC 10 (R1).
- Resolution No. 4,007 / 2011 - Accounting policies, change in estimate and correction of error - CPC 23.
- Resolution No. 4,144 / 2012 - Basic Conceptual Pronouncement - CPC 00 (R1).
- Resolution No. 4,424 / 2015 - Employee benefits - CPC 33 (R1).
- Resolution No. 4,636 / 2018 - Disclosure about related parties - CPC 05 (R1).
- Resolution No. 4,748 / 2019 - Measurement at fair value - CPC 46.

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), CPC 12 - Adjustment to Present Value, CPC 36 (R3) - Consolidated Statements and CPC 41 - Earnings per Share.

**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 No. 4,534 / 2016 - Intangible assets - CPC 04 (R1).
- Resolution No. 4,535 / 2016 - Property, plant and equipment - CPC 27.

**Changes in the presentation of the Financial Statements**

Based on CMN Resolution No. 4,720 / 2019 and Bacen Circular No. 3,959 / 2019, the Conglomerate made changes to the presentation of the financial statements of March 31, 2020, meeting the requirements of the respective circular. Below is highlighted the main changes:

**Statement of Financial Position**

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

**Income Statement**

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



- Elimination of the "Non-operating income" nomenclature, as well as non-operating income and expenses. Items with these characteristics are now called "Other income" or "Other expenses".

## Notes

- Inclusion of note 5 "Main judgments and accounting estimates", which describes the application of certain assumptions and relevant judgments on equity elements that involve a high degree of uncertainty and that may have a material impact on these financial statements.

## Presentation of comparative balances

For better presentation and comparability in these financial statements, the comparative balances reflect these changes in the presentation of the financial statements.

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

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

- Resolution no. 4,747/2019 - Non Current Assets Held for Sale and Discontinued Operation - CPC 31 - effective for periods beginning on or after January 1, 2021.
- Resolution no. 4,817/2019 - Investment in Associates, Subsidiaries and Joint Ventures - CPC 18 (R2) - effective for periods beginning on or after January 1, 2022.

## Regulations that depend on Bacen regulations that can generate relevant impacts on the Financial Statements:

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

The equity method or the cost method is applied or, according to the regulation, for investment in an associate, subsidiary or joint venture. This procedure differs from CPC 18, which provides for the possibility of adopting measurement at fair value through profit or loss, in accordance with IFRS 9, for a portion of the investment in an associate, subsidiary or joint venture controlled, qualified as a venture capital organization, regardless of whether it exerts significant influence over this portion of the participation.

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

<sup>(1)</sup> Investment fund established in April 2020.

The recognition of goodwill amortization expense whose economic basis is based on the expectation of future results identified in the acquisitions, differs from the provisions of CPC 18, which does not allow for amortization of goodwill of this nature, being this intangible asset only subject to periodic impairment tests.

### CPC 48 - Financial instruments:

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

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

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



**CPC 47 - Customer contract revenue:**

The remuneration for domestic correspondents referring to the origination of credit operations is recognized as an expense on the date of contracting, renegotiation or renewal of these operations, in accordance with the provisions of Bacen Circular No. 3693/2013. This procedure differs from the provisions of CPC 47, which establishes that the recognition of this expense is deferred for the term of the operation.

These Interim Financial Statements were authorized for issue by Management on November 05, 2020.

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

|   | Activity             | 09.30.2020 | 12.31.2019 |
|---|----------------------|------------|------------|
|   |                      | Interest % |            |
| Financial institutions - domestic   |                      |            |            |
| BV Financeira S.A. Crédito, Financiamento e Investimento (BV Financeira) <sup>(1)</sup>                     | Financial            | -          | 100.00%    |
| Banco BV S.A. (former BV Leasing Arrendamento Mercantil S.A.) <sup>(2) (3)</sup>                            | Multiple bank        | 100.00%    | 100.00%    |
| Votorantim Asset Management Distribuidora de TVM Ltda. (Votorantim Asset DTVM) <sup>(2)</sup>               | Asset Management     | 100.00%    | 99.99%     |
| Insurance market institutions   |                      |            |            |
| Votorantim Corretora de Seguros S.A (Votorantim Corretora Seguros)  | Brokerage securities | 100.00%    | 100.00%    |
| Non-financial institutions  |                      |            |            |
| Promotiva S.A. (Promotiva)  | Service provider     | 100.00%    | 100.00%    |
| BV Investimentos Altern. e Gestão de Recursos S.A. (BVIA)   | Asset Management     | 100.00%    | 100.00%    |
| BV Empreendimentos e Participações S.A. (BVEP)  | Holding              | 100.00%    | 100.00%    |
| Atenas SP 02 - Empreendimento Imobiliário (Atenas)  | SPE                  | 100.00%    | 100.00%    |
| Consolidated investment funds   |                      |            |            |
| Votorantim Expertise Multimercado Fundo de Investimento (Expertise)   | Investment fund      | 100.00%    | 100.00%    |
| Crédito Universitário III Fundo de Investimento em Direitos Creditórios (FIDC Universitário) <sup>(4)</sup> | Investment fund      | 90.00%     | -          |
| BVIA subsidiaries   |                      |            |            |
| Marques de Monte Santo Empreend. Imobiliário SPE Ltda. (Monte Santo)  | SPE                  | 100.00%    | 100.00%    |
| Parque Valença Empreendimento Imobiliário SPE Ltda. (Parque Valença)  | SPE                  | 100.00%    | 100.00%    |
| BVEP subsidiaries   |                      |            |            |
| IRE República Empreendimento Imobiliário S.A. (IRE República)   | SPE                  | 100.00%    | 100.00%    |
| Senador Dantas Empreendimento Imobiliário SPE S.A. (Senador Dantas)   | SPE                  | 100.00%    | 100.00%    |
| Henri Dunant Empreend. Imobiliário S.A. (Henri Dunant)  | SPE                  | 100.00%    | 100.00%    |
| Arena XI Incorporações SPE Ltda. (Arena XI)   | SPE                  | 100.00%    | 100.00%    |
| D'oro XVIII Incorporações Ltda. (D'oro XVIII)   | SPE                  | 100.00%    | 100.00%    |
| BVEP Vila Parque Empreendimentos Imobiliários SPE Ltda. (Vila Parque) <sup>(5)</sup>                        | SPE                  | 100.00%    | -          |
| Atenas subsidiaries   |                      |            |            |
| Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 1  | SPE                  | 100.00%    | 100.00%    |
| Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 3  | SPE                  | 100.00%    | 100.00%    |

<sup>(1)</sup> On August 31, 2020, the incorporation of BV Financeira S.A. - Crédito, Financiamento e Investimento (BV Financeira) by Banco BV S.A. (former "BV Leasing") was approved (Note 2b).

<sup>(2)</sup> Financial institution subsidiaries.

<sup>(3)</sup> 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).

<sup>(4)</sup> Investment fund set up in April 2020.

<sup>(5)</sup> 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) Securities**

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

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

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

**Securities held to maturity:** Securities acquired with the positive intent and financial capacity to hold to maturity. Held-to-maturity securities are initially recognized at cost plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised 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.

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

#### **g) Derivative financial instruments**

Derivative financial instruments are 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).

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:** changes in the fair values of the financial instruments and the corresponding hedged items are recognized in profit or loss; and

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

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

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

The Bank performs hedge operations that include characteristics linked to the credit risk of third parties or related parties to the Bank that may result in the anticipated maturity of the derivative without any value being due to the Bank, as provided in the contract.

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

The loan portfolio, including loans, leases and other receivables with loan characteristics are classified according to Management's assessment regarding the level of risk, taking into consideration the current economic environment, past experience and risks specifically related to the respective operation, the counterparty and guarantors, periods of delinquency, and economic group in accordance with the parameters established by CMN, which requires the classification of the portfolio into nine risk levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of transactions with delinquency of more than 14 days as non-performing loans. In relation to the delinquency period for operations with a term of over thirty-six 36 months, the Conglomerate 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 expected losses associated with credit risk is made.

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 operations are maintained, at a minimum, at the level at which they were initially rated on the date of renegotiation. Renegotiations of credit transactions that had been previously written off against provisions are rated as level H and any gains from renegotiation are recognized in profit or loss when effectively received. In order to mitigate the impact of the covid-19 on the economy, the National Monetary Council, through CMN Resolution No. 4,791 / 2020, flexibilized the characterization of a problematic asset allowing situations of (i) incapacity of the counterparty to honor the obligation under the agreed conditions and (ii) restructuring the transaction related to the exposure, are no longer considered indicative that an obligation will not be fully honored. This flexibility is valid for restructuring loans operations carried out up to September 30, 2020.

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 11e).

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

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

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

#### **i) Other assets - Other receivables and assets**

##### **Assets not for own use**

The assets not for own use are recorded when adjudicated, received in payment or otherwise received for settlement or amortization of debts, based on the following criteria for recognition of these assets:

The value of the assets is recorded considering the following criteria:

- Assets with funded amounts in excess of R\$ 51,100.00 are recorded at the value obtained through a technical report from a third-party company and not related to the Conglomerate;
- Assets with funded amounts between R\$ 25,550.00 e R\$ 51,100.00: are recorded by the value obtained through a technical report; and
- Assets with funded amounts of less than R\$ 25,550.00 are recorded for the average balance obtained in the sales of the last 6 months, taking into account the characteristics of the asset.

In addition, in the case of recovery of credits through payment in kind, the following procedures are observed:

- When the valuation of the assets exceeds the book value of the receivable, the amount recorded is equal to the amount of the receivable, since it is not allowed to account for the differential as income; and
- When the valuation of the assets is less than the book value of the credits, the amount recorded is limited to the amount of the valuation of the assets.

The Conglomerate periodically evaluates if there is any indication that these assets may have suffered a devaluation. If there is any indication, the entity estimates its recoverable amount. If the recoverable amount is less than its carrying amount, the asset is reduced to its recoverable amount through a provision for impairment loss, which is recognized in the statement of income under "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.

From January 2, 2015, in compliance with requirements of CMN Resolution no. 4,294/2013, and in accordance with permission provided for in Bacen Circular no. 3,738/2014, two thirds of the remuneration relating to 2015 origination of loan or lease transactions by correspondents are recorded in assets, and the remaining portion is recognized in profit or loss for the period upon origination. As of January 1, 2016, the portion recorded in assets was reduced to one third of the remuneration of operations originated in 2016. In the six-month ended June 30, 2019, the amortization of the amounts recorded in assets based on the permission provided for in circular referred above.

The operations generated as from January 1, 2017, have the remuneration fully recognized as an expense.

**j) Investments**

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

The goodwill paid on the acquisition of investments, which corresponds to the amount that exceeds the investee's equity value, is amortized based on the expectation of future profitability or for its realization.

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

**l) Intangible**

Intangible assets have defined useful lives and primarily relates to softwares and use licenses or rights (Note 15). Amortization is calculated by the straight-line method, based on the period over which the benefit is generated and is levied on the amortizable amount (corresponding to the acquisition cost less the residual value, when applicable), as of the date of availability of the intangible asset for use and is recorded under Other administrative expenses - Amortization (Note 21d). The residual value and the useful life of these assets is reviewed annually or when there are significant changes in the assumptions used.

**m) Earnings per Share**

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

**n) Impairment – General Application**

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

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

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

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

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

**Assets not for use:** Real Estate - provision made based on annual appraisal reports made by specialized consultants and the total provision is made if the asset has been classified in BNDU (assets not for use) for more than 36 months, regardless of the number of auctions held to dispose of the asset.

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

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.

**o) Employee benefits**

Recognition, measurement and disclosure of employee benefits short and long-term are conducted in accordance with criteria defined in CPC 33 (R1) - Benefits to employees, approved by the CMN Resolution no. 4,424/2015. In accordance with the accrual regime, this pronouncement requires that an entity recognize a liability as a contra-entry to the net income of the period when the employee provides services in exchange for benefits to be paid in the future.

The Conglomerate has a variable compensation program eligible for its officers and employees. Amounts to be paid that are adjusted according to the grace period (from one to a maximum of four years) and to the characteristics of each benefit are recorded under "Other liabilities - Provision for personnel expenses" as a contra entry to caption "Personnel expenses - Proceeds". Program details are disclosed in Note 26.

The amounts referring to the profit sharing (PLR) of directors and employees are recognized in "Other liabilities - Provision for profit sharing" against the result, in "Profit sharing - employees and management".

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

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

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

Funding that is subject to market risk hedging is valued at its fair value using consistent and verifiable criteria. The valuation adjustments to fair value of these operations are recorded in the same line as the financial liability, in contra-entry to income from derivative financial instruments.



## q) Taxes

The bank taxes, including revenues taxes, are calculated based on rates shown in the chart below:

|   | Alíquotas vigentes |
|---|--------------------|
| <b>Income taxes</b>   |                    |
| Income tax (15% + 10% additional)   | 25%                |
| Social contribution on net profit - Banco Votorantim S.A. and Banco BV S.A. <sup>(1)</sup>      | 20%                |
| Social contribution on net profit - other financial institutions and non-financial institutions | de 9% a 15%        |
| <b>Other taxes</b>  |                    |
| PIS / PASEP <sup>(2)</sup>  | de 0,65% a 1,65%   |
| Contribution for Social Security Funding <sup>(2)</sup>   | de 3% a 7,6%       |
| Service tax <sup>(3)</sup>  | de 2% a 5%         |

<sup>(1)</sup> 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. The effects of the increase in the Social contribution rate are reflected in the balances of existing deferred tax assets and liabilities as of December 2019.

<sup>(2)</sup> 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%.

<sup>(3)</sup> Service income taxes.

Deferred tax assets and deferred tax liabilities are comprised by the application of the current tax rates on their respective amounts. In case of changes in tax legislation that modify criteria and rates to be adopted in future periods, the effects are recognized based on the criteria and rates applicable to the period in which each portion of the asset will be realized or the liability settled. For the constitution, maintenance and write-off of deferred tax assets, the criteria established by CMN Resolution no. 3,059/2002 are observed and are supported by a study of the realization capacity.

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

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

Recognition, measurement and disclosure of provisions, contingent assets and liabilities and of legal obligations are conducted in accordance with criteria defined in CPC 25 - Provisions, contingent liabilities and contingent assets, approved by the CMN Resolution 3,823/2009 (Note 27).

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.

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

**s) Guarantees and sureties**

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

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

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

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

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

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

With the application of CMN Resolution no. 4,512/2016, provisions for losses on the financial guarantees provided are presented in "Other Liabilities" (note 28.1.a1).

**t) Other assets and liabilities**

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

**5. MAIN JUDGMENTS AND ACCOUNTING ESTIMATES**

The preparation of Consolidated Interim Financial Statements requires the use of judgments and estimates that involve assumptions about uncertain matters, including future events. Because of the inherent uncertainty, some of these estimates have a significant risk of resulting in a material adjustment to the financial statements in future periods and amounts would have been different if different assumptions had been applied.

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

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

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

Further details on the criteria used to measure losses associated with credit risk are presented in note 11.

**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 8e.

#### **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 24.

#### **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 27.

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

According to the rules of the Central Bank, the goodwill recorded in the investor or parent company, which is based on the forecast of future results of the associate or subsidiary, must be amortized in line with the projection terms that justified it. Estimating the terms for generating future results of investments in an associate, subsidiary or joint venture for which goodwill has been recognized involves significant judgments by Management.

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

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

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

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

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

#### **h) Investment in equity investment funds (FIPs)**

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

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

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

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

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

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

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

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

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

**■ Provisions for securities impairment**

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

**■ Projection of future results for realization of deferred tax assets**

The studies on the expectation of realization of deferred tax assets considerates the update of estimates of the future results of the Conglomerate with the impacts of covid-19. We have concluded that the deferred tax assets will continue to be realized within the 10-year period, as established by CMN Resolution No. 3,059/2002.

**■ Impairment of investments, intangible assets and other assets**

No relevant impacts were observed as a result of the pandemic.

**■ Amortization and impairment of goodwill for expectation of future profitability**

There was no indication of non-recoverability of goodwill due to the pandemic.

**■ Provisions and contingent liabilities - tax, civil and labor**

There was not identified any significant impacts on contingencies.

**■ Capital management**

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

**■ Liquidity management**

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

## ■ Asset and liability management

There was no significant impact on the fluctuation in the economic value of its positions, as a result of the hedge policies of its assets, liabilities and investments in foreign currency.

Additionally, the drop-in interest rates in the local market has a reduced impact on the Conglomerate's financial margin in the short term, due to the adoption of these hedge policies.

## 6. CASH AND CASH EQUIVALENTS

|   | Bank             |                  | Consolidated     |                  |
|---|------------------|------------------|------------------|------------------|
|   | 09.30.2020       | 12.31.2019       | 09.30.2020       | 12.31.2019       |
| <b>Cash and due from banks</b>                | <b>319,547</b>   | <b>263,089</b>   | <b>416,436</b>   | <b>359,360</b>   |
| Cash and due from banks in national currency  | 1,800            | 2,778            | 96,234           | 97,759           |
| Cash and due from banks in foreign currency   | 317,747          | 260,311          | 320,202          | 261,601          |
| <b>Interbank funds applied <sup>(1)</sup></b> | <b>3,893,482</b> | <b>2,064,671</b> | <b>3,266,592</b> | <b>692,529</b>   |
| Securities purchased under resale agreements  | 1,783,514        | 307,586          | 1,171,624        | 307,586          |
| Interbank accounts or relations               | 15,000           | 1,372,142        | -                | -                |
| Investments in foreign currency               | 2,094,968        | 384,943          | 2,094,968        | 384,943          |
| <b>Total <sup>(2)</sup></b>                   | <b>4,213,029</b> | <b>2,327,760</b> | <b>3,683,028</b> | <b>1,051,889</b> |

<sup>(1)</sup> 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.

<sup>(2)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

## 7. INTERBANK INVESTMENTS

### a) Breakdown

|   | Bank             |                   | Consolidated     |                  |
|---|------------------|-------------------|------------------|------------------|
|   | 09.30.2020       | 12.31.2019        | 09.30.2020       | 12.31.2019       |
| <b>Reverse repurchase agreements</b>                  | <b>6,750,706</b> | <b>2,887,414</b>  | <b>6,752,204</b> | <b>2,281,503</b> |
| <b>Reverse repurchase agreements - Held</b>           | <b>1,206,569</b> | <b>1,139,799</b>  | <b>1,359,850</b> | <b>533,888</b>   |
| National Treasury Bill - LTN                          | 691,138          | 119,825           | 844,419          | 119,825          |
| National Treasury Notes - NTN                         | 329,578          | 843,787           | 329,578          | 237,876          |
| Securities of Brazilian Foreign Debt                  | 185,853          | 176,187           | 185,853          | 176,187          |
| <b>Reverse repurchase agreements - Repledged</b>      | <b>3,261,608</b> | <b>966,389</b>    | <b>3,109,825</b> | <b>966,389</b>   |
| National Treasury Bill - LTN                          | 834,921          | 966,389           | 683,138          | 966,389          |
| National Treasury Notes - NTN                         | 2,426,687        | -                 | 2,426,687        | -                |
| <b>Reverse repurchase agreements - Short position</b> | <b>2,282,529</b> | <b>781,226</b>    | <b>2,282,529</b> | <b>781,226</b>   |
| National Treasury Bill - LTN                          | 444,103          | 36,684            | 444,103          | 36,684           |
| National Treasury Notes - NTN                         | 1,838,426        | 744,542           | 1,838,426        | 744,542          |
| <b>Interbank deposit investments <sup>(1)</sup></b>   | <b>391,485</b>   | <b>36,149,776</b> | <b>406,485</b>   | <b>250,492</b>   |
| <b>Total</b>  | <b>7,142,191</b> | <b>39,037,190</b> | <b>7,158,689</b> | <b>2,531,995</b> |
| Current assets  | 6,956,338        | 21,660,976        | 6,972,836        | 2,531,995        |
| Non-current assets                                    | 185,853          | 17,376,214        | 185,853          | -                |

<sup>(1)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

### b) Income from interbank investments

|   | Bank                   |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Income from securities purchased under resale agreements</b> | <b>75,399</b>          | <b>171,892</b>         | <b>179,862</b>         | <b>539,645</b>         |
| Own portfolio   | 45,102                 | 43,648                 | 88,228                 | 120,132                |
| Financed operations   | 17,611                 | 116,327                | 57,827                 | 380,929                |
| Short position  | 12,686                 | 11,917                 | 33,807                 | 38,584                 |
| <b>Income from interbank deposits <sup>(1) (3)</sup></b>        | <b>134,699</b>         | <b>636,850</b>         | <b>1,394,639</b>       | <b>1,824,883</b>       |
| <b>Total <sup>(2)</sup></b>                                     | <b>210,098</b>         | <b>808,742</b>         | <b>1,574,501</b>       | <b>2,364,528</b>       |

## INTERIM FINANCIAL STATEMENTS

as of September 30, 2020

(Amounts in thousand of Reais, unless otherwise indicated)

|   | Consolidated           |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Income from securities purchased under resale agreements</b> | <b>72,279</b>          | <b>162,629</b>         | <b>166,109</b>         | <b>513,377</b>         |
| Own portfolio   | 42,863                 | 34,385                 | 75,355                 | 112,386                |
| Financed operations   | 16,730                 | 116,327                | 56,947                 | 362,407                |
| Short position  | 12,686                 | 11,917                 | 33,807                 | 38,584                 |
| <b>Income from interbank deposits <sup>(1)</sup></b>            | <b>4,824</b>           | <b>40,161</b>          | <b>345,937</b>         | <b>50,421</b>          |
| <b>Total <sup>(2)</sup></b>                                     | <b>77,103</b>          | <b>202,790</b>         | <b>512,046</b>         | <b>563,798</b>         |

<sup>(1)</sup> Includes the effects of exchange rate changes on the corresponding assets.

<sup>(2)</sup> The amounts comprise the balance of income from securities (Note 8d).

<sup>(3)</sup> In the Bank, it includes appropriation of income generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

## INTERIM FINANCIAL STATEMENTS

as of September 30, 2020

(Amounts in thousand of Reais, unless otherwise indicated)

### 8. SECURITIES

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

| Bank   | 09.30.2020       |                  |                  |                     |                   |              |            |            | 12.31.2019            |            |            |
|--|------------------|------------------|------------------|---------------------|-------------------|--------------|------------|------------|-----------------------|------------|------------|
|  | Fair value       |                  |                  |                     |                   | Total        |            |            | Total                 |            |            |
|  | Maturity in days | Without maturity | From 0 to 90 day | From 90 to 360 days | From 1 to 5 years | Over 5 years | Cost       | Fair value | Fair value adjustment | Cost       | Fair value |
| 1 – Trading securities                           | -                | 964,041          | 1,531,203        | 5,045,398           | 1,611,871         | 9,208,828    | 9,152,513  | (56,315)   | 8,543,857             | 8,548,418  | 4,561      |
| Government bonds                                 | -                | 964,041          | 1,531,145        | 5,045,375           | 1,471,111         | 9,067,990    | 9,011,672  | (56,318)   | 8,543,748             | 8,548,308  | 4,560      |
| Financial Treasury Bills                         | -                | -                | -                | -                   | 89,238            | 90,290       | 89,238     | (1,052)    | 15,035                | 15,035     | -          |
| National Treasury Bills                          | -                | 964,041          | 931,904          | 2,509,933           | -                 | 4,421,627    | 4,405,878  | (15,749)   | 7,747,699             | 7,749,484  | 1,785      |
| National Treasury Notes                          | -                | -                | 599,241          | 2,535,442           | 1,381,873         | 4,556,073    | 4,516,556  | (39,517)   | 781,014               | 783,789    | 2,775      |
| Private securities                               | -                | -                | 58               | 23                  | 140,760           | 140,838      | 140,841    | 3          | 109                   | 110        | 1          |
| Eurobonds  | -                | -                | 58               | 23                  | -                 | 81           | 81         | -          | 109                   | 110        | 1          |
| Debentures                                       | -                | -                | -                | -                   | 140,760           | 140,757      | 140,760    | 3          | -                     | -          | -          |
| 2 – Securities available for sale                | 13,520           | 33,731           | 3,601,628        | 10,168,641          | 3,470,447         | 16,966,590   | 17,287,967 | 321,377    | 14,310,438            | 14,373,600 | 63,162     |
| Government bonds                                 | -                | -                | 3,032,524        | 7,496,348           | 2,417,739         | 12,839,078   | 12,946,611 | 107,533    | 10,300,422            | 10,517,502 | 217,080    |
| Financial Treasury Bills                         | -                | -                | 2,301,351        | 4,002,231           | 1,264,211         | 7,602,979    | 7,567,793  | (35,186)   | 5,644,435             | 5,645,111  | 676        |
| National Treasury Bills                          | -                | -                | -                | 1,422,385           | -                 | 1,386,735    | 1,422,385  | 35,650     | 1,415,782             | 1,431,924  | 16,142     |
| National Treasury Notes                          | -                | -                | 142,751          | 271,379             | 664,194           | 1,067,457    | 1,078,324  | 10,867     | 1,613,499             | 1,759,519  | 146,020    |
| Brazilian Foreign Debt Securities                | -                | -                | 588,422          | 1,800,353           | 489,334           | 2,781,907    | 2,878,109  | 96,202     | 1,626,706             | 1,680,948  | 54,242     |
| Private securities                               | 13,520           | 33,731           | 569,104          | 2,672,293           | 1,052,708         | 4,127,512    | 4,341,356  | 213,844    | 4,010,016             | 3,856,098  | (153,918)  |
| Debentures <sup>(1)</sup>                        | -                | 5,780            | 186,707          | 1,615,961           | 289,333           | 2,128,524    | 2,097,781  | (30,743)   | 2,188,774             | 2,037,580  | (151,194)  |
| Promissory notes <sup>(2)</sup>                  | -                | 6,876            | 176,930          | 318,946             | -                 | 504,452      | 502,752    | (1,700)    | 140,580               | 140,180    | (400)      |
| Shares <sup>(3)</sup>                            | 12,566           | -                | -                | -                   | -                 | 8,648        | 12,566     | 3,918      | 9,387                 | 10,092     | 705        |
| Quotas of investment funds <sup>(4)</sup>        | 954              | -                | 20,365           | -                   | 759,977           | 535,690      | 781,296    | 245,606    | 242,391               | 260,583    | 18,192     |
| Rural Product Notes - Commodities <sup>(5)</sup> | -                | 16,080           | 134,418          | 478,140             | -                 | 628,445      | 628,638    | 193        | 464,552               | 441,443    | (23,109)   |
| Eurobonds  | -                | -                | -                | -                   | -                 | -            | -          | -          | 202,097               | 203,767    | 1,670      |
| Financial Bills                                  | -                | -                | 21,466           | -                   | -                 | 21,679       | 21,466     | (213)      | 78,007                | 77,836     | (171)      |
| Floating Rate Notes                              | -                | -                | -                | 26,351              | -                 | 25,920       | 26,351     | 431        | 334,446               | 337,354    | 2,908      |
| Certificate of Real Estate Receivables           | -                | -                | 16,740           | 155,171             | 3,398             | 178,493      | 175,309    | (3,184)    | 206,555               | 204,571    | (1,984)    |
| Agribusiness Receivables Certificate             | -                | 4,995            | 12,478           | 77,724              | -                 | 95,661       | 95,197     | (464)      | 143,227               | 142,692    | (535)      |
| 3 – Securities held to maturity                  | -                | -                | 469,665          | 4,270,967           | 171,387           | 4,746,787    | 4,912,019  | 165,232    | 1,645,166             | 1,735,352  | 90,186     |
| Government bonds                                 | -                | -                | 469,665          | 4,270,967           | 171,387           | 4,746,787    | 4,912,019  | 165,232    | 1,645,166             | 1,735,352  | 90,186     |
| National Treasury Bills                          | -                | -                | -                | 1,533,709           | -                 | 1,532,548    | 1,533,709  | 1,161      | -                     | -          | -          |
| National Treasury Notes                          | -                | -                | 469,665          | 2,737,258           | 171,387           | 3,214,239    | 3,378,310  | 164,071    | 1,645,166             | 1,735,352  | 90,186     |
| Total (1 + 2 + 3) <sup>(7)</sup>                 | 13,520           | 997,772          | 5,602,496        | 19,485,006          | 5,253,705         | 30,922,205   | 31,352,499 | 430,294    | 24,499,461            | 24,657,370 | 157,909    |



## INTERIM FINANCIAL STATEMENTS

as of September 30, 2020

(Amounts in thousand of Reals, unless otherwise indicated)

| Consolidated                                     | 09.30.2020       |                   |                     |                   |                  |                   |                   |                       | 12.31.2019        |                   |                       |
|--|------------------|-------------------|---------------------|-------------------|------------------|-------------------|-------------------|-----------------------|-------------------|-------------------|-----------------------|
|  | 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 |
| <b>1 – Trading securities</b>                    | <b>151</b>       | <b>964,041</b>    | <b>1,538,194</b>    | <b>6,282,612</b>  | <b>1,617,771</b> | <b>10,343,290</b> | <b>10,402,769</b> | <b>59,479</b>         | <b>9,366,461</b>  | <b>9,434,871</b>  | <b>68,410</b>         |
| <b>Government bonds</b>                          | -                | <b>964,041</b>    | <b>1,538,136</b>    | <b>6,273,937</b>  | <b>1,477,011</b> | <b>10,193,649</b> | <b>10,253,125</b> | <b>59,476</b>         | <b>9,362,179</b>  | <b>9,430,588</b>  | <b>68,409</b>         |
| Financial Treasury Bills                         | -                | -                 | 6,991               | 91,369            | 95,140           | 194,994           | 193,500           | (1,494)               | 109,804           | 109,808           | 4                     |
| National Treasury Bills                          | -                | 964,041           | 931,904             | 2,509,933         | -                | 4,421,627         | 4,405,878         | (15,749)              | 7,747,699         | 7,749,484         | 1,785                 |
| National Treasury Notes                          | -                | -                 | 599,241             | 3,672,635         | 1,381,871        | 5,577,028         | 5,653,747         | 76,719                | 1,504,676         | 1,571,296         | 66,620                |
| <b>Private securities</b>                        | <b>151</b>       | -                 | <b>58</b>           | <b>8,675</b>      | <b>140,760</b>   | <b>149,641</b>    | <b>149,644</b>    | <b>3</b>              | <b>4,282</b>      | <b>4,283</b>      | <b>1</b>              |
| Eurobonds  | -                | -                 | 58                  | 23                | -                | 81                | 81                | -                     | 109               | 110               | 1                     |
| Debentures                                       | -                | -                 | -                   | 8,652             | 140,760          | 149,409           | 149,412           | 3                     | 3,872             | 3,872             | -                     |
| Quotas of investment funds                       | 151              | -                 | -                   | -                 | -                | 151               | 151               | -                     | 301               | 301               | -                     |
| <b>2 – Securities available for sale</b>         | <b>13,671</b>    | <b>609,759</b>    | <b>3,602,817</b>    | <b>10,590,013</b> | <b>3,382,495</b> | <b>17,845,805</b> | <b>18,198,755</b> | <b>352,950</b>        | <b>15,852,976</b> | <b>16,065,826</b> | <b>212,850</b>        |
| <b>Government bonds</b>                          | -                | <b>576,028</b>    | <b>3,033,713</b>    | <b>7,917,720</b>  | <b>2,417,739</b> | <b>13,805,645</b> | <b>13,945,200</b> | <b>139,555</b>        | <b>11,812,687</b> | <b>12,180,191</b> | <b>367,504</b>        |
| Financial Treasury Bills                         | -                | -                 | 2,302,540           | 4,138,050         | 1,264,211        | 7,740,768         | 7,704,801         | (35,967)              | 5,656,620         | 5,657,297         | 677                   |
| National Treasury Bills                          | -                | -                 | -                   | 1,422,385         | -                | 1,386,735         | 1,422,385         | 35,650                | 1,415,782         | 1,431,924         | 16,142                |
| National Treasury Notes                          | -                | -                 | 142,751             | 556,932           | 664,194          | 1,322,019         | 1,363,877         | 41,858                | 2,569,295         | 2,853,151         | 283,856               |
| Brazilian Foreign Debt Securities                | -                | -                 | 588,422             | 1,800,353         | 489,334          | 2,781,907         | 2,878,109         | 96,202                | 1,626,706         | 1,680,948         | 54,242                |
| Government Notes - other countries               | -                | 576,028           | -                   | -                 | -                | 574,216           | 576,028           | 1,812                 | 544,284           | 556,871           | 12,587                |
| <b>Private securities</b>                        | <b>13,671</b>    | <b>33,731</b>     | <b>569,104</b>      | <b>2,672,293</b>  | <b>964,756</b>   | <b>4,040,160</b>  | <b>4,253,555</b>  | <b>213,395</b>        | <b>4,040,289</b>  | <b>3,885,635</b>  | <b>(154,654)</b>      |
| Debentures <sup>(1)</sup>                        | -                | 5,780             | 186,707             | 1,615,961         | 289,333          | 2,128,524         | 2,097,781         | (30,743)              | 2,154,665         | 2,003,470         | (151,195)             |
| Promissory notes <sup>(2)</sup>                  | -                | 6,876             | 176,930             | 318,946           | -                | 504,452           | 502,752           | (1,700)               | 140,580           | 140,180           | (400)                 |
| Shares <sup>(3)</sup>                            | 12,566           | -                 | -                   | -                 | -                | 8,648             | 12,566            | 3,918                 | 9,387             | 10,092            | 705                   |
| Quotas of investment funds <sup>(4)</sup>        | 1,105            | -                 | 20,365              | -                 | 672,025          | 448,338           | 693,495           | 245,157               | 306,773           | 324,230           | 17,457                |
| Rural Product Notes - Commodities <sup>(5)</sup> | -                | 16,080            | 134,418             | 478,140           | -                | 628,445           | 628,638           | 193                   | 464,552           | 441,443           | (23,109)              |
| Eurobonds  | -                | -                 | -                   | -                 | -                | -                 | -                 | -                     | 202,097           | 203,767           | 1,670                 |
| Financial Bills                                  | -                | -                 | 21,466              | -                 | -                | 21,679            | 21,466            | (213)                 | 78,007            | 77,836            | (171)                 |
| Floating Rate Notes                              | -                | -                 | -                   | 26,351            | -                | 25,920            | 26,351            | 431                   | 334,446           | 337,354           | 2,908                 |
| Certificate of Real Estate Receivables           | -                | -                 | 16,740              | 155,171           | 3,398            | 178,493           | 175,309           | (3,184)               | 206,555           | 204,571           | (1,984)               |
| Agribusiness Receivables Certificate             | -                | 4,995             | 12,478              | 77,724            | -                | 95,661            | 95,197            | (464)                 | 143,227           | 142,692           | (535)                 |
| <b>3 – Securities held to maturity</b>           | -                | -                 | <b>469,665</b>      | <b>4,270,967</b>  | <b>171,387</b>   | <b>4,746,787</b>  | <b>4,912,019</b>  | <b>165,232</b>        | <b>2,219,565</b>  | <b>2,317,247</b>  | <b>97,682</b>         |
| <b>Government bonds</b>                          | -                | -                 | <b>469,665</b>      | <b>4,270,967</b>  | <b>171,387</b>   | <b>4,746,787</b>  | <b>4,912,019</b>  | <b>165,232</b>        | <b>2,219,565</b>  | <b>2,317,247</b>  | <b>97,682</b>         |
| National Treasury Bills                          | -                | -                 | -                   | 1,533,709         | -                | 1,532,548         | 1,533,709         | 1,161                 | -                 | -                 | -                     |
| National Treasury Notes                          | -                | -                 | 469,665             | 2,737,258         | 171,387          | 3,214,239         | 3,378,310         | 164,071               | 2,219,565         | 2,317,247         | 97,682                |
| <b>Total (1 + 2 + 3)</b>                         | <b>13,822</b>    | <b>1,573,800</b>  | <b>5,610,676</b>    | <b>21,143,592</b> | <b>5,171,653</b> | <b>32,935,882</b> | <b>33,513,543</b> | <b>577,661</b>        | <b>27,439,002</b> | <b>27,817,944</b> | <b>378,942</b>        |

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.

<sup>(1)</sup> The cost value of the Debentures includes a provision for impairment in the amount of R\$ 837,854 (R\$ 766,851 on December 31, 2019) in counterpart of (Provision) / reversal of provision for securities impairment.

<sup>(2)</sup> Includes promissory notes convertible into shares.

<sup>(3)</sup> The cost value of the shares includes a provision for impairment in the amount of R\$ 76,242 (R\$ 84,307 on December 31, 2019) in counterpart of (Provision) / reversal of provision for securities impairment. The fair value of the shares represents the listing price disclosed by B3 - Brasil, Bolsa, Balcão.

<sup>(4)</sup> The cost value of the Quotas of investments funds also includes a provision for impairment in the amount of R\$ 38,823 (R\$ 29,056 on December 31, 2019) in counterpart of (Provision) / reversal of provision for securities impairment. For nine month period from January 1 to September 30, 2020, it includes fair value adjustment effect of investment funds (FIP) that are not consolidated.

<sup>(5)</sup> The cost of the Rural Product Notes also includes a provision for impairment in the amount of R\$ 25,884 (R\$ 26,291 on December 31, 2019) in counterpart of (Provision) / reversal of provision for securities impairment.

<sup>(6)</sup> The cost value of the Certificates of Real Estate Receivables also considers the provision for impairment in the amount of R\$ 1,009 in counterpart of (Provision) / reversal of provision for securities impairment.

<sup>(7)</sup> In the Bank, it includes amounts referring to the spin-off portion of BV Financeira.

**b) Summary of the portfolio by category**

| By category                             | 09.30.2020        |             | 12.31.2019        |             |
|---|-------------------|-------------|-------------------|-------------|
| <b>Bank</b>                             |                   |             |                   |             |
| 1 – Trading securities                  | 9,152,513         | 29%         | 8,548,418         | 35%         |
| 2 – Securities available for sale       | 17,287,967        | 56%         | 14,373,600        | 58%         |
| 3 – Securities held to maturity         | 4,746,787         | 15%         | 1,645,166         | 7%          |
| <b>Book value of portfolio</b>          | <b>31,187,267</b> | <b>100%</b> | <b>24,567,184</b> | <b>100%</b> |
| Fair value adjustment of category three | 165,232           |             | 90,186            |             |
| <b>Fair value of portfolio</b>          | <b>31,352,499</b> |             | <b>24,657,370</b> |             |
| <b>Consolidated</b>                     |                   |             |                   |             |
| 1 – Trading securities                  | 10,402,769        | 31%         | 9,434,871         | 34%         |
| 2 – Securities available for sale       | 18,198,755        | 55%         | 16,065,826        | 58%         |
| 3 – Securities held to maturity         | 4,746,787         | 14%         | 2,219,565         | 8%          |
| <b>Book value of portfolio</b>          | <b>33,348,311</b> | <b>100%</b> | <b>27,720,262</b> | <b>100%</b> |
| Fair value adjustment of category three | 165,232           |             | 97,682            |             |
| <b>Fair value of portfolio</b>          | <b>33,513,543</b> |             | <b>27,817,944</b> |             |

Fulfilling the provision of Article 8 of Circular 3,068/01, of the Central Bank of Brazil, banco BV declares that it has the necessary financial capacity and intention to hold to maturity the securities classified in the “securities held to maturity” category, in the amount of R\$ 4,746,787 in the Bank and Consolidated (R\$ 1,645,166 in Bank and R\$ 2,219,565 in Consolidated on December 31, 2019), representing 15% and 14% of the total securities in Bank and Consolidated, respectively (7% in Bank and 8% in Consolidated on December 31, 2019).

**c) Income from securities**

|   | Bank                   |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Interbank investments (Note 7b)           | 210,098                | 808,742                | 1,574,501              | 2,364,528              |
| Fixed income securities                   | 133,638                | 437,261                | 976,477                | 1,313,970              |
| Securities abroad                         | 34,369                 | 25,675                 | 169,103                | 74,130                 |
| Variable income securities <sup>(1)</sup> | (843)                  | (570)                  | (10,791)               | 596                    |
| Investments in investment funds           | 1,927                  | 4,833                  | 14,450                 | 16,607                 |
| Other                                     | 217                    | 2,268                  | 3,344                  | 8,800                  |
| <b>Total <sup>(2)</sup></b>               | <b>379,406</b>         | <b>1,278,209</b>       | <b>2,727,084</b>       | <b>3,778,631</b>       |

|   | Consolidated           |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Interbank investments (Note 7b)           | 77,103                 | 202,790                | 512,046                | 563,798                |
| Fixed income securities                   | 188,190                | 457,332                | 1,515,481              | 1,452,342              |
| Securities abroad                         | 44,599                 | 35,198                 | 199,035                | 101,892                |
| Variable income securities <sup>(1)</sup> | (843)                  | (4,103)                | (13,219)               | (2,937)                |
| Investments in investment funds           | 1,681                  | 2,822                  | 14,765                 | 9,428                  |
| Other                                     | 217                    | 2,268                  | 3,344                  | 8,800                  |
| <b>Total</b>                              | <b>310,947</b>         | <b>696,307</b>         | <b>2,231,452</b>       | <b>2,133,323</b>       |

<sup>(1)</sup> Includes income from the sale of investments by tax incentives

<sup>(2)</sup> In the Bank, it includes appropriation of income generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financeira,

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

|                                      | Bank and Consolidated  |                        |                        |                        |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                      | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Shares                               | 160                    | (635)                  | 8,065                  | 902                    |
| Agribusiness Receivables Certificate | (1,009)                | -                      | (1,009)                | -                      |
| Debentures                           | (80,399)               | 4,205                  | (71,003)               | (35,937)               |
| Quotas of investment funds           | (9,785)                | 13                     | (9,767)                | (3,202)                |
| Rural Product Notes                  | (120)                  | (1)                    | 407                    | 30,739                 |
| <b>Total</b>                         | <b>(91,153)</b>        | <b>3,582</b>           | <b>(73,307)</b>        | <b>(7,498)</b>         |



**e) Reclassifications of securities**

There was no reclassification of Securities between categories in the nine-month period ended from January 1 to September 30, 2020.

In the year ended December 31, 2019 the National Treasury Notes were reclassified from the "Available for sale" category to the "Held to maturity" category, as a result of Management's intention in relation to the securities, in accordance with Bacen Circular No. 3,068/2001. The reclassification of these securities had no impact on income and shareholder's equity on the respective reference date of the event.

|                         | Consolidated   |                |                          |
|-------------------------|----------------|----------------|--------------------------|
|                         | Cost           | Fair value     | Unrealized gain / (loss) |
| National Treasury Notes | 541,969        | 583,066        | 41,097                   |
| <b>Total</b>            | <b>541,969</b> | <b>583,066</b> | <b>41,097</b>            |

**9. 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.





## FINANCIAL STATEMES

as of September 30, 2020

(Amounts in thousand of Reais, unless otherwise indicated)

### a) Breakdown of derivative financial instruments portfolio by index

| By index                                    | Bank              |                    |                    |                   |                  |                  | Consolidated      |                    |                    |                   |                  |                  |
|---|-------------------|--------------------|--------------------|-------------------|------------------|------------------|-------------------|--------------------|--------------------|-------------------|------------------|------------------|
|   | 09.30.2020        |                    |                    | 12.31.2019        |                  |                  | 09.30.2020        |                    |                    | 12.31.2019        |                  |                  |
|   | Reference value   | Cost               | Fair value         | Reference value   | Cost             | Fair value       | Reference         | Cost               | Fair value         | Reference value   | Cost             | Fair value       |
| <b>1 - Futures contracts <sup>(1)</sup></b> |                   |                    |                    |                   |                  |                  |                   |                    |                    |                   |                  |                  |
| <b>Purchase commitments</b>                 | <b>17,502,603</b> | -                  | -                  | <b>13,300,742</b> | -                | -                | <b>17,502,603</b> | -                  | -                  | <b>13,312,003</b> | -                | -                |
| Interbank deposits                          | 7,839,053         | -                  | -                  | 5,069,867         | -                | -                | 7,839,053         | -                  | -                  | 5,081,128         | -                | -                |
| Currencies                                  | 1,864,900         | -                  | -                  | 2,303,496         | -                | -                | 1,864,900         | -                  | -                  | 2,303,496         | -                | -                |
| Index                                       | 490,915           | -                  | -                  | 363,757           | -                | -                | 490,915           | -                  | -                  | 363,757           | -                | -                |
| Foreign currency coupon                     | 7,307,735         | -                  | -                  | 5,563,622         | -                | -                | 7,307,735         | -                  | -                  | 5,563,622         | -                | -                |
| <b>Sales commitments</b>                    | <b>77,601,006</b> | -                  | -                  | <b>45,919,609</b> | -                | -                | <b>77,601,006</b> | -                  | -                  | <b>64,005,583</b> | -                | -                |
| Interbank deposits                          | 47,518,698        | -                  | -                  | 28,040,373        | -                | -                | 47,518,698        | -                  | -                  | 46,126,347        | -                | -                |
| Currencies                                  | 8,577,041         | -                  | -                  | 765,832           | -                | -                | 8,577,041         | -                  | -                  | 765,832           | -                | -                |
| Index                                       | 133,766           | -                  | -                  | 606,836           | -                | -                | 133,766           | -                  | -                  | 606,836           | -                | -                |
| Libor                                       | 17,132,257        | -                  | -                  | 10,613,592        | -                | -                | 17,132,257        | -                  | -                  | 10,613,592        | -                | -                |
| Foreign currency coupon                     | 4,239,244         | -                  | -                  | 5,892,976         | -                | -                | 4,239,244         | -                  | -                  | 5,892,976         | -                | -                |
| <b>2 - Term contracts</b>                   |                   |                    |                    |                   |                  |                  |                   |                    |                    |                   |                  |                  |
| <b>Asset position</b>                       | <b>1,954,618</b>  | <b>1,954,618</b>   | <b>1,959,134</b>   | <b>264,867</b>    | <b>264,867</b>   | <b>264,852</b>   | <b>1,954,618</b>  | <b>1,954,618</b>   | <b>1,959,134</b>   | <b>264,867</b>    | <b>264,867</b>   | <b>264,852</b>   |
| Currency term                               | 521,822           | 521,822            | 526,316            | 151,331           | 151,331          | 151,331          | 521,822           | 521,822            | 526,316            | 151,331           | 151,331          | 151,331          |
| Government bond term                        | 1,432,796         | 1,432,796          | 1,432,818          | 113,536           | 113,536          | 113,521          | 1,432,796         | 1,432,796          | 1,432,818          | 113,536           | 113,536          | 113,521          |
| <b>Liability position</b>                   | <b>1,954,618</b>  | <b>(1,954,618)</b> | <b>(1,954,759)</b> | <b>264,867</b>    | <b>(264,867)</b> | <b>(264,288)</b> | <b>1,954,618</b>  | <b>(1,954,618)</b> | <b>(1,954,759)</b> | <b>264,867</b>    | <b>(264,867)</b> | <b>(264,288)</b> |
| Currency term                               | 521,822           | (521,822)          | (522,224)          | 151,331           | (151,331)        | (150,752)        | 521,822           | (521,822)          | (522,224)          | 151,331           | (151,331)        | (150,752)        |
| Government bond term                        | 1,432,796         | (1,432,796)        | (1,432,535)        | 113,536           | (113,536)        | (113,536)        | 1,432,796         | (1,432,796)        | (1,432,535)        | 113,536           | (113,536)        | (113,536)        |
| <b>3 - Option contracts <sup>(2)</sup></b>  |                   |                    |                    |                   |                  |                  |                   |                    |                    |                   |                  |                  |
| <b>Call option - Long position</b>          | <b>5,164,513</b>  | <b>352,039</b>     | <b>1,355,806</b>   | <b>6,722,669</b>  | <b>468,858</b>   | <b>246,866</b>   | <b>5,164,513</b>  | <b>352,039</b>     | <b>1,355,806</b>   | <b>7,847,669</b>  | <b>504,760</b>   | <b>252,649</b>   |
| Foreign currency                            | 3,060,000         | 242,481            | 1,043,096          | 5,527,950         | 432,220          | 227,445          | 3,060,000         | 242,481            | 1,043,096          | 6,652,950         | 468,122          | 233,228          |
| Flexible options                            | 2,093,720         | 109,205            | 309,805            | 1,021,719         | 35,060           | 14,146           | 2,093,720         | 109,205            | 309,805            | 1,021,719         | 35,060           | 14,146           |
| Shares                                      | -                 | -                  | -                  | 173,000           | 1,578            | 5,275            | -                 | -                  | -                  | 173,000           | 1,578            | 5,275            |
| Others                                      | 10,793            | 353                | 2,905              | -                 | -                | -                | 10,793            | 353                | 2,905              | -                 | -                | -                |
| <b>Put option - Long position</b>           | <b>20,077,206</b> | <b>380,469</b>     | <b>165,925</b>     | <b>35,143,955</b> | <b>590,887</b>   | <b>445,254</b>   | <b>16,654,964</b> | <b>139,436</b>     | <b>163,835</b>     | <b>32,729,213</b> | <b>482,871</b>   | <b>369,326</b>   |
| Foreign currency                            | 3,266,500         | 133,114            | 6,688              | 6,226,125         | 307,616          | 182,428          | 3,371,500         | 133,215            | 6,690              | 7,338,625         | 440,734          | 287,158          |
| Interbank deposits                          | 13,081,500        | 1,482              | 152,687            | 25,238,000        | 40,579           | 80,496           | 13,081,500        | 1,482              | 152,687            | 25,238,000        | 40,579           | 80,496           |
| Flexible options                            | 3,539,206         | 241,307            | 2,092              | 3,550,235         | 241,507          | 181,203          | 11,964            | 173                | -                  | 22,993            | 373              | 545              |
| Shares                                      | 190,000           | 4,566              | 4,458              | 104,000           | 1,163            | 1,108            | 190,000           | 4,566              | 4,458              | 104,000           | 1,163            | 1,108            |
| Foreign government index                    | -                 | -                  | -                  | 25,595            | 22               | 19               | -                 | -                  | -                  | 25,595            | 22               | 19               |
| <b>Call option - short position</b>         | <b>7,108,910</b>  | <b>(496,629)</b>   | <b>(2,418,235)</b> | <b>17,182,025</b> | <b>(648,322)</b> | <b>(402,146)</b> | <b>3,581,668</b>  | <b>(257,413)</b>   | <b>(1,177,703)</b> | <b>14,767,283</b> | <b>(447,188)</b> | <b>(267,913)</b> |
| Foreign currency                            | 3,539,500         | (254,525)          | (1,162,087)        | 6,365,125         | (403,525)        | (255,748)        | 3,539,500         | (254,525)          | (1,162,087)        | 7,477,625         | (441,607)        | (262,651)        |
| Interbank deposits                          | -                 | -                  | -                  | 7,125,000         | (761)            | -                | -                 | -                  | -                  | 7,125,000         | (761)            | -                |
| Flexible options                            | 3,559,410         | (241,431)          | (1,252,506)        | 3,576,400         | (241,776)        | (143,070)        | 32,168            | (2,215)            | (11,974)           | 49,158            | (2,560)          | (1,934)          |
| Shares                                      | -                 | -                  | -                  | 115,500           | (2,260)          | (3,328)          | -                 | -                  | -                  | 115,500           | (2,260)          | (3,328)          |
| Others                                      | 10,000            | (673)              | (3,642)            | -                 | -                | -                | 10,000            | (673)              | (3,642)            | -                 | -                | -                |



## FINANCIAL STATEMES

as of September 30, 2020

(Amounts in thousand of Reais, unless otherwise indicated)

| By index  | Bank               |                    |                    |                    |                    |                    | Consolidated       |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 09.30.2020         |                    |                    | 12.31.2019         |                    |                    | 09.30.2020         |                    |                    | 12.31.2019         |                    |                    |
|   | Reference value    | Cost               | Fair value         | Reference value    | Cost               | Fair value         | Reference value    | Cost               | Fair value         | Reference value    | Cost               | Fair value         |
| <b>Put Option - Short position</b>                        | <b>18,176,105</b>  | <b>(251,990)</b>   | <b>(179,212)</b>   | <b>31,776,379</b>  | <b>(311,539)</b>   | <b>(311,346)</b>   | <b>18,176,105</b>  | <b>(251,990)</b>   | <b>(179,212)</b>   | <b>32,901,379</b>  | <b>(453,671)</b>   | <b>(427,196)</b>   |
| Foreign currency  | 2,898,250          | (138,506)          | (8,424)            | 5,449,625          | (234,370)          | (202,769)          | 2,898,250          | (138,506)          | (8,424)            | 6,574,625          | (376,502)          | (318,619)          |
| Interbank deposits  | 13,077,000         | (690)              | (148,210)          | 25,237,000         | (40,097)           | (79,496)           | 13,077,000         | (690)              | (148,210)          | 25,237,000         | (40,097)           | (79,496)           |
| Flexible options  | 2,012,855          | (108,979)          | (18,966)           | 888,754            | (34,768)           | (27,985)           | 2,012,855          | (108,979)          | (18,966)           | 888,754            | (34,768)           | (27,985)           |
| Shares  | 188,000            | (3,815)            | (3,612)            | 201,000            | (2,304)            | (1,096)            | 188,000            | (3,815)            | (3,612)            | 201,000            | (2,304)            | (1,096)            |
| Foreign government index                                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>4 - Swap contracts <sup>(2) (3)</sup></b>              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Asset position</b>                                     | <b>8,071,777</b>   | <b>3,300,548</b>   | <b>3,222,332</b>   | <b>14,413,674</b>  | <b>1,882,970</b>   | <b>2,049,858</b>   | <b>7,047,860</b>   | <b>2,815,474</b>   | <b>2,638,904</b>   | <b>11,735,282</b>  | <b>1,696,673</b>   | <b>1,784,456</b>   |
| Interbank deposits  | 262,993            | 2,371              | 1,223              | 1,456,664          | 88,041             | 91,203             | 262,993            | 2,371              | 1,223              | 1,456,664          | 88,041             | 91,203             |
| Foreign currency  | 3,889,808          | 2,908,992          | 2,577,957          | 4,053,773          | 1,024,592          | 781,671            | 3,365,891          | 2,455,617          | 2,028,109          | 3,514,533          | 897,897            | 606,146            |
| Fixed rate  | 3,681,514          | 374,818            | 596,713            | 6,931,078          | 396,141            | 659,916            | 3,181,514          | 343,119            | 563,133            | 4,791,926          | 336,539            | 570,039            |
| IPCA  | 159,462            | 14,052             | 31,099             | 1,854,876          | 372,109            | 510,996            | 159,462            | 14,052             | 31,099             | 1,854,876          | 372,109            | 510,996            |
| IGP-M   | 78,000             | 4                  | 15,340             | 78,000             | 743                | 4,598              | 78,000             | 4                  | 15,340             | 78,000             | 743                | 4,598              |
| Libor   | -                  | -                  | -                  | 39,283             | 1,344              | 1,474              | -                  | -                  | -                  | 39,283             | 1,344              | 1,474              |
| Selic   | -                  | 311                | -                  | -                  | -                  | -                  | -                  | 311                | -                  | -                  | -                  | -                  |
| <b>Liability position</b>                                 | <b>5,320,916</b>   | <b>(2,302,080)</b> | <b>(2,294,225)</b> | <b>6,884,259</b>   | <b>(1,551,394)</b> | <b>(1,876,280)</b> | <b>5,289,255</b>   | <b>(2,280,568)</b> | <b>(2,268,129)</b> | <b>6,631,005</b>   | <b>(1,538,959)</b> | <b>(1,861,464)</b> |
| Interbank deposits  | 461,591            | (111)              | (3,784)            | 714,116            | (28,443)           | (6,145)            | 461,591            | (111)              | (3,784)            | 714,116            | (28,443)           | (6,145)            |
| Foreign currency  | 3,399,799          | (1,775,682)        | (1,407,350)        | 3,054,159          | (507,092)          | (306,925)          | 3,368,138          | (1,754,170)        | (1,381,254)        | 3,021,607          | (502,356)          | (299,990)          |
| Fixed rate  | 383,460            | (369,916)          | (754,375)          | 760,398            | (373,956)          | (778,408)          | 383,460            | (369,916)          | (754,375)          | 539,696            | (366,257)          | (770,527)          |
| IPCA  | 183,763            | (19,866)           | (41,758)           | 1,723,625          | (571,079)          | (717,425)          | 183,763            | (19,866)           | (41,758)           | 1,723,625          | (571,079)          | (717,425)          |
| IGP-M   | 48,358             | (323)              | (191)              | -                  | -                  | (630)              | 48,358             | (323)              | (191)              | -                  | -                  | (630)              |
| Libor   | 343,945            | (136,182)          | (86,343)           | 631,961            | (70,824)           | (66,747)           | 343,945            | (136,182)          | (86,343)           | 631,961            | (70,824)           | (66,747)           |
| Selic   | 500,000            | -                  | (424)              | -                  | -                  | -                  | 500,000            | -                  | (424)              | -                  | -                  | -                  |
| <b>5 - Other derivatives financial instruments</b>        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Asset position</b>                                     | <b>10,241,523</b>  | <b>1,944,429</b>   | <b>1,859,473</b>   | <b>11,371,072</b>  | <b>78,563</b>      | <b>76,032</b>      | <b>6,880,180</b>   | <b>658,385</b>     | <b>621,034</b>     | <b>8,009,729</b>   | <b>73,573</b>      | <b>66,063</b>      |
| Non Deliverable Forward - Foreign currency <sup>(2)</sup> | 10,241,523         | 1,944,429          | 1,859,473          | 11,107,061         | 77,353             | 74,863             | 6,880,180          | 658,385            | 621,034            | 7,745,718          | 72,363             | 64,894             |
| Credit derivatives <sup>(3)</sup>                         | -                  | -                  | -                  | 261,996            | 1,210              | 1,147              | -                  | -                  | -                  | 261,996            | 1,210              | 1,147              |
| Credit Linked Notes                                       | -                  | -                  | -                  | 2,015              | -                  | 22                 | -                  | -                  | -                  | 2,015              | -                  | 22                 |
| <b>Liability position</b>                                 | <b>867,006</b>     | <b>(56,199)</b>    | <b>(50,082)</b>    | <b>1,156,578</b>   | <b>(134,424)</b>   | <b>(163,192)</b>   | <b>867,006</b>     | <b>(56,199)</b>    | <b>(50,082)</b>    | <b>1,156,578</b>   | <b>(110,652)</b>   | <b>(113,701)</b>   |
| Non Deliverable Forward - Foreign currency <sup>(2)</sup> | 782,396            | (50,757)           | (44,430)           | 1,094,102          | (133,635)          | (162,499)          | 782,396            | (50,757)           | (44,430)           | 1,094,102          | (109,863)          | (113,008)          |
| Credit derivatives <sup>(3)</sup>                         | 84,610             | (5,442)            | (5,652)            | 62,476             | (789)              | (693)              | 84,610             | (5,442)            | (5,652)            | 62,476             | (789)              | (693)              |
| <b>Total Assets (1 + 2 + 3 + 4 + 5)</b>                   | <b>63,012,240</b>  | <b>7,932,103</b>   | <b>8,562,670</b>   | <b>81,216,979</b>  | <b>3,286,145</b>   | <b>3,082,862</b>   | <b>55,204,738</b>  | <b>5,919,952</b>   | <b>6,738,713</b>   | <b>73,898,763</b>  | <b>3,022,744</b>   | <b>2,737,346</b>   |
| <b>Total Liabilities (1 + 2 + 3 + 4 + 5)</b>              | <b>109,073,943</b> | <b>(5,061,516)</b> | <b>(6,896,513)</b> | <b>102,918,850</b> | <b>(2,910,546)</b> | <b>(3,017,252)</b> | <b>105,515,040</b> | <b>(4,800,788)</b> | <b>(5,629,885)</b> | <b>119,461,828</b> | <b>(2,815,337)</b> | <b>(2,934,562)</b> |

<sup>(1)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

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

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



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

| Maturity in days                           | Bank              |                   |                   |                   |                    |                    | Consolidated      |                   |                   |                   |                    |                    |
|--|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
|  | From 0 to 30      | From 31 to 180    | From 181 to 360   | Over 360          | 09.30.2020         | 12.31.2019         | From 0 to 30      | From 31 to 180    | From 181 to 360   | Over 360          | 09.30.2020         | 12.31.2019         |
| Future contracts                           | 11,061,802        | 25,823,757        | 13,744,709        | 44,473,341        | 95,103,609         | 59,220,351         | 11,061,802        | 25,823,757        | 13,744,709        | 44,473,341        | 95,103,609         | 77,317,586         |
| Forward contracts                          | 1,954,618         | -                 | -                 | -                 | 1,954,618          | 264,867            | 1,954,618         | -                 | -                 | -                 | 1,954,618          | 264,867            |
| Option contracts                           | 969,676           | 33,824,536        | 15,365,064        | 367,458           | 50,526,734         | 90,825,028         | 969,676           | 30,248,144        | 11,991,972        | 367,458           | 43,577,250         | 88,245,544         |
| Swap contracts                             | 965,805           | 2,250,779         | 1,726,307         | 8,449,802         | 13,392,693         | 21,297,933         | 577,987           | 2,122,774         | 1,710,883         | 7,925,471         | 12,337,115         | 18,366,287         |
| Non Deliverable Forward - Foreign currency | 560,596           | 5,637,952         | 2,664,668         | 2,160,703         | 11,023,919         | 12,201,163         | 560,596           | 5,637,952         | 1,024,649         | 439,379           | 7,662,576          | 8,839,820          |
| Credit derivatives                         | -                 | -                 | -                 | 84,610            | 84,610             | 324,472            | -                 | -                 | -                 | 84,610            | 84,610             | 324,472            |
| Credit Linked Notes                        | -                 | -                 | -                 | -                 | -                  | 2,015              | -                 | -                 | -                 | -                 | -                  | 2,015              |
| <b>Total</b>                               | <b>15,512,497</b> | <b>67,537,024</b> | <b>33,500,748</b> | <b>55,535,914</b> | <b>172,086,183</b> | <b>184,135,829</b> | <b>15,124,679</b> | <b>63,832,627</b> | <b>28,472,213</b> | <b>53,290,259</b> | <b>160,719,778</b> | <b>193,360,591</b> |

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

|                                 | 09.30.2020 |           |            |            |                    |                         |             | 12.31.2019  |
|---------------------------------|------------|-----------|------------|------------|--------------------|-------------------------|-------------|-------------|
|                                 | Futures    | Terms     | Options    | Swap       | Credit derivatives | Non Deliverable Forward | Total       |             |
| <b>Bank</b>                     |            |           |            |            |                    |                         |             |             |
| Stock exchange market (B3)      | 95,103,609 | -         | 39,300,750 | -          | -                  | -                       | 134,404,359 | 141,008,271 |
| Over-the-counter market (Cetip) | -          | 1,954,618 | 11,225,984 | 13,392,693 | 84,610             | 11,023,919              | 37,681,824  | 43,127,558  |
| Financial institutions          | -          | 1,954,618 | 10,123,523 | 10,367,547 | 84,610             | 7,094,850               | 29,625,148  | 31,411,355  |
| Client                          | -          | -         | 1,102,461  | 3,025,146  | -                  | 3,929,069               | 8,056,676   | 11,716,203  |
| <b>Consolidated</b>             |            |           |            |            |                    |                         |             |             |
| Stock exchange market (B3)      | 95,103,609 | -         | 39,405,750 | -          | -                  | -                       | 134,509,359 | 163,580,506 |
| Over-the-counter market (Cetip) | -          | 1,954,618 | 4,171,500  | 12,337,115 | 84,610             | 7,662,576               | 26,210,419  | 29,780,085  |
| Financial institutions          | -          | 1,954,618 | 3,069,039  | 9,811,969  | 84,610             | 3,733,507               | 18,653,743  | 18,063,882  |
| Client                          | -          | -         | 1,102,461  | 2,525,146  | -                  | 3,929,069               | 7,556,676   | 11,716,203  |

(1) Includes operations with non-financial companies of the Conglomerate.



## FINANCIAL STATEMENTS

as of September 30, 2020

(Amounts in thousand of Reais, unless otherwise indicated)

### d) Breakdown of credit derivative financial instruments portfolio

|                                 | 09.30.2020      |         |            | 12.31.2019      |       |            |
|---------------------------------|-----------------|---------|------------|-----------------|-------|------------|
|                                 | Reference value | Cost    | Fair value | Reference value | Cost  | Fair value |
| <b>Bank and Consolidated</b>    |                 |         |            |                 |       |            |
| <b>Credit Swap</b>              |                 |         |            |                 |       |            |
| Received risk                   | 84,610          | (5,442) | (5,652)    | 264,011         | (425) | (197)      |
| Transferred risk                | -               | -       | -          | 60,461          | 846   | 651        |
|                                 |                 |         |            |                 |       |            |
| <b>By index</b>                 |                 |         |            |                 |       |            |
| Asset position - Fixed rate     | -               | -       | -          | 261,996         | 1,210 | 1,147      |
| Liability position - Fixed rate | 84,610          | (5,442) | (5,652)    | 62,476          | (789) | (693)      |

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

For transferred risk, a transaction is conducted in a trading portfolio with a sovereign risk client. In this case, future possible exposure is considered to determine the counterparty limit. The credit derivative financial instruments portfolio generated an impact in the Bank's Basel ratio of R\$ 677 (R\$ 2,843 on December 31, 2019) of Portion Referring to Weighed Exposures per Risk Factor (PRMR).

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

|                           | Bank             |                | Consolidated     |                |
|---------------------------|------------------|----------------|------------------|----------------|
|                           | 09.30.2020       | 12.31.2019     | 09.30.2020       | 12.31.2019     |
| Financial Treasury Bills  | 2,452,996        | 77,708         | 2,538,325        | 80,712         |
| National Treasury Notes   | 463,239          | -              | 463,239          | 291,294        |
| National Treasury Bills   | 8,585            | 17,946         | 8,585            | 17,946         |
| Units in investment funds | 34,795           | 34,175         | 49,368           | 48,109         |
| Others                    | 91,040           | 55,084         | 91,040           | 55,084         |
| <b>Total</b>              | <b>3,050,655</b> | <b>184,913</b> | <b>3,150,557</b> | <b>493,145</b> |

**f) Breakdown of derivatives portfolio for hedge accounting**

Hedge operations were evaluated as effective, in accordance with provisions of Bacen Circular no. 3,082/2002, and hedge effectiveness varies from 80% to 125%. For loans operations, the risk level is considered in the risk assessment of the fair value and consequently considered in the effectiveness calculation metric.

**Market risk hedge**

The Conglomerate, in order to protect itself against fluctuations in its financial instruments' interest and exchange rates, contracted derivatives to offset risks deriving from exposures to fair value variations.

|                               | Bank       |            | Consolidated |            |
|-------------------------------|------------|------------|--------------|------------|
|                               | 09.30.2020 | 12.31.2019 | 09.30.2020   | 12.31.2019 |
| <b>Market risk hedge</b>      |            |            |              |            |
| <b>Hedge instruments</b>      |            |            |              |            |
| <b>Liabilities</b>            |            |            |              |            |
| Futures <sup>(1)</sup>        | 19,945,577 | 2,403,396  | 19,945,577   | 20,489,371 |
| <b>Hedged items</b>           |            |            |              |            |
| <b>Assets</b>                 |            |            |              |            |
| Purchase and sale commitments | 1,324,465  | 1,877,581  | 1,324,465    | 1,877,581  |
| Loans <sup>(1)</sup>          | 17,528,270 | 185,129    | 17,528,270   | 18,662,795 |

<sup>(1)</sup> In the Bank, it includes hedge operations arising from the partial spin-off of BV Financeira.

In the nine month periods from January 1 to September 30, 2020 and 2019, some operations are no longer qualified as market risk hedge. The balance corresponding to the adjustment to the fair value of the hedged item existing on the closing date of the accounting hedge started to be deferred (except for the cases of early settlement of the object) by the contractual term of these operations whose effect on the income statement in the nine month period ended from January 1 to September 30, 2020 was R\$ 1,398 (R\$ 24,281 in the nine month period from January 1 to September 30, 2019) net of tax effects, presented under "Income (Losses) from derivative financial instruments". There were no dismantling of hedge operations in the nine month period from January 1 to September 30, 2020.

**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.

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.

|  | Bank and Consolidated |            |
|--|-----------------------|------------|
|  | 09.30.2020            | 12.31.2019 |
| <b>Cash flow hedge</b>                                       |                       |            |
| <b>Hedge instruments</b>                                     |                       |            |
| <b>Assets</b>  |                       |            |
| Swap <sup>(1)</sup>  | 756,723               | 175,326    |
| <b>Liabilities</b>   |                       |            |
| Future   | 14,171,781            | 12,820,188 |
| <b>Hedged items</b>  |                       |            |
| <b>Liabilities</b>   |                       |            |
| Perpetual bonus - Instrument of debts eligible for Capital   | 1,742,291             | 1,216,494  |
| Financial bills  | 13,452,036            | 12,010,105 |
| Subordinated debt - Instrument of debts eligible for Capital | 582,323               | 704,888    |

<sup>(1)</sup> The nominal value of the swap is R\$ 970,620 on September 30, 2020 and December 31, 2019.

In the nine month periods from January 1 to September 30, 2020 and 2019, some operations were no longer classified as cash flow hedge, which generated income / (expense) in the period of R\$ (11,529) net of tax effects (R\$ (8,753) in the nine month period from January 1 to September 30, 2019), presented under "Income from derivative financial instruments".

**g) Gains and losses on hedge instruments and hedged items**
**Market risk hedge**

|                                | Bank                   |                        | Consolidated           |                        |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Losses from hedged Items       | (112,345)              | (316)                  | (112,345)              | (316)                  |
| Gains from hedge instruments   | 115,325                | 276                    | 115,325                | 276                    |
| <b>Net effect</b>              | <b>2,981</b>           | <b>(40)</b>            | <b>2,981</b>           | <b>(40)</b>            |
| Gains from hedge items         | 240,615                | 135,346                | 240,615                | 1,080,707              |
| Losses from hedged instruments | (241,800)              | (134,626)              | (241,800)              | (1,080,850)            |
| <b>Net effect</b>              | <b>(1,186)</b>         | <b>720</b>             | <b>(1,186)</b>         | <b>(143)</b>           |

**Cash flow hedge**

| Bank and Consolidated    | 09.30.2020                          |                                       | 12.31.2019                          |                                       |
|--------------------------|-------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
|                          | Effective<br>portion<br>accumulated | Ineffective<br>portion<br>accumulated | Effective<br>portion<br>accumulated | Ineffective<br>portion<br>accumulated |
| <b>Hedge instruments</b> |                                     |                                       |                                     |                                       |
| Futures DI               | (107,167)                           | (28)                                  | (173,676)                           | (65)                                  |
| Swaps                    | 35,015                              | (2,483)                               | (57,358)                            | (3,188)                               |
| <b>Total</b>             | <b>(72,151)</b>                     | <b>(2,511)</b>                        | <b>(231,034)</b>                    | <b>(3,253)</b>                        |

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

In the nine month period from January 1 to September 30, 2020, the adjustment to fair value of the effective portion, in the amount of R\$ 158,883 (R\$ (156,570) in the nine month period from January 1 to September 30, 2019), was recognized in equity and the ineffective portion, in the amount of R\$ 742 (R\$ 323 in the nine month period from January 1 to September 30, 2019) was recognized in the income statement under "Income from derivative financial instruments".

The net gains from the tax effects related to the cash flow hedge that the Conglomerate expects to recognize in the next 12 months, amounts to R\$ 47,664 (net losses of R\$ 136,939 in the nine month period from January 1 to September 30, 2019).

**h) Derivative financial instruments breakdown into current and non-current**

|  | Bank               |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 09.30.2020         |                    |                    | 12.31.2019         |                    |                    |
|  | Current            | Non-current        | Total              | Current            | Non-current        | Total              |
| <b>Assets</b>                              |                    |                    |                    |                    |                    |                    |
| Term operations                            | 1,959,134          | -                  | 1,959,134          | 264,852            | -                  | 264,852            |
| Options market                             | 1,497,528          | 24,203             | 1,521,731          | 268,864            | 423,256            | 692,120            |
| Swap contracts                             | 494,111            | 2,728,221          | 3,222,332          | 822,060            | 1,227,798          | 2,049,858          |
| Non Deliverable Forward - Foreign currency | 1,191,375          | 668,098            | 1,859,473          | 64,800             | 10,063             | 74,863             |
| Credit derivatives                         | -                  | -                  | -                  | 454                | 693                | 1,147              |
| Credit linked notes                        | -                  | -                  | -                  | 22                 | -                  | 22                 |
| <b>Total</b>                               | <b>5,142,148</b>   | <b>3,420,522</b>   | <b>8,562,670</b>   | <b>1,421,052</b>   | <b>1,661,810</b>   | <b>3,082,862</b>   |
| <b>Liabilities</b>                         |                    |                    |                    |                    |                    |                    |
| Term operations                            | (1,954,759)        | -                  | (1,954,759)        | (264,288)          | -                  | (264,288)          |
| Options market                             | (2,587,441)        | (10,006)           | (2,597,447)        | (302,258)          | (411,234)          | (713,492)          |
| Swap contracts                             | (401,550)          | (1,892,675)        | (2,294,225)        | (844,823)          | (1,031,457)        | (1,876,280)        |
| Non Deliverable Forward - Foreign currency | (43,054)           | (1,376)            | (44,430)           | (98,343)           | (64,156)           | (162,499)          |
| Credit derivatives                         | -                  | (5,652)            | (5,652)            | -                  | (693)              | (693)              |
| <b>Total</b>                               | <b>(4,986,804)</b> | <b>(1,909,709)</b> | <b>(6,896,513)</b> | <b>(1,509,712)</b> | <b>(1,507,540)</b> | <b>(3,017,252)</b> |

|  | Consolidated       |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 09.30.2020         |                    |                    | 12.31.2019         |                    |                    |
|  | Current            | Non-current        | Total              | Current            | Non-current        | Total              |
| <b>Assets</b>                              |                    |                    |                    |                    |                    |                    |
| Term operations                            | 1,959,134          | -                  | 1,959,134          | 264,852            | -                  | 264,852            |
| Options market                             | 1,495,438          | 24,203             | 1,519,641          | 379,377            | 242,598            | 621,975            |
| Swap contracts                             | 436,924            | 2,201,980          | 2,638,904          | 743,410            | 1,041,046          | 1,784,456          |
| Non Deliverable Forward - Foreign currency | 553,585            | 67,449             | 621,034            | 64,800             | 94                 | 64,894             |
| Credit derivatives                         | -                  | -                  | -                  | 454                | 693                | 1,147              |
| Credit linked notes                        | -                  | -                  | -                  | 22                 | -                  | 22                 |
| <b>Total</b>                               | <b>4,445,081</b>   | <b>2,293,632</b>   | <b>6,738,713</b>   | <b>1,452,915</b>   | <b>1,284,431</b>   | <b>2,737,346</b>   |
| <b>Liabilities</b>                         |                    |                    |                    |                    |                    |                    |
| Term operations                            | (1,954,759)        | -                  | (1,954,759)        | (264,288)          | -                  | (264,288)          |
| Options market                             | (1,346,909)        | (10,006)           | (1,356,915)        | (425,010)          | (270,099)          | (695,109)          |
| Swap contracts                             | (400,393)          | (1,867,736)        | (2,268,129)        | (836,693)          | (1,024,771)        | (1,861,464)        |
| Non Deliverable Forward - Foreign currency | (43,054)           | (1,376)            | (44,430)           | (98,343)           | (14,665)           | (113,008)          |
| Credit derivatives                         | -                  | (5,652)            | (5,652)            | -                  | (693)              | (693)              |
| <b>Total</b>                               | <b>(3,745,115)</b> | <b>(1,884,770)</b> | <b>(5,629,885)</b> | <b>(1,624,334)</b> | <b>(1,310,228)</b> | <b>(2,934,562)</b> |

**i) Income from derivative financial instruments**

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Swap contracts   | 24,360                 | 51,926                 | (61,588)               | 266,113                |
| Term operations  | (5,681)                | 4,613                  | (10,784)               | 5,988                  |
| Options market   | (97,862)               | (148,844)              | (1,094,722)            | (47,192)               |
| Futures contracts  | 423,100                | (292,501)              | (319,382)              | (661,100)              |
| Credit derivatives   | 1,055                  | 5,691                  | (6,839)                | 7,978                  |
| Fair value adjustments of hedged financial instruments       | (298,280)              | 16,695                 | (288,996)              | 51,967                 |
| Non Deliverable Forward - Foreign currency                   | 248,113                | 340,135                | 2,758,278              | 202,131                |
| Income from foreign exchange movements of investments abroad | 46,770                 | 139,485                | 604,736                | 104,656                |
| Credit Linked Notes  | -                      | 4                      | (32)                   | 11                     |
| <b>Total</b>   | <b>341,575</b>         | <b>117,204</b>         | <b>1,580,671</b>       | <b>(69,448)</b>        |

|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Swap contracts   | (13,362)               | (30,302)               | (437,121)              | 118,264                |
| Term operations  | (5,681)                | 4,613                  | (10,784)               | 5,988                  |
| Options market   | 55,448                 | 2,866                  | 182,983                | (7,952)                |
| Futures contracts  | 324,789                | (430,573)              | (924,522)              | (1,043,595)            |
| Credit derivatives   | 1,055                  | 5,691                  | (6,839)                | 7,978                  |
| Fair value adjustments of hedged financial instruments       | (267,008)              | 65,827                 | (68,134)               | 147,214                |
| Non Deliverable Forward - Foreign currency                   | 94,702                 | 188,166                | 1,480,314              | 160,618                |
| Income from foreign exchange movements of investments abroad | 46,770                 | 139,485                | 604,736                | 104,656                |
| Credit Linked Notes  | -                      | 4                      | (32)                   | 11                     |
| <b>Total</b>   | <b>236,713</b>         | <b>(54,223)</b>        | <b>820,601</b>         | <b>(506,818)</b>       |

**j) Hedge accounting**

| Bank   | Hedge object |                        |            | Hedge instruments |            |            |
|--|--------------|------------------------|------------|-------------------|------------|------------|
|  | 09.30.2020   |                        | 12.31.2019 | Derivative        | 09.30.2020 | 12.31.2019 |
|  | Fair value   | Unrealized gain (loss) | Fair value |                   | Fair value | Fair value |
| Purchase and sale commitment hedge/ Fair value / Fixed rate  | 1,324,465    | 77                     | 1,877,581  | Futuro DI         | 2,818,083  | 2,211,053  |
| Loan operations hedge / fair value / Fixed rate / exchange variation <sup>(1)</sup>                          | 17,528,270   | 222,331                | 185,129    | Futuro DI         | 17,041,643 | 192,343    |
|  |              |                        |            | Futuro DDI        | 85,851     | -          |
| Hedge of financial bills, interbank deposits, perpetual bonus and subordinated debt / Cash flow / Fixed rate | 15,776,650   | 144,027                | 13,931,487 | Futuro DI         | 14,171,781 | 12,820,188 |
|  |              |                        |            | Swap              | 2,033,652  | 1,449,655  |

<sup>(1)</sup> Comprises hedge operations arising from the partial spin-off of BV Financeira.

| Consolidated<br><br>Strategy/Risk  | Hedge object |                        |            | Hedge instruments |            |            |
|--|--------------|------------------------|------------|-------------------|------------|------------|
|  | 09.30.2020   |                        | 12.31.2019 | Derivative        | 09.30.2020 | 12.31.2019 |
|  | Fair value   | Unrealized gain (loss) | Fair value |                   | Fair value | Fair value |
| Purchase and sale commitment hedge/ Fair value / Fixed rate  | 1,324,465    | 77                     | 1,877,581  | Futuro DI         | 2,818,083  | 2,211,053  |
| Loan operations hedge / fair value / Fixed rate / exchange variation   | 17,528,270   | 222,331                | 18,662,795 | Futuro DI         | 17,041,643 | 18,278,318 |
|  |              |                        |            | Futuro DDI        | 85,851     | -          |
| Hedge of financial bills, interbank deposits, perpetual bonus and subordinated debt / Cash flow / Fixed rate | 15,776,650   | 144,027                | 13,931,487 | Futuro DI Swap    | 14,171,781 | 12,820,188 |
|  |              |                        |            |                   | 2,033,652  | 1,449,655  |

## 10. INTERBANK ACCOUNTS

### a) Breakdown

|   | Bank           |                  | Consolidated     |                  |
|---|----------------|------------------|------------------|------------------|
|   | 09.30.2020     | 12.31.2019       | 09.30.2020       | 12.31.2019       |
| <b>Assets</b>                                     | <b>870,058</b> | <b>1,772,165</b> | <b>870,058</b>   | <b>1,772,165</b> |
| Reserve requirements (Note 10b)                   | 868,100        | 1,772,165        | 868,100          | 1,772,165        |
| Payments and receivables to be settled (Note 10c) | 1,958          | -                | 1,958            | -                |
| <b>Liabilities</b>                                | <b>23,930</b>  | <b>144</b>       | <b>1,571,958</b> | <b>1,642,152</b> |
| Payments and receivables to be settled (Note 10c) | 23,930         | 144              | 1,571,958        | 1,642,152        |

### b) Reserve requirements

|  | Bank and Consolidated |                  |
|--|-----------------------|------------------|
|  | 09.30.2020            | 12.31.2019       |
| <b>Assets</b>  |                       |                  |
| <b>Compulsory deposits at the Central Bank of Brazil</b> | <b>868,100</b>        | <b>1,772,165</b> |
| Demand deposits  | 865,834               | 1,769,417        |
| Microfinance transactions                                | 2,266                 | 2,748            |
| <b>Total</b>   | <b>868,100</b>        | <b>1,772,165</b> |
| Current assets   | 868,100               | 1,772,165        |

### c) Payments and receivables to be settled

|   | Bank          |            | Consolidated     |                  |
|---|---------------|------------|------------------|------------------|
|   | 09.30.2020    | 12.31.2019 | 09.30.2020       | 12.31.2019       |
| <b>Assets</b>   |               |            |                  |                  |
| <b>Rights with participants in settlement systems</b>   | <b>1,958</b>  | <b>-</b>   | <b>1,958</b>     | <b>-</b>         |
| Checks and other papers remitted                        | 42            | -          | 42               | -                |
| Receipts of documents sent by other system participants | 1,916         | -          | 1,916            | -                |
| <b>Total</b>  | <b>1,958</b>  | <b>-</b>   | <b>1,958</b>     | <b>-</b>         |
| Current assets  | 1,958         | -          | 1,958            | -                |
| <b>Liabilities</b>                                      |               |            |                  |                  |
| <b>Liabilities to settlement system participants</b>    | <b>21,619</b> | <b>-</b>   | <b>21,619</b>    | <b>-</b>         |
| Checks and other papers received                        | 21,619        | -          | 21,619           | -                |
| <b>Payment Transactions</b>                             | <b>2,311</b>  | <b>144</b> | <b>1,550,339</b> | <b>1,642,152</b> |
| Credit card   | 2,311         | 144        | 1,550,339        | 1,642,152        |
| <b>Total</b>  | <b>23,930</b> | <b>144</b> | <b>1,571,958</b> | <b>1,642,152</b> |
| Current liabilities                                     | 23,930        | 144        | 1,571,958        | 1,642,152        |

### d) Income from compulsory deposits

|   | Bank and Consolidated |                     |                     |                     |
|---|-----------------------|---------------------|---------------------|---------------------|
|   | 07.01 to 09.30.2020   | 07.01 to 09.30.2019 | 01.01 to 09.30.2020 | 01.01 to 09.30.2019 |
| <b>Credits linked to Central Bank of Brazil</b> | <b>5,519</b>          | <b>18,353</b>       | <b>26,600</b>       | <b>35,365</b>       |
| Requirement on time deposits                    | 5,519                 | 18,353              | 26,600              | 35,365              |
| <b>Total</b>                                    | <b>5,519</b>          | <b>18,353</b>       | <b>26,600</b>       | <b>35,365</b>       |



## 11. LOANS

### a) Portfolio by modality

|   | Bank               |                    | Consolidated       |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 09.30.2020         | 12.31.2019         | 09.30.2020         | 12.31.2019         |
| <b>Loans</b>  | <b>50,955,950</b>  | <b>7,087,393</b>   | <b>51,982,645</b>  | <b>49,516,883</b>  |
| Loans and discounted notes  | 5,231,035          | 2,712,110          | 6,257,730          | 5,365,913          |
| Financings  | 39,424,265         | 3,695,334          | 39,424,265         | 39,574,734         |
| Rural and agribusiness financing                                  | 586,072            | 659,025            | 586,072            | 659,025            |
| Real estate financing agreements                                  | 11,962             | 20,924             | 11,962             | 20,924             |
| Loans linked to assignments (Note 11j.1) <sup>(1)</sup>           | 5,702,616          | -                  | 5,702,616          | 3,896,287          |
| <b>Other receivables with loan characteristics</b>                | <b>2,726,948</b>   | <b>4,325,923</b>   | <b>4,332,130</b>   | <b>6,061,460</b>   |
| Credit card operations  | -                  | -                  | 1,605,182          | 1,733,714          |
| Advances on exchanges contracts and others linked credits         | 527,358            | 389,749            | 527,358            | 389,749            |
| Other credits linked to payment transactions <sup>(2)</sup>       | 17,489             | 377,341            | 17,489             | 377,341            |
| Credits for guarantees and sureties honored                       | 1,440              | -                  | 1,440              | -                  |
| Trade and credit receivables                                      | 2,180,661          | 3,558,833          | 2,180,661          | 3,560,656          |
| <b>Leases (Note 11g)</b>  | <b>-</b>           | <b>-</b>           | <b>80,759</b>      | <b>97,677</b>      |
| <b>Total loan portfolio</b>                                       | <b>53,682,898</b>  | <b>11,413,316</b>  | <b>56,395,534</b>  | <b>55,676,020</b>  |
| <b>Allowance for losses associated with credit risk</b>           | <b>(4,847,644)</b> | <b>(1,773,622)</b> | <b>(5,278,626)</b> | <b>(4,715,878)</b> |
| (Allowance for loan losses)                                       | (3,607,572)        | (435,789)          | (4,004,450)        | (3,346,584)        |
| (Allowance for loans linked to assignments losses) <sup>(3)</sup> | (1,240,072)        | (1,337,833)        | (1,272,557)        | (1,367,077)        |
| (Allowance for lease losses)                                      | -                  | -                  | (1,619)            | (2,217)            |
| <b>Total loan portfolio, net of provisions <sup>(4)</sup></b>     | <b>48,835,254</b>  | <b>9,639,694</b>   | <b>51,116,908</b>  | <b>50,960,142</b>  |
| Current assets  | 23,709,652         | 6,026,349          | 25,731,801         | 27,292,472         |
| Non-current assets  | 25,125,602         | 3,613,345          | 25,385,107         | 23,667,670         |

<sup>(1)</sup> Credit transactions assigned with substantial retention of the risks and benefits of the financial asset that is the transaction object.

<sup>(2)</sup> Credit rights on payment transactions acquired by assignment with retention of risks and benefits by the assignor.

<sup>(3)</sup> Includes provision for losses on operations under homologated judicial reorganization and allowed for linked payment transactions losses.

<sup>(4)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

### b) Income from loans and leases

|                                  | Bank                   |                        |                        |                        |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Loans <sup>(1)</sup></b>      | <b>1,191,037</b>       | <b>244,798</b>         | <b>1,664,911</b>       | <b>596,549</b>         |
| Loans and discounted notes       | 151,011                | 116,270                | 305,290                | 303,434                |
| Financings                       | 1,026,689              | 105,247                | 1,307,775              | 252,659                |
| Rural and agribusiness financing | 4,862                  | 6,048                  | 17,665                 | 19,613                 |
| Real estate financing agreements | 143                    | 642                    | 622                    | 2,616                  |
| Financing in foreign currency    | 2,589                  | 16,587                 | 21,443                 | 18,223                 |
| Sureties and guarantees          | 10                     | -                      | 10                     | -                      |
| Other                            | 5,733                  | 4                      | 12,106                 | 4                      |
| <b>Total <sup>(2)</sup></b>      | <b>1,191,037</b>       | <b>244,798</b>         | <b>1,664,911</b>       | <b>596,549</b>         |

|                                      | Consolidated           |                        |                        |                        |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                      | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Loans <sup>(1)</sup></b>          | <b>1,784,203</b>       | <b>2,113,261</b>       | <b>5,937,609</b>       | <b>6,064,376</b>       |
| Loans and discounted notes           | 262,533                | 395,437                | 887,496                | 1,134,275              |
| Financings                           | 1,506,042              | 1,688,047              | 4,982,625              | 4,875,093              |
| Rural and agribusiness financing     | 4,862                  | 6,048                  | 17,665                 | 19,613                 |
| Real estate financing agreements     | 143                    | 642                    | 622                    | 2,616                  |
| Financing in foreign currency        | 2,589                  | 16,587                 | 21,443                 | 18,223                 |
| Sureties and guarantees              | 10                     | -                      | 10                     | -                      |
| Other                                | 8,024                  | 6,500                  | 27,748                 | 14,556                 |
| <b>Income from leases (Note 11h)</b> | <b>1,902</b>           | <b>10,298</b>          | <b>7,332</b>           | <b>23,348</b>          |
| <b>Total <sup>(2)</sup></b>          | <b>1,786,105</b>       | <b>2,123,559</b>       | <b>5,944,941</b>       | <b>6,087,724</b>       |

<sup>(1)</sup> In the Bank, it includes appropriation of income generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

<sup>(2)</sup> Does not comprises the loans linked to the assignments. Considering these assets, the income from loans of the Bank, in the nine month period from January 1 to September 30, 2020 would amount to R\$ 1,829,176 (R\$ 596,549 in the nine month period from January 1 to September 30, 2019) and in Consolidated, also considering leases, would amount to R\$ 6,599,251 (R\$ 6,870,012 in the nine month period from January 1 to September 30, 2019).

**c) Loan portfolio by sector of economic activity**

| Bank  | 09.30.2020        | %              | 12.31.2019        | %              |
|---|-------------------|----------------|-------------------|----------------|
| <b>Private sector</b>                                 | <b>53,460,567</b> | <b>100.00%</b> | <b>11,407,499</b> | <b>100.00%</b> |
| <b>Individual <sup>(1)</sup></b>                      | <b>41,498,544</b> | <b>77.62%</b>  | <b>159,038</b>    | <b>1.39%</b>   |
| <b>Legal entities</b>                                 | <b>11,962,023</b> | <b>22.38%</b>  | <b>11,248,461</b> | <b>98.61%</b>  |
| Animal agribusiness                                   | 237,585           | 0.44%          | 346,911           | 3.04%          |
| Vegetable agribusiness                                | 180,613           | 0.34%          | 144,088           | 1.26%          |
| Specific construction activities                      | 61,230            | 0.11%          | 23,165            | 0.20%          |
| Automotive  | 59,702            | 0.11%          | 49,287            | 0.43%          |
| Wholesale commerce and sundry industries              | 5,001,165         | 9.35%          | 4,501,583         | 39.46%         |
| Retail business                                       | 1,308,668         | 2.45%          | 859,299           | 7.53%          |
| Heavy construction                                    | 20,395            | 0.04%          | 5,957             | 0.05%          |
| Electronics   | 854               | 0.00%          | -                 | 0.00%          |
| Electric power  | 113,763           | 0.21%          | 130,152           | 1.14%          |
| Real estate   | 96,037            | 0.18%          | 76,000            | 0.67%          |
| Financial institutions and services                   | 140,010           | 0.26%          | 574,634           | 5.04%          |
| Wood and furniture                                    | 16,164            | 0.03%          | 9,131             | 0.08%          |
| Mining and Metallurgy                                 | 104,563           | 0.20%          | 100,857           | 0.88%          |
| Paper and pulp  | 150,167           | 0.28%          | 127,879           | 1.12%          |
| Chemical  | 51,338            | 0.10%          | 127,906           | 1.12%          |
| Services  | 3,219,102         | 6.02%          | 3,209,915         | 28.14%         |
| Telecommunications                                    | 4,609             | 0.01%          | 98,229            | 0.86%          |
| Textile and apparel                                   | 117,383           | 0.22%          | 114,858           | 1.01%          |
| Transportation  | 853,215           | 1.60%          | 594,286           | 5.21%          |
| Other activities                                      | 225,460           | 0.43%          | 154,324           | 1.37%          |
| <b>Total</b>  | <b>53,460,567</b> | <b>100.00%</b> | <b>11,407,499</b> | <b>100.00%</b> |
| <b>(+/-) Adjustment to fair value <sup>(2)</sup></b>  | <b>222,331</b>    |                | <b>5,817</b>      |                |
| <b>Total of loan portfolio adjusted to fair value</b> | <b>53,682,898</b> |                | <b>11,413,316</b> |                |
| <b>Consolidated</b>                                   | <b>09.30.2020</b> | <b>%</b>       | <b>12.31.2019</b> | <b>%</b>       |
| <b>Private sector</b>                                 | <b>56,173,203</b> | <b>100.00%</b> | <b>55,348,482</b> | <b>100.00%</b> |
| <b>Individual <sup>(1)</sup></b>                      | <b>44,130,447</b> | <b>78.56%</b>  | <b>42,881,930</b> | <b>77.48%</b>  |
| <b>Legal entities</b>                                 | <b>12,042,756</b> | <b>21.44%</b>  | <b>12,466,552</b> | <b>22.52%</b>  |
| Animal agribusiness                                   | 237,585           | 0.42%          | 351,227           | 0.63%          |
| Vegetable agribusiness                                | 180,613           | 0.32%          | 151,702           | 0.27%          |
| Specific construction activities                      | 77,040            | 0.14%          | 77,146            | 0.14%          |
| Automotive  | 59,702            | 0.11%          | 61,564            | 0.11%          |
| Wholesale commerce and sundry industries              | 5,027,133         | 8.95%          | 4,626,748         | 8.36%          |
| Retail business                                       | 1,315,610         | 2.34%          | 1,121,604         | 2.03%          |
| Heavy construction                                    | 20,395            | 0.04%          | 7,632             | 0.01%          |
| Electronics   | 854               | 0.00%          | 27                | 0.00%          |
| Electric power  | 113,763           | 0.20%          | 131,693           | 0.24%          |
| Real estate   | 96,037            | 0.17%          | 84,142            | 0.15%          |
| Financial institutions and services                   | 140,010           | 0.25%          | 576,200           | 1.04%          |
| Wood and furniture                                    | 16,164            | 0.03%          | 18,990            | 0.03%          |
| Mining and Metallurgy                                 | 104,563           | 0.19%          | 103,422           | 0.19%          |
| Paper and pulp  | 150,167           | 0.27%          | 129,499           | 0.23%          |
| Chemical  | 51,338            | 0.09%          | 128,462           | 0.23%          |
| Services  | 3,239,707         | 5.77%          | 3,566,698         | 6.44%          |
| Telecommunications                                    | 4,609             | 0.01%          | 102,406           | 0.19%          |
| Textile and apparel                                   | 117,383           | 0.21%          | 124,601           | 0.23%          |
| Transportation  | 864,623           | 1.54%          | 941,880           | 1.70%          |
| Other activities                                      | 225,460           | 0.39%          | 160,909           | 0.30%          |
| <b>Total</b>  | <b>56,173,203</b> | <b>100.00%</b> | <b>55,348,482</b> | <b>100.00%</b> |
| <b>(+/-) Adjustment to fair value <sup>(2)</sup></b>  | <b>222,331</b>    |                | <b>327,538</b>    |                |
| <b>Total of loan portfolio adjusted to fair value</b> | <b>56,395,534</b> |                | <b>55,676,020</b> |                |

<sup>(1)</sup> Includes loans operations of the agribusiness sectors and other sectors of economic activity made with individuals.

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

<sup>(3)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

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as of September 30, 2020

(Amounts in thousand of Reais, unless otherwise indicated)

### d) Loan portfolio by risk level and maturity

| Bank   | AA               | A                 | B                 | C                | D                | E                | F              | G                | H                | 09.30.2020        | 12.31.2019        |
|--|------------------|-------------------|-------------------|------------------|------------------|------------------|----------------|------------------|------------------|-------------------|-------------------|
| <b>Performing loans</b>  |                  |                   |                   |                  |                  |                  |                |                  |                  |                   |                   |
| <b>Falling due installments</b>                                      | <b>2,457,851</b> | <b>23,642,524</b> | <b>9,460,755</b>  | <b>8,981,371</b> | <b>866,565</b>   | <b>1,189,805</b> | <b>158,243</b> | <b>1,464,762</b> | <b>517,899</b>   | <b>48,739,775</b> | <b>11,129,570</b> |
| From 01 to 30  | 372,386          | 1,258,628         | 412,657           | 311,928          | 37,065           | 58,116           | 6,310          | 10,441           | 17,036           | 2,484,567         | 1,655,072         |
| From 31 to 60  | 155,353          | 1,178,576         | 320,816           | 290,606          | 40,250           | 45,395           | 3,268          | 8,822            | 12,736           | 2,055,822         | 652,577           |
| From 61 to 90  | 189,135          | 1,318,665         | 360,444           | 314,630          | 27,455           | 47,160           | 6,083          | 9,355            | 35,730           | 2,308,657         | 764,822           |
| From 91 to 180   | 487,478          | 3,410,009         | 1,059,800         | 885,169          | 139,923          | 144,929          | 12,412         | 30,777           | 30,495           | 6,200,992         | 1,382,934         |
| From 181 to 360  | 538,393          | 5,383,019         | 1,723,760         | 1,596,552        | 151,660          | 245,440          | 21,233         | 119,491          | 54,379           | 9,833,927         | 1,695,817         |
| Over 360 days  | 715,106          | 11,093,627        | 5,583,278         | 5,582,486        | 470,212          | 648,765          | 108,937        | 1,285,876        | 367,523          | 25,855,810        | 4,978,348         |
| <b>Installments overdue</b>  | <b>43</b>        | <b>64,916</b>     | <b>17,100</b>     | <b>25,879</b>    | <b>12,027</b>    | <b>11,210</b>    | <b>1,967</b>   | <b>1,937</b>     | <b>2,155</b>     | <b>137,234</b>    | <b>8,746</b>      |
| Up to 14 days  | 43               | 64,916            | 17,100            | 25,879           | 12,027           | 11,210           | 1,967          | 1,937            | 2,155            | 137,234           | 8,746             |
| <b>Subtotal</b>  | <b>2,457,894</b> | <b>23,707,440</b> | <b>9,477,855</b>  | <b>9,007,250</b> | <b>878,592</b>   | <b>1,201,015</b> | <b>160,210</b> | <b>1,466,699</b> | <b>520,054</b>   | <b>48,877,009</b> | <b>11,138,316</b> |
| <b>Non-performing loans</b>  |                  |                   |                   |                  |                  |                  |                |                  |                  |                   |                   |
| <b>Falling due installments</b>                                      | <b>-</b>         | <b>-</b>          | <b>507,365</b>    | <b>679,406</b>   | <b>501,545</b>   | <b>672,186</b>   | <b>110,569</b> | <b>320,907</b>   | <b>909,841</b>   | <b>3,701,819</b>  | <b>99,897</b>     |
| From 01 to 30  | -                | -                 | 28,459            | 36,098           | 23,346           | 31,733           | 5,665          | 17,003           | 55,258           | 197,562           | 4,167             |
| From 31 to 60  | -                | -                 | 27,640            | 32,081           | 27,933           | 28,798           | 5,021          | 15,018           | 47,140           | 183,631           | 587               |
| From 61 to 90  | -                | -                 | 26,571            | 32,392           | 19,602           | 29,117           | 5,054          | 15,147           | 47,207           | 175,090           | 795               |
| From 91 to 180   | -                | -                 | 73,311            | 89,949           | 67,515           | 82,453           | 14,139         | 42,021           | 131,113          | 500,501           | 9,494             |
| From 181 to 360  | -                | -                 | 120,814           | 148,828          | 127,610          | 141,856          | 23,301         | 69,091           | 210,725          | 842,225           | 21,358            |
| Over 360 days  | -                | -                 | 230,570           | 340,058          | 235,539          | 358,229          | 57,389         | 162,627          | 418,398          | 1,802,810         | 63,496            |
| <b>Installments overdue <sup>(1)</sup></b>                           | <b>-</b>         | <b>-</b>          | <b>31,577</b>     | <b>67,301</b>    | <b>60,993</b>    | <b>84,769</b>    | <b>24,111</b>  | <b>73,591</b>    | <b>539,397</b>   | <b>881,739</b>    | <b>169,286</b>    |
| From 01 to 14  | -                | -                 | -                 | 13,754           | 9,467            | 11,372           | 2,402          | 6,136            | 22,206           | 65,337            | 9,972             |
| From 15 to 30  | -                | -                 | 31,577            | 19,885           | 10,848           | 18,812           | 2,734          | 9,743            | 26,879           | 120,478           | 2,628             |
| From 31 to 60  | -                | -                 | -                 | 33,662           | 19,215           | 24,800           | 5,035          | 15,727           | 51,081           | 149,520           | 1,548             |
| From 61 to 90  | -                | -                 | -                 | -                | 21,463           | 16,805           | 4,319          | 13,597           | 52,663           | 108,847           | 1,388             |
| From 91 to 180   | -                | -                 | -                 | -                | -                | 12,980           | 9,621          | 28,388           | 152,583          | 203,572           | 36,260            |
| From 181 to 360  | -                | -                 | -                 | -                | -                | -                | -              | -                | 233,985          | 233,985           | 117,490           |
| <b>Subtotal</b>  | <b>-</b>         | <b>-</b>          | <b>538,942</b>    | <b>746,707</b>   | <b>562,538</b>   | <b>756,955</b>   | <b>134,680</b> | <b>394,498</b>   | <b>1,449,238</b> | <b>4,583,558</b>  | <b>269,183</b>    |
| <b>Total</b>   | <b>2,457,894</b> | <b>23,707,440</b> | <b>10,016,797</b> | <b>9,753,957</b> | <b>1,441,130</b> | <b>1,957,970</b> | <b>294,890</b> | <b>1,861,197</b> | <b>1,969,292</b> | <b>53,460,567</b> | <b>11,407,499</b> |
| <b>(+/-) Adjustment to fair value <sup>(2)</sup></b>                 |                  |                   |                   |                  |                  |                  |                |                  |                  | <b>222,331</b>    | <b>5,817</b>      |
| <b>Total of loan portfolio adjusted to fair value <sup>(3)</sup></b> |                  |                   |                   |                  |                  |                  |                |                  |                  | <b>53,682,898</b> | <b>11,413,316</b> |



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| Consolidated  | AA               | A                 | B                 | C                | D                | E                | F              | G                | H                | 09.30.2020        | 12.31.2019        |
|---|------------------|-------------------|-------------------|------------------|------------------|------------------|----------------|------------------|------------------|-------------------|-------------------|
| <b>Operações em curso normal</b>                      |                  |                   |                   |                  |                  |                  |                |                  |                  |                   |                   |
| <b>Falling due installments</b>                       | <b>2,466,630</b> | <b>23,723,448</b> | <b>9,463,781</b>  | <b>8,977,958</b> | <b>876,599</b>   | <b>1,186,448</b> | <b>149,908</b> | <b>1,459,413</b> | <b>483,703</b>   | <b>48,787,888</b> | <b>47,197,664</b> |
| From 01 to 30   | 372,576          | 1,288,165         | 414,689           | 308,515          | 38,923           | 54,759           | (2,025)        | 5,092            | (17,160)         | 2,463,534         | 3,581,254         |
| From 31 to 60   | 155,543          | 1,180,626         | 321,195           | 290,606          | 40,798           | 45,395           | 3,268          | 8,822            | 12,736           | 2,058,989         | 2,278,263         |
| From 61 to 90   | 189,325          | 1,320,699         | 360,823           | 314,630          | 28,003           | 47,160           | 6,083          | 9,355            | 35,730           | 2,311,808         | 2,299,040         |
| From 91 to 180  | 488,047          | 3,415,997         | 1,060,933         | 885,169          | 141,431          | 144,929          | 12,412         | 30,777           | 30,495           | 6,210,190         | 5,727,530         |
| From 181 to 360                                       | 539,530          | 5,394,204         | 1,725,446         | 1,596,552        | 154,277          | 245,440          | 21,233         | 119,491          | 54,379           | 9,850,552         | 9,277,829         |
| Over 360 days   | 721,609          | 11,123,757        | 5,580,695         | 5,582,486        | 473,167          | 648,765          | 108,937        | 1,285,876        | 367,523          | 25,892,815        | 24,033,748        |
| <b>Installments overdue</b>                           | <b>43</b>        | <b>1,643,464</b>  | <b>133,018</b>    | <b>142,659</b>   | <b>61,139</b>    | <b>30,441</b>    | <b>10,995</b>  | <b>10,436</b>    | <b>47,143</b>    | <b>2,079,338</b>  | <b>1,947,780</b>  |
| Up to 14 days   | 43               | 1,643,464         | 133,018           | 142,659          | 61,139           | 30,441           | 10,995         | 10,436           | 47,143           | 2,079,338         | 1,947,780         |
| <b>Subtotal</b>                                       | <b>2,466,673</b> | <b>25,366,912</b> | <b>9,596,799</b>  | <b>9,120,617</b> | <b>937,738</b>   | <b>1,216,889</b> | <b>160,903</b> | <b>1,469,849</b> | <b>530,846</b>   | <b>50,867,226</b> | <b>49,145,444</b> |
| <b>Operações em curso anormal</b>                     |                  |                   |                   |                  |                  |                  |                |                  |                  |                   |                   |
| <b>Falling due installments</b>                       | <b>-</b>         | <b>-</b>          | <b>507,385</b>    | <b>679,406</b>   | <b>501,545</b>   | <b>672,186</b>   | <b>110,569</b> | <b>320,907</b>   | <b>909,860</b>   | <b>3,701,858</b>  | <b>4,429,828</b>  |
| From 01 to 30   | -                | -                 | 28,462            | 36,098           | 23,346           | 31,733           | 5,665          | 17,003           | 55,259           | 197,566           | 233,889           |
| From 31 to 60   | -                | -                 | 27,643            | 32,081           | 27,933           | 28,798           | 5,021          | 15,018           | 47,141           | 183,635           | 226,989           |
| From 61 to 90   | -                | -                 | 26,574            | 32,392           | 19,602           | 29,117           | 5,054          | 15,147           | 47,208           | 175,094           | 212,335           |
| From 91 to 180  | -                | -                 | 73,319            | 89,949           | 67,515           | 82,453           | 14,139         | 42,021           | 131,115          | 500,511           | 601,059           |
| From 181 to 360                                       | -                | -                 | 120,817           | 148,828          | 127,610          | 141,856          | 23,301         | 69,091           | 210,729          | 842,232           | 1,023,256         |
| Over 360 days   | -                | -                 | 230,570           | 340,058          | 235,539          | 358,229          | 57,389         | 162,627          | 418,408          | 1,802,820         | 2,132,300         |
| <b>Installments overdue <sup>(1)</sup></b>            | <b>-</b>         | <b>-</b>          | <b>109,067</b>    | <b>149,041</b>   | <b>144,745</b>   | <b>156,019</b>   | <b>76,739</b>  | <b>142,781</b>   | <b>825,727</b>   | <b>1,604,119</b>  | <b>1,773,210</b>  |
| From 01 to 14   | -                | -                 | -                 | 13,754           | 9,467            | 11,372           | 2,402          | 6,136            | 22,206           | 65,337            | 90,793            |
| From 15 to 30   | -                | -                 | 109,067           | 88,802           | 72,772           | 62,340           | 28,604         | 29,505           | 83,571           | 474,661           | 424,172           |
| From 31 to 60   | -                | -                 | -                 | 46,485           | 21,476           | 27,045           | 5,985          | 17,719           | 52,694           | 171,404           | 228,303           |
| From 61 to 90   | -                | -                 | -                 | -                | 41,030           | 19,145           | 5,012          | 16,030           | 54,396           | 135,613           | 177,602           |
| From 91 to 180  | -                | -                 | -                 | -                | -                | 36,117           | 34,736         | 73,391           | 159,835          | 304,079           | 362,727           |
| From 181 to 360                                       | -                | -                 | -                 | -                | -                | -                | -              | -                | 453,025          | 453,025           | 489,613           |
| <b>Subtotal</b>                                       | <b>-</b>         | <b>-</b>          | <b>616,452</b>    | <b>828,447</b>   | <b>646,290</b>   | <b>828,205</b>   | <b>187,308</b> | <b>463,688</b>   | <b>1,735,587</b> | <b>5,305,977</b>  | <b>6,203,038</b>  |
| <b>Total</b>  | <b>2,466,673</b> | <b>25,366,912</b> | <b>10,213,251</b> | <b>9,949,064</b> | <b>1,584,028</b> | <b>2,045,094</b> | <b>348,211</b> | <b>1,933,537</b> | <b>2,266,433</b> | <b>56,173,203</b> | <b>55,348,482</b> |
| <b>(+/-) Adjustment to fair value <sup>(2)</sup></b>  |                  |                   |                   |                  |                  |                  |                |                  |                  | <b>222,331</b>    | <b>327,538</b>    |
| <b>Total of loan portfolio adjusted to fair value</b> |                  |                   |                   |                  |                  |                  |                |                  |                  | <b>56,395,534</b> | <b>55,676,020</b> |

<sup>(1)</sup> Up to November 2019, for retail operations with a maturity of more than 36 months, the double counting of days overdue were performed, as permitted by CMN Resolution No. 2,682/1999. For wholesale operations, double counting over delay intervals were also applied, according to an internal assessment. As of December 2019, the Conglomerate stopped adopting double counting for wholesale and retail operations.

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

<sup>(3)</sup> Includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

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### e) Allowance for loan losses by risk levels

| Risk level  | % Provision | 09.30.2020          |                            |                                     |                    | 12.31.2019          |                            |                                     |                    |
|---|-------------|---------------------|----------------------------|-------------------------------------|--------------------|---------------------|----------------------------|-------------------------------------|--------------------|
|   |             | Value of operations | Minimum provision required | Additional provision <sup>(1)</sup> | Existing provision | Value of operations | Minimum provision required | Additional provision <sup>(1)</sup> | Existing provision |
| Bank  |             |                     |                            |                                     |                    |                     |                            |                                     |                    |
| AA  | 0.00%       | 2,457,894           | -                          | -                                   | -                  | 3,184,377           | -                          | -                                   | -                  |
| A   | 0.50%       | 23,707,440          | (118,537)                  | -                                   | (118,537)          | 4,950,639           | (24,753)                   | -                                   | (24,753)           |
| B   | 1.00%       | 10,016,797          | (100,168)                  | -                                   | (100,168)          | 881,032             | (8,810)                    | -                                   | (8,810)            |
| C   | 3.00%       | 9,753,957           | (292,619)                  | -                                   | (292,619)          | 216,882             | (6,507)                    | -                                   | (6,507)            |
| D   | 10.00%      | 1,441,130           | (144,113)                  | -                                   | (144,113)          | 123,845             | (12,384)                   | -                                   | (12,384)           |
| E   | 30.00%      | 1,957,970           | (587,391)                  | -                                   | (587,391)          | 75,363              | (22,608)                   | -                                   | (22,608)           |
| F   | 50.00%      | 294,890             | (147,445)                  | -                                   | (147,445)          | 128,831             | (64,415)                   | -                                   | (64,415)           |
| G   | 70.00%      | 1,861,197           | (1,302,837)                | (185,242)                           | (1,488,079)        | 1,324,272           | (926,990)                  | (184,897)                           | (1,111,887)        |
| H   | 100.00%     | 1,969,292           | (1,969,292)                | -                                   | (1,969,292)        | 522,258             | (522,258)                  | -                                   | (522,258)          |
| Total   |             | 53,460,567          | (4,662,402)                | (185,242)                           | (4,847,644)        | 11,407,499          | (1,588,725)                | (184,897)                           | (1,773,622)        |
| (+/-) Adjustment to fair value <sup>(2)</sup>                 |             | 222,331             |                            |                                     |                    | 5,817               |                            |                                     |                    |
| Total of loan portfolio adjusted to fair value <sup>(3)</sup> |             | 53,682,898          |                            |                                     |                    | 11,413,316          |                            |                                     |                    |
| Consolidated  |             |                     |                            |                                     |                    |                     |                            |                                     |                    |
| AA  | 0.00%       | 2,466,673           | -                          | -                                   | -                  | 3,192,300           | -                          | -                                   | -                  |
| A   | 0.50%       | 25,366,912          | (126,835)                  | -                                   | (126,835)          | 25,261,517          | (126,308)                  | -                                   | (126,308)          |
| B   | 1.00%       | 10,213,251          | (102,133)                  | -                                   | (102,133)          | 10,911,587          | (109,116)                  | -                                   | (109,116)          |
| C   | 3.00%       | 9,949,064           | (298,472)                  | -                                   | (298,472)          | 9,374,955           | (281,249)                  | -                                   | (281,249)          |
| D   | 10.00%      | 1,584,028           | (158,403)                  | -                                   | (158,403)          | 1,371,789           | (137,180)                  | -                                   | (137,180)          |
| E   | 30.00%      | 2,045,094           | (613,528)                  | -                                   | (613,528)          | 669,746             | (200,925)                  | -                                   | (200,925)          |
| F   | 50.00%      | 348,211             | (174,106)                  | -                                   | (174,106)          | 671,774             | (335,887)                  | -                                   | (335,887)          |
| G   | 70.00%      | 1,933,537           | (1,353,474)                | (185,242)                           | (1,538,716)        | 1,848,322           | (1,293,824)                | (184,897)                           | (1,478,721)        |
| H   | 100.00%     | 2,266,433           | (2,266,433)                | -                                   | (2,266,433)        | 2,046,492           | (2,046,492)                | -                                   | (2,046,492)        |
| Total   |             | 56,173,203          | (5,093,384)                | (185,242)                           | (5,278,626)        | 55,348,482          | (4,530,981)                | (184,897)                           | (4,715,878)        |
| (+/-) Adjustment to fair value <sup>(2)</sup>                 |             | 222,331             |                            |                                     |                    | 327,538             |                            |                                     |                    |
| Total of loan portfolio adjusted to fair value                |             | 56,395,534          |                            |                                     |                    | 55,676,020          |                            |                                     |                    |

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

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

<sup>(3)</sup> Includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

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

|   | Bank                   |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>(Provision) / reversal of provision for losses associated with the loan portfolio (Note 11f.2)</b> | <b>(533,802)</b>       | <b>(48,861)</b>        | <b>(624,132)</b>       | <b>(218,722)</b>       |
| Loans   | (496,631)              | (53,834)               | (617,413)              | (85,257)               |
| Other receivables with loan characteristics   | (37,171)               | 4,973                  | (6,719)                | (133,465)              |
| <b>Income from recovery of loans previously written off as losses</b>                                 | <b>112,245</b>         | <b>18,750</b>          | <b>203,203</b>         | <b>67,258</b>          |
| Loans   | 112,227                | 18,750                 | 188,185                | 65,488                 |
| Other receivables with loan characteristics   | 18                     | -                      | 15,018                 | 1,770                  |
| <b>Total (provision) / reversal of provision for losses associated with the loan portfolio</b>        | <b>(421,557)</b>       | <b>(30,111)</b>        | <b>(420,929)</b>       | <b>(151,464)</b>       |
| <b>Other (provisions) / reversals of provisions for losses associated with credit risk</b>            | <b>(37,284)</b>        | <b>57,414</b>          | <b>(44,981)</b>        | <b>122,463</b>         |
| Financial guarantees provided <sup>(1)</sup>  | (35,750)               | 57,950                 | (42,627)               | 122,867                |
| Other risks   | (1,534)                | (536)                  | (2,354)                | (404)                  |
| <b>Total other (provisions) / reversals of provisions associated with credit risk</b>                 | <b>(37,284)</b>        | <b>57,414</b>          | <b>(44,981)</b>        | <b>122,463</b>         |
| <b>Total <sup>(2)</sup></b>   | <b>(458,841)</b>       | <b>27,303</b>          | <b>(465,910)</b>       | <b>(29,001)</b>        |

  

|   | Consolidated           |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>(Provision) / reversal of provision for losses associated with the loan portfolio (Note 11f.2)</b> | <b>(792,516)</b>       | <b>(628,541)</b>       | <b>(2,582,814)</b>     | <b>(1,874,217)</b>     |
| Loans   | (787,322)              | (634,081)              | (2,611,520)            | (1,734,100)            |
| Leases  | 189                    | 2,013                  | 599                    | (2,841)                |
| Other receivables with loan characteristics   | (5,383)                | 3,527                  | 28,107                 | (137,276)              |
| <b>Income from recovery of loans previously written off as losses</b>                                 | <b>159,652</b>         | <b>177,055</b>         | <b>412,408</b>         | <b>453,489</b>         |
| Loans   | 159,465                | 176,840                | 397,209                | 449,847                |
| Leases  | 169                    | 215                    | 181                    | 1,872                  |
| Other receivables with loan characteristics   | 18                     | -                      | 15,018                 | 1,770                  |
| <b>Total (provision) / reversal of provision for losses associated with the loan portfolio</b>        | <b>(632,864)</b>       | <b>(451,486)</b>       | <b>(2,170,406)</b>     | <b>(1,420,728)</b>     |
| <b>Other (provisions) / reversals of provisions for losses associated with credit risk</b>            | <b>(37,770)</b>        | <b>56,991</b>          | <b>(47,128)</b>        | <b>124,625</b>         |
| Financial guarantees provided <sup>(1)</sup>  | (35,750)               | 57,950                 | (42,627)               | 122,867                |
| Other risks   | (2,020)                | (959)                  | (4,501)                | 1,758                  |
| <b>Total other (provisions) / reversals of provisions associated with credit risk</b>                 | <b>(37,770)</b>        | <b>56,991</b>          | <b>(47,128)</b>        | <b>124,625</b>         |
| <b>Total</b>  | <b>(670,634)</b>       | <b>(394,495)</b>       | <b>(2,217,534)</b>     | <b>(1,296,103)</b>     |

<sup>(1)</sup> The respective provisions are presented in Other Liabilities - "Provision for loss with financial guarantees provided" and "Provision for loss - other risks" (Note 20a).

<sup>(2)</sup> In the Bank, it includes appropriation of income generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

**f.2) Changes**

Comprise loans, leases and other receivables with loan characteristics.

|  | Bank                   |                        | Consolidated           |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Opening balance</b>                           | <b>1,773,622</b>       | <b>1,250,029</b>       | <b>4,715,878</b>       | <b>3,630,864</b>       |
| <b>Transfers <sup>(1)</sup></b>                  | <b>3,400,985</b>       | <b>-</b>               | <b>-</b>               | <b>-</b>               |
| <b>Reinforcement / (reversal) <sup>(2)</sup></b> | <b>624,132</b>         | <b>218,722</b>         | <b>2,582,814</b>       | <b>1,874,217</b>       |
| Minimum allowance for loan losses required       | 623,787                | 219,522                | 2,582,469              | 1,875,017              |
| Incremental allowance for loan losses            | 345                    | (800)                  | 345                    | (800)                  |
| <b>Write-offs to losses</b>                      | <b>(951,095)</b>       | <b>(33,368)</b>        | <b>(2,020,066)</b>     | <b>(1,424,401)</b>     |
| <b>Closing balance <sup>(1)</sup></b>            | <b>4,847,644</b>       | <b>1,435,383</b>       | <b>5,278,626</b>       | <b>4,080,680</b>       |

<sup>(1)</sup> In the Bank, it includes amounts referred of the incorporation of the spun-off portion of the BV Financeira, after the referred event.

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

**g) Lease portfolio by maturity**

| Consolidated                | 09.30.2020    | 12.31.2019    |
|-----------------------------|---------------|---------------|
| Up to 1 year <sup>(1)</sup> | 34,899        | 40,259        |
| From 1 to 5 years           | 45,860        | 57,418        |
| <b>Total present value</b>  | <b>80,759</b> | <b>97,677</b> |

<sup>(1)</sup> Includes overdue installments.

## h) Net profit from leases

| Consolidated                 | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
|------------------------------|------------------------|------------------------|------------------------|------------------------|
| Leases                       | 1,893                  | 2,518                  | 7,295                  | 6,580                  |
| Profit on disposal of leases | 9                      | 7,780                  | 37                     | 16,768                 |
| <b>Total</b>                 | <b>1,902</b>           | <b>10,298</b>          | <b>7,332</b>           | <b>23,348</b>          |

## i) Concentration of loans

|                     | 09.30.2020 | % of portfolio | 12.31.2019 | % of portfolio |
|---------------------|------------|----------------|------------|----------------|
| <b>Bank</b>         |            |                |            |                |
| Largest debtor      | 670,316    | 1.25%          | 670,316    | 5.88%          |
| 10 largest debtors  | 2,477,759  | 4.63%          | 2,675,864  | 23.46%         |
| 20 largest debtors  | 3,489,147  | 6.53%          | 3,777,315  | 33.11%         |
| 50 largest debtors  | 5,528,289  | 10.34%         | 5,940,865  | 52.08%         |
| 100 largest debtors | 7,519,638  | 14.07%         | 7,974,936  | 69.91%         |
| <b>Consolidated</b> |            |                |            |                |
| Largest debtor      | 670,316    | 1.19%          | 670,316    | 1.21%          |
| 10 largest debtors  | 2,477,759  | 4.41%          | 2,677,503  | 4.84%          |
| 20 largest debtors  | 3,491,171  | 6.22%          | 3,778,953  | 6.83%          |
| 50 largest debtors  | 5,530,313  | 9.85%          | 5,942,503  | 10.74%         |
| 100 largest debtors | 7,522,397  | 13.39%         | 7,977,849  | 14.41%         |

## j) Information on loan assignments

### j.1) Assignments with recourse

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

|  | 09.30.2020                          |   | 12.31.2019                          |   |
|--|-------------------------------------|---|-------------------------------------|---|
|  | Financial assets<br>subject to sale | Liability related to<br>recourse assumed<br>(1) | Financial assets<br>subject to sale | Liability related to<br>recourse<br>assumed (1) |
| Financial institutions - related parties | 5,702,616                           | 6,667,601                                       | 3,896,287                           | 4,494,033                                       |
| <b>Total (2)</b>                         | <b>5,702,616</b>                    | <b>6,667,601</b>                                | <b>3,896,287</b>                    | <b>4,494,033</b>                                |

(1) Recorded in caption "Other liabilities - Bond transactions linked to disposals (Note 20a).

(2) As of September 30, 2020, the balance refers in full to the Bank due to the incorporation of the spun-off portion of BV Financeira.

In the nine month period from January 1 to September 30, 2020, the income from assigned financial assets in the Bank amounted to R\$ 164,265 justified by the subsequent result of assets and liabilities related to this type of transaction received from the incorporation of the spun-off portion of BV Financeira and, in the Conglomerate, amounted to R\$ 654,310 R\$ (R\$ 782,288 in the nine month period from January 1 to September 30, 2019 in the Conglomerate) and the expenses on the liabilities with assigned financial assets amounted to R\$ 63,220 in the Bank and R\$ 278,784 in the Conglomerate (R\$ 400,018 in the nine month period from January 1 to September 30, 2019 in the Conglomerate). In the Bank, there was no income or expense from operations with these characteristics in the nine month periods from January 1 to September 30, 2019.

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

In the nine month period from January 1 to September 30, 2020, revenues from sales without recourse of loans previously written off as losses amounted to R\$ 36,634 in the Bank and R\$ 66,106 in the Conglomerate (R\$ 23,340 in the Bank and R\$ 116,422 in the Conglomerate in the nine month period from January 1 to September 30, 2019), which were recognized in income for the period under "Income from loans".

## k) Changes in renegotiated credit

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Amount of renegotiated credits in the period (1) (2)</b>                  | <b>818,829</b>         | <b>510,185</b>         | <b>2,302,629</b>       | <b>1,764,025</b>       |
| Renegotiated for past due contracts (3)                                      | 219,515                | -                      | 292,275                | 50,070                 |
| Renewed contracts (4)  | 599,314                | 510,185                | 2,010,354              | 1,713,955              |
| <b>Changes in portfolio of renegotiated past due contracts</b>               |                        |                        |                        |                        |
| <b>Opening balance</b>   | <b>321,148</b>         | <b>387,367</b>         | <b>284,293</b>         | <b>452,434</b>         |
| Transfers (2)  | 446,389                | -                      | 446,389                | -                      |
| Signings   | 219,515                | -                      | 292,275                | 50,070                 |
| Amounts received, net of interest accrued                                    | (77,813)               | (23,461)               | (99,336)               | (135,924)              |
| Written off as losses  | (60,453)               | (29,948)               | (74,835)               | (32,622)               |
| <b>Closing balance</b>   | <b>848,786</b>         | <b>333,958</b>         | <b>848,786</b>         | <b>333,958</b>         |
| Allowance for losses of the portfolio of renegotiated past due contracts     | 497,508                | 67,235                 | 497,508                | 67,235                 |
| (%) Allowance for losses on the portfolio of renegotiated past due contracts | 58.61%                 | 20.13%                 | 58.61%                 | 20.13%                 |
| 30-day delinquency of portfolio of renegotiated past due contracts           | 403,407                | 53,540                 | 403,407                | 53,540                 |
| (%) Delinquency on the portfolio of renegotiated past due contracts          | 47.53%                 | 16.03%                 | 47.53%                 | 16.03%                 |



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|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Amount of renegotiated credits in the period <sup>(1)</sup></b>           | <b>828,437</b>         | <b>980,877</b>         | <b>19,875,746</b>      | <b>3,014,965</b>       |
| Renegotiated for past due contracts <sup>(3)</sup>                           | 237,045                | 116,017                | 762,587                | 405,607                |
| Renewed contracts <sup>(4) (5)</sup>   | 591,392                | 864,860                | 19,113,159             | 2,609,358              |
| <b>Changes in portfolio of renegotiated past due contracts</b>               |                        |                        |                        |                        |
| <b>Opening balance</b>   | <b>885,393</b>         | <b>747,261</b>         | <b>681,811</b>         | <b>785,169</b>         |
| Signings   | 237,045                | 116,017                | 762,587                | 405,607                |
| Amounts received, net of interest accrued                                    | (166,072)              | (60,324)               | (329,376)              | (242,475)              |
| Written off as losses  | (61,703)               | (102,009)              | (220,359)              | (247,356)              |
| <b>Closing balance</b>   | <b>894,663</b>         | <b>700,945</b>         | <b>894,663</b>         | <b>700,945</b>         |
| Allowance for losses of the portfolio of renegotiated past due contracts     | 534,875                | 320,972                | 534,875                | 320,972                |
| (%) Allowance for losses on the portfolio of renegotiated past due contracts | 59.79%                 | 45.79%                 | 59.79%                 | 45.79%                 |
| 30-day delinquency of portfolio of renegotiated past due contracts           | 439,911                | 335,111                | 439,911                | 335,111                |
| (%) Delinquency on the portfolio of renegotiated past due contracts          | 49.17%                 | 47.81%                 | 49.17%                 | 47.81%                 |

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

<sup>(2)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

<sup>(3)</sup> Credits renegotiated in the period due to delayed payment by customers.

<sup>(4)</sup> 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.

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

### I) Other information

|   | Bank       |            | Consolidated |            |
|---|------------|------------|--------------|------------|
|   | 09.30.2020 | 12.31.2019 | 09.30.2020   | 12.31.2019 |
| Credit contracted to be released              | 579,967    | 537,818    | 3,616,524    | 3,067,962  |
| Financial guarantees provided (Note 28.1.a.1) | 6,788,305  | 6,607,112  | 6,788,305    | 6,607,112  |

## 12. OTHER ASSETS

### a) Breakdown

|  | Bank             |                  | Consolidated     |                  |
|--|------------------|------------------|------------------|------------------|
|  | 09.30.2020       | 12.31.2019       | 09.30.2020       | 12.31.2019       |
| <b>Other financial assets</b>                              | <b>6,865,158</b> | <b>737,836</b>   | <b>7,131,868</b> | <b>981,521</b>   |
| Relations with correspondents                              | 28,002           | 39               | 28,002           | 39               |
| Other credits and receivables                              | 34,002           | 9,127            | 189,015          | 131,938          |
| Credit card transactions                                   | -                | -                | 61,620           | 44,845           |
| Receivables from securities settlements abroad             | 1,734            | 14,042           | 1,734            | 14,042           |
| Other credits for trading and intermediation of securities | 128,630          | 103,999          | 143,083          | 140,697          |
| Foreign exchange portfolio (Note 12b)                      | 6,671,895        | 610,359          | 6,671,895        | 610,359          |
| Other  | 895              | 270              | 36,519           | 39,601           |
| <b>Other assets</b>  | <b>1,395,519</b> | <b>371,884</b>   | <b>1,297,855</b> | <b>1,400,139</b> |
| Other assets (Note 12d)                                    | 188,986          | 79,223           | 429,971          | 566,304          |
| Sundry domestic debtors                                    | 171,807          | 11,019           | 101,140          | 61,818           |
| Salary advances and prepayments                            | 427              | 231              | 465              | 458              |
| Advances to suppliers                                      | 1,073            | 3,641            | 1,438            | 4,859            |
| Deposits in guarantee - Contingencies (Note 27g)           | 639,415          | 174,248          | 692,362          | 714,856          |
| Deposits in guarantee - Other                              | 986              | 807              | 986              | 814              |
| Amounts to be received by related parties                  | 322,713          | 53,242           | -                | -                |
| Dividends receivable                                       | 331              | 4,581            | 458              | 2,251            |
| Other  | 69,781           | 44,892           | 71,035           | 48,779           |
| <b>Total <sup>(1)</sup></b>                                | <b>8,260,677</b> | <b>1,109,720</b> | <b>8,429,723</b> | <b>2,381,660</b> |
| Current assets   | 7,598,870        | 915,989          | 7,549,972        | 1,633,023        |
| Non-current assets   | 661,807          | 193,731          | 879,751          | 748,637          |

<sup>(1)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

**b) Foreign exchange portfolio**

| Bank and Consolidated                                 | 09.30.2020         | 12.31.2019       |
|---|--------------------|------------------|
| <b>Assets - Other receivables <sup>(1)</sup></b>      |                    |                  |
| Purchased foreign exchange contracts to be settled    | 6,535,665          | 455,240          |
| Receivables from foreign exchange sales contracts     | 136,230            | 155,119          |
| <b>Total</b>  | <b>6,671,895</b>   | <b>610,359</b>   |
| Current assets  | 6,671,895          | 610,359          |
| <b>Liabilities - Other liabilities <sup>(2)</sup></b> |                    |                  |
| Sold foreign exchange to be settled                   | (171,874)          | (153,229)        |
| Liabilities for foreign exchange purchases            | (6,418,912)        | (448,879)        |
| <b>Total</b>  | <b>(6,590,786)</b> | <b>(602,108)</b> |
| Current liabilities                                   | (6,590,786)        | (602,108)        |
| <b>Off-balance Accounts</b>                           |                    |                  |
| Credits opened for imports                            | 273,592            | 104,342          |

<sup>(1)</sup> The income receivable from advances granted in foreign exchange contracts are presented in "Loans - Other credits with credit granting characteristics" (Note 11a).

<sup>(2)</sup> Advances granted in foreign exchange contracts are presented in "Loans - Other credits with credit granting characteristics" (Note 11a).

**c) Income from foreign exchange transactions**

|  | Bank and Consolidated  |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Foreign exchange income                          | 780,709                | 413,394                | 3,235,398              | 1,213,963              |
| Foreign exchange expenses                        | (733,435)              | (310,499)              | (2,800,319)            | (1,075,698)            |
| <b>Income from foreign exchange transactions</b> | <b>47,274</b>          | <b>102,895</b>         | <b>435,079</b>         | <b>138,265</b>         |

**d) Other assets**

|  | Bank            |                 | Consolidated    |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | 09.30.2020      | 12.31.2019      | 09.30.2020      | 12.31.2019      |
| <b>Assets not for own use</b>                      | <b>180,598</b>  | <b>68,703</b>   | <b>417,800</b>  | <b>454,496</b>  |
| Vehicles and alike                                 | 111,252         | 3,073           | 111,804         | 108,861         |
| Real estate <sup>(1)</sup>                         | 69,346          | 65,630          | 305,996         | 345,635         |
| <b>(Provision for devaluation)</b>                 | <b>(42,895)</b> | <b>(20,537)</b> | <b>(64,656)</b> | <b>(56,925)</b> |
| <b>Prepaid expenses</b>                            | <b>51,283</b>   | <b>31,057</b>   | <b>55,037</b>   | <b>40,003</b>   |
| Insurance costs                                    | 4,406           | 2,000           | 4,863           | 4,720           |
| Data processing expenses                           | 12,713          | 14,308          | 12,713          | 14,971          |
| Financial system service expenses                  | 2,755           | 2,816           | 2,800           | 3,023           |
| Specialized technical service expenses             | 24,225          | 6,030           | 24,764          | 6,919           |
| Expenses with repairs, adaptations and maintenance | 5,311           | 5,849           | 5,311           | 5,849           |
| Others   | 1,873           | 54              | 4,586           | 4,521           |
| <b>Others</b>                                      | <b>-</b>        | <b>-</b>        | <b>21,790</b>   | <b>128,730</b>  |
| Investments in real estate <sup>(2)</sup>          | -               | -               | 21,790          | 128,730         |
| <b>Total <sup>(3)</sup></b>                        | <b>188,986</b>  | <b>79,223</b>   | <b>429,971</b>  | <b>566,304</b>  |
| Current assets                                     | 186,750         | 78,973          | 262,822         | 519,076         |
| Non-current assets                                 | 2,236           | 250             | 167,149         | 47,228          |

<sup>(1)</sup> Property not for own use built by investee companies of specific purpose and held for sale.

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

<sup>(3)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

### 13. INVESTMENTS

#### a) Changes in associates, subsidiaries and joint ventures

|  | 12.31.2019       | Changes from 1H2020                       |                           |  | 09.30.2020       | 01.01 to 09.30.2019       |  |
|--|------------------|---|---------------------------|--|------------------|---------------------------|--|
|  | Investment Value | Dividends/<br>Other events <sup>(5)</sup> | Share of profit<br>(loss) | Impairment/<br>Goodwill <sup>(6)</sup> | Investment Value | Share of profit<br>(loss) | Impairment/<br>Goodwill <sup>(6)</sup> |
| <b>Domestic - Bank Ventures</b>                      |                  |   |                           |  |                  |                           |  |
| BV Financeira <sup>(1)</sup>                         | 763,308          | (921,209)                                 | 157,901                   | -                                      | -                | 620,806                   | -                                      |
| Banco BV S.A. (former BV Leasing) <sup>(2)</sup>     | 967,168          | 576,322                                   | 10,489                    | -                                      | 1,553,979        | (3,751)                   | -                                      |
| Votorantim Asset DTVM                                | 140,895          | -   | 8,116                     | -                                      | 149,011          | (2,072)                   | -                                      |
| Votorantim Corretora Seguros                         | 680,592          | (7,112)                                   | 213,537                   | -                                      | 887,017          | 232,548                   | -                                      |
| BVIA   | 146,209          | -   | 13,120                    | -                                      | 159,329          | 18,839                    | -                                      |
| Promotiva  | 68,307           | (625)                                     | 22,520                    | -                                      | 90,202           | 20,949                    | -                                      |
| Atenas <sup>(3)</sup>                                | 201,858          | (150,000)                                 | 30,019                    | (30,002)                               | 51,875           | 18,783                    | (33,433)                               |
| BVEP   | 595,476          | (779)                                     | (12,679)                  | -                                      | 582,018          | 21,082                    | -                                      |
| <b>Total - Bank</b>                                  | <b>3,563,813</b> | <b>(503,403)</b>                          | <b>443,023</b>            | <b>(30,002)</b>                        | <b>3,473,431</b> | <b>927,184</b>            | <b>(33,433)</b>                        |
| <b>Domestic - BVEP Associates and joint ventures</b> |                  |   |                           |  |                  |                           |  |
| BVEP associates <sup>(3)</sup>                       | 21,692           | (9,912)                                   | (247)                     | -                                      | 11,533           | 3,115                     | 23,090                                 |
| BVEP joint ventures <sup>(3)</sup>                   | 26,724           | (20,365)                                  | 2,797                     | (1,698)                                | 7,458            | 5,624                     | (5,249)                                |
| <b>Total - Consolidated</b>                          | <b>48,416</b>    | <b>(30,277)</b>                           | <b>2,550</b>              | <b>(1,698)</b>                         | <b>18,991</b>    | <b>8,739</b>              | <b>17,841</b>                          |
| Goodwill of subsidiaries <sup>(4)</sup>              | 31,047           | 40,787                                    | -                         | (37,038)                               | 34,796           | -                         | (30,008)                               |
| <b>Total</b>   | <b>79,463</b>    | <b>10,510</b>                             | <b>2,550</b>              | <b>(38,736)</b>                        | <b>53,787</b>    | <b>8,739</b>              | <b>(12,167)</b>                        |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Includes goodwill in the acquisition of this investments, detailed in note 13c.

<sup>(4)</sup> They refer to the goodwill for expected future profitability that remain in the consolidation of subsidiaries directly and indirectly by Banco Votorantim.

<sup>(5)</sup> Includes capital decrease of investments and changes in other comprehensive income, in addition to changes referred of corporate restructuring.

<sup>(6)</sup> Recognized in results in item "Income from investments in ventures, associates and joint ventures".

#### b) Breakdown of the remuneration of the capital of companies controlled by Banco BV

|                              | 01.01 to 09.30.2020                     |                            |              | 01.01 to<br>09.30.2019 |
|------------------------------|---|----------------------------|--------------|------------------------|
|                              | Payment through profit of the<br>period |                            | Total        |                        |
|                              | Dividends                               | Interest on Own<br>Capital |              |                        |
| Domestic - Bank Venture      |   |                            |              |                        |
| BV Financeira                | -                                       | -                          | -            | 631,801                |
| Banco BV S.A. <sup>(1)</sup> | -                                       | -                          | -            | 4,012                  |
| Votorantim Asset DTVM        | -                                       | -                          | -            | 6,703                  |
| Votorantim Corretora Seguros | -                                       | -                          | -            | 118,100                |
| BVIA                         | -                                       | -                          | -            | 1,600                  |
| Promotiva                    | -                                       | -                          | -            | 759                    |
| BVEP                         | -                                       | -                          | -            | 138,000                |
| <b>Total - Bank</b>          | -                                       | -                          | -            | <b>900,975</b>         |
| BVEP subsidiaries            | 390                                     | -                          | 390          | 960                    |
| BVEP joint ventures          | 1,767                                   | -                          | 1,767        | 1,398                  |
| BVEP ventures                | -                                       | -                          | -            | 475                    |
| Atenas subsidiaries          | -                                       | -                          | -            | -                      |
| <b>Total - Consolidated</b>  | <b>2,157</b>                            | <b>-</b>                   | <b>2,157</b> | <b>903,808</b>         |

<sup>(1)</sup> The corporate name of BV Leasing was changed to Banco BV S.A., as detailed in note 2a.

#### c) Goodwill and impairment - outstanding balances

|                                     | Goodwill      |               | Impairment     |                |
|-------------------------------------|---------------|---------------|----------------|----------------|
|                                     | 09.30.2020    | 12.31.2019    | 09.30.2020     | 12.31.2019     |
| <b>Banco BV associates</b>          | -             | 27,922        | (2,080)        | -              |
| Atenas                              | -             | 27,922        | (2,080)        | -              |
| <b>BVEP associates</b>              | -             | -             | (642)          | (2,334)        |
| <b>BVEP Joint ventures</b>          | -             | 1,698         | (194)          | (1,535)        |
| <b>BVEP ventures <sup>(1)</sup></b> | <b>40,786</b> | <b>6,121</b>  | <b>(3,910)</b> | <b>(2,995)</b> |
| <b>Total</b>                        | <b>40,786</b> | <b>35,741</b> | <b>(6,826)</b> | <b>(6,864)</b> |

<sup>(1)</sup> Includes goodwill from the acquisition of investments made in the six month period ended June 30, 2020.

**d) Summary financial information of associates and jointly controlled entities**

|  | 09.30.2020                 |                     | 12.31.2019                 |                     |
|--|----------------------------|---------------------|----------------------------|---------------------|
|  | BVEP Associates            | BVEP Joint Ventures | BVEP Associates            | BVEP Joint Ventures |
| <b>Total Assets <sup>(1)</sup></b>                   | <b>99,299</b>              | <b>17,818</b>       | <b>141,416</b>             | <b>128,998</b>      |
| <b>Total Liabilities <sup>(1)</sup></b>              | <b>99,299</b>              | <b>17,818</b>       | <b>141,416</b>             | <b>128,998</b>      |
| Liabilities  | 57,106                     | 2,519               | 91,640                     | 57,496              |
| Shareholders' equity                                 | 42,193                     | 15,299              | 49,776                     | 71,502              |
|  | <b>07.01 a 09.30.2020</b>  |                     | <b>07.01 a 09.30.2019</b>  |                     |
| <b>Profit / (loss) for the period <sup>(1)</sup></b> | <b>7,652</b>               | <b>1,768</b>        | <b>(9,306)</b>             | <b>7,376</b>        |
|  | <b>01.01 to 09.30.2020</b> |                     | <b>01.01 to 09.30.2019</b> |                     |
| <b>Profit / (loss) for the period <sup>(1)</sup></b> | <b>7,775</b>               | <b>5,534</b>        | <b>8,419</b>               | <b>10,651</b>       |

<sup>(1)</sup> The information on assets, liabilities and profit / (loss) are not adjusted by the percentages held directly or indirectly by Banco Votorantim.

**e) Other investments**

|                                | Bank       |            | Consolidated |            |
|--------------------------------|------------|------------|--------------|------------|
|                                | 09.30.2020 | 12.31.2019 | 09.30.2020   | 12.31.2019 |
| Investments via tax incentives | 59,602     | 14,093     | 92,748       | 98,680     |
| Shares and quotas              | 180        | 180        | 180          | 180        |
| Other                          | 8          | 5          | 1,760        | 1,757      |
| (Accumulated impairment)       | (59,602)   | (14,093)   | (94,500)     | (100,431)  |
| <b>Total <sup>(1)</sup></b>    | <b>188</b> | <b>185</b> | <b>188</b>   | <b>186</b> |

<sup>(1)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

**14. PROPERTY, PLANT AND EQUIPMENT**

|                                | 12.31.2019    | 01.01 to 09.30.2020        |                         |                 | 09.30.2020     |                          |               |
|--------------------------------|---------------|----------------------------|-------------------------|-----------------|----------------|--------------------------|---------------|
|                                | Book value    | Changes <sup>(1) (2)</sup> | Transfer <sup>(3)</sup> | Depreciation    | Cost value     | Accumulated depreciation | Book value    |
| <b>Bank</b>                    |               |                            |                         |                 |                |                          |               |
| Facilities                     | 30,053        | 6,969                      | 16,402                  | (6,360)         | 145,442        | (98,378)                 | 47,064        |
| Furniture and equipment in use | 5,404         | 2,771                      | 3,980                   | (1,063)         | 47,750         | (36,658)                 | 11,092        |
| Communication system           | 2,202         | 520                        | 15                      | (817)           | 15,628         | (13,708)                 | 1,920         |
| System data processing         | 28,866        | 15,537                     | 394                     | (10,163)        | 169,929        | (135,295)                | 34,634        |
| Security system                | 138           | 105                        | 20                      | (40)            | 2,717          | (2,494)                  | 223           |
| Transportation system          | 416           | 26                         | 1                       | (96)            | 1,128          | (781)                    | 347           |
| <b>Total</b>                   | <b>67,079</b> | <b>25,928</b>              | <b>20,812</b>           | <b>(18,539)</b> | <b>382,594</b> | <b>(287,314)</b>         | <b>95,280</b> |
| <b>Consolidated</b>            |               |                            |                         |                 |                |                          |               |
| Facilities                     | 51,175        | 7,159                      | -                       | (10,537)        | 149,153        | (101,356)                | 47,797        |
| Furniture and equipment in use | 10,426        | 2,785                      | -                       | (1,960)         | 50,635         | (39,384)                 | 11,251        |
| Communication system           | 2,238         | 520                        | -                       | (829)           | 17,003         | (15,074)                 | 1,929         |
| System data processing         | 29,973        | 15,537                     | -                       | (10,865)        | 173,272        | (138,627)                | 34,645        |
| Security system                | 188           | 105                        | -                       | (54)            | 2,812          | (2,573)                  | 239           |
| Transportation system          | 416           | 27                         | -                       | (96)            | 1,128          | (781)                    | 347           |
| <b>Total</b>                   | <b>94,416</b> | <b>26,133</b>              | <b>-</b>                | <b>(24,341)</b> | <b>394,003</b> | <b>(297,795)</b>         | <b>96,208</b> |

|                                | 12.31.2018     | 2019                            |                 |  | 12.31.2019     |                          |               |
|--------------------------------|----------------|---------------------------------|-----------------|--|----------------|--------------------------|---------------|
|                                | Book value     | Acquisitions <sup>(1) (2)</sup> | Depreciation    |  | Cost value     | Accumulated depreciation | Book value    |
| <b>Bank</b>                    |                |                                 |                 |  |                |                          |               |
| Facilities                     | 35,136         | 3,296                           | (8,379)         |  | 84,228         | (54,175)                 | 30,053        |
| Furniture and equipment in use | 5,795          | 1,348                           | (1,739)         |  | 29,593         | (24,189)                 | 5,404         |
| Communication system           | 2,829          | 367                             | (994)           |  | 11,796         | (9,594)                  | 2,202         |
| System data processing         | 28,558         | 11,028                          | (10,720)        |  | 103,786        | (74,920)                 | 28,866        |
| Security system                | 109            | 69                              | (40)            |  | 2,544          | (2,406)                  | 138           |
| Transportation system          | 308            | 208                             | (100)           |  | 801            | (385)                    | 416           |
| <b>Total</b>                   | <b>72,735</b>  | <b>16,316</b>                   | <b>(21,972)</b> |  | <b>232,748</b> | <b>(165,669)</b>         | <b>67,079</b> |
| <b>Consolidated</b>            |                |                                 |                 |  |                |                          |               |
| Facilities                     | 61,388         | 5,103                           | (15,316)        |  | 141,966        | (90,791)                 | 51,175        |
| Furniture and equipment in use | 12,092         | 1,647                           | (3,313)         |  | 46,966         | (36,540)                 | 10,426        |
| Communication system           | 2,879          | 370                             | (1,011)         |  | 16,480         | (14,242)                 | 2,238         |
| System data processing         | 32,242         | 11,027                          | (13,296)        |  | 157,229        | (127,256)                | 29,973        |
| Security system                | 178            | 69                              | (59)            |  | 2,702          | (2,514)                  | 188           |
| Transportation system          | 309            | 208                             | (101)           |  | 1,080          | (664)                    | 416           |
| <b>Total</b>                   | <b>109,088</b> | <b>18,424</b>                   | <b>(33,096)</b> |  | <b>366,423</b> | <b>(272,007)</b>         | <b>94,416</b> |

<sup>(1)</sup> Includes exchange variation.

<sup>(2)</sup> In the nine month period from January 1 to September 30, 2020 and in the year ended December 31, 2019, there was no disposal of property, plant and equipment.

<sup>(3)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

## 15. INTANGIBLE ASSETS

### a) Breakdown

|                               | 09.30.2020     |                          |                                       |                | 12.31.2019     |                          |                                       |                |
|-------------------------------|----------------|--------------------------|---------------------------------------|----------------|----------------|--------------------------|---------------------------------------|----------------|
|                               | Cost value     | Accumulated amortization | Accumulated impairment <sup>(1)</sup> | Book value     | Cost value     | Accumulated amortization | Accumulated impairment <sup>(1)</sup> | Book value     |
| <b>Bank</b>                   |                |                          |                                       |                |                |                          |                                       |                |
| Software acquired             | 37,184         | (31,085)                 | -                                     | 6,099          | 31,061         | (25,994)                 | -                                     | 5,067          |
| Licenses                      | 285,632        | (203,483)                | -                                     | 82,149         | 145,704        | (100,603)                | -                                     | 45,101         |
| Sales rights agreements       | 28,586         | (26,615)                 | -                                     | 1,971          | -              | -                        | -                                     | -              |
| Internally developed software | 516,079        | (59,856)                 | (158,463)                             | 297,760        | 327,933        | (20,710)                 | (145,736)                             | 161,487        |
| Trademark and patents         | 6,000          | (333)                    | (1,000)                               | 4,667          | -              | -                        | -                                     | -              |
| <b>Total <sup>(2)</sup></b>   | <b>873,481</b> | <b>(321,372)</b>         | <b>(159,463)</b>                      | <b>392,646</b> | <b>504,698</b> | <b>(147,307)</b>         | <b>(145,736)</b>                      | <b>211,655</b> |
| <b>Consolidated</b>           |                |                          |                                       |                |                |                          |                                       |                |
| Software acquired             | 61,652         | (31,276)                 | -                                     | 30,376         | 58,310         | (28,624)                 | -                                     | 29,686         |
| Licenses                      | 291,909        | (209,676)                | -                                     | 82,233         | 231,863        | (160,029)                | -                                     | 71,834         |
| Sales rights agreements       | 28,586         | (26,615)                 | -                                     | 1,971          | 21,966         | (20,654)                 | -                                     | 1,312          |
| Internally developed software | 537,390        | (63,585)                 | (158,463)                             | 315,342        | 389,535        | (38,988)                 | (149,975)                             | 200,572        |
| Trademark and patents         | 6,000          | (333)                    | (1,000)                               | 4,667          | 1,000          | -                        | (1,000)                               | -              |
| <b>Total</b>                  | <b>925,537</b> | <b>(331,485)</b>         | <b>(159,463)</b>                      | <b>434,589</b> | <b>702,674</b> | <b>(248,295)</b>         | <b>(150,975)</b>                      | <b>303,404</b> |

<sup>(1)</sup> It mainly results from the change in the software development model applied in the Conglomerate in December 2019, which now follows the agile method. With the modification, which produced a greater granularity of technology initiatives, the Conglomerate reassessed the criteria for recognizing these intangible assets, promoting the impairment of intangible assets not adhering to the new criterion, in order to preserve the reliable measurement of the activated expenses and respective future economic benefits over time.

<sup>(2)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

### b) Changes

|                                | 12.31.2019     | 01.01 to 09.30.2020                           |                         |                 |                  | 09.30.2020     |
|--------------------------------|----------------|---|-------------------------|-----------------|------------------|----------------|
|                                | Book value     | Acquisitions <sup>(1)</sup><br><sub>(3)</sub> | Transfer <sup>(2)</sup> | Amortization    | Impairment       | Book value     |
| <b>Bank</b>                    |                |   |                         |                 |                  |                |
| Software acquired              | 5,067          | 3,343   | 135                     | (2,446)         | -                | 6,099          |
| Licenses                       | 45,101         | 56,956  | 23,328                  | (43,236)        | -                | 82,149         |
| Sales rights agreements        | -              | -   | 3,788                   | (1,817)         | -                | 1,971          |
| Softwares developed internally | 161,487        | 70,233  | 88,238                  | (13,710)        | (8,488)          | 297,760        |
| Trademark and Patent           | -              | -   | 5,000                   | (333)           | -                | 4,667          |
| <b>Total</b>                   | <b>211,655</b> | <b>130,532</b>                                | <b>120,489</b>          | <b>(61,542)</b> | <b>(8,488)</b>   | <b>392,646</b> |
| <b>Consolidated</b>            |                |   |                         |                 |                  |                |
| Software acquired              | 29,686         | 3,342   | -                       | (2,652)         | -                | 30,376         |
| Licenses                       | 71,834         | 59,932  | -                       | (49,533)        | -                | 82,233         |
| Sales rights agreements        | 1,312          | 6,621   | -                       | (5,962)         | -                | 1,971          |
| Softwares developed internally | 200,572        | 147,855                                       | -                       | (24,597)        | (8,488)          | 315,342        |
| Trademark and Patent           | -              | 5,000   | -                       | (333)           | -                | 4,667          |
| <b>Total</b>                   | <b>303,404</b> | <b>222,750</b>                                | <b>-</b>                | <b>(83,077)</b> | <b>(8,488)</b>   | <b>434,589</b> |
|                                | 12.31.2018     | 01.01 to 09.30.2019                           |                         |                 |                  | 12.31.2019     |
|                                | Book value     | Acquisitions <sup>(1)</sup><br><sub>(3)</sub> | Transfer <sup>(2)</sup> | Amortization    | Impairment       | Book value     |
| <b>Bank</b>                    |                |   |                         |                 |                  |                |
| Software acquired              | 6,808          | 2,024   | -                       | (3,765)         | -                | 5,067          |
| Licenses                       | 41,983         | 49,119  | -                       | (46,001)        | -                | 45,101         |
| Softwares developed internally | 165,057        | 166,546                                       | (35,368)                | (6,203)         | (128,545)        | 161,487        |
| <b>Total</b>                   | <b>213,848</b> | <b>217,689</b>                                | <b>(35,368)</b>         | <b>(55,969)</b> | <b>(128,545)</b> | <b>211,655</b> |
| <b>Consolidated</b>            |                |   |                         |                 |                  |                |
| Software acquired              | 31,852         | 2,022   | -                       | (4,188)         | -                | 29,686         |
| Licenses                       | 47,269         | 76,166  | -                       | (51,601)        | -                | 71,834         |
| Sales rights agreements        | 750            | 10,192  | -                       | (9,630)         | -                | 1,312          |
| Softwares developed internally | 203,605        | 144,447                                       | -                       | (14,882)        | (132,598)        | 200,572        |
| <b>Total</b>                   | <b>283,476</b> | <b>232,827</b>                                | <b>-</b>                | <b>(80,301)</b> | <b>(132,598)</b> | <b>303,404</b> |

<sup>(1)</sup> Includes exchange variation.

<sup>(2)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

<sup>(3)</sup> In the nine month period from January 1 to September 30, 2020 and in the year ended December 31, 2019, there were no disposal of intangible assets.

**c) Amortization estimate on September 30, 2020**

|                         | 2020   | 2021    | 2022   | 2023   | 2024   | As from 2025 | Total          |
|-------------------------|--------|---------|--------|--------|--------|--------------|----------------|
| <b>Bank</b>             |        |         |        |        |        |              |                |
| Amounts to be amortized | 31,280 | 124,243 | 75,771 | 63,182 | 62,809 | 35,361       | <b>392,646</b> |
| <b>Consolidated</b>     |        |         |        |        |        |              |                |
| Amounts to be amortized | 33,061 | 127,653 | 79,180 | 66,591 | 65,566 | 62,538       | <b>434,589</b> |

**16. DEPOSITS AND REPURCHASE COMMITMENTS**
**a) Deposits**

|                           | Bank              |                   | Consolidated      |                   |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
|                           | 09.30.2020        | 12.31.2019        | 09.30.2020        | 12.31.2019        |
| <b>Demand deposits</b>    | <b>332,147</b>    | <b>247,101</b>    | <b>296,546</b>    | <b>242,203</b>    |
| Individuals               | 42,445            | 32,259            | 42,444            | 32,259            |
| Legal entities            | 286,550           | 210,104           | 254,093           | 209,934           |
| Related companies         | 3,143             | 4,728             | -                 | -                 |
| Linked                    | 9                 | 10                | 9                 | 10                |
| <b>Interbank deposits</b> | <b>4,455,385</b>  | <b>2,027,581</b>  | <b>4,306,363</b>  | <b>1,840,080</b>  |
| <b>Time deposits</b>      | <b>21,271,712</b> | <b>14,932,694</b> | <b>20,595,183</b> | <b>14,273,430</b> |
| Local currency            | 19,223,171        | 14,557,951        | 18,546,642        | 13,898,687        |
| Foreign currency          | 2,048,541         | 374,743           | 2,048,541         | 374,743           |
| <b>Total</b>              | <b>26,059,244</b> | <b>17,207,376</b> | <b>25,198,092</b> | <b>16,355,713</b> |
| Current liabilities       | 23,140,094        | 14,758,724        | 22,668,959        | 14,178,896        |
| Non-current liabilities   | 2,919,150         | 2,448,652         | 2,529,133         | 2,176,817         |

**b) Segregation of deposits by due date on September 30, 2020**

|                                 | Without maturity | Up to 3 months   | From 3 to 12 months | From 1 to 3 years | From 3 to 5 years | Over 5 years | 09.30.2020        | 12.31.2019        |
|---------------------------------|------------------|------------------|---------------------|-------------------|-------------------|--------------|-------------------|-------------------|
| <b>Bank</b>                     |                  |                  |                     |                   |                   |              |                   |                   |
| Demand deposits                 | 332,147          | -                | -                   | -                 | -                 | -            | 332,147           | 247,101           |
| Interbank accounts or relations | -                | 345,877          | 2,422,052           | 1,687,456         | -                 | -            | 4,455,385         | 2,027,581         |
| Time deposits                   | -                | 2,786,994        | 17,253,024          | 1,219,277         | 11,498            | 919          | 21,271,712        | 14,932,694        |
| <b>Total</b>                    | <b>332,147</b>   | <b>3,132,871</b> | <b>19,675,076</b>   | <b>2,906,733</b>  | <b>11,498</b>     | <b>919</b>   | <b>26,059,244</b> | <b>17,207,376</b> |
| <b>Consolidated</b>             |                  |                  |                     |                   |                   |              |                   |                   |
| Demand deposits                 | 296,546          | -                | -                   | -                 | -                 | -            | 296,546           | 242,203           |
| Interbank accounts or relations | -                | 196,856          | 2,422,051           | 1,687,456         | -                 | -            | 4,306,363         | 1,840,080         |
| Time deposits                   | -                | 2,734,057        | 17,019,449          | 830,179           | 11,498            | -            | 20,595,183        | 14,273,430        |
| <b>Total</b>                    | <b>296,546</b>   | <b>2,930,913</b> | <b>19,441,500</b>   | <b>2,517,635</b>  | <b>11,498</b>     | <b>-</b>     | <b>25,198,092</b> | <b>16,355,713</b> |

**c) Liabilities with repurchase agreement**

|  | Bank              |                   | Consolidated      |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 09.30.2020        | 12.31.2019        | 09.30.2020        | 12.31.2019        |
| <b>Own portfolio</b>                           | <b>10,715,181</b> | <b>14,085,957</b> | <b>10,715,181</b> | <b>13,459,095</b> |
| Private securities - Debentures <sup>(1)</sup> | 1,839,003         | 2,766,114         | 1,839,003         | 2,766,114         |
| Financial Treasury Bills                       | 491,500           | 2,976,022         | 491,500           | 2,349,160         |
| National Treasury Bills                        | 2,536,350         | 5,385,396         | 2,536,350         | 5,385,396         |
| National Treasury Notes                        | 3,537,316         | 1,378,268         | 3,537,316         | 1,378,268         |
| Private securities - Other                     | 2,311,012         | 1,580,157         | 2,311,012         | 1,580,157         |
| <b>Third-party portfolio</b>                   | <b>3,203,769</b>  | <b>962,957</b>    | <b>3,048,969</b>  | <b>962,957</b>    |
| National Treasury Bills                        | 840,091           | 962,957           | 685,291           | 962,957           |
| National Treasury Notes                        | 2,363,678         | -                 | 2,363,678         | -                 |
| <b>Free movement portfolio</b>                 | <b>2,303,031</b>  | <b>784,039</b>    | <b>2,303,031</b>  | <b>784,039</b>    |
| National Treasury Bills                        | 446,189           | 36,408            | 446,189           | 36,408            |
| National Treasury Notes                        | 1,856,842         | 747,631           | 1,856,842         | 747,631           |
| <b>Total</b>                                   | <b>16,221,981</b> | <b>15,832,953</b> | <b>16,067,181</b> | <b>15,206,091</b> |
| Current liabilities                            | 14,781,862        | 14,354,973        | 14,627,062        | 13,728,111        |
| Non-current liabilities                        | 1,440,119         | 1,477,980         | 1,440,119         | 1,477,980         |

<sup>(1)</sup> Includes operations with repurchase commitments with debentures coverage issued by linked companies according Bacen Resolution no. 4.527/2016.

**d) Expenses from deposits and securities sold under repurchase agreements**

|   | Bank                   |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Funding expenses</b>                                       | <b>(176,081)</b>       | <b>(220,684)</b>       | <b>(555,809)</b>       | <b>(575,170)</b>       |
| Time Deposits   | (120,037)              | (185,386)              | (409,367)              | (466,703)              |
| Interbank accounts  | (56,044)               | (35,298)               | (146,442)              | (108,467)              |
| <b>Expenses with repurchase commitments</b>                   | <b>(33,627)</b>        | <b>(294,188)</b>       | <b>(438,298)</b>       | <b>(985,084)</b>       |
| Own portfolio   | (62,458)               | (165,846)              | (301,428)              | (573,430)              |
| Third-party portfolio   | (17,222)               | (115,758)              | (54,756)               | (383,051)              |
| Free portfolio <sup>(1)</sup>                                 | 46,053                 | (12,584)               | (82,114)               | (28,603)               |
| <b>Expenses with fund raising from securities issued</b>      | <b>(578,180)</b>       | <b>(475,840)</b>       | <b>(2,834,992)</b>     | <b>(1,474,824)</b>     |
| Mortgage Bonds  | (1,434)                | (4,619)                | (6,637)                | (14,784)               |
| Agribusiness Letters of Credit                                | (7,808)                | (25,706)               | (36,148)               | (78,318)               |
| Financial bills   | (187,361)              | (450,606)              | (725,946)              | (1,368,120)            |
| Financial Guaranteed Bills                                    | (14,632)               | -                      | (18,145)               | -                      |
| Issue of securities abroad <sup>(2)</sup>                     | (359,791)              | 9,394                  | (2,029,804)            | (1,855)                |
| Others  | (7,154)                | (4,303)                | (18,312)               | (11,747)               |
| <b>Expenses with subordinated debts abroad <sup>(2)</sup></b> | <b>(254,665)</b>       | <b>(441,792)</b>       | <b>(918,122)</b>       | <b>(569,948)</b>       |
| <b>Total</b>  | <b>(1,042,553)</b>     | <b>(1,432,504)</b>     | <b>(4,747,221)</b>     | <b>(3,605,026)</b>     |

|   | Consolidated           |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Funding expenses</b>                                       | <b>(163,199)</b>       | <b>(213,246)</b>       | <b>(527,773)</b>       | <b>(555,893)</b>       |
| Time Deposits   | (116,133)              | (180,704)              | (393,345)              | (459,256)              |
| Interbank accounts  | (47,066)               | (32,542)               | (134,428)              | (96,637)               |
| <b>Expenses with repurchase commitments</b>                   | <b>(33,032)</b>        | <b>(266,155)</b>       | <b>(433,189)</b>       | <b>(854,795)</b>       |
| Own portfolio   | (61,863)               | (104,716)              | (241,077)              | (352,328)              |
| Third-party portfolio   | (17,222)               | (148,855)              | (109,998)              | (473,864)              |
| Free portfolio <sup>(1)</sup>                                 | 46,053                 | (12,584)               | (82,114)               | (28,603)               |
| <b>Expenses with fund raising from securities issued</b>      | <b>(578,345)</b>       | <b>(500,342)</b>       | <b>(2,843,666)</b>     | <b>(1,578,236)</b>     |
| Mortgage Bonds  | (1,434)                | (4,619)                | (6,637)                | (14,784)               |
| Agribusiness Letters of Credit                                | (7,808)                | (25,706)               | (36,148)               | (78,318)               |
| Financial lease bills   | -                      | (23,097)               | (7,673)                | (98,216)               |
| Financial bills   | (187,361)              | (450,606)              | (725,946)              | (1,368,120)            |
| Financial Guaranteed Bills                                    | (14,632)               | -                      | (18,145)               | -                      |
| Issue of securities abroad <sup>(2)</sup>                     | (359,791)              | 9,394                  | (2,029,804)            | (1,855)                |
| Debentures  | (165)                  | (1,405)                | (1,001)                | (5,196)                |
| Others  | (7,154)                | (4,303)                | (18,312)               | (11,747)               |
| <b>Expenses with subordinated debts abroad <sup>(2)</sup></b> | <b>(254,665)</b>       | <b>(441,792)</b>       | <b>(918,122)</b>       | <b>(569,948)</b>       |
| <b>Total</b>  | <b>(1,029,241)</b>     | <b>(1,421,535)</b>     | <b>(4,722,750)</b>     | <b>(3,558,872)</b>     |

<sup>(1)</sup> Includes effects of changes in the fair value of the corresponding liability.

<sup>(2)</sup> Includes the foreign exchange movements effects of the corresponding liabilities.

**17. BORROWINGS AND DOMESTIC ONLENDINGS**
**a) Breakdown**

|                                | Bank and Consolidated |                  |
|--------------------------------|-----------------------|------------------|
|                                | 09.30.2020            | 12.31.2019       |
| Borrowings (Note 17b)          | 3,414,972             | 2,127,900        |
| Domestic onlendings (Note 17c) | 1,102,488             | 1,450,460        |
| <b>Total</b>                   | <b>4,517,460</b>      | <b>3,578,360</b> |

**b) Borrowings**

|                           | Até 3<br>meses | 3 a 12<br>meses  | Bank and Consolidated |                  |
|---------------------------|----------------|------------------|-----------------------|------------------|
|                           |                |                  | 09.30.2020            | 12.31.2019       |
| <b>Abroad</b>             | <b>996,752</b> | <b>2,418,220</b> | <b>3,414,972</b>      | <b>2,127,900</b> |
| Raised from foreign banks | 987,956        | 2,410,504        | 3,398,460             | 2,074,673        |
| Imports                   | 8,796          | 7,716            | 16,512                | 53,227           |
| <b>Total</b>              | <b>996,752</b> | <b>2,418,220</b> | <b>3,414,972</b>      | <b>2,127,900</b> |
| Current liabilities       |                |                  | 3,414,972             | 2,114,453        |
| Non-current liabilities   |                |                  | -                     | 13,447           |



**c) Onlendings**
**Domestic - Official institutions**

| Programs                 | Interest rates p.a. <sup>(1)</sup>   | Bank and Consolidated |                  |
|--------------------------|--|-----------------------|------------------|
|                          |  | 09.30.2020            | 12.31.2019       |
| <b>National Treasury</b> |  | <b>136,960</b>        | <b>146,625</b>   |
| Fixed rate               | from 3.50% to 7.00% p.a.   | 121,946               | 142,828          |
| Variable rate            | Selic  | 15,014                | 3,797            |
| <b>BNDES</b>             |  | <b>359,063</b>        | <b>522,438</b>   |
| Fixed rate               | from 0.70% to 5.70% p.a.   | 71,023                | 88,014           |
| Variable rate            | from 1.42% to 1.50% p.a. + IPCA<br>from 1.00% to 4.00% p.a. + TJLP<br>from 2.28% to 2.38% p.a. + Selic | 288,040               | 401,295          |
| Foreign exchange         | 1.80% + foreign exchange variation   | -                     | 33,129           |
| <b>FINAME</b>            |  | <b>606,465</b>        | <b>781,397</b>   |
| Fixed rate               | up to 8.40% p.a.   | 441,822               | 590,135          |
| Variable rate            | from 1.60% to 2.28% p.a. + TJLP<br>from 1.15% to 2.25% p.a. + IPCA<br>from 1.43% to 2.48% p.a. + Selic | 164,546               | 190,546          |
| Foreign exchange         | 2.00% a.a + foreign exchange variation   | 97                    | 716              |
| <b>Total</b>             |  | <b>1,102,488</b>      | <b>1,450,460</b> |
| Current liabilities      |  | 409,492               | 466,203          |
| Non-current liabilities  |  | 692,996               | 984,257          |

<sup>(1)</sup> The interest rates refer to the balances held on September 30, 2020.

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

|  | Bank and Consolidated  |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Borrowing expenses <sup>(1)</sup></b>                           | <b>(89,541)</b>        | <b>(112,449)</b>       | <b>(874,164)</b>       | <b>(142,651)</b>       |
| <b>Expenses with transfer from Brazilian government</b>            | <b>(20,100)</b>        | <b>(24,402)</b>        | <b>(65,116)</b>        | <b>(75,396)</b>        |
| National Treasury  | (450)                  | (1,369)                | (3,470)                | (2,837)                |
| BNDES  | (12,052)               | (11,244)               | (35,926)               | (31,713)               |
| FINAME   | (7,598)                | (11,789)               | (25,720)               | (40,846)               |
| <b>Expenses with Obligations to foreign bankers <sup>(1)</sup></b> | <b>(27,551)</b>        | <b>(81,285)</b>        | <b>(235,479)</b>       | <b>(69,240)</b>        |
| <b>Total</b>   | <b>(137,192)</b>       | <b>(218,136)</b>       | <b>(1,174,759)</b>     | <b>(287,287)</b>       |

<sup>(1)</sup> Includes foreign exchange movements on loans and onlendings abroad.

**18. SECURITIES ISSUED**

| Funding                                   | Currency | Amount issued | Interest rates p.a. <sup>(1)</sup>                       | Issuance year | Maturity year | Bank              |                   |
|---|----------|---------------|--|---------------|---------------|-------------------|-------------------|
|   |          |               |  |               |               | 09.30.2020        | 12.31.2019        |
| <b>Real estate credit note funds</b>      |          |               |  |               |               | <b>182,290</b>    | <b>258,567</b>    |
| Fixed rate                                | R\$      | 1,340         | from 8.39% to 15.04% p.a.                                | 2016          | 2021          | 1,745             | 1,634             |
| Variable rate                             | R\$      | 168,333       | from 93.00% to 116.00% of DI                             | 2017          | 2022          | 177,929           | 254,450           |
| Variable rate                             | R\$      | 2,000         | 4.43% p.a. + IPCA  | 2017          | 2021          | 2,616             | 2,483             |
| <b>Agribusiness credit bills</b>          |          |               |  |               |               | <b>1,450,711</b>  | <b>1,735,854</b>  |
| Fixed rate                                | R\$      | 9,907         | from 3.35% to 12.53% p.a.                                | 2015          | 2023          | 11,065            | 13,653            |
| Variable rate                             | R\$      | 1,362,481     | from 90.00% to 116.50% of DI                             | 2015          | 2022          | 1,439,513         | 1,721,253         |
| Variable rate                             | R\$      | 84            | from 5.86% to 5.99% p.a. + IPCA                          | 2016          | 2021          | 133               | 948               |
| <b>Financial bills</b>                    |          |               |  |               |               | <b>22,701,528</b> | <b>25,081,447</b> |
| Fixed rate                                | R\$      | 936,972       | from 4.03% to 16.33% p.a.                                | 2012          | 2027          | 985,858           | 388,617           |
| Variable rate                             | R\$      | 19,864,877    | from 100.00% to 130.00% of DI<br>up to 1.43% a.a + DI    | 2017          | 2024          | 21,121,623        | 24,220,838        |
| Variable rate                             | R\$      | 501,612       | from 1.82% to 8.05% p.a. + IPCA                          | 2013          | 2032          | 594,047           | 471,992           |
| <b>Financial Guaranteed Bills</b>         |          |               |  |               |               | <b>3,054,445</b>  | -                 |
| Variable rate                             | R\$      | 3,036,300     | 0.59% p.a. + Selic                                       | 2020          | 2021          | 3,054,445         | -                 |
| <b>Securities issued abroad</b>           |          |               |  |               |               | <b>8,314,824</b>  | <b>4,058,971</b>  |
| Fixed rate                                | R\$      | 55,272        | from 1.05% to 10.00% p.a.                                | 2019          | 2023          | 59,275            | 161,616           |
| Variable rate                             | R\$      | -             | from 90.00% to 98.47% of DI                              | 2019          | 2020          | -                 | 5,372             |
| Foreign exchange <sup>(2)</sup>           | USD      | 1,802,979     | from 1.12% to 4.50% p.a. +<br>foreign exchange variation | 2019          | 2025          | 8,255,549         | 3,891,983         |
| <b>Structured operations certificates</b> |          |               |  |               |               | <b>9,595</b>      | -                 |
| Fixed rate                                | R\$      | 10,000        | 7.93% p.a. + foreign exchange<br>variation               | 2020          | 2021          | 9,595             | -                 |
| <b>Total</b>                              |          |               |  |               |               | <b>35,713,393</b> | <b>31,134,839</b> |
| Current liabilities                       |          |               |  |               |               | 19,923,739        | 14,426,241        |
| Non-current liabilities                   |          |               |  |               |               | 15,789,654        | 16,708,598        |

<sup>(1)</sup> The interest rates refers to the balances held on September, 2020.

<sup>(2)</sup> In September 2019, USD 850,000 was issued abroad with semiannual interest payments.

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

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(Amounts in thousand of Reais, unless otherwise indicated)

| Funding   | Currency | Amount issued | Interest rates p.a. <sup>(1)</sup>                    | Issuance year | Maturity year | Consolidated |            |
|---|----------|---------------|---|---------------|---------------|--------------|------------|
|   |          |               |   |               |               | 09.30.2020   | 12.31.2019 |
| <b>Debentures</b>                                 |          |               |   |               |               | -            | 45,718     |
| Variable rate                                     | R\$      | -             | 97% of DI   | 2017          | 2026          | -            | 45,718     |
| <b>Leasing Letters</b>                            |          |               |   |               |               | -            | 885,780    |
| Variable rate                                     | R\$      | -             | from 101.00% to 103.00% of DI                         | 2019          | 2020          | -            | 885,780    |
| <b>Real estate credit note funds</b>              |          |               |   |               |               | 182,290      | 258,567    |
| Fixed rate  | R\$      | 1,340         | from 8.39% to 15.04% p.a.                             | 2016          | 2021          | 1,745        | 1,634      |
| Variable rate                                     | R\$      | 168,333       | from 93.00% to 116.00% of DI                          | 2017          | 2022          | 177,929      | 254,450    |
| Variable rate                                     | R\$      | 2,000         | 4.43% p.a. + IPCA                                     | 2017          | 2021          | 2,616        | 2,483      |
| <b>Agribusiness credit bills</b>                  |          |               |   |               |               | 1,450,711    | 1,735,854  |
| Fixed rate  | R\$      | 9,907         | from 3.35% to 12.53% p.a.                             | 2015          | 2023          | 11,065       | 13,653     |
| Variable rate                                     | R\$      | 1,362,481     | from 90.00% to 116.50% of DI                          | 2015          | 2022          | 1,439,513    | 1,721,253  |
| Variable rate                                     | R\$      | 84            | from 5.86% to 5.99% p.a. + IPCA                       | 2016          | 2021          | 133          | 948        |
| <b>Financial bills</b>                            |          |               |   |               |               | 22,701,528   | 25,081,447 |
| Fixed rate  | R\$      | 936,972       | from 4.03% to 16.33% p.a.                             | 2012          | 2027          | 985,858      | 388,617    |
| Variable rate                                     | R\$      | 19,864,877    | from 100.00% to 130.00% of DI até 1.43% p.a + DI      | 2017          | 2024          | 21,121,623   | 24,220,838 |
| Variable rate                                     | R\$      | 501,612       | from 1.82% to 8.05% p.a.+ IPCA                        | 2013          | 2032          | 594,047      | 471,992    |
| <b>Financial Guaranteed Bills</b>                 |          |               |   |               |               | 3,054,445    | -          |
| Variable rate                                     | R\$      | 3,036,300     | 0.59% p.a.+ Selic                                     | 2020          | 2021          | 3,054,445    | -          |
| <b>Securities issued abroad</b>                   |          |               |   |               |               | 8,314,824    | 4,058,971  |
| Fixed rate  | R\$      | 55,272        | from 1.05% to 10.00% p.a.                             | 2019          | 2023          | 59,275       | 161,616    |
| Variable rate                                     | R\$      | -             | from 90.00% to 98.47% of DI                           | 2019          | 2020          | -            | 5,372      |
| Foreign exchange <sup>(2)</sup><br><sup>(3)</sup> | USD      | 1,802,979     | from 1.12% to 4.50% p.a. + foreign exchange variation | 2019          | 2025          | 8,255,549    | 3,891,983  |
| <b>Structured operations certificates</b>         |          |               |   |               |               | 9,595        | -          |
| Fixed rate  | R\$      | 10,000        | 7.93% p.a. + foreign exchange variation               | 2020          | 2021          | 9,595        | -          |
| <b>Total</b>                                      |          |               |   |               |               | 35,713,393   | 32,066,337 |
| Current liabilities                               |          |               |   |               |               | 19,923,739   | 15,312,021 |
| Non-current liabilities                           |          |               |   |               |               | 15,789,654   | 16,754,316 |

<sup>(1)</sup> The interest rates refers to the balances held on September 30, 2020.

<sup>(2)</sup> In September 2019, USD 850,000 was issued abroad with semiannual interest payments.

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

### 19. SUBORDINATED DEBTS AND DEBT INSTRUMENTS ELIGIBLE AS CAPITAL

#### a) Breakdown

|   | Bank and Consolidated |                  |
|---|-----------------------|------------------|
|   | 09.30.2020            | 12.31.2019       |
| Subordinated debts (Note 19b)                   | 112,013               | 3,116,893        |
| Debt instruments eligible as capital (Note 19c) | 3,912,261             | 3,480,275        |
| <b>Total</b>                                    | <b>4,024,274</b>      | <b>6,597,168</b> |

#### b) Subordinated debts

| Funding                             | Amount issued | Interest rates p.a. <sup>(1)</sup> | Issuance year | Maturity year | Bank and Consolidated |                  |
|-------------------------------------|---------------|------------------------------------|---------------|---------------|-----------------------|------------------|
|                                     |               |                                    |               |               | 09.30.2020            | 12.31.2019       |
| <b>Subordinated debt</b>            |               |                                    |               |               | -                     | 3,097,563        |
| Exchange rate variation             | -             | 7.38% p.a. + foreign exchange      | 2013          | 2020          | -                     | 3,097,563        |
| <b>Subordinated financing bills</b> |               |                                    |               |               | 112,013               | 19,330           |
| Variable rate                       | 1,800         | 119.00% of DI                      | 2016          | 2023          | 2,585                 | 2,485            |
| Variable rate                       | 70,090        | from 6.13% to 8.09% p.a. + IPCA    | 2010          | 2030          | 109,428               | 16,845           |
| <b>Total</b>                        |               |                                    |               |               | <b>112,013</b>        | <b>3,116,893</b> |
| Current liabilities                 |               |                                    |               |               | 18,059                | 3,114,408        |
| Non-current liabilities             |               |                                    |               |               | 93,954                | 2,485            |

<sup>(1)</sup> The interest rates refers to balances held on September 30, 2020.

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### c) Debt instruments eligible as capital

| Funding                       | Amount issued | Interest rates p.a. <sup>(1)</sup>               | Issuance year | Maturity year | Bank and Consolidated |            |
|-------------------------------|---------------|--|---------------|---------------|-----------------------|------------|
|                               |               |  |               |               | 09.30.2020            | 12.31.2019 |
| Subordinated financing bills  |               |  |               |               | 2,173,415             | 2,268,410  |
| Variable rate                 | 960,945       | from 100.00% to 120.00% of DI até 2.16% a.a + DI | 2014          | 2024          | 1,398,927             | 1,443,708  |
| Variable rate                 | 265,640       | from 5.72% to 9.31% p.a. + IPCA                  | 2013          | 2030          | 531,251               | 603,469    |
| Fixed rate                    | 103,200       | from 11.03% to 17.98% p.a.                       | 2015          | 2024          | 202,726               | 181,784    |
| Variable rate                 | 27,500        | 117.50% of Selic                                 | 2016          | 2023          | 40,511                | 39,449     |
| Funding                       | Amount issued | Interest rates p.a. <sup>(1)</sup>               | Issuance year |               | 09.30.2020            | 12.31.2019 |
| Perpetual Bond <sup>(2)</sup> |               |  |               |               | 1,738,846             | 1,211,865  |
| Fixed rate                    | USD 300,000   | 8,25% a.a.                                       | 2017          |               | 1,738,846             | 1,211,865  |
| Total                         |               |  |               |               | 3,912,261             | 3,480,275  |
| Current liabilities           |               |  |               |               | 569,146               | 221,789    |
| Non-current liabilities       |               |  |               |               | 3,343,115             | 3,258,486  |

<sup>(1)</sup> The interest rates refers to balances held on September 30, 2020.

<sup>(2)</sup> 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.

## 20. OTHER LIABILITIES

### a) Breakdown

|   | Bank       |            | Consolidated |            |
|---|------------|------------|--------------|------------|
|   | 09.30.2020 | 12.31.2019 | 09.30.2020   | 12.31.2019 |
| Other financial liabilities   | 13,530,720 | 864,777    | 13,730,289   | 5,620,971  |
| Obligations from transactions linked to assignments (Note 11j.1) <sup>(1)</sup> | 6,667,601  | -          | 6,667,601    | 4,494,033  |
| Commissions for operations payable  | 27,116     | 27,637     | 29,359       | 29,910     |
| Credit card operations  | -          | -          | 99,078       | 118,176    |
| Liabilities for acquisition of assets and rights                                | 1,398      | 332        | 1,398        | 332        |
| Trading and intermediation of securities  | 229,622    | 231,355    | 246,636      | 289,542    |
| Foreign exchange portfolio (Note 12b)   | 6,590,786  | 602,108    | 6,590,786    | 602,108    |
| Others  | 14,197     | 3,345      | 95,431       | 86,870     |
| Other liabilities   | 1,455,052  | 676,354    | 1,627,406    | 1,501,565  |
| Third-party transit resources   | 93,818     | 46,925     | 93,818       | 46,925     |
| Provision for profit sharing  | 154,111    | 84,309     | 173,357      | 188,666    |
| Provision for personnel expenses  | 277,788    | 252,835    | 311,008      | 430,801    |
| Provision for administrative expenses   | 196,168    | 30,935     | 233,772      | 234,745    |
| Provision for financial guarantees provided (Note 28.1.a.1)                     | 221,970    | 181,762    | 221,970      | 181,762    |
| Provision for losses - other risks  | 5,563      | -          | 5,563        | 3,183      |
| Legal obligations (Note 27h)  | 38,958     | 24,116     | 43,479       | 37,117     |
| Sundry creditors - domestic   | 312,705    | 25,501     | 373,878      | 322,595    |
| Sundry creditors - overseas   | 2,664      | 1,341      | 2,664        | 1,341      |
| Amounts payable to associated companies   | 7,710      | 205        | -            | -          |
| Dividends payable / Interest on own capital <sup>(2)</sup>                      | 66,920     | 25,042     | 66,920       | 25,042     |
| Others  | 76,677     | 3,383      | 100,977      | 29,388     |
| Total <sup>(3)</sup>  | 14,985,772 | 1,541,131  | 15,357,695   | 7,122,536  |
| Current liabilities   | 10,592,911 | 1,147,547  | 10,951,524   | 4,599,857  |
| Non-current liabilities   | 4,392,861  | 393,584    | 4,406,171    | 2,522,679  |

<sup>(1)</sup> Refers to obligations for sale or transfer of financial assets with substantial retention of risks and benefits.

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

<sup>(3)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

## 21. OPERATING INCOME/EXPENSES

### a) Service income

|                                      | Bank                |                     |                     |                     |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                      | 07.01 to 09.30.2020 | 07.01 to 09.30.2019 | 01.01 to 09.30.2020 | 01.01 to 09.30.2019 |
| Collection                           | 7,714               | 10,783              | 30,870              | 27,226              |
| Commissions on placing of securities | 30,986              | 14,805              | 71,582              | 58,163              |
| Income from custody services         | 68                  | 121                 | 228                 | 435                 |
| Income from guarantees provided      | 24,483              | 19,699              | 81,870              | 64,046              |
| Insurance brokerage commission       | 6,855               | -                   | 6,855               | -                   |
| Financial advisory services          | 1,113               | 564                 | 3,103               | 6,455               |
| Other services                       | 10,646              | 2,399               | 19,208              | 6,946               |
| <b>Total <sup>(1)</sup></b>          | <b>81,865</b>       | <b>48,371</b>       | <b>213,716</b>      | <b>163,271</b>      |

<sup>(1)</sup> Includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

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|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Asset management                         | 30,561                 | 35,989                 | 99,260                 | 103,596                |
| Collection                               | 2,903                  | 987                    | 5,658                  | 2,230                  |
| Commissions on placing of securities     | 31,063                 | 15,379                 | 72,053                 | 65,445                 |
| Brokerage of Stock Exchange transactions | 1,079                  | 602                    | 4,081                  | 1,822                  |
| Income from custody services             | 4,598                  | 4,995                  | 14,075                 | 14,034                 |
| Income from guarantees provided          | 24,483                 | 19,709                 | 81,870                 | 64,046                 |
| Credit card transactions                 | 30,371                 | 32,650                 | 89,779                 | 91,923                 |
| Insurance brokerage commission           | 136,327                | 143,043                | 358,836                | 420,073                |
| Financial advisory services              | 1,125                  | 564                    | 3,175                  | 6,455                  |
| Banking correspondent                    | 96,444                 | 97,859                 | 263,139                | 285,274                |
| Other services                           | 20,790                 | 11,718                 | 44,660                 | 34,598                 |
| <b>Total</b>                             | <b>379,744</b>         | <b>363,495</b>         | <b>1,036,586</b>       | <b>1,089,496</b>       |

### b) Income from banking fees

|                             | Bank                   |                        |                        |                        |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|
|                             | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Master file registration    | 87,177                 | -                      | 87,177                 | -                      |
| Funds transfer              | 81                     | 76                     | 873                    | 489                    |
| Appraisal of assets         | 32,979                 | -                      | 32,979                 | -                      |
| Other                       | 65                     | 203                    | 381                    | 323                    |
| <b>Total <sup>(1)</sup></b> | <b>120,302</b>         | <b>279</b>             | <b>121,410</b>         | <b>812</b>             |

<sup>(1)</sup> Includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

|                          | Consolidated           |                        |                        |                        |
|--------------------------|------------------------|------------------------|------------------------|------------------------|
|                          | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Master file registration | 129,439                | 113,020                | 312,551                | 327,626                |
| Funds transfer           | 81                     | 76                     | 873                    | 489                    |
| Appraisal of assets      | 49,169                 | 83,761                 | 172,884                | 240,141                |
| Income from credit card  | 30,798                 | 17,864                 | 93,328                 | 72,196                 |
| Other                    | 403                    | 666                    | 1,759                  | 1,541                  |
| <b>Total</b>             | <b>209,890</b>         | <b>215,387</b>         | <b>581,395</b>         | <b>641,993</b>         |

### c) Personnel expenses

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Administrators' remuneration and other (Note 25) | (3,674)                | (1,350)                | (7,025)                | (4,272)                |
| Benefits   | (11,605)               | (6,060)                | (33,471)               | (18,410)               |
| Social charges                                   | (33,292)               | (9,345)                | (55,413)               | (29,130)               |
| Salary <sup>(1) (2)</sup>                        | (129,441)              | (26,710)               | (119,467)              | (79,914)               |
| Labor claims                                     | (45,020)               | (34,017)               | (47,440)               | (79,049)               |
| Training   | (2,332)                | (827)                  | (3,488)                | (1,551)                |
| Supplementary private pension                    | (1,899)                | (1,090)                | (3,507)                | (2,108)                |
| <b>Total <sup>(3)</sup></b>                      | <b>(227,263)</b>       | <b>(79,399)</b>        | <b>(269,811)</b>       | <b>(214,434)</b>       |

|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Administrators' remuneration and other (Note 25) | (5,642)                | (4,674)                | (16,398)               | (14,537)               |
| Benefits   | (21,438)               | (30,346)               | (95,451)               | (93,564)               |
| Social charges                                   | (46,444)               | (35,833)               | (124,576)              | (116,901)              |
| Salary <sup>(1) (2)</sup>                        | (183,642)              | (149,269)              | (342,255)              | (395,766)              |
| Labor claims                                     | (83,001)               | (176,949)              | (180,504)              | (397,282)              |
| Training   | (3,364)                | (3,148)                | (7,550)                | (5,846)                |
| Supplementary private pension                    | (2,826)                | (2,836)                | (7,545)                | (5,722)                |
| <b>Total</b>                                     | <b>(346,357)</b>       | <b>(403,055)</b>       | <b>(774,279)</b>       | <b>(1,029,618)</b>     |

<sup>(1)</sup> Includes reversal of provision for long-term incentive plan expenses.

<sup>(2)</sup> Includes expenses and related charges for variable remuneration programmes.

<sup>(3)</sup> Includes the appropriation of expenses incurred on liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

**d) Other administrative expenses**

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Water, energy and gas                        | (396)                  | (225)                  | (848)                  | (573)                  |
| Rental                                       | (10,738)               | (3,103)                | (19,794)               | (8,394)                |
| Communications                               | (7,591)                | (358)                  | (8,344)                | (1,044)                |
| Maintenance of property, plant and equipment | (2,154)                | (725)                  | (3,452)                | (1,812)                |
| Material                                     | (284)                  | (37)                   | (838)                  | (237)                  |
| Data processing                              | (39,582)               | (14,004)               | (77,746)               | (45,779)               |
| Promotions and public relations              | (1,423)                | (787)                  | (4,557)                | (2,425)                |
| Advertising and publicity                    | (6,388)                | (237)                  | (17,749)               | (810)                  |
| Publications                                 | -                      | (46)                   | (460)                  | (401)                  |
| Insurance                                    | (1,059)                | (367)                  | (1,751)                | (1,066)                |
| Financial system services                    | (19,070)               | (8,088)                | (32,748)               | (22,602)               |
| Outsourced services                          | (2,037)                | (334)                  | (3,241)                | (917)                  |
| Surveillance and security services           | (319)                  | (153)                  | (752)                  | (408)                  |
| Specialized technical services               | (93,386)               | (14,524)               | (129,505)              | (36,145)               |
| Transportation                               | (163)                  | (332)                  | (503)                  | (850)                  |
| Traveling                                    | (172)                  | (456)                  | (697)                  | (1,397)                |
| Judicial and notary public fees              | (10,795)               | (725)                  | (12,001)               | (3,934)                |
| Amortization <sup>(1)</sup>                  | (20,152)               | (4,425)                | (29,615)               | (13,229)               |
| Depreciation <sup>(1)</sup>                  | (5,228)                | (1,567)                | (6,864)                | (4,895)                |
| Other  | (14,893)               | (4,805)                | (19,739)               | (9,477)                |
| <b>Total <sup>(2)</sup></b>                  | <b>(235,830)</b>       | <b>(55,298)</b>        | <b>(371,204)</b>       | <b>(156,395)</b>       |

<sup>(1)</sup> Includes the effects of the agreement for apportionment / reimbursement of expenses and direct and indirect costs entered into between banco BV and its subsidiaries.

<sup>(2)</sup> Includes the appropriation of expenses incurred on liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Water, energy and gas                        | (584)                  | (1,397)                | (2,559)                | (3,959)                |
| Rental                                       | (15,025)               | (13,469)               | (45,776)               | (39,785)               |
| Communications                               | (18,374)               | (11,305)               | (45,592)               | (36,505)               |
| Maintenance of property, plant and equipment | (3,853)                | (3,998)                | (10,613)               | (11,085)               |
| Material                                     | (675)                  | (347)                  | (2,812)                | (1,865)                |
| Data processing                              | (76,212)               | (69,798)               | (218,831)              | (189,741)              |
| Promotions and public relations              | (4,036)                | (5,806)                | (16,204)               | (14,868)               |
| Advertising and publicity                    | (9,764)                | (15,121)               | (37,628)               | (31,367)               |
| Publications                                 | -                      | (95)                   | (1,067)                | (1,035)                |
| Insurance                                    | (1,530)                | (1,360)                | (4,077)                | (3,967)                |
| Financial system services                    | (25,773)               | (24,793)               | (78,906)               | (70,553)               |
| Outsourced services                          | (2,592)                | (2,456)                | (7,283)                | (7,565)                |
| Surveillance and security services           | (454)                  | (540)                  | (1,465)                | (1,289)                |
| Specialized technical services               | (140,006)              | (122,286)              | (381,010)              | (349,684)              |
| Transportation                               | (240)                  | (2,934)                | (3,274)                | (9,546)                |
| Traveling                                    | (205)                  | (3,325)                | (3,257)                | (8,106)                |
| Judicial and notary public fees              | (13,863)               | (23,854)               | (49,002)               | (64,947)               |
| Amortization                                 | (30,265)               | (20,461)               | (83,077)               | (58,942)               |
| Depreciation                                 | (8,308)                | (8,160)                | (24,341)               | (25,395)               |
| Other  | (28,336)               | (30,349)               | (97,160)               | (72,832)               |
| <b>Total</b>                                 | <b>(380,095)</b>       | <b>(361,854)</b>       | <b>(1,113,934)</b>     | <b>(1,003,036)</b>     |

**e) Other operating income**

|                                     | Bank                   |                        |                        |                        |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                     | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Recovery of charges and expenses    | 39                     | -                      | 5,517                  | 483                    |
| Restatement of judicial deposits    | 3,174                  | 1,547                  | 6,315                  | 4,747                  |
| Inflation indexation                | 952                    | 869                    | 2,148                  | 4,399                  |
| Reimbursement of overpaid tax fines | 2,411                  | 44                     | 3,334                  | 210                    |
| Operating cost reimbursement        | 68                     | -                      | 68                     | -                      |
| Recovery from operational losses    | 582                    | -                      | 584                    | -                      |
| Others                              | 3,048                  | (214)                  | 4,326                  | 1,591                  |
| <b>Total <sup>(2) (3)</sup></b>     | <b>10,274</b>          | <b>2,246</b>           | <b>22,292</b>          | <b>11,430</b>          |

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|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Recovery of charges and expenses                 | 289                    | 562                    | 8,554                  | 11,427                 |
| Restatement of judicial deposits                 | 5,021                  | 9,721                  | 21,456                 | 25,978                 |
| Inflation indexation                             | 1,214                  | 4,076                  | 7,794                  | 15,483                 |
| Reimbursement of overpaid tax fines              | 2,411                  | 44                     | 7,149                  | 210                    |
| Operating cost reimbursement                     | 99                     | 4,451                  | 1,585                  | 11,889                 |
| Recovery from operational losses                 | 725                    | 1,178                  | 20,506                 | 2,677                  |
| Reversal of provision for insurance cancellation | (969)                  | -                      | 14,241                 | -                      |
| Income from real estate activity <sup>(1)</sup>  | 2,911                  | (4,073)                | 5,421                  | 10,065                 |
| Others   | 7,035                  | 2,653                  | 10,104                 | 5,958                  |
| <b>Total <sup>(2)</sup></b>                      | <b>18,736</b>          | <b>18,612</b>          | <b>96,810</b>          | <b>83,687</b>          |

<sup>(1)</sup> Includes income from the sale of shares.

<sup>(2)</sup> Income and expenses of the same type are presented at the net amount determined in each period.

<sup>(3)</sup> Includes the appropriation of income generated by the assets received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

### f) Other operating expenses

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Costs associated with the origination - Business partners <sup>(1)</sup> | (117,440)              | (637)                  | (118,601)              | (1,935)                |
| Civil claims   | (20,742)               | (3,016)                | (20,867)               | (3,973)                |
| Tax claims   | (1,547)                | (1,050)                | (4,145)                | (2,961)                |
| Operating losses   | (967)                  | (195)                  | (3,115)                | (4,812)                |
| Premium paid on financial assets   | (118)                  | (9,922)                | (239)                  | (11,199)               |
| Premium paid for bank services preference                                | (2,141)                | (2,623)                | (8,029)                | (4,301)                |
| Outras   | (71,015)               | (1,006)                | (72,534)               | (8,652)                |
| <b>Total <sup>(2) (3)</sup></b>  | <b>(213,970)</b>       | <b>(18,449)</b>        | <b>(227,530)</b>       | <b>(37,833)</b>        |

|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Costs associated with the origination - Business partners <sup>(1)</sup> | (244,690)              | (251,605)              | (637,144)              | (720,453)              |
| Civil claims   | (34,456)               | (57,374)               | (94,776)               | (127,082)              |
| Tax claims   | (2,118)                | (2,820)                | (6,357)                | (6,692)                |
| Operating losses   | (2,764)                | (2,690)                | (7,015)                | (11,694)               |
| Premium paid on financial assets   | (118)                  | (9,922)                | (239)                  | (11,199)               |
| Premium paid for bank services preference                                | (2,141)                | (2,623)                | (8,029)                | (4,301)                |
| Provision for insurance cancellation                                     | -                      | (2,200)                | -                      | (39,177)               |
| Outras   | (94,158)               | (19,223)               | (126,108)              | (67,586)               |
| <b>Total <sup>(2)</sup></b>  | <b>(380,445)</b>       | <b>(348,457)</b>       | <b>(879,668)</b>       | <b>(988,184)</b>       |

<sup>(1)</sup> Mainly refer to commissions on loans originated by partners and trade agreements with tenants and freelancers, including maintenance expenses.

<sup>(2)</sup> Income and expenses of the same type are presented at the net amount determined in each period.

<sup>(3)</sup> Includes the appropriation of expenses incurred on liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

## 22. OTHER INCOME AND EXPENSES

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Other Income</b>  | <b>8,661</b>           | <b>3,069</b>           | <b>12,423</b>          | <b>5,310</b>           |
| Profit on the disposal of assets                                     | 4,785                  | 147                    | 6,062                  | 147                    |
| Rental income  | -                      | 2,109                  | -                      | 2,148                  |
| Reversal of provision for devaluation of other assets <sup>(1)</sup> | -                      | 813                    | -                      | 3,015                  |
| Reversal of provision for investment losses due to tax               | -                      | -                      | 2,485                  | -                      |
| Other income not directly associated with operating activity         | 3,876                  | -                      | 3,876                  | -                      |
| <b>Other expenses</b>  | <b>(6,153)</b>         | <b>(328)</b>           | <b>(16,621)</b>        | <b>(2,761)</b>         |
| Capital losses   | (41)                   | -                      | (41)                   | -                      |
| Devaluation of other assets  | (4,127)                | -                      | (13,269)               | -                      |
| Expense on real estate not in use                                    | (439)                  | (326)                  | (1,714)                | (2,614)                |
| Other expenses not directly associated with operating activity       | (1,546)                | (2)                    | (1,597)                | (147)                  |
| <b>Total <sup>(2)</sup></b>  | <b>2,508</b>           | <b>2,741</b>           | <b>(4,198)</b>         | <b>2,549</b>           |

|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Other Income</b>  | <b>6,163</b>           | <b>10,961</b>          | <b>41,244</b>          | <b>18,310</b>          |
| Profit on the disposal of assets                                     | 3,839                  | -                      | 499                    | -                      |
| Rental income  | -                      | 2,123                  | 9                      | 2,185                  |
| Reversal of provision for devaluation of other assets <sup>(1)</sup> | (3,598)                | 436                    | 26,047                 | 4,118                  |
| Reversal of provision for investment losses due to tax               | -                      | 4,954                  | 5,931                  | 4,954                  |
| Other income not directly associated with operating activity         | 5,922                  | 3,448                  | 8,758                  | 7,053                  |
| <b>Other expenses</b>  | <b>(2,055)</b>         | <b>(4,185)</b>         | <b>(7,162)</b>         | <b>(11,740)</b>        |
| Loss on disposal of assets   | -                      | (2,253)                | -                      | (6,940)                |
| Capital losses   | (52)                   | (1,464)                | (1,911)                | (1,464)                |
| Expense on real estate not in use                                    | (439)                  | (459)                  | (3,619)                | (3,158)                |
| Other expenses not directly associated with operating activity       | (1,564)                | (9)                    | (1,632)                | (178)                  |
| <b>Total <sup>(2)</sup></b>  | <b>4,108</b>           | <b>6,776</b>           | <b>34,082</b>          | <b>6,570</b>           |

<sup>(1)</sup> Includes reversal of provision for losses on interests in real estate projects presented in "Other assets" (Note 12d).

<sup>(2)</sup> Income and expenses of the same type are presented at the net amount determined in each period.

## 23. SHAREHOLDERS' EQUITY

### a) Capital

Capital of Banco Votorantim S.A., fully subscribed and paid-in, in the amount of R\$ 8,130,372 (R\$ 8,130,372 on December 31, 2019) is represented by 105,391,472,816 shares, of which 53,760,296,740 are common shares with no par value and 51,631,176,076 nominative preferred shares with no par value (86,229,386,840 common shares with no par value and 19,162,085,976 preferred shares with no par value on December 31, 2019). Preferred shares have priority in reimbursement from capital without premium.

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

### b) Capital reserve

Capital reserve is related to premium that arose on subscription of shares, in the amount of R\$ 372,120.

### c) Profit reserve

#### Legal reserve

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

#### Statutory reserve for expansion

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

### d) Dividends / Interest on Own Capital

Shareholders are assured to receive to a minimum mandatory dividend, both in the form of dividends and interest on own capital, corresponding to 25% of net profit for the period, less the allocation to the legal reserve.

In accordance with Laws no. 9,249/1995 and no. 12,973/2014 and the Company's Bylaws, the Board of Directors decided to deliberate with its shareholders on interest on own capital and dividends.

Interest on own capital is calculated on the adjusted shareholders' 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 their value.

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

As provided in CMN Resolution No. 4,820 / 2020, financial institutions and other institutions authorized to operate by Bank Central are prohibited from remunerating their own capital above the mandatory minimum dividend, referring to the year of 2020.



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For the nine month periods from January 1 to September 30, 2020 and 2019, the Company made the following distributions:

|  | 01.01 to 09.30.2020   |  |   |                          |
|--|-----------------------|--|---|--------------------------|
|  | Amount (R\$ thousand) | Value per lot of one thousand shares – R\$ | Reference date of shareholding position | Payment date             |
| Dividends                              | 26,545                | 0.25                                       | 06.29.2020                              | payable up to 12.31.2020 |
| Interest on own capital <sup>(1)</sup> | 47,500                | 0.45                                       | 06.29.2020                              | payable up to 12.31.2020 |
| <b>Total allocated to shareholders</b> | <b>74,045</b>         | <b>0.70</b>                                |   |                          |

|  | 01.01 to 09.30.2019   |  |   |              |
|--|-----------------------|--|---|--------------|
|  | Amount (R\$ thousand) | Value per lot of one thousand shares – R\$ | Reference date of shareholding position | Payment date |
| Dividends                              | 400,000               | 3.80                                       | 06.28.2019                              | 12.18.2019   |
| <b>Total allocated to shareholders</b> | <b>400,000</b>        | <b>3.80</b>                                |   |              |

<sup>(1)</sup> Amounts subject to the rate of 15% withholding income tax.

|   | 01.01 to 09.30.2020   | 01.01 to 09.30.2019 |
|---|-----------------------|---------------------|
|   | Amount (R\$ thousand) |                     |
| <b>Net profit for the period (Banco Votorantim S.A.)</b>  | <b>684,002</b>        | <b>1,090,708</b>    |
| Legal reserve   | (20,496)              | (34,401)            |
| <b>Calculation basis</b>                                  | <b>663,506</b>        | <b>1,056,307</b>    |
| Dividends   | 26,545                | 400,000             |
| Interest on own capital (gross)                           | 47,500                | -                   |
| Withholding income tax related on interest on own capital | (7,125)               | -                   |
| <b>Proposed value</b>                                     | <b>66,920</b>         | <b>400,000</b>      |
| <b>% on the calculation basis</b>                         | <b>10%</b>            | <b>38%</b>          |

### e) Earnings per share

|  | 07.01 to 09.30.2020 | 07.01 to 09.30.2019 | 01.01 to 09.30.2020 | 01.01 to 09.30.2019 |
|--|---------------------|---------------------|---------------------|---------------------|
| Net profit - Banco Votorantim S.A. (R\$ thousand)              | 274,103             | 402,701             | 684,002             | 1,090,708           |
| Weighted average number by thousand shares (basic and diluted) | 105,391,473         | 105,391,473         | 105,391,473         | 105,391,473         |
| Earnings per share (basic and diluted) (R\$)                   | 2.60                | 3.82                | 6.49                | 10.35               |

### f) Reconciliation of shareholders' equity and net profit

|                                  | Net profit          |                     |                     |                     | Shareholders' equity |                  |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|------------------|
|                                  | 07.01 to 09.30.2020 | 07.01 to 09.30.2019 | 01.01 to 09.30.2020 | 01.01 to 09.30.2019 | 09.30.2020           | 12.31.2019       |
| <b>Banco Votorantim S.A.</b>     | <b>274,103</b>      | <b>402,701</b>      | <b>684,002</b>      | <b>1,090,708</b>    | <b>10,644,142</b>    | <b>9,855,457</b> |
| Unrealized income <sup>(1)</sup> | 589                 | (47,559)            | 33,692              | (47,559)            | 7,961                | 30,424           |
| <b>Consolidated</b>              | <b>274,692</b>      | <b>355,142</b>      | <b>717,694</b>      | <b>1,043,149</b>    | <b>10,652,103</b>    | <b>9,885,881</b> |

<sup>(1)</sup> Refers to unrealized income from related parties, net of taxes.

### g) Other comprehensive income

| Bank and Consolidated                          | 01.01 to 09.30.2020 |                 |                  |                 | 01.01 to 09.30.2019 |                  |                 |                  |
|--|---------------------|-----------------|------------------|-----------------|---------------------|------------------|-----------------|------------------|
|  | Opening balance     | Changes         | Tax effect       | Closing balance | Opening balance     | Changes          | Tax effect      | Closing balance  |
| <b>Securities available to sale</b>            | <b>100,332</b>      | <b>177,121</b>  | <b>(85,779)</b>  | <b>191,674</b>  | <b>(79,381)</b>     | <b>225,999</b>   | <b>(82,552)</b> | <b>64,066</b>    |
| Banco Votorantim <sup>(1) (2)</sup>            | 38,374              | 269,630         | (121,529)        | 186,475         | (122,286)           | 194,516          | (70,687)        | 1,543            |
| Subsidiaries                                   | 61,958              | (92,509)        | 35,750           | 5,199           | 42,905              | 31,483           | (11,865)        | 62,523           |
| <b>Cash flow hedge</b>                         | <b>(127,069)</b>    | <b>158,883</b>  | <b>(71,497)</b>  | <b>(39,683)</b> | <b>(99,614)</b>     | <b>(156,570)</b> | <b>62,628</b>   | <b>(193,556)</b> |
| Banco Votorantim <sup>(1) (2)</sup>            | (127,069)           | 158,883         | (71,497)         | (39,683)        | (99,614)            | (156,570)        | 62,628          | (193,556)        |
| <b>Total - Bank</b>                            | <b>(26,737)</b>     | <b>336,004</b>  | <b>(157,276)</b> | <b>151,991</b>  | <b>(178,995)</b>    | <b>69,429</b>    | <b>(19,924)</b> | <b>(129,490)</b> |
| <b>Unrealized income effect <sup>(3)</sup></b> | <b>76,057</b>       | <b>(56,155)</b> | <b>-</b>         | <b>19,902</b>   | <b>-</b>            | <b>80,409</b>    | <b>-</b>        | <b>80,409</b>    |
| <b>Total - Consolidated</b>                    | <b>49,320</b>       | <b>279,849</b>  | <b>(157,276)</b> | <b>171,893</b>  | <b>(178,995)</b>    | <b>149,838</b>   | <b>(19,924)</b> | <b>(49,081)</b>  |

<sup>(1)</sup> Includes agency abroad.

<sup>(2)</sup> Includes the effect of unrealized income from transactions of related parties.

<sup>(3)</sup> Tax effect is presented in "Other credits - Sundry".

## h) Shareholders interest (quantity of shares)

The quantity of issued shares from Banco Votorantim S.A. in which shareholders are owners, directly and indirectly, of more than 5% of shares:

| Shareholders - Shares (thousand) | 09.30.2020        |                |                   |                |                    |                |
|----------------------------------|-------------------|----------------|-------------------|----------------|--------------------|----------------|
|                                  | 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%         |
| <b>Total</b>                     | <b>53,760,297</b> | <b>100.00%</b> | <b>51,631,176</b> | <b>100.00%</b> | <b>105,391,473</b> | <b>100.00%</b> |
| Domestic residents               | 53,760,297        | 100.00%        | 51,631,176        | 100.00%        | 105,391,473        | 100.00%        |

| Shareholders - Shares (thousand) | 12.31.2019        |                |                   |                |                    |                |
|----------------------------------|-------------------|----------------|-------------------|----------------|--------------------|----------------|
|                                  | Ordinary          | % Ordinary     | Preference        | % Preference   | Total              | % Total        |
| Votorantim Finanças S.A.         | 43,114,693        | 50.00%         | 9,581,043         | 50.00%         | 52,695,736         | 50.00%         |
| Banco do Brasil S.A.             | 43,114,693        | 50.00%         | 9,581,043         | 50.00%         | 52,695,736         | 50.00%         |
| <b>Total</b>                     | <b>86,229,387</b> | <b>100.00%</b> | <b>19,162,086</b> | <b>100.00%</b> | <b>105,391,473</b> | <b>100.00%</b> |
| Domestic residents               | 86,229,387        | 100.00%        | 19,162,086        | 100.00%        | 105,391,473        | 100.00%        |

## 24. TAXES

### a) Tax assets

#### Total tax assets recognized

|                                   | Bank             |                  | Consolidated     |                  |
|-----------------------------------|------------------|------------------|------------------|------------------|
|                                   | 09.30.2020       | 12.31.2019       | 09.30.2020       | 12.31.2019       |
| Current tax assets (Note 24 a.1)  | 298,381          | 251,392          | 356,968          | 590,499          |
| Deferred tax assets (Note 24 a.2) | 6,891,969        | 3,358,370        | 7,744,082        | 6,638,553        |
| <b>Total <sup>(1)</sup></b>       | <b>7,190,350</b> | <b>3,609,762</b> | <b>8,101,050</b> | <b>7,229,052</b> |
| Current assets                    | 2,030,685        | 701,298          | 2,158,261        | 2,081,567        |
| Non-current assets                | 5,159,665        | 2,908,464        | 5,942,789        | 5,147,485        |

<sup>(1)</sup> In the Bank, it includes amounts referring to the incorporation of the spun-off portion of BV Financeira.

#### a.1) Current tax assets

|                                      | Bank           |                | Consolidated   |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 09.30.2020     | 12.31.2019     | 09.30.2020     | 12.31.2019     |
| Taxes and contributions to be offset | 149,616        | 102,627        | 205,451        | 436,973        |
| Recoverable income tax               | -              | -              | 2,752          | 4,761          |
| Presumed credit - Law no. 12,838/13  | 148,765        | 148,765        | 148,765        | 148,765        |
| <b>Total <sup>(1)</sup></b>          | <b>298,381</b> | <b>251,392</b> | <b>356,968</b> | <b>590,499</b> |

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

#### a.2) Deferred tax assets (Recognised)

| Bank  | 12.31.2019       | 01.01 to 09.30.2020             |                  | 09.30.2020 <sup>(1)</sup> |
|---|------------------|---------------------------------|------------------|---------------------------|
|   | Balance          | Net changes in the period       |                  | Balance                   |
|   |                  | Constitution <sup>(2) (3)</sup> | Write-off        |                           |
| <b>Temporary differences</b>                | <b>2,541,395</b> | <b>4,188,459</b>                | <b>(643,870)</b> | <b>6,085,984</b>          |
| Allowance for loan losses                   | 1,539,427        | 3,058,684                       | (464,367)        | 4,133,744                 |
| Provisions                                  | 263,800          | 513,999                         | (98,090)         | 679,709                   |
| Fair value adjustments <sup>(4)</sup>       | 214,459          | 538,050                         | (73,690)         | 678,819                   |
| Other provisions <sup>(5)</sup>             | 523,709          | 77,726                          | (7,723)          | 593,712                   |
| <b>Tax loss/CSLL negative basis</b>         | <b>816,975</b>   | <b>136,676</b>                  | <b>(147,666)</b> | <b>805,985</b>            |
| <b>Total deferred tax assets recognized</b> | <b>3,358,370</b> | <b>4,325,135</b>                | <b>(791,536)</b> | <b>6,891,969</b>          |
| Income tax                                  | 1,863,170        | 2,410,952                       | (466,315)        | 3,807,807                 |
| Social contribution                         | 1,495,200        | 1,914,183                       | (325,221)        | 3,084,162                 |

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| Consolidated                                | 12.31.2019       | 01.01 to 09.30.2020         |                    | 09.30.2020 <sup>(1)</sup> |
|---|------------------|-----------------------------|--------------------|---------------------------|
|   | Balance          | Net changes in the period   |                    | Balance                   |
|   |                  | Constitution <sup>(2)</sup> | Write-off          |                           |
| <b>Temporary differences</b>                | <b>5,194,681</b> | <b>2,602,954</b>            | <b>(1,306,238)</b> | <b>6,491,397</b>          |
| Allowance for loan losses                   | 3,671,054        | 1,832,525                   | (1,054,124)        | 4,449,455                 |
| Liability provisions                        | 739,167          | 167,577                     | (150,407)          | 756,337                   |
| Fair value adjustments <sup>(4)</sup>       | 238,783          | 526,978                     | (86,301)           | 679,460                   |
| Other provisions <sup>(5)</sup>             | 545,677          | 75,874                      | (15,406)           | 606,145                   |
| <b>Tax loss/CSLL negative basis</b>         | <b>1,443,872</b> | <b>158,907</b>              | <b>(350,094)</b>   | <b>1,252,685</b>          |
| <b>Total deferred tax assets recognized</b> | <b>6,638,553</b> | <b>2,761,861</b>            | <b>(1,656,332)</b> | <b>7,744,082</b>          |
| Income tax                                  | 4,090,276        | 1,446,307                   | (1,060,190)        | 4,476,393                 |
| Social contribution                         | 2,548,277        | 1,315,554                   | (596,142)          | 3,267,689                 |

<sup>(1)</sup> In the nine month period from January 1 to September 30, 2020, the amount of R\$ 54,251 (out of a total of R\$ 678,819) in the Bank, and R\$ 32,468 (out of a total of R\$ 679,460) in Consolidated, corresponds to deferred tax assets arising from adjustments to the fair value of securities classified as available for sale, recorded in a shareholders' equity.

<sup>(2)</sup> Includes, in the nine month period from January 1 to September 30, 2020, the amount of R\$ 370,131 in the Bank and R\$ 409,239 in the Consolidated, related to the effects of the CSLL rate increase to 20%, applicable to the deferred tax asset payable as from March 2020, referring to the amounts from January and February and amounts referring to the incorporation of the spun-off portion of BV Financeira and subsequent incorporated to Banco BV S.A.

<sup>(3)</sup> Considers the amount of deferred tax assets that were constituted in the three month period ended September 30, 2020 as a result of the incorporation of the spin-off of BV Financeira, which occurred on July 31, 2020, whose amount corresponds to R\$ 3,012,688.

<sup>(4)</sup> The amounts corresponding to the changes in deferred tax assets arising from adjustments to the fair value of securities available for sale, recorded in the shareholders' equity account, in the nine month period from January 1 to September 30, 2020, are amounted to R\$ (49,715) of the total of R\$ 464,360 in the Bank and R\$ (71,497) of the total of R\$ 440,677 in Consolidated.

<sup>(5)</sup> Includes tax assets from expenses of provision por securities losses.

### Realization estimate

The realization estimate of deferred tax assets is supported by in the technical study prepared as at June 30,2020.

|                                  | Bank             |                  | Consolidated     |                  |
|----------------------------------|------------------|------------------|------------------|------------------|
|                                  | Nominal value    | Present value    | Nominal value    | Present value    |
| In 2020                          | 1,243,297        | 1,237,235        | 1,279,947        | 1,273,706        |
| In 2021                          | 1,023,055        | 988,085          | 1,108,962        | 1,071,057        |
| In 2022                          | 1,245,355        | 1,151,131        | 1,348,475        | 1,246,449        |
| In 2023                          | 898,653          | 786,338          | 997,410          | 872,753          |
| In 2024                          | 648,796          | 532,805          | 752,581          | 618,035          |
| From 2025 to 2026                | 1,048,971        | 792,978          | 1,461,717        | 1,107,742        |
| From 2027 to 2029                | 783,842          | 437,957          | 794,990          | 444,340          |
| <b>Total deferred tax assets</b> | <b>6,891,969</b> | <b>5,926,529</b> | <b>7,744,082</b> | <b>6,634,082</b> |

### Realization of nominal values for deferred tax assets

|                   | Bank  |  | Consolidated  |  |
|-------------------|---|--|---|--|
|                   | Tax losses/Social contribution on net profit to offset <sup>(1)</sup> | Intertemporal differences <sup>(2)</sup> | Tax losses/Social contribution on net profit to offset <sup>(1)</sup> | Intertemporal differences <sup>(2)</sup> |
| In 2020           | 5%  | 20%                                      | 3%  | 19%                                      |
| In 2021           | 14%   | 15%                                      | 13%   | 15%                                      |
| In 2022           | 10%   | 19%                                      | 14%   | 18%                                      |
| In 2023           | 9%  | 14%                                      | 13%   | 13%                                      |
| In 2024           | 10%   | 9%                                       | 14%   | 9%                                       |
| From 2025 to 2026 | 33%   | 13%                                      | 29%   | 17%                                      |
| From 2027 to 2029 | 19%   | 10%                                      | 14%   | 9%                                       |

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

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

### a.3) Unrecognized deferred tax assets

|  | Bank          |            | Consolidated   |               |
|--|---------------|------------|----------------|---------------|
|  | 09.30.2020    | 12.31.2019 | 09.30.2020     | 12.31.2019    |
| Social contribution on net profit tax loss/negative basis portions | 94,088        | -          | 171,344        | 22,866        |
| Intertemporal Differences portions                                 | -             | -          | 20,418         | 35,008        |
| <b>Total of deferred tax assets not recorded in assets</b>         | <b>94,088</b> | <b>-</b>   | <b>191,762</b> | <b>57,874</b> |
| Income tax   | 52,271        | -          | 137,261        | 40,879        |
| Social contribution  | 41,817        | -          | 54,501         | 16,995        |

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   |                |
|--|----------------|----------------|----------------|----------------|
|  | 09.30.2020     | 12.31.2019     | 09.30.2020     | 12.31.2019     |
| Current tax liabilities (Note 24 b.1)    | 90,512         | 77,790         | 187,215        | 478,488        |
| Deferred tax liabilities - (Note 24 b.2) | 236,321        | 42,739         | 244,287        | 88,384         |
| <b>Total <sup>(1)</sup></b>              | <b>326,833</b> | <b>120,529</b> | <b>431,502</b> | <b>566,872</b> |
| Current liabilities                      | 311,759        | 99,888         | 405,752        | 536,915        |
| Non-current liabilities                  | 15,074         | 20,641         | 25,750         | 29,957         |

<sup>(1)</sup> In the Bank, it includes amounts referred of the incorporation of the spun-off portion of the BV Financeira.

**b.1) Current tax liabilities**

|   | Bank          |               | Consolidated   |                |
|---|---------------|---------------|----------------|----------------|
|   | 09.30.2020    | 12.31.2019    | 09.30.2020     | 12.31.2019     |
| IOF payable                                     | 521           | 686           | 599            | 16,106         |
| Income tax and social contribution payable      | -             | -             | 6,021          | 5,940          |
| Provision for taxes and contributions on income | -             | 41,091        | 67,798         | 354,526        |
| Taxes and contributions payable                 | 89,991        | 36,013        | 112,797        | 101,916        |
| <b>Total <sup>(1) (2)</sup></b>                 | <b>90,512</b> | <b>77,790</b> | <b>187,215</b> | <b>478,488</b> |

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

<sup>(2)</sup> In the Bank, it includes amounts referred of the incorporation of the spun-off portion of the BV Financeira.

**b.2) Deferred tax liabilities**

|  | Bank           |               | Consolidated   |               |
|--|----------------|---------------|----------------|---------------|
|  | 09.30.2020     | 12.31.2019    | 09.30.2020     | 12.31.2019    |
| Fair value adjustments of financial instruments      | 219,934        | 27,472        | 225,377        | 68,266        |
| Presumed credit - Law no. 12,838/13                  | 15,075         | 15,075        | 15,075         | 15,075        |
| Other liabilities                                    | 1,312          | 192           | 3,835          | 5,043         |
| <b>Total deferred tax liabilities <sup>(1)</sup></b> | <b>236,321</b> | <b>42,739</b> | <b>244,287</b> | <b>88,384</b> |
| Income tax   | 131,873        | 23,829        | 137,509        | 54,466        |
| Social contribution                                  | 104,448        | 18,910        | 106,778        | 33,918        |

<sup>(1)</sup> In the Bank, it includes amounts referred of the incorporation of the spun-off portion of the BV Financeira.

**c) Tax expenses**

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Contribution for Social Security Funding | (48,872)               | 7,316                  | (62,102)               | (14,404)               |
| Service tax                              | (9,001)                | (1,777)                | (13,702)               | (6,427)                |
| PIS                                      | (7,942)                | 1,188                  | (10,092)               | (2,341)                |
| Others                                   | (3,652)                | (1,240)                | (15,910)               | (5,591)                |
| <b>Total <sup>(1)</sup></b>              | <b>(69,467)</b>        | <b>5,487</b>           | <b>(101,806)</b>       | <b>(28,763)</b>        |

|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Contribution for Social Security Funding | (89,954)               | (76,832)               | (265,511)              | (257,419)              |
| Service tax                              | (19,372)               | (19,792)               | (53,349)               | (78,493)               |
| PIS                                      | (15,255)               | (13,132)               | (44,806)               | (43,738)               |
| Others                                   | (9,464)                | (4,530)                | (28,379)               | (33,827)               |
| <b>Total</b>                             | <b>(134,045)</b>       | <b>(114,286)</b>       | <b>(392,045)</b>       | <b>(413,477)</b>       |

<sup>(1)</sup> Includes the appropriation of tax expenses incurred on liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

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

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Current amounts</b>   | <b>14,144</b>          | <b>(11)</b>            | <b>14,144</b>          | <b>10,049</b>          |
| Income tax and social contribution on net profit - current                     | -                      | -                      | -                      | -                      |
| Income tax and social contribution on net profit - previous periods            | 14,144                 | (11)                   | 14,144                 | 10,049                 |
| <b>Deferred amounts</b>  | <b>368,601</b>         | <b>31,444</b>          | <b>856,839</b>         | <b>(81,224)</b>        |
| <b>Deferred tax liabilities</b>  | <b>(68,267)</b>        | <b>(5,202)</b>         | <b>(72,114)</b>        | <b>(16,427)</b>        |
| Fair value adjustments of financial instruments                                | (67,378)               | 8,198                  | (70,930)               | (3,027)                |
| Presumed credit - Law no. 12,838/13  | -                      | (13,400)               | -                      | (13,400)               |
| Other liabilities  | (889)                  | -                      | (1,184)                | -                      |
| <b>Deferred tax assets</b>   | <b>436,868</b>         | <b>36,646</b>          | <b>928,953</b>         | <b>(64,797)</b>        |
| Tax loss carryforwards and negative basis of social contribution on net profit | (147,666)              | (26,451)               | (10,990)               | 62,916                 |
| Temporary difference   | 498,147                | 37,658                 | 425,868                | (10,851)               |
| Fair value adjustment  | 86,387                 | 25,439                 | 514,075                | (116,862)              |
| <b>Total <sup>(1)</sup></b>  | <b>382,745</b>         | <b>31,433</b>          | <b>870,983</b>         | <b>(71,175)</b>        |

## INTERIM FINANCIAL STATEMENTS

as of September 30, 2020

(Amounts in thousand of Reais, unless otherwise indicated)

|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Current amounts</b>   | <b>(73,908)</b>        | <b>(110,996)</b>       | <b>(455,494)</b>       | <b>(269,468)</b>       |
| Income tax and social contribution on net profit - current                     | (88,052)               | (111,725)              | (469,638)              | (280,257)              |
| Income tax and social contribution on net profit - previous periods            | 14,144                 | 729                    | 14,144                 | 10,789                 |
| <b>Deferred amounts</b>  | <b>384,727</b>         | <b>(4,049)</b>         | <b>1,105,216</b>       | <b>(282,091)</b>       |
| <b>Deferred tax liabilities</b>  | <b>(68,090)</b>        | <b>(5,288)</b>         | <b>(71,811)</b>        | <b>90,663</b>          |
| Fair value adjustments of financial instruments                                | (67,378)               | 8,198                  | (70,930)               | 104,309                |
| Presumed credit - Law no. 12,838/13  | -                      | (13,400)               | -                      | (13,400)               |
| Other liabilities  | (712)                  | (86)                   | (881)                  | (246)                  |
| <b>Deferred tax assets</b>   | <b>452,817</b>         | <b>1,239</b>           | <b>1,177,027</b>       | <b>(372,754)</b>       |
| Tax loss carryforwards and negative basis of social contribution on net profit | (198,569)              | (28,262)               | (191,187)              | 39,302                 |
| Temporary difference   | 566,131                | (1,279)                | 856,040                | (202,804)              |
| Fair value adjustment  | 85,255                 | 30,780                 | 512,174                | (209,252)              |
| <b>Total</b>   | <b>310,819</b>         | <b>(115,045)</b>       | <b>649,722</b>         | <b>(551,559)</b>       |

(1) In the Bank, it includes the appropriation of tax expenses incurred on liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

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

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Income (loss) before taxes and contributions</b>                                    | <b>(50,847)</b>        | <b>-</b>               | <b>(104,912)</b>       | <b>1,257,020</b>       |
| Total IR charges (25% rate) and CSLL (15% until February 2020 and 20% from March 2020) | 22,882                 | (156,519)              | 47,787                 | (496,343)              |
| JCP charges  | -                      | (6,280)                | 21,375                 | (17,800)               |
| Equity in the earnings of subsidiaries   | 53,482                 | 126,566                | 185,859                | 357,501                |
| Charges on employees' profit sharing   | 26,008                 | 14,476                 | 36,931                 | 38,055                 |
| Other amounts <sup>(1) (2)</sup>   | 280,373                | 53,190                 | 579,031                | 47,412                 |
| <b>Income tax and social contribution for the period <sup>(3)</sup></b>                | <b>382,745</b>         | <b>31,433</b>          | <b>870,983</b>         | <b>(71,175)</b>        |

|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Income (loss) before taxes and contributions</b>                                    | <b>(104,912)</b>       | <b>1,257,020</b>       | <b>-</b>               | <b>-</b>               |
| Total IR charges (25% rate) and CSLL (15% until February 2020 and 20% from March 2020) | (14,069)               | (209,844)              | (106,744)              | (714,692)              |
| JCP charges  | -                      | -                      | 21,375                 | -                      |
| Equity in the earnings of subsidiaries   | (1,457)                | 2,298                  | (16,284)               | (1,372)                |
| Charges on employees' profit sharing   | 30,326                 | 21,769                 | 76,156                 | 76,809                 |
| Other amounts <sup>(1) (2)</sup>   | 296,019                | 70,732                 | 675,219                | 87,696                 |
| <b>Income tax and social contribution for the period <sup>(3)</sup></b>                | <b>310,819</b>         | <b>(115,045)</b>       | <b>649,722</b>         | <b>(551,559)</b>       |

(1) Includes, in the nine month period from January 1 to September 30, 2020, the amount of R\$ 370,131 in the Bank and R\$ 409,239 in the Consolidated, related to the effects of the CSLL rate increase to 20%, applicable to the deferred tax asset payable as from March 2020, referring to the amounts from January and February and amounts referring to the incorporation of the spun-off portion of BV Financeira and subsequent incorporated to Banco BV S.A.

(2) Includes foreign exchange variation on investments abroad.

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

## 25. 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 <sup>(1)</sup>    |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Administrators' remuneration and other | 3,674                  | 1,350                  | 7,025                  | 4,272                  |
| Bonuses                                | 13,356                 | 9,514                  | 24,111                 | 26,835                 |
| Social charges                         | 5,384                  | 4,052                  | 11,031                 | 10,981                 |
| <b>Total</b>                           | <b>22,414</b>          | <b>14,916</b>          | <b>42,167</b>          | <b>42,088</b>          |

|  | Consolidated <sup>(1)</sup> |                        |                        |                        |
|--|-----------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020      | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Administrators' remuneration and other | 5,642                       | 4,674                  | 16,398                 | 14,537                 |
| Bonuses                                | 14,746                      | 14,793                 | 31,394                 | 39,924                 |
| Social charges                         | 5,989                       | 5,782                  | 13,887                 | 16,065                 |
| <b>Total</b>                           | <b>26,377</b>               | <b>25,249</b>          | <b>61,679</b>          | <b>70,526</b>          |

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

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

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

The balances of accounts relating to transactions between consolidated companies of the Bank are eliminated in the consolidated interim Financial Statements and also take into consideration risk free basis. The shareholders of the Company are Banco do Brasil Conglomerate and Votorantim S.A. (main firms that set part of the Votorantim S.A Group are: Votorantim Finanças and Votorantim Cimentos).

The Conglomerate carries out banking transactions with related parties, such as current account deposits (not remunerated), remunerated deposits, money market repurchase commitments, derivative financial instruments and assignment of Loan portfolios. There are also service agreements, which include the agreement for apportionment / reimbursement of expenses and direct and indirect costs entered into with the companies of the Conglomerate.

These transactions are carried out under terms and conditions similar to those performed with third parties where applicable. These transactions do not involve abnormal default risks.

The Conglomerate assigned loans to related party whilst retaining substantially all the risks and rewards. In the nine month period from January 1 to September 30, 2020, these transactions amounted to R\$ 7,856,099 (R\$ 3,524,170 in the nine month period from January 1 to September 30, 2019). The net amount of credit assignments, considering income and expenses of the assignments with retention of substantially all of the risks and benefits is presented in the table below under "Income from interest, provision of services and other income".

|  | 09.30.2020               |                |   |   |   |                      |             |
|--|--------------------------|----------------|---|---|---|----------------------|-------------|
|  | Conglom. Banco do Brasil | Votorantim S.A | Financial Institution subsidiaries <sup>(1)</sup> | Non-financial Institution subsidiaries <sup>(2)</sup> | Key management personnel <sup>(3)</sup> | Other <sup>(4)</sup> | Total       |
| <b>Assets</b>  |                          |                |   |   |   |                      |             |
| Cash and cash equivalents                                    | 1,392                    | -              | -   | -   | -                                       | -                    | 1,392       |
| Interbank deposit investments <sup>(5)</sup>                 | -                        | -              | -   | -   | -                                       | 611,890              | 611,890     |
| Securities and derivative financial instruments              | -                        | 250,808        | -   | 33,581  | -                                       | 2,309,527            | 2,593,916   |
| Loans and leases   | -                        | 3,146          | -   | -   | -                                       | -                    | 3,146       |
| Other assets   | 14,396                   | 7,168          | 328,240   | 3,256   | 135                                     | 52,480               | 405,675     |
| <b>Liabilities</b>   |                          |                |   |   |   |                      |             |
| Demand deposits  | (438)                    | (9,187)        | (484)   | (2,276)   | (34)                                    | (32,756)             | (45,175)    |
| Time Deposits  | (833,551)                | (796,456)      | -   | (676,529)   | (1,658)                                 | -                    | (2,308,194) |
| Interbank accounts   | -                        | -              | (149,022)   | -   | -                                       | -                    | (149,022)   |
| Money market repurchase                                      | (16)                     | (105,283)      | (154,800)   | -   | (135)                                   | -                    | (260,234)   |
| Securities issued  | (280,190)                | (579,557)      | -   | -   | (5,038)                                 | -                    | (864,785)   |
| Derivative financial instruments                             | -                        | -              | -   | -   | -                                       | (1,266,628)          | (1,266,628) |
| Other liabilities  | (6,898,176)              | (33,461)       | (52,005)  | -   | -                                       | (110,414)            | (7,094,056) |
| <b>07.01 to 09.30.2020</b>                                   |                          |                |   |   |   |                      |             |
| <b>Income (loss)</b>   |                          |                |   |   |   |                      |             |
| Income from interest, provision of services and other income | 161,125                  | 1,290          | 135,453   | -   | -                                       | 3,405                | 301,273     |
| Income (losses) from derivative financial instruments        | -                        | 13,727         | 183   | 312   | -                                       | 44,837               | 59,059      |
| Fund raising, administrative expenses and other              | (9,115)                  | (8,263)        | (1,377)   | (3,444)   | (40)                                    | (13)                 | (22,252)    |
| <b>01.01 to 09.30.2020</b>                                   |                          |                |   |   |   |                      |             |
| <b>Income (loss)</b>   |                          |                |   |   |   |                      |             |
| Income from interest, provision of services and other income | 349,528                  | 1,317          | 1,109,505   | -   | -                                       | 13,078               | 1,473,428   |
| Income (losses) from derivative financial instruments        | (62,693)                 | 176,678        | 5,435   | 6,359   | -                                       | 440,889              | 566,668     |
| Fund raising, administrative expenses and other              | (35,842)                 | (41,713)       | (8,927)   | (14,766)  | (162)                                   | (13)                 | (101,423)   |

## INTERIM FINANCIAL STATEMENTS

as of September 30, 2020

(Amounts in thousand of Reals, unless otherwise indicated)

|  | 12.31.2019               |                |   |   |   |                      |             |
|--|--------------------------|----------------|---|---|---|----------------------|-------------|
|  | Conglom. Banco do Brasil | Votorantim S.A | Financial Institution subsidiaries <sup>(1)</sup> | Non-financial Institution subsidiaries <sup>(2)</sup> | Key management personnel <sup>(3)</sup> | Other <sup>(4)</sup> | Total       |
| <b>Assets</b>  |                          |                |   |   |   |                      |             |
| Cash and cash equivalents                                    | 2,253                    | -              | -   | -   | -                                       | -                    | 2,253       |
| Interbank deposit investments <sup>(5)</sup>                 | -                        | -              | 37,271,426  | -   | -                                       | 605,911              | 37,877,337  |
| Securities and derivative financial instruments              | -                        | 1,614          | 96,764  | 27,222  | -                                       | 478,363              | 603,963     |
| Other assets   | 70,448                   | 11,657         | 89,380  | 2,200   | 225                                     | 670                  | 174,580     |
| <b>Liabilities</b>   |                          |                |   |   |   |                      |             |
| Demand deposits  | (383)                    | (3,029)        | (1,707)   | (1,553)   | (12)                                    | (375)                | (7,059)     |
| Time Deposits  | (208,043)                | (808,485)      | (12)  | (659,252)   | (127)                                   | -                    | (1,675,919) |
| Interbank accounts   | -                        | -              | (187,500)   | -   | -                                       | -                    | (187,500)   |
| Money market repurchase                                      | (803,876)                | (42,084)       | (626,862)   | -   | (316)                                   | -                    | (1,473,138) |
| Securities issued  | (129,788)                | (559,839)      | -   | -   | (6,680)                                 | -                    | (696,307)   |
| Derivative financial instruments                             | (42,788)                 | (8,525)        | (7,881)   | -   | -                                       | (197,562)            | (256,756)   |
| Other liabilities  | (4,678,996)              | -              | (32,366)  | -   | -                                       | (593)                | (4,711,955) |
| <b>07.01 to 09.30.2019</b>                                   |                          |                |   |   |   |                      |             |
| <b>Resultado</b>   |                          |                |   |   |   |                      |             |
| Rendas de juros, prestação de serviços e outras receitas     | 134,088                  | -              | 701,460   | -   | -                                       | 12,024               | 847,572     |
| Resultado com instrumentos financeiros derivativos           | (14,770)                 | 14,991         | 15,310  | 4,685   | -                                       | 124,719              | 144,935     |
| Despesas com captação, administrativas e outras despesas     | (8,899)                  | (16,773)       | (62,953)  | (4,681)   | (125)                                   | (6,781)              | (100,212)   |
| <b>01.01 to 09.30.2019</b>                                   |                          |                |   |   |   |                      |             |
| <b>Income (loss)</b>   |                          |                |   |   |   |                      |             |
| Income from interest, provision of services and other income | 395,777                  | 39             | 1,927,642   | -   | -                                       | 34,161               | 2,357,619   |
| Income (losses) from derivative financial instruments        | (12,194)                 | 10,128         | 51,288  | 14,870  | -                                       | 144,179              | 208,271     |
| Fund raising, administrative expenses and other              | (29,360)                 | (51,621)       | (174,284)   | (7,446)   | (399)                                   | (6,781)              | (269,891)   |

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

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

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

<sup>(4)</sup> Includes Votorantim Expertise Multimercado, Fundo de Invest. em Participações BV - Multiestratégia Investimento no Exterior, Fundo de Invest. em Participações BV Tech I - Multiestratégia Investimento no Exterior, subsidiaries of BVIA - BV Investimentos e Participações de Gestão de Recursos S.A. and subsidiaries of BV Empreendimentos e Participações S.A., as well as all companies in which key personnel have a stake or in which they hold a statutory position.

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

## 26. 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 Long-Term and Short-Term Compensation Programs: Conditional Variable Incentive, Long-Term Incentive and Phantom Share Repurchase Program approved by the Board of Directors on May 10, 2012 were valid until 2016, with effect until 2021.

In the first semester of 2017, the Conglomerate implemented the new Variable Compensation Program. The directors and employees of the Conglomerate are eligible for the program. This program was approved by the Board of Directors on March 09, 2017.

The Conglomerate also has a long-term incentive plan that aims to: (i) attract, motivate and retain talent; (ii) alignment of the interests of the officers and employees with the objectives and interests of the shareholders; (iii) generate results and sustainable creation of value; and (iv) create a long-term vision:

**ILP plan:** a four-year plan consisting of granting an incentive in kind linked to the performance of the organization over the time horizon.

Expenses whose expectation of realization arises exclusively from the provision of services to the Conglomerate by the beneficiaries of the variable compensation programs: in the nine month period from January 1 to September 30, 2020, the expenses of the Conglomerate were recognized in Personnel Expenses R\$ 68,704 (R\$ 85,385 for the nine month period from January 1 to September 30, 2019) in relation to long-term incentive transactions. Incentives generally vest between 1 and the maximum 4 years from the grant date.



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

| Program Year | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
|--------------|------------------------|------------------------|------------------------|------------------------|
| 2012 / 2013  | -                      | -                      | -                      | 1,620                  |
| 2014         | -                      | -                      | -                      | 66,316                 |
| 2015         | -                      | -                      | 20,936                 | 42,775                 |
| 2016         | 718                    | -                      | 7,243                  | 29,872                 |
| 2017         | -                      | -                      | 5,337                  | 8,300                  |
| 2018         | -                      | -                      | 6,329                  | 250                    |
| <b>Total</b> | <b>718</b>             | <b>-</b>               | <b>39,845</b>          | <b>149,133</b>         |

In September 30, 2020, the Conglomerate recorded under "Other liabilities - Provision for personnel expenses", the amount of R\$ 183,362 (R\$ 309,879 in December 31, 2019).

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                   |                        |                        |                        |
|-------------------------|------------------------|------------------------|------------------------|------------------------|
|                         | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Opening quantity</b> | <b>10,801,381</b>      | <b>14,600,636</b>      | <b>17,620,394</b>      | <b>36,376,442</b>      |
| New / Updates           | -                      | 1,557,046              | 5,430,248              | 7,854,011              |
| Paid                    | (42,101)               | -                      | (12,176,768)           | (27,561,058)           |
| Expired                 | (91,237)               | (63,900)               | (205,831)              | (575,613)              |
| Transfer <sup>(1)</sup> | 2,388,077              | -                      | 2,388,077              | -                      |
| <b>Closing quantity</b> | <b>13,056,120</b>      | <b>16,093,782</b>      | <b>13,056,120</b>      | <b>16,093,782</b>      |

|                         | Consolidated           |                        |                        |                        |
|-------------------------|------------------------|------------------------|------------------------|------------------------|
|                         | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Opening quantity</b> | <b>14,843,371</b>      | <b>20,302,779</b>      | <b>24,125,108</b>      | <b>50,535,332</b>      |
| New / Updates           | -                      | 1,964,633              | 6,515,950              | 9,710,217              |
| Paid                    | (103,535)              | -                      | (15,542,082)           | (34,691,423)           |
| Expired                 | (184,355)              | (63,900)               | (543,495)              | (3,350,614)            |
| <b>Closing quantity</b> | <b>14,555,481</b>      | <b>22,203,512</b>      | <b>14,555,481</b>      | <b>22,203,512</b>      |

<sup>(1)</sup> Includes amounts referred of the incorporation of the spun-off portion of the 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.

## 27. CONTINGENT ASSETS AND LIABILITIES AND LEGAL, TAX AND SOCIAL SECURITY OBLIGATIONS

### a) Contingents Assets

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

### b) Labor lawsuits

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

### c) Tax lawsuits

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

**d) Civil lawsuits**

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

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

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

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

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

**Provisions by type:**

|                             | Bank           |                | Consolidated   |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | 09.30.2020     | 12.31.2019     | 09.30.2020     | 12.31.2019     |
| Tax claims                  | 37,163         | 5,653          | 57,270         | 58,027         |
| Civil claims                | 254,376        | 8,916          | 266,617        | 261,263        |
| Labor claims                | 517,960        | 89,291         | 543,822        | 587,018        |
| <b>Total <sup>(1)</sup></b> | <b>809,499</b> | <b>103,860</b> | <b>867,709</b> | <b>906,308</b> |

<sup>(1)</sup> In the Bank, it includes amounts referred of the incorporation of the spun-off portion of the BV Financeira.

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

|  | Bank                   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Tax claims</b>                        |                        |                        |                        |                        |
| Opening balance                          | 5,731                  | 5,084                  | 5,653                  | 5,351                  |
| Transfer <sup>(1)</sup>                  | 31,116                 | -                      | 31,116                 | -                      |
| Additions                                | -                      | 241                    | 30                     | 241                    |
| Reversal of provision                    | (61)                   | -                      | (61)                   | (332)                  |
| Other adjustments                        | 377                    | 34                     | 425                    | 99                     |
| <b>Closing balance</b>                   | <b>37,163</b>          | <b>5,359</b>           | <b>37,163</b>          | <b>5,359</b>           |
| <b>Civil claims</b>                      |                        |                        |                        |                        |
| Opening balance                          | 9,032                  | 13,407                 | 8,916                  | 10,487                 |
| Transfer <sup>(1)</sup>                  | 245,339                | -                      | 245,339                | -                      |
| Additions                                | 10                     | 23                     | 19                     | 748                    |
| Reversal of provision                    | (4)                    | (77)                   | (25)                   | (262)                  |
| Reversals due to payment <sup>(2)</sup>  | (5)                    | (399)                  | (7)                    | (876)                  |
| Other adjustments <sup>(3)</sup>         | 4                      | (4,192)                | 134                    | (1,335)                |
| <b>Closing balance</b>                   | <b>254,376</b>         | <b>8,762</b>           | <b>254,376</b>         | <b>8,762</b>           |
| <b>Labor claims</b>                      |                        |                        |                        |                        |
| Opening balance                          | 89,859                 | 154,020                | 89,291                 | 185,390                |
| Transfer <sup>(1)</sup>                  | 454,189                | -                      | 454,189                | -                      |
| Additions                                | 27,419                 | 17,865                 | 40,480                 | 64,885                 |
| Reversal of provision                    | (14,714)               | (15,039)               | (21,829)               | (34,936)               |
| Reversals due to payment <sup>(2)</sup>  | (45,018)               | (43,718)               | (53,234)               | (110,068)              |
| Other adjustments                        | 6,225                  | 1,897                  | 9,063                  | 9,754                  |
| <b>Closing balance</b>                   | <b>517,960</b>         | <b>115,025</b>         | <b>517,960</b>         | <b>115,025</b>         |
| <b>Total tax, civil and labor claims</b> | <b>809,499</b>         | <b>129,146</b>         | <b>809,499</b>         | <b>129,146</b>         |

## INTERIM FINANCIAL STATEMENTS

as of September 30, 2020

(Amounts in thousand of Reais, unless otherwise indicated)

|  | Consolidated           |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| <b>Tax claims</b>                        |                        |                        |                        |                        |
| Opening balance                          | 56,492                 | 57,434                 | 58,027                 | 60,102                 |
| Additions                                | -                      | 3,242                  | 2,310                  | 4,989                  |
| Reversal of provision                    | (79)                   | (3,416)                | (369)                  | (5,792)                |
| Reversals due to payment <sup>(2)</sup>  | -                      | (4,703)                | (5,736)                | (7,921)                |
| Other adjustments                        | 857                    | 180                    | 3,038                  | 1,359                  |
| <b>Closing balance</b>                   | <b>57,270</b>          | <b>52,737</b>          | <b>57,270</b>          | <b>52,737</b>          |
| <b>Civil claims</b>                      |                        |                        |                        |                        |
| Opening balance                          | 271,165                | 286,400                | 261,263                | 292,870                |
| Additions                                | 16,625                 | 17,555                 | 44,828                 | 49,944                 |
| Reversal of provision                    | (10,321)               | (12,133)               | (33,520)               | (33,061)               |
| Reversals due to payment <sup>(2)</sup>  | (18,168)               | (23,222)               | (51,237)               | (59,909)               |
| Other adjustments <sup>(3)</sup>         | 7,316                  | (6,338)                | 45,283                 | 12,418                 |
| <b>Closing balance</b>                   | <b>266,617</b>         | <b>262,262</b>         | <b>266,617</b>         | <b>262,262</b>         |
| <b>Labor claims</b>                      |                        |                        |                        |                        |
| Opening balance                          | 584,684                | 827,731                | 587,018                | 948,919                |
| Additions                                | 50,107                 | 113,203                | 184,087                | 261,145                |
| Reversal of provision                    | (29,160)               | (60,308)               | (83,098)               | (135,862)              |
| Reversals due to payment <sup>(2)</sup>  | (74,391)               | (186,935)              | (175,520)              | (414,315)              |
| Other adjustments                        | 12,582                 | 10,842                 | 31,335                 | 44,646                 |
| <b>Closing balance</b>                   | <b>543,822</b>         | <b>704,533</b>         | <b>543,822</b>         | <b>704,533</b>         |
| <b>Total tax, civil and labor claims</b> | <b>867,709</b>         | <b>1,019,532</b>       | <b>867,709</b>         | <b>1,019,532</b>       |

<sup>(1)</sup> Includes amounts referred of the incorporation of the spun-off portion of the BV Financeira.

<sup>(2)</sup> Refers to the write-off due to payment by judicial decision or agreement between the parties. The amount paid is presented in the respective lines of notes 21c and 21f.

<sup>(3)</sup> 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 September 30, 2020

|                    | Bank          |                |                | Consolidated  |                |                |
|--------------------|---------------|----------------|----------------|---------------|----------------|----------------|
|                    | Tax           | Civil          | Labor          | Tax           | Civil          | Labor          |
| Up to 5 years      | 18,465        | 254,376        | 517,960        | 37,491        | 266,617        | 543,822        |
| From 5 to 10 years | 18,698        | -              | -              | 19,779        | -              | -              |
| <b>Total</b>       | <b>37,163</b> | <b>254,376</b> | <b>517,960</b> | <b>57,270</b> | <b>266,617</b> | <b>543,822</b> |

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                   |                        |                        |                        |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|
|                             | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Civil claims                | (316)                  | (275)                  | (394)                  | (8)                    |
| Labor claims                | (5)                    | 4,645                  | (121)                  | 1,725                  |
| Tax claims                  | 26,088                 | 38,995                 | 25,520                 | 70,365                 |
| <b>Total <sup>(1)</sup></b> | <b>25,767</b>          | <b>43,365</b>          | <b>25,005</b>          | <b>72,082</b>          |

|              | Consolidated           |                        |                        |                        |
|--------------|------------------------|------------------------|------------------------|------------------------|
|              | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
| Civil claims | (778)                  | 4,697                  | 757                    | 7,365                  |
| Labor claims | 4,548                  | 24,138                 | (5,354)                | 30,608                 |
| Tax claims   | 40,862                 | 123,198                | 43,196                 | 244,386                |
| <b>Total</b> | <b>44,632</b>          | <b>152,033</b>         | <b>38,599</b>          | <b>282,359</b>         |

<sup>(1)</sup> In the Bank, it includes appropriation of income (expense) generated by the assets and liabilities received from the incorporation of the spun-off portion of the BV Financeira, after the referred event.

## 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

### Balances of contingent liabilities classified as possible

|                             | Bank             |                | Consolidated     |                  |
|-----------------------------|------------------|----------------|------------------|------------------|
|                             | 09.30.2020       | 12.31.2019     | 09.30.2020       | 12.31.2019       |
| Tax claims <sup>(1)</sup>   | 1,780,535        | 652,738        | 1,976,610        | 1,970,642        |
| Civil claims <sup>(2)</sup> | 164,354          | 15,055         | 166,403          | 147,216          |
| Labor claims <sup>(3)</sup> | 227,573          | 49,122         | 262,973          | 187,468          |
| <b>Total <sup>(4)</sup></b> | <b>2,172,462</b> | <b>716,915</b> | <b>2,405,986</b> | <b>2,305,326</b> |

<sup>(1)</sup> Refer to the following proceedings:

| Description of the main possible causes - Taxes  | Bank             |                | Consolidated     |                  |
|--|------------------|----------------|------------------|------------------|
|  | 09.30.2020       | 12.31.2019     | 09.30.2020       | 12.31.2019       |
| INSS on profit sharing   | 587,743          | 197,094        | 608,168          | 601,024          |
| IRPJ - FINOR   | 22,984           | 22,583         | 26,978           | 25,820           |
| ISS  | 18,052           | 967            | 19,675           | 13,831           |
| INSS on profit sharing - Nassau Branch   | 39,105           | 38,734         | 39,105           | 38,733           |
| PIS/COFINS on demutualization  | 21,730           | 21,310         | 45,882           | 45,260           |
| IRPJ on undue offset of tax loss - Gratuities to statutory officers  | 27,136           | 26,808         | 27,136           | 26,808           |
| IRPJ/CSLL - Deduction Allowance for loan losses 2008   | 118,180          | -              | 118,180          | 116,522          |
| Infringement Fine (non-homologation of DCOMP)  | 46,871           | -              | 46,871           | 68,154           |
| IRPJ/CSLL - Assessment notice: improper exclusion of premium arose on acquisition of securities of foreign governments | 23,938           | 23,369         | 23,938           | 23,369           |
| IRRF from remittances abroad: impossibility of compensation  | 48,890           | 48,131         | 48,890           | 48,131           |
| PF e BNCSLL: excess of compensation AB 2012  | 90,409           | 88,921         | 90,409           | 88,921           |
| IRPJ/CSLL on JCP cumulatively distributed of previous periods  | 111,655          | 109,924        | 137,079          | 134,854          |
| IPVA - Third parties   | 148,524          | 37             | 157,324          | 139,809          |
| INSS - Benefits (VA/VR)  | 22,680           | 21,923         | 22,680           | 21,923           |
| IRPJ/CSLL - Deduction Allowance for loan losses 2014   | 306,509          | -              | 306,509          | 300,429          |
| ISS VRG  | -                | -              | 106,085          | 99,499           |
| Other causes   | 146,129          | 52,937         | 151,701          | 177,555          |
| <b>Total</b>   | <b>1,780,535</b> | <b>652,738</b> | <b>1,976,610</b> | <b>1,970,642</b> |

<sup>(2)</sup> Refers, basically, to collection actions.

<sup>(3)</sup> Refers to actions mostly brought by former employees claiming compensation, overtime pay, working hours, extra pay associated with certain jobs, and representation costs, and others.

<sup>(4)</sup> In the Bank, it includes amounts referred of the incorporation of the spun-off portion of the BV Financeira.

## g) Deposits as collateral

### Balances of escrow deposits recognized for contingencies

|                             | Bank           |                | Consolidated   |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | 09.30.2020     | 12.31.2019     | 09.30.2020     | 12.31.2019     |
| Tax claims                  | 197,101        | 142,619        | 232,460        | 223,304        |
| Civil claims                | 163,503        | 6,769          | 179,233        | 182,907        |
| Labor claims                | 278,811        | 24,860         | 280,669        | 308,645        |
| <b>Total <sup>(1)</sup></b> | <b>639,415</b> | <b>174,248</b> | <b>692,362</b> | <b>714,856</b> |

<sup>(1)</sup> In the Bank, it includes amounts referred of the incorporation of the spun-off portion of the BV Financeira.

## h) Legal obligations

The Conglomerate has recorded the amount of R\$ 43,479 (R\$ 37,117 as of December 31, 2019) recorded in 'Other liabilities', of which R\$ 38,958 (R\$ 24,116 at December 31, 2019) is recorded in the Bank, due to a Declaratory Claim where the Group seeks to exclude the levy of ISS on revenues from sureties, warrants and other guarantees provided, as well as the reimbursement of the amounts paid in the last five years. The amount recorded is R\$ 25,536 (R\$ 22,088 on December 31, 2019).

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).

## 28. RISK AND CAPITAL MANAGEMENT

### 1) Risk management process

The integrated risk-management approach includes adopting instruments to ensure that material risks incurred by the Conglomerate. This approach aims to organize the decision process and define the mechanisms that establish risk appetite and risk level that is acceptable and compatible with the volume of capital available, in line with the business strategy adopted.

The Institution has a group of risks considered to be material, whose approving is done periodically by the Board of Directors. For each listed risk an assessment the most appropriate treatment is done (Management, Hedge / Insurances or Capitalization) with the goal to address the best monitoring and controlling way of each exposure. Risks considered to be material in the reference date are:

- Credit risk;
- Counterpart credit risk;
- Credit concentration risk;
- Market risk;
- Interests rate variation of banking portfolio risk (RBAN);
- Liquidity risk;
- Operational risk;
- Reputation risk;
- Strategy risk;
- Socio-environmental risk;
- Models risk;
- Compliance 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 Bacen Circular No. 3,930/2019, available on the Investor Relations website at [www.bancobv.com.br/ri](http://www.bancobv.com.br/ri). Below are the definitions of the main risks of the Conglomerate.

**a) Credit risk**

Credit Risk is defined as the possibility of occurrence of losses associated to:

- Non-compliance by the counterparty (the borrower, the guarantor or the issuer of securities or securities acquired), from its obligations under the terms agreed upon;
- Devaluation, reduction of remuneration and expected gains in financial instruments arising from the deterioration of the credit quality of the counterparty, the intervening party or the mitigating instrument;
- Restructuring of financial instruments; and
- Costs of recovery of exposures of problematic assets.

**a.1) Financial guarantees provided**

|   | Bank and Consolidated |                |                   |                |
|---|-----------------------|----------------|-------------------|----------------|
|   | 09.30.2020            |                | 12.31.2019        |                |
|   | Guaranteed values     | Provision      | Guaranteed values | Provision      |
| Linked to bids, auctions, provision of services or execution of works | 826,666               | 3,153          | 652,719           | 3,259          |
| Guarantee or surety in judicial and administrative tax proceedings    | 3,431,022             | 166,485        | 3,591,541         | 148,302        |
| Linked to the distribution of securities by public offering           | 54,152                | 271            | 91,007            | 455            |
| Other bank guarantees   | 2,280,332             | 52,055         | 2,035,605         | 29,740         |
| Other financial guarantees provided                                   | 196,133               | 6              | 236,240           | 6              |
| <b>Total</b>  | <b>6,788,305</b>      | <b>221,970</b> | <b>6,607,112</b>  | <b>181,762</b> |

**b) Liquidity risk**

Liquidity risk is defined as:

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

**c) Operational risk**

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

This definition includes the Legal Risk associated with inadequacies or deficiencies in contracts signed by the Conglomerate, penalties for noncompliance with legal provisions and indemnities for damages to third parties arising from the activities developed by the Conglomerate. Operational risk events include:

- Internal and external fraud;
- Labor claims and poor workplace safety;
- Inadequate practices regarding customers, products and services;
- Damage to physical assets owned or in use by the Conglomerate;
- Situations that lead to the disruption of the activities of the Conglomerate;
- Failures in information technology (IT) systems, processes or infrastructure; and
- Failure to execute, comply with deadlines or manage the activities of the Conglomerate.

**d) Market risk**

Market risk is defined as the possibility of financial losses arising from the variation in the fair value of exposures held by a financial institution. These financial losses may be incurred due to the impact produced by the variation of risk factors, such changes in interest rates, exchange rates, and stock or commodity prices.

**d.1) Sensitivity analysis**

Conglomerate uses two methodologies for sensitivity analysis of its exposures:

**Sensitivity analysis 1**

Initially, it uses the application of parallel shocks on most relevant risk factor curves. The purpose of this method is to simulate effects on the fair value of the Conglomerate portfolio in view of possible scenarios, which consider possible fluctuations in market interest rates. Two possible scenarios are simulated in which analyzed risk would be increased or reduced by 100 base points.

**Trading portfolio**

| Risk Factor              | Concept                                    | Basic interest rate shock |           |            |           |
|--------------------------|--|---------------------------|-----------|------------|-----------|
|                          |  | 09.30.2020                |           | 12.31.2019 |           |
|                          |  | + 100 bps                 | - 100 bps | + 100 bps  | - 100 bps |
| Fixed rate               | Fixed interest rate variation risk         | (7,982)                   | 7,824     | (5,001)    | 5,102     |
| Foreign currency coupons | Foreign currency coupon exchange movements | 3,763                     | (3,688)   | (96)       | 98        |
| Price indexes            | Price indexes coupons variation risk       | (570)                     | 558       | 197        | (201)     |

**Trading and Banking portfolio**

| Risk Factor              | Concept   | Basic interest rate shock |           |            |           |
|--------------------------|---|---------------------------|-----------|------------|-----------|
|                          |   | 09.30.2020                |           | 12.31.2019 |           |
|                          |   | + 100 bps                 | - 100 bps | + 100 bps  | - 100 bps |
| Fixed rate               | Fixed interest rate variation risk  | (211,493)                 | 207,305   | (170,356)  | 173,798   |
| Foreign currency coupons | Foreign currency coupon exchange movements                                  | 172,017                   | (168,610) | 117,803    | (120,183) |
| Price indexes            | Price indexes coupons variation risk  | (12,626)                  | 12,376    | (14,587)   | 14,881    |
| TR/TBF                   | Risk of TR (reference rate) and TBF (basic financial rate) coupon variation | 85                        | (83)      | 461        | (470)     |

**Sensitivity analysis 2**

Simulations that measure the effect of changes in market and price curves on Conglomerate exposures for the purpose of simulating effects on income of three specific scenarios, as follows:

• **Scenario 1** - In the construction of this scenario, currencies suffer shock of 1% on the closing value on September 30, 2020 (1% on December 31, 2019). The stressed value of the US dollar (BM&F DOL-CL) would be R\$ 5.6846 (101%) (R\$ 4.0182 (101%) on December 31, 2019). The shocked IBOVESPA index is 95,549 points, equivalent to 101% of the closing value on September 30, 2020 (115,645 points, equivalent to 101% of the closing value on December 31, 2019). The curves of fixed interest rates, price index coupons, foreign currency coupons and other interest rate coupons suffer parallel shocks of 10 basis points, that is, all values, regardless of the term, increase or decrease by 0.10% (0.10% on December 31, 2019).

• **Scenario 2** - Scenario where currencies and the ibovespa index suffer shock of 25% and interest rates suffer parallel shock of 25% over the closing value on September 30, 2020 (25% on December 31, 2019). The pre-tax rate, on September 30, 2020, for the one-year term is 2.7763% (4.5583% on December 31, 2019). Thus, the entire curve is shocked by 0.69% more or less, depending on the hypothetical result generated (1.14% on December 31, 2019).

• **Scenario 3** - Scenario where the currencies and the ibovespa index suffer 50% shock and interest rates suffer a 50% parallel shocks on the closing value on September 30, 2020 (50% on December 31, 2019).

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

The tables below summarize the results for the trading portfolio, composed of public and private securities, derivative financial instruments and funds raised through repurchase agreement operations, and banking, presenting the amounts observed on each reference date:

**Trading portfolio**

| Risk factor / Concept  | Exposure   | Scenario I         |               | Scenario II        |               | Scenario III       |               |
|--|------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
|  |            | Movements of rates | Income (loss) | Movements of rates | Income (loss) | Movements of rates | Income (loss) |
|  | 09.30.2020 |                    |               |                    |               |                    |               |
| Fixed rate / Fixed interest rate movements risk                            | 1,282,723  | Increase           | (793)         | Aumento            | (5,443)       | Increase           | (10,753)      |
| Foreign currency coupons / Foreign currency coupon exchange movements risk | (498,017)  | Increase           | 402           | Redução            | (1,179)       | Decrease           | (2,371)       |
| Foreign exchange movements / Exchange rate movements risk                  | (423,404)  | Increase           | (4,096)       | Aumento            | (101,823)     | Increase           | (201,297)     |
| Price indexes / Price indexes coupons movements risk                       | 50,808     | Increase           | (56)          | Aumento            | (212)         | Increase           | (427)         |
| Other / Other coupons movements risk                                       | 2,366      | Increase           | 49            | Redução            | (3,104)       | Decrease           | (7,360)       |
|  | 12.31.2019 |                    |               |                    |               |                    |               |
| Fixed rate / Fixed interest rate movements risk                            | (795,483)  | Increase           | 502           | Redução            | (5,887)       | Decrease           | (12,105)      |
| Foreign currency coupons / Foreign currency coupon exchange movements risk | (763,414)  | Increase           | (9)           | Aumento            | (105)         | Increase           | (218)         |
| Foreign exchange movements / Exchange rate movements risk                  | (460,817)  | Increase           | (4,682)       | Aumento            | (132,822)     | Increase           | (302,418)     |
| Price indexes / Price indexes coupons movements risk                       | (140,849)  | Increase           | (20)          | Aumento            | (9)           | Increase           | (17)          |
| Other / Other coupons movements risk                                       | 9,746      | Increase           | 123           | Redução            | (6,279)       | Decrease           | (29,466)      |

**Trading e 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) |
|   | 09.30.2020  |                    |               |                    |               |                    |               |
| Fixed rate / Fixed interest rate movements risk                                   | 17,371,361  | Increase           | (19,925)      | Increase           | (136,984)     | Increase           | (270,959)     |
| Foreign currency coupons / Foreign currency coupon exchange movements risk        | (7,954,147) | Increase           | 16,604        | Decrease           | (61,851)      | Decrease           | (124,625)     |
| Foreign exchange movements / Exchange rate movements risk                         | (323,275)   | Increase           | (1,589)       | Increase           | (37,343)      | Increase           | (68,243)      |
| TJLP / TJLP coupon movements risk   | (76,903)    | Increase           | 311           | Decrease           | (2,241)       | Decrease           | (4,586)       |
| TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk | 33,565      | Increase           | 307           | Maintenance        | -             | Maintenance        | -             |
| Price indexes / Price indexes coupons movements risk                              | 456,035     | Increase           | (1,250)       | Increase           | (4,254)       | Increase           | (8,348)       |
| Other / Other coupons movements risk  | 14,437      | Increase           | 49            | Decrease           | (3,104)       | Decrease           | (7,360)       |
|   | 12.31.2019  |                    |               |                    |               |                    |               |
| Fixed rate / Fixed interest rate movements risk                                   | 10,237,376  | Increase           | (17,175)      | Increase           | (191,930)     | Increase           | (375,665)     |
| Foreign currency coupons / Foreign currency coupon exchange movements risk        | (4,469,421) | Increase           | 11,891        | Decrease           | (74,897)      | Decrease           | (152,101)     |
| Foreign exchange movements / Exchange rate movements risk                         | (293,074)   | Increase           | (3,354)       | Increase           | (89,803)      | Increase           | (174,801)     |
| TJLP / TJLP coupon movements risk   | 113,867     | Increase           | (1,473)       | Increase           | (361)         | Increase           | (721)         |
| TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk | 36,579      | Increase           | 398           | Maintenance        | -             | Maintenance        | -             |
| Price indexes / Price indexes coupons movements risk                              | 21,484      | Increase           | (61)          | Increase           | (161)         | Increase           | (317)         |
| Other / Other coupons movements risk  | 20,284      | Increase           | 123           | Decrease           | (6,279)       | Decrease           | (29,466)      |



## d.2) Stress tests

The Conglomerate uses stress measures resulting from simulations of their exposures subject to market risks under extreme conditions, such as financial crises and economic shocks. These tests aim at measuring impacts of events that are plausible but not likely to occur. The Conglomerate test program on market risk stress uses evaluation methods based on retrospective tests.

### Retrospective tests

The retrospective test on stress estimates Bank's consolidated portfolio exposure variation by applying shocks to risk factors that are equivalent to those recorded in historic market stress periods, considering the following parameters:

- Extension of historic series to determine the scenarios: from 2005 to reference base date;
- Maintenance period: 10-business-day accumulated returns;
- Test frequency: daily.

Results of retrospective stress tests intent to assess the capacity to absorb great losses and identify possible measures to reduce institution's risks.

For the estimates of gains and losses of the retrospective stress test in the consolidated portfolio, on September 30, 2020 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 interest curves suffer positive parallel shocks; the exchange rate (reais/dollar) considered is R\$ 6.37 (R\$ 4.38 on December 31, 2019); commodities suffer positive shocks of 10% over the closing value on September 30, 2020; and a negative variation of -15.28% is applied to the BOVESPA Index (the same rates were used on December 31, 2019).

**Scenario II** - In this scenario, the interest curves suffer negative parallel shocks; the exchange rate (reais/dollar) considered is R\$ 4.85 (R\$ 3.45 on December 31, 2019); commodities suffer negative shocks of 10% over the closing value on September 30, 2020 and a positive variation of 24.49% is applied to the BOVESPA Index (the same rates were used on December 31, 2019).

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        | 09.30.2020       |                  | 12.31.2019     |                  |
|--------------------|------------------|------------------|----------------|------------------|
|                    | Exposure         | Stress           | Exposure       | Stress           |
| Shares             | 14,437           | (5,263)          | 20,284         | (743)            |
| Foreign currencies | (323,275)        | (36,019)         | 287,562        | (39,336)         |
| Interest rate      | 9,829,912        | (370,610)        | 5,960          | (73,923)         |
| <b>Total</b>       | <b>9,521,074</b> | <b>(411,892)</b> | <b>313,806</b> | <b>(114,002)</b> |

### Estimates of retrospective stress test greatest gains - Consolidated portfolio

| Risk factor        | 09.30.2020       |                | 12.31.2019     |               |
|--------------------|------------------|----------------|----------------|---------------|
|                    | Exposure         | Stress         | Exposure       | Stress        |
| Shares             | 14,437           | 2,417          | 20,284         | 5,326         |
| Foreign currencies | (323,275)        | 35,402         | 287,562        | 30,050        |
| Interest rate      | 9,829,912        | 207,098        | 5,960          | 25,316        |
| <b>Total</b>       | <b>9,521,074</b> | <b>244,917</b> | <b>313,806</b> | <b>60,692</b> |

## d.3) Fair value hierarchy

Calculation of fair value is subject to a control structure defined to assure that the calculated amounts are determined by a department that is independent from the risk taker.

Fair value is determined according to the following hierarchy:

- **Level 1:** prices quoted (not adjusted) in active market;
- **Level 2:** inputs which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices); and
- **Level 3:** assumptions which are not based on observable market data (unobservable inputs). Involve the use of quantitative methods that use market references and unobservable data in the market in producing its estimates.

The amounts calculated for instruments classified at level 3, referring to September 30, 2020 and December 31, 2019 are not material.

The table below presents financial instruments recorded at fair value at September 30, 2020 and December 31, 2019, classified in different hierarchy levels for the fair value measurement:

| Consolidated  | 09.30.2020         |                    |                |                    |
|---|--------------------|--------------------|----------------|--------------------|
|   | Level 1            | Level 2            | Level 3        | Total              |
| <b>Asset</b>  |                    |                    |                |                    |
| Hedged interbank investments (Note 9f)                          | -                  | 1,324,465          | -              | 1,324,465          |
| Securities (Note 8a)  | 22,670,520         | 5,358,199          | 572,805        | 28,601,524         |
| Trading securities  | 9,116,014          | 1,286,755          | -              | 10,402,769         |
| Available for sale securities                                   | 13,554,506         | 4,071,444          | 572,805        | 18,198,755         |
| Derivatives financial instruments (Note 9a)                     | 1,206,931          | 5,531,782          | -              | 6,738,713          |
| Hedged loan portfolio (Note 9f)                                 | -                  | 17,528,270         | -              | 17,528,270         |
| <b>Total</b>  | <b>23,877,451</b>  | <b>29,742,716</b>  | <b>572,805</b> | <b>54,192,972</b>  |
| <b>Liability</b>  |                    |                    |                |                    |
| Money market repurchase commitments - Free portfolio (Note 16c) | -                  | (2,303,031)        | -              | (2,303,031)        |
| Derivatives financial instruments (Note 9a)                     | (1,322,333)        | (4,307,552)        | -              | (5,629,885)        |
| <b>Total</b>  | <b>(1,322,333)</b> | <b>(6,610,583)</b> | <b>-</b>       | <b>(7,932,916)</b> |

  

| Consolidated  | 12.31.2019        |                    |                |                    |
|---|-------------------|--------------------|----------------|--------------------|
|   | Level 1           | Level 2            | Level 3        | Total              |
| <b>Asset</b>  |                   |                    |                |                    |
| Hedged interbank investments (Note 9f)                          | -                 | 1,877,581          | -              | 1,877,581          |
| Securities (Note 8a)  | 20,730,129        | 4,554,525          | 216,043        | 25,500,697         |
| Trading securities  | 8,643,190         | 791,681            | -              | 9,434,871          |
| Available for sale securities                                   | 12,086,939        | 3,762,844          | 216,043        | 16,065,826         |
| Derivatives financial instruments (Note 9a)                     | 607,284           | 2,130,062          | -              | 2,737,346          |
| Hedged loan portfolio (Note 9f)                                 | -                 | 18,662,795         | -              | 18,662,795         |
| <b>Total</b>  | <b>21,337,413</b> | <b>27,224,963</b>  | <b>216,043</b> | <b>48,778,419</b>  |
| <b>Liability</b>  |                   |                    |                |                    |
| Money market repurchase commitments - Free Portfolio (Note 16c) | -                 | (784,039)          | -              | (784,039)          |
| Derivatives financial instruments (Note 9a)                     | (665,190)         | (2,269,372)        | -              | (2,934,562)        |
| <b>Total</b>  | <b>(665,190)</b>  | <b>(3,053,411)</b> | <b>-</b>       | <b>(3,718,601)</b> |

The fair value of financial instruments negotiated on active markets (such as securities held for trading and available for sale) is based on market prices, quoted at the balance sheet date. A market is considered active when the quoted prices are readily and regularly available from an Exchange, distributor, broker, industry group, pricing service or regulatory agency, and these prices represent actual market transactions which occur regularly on a purely commercial basis.

The best evidence of fair value is the price quoted in an active market. Most valuation techniques use observable market inputs, characterizing a high degree of confidence in the estimated fair value.

According to the levels of information in the measurement of fair value, the following evaluation techniques are applied:

The fair value determined for financial instruments classified as level 1 assumes the pricing, at the daily minimum, through price quotes, indices and rates immediately available for non-forced transactions and originating from independent sources.

In cases where quoted market prices are not available, fair values are obtained by using quoted prices for similar assets and liabilities in active markets, or through future cash flows discounted to present value at discount rates obtained through observable market inputs or other valuation techniques based on mathematical methods that use market references.

In this context, the fair value of financial instruments that are not negotiated on active markets (for example, over the counter derivatives) is determined based on evaluation techniques. These valuation techniques maximize the use of the data adopted by the market where it is available and rely as little as possible on entity-specific estimates. If all relevant information required for the fair value of an instrument is adopted by the market, the instrument is included in level 2.

For the fair value of financial instruments classified as level 3, there is no pricing information observable in active markets. The Conglomerate uses pricing criteria based on mathematical models known in the academic environment and/or use specific governance with the participation of experts and structured internal processes.

For non-listed shares, currently classified at level 3, the process of fair value assessment uses the Merton model, considering the expected cash flows, subject to the conditions defined in the contract, and evaluates the behavior of the company's assets (information of the companies' financial statements) by estimating the volatility of the assets. This parameter is generated based on the historical volatility of similar assets observable on the market.

For the other financial instruments classified in level 3, the CLNs (Credit Linked Notes), the fair value assessment process considers the combination of a fixed income security and a credit derivative. In this model, the probability of joint default between the issuer and the reference entity is evaluated, the correlation used is not directly observable in the market and is generated from the analysis of the historical correlation of assets of the company.

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 internally approved by the Market Risk Committee.

**(i) Changes of level 3**

| Consolidated                  | Balances at<br>12.31.2019 | 01.01 to 09.30.2020 |                              |                                  | Balances at<br>09.30.2020 |
|-------------------------------|---------------------------|---------------------|------------------------------|----------------------------------|---------------------------|
|                               |                           | Changes level 2     | Additions /<br>(Settlements) | Income (loss) /<br>Other changes |                           |
| <b>Assets</b>                 |                           |                     |                              |                                  |                           |
| Securities                    |                           |                     |                              |                                  |                           |
| Available for sale securities | 216,043                   | -                   | 397,158                      | (40,396)                         | 572,805                   |
| <b>Total</b>                  | <b>216,043</b>            | <b>-</b>            | <b>397,158</b>               | <b>(40,396)</b>                  | <b>572,805</b>            |

| Consolidated                  | Balances at<br>12.31.2018 | 2019            |                              |                                  | Balances at<br>12.31.2019 |
|-------------------------------|---------------------------|-----------------|------------------------------|----------------------------------|---------------------------|
|                               |                           | Changes level 2 | Additions /<br>(Settlements) | Income (loss) /<br>Other changes |                           |
| <b>Assets</b>                 |                           |                 |                              |                                  |                           |
| Securities                    |                           |                 |                              |                                  |                           |
| Negotiation securities        | 22,393                    | -               | -                            | (22,393)                         | -                         |
| Available for sale securities | 182,640                   | (12,307)        | -                            | 45,710                           | 216,043                   |
| <b>Total</b>                  | <b>205,033</b>            | <b>(12,307)</b> | <b>-</b>                     | <b>23,317</b>                    | <b>216,043</b>            |

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

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

| Consolidated  | 09.30.2020          |                     | 12.31.2019          |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | Book Value          | Fair Value          | Book Value          | Fair Value          |
| <b>Assets</b>   | <b>38,113,094</b>   | <b>38,285,367</b>   | <b>34,189,374</b>   | <b>34,292,234</b>   |
| Securities - Held to Maturity (Note 8a)                                   | 4,746,787           | 4,912,019           | 2,219,565           | 2,317,247           |
| Loan portfolio (Notes 11a / 28.1.d.3)                                     | 33,366,307          | 33,373,348          | 31,969,809          | 31,974,987          |
| <b>Liabilities</b>  | <b>(83,217,369)</b> | <b>(86,289,372)</b> | <b>(73,019,630)</b> | <b>(75,234,022)</b> |
| Money market repurchase commitments (Notes 16c / 28.1.d.3)                | (13,764,150)        | (13,887,431)        | (14,422,052)        | (14,759,257)        |
| Deposits (Note 16a)   | (25,198,092)        | (25,787,500)        | (16,355,713)        | (17,073,975)        |
| Borrowings and transfers from Brazilian government (Onlendings) (Note 17) | (4,517,460)         | (5,332,844)         | (3,578,360)         | (3,787,750)         |
| Securities issued (Note 18)   | (35,713,393)        | (36,845,491)        | (32,066,337)        | (32,686,979)        |
| Subordinated debts and debt instruments eligible for capital (Note 19)    | (4,024,274)         | (4,436,106)         | (6,597,168)         | (6,926,061)         |
| <b>Total</b>  | <b>(45,104,275)</b> | <b>(48,004,005)</b> | <b>(38,830,256)</b> | <b>(40,941,788)</b> |

**d.5) Determination of the Fair Value of Financial Instruments**

**Securities:** Securities classified in the “trading” and “available for sale” categories are accounted by their fair value, based on the collection of market information and the use of standardized mark-to-market methodologies, generally based on the discounted cash flow method. For the calculation of fair value, the aforementioned techniques are also applied to securities classified in the “held to maturity” category.

**Loan and lease operations:** Loan operations allocated to Hedge Accounting programs, of the market risk hedge type, are accounted by their fair value. For leasing operations, the fair value was calculated based on discounted future flow values considering current market rates and for other operations, the book value was considered an equivalent approximation of the fair value.

**Deposits:** For time deposit operations, discounted future flow amounts were used for the calculation of fair value considering current market rates. For demand deposits, the book value was considered as fair value.

**Money market purchase commitment:** For variable rate commitments, it was considered the book value as an equivalent approach to fair value. For fixed rate commitments, it was used the values of discounted future flow to calculate fair value, considering present market rates.

**Borrowings and onlendings:** It was taken into account the fair value of this group operations equals to its book value.

**Securities issued:** For the operations of this group, the book value was considered as an approximation equivalent to the fair value. For fixed-rate transactions, the discounted future flows values were used to calculate the fair value considering current market rates.

**Subordinated debts and debt instruments eligible for capital:** For the operations of this group, the discounted future flow values were used for the calculation of fair value considering current market rates.

**e) Socio-environmental risk**

Socio-environmental risk is defined as the possibility of loss (financial or reputation) due to socio-environmental damage.

Socio-environmental risk management must comply with the applicable environmental legislation, as well as assess and monitor the socio-environmental aspects which the client must use, in order to identify, measure and mitigate the credit, legal and socio-environmental risks inherent to the activities of your customers. The management of socio-environmental risk in the Conglomerate aims to subsidize the decision making of the applicable areas during the processes of granting credit, evaluation of real estate guarantee and approval of suppliers.

The socio-environmental risk management procedures during the granting of credit are carried out through analysis methodologies that determine the Socio-Environmental Rating, inserted in the process of attributing the Credit Rating.

The Conglomerate is a signatory of the Equator Principles, a global initiative that establishes guidelines for the identification, assessment, and management of environmental and social risks in Project Finance (in operations over US\$ 10 million) and corporate financing for projects. These guidelines also stipulate a minimum standard for carrying out due diligence during the implementation of these ventures and assist in making credit decisions.

**2) Capital management**

Capital management in the Conglomerate is carried out with the objective of ensuring compliance with regulatory limits and establishing a solid capital base that enables the development of business and operations in accordance with the Conglomerate's strategic plan.

In accordance with Resolutions no. 4,557, of National Monetary Council (CMN), and Bacen Circular no. 3,846, the Conglomerate has structure and policies for capital management approved by the Board of Directors, in compliance with Internal Capital Adequacy Assessment Process (ICAAP), contemplating the following items:

- Capital management through a continuous process of planning, evaluating, controlling and monitoring the capital needed to deal with the relevant risks;
- Documented policies and strategies;
- Specific forums to compose strategies and manage the use of capital;
- Capital Plan for three years, including Capital targets and projections, main funding sources and Capital contingency plan;
- Stress tests and their impacts on Capital;
- Managerial reports to the Senior Management (Executive Board and Board of Directors);
- Evaluation of Capital Adequacy in the Regulatory and Economic View; and
- Report to the regulator regarding capital management, through the Statement of Operational Limits and Annual Report of ICAAP.

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

**a) Capital sufficiency (Regulatory view)**

Capital management in institution is done aiming to guarantee adequacy for regulatory limits and establishment of a solid capital basis that make possible business developments and operations according to strategic plan of the institution.

Aiming at assessing capital adequacy to address associated risks and compliance with regulatory operational limits, the institution annually prepares a Capital Plan considering growth projections for the loan portfolio and other operations and assets.

Monthly after the calculation of the Referential Equity (PR, in portuguese) and Required Capital, management reports for monitoring the capital allocated to risks and capital ratios (Basel, Level I and Principal) are published for the areas involved.

**a.1) Capital ratios**

Capital ratios are calculated according to the criteria set by CMN Resolutions no. 4,192 and no. 4,193, which refer to the calculation of Reference Equity (PR, in portuguese) and Minimum Required Reference Equity (MRE) in relation to Risk Weighted Assets (RWA), respectively, as follows:

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

As of October 1, 2015, Circular no. 3,748 came into force, which provides for the methodology for calculating the Leverage Ratio (RA). This circular is aligned with the recommendations contained in the Basel III documents, which are designed to improve the capacity of financial institutions to absorb shocks from the financial system itself or from other sectors of the economy, thereby maintaining financial stability.

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 following items related to prudential adjustments deducted in full from Reference Equity since January 2018:

- (i) goodwill paid on acquisition of investments based on expected future income net of deferred tax liabilities;
- (ii) intangible assets formed as from October 2013;
- (iii) actuarial assets related to defined benefit pension plans net of related deferred tax liabilities associated to them;
- (iv) non-controlling interest;
- (v) direct or indirect investments higher than 10% of capital of entities similar to non-consolidated financial institutions and of insurance and reinsurance firms, capitalization organizations and open pension plan entities (higher investments);
- (vi) deferred tax assets deriving from temporary differences that depend from future income generation or tax revenues for their realization;
- (vii) deferred tax assets from depreciation excess tax loss;
- (viii) deferred tax assets deriving from tax losses and social contribution on net profit negative basis. As of December 31, 2018, the Conglomerate began to consider the effects of the application of CMN Resolution No. 4,680/2018, as amended later by Resolution No. 4,784/2020, which authorized financial institutions to no longer deduct from Principal Capital (in the proportion of at least 50% up to June 30, 2021, and 100% up to December 31, 2021) the tax credits of tax loss carryforwards arising from positions held in foreign currency carried out with the purpose of providing hedge for their participation in investments abroad.

Consolidation scope used as the basis to verify operating limits and also considers the Financial Conglomerate, and the Prudential Conglomerate beginning as of January 1, 2015, as defined in CMN Resolution no. 4,280/2013.

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

| Basel ratio   | 09.30.2020        | 12.31.2019        |
|---|-------------------|-------------------|
| <b>PR - Reference Equity</b>  | <b>10,563,590</b> | <b>9,975,245</b>  |
| <b>Tier I</b>   | <b>9,900,936</b>  | <b>9,008,047</b>  |
| Complementary Capital   | 1,738,846         | 1,211,865         |
| Common Equity   | 8,162,090         | 7,796,182         |
| Shareholders' equity <sup>(1)</sup>   | 10,542,266        | 10,011,553        |
| Prudential adjustments <sup>(2)</sup>   | (2,380,176)       | (2,215,371)       |
| Other   | (2,379,845)       | (2,215,063)       |
| Adjustment to fair value  | (331)             | (308)             |
| <b>Tier II</b>  | <b>662,654</b>    | <b>967,199</b>    |
| Subordinated debts eligible as capital  | 662,654           | 967,199           |
| Subordinated debts authorized pursuant to CMN Resolution no. 4,192/2013 <sup>(3)</sup>                                      | 662,654           | 967,199           |
| <b>Risk-weighted assets (RWA)</b>   | <b>69,582,575</b> | <b>66,069,415</b> |
| Credit risk (RWACPAD)   | 61,242,840        | 57,265,932        |
| Market risk (RWAMPAD)   | 1,894,313         | 2,499,867         |
| Operational risk (RWAOPAD)  | 6,445,422         | 6,303,616         |
| <b>Minimum Required Regulatory Capital <sup>(4)</sup></b>   | <b>5,566,606</b>  | <b>5,285,553</b>  |
| <b>Minimum Required Capital <sup>(5)</sup></b>  | <b>3,131,216</b>  | <b>2,973,124</b>  |
| <b>Tier I Minimum Required Reference Equity <sup>(6)</sup></b>  | <b>4,174,955</b>  | <b>3,964,165</b>  |
| <b>Regulatory Capital determined to cover interest rate risk of transactions not classified in trading portfolio (RBAN)</b> | <b>276,581</b>    | <b>256,887</b>    |
| <b>Margin on Minimum Required Regulatory Capital</b>  | <b>4,996,983</b>  | <b>4,689,692</b>  |
| <b>Margin on Minimum Required Capital</b>   | <b>5,030,874</b>  | <b>4,823,058</b>  |
| <b>Margin on Minimum Required Tier I Regulatory Capital</b>   | <b>5,725,981</b>  | <b>5,043,882</b>  |
| <b>Margin on Minimum Required Regulatory Capital including RBAN and ACP <sup>(7)</sup></b>                                  | <b>3,850,620</b>  | <b>1,129,334</b>  |
| <b>Common Equity Index (CP / RWA)</b>   | <b>11.73%</b>     | <b>11.80%</b>     |
| <b>Tier I Capital Index (Tier I / RWA)</b>  | <b>14.23%</b>     | <b>13.63%</b>     |
| <b>Basel Ratio (PR / RWA)</b>   | <b>15.18%</b>     | <b>15.10%</b>     |

<sup>(1)</sup> 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.

<sup>(2)</sup> Considers the effects of the application of CMN Resolution no. 4,680/2018, which authorized financial institutions to not deduct from the Common Equity (in the proportion of at least 50% until 30.06.2021 and 100% until 31.12.2021) deferred tax assets from tax losses arising from a position sold in foreign currency made with the objective of providing hedge for their participation in investments abroad.

<sup>(3)</sup> The balance of the Subordinated Debt instruments issued prior to CMN Resolution No. 4,192 / 2013 was considered with the application of the reducing factors established in art. 27 of that Resolution.

<sup>(4)</sup> Corresponds to the application of the "F" factor to RWA amount, being "F" equal to 8% of RWA, as of 01.01.2019

<sup>(5)</sup> It represents at least 4.5% of RWA.

<sup>(6)</sup> It represents at least 6% of RWA.

<sup>(7)</sup> Additional Principal Capital (ACP) which corresponds to Conservation Additional and Countercyclical Additional. Resolution No. 4,783 / 2020 was published, which altered, for certain periods, the percentages to be applied to the amount of RWA for purposes of calculating the ACP Conservação portion, with the beginning of the April 2020 base date formalized by Circular Letter No. 4,016 / 2020. Said Resolution contemplates the scope of regulatory actions disclosed in March 2020 to cover possible impacts from Covid-19.

**Prudential Adjustments deducted from Common Equity:**

|  | 09.30.2020         | 12.31.2019         |
|--|--------------------|--------------------|
| Prudential Adjustment I - Goodwill paid  | (30,642)           | (38,518)           |
| Prudential Adjustments II - Intangible assets  | (408,846)          | (277,669)          |
| Prudential Adjustments VII - Deferred tax assets from Intertemporal differences        | (976,938)          | (581,067)          |
| Prudential Adjustments VIII - Deferred tax assets of Tax losses/negative basis of CSLL | (963,419)          | (1,317,809)        |
| Prudential Adjustments XV - Understatement - Resolution No. 4,277/13 Adjustments       | (331)              | (308)              |
| <b>Total</b>   | <b>(2,380,176)</b> | <b>(2,215,371)</b> |

**b) Fixed asset ratio**

The property, plant and equipment index required ratio of the Prudential Conglomerate amounted to 18.49% (17.65% on December 31, 2019), and determined in accordance with CMN Resolutions No. 4,192/2013 and No. 2,669/1999.

|                                      | 09.30.2020       | 12.31.2019       |
|--------------------------------------|------------------|------------------|
| <b>Fixed assets limit</b>            | <b>5,281,794</b> | <b>4,987,622</b> |
| Value of fixed assets limit position | 1,953,295        | 1,760,563        |
| Value of margin or insufficiency     | 3,328,499        | 3,227,059        |

In accordance with Bacen Circular nº 3,930/2019, the Conglomerate holds additional information of its procedure of capital and risks management in the website: [www.bancobv.com.br/ri](http://www.bancobv.com.br/ri).

**29. OTHER INFORMATION**
**a) Commitments undertaken due to funding from international financial institutions**

The Conglomerate is a borrower of short-term loans from international financial institutions, who in certain cases may require compliance with financial ratios (financial covenants). When required, the financial ratios are calculated based on the financial information prepared in accordance with Brazilian law and standards of the Central Bank of Brazil (Bacen). On June 30, 2020 the Conglomerate did not have operations with these characteristics.

**b) Information about branches abroad**

|  | 09.30.2020         | 12.31.2019         |
|--|--------------------|--------------------|
| <b>Current and non-current assets</b>                | <b>9,996,831</b>   | <b>6,654,499</b>   |
| Banco Votorantim S.A. – Nassau Branch                | 9,996,831          | 6,654,499          |
| <b>Total assets</b>                                  | <b>9,996,831</b>   | <b>6,654,499</b>   |
| <b>Current and non-current liabilities</b>           | <b>(8,242,306)</b> | <b>(4,843,640)</b> |
| Banco Votorantim S.A. – Nassau Branch                | (8,242,306)        | (4,843,640)        |
| <b>Shareholders' equity</b>                          | <b>(1,754,525)</b> | <b>(1,810,859)</b> |
| Banco Votorantim S.A. – Nassau Branch <sup>(1)</sup> | (1,754,525)        | (1,810,859)        |
| <b>Total liabilities</b>                             | <b>(9,996,831)</b> | <b>(6,654,499)</b> |

|                                       | 07.01 to<br>09.30.2020 | 07.01 to<br>09.30.2019 | 01.01 to<br>09.30.2020 | 01.01 to<br>09.30.2019 |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Income (Loss)</b>                  | <b>56,102</b>          | <b>48,744</b>          | <b>52,325</b>          | <b>93,704</b>          |
| Banco Votorantim S.A. – Nassau Branch | 56,102                 | 48,744                 | 52,325                 | 93,704                 |

<sup>(1)</sup> In the nine month period from January 1 to September 30, 2020, the Nassau Branch abroad paid dividends in the amount of USD 150,000 (R\$ 754,545).

**c) Insurance coverage**

The Conglomerate contracts insurance coverage for assets subject to risks for amounts considered to be sufficient to cover eventual claims, considering the nature of its activity.

**Insurance coverage**

|   | 09.30.2020            |                          | 12.31.2019            |                          |
|---|-----------------------|--------------------------|-----------------------|--------------------------|
| <b>Covered risk</b>   | <b>Covered values</b> | <b>Insurance Premium</b> | <b>Covered values</b> | <b>Insurance Premium</b> |
| Insurance Guarantee - Guarantee for legal proceedings                 | 944,500               | 8,936                    | 882,385               | 6,345                    |
| Real estate insurance for properties in use of relevant third parties | 273,527               | 74                       | 271,713               | 75                       |
| Cybersecurity insurance   | 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       | Capital              | Capital and income reserves |                    |
| <b>Balance at 12.31.2019</b>   | <b>3,116,893</b>   | <b>3,480,275</b>                      | <b>25,042</b>   | <b>8,130,372</b>     | <b>1,751,822</b>            | <b>16,504,404</b>  |
| Resources from destinations of results                               | -                  | -                                     | -               | -                    | 20,496                      | 20,496             |
| <b>Changes with cash effect</b>                                      | <b>(3,136,236)</b> | <b>(259,764)</b>                      | <b>(25,042)</b> | <b>-</b>             | <b>-</b>                    | <b>(3,421,042)</b> |
| Dividends paid   | -                  | -                                     | (25,042)        | -                    | -                           | (25,042)           |
| Liquidation  | (3,227,183)        | (199,101)                             | -               | -                    | -                           | (3,426,284)        |
| Transfers  | 75,997             | (75,997)                              | -               | -                    | -                           | -                  |
| Resources from new fundraising                                       | 15,000             | -                                     | -               | -                    | -                           | 15,000             |
| Other  | (50)               | 15,334                                | -               | -                    | -                           | 15,284             |
| <b>Changes with no cash effect</b>                                   | <b>131,356</b>     | <b>691,750</b>                        | <b>66,920</b>   | <b>-</b>             | <b>-</b>                    | <b>890,026</b>     |
| Interest expenses  | 18,679             | 208,750                               | -               | -                    | -                           | 227,429            |
| Exchange rate variation  | 112,677            | 483,000                               | -               | -                    | -                           | 595,677            |
| Dividends and interest on own capital declared payable, net of taxes | -                  | -                                     | 66,920          | -                    | -                           | 66,920             |
| <b>Balance at 09.30.2020</b>   | <b>112,013</b>     | <b>3,912,261</b>                      | <b>66,920</b>   | <b>8,130,372</b>     | <b>1,772,318</b>            | <b>13,993,884</b>  |

| Bank and Consolidated                  | Liabilities        |                                       |                 | Shareholder's equity |                             | Total             |
|--|--------------------|---------------------------------------|-----------------|----------------------|-----------------------------|-------------------|
|  | Subordinated debts | Debt instruments eligible for capital | Dividends       | Capital              | Capital and income reserves |                   |
| <b>Balance at 12.31.2018</b>           | <b>3,084,749</b>   | <b>3,248,846</b>                      | <b>18,859</b>   | <b>8,130,372</b>     | <b>1,422,218</b>            | <b>15,905,044</b> |
| Resources from destinations of results | -                  | -                                     | -               | -                    | 34,401                      | 34,401            |
| <b>Changes with cash effect</b>        | <b>(290,477)</b>   | <b>(45,670)</b>                       | <b>(18,859)</b> | <b>-</b>             | <b>-</b>                    | <b>(355,006)</b>  |
| Dividends paid                         | -                  | -                                     | (18,859)        | -                    | -                           | (18,859)          |
| Liquidation                            | (274,094)          | (57,442)                              | -               | -                    | -                           | (331,536)         |
| Other                                  | (16,383)           | 11,772                                | -               | -                    | -                           | (4,611)           |
| <b>Changes with no cash effect</b>     | <b>373,311</b>     | <b>302,981</b>                        | <b>400,000</b>  | <b>-</b>             | <b>-</b>                    | <b>1,076,292</b>  |
| Interest expenses                      | 158,915            | 216,101                               | -               | -                    | -                           | 375,016           |
| Exchange rate variation                | 214,396            | 86,880                                | -               | -                    | -                           | 301,276           |
| Dividends declared payable             | -                  | -                                     | 400,000         | -                    | -                           | 400,000           |
| <b>Balance at 09.30.2019</b>           | <b>3,167,583</b>   | <b>3,506,157</b>                      | <b>400,000</b>  | <b>8,130,372</b>     | <b>1,456,619</b>            | <b>16,660,731</b> |

**f) Assets under management**

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

|  | Number of funds/portfolios |            | Balance    |            |
|--|----------------------------|------------|------------|------------|
|  | 09.30.2020                 | 12.31.2019 | 09.30.2020 | 12.31.2019 |
| Investment funds and portfolios managed accounts | 242                        | 267        | 48,209,434 | 51,472,062 |

**30. SUBSEQUENT EVENTS**
**a) Increment (retap) of issuance abroad**

On October 22, 2020, Banco BV carried out the USD 100,000 increase (retap) of the issue abroad in July 2020, which matures in July 2025, resulting in a total amount issued of USD 600,000.

MANAGEMENT

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

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