



Earnings Release

2Q21



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Strategic Pillars

Our strategic pillars guide our priorities to achieve our long-term goals. We combine the **financial strength of a large bank** with the **digital mindset**, placing the **customer at the center of our strategy** and ensuring the sustainability of our business in line with the **ESG principles**.



Efficiency and financial strength

Quarterly recurring Net Income

388 million

ROE 13.9%

Quarterly profit was record, with a drop in the cost of credit, in addition to the resilience of the business model and greater diversification

Efficiency Ratio

32.6%

vs 31.2% in 2Q20

We continue to record a consistent Efficiency Ratio, maintaining it as **one of the best ratios in the financial industry**



Digital strategy

App / digital account BV

+3 million

downloads

+900k

customers accessed the platform per month¹

4.2

4.3

improvement in customer's score

Strategic partnerships

PORTAL solar

We increased our stake in Portal Solar², consolidating BV as **one of the main players in the solar panels financing market in Brazil**

TW trademaster

We invested in Trademaster aiming to strength our **strategy in the SME³ segment**



Customers' experience

Reclame Aqui and Consumidor.gov

ReclameAQUI

Score: **GOOD**
7.6/10

outstanding reputation among the best banks in Brazil⁴

consumidor.gov.br

Consumer's score was **12.5%**

above the average of the financial industry⁴

Central Bank rankings

Top 2 in the Ombudsman Quality Ranking⁵

Lowest number of complaints per client among Brazil's largest banks⁵



ESG agenda

ESG 2030 Commitments

In May 2021, we launched a commitment to achieving goals by 2030, based on 3 pillars of action:

01 Neutralize our environmental impact



02 Accelerate social inclusion



03 Mobilize resources to foster sustainable business



¹ 2Q21 average

² Deal awaits approval by Central Bank

³ Small and medium enterprises

⁴ Considers the largest banks in number of assets (Sources: Reclame Aqui and Consumidor.gov.br);

⁵ Ranking of the 2nd quarter of 2021 in number of assets (Source: <https://www.bcb.gov.br/>)

See other BV ESG initiatives on pages 31, 32 and 33 of this Report

Executive Summary

Recurring Income 2Q21
R\$ 388 million
 ROE 13.9%

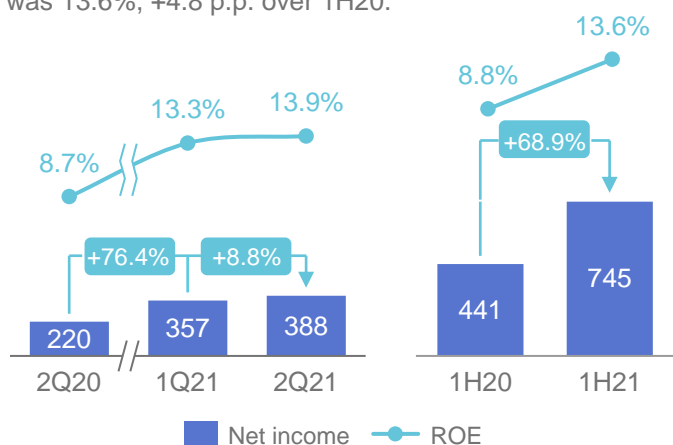
Credit portfolio
R\$ 73 billion
 +6.4% vs 2Q20

Coverage Ratio
242%
 vs 183% in 2Q20

Basel Ratio
15.2%
 Core capital 12.7%

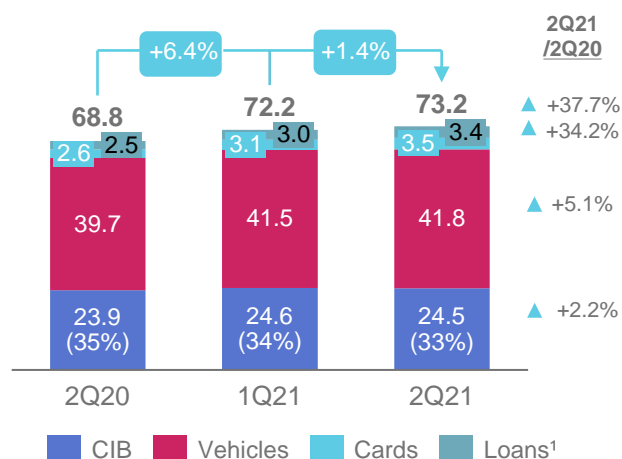
Recurring Net Income (R\$ M) and ROE (%)

Record recurring net income in the quarter, reaching R\$ 388 million, up 76.4% over 2Q20 and 8.8% over 1Q21. In 1H21, net income was R\$ 745 million, an increase of 68.9% compared to 1H20. The increase over the previous year was mainly driven by the drop in the cost of credit, reflecting the improvement in default rates and the reduction in the level of uncertainty generated by the pandemic. ROE in 2Q21 was 13.9%, an increase of 5.2 p.p. over 2Q20 and 0.6 p.p. vs. 1Q21. In 1H21, ROE was 13.6%, +4.8 p.p. over 1H20.



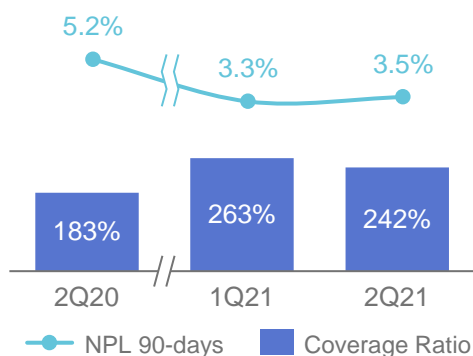
Credit Portfolio (R\$ B)

Credit portfolio grew 6.4% vs 2Q20, to R\$ 73.2 billion, with expansion of 8.6% in Retail and 2.2% in Wholesale, with **greater diversification in both segments**. In retail, the main highlights were the growth of 37.7% in the Loans portfolio and 34.2% in the Cards portfolio. In wholesale, the highlight was the Corporate segment, which recorded an increase of 25.2% (on-balance portfolio).



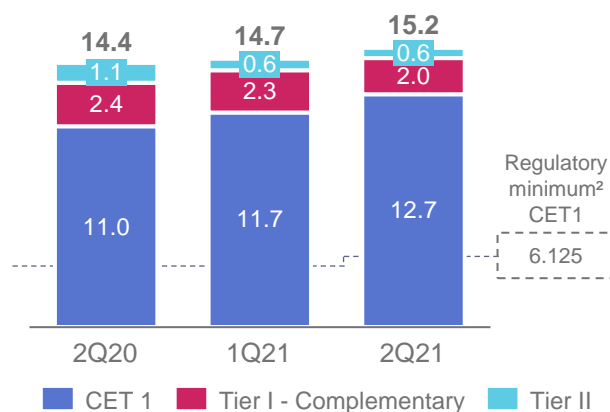
NPL Ratio (90 days) and Coverage Ratio

Main overdue indicator (NPL 90-days) remained at a historically low level (3.5% in 2Q21), with delinquency levels well controlled both in retail and wholesale. Coverage ratio remains at a robust level, at 242%, evidencing Banco BV's prudence in a more adverse economic scenario.



Basel Ratio (%)

Basel Ratio closed 2Q21 at 15.2%, a 0.6 p.p. improvement over the previous quarter and 0.8 p.p. in the last 12 months. CET 1 closed at 12.7%, well above the regulatory minimum of 6.125% required for the period.



¹ Includes personal loans, solar panels, consumer finance and private payroll

² On 03/16/2020, Central Bank's Resolution 4,783/2020 temporarily amended the minimum regulatory capital

Main financial information

The table below shows the information and management indicators selected from banco BV in order to allow analysis on the same comparison basis.

Main Financial Information	2Q20	1Q20	2Q21	1H20	1H21	Variation %		
						2Q21/1Q21	2Q21/2Q20	1H21/1H20
INCOME STATEMENT (R\$ M)								
Revenues – Total (i + ii)	2,021	2,288	2,418	4,208	4,706	5.7%	19.6%	11.8%
Gross financial margin (i)	1,629	1,783	1,854	3,292	3,637	3.9%	13.8%	10.5%
Income from services and brokerage fees (ii)	393	504	564	916	1,069	11.9%	43.7%	16.6%
Cost of Risk	(871)	(576)	(539)	(1,786)	(1,115)	-6.4%	-38.1%	-37.6%
Personnel and administrative expenses	(486)	(540)	(565)	(1,003)	(1,105)	4.6%	16.2%	10.1%
Recurring Net Income	220	357	388	441	745	8.8%	76.4%	68.9%
BALANCE SHEET (R\$ M)								
Total Assets	121,582	120,960	118,615	121,582	118,615	-1.9%	-2.4%	-2.4%
Expanded loan portfolio	68,773	72,168	73,164	68,773	73,164	1.4%	6.4%	6.4%
Wholesale Segment	23,947	24,628	24,463	23,947	24,463	-0.7%	2.2%	2.2%
Consumer Finance Segment	44,826	47,539	48,701	44,826	48,701	2.4%	8.6%	8.6%
Funding Sources	76,037	78,855	75,848	76,037	75,848	-3.8%	-0.2%	-0.2%
Shareholders' equity	10,151	11,201	11,671	10,151	11,671	4.2%	15.0%	15.0%
Basel ratio (%)	14.4%	14.7%	15.2%	14.4%	15.2%	0.6 p.p.	0.8 p.p.	0.8 p.p.
Tier I Capital Ratio (%)	13.3%	14.0%	14.7%	13.3%	14.7%	0.7 p.p.	1.3 p.p.	1.3 p.p.
Common Equity Tier I (%)	11.0%	11.7%	12.7%	11.0%	12.7%	1.0 p.p.	1.8 p.p.	1.8 p.p.
MANAGERIAL INDICATORS (%)								
Return on Average Equity¹ (ROAE) - Adjusted	8.7%	13.3%	13.9%	8.8%	13.6%	0.6 p.p.	5.2 p.p.	4.8 p.p.
Return on Average Assets² (ROAA)	0.8%	1.2%	1.3%	0.8%	1.3%	0.1 p.p.	0.5 p.p.	0.4 p.p.
Net Interest Margin³ (NIM) - Clients	9.2%	10.0%	9.9%	9.7%	9.9%	-0.1 p.p.	0.6 p.p.	0.2 p.p.
Net Interest Margin⁴ (NIM) - Clients + Market	6.7%	7.1%	7.2%	7.0%	7.2%	0.2 p.p.	0.5 p.p.	0.2 p.p.
Efficiency Ratio (ER) - Last 12 months⁵	31.2%	32.5%	32.6%	31.2%	32.6%	0.1 p.p.	1.4 p.p.	1.4 p.p.
NPL 90-days	5.2%	3.3%	3.5%	5.2%	3.5%	0.2 p.p.	-1.7 p.p.	-1.7 p.p.
Coverage Ratio (NPL 90-days)	183%	263%	242%	183%	242%	-21.0 p.p.	58.9 p.p.	58.9 p.p.
ADDITIONAL INFORMATION								
Employees⁶ (quantity)	3,979	3,969	4,137	3,979	4,137	4.2%	4.0%	4.0%
Assets under Management⁷ (R\$ Million)	50,732	49,932	48,076	50,732	48,076	-3.7%	-5.2%	-5.2%

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

Accounting versus Managerial Reconciliation

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

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

The strategy of managing the foreign currency exchange risk of investments abroad aims at avoiding the effects of exchange rate variation on the result and, for this purpose, the foreign exchange risk is neutralized by using derivative financial instruments.

INCOME STATEMENT (R\$ M)	2Q21 Accounting	Non-recurring events	Managerial Adjustments	2Q21 Managerial
Revenues – Total (i + ii)	2,457	0	(39)	2,418
Gross financial margin (i)	1,819	0	34	1,854
Income from services and brokerage fees (ii)	638	0	(73)	564
Cost of risk	(456)	0	(83)	(539)
Operating expenses	(1,189)	6	28	(1,154)
Personnel and administrative expenses	(719)	6	148	(565)
Tax expenses	(120)	0	(24)	(144)
Other expenses (income)	(349)	0	(96)	(446)
Result before taxes and contributions	812	6	(93)	725
Provision for income tax and social contribution	(351)	(78)	93	(337)
Recurring Net Income	461	(72)	0	388

INCOME STATEMENT (R\$ M)	1H21 Accounting	Non-recurring events	Managerial Adjustments	1H21 Managerial
Revenues – Total (i + ii)	4,646	0	60	4,706
Gross financial margin (i)	3,446	0	191	3,637
Income from services and brokerage fees (ii)	1,200	0	(131)	1,069
Cost of risk	(954)	0	(161)	(1,115)
Operating expenses	(2,302)	9	76	(2,216)
Personnel and administrative expenses	(1,405)	9	290	(1,105)
Tax expenses	(249)	0	(43)	(292)
Other expenses (income)	(649)	0	(171)	(820)
Result before taxes and contributions	1,390	9	(25)	1,375
Provision for income tax and social contribution	(574)	(80)	25	(630)
Recurring Net Income	816	(71)	(0)	745

Non-recurring events

	2Q20	1Q21	2Q21	1H20	1H21
Net Income - Accounting	222	355	461	443	816
(-) Non-recurring events	2	(2)	72	2	71
Donations related to the Covid-19 combat	(27)	0	0	(27)	0
Effect of rate increase on tax credit	0	0	76	0	76
Expenses related to the BV's IPO process	0	(2)	(3)	0	(5)
Other	28	0	0	28	0
Recurring Net Income	220	357	388	441	745

Summary of non-recurring events:

- **Donations to fight against Covid-19** - Extraordinary expenses for donations aimed at combating the new Coronavirus and its effects on Brazilian society. The amount presented above is net of taxes;
- **Effect of rate increase on tax credits** - Effect arising from the increase in the Social Contribution rate for financial institutions, from 20% to 25%, recognized in the Income Tax and Social Contribution line.
- **Expenses related to BV's IPO process** – According to the Material Fact disclosed on April 13, 2021, BV's IPO process was canceled due to adverse market conditions.

Analysis of Managerial Results

Recurring net income in 2Q21 totaled R\$ 388 million, a record quarterly level, with growth of 8.8% compared to the previous quarter and 76.4% compared to 2Q20. **Recurring return on equity (ROE) in 2Q21 was 13.9%**, an increase of 0.6 p.p. over 1Q21 and 5.2 p.p. higher than 2Q20. In 1H21, recurring net income totaled R\$745 million, 68.8% up on 1H20, with ROE increasing 4.8 p.p. in the 1st half of the year, to 13.6%, against 8.8% in 1H20. The consistent improvement in results, with record of net income and profitability at pre-pandemic levels, reflects our diversified business model, with resilience in the bank's main business, vehicle financing, combined with important advances in the diversification strategy, with significant growth in solar panels financing (+237% vs 2Q20) and credit cards (+34.2% vs 2Q20).

In wholesale, the diversification strategy also registered important progresses, such as the 25.2% growth vs. 2Q20 in the corporate segment, in addition to expansion in the SME sector.

In addition to strategic advances, the substantial increase in the net income compared to 2020 was driven

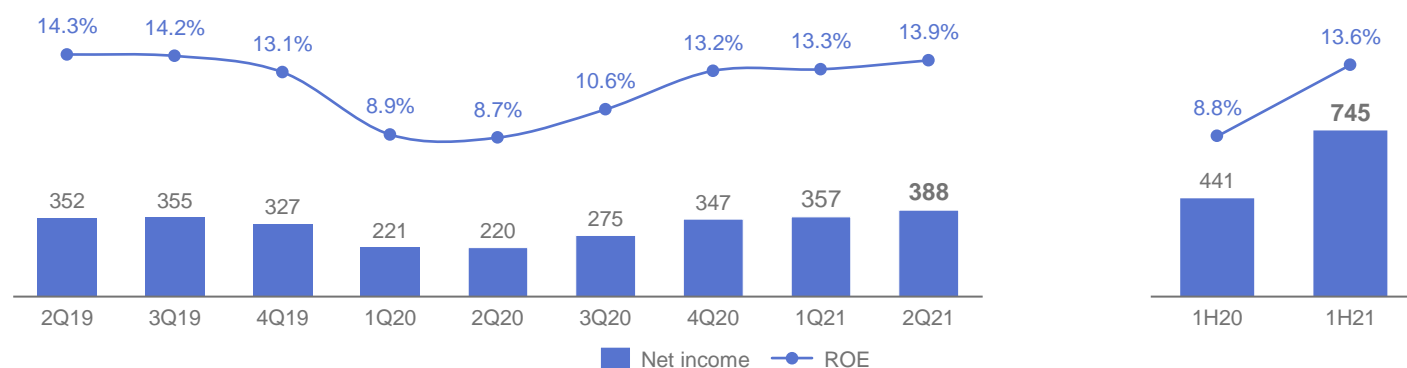
by the drop in the cost of credit, reflecting the improvement in delinquency rates and in the levels of uncertainty generated by the pandemic.

In the period, we also recorded growth in service and brokerage revenues, which reached R\$ 564 million in the quarter, +11.9% vs 1Q21 and + 43.7% vs 2Q20, mainly due to the higher volume of debt structuring/debt distribution of wholesale customers. Year-to-date revenues from services and brokerage were R\$ 1.1 billion, +16.6% vs. 1H20. Total revenues (gross margin + services and brokerage revenues) reached R\$ 2.4 billion in 2Q21 (+5.7% vs 1Q21 and +19.6% vs 2Q20) and R\$ 4.7 billion in 1H21 (+11.8% vs 1H20).

Another highlight in 2Q21 was the growth of personnel expenses, reflecting the increase in the structure to support BV's digital strategy, with investments in digital banking and technology (including cloud and insourcing), besides new businesses. Despite the increase, efficiency agenda continues to be a fundamental pillar of Banco BV's strategy, with strict control over the Bank's expenses base, as evidenced by the healthy level of its efficiency ratio.

INCOME STATEMENT (R\$ M)	2Q20	1Q21	2Q21	1H20	1H21	Variation %		
						2Q21/1Q21	2Q21/2Q20	1H21/1H20
Total Revenue (i + ii)	2,021	2,288	2,418	4,208	4,706	5.7	19.6	11.8
Gross financial margin (i)	1,629	1,783	1,854	3,292	3,637	3.9	13.8	10.5
Financial margin with clients	1,404	1,598	1,615	2,938	3,214	1.0	15.0	9.4
Financial margin with the market	225	185	239	354	424	29.0	6.2	19.6
Income from services and banking fees (ii)	393	504	564	916	1,069	11.9	43.7	16.6
Cost of risk	(871)	(576)	(539)	(1,786)	(1,115)	-6.4	-38.1	-37.6
Operating expenses	(867)	(1,062)	(1,154)	(1,851)	(2,216)	8.7	33.1	19.7
Personnel and administrative expenses	(486)	(540)	(565)	(1,003)	(1,105)	4.6	16.2	10.1
Tax expenses	(125)	(148)	(144)	(260)	(292)	-2.8	15.1	12.1
Other expenses (income)	(256)	(374)	(446)	(588)	(820)	19.1	73.9	39.4
Result before taxes and contributions	283	650	725	571	1,375	11.5	155.8	140.9
Income tax and social contribution	(63)	(293)	(337)	(129)	(630)	14.8	433.5	387.2
Recurring Net Income	220	357	388	441	745	8.8	76.3	68.8
Return on Average Equity (ROAE)	8.7%	13.3%	13.9%	8.8%	13.6%	0.6 p.p.	5.2 p.p.	4.8 p.p.
Efficiency Ratio (ER) - Last 12 months	31.2%	32.5%	32.6%	31.2%	32.6%	0.1 p.p.	1.4 p.p.	1.4 p.p.

Recurring Net Income (R\$ M) and ROE (%)



Gross Financial Margin

Gross Financial Margin in 2Q21 grew 3.9% compared to 1Q21 and 13.8% compared to 2Q20, reaching R\$ 1,854 million. In 1H21, gross financial margin grew 10.5%, compared to 1H20, to R\$ 3,637 million. In all comparisons, there was an expansion in both the financial margin with clients and the financial margin with the market.

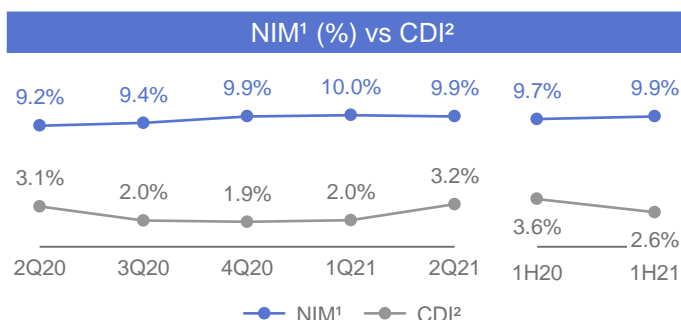
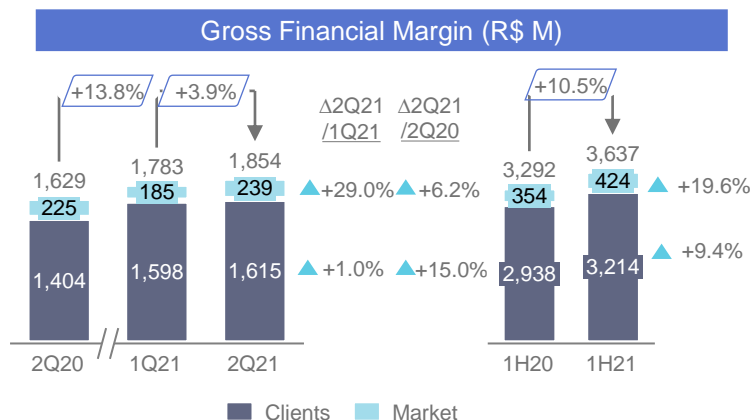
Financial Margin with Clients in 2Q21 was R\$ 1,615 million, 15.0% higher than the margin of 2Q20. Year-to-date, financial margin with clients reached R\$ 3,214 million, 9.4% above the same period of 2020. In both periods, the margin improvement reflects the growth in the credit portfolio, in addition to the gradual dilution of the impact from the pro-client initiatives implemented by BV in 2020 in the context of the pandemic, which included the extension of 2 installments of the financing to the end of the contract, without additional interest.

Compared to the previous quarter, margin with clients expansion expanded by 1.0%, in line with the growth of the portfolio in the period.

The NIM (net interest margin) of clients reached 9.9% in 2Q21 and 1H21, representing an increase of 0.6 p.p. over 2Q20 (9.2%) and 0.2 p.p. over 1H20 (9.7%). In both comparisons, the improvement was driven by the same reasons stated above: portfolio growth and lower impact from contracts extensions carried out in 2020, in the context of the pandemic. In comparison with the previous quarter, NIM of clients varied -0.1 p.p..

Financial Margin with the Market in 2Q21 was R\$ 239 million, a 6.2% expansion over 2Q20. In 1H21, the financial margin with the market grew by 19.6%, to R\$ 424 million. In both periods, the growth was mainly driven by the positive result of structural hedge positions, partially offset by the lower result from the investment of shareholders' equity.

Compared to 1Q21, margin with the market grew 29.0%, mainly explained by the positive result arising from structural hedge positions and the investment of shareholders' equity.



1. Net Interest Margin: Ratio between Gross Margin with clients and Average Assets sensitive to spread.
2. Average annualized quarterly CDI (Brazilian benchmark interest rate) (source: Cetip)

Cost of Risk

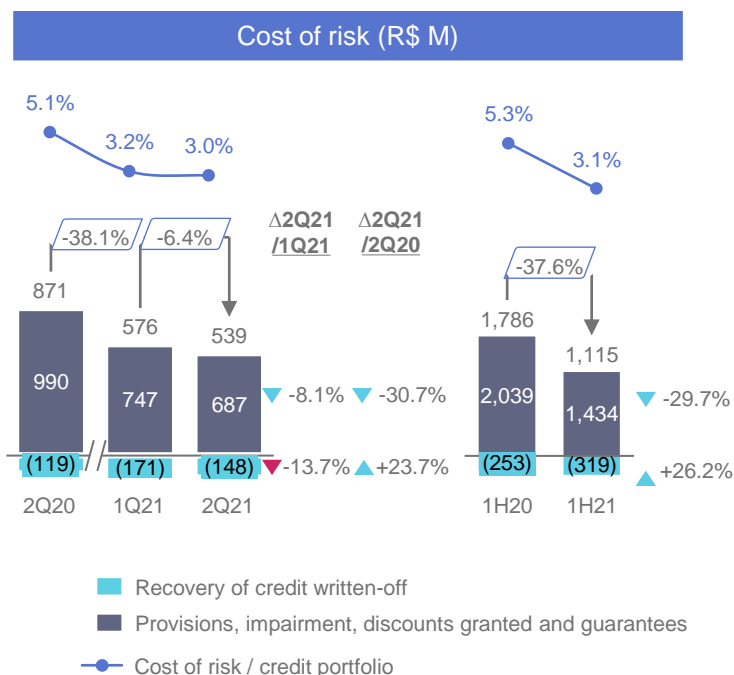
Cost of risk (R\$ M)	2Q20	1Q21	2Q21	1H20	1H21	Variation %		
						2Q21/1Q21	2Q21/2Q20	1H21/1H20
Provision expenses (managerial)	(850)	(666)	(616)	(1,796)	(1,282)	-7.6	-27.6	-28.6
Recovery of credit written-off	119	171	148	253	319	-13.7	23.7	26.2
Net Provision expenses	(731)	(495)	(468)	(1,543)	(963)	-5.4	-36.0	-37.6
Discounts granted	(132)	(75)	(80)	(234)	(155)	7.3	-39.4	-33.9
Reversal (provision) for guarantees provided	(8)	(6)	9	(9)	3	-247.8	-222.2	-132.1
Cost of risk	(871)	(576)	(539)	(1,786)	(1,115)	-6.4	-38.1	-37.6
Cost of risk / credit portfolio¹	5.1%	3.2%	3.0%	5.3%	3.1%	-0.3 p.p.	-2.1 p.p.	-2.2 p.p.

¹ expanded portfolio

Cost of risk

In the quarter, cost of credit decreased by 38.1% compared to 2Q20. In the half-year comparison, the drop was 37.6%. Consequently, cost of credit as % of the portfolio in 2Q21 was 3.0%, compared to 5.1% in 2Q20. In the semester, the ratio was 3.1%, against 5.3% in 1H20. In both periods, the drop in the cost of credit was mainly driven by the lower expense with provisions, reflecting the improvement in default indicators after the recovery in economic activity, with the advance of vaccination and lower restrictive measures being the main levers for the resumption. It is worth remembering that during 1H20, prudential provisions were accrued to face the scenario of higher uncertainty after the beginning of the pandemic, which also explains the drop observed in the 1H21 vs 1H20 comparison.

Compared to the previous quarter, cost of credit declined by 6.4%. The cost of credit/portfolio ratio improved by 0.2 p.p..

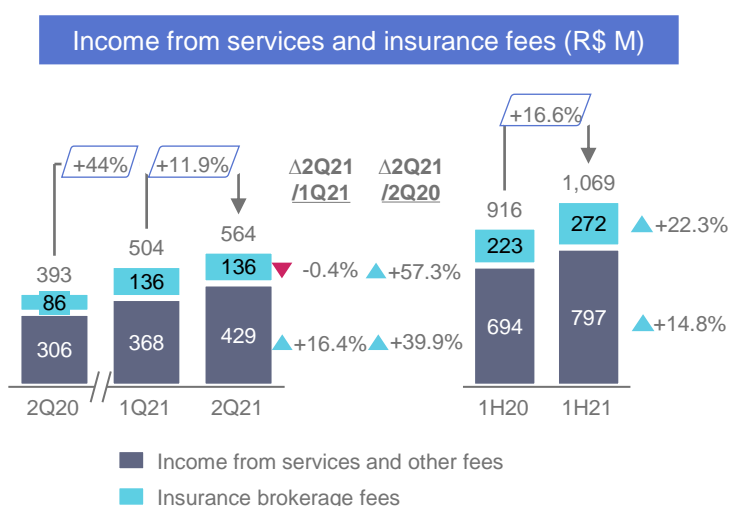


Income from services and insurance brokerage fees

Income from services and insurance fees (R\$ M)	2Q20	1Q21	2Q21	1H20	1H21	Variation %		
						2Q21/1Q21	2Q21/2Q20	1H21/1H20
Master file registration and appraisal of assets	119	180	161	307	341	-11.0	35.1	11.1
Insurance brokerage fees	86	136	136	223	272	-0.4	57.3	22.3
Credit cards	63	72	77	129	149	7.2	22.3	16.1
Income from guarantees provided	28	28	27	57	54	-3.4	-5.4	-5.6
Management of investment funds	36	28	30	69	58	8.6	-16.6	-15.5
Commissions on securities placement	19	15	86	41	102	460.9	343.3	148.0
Banking correspondent (Promotiva)	25	22	22	55	44	1.8	-10.3	-19.4
Other ¹	16	23	25	37	48	10.3	62.2	31.7
Total Income From Services and Insurance	393	504	564	916	1,069	11.9	43.7	16.6

Income from services and insurance brokerage totaled R\$ 564 million in 2Q21, an increase of 11.9% in the quarter compared to 1Q21, mainly due to the higher volume of structuring / distribution of debt from wholesale customers that we had in the period, with a positive impact on the line of commissions on securities placement. Compared to 2Q20, there was a 43.7% growth. In addition to the impact mentioned above, we had expansion in the lines of insurance brokerage and registration and appraisal of assets, in line with the recovery in loan and financing origination levels.

In the first half, the growth in income from service and brokerage was 16.6%, reaching R\$ 1,069 million.



Personnel and Administrative Expenses

Personnel and Administrative Expenses (R\$M)	2Q20	1Q21	2Q21	1H20	1H21	Variation %		
						2Q21/1Q21	2Q21/2Q20	1H21/1H20
Salaries and Profit sharing	(180)	(198)	(210)	(320)	(408)	5.9	16.6	27.6
Benefits e Social Charges	(49)	(90)	(92)	(168)	(182)	1.3	88.8	8.6
Training	(2)	(2)	(3)	(4)	(6)	45.3	85.1	35.2
Personnel Expenses	(230)	(291)	(305)	(492)	(596)	4.7	32.3	21.2
Specialized technical services	(91)	(85)	(95)	(174)	(179)	11.6	3.8	2.8
Data processing	(47)	(47)	(59)	(92)	(106)	24.2	23.3	14.7
Judicial and Notary public fees	(12)	(17)	(16)	(35)	(32)	-6.6	32.4	-8.4
Marketing	(15)	(5)	(8)	(30)	(14)	58.1	-44.6	-54.0
Other	(54)	(58)	(37)	(112)	(96)	-36.3	-30.9	-14.3
Subtotal	(219)	(212)	(214)	(443)	(427)	1.0	-2.3	-3.7
Depreciation and Amortization	(37)	(37)	(46)	(69)	(83)	24.6	25.8	20.4
Administrative Expenses	(256)	(249)	(260)	(512)	(509)	4.5	1.7	-0.5
Total	(486)	(540)	(565)	(1,003)	(1,105)	4.6	16.2	10.1
Total excluding depreciation and amortization	(450)	(503)	(519)	(935)	(1,022)	3.2	15.5	9.4

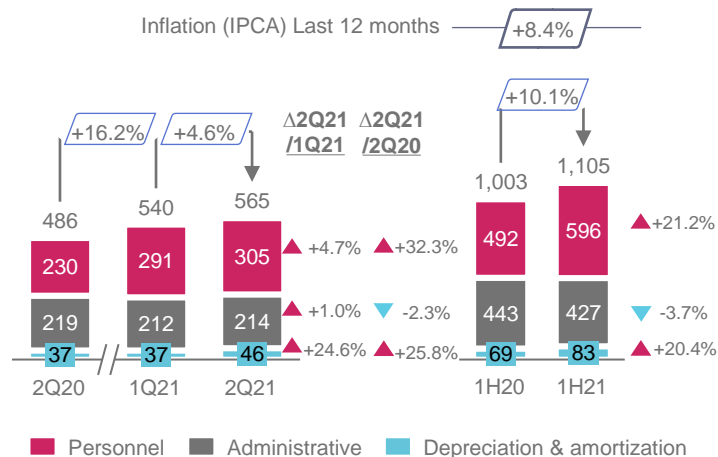
Personnel and administrative expenses¹ totaled R\$ 519 million in 2Q21, an increase of 3.2% over 1Q21 and 15.5% over 2Q20. Year-to-date, expenses reached R\$ 1,022 million, an increase of 9.4% over 1H20.

In the quarter, **personnel expenses** grew 32.3% over 2Q20. In the half-year comparison, there was expansion of 21.2%. In both comparisons, the increase was mainly driven by the expansion in the structure to support BV's digital strategy, with higher investments in digital banking, technology (including cloud and insourcing), in addition to the new businesses front. Higher provisions for variable compensation, reflecting the improvement in the bank's results, also led to this increase. Compared to 1Q21, personnel expenses increased by 4.7%.

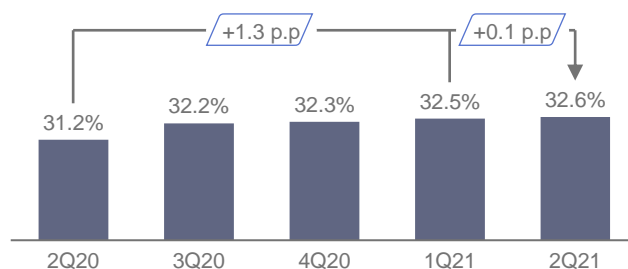
Administrative expenses¹ decreased by 2.3% when comparing 2Q21 vs 2Q20. In the semester, there was a decrease of 3.7% compared to 1H20. It is worth stressing that in the last 12 months, official inflation (IPCA) rose by 8.4%. This performance reflects the strict control over the Bank's expense base, as well as the insourcing of activities, with the opposite impact on personnel expenses.

The **Efficiency Ratio (ER)** ended 2Q21 at 32.6%, +0.1 p.p. vs. 1Q21 and +1.3 p.p. vs. 2Q20. Despite the improvement in this ratio over the last quarters, the increase observed still reflects the quarters most affected by the pandemic, as the metric considers the last 12 months. Efficiency remains a fundamental pillar in Banco BV's strategy.

Personnel and Administrative Expenses (R\$M)



Efficiency Ratio (%)



Number of employees² at the end of 2Q21 was 4,137 vs 3,979 in 2Q20.

¹ Excluding depreciation and amortization

² Excluding interns and statutory employees.

Other income (expenses) and result from subsidiaries

Other income (expenses) and result from subsidiaries (R\$ M)	2Q20	1Q21	2Q21	1H20	1H21	Variation %		
						2Q21/1Q21	2Q21/2Q20	1H21/1H20
Costs associated with the production	(189)	(300)	(287)	(445)	(586)	-4.5	51.8	31.7
Civil and fiscal lawsuits	(34)	(38)	(19)	(73)	(57)	-48.7	-42.9	-21.5
Labor lawsuits	(46)	(24)	(24)	(95)	(47)	0.9	-48.1	-50.2
Results from real estate subsidiaries ¹	6	(8)	(61)	12	(69)	628.1	-	-679.3
Other	7	(4)	(55)	13	(59)	-	-918.6	-541.2
Total	(256)	(374)	(446)	(588)	(820)	19.1	73.9	39.4

Other income (expenses) added to the result of subsidiaries totaled an expense of R\$ 446 million in 2Q21, an increase of 19.1% over 1Q21 and 73.9% compared to 2Q20. Year-to-date, other expenses increased by 39.4% vs 1H20, reaching R\$ 820 million.

Compared to 1Q21, the increase in other expenses was mainly driven by the impact from the value update of real estate assets from the subsidiary BVEP (operation in run-off), carried out in the quarter.

In the 2Q21 vs 2Q20 and 1H21 vs 1H20 comparison, both variations are mainly explained by higher costs associated with production, reflecting the growth in credit origination in 2021, in addition to the impact from the value update of real estate assets from BVEP.

¹ run-off operation

Balance Sheet Analysis

Balance Sheet

Total assets reached R\$ 119 billion at the end of 2Q21, a variation of -1.9% compared to 1Q21 and -2.4% compared to 2Q20. The reduction in the quarter was mainly explained by the use of cash and interbank liquidity investments for the prepayment of some Guaranteed Financial Bills during the quarter.

Shareholder's equity totaled R\$ 11.7 billion at the end of the quarter, compared to R\$ 11.2 billion in the previous quarter and BRL 10.2 billion in 2Q20, representing an increase of 4.2% and 15.0%, respectively.

Balance Sheet Assets (R\$ M)	2Q20	1Q21	2Q21	Variation %	
				2Q21/1Q21	2Q21/2Q20
Cash and cash equivalents	3,917	4,723	4,029	-14.7	2.8
Financial assets	107,779	106,830	105,371	-1.4	-2.2
Interbank funds applied	6,122	6,590	3,395	-48.5	-44.5
Securities and derivative financial instruments	39,869	34,062	36,142	6.1	-9.3
Derivative financial instruments	7,353	5,462	3,957	-27.6	-46.2
Interbank accounts or relations	792	831	868	4.4	9.7
Loan Portfolio	56,655	60,803	62,164	2.2	9.7
Allowance for loan losses	(5,164)	(4,973)	(5,067)	1.9	-1.9
Other financial assets	2,152	4,055	3,912	-3.5	81.8
Tax assets	7,930	7,684	7,493	-2.5	-5.5
Investments in subsidiaries, associates and joint ventures	43	6	14	135.4	-66.3
Property for use	100	91	83	-8.4	-17.0
Intangible assets	436	478	548	14.5	25.6
Other assets	1,377	1,147	1,078	-6.0	-21.7
TOTAL ASSETS	121,582	120,960	118,615	-1.9	-2.4

Balance Sheet Liabilities (R\$ M)	2Q20	1Q21	2Q21	Variation %	
				2Q21/1Q21	2Q21/2Q20
Financial liabilities	108,726	106,932	104,194	-2.6	-4.2
Deposits	25,062	25,234	22,963	-9.0	-8.4
Money market repurchase commitments	24,635	19,674	20,110	2.2	-18.4
Securities issued	31,964	38,324	35,054	-8.5	9.7
Interbank accounts	1,383	1,976	2,250	13.9	62.6
Borrowings and domestic onlendings	4,977	3,707	4,198	13.2	-15.6
Derivative financial instruments	6,846	4,645	3,938	-15.2	-42.5
Subordinated debts and debt instruments eligible as capital	3,919	3,673	3,305	-10.0	-15.7
Other financial liabilities	9,940	9,698	12,378	27.6	24.5
Tax liabilities	515	427	464	8.8	-10.0
Provisions for contingencies	912	806	780	-3.2	-14.5
Other liabilities	1,277	1,595	1,505	-5.6	17.8
SHAREHOLDER'S EQUITY	10,151	11,201	11,671	4.2	15.0
TOTAL LIABILITIES	121,582	120,960	118,615	-1.9	-2.4

Credit portfolio

Credit portfolio reached R\$ 73.2 billion at the end of 2Q21, a 6.4% growth over 2Q20, with 8.6% expansion in Retail and 2.2% in Wholesale. Compared to the previous quarter, the portfolio grew 1.4%, with a 2.4% up in Retail and 0.7% down in Wholesale.

The **Retail** portfolio grew 8.6% over 2Q20, to R\$ 48.7 billion. During the period, we achieved important progresses in the diversification strategy, while maintained the leadership in auto finance¹. On the diversification front, the highlight was the 237% growth in solar panels financing, a portfolio that already reached R\$ 1.5 billion, in addition to the 34.2% expansion in the credit card portfolio, driven by enhancements in the portfolio, improvements in the digital channels and commercial strategy. In the vehicle segment, we recorded a 5.1% growth over 2Q20, with portfolio reaching R\$ 41.8 billion. Highlight to the record production of R\$ 11.5 billion in the 1H21, a 41.4% increase over 1H20.

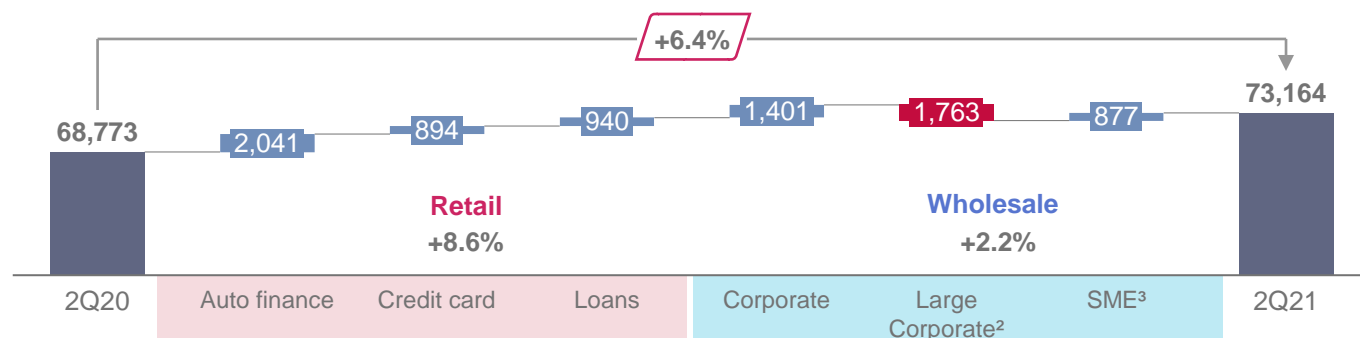
Compared to 1Q21, the Retail portfolio grew 2.4%. Likewise, the main highlights were the solar panels financing (+30.4%) and credit card (+14.3%) portfolios.

The **Wholesale** portfolio grew 2.2% compared to 2Q20, to R\$ 24.5 billion, highlighting the higher penetration in the Corporate segment (companies with annual revenue between R\$ 300 million and R\$ 1.5 billion), in addition to the growth in the SME³ segment. Both highlights are in line with our strategy to increase portfolio diversification and risk dispersion, whereas we seek profitability increase. The Corporate portfolio grew 25.2% over 2Q20, to R\$ 6.5 billion, and already represents 48.1% of the Wholesale on-balance portfolio (43.8% in 2Q20). The SME portfolio, a segment in which we started operating at the end of 2020 with focus on prepayment of receivables, reached R\$ 0.9 billion.

Compared to 1Q21, the wholesale portfolio varied by -0.7%.

Credit portfolio (R\$ M)	2Q20	1Q21	2Q21	Variation %	
				2Q21/1Q21	2Q21/2Q20
Retail segment (a)	44,826	47,539	48,701	2.4	8.6
Auto finance	39,720	41,450	41,761	0.8	5.1
Personal Loans	2,495	3,023	3,435	13.6	37.7
Credit Cards	2,611	3,067	3,505	14.3	34.2
Wholesale segment (b)	11,829	13,264	13,463	1.5	13.8
Growing Corporate	5,177	6,482	6,479	0.0	25.2
Large corporate + financial institutions	6,642	6,055	6,096	0.7	-8.2
Small and mid-size enterprise (SME)	11	727	888	22.1	n/a
On-balance loan portfolio (a+b)	56,655	60,803	62,164	2.2	9.7
Wholesale segment (b+c+d)	23,947	24,628	24,463	-0.7	2.2
Guarantees provided (c)	7,078	7,279	7,050	-3.2	-0.4
Private securities (d)	5,040	4,085	3,949	-3.3	-21.6
Retail segment (a)	44,826	47,539	48,701	2.4	8.6
Expanded credit portfolio (a+b+c+d)	68,773	72,168	73,164	1.4	6.4

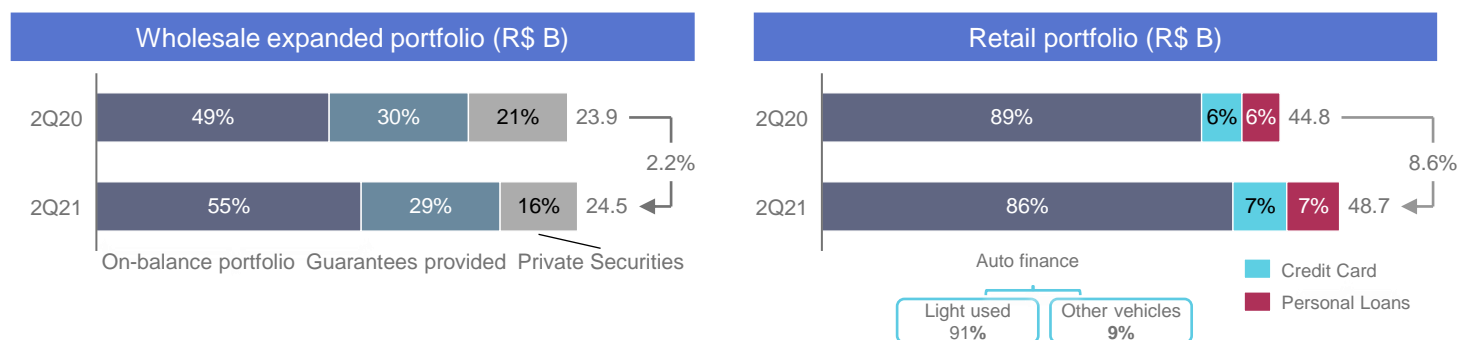
Credit portfolio (expanded) bridge evolution 2Q21 vs 2Q20 (R\$ M)



¹ Light used vehicles

² Includes Financial institutions

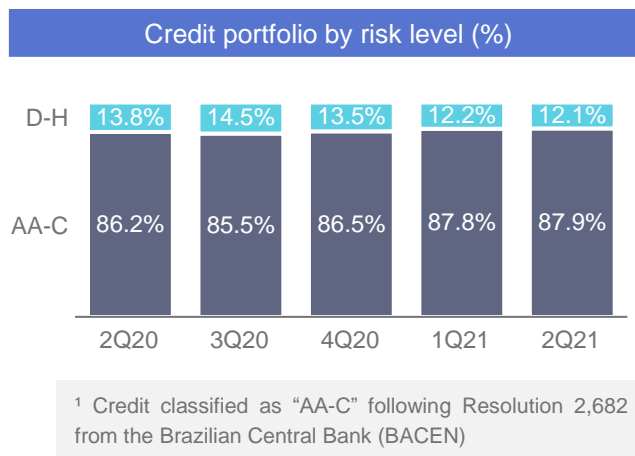
³ Small and mid-size enterprise



Credit Portfolio by Risk Level (%)

Banco BV's credit risk management aims to maintain the quality of the credit portfolio at appropriate levels for each segment. At the end of 2Q21, the D-H range was in line with 1Q21. Remembering that the increase in the D-H range recorded in 2020 was mainly driven by the prudential provisions accrued in that year to face the higher uncertain economic scenario due to the pandemic. Such effect has been gradually declining since 4Q20.

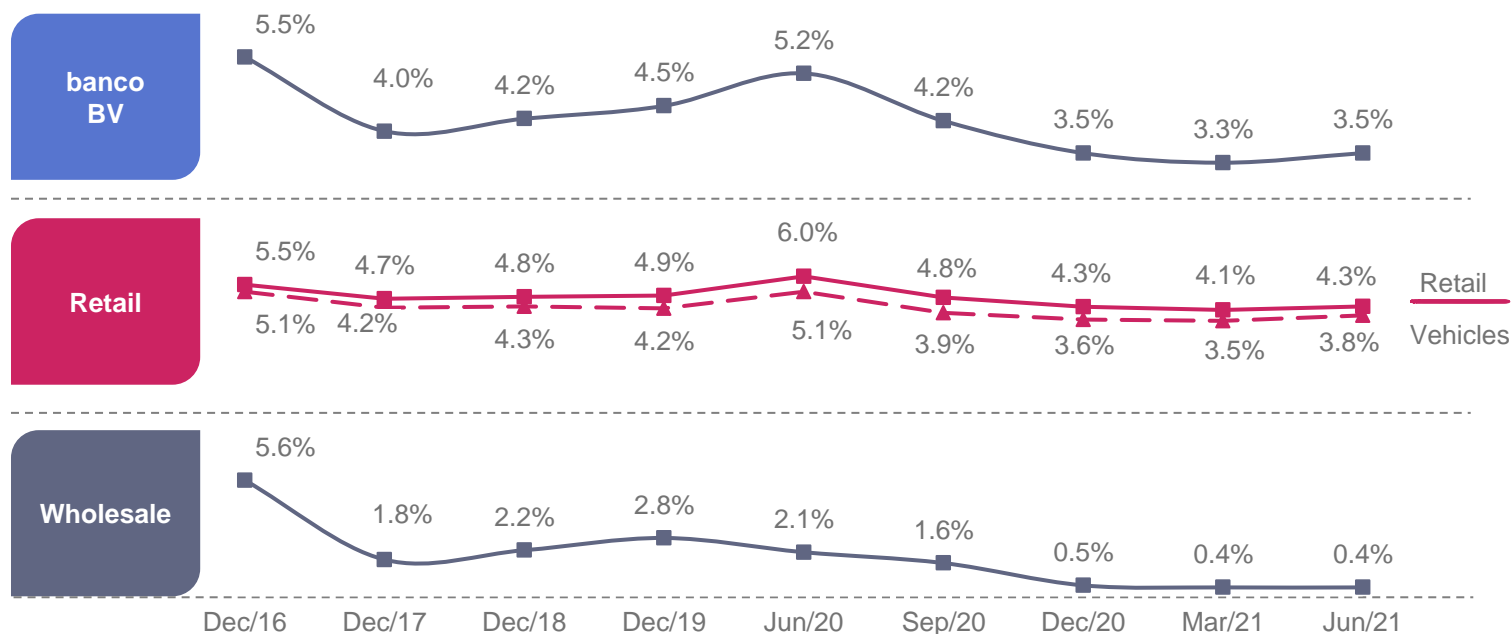
Credit rated between AA-C represented 87.9% of the credit portfolio at the end of 2Q21, compared to 86.2% in 2Q20.



Nonperforming Loans - NPL Ratio | Over 90 days

The main delinquency indicator (over-90) remained under control, ending 2Q21 at 3.5%. Despite the 0.2 p.p. increase vs the previous quarter, the indicator still remains below pre-pandemic levels. In comparison with 2Q20, the over-90 decreased by 1.7 p.p., remembering that our NPL ratio reached the peak in 2Q20 after the impacts from the pandemic on the credit quality in that period.

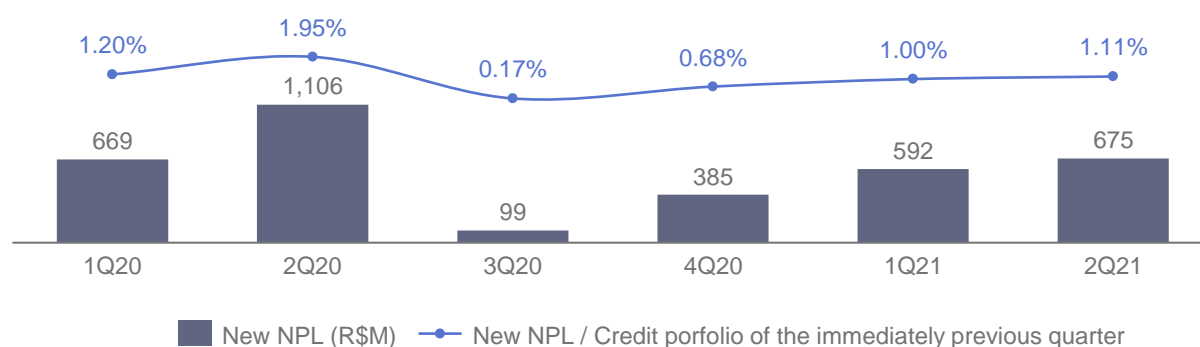
- Retail** - Over-90 for Retail closed the 2Q21 at 4.3%, slightly above (+0.2 p.p.) the previous quarter and 1.7 p.p. below 2Q20. In line with the explanation above, the indicator still remains below historical levels. Such behavior still reflects the stricter credit concession policy carried out in 2020, due to the pandemic, in addition to the positive effect resulting from lower families spendings, due to restrictions imposed by governments to contain the pandemic. Over-90 for Vehicles ended 2Q21 at 3.8%, a 0.3 p.p. increase vs 1Q21 and 1.3 p.p. lower the 2Q20.
- Wholesale** - The Wholesale portfolio has also been recording very adequate delinquency levels. The over-90 ratio ended the quarter at 0.4%, in line with 1Q21 and 1.7 p.p. below 2Q20.



New NPL

The New NPL, which accounts for the volume of nonperforming loans over 90 days in the quarter reached R\$ 675 million in 2Q21, 14.1% up over 1Q21 and 39.0% down vs 2Q20. This indicator presented a significant improvement in 2020 after the initiatives of extending contracts, adjustments made in the credit concession policy, in addition to the impacts of the emergency aid from the government and families spendings. With the end of such measures, the New NPL has gradually resumed the historical levels. The ratio New NPL / credit portfolio reached 1.11% in the quarter vs 1.00% in 1Q21 and 1.95% in 2Q20.

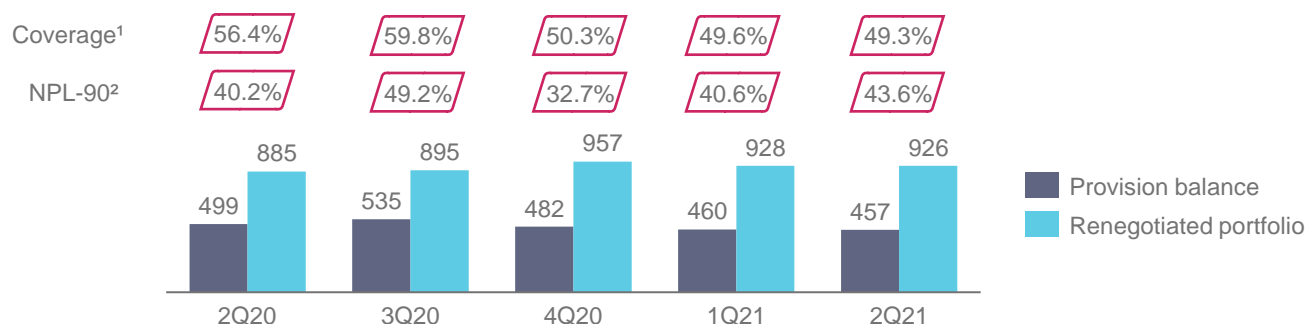
New NPL (R\$ M)	2Q20	1Q21	2Q21	Variation %	
				2Q21/1Q21	2Q21/2Q20
Managed loan portfolio (A)	56,655	60,803	62,164	2.2	9.7
90-day NPL Balance (NPL)	2,930	1,990	2,170	9.0	-25.9
Quartely NPL variation (B)	400	-91	180	-297.6	-55.1
Write-off (C)	706	683	496	-27.4	-29.8
New NPL (D=B+C)	1,106	592	675	14.0	-39.0
New NPL ratio (D/A)	1.95%	1.00%	1.11%	0.11 p.p.	-0.84 p.p.



Overdue Renegotiated Credit

The chart below shows information about the renegotiated loan portfolio due to late payment.

Overdue credit portfolio renegotiated (R\$ M)



¹ Provision balance / Portfolio Balance

² NPL 90 days of the renegotiated portfolio.

The balance of overdue renegotiated credit totaled R\$ 926 million in 2Q21. Compared to 1Q21, there was a 0.2% decline in the balance. In the same period, delinquency over 90 days (NPL 90-days) of this portfolio was 43.6%, compared to 40.6% in 1Q21, while the coverage ratio for this portfolio varied from 49.6% in 1Q21 to 49.3% in 2Q21.

More information can be found in the Financial Statements of the quarter ended on June 30, 2021, Note 11-k

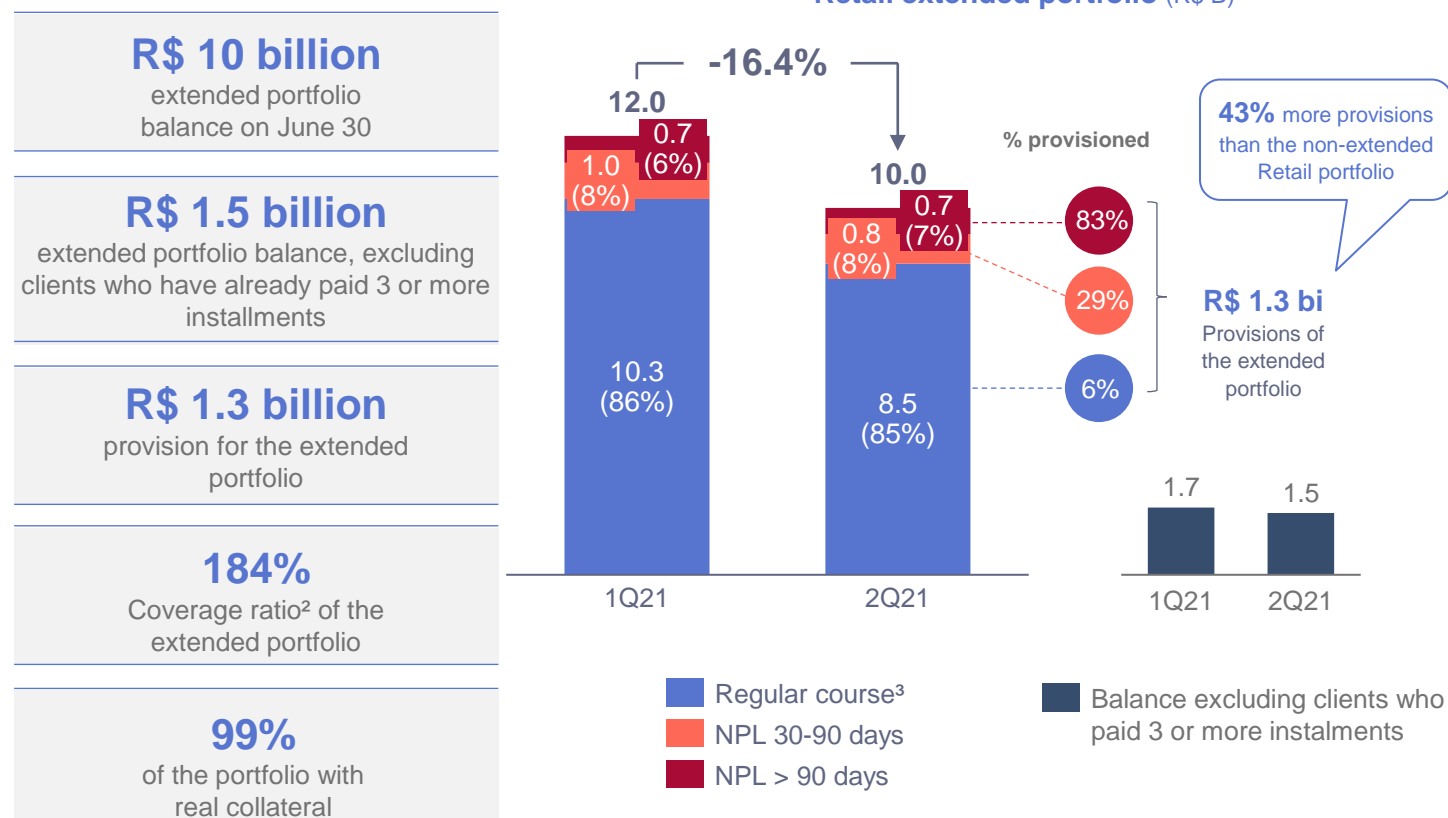
Supporting our clients during the pandemic

Since the beginning of the pandemic in Brazil, we have sought to support our clients with solutions to meet their needs. In March/20, we provided installment extensions by 60 days. In this initiative, non-overdue clients were able to postpone two installments to the end of their contract, with no embedded interest and maintaining the same installment value. At the end of the 60 days¹, those clients who needed it, had an additional term through the renegotiation of their contract, which implied an additional extension of the term.

This measure provided greater financial relief to clients, allowing more flexibility and conditions to reorganize their finances amid the economic crisis generated by the pandemic. Such initiative impacted over 800,000 clients with approximately R\$ 18 billion extended and/or effectively renegotiated.

At the end of 2Q21, the balance of the extended portfolio was R\$ 10.0 billion, representing a 44% reduction over the total balance of R\$ 18 billion. Out of this balance of R\$ 10 billion, 84.7% was in regular course (up-to-date or up to 30 days overdue) being 100% of clients in regular course have already paid 3 or more installments of the contract after the renegotiation. The remaining balance includes 8.0% with delinquency up to 90 days and 7.3% with delinquency over 90 days, totaling R\$ 1.5 billion, or 15.3% of the extended portfolio balance.

Retail extended portfolio (R\$ B)



1 - After 60 days, there was no interest exemption

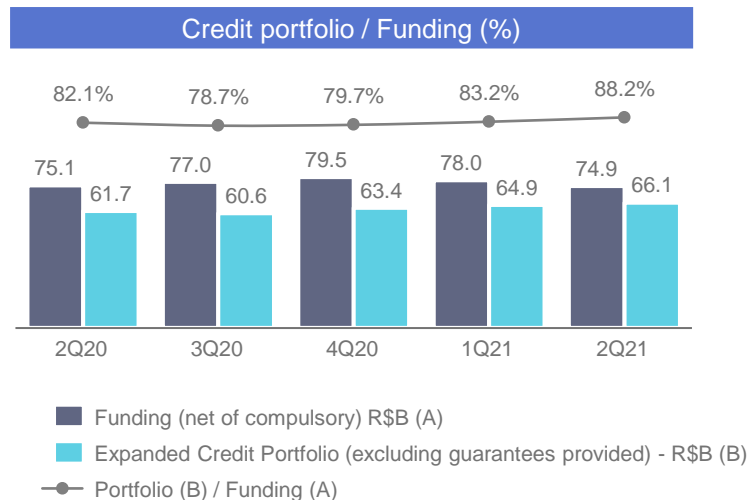
2 - Coverage Ratio of the over 90 days

3 - Non-overdue and overdue up to 30 days

Funding and Liquidity

Total funding reached R\$ 75.8 billion in 2Q21, 3.8% below the 1Q21 and in line with 2Q20. The variation in relation to the previous quarter was mainly driven by the prepayment of some Guaranteed Financial Bills during the quarter, as part of the bank's strategy for deconcentrating maturities. Stable funding instruments represented 59.4% of total funding at the end of 1Q21.

The ratio between the expanded credit portfolio (excluding guarantees provided) and the total funding net of compulsory deposits reached 88.2% in 2Q21, compared to 83.2% in 1Q21 and 82.1% in 2Q20.



Funding sources (R\$ B)	2Q20	1Q21	2Q21	Variation %		% of total 2Q21
				2Q21/1Q21	2Q21/2Q20	
Debentures	2.2	2.1	1.8	-13.3	-15.1	2.4
Deposits	25.1	25.2	23.0	-9.0	-8.4	30.3
Time deposits	20.8	20.6	20.4	-1.3	-1.9	26.8
Deposits on demand and interbank	4.3	4.6	2.6	-43.4	-39.4	3.4
Subordinated debts (1)	3.9	3.7	3.3	-10.0	-15.7	4.4
Subordinated Financing bills	2.3	1.9	1.8	-6.1	-20.8	2.4
Others subordinated debts	1.6	1.8	1.5	-14.3	-8.6	2.0
Borrowings and onlendings	5.0	3.7	4.2	13.2	-15.6	5.5
Bills	26.4	29.4	27.1	-8.0	2.6	35.7
Financing bills (1)	24.5	28.0	25.3	-9.7	3.1	33.3
Agribusiness credit bills ("LCA") and real estate credit bills ("LCI")	1.9	1.5	1.8	24.3	-3.8	2.4
Securitization with resources (1)	8.0	5.8	8.5	46.4	6.8	11.2
Securities abroad (1)	5.5	8.9	8.0	-10.4	44.2	10.5
Other	0.1	0.0	0.0	1.3	-89.8	0.0
Total funding	76.0	78.9	75.8	-3.8	-0.2	100.0
(-) Compulsory deposits	0.8	0.8	0.9	4.2	9.8	
(-) Cash & equivalents in local currency	0.1	0.0	0.0	7.0	-53.0	
Total funding net of compulsory	75.1	78.0	74.9	-3.9	-0.3	

(1) Stable funding instruments

Stable funding instruments / Total funding	55.1%	58.8%	59.4%	0.6 p.p.	4.3 p.p.
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In terms of liquidity, BV maintained its cash balance at a very conservative level. Liquidity Coverage Ratio* (LCR), which aims to measure the banks' short-term liquidity in stress scenarios, reached 258% in 2Q21, compared to 230% in 1Q21 and 184% in 2Q20. It is important to point out that the regulatory minimum stipulated by the Central Bank is 100%.

Moreover, banco BV has maintained a credit line with Banco do Brasil since 2009, which represents a significant liquidity reserve, and it has never been tapped.

Liquidity Coverage Ratio (LCR)	2Q20	1Q21	2Q21
High-quality liquid assets (HQLA) ¹ R\$ M	14,119	17,229	14,064
Total cash inflows – R\$ M	7,672	7,506	5,451
LCR*	184%	230%	258%

1. Mainly federal government bonds and bank reserves

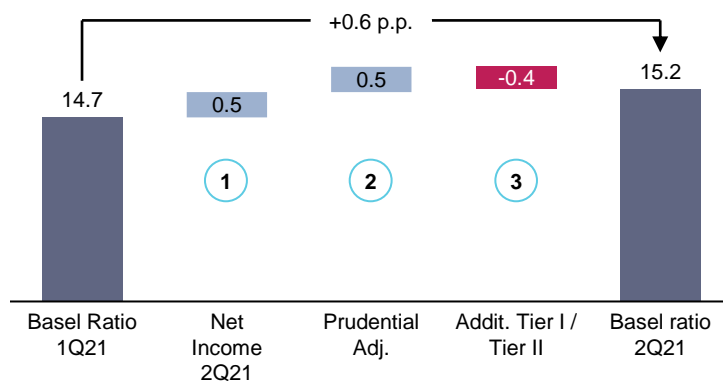
Capital

The Basel Ratio reached 15.2% in 2Q21, with the Tier I Capital ratio totaling 14.7%, 12.7% of CET1 and 2.0% of Complementary Capital.

In the quarterly comparison, the Basel Ratio recorded an increase of 0.6 p.p, without change in the Risk weighted assets, explained by:

- (1) The net income recorded in the quarter, with a +0.5 p.p. impact;
- (2) A reduction in prudential adjustments, mainly related to tax credits, with an impact of +0.5 p.p., and;
- (3) Reduction in Additional Tier I and Tier II capital, mainly due to exchange effects on additional capital (-0.4 p.p.).

Change in the Basel Ratio 2Q21 vs 1Q21



Basel Ratio (R\$ M)	2Q20	1Q21	2Q21	Variation %	
				2Q21/1Q21	2Q21/2Q20
Total Capital	9,978	11,183	11,653	4.2	16.8
Tier I Capital	9,228	10,698	11,230	5.0	21.7
Common Equity Tier I	7,579	8,939	9,722	8.8	28.3
Additional Tier I	1,649	1,759	1,508	-14.3	-8.6
Tier II Capital	750	485	424	-12.7	-43.5
Risk Weighted Assets (RWA)	69,156	76,324	76,438	0.1	10.5
Credit risk	61,633	66,054	66,694	1.0	8.2
Market risk	1,041	3,691	3,165	-14.3	203.9
Operational risk	6,482	6,579	6,579	0.0	1.5
Minimum Capital Requirement	5,533	6,106	6,115	0.1	10.5
Tier I Capital Ratio	13.3%	14.0%	14.7%	0.7 p.p.	1.3 p.p.
Common Equity Tier I Ratio (CET1)	11.0%	11.7%	12.7%	1.0 p.p.	1.8 p.p.
Additional Tier I Ratio	2.4%	2.3%	2.0%	-0.3 p.p.	-0.4 p.p.
Tier II Capital Ratio	1.1%	0.6%	0.6%	-0.1 p.p.	-0.5 p.p.
Basel Ratio (Capital/RWA)	14.4%	14.7%	15.2%	0.6 p.p.	0.8 p.p.

Compared to 2Q20, the Basel Ratio increased 0.8 pp, with an increase of 1.8 p.p. in CET1, which more than offset the 0.5 p.p. drop in Tier II Capital, mainly due to the decline in subordinated debt that comprise this Capital, in addition to the exchange effect on the additional Tier I Capital. The improvement in CET1 is mainly related to higher profit generation in the period and the positive impact of prudential adjustments resulting from the consumption of tax credits.

The Basel Ratio was calculated according to the Basel III methodology for calculating the minimum requirements for Reference Equity, Tier I and Core Capital.

On 03/16/2020, Central Bank's Resolution 4,783/2020 temporarily amended the minimum regulatory capital. By the end of 2Q21, the minimum capital requirement was 9.625%, with 7.625% being the minimum for Tier I Capital and 6,125% for Core Capital (CET1).

Diversified Business Portfolio

Supported by the pillars of Efficiency & Financial Strength, Digital Strategy, Customer Centrality and ESG agenda

Credit portfolio¹
R\$ 73 billion
 +6.4% vs 2Q20

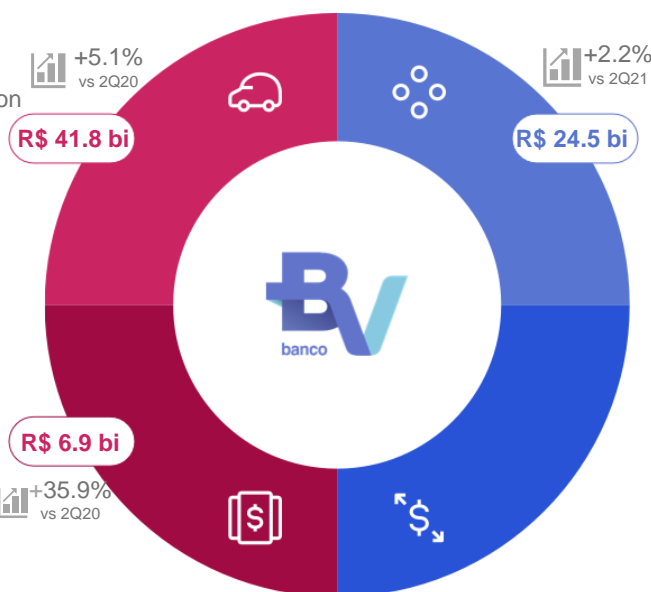
Retail

Auto finance

- Leader in the light used vehicles
- Capillarity (+21,400 dealers)
- Innovation and digital transformation
- 100% digital contracting
- 98% automatic decision

other retail businesses

- **Credit cards:** over 1 million clients. Complete portfolio of cards. Mastercard, Visa and Elo flags
- **Insurance brokerage:** Auto, loan protection, residential, life, dental, credit card and assistance services (home, funeral, pet)
- **Solar panel financing portfolio:** a 237% growth over 2Q20
- **Other loans:** Personal loans, private payroll, car equity, home equity, student loans, solar panels, tourism and medical procedures



Wholesale

corporate & investment banking

Corporate Banking

- Growing Corporate (> R\$ 300 million)
- Large Corporate (> R\$ 1.5 billion)
- SME (prepayment of receivables)

Corporate segment growth: +25.2% vs 2Q20, accounting for 48.1% of on-balance Wholesale portfolio

Banking as a Service (BaaS)

- Settlement and custodian bank for startups

wealth management

BV Asset

- **R\$ 48 billion** under management
- Prominent position in **structured funds**
- **8th largest²** real estate fund manager
- **48% of AuM** backed by real economy assets
- **BV Private:** Recognized brand in the industry, with customized solutions for high-income clients



BV^x is our innovation business unit that generates value through connection with the startup ecosystem, with co-creation methods, proprietary developments and investments in our partners.

Corporate
venture capital

BV open –
BV as a Platform

BV Lab –
Lab of innovation

¹ Expanded credit portfolio (includes guarantees provided and private securities)

² According to Anbima ranking as of June 2021

Retail portfolio

Auto Finance

Throughout its 30-year history, BV has acquired relevant competitive advantages in this segment, which ensures a prominent position in Brazil.

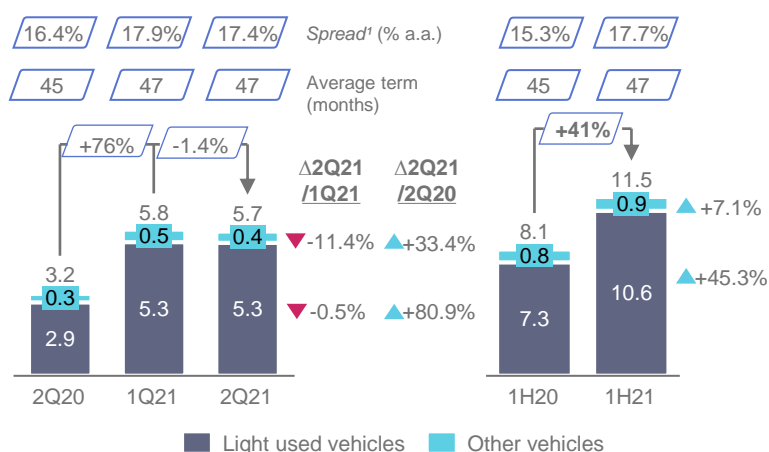
- **Capillarity:** presence in more than 21,400 dealers throughout Brazil; 20 physical stores
- **Agility:** 98% of automatic credit analysis, with a response time of less than 1 minute
- **Digital transformation:** digitalization of the whole financing treadmill, from the simulation to the contract signature and payment
- **Digital origination partners:** Meu Carro Novo, Mobiauto, Mercado Livre and Icarros
- **Expertise:** continuous improvement of management tools with strong use of data science (e.g. analytics, modeling) and innovation (e.g. OCR "optical character recognition", biometrics)

The volume of **auto finance origination** reached R\$ 5.7 billion in the quarter, with R\$ 5.7 billion (or 92%) related to light used vehicles and R\$ 0.4 billion of other vehicles (new, motorcycles and heavy). Compared to 1Q21, there was a 1.4% drop in origination, with the light used segment remaining stable, while other vehicles declined by 11.4%. The drop in other vehicles financing was driven by the implementation of new restrictive measures during the month of April, reflecting the worsening of the pandemic, with an impact on the production of brand-new vehicles.

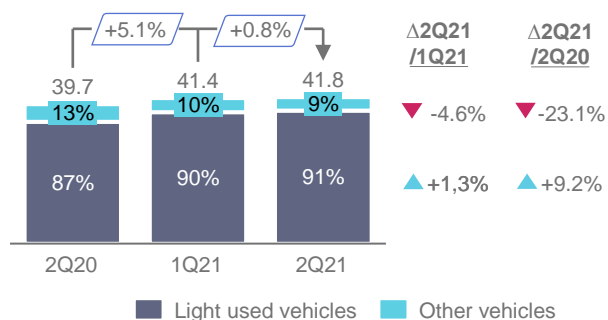
Compared to 2Q20, the origination level grew 76%, with an 80.9% increase in the light used financing, which ensured BV's sustained leadership in this segment. Other vehicles financing increased by 33.4%, with the gradual resumption of production of brand-new vehicles.

As a result, the auto finance portfolio ended 2Q21 at R\$ 41.8 billion, +0.8% vs 1Q21 and +5.1% vs 2Q20. The light used portfolio represented 91% of the total portfolio and grew by 1.3% and 9.2% compared to 1Q21 and 2Q20, respectively. In turn, the other vehicles portfolio decreased by 4.6% and 23.1% against the same periods, respectively.

Auto Finance origination (R\$ B)



Auto finance portfolio (R\$ B)



Auto Finance - Origination	2Q20	1Q21	2Q21	1S20	1S21	Variation %		
						2Q21/1Q21	2Q21/2Q20	1S21/1S20
Spread ¹ (% p.a.)	16.4	17.9	17.4	15.3	17.7	-0.5 p.p.	1.0 p.p.	2.4 p.p.
Average term (months)	45	47	47	45	47	0	2	2
Down payment ² (%)	41.1	42.2	43.6	41.1	43.6	1.4 p.p.	2.5 p.p.	2.5 p.p.
Light used vehicles / Auto origination (%)	89.9	91.5	92.3	89.9	92.3	0.8 p.p.	2.4 p.p.	2.4 p.p.
Total auto finance origination (R\$ B)	3.2	5.8	5.7	8.1	11.5	-1.4%	76.1%	41.4%

Auto Finance - Portfolio	2Q20	1Q21	2Q21	1S20	1S21	Variação %		
						2Q21/1Q21	2Q21/2Q20	1S21/1S20
Spread ¹ (% a.a.)	16.8	17.5	16.4	16.2	17.1	-1.1 p.p.	-0.4 p.p.	0.9 p.p.
Average term (months)	41.5	43.8	44.6	41.5	44.6	1	3	3
Used cars / Auto portfolio (%)	87.5	90.3	90.8	87.5	90.8	0.5 p.p.	3.3 p.p.	3.3 p.p.
Average vehicle age (years)	6.4	6.7	6.7	6.4	6.7	0.0 p.p.	0.3 p.p.	0.3 p.p.
Auto finance portfolio (R\$ B)	39.7	41.4	41.8	39.7	41.8	0.8%	5.1%	5.1%

¹ Spread between the weighted average rate and the SELIC accrued over the period

² Based on the value of assets reported when contract is signed

Retail portfolio



Insurance brokerage

A diversified portfolio of insurance products offered by BV. Below, the products and its respective partners:

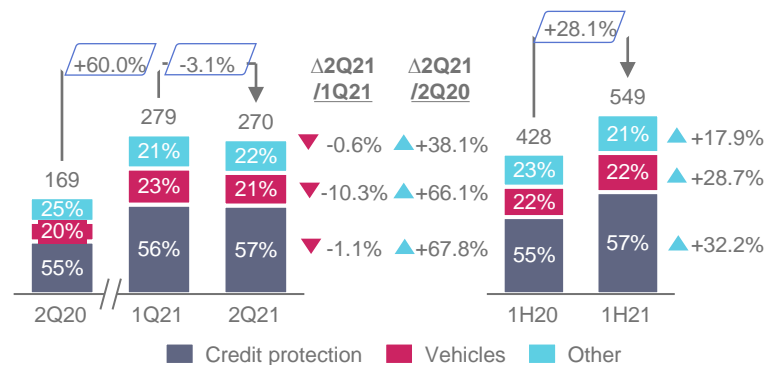
Insurance	Vehicles	Credit protection	Residential	Life + personal accident	Dental	Credit card	Assistance services ¹
Partner	 						

¹Home, pet and funeral assistance services

Insurance premiums reached R\$ 270 million in 2Q21, down 3.1% in the quarter. The drop mainly reflects the retraction in vehicle origination due to the impacts of the pandemic, as explained above. Compared to 2Q20, premiums increased by 60.0%, following the trend of recovery in vehicle origination levels.

Year-to-date, insurance premiums totaled R\$ 549 million, a 28.1% increase over 1H20, with recovery in all products.

Insurance premiums (R\$ M)



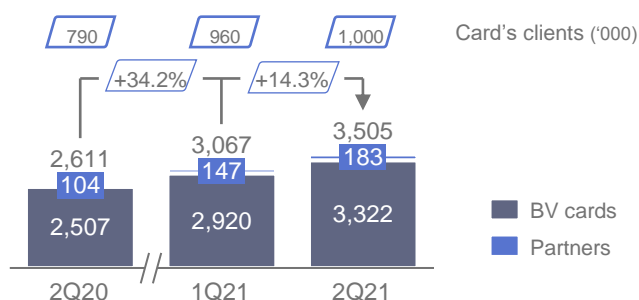
Credit Card

- A complete credit card portfolio in the Mastercard, Visa and Elo brands, in addition we offer a card in partnership with Dotz Program
- Distinguished benefits: program points, cashback, discounts in the annual fee and vehicle assistance
- Improvement of the cards' portfolio: Launching of a BV card with no annual fee in 1Q21
- Cards app integrated with the digital account services and auto finance

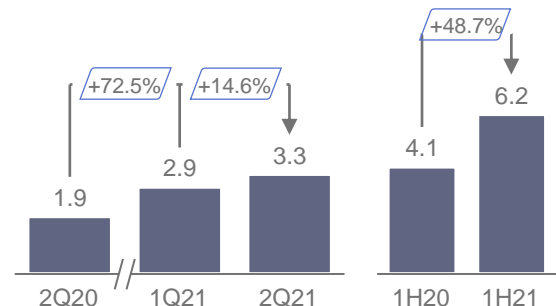
We ended 2Q21 with a card portfolio of R\$ 3.5 billion, a 14.3% growth over 1Q21 and 34.2% over 2Q20. At the end of 2Q21, we reached the mark of 1 million card customers, compared to 960 thousand in 1Q21 and 790 thousand in 2Q20.

Volume traded grew by 14.6% in 2Q21, to R\$ 3.3 billion, compared to R\$ 2.9 billion in 1Q21. Compared to 2Q20, the volume transacted grew 72.5%. Year-to-date, volume traded grew 48.7% reaching R\$ 6.2 billion.

Credit card portfolio (R\$ M)



Volume traded (R\$ M)



Retail portfolio

Loans

Wide range of products for retail, in addition to financing products in partnerships with fintechs and startups



Personal loan



Vehicle equity loan (CVG)



Home equity



Private payroll



Solar panel



Student loan



Tourism



Medical procedures



+800

Bank correspondents spread throughout Brazil

Digital partners

For the origination of personal loans



Partners in the offering of retail credit products



Electronic signature with biometrics for all products

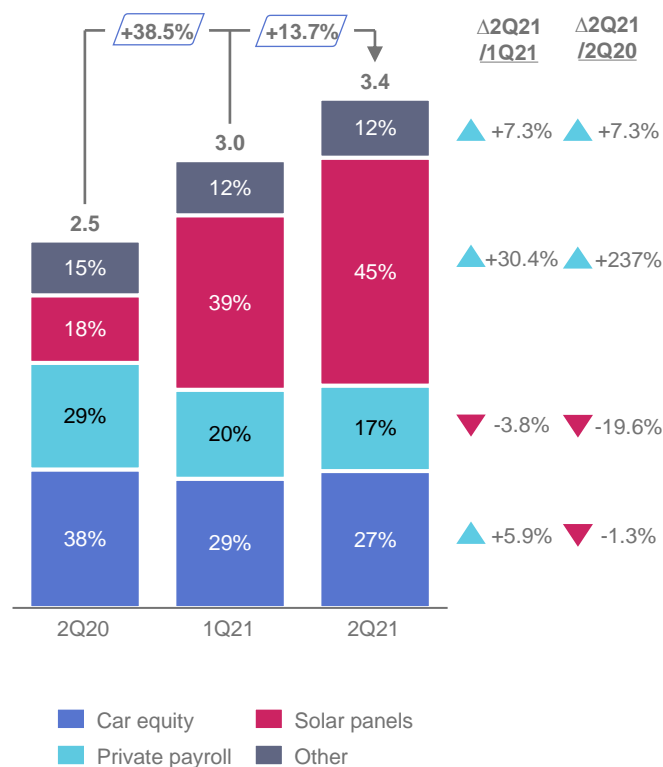


This segment includes BV proprietary products and products co-created in partnerships with fintechs or renowned companies in their respective sectors. In addition to broadening the product portfolio for our clients, we also have expanded and diversified our portfolio.

In 2Q21, we recorded a 13.7% growth compared to 1Q21 and 38.5% compared to 2Q20, reaching a portfolio of R\$ 3.4 billion, with important progresses in our diversification strategy. The main highlight continued to be our solar panels financing portfolio, which grew by 237% over 2Q20 and 30.4% over 1Q21, totaling R\$ 1.5 billion. By the end of the quarter, the solar panel financing represented 45% of the loan portfolio, compared to 18% in 2Q20. The car equity portfolio recorded a 5.9% increase over the previous quarter and a 1.3% decrease compared to 2Q20.

The private payroll portfolio decreased 3.8% compared to 1Q21 and 19.6% compared to 2Q20, ending the quarter at R\$ 576 million. Finally, other loans, which include personal loan, student loan and financing for medical procedures, grew by 7.3% over 1Q21 and 2Q20.

Loan portfolio (R\$ B)



Digital strategy

BV App / BV Digital account

We made important progresses in the **app banco BV** strategy during 1H21. The app offers an intuitive experience in which customers can manage all their products contracted with the bank in one place. With this, credit card customers can access and integrate their card services, such as virtual card and billing in real time, on the same platform. Likewise, auto finance clients can manage their contract, issue a billet, renegotiate installments digitally, bringing more convenience to their daily lives.

The app also brings a new solution for our clients, the **BV digital account**. The account's value proposition is to help our clients to organize their financial lives. The BV digital account is 100% free and provides service packages such as PIX and transfers, payments and withdrawals on the Tecban network (Banco24Horas). And with the multiple card of the BV account, the customer will be able to pay slips up to 40 days beyond the due date, without interest and without fees. For investment and profitability option, the BV account offers the opportunity to save money in envelopes customized for the clients' life goals and that yield 100% of the benchmark interest rate (CDI).

These initiatives resulted in a significant growth in the number of downloads, users and accesses to the platform. By the end of 1H21, the app had reached more than 3 million downloads. During the 2Q21, an average of 900 thousand customers accessed the platform per month and the and the daily average of new accounts opened increased 5 times compared to 1Q21.

RATINGS



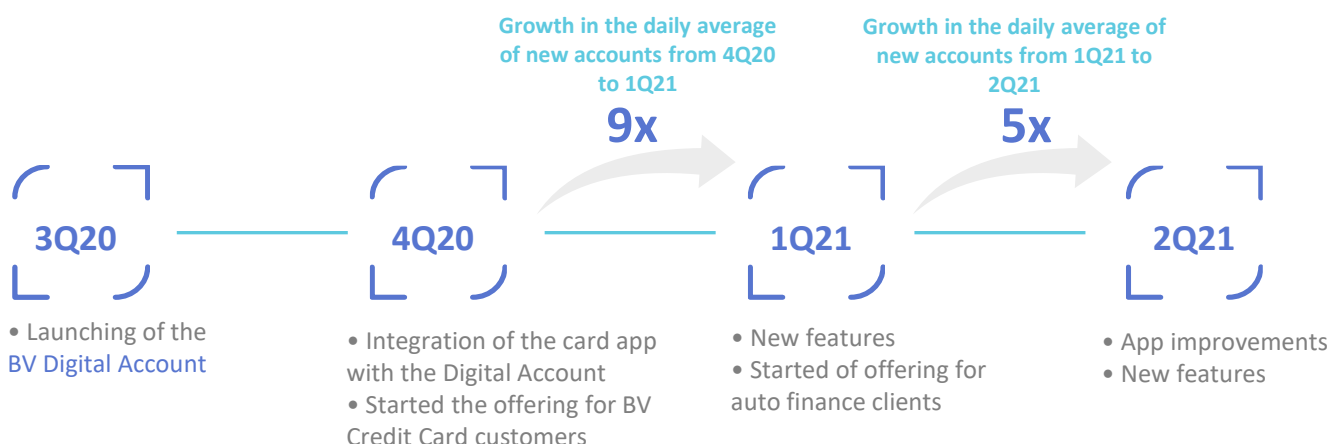
4.2



4.3

+3 million
downloads

900 thousand
clients accessed the
plataform per month¹



¹ Average for the 2nd quarter of 2021

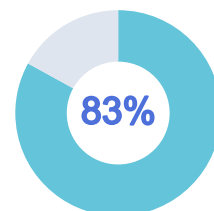
Digital strategy

Engagement in digital channels

In addition to the digital account, we continue to invest to improve our digital channels, always seeking the best experience for our clients. In 2021, we have seen a significant growth in the use of digital channels by clients, whether for support, performing transactions, financing simulations and acquiring products. During the period, we had more than 1.7 million¹ accesses on *Minha BV* and/or App, with 83% of customer service carried out via digital channels.

1.7 million accesses¹

of clients in *Minha BV* and/or App
+35% vs 1H20



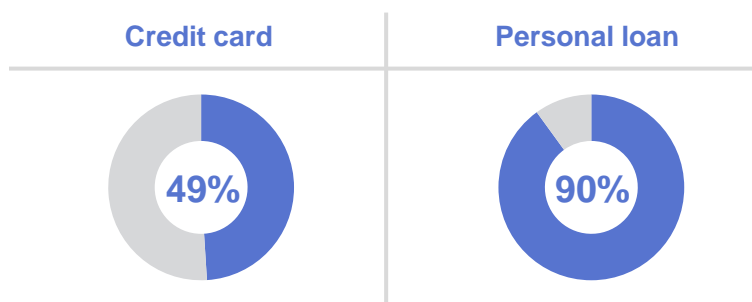
of customer service via digital channels vs 70% in 1H20

Another fact that evidences the higher digital engagement of clients is the percentage of credit origination carried out via digital channels. Auto finance from digital leads grew by 50% vs 1H20. The sale of BV credit cards is already 49% digital, compared to 18% in 1H20. Finally, 90% of personal loan was originated via digital channels (70% in the same period in 2020), either on BV's own channels or on the channels of our digital partners.

+50%

growth in auto finance origination via digital leads

% of credit origination from digital channels in 1H21



During the semester, we rolled out the new simulator for our car dealers partners, providing a better experience for the dealer and improving efficiency in the credit analysis process. We increased investments to expand sales via digital channels and expanded our digital partnerships, which today include: Icarros, Meu Carro Novo, Mercado Livre and Mobiauto. During 1H21, we recorded 8.3 million auto finance simulations, with 36% of the simulations being carried out on digital channels (BV website and digital partners), compared to 18% in 1H20.

8.3 million

of auto finance simulations carried out in 1H21
+29% vs 1H20

36%

of the simulations carried out on digital channels
vs 18% in 1H20

¹ unique customers who used the web and/or App digital channels in the semester

Wholesale portfolio



Corporate & Investment Banking (CIB)

With agile and customized solutions that simplify the daily processes of companies, CIB offers a wide variety of loan products, capital markets, treasury and services. Our CIB serves economic groups with annual revenues above R\$ 300 million, classified as "Growing Corporate" and "Large Corporate" segments, in addition to the prepayment of receivables for Small and Medium Enterprises (SMEs).

Growing Corporate

Clients¹:

Annual revenue >R\$ 300M <R\$1.5 billion

Strategic Focus:

Expansion of the portfolio

Large Corporate

Clients¹:

Annual revenue > R\$ 1.5 billion

Strategic Focus:

Selective approach leveraging products where we have a solid competitive advantage, such as local DCM

SME

Clients¹:

Small and Medium Enterprises

Strategic Focus :

Prepayment of receivables through (i) penetration into the value chain of our CIB customers and (ii) partnership with fintechs

Wide variety of products

Local Currency & Cash Management

Derivatives

Capital Markets & M&A

Foreign Currency & FX

Fund raising

Corporate & Project Finance

¹ Economic groups

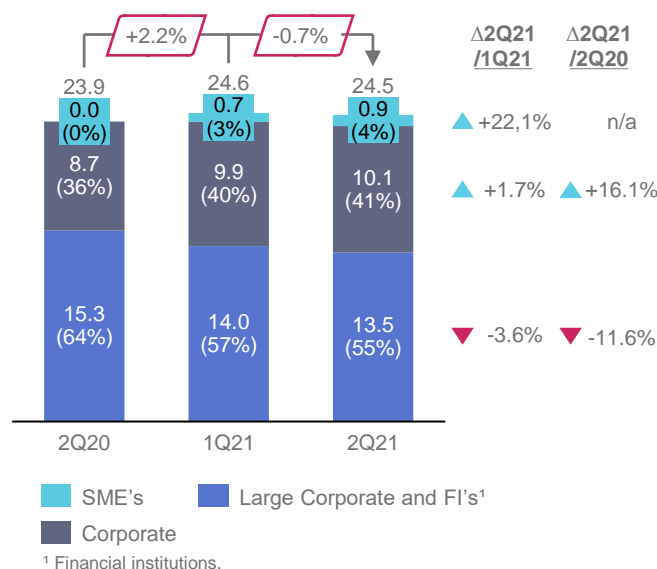
The CIB expanded credit portfolio ended 2Q21 at R\$ 24.5 billion, down 0.7% from the previous quarter and up 2.2% in the last 12 months. Excluding the exchange rate effect, CIB portfolio expanded by 1.5% over 1Q21 and 3.6% vs 2Q20.

The Corporate segment recorded a 16.1% growth in the last 12 months, reaching R\$ 10.1 billion and now represents 41% of CIB's expanded portfolio (vs. 26% in 2Q20). Compared to 1Q21, this segment recorded a 1.7% growth.

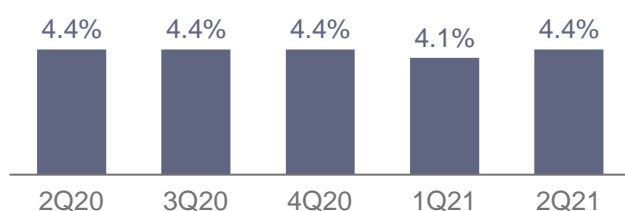
The Large Corporate segment (including Financial Institutions), in turn, dropped 11.6% in the last 12 months, to R\$ 13.5 billion, representing 55% of CIB's expanded portfolio. Compared to 1Q21, there was a 3.6 decline%.

Finally, in line with our strategy of diversifying and spreading the portfolio's risk, as of the end of 2020, we started operating in the segment of prepayment of receivables for SME's. We ended 2Q21 with a portfolio of R\$ 0.9 billion.

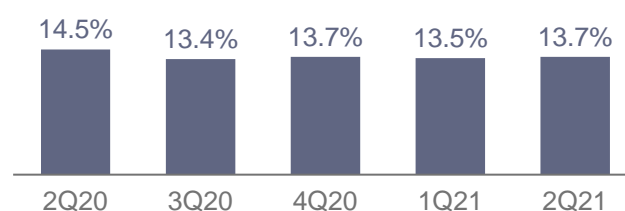
CIB - Expanded portfolio (R\$ B)



10 largest debtors¹



100 largest debtors¹



¹ Regarding the On-balance credit portfolio

CIB portfolio - Breakdown by sector

At the end of 2Q21, CIB had a very diversified portfolio, with no exposure concentrated in any economic sector.

CIB portfolio by sector	2Q20		2Q21	
	R\$ M	Part.(%)	R\$ M	Part.(%)
Financial Institution	3,448	14.4%	3,231	13.2%
Industry	1,807	7.5%	2,123	8.7%
Real Estate	2,050	8.6%	2,021	8.3%
Sugar and ethanol	1,669	7.0%	1,668	6.8%
Retail business	1,678	7.0%	1,352	5.5%
Electric power	1,064	4.4%	1,233	5.0%
Project Finance	1,005	4.2%	1,068	4.4%
Telecommunications	942	3.9%	944	3.9%
Agroindustry / Agrochemicals	627	2.6%	912	3.7%
SME's	11	0.0%	888	3.6%
Oil & gas	861	3.6%	823	3.4%
Cooperatives	759	3.2%	780	3.2%
Rentals	496	2.1%	762	3.1%
Vehicle assemblers / Dealers	710	3.0%	591	2.4%
Health	487	2.0%	460	1.9%
Mining	505	2.1%	454	1.9%
Services	649	2.7%	387	1.6%
Pharmaceutical	438	1.8%	339	1.4%
Sanitation	597	2.5%	330	1.3%
Other	4,145	17.3%	4,097	16.7%
Total	23,947	100%	24,463	100%

Wholesale - Wealth Management

Our Wealth Management develops and provides sustainable solutions in wealth management, with strategic well traced goals for both the distinctive markets in which it operates:



Asset Management – BV Asset

Recognized for its consistent performance and great innovative capacity, BV Asset has been working on the structure and selection of fund managers for the Impact Fund, which was approved by Banco BV's Sustainability Committee to be launched in 3Q21.

BV Asset has a prominent position in the asset management industry in Brazil, with approximately R\$ 48 billion under management.

In June 2021, BV Asset received the ratification of the maximum score from S&P (AMP-1), due to the discipline of investment management processes and good fiduciary principles.



Private Bank – BV Private

We offer financial products and solutions suited to investors' needs, in addition to always seeking the best solutions for wealth management in Brazil and abroad, bringing innovation and expertise from our asset allocation team to the portfolios.

We have a prominent position on the private banking industry, occupying the **8th position in the Anbima management ranking¹**, with approximately R\$ 22 billion in assets under management.



R\$ 48 billion
under management

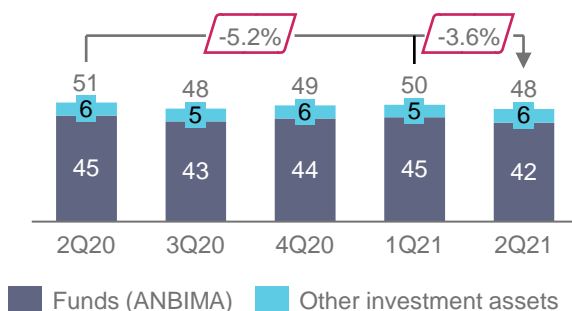
225 funds under management

48% of assets backed by real economy assets

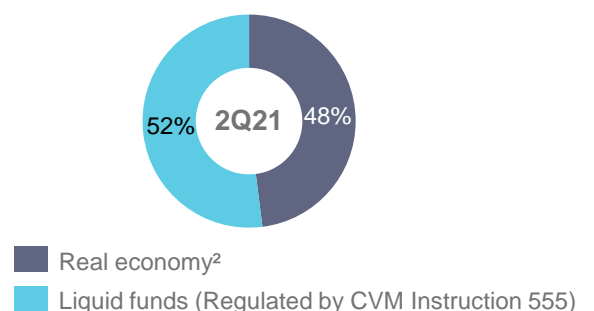
8th largest real estate fund manager

BV Asset ended 2Q21 with approximately R\$ 48 billion in assets under management (AuM), a 3.6% reduction compared to 1Q21, due to the Voluntary Tender Offer for the acquisition of quotas of the real estate investment funds Securities and Securities III, carried out in April. By the end of the quarter, 48% of the funds managed by BV Asset were backed by real economy assets, including real estate, energy and infrastructure, which reinforces our prominence in the real estate fund industry, where we occupy the 8th position according to the Anbima ranking.

Assets under management (R\$ B)



Funds backed by real economy assets²



BV Asset: Excellence in investment management

Signatory of:



Since 2019, BV Asset is a signatory of **PRI** (Principles for Responsible Investment)



3rd place in the category
Leader Institution in
Responsible Investment

S&P Global
Ratings

Recognized with rating
AMP-1 ("Very Strong")
by S&P Global Ratings

1 - Ranking ANBIMA as of June 2021
2 - Includes real estate, energy, infrastructure and others

BV^x Innovation Business Unit

BV's digital strategy involves the constant search for better services and experiences for our clients, always using innovation as a key tool. BV^x, our innovation business unit, has the mission of generating value through the connection with the startup ecosystem, through co-creation, proprietary developments and investments in strategic partnerships, and acts on 3 fronts: **i) Corporate venture capital** ; **ii) BV Open** and; **iii) BV Lab** (innovation laboratory).

I. Corporate Venture Capital and strategic partnerships

We invest and establish partnerships with fintechs and other startups that have synergies with BV and that complement our portfolio of solutions for the clients. **During 1H21, we highlight the following strategic investments:**



We expanded our stake in **Portal Solar¹**, consolidating BV as one of the main players in the solar panel financing segment in Brazil. In addition to the great potential of solar energy in the country, the investment is in line with our ESG agenda. Portal Solar is the first and largest portal specialized in solar energy in Brazil.

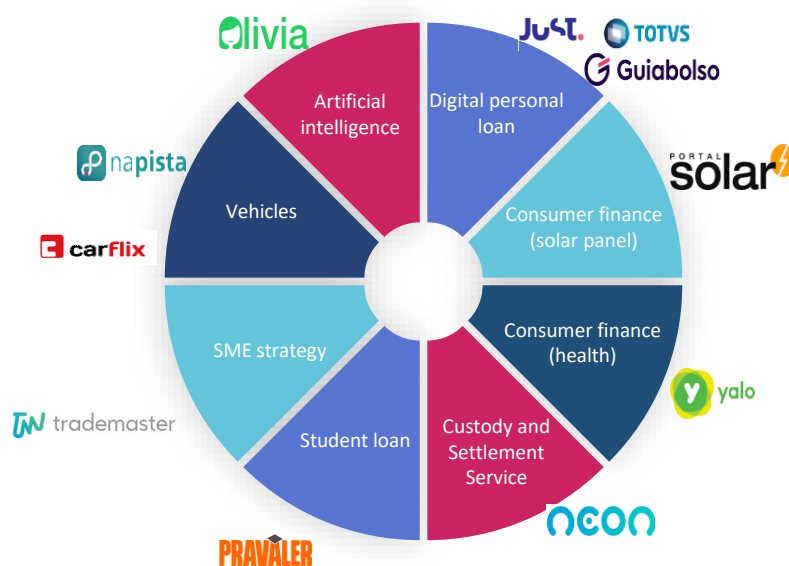


We invested in **Trademaster** aiming at strengthening our strategy in the SME segment². The fintech already serves more than 450,000 small and medium retailers, leveraging sales throughout the distribution chain through access to credit, better terms and commercial conditions, with large industries and their distributors.

Between direct investments and partnerships for co-creation and lead/distribution of products, we had approximately 30 innovative companies enriching our ecosystem at the end of 2Q21.

~30 partnerships

for co-creation and distribution of products



note: non-exhaustive vision of BV^x

¹ Transaction awaits approval by the Central Bank

² Small and medium enterprises


II. BV Open: The platform for partnerships via our API's

BV Open plays an important role in Banco BV's revenue diversification strategy, acting as a distribution channel for our services. We offer our partners and customers the following BV Open solutions: **Banking as a Service (BaaS), Credit as a Service (CaaS) and Investment as a Service (IaaS).**

We ended 2Q21 with 47 partners from the most varied segments such as education, energy, healthcare and e-commerce connected and using the services of our BV Open platform.

 **47 partners**
use the services of our
BV Open platform

Abastece Aí, the loyalty program for Ipiranga gas stations, is our BaaS partner, and we offer settlement bank services for the program's digital wallet structure. During 1H21, we highlight the significant growth in the number of accounts opened by Abastece Aí clients. By the end of 2Q21, the program reached over 3.5 million accounts opened.

 **3.5 million**
accounts opened for our
BaaS partner

Another highlight was the volume (number of transactions) carried out on our Banking as a Service (BaaS) platform, which reached 74 million transactions during 1H21, 308% growth over 1H20, driven by Pix, the instant payment method launched by the Brazilian Central Bank in end of 2020.

 **74 million**
transactions carried out on
our BaaS platform

III. BV Lab: Innovation Laboratory

In addition to the innovation implemented by investments and/or strategic partnerships, our innovation lab uses technology, data and the power of the ecosystem to prototype and experiment with innovative new solutions in the finance industry.

Continuing the actions of BV Lab in Israel, during 2Q21 we signed a key partnership with StartUp Nation Central (SNC), a non-profit organization that connects Israel's innovation ecosystem with potential partners in the global market. BV was chosen to be SNC's strategic partner due to its historic commitment to open innovation and its intense digital agenda. Israel has the highest per capita concentration of startups in the world: one for each 400 people.



Open innovation

Following our vocation for digital partnerships, we carried out another batch of the institutional open innovation program, *BV/lab Facilita*. The program has the support of the District, ABFintechs, ABStartups and investment funds. During the period, we established new connections with digital startups such as TAMR (USA), Fhinch (BRA), D1 (BRA), Talent Academy (BRA). We believe that expanding the relationship with the different actors in the innovation ecosystem accelerates the bank's technological agenda.



¹ Includes registration and payment of bank slips, TED and Pix

ESG (Environmental, Social and Governance) initiatives

In May of this year, we released our "Pact BV for a lighter future". In it, we assumed 5 public commitments in ESG actions to be achieved by 2030, which are:

01 Neutralize our environmental impact	02 Accelerate social inclusion	03 Mobilize resources to foster sustainable business
 	 	  
<p>1. To compensate 100% of CO₂ emissions in our main business, the used auto finance</p> <p>2. To compensate 100% of direct GHG¹ emissions by BV</p>	<p>We commit by 2030 to:</p> <p>3. To reach 50% of leadership positions held by people who identify with the female gender</p> <p>4. To ensure the participation of 35% of afro-descendants in BV's workforce</p>	<p>5. To finance and distribute in the capital markets R\$ 80 billion for ESG initiatives</p>

Taís Araújo
A nossa embaixadora BV



Taís Araújo is the new ambassador for banco BV

In addition to the support in the disclosing of our ESG initiatives, she will also help us in creating solutions that make life easier for people and companies. Active in environmental and social impact fronts, the actress comes with great connection to the purposes of BV, which has pillars in these areas present in its trajectory since its foundation.

Environmental

Committed with our "**BV Pact for a lighter future**", in which we aim to **offset 100% of the CO₂ emissions** of the cars we finance from 2021 (and of customers prior to this period who join the program), we ended the 2Q21 with 469 thousand vehicles already part of the program, representing 212 thousand tons of CO₂eq¹. Additionally, we offset 100% of our direct GHG emissions², equivalent to 3.1 thousand tons, referring to the year 2020.



469,000

vehicles have already been included in the program and will have their emissions offset



212,000

tons of CO₂ will be offset referring to vehicles financed by BV



3,100

tons of CO₂ were offset referring to our direct emissions

Regarding our sustainable business, after the first issuance, in 2020, of a green bond by a Brazilian private bank certified in the foreign market, during 2Q21 we issued a **Green Financial Bill**, in the amount of **R\$ 500 million**, which will be used to finance solar energy projects.

During 2Q21, we further expanded the **solar panels financing, recording a 237% growth** in the portfolio vs 2Q20, reaching R\$ 1.5 billion. Finally, we launched a line with differentiated rates and terms for financing electric and hybrid cars.

Social

In March of this year, we launched the **second social mobilization campaign** to collect donations to benefit families in situations of economic vulnerability. We invited clients, partners and society, individuals and companies, to engage in the donations, through which we contribute with the same amount: for every R\$ 1 donated, we double the amount. We finished the campaign at the end of June. In total, R\$ 1.3 million were collected, which have already benefited more than 15 thousand people.

We also want to ensure that the diversity present in our society is represented among our **employees**. Therefore, in 2Q21 we had the following initiatives:

“Elas por elas 2.0” (“she for she”)

During 2Q21, we launched the second edition of the “Elas por Elas” program, an internship program that has opportunities in different areas, 100% exclusively for cis and trans women. We had more than 3,200 applications, for a total of 67 vacancies, which represents about 48 candidates per vacancy.



“Mother's place is in BV”

We launched “Mother's Place is in BV”, a recruitment project that invites mothers away from the labor market to take a fresh look at their careers and take on specialist or leadership positions here at BV.

“BV on board”

We believe that it always pays off to be by the side of the loved ones, especially in the first steps. That's why we created the “BV on board”, an initiative to encourage active parenting for all employees who have children, from pre-birth or adoption until returning to work, without distinctions of gender or sexual orientation.

Climate Survey GPTW 2021

For the first time open to all employees, the GPTW climate survey served to provide a more comprehensive and accurate view of the impact of our actions on the work environment and on the evolution of our culture. We had the participation of 75% of employees and registered 89% favorability, renewing the “Great Place to Work” stamp for banco BV.

89%
Favorability

Renewing the stamp
“Great Place to Work”

**The diversity and inclusion
initiatives reflect the high level of
satisfaction of our employees**

Governance

Banco BV has an organizational structure that is aligned with the best market governance practices, committing to the principles of transparency, equity, accountability and corporate responsibility, as well as adopting standards of good practices in line with the Anti-Corruption and Social and Environmental Responsibility Laws. The organization chart below presents BV's Governance bodies:



Below, the shareholding structure of banco BV:



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

Member	Position
Fausto de Andrade Ribeiro	Chairman
João Henrique B. Schmidt	Vice-Chairman
José R. Fagonde Forni	Member
José Luiz Majolo	Member
Carlos Renato Bonetti*	Member
Renato Naegele*	Member
Jairo Sampaio Saddi	Member
Andrea da Motta Chamma	Independent member

* At the Meeting held on 07/01/2021, Renato Naegele was elected (pending ratification by the Central Bank), replacing Carlos Renato Bonetti, who remains in office until his replacement takes office.



Ratings

Banco BV is rated by 2 international rating agencies, Moody's and Standard and Poor's (S&P). The grades awarded reflect its operating performance, the financial strength and quality of its management, in addition to other factors related to the financial sector and the economic environment in which the company operates.

It is noteworthy that the long-term foreign currency rating is limited to Brazil's sovereign rating, currently at Ba2 (stable) by Moody's and BB- (stable) by S&P.

On 06/29/2021, Moody's América Latina Ltda. ("Moody's Local") **assigned banco BV an issuer rating of AA.br**, long-term bank deposit ratings of AA.br and short-term bank deposit rating of ML A-1.br, stable outlook. The rating assignment reflects the launch of the new platform – Moody's Local Brasil – dedicated exclusively to national scale credit risk ratings for financial institutions in Brazil. The new platform was accompanied by a new rating assignment methodology, so that all national scale ratings, including BV, were re-evaluated. Previously, BV's national scale rating was Aa3.br (equivalent to AA-). Therefore, within Moody's Local's new methodology, **BV's rating was upgraded by 1 notch**.

The table below shows the ratings assigned to banco BV:

RATING AGENCIES		Global scale		National scale	Brazil
		Local currency	Foreign currency	Local currency	
Moody's	Long-Term	Ba2 (stable)	Ba2	AA.br	Sovereign rating (outlook)
	Short-Term	NP	NP	A-1.br	
Standard & Poor's	Long-Term	BB- (stable)		brAAA	Ba2 (stable)
	Short-Term	B		brA-1+	
					BB- (stable)

