



# Earning Presentation

2<sup>nd</sup> Quarter | 2020



# Highlights

## 2<sup>nd</sup> Quarter | 2020

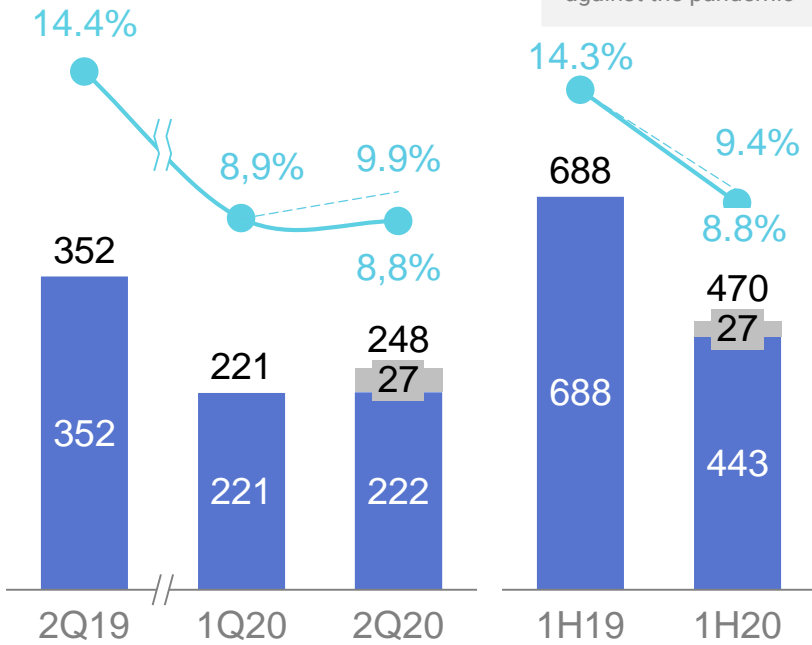


## Net Income 2Q20

**R\$ 222M**

ROE 8.8%

Adjusted result of **248M** the effects of the measures adopted to support the fight against the pandemic



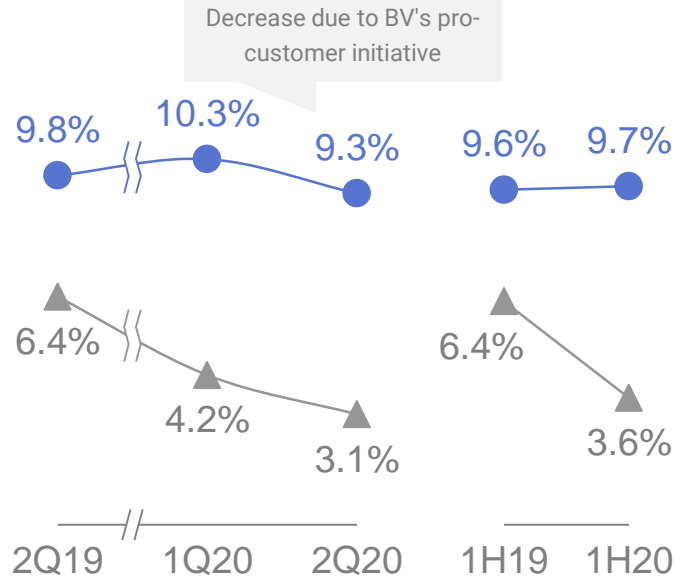
■ Donation<sup>1</sup> ● ROE  
■ Net Income - - - Adjusted Net Income

## Total Revenue 2Q20

**R\$ 2,013M**

-7.5% vs 1Q20

Decrease due to BV's pro-customer initiative

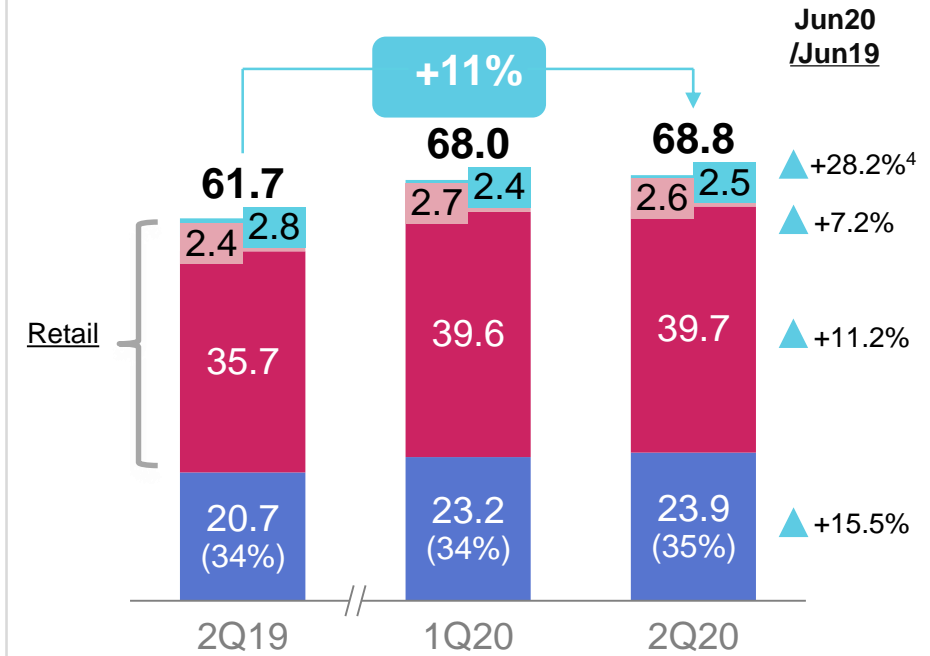


● NIM<sup>2</sup> ▲ CDI<sup>3</sup>

## Credit Portfolio

**R\$ 68.8B**

Coverage Ratio 183%



■ Loans ■ Vehicles  
■ Credit Card ■ Wholesale

1 - Donation of R\$ 30M made by BV to support the fight against the Covid-19 pandemic, net of taxes. 2- Net Interest Margin: Ratio between Financial Margin with clients and the average assets sensitive to spread; 3 - Brazilian benchmark interest rate. Annualized (Source: Cetip) 4 - Excluding Public Payroll Loans

# Our Strategic Pillars

The strategic pillars guide and define the priorities of all our decisions in pursuit of our long-term goals



## Efficiency and financial strength

Efficiency Ratio

**31.5%**

Improved by 0.9 p.p. vs 2Q19



Basel Ratio

**14.4%**

Core capital: 11.0%



LCR (Liquidity)

**184%**

Regulatory minimum: 100%

- Efficient and Light Business Model
- Solid Balance Sheet and Conservative Risk Management



## Continuous improvement of our customers experience



Reclame Aqui



Best rating among Brazil's largest banks<sup>1</sup>  
(1<sup>ST</sup> semester of 2020)



Brazilian Central Bank Complaints Ranking<sup>2</sup>



BANCO CENTRAL DO BRASIL

Lower number of complaints per customer among the country's largest banks<sup>3</sup>  
(2<sup>nd</sup> Quarter 2020)

- Customer Centrality
- Continuous improvement process



## Digital maturity



Use of digital channels

**6.6 million**

+13% vs 1H19

Auto finance simulations in 1H20 carried out at BV's digital channels and commercial partners



BV<sup>x</sup> – Innovation Business Unit

**178**

Partners using BV's API's library (BV open)

**18.2 million**

transactions carried out in BaaS<sup>4</sup> during 1H20, +211% vs 1H19

- Solutions and Digital Channels
- Open Banking as a pillar for our innovation strategy

1. Based on the amount of assets. Period considered: 01/01/2020 to 06/30/2020. Source: <https://www.reclameaqui.com.br/> 2. 2nd quarter of 2020 ranking for Institutions with more than 4 million customers. Source: <https://www.bcb.gov.br/> 3. Banks with more than 4 million customers. Does not consider financial and credit unions; ; 4 - Bank as a Service

## Actions in line with our **customer centricity** strategy

### Installment program in the midst of the pandemic:



**+ 60 days**  
**No interest**  
**Same installment**



**After 60 days, we**  
**offered additional**  
**terms<sup>1</sup>**

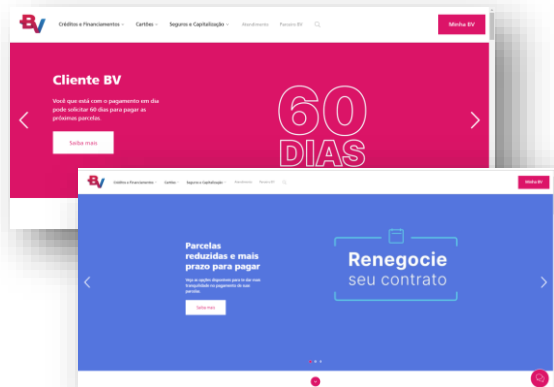


**R\$ 17.6 billion**  
**Renegotiated<sup>2</sup>**



**+ de 800,000**  
**clients benefited<sup>2</sup>**

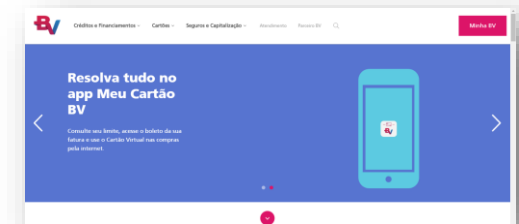
Customers were able to sign up for the installment program via **digital channels**:



**77%** of  
renegotiations  
carried out via  
**digital channels**

### 50% reduction in credit card fees and rates

**+ de 100,000**  
contracts  
**Benefited<sup>2</sup>**



1 – At the end of the 60 days, clients who needed, had an additional term through the renegotiation of their contracts. 2 – As of June 30,2020.






# Measures taken by banco BV amidst the Covid-19 pandemic reinforce our purpose and rely on our culture, Digital maturity and business strength



Since the beginning of the pandemic, BV has defined 3 pillars of action to combat impacts:







## Preserve the lives of our employees, family and business partners

-  **Remote Work**  
Expansion of remote work to about 7,000 people (representing almost all of our in-house and outsourced employees)
-  **Health Committee**  
Monitoring suspected or confirmed cases. Shipping protection kits to all employees
-  **Benefits**  
Flexible hours extended to all employees; Potential for combining the Meal and Food Voucher; Early advance of the 13th salary
-  **Employee satisfaction survey**  
98% of employees are satisfied with the way that BV is handling the pandemic
-  **Digital Experience**  
The selection, hiring and onboarding processes are conducted in a 100% digital way








## Ensure business continuity

-  **Infrastructure and information security**  
Infrastructure for remote work was already in place to serve 100% of BV's employees, safely
-  **Organizational culture**  
Digital transformation as part of BV's culture  
Remote work has been adopted by BV since 2017
-  **Governance and crisis management**  
Strengthening Governance, reviewing policies and intensifying monitoring of risk factors
-  **Solid and resilient balance sheet**  
Liquidity Coverage Ratio at 184%  
Basel Ratio at 14.4% / Coverage Ratio: 183%
-  **Encouraging the use of digital channels**  
77% of renegotiations carried out via digital channels



## Create a positive impact on the society

-  **Credit Card - Reduction of fees and rates**  
+100.000 contracts benefited<sup>1</sup> from reduction in fees and rates, in addition to increasing the financing period of the invoice
-  **R\$ 50 million credit line**  
+R\$ 23 million already disbursed, including to one of the largest national ventilators manufactures
-  **60 days extension for installment payments**  
+800,000 renegotiated contracts<sup>1</sup>, more than 1/3 total Retail portfolio
-  **Social mobilization campaign**  
Campaign in partnership with the Instituto Votorantim and the Banco do Brasil Foundation has raised more than R\$ 2.8 million
-  **Donation of R\$ 30 million**  
Especially to support vulnerable families

+ 550,000 people<sup>1</sup> impacted by BV actions<sup>2</sup>

# Analysis Result

## 2<sup>nd</sup> Quarter | 2020








# Net income of 2Q20 totaled R\$222mIn - Adjusted profit reached 248mIn and ROE 10%

BV operation remains solid and profitable despite pandemic impacts



## Results Highlights

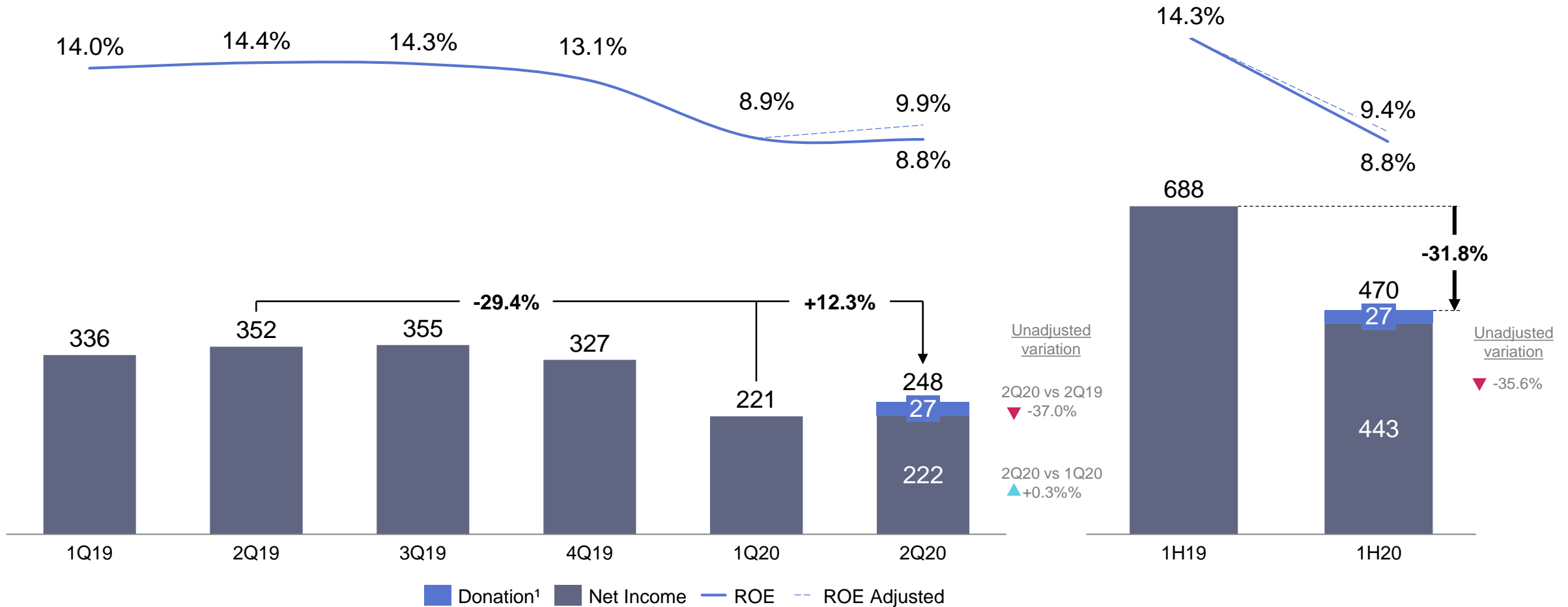
<b>Net Income</b> 	<p>▲ <b>+0.3%</b> (2Q20/1Q20)</p> <p>▼ <b>-35.6%</b> (1H20/1H19)</p>	<p><b>R\$ 222M</b></p> <p><b>R\$ 443M</b></p>	<p>▲ Net income of R\$ 222m in 2Q20, compared to R\$ 221m in 1Q20, adjusted by the effect of R\$ 30 million realized by BV (net of taxes) <b>or profit is R\$ 248 million in 2Q20, growth of 12% in the period.</b> In 1H20, Net Income was R\$ 443 million, decrease of 35.6% vs 1H19, adjusted by the effect of donation or profit of <b>R\$ 470million.</b></p> <p>▲ Return on Equity (ROE) of 8.8% y.y. in 2Q20 (8.9% in 1Q20), <b>ROE of 10% adjusted by the donation effect.</b> In 1H20, ROE was 8.8% (14.3% in 1H19), 9.4% with the adjustment of the donation effect</p>
<b>Revenue</b> 	<p>▼ <b>-7.5%</b> (2Q20/1Q20)</p> <p>— (1H20/1H19)</p>	<p><b>R\$ 2,013M</b></p> <p><b>R\$ 4,189M</b></p>	<p>▲ Total Revenues (NII + revenues from services and insurance) decrease 7.5% in 2Q20/1Q20, reflecting the lower origination, which consequently impacted our service revenue.</p> <p>▲ <i>Net Interest Margin</i> (NIM) with customers reduced to 9.3% in 2Q20, compared to 10.3% in 1Q20, impact of the pro-client actions adopted by BV</p>
<b>Credit Cost<sup>1</sup></b> 	<p>▼ <b>-4.9%</b> (2Q20/1Q20)</p> <p>▲ <b>+65.1%</b> (1H20/1H19)</p>	<p><b>R\$ 871M</b></p> <p><b>R\$ 1,786M</b></p>	<p>▲ Credit cost decreased 4.9% in the 2Q20 / 1Q20 comparison, and increased 65.1% in the 1H20 / 1H19 comparison, as a result of: i) the deterioration in the macroeconomic environment as a result of the impacts of the COVID-19 pandemic and ii) the increase portfolio over the past 12 months.</p> <p>▲ 90-day Coverage ratio reached 183% in Jun/20 (Mar/20: 206%).</p>
<b>Delinquency (NPL90)</b> 	<p>▲ <b>+0.7 p.p.</b> (Jun20/Mar20)</p> <p>▲ <b>+0.8 p.p.</b> (Jun20/Jun19)</p>	<p><b>NPL 90</b></p> <p><b>5.2%</b></p>	<p>▲ 90-day NPL of 5.2% in Jun/20, an increased of 0.7 p.p in the quarter.</p> <ul style="list-style-type: none"> <li>○ <u>Retail</u>: NPL 90 of 6.0%, increased 0.8 p.p in comparison with Mar/20, reflecting the diversification of the portfolio and, more recently, the impacts of the Covid-19 pandemic on the economy</li> <li>○ <u>Wholesale</u>: NPL 90 increase to 2.1%, comparable to 1.5% in Mar/20, one-off case 100% provisioned</li> </ul>
<b>Efficiency Ratio<sup>2</sup></b> 	<p>▼ <b>-0.3 p.p</b> (2Q20/1Q20)</p> <p>▼ <b>-0.9 p.p</b> (1H20/1H19)</p>	<p><b>IE</b></p> <p><b>31.5%</b></p>	<p>▲ Efficiency Ratio 31.5% in Jun/20, decreased of 0.9 p.p, in the 12 months, driven by diversified revenues generation and control of expenses.</p>



# Net income of 2Q20 totaled R\$222m - Adjusted profit reached 248m and ROE 10%

BV operation remains solid and profitable despite pandemic impacts

### Evolution of Net Income (R\$M)



The challenging scenario imposed by the COVID-19 crisis highlighted the balance sheet's solidity and consistent financial performance

1 - Donation of R\$ 30M made by BV to support the fight against the Covid-19 pandemic, net of taxes.

# Resilient result, despite the effects of COVID-19 pandemic

NII increased 1.4% in 2Q20 vs 1Q20

## Mangerial Income Statemet

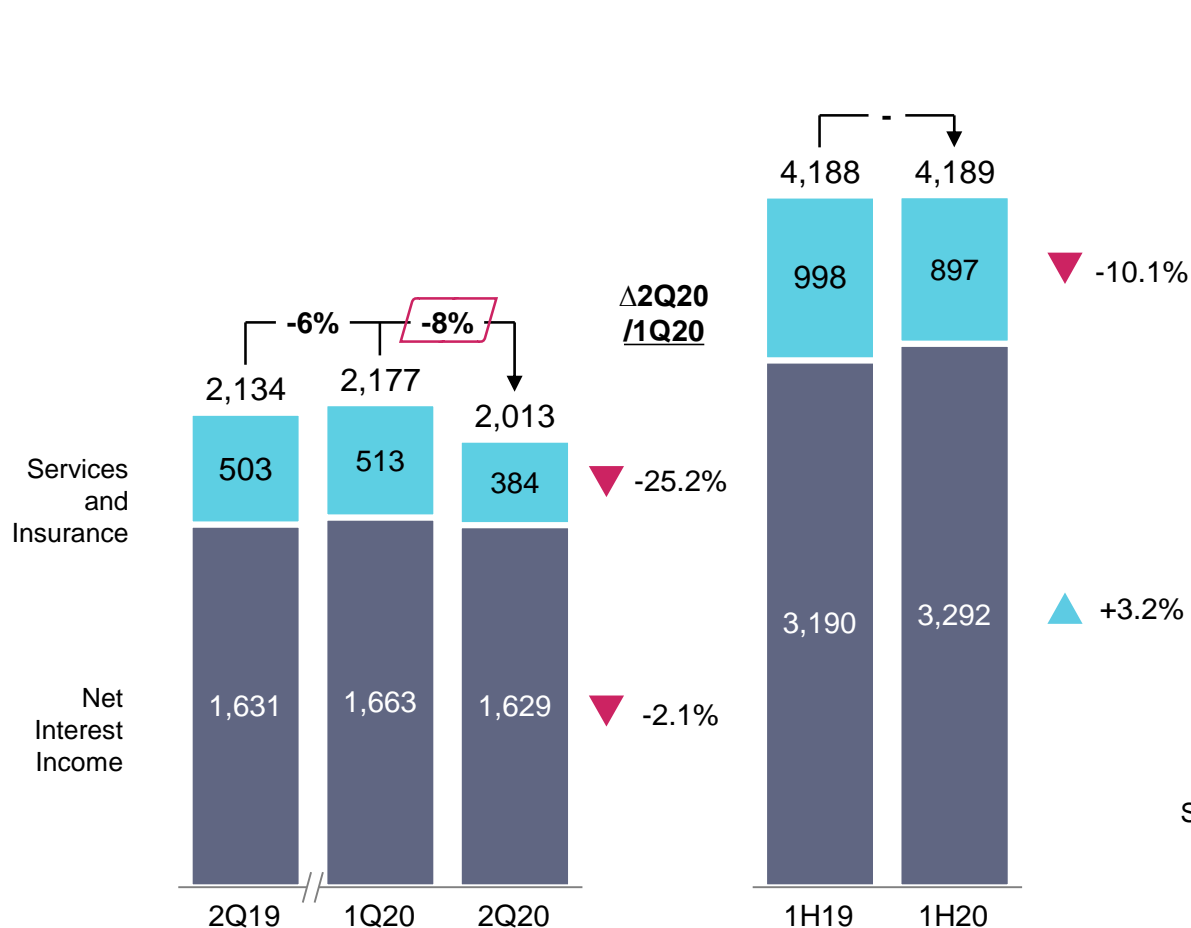
(R\$ millions)	2Q19	1Q20	2Q20	1H19	1H20	Δ 2Q20/1Q20	Δ 2Q20/2Q19	Δ 1H20/1H19
<b>Net Interest Income (A)</b>	<b>1,631</b>	<b>1,663</b>	<b>1,629</b>	<b>3,190</b>	<b>3,292</b>	<b>-2.1%</b>	<b>-0.2%</b>	<b>3.2%</b>
Cost of credit <sup>1</sup> (B)	(541)	(916)	(871)	(1,082)	(1,786)	-4.9%	60.9%	65.1%
<b>Net Financial Margin (A+B)</b>	<b>1,090</b>	<b>748</b>	<b>758</b>	<b>2,108</b>	<b>1,506</b>	<b>1.4%</b>	<b>-30.5%</b>	<b>-28.6%</b>
<b>Income/Expenses</b>	<b>(529)</b>	<b>(460)</b>	<b>(454)</b>	<b>(1,008)</b>	<b>(914)</b>	<b>-1.5%</b>	<b>-14.3%</b>	<b>-9.3%</b>
Income from Services and Banking Fees	503	513	384	998	897	-25.2%	-23.7%	-10.1%
Personnel <sup>2</sup> and Administrative expenses	(506)	(517)	(465)	(1,013)	(952)	-15.9%	-14.1%	-6.0%
Tax Expenses	(179)	(135)	(125)	(302)	(260)	-7.6%	-30.4%	-13.8%
Other Income/Expenses	(347)	(321)	(278)	(692)	(599)	-13.6%	-19.9%	-13.4%
<b>Income before taxes</b>	<b>561</b>	<b>287</b>	<b>304</b>	<b>1,100</b>	<b>592</b>	<b>5.9%</b>	<b>-45.7%</b>	<b>-46.2%</b>
Income Tax and Profit Sharing	(209)	(66)	(83)	(412)	(149)	24.8%	-60.5%	-63.9%
<b>Net Income</b>	<b>352</b>	<b>221</b>	<b>222</b>	<b>688</b>	<b>443</b>	<b>0.3%</b>	<b>-37.0%</b>	<b>-35.6%</b>
<b>Adjusted Net Income<sup>3</sup></b>	<b>352</b>	<b>221</b>	<b>248</b>	<b>688</b>	<b>470</b>	<b>12.3%</b>	<b>-29.4%</b>	<b>-31.7%</b>

1. Net of credit recovery revenues, and considerations on guarantees provided, discounts granted and impairment; 2. Consider PLR expenses. 3 - Adjusted by the R\$ 30mIn donation made by BV to support the fight against the Covid-19 pandemic, net of taxes.

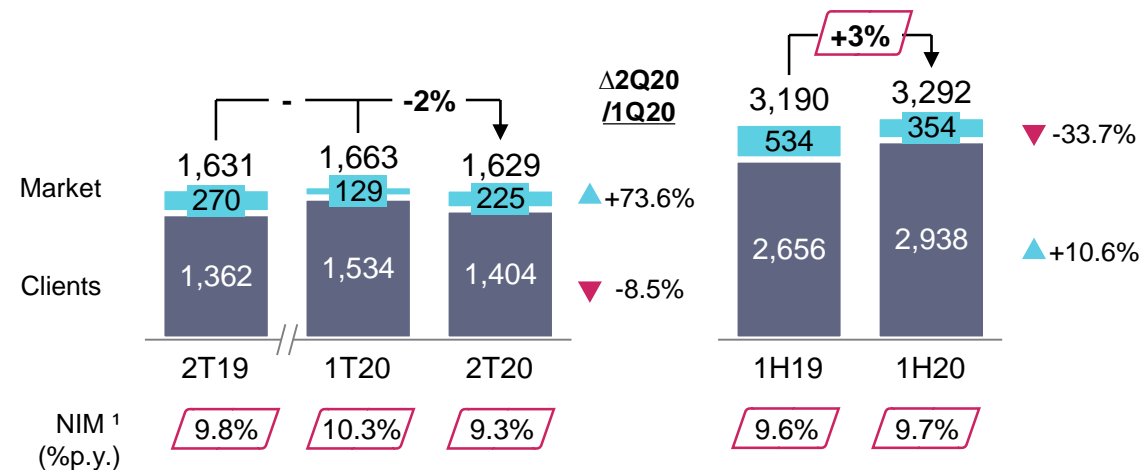
# Income generation impacted by the pro-clients initiatives adopted by BV and has its origins, reflections of the COVID-19 pandemic



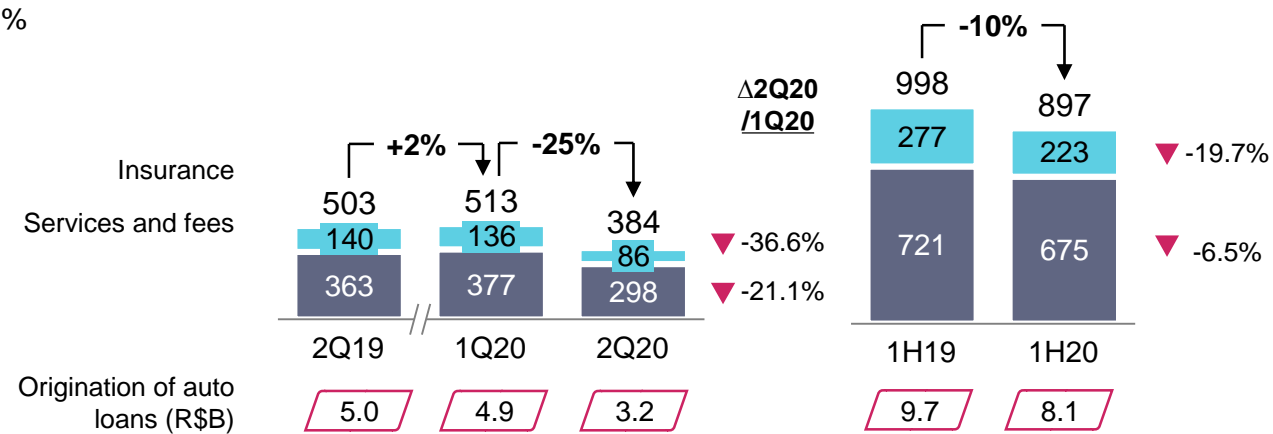
Revenue generation (R\$ mln)



NIM decreased to 9.3% in 2Q20, reflecting the pro-clients initiatives adopted by BV in the face of the Covid-19 pandemic



Services and insurance revenue decreased by 25.2% in 2Q20 vs 1Q20

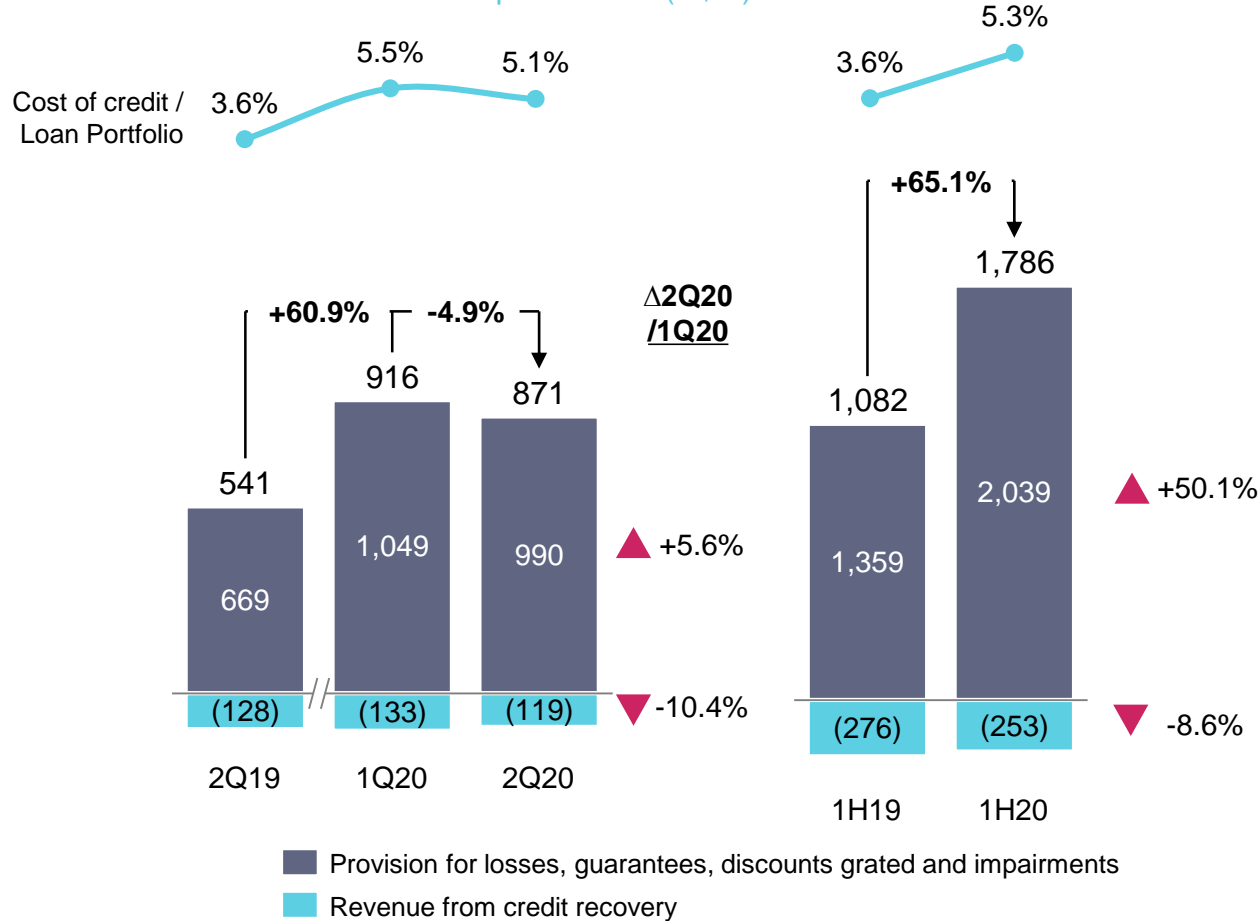


1 - Net Interest Margin: Ratio between Financial Margin with clients and the average assets sensitive to spread.

# Credit cost reflects the deterioration in the macroeconomic environment as a result of the impacts of the COVID-19 pandemic

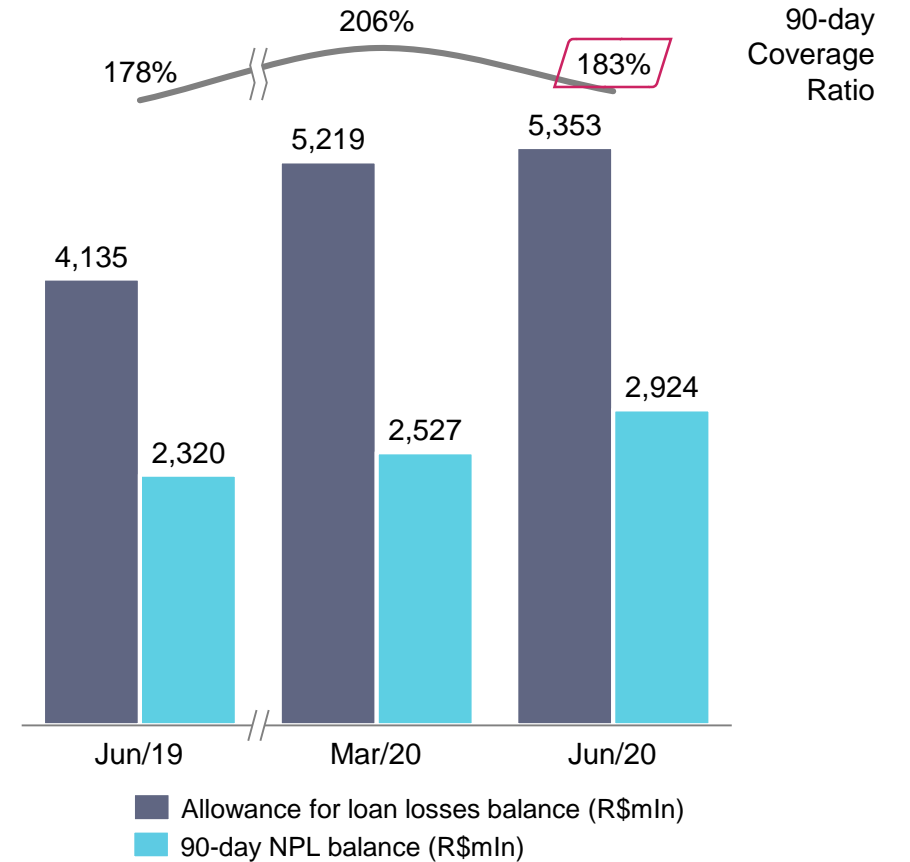
## Cost of credit decreased vs 1Q20

Provision for losses, guarantees, discounts grated and impairments - (R\$M)



## 90-day Coverage Ratio remains in a robust level

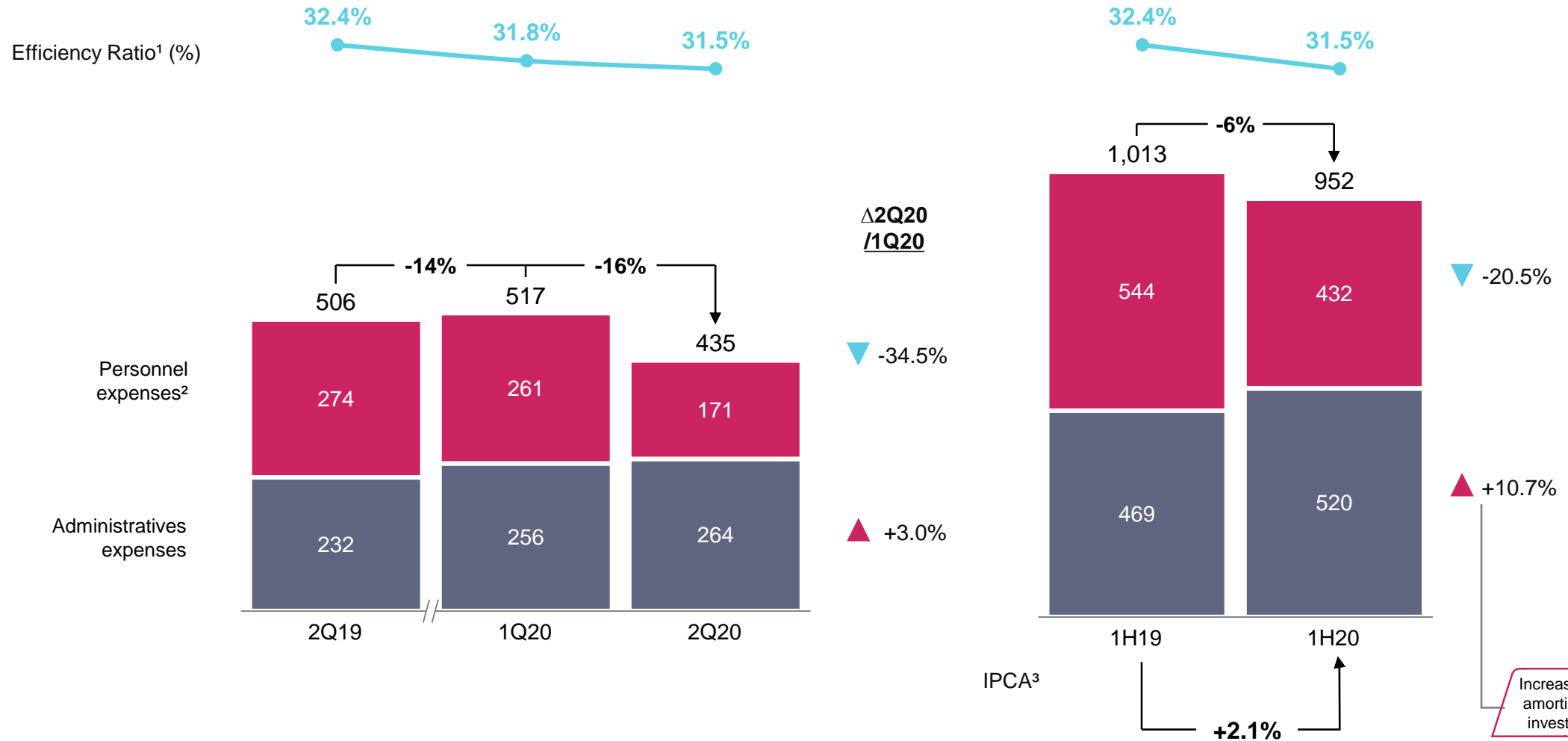
90-day Coverage Ratio<sup>2</sup>



1. Net of revenues from recovery of loans; 2. Ratio between the balance of Allowances for Loan Losses and the balance of loans past due over 90 days. Includes provision for guarantee

# Effective management of the cost base and impacts of the digital journey contributed to the improvement of the Efficiency Ratio in the last 12 months

Personnel and administrative expenses (R\$M)



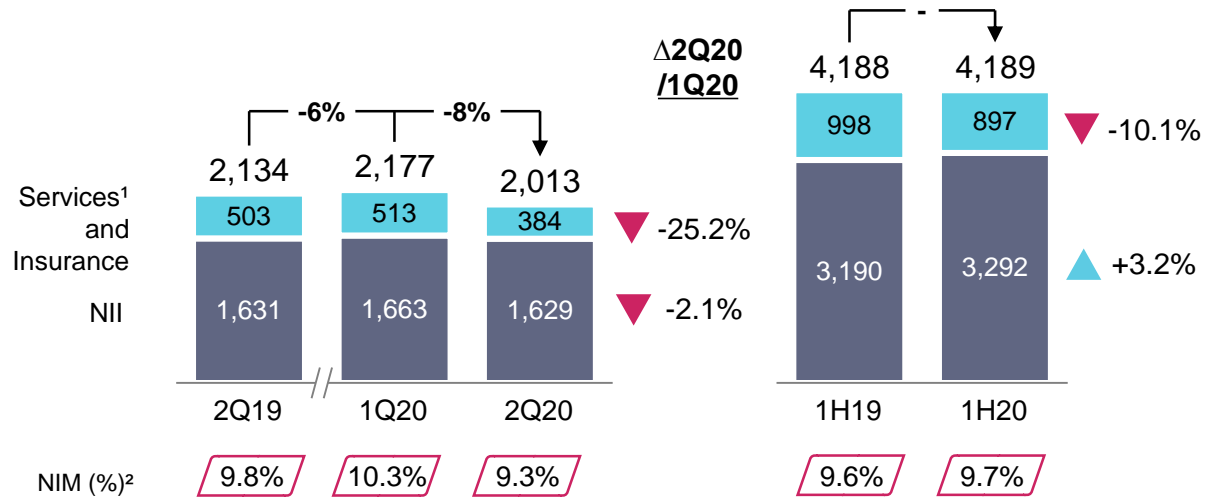
1.Excludes expenses with labor lawsuits, last 12 months; 2. Includes profit sharing expenses; 3. Accumulated last 12 months, source IBGE

# Net Income of 2Q20 total R\$222 mln, with 8.8% ROE

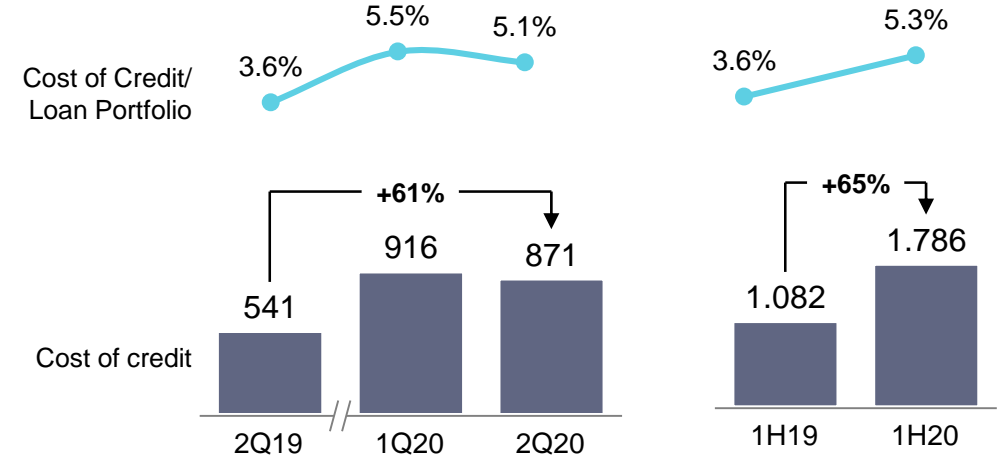


R\$ Millions

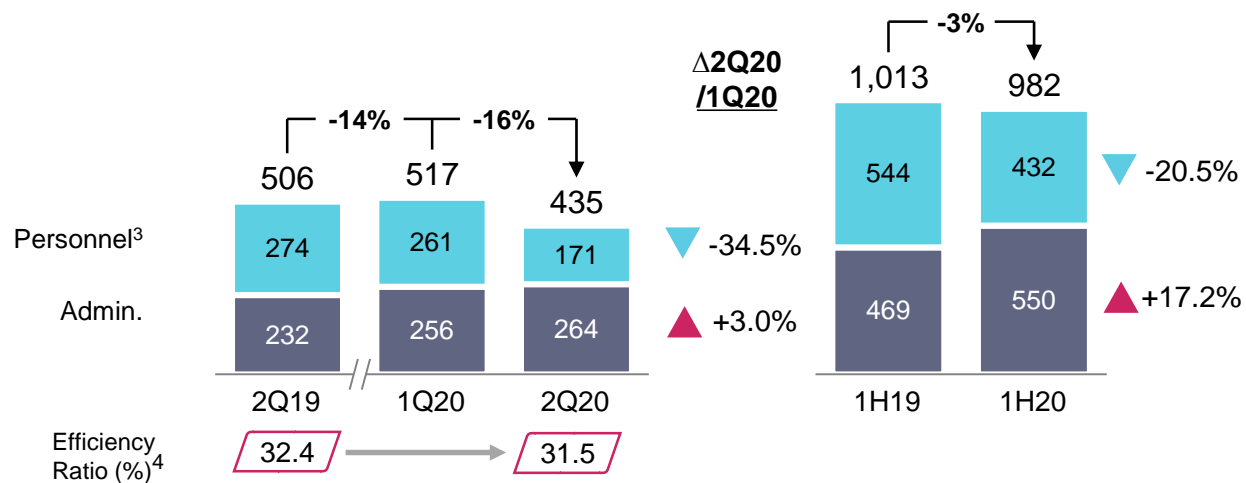
## NII and Income from Service<sup>1</sup> and Insurance



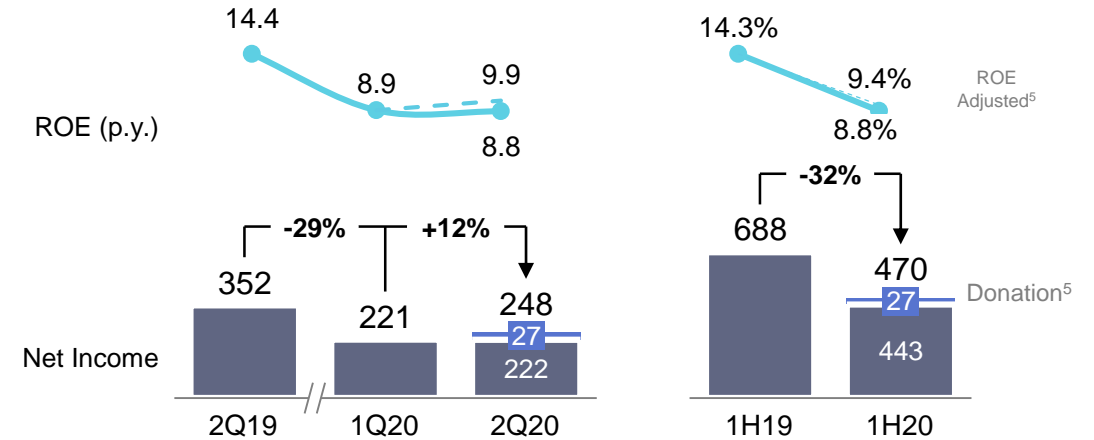
## Cost of Credit



## Personnel and Administrative Expenses



## Net Income and ROE



1 - Income from services and banking fees; 2 - Net Interest Margin: Ratio between Financial Margin with clients and the average assets sensitive to spread. 3 - Includes profit sharing expenses  
4 - Last 12 months. Excludes expenses with labor lawsuits. 5- Donation of R\$ 30M made by BV to support the fight against the Covid-19 pandemic, net of taxes.

# Diversified business portfolio

Supported by the pillars of Efficiency and Financial Strength, Customer Centrality and Digital Maturity



## Retail

### auto finance

- Capillarity (+19k dealers)
- Innovation and Digital Transformation
- 100% digital contracts
- 97% automatic responses

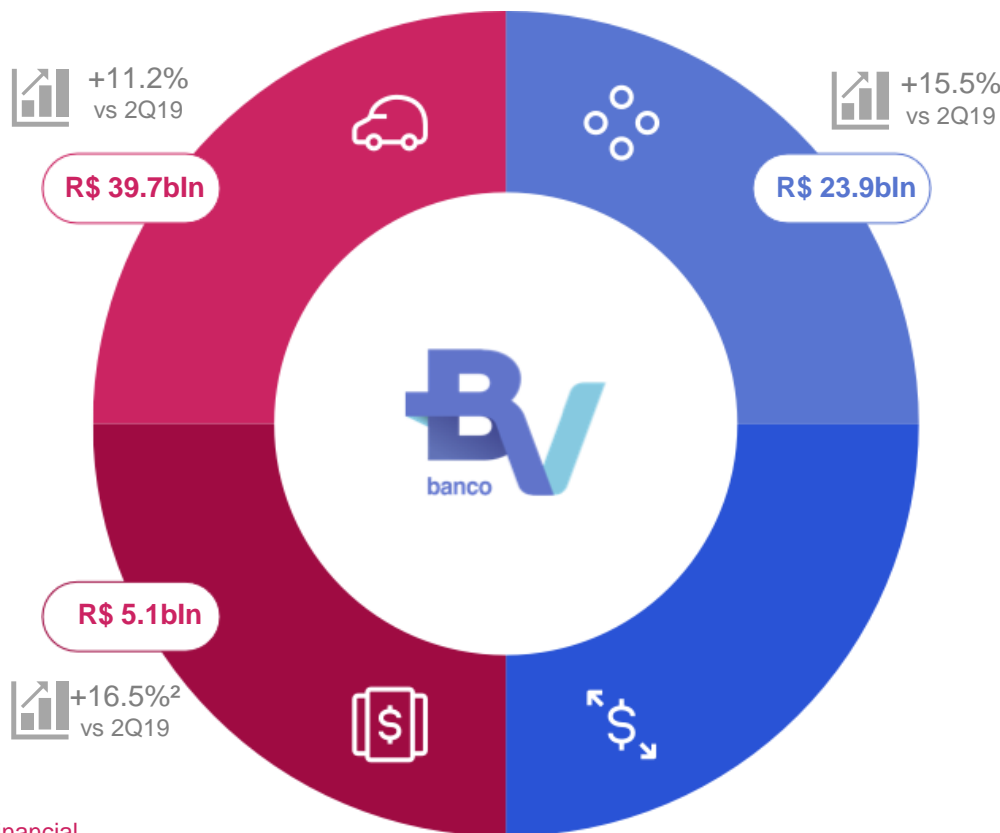
✓ 11% growth in the portfolio vs. 1Q19, maintaining the leadership in financing for light used vehicles in Brazil

### others business

- **Credit Card:** +917,000 active cards. Mastercard, Visa and Elo
- **Insurance:** Auto, loan protection, residential, life, dental, capitalization, card and assistance (residential, funeral, pet)
- **Loans:** Personal loans, private payroll loans, credit with vehicle in guarantee, home equity, student loans, solar panels, tourism and medical procedures

✓ **Loans:** growth of 722%<sup>2</sup> vs 2Q19 in the solar panels financial portfolio

## Credit portfolio<sup>1</sup> R\$ 69 billions +11% vs 2Q19



**BV<sup>x</sup> Innovation Business Unit**

## Wholesale

### corporate & investment banking

#### Corporate Banking

- Corporate (> R\$ 300 millions)
- Large Corporate (> R\$ 1,5 billion)

#### Banking as a Service (BaaS)

- Settling and custodian bank for fintechs (ex. Neon)

✓ 47% growth in the Corporate portfolio vs 2Q19

### wealth management

16<sup>a</sup> largest asset base in Brazil<sup>3</sup>  
R\$ 51 billion (AuM)

36% of managed funds backed by real economy assets

**Private Bank:** customized solutions for high-income customers

✓ AuM evolution in the context of the pandemic reinforces resilience of the fund portfolio

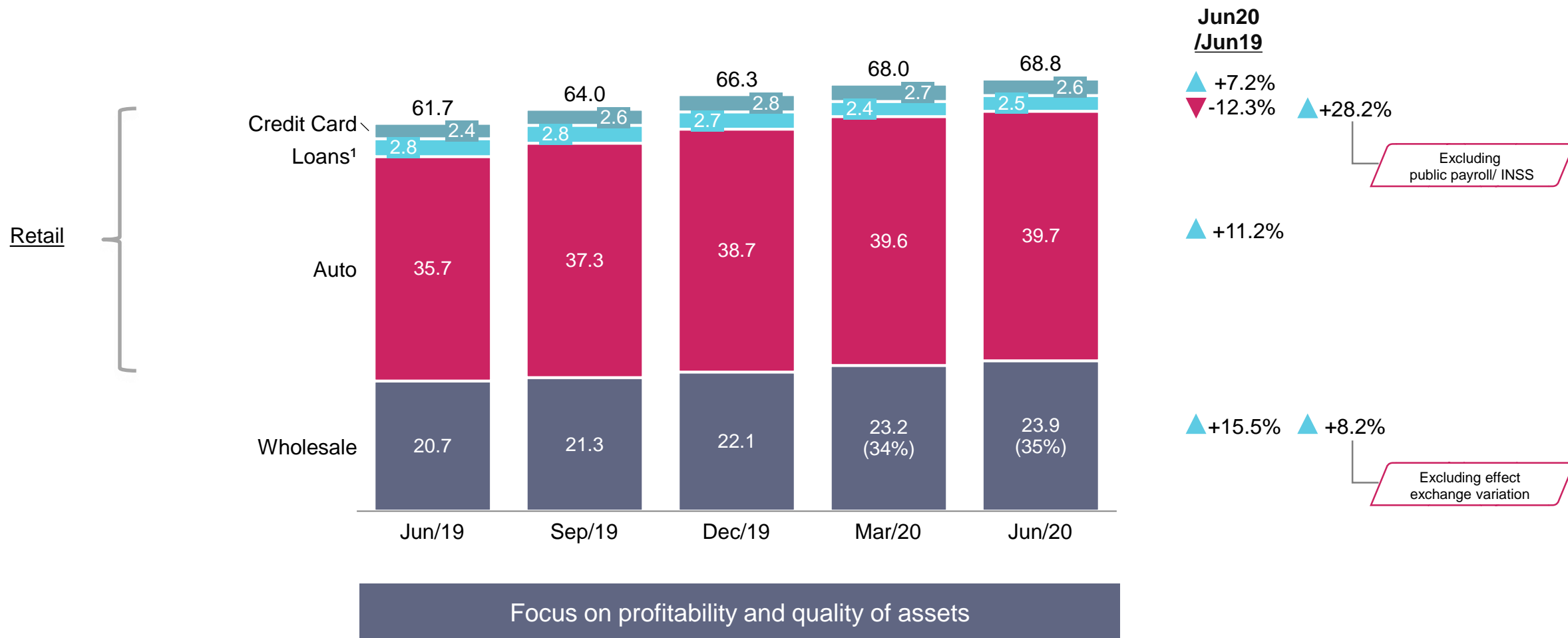
1. Loan portfolio expanded in Jun / 20 (includes guarantees provided and private securities); 2 - Does not consider Public Payroll Loan operation; 3 - ANBIMA ranking

# Consistent growth of auto financing and credit card portfolio

Expanded portfolio grew 11% in 12 months



## Expanded credit portfolio (R\$B) (includes guarantees provided and private securities)



1. Portfolio composed of : payroll loans (INSS, private and public), personal credit (with and without guarantee), home equity, student and solar credit.

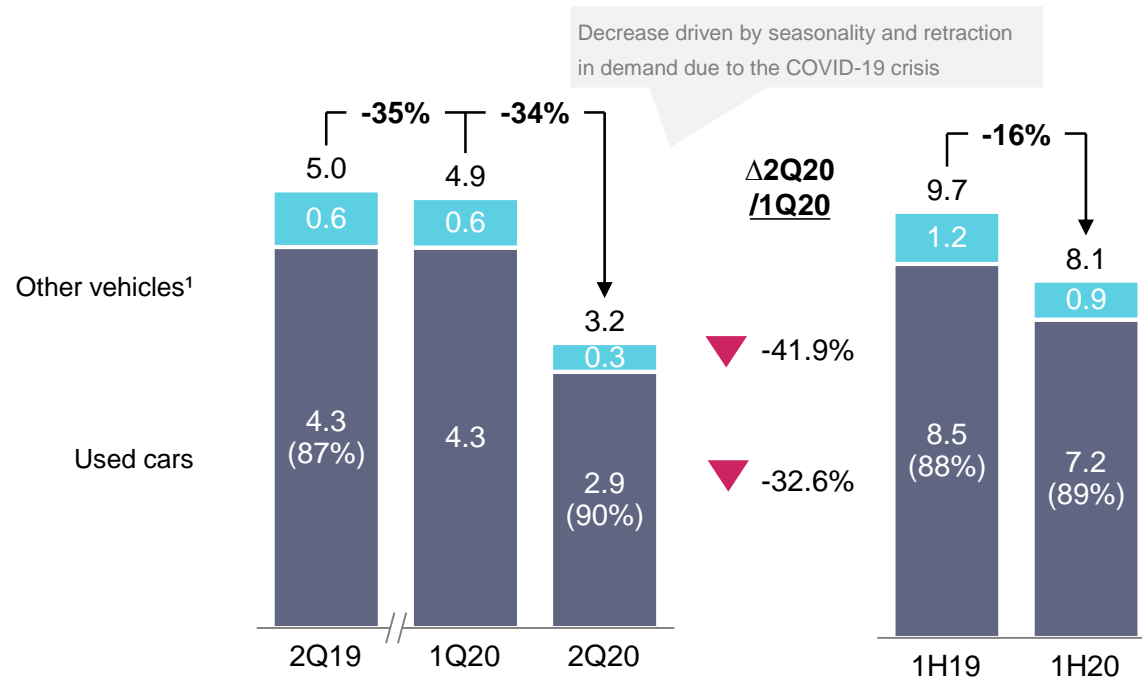


# Auto: demand impacted by the pandemic in the months of April and May, with a gradual recovery in late June

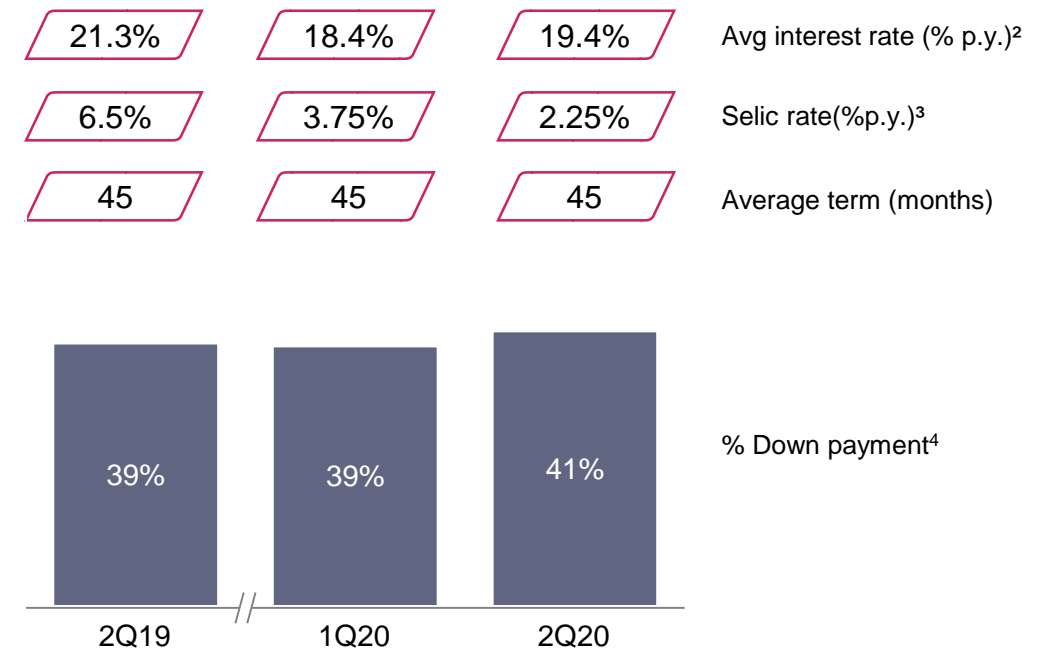
Focus on used auto loans, which accounted for 90% of 2Q20 origination

Maintenance of conservative lending standards

Origination of auto loans (R\$B)



% Down payment, average term and interest rate



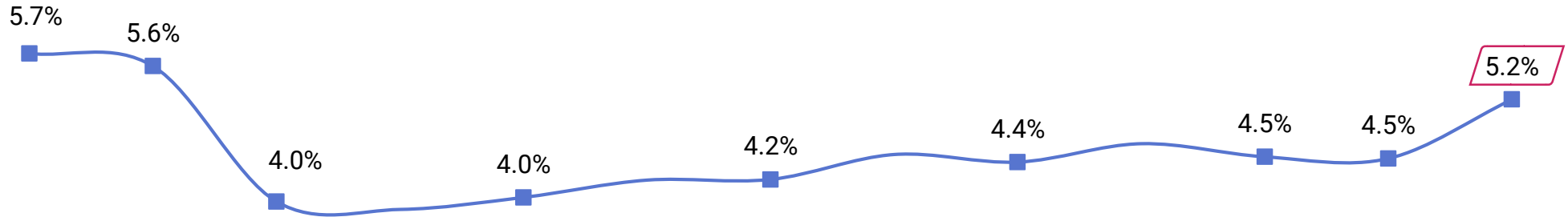
banco BV is market leaders in auto financing

# NPL 90 5.2% in Jun/20, increase 0.8 p.p vs. Mar/20

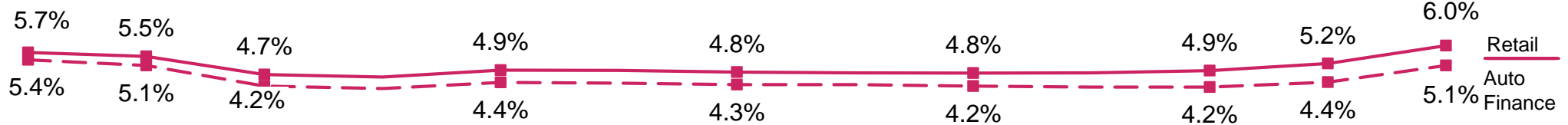
Vehicles: increased 0.8 p.p vs. Mar/20; Wholesale: increased 0.6 p.p in Jun/20

### 90-day NPL ratio of the loan portfolio (%)

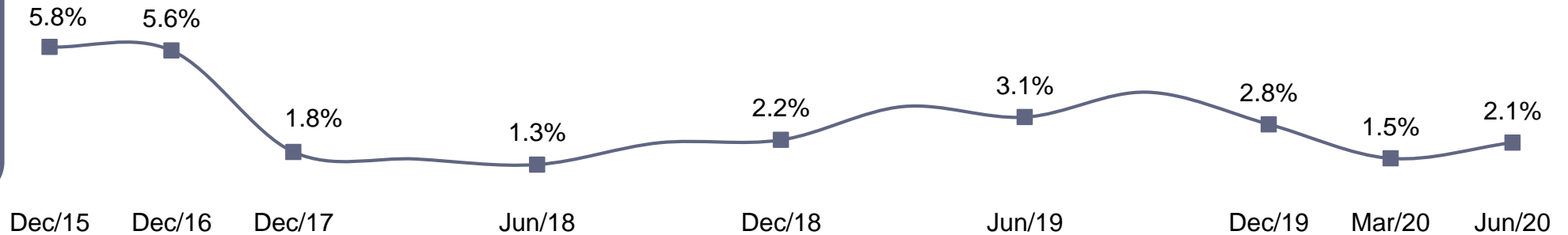
## Banco BV



## Consumer Finance



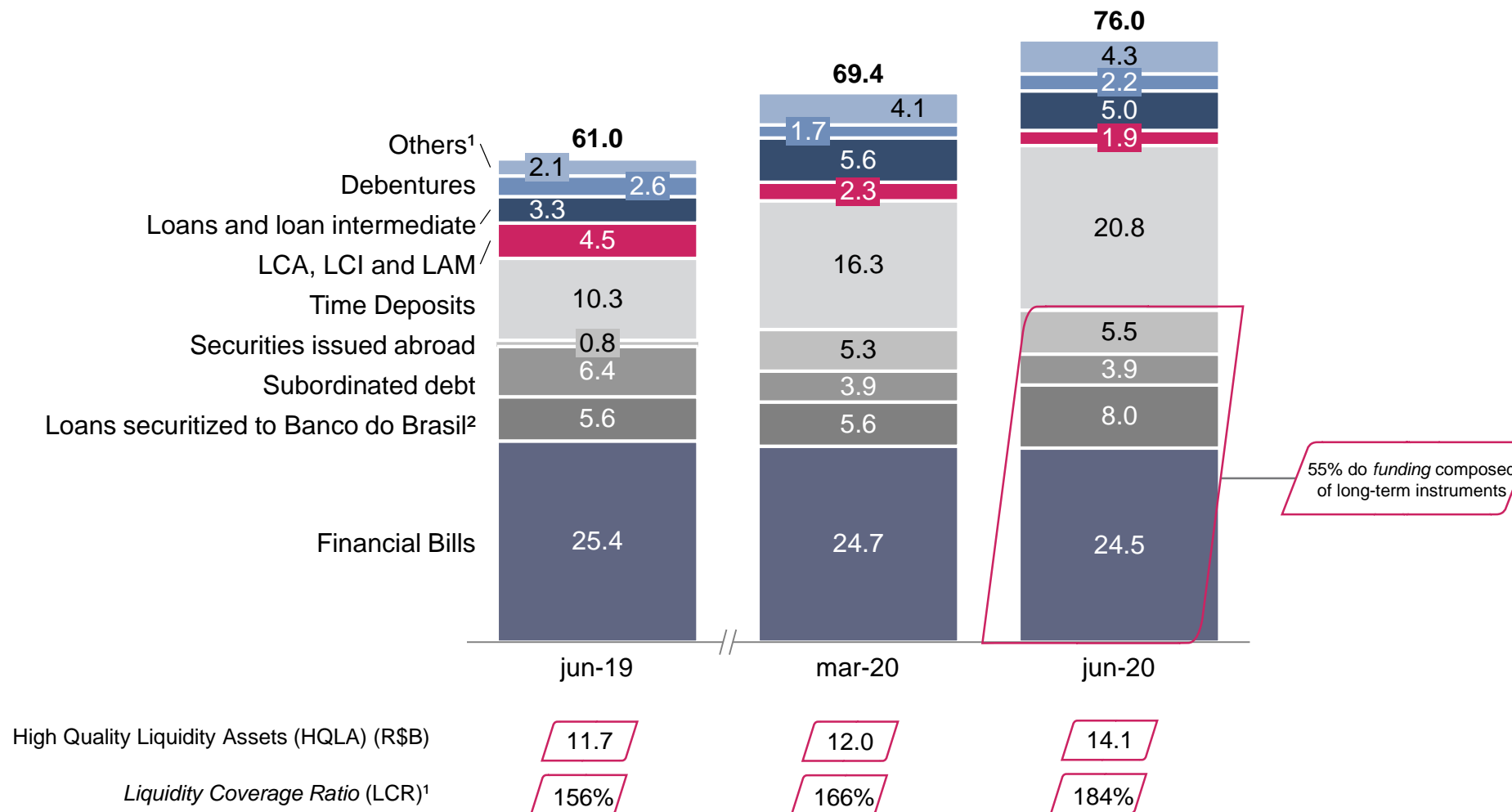
## Wholesale



# Funding volume amounted to R\$ 76.0 billion in Jun/20

Stable funding instruments accounted for 55% of total funding

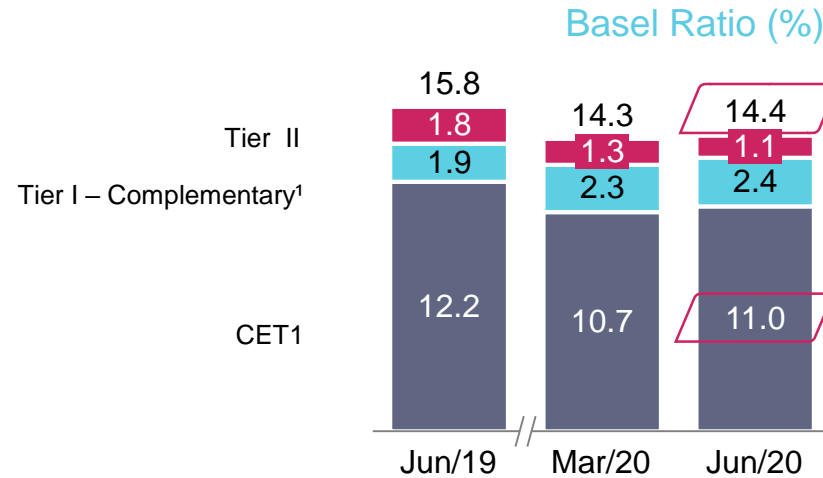
### Funding sources (R\$B)



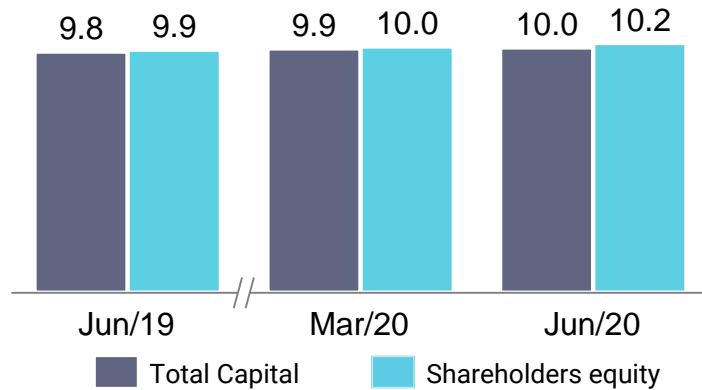
1. Ratio of total high quality liquid assets (HQLA) and the total cash inflows for a 30 days period in a stress scenario, being the minimum regulatory of 100%. Does not consider standby credit facility with Banco do Brasil.

# Basel ratio of 14.4% in Jun/20

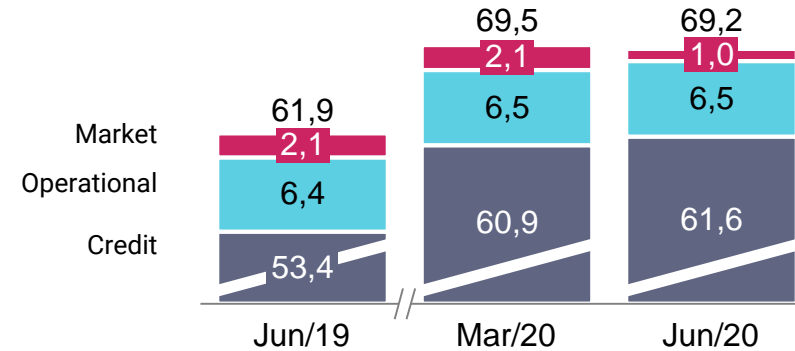
Tier I Capital 13.3%, with 11,0% of (CET1)



### Total Capital and Shareholders Equity (R\$B)



### Risk-weighted assets – RWA (R\$B)



Capital base remained solid despite the impacts of the strong market volatility generated by COVID crisis19

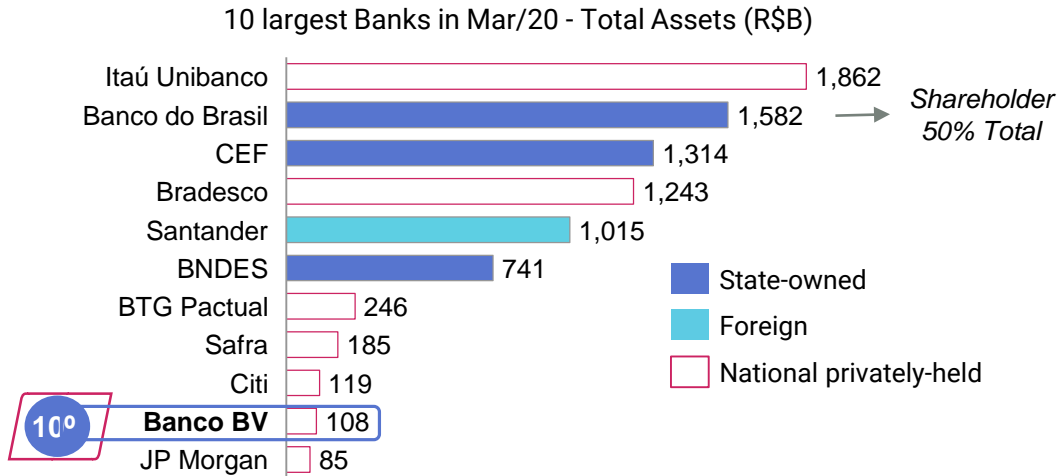
1. On Nov / 17 the Bank issued USD 300M in perpetual bonds, which were approved in Mar/18 to compose complementary CET1.  
 Note: In 2020, the minimum regulatory capital requirement was 9.25% for the Basel Ratio, 7.25% for Tier I Capital Ratio and 5.75% for CET1

# Appendix

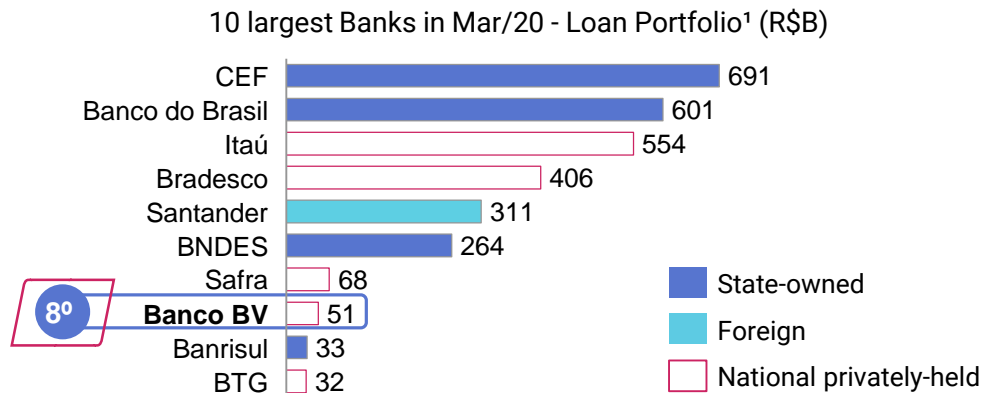
# Banco BV is one of the leading banks in Brazil

Top 10 in total assets, with Strong shareholders and corporate governance practices

Banco BV is one of the largest privately-held Brazilian banks in total assets...

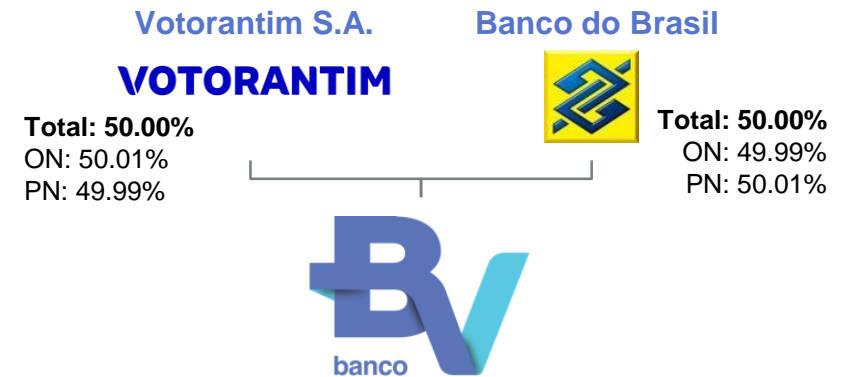


... and also in terms of loan portfolio

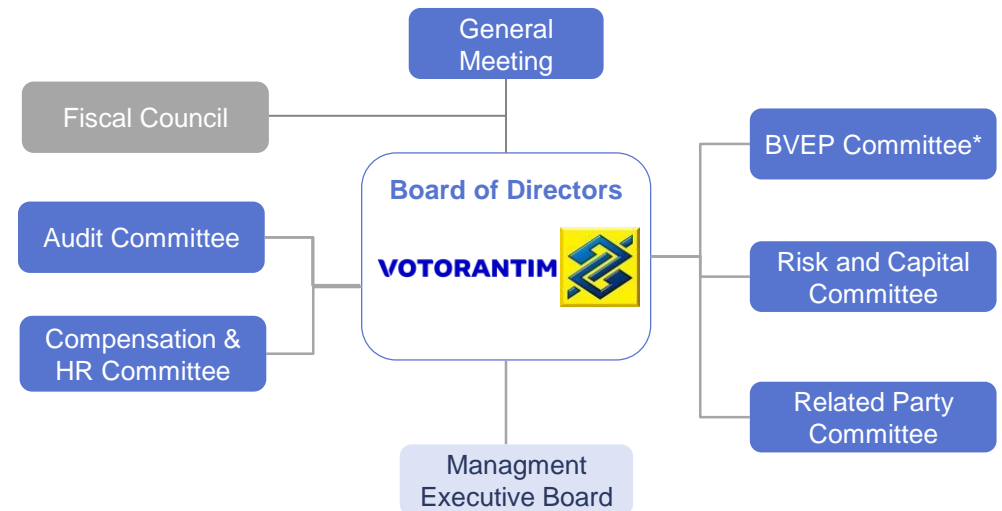


1. On-balance loan portfolio according to Central's Bank Resolution 2.682.

## Ownership Structure



## Corporate Governance Structure



\* BV Empreendimentos e Participações

## Balance sheet

BALANCE SHEET   Assets (R\$ Million)	jun/19	mar/20	jun/20
<b>Cash and cash equivalents</b>	<b>738</b>	<b>2,240</b>	<b>3,917</b>
<b>Financial Assets</b>	<b>84,226</b>	<b>95,634</b>	<b>107,779</b>
Interbank funds applied	5,874	4,614	6,122
Securities and derivative financial instruments	24,639	29,595	39,869
Derivative financial instruments	2,755	8,092	7,353
Interbank accounts or relations	822	133	792
Loan Operation	52,485	56,618	56,655
Allowance for loans losses	(3,906)	(5,034)	(5,164)
Other financial assets	1,556	1,616	2,152
<b>Tax assets</b>	<b>6,963</b>	<b>7,695</b>	<b>7,930</b>
<b>Investments and interests in associates and subsidiaries</b>	<b>270</b>	<b>85</b>	<b>83</b>
<b>Fixed asset</b>	<b>99</b>	<b>94</b>	<b>100</b>
<b>Intangible</b>	<b>362</b>	<b>349</b>	<b>396</b>
<b>Other assetes</b>	<b>1,523</b>	<b>1,304</b>	<b>1,377</b>
<b>TOTAL ASSETS</b>	<b>94,180</b>	<b>107,400</b>	<b>121,582</b>

BALANCE SHEET   Liabilities (R\$ Million)	jun/19	mar/20	jun/20
<b>Financial Liabilities</b>	<b>81,119</b>	<b>94,760</b>	<b>108,726</b>
Deposits	12,485	20,318	25,062
Money Market borrowings	17,349	16,411	24,635
Acceptances and endorsements	30,299	32,318	31,964
Interbank accounts	1,488	1,518	1,383
Borrowings and onlendings	3,324	5,594	4,977
Derivative financial instruments	2,590	7,596	6,846
Subordinated debts and debt instruments eligible for equity	6,362	3,889	3,919
Other financial liabilities	7,223	7,115	9,940
<b>Tax liabilities</b>	<b>341</b>	<b>381</b>	<b>515</b>
<b>Provisions for contingencies</b>	<b>1,172</b>	<b>939</b>	<b>912</b>
<b>Other liabilities</b>	<b>1,802</b>	<b>1,307</b>	<b>1,277</b>
<b>Shareholders equity</b>	<b>9,747</b>	<b>10,014</b>	<b>10,151</b>
<b>TOTAL LIABILITIES</b>	<b>94,180</b>	<b>107,400</b>	<b>121,582</b>

## Managerial Income Statement

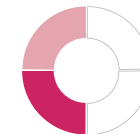
INCOME STATEMENT (R\$ Million)	2Q19	1Q20	2Q20
<b>Net Interest income - NII</b>	<b>1,631</b>	<b>1,663</b>	<b>1,629</b>
Cost of Risk	(541)	(916)	(871)
<b>Net financial margin</b>	<b>1,090</b>	<b>748</b>	<b>758</b>
<b>Other income / expenses</b>	<b>(529)</b>	<b>(460)</b>	<b>(454)</b>
Fee income	503	513	384
Personnel <sup>1</sup> and administrative expenses	(506)	(517)	(435)
Tax expenses	(179)	(135)	(125)
Other income/expenses	(347)	(321)	(278)
<b>Income before taxes and contributions</b>	<b>561</b>	<b>287</b>	<b>304</b>
Provision for income tax and social contribution	(209)	(66)	(83)
<b>Net Income</b>	<b>352</b>	<b>221</b>	<b>222</b>
<b>Net Income</b>	<b>352</b>	<b>221</b>	<b>248</b>

## Key Indicators

%	2Q19	1Q20	2Q20
<b>Return on Average Equity<sup>1</sup> (ROAE) - linear</b>	<b>14.4</b>	<b>8.9</b>	<b>8.8</b>
<b>Return on Average Assets (ROAA)</b>	<b>1.5</b>	<b>0.9</b>	<b>0.8</b>
<b>Net Interest Margin Clients<sup>2</sup> (NIM)</b>	<b>9.8</b>	<b>10.3</b>	<b>9.3</b>
<b>Efficiency Ratio – accumulated 12 months<sup>3</sup></b>	<b>32.4</b>	<b>31.8</b>	<b>31.5</b>

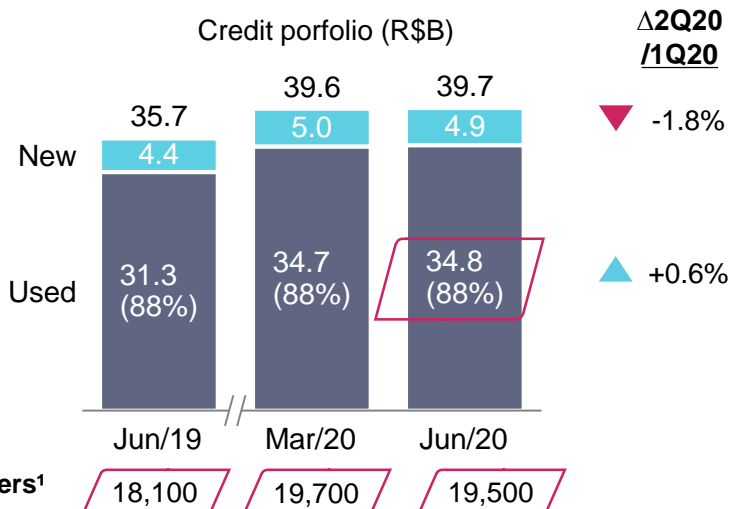
1. Includes profit sharing expenses; 2. - Net Interest Margin: Ratio between Financial Margin with clients and the average assets sensitive to spread. 3. IE = personnel, profit sharing expenses and administrative expenses / (gross financial margin + service and fee income + other operating income + other operating expenses + tax expenses), excludes labor claims.

# Consumer Finance: increased focus on used auto finance and strong presence in insurance brokerage



## Consumer Finance Business

### Auto Finance



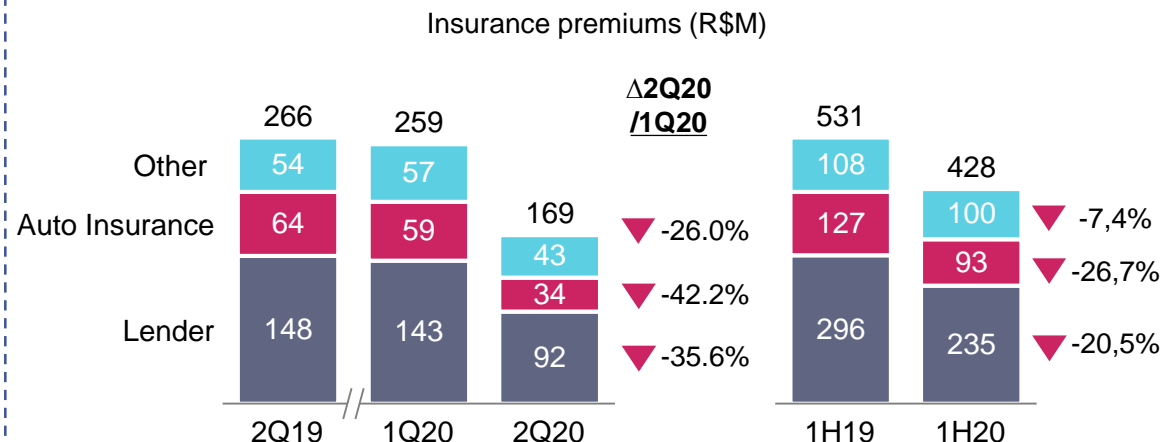
**Among market leaders in auto financing, with the following advantages:**

- **Capilarity:** presence in ~19,000 car dealers nationwide; 65 own stores; mobile app
- **Agility:** 97% of proposals with automatic credit decision
- **Expertise:** continuous improvement of management tools
- **Digital transformation:** creation of data science and innovation lab (BV Lab)

1. Dealers with transactions carried out in the last 6 months;



### Insurance Brokerage



Focus on growing brokerage revenues, leveraging the Consumer finance customer base.

Wide portfolio of insurance and assistance, with more than 15 products::

- Life
- Dental
- Residential
- Personal accident, etc.

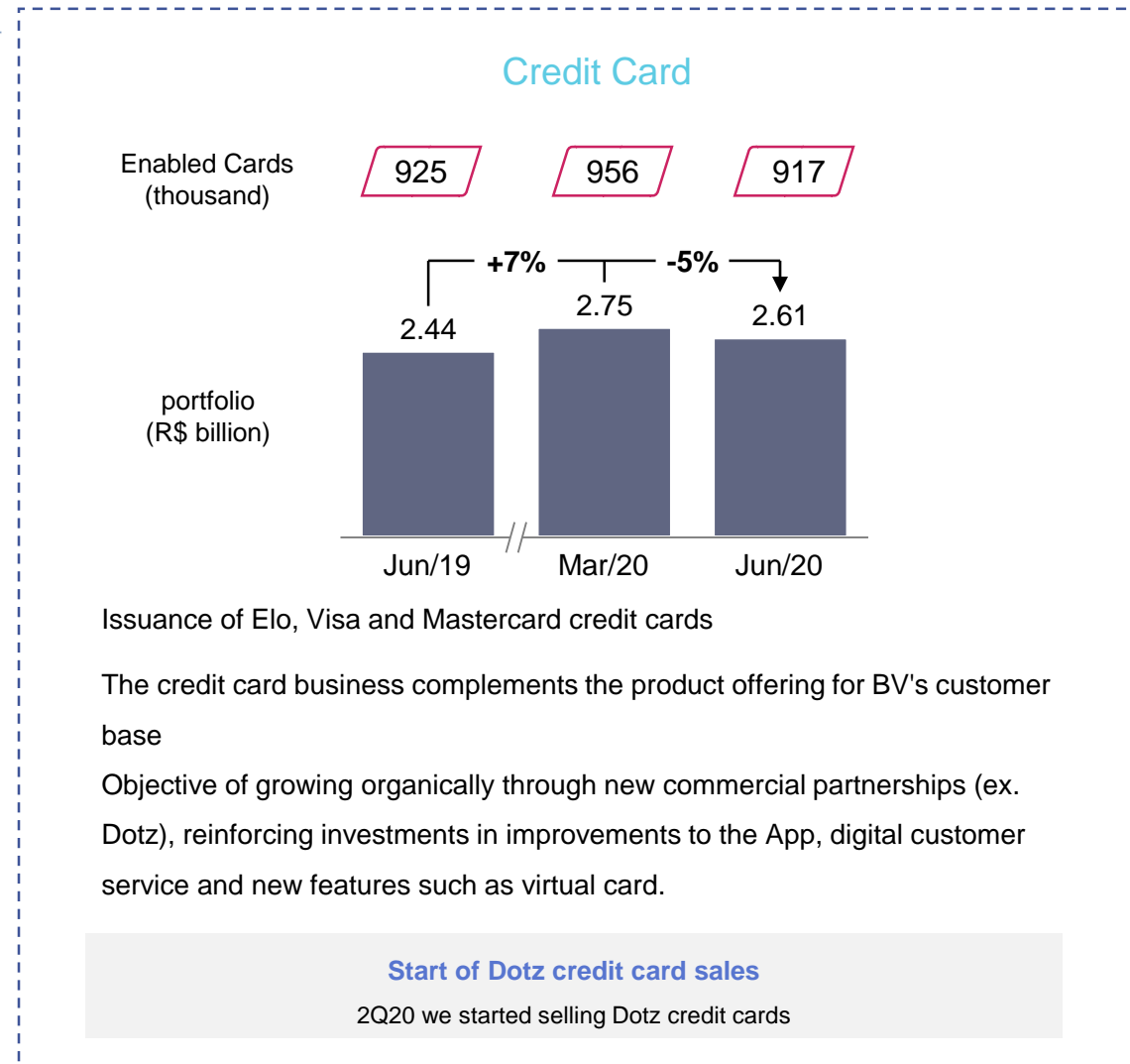
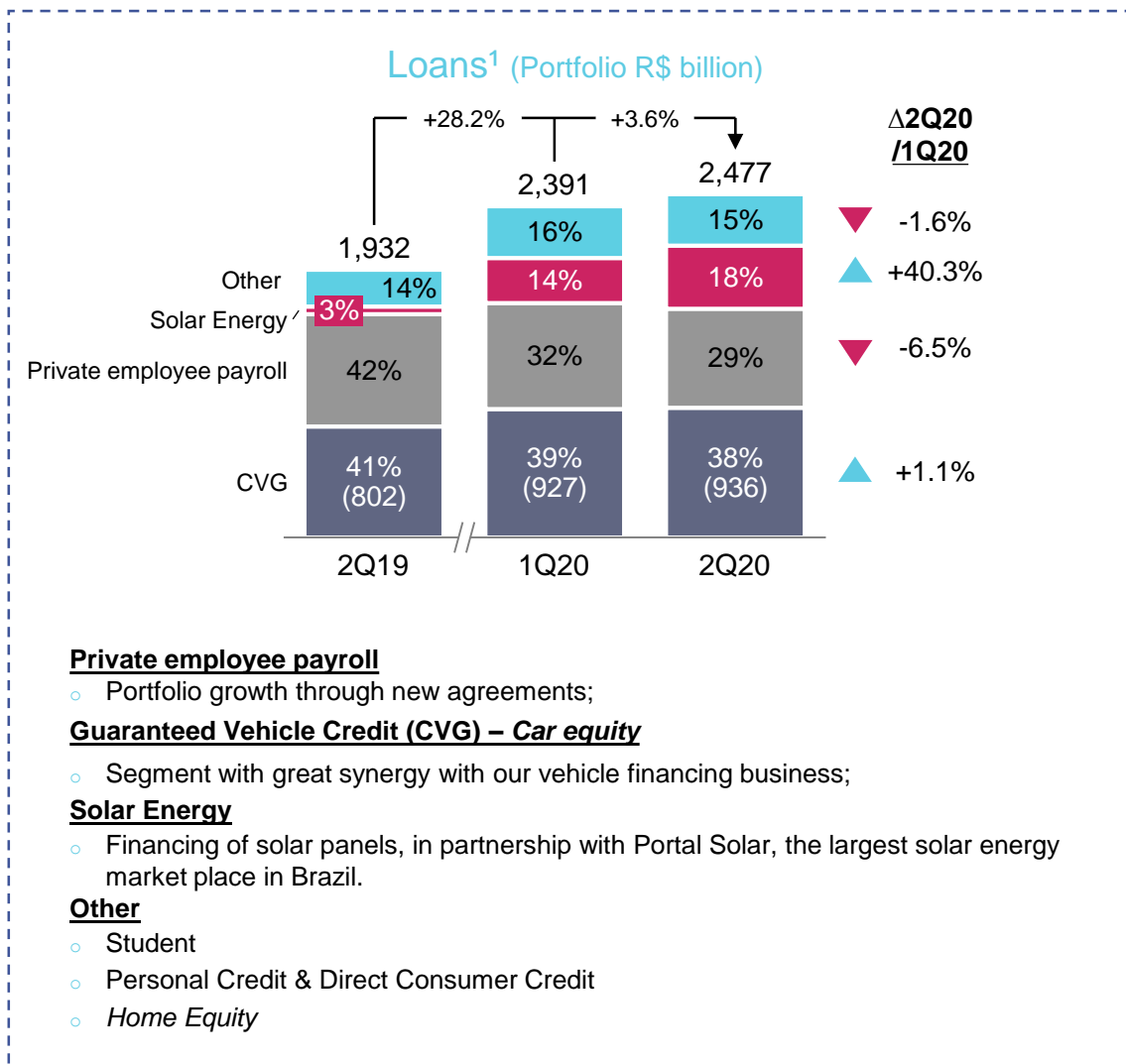
We started sales of complete auto insurance through an auto market place in addition to the financing sales process.



# Loans and Credit Card: diversification of revenue sources, leveraging the Vehicle customer base



## Consumer Finance Business



1. Exclude public payroll portfolio in run off.



## Wholesale Business

### Corporate Banking (CIB)

BV/corporate

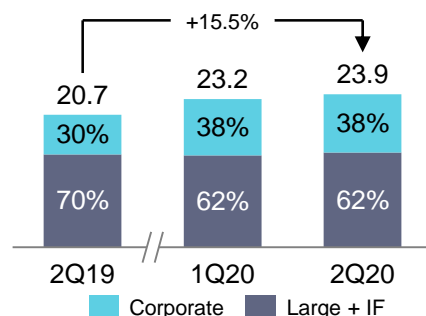
- **Large Corporate** (>R\$ 1,500mln):
- **Corporate** (R\$ 300M - R\$ 1,500mln): focus on portfolio growth (dilution of risk)

**Focus on cash management operations, financial structuring, guarantees, working capital, hedge, FX, capital markets and M&A**

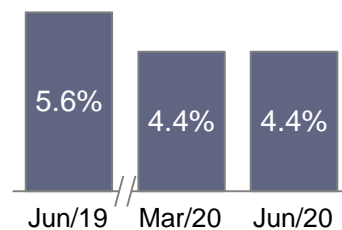
#### Leverage competitive capabilities

- Discipline in capital allocation and risk management (RAR<sup>1</sup>)
- Sectoral expertise (infrastructure and agribusiness)
- DCM distribution

#### Expanded Portfolio CIB (R\$ B)



#### 10 largest customers / Total credit portfolio



### Private Bank – BV Private

BV/private

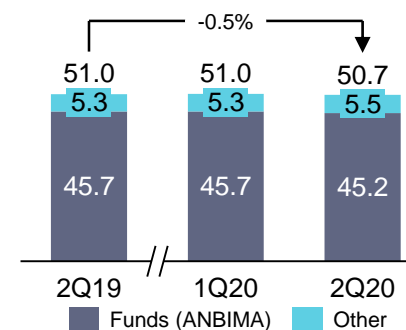
- Advisory approach focused on customer objectives
- Differentiated access to VAM and products linked to the Real economy (FII e FIDC)
- Expertise in estate planning

### Asset Management – BV Asset

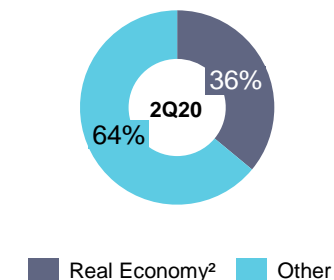
BV/asset

- **R\$ 50.7 billions under management (AuM)<sup>1</sup>**
- Development of solutions appropriate to customer needs
- 16<sup>th</sup> position in the ANBIMA ranking
- 255 active funds under management and a strong focus on funds **backed by real economy assets**

#### Asset management<sup>1</sup> (R\$ B)



#### Funds backed by real economy assets<sup>2</sup>

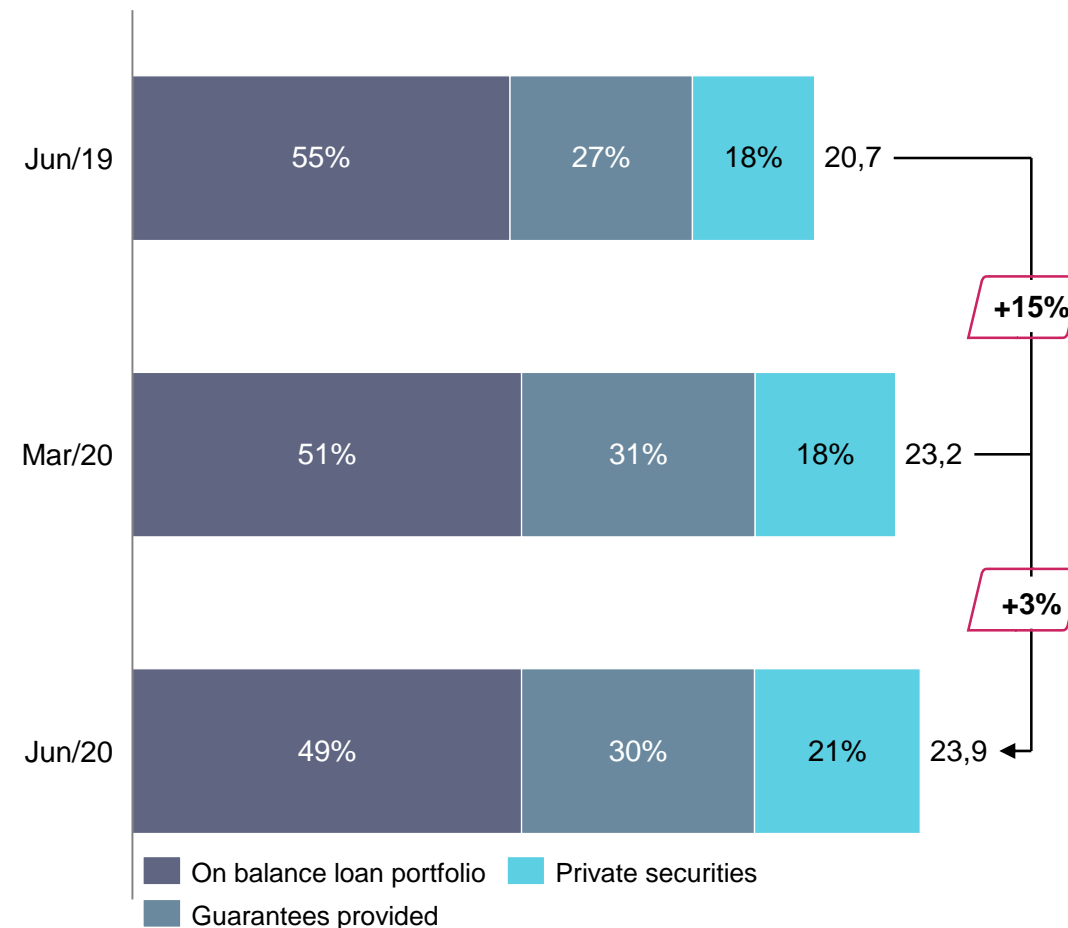




## Sector diversification portfolio<sup>1</sup>

WHOLESALE SECTORIAL CONCENTRATION	Mar/20		Jun/20	
	R\$M	Part.(%)	R\$M	Part.(%)
Financial Institution	3,764	16.2%	3,448	14.4%
Civil Construction	1,865	8.0%	2,050	8.6%
Industry	1,774	7.7%	1,807	7.5%
Retail	1,267	5.5%	1,678	7.0%
Sugar and Ethanol	1,852	8.0%	1,669	7.0%
Electricity Generation	480	2.1%	1,064	4.4%
Project Finance	972	4.2%	1,005	4.2%
Telecom	989	4.3%	942	3.9%
Oil & Gas	817	3.5%	861	3.6%
Cooperatives	742	3.2%	759	3.2%
Automotive/Auto parts/Car dealers	658	2.8%	710	3.0%
Services	676	2.9%	649	2.7%
Sanitation	292	1.3%	597	2.5%
Mining	538	2.3%	505	2.1%
Car Rental	507	2.2%	496	2.1%
Other	5,994	25.9%	5,701	23.8%
<b>Total Geral</b>	<b>23,186</b>	<b>100%</b>	<b>23,941</b>	<b>100%</b>

## Expanded credit portfolio (R\$B)



# BV<sup>x</sup> : Innovation unit focused on generating value through connection with the ecosystem of fintechs and startups

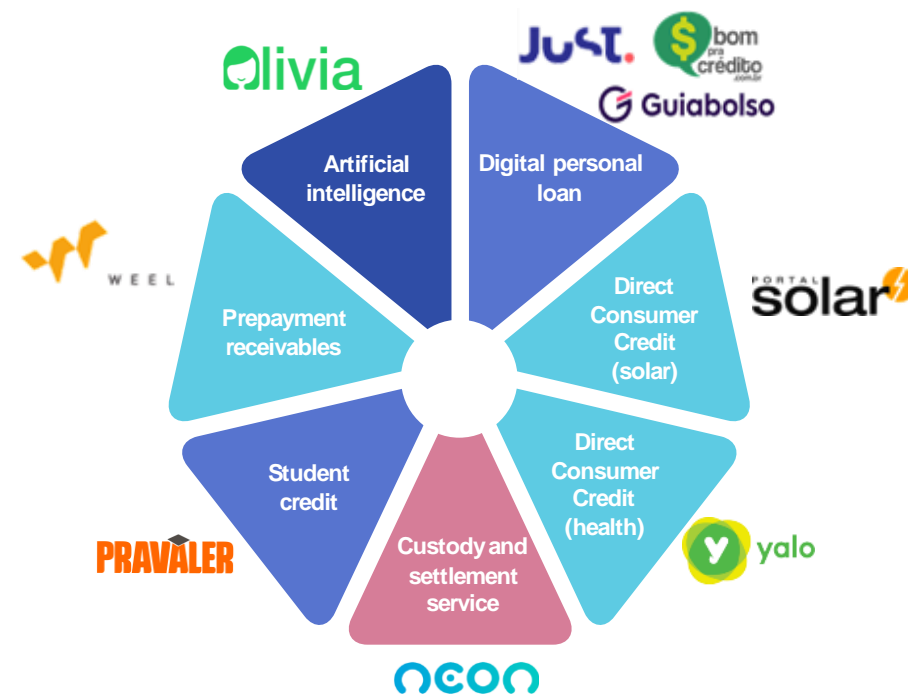
## Innovation Business Unit



- In 2019, BV's innovation business unit, BVx, was officially launched, its **mission is to generate value** through the connection with the **startup ecosystem**, through co-creation, proprietary developments and investments in strategic partnerships.
- BVx has three operating fronts :
  - **Corporate Venture Capital (Corporate VC):** investments and partnerships in fintechs and other startups that have synergies with BV and that complement the portfolio of solutions for bank customers
  - **BV Open Platform:** Through Open Banking initiatives, expand BV's performance as Bank as Platform, generating greater gains and diversifying revenues through partners.
  - **BVLab:** Innovation Laboratory, dedicated to making technological integration with partner startups, developing new businesses and experimenting with emerging technologies.

**178 partners using the open BV platform**

## Examples of partnerships in our ecosystem



### Bank as a Platform

▲ +18.2 million

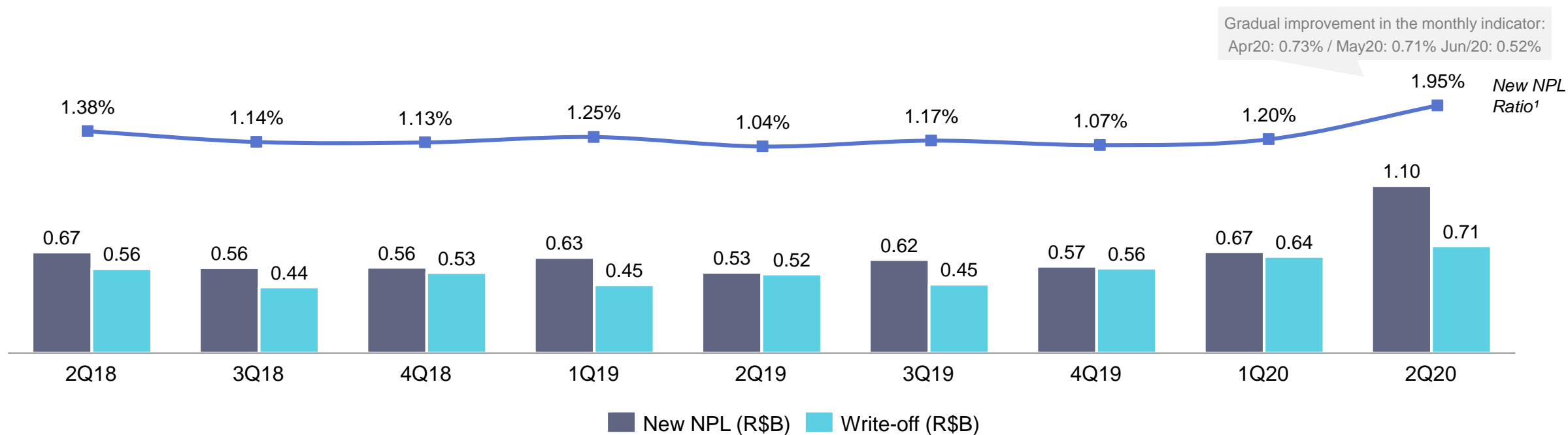
transactions carried out in 1H20, 211% above 1H19, through Banking as a Service



In 2Q20, BV led the investment of R\$ 15 million in Carflix, a startup that intermediated the purchase and sale of used cars through its technological platform.

# Credit portfolio quality – New NPL rate

NEW NPL (R\$ Million)	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Managed loan portfolio (A)	49,170	49,771	50,478	51,199	52,480	53,519	55,676	56,618	56,655
90-day NPL Balance (NPL)	1,969	2,095	2,128	2,310	2,320	2,483	2,496	2,527	2,924
Quarterly NPL variation (B)	108	126	34	181	11	162	13	32	396
Write-off (C)	557	436	531	449	521	454	559	636	706
New NPL (D=B+C)	665	562	565	630	532	616	572	668	1,103
New NPL Rate <sup>1</sup> (D/A)	1.38%	1.14%	1.13%	1.25%	1.04%	1.17%	1.07%	1.20%	1.95%

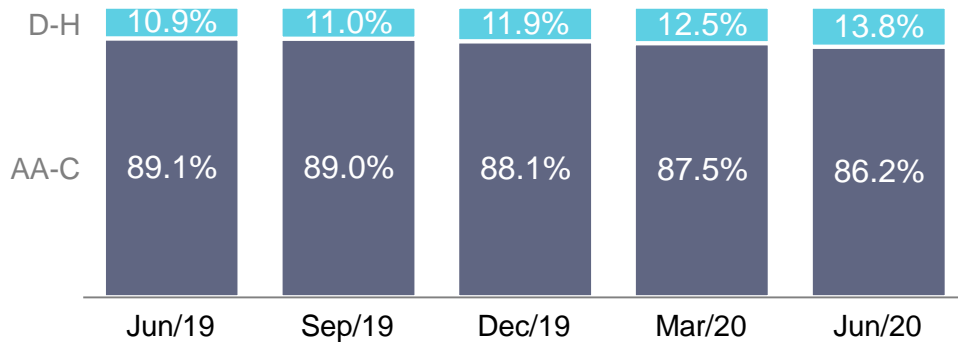


1. Change in overdue balance over 90 days (NPL) + write-offs for loss in the quarter (write-off), divided by the final portfolio of the previous quarter.

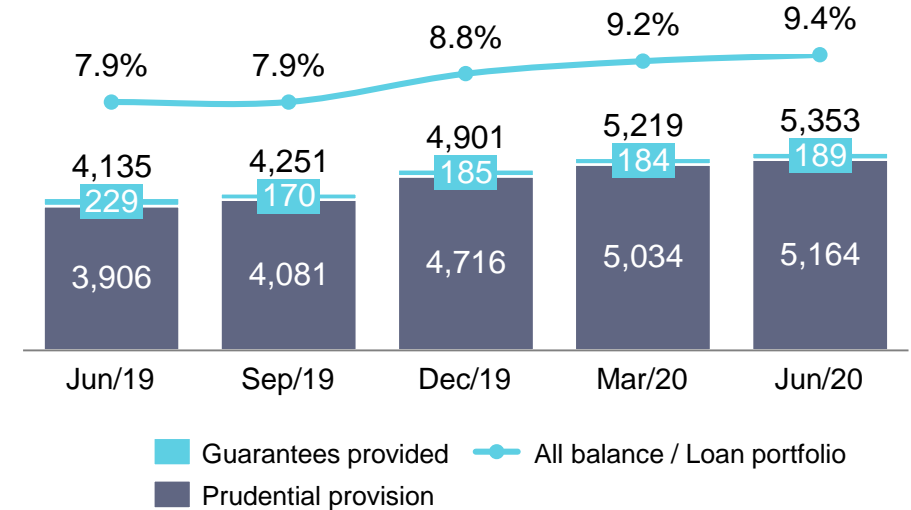
# Credit quality indicators



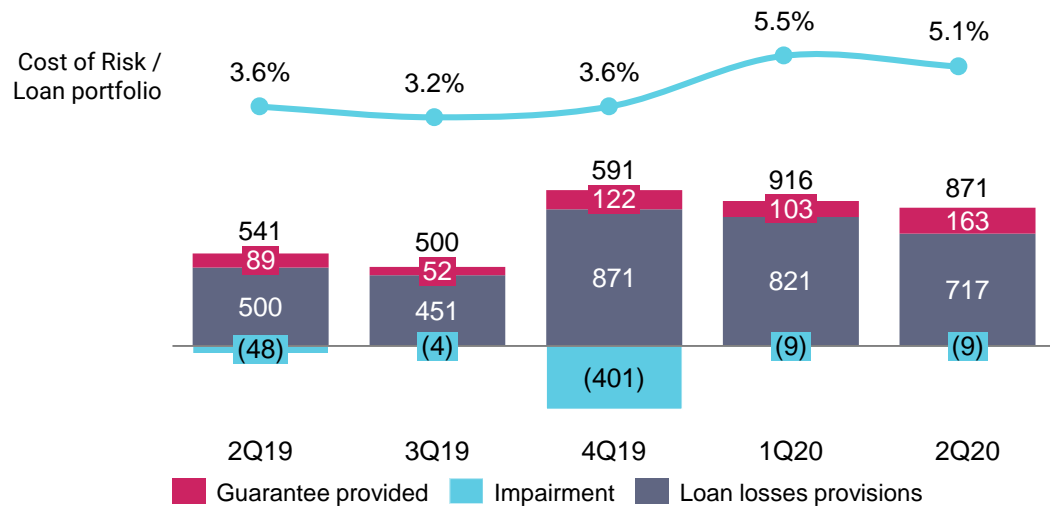
Loan portfolio rated by risk level (%)



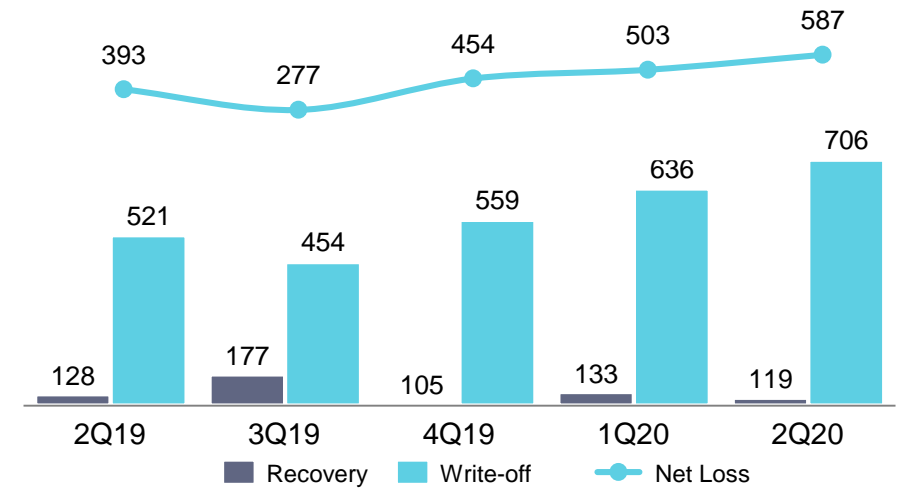
Allowance for loan losses balance (R\$M)



Result of loan losses<sup>1</sup>, guarantees and impairments (R\$M)



Net Loss<sup>2</sup> (R\$M)



1. Considers credit provisions recognized as Liabilities in the "Other" line (see Note #18d of Financial Statements); 2. Net loss = loans written-off to losses in the quarter + revenues from credit recovery.

RATING AGENCIES		International		Local	Brazil
		Local	Foreign	Local	
Moody's	Long-Term	Ba2 (stable)	Ba3	Aa3.br	Sovereign ratio <i>(outlook)</i>
	Short-Term	NP	NP	BR-1	
Standard & Poor's	Long-Term	BB- (stable)		brAAA	BB- (stable)
	Short-Term	B		brA-1+	

## Earnings Presentation

# 2Q20

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

