Financial Statements

December, 31 2022

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banco

Financial Statements

as of December 31, 2022

(In thousands of Reais, unless otherwise stated)

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

/ Management Report

December 31, 2022

We present the Management Report and the Individual and Consolidated Financial Statements of Banco Votorantim SA (banco BV or Banco) for the period ended December 31, 2022, prepared in accordance with the accounting practices adopted in Brazil, established by the Brazilian Corporate Law in compliance with the rules and instructions of the National Monetary Council (CMN), the Central Bank of Brazil (BACEN), the Securities and Exchange Commission of Brazilian (CVM), when applicable, and presented in accordance with the Accounting Plan of the Institutions of the National Financial System (COSIF).

/ Highlights 2022

Resilience in the core business, advances in the diversification strategy and customer experience, and efficiency and modernization of the technological platform were the highlights in 2022

Recurrent Net Income
R$ 1.5 BN
-6.6% vs 2021

Recurrent ROE
12.2%
vs 14.0% in 2021

Efficiency Ratio[1]
34.2%
+2.2 p.p. vs 2021

NPL 90 days
4.9%
vs 3.7% in 2021

Coverage Ratio
166%
vs 239% in 2021

Basel Ratio
14.3%
vs 15.8% in 2021

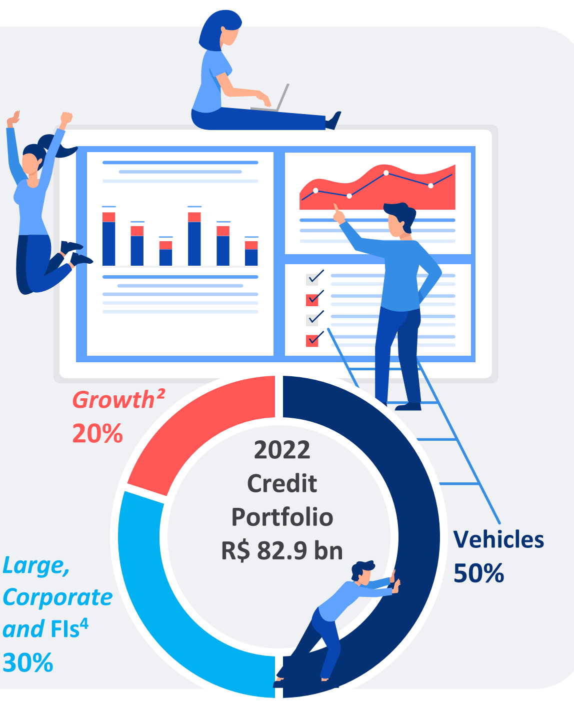
Credit Portfolio
R$ 82.9 BN IN 2022
+8.6% vs 2021

Solar Panel Financing
84.7% vs 2021
R$ 4.6 bn in 2022

Credit Card
27.1% vs 2021
R$ 5.8 bn in 2022

Car Equity
83.2% vs 2021
R$ 2.1 bn in 2022

Small and Medium Enterprises[3]
102.4% vs 2021
R$ 2.4 bn in 2022



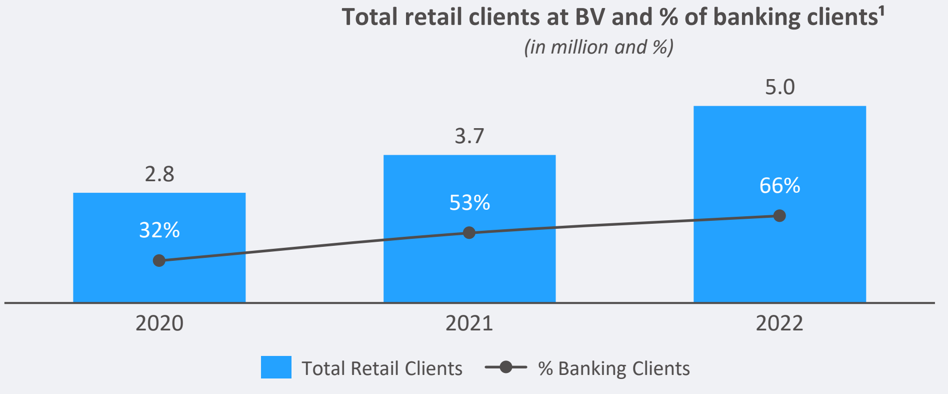
1 – Adjusted Efficiency Ratio (excluding investments in the digital bank); 2 – Includes: credit cards, solar panel financing, car equity, private payroll and others; 3 – Collateralized portfolio; 4 – Financial institutions

/ Strategy

Digital Strategy

We continue to scale our Digital Bank

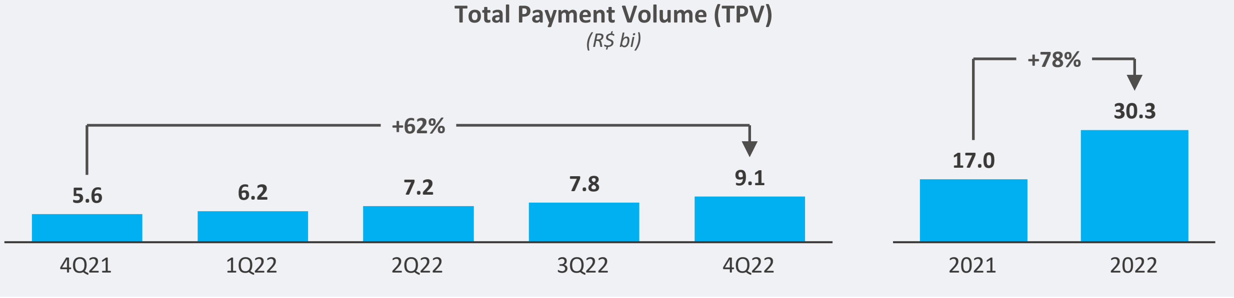
We reached 5.0 million retail clients at the end of 2022, with 66% of customers already converted to digital banking. We continue to seek customer engagement by expanding the offer of products and services in the app, together with the continuous improvement of the customer experience.



5.0 million
retail clients

66%
Banking clients[1]

Base engagement, represented by the total payment volume (TPV), reached R$9.1 billion in 4Q22, an expansion of 62% over the same period of 2021. In the accumulated result for the year, we reached R$30.3 billion of TPV[2], growth of 78% about 2021.



New strategic alliance with Méliuz and Bankly[3]

At the end of 2022, we announced a strategic alliance with Méliuz, a technology company that empowers and leverages sales at partner stores by offering cashback and discount coupons. The alliance strengthens important theses that are in BV's plans, mainly linked to customer attraction and engagement.

With this partnership, we will focus even more on the customer experience, offering financial products and services integrated into the Méliuz platform. In addition to being a partner in the offers, Banco BV will provide infrastructure, funding and financial products for Méliuz customers. Bankly will contribute to strengthening our BaaS platform (banking as a service)

1 – Clients who have a digital account and/or card; 2 – Includes expenses with credit and debit cards, TED, DOC and PIX; 3 - The acquisition of Méliuz and Bankly's stake depends on conditions precedent as per the Notice released on 12/30/2022

Strategy

Digital Strategy

New partnership with Dr. Cash

Further strengthening our solutions, during 4Q22 we announced the new partnership with Dr. Cash, credit fintech specializing in medical, dental and aesthetic treatments, which has more than 4,000 accredited clinics. With the partnership, BV will provide funding for fintech clients, which will also contribute to the expansion and diversification of the bank's portfolio.

New partnership with Klavi

Klavi, a SaaS (Software as a Service) platform that offers Open Finance solutions, has also became our strategic partner. Klavi is a pioneer in generating insights from data obtained from Open Finance in Brazil, offering solutions for any size of business. The objective of the partnership is to strengthen the expansion of Open Finance solutions for the entire Brazilian adult population, so that, more and more, our customers can have financial products that are suited to their profile.

New Partnership with Darwin Seguros

Darwin Seguros is an insurtech that seeks to innovate in the insurance segment, where it will use data generated by your cell phone while you are driving, to determine the fairest price for your insurance. The journey will be 100% digital, from quotation to compensation payment. The partnership with Darwin combines Banco BV's expertise in the vehicle sector with the insurance market, which has great growth potential.

New partnership with Parcelex

The investment in Parcelex marked our entry into the "buy now pay later" market. Parcelex is a platform that allows online payments through installments through bank slips. In it, the customer can make online purchases without a credit card, paying any product in up to 24 installments through bank slips, like a booklet. Fintech is present in several of the main retailers operating in Brazil. Before finalizing the order, the customer can simulate in real time the amounts he will pay on the slips, depending on the number of installments chosen, and the amounts are fixed.

We completed the first year of partnership with Google Cloud

The first year of our partnership with Google Cloud was marked by investment in building the necessary bases (teams, processes, etc.), technology and cloud data. We focus on driving three pillars:

Innovation Culture

We adopted Workspace to assist in the joint work process, bringing together employees from both companies, located in Brazil and other regions of the world, in addition to methodologies for building digital products following Google's innovation practices. Consumed over 2,500 hours of training on data and technology enabled by partner learning platforms

Technology and Data

We developed the data platform for a unified customer view with approximately 500 variables, connected to Google AI to recommend more than 180 actions for customers (NBA – Next Best Action). We implemented the architecture on Google Cloud Platform (a platform that provides cloud computing resources with various features and tools) to collect consent for Open Finance applications and for the operation of our PIX solution, providing excellent results in terms of performance and scalability.

Experimentation

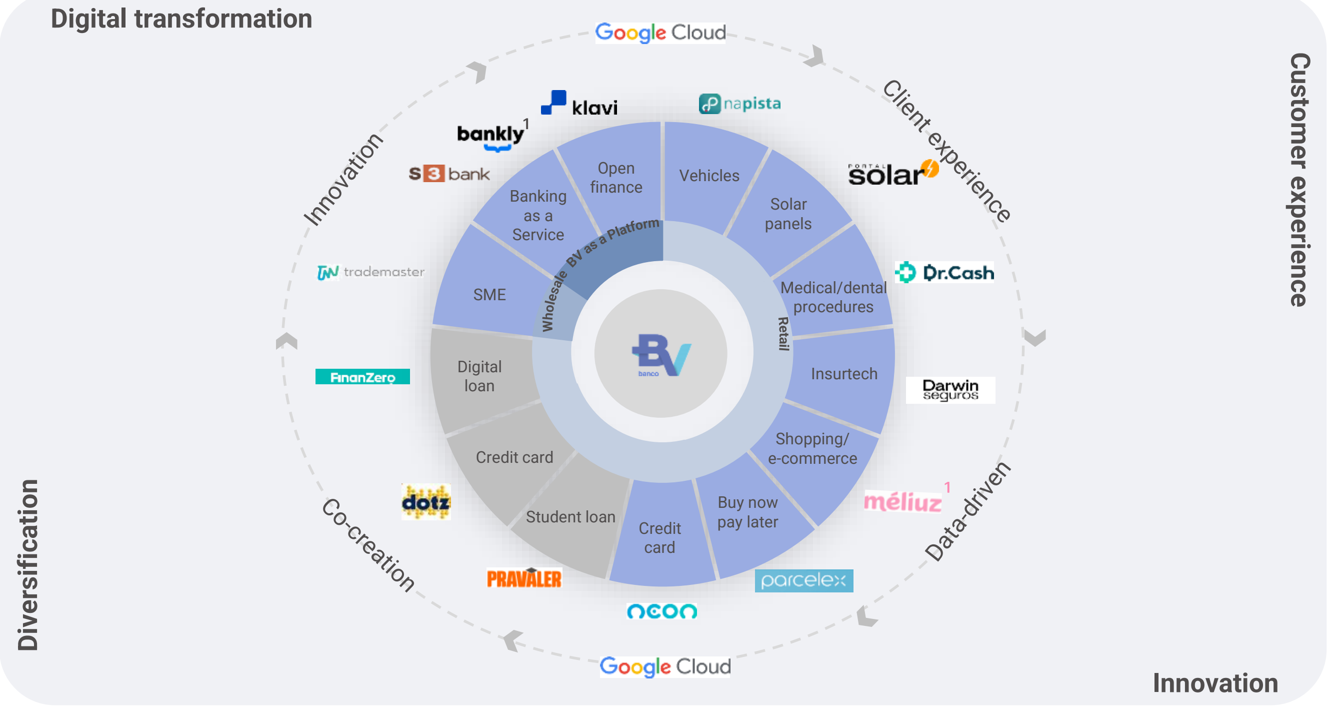
We evaluated 8 different hypotheses with customers using ideation methods with the support of Google Cloud experts and, in 2023, we intend to scale these initiatives bringing direct impact to a hyper personalized experience during the end customer journey

/ Strategy

BV^x – Innovation Business Unit

Building the complete ecosystem

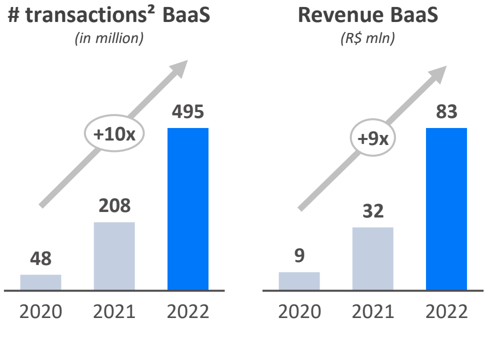
BV^x, our innovation business unit, has the mission of generating value by connecting with the startup and fintech ecosystem, through co-creation, proprietary developments and investments in strategic partnerships. Between direct investments and partnerships for co-creation and lead/distribution of products, we had approximately 30 innovative companies enriching our ecosystem at the end of 2022. Below we present a non-exhaustive view of our ecosystem:



BV as a Platform

We continue to expand our partnership platform through our APIs. We ended 4Q22 with 68 partners from the most varied segments such as education, energy, health and e-commerce connected and using BV as a platform services, business that contributes for BV's revenue diversification.

Transactions[2] carried out on our Banking as a Service (BaaS) platform reached 495 million in 2022, volume 10x bigger than the one recorded in 2020. Revenues from BaaS platform reached R$ 83 million in 2022, 9x bigger than the one registered in 2020.



1 – The acquisition of Méliuz and Bankly's stake depends on precedent conditions as per the Notice disclosed on 12/30/2022; 2 - include payment of bank slips, Ted and Pix,

/ Strategy

BVx – Innovation Business Unit

BV Lab – Innovation Laboratory

Throughout 2022, we experienced innovation in practice in our daily lives with the innovation ecosystem. Expanding our relationship with the market and establishing new partnerships that further accelerated innovation at BV. Achieving great results like:

- Achievements of 47 initiatives proposed by BV employees on internal innovation;
- More than 70 participations in innovation events;
- Carrying out more than 60 open innovation initiatives with startups, of which seven were hired.

Seeking to generate value for our stakeholders through innovation with the ecosystem, we know that it is essential to ensure that innovation processes work well. Involving from purchasing and contracting processes, application of the General Data Protection Law (known as LGPD in Brazil), to a work of transforming the internal culture. The result was greater internal efficiency, which corresponds to a total reduction of 85% in the time for experimentation with startups.

In addition to leveraging and enhancing existing businesses, we know that the financial market is constantly changing and there are internal work fronts that seek disruptive and scalable solutions. For this, we started our entry into the blockchain universe by issuing tokenized receivables in partnership with Liqi (asset tokenization company). Initiatives like this present possibilities for reducing internal inefficiencies and demonstrate the enormous potential that technological innovation can add value in the long term, in all spheres.

For all these reasons, BV was consecrated in 3 innovation rankings at the end of 2022:

- **Startup Awards** (conducted by the Brazilian Association of Startups)
- **Ranking of the Best Companies for the Brazilian Startups Ecosystem** (conducted by The Bakery Brasil)
- **TOP Banks – 100 Open Corp** (led by 100 Open Startups).

These recognitions show that our decisions focused on offering innovative experiences for customers and partners are already bringing positive results.

The year 2022 also brought great maturity to Open Finance in Brazil, with the simplification of the data sharing experience and the launch of the first value propositions for the customer. At BV it was no different and we developed new solutions, with emphasis on our credit intelligence, which with data from Open Finance, resulted in an increase in the limit for customers who brought their data to BV.

Finally, BV was recognized in the "Banking Transformation" award promoted by Cantarino Brasileiro, this award is given by one of the most respected communication and relationship marketing companies for the financial sector in Brazil. Recognition in the award was in the Open Banking category, with the case "Analytics for Open Finance", an important market validation of our Open Finance strategy.

/ Strategy

Client Centricity

We seek to develop an entrepreneurial culture that emphasizes the commitment to care for our customers and provide them with high-quality support, which results in strengthening our purpose as an institution: to make the financial lives of people and companies easier.

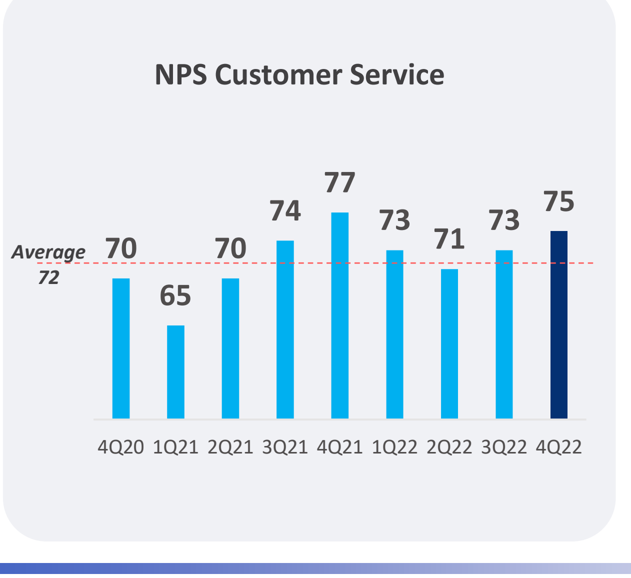
We know that this approach sets us apart in the market and allows us to build a loyal relationship with our customers. The use of technology aimed at improving channels, training customer service teams, offering contextualized and personalized products and services has contributed to an increase in our customers' satisfaction.

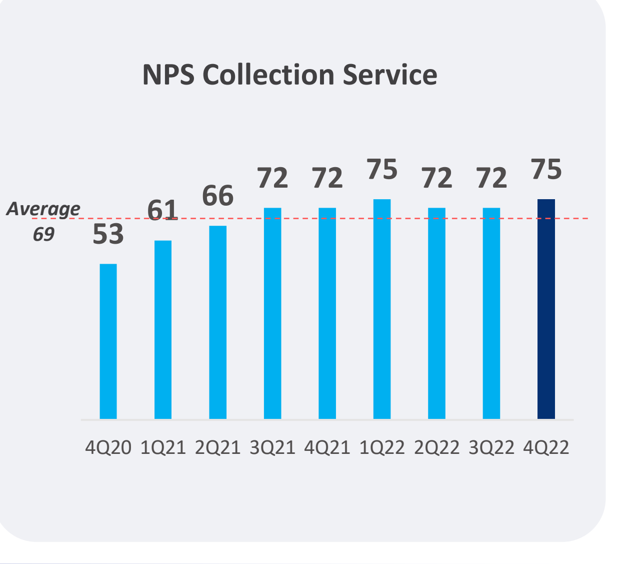
This positioning of BV has continually provided us with one of the lowest number of valid complaints per million customers among the country's large banks in the Central Bank of Brazil's Complaints Ranking. It also brought us one of the best ratings on the main consumer rating portals, such as *Reclame Aqui* portal, where the BV score at the end of 2022 was 7.2/10, a highlight among the main players in the Brazilian financial sector, and Consumidor.gov.br, where we also ended the year with one of the best ratings in the financial industry.

During 2022, we won the Ombudsman Brazil Award, promoted by the Brazilian Association of Company-Customer Relations (Abrarec), which aims to recognize and reward organizations that work to strengthen and expand the Ombudsman Institute in Brazil and worldwide.

BV was also the winner of the 2022 ABT Award in the Quality Management category. Held annually, the award is the largest in customer relationship in Brazil, recognizing and disseminating the best market practices in the area. With the case “Complaints Governance - A strategic look to reduce complaints: how continuous improvement work and the synergy of multidisciplinary teams can bring structural results in the customer experience”, BV explained about the maturity it reached throughout 2021 to work on customer pain points in various areas of the bank.

Our constant NPS evolutions are also strong factors, which further strengthen our purpose. The NPS (Net Promoter Score) is a widely used survey methodology to measure customer satisfaction. Our advances in this indicator reflect our ongoing efforts to deliver a better experience. In the customer service channel, our average transactional service NPS in 4Q22 was 75 against 77 in 4Q21 and 70 in 4Q20, 4.2 p.p. above the average of the periods between 4Q20 and 4Q22. In the collection sector, the NPS evolved from 53 in 4Q20 to 72 in 4Q21, ending 4Q22 at 75, 8.4 p.p. above the average of the last two years.





/ Strategy

ESG – Environmental, Social and Governance

Our sustainability aspiration is "Fostering social development through sustainable action with our ecosystem". To strengthen our aspirational and sustainable commitment, in May 2021 we launched our "2030 Commitments for a lighter future". In it, we assumed five public goals with the aim of getting closer to the UN Sustainable Development Goals and which are in line with the Global Compact, to which we are signatories. The 2030 commitments are aligned with our aspirations and based on three pillars of action (i) neutralizing our environmental impact; (ii) accelerate social inclusion and; (iii) mobilize resources to foster sustainable businesses. The goals and results achieved in 2022 were:

NEUTRALIZE OUR ENVIRONMENTAL IMPACT

1. To compensate **100% OF CO2** emissions in our **MAIN BUSINESS**, the used auto Finance

   SINCE THE BEGINNING OF THE PROGRAM, 100% OF THE VEHICLE FLEET FINANCED BY BV HAS HAD ITS CO2 EMISSIONS OFFSET (EQUIVALENT TO MORE THAN 2.0 MILLION TONS OF CO2)

2. To compensate **100% OF BV'S DIRECT GHG**[1] emissions

ACCELERATE SOCIAL INCLUSION

3. To reach **50% OF LEADERSHIP POSITIONS** held by **PEOPLE WHO IDENTIFY** with the **FEMALE GENDER**

   WE ARE ALREADY 38% WOMEN IN LEADERSHIP POSITIONS AND 44% WOMEN IN THE OVERALL PICTURE

4. To ensure the participation of **35% OF AFRO-DESCENDANTS IN BV'S WORKFORCE**

   WE ARE 23% BLACK PEOPLE IN OUR GENERAL STAFF, AND WE HIRED 303 PEOPLE IN 2022

MOBILIZE RESOURCES TO FOSTER SUSTAINABLE BUSINESS

5. To finance and distribute in the capital markets **R$ 80 BILLION FOR ESG INITIATIVES**

   R$ 15.1 BILLION FINANCED AND DISTRIBUTED TO ESG BUSINESSES SINCE 2021

In 2022, we highlight the following initiatives and achievements within our ESG agenda:

> Launch of the BV Único card made of 100% recyclable plastic

The product's manufacturing process allows for a reduction of up to 50% in energy consumption and up to 75% in water use. For each card produced there is a direct reduction of 7g CO2 that is no longer emitted in nature during the industrial process. In addition, all paper material in the BV Único welcome kit is recycled and produced from reforested wood certified by the Forest Stewardship Council (FSC). Along with the card, a sachet with seeds is also sent, an invitation for customers to plant a tree with us.

> Portfolio of incentivized projects

In December 2022, we allocated R$7.4 million to 30 social and cultural projects through Tax Incentive laws. The projects will start in 2023. Among the supported projects are OSESP; Baccarelli Institute; MASP; CCBB; Mozarteum; between others.

> Black Woman Cultural Public Notice

In September, we launched the second edition of the Edict Cultural for projects that promote cultural productions created by black women throughout Brazil. The initiative selected 9 projects that together received R$ 1.3 million distributed in three categories: training and protagonism of black women; creation and achievement by black women and memory and empowerment.

> Pact for Sport

We are signatories of the Pact for Sport, which is a pact in which large companies in the country come together to contribute to professional management and increase private investment in Brazilian sport.

1 – Greenhouse gases

/ Strategy

ESG – Environmental, Social and Governance

Financing of electric motorcycles for iFood couriers

We started to offer a line of financing with differentiated conditions to enable the purchase of electric motorcycles by couriers of the iFood app in Brazil. In addition, a subsidy of R$ 2,000 was given to the first 300 motorcycles financed.

CDBs Green

We were the first financial institution in Brazil to raise this operation. All of them backed by the financing of solar panels. In all, R$ 527 million were raised in five operations, with companies such as Votorantim Cimentos, Mercedes-Bens and Rumo.

Global Bond Transparency

We started disclosing our Green Bond operations on Global Bond Transparency. Platform created by the Inter-American Development Bank with the aim of increasing data transparency of Green operations in Latin America. To learn more, visit: https://www.greenbondtransparency.com/.

Green funding with International Finance Corporation

We raised US$ 150 million (approximately R$ 784 million) from the International Finance Corporation (IFC), a member of the World Bank Group, which will be used to expand our access to financing electric, hybrid and multi-fuel vehicles, contributing to the reduction of greenhouse gas emissions in the country.

Signature of UNEP FI

We have become official signatories to the UN Principles for Responsible Banking. The Principles are the main framework to ensure that the banks' strategy and practice are aligned with the vision that society has established for its future in the UN Sustainable Development Goals and the Paris Climate Agreement. Signatory banks commit to being ambitious in their sustainability strategies, working to integrate and embed sustainability at the core of their business, allowing them to remain at the forefront of sustainable finance.

ESG BV Podcast

In partnership with CBN, Valor Econômico S/A and Época Negócios, we launched an edition of the Podcast Espaço BV with the ESG theme. In this conversation, we tell how the ESG principles impact companies and society and what strategies have been adopted by the bank. Available at: https://lnkd.in/egvK37qw.

BV and Magalu jointly finance trucks

We signed a partnership with Magalu to finance trucks and offset CO_2 from vehicle emissions. The initiative sought to reach around 500 micro and small carriers that provide services to Magalu.

CNN Notable Awards 2022 – "Environment" Category

We won the 2021 edition of the Notable Awards for donating solar panels to four social institutes that are already supported by BV. The aim of the project was to offer savings of up to 95% on each entity's electricity bill so that the amount can be reinvested in new projects within their respective purposes, ensuring the best functioning of the sites with renewable and sustainable energy.

BV received the Caio Award, which recognizes the best companies and event professionals in the country

In December we received awards in two categories of the Caio Award. The #CompensaSerSolar web series won second place in the Sustainability category. Our Stand BV at STU 2021 also won second place, in the Relationship Event category. The awards reinforce our commitment to sustainable initiatives and sport, showing how they can make a difference in people's lives.

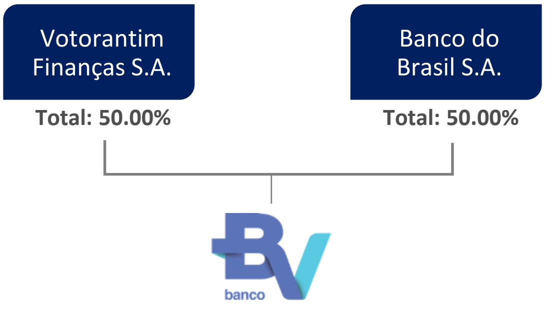
/ Strategy

ESG – Environmental, Social and Governance

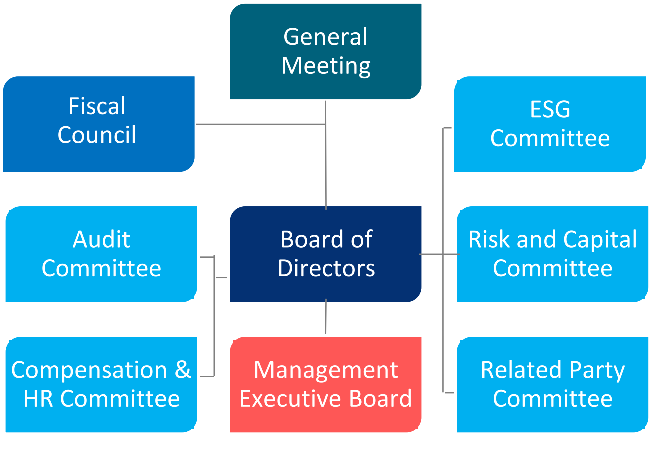
Corporate Governance

Banco BV has an organizational structure that observes the legislation and regulations in force in Brazil and is in line with the best market practices, committing itself to the principles of transparency, equity, accountability and corporate responsibility, as well as adopting standards of good practices in line with anti-corruption and social, environmental and climate responsibility laws.

We have a solid base of shareholders, formed by Votorantim Finanças S.A., the financial holding of Grupo Votorantim S.A., and by Banco do Brasil S.A., one of the largest financial institutions in Brazil, with more than 200 years of experience.



The following organizational chart presents BV's Corporate Governance bodies:



The management of Banco BV is shared between the shareholders Votorantim Finanças S.A. and Banco do Brasil S.A., with equal participation in the Board of Directors (BD). The Board of Directors comprises 7 members, 3 of which are appointed by each of the controlling shareholders and 1 independent member[1]. Decisions taken at Board meetings are by absolute majority, with no casting vote. In April 2021, at the General Meeting, the body was elected for the new term that will run until 2023.

Since 2020, we have established the Sustainability Committee. As of 2022, this committee will directly advise the Board of Directors on issues related to ESG and was renamed the ESG Committee. This committee has 3 members, one appointed by the shareholder Votorantim Finanças, one appointed by the shareholder Banco do Brasil and a director of the bank.

2022 Great Place to Work – GPTW

Banco BV was classified as the 2nd best financial institution to work for, according to the Great Place to Work 2022 (GPTW) certification. The main results were:

We are an increasingly diverse and inclusive bank...

97% favorability in the competence "Aspects of inclusion and diversity"

...which welcomes and receives people with empathy

96% favorability in the competence "Collaboration and feeling of belonging right at the entrance to the BV"

Acting ethically and transparently...

95% favorability in the competency "Leadership is honest and ethical in completing business"

...and making your employees proud

96% favorability in the competence " Employees are very proud to work at Banco BV"

1 - The independent member is chosen in common agreement by the shareholders.

/ Business

Diversified Business Portfolio

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

RETAIL

Auto Finance

- **Leadership** in the used light vehicle segment
- **Capillarity:** +23 thousand resellers; digital partners
- **Innovation and digital transformation**
- **100% digital contracting process**
- **96%** automatic response

Tenth consecutive year as leaders in financing used light vehicles

Other Retail

Growth and diversification, with high cross-sell potential

- **Credit cards:** Portfolio grew 27.1% vs 4Q21
- **Financing of solar panels:** Segment leadership. Portfolio grew 84.7% vs 4Q21
- **Car equity loan:** Segment leadership. Portfolio growth of 83.2% vs 4Q21
- **Other loans:** Personal loan, private payroll, student, medical procedures, FGTS credit

WHOLESALE

Corporate & Investment Banking

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

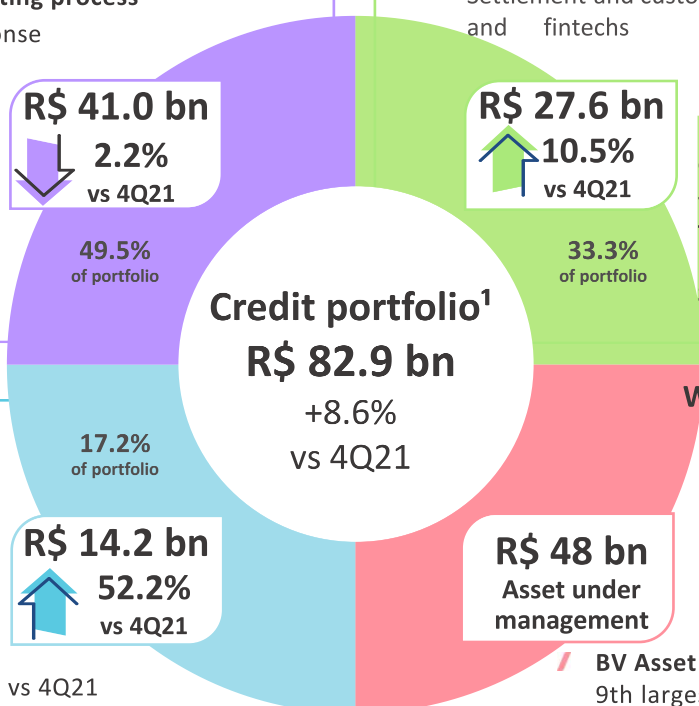
Expansion in the Corporate segment +12% vs 4Q21 (50% of the on-balance portfolio of CIB) and SMEs +102.4% vs 4Q21

Wealth Management

BV holds a strong presence within the structured funds. 53% of AuM backed by the real economy

- **BV Asset**
  9th largest real estate fund manager Anbima[2] ranking
- **BV Private**
  9th largest manager ranking Anbima[22]

In August/22, as announced to the market, we signed a strategic partnership with Bradesco for the formation of an independent wealth management. Completion of the transaction is subject to the fulfillment of certain precedent, legal and regulatory conditions..



BVx is the innovation business unit that generates value through connection with the startups and fintechs ecosystem, with co-creation methods, proprietary developments and investments in strategic partnerships

BVx vc / BV open / BVx lab

1 - Expanded portfolio (includes guarantees provided and private securities); 2 - ANBIMA Ranking of Dec/22

/ Results 2022

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. 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". As of 2022, this effect ceased to exist with the change in legislation that eliminated the distortion generated on the taxation of investments abroad.

In addition to the managerial adjustments described above, the numbers presented in this section of the Report follow the view of Managerial Recurring Results. For a detailed analysis of the figures presented in this section, we recommend reading this document together with the 4Q22 Earnings Release, available on our Investor Relations website (https://ri.bv.com.br/en/).

INCOME STATEMENT (R$ million)	2022 Accounting	Non-recurring events	Managerial Adjustments	2022 Managerial
Revenues – Total (i + ii)	**9,074**	**0**	**789**	**9,863**
Gross financial margin (i)	6,799	0	1,114	7,913
Income from services and brokerage fees (ii)	2,275	0	(325)	1,950
Cost of risk	**(1,824)**	**0**	**(1,202)**	**(3,026)**
Operating expenses	**(5,311)**	**4**	**412**	**(4,895)**
Personnel and administrative expenses	(3,904)	0	724	(3,180)
Tax expenses	(581)	0	6	(576)
Other expenses (income)	(826)	4	(317)	(1,140)
Result before taxes and contributions	**1,938**	**4**	**0**	**1,942**
Provision for income tax and social contribution	(204)	0	(0)	(204)
Minority interests	(273)	0	0	(273)
Recurring Net Income	**1,461**	**4**	**(0)**	**1,465**

/ Results 2022

Main Indicators

Managerial Income Statement *(R$ million)*	2021	2022	Δ%
Total revenue (i)+(ii)	9,507	9,863	3.7%
Gross financial margin (i)	7,412	7,913	6.8%
Income from services and brokerage fees (ii)	2,095	1,950	-6.9%
Cost of risk	(2,525)	(3,026)	19.8%
Personnel and administrative expenses	(2,563)	(3,172)	23.8%
Recurring Net Income	1,569	1,465	-6.6%
Accounting Net Income	1,564	1,461	-6.5%

Balance Sheet *(R$ million)*	2021	2022	Δ%
Total assets	120,166	123,818	3.0%
Expanded loan portfolio	76,304	82,874	8.6%
Wholesale segment	24,984	27,602	10.5%
Retail segment	51,320	55,273	7.7%
Funding sources	80,590	84,956	5.4%
Shareholders' equity	11,929	14,790	24.0%
Basel ratio (%)	15.8%	14.3%	-1.5 p.p.
Tier I Capital Ratio (%)	14.8%	13.1%	-1.7 p.p.
Common Equity Tier I (%)	12.6%	12.5%	-0.2 p.p.

Managerial Indicators *(%)*	2021	2022	Δ%
Return on Average Equity[1] (ROAE)	14.0%	12.2%	-1.8 p.p.
Return on Average Assets[2] (ROAA)	1.3%	1.2%	-0.1 p.p.
Net Interest Margin[3] (NIM) - Clients	10.1%	10.1%	0.0 p.p.
Net Interest Margin[3] (NIM) - Clients + Market	7.2%	7.2%	0.0 p.p.
Efficiency Ratio (ER) - accumulated of 12 months4	34.0%	38.9%	4.9 p.p.
Normalized Efficiency Ratio[6] - accumulated of 12 months	32.0%	34.3%	2.3 p.p.
NPL 90-days	3.7%	4.9%	1.3 p.p.
Coverage Ratio (NPL 90-days)	239%	166%	-73.8 p.p.

Additional Information	2021	2022	Δ%
Employees[7] (quantity)	4,376	4,463	2.0%
Assets under Management (R$ million)	52,341	47,822	-8.6%

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 - Normalized Efficiency Ratio Excluding investments in digital bank; 7 - It does not consider interns and statutory employees; 8 - It includes onshore funds (ANBIMA criteria) and private client funds (fixed income, variable income and offshore funds)

/ Results 2022

Recurring Net Income and Recurring ROE

Recurring net income reached R$ 1,465 million in 2022, down 6.6% compared to 2021, equivalent to an annualized return on equity (recurring ROE) of 12.2% p.a., comparable to R$1,569 million and ROE of 14.0% p.a. in the previous year. The drop in profitability compared to 2021 mainly reflects: (i) decline of income from service and insurance brokerage, due to the contraction in auto finance origination and stricter credit granting policy in 2022; (ii) increase in cost of risk, reflecting the highest commitment of household income in the historical series with impact on NPLs in Retail, and due to a provision for an specific case in the Wholesale portfolio, in addition to the effect of the mix of products with the diversification agenda; (iii) increase in personnel and administrative expenses, as a result of increased investments to meet the growth strategy of the digital bank (with investments that grew 5x from 2020 to 2022), diversification strategy (growth portfolio already represents 20% of the portfolio of total credit and profitability at an inflection point), in addition to the effects of inflationary pressure in the period and, finally (iv) the increase in shareholders equity, which contributed to the reduction of ROE.

Total Revenues

Total revenue (sum of the gross financial margin plus revenue from services and insurance) reached R$ 9.9 billion in 2022, 3.7% higher than in 2021, when it totaled R$ 9.5 billion. The gross financial margin grew 6.8% compared to the previous year, while income from service and insurance brokerage decreased 6.9%, impacted by the retraction in the auto financing market in Brazil during 2022.

Gross Financial Margin

The gross financial margin grew 6.8% compared to 2021, to R$ 7.9 billion. The margin of clients reached R$ 7.2 billion, 7.7% above the margin recorded in 2021. The growth in the clients of margin reflects the expansion of the loan portfolio. The NIM for clients[1] was 10.1%, in line with 2021. The margin with the market decreased by 1.6% against 2021, from R$ 718 million to R$ 707 million. Despite the increase in interest rates, which rose from 4.5% at the end of 2021 to 12.5% in 2022, our policy of structural hedges and preservation of margins proved to be very effective, ensuring low sensitivity of our financial margin with the market to the yield curve.

Cost of Risk

The cost of risk grew 19.8% compared to 2021, to R$ 3.0 billion. The cost of risk on the expanded loan portfolio grew from 3.4% in 2021 to 3.9% in 2022. The increase observed in 2022 mainly reflects the expansion of the loan portfolio, with emphasis on the growth in loan portfolios aimed at the consumption of individuals, a segment that has been impacted by the high commitment of family income, which reached 28.2% in November/2022 (data from the Central Bank), the highest index in the historical series, started in 2005. The scenario more challenging led to an increase in default levels for individuals throughout 2022, which led us to implement important adjustments in the granting of credit. In addition, the cost of risk in 4Q22 was impacted by a subsequent event linked to a wholesale customer that filed for bankruptcy.

Administrative and Personnel Expenses

Administrative and personnel expenses, excluding depreciation and amortization, grew 23.1% year-on-year, to R$ 2.9 billion. In the period, there was a 25.6% increase in personnel expenses explained by: i) the effects of the negotiation of the collective bargaining agreement, which includes an 8.0% readjustment on wages and benefits as of September and, ii) an increase in staff to face the diversification, technology and expansion agenda of the digital bank. Administrative expenses (excluding depreciation and amortization), in turn, increased by 19.9% in 2022. The increase is mainly due to: (i) the growth in data processing expenses, due to greater investments in technology, in line with the strategy to strengthen the digital bank and diversify the business, (ii) the increase in marketing expenses linked to brand strengthening and, (iii) higher expenses related to specialized technical consulting.

/ Results 2022

Efficiency Ratio

The Efficiency Ratio ("ER") ended 2022 at 38.9%, 4.9 p.p. above the 2021 ER. The increase observed against 2021 is in line with BV's strategic plan, with greater investments in initiatives that bring diversification to the bank being allocated, mainly, in the areas of technology and people. Investments in technology, in addition to promoting diversification and client-centered agendas, enabled important efficiency gains, evidenced by the healthy ER level of 34.3% when we exclude investments in the digital bank.

Credit Portfolio

The expanded credit portfolio ended 2022 at R$ 82.9 billion, growth of 8.6% when compared to 2021, with expansion of 7.7% in Retail and 10.5% in Wholesale.

Retail

The Retail portfolio grew 7.7% compared to 2021, to R$ 55.3 billion, with important advances in the diversification agenda, with the products that make up this agenda registering high growth rates, with emphasis on financing of solar panels , car equity loans and credit cards. This portfolio ended the year at R$ 14.2 billion, growth of 52.2% compared to 2021. Our main business, auto financing, showed resilience in 2022, a year in which the entire market shrank due to macroeconomic conditions. The auto finance portfolio ended the year at R$ 41.0 billion, down 2.2% vs. 2021.

Wholesale

In Wholesale, we also made important advances in the strategy of greater diversification, spreading portfolio risk and increasing portfolio profitability. The wholesale on-balance loan portfolio grew 3.7% vs 2021, to R$ 15.0 billion, with emphasis on the 11.9% expansion in Corporate (clients with annual revenues between R$ 300 million and R$ 1.5 billion), segment that represents 50.2% of the Wholesale on-balance portfolio. Another highlight in the year was the 102.4% expansion in the SME's segment, in which we operate a collateralized portfolio focused on prepayment of receivables, reached R$ 2.4 billion. The expanded portfolio reached R$ 27.6 billion at the end of 2022, a 10.5% expansion over 2021.

NPL 90-days

NPL 90-days went from 3.7% in 2021 to 4.9% in 2022. The increase of 1.2 p.p. in the period reflects the increase in defaults in Retail, a segment that has been impacted by the high commitment of household income, which reached the highest index of the historical series, started in 2005. NPL 90-days on the wholesale portfolio remained at historic lows, ending the year at 0.2%.

Funding and Liquidity

Total funds raised reached R$ 84.9 billion at the end of 2022, with stable funding instruments representing 57.7% of total funding. Banco BV has maintained its liquidity at very conservative levels. The liquidity indicator LCR (Liquidity Coverage Ratio), whose objective is to measure short-term liquidity in a stress scenario, ended the year at 178%, compared to 214% at the end of 2021. It is worth noting that the regulatory minimum required by the Central Bank is 100% for this indicator.

Capital

Capital ratios remain solid and at conservative levels. The Basel Ratio ended 2022 at 14.3%, compared to 15.8% at the end of 2021. Tier I Capital totaled 13.1% with 12.5% of Principal Capital and 0.7% of Complementary Capital . At the end of 2022, the regulatory minimums verified were 10.5% for the total Basel Ratio, 8.5% for Tier I Capital and 7.0% for Principal Capital.

/ Acknowledgment

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

Board of Directors

Member	Position
Fausto Ribeiro	Chairman
João Schmidt	Vice chairman
Jairo Sampaio Saddi	Member
José Forni	Member
Mauro Ribeiro Neto	Member
Renato Naegele	Member
Andrea Chamma	Independent member

Audit Committee

Member	Position
Rudinei dos Santos	Coordinator
José Danubio Rozo	Member
Rodrigo Nogueira	Member

Fiscal Council

Member	Position
Lupércio Izabel	Chairman
Célio Faria Júnior	Member
Marcelo Sampaio	Member

Accountant

Alexei De Bona	CRC PR-036459/O-3

Executive Officers

Member	Position
Gabriel Ferreira	CEO
Ronaldo Helpe	CFO
Alberto Campos	Executive officer
Alexandre Ibrahim	Executive officer
Ana Paula Tarcia	Executive officer
Carlos Bonetti	Executive officer
Flávio Suchek	Executive officer
José Salvini	Executive officer
Ricardo Sanfelice	Executive officer
Roberto Jábali	Executive officer
Rogerio Monori	Executive officer
Albano Correa	Officer
Alexandre Zimath	Officer
Celso Rocha	Officer
Claudia Furini	Officer
Marcella Coimbra	Officer
Marcelo Kenji	Officer
Walter Batlouni Jr.	Officer
Marcos Barros[1]	Officer
Daniel Monteiro[1]	Officer
Luiz Sedrani[1]	Director

1 - Directors of companies controlled by Banco BV.

Summary of the Audit Committee Report of Banco Votorantim S.A.

Second Half of 2022

I. Introduction

This report refers to the second half of 2022 and includes the events considered relevant to the purposes of the Audit Committee of Banco Votorantim S.A. (“Bank”) occurred to date.

The Audit Committee (“Committee” or “COAUD”) is a statutory body that is governed by Resolution 4,910/2021 of the National Monetary Council (“CMN”), Resolution BCB 130/21, by the Bylaws and by its Internal Regulations.

Over the second half of 2022, the Committee operated with three members, of whom one was appointed by the shareholder Banco do Brasil S.A. (Rodrigo Santos Nogueira), one was appointed by the shareholder Votorantim Finanças S.A. (José Danúbio Rozo) and one was appointed in common agreement among the shareholders (Rudinei dos Santos).

On August 09rd, 2022, the Board of Directors approved the election of Rodrigo Santos Nogueira, was appointed by the shareholder Banco do Brasil S.A., replacing Walter Eustáquio Ribeiro, who remained in office until Rodrigo Santos Nogueira took office, effective in August 29rd, 2022.

As permitted by Article 9, paragraph 4°, I of CMN Resolution 4,910/2021, Banco opted to establish a single Audit Committee for Banco and its subsidiaries, jointly referred to as “Conglomerate”. Therefore, the activities reported here, the recommendations and the opinions issued by the Committee cover the scope of the Conglomerate.

In accordance with the Bylaws of Banco BV and its Internal Regulations, the Audit Committee's primary duties are to assess the effectiveness of the internal control system, to examine the financial statements prior to their publication, to evaluate the effectiveness of internal and independent audits, to exercise its duties and responsibilities with the Bank's subsidiaries that have joined the single Audit Committee, in addition to others stipulated in law or determined by the Board of Directors.

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

The mission of the Internal Audit is to provide shareholders, the Board of Directors, and the Executive Board with independent, impartial, and prompt assessments of the effectiveness of risk management, the appropriateness of controls and compliance with the rules and regulations related to the Conglomerate's operations.

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

ACTIVITIES CARRIED OUT DURING THE PERIOD

In an effort to perform its duties and in compliance with the provisions of its Annual Work Plan – approved by the Board of Directors on 12/13/2021, the Audit Committee held 41 meetings, with a range of departments and areas, including the Board of Directors, Fiscal Council, Risk and Capital Committeee, Executive Committee, representatives from senior management, internal and independent audits, and with the key heads of the business and control areas.

At these meetings, there was particular attention paid to matters related to internal controls, technology, operations, prevention of money laundering, fraud prevention, accounting reconciliation, unresolved audit points and recommendations for internal and independent auditing, and external inspection entities.

Meetings with the internal audit focused on the work performed during the period, key findings, and recommendations. A copy of the reports on the work performed was received and the results were examined. Through the independent audit, the work from the period was tracked and verified, in particular the review of the financial statements of second half of 2022.

The financial statements related to the Corporate Consolidation were examined, as well as the Bank's individual financial statement, the main assets, liabilities, shareholder equity, earnings and explanatory notes in the BRGAAP standard, the consolidate financial statements according to IFRS standards, the accounting practices adopted and the content of the independent auditors' report. The Technical Study of consumption of the Tax Credit referring to the second half of 2022.

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

Conclusions

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

a) The Conglomerate's Internal Control System is effective and is appropriate for its size, type of operations, and risk appetite approved by the Board of Directors;

b) The Internal Auditor carried out its activities in a satisfactory, professional, and independent manner;

c) The Independent Auditor acted effectively and allocated the proper number of qualified professionals to examine the financial statements for the period; and

d) The Financial Statements from December 31, 2022, related to the Bank's Corporate Consolidation, as well as the individual one, were prepared in accordance with legal norms and practices adopted in Brazil and reflect, in material respects, the financial position of the companies mentioned in that period.

São Paulo-SP, February 07, 2023.

Rudinei dos Santos

Coordinator

José Danúbio Rozo

Member

Rodrigo Santos Nogueira

Member

Independent auditor's report

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

Opinion

We have audited the accompanying parent company financial statements of Banco Votorantim S.A. ("Bank"), which comprise the statement of financial position as at December 31, 2022 and the income statement, statement of other comprehensive income, statement of changes in shareholders' equity for the six-month period and year then ended and statement of cash flows for the year then ended, as well as the accompanying consolidated financial statements of Banco Votorantim S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated income statement, consolidated statement of other comprehensive income and consolidated statement of changes in shareholders' equity for the six-month period and year then ended and consolidated statement of cash flows for the year then ended, and the notes, including a summary of significant accounting policies and other elucidative information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco Votorantim S.A. and of Banco Votorantim S.A. and its subsidiaries as at December 31, 2022, and the financial performance and cash flows, as well as the consolidated financial performance and consolidated cash flows, for the six-month period and year then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank.

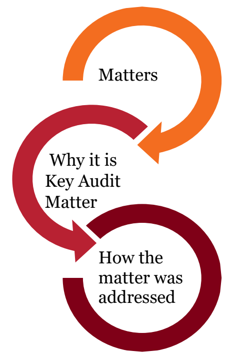
Basis for opinion

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

Banco Votorantim S.A.

Key Audit Matters

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



Why it is a Key Audit Matter	How the matter was addressed in the audit
Allowance for losses associated with credit risk (Notes 4 (h), 5 (a) and 12 (e) and (f))	
The measurement of the amount of the allowance for losses associated with credit risk requires the determination of assumptions and judgment by management, which considers the default of payment, the current economic environment, economic situation, past experience and the risks specifically related to the respective operations, the counterparties, guarantees and the economic groups, in accordance with the rules of the National Monetary Council – CMN and Central Bank of Brazil – BACEN. Considering the relevance of the loan portfolio, the high degree of judgment related to the measurement of the allowance for losses associated with credit risk, we continue to determine this as a focus area in our audit.	We updated our understanding of the internal control environment and evaluated the relevant controls related to the measurement of the allowance for losses associated with credit risk. We performed tests, on a sample basis, on the assumptions and parameters adopted in the classification by risk levels, as well as the overdue position used as a basis for measuring the provision. We performed totalization tests on the data used for the calculation of the provision, in accordance with the criteria established by the CMN and BACEN regulations. We considered that the criteria and assumptions adopted by Management for the measurement of the allowance for losses associated with credit risk are consistent with the information analyzed in our audit.

Why it is a Key Audit Matter	How the matter was addressed in the audit
Measurement of the fair value of securities and financial instruments with low liquidity and/or without active market (Notes 4 (f) and (g), 5 (b) and (d), 9 (a), 10 (a) and 30 (b))	
The fair value measurement of securities and financial instruments with low liquidity and/or without an active market is an area that includes subjectivity, as it depends on valuation techniques based on internal models that involve management's assumptions for its measurement. In highly volatile times, when there are no observable market prices or parameters available, market risk management is more complex. This is an area of focus in our audit, since the use of different valuation techniques and assumptions could result in fair value estimates significantly different.	We updated our understanding of the design of internal controls related to internal models for measuring the fair value of securities and financial instruments with low liquidity and/or no active market. We performed tests on the effectiveness of relevant controls that measure the fair value of these assets, as well as management approval of the models adopted and required disclosures. With the support of our financial instrument pricing specialists, we analyze the main valuation methodologies used for these securities and financial instruments, as well as the most significant assumptions adopted by management by comparing them with market methodologies. We carried out independent calculations, on a sample basis, of the valuation of certain operations. We considered that the criteria and assumptions adopted by management in measuring the fair value of these financial instruments are consistent with the information analyzed in our audit.
Deferred tax assets – tax credit (Notes 4 (q), 5 (c) and 26 (a.2))	
The deferred tax assets, composed by tax credits based on temporary differences, income tax losses and negative basis of social contribution, and their registration in the financial statements is supported by the study of realization of future taxable profits. This referred study is based on projections arising from strategic planning, which considers assumptions of business plans, corporate strategies, macroeconomic scenario, historical performance, among others, which are approved by the governance bodies, as required by the CMN and BACEN regulations.	We updated our understanding of the processes established by management to determine the assumptions used in preparing the tax credit realization study, as well as its registration and disclosures in accordance with CMN and BACEN standards. We compared the critical assumptions used to project future results with information of macroeconomic projections available in the market, when applicable. Additionally, we compared the study data with the approved budgets and the compliance with CMN and BACEN rules.

Why it is a Key Audit Matter	How the matter was addressed in the audit
The projection of future taxable profits contains several assumptions, which are subjective in nature, established by management. In this way, we maintained this area as focus of our audit, as the amounts involved are relevant and the use of different assumptions in the projection of taxable profits could significantly change the amounts and periods for the realization of the tax credits.	With the support of our tax specialists, we carried out tests on the nature and amounts of temporary differences, tax losses and negative basis of social contribution on income, which can be deducted from future tax bases. The assumptions adopted by management in the calculation and registration of tax credits are consistently applied and are in line with the information approved by the governance bodies.
Provisions and contingent liabilities (Notes 4 (r), 5 (e) and 29)	
The Bank registers provisions and contingent liabilities arising mainly from legal and administrative proceedings, inherent to the normal course of its business, issued by third parties, former employees and public bodies; in civil, labor and tax and social security natures. These processes are usually closed after a long period of time and involve not only discussions on the merits, but also complex procedural aspects, in accordance with current legislation. Management, based on its judgment and through the opinion of its legal advisors, estimates the provisions and contingent liabilities that are likely to be lost. For labor-related lawsuits, the provision volume is determined by means of legal assessments and statistical models, for tax lawsuits, the probable loss amount is estimated through the assessment of legal advisors (individualized method) and for civil cases considered similar and usual, and whose value is not considered relevant, the calculation of the provision is determined using a statistical model based on the loss observed in the history of closed suits of the same characteristics (mass method).	We updated our understanding of the main controls for evaluation, classification, monitoring, measurement, recording and disclosure of provisions and contingent liabilities. We carried out confirmation procedures with the external legal advisors responsible for the processes and confronted with the management's analytical controls. We carried out tests on the risks and values of causes used in the measurement methodologies of the amounts provisioned. For civil and labor lawsuits of the same nature, we compared, on a sample basis, the amounts paid in closed cases with the amounts provisioned. In our tests related to tax lawsuits on an individual basis, we analyzed the risk assessment with the support of our tax specialists. We considered that our audit procedures provided adequate and sufficient evidence regarding the criteria and assumptions adopted by management for the determination, constitution and disclosure of the provision for contingent liabilities.

Why it is a Key Audit Matter	How the matter was addressed in the audit
Due to the relevance of the amounts and the uncertainties and judgments involved, as described above, for the determination and constitution of the provision and required disclosures for contingent liabilities, we considered this an area of focus for the audit.	
Information technology environment (Note 30 (d))	
The Bank has a highly technology-dependent business environment, requiring a complex infrastructure to support the high volume of transactions. Information technology represents a fundamental aspect in the evolution of the Bank's business. The risks involving information technology, associated with any eventual deficiencies in processes and controls that support the processing of technology systems, may eventually lead to incorrect processing of critical information, including those used in the preparation of the financial statements, as well as causing risks related to information security. Therefore, this was considered an area of focus in our audit.	As part of our audit procedures, with the assistance of our specialists we updated the assessment of the information technology environment, including the automated controls of the relevant application systems for the preparation of the financial statements. The procedures performed involved the combination of tests on the main controls, as well as the execution of tests related to information security, including management of access, segregation of functions and monitoring of the technology infrastructure's operational capacity. The audit procedures applied resulted in appropriate evidence that was considered in determining the nature, timing and extent of the audit procedures.

Other matters

Statements of added value

The parent company and consolidated statements of added value for the year ended on December 31, 2022, prepared under the responsibility of the Bank's management and presented as supplementary information for purposes of the Brazilian Central Bank, were submitted to audit procedures performed in conjunction with the audit of the financial statements of the Bank and the Bank and its subsidiaries. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09, "Statement of Added Value". In our opinion, these statements of added value have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

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

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

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

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

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

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

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

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

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

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

Banco Votorantim S.A.

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

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and its subsidiaries to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the related entities or business activities to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit considering these investments and, consequently, for the audit opinion of the Bank.

We communicate with those charged with governance regarding, among other matters, the scope and timing of planned audit engagements and significant audit findings, including significant deficiencies in internal controls that may have been identified during our audit.

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

São Paulo, February 8 2023

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

DocuSigned by:
Signed By: MARIA JOSE DE MULA CURY:10357176898
CPF: 10357176898
Signing Time: 09 de fevereiro de 2023 | 18:00 BRT

Maria José De Mula Cury
Accountant CRC 1SP192785/O-4

STATEMENT OF FINANCIAL POSITION

as of December 31, 2022 and 2021

(In thousands of Reais, unless otherwise stated)

	Note	Parent Company		Consolidated	
		12.31.2022	12.31.2021	12.31.2022	12.31.2021
Cash and cash equivalents	7	**631,403**	**2,892,037**	**681,091**	**2,935,119**
Cash and due from banks		242,163	235,301	291,851	278,383
Interbank funds applied		389,240	2,656,736	389,240	2,656,736
Financial assets		**110,553,665**	**102,550,902**	**112,686,453**	**107,162,395**
Interbank investments	8a	**3,619,800**	**5,050,887**	**1,349,913**	**3,423,243**
Securities	9b	**41,945,367**	**33,628,761**	**40,539,347**	**35,897,868**
Securities portfolio		42,899,828	34,616,765	41,495,561	36,885,872
(Provision for impairment of securities)		(954,461)	(988,004)	(956,214)	(988,004)
Derivative financial instruments	10a	**1,307,169**	**4,386,747**	**1,307,169**	**3,713,757**
Interbank accounts	11a	**1,924,717**	**1,490,076**	**1,961,377**	**1,492,118**
Loan portfolio	12a	**59,498,647**	**56,073,621**	**64,720,795**	**60,288,771**
Loans		59,352,481	55,569,267	62,008,362	57,332,216
Other receivables with loan characteristics		4,769,158	5,437,360	8,272,176	8,452,836
Lease portfolio		-	-	37,263	48,739
(Allowance for losses associated with credit risk)		(4,622,992)	(4,933,006)	(5,597,006)	(5,545,020)
Other financial assets	13a	**2,257,965**	**1,920,810**	**2,807,852**	**2,346,638**
Non-financial assets held for sale	14	**127,190**	**108,769**	**207,569**	**200,640**
Tax assets		**6,591,272**	**6,996,647**	**8,012,419**	**8,125,519**
Current tax assets	26a.1	493,837	447,097	559,544	499,250
Deferred tax assets	26a.2	6,097,435	6,549,550	7,452,875	7,626,269
Investments		**2,475,546**	**3,911,807**	**188,824**	**110,447**
Investments in subsidiaries, associates and joint ventures	15a	2,475,546	3,911,523	188,824	110,163
Other investments	15f	-	284	-	284
Property, plant and equipments, net of depreciation	16	**86,847**	**81,092**	**86,931**	**81,408**
Other property, plant and equipment		423,510	390,080	432,579	399,581
(Accumulated depreciation)		(336,663)	(308,988)	(345,648)	(318,173)
Intangible assets, net of depreciation		**982,606**	**594,519**	**1,074,484**	**674,658**
Intangible assets	17a	1,883,075	1,280,807	2,025,228	1,391,171
(Accumulated amortization)	17a	(732,142)	(517,961)	(772,588)	(538,357)
(Accumulated impairment)	17a	(168,327)	(168,327)	(178,156)	(178,156)
Other assets	13a	**1,230,836**	**939,310**	**881,864**	**875,317**
TOTAL ASSETS		**122,679,365**	**118,075,083**	**123,819,635**	**120,165,503**

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

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STATEMENT OF FINANCIAL POSITION

as of December 31, 2022 and 2021

(In thousands of Reais, unless otherwise stated)

	Note	Parent Company		Consolidated	
		12.31.2022	12.31.2021	12.31.2022	12.31.2021
Financial liabilities		**107,210,667**	**102,517,581**	**105,997,032**	**104,109,826**
Deposits	18a	24,253,851	25,002,756	23,425,325	24,046,720
Money market repurchase commitments	18c	18,876,810	18,010,986	18,277,811	16,820,593
Securities issued	20	39,957,617	38,273,281	39,957,617	38,273,281
Interbank accounts	11a	40,217	16,946	3,472,198	2,840,131
Borrowings and domestic onlendings	19a	6,641,007	5,102,555	6,641,007	5,102,555
Derivative financial instruments	10a	1,805,600	2,439,455	1,805,600	2,365,339
Subordinated debts and debt instruments eligible as capital	21a	2,667,634	3,588,447	2,667,634	3,588,447
Other financial liabilities	22a	12,967,931	10,083,155	9,749,840	11,072,760
Tax liabilities		**271,903**	**893,272**	**392,784**	**1,122,621**
Current tax liabilities	26b.1	156,793	230,910	277,075	459,590
Deferred tax liabilities	26b.2	115,110	662,362	115,709	663,031
Provision for tax, civil and labor lawsuits	**29e**	**559,089**	**679,559**	**595,192**	**732,091**
Other liabilities	**22a**	**1,779,900**	**2,061,981**	**2,044,880**	**2,272,414**
Shareholders' equity		**12,857,806**	**11,922,690**	**14,789,747**	**11,928,551**
Controlling shareholders' equity		**12,857,806**	**11,922,690**	**12,887,772**	**11,928,551**
Capital	25a	8,480,372	8,130,372	8,480,372	8,130,372
Capital reserves	25b	372,120	372,120	372,120	372,120
Profit reserves		3,948,867	2,955,632	3,908,308	2,946,841
Other comprehensive income	25g	56,447	464,566	126,972	479,218
Non-controlling interests [1]	**25h**	**-**	**-**	**1,901,975**	**-**
TOTAL LIABILITIES AND EQUITY		**122,679,365**	**118,075,083**	**123,819,635**	**120,165,503**

[1] As of 2022, the position of shares in controlled investment funds held by third parties began to be presented as a component of shareholders' equity (Note 3c).

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

FINANCIAL STATEMENTS

Years ended on December 31, 2022 and 2021
and semesters ended on December 31, 2022 and 2021
(amounts in thousands of Reais, unless otherwise indicated)

	Note	Parent Company			
		2º Semester/ 2022	2º Semester/ 2021	2022	2021
FINANCIAL INTERMEDIATION INCOME		**8,388,295**	**7,927,741**	**15,442,747**	**12,192,042**
Income from Loans	12b	5,038,229	4,267,770	9,597,570	7,929,054
Income from securities	9c	2,082,369	1,437,940	4,249,038	2,187,974
Income (Losses) from derivative financial instruments	10h	382,668	1,339,444	188,574	709,428
Income from exchange foreign operations	13c	104,259	153,671	(15,041)	204,763
Income from compulsory deposits	11d	104,393	32,630	180,953	44,015
Liabilities associated with assigned financial assets	12h	676,377	696,286	1,241,653	1,116,808
DESPESAS DA INTERMEDIAÇÃO FINANCEIRA		**(5,804,270)**	**(4,808,002)**	**(9,837,817)**	**(5,984,927)**
Fundraising operations in the market	18d	(4,932,302)	(3,891,110)	(8,673,114)	(5,049,026)
Borrowings and onlendings	19d	(146,797)	(502,730)	534	(348,064)
Liabilities associated with assigned financial assets	12h	(725,171)	(414,162)	(1,165,237)	(587,837)
INCOME (LOSS) FROM FINANCIAL INTERMEDIATION		**2,584,025**	**3,119,739**	**5,604,930**	**6,207,115**
RESULT OF PROVISION FOR LOSSES		**(496,028)**	**(917,107)**	**(986,771)**	**(1,667,186)**
(Provision) / reversal of provision for loan losses	12f.1	(525,243)	(854,295)	(1,053,802)	(1,566,305)
Other (provision) / reversal of provision associated with credit risk	12f.1	24,716	15,051	33,488	22,079
(Provision) / reversal of provision for securities impairment	9d	4,499	(77,863)	33,543	(122,960)
OPERATING INCOME/EXPENSES		**(1,445,389)**	**(1,399,616)**	**(2,785,363)**	**(2,385,848)**
Service income	23a	174,639	153,319	337,640	351,043
Income from banking fees	23b	316,677	314,545	562,137	655,915
Personnel expenses	23c	(765,080)	(649,595)	(1,387,915)	(1,106,922)
Other administrative expenses	23d	(803,782)	(770,927)	(1,488,849)	(1,359,686)
Tax expenses	26c	(225,167)	(169,987)	(403,246)	(349,909)
Share of profit (loss) in subsidiaries, associates and jointly controlled subsidiaries	15a	70,818	176,519	163,354	310,386
(Provision) / reversal of provision for contingent liabilities	29e.3	108,909	55,873	120,470	88,174
Other operating income	23e	142,165	14,100	186,820	36,665
Other operating expenses	23f	(464,568)	(523,463)	(875,774)	(1,011,514)
OPERATING INCOME		**642,608**	**803,016**	**1,832,796**	**2,154,081**
OTHER NON-OPERATING INCOME AND EXPENSES	**24**	**89,084**	**(6,912)**	**98,713**	**7,089**
INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING		**731,692**	**796,104**	**1,931,509**	**2,161,170**
INCOME TAX AND SOCIAL CONTRIBUTION	**26d.1**	**14,143**	**33,346**	**(253,791)**	**(424,890)**
PROFIT SHARING		**(85,273)**	**(82,748)**	**(184,483)**	**(174,972)**
NET PROFIT		**660,562**	**746,702**	**1,493,235**	**1,561,308**
EARNINGS PER SHARE	25e				
Earnings per share - R$		195.94	221.49	442.92	463.11
Number of shares (thousand lot)		3,371,325	3,371,325	3,371,325	3,371,325

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

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FINANCIAL STATEMENTS

Years ended on December 31, 2022 and 2021
and semesters ended on December 31, 2022 and 2021
(amounts in thousands of Reais, unless otherwise indicated)

	Note	Consolidated			
		2º Semester/ 2022	2º Semester/ 2021	2022	2021
FINANCIAL INTERMEDIATION INCOME		**9,174,233**	**8,418,177**	**16,847,896**	**13,020,863**
Income from Loans	12b	6,055,229	4,883,934	11,378,057	8,873,298
Income from securities	9c	1,847,903	1,403,175	3,736,540	2,123,355
Income (Losses) from derivative financial instruments	10h	382,668	1,248,481	322,330	658,624
Income from exchange foreign operations	13c	104,259	153,671	(15,041)	204,763
Income from compulsory deposits	11d	107,797	32,630	184,357	44,015
Liabilities associated with assigned financial assets	12h	676,377	696,286	1,241,653	1,116,808
DESPESAS DA INTERMEDIAÇÃO FINANCEIRA		**(5,917,898)**	**(4,800,521)**	**(9,991,602)**	**(5,956,803)**
Fundraising operations in the market	18d	(4,849,251)	(3,822,707)	(8,477,354)	(4,959,980)
Borrowings and onlendings	19d	(146,797)	(502,730)	534	(348,064)
Liabilities associated with assigned financial assets	12h	(921,850)	(475,084)	(1,514,782)	(648,759)
INCOME (LOSS) FROM FINANCIAL INTERMEDIATION		**3,256,335**	**3,617,656**	**6,856,294**	**7,064,060**
RESULT OF PROVISION FOR LOSSES		**(999,475)**	**(1,275,598)**	**(1,824,043)**	**(2,225,239)**
(Provision) / reversal of provision for loan losses	12f.1	(1,028,690)	(1,212,786)	(1,891,074)	(2,124,358)
Other (provision) / reversal of provision associated with credit risk	12f.1	24,716	15,051	33,488	22,079
(Provision) / reversal of provision for securities impairment	9d	4,499	(77,863)	33,543	(122,960)
OPERATING INCOME/EXPENSES		**(1,506,285)**	**(1,471,128)**	**(2,975,958)**	**(2,406,858)**
Service income	23a	866,044	794,244	1,597,668	1,587,350
Income from banking fees	23b	378,673	380,110	689,172	786,587
Personnel expenses	23c	(911,675)	(772,398)	(1,690,532)	(1,330,610)
Other administrative expenses	23d	(1,041,655)	(982,880)	(1,962,090)	(1,712,924)
Tax expenses	26c	(320,744)	(250,285)	(581,443)	(499,216)
Share of profit (loss) in subsidiaries, associates and jointly controlled subsidiaries	15a	(14,350)	(1,136)	(20,194)	(1,667)
(Provision) / reversal of provision for contingent liabilities	29e.3	113,587	48,334	136,833	86,607
Other operating income	23e	100,152	27,253	169,279	72,847
Other operating expenses	23f	(676,317)	(714,370)	(1,314,651)	(1,395,832)
OPERATING INCOME		**750,575**	**870,930**	**2,056,293**	**2,431,963**
OTHER NON-OPERATING INCOME AND EXPENSES	**24**	**101,576**	**(2,539)**	**114,067**	**(57,094)**
INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING		**852,151**	**868,391**	**2,170,360**	**2,374,869**
INCOME TAX AND SOCIAL CONTRIBUTION	**26d.1**	**57,083**	**(19,663)**	**(203,598)**	**(594,041)**
PROFIT SHARING		**(103,413)**	**(100,729)**	**(231,942)**	**(216,990)**
PROFIT SHARING - NON-CONTROLLING [1]	**25h**	(143,867)	-	(273,353)	-
NET PROFIT		**661,954**	**747,999**	**1,461,467**	**1,563,838**
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS		**805,821**	**747,999**	**1,734,820**	**1,563,838**
Controllers		661,954	747,999	1,461,467	1,563,838
Non controllers [1]	25h	143,867	-	273,353	-

[1] As of 2022, the position of shares in controlled investment funds held by third parties began to be presented as a component of shareholders' equity (Note 3c).

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

STATEMENT OF OTHER COMPREHENSIVE INCOME

Years ended on December 31, 2022 and 2021
and semesters ended on December 31, 2022 and 2021
(In thousands of Reais, unless otherwise stated)

	Note	Parent Company			
		2º Semester/ 2022	2º Semester/ 2021	2022	2021
Net income for the period		**660,562**	**746,702**	**1,493,235**	**1,561,308**
Other comprehensive income that can be subsequently reclassified to profit or loss:					
Net variation in the fair value of financial assets available for sale	**25g**	**(82,856)**	**(10,448)**	**(136,888)**	**(144,570)**
Adjustment to fair value against shareholder's equity		(152,326)	(75,709)	(175,940)	(278,169)
Adjustment to fair value transferred to income		1,526	56,368	(73,195)	15,529
Tax effect		67,944	8,893	112,247	118,070
Cash flow hedge	**25g**	**(61,425)**	**222,009**	**(271,231)**	**459,783**
Adjustment to fair value against shareholder's equity		(124,096)	406,806	(507,166)	843,451
Adjustment to fair value transferred to income		12,413	(3,151)	14,018	(7,482)
Tax effect		50,258	(181,646)	221,917	(376,186)
Total of other comprehensive income for the period		**(144,281)**	**211,561**	**(408,119)**	**315,213**
Total comprehensive income		**516,281**	**958,263**	**1,085,116**	**1,876,521**

	Note	Consolidated			
		2º Semester/ 2022	2º Semester/ 2021	2022	2021
Net income attributable to non-controlling shareholders		**661,954**	**747,999**	**1,461,467**	**1,563,838**
Net income attributable to non-controlling shareholders [1]		143,867	-	273,353	-
Net income attributable to non-controlling shareholders		**805,821**	**747,999**	**1,734,820**	**1,563,838**
Other comprehensive income that can be subsequently reclassified to profit or loss:					
Net variation in the fair value of financial assets available for sale	**25g**	**(85,177)**	**(12,611)**	**(81,015)**	**(148,788)**
Adjustment to fair value against shareholder's equity		(154,647)	(77,872)	(180,467)	(282,387)
Adjustment to fair value transferred to income [2]		1,526	56,368	(12,795)	15,529
Tax effect		67,944	8,893	112,247	118,070
Cash flow hedge	**25g**	**(61,425)**	**222,009**	**(271,231)**	**459,783**
Adjustment to fair value against shareholder's equity		(124,096)	406,806	(507,166)	843,451
Adjustment to fair value transferred to income		12,413	(3,151)	14,018	(7,482)
Tax effect		50,258	(181,646)	221,917	(376,186)
Other comprehensive income attributable to controlling shareholders in the period		**(146,602)**	**209,398**	**(352,246)**	**310,995**
Other comprehensive income attributable to non-controlling shareholders in the period		**(5,400)**	**-**	**(4,593)**	**-**
Total other comprehensive income in the period		**(152,002)**	**209,398**	**(356,839)**	**310,995**
Total comprehensive income		**653,819**	**957,397**	**1,377,981**	**1,874,833**
Comprehensive income attributable to controlling shareholders		515,352	957,397	1,109,221	1,874,833
Comprehensive income attributable to non-controlling shareholders [1]		138,467	-	268,760	-

[1] As of 2022, the result of non-controlling interests is highlighted in the comprehensive income for the period (Note 3c).
[2] In the Consolidated, it includes the unrealized result arising from transactions among related parties.
The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Years ended on December 31, 2022 and 2021
and semesters ended on December 31, 2022 and 2021
(In thousands of Reais, unless otherwise stated)

Parent Company Events	Note	Capital Paid-up capital	Capital Increase in capital	Capital reserves	Profit reserves Legal	Profit reserves Other reserves	Other comprehensive income	Retained earnings	Total
Balances in 12.31.2020		**8,130,372**	**-**	**372,120**	**257,043**	**1,837,281**	**149,353**	**-**	**10,746,169**
Adjustments to fair value, net of taxes	25g	-	-	-	-	-	315,213	-	315,213
Net income for the period		-	-	-	-	-	-	1,561,308	1,561,308
Destinations:									
Legal reserve	25d	-	-	-	78,065	-	-	(78,065)	-
Interest on equity	25d	-	-	-	-	-	-	(700,000)	(700,000)
Statutory reserve for expansion		-	-	-	-	783,243	-	(783,243)	-
Balance in 12.31.2021		**8,130,372**	**-**	**372,120**	**335,108**	**2,620,524**	**464,566**	**-**	**11,922,690**
Changes in the period		**-**	**-**	**-**	**78,065**	**783,243**	**315,213**	**-**	**1,176,521**
Balance in 06.30.2022		**8,130,372**	**350,000**	**372,120**	**376,742**	**2,620,524**	**200,728**	**621,547**	**12,672,033**
Adjustments to fair value, net of taxes	25g	-	-	-	-	-	(144,281)	-	(144,281)
Increase in capital	25a	350,000	(350,000)	-	-	-	-	-	-
Net income for the period		-	-	-	-	-	-	660,562	660,562
Destinations:									
Legal reserve	25d	-	-	-	33,028	-	-	(33,028)	-
Interest on equity	25d	-	-	-	-	-	-	(330,508)	(330,508)
Statutory reserve for expansion		-	-	-	-	918,573	-	(918,573)	-
Balance in 12.31.2022		**8,480,372**	**-**	**372,120**	**409,770**	**3,539,097**	**56,447**	**-**	**12,857,806**
Changes in the period		**350,000**	**(350,000)**	**-**	**33,028**	**918,573**	**(144,281)**	**(621,547)**	**185,773**
Balance in 12.31.2021		**8,130,372**	**-**	**372,120**	**335,108**	**2,620,524**	**464,566**	**-**	**11,922,690**
Adjustments to fair value, net of taxes	25g	-	-	-	-	-	(408,119)	-	(408,119)
Increase in capital	25a	350,000	-	-	-	-	-	-	350,000
Net income for the period		-	-	-	-	-	-	1,493,235	1,493,235
Destinations:									
Legal reserve	25d	-	-	-	74,662	-	-	(74,662)	-
Interest on equity	25d	-	-	-	-	-	-	(500,000)	(500,000)
Statutory reserve for expansion		-	-	-	-	918,573	-	(918,573)	-
Balance in 12.31.2022		**8,480,372**	**-**	**372,120**	**409,770**	**3,539,097**	**56,447**	**-**	**12,857,806**
Changes in the period		**350,000**	**-**	**-**	**74,662**	**918,573**	**(408,119)**	**-**	**935,116**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Years ended on December 31, 2022 and 2021
and semesters ended on December 31, 2022 and 2021
(In thousands of Reais, unless otherwise stated)

Consolidated Events	Note	Capital Paid-up capital	Capital Increase in capital	Capital reserves	Profit reserves Legal	Profit reserves Other reserves	Other comprehensive income	Retained earnings	Non-controlling interests [1]	Total
Balances in 12.31.2020		**8,130,372**	**-**	**372,120**	**257,043**	**1,825,960**	**168,223**	**-**	**-**	**10,753,718**
Adjustments to fair value, net of taxes	25g	-	-	-	-	-	310,995	-	-	310,995
Net income for the period		-	-	-	-	-	-	1,563,838	-	1,563,838
Destinations:										
Legal reserve	25d	-	-	-	78,065	-	-	(78,065)	-	-
Interest on equity	25d	-	-	-	-	-	-	(700,000)	-	(700,000)
Statutory reserve for expansion		-	-	-	-	785,773	-	(785,773)	-	-
Balances in 12.31.2021		**8,130,372**	**-**	**372,120**	**335,108**	**2,611,733**	**479,218**	**-**	**-**	**11,928,551**
Changes in the period		**-**	**-**	**-**	**78,065**	**785,773**	**310,995**	**-**	**-**	**1,174,833**
Balance in 06.30.2022		**8,130,372**	**350,000**	**372,120**	**376,742**	**2,611,733**	**273,574**	**588,387**	**2,071,331**	**14,774,259**
Adjustments to fair value, net of taxes	25g	-	-	-	-	-	(146,602)	-	(5,400)	(152,002)
Increase in capital	25a	350,000	(350,000)	-	-	-	-	-	-	-
Non-controlling interests	25h	-	-	-	-	-	-	-	(307,823)	(307,823)
Net income for the period		-	-	-	-	-	-	661,954	143,867	805,821
Destinations:										
Legal reserve	25d	-	-	-	33,028	-	-	(33,028)	-	-
Interest on equity	25d	-	-	-	-	-	-	(330,508)	-	(330,508)
Statutory reserve for expansion		-	-	-	-	886,805	-	(886,805)	-	-
Balances in 12.31.2022 [1]		**8,480,372**	**-**	**372,120**	**409,770**	**3,498,538**	**126,972**	**-**	**1,901,975**	**14,789,747**
Changes in the period		**350,000**	**(350,000)**	**-**	**33,028**	**886,805**	**(146,602)**	**(588,387)**	**(169,356)**	**15,488**
Balances in 12.31.2021		**8,130,372**	**-**	**372,120**	**335,108**	**2,611,733**	**479,218**	**-**	**-**	**11,928,551**
Adjustments to fair value, net of taxes	25g	-	-	-	-	-	(352,246)	-	(4,593)	(356,839)
Increase in capital	25a	350,000	-	-	-	-	-	-	-	350,000
Non-controlling interests	25h	-	-	-	-	-	-	-	1,633,215	1,633,215
Net income for the period		-	-	-	-	-	-	1,461,467	273,353	1,734,820
Destinations:										
Legal reserve	25d	-	-	-	74,662	-	-	(74,662)	-	-
Interest on equity	25d	-	-	-	-	-	-	(500,000)	-	(500,000)
Statutory reserve for expansion		-	-	-	-	886,805	-	(886,805)	-	-
Balances in 12.31.2022 [1]		**8,480,372**	**-**	**372,120**	**409,770**	**3,498,538**	**126,972**	**-**	**1,901,975**	**14,789,747**
Changes in the period		**350,000**	**-**	**-**	**74,662**	**886,805**	**(352,246)**	**-**	**1,901,975**	**2,861,196**

[1] As of 2022, the position of shares in controlled investment funds held by third parties began to be presented as a component of shareholders equity (Note 3c).

Earnings per share are disclosed in the Income Statement.

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

STATEMENT OF CASH FLOWS

Years ended on December 31, 2022 and 2021

(In thousands of Reais, unless otherwise stated)

	Note	Parent Company		Consolidated	
		2022	2021	2022	2021
Cash flows from operating activities					
Income (loss) before income and social contribution taxes		**1,931,509**	**2,161,170**	**2,170,360**	**2,374,869**
Adjustments to income (loss) before income and social contribution taxes		**734,427**	**1,502,916**	**1,821,607**	**2,504,561**
Provision / (reversal of provision) for loan losses	12f.1	1,702,385	2,246,289	2,593,542	2,840,330
Provision / (reversal of provision) for securities impairment		(33,543)	50,376	(33,543)	50,376
Other provision / (reversal of provision) associated with credit risk	12f.1	(33,488)	(22,079)	(33,488)	(22,079)
Depreciation and amortization	23d	200,148	162,993	260,849	200,405
Provision / (reversal of provision) for investment losses due to tax incentives	24	(5,230)	(1,483)	(8,853)	(3,616)
Income from investments in subsidiaries, associates and joint ventures	15a	(163,354)	(310,386)	20,194	1,667
Exchange variation of investments abroad	10h	114,514	(119,454)	114,514	(119,454)
Exchange variation of subordinated debts and debt instruments eligible for capital	32d	(100,230)	115,140	(100,230)	115,140
(Profit) / Loss on disposal of assets	24	7,589	(32,341)	7,357	(32,501)
Provision / (provision reversal) for devaluation of other assets	24	-	13,491	-	13,491
Provision / (reversal of provision) for impairment of non-financial assets held for sale	24	(18,841)	8,246	(23,912)	8,344
Expenses / (Reversal of expenses) with civil, labor and tax provisions	29e.3	(120,470)	(88,174)	(136,833)	(86,607)
Effect of changes in foreign exchange rates on cash and cash equivalents		28,061	(31,697)	28,061	(31,697)
Interest expense on subordinated debt obligations and debt instruments eligible for capital	32d	423,989	291,787	423,989	291,787
Interest income from securities held to maturity		(1,238,768)	(776,823)	(1,238,768)	(776,823)
Expenses / (reversal of expenses) with goodwill and impairment of subsidiaries	24	-	-	(6,293)	66,608
Expenses / (revenues) of updating guarantee deposits	23e/23f	(28,585)	(2,013)	(31,933)	(3,282)
Other operating income and expenses		244	(948)	(13,052)	(7,520)
Other adjustments		6	(8)	6	(8)
Changes in operating assets and liabilities		**476,189**	**(4,104,651)**	**(1,287,434)**	**(3,998,812)**
(Increase) / decrease in interbank investments		1,431,087	(61,928)	2,073,330	1,567,781
(Increase) / decrease in trading securities and derivative financial instruments		(446,040)	(377,910)	376,553	(614,148)
(Increase) / decrease in interbank accounts		(411,370)	(494,912)	162,808	444,227
(Increase) / decrease in loans and leases		(5,566,467)	(6,472,556)	(7,025,627)	(8,655,733)
(Increase) / decrease in other assets		186,348	953,226	(397,742)	940,675
(Increase) / decrease in tax assets		(77,076)	(64,799)	(76,949)	(66,690)
(Increase) / decrease of non-financial assets held for sale		(7,169)	52,710	9,626	128,963
(Decrease) / increase in deposits		(748,905)	(1,341,455)	(621,395)	(1,463,671)
(Decrease) / increase in money market repurchase commitments		865,824	2,371,832	1,457,218	1,791,764
(Decrease) / increase in securities issued		1,684,336	(1,881,240)	1,684,336	(1,881,240)
(Decrease) / increase in liabilities from borrowings and onlendings		1,538,452	1,357,153	1,538,452	1,357,153
(Decrease) / increase in other obligations		2,347,714	1,342,820	(149,918)	2,053,586
(Decrease) / increase in tax liabilities		(320,545)	512,408	(318,126)	398,521
Income tax and social contribution paid		**(72,164)**	**(390,848)**	**(425,261)**	**(627,848)**
CASH USED BY OPERATING ACTIVITIES		**3,069,961**	**(831,413)**	**2,279,272**	**252,770**
Cash flows from investing activities					
(Acquisition / increase) of securities available for sale		(7,721,788)	(4,508,758)	(6,180,747)	(4,879,019)
(Acquisition / increase) of securities held to maturity		(3,888,867)	(4,135,067)	(3,888,867)	(4,135,067)
(Acquisition) of property for use		(34,067)	(17,535)	(34,067)	(17,535)
(Acquisition / activation) of intangible		(600,591)	(372,721)	(632,265)	(396,882)
(Acquisition / increase) of investments in associates and joint ventures		-	(198,150)	(107,400)	(98,028)
Disposal / decrease of securities available for sale		4,876,532	7,065,828	5,645,024	7,102,097
Maturity/interest received on held-to-maturity securities		1,839,308	789,102	1,839,308	789,102
Disposal / decrease of investments in associates and joint ventures [(1)]		891,978	176,218	146,647	61,833
Dividends / interest on equity received [(2)]		627,833	19,321	-	-
NET CASH GENERATED BY INVESTING ACTIVITIES		**(4,009,662)**	**(1,181,762)**	**(3,212,367)**	**(1,573,499)**
Cash flows from financing activities					
Increase in share capital [(3)]		350,000	-	350,000	-
Dividends / interest on own capital paid [(2)]	32d	(398,300)	(72,709)	(398,300)	(72,709)
Settlement of subordinated debts and debt instruments eligible for capital	32d	(1,966,617)	(1,040,434)	(1,966,617)	(1,040,434)
Fundraising of subordinated debt and capital-eligible debt instruments	32d	700,200	503,564	700,200	503,564
Other changes in subordinated debts and debt instruments eligible to capital	32d	21,845	25,264	21,845	25,264
CASH GENERATED BY FINANCING ACTIVITIES		**(1,292,872)**	**(584,315)**	**(1,292,872)**	**(584,315)**
Net variation in cash and cash equivalents		**(2,232,573)**	**(2,597,490)**	**(2,225,967)**	**(1,905,044)**
Beginning of the period		2,892,037	5,457,830	2,935,119	4,808,466
Effect of changes in foreign exchange rates on cash and cash equivalents		(28,061)	31,697	(28,061)	31,697
End of the period	7	631,403	2,892,037	681,091	2,935,119
Net increase (decrease) in cash and cash equivalents		**(2,232,573)**	**(2,597,490)**	**(2,225,967)**	**(1,905,044)**

[(1)] It mainly includes the capital reduction of BV Corretora de Seguros in the amount of R$ 735,960, without cancellation of shares in the respective Company, and also the distribution of dividends in the amount of R$ 473,842, approved on April 29, 2022.

[(2)] Includes impacts related to the sale of Promotiva, which ceased to be consolidated as of December 2022 (Note 2d).

[(3)] Values net of taxes.

[(4)] In April 2022, the capital increase was approved through the recapitalization of interest on equity payable, approved by the Central Bank of Brazil on July 18, 2022 (Note 25a).

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

banco

STATEMENT OF ADDED VALUE

Years ended on December 31, 2022 and 2021

(In thousands of Reais, unless otherwise stated)

	Note	Parent Company				Consolidated			
		2022		2021		2022		2021	
Income / Expenses		**15,514,979**		**11,419,984**		**17,405,612**		**12,974,088**	
Financial intermediation income		15,442,747		12,192,042		16,847,896		13,020,863	
Service income and banking fees	23a / 23b	899,777		1,006,958		2,286,840		2,373,937	
Allowance for loan losses	9d /12f.1	(986,771)		(1,667,186)		(1,824,043)		(2,225,239)	
(Provision) / reversal of provision for contingent liabilities	29e.3	120,470		88,174		136,833		86,607	
Other income/(expenses)		38,756		(200,004)		(41,914)		(282,080)	
Financial Intermediation expenses		**(9,837,817)**		**(5,984,927)**		**(9,991,602)**		**(5,956,803)**	
Inputs acquired from third parties		**(1,889,926)**		**(1,914,466)**		**(2,653,151)**		**(2,543,337)**	
Materials, water, electricity and gas	23d	(7,150)		(4,972)		(8,494)		(6,661)	
Outsourced services	23d	(11,867)		(12,419)		(14,529)		(14,127)	
Communications	23d	(22,807)		(25,690)		(29,903)		(42,706)	
Data processing	23d	(278,424)		(239,932)		(460,060)		(375,488)	
Transportation	23d	(6,052)		(4,129)		(6,399)		(4,438)	
Surveillance and security services	23d	(973)		(994)		(1,285)		(1,359)	
Specialized technical services	23d	(506,738)		(513,669)		(636,991)		(596,670)	
Financial system services	23d	(70,431)		(68,324)		(78,069)		(74,575)	
Advertising and publicity	23d	(125,492)		(102,387)		(176,861)		(128,422)	
Judicial and notary public fees	23d	(77,583)		(63,209)		(78,670)		(65,362)	
Costs associated with production - Business partners	23f	(628,997)		(767,756)		(989,391)		(1,097,999)	
Costs associated with production - Other expenses	23f	-		-		(42,453)		(4,019)	
Other	23d	(153,412)		(110,985)		(130,046)		(131,511)	
Gross value added		**3,787,236**		**3,520,591**		**4,760,859**		**4,473,948**	
Amortization/depreciation expenses	**23d**	**(200,148)**		**(162,993)**		**(260,849)**		**(200,405)**	
Amortization/depreciation expenses		(193,684)		(158,607)		(254,385)		(196,019)	
Amortization expenses - Carbon credits and green bonds [1]		(6,464)		(4,386)		(6,464)		(4,386)	
Net value added produced by the entity		**3,587,088**		**3,357,598**		**4,500,010**		**4,273,543**	
Value added received as transfer		**163,354**		**310,386**		**(20,194)**		**(1,667)**	
Income from investments in associates and joint ventures	15a	163,354		310,386		(20,194)		(1,667)	
Value added payable		**3,750,442**	**100.00%**	**3,667,984**	**100.00%**	**4,479,816**	**100.00%**	**4,271,876**	**100.00%**
Distributed value added		**3,750,442**	**100.00%**	**3,667,984**	**100.00%**	**4,479,816**	**100.00%**	**4,271,876**	**100.00%**
Philanthropic Contributions [1]	**23d**	**3,277**	**0.09%**	**3,155**	**0.09%**	**8,791**	**0.20%**	**12,393**	**0.29%**
Personnel		**1,407,253**	**37.53%**	**1,142,901**	**31.16%**	**1,714,866**	**38.27%**	**1,375,656**	**32.20%**
Salaries, fees and labor demands		991,809		772,353		1,192,533		924,340	
Profit sharing - Employees and Management		184,483		174,972		231,942		216,990	
Benefits, training programs and other	23c	167,419		146,382		211,645		173,515	
FGTS		63,368		49,137		78,572		60,754	
Other charges		174		57		174		57	
Taxes, rates and contributions		**822,182**	**21.92%**	**913,792**	**24.91%**	**992,649**	**22.16%**	**1,265,201**	**29.62%**
Federal		774,689		862,739		914,392		1,182,109	
State		57		1,331		57		1,343	
Municipal		47,436		49,722		78,200		81,749	
Third-party capital remuneration		**24,495**	**0.65%**	**46,828**	**1.28%**	**28,690**	**0.64%**	**54,788**	**1.28%**
Rental	23d	24,495		46,828		28,690		54,788	
Remuneration of own capital		**1,493,235**	**39.81%**	**1,561,308**	**42.56%**	**1,734,820**	**38.73%**	**1,563,838**	**36.61%**
Dividends / interest on equity		500,000		700,000		500,000		700,000	
Retained earnings		993,235		861,308		961,467		863,838	
Non-controlling interests in retained earnings		-		-		273,353		-	

[1] It is part of the expenses arising from ESG practices. Additional information is described in explanatory note 31.

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

Notes to the Individual and Consolidated Financial Statements

1. THE CONGLOMERATE AND ITS OPERATIONS

Banco Votorantim S.A. ("banco BV", "Bank", "Institution", "Company", "Conglomerate" or "Consolidated") is a private company with its headquarters located at Av. das Nações Unidas, nº 14,171, in the city of São Paulo – SP, Brazil. The bank operates as a Multiple Bank, develops banking activities in authorized modalities, through its commercial, investment and foreign exchange portfolios, connected with the fintechs and startups ecosystem together with other entities of the conglomerate, including Banco BV SA, our digital bank.

Through its subsidiaries, the Conglomerate also operates in several other modalities, with emphasis on consumer credit, leasing, investment fund and credit card management, brokerage and distribution of securities, insurance brokerage, participation in real estate developments or developments and the exercise of any activities provided to the institutions comprising the National Financial System. Other information about the companies that make up the Conglomerate is described in Note 3.

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

2. ACQUISITIONS AND CORPORATE RESTRUCTURINGS

a) Acquisition of a stake in Trademaster

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

b) Acquisition of a stake in Portal Solar

In December 2021, the Central Bank of Brazil authorized BV to increase the percentage of equity interest in Portal Solar SA with an investment of R$ 45 million. The transaction was settled in January 2022, through the acquisition of interest by Banco BV SA (a subsidiary of Banco Votorantim SA). Additionally, in February 2022, the equity interest that was already held by an entity that is part of the Prudencial Conglomerate was acquired by Banco BV SA, consolidating its interest in Portal Solar SA.

c) Strategic partnership for the formation of an independent investment manager

In August 2022, banco BV, parent company of BV Distribuidora de Títulos e Valores Mobiliários (BV DTVM), entered into a strategic partnership with Banco Bradesco for the creation of an independent investment manager, which will have its own brand to be defined and autonomy in the resource management. In the transaction, Banco Bradesco, through one of its subsidiaries, will acquire 51% of the capital of BV DTVM. Completion of the transaction is subject to compliance with certain precedent, legal and regulatory conditions.

d) Sale of Promotiva SA

In December 2022, the banco BV, former controller of Promotiva SA, sold all the shares of the respective subsidiary to Wiz Soluções de Corretagem de Seguros SA. The forward amounts will be received under established contractual conditions and the respective transaction was approved by the bodies competent. As of December 2022, Promotiva ceased to be consolidated, therefore, the revenues and expenses of its operations are presented in the different lines of the consolidated result until November 2022.

e) Opening of the branch in Luxembourg

In May 2022, banco BV obtained authorization from Bacen to set up a branch in Luxembourg, and realized share the capital contribution in the amount of R$ 5,294 (US$ 1,000) in November 2022. The start of activities is subject to authorization by the authority of the financial system of Luxembourg (Commission de Surveillance du Secteur Financier - CSSF).

3. PRESENTATION OF INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

a) Base of preparation

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

The Bank's individual Financial Statements include those of its branch abroad, adapted to the accounting criteria in force in Brazil and converted into Real currency at current rates, in accordance with current legislation and its effects are recognized in the income statement for the period.

b) Use of judgment

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

c) Presentation of the consolidated financial statement

In the preparation of the consolidated Financial Statement, the amounts arising from transactions between the companies, including the equity interests of one company in another, the balances of equity accounts, income and expenses, as well as the unrealized results, net of tax effects were eliminated. The consolidation process does not include equity investment funds with characteristics of a venture capital entity.

As of 2022, non-controlling interests in funds qualified as structured entities are presented in shareholders' equity, given the entry into force of BCB Normative Instruction No. 206/2021, in compliance with the provisions of CMN Resolution No. 4,950/21. This adjustment was made on a prospective basis and the aforementioned non-controlling interests were recognized until 2021 as financial liabilities. Subsequently, BCB Normative Instruction No. 206/2021 was revoked and replaced by BCB Normative Instruction No. 272/2022, without producing any effects.

Leasing operations were considered under the financial method point of view, and the amounts were reclassified from the leased property, plant and equipment item including excess and/or insufficiency of depreciation to the heading of leasing operations, less residual values received in advance.

d) Conversion of transactions in foreign currency

The accounting balances of banco BV's branch abroad were converted into Reais, using the foreign currency exchange rate at the end of the period, and were adjusted in accordance with the accounting practices described in Note 4. The exchange rate variation of operations in the country was distributed in the lines of the Income Statement, according to the respective assets and liabilities that gave rise to them. The result with exchange variation on investments abroad, as well as the adjustments to the fair value of the financial instruments designated as hedges, are presented in the group of “Income from derivative financial instruments”, with the objective of canceling the effect of the protection for the fluctuations exchange rates and other fluctuations that are the object of hedge of these investments and these financial instruments.

As of 2022, CMN Resolution No. 4,924/2021 together with BCB Resolution No. 120/2021 establish the option, by financial institutions and other institutions authorized to operate by the Central Bank, to use the spot exchange rate ("rate referential") different from that informed by Bacen (PTAX) for the conversion of transactions and statements in foreign currency to the national currency, subject to certain conditions. The Conglomerate did not adopt such an option for both 2021 and 2022.

e) Convergence of the Central Bank's accounting standard to international accounting standards

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

(Amounts in thousand of Reais, unless otherwise indicated)

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

e.1) CMN Resolutions that fully incorporated the pronouncements issued by the CPC and are applicable to the Financial Statement:

Subject matter	CMN Resolution	CPC
Provisions, contingent liabilities and contingent assets	3,823/2009	CPC 25
Share-based payment	3,989/2011	CPC 10 (R1)
Employee benefits	4,877/2020	CPC 33 (R1)
Individual and consolidated financial statements; Statement of cash flows; Disclosure about related parties; Subsequent events; Earnings per share.	4,818/2020	CPC 03 (R2) CPC 05 (R1) CPC 24 CPC 41
Accounting recognition, measurement, bookkeeping and disclosure	4,924/2021	CPC 00 (R2) CPC 01 (R1) CPC 23 CPC 46 CPC 47

The Conglomerate also applied the following pronouncement, which does not conflict with Bacen rules, as determined by article 22, § 2, of Law No. 6,385/1976: CPC 09 - Statement of added value (DVA).

e.2) Resolutions that partially incorporated the pronouncements issued by the CPC and are applicable to the Interim Financial Statement:

Subject matter	CMN Resolution	CPC
Effects of changes in exchange rates and translation of financial statements	4,524/2016	CPC 02 (R2)
Intangible asset	4,534/2016	CPC 04 (R1)
Permanent assets	4,535/2016	CPC 27
Non-current assets held for sale	4,747/2019	CPC 31
Investment in Affiliate, Subsidiary and Jointly Controlled Venture Business Combination	4,817/2019	CPC 18 (R2) CPC 15 (R1)
Consolidated statements (1)	4,818/2020	CPC 36 (R3)
Financial instruments (2)	4,966/2021	CPC 48

(1) CMN Resolution No. 4,818/2020 requires that the consolidated financial statements of entities registered as a publicly-held company or that are leaders of a prudential conglomerate classified in Segment 1 (S1), in Segment 2 (S2) or in Segment 3 (S3), as specific regulation, are disclosed exclusively in the international accounting standard (IFRS), as of January 1, 2022.

(2) CMN Resolution No. 4,966/2021 establishes the power of financial institutions to prepare and disclose Consolidated Financial Statement in accordance with Bacen rules and instructions, allowing them to be presented in accordance with COSIF until the year ended December 31, 2024, or that is, until the entry into force of the new accounting policies applicable to financial instruments. Banco BV will adopt this prerogative, continuing to disclose consolidated Financial Statement in accordance with the COSIF standard.

e.3) Other CMN Resolutions that will come into force in future periods, which partially incorporate the pronouncements issued by the CPC and are applicable to the Financial Statement:

- CMN Resolution No. 4,966/2021 - effective on January 1, 2025, provides for the accounting criteria applicable to financial instruments, as well as for the designation and recognition of hedging relationships (hedge accounting), incorporating concepts from the CPC 48 - Financial Instruments. The standard was amended by CMN Resolution No. 5,019/2022, extending from June 30, 2022 to December 31, 2022, the deadline for financial institutions to prepare a plan to implement the regulation provided for in the standard, as well as, replacing the requirement the sending of the referred plan to the Central Bank for the maintenance of its availability to the referred regulator, if requested.

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

e.4) CPC regulations, fully or partially incorporated by the CMN and/or for future adoption that may generate relevant impacts on the Financial Statement in their application:

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

(Amounts in thousand of Reais, unless otherwise indicated)

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

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

The aforementioned provisions, as well as other differences between the Central Bank's regulation and the international accounting standards relating to financial instruments, were addressed by the Central Bank with the issuance of CMN Resolution No. 2025. Accounting adjustments resulting from the first-time adoption will be recorded against retained earnings or accumulated losses, in equity.

CMN Resolution No. 4,966/2021 brings substantial changes to financial institutions and the Conglomerate will continue to work to adapt to the new rule throughout the years 2023 and 2024, making its application possible on January 1, 2025.

Implementation plan:

During the 2022 financial year, the Conglomerate carried out: (i) the mapping of regulatory changes, impacted areas and systems, (ii) the definition of focal points, roles and responsibilities for each work front, (iii) the installation of governance and reporting of planned actions and (iv) budget approval for initiatives aimed at full adhering to the new requirements.

The Conglomerate plans to adhere to the new criteria through the execution of an internal project that aims, in addition to the in addition to the design and construction of technical requirements and approval tests, to train and acculturate the professionals involved in the various areas through training, reformulation of internal policies and procedures, in addition to mapping, monitoring and enabling the adequacy of the technology environment throughout the entire operational and technological, credit and risks, treasury and asset and liability management (ALM), accounting, tax, management and business.

The execution of the project will take place according to the following macro schedule:

Phases	Actions	Achievement expectation
Planning	Scope definition Detailed Program Planning	Concluded 1º Semester/2023
Development	Systemic development and adequacy of processes	January/2023 to December/2024
Tests	Parallel environment with approval tests	2º Semester/2024
Production	Start in production	January/2025

Among the main topics of the standard that require adaptation, which the Conglomerate considers to be significant changes, are:

Theme	Current rule	CMN Resolution 4,966/2021
Stop accrual	Interruption of the recognition of interest on operations overdue for more than 59 days.	90 days past due or sooner if the asset is considered a 'distressed asset' (stage 3).
Allowance for losses	9 ratings and overdue rollover based on CMN Resolution No. 2,682/1999.	Expected losses in 3 stages with minimum floors defined by the Central Bank. Minimum floors qualify as incurred loss. Provision amounts above the minimum thresholds qualify as expected losses.
Write-off for loss	After 180 days in H rating (360 days late in total).	When the entity has no expectation of recovery.
Effective interest rate	Origination income and expenses are recognized immediately.	They should be deferred and controlled as part of the effective interest rate, when so classified.
Hedge accounting	Prospective and retrospective effectiveness tests, evaluating the range from 80% to 125%. Possibility of voluntary discontinuation.	Qualitative and prospective tests (forward-looking). Effectiveness is defined by the institution itself in its risk policy. Discontinuing prospectively and only when the hedging relationship no longer meets the qualifying criteria, except for fair value hedge of portfolio interest rate exposure.

The new criteria set out above will affect not only credit operations, but also public and private securities and other financial instruments, and the financial assets must be aligned with the institution's strategy and respectively documented in the business models.

(Amounts in thousand of Reais, unless otherwise indicated)

Additionally, the changes introduced by CMN Resolution No. 4,966/2021 will produce impacts due to the new concepts, with changes in the evaluation and financial result calculation models, including:

- Review of risk parameters and construction of internal models for applying the new rules in calculating the expected loss, with a portfolio view for all financial assets;
- Evaluation of the principal and interest aspects of each security at the time of its registration;
- Review of the guarantee management and control process;
- Redesign of financial products and services;
- Review of collection and credit recovery processes.

The main impacted fronts are Finance (comprising the Accounting, Tax and Management areas), Credit, Treasury, Products, Operations, Risks and Technology. The survey of efforts, as well as the necessary actions for adequacy, including how much is expected to be incurred, whether in financial amount, number of hours for development, deadlines and systemic dependencies or evaluation of resources, will be managed and monitored by a dedicated area and with expertise in the management of programs involving projects, which will be responsible for monitoring and enforcing the established schedule under continuous monitoring by a multidisciplinary executive forum, ensuring the progress and conclusion, within the agreed period, of development actions, adequacy, approvals and controls.

The execution of systemic development actions and other actions necessary to comply with the new requirements will be carried out by the areas responsible for technology, together with the areas directly impacted and/or that use the respective systems.

Among the main challenges for complying with the program, we highlight the training and acculturation of the areas on the new requirements, integration between the strategic and operational aspects of the institution, improvement of controls and governance, in addition to the robust adequacy of the internal models of risks and provisioning of financial assets.

The consequence on the financial statements arising from the adoption of the Resolution in question involves a potential increase in the provision for expected losses, expansion of the scope of assets subject to the calculation of expected loss given the recognition of transaction costs and carrying financial assets in the portfolio for a variable time in function of guarantees and peculiarities of the operations, given the need to exhaust the expectation of recovery of the asset in order to proceed with its write-off.

Bank maintains at the disposal of the Central Bank the implementation plan of CMN Resolution 4966/2021, which was approved by the Board of Directors during the 2022 financial year, in compliance with item II of art. 76.

Finally, we emphasize that the implementation plan can be readjusted due to complementary rules to CMN Resolution 4,966/2021 that may substantially impact the ongoing requirements.

CPC 47 - Customer contract revenue:

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

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

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

Unconsolidated investments due to non-adoption of CPC 18	Activity	% of Participation
Fundo de Invest. em Participações BV - Multistrategy Investment Abroad	Equity investment fund	100.00%
Fundo de Invest. em Participações BV Tech I - Multistrategy Investment Abroad	Equity investment fund	100.00%

(Amounts in thousand of Reais, unless otherwise indicated)

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

The issuance of these Financial Statements was authorized by Management on February 08, 2023.

f) Equity interests in subsidiaries and investment funds included in the consolidated financial statement, segregated by activities:

	Activity	% of Participation	
		12.31.2022	12.31.2021
Financial institutions - domestic			
Banco BV S.A.	Multiple Bank	100.00%	100.00%
BV Distribuidora de Títulos e Valores Mobiliários S.A. (BV DTVM) [(1)] [(2)]	Third party resource management	100.00%	100.00%
Insurance market institutions			
BV Corretora de Seguros S.A. (BV Corretora) [(3)]	Broker	100.00%	100.00%
Non-financial institutions			
Promotiva S.A. (Promotiva) [(4)]	Service Delivery	-	100.00%
BV Investimentos Altern. e Gestão de Recursos S.A. (BVIA)	Asset management	100.00%	100.00%
BV Empreendimentos e Participações S.A. (BVEP)	Holding	100.00%	100.00%
Atenas SP 02 - Empreendimento Imobiliário (Atenas) [(5)]	SPE	100.00%	100.00%
Consolidated investment funds [(6)]			
Votorantim Expertise Multimercado Fundo de Investimento (Expertise)	Fund	100.00%	100.00%
Crédito Universitário III Fundo de Investimento em Direitos Creditórios (FIDC Universitário) [(5)]	Fund	88.61%	90.00%
Fundo de Investimento em Direitos Creditórios BV - Crédito de Veículos (FIDC BV) [(7)] [(8)]	Fund	42.49%	25.00%
Fundo de Investimento em Direitos Creditórios TM II (FIDC TM) [(7)]	Fund	100.00%	100.00%
Fundo de Investimento Imobiliário Votorantim BII BTS (BTS) [(10)]	Fund	-	62.70%
Votorantim Securities Master Fundo de Investimento Imobiliário (Master) [(9)]	Fund	88.43%	88.40%
Fundo de Investimento Imobiliário Votorantim Patrimonial (Patrimonial) [(9)]	Fund	99.62%	99.60%
BVIA subsidiaries			
Marques de Monte Santo Empreend. Imobiliário SPE Ltda. (Monte Santo)	SPE	100.00%	100.00%
Parque Valença Empreendimento Imobiliário SPE Ltda. (Parque Valença)	SPE	100.00%	100.00%
BVEP subsidiaries			
IRE República Empreendimento Imobiliário S.A. (IRE República) [(5)]	SPE	100.00%	100.00%
Senador Dantas Empreendimento Imobiliário SPE S.A. (Senador Dantas) [(5)]	SPE	100.00%	100.00%
Henri Dunant Empreend. Imobiliário S.A. (Henri Dunant) [(5)]	SPE	100.00%	100.00%
Arena XI Incorporações SPE Ltda. (Arena XI) [(5)]	SPE	100.00%	100.00%
D'oro XVIII Incorporações Ltda. (D'oro XVIII) [(5)]	SPE	100.00%	100.00%
BVEP Vila Parque Empreendimentos Imobiliários SPE Ltda. (Vila Parque) [(5)]	SPE	100.00%	100.00%
Atenas subsidiaries			
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 1 [(5)]	SPE	100.00%	100.00%
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 3 [(5)]	SPE	100.00%	100.00%

(1) On September 30, 2021, approval was given to change the corporate name of Votorantim Asset Management Distribuidora de TVM Ltda (Votorantim Asset DTVM) to BV Distribuidora de Títulos e Valores Mobiliários Ltda (BV DTVM) and on August 29, 2022 to BV Distribuidora de Títulos e Valores Mobiliários SA.

(2) According to the material fact of August 2022, Banco BV entered into a partnership with Banco Bradesco, which, through one of its subsidiaries, will acquire 51% of the capital of BV DTVM. The completion of the transaction is subject to compliance with certain precedent, legal and regulatory conditions (Note 2c).

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

(4) In December 2022, Banco BV, which controls Promotiva SA, sold all the shares in the respective subsidiary (Note 2d).

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

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

(7) Investment fund established in May 2021.

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

(9) Investment fund became part of the Conglomerate's asset in June 2021.

(10) Investment in BTS was liquidated in May 2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Income Statement

In accordance with the accrual basis, revenues and expenses are recognized in the statement of income for the period to which they belong and, when they correlate, simultaneously, regardless of receipt or payment. Formalized operations with post-fixed financial charges are updated on a pro rata die basis, based on the variation of the respective agreed indexes, and operations with fixed-rate financial charges are recorded at the redemption value, corrected for unearned or unearned income. expenses to be recognized corresponding to the future period. Transactions indexed to foreign currencies are restated up to the balance sheet date using the current rate criteria.

b) Functional and presentation currency

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

c) Measurement at present value

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

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

d) Cash and cash equivalents

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

e) Interbank investments

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

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

f) Securities

Bonds and securities acquired to form a proprietary portfolio are recorded at the amount actually paid less the provision for loss, when deemed necessary, and classified according to Management's intention into three different categories, in accordance with current regulations:

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

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

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

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

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

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

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

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

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

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

g) Derivative financial instruments

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

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

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

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

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

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

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

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

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

The loan portfolio, comprising loan operations, leasing and other loans with characteristics of granting credit, are classified according to Management's judgment as to the level of risk, taking into account the economic situation, past experience and the specific risks in relation to the operation, debtors and guarantors, delay periods and the economic group, observing the parameters established by the CMN, which requires the analysis of the portfolio and its classification into nine levels, being AA (minimum risk) and H (maximum risk), as well as the classification of operations overdue for more than 14 days as operations in an abnormal course. For operations contracted with clients whose total liability exceeds R$ 50,000.00, an assessment is carried out by client of the probable losses associated with credit risk.

These criteria also apply for credit transactions resulting from the consolidation of investment funds into credit rights (FIDCs).

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

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

Renegotiated operations are maintained at least at the same level at which they were classified. Renegotiations of credit operations already written off against the provision are classified as level H. Any gains arising from the renegotiation of a contract overdue for more than 59 days or at a loss are recognized as revenue when actually received.

Problematic assets are financial assets overdue for more than ninety days or when there are indications that the asset will not be realized without resorting to guarantees and collateral. They constitute indications that the asset will not be realized (i) when the Conglomerate considers that the debtor no longer has the financial capacity to honor its obligation, (ii) if the Conglomerate recognizes significant deterioration in the debtor's credit quality in the accounts, (iii) if the operation is subject to renegotiation that implies granting advantages to the debtor as a result of the deterioration of its credit quality or its mitigators (debt restructuring), (iv) if the Conglomerate files for bankruptcy or takes another similar measure in relation to the debtor, or (v) if the debtor requests any type of judicial measure that limits, delays or prevents the fulfillment of its obligations under the agreed conditions.

Loans classified as troubled assets may be reverted to the condition of assets in normal course provided there is evidence that the debtor has regained its ability to honor its obligations under the agreed conditions. Management assesses whether the debtor (i) does not have any overdue items for more than ninety days, (ii) whether the asset no longer meets the criteria for characterizing problematic assets, (iii) whether there have been continuous and effective payments in a period not less than 3 months and (iv) whether the debtor's financial situation has improved in such a way that realization of the asset is probable.

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

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

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

- When financial assets are transferred to another entity, but there is no substantial transfer of the risks and benefits related to the transferred assets, the assets remain recognized in the Conglomerate's Balance Sheet. Income and expenses arising from these operations are separately recognized in income for the period for the remaining term of these operations; and
- When substantially all the risks and rewards related to the assets transferred to an entity are transferred, the assets are written off from the Conglomerate's balance sheet.

i) Non-financial assets held for sale

Assets not for the institution's own use are recorded as assets awarded, received in payment or in any other way received for the settlement or amortization of debts, which are not intended for the Conglomerate's own use, based on the following recognition criteria:

- They are recognized on the date they are received by the institution and are valued at the lower of the gross book value of the respective financial instrument of difficult or doubtful solution that gave rise to it or the fair value of the asset, net of selling expenses. The date of receipt is considered to be the date on which the institution obtained possession, domain and control of the asset, observing the legal particularities and characteristics of each type of asset.
- The Conglomerate periodically evaluates if there is any indication that these assets may have undergone devaluation. If there is any indication, the entity estimates its recoverable value. If the recoverable value is less than its book value, the asset is reduced to its recoverable value through a provision for loss by parity, which is recognized in the Income Statement in "Other non-operating expenses".

j) Investments

Investments in subsidiaries and associates with significant influence or interest of 20% or more in the voting capital are accounted for by the equity method based on the shareholders' equity in the subsidiary.

In compliance with CMN Resolution No. 4,817/2020, the other investments that recorded the interests in entities that are not affiliated, controlled or jointly controlled were reclassified, as of 2022, to the group "Securities" or "Other Credits" , as applicable.

k) Property, plant and equipment

Property, plant and equipment are valued at acquisition cost, less the respective depreciation account, whose value is calculated over the useful life of the asset using the straight-line method. As a result of this practice, the following annual depreciation rates are used on the depreciable value (corresponding to the acquisition cost deducted from the residual value, if any): vehicles - 20%, data processing systems - 20% and other items - 10% (explanatory note 16). The Conglomerate carries out an inventory of these assets and assesses their residual value periodically or when there are significant changes in the assumptions used.

l) Intangibles assets

Intangible assets correspond to rights that have as their object intangible assets intended for the maintenance of the Conglomerate or exercised for this purpose. Intangible assets that have a finite useful life and basically refer to software and licenses or usage rights (note 17a). Amortization of these intangibles is carried out using the straight-line method based on the period in which the benefit is generated and is levied on the amortizable value (corresponding to the acquisition cost less residual value, when applicable), from the date the intangible asset is made available to use and recorded in Other administrative expenses – Amortization (explanatory note 23d). The useful lives and residual value of these assets, when applicable, are reviewed annually or when there are significant changes in the assumptions used. Intangible assets with indefinite useful lives are not subject to amortization and are tested annually for their recoverable value.

Intangible assets include the goodwill paid on the acquisition of investments, which correspond to the amount that exceeds the equity value of the investee, are amortized based on the effective realization of the expectation of profitability that based their origin or by other forms of realization. The balances corresponding to the surplus calculated on the acquisition of real estate projects, when attributed to the stock of completed properties or land, are amortized as a result of the realization (sale) of the investee's assets that gave rise to it.

Intangibles also include carbon credits acquired for the purpose of offsetting CO_2 emissions by vehicles financed by banco BV. CO_2 is one of the greenhouse gases. The mechanism for neutralizing CO_2 emissions adopted by the Conglomerate includes the effective declaration of use (retirement), in the shortest possible time, of the carbon credits and green bonds acquired. There is no provision for the allocation of these credits for any purpose other than clearing, such as their trading on the market. For this reason, as there is no exposure of the institution to fair value on the credits purchased, these are recognized by the price paid and form a stock of tons of CO_2, controlled by the average cost that, once retired, is consumed (amortized) based on the monthly volume of CO_2 produced by the financed vehicles.

Regardless of the moment of acquisition and retirement of carbon credits and green bonds, the commitment assumed by the Institution to offset the CO_2 emission of vehicles financed from 2021 and from financing prior to 2021 whose customers have opted to join the offset program, constitutes a present obligation of the Institution, following the provisions described in explanatory note 4r.

m) Earnings per Share

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

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

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

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

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

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

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

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

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

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

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

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

Carbon credits and Green bonds: As these acquired credits are used exclusively to meet the commitment to offset CO_2 missions by vehicles financed by banco BV, i.e. the institution is not exposed to a change in the fair value of this asset in the balance sheet, the possible reduction for a long period in the fair value of these credits by market conditions does not expose the institution to losses by reduction to the recoverable value of that asset.

Write-off of assets: Once the provision for impairment – impairment reaches 100% of the cost of the asset and the absence of future economic benefits is verified, whether due to obsolescence, discontinuation of use or when there is not, under any circumstances, the ability to reliably measure such economic benefits, the asset is derecognized.

(Amounts in thousand of Reais, unless otherwise indicated)

o) Employee benefits

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

The Conglomerate has a variable compensation program eligible for its officers and employees. Amounts to be paid that are adjusted according to the grace period (from one to a maximum of four years) and to the characteristics of each benefit are recorded under “Other liabilities - Provision for personnel expenses” as a contra entry to caption “Personnel expenses - Proceeds”. Program details are disclosed in Note 28.

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

p) Deposits, money market repurchase commitments, securities issued, borrowings and nonlending's and subordinated debts

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

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

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

q) Taxes

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

	Current rates
Income Taxes	
Income Tax (15% + 10% surcharge)	25%
Social Contribution on Net Income (CSLL) - Banco Votorantim S.A. and Banco BV S.A.[1]	21%
Social Contribution on Net Income (CSLL) - Other financial and non-financial institutions [1]	de 9% a 16%
Other taxes	
PIS / PASEP [2]	de 0,65% a 1,65%
Contribution to Social Security Financing – COFINS [2]	de 3% a 7,6%
Tax on Services of Any Nature - ISSQN [3]	de 2% a 5%

(1) Law No. 14,446, of September 2, 2022, raised the CSLL rate for banks from 20% to 21% and from 15% to 16% for other financial sector entities from August 1, 2022 to December 31 of 2022, returning to the previous rates as of January 1, 2023. In the period from July 1 to December 31, 2021, the CSLL rate for banks of any kind was 25% and for other financial institutions it was 20%, according to Law No. 14,183, of July 15, 2021.

(2) For non-financial companies opting for the non-cumulative calculation system, the PIS / Pasep rate is 1.65% and the Cofins rate is 7.6%.

(3) Taxes levied on revenue from services rendered

Deferred tax assets (tax credits) and deferred tax liabilities are constituted by applying the prevailing tax rates on their respective bases. In case of a change in tax legislation that modifies criteria and rates to be adopted in future periods, the effects are recognized immediately based on the criteria and rates applicable to the period in which each portion of the asset will be realized or of the liability settled. For the constitution, maintenance and write-off of deferred tax assets, the criteria established by CMN Resolution No. 4,842/2020 are observed and are supported by a realization capacity study.

Deferred Income Tax is recognized, calculated at the rate of 25% on the adjustment for supervening depreciation of the leasing portfolio of subsidiary Banco BV SA.

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

Recognition, measurement and disclosure of provisions, contingent assets and liabilities and of legal obligations are conducted in accordance with criteria defined in CPC 25 - Provisions, contingent liabilities and contingent assets, approved by the CMN Resolution 3,823/2009 (Note 29).

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

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

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

Legal obligations are lawsuits related to tax obligations, the object of which is their legality or constitutionality, which, regardless of the probability of success of the lawsuits in progress, have their amounts recognized in full in the Financial Statement.

Compensation for CO_2 emission by vehicles financed by banco BV - The Institution's commitment to offset CO_2 emissions from vehicles financed from 2021 onwards and from financing prior to 2021 whose customers have opted to adhere to the compensation program constitutes a present obligation of the Institution, in accordance with the criteria defined by CPC 25 – Provisions, contingent liabilities and contingent assets. The Institution monthly estimates the amount of emissions of these gases produced by vehicles and accrues the corresponding cost of acquiring the credits that are necessary to offset such emission. The provision is reversed when the amortization of these credits is determined and recognized.

Contingent assets generally arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity.

Contingent assets are not recognized in the Financial Statement, as they may be income that will never be realized. However, when the realization of the gain is practically certain, then the related asset is not a contingent asset and its recognition is carried out in the Financial Statement.

s) Guarantees and sureties

Financial guarantees provided, which require contractually defined payments, as a result of non-payment of the obligation by the debtor on the scheduled date, such as surety, surety, co-obligation, or other obligation that represents a guarantee of the fulfillment of a third-party financial obligation, are recognized in clearing accounts, subject to the expected developments for the control.

When the amount of the liability is subject to exchange variation or any other form of adjustment, the balances of these accounts are updated on the closing of the monthly trial balances and balance sheets.

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

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

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

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

With the application of CMN Resolution 4,512/2016, provisions for losses on financial guarantees provided are presented in "Other liabilities" (explanatory note 22.a and 30.1.a.ii).

t) Other assets and liabilities

Prepaid expenses

Investments of funds in advance payments, whose benefits or provision of services will occur in future periods are recorded. Prepaid expenses are recorded at cost and amortized as they are incurred.

Other property items

Other assets are stated at realizable values, including, when applicable, earnings, monetary and exchange variations earned on a pro rata die basis and provision for losses, when deemed necessary. Other liabilities are stated at known and measurable amounts, plus, when applicable, charges and monetary and exchange variations incurred on a pro rata die basis.

u) Investment fund management

The Conglomerate manages and administers assets held in investment funds and other types of investment on behalf of investors. These funds are not consolidated in the Conglomerate's consolidated Financial Statements, except for those funds controlled by the Conglomerate, whose information is provided in explanatory note nº 3.f.

v) Subsequent events

Between the end of the fiscal year and the date of authorization for the issuance of the financial statements, there may be events that, under certain conditions, require or not adjustments to the financial statements.

Events that show conditions that already existed at the end of the period to which the financial statements refer require adjustments in these statements, while events that are indicators of conditions that arose subsequently to the accounting period to which the financial statements refer, do not require adjustments.

When the subsequent event requires adjustments to the financial statements for the year ended, for example, loss due to impairment of credit in the event of bankruptcy or other relevant facts of credit deterioration evaluated on a case-by-case basis, Management updates its accounting disclosures by recognizing impacts on the balance sheet and income, whichever is applicable. For events that do not give rise to adjustments, Management discloses the nature of the event and the estimated financial effect for each significant category, when applicable, in the explanatory note to subsequent events.

5. MAIN JUDGMENTS AND ACCOUNTING ESTIMATES

1) Main accounting estimates and judgments made in the use of these estimates, as well as in the application of accounting policies

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

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

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

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

b) Provisions for impairment of securities

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

(I) Significant financial difficulty for the issuer or bond;

(ii) Breach of contract, such as non-compliance or delay in payment of interest or principal;

(iii) Concession of benefit to the issuer or obligated, for economic or legal reasons related to its financial difficulties, carried out by the Bank or its related companies, which would not otherwise consider;

(iv) It is likely that the debtor will enter bankruptcy or other financial reorganization;

(v) Disappearance of an active market for this financial asset due to financial difficulties; among others

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

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

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

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

Details on the projection of future results for the realization of tax credits are presented in Note 26.

d) Fair value of financial instruments

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

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

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

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

The assessment of loss forecasts takes into account the probability of disbursements by the Conglomerate for each claim, considering the procedural stages, decisions and prevailing jurisprudence, and may incur a high degree of judgment.

Details of the policy for provisions and contingent liabilities are presented in Note 29.

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

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

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

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

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

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

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

h) Investment in equity investment funds (FIPs)

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

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

(Amounts in thousand of Reais, unless otherwise indicated)

2) Other relevant information

a) Remaining effects resulting from COVID-19 on the Financial Statement and impacts on the Conglomerate

The measures taken by Management to protect and support its employees, customers and business partners in the face of the challenging scenario, especially in 2020 and 2021, caused by the pandemic directly contributed to minimizing the effects of the crisis on the Conglomerate's operations, ensuring the maintenance of adequate levels of liquidity, capital and other asset and liability positions of the Institution.

In addition, the National Monetary Council and the Central Bank adopted, since the beginning of the pandemic in 2020, measures to minimize the effects of the crisis on the economy and ensure the maintenance of adequate levels of liquidity in the financial system. Among them, the relaxation of the criteria for characterizing the restructuring of credit operations for the purpose of credit risk management and the granting of loans to financial institutions through a special temporary liquidity line contribute to mitigating the impacts resulting from the pandemic.

Thus, the remaining effects of the pandemic did not produce relevant impacts on the assumptions used to apply the accounting estimates and judgments made by Management in this period.

6. RECURRING AND NON-RECURRING INCOME

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

Non-recurring results include revenue and expenses arising from administrative events and facts that are not usual or that have a low probability of occurring in consecutive years, in line with the criteria established in BCB Resolution No. 2/2020.

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Net profit	**660,562**	**746,702**	**1,493,235**	**1,561,308**
(-) Non-recurring events - BCB Resolution No. 2/2020	**39,038**	**(72,361)**	**39,038**	**(5,284)**
Donations related to the fight against COVID-19, net of taxes (1)	-	(191)	-	(569)
Effects of the rate increase on the tax credit (2)	-	(72,170)	-	-
Expenses related to BV's IPO process, net of taxes (3)	-	-	-	(4,715)
Profit on the disposal of investments (4)	39,038	-	39,038	-
Recurring net profit	**621,524**	**819,063**	**1,454,197**	**1,566,592**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Net profit	**805,821**	**747,999**	**1,734,820**	**1,563,838**
(-) Net income attributable to non-controlling shareholders	(143,867)	-	(273,353)	-
Net income attributable to controlling shareholders	**661,954**	**747,999**	**1,461,467**	**1,563,838**
(-) Non-recurring events - BCB Resolution No. 2/2020	**39,038**	**(75,861)**	**39,038**	**(5,284)**
Donations related to the fight against COVID-19, net of taxes (1)	-	(191)	-	(569)
Effects of the rate increase on the tax credit (2)	-	(75,670)	-	-
Expenses related to BV's IPO process, net of taxes (3)	-	-	-	(4,715)
Profit on the disposal of investments (4)	39,038	-	39,038	-
Recurring net profit	**622,916**	**823,860**	**1,422,429**	**1,569,122**

(1) In the year ended December 31, 2021, the gross amount is R$ 1,068.

(2) Effect arising from Law No. 14,183, which increased the social contribution rate for the period from July 1 to December 31, 2021, for financial institutions, recognized in the Income Tax and Social Contribution line (Note 4q).

(3) According to the Material Fact disclosed on April 13, 2021, BV's IPO process was canceled due to the current market situation at the time.

(4) Refers to profit on the disposal of investments in subsidiarie (the gross amount is R$ 73,904), as detailed in notes 2d and 24.

(Amounts in thousand of Reais, unless otherwise indicated)

7. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Cash and due from banks	**242,163**	**235,301**	**291,851**	**278,383**
Cash and due from banks in national currency	791	685	45,551	37,297
Cash and due from banks in foreign currency	241,372	234,616	246,300	241,086
Interbank funds applied [(1)]	**389,240**	**2,656,736**	**389,240**	**2,656,736**
Open market applications - Resales to be liquidated - Bench position	-	359,988	-	359,988
Interbank accounts or relations	267,727	240,448	267,727	240,448
Investments in foreign currency [(2)]	121,513	2,056,300	121,513	2,056,300
Total	**631,403**	**2,892,037**	**681,091**	**2,935,119**

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

(2) The balances of these investments may vary substantially in comparative periods, due to the strategies adopted for operations in foreign currency, including the hedging mechanisms employed by the institution.

8. INTERBANK INVESTMENTS

a) Breakdown

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Reverse repurchase agreements [(1)]	**1,016,925**	**3,758,149**	**1,017,454**	**3,170,496**
Reverse repurchase agreements - Held	**50,589**	**866,995**	**301,330**	**279,342**
National Treasury Bill - LON	-	-	529	280
National Treasury Notes - NTN	41,718	689,477	291,930	101,544
Securities of Brazilian Foreign Debt	8,871	177,518	8,871	177,518
Reverse repurchase agreements - Repledged	**461,087**	**2,306,239**	**210,875**	**2,306,239**
Financial Treasury Bills	-	2,199,989	-	2,199,989
National Treasury Notes - NTN	461,087	106,250	210,875	106,250
Reverse repurchase agreements - Short position	**505,249**	**584,915**	**505,249**	**584,915**
National Treasury Notes - NTN	403,233	584,915	403,233	584,915
Securities of Brazilian Foreign Debt	102,016	-	102,016	-
Interbank deposit investments	**2,602,875**	**1,292,738**	**332,459**	**252,747**
Total	**3,619,800**	**5,050,887**	**1,349,913**	**3,423,243**
Current assets	3,353,709	4,866,628	1,083,822	3,238,984
Non-current assets	266,091	184,259	266,091	184,259

(1) The balances of these investments may vary substantially in comparative periods, due to the strategies adopted for interbank liquidity operations.

b) Income from interbank investments

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Income from securities purchased under resale agreements	**126,318**	**113,338**	**438,229**	**200,278**
Own portfolio	23,484	44,429	102,224	77,839
Financed operations	75,739	42,916	281,146	61,058
Short position	27,095	25,993	54,859	61,381
Income from investments in interbank deposits [(1)]	**167,776**	**45,711**	**270,615**	**56,675**
Total [(2)]	**294,094**	**159,049**	**708,844**	**256,953**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Income from securities purchased under resale agreements	**126,345**	**95,510**	**427,609**	**173,755**
Own portfolio	31,243	26,601	105,498	51,316
Financed operations	68,007	42,916	267,252	61,058
Short position	27,095	25,993	54,859	61,381
Income from investments in interbank deposits [(1)]	**25,213**	**9,500**	**41,458**	**16,142**
Total [(2)]	**151,558**	**105,010**	**469,067**	**189,897**

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

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

(Amounts in thousand of Reais, unless otherwise indicated)

9. SECURITIES

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

Parent company	12.31.2022								12.31.2021		
	Fair value					Total			Total		
Maturity in days	Without maturity	From 0 to 90 days	From 90 to 360 days	From 1 to 5 years	Over 5 years	Cost	Fair value	Fair value adjustment	Cost	Fair value	Fair value adjustment
1 – Trading securities	**-**	**1,826,329**	**424,943**	**4,281,659**	**714,991**	**7,234,670**	**7,247,922**	**13,252**	**4,856,712**	**4,849,307**	**(7,405)**
Government bonds	**-**	**1,826,329**	**424,943**	**4,281,659**	**238,849**	**6,748,501**	**6,771,780**	**23,279**	**4,253,883**	**4,252,949**	**(934)**
Financial Treasury Bills	-	-	58,051	687,623	22,859	768,829	768,533	(296)	35,700	35,703	3
National Treasury Bills	-	1,208,074	44,094	2,497,081	-	3,721,806	3,749,249	27,443	2,898,559	2,899,653	1,094
National Treasury Notes	-	618,255	322,798	1,096,955	126,606	2,168,521	2,164,614	(3,907)	1,319,624	1,317,593	(2,031)
Government notes from other countries	-	-	-	-	89,384	89,345	89,384	39	-	-	-
Private securities	**-**	**-**	**-**	**-**	**476,142**	**486,169**	**476,142**	**(10,027)**	**602,829**	**596,358**	**(6,471)**
Debentures	-	-	-	-	-	-	-	-	514,096	509,526	(4,570)
Certificate of Real Estate Receivables	-	-	-	-	-	-	-	-	88,733	86,832	(1,901)
Certificate of Agribusiness Receivables	-	-	-	-	476,142	486,169	476,142	(10,027)	-	-	-
2 – Securities available for sale	**125,432**	**810,278**	**2,799,596**	**9,121,141**	**4,756,565**	**17,647,541**	**17,613,012**	**(34,529)**	**14,777,971**	**14,983,348**	**205,377**
Government bonds	**-**	**557,063**	**1,947,180**	**5,286,345**	**1,048,462**	**9,068,851**	**8,839,050**	**(229,801)**	**9,453,650**	**9,391,869**	**(61,781)**
Financial Treasury Bills	-	51,740	45,794	877,418	-	975,743	974,952	(791)	4,314,787	4,312,175	(2,612)
National Treasury Bills	-	-	197,413	832,429	-	1,065,504	1,029,842	(35,662)	1,570,809	1,528,712	(42,097)
National Treasury Notes	-	209,652	201,331	1,852,288	347,617	2,722,755	2,610,888	(111,867)	1,346,010	1,283,297	(62,713)
Brazilian Foreign Debt Securities	-	295,671	-	1,224,589	700,845	2,289,315	2,221,105	(68,210)	1,717,559	1,751,021	33,462
Government notes from other countries	-	-	1,502,642	499,621	-	2,015,534	2,002,263	(13,271)	504,485	516,664	12,179
Private securities	**125,432**	**253,215**	**852,416**	**3,834,796**	**3,708,103**	**8,578,690**	**8,773,962**	**195,272**	**5,324,321**	**5,591,479**	**267,158**
Debentures (1)	-	6,441	289,415	1,624,625	249,991	2,170,045	2,170,472	427	1,503,944	1,496,983	(6,961)
Promissory Notes (2)	-	-	11,386	4,904	-	16,295	16,290	(5)	73,677	73,408	(269)
Shares (3)	10,070	-	-	-	-	10,070	10,070	-	936	936	-
Quotas of investment funds (4)	115,362	-	34,896	425,865	3,369,916	3,616,571	3,946,039	329,468	1,767,791	2,150,389	382,598
Rural Product Notes -Commodities (5)	-	115,074	98,178	184,400	-	399,269	397,652	(1,617)	431,184	432,829	1,645
Eurobonds	-	-	-	-	1	26	1	(25)	27	1	(26)
Floating Rate Notes	-	76,566	153,674	452,225	-	696,774	682,465	(14,309)	769,840	772,684	2,844
Certificated of Real Estate Receivables (6)	-	9,207	49,480	576,413	88,195	843,686	723,295	(120,391)	752,410	639,859	(112,551)
Agribusiness Receivables Certificate	-	-	12,170	165,385	-	177,134	177,555	421	24,512	24,390	(122)
Commercial notes	-	45,927	203,217	400,979	-	648,820	650,123	1,303	-	-	-
3 – Securities held to maturity	**-**	**1,542,756**	**3,873,171**	**10,222,976**	**754,448**	**17,084,433**	**16,393,351**	**(691,082)**	**13,796,106**	**13,115,352**	**(680,754)**
Government bonds	**-**	**1,542,756**	**3,873,171**	**10,222,976**	**754,448**	**17,084,433**	**16,393,351**	**(691,082)**	**13,796,106**	**13,115,352**	**(680,754)**
National Treasury Bills	-	499,738	532,434	5,662,480	-	6,891,257	6,694,652	(196,605)	5,348,854	5,134,760	(214,094)
National Treasury Notes	-	1,043,018	3,340,737	4,560,496	754,448	10,193,176	9,698,699	(494,477)	7,933,136	7,499,074	(434,062)
Government notes from other countries	-	-	-	-	-	-	-	-	514,116	481,518	(32,598)
Total (1 + 2 + 3)	**125,432**	**4,179,363**	**7,097,710**	**23,625,776**	**6,226,004**	**41,966,644**	**41,254,285**	**(712,359)**	**33,430,789**	**32,948,007**	**(482,782)**

(Amounts in thousand of Reais, unless otherwise indicated)

Consolidated	12.31.2022								12.31.2021		
	Fair value					Total			Total		
Maturity in days	Without maturity	From 0 to 90 days	From 90 to 360 days	From 1 to 5 years	Over 5 years	Cost	Fair value	Fair value adjustment	Cost	Fair value	Fair value adjustment
1 – Trading securities	**-**	**1,843,193**	**433,990**	**4,381,825**	**716,771**	**7,362,527**	**7,375,779**	**13,252**	**6,328,083**	**6,396,879**	**68,796**
Government bonds	**-**	**1,843,193**	**425,990**	**4,381,825**	**240,629**	**6,868,358**	**6,891,637**	**23,279**	**5,714,977**	**5,790,244**	**75,267**
Financial Treasury Bills	-	16,864	59,098	787,789	24,639	888,686	888,390	(296)	515,617	515,433	(184)
National Treasury Bills	-	1,208,074	44,094	2,497,081	-	3,721,806	3,749,249	27,443	2,898,559	2,899,653	1,094
National Treasury Notes	-	618,255	322,798	1,096,955	126,606	2,168,521	2,164,614	(3,907)	2,300,801	2,375,158	74,357
Government notes from other countries	-	-	-	-	89,384	89,345	89,384	39	-	-	-
Private securities	**-**	**-**	**8,000**	**-**	**476,142**	**494,169**	**484,142**	**(10,027)**	**613,106**	**606,635**	**(6,471)**
Debentures	-	-	8,000	-	-	8,000	8,000	-	524,373	519,803	(4,570)
Certificate of Real Estate Receivables	-	-	-	-	-	-	-	-	88,733	86,832	(1,901)
Certificate of Agribusiness Receivables	-	-	-	-	476,142	486,169	476,142	(10,027)	-	-	-
2 – Securities available for sale	**659,880**	**810,278**	**2,799,596**	**9,581,439**	**2,227,942**	**16,125,281**	**16,079,135**	**(46,146)**	**15,496,002**	**15,704,883**	**208,881**
Government bonds	**-**	**557,063**	**1,947,180**	**5,708,087**	**1,048,462**	**9,502,212**	**9,260,792**	**(241,420)**	**9,870,381**	**9,802,801**	**(67,580)**
Financial Treasury Bills	-	51,740	45,794	1,051,405	-	1,149,568	1,148,939	(629)	4,471,442	4,468,592	(2,850)
National Treasury Bills	-	-	197,413	832,429	-	1,065,504	1,029,842	(35,662)	1,570,809	1,528,712	(42,097)
National Treasury Notes	-	209,652	201,331	2,100,043	347,617	2,982,291	2,858,643	(123,648)	1,606,086	1,537,812	(68,274)
Brazilian Foreign Debt Securities	-	295,671	-	1,224,589	700,845	2,289,315	2,221,105	(68,210)	1,717,559	1,751,021	33,462
Government notes from other countries	-	-	1,502,642	499,621	-	2,015,534	2,002,263	(13,271)	504,485	516,664	12,179
Private securities	**659,880**	**253,215**	**852,416**	**3,873,352**	**1,179,480**	**6,623,069**	**6,818,343**	**195,274**	**5,625,621**	**5,902,082**	**276,461**
Debentures (1)	-	6,441	289,415	1,624,625	249,991	2,170,045	2,170,472	427	1,503,944	1,496,983	(6,961)
Promissory Notes (2)	-	-	11,386	4,904	-	16,295	16,290	(5)	73,677	73,408	(269)
Shares (3)	10,070	-	-	-	-	10,070	10,070	-	936	936	-
Quotas of investment funds (4)	649,810	-	34,896	431,486	806,430	1,581,457	1,922,622	341,165	2,007,524	2,408,399	400,875
Rural Product Notes -Commodities (5)	-	115,074	98,178	184,400	-	399,269	397,652	(1,617)	431,184	432,829	1,645
Eurobonds	-	-	-	-	1	26	1	(25)	27	1	(26)
Floating Rate Notes	-	76,566	153,674	452,225	-	696,774	682,465	(14,309)	769,840	772,684	2,844
Certificated of Real Estate Receivables (6)	-	9,207	49,480	609,348	123,058	923,179	791,093	(132,086)	813,977	692,452	(121,525)
Agribusiness Receivables Certificate	-	-	12,170	165,385	-	177,134	177,555	421	24,512	24,390	(122)
Commercial notes	-	45,927	203,217	400,979	-	648,820	650,123	1,303	-	-	-
3 – Securities held to maturity	**-**	**1,542,756**	**3,873,171**	**10,222,976**	**754,448**	**17,084,433**	**16,393,351**	**(691,082)**	**13,796,106**	**13,115,352**	**(680,754)**
Government bonds	**-**	**1,542,756**	**3,873,171**	**10,222,976**	**754,448**	**17,084,433**	**16,393,351**	**(691,082)**	**13,796,106**	**13,115,352**	**(680,754)**
National Treasury Bills	-	499,738	532,434	5,662,480	-	6,891,257	6,694,652	(196,605)	5,348,854	5,134,760	(214,094)
National Treasury Notes	-	1,043,018	3,340,737	4,560,496	754,448	10,193,176	9,698,699	(494,477)	7,933,136	7,499,074	(434,062)
Government notes from other countries	-	-	-	-	-	-	-	-	514,116	481,518	(32,598)
Total (1 + 2 + 3)	**659,880**	**4,196,227**	**7,106,757**	**24,186,240**	**3,699,161**	**40,572,241**	**39,848,265**	**(723,976)**	**35,620,191**	**35,217,114**	**(403,077)**

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

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

(1) The cost value of the Debentures includes provision for impairment in the amount of R$818,374 (R$847,120 on December 31, 2021) as a contra entry to (Provision) / reversal of provision for impairment of securities .

(2) The cost value of the Promissory Notes includes provision for impairment in the amount of R$ 26,126 (R$ 26,126 on December 31, 2021) as a contra entry to (Provision) / reversal of provision for impairment of securities furniture.

(3) The cost value of the Shares includes a provision for impairment in the amount of R$3,171 in the Bank and R$4,924 in the Consolidated (R$3,225 in the Bank and Consolidated on December 31, 2021) as a contra entry to (Provision) / reversal provision for impairment of bonds and securities.

(4) The cost value of the Investment Fund Quotas also considers the provision for impairment in the amount of R$ 81,869 (R$ 85,458 on December 31, 2021) as a contra entry to (Provision) / reversal of provision for impairment recoverable from bonds and securities. Includes the effect of adjusting the fair value of equity funds (FIP) and real estate investment funds (FII) that are not consolidated.

(5) The cost value of the Rural Product Certificates also considers the provision for impairment in the amount of R$ 24,160 (R$ 25,314 on December 31, 2021) as a contra entry to (Provision) / reversal of provision for impairment of bonds and securities.

(6) The cost value of Real Estate Receivables Certificates also considers the provision for impairment in the amount of R$761 (R$761 on December 31, 2021) as a contra entry to (Provision) / reversal of provision for impairment of bonds and securities.

(amounts in thousands of Reais, unless otherwise indicated)

b) Summary of the portfolio by category

By category	12.31.2022		12.31.2021	
Parent Company				
1 – Trading securities	7,247,922	17%	4,849,307	14%
2 – Securities available for sale	17,613,012	42%	14,983,348	45%
3 – Securities held to maturity	17,084,433	41%	13,796,106	41%
Book value of portfolio	**41,945,367**	**100%**	**33,628,761**	**100%**
Fair value adjustment of category three	(691,082)		(680,754)	
Fair value of portfolio	**41,254,285**		**32,948,007**	
Consolidated				
1 – Trading securities	7,375,779	18%	6,396,879	18%
2 – Securities available for sale	16,079,135	40%	15,704,883	44%
3 – Securities held to maturity	17,084,433	42%	13,796,106	38%
Book value of portfolio	**40,539,347**	**100%**	**35,897,868**	**100%**
Fair value adjustment of category three	(691,082)		(680,754)	
Fair value of portfolio	**39,848,265**		**35,217,114**	

In compliance with the provisions of article 8 of Circular No. 3068/01 of the Central Bank of Brazil, Banco BV declares that it has the financial capacity and intention to hold securities classified in the “held-to-maturity securities” category in the amount of R$ 17,084,433 in the Bank and Consolidated (R$ 13,796,106 in the Bank and in the Consolidated on December 31, 2021), representing 41% in the Bank and 42% in the Consolidated of total securities (41% in the Bank and 38% in the Consolidated on December 31, 2021).

c) Income from securities

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Interbank investments (note 8b)	294,094	159,049	708,844	256,953
Fixed income securities	1,439,174	1,058,428	2,838,892	1,611,271
Securities abroad (1)	144,007	32,572	268,007	98,245
Variable income securities	(1,224)	14,964	1,209	16,301
Investments in investment funds (1) (2)	203,856	172,797	411,629	190,351
Investments in foreign currency (1)	2,462	130	20,457	14,853
Total	**2,082,369**	**1,437,940**	**4,249,038**	**2,187,974**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Interbank investments (note 8b)	151,558	105,010	469,067	189,897
Fixed income securities	1,479,029	1,196,889	2,797,026	1,735,256
Securities abroad (1)	144,007	32,572	268,007	98,245
Variable income securities	(418)	13,868	1,750	16,282
Investments in investment funds (1) (2)	71,377	54,706	180,346	68,822
Investments in foreign currency (1)	2,350	130	20,344	14,853
Total	**1,847,903**	**1,403,175**	**3,736,540**	**2,123,355**

(1) Includes exchange rate variation on assets.
(2) It includes effects arising from transactions with third parties and entities of the conglomerate, including the realization of gains and distribution of income through the amortization of shares in equity investment funds (FIPs).

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

	Parent company and consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Shares (1)	25	675	54	934
Promissory Notes	-	(16,122)	-	(26,126)
Certificates of Real Estate Receivables	-	(76)	-	121
Debentures	945	(63,535)	28,746	(75,585)
Quotas of investment funds	3,529	1,195	3,589	(22,995)
Rural Product Notes	-	-	1,154	691
Total	**4,499**	**(77,863)**	**33,543**	**(122,960)**

(1) In 2022, securities were reclassified, including the respective provision for losses, which were previously presented under "other investments" in compliance with CMN Resolution No. 4,817/20, not impacting results.

e) Reclassifications of securities

There was no reclassification of securities between categories as of December 31, 2022 and 2021.

10. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

Risks

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

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

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

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

Liquidity risk is defined as:

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

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

(amounts in thousands of Reais, unless otherwise indicated)

a) Breakdown of derivative financial instruments portfolio by index

By index	Parent Company						Consolidated					
	12.31.2022			12.31.2021			12.31.2022			12.31.2021		
	Reference value	Cost	Fair value	Reference value	Cost	Fair value	Reference	Cost	Fair value	Reference value	Cost	Fair value
1 - Futures contracts												
Purchase commitments	**11,034,309**	**-**	**-**	**25,171,942**	**-**	**-**	**11,034,309**	**-**	**-**	**25,171,942**	**-**	**-**
Interbank deposits	5,742,911	-	-	16,772,346	-	-	5,742,911	-	-	16,772,346	-	-
Currencies	1,627,701	-	-	347,320	-	-	1,627,701	-	-	347,320	-	-
Index	362,480	-	-	319,532	-	-	362,480	-	-	319,532	-	-
Foreign currency coupon	3,301,217	-	-	7,732,744	-	-	3,301,217	-	-	7,732,744	-	-
Sales appointments	**39,750,285**	**-**	**-**	**63,957,208**	**-**	**-**	**39,750,285**	**-**	**-**	**63,957,208**	**-**	**-**
Interbank deposits	32,755,324	-	-	56,055,124	-	-	32,755,324	-	-	56,055,124	-	-
Currencies	59,951	-	-	2,863,884	-	-	59,951	-	-	2,863,884	-	-
Index	637,881	-	-	183,881	-	-	637,881	-	-	183,881	-	-
Libor (1)	422,631	-	-	1,121,951	-	-	422,631	-	-	1,121,951	-	-
Foreign currency coupon	4,693,467	-	-	2,766,289	-	-	4,693,467	-	-	2,766,289	-	-
Other	1,181,031	-	-	966,079	-	-	1,181,031	-	-	966,079	-	-
2 - Term contracts												
Asset position	**271,783**	**271,783**	**272,734**	**276,038**	**276,038**	**276,164**	**271,783**	**271,783**	**272,734**	**276,038**	**276,038**	**276,164**
Currency term	271,783	271,783	272,734	276,038	276,038	276,164	271,783	271,783	272,734	276,038	276,038	276,164
Liability position	**271,783**	**(271,783)**	**(278,476)**	**276,038**	**(276,038)**	**(273,166)**	**271,783**	**(271,783)**	**(278,476)**	**276,038**	**(276,038)**	**(273,166)**
Currency term	271,783	(271,783)	(278,476)	276,038	(276,038)	(273,166)	271,783	(271,783)	(278,476)	276,038	(276,038)	(273,166)
3 - Option contracts (2)												
Call option - Long position	**2,772,253**	**117,650**	**49,095**	**2,109,409**	**72,673**	**69,719**	**2,772,253**	**117,650**	**49,095**	**2,109,409**	**72,673**	**69,719**
Foreign currency	106,500	1,519	1,067	57,000	869	-	106,500	1,519	1,067	57,000	869	-
Flexible options	2,640,940	114,679	46,525	2,052,409	71,804	69,719	2,640,940	114,679	46,525	2,052,409	71,804	69,719
Other	24,813	1,452	1,503	-	-	-	24,813	1,452	1,503	-	-	-
Put option - Long position	**934,000**	**33,712**	**46,253**	**4,041,296**	**93,507**	**98,365**	**934,000**	**33,712**	**46,253**	**1,517,500**	**40,413**	**21,357**
Foreign currency	934,000	33,712	46,253	1,502,500	40,406	21,356	934,000	33,712	46,253	1,502,500	40,406	21,356
Interbank deposits index	-	-	-	15,000	7	1	-	-	-	15,000	7	1
Flexible options	-	-	-	2,523,796	53,094	77,008	-	-	-	-	-	-
Call option – Short position	**1,416,898**	**(40,949)**	**(19,273)**	**4,126,860**	**(108,308)**	**(62,918)**	**1,416,898**	**(40,949)**	**(19,273)**	**1,603,064**	**(55,327)**	**(37,861)**
Foreign currency	1,387,500	(36,099)	(15,245)	1,588,250	(52,082)	(34,252)	1,387,500	(36,099)	(15,245)	1,588,250	(52,082)	(34,252)
Flexible options	6,971	(2,193)	(700)	2,538,610	(56,226)	(28,666)	6,971	(2,193)	(700)	14,814	(3,245)	(3,609)
Other	22,427	(2,657)	(3,328)	-	-	-	22,427	(2,657)	(3,328)	-	-	-

(amounts in thousands of Reais, unless otherwise indicated)

By index	Parent Company						Consolidated					
	12.31.2022			12.31.2021			12.31.2022			12.31.2021		
	Reference value	Cost	Fair value	Reference value	Cost	Fair value	Reference	Cost	Fair value	Reference value	Cost	Fair value
Put option - Short position	**2,321,967**	**(114,679)**	**(131,094)**	**2,413,935**	**(72,969)**	**(43,973)**	**2,321,967**	**(114,679)**	**(131,094)**	**2,413,935**	**(72,969)**	**(43,973)**
Foreign currency	-	-	-	619,500	(1,065)	(1,293)	-	-	-	619,500	(1,065)	(1,293)
Flexible options	2,321,967	(114,679)	(131,094)	1,789,185	(71,804)	(42,593)	2,321,967	(114,679)	(131,094)	1,789,185	(71,804)	(42,593)
Shares	-	-	-	5,250	(100)	(87)	-	-	-	5,250	(100)	(87)
4 - Swap contracts [(2) (3)]												
Asset position	**12,852,219**	**950,171**	**881,182**	**26,990,692**	**2,819,751**	**3,760,166**	**12,852,219**	**950,171**	**881,182**	**26,510,501**	**2,389,387**	**3,271,778**
Interbank deposits	8,992,751	337,681	558,613	18,838,153	97,261	412,138	8,992,751	337,681	558,613	18,838,153	97,261	412,138
Foreign currency	1,680,185	403,376	93,948	6,820,701	2,404,919	2,892,422	1,680,185	403,376	93,948	6,340,510	1,974,555	2,404,034
Fixed rate	2,039,969	158,079	181,743	1,136,040	239,752	384,056	2,039,969	158,079	181,743	1,136,040	239,752	384,056
IPCA	51,560	8,597	7,991	117,742	37,204	33,610	51,560	8,597	7,991	117,742	37,204	33,610
IGP-M	78,000	41,512	37,680	78,000	40,174	37,581	78,000	41,512	37,680	78,000	40,174	37,581
Libor [(1)]	9,754	926	1,207	56	401	359	9,754	926	1,207	56	401	359
Selic	-	-	-	-	40	-	-	-	-	-	40	-
Liability position	**13,233,879**	**(1,439,398)**	**(1,191,138)**	**7,462,371**	**(2,067,811)**	**(1,981,306)**	**13,233,879**	**(1,439,398)**	**(1,191,138)**	**7,433,274**	**(2,047,619)**	**(1,958,371)**
Interbank deposits	4,836,847	(104,405)	(264,694)	3,171,764	(10,038)	(62,645)	4,836,847	(104,405)	(264,694)	3,171,764	(10,038)	(62,645)
Foreign currency	1,566,089	(415,563)	(82,411)	3,442,164	(1,550,611)	(1,305,322)	1,566,089	(415,563)	(82,411)	3,413,067	(1,530,419)	(1,282,387)
Fixed rate	6,351,483	(831,240)	(776,589)	350,080	(414,889)	(548,180)	6,351,483	(831,240)	(776,589)	350,080	(414,889)	(548,180)
IPCA	365,833	(65,765)	(47,340)	106,709	(36,177)	(35,849)	365,833	(65,765)	(47,340)	106,709	(36,177)	(35,849)
IGP-M	96,719	(20,768)	(19,125)	96,719	(23,178)	(21,042)	96,719	(20,768)	(19,125)	96,719	(23,178)	(21,042)
Libor [(1)]	16,908	(1,657)	(979)	94,935	(32,918)	(8,179)	16,908	(1,657)	(979)	94,935	(32,918)	(8,179)
Selic	-	-	-	200,000	-	(89)	-	-	-	200,000	-	(89)
5 - Other derivatives financial instruments												
Asset position	**13,405,437**	**59,943**	**57,905**	**15,398,668**	**161,625**	**182,333**	**13,405,437**	**59,943**	**57,905**	**10,585,464**	**53,632**	**74,739**
Non Deliverable Forward - Foreign currency [(2)]	13,384,566	58,554	56,533	15,398,668	161,625	182,333	13,384,566	58,554	56,533	10,585,464	53,632	74,739
Credit derivatives	20,871	1,389	1,372	-	-	-	20,871	1,389	1,372	-	-	-
Liability position	**2,320,604**	**(407,528)**	**(185,619)**	**6,130,130**	**(180,059)**	**(78,092)**	**2,320,604**	**(407,528)**	**(185,619)**	**1,316,926**	**(120,050)**	**(51,968)**
Non Deliverable Forward - Foreign currency [(2)]	2,164,073	(405,379)	(183,729)	6,130,130	(180,059)	(78,092)	2,164,073	(405,379)	(183,729)	1,316,926	(120,050)	(51,968)
Credit derivatives	156,531	(2,149)	(1,890)	-	-	-	156,531	(2,149)	(1,890)	-	-	-
Total assets (1 + 2 + 3 + 4 + 5)	**41,270,001**	**1,433,259**	**1,307,169**	**73,988,045**	**3,423,594**	**4,386,747**	**41,270,001**	**1,433,259**	**1,307,169**	**66,170,854**	**2,832,143**	**3,713,757**
Total liabilities (1 + 2 + 3 + 4 + 5)	**59,043,633**	**(2,274,337)**	**(1,805,600)**	**84,090,504**	**(2,705,185)**	**(2,439,455)**	**59,043,633**	**(2,274,337)**	**(1,805,600)**	**76,724,407**	**(2,572,003)**	**(2,365,339)**

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

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

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

(amounts in thousands of Reais, unless otherwise indicated)

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

	Parent Company						Consolidated					
Maturity in days	**0 to 30**	**31 to 180**	**181 to 360**	**Over 360**	**12.31.2022**	**12.31.2021**	**0 to 30**	**31 to 180**	**181 to 360**	**Over 360**	**12.31.2022**	**12.31.2021**
Futures contracts	7,419,355	10,704,650	8,157,668	24,502,921	50,784,594	89,129,150	7,419,355	10,704,650	8,157,668	24,502,921	50,784,594	89,129,150
Forward contracts	45,767	200,093	11,991	13,932	271,783	276,038	45,767	200,093	11,991	13,932	271,783	276,038
Option contracts	839,370	1,077,251	3,894,967	1,633,530	7,445,118	12,691,500	839,370	1,077,251	3,894,967	1,633,530	7,445,118	7,643,908
Swap contracts	428,274	2,193,494	5,595,309	17,869,021	26,086,098	34,453,063	428,274	2,193,494	5,595,309	17,869,021	26,086,098	33,943,775
Non Deliverable Forward - Foreign Currency	1,393,987	13,003,718	1,008,516	142,418	15,548,639	21,528,798	1,393,987	13,003,718	1,008,516	142,418	15,548,639	11,902,390
Credit derivatives	-	-	-	177,402	177,402	-	-	-	-	177,402	177,402	-
Total	**10,126,753**	**27,179,206**	**18,668,451**	**44,339,224**	**100,313,634**	**158,078,549**	**10,126,753**	**27,179,206**	**18,668,451**	**44,339,224**	**100,313,634**	**142,895,261**

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

	12.31.2022							12.31.2021
	Future	**Term**	**Options**	**Swaps**	**Non Deliverable Forward**	**Credit Derivatives**	**Total**	
Parent Company								
Stock exchange market	**50,784,594**	**-**	**2,428,000**	**-**	**-**	**-**	**53,212,594**	**92,911,400**
Over-the-counter market	**-**	**271,783**	**5,017,118**	**26,086,098**	**15,548,639**	**177,402**	**47,101,040**	**65,167,149**
Financial institutions	-	271,783	6,971	20,593,491	9,156,583	177,402	30,206,230	51,130,372
Client	-	-	5,010,147	5,492,607	6,392,056	-	16,894,810	14,036,777
Consolidated								
Stock exchange market	**50,784,594**	**-**	**2,428,000**	**-**	**-**	**-**	**53,212,594**	**92,911,400**
Over-the-counter market	**-**	**271,783**	**5,017,118**	**26,086,098**	**15,548,639**	**177,402**	**47,101,040**	**49,983,861**
Financial institutions	-	271,783	6,971	20,593,491	9,156,583	177,402	30,206,230	35,947,084
Client	-	-	5,010,147	5,492,607	6,392,056	-	16,894,810	14,036,777

(amounts in thousands of Reais, unless otherwise indicated)

d) Breakdown of the credit derivatives portfolio

	12.31.2022			12.31.2021		
Parent Company and Consolidated	Reference value	Cost value	Fair value	Reference value	Cost value	Fair value
Credit swap						
Transferred risk	177,402	(760)	(518)	-	-	-
By indexer						
Active position – Prefixed	20,871	1,389	1,372	-	-	-
Passive Position – Prefixed	156,531	(2,149)	(1,890)	-	-	-

For the sale of protection, a credit limit is approved, both for the "risk customer" and for the counterparty, in accordance with the authority and forums of the credit committees. A credit limit is allocated to the "risk customer" at the reference value (notional) of the derivative, considering the amounts deposited as collateral.

To purchase protection, operate in a trading portfolio with a sovereign risk client. In this case, the potential future exposure is considered to allocate the counterparty limit. The portfolio of credit derivatives generated impacts on the Portion Referring to Exposures Weighted by Risk Factor (PRMR), for calculating the Basel Ratio in the amount of R$ 819 on December 31, 2022. On December 31, 2021 there was no exposure for this type of operation.

(Amounts in thousands of Reais, unless otherwise indicated)

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

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Financial Treasury Bills - LFT	716,997	997,210	717,628	999,905
National Treasury Bills - LTN	909,215	461,638	909,215	461,638
Shares of the investment fund liquidity of board B3	41,274	36,621	58,561	51,959
Others	56,329	49,886	56,329	49,886
Total	**1,723,815**	**1,545,355**	**1,741,733**	**1,563,388**

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

	Parent Company					
	12.31.2022			12.31.2021		
	Current	Non-current	Total	Current	Non-current	Total
Assets						
Term operations	258,805	13,929	272,734	258,451	17,713	276,164
Options market	65,719	29,629	95,348	130,103	37,981	168,084
Swap contracts	828,494	52,688	881,182	1,825,771	1,934,395	3,760,166
Non Deliverable Forward - Foreign currency	52,778	3,755	56,533	163,390	18,943	182,333
Credit derivatives	-	1,372	1,372	-	-	-
Total	**1,205,796**	**101,373**	**1,307,169**	**2,377,715**	**2,009,032**	**4,386,747**
Liabilities						
Term operations	(263,940)	(14,536)	(278,476)	(255,453)	(17,713)	(273,166)
Options market	(16,500)	(133,867)	(150,367)	(65,597)	(41,294)	(106,891)
Swap contracts	(670,967)	(520,171)	(1,191,138)	(1,100,285)	(881,021)	(1,981,306)
Non Deliverable Forward - Foreign currency	(177,046)	(6,683)	(183,729)	(70,123)	(7,969)	(78,092)
Credit derivatives	-	(1,890)	(1,890)	-	-	-
Total	**(1,128,453)**	**(677,147)**	**(1,805,600)**	**(1,491,458)**	**(947,997)**	**(2,439,455)**

	Consolidated					
	12.31.2022			12.31.2021		
	Current	Non-current	Total	Current	Non-current	Total
Assets						
Term operations	258,805	13,929	272,734	258,451	17,713	276,164
Options market	65,719	29,629	95,348	53,095	37,981	91,076
Swap contracts	828,494	52,688	881,182	1,803,726	1,468,052	3,271,778
Non Deliverable Forward - Foreign currency	52,778	3,755	56,533	61,358	13,381	74,739
Credit derivatives	-	1,372	1,372	-	-	-
Total	**1,205,796**	**101,373**	**1,307,169**	**2,176,630**	**1,537,127**	**3,713,757**
Liabilities						
Term operations	(263,940)	(14,536)	(278,476)	(255,453)	(17,713)	(273,166)
Options market	(16,500)	(133,867)	(150,367)	(40,540)	(41,294)	(81,834)
Swap contracts	(670,967)	(520,171)	(1,191,138)	(1,100,766)	(857,605)	(1,958,371)
Non Deliverable Forward - Foreign currency	(177,046)	(6,683)	(183,729)	(43,999)	(7,969)	(51,968)
Credit derivatives	-	(1,890)	(1,890)	-	-	-
Total	**(1,128,453)**	**(677,147)**	**(1,805,600)**	**(1,440,758)**	**(924,581)**	**(2,365,339)**

g) Breakdown of the derivatives portfolio for hedge accounting

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

These strategies are carried out in the following risk categories:

- Interest rate risk; and
- Exchange rate risk.

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

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

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

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

(Amounts in thousands of Reais, unless otherwise indicated)

Fair value hedge

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

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

Hedged items		12.31.2022		
		Fair value of hedged items	Fair value adjustment of hedged items	Base value for calculating hedge ineffectiveness [1]
Parent Company and Consolidated	Statement of Financial Position line item	Assets	Assets	
Interest rate risk				
Hedge of loan contracts	Loans and leases	16,936,827	(447,760)	1,786,143
Total		**16,936,827**	**(447,760)**	**1,786,143**
		12.31.2021		
Interest rate risk				
Hedge of purchase and sale commitment	Financial assets with resale agreements	402,746	(19)	8,439
Hedge of loan contracts	Loans and leases	16,736,078	(789,545)	(189,539)
Exchange rate risk				
Hedge of loan contracts	Loans and leases	8,880	100	1,312
Total		**17,147,704**	**(789,464)**	**(179,788)**

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

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

Hedge instruments	12.31.2022		
	Reference value	Base amount to calculate the ineffectiveness of hedge [1]	Hedge ineffectiveness recorded in income [2]
Parent Company and Consolidated	Liabilities		
Interest rate risk			
Future DI	19,915,037	(1,817,175)	(31,032)
Total	**19,915,037**	**(1,817,175)**	**(31,032)**
Parent Company and Consolidated	12.31.2021		
Interest rate risk			
Future DI	18,473,942	174,987	(6,113)
Exchange rate risk			
Future DDI	8,892	(1,625)	(313)
Total	**18,482,834**	**173,362**	**(6,426)**

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

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

In the years ended December 31, 2022 and 2021, there were no dismantling of operations and no effect on the result was produced, as the amortization of previous dismantling had already been completed.

Cash flow hedge

To protect the future cash flows of payments against exposure to variable interest rate (CDI), the Conglomerate traded DI Future contracts at B3 (Stock exchange market).

To protect future cash flows of sovereign bonds issued by the Federative Republic of Brazil abroad and other bonds issued abroad against exposure to exchange rate risk (USD and EUR), the Conglomerate negotiated swap contracts in the over-the-counter market, registered at B3.

(Amounts in thousands of Reais, unless otherwise indicated)

Hedged items / Parent Company and Consolidated	12.31.2022 Statement of Financial Position line item	Book/reference amount Assets	Book/reference amount Liabilities	Base amount for calculating hedge ineffectiveness [(1)]	Cash flow hedge reserve
Interest rate risk					
Hedge of Financial Bills	Securities issued	-	4,447,448	(69,994)	24,048
Hedge of subordinated financial bills - Debt instruments eligible for capital	Debt instruments eligible for capital	-	78,354	(4,346)	35
Exchange rate risk					
Hedge of Brazilian external debt securities	Marketable securities	445,028	-	(19,018)	29,140
Hedge of bonds with TVM abroad	Features of acceptance and issuance of bonds	-	5,587,770	257,241	91,721
Hedge of obligations for loans abroad	Obligations for loans and onlendings	-	1,014,704	(25,869)	23,009
Total		**445,028**	**11,128,276**	**138,014**	**167,953**
Parent Company and Consolidated	**12.31.2022**				
Interest rate risk					
Hedge of Financial Bills	Securities issued	-	13,573,577	(262,256)	244,173
Hedge of subordinated financial bills - Debt instruments eligible for capital	Debt instruments eligible for capital	-	93,362	(3,172)	2,596
Exchange rate risk					
Hedge of liabilities with securities abroad	Securities issued	-	3,433,131	(186,465)	330,224
Hedge of perpetual bonds - Subordinated liabilities	Debt instruments eligible for capital	-	1,684,531	(792,965)	84,108
Total		**-**	**18,784,601**	**(1,244,858)**	**661,101**

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

Hedge instruments / Parent Company and Consolidated	12.31.2022 Book/reference amount Assets	Book/reference amount Liabilities	Base amount for calculating hedge ineffectiveness [(1)]	Changes in the amount of the recorded hedge instrument in OCI	Hedge Ineffectiveness recorded in net profit (loss) [(2)]
Interest rate risk					
Future DI	-	4,385,438	76,004	(222,686)	979
Exchange rate risk					
Swap [(3) (4) (5)]	6,664,911	495,479	(208,511)	(270,462)	3,008
Total	**6,664,911**	**4,880,917**	**(132,507)**	**(493,148)**	**3,987**
Parent Company and Consolidated	**12.31.2021**				
Interest rate risk					
Future DI	-	13,187,458	265,693	277,270	3,913
Exchange rate risk					
Swap [(3) (6)]	5,634,894	-	984,150	558,699	1,997
Total	**5,634,894**	**13,187,458**	**1,249,843**	**835,969**	**5,910**

(1) Changes in the fair value of the hedge instrument that are not offset by changes in the value of the hedged item result in the amount of hedge ineffectiveness.
(2) Balances presented on an annual basis so that it is possible to compare with changes in the fair value of the instrument and the hedged object.
(3) The notional amount of the swap contracts for hedging obligations with securities abroad is R$ 5,711,855 on December 31, 2022 (R$ 3,406,100 on December 31, 2021).
(4) The notional amount of swap contracts for hedging Brazilian external debt securities is R$ 561,334 on December 31, 2022 (on December 31, 2021 there was no such hedge).
(5) The notional amount of the swap contracts for hedging foreign borrowing obligations is R$ 974,371 on December 31, 2022 (on December 31, 2021 there was no such hedge).
(6) The notional amount of the swap contract for hedging perpetual bonds is R$ 970,620 on December 31, 2021. The hedge was closed in the year ended December 31, 2022 with the repurchase of the securities.

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

In the year ended December 31, 2022, the fair value adjustment of the effective portion, in the amount of R$ (493,148) (R$ 835,969 in the year ended December 31, 2021), was recognized in equity and the portion ineffective, in the amount of R$ 1,923 (R$ 7,482 in the year ended December 31, 2021) was recognized in income under “Income from derivative financial instruments”.

Net gains from tax effects related to the cash flow hedge that the Conglomerate expects to recognize in income over the next 12 months, amount to R$ 33,327 (net gains of R$ 224,883 for the year ended December 31, 2021).

In the year ended December 31, 2022, some operations were no longer classified as cash flow hedges, which generated a result of R$ 6,653 in the period, net of tax effects, presented under "Results from derivative financial instruments". In the year ended December 31, 2021, there were no operations that ceased to be classified as cash flow hedges.

(Amounts in thousands of Reais, unless otherwise indicated)

h) Income from derivative financial instruments

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Swap contracts	110,120	944,379	667,592	850,708
Term operations	(8,457)	7,433	5,763	11,541
Options market	(28,535)	(144,113)	13,633	(84,595)
Futures contracts	(13,841)	430,034	(400,007)	685,042
Credit derivatives	(594)	296	(594)	(285)
Fair value adjustments of hedged financial instruments	392,871	(423,594)	355,739	(1,178,938)
Non Deliverable Forward - Foreign currency	(62,212)	348,548	(339,038)	306,501
Income from exchange variation on investments abroad	(6,684)	176,461	(114,514)	119,454
Total	**382,668**	**1,339,444**	**188,574**	**709,428**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Swap contracts	110,120	852,988	801,767	799,333
Term operations	(8,457)	7,433	5,763	11,541
Options market	(28,535)	58,428	(100,957)	99,796
Futures contracts	(13,841)	430,034	(400,007)	685,042
Credit derivatives	(594)	296	(594)	(285)
Fair value adjustments of hedged financial instruments	392,871	(423,594)	355,739	(1,178,938)
Non Deliverable Forward - Foreign currency	(62,212)	146,435	(224,867)	122,681
Income from exchange variation on investments abroad	(6,684)	176,461	(114,514)	119,454
Total	**382,668**	**1,248,481**	**322,330**	**658,624**

11. INTERBANK ACCOUNTS

a) Breakdown

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Assets	**1,924,717**	**1,490,076**	**1,961,377**	**1,492,118**
Linked credits (Note 11b)	1,924,717	1,490,076	1,961,377	1,492,118
Liabilities	**40,217**	**16,946**	**3,472,198**	**2,840,131**
Payments and receivables to be settled (Note 11c)	40,217	16,946	3,472,198	2,840,131

b) Reserve requirements

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Assets				
Compulsory deposits at the Central Bank of Brazil	**1,924,717**	**1,490,076**	**1,961,377**	**1,492,118**
Demand deposits	1,619,271	1,351,625	1,619,271	1,351,625
Microfinance transactions	41,216	-	42,598	134
Instant payments	264,230	138,451	299,508	140,359
Total	**1,924,717**	**1,490,076**	**1,961,377**	**1,492,118**
Current Assets	1,924,717	1,490,076	1,961,377	1,492,118

c) Payments and receivables to be settled

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Liabilities				
Payment transactions	**40,217**	**16,946**	**3,472,198**	**2,840,131**
Credit card	40,217	16,946	3,472,198	2,840,131
Total	**40,217**	**16,946**	**3,472,198**	**2,840,131**
Current Liabilities	40,217	16,946	3,472,198	2,840,131

(Amounts in thousands of Reais, unless otherwise indicated)

d) Income from compulsory deposits

	Parent company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Credits linked to Central Bank of Brazil	**104,393**	**32,630**	**180,953**	**44,015**
Requirement on time deposits	97,076	32,630	173,636	44,015
Instant payments	7,317	-	7,317	-
Total	**104,393**	**32,630**	**180,953**	**44,015**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Credits linked to Central Bank of Brazil	**107,797**	**32,630**	**184,357**	**44,015**
Requirement on time deposits	97,076	32,630	173,636	44,015
Instant payments	10,721	-	10,721	-
Total	**107,797**	**32,630**	**184,357**	**44,015**

12. LOANS

a) Portfolio by modality

	Parent company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Loans	**59,352,481**	**55,569,267**	**62,008,362**	**57,332,216**
Loans and discounted notes	7,136,422	6,160,416	9,764,690	7,909,577
Financings	40,855,702	41,110,430	44,266,896	42,680,041
Rural and agribusiness financing	1,353,722	811,970	1,353,722	811,970
Real estate financing agreements	96,579	55,455	96,579	55,455
Loans linked to assignments (Note 12h.1) [(1)]	9,910,056	7,430,996	6,526,475	5,875,173
Other receivables with loan characteristics	**4,769,158**	**5,437,360**	**8,272,176**	**8,452,836**
Credit card operations	-	-	3,503,018	2,983,607
Advance on exchange contract e Others related credits	731,983	819,305	731,983	819,305
Other credits linked to payment transactions [(2)]	322,730	873,663	322,730	873,663
Securities and receivables	3,714,445	3,744,392	3,714,445	3,776,261
Leasing portfolio	**-**	**-**	**37,263**	**48,739**
Total loan portfolio	**64,121,639**	**61,006,627**	**70,317,801**	**65,833,791**
Allowance for losses associated with credit risk	**(4,622,992)**	**(4,933,006)**	**(5,597,006)**	**(5,545,020)**
(Allowance for loan losses)	(3,940,497)	(3,784,887)	(4,850,968)	(4,320,467)
(Allowance for other credits with credit grant characteristics) [(3)]	(682,495)	(1,148,119)	(745,880)	(1,224,334)
(Allowance for lease losses)	-	-	(158)	(219)
Total loan portfolio, net of provisions	**59,498,647**	**56,073,621**	**64,720,795**	**60,288,771**
Current Assets	28,254,214	28,507,847	32,877,128	32,266,074
Non-current assets	31,244,433	27,565,774	31,843,667	28,022,697

(1) Loans transferred with substantial retention of risks and benefits of the financial assets subject to the operation.
(2) Credit rights on payment transactions acquired by assignment with retention of risks and benefits by the transferor.
(3) Includes provision for losses from operations in approved judicial recovery and provision for losses linked to payment transactions.

b) Income from loans and leases

	Parent company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Income from Loans	**5,038,229**	**4,267,770**	**9,597,570**	**7,929,054**
Loans and discounted notes	889,913	549,703	1,659,311	878,956
Financing	4,105,937	3,666,752	7,832,791	6,975,993
Rural and agribusiness financing	12,412	19,221	31,061	32,995
Real estate financing agreements	4,666	1,292	7,259	1,960
Financing in foreign currency	8,736	5,095	8,898	7,411
Other	16,565	25,707	58,250	31,739
Total [(1)]	**5,038,229**	**4,267,770**	**9,597,570**	**7,929,054**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Income from Loans	**6,058,132**	**4,880,734**	**11,378,462**	**8,866,456**
Loans and discounted notes	1,595,478	1,004,770	2,963,043	1,644,278
Financing	4,419,525	3,836,439	8,308,067	7,161,494
Rural and agribusiness financing	12,412	19,221	31,061	32,995
Real estate financing agreements	4,666	1,292	7,259	1,960
Financing in foreign currency	8,736	5,095	8,898	7,411
Other	17,315	13,917	60,134	18,318
Income from Leases	**(2,903)**	**3,200**	**(405)**	**6,842**
Total [(1)]	**6,055,229**	**4,883,934**	**11,378,057**	**8,873,298**

(1) Does not include credit operations linked to assignments. Considering such assets, the Bank's income from credit operations, in the year ended December 31, 2022, would total R$ 10,839,223 (R$ 9,045,862 in the year ended December 31, 2021) and in the Consolidated would total R$ 12,619,710 (BRL 9,990,106 in the year ended December 31, 2021).

(Amounts in thousands of Reais, unless otherwise indicated)

c) Loan portfolio by sector of economic activity

Parent Company	12.31.2022	%	12.31.2021 [(1)]	%
Private sector	**64,121,639**	**100.00%**	**61,006,627**	**100.00%**
Individual	**49,767,288**	**77.61%**	**47,164,742**	**77.31%**
Legal entities	**14,354,351**	**22.39%**	**13,841,885**	**22.69%**
Sugar and alcohol	1,331,567	2.08%	740,410	1.21%
Agribusiness	1,389,314	2.17%	1,279,235	2.10%
Specific construction activities	751,632	1.17%	825,447	1.35%
Automotive	450,900	0.70%	770,896	1.26%
Wholesale commerce and sundry industries	2,652,246	4.14%	2,359,530	3.87%
Retail business	1,360,597	2.12%	861,526	1.41%
Heavy construction	83,460	0.13%	619,977	1.02%
Cooperatives	1,110,323	1.73%	397,137	0.65%
Electric power	278,512	0.43%	295,295	0.48%
Financial institutions and services	492,426	0.77%	961,156	1.58%
Wood and furniture	6,651	0.01%	6,340	0.01%
Mining and Metallurgy	84,296	0.13%	58,083	0.10%
Paper and pulp	27,395	0.04%	64,954	0.11%
Small and medium enterprises [(2)]	1,044,433	1.63%	1,092,025	1.79%
Chemical	784,221	1.22%	808,108	1.32%
Services	1,770,926	2.76%	1,998,925	3.28%
Telecommunications	55,132	0.09%	118,580	0.19%
Textile and apparel	159,618	0.25%	153,445	0.25%
Transportation	434,020	0.68%	412,544	0.68%
Other activities	86,682	0.14%	18,272	0.03%
Total loan portfolio [(3)]	**64,121,639**	**100.00%**	**61,006,627**	**100.00%**

Consolidated	12.31.2022	%	12.31.2021 [(1)]	%
Private sector	**70,317,801**	**100.00%**	**65,833,791**	**100.00%**
Individual	**55,587,553**	**79.05%**	**51,911,330**	**78.85%**
Legal entities	**14,730,248**	**20.95%**	**13,922,461**	**21.15%**
Sugar and alcohol	1,331,567	1.89%	740,410	1.12%
Agribusiness	1,293,270	1.84%	1,279,415	1.94%
Specific construction activities	758,203	1.08%	829,518	1.26%
Automotive	455,739	0.65%	776,692	1.18%
Wholesale commerce and sundry industries	3,037,664	4.32%	2,362,379	3.59%
Retail business	1,420,453	2.02%	872,411	1.33%
Heavy construction	83,460	0.12%	619,977	0.94%
Cooperatives	1,110,323	1.58%	896,112	1.36%
Electric power	278,512	0.40%	295,295	0.45%
Financial institutions and services	492,426	0.70%	961,156	1.46%
Wood and furniture	6,651	0.01%	6,340	0.01%
Mining and Metallurgy	88,570	0.12%	64,345	0.10%
Paper and pulp	27,395	0.04%	64,954	0.10%
Small and medium enterprises [(3)]	1,044,433	1.49%	1,092,025	1.66%
Chemical	784,522	1.12%	808,721	1.23%
Services	1,775,646	2.53%	1,541,344	2.34%
Telecommunications	55,132	0.08%	118,580	0.18%
Textile and apparel	159,618	0.23%	153,445	0.23%
Transportation	439,982	0.63%	420,855	0.64%
Other activities	86,682	0.10%	18,487	0.03%
Total loan portfolio [(3)]	**70,317,801**	**100.00%**	**65,833,791**	**100.00%**

(1) As of 2022, the criteria for presenting the sectors of activity were changed and each sector started to be presented not only at cost corrected in general, but also at fair value exclusively for operations that are subject to market risk hedge. For comparability purposes, the balances as of December 31, 2021 are restated.

(2) Includes loans operations with the agribusiness sectors and other sectors of economic activity carried out with small and medium-sized companies.

(3) Includes adjustment to the fair value of credit operations that are subject to market risk hedge in the amount of R$ (447,760) on December 31, 2022 (R$ (789,445) on December 31, 2021).

(Amounts in thousands of Reais, unless otherwise indicated)

d) Loan portfolio by risk level and maturity

Parent Company	AA	A	B	C	D	E	F	G	H	12.31.2022	12.31.2021
Performing loans											
Falling due installments	**3,724,922**	**32,959,705**	**12,225,156**	**5,710,909**	**1,017,897**	**528,948**	**92,708**	**802,874**	**287,333**	**57,350,452**	**55,702,097**
From 01 to 30	760,861	3,068,496	365,060	57,950	31,284	9,882	11,223	30,838	49,976	4,385,570	4,116,724
From 31 to 60	516,656	1,590,351	538,287	219,886	40,302	13,101	3,448	8,130	9,726	2,939,887	3,131,187
From 61 to 90	502,855	1,691,079	449,728	204,938	37,284	11,887	3,234	7,805	8,773	2,917,583	3,290,993
From 91 to 180	382,266	4,378,757	1,316,827	615,550	135,830	34,335	9,390	30,171	25,484	6,928,610	6,943,784
From 181 to 360	811,295	5,875,938	2,115,294	1,023,908	187,054	61,507	17,800	40,981	45,716	10,179,493	10,025,631
Over 360	750,989	16,355,084	7,439,960	3,588,677	586,143	398,236	47,613	684,949	147,658	29,999,309	28,193,778
Installments overdue	**9,268**	**84,034**	**25,430**	**30,188**	**11,929**	**6,980**	**518**	**2,569**	**1,430**	**172,346**	**315,724**
Up to 14 days	9,268	84,034	25,430	30,188	11,929	6,980	518	2,569	1,430	172,346	315,724
Subtotal	**3,734,190**	**33,043,739**	**12,250,586**	**5,741,097**	**1,029,826**	**535,928**	**93,226**	**805,443**	**288,763**	**57,522,798**	**56,017,821**
Non-performing loans [1]											
Falling due installments	**-**	**-**	**843,737**	**1,153,209**	**921,915**	**911,630**	**236,593**	**798,758**	**1,020,918**	**5,886,760**	**4,824,544**
From 01 to 30	-	-	40,664	54,316	42,091	39,387	12,110	32,632	53,568	274,768	208,238
From 31 to 60	-	-	40,473	54,728	42,384	40,196	12,236	33,316	53,859	277,192	210,500
From 61 to 90	-	-	36,564	49,539	38,892	36,167	18,013	30,039	48,345	257,559	192,323
From 91 to 180	-	-	105,044	139,040	108,017	103,036	29,872	85,194	134,450	704,653	543,219
From 181 to 360	-	-	175,729	236,003	185,344	180,518	49,685	149,428	222,919	1,199,626	933,813
Over 360 days	-	-	445,263	619,583	505,187	512,326	114,677	468,149	507,777	3,172,962	2,736,451
Installments overdue [2]	**-**	**-**	**48,045**	**105,779**	**105,358**	**121,517**	**56,806**	**154,698**	**567,638**	**1,159,841**	**953,707**
From 01 to 14	-	-	-	20,453	17,534	16,680	5,448	14,414	23,531	98,060	78,834
From 15 to 30	-	-	48,045	37,830	24,497	22,357	6,644	17,808	30,001	187,182	155,781
From 31 to 60	-	-	-	47,496	34,220	40,565	12,451	33,210	55,615	223,557	182,563
From 61 to 90	-	-	-	-	29,107	25,314	10,419	27,768	54,160	146,768	110,136
From 91 to 180	-	-	-	-	-	16,601	21,844	61,498	156,955	256,898	194,142
From 181 to 360	-	-	-	-	-	-	-	-	247,376	247,376	232,251
Subtotal	**-**	**-**	**891,782**	**1,258,988**	**1,027,273**	**1,033,147**	**293,399**	**953,456**	**1,588,556**	**7,046,601**	**5,778,251**
Total	**3,734,190**	**33,043,739**	**13,142,368**	**7,000,085**	**2,057,099**	**1,569,075**	**386,625**	**1,758,899**	**1,877,319**	**64,569,399**	**61,796,072**
(+/-) Adjustment to fair value [3]										**(447,760)**	**(789,445)**
Total of loan portfolio adjusted to fair value										**64,121,639**	**61,006,627**

(Amounts in thousands of Reais, unless otherwise indicated)

Consolidated	AA	A	B	C	D	E	F	G	H	12.31.2022	12.31.2021
					Performing loans						
Falling due installments	**3,730,022**	**33,772,464**	**12,312,102**	**5,843,906**	**1,143,399**	**584,332**	**118,531**	**837,760**	**323,043**	**58,665,559**	**56,759,303**
From 01 to 30	761,153	3,621,745	423,222	164,451	115,207	63,541	35,457	64,440	77,925	5,327,141	4,948,582
From 31 to 60	516,934	1,592,107	538,287	219,886	40,302	13,101	3,448	8,130	9,726	2,941,921	3,133,638
From 61 to 90	503,133	1,692,817	449,728	204,938	37,284	11,887	3,234	7,805	8,773	2,919,599	3,293,344
From 91 to 180	383,101	4,383,898	1,316,827	615,550	135,830	34,335	9,390	30,171	25,484	6,934,586	7,451,214
From 181 to 360	812,855	5,884,120	2,115,294	1,023,908	187,054	61,507	17,800	40,981	45,716	10,189,235	9,552,674
Over 360	752,846	16,597,777	7,468,744	3,615,173	627,722	399,961	49,202	686,233	155,419	30,353,077	28,379,851
Installments overdue	**9,431**	**2,928,406**	**246,592**	**296,530**	**78,127**	**28,459**	**4,599**	**9,636**	**12,321**	**3,614,101**	**3,299,331**
Up to 14 days	9,431	2,928,406	246,592	296,530	78,127	28,459	4,599	9,636	12,321	3,614,101	3,299,331
Subtotal	**3,739,453**	**36,700,870**	**12,558,694**	**6,140,436**	**1,221,526**	**612,791**	**123,130**	**847,396**	**335,364**	**62,279,660**	**60,058,634**
					Non-performing loans [1]						
Falling due installments	-	-	**843,737**	**1,153,209**	**921,915**	**911,630**	**236,593**	**798,758**	**1,020,918**	**5,886,760**	**4,858,324**
From 01 to 30	-	-	40,664	54,316	42,091	39,387	12,110	32,632	53,568	274,768	208,238
From 31 to 60	-	-	40,473	54,728	42,384	40,196	12,236	33,316	53,859	277,192	210,500
From 61 to 90	-	-	36,564	49,539	38,892	36,167	18,013	30,039	48,345	257,559	192,323
From 91 to 180	-	-	105,044	139,040	108,017	103,036	29,872	85,194	134,450	704,653	543,219
From 181 to 360	-	-	175,729	236,003	185,344	180,518	49,685	149,428	222,919	1,199,626	933,813
Over 360 days	-	-	445,263	619,583	505,187	512,326	114,677	468,149	507,777	3,172,962	2,770,231
Installments overdue [2]	-	-	**143,332**	**265,474**	**263,120**	**269,743**	**194,639**	**380,974**	**1,081,859**	**2,599,141**	**1,706,278**
From 01 to 14	-	-	29,247	55,583	56,815	59,512	47,223	50,218	194,201	492,799	242,347
From 15 to 30	-	-	114,085	99,393	52,608	29,434	10,987	40,082	32,280	378,869	242,812
From 31 to 60	-	-	-	110,498	41,399	45,102	15,128	49,990	58,672	320,789	248,350
From 61 to 90	-	-	-	-	112,298	28,856	11,812	48,872	56,749	258,587	184,719
From 91 to 180	-	-	-	-	-	106,839	109,489	191,812	169,825	577,965	331,689
From 181 to 360	-	-	-	-	-	-	-	-	570,132	570,132	456,361
Subtotal	-	-	**987,069**	**1,418,683**	**1,185,035**	**1,181,373**	**431,232**	**1,179,732**	**2,102,777**	**8,485,901**	**6,564,602**
Total	**3,739,453**	**36,700,870**	**13,545,763**	**7,559,119**	**2,406,561**	**1,794,164**	**554,362**	**2,027,128**	**2,438,141**	**70,765,561**	**66,623,236**
(+/-) Adjustment to fair value [3]										**(447,760)**	**(789,445)**
Total of loan portfolio adjusted to fair value										**70,317,801**	**65,833,791**

(1) Includes only operations with at least one installment overdue for more than 14 days.
(2) The Conglomerate does not adopt double counting for credit operations.
(3) Refers to fair value adjustment of loan operations that are the object of market risk hedge.

(Amounts in thousands of Reais, unless otherwise indicated)

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

Risk Level	% Provision	12.31.2022				12.31.2021			
		Transaction value	Minimum provision required	Additional provision [1]	Existing provision	Transaction value	Minimum provision required	Additional provision [1]	Existing provision
Parent Company									
AA	0.00%	3,734,190	-	-	-	2,380,851	-	-	-
A	0.50%	33,043,739	(165,219)	-	(165,219)	29,160,102	(145,801)	-	(145,801)
B	1.00%	13,142,368	(131,424)	-	(131,424)	11,494,317	(114,943)	-	(114,943)
C	3.00%	7,000,085	(210,003)	-	(210,003)	10,492,861	(314,786)	-	(314,786)
D	10.00%	2,057,099	(205,710)	-	(205,710)	1,887,685	(188,769)	-	(188,769)
E	30.00%	1,569,075	(470,723)	-	(470,723)	2,256,872	(677,055)	-	(677,055)
F	50.00%	386,625	(193,313)	-	(193,313)	357,085	(178,542)	-	(178,542)
G	70.00%	1,758,899	(1,231,229)	(138,052)	(1,369,281)	2,206,038	(1,544,230)	(208,619)	(1,752,849)
H	100.00%	1,877,319	(1,877,319)	-	(1,877,319)	1,560,261	(1,560,261)	-	(1,560,261)
Total		**64,569,399**	**(4,484,940)**	**(138,052)**	**(4,622,992)**	**61,796,072**	**(4,724,387)**	**(208,619)**	**(4,933,006)**
(+/-)Adjustment to fair value [2]		**(447,760)**				**(789,445)**			
Total of loan portfolio adjusted to fair value		**64,121,639**				**61,006,627**			
Consolidated									
AA	0.00%	3,739,453	-	-	-	2,403,068	-	-	-
A	0.50%	36,700,870	(183,504)	-	(183,504)	32,119,300	(160,596)	-	(160,596)
B	1.00%	13,545,763	(135,458)	-	(135,458)	11,855,999	(118,560)	-	(118,560)
C	3.00%	7,559,119	(226,774)	-	(226,774)	10,887,285	(326,620)	-	(326,620)
D	10.00%	2,406,561	(240,656)	-	(240,656)	2,212,853	(221,286)	-	(221,286)
E	30.00%	1,794,164	(538,250)	-	(538,250)	2,425,622	(727,687)	-	(727,687)
F	50.00%	554,362	(277,181)	-	(277,181)	476,973	(238,487)	-	(238,487)
G	70.00%	2,027,128	(1,418,990)	(138,052)	(1,557,042)	2,329,907	(1,630,936)	(208,619)	(1,839,555)
H	100.00%	2,438,141	(2,438,141)	-	(2,438,141)	1,912,229	(1,912,229)	-	(1,912,229)
Total		**70,765,561**	**(5,458,954)**	**(138,052)**	**(5,597,006)**	**66,623,236**	**(5,336,401)**	**(208,619)**	**(5,545,020)**
(+/-)Adjustment to fair value [2]		**(447,760)**				**(789,445)**			
Total of loan portfolio adjusted to fair value		**70,317,801**				**65,833,791**			

(1) New additional provisions were constituted, when increase in risk level is not applicable.
(2) Refers to fair value adjustment of loan operations that are the object of market risk hedge.

(Amounts in thousands of Reais, unless otherwise indicated)

f) Allowance for losses associated with credit risk

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

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
(Provision) / reversal of provision for losses associated with the loan portfolio (Note 12f.2)	**(772,171)**	**(1,234,450)**	**(1,702,385)**	**(2,246,289)**
Loans	(1,143,013)	(1,284,452)	(2,141,441)	(2,232,981)
Other receivables with loan characteristics	370,842	50,002	439,056	(13,308)
Income from recovery of loans previously written off as losses	**246,928**	**380,155**	**648,583**	**679,984**
Loans	244,885	371,395	645,421	671,224
Other receivables with loan characteristics	2,043	8,760	3,162	8,760
Total (provision) / reversal of provision for losses associated with the loan portfolio	**(525,243)**	**(854,295)**	**(1,053,802)**	**(1,566,305)**
Other (provisions) / reversals of provisions for losses associated with credit risk [(1)]	**24,716**	**15,051**	**33,488**	**22,079**
Financial guarantees provided	19,462	(778)	25,190	17,055
Other risks	5,254	15,829	8,298	5,024
Total other (provisions) / reversals of provisions associated with credit risk	**24,716**	**15,051**	**33,488**	**22,079**
Total	**(500,527)**	**(839,244)**	**(1,020,314)**	**(1,544,226)**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
(Provision) / reversal of provision for losses associated with the loan portfolio (Note 12f.2)	**(1,298,700)**	**(1,609,891)**	**(2,593,542)**	**(2,840,330)**
Loans	(1,675,950)	(1,637,189)	(3,050,405)	(2,795,976)
Other receivables with loan characteristics	377,207	27,167	456,802	(44,485)
Leasing operations	43	131	61	131
Income from recovery of loans previously written off as losses	**270,010**	**397,105**	**702,468**	**715,972**
Loans	267,863	387,969	698,875	704,364
Other receivables with loan characteristics	2,043	8,760	3,162	8,760
Leasing operations	104	376	431	2,848
Total (provision) / reversal of provision for losses associated with the loan portfolio	**(1,028,690)**	**(1,212,786)**	**(1,891,074)**	**(2,124,358)**
Other (provisions) / reversals of provisions for losses associated with credit risk [(1)]	**24,716**	**15,051**	**33,488**	**22,079**
Financial guarantees provided	19,462	(778)	25,190	17,055
Other risks	5,254	15,829	8,298	5,024
Total other (provisions) / reversals of provisions associated with credit risk	**24,716**	**15,051**	**33,488**	**22,079**
Total	**(1,003,974)**	**(1,197,735)**	**(1,857,586)**	**(2,102,279)**

(1) The respective provisions are presented in Other Liabilities - "Provision for loss with financial guarantees provided" and "Provision for loss - other risks" (Note 22a).

f.2) Changes

Comprise loans, leases and other receivables with loan characteristics.

	Parent Company		Consolidated	
	2022	2021	2022	2021
Opening balance	**4,933,006**	**4,618,892**	**5,545,020**	**5,015,181**
Reinforcement / (reversal) [(1)]	**1,702,385**	**2,246,289**	**2,593,542**	**2,840,330**
Minimum allowance for loan losses required	1,772,952	2,244,241	2,664,109	2,838,282
Incremental allowance for loan losses	(70,567)	2,048	(70,567)	2,048
Write-offs to losses	**(2,012,399)**	**(1,932,175)**	**(2,541,556)**	**(2,310,491)**
Closing balance	**4,622,992**	**4,933,006**	**5,597,006**	**5,545,020**

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

g) Concentration of Loans

	12.31.2022	% of portfolio	12.31.2021	% of portfolio
Parent Company				
Largest debtor	552,209	0.86%	620,316	1.00%
10 largest debtors	2,501,897	3.87%	2,874,205	4.65%
20 largest debtors	3,763,032	5.83%	4,173,942	6.75%
50 largest debtors	6,193,472	9.59%	6,522,388	10.55%
100 largest debtors	8,621,172	13.35%	8,928,189	14.45%
Consolidated				
Largest debtor	552,209	0.78%	620,316	0.93%
10 largest debtors	2,501,897	3.54%	2,874,205	4.31%
20 largest debtors	3,763,032	5.32%	4,173,942	6.26%
50 largest debtors	6,196,700	8.76%	6,523,486	9.79%
100 largest debtors	8,624,400	12.19%	8,929,287	13.40%

(Amounts in thousands of Reais, unless otherwise indicated)

h) Information on loan assignments

h.1) Assignments with recourse

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

	12.31.2022		12.31.2021	
	Financial assets subject to sale	Liability related to recourse assumed [1]	Financial assets subject to sale	Liability related to recourse assumed [1]
Parent Company	**9,910,056**	**10,794,946**	**7,430,996**	**8,177,509**
With co-obligation	**6,526,475**	**7,411,365**	**5,875,173**	**6,621,686**
Financial institutions - related parties	6,526,475	7,411,365	5,875,173	6,621,686
Without co-obligation	**3,383,581**	**3,383,581**	**1,555,823**	**1,555,823**
Credit Rights Investment Fund - Subsidiary	3,383,581	3,383,581	1,555,823	1,555,823
Consolidated	**6,526,475**	**7,411,365**	**5,875,173**	**6,621,686**
With co-obligation	**6,526,475**	**7,411,365**	**5,875,173**	**6,621,686**
Financial institutions - related parties	6,526,475	7,411,365	5,875,173	6,621,686

(1) Recorded in caption “Other liabilities - Bond transactions linked to disposals (Note 22a).

In the year ended December 31, 2022, revenue from the sale or transfer of financial assets totaled R$ 1,241,653 in the Bank and Consolidated (R$ 1,116,808 in the Bank and Consolidated in the year ended December 31, 2021). Expenses with obligations for operations with these same characteristics totaled R$ 886,131 for the Bank and the Conglomerate (R$ 587,837 for the Bank and R$ 648,759 for the Consolidated in the year ended December 31, 2021).

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

In the year ended December 31, 2022, losses on the sale or transfer of financial assets totaled R$ 279,106 in the Bank and R$ 628,651 in the Consolidated (there was no assignment in the year ended December 31, 2021). Before the recognition of the loss, the respective provisions for losses associated with the credit risk existing for the assigned operations were reversed and the impacts are presented in the result in the line "(Provision) / reversal of provision for losses associated with the loan portfolio" in the amount of R$ 485,654 in the Bank and R$ 857,891 in the Consolidated.

h.3) Assignments without co-obligation of credits previously written off as loss

In the year ended December 31, 2022, income from assignments without co-obligation of credits previously written off as losses totaled R$ 57,604 in the Bank and R$ 72,886 in the Consolidated (R$ 21,434 in the Bank and in the Consolidated in the year ended December 31 2021), which were recognized in income for the period under "Income from loan operations".

i) Changes in renegotiated credit

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Amount of renegotiated credits in the period [1]	**2,367,005**	**2,613,158**	**5,660,217**	**5,442,565**
Renegotiated for past due contracts [2]	265,393	265,564	503,866	507,220
Renewed contracts [3]	2,101,612	2,347,594	5,156,351	4,935,345
Changes in portfolio of renegotiated past due contracts				
Opening balance	**754,583**	**889,939**	**839,584**	**922,412**
Signings	265,393	265,564	503,866	507,220
(Receipt) and appropriation of interest	(201,070)	(214,782)	(368,966)	(407,858)
Written off as losses	(71,416)	(101,137)	(226,994)	(182,190)
Closing balance	**747,490**	**839,584**	**747,490**	**839,584**
Allowance for losses of the portfolio of renegotiated past due	331,324	423,478	331,324	423,478
(%) Allowance for losses on the portfolio of renegotiated past due contracts	44.32%	50.44%	44.32%	50.44%
90-day delinquency of portfolio of renegotiated past due contracts	354,071	365,973	354,071	365,973
(%) Delinquency on the portfolio of renegotiated past due	47.37%	43.59%	47.37%	43.59%

(Amounts in thousands of Reais, unless otherwise indicated)

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Amount of renegotiated credits in the period [(1)]	**2,699,569**	**2,794,095**	**6,212,796**	**5,773,453**
Renegotiated for past due contracts [(2)]	302,909	265,933	574,697	507,894
Renewed contracts [(3)]	2,396,660	2,528,162	5,638,099	5,265,559
Changes in portfolio of renegotiated past due contracts				
Opening balance	**775,803**	**926,000**	**876,493**	**957,016**
Signings	302,909	265,933	574,697	507,894
(Receipt) and appropriation of interest	(222,459)	(191,918)	(419,309)	(365,006)
Written off as losses	(80,467)	(123,522)	(256,095)	(223,411)
Closing balance	**775,786**	**876,493**	**775,786**	**876,493**
Allowance for losses of the portfolio of renegotiated past due	352,854	454,425	352,854	454,425
(%) Allowance for losses on the portfolio of renegotiated past due contracts	45.48%	51.85%	45.48%	51.85%
90-day delinquency of portfolio of renegotiated past due contracts	380,719	402,850	380,719	402,850
(%) Delinquency on the portfolio of renegotiated past due	49.08%	45.96%	49.08%	45.96%

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

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

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

j) Other information

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Contracted credits to be released	701,562	553,973	7,716,077	6,359,005
Financial Guarantees Provided (Note 30.1.a.ii)	7,630,198	6,908,831	7,630,198	6,908,831

13. OTHER ASSETS

a) Breakdown

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Other financial assets	**2,257,965**	**1,920,810**	**2,807,852**	**2,346,638**
Relations with correspondents	33,117	4,290	34,406	4,347
Other credits and receivables	42,223	40,261	163,961	312,584
Credit card transactions	-	-	192,467	122,212
Receivables from securities settlements abroad	15,234	60	15,234	60
Other credits for trading and intermediation of securities	59,106	194,310	62,533	201,516
Foreign exchange portfolio (Note 13b)	2,106,484	1,677,409	2,106,484	1,677,409
Other	1,801	4,480	232,767	28,510
Other assets	**1,230,836**	**939,310**	**881,864**	**875,317**
Prepaid expenses	119,868	66,023	124,292	69,946
Sundry domestic debtors	144,006	86,137	170,547	93,685
Salary advances and prepayments	6,000	5,182	6,331	5,384
Advances to suppliers	418	667	756	999
Deposits in guarantee - Contingencies (Note 29g)	468,605	524,421	518,401	573,609
Deposits in guarantee - Other	581	640	581	640
Amounts to be received by related parties	142,107	30,939	-	-
Dividends receivable / Interest on equity receivable [(1)]	304,552	149,584	151	657
Other	44,699	75,717	60,805	130,397
Total	**3,488,801**	**2,860,120**	**3,689,716**	**3,221,955**
Current assets	2,824,352	2,289,252	2,989,584	2,630,540
Non-current assets	664,449	570,868	700,132	591,415

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

b) Foreign exchange portfolio

Parent Company and Consolidated	12.31.2022	12.31.2021
Assets - Other receivables [(1)]		
Purchased foreign exchange contracts to be settled	1,216,812	1,470,398
Rights on foreign exchange sales	889,672	207,011
Total	**2,106,484**	**1,677,409**
Current assets	2,106,484	1,677,409
Liabilities - Other liabilities [(2)]		
Sold foreign exchange to be settled	(902,714)	(163,423)
Liabilities for foreign exchange purchases	(1,204,779)	(1,437,856)
Total	**(2,107,493)**	**(1,601,279)**
Current liabilities	(2,107,493)	(1,601,279)
Off-balance accounts		
Credits opened for imports	52,785	59,498

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

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

(Amounts in thousands of Reais, unless otherwise indicated)

c) Income from foreign exchange transactions

	Parent Company and Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Foreign exchange income	1,598,934	1,451,378	2,764,752	3,038,002
Foreign exchange expenses	(1,494,675)	(1,297,707)	(2,779,793)	(2,833,239)
Income from foreign exchange transactions	**104,259**	**153,671**	**(15,041)**	**204,763**

14. NON-FINANCIAL ASSETS HELD FOR SALE

Non-financial assets held for sale refer mainly to properties and vehicles not for use (i) awarded, received as payment in lieu of payment or otherwise received for the settlement or amortization of debts; (ii) properties built by investee companies for specific purposes and intended for sale; and (iii) interests in real estate projects held for sale.

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Real state	32,513	48,232	144,390	176,686
Vehicles and alike	125,480	110,181	125,884	110,571
Impairment	(30,803)	(49,644)	(62,705)	(86,617)
Total	**127,190**	**108,769**	**207,569**	**200,640**
Current assets	127,190	108,769	138,002	118,056
Non-current assets	-	-	69,567	82,584

15. INVESTMENTS

a) Changes in associates, subsidiaries and joint ventures

	12.31.2021	2022		12.31.2022	2021
	Investment value	Dividends/ Other events (8)	Share of profit (loss)	Investment value	Share of profit (loss)
Domestic - Parent Company Ventures	**3,829,650**	**(1,601,370)**	**171,022**	**2,399,302**	**306,154**
Banco BV S.A.	1,510,262	(311)	(242,760)	1,267,191	35,511
BV DTVM	307,729	-	(26,280)	281,449	(33,662)
BV Corretora de Seguros (1)	1,137,227	(1,431,838)	295,809	1,198	310,642
BVIA	182,723	(8,740)	36,800	210,783	30,710
Promotiva (2) (3)	120,864	(160,788)	39,924	-	35,891
Atenas	47,099	-	13,765	60,864	(15,756)
BVEP	523,746	307	53,764	577,817	(57,182)
Domestic - Parent Company Associates	**5,381**	**2,039**	**(7,420)**	**-**	**(1,095)**
Associates (4) (5)	5,381	2,039	(7,420)	-	(1,095)
Goodwill on acquisition and impairment (Note 15c)	**76,492**	**-**	**(248)**	**76,244**	**5,327**
Total - Parent Company	**3,911,523**	**(1,599,331)**	**163,354**	**2,475,546**	**310,386**
Domestic - Parent Company Associates	**5,381**	**2,039**	**(7,420)**	**-**	**(1,095)**
Associates (4) (5)	5,381	2,039	(7,420)	-	(1,095)
Domestic - Banco BV S.A. Associates	**-**	**10,615**	**(9,191)**	**1,424**	**-**
Associates (6)	-	10,615	(9,191)	1,424	-
Domestic - BVEP Associates and joint ventures	**14,303**	**(10,583)**	**47**	**3,767**	**(248)**
Associates	2,601	-	740	3,341	171
Joint Ventures	11,702	(10,583)	(693)	426	(419)
Goodwill on acquisition and impairment (Note 15c)	**90,479**	**96,784**	**(3,630)**	**183,633**	**(324)**
Total - Consolidated	**110,163**	**98,855**	**(20,194)**	**188,824**	**(1,667)**

(1) It mainly includes the capital reduction of BV Corretora de Seguros in the amount of R$ 735,960, without cancellation of shares in the respective Company, approved in April 2022, and also the distribution of dividends detailed in Note 15b.

(2) It includes the capital reduction of Promotiva in the amount of R$ 21,000, without cancellation of shares in the respective Company, approved in September 2022, and also the distribution of dividends detailed in Note 15b.

(3) In December 2022, Banco BV sold all the shares in the subsidiary Promotiva SA (Note 2d).

(4) Includes investment acquired in August 2021 (Note 2a).

(5) Investment with unsecured liabilities presented in Other liabilities (Note 22).

(6) Includes investment acquired in January 2022 (Note 2b).

(7) Includes movement in other comprehensive income.

b) Goodwill and impairment - outstanding balances

	2022			2021
	Dividends		Total	
	Distributions through profit for the period	Distributions with reservations		
Domestic - Parent Company Ventures				
Banco BV S.A.	-	-	-	70,000
BV DTVM	-	-	-	-
BV Corretora de Seguros	295,812	400,065	695,877	73,777
BVIA	8,740	-	8,740	7,294
Promotiva [1]	32,494	46,179	78,673	8,524
Atenas	-	-	-	-
BVEP	-	-	-	-
Total - Banco [2]	**337,046**	**446,244**	**783,290**	**159,595**
BVEP Associates	6	-	6	1,107
BVEP Joint Ventures	151	-	151	1,374
Total - Consolidated	**337,203**	**446,244**	**783,447**	**162,076**

(1) In December 2022, Banco BV sold all the shares in the subsidiary Promotiva SA (Note 2d).
(2) Applied on the investment amount, not only on the goodwill.

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

	Goodwill		Impairment [1]	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Parent Company				
Parent Company Associates	88,084	91,455	-	-
Atenas	-	-	(11,840)	(14,963)
Total - Parent Company	**88,084**	**91,455**	**(11,840)**	**(14,963)**
Consolidated				
Parent Company Associates	88,084	91,455	-	-
Banco BV S.A. Associates	96,525	-	-	-
BVEP Associates	-	-	(453)	(453)
BVEP Joint Ventures	-	-	(523)	(523)
Total - Consolidated	**184,609**	**91,455**	**(976)**	**(976)**

(1) Applied on the investment amount, not only on the goodwill.

d) Summary financial information of subsidiaries in the Financial Statements

	12.31.2022		2022	Number of Shares (in thousands)	Share of Capital Stock %
	Share capital	Adjusted shareholders equity	Net Profit/(Loss)	Ordinary	
Domestic - Bank Subsidiaries [1]					
Banco BV S.A.	1,300,131	1,267,191	(242,760)	823	100%
BV DTVM [2] [3]	322,774	281,449	(26,280)	32,277,389	100%
BV Corretora de Seguros [4]	1,000	1,198	295,809	200	100%
BVIA	132,186	210,783	36,800	75,758	100%
Atenas [5]	51,610	49,025	13,765	51,610	100%
BVEP [5]	598,400	577,817	53,764	598,400	100%

(1) In December 2022, Banco BV sold all the shares in the subsidiary Promotiva SA (Note 2d).
(2) In July 2021, the Management of BV DTVM approved the capital increase in the amount of R$ 200,000, through the issue of 20,000,000,000 new shares.
(3) On September 30, 2021, the change in the corporate name of Votorantim Asset DTVM to BV DTVM was approved.
(4) In April 2022, the share capital reduction in the amount of R$ 735,960 was approved, without cancellation of shares in the respective Company and also the distribution of dividends detailed in note 15b.
(5) Includes impairment of subsidiaries.

e) Summary financial information of associates and joint ventures

	12.31.2022				12.31.2021		
	BVEP Associates	BVEP Joint Ventures	Parent Company Associates [1]	Banco BV S.A. Associates [2]	BVEP Associates	BVEP Joint Ventures	Parent Company Associates [1]
Total Assets [3]	**5,861**	**3,148**	**102**	**21,117**	**5,908**	**25,967**	**13,331**
Total Assets [3]	**5,861**	**3,148**	**102**	**21,117**	**5,908**	**25,967**	**13,331**
Liabilities	3,513	1,994	5,156	16,477	3,420	2,624	2
Shareholder's equity	2,348	1,154	(5,054)	4,640	2,488	23,343	13,329
	2º Semester/2022				2º Semester/2021		
Profit / (loss) for the period [3]	**(59)**	**(562)**	**(11,203)**	**(21,726)**	**(68)**	**(81)**	**(2,712)**
	2022				2021		
Profit / (loss) for the period [3]	**(158)**	**(1,319)**	**(19,835)**	**(29,959)**	**5,500**	**(65)**	**(10,345)**

(1) Investment acquired in August 2021.
(2) Includes investment acquired in January 2022.
(3) The information on assets, liabilities and results are not adjusted by the percentages held directly or indirectly by Banco Votorantim. The equity position of the companies does not consider the start date of the investment by the banco BV.

(Amounts in thousands of Reais, unless otherwise indicated)

f) Other investments

	Parent Company		Consolidated	
	12.31.2022 [(1)]	12.31.2021	12.31.2022 [(1)]	12.31.2021
Investments through tax incentives	-	49,771	-	76,261
Shares and quotas	-	277	-	277
Others	-	7	-	1,759
(Accumulated impairment)	-	(49,771)	-	(78,013)
Total	**-**	**284**	**-**	**284**

(1) With the entry into force of CMN Resolution No. 4,817/2020, as of 2022, investments in equity interests in entities that are not affiliated, controlled or jointly controlled entities began to be presented in securities or other credits.

16. PROPERTY, PLANT AND EQUIPMENT

	12.31.2021	2022			12.31.2022		
	Book value	Acquisitions [(1)] [(2)]	Other events [(3)]	Depreciation [(3)]	Cost value	Accumulated depreciation	Book value
Parent Company							
Facilities	34,732	607	-	(8,444)	141,417	(114,522)	26,895
Furniture and equipment in use	7,744	233	-	(1,767)	42,555	(36,345)	6,210
Communication system	2,991	711	-	(1,007)	18,404	(15,709)	2,695
System data processing	35,152	32,187	-	(16,868)	217,218	(166,747)	50,471
Security system	122	6	-	(44)	2,639	(2,555)	84
Transportation system	351	318	-	(177)	1,277	(785)	492
Total	**81,092**	**34,062**	**-**	**(28,307)**	**423,510**	**(336,663)**	**86,847**
Consolidated							
Facilities	34,961	607	(118)	(8,482)	142,941	(115,973)	26,968
Furniture and equipment in use	7,832	233	(12)	(1,832)	45,316	(39,095)	6,221
Communication system	2,991	711	-	(1,007)	19,773	(17,078)	2,695
System data processing	35,152	32,187	-	(16,868)	220,538	(170,067)	50,471
Security system	121	7	-	(44)	2,734	(2,650)	84
Transportation system	351	318	-	(177)	1,277	(785)	492
Total	**81,408**	**34,063**	**(130)**	**(28,410)**	**432,579**	**(345,648)**	**86,931**

	12.31.2020	2021			12.31.2021		
	Book value	Acquisitions [(1)]	Write-offs	Depreciation	Cost value	Accumulated depreciation	Book value
Parent Company							
Facilities	45,981	1,346	(107)	(12,488)	140,704	(105,972)	34,732
Furniture and equipment in use	10,758	269	(1,459)	(1,824)	42,680	(34,936)	7,744
Communication system	3,856	537	(181)	(1,221)	17,759	(14,768)	2,991
System data processing	33,311	15,231	(871)	(12,519)	185,213	(150,061)	35,152
Security system	203	-	(32)	(49)	2,635	(2,513)	122
Transportation system	318	160	-	(127)	1,089	(738)	351
Total	**94,427**	**17,543**	**(2,650)**	**(28,228)**	**390,080**	**(308,988)**	**81,092**
Consolidated							
Facilities	46,612	1,346	(107)	(12,890)	142,587	(107,626)	34,961
Furniture and equipment in use	10,898	269	(1,459)	(1,876)	45,486	(37,654)	7,832
Communication system	3,863	537	(181)	(1,228)	19,134	(16,143)	2,991
System data processing	33,321	15,231	(871)	(12,529)	188,555	(153,403)	35,152
Security system	215	-	(32)	(62)	2,730	(2,609)	121
Transportation system	318	160	-	(127)	1,089	(738)	351
Total	**95,227**	**17,543**	**(2,650)**	**(28,712)**	**399,581**	**(318,173)**	**81,408**

(1) Includes exchange variation on the agency's assets abroad.
(2) In the year ended December 31, 2022, there was no write-off of property, plant and equipment.
(3) Includes changes related to the sale of Promotiva, which ceased to be consolidated as of December 2022 (Note 2d).

17. INTANGIBLE ASSETS AND GOODWILL

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Intangible Assets	1,883,075	1,280,807	2,025,228	1,391,171
(Accumulated amortization)	(732,142)	(517,961)	(772,588)	(538,357)
(Provisions for impairment - Accumulated impairment)	(168,327)	(168,327)	(178,156)	(178,156)
Total	**982,606**	**594,519**	**1,074,484**	**674,658**

(Amounts in thousands of Reais, unless otherwise indicated)

a) Breakdown

	12.31.2022				12.31.2021			
	Cost value	Accumulated amortization	Accumulated impairment (1)	Book value	Cost value	Accumulated amortization	Accumulated impairment (1)	Book value
Parent Company								
Software acquired	42,532	(42,129)	-	403	42,533	(40,387)	-	2,146
Licenses	486,446	(416,208)	-	70,238	366,034	(296,890)	-	69,144
Sales rights agreements	44,999	(44,999)	-	-	39,846	(38,723)	-	1,123
Internally developed software	1,218,461	(208,003)	(167,327)	843,131	791,451	(128,622)	(167,327)	495,502
Trademark and patents	6,000	(2,583)	(1,000)	2,417	6,000	(1,583)	(1,000)	3,417
Carbon credits and green bonds	77,267	(10,850)	-	66,417	27,573	(4,386)	-	23,187
Others	7,370	(7,370)	-	-	7,370	(7,370)	-	-
Total	**1,883,075**	**(732,142)**	**(168,327)**	**982,606**	**1,280,807**	**(517,961)**	**(168,327)**	**594,519**
Consolidated								
Software acquired	67,000	(42,320)	-	24,680	67,000	(40,577)	-	26,423
Licenses	497,268	(425,883)	-	71,385	373,524	(304,378)	-	69,146
Sales rights agreements	44,999	(44,999)	-	-	39,846	(38,723)	-	1,123
Internally developed software	1,325,324	(238,583)	(177,156)	909,585	869,858	(141,340)	(177,156)	551,362
Trademark and patents	6,000	(2,583)	(1,000)	2,417	6,000	(1,583)	(1,000)	3,417
Carbon credits and green bonds	77,267	(10,850)	-	66,417	27,573	(4,386)	-	23,187
Others	7,370	(7,370)	-	-	7,370	(7,370)	-	-
Total	**2,025,228**	**(772,588)**	**(178,156)**	**1,074,484**	**1,391,171**	**(538,357)**	**(178,156)**	**674,658**

(1) Includes effects of tactical redefinitions of projects.

b) Changes

	12.31.2021	2022		12.31.2022
	Book value	Acquisitions (1) (2)	Amortization (5)	Book value
Parent Company				
Software acquired	2,146	-	(1,743)	403
Licenses	69,144	120,448	(119,354)	70,238
Sales rights agreements	1,123	5,488	(6,611)	-
Internally developed	495,502	424,961	(77,332)	843,131
Trademark and patents	3,417	-	(1,000)	2,417
Carbon credits and green bonds	23,187	49,694	(6,464)	66,417
Total	**594,519**	**600,591**	**(212,504)**	**982,606**
Consolidated				
Software acquired	26,423	-	(1,743)	24,680
Licenses	69,146	123,790	(121,551)	71,385
Sales rights agreements	1,123	5,488	(6,611)	-
Internally developed software	551,362	453,293	(95,070)	909,585
Trademark and patents	3,417	-	(1,000)	2,417
Carbon credits and green bonds	23,187	49,694	(6,464)	66,417
Total	**674,658**	**632,265**	**(232,439)**	**1,074,484**

	12.31.2020	2021					12.31.2021
	Book value	Acquisitions (1)	Write-offs (3)	Transfer	Amortization	Impairment (3) (4)	Book value
Parent Company							
Software acquired	5,155	5,348	-	-	(8,357)	-	2,146
Licenses	74,007	68,979	-	-	(73,842)	-	69,144
Sales rights agreements	1,012	8,005	-	-	(7,894)	-	1,123
Internally developed software	313,061	264,513	(49,914)	(9,067)	(59,514)	36,423	495,502
Trademark and patents	4,417	-	-	-	(1,000)	-	3,417
Carbon credits and green bonds	-	27,573	-	-	(4,386)	-	23,187
Others	-	7,370	-	-	(7,370)	-	-
Total	**397,652**	**381,788**	**(49,914)**	**(9,067)**	**(162,363)**	**36,423**	**594,519**
Consolidated							
Software acquired	29,432	5,348	-	-	(8,357)	-	26,423
Licenses	74,037	70,189	-	-	(75,080)	-	69,146
Sales rights agreements	1,012	8,005	-	-	(7,894)	-	1,123
Internally developed software	319,945	312,514	(49,914)	-	(67,606)	36,423	551,362
Trademark and patents	4,417	-	-	-	(1,000)	-	3,417
Carbon credits and green bonds	-	27,573	-	-	(4,386)	-	23,187
Others	-	7,370	-	-	(7,370)	-	-
Total	**428,843**	**430,999**	**(49,914)**	**-**	**(171,693)**	**36,423**	**674,658**

(1) Includes exchange variation on the agency's assets abroad.
(2) In the year ended December 31, 2022, there was no write-off of intangible assets.
(3) On 31 December 2021, it includes the reversal of the impairment of projects and the respective write-off of intangible assets.
(4) Includes effects of tactical redefinitions of projects.
(5) Includes changes related to the sale of Promotiva, which ceased to be consolidated as of December 2022 (Note 2d).

(Amounts in thousands of Reais, unless otherwise indicated)

c) Amortization estimate on December 31, 2022

	2023	2024	2025	2026	2027	From 2028	Not amortizable [1]	Total
Parent company								
Amounts to be amortized	262,594	212,699	222,696	148,385	122,555	13,677	-	**982,606**
Consolidated								
Amounts to be amortized and other amounts	279,100	229,247	238,034	157,751	124,968	21,105	24,279	**1,074,484**

(1) In the Consolidated, it includes intangible assets with indefinite useful lives.

18. DEPOSITS AND REPURCHASE COMMITMENTS

a) Deposits

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Demand deposits	**784,058**	**544,745**	**895,168**	**579,934**
Individuals [1]	137,918	24,886	263,885	76,488
Legal entities [1]	642,504	516,716	631,277	503,440
Related companies	3,630	3,137	-	-
Linked	6	6	6	6
Interbank deposits	**1,005,548**	**1,408,191**	**749,199**	**1,349,787**
Time deposits [2]	**22,464,245**	**23,049,820**	**21,780,958**	**22,116,999**
Local currency	21,389,997	21,374,660	20,706,710	20,441,839
Foreign currency	1,074,248	1,675,160	1,074,248	1,675,160
Total	**24,253,851**	**25,002,756**	**23,425,325**	**24,046,720**
Current liabilities	22,457,453	22,616,210	21,883,841	21,998,978
Non-current liabilities	1,796,398	2,386,546	1,541,484	2,047,742

(1) As of 2022, it includes amounts to be returned to customers, within the scope of the values receivable system (SVR).
(2) Includes issuance of green bonds (CDB green), further details are described in note 31.

b) Segregation of deposits by maturity date on December 31, 2022

	Without maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	12.31.2022	12.31.2021
Parent Company							
Demand deposits	784,058	-	-	-	-	784,058	544,745
Interbank accounts or relations	-	222,071	783,477	-	-	1,005,548	1,408,191
Time deposits	-	8,443,748	12,224,099	1,628,721	167,677	22,464,245	23,049,820
Total	**784,058**	**8,665,819**	**13,007,576**	**1,628,721**	**167,677**	**24,253,851**	**25,002,756**
Consolidated							
Demand deposits	895,168	-	-	-	-	895,168	579,934
Interbank accounts or relations	-	203,049	546,150	-	-	749,199	1,349,787
Time deposits	-	8,274,275	11,965,199	1,373,344	168,140	21,780,958	22,116,999
Total	**895,168**	**8,477,324**	**12,511,349**	**1,373,344**	**168,140**	**23,425,325**	**24,046,720**

c) Liabilities with repurchase agreement

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Own portfolio	**17,929,671**	**15,123,292**	**17,580,715**	**13,932,899**
Private securities - Debentures	1,469,437	1,401,031	1,469,437	1,401,031
Financial Treasury Bills	-	2,560,755	-	2,112,017
National Treasury Bills	6,767,451	5,270,015	6,764,250	4,563,958
National Treasury Notes	7,486,747	3,943,228	7,140,992	3,907,630
Private securities - Other	2,206,036	1,948,263	2,206,036	1,948,263
Third-party portfolio	**450,151**	**2,304,943**	**200,108**	**2,304,943**
National Treasury Bills	-	2,199,989	-	2,199,989
National Treasury Notes	450,151	104,954	200,108	104,954
Free portfolio	**496,988**	**582,751**	**496,988**	**582,751**
National Treasury Notes	394,632	582,751	394,632	582,751
Brazilian Foreign Debt Securities	102,356	-	102,356	-
Total	**18,876,810**	**18,010,986**	**18,277,811**	**16,820,593**
Current liabilities	16,733,288	16,496,561	16,134,289	15,306,168
Non-current liabilities	2,143,522	1,514,425	2,143,522	1,514,425

(Amounts in thousands of Reais, unless otherwise indicated)

d) Expenses from deposits and securities sold under repurchase agreements

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Funding expenses with deposits	**(1,281,711)**	**(713,668)**	**(2,522,651)**	**(1,062,380)**
Time deposits	(1,220,917)	(648,690)	(2,365,021)	(926,536)
Interbank deposits	(60,794)	(64,978)	(157,630)	(135,844)
Expenses with repurchase commitments	**(1,127,448)**	**(575,946)**	**(1,989,566)**	**(825,399)**
Own portfolio	(1,032,381)	(485,921)	(1,651,972)	(687,640)
Third-party portfolio	(73,663)	(41,430)	(276,254)	(59,318)
Free portfolio (1)	(21,404)	(48,595)	(61,340)	(78,441)
Expenses with fund raising from securities issued	**(2,453,320)**	**(2,348,802)**	**(4,125,028)**	**(2,854,854)**
Mortgage Bonds	(19,270)	(12,805)	(36,020)	(18,118)
Agribusiness Letters of Credit	(201,225)	(59,492)	(356,290)	(80,439)
Financial bills	(2,028,394)	(966,059)	(3,678,347)	(1,414,279)
Financial Guaranteed Bills	(43,845)	(123,845)	(234,760)	(245,386)
Issue of securities abroad (2)	(137,933)	(1,171,739)	222,905	(1,068,251)
Structured Operations Certificates	(1,394)	(4)	(1,620)	(146)
Others	(21,259)	(14,858)	(40,896)	(28,235)
Expenses with subordinated debts abroad (2)	**(69,823)**	**(252,694)**	**(35,869)**	**(306,393)**
Total	**(4,932,302)**	**(3,891,110)**	**(8,673,114)**	**(5,049,026)**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Funding expenses with deposits	**(1,230,226)**	**(683,818)**	**(2,412,011)**	**(1,021,944)**
Time deposits	(1,186,219)	(622,205)	(2,279,139)	(891,203)
Interbank deposits	(44,007)	(61,613)	(132,872)	(130,741)
Expenses with repurchase commitments	**(1,095,785)**	**(537,375)**	**(1,904,288)**	**(776,771)**
Own portfolio	(1,000,718)	(447,350)	(1,566,694)	(639,012)
Third-party portfolio	(73,663)	(41,430)	(276,254)	(59,318)
Free portfolio (1)	(21,404)	(48,595)	(61,340)	(78,441)
Expenses with fund raising from securities issued	**(2,453,417)**	**(2,348,820)**	**(4,125,186)**	**(2,854,872)**
Mortgage Bonds	(19,270)	(12,805)	(36,020)	(18,118)
Agribusiness Letters of Credit	(201,225)	(59,492)	(356,290)	(80,439)
Financial bills	(2,028,394)	(966,059)	(3,678,347)	(1,414,279)
Financial Guaranteed Bills	(43,845)	(123,845)	(234,760)	(245,386)
Issue of securities abroad (2)	(137,933)	(1,171,739)	222,905	(1,068,251)
Structured Operations Certificates	(1,394)	(4)	(1,620)	(146)
Others	(21,356)	(14,876)	(41,054)	(28,253)
Expenses with subordinated debts abroad (2)	**(69,823)**	**(252,694)**	**(35,869)**	**(306,393)**
Total	**(4,849,251)**	**(3,822,707)**	**(8,477,354)**	**(4,959,980)**

(1) Includes effects of changes in the fair value of the corresponding liability.
(2) Includes the foreign exchange movements effects of the corresponding liabilities

19. BORROWINGS AND DOMESTIC ONLENDINGS

a) Breakdown

	Parent Company and Consolidated	
	12.31.2022	12.31.2021
Loan Obligations (Nota 19b)	5,496,487	4,277,287
Obligations for transfers (Nota 19c)	1,144,520	825,268
Total	**6,641,007**	**5,102,555**

b) Loan Obligations

	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	Parent Company and Consolidated	
					12.31.2022	12.31.2021
Abroad	**1,396,748**	**3,315,502**	**3,193**	**781,044**	**5,496,487**	**4,277,287**
Raised from foreign banks (1)	1,318,025	3,271,924	3,193	781,044	5,374,186	4,187,259
Imports	78,723	43,578	-	-	122,301	90,028
Total	**1,396,748**	**3,315,502**	**3,193**	**781,044**	**5,496,487**	**4,277,287**

Current liabilities	4,712,250	4,277,287
Non-current liabilities	784,237	-

(1) Includes green bond issuance, further details are described in Note 31.

(Amounts in thousands of Reais, unless otherwise indicated)

c) Onlendings

Domestic - Official institutions

Programs	Interest rates p.a. [1]	Parent Company and Consolidated	
		12.31.2022	12.31.2021
National Treasury		**245,918**	**286,899**
Fixed rate	From 4,25% p.a. to 10,50% p.a.	217,245	245,826
Variable rate	100,00% da Selic	28,673	41,073
BNDES		**152,563**	**199,688**
Fixed	From 2,70% p.a. to 9,22% p.a.	45,452	55,572
Variable rate	From 1,42% p.a. to 1,45% p.a. + IPCA 1,80% p.a. + TJLP	107,111	144,116
FINAME		**746,039**	**338,681**
Fixed rate	From 0,80% p.a. to 8,00% p.a.	119,981	187,254
Variable rate	2,10% p.a. + TJLP From 1,00% p.a. to 2,25% p.a. + IPCA From 1,15% p.a. to 2,40% p.a. + Selic	626,058	151,427
Total		**1,144,520**	**825,268**
Current liabilities		337,831	450,658
Non-current liabilities		806,689	374,610

(1) Remuneration rates refer to existing operations on December 31, 2022.

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

	Parent Company and Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Borrowing expenses [1]	**(105,477)**	**(335,841)**	**(75,191)**	**(189,763)**
Expenses with transfer from Brazilian government	**(38,315)**	**(31,962)**	**(79,803)**	**(56,818)**
National treasure	(7,436)	(6,721)	(16,964)	(8,115)
BNDES	(6,064)	(10,689)	(13,388)	(20,059)
FINAME	(24,815)	(14,552)	(49,451)	(28,644)
Expenses with Obligations to foreign bankers [1]	**(3,005)**	**(134,927)**	**155,528**	**(101,483)**
Total	**(146,797)**	**(502,730)**	**534**	**(348,064)**

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

20. SECURITIES ISSUED

Funding	Currency	Amount issued	Interest p.a. [1]	Issuance year	Maturity year	Parent Company and Consolidated	
						12.31.2022	12.31.2021
Real estate credit note funds						**334,418**	**330,963**
Fixed rate	R$	80,636	from 5,25% p.a. to 13,79% p.a.	2020	2024	88,473	72,281
Variable rate	R$	194,362	from 98,00% to 117,00% of DI from 0,04% p.a. to 0,39% p.a. + DI	2021	2025	211,353	215,256
Variable rate	R$	29,223	from 1,15% p.a. to 6,58% p.a. + IPCA	2021	2024	34,592	43,426
Agribusiness credit bills						**4,050,383**	**1,954,932**
Fixed rate	R$	887,707	from 5,33% p.a. to 14,30% p.a.	2020	2027	963,848	358,046
Variable rate	R$	1,887,493	from 93,50% to 116,10% of DI from 0,25% p.a. to 0,79% p.a. + DI	2020	2025	2,028,937	1,193,206
Variable rate	R$	976,164	from 1,23% p.a. to 7,63% p.a. + IPCA	2020	2027	1,057,598	403,680
Financial bills						**29,159,302**	**23,151,473**
Fixed rate	R$	1,827,505	from 4,92% p.a. to 14,77% p.a.	2014	2031	2,125,239	2,069,161
Variable rate [2]	R$	21,715,887	from 100,00% to 129,50% do DI from 0,78% p.a. to 1,77% p.a. + DI	2019	2026	24,684,737	19,315,720
Variable rate [2]	R$	1,876,645	from 2,22% p.a. to 7,64% p.a.+ IPCA	2018	2032	2,349,326	1,766,592
Financial Guaranteed Bills						**-**	**4,020,986**
Variable rate	R$	-	-	2021	2022	-	4,020,986
Securities issued abroad						**6,391,996**	**8,814,927**
Fixed rate	R$	65,328	from 10,00% p.a. to 13,59% p.a.	2019	2023	77,967	54,029
Foreign exchange [2]	USD	1,212,434	from 3,35% p.a. to 8,12% p.a. + exchange variation	2019	2025	6,314,029	8,760,898
Structured Operations Certificates						**21,518**	**-**
Fixed rate	R$	19,898	from 13,93% p.a. to 14,09% p.a.	2022	2023	21,518	-
Total						**39,957,617**	**38,273,281**
Current liabilities						14,782,770	15,060,253
Non-current liabilities						25,174,847	23,213,028

(1) The remuneration rates refer to existing operations on December 31, 2022.
(2) Includes green bond issuance, further details are described in note 31.

21. SUBORDINATED DEBTS AND DEBT INSTRUMENTS ELIGIBLE AS CAPITAL

a) Breakdown

	Parent Company and Consolidated	
	12.31.2022	12.31.2021
Subordinated debts (Note 21b)	53,864	93,651
Debt instruments eligible as capital (Note 21c)	2,613,770	3,494,796
Total	**2,667,634**	**3,588,447**

(Amounts in thousands of Reais, unless otherwise indicated)

b) Subordinated debts

Funding		Amount issued	Interest rates p.a. [1]	Issuance year	Maturity year	Parent Company and Consolidated 12.31.2022	Parent Company and Consolidated 12.31.2021
Subordinated financial bills						**53,864**	**93,651**
Variable rate	R$	35,400	from 113,00% to 119,00% of DI	2016	2023	53,864	92,576
Variable rate	R$	-	-	2021	-	-	1,075
Total						**53,864**	**93,651**
Non-current liabilities						53,864	93,651

(1) The remuneration rates refer to existing operations on December 31, 2022.

c) Debt instruments eligible as capital

Funding		Amount issued	Interest rates p.a. [1]	Issuance year	Maturity year	Parent Company and Consolidated 12.31.2022	Parent Company and Consolidated 12.31.2021
Subordinated financial bills						**2,076,390**	**1,811,737**
Variable rate	R$	1,152,110	from 100,00% to 119,00% of DI from 0,95% p.a. to 2,36% p.a. + DI	2016	2032	1,513,288	1,140,297
Variable rate	R$	171,700	from 5,72% p.a. to 8,30% p.a. + IPCA	2013	2030	458,293	465,698
Fixed rate	R$	29,690	from 11,03% p.a. to 14,21% p.a.	2016	2024	55,657	162,894
Variable rate	R$	27,500	117,50% of Selic	2016	2023	49,152	42,848

Funding		Amount issued	Interest rates p.a. [1]	Issuance year	Parent Company and Consolidated 12.31.2022	Parent Company and Consolidated 12.31.2021
Perpetual bond					**-**	**1,683,059**
Fixed rate [2]	USD	-	-	2017	-	1,683,059
Perpetual Subordinated Financial Bills					**537,380**	**-**
Fixed rate [3]	R$	500,100	4,50% p.a. + CDI	2022	537,380	-
Total					**2,613,770**	**3,494,796**
Current liabilities					878,202	1,916,697
Non-current liabilities					1,735,568	1,578,099

(1) The remuneration rates refer to existing operations on December 31, 2022.
(2) On November 30, 2017, USD 300,000 was issued abroad with semi-annual interest payments. On December 31, 2022, the Bank exercised the bond repurchase option.
(3) In August 2022, R$ 500,100 was issued with annual interest payments starting in Aug/2024. Perpetual Financial Bills have an option to be redeemed at the initiative of the Bank as of Aug/2027 or in each subsequent annual interest payment, as long as previously authorized by Bacen.

22. OTHER LIABILITIES

a) Breakdown

	Parent Company 12.31.2022	Parent Company 12.31.2021	Consolidated 12.31.2022	Consolidated 12.31.2021
Other financial liabilities	**12,967,931**	**10,083,155**	**9,749,840**	**11,072,760**
Obligations of operations linked to assignments (Nota 12h.1) [1]	10,794,946	8,177,509	7,411,365	6,621,686
Commissions for operations payable	23,862	19,623	24,031	21,096
Credit card operations	-	-	154,589	150,610
Liabilities for acquisition of assets and rights	54	14,371	54	14,371
Trading and intermediation of securities	41,537	245,900	51,978	303,612
Foreign exchange portfolio (Note 13b)	2,107,493	1,601,279	2,107,493	1,601,279
Investment funds [2]	-	-	-	2,262,809
Others	39	24,473	330	97,297
Other liabilities	**1,779,900**	**2,061,981**	**2,044,880**	**2,272,414**
Third-party transit resources	123,144	24,388	131,103	29,925
Provision for profit sharing and results	216,826	211,299	260,555	254,076
Provision for personnel expenses	348,560	272,793	410,120	333,808
Provision for administrative expenses	235,304	256,094	278,525	275,613
Provision for financial guarantees provided (Note 30.1.a.ii)	189,858	201,475	189,858	201,475
Provision for losses - other risks	6,919	15,217	6,919	15,217
Legal obligations (Note 29h)	57,147	52,325	66,099	59,394
Sundry creditors - domestic	300,933	358,317	393,153	415,261
Amounts payable to associated companies	133	23,378	-	-
Dividends payable / Interest on own capital [3]	271,700	595,000	271,700	595,000
Compensation of CO_2 emissions by vehicles financed by Bank BV (Note 31)	672	428	672	428
Other	28,704	51,267	36,176	92,217
Total	**14,747,831**	**12,145,136**	**11,794,720**	**13,345,174**
Current liabilities	8,219,801	7,127,010	7,167,597	9,174,755
Non-current liabilities	6,528,030	5,018,126	4,627,123	4,170,419

(1) Refers to obligations for Liabilities associated with assigned financial assets with substantial retention of risks and benefits.
(2) As of 2022, the position of shares in controlled investment funds held by third parties began to be presented as a component of shareholders' equity (Note 3c).
(3) For interest on own capital, it refers to the net amount of tax effects.

(Amounts in thousands of Reais, unless otherwise indicated)

23. OPERATING INCOME/EXPENSES

a) Service income

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Collection	7,931	11,850	16,763	24,415
Commissions on placing of securities	62,336	47,319	127,109	148,747
Income from custody services	108	100	145	127
Income from guarantees provided	50,293	57,152	101,042	111,337
Insurance commissions	14,225	11,521	22,553	24,435
Financial advisory services	15,147	6,870	22,722	9,115
Income from bank settlement services with partners [1]	17,975	12,051	34,741	21,749
Others services	6,624	6,456	12,565	11,118
Total	**174,639**	**153,319**	**337,640**	**351,043**

	Consolidated			
	2º Semester/ 2021	2º Semester/ 2021	2022	2021
Third-party resource management	42,865	53,899	92,186	111,953
Collection	7,931	4,954	13,963	11,164
Commissions on placing of securities	62,721	47,737	128,107	149,399
Stock exchange transaction brokerages	835	1,178	2,076	2,925
Income from custody services	7,889	8,501	16,703	17,704
Income from guarantees provided	50,293	57,152	101,042	111,337
Credit card transactions	133,112	135,448	249,230	213,911
Insurance commissions	298,090	257,995	485,987	530,196
Financial advisory services	15,147	6,870	22,722	9,115
Correspondent banking	205,503	194,750	408,060	369,715
Income from bank settlement services with partners [1]	8,259	(3,941)	13,364	3,283
Others services	33,399	29,701	64,228	56,648
Total	**866,044**	**794,244**	**1,597,668**	**1,587,350**

(1) In the Consolidated, they are presented by the net amount calculated in each period. Includes the result with partnerships involving the financial settlement business.

b) Income from banking fees

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Master file registration	233,216	232,487	414,325	481,677
Transfer of resources	255	93	973	184
Asset valuation	83,040	81,647	146,542	173,472
Others	166	318	297	582
Total	**316,677**	**314,545**	**562,137**	**655,915**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Master file registration	233,216	232,487	414,325	481,677
Transfer of resources	255	93	973	184
Asset valuation	83,040	81,647	146,542	173,472
Credit card income	61,831	65,292	126,688	128,829
Others	331	591	644	2,425
Total	**378,673**	**380,110**	**689,172**	**786,587**

c) Personnel expenses

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Administrators' remuneration and other (Note 27)	(12,010)	(11,376)	(23,147)	(21,588)
Benefits	(76,200)	(66,515)	(142,399)	(125,737)
Social charges	(109,991)	(87,528)	(208,700)	(164,614)
Salary [1]	(383,427)	(346,279)	(754,757)	(575,240)
Labor claims	(169,476)	(126,536)	(233,892)	(199,098)
Training	(7,155)	(5,757)	(12,067)	(10,449)
Supplementary private pension	(6,821)	(5,604)	(12,953)	(10,196)
Total	**(765,080)**	**(649,595)**	**(1,387,915)**	**(1,106,922)**

(Amounts in thousands of Reais, unless otherwise indicated)

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Administrators' remuneration and other (Note 27)	(16,065)	(14,959)	(31,205)	(28,372)
Benefits	(94,175)	(78,666)	(179,768)	(147,745)
Social charges	(135,856)	(108,327)	(260,331)	(202,038)
Salary [(1)]	(474,590)	(420,961)	(939,933)	(712,720)
Labor claims	(173,173)	(135,249)	(247,418)	(213,965)
Training	(8,963)	(7,053)	(15,075)	(12,710)
Supplementary private pension	(8,853)	(7,183)	(16,802)	(13,060)
Total	**(911,675)**	**(772,398)**	**(1,690,532)**	**(1,330,610)**

(1) Includes expenses and related charges levied on variable compensation programs.

d) Other administrative expenses

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Water, energy and gas	(1,274)	(762)	(1,903)	(1,783)
Rental [(1)]	(13,186)	(18,393)	(24,495)	(46,828)
Communications	(11,743)	(11,932)	(22,807)	(25,690)
Philanthropic Contributions [(2)]	(2,846)	(2,446)	(3,277)	(3,155)
Maintenance and conservation of assets [(1)]	(4,885)	(6,484)	(9,566)	(12,861)
Material	(3,002)	(2,034)	(5,247)	(3,189)
Data processing	(142,917)	(144,739)	(278,424)	(239,932)
Promotions and public relations	(29,472)	(21,355)	(42,648)	(24,652)
Advertising and publicity	(86,571)	(90,112)	(125,492)	(102,387)
Publications	-	-	(111)	(521)
Insurance	(3,451)	(2,801)	(7,009)	(5,638)
Financial system services	(35,272)	(27,247)	(70,431)	(68,324)
Outsourced services	(5,973)	(7,136)	(11,867)	(12,419)
Surveillance and security services	(492)	(486)	(973)	(994)
Specialized technical services	(263,042)	(272,804)	(506,738)	(513,669)
Transportation	(3,078)	(2,414)	(6,052)	(4,129)
Traveling	(4,677)	(758)	(7,070)	(859)
Judicial and notary public fees	(41,024)	(32,357)	(77,583)	(63,209)
Amortization [(3) (4)]	(91,112)	(82,625)	(177,090)	(139,413)
Depreciation [(3)]	(11,531)	(9,962)	(23,058)	(23,580)
Other [(5)]	(48,234)	(34,080)	(87,008)	(66,454)
Total	**(803,782)**	**(770,927)**	**(1,488,849)**	**(1,359,686)**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Water, energy and gas	(1,604)	(1,018)	(2,374)	(2,347)
Rental [(1)]	(15,510)	(22,295)	(28,690)	(54,788)
Communications	(14,512)	(20,138)	(29,903)	(42,706)
Philanthropic Contributions [(2)]	(8,359)	(11,684)	(8,791)	(12,393)
Maintenance and conservation of assets [(1)]	(6,573)	(8,490)	(12,279)	(16,691)
Material	(3,308)	(2,726)	(6,120)	(4,314)
Data processing	(240,406)	(228,925)	(460,060)	(375,488)
Promotions and public relations	(30,767)	(22,773)	(46,388)	(27,160)
Advertising and publicity	(95,748)	(104,754)	(176,861)	(128,422)
Publications	-	-	(219)	(1,104)
Insurance	(3,990)	(3,228)	(8,122)	(6,438)
Financial system services	(39,577)	(30,352)	(78,069)	(74,575)
Outsourced services	(7,228)	(7,973)	(14,529)	(14,127)
Surveillance and security services	(633)	(653)	(1,285)	(1,359)
Specialized technical services	(332,617)	(323,961)	(636,991)	(596,670)
Transportation	(3,288)	(2,599)	(6,399)	(4,438)
Traveling	(5,441)	(925)	(8,210)	(1,038)
Judicial and notary public fees	(41,579)	(33,051)	(78,670)	(65,362)
Amortization [(3) (4)]	(120,560)	(101,501)	(232,439)	(171,693)
Depreciation [(3)]	(14,139)	(12,209)	(28,410)	(28,712)
Other [(5)]	(55,816)	(43,625)	(97,281)	(83,099)
Total	**(1,041,655)**	**(982,880)**	**(1,962,090)**	**(1,712,924)**

(1) In 2021, it includes the effects of the Management review of the occupancy of floors in third-party properties.
(2) The respective philanthropic contributions are detailed in note 31.
(3) It includes the effects of the agreement for the apportionment/reimbursement of expenses and direct and indirect costs entered into between Banco Votorantim and its subsidiaries.
(4) In the year ended December 31, 2022, it includes the amount of R$ 6,464 in Bank and Consolidated (R$ 4,386 in Bank and Consolidated in the year ended December 31, 2021) referring to carbon credit amortization expenses and green bonds used to offset CO_2 emissions by vehicles financed by the banco BV (Note 31).
(5) Includes expenses related to offsetting direct greenhouse gas emissions, as detailed in note 31.

(Amounts in thousands of Reais, unless otherwise indicated)

e) Other operating income

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Recovery of charges and expenses [1]	12,319	747	20,815	3,118
Restatement of judicial deposits [2]	16,879	5,487	28,585	2,013
Reimbursement of overpaid tax fines	23,203	2,856	42,110	4,793
Reimbursement of operation costs	209	951	335	1,329
Others [3]	89,555	4,059	94,975	25,412
Total [4]	**142,165**	**14,100**	**186,820**	**36,665**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Recovery of charges and expenses [1]	15,013	1,703	24,466	4,533
Restatement of judicial deposits [2]	19,394	6,576	31,933	3,282
Reimbursement of overpaid tax fines	30,318	3,351	50,355	6,018
Reimbursement of operation costs	209	951	335	1,329
Reversal of provision for insurance cancellation	10,002	(1,813)	13,296	4,034
Banking and exclusivity and preference rights	(1,967)	9,824	1,934	20,796
Real state activity result	9,247	-	19,262	-
Others [3]	17,936	6,661	27,698	32,855
Total [4]	**100,152**	**27,253**	**169,279**	**72,847**

(1) Includes monetary restatement effects on recoverable and offset taxes.

(2) Includes the effects arising from the change in the index of updating of judicial deposits (increase).

(3) Includes reversal of provision for restructuring and effects of harmonizing accounting practices for consolidated funds.

(4) Revenues and expenses of the same nature are presented at the net amount calculated in each period. The representation in the respective income or expenses line takes into account the most recent period.

f) Other operating expenses

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Costs associated with the origination - Business partners [1]	(337,130)	(393,456)	(628,997)	(767,756)
Civil claims	(65,144)	(51,960)	(113,950)	(105,724)
Tax claims	(4,050)	(7,699)	(8,289)	(11,641)
Operating losses	(25,845)	(24,981)	(51,452)	(50,869)
Premium paid on financial assets	(115)	(123)	(230)	(233)
Banking and exclusivity and preference rights	(23,099)	(15,980)	(40,727)	(30,566)
Provision for CO_2 offset expenses for vehicles financed by Bank BV	(137)	(1)	(244)	(428)
Others	(9,048)	(29,263)	(31,885)	(44,297)
Total [2]	**(464,568)**	**(523,463)**	**(875,774)**	**(1,011,514)**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Costs associated with the origination - Business partners [1]	(522,770)	(570,345)	(989,391)	(1,097,999)
Civil claims	(32,021)	(3,977)	(42,453)	(4,019)
Tax claims	(67,288)	(55,306)	(118,540)	(111,492)
Operating losses	(5,663)	(9,012)	(11,197)	(13,732)
Premium paid on financial assets	(30,556)	(22,659)	(61,402)	(54,332)
Banking and exclusivity and preference rights	(115)	(123)	(230)	(233)
Real state activity result	-	1,866	-	(1,947)
Provision for CO_2 offset expenses for vehicles financed by Bank BV	(137)	(1)	(244)	(428)
Others	(17,767)	(54,813)	(91,194)	(111,650)
Total [2]	**(676,317)**	**(714,370)**	**(1,314,651)**	**(1,395,832)**

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

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

(Amounts in thousands of Reais, unless otherwise indicated)

24. OTHER INCOME AND EXPENSES

	Parent Company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Other income	**98,241**	**25,962**	**108,795**	**41,695**
Profit on the disposal of assets	73,904	-	73,904	-
Profit on disposal of non-financial assets held for sale	-	22,452	-	32,341
Reversal of provision for devaluation of other issues and assets	11,993	-	18,841	-
Reversal of provision for losses to recoverable value (impairment) of investments due to tax incentives	5,230	1,483	5,230	1,483
Other income not directly associated with operating activity	7,114	2,027	10,820	7,871
Other expenses	**(9,157)**	**(32,874)**	**(10,082)**	**(34,606)**
Capital losses	(153)	(688)	(458)	(767)
Provision for devaluation of non-financial assets held for sale	-	(14,674)	-	(8,246)
Expenses with non-use properties	(588)	(1,255)	(1,378)	(6,675)
Provision for impairment of intangible assets	-	(13,491)	-	(13,491)
Loss on disposal of non-financial assets held for sale	(7,759)	-	(7,589)	-
Loss on intangible assets	-	-	-	(2,650)
Other expenses not directly associated with operating activity	(657)	(2,766)	(657)	(2,777)
Total (1)	**89,084**	**(6,912)**	**98,713**	**7,089**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Other income	**115,349**	**28,334**	**129,130**	**44,240**
Profit on the disposal of assets	73,904	-	73,904	-
Reversal of impairment in subsidiaries	9,736		6,293	
Profit on disposal of non-financial assets held for sale	-	22,606	-	32,501
Reversal of provision for devaluation of other issues and assets	10,400	-	23,912	-
Reversal of provision for losses to recoverable value (impairment) of investments due to tax incentives	8,853	3,616	8,853	3,616
Other income not directly associated with operating activity	12,456	2,112	16,168	8,123
Other expenses	**(13,773)**	**(30,873)**	**(15,063)**	**(101,334)**
Expenses with goodwill and impairment of subsidiaries	-	(181)	-	(66,608)
Capital losses	(153)	(688)	(458)	(767)
Provision for devaluation of non-financial assets held for sale	-	(12,478)	-	(8,344)
Expenses with non-use properties	(588)	(1,255)	(1,378)	(6,675)
Provision for impairment of intangible assets	-	(13,491)	-	(13,491)
Loss on disposal of non-financial assets held for sale	(7,517)	-	(7,357)	-
Write-offs of fixed assets	-	-	-	(2,650)
Other expenses not directly associated with operating activity	(5,515)	(2,780)	(5,870)	(2,799)
Total (1)	**101,576**	**(2,539)**	**114,067**	**(57,094)**

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

25. SHAREHOLDER'S EQUITY

a) Capital social

The capital of Banco Votorantim SA, fully subscribed and paid-in, in the amount of R$ 8,480,372 (R$ 8,130,372 as of December 31, 2021) is represented by 3,395,210,052 shares, of which 2,193,305,693 are registered common shares, book-entry and without par value and 1,201,904,359 registered, book-entry preferred shares with no par value (2,131,587,081 registered, book-entry common shares with no par value and 1,168,083,325 registered, book-entry preferred shares with no par value as of December 31, 2021).

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

On April 2022, the Annual and Extraordinary Shareholders' Meeting approved the increase in the share capital of Banco Votorantim SA in the amount of R$ 350,000, through the recapitalization of interest on equity payable calculated based on the year ended 31 December 2021. The Capital Stock increases from R$ 8,130,372 to R$ 8,480,372, through the issuance of 95,539,646 new shares, of which 61,718,612 are common shares and 33,821,034 are preferred shares, all registered, book-entry and with no par value, at the issue price of R$ 3.663400624 per share, approved by the Central Bank of Brazil as of July 18, 2022.

b) Capital reserve

On December 31, 2022 and 2021, the Capital reserve is constituted by goodwill on the subscription of shares, in the amount of R$ 372,120.

c) Profit reserve

Legal reserve

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

(Amounts in thousands of Reais, unless otherwise indicated)

Statutory reserve for expansion

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

d) Dividends / Interest on Equity

Shareholders are guaranteed a minimum mandatory dividend, both in the form of dividends and interest on equity, corresponding to 25% of net income for the period, deducted from the legal reserve (Adjusted net income).

Pursuant to Laws No. 9,249/1995 and No. 12,973/2014 and the Company's Bylaws, Management decided to resolve to its shareholders interest on equity for the years ended December 31, 2022 and 2021.

Interest on equity is calculated on the adjusted shareholders' equity accounts and limited to the variation, pro rata die, of the long-term interest rate (TJLP), conditioned to the existence of computed profits before its deduction or of retained earnings and profit reserves, in an amount equal to or greater than twice its value.

For the years ended December 31, 2022 and 2021, the Company made the following allocation:

	2022			
	Value (R$ thousand)	Value per lot of one thousand shares - R$ [4]	Base date of the share position	Payday
Interest on equity [1]	169,492	50.27	03.31.2022	10.24.2022
Interest on equity [1] [2]	330,508	98.04	09.30.2022	until 12.31.2023
Total for shareholders	**500,000**	**148.31**		

	2021			
	Value (R$ thousand)	Value per lot of one thousand shares - R$	Base date of the share position	Payday
Interest on equity [1]	288,235	85.50	12.31.2021	04.13.2022
Interest on equity [1] [3]	411,765	122.14	12.31.2021	-
Total for shareholders	**700,000**	**207.63**		

(1) Amounts not deducted from the 15% withholding income tax rate.

(2) Banco Votorantim made the partial payment on October 24, 2022 in the gross amount of R$ 10,861 (R$ 9,232 net of tax effects).

(3) In April 2022, the capital increase of Banco Votorantim S.A. was approved. in the amount of R$ 350,000 (net of taxes), through the recapitalization of interest on shareholders' equity (Note 25a).

(4) The amount per thousand shares is calculated based on the weighted average number per thousand shares for the year ended December 31, 2022 (Note 25e). The amounts for the 2021 financial year have been restated for comparison purposes.

	2022	2021
	Value (R$ Thousand)	Value (R$ Thousand)
Net income for the period - Banco Votorantim SA (R$ thousand)	**1,493,235**	**1,561,308**
Legal reserve	(74,662)	(78,065)
Calculation basis	**1,418,573**	**1,483,243**
Interest on equity (gross)	500,000	700,000
IRRF related to interest on equity	(75,000)	(105,000)
Proposed value	**425,000**	**595,000**
% on the calculation basis	**30%**	**40%**

e) Earnings per share

	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Net profit - Banco Votorantim S.A (R$ thousand)	660,562	746,702	1,493,235	1,561,308
Weighted average number by thousand shares (basic and diluted) [1] [2]	3,371,325	3,371,325	3,371,325	3,371,325
Earnings per share (basic and diluted) (R$)	195.94	221.49	442.92	463.11

(1) The weighted average number of shares is calculated based on the average number of shares for each month of the year ended December 31, 2022.

(2) The weighted average number of shares was restated for the semester ended June 30, 2021 due to the capital increase and reverse split of all shares described in Note 25a, in accordance with CPC 41.

f) Reconciliation of shareholders' equity and net profit

	Net profit				Shareholders' Equity	
	2º Semester/ 2022	2º Semester/ 2021	2022	2021	12.31.2022	12.31.2021
Banco Votorantim S.A.	**660,562**	**746,702**	**1,493,235**	**1,561,308**	**12,857,806**	**11,922,690**
Result not realized - (RNR) [1]	1,392	1,297	(31,768)	2,530	29,966	5,861
Non-controlling interests [2]	143,867	-	273,353	-	1,901,975	-
Consolidated	**805,821**	**747,999**	**1,734,820**	**1,563,838**	**14,789,747**	**11,928,551**

(1) It refers to the unrealized result arising from transactions between affiliates, net of taxes.

(2) As of 2022, the position of shares in controlled investment funds held by third parties started to be presented as a component of shareholders' equity, as well as the result for the period (Note 3c).

(Amounts in thousands of Reais, unless otherwise indicated)

g) Other comprehensive income

Parent Company and Consolidated	2º Semester/2022			
	Opening balance	Changes	Tax effect	Closing balance
Securities available to sale	**46,928**	**(150,800)**	**67,944**	**(35,928)**
Banco Votorantim [1]	57,543	(157,151)	70,718	(28,890)
Subsidiaries	(10,615)	6,351	(2,774)	(7,038)
Cash flow hedge	**153,800**	**(111,683)**	**50,258**	**92,375**
Banco Votorantim [1]	153,800	(111,683)	50,258	92,375
Total - Parent Company	**200,728**	**(262,483)**	**118,202**	**56,447**
RNR effect [2]	**72,846**	**(2,321)**	**-**	**70,525**
Total - Consolidated [3]	**273,574**	**(264,804)**	**118,202**	**126,972**

Parent Company and Consolidated	2022				2021			
	Opening balance	Changes	Tax effect	Closing balance	Opening balance	Changes	Tax effect	Closing balance
Securities available to sale	**100,960**	**(249,135)**	**112,247**	**(35,928)**	**245,530**	**(262,640)**	**118,070**	**100,960**
Banco Votorantim [1]	107,990	(248,873)	111,993	(28,890)	237,675	(235,368)	105,683	107,990
Subsidiaries	(7,030)	(262)	254	(7,038)	7,855	(27,272)	12,387	(7,030)
Cash flow hedge	**363,606**	**(493,148)**	**221,917**	**92,375**	**(96,177)**	**835,969**	**(376,186)**	**363,606**
Banco Votorantim [1]	363,606	(493,148)	221,917	92,375	(96,177)	835,969	(376,186)	363,606
Total - Parent Company	**464,566**	**(742,283)**	**334,164**	**56,447**	**149,353**	**573,329**	**(258,116)**	**464,566**
RNR effect [2]	**14,652**	**55,873**	**-**	**70,525**	**18,870**	**(4,218)**	**-**	**14,652**
Total - Consolidated [3]	**479,218**	**(686,410)**	**334,164**	**126,972**	**168,223**	**569,111**	**(258,116)**	**479,218**

(1) Includes agency abroad.
(2) Tax effect is presented in "Other credits - Sundry".
(3) Refers to other comprehensive income attributable to controlling shareholders.

h) Non-controlling interests

Consolidated	Net profit				Shareholders' Equity	
	2º Semester/ 2022	2º Semester/ 2021	2022	2021	12.31.2022	12.31.2021
Fundo de Investimento em Direitos Creditórios BV - Crédito de Veículos (FIDC BV)	140,706	-	265,454	-	1,893,506	-
Other funds	3,161	-	7,899	-	8,469	-
Participation of non-controllers [1]	**143,867**	**-**	**273,353**	**-**	**1,901,975**	**-**

(1) As of 2022, the position of shares in controlled investment funds held by third parties started to be presented as a component of shareholders' equity, as well as the result for the period (Note 3c).

i) Shareholders interest (quantity of shares)

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

Shareholders - Shares (thousand)	12.31.2022					
	Ordinaries	% Ordinaries	Preferred	% Preferred	Total	% Total
Votorantim Finanças S.A.	1,096,653	50.00%	600,952	50.00%	1,697,605	50.00%
Banco do Brasil S.A.	1,096,653	50.00%	600,952	50.00%	1,697,605	50.00%
Total	**2,193,306**	**100.00%**	**1,201,904**	**100.00%**	**3,395,210**	**100.00%**
Country residents	2,193,306	100.00%	1,201,904	100.00%	3,395,210	100.00%

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

26. TAXES

a) Tax assets

Total tax assets recognized

	Parent company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Current tax assets (Note 26 a.1)	493,837	447,097	559,544	499,250
Deferred tax assets (Note 26 a.2)	6,097,435	6,549,550	7,452,875	7,626,269
Total	**6,591,272**	**6,996,647**	**8,012,419**	**8,125,519**
Current assets	500	297,514	49,699	329,129
Non-current assets	6,590,772	6,699,133	7,962,720	7,796,390

(Amounts in thousands of Reais, unless otherwise indicated)

a.1) Current tax assets

	Parent company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Taxes and contributions to be offset	345,072	298,332	401,584	349,322
Recoverable income tax	-	-	9,195	1,163
Presumed credit - Law no. 12,838/2013	148,765	148,765	148,765	148,765
Total [1]	**493,837**	**447,097**	**559,544**	**499,250**

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

a.2) Deferred tax assets (Recognized)

Parent Company	12.31.2021	2022		12.31.2022
	Balance	Net changes in the period		Balance [1]
		Constitution	Write-off	
Temporary differences	**5,924,836**	**1,402,152**	**(1,846,752)**	**5,480,236**
Provision for losses associated with credit risk	4,347,415	1,299,836	(1,545,972)	4,101,279
Provisions	629,598	64,584	(117,367)	576,815
Fair value adjustments [2]	353,887	30,335	(159,078)	225,144
Other provisions [3]	593,936	7,397	(24,335)	576,998
Tax loss / CSLL negative base	**624,714**	**24,837**	**(32,352)**	**617,199**
Total activated tax credits	**6,549,550**	**1,426,989**	**(1,879,104)**	**6,097,435**
Income tax	3,613,292	787,476	(1,043,920)	3,356,848
Social contribution	2,936,258	639,513	(835,184)	2,740,587

Consolidated	12.31.2021	2022		12.31.2022
	Balance	Net changes in the period		Balance [1]
		Constitution	Write-off	
Temporary differences	**6,588,757**	**1,828,711**	**(2,038,210)**	**6,379,258**
Provision for losses associated with credit risk	4,898,254	1,710,513	(1,704,806)	4,903,961
Provisions	724,963	80,213	(147,476)	657,700
Fair value adjustments [2]	358,536	30,588	(159,091)	230,033
Other provisions [3]	607,004	7,397	(26,837)	587,564
Tax loss / CSLL negative base	**1,037,512**	**83,541**	**(47,436)**	**1,073,617**
Total activated tax credits	**7,626,269**	**1,912,252**	**(2,085,646)**	**7,452,875**
Income tax	4,387,465	1,058,090	(1,165,114)	4,280,441
Social contribution	3,238,804	854,162	(920,532)	3,172,434

[1] In the year ended December 31, 2022, the portion of R$ 30,335 (out of the total of R$ 225,144), in the Bank, and R$ 35,223 (of the total of R$ 230,033), in the Consolidated, corresponds to the tax credit arising of fair value adjustments of marketable securities classified as available for sale, recorded in an equity account. On December 31, 2021, the portion was R$ 4,635 (out of the total of R$ 358,536) in the Consolidated (at the Bank there was no tax credit of this nature on December 31, 2021).

[2] The amounts corresponding to the movement of the tax credit arising from the fair value adjustments of securities classified as available for sale, recorded in a shareholders' equity account, in the year ended December 31, 2022, are R$ 30,335 (of the total of R$ (128,743)), in the Bank, and of R$ 30,588 (of the total of R$ (128,503)) in the Consolidated. The amounts, in the year ended December 31, 2021, were R$ (78,690) (out of the total of R$ (385,299), in the Bank, and R$ (74,056) (out of the total of R$ (380,650)) , in the Consolidated.

[3] Includes tax credits arising from constitution expenses of provisions for reduction to recoverable value of securities.

Realization estimate

The expected realization of deferred tax assets (tax credits) is based on a technical study prepared on December 31, 2022.

	Parent Company		Consolidated	
	Nominal value	Present value	Nominal value	Present value
In 2023	1,829,590	1,615,568	2,362,390	2,086,041
In 2024	1,526,282	1,195,135	2,011,347	1,574,960
In 2025	1,793,732	1,247,014	1,868,312	1,298,863
In 2026	167,848	103,721	177,528	109,703
In 2027	23,912	13,127	44,617	24,494
From 2028 to 2029	242,269	108,038	363,677	163,341
From 2030 to 2032	513,802	165,715	625,004	206,388
Total deferred tax assets	**6,097,435**	**4,448,318**	**7,452,875**	**5,463,790**

In the year ended December 31, 2022, there was realization of tax credits at Banco Votorantim in the amount of R$ 1,941,703 (R$ 1,986,861 in the year ended December 31, 2021), corresponding to 103% (100% for the year ended December 31, 2021) of the respective estimate of tax realization of the balance of tax credits for the entire year 2022, which was included in the technical study prepared on December 31, 2021.

Realization of nominal values for deferred tax assets

	Parent Company		Consolidated	
	Tax losses/Social contribution on net profit to offset [1]	Intertemporal differences [2]	Tax losses/Social contribution on net profit to offset [1]	Intertemporal differences [2]
In 2023	16%	32%	13%	35%
In 2024	20%	26%	22%	28%
In 2025	6%	32%	10%	28%
In 2026	0%	3%	1%	2%
In 2027	0%	0%	0%	1%
From 2028 to 2029	39%	0%	34%	0%
From 2030 to 2032	19%	7%	20%	6%

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

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

(Amounts in thousands of Reais, unless otherwise indicated)

a.3) Unrecognized deferred tax assets

	Parent company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Social contribution on net profit tax loss/negative basis portions of CSLL	94,088	94,088	150,977	168,052
Portion of passive provisions	-	-	530	266
Portion of other provisions	1,517	-	41,024	42,267
Total of deferred tax assets not recorded in assets	**95,605**	**94,088**	**192,531**	**210,585**
Income tax	53,114	52,271	137,159	150,713
Social contribution	42,491	41,817	55,372	59,872

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

b) Tax liabilities

Total tax liabilities recognized

	Parent company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Current tax liabilities (Note 26 b.1)	156,793	230,910	277,075	459,590
Deferred tax liabilities - (Note 26 b.2)	115,110	662,362	115,709	663,031
Total	**271,903**	**893,272**	**392,784**	**1,122,621**
Current liabilities	154,631	230,910	268,906	454,564
Non-current liabilities	117,272	662,362	123,878	668,057

b.1) Current tax liabilities

	Parent company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Financial transaction tax payable	30,531	32,911	32,409	35,074
Income tax and social contribution payable	-	410	6,533	6,569
Provision for taxes and contributions on income	1,004	-	83,166	197,262
Taxes and contributions payable	125,258	197,589	154,967	220,685
Total [1]	**156,793**	**230,910**	**277,075**	**459,590**

(1) Includes taxes and current contributions, the settlement period of which is more than 12 months.

b.2) Deferred tax liabilities

	Parent company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Fair value adjustments [1] [2]	100,035	644,971	100,063	644,971
Presumed credit - Law no. 12,838/2013	15,075	15,075	15,075	15,075
Other liabilities	-	2,316	571	2,985
Total deferred tax liabilities	**115,110**	**662,362**	**115,709**	**663,031**
Income tax	64,223	369,282	64,813	369,941
Social contribution	50,887	293,080	50,896	293,090

(1) In the year ended December 31, 2022, the portion of R$ 79,512 (out of the total of R$ 100,035), in the Bank, and R$ 79,477 (of the total of R$ 100,063), in the Consolidated, corresponds to the deferred tax liability resulting from adjustments to the fair value of the effective portion of cash flow hedge instruments and marketable securities classified as available for sale, recorded in an equity account. On December 31, 2021, the portion was R$ 383,087 (out of a total of R$ 644,971), in the Bank and R$ 383,052 (out of a total of R$ 644,971), in the Consolidated.

(2) The amounts corresponding to changes in the deferred tax liability resulting from adjustments to the fair value of the effective portion of cash flow hedge instruments and adjustments to the fair value of marketable securities classified as available for sale, recorded in an equity account, in the year ended December 31, 2022, are R$ (303,575) (out of the total R$ (544,936)), in the Bank, and R$ (303,575) (out of the total R$ (544,908)), in the Consolidated. The amounts, in the year ended December 31, 2021, were R$ 193,676 (out of a total of R$ 324,795), in the Bank, and R$ 185,924 (out of a total of R$ 317,043), in the Consolidated.

c) Tax expenses

	Parent company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Cofins	(165,754)	(124,938)	(294,066)	(251,566)
ISSQN	(24,487)	(21,124)	(44,035)	(45,983)
PIS	(26,935)	(20,302)	(47,786)	(40,879)
Others	(7,991)	(3,623)	(17,359)	(11,481)
Total	**(225,167)**	**(169,987)**	**(403,246)**	**(349,909)**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Cofins	(230,950)	(180,336)	(415,678)	(354,273)
ISSQN	(40,092)	(37,246)	(73,381)	(76,504)
PIS	(38,894)	(30,520)	(69,870)	(60,073)
Others	(10,808)	(2,183)	(22,514)	(8,366)
Total	**(320,744)**	**(250,285)**	**(581,443)**	**(499,216)**

(Amounts in thousands of Reais, unless otherwise indicated)

d) Income tax and contribution expenses

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

	Parent company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Current amounts	**(73,738)**	**54,999**	**(15,018)**	**(110,213)**
Domestic IR and CSLL - Current	(74,061)	25,120	(74,061)	(140,092)
Domestic IR and CSLL - Previous years	323	29,879	59,043	29,879
Deferred amounts	**87,881**	**(21,653)**	**(238,773)**	**(314,677)**
Deferred tax liabilities	**488,494**	**(325,860)**	**243,678**	**(136,392)**
Fair value adjustments	446,579	(323,527)	241,361	(132,982)
Other liabilities	41,915	(2,333)	2,317	(3,410)
Deferred tax assets	**(400,613)**	**304,207**	**(482,451)**	**(178,285)**
Tax loss carryforwards and negative basis of social contribution on net profit	(244,333)	18,248	(7,515)	(82,250)
Temporary differences	(5,857)	118,101	(315,858)	210,575
Fair value adjustments	(150,423)	167,858	(159,078)	(306,610)
Total	**14,143**	**33,346**	**(253,791)**	**(424,890)**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Current amounts	**(221,264)**	**(134,217)**	**(257,551)**	**(480,537)**
Domestic IR and CSLL - Current	(221,587)	(163,878)	(316,921)	(510,198)
Domestic IR and CSLL - Previous years	323	29,661	59,370	29,661
Deferred amounts	**278,347**	**114,554**	**53,953**	**(113,504)**
Deferred tax liabilities	**488,633**	**(325,993)**	**244,001**	**(136,535)**
Fair value adjustments	446,579	(323,527)	241,361	(132,982)
Other liabilities	42,054	(2,466)	2,640	(3,553)
Deferred tax assets	**(210,286)**	**440,547**	**(190,048)**	**23,031**
Tax loss carryforwards and negative basis of social contribution on net profit	(237,531)	755	36,105	(107,864)
Temporary differences	177,668	271,918	(67,061)	437,489
Fair value adjustments	(150,423)	167,874	(159,092)	(306,594)
Total	**57,083**	**(19,663)**	**(203,598)**	**(594,041)**

d.2) Reconciliation of IR and CSLL charges

	Parent company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Income (loss) before taxes and contributions	**731,692**	**796,104**	**1,931,509**	**2,161,170**
Total IR charges and CSLL [1]	(336,578)	(398,132)	(876,496)	(1,012,411)
Charges on JCP	152,034	315,000	228,305	315,000
Equity in the earnings of subsidiaries	32,576	88,259	74,218	148,499
Participation in profits and results	39,226	41,374	83,871	82,875
CSLL rate increase [2]	-	(72,170)	-	-
Income from abroad [3]	(26,946)	59,871	(24,447)	45,618
Other values	153,831	(856)	260,758	(4,471)
Income tax and social contribution for the period	**14,143**	**33,346**	**(253,791)**	**(424,890)**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Income (loss) before taxes and contributions	**852,151**	**868,391**	**2,170,360**	**2,374,869**
Total IR charges and CSLL [1]	(391,990)	(434,195)	(985,183)	(1,112,110)
Charges on JCP	152,034	350,000	228,305	350,000
Equity in the earnings of subsidiaries	(6,601)	(511)	(9,231)	(750)
Participation in profits and results	47,570	45,328	105,408	97,645
CSLL rate increase [2]	-	(75,670)	-	-
Income from abroad [3]	(26,946)	59,871	(24,447)	45,618
Other values	283,016	35,514	481,550	25,556
Income tax and social contribution for the period	**57,083**	**(19,663)**	**(203,598)**	**(594,041)**

(1) IR charges were calculated at the nominal rate of 25% and CSLL charges were calculated at the rates: (i) 20% in the period from January 1, 2021 to June 30, 2021; (ii) 25% in the period from July 1 to December 31, 2021; (iii) 20% in the period from January 1, 2022 to July 31, 2022; and (iv) 21% in the period from August 1 to December 31, 2022 (note 4q).

(2) Refers to the effects of the increase in the CSLL rate of financial institutions on the balance of deferred tax assets existing on June 30, 2021, applicable to the tax credit realized in the period from July 1 to December 31, 2021.

(3) In the year ended December 31, 2021, it includes charges on exchange variation on investments abroad.

(Amounts in thousands of Reais, unless otherwise indicated)

27. RELATED PARTIES

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

	Parent Company [1]				Consolidated [1]			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Administrators' remuneration and other	12,010	11,376	23,147	21,588	16,065	14,959	31,205	28,372
Bonuses	36,180	44,542	86,588	78,334	37,282	46,702	90,646	82,099
Social charges	15,162	17,277	34,190	30,811	15,750	18,248	36,117	32,625
Total	**63,352**	**73,195**	**143,925**	**130,733**	**69,097**	**79,909**	**157,968**	**143,096**

(1) It includes members of the Audit Committee, Compensation and HR Committee, Risk and Capital Committee and Related Party Transactions Committee.

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

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

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

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

Banco BV carries out credit assignments (assignments with co-obligation) with substantial retention of risks and benefits with a related party. In the year ended December 31, 2022, the sum of present values totaled R$ 4,280,153 (R$ 5,852,020 in the year ended December 31, 2021). Banco BV also makes credit assignments without co-obligation, but with substantial retention of risks and benefits with subsidiary and in the year ended December 31, 2022, the sum of present values totaled R$ 4,080,515 (R$ 2,676,052 in fiscal year ended December 31, 2021). The net income from credit assignments, considering income and expenses from assignments with substantial retention of risks and benefits, is shown in the table below under "Income from interest, services rendered and other income".

	Parent Company						
	12.31.2022						
	Conglom. Banco do Brasil	Votorantim S.A.	Financial Institution subsidiaries [1]	Non-financial Institution subsidiaries [2]	Key management personnel [3]	Others [4]	Total
Assets							
Interbank deposit investments [5]	-	-	2,270,398	-	-	-	**2,270,398**
Securities and derivative financial instruments	3,081	36,818	-	-	-	3,200,546	**3,240,445**
Loans and leases	52,106	949	-	-	381	-	**53,436**
Other assets	26,656	-	66,041	11,498	-	113,690	**217,885**
Liabilities							
Demand deposits	(638)	(730)	(2,107)	(1,319)	(9)	(11,430)	**(16,233)**
Time deposits	(852,289)	(875,176)	-	(732,413)	(156)	(41,394)	**(2,501,428)**
Interbank deposits	-	-	(256,330)	-	-	-	**(256,330)**
Money market repurchase	(28,541)	(60,032)	(598,999)	-	-	-	**(687,572)**
Funds for accepting and issuing bonds	(114,908)	(560,197)	-	-	(9,961)	-	**(685,066)**
Derivative financial instruments	(8,928)	(41,339)	-	-	-	-	**(50,267)**
Other liabilities	(7,828,789)	(135,850)	(11,615)	-	-	(3,400,021)	**(11,376,275)**
	2º Semester/2022						
Income (loss)							
Income from interest, provision of services and other income	264,356	114	162,137	-	-	248,280	**674,887**
Income (losses) from derivative financial instruments	(5,694)	(12,212)	-	-	-	-	**(17,906)**
Fund raising, administrative expenses and other	(64,338)	(88,605)	(48,459)	(37,555)	(507)	(7,773)	**(247,237)**
	2022						
Income (loss)							
Income from interest, provision of services and other income	479,941	243	265,983	-	-	370,848	**1,117,015**
Income (losses) from derivative financial instruments	(7,780)	(112,205)	-	-	-	(133,757)	**(253,742)**
Fund raising, administrative expenses and other	(128,890)	(160,201)	(80,006)	(115,986)	(1,065)	(12,884)	**(499,032)**

(Amounts in thousands of Reais, unless otherwise indicated)

	Parent Company						
	12.31.2021						
	Conglom. Banco do Brasil	Votorantim S.A.	Financial Institution subsidiaries [1]	Non-financial Institution subsidiaries [2]	Key management personnel [3]	Others [4]	Total
Assets							
Interbank deposit investments [5]	-	-	1,039,991	-	-	587,933	**1,627,924**
Securities and derivative financial instruments	2	80,255	-	-	-	2,396,826	**2,477,083**
Loans and leases	-	1,721	-	-	59	-	**1,780**
Other assets	5,536	-	125,599	98,337	-	8,336	**237,808**
Liabilities							
Demand deposits	(761)	(1,442)	(1,338)	(1,584)	(232)	(13,491)	**(18,848)**
Time deposits	(1,306,989)	(1,153,805)	-	(936,130)	-	(30,888)	**(3,427,812)**
Interbank deposits	-	-	(58,404)	-	-	-	**(58,404)**
Money market repurchase	-	(31,332)	(484,337)	(706,056)	(1,330)	-	**(1,223,055)**
Funds for accepting and issuing bonds	(260,229)	(379,729)	-	-	(4,398)	-	**(644,356)**
Derivative financial instruments	-	(1,901)	-	-	-	(74,116)	**(76,017)**
Other liabilities	(7,163,553)	(351,570)	(12,144)	(33,775)	-	(1,560,676)	**(9,121,718)**
	2º Semester/2021						
Income (loss)							
Income from interest, provision of services and other income	141,822	430	55,677	-	4	165,752	**363,685**
Income (losses) from derivative financial instruments	1,990	63,941	-	-	-	90,963	**156,894**
Fund raising, administrative expenses and other	(55,046)	(50,162)	(20,021)	(44,765)	(187)	(6,374)	**(176,555)**
	2021						
Income (loss)							
Income from interest, provision of services and other income	392,310	1,419	78,998	-	9	177,019	**649,755**
Income (losses) from derivative financial instruments	285	31,473	-	-	-	50,803	**82,561**
Fund raising, administrative expenses and other	(81,535)	(69,691)	(23,578)	(58,731)	(261)	(6,457)	**(240,253)**

	Consolidated				
	12.31.2022				
	Conglom. Banco do Brasil	Votorantim S.A.	Key management personnel [3]	Others [6]	Total
Assets					
Funds available	80	-	-	-	**80**
Securities and derivative financial	3,081	36,818	-	541,274	**581,173**
Loans and leases	52,106	949	426	-	**53,481**
Other assets	26,656	11,624	1,100	-	**39,380**
Liabilities					
Demand deposits	(638)	(730)	(9)	-	**(1,377)**
Time deposits	(852,289)	(875,176)	(156)	-	**(1,727,621)**
Money market repurchase	(28,541)	(60,032)	-	-	**(88,573)**
Funds for accepting and issuing bonds	(114,908)	(560,197)	(9,961)	-	**(685,066)**
Derivative financial instruments	(8,928)	(41,339)	-	-	**(50,267)**
Other liabilities	(7,828,789)	(135,850)	-	-	**(7,964,639)**
	2º Semester/2022				
Income (loss)					
Income from interest, provision of services and other income	493,229	114	-	-	**493,343**
Income (losses) from derivative financial instruments	(5,694)	(12,212)	-	-	**(17,906)**
Fund raising, administrative expenses and other	(64,338)	(88,605)	(507)	-	**(153,450)**
	2022				
Income (loss)					
Income from interest, provision of services and other income	708,814	243	-	-	**709,057**
Income (losses) from derivative financial instruments	(7,780)	(112,205)	-	-	**(119,985)**
Fund raising, administrative expenses and other	(128,890)	(160,201)	(1,065)	-	**(290,156)**

(Amounts in thousands of Reais, unless otherwise indicated)

	Consolidated				
	12.31.2021				
	Conglom. Banco do Brasil	Votorantim S.A.	Key management personnel [3]	Others [6]	Total
Assets					
Funds available	514	-	-	-	**514**
Securities and derivative financial	2	80,255	-	531,057	**611,314**
Loans and leases	-	1,721	59	-	**1,780**
Other assets	39,360	11,276	607	-	**51,243**
Liabilities					
Demand deposits	(761)	(1,442)	(232)	-	**(2,435)**
Time deposits	(1,306,989)	(1,153,805)	-	-	**(2,460,794)**
Money market repurchase	-	(31,332)	(1,330)	-	**(32,662)**
Funds for accepting and issuing bonds	(260,229)	(379,729)	(4,398)	-	**(644,356)**
Derivative financial instruments	-	(1,901)	-	-	**(1,901)**
Other liabilities	(7,163,553)	(351,570)	-	-	**(7,515,123)**
	2º Semester/2021				
Income (loss)					
Income from interest, provision of services and other income	362,992	430	4	-	**363,426**
Income (losses) from derivative financial instruments	1,990	63,941	-	-	**65,931**
Fund raising, administrative expenses and other	(57,234)	(50,162)	(187)	-	**(107,583)**
	2021				
Income (loss)					
Income from interest, provision of services and other income	814,141	1,419	9	-	**815,569**
Income (losses) from derivative financial instruments	285	31,473	-	-	**31,758**
Fund raising, administrative expenses and other	(83,723)	(69,691)	(261)	-	**(153,675)**

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

(2) Includes Promotiva SA, BVIA – BV Investimentos e Participações de Gestão de Recursos SA, BV Corretora de Seguros SA (formerly Votorantim Corretora de Seguros SA), BV Empreendimentos e Participações SA, Atenas SP 02 – Empreendimento Imobiliário Ltda and Promotiva SA until period ended of the respective sale (Note 2d). Does not include transactions between ventures.

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

(4) Includes consolidated investment funds, subsidiaries of BVIA - BV Investimentos e Participações de Gestão de Recursos S.A. and subsidiaries of BV Empreendimentos e Participações S.A., as well as all companies in which key personnel hold an interest or in which they hold a statutory position. The list of funds is described in Note 3.

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

(6) It includes unconsolidated investment funds due to the non-adoption of CPC 18, as well as all companies in which key personnel have a stake or in which they hold a statutory position. The list of funds is described in Note 3e.4.

28. EMPLOYEES BENEFITS

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

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

In the first semester of 2017, the Conglomerate implemented the new Variable Compensation Program. The directors and employees of the Conglomerate are eligible for the program. This program was approved by the Board of Directors on March 09, 2017. and was granted until 2020, with effect until February 2021.

ILP Plan: In 2021, the Conglomerate implemented a long-term incentive plan for executives, which consists of an expectation of the right to receive virtual shares, conditioned to the organization's performance over time, with the objective of (i) attracting, motivating and retaining talent; (ii) alignment of executives' interests with shareholders' objectives and interests; (iii) generation of results and sustainable creation of value (in relation to ESG practices - Environment, Social and Governance, in this year the executives have a specific indicator linked to ESG and its result will impact the variable compensation calculated at the end of the cycle, the higher details in explanatory note 31a); and (iv) creating a long-term vision. This plan lasts for up to 4 years.

Expenses expected to be realized exclusively from the provision of services to the Conglomerate by beneficiaries of variable compensation programs: in the year ended December 31, 2022, R$ 134,210 (R$ 67,335 in the year ended December 31, 2021) in relation to long-term incentive transactions. Incentives generally become a right between 1 and a maximum of 4 years from the grant date.

The following payments were made to employees referring to variable and long-term compensation programs that have already ended:

Year of the program	2022	2021
2016	-	27,625
2017	5,534	5,453
2018	778	674
Total	**6,312**	**33,752**

(Amounts in thousands of Reais, unless otherwise indicated)

On December 31, 2022, the Conglomerate recorded under heading Other liabilities - Provision for personnel expenses the amount of R$ 228,544 (R$ 148,820 on December 31, 2021).

Changes in phantom shares

Virtual Stock Purchase Program	Parent company		Consolidated	
	2022	2021	2022	2021
Opening quantity	**-**	**12,792,843**	**-**	**14,137,436**
Paid	-	(12,743,493)	-	(14,088,086)
Expired	-	(49,350)	-	(49,350)
Final quantity [(1)]	-	-	-	-

[(1)] The Virtual Share Purchase Program ended in the 2016 fiscal year with effect until February 2021.

ILP Plan	Parent company		Consolidated	
	2022	2021	2022	2021
Opening quantity	**21,125**	-	**22,449**	-
New / Updates	25,805	-	28,394	-
Final quantity [(1)]	**46,930**	-	**50,843**	-

[(1)] The ILP Plan for executives came into force in 2021.

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

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

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

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

a) Contingents Assets

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

b) Labor lawsuits

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

c) Tax lawsuits

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

d) Civil lawsuits

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

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

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

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

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

Contingent liability balances classified as probable

	Parent company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Tax claims	46,538	53,398	60,511	73,819
Civil claims	231,454	253,641	242,978	266,316
Labor claims	281,097	372,520	291,703	391,956
Total	**559,089**	**679,559**	**595,192**	**732,091**

(Amounts in thousands of Reais, unless otherwise indicated)

e.1) Movements in provisions for tax, civil and labor demands classified as probable

	Parent company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Tax claims				
Opening balance	**48,945**	**39,236**	**53,398**	**37,235**
Constitutions	3,011	22,891	4,412	22,975
Reversal of provision	(7,040)	(7,488)	(8,663)	(7,523)
Write-off due to payment [1]	-	(3,841)	(7,059)	(3,852)
Updates	1,622	2,600	4,450	4,563
Final balance	**46,538**	**53,398**	**46,538**	**53,398**
Civil claims				
Opening balance	**249,227**	**253,902**	**253,641**	**259,758**
Constitutions	22,672	25,597	44,009	50,946
Reversal of provision	(34,249)	(23,064)	(56,922)	(47,733)
Write-off due to payment [1]	(25,651)	(20,088)	(41,006)	(46,900)
Updates [2]	19,455	17,294	31,732	37,570
Final balance	**231,454**	**253,641**	**231,454**	**253,641**
Labor claims				
Opening balance	**369,826**	**442,294**	**372,520**	**470,740**
Constitutions	78,357	65,331	141,630	179,073
Reversal of provision	(28,540)	(31,103)	(56,682)	(107,800)
Write-off due to payment [1]	(151,593)	(114,143)	(204,806)	(189,941)
Updates [2]	13,047	10,141	28,435	20,448
Final balance	**281,097**	**372,520**	**281,097**	**372,520**
Total tax, civil and labor claims	**559,089**	**679,559**	**559,089**	**679,559**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Tax claims				
Opening balance	**66,650**	**52,127**	**73,819**	**53,301**
Constitutions	23,810	38,729	27,116	39,105
Reversal of provision	(30,754)	(9,774)	(36,701)	(9,966)
Write-off due to payment [1]	(1,326)	(10,060)	(8,837)	(13,402)
Updates	2,131	2,797	5,114	4,781
Final balance	**60,511**	**73,819**	**60,511**	**73,819**
Civil claims				
Opening balance	**259,874**	**267,803**	**266,316**	**273,612**
Constitutions	25,750	28,530	50,146	57,318
Reversal of provision	(36,430)	(24,678)	(61,575)	(51,033)
Write-off due to payment [1]	(27,894)	(22,435)	(46,217)	(52,421)
Updates [2]	21,678	17,096	34,308	38,840
Final balance	**242,978**	**266,316**	**242,978**	**266,316**
Labor claims				
Opening balance	**382,321**	**460,495**	**391,956**	**491,785**
Constitutions	80,189	77,539	145,986	195,901
Reversal of provision	(29,714)	(34,688)	(58,820)	(115,214)
Write-off due to payment [1]	(154,475)	(121,883)	(216,995)	(201,670)
Updates [2]	13,448	10,493	29,642	21,154
Others [3]	(66)	-	(66)	-
Final balance	**291,703**	**391,956**	**291,703**	**391,956**
Total tax, civil and labor claims	**595,192**	**732,091**	**595,192**	**732,091**

(1) Refers to write-off for payment by judicial decision or agreement between the parties. The amount effectively paid is presented in note 23c and 23f.
(2) It includes inflation indexation and the effects of remeasurement of "unit prices", which compose the methodology for calculating losses.
(3) Refers to the sale of the subsidiary Promotiva, which ceased to be consolidated as of December 2022 (Note 2d).

e.2) Expected disbursement schedule on December 31, 2022

	Parent company			Consolidated		
	Tax	Civil	Labor	Tax	Civil	Labor
Up to 5 years	23,334	231,454	281,097	29,190	242,978	291,703
From to 10 years	23,204	-	-	31,321	-	-
Total	**46,538**	**231,454**	**281,097**	**60,511**	**242,978**	**291,703**

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

(Amounts in thousands of Reais, unless otherwise indicated)

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

	Parent company			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Tax claims	2,407	(14,162)	6,860	(16,163)
Civil claims	17,773	261	22,187	6,117
Labor claims	88,729	69,774	91,423	98,220
Total	**108,909**	**55,873**	**120,470**	**88,174**

	Consolidated			
	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Tax claims	6,139	(21,692)	13,308	(20,518)
Civil claims	16,896	1,487	23,338	7,296
Labor claims	90,552	68,539	100,187	99,829
Total	**113,587**	**48,334**	**136,833**	**86,607**

f) Contingent liabilities - Possible loss

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

f.1) Balances of contingent liabilities classified as possible

	Parent Company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Tax claims (Note 29.f.1.1)	2,060,157	1,881,740	2,445,438	2,239,056
Civil claims [(1)]	134,081	122,950	145,938	139,108
Labor claims [(2)]	226,586	223,760	233,902	250,663
Total	**2,420,824**	**2,228,450**	**2,825,278**	**2,628,827**

(1) Refer, basically, to collection actions.

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

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

	Parent Company		Consolidated	
Possible causes description - Tax	12.31.2022	12.31.2021	12.31.2022	12.31.2021
INSS without profit sharing [(1)]	762,184	678,211	785,574	699,820
IRPJ/CSLL - PDD Deduction 2014/2016 [(2)]	479,015	316,479	584,326	412,534
IPVA - Third parties [(3)]	130,692	164,497	131,076	172,530
IRPJ/CSLL - Deduction PDD 2008	177,016	166,645	177,016	166,645
ISS VRG [(4)]	-	-	160,803	143,476
IRPJ/CSLL on JCP cumulatively distributed of previous periods [(5)]	143,508	111,104	172,068	137,376
PF and BNCSLL: excess of compensation AB 2012	99,838	92,955	99,838	92,955
IRRF from remittances abroad: impossibility of compensation [(6)]	-	50,083	-	50,083
PIS/COFINS on demutualization	20,040	22,227	45,473	46,725
ISS	26,640	22,325	48,411	42,384
INSS on profit sharing - Nassau Branch	46,410	42,040	46,410	42,040
IRPJ on undue offset of tax loss - Gratuities to statutory officers	33,024	30,186	33,024	30,186
IRPJ/CSLL - Undue exclusion: goodwill on the acquisition of foreign government bonds	27,545	24,912	27,545	24,912
INSS - Benefits (VA/VR) [(7)]	-	23,413	-	23,413
IRPJ - FINOR	8,129	7,659	12,054	11,403
Others causes	106,116	129,004	121,820	142,574
Total	**2,060,157**	**1,881,740**	**2,445,438**	**2,239,056**

(1) Refer to assessments drawn up by the Brazilian Internal Revenue Service that deal with the collection of Social Security Contribution calculated on the amounts paid by companies as PLR supposedly in disagreement with the rules established by Law nº. 10,101/2000.

(2) Refer to assessments drawn up on the Brazilian Internal Revenue Service alleging the improper deduction of losses in Loans for allegedly not meeting legal requirements.

(3) Refer to the discussion about the responsibility for the payment of IPVA of vehicles financed with fiduciary alienation in guarantee only in cases in which the fiduciary creditor performs the guarantee.

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

(5) Refer to the possibility of distribution of the accumulated JCP based on the profits earned in previous years, within the legal limit of 50% of the profit calculated in the distribution year.

(6) In the year ended December 31, 2022, the validity of the compensation was definitively recognized, with only the debts related to the isolated fine being discussed, which were reclassified to remote, due to the success obtained in the main lawsuit.

(7) In the year ended December 31, 2022, the prognosis was changed from possible to remote, due to the success obtained in previous processes that originated from the same credit.

(Amounts in thousands of Reais, unless otherwise indicated)

g) Deposits as collateral

Balances of escrow deposits recognized for contingencies

	Parent company		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Tax claims	223,643	205,966	260,809	240,504
Civil claims	126,059	146,728	137,487	160,249
Labor claims	118,903	171,727	120,105	172,856
Total	**468,605**	**524,421**	**518,401**	**573,609**

h) Legal obligations

The Consolidated maintains the legal obligation in the amount of R$ 66,099 (R$ 59,394 on December 31, 2021) recorded under Other liabilities, with the Bank recording the amount of R$ 57,147 (R$ 52,325 on December 31, 2021), whose main discussion lies in a declaratory action in which the aim is to remove the incidence of ISS on revenues arising from surety, surety and other guarantees provided, as well as to obtain the refund of the amounts paid in this capacity in the last five years, whose provisioned amount at the Bank is R$ 36,230 (R$ 32,013 on December 31, 2021).

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

i) Public civil lawsuits

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

Main themes discussed in these lawsuits, which we can highlight are lawsuits of collection of tariffs and issues involving payroll credit to INSS retirees and pensioners, and CDC (direct credit to consumers).

30. RISK AND CAPITAL MANAGEMENT

1) Risk management process

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

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

- Credit risk;
- Counterpart credit risk;
- Credit concentration risk;
- Market risk;
- Interests rate variation of banking portfolio risk (RBAN);
- Liquidity risk;
- Operational risk;
- Reputation risk;
- Strategy risk;
- Social risk;
- Environmental risk;
- Climate risk.
- Models risk;
- Compliance risk;
- Underwriting risk;
- Collateral risk;
- Technology risk;
- Cyber security risk; and
- Contagion risk;

The levels of risk exposure are monitored through a risk limit framework, incorporated into the Conglomerate's daily activities. Senior Management is involved by following through and performing actions that are necessary for risk management.

(Amounts in thousands of Reais, unless otherwise indicated)

Compliance framework for capital and risks management comprise the entire Prudential Conglomerate and is composed, besides the respectives teams and directors responsible for risks and ALM (Asset Liability Management), also for collegiate forums, domestic and corporative, formally organized and with ranges representatives. Each compliance board have role, scope and composition determined by normative, that orientates about the rules, responsibilities and limits according to business strategies and market scenarios. Main forums are:

- Board of Controls and Risks and Board of ALM and taxes are the main internal management forums of risk and capital. In addition, the Executive Board (ComEx) has by assignment the general supervision of such matters.
- Board of Risks and Capital (CRC) is in charge of assist the Board of Directors, in accordance with Resolution no. 4,557/2017 from BACEN, in the creation of a capital allocation strategy for the Conglomerate, in note to the risk appetite statement (RAS) and in the risk and capital monitoring, besides coordinate its activities with the Audit Board (COAUD), in order to turn the exchange of information easy, the necessary adjustments to the risks and capital compliance framework and guarantee the effective treatment to the risks the Conglomerate is exposed.

Risk appetite consists in risk statement that the Institution is inclined to accept to reach its goals, and is tracked through the indicators and its respective limits. Risks appetite statement is approved by the Board of Directors and reflects the expectation of the Senior Management and orientates the strategic planning and budget, permeating the Institution. As of this certificate, its monitoring happens through a dashboard composed by indicators and limits that are monthly followed-up in the competent ranges, besides shares, complementary monitoring and specific projects.

The Conglomerate has general and specific structures and policies for risk and capital management, in accordance with CMN Resolution No. 4,557/2017, approved by the Board of Directors and the basic principles observed in the management and control of risks and capital were established in accordance with current regulations and market practices.

In addition emphasize that the Institution realizes the Internal Capital Adequacy Assessment Process (ICAAP), in line with CMN Resolution No. 4,557/2017, Bacen Circular No. 3,911/2018 and Bacen Circular-letter No. 3,907/2018, and the respective report is annually disclosed to Bacen, comprising the plan of capital, stress test, plan of capital and management contingencies and the assessment of capital need before the relevant risks the Institution is exposed, among other subjects.

Detailed information on the risk and capital management process can be observed in the document "Risk and Capital Management Report", prepared based on compliance with BCB Resolution No. 54/2020, available on the Investor Relations website at www.bancobv.com.br/ri. Below are the definitions of the main risks of the Conglomerate.

a) Credit risk

(i) Definition

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

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

(ii) Financial guarantees provided

	Parent company and Consolidated			
	12.31.2022		31.12.2021	
	Guaranteed values	Provision	Guaranteed values	Provision
Linked to bids, auctions, provision of services or execution of works	1,297,443	6,198	955,502	3,060
Guarantee or surety in judicial and administrative tax proceedings	3,366,601	163,906	3,197,605	163,868
Linked to the distribution of securities by public offering	518,806	94	257,278	86
Other bank guarantees	2,274,695	19,649	2,312,293	34,458
Other financial guarantees provided	172,653	11	186,153	3
Total	**7,630,198**	**189,858**	**6,908,831**	**201,475**

b) Market risk

(i) Definition

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

(ii) Sensitivity analysis

Conglomerate uses two methodologies for sensitivity analysis of its exposures:

(Amounts in thousands of Reais, unless otherwise indicated)

Sensitivity analysis 1

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

Trading portfolio

Risk Factor	Concept	Exposure	Basic interest rate shock			
			12.31.2022		12.31.2021	
			+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	200,629	6,148	(6,026)	106	(104)
Foreign currency coupons	Foreign currency coupon exchange movements	(2,821)	(345)	338	7,191	(7,049)
Price indexes	Price indexes coupons variation risk	(47,734)	886	(868)	(1,333)	1,306

Trading and banking portfolio

Risk Factor	Concept	Exposure	Basic interest rate shock			
			12.31.2022		12.31.2021	
			+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	18,787,258	(206,083)	202,002	(186,677)	182,980
Foreign currency coupons	Foreign currency coupon exchange movements	(1,442,672)	(24,956)	24,462	48,703	(47,739)
Price indexes	Price indexes coupons variation risk	75,773	(3,520)	3,450	(9,578)	9,388
TR/TBF	Risk of TR (reference rate) and TBF (basic financial rate) coupon variation	14,981	(377)	370	(48)	47

Sensitivity analysis 2

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

• **Scenario 1** - In the construction of this scenario, the currencies suffer shocks of 1% on the closing value. The stressed value of the US dollar (BM&F's DOL-CL) would be R$ 5.3444 (101% of BRL 5.2915) (R$ 5.5779 on December 31, 2021). The shocked BOVESPA index is 110,832 points, equivalent to 101% of the closing value on December 31, 2022 (105,871 points on December 31, 2021). Pre-fixed interest curves, price index coupons, foreign currency coupons and other interest rate coupons suffer parallel shocks of 10 basis points, that is, all values, regardless of the term, increase or decrease in 0.10%.

• **Scenario 2** - Scenario where currencies and the BOVESPA index suffer shocks of 25% and interest rates suffer parallel shocks of 25% on the closing value. The pre rate, on December 31, 2022, for a one-year term is 13.41% (11.80% on December 31, 2021). Thus, the entire curve is shocked by 3.35%, more or less, depending on the hypothetical result generated (2.95% on December 31, 2021).

• **Scenario 3** - Scenario where currencies and the BOVESPA index suffer shocks of 50% and interest rates suffer parallel shocks of 50% on the closing value.

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

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

(Amounts in thousands of Reais, unless otherwise indicated)

Trading portfolio

Risk Factor / Concept	Exposure	Scenario I		Scenario II		Scenario III	
		Movements of rates	Income (loss)	Movements of rates	Income (loss)	Variation of taxes	Result
	12.31.2022						
Fixed rate / Fixed interest rate variation risk	200,629	Increase	609	Decrease	(20,208)	Decrease	(40,416)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(2,821)	Increase	(34)	Increase	(526)	Increase	(1,052)
Foreign exchange movements / Exchange rate movements risk	1,064,036	Increase	10,640	Decrease	(266,009)	Decrease	(532,018)
Price index / Price indexes coupons variation risk	(47,734)	Increase	88	Decrease	(1,433)	Decrease	(2,866)
	12.31.2021						
Fixed rate / Fixed interest rate variation risk	676,492	Increase	52	Decrease	(1,675)	Decrease	(3,729)
Foreign currency coupons / Foreign currency coupon exchange movements risk	1,446,655	Increase	(816)	Increase	(1,945)	Increase	(3,882)
Foreign exchange movements / Exchange rate movements risk	2,005,058	Increase	19,969	Decrease	(513,924)	Decrease	(1,023,743)
Price index / Price indexes coupons variation risk	47,172	Increase	(194)	Increase	(2,198)	Increase	(3,605)
Other / Other coupons movements risk	2,552	Increase	21	Decrease	(1,220)	Decrease	(2,530)

Trading and Banking Portfolio

Risk Factor / Concept	Exposure	Scenario I		Scenario II		Scenario III	
		Movements of rates	Income (loss)	Movements of rates	Income (loss)	Variation of taxes	Result
	12.31.2022						
Fixed rate / Fixed interest rate variation risk	18,787,258	Increase	(20,404)	Increase	(691,050)	Increase	(1,382,099)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(1,442,672)	Increase	(2,471)	Increase	(38,051)	Increase	(76,103)
Foreign exchange movements / Exchange rate movements risk	71,420	Increase	714	Decrease	(17,855)	Decrease	(35,710)
TJLP / TJLP coupon movements risk	3,818	Increase	(5)	Increase	(111)	Increase	(222)
TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk	14,981	Increase	(37)	Increase	(246)	Increase	(491)
Price index / Price indexes coupons variation risk	75,773	Increase	(348)	Increase	(5,809)	Increase	(11,618)
	12.31.2021						
Fixed rate / Fixed interest rate variation risk	(2,305,895)	Increase	(16,593)	Increase	(472,276)	Increase	(911,620)
Foreign currency coupons / Foreign currency coupon exchange movements risk	1,219,867	Increase	6,250	Decrease	(16,254)	Decrease	(32,705)
Foreign exchange movements / Exchange rate movements risk	(56,928)	Increase	495	Decrease	(29,560)	Decrease	(57,266)
TJLP / TJLP coupon movements risk	(15,048)	Increase	(6)	Increase	(73)	Increase	(142)
TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk	20,929	Increase	218	Maintenance	-	Maintenance	-
Price index / Price indexes coupons variation risk	682,265	Increase	(985)	Increase	(11,895)	Increase	(21,081)
Other / Other coupons movements risk	2,610	Increase	21	Decrease	(1,220)	Decrease	(2,530)

(iii) Stress tests

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

Retrospective tests

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

• Extension of the historical series for determining the scenarios is 5 years from the base date of the stress scenario;
• Maintenance period: 10-business-day accumulated returns;
• Test frequency: daily

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

For the estimates of gains and losses of the retrospective stress test in the Consolidated Portfolio, on December 31, 2022 and based on the perception of senior Management regarding the behavior of stocks, commodities, foreign currencies and interest rates, two scenarios were used:

(Amounts in thousands of Reais, unless otherwise indicated)

Scenario I - In this scenario, yield curves suffer positive parallel shocks; the exchange rate (reais/dollar) considered is R$ 5.9874 (R$ 6.3115 on December 31, 2021); commodities suffer positive shocks of 10% on the closing value on December 31, 2022; and a negative variation of - 15.28% is applied to the BOVESPA Index (the same rates were used on December 31, 2021).

Scenario II - In this scenario, yield curves suffer parallel negative shocks; the exchange rate (reais/dollar) considered is R$ 4.7188 (R$ 4.9742 on December 31, 2021); commodities suffer negative shocks of 10% on the closing value on December 31, 2022; and a positive variation of 24.49% of the BOVESPA Index is applied (the same rates were used on December 31, 2021).

Chart amounts represent greatest losses and gains of the Consolidated Portfolio considering scenarios of the historic series used for the simulation.

Results of the retrospective stress test on consolidated portfolio, in accordance with the Conglomerate's market risk stress test program, are as follows.

Estimates of retrospective stress test greatest losses - Consolidated portfolio

Risk Factor	12.31.2022		12.31.2021	
	Exposure	Stress [1]	Exposure	Stress [1]
Shares	-	-	2,610	(1,797)
Foreign currencies	71,420	(25,631)	(56,928)	(11,392)
Interest rate	17,439,158	(339,873)	(397,882)	(282,723)
Total	**17,510,578**	**(365,504)**	**(452,200)**	**(295,912)**

Estimates of retrospective stress test greatest gains - Consolidated portfolio

Risk Factor	12.31.2022		12.31.2021	
	Exposure	Stress [1]	Exposure	Stress [1]
Shares	-	-	2,610	86
Foreign currencies	71,420	8,276	(56,928)	10,040
Interest rate	17,439,158	290,341	(397,882)	223,992
Total	**17,510,578**	**298,617**	**(452,200)**	**234,118**

(1) The optimistic and pessimistic stress tests for the group of stocks are done only under the BOVESPA index.

(iv) Fair value hierarchy

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

Fair value is determined according to the following hierarchy:

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

The following table presents financial instruments recorded at fair value on December 31, 2022 and 2021, classified in the different hierarchical levels of measurement at fair value:

(Amounts in thousands of Reais, unless otherwise indicated)

Consolidated	12.31.2022				12.31.2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset								
Hedged interbank investments (Nota 10g)	-	-	-	-	-	402,746	-	402,746
Securities (Note 9a)	13,914,039	8,456,959	1,083,916	23,454,914	14,592,676	6,796,323	712,763	22,101,762
Trading securities	7,147,112	220,667	8,000	7,375,779	4,732,679	1,664,200	-	6,396,879
Securities available to sale	6,766,927	8,236,292	1,075,916	16,079,135	9,859,997	5,132,123	712,763	15,704,883
Derivatives financial instruments (Note 10a)	47,321	1,259,848	-	1,307,169	21,357	3,692,400	-	3,713,757
Hedged loan portfolio (Note 10g)	-	16,936,827	-	16,936,827	-	16,744,958	-	16,744,958
Total	**13,961,360**	**26,653,634**	**1,083,916**	**41,698,910**	**14,614,033**	**27,636,427**	**712,763**	**42,963,223**
Liability								
Money market repurchase commitments - Free portfolio (Note 18c)	-	(496,988)	-	(496,988)	-	(582,751)	-	(582,751)
Derivatives financial instruments (Note 10a)	(15,245)	(1,790,355)	-	(1,805,600)	(35,545)	(2,329,794)	-	(2,365,339)
Total	**(15,245)**	**(2,287,343)**	**-**	**(2,302,588)**	**(35,545)**	**(2,912,545)**	**-**	**(2,948,090)**

The fair value of financial instruments traded in active markets (such as securities held for trading and available for sale) is based on market prices quoted on the balance sheet date. A market is seen as active if quoted prices are readily and regularly available from an exchange, distributor, broker, industry group, pricing service or regulatory agency, and those prices that represent actual market transactions and occur regularly on a purely commercial.

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

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

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

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

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

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

The quality of and adherence to the models used are guaranteed through a structured governance process. The areas responsible for defining and implementing the pricing models are segregated from the business areas. The models used are documented and submitted to validation of an independent area and approved by the Market Risk Committee.

(v) Transfers of level 3

Consolidated	Balance as of 12.31.2021	2022			Balance as of 12.31.2022
		Transfers between levels [1]	Additions / (settlements)	Income (loss) / Other changes	
Assets					
Securities					
Securities for trading	-	12,432	-	(4,432)	8,000
Securities available to sale	712,763	294,911	9,514	58,728	1,075,916
Total	**712,763**	**307,343**	**9,514**	**54,296**	**1,083,916**

[1] These assets were reclassified between levels 1, 2 and 3 due to periodic review of the hierarchy.

(Amounts in thousands of Reais, unless otherwise indicated)

Consolidated	Balance as of 12.31.2020	2021 Additions / (settlements)	2021 Income (loss) / Other changes	Balance as of 12.31.2021
Assets				
Securities				
Securities available to sale	575,439	64,121	73,203	712,763
Total	**575,439**	**64,121**	**73,203**	**712,763**

(vi) Fair value of financial instruments measured at adjusted cost

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

Consolidated	12.31.2022		31.12.2021	
	Book value	Fair value	Book value	Fair value
Assets	**65,642,271**	**64,950,746**	**68,048,099**	**67,367,302**
Compulsory deposits at the Central Bank of Brazil (Note 11b)	1,961,377	1,961,377	1,492,118	1,492,118
Liquidity interbank investments (Notes 7 / 8a)	1,739,153	1,739,153	6,079,979	6,079,979
Securities - Held to Maturity (Note 9a)	17,084,433	16,393,351	13,796,106	13,115,352
Loan portfolio (Notes 12a / 30.1.b.iv)	42,049,456	42,049,013	44,333,258	44,333,215
Other financial assets (Note 13a)	2,807,852	2,807,852	2,346,638	2,346,638
Liabilities	**(100,222,246)**	**(98,923,239)**	**(98,321,605)**	**(99,527,169)**
Money market repurchase commitments (Notes 18c / 30.1.b.iv)	(17,780,823)	(16,907,990)	(16,237,842)	(16,102,470)
Deposits (Note 18a)	(23,425,325)	(23,249,413)	(24,046,720)	(24,650,396)
Borrowings and transfers from Brazilian government (Onlendings) (Note 19)	(6,641,007)	(6,609,937)	(5,102,555)	(5,038,626)
Securities issued (Note 20)	(39,957,617)	(39,593,096)	(38,273,281)	(38,797,695)
Subordinated debts and debt instruments eligible for capital (Note 21)	(2,667,634)	(2,812,963)	(3,588,447)	(3,865,222)
Other financial liabilities (Note 22a)	(9,749,840)	(9,749,840)	(11,072,760)	(11,072,760)
Total	**(34,579,975)**	**(33,972,493)**	**(30,273,506)**	**(32,159,867)**

Metrics used to determine the fair value of the main financial instruments

Interbank investments: For operations in this group, the book value was considered as an approximation equivalent to fair value, as they are mostly short-term operations.

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

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

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

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

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

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

Subordinated debt and debt instruments eligible for equity: For the operations of this group, the discounted future flow values were used to calculate the fair value, considering the prevailing market rates.

c) Liquidity risk

(i) Definition

Liquidity risk is defined as:

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

d) Operational risk

(i) Definition

Operational risk is defined as the possibility of losses resulting from external events or from failure, deficiency or inadequacy of internal processes, people or systems. This definition includes the legal risk associated with inadequacies or deficiencies in contracts signed by the Conglomerate, sanctions due to non-compliance with legal provisions and indemnities for damages to third parties arising from the activities carried out by the Conglomerate. Operational risk events include:

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

e) Social, environmental and climatic risk

(i) Definition

Social and environmental risk are defined, under the terms of CMN Resolution No. 4,943/2021, as the possibility of losses occurring for the Institution caused, respectively, by events associated with (i) practices that violate fundamental rights and guarantees or common interests, and (ii) acts of degradation of the environment. Climate risk is defined, in its aspects, as transition risk, related to the transition process to a low-carbon economy, and physical risk, related to the occurrence of frequent and severe weather or by long-term environmental changes, which may be associated with changes in weather patterns.

(ii) Management of social, environmental and climate risk

The Conglomerate's social, environmental and climate risk management is based on the requirements of CMN Resolution No. 4,943/2021, which came into force in July 2022. In addition to establishing a specific definition for social and environmental risk and introducing the concept of climate risk, the resolution established new rules for the structure of the integrated management of social, environmental and climate risks and their interactions with the other risks incurred by the Institution.

The Social, Environmental and Climate Responsibility Policy (PRSAC) also touches on the management of social, environmental and climate risk. This policy complies with the provisions of the new CMN Resolution No. 4,945/2021, which came into effect in July 2022, and the Febraban SARB No. 14 self-regulation, guiding the behavior of the Conglomerate companies with regard to social, environmental and climate practices business processes and stakeholder relationships.

In this sense, the social, environmental and climate risk management structure of Banco BV is responsible for identifying, classifying, evaluating, monitoring, mitigating and controlling the risks incurred in the Institution's activities and operations, in accordance with the regulatory requirements and following the principles of relevance and proportionality dealt with in CMN Resolution No. 4,557/2017.

Therefore, social, environmental and climate risk management observes the applicable environmental legislation, as well as evaluates the socio-environmental and climate aspects with which the customer, supplier or investee is involved, in order to support the decision-making of the competent areas during the credit granting processes, evaluation of real estate guarantees, approval of suppliers, funding sources, new investments, products and services.

Demonstrating the importance of the subject for the Institution, the risk appetite (RAS) of Banco BV includes an exclusive dimension on social, environmental and climate risk, being monitored monthly and reported to the Controls and Risks Committee (CCR), Risks Committee and Capital (CRC) and Board of Directors (CA).

Within the scope of granting credit, management of social, environmental and climate risk is carried out through specific analysis methodologies that determine the ESG Rating, included in the Credit Rating attribution process. The identified data relating to social, environmental and climate risks incurred from exposures in credit operations and securities will be sent to Bacen, through document 2030 - Social, Environmental and Climate Risk Document (DRSAC), from the base date of June 2023, as required by BCB Resolution No. 151/2021.

Climate risk was set out as one of the requirements of the risk management structure of the Institutions, according to CMN Resolution No. 4,943/2021, which they must identify, measure, evaluate, monitor, report, control them and mitigate them. In compliance with the regulatory scenario, a Climate Change assessment pillar was established as one of the ESG Rating variables within the scope of credit granting. Additionally, the Institution has developed methodologies aimed at assessing the physical and transition risks incurred in the relationship with the Wholesale counterparties, with the aim of assessing the portfolio's exposure to climate change in its two aspects, either due to the organization's vulnerability to negative impacts from the transition to a low-carbon economy (Transition Risk), or the physical effects of climate change on its customers (Physical Risk).

It should also be noted that the Institution became a signatory to the Equator Principles (EP) in 2016, in line with the Conglomerate's PRSAC. The PE is a global initiative that establishes guidelines for the identification, assessment, and management of environmental and social risks in project finance (in operations above US$ 10 million) and corporate financing for projects. These guidelines also stipulate a minimum standard for carrying out due diligence during the implementation of these projects and help in making credit decisions.

2) Capital management

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

In accordance with Resolutions no. 4,557/2017, of National Monetary Council (CMN), and Bacen Circular no. 3,846/2017, the Conglomerate has structure and policies for capital management approved by the Board of Directors, in compliance with Internal Capital Adequacy Assessment Process (ICAAP), contemplating the following items:

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

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

(i) Capital ratios

The capital ratios are calculated according to the criteria established by CMN Resolutions 4,955/2021 and 4,958/2021, which deal with the calculation of the Reference Equity (PR) and the Minimum Required Reference Equity (PRMR) in relation to the Assets Weighted by the Risk (RWA), respectively, as follows:

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

The Leverage Ratio (RA), as established by BACEN Circular No. 3,748/2015, is defined by the Tier I ratio over the Conglomerate's Total Exposure. The minimum limit of the Leverage Ratio (RA) is 3%, according to Resolution No. 4,615 of the National Monetary Council.

CMN Resolution No. 4,955/2021 defines the items referring to prudential adjustments deducted in full from the Reference Equity:

(i) goodwill paid on the acquisition of investments based on expected future profitability, net of deferred tax liabilities associated therewith;

(ii) intangible assets;

(iii) actuarial assets related to defined benefit pension plans net of related deferred tax liabilities associated to them;

(iv) Investments in a) entity similar to unconsolidated financial institution, insurance company, reinsurer, capitalization company and open entity of supplementary pension; and b) an institution authorized to operate by The Central Bank of Brazil or in an institution located abroad that has an activity equivalent to that of a financial institution in Brazil, which does not compose the conglomerate;

(v) participation of non-controlling shareholders in the capital of a) subsidiary that is an institution authorized to operate by Bank Central do Brasil; and b) subsidiary abroad that has an activity equivalent to that of a financial institution in Brazil;

(vi) tax credits arising from temporary differences that depend on the generation of profits or future tax revenues for their realization;

(vii) tax credits arising from tax losses and negative basis of social contribution on net income. The Conglomerate considers the effects of the application of § 10 of Article 5 of CMN Resolution No. 4,955/2021, which authorizes financial institutions to stop deducting from the Principal Capital, tax credits from tax losses arising from a short position in foreign currency held with the objective of providing hedge for its participation in investments abroad, in the following schedule: I - at least 50% (fifty percent), until June 30, 2022; and II - 100% (one hundred percent), until December 31, 2022;

(viii) Non-controlling interest in the capital of: a) subsidiary in the country that is not an institution authorized to operate by the Central Bank of Brazil; and b) subsidiary abroad that does not carry out an activity equivalent to that of a financial institution in Brazil;

(ix) Among others.

CMN Resolution No. 4,955/2021 came into force on January 3, 2022 and revoked CMN Resolution No. 4,192/2013. There were no relevant impacts on the calculation of the Reference Equity of the Prudential Conglomerate with this regulatory change.

The scope of consolidation used as a basis for verifying operating limits considers the Prudential Conglomerate, defined in CMN Resolution No. 4,950/2021 and revoked CMN Resolution No. 4,280/2013. There were no relevant impacts on the calculation of the Reference Equity of the Prudential Conglomerate with this regulatory change.

(Amounts in thousands of Reais, unless otherwise indicated)

(ii) Capital sufficiency (regulatory view)

The analysis of capital sufficiency in the regulatory view aims to assess whether the Company has Reference Equity (Available Capital) at a level higher than the capital required to cover Pillar I risks, plus the additional requirement to cover the risk of variation in rates interest on operations not classified in the trading book (IRRBB) according to BCB Resolution No. 48/2020.

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

The information on the Basel Ratio of the Prudential Conglomerate is presented below:

Basel ratio	12.31.2022	12.31.2021
PR - Reference Equity	**11,361,496**	**12,209,489**
Level I	**10,445,533**	**11,419,468**
Complementary Capital	**537,380**	**1,683,059**
Common Equity	**9,908,153**	**9,736,409**
Shareholders' equity [1]	12,656,845	11,390,169
Prudential adjustments [2]	(2,748,692)	(1,653,760)
Others	(2,746,908)	(1,652,121)
Adjustment to fair value	(1,784)	(1,639)
Level II	**915,963**	**790,021**
Subordinated debts eligible as capital	915,963	790,021
Subordinated debts authorized in accordance with CMN Resolution No. 4,955/2021 [3]	915,963	790,021
Risk-weighted assets (RWA)	**79,548,776**	**77,154,848**
Credit risk (RWACPAD)	71,566,189	69,307,571
Market risk (RWAMPAD)	687,289	909,356
Operational risk (RWAOPAD)	7,295,298	6,937,921
Minimum Required Regulatory Capital [4]	**6,363,902**	**6,172,388**
Minimum Required Capital [5]	**3,579,695**	**3,471,968**
Tier I Minimum Required Reference Equity [6]	**4,772,927**	**4,629,291**
Regulatory Capital determined to cover interest rate risk of transactions not classified in trading portfolio (RBAN)	**726,774**	**310,146**
Margin on Minimum Required Regulatory Capital	**4,997,593**	**6,037,101**
Margin on Minimum Required Capital	**6,328,458**	**6,264,441**
Margin on Minimum Required Tier I Regulatory Capital	**5,672,606**	**6,790,178**
Margin on Minimum Required Regulatory Capital including RBAN and ACP [7]	**2,282,101**	**4,183,859**
Common Equity Index (CP / RWA)	**12.46%**	**12.62%**
Tier I Capital Index (Tier I / RWA)	**13.13%**	**14.80%**
Basel ratio (PR / RWA)	**14.28%**	**15.82%**
Leverage ratio	**7.20%**	**8.02%**

(1) According to article art. 4, § 2 of CMN Resolution No. 4,955/2021, the amounts related to adjustments to the fair value of derivative financial instruments used to hedge the cash flow of hedged items that do not have their fair value adjustments recorded in the books do not make up the basis of calculation for purposes of calculating the Reference Equity. The amounts reported include these adjustments.

(2) They consider the effects of the application of § 10 of Article 5 of CMN Resolution No. 4,955/2021, which authorizes financial institutions to stop deducting from the Principal Capital, tax credits from tax losses arising from a short position in foreign currency carried out with the objective of to provide hedge for its participation in investments abroad in the following schedule: I - at least 50% (fifty percent), until June 30, 2022; and II - 100% (one hundred percent), until December 31, 2022.

(3) The balance of Subordinated Debt instruments issued prior to CMN Resolution No. 4,955/2021 was considered with the application of the reducers established in art. 27 of the aforementioned Resolution.

(4) Corresponds to the application of the factor “F” to the amount of RWA, with “F” being equal to 8% of the RWA.

(5) It represents at least 4.5% of RWA.

(6) It represents at least 6% of RWA.

(7) Additional Principal Capital (ACP) which corresponds to the Conservation Additional and Countercyclical Additional.

Prudential Adjustments deducted from Common Equity:

	12.31.2022	12.31.2021
Prudential Adjustments I - Goodwill paid	(184,611)	(101,827)
Prudential Adjustments II - Intangible assets	(1,049,187)	(647,617)
Prudential Adjustments VII - Deferred tax assets from Intertemporal differences	(451,864)	(169,013)
Prudential Adjustments VIII - Deferred tax assets of Tax losses/negative basis of CSLL	(1,061,246)	(733,664)
Prudential Adjustments XV – Understatement - Resolution No. 4,277/2013 Adjustments	(1,784)	(1,639)
Total	**(2,748,692)**	**(1,653,760)**

Fixed asset index

The fixed assets index of the Prudential Conglomerate totaled 0,012% (0,018% on December 31, 2021), being determined in accordance with CMN Resolutions No. 4,957/2021, which came into effect on January 3, 2022. There were no relevant impacts on the determination of the fixed assets ratio of the Prudential Conglomerate with this normative change.

(Amounts in thousands of Reais, unless otherwise indicated)

	12.31.2022	12.31.2021
Fixed assets limit	**5,680,747**	**6,104,745**
Value of fixed assets limit position	1,382,286	2,220,489
Value of margin or insufficiency	4,298,461	3,884,256

In accordance with BCB Resolution nº 54/2020, the Conglomerate holds additional information of its procedure of capital and risks management in the website: www.bancobv.com.br/ri.

31. ENVIRONMENT, SOCIAL AND GOVERNANCE - ESG PRACTICES

a) Governance and regulation

In May 2021, the bank launched its long-term ESG commitments, until 2030, called the “Pact for a lighter future”, which defines 5 public goals that will guide the Conglomerate's actions, divided into 3 pillars: climate change, sustainable business and diversity. In addition, the bank has included sustainability goals in the variable compensation of executives and in the strategic planning, as described in note 28. In June 2022, the Board of Directors approved the creation of the ESG Committee to advise on socio-environmental aspects.

In the context of the Sustainability dimension of the BC# Agenda, the Central Bank of Brazil (Bacen), using as a reference the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a task force created in 2015 by the Financial Stability Committee (FSB), published in September 2021: BCB Resolution No. 139 and BCB Normative Instruction No. 153, which provide for the Social, Environmental and Climate Risks and Opportunities Report (GRSAC) and enter into force in December 2022 and CMN Resolution No. 4,945/2021 which provides for the Social, Environmental and Climate Responsibility Policy (PRSAC), and comes into force in July 2022 for an institution classified under S2, which is the case of Banco BV.

The socio-environmental risk management guidelines and definitions established by CMN Resolution No. 4,327/2014 will be replaced by CMN Resolution No. 4,943/2021, which amends CMN Resolution 4,557/2017, to include a specific section with definitions and requirements for managing social, environmental and climate risks applicable to Financial Institutions, coming into force in July 2022 for an institution classified under S2, which is the case of Banco BV. Additional information on social, environmental and climate risk and its management by the Conglomerate is described in note 30.1.e.

In June 2022, the Federal Accounting Council created, through CFC Resolution n°1.670/2022, the Brazilian Sustainability Pronouncements Committee, which aims to study and prepare technical documents on sustainability disclosure standards and the disclosure of information of this nature.

b) Environment

Banco BV is one of the main banks that finance photovoltaic panels for solar energy for residential use and on December 31, 2022 this portfolio is R$ 4,640,703 (R$ 2,513,353 on December 31, 2021).

In March 2020, banco BV carried out the first issuance of a green bond in the amount of R$ 255,535 recorded under the heading of Resources from acceptance and issuance of bonds, which were allocated to assets or projects related to the generation of renewable energy , such as financing solar panels and developing wind farms. The bank's inaugural issue obtained the international certification of the Climate Bonds Standard, which is coordinated by the Climate Bonds Initiative (CBI). CBI is a non-profit organization focused on promoting large-scale investments in the low-carbon economy. It is the only organization in the world that has Climate Bonds Standard and Sectoral Criteria to certify emissions as green. Issue materials such as the Green Bond Framework, Second-Party Opinion, Green Bond Annual Report, and Post-issuance Verification can be found at www.bancobv.com.br.

In the year ended December 31, 2022, Banco BV carried out new issues of green bonds (CDB green) in the amount of R$ 593,255. In July and October 2022, the bank completed funding operations in the amount of R$ 269,960 (USD 50,000) and R$ 517,000 (USD 100,000), respectively, from the International Finance Corporation (IFC), whose resources will be used to expand access financing sustainable vehicles in Brazil, including electric, hybrid and multi-fuel vehicles, contributing to the reduction of greenhouse gas emissions in the country.

Funding	Currency	issued amount	Interest rates p.a.	Issuance year	Maturity year	Parent Company and Consolidated	
						12.31.2022	12.31.2021
Deposits (Note 18a)						**317,315**	**-**
Term deposits						**317,315**	**-**
Variable rate	R$	10,000	107,30% p.a. of DI	2022	2024	10,913	-
Foreign exchange	USD	56,250	from 97,80% p.a. to 100,60% p.a. + exchange variation	2022	2023	306,402	-
Resources for acceptance and issuance of securities (Note 20)						**1,173,233**	**1,082,731**
Obligations for TVM abroad						**262,770**	**280,739**
Foreign exchange	USD	50,000	3,35% p.a. + exchange variation	2020	2024	262,770	280,739
Financial bills						**910,463**	**801,992**
Variable rate	R$	298,150	from 1,03% p.a. to 1,37% p.a. + DI	2021	2025	351,249	302,919
Variable rate	R$	466,700	from 5,26% p.a. to 5,84% p.a. + IPCA	2021	2027	559,214	499,073
Borrowings and onlendings (Note 19b)						**790,148**	**-**
Borrowing obligations						**790,148**	**-**
Taken from bankers abroad	USD	150,000	from 5,05% p.a. to 5,54% p.a. + exchange variation	2022	2027	790,148	-
Total						**2,280,696**	**1,082,731**

(Amounts in thousands of Reais, unless otherwise indicated)

In November 2020, banco BV announced a public commitment to offset all CO_2 emissions from cars financed from 2021 onwards.) the provision for CO_2 expenses, against the corresponding liability, recorded in Other liabilities - Compensation for CO_2 emissions by vehicles financed by the banco BV. The bank acquired carbon credits and green bonds, representing a total of 8.995 million tons of CO_2, recorded under Intangible Assets and their consumption (amortization) is based on the volume of CO_2 produced by financed vehicles, recorded under Other administrative expenses - Amortization. The accounting practices adopted by the Institution for the recognition and measurement of carbon credits and green bonds that are acquired and the liability corresponding to the commitment to offset carbon emissions are described in explanatory notes 4l and 4r, respectively.

The table below shows the accounting effects of the equity record and income:

	Parent company and Consolidated	
	12.31.2022	12.31.2021
Asset	**66,417**	**23,187**
Intangible assets (note 17a)	**66,417**	**23,187**
Carbon credits - Cost value	77,267	27,573
Carbon Credits - Accumulated amortization	(10,850)	(4,386)
Liabilities		
Other liabilities (note 22a)	**672**	**428**
Compensation of CO_2 emissions by vehicles financed by banco BV.	672	428

	2º Semester/ 2022	2º Semester/ 2021	2022	2021
Income				
Other administrative expenses (note 23d)	**(3,552)**	**(2,550)**	**(6,464)**	**(4,386)**
Amortization	(3,552)	(2,550)	(6,464)	(4,386)
Other operating expenses (note 23f)	**(137)**	**(1)**	**(244)**	**(428)**
Provision for offsetting CO_2 emissions by vehicles financed by banco BV	(137)	(1)	(244)	(428)
Total expenses recognized in income	**(3,689)**	**(2,551)**	**(6,708)**	**(4,814)**

Since 2020, the Bank has offset its Greenhouse Gas (GHG) emissions, which became a public commitment in 2021. The commitment is the annual compensation of 100% of direct GHG emissions, recognizing in income (in Other administrative expenses - Other) the amount of R$ 61 in the year ended December 31, 2022, referring to consulting expenses and carrying out the GHG inventory (R$ 57 in the year ended December 31, 2021, referring to the acquisition of 10 thousand tons of carbon credits and other expenses with consulting and auditing). There were no new acquisitions of carbon credits for direct emissions, as the amount incurred in 2021 was sufficient to offset emissions for the year 2022.

c) Social

Faced with the pandemic caused by COVID-19, the banco BV supported families in vulnerable situations and contributed to the improvement of the hospital infrastructure, whose management has the support of the Banco do Brasil Foundation and the Votorantim Institute. Banco BV also supports several social projects that are encouraged and promotes support actions, in the year ended December 31, 2022 allocated the amount of R$ 8,791 (R$ 12,393 in the year ended December 31, 2021).

32. OTHER INFORMATION

a) Information about branches abroad

	12.31.2022		12.31.2021	
	Luxembourg Branch [1]	Nassau Branch	Luxembourg Branch	Nassau Branch
Total assets	**4,625**	**7,109,571**	**-**	**7,979,096**
Total liabilities	**4,625**	**7,109,571**	**-**	**7,979,096**
Liabilities	-	5,386,651	-	6,185,903
Net worth [2]	4,625	1,722,920	-	1,793,193
	2º Semester/2022		2º Semester/2021	
Income (loss)	(592)	57,608	-	54,098
	2022		2021	
Income (loss)	(592)	144,339	-	114,327

(1) In May 2022, Banco BV obtained authorization from Bacen to set up a branch in Luxembourg.
(2) Include exchange variation.

b) Insurance coverage

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

(Amounts in thousands of Reais, unless otherwise indicated)

Insurance coverage

Covered risk	12.31.2022		12.31.2021	
	Covered values	Insurance premium	Covered values	Insurance premium
Parent Company				
Insurance Guarantee - Guarantee for legal proceedings	1,318,648	8,200	1,196,449	7,676
Real estate insurance for properties in use of relevant third parties	117,300	36	117,000	28
Cybersecurity insurance	100,000	2,986	100,000	2,318
Consolidated				
Insurance Guarantee - Guarantee for legal proceedings	1,834,684	10,052	1,374,444	8,411
Real estate insurance for properties in use of relevant third parties	117,300	36	122,700	31
Cybersecurity insurance	100,000	2,986	100,000	2,318

c) Agreements for offset and settlement of liabilities in the scope of the National Financial System

Agreements were executed for the offset and settlement of receivables and payables pursuant to CMN Resolution No. 3,263/2005, the purpose of which is to enable the offsetting of credits and debits maintained with the same counterparty, and in which the maturity dates of receivables and payables can be advanced to the date in event of default by one of the parties occurs or in case of the bankruptcy of the debtor.

d) Reconciliation of equity transactions with cash flows arising from financing activities

Parent Company and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends and interest over capital	Capital	Capital and income reserves (1)	
Balance in 06.30.2022	**50,057**	**3,588,556**	**144,067**	**8,480,372**	**3,369,386**	**15,632,438**
Resources from the allocation of income	-	-	-	-	951,601	951,601
Changes with cash effect	**-**	**(1,206,554)**	**(153,300)**	**-**	**-**	**(1,359,854)**
Interest on equity paid (2)	-	-	(153,300)	-	-	(153,300)
Liquidation	-	(1,717,340)	-	-	-	(1,717,340)
Resources from new funding	-	500,100	-	-	-	500,100
Taxes	-	10,686	-	-	-	10,686
Changes with no cash effect	**3,807**	**231,768**	**280,933**	**-**	**-**	**516,508**
Interest expenses	3,807	229,248	-	-	-	233,055
Exchange rate variation	-	2,520	-	-	-	2,520
Interest on equity paid (2)	-	-	280,933	-	-	280,933
Balance in 12.31.2022	**53,864**	**2,613,770**	**271,700**	**8,480,372**	**4,320,987**	**15,740,693**

Parent Company and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends and interest over capital	Capital	Capital and income reserves (1)	
Balance in 12.31.2021	**93,651**	**3,494,796**	**595,000**	**8,130,372**	**3,327,752**	**15,641,571**
Resources from the allocation of income	-	-	-	-	993,235	993,235
Changes with cash effect	**(50,373)**	**(1,194,199)**	**(398,300)**	**-**	**-**	(1,642,872)
Interest on equity paid (2)	-	-	(398,300)	-	-	(398,300)
Liquidation	-	(1,966,617)	-	-	-	(1,966,617)
Transfers	(250,473)	250,473	-	-	-	-
Resources from new funding	200,100	500,100	-	-	-	700,200
Taxes	-	21,845	-	-	-	21,845
Changes with no cash effect	**10,586**	**313,173**	**75,000**	**350,000**	**-**	**748,759**
Transfers	-	-	(350,000)	350,000	-	-
Interest expenses	10,586	413,403	-	-	-	423,989
Exchange rate variation	-	(100,230)	-	-	-	(100,230)
Interest on equity paid (2)	-	-	425,000	-	-	425,000
Balance in 12.31.2022	**53,864**	**2,613,770**	**271,700**	**8,480,372**	**4,320,987**	**15,740,693**

(Amounts in thousands of Reais, unless otherwise indicated)

Parent Company and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends and interest over capital	Capital	Capital and income reserves [1]	
Balance in 12.31.2020	**193,543**	**3,499,583**	**72,709**	**8,130,372**	**2,466,444**	**14,362,651**
Resources from the allocation of income	-	-	-	-	861,308	861,308
Changes with cash effect	**(112,552)**	**(399,054)**	**(72,709)**	**-**	**-**	**(584,315)**
Interest on equity paid [2]	-	-	(72,709)	-	-	(72,709)
Liquidation	(27,684)	(1,012,750)	-	-	-	(1,040,434)
Transfers	(588,432)	588,432	-	-	-	-
Resources from new funding	503,564	-	-	-	-	503,564
Taxes	-	25,264	-	-	-	25,264
Changes with no cash effect	**12,660**	**394,267**	**595,000**	**-**	**-**	**1,001,927**
Interest expenses	12,660	279,127	-	-	-	291,787
Exchange rate variation	-	115,140	-	-	-	115,140
Interest on equity paid [2]	-	-	595,000	-	-	595,000
Balance in 12.31.2021	**93,651**	**3,494,796**	**595,000**	**8,130,372**	**3,327,752**	**15,641,571**

(1) Refers to the balance of Banco Votorantim's capital and profit reserves. Does not include profit for the period recorded in retained earnings.
(2) Net value of taxes.

e) Administration and management of third-party resources

Position of investment funds managed and/or managed by BV Distribuidora de Títulos e Valores Mobiliários SA [1] [2]:

	Quantity of funds/portfolios		Balance	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Investment funds and portfolios managed accounts	192	210	47,821,997	52,340,574

(1) On September 30, 2021, the amendment of the registered name of Votorantim Asset DTVM to BV DTVM was approved.
(2) On August 29, 2022, the transformation of its legal type Ltda. to SA

f) Strategic alliance and signing of a memorandum of understanding with Méliuz

As communicated to the market on December 30, 2022, Banco BV signed a strategic alliance with Méliuz S.A. (Méliuz) contemplating:

- Commercial agreement to offer BV financial products and services to Méliuz customers;
- Acquisition of a 3.85% stake in Méliuz through the CVC Fund of Banco BV;
- Option to purchase all common shares issued by Méliuz held by certain shareholders; and
- Memorandum of understanding with Méliuz, through which the parties agreed that they will negotiate the definitive documents for the sale of control of Bankly to Banco BV during the first quarter of 2023.

The execution of the operations described above and the respective accounting effects resulting from them, are subject to certain conditions precedent (including approvals by corporate and regulatory bodies) which, if met, will produce accounting effects to be recognized in the financial statements of Banco BV on the completion date of each transaction.

33. SUBSEQUENT EVENTS

a) Assignments without co-obligation of credits previously written off as loss

In January 2023, Banco BV carried out credit assignments without co-obligation of credits previously written off as losses with third parties in the amount of R$ 43,759.

b) Assignments without co-obligation

In February 2023, Banco BV carried out credit assignments without co-obligation with substantial retention of risks and benefits with a subsidiary in the amount of R$ 321,678.

THE BOARD

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

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