

Financial Statements

September, 30 2023





BANK AND CONSOLIDATED INTERIM STATEMENTS

as of September 30, 2023

(In thousands of Reais, unless otherwise started)

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Report on review of parent company and consolidated interim financial statements

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

Introduction

We have reviewed the accompanying parent company statement of financial position of Banco Votorantim S.A. ("Bank") as at September 30, 2023, and the related income statement and statement of other comprehensive income for the three and nine-month periods then ended and statement of changes in shareholder's equity and statement of cash flows for the nine-month period then ended, as well as the accompanying consolidated statement of financial position of Banco Votorantim S.A. and its subsidiaries ("Consolidated") as at September 30, 2023, and the related consolidated income statement and consolidated statement of other comprehensive income for the three and nine-month periods then ended and consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the nine-month period then ended, and the notes, including a summary of significant accounting policies and other elucidative information.

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim financial statements referred to above do not 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 September 30, 2023, and the parent company financial performance for the three and nine-month periods then ended and its cash flows for the nine-month period then ended, as well as the consolidated financial performance for the three and nine-month periods then ended and its consolidated cash flows for the nine-month period then ended, in accordance with accounting standards adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank.



Banco Votorantim S.A.

Other matters

Statements of value added

The parent company and consolidated interim financial statements referred to above include the parent company and consolidated statements of value added for nine-month period ended September 30, 2023. These statements are the responsibility of the Bank's management and are presented as supplementary information for the Central Bank of Brazil. These statements have been subjected to review procedures performed together with the review of the parent company and consolidated interim financial statements for the purpose of concluding whether they are reconciled with the interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim financial statements taken as a whole.

São Paulo, November 7, 2023.

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

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Maria José De Mula Cury
Signed By: MARIA JOSE DE MULA CURY:10357176898
CPF: 10357176898
Signing Time: 07 de novembro de 2023 | 21:17 BRT

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



STATEMENT OF FINANCIAL POSITION

as of September 30, 2023 and December 31 de 2022

(In thousands of Reais, unless otherwise started)

	Note	Parent Company		Consolidated	
		09.30.2023	12.31.2022	09.30.2023	12.31.2022
Cash and cash equivalents	7	3,378,832	631,403	3,396,608	681,091
Availabilities		82,122	242,163	99,898	291,851
Interbank funds applied		3,296,710	389,240	3,296,710	389,240
Financial assets		117,574,572	110,553,665	120,104,760	112,686,453
Interbank investments	8a	3,679,571	3,619,800	2,473,887	1,349,913
Securities	9a	42,134,341	41,945,367	40,659,873	40,539,347
Securities portfolio		42,980,824	42,899,828	41,506,356	41,495,561
(Provision for impairment of securities)		(846,483)	(954,461)	(846,483)	(956,214)
Derivative financial instruments	10a	3,783,749	1,307,169	3,783,749	1,307,169
Interbank accounts	11a	2,311,731	1,924,717	2,439,349	1,961,377
Loan portfolio	12a	61,284,858	59,498,647	65,960,694	64,720,795
Loans		62,383,714	59,352,481	65,175,387	62,008,362
Other receivables with loan characteristics		3,773,966	4,769,158	6,743,798	8,272,176
Lease portfolio		-	-	38,232	37,263
(Allowance for losses associated with credit risk)		(4,872,822)	(4,622,992)	(5,996,723)	(5,597,006)
Other financial assets	13a	4,380,322	2,257,965	4,787,208	2,807,852
Non-financial assets held for sale	14	186,258	127,190	262,292	207,569
Tax assets		6,781,149	6,591,272	8,477,970	8,012,419
Current tax assets	26a.1	566,248	493,837	682,444	559,544
Deferred tax assets	26a.2	6,214,901	6,097,435	7,795,526	7,452,875
Investments		2,923,327	2,475,546	250,183	188,824
Investments in subsidiaries, associates and joint ventures	15a	2,923,327	2,475,546	250,183	188,824
Property, plant and equipment	16	70,160	86,847	70,232	86,931
Other Property, plant and equipment		426,697	423,510	428,871	432,579
(Accumulated depreciation)		(356,537)	(336,663)	(358,639)	(345,648)
Intangibles and goodwill		1,047,422	982,606	1,218,814	1,074,484
Intangible assets	17a	2,132,819	1,883,075	2,343,083	2,025,228
(Accumulated amortization)	17a	(914,516)	(732,142)	(953,388)	(772,588)
(Accumulated impairment)	17a	(170,881)	(168,327)	(170,881)	(178,156)
Other assets	13a	1,176,689	1,230,836	1,228,724	881,864
TOTAL ASSETS		133,138,409	122,679,365	135,009,583	123,819,635

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



STATEMENT OF FINANCIAL POSITION

as of September 30, 2023 and December 31 de 2022

(In thousands of Reais, unless otherwise started)

	Note	Parent Company		Consolidated	
		09.30.2023	12.31.2022	09.30.2023	12.31.2022
Financial liabilities		117,281,818	107,210,667	118,258,970	105,997,032
Deposits	18a	25,952,251	24,253,851	25,958,942	23,425,325
Money market repurchase commitments	18c	18,700,229	18,876,810	18,583,312	18,277,811
Funds from acceptance and issuance of securities	20	41,939,460	39,957,617	41,939,460	39,957,617
Interbank accounts	11a	15,619	40,217	3,010,070	3,472,198
Borrowings and domestic onlendings	19a	7,558,407	6,641,007	7,558,407	6,641,007
Derivative financial instruments	10a	4,937,288	1,805,600	4,937,288	1,805,600
Subordinated debts and debt instruments eligible as capital	21a	2,599,654	2,667,634	2,599,654	2,667,634
Other financial liabilities	22a	15,578,910	12,967,931	13,671,837	9,749,840
Tax liabilities		220,706	271,903	331,686	392,784
Current tax liabilities	26b.1	157,733	156,793	268,407	277,075
Deferred tax obligations	26b.2	62,973	115,110	63,279	115,709
Provisions for contingencies	29a	526,812	559,089	552,407	595,192
Other liabilities	22a	2,111,145	1,779,900	2,308,396	2,044,880
Shareholder's equity		12,997,928	12,857,806	13,558,124	14,789,747
Controlling shareholder's equity		12,997,928	12,857,806	13,026,459	12,887,772
Capital	25a	8,480,372	8,480,372	8,480,372	8,480,372
Capital reserves	25b	372,120	372,120	372,120	372,120
Profit reserves		3,893,288	3,948,867	3,852,729	3,908,308
Other comprehensive	25g	(150,859)	56,447	(83,921)	126,972
Accumulated profits		403,007	-	405,159	-
Non-controlling interests	25h	-	-	531,665	1,901,975
TOTAL LIABILITIES AND EQUITY		133,138,409	122,679,365	135,009,583	123,819,635

The Explanatory Notes are integrant part of the accounting statements.



INCOME STATEMENT INCOME STATEMENT

Periods from January 1st to September 30th, 2023 and 2022 and quarters ending on September 30th, 2023 and 2022
(In thousands of Reais, unless otherwise stated)

	Note	Parent Company			
		07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
FINANCIAL INTERMEDIATION INCOME		5,141,145	4,501,407	13,407,162	11,555,859
Loans and lease	12b	2,802,814	2,550,001	7,784,674	7,109,342
Income from securities	9c	1,234,623	1,133,009	4,078,876	3,299,679
Income from derivative financial instruments	10h	363,218	347,408	(316,122)	153,314
Income from exchange foreign operations	13c	22,840	128,710	(99,404)	9,409
Income from compulsory deposits	11b	69,755	53,235	203,280	129,795
Sale or transfer transactions of financial assets	12h	647,895	289,044	1,755,858	854,320
FINANCIAL INTERMEDIATION EXPENSES		(3,504,379)	(3,300,078)	(8,979,816)	(7,333,626)
Funding operations in the market	18d	(2,779,333)	(2,645,105)	(7,522,807)	(6,385,918)
Borrowings and onlendings	19d	(313,564)	(225,548)	52,331	(78,217)
Sale or transfer operations of financial assets	12h	(411,482)	(429,425)	(1,509,340)	(869,491)
INCOME (LOSS) FROM FINANCIAL INTERMEDIATION		1,636,766	1,201,329	4,427,346	4,222,233
RESULT OF PROVISION FOR LOSSES		(601,070)	(88,634)	(1,393,166)	(579,378)
(Provision) / reversal of provision for loan losses	12f.1	(634,522)	(91,736)	(1,449,564)	(620,295)
Other (provision) / reversal of provision associated with credit risk	12f.1	(8,939)	5,380	(51,580)	14,152
(Provision) / reversal of provision for securities impairment	9d	42,391	(2,278)	107,978	26,765
OPERATING INCOME/EXPENSES		(739,315)	(762,370)	(2,242,123)	(2,102,338)
Service income	23a	64,307	92,370	185,464	255,371
Income from banking fees	23b	219,540	151,283	563,699	396,743
Personnel expenses	23c	(321,041)	(357,132)	(935,144)	(979,966)
Other administrative expenses	23d	(348,234)	(382,685)	(1,088,278)	(1,067,751)
Tax expenses	26c	(105,836)	(124,933)	(299,426)	(303,012)
Share of profit (loss) in subsidiaries, associates and jointly controlled subsidiaries	15a	(12,427)	37,457	(34,116)	129,994
(Provision) / reversal of provision for contingent liabilities	29e.3	15,369	26,647	32,277	38,208
Other operating income	23e	36,375	27,393	74,543	72,049
Other operating expenses	23f	(287,368)	(232,770)	(741,142)	(643,974)
OPERATING INCOME		296,381	350,325	792,057	1,540,517
OTHER NON-OPERATING INCOME AND EXPENSES	24	(2,641)	4,360	170,498	13,989
INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING		293,740	354,685	962,555	1,554,506
INCOME TAX AND SOCIAL CONTRIBUTION	26d.1	34,607	76,884	15,811	(191,050)
SHARE ON PROFITS AND RESULTS		(44,247)	(47,999)	(130,938)	(147,210)
NET PROFIT		284,100	383,570	847,428	1,216,246
EARNINGS PER SHARE	25e				
Earnings per share - R\$		83.68	112.97	249.60	358.22
Number of shares (thousand lot)		3,395,210	3,395,210	3,395,210	3,395,210

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



INCOME STATEMENT INCOME STATEMENT

Periods from January 1st to September 30th, 2023 and 2022 and quarters ending on September 30th, 2023 and 2022
(In thousands of Reais, unless otherwise stated)

	Note	Consolidated			
		07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
FINANCIAL INTERMEDIATION INCOME		5,393,568	4,856,267	14,267,723	12,529,930
Loans and lease	12b	3,179,291	3,046,230	9,088,248	8,369,058
Income from securities	9c	1,106,225	990,938	3,624,999	2,879,575
Income from derivative financial instruments	10h	363,218	347,408	(316,122)	287,071
Income from exchange foreign operations	13c	22,840	128,710	(99,404)	9,409
Income from compulsory deposits	11b	74,099	53,937	214,144	130,497
Sale or transfer transactions of financial assets	12h	647,895	289,044	1,755,858	854,320
FINANCIAL INTERMEDIATION EXPENSES		(3,553,425)	(3,257,603)	(9,033,582)	(7,331,307)
Funding operations in the market	18d	(2,769,752)	(2,602,630)	(7,458,297)	(6,230,733)
Borrowings and onlendings	19d	(313,564)	(225,548)	52,331	(78,217)
Sale or transfer operations of financial assets	12h	(470,109)	(429,425)	(1,627,616)	(1,022,357)
INCOME (LOSS) FROM FINANCIAL INTERMEDIATION		1,840,143	1,598,664	5,234,141	5,198,623
RESULT OF PROVISION FOR LOSSES		(836,624)	(422,263)	(2,292,090)	(1,246,833)
(Provision) / reversal of provision for loan losses	12f.1	(870,076)	(425,365)	(2,348,488)	(1,287,750)
Other (provision) / reversal of provision associated with credit risk	12f.1	(8,939)	5,380	(51,580)	14,152
(Provision) / reversal of provision for securities impairment	9d	42,391	(2,278)	107,978	26,765
OPERATING INCOME/EXPENSES		(711,227)	(739,659)	(2,139,345)	(2,209,327)
Service income	23a	338,739	444,104	931,986	1,174,377
Income from banking fees	23b	240,310	185,391	629,554	495,887
Personnel expenses	23c	(395,911)	(431,763)	(1,157,340)	(1,210,620)
Other administrative expenses	23d	(513,632)	(491,243)	(1,460,840)	(1,411,677)
Tax expenses	26c	(150,490)	(173,012)	(426,145)	(433,710)
Share of profit (loss) in subsidiaries, associates and jointly controlled subsidiaries	15a	(9,734)	(8,826)	(11,971)	(14,670)
(Provision) / reversal of provision for contingent liabilities	29e.3	14,928	20,634	32,746	43,880
Other operating income	23e	74,745	71,010	153,241	141,489
Other operating expenses	23f	(310,182)	(355,954)	(830,576)	(994,283)
OPERATING INCOME		292,292	436,742	802,706	1,742,463
OTHER NON-OPERATING INCOME AND EXPENSES	24	1,679	6,695	179,682	19,182
INCOME BEFORE TAXES AND CONTRIBUTIONS AND PROFIT SHARING		293,971	443,437	982,388	1,761,645
INCOME TAX AND SOCIAL CONTRIBUTION	26d.1	68,834	77,881	153,599	(182,800)
SHARE ON PROFITS AND RESULTS		(56,065)	(62,769)	(171,354)	(191,298)
SHARE PROFITS NON-CONTROLLING PARTICIPATION	25h	(21,909)	(74,296)	(115,053)	(203,782)
NET PROFIT		284,831	384,253	849,580	1,183,765
NET PROFIT E ATTRIBUTABLE TO SHAREHOLDERS		306,740	458,549	964,633	1,387,547
Controlling Shareholding		284,831	384,253	849,580	1,183,765
Non-controlling shares	25h	21,909	74,296	115,053	203,782

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



STATEMENT OF OTHER COMPREHENSIVE INCOME

Periods from January 1st to September 30th, 2023 and 2022 and quarters ending on September 30th, 2023 and 2022
(In thousands of Reals, unless otherwise stated)

	Note	Parent Company			
		07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Net income for the period		284,100	383,570	847,428	1,216,246
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	(61,329)	38,397	(17,859)	(4,665)
Adjustment to fair value against shareholder's equity		(59,868)	84,132	(39,352)	60,518
Adjustment to fair value transferred to income ⁽¹⁾		(51,617)	(5,485)	6,897	(69,236)
Tax effect		50,156	(40,250)	14,596	4,053
Cash flow hedge	25g	19,957	(184,131)	(189,447)	(393,937)
Adjustment to fair value against shareholder's equity		39,595	(340,219)	(286,970)	(723,289)
Adjustment to fair value transferred to income		(3,307)	5,434	(57,477)	7,039
Tax effect		(16,331)	150,654	155,000	322,313
Other comprehensive income attributable to controlling shareholders in the period		(41,372)	(145,734)	(207,306)	(398,602)
Total of other comprehensive income for the period		(41,372)	(145,734)	(207,306)	(398,602)
Total comprehensive income		242,728	237,836	640,122	817,644
Comprehensive income attributable to controlling shareholders		242,728	237,836	640,122	817,644
	Note	Consolidated			
		07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Net income for the period		284,831	384,253	849,580	1,183,765
Net income attributable to non-controlling shareholders		21,909	74,296	115,053	203,782
Net income attributable to controlling and non-controlling shareholders		306,740	458,549	964,633	1,387,547
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	(62,549)	37,264	(21,446)	52,396
Adjustment to fair value against shareholder's equity		(58,721)	82,999	(40,572)	57,179
Adjustment to fair value transferred to income ⁽¹⁾		(53,984)	(5,485)	4,530	(8,836)
Tax effect		50,156	(40,250)	14,596	4,053
Cash flow hedge	25g	19,957	(184,131)	(189,447)	(393,937)
Adjustment to fair value against shareholder's equity		39,595	(340,219)	(286,970)	(723,289)
Adjustment to fair value transferred to income		(3,307)	5,434	(57,477)	7,039
Tax effect		(16,331)	150,654	155,000	322,313
Other comprehensive income attributable to controlling shareholders in the period		(42,592)	(146,867)	(210,893)	(341,541)
Other comprehensive income attributable to non-controlling shareholders in the period		455	1,851	21	2,658
Total of other comprehensive income for the period		(42,137)	(145,016)	(210,872)	(338,883)
Total comprehensive income		264,603	313,533	753,761	1,048,664
Comprehensive income attributable to controlling shareholders		242,239	237,386	638,687	842,224
Comprehensive income attributable to non-controlling shareholders		22,364	76,147	115,074	206,440

⁽¹⁾ 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 SHAREHOLDER'S EQUITY

Periods from January 1st to September 30th, 2023 and 2022
(In thousands of Reals, unless otherwise stated)

Parent Company Events	Note	Capital		Capital reserves	Profit reserves		Other comprehen- sive income	Retained earnings
		Paid-up capital	Increase in capital		Legal	Other reserves		
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	-	-	-	-	(398,602)	-	(398,602)
Increase in capital	25a	350,000	-	-	-	-	-	350,000
Net income for the period		-	-	-	-	-	1,216,246	1,216,246
Destinations:								
Legal reserve	25c	-	-	41,634	-	-	(41,634)	-
Interest on equity	25d	-	-	-	-	-	(500,000)	(500,000)
Balance in 09.30.2022		8,480,372	372,120	376,742	2,620,524	65,964	674,612	12,590,334
Changes in the period		350,000	-	41,634	-	(398,602)	674,612	667,644
Balance in 12.31.2022		8,480,372	372,120	409,770	3,539,097	56,447	-	12,857,806
Adjustments to fair value, net of taxes	25g	-	-	-	-	(207,306)	-	(207,306)
Interest on equity ⁽¹⁾	25d	-	-	-	(83,745)	-	-	(83,745)
Net income for the period		-	-	-	-	-	847,428	847,428
Destinations:								
Legal reserve	25c	-	-	28,166	-	-	(28,166)	-
Interest on equity ⁽¹⁾	25d	-	-	-	-	-	(416,255)	(416,255)
Balance in 09.30.2023		8,480,372	372,120	437,936	3,455,352	(150,859)	403,007	12,997,928
Changes in the period		-	-	28,166	(83,745)	(207,306)	403,007	140,122

Consolidated Events	Note	Capital		Profit reserves		Other comprehen- sive income	Retained earnings	Non- controlling interests ⁽¹⁾	Total
		Paid-up capital	Capital reserves	Legal	Other reserves				
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	-	-	-	-	(341,541)	-	2,658	(338,883)
Increase in capital	25a	350,000	-	-	-	-	-	-	350,000
Non-controlling interests	25h	-	-	-	-	-	-	1,866,039	1,866,039
Net income for the period		-	-	-	-	-	1,183,765	203,782	1,387,547
Destinations:									
Legal reserve	25c	-	-	41,634	-	-	(41,634)	-	-
Interest on equity	25d	-	-	-	-	-	(500,000)	-	(500,000)
Balance in 09.30.2022		8,480,372	372,120	376,742	2,611,733	137,677	642,131	2,072,479	14,693,254
Changes in the period		350,000	-	41,634	-	(341,541)	642,131	2,072,479	2,764,703
Balance in 12.31.2022		8,480,372	372,120	409,770	3,498,538	126,972	-	1,901,975	14,789,747
Adjustments to fair value, net of taxes	25g	-	-	-	-	(210,893)	-	21	(210,872)
Non-controlling interests	25h	-	-	-	-	-	-	(1,485,384)	(1,485,384)
Interest on equity ⁽¹⁾	25d	-	-	-	(83,745)	-	-	-	(83,745)
Net income for the period		-	-	-	-	-	849,580	115,053	964,633
Destinations:									
Legal reserve	25c	-	-	28,166	-	-	(28,166)	-	-
Interest on equity ⁽¹⁾	25d	-	-	-	-	-	(416,255)	-	(416,255)
Balance in 09.30.2023		8,480,372	372,120	437,936	3,414,793	(83,921)	405,159	531,665	13,558,124
Changes in the period		-	-	28,166	(83,745)	(210,893)	405,159	(1,370,310)	(1,231,623)

⁽¹⁾ Interest on shareholder's equity computed based on retained earnings and profit reserves. Earnings per share are disclosed in the Income Statement.

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



STATEMENT OF CASH FLOW

Periods from January 1st to September 30th, 2023 and 2022
(In thousands of Reals, unless otherwise started)

	Note	Parent Company		Consolidated	
		01.01 to 09.30.2023	01.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Cash flows from operating activities					
Income (loss) before income and social contribution taxes		962,555	1,554,506	982,388	1,761,645
Adjustments to income (loss) before income and social contribution taxes		1,640,865	527,288	2,613,280	1,396,524
Provision / (reversal of provision) for loan losses	12f.1	1,920,606	1,153,139	2,856,440	1,860,508
Provision / (reversal of provision) for securities impairment	9.d	(107,978)	(26,765)	(107,978)	(26,765)
Other provision / (reversal of provision) associated with credit risk	12f.1	51,580	(14,152)	51,580	(14,152)
Depreciation and amortization ⁽¹⁾	23d	171,367	146,212	244,753	191,199
Provision / (reversal of provision) for investment losses due to tax incentives	24	(5,780)	(5,230)	(9,266)	(8,853)
Income from interests in subsidiaries, affiliates and joint ventures	15a	34,116	(129,994)	11,971	14,670
Exchange variation of investments abroad	10h	68,892	51,957	68,892	51,957
Exchange variation of subordinated debts and debt instruments eligible for capital	32d	-	(52,170)	-	(52,170)
(Profit) / loss on disposal of non-financial assets held for sale	24	17,255	4,591	16,272	4,487
Provision / (reversal of provision) for devaluation of non-financial assets held for sale	24	620	(10,241)	490	(14,451)
(Reversal of provision) for impairment of intangible assets	24	2,554	-	2,554	-
Expenses / (Reversal of expenses) with civil, labor and tax provisions	29e.3	(32,277)	(38,208)	(32,746)	(43,880)
Effect of changes in foreign exchange rates on cash and cash equivalents		8,601	13,448	8,601	13,448
Interest expense on subordinated debt obligations and debt instruments eligible for capital	32d	260,578	307,406	260,578	307,406
Interest income from securities held to maturity		(749,596)	(850,883)	(749,596)	(850,883)
Expenses / (reversal of expenses) with goodwill and impairment of subsidiaries	24	-	-	(3,335)	3,010
Expenses / (income) of updating security deposits	23e/23f	127	(21,994)	(2,120)	(23,599)
Other operating income and expenses		200	172	(3,810)	(15,408)
Equity variations		(1,125,271)	(3,142,646)	(1,833,144)	(4,877,885)
(Increase) / decrease in interbank investments		(59,771)	1,511,497	(1,123,974)	2,078,841
(Increase) Decrease in trading securities and derivative financial instruments		(1,101,307)	(6,628,140)	(1,118,727)	(5,806,855)
(Increase) / decrease in interbank accounts		(411,612)	(329,597)	(940,100)	(198,598)
(Increase) / decrease in loans and leases		(3,729,889)	(2,338,946)	(4,096,271)	(3,871,475)
(Increase) / decrease in other assets		(2,541,194)	(1,250,034)	(2,321,851)	(1,276,740)
(Increase) Decrease in tax assets		(1,023)	(114,614)	9,981	(142,180)
(Increase) / Decrease in non-financial assets held for sale		(76,943)	(29,666)	(71,485)	(17,202)
(Decrease) / increase in deposits		1,698,400	(2,215,742)	2,533,617	(2,121,445)
(Decrease) / increase in money market repurchase commitments		(176,581)	3,387,974	305,501	4,118,476
(Decrease) / increase in funds from acceptance and issuance of securities		1,981,843	2,074,253	1,981,843	2,074,253
(Decrease) / increase in liabilities from borrowings and onlendings		917,400	965,473	917,400	965,473
(Reduction) / increase in other liabilities ⁽²⁾		2,409,506	2,065,452	2,120,987	(419,360)
(Reduction) / increase in tax liabilities		(34,100)	(240,556)	(30,065)	(261,073)
Income tax and social contribution paid		(20,544)	(64,954)	(183,370)	(366,970)
Net cash generated (used) by operating activities		1,457,605	(1,125,806)	1,579,154	(2,086,686)
Cash flows from investing activities					
(Acquisition / increase) of securities available for sale		(6,841,511)	(6,160,775)	(5,812,910)	(4,680,046)
(Acquisition / increase) of securities held to maturity		(25,954)	(2,741,622)	(25,954)	(2,741,622)
(Acquisition) of property for use		(3,862)	(30,218)	(3,862)	(30,219)
(Acquisition / activation) of intangible		(335,238)	(381,001)	(440,615)	(412,169)
(Acquisition / increase) of investments in associates and joint ventures ⁽²⁾		(1,121,141)	(601,408)	(139,120)	(164,348)
Disposal / decrease of securities available for sale		3,258,923	5,235,290	2,312,603	6,084,589
Maturity/interest received on held-to-maturity securities		5,656,655	1,125,994	5,656,655	1,125,994
Disposal / decrease of investments in associates and joint ventures ⁽²⁾		570,352	1,231,227	233	10,217
Dividends / interest on equity received ⁽³⁾		552,211	549,161	-	-
NET CASH GENERATED BY INVESTING ACTIVITIES		1,776,983	(1,773,352)	1,623,522	(807,604)
Cash flows from financing activities					
Increase in share capital		-	350,000	-	350,000
Dividends / interest on own capital paid ⁽³⁾	32d	(150,000)	(245,000)	(150,000)	(245,000)
Settlement of subordinated debts and debt instruments eligible for capital	32d	(775,258)	(271,143)	(775,258)	(271,143)
Fundraising of subordinated debt and capital-eligible debt instruments	32d	446,700	700,200	446,700	700,200
Other changes in subordinated debts and debt instruments eligible to capital	32d	-	17,507	-	17,507
CASH GENERATED BY FINANCING ACTIVITIES		(478,558)	551,564	(478,558)	551,564
Net variation in cash and cash equivalents		2,756,030	(2,347,594)	2,724,118	(2,342,726)
Beginning of the period		631,403	2,892,037	681,091	2,935,119
Effect of changes in foreign exchange rates on cash and cash equivalents		(8,601)	(13,448)	(8,601)	(13,448)
End of the period	7	3,378,832	530,995	3,396,608	578,945
Net increase (decrease) in cash and cash equivalents		2,756,030	(2,347,594)	2,724,118	(2,342,726)

⁽¹⁾ Includes offsetting carbon credits and green bonds.

⁽²⁾ Includes impacts related to BV DTVM, as it ceased to be controlled and became an affiliate as of February 2023 (Note 2b).

⁽³⁾ Values net of taxes.

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



STATEMENT OF ADDED VALUE

Periods from January 1st to September 30th, 2023 and 2022
(In thousands of Reais, unless otherwise stated)

	Note	Parent Company			Consolidated				
		01.01 to 09.30.2023		01.01 to 09.30.2022		01.01 to 09.30.2023		01.01 to 09.30.2022	
Income / Expenses		12,818,552		11,567,363		13,653,969		12,929,569	
Financial intermediation income		13,407,162		11,555,859		14,267,723		12,529,930	
Service income and banking fees	23a / 23b	749,163		652,114		1,561,540		1,670,264	
Allowance for loan losses	9d / 12f.1	(1,393,166)		(579,378)		(2,292,090)		(1,246,833)	
(Provision) / reversal of provision for contingent liabilities	29e.3	32,277		38,208		32,746		43,880	
Other income/(expenses)		23,116		(99,440)		84,050		(67,672)	
Financial Intermediation expenses		(8,979,816)		(7,333,626)		(9,033,582)		(7,331,307)	
Inputs acquired from third parties		(1,418,310)		(1,361,360)		(1,776,709)		(1,964,670)	
Materials, water, electricity and gas	23d	(2,465)		(4,940)		(3,426)		(5,772)	
Outsourced services	23d	(6,550)		(9,413)		(12,212)		(11,658)	
Communications	23d	(13,713)		(16,294)		(20,574)		(21,957)	
Data processing	23d	(198,136)		(204,771)		(350,210)		(336,519)	
Transportation	23d	(7,179)		(4,442)		(7,716)		(4,661)	
Surveillance and security services	23d	(1,718)		(726)		(2,763)		(969)	
Specialized technical services	23d	(385,624)		(371,742)		(479,879)		(464,783)	
Financial system services	23d	(70,320)		(51,828)		(76,573)		(57,047)	
Advertising and publicity	23d	(65,053)		(84,877)		(74,630)		(129,825)	
Judicial and notary public fees	23d	(68,083)		(57,569)		(69,103)		(68,410)	
Costs associated with production - Business partners	23f	(512,264)		(458,496)		(523,378)		(744,234)	
Costs associated with production - Other expenses	23f	-		-		(51,372)		(21,706)	
Other	23d	(87,205)		(96,262)		(104,873)		(107,129)	
Gross value added		2,420,426		2,872,377		2,843,678		3,633,592	
Amortization/depreciation expenses		(171,367)		(146,212)		(244,753)		(191,199)	
Amortization/depreciation expenses	23d	(164,414)		(141,625)		(237,800)		(186,612)	
Amortization expenses - Carbon credits and green bonds ^{(1) (2)}		(6,953)		(4,587)		(6,953)		(4,587)	
Net value added produced by the entity		2,249,059		2,726,165		2,598,925		3,442,393	
Value added received as transfer		(34,116)		129,994		(11,971)		(14,670)	
Income from investments in associates and joint ventures	15a	(34,116)		129,994		(11,971)		(14,670)	
Value added payable		2,214,943	100.00%	2,856,159	100.00%	2,586,954	100.00%	3,427,723	100.00%
Distributed value added		2,214,943	100.00%	2,856,159	100.00%	2,586,954	100.00%	3,427,723	100.00%
Philanthropic Contributions⁽¹⁾	23d	420	0.02%	1,002	0.04%	420	0.02%	1,002	0.03%
Personnel		936,698	42.29%	1,001,250	35.05%	1,163,720	44.98%	1,242,097	36.24%
Salaries, fees and labor demands		635,586		686,950		778,642		844,121	
Profit sharing - Employees and Management		130,938		147,210		171,354		191,298	
Benefits, training programs and other	23c	123,774		122,903		154,960		151,166	
FGTS		45,274		44,144		57,638		55,469	
Other charges		1,126		43		1,126		43	
Taxes, rates and contributions		412,999	18.65%	619,988	21.71%	437,520	16.91%	776,331	22.65%
Federal		373,096		585,700		380,363		719,125	
State		61		55		61		55	
Municipal		39,842		34,233		57,096		57,151	
Third-party capital remuneration		17,398	0.79%	17,673	0.62%	20,661	0.80%	20,746	0.61%
Rental	23d	17,398		17,673		20,661		20,746	
Remuneration of own capital		847,428	38.25%	1,216,246	42.58%	964,633	37.29%	1,387,547	40.47%
Interest on equity		416,255		500,000		416,255		500,000	
Controllers shares in retained earnings		431,173		716,246		433,325		683,765	
Non-controlling interests in retained earnings		-		-		115,053		203,782	

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

⁽²⁾ With the effectiveness of BCB Normative Instruction No. 325, as of 2023, sustainable assets, now presented in intangible assets, are now presented in other assets, as well as the use of carbon credits.

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



FINANCIAL STATEMENTS

as of September 30, 2023

(Amounts in thousand of Reais, unless otherwise indicated)

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, provision of sales promotion and/or commercial representation services, 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 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 BRL 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, BV bank, currently controlling BV Distribuidora de Títulos e Valores Mobiliários (BV DTVM), entered into a strategic partnership with Banco Bradesco to form an independent investment manager, which will have autonomy in managing resources and brand itself to be defined. In the transaction, Banco Bradesco, through one of its subsidiaries, acquired 51% of the Company's capital. The operation was approved by the Central Bank of Brazil (Bacen) on February 15, 2023 and settled on February 28, 2023 (closing). As of this date, BV DTVM is no longer controlled by the Bank, becoming an associate and, consequently, no longer consolidated, therefore the revenues and expenses of its operations are presented in the various lines of the consolidated result until January 2023.

According to a material fact published on June 22, 2023, the new investment manager had its corporate name changed from BV DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS SA to TIVIO CAPITAL DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS SA (Tivio Capital). The respective corporate changes will be submitted and registered with the responsible bodies, according to the applicable deadlines.

c) Sale of Promotiva SA

In December 2022, Banco BV, now controlling shareholder of Promotiva SA, sold all the shares of the respective subsidiary to Wiz Soluções de Corretagem de Seguros SA. The forward amounts received and receivable follow established contractual conditions and the respective operation was approved by the competent authorities. 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.

d) Opening of the branch in Luxembourg

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



FINANCIAL STATEMENTS

as of September 30, 2023

(Amounts in thousand of Reais, unless otherwise indicated)

3. PRESENTATION OF INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

a) Preparation base

The Consolidated Financial Statements cover the operations carried out by the financial and non-financial companies that make up the Conglomerate and were prepared based on the accounting guidelines issued by the Brazilian Corporation Law in compliance with the rules and instructions of the National Monetary Council (CMN), the Bank Central do Brasil (Bacen) and the Securities and Exchange Commission (CVM), when applicable.

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.

Non-controlling interests in funds qualified as structured entities are presented in shareholder's equity, in accordance with BCB Normative Instruction No. 272/2022 and in compliance with the provisions of CMN Resolution No. 4,950/2021.

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.

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 ("reference rate") different from the informed by Bacen (PTAX) for the conversion of transactions and statements in foreign currency into national currency, subject to certain conditions. The Conglomerate did not adopt this option for both 2022 and 2023.

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.

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 right for financial institutions to prepare and disclose Consolidated Financial Statements in accordance with Bacen's rules and instructions until the year ending December 31, 2024, that is, until the new criteria come into force. applicable accounting regulations. BV Bank chose to adopt this prerogative.

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 CPC concepts 48 - Financial Instruments.
- CMN Resolution No. 5,100/2023 - changes provisions of CMN Resolution No. 4,966/2021 by establishing, for example, new accounting criteria for renegotiated contracts, optionality to recognize transaction costs and amounts received in the acquisition or origination of the instrument considered immaterial in profit or loss, postponement of requirements applicable to hedge accounting, among others.
- 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.

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

Implementation plan

The implementation plan was opportunely readjusted according to CMN Resolution 5,100/2023, a complementary standard to CMN Resolution 4,966/2021.

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 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 adapting to the technical requirements, to train and acculturate the professionals involved in the various areas through training, policies and internal procedures, in addition to mapping, monitoring and enabling the adequacy of the technology environment throughout the entire accounting, managerial and business track.

Among the main themes of the standard that require adaptation to which the Conglomerate considers 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.
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.

With the issuance of BCB Resolution No. 309/2023, the Central Bank established accounting procedures on the definition of financial asset cash flows as payment of principal and interest only; the application of the methodology for calculating the effective interest rate of financial instruments; constitution of a provision for losses associated with credit risk; and disclosure of information related to financial instruments in explanatory notes.

The impacts of these procedures are being reflected in the implementation plan and are the subject of wide discussion in the financial market, especially for clarifying normative points and submitting suggestions to the respective regulator, via entities representing the banks.

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.

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 event of cash flow hedge discontinuation, the value accumulated in shareholder's equity is immediately transferred to the result for the period, in accordance with current Central Bank regulations. This procedure differs from the provisions of CPC 48, which provides for the deferral of this item according to the same maturity period of the transactions 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 topic (CPC 48) provides the express option of maintaining the same requirements presented by the predecessor standard, CPC 38 - Financial instruments.

The aforementioned provisions, as well as other items relating to financial instruments, were addressed by the Central Bank with the issuance of CMN Resolution No. 4,966/2021, effective January 1, 2025. The accounting adjustments arising from the initial adoption will be recorded in return. to accumulated profits or losses, in equity.

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%

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 the Board of Directors on November 7, 2023.

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

	Activity	% of Participation	
		09.30.2023	12.31.2022
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⁾	Third party resource management	-	100.00%
Insurance market institutions			
BV Corretora de Seguros S.A. (BV Corretora)	Broker	100.00%	100.00%
Non-financial institutions ⁽²⁾			
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) ⁽³⁾	SPE	100.00%	100.00%
Consolidated investment funds			
Votorantim Expertise Multimercado Fundo de Investimento (Expertise)	Fund	100.00%	100.00%
Crédito Universitário III Fundo de Investimento em Direitos Creditórios (FIDC Universitário) ⁽⁴⁾	Fund	-	88.61%
Fundo de Investimento em Direitos Creditórios BV - Crédito de Veículos (FIDC BV) ⁽⁵⁾	Fund	42.49%	42.49%
Fundo de Investimento em Direitos Creditórios TM II (FIDC TM)	Fund	100.00%	100.00%
Votorantim Securities Master Fundo de Investimento Imobiliário (Master)	Fund	88.43%	88.43%
Fundo de Investimento Imobiliário Votorantim Patrimonial (Patrimonial)	Fund	99.62%	99.62%
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) ⁽³⁾	SPE	100.00%	100.00%
Senador Dantas Empreendimento Imobiliário SPE S.A. (Senador Dantas) ⁽³⁾	SPE	100.00%	100.00%
Henri Dunant Empreend. Imobiliário S.A. (Henri Dunant) ⁽³⁾	SPE	100.00%	100.00%
Arena XI Incorporações SPE Ltda. (Arena XI) ⁽³⁾	SPE	100.00%	100.00%
D'oro XVIII Incorporações Ltda. (D'oro XVIII) ⁽³⁾	SPE	100.00%	100.00%
BVEP Vila Parque Empreendimentos Imobiliários SPE Ltda. (Vila Parque) ⁽³⁾	SPE	100.00%	100.00%
Atenas subsidiaries			
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 1 ⁽³⁾	SPE	100.00%	100.00%
Atenas Sp 02 – Empreendimento Imobiliário Ltda. – Lote 3 ⁽³⁾	SPE	100.00%	100.00%

⁽¹⁾ In August 2022, Banco BV signed a strategic partnership with Banco Bradesco, which, through one of its subsidiaries, acquired 51% of the capital of BV DTVM. In February 2023, the Company ceased to be a subsidiary, becoming an associate and, as a result, ceased to be consolidated (note 2c).

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

⁽³⁾ For consolidation purposes, it contemplates a delay up to 2 months in the respective balance sheet.

⁽⁴⁾ In March 2023, Banco BV sold all of its stake in the subordinated quotas of the FIDC Universitário, excluding the substantial retention of risks and benefits, therefore it ceased to be consolidated as of this base date.

⁽⁵⁾ Investment fund in which the Bank substantially assumes or retains risks and benefits, through subordinate shares.

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 into consideration the credit risk of the issuer (credit spread adjustment).



FINANCIAL STATEMENTS

as of September 30, 2023

(Amounts in thousand of Reais, unless otherwise indicated)

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 shareholder's 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 shareholder's equity is recognized in the income statement remaining term of the operations.

The Bank 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 occurred. Renegotiations of credit operations already written off against the provision are defined as level H. Any gains arising from the renegotiation of contracts overdue for more than 59 days or already reduced against the provision ("write-off"), are recognized as revenue when profits 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 the financial statements, goodwill for expected future profitability (goodwill) paid on the acquisition of investments, corresponding to disbursed amounts that exceed the fair value of identifiable assets less the fair value of liabilities assumed ("fair value"), are amortized based on in the effective realization of the expectation of profitability that justified its origin or by other forms of its revaluation.

The balances corresponding to the difference between the fair value and the book value of the investee's shareholder's equity ("additional value") are amortized according to the period for realization of the assets and the enforceability of the liabilities that gave rise to them. The positive difference between the acquisition price and the fair value that has no economic basis in future benefits is recognized in income for the period as Other non-operating income and expenses.

k) Property, plant and equipment

Property, plant and equipment is 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 amount (corresponding to the acquisition cost minus the residual value, if any):

- Vehicles – 20%;
- Data processing systems – 20%;
- Facilities, furniture and equipment in use - 10%;
- Improvements in third-party property – term of the lease – 10%.

The software acquired as an integral part of the functionality of an item of equipment is capitalized as part of that equipment.

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.

In the consolidated financial statements, intangibles include goodwill for expected future profitability (goodwill) paid on the acquisition of investments, as described in note 4j.

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 CO₂ missions by vehicles financed by BV bank, 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.

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⁾	20%
Social Contribution on Net Income (CSLL) - Other financial and non-financial institutions ⁽¹⁾	from 9% to 15%
Other taxes	
PIS / PASEP ⁽²⁾	from 0,65% to 1,65%
Contribution to Social Security Financing – COFINS ⁽²⁾	from 3% to 7,6%
Tax on Services of Any Nature - ISSQN ⁽³⁾	from 2% to 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 entities in the financial sector from August 1, 2022 to December 31 2022, returning to the previous rates as of January 1, 2023, being 20% for banks and 15% for other financial sector entities.

⁽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 CO₂ emission by vehicles financed by BV bank - The Institution's commitment to offset CO₂ 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 4512/2016, 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

Carbon credits and green bonds

Other assets also include carbon credits and green bonds that were acquired with the purpose of offsetting CO₂ emissions from vehicles financed by the BV bank. CO₂ is one of the gases that cause the greenhouse effect. The CO₂ emissions compensation mechanism that was 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 compensation, such as trading them on the market. For this reason, as there was no exposure of the institution to the fair value of the acquired credits, these were recognized at the price paid and form a stock of tons of CO₂, controlled by the average cost, consumed based on the monthly volume of CO₂ 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 CO₂ emission of vehicles financed from 2021 and financing prior to 2021 whose customers have opted to adhere to the compensation program, constitutes a present obligation of the Institution, following provisions described in explanatory note 4r.

Prepaid expenses

Prepaid expenses are accounted for, including transaction costs incurred in obtaining contracts with customers, whose benefits or provision of services will occur in future periods. 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.



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u) 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 operations that have losses in their recoverable value, including the classification and measurement of problematic assets, considering, at least, the following situations:

- (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.



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c) Projection of future results for the realization of tax credits

The realization of tax credits is supported by the Institution's budget projections, duly approved by the governance bodies. These projections are based on current strategic planning, which considers business plan assumptions, corporate strategies, macroeconomic scenario such as inflation and interest rates, historical performance and expectations of future growth, among others.

This item is highlighted especially due to the representativeness of activated tax credit balances, the use of estimates of future profitability that involve a high degree of judgment and the relevant impacts that changes in assumptions can bring to the Financial Statements.

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

d) Fair value of financial instruments

Specific fair value assessment techniques are used for financial instruments that are not traded in active markets and for which market prices and parameters are not available (levels 2 and 3 of the fair value hierarchy). This calculation incorporates assumptions under Management's judgment, which takes into account the evaluation of information and market circumstances.

The methodologies used to assess the fair value of certain financial instruments are described in notes 4f and 4g.

e) Provisions for contingent liabilities – Tax, civil and labor

Based on loss forecasts assessed by Management, the Conglomerate establishes a provision for tax, civil and labor claims through legal assessments and statistical models.

The assessment of loss prognoses takes into account the probability of disbursements by the Conglomerate for each demand, considering the procedural phases, decisions and dominant jurisprudence, and may involve a high degree of judgment.

The details of provisions and contingent liabilities are presented in explanatory 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.

6. RECURRING AND NON-RECURRING INCOME

To classify non-recurring results, Banco BV considers income and expenses arising from unusual administrative acts and facts or those that have a low probability of occurring in consecutive years, in line with the criteria established in BCB Resolution No. 2/2020.

	Parent company and consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Non-recurring result - BCB Resolution No. 2/2020	-	-	96,372	-
Income on disposal of investments, net of tax ⁽¹⁾	-	-	96,372	-

⁽¹⁾ Refers to the profit on the partial disposal of one of its subsidiaries (the gross amount is R\$ 175,222), as detailed in note 2b.

7. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Cash and due from banks	82,122	242,163	99,898	291,851
Cash and due from banks in national currency	744	791	7,501	45,551
Cash and due from banks in foreign currency	81,378	241,372	92,397	246,300
Interbank funds applied ⁽¹⁾	3,296,710	389,240	3,296,710	389,240
Interbank accounts or relations	2,888,160	267,727	2,888,160	267,727
Investments in foreign currency ⁽²⁾	408,550	121,513	408,550	121,513
Total	3,378,832	631,403	3,396,608	681,091

⁽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	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Reverse repurchase agreements ⁽¹⁾	1,554,656	1,016,925	1,554,656	1,017,454
Reverse repurchase agreements - Held	168,419	50,589	168,419	301,330
Treasury Financial Bills	4,702	-	4,702	-
National Treasury Bill - LON	419	-	419	529
National Treasury Notes - NTN	-	41,718	-	291,930
Securities of Brazilian Foreign Debt	163,298	8,871	163,298	8,871
Reverse repurchase agreements - Repledged	1,117,610	461,087	1,117,610	210,875
National Treasury Bill - LON	3,297	-	3,297	-
National Treasury Notes - NTN	1,114,313	461,087	1,114,313	210,875
Reverse repurchase agreements - Short position	268,627	505,249	268,627	505,249
Treasury Financial Bills	221,917	-	221,917	-
National Treasury Bill - LON	46,710	-	46,710	-
National Treasury Notes - NTN	-	403,233	-	403,233
Securities of Brazilian Foreign Debt	-	102,016	-	102,016
Interbank deposit investments	2,124,915	2,602,875	919,231	332,459
Total	3,679,571	3,619,800	2,473,887	1,349,913
Current assets	3,035,141	3,353,709	1,782,747	1,083,822
Non-current assets	644,430	266,091	691,140	266,091

⁽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			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Income from securities purchased under resale agreements	54,445	95,972	136,718	407,883
Own portfolio	39,790	16,504	67,393	95,244
Financed operations	12,553	66,324	35,182	271,730
Short position	2,102	13,144	34,143	40,909
Income from investments in interbank deposits ⁽¹⁾	79,600	76,117	264,364	178,956
Total ⁽²⁾	134,045	172,089	401,082	586,839

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Income from securities purchased under resale agreements	54,448	95,984	136,721	397,248
Own portfolio	39,793	16,516	67,396	90,771
Financed operations	12,553	66,324	35,182	265,568
Short position	2,102	13,144	34,143	40,909
Income from investments in interbank deposits ⁽¹⁾	39,398	9,040	93,886	25,285
Total ⁽²⁾	93,846	105,024	230,607	422,533

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

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



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9. SECURITIES

a) Portfolio summary by category

By category	09.30.2023				12.31.2022			
	Current	Not Current	Total	% Portfolio	Current	Not Current	Total	% Portfolio
Parent Company								
1 – Trading title ⁽¹⁾	8,659,890	-	8,659,890	21%	7,247,922	-	7,247,922	17%
2 – Securities available for sale	4,864,777	16,406,346	21,271,123	50%	3,735,306	13,877,706	17,613,012	42%
3 - Securities held to maturity	4,198,883	8,004,445	12,203,328	29%	5,428,230	11,656,203	17,084,433	41%
Book value of the portfolio	17,723,550	24,410,791	42,134,341	100%	16,411,458	25,533,909	41,945,367	100%
Category three mark-to-market (Note 30.1.b.vi)	(13,088)	(238,000)	(251,088)		(12,303)	(678,779)	(691,082)	
fair value of the portfolio	17,710,462	24,172,791	41,883,253		16,399,155	24,855,130	41,254,285	
Consolidated								
1 – Trading title ⁽¹⁾	8,805,167	-	8,805,167	22%	7,375,779	-	7,375,779	18%
2 – Securities available for sale	5,203,925	14,447,453	19,651,378	48%	4,269,754	11,809,381	16,079,135	40%
3 - Securities held to maturity	4,198,883	8,004,445	12,203,328	30%	5,428,230	11,656,203	17,084,433	42%
Book value of the portfolio	18,207,975	22,451,898	40,659,873	100%	17,073,763	23,465,584	40,539,347	100%
Category three mark-to-market (Note 30.1.b.vi)	(13,088)	(238,000)	(251,088)		(12,303)	(678,779)	(691,082)	
fair value of the portfolio	18,194,887	22,213,898	40,408,785		17,061,460	22,786,805	39,848,265	

⁽¹⁾ Bonds and securities classified in the "trading securities" category are presented as current assets, regardless of the maturity dates, pursuant to Bacen Circular n° 3068/2001.

In compliance with the provisions of article 8 of Circular No. 3,068/2001, of the Central Bank of Brazil, BV bank declares that it has the financial capacity and intention to hold until maturity the securities classified in the category "securities held to maturity" in the amount of R\$ 12,203,328 in the Bank and Consolidated (R\$ 17,084,433 in the Bank and Consolidated on December 31, 2022), representing 29% in the Bank and 30% in the Consolidated of the total securities (41% in the Bank and 42% in Consolidated as of December 31, 2022).



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

Parent company	09.30.2023								12.31.2022		
	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
1 – Trading securities	119,324	80	271,291	7,814,197	454,998	8,637,089	8,659,890	22,801	7,234,670	7,247,922	13,252
Government bonds	-	80	271,291	7,814,197	454,998	8,561,026	8,540,566	(20,460)	6,748,501	6,771,780	23,279
Financial Treasury Bills	-	-	173,976	846,802	38,602	1,059,192	1,059,380	188	768,829	768,533	(296)
National Treasury Bills	-	80	13,228	6,681,305	-	6,708,140	6,694,613	(13,527)	3,721,806	3,749,249	27,443
National Treasury Notes	-	-	84,087	286,090	416,396	793,694	786,573	(7,121)	2,168,521	2,164,614	(3,907)
Government notes from other countries	-	-	-	-	-	-	-	-	89,345	89,384	39
Private securities	119,324	-	-	-	-	76,063	119,324	43,261	486,169	476,142	(10,027)
Shares	119,324	-	-	-	-	76,063	119,324	43,261	-	-	-
Certificate of Agribusiness Receivables	-	-	-	-	-	-	-	-	486,169	476,142	(10,027)
2 – Securities available for sale	630,261	1,728,160	2,506,356	9,060,725	7,345,621	21,302,876	21,271,123	(31,753)	17,647,541	17,613,012	(34,529)
Government bonds	-	1,588,481	1,357,683	3,468,470	3,943,995	10,522,998	10,358,629	(164,369)	9,068,851	8,839,050	(229,801)
Financial Treasury Bills	-	-	-	11,035	1,812,264	1,822,396	1,823,299	903	975,743	974,952	(791)
National Treasury Bills	-	-	-	932,679	-	929,686	932,679	2,993	1,065,504	1,029,842	(35,662)
National Treasury Notes	-	-	1,357,683	561,264	1,009,252	3,014,080	2,928,199	(85,881)	2,722,755	2,610,888	(111,867)
Brazilian Foreign Debt Securities	-	-	-	1,412,169	1,122,479	2,623,982	2,534,648	(89,334)	2,289,315	2,221,105	(68,210)
Government notes from other countries	-	1,588,481	-	551,323	-	2,132,854	2,139,804	6,950	2,015,534	2,002,263	(13,271)
Private securities	630,261	139,679	1,148,673	5,592,255	3,401,626	10,779,878	10,912,494	132,616	8,578,690	8,773,962	195,272
Debentures ⁽¹⁾	-	6,007	389,778	2,988,100	257,648	3,649,485	3,641,533	(7,952)	2,170,045	2,170,472	427
Promissory Notes ⁽²⁾	-	5,939	5,464	-	-	11,415	11,403	(12)	16,295	16,290	(5)
Shares ⁽³⁾	9,668	-	-	-	-	9,668	9,668	-	10,070	10,070	-
Quotas of investment funds ⁽⁴⁾	620,593	-	86,417	718,686	3,038,752	4,136,073	4,464,448	328,375	3,616,571	3,946,039	329,468
Rural Product Notes -Commodities ⁽⁵⁾	-	1,247	260,264	508,324	-	802,901	769,835	(33,066)	399,269	397,652	(1,617)
<i>Eurobonds</i>	-	-	-	1	-	26	1	(25)	26	1	(25)
Floating Rate Notes	-	372	145,459	204,674	-	356,715	350,505	(6,210)	696,774	682,465	(14,309)
Financial Letters	-	-	-	15,000	-	15,003	15,000	(3)	-	-	-
Certificated of Real Estate Receivables ⁽⁶⁾	-	11,096	810	348,991	81,769	566,581	442,666	(123,915)	843,686	723,295	(120,391)
Agribusiness Receivables Certificate	-	6,369	-	131,091	-	137,632	137,460	(172)	177,134	177,555	421
Commercial notes ⁽⁷⁾	-	108,649	260,481	677,388	23,457	1,094,379	1,069,975	(24,404)	648,820	650,123	1,303
3 – Securities held to maturity ⁽⁸⁾	-	159,945	4,038,938	7,795,728	208,717	12,203,328	12,203,328	-	17,084,433	17,084,433	-
Government bonds	-	159,945	4,038,938	7,795,728	208,717	12,203,328	12,203,328	-	17,084,433	17,084,433	-
National Treasury Bills	-	159,945	2,554,546	3,719,617	-	6,434,108	6,434,108	-	6,891,257	6,891,257	-
National Treasury Notes	-	-	1,484,392	4,076,111	208,717	5,769,220	5,769,220	-	10,193,176	10,193,176	-
Total (1 + 2 + 3)	749,585	1,888,185	6,816,585	24,670,650	8,009,336	42,143,293	42,134,341	(8,952)	41,966,644	41,945,367	(21,277)



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Consolidated	09.30.2023								12.31.2022		
	Fair value					Total			Total		
	Without maturity	From 0 to 90 days	From 90 to 360 days	From 1 to 5 years	Over 5 years	Cost	Fair value	Fair value adjustment	Cost	Fair value	Fair value adjustment
1 – Trading securities	119,324	8,080	344,736	7,878,029	454,998	8,782,326	8,805,167	22,841	7,362,527	7,375,779	13,252
Government bonds	-	80	344,736	7,878,029	454,998	8,698,263	8,677,843	(20,420)	6,868,358	6,891,637	23,279
Financial Treasury Bills	-	-	247,421	910,634	38,602	1,196,429	1,196,657	228	888,686	888,390	(296)
National Treasury Bills	-	80	13,228	6,681,305	-	6,708,140	6,694,613	(13,527)	3,721,806	3,749,249	27,443
National Treasury Notes	-	-	84,087	286,090	416,396	793,694	786,573	(7,121)	2,168,521	2,164,614	(3,907)
Government notes from other countries	-	-	-	-	-	-	-	-	89,345	89,384	39
Private securities	119,324	8,000	-	-	-	84,063	127,324	43,261	494,169	484,142	(10,027)
Debentures	-	8,000	-	-	-	8,000	8,000	-	8,000	8,000	-
Shares	119,324	-	-	-	-	76,063	119,324	43,261	-	-	-
Certificate of Agribusiness Receivables	-	-	-	-	-	-	-	-	486,169	476,142	(10,027)
2 – Securities available for sale	770,441	1,728,160	2,705,324	9,349,993	5,097,460	19,686,027	19,651,378	(34,649)	16,125,281	16,079,135	(46,146)
Government bonds	-	1,588,481	1,544,412	3,721,542	3,949,612	10,971,311	10,804,047	(167,264)	9,502,212	9,260,792	(241,420)
Financial Treasury Bills	-	-	186,729	14,077	1,817,881	2,017,733	2,018,687	954	1,149,568	1,148,939	(629)
National Treasury Bills	-	-	-	932,679	-	929,686	932,679	2,993	1,065,504	1,029,842	(35,662)
National Treasury Notes	-	-	1,357,683	811,294	1,009,252	3,267,056	3,178,229	(88,827)	2,982,291	2,858,643	(123,648)
Brazilian Foreign Debt Securities	-	-	-	1,412,169	1,122,479	2,623,982	2,534,648	(89,334)	2,289,315	2,221,105	(68,210)
Government notes from other countries	-	1,588,481	-	551,323	-	2,132,854	2,139,804	6,950	2,015,534	2,002,263	(13,271)
Private securities	770,441	139,679	1,160,912	5,628,451	1,147,848	8,714,716	8,847,331	132,615	6,623,069	6,818,343	195,274
Debentures ⁽¹⁾	-	6,007	389,778	2,988,100	257,648	3,649,485	3,641,533	(7,952)	2,170,045	2,170,472	427
Promissory Notes ⁽²⁾	-	5,939	5,464	-	-	11,415	11,403	(12)	16,295	16,290	(5)
Shares ⁽³⁾	9,668	-	-	-	-	9,668	9,668	-	10,070	10,070	-
Quotas of investment funds ⁽⁴⁾	760,773	-	98,123	718,686	755,621	1,992,928	2,333,203	340,275	1,581,457	1,922,622	341,165
Rural Product Notes -Commodities ⁽⁵⁾	-	1,247	260,264	508,324	-	802,901	769,835	(33,066)	399,269	397,652	(1,617)
Eurobonds	-	-	-	1	-	26	1	(25)	26	1	(25)
Floating Rate Notes	-	372	145,459	204,674	-	356,715	350,505	(6,210)	696,774	682,465	(14,309)
Financial Letters	-	-	-	15,000	-	15,003	15,000	(3)	-	-	-
Certificated of Real Estate Receivables ⁽⁶⁾	-	11,096	1,343	385,187	111,122	644,564	508,748	(135,816)	923,179	791,093	(132,086)
Agribusiness Receivables Certificate	-	6,369	-	131,091	-	137,632	137,460	(172)	177,134	177,555	421
Commercial notes ⁽⁷⁾	-	108,649	260,481	677,388	23,457	1,094,379	1,069,975	(24,404)	648,820	650,123	1,303
3 – Securities held to maturity ⁽⁸⁾	-	159,945	4,038,938	7,795,728	208,717	12,203,328	12,203,328	-	17,084,433	17,084,433	-
Government bonds	-	159,945	4,038,938	7,795,728	208,717	12,203,328	12,203,328	-	17,084,433	17,084,433	-
National Treasury Bills	-	159,945	2,554,546	3,719,617	-	6,434,108	6,434,108	-	6,891,257	6,891,257	-
National Treasury Notes	-	-	1,484,392	4,076,111	208,717	5,769,220	5,769,220	-	10,193,176	10,193,176	-
Total (1 + 2 + 3)	889,765	1,896,185	7,088,998	25,023,750	5,761,175	40,671,681	40,659,873	(11,808)	40,572,241	40,539,347	(32,894)

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.

⁽¹⁾ The cost value of the Debentures includes provision for impairment in the amount of R\$ 740,781 (R\$ 818,374 as of December 31, 2022) as a counterpart to (Provision) / reversal of provision for impairment of bonds and securities.

⁽²⁾ The cost value of the Promissory Notes includes provision for impairment in the amount of R\$ 26,126 (R\$ 26,126 as of December 31, 2022) as a counterpart to (Provision) / reversal of provision for impairment of securities and securities furniture.

⁽³⁾ The cost value of the Shares includes provision for impairment in the amount of R\$ 3,153 in the Bank and Consolidated (R\$ 3,171 in the Bank and R\$ 4,924 in the Consolidated as of December 31, 2022) as a corresponding entry to (Provision) / reversal of provision for impairment of bonds and securities.

⁽⁴⁾ The cost value of Investment Fund Shares also considers the provision for impairment in the amount of R\$ 40,148 (R\$ 81,869 as of December 31, 2022) as a counterpart to (Provision) / reversal of provision for impairment recoverable from bonds and securities. Includes effect of adjustment to fair value of participation funds (FIP) and real estate investment funds (FII) that are not consolidated.

⁽⁵⁾ The cost value of Rural Product Notes also considers the provision for impairment in the amount of R\$ 24,160 (R\$ 24,160 as of December 31, 2022) as a counterpart to (Provision) / reversal of provision for impairment of securities.

⁽⁶⁾ The cost value of Real Estate Receivables Certificates also considers the provision for impairment in the amount of R\$ 761 (R\$ 761 as of December 31, 2022) as a counterpart to (Provision) / reversal of provision for impairment of securities.

⁽⁷⁾ The cost value of the Commercial Notes also considers the provision for reduction in recoverable value in the amount of R\$ 11,354 as a counterpart to (Provision) / reversal of provision for reduction in recoverable value of bonds and securities (as of December 31, 2022, no a provision was made for these titles).

⁽⁸⁾ Securities classified in the "Securities held to maturity" category are accounted for in accordance with Bacen Circular No. 3,068/2001 at cost value. As of September 30, 2023, the fair value of securities held to maturity is R\$ 11,952,240 in the Bank and Consolidated (R\$ 16,393,351 as of December 31, 2022 in the Bank and Consolidated).

c) Income from transactions with bonds and securities

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Interbank liquidity investments (Note 8b)	134,045	172,089	401,082	586,839
Fixed income securities ⁽¹⁾	870,180	742,373	2,981,329	2,142,090
Securities abroad ⁽¹⁾	128,556	84,205	222,816	208,206
Variable income securities	(11,035)	(617)	41,497	1,816
Applications in investment funds ⁽¹⁾⁽²⁾	110,595	133,728	426,361	341,502
Foreign currency investments ⁽¹⁾	2,282	1,231	5,791	19,226
Total	1,234,623	1,133,009	4,078,876	3,299,679

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Interbank liquidity investments (Note 8b)	93,846	105,024	230,607	422,533
Fixed income securities ⁽¹⁾	888,592	760,363	3,036,094	2,078,360
Securities abroad ⁽¹⁾	128,556	84,205	222,816	208,206
Variable income securities	(11,035)	(100)	41,497	2,069
Applications in investment funds ⁽¹⁾⁽²⁾	3,984	40,215	88,194	149,181
Foreign currency investments ⁽¹⁾	2,282	1,231	5,791	19,226
Total	1,106,225	990,938	3,624,999	2,879,575

⁽¹⁾ Includes exchange variation on assets.

⁽²⁾ Includes effects arising from transactions with third parties and conglomerate entities, including the realization of gains and distribution of income via amortization of equity investment fund (FIP) shares.

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

	Parent Company and Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Shares	4	16	18	44
Debentures	(1,356)	(2,320)	77,593	25,481
Investment fund shares	51,887	26	41,721	86
Rural Product Certificates	-	-	-	1,154
Commercial Notes	(8,144)	-	(11,354)	-
Total	42,391	(2,278)	107,978	26,765

e) Reclassifications of bonds and securities

There was no reclassification of securities between categories on September 30, 2023 and December 31, 2022.

10. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

Risks

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

Credit risk is defined as the possibility of occurrence of losses associated with: (a) Failure by the counterparty (the borrower of funds, guarantor or issuer of purchased securities or security), of its obligations under the agreed terms; (b) Devaluation, reduction of yields 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 recovering troubled asset exposures.



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Exposure to credit risk in futures contracts is minimized due to daily cash settlement. Swap contracts registered with Cetip are subject to credit risk if the counterparty is unable or unwilling to fulfill its contractual obligations, while swap contracts registered with B3 SA - Brasil, Bolsa, Balcão are not subject to the same. risk, bearing in mind that the Conglomerate's operations on this exchange are guaranteed by the same.

Market risk is defined as the possibility of financial losses arising from fluctuations in the market values 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 rate parities, stock and commodity prices, among others.

Liquidity risk is defined by:

- Possibility of the institution not being able to efficiently honor its expected and unexpected, current and future obligations, including those resulting from binding guarantees, without affecting its daily operations and without incurring significant losses; and
- Possibility of the institution not being able to negotiate a position at market price, due to its large size in relation to the volume normally transacted or due to some discontinuity in the market.

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



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a) Breakdown of derivative financial instruments portfolio by index

By Index	Parent Company and Consolidated					
	09.30.2023			12.31.2022		
	Reference Value	Cost	Fair Value	Reference Value	Cost	Fair Value
1 - Future Contracts						
Purchase commitments	13,586,481	-	-	11,034,309	-	-
Interbank Deposits	2,152,950	-	-	5,742,911	-	-
Currencies	4,810,559	-	-	1,627,701	-	-
Index	363,812	-	-	362,480	-	-
Foreign currency coupon	5,913,437	-	-	3,301,217	-	-
Others	345,723	-	-	-	-	-
Sales appointments	48,405,109	-	-	39,750,285	-	-
Interbank Deposits	41,514,568	-	-	32,755,324	-	-
Currencies	746,716	-	-	59,951	-	-
Index	1,579,289	-	-	637,881	-	-
Libor	-	-	-	422,631	-	-
Foreign currency coupon	4,564,536	-	-	4,693,467	-	-
Others	-	-	-	1,181,031	-	-
2 - Term Contracts						
Asset Position	2,940,832	2,940,832	2,940,058	271,783	271,783	272,734
Currency term	342,473	342,473	341,723	271,783	271,783	272,734
Government bond term	2,598,359	2,598,359	2,598,335	-	-	-
Liability position	2,940,832	(2,940,832)	(2,927,734)	271,783	(271,783)	(278,476)
Currency term	342,473	(342,473)	(329,125)	271,783	(271,783)	(278,476)
Government bond term	2,598,359	(2,598,359)	(2,598,609)	-	-	-
3 - Option contracts ⁽¹⁾						
Call option - Long position	1,606,509	55,795	13,834	2,772,253	117,650	49,095
Foreign currency	192,875	1,639	1,603	106,500	1,519	1,067
Flexible options	1,413,634	54,156	12,231	2,640,940	114,679	46,525
Others	-	-	-	24,813	1,452	1,503
Put option - Long position	534,000	16,942	14,381	934,000	33,712	46,253
Foreign currency	534,000	16,942	14,381	934,000	33,712	46,253
Call option – Short position	966,346	(21,830)	(5,802)	1,416,898	(40,949)	(19,273)
Foreign currency	959,375	(19,637)	(5,678)	1,387,500	(36,099)	(15,245)
Flexible options	6,971	(2,193)	(124)	6,971	(2,193)	(700)
Others	-	-	-	22,427	(2,657)	(3,328)



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By Index	Parent Company and Consolidated					
	09.30.2023			12.31.2022		
	Reference Value	Cost	Fair Value	Reference Value	Cost	Fair Value
Put option - Short position	1,320,894	(54,469)	(71,278)	2,321,967	(114,679)	(131,094)
Foreign currency	49,000	(240)	-	-	-	-
Flexible options	1,271,894	(54,229)	(71,278)	2,321,967	(114,679)	(131,094)
4 - Swap contracts ^{(1) (2)}						
Asset position	10,583,454	534,011	707,275	12,852,219	950,171	881,182
Interbank Deposit	5,854,716	310,506	388,605	8,992,751	337,681	558,613
Foreign currency	269,212	33,666	22,468	1,680,185	403,376	93,948
Fixed Rate	4,378,526	170,587	278,338	2,039,969	158,079	181,743
IPCA	29,000	-	74	51,560	8,597	7,991
IGP-M	52,000	19,252	17,790	78,000	41,512	37,680
Libor	-	-	-	9,754	926	1,207
Liability position	15,552,358	(1,572,038)	(1,797,542)	13,233,879	(1,439,398)	(1,191,138)
Interbank Deposit	4,969,264	(289,236)	(327,591)	4,836,847	(104,405)	(264,694)
Foreign currency	2,728,807	(82,848)	(78,593)	1,566,089	(415,563)	(82,411)
Fixed Rate	7,276,848	(1,078,171)	(1,273,501)	6,351,483	(831,240)	(776,589)
IPCA	430,760	(80,794)	(78,009)	365,833	(65,765)	(47,340)
IGP-M	63,946	(4,681)	(4,838)	96,719	(20,768)	(19,125)
Libor	-	-	-	16,908	(1,657)	(979)
Outros	82,733	(36,308)	(35,010)	-	-	-
5 - Other derivatives financialinstruments						
Asset position	14,066,702	103,146	108,201	13,405,437	59,943	57,905
Non Deliverable Forward - Foreign currency ⁽¹⁾	14,066,702	103,146	108,201	13,384,566	58,554	56,533
Credit Derivatives	-	-	-	20,871	1,389	1,372
Liability position	4,962,643	(227,080)	(134,932)	2,320,604	(407,528)	(185,619)
Non Deliverable Forward - Foreign currency ⁽¹⁾	4,762,339	(225,242)	(132,333)	2,164,073	(405,379)	(183,729)
Credit Derivatives	200,304	(1,838)	(2,599)	156,531	(2,149)	(1,890)
Total Assets (1 + 2 + 3 + 4 + 5)	43,317,978	3,650,726	3,783,749	41,270,001	1,433,259	1,307,169
Total Liabilities (1 + 2 + 3 + 4 + 5)	71,207,350	(4,816,249)	(4,937,288)	59,043,633	(2,274,337)	(1,805,600)

⁽¹⁾ The fair value of swap, options and non-deliverable forward operations - foreign currency include the credit risk of the counterparty (credit spread adjustment).

⁽²⁾ The presentation of swap contracts and credit derivatives by position (active or passive) takes into account the respective fair value of each contract.



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

Maturity in days	Bank and Consolidated					
	0 to 30	31 to 180	181 to 360	Above 360	09.30.2023	12.31.2022
Futures contracts	8,772,885	15,360,342	7,565,745	30,292,618	61,991,590	50,784,594
Forward contracts	342,497	-	47,378	2,550,957	2,940,832	271,783
Option contracts	371,847	2,723,114	916,150	416,638	4,427,749	7,445,118
Swap contracts	1,181,163	3,970,741	6,071,073	14,912,835	26,135,812	26,086,098
Non Deliverable Forward - Foreign Currency	2,913,288	14,903,790	933,547	78,416	18,829,041	15,548,639
Credit Derivatives	-	-	-	200,304	200,304	177,402
Total	13,581,680	36,957,987	15,533,893	48,451,768	114,525,328	100,313,634

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

Bank and Consolidated	09.30.2023							12.31.2022
	Future	Term	Options	Swaps	Non Deliverable Forward	Credit Derivatives	Total	
Stock exchange market	61,991,590	-	1,735,250	-	-	-	63,726,840	53,212,594
Over-the-counter market	-	2,940,832	2,692,499	26,135,812	18,829,041	200,304	50,798,488	47,101,040
Financial institutions	-	2,940,832	6,971	19,831,124	11,040,470	200,304	34,019,701	30,206,230
Client	-	-	2,685,528	6,304,688	7,788,571	-	16,778,787	16,894,810

d) Breakdown of the credit derivatives portfolio

Bank and Consolidated	09.30.2023			12.31.2022		
	Reference value	Cost value	Fair value	Reference value	Cost value	Fair value
Credit Swap						
Transferred Risk	200,304	(1,838)	(2,599)	177,402	(760)	(518)
By Index						
Active position – Pre-fixed	-	-	-	20,871	1,389	1,372
Passive Position – Prefixed	200,304	(1,838)	(2,599)	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, you 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 credit derivatives portfolio generated impacts on the Portion Referring to Exposures Weighted by Risk Factor (PRMR), for calculating the Basel Index in the amount of R\$ 641 on September 30, 2023 (R\$ 819 on December 31, 2022).

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	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Financial Treasury Bills - LFT	83,687	716,997	92,046	717,628
National Treasury Bills - LTN	1,503,163	909,215	1,503,163	909,215
Shares of the investment fund liquidity of board B3	45,449	41,274	45,449	58,561
Others	41,670	56,329	41,670	56,329
Total	1,673,969	1,723,815	1,682,328	1,741,733

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

	Parent company and consolidated					
	09.30.2023			12.31.2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Assets						
Term operations	389,101	2,550,957	2,940,058	258,805	13,929	272,734
Options market	22,185	6,030	28,215	65,719	29,629	95,348
Swap contracts	172,671	534,604	707,275	828,494	52,688	881,182
Non Deliverable Forward - Foreign currency	107,310	891	108,201	52,778	3,755	56,533
Credit Derivatives	-	-	-	-	1,372	1,372
Total	691,267	3,092,482	3,783,749	1,205,796	101,373	1,307,169
Liabilities						
Term operations	(376,488)	(2,551,246)	(2,927,734)	(263,940)	(14,536)	(278,476)
Options market	(71,247)	(5,833)	(77,080)	(16,500)	(133,867)	(150,367)
Swap contracts	(934,202)	(863,340)	(1,797,542)	(670,967)	(520,171)	(1,191,138)
Non Deliverable Forward - Foreign currency	(125,896)	(6,437)	(132,333)	(177,046)	(6,683)	(183,729)
Credit Derivatives	-	(2,599)	(2,599)	-	(1,890)	(1,890)
Total	(1,507,833)	(3,429,455)	(4,937,288)	(1,128,453)	(677,147)	(1,805,600)

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.

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 credit operations with risk in pre-fixed rate/exchange rate are protected with DI and DDI futures contracts.

Hedged items		09.30.2023				
		Fair value of hedged items		Fair value adjustment of hedged items		Base value for calculating hedge ineffectiveness ⁽¹⁾
Parent Company and consolidated		Assets	Liabilities	Assets	Liabilities	
Interest rate risk						
Hedge for Credit operations	Credit operations	23,962,779	-	105,674	-	2,130,144
Hedge of perpetual subordinated financial bills - Equity-eligible debt instruments	Equity-eligible debt instruments	-	280,258	-	(30,170)	19,789
Total		23,962,779	280,258	105,674	(30,170)	2,149,933
		12.31.2022				
Interest rate risk						
Hedge for Credit operations	Credit operations	16,936,827	-	(447,760)	-	1,786,143
Total		16,936,827	-	(447,760)	-	1,786,143

⁽¹⁾ Changes in the value of the hedged item that, when compared with changes in the fair value of the hedging instrument, result in the amount of ineffectiveness of the hedge.

For the repurchase agreement and credit and leasing operations strategies, the Conglomerate reestablishes the hedging relationship as both the hedged item and the instruments are resized over 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		09.30.2023			
		Reference Value		Base amount to calculate the ineffectiveness of hedge ⁽¹⁾	Hedge ineffectiveness recorded in income ⁽²⁾
Parent Company and consolidated		Assets	Liabilities		
Interest rate risk					
Future DI		398,723	24,723,379	(2,136,120)	(5,976)
Total		398,723	24,723,379	(2,136,120)	(5,976)
		12.31.2022			
Interest rate risk					
Future DI		-	19,915,037	(1,817,175)	(31,032)
Total		-	19,915,037	(1,817,175)	(31,032)

⁽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 accumulated so that it is possible to compare with changes in the fair value of the instrument and the hedged object.

In the periods from January 1st to September 30th, 2023 and 2022, there were no dismantling operations and no effect on results 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 Future DI contracts at B3 (Stock exchange market).

To protect the cash flow of future disbursements on securities issued abroad and other securities issued abroad against exposure to exchange rate risk (USD and EUR), the Conglomerate has traded over-the-counter Swap contracts recorded in B3.

Hedge instruments	09.30.2023				
	Statement of Financial Position line item	Book/reference amount		Base amount for calculating hedge ineffectiveness ⁽¹⁾	Cash flow hedge reserve
		Assets	Liabilities		
Parent Company and consolidated					
Interest rate risk					
Hedge of Financial Bills	Securities issued	-	3,949,635	(30,015)	(9,523)
Hedge of subordinated financial bills - Debt instruments eligible for capital	Debt instruments eligible for capital	-	3,493	(46)	(1)
Exchange rate risk					
Brazilian foreign debt securities hedge	Government securities	1,122,479	-	(6,548)	15,423
Hedge of obligations with TVM abroad	Resources from acceptance and issuance of securities	-	5,291,930	659,024	(166,198)
Hedge of loans obligations abroad	Borrowing and onlendings obligations	-	501,916	33,723	(16,195)
Total		1,122,479	9,746,974	656,138	(176,494)
Parent Company and consolidated					
12.31.2022					
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					
Brazilian foreign debt securities hedge	Government securities	445,028	-	(19,018)	29,140
Hedge of obligations with TVM abroad	Resources from acceptance and issuance of securities	-	5,587,770	257,241	91,721
Hedge of loans obligations abroad	Borrowing and onlendings obligations	-	1,014,704	(25,869)	23,009
Total		445,028	11,128,276	138,014	167,953

⁽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	09.30.2023				
	Book/reference amount		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⁾
	Assets	Liabilities			
Parent Company and consolidated					
Interest rate risk					
Future DI	3,788,148	-	29,748	(33,607)	-
Exchange rate risk					
Swap ^{(3) (4) (5)}	5,716,931	1,226,334	(682,109)	(310,840)	(55)
Total	9,505,079	1,226,334	(652,362)	(344,447)	(55)
Parent Company and consolidated					
12.31.2022					
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	11,050,349	495,479	(132,507)	(493,148)	3,987

⁽¹⁾ Changes in the fair value of the hedging instrument that, when compared with changes in the value of the hedged item, result in the amount of ineffectiveness of the hedge.

⁽²⁾ Balances presented on an accumulated basis so that it is possible to confront changes in the fair value of the instrument and the object of hedge.

⁽³⁾ The reference value of swap contracts for hedging obligations with securities abroad is R\$ 5,711,855 on September 30, 2023 and December 31, 2022.

⁽⁴⁾ The reference value of swap contracts for hedging Brazilian external debt securities is R\$ 1,328,035 on September 30, 2023 (R\$ 561,334 on December 31, 2022).

⁽⁵⁾ The reference value of swap contracts for hedging foreign loan obligations is R\$ 517,000 as of September 30, 2023 and (R\$ 974,371 as of December 31, 2022).

The effective portion is recognized in equity under Other comprehensive income and the ineffective portion is recognized in the statement of income under Income from derivative financial instruments.

In the period from January 1st to September 30th, 2023, the adjustment to the fair value of the effective portion, in the amount of R\$ (344,447) (R\$ (716,250) in the period from January 1st to September 30th, 2022), was recognized in equity and the ineffective portion, in the amount of R\$ (4,042) (R\$ 4,453 in the period from January 1 to September 30, 2022) was recognized in profit or loss under "Results from derivative financial instruments".

The net losses from tax effects related to the cash flow hedge that the Conglomerate expects to recognize in the result in the next 12 months total R\$ (75,043) (net losses of R\$ (37,297) in the period from January 1st to September 30th 2022).

In the period from January 1st to September 30th, 2023, some operations were no longer qualified as cash flow hedges, which generated a result of R\$ 58,208 in the period, net of tax effects, presented under the heading "Results from financial instruments derivatives" (R\$ 2,586 in the period from January 1 to September 30, 2022).

h) Income from derivative financial instruments

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Swap contracts	(75,338)	288,745	(225,891)	846,217
Term operations	13,042	11,730	17,745	25,950
Options market	21,083	(4,874)	(89,057)	37,294
Futures contracts	437,247	(476,819)	(75,629)	(862,984)
Credit derivatives	(761)	137	6,762	137
Fair value adjustments of hedged financial instruments	(94,573)	473,121	640,375	435,989
Non Deliverable Forward - Foreign currency	(5,401)	(504)	(521,535)	(277,332)
Income from foreign exchange movements of investments abroad	67,919	55,872	(68,892)	(51,957)
Total	363,218	347,408	(316,122)	153,314

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Swap contracts	(75,338)	288,745	(225,891)	980,391
Term operations	13,042	11,730	17,745	25,950
Options market	21,083	(4,874)	(89,057)	(77,295)
Futures contracts	437,247	(476,819)	(75,629)	(862,984)
Credit derivatives	(761)	137	6,762	137
Fair value adjustments of hedged financial instruments	(94,573)	473,121	640,375	435,989
Non Deliverable Forward - Foreign currency	(5,401)	(504)	(521,535)	(163,160)
Income from foreign exchange movements of investments abroad	67,919	55,872	(68,892)	(51,957)
Total	363,218	347,408	(316,122)	287,071

11. INTERBANK ACCOUNTS
a) Breakdown

	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Assets				
Linked credits - Compulsory deposits at the Central Bank of Brazil	2,311,731	1,924,717	2,439,349	1,961,377
Demand deposits	2,055,399	1,619,271	2,055,399	1,619,271
Microfinance transactions	18,270	41,216	20,461	42,598
Instant payments	238,062	264,230	363,489	299,508
Liabilities				
Payments and receipts to be settled - Payment transactions	15,619	40,217	3,010,070	3,472,198
Credit Card	15,619	40,217	3,010,070	3,472,198
Current assets	2,311,731	1,924,717	2,439,349	1,961,377
Current liabilities	15,619	40,217	3,010,070	3,472,198

b) Income from compulsory deposits

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Credits linked to Central Bank of Brazil	69,755	53,235	203,280	129,795
Requirement on time deposits	64,044	51,082	186,677	127,642
Instant Payments	5,711	2,153	16,603	2,153
Total	69,755	53,235	203,280	129,795

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Credits linked to Central Bank of Brazil	74,099	53,937	214,144	130,497
Requirement on time deposits	64,044	51,082	186,677	127,642
Instant Payments	10,055	2,855	27,467	2,855
Total	74,099	53,937	214,144	130,497

12. CREDIT AND LOANS PORTFOLIO
a) Portfolio by modality

	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Loans	62,383,714	59,352,481	65,175,387	62,008,362
Loans and discounted notes	7,039,375	7,136,422	9,831,051	9,764,690
Financing	43,456,916	40,855,702	45,484,789	44,266,896
Rural and agribusiness financing	1,992,582	1,353,722	1,992,582	1,353,722
Real estate financing agreements	15,045	96,579	15,045	96,579
Credit operations linked to assignments (Note 12h.1) ⁽¹⁾	9,879,796	9,910,056	7,851,920	6,526,475
Other credits with credit granting characteristics	3,773,966	4,769,158	6,743,798	8,272,176
Credit card operations	-	-	2,971,567	3,503,018
Advances on exchange contracts and other related credits	1,054,472	731,983	1,054,472	731,983
Other credits linked to payment transactions ⁽²⁾	122,672	322,730	120,937	322,730
Securities and receivables	2,596,822	3,714,445	2,596,822	3,714,445
Leasing Portfolio	-	-	38,232	37,263
Total Credit and loan portfolio	66,157,680	64,121,639	71,957,417	70,317,801
Provision for losses associated with credit risk	(4,872,822)	(4,622,992)	(5,996,723)	(5,597,006)
(Credit operations)	(4,252,242)	(3,940,497)	(5,325,296)	(4,850,968)
(Other credits with credit granting characteristics) ⁽³⁾	(620,580)	(682,495)	(671,201)	(745,880)
(Lease portfolio)	-	-	(226)	(158)
Total credit and loan portfolio net of provisions	61,284,858	59,498,647	65,960,694	64,720,795
Current assets	28,111,287	28,254,214	32,001,525	32,877,128
Non-current assets	33,173,571	31,244,433	33,959,169	31,843,667

⁽¹⁾ Credit operations assigned with substantial retention of risks and benefits of the financial asset object of the operation.

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

⁽³⁾ Includes provision for losses on operations under approved judicial reorganization and provision for losses linked to payment transactions.

b) Income from credit and leasing operations

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Credit operations	2,802,814	2,550,001	7,784,674	7,109,342
Loans and discounted securities	522,605	425,766	1,547,294	1,195,164
Financing	2,232,245	2,098,690	6,150,934	5,825,544
Rural and agribusiness financing	38,728	6,064	53,620	24,713
Real estate financing agreements	1,101	2,140	6,996	4,733
Financing in foreign currency	4,174	4,355	11,355	4,516
Other	3,961	12,986	14,475	54,672
Total ⁽¹⁾	2,802,814	2,550,001	7,784,674	7,109,342

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Credit operations	3,177,846	3,047,192	9,082,516	8,367,523
Loans and discounted securities	782,709	773,293	2,445,328	2,140,858
Financing	2,346,564	2,248,160	6,549,127	6,136,703
Rural and agribusiness financing	38,728	6,064	53,620	24,713
Real estate financing agreements	1,101	2,140	6,996	4,733
Financing in foreign currency	4,174	4,355	11,355	4,516
Other	4,570	13,180	16,090	56,000
Leases	1,445	(962)	5,732	1,535
Total ⁽¹⁾	3,179,291	3,046,230	9,088,248	8,369,058

⁽¹⁾ Does not include credit operations linked to assignments. Considering such assets, the Bank's income from credit operations, in the period from January 1st to September 30th, 2023, would total R\$ 9,540,532 (R\$ 7,963,662 in the period from January 1st to September 30th, 2022) and in the Consolidated it would total R\$ 10,844,106 (R\$ 9,223,378 in the period from January 1 to September 30, 2022).

c) Loan portfolio by sector of economic activity

Parent Company	09.30.2023	%	12.31.2022	%
Private Sector	66,157,680	100.00%	64,121,639	100.00%
Individuals	53,741,332	81.23%	49,767,288	77.61%
Legal Entities	12,416,348	18.77%	14,354,351	22.39%
Sugar and alcohol	1,512,647	2.29%	1,331,567	2.08%
Agribusiness	1,356,578	2.05%	1,389,314	2.17%
Specific construction activities	726,466	1.10%	751,632	1.17%
Automotive	424,932	0.64%	450,900	0.70%
Wholesale commerce and sundry industries	2,232,138	3.37%	2,652,246	4.14%
Retail business	827,612	1.25%	1,360,597	2.12%
Heavy construction	60,563	0.09%	83,460	0.13%
Cooperatives	1,228,568	1.86%	1,110,323	1.73%
Electric power	425,282	0.64%	278,512	0.43%
Financial institutions and services	176,061	0.27%	492,426	0.77%
Wood and furniture	18,032	0.03%	6,651	0.01%
Mining and Metallurgy	150,142	0.23%	84,296	0.13%
Paper and pulp	113,511	0.17%	27,395	0.04%
Small and medium enterprises ⁽¹⁾	280,377	0.42%	1,044,433	1.63%
Chemical	624,939	0.94%	784,221	1.22%
Services	1,592,792	2.41%	1,770,926	2.76%
Telecommunications	47,451	0.07%	55,132	0.09%
Textile and apparel	144,825	0.22%	159,618	0.25%
Transportation	401,146	0.61%	434,020	0.68%
Other activities	72,286	0.11%	86,682	0.14%
Total of loan portfolio adjusted to fair value ⁽²⁾	66,157,680	100.00%	64,121,639	100.00%
Consolidated	09.30.2023	%	12.31.2022	%
Private Sector	71,957,417	100.00%	70,317,801	100.00%
Individuals	59,430,116	82.59%	55,587,553	79.05%
Legal Entities	12,527,301	17.41%	14,730,248	20.95%
Sugar and alcohol	1,512,647	2.10%	1,331,567	1.89%
Agribusiness	1,429,321	1.99%	1,293,270	1.84%
Specific construction activities	726,466	1.01%	758,203	1.08%
Automotive	428,133	0.59%	455,739	0.65%
Wholesale commerce and sundry industries	2,235,548	3.10%	3,037,664	4.32%
Retail business	835,674	1.16%	1,420,453	2.02%
Heavy construction	61,614	0.09%	83,460	0.12%
Cooperatives	1,228,568	1.71%	1,110,323	1.58%
Electric power	425,282	0.59%	278,512	0.40%
Financial institutions and services	176,061	0.24%	492,426	0.70%
Wood and furniture	18,032	0.03%	6,651	0.01%
Mining and Metallurgy	152,245	0.21%	88,570	0.12%
Paper and pulp	113,511	0.16%	27,395	0.04%
Small and medium enterprises ⁽¹⁾	280,377	0.39%	1,044,433	1.49%
Chemical	625,137	0.87%	784,522	1.12%
Services	1,608,871	2.24%	1,775,646	2.53%
Telecommunications	47,451	0.07%	55,132	0.08%
Textile and apparel	144,825	0.20%	159,618	0.23%
Transportation	405,252	0.56%	439,982	0.63%
Other activities	72,286	0.10%	86,682	0.10%
Total of loan portfolio adjusted to fair value ⁽²⁾	71,957,417	100.00%	70,317,801	100.00%

⁽¹⁾ They include credit operations with the agribusiness sectors and other sectors of economic activity carried out with small and medium-sized companies.

⁽²⁾ Includes adjustment to the fair value of credit transactions that are subject to market risk hedge in the amount of R\$ 105,674 as of September 30, 2023 (R\$ (447,760) as of December 31, 2022).



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d) Credit and Loan portfolio by risk level and maturity

Parent Company	AA	A	B	C	D	E	F	G	H	09.30.2023	12.31.2022
Performing loans											
Falling due installments	2,880,778	31,535,917	12,303,800	8,404,097	1,318,156	367,004	138,742	740,366	275,341	57,964,201	57,350,452
From 01 to 30	266,503	2,812,898	372,946	135,647	44,926	31,289	12,568	39,451	74,136	3,790,364	4,385,570
From 31 to 60	439,253	1,347,640	475,795	309,470	53,009	13,081	5,107	6,282	9,751	2,659,388	2,939,887
From 61 to 90	190,529	1,332,006	479,420	335,856	53,408	13,117	5,183	6,501	14,915	2,430,935	2,917,583
From 91 to 180	589,229	3,974,917	1,299,884	930,277	145,276	37,303	14,180	19,452	27,580	7,038,098	6,928,610
From 181 to 360	569,475	7,295,205	2,206,487	1,518,860	249,226	67,627	25,611	33,841	45,403	12,011,735	10,179,493
Over 360	825,789	14,773,251	7,469,268	5,173,987	772,311	204,587	76,093	634,839	103,556	30,033,681	29,999,309
Installments overdue	9,069	109,245	30,172	52,937	20,821	4,154	1,704	1,529	5,483	235,114	172,346
Up to 14 days	9,069	109,245	30,172	52,937	20,821	4,154	1,704	1,529	5,483	235,114	172,346
Subtotal	2,889,847	31,645,162	12,333,972	8,457,034	1,338,977	371,158	140,446	741,895	280,824	58,199,315	57,522,798
Non-performing loans ⁽¹⁾											
Falling due installments	-	-	950,280	1,318,602	1,134,484	797,970	543,549	677,893	1,166,325	6,589,103	5,886,760
From 01 to 30	-	-	46,785	66,640	56,226	35,454	24,658	29,681	58,527	317,971	274,768
From 31 to 60	-	-	45,237	59,894	50,809	32,238	23,037	26,605	51,626	289,446	277,192
From 61 to 90	-	-	43,608	60,217	51,705	32,190	24,537	26,829	51,482	290,568	257,559
From 91 to 180	-	-	120,329	165,022	141,003	89,617	62,701	74,757	141,162	794,591	704,653
From 181 to 360	-	-	199,945	275,537	235,282	152,388	109,925	127,983	232,034	1,333,094	1,199,626
Over 360 days	-	-	494,376	691,292	599,459	456,083	298,691	392,038	631,494	3,563,433	3,172,962
Installments overdue ⁽²⁾	-	-	57,902	148,022	135,993	107,466	111,960	136,248	565,997	1,263,588	1,159,841
From 01 to 14	-	-	1,846	25,286	23,071	14,215	11,116	11,908	23,649	111,091	98,060
From 15 to 30	-	-	56,056	42,100	32,013	19,809	13,983	15,978	35,868	215,807	187,182
From 31 to 60	-	-	-	80,636	46,754	32,346	23,842	27,902	59,538	271,018	223,557
From 61 to 90	-	-	-	-	34,155	24,334	21,108	23,738	55,783	159,118	146,768
From 91 to 180	-	-	-	-	-	16,762	41,911	56,722	176,579	291,974	256,898
From 181 to 360	-	-	-	-	-	-	-	-	214,580	214,580	247,376
Subtotal	-	-	1,008,182	1,466,624	1,270,477	905,436	655,509	814,141	1,732,322	7,852,691	7,046,601
Total	2,889,847	31,645,162	13,342,154	9,923,658	2,609,454	1,276,594	795,955	1,556,036	2,013,146	66,052,006	64,569,399
(+/-) Adjustment to fair value ⁽³⁾										105,674	(447,760)
Total of loan portfolio adjusted to fair value										66,157,680	64,121,639



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Consolidated	AA	A	B	C	D	E	F	G	H	09.30.2023	12.31.2022
Performing loans											
Falling due installments	2,885,158	34,765,609	12,565,938	8,792,012	1,522,621	438,612	171,289	780,931	320,822	62,242,992	61,952,709
From 01 to 30	266,958	3,889,493	456,680	258,163	86,070	47,183	19,127	48,137	85,361	5,157,172	6,040,921
From 31 to 60	439,383	1,829,415	518,000	345,920	63,978	20,833	8,561	10,712	15,677	3,252,479	3,581,886
From 61 to 90	190,820	1,670,983	510,535	381,362	69,801	19,385	8,159	10,129	19,324	2,880,498	3,387,380
From 91 to 180	589,953	4,543,785	1,339,752	987,811	168,476	50,609	20,269	27,423	36,228	7,764,306	7,760,237
From 181 to 360	570,890	7,611,359	2,225,776	1,575,429	281,379	82,703	32,997	39,071	53,947	12,473,551	10,692,482
Over 360	827,154	15,220,574	7,515,195	5,243,327	852,917	217,899	82,176	645,459	110,285	30,714,986	30,489,803
Installments overdue	9,069	164,045	33,784	59,009	27,284	8,151	3,428	3,682	7,749	316,201	322,204
Up to 14 days	9,069	164,045	33,784	59,009	27,284	8,151	3,428	3,682	7,749	316,201	322,204
Subtotal	2,894,227	34,929,654	12,599,722	8,851,021	1,549,905	446,763	174,717	784,613	328,571	62,559,193	62,274,913
Non-performing loans ⁽¹⁾											
Falling due installments	-	-	984,690	1,370,632	1,161,290	801,246	546,393	680,345	1,188,489	6,733,085	6,084,511
From 01 to 30	-	-	54,856	79,052	60,324	35,949	24,956	30,114	58,953	344,204	326,131
From 31 to 60	-	-	48,381	69,243	53,052	32,330	23,092	26,649	51,863	304,610	302,791
From 61 to 90	-	-	47,158	66,770	53,502	32,272	24,582	26,866	51,675	302,825	277,484
From 91 to 180	-	-	126,162	177,878	145,856	89,794	62,800	74,827	141,511	818,828	744,022
From 181 to 360	-	-	205,730	280,748	240,899	152,585	110,040	128,054	232,345	1,350,401	1,231,267
Over 360 days	-	-	502,403	696,941	607,657	458,316	300,923	393,835	652,142	3,612,217	3,202,816
Installments overdue ⁽²⁾	-	-	85,557	211,853	237,190	222,938	221,233	324,470	1,256,224	2,559,465	2,406,137
From 01 to 14	-	-	2,923	31,359	25,599	19,267	15,017	21,569	25,255	140,989	123,806
From 15 to 30	-	-	82,634	44,981	35,867	22,552	15,510	18,001	38,007	257,552	247,255
From 31 to 60	-	-	-	135,513	56,473	39,642	27,872	32,750	65,024	357,274	337,756
From 61 to 90	-	-	-	-	119,251	29,550	24,032	42,371	61,030	276,234	293,201
From 91 to 180	-	-	-	-	-	111,927	138,802	209,779	198,062	658,570	684,372
From 181 to 360	-	-	-	-	-	-	-	-	868,846	868,846	719,747
Subtotal	-	-	1,070,247	1,582,485	1,398,480	1,024,184	767,626	1,004,815	2,444,713	9,292,550	8,490,648
Total	2,894,227	34,929,654	13,669,969	10,433,506	2,948,385	1,470,947	942,343	1,789,428	2,773,284	71,851,743	70,765,561
(+/-) Adjustment to fair value ⁽³⁾										105,674	(447,760)
Total of loan portfolio adjusted to fair value										71,957,417	70,317,801

⁽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.



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

Risk Level	% Provision	09.30.2023				12.31.2022			
		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%	2,889,847	-	-	-	3,734,190	-	-	-
A	0.50%	31,645,162	(158,227)	-	(158,227)	33,043,739	(165,219)	-	(165,219)
B	1.00%	13,342,154	(133,422)	-	(133,422)	13,142,368	(131,424)	-	(131,424)
C	3.00%	9,923,658	(297,710)	(497)	(298,207)	7,000,085	(210,003)	-	(210,003)
D	10.00%	2,609,454	(260,945)	-	(260,945)	2,057,099	(205,710)	-	(205,710)
E	30.00%	1,276,594	(382,978)	-	(382,978)	1,569,075	(470,723)	-	(470,723)
F	50.00%	795,955	(397,978)	-	(397,978)	386,625	(193,313)	-	(193,313)
G	70.00%	1,556,036	(1,089,225)	(138,694)	(1,227,919)	1,758,899	(1,231,229)	(138,052)	(1,369,281)
H	100.00%	2,013,146	(2,013,146)	-	(2,013,146)	1,877,319	(1,877,319)	-	(1,877,319)
Total		66,052,006	(4,733,631)	(139,191)	(4,872,822)	64,569,399	(4,484,940)	(138,052)	(4,622,992)
(+/-)Adjustment to fair value ⁽²⁾		105,674				(447,760)			
Total of loan portfolio adjusted to fair value		66,157,680				64,121,639			
Consolidated									
AA	0.00%	2,894,227	-	-	-	3,739,453	-	-	-
A	0.50%	34,929,654	(174,649)	-	(174,649)	36,700,870	(183,504)	-	(183,504)
B	1.00%	13,669,969	(136,700)	-	(136,700)	13,545,763	(135,458)	-	(135,458)
C	3.00%	10,433,506	(313,005)	(497)	(313,502)	7,559,119	(226,774)	-	(226,774)
D	10.00%	2,948,385	(294,839)	-	(294,839)	2,406,561	(240,656)	-	(240,656)
E	30.00%	1,470,947	(441,284)	-	(441,284)	1,794,164	(538,250)	-	(538,250)
F	50.00%	942,343	(471,171)	-	(471,171)	554,362	(277,181)	-	(277,181)
G	70.00%	1,789,428	(1,252,600)	(138,694)	(1,391,294)	2,027,128	(1,418,990)	(138,052)	(1,557,042)
H	100.00%	2,773,284	(2,773,284)	-	(2,773,284)	2,438,141	(2,438,141)	-	(2,438,141)
Total		71,851,743	(5,857,532)	(139,191)	(5,996,723)	70,765,561	(5,458,954)	(138,052)	(5,597,006)
(+/-) Adjustment to fair value ⁽²⁾		105,674				(447,760)			
Total of loan portfolio adjusted to fair value		71,957,417				70,317,801			

⁽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.

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

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
(Provision) / reversal of provision for losses associated with the loan portfolio (Note 12f.2)	(826,777)	(222,925)	(1,920,606)	(1,153,139)
Loans	(822,278)	(603,129)	(1,943,678)	(1,601,557)
Other receivables with loan characteristics	(4,499)	380,204	23,072	448,418
Income from recovery of loans previously written off as losses	192,255	131,189	471,042	532,844
Loans	192,255	129,148	455,542	529,684
Other receivables with loan characteristics	-	2,041	15,500	3,160
Total (provision) / reversal of provision for losses associated with the loan portfolio	(634,522)	(91,736)	(1,449,564)	(620,295)
Other (provisions) / reversals of provisions for losses associated with credit risk ⁽¹⁾	(8,939)	5,380	(51,580)	14,152
Financial guarantees provided	(2,162)	4,278	16,436	10,005
Other risks	(6,777)	1,102	(68,016)	4,147
Total other (provisions) / reversals of provisions associated with credit risk	(8,939)	5,380	(51,580)	14,152
Total	(643,461)	(86,356)	(1,501,144)	(606,143)

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
(Provision) / reversal of provision for losses associated with the loan portfolio (Note 12f.2)	(1,078,318)	(565,665)	(2,856,440)	(1,860,508)
Loans	(1,127,686)	(950,961)	(2,956,660)	(2,325,417)
Other receivables with loan characteristics	49,359	385,302	100,288	464,897
Leasing operations	9	(6)	(68)	12
Income from recovery of loans previously written off as losses	208,242	140,300	507,952	572,758
Loans	208,242	138,257	492,403	569,269
Other receivables with loan characteristics	-	2,041	15,500	3,160
Leasing operations	-	2	49	329
Total (provision) / reversal of provision for losses associated with the loan portfolio	(870,076)	(425,365)	(2,348,488)	(1,287,750)
Other (provisions) / reversals of provisions for losses associated with credit risk ⁽¹⁾	(8,939)	5,380	(51,580)	14,152
Financial guarantees provided	(2,162)	4,278	16,436	10,005
Other risks	(6,777)	1,102	(68,016)	4,147
Total other (provisions) / reversals of provisions associated with credit risk	(8,939)	5,380	(51,580)	14,152
Total	(879,015)	(419,985)	(2,400,068)	(1,273,598)

⁽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	
	01.01 to 09.30.2023	01.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Opening balance	4,622,992	4,933,006	5,597,006	5,545,020
Reinforcement / (reversal) ⁽¹⁾	1,920,606	1,153,139	2,856,440	1,860,508
Minimum allowance for loan losses required	1,919,467	1,224,182	2,855,301	1,931,551
Incremental allowance for loan losses	1,139	(71,043)	1,139	(71,043)
Write-offs to losses	(1,670,776)	(1,489,340)	(2,456,723)	(1,860,961)
Closing balance	4,872,822	4,596,805	5,996,723	5,544,567

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

g) Concentration of Loans

	09.30.2023	% of portfolio	12.31.2022	% of portfolio
Parent Company				
Largest debtor	554,780	0.84%	552,209	0.86%
10 largest debtors	2,271,913	3.44%	2,501,897	3.87%
20 largest debtors	3,535,171	5.35%	3,763,032	5.83%
50 largest debtors	5,989,365	9.07%	6,193,472	9.59%
100 largest debtors	8,332,019	12.61%	8,621,172	13.35%
Consolidated				
Largest debtor	554,780	0.77%	552,209	0.78%
10 largest debtors	2,273,527	3.16%	2,501,897	3.54%
20 largest debtors	3,536,785	4.92%	3,763,032	5.32%
50 largest debtors	5,990,979	8.34%	6,196,700	8.76%
100 largest debtors	8,335,429	11.60%	8,624,400	12.19%

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.

	09.30.2023		12.31.2022	
	Financial assets subject to sale	Liability related to recourse assumed ⁽¹⁾	Financial assets subject to sale	Liability related to recourse assumed ⁽¹⁾
Parent Company	9,879,796	10,871,020	9,910,056	10,794,946
With co-obligation	7,851,920	8,843,144	6,526,475	7,411,365
Financial institutions - related parties	7,851,920	8,843,144	6,526,475	7,411,365
Without co-obligation	2,027,876	2,027,876	3,383,581	3,383,581
Credit Rights Investment Fund - Subsidiary	2,027,876	2,027,876	3,383,581	3,383,581
Consolidated	7,851,920	8,843,144	6,526,475	7,411,365
With co-obligation	7,851,920	8,843,144	6,526,475	7,411,365
Financial Institutions - related parties	7,851,920	8,843,144	6,526,475	7,411,365

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

In the period from January 1 to September 30, 2023, revenues from the sale or transfer of financial assets totaled R\$ 1,670,525 in the Parent Company and Consolidated (R\$ 854,320 in the Parent Company and Consolidated in the period from January 1 to 30 September 2022). Expenses with obligations for operations with these same characteristics totaled R\$ 1,231,972 in the Parent Company and Consolidated (R\$ 588,198 in the Bank and Consolidated in the period from January 1 to September 30, 2022).

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

In the period from January 1 to September 30, 2023, revenues from the sale or transfer of financial assets totaled R\$ 85,333 in the Parent Company and Consolidated and expenses with obligations with this same characteristic totaled R\$ 277,368 in the Parent Company and R\$ 395,644 in the Consolidated (R\$ 281,293 in the Parent Company and R\$ 434,159 in the Consolidated in the period from January 1 to September 30, 2022). Before the loss was recognized, the respective provisions for losses associated with the credit risk existing for the operations transferred were reversed and the impacts are presented in the result in the line "(Provision) / reversal of provision for losses associated with the credit portfolio" in the amount of R\$ 386,129 in the Parent Company and R\$ 474,374 in the Consolidated (R\$ 483,576 in the Parent Company and R\$ 650,673 in the Consolidated in the period from January 1 to September 30, 2022).

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

In the period from January 1 to September 30, 2023, revenues from assignments without co-obligation of credits previously written off as losses totaled R\$32,389 in the Parent Company and R\$ 36,335 in the Consolidated (R\$ 57,604 in the Parent Company and R\$ 71,408 in the Consolidated period from January 1st to September 30th, 2022), which were recognized in the income statement for the period under "Income from credit operations".

i) Changes in renegotiated credit

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Amount of renegotiated credits in the period ⁽¹⁾	1,243,949	1,125,657	3,183,985	4,418,869
Renegotiated for past due contracts ⁽²⁾	131,060	135,010	460,629	373,484
Renewed contracts ⁽³⁾	1,112,889	990,647	2,723,356	4,045,385
Changes in portfolio of renegotiated past due contracts				
Opening balance	682,657	754,583	747,490	839,584
Signings	131,060	135,010	460,629	373,484
(Receipt) and appropriation of interest	(84,712)	(112,983)	(435,567)	(280,879)
Written off as losses	(15,003)	(41,231)	(58,550)	(196,810)
Closing balance	714,002	735,379	714,002	735,379
Allowance for losses of the portfolio of renegotiated past due	284,097	336,778	284,097	336,778
(%) Allowance for losses on the portfolio of renegotiated past due contracts	39.79%	45.80%	39.79%	45.80%
90-day delinquency of portfolio of renegotiated past due contracts	354,513	361,915	354,513	361,915
(%) Delinquency on the portfolio of renegotiated past due	49.65%	49.21%	49.65%	49.21%

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Amount of renegotiated credits in the period ⁽¹⁾	1,415,508	1,258,422	3,710,286	4,771,648
Renegotiated for past due contracts ⁽²⁾	157,454	151,458	535,478	423,247
Renewed contracts ⁽³⁾	1,258,054	1,106,964	3,174,808	4,348,401
Changes in portfolio of renegotiated past due contracts				
Opening balance	729,268	775,803	775,786	876,493
Signings	157,454	151,458	535,478	423,247
(Receipt) and appropriation of interest	(91,331)	(118,188)	(453,868)	(316,687)
Written off as losses	(28,077)	(46,111)	(90,082)	(220,091)
Closing balance	767,314	762,962	767,314	762,962
Allowance for losses of the portfolio of renegotiated past due	326,834	358,402	326,834	358,402
(%) Allowance for losses on the portfolio of renegotiated past due contracts	42.59%	46.98%	42.59%	46.98%
90-day delinquency of portfolio of renegotiated past due contracts	406,176	389,499	406,176	389,499
(%) Delinquency on the portfolio of renegotiated past due	52.93%	51.05%	52.93%	51.05%

⁽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	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Contracted credits to be released	640,707	701,562	6,741,541	7,716,077
Financial Guarantees Provided (Note 30.1.a.ii)	6,498,626	7,630,198	6,498,626	7,630,198

13. OTHER ASSETS

a) Breakdown

	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Other financial assets	4,380,322	2,257,965	4,787,208	2,807,852
Relations with correspondents	5,494	33,117	7,930	34,406
Other credits and receivables	31,738	42,223	195,271	163,961
Credit card transactions	-	-	196,471	192,467
Receivables from securities settlements abroad	12,096	15,234	12,096	15,234
Other credits for trading and intermediation of securities	52,697	59,106	52,697	62,533
Foreign exchange portfolio (Note 13b)	4,277,374	2,106,484	4,277,374	2,106,484
Other	923	1,801	45,369	232,767
Other assets	1,176,689	1,230,836	1,228,724	881,864
Prepaid expenses ⁽¹⁾	233,362	119,868	239,724	124,292
Sundry domestic debtors	278,526	144,540	341,711	170,583
Salary advances and prepayments	1,647	6,000	1,797	6,331
Advances to suppliers	15,601	418	35,388	756
Deposits in guarantee - Contingencies (Note 29g)	421,820	468,605	460,352	518,401
Deposits in guarantee - Other	811	581	811	581
Amounts to be received by related parties	87,176	142,107	-	-
Dividends receivable / Interest on equity receivable ⁽²⁾	-	304,552	177	151
Sustainability assets ^{(3) (4)}	64,650	-	64,650	-
Other	73,096	44,165	84,114	60,769
Total	5,557,011	3,488,801	6,015,932	3,689,716
Current assets	5,012,796	2,824,352	5,414,395	2,989,584
Non-current assets	544,215	664,449	601,537	700,132

⁽¹⁾ In the period from January 1 to September 30, 2023, includes origination costs for credit operations that are deferred during the life of the respective operation.

⁽²⁾ For interest on equity, it refers to the net amount of tax effects.

⁽³⁾ These refer to carbon credits and green bonds that, with the effectiveness of BCB Normative Instruction No. 325, as of 2023, are now presented in Other assets (until 2022 they were presented in Intangible assets).

⁽⁴⁾ It includes the net value, considering the compensation of carbon credits and green bonds.

b) Foreign exchange portfolio

Parent Company and Consolidated	09.30.2023	12.31.2022
Assets - Other receivables ⁽¹⁾		
Purchased foreign exchange contracts to be settled	2,435,398	1,216,812
Rights on foreign exchange sales	1,841,976	889,672
Total	4,277,374	2,106,484
Current assets	4,277,374	2,106,484
Liabilities - Other liabilities ⁽²⁾		
Sold foreign exchange to be settled	(1,865,736)	(902,714)
Liabilities for foreign exchange purchases	(2,693,424)	(1,204,779)
Total	(4,559,160)	(2,107,493)
Current liabilities	(4,559,160)	(2,107,493)
Off-balance accounts		
Credits opened for imports	13,787	52,785

⁽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).

c) Income from foreign exchange transactions

	Parent Company and Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Foreign exchange income	888,134	815,882	2,225,935	1,981,700
Foreign exchange expenses	(865,294)	(687,172)	(2,325,339)	(1,972,291)
Income from foreign exchange transactions	22,840	128,710	(99,404)	9,409

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	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Real state	72,573	32,513	179,977	144,390
Vehicles and alike	145,108	125,480	145,510	125,884
Impairment	(31,423)	(30,803)	(63,195)	(62,705)
Total	186,258	127,190	262,292	207,569
Current assets	146,688	127,190	157,274	138,002
Non-current assets	39,570	-	105,018	69,567

15. INVESTMENTS
a) Changes in associates, subsidiaries and joint ventures

	12.31.2022	Changes from 01.01 to 09.30.2023		09.30.2023	01.01 to 09.30.2022
	Investment value	Dividends/ Other events ⁽⁷⁾	Share of profit (loss)	Investment value	Share of profit (loss)
Domestic - Parent Company Ventures	2,399,302	413,330	(30,062)	2,782,570	141,287
Banco BV S.A. ⁽¹⁾	1,267,191	1,205,122	(357,428)	2,114,885	(148,694)
BV DTVM ⁽²⁾	281,449	(283,933)	2,484	-	(20,166)
BV Corretora de Seguros	1,198	(176,620)	279,936	104,514	210,545
BVIA ⁽³⁾	210,783	(111,219)	25,645	125,209	31,538
Promotiva ⁽⁴⁾	-	-	-	-	32,041
Atenas	60,864	-	2,048	62,912	8,691
BVEP ⁽⁵⁾	577,817	(220,020)	17,253	375,050	27,332
Domestic - Parent Company Associates	-	68,567	(5,538)	63,029	(5,305)
Associates ^{(2) (6)}	-	68,567	(5,538)	63,029	(5,305)
Goodwill on acquisition and impairment (Note 15c)	76,244	-	1,484	77,728	(5,988)
Total - Parent Company	2,475,546	481,897	(34,116)	2,923,327	129,994
Domestic - Parent Company Associates	-	68,567	(5,538)	63,029	(5,305)
Associates ^{(2) (6)}	-	68,567	(5,538)	63,029	(5,305)
Domestic - Banco BV S.A. Associates	1,424	4,996	(6,420)	-	(5,732)
Associates ⁽⁶⁾	1,424	4,996	(6,420)	-	(5,732)
Domestic - BVEP Associates and joint ventures	3,767	(233)	2,068	5,602	(891)
Associates	3,341	-	2,119	5,460	(42)
Joint Ventures	426	(233)	(51)	142	(849)
Goodwill on acquisition and impairment (Note 15c)	183,633	-	(2,081)	181,552	(2,742)
Total - Consolidated	188,824	73,330	(11,971)	250,183	(14,670)

⁽¹⁾ In April 2023, the Management of Banco BV SA approved a capital increase in the amount of R\$ 1,200,000, through the issue of 779,143 new common shares.

⁽²⁾ In August 2022, Banco BV signed a strategic partnership with Banco Bradesco, which, through one of its subsidiaries, acquired 51% of the capital of BV DTVM. In February 2023, this interest was reclassified to "non-financial assets held for sale" and with the completion of the transaction in the same month, it ceased to be controlled, becoming an associate (note 2b).

⁽³⁾ It mainly includes the capital reduction of BVIA in the amount of R\$ 40,179, without cancellation of shares in the respective Company, and also the distribution of prepaid dividends in the amount of R\$ 44,820, approved on May 24, 2023.

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

⁽⁵⁾ In April 2023, a capital reduction of R\$ 246,017 was approved, including the absorption of accumulated losses. There was no cancellation of shares of the respective Company.

⁽⁶⁾ Investment with unsecured liabilities presented in Other liabilities (Note 22a).

⁽⁷⁾ Includes movement in other comprehensive income.

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

	01.01 to 09.30.2023	01.01 to 09.30.2022
	Dividends	
	Distributions through profit for the period	
Domestic - Parent Company Ventures		
BV Corretora de Seguros	176,620	473,842
Promotiva ⁽¹⁾	-	69,173
BVIA	44,820	-
Total - Parent Company	221,440	543,015

⁽¹⁾ In December 2022, BV bank sold all the shares of the subsidiary Promotiva SA (Note 2c).

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

	Goodwill		Impairment ⁽¹⁾	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Parent Company				
Parent Company Associates	86,196	88,084	-	-
Atenas	-	-	(8,468)	(11,840)
Total - Parent Company	86,196	88,084	(8,468)	(11,840)
Consolidated				
Parent Company Associates	86,196	88,084	-	-
Banco BV S.A. Associates	96,332	96,525	-	-
BVEP Associates	-	-	(453)	(453)
BVEP Joint Ventures	-	-	(523)	(523)
Total - Consolidated	182,528	184,609	(976)	(976)

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

d) Summary financial information of subsidiaries in the Financial Statements

	09.30.2023		01.01 to 09.30.2023	Number of Shares (in thousands)	Share of Capital Stock %
	Share capital	Adjusted shareholders equity	Net Profit/(Loss)	Ordinary	
Domestic - Bank Subsidiaries					
Banco BV S.A. ⁽¹⁾	2,500,131	2,114,885	(357,428)	1,602	100%
BV Corretora de Seguros	1,000	104,514	279,936	200	100%
BVIA ⁽²⁾	99,564	125,209	25,645	75,758	100%
Atenas ⁽³⁾	51,610	62,912	2,048	51,610	100%
BVEP ^{(3) (4)}	352,383	375,050	17,253	598,400	100%

⁽¹⁾ In April 2023, the Management of Banco BV SA approved a capital increase in the amount of R\$1,200,000, through the issue of 779,143 new common shares.

⁽²⁾ It mainly includes the capital reduction of BVIA in the amount of R\$ 40,179, without cancellation of shares in the respective Company, and also the distribution of dividends in the amount of R\$ 44,820, approved on May 24, 2023.

⁽³⁾ Includes impairment of subsidiaries.

⁽⁴⁾ In April 2023, a capital reduction of R\$ 246,017 was approved, without cancellation of the respective Company's shares.

e) Summary financial information of associates and joint ventures

	09.30.2023				12.31.2022			
	Parent Company Associates ⁽¹⁾	Banco BV S.A. Associates	BVEP Associates	BVEP Joint Ventures	Parent Company Associates	Banco BV S.A. Associates	BVEP Associates	BVEP Joint Ventures
Total Assets ⁽²⁾	201,728	10,128	14,137	2,789	102	21,117	5,861	3,148
Total Liabilities ⁽²⁾	201,728	10,128	14,137	2,789	102	21,117	5,861	3,148
Liabilities	82,171	26,414	9,312	2,211	5,156	16,477	3,513	1,994
Shareholder's equity	119,557	(16,286)	4,825	578	(5,054)	4,640	2,348	1,154
	07.01 to 09.30.2023				07.01 to 09.30.2022			
Profit/(loss) for the period ⁽²⁾	(7,669)	(2,766)	(1,500)	(407)	(5,964)	(10,448)	(37)	(908)
	01.01 to 09.30.2023				01.01 to 09.30.2022			
Profit/(loss) for the period ⁽²⁾	(9,292)	(10,785)	3,221	(967)	(14,596)	(18,681)	(136)	(1,665)

⁽¹⁾ It includes the Company that became an affiliate in February 2022, as described in note 2b.

⁽²⁾ 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 BV bank.

16. PROPERTY, PLANT AND EQUIPMENT

	12.31.2022	01.01 to 09.30.2023			09.30.2023		
	Book value	Acquisitions ⁽¹⁾	Write-off/Other events ⁽³⁾	Depreciation	Cost value	Accumulated depreciation	Book value
Parent Company							
Facilities	26,895	102	-	(5,355)	141,336	(119,694)	21,642
Furniture and equipment in use	6,210	44	-	(901)	42,557	(37,204)	5,353
Communication system	2,695	340	-	(749)	18,745	(16,459)	2,286
System data processing	50,471	3,376	-	(13,301)	220,526	(179,980)	40,546
Security system	84	-	-	(27)	2,619	(2,562)	57
Transportation system	492	-	(131)	(85)	914	(638)	276
Total	86,847	3,862	(131)	(20,418)	426,697	(356,537)	70,160
Consolidated							
Facilities	26,968	102	-	(5,362)	142,598	(120,890)	21,708
Furniture and equipment in use	6,221	44	(5)	(901)	43,469	(38,110)	5,359
Communication system	2,695	340	-	(749)	18,745	(16,459)	2,286
System data processing	50,471	3,376	-	(13,301)	220,526	(179,980)	40,546
Security system	84	-	-	(27)	2,619	(2,562)	57
Transportation system	492	-	(131)	(85)	914	(638)	276
Total	86,931	3,862	(136)	(20,425)	428,871	(358,639)	70,232

	12.31.2021	01.01 to 09.30.2022			12.31.2022		
	Book value	Acquisitions ⁽¹⁾ ₍₂₎	write-off / Other events ⁽⁴⁾	Depreciation	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

⁽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⁾ In the consolidated, it includes the effect of the amounts that are no longer presented related to the operations of BV DTVM, since it ceased to be controlled and became an affiliate in February 2023 (Note 2b).

⁽⁴⁾ In the consolidated, it includes changes related to the total sale of Promotiva, which ceased to be consolidated as of December 2022 (Note 2c).

17. INTANGIBLE ASSETS AND GOODWILL

	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Intangible Assets	2,132,819	1,883,075	2,343,083	2,025,228
(Accumulated amortization)	(914,516)	(732,142)	(953,388)	(772,588)
(Provisions for impairment - Accumulated impairment)	(170,881)	(168,327)	(170,881)	(178,156)
Total	1,047,422	982,606	1,218,814	1,074,484

a) Breakdown

	09.30.2023				12.31.2022			
	Cost value ⁽²⁾	Accumulated amortization	Accumulated impairment ⁽¹⁾ ₍₂₎	Book value	Cost value	Accumulated amortization	Accumulated impairment ⁽¹⁾	Book value
Parent Company								
Software acquired	42,532	(42,393)	-	139	42,532	(42,129)	-	403
Licenses	615,364	(517,335)	-	98,029	486,446	(416,208)	-	70,238
Sales rights agreements	44,999	(44,999)	-	-	44,999	(44,999)	-	-
Internally developed software	1,416,554	(299,086)	(169,881)	947,587	1,218,461	(208,003)	(167,327)	843,131
Trademark and patents	6,000	(3,333)	(1,000)	1,667	6,000	(2,583)	(1,000)	2,417
Carbon credits and green bonds ⁽³⁾	-	-	-	-	77,267	(10,850)	-	66,417
Others	7,370	(7,370)	-	-	7,370	(7,370)	-	-
Total	2,132,819	(914,516)	(170,881)	1,047,422	1,883,075	(732,142)	(168,327)	982,606
Consolidated								
Software acquired	66,995	(42,579)	-	24,416	67,000	(42,320)	-	24,680
Licenses	615,447	(517,417)	-	98,030	497,268	(425,883)	-	71,385
Sales rights agreements	44,999	(44,999)	-	-	44,999	(44,999)	-	-
Internally developed software	1,602,272	(337,690)	(169,881)	1,094,701	1,325,324	(238,583)	(177,156)	909,585
Trademark and patents	6,000	(3,333)	(1,000)	1,667	6,000	(2,583)	(1,000)	2,417
Carbon credits and green bonds ⁽³⁾	-	-	-	-	77,267	(10,850)	-	66,417
Others	7,370	(7,370)	-	-	7,370	(7,370)	-	-
Total	2,343,083	(953,388)	(170,881)	1,218,814	2,025,228	(772,588)	(178,156)	1,074,484

⁽¹⁾ Includes effects of tactical redefinitions of projects.

⁽²⁾ In the consolidated, it includes the effect of the amounts that are no longer presented related to the operations of BV DTVM, since it ceased to be controlled and became an affiliate in February 2023 (Note 2b).

⁽³⁾ With the effectiveness of BCB Normative Instruction No. 325, as of 2023, sustainability assets, such as carbon credits and green bonds, are now presented in Other assets.

b) Changes

	12.31.2022	01.01 to 09.30.2023				09.30.2023
	Book value	Acquisitions ⁽¹⁾ (2)	Other events ⁽³⁾ (4)	Amortization	Impairment	Book value
Parent Company						
Software acquired	403	-	-	(264)	-	139
Licenses	70,238	128,937	-	(101,146)	-	98,029
In-house developed software	843,131	206,301	-	(99,291)	(2,554)	947,587
Trademark and patents	2,417	-	-	(750)	-	1,667
Carbon credits and green bonds	66,417	-	(66,417)	-	-	-
Total	982,606	335,238	(66,417)	(201,451)	(2,554)	1,047,422
Parent Company						
Software acquired	24,680	-	-	(264)	-	24,416
Licenses	71,385	129,136	(1,145)	(101,346)	-	98,030
In-house developed software	909,585	311,479	(8,794)	(115,015)	(2,554)	1,094,701
Trademark and patents	2,417	-	-	(750)	-	1,667
Carbon credits and green bonds	66,417	-	(66,417)	-	-	-
Total	1,074,484	440,615	(76,356)	(217,375)	(2,554)	1,218,814

	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 software	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

⁽¹⁾ Includes exchange variation on the agency's assets abroad.

⁽²⁾ In the period from January 1st to September 30th, 2023 and in the year ending December 31st, 2022, there was no write-off of intangible assets.

⁽³⁾ With the effectiveness of BCB Normative Instruction No. 325, as of 2023, sustainable assets, such as carbon credits and green bonds, are now presented in Other Assets.

⁽⁴⁾ In the Consolidated, it includes the effect of the amounts that are no longer presented related to the operations of BV DTVM, since it ceased to be controlled and became an affiliate in February 2023 (Note 2b).

⁽⁵⁾ In the consolidated, it includes changes related to the total sale of Promotiva, which ceased to be consolidated as of December 2022 (Note 2c).

c) Amortization estimate on September 30, 2023

	2023	2024	2025	2026	2027	From 2028	Not amortizable ⁽¹⁾	Total
Parent company								
Amounts to be amortized	96,814	306,937	259,024	165,734	126,751	92,162	-	1,047,422
Consolidated								
Amounts to be amortized and other amounts	103,769	334,752	286,767	187,567	142,784	138,896	24,279	1,218,814

⁽¹⁾ It includes intangible assets with indefinite useful lives.

18. DEPOSITS AND REPURCHASE COMMITMENTS
a) Deposits

	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Demand deposits	512,223	784,058	630,463	895,168
Individuals ⁽¹⁾	109,993	137,918	249,432	263,885
Legal entities ⁽¹⁾	400,063	642,504	381,025	631,277
Related companies	2,161	3,630	-	-
Linked	6	6	6	6
Interbank deposits	705,137	1,005,548	705,137	749,199
Time deposits ⁽²⁾	24,734,891	22,464,245	24,623,342	21,780,958
Local currency	24,077,800	21,389,997	23,966,251	20,706,710
Foreign currency	657,091	1,074,248	657,091	1,074,248
Total	25,952,251	24,253,851	25,958,942	23,425,325
Current liabilities	24,156,466	22,457,453	24,243,258	21,883,841
Non-current liabilities	1,795,785	1,796,398	1,715,684	1,541,484

⁽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 September 30, 2023

	Without maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	09.30.2023	12.31.2022
Parent Company							
Demand deposits	512,223	-	-	-	-	512,223	784,058
Interbank accounts or relations	-	569,972	133,326	1,839	-	705,137	1,005,548
Time deposits	-	14,164,749	8,776,196	1,617,879	176,067	24,734,891	22,464,245
Total	512,223	14,734,721	8,909,522	1,619,718	176,067	25,952,251	24,253,851
Consolidated							
Demand deposits	630,463	-	-	-	-	630,463	895,168
Interbank accounts or relations	-	569,972	133,326	1,839	-	705,137	749,199
Time deposits	-	14,109,025	8,800,472	1,537,404	176,441	24,623,342	21,780,958
Total	630,463	14,678,997	8,933,798	1,539,243	176,441	25,958,942	23,425,325

c) Liabilities with repurchase agreement

	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Own portfolio	17,331,889	17,929,671	17,214,972	17,580,715
Private securities – Debentures	3,082,220	1,469,437	3,082,220	1,469,437
Financial Treasury Bills	6,967,718	6,767,451	6,967,718	6,764,250
National Treasury Bills	4,786,274	7,486,747	4,669,357	7,140,992
National Treasury Notes	2,495,677	2,206,036	2,495,677	2,206,036
Private securities - Other	1,099,637	450,151	1,099,637	200,108
National Treasury Bills	3,287	-	3,287	-
National Treasury Notes	1,096,350	450,151	1,096,350	200,108
Free portfolio	268,703	496,988	268,703	496,988
Financial Treasury Bills	221,999	-	221,999	-
National Treasury Bills	46,704	-	46,704	-
National Treasury Notes	-	394,632	-	394,632
Brazilian Foreign Debt Securities	-	102,356	-	102,356
Total	18,700,229	18,876,810	18,583,312	18,277,811
Current liabilities	16,945,593	16,733,288	16,828,676	16,134,289
Non-current liabilities	1,754,636	2,143,522	1,754,636	2,143,522

d) Expenses from deposits and securities sold under repurchase agreements

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Funding expenses with deposits	(746,702)	(619,086)	(2,247,581)	(1,860,027)
Time deposits	(728,291)	(581,134)	(2,182,525)	(1,725,238)
Interbank deposits	(18,411)	(37,952)	(65,056)	(134,789)
Expenses with repurchase commitments	(564,654)	(552,894)	(1,744,913)	(1,415,013)
Own portfolio	(550,468)	(468,041)	(1,667,713)	(1,087,632)
Third-party portfolio	(12,371)	(64,489)	(34,797)	(267,081)
Free portfolio ⁽¹⁾	(1,815)	(20,364)	(42,403)	(60,300)
Expenses with fund raising from securities issued	(1,468,380)	(1,382,504)	(3,532,726)	(3,054,210)
Mortgage Bonds	(13,549)	(8,859)	(38,969)	(25,609)
Agribusiness Letters of Credit	(130,369)	(89,441)	(396,793)	(244,505)
Financial bills	(1,023,065)	(988,841)	(3,049,599)	(2,638,794)
Financial Guaranteed Bills	-	(21,261)	-	(212,175)
Issue of securities abroad ⁽²⁾	(291,482)	(262,509)	(15,159)	98,330
Structured Operations Certificates	-	(685)	(910)	(911)
Others	(9,915)	(10,908)	(31,296)	(30,546)
Expenses with subordinated debts abroad ⁽²⁾	403	(90,621)	2,413	(56,668)
Total	(2,779,333)	(2,645,105)	(7,522,807)	(6,385,918)

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Funding expenses with deposits	(742,787)	(591,377)	(2,207,990)	(1,773,161)
Time deposits	(724,376)	(561,668)	(2,142,934)	(1,654,588)
Interbank deposits	(18,411)	(29,709)	(65,056)	(118,573)
Expenses with repurchase commitments	(558,900)	(538,087)	(1,719,716)	(1,346,590)
Own portfolio	(544,714)	(453,234)	(1,642,516)	(1,019,209)
Third-party portfolio	(12,371)	(64,489)	(34,797)	(267,081)
Free portfolio ⁽¹⁾	(1,815)	(20,364)	(42,403)	(60,300)
Expenses with fund raising from securities issued	(1,468,468)	(1,382,545)	(3,533,004)	(3,054,314)
Mortgage Bonds	(13,549)	(8,859)	(38,969)	(25,609)
Agribusiness Letters of Credit	(130,369)	(89,441)	(396,793)	(244,505)
Financial bills	(1,023,065)	(988,841)	(3,049,599)	(2,638,794)
Financial Guaranteed Bills	-	(21,261)	-	(212,175)
Issue of securities abroad ⁽²⁾	(291,482)	(262,509)	(15,159)	98,330
Structured Operations Certificates	-	(685)	(910)	(911)
Others	(10,003)	(10,949)	(31,574)	(30,650)
Expenses with subordinated debts abroad ⁽²⁾	403	(90,621)	2,413	(56,668)
Total	(2,769,752)	(2,602,630)	(7,458,297)	(6,230,733)

⁽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	
	09.30.2023	12.31.2022
Loan Obligations (Nota 19b)	6,488,679	5,496,487
Obligations for transfers (Nota 19c)	1,069,728	1,144,520
Total	7,558,407	6,641,007

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	
					09.30.2023	12.31.2022
Abroad	2,690,742	3,037,024	3,188	757,725	6,488,679	5,496,487
Raised from foreign banks ⁽¹⁾	1,825,700	3,035,568	3,188	757,725	5,622,181	5,374,186
Imports	13,852	1,456	-	-	15,308	122,301
Other obligations	851,190	-	-	-	851,190	-
Total	2,690,742	3,037,024	3,188	757,725	6,488,679	5,496,487
Current liabilities					5,727,766	4,712,250
Non-current liabilities					760,913	784,237

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

c) Onlendings
Domestic - Official institutions

Programs	Interest rates p.a. ⁽¹⁾	Parent Company and Consolidated	
		09.30.2023	12.31.2022
National Treasury		286,905	245,918
Fixed rate	from 6,00% p.a. to 8,00% p.a.	147,383	217,245
Variable rate	100,00% of Selic	139,522	28,673
BNDES		152,431	152,563
Fixed	from 2,70% p.a. to 9,22% p.a.	73,685	45,452
Variable rate	from 1,42% p.a. to 1,45% p.a. + IPCA 1,80% p.a. + TJLP	78,746	107,111
FINAME		630,392	746,039
Fixed rate	from 1,80% p.a. to 7,65% p.a.	73,263	119,981
Variable rate	from 1,00% p.a. to 2,25% p.a. + IPCA from 1,15% p.a. to 2,40% p.a. + Selic	557,129	626,058
Total		1,069,728	1,144,520
Current liabilities		410,142	337,831
Non-current liabilities		659,586	806,689

⁽¹⁾ The remuneration rates refer to existing operations on September 30, 2023.

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

	Parent Company and Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Borrowing expenses ⁽¹⁾	(276,683)	(161,779)	(58,823)	(131,493)
Expenses with transfer from Brazilian government	(23,668)	(21,987)	(75,493)	(63,475)
National treasure	(4,773)	(3,954)	(11,055)	(13,482)
BNDES	(2,152)	(4,212)	(7,979)	(11,535)
FINAME	(16,743)	(13,821)	(56,459)	(38,458)
Expenses with Obligations to foreign bankers ⁽¹⁾	(13,213)	(41,782)	186,647	116,751
Total	(313,564)	(225,548)	52,331	(78,217)

⁽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	
						09.30.2023	12.31.2022
Real estate credit note funds						365,938	334,418
Fixed rate	R\$	95,701	from 5,91% p.a. to 13,79% p.a. from 90,50% to 117,00% of DI	2020	2024	105,559	88,473
Variable rate	R\$	223,603	from 0,04% p.a. to 0,39% p.a. + DI	2021	2025	246,129	211,353
Variable rate	R\$	11,252	from 1,94% p.a. to 6,49% p.a. + IPCA	2021	2024	14,250	34,592
Agribusiness credit bills						4,504,126	4,050,383
Fixed rate	R\$	879,819	from 5,98% p.a. to 14,30% p.a. from 92,00% to 116,00% of DI	2020	2028	975,758	963,848
Variable rate	R\$	2,503,109	from 0,03% p.a. to 0,79% p.a. + DI	2020	2027	2,732,856	2,028,937
Variable rate	R\$	690,309	from 1,96% p.a. to 7,21% p.a. + IPCA	2020	2027	795,512	1,057,598
Financial bills						30,498,974	29,159,302
Fixed rate	R\$	1,389,631	from 5,69% p.a. to 14,77% p.a. from 100,00% to 125,00% of DI	2014	2031	1,724,263	2,125,239
Variable rate ⁽²⁾	R\$	22,977,367	from 0,78% p.a. to 1,77% p.a. + DI	2019	2028	26,612,367	24,684,737
Variable rate ⁽²⁾	R\$	1,667,060	from 2,46% p.a. to 7,64% p.a. + IPCA	2018	2032	2,162,344	2,349,326
Securities issued abroad						6,570,422	6,391,996
Fixed rate	R\$	38,043	from 9,30% p.a. to 14,52% p.a.	2022	2023	39,527	77,967
Foreign exchange ⁽²⁾	USD	1,348,949	from 3,35% p.a. to 8,12% p.a. + exchange variation	2019	2025	6,530,895	6,314,029
Structured Operations Certificates						-	21,518
Fixed rate	R\$	-	-	2022	-	-	21,518
Total						41,939,460	39,957,617
Current liabilities						20,511,177	14,782,770
Non-current liabilities						21,428,283	25,174,847

⁽¹⁾ The remuneration rates refer to existing operations on September 30, 2023.

⁽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	
	09.30.2023	12.31.2022
Subordinated debts (Note 21b)	-	53,864
Debt instruments eligible as capital (Note 21c)	2,599,654	2,613,770
Total	2,599,654	2,667,634

b) Subordinated debts

Funding	Amount issued	Interest rates p.a.	Issuance year	Maturity year	Parent Company and Consolidated	
					09.30.2023	12.31.2022
Subordinated financial bills					-	53,864
Variable rate	R\$	-	-	2016	-	53,864
Total					-	53,864
Non-current liabilities					-	53,864

c) Debt instruments eligible as capital

Funding	Currency	Amount issued ⁽¹⁾	Interest rates p.a. ⁽²⁾	Issuance year	Maturity year	Parent Company and Consolidated	
						09.30.2023	12.31.2022
Subordinated financial bills						1,558,947	2,076,390
Variable rate	R\$	831,613	de 100,00% a 114,00% do DI de 0,95% a.a. a 2,36% a.a. + DI	2016	2032	1,134,653	1,513,288
Variable rate	R\$	117,500	de 6,08% a.a. a 8,14% a.a. + IPCA	2013	2030	374,690	458,293
Fixed rate	R\$	24,577	de 11,03% a.a. a 12,56% a.a.	2017	2033	49,604	55,657
Variable rate	R\$	-	-	2016	-	-	49,152
Perpetual bond						1,040,707	537,380
Fixed rate ^{(3) (4) (5)}	R\$	446,500	de 14,48% a 15,00% a.a.	2023		430,303	-
Variable rate ⁽⁶⁾	R\$	500,100	4,50% a.a. + CDI	2022		610,404	537,380
Total						2,599,654	2,613,770
Current liabilities						505,379	878,202
Non-current liabilities						2,094,275	1,735,568

⁽¹⁾ It does not include any discount on the respective issuance.

⁽²⁾ The remuneration rates refer to existing operations on September 30, 2023.

⁽³⁾ In June 2023, R\$ 146,500 was issued with annual interest payments starting in Jun/2025. Perpetual Financial Bills have the option of redemption at the Bank's initiative from Jun/2028 or with each subsequent annual interest payment, as long as it is previously authorized by Bacen.

⁽⁴⁾ In July 2023, R\$ 300,000 was issued with annual interest payments starting in Jan/2032. Perpetual Financial Bills have the option of redemption at the Bank's initiative from Jan/2032 or with each subsequent annual interest payment, as long as it is previously authorized by Bacen.

⁽⁵⁾ Includes adjustment to the fair value of perpetual Financial Bills that are subject to market risk hedge in the amount of R\$ (30,170) on September 30, 2023.

⁽⁶⁾ In August 2022, R\$ 500,100 was issued, with annual interest payments starting in Aug/2024. Perpetual Financial Bills have the option of redemption at the Bank's initiative from Aug/2027 or with each subsequent annual interest payment, as long as it is previously authorized by Bacen.

22. OTHER LIABILITIES
a) Breakdown

	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Other financial liabilities	15,578,910	12,967,931	13,671,837	9,749,840
Obligations of operations linked to assignments (Nota 12h.1) ⁽¹⁾	10,871,020	10,794,946	8,843,144	7,411,365
Commissions for operations payable	27,046	23,862	27,080	24,031
Credit card operations	-	-	119,624	154,589
Trading and intermediation of securities	121,684	41,537	121,709	51,978
Foreign exchange portfolio (Note 13b)	4,559,160	2,107,493	4,559,160	2,107,493
Other	-	93	1,120	384
Other liabilities	2,111,145	1,779,900	2,308,396	2,044,880
Third-party transit resources	240,459	123,144	245,817	131,103
Provision for profit sharing and results	140,589	216,826	179,372	260,555
Provision for personnel expenses	384,834	348,560	414,989	405,021
Provision for administrative expenses	253,465	235,304	312,312	283,624
Provision for financial guarantees provided (Note 30.1.a.ii)	173,422	189,858	173,422	189,858
Provision for losses - other risks	74,935	6,919	74,935	6,919
Legal obligations (Note 29h)	40,945	57,147	50,262	66,099
Sundry creditors - domestic	176,077	300,933	250,108	393,153
Amounts payable to associated companies	4,202	133	-	-
Dividends payable / Interest on own capital ⁽²⁾	582,700	271,700	582,700	271,700
Compensation of CO ₂ emissions by vehicles financed by Bank BV (Note 31)	872	672	872	672
Other ⁽³⁾	38,645	28,704	23,607	36,176
Total	17,690,055	14,747,831	15,980,233	11,794,720
Current liabilities	11,524,013	8,219,801	10,914,193	7,167,597
Non-current liabilities	6,166,042	6,528,030	5,066,040	4,627,123

⁽¹⁾ Refers to obligations for Liabilities associated with assigned financial assets with substantial retention of risks and benefits.

⁽²⁾ For interest on shareholder's equity, it refers to the net amount of tax effects.

⁽³⁾ Includes investments with uncovered liabilities.

23. OPERATING INCOME/EXPENSES
a) Service income

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Collection	1,944	4,597	6,829	13,429
Commissions on placing of securities	22,677	35,832	54,210	100,605
Income from custody services	46	-	83	38
Income from guarantees provided	23,167	26,023	69,119	76,772
Insurance commissions	8,768	6,950	24,235	15,278
Financial advisory services	590	6,677	1,310	14,253
Income from bank settlement services with partners	4,048	9,142	21,176	25,909
Others services	3,067	3,149	8,502	9,087
Total	64,307	92,370	185,464	255,371

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Third-party resource management ⁽¹⁾	-	21,976	6,878	71,297
Collection	1,944	4,597	6,829	10,629
Commissions on placing of securities	22,677	36,028	54,225	101,414
Stock exchange transaction brokerages ⁽¹⁾	-	447	134	1,688
Income from custody services ⁽¹⁾	46	4,034	1,591	12,847
Income from guarantees provided	23,167	26,023	69,119	76,772
Credit card transactions	60,318	64,831	177,668	180,949
Insurance commissions	208,119	135,111	548,607	321,657
Financial advisory services ⁽¹⁾	590	6,677	1,310	14,253
Correspondent banking ⁽²⁾	-	122,689	-	325,246
Income from bank settlement services with partners ⁽³⁾	3,041	4,192	8,862	9,297
Others services	18,837	17,499	56,763	48,328
Total	338,739	444,104	931,986	1,174,377

⁽¹⁾ In the consolidated, the amounts related to the operations of BV DTVM are no longer presented, as it ceased to be controlled and became an affiliate, in February 2023 (Note 2b).

⁽²⁾ The amounts related to Promotiva's operations in the period from January 1 to September 30, 2023, with the total sale of the now controlled company, are no longer presented (Note 2c).

⁽³⁾ In the Consolidated, they are presented by the net amount determined in each period. Includes the result with partnerships involving the financial settlement business.

b) Income from banking fees

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Master file registration	148,111	111,190	382,724	292,299
Transfer of resources	117	110	466	828
Asset valuation	71,209	39,902	180,231	103,403
Others	103	81	278	213
Total	219,540	151,283	563,699	396,743

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Master file registration	148,800	111,190	385,480	292,299
Transfer of resources	117	110	466	828
Asset valuation	71,209	39,902	180,231	103,403
Credit card income	20,081	34,022	63,063	98,879
Others	103	167	314	478
Total	240,310	185,391	629,554	495,887

c) Personnel expenses

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Administrator's remuneration and other (Note 27)	(4,958)	(6,487)	(16,259)	(17,624)
Benefits	(35,313)	(34,908)	(104,997)	(105,455)
Social charges	(54,474)	(53,625)	(157,937)	(152,334)
Salary ⁽¹⁾	(172,904)	(187,862)	(489,378)	(554,844)
Labor claims	(45,250)	(67,845)	(147,796)	(132,261)
Training	(4,722)	(3,770)	(8,960)	(8,683)
Supplementary private pension	(3,420)	(2,635)	(9,817)	(8,765)
Total	(321,041)	(357,132)	(935,144)	(979,966)

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Administrator's remuneration and other (Note 27)	(6,346)	(8,667)	(21,800)	(23,807)
Benefits	(42,796)	(43,312)	(129,881)	(128,905)
Social charges	(68,501)	(67,076)	(202,277)	(191,550)
Salary ⁽¹⁾	(220,137)	(235,297)	(626,396)	(700,644)
Labor claims	(46,926)	(69,208)	(151,907)	(143,453)
Training	(6,414)	(4,701)	(11,995)	(10,813)
Supplementary private pension	(4,791)	(3,502)	(13,084)	(11,448)
Total ^{(2) (3)}	(395,911)	(431,763)	(1,157,340)	(1,210,620)

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

⁽²⁾ In the consolidated, it includes the effect of the amounts that are no longer presented related to the operations of BV DTVM, since it ceased to be controlled and became an affiliate in February 2023 (Note 2b).

⁽³⁾ Includes changes related to the total sale of Promotiva, which ceased to be consolidated as of December 2022 (Note 2c).

d) Other administrative expenses

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Water, energy and gas	(107)	(537)	(863)	(1,166)
Rentals	(4,719)	(6,364)	(17,398)	(17,673)
Communications	(6,550)	(5,230)	(13,713)	(16,294)
Philanthropic Contributions ⁽¹⁾	(180)	(571)	(420)	(1,002)
Maintenance and conservation of assets	(2,324)	(2,827)	(6,169)	(7,508)
Material	(310)	(1,529)	(1,602)	(3,774)
Data processing	(46,564)	(69,264)	(198,136)	(204,771)
Promotions and public relations	(7,010)	(9,464)	(23,764)	(22,640)
Advertising and publicity	(18,263)	(45,956)	(65,053)	(84,877)
Insurance	(2,173)	(2,178)	(6,461)	(5,736)
Financial system services	(27,876)	(16,668)	(70,320)	(51,828)
Outsourced services	(2,283)	(3,520)	(6,550)	(9,413)
Surveillance and security services	(362)	(246)	(1,718)	(726)
Specialized technical services	(128,595)	(128,046)	(385,624)	(371,742)
Transportation	(2,188)	(1,468)	(7,179)	(4,442)
Traveling	(1,989)	(1,835)	(5,764)	(4,228)
Judicial and notary public fees	(26,975)	(21,011)	(68,083)	(57,569)
Amortization ^{(2) (3)}	(51,164)	(42,858)	(151,020)	(128,836)
Depreciation ⁽²⁾	(3,583)	(5,849)	(13,394)	(17,376)
Other	(15,019)	(17,264)	(45,047)	(56,150)
Total	(348,234)	(382,685)	(1,088,278)	(1,067,751)

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Water, energy and gas	(207)	(648)	(1,342)	(1,418)
Rentals	(5,923)	(7,567)	(20,661)	(20,746)
Communications	(9,917)	(6,566)	(20,574)	(21,957)
Philanthropic Contributions ⁽¹⁾	(180)	(571)	(420)	(1,002)
Maintenance and conservation of assets	(3,671)	(3,819)	(14,472)	(9,525)
Material	(567)	(1,542)	(2,084)	(4,354)
Data processing	(108,206)	(116,865)	(350,210)	(336,519)
Promotions and public relations	(7,673)	(10,115)	(25,289)	(25,736)
Advertising and publicity	(21,027)	(48,711)	(74,630)	(129,825)
Insurance	(2,650)	(2,450)	(7,386)	(6,583)
Financial system services	(31,339)	(18,555)	(76,573)	(57,047)
Outsourced services	(6,567)	(4,356)	(12,212)	(11,658)
Surveillance and security services	(771)	(316)	(2,763)	(969)
Specialized technical services	(181,482)	(160,407)	(479,879)	(464,783)
Transportation	(2,516)	(1,549)	(7,716)	(4,661)
Traveling	(2,248)	(2,028)	(6,484)	(4,797)
Judicial and notary public fees	(27,513)	(21,319)	(69,103)	(58,410)
Amortization ^{(2) (3)}	(77,878)	(57,878)	(217,375)	(169,757)
Depreciation ⁽²⁾	(6,531)	(7,173)	(20,425)	(21,442)
Other	(16,766)	(18,808)	(51,242)	(60,488)
Total	(513,632)	(491,243)	(1,460,840)	(1,411,677)

⁽¹⁾ The respective philanthropic contributions are detailed in note 31.

⁽²⁾ It includes the effects of the agreement for apportionment/reimbursement of direct and indirect expenses and costs entered into between Banco Votorantim and its subsidiaries.

⁽³⁾ In the period from January 1st to September 30th, 2022, it includes the amount of R\$ 4,587 in the Bank and Consolidated, referring to the amortization expenses of carbon credits and green bonds consumed to offset CO₂ emissions from vehicles financed by the bank BV. As of 2023, with the entry into force of BCB Normative Instruction No. 325, the expense of compensating these assets will be presented in other operating expenses (Note 31).

e) Other operating income

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Recovery of charges and expenses ⁽¹⁾	23,879	2,683	29,836	11,178
Restatement of judicial deposits ⁽²⁾	-	10,288	-	21,994
Reimbursement of overpaid tax fines	12,187	12,420	40,461	31,326
Reimbursement of operation costs	77	107	165	233
Other	232	1,895	4,081	7,318
Total ⁽⁵⁾	36,375	27,393	74,543	72,049

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Recovery of charges and expenses ⁽¹⁾	26,978	4,736	37,772	14,190
Restatement of judicial deposits ⁽²⁾	(11,289)	11,060	2,120	23,599
Reimbursement of overpaid tax fines	16,733	18,539	50,880	38,576
Reimbursement of operation costs	77	107	165	233
Reversal of provision for insurance cancellation	939	12,288	4,010	15,581
Banking and exclusivity and preference rights ⁽³⁾	-	(329)	-	3,572
Agreements with partners	30,654	-	30,654	-
Real state activity result	3,773	5,305	14,958	15,320
Other ⁽⁴⁾	6,880	19,304	12,682	30,418
Total ⁽⁵⁾	74,745	71,010	153,241	141,489

⁽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⁾ The amounts related to Promotiva's operations in the period from January 1 to September 30, 2023, with the total sale of the now controlled company, are no longer presented (Note 2c).

⁽⁴⁾ Includes reversal of provision for restructuring and consolidation effects of consolidated funds.

⁽⁵⁾ 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			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Costs associated with production - Commercial partners ⁽¹⁾	(196,569)	(166,630)	(512,264)	(458,496)
Update of escrow deposits ⁽²⁾	(12,295)	-	(127)	-
Civil claims	(26,342)	(34,142)	(83,595)	(82,949)
Tax claims	(1,956)	(2,016)	(5,772)	(6,254)
Operating losses	(41,566)	(10,100)	(81,451)	(39,499)
Bank preference	(11,509)	(13,263)	(34,956)	(30,890)
Provision for CO ₂ offset expenses for vehicles financed by Bank BV	(54)	(60)	(200)	(167)
Consumption of sustainable assets ⁽³⁾	(2,557)	-	(6,953)	-
Others	5,480	(6,559)	(15,824)	(25,719)
Total ⁽⁴⁾	(287,368)	(232,770)	(741,142)	(643,974)

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Costs associated with the origination - Business partners ^{(1) (3)}	(198,982)	(277,613)	(523,378)	(744,234)
Costs associated with production - Other expenses	(20,906)	(11,272)	(51,372)	(21,706)
Civil claims	(29,078)	(35,083)	(91,231)	(86,334)
Tax claims	(2,625)	(2,845)	(7,591)	(8,379)
Operating losses	(40,421)	(9,584)	(80,897)	(40,430)
Bank preference ⁽³⁾	(11,509)	-	(34,956)	-
Provision for CO ₂ offset expenses for vehicles financed by Bank BV	(54)	(60)	(200)	(167)
Consumption of sustainable assets ⁽⁴⁾	(2,557)	-	(6,953)	-
Others	(4,050)	(19,497)	(33,998)	(93,033)
Total ⁽⁵⁾	(310,182)	(355,954)	(830,576)	(994,283)

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

⁽²⁾ Includes the effects arising from the change in the judicial deposit update index (reduction).

⁽³⁾ In the consolidated, the amounts related to Promotiva's operations in the semester ended June 30, 2023, with the total disposal of the now controlled company (Note 2c).

⁽⁴⁾ As of 2023, with the effectiveness of BCB Normative Instruction No. 325, the compensation expense for sustainability assets is now included in other operating expenses (Note 31).

⁽⁵⁾ 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.

24. OTHER INCOME AND EXPENSES

	Parent Company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Other income	13,121	9,529	194,947	20,083
Profit on the disposal of assets ⁽¹⁾	-	-	175,222	-
Reversal of provision for devaluation of other issues and assets	-	3,393	-	10,241
Reversal of provision for losses to recoverable value (impairment) of investments due to tax incentives	5,780	5,230	5,780	5,230
Other income not directly associated with operating activity	7,341	906	13,945	4,612
Other expenses	(15,762)	(5,169)	(24,449)	(6,094)
Capital losses	(87)	(61)	(568)	(367)
Provision for devaluation of non-financial assets held for sale	695	-	(620)	-
Expenses with non-use properties	(150)	(346)	(3,209)	(1,136)
Provision for impairment of intangible assets	(7,475)	-	(2,554)	-
Loss on disposal of non-financial assets held for sale	(8,738)	(4,762)	(17,255)	(4,591)
Other expenses not directly associated with operating activity	(7)	-	(243)	-
Total ⁽²⁾	(2,641)	4,360	170,498	13,989

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Other income	17,100	11,894	203,041	29,118
Profit on the disposal of assets	-	-	175,222	-
Reversal of impairment in subsidiaries	78	-	3,335	-
Reversal of provision for devaluation of other issues and assets	-	935	-	14,451
Reversal of provision for losses to recoverable value (impairment) of investments due to tax incentives	9,266	8,853	9,266	8,853
Other income not directly associated with operating activity	7,756	2,106	15,218	5,814
Other expenses	(15,421)	(5,199)	(23,359)	(9,936)
Expenses with goodwill and impairment of subsidiaries	-	433	-	(3,010)
Capital losses	(87)	(61)	(568)	(367)
Provision for devaluation of non-financial assets held for sale	680	-	(490)	-
Expenses with non-use properties	(150)	(346)	(3,209)	(1,136)
Provision for impairment of intangible assets	(7,475)	-	(2,554)	-
Loss on disposal of non-financial assets held for sale	(8,374)	(4,647)	(16,272)	(4,487)
Other expenses not directly associated with operating activity	(15)	(578)	(266)	(936)
Total ⁽¹⁾	1,679	6,695	179,682	19,182

⁽¹⁾ Refers to the partial sale of the Company, now controlled, as described in note 2b.

⁽²⁾ 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 stock of Banco Votorantim SA, fully subscribed and paid in, in the amount of R\$ 8,480,372 (R\$ 8,480,372 on December 31, 2022) is represented by 3,395,210,052 shares, of which 2,193,305,693 are registered common shares, book-entry and no par value and 1,201,904,359 nominative, book-entry and no par value preferred shares (3,395,210,052 shares, of which 2,193,305,693 nominative, book-entry and no par value preferred shares and 1,201,904,359 nominative, book-entry and no par value preferred shares on December 31, 2022).

In April 2022, the Annual and Extraordinary Shareholder's Meeting approved the capital increase 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 December 31 of 2021. Capital Stock increased 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 worthless nominal, at the issue price of R\$ 3.663400624 per share, ratified by the Central Bank of Brazil on July 18, 2022.

b) Capital reserve

On September 30, 2023 and December 31, 2022, the capital reserve is constituted by premiums on share subscriptions, in the amount of R\$ 372,120.

c) Profit reserve

Legal reserve

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

Statutory reserve for expansion

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

d) Dividends / Interest on 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 semesters ended June 30, 2023 and 2022.

Interest on equity is calculated on the adjusted shareholder's 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 period from January 1st to September 30th, 2023 and 2022, the Company made the following allocation:

	01.01 to 09.30.2023			
	Value (R\$ thousand)	Value per lot of one thousand shares - R\$	Base date of the share position	Payday
Interest on equity ^{(1) (2) (3)}	312,000	91.89	03.31.2023	Until 12.31.2024
Interest on equity ^{(1) (4)}	68,000	20.03	06.30.2023	Until 12.31.2024
Interest on equity ⁽¹⁾	120,000	35.34	09.30.2023	Until 12.31.2024
Total for shareholders	500,000	147.27		
	01.01 to 09.30.2022			
	Value (R\$ thousand)	Value per lot of one thousand shares - R\$ ⁽⁵⁾	Base date of the share position	Payday
Interest on equity ⁽¹⁾	169,492	49.92	03.31.2022	10.24.2022
Interest on equity ⁽¹⁾	330,508	97.35	09.30.2022	03.31.2023
Total for shareholders	500,000	147.27		

⁽¹⁾ Amounts subject to 15% withholding income tax.

⁽²⁾ The amount of R\$ 83,745 was used from the profit reserve and the amount of R\$ 228,255 from accumulated profits.

⁽³⁾ Banco Votorantim made a partial payment to shareholders on April 18, 2023 in the net amount of R\$ 93,600.

⁽⁴⁾ Banco Votorantim made a partial payment to shareholders on July 17, 2023 in the net amount of R\$ 20,400.

⁽⁵⁾ The value per lot of one thousand shares is calculated based on the weighted average number per lot of one thousand shares in the period from January 1st to September 30th, 2023 (Note 25e). The amounts for the period from January 1st to September 30th, 2022 were restated for comparability purposes.

	01.01 to 09.30.2023	01.01 to 09.30.2022
	Value (R\$ Thousand)	Value (R\$ Thousand)
Net income for the period - Banco Votorantim SA	847,428	1,216,246
Legal reserve	(28,166)	(41,634)
Calculation basis	819,262	1,174,612
Interest on equity (gross)	416,255	500,000
IRRF related to interest on equity	(62,438)	(75,000)
Proposed value ⁽¹⁾	353,817	425,000
% on the calculation basis	43%	36%

⁽¹⁾ Does not consider distribution through profit reserve.

e) Earnings per share

	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Net profit - Banco Votorantim S.A. (R\$ thousand)	284,100	383,570	847,428	1,216,246
Weighted average number by thousand shares (basic and diluted) ⁽¹⁾⁽²⁾	3,395,210	3,395,210	3,395,210	3,395,210
Earnings per share (basic and diluted) (R\$)	83.68	112.97	249.60	358.22

⁽¹⁾ The weighted average number of shares is calculated based on the average number of shares for each month in the period from January 1st to September 30th, 2023.

⁽²⁾ The weighted average number of shares was restated for the period from January 1st to September 30th, 2022 due to the capital increase, described in note 25a, in accordance with CPC 41.

f) Reconciliation of shareholders' equity and net profit

	Net profit				Shareholder's Equity	
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022	09.30.2023	12.31.2022
Banco Votorantim S.A.	284,100	383,570	847,428	1,216,246	12,997,928	12,857,806
Result not realized - (RNR) ⁽¹⁾	731	683	2,152	(32,481)	28,531	29,966
Non-controlling interests	21,909	74,296	115,053	203,782	531,665	1,901,975
Consolidated	306,740	458,549	964,633	1,387,547	13,558,124	14,789,747

⁽¹⁾ Refers to the unrealized result arising from transactions between entities that make up the consolidated, net of taxes.

g) Other comprehensive income

Parent Company and Consolidated	01.01 to 09.30.2023				01.01 to 09.30.2022			
	Opening balance	Changes	Tax effect	Closing balance	Opening balance	Changes	Tax effect	Closing balance
Securities available to sale	(35,928)	(32,455)	14,596	(53,787)	100,960	(8,718)	4,053	96,295
Banco Votorantim ⁽¹⁾	(28,890)	(42,810)	18,786	(52,914)	107,990	(9,891)	4,451	102,550
Subsidiaries	(7,038)	10,355	(4,190)	(873)	(7,030)	1,173	(398)	(6,255)
Cash flow hedge	92,375	(344,447)	155,000	(97,072)	363,606	(716,250)	322,313	(30,331)
Banco Votorantim ⁽¹⁾	92,375	(344,447)	155,000	(97,072)	363,606	(716,250)	322,313	(30,331)
Total - Parent Company	56,447	(376,902)	169,596	(150,859)	464,566	(724,968)	326,366	65,964
RNR effect ⁽²⁾	70,525	(3,587)	-	66,938	14,652	57,061	-	71,713
Total - Consolidated ⁽³⁾	126,972	(380,489)	169,596	(83,921)	479,218	(667,907)	326,366	137,677

⁽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				Shareholder's Equity	
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022	09.30.2023	12.31.2022
Fundo de Investimento em Direitos Creditórios BV - Crédito de Veículos (FIDC BV)	20,109	71,114	108,034	195,862	521,497	1,893,506
Other funds	1,800	3,182	7,019	7,920	10,168	8,469
Participation of non-controllers	21,909	74,296	115,053	203,782	531,665	1,901,975

i) Shareholders interest (quantity of shares)

Composition of the class of shares issued by Banco Votorantim SA in which shareholders are directly holders on September 30, 2023 and December 31, 2022 (in thousands of shares):

	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%

26. TAXES
a) Tax assets
Total tax assets recognized

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Current tax assets (Note 26 a.1)	566,248	493,837	682,444	559,544
Deferred tax assets (Note 26 a.2)	6,214,901	6,097,435	7,795,526	7,452,875
Total	6,781,149	6,591,272	8,477,970	8,012,419
Current assets	13,093	500	68,393	49,699
Non-current assets	6,768,056	6,590,772	8,409,577	7,962,720

a.1) Current tax assets

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Taxes and contributions to be offset	417,483	345,072	529,059	401,584
Recoverable income tax	-	-	4,620	9,195
Presumed credit - Law no. 12,838/13	148,765	148,765	148,765	148,765
Total ⁽¹⁾	566,248	493,837	682,444	559,544

⁽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	12.31.2022	01.01 to 09.30.2023		09.30.2023
	Balance	Net changes in the period		Balance ⁽¹⁾
		Constitution	Write-off	
Temporary differences	5,480,236	1,593,187	(1,482,163)	5,591,260
Provision for losses associated with credit risk	4,101,279	1,193,359	(887,542)	4,407,096
Provisions	576,815	66,153	(121,153)	521,815
Fair value adjustments ⁽²⁾	225,144	331,422	(420,518)	136,048
Other provisions ⁽³⁾	576,998	2,253	(52,950)	526,301
Tax loss / CSLL negative base	617,199	11,678	(5,236)	623,641
Total activated tax credits	6,097,435	1,604,865	(1,487,399)	6,214,901
Income tax	3,356,848	890,359	(824,161)	3,423,046
Social contribution	2,740,587	714,506	(663,238)	2,791,855

Consolidated	12.31.2022	01.01 to 09.30.2023		09.30.2023
	Balance	Net changes in the period		Balance ⁽¹⁾
		Constitution	Write-off ⁽⁴⁾	
Temporary differences	6,379,258	1,984,438	(1,638,907)	6,724,789
Provision for losses associated with credit risk	4,903,961	1,642,643	(1,070,617)	5,475,987
Provisions	657,700	73,948	(151,525)	580,123
Fair value adjustments ⁽²⁾	230,033	265,587	(358,876)	136,744
Other provisions ⁽³⁾	587,564	2,260	(57,889)	531,935
Tax loss / CSLL negative base	1,073,617	38,523	(41,403)	1,070,737
Total activated tax credits	7,452,875	2,022,961	(1,680,310)	7,795,526
Income tax	4,280,441	1,123,632	(931,548)	4,472,525
Social contribution	3,172,434	899,329	(748,762)	3,323,001

⁽¹⁾ In the period from January 1 to September 30, 2023, the portion of R\$ 128,543 (of the total of R\$ 136,048), in the Bank, and of R\$ 129,242 (of the total of R\$ 136,744), in the Consolidated, corresponds to the tax credit arising from fair value adjustments of bonds and securities classified as available for sale, recorded in equity account. On December 31, 2022, the installment was R\$ 30,335 (of the total of R\$ 225,144), in the Bank, and R\$ 35,223 (of the total of R\$ 230,033), in the Consolidated.

⁽²⁾ The amounts corresponding to the movement of tax credit resulting from fair value adjustments of bonds and securities classified as available for sale, recorded in the equity account, in the period from January 1 to September 30, 2023, are R\$ 98,208 (of the total of R\$ (89,096)), in the Bank, and of R\$ 94,019 (of the total of R\$ (93,289)) in the Consolidated. The amounts, in the period from January 1st to September 30th, 2022, were R\$ 24,817 (out of a total of R\$ (141,450)), at the Bank, and R\$ 24,420 (out of a total of R\$ (141,861)) , in Consolidated.

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

⁽⁴⁾ It includes the effect of the amounts that are no longer presented related to the operations of BV DTVM, since it ceased to be controlled and became an affiliate as of February 2023 (Note 2b).

Realization estimate

The expectation of realizing deferred tax assets (tax credits) is supported by a technical study prepared on June 30, 2023.

	Parent Company		Consolidated	
	Nominal value	Present value	Nominal value	Present value
In 2023	936,463	910,633	1,208,419	1,175,088
In 2024	1,558,196	1,365,947	1,875,963	1,644,508
In 2025	1,293,274	1,024,864	1,720,484	1,363,409
In 2026	1,511,208	1,081,703	1,741,107	1,246,262
In 2027	23,180	14,941	29,550	19,046
From 2028 to 2029	261,202	140,038	348,907	187,438
From 2030 to 2032	631,378	238,554	871,096	333,516
Total deferred tax assets	6,214,901	4,776,680	7,795,526	5,969,267

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	6%	16%	5%	17%
In 2024	12%	26%	14%	26%
In 2025	8%	23%	8%	24%
In 2026	0%	27%	0%	26%
In 2027	0%	0%	0%	0%
From 2028 to 2029	39%	0%	31%	0%
From 2030 to 2032	35%	8%	42%	7%

⁽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.

a.3) Unrecognized deferred tax assets

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Social contribution on net profit tax loss/negative basis portions of CSLL	94,088	94,088	150,539	150,977
Portion of passive provisions	-	-	290	530
Portion of other provisions	2,367	1,517	41,922	41,024
Total of deferred tax assets not recorded in assets	96,455	95,605	192,751	192,531
Income tax	53,586	53,114	137,152	137,159
Social contribution	42,869	42,491	55,599	55,372

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	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Current tax liabilities (Note 26 b.1)	157,733	156,793	268,407	277,075
Deferred tax liabilities - (Note 26 b.2)	62,973	115,110	63,279	115,709
Total	220,706	271,903	331,686	392,784
Current liabilities	140,667	154,631	251,341	268,906
Non-current liabilities	80,039	117,272	80,345	123,878

b.1) Current tax liabilities

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Financial transaction tax payable	30,726	30,531	32,601	32,409
Income tax and social contribution payable	-	-	-	6,533
Provision for taxes and contributions on income	-	1,004	87,455	83,166
Taxes and contributions payable	127,007	125,258	148,351	154,967
Total ⁽¹⁾	157,733	156,793	268,407	277,075

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

b.2) Deferred tax liabilities

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Fair value adjustments ^{(1) (2)}	47,898	100,035	47,916	100,063
Presumed credit - Law no. 12,838/13	15,075	15,075	15,075	15,075
Other liabilities	-	-	288	571
Total deferred tax liabilities	62,973	115,110	63,279	115,709
Income tax	34,985	64,223	35,285	64,813
Social contribution	27,988	50,887	27,994	50,896

⁽¹⁾ In the period from January 1 to September 30, 2023, the portion of R\$ (36) (of the total of R\$ 47,916), in the Consolidated, corresponds to the deferred tax obligation arising from fair value adjustments of the effective portion of the instruments hedge of cash flow and securities classified as available for sale, recorded in equity account. On December 31, 2022, the installment was R\$79,512 (of the total of R\$100,035), in the Bank, and R\$79,477 (of the total of R\$100,063), in the Consolidated.

⁽²⁾ The amounts corresponding to the movement in the deferred tax liability resulting from fair value adjustments of the effective portion of cash flow hedging instruments and fair value adjustments of bonds and securities classified as available for sale, recorded in a shareholders' equity account, in the period from January 1st to September 30th, 2023, are R\$ (79,512) (of the total of R\$ (52,137), including the movement in the result), in the Bank, and R\$ (79,512) (of the total of R\$ (52,147), including changes in results) in Consolidated. The amounts, in the period from January 1st to September 30th, 2022, were R\$ (301,946) (of the total R\$ (557,691), including the movement in the result), at the Bank, and R\$ (301,946) (of the total of R\$ (557,670), including the movement in results), in Consolidated.

c) Tax expenses

	Parent company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Cofins	(75,510)	(93,924)	(215,959)	(222,236)
ISSQN	(14,164)	(12,135)	(37,288)	(31,682)
PIS	(12,270)	(15,263)	(35,093)	(36,113)
Others	(3,892)	(3,611)	(11,086)	(12,981)
Total	(105,836)	(124,933)	(299,426)	(303,012)

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Cofins	(107,304)	(126,449)	(307,182)	(311,178)
ISSQN	(20,223)	(20,261)	(53,415)	(53,550)
PIS	(18,271)	(21,218)	(52,126)	(52,194)
Others	(4,692)	(5,084)	(13,422)	(16,788)
Total	(150,490)	(173,012)	(426,145)	(433,710)

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

	Parent company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Current amounts	(3,604)	(10,185)	19,995	48,535
Domestic IR and CSLL - Current	(11,121)	(10,508)	(11,121)	(10,508)
Domestic IR and CSLL- Previous years	7,517	323	31,116	59,043
Deferred amounts	38,211	87,069	(4,184)	(239,585)
Deferred tax liabilities	166,359	443,454	(23,442)	198,638
Fair value adjustments	128,564	460,962	(23,442)	255,744
Other liabilities	37,795	(17,508)	-	(57,106)
Deferred tax assets	(128,148)	(356,385)	19,258	(438,223)
Tax loss carryforwards and negative basis of social contribution on net profit	(205,474)	(217,789)	6,442	19,029
Temporary differences	231,565	19,016	200,120	(290,985)
Fair value adjustments	(154,239)	(157,612)	(187,304)	(166,267)
Total	34,607	76,884	15,811	(191,050)

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Current amounts	(54,215)	(131,504)	(128,935)	(167,791)
Domestic IR and CSLL - Current	(61,732)	(131,827)	(171,947)	(227,161)
Domestic IR and CSLL- Previous years	7,517	323	43,012	59,370
Deferred amounts	123,049	209,385	282,534	(15,009)
Deferred tax liabilities	166,370	443,593	(23,402)	198,961
Fair value adjustments	128,564	460,962	(23,442)	255,744
Other liabilities	37,806	(17,369)	40	(56,783)
Deferred tax assets	(43,321)	(234,208)	305,936	(213,970)
Tax loss carryforwards and negative basis of social contribution on net profit	(178,877)	(229,951)	28,611	43,685
Temporary differences	289,795	153,355	464,629	(91,374)
Fair value adjustments	(154,239)	(157,612)	(187,304)	(166,281)
Total	68,834	77,881	153,599	(182,800)

d.2) Reconciliation of IR and CSLL charges

	Parent company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Income (loss) before taxes and contributions	293,740	354,685	962,555	1,554,506
Total IR charges (25%) and CSLL (20%)	(132,183)	(163,155)	(433,150)	(703,075)
Charges on JCP	54,000	152,034	225,000	228,305
Income from interests in subsidiaries, associates and joint ventures	(5,592)	17,230	(15,352)	58,872
Participation in profits and results	19,911	22,080	58,922	66,725
Income from abroad	(16,128)	(17,582)	(53,135)	(15,083)
Other values	114,599	66,277	233,526	173,206
Income tax and social contribution for the period	34,607	76,884	15,811	(191,050)

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Income (loss) before taxes and contributions	293,971	443,437	982,388	1,761,645
Total IR charges (25%) and CSLL (20%)	(132,290)	(203,981)	(442,077)	(797,174)
Charges on JCP	54,000	152,034	225,000	228,305
Income from interests in subsidiaries, associates and joint ventures	(4,381)	(4,060)	(231)	(6,690)
Participation in profits and results	25,230	28,874	77,110	86,712
Income from abroad	(16,128)	(17,582)	(53,135)	(15,083)
Other values	142,403	122,596	346,932	321,130
Income tax and social contribution for the period	68,834	77,881	153,599	(182,800)

27. RELATED PARTIES

The Conglomerate carries out banking transactions with related parties, such as current account deposits (non-interest-bearing), interest-bearing deposits, open market funding, derivative financial instruments and assignment of credit operation portfolios. There are also service provision contracts, which include an agreement for the sharing/reimbursement of expenses and direct and indirect costs entered into with the Conglomerate companies. In relation to controlling shareholders, transactions with the Banco do Brasil Conglomerate and Votorantim S.A. are included.

Such transactions are carried out under conditions and rates compatible with those practiced with third parties, when applicable, in force on the dates of the transactions. These operations do not involve abnormal receipt risks.

BV bank carries out credit assignments (assignments with recourse) with substantial retention of risks and benefits with a related party. In the period from January 1st to September 30th, 2023, the sum of present values totaled R\$ 4,746,192 (R\$ 1,371,994 in the period from January 1st to September 30th, 2022). Banco BV also carries out credit assignments without co-obligation, but with substantial retention of risks and benefits with a subsidiary and in the period from January 1 to September 30, 2023, the sum of present values totaled R\$ 989,517 (R\$ 3,364,128 in the period from January 1st to September 30th, 2022). The net result of credit assignments, considering the income and expenses from assignments with substantial retention of risks and benefits, is presented in the table below under "Income from interest, provision of services and other income".

The costs of remuneration and other benefits attributed to the key management personnel of Banco BV, mainly formed by the Board of Directors, Board of Directors and Supervisory Board:

	Parent Company ⁽¹⁾				Consolidated ⁽¹⁾			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Administrator's remuneration and other	4,958	6,487	16,259	17,624	6,346	8,667	21,800	23,807
Bonuses	11,537	17,984	31,070	68,392	12,031	19,921	31,941	75,044
Social charges	5,158	7,378	14,903	26,406	5,437	8,189	15,553	29,049
Total	21,653	31,849	62,232	112,422	23,814	36,777	69,294	127,900

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

Balance of transactions with related parties

	Parent Company							Total
	09.30.2023							
	Conglom. Banco do Brasil	Votorantim S.A.	Financial Institution subsidiaries ⁽¹⁾	Non-financial Institution subsidiaries ⁽²⁾	Key management personnel ⁽³⁾	Others ⁽⁴⁾		
Assets								
Interbank deposit investments ⁽⁵⁾	-	-	1,205,684	-	-	-	-	1,205,684
Securities and derivative financial instruments	-	22,860	-	-	-	3,433,462	-	3,456,322
Loans and leases	140	1,061	-	-	48	40,164	-	41,413
Other assets	374	-	77,494	18,103	-	8,729	-	104,700
Liabilities								
Demand deposits	(4)	(9,072)	(1,707)	(391)	(252)	(20,103)	-	(31,529)
Time deposits	(237,013)	(649,462)	-	(254,819)	(599)	(44,907)	-	(1,186,800)
Interbank deposits	-	-	-	-	-	(60,694)	-	(60,694)
Money market repurchase	(49,376)	(24,995)	(116,918)	-	-	(23,503)	-	(214,792)
Funds for accepting and issuing bonds	(119,775)	(504,498)	-	-	(10,465)	-	-	(634,738)
Derivative financial instruments	-	(45,950)	-	-	-	-	-	(45,950)
Other liabilities	(9,364,198)	(309,350)	(15,482)	(453)	-	(2,182,200)	-	(11,871,683)



FINANCIAL STATEMENTS

as of September 30, 2023

(Amounts in thousands of Reais, unless otherwise indicated)

07.01 to 09.30.2023							
Income (loss)							
Income from interest, provision of services and other income	152,699	123	59,437	-	-	137,302	349,561
Income (losses) from derivative financial instruments	(2,003)	(50,982)	-	-	-	-	(52,985)
Fund raising, administrative expenses and other	(99,294)	(122,733)	(5,754)	(4,076)	(1,387)	(9,475)	(242,719)

01.01 to 09.30.2023							
Income (loss)							
Income from interest, provision of services and other income	437,819	207	219,827	-	-	801,315	1,459,168
Income (losses) from derivative financial instruments	(7,547)	(112,306)	-	-	-	-	(119,853)
Fund raising, administrative expenses and other	(175,612)	(209,321)	(25,298)	(37,828)	(2,456)	(30,667)	(481,182)

	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	45,810	99,246
Other assets	26,656	-	66,041	11,498	-	113,771	217,966
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)

07.01 to 09.30.2022							
Income (loss)							
Income from interest, provision of services and other income	90,122	71	76,819	-	-	117,466	284,478
Income (losses) from derivative financial instruments	(3,087)	(3,802)	-	-	-	-	(6,889)
Fund raising, administrative expenses and other	(30,826)	(43,823)	(23,051)	(19,005)	(219)	(5,705)	(122,629)

01.01 to 09.30.2022							
Income (loss)							
Income from interest, provision of services and other income	305,707	200	180,665	-	-	240,034	726,606
Income (losses) from derivative financial instruments	(5,173)	(103,795)	-	-	-	(133,757)	(242,725)
Fund raising, administrative expenses and other	(95,378)	(115,419)	(54,598)	(97,436)	(777)	(10,816)	(374,424)

	Consolidated				
	09.30.2023				
	Conglom. Banco do Brasil	Votorantim S.A.	Key management personnel ⁽³⁾	Others ⁽⁶⁾	Total
Assets					
Funds available	-	54	-	-	54
Securities and derivative financial instruments	-	-	22,860	-	608,620
Loans and leases	-	140	1,061	48	46,451
Other assets	-	374	9,739	540	52,307
Liabilities					
Demand deposits	-	(4)	(9,072)	(252)	(10,328)
Time deposits	-	(237,013)	(649,462)	(599)	(893,727)
Interbank deposits	-	-	-	-	(60,694)
Money market repurchase	-	(49,376)	(24,995)	-	(97,874)
Funds for accepting and issuing bonds	-	(119,775)	(504,498)	(10,465)	(634,738)
Derivative financial instruments	-	-	(45,950)	-	(45,950)
Other liabilities	-	(9,364,198)	(309,350)	-	(9,673,548)

07.01 to 09.30.2023						
Income (loss)						
Income from interest, provision of services and other income		152,699	123	-	2,959	155,781
Income (losses) from derivative financial instruments		(2,003)	(50,982)	-	-	(52,985)
Fund raising, administrative expenses and other		(99,294)	(122,733)	(1,387)	(2,105)	(225,519)

01.01 to 09.30.2023						
Income (loss)						
Income from interest, provision of services and other income		437,819	207	-	7,431	445,457
Income (losses) from derivative financial instruments		(7,547)	(112,306)	-	-	(119,853)
Fund raising, administrative expenses and other		(175,612)	(209,321)	(2,456)	(14,169)	(401,558)

	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	45,810	99,291	
Other assets	26,656	11,624	1,100	20,781	60,161	
Liabilities						
Demand deposits	(638)	(730)	(9)	-	(1,377)	
Time deposits	(852,289)	(875,176)	(156)	(24,760)	(1,752,381)	
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)	

07.01 to 09.30.2022						
Income (loss)						
Income from interest, provision of services and other income		227,070	71	-	-	227,141
Income (losses) from derivative financial instruments		(3,087)	(3,802)	-	-	(6,889)
Fund raising, administrative expenses and other		(30,826)	(43,823)	(219)	-	(74,868)

01.01 to 09.30.2022						
Income (loss)						
Income from interest, provision of services and other income		668,421	200	-	-	668,621
Income (losses) from derivative financial instruments		(5,173)	(103,795)	-	-	(108,968)
Fund raising, administrative expenses and other		(95,378)	(115,419)	(777)	-	(211,574)

⁽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 and Atenas SP 02 – Empreendimento Imobiliário Ltda. 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.

In the first half of 2017, the Conglomerate implemented a new variable compensation program. Conglomerate directors and employees are eligible for the program. This program was approved by the Board of Directors on March 9, 2017 and ended in the 2018 fiscal year, with effect until February 2023.

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 executive's interests with shareholder's 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 whose expected realization arises exclusively from the provision of services to the Conglomerate by beneficiaries of variable remuneration programs: in the period from January 1 to September 30, 2023, they were recognized in the Conglomerate's results, in Personnel expenses – Earnings R\$ 57,219 (R\$ 113,860 in the period from January 1 to September 30, 2022) in relation to long-term incentive transactions. Incentives generally become vest between 1 and a maximum of 4 years from the date of grant.

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

Year of the program	01.01 to 09.30.2023	01.01 to 09.30.2022
2017	-	5,534
2018	565	778
Total	565	6,312

On September 30, 2023, the Conglomerate recorded the amount of R\$ 200,771 under Other liabilities - Provision for personnel expenses (R\$ 228,544 on December 31, 2022).

Changes in phantom shares

ILP Plan	Parent company		Consolidated	
	01.01 to 09.30.2023	01.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Opening quantity	45,658,643	47,243,051	50,888,938	52,034,956
News / Updates	22,910,638	19,683,000	24,487,711	22,265,000
Paid / Canceled	(15,994,334)	(19,482,615)	(20,327,890)	(20,973,726)
Closing quantity ⁽¹⁾	52,574,947	47,443,436	55,048,759	53,326,230

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

In addition to the benefits provided for in the category's collective agreement, the Conglomerate also offers other benefits, among which we highlight the defined contribution private pension plan, in the PGBL (Free Benefit Generator Plan) and VGBL (Free Benefit Generator Plan) types, where the Conglomerate, as sponsor, contributes to the formation of the amount to be reversed in supplementary post-employment retirement income. This 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) Provisions for tax, civil and labor claims – 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 Conglomerate is subject, in inspections carried out by the tax authorities, to questions regarding taxes, which may eventually generate assessments, such as: composition of the IRPJ / CSLL calculation base (deductibility); and discussion about the incidence of taxes, when certain economic facts occur. Most of the Shares arising from the assessments deal with ISS, IRPJ, CSLL, PIS / Cofins and employer's social security contributions. As a guarantee of some of them, when necessary, there are judicial deposits or surety insurance to suspend the payment of the taxes under discussion.

Civil actions basically refer to compensation actions, review of contractual conditions and charges and tariffs. For actions classified as mass market, the estimated outcome and financial value are calculated using a statistical model. For other cases, estimates of the outcome and financial effect are determined by the nature of the actions, by the judgment of the entity's Management, through the opinion of legal advisors and accountants based on the elements and decisions of the process, complemented by the complexity and experience of similar demands.

For labor actions, the Conglomerate is a passive party (defendant) in labor lawsuits that represent various claims, such as: compensation, overtime, mischaracterization of working hours, additional duties and representation, and others.

The Conglomerate's Management considers the provision set up to cover losses arising from tax, civil and labor claims to be sufficient.

Contingent liability balances classified as probable

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Tax claims	45,435	46,538	59,130	60,511
Civil claims	227,902	231,454	239,076	242,978
Labor claims	253,475	281,097	254,201	291,703
Total	526,812	559,089	552,407	595,192

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

	Parent company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Tax claims				
Opening balance	46,502	48,945	46,538	53,398
Constitutions	205	167	2,133	1,568
Reversal of provision	(2,115)	(83)	(6,482)	(1,706)
Write-off due to payment ⁽¹⁾	-	-	(6)	(7,059)
Updates	843	771	3,252	3,599
Final balance	45,435	49,800	45,435	49,800
Civil claims				
Opening balance	220,263	249,227	231,454	253,641
Constitutions	12,508	11,878	34,419	33,215
Reversal of provision	(12,757)	(17,368)	(39,777)	(40,041)
Write-off due to payment ⁽¹⁾	(12,448)	(10,501)	(29,464)	(25,856)
Updates ⁽²⁾	20,336	6,880	31,270	19,157
Final balance	227,902	240,116	227,902	240,116
Labor claims				
Opening balance	275,416	369,826	281,097	372,520
Constitutions	30,237	47,290	107,099	110,563
Reversal of provision	(14,175)	(12,792)	(50,514)	(40,934)
Write-off due to payment ⁽¹⁾	(43,098)	(60,555)	(100,835)	(113,768)
Updates ⁽²⁾	5,095	7,666	16,628	23,054
Final balance	253,475	351,435	253,475	351,435
Total tax, civil and labor claims	526,812	641,351	526,812	641,351

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Tax claims				
Opening balance	59,847	66,650	60,511	73,819
Constitutions	268	7,111	2,718	10,417
Reversal of provision	(2,296)	(1,263)	(7,523)	(7,210)
Write-off due to payment ⁽¹⁾	(22)	(35)	(648)	(7,545)
Updates	1,333	1,080	4,138	4,062
Other ⁽³⁾	-	-	(66)	-
Final balance	59,130	73,543	59,130	73,543
Civil claims				
Opening balance	231,358	259,874	242,978	266,316
Constitutions	13,752	13,793	38,269	38,189
Reversal of provision	(13,591)	(18,500)	(42,916)	(43,645)
Write-off due to payment ⁽¹⁾	(13,565)	(11,278)	(32,676)	(29,601)
Updates ⁽²⁾	21,122	7,570	33,433	20,200
Other ⁽³⁾	-	-	(12)	-
Final balance	239,076	251,459	239,076	251,459
Labor claims				
Opening balance	276,130	382,321	291,703	391,956
Constitutions	30,237	48,145	107,511	113,942
Reversal of provision	(14,176)	(13,467)	(51,115)	(42,573)
Write-off due to payment ⁽¹⁾	(43,097)	(61,657)	(100,834)	(124,177)
Updates ⁽²⁾	5,107	7,867	16,897	24,061
Other ⁽³⁾	-	-	(9,961)	-
Final balance	254,201	363,209	254,201	363,209
Total tax, civil and labor claims	552,407	688,211	552,407	688,211

⁽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⁾ It includes the effect of the amounts that are no longer presented related to the operations of BV DTVM, since it ceased to be controlled and became an affiliate as of February 2023 (Note 2b).

e.2) Expected schedule of disbursements on September 30, 2023

	Parent company			Consolidated		
	Tax	Civil	Labor	Tax	Civil	Labor
Up to 5 years	2,115	227,902	253,475	2,115	239,076	254,201
From to 10 years	43,320	-	-	57,015	-	-
Total	45,435	227,902	253,475	59,130	239,076	254,201

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

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

	Parent company			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Tax claims	1,067	(855)	1,103	3,598
Civil claims	(7,639)	9,111	3,552	13,525
Labor claims	21,941	18,391	27,622	21,085
Total	15,369	26,647	32,277	38,208

	Consolidated			
	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Tax claims	717	(6,893)	1,315	276
Civil claims	(7,718)	8,415	3,890	14,857
Labor claims	21,929	19,112	27,541	28,747
Total	14,928	20,634	32,746	43,880

f) Contingent liabilities - Possible loss

The amounts shown in the table below represent the estimate of the amount that will possibly be disbursed in case of condemnation of the Conglomerate. Claims are classified as possible when there are no sure elements that allow concluding the final result of the process and when the probability of loss is lower than probable and higher than remote.

f.1) Balances of contingent liabilities classified as possible

	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Tax claims (Note 29.f.1.1)	2,003,007	2,060,157	2,324,352	2,445,438
Civil claims ⁽¹⁾	195,731	134,081	200,965	145,938
Labor claims ⁽²⁾	160,074	226,586	160,469	233,902
Total	2,358,812	2,420,824	2,685,786	2,825,278

⁽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

Possible causes description - Tax	Parent Company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
INSS without profit sharing ⁽¹⁾	805,730	762,184	805,730	785,574
IRPJ/CSLL - PDD Deduction 2014/2016 ⁽²⁾	513,352	479,015	626,663	584,326
IRPJ/CSLL - Deduction PDD 2008	185,479	177,016	185,479	177,016
IRPJ/CSLL on JCP cumulatively distributed of previous periods ⁽³⁾	-	143,508	-	172,068
ISS VRG ⁽⁴⁾	-	-	177,196	160,803
PF and BNCSLL: excess of compensation AB 2012	105,674	99,838	105,674	99,838
Others causes	392,772	398,596	423,610	465,813
Total	2,003,007	2,060,157	2,324,352	2,445,438

⁽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 n°. 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⁾ These refer to the possibility of distributing the accumulated JCP based on profits earned in previous years, among other discussions related to the deductibility of JCP. The discussion regarding the possibility of distribution of JCP accumulated based on profits earned in previous years had its prognosis changed to remote on June 30, 2023, in view of the recent decisions handed down by the Superior Courts.

⁽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.

g) Deposits as collateral

As a guarantee for some actions, when necessary, the Conglomerate makes judicial deposits to suspend the enforceability of the taxes under discussion.

Balances of escrow deposits recognized for contingencies

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Tax claims	213,107	223,643	243,458	260,809
Civil claims	107,652	126,059	115,677	137,487
Labor claims	101,061	118,903	101,217	120,105
Total	421,820	468,605	460,352	518,401

h) Legal obligations

The Consolidated records the legal obligation in the amount of R\$ 50,262 (R\$ 66,099 as of December 31, 2022) under Other liabilities, with the amount of R\$ 40,945 (R\$ 57,147 as of December 31, 2022) being recorded in the Parent Company. The main discussion of which concerns a declaratory action which aims to eliminate the incidence of ISS on revenues arising from guarantees, guarantees and other guarantees provided, as well as obtaining the refund of the amounts paid in this regard in the last five years, the amount of which was provisioned at the Parent Company is R\$ 16,740 (R\$ 36,230 on December 31, 2022).

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
- Counterparty credit risk
- Credit concentration risk
- Market risk
- Banking book interest rate variation risk (IRRBB);
- Liquidity risk
- Operational risk
- Reputation risk
- Strategy risk
- Social, environmental and Climate risks
- Model 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.

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

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

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

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

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

Detailed information on the risk and capital management process can be observed in the document "Risk and Capital Management Report", prepared based on compliance with 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			
	09.30.2023		12.31.2022	
	Guaranteed values	Provision	Guaranteed values	Provision
Linked to bids, auctions, provision of services or execution of works	1,332,495	6,450	1,297,443	6,198
Guarantee or surety in judicial and administrative tax proceedings	3,334,459	146,785	3,366,601	163,906
Linked to the distribution of securities by public offering	20,238	101	518,806	94
Other bank guarantees	1,704,887	20,066	2,274,695	19,649
Other financial guarantees provided	106,547	20	172,653	11
Total	6,498,626	173,422	7,630,198	189,858

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:

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			
			09.30.2023		12.31.2022	
			+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	(552,124)	(326)	319	6,148	(6,026)
Foreign currency coupons	Foreign currency coupon exchange movements	(29,083)	(1,540)	1,510	(345)	338
Price indexes	Price indexes coupons variation risk	(17,974)	(138)	135	886	(868)

Trading and banking portfolio

Risk Factor	Concept	Exposure	Basic interest rate shock			
			09.30.2023		12.31.2022	
			+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
Fixed rate	Fixed interest rate variation risk	18,601,751	(229,901)	225,348	(206,083)	202,002
Foreign currency coupons	Foreign currency coupon exchange movements	(1,271,507)	(5,906)	5,789	(24,956)	24,462
Price indexes	Price indexes coupons variation risk	(1,267,134)	(2,814)	2,758	(3,520)	3,450
TR/TBF	Risk of TR (reference rate) and TBF (basic financial rate) coupon variation	13,602	(269)	264	(377)	370

Sensitivity analysis 2

Simulations are carried out to measure the effect of movements in market curves and prices on exposures maintained by the Conglomerate, with the aim of simulating the effects on results in three specific scenarios, as presented below:

- **Scenario 1** - In constructing this scenario, currencies suffer shocks of 1% on their closing value. The stressed value of the US dollar (BM&F's DOL-CL) would be R\$ 5.0810 (101% of R\$ 5.0307) (R\$ 5.3444 on December 31, 2022). The shocked BOVESPA index is 117,731 points, equivalent to 101% of the closing value on September 30, 2023 (110,832 points on December 31, 2022). The fixed interest rate 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 by 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 September 30, 2023, for a term of one year is 11.03% (13.41% on December 31, 2022). In this way, the entire curve is shocked by 2.76% more or less, depending on the hypothetical result generated (3.35% on December 31, 2022).
- **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 shareholder's equity and not in results. There are also operations naturally linked to other instruments (natural hedge), thus minimizing the impacts in a stress scenario.

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

Trading portfolio

Risk Factor / Concept	Exposure	Scenario I		Scenario II		Scenario III	
		Movements of rates	Income (loss)	Movements of rates	Income (loss)	Variation of taxes	Result
		09.30.2023					
Fixed rate / Fixed interest rate variation risk	(552,124)	Increase	(32)	Decrease	(898)	Decrease	(1,796)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(29,083)	Increase	(152)	Decrease	(2,588)	Decrease	(5,177)
Foreign exchange movements / Exchange rate movements risk	307,800	Increase	3,078	Decrease	(76,950)	Decrease	(153,900)
Price index / Price indexes coupons variation risk	(17,974)	Increase	(14)	Decrease	(208)	Decrease	(416)
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)

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
09.30.2023							
Fixed rate / Fixed interest rate variation risk	18,601,751	Increase	(22,762)	Decrease	(634,202)	Decrease	(1,268,405)
Foreign currency coupons / Foreign currency coupon exchange movements risk	(1,271,507)	Increase	(585)	Decrease	(9,926)	Decrease	(19,853)
Foreign exchange movements / Exchange rate movements risk	(27,917)	Increase	(279)	Decrease	(6,979)	Decrease	(13,959)
TJLP / TJLP coupon movements risk	2,975	Increase	(4)	Decrease	(22)	Decrease	(44)
TR/TBF / TR (reference rate) and TBF (basic financial rate) coupon variation risk	13,602	Increase	(27)	Decrease	(92)	Decrease	(183)
Price index / Price indexes coupons variation risk	(1,267,134)	Increase	(279)	Decrease	(4,254)	Decrease	(8,509)
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)

(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:

Scenario I - In this scenario, interest rate curves suffer positive parallel shocks; the exchange rate (reais/dollar) considered is R\$ 5.6923 (R\$ 5.9874 on December 31, 2022); commodities suffer positive shocks of 10% on the closing value on September 30, 2023; and a negative variation of -15.28% is applied to the BOVESPA Index (the same rates were used on December 31, 2022).

Scenario II - In this scenario, interest rate curves suffer negative parallel shocks; the exchange rate (reais/dollar) considered is R\$ 4.4862 (R\$ 4.7188 on December 31, 2022); commodities suffer negative shocks of 10% on the closing value on September 30, 2023; and a positive variation of 24.49% of the BOVESPA Index is applied (the same rates were used on December 31, 2022).

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

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

Estimates of retrospective stress test greatest losses - Consolidated portfolio

Risk Factor	09.30.2023		12.31.2022	
	Exposure	Stress ⁽¹⁾	Exposure	Stress ⁽¹⁾
Foreign currencies	(27,917)	(3,509)	71,420	(25,631)
Interest rate	16,079,687	(409,673)	17,439,158	(339,873)
Total	16,051,770	(413,182)	17,510,578	(365,504)

Estimates of higher gains from the retrospective stress test – Consolidated portfolio

Risk Factor	09.30.2023		12.31.2022	
	Exposure	Stress ⁽¹⁾	Exposure	Stress ⁽¹⁾
Foreign currencies	(27,917)	7,873	71,420	8,276
Interest rate	16,079,687	335,138	17,439,158	290,341
Total	16,051,770	343,011	17,510,578	298,617

⁽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 September 30, 2023 and December 31, 2022, classified into different hierarchical levels of fair value measurement:

Consolidated	09.30.2023				12.31.2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset								
Securities (Note 9a)	17,670,663	9,627,613	1,158,269	28,456,545	13,914,039	8,456,959	1,083,916	23,454,914
Trading securities	8,797,167	-	8,000	8,805,167	7,147,112	220,667	8,000	7,375,779
Securities available to sale	8,873,496	9,627,613	1,150,269	19,651,378	6,766,927	8,236,292	1,075,916	16,079,135
Derivatives financial instruments (Note 10a)	15,984	3,767,765	-	3,783,749	47,321	1,259,848	-	1,307,169
Hedged loan portfolio (Note 10g)	-	23,962,779	-	23,962,779	-	16,936,827	-	16,936,827
Total	17,686,647	37,358,157	1,158,269	56,203,073	13,961,360	26,653,634	1,083,916	41,698,910
Liability								
Money market repurchase commitments - Free portfolio (Note 18c)	-	(268,703)	-	(268,703)	-	(496,988)	-	(496,988)
Derivatives financial instruments (Note 10a)	(5,678)	(4,931,610)	-	(4,937,288)	(15,245)	(1,790,355)	-	(1,805,600)
Total	(5,678)	(5,200,313)	-	(5,205,991)	(15,245)	(2,287,343)	-	(2,302,588)

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 12.31.2022	01.01 to 09.30.2023			Balance as of 09.30.2023
		Transfers between levels (1)	Additions / (settlements)	Income (loss) / Other changes	
Assets					
Securities					
Securities for trading	8,000	-	-	-	8,000
Securities available to sale	1,075,916	58,469	84,030	(68,146)	1,150,269
Total	1,083,916	58,469	84,030	(68,146)	1,158,269

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 2 and 3 due to periodic review of the hierarchy.

(vi) Fair value of financial instruments measured at adjusted cost

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

Consolidated	09.30.2023		12.31.2022	
	Book value	Fair value	Book value	Fair value
Assets	67,093,010	66,842,583	65,642,271	64,950,746
Compulsory deposits at the Central Bank of Brazil (Note 11a)	2,439,349	2,439,349	1,961,377	1,961,377
Liquidity interbank investments (Notes 7 / 8a)	5,770,597	5,770,597	1,739,153	1,739,153
Securities - Held to Maturity (Note 9a)	12,203,328	11,952,240	17,084,433	16,393,351
Loan portfolio (Notes 12a / 30.1.b.iv)	41,892,528	41,893,189	42,049,456	42,049,013
Other financial assets (Note 13a)	4,787,208	4,787,208	2,807,852	2,807,852
Liabilities	(110,042,909)	(109,047,516)	(100,222,246)	(98,923,239)
Money market repurchase commitments (Notes 18c / 30.1.b.iv)	(18,314,609)	(18,396,378)	(17,780,823)	(16,907,990)
Deposits (Note 18a)	(25,958,942)	(25,306,288)	(23,425,325)	(23,249,413)
Borrowings and transfers from Brazilian government (Onlendings) (Note 19)	(7,558,407)	(7,667,357)	(6,641,007)	(6,609,937)
Securities issued (Note 20)	(41,939,460)	(41,128,573)	(39,957,617)	(39,593,096)
Subordinated debts and debt instruments eligible for capital (Note 21)	(2,599,654)	(2,877,083)	(2,667,634)	(2,812,963)
Other financial liabilities (Note 22a)	(13,671,837)	(13,671,837)	(9,749,840)	(9,749,840)
Total	(42,949,899)	(42,204,933)	(34,579,975)	(33,972,493)

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.



FINANCIAL STATEMENTS

as of September 30, 2023

(Amounts in thousands of Reais, unless otherwise indicated)

(ii) Management of social, environmental and climate risk

The Conglomerate's social, environmental and climate risk management (GRSAC) complies with the requirements of CMN Resolution No. 4,943/2021 and 4,945/2021, which established, respectively, new rules for the structure of the integrated management of social, environmental and climate risks and the implementation of the Social, Environmental and Climate Responsibility Policy (PRSAC). Observing compliance with the relevant legislation and normative provisions, the Institution assesses the socio-environmental and climate aspects, in accordance with the principles of relevance and proportionality dealt with in CMN Resolution No. 4,557/2017, with which the customer, supplier or investee is involved, in order to subsidize the decision-making of the competent areas during the processes of granting credit, evaluation of real estate guarantees, homologation of suppliers, sources of funding, new investments, products and services.

Making tangible the importance of the theme 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). Additionally, the Institution listed sectors and activities whose financial operations are prohibited or restricted, in addition to considering a maximum concentration limit for some of these economic sectors.

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. On the other hand, the analysis of socio-environmental risk in projects complies with the guidelines established by the Equator Principles (EP).

Complementing the structure of the GRSAC, the Institution assesses the exposure of the credit portfolio to climate risks in its two aspects (physical and transition risk) and in the exercise of the climate stress test.

Additional information on SAC risk management is available on the website: <https://ri.bv.com.br/relatorio-grsac/>.

2) Capital management

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

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

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

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

(i) Capital ratios

The capital ratios are calculated according to the criteria established by CMN Resolutions 4955/2021 and 4958/2021, 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 applying § 10 of article 5 of CMN Resolution No. 4,955/2021, which authorizes financial institutions to stop deducting from Principal Capital, tax credits for 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; II - 100% (one hundred percent), until December 31, 2022 and III - 100% (one hundred percent), remains from January 2023;
- (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.

(ii) Risk Weighted Asset - RWA

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

As of July/23, BCB Resolution No. 229/2022 came into force, which establishes the procedures for calculating the portion of assets weighted by credit risk (RWACPAD), replacing Circular No. 3,644/2013. This new regulation improves and consolidates procedures for calculating the RWACPAD, reflecting recommendations from the Basel Committee for Banking Supervision (BCBS) contained in the document "Basel III: Finalizing post crisis reforms".

The Required Capital is obtained from the risk-weighted Assets (RWA) components, calculated through multiplication by the "F factor", which is 8%.

(iii) 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	09.30.2023	12.31.2022
PR - Reference Equity	12,140,220	11,361,496
Level I	11,298,509	10,445,533
Complementary Capital	1,040,707	537,380
Common Equity	10,257,802	9,908,153
Shareholder's equity ⁽¹⁾	12,993,992	12,656,845
Prudential adjustments ⁽²⁾	(2,736,190)	(2,748,692)
Others	(2,734,604)	(2,746,908)
Adjustment to fair value	(1,586)	(1,784)
Level II	841,711	915,963
Subordinated debts eligible as capital	841,711	915,963
Subordinated debts authorized in accordance with CMN Resolution No. 4.955/2021 ⁽³⁾	841,711	915,963
Risk-weighted assets (RWA)	78,862,608	79,548,776
Credit risk (RWACPAD)	71,224,583	71,566,189
Market risk (RWAMPAD)	551,758	687,289
Operational risk (RWAOPAD)	7,086,267	7,295,298
Minimum Required Regulatory Capital ⁽⁴⁾	6,309,009	6,363,902
Minimum Required Capital ⁽⁵⁾	3,548,817	3,579,695
Tier I Minimum Required Reference Equity ⁽⁶⁾	4,731,757	4,772,927
Regulatory Capital determined to cover interest rate risk of transactions not classified in trading portfolio (RBAN)	771,879	726,774
Margin on Minimum Required Regulatory Capital	5,831,211	4,997,593
Margin on Minimum Required Capital	6,708,985	6,328,458
Margin on Minimum Required Tier I Regulatory Capital	6,566,752	5,672,606
Margin on Minimum Required Regulatory Capital including RBAN and ACP ⁽⁷⁾	3,087,766	2,282,101
Common Equity Index (CP / RWA)	13.01%	12.46%
Tier I Capital Index (Tier I / RWA)	14.33%	13.13%
Basel ratio (PR / RWA)	15.39%	14.28%
Leverage ratio	7.35%	7.20%

⁽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⁾ Consider the effects of applying § 10 of article 5 of CMN Resolution No. 4.955/2021, which authorizes financial institutions to stop deducting from Principal Capital, tax credits for 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; II - 100% (one hundred percent), until December 31, 2022 and III - 100% (one hundred percent), remains from January 2023.

⁽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:

	09.30.2023	12.31.2022
Prudential Adjustments I - Goodwill paid	(203,706)	(184,611)
Prudential Adjustments II - Intangible assets	(1,191,675)	(1,049,187)
Prudential Adjustments VII - Deferred tax assets from Intertemporal differences	(278,171)	(451,864)
Prudential Adjustments VIII - Deferred tax assets of Tax losses/negative basis of CSLL	(1,061,052)	(1,061,246)
Prudential Adjustments XV – Understatement - Resolution No. 4.277/13 Adjustments	(1,586)	(1,784)
Total	(2,736,190)	(2,748,692)

Fixed asset index

The Prudential Conglomerate's fixed assets ratio totaled 7.72% (12.17% on December 31, 2022), being calculated in accordance with CMN Resolutions No. 4.957/2021, which came into force on January 1, 2022. There were no relevant impacts on the calculation of the Prudential Conglomerate's fixed assets index with this regulatory change.

	09.30.2023	12.31.2022
Fixed assets limit	6,070,110	5,680,747
Value of fixed assets limit position	936,899	1,382,286
Value of margin or insufficiency	5,133,211	4,298,461

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

The Parent Company established 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 included sustainability targets in the variable compensation of executives and in the strategic planning, as described in explanatory note 28. In June 2022, the Board of Directors approved the creation of the ESG Committee to advise on socio-environmental aspects.

The Central Bank of Brazil published Resolution No. 139 and Normative Instruction No. 153, which came into force in December 2022, which provide for the disclosure of the Social, Environmental and Climate Risks and Opportunities Report (GRSAC), as well as establishing the information that must be included in their standardized tables. It also published CMN Resolution No. 4945/2021, which provides for the Social, Environmental and Climate Responsibility Policy (PRSAC), which came into force in July 2022 for institutions classified as S2, which is the case of Banco BV. PRSAC consists of a set of principles of a social, environmental and climate nature to be observed in the conduct of the Institution's business, as well as its relationship with interested parties. The Sustainability and Socio-environmental Responsibility Policy and the Bank's Sustainability Report can be consulted at www.bancobv.com.br/ir.

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°1.670/22, 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

BV bank is one of the main banks financing photovoltaic panels for solar energy for residential use and as of September 30, 2023 this portfolio is R\$ 4,524,043 (R\$ 4,640,703 as of December 31, 2022).

In the year ended December 31, 2022, Banco BV issued green bonds (CDB green) in the amount of R\$ 593,255. In 2022, the bank also raised funds in the amount of R\$ 786,960 (USD 150,000) from the International Finance Corporation (IFC), whose resources are used to expand access to financing for 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	
						09.30.2023	12.31.2022
Deposits (Note 18a)						1,107,175	317,315
term deposits						1,107,175	317,315
Variable rate	R\$	964,680	from 100,00% to 107,30% of DI	2022	2024	984,395	10,913
Foreign exchange	USD	119,465	from 100,00% of DI + exchange variation	2022	2023	122,780	306,402
Resources for acceptance and issuance of securities (Note 20)						1,465,607	1,173,233
Obligations for TVM abroad						254,656	262,770
Foreign exchange	USD	50,000	3,35% p.a. + exchange variation	2020	2024	254,656	262,770
Financial bills						1,210,951	910,463
Variable rate	R\$	513,150	from 0,73% to 1,37% p.a. + DI	2021	2025	605,964	351,249
Variable rate	R\$	466,700	from 5,26% to 5,84% p.a. + IPCA	2021	2027	604,987	559,214
Borrowings and onlendings (Note 19b)						857,508	790,148
Borrowing obligations						857,508	790,148
Taken from bankers abroad	USD	170,000	from 5,05% to 6,96% p.a. + exchange variation	2022	2027	857,508	790,148
Total						3,430,290	2,280,696

The BV bank has made a public commitment to offset all CO₂ emissions from the cars it finances. In the semester ended June 30, 2023, Banco BV recognized in income (in Other operating expenses) the provision for CO₂ expenses, in contra entry to the corresponding liability, recorded in Other liabilities - Compensation of CO₂ emissions by vehicles financed by the bank BV. The bank acquired carbon credits and green bonds, representing a total of 9.595 million tons of CO₂, recorded under Other assets and their consumption is carried out based on the volume of CO₂ produced by financed vehicles, recorded under Other operating expenses (until December 31, 2022, prior to the effectiveness of BCB Normative Instruction No. 325, these assets were recorded under Intangible assets and their compensation under Other administrative expenses). 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 4t and 4r, respectively.

The table below shows the accounting effects of the equity record and income:

	Parent company and Consolidated	
	09.30.2023	12.31.2022
Asset	64,650	66,417
Other assets (Note 13)	64,650	-
Sustainability assets	82,453	-
Consumption of sustainability assets	(17,803)	-
Intangible assets (note 17a)	-	66,417
Carbon credits - Cost value	-	77,267
Carbon Credits - Accumulated amortization	-	(10,850)
Liabilities		
Other liabilities (note 22a)	872	672
Compensation of CO ₂ emissions by vehicles financed by BV bank	872	672

	07.01 to 09.30.2023	07.01 to 09.30.2022	01.01 to 09.30.2023	01.01 to 09.30.2022
Income				
Other administrative expenses (note 23d)	-	(1,675)	-	(4,587)
Amortization	-	(1,675)	-	(4,587)
Other operating expenses (note 23f)	(2,611)	(60)	(7,153)	(167)
Provision for offsetting CO ₂ emissions by vehicles financed by BV bank	(54)	(60)	(200)	(167)
Consumption of sustainability assets	(2,557)	-	(6,953)	-
Total expenses recognized in income	(2,611)	(1,735)	(7,153)	(4,754)

The Bank also offsets its Greenhouse Gas (GHG) emissions, the commitment is the annual compensation of 100% of direct GHG emissions.

c) Social

The BV bank supports several social projects that are encouraged. Detailed disclosure on social responsibility is presented in the Sustainability Report available on the website www.bancobv.com.br/ir.

32. OTHER INFORMATION

a) Information about branches abroad

	09.30.2023		12.31.2022	
	Luxemburgo Branch ⁽¹⁾	Nassau Branch	Luxemburgo Branch ⁽¹⁾	Nassau Branch
Total assets	5,633	7,072,635	4,625	7,109,571
Total liabilities	5,633	7,072,635	4,625	7,109,571
Liabilities	206	5,290,786	-	5,386,651
Net worth ⁽²⁾	5,427	1,781,849	4,625	1,722,920
	07.01 to 09.30.2023		07.01 to 09.30.2022	
Income (loss)	(2,153)	34,795	-	38,593
	01.01 to 09.30.2023		01.01 to 09.30.2022	
Income (loss)	(3,950)	118,783	-	125,323

⁽¹⁾ In May 2022, Banco BV obtained authorization from Bacen to set up a branch in Luxembourg (Note 2d).

⁽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.

Current insurance

Covered risk	09.30.2023		12.31.2022	
	Covered values	Insurance premium	Covered values	Insurance premium
Parent Company				
Insurance Guarantee - Guarantee for legal proceedings	1,101,140	8,433	1,318,648	8,200
Real estate insurance for properties in use of relevant third parties	117,300	36	117,300	36
Cybernetic insurance	100,000	2,406	100,000	2,986
Consolidated				
Insurance Guarantee - Guarantee for legal proceedings	1,280,244	9,467	1,834,684	10,052
Real estate insurance for properties in use of relevant third parties	117,300	36	117,300	36
Cybernetic insurance	100,000	2,406	100,000	2,986

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 on equity	Capital	Capital and income reserves ⁽¹⁾	
Balance in 12.31.2022	53,864	2,613,770	271,700	8,480,372	4,320,987	15,740,693
Resources from the allocation of income	-	-	-	-	28,166	28,166
Changes with cash effect	(60,076)	(268,482)	(150,000)	-	-	(478,558)
Interest on equity paid ⁽²⁾	-	-	(150,000)	-	-	(150,000)
Liquidation	(60,076)	(715,182)	-	-	-	(775,258)
Resources from new funding	-	446,700	-	-	-	446,700
Changes with no cash effect	6,212	254,366	461,000	-	(83,745)	637,833
Interest expenses	6,212	254,366	-	-	-	260,578
Interest on equity paid ⁽²⁾	-	-	461,000	-	(83,745)	377,255
Balance in 09.30.2023	-	2,599,654	582,700	8,480,372	4,265,408	15,928,134

Parent Company and Consolidated	Liabilities			Shareholder's equity		Total
	Subordinated debts	Debt instruments eligible for capital	Dividends and interest on equity	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	-	-	-	-	41,634	41,634
Changes with cash effect	(50,373)	496,937	(245,000)	-	-	201,564
Interest on equity paid ⁽²⁾	-	-	(245,000)	-	-	(245,000)
Liquidation	-	(271,143)	-	-	-	(271,143)
Transfers	(250,473)	250,473	-	-	-	-
Resources from new funding	200,100	500,100	-	-	-	700,200
Taxes	-	17,507	-	-	-	17,507
Changes with no cash effect	8,675	246,561	75,000	350,000	-	680,236
Transfers	-	-	(350,000)	350,000	-	-
Interest expenses	8,675	298,731	-	-	-	307,406
Exchange rate variation	-	(52,170)	-	-	-	(52,170)
Interest on equity paid ⁽²⁾	-	-	425,000	-	-	425,000
Balance in 09.30.2022	51,953	4,238,294	425,000	8,480,372	3,369,386	16,565,005

⁽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⁾:

	Quantity of funds/portfolios		Balance	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Investment funds and managed portfolios	-	192	-	47,821,997

⁽¹⁾ In August 2022, Banco BV entered into a strategic partnership with Banco Bradesco, which, through one of its subsidiaries, acquires 51% of the capital of BV DTVM. In February 2023, with the completion of the transaction, the Company ceased to be a subsidiary, becoming an affiliate and, as a result, ceased to be consolidated. As a result, the amounts of third-party funds managed by BV DTVM are now part of Banco Bradesco's position (note 2d).

f) Strategic alliance with Méliuz

On March 8, 2023, after fulfilling all applicable conditions precedent and closing acts provided for in the Purchase and Sale Agreement, BV and Méliuz concluded the strategic alliance announced on December 30, 2022, comprising:

- Commercial agreement to offer BV financial products and services to Méliuz customers; It is
- Acquisition of a 3.85% stake in Méliuz and an option to purchase all the shares held by certain shareholders.

Regarding the acquisition of control of Bankly, on June 2, 2023, within the scope of the strategic alliance signed with Méliuz SA, the definitive Investment Agreement was signed for the acquisition of 100% of the shares of Acesso Soluções de Pagamento SA (Bankly) and up to 100% of the shares of Acesso Investimentos e Participações SA (Acesso, Bankly's holding), through its subsidiary, Banco BV S.A. The execution of this operation and the respective accounting effects are subject to certain conditions precedent.



FINANCIAL STATEMENTS

as of September 30, 2023

(Amounts in thousands of Reais, unless otherwise indicated)

33. SUBSEQUENT EVENTS

a) Credit assignments

Credit assignments without co-obligation of active operations

In October 2023, Banco BV carried out credit assignments without recourse and substantial retention of risks and benefits with a controlled entity in the amount of R\$ 120,880.

b) Change in Bankly's corporate control

On October 20, 2023, the BACEN published a letter approving the transfer of corporate control from Méliuz SA over Acesso Soluções de Pagamento SA – Institution of Payment (“Bankly”), to Banco BV, through its subsidiary, Banco BV S.A. In this way, the transaction will be consummated in accordance with the terms of the defined contracts.

THE BOARD

Rodrigo Andrade de Morais - Accountant - CRC 1SP-220814/O-6
