# Earnings Release 3Q22

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# / 3Q22 highlights

*BV continues to record consistent results and profitability*

**Recurring Net Income and ROE**

**R$ 387 mln** (3Q22)
↓ 4.0% vs 3Q21

**12.6%** (3Q22)
vs 13.9% in the 3Q21

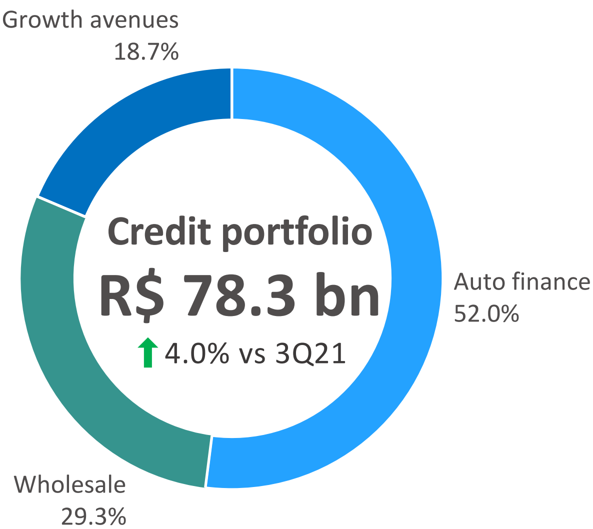
**R$ 1,187 mln** (9M22)
↑ 3.3% vs 9M21

**13.3%** (9M22)
vs 13.7% in the 9M21

*Solid advances in the diversification strategy*

**Solar panel financing** 5.2%
↑ **96%** vs 3Q21
R$ 4.1 bn in 3Q22

**Car equity loan** 2.3%
↑ **76%** vs 3Q21
R$ 1.8 bn in 3Q22




**SME** 2.1%
↑ **78%** vs 3Q21
R$ 1.6 bn in 3Q22

**Credit card** 7.1%
↑ **39%** vs 3Q21
R$ 5.5 bn in 3Q22

*Solid balance sheet and conservative risk management*

**NPL Ratio** (90 days)
**4.8%**
vs 4.3% in the 2Q22

**Liquidity Ratio**
**225%**
vs 216% in the 2Q22

**Coverage Ratio**
**179%**
vs 203% in the 2Q22

**Basel Ratio**
**17.0%**
vs 17.1% in the 2Q22

# / 3Q22 highlights

## *Main Financial Information*

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

| Main Financial Information | 3Q21 | 2Q22 | 3Q22 | 9M21 | 9M22 | Variation % | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q22/2Q22 | 3Q22/3Q21 | 9M22/9M21 |
| **INCOME STATEMENT (R$ mln)** | | | | | | | | |
| Revenues – Total (i + ii) | 2,413 | 2,442 | **2,468** | 7,119 | **7,366** | 1.0% | 2.2% | 3.5% |
| Gross financial margin (i) | 1,849 | 2,006 | **1,937** | 5,487 | **5,954** | -3.5% | 4.7% | 8.5% |
| Income from services and brokerage fees (ii) | 564 | 436 | **531** | 1,633 | **1,412** | 21.8% | -5.8% | -13.5% |
| Cost of Risk | (567) | (601) | **(781)** | (1,682) | **(2,074)** | 30.0% | 37.7% | 23.3% |
| Personnel and administrative expenses | (647) | (800) | **(804)** | (1,752) | **(2,337)** | 0.5% | 24.3% | 33.4% |
| Recurring Net Income | 403 | 412 | **387** | 1,148 | **1,187** | -6.0% | -4.0% | 3.3% |
| **BALANCE SHEET (R$ mln )** | | | | | | | | |
| Total Assets | 119,967 | 121,936 | **128,170** | 119,967 | **128,170** | 5.1% | 6.8% | 6.8% |
| Expanded loan portfolio | 75,286 | 76,591 | **78,290** | 75,286 | **78,290** | 2.2% | 4.0% | 4.0% |
| Wholesale Segment | 24,711 | 24,721 | **24,561** | 24,711 | **24,561** | -0.6% | -0.6% | -0.6% |
| Retail Segment | 50,575 | 51,870 | **53,729** | 50,575 | **53,729** | 3.6% | 6.2% | 6.2% |
| Funding | 79,307 | 82,852 | **82,812** | 79,307 | **82,812** | 0.0% | 4.4% | 4.4% |
| Shareholders' equity | 12,229 | 14,774 | **14,693** | 12,229 | **14,693** | -0.5% | 20.1% | 20.1% |
| Basel ratio (%) | 15.7% | 17.1% | **17.0%** | 15.7% | **17.0%** | -0.1 p.p. | 1.4 p.p. | 1.4 p.p. |
| Tier I Capital Ratio (%) | 15.1% | 15.8% | **15.8%** | 15.1% | **15.8%** | 0.0 p.p. | 0.8 p.p. | 0.8 p.p. |
| Common Equity Tier I (%) | 12.9% | 13.7% | **13.0%** | 12.9% | **13.0%** | -0.7 p.p. | 0.1 p.p. | 0.1 p.p. |
| **MANAGERIAL INDICATORS (%)** | | | | | | | | |
| Return on Average Equity[1] (ROAE) | 13.9% | 13.9% | **12.6%** | 13.7% | **13.3%** | -1.2 p.p. | -1.3 p.p. | -0.4 p.p. |
| Return on Average Assets[2] (ROAA) | 1.4% | 1.4% | **1.2%** | 1.3% | **1.3%** | -0.1 p.p. | -0.1 p.p. | 0.0 p.p. |
| Net Interest Margin[3] (NIM) - Clients | 10.1% | 10.2% | **10.1%** | 10.0% | **10.2%** | -0.1 p.p. | 0.0 p.p. | 0.2 p.p. |
| Net Interest Margin[3] (NIM) - Clients + Market | 7.2% | 7.6% | **7.0%** | 7.2% | **7.3%** | -0.5 p.p. | -0.2 p.p. | 0.2 p.p. |
| Efficiency Ratio (ER) – Last 12 months[4] | 31.9% | 38.0% | **39.4%** | 31.9% | **39.4%** | 1.4 p.p. | 7.5 p.p. | 7.5 p.p. |
| Normalized ER[5] - Last 12 months | 30.5% | 34.2% | **35.0%** | 30.5% | **35.0%** | 0.8 p.p. | 4.5 p.p. | 4.5 p.p. |
| NPL 90-days | 3.7% | 4.3% | **4.8%** | 3.7% | **4.8%** | 0.5 p.p. | 1.1 p.p. | 1.1 p.p. |
| Coverage Ratio (NPL 90-days) | 231% | 203% | **179%** | 231% | **179%** | -24.2 p.p. | -52.3 p.p. | -52.3 p.p. |
| **ADDITIONAL INFORMATION** | | | | | | | | |
| Employees[7] (quantity) | 4,240 | 4,571 | **4,620** | 4,240 | **4,620** | 1.1% | 9.0% | 9.0% |
| Assets under Management[8] (R$ mln) | 52,828 | 47,382 | **48,964** | 52,828 | **48,964** | 3.3% | -7.3% | -7.3% |

1. Ratio between net income and average equity for the period, annualized. It excludes other comprehensive income recorded in shareholders' equity; 2. Ratio between net income and average total assets for the period. Annualized; 3. Ratio between gross financial margin with clients and average assets sensitive to spreads in the period. Annualized; 4. Ratio between gross financial margin and average profitable assets for the period. Annualized; 5. ER = personnel (excluding labor claims) and administrative expenses / (gross financial margin + income from rendered services and banking fees + other operational income + other operational expenses – tax expenses – income from the real state activity); 6. Efficiency Ratio Adjusted, calculated excluding investments in the digital bank; 7. It does not consider interns and statutory employees; 8. It includes onshore funds (ANBIMA criteria) and private client funds (fixed income, variable income and offshore funds).

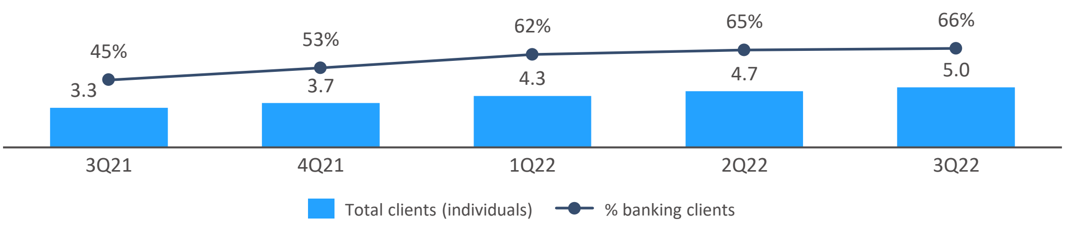
# / Strategy

*Digital Strategy*

## Digital Bank

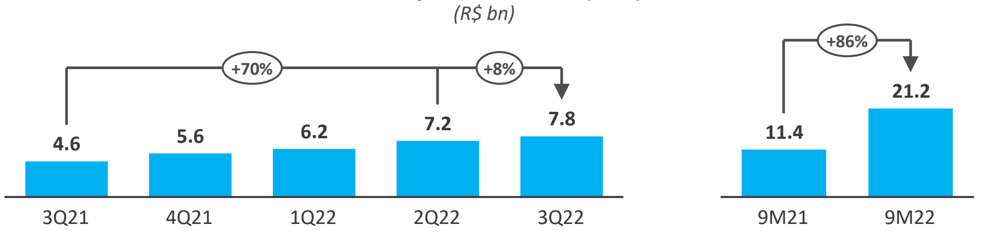
Our digital customer base continued growing in the 3Q22: we finished the 3Q22 with 3.3 million customers[1], which represents a 125% growth compared to the same period last year. Our banking clients already account for 66% of BV's total retail clients base (vs. 45% in 3Q21).

**Evolution of Retail clients at BV and % of banking clients[1]**
*(mln)*



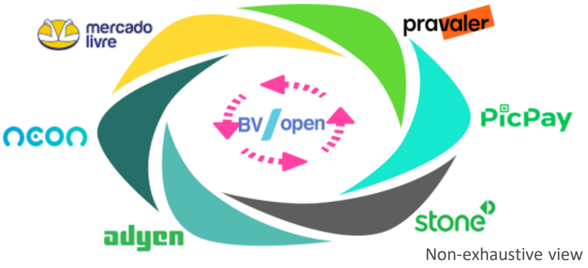

The increase in the digital customer base drove the higher total payment volume (TPV), which grew 70% compared to the same period last year, from R$ 4.6 billion in 3Q21 to R$ 7.8 billion in 3Q22. In the first nine months of the year, TPV reached R$ 21.2 billion, up by 86.4% over the same period of 2021.

**Total Payment Volume (TPV)**
*(R$ bn)*




## BV Open platform

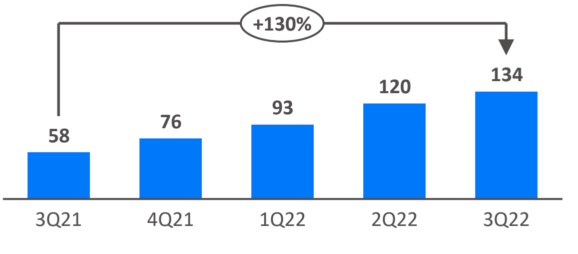
We continued expanding BV Open, the platform for partnerships via our API's. We ended 3Q22 with 60 partners from the most varied segments such as education, energy, healthcare and e-commerce connected and using the services of our BV Open platform.




Non-exhaustive view

Transactions carried out in our **Banking as a Service (BaaS) platform** reached 134 million in the 3Q22, 130% growth over 3Q21. Transactions include payment of bank slips, Ted and Pix, the instant payment launched by the Central Bank in 2020.

**Number of transactions BaaS Platform**
*(mln)*



# / Strategy

## *Customer Centrality*

Our purpose is to make the financial life of people and companies better. We have always sought to develop an entrepreneurial culture that emphasized a strong commitment to caring for our customers and serving them with high-quality support.

In this sense, we continually seek to improve the customer experience in all our service channels, as well as offer contextualized and personalized product and service solutions. The strategy of putting the customer at the center of our decisions has proven to be increasingly relevant. We present below the main highlights of the 3Q22:

***Net Promoter Score - NPS***

The main customer satisfaction metric - the NPS (Net Promoter Score) - reflects our ongoing efforts to deliver a better experience to our customers. In the customer service channel, the average transactional NPS in 3Q22 was 73 vs 71 in 2Q22. In the collection sector, NPS was 72 for both periods. Finally, the Ombudsman NPS recorded 84 points in 3Q22 vs 81 in 3Q21.

***Consumidor.gov.br and Reclame Aqui platforms***

On the Consumidor.gov.br website, which allows consumers to evaluate companies, our Solution Index was 79.8%, and the Consumer Rating was 2.9, the second highest score in the market. The solution rate and consumer rating are above the average of the main Brazilian banks. On the *Reclame Aqui* platform, we continue to have a good reputation and score 7.2/10.

## *ESG agenda*

Our ESG agenda is based on 3 pillars of action: **1) neutralizing our environmental impact; 2) accelerate social inclusion and; 3) mobilize resources to promote sustainable business**. In 2021, we launched our public commitment with 5 targets to be met by 2030, which are aligned with the UN Sustainable Development Goals.

In 3Q22, we highlight the following initiatives and achievements within our ESG agenda:

### We offset 100% of the CO2 emitted by the vehicles we finance

Since January 1, 2021, all vehicles financed by BV have their CO2 emissions offset. The initiative is a pioneer among Brazilian banks and has already accounted for 1.6 million tons of CO2 offset by the end of 3Q22. The total number of vehicles included in the program already corresponds to the vehicle fleet of the city of Salvador, Bahia.

### Sustainable Businesses

In line with our commitment to mobilize R$ 80 billion in resources to foster sustainable business by 2030, from the beginning of 2021 to the end of 3Q22 we have already financed and distributed **R$ 12.6 billion** to ESG retail and wholesale businesses

### Green funding

During the month of October 2022, we raised an additional US$ 100 million (approximately R$ 517 million) from the International Finance Corporation (IFC), a member of the World Bank Group, which, similarly to the previous tranche of US$ 50 million, will be used to strengthen and expand access to financing for electric, hybrid and multi-fuel vehicles in Brazil. As a result, over 2022, considering funding from IFC and green time deposits, it's been over **R$ 1 billion in green funding** to strengthen the sustainable agenda in Brazil.

# / Strategy

## *Agenda ESG*

### New social institutes supported by BV

Since 2018, we have a platform for social support through sport, which has social projects by renowned Brazilian athletes and former athletes. In August, in Joinville, we inaugurated the project of the greatest female Paralympic medalist in Brazil, Adria Santos. The project will serve children aged 6 to 12 with and without visual impairment. Altogether, BV supports 10 social institutes that have directly impacted the lives of more than 2,000 people.

### New ESG Governance

Since 2020 we have created the Committee for Sustainability. As of 2022, this committee started to directly advise the Board of Directors for topics related to ESG and was renamed ESG Committee. This committee has 3 members, one appointed by the shareholder Votorantim Finanças, one appointed by the shareholder Banco do Brasil and a director of BV.

### BV became signatory of UNEPFI

We became an official signatory to the UN Principles for Responsible Banking – principles that are the main framework for ensuring that banks' strategy and practice are aligned with the vision society has set for its future in the UN Sustainable Development Goals and the Paris Climate Agreement. Signatory banks commit to being ambitious in their sustainability strategies, working to integrate and embed sustainability at the heart of their business, allowing them to remain at the forefront of sustainable finance.

## Great Place to Work 2022 – GPTW

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

Great Place To Work® Certificada Jun/2022 - Jun/2023 BRASIL

**We are an increasingly diverse and inclusive bank...**

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

**... that welcomes and receives people with empathy**

96% favorability in the competence "Collaboration and a sense of belonging since the beginning"

**Acting ethically and transparently...**

95% favorability on competency "Leadership is honest and ethical in completing deals"

**... and filling its employees with pride**

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

# / Business

*Diversified business portfolio*

## Retail

### Auto Finance

- Outstanding position in auto finance in Brazil
- Great capillarity: over 21,000 car dealers; digital partners
- Innovation and digital transformation
- 100% digital treadmill
- 96% of automatic credit analysis

**BV holds a historic leadership position in auto finance for light used vehicles in Brazil**

## Wholesale

### Corporate & Investment Banking

- **Corporate Banking**

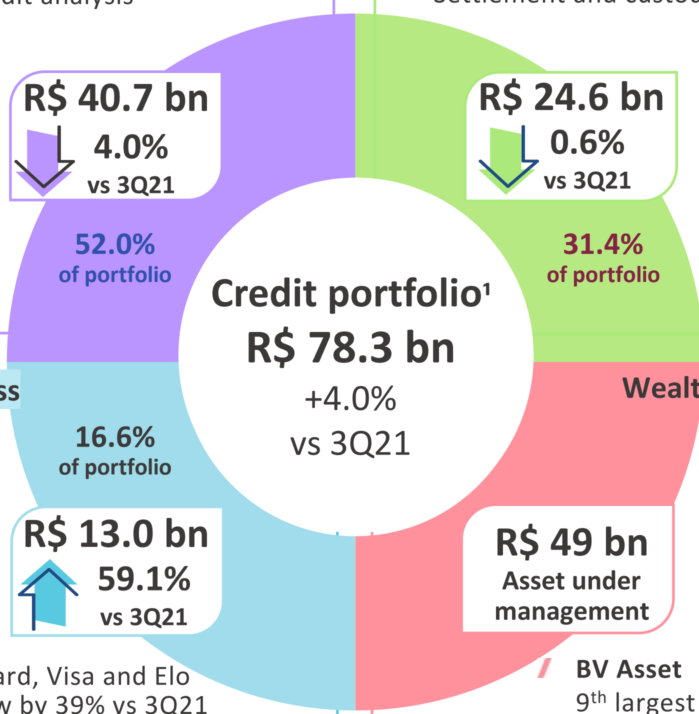
  Corporate (> R$ 300 million)

  Large Corporate (> R$ 1,5 billion)

  SME (Prepayment of receivables)
- **Banking as a Service Platform**

  Settlement and custody for startups and fintech

**Corporate segment grew by 11% vs 3Q21 (55% of the on-balance portfolio of CIB), SME portfolio grew by 78% vs 3Q21**




### Other Retail Business

**Growth and diversification, with high cross-sell potential**

- **Credit card**: Mastercard, Visa and Elo brands. Portfolio grew by 39% vs 3Q21
- **Financing of solar panels**: Leadership in the segment. Portfolio grew by 96% vs 3Q21
- **Car equity loan:** BV is leader. Portfolio grew by 76% vs 3Q21
- **Other loans**: Personal loan, private payroll, student, medical procedures, FGTS credit

### Wealth Management

**BV holds a strong presence within the structured funds. 51% of AuM backed by the real economy**

- **BV Asset** $9^{th}$ largest real estate fund manager Anbima² ranking; **BV Private** $7^{th}$ largest manager in the Anbima² ranking

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

**BVx é a unidade de negócios de inovação** que gera valor por meio de conexão com o ecossistema de startups e fintechs, com métodos de co-criação, desenvolvimentos proprietários e investimentos em parcerias estratégicas

BVx/vc BV/open BVx/lab

1 - Carteira ampliada (inclui garantias prestadas e títulos privados); 2 - Ranking ANBIMA de Sep-22

# / Business

## *Carteira de Crédito*

The expanded loan portfolio grew 4.0% over 3Q21, to R$ 78.3 billion at the end of 3Q22, with an expansion of 6.2% in Retail and a contraction of 0.6% in Wholesale. In comparison with the previous quarter, the portfolio increased 2.2%, expanding 3.6% in Retail and shrinking 0.6% in Wholesale.

| Credit Portfolio (R$ mln) | 3Q21 | 2Q22 | 3Q22 | Variation % | |
|---|---|---|---|---|---|
| | | | | 3Q22/2Q22 | 3Q22/3Q21 |
| **Retail segment (a)** | **50,575** | **51,870** | **53,729** | **3.6** | **6.2** |
| Auto finance | 42,404 | 40,173 | 40,726 | 1.4 | -4.0 |
| Personal Loans | 4,184 | 6,589 | 7,462 | 13.3 | 78.3 |
| Credit Cards | 3,987 | 5,108 | 5,541 | 8.5 | 39.0 |
| **Wholesale segment (b)** | **13,761** | **14,214** | **13,650** | **-4.0** | **-0.8** |
| Growing Corporate | 6,680 | 7,313 | 7,441 | 1.7 | 11.4 |
| Large corporate + financial institutions | 6,175 | 5,647 | 4,598 | -18.6 | -25.5 |
| Small and mid-size enterprise (SME) | 906 | 1,253 | 1,610 | 28.5 | 77.7 |
| **On-balance loan portfolio (a+b)** | **64,336** | **66,084** | **67,379** | **2.0** | **4.7** |
| **Wholesale segment (b+c+d)** | **24,711** | **24,721** | **24,561** | **-0.6** | **-0.6** |
| Guarantees provided (c) | 6,951 | 6,822 | 6,664 | -2.3 | -4.1 |
| Private securities (d) | 3,998 | 3,686 | 4,247 | 15.2 | 6.2 |
| **Retail segment (a)** | **50,575** | **51,870** | **53,729** | **3.6** | **6.2** |
| **Expanded credit portfolio (a+b+c+d)** | **75,286** | **76,591** | **78,290** | **2.2** | **4.0** |

## *Retail Credit Portfolio*

The Retail loan portfolio reached R$ 53.7 billion in 3Q22, up 6.2% from 3Q21 and 3.6% from the previous quarter. The bank's diversification agenda continues to succeed, with high growth rates in the credit cards, solar panels financing and other loan segments, whereas BV's core business (auto finance) remains solid, with signs of recovery observed in the 3Q22. Auto finance portfolio ended the quarter at R$ 40.7 billion, up 1.4% over 2Q22. By the end of the 3Q22, retail portfolio represented 68.6% of BV's expanded loan portfolio, compared to 67.2% in the same period last year.

### Auto finance

The 3Q22 presented signs of recovery in the auto finance market. According to data from B3, the number of light vehicles financed grew by 4.8% compared to 2Q22, with an increase of 3.7% in the number of light used vehicles and 9.7% in new light vehicles, indicating a possible normalization in the production of new vehicles.

Despite the improvement observed during the quarter, the numbers remain well below 2021, with a still challenging environment with high interest rates and inflation in the segment, especially for used vehicles. In comparison with 3Q21, data from B3 show that there was a 14.2% drop in the number of light vehicles financed in the country, with 16.1% for used light vehicles and 4.9% for new vehicles. Year-to-date, the decline was 14.6%, being 20.5% for new vehicles and 13.2% for used vehicles.

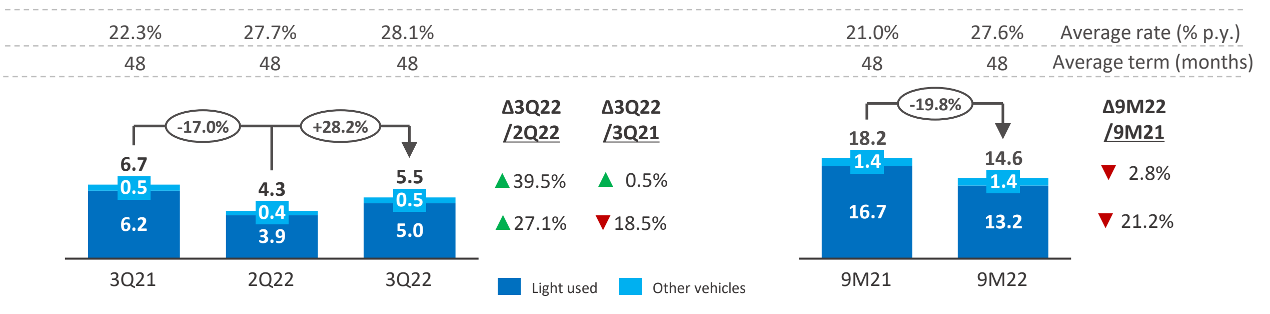
Despite the challenging scenario, we originated R$ 5.5 billion in auto finance during the 3Q22, a 28.2% growth over 2Q22, which denotes market share gains in the period. There was a 27.1% increase in the origination of financing for used light vehicles, a segment in which BV has historically dominated, while in other vehicles (new, motorcycles and heavy vehicles) the increase was 39.5%.

# / Business

## *Retail Credit Portfolio*

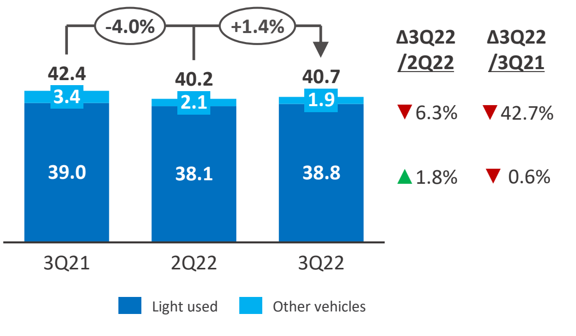
Driven by the drop in the overall market and the more conservative credit policy, auto finance origination declined by 17.0% in 3Q22 vs 3Q21, being 18.5% drop in used light vehicles and a 0.5% increase in other vehicles. Year-to-date (9M22), vehicle origination totaled R$ 14.6 billion, representing a decrease of 19.8% compared to 9M21, with a 21.2% drop in used light vehicle origination and 2.8% % in other vehicles.

**Auto finance origination (R$ bn)**




The auto finance portfolio ended 3Q22 at R$ 40.7 billion, up 1.4% over 2Q22, driven by the recovery in origination in the period. Compared to 3Q21, the portfolio fell by 4.0%, with the used light portfolio recording a slight decline (-0.6%) and other vehicles falling by 42.7%, mainly reflecting the semiconductors shortage with an impact in the production of new vehicles. The used light vehicle portfolio represented 95.2% of the portfolio in 3Q22 (94.8% in 2Q22 and 92.0% in 3Q21). The portfolio of other vehicles represented 4.8% of the vehicle portfolio (5.2% in 2Q22 and 8.0% in 3Q21).

**Auto finance portfolio (R$ bn)**




Despite the market challenges, we continue focused on strengthening the auto finance segment, especially used light vehicles, with a customized offer and providing the best experience during the entire contracting journey. We sustain our outstanding position in the segment with competitive advantages built throughout our history, such as commercial capillarity, where we operate with more than 21,000 car dealers throughout the country, agility and expertise in granting credit, with 96% of automatic analysis, in addition to of the entire 100% digital contracting treadmill.

In the 3Q22, we recorded 6.2 million vehicle financing simulations both on our digital channels and partners, which represents a 19.6% growth over 3Q21. Year-to-date, we reached 18.9 million simulations, 36% up compared to the same period in the previous year.

**18.9 million auto finance simulations**
on our digital channels and partners
**+ 36% vs 9M21**

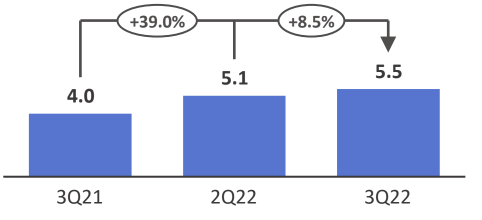
# / Business

## *Retail Credit Portfolio*

### Credit card

The credit card portfolio reached R$ 5.5 billion in the 3Q22, an 8.5% increase compared to the previous quarter and 39.0% compared to the same period last year. Such growth were driven by the expansion of our digital bank, complemented by a new portfolio of cards launched last year which is more customized with the profile of our customers, in addition to the repositioning of commercial strategies.

**Credit card portfolio (R$ bn)**




Our digital banking clients reached 3.3 million customers[1] at the end of 3Q22, up 125% over the same period last year. Engagement metrics also advanced, such as the total volume payment transacted - TPV (debit, credit, PIX, TED/DOC transactions and payment of slips) which grew 68% compared to the same period last year, reaching R$ 7.8 billion in 3Q22 from R$ 4 .6 billion in 3Q21. Year-to-date, TPV reached R$ 21.2 billion, growing 86.4% over the same period in 2021.

The new credit card portfolio offers additional advantages and optionality's to our clients, such as cashback, 24-hour vehicle assistance, loyalty program, among others. The customer also has the option of investing the cashback (Save Money), get a discount on their credit card bill, or even redeem the balance generated for discount on the vehicle financing installment.

### Solar panel financing and Other retail loans

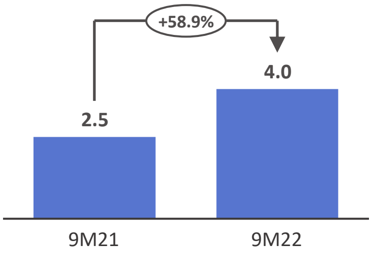
Complementing our retail portfolio, we have a wide range of products, including proprietary solutions, as well as products developed in partnerships with fintechs and startups, enriching our portfolio:

- Solar panel finance
- Car equity loan (EVG)
- Private payroll
- Personal loan
- Student loan
- Medical procedures loan
- FGTS credit

In 3Q22, we continued advancing in our diversification agenda, with the solar panel financing portfolio and other loans. Origination reached R$ 4.0 billion year-to-date, representing a 58.9% increase compared to the same period last year.

The loan portfolio increased by 78.3% compared to 3Q21, reaching R$ 7.5 billion. In comparison with 2Q21, loan portfolio grew by 13.3%. This portfolio has been gaining more relevance within the retail portfolio and already represents 13.9% of the portfolio (vs. 8.3% in 3Q21 and 12.7% in 2Q22).

**Origination of solar panel finance and other retail loans (R$ Bn)**

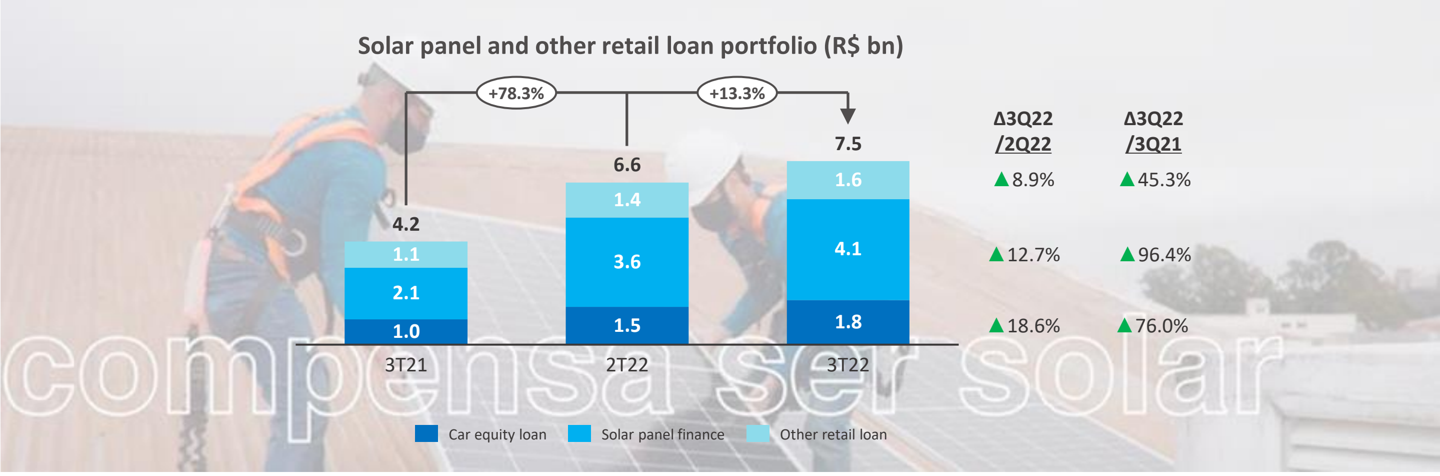





1 - digital account and/or card customers

# / Business

## *Retail Credit Portfolio*




The main product of this portfolio is the solar panel finance, a segment which BV was the front-runner and became one of the leaders in the retail market. Year-over-year, the solar panel finance portfolio maintained its momentum and registered a 96.4% growth and reached R$ 4.1 billion. Compared to the previous quarter, there was a 12.7% expansion. In addition to strengthening the diversification strategy, the solar panel finance also contributes to the environment, in line with our ESG agenda.

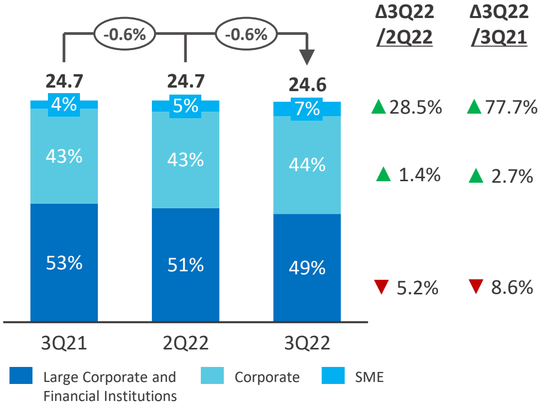
Another segment in which BV also acquired a solid and leadership position is car equity loan (EVG), where the customer takes out a loan and uses their vehicle as collateral. In 3Q22, EVG grew by 76.0% compared to the same period last year and 18.6% compared to the previous quarter, reaching a portfolio of R$ 1.8 billion. The portfolio of other loans also recorded a noteworthy growth, ending the quarter at R$ 1.6 billion, a 45.3% increase over 3Q21 and 8.9% compared to the previous quarter. The main highlights were the growth in the student loan portfolio, medical and dental procedures and FGTS credit.

## *Wholesale portfolio*

### *Corporate & Investment Banking*

The expanded Wholesale portfolio totaled R$ 24.6 billion at the end of 3Q22, slightly decreasing by 0.6% compared to the previous quarter and with 3Q21. Excluding the exchange rate effect on the dollar denominated loans, the wholesale portfolio would have dropped by 1.3% and 0.5% vs 2Q22 and 3Q21, respectively.

The expanded Corporate portfolio (companies with revenues between R$ 300 million and R$ 1.5 billion) grew by 2.7% over 3Q21 and 1.4% over the previous quarter, reaching R$ 10.9 billion. The on-balance Corporate portfolio registered an increase of 11.4% vs. 3Q21 and 1.7% vs. 2Q22, reaching R$ 7.4 billion by the end of 3Q22.



# / Business

## *Wholesale Credit Portfolio*

The expanded Large Corporate + FI[1] portfolio (companies with revenues above R$ 1.5 billion + Financial Institutions) fell by 8.6% over 3Q21 and 5.2% compared with 2Q22. The on-balance Large corporate + FI, on the other hand, fell by 25.5% vs 3Q21 and 18.6% vs 2Q22. The contraction of this portfolio is in line with the strategy of reducing our exposure and having a more selective and opportunistic approach in this segment.

Finally, we continued advancing our strategy of diversifying into Small and Medium Enterprises (SMEs), in the prepayment of receivables solutions. The balance of the SME portfolio totaled R$ 1.6 billion at the end of 3Q22, growth of 77.7% in the last 12 months and 28.5% over the previous quarter.

Below, we present the exposure of CIB's expanded portfolio by sector at the end of 3Q22 :

| Wholesale – Exposure by sector | 3Q21 | | 3Q22 | |
|---|---|---|---|---|
| | R$ mln | % of total | R$ mln | % of total |
| Financial Institution | 3,413 | 14% | 3,625 | 15% |
| Industry | 2,056 | 8% | 2,057 | 8% |
| Agroindusntry / Agrochemicals | 1,213 | 5% | 1,654 | 7% |
| SMEs | 906 | 4% | 1,610 | 7% |
| Project Finance | 1,100 | 4% | 1,431 | 6% |
| Sugar and etanol | 1,631 | 7% | 1,392 | 6% |
| Real estate | 1,823 | 7% | 1,358 | 6% |
| Oil & gas | 943 | 4% | 1,357 | 6% |
| Cooperatives | 878 | 4% | 1,270 | 5% |
| Retail business | 1,213 | 5% | 1,124 | 5% |
| Telecommunications | 885 | 4% | 895 | 4% |
| Rentals | 419 | 2% | 798 | 3% |
| Eletric power | 1,072 | 4% | 539 | 2% |
| Vehicle assemblers / Dealers | 796 | 3% | 471 | 2% |
| Services | 362 | 1% | 456 | 2% |
| Pharmaceutical | 264 | 1% | 309 | 1% |
| Mining | 469 | 2% | 299 | 1% |
| Health | 443 | 2% | 281 | 1% |
| Sanitation | 581 | 2% | 130 | 1% |
| Other | 4,244 | 17% | 3,504 | 14% |
| **Total** | **24,711** | **100%** | **24,561** | **100%** |

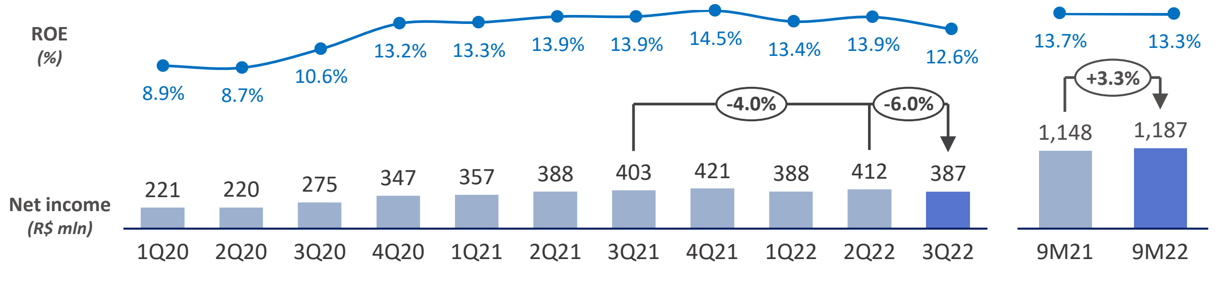
1 – Financial Institutions

# / Managerial Results

## *Managerial Income Statement*

| Managerial Income Statement (R$ mln) | 3Q21 | 2Q22 | 3Q22 | 9M21 | 9M22 | Variation % 3Q22/2Q22 | 3Q22/3Q21 | 9M22/9M21 |
|---|---|---|---|---|---|---|---|---|
| **Total Revenue (i + ii)** | **2,413** | **2,442** | **2,468** | **7,119** | **7,366** | **1.0** | **2.2** | **3.5** |
| **Gross financial margin (i)** | **1,849** | **2,006** | **1,937** | **5,487** | **5,954** | **-3.5** | **4.7** | 8.5 |
| Financial margin with clients | 1,702 | 1,786 | 1,787 | 4,915 | 5,349 | 0.0 | 5.0 | 8.8 |
| Financial margin with the market | 148 | 220 | 150 | 571 | 605 | -31.9 | 1.2 | 5.9 |
| **Income from services and insurance (ii)** | **564** | **436** | **531** | **1,633** | **1,412** | **21.8** | **-5.8** | **-13.5** |
| **Cost of risk** | **(567)** | **(601)** | **(781)** | **(1,682)** | **(2,074)** | **30.0** | **37.7** | **23.3** |
| **Operating expenses** | **(1,182)** | **(1,228)** | **(1,303)** | **(3,399)** | **(3,719)** | **6.1** | **10.2** | **9.4** |
| Personnel and administrative expenses | (647) | (800) | (804) | (1,752) | (2,337) | 0.5 | 24.3 | 33.4 |
| Tax expenses | (133) | (111) | (173) | (425) | (428) | 56.0 | 30.0 | 0.8 |
| Other expenses (income) | (402) | (317) | (326) | (1,222) | (954) | 2.7 | -19.0 | -21.9 |
| **Result before taxes and contributions** | **664** | **613** | 383 | **2,038** | **1,573** | **-37.4** | **-42.2** | **-22.8** |
| Income tax and social contribution | (261) | (130) | 78 | (890) | (183) | -159.9 | -129.9 | -79.5 |
| Minority interests | 0 | (71) | (74) | 0 | (204) | 4.4 | - | - |
| **Recurring Net Income** | **403** | **412** | **387** | **1,148** | **1,187** | **-6.0** | **-4.0** | **3.3** |
| **Return on Average Equity (ROAE)** | **13.9%** | **13.9%** | **12.6%** | **13.7%** | **13.3%** | **-1.2 p.p.** | **-1.3 p.p.** | **-0.4 p.p.** |
| **Efficiency Ratio (ER) - Last 12 months** | **31.9%** | **38.0%** | **39.4%** | **31.9%** | **39.4%** | **1.4 p.p.** | **7.5 p.p.** | **7.5 p.p.** |
| **Efficiency Ratio Adjusted[1] - Last 12 months** | **30.5%** | **34.2%** | **35.0%** | **30.5%** | **35.0%** | **0.8 p.p.** | **4.5 p.p.** | **4.5 p.p.** |

## *Recurring Net Income*




Recurring net income in 3Q22 totaled R$ 387 million, down 4.0% over 3Q21. The recurring return on equity (ROE) reached 12.6% in the period, 1.3 p.p. lower than 3Q21. In 9M22, net income totaled R$ 1,187 million, up 3.3% over the same period in 2021. ROE reached 13.3%, down 0.4 p.p. compared to 9M21. The lower profitability compared to 2021 (quarterly and year-to-date) was mainly driven by: (i) decline of income from service and insurance brokerage, due to the contraction in auto finance origination and stricter credit granting policy in 2022; (ii) higher cost of credit, reflecting the convergence in delinquency rates in Retail to pre-pandemic levels, in addition to the effect of the product mix, especially with the growth of the credit card portfolio, and; (ii) higher personnel and administrative expenses, as a result of the bank's investments agenda related to the growth and diversification strategy, digital bank, technology, branding, in addition to the inflationary impacts over 2022. Lastly, the higher shareholders equity in the 3Q22 also drove the lower ROE in the period.

Comparing 3Q22 vs 2Q22, recurring net income decreased by 6.0%, with ROE lower by 1.2 p.p.. This variation mainly reflects the reduction in the margin with the market in 3Q22, in addition to the increase in the cost of credit, as a result of the convergence in delinquency rates in Retail to pre-pandemic levels and the mix effect in retail driven by the growth of the credit cards portfolio.

# / Managerial Results

## *Gross Financial Margin*

3Q22 vs 3Q21 - Gross financial margin in 3Q22 grew by 4.7% compared to 3Q21, to R$ 1,937 million, with expansions of 5.0% and 1.2% in the margin with clients and with the market, respectively.

- Financial margin with clients reached R$ 1,787 million, 5.0% above the margin recorded in 3Q21. The improvement was driven by the growth in the credit portfolio and the positive effect of the product mix, with expansion in product lines with higher spreads such as credit cards and retail loans. NIM clients[1] remained in line with 3Q21, at 10.1%, which reinforces the bank's ability to maintain its margin throughout the interest cycle (chart below).
- Financial margin with the market grew by 1.2% against 3Q21, to R$ 150 million vs. R$ 148 million in 3Q21. This variation fundamentally reflects the impacts of the bank's structural hedge positions.

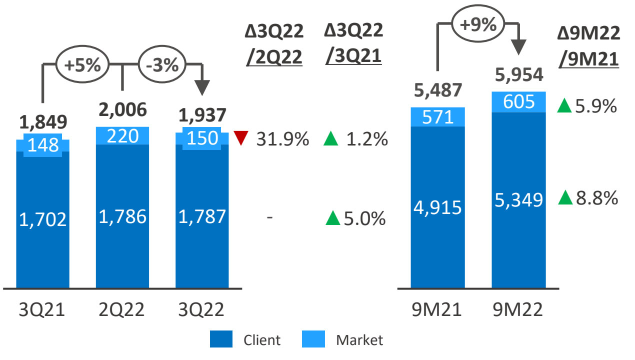
3Q22 vs 2Q22 - Gross financial margin fell by 3.5% compared to 2Q22, with margin with clients remaining stable in the period, while the margin with the market contracted 31.9%.

- The financial margin with clients remained virtually flat on a quarterly basis, at R$ 1,787 million. NIM clients[1] fell by 0.1 p.p., from 10.2% in 2Q22 to 10.1% in 3Q22.
- The financial margin with the market decreased 31.9% compared to the previous quarter, also driven by the lower result of structural hedge positions in the period.

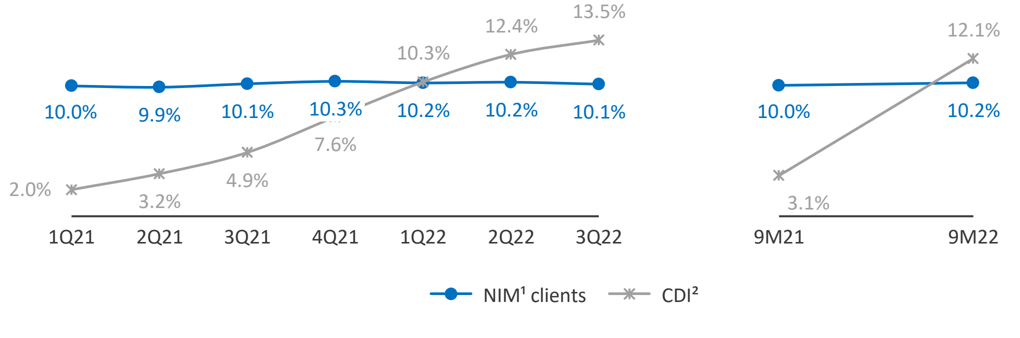
9M22 vs 9M21 - Gross financial margin in 9M22 grew 8.5% compared to 9M21, to R$ 5,954 million, with expansion in margins with clients and the market.

- Year-to-date, financial margin with clients reached R$ 5,349 million, up by 8.8% compared to the margin recorded in 9M21. The improvement was mainly driven by the growth in the credit portfolio, in addition to the positive product mix effect, as a result of the expansion in segments with higher spreads such as credit cards and retail loans. NIM clients[1] grew by 0.2 p.p. to 10.2% vs 10.0% in 9M21, as a result of the positive mix effect in the Retail portfolio.
- Financial margin with the market grew by 5.9% compared to 9M21, from R$ 571 million to R$ 605 million. The growth was mainly driven by the positive result of structural hedge positions and the application of shareholders' equity as a result of the increase in interest rates in 2022.

**Gross Financial Margin (R$ mln)**




**NIM clients¹ vs CDI² (% p.y.)**




1 -Net Interest Margin: Quotient between Gross Margin clients and Spread-sensitive Average Assets; 2 - Annualized quarterly CDI (benchmark interest rate) average rate (source: Cetip)

# / Managerial Results

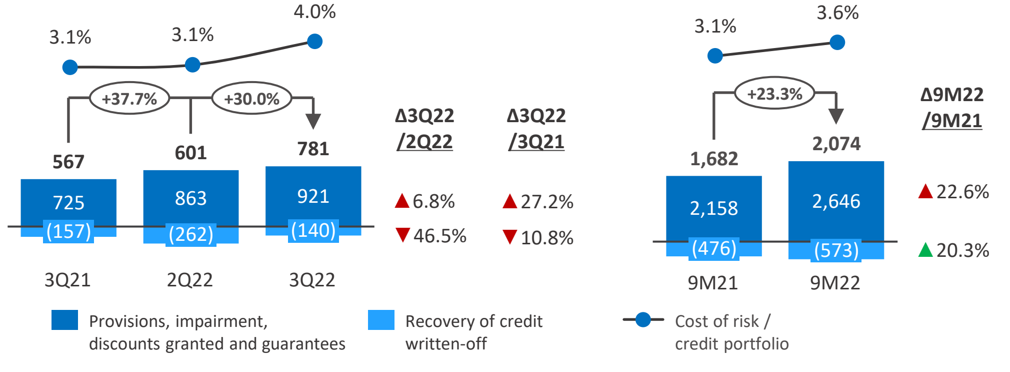
## Cost of Risk

Cost of risk totaled R$ 781 million in the 3Q22, representing a 37.7% increase over 3Q21. Cost of credit as a % of the portfolio (extended) increased by 0.9 p.p., reaching 4.0% in the quarter, versus 3.1% in 3Q21. The increase was mainly explained by higher allowance for loan losses (ALL) expenses due to the rise in NPL rates in the retail portfolio, which was driven by the convergence of NPL to pre-pandemic levels, in addition to the mix effect on the retail portfolio.

Compared to 2Q22, cost of risk increased by 30.0%, with the cost of risk as a % of the portfolio increasing 0.9 p.p., to 4.0% vs. 3.1%. Such increase is partially due to the sale of overdue portfolios in the 2Q22, with a positive impact on the cost of risk in that quarter. The higher ALL expenses, which grew 32.6% (net ALL) in the quarterly comparison – due to the increase in NPL's, also contributed to the increase in the cost of risk on a quarterly basis.

Finally, in the year-to-date comparison (9M22 vs 9M21), cost of risk increased by 23.3%, to R$ 2,074 million, representing 3.6% of the expanded credit portfolio, compared to 3.1% in 9M21. This increase was also driven by higher ALL expenses due to the convergence of NPL ratio in the retail portfolio to pre-pandemic levels, in addition to the product mix effect. These effects were partially offset by the positive impact of portfolio sold during 9M22.

**Cost of Risk (R$ mln)**




## Income from Services and Insurance Brokerage

Income from services and insurance brokerage totaled R$ 531 million in 3Q22, down 5.8% over 3Q21 and up 21.8% over 2Q22. In the period 9M22, revenues from services and brokerage reached R$ 1,412 million, a decrease of 13.5% compared to 9M21.

| Income from services and insurance (R$ mln) | 3Q21 | 2Q22 | 3Q22 | 9M21 | 9M22 | Variation % 3Q22/2Q22 | 3Q22/3Q21 | 9M22/9M21 |
|---|---|---|---|---|---|---|---|---|
| Master file registration and appraisal of assets | 182 | 117 | 151 | 523 | 396 | 29.3 | -17.0 | -24.3 |
| Insurance brokerage fees | 146 | 86 | 135 | 418 | 322 | 56.6 | -7.2 | -23.0 |
| Credit cards | 104 | 96 | 103 | 253 | 289 | 7.3 | -0.8 | 14.2 |
| Income from guarantees provided | 27 | 27 | 26 | 82 | 77 | -4.9 | -4.9 | -5.9 |
| Management of investment funds | 28 | 25 | 22 | 86 | 71 | -13.0 | -21.0 | -17.0 |
| Commissions on securities placement | 25 | 28 | 36 | 126 | 101 | 27.9 | 46.9 | -19.6 |
| Banking correspondent (Promotiva) | 23 | 23 | 24 | 67 | 67 | 3.3 | 5.4 | -0.7 |
| Other[1] | 30 | 33 | 34 | 78 | 89 | 2.5 | 12.8 | 14.2 |
| **Total** | **564** | **436** | **531** | **1,633** | **1,412** | **21.8** | **-5.8** | **-13.5** |

1 - includes custody services, stock exchange brokerage, financial advisory, among others

# / Managerial Results

## *Income from Services and Insurance Brokerage*

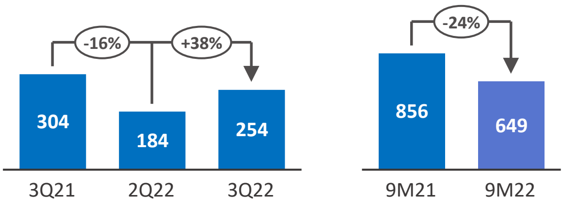
Income from services and insurance brokerage totaled R$ 531 million in 3Q22, down 5.8% from 3Q21. In the first nine months of the year, there was a 13.5% decrease, from R$ 1,633 million in 9M21 to R$ 1,412 million in 9M22. In both periods, the decrease mainly reflects the lower auto finance origination during 2022, impacted both by the overall decline in the market and by the bank's greater conservatism in its credit granting policy. The lower origination has a direct impact on income from registration, appraisal of assets and insurance brokerage, due to the high cross-sell with the auto finance business. In the comparison with 3Q21, these effects were partially offset by the 46.9% growth in commissions on securities placement, reflecting BV's good performance in Debt Capital Market (DCM) operations in the local market.

In comparison with the previous quarter, income from services and insurance brokerage grew by 21.8%, driven by the recovery in auto finance origination registered during the 3Q22, with a positive impact on income from registration, appraisal of assets and insurance brokerage.

Income from credit card totaled R$ 103 million in 3Q22, up 7.3% over 2Q22 and in line with 3Q21. Year-to-date, income from credit card totaled R$ 289 million, a 14.2% expansion compared to 9M21, as a result from the the growth of the card portfolio in the period, with the expansion of the customer base, in line with our digital banking strategy.

Insurance premiums totaled R$254 million in 3Q22, down 16.3% over 3Q21 and up 37.8% over 2Q22. In 2022, insurance premiums were R$649 million, representing a 24.2% drop compared to 9M21. The performance mainly reflects the drop in vehicle financing origination levels in the period, as explained above.

**Insurance premiums (R$ mln)**




Despite the challenges faced in the insurance brokerage business during 2022, as a result of the contraction in the auto finance market, **BV remains one of the largest insurance brokers in Brazil** with a diversified portfolio of products to meet the demands of its customers. In addition to further diversify BV’s source of revenues, the business has high cross-sell potential with the auto finance business.

We offer a wide range of insurance products including auto, credit life, residential, life, personal accidents and other assistances. We operate with top tier partners insurance companies. Below, our insurance portfolio and respective partners :

| | |
|---|---|
| • Vehicle | PORTO SEGURO, MAPFRE, Aliro seguro, SOMPO SEGUROS, Liberty Seguros, TOKIO MARINE SEGURADORA, ZURICH, HDI SEGUROS |
| • Credit protection | CARDIF |
| • Residential | CARDIF |
| • Life + personal accident | Icatu |
| • Dental | MetLife |
| • Credit card | MAPFRE |
| • Assistance service[1] | CDF. |

1 – Includes insurance for pets and funeral services

# / Managerial Results

## *Personnel and Administrative Expenses*

| Personnel and Administrative Expenses (R$M) | 3Q21 | 2Q22 | 3Q22 | 9M21 | 9M22 | Variation % 3Q22/2Q22 | 3Q22/3Q21 | 9M22/9M21 |
|---|---|---|---|---|---|---|---|---|
| Salaries and profit sharing | (243) | (299) | (298) | (651) | (892) | -0.4 | 22.5 | 37.0 |
| Benefits e social charges | (104) | (120) | (123) | (286) | (356) | 2.4 | 18.1 | 24.4 |
| Training | (4) | (3) | (5) | (10) | (11) | 45.4 | 14.8 | 10.9 |
| **Personnel Expenses** | **(351)** | **(422)** | **(425)** | **(947)** | **(1,258)** | **0.7** | **21.1** | **32.9** |
| Specialized technical services | (110) | (124) | (117) | (289) | (331) | -5.5 | 6.7 | 14.4 |
| Data processing | (67) | (91) | (88) | (173) | (261) | -3.6 | 30.8 | 50.9 |
| Judicial and notary public fees | (14) | (21) | (21) | (47) | (59) | 0.5 | 50.7 | 26.1 |
| Marketing | (20) | (35) | (47) | (34) | (120) | 34.1 | 137.0 | 257.5 |
| Other | (34) | (41) | (42) | (129) | (121) | 2.4 | 25.4 | -6.0 |
| **Subtotal** | **(245)** | **(313)** | **(316)** | **(671)** | **(892)** | **1.0** | **29.0** | **32.9** |
| Depreciation and amortization | (51) | (65) | (63) | (134) | (187) | -3.1 | 23.0 | 39.1 |
| **Administrative Expenses** | **(296)** | **(378)** | **(379)** | **(805)** | **(1,079)** | **0.3** | **28.0** | **33.9** |
| **Total** | **(647)** | **(800)** | **(804)** | **(1,752)** | **(2,337)** | **0.5** | **24.3** | **33.4** |
| **Total excluding depreciation and amortization** | **(596)** | **(735)** | **(741)** | **(1,618)** | **(2,150)** | **0.8** | **24.4** | **32.9** |

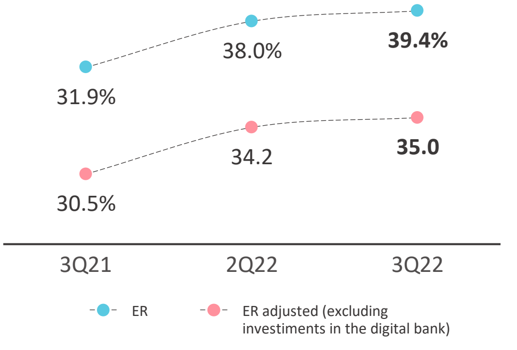
Personnel expenses totaled R$ 425 million in the 3Q22, up 21.1% compared to 3Q21. In the 9M22, it reached R$ 1,258 million, expanding 32.9% compared to 9M21. This increase in the quarterly and year-to-date comparison was mainly driven by (i) the increase in the bank's headcount, from 4,240 at the end of 3Q21 to 4,620 at the end of 3Q22, reflecting BV's growth and diversification strategy, including the strengthening of our digital bank, and; (ii) effect of the collective bargaining agreement concluded in Sep-21 and Sep-22. Comparing to the previous quarter, personnel expenses increased 0.7%, mainly reflecting higher headcount related to the growth strategy, in addition to the collective bargaining agreement concluded in Sep-22.

Administrative expenses[1] totaled R$ 316 million in 3Q22, in line with 2Q22 and 29.0% higher than in 3Q21. In 9M22, administrative expenses[1] reached R$ 892 million, up 32.9% over 9M21. The increase observed in 2022 (quarter and year-to-date) mainly reflects the growth in expenses with data processing, due to higher investments in technology, in line with the strategy of strengthening the digital bank and diversifying the business. Moreover, higher marketing expenses linked to brand strengthening and specialized technical consulting also contributed to this increase in 2022. It is worth mentioning that part of the increase in marketing expenses in 2022 is explained by the better distribution of initiatives throughout the year (in 2021, most campaigns were concentrated in the 4th quarter).

As a result, we ended 3Q22 with the Efficiency Ratio (ER) at 39.4%, +1.4 p.p. vs 2Q22 and +7.4 p.p. vs 3Q21. The increase observed is in line with BV's strategic plan, with higher investments in initiatives such as technology and people, that supports the diversification and growth agenda. Furthermore, lower income from services and insurance brokerage in 2022, and the inflationary pressure on personnel and administrative expenses, also contributed to the increase in the ER.

Nevertheless, efficiency remains a key pillar in BV's strategy, evidenced by the healthy ER level of 35.0% when we exclude investments in digital banking.

**Efficiency Ratio (ER) - (%)**




1 - Excluding depreciation and amortization

# / Managerial Results

## Other income (expenses) and results of subsidiaries

| Other income / (expenses) (R$ mln) | 3Q21 | 2Q22 | 3Q22 | 9M21 | 9M22 | Variation % 3Q22/2Q22 | 3Q22/3Q21 | 9M22/9M21 |
|---|---|---|---|---|---|---|---|---|
| Costs associated with production | (348) | (241) | (285) | (935) | (802) | 18.0 | -18.2 | -14.2 |
| Civil and fiscal lawsuits | (33) | (27) | (39) | (90) | (82) | 46.8 | 19.3 | -8.6 |
| Labor lawsuits | (35) | (34) | (50) | (83) | (115) | 46.0 | 42.2 | 38.8 |
| Results from real estate subsidiaries[1] | 8 | 7 | 6 | (59) | 12 | -17.2 | -30.2 | -120.1 |
| Other | 6 | (22) | 43 | (55) | 31 | -295.3 | 602.6 | -155.5 |
| **Total** | **(402)** | **(317)** | **(326)** | **(1,222)** | **(957)** | **2.7** | **-19.0** | **-21.7** |

Other income (expenses) totaled an expense of R$ 326 million in 3Q22, up 2.7% over 2Q22. In comparison with 3Q21, there was a 19.0% decrease, as well as in the comparison of the accumulated of the first 9 months of the year, when expenses were 21.7% lower compared to the same period in 2021. Such variation, in both comparisons, was mainly driven by (i) lower costs associated with production due to the decline in origination of loans in 2022, and; (ii) the effect of the update on the value of real estate assets (run-off operation), carried out during 2021, with a negative impact in that year

## Loan Portfolio Quality

The credit portfolio risk segmentations in this section refer to the portfolio classified according to Res. CMN No. 2,682/99, unless otherwise indicated.

| Credit Portfolio Quality Indicators (R$ mln, except where indicated) | 3Q21 | 2Q22 | 3Q22 |
|---|---|---|---|
| 90-day NPL balance | 2,360 | 2,852 | 3,220 |
| 90-day NPL ratio – Total | 3.7% | 4.3% | 4.8% |
| 90-day NPL ratio – Retail | 4.4% | 5.5% | 5.9% |
| 90-day NPL ratio – Auto finance | 3.8% | 4.6% | 4.6% |
| 90-day NPL ratio – Wholesale | 1.1% | 0.2% | 0.2% |
| Write-off (a) | (473) | (646) | (597) |
| Credit recovery (b) | 157 | 262 | 140 |
| Net Loss (a+b) | (316) | (384) | (456) |
| Net Loss / Credit portfolio - annualized | 2.0% | 2.3% | 2.7% |
| New NPL | 663 | 815 | 965 |
| New NPL / Credit portfolio[2] - quarter | 1.07% | 1.24% | 1.46% |
| ALL balance[3] | 5,453 | 5,789 | 5,756 |
| ALL balance / Credit portfolio | 8.5% | 8.8% | 8.5% |
| ALL balance / 90-day NPL balance | 231% | 203% | 179% |
| AA-C balance | 56,712 | 57,299 | 58,457 |
| AA-C / Credit portfolio | 88.1% | 86.7% | 86.8% |

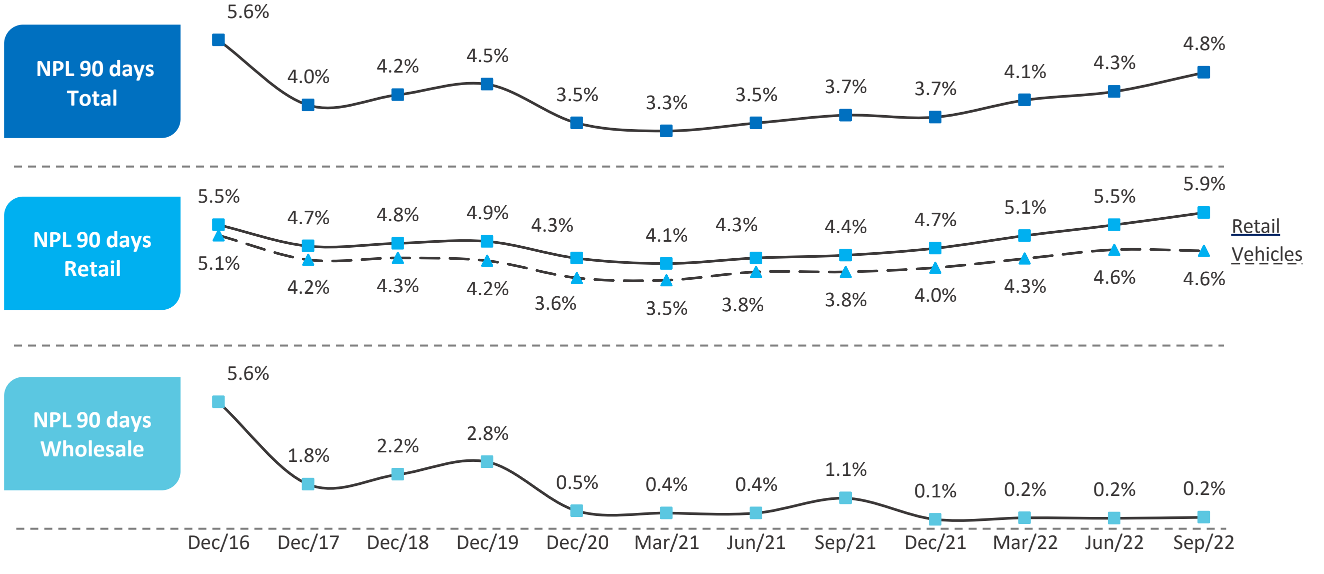
1 - Run-off operation; 2 - Δ NPL quarterly + write-offs for the period / Credit Portfolio of the immediately previous quarter; 3 - Includes provisions for financial guarantees provided and the balance of the provision for generic credit recorded in liabilities in the line "Sundry"

# / Portfolio Quality

## *Nonperforming Loans – NPL Ratio | Over 90 Days*

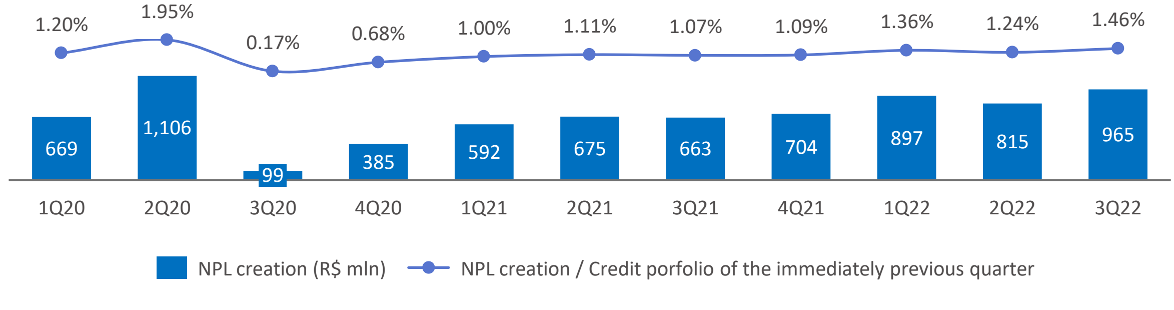
Nonperforming loans above 90 days (NPL-90 days) increased by 0.5 p.p. compared to the previous quarter. With NPL ratio for the auto finance portfolio remaining stable quarter-over-quarter and the wholesale portfolio at historic low level, the increase in the ratio was driven by the effect of the product mix in Retail.

- **Retail:** the NPL-90 days for the Retail portfolio ended 3Q22 at 5.9%, an increase of 0.4 p.p. over the previous quarter. The ratio remained stable in the auto finance portfolio, at 4.6%. Notwithstanding, the increase in the NPL-90 days reflects the product mix effect, with higher the share of credit cards in the portfolio. The lower origination of auto finance in 2022 also contributed, since it impacts the ratio with the maturation of non-performing contracts and carrying of non-performing contracts.
- **Wholesale:** the NPL-90 days for the Wholesale portfolio remained at a historically low level, ending 3Q22 at 0.2%, in line with the previous quarter.




## NPL creation

NPL creation totaled R$ 965 million in 3Q22, 18.4% higher than in the previous quarter and 45.6% higher than the same period last year. The increase was driven by higher NPL ratios in the Retail portfolio. As a % of the portfolio, NPL creation stood at 1.46% in 3Q22, compared to 1.24% in 2Q22 and 1.07% in 3Q21.



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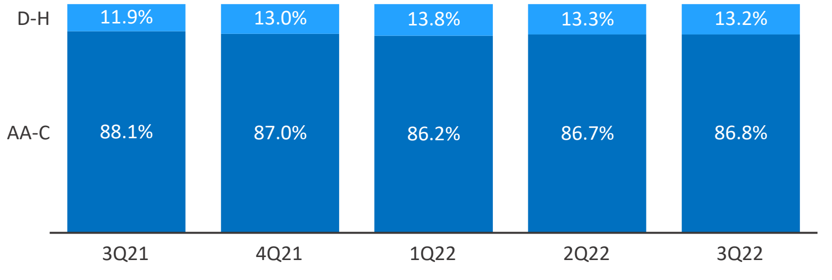
# / Portfolio Quality

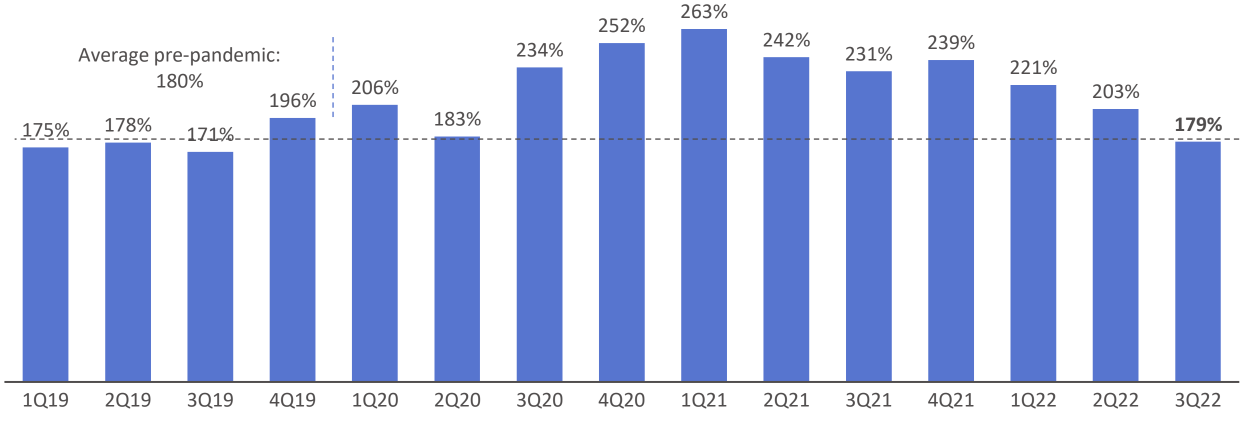
## *Credit Portfolio by Risk Level[1] (%)*

In the quarter, the balance of the portfolio rated D-H decreased by 0.1 p.p. in the comparison 3Q22 vs 2Q22, closing the period at 13.2%. Despite the convergence of delinquency levels in Retail to pre-pandemic levels, as expected, the observed reduction reflects the bank's conservative risk management, which aims to maintain the quality of the loan portfolio at appropriate levels for each segment. It is worth mentioning that approximately 90% of the Retail portfolio is collateralized.




## *Coverage Ratio (90 days)*

The Coverage Ratio for overdue balances over 90 days converged to pre-pandemic levels, ending the quarter at 179%, compared to 203% in the previous quarter. The decrease observed throughout 2022 is explained by the increase in overdue balances in Retail, and the gradual consumption of prudential provisions accrued throughout 2021 in order to deal with the challenging economic scenario generated by the pandemic. Our provisioning methodology maintains the appropriate level of provisions taking into account customer ratings and changes in the economic environment.




1 - Credits classified according to Resolution 2,682 of the Central Bank of Brazil

# / Funding and liquidity

## *Funding*

Our total funding totaled R$ 82.8 billion at the end of the 3Q22, in line with the previous quarter and 4.4% higher than in 3Q21. Compared to the 3Q21, the variation is mainly due to the higher balance of financial bills, time deposits, notably LCA/LCIs and loans and onlendings.

During 3Q22, we issued a perpetual bill in the local market in the amount of R$ 500 million, which will recompose the bank's Additional Tier I (AT1) Capital balance. In October 2022, we raised an additional US$ 100 million (approximately R$ 517 million) from the International Finance Corporation (IFC), a member of the World Bank Group, which, similarly to the previous tranche of US$ 50 million, will be used to strengthen and expand the financing of electric, hybrid and multi-fuel vehicles in Brazil. Finally, we have also increased funding via digital platforms, which already represent 9.2% of our total funding.

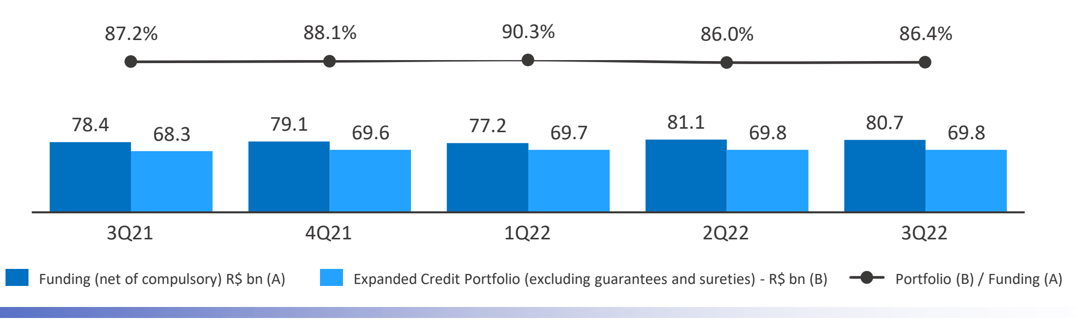
BV's funding structure remains highly diversified and has a strategy of deconcentrating maturities. Stable funding instruments, maturing in over 2 years, represented 59.1% of the total funds raised at the end of 3Q22.

| Funding instruments (R$ bn) | 3Q21 | 2Q22 | 3Q22 | Var. % 3Q22/2Q22 | Var. % 3Q22/3Q21 | % of total 3Q22 |
|---|---|---|---|---|---|---|
| **Financial bills (1)** | **26.5** | **28.6** | **29.3** | **2.5** | **10.5** | **35.4** |
| **Deposits** | **24.3** | **26.1** | **26.7** | **2.3** | **9.5** | **32.2** |
| Time deposits | 20.6 | 21.0 | 20.8 | -1.0 | 0.6 | 25.1 |
| Debentures | 1.8 | 1.3 | 1.5 | 14.0 | -16.6 | 1.8 |
| Agribusiness ("LCA") and real estate credit bills ("LCI") | 1.9 | 3.8 | 4.4 | 16.8 | 130.7 | 5.3 |
| **Securities issued abroad (1)** | **8.5** | **8.5** | **6.6** | **-22.1** | **-21.4** | **8.0** |
| **Credit assignment (1)** | **8.5** | **7.5** | **8.7** | **16.5** | **1.8** | **10.5** |
| **Borrowings and onlendings** | **4.3** | **6.1** | **6.1** | **-1.0** | **39.8** | **7.3** |
| **Deposits on demand and interbank** | **3.3** | **2.4** | **1.2** | **-52.6** | **-65.1** | **1.4** |
| **Capital instruments (1)** | **3.8** | **3.6** | **4.3** | **17.9** | **12.5** | **5.2** |
| Subordinated Financing bills | 2.1 | 2.1 | 2.1 | 2.2 | -1.4 | 2.5 |
| Others subordinated debts | 1.7 | 1.6 | 2.2 | 38.3 | 30.1 | 2.6 |
| **Total funding** | **79.3** | **82.8** | **82.8** | **0.0** | **4.4** | **100.0** |
| (-) Compulsory deposits | 0.9 | 1.7 | 2.1 | 23.5 | 126.4 | |
| (-) Cash & equivalents in local currency | 0.0 | 0.0 | 0.0 | -10.1 | 42.4 | |
| **Total funding net of compulsory** | **78.4** | **81.1** | **80.7** | **-0.5** | **3.0** | |
| Stable funding instruments / Total funding | 59.7% | 58.2% | 59.1% | 0.9 p.p. | -0.6 p.p. | |
| Funding raised through digital platforms (R$ bn) | 2.8 | 7.2 | 7.6 | 5.6 | 171.4 | |
| % Funding via digital platforms/Total | 3.5% | 8.7% | 9.2% | | | |

(1) Stable funding instruments (maturity above 2 years)

The ratio between the expanded credit portfolio (excluding guarantees and sureties) and funding (net of compulsory deposits) ended 3Q22 at 86.4%, compared to 86.0% in 2Q22 and 87.2% in 3Q21.

**Credit Portfolio / Funding (%)**





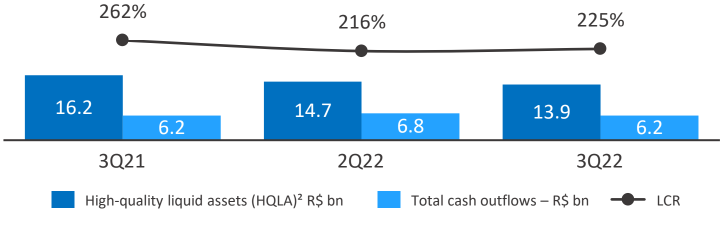



1 - Further information about LCR in the "Risk and Capital Management Report" available on the IR website: ri.bv.com.br/en/; 2 - Mainly federal government bonds and bank reserves.

# / Funding and liquidity

## *Liquidity*

Regarding liquidity, the bank kept its free cash at a very conservative level. The LCR[1] (Liquidity Coverage Ratio) indicator, whose objective is to measure banks' short-term liquidity in a stress scenario, ended 3Q22 at 225% vs 216% in 2Q22 and 262% in 3Q21, noting that the regulatory minimum required by the Brazilian Central Bank is 100%. It is worth emphasizing that, in addition to healthy liquidity, Banco BV has had a credit line available with Banco do Brasil since 2009, which represents a significant reserve of liquidity and has never been tapped.

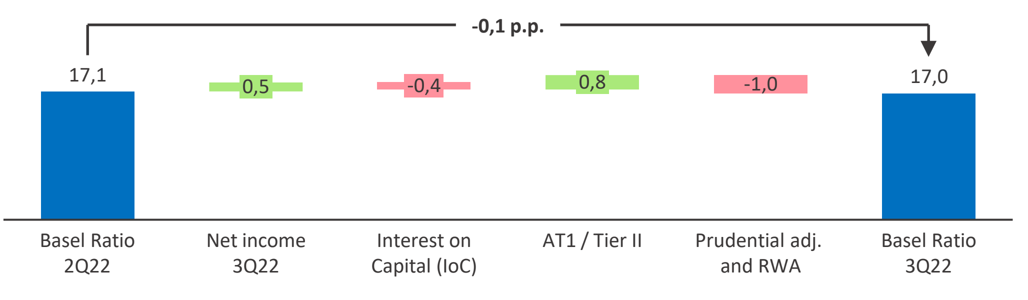



# / Basel Ratio

The Basel Ratio reached 17.0% in 3Q22, with 15.8% of Tier I Capital, being 13.0% of Core Capital (CET1) and 2.8% of Additional Tier I. Tier II Capital closed at 1.2%.

In the quarterly comparison, the Basel Ratio declined by -0.1 p.p., mainly explained by (i) generation of net income in the quarter, with an impact of +0.5 p.p.; (ii) Interest on own capital (IoC) declaration, with an impact of -0.4 p.p.; (iii) new local issuance of Additional Tier I, with an impact of +0.7 p.p. and the effect of the exchange rate variation on the AT1 in dollar denominated debt, with an impact of +0.1 p.p.; (iv) higher prudential adjustments mainly related to tax credits, with an impact of -0.4 p.p., and; (v) RWA, with an impact of -0.6 p.p.

**Base Ratio – Bridge 3Q22 vs 2Q22**




Compared to 3Q21, the Basel Ratio increased +1.4 p.p., up +0.1 p.p. in CET1 and +0.7 p.p. in AT1 capital, mainly due to: (i) new local issuance of AT1 instrument and (ii) the generation of net income in the period offset by the declaration of IoC and higher prudential adjustments. The increase of +0.6 p.p in Tier II Capital is mainly related to new subordinated debt issues that make up this Capital.

On 03/16/2020, Central Bank Resolution 4,783/2020 temporarily changed the regulatory minimum capital. At the end of 3Q22, the minimum capital requirement was 10.50%, with 8.50% being the minimum for Tier I Capital and 7.00% for Core Capital (CET1).

1 - Further information about LCR in the "Risk and Capital Management Report" available on the IR website: ri.bv.com.br/en/; 2 - Mainly federal government bonds and bank reserves

# / Basel Ratio

| Basel Ratio (R$ mln) | 3Q21 | 2Q22 | 3Q22 | Variation % | |
|---|---|---|---|---|---|
| | | | | 3Q22/2Q22 | 3Q22/3Q21 |
| **Total Capital** | **12,359** | **12,655** | **13,079** | **3.3** | **5.8** |
| Tier I Capital | 11,887 | 11,698 | 12,155 | 3.9 | 2.3 |
| Common Equity Tier I | 10,207 | 10,117 | 9,969 | -1.5 | -2.3 |
| Additional Tier I | 1,680 | 1,580 | 2,186 | 38.3 | 30.1 |
| Tier II Capital | 473 | 958 | 924 | -3.5 | 95.5 |
| **Risk Weighted Assets (RWA)** | **78,912** | **73,910** | **76,712** | **3.8** | **-2.8** |
| Credit risk | 69,598 | 66,588 | 68,461 | 2.8 | -1.6 |
| Market risk | 2,376 | 374 | 955 | 155.3 | -59.8 |
| Operational risk | 6,938 | 6,948 | 7,295 | 5.0 | 5.2 |
| **Minimum Capital Requirement** | **6,313** | **5,913** | **6,137** | **3.8** | **-2.8** |
| **Tier I Capital Ratio** | **15.1%** | **15.8%** | **15.8%** | **0.0 p.p.** | **0.8 p.p.** |
| Common Equity Tier I Ratio (CET1) | 12.9% | 13.7% | 13.0% | -0.7 p.p. | 0.1 p.p. |
| Additional Tier I Ratio (AT1) | 2.1% | 2.1% | 2.8% | 0.7 p.p. | 0.7 p.p. |
| **Tier II Capital Ratio** | **0.6%** | **1.3%** | **1.2%** | **-0.1 p.p.** | **0.6 p.p.** |
| **Basel Ratio (Capital/RWA)** | **15.7%** | **17.1%** | **17.0%** | **-0.1 p.p.** | **1.4 p.p.** |

On 03/16/2020, Brazilian Central Bank Resolution 4,783/2020 temporarily changed the regulatory minimum capital. At the end of 2Q22, the minimum capital requirement was 10.50%, with 8.50% being the minimum for Tier I Capital and 7.00% for Core Capital (CET1).

# / Appendix

# / Appendix

## *Accounting versus Managerial Reconciliation*

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

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

| INCOME STATEMENT (R$ mln) | 3Q22 Accounting | Non-recurring events | Managerial Adjustments | 3Q22 Managerial |
|---|---|---|---|---|
| **Revenues – Total (i + ii)** | **2,228** | **0** | **239** | **2,468** |
| Gross financial margin (i) | 1,599 | 0 | 338 | 1,937 |
| Income from services and brokerage fees (ii) | 629 | 0 | (99) | 531 |
| **Cost of risk** | **(422)** | **0** | **(359)** | **(781)** |
| **Operating expenses** | **(1,425)** | **3** | **120** | **(1,303)** |
| Personnel and administrative expenses | (986) | 0 | 182 | (804) |
| Tax expenses | (173) | 0 | 0 | (173) |
| Other expenses (income) | (266) | 3 | (62) | (326) |
| **Result before taxes and social contribution** | **381** | **3** | **0** | **383** |
| Income tax and social contribution | 78 | 0 | (0) | 78 |
| Minority interest | (74) | 0 | 0 | (74) |
| **Recurring Net Income** | **384** | **3** | **0** | **387** |

| INCOME STATEMENT (R$ mln) | 9M22 Accounting | Non-recurring events | Managerial Adjustments | 9M22 Managerial |
|---|---|---|---|---|
| **Revenues – Total (i + ii)** | **6,866** | **0** | **500** | **7,366** |
| Gross financial margin (i) | 5,196 | 0 | 758 | 5,954 |
| Income from services and brokerage fees (ii) | 1,670 | 0 | (259) | 1,412 |
| **Cost of risk** | **(1,247)** | **0** | **(827)** | **(2,074)** |
| **Operating expenses** | **(4,049)** | **3** | **327** | **(3,719)** |
| Personnel and administrative expenses | (2,814) | 0 | 477 | (2,337) |
| Tax expenses | (434) | 0 | 6 | (428) |
| Other expenses (income) | (802) | 3 | (155) | (954) |
| **Result before taxes and social contribution** | **1,570** | **3** | **0** | **1,573** |
| Income tax and social contribution | (183) | 0 | (0) | (183) |
| Minority interest | (204) | 0 | 0 | (204) |
| **Recurring Net Income** | **1,184** | **3** | **(0)** | **1,187** |

# / Appendix

## *Non-Recurring Events*

| R$ mln | 3Q21 | 2Q22 | 3Q22 | 9M21 | 9M22 |
|---|---|---|---|---|---|
| **Net income - Accounting** | **370** | **412** | **384** | **1,186** | **1,184** |
| **(-) Non-recurring events** | **-33** | **0** | **-3** | **38** | **-3** |
| Revaluation of the tax credit balance | (33) | 0 | 0 | 43 | 0 |
| Goodwill amortization | 0 | 0 | -3 | 0 | -3 |
| Other | 0 | 0 | 0 | -5 | 0 |
| **Recurring Net Income** | **403** | **412** | **387** | **1,148** | **1,187** |

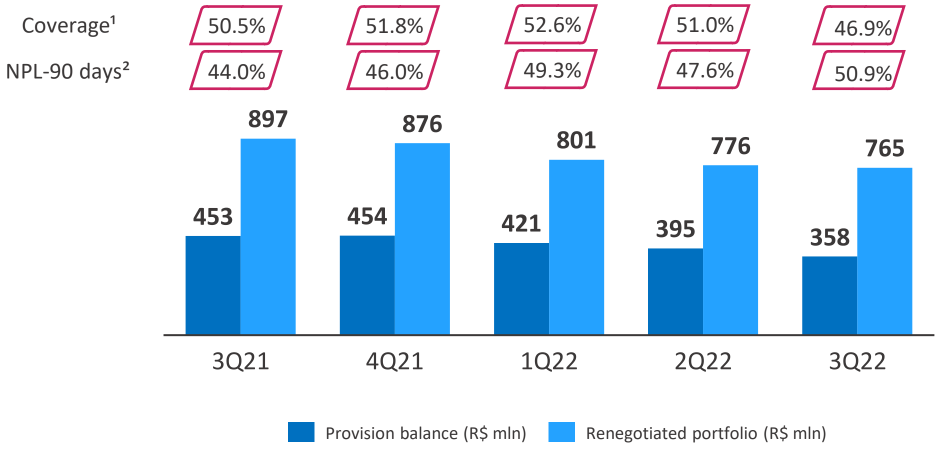
Summary of non-recurring events:

- **Revaluation of the tax credit balance:** Effect arising from the increase in the Social Contribution rate for financial institutions, from 20% to 25% in 2021, recognized in the Income Tax and Social Contribution line;
- **Goodwill amortization:** Goodwill amortization expenses generated by the acquisition of Trademaster.

## *Overdue Renegotiated Portfolio*

The balance of overdue renegotiated portfolio totaled R$ 765 million in 3Q22. In comparison with 2Q22, there was a 1.4% drop in the balance. In comparison with 3Q21, there was a 14.8% decrease. In the same period, delinquency 90 days (NPL 90 days) in this portfolio was 50.9%, against 47.6% in 2Q22 and 44.0% in 3Q21. The coverage ratio for this portfolio at the end of 3Q22 was 46.9%, compared to 51.0% in 2Q22 and 50.5% in 3Q21. More information is available in the 3Q22 Financial Statements, Note 12-i.

**Overdue renegotiated portfolio (R$ mln)**



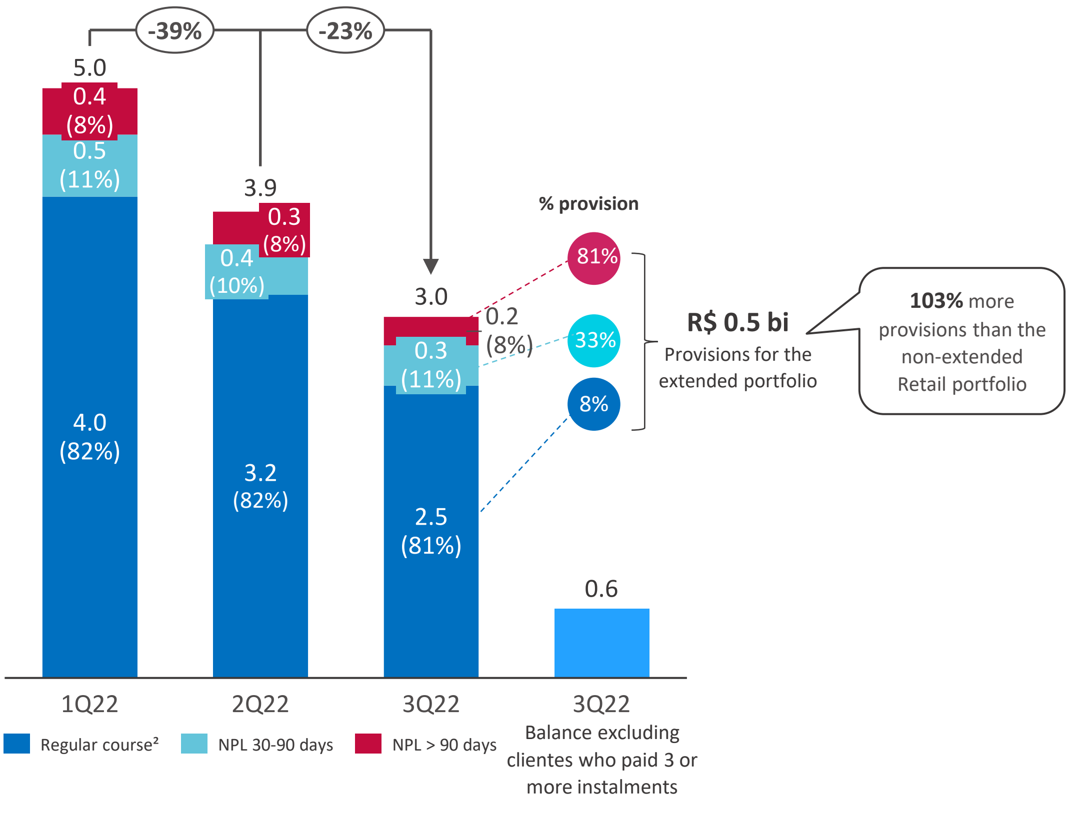

1 - Provision/Portfolio balance; 2 - Default rate over 90 days (over-90) of the renegotiated portfolio

# / Appendix

## *Extended retail portfolio in the pandemic*

Since the beginning of the pandemic in Brazil, we seek to support our customers with solutions to meet their needs. In March/20, we provide the extension of installments in 60 days, where customers on time were able to postpone 2 installments to the end of the contract, without the increase of interest and keeping the same amount of the installment. At the end of the 60 days[1], through a very segmented offer, the customers who needed it also had an effective restructuring of their contract, which implied an additional extension of the term. This initiative impacted more than 800,000 customers, with about R$ 18 billion added and/or effectively renegotiated. At the end of 3Q22, the balance of the extended portfolio excluding the balance in regular course was approximately R$ 0.6 billion.

**Retail Extended Portfolio (R$ bn)**




| | | | |
|---|---|---|---|
| **R$ 0.6 billion** balance of the extended portfolio, which is not in normal course | **R$ 0.5 billion** Provision for the extended portfolio | **210%** Coverage Ratio[3] For the extended portfolio | **99%** Of this portfolio has collateral |



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1 - After 60 days, there was no interest waiver; 2 - Non-overdue and overdue up to 30 days; 3 - Coverage Ratio of the over 90 days

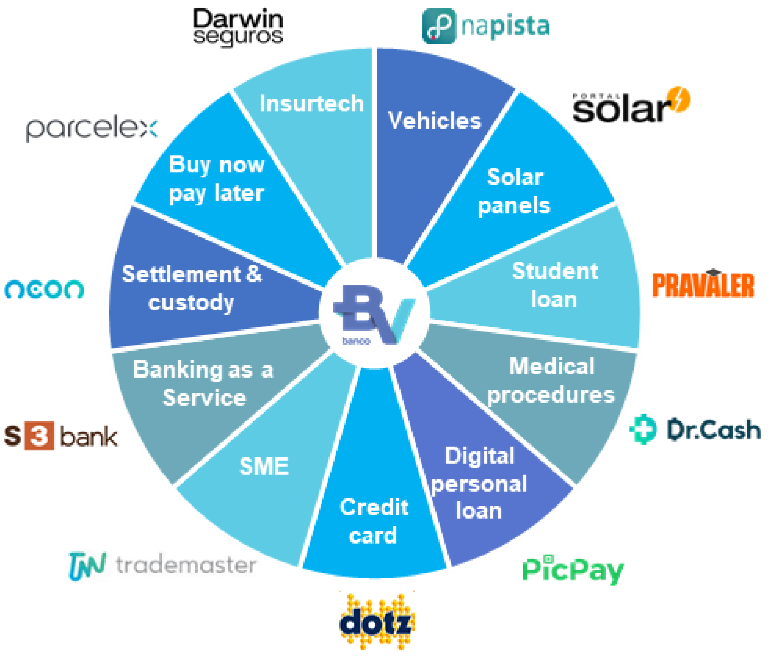
# / Appendix

## *Innovation Business Unit*

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

We invest and establish partnerships with fintechs and other startups that have synergies with BV and that complement our portfolio of solutions for the clients. Between direct investments and companies for co-creation and lead/distribution of products, we had 30 innovative partnerships enriching our ecosystem at the end of 3Q22.

Below, we present a non-exhaustive view of our partnerships:




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

We ended 3Q22 with 60 BV Open partners from the most varied segments such as education, energy, health and ecommerce connected and using the services of our BV Open platform. The volume[1] (# transactions) carried out on our BaaS platform reached 347 million transactions in 9M22, up 162% vs. 9M21.

**60 BV Open partners**
connected in our platform

**347 million transactions**
carried out in our Banking as a Service platform
**+162% vs 9M21**

1 - Includes registration and payment of slips, Ted and Pix



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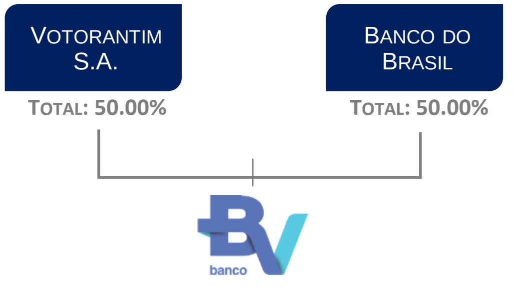
# / Appendix

## *Governance*

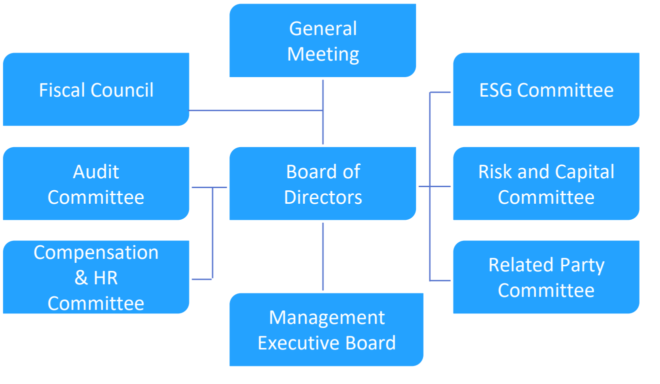
Banco BV has an organizational structure that complies with the legislation and regulations in force in Brazil and is aligned with the best market practices, committing to the principles of transparency, equity, accountability and corporate responsibility, as well as adopting standards of good practices in line with the Anti-Corruption and Social and Environmental Responsibility Laws.

We have a solid shareholder base, formed by Votorantim S.A., a permanently capitalized investment holding company with a long-term investment approach, and Banco do Brasil, one of the largest financial institutions in Brazil, with over 200 years of experience

**Shareholder structure**




**Governance Bodies**




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

## *Ratings*

Banco BV is rated by 2 international rating agencies, Moody's and Standard and Poor's (S&P). It is important to note that the global scale rating is limited by Brazil's sovereign rating, currently at Ba2 (stable) by Moody's and BB- (stable) by S&P.

| Rating agencies | Global scale | National scale | Outlook | Last update |
|---|---|---|---|---|
| Standard & Poor's | BB- | AAA | Stable | Apr/22 |
| Moody's | Ba2 | AA | Stable | Dec/21 |

In April/22, S&P reaffirmed BV's rating on a national and global scale and recognized an improvement in capital valuation due to the reduction in deferred tax assets (DTA), along with other attributes such as improved profitability.

banco