



# Earnings Release

## **4Q23**



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## 4Q23 Highlights

**Resilience** in the core business...

Recurring Net Income

**R\$ 302 mln** (4Q23)

▲ 8.5% vs 4Q22

**R\$ 1,154 mln** (2023)

▼ 21.2% vs 2022

Recurring ROE

**9.4%** (4Q23)

▲ 0.4 p.p. vs 4Q22

**9.1%** (2023)

▼ 3.1 p.p. vs 2022

... with advances in the **diversification strategy** ...

### Wholesale

**R\$ 24.4 bn** (4Q23)

▼ 2.9% vs 4Q22

### Used Light Vehicles

**R\$ 42.7 bn** (4Q23)

▲ 14.5% vs 4Q22

Credit Portfolio<sup>1</sup>  
**R\$ 87.6 bn**

▲ 5.7% vs 4Q22

### Growth

**R\$ 20.4 bn** (4Q23)

▼ 0.1% vs 4Q22

### Motorcycles, Heavy and New

**R\$ 4.4 bn** (4Q23)

▲ 19.1% vs 4Q22

### Car Equity Loan

**R\$ 3.3 bn** (4Q23)

▲ 56.4% vs 4Q22

### BaaS Platform<sup>2</sup>

**R\$ 154 bn** (TPV 2023)

▲ 10% vs 2022

### Insurance

**R\$ 1.4 bn**

(Insurance premiums 2023)

▲ 53.5% vs 2022

...maintaining a solid **balance sheet** and efficient risk management

NPL Ratio (90 days)

**5.2%**

▼ 0.3 p.p. vs 3Q23

Coverage Ratio

**156%**

vs 155% no 3Q23

Basel Ratio

**15.6%**

▲ 0.2 p.p. vs 3Q23

## 4Q23 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. The reconciliation between accounting and managerial can be found on page 18 of this report.

MAIN FINANCIAL INFORMATION	4Q22	3Q23	4Q23	2022	2023	Δ %		
						4Q23/3Q23	4Q23/4Q22	2023/2022
<b>MANAGERIAL INCOME STATEMENT (R\$ mln)</b>								
Revenues – Total (i + ii)	2,552	2,752	<b>2,763</b>	9,917	<b>10,619</b>	0.4%	8.3%	7.1%
Gross financial margin (i)	2,013	2,177	<b>2,114</b>	7,968	<b>8,415</b>	-2.9%	5.0%	5.6%
Income from services and brokerage (ii)	538	575	<b>650</b>	1,950	<b>2,204</b>	13.0%	20.7%	13.0%
Cost of Risk	(952)	(1,149)	<b>(978)</b>	(3,026)	<b>(4,345)</b>	-14.9%	2.8%	43.6%
Personnel and administrative expenses	(816)	(818)	<b>(862)</b>	(3,153)	<b>(3,189)</b>	5.4%	5.6%	1.2%
Personnel and administrative expenses (ex deprec. & amort.)	(749)	(734)	<b>(765)</b>	(2,899)	<b>(2,854)</b>	4.2%	2.1%	-1.5%
Recurring Net Income	279	285	<b>302</b>	1,465	<b>1,154</b>	5.9%	8.5%	-21.2%
<b>BALANCE SHEET (R\$ mln)</b>								
Total Assets	123,820	135,010	<b>142,657</b>	123,820	<b>142,657</b>	5.7%	15.2%	15.2%
Expanded loan portfolio	82,874	84,978	<b>87,559</b>	82,874	<b>87,559</b>	3.0%	5.7%	5.7%
Wholesale Segment	27,602	26,313	<b>26,565</b>	27,602	<b>26,565</b>	1.0%	-3.8%	-3.8%
Retail Segment	55,273	58,664	<b>60,994</b>	55,273	<b>60,994</b>	4.0%	10.4%	10.4%
Funding	84,956	92,010	<b>92,714</b>	84,956	<b>92,714</b>	0.8%	9.1%	9.1%
Shareholders' equity	14,790	13,558	<b>13,980</b>	14,790	<b>13,980</b>	3.1%	-5.5%	-5.5%
Basel ratio (%)	14.3%	15.4%	<b>15.6%</b>	14.3%	<b>15.6%</b>	0.2 p.p.	1.3 p.p.	1.3 p.p.
Tier I Capital Ratio (%)	13.1%	14.3%	<b>14.4%</b>	13.1%	<b>14.4%</b>	0.1 p.p.	1.3 p.p.	1.3 p.p.
Common Equity Tier I (%)	12.5%	13.0%	<b>13.0%</b>	12.5%	<b>13.0%</b>	0.0 p.p.	0.5 p.p.	0.5 p.p.
<b>MANAGERIAL INDICATORS (%)</b>								
Return on Average Equity <sup>1</sup> (ROAE)	9.0%	9.0%	<b>9.4%</b>	12.2%	<b>9.1%</b>	0.4 p.p.	0.4 p.p.	-3.1 p.p.
Return on Average Assets <sup>2</sup> (ROAA)	0.9%	0.8%	<b>0.9%</b>	1.2%	<b>0.9%</b>	0.0 p.p.	0.0 p.p.	-0.3 p.p.
Net Interest Margin <sup>3</sup> (NIM) - Clients	10.3%	9.9%	<b>9.8%</b>	10.2%	<b>9.8%</b>	-0.1 p.p.	-0.5 p.p.	-0.4 p.p.
NIM Clients adjusted <sup>4</sup>	10.0%	9.6%	<b>9.7%</b>	10.2%	<b>9.7%</b>	0.1 p.p.	-0.3 p.p.	-0.5 p.p.
Net Interest Margin <sup>5</sup> (NIM) - Clients + Market	7.1%	7.3%	<b>6.8%</b>	7.3%	<b>7.1%</b>	-0.5 p.p.	-0.3 p.p.	-0.2 p.p.
Efficiency Ratio (ER) <sup>6</sup> – Last 12 months	38.5%	36.8%	<b>36.8%</b>	38.5%	<b>36.8%</b>	0.0 p.p.	-1.8 p.p.	-1.8 p.p.
NPL 90-days	4.9%	5.5%	<b>5.2%</b>	4.9%	<b>5.2%</b>	-0.3 p.p.	0.3 p.p.	0.3 p.p.
Coverage Ratio (NPL 90-days)	166%	155%	<b>156%</b>	166%	<b>156%</b>	1.8 p.p.	-9.3 p.p.	-9.3 p.p.
<b>ADDITIONAL INFORMATION</b>								
Employees <sup>7</sup> (quantity)	4,463	4,295	<b>4,280</b>	4,463	<b>4,280</b>	-0.3%	-4.1%	-4.1%

1. Quotient between recurring net profit and average net equity for the period, annualized. Does not consider other comprehensive income recorded in equity; 2. Ratio between recurring net profit and average total assets for the period; Annualized; 3. Quotient between the gross financial margin with Customers and the average assets sensitive to spreads for the period. Annualized; 4. NIM clients excluding the effect of the consignment of the FGTS portfolio; 5. Ratio between gross financial margin and average profitable assets for the period. Annualized; 6. ER = personnel expenses (does not consider labor demands) and administrative expenses / (gross financial margin + income from services and fees + other operating income + other operating expenses – tax expenses – results from real estate activity); 7. Does not consider interns and statutory employees.

## Strategy

*Client  
Centricity*

*Diversification  
& Profitability*

*Innovation &  
Technology*

*People, Culture  
& ESG*

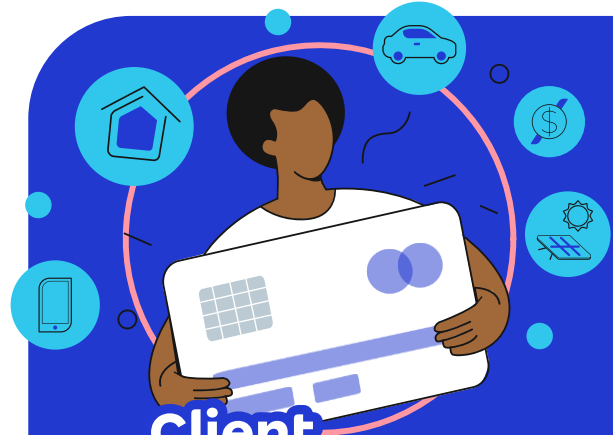
In 2023, we completed 4 years since the beginning of our customer-oriented journey. During this period, we achieved significant milestones that supported our advances to become a customer-oriented bank. We repositioned our brand, established a new customer division, developed personalized solutions and entered strategic partnerships. Furthermore, we invested heavily in training our customer service teams and improved our digital channels, aiming to improve our customers' experience. The launch of the digital account in 2020 further reinforced our dedication to customer centricity, offering all our solutions through the BV app.

Furthermore, the partnership with Méliuz, which aims to strengthen our skills in attracting and engaging customers, completed its first year since the announcement, and has already delivered promising results: it was opened more than 900 thousand BV digital accounts, and it was issued over 45 thousand credit cards within the Méliuz app. We will soon launch the Méliuz white label shopping mall within our BV digital banking experience, which will be another solution focused on improving the customer experience.

These initiatives were essential for attracting new customers, increasing engagement and extending lifetime value, while evolving brand perception and satisfaction levels. At the end of 2023, we reached 5.0 million individual customers, with a higher engagement level, evidenced by the cross-sell index, which ended 4Q23 at 2.1 and by the increase in revenue from relationships, which reached R\$ 1 billion in the year to date. Finally, the annual total payment volume (TPV) grew 22.1% over 2022, reaching R\$36.9 billion.

The customer satisfaction, measured by NPS (Net Promoter Score), ended 2023 at levels of quality and excellence. In customer service, we ended 4Q23 with an average NPS of 78, compared to 75 in the same period in 2022. In the collection department, the average NPS was 75 in 4Q23, in line with the same period of the previous year. Finally, the ombudsman NPS has remained in the excellence zone in all months of 2023, ending 4Q23 at 91, compared to 89 in 4Q22.

As a result of these transformations, we have continually been among the banks with the lowest complaint rates in the Brazilian Central Bank ranking. On the Consumidor.gov.br platform, we closed the year with the highest rating given by consumers for the financial sector (3.0 on a scale of 1 to 5) and a solution rate of 83.8%, the second highest rate in the financial sector.



## Client Centricity

**5.0 million**

Individual Customers

**R\$ 36.9 bn** in 2023

Total Payment Volume<sup>1</sup>

▲ 22.1% 2023 vs 2022

**78** vs 75 in 4Q22

Customer Service NPS<sup>2</sup>

**75** vs 75 in 4Q22

Collection NPS<sup>2</sup>

**91** vs 89 in 4Q22

Ombudsman NPS<sup>2</sup>

## Strategy

Client  
Centricity

Diversification  
& Profitability

Innovation &  
Technology

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& ESG

We are a complete bank with a diversified business portfolio and a wide range of financial products and services for individuals and companies. Our **credit portfolio** is segmented as follows:

### i. Financing of Used Light Vehicles:

In the auto ecosystem, we offer vehicle financing through our robust commercial strength and distribution network with a presence across the country, in addition to digital channels. At the end of 2023, we operated with more than 25 thousand car dealers spread throughout Brazil. In addition to physical presence, we also have our digital channels such as NaPista – an automotive marketplace launched in 2023, which brings together advanced solutions for car dealers, such as unlimited inventory and leads and a very user-friendly interface. In addition to our own digital channels including the BV website and NaPista, we also operate with partners such as SóCarrão and Karvi which enhances our access to potential new customers. Our auto finance process is 100% digital, from financing simulation up to the contract signing. It is also worth highlighting the efficiency in the credit analysis process, where 97% of analyzes are automated without human intervention. All these capabilities developed over decades have guaranteed leadership for 11 consecutive years in this segment.

### ii. Wholesale:

In this segment, we operate with companies with annual revenues above R\$300 million. Our portfolio is sub-segmented into Corporate (annual revenue between R\$300 million and R\$1.5 billion), and Large Corporate (annual revenue above R\$1.5 billion) + Financial Institutions. In addition to credit products, we have a strong presence in the debt capital markets (DCM), foreign exchange, cash management, capital markets and M&A.

### iii. Growth:

Expanding the offer of solutions to our customers, we offer a variety of credit products that also contribute to the greater diversification of our business. The Growth segment is made up of:

- o **Solar Panel Financing:** We offer financing of solar panels for homes and small businesses, either through our wide distribution network with our integrator partners, in addition to our digital partner Meu Financiamento Solar (MFS);
- o **Credit Card:** We offer a diverse portfolio of cards to meet the needs of each customer, including options such as BV Livre, BV Mais and BV Único. The cards offer benefits such as a loyalty program, cashback, annual fee discounts and vehicle assistance. The credit card has been an important product within the agenda of expanding BV's relational scope as it contributes to greater customer engagement and lifetime value;
- o **Motorcycles, Heavy and New Vehicles:** Our financing capabilities for used light vehicles are extended to financing other vehicles, such as motorcycles, trucks and new vehicles;
- o **Car Equity Loan (EGV):** This product allows the customer to take out credit and use their already paid-off vehicle as collateral. It closely adheres to BV's strategy, both due to its historical presence in the vehicle financing segment and because it is a product with a guarantee;
- o **Small and Medium-sized Enterprises (SMEs):** Initiative seeks to expand our exposure in this company's segment with a focus on anticipating receivables, through penetration into the value chain of our Wholesale customers;
- o **Other Loans (retail):** We complement our portfolio with FGTS loans, health financing, private payroll loans and personal loans.

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### Wholesale

**R\$ 24.4 bn** (4Q23)

▼ 2.9% vs 4Q22

#### Corporate Banking:

- Corporate (> R\$ 300 million)
- Large Corporate (> R\$ 1.5 billion)
- Financial Institutions

**Focus on diversification and profitability**

### Used Light Vehicles

**R\$ 42.7 bn** (4Q23)

▲ 14.5% vs 4Q22

- **Capillarity:** +25 thousand car dealers, digital channels
- **Efficiency:** 97% of automatic credit analyzes
- **Innovation and digital transformation:** 100% digital financing process
- **NaPista:** New intelligent vehicle platform, integrated into BV's financing offer

**Leadership in financing of used light vehicles**

### Growth

**R\$ 20.4 bn** (4Q23)

▼ 0.1% vs 4Q22

#### Credit Card:

R\$ 5.1 billion

▼ 12.6% vs 4Q22

**Solar Panel:**  
R\$ 4.5 billion

▼ 2.9% vs 4Q22

**Motorcycles, Heavy and New:**  
R\$ 4.4 billion

▲ 19.1% vs 4Q22

#### Car Equity Loan:

R\$ 3.3 billion

▲ 56.4% vs 4Q22

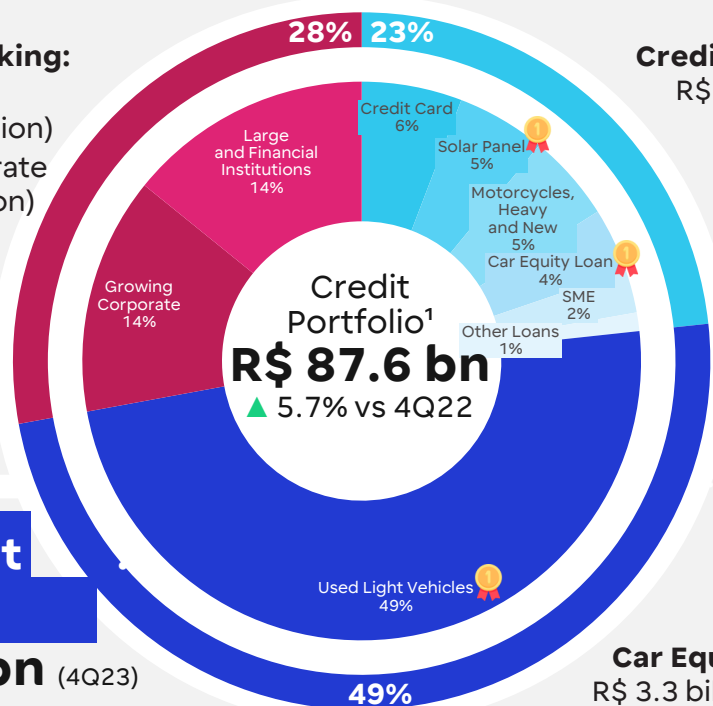
**SME:** R\$ 2.1 billion

▼ 12.7% vs 4Q22

**Other Loans:** R\$ 0.9 billion

▼ 43.8% vs 4Q22

**Leadership in financing of Solar Panels and Car Equity Loan**



1 - Expanded Credit Portfolio; Segments in which BV is market leader

## Strategy

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**Diversification  
& Profitability**

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and ESG

Furthermore, we also operate in segments that have great synergy with our retail and wholesale operations, and contribute to the bank's **revenue diversification**:

### i. Platform:

We offer banking infrastructure services, such as individual account, PIX and slip payment aimed at companies that wish to offer banking services to their customers without the complexity of becoming a bank, all through an open platform connected predominantly through API (Application programming interface). For fintechs or industry sectors that aim to explore the digital wallet market, our Banking as a Service (BaaS) solution makes it possible for such institutions, which do not have direct access to the SPB (Brazilian Payment System), to carry out transactions with the financial market through a superior and individualized experience for its customers. For participants in the card industry - issuers, acquirers and sub-accreditors - our BaaS solution offers the financial settlement service in a fully automated way.

In 2023, we recorded more than R\$ 154 billion<sup>2</sup> in TPV on our Platform, representing 10% growth over 2022, with 171 connected customers. And we have completed the acquisition of Bankly, which will boost our BaaS strategy and reinforce our ambition to become the main platform for this model in Brazil.

### BaaS\_

**171**

partners in 4Q23\_

**R\$ 154 bn** TPV<sup>1</sup> in 2023\_

▲ 10% vs 2022

### Bankly

Deal closing in November 2023

### ii. Insurance:

With strong synergy with our vehicle financing business, we operate in the insurance segment as one of the largest insurance brokers in the country, in partnership with the main insurance companies in the market, offering a wide range of solutions aligned to the diverse needs of our customers. Our products include vehicle, credit life, home, dental, life and personal accident insurance, pet and funeral assistance.

In 2023 we recorded more than R\$1.4 billion in premiums issued, growth of 53.5% over 2022 and a record in the history of BV.

## BV Insurance Broker

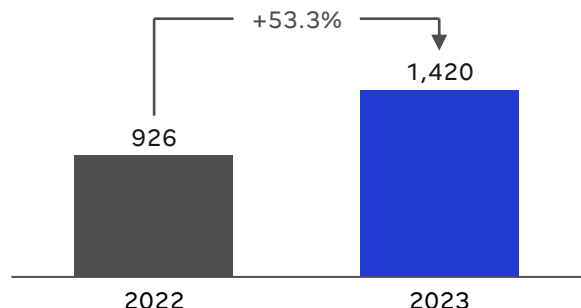
**+ 10**

Insurance Companies partners

### Historical Record

in insurance premiums issued in 2023

#### Insurance Premiums Issued (R\$ mln)





## Strategy

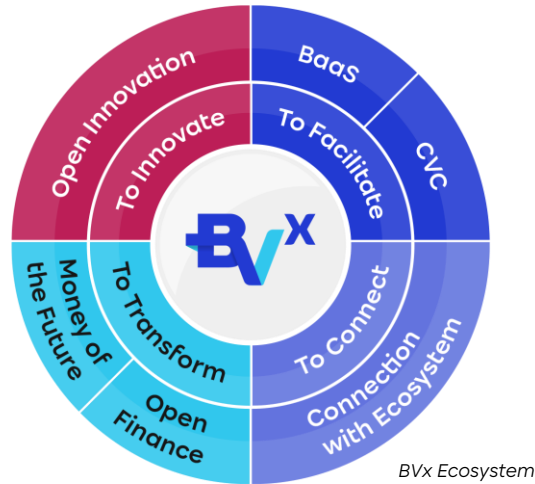
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As a data and technology-driven bank, our commitment lies at the forefront of financial innovation. We use advanced data analytics to understand the individual needs of our customers in order to provide personalized and efficient experiences. We consolidated all our innovation initiatives and digital partnerships within the BVx ecosystem. Through it, we seek to enhance the attributes that are already present in our daily lives: Innovate with solutions seen from different perspectives; Connect people, products and services; Facilitate partnerships and investments and; Transform businesses focused on the financial lives of people and companies.



BVx Ecosystem

Our ecosystem of innovation and digital partnerships (BVx) is made up of six areas of activity: (i) Banking as a Service (BaaS); (ii) Corporate Venture Capital (CVC); (iii) Connection with the Ecosystem; (iv) Open Finance; (v) Future Money; and (vi) Open Innovation. These fronts allow BVx to achieve its objective of offering innovative solutions, facilitating connections between interested parties and helping to transform businesses, in order to improve the financial lives of people and companies.

### Corporate Venture Capital (CVC)

We build strategic partnerships with the aim of expanding the reach of our solutions and, at the same time, enriching the product offering for our customers. We ended 2023 with a portfolio of 11 invested companies from different segments, including e-commerce, solar energy, buy now pay later, insurtech and open finance.

#### *First year of partnership with Méliuz*

At the end of 2023, we completed the first year since the announcement of the strategic partnership with Méliuz, which aims to strengthen our skills in customer attraction and engagement, and we have already recorded promising results: we opened more than 900 thousand BV digital accounts and issued more than 45 thousand credit cards through the Méliuz app. We are transferring accounts and cards from Méliuz's legacy operation to BV and will begin offering new BV products on the Méliuz app throughout the first half of 2024. The next steps of the partnership include the development of the Méliuz white label shopping mall, in pilot phase at the beginning of 2024, within our BV digital banking experience, which will help us in the search for the principality of our customers.

### Connection with the Ecosystem

On this front, our objective is to seek constant rapprochement with partner agents in the innovation ecosystem in the financial industry. We ended the year with 40 active contracts with startups, 4 times higher than the previous year. In addition, we were present and sponsored the main innovation and technology events of 2023 that discussed trends in the financial sector: South Summit, Web Summit, Hacktown, Startup Summit and CASE. On the international agenda, BV was present at SXSW, in Texas (USA), a festival that anticipates the main trends in the sector and participated in Money 20/20 in October, one of the biggest global innovation events in the financial market.

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### Open Finance

Open Finance is an ecosystem under construction that gives customers more control over their finances. Our goal is to provide the best opportunities for customers, through data sharing, aiming to significantly transform their experiences. In 4Q23 we launched a new feature to simplify our customers' lives: by opting for Open Finance, the customer will be able to pay vehicle financing installments using the balance of accounts in other banks. This new functionality allows the customer to pay outstanding installments directly through the BV app, without the need to issue invoices. This functionality represents a significant step towards simplification and convenience for our customers, providing them with more options and flexibility in managing their finances.

### Money of the Future

The increase in transactions through any digital means is already a reality. Technological resources and innovations related to these financial transactions are also progressing at a fast pace. Our objective here is to transform financial services through the digitalization of money and involvement in the country's main financial market agendas. In 2023, BV was one of the banks selected for the consortium of the pilot project for the digital real – Drex, from the Central Bank. By being involved in the project, BV remains at the forefront of innovation in financial institutions, in addition to actively contributing to the development of solutions that promote efficiency, accessibility and financial inclusion. We also expanded our role in the digital asset agenda, being one of the pioneers to advance in verifying the functionality of buying and selling tokenized federal public securities, within the tests of the digital real.

### Open Innovation

On this front, our goal is to constantly innovate with a focus on developing new products and services, improving the customer experience and increasing efficiency. In 2023, we carried out Inova BV, an intrapreneurship program, with the participation of 110 employees, allowing all areas of the bank to be connected to better understand the challenges and the best way to work on new solutions. We also launched the Open Innovation Program for startups (PIA), with the aim of strengthening BV's relationship with the entrepreneurial innovation ecosystem. Finally, through our Credit Cycle Experimentation Center we analyzed more than 55 startups in search of innovative solutions and carried out a partnership project with Innovative Assessment, which aims to approve vehicle financing using customer behavior information through of a psychometric assessment and not just on traditional market parameters. This project paved the way for a more sophisticated approach to credit analysis, leading to more accurate financing approvals and benefiting both the bank and customers, generating R\$ 70 million in new credits contracted.

### Awards

#### **BV was recognized as the most innovative bank in Brazil by 100 Open Startups**

The numerous initiatives of our innovation ecosystem and digital partnerships have gained recognition. Recently, BV was recognized as the most innovative bank in Brazil by 100 Open Startups, an initiative that highlights startups and corporations that are leaders in open innovation for the evolution of innovation practices in Brazil and Latin America.

#### **BV was certified by MIT as an innovative company**

In 2023, the bank was also certified as one of the 72 most innovative companies in Brazil, among more than a thousand registered and 382 assessed by MIT Technology Brasil, receiving the Innovative Workplaces seal, which identifies companies with the most innovative practices in the market.

#### **BV was one of the finalists in the 2nd edition of the FIDInsiders Award**

BV was also a finalist for FID Insiders, with a financial solutions project to promote diversity and inclusion. The award aims to recognize and disseminate innovative solutions that contribute to accelerating the democratization of finance in Brazil and improving society's financial well-being.

## Strategy

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It is our culture that guides the way we do business, generate results and relate to each other. And in the same way that we seek to make our customers' lives easier, we replicate the same philosophy for our employees. Therefore, we remain committed to constantly improving our company to provide a welcoming and pleasant environment for everyone.

For the fourth consecutive year, in 2023, we received the prestigious GPTW seal, which recognizes the best companies to work for and evaluates the essential attributes for a positive work environment. Additionally, we have been certified with the GPTW seal for our exemplary practices in gender equity and ethnic-racial diversity. We are also proud to win third place in the GPTW Financial Institutions 2023 ranking, in the large banks category. In the e-NPS assessment, in which employees assess whether the company is a good place to work, we achieved an index of 88, with a general favorability index of 87% among our employees, while the average for non-certified companies in 2022 was 65%. These achievements reflect our commitment to being a reference in the sector and offering an exceptional work environment.

### GPTW 2023\_

**87** General Favorability

**88** e-NPS



### 2030 Commitments for a lighter future

Our sustainability aspiration is "To foster social development through sustainable action with our ecosystem". To strengthen our aspirational and sustainable commitment, in May 2021 we launched our "2030 Commitments for a lighter future". In it, we assume 5 public goals with the aim of getting closer to the UN Sustainable Development Goals and which are in line with the Global Compact, of which we are signatories. The 2030 commitments are aligned with our aspirations and based on the 3 pillars of action (i) neutralizing our environmental impact; (ii) accelerate social inclusion and; (iii) mobilize resources for sustainable businesses. Below, we present the partial achievement of commitments by the end of 2023:

#### Neutralize our Environmental Impact

i. To carry out **100% of CO<sub>2</sub> compensation for our main business**, used vehicle financing:

Since the beginning of the program, 100% of the fleet financed by BV has had its CO<sub>2</sub> emissions offset (equivalent to more than **3.9 million tons of CO<sub>2</sub>** since 2021)

ii. Offset 100% of **BV's direct greenhouse gas (GHG<sup>1</sup>) emissions**:

In 2023, we offset 100%, or **3.3 thousand tons of GHG<sup>1</sup>** related to our emissions in 2022

#### Accelerate Social Inclusion

iii. Reach **50% of leadership positions** held by people who identify as female:

We are already **40%** women in leadership positions and **46%** women in general

iv. iv. Reach the participation of **35% of black people** in BV's workforce:

We reached already **25%** by the end of 2023;

#### Mobilize Resources for Sustainable Business

v. Financing and distributing **R\$80 billion in the capital market for ESG businesses**:

We reached **R\$22.0 billion** financed and distributed for ESG businesses since 2021

## Estratégia

Client  
Centricity

Diversification  
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and ESG

In 2023, we also highlight the following initiatives and achievements within our ESG agenda:

### Environmental

#### **We grew 190% in financing of electric vehicles**

We recorded a 190% increase in financing for electric vehicles in 2023 compared to 2022. This growth reinforces our commitment to promoting a low-carbon economy, contributing to the reduction of greenhouse gas emissions in Brazil.

#### **We launched a line to finance electric vehicle chargers in Brazil**

The new line is intended for the purchase of electric vehicle chargers, both for residential use and for commercial establishments. The idea is to make electric vehicles increasingly accessible to consumers in general in Brazil.

### Social

#### **BV Sports platform completed 5 years**

In 2023, our BV Sports platform completed 5 years since its launching. During this journey, we helped bring the dream of great Brazilian athletes to life, creating or accelerating the formation of social institutes that use sport as a tool for social transformation. During this trajectory, we supported a total of 10 social institutes in 6 different states, directly and indirectly impacting more than 12 thousand people, with results ranging from increased self-esteem to improved academic performance of the young people served.

#### **Portfolio of Incentivized Projects**

In December 2023, we allocated R\$ 9.0 million to 34 cultural and sporting projects, supporting children and adolescence, elderly and health through tax Incentive laws. The projects will begin in 2024. Among the supported projects are the Baccarelli Institute, OSESP, MASP, CCBB, Mozarteum, Hospital Beneficência Portuguesa, among others.

#### **Black Woman Cultural Selection**

For the third year in a row, we selected projects that promote cultural productions created by and for black women throughout Brazil. The initiative selected 5 projects that together received R\$ 831 thousand, distributed in three categories: training and protagonism of black women; creation and fulfillment by black women and memory and empowerment.

### Awards

#### **We are Top 5 in the Award that assesses the best companies in Corporate Governance**

Among the 1,500 companies from different sectors, we were highlighted for our corporate governance practices in the notorious Estádio Empresas Mais Award, considered the most comprehensive and important business ranking in Brazil. In this award, the category evaluates the structures, practices and relationships that underpin the way companies are managed, aiming to achieve their objectives and create value for shareholders and other parties involved. The criteria assessed cover topics such as ownership, board of directors, directors, conduct, among others.

### Best Companies in Corporate Governance



## Businesses

### Credit Portfolio

The expanded credit portfolio grew by 5.7% compared to 4Q22, reaching a total of R\$ 87.6 billion at the end of 4Q23. The Retail segment expanded by 10.4%, while the Wholesale portfolio decreased by 3.8%. In comparison with the previous quarter, we recorded a 3.0% growth in the credit portfolio, driven by a 4.0% increase in the Retail segment and 1.0% in the Wholesale segment.

Credit Portfolio (R\$M)	4Q22	3Q23	4Q23	Variation %	
				4Q23/3Q23	4Q23/4Q22
<b>Retail segment (a)</b>	<b>55,273</b>	<b>58,664</b>	<b>60,994</b>	<b>4.0</b>	<b>10.4</b>
Auto finance	37,316	40,545	42,736	5.4	14.5
Other vehicles (motorcycles, heavy and new)	3,721	4,177	4,433	6.1	19.1
Solar panels and other loans	8,420	8,736	8,741	0.1	3.8
Credit Cards	5,816	5,206	5,084	-2.3	-12.6
<b>Wholesale segment (b)</b>	<b>15,045</b>	<b>13,293</b>	<b>13,278</b>	<b>-0.1</b>	<b>-11.7</b>
Growing Corporate	7,554	6,784	6,347	-6.4	-16.0
Large corporate + financial institutions	5,046	4,653	4,796	3.1	-4.9
Small and mid-size enterprise (SME)	2,446	1,856	2,134	15.0	-12.7
<b>On-balance loan portfolio (a+b)</b>	<b>70,318</b>	<b>71,957</b>	<b>74,272</b>	<b>3.2</b>	<b>5.6</b>
<b>Wholesale segment (b+c+d)</b>	<b>27,602</b>	<b>26,313</b>	<b>26,565</b>	<b>1.0</b>	<b>-3.8</b>
Guarantees provided (c)	7,123	6,400	6,166	-3.6	-13.4
Private securities (d)	5,434	6,621	7,121	7.6	31.1
<b>Retail segment (a)</b>	<b>55,273</b>	<b>58,664</b>	<b>60,994</b>	<b>4.0</b>	<b>10.4</b>
<b>Expanded credit portfolio (a+b+c+d)</b>	<b>82,874</b>	<b>84,978</b>	<b>87,559</b>	<b>3.0</b>	<b>5.7</b>

The 5.7% growth in the expanded credit portfolio, compared to 4Q22, reinforces the resilience of our business in a challenging macroeconomic scenario. In our core business, financing of used light vehicles, we recorded a 14.5% growth vs 4Q22, driven by the recovery in demand and our expertise in this segment, which ensured market share gains and our long-term leadership. Moreover, we advanced in the diversification agenda, highlighting the Car Equity Loan portfolio (EGV), in which we are market leaders, and which recorded a 56.4% increase compared to 4Q22. Another highlight in 2023 was the 19.1% growth in the portfolio of motorcycles, heavy and new vehicles compared to 4Q22. The credit card portfolio recorded a 12.6% drop compared to 4Q22, reflecting our more conservative approach to card issuance considering the challenging credit cycle, focusing primarily on our core customer (BV consumer finance customers). Nevertheless, credit card continues to play a strategic role in our mission to attract and engage individual customers.

The wholesale portfolio registered a 3.8% decline compared to 4Q22, mostly driven by a higher volume of due dates in the period, although the production pace remained consistent during the quarter. The expanded portfolio of the corporate segment recorded a 2.7% growth compared to the same period of the previous year, while the Large Corporate + Financial Institutions and SMEs portfolios decreased by 7.7% and 12.7%, respectively.

Compared to 3Q23, the 3.0% growth mainly reflects the 5.5% expansion in the vehicle financing portfolio, with record production during the 4Q23, in addition to the 15.0% growth in the SME segment.

At the end of 4Q23, financing of used light vehicles, our core business, represented 48.8% of the total credit portfolio, growing 3.8 p.p. compared to 4Q22 when it represented 45.0% of the portfolio. Wholesale (Corporate + Large Corporate + Financial Institutions) represented 27.9% (vs 30.4% in 4Q22), while the Growth portfolio was responsible for 23.3% of the total portfolio (vs 24.6% in 4Q22).

## Businesses

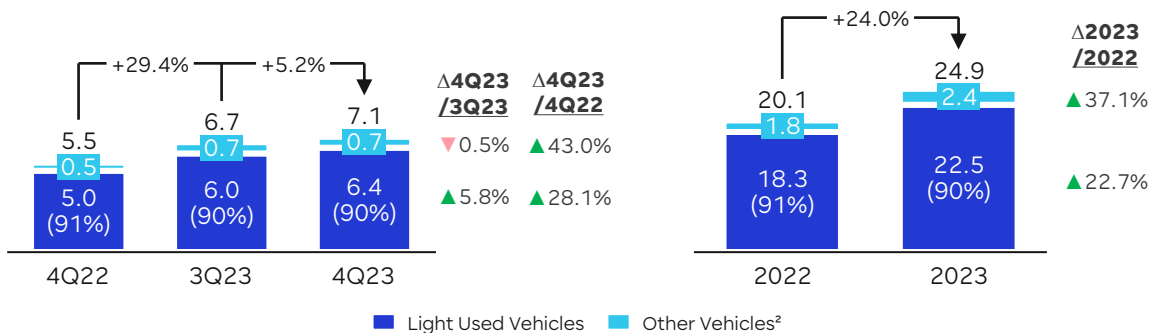
### Auto Finance

Data from B3 show a 10% growth in the number of vehicles financed in 2023 compared to 2022. After the drop recorded in 2022, driven by the high commitment of family income and increase in interest rates, the recovery observed in 2023, especially during the second half of the year, reflects the beginning of the reduction in interest rates, in addition to the expansion of credit supply after improvements of delinquency rates for individuals. According to the Brazilian Central Bank data, the volume of vehicle financing originated in 4Q23 increased by 21.6% and 10.2% vs 4Q22 and 3Q23, respectively. Year-to-date, growth was 9.1% vs 2022, indicating a recovery in the sector in 2023.

The market recovery had a positive impact on BV's vehicle financing origination, which reached a historic quarterly record, achieving R\$ 7.1 billion in 4Q23, a 5.2% with growth vs 3Q23 and 29.4% vs 4Q22. This increase was driven by the origination growth both in used light vehicles financing, which registered a 5.8% increase vs 3Q23 and 28.1% compared to 4Q22, and other vehicles<sup>2</sup>, which grew by 43.0% over the 4Q22, highlighting motorcycles and trucks. In 2023, origination also reached a record volume for BV, totaling R\$ 24.9 billion, 24.0% higher than the previous year, with a 22.7% growth in the used light vehicles financing, a segment that BV has been sustaining its leadership for 11 consecutive years, and 37.1% in other vehicles<sup>2</sup>.

#### Auto Finance Origination

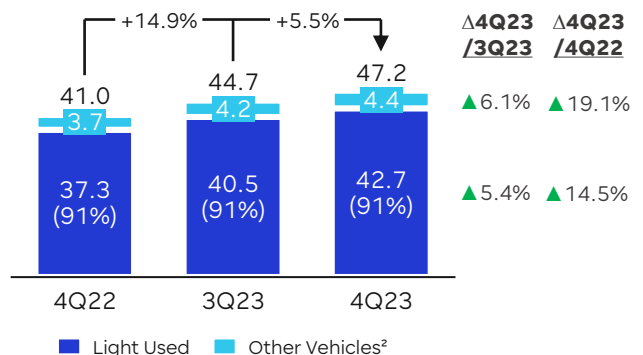
28.3%	26.4%	26.3%	27.8%	27.1%	Average Rate (% p.a.)
45%	44%	44%	45%	44%	Down payment <sup>1</sup> (%)
48	48	48	48	48	Average term (months)



#### Auto Finance Portfolio

(R\$ B)

The vehicle financing portfolio ended 4Q23 at R\$ 47.2 billion, 5.5% up compared to the previous quarter and 14.9% up in the last 12 months. This portfolio is represented as follows: 91% used light vehicles, which recorded a growth of 5.4% compared to the third quarter of 2023 and 14.5% compared to the fourth quarter of 2022, and; other vehicles<sup>2</sup>, representing the remaining 9%, grew by 6.1% compared to the third quarter of 2023 and 19.1% compared to the fourth quarter of 2022, highlighting the expansion in financing of motorcycles and heavy vehicles in 2023.

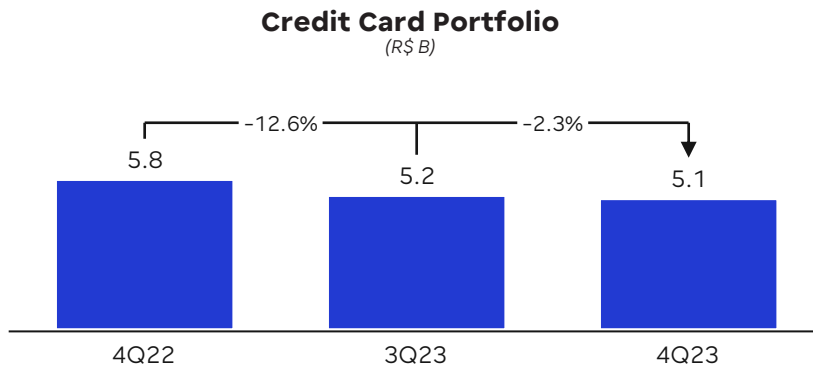


## Businesses

### Credit Card

With the deterioration in asset quality in Brazil observed throughout 2022 and 2023, we implemented changes in our credit card strategy, which included a more conservative approach to issuing new cards, management of customer limit, an exclusive focus on BV's core customer (consumer finance customers), and other initiatives. Consequently, the card credit portfolio decreased by 12.6% compared to 4Q22 and 2.3% compared to the previous quarter, ending the year at R\$ 5.1 billion.

As a result of our active portfolio management with the aim of rebalancing the profitability and risk of the credit card product, in 4Q23 it was already possible to see a reversal in the upward trend in credit card NPL rates. And as cards continue to play a strategic role in our search for attracting and engaging individual customers, in 4Q23 we began, albeit in a very cautious way, a cycle of resuming credit expansion, with improvement of our credit granting and maintenance of limit model, which combines internal and market data to determine the most appropriate limit for each customer profile. As a result, we recorded a 34.4% increase in the granting of new cards in 4Q23 vs 3Q23.



### Solar Panels Financing and Other Retail Loans

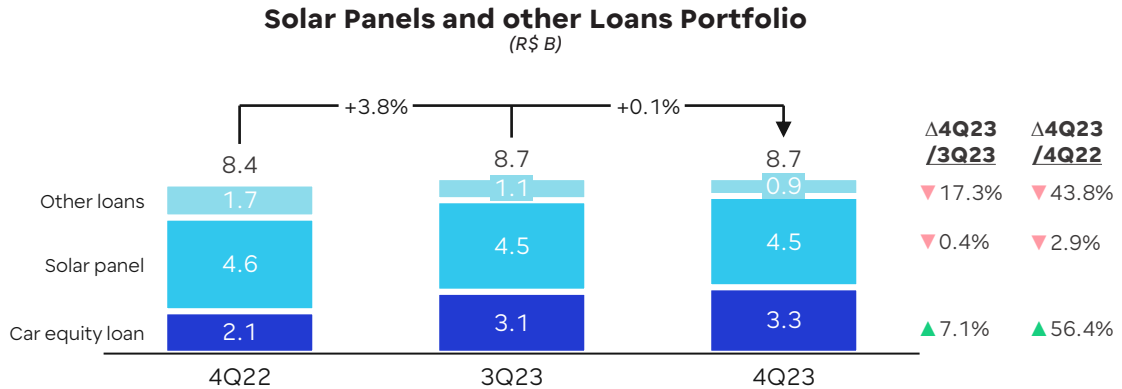
Complementing our Retail portfolio, we offer a wide range of solutions, from proprietary products to those developed in partnership with fintechs and startups, thus expanding our portfolio. Among them, we highlight Solar Panel Financing, Car Equity Loan (EGV), FGTS Loan, Health Financing, Private Payroll Loan and Personal Loan.

The credit portfolio for Solar Panels and Other Loans reached R\$ 8.7 billion at the end of 4Q23, representing a growth of 3.8% compared to 4Q22 and remaining in line with the previous quarter. Highlight for the Car Equity Loan portfolio, a segment in which BV is the market leader, which reached R\$ 3.3 billion, growth of 7.1% and 56.4% over 3Q23 and 4Q22, respectively.

As expected, the solar panel financing portfolio remained close to stability in 2023, ending the year at R\$ 4.5 billion. This performance mainly reflects the anticipation of demand that occurred at the end of 2022 due to the change in the regulatory framework for distributed generation. However, the impact brought by Law 14,300 is small, in terms of return on investment (payback), and this change allows greater legal security for carrying out these long-term investments, therefore, the installation of solar panels remains very attractive for the consumer. Our vision for the product remains optimistic given Brazil's high solar potential and the low cost of producing solar energy when compared to other energy sources.

## Businesses

### Solar Panels Financing and Other Retail Loans



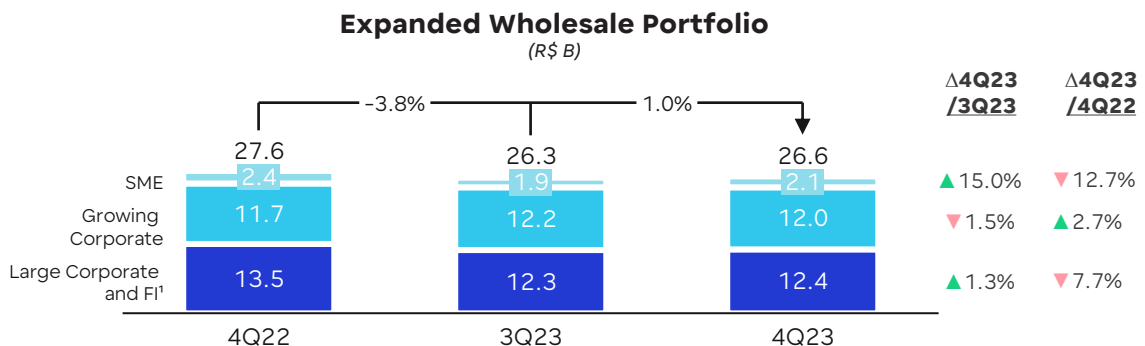
Finally, the portfolio of other loans (FGTS Loan, Health Financing, Private Payroll Loan and Personal Loan) recorded a drop of 17.3% compared to the previous quarter and 43.8% compared to 4Q22. The reduction in this portfolio was mostly driven by the credit assignment of FGTS portfolio carried out in both 4Q23 and 3Q23, following our strategy of recycling capital for core products that have a lower propensity to boost relationship with our individual customers. In addition, we also have intentionally reduced the origination of personal loans, in line with our strategy of prioritizing secured products.

### Wholesale Credit Portfolio

The expanded Wholesale portfolio totaled R\$ 26.6 billion at the end of 4Q23, representing a reduction of 3.8% compared to 4Q22 and an expansion of 1.0% compared to the previous quarter. If we exclude the exchange rate variation effect, the wholesale portfolio would have recorded a drop of 2.7% compared to 4Q22 and presented a growth of 1.4% compared to 3Q23.

Although the origination pace remained consistent during 4Q23, the 3.8% drop compared to 4Q22 is due to the higher volume of maturities in this period. The Corporate segment, which covers companies with annual revenues between R\$300 million and R\$1.5 billion, recorded a 2.7% growth in the portfolio compared to 4Q22, ending the quarter with a total of R\$12.0 billion. This growth was offset by the reduction in portfolios in the Large Corporate and Financial Institutions and SMEs segment, which showed drops of 7.7% and 12.7%, respectively.

Compared to 3Q23, the 1.0% increase mainly reflects the 15.0% expansion in the SME portfolio, in line with our strategic plan to expand within the segment, focusing on products with collateral (receivables discount).





## Businesses

### Wholesale Credit Portfolio

We present below the exposure by sector of the CIB portfolio, highlighting that our risk policy establishes exposure limits to sectoral and individual risks, which are regularly monitored by the risk management area:

Exposure by industry	4Q22		4Q23	
	R\$ M	Share.(%)	R\$ M	Share.(%)
Financial Institution	4,206	15%	3,673	14%
Agroindustry / Agrochemicals	1,762	6%	2,528	10%
Industry	2,123	8%	2,364	9%
Project Finance	1,085	4%	1,823	7%
SME's	2,446	9%	1,604	6%
Services	642	2%	1,404	5%
Construction	1,478	5%	1,376	5%
Retail business	1,865	7%	1,267	5%
Sugar and ethanol	1,553	6%	1,256	5%
Telecommunications	902	3%	1,191	4%
Cooperatives	1,233	4%	1,150	4%
Electric power	1,004	4%	707	3%
Vehicle assemblers / Dealers	525	2%	626	2%
Oil & gas	1,330	5%	506	2%
Rentals	653	2%	494	2%
Sanitation	179	1%	426	2%
Mining	348	1%	383	1%
Health	295	1%	193	1%
Pharmaceutical	199	1%	146	1%
Other	3,774	14%	3,448	13%
<b>Total</b>	<b>27,602</b>	<b>100%</b>	<b>26,565</b>	<b>100%</b>

## Managerial Results

### 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 to contingent liabilities" and from "Personnel expenses" to "Other income/(expenses)";
- Operating costs and income of the subsidiary Promotiva S.A. reallocated from "Other income/(expenses)" to "Income from services and brokerage". As of 1Q23, this adjustment no longer exists due to the divestment of all Promotiva concluded in Dec/2022;
- "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)".

INCOME STATEMENT (R\$ mln)	4Q23	Non-recurring events	Managerial Adjustments	4Q23
<b>Revenues – Total (i + ii)</b>	<b>2,564</b>	<b>0</b>	<b>200</b>	<b>2,763</b>
Gross financial margin (i)	1,914	0	200	2,114
Income from services and brokerage fees (ii)	650	0	(0)	650
<b>Cost of risk</b>	<b>(760)</b>	<b>0</b>	<b>(218)</b>	<b>(978)</b>
<b>Operating expenses</b>	<b>(1,563)</b>	<b>2</b>	<b>18</b>	<b>(1,542)</b>
Personnel and administrative expenses	(1,073)	0	211	(862)
Tax expenses	(186)	0	0	(186)
Other expenses (income)	(304)	2	(193)	(494)
<b>Result before taxes and contributions</b>	<b>241</b>	<b>2</b>	<b>0</b>	<b>243</b>
Income tax and social contribution	80	(1)	0	79
Minority Interest	(20)	0	0	(20)
<b>Net Income</b>	<b>301</b>	<b>1</b>	<b>0</b>	<b>302</b>

INCOME STATEMENT (R\$ mln)	2023	Non-recurring events	Managerial Adjustments	2023
<b>Revenues – Total (i + ii)</b>	<b>9,352</b>	<b>0</b>	<b>1,267</b>	<b>10,619</b>
Gross financial margin (i)	7,148	0	1,267	8,415
Income from services and brokerage (ii)	2,205	0	(1)	2,204
<b>Cost of risk</b>	<b>(3,052)</b>	<b>0</b>	<b>(1,293)</b>	<b>(4,345)</b>
<b>Operating expenses</b>	<b>(5,248)</b>	<b>4</b>	<b>26</b>	<b>(5,218)</b>
Personnel and administrative expenses	(3,863)	0	674	(3,189)
Tax expenses	(612)	0	0	(612)
Other expenses (income)	(774)	4	(648)	(1,417)
<b>Result before taxes and contributions</b>	<b>1,052</b>	<b>4</b>	<b>0</b>	<b>1,056</b>
Income tax and social contribution	234	(1)	0	232
Minority interests	(135)	0	0	(135)
<b>Net Income</b>	<b>1,151</b>	<b>3</b>	<b>0</b>	<b>1,154</b>

### Non-recurring events

(in R\$ mln)	4Q22	4Q23	4Q23	2022	2023
<b>Net Income – Accounting</b>	<b>278</b>	<b>285</b>	<b>301</b>	<b>1,461</b>	<b>1,151</b>
<b>(-) Non-recurring events</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-4</b>	<b>-3</b>
Goodwill amortization	-1	-1	-1	-4	-3
<b>Recurring Net Income</b>	<b>279</b>	<b>285</b>	<b>302</b>	<b>1,465</b>	<b>1,154</b>

Summary of non-recurring events:

- Goodwill amortization: Goodwill amortization expenses generated by the acquisition of Trademaster Serviços e Participações S.A.

## Managerial Results

### Managerial Income Statement

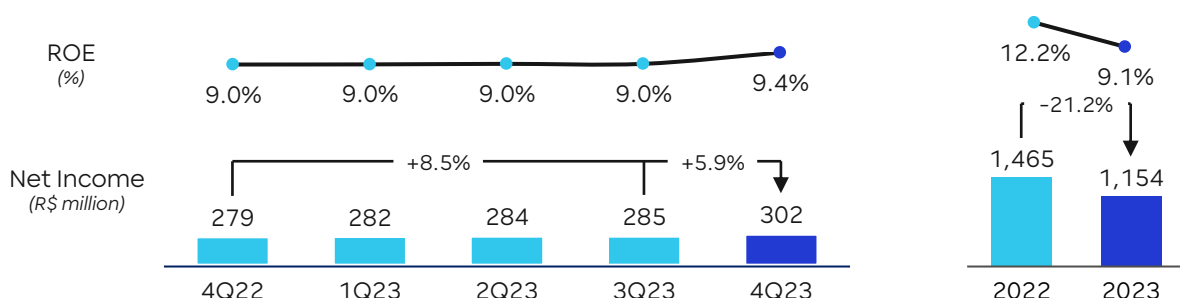
INCOME STATEMENT (R\$ mln)	4Q22	3Q23	4Q23	2022	2023	Variation %		
						4Q23/4 Q23	4Q23/4 Q22	2023/20 22
<b>Total Revenue (i + ii)</b>	<b>2,552</b>	<b>2,752</b>	<b>2,763</b>	<b>9,917</b>	<b>10,619</b>	<b>0.4</b>	<b>8.3</b>	<b>7.1</b>
<b>Gross financial margin (i)</b>	<b>2,013</b>	<b>2,177</b>	<b>2,114</b>	<b>7,968</b>	<b>8,415</b>	<b>-2.9</b>	<b>5.0</b>	<b>5.6</b>
Financial margin with clients	1,912	1,958	1,976	7,261	7,665	0.9	3.4	5.6
Financial margin with the market	102	219	138	707	750	-37.1	35.3	6.1
<b>Income from services and insurance (ii)</b>	<b>538</b>	<b>575</b>	<b>650</b>	<b>1,950</b>	<b>2,204</b>	<b>13.0</b>	<b>20.7</b>	<b>13.0</b>
<b>Cost of risk</b>	<b>(952)</b>	<b>(1,149)</b>	<b>(978)</b>	<b>(3,026)</b>	<b>(4,345)</b>	<b>-14.9</b>	<b>2.8</b>	<b>43.6</b>
<b>Operating expenses</b>	<b>(1,231)</b>	<b>(1,365)</b>	<b>(1,542)</b>	<b>(4,950)</b>	<b>(5,218)</b>	<b>13.0</b>	<b>25.2</b>	<b>5.4</b>
Personnel and administrative expenses	(816)	(818)	(862)	(3,153)	(3,189)	5.4	5.6	1.2
Tax expenses	(148)	(150)	(186)	(576)	(612)	23.3	25.6	6.3
Other expenses (income)	(267)	(396)	(494)	(1,221)	(1,417)	24.7	85.0	16.0
<b>Result before taxes and contributions</b>	<b>369</b>	<b>239</b>	<b>243</b>	<b>1,942</b>	<b>1,056</b>	<b>2.0</b>	<b>-34.0</b>	<b>-45.6</b>
Income tax and social contribution	(21)	69	79	(204)	232	14.6	-479.2	-214.1
Minority interests	(70)	(22)	(20)	(273)	(135)	-9.4	-71.5	-50.6
<b>Recurring Net Income</b>	<b>279</b>	<b>285</b>	<b>302</b>	<b>1,465</b>	<b>1,154</b>	<b>5.9</b>	<b>8.5</b>	<b>-21.2</b>
<b>Return on Average Equity (ROAE)</b>	<b>9.0%</b>	<b>9.0%</b>	<b>9.4%</b>	<b>12.2%</b>	<b>9.1%</b>	<b>0.4 p.p.</b>	<b>0.4 p.p.</b>	<b>-3.1 p.p.</b>
<b>Efficiency Ratio (ER) - Last 12 months</b>	<b>38.5%</b>	<b>36.8%</b>	<b>36.8%</b>	<b>38.5%</b>	<b>36.8%</b>	<b>0.0 p.p.</b>	<b>-1.8 p.p.</b>	<b>-1.8 p.p.</b>

### Recurring Net Income and ROE

Recurring net income totaled R\$ 302 million in 4Q23, an increase of 5.9% over 3Q23 and 8.5% compared to 4Q22. Recurring Return on Equity (ROE) ended the quarter at 9.4%, an increase of 0.4 p.p. compared to 3Q23 and 4Q22. Year-to-date, net income totaled R\$ 1,154 million, a drop of 21.2% over the same period in 2022. Recurring ROE ended the year at 9.1%, a drop of 3.1 p.p. vs. 2022. The lower profitability recorded in 2023 was mainly driven by the increase in the cost of risk due to higher provisioning in the retail portfolio, a segment that was impacted by adverse macroeconomic conditions, with a high commitment of family income that reached a historic high in 2023, according to the Brazilian Central Bank data.

Despite the reviews and adjustments to the credit policy implemented in 2022 in the context of the credit cycle, the older vintages (2020 and 2021) still had a higher impact on the portfolio's NPL rates throughout 2023, with impacts on the cost of risk and consequently the bank's profitability. However, the most recent vintages already show a significant improvement in credit quality, and as they gradually increase their share in the portfolio, the business's profitability shall gradually improve. The 0.4 p.p. improvement in ROE in 4Q23, after four consecutive quarters of stable profitability, already evidenced this trend.

**Net Income e ROE**  
(R\$ mln; %)



## Managerial Results

### Gross Financial Margin

(R\$ mln)	4Q22	3Q23	4Q23	2022	2023	vs 3Q23	vs 4Q22	vs 2022
<b>Gross Financial Margin</b>	<b>2,013</b>	<b>2,177</b>	<b>2,114</b>	<b>7,968</b>	<b>8,415</b>	<b>-2.9</b>	<b>5.0</b>	<b>5.6</b>
Financial Margin with Clients	1,912	1,958	1,976	7,261	7,665	0.9	3.4	5.6
Financial Margin with Market	102	219	138	707	750	-37.1	35.3	6.1

The gross financial margin in 4Q23 fell 2.9% compared to 3Q23, to R\$2,114 million, with a 0.9% increase in the margin with clients and a 37.1% drop in the margin with the market.

- The 0.9% increase compared to 3Q23 in the financial margin with clients was mainly driven by the expansion of the credit portfolio in the period. Client NIM<sup>1</sup> reached 9.8%, down 10 bps compared to the previous quarter. In both periods, NIM client were positively impacted by the assignment of the FGTS portfolio, although the effect in 4Q23 was smaller. Excluding this effect, NIM client in 4Q23 would be at 9.7%, compared to 9.6% in 3Q23, therefore, an expansion of 10 bps quarter-over-quarter..
- The 37.1% drop compared to 3Q23 in the financial margin with the market mainly reflects the result of structural hedge positions and the investment of bank's equity.

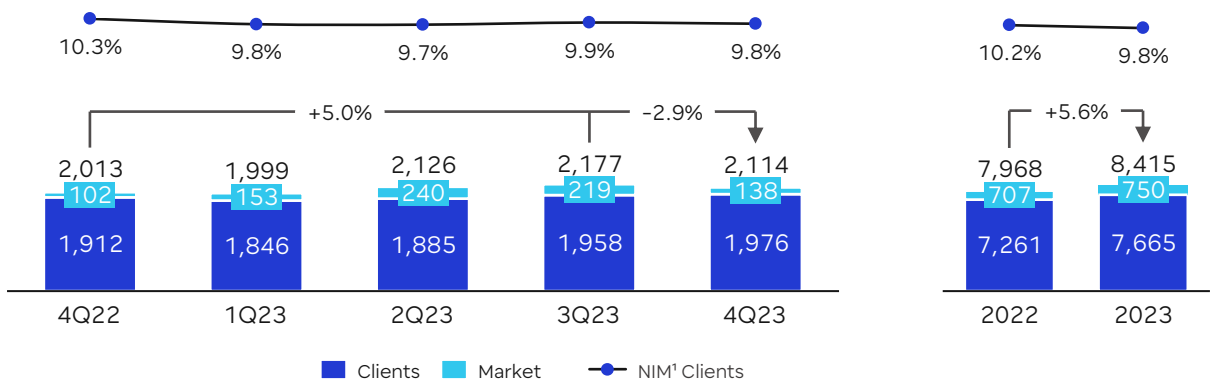
Compared to 4Q22, gross financial margin grew by 5.0%, with an expansion of 3.4% in the margin with clients and 35.3% in the margin with the market.

- The 3.4% increase compared to 4Q22 in the margin with clients reflects the growth of the credit portfolio, partially offset by the mix effect given the higher conservatism in the credit underwriting policy, in addition to the higher focus on secured products in 2023. Client NIM<sup>1</sup> varied by -50 bps in the period, from 10.3% in 4Q22 to 9.8% in 4Q23 due to these measures.
- The 35.3% expansion compared to 4Q22 in the financial margin with the market also reflects the result of structural hedge positions, as well as the investment of bank's equity.

In the year to date, the gross financial margin grew by 5.6% to R\$ 8,415 million, with an expansion of 5.6% in the margin with clients and 6.1% in the margin with the market.

- The 5.6% increase in the margin with clients to R\$ 7,665 million in 2023 was primarily driven by the growth of the credit portfolio, in addition to the effect of the assignment of the FGTS portfolio (mainly in the 3Q23). These effects were partially offset by the mix effect influenced by higher conservatism in the credit underwriting policy, in addition to the greater focus on secured products in 2023. Client NIM<sup>1</sup> reached 9.8% (9.7% excluding the effect of the FGTS portfolio assignments), down by 40 bps vs 2022.
- The 6.1% increase in the financial margin with the market, to R\$ 750 million in 2023, is also explained by the result of structural hedge positions, as well as the application of equity. It is worth highlighting the low volatility of the financial margin with the market during the interest rate cycle, reflecting the adoption of conservative management focused on protecting the bank's balance sheet.

### Gross Financial Margin (R\$ mln)

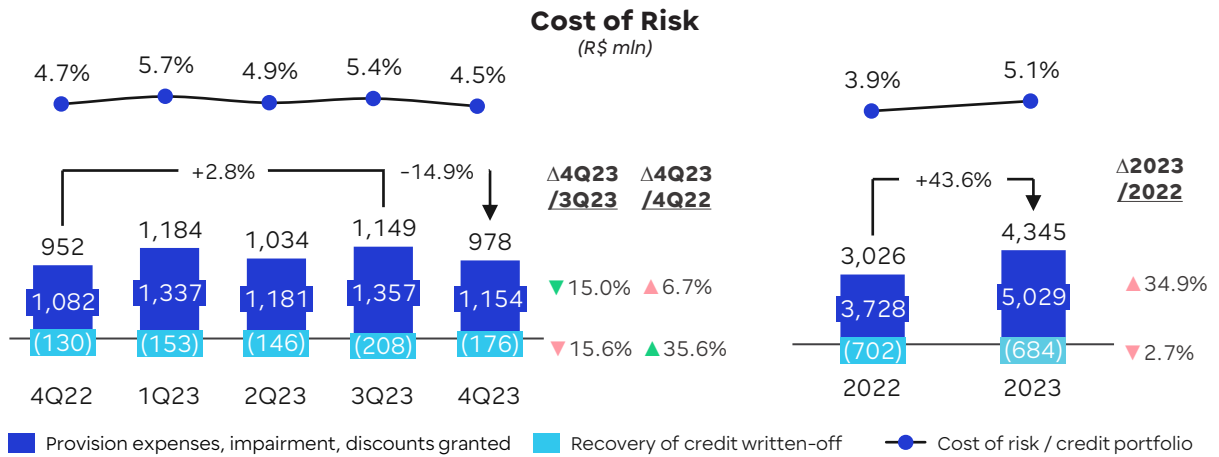


## Managerial Results

### Cost of Risk

The cost of risk declined 14.9% over the previous quarter, to R\$ 978 million. The cost of risk on the (expanded) portfolio fell 90 bps to 4.5%, compared to 5.4% in 3Q23. This quarterly drop marked a change in the trend of NPL rates in the retail portfolio. Since the beginning of 2022, we have implemented adjustments to the credit policy focusing on customers with a better credit profile and secured products. Despite the adjustments mentioned, the cost of risk in 2023 was still impacted by older vintages. As the most recent vintages has been gradually increasing their share in the credit portfolio, NPL rates should improve overtime, and consequently, cost of risk should decline, as it can already be observed in 4Q23. Compared to 4Q22, cost of risk increased by 2.8%. The cost of credit on the (expanded) portfolio fell by 20 bps.

Year-to-date, the cost of risk reached R\$ 4,345 million, a 43.6% increase compared to 2022. The cost of risk on the portfolio reached 5.1%, up by 120 bps compared to 2022 (3.9%). As already mentioned, the increase reflects the greater allowance for loan losses in the Retail portfolio, still impacted by older vintages. It is important to highlight that 4Q23 already presented a change in the trend of NPL in retail, with a positive impact on the cost of risk.



### Income from Services and Insurance Brokerage

Income from insurance services and brokerage totaled R\$650 million in 4Q23, growth of 13.0% over 3Q23 and 20.7% over 4Q22. Year to date, income from services and brokerage reached R\$ 2,205 million, an increase of 13.1% compared to 2022.

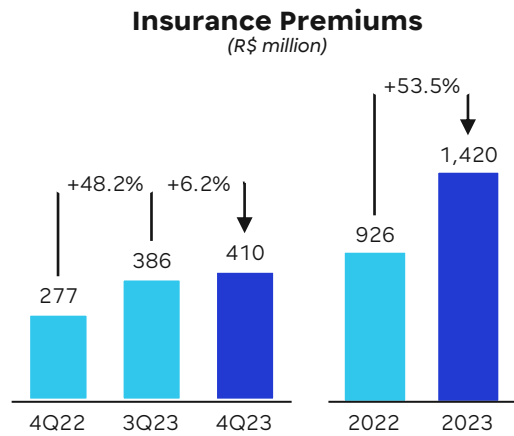
Income from services and insurance fees	4Q22	3Q23	4Q23	2022	2023	Variation %		
						4Q23/3Q23	4Q23/4Q22	2023/2022
Master file registration and appraisal of assets	165	220	247	561	813	12.3	49.5	44.9
Insurance brokerage fees	152	204	222	474	764	8.7	45.7	61.1
Credit cards	100	83	85	389	335	1.8	-15.2	-14.1
Income from guarantees provided	24	23	22	101	91	-4.8	-9.1	-9.8
Management of investment funds	21	-	-	92	7	-	-	-92.5
Commissions on securities placement	27	23	48	128	102	112.1	80.2	-20.1
Banking correspondent (Promotiva)	16	-	-	83	0	-	-	-
Other <sup>1</sup>	32	22	26	121	93	18.5	-20.5	-23.3
<b>Total Income From Services and Insurance</b>	<b>538</b>	<b>575</b>	<b>650</b>	<b>1,950</b>	<b>2,205</b>	<b>13.0</b>	<b>20.7</b>	<b>13.1</b>

## Managerial Results

### Income from Services and Insurance Brokerage

The growth recorded in both comparisons with 2022 (quarterly and annually) was mostly driven by the strong performance in the vehicle financing segment during 2023, with origination recording growth of 24.0% year over year, and with an impact on registration and asset valuation fees.

Another highlight in 2023 was the insurance brokerage fees: we recorded over R\$1.4 billion in underwritten premiums, a 53.5% growth over 2022 and a record at BV's history. As a result, insurance brokerage fees grew by 61.1% vs 2022, reaching R\$ 764 million. In 4Q23, underwritten premiums reached R\$ 410 million, a 6.2% increase vs 3Q22 and 48.2% compared to 4Q22. On top of the record origination of vehicle financing, this performance was also driven by the bank's higher focus on improving the customer experience, with the expansion of contextualized offers, commercial campaigns and investments in the sales force. BV Corretora (the insurance-controlled company) continues to be one of the largest insurance brokers in Brazil, with complete auto insurance options, as well as other types of insurance, such as credit life, home insurance, life and personal accidents, even assistance for pets and funerals, in partnership with the main insurance companies<sup>1</sup> in operation in the country.



The expansion in income from registration and asset valuation fees, and insurance brokerage more than offset the impact of (i) income from the subsidiary Promotiva, which ceased to exist in 2023 due to the sale of all shares carried out in Dec/2022; (ii) income from the management of investment funds, explained by the partial sale of BV DTVM (the wealth management business) in the context of the strategic partnership with Bradesco for the formation of the independent investment firm named Tivio Capital (closing occurred on 28/Feb, so that from this date onwards, the proportional results of BV DTVM were allocated to the line "other revenues" in the managerial income statement); (iii) decrease in commissions from placement of securities due to the lower activity of debt capital markets, reflecting the higher risk aversion during the 1st half of the year in the face of credit events with some relevant companies, and ; (iv) lower income from credit cards due to changes in credit policies to face the more adverse macroeconomic scenario.

### Non-Interest Expenses

Total non-interest expenses (personnel expenses + administrative expenses excluding amortization + other operating expenses/revenues) totaled R\$ 1.3 billion in 4Q23, a 10.5% vs 3Q23 and 22.8% vs 4Q22. Year-to-date, non-interest expenses reached R\$ 4.3 billion, up by 3.4% over 2022. In the last 12 months, official inflation (IPCA) in Brazil accumulated an increase of 4.62%.

**Personnel expenses** reached R\$ 412 million in 4Q23, an increase of 1.8% over 3Q23, mainly driven by the collective agreement approved in September/23. Personnel expenses fell by 1.0% and 5.1% compared to 4Q22 and 2022, respectively. The drop in both comparisons is mainly explained by: (i) reduction in headcount due to our efficiency program, in addition to adjustments made to face the more challenging macroeconomic environment, and; (ii) lower expenses with variable remuneration due to the deterioration of the macroeconomic scenario, which impacted the bank's results.

**Administrative expenses** (excluding depreciation & amortization) totaled R\$ 352 million in 4Q23, an increase of 7.2% compared to 3Q23, mainly explained by marketing expenses which are generally higher in the last quarter of the year. In comparison with 4Q22 and 2022, administrative expenses increased by 6.0% and 3.4%, respectively. In 2023, there was an increase in expenses with specialized technical services, which was offset by a reduction in marketing expenses.

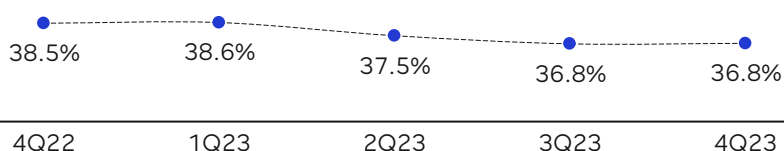
## Managerial Results

### Non-Interest Expenses

Personnel and Administrative Expenses (R\$ mln)	4Q22	3Q23	4Q23	2022	2023	Variation %		
						4Q23/3Q23	4Q23/4Q22	2023/2022
<b>Personnel Expenses</b>	<b>-417</b>	<b>-405</b>	<b>-412</b>	<b>-1,675</b>	<b>-1,589</b>	<b>1.8</b>	<b>-1.0</b>	<b>-5.1</b>
Salaries and profit sharing	(280)	(276)	(284)	(1,172)	(1,081)	2.7	1.3	-7.7
Benefits e social charges	(132)	(122)	(126)	(488)	(493)	3.0	-4.7	1.0
Training	(4)	(6)	(3)	(15)	(15)	-60.5	-40.6	-3.6
<b>Administrative expenses (ex depreciation and amortization)</b>	<b>-332</b>	<b>-329</b>	<b>-352</b>	<b>-1,224</b>	<b>-1,265</b>	<b>7.2</b>	<b>6.0</b>	<b>3.4</b>
Specialized technical services	(114)	(145)	(145)	(444)	(524)	0.1	27.5	17.9
Data processing	(91)	(87)	(92)	(352)	(355)	5.1	0.2	0.9
Judicial and notary public fees	(20)	(28)	(32)	(79)	(103)	13.5	61.6	30.8
Marketing	(39)	(14)	(38)	(159)	(92)	158.9	-4.9	-42.0
Other	(68)	(54)	(46)	(189)	(191)	-14.4	-32.1	0.7
<b>Administrative Expenses Total</b>	<b>(400)</b>	<b>(413)</b>	<b>(450)</b>	<b>(1,478)</b>	<b>(1,600)</b>	<b>8.9</b>	<b>12.6</b>	<b>8.3</b>
Depreciation and amortization	(67)	(84)	(98)	(254)	(335)	15.7	45.1	31.9
<b>Total Personnel + Administrative</b>	<b>(816)</b>	<b>(818)</b>	<b>(862)</b>	<b>(3,153)</b>	<b>(3,189)</b>	<b>5.4</b>	<b>5.6</b>	<b>1.2</b>
<b>Total excluding depreciation and amortization</b>	<b>(749)</b>	<b>(734)</b>	<b>(765)</b>	<b>(2,899)</b>	<b>(2,854)</b>	<b>4.2</b>	<b>2.1</b>	<b>-1.5</b>

The **Efficiency Ratio** ended 4Q23 at 36.8%, in line with 3Q23 and 1.8 p.p. better than 4Q22, reflecting the efficiency agenda implemented by BV over the last few years. It is important to highlight that the current Efficiency Ratio is still impacted by the stronger investments in initiatives aimed at the diversification agenda, customer centrality and efficiency, in line with BV's strategic plan, despite the adverse economic scenario we face in 2023, with an impact in revenue origination.

#### Efficiency Ratio registered an improvement of 1.8 p.p. in 2023



**Other operating income / (expenses)** totaled a net expense of R\$ 494 million in 4Q23, an increase of 24.7% and 85.0% compared to 3Q23 and 4Q22, respectively. Year to date, there was a 16.0% increase in net expenses. In all comparisons, such increase was mostly driven by the higher costs associated with production because of the strong performance in the origination of vehicle financing with records both in 2023 and in 4Q23, in addition to higher expenses with civil and tax contingencies, due to tax provisions reclassified from "possible risk" to "probable risk" in 4Q23.

Other income (expenses) and result from subsidiaries (R\$ mln)	4Q22	3Q23	4Q23	2022	2023	Variation %		
						4Q23/ 3Q23	4Q23/ 4Q22	2023/ 2022
Costs associated with production	(323)	(302)	(380)	(1,125)	(1,218)	26.0	17.7	8.2
Civil and fiscal lawsuits	(11)	(39)	(101)	(93)	(194)	159.9	813.1	108.6
Labor lawsuits	(33)	(25)	(24)	(147)	(148)	-5.0	-27.0	0.6
Results from real estate subsidiaries <sup>1</sup>	4	4	10	15	25	167.8	180.3	62.3
Other	96	(35)	0	129	118	-100.3	-99.9	-8.4
<b>Total</b>	<b>-267</b>	<b>-396</b>	<b>-494</b>	<b>-1,221</b>	<b>-1,417</b>	<b>24.7</b>	<b>85.0</b>	<b>16.0</b>

## Portfolio Quality

### Summary of Credit Portfolio Quality Indicators

The loan 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)	4Q22	3Q23	4Q23
90-day NPL balance	3,461	3,965	3,912
90-day NPL ratio – Total	4.9%	5.5%	5.2%
90-day NPL ratio – Retail	6.2%	6.7%	6.4%
90-day NPL ratio – Auto finance	4.9%	5.2%	5.0%
90-day NPL ratio – Wholesale	0.2%	0.4%	0.4%
Write-off (a)	(681)	(867)	(965)
Credit recovery (b)	130	208	176
Net Loss (a+b)	(551)	(658)	(789)
Net Loss / Credit portfolio – annualized	3.2%	3.7%	4.3%
New NPL	921	982	913
New NPL / Credit portfolio <sup>2</sup> – quarter	1.37%	1.36%	1.27%
ALL balance <sup>3</sup>	5,733	6,128	6,118
ALL balance / Credit portfolio	8.2%	8.5%	8.2%
ALL balance / 90-day NPL balance	166%	155%	156%
AA-C balance	61,751	61,927	64,436
AA-C / Credit portfolio	87.8%	86.1%	86.8%
D-H balance / Credit portfolio	12.2%	13.9%	13.2%

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

NPL over 90 days (over 90) fell by 30 bps in the quarter, to 5.2%, against 5.5% in the previous quarter, with an improvement of 30 bps in Retail, to 6.4%, and stability in the Wholesale portfolio, which remained at 0.4%.

- **Retail;**

Retail's over 90 ended 4Q23 at 6.4%, an improvement of 30 bps over the previous quarter. The improvement reflects the 20 bps drop in the over 90 of the vehicle portfolio, BV's main portfolio, which ended the year at 5.0%, compared to 5.2% in 3Q23, in addition to the improvement also observed in other portfolios, including credit card. In 2023, delinquency rates were impacted by the high-income commitment of families in Brazil, which reached record highs, according to the Central Bank's data. It is important to highlight that at the beginning of 2022 we implemented reviews and adjustments to the credit underwriting policy to face the adverse economic environment. Such revisions began to positively impact on the NPL ratios as more recent vintages have gained greater representation in the credit portfolio.

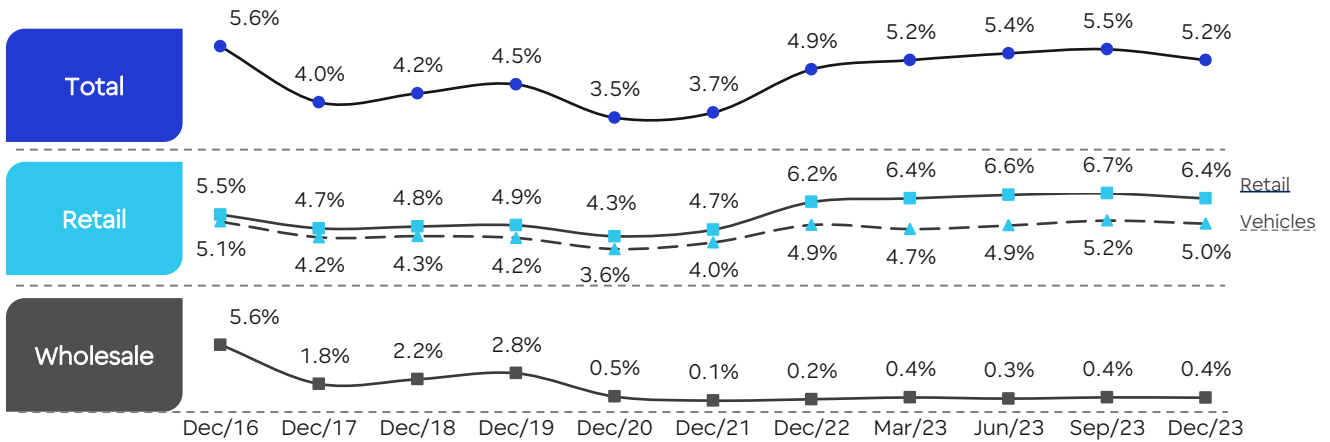
- **Wholesale;**

The over 90 of the Wholesale portfolio remained at a very healthy level, below the historical average, ending the year at 0.4%, in line with the previous quarter. The stability in the indicator, despite the challenging scenario observed in 2023 which affected some companies, reflects the bank's robust and conservative risk management.



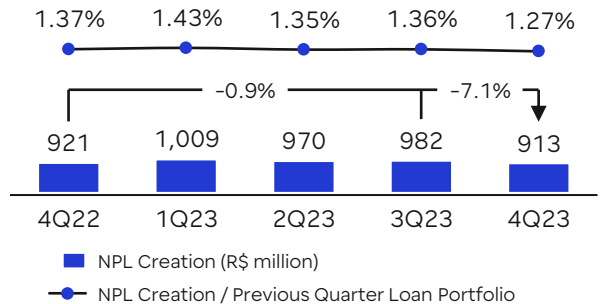
## Portfolio Quality

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



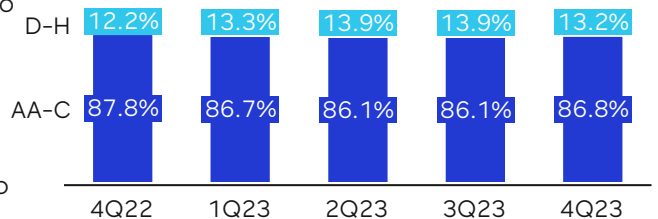
### NPL Creation

NPL Creation totaled R\$ 913 million in 4Q23, decreasing 7.1% compared to the previous quarter and 0.9% compared to 4Q22. NPL Creation on the credit portfolio reached 1.27%, vs 1.36% in 3Q23 and 1.37% in 4Q22. This performance also reflects the improvement in the asset quality of the most recent vintages in the Retail portfolio.



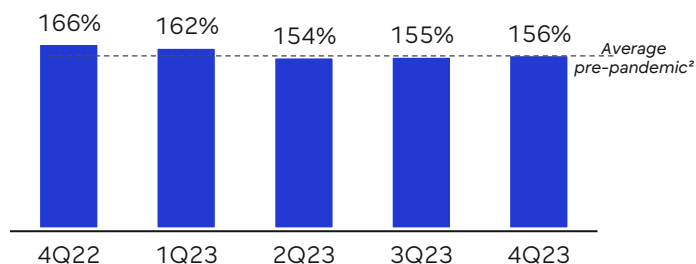
### Credit Portfolio by Risk Level<sup>1</sup> (%)

The balance of the D-H rated portfolio fell 70 bps to 13.2% in 4Q23, compared to 13.9% in 3Q23. This performance was mainly driven by the improvement registered in delinquency rates in Retail, as explained previously. The reviews and adjustments implemented in the credit underwriting policy since the beginning of 2022 aimed to maintain the quality of the credit portfolio at appropriate levels for each segment.



### Coverage Ratio (90 days)

The coverage ratio for outstanding balances over 90 days ended 4Q23 at 156%, in line with the previous quarter and the historical average in the pre-pandemic period. As announced in previous quarters, provision levels were increased in 2020 and 2021 due to the pandemic, and subsequently converged to historic levels. It is important to highlight the bank's focus on secured products: currently, roughly 90% of the Retail portfolio is collateralized.



## Funding and Liquidity

### Funding

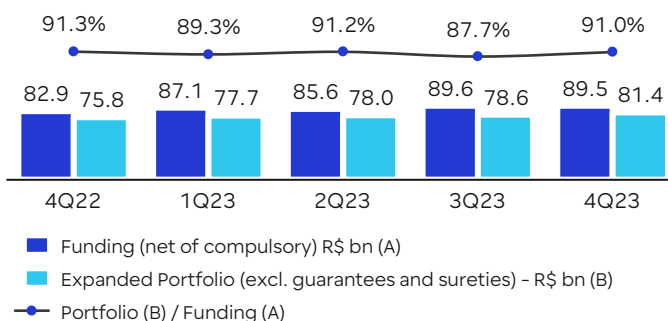
We ended 4Q23 with R\$ 92.7 billion in total funding, growth of 0.8% and 9.1% over 3Q23 and 4Q22, respectively. In the last 12 months, growth is mainly explained by the higher volume of time deposits, credit assignments and financial letters.

Funding Sources (R\$ bn)	4Q22	3Q23	4Q23	Variation %		% Total
				4Q23/3Q23	4Q23/4Q22	4Q23
<b>Financial bills (1)</b>	<b>29.2</b>	<b>30.5</b>	<b>32.0</b>	<b>5.0</b>	<b>9.8</b>	<b>34.5</b>
<b>Deposits</b>	<b>27.6</b>	<b>32.6</b>	<b>33.9</b>	<b>4.0</b>	<b>22.6</b>	<b>36.5</b>
Time deposits	21.8	24.6	26.0	5.8	19.6	28.1
Debentures	1.5	3.1	3.1	1.3	112.4	3.4
Agribusiness credit bills ("LCA") and real estate credit bills ("LCI")	4.4	4.9	4.7	-3.4	7.3	5.1
<b>Securities issued abroad (1)</b>	<b>6.4</b>	<b>6.6</b>	<b>6.5</b>	<b>-0.9</b>	<b>1.9</b>	<b>7.0</b>
<b>Credit assignment (1)</b>	<b>7.4</b>	<b>8.8</b>	<b>10.5</b>	<b>19.2</b>	<b>42.2</b>	<b>11.4</b>
<b>FIDC</b>	<b>3.4</b>	<b>2.0</b>	<b>0.8</b>	<b>-59.8</b>	<b>-75.9</b>	<b>0.9</b>
<b>Borrowings and onlendings</b>	<b>6.6</b>	<b>7.6</b>	<b>5.6</b>	<b>-25.7</b>	<b>-15.5</b>	<b>6.1</b>
<b>Deposits on demand and interbank</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>	<b>-12.0</b>	<b>-28.5</b>	<b>1.3</b>
<b>Capital instruments (1)</b>	<b>2.7</b>	<b>2.6</b>	<b>2.2</b>	<b>-16.7</b>	<b>-19.5</b>	<b>2.3</b>
Subordinated Financing bills	2.1	1.6	1.5	-1.9	-28.2	1.7
Others subordinated debts	0.5	1.0	0.6	-39.0	18.1	0.7
<b>Total funding</b>	<b>85.0</b>	<b>92.0</b>	<b>92.7</b>	<b>0.8</b>	<b>9.1</b>	<b>100.0</b>
(-) Compulsory deposits	2.0	2.4	3.2	32.5	64.8	
(-) Cash & equivalents in local currency	0.0	0.0	0.0	273.5	-38.5	
<b>Total funding net of compulsory</b>	<b>82.9</b>	<b>89.6</b>	<b>89.5</b>	<b>-0.1</b>	<b>7.8</b>	
(1) Stable funding instruments						
<b>Stable funding instruments / Total funding</b>	<b>57.7%</b>	<b>54.9%</b>	<b>56.1%</b>	<b>1.2 p.p.</b>	<b>-1.6 p.p.</b>	
% of funding raised via digital platforms	9.1%	8.7%	8.7%	0.0 p.p.	-0.4 p.p.	

BV's funding structure remains very diversified and has a strategy of deconcentrating maturities and counterparties. Stable funding instruments, with maturities over 2 years, represented 56.1% of total funds raised at the end of 4Q23. Funding raised via digital platforms represented 8.7% of total funding at the end of the quarter.

The relationship between the expanded credit portfolio (excluding endorsements and guarantees) and funding net of compulsory ended 4Q23 at 91.0%, compared to 87.7% in 3Q23 and 91.3% in 4Q22.

### Credit Portfolio / Funding (%)



### Liquidity

Regarding liquidity, BV maintained its free cash at a very conservative level. The LCR<sup>1</sup> (Liquidity Coverage Ratio) indicator, whose objective is to measure the short-term liquidity of banks in a stress scenario, ended 4Q23 at 174%, well above the minimum regulatory limit required by the Central Bank of 100%, which means that BV has enough stable resources available to support losses in stress scenarios. It is worth mentioning that, in addition to healthy liquidity, BV has maintained a standby credit line available with Banco do Brasil since 2009, which represents a significant liquidity cushion and has never been tapped.

## Basel Ratio

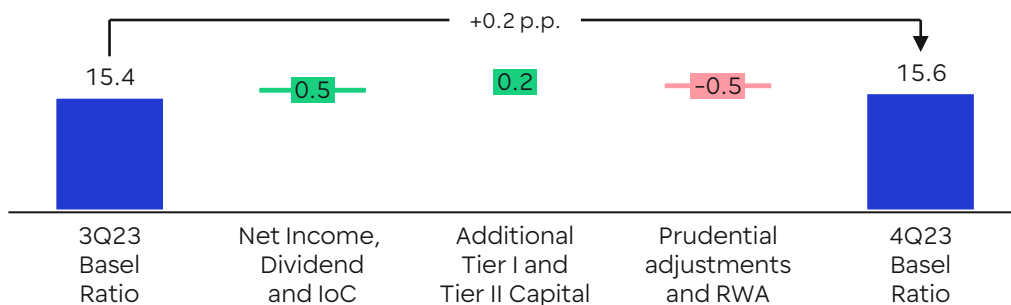
## Prévia

The Basel Ratio reached 15.6% in 4Q23, with 14.4% of Tier I Capital, 13.0% of Core Capital and 1.4% of Additional Tier I. Tier II Capital ended at 1.2%.

Basel Ratio (R\$ mln)	4Q22	3Q23	4Q23	Variation %	
				4Q23/3Q23	4Q23/4Q22
<b>Total Capital</b>	<b>11,361</b>	<b>12,140</b>	<b>12,728</b>	<b>4.8</b>	<b>12.0</b>
Tier I Capital	10,446	11,299	11,722	3.7	12.2
Common Equity Tier I	9,908	10,258	10,600	3.3	7.0
Additional Tier I	537	1,041	1,122	7.8	108.7
Tier II Capital	916	842	1,006	19.5	9.9
<b>Risk Weighted Assets (RWA)</b>	<b>79,549</b>	<b>78,904</b>	<b>81,345</b>	<b>3.1</b>	<b>2.3</b>
Credit risk	71,566	71,266	73,623	3.3	2.9
Market risk	687	552	636	15.2	-7.5
Operational risk	7,295	7,086	7,086	0.0	-2.9
<b>Minimum Capital Requirement</b>	<b>6,364</b>	<b>6,312</b>	<b>6,508</b>	<b>3.1</b>	<b>2.3</b>
<b>Tier I Capital Ratio</b>	<b>13.1%</b>	<b>14.3%</b>	<b>14.4%</b>	<b>0.1 p.p.</b>	<b>1.3 p.p.</b>
Common Equity Tier I Ratio (CET1)	12.5%	13.0%	13.0%	0.0 p.p.	0.5 p.p.
Additional Tier I Ratio	0.7%	1.3%	1.4%	0.1 p.p.	0.7 p.p.
<b>Tier II Capital Ratio</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>0.1 p.p.</b>	<b>0.0 p.p.</b>
<b>Basel Ratio (Capital/RWA)</b>	<b>14.3%</b>	<b>15.4%</b>	<b>15.6%</b>	<b>0.2 p.p.</b>	<b>1.3 p.p.</b>

In the quarterly comparison, the Basel Ratio registered an increase of +0.2 p.p., mainly explained by (i) net income generation in the quarter, with an impact of +0.8 p.p.; (ii) declaration of Interest on Capital (IoC), with an impact of -0.3 p.p.; (iii) increase in Additional Tier I and new issuances of Tier II capital, with an impact of +0.2 p.p., and; (iv) increase in risk-weighted assets and prudential adjustments, with an impact of -0.5 p.p..

### Basel Ratio: 4Q23 vs 3Q23



In comparison with 4Q22, the Basel Ratio increased by +1.3 p.p., with a variation of +0.4 p.p. in CET1 and +0.8 p.p. in the Additional Tier I, mainly driven by: (i) Net income generation in the period, and; (ii) new issuances of Additional Tier I, partially offset by declaration of IoC, higher prudential adjustments and increase in risk-weighted assets. Tier II Capital maintained the same level.

At the end of 4Q23, the minimum capital requirement was 10.50%, with 8.50% being the minimum for Tier I Capital and 7.00% for Core Capital (CET1).

## Rating and Governance

### Rating

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 capped by Brazil's sovereign rating, currently at Ba2 (stable) by Moody's and BB (stable) by S&P.

Rating Agencies	Global Scale	National Scale	Perspective	Last Update
Standard & Poor's	BB	AAA	Stable	Dec/23
Moody's	Ba2	AA	Stable	Dec/23

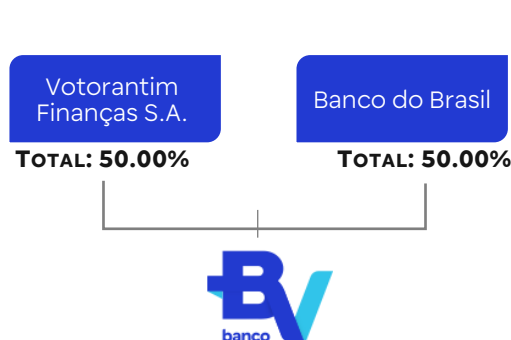
In December-2023, S&P upgraded BV's rating on a global scale, going from BB- to BB with stable outlook. The rating action accompanied the upgrade of the sovereign rating, also from BB- to BB. Still in December-2023, Moody's reaffirmed BV's rating on global and national scales.

### Governance

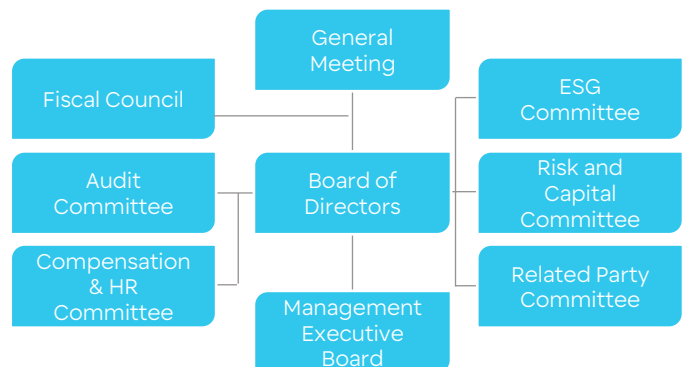
Banco BV has an organizational structure that complies with the legislation and regulations in force in Brazil and is aligned with the best corporate governance practices in the market, maintaining our commitment to the principles of transparency, equity, accountability and corporate responsibility. Moreover, we adopt good practice standards in line with Anti-Corruption and Social, Environmental and Climate Responsibility Laws.

The ownership control of Banco BV is shared between the shareholders Votorantim Finance S.A., the financial holding company of the Votorantim Group, and Banco do Brasil S.A., one of the largest financial institutions in the country, who have equal participation in the Board of Directors, its governing bodies, as well as the Fiscal Council. In addition to these bodies, the General Shareholders' Meeting, the Executive Board and the Executive Committee are also part of the bank's corporate governance.

#### Shareholding Structure



#### Governance Bodies



The Board of Directors is made up of 07 (seven) members, 03 (three) members being appointed by each of the controlling shareholders and 01 (one) independent member. The decisions of the Board of Directors are taken by an absolute majority, with no casting vote.

At the General Meeting held in April 2023, the members nominated by the shareholders were elected and, in August of the same year, the independent member was elected, all with a mandate until the Ordinary General Meeting to be held in 2025.

