



Earnings Release

3Q23



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Earnings Release 3Q23

Highlights / Strategy / Businesses / Managerial Results / Portfolio Quality
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3Q23 Highlights

Resilience

in the core business...

Recurring
Net Income
R\$ 285 mln
▲ 0.4% vs 2Q23

Recurring
ROE
9.0%
- in 2Q23

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

Large, Corporate and Financial Institutions

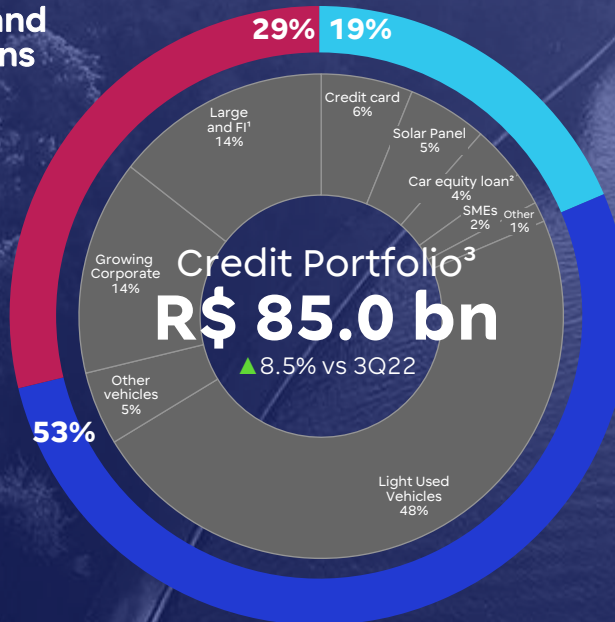
3Q23
R\$ 24.5 bn

▼ 3.9% vs 2Q23 ▲ 6.6% vs 3Q22

Auto Finance

3Q23
R\$ 44.7 bn

▲ 4.3% vs 2Q23 ▲ 9.8% vs 3Q22



Growth

3Q23
R\$ 15.8 bn

▼ 3.8% vs 2Q23 ▲ 8.1% vs 3Q22

Credit card
R\$ 5.2 bn
▼ 7.3% vs 2Q23
▼ 6.1% vs 3Q22

Solar panel
R\$ 4.5 bn
▼ 2.4% vs 2Q23
▲ 10.4% vs 3Q22

Car equity loan
R\$ 3.1 bn
▲ 10.8% vs 2Q23
▲ 69.6% vs 3Q22

SME
R\$ 1.9 bn
▲ 6.0% vs 2Q23
▲ 15.7% vs 3Q22

....Solid **balance sheet** and efficient risk management

NPL Ratio
(90 days)

5.5%

▲ 0.2 p.p. vs 2Q23 ▲ 0.8 p.p. vs 3Q22

Coverage Ratio

155%

vs 154% no 2Q23 vs 179% no 3Q22

Liquidity Ratio² (LCR)

176%

vs 182% no 2Q23 vs 225% no 3Q22

Basel Ratio

15.3%

▲ 0.6 p.p. vs 2Q23 ▼ 1.7 p.p. vs 3Q22

3Q23 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 17 of this report.

MAIN FINANCIAL INFORMATION	3Q22	2Q23	3Q23	9M22	9M23	Δ %		
						3Q23/2Q23	3Q23/3Q22	9M23/9M22
MANAGERIAL INCOME STATEMENT (R\$ mln)								
Revenues – Total (i + ii)	2,468	2,619	2,752	7,366	7,856	5.1%	11.5%	6.7%
Gross financial margin (i)	1,937	2,126	2,177	5,954	6,302	2.4%	12.4%	5.8%
Income from services and brokerage (ii)	531	494	575	1,412	1,554	16.4%	8.3%	10.1%
Cost of Risk	(781)	(1,034)	(1,149)	(2,074)	(3,367)	11.1%	47.1%	62.4%
Personnel and administrative expenses	(804)	(760)	(818)	(2,337)	(2,327)	7.6%	1.7%	-0.4%
Recurring Net Income	387	284	285	1,187	852	0.4%	-26.2%	-28.2%
BALANCE SHEET (R\$ mln)								
Total Assets	128,170	138,418	135,010	128,170	135,010	-2.5%	5.3%	5.3%
Expanded loan portfolio	78,290	84,762	84,978	78,290	84,978	0.3%	8.5%	8.5%
Wholesale Segment	24,561	27,207	26,313	24,561	26,313	-3.3%	7.1%	7.1%
Retail Segment	53,729	57,555	58,664	53,729	58,664	1.9%	9.2%	9.2%
Funding	82,812	87,873	92,010	82,812	92,010	4.7%	11.1%	11.1%
Shareholders' equity	14,693	13,773	13,558	14,693	13,558	-1.6%	-7.7%	-7.7%
Basel ratio (%)	17.0%	14.7%	15.3%	17.0%	15.3%	0.6 p.p.	-1.7 p.p.	-1.7 p.p.
Tier I Capital Ratio (%)	15.8%	13.5%	14.6%	15.8%	14.6%	1.1 p.p.	-1.3 p.p.	-1.3 p.p.
Common Equity Tier I (%)	13.0%	12.6%	13.2%	13.0%	13.2%	0.6 p.p.	0.2 p.p.	0.2 p.p.
MANAGERIAL INDICATORS (%)								
Return on Average Equity ¹ (ROAE)	12.6%	9.0%	9.0%	13.3%	9.0%	0.0 p.p.	-3.7 p.p.	-4.3 p.p.
Return on Average Assets ² (ROAA)	1.2%	0.8%	0.8%	1.3%	0.9%	0.0 p.p.	-0.4 p.p.	-0.4 p.p.
Net Interest Margin ³ (NIM) - Clients	10.0%	9.7%	9.9%	10.2%	9.8%	0.2 p.p.	-0.1 p.p.	-0.4 p.p.
NIM Clients adjusted ⁴	10.0%	9.7%	9.6%	10.2%	9.7%	-0.1 p.p.	-0.4 p.p.	-0.5 p.p.
Net Interest Margin ⁵ (NIM) - Clients + Market	7.0%	7.0%	7.3%	7.3%	7.1%	0.2 p.p.	0.3 p.p.	-0.2 p.p.
Efficiency Ratio (ER) ⁶ – Last 12 months	39.4%	37.8%	37.1%	39.4%	37.1%	-0.7 p.p.	-2.3 p.p.	-2.3 p.p.
NPL 90-days	4.8%	5.4%	5.5%	4.8%	5.5%	0.2 p.p.	0.8 p.p.	0.8 p.p.
Coverage Ratio (NPL 90-days)	179%	154%	155%	179%	155%	0.5 p.p.	-24.2 p.p.	-24.2 p.p.
ADDITIONAL INFORMATION								
Employees ⁷ (quantity)	4,620	4,255	4,295	4,571	4,295	0.9%	-7.0%	-6.0%

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.

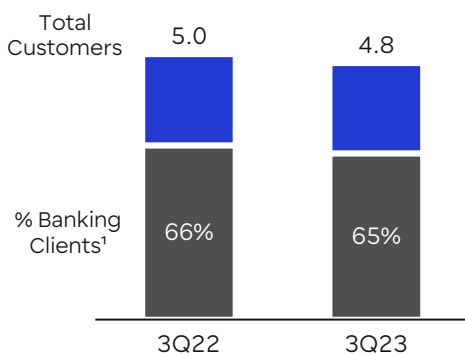
Strategy

Digital Bank

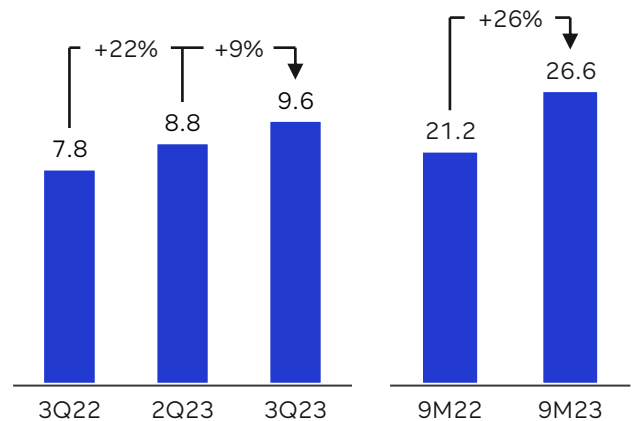
Obtaining principality from our customers is the focus of our Digital Banking strategy. To achieve our goal of becoming the main bank for customers, we need to know each customer's profile to offer a better value and product proposition, according to individual needs. Therefore, the search for engagement based on products and differentiated experience are key

In our relational strategy, we advanced in the integrated offer for our 4.8 million individual customers at the end of the quarter, 65% of which are digital bank customers (banking clients¹). The stability observed in the growth of the customer base reflects our focus on seeking the engagement and principality of our core clients (BV's consumer finance clients), with an expansion of the offer of products and services in the app, together with the continuous improvement of the customer experience. One of the engagement metrics, the total payment volume ("TPV"), continues to evolve and reached R\$9.6 billion in 3Q23, growth of 22.2% compared to 3Q22 and 9.1% compared to 2Q23. Year-to-date, TPV totaled R\$ 26.6 billion, growing 25.7% over the same period of the previous year.

Individual Clients and % of Banking Clients¹
(in mln and %)



Total Payment Volume² (TPV)
(in R\$ bn)



Engagement and customer experience go hand in hand in the pursuit of principality. Therefore, thinking about the opportunity to bring our products closer to families, we launched the Additional BV Card with no annual fee for people over 16 years old. Now, teenagers can count on a credit card with a limit and exclusive benefits shared with the holder, in addition to providing financial education to their children, teaching them how to use, organize and take better care of their money.

We also cannot fail to talk about safety, which is one of our priorities. Our app gained a new functionality to provide more protection and ease in the daily lives of our customers: the Security Menu. Through it, it is possible to find the Show Password (transactional) functionality in the menu, one of the main topics reported in the ombudsman, and other security options in a single place, thus offering greater peace of mind for users.

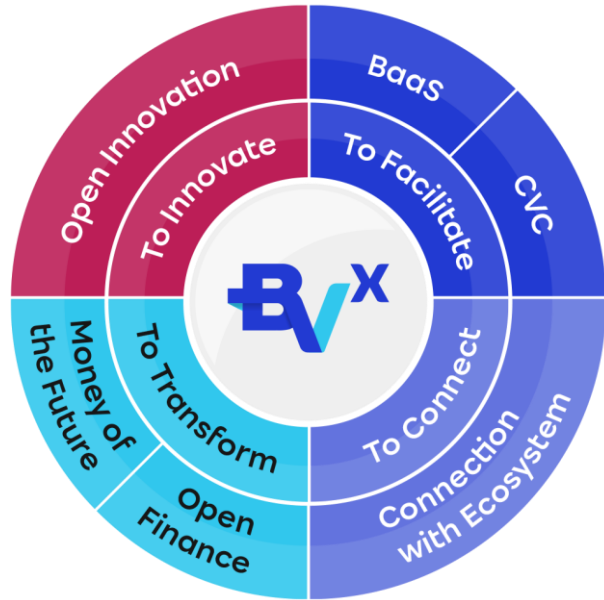
We remain committed to achieving our objective of obtaining the principality of our customers, seeking to improve the user experience, offering differentiated products and services, in addition to security and financial education.

Strategy

BVx: BV's Innovation Ecosystem and Digital Partnerships

BVx is a movement towards business strategy continuity, which is consolidated in BV's ecosystem of innovation and digital partnerships. 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.

Our ecosystem of innovation and digital partnerships (BVx) is made up of six distinct areas of activity: (i) BaaS (Banking as a Service); (ii) CVC (Corporate Venture Capital); (iii) Connection with the Ecosystem; (iv) Open Finance; (v) Money of the Future; 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.



Digital Partnerships

On this front, we have digital partnerships for co-creation and lead/distribution of products that aim to optimize processes and adapt increasingly innovative and modern solutions. Through digital partnerships, we expand our portfolio of solutions and reach new audiences to offer our financial products and services.

Since the beginning of the partnership with Google Cloud in 2021, we have been using data intelligence to implement a FinOps model based on Google Cloud solutions, which has generated remarkable results. Among the results obtained, we highlight scalability, operational efficiency, transparency and cost optimization.

In 3Q23, we were awarded the "Customer Award 2023" in the Financial Services category by the Google Awards, a recognition that proves our prioritization of customer centrality and commitment to collaborating with technological innovation. The awards were the result of a series of successful projects from companies around the world, such as launching new applications and features to improve the customer experience, leading complex migrations and business transformations, and using automation to increase security.

Finally, we advanced in the partnership with Méliuz announced in December 2022, which aims to strengthen our skills in attracting and engaging customers. At the end of 3Q23, we reached 280 thousand BV digital accounts and 20 thousand credit cards issued. For 4Q23, we are focused on the migration of accounts and cards from the legacy Méliuz operation, in addition to starting to offer new BV products on the Méliuz app and developing the Méliuz white label e-commerce mall within our BV digital banking experience.

BaaS (Banking as a Service)

Banking as a Service is the functionality that aims to simplify the integration of financial services and solutions for customers in a safe and efficient way, contributing significantly to Banco BV's revenue diversification strategy. Applying the concept of "BaaS", our platform offers customers a secure infrastructure to carry out transactions through APIs (Application Programming Interface).

Strategy

BVx: BV's Innovation Ecosystem and Digital Partnerships

At the end of 3Q23, 76 partners from different sectors such as education, energy, health and e-commerce were connected to our BaaS platform, reaching a total payment volume¹ (TPV) of more than R\$ 110 billion year-to-date, growth of 15% over the same period in 2022. Additionally, in October we obtained approval from the Central Bank of Brazil for the change of corporate control from Bankly to BV, which will further strength our Banking as a Service strategy.

CVC (Corporate Venture Capital)

BV's CVC front is committed to facilitating investments in strategic partnerships that can contribute to the advancement of banking services and customer centricity. At the end of 3Q23, we had 10 invested companies, which aim to reinforce and diversify our products, operating in different segments, including e-commerce, solar energy marketplace, buy now pay later, insurtech, open finance, among others.

Connection with the Ecosystem

When we talk about Connection with the Ecosystem, our focus is to collaborate with initiatives that impact the market through constant presence at main events, interaction with ecosystem agents and development of innovation programs with our employees.

In 3Q23, we were present at the main innovation ecosystem events - Hacktown, Startup Summit, SVWC and Fintouch - not only as participants to follow trends, but also on stage as guests to talk about business, innovation and technology.

Open Finance

On the Open Finance front, our goal is to transform the best opportunities for customers through data sharing. This quarter we managed to innovate and offer a unique investment experience through Open Finance, allowing our clients to make investments in CDBs (time deposits) with funds from other institutions. This journey begins with the client being encouraged to invest in BV. When choosing the CDB, the customer can see the balances available in their accounts at other institutions. Open Finance offers a simple and secure investment experience, allowing customers to invest with funds from other institutions in just a few steps.

Money of the Future

Our focus on the Money of the Future front is to transform financial services through the digitalization of money and involvement in the main agendas of the country's financial market. Our relationship with Real Digital is innovative, we are pioneers in the implementation of Real Digital and have already carried out more than 100 transactions with real tokens, whether digital real or tokenized real and securities, in addition to being one of the first institutions to carry out purchase and sale transactions of tokenized public securities.

Open Innovation

Through this front, we seek to innovate with solutions for startups to diversify the business and co-create new products at Banco BV. We were honored to be recognized in the 100 Open Startups Ranking, which awards the most attractive startups to the market and the 100 leading companies in promoting open innovation. It was with pride that we saw BV appear among the 10 largest Open Corps in the general ranking, reaching first place in the banks category.



Strategy

Client Centricity

Since 2019, we began our journey of repositioning the brand, with the aim of developing and strengthening an entrepreneurial culture that emphasizes the commitment to taking care of our customers and offering them high-quality support. Now, we move on to a new challenge: to be recognized as a customer-oriented bank.

To achieve this, we are in a process of evolution, which involves structural and mindset changes. We carried out a redesign movement to rethink the way we work and redesign our processes, enabling us to act as a customer-oriented bank. Therefore, our objective is to integrate the customer journey and evolve the value proposition of our products.

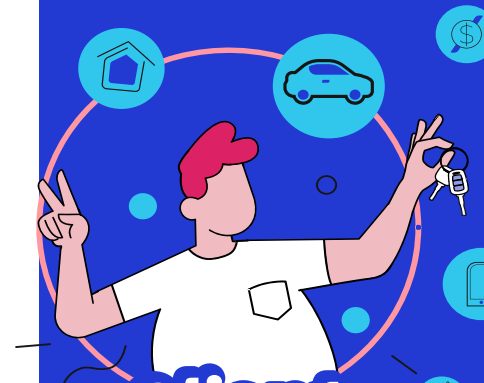
This entire movement also reinforces our strategy of strengthening our core businesses, advancing a more complete banking offering and becoming a more relational company, in addition to seeking, in the medium and long term, new businesses to diversify our portfolio.

We have also established a strong relationship with the innovation ecosystem, being highly recognized for bringing innovation to customers, improving our relationship with the use of technologies aimed at improving channels, training service teams and offering contextualized and personalized products and services.

As a result of these transformations, we have continually been among the banks with the lowest complaint rates in the Central Bank ranking. On the Consumidor.gov.br platform, we obtained the second-best service rating in the banking sector, ending 3Q23 also occupying 2nd position in relation to resolution among the country's large banks, with a solution rate above the market average.

Furthermore, the transactional NPS (Net Promoter Score) in various interaction channels with our customers have been improving overtime. These advances are a reflection of improvements in the customer experience when using the BV app and in the conduct of customer service for a highly specialized team, which implements continuous improvement actions, increasing resolution and assertiveness in the customer service channel. In customer service, we ended 3Q23 with an average NPS of 77, compared to 73 in 3Q22. In the collections area, the average NPS was 76 in 3Q23, compared to 72 in 3Q22. Finally, our ombudsman NPS has remained in the zone of excellence in every month of 2023, ending 3Q23 at 91, an increase of 7 points compared to the same period in 2022.

And, in order to further improve our customers' experience, we participated in Intersolar, the largest solar energy event in Latin America. The event was the perfect opportunity to bring together experts, professionals and companies in the sector, in addition to getting a closer look at the latest innovations, technologies and trends for solar energy. And what is the impact on our customers? BV is a leader in financing solar panels for retail in Brazil, with a competitive offer and flexible conditions, making investment in solar energy more accessible and attractive for homes, condominiums, businesses and even mobility. Finally, Intersolar was the perfect opportunity to strengthen ties with integrators, showing that one of our biggest differentiators is dedicated and humanized service.



Client Centricity

NPS

Customer Service

77 vs 73 in 3Q22

NPS

Collection

76 vs 72 in 3Q22

NPS

Ombudsman

91 vs 84 in 3Q22

Strategy

ESG Agenda



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”. On it, we assumed 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. In 3Q23, we highlighted the following initiatives and achievements within our ESG agenda:

We Compensate 100% of the CO2 Emitted by the Vehicles we Finance

Since January 1, 2021, all vehicles financed by BV have had their CO2 emissions compensated. By September 2023, more than 3.4 million tons of CO2 have been offset, resulting in a significant impact on reducing greenhouse gas emissions.

BV Greenhouse Gas Emissions Inventory

We have finalized the inventory of our own greenhouse gas emissions for the year 2022, where we have 3.3 thousand tons of emissions that will be offset still in 2023.

Fostering Sustainable Business

In line with our commitment to boosting the sustainable economy, from the beginning of 2021 until the end of 3Q23, we originated and distributed R\$19.7 billion to ESG businesses in the retail and wholesale sectors. Our goal is to reach R\$ 80 billion until 2030.

Taís Araujo ESG Campaign

Our ambassador Taís Araujo has been working to raise awareness of the ESG theme, talking about the importance of social and environmental responsibility in building a better future, in addition to sharing content about BV's ESG agenda on our social networks.

Strategy

ESG Agenda

BV Sports

For us, investing in sports development means investing in a more equal future. It is in sport that values such as socialization and respect are promoted, enabling achievements and transforming the lives of everyone involved. In this way, we have a strong presence in supporting institutions and social projects that bring sport into people's lives. We currently support 10 social projects by renowned athletes and former athletes.

Furthermore, BV has long believed in and supported Brazilian skateboarding. We have invested over the years in renovating tracks, supporting athletes and sponsoring major events, such as STU, Street League, PAM AM and the Amateur Bowl League and, during 3Q23, we were present at major events:

In September, we sponsored a stage of the STU National (Skate Total Urbe), an event that is part of the professional Brazilian circuit and which was attended by athletes sponsored by BV.

In July, the second stage of PAM AM took place, an amateur skateboarding championship in the street mode created by Pamela Rosa, an athlete sponsored by BV. The championship offered opportunities to young athletes, in addition to serving as an important incentive for the sport, and also helped two athletes to start their professional careers.

Also in July, Belo Horizonte hosted a stage of the Bow Amateur League, an amateur skate park event, and a stage of the Mini Ramp Pro Attack, both sponsored by BV.

Thus, BV has been contributing to the development of Brazilian skateboarding, encouraging the practice of the sport and providing opportunities for young athletes.

Finally, we were present at one of the biggest investment fairs currently and we took there our commitment to a lighter future for our employees, customers and society, by promoting sport as a tool for social transformation. We had the presence of three BV athletes on our stand: Diego Hypólito, from Instituto Hypólito, Flávio Canto, from Instituto Reação, and Marcelinho Machado, from Instituto M4 no Esporte, stopped by to chat with us and tell us a little more about the importance of our support for the lives of hundreds of people.



Partnership for the Valorization of Education (PVE)

The Votorantim Institute, with the support of BV and other Votorantim S.A. investees, has been working on an important initiative that aims to strengthen the professional skills of educational, school and social mobilization managers, to accelerate the learning levels of students and students of municipal public education. Throughout its history, the program has reached 974 schools, spread across 12 Brazilian states and in 45 different cities, impacting 1,311 people. In this way, we have sought to contribute to the improvement of education in the country, expanding children and adolescents' access to knowledge.

Volunteer Challenge, we came to transform

With the aim of further enhancing the projects supported by BV, volunteer collaborators came together to carry out a series of actions in the institutes supported by BV Sports. These events aimed to provide greater interaction between employees and athletes who receive support from the bank, in addition to serving as a stimulus for projects to achieve good results. During the actions, employees were able to meet and share experiences with the athletes, in addition to contributing to the projects becoming increasingly successful

Businesses

Diversified Business Portfolio

Auto Finance

- **Leadership** in light used vehicles
- **Capillarity:** +25,000 car dealers; digital partners
- **Innovation and digital transformation**
- **100% digital** hiring mat
- **96%** automatic analysis

Leadership in financing for light used vehicles

Growing Corporate, Large e FI¹

Corporate Banking:

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

12.1% expansion in the Growing Corporate segment vs 3Q22

Growth

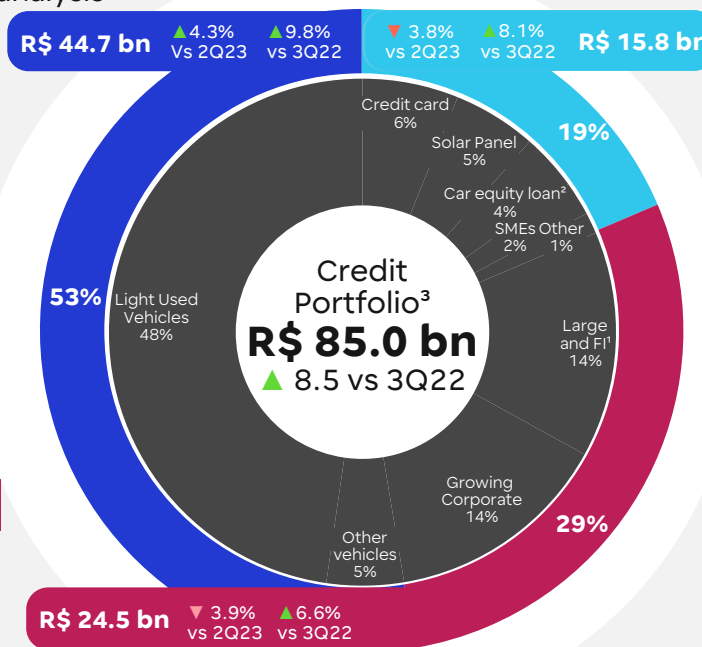
Credit card: card portfolio includes BV Livre, BV Mais and BV Único. Mastercard, Visa and Elo flags.
▼ 6.1% vs 3Q22

Solar Panel: leadership in the segment.
▲ 10.4% vs 3Q22

SME: focus mostly on pre-payment of receivables
▲ 15.4% vs 3Q22

Car equity loan²: segment leadership
▲ 69.6% vs 3Q22

Other loans: personal credit, private payroll, medical procedures, FGTS loan⁴



BV Open Platform

Through Banking as a Service, we facilitate the integration of financial services and solutions for customers in a safe and efficient way

76 partners and + R\$ 110 billion in TPV in 9M23



BV consolidates and concentrates all innovation initiatives and digital partnerships in the BVx ecosystem, operating on the following fronts: (i) BaaS (Banking as a Service); (ii) CVC (Corporate Venture Capital); (iii) Connection with the Ecosystem; (iv) Open Finance; (v) Money of the Future; and (vi) Open Innovation

Businesses

Credit Portfolio

The expanded credit portfolio grew by 8.5% compared to 3Q22, reaching R\$85.0 billion at the end of 3Q23. The Retail segment expanded by 9.2%, while the Wholesale segment grew by 7.1%. Compared to the previous quarter, the credit portfolio grew 0.3%, with an expansion of 1.9% in Retail and a drop of 3.3% in Wholesale.

Credit portfolio (R\$ mln)	3Q22	2Q23	3Q23	Δ %	
				3Q23/2Q23	3Q23/3Q22
Retail segment (a)	53,729	57,555	58,664	1.9	9.2
Auto finance	40,726	42,876	44,723	4.3	9.8
Solar panels and other loans	7,462	9,064	8,736	-3.6	17.1
Credit Cards	5,541	5,615	5,206	-7.3	-6.1
Wholesale segment (b)	13,650	14,460	13,293	-8.1	-2.6
Growing corporate	7,441	7,229	6,784	-6.2	-8.8
Large corporate + financial institutions	4,598	5,480	4,653	-15.1	1.2
Small and mid-size enterprise (SME)	1,610	1,751	1,856	6.0	15.3
On-balance loan portfolio (a+b)	67,379	72,016	71,957	-0.1	6.8
Wholesale segment (b+c+d)	24,561	27,207	26,313	-3.3	7.1
Guarantees provided (c)	6,664	6,756	6,400	-5.3	-4.0
Private securities (d)	4,247	5,991	6,621	10.5	55.9
Retail segment (a)	53,729	57,555	58,664	1.9	9.2
Expanded credit portfolio (a+b+c+d)	78,290	84,762	84,978	0.3	8.5

The growth of 8.5% vs 3Q22 in the credit portfolio (expanded) further reinforces the resilience of our business in a challenging macroeconomic scenario. Vehicle financing, our core business, recorded growth of 9.8% in the period, reflecting the recovery in demand and our expertise in the segment. Still in retail, we highlight the progress in the diversification agenda, highlighting the solar panels and Car equity loan portfolios, segments in which BV has been consolidating its leadership, with expansion of 10.4% and 69.6% vs 3Q22, respectively. In wholesale segment, the 7.1% growth reflects our strategy of prioritizing the growing corporate segment, focusing on greater diversification, spreading the risk and improving profitability. The expanded portfolio in the growing corporate segment registered growth of 12.1% in relation to the same period of the previous year, while the SME portfolio grew 15.3%, in line with our expansion strategy, but in a more cautious way with a focus on secured products (prepayment of receivables).

Compared to 2Q23, the more moderate growth observed reflects the greater selectivity in relation to granting credit, with a focus on secured products and our relational approach aimed at our core client (BV consumer finance clients). Vehicle financing recorded an expansion of 4.3% in the period, growth that was offset by the 7.3% drop in the credit card portfolio, an unsecured product, which we are being more selective in granting as mentioned.

At the end of 3Q23, vehicle financing, our core business, represented 52.6% of the total credit portfolio, a slight decrease compared to 52.0% in 3Q22. Wholesale (Growing Corporate + Large Corporate + FI) represented 28.8% (29.3% in 3Q22), while the Growth portfolio was responsible for 18.6% of the credit portfolio (18.7% in 3Q22).

Businesses

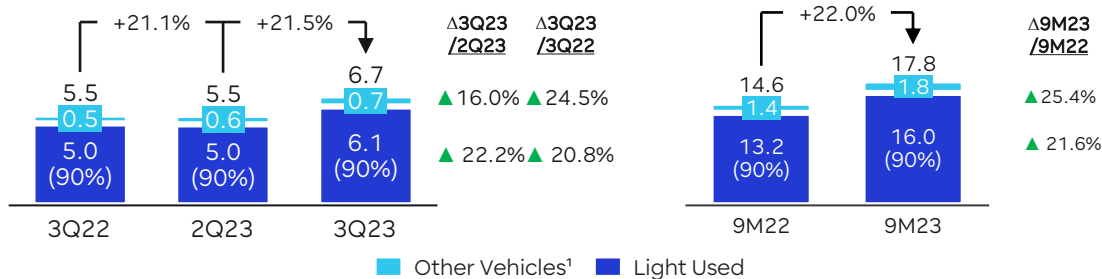
Auto Finance

The vehicle sales segment in Brazil, despite still facing macroeconomic challenges, such as the high commitment of family income and high interest rates, showed signs of recovery throughout the year. Data from B3 reveal that, in the nine months of 2023, the sector showed growth of 4.3%, highlighting the new light vehicle segment, which grew 15.5%. On the other hand, the used light vehicle segment showed a more moderate growth of 1.9%.

The market recovery was positively reflected in BV's vehicle financing origination, which reached R\$6.7 billion in 3Q23, growth of 21.5% and 21.1% over 2Q23 and 3Q22, respectively. The improvement was observed both in the used light segment (+22.2% vs 2Q23 and +20.8% vs 3Q22), and in other vehicles¹ (+16.0% vs 2Q23 and +24.5% vs 3Q22). Year-to-date, origination reached R\$17.8 billion, 22.0% higher than the same period in 2022, with growth of 21.6% in used light vehicles and 25.4% in other vehicles¹. Once again, we ended the quarter leading the used light vehicle financing. However, we remain cautious in the origination given the still challenging macro scenario and high interest rates.

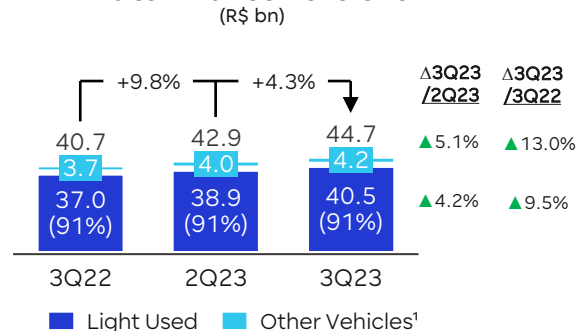
Auto Finance Origination

3Q23			2Q23		3Q22		9M23		9M22	
28.1%	27.6%	26.4%	27.6%	27.5%	Average Rate (% y.y.)					
43%	44%	44%	43%	44%	Down payment ² (%)					
48	48	48	48	48	Average term (months)					



The auto financing portfolio ended the third quarter of 2023 at R\$44.7 billion, an increase of 4.3% compared to the previous quarter and 9.8% in the last 12 months. The used light vehicle portfolio represented 91% of the vehicle portfolio at the end of 3Q23 and recorded growth of 4.2% and 9.5% compared to 2Q23 and 3Q22, respectively. On the other hand, the portfolio of other vehicles¹ grew 5.1% compared to 2Q23 and 13.0% compared to 3Q22, reflecting the recovery of the vehicle financing market in the period.

Auto Finance Portfolio



100% Digital Customer Experience

BV operates with a 100% digital vehicle financing contracting process, from financing simulation, through credit analysis and contract signing. In addition to our own digital channels, including the BV website and the Meu Carro Novo portal, we also operate with partners such as SóCarrão and Karvi, which contribute to expanding access to prospect clients.

Year to date, 18.4 million car financing simulations were carried out on our digital channels, retailer partners and digital partners, growth of 2.4% compared to the same period in 2022.

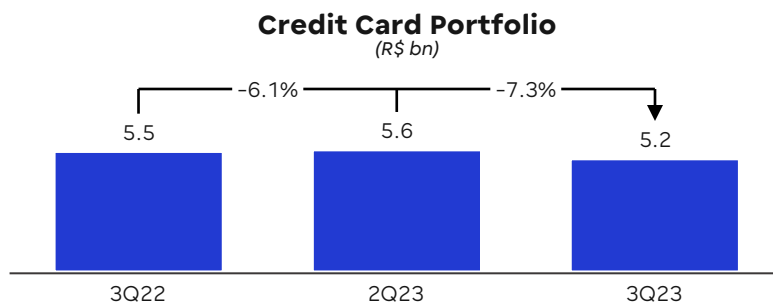
Businesses

Credit Card

Throughout the third quarter, we improved our concession models and policies, which allowed for greater assertiveness in customer selection and credit risk management. The new approach combines market and internal data to assess the customer's risk level and define the credit limit available on the card that is appropriate to their profile, in such a way that we can optimize both capital allocation and the financial return of this product. To guarantee the security and quality of the portfolio, we have practiced greater selectivity in issuing new cards and have been more conservative in granting limits, maintaining focus on the strategy of prioritizing our core customers (BV consumer finance clients).

Furthermore, we improved the digital channel as the main originator of new customers, responsible for 54% of credit card origination in 3Q23, which reinforces our positioning in digital media and contributed for a lower customer acquisition cost (CAC). We also evolved in the experience and service on our digital channels, with focus on improving the invoice experience, offering insurance and the option to view the card password in the app, in addition to the additional BV card with no annual fee for those over 16 years of age.

As a result, the card credit portfolio reached R\$ 5.2 billion, a drop of 6.1% compared to 3Q22 and 7.3% compared to the previous quarter. This performance reflects our discipline, focus on portfolio management and conservatism given the still challenging economic scenario.



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 (loan with vehicle as collateral), FGTS Loan¹, Health Financing, Student loan, Private Payroll and Personal Loan.

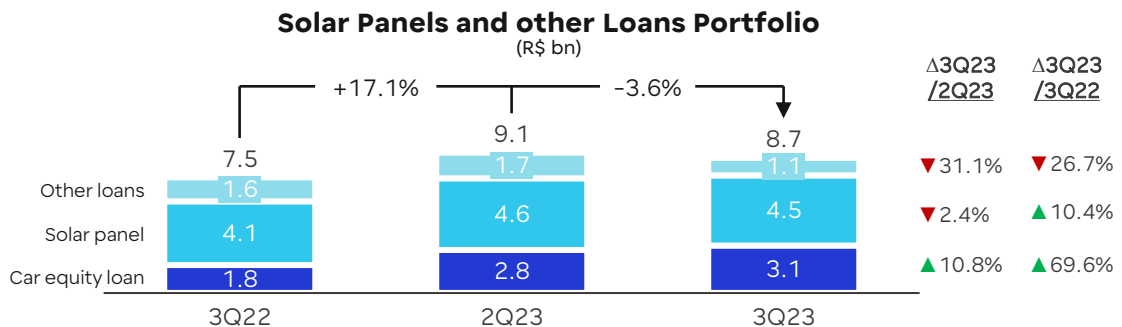
The Solar Panels and Other Retail Loans portfolio reached R\$ 8.7 billion at the end of 3Q23, representing an increase of 17.1% compared to 3Q22 and a drop of 3.6% compared to 2Q23. Highlight for the Car equity loan portfolio, a segment in which BV is the market leader, which reached R\$ 3.1 billion, growth of 10.8% over the previous quarter and 69.6% in the last 12 months.

As expected, the solar financing portfolio presented a more moderate growth in 2023, mainly due to 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 minor, 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

The solar panel financing portfolio reached R\$4.5 billion at the end of 3Q23, down 2.4% compared to 2Q23 and expanding 10.4% compared to 3Q22.



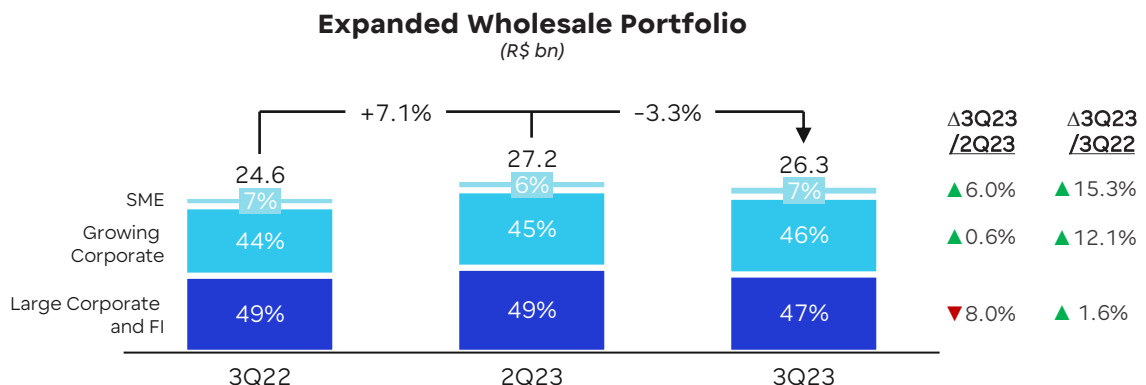
Finally, the portfolio of other loans recorded a drop of 31.1% compared to the previous quarter and 26.7% compared to 3Q22. The reduction was mainly driven by the consignment of the FGTS portfolio carried out during the quarter, following our strategy of recycling capital for core products that have a lower propensity to become relational. In addition, we also chose to reduce the origination of personal loans, in line with our strategy of prioritizing secured products.

Wholesale Credit Portfolio

The expanded Wholesale portfolio totaled R\$ 26.3 billion at the end of 3Q23, which represents an increase of 7.1% compared to 3Q22 and a decrease of 3.3% compared to the previous quarter. If we exclude the effect of exchange rate variation, the wholesale portfolio would have grown by 7.9% compared to 3Q22 and recorded a drop of 2.1% over 2Q23.

The 7.1% expansion compared to 3Q22 reflects the 12.1% increase in the Growing Corporate segment (companies with revenue between R\$300 million and R\$1.5 billion), totaling R\$ 12.2 billion in 3Q23, as well as the 15.3% expansion in the SME segment, both in line with the strategy of diversification with greater risk dispersion and increase profitability of the wholesale portfolio.

On the other hand, the 3.3% decline over the previous quarter is mainly a reflection of the 8.0% drop in the Large Corporate and FIs' segment, a segment in which we seek a more opportunistic approach, in the same line as the strategy of spreading risks and increase in the profitability of the wholesale portfolio, as mentioned before.



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:

Wholesale portfolio - Exposure by industry	3Q22		3Q23	
	R\$ mln	Part.(%)	R\$ mln	Part.(%)
Financial Institution	3,625	14.8%	3,791	14.4%
Agrobusiness / Agrochemicals	1,654	6.7%	2,233	8.5%
Industry	2,057	8.4%	2,115	8.0%
SME's	1,610	6.6%	1,856	7.1%
Project Finance	1,431	5.8%	1,787	6.8%
Construction	1,358	5.5%	1,541	5.9%
Cooperatives	1,270	5.2%	1,414	5.4%
Retail business	1,124	4.6%	1,291	4.9%
Sugar and ethanol	1,392	5.7%	1,259	4.8%
Services	456	1.9%	1,001	3.8%
Telecommunications	895	3.6%	976	3.7%
Vehicle assemblers / Dealers	471	1.9%	767	2.9%
Oil & gas	1,357	5.5%	675	2.6%
Electric power	539	2.2%	645	2.5%
Rentals	798	3.2%	599	2.3%
Mining	299	1.2%	399	1.5%
Sanitation	130	0.5%	379	1.4%
Health	281	1.1%	199	0.8%
Pharmaceutical	309	1.3%	167	0.6%
Other	3,504	14.3%	3,217	12.2%
Total	24,561	100%	26,313	100%

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)	3Q23 Accounting	Non-recurring events	Managerial Adjustments	3Q23 Managerial
Revenues – Total (i + ii)	2,415	0	337	2,752
Gross financial margin (i)	1,840	0	337	2,177
Income from services and brokerage (ii)	575	0	(0)	575
Cost of risk	(837)	0	(312)	(1,149)
Operating expenses	(1,341)	1	(24)	(1,365)
Personnel and administrative expenses	(966)	0	148	(818)
Tax expenses	(150)	0	0	(150)
Other expenses (income)	(225)	1	(172)	(396)
Result before tax and social contributions	238	1	0	239
Income tax and social contribution	69	0	0	69
Minority Interest	(22)	0	0	(22)
Net Income	285	1	0	285

Income Statement (R\$ mln)	9M23 Accounting	Non-recurring events	Managerial Adjustments	9M23 Managerial
Revenues – Total (i + ii)	6,789	0	1,067	7,856
Gross financial margin (i)	5,234	0	1,067	6,302
Income from services and brokerage (ii)	1,555	0	(0)	1,554
Cost of risk	(2,292)	0	(1,075)	(3,367)
Operating expenses	(3,686)	2	8	(3,676)
Personnel and administrative expenses	(2,790)	0	462	(2,327)
Tax expenses	(426)	0	0	(426)
Other expenses (income)	(470)	2	(455)	(923)
Result before tax and social contributions	811	2	0	813
Income tax and social contribution	154	0	0	154
Minority Interest	(115)	0	0	(115)
Net Income	850	2	0	852

Non-recurring events

(In R\$ mln)	3Q22	2Q23	3Q23	9M22	9M23
Net Income - Accounting	384	284	285	1,184	850
(-) Non-recurring events	-3	-1	-1	-2	-2
Goodwill amortization	-3	-1	-1	-3	-2
Recurring Net Income	387	284	285	1,187	852

Summary of non-recurring events:

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

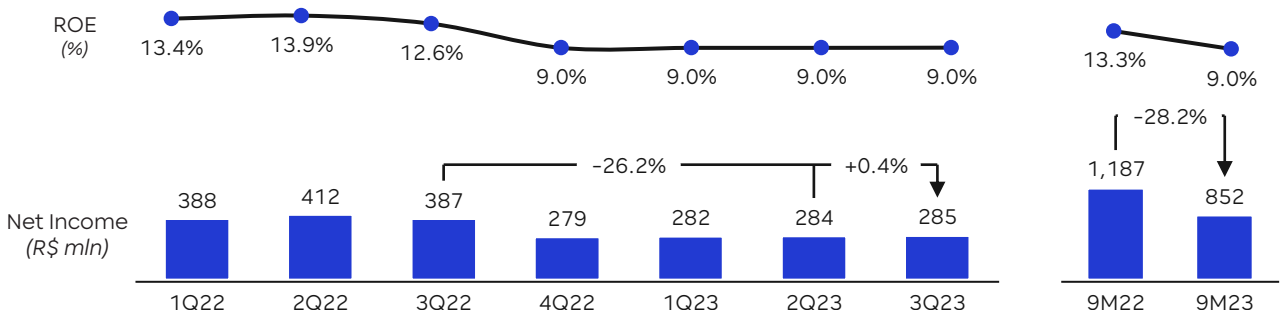
Managerial Results

Managerial Income Statement

Income Statement (R\$ mln)	3Q22	2Q23	3Q23	9M22	9M23	3Q23/ 2Q23	Δ % 3Q23/ 3Q22	9M22/ 9M23
Total Revenue (i + ii)	2,468	2,619	2,752	7,366	7,856	5.1	11.5	6.7
Gross financial margin (i)	1,937	2,126	2,177	5,954	6,302	2.4	12.4	5.8
Financial margin with clients	1,787	1,885	1,958	5,349	5,689	3.9	9.6	6.4
Financial margin with the market	150	240	219	605	612	-8.9	46.3	1.2
Income from service & insurance (ii)	531	494	575	1,412	1,554	16.4	8.3	10.1
Cost of risk	(781)	(1,034)	(1,149)	(2,074)	(3,367)	11.1	47.1	62.4
Operating expenses	(1,303)	(1,204)	(1,365)	(3,719)	(3,676)	13.4	4.7	-1.1
Personnel and administrative expenses	(804)	(760)	(818)	(2,337)	(2,327)	7.6	1.7	-0.4
Tax expenses	(173)	(133)	(150)	(428)	(426)	12.8	-13.0	-0.4
Other expenses (income)	(326)	(310)	(396)	(954)	(923)	27.7	21.6	-3.3
Result before tax and contribution	383	381	239	1,573	813	-37.5	-37.8	-48.3
Income tax and social contribution	78	(61)	69	(183)	154	-213.6	-11.6	-184.0
Minority interests	(74)	(36)	(22)	(204)	(115)	-39.8	-70.5	-43.5
Recurring Net Income	387	284	285	1,187	852	0.4	-26.2	-28.2
Return on Average Equity (ROAE)	12.6%	9.0%	9.0%	13.3%	9.0%	0.0 p.p.	-3.7 p.p.	-4.3 p.p.
Efficiency Ratio (ER) - Last 12 months	39.4%	37.8%	37.1%	39.4%	37.1%	-0.7 p.p.	-2.3 p.p.	-2.3 p.p.

Recurring Net Income and ROE

Recurring net income in 3Q23 totaled R\$ 285 million, with ROE of 9.0%, both in line with the previous quarter. Compared to 3Q22, recurring net income declined by 28.2%, with ROE decreasing by 3.7 p.p.. Year-to-date ("9M23"), net income totaled R\$ 852 million, a drop of 28.2% over the same period in 2022. The recurring ROE reached 9.0%, a drop of 4.3 p.p. compared to 9M22. The lower profitability compared to 2022 (on a quarterly and year-to-date basis) 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 economic conditions, especially due to the high commitment of family income, in addition to interest rates that remain at high levels. It is worth highlighting the reviews and adjustments in the credit policy that we implemented to face the current credit cycle, which is already reflected in the NPL levels for new vintages.



Managerial Results

Gross Financial Margin

The gross financial margin in 3Q23 grew 2.4% compared to 2Q23, to R\$ 2,177 million, with an expansion of 3.9% in the margin with clients and a decline of 8.9% in the margin with the market:

- The 3.9% expansion compared to 2Q23 in the financial margin with clients mainly reflects the growth of the credit portfolio, in addition to the effect of the consignment of the FGTS credit portfolio in the period. NIM¹ clients reached 9.9%, an increase of 20 bps over the previous quarter with a positive effect from the FGTS portfolio consignment. Excluding this effect, NIM clients would be 9.6% compared to 9.7% in 2Q23, reflecting higher selectivity in the credit origination and focus on secured products, which have lower spreads compared to unsecured products.
- The 8.9% drop compared to 2Q23 in the financial margin with the market mainly reflects the result of structural hedge positions and the investment of the shareholders' equity.

Compared to 3Q22, the gross financial margin grew 12.4%, with an expansion of 9.6% in the margin with clients and 46.3% in the margin with the market:

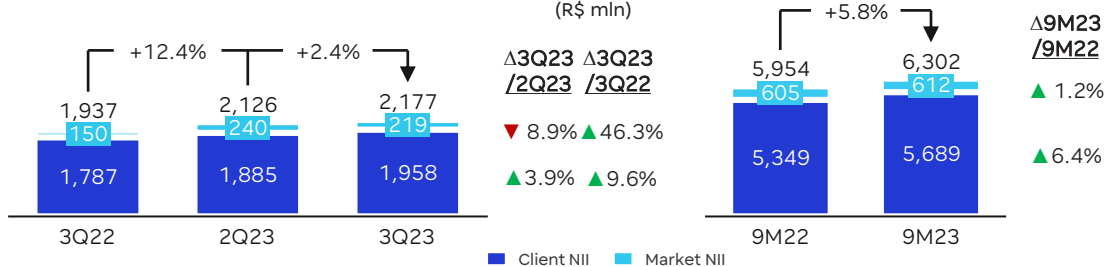
- The increase of 9.6% compared to 3Q22 in the margin with clients reflects the growth of the credit portfolio, in addition to the effect of the consignment of the FGTS credit portfolio in 3Q23. NIM clients¹ fell 10 bps compared to 3Q22 (40 bps excluding the effect of the consignment of the FGTS credit portfolio). The observed drop was mainly driven by the mix effect influenced by higher conservatism in credit policy and greater selectivity in the origination with a stronger focus on secured products.
- The 46.3% expansion compared to 3Q22 in the financial margin with the market also reflects the result of structural hedge positions, as well as the investment of the shareholders' equity.

In the year to date (9M23), the gross financial margin grew 5.8% to R\$ 6,302 million, with an expansion of 6.4% in the margin with clients and 1.2% in the margin with the market:

- The 6.4% increase in the margin with clients to R\$ 5,689 million in the 9M23 period reflects the growth of the credit portfolio, in addition to the mix effect influenced by higher conservatism in credit policy and greater selectivity in the origination with focus on secured products. NIM clients¹ recorded a drop of 40 bps to 9.8% (9.7% excluding the effect of the consignment of the FGTS credit portfolio in 3Q23), vs 10.2% in the 9M22 period.
- The 1.2% increase in the financial margin with the market to R\$ 612 million in 9M23 is also explained by the result of structural hedge positions, as well as the application of shareholders' equity. This performance reflects the adoption of conservative risk management focused on protecting the bank's balance sheet in a scenario of higher interest rate volatility.

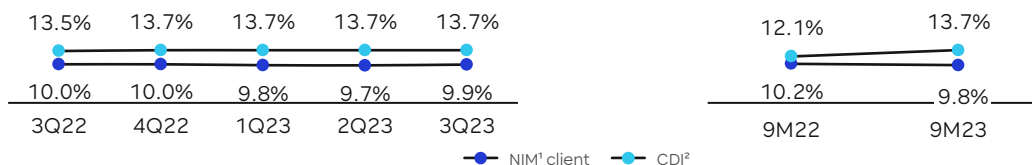
Gross Financial Margin

(R\$ mln)



NIM Clients¹ vs CDI²

(% y.y.)

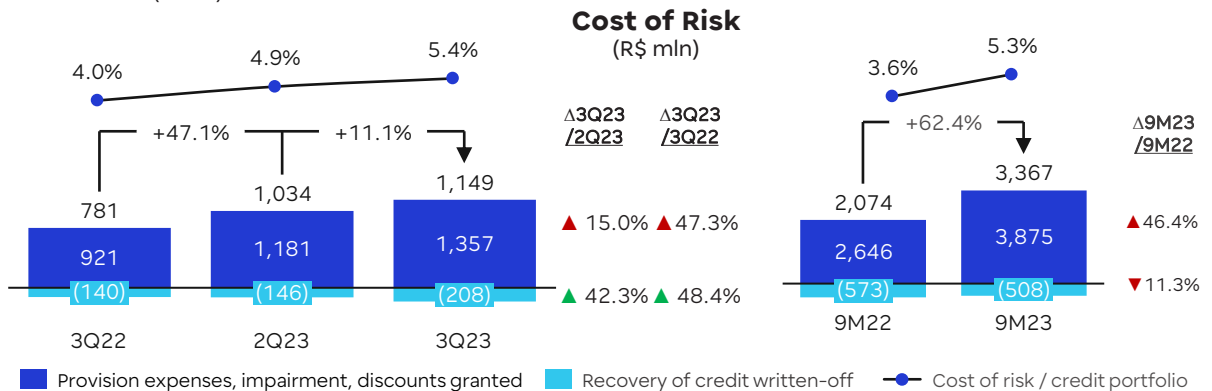


Managerial Results

Cost of Risk

The cost of risk increased by 11.1% over the previous quarter, to R\$ 1,149 million. In comparison with 3Q22, there was an increase of 47.1%. In the year to date (9M23), the cost of risk reached R\$ 3,367 million, an increase of 62.4% over the same period in 2022. The increase observed in both comparisons (vs 3Q22 and 9M22) reflects the higher provision expenses in the Retail credit portfolio, a segment that continues to be impacted by adverse economic conditions, especially due to the high commitment of family income and interest rates at still high levels. The increase also reflects the growth of the Retail credit portfolio with expansion into new segments as part of the portfolio diversification agenda, including the credit card segment, which although we have slowed growth and started to prioritize secured products and core clients, we still have the impact of older vintages. It is worth highlighting the reviews and adjustments in the credit policy that we implemented to face the adverse economic scenario, which is already reflected in the NPL levels for new vintages

The cost of risk (expanded) / credit portfolio reached 5.4% in 3Q23, a 50 bps increase over the 2Q23 and 140 bps compared to 3Q22. In the 9M23, the cost of risk / credit portfolio reached 5.3%, an increase of 170 bps over 9M22 (3.6%).



Income from Services and Insurance Brokerage

Income from insurance services and brokerage totaled R\$ 575 million in 3Q23, growth of 16.4% over 2Q23 and 8.3% over 3Q22. In 9M23, revenues from services and brokerage reached R\$ 1,554 million, an increase of 10.1% over 9M22.

Income from Services and Brokerage Fees (R\$ mln)	3Q22	2Q23	3Q23	9M22	9M23	Δ %		
						3Q23/2Q23	3Q23/3Q22	9M23/9M22
Fees from registration and asset appraisal	151	173	220	396	566	27.4	45.6	43.0
Insurance brokerage fees	135	174	204	322	542	17.1	51.2	68.4
Credit cards	103	81	83	289	250	2.5	-19.0	-13.7
Income from guarantees provided	26	22	23	77	69	6.0	-11.0	-10.0
Management of investment funds	22	0	0	71	7	-	-100.0	-90.4
Commissions on securities placement	36	21	23	101	54	5.9	-37.1	-46.5
Banking correspondent (Promotiva)	24	0	0	67	0	-8.0	-100.8	-100.6
Other ¹	34	22	22	89	67	-2.7	-35.5	-24.4
Total	531	494	575	1,412	1,554	16.4	8.3	10.1

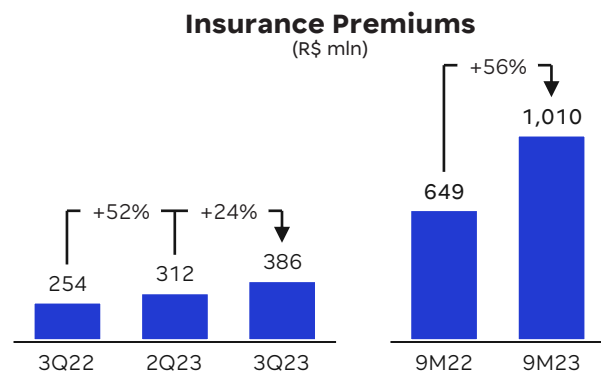
Managerial Results

Income from Services and Insurance Brokerage

The growth recorded in both comparisons with 2022 (3Q22 and 9M22) reflects the greater origination in the vehicle financing segment, with impacts on income from registration and asset appraisal, in addition to the higher insurance brokerages, which registered record revenue. These effects more than offset the impact of (i) income from the subsidiary Promotiva that ceased to exist in 2023 due to the divestment concluded in Dec/2022; (ii) income from management of investment funds, explained by the partial sale of BV DTVM in the context of the strategic partnership with Bradesco for the formation of an independent wealth management firm (closing of the transaction took place on Feb/2023, so that since then, the proportional results of BV DTVM were allocated to the "other income" line in the managerial income statement); (iii) lower commissions on the placement of securities due to the lower volume of credit operations in the market, as a result of the increase in risk aversion that marked the 1st half of the year in the face of credit events and requests for judicial recovery of certain companies, and ; (iv) lower income from credit cards due to changes in credit policies to face the more adverse economic scenario.

Compared to 2Q23, income from services and brokerage grew 16.4%, mainly due to the greater origination of vehicle financing with an impact on income from registration and assets appraisal, in addition to the strong performance of the insurance brokerage business.

In line with the increase in vehicle financing origination in 2023, insurance premiums grew 52% compared to 3Q22 and 58% compared to 9M22, surpassing the R\$ 1 billion mark in premiums issued during the first 9 months of the year. BV Corretora remains one of the largest insurance brokers in Brazil, with a complete auto insurance options, as well as other types of insurance, such as credit life, home insurance, life and personal accidents, assistance for pets and funerals, all in partnership with the main insurance companies¹ in operation in the country.



Non-Interest Expenses

Total non-interest expenses (personnel expenses + administrative expenses excluding amortization + other operating expenses/revenues) totaled R\$ 1.1 billion in 3Q23, an increase of 14.3% over 2Q23 and 5.5% vs. o 3Q22. Year to date (9M23), non-interest expenses reached R\$ 3.0 billion, down 3.0% compared to 9M22.

Personnel expenses reached R\$ 405 million in 3Q23, an increase of 5.4% over 2Q23 with the effects of the collective agreement carried out in September/23, in addition to the larger headcount in 3Q23. Personnel expenses fell 4.8% and 6.5% compared to 3Q22 and 9M22, respectively. The drop in both comparisons is mainly explained by: (i) reduction in headcount due to our efficiency program, in addition to adjustments implemented to face the more challenging macro environment, and; (ii) lower expenses with variable compensation due to the deterioration of the macro scenario, with impacts on the bank's results.

Administrative expenses (ex-depreciation & amortization) totaled R\$ 329 million in 3Q23, an increase of 12.2% compared to 2Q23, mainly explained by higher expenses with specialized technical services in the period. In comparison with 3Q22 and 9M22, administrative expenses increased by 4.1% and 2.4%, respectively, compared to an accumulated inflation (IPCA) of 5.19% in the last 12 months. In 2023, there was an increase in expenses with specialized technical services, which were offset by a reduction in marketing expenses.

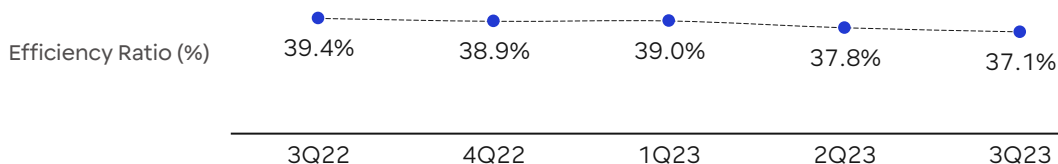
1 – Insurance partners: Porto Seguro, Azul Seguros, HDI Seguros, Aliro Seguro, Sompo Seguros, Liberty Seguros, Mapfre, Tokio Marine Seguradora, Zurich, Darwin Seguros, Cardif, Icatu, Metlife and CDF.

Managerial Results

Non-Interest Expenses

Personnel and Administrative Expenses (R\$ mln)	3Q22	2Q23	3Q23	9M22	9M23	3Q23/ 2Q23	Δ % 3Q23/ 3Q22	9M23/ 9M22
Personnel Expenses	(425)	(384)	(405)	(1,258)	(1,177)	5.4	-4.8	-6.5
Salaries and profit sharing	(298)	(261)	(276)	(892)	(798)	5.8	-7.3	-10.6
Benefits e social charges	(123)	(120)	(122)	(356)	(367)	1.8	-0.1	3.2
Training	(5)	(3)	(6)	(11)	(12)	128.8	36.4	10.9
Administrative Expenses (ex deprec. & amort)	(316)	(293)	(329)	(892)	(913)	12.2	4.1	2.4
Specialized technical services	(117)	(116)	(145)	(331)	(379)	25.0	24.2	14.7
Data processing	(88)	(86)	(87)	(261)	(264)	1.7	-1.2	1.1
Judicial and notary public fees	(21)	(23)	(28)	(59)	(71)	24.9	31.4	20.5
Marketing	(47)	(23)	(14)	(120)	(55)	-38.3	-69.3	-54.2
Other	(42)	(45)	(54)	(121)	(144)	18.9	27.7	19.0
Administrative Expenses Total	(379)	(376)	(413)	(1,079)	(1,151)	9.8	9.0	6.7
Depreciation and amortization	(63)	(83)	(84)	(187)	(238)	1.3	33.4	27.2
Total Personnel + Administrative	(804)	(760)	(818)	(2,337)	(2,327)	7.6	1.7	-0.4
Total excluding depreciation and amortization	(741)	(677)	(734)	(2,150)	(2,090)	8.3	-1.0	-2.8

The Efficiency Ratio ended 3Q23 at 37.1%, 70 bps lower than 2Q23 and 230 bps lower than 3Q22. It is important to remember that the current level of Efficiency Ratio reflects the impact of investments in initiatives aimed at the diversification agenda, client centricity and efficiency, in line with BV's strategic plan, despite the current adverse economic scenario with an impact on revenue origination. Efficiency continues to be a fundamental pillar in Banco BV's strategy.



Other (expenses)/revenues totaled R\$396 million in 3Q23, an increase of 27.7% over the previous quarter and 21.6% compared to 3Q22. In both periods, the main offender was the increase in costs associated with production, due to the good performance in vehicle financing origination. In 9M23, there was a 3.3% drop in net expenses, mainly explained by the result arising from the sale of investments during 1Q23, with a positive impact on the "other" line, which more than offset the increase in costs associated with production and contingency expenses.

Other (expenses) / income (R\$ mln)	3Q22	2Q23	3Q23	9M22	9M23	3Q23/ 2Q23	Δ % 3Q23/ 3Q22	9M23/ 9M22
Costs associated with production	(285)	(241)	(302)	(802)	(838)	25.0	5.9	4.4
Civil and fiscal lawsuits	(39)	(30)	(39)	(82)	(94)	31.1	-0.5	14.1
Labor lawsuits	(50)	(41)	(25)	(115)	(124)	-39.0	-50.1	8.4
Results from real estate subsidiaries ¹	6	5	4	12	15	-23.9	-33.1	26.3
Other	43	(3)	(35)	34	118	942.2	-181.1	253.2
Total	(326)	(310)	(396)	(954)	(923)	27.7	21.6	-3.3

Portfolio Quality

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)	3Q22	2Q23	3Q23
90-day NPL balance	3,220	3,849	3,965
90-day NPL ratio – Total	4.8%	5.4%	5.5%
90-day NPL ratio – Retail	5.9%	6.6%	6.7%
90-day NPL ratio – Auto finance	4.6%	4.9%	5.2%
90-day NPL ratio – Wholesale	0.2%	0.3%	0.4%
Write-off (a)	(597)	(822)	(867)
Credit recovery (b)	140	146	208
Net Loss (a+b)	(456)	(676)	(658)
Net Loss / Credit portfolio – annualized	2.7%	3.8%	3.7%
New NPL	965	970	982
New NPL / Credit portfolio ¹ – quarter	1.46%	1.35%	1.36%
ALL balance ²	5,756	5,930	6,128
ALL balance / Credit portfolio	8.5%	8.2%	8.5%
ALL balance / 90-day NPL balance	179%	154%	155%
AA-C balance	58,457	62,035	61,927
AA-C / Credit portfolio	86.8%	86.1%	86.1%

Nonperforming Loans – NPL Ratio | Over 90 Days

NPL over 90 days (over 90) increased by 10 bps in the quarter, to 5.5%, vs 5.4% in the previous quarter, with an increase of 10 bps in the Retail portfolio, to 6.7%, and 10 bps in the Wholesale portfolio, to 0.4%. The over 90 of the vehicle portfolio, BV's core portfolio, registered an increase of 30 bps compared to the previous quarter.

- Retail;**

Retail's over 90 ended 3Q23 at 6.7%, an increase of 10 bps over the previous quarter, still reflecting the high commitment on family income in Brazil, and the high interest rates in the country. It is worth highlighting the reviews and adjustments in the credit policy that we implemented to face the adverse economic scenario, which is already reflected in the NPL levels for new vintages.

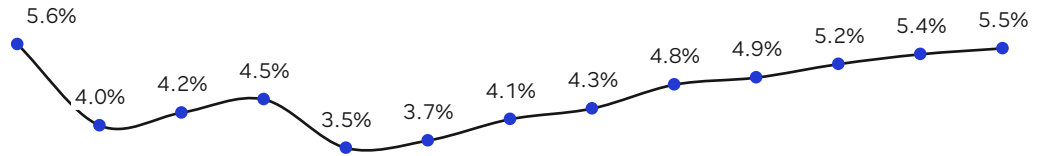
- Wholesale;**

The over 90 of the Wholesale portfolio remains at a very healthy level, below the historical average, closing the quarter at 0.4%, 10 bps above the previous quarter.

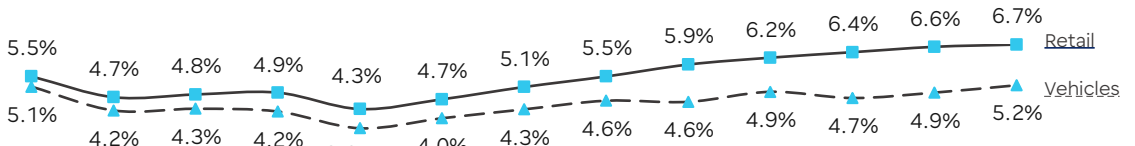
Portfolio Quality

Nonperforming Loans – NPL Ratio | Over 90 Days

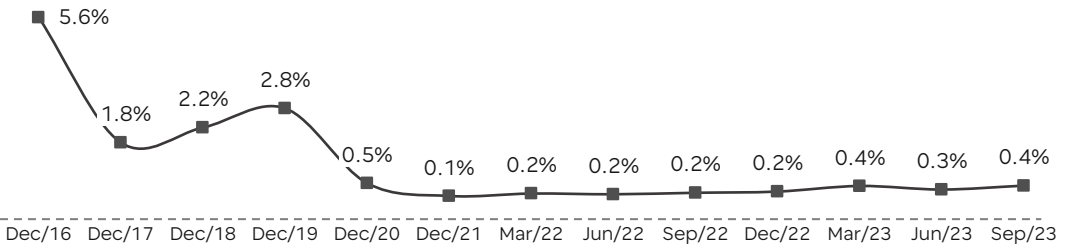
Total



Retail

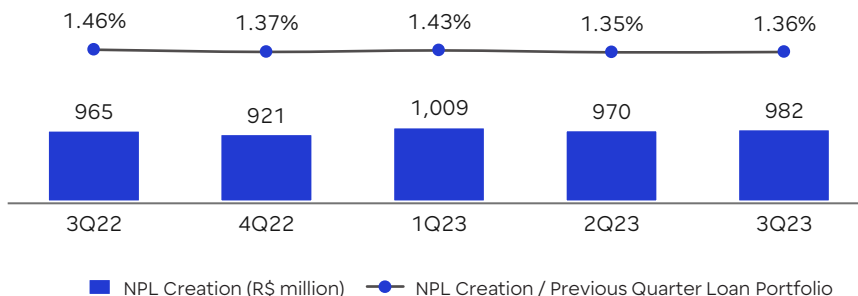


Wholesale



NPL creation

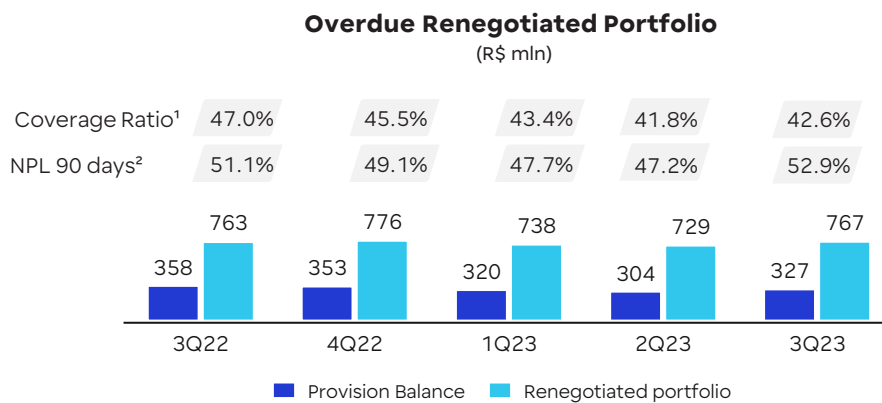
NPL Creation totaled R\$ 982 million in 3Q23, growing 1.3% over the previous quarter and 1.8% compared to 3Q22. NPL Creation on the credit portfolio reached 1.36%, remaining practically in line with previous quarters.



Portfolio Quality

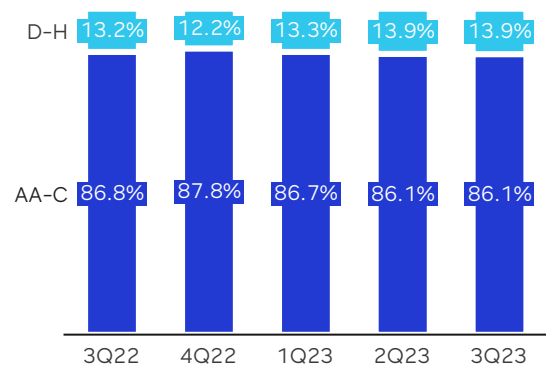
Overdue Renegotiated Portfolio

The balance of the overdue renegotiated portfolio totaled R\$ 767 million in the end of the 3Q23. Compared to 2Q23, there was a 5.2% increase, and compared to 3Q22, this renegotiated portfolio remained nearly stable. In the quarter, the NPL 90 days of this portfolio reached 52.9%, compared to 47.2% in the previous quarter and 51.1% in the 3Q22. The coverage ratio for this portfolio at the end of 3Q23 was 42.6%, compared to 41.8% in 2Q23 and 47.0% in 3Q22. More information available in the 3Q23 Financial Statements, Explanatory Note 12-i.



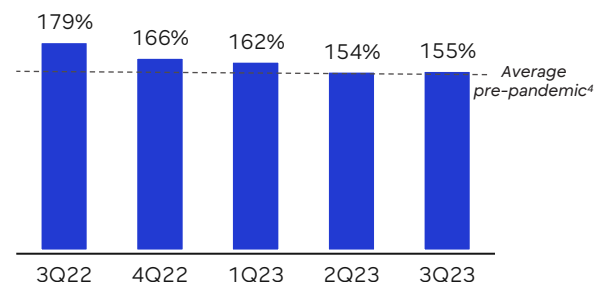
Credit Portfolio by Risk Level³ (%)

The balance of the D-H rated portfolio remained stable when compared with the previous quarter and increased by 0.7 p.p. in the comparison 3Q23 vs 3Q22, ending the quarter at 13.9%. The increase reflects higher default levels in Retail, as explained before. Despite the pressure observed in the default levels in the Retail portfolio, the reviews and adjustments in the credit underwriting policy implemented to face the adverse economic scenario, which reinforces the bank's conservative risk management, are already reflected in the improvement of the NPL ratios in the new vintages, aiming to maintain the quality of the credit portfolio at appropriate levels for each segment.



Coverage Ratio (90 days)

The coverage ratio for overdue balances over 90 days ended the quarter at 155%, in line with the previous quarter and with the pre-pandemic historical average. As announced in previous quarters, provision levels were raised in 2020 and 2021 due to the pandemic, and subsequently converged to historical levels. It is important to highlight the focus of the bank on secured products. Currently, roughly 90% of the Retail portfolio is collateralized.



Funding and Liquidity

Funding

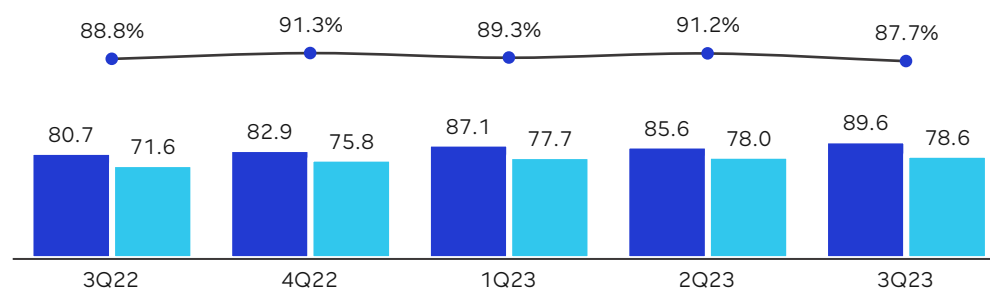
We ended 3Q23 with R\$ 92.0 billion in total funding, 4.7% and 11.1% above the 2Q23 and 3Q22, respectively. In the last 12 months, the increase was mainly driven by the higher volume of credit assignments and time deposits.

Funding Sources (R\$ bn)	3Q22	2Q23	3Q23	Δ %		% of Total 3Q23
				3Q23/ 2Q23	3Q23/ 3Q22	
Financial bills (1)	29.3	27.2	30.5	12.2	4.1	33.1
Deposits	26.7	30.2	32.6	8.0	22.2	35.4
Time deposits	20.8	22.5	24.6	9.5	18.6	26.8
Debentures	1.5	2.5	3.1	22.1	105.1	3.3
Agribusiness credit bills ("LCA") and real estate credit bills ("LCI")	4.4	5.1	4.9	-5.3	11.0	5.3
Securities issued abroad (1)	6.6	6.1	6.6	7.4	-1.2	7.1
Credit assignment (1)	5.1	10.6	8.8	-16.4	73.0	9.6
FIDC	3.6	2.6	2.0	-22.4	-43.1	2.2
Borrowings and onlendings	6.1	7.4	7.6	1.6	24.6	8.2
Deposits on demand and interbank	1.2	1.3	1.3	6.7	15.4	1.5
Capital instruments (1)	4.3	2.5	2.6	3.0	-39.4	2.8
Subordinated Financing bills	2.1	1.8	1.6	-13.1	-25.9	1.7
Others subordinated debts	2.2	0.7	1.0	42.7	-52.4	1.1
Total funding	82.8	87.9	92.0	4.7	11.1	100.0
(-) Compulsory deposits	2.1	2.3	2.4	7.0	17.8	
(-) Cash & equivalents in local currency	0.0	0.0	0.0	-80.0	-78.7	
Total funding net of compulsory	80.7	85.6	89.6	4.7	11.0	
<small>(1) Stable funding instruments</small>						
Stable funding instruments / Total funding	59.1%	55.8%	54.9%	-0.9 p.p.	-4.1 p.p.	
% of funding raised via digital platforms	9.2%	8.5%	8.7%			

BV's funding structure continues to be highly diversified, with a strategy of deconcentrating maturities and counterparties. Stable funding instruments, with maturities over 2 years, represented 54.9% of total funds balance at the end of 3Q23. Funding via digital platforms reached 8.7% of total funding at the end of the quarter.

The ratio between the expanded loan portfolio (excluding endorsements and sureties) and net funding from compulsory deposits ended 3Q23 at 87.7%, compared to 91.2% in 2Q23 and 88.8% in 3Q22.

Credit Portfolio / Funding (%)



■ Funding (net of compulsory) R\$ bn (A) ■ Expanded Portfolio (excl. guarantees and sureties) - R\$ bn (B) ● Portfolio (B) / Funding (A)

Funding and Liquidity

Liquidity

Regarding liquidity, we maintained the free cash balance at a very conservative level. The LCR¹ (Liquidity Coverage Ratio) indicator, whose objective is to measure the short-term liquidity of banks in a stress scenario, ended 3Q23 at 176%, well above the minimum regulatory limit required by the Central Bank of 100%, which means that we have sufficient stable resources available to support losses in stress scenarios.

It is worth emphasizing that, in addition to healthy liquidity, Banco BV maintains a standby credit line available from Banco do Brasil since 2009, which represents a significant liquidity cushion and has never been tapped.

Basel Ratio

The Basel Ratio reached 15.3% in 3Q23, with 14.2% of Capital Tier I, of which 12.9% of Core Capital and 1.3% of Additional Tier I. Capital Tier II ended at 1.1%.

Basel Ratio (R\$ mln)	3Q22	2Q23	3Q23	Δ %	
				3Q23/ 2Q23	3Q23/ 3Q22
Total Capital	13,079	11,640	12,140	4.3	-7.2
Tier I Capital	12,155	10,729	11,299	5.3	-7.0
Common Equity Tier I	9,969	10,000	10,258	2.6	2.9
Additional Tier I	2,186	729	1,041	42.7	-52.4
Tier II Capital	924	911	842	-7.6	-8.9
Risk Weighted Assets (RWA)	76,712	79,443	79,347	-0.1	3.4
Credit risk	68,461	72,868	71,654	-1.7	4.7
Market risk	955	472	607	28.6	-36.5
Operational risk	7,295	6,103	7,086	16.1	-2.9
Minimum Capital Requirement	6,137	6,355	6,348	-0.1	3.4
Tier I Capital Ratio	15.8%	13.5%	14.2%	0.7 p.p.	-1.6 p.p.
Common Equity Tier I Ratio (CET1)	13.0%	12.6%	12.9%	0.3 p.p.	-0.1 p.p.
Additional Tier I Ratio	2.8%	0.9%	1.3%	0.4 p.p.	-1.5 p.p.
Tier II Capital Ratio	1.2%	1.1%	1.1%	-0.1 p.p.	-0.1 p.p.
Basel Ratio (Capital/RWA)	17.0%	14.7%	15.3%	0.6 p.p.	-1.7 p.p.

In the quarterly comparison, the Basel Ratio increased by 0.6 p.p., mainly explained by (i) generation of net income in the quarter, with an impact of +0.4 p.p.; (ii) interest on capital ("IoC") declaration, with an impact of -0.1 p.p., and; (iii) new issues of additional capital, with an impact of 0.4 p.p..

Compared to 3Q22, the Basel Ratio decreased by 1.7 p.p., with a variation of -0.1 p.p. at CET1 and -1.5 p.p. in Additional Capital mainly due to: (i) the exercise of the call option, in December/22, to repurchase the perpetual subordinated debt instrument issued abroad, partially offset by the local issuance of additional capital; (ii) net income in the period, partially offset by the declaration of IoC, higher prudential adjustments and an increase in risk-weighted assets. The reduction of -0.1 p.p. in Tier II Capital is related to the application of reducers on the balance of subordinated debts that make up this Capital.

At the end of 2Q23, the minimum capital requirement was 10.50%, with 8.50% being the minimum for Capital Tier I and 7.00% for Core Capital (CET1).

Rating and Governance

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- (positive) by S&P.

Rating Agencies	Global Scale	National Scale	Perspective	Last Update
Standard & Poor's	BB-	AAA	Positive	Jun/23
Moody's	Ba2	AA	Stable	Dec/22

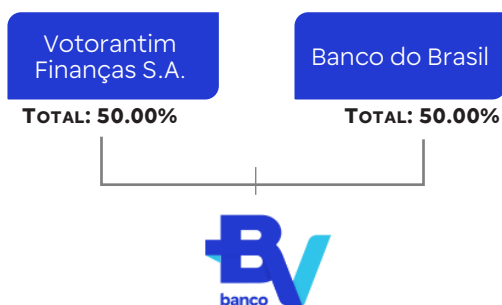
In April/22, S&P reaffirmed BV's rating on a national and global scale and recognized an improvement in its capital standards due to the reduction of the deferred tax assets (DTA), along with other attributes such as improved profitability. In June/23, S&P changed the BV's outlook from Stable to Positive following the change in the sovereign rating outlook.

Governance

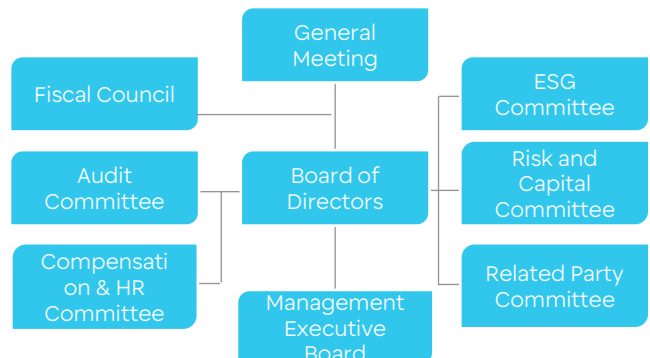
Banco BV has an organizational structure that follows the legislation and regulations in force in Brazil and is in line with the best market practices, committing itself to the principles of transparency, equity, accountability and corporate responsibility, as well as adopting standards of good practices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

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

Shareholding Structure



Governance Bodies



The shareholding structure of Banco BV is shared between Votorantim Finanç as and Banco do Brasil, which have equal participation in the Board of Directors. The Board of Directors is composed by 7 members, 3 of which are appointed by each of the controlling shareholders and 1 independent member. The body's decisions are taken by 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 mandate until the Ordinary General Meeting to be held in 2025.

