Management

Report

2023

IFRS

Dear reader,

In 2023, we recorded net profit of R$33.2 billion, an increase of 10.5% compared to 2022. We renewed our record of generating robust results, based on sustainability in generating business and relationships with our customers.

In addition to a strong result that remunerates shareholders and supports credit growth, we reached R$76.7 billion in value added to society, when we consider taxes, salaries, dividends, and other components, which represents an increase of 7.2% in a year.

The classified portfolio reached R$964.0 billion, because of the relationship we have with our customers and the quality of solutions offered in a personalized way for all segments. The sustainable business portfolio reached R$343.1 billion, an increase of 4.8% compared to December/2022. This total represents 35.6% of our classified loan portfolio. Of these resources, R$66.1 billion is allocated to low-carbon agriculture and R$55.8 billion to Pronaf, which supports family farming.

In recognition of our contribution to a more sustainable economy, we are once again classified as the most sustainable bank on the planet in the ranking of the 100 Most Sustainable Corporations in the World 2024 – Global 100, by Corporate Knights. In 2024, in addition to its leadership position among banks, BB is the only Brazilian company classified. In the last decade, we were listed in eight editions, being recognized as the most sustainable bank in the world in five of them (2019, 2021, 2022, 2023 and 2024).

We expanded our portfolio of products that bring positive social, environmental and climate externalities. Among them, we began to operate in the carbon market, combining financial viability with forest preservation. We launched the first ETF (Exchange Traded Fund) in Brazil with a Diversity theme, signed a protocol of intentions to materialize our first credit operation with clients linked to environmental performance (sustainability-linked loan) and sought partnerships to operate in the value chain of bioeconomy in the Amazon region. Furthermore, we raise funds on the international market in order to finance the growth of sustainable credit operations.

We maintain our commitment to diversity, equity and inclusion and as a result, we were selected to be part of the first Latin American index that measures gender and race criteria in Brazilian companies listed on the stock exchange (iDiversa from B3), being in the best position between financial companies. This year, we increased the participation of female leaders in senior leadership positions, totaling 44% of the Board of Officers and 50% of the Board of Directors, which was recognized during the 2023 Sustainable Congress of the CEBDS (Brazilian Business Council for Sustainable Development).

We reaffirm our commitment to micro and small businesses. At Pronampe, we reached more than R$34.5 billion in portfolio balance in December/2023, with operations with around 322 thousand Micro and Small Enterprises (SME). We have advanced in offering digital solutions to SME with the PJ Panel, a multi-service online platform that unifies and presents, in an Open Finance view, all the relevant commercial and financial information of these clients. Another highlight was the growth of the Large Companies portfolio, which ended December/23 with a balance of R$213.7 billion, compared to R$197.8 billion in September/23.

We also increased our proximity to the public sector, totaling more than R$59.6 billion in credit for states and municipalities, growth of 11.9% compared to 2022.

In agribusiness and family farming, we maintained our historical position as the main financial agent in the country, contributing significantly to meeting the credit demand of the segment and its chain. With this, we reached a classified credit portfolio of R$320.2 billion. In July/2023 we announced the largest Harvest Plan in our history, allocating R$240 billion, of which R$120.1 billion has already been disbursed, an increase of 5.4% over the same period of the last harvest. Highlights include the hiring of the National Program for Strengthening Family Farming (Pronaf) and the National Support Program for Medium Rural Producers (Pronamp). There were 371 thousand operations contracted in the 2023/2024 Harvest Plan, in more than 4.9 thousand municipalities.

In the Individuals segment, we highlight the 9.8% growth in the payroll loan portfolio, which reached R$126.4 billion, reflecting the close and specialized service to our more than ten millioncustomers that receive their salaries with us.

With the aim of being increasingly connected with new generations, we celebrated the first year of BB Cash, our digital account for teenagers, which can now be used by customers aged 10 and over. We also made the "My Missions" solution available on the BB App, with which we support young people aged 18 to 25 on their financial journey through gamification, in addition to offering financial education via social networks to this audience.

We invested in digital acceleration to be an even closer, more complete and available bank for our more than 83 million customers. As a result, they have available, on our integrated channel platform, solutions suited to their profile and moment in life.

We highlight that this year our customer satisfaction increased, which was reflected in our best position in the ranking of complaints at the Central Bank in December.

We advanced in cultural transformation. We have evolved in the operational working model of our teams, which has become increasingly agile. We hired more than 800 IT professionals and invested in training focused on digital skills. We have grown in our internal innovation practices with experimentation laboratories for new technologies. Also, we developed data and analytics solutions, in addition to partnerships with fintechs and startups that co-create with us.

In the year 2024, we renew our commitment to continue delivering sustainable results for our shareholders, adding value to society and fulfilling our purpose of being close and relevant in people's lives, at all times, thus contributing to the development of Brazil. We invite you to learn more about our initiatives on the following pages.

Good reading!

Consolidated Financial Statements Results

Net Income
R$33.2 billion
Growth of 10.5%
compared to 2022

Added Value
R$76.7 billion
Growth of 7,2%
compared to 2022

The net profit of R$33.2 billion in 2023 was a reflection of the good commercial performance in the various lines of business, especially in the offer of credit with quality, the diversification of products and services and the discipline in cost management.

Our classified credit portfolio reached R$964.0 billion, growth of 9.2% compared to December/22.

The Individuals loan book, disregarding rural producers, grew 7.9% with emphasis on payroll loans. The Corporate portfolio, without agricultural companies, grew 9.7%, with emphasis on the balance with Large Corporate clients, which increased R$117.2 billion. Credit operations with producers and agricultural companies grew by 12% in the same period.

The Basel Index reached 15.47% and the Core Capital Index ended December at 12.12%.

To find out more details about the profit and loss and balance sheet items for the period, please see the Explanatory Notes contained in the Financial Statements and the MD&A Report.

Earnings (R$ million)	2023	2022
Net Income	33,166	30,001
Net Interest Income	88,749	74,347
Net Revenue from Fees and Commissions	25,000	24,645
Administrative and Personnel Expenses	(35,591)	(33,344)
Equity (R$ million)	**Dec/23**	**Dec/22**
Assets	2,153,878	2,008,169
Classified Loan Portfolio	964,043	883,126
Customer Resources	811,944	753,263
Shareholders Equity	173,570	163,518

Shareholders

We have a base of more than one million shareholders, 98.6% of which are individuals and 1.2% legal entities. At the end of December, our shareholding composition was distributed between 50% of shares held by the Federal Union, 49.6% in circulation (free float) and 0.4% held in treasury. Local investors held 73.7% of the shares, and foreigners held 26.3%. Our shares (BBAS3) represented 3.440% of the Ibovespa in the last four months. Banco do Brasil shares ended the last trading session of 2023 at their historic high, quoted at R$55.39, a growth of 59.44% in the year.

Shareholder Remuneration

The Shareholder Remuneration Policy seeks to guarantee due shareholder appreciation, combined with the Bank's longevity and financial sustainability in the short, medium and long term, with the premise of flexibility and financial solidity that ensure the sustainability of the business.

For the 2023 financial year, the distribution of dividends and/or Interest on Equity (IOC) corresponding to 40% of net profit was approved, adjusted as provided in letters "a" and "b" of item I of article 202 of the Law 6,404/76, based on the Bank's results, its financial condition, cash needs, the Capital Plan and its goals and respective projections, the Declaration of Appetite and Risk Tolerance, perspectives of present and potential markets, existing investment opportunities and the maintenance and expansion of operational capacity. The total amount allocated to shareholders in 2023 was R$13.0 billion and the value per share was R$4.566.

Corporate Strategy

Our Corporate Strategy (ECBB) has a time horizon of five years and is reviewed every year, through a structured, participatory process and using consolidated methodologies.

The latest review, focusing on the period 2024-2028, was approved in September 2023, establishing the following strategic objectives: (a) provide the best experience to customers at all times; (b) create value and generate sustainable results; (c) be a protagonist in sustainability and in the promotion of business and ESG practices; (d) evolve our way of working to accelerate digital transformation and innovation; and (e) have people engaged with BB's values and promoting collaboration, respect and inclusion.

The construction of ECBB 2024-2028 featured an innovative dynamics, with this edition being the most collaborative so far. The beginning of the process was built with the direct participation of employees from across the country. The contributions were significant. Our SWOT matrix, for example, was formulated based on more than seven thousand interactions received, with employees' perceptions about our Company, the challenges, opportunities and trends for the future.

In the refinement stage, members of the Executive Board, presidents of entities linked to BB, executives and a group of superintendents debated and jointly constructed the definition of indicators and key results for five perspectives: Customers, Financial, Sustainability, Transformation Digital and Processes and, People and Culture. In September, the ECBB was approved collectively, both by the Board of Officers and the Board of Directors.

Our purpose is "To be close and relevant in people's lives at all times". That is why we exist, to always be together, support and maintain close relationships with people, regardless of the channel. We are relevant because our greatest aspiration is to generate value and be essential in the lives of the people with whom we interact. We want this purpose to be present in our relationships at all times, as we offer complete solutions so that people can count on us during all phases of their personal and professional lives.

Aligned with our purpose and reinforcing the Company's organizational identity, we improved our values to make even clearer the unique principles that guide our operations and inspire our team's deliveries, with emphasis on the new value included: diversity. Thus, our values are: Proximity, Innovation, Integrity, Efficiency, Commitment to Society and Diversity.

The Strategic Map, composed of the Strategic Objectives and the Master Plan, outlines the strategic guidelines, indicators and respective goals for the next five years, distributed across the five perspectives. The customer is at the center of our operations and decisions at all organizational levels, receiving complete solutions and an appropriate experience. We are a competitive, profitable, efficient, innovative bank, a reference in sustainability and ESG business. All of this is the result of excellence in optimized capital allocation, high operational efficiency, a rational organizational structure, the development of new businesses and diversified revenue sources.

We accelerate digital transformation and innovation, using analytical intelligence and at the same time maintaining focus on improving models, processes, products and channels, with the aim of making them simpler, more agile and responsive, and thus creating a bank for each customer.

Clients

We look at our customers in a broad way, breaking traditional segmentation barriers and getting to know their interests, consumption habits, lifestyle, values and affinities. With the efficient use of data, we know and value what is important to each customer, promoting a close relationship that goes beyond core banking.

Applied analytical intelligence allows us to further personalize the relationship, generating good experiences and relevance, so that customers have access to a highly specialized Bank, with products, services and advice suited to their needs.

In recent years, there has been a significant evolution in the migration of transactions to digital channels. At the same time, human contact remains relevant, whether physically or remotely, for advice, conducting business and more complex demands. Complementarity is necessary for the experience to be fluid, both in digital self-service and in-person or remote service.

Active listening and understanding the needs of our customers are at the center of our actions. After each service provided, we send an evaluation survey to the customer and the grade received is linked to the evaluation of the employees' half-yearly performance, to ensure that the quality of service and customer satisfaction are a common objective for everyone. The consequence of constant monitoring of customer needs and satisfaction is reflected in the reduction of complaints to SAC (Customers Service), the BB Ombudsman and the better positioning in the Central Bank ranking.

Seeking to deliver a unique, integrated experience aligned with customers' goals and moments in life, in 2023 we acquired a market tool to improve the management of your CRM. With this, we open a range of new forms of relationships and engagement. We build smarter communication journeys, using Artificial Intelligence. We adopt more data-based decisions and exploration of the customer base to generate new business opportunities. The tool provides a 360º view of customers and allows a new level of data and information integration to generate value for them, in an omnichannel vision.

Still in 2023, we made changes to our internal structures with the aim of evolving our relationship model and delivering a better value proposition to our client. We are focused on hyper-personalization and retail transformation.

We continue to advance in migrating the service structure to lighter, more efficient and specialized models. As a result, we can offer a comprehensive experience across channels, expanding our reach and ensuring the best convenience for customers. BB enabled business and innovations to always be close and available to customers, whether they are in branches, on the App, on social networks or in the metaverse.

Our initiatives to improve the customer experience have shown positive results in terms of satisfaction, which has been reflected in our Net Promoter Score (NPS), which throughout 2023 showed an increase of more than 10% in the index compared to 4Q22.

We were among the three institutions with the lowest rate of complaints in the Central Bank Ranking in 4Q23 and became the first bank, among the four largest banks in the Country, to reduce the number of valid complaints to less than 500 in a quarter. Considering banks with more than 60 million customers, we had the lowest complaint rate in the period.

The Customer Council is a meeting dedicated to active listening in which representatives of Banco do Brasil Management and customers from all relationship models participate. The objective is to amplify the customer's voice at different levels of the Bank and bring it to the center of decision-making, to ensure continuous improvement of the relationship and better delivery of the Value Proposition for different customer profiles. In these initiatives, customers have the opportunity to share their perceptions, experiences and desires about Banco do Brasil's services and solutions.

Technology and Inovation

We are attentive to market movements and innovations, we monitor emerging trends and technologies, to improve our operations and accelerate our digital transformation.

We work with enabling platforms, through which we build Banco do Brasil's products and services. There are more than 20 platforms, including Analytics, Mobile, Artificial Intelligence, LowCode and Cloud. This management model allows us to accelerate and scale new technologies, standardize and provide greater quality to deliveries, positively impacting our ability to respond more quickly to market changes and to our customers' needs. With the Mobile Platform, for example, we reduced the delivery time for solutions on this track by 54% in the last two years.

This strategy is complementary to the continuous escalation of a more integrated work model between all areas of BB, which continues to expand, supported by our cultural transformation. In 2023, we welcomed more than 800 IT employees, from external selection, and we will continue to increase our number of technology professionals, reinforcing our commitment to being increasingly agile and focused on delivering more value to our customers and society.

We have one of the largest technology parks in Latin America and have invested in automation and expansion of our processing capacity, working to deliver an increasingly resilient environment. In 2023, we executed almost 4 trillion IT transactions that enabled major movements, such as Pix and Open Finance.

We adopt a hybrid multi-Cloud strategy, with market-leading providers, in addition to our private cloud. We increased the number of applications and services on this platform by 47% in the last year, resulting in greater flexibility and speed in delivering solutions to the customer and in the expansion of processing capacity without loss of performance and greater availability of resources. Solutions such as Pix, Open Finance, Chatbots and Fraud Monitoring are being implemented in this type of architecture.

There are more than 5,000 applications and services executing millions of operations per day.

We realize the value of data as a strategic asset and understand that the use of Analytical Intelligence contributes to deeper knowledge about the customer, to the development of new businesses and to the improvement and expansion of existing products and services.

Our analytical solutions form a robust ecosystem, adapting tools to user demands and incorporating the best market practices. In 2023, there were 333 billion customer interactions captured on digital channels, covering more than 25 million customers, with data processed in real time, a growth of 73% compared to 2022.

The use of Artificial Intelligence has been a reality at Banco do Brasil for some years, being part of the business, service and security processes. The chatbot on Whatsapp, "Minhas Finanças" and Crop Monitoring are some examples of tools that, using AI, guarantee the best experience for our customers and employees and contribute to operational efficiency. Furthermore, BB already has several internal Generative AI initiatives underway, being tested and evaluated, with the aim of leveraging the use of this technology.

We reached a record number of 22.9 million users on the App, which remains one of the best rated in the financial market (rating of 4.6 on Google Play, performed by more than 6.18 million users, and 4.7 on the App Store (Apple), with 2.95 million reviews), on a scale with a maximum score of five stars.

In December 2023, we surpassed 29.5 million active customers on digital platforms. Transactions carried out in these channels represented 93.0% of our customers' operations in 4Q23. On Whatsapp, there are 19.6 million users and in 2023 more than R$200 million in CDC disbursements were made on this channel. Furthermore, 30.9% of service operations (such as investment, card application, account opening and business with capitalization, insurance and consortiums) were carried out through digital platforms.

We continue to be in a prominent position as one of the most relevant actors in Open Finance in Brazil and abroad. We were the most awarded institution for the second consecutive year at the Open Summit Awards 2023, considered the biggest Open Finance event in Brazil.

In 4Q23, we reached the mark of R$3.4 billion in increases in credit limits for individuals based on information shared via Open Finance, an increase of 50% compared to the previous quarter. With new use cases for data shared with Banco do Brasil, new customers joining Open Finance continued at an accelerated pace. At the end of 2023, we had 11.1 million unique customers sharing data and more than three million consents.

In November/2023, BB Digital Week – BBDW was held - a technology, innovation, business and sustainability event that took place at the Ulysses Guimarães Convention Center, in Brasília. During the 3 days of the event, there were more than 13 thousand participants, of which 5,000 were from an audience outside BB, 70 lectures, 42 panels and 20 environments made up the event, which was positively evaluated with a score of 4.7, on a scale of 1 to 5, reinforcing our positioning as a technological and innovative company.

Recognition in Technology and Innovation

• "Bank of the Year 2023" – we were awarded as the best bank in Brazil this year. The event is organized by the Financial Times and is considered the "Oscars of the Financial Industry". The award highlights the ability to present a strong financial performance and, at the same time, transform challenges into opportunities, in a competitive and constantly evolving business environment.

• Public Sector Innovation Award focused on citizens, recognized by the Brazilian Institute of Public Governance (IBGP), with the SisconDJ-WEB solution included in the State Companies Category. Through the Interconnection solution with the Courts of Justice and Regional Labor Courts, the entire process of payment of permits for beneficiaries is carried out directly by public servants and judges, without the intervention of the agency network.

• Awarded as the "Most Connected Bank in the Country" by Aberimest Brasil, at the opening of the Global Smart Summit 5G Tech. BB was awarded as the best in the Communications sector in Brazil for the project resulting from the partnership with Claro and Embratel – in partnership with the Network Platform – for the activation of 5G technology at BB, which is already available at the headquarters of the Bank in Brasilia. With this, BB took the lead and is the first public bank in the country to have 5G technology.

• Global Finance Award – The Innovators - Top Innovations in Finance 2023 – Marketing - Metaverse Brablox.

• Global Finance Award – Best Digital Bank - Best info Security & Fraud Management - Questionnaire with strategic information.

• Banking Transformation 2023 Award (Brazilian Catarino) – (i) Acceleration of implementation of solutions in digital channels (Operational Efficiency Category); (ii) Electronic notary registration in rural operations (Innovation with AI Category).

• At the Open Summit Awards, BB was the winner in the "Financial Institution (S1 and S2)" categories; "Credit use case" with the Personalization of Corporate Rates case with Open Finance data; and "Use case for Individuals", with the "Minhas Finanças" case on WhatsApp.

ESG (Environmental, Social and Governance) Agenda

In 2023, we consolidated our best sustainability practices. We improved management, increased the sustainable business portfolio, expanded the offer of products with social and environmental characteristics and reinforced our internal structure that takes care of the ESG theme, emphasizing work on the topics of diversity, equity, inclusion, and sustainable business.

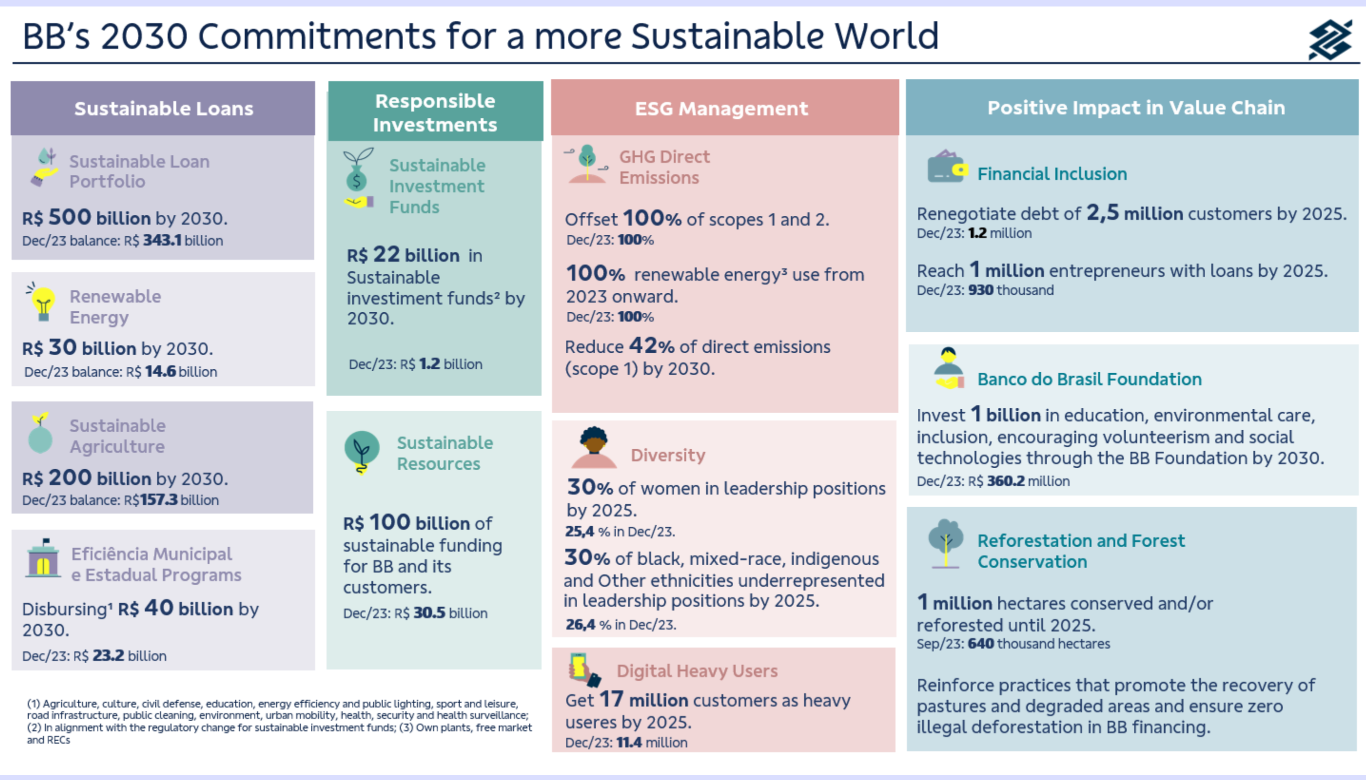
We updated the 12 Commitments for a More Sustainable World and became ambassadors for 3 movements of the UN Global Compact: Women Lead 2030, Race is a Priority and Living Wage.

We released the Sustainability Plan - Agenda 30 BB (2023-2025), which resulted in 47 actions and 100 indicators, already reflecting the premises of the global 2030 Agenda and the international call for the construction of a world guided by the adequate management of natural resources, respect for human rights and generation of value for society and the environment.

Our commitment to developing business solutions with social, environmental and climate aspects is guided and stated in our Social,

Environmental and Climate Change Policy (PRSAC) and based on the BB Sustainability Guidelines for Credit, which are in synergy with the international commitments assumed by the Federal Government, including those related to mitigation and adaptation to the effects of climate change. In 2024, sustainability will continue to be central to our brand and business.

BB 2030 Commitments for a + Sustainable World



Updated in August, the BB 2030 Commitments for a sustainable future bring objectives on four fronts: (i) sustainable credit, (ii) responsible investment, (iii) ESG and climate management and (iv) positive impacts on the value chain. The goals defined are in line with the Sustainable Development Goals (SDGs) of the United Nations (UN) and make up our Sustainability Plan.

Compliance with sustainability indicators and goals is reflected in the remuneration of the entire workforce, including senior management, which ensures alignment between business, people and social, environmental and climate issues.

Sustainable Fundraising

In April 2023, we released the first Resource Allocation and Socio-Environmental Impact Report of the Social Bond issued by BB in January 2022. The document meets the premises of our Sustainable Finance framework and received the limited assurance opinion of the independent auditor.

Still in April, BB issued its second international bond within the scope of the Sustainable Finance framework. The international raising of senior debt, of the sustainability bond type, in the amount of US$750 million, matures on April 18, 2030 and has a coupon of 6.250% p.a. The resources raised will be allocated to renewable energy projects and financing micro and small businesses, especially those led by women.

In September 2023, Banco do Brasil and the Inter-American Development Bank (IDB) signed a letter of intent to facilitate a financing partnership worth US$250 million that is part of a Conditional Credit line for Investment Projects (CCLIP) with a global value of up to US$1 billion (resources from the IDB and the Green Climate Fund). The initiative aims to promote an inclusive and sustainable development model in the Amazon region, supporting companies and rural producers that are part of the bioeconomy value chains in the region.

Furthermore, we have advanced in cooperation with the World Bank (WB) aimed at the transition to a low-carbon economy and promoting projects to recover degraded areas in the Legal Amazon region. This front of action seeks to identify sustainable solutions for forest restoration and promotion of sustainable low-carbon agriculture, with a special geographic focus on the Legal Amazon region in support of the National Plan to Combat Deforestation in the Amazon (PPCDAM).

The objective is to identify and explore financial opportunities for technical assistance, together with other public and private partners at regional, state and national levels, in addition to developing value chains, increasing economic opportunities, maintaining biological, cultural and social diversity, as well as reducing greenhouse gas emissions.

During Climate Week in New York, Banco do Brasil and BMO Financial Group (BMO) signed a Memorandum of Understanding to grant Sustainability Linked Trade Loans for Advances on Foreign Exchange Contracts ("ACC") and Advance on Foreign Exchange Delivered ("ACE"), with an emphasis on exporting products from sustainable production and agriculture systems.

The new operation, unprecedented in the Brazilian market, seeks to encourage the export chain of sustainable and Brazilian products, encouraging better trade finance practices and supporting the supply of certified and quality products to the main world markets. Among the innovations, differentiated conditions will be offered for ACC/ACE operations, as long as it is proven that sustainability goals are achieved in line with BB's commitment to sustainable agriculture and agreed between the institutions.

In line with good ESG practices, we adopt measures to minimize our impact on the world, in addition to encouraging sustainable actions and supporting green companies. With this in mind, we offer the Yankee CD – ESG, a fixed income security issued exclusively by the New York agency. The purpose of the paper is to raise medium-term resources to finance green or social projects managed by BB in Brazil. Furthermore, the BB Tokyo agency quantified and enabled the voluntary compensation of its carbon emissions during the year 2022. The United Nations Framework Convention on Climate Change, linked to the UN, granted the certificate to BB Tokyo, which had the help of a plant located in the Parnaíba River Delta region, in Piauí, so that the operation could be consolidated.

Sustainable Credit Portfolio

In our BB 2030 Commitments, we declared the objective of reaching R$500 billion in sustainable credit by 2030. By the end of 2023, we reached a portfolio of R$343.1 billion in sustainable credit operations, a growth of 4.8% in 12 months. This amount was contracted in credit lines with a strong environmental and/or social focus or to finance activities and/or segments that bring positive socio-environmental impacts such as the renewable energy, energy efficiency, construction, sustainable transport and tourism, water, fishing, forestry, sustainable agriculture, waste management, education, health and local and regional development, to reinforce our transformative role in the country's development and in building an increasingly sustainable future.

Our Sustainable Credit Portfolio is subject to an independent assessment, which considers the main national and international ESG taxonomies in classifying clients and the credit lines that comprise it.

During COP 28, in the United Arab Emirates, we signed a protocol of intentions to materialize our first credit operation with customers linked to environmental performance (sustainability-linked loan) and we sought partnerships to operate in the bioeconomy value chain in the Amazon region. We also signed a protocol of intentions with the Ministry of the Environment to promote and develop the bioeconomy in the country.

Energy Eco-Efficiency

Considering the "BB 2030 for a more sustainable world" commitment, we are investing in decarbonization and guarantee that 100% of the electrical energy consumed by BB comes from renewable sources. We migrated 71 administrative buildings to the Free Contracting Environment (ACL), ensuring the consumption of clean energy and obtaining accumulated savings of R$65.1 million, with a forecast of R$120.4 million by 2025. In 2023 we opened six plants solar plants, reaching a total of thirteen built since 2020. At the moment, we have another 11 plants under construction and scheduled to open in 2024.

BB's solar plants have already generated around 66 GWh, avoiding the emission of more than 20 thousand tons of CO2 into the atmosphere, equivalent to planting a small forest of two thousand trees. In addition to the environmental gains, we saved R$18.2 million, a saving of 32% compared to the captive market. The objective is to achieve a predicted reduction of R$629 million in 15 years.

Corporate Governance

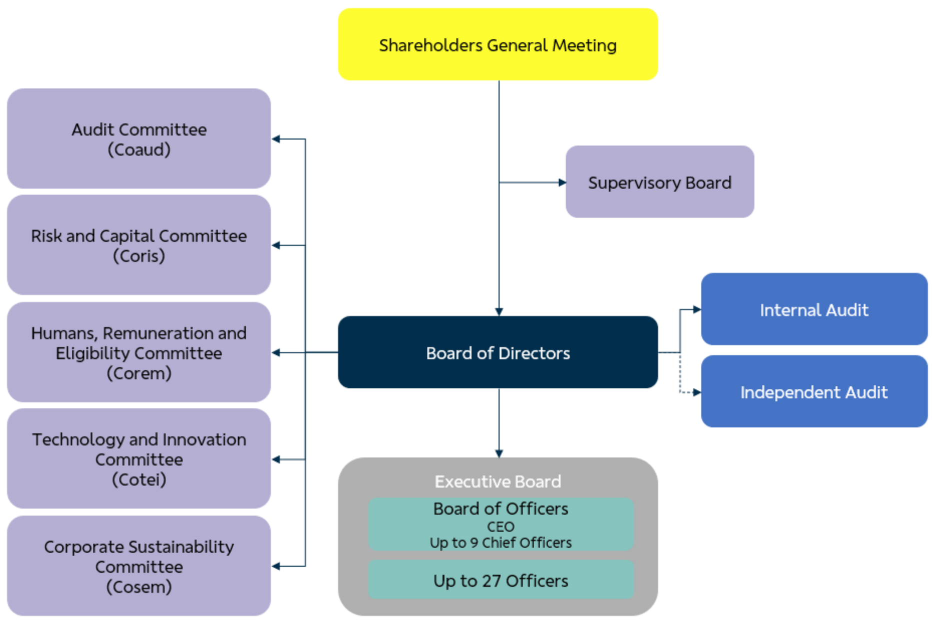
We adopt the best corporate governance practices, maintaining our commitment to the principles of transparency, accountability, equity and corporate responsibility. Since 2006, we have been listed on B3's Novo Mercado, a segment with the highest standard of corporate governance.

Decisions are made collectively at all levels. Thus, the administration has a structure of committees, subcommittees and strategic commissions that guarantee agility, quality and security in decision-making.

Our governance structure is made up of the General Shareholders' Meeting; by the Board of Directors (CA) and its advisory committees – Audit Committee (Coaud); People, Remuneration and Eligibility Committee (Corem); Risk and Capital Committee (Coris), Technology and Innovation Committee (Cotei) and Business Sustainability Committee (Cosem); by the Executive Board, composed of the Board of Directors (President and Vice-Presidents) and other Directors; and by the Supervisory Board. The Board of Directors also receives advice from Internal Audit and an Independent Audit.

The CA, an independent collegial decision-making body, has strategic, guiding, elective and supervisory responsibilities, as provided for in Law and the Bylaws. At least 30% of the members are independent, as defined in the legislation and in the B3 Novo Mercado Regulations.

In April/2023, we held a General Shareholders' Meeting to elect board members for the 2023/2025 term, at which time those nominated by the controlling shareholder and minority shareholders were elected.



Diversity, Equity, and Inclusion

In September, our Board of Officers was invited to speak about the importance of the ESG and Diversity agenda at UN headquarters in New York. There we promoted action in Times Square in favor of the Amazon and indigenous peoples. In November, we participated in the Opening Plenary of the 12th UN Global Business and Human Rights Forum, in Geneva, where we were able to express internationally our commitment to promoting ethnic-racial equity and combating structural racism in the country, mentioning the Open Charter from BB to black movements.

Throughout the second semester, we held six editions of the Diversity, Equity and Inclusion Advisory Council, which was attended by members of BB's executive board and representatives of civil society, market experts and references on the topic. In each of the meetings, we deepen reflections on the challenges, opportunities and best practices for each group of the social markers of difference prioritized in our program: LGBTQIAPN+, Gender, Neurodivergents, Generations, Race and Ethnicity and People with Disabilities.

All the experimentation and acceleration that we promoted on the topic, throughout 2023, also resulted in the proposal and approval of the review and expansion of the Diversity, Equity and Inclusion Program and the launch of BB Ações Diversidade IS, a fund that aims to allocate its resources in shares of companies that adopt the best diversity practices, using the new Brazilian stock exchange index (B3) as a reference.

We have advanced in the diversity of BB's management. Currently, we have 50% women among the eight members of the Board of Directors and 44% women on the Board of Officers.

Another important advance in the quarter was the inclusion of a clause promoting diversity in contracts with suppliers. Our specific supplier relationship policy aims to promote equity, diversity, ethics and integrity in hiring and partnerships with service providers.

In November, we signed a partnership with Fundação Banco do Brasil and Faculdade Zumbi dos Palmares, through which we will invest in research applied to racial issues and that present mechanisms for historical review, acceleration of representation and combating discrimination in Brazil, which notice will be released in 2024.

Also, in November, Black Consciousness Month, we launched the Ourocard Raízes (Roots) card and a notice of socioeconomic projects aimed at black women.

Diversity Recognitions

We were selected to be part of B3's iDiversa, the first Latin American index to combine, in a single indicator, gender and race criteria, and recognizes listed companies that stand out in terms of diversity, in addition to promoting greater representation of these groups in the market.

The index was constructed based on public data available in the Reference Form of companies listed on the stock exchange. BB has a weight of 4.71 in the first portfolio released.

In October, during the CEBDS Sustainable Congress 2023, we received two awards recognizing advances in the diversity of BB's management: Women on the Board, for the 50% of women among the eight members of the Board of Directors and Female Leadership, where the Bank achieved 44% of women on the Board of Officers.

We won an award for gender balance at CA, through an initiative that recognizes publicly traded companies in G20 countries and the Global Private Banking Awards recognized BB Private as the Best Private Bank in Latin America in the Diversity & Inclusion category.

Sport and Culture

We believe that sponsoring sport brings rejuvenation to our brand and associates us with attributes that we consider important: quality of life, sustainability and preservation of the environment.

We are one of the biggest supporters of Brazilian sport, including Olympic sports. Among the sponsored sports are volleyball, surfing, skateboarding and street running. We also support eSports, as well as sponsor individual athletes in different sports.

We recognize that sport teaches, entertains, makes dreams come true, encourages unity and maximizes achievements. The objective of the incentive is to continue to excite, surprise, help to develop sports and, above all, project new idols.

We also believe that culture generates connection. It inspires, raises awareness and creates repertoire. It promotes critical thinking and has the power to impact lives. Therefore, we promote access to national and international cultural productions, through a simple and inclusive approach that provokes identification and representation.

We are present, with the Banco do Brasil Cultural Centers (CCBB), in four major Brazilian capitals – Rio de Janeiro, São Paulo, Brasília and Belo Horizonte. In 2023, we received more than 3.7 million visitors, carrying out projects in the areas of performing arts, music, exhibitions, cinema, ideas and educational program actions. With this, the CCBBs consolidate themselves as one of the main cultural centers in the Brazilian and international scene.

The highlight this year was the launch of the Cultural Sponsorship Notice to make up the CCBBs program for the period 2023-2025. There were more than 6,600 projects registered - with emphasis on the North and Northeast regions, which had record numbers of registrations. 137 projects were selected, from all regions of the country, respecting criteria of diversity, plurality and decentralization of development.

Awards and Recognition

January

We were recognized, for the tenth consecutive time, with the Top Employers certification, an award granted by the independent Dutch research foundation Top Employers Institute. We are the only Brazilian company certified in all editions and have been recognized as an employer that develops talent at all levels of the organization and that strives to implement and continually optimize people management policies and practices.

We were listed in the annual Global 500 ranking, which recognizes the 500 most valuable brands in the world. The assessment is from the British consultancy Brand Finance and the result was released during the Davos Economic Forum, in Switzerland.

We are classified, for the fourth time, as the most sustainable bank on the planet according to the ranking of the 100 Most Sustainable Corporations in the World 2023 – Global 100, by Corporate Knights. In 2023, in addition to its leadership position among banks, BB is the only Brazilian company classified, ranking 15th among companies in general.

BB's Private segment was listed in the Leaders League 2023 Ranking, in the Wealth Management - Private Bank Brasil category, which recognizes the best strategies in Brazil in asset and fortune management for Private clients.

February

We received international recognition in the Platinum and Gold categories of the 2023 AVA Digital Awards, taking place in the United States. Awards from around the world are evaluated by professionals who work in the US communications and marketing industry.

We were recognized at the Lusófonos Creativity Awards, when seven initiatives won 13 trophies, in different categories.

For the 2nd time in a row, we won the award for Most Sustainable Bank in South America, by Capital Finance International – CFI.co.

March

Abrarec – Brazilian Association of Business Client Relations announced the winners of the Ombudsman Brazil Award and we won the best innovation case at Ombudsman Brazil for the 10th time.

We won the bronze trophy at the 17th Steve Awards for our broad, accessible service for deaf and speech-impaired people. The event that took place in the USA recognized service in Libras in the category of Innovation in Customer Service in the Financial Services Industry.

Our Private segment was recognized for the second year in a row as the best Private Bank in Brazil in 2023 by World Business Outlook, a communication vehicle specialized in covering and analyzing finance, international business and the global economy. In this same award, we were also recognized in the categories Best Private Bank for Women, Best Private Bank for Succession Planning and Most Sustainable Private Bank in Brazil.

Private was also awarded, for the second year in a row, as the best Private institution in Brazil at the International Business Magazine 2023 awards, organized by the communication vehicle specialized in the financial market and with international coverage. In this same edition of the awards, we were recognized in the following categories:

- Fast Growing in Private Bank;
- Best Financial Advisory for Women;
- Better Wealth Management;
- Best Financial Advisory for Agribusiness in Brazil.

April

Our president, Tarciana Medeiros, led the Forbes Brasil reputation ranking and is the CEO with the best reputation on LinkedIn according to Forbes Brasil magazine. The ranking scores were calculated using the Digital Maturity Matrix, a methodology that analyzes the presence and strategy of leaders in a qualitative and quantitative way. The Matrix considers more than 30 criteria and parameters in the dimensions of presence, strategy, social capital and executive reputation, delivering a holistic view to the analysis and providing an effective assessment for the strategy of leaders and brands on LinkedIn.

We were recognized in the Private segment as the Best institution in Brazil in Innovation focused on Wealth Management at The Global Economics Awards 2023, organized by the communication vehicle specialized in the financial market and with international coverage.

May

Bacen awarded the institutions that achieved the best performance in the Annual Ranking of projections of the 2022 Focus Bulletin. We won 1st place in the classification for the Selic Rate. BB Asset was recognized for 1st place in the IPCA projection – Medium Term Administered Prices.

We won the fourth championship in one of the categories of the Global CCU Awards, which is an award that recognizes the best corporate universities on a global scale, which create strategic value for people, business, society and the planet. The gold came in the Impact Technologies category, with the Academia de Educadores project.

We won recognition as the best Private Bank in Brazil in the 2023 edition of the World Business Outlook Awards, organized by the communication vehicle specialized in covering and analyzing finance, international business and the global economy.

June

Our president, Tarciana Medeiros, received the Personality of the Year award, offered by the Brazilian Chamber of Commerce in the United Kingdom in recognition of the achievements of companies and their leaders who have contributed to strengthening trade ties between Brazil and the United Kingdom.

We won the 11th edition of the Global Finance Award – The Innovators 2023, in the category "Top Innovations in Finance 2023 - Marketing" with the case "Metaverse BraBlox", whose proposal is to connect the young audience to the company's brand, so that in the future they can become customers of the Bank.

We won the 2nd edition of the FIDinsiders 2023 Award - Digital Finance for Society in the category "Innovation in the Offer of Financial Solutions for Small and Medium Rural Producers". The FIDInsiders Award aims to recognize and disseminate innovative solutions that contribute to improving the democratization of finance in Brazil.

We also had a better score in the ESG rating by Sustainalytics, reaching the "Low Risk" rating and a score of 19.3 (in 2022 we scored 20.6 - Medium Risk). The assessment reflects BB's performance on issues such as data privacy and security, governance, business ethics, risk management, social and environmental performance, among others.

We won the Latam 2023 Award, offered by the Alianza Latinoamericana de Organizaciones para la Interacción con Clientes (Aloic), the award recognizes the best practices in customer relations on the continent.

We were recognized, with the gold trophy, for the best performance in South America in innovation for customer service in the 21st edition of CMS Financial Innovation.

July

We were nominated again for the ReclameAqui award, in the Banks category, demonstrating our good reputation in the opinion of consumers. To be nominated to participate in the awards, companies must have status: Good, great or be RA 1000 (maximum reputation seal provided by the website). The ReclameAqui Award is in its 13th edition, and this is the 5th consecutive time that BB is nominated for this category.

We were listed for the eighth consecutive year in the FTSE4Good Index Series, an index of the London Stock Exchange that evaluates and ranks companies with the best environmental, social and corporate governance practices. 2. BB obtained an overall score of 4.1 in 2023, compared to 3.6 in 2022, and achieved a maximum score (5.0) in the environmental dimension.

We had another international recognition, this time as the best Brazilian bank in the corporate governance category, conferred by the Global Banking & Finance Review. The British Global Banking & Finance Review is an international online platform that offers news, analysis and opinions on the latest trends and innovations in the banking and finance sector around the world, presenting and discussing topics such as banking, insurance, investments and wealth management, as well as discussing fintechs, banking technology, regulatory issues and corporate social responsibility (ESG).

August

We were recognized by the Brazilian Institute of Public Governance (IBGP) with the Innovation in the Public Sector award with a focus on citizens. The SisconDJ-WEB solution was included in the State Companies Category as the Interconnection solution with the Courts of Justice and Regional Labor Courts.

We were awarded as the Best Private Bank in the Country by the Global Business Awards 2023, organized by Corporate Vision, a vehicle specialized in the international financial market, BB Private was recognized as the Best Private Bank in the Country.

October

We achieved the Abracam Seal of Conformity, designed by the Brazilian Foreign Exchange Association, which evaluates the policy, procedures and internal controls adopted by institutions with a view to preventing the use of the financial system to commit crimes related to foreign exchange operations.

November

We were recognized in the Best Performance awards, which is now in its 8th national edition. The initiative brought together the main banks, insurance companies, service providers, fintechs and startups in the financial ecosystem. Focusing on innovation and customer experience, the objective is to recognize and disseminate the best practices in the market. We won in four categories: Excellence in ESG; Best Post-Purchase Support; Excellence in customer attraction, loyalty and retention; and Excellence in Digital Customer/Consumer Service (UX, CX and Customer Success).

We were awarded in the "Bank of the Year 2023" as the best bank in Brazil in 2023. The award ceremony took place in London, England. The event is organized by the Financial Times newspaper and is considered the Oscars of the financial industry. For the award, information related to the growth and performance of companies is considered, as well as success stories regarding strategic initiatives, technology and products and services. We won seven trophies in the Best Performance award and one in the Innovative award.

December

We were certified as a Top Employer, for the 11th consecutive year. This certification recognizes companies with the best HR practices, promoted by the Top Employers Institute, in the Netherlands.

People management

The job market evolves, following needs, trends and new technologies and BB is a protagonist in this evolution. We live in an era in which transformations happen more quickly and responses must follow the same pace.

This transformation also occurs through digital acceleration, which positively influences the way we work, using agile methods on a daily basis and seeking to reskill and upskill our teams.

Focused on the premise of continually improving the customer experience, we called on 61% of those approved in the competition, that is, four thousand new employees, thereby energizing our staff with the arrival of new professionals, including those directly working in the areas of technology and cybersecurity.

We made progress in the onboarding process for employees from the last competition, adding the variables diversity and inclusion. To this end, we prepare corporate educators with training aimed at understanding and meeting these variables.

Upon arrival and after the first 15 days at the company, the employee participates in the game "Tô on no BB", which covers several essential topics such as Corporate Strategy, Financial Ecosystem, BB Results, Communication and Diversity, as a way of consolidating the knowledge obtained about the company.

Paying close attention to employee satisfaction and engagement, which contributes to greater productivity and efficiency, is part of our Corporate Strategy and is our constant focus.

We launched the Race is Priority Program, with the aim of selecting and developing career acceleration for employees of underrepresented races, starting with black people (black and brown) at BB. The Pilot Program will identify black people with the potential to act as leaders. The actions also aim to better adapt and highlight the S of ASG in the company.

We carried out another edition of the Great Place to Work survey. This year, 50 thousand employees were invited to respond, who were able to contribute to the development of people management at Banco do Brasil and highlight the enterprise strengths to the market. After all, the best people make the best companies. A great company to work gives each employee the opportunity to be who they are, offers opportunities to build careers, with benefits and incentives that they value, guided by ethics and with a sense of purpose.

We held a webinar in reference to Yellow September, providing tools to help those who need emotional support. We expanded remote work, reaching more than 16 thousand employees in order to provide a better quality of life for employees, aligned with the objectives of the Corporate Strategy - ECBB by contributing to digital transformation and innovation, in addition to enabling the reduction of expenses with rental of physical spaces.

We started a project that aims to make the BB employee's journey unique, have enchanting moments and generate positive impacts, initially affecting people indicators and, later, business indicators. This project will lead us to the establishment of Employee Experience governance, which is as important as the governance of the Customer Journey.

In December, based on research, information, interviews and visits to BB units, the concept of BB Employee Experience was created. This initiative is connected and aligned with the BB Employee Value Proposition, Organizational Culture and ECBB 2024-2028.

We also highlight our Saúde no Prato Program, which aims to improve employees' eating habits, positively reflecting on their well-being and quality of life through online consultations with the Einstein Nutritional Teleorientation service.

The BB Volunteer Program completed 22 years and, among the celebration actions, an event was held to recognize volunteers, for all the social transformation generated in the communities where they work. Tributes, sharing of experiences and results achieved were some of the highlights of the meeting.

Recognizing and valuing employees is a continuous and fundamental action. Therefore, the edition of the leadership talent identification program, PIT+, which mapped more than 11 thousand employees using AI and data crossing. This has converted the development of leadership skills into day-to-day results for the client. and to the Bank.

We also highlight the holding of the 4th CEI season, BB's annual event on Compliance, Ethics and Integrity. The central theme for 2023 is "Building Sustainable Relationships". The event took place in December and aimed to discuss emerging themes aligned with the Bank's strategic objectives. Topics such as social, environmental and climate responsibility, ethics in the use of artificial intelligence, cyber business, diversity, 10 years of the anti-corruption law, harassment and workplace violence, conduct risk, customer and user relationship policy and operational losses were part of the program.

Internal Controls and Risk Management

In 2023, our Internal Control Effectiveness index monitored the effectiveness and quality of controls in 5,504 Bank units.

On the ESG topic, we evaluated funding products with a focus on greenwashing, applied tests to more than 480 thousand operations in the Sustainable Credit Portfolio and improved the validation methodology with the inclusion of tests that assess the existence of discriminatory biases in people analytics models.

Within the scope of risk and control management, we have evolved in the development of automated tools for monitoring the internal control system and the main risks associated with the Institution's activities. Among these, CRIVO (Compliance, Risk and Intelligence in Operations Verification) stands out, a real-time monitoring platform for the compliance of products and services sold by the Bank, using innovative digital compliance technologies, analytics and artificial intelligence. This platform enables a more comprehensive and efficient assessment of operations, allowing the identification of irregularities and the activation of induction for correction.

Through the Simplifique Platform, employees suggest improvements in controls, processes, products and services. In 2023, we implemented more than 200 suggestions, reducing more than 1.7 million hours in the customer service journey and the use of 13 million sheets of paper.

The Compliance Program was improved with the inclusion of the guide "Diversity, Equity and Inclusion – DE&I" and the approach to ethics in AI. We also held the 4th Season of Compliance, Ethics and Integrity, disseminating best practices and impacting more than 3,500 employees.

In the Customer and User Relationship Policy, we carry out actions focused on serving vulnerable customers and internal acculturation, addressing topics such as ESG, DE&I, Suitability, Financial Education and Ethics.

We reviewed the Model Risk Management Framework in order to align it with best market practices and coverage of exposures related to Artificial Intelligence models. We implement the Continuous Monitoring Plan in liquidity risk models.

In 2023, processes were also developed for the active monitoring of risk indicators and, with active participation in the 2024 Integrated Planning.

Social, Environmental and Climate Risks and Opportunities

In June we published the first Social, Environmental and Climate Risks and Opportunities (GRSAC) report, available on our Investor Relations website.

The GRSAC report is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a global initiative that aims to improve transparency in the disclosure of climate-related financial information, to which the Bank joined in May 2021. It is an important milestone in the sustainability agenda for the financial sector, as it increases the quality of financial information related to social, environmental and climate issues, and reinforces the agenda of ESG commitments and goals. In 2024, we will continue investing in initiatives to mitigate social, environmental and climate risks, in line with the commitments made in the sustainability agenda.

Independent Audit

The hiring of services unrelated to external auditing, and to avoid conflicts of interest, loss of independence or objectivity of independent auditors, we adopt procedures based on applicable legislation and standards and the best internationally accepted principles related to the topic. These principles are as follows: (i) the auditor should not audit his own work, (ii) the auditor should not perform managerial functions for his client and (iii) the auditor should not promote the client's interests. At Banco do Brasil, the hiring of services related to external auditing must be preceded by an opinion from the Audit Committee.

We inform you that Deloitte Touche Tohmatsu Auditores Independentes Ltda. did not provide services that could affect its independence, ratified through the adherence of its professionals to the relevant ethical and independence standards, in a way that meets or exceeds the standards established by the International Federation of Accountants (IFAC), the Federal Accounting Council (CFC), Securities and Exchange Commission (CVM), Central Bank of Brazil (Bacen), Private Insurance Superintendency (Susep), National Supplementary Pension Superintendence (Previc) and other regulatory agencies. These policies and procedures covering areas such as personal independence, post-employment relationships, professional rotation, as well as the approval of audit services and other services, are subject to constant monitoring.

Additional Clarifications

We annually publish the investments made as a result of the exercise of public policies in our Annual Letter on Public Policies and Corporate Governance, available on our website (ri.bb.com.br).

Banco do Brasil, its shareholders, administrators and members of the Fiscal Council undertake to resolve any and all disputes or controversies related to the Novo Mercado Listing Regulations through the B3 Market Arbitration Chamber, in accordance with the arbitration clause contained in the Bylaws Banco do Brasil Social.

For more information, the Reference Form, the Performance Analysis report and the Institutional Presentation are available on the Investor Relations website (ir.bb.com.br).

IFRS Financial Statements

Dec 31, 2023

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors, Management and Shareholders of
Banco do Brasil S.A.

Opinion

We have audited the accompanying consolidated financial statements of Banco do Brasil S.A. ("Banco do Brasil"), which comprise the consolidated balance sheet as at December 31, 2023 and the related consolidated statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Banco do Brasil S.A. as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards - IFRSs, issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing . Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of Banco do Brasil and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

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

1. Allowance for loan losses

The recognition of the allowance for expected loan losses involves judgment and the use of estimates by Banco do Brasil's Management. As disclosed in notes 3.h) and 20 to the consolidated financial statements, Banco do Brasil has designed internal models for estimating the allowance for expected loan losses, in accordance with requirements of IFRS 9, aiming at generating expected loan losses over a given time horizon, comprising the assessment of the PD (Probability of Default), LGD (Loss Given Default) and EAD (Exposure at Default). Accordingly, Banco do Brasil uses internal models to consider the available data history and weights possible loss scenarios, considering forward-looking estimates, and involving Management's assumptions and judgments, as well as an individual assessment of specific customers, in order to represent its best estimate of the expected loss risk of its loan portfolio.

The allowance for expected loan losses was considered a KAM due to the relevance in the context of the consolidated financial statements, the use of estimates and judgment by Management in determining the allowances recognized.

How was the matter addressed in our audit?

Our audit procedures included, among others: (a) understanding the provisioning criteria adopted by Banco do Brasil for loan transactions and other credits with loan characteristics, with the involvement of our specialists, to assess the compliance with IFRS 9 requirements; (b) understanding and testing the design, implementation and effectiveness of the relevant internal controls over the process for measuring the estimated allowance for expected loan losses; (c) reviewing and challenging the models and data base used by Management to measure expected losses, including the allocation of the loan portfolio at the stages required by IFRS 9, on a sampling basis, with the involvement of our specialists; (d) reviewing and challenging the reasonableness of the assumptions used by Management when individually assessing the expected loss of specific customers, on a sampling basis; (e) analyzing the level of the allowance for loan losses; and (f) analyzing the appropriateness of the disclosures in the consolidated financial statements.

We consider that the criteria and assumptions adopted by Management to estimate the allowance for expected loan losses are acceptable in the context of the consolidated financial statements as a whole.

2. Provision for tax, civil, and labor claims

As disclosed in notes 3.o) and 29 to the consolidated financial statements, Banco do Brasil recognizes a provision for tax, civil and labor claims, arising from past events, based on Management's assessment, supported by its legal counsel's by measuring the amounts to be provisioned using the "collective" and "individualized" methods, depending on the type and amounts of the lawsuits. The "collective" method is used for lawsuits considered to be similar and usual, whose individual amount is not relevant and which were developed internally by Management according to statistical parameters. The "individualized" method is assessed periodically by the legal counsel in relation to the likelihood of loss and amounts to be provisioned.

Due to the relevance in the context of the consolidated financial statements, the use of estimates and judgment by Management, we considered the provision for tax, civil, and labor claims as a key audit matter.

How was the matter addressed in our audit?

Our audit procedures included, among others: (a) assessing the design and implementation of the relevant internal controls involving the control of tax, civil and labor claims and the measurement of the amounts provisioned; (b) involving our specialists for understanding the statistical parameters used in the Collective method; (c) confirming the claims with the in-house and outside legal counsel; (d) analyzing on a sampling basis to inspect the documentation of the selected lawsuits provisioned under the individualized method; and (e) analyzing the appropriateness of the disclosures in the consolidated financial statements in accordance with applicable accounting pronouncements.

We considered that the criteria and assumptions adopted by Management to estimate the provision for tax, civil and labor claims are acceptable in the context of the consolidated financial statements as a whole.

3. Employee benefit plans

Banco do Brasil is the sponsor of private pension entities and supplementary healthcare plans, which ensure the supplementation of retirement and healthcare benefits to its employees. As disclosed in notes 3.n) and 38 to the consolidated financial statements, post-employment benefits sponsored by Banco do Brasil related to supplementary pension and healthcare are assessed in accordance with the criteria established in IAS 19 - Employee Benefits.

The estimated defined benefit plan obligations involve relevant actuarial assumptions, including discount rates, among others, which are sensitive and/or involve Management's judgment, and may cause material effects on the consolidated financial statements. Therefore, we considered as a key audit matter.

How was the matter addressed in our audit?

Our audit procedures included, among others: (a) assessing the design and implementation of the relevant internal controls involving the measurement of actuarial liabilities; (b) involving our actuarial specialists for understanding the databases utilized and challenging the main actuarial assumptions used by external actuaries engaged by Management in the calculation of actuarial liabilities; (c) analyzing on a sampling basis the reasonableness of databases and involving our actuarial specialists for recalculating the actuarial obligations; and (d) analyzing the appropriateness of the disclosures in the consolidated financial statements in accordance with the applicable accounting pronouncements.

We considered that the calculation methodology, databases and the main actuarial assumptions adopted by Management, together with its external actuaries, to estimate the employee benefit plan obligations are acceptable in the context of the consolidated financial statements taken as a whole.

4. Information Technology - IT environment

The transactions of Banco do Brasil depend on an IT and infrastructure environment capable of supporting a high volume of transactions processed daily in its legacy information systems that provide input to its accounting records. The IT-related processes, associated with its controls, may pose risks in the processing and generation of critical information, including those used in financial reporting, justifying our consideration as a key audit matter due to the relevance in the context of the consolidated financial statements.

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How was the matter addressed in our audit?

Upon the involvement of our IT specialists, we identified the relevant systems that support the key business activities of Banco do Brasil, and assessed the design and implementation of the general IT controls and tested the operating effectiveness of these controls, including, when necessary, the tests of compensating controls, related to information security, the development and maintenance of the relevant systems and the operation of information technology environment related to the infrastructure that supports Banco do Brasil's business.

Considering the information technology environment's processes and controls, associated with the tests previously mentioned, we concluded that they reasonably allowed us to consider the information obtained from certain systems to define the nature, timing and extent of our audit procedures in the context of the consolidated financial statements taken as a whole.

Other matters

Statement of value added

The consolidated statement of value added ("DVA") for the year ended December 31, 2023, prepared under the responsibility of Banco do Brasil's Management, whose presentation is not required by International Financial Reporting Standards - IFRSs, issued by the International Accounting Standards Board - IASB, was subject to audit procedures performed together with the audit of the consolidated financial statements of Banco do Brasil. In forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, this statement of value added was appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the consolidated financial statements taken as a whole.

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

The Management of Banco do Brasil is responsible for the other information that comprises the Management Report.

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

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

Responsibilities of Management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRSs, issued by the IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Deloitte.

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

Those charged with governance are responsible for overseeing Banco do Brasil's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and, when applicable, related safeguards.

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

The accompanying consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

Brasília, February 7, 2024

DELOITTE TOUCHE TOHMATSU

Auditores Independentes Ltda.

Luiz Carlos Oseliero Filho

Engagement Partner

In thousands of Reais, unless otherwise stated

Consolidated statements of income

	Note	2023	2022
Interest income		265,438,605	236,549,051
Interest expense		(176,689,874)	(162,202,484)
Net interest income	**[7]**	**88,748,731**	**74,346,567**
Net (constitution)/reversal of expected credit losses with:		(25,353,184)	(18,038,862)
Loans to financial institutions	[15]	22,707	(43,367)
Loans to customers	[20]	(23,171,571)	(17,838,964)
Other financial instruments	[17],[18],[33]	(2,204,320)	(156,531)
Net interest income after allowance for losses		**63,395,547**	**56,307,705**
Non-interest income		**44,945,542**	**43,441,620**
Net commissions and fee income	[8]	25,000,273	24,644,715
Net gains/(losses) from financial instruments:	[9]	(367,207)	(1,258,040)
Fair value through profit or loss		(420,855)	(437,557)
Fair value through other comprehensive income		53,648	(820,483)
Net gains from equity method investments	[21]	7,094,163	5,262,995
Net income on foreign exchange and translation of foreign currency transactions		1,572,694	1,609,348
Other operating income	[10]	11,645,619	13,182,602
Non-interest expenses		**(67,193,898)**	**(61,295,764)**
Personnel expenses	[11]	(26,850,181)	(25,402,822)
Other administrative expenses	[12]	(8,740,985)	(7,941,143)
Contributions, fees and other taxes		(7,976,044)	(6,992,470)
Amortization of intangible assets	[24]	(2,356,219)	(1,346,457)
Labor, tax and civil lawsuits	[29]	(8,376,741)	(7,252,224)
Depreciation	[23]	(2,836,148)	(2,627,659)
Other operating expenses	[10]	(10,057,580)	(9,732,989)
Income before taxes		**41,147,191**	**38,453,561**
Income taxes	**[30]**	**(7,981,600)**	**(8,452,382)**
Current		(7,210,573)	(6,788,039)
Deferred		(771,027)	(1,664,343)
Net income		**33,165,591**	**30,001,179**
Attributable to shareholders of the Bank		29,860,965	27,731,162
Attributable to non-controlling interests		3,304,626	2,270,017
Earnings per share			
Earnings per share (R$) – basic and diluted		10.46	9.72
Weighted average shares outstanding – basic		2,853,992,740	2,853,771,411
Weighted average shares outstanding – diluted		2,853,732,099	2,853,548,964

The accompanying notes are an integral part of the consolidated financial statements.

In thousands of Reais, unless otherwise stated

Consolidated statements of comprehensive income

	2023	2022
Net income	**33,165,591**	**30,001,179**
Items that are or may be subsequently reclassified to profit or loss		
Financial assets at fair value through other comprehensive income	**751,441**	**(890,542)**
Unrealized gains/(losses) on financial assets at fair value through other comprehensive income	454,431	(814,369)
Realized (gains)/losses on financial assets at fair value through other comprehensive income – reclassified to profit or loss	(53,648)	820,483
Tax effect	350,658	(896,656)
Share in other comprehensive income of associates and joint ventures	**(360,972)**	**(28,437)**
Unrealized gains/(losses) on financial assets at fair value through other comprehensive income	351,305	(108,479)
Unrealized gains/(losses) on cash flow hedge	(100,847)	(240,599)
Unrealized gains/(losses) on other comprehensive income	(508,846)	160,789
Tax effect	(102,584)	159,852
Hedge of net investment in a foreign operation	**35,093**	**9,322**
Unrealized gains/(losses) on hedge of net investment in a foreign operation	66,916	17,776
Tax effect	(31,823)	(8,454)
Foreign currency translation differences	**(3,050,655)**	**(1,743,647)**
Items that will not be subsequently reclassified to profit or loss		
Defined benefit pension plans	**(5,947,923)**	**2,852,995**
Gains/(losses) remeasurement related to defined benefit pension plans	(11,212,661)	5,405,209
Tax effect	5,264,738	(2,552,214)
Total other comprehensive income net of tax effects	**(8,573,016)**	**199,691**
Total comprehensive income	**24,592,575**	**30,200,870**
Attributable to shareholders of the Bank	22,354,465	28,300,093
Attributable to non-controlling interests	2,238,110	1,900,777

The accompanying notes are an integral part of the consolidated financial statements.

In thousands of Reais, unless otherwise stated

Consolidated balance sheets

	Note	Dec 31, 2023	Dec 31, 2022
Assets			
Cash and bank deposits	[13]	17,327,745	18,310,546
Compulsory deposits with Brazilian Central Bank	[14]	101,805,900	95,119,085
Financial assets at amortized cost, net		1,457,710,873	1,352,904,935
Loans to financial institutions	[15]	442,666,500	423,228,428
Loans to customers	[19],[20]	911,281,198	832,938,557
Securities	[18]	53,098,497	47,996,424
Other financial assets	[25]	50,664,678	48,741,526
Financial assets at fair value through profit or loss	[16]	14,173,304	12,078,012
Debt and equity instruments		12,199,618	10,439,943
Derivatives		1,973,686	1,638,069
Financial assets at fair value through other comprehensive income	[17]	401,442,335	369,770,754
Non current assets held for sale		134,755	203,473
Investments in associates and joint ventures	[21]	22,215,047	20,214,061
Property and equipment	[23]	14,118,006	13,200,128
Use		10,299,022	9,194,568
Right of use		3,818,984	4,005,560
Intangible assets	[24]	10,801,929	11,030,985
Tax assets		70,722,116	67,241,980
Current		9,630,569	9,914,030
Deferred	[30]	61,091,547	57,327,950
Other assets	[25]	43,426,442	48,094,647
Total assets		**2,153,878,452**	**2,008,168,606**
Liabilities			
Financial liabilities at amortized cost		1,884,405,380	1,753,201,995
Customers resources	[26]	811,943,803	753,263,047
Financial institutions resources	[27]	651,190,724	652,922,721
Funds from issuance of securities	[28]	284,156,307	229,745,964
Other financial liabilities	[25]	137,114,546	117,270,263
Financial liabilities at fair value through profit or loss	[16]	2,509,742	2,764,797
Provisions for labor, tax and civil lawsuits	[29]	18,725,677	18,372,705
Expected losses for guarantees provided and loan commitments	[33]	3,061,360	3,584,878
Tax liabilities		17,765,460	18,192,089
Current		4,889,032	4,625,471
Deferred	[30]	12,876,428	13,566,618
Other liabilities	[25]	53,840,507	48,534,390
Total liabilities		**1,980,308,126**	**1,844,650,854**
Shareholders' equity	[31]		
Share capital		120,000,000	90,000,023
Instruments qualifying as common equity tier 1 capital		6,100,000	7,100,000
Treasury shares		(268,255)	(272,570)
Capital reserves		6,634,358	6,630,709
Profit reserves		61,154,159	70,142,173
Accumulated other comprehensive income		(15,196,480)	(7,689,980)
Unallocated retained earnings		(9,188,503)	(6,253,161)
Shareholders' equity attributable to shareholders of the Bank		**169,235,279**	**159,657,194**
Shareholders' equity attributable to non-controlling interests		4,335,047	3,860,558
Total		**173,570,326**	**163,517,752**
Total liabilities and shareholders' equity		**2,153,878,452**	**2,008,168,606**

The accompanying notes are an integral part of the consolidated financial statements.

In thousands of Reais, unless otherwise stated

Consolidated statements of changes in shareholders' equity

	Attributable to shareholders of the Bank												
						Other comprehensive income							
	Share capital	Instruments qualifying as common equity tier 1 capital	Treasury shares	Capital reserves	Profit reserves	Financial assets at fair value through other comprehensive income	Defined benefit plans remeasurement	Foreign currency translation	Gains/(losses) on hedge/ others	Unallocated retained earnings	Shareholders' equity attributable to shareholders of the Bank	Shareholders' equity attributable to non-controlling interests	Total shareholders' equity
Balance at December 31, 2021	**90,000,023**	**8,100,000**	**(276,913)**	**6,627,633**	**51,180,290**	**(1,664,736)**	**(4,699,652)**	**(1,873,586)**	**175,983**	**(4,699,946)**	**142,869,096**	**3,241,137**	**146,110,233**
Transition to IFRS 17	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**(196,920)**	**321,003**	**124,083**	**62,902**	**186,985**
Balance at January 01, 2022	**90,000,023**	**8,100,000**	**(276,913)**	**6,627,633**	**51,180,290**	**(1,664,736)**	**(4,699,652)**	**(1,873,586)**	**(20,937)**	**(4,378,943)**	**142,993,179**	**3,304,039**	**146,297,218**
Net income	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**27,731,162**	**27,731,162**	**2,270,017**	**30,001,179**
Other comprehensive income	--	--	--	--	--	(967,341)	2,853,949	(1,320,254)	2,577	--	568,931	(369,240)	199,691
Total comprehensive income	**--**	**--**	**--**	**--**	**--**	**(967,341)**	**2,853,949**	**(1,320,254)**	**2,577**	**27,731,162**	**28,300,093**	**1,900,777**	**30,200,870**
Partial return of the Instruments qualifying as common equity tier 1 capital	--	(1,000,000)	--	--	--	--	--	--	--	--	(1,000,000)	--	(1,000,000)
Share-based payments	--	--	4,343	3,076	--	--	--	--	--	--	7,419	350	7,769
Other	--	--	--	--	--	--	--	--	--	9,964	9,964	25,781	35,745
Constitution of profit reserve	--	--	--	--	27,888,331	--	--	--	--	(27,888,331)	--	--	--
Interest on instruments qualifying as common equity (Note 31.c)	--	--	--	--	--	--	--	--	--	(463,273)	(463,273)	--	(463,273)
Distribution of interest on own capital and dividends	--	--	--	--	(8,926,448)	--	--	--	--	(2,881,140)	(11,807,588)	(1,931,830)	(13,739,418)
Change in non-controlling interest	--	--	--	--	--	--	--	--	--	--	--	166,884	166,884
Hyperinflation adjustments in Argentina	--	--	--	--	--	--	--	--	--	1,617,400	1,617,400	394,557	2,011,957
Balance at December 31, 2022	**90,000,023**	**7,100,000**	**(272,570)**	**6,630,709**	**70,142,173**	**(2,632,077)**	**(1,845,703)**	**(3,193,840)**	**(18,360)**	**(6,253,161)**	**159,657,194**	**3,860,558**	**163,517,752**
Net income	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**29,860,965**	**29,860,965**	**3,304,626**	**33,165,591**
Other comprehensive income	--	--	--	--	--	905,085	(5,947,436)	(2,098,711)	(365,438)	--	(7,506,500)	(1,066,516)	(8,573,016)
Total comprehensive income	**--**	**--**	**--**	**--**	**--**	**905,085**	**(5,947,436)**	**(2,098,711)**	**(365,438)**	**29,860,965**	**22,354,465**	**2,238,110**	**24,592,575**
Partial return of the Instruments qualifying as common equity tier 1 capital	--	(1,000,000)	--	--	--	--	--	--	--	--	(1,000,000)	--	(1,000,000)
Capital increase - capitalization of reserves	29,999,977	--	--	--	(29,999,977)	--	--	--	--	--	--	--	--
Share-based payments	--	--	4,315	3,649	--	--	--	--	--	--	7,964	--	7,964
Other	--	--	--	--	--	--	--	--	--	8,887	8,887	21,572	30,459
Constitution of profit reserve	--	--	--	--	31,198,574	--	--	--	--	(31,198,574)	--	--	--
Interest on instruments qualifying as common equity (Note 31.c)	--	--	--	--	--	--	--	--	--	(208,380)	(208,380)	--	(208,380)
Distribution of interest on own capital and dividends	--	--	--	--	(10,186,611)	--	--	--	--	(2,842,642)	(13,029,253)	(1,907,178)	(14,936,431)
Change in non-controlling interest	--	--	--	--	--	--	--	--	--	--	--	(230,370)	(230,370)
Hyperinflation adjustments in Argentina	--	--	--	--	--	--	--	--	--	1,444,402	1,444,402	352,355	1,796,757
Balance at December 31, 2023	**120,000,000**	**6,100,000**	**(268,255)**	**6,634,358**	**61,154,159**	**(1,726,992)**	**(7,793,139)**	**(5,292,551)**	**(383,798)**	**(9,188,503)**	**169,235,279**	**4,335,047**	**173,570,326**

The accompanying notes are an integral part of the consolidated financial statements.

In thousands of Reais, unless otherwise stated

Consolidated statements of cash flows

	2023	2022
Operating activities		
Net income	**33,165,591**	**30,001,179**
Adjustments for:	**55,646,244**	**39,579,977**
Net expected loss on loans to customers	29,660,622	24,667,985
Effect of exchange rate changes on cash and cash equivalents	15,866,370	5,501,147
Provision for labor, tax and civil lawsuits	8,376,741	7,252,224
Income taxes	7,981,600	8,452,382
Depreciation	2,836,148	2,627,659
Amortization of intangible assets	2,356,219	1,346,457
Net losses of capital in other assets	45,397	80,323
Impairment of other assets	39,568	32,956
Net expected loss/(reversal) on loans to financial institutions	(22,707)	43,367
Net (gains)/losses from financial assets at fair value through other comprehensive income	(53,648)	820,483
Impairment reversals on payroll management rights	(136,381)	(520,482)
Net gains from disposal of property	(204,390)	(235,592)
Net (gains)/losses on foreign exchange and translation of foreign currency transactions	(1,572,694)	(1,609,348)
Adjustment of actuarial assets/liabilities and surplus allocation funds	(2,477,943)	(2,762,476)
Net gains from equity method investments	(7,094,163)	(5,262,995)
Net gains from disposal of investments in associates and joint ventures	--	(337,844)
Other	45,505	(516,269)
Adjustments for net change in operating assets and liabilities	**(74,071,049)**	**(3,523,819)**
Compulsory deposits with central banks	(6,686,815)	(19,615,049)
Loans to financial institutions	(32,259,028)	121,087,808
Financial assets at fair value through profit or loss	(2,095,292)	(338,942)
Loans to customers	(107,795,053)	(123,222,981)
Non-current assets held for sale	(13,369)	306,544
Other assets	(1,511,331)	(54,468,499)
Customers resources	58,680,756	81,993,506
Financial liabilities at fair value through profit or loss	(255,055)	711,636
Financial institutions resources	(1,731,996)	4,918,269
Funds from issuance of securities	71,095,877	(50,128,709)
Other liabilities	(45,980,083)	41,069,089
Income taxes paid	(5,519,660)	(5,836,491)
Net cash provided by operating activities	**14,740,786**	**66,057,337**

In thousands of Reais, unless otherwise stated

Continued	2023	2022
Investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(184,899,066)	(232,613,868)
Disposal of financial assets at fair value through other comprehensive income	211,956,434	218,723,358
Acquisition of securities at amortized cost	(6,555,228)	(5,260,419)
Redemption of securities at amortized cost	831,589	2,763,317
Acquisition of property and equipment	(3,021,920)	(1,902,139)
Disposal of property and equipment	3,350	3,272
Acquisition of intangible assets	(2,009,620)	(4,817,163)
Dividends and interest on own capital received	5,251,011	4,216,912
Redemption of Cateno's shares	115,720	231,440
Capital investment - Broto S.A.	(31,200)	--
Disposal of interest in Banco Digio S.A.	--	645,060
Net cash provided by (used in) investing activities	**21,641,070**	**(18,010,230)**
Financing activities		
Settlement of long-term liabilities	(19,868,534)	(16,131,901)
Interest paid on additional equity instrument	(258,197)	(215,471)
Repayments and extinguishments of lease liabilities	(1,039,896)	(1,020,150)
Dividends and interest on own capital paid to Bank's shareholders	(12,956,523)	(11,810,305)
Dividends and interest on own capital paid to non-controlling interests	(2,401,800)	(1,365,135)
Issue of long-term liabilities	2,183,000	2,328,600
Net cash used in financing activities	**(34,341,950)**	**(28,214,362)**
Net increase or decrease in cash and cash equivalents	**2,039,906**	**19,832,745**
Cash and cash equivalents at the beginning of the year	68,826,279	54,494,681
Effect of exchange rate changes on cash and cash equivalents	(15,866,370)	(5,501,147)
Cash and cash equivalents at the end of the year	54,999,815	68,826,279
Increase/(decrease) in cash and cash equivalents	**2,039,906**	**19,832,745**
Complementary information about cash flow	**79,584,036**	**53,035,752**
Interest paid	(166,525,791)	(145,646,413)
Interest received	246,109,827	198,682,165

Accounting changes not involving cash and cash equivalents		
Assets reclassified as non-current assets held for sale	(82,087)	92,677
Unpaid dividends	2,381,347	2,308,617

The accompanying notes are an integral part of the consolidated financial statements.

In thousands of Reais, unless otherwise stated

Consolidated statements of value added

	Note	2023	2022
Income		**277,936,800**	**256,688,814**
Financial intermediation		266,644,092	236,900,359
Service rendering		36,645,892	37,827,317
Net (constitution)/reversal of expected credit losses with:		(25,353,184)	(18,038,862)
Loans to customers		(23,171,571)	(17,838,964)
Loans to financial institutions		22,707	(43,367)
Other financial instruments		(2,204,320)	(156,531)
Financial intermediation expenses		**(176,689,874)**	**(162,202,484)**
Purchased inputs from third parties		**(26,425,083)**	**(24,224,546)**
Supplies, energy, and others	[14]	(6,967,965)	(6,222,553)
Outsourced services	[14]	(1,022,797)	(1,016,780)
Other		(18,434,321)	(16,985,213)
Adjustment of actuarial liabilities	[12]	(1,292,032)	(1,211,318)
Performance bonus paid to customers for loyalty	[12]	(1,313,975)	(1,724,520)
Inflation adjustments of tax obligations under legal discussion	[12]	--	(829,385)
Operating losses	[12]	(369,683)	(280,251)
Liabilities for operations linked to assignments	[12]	(16,285)	(19,186)
Other		(15,442,346)	(12,920,553)
Gross Value Added		**74,821,843**	**70,261,784**
Depreciation, depletion, and amortization		(5,192,367)	(3,974,116)
Net Value Added produced by the entity		**69,629,476**	**66,287,668**
Value Added received in transference		**7,094,163**	**5,262,995**
Net income/(loss) from equity method investments		7,094,163	5,262,995
Total Value Added created		**76,723,639**	**71,550,663**
Distribution of Value Added created		**76,723,639**	**71,550,663**
Personnel		**27,452,532**	**25,976,878**
Wages and salaries		18,165,766	17,235,185
Benefits		4,907,414	4,592,910
Social security cost - FGTS		866,397	821,660
Other charges		3,512,955	3,327,123
Taxes, fees, and contributions		**15,957,644**	**15,444,852**
Federal		12,990,259	13,222,655
State		749	680
Municipal		2,966,636	2,221,517
Borrowed capital repayment		**147,872**	**127,754**
Rental and operating leases	[14]	147,872	127,754
Own capital repayment		**33,165,591**	**30,001,179**
Interest on own capital - Brazilian Government	[37.h]	5,673,424	4,817,672
Interest on own capital - others	[37.h]	5,673,423	4,817,670
Dividends - Brazilian Government	[37.h]	841,203	1,086,124
Dividends - others	[37.h]	841,203	1,086,122
Non-controlling interest's dividends		1,907,178	1,931,830
Interest on instrument qualifying as common equity tier 1 capital		208,380	463,273
Profit retained/loss		16,623,332	15,460,301
Non-controlling interest on retained profit		1,397,448	338,187

1– The bank and its operations

Banco do Brasil S.A. ("Banco do Brasil", the "Bank" or the "Group") is a publicly-traded company subject to the rules of Brazilian Corporate Law. The Brazilian Federal Government controls the Bank. Its headquarters are located at Setor de Autarquias Norte, Quadra 5, Lote B, Edifício Banco do Brasil, Brasília, Federal District, Brazil.

The Bank has its shares traded in the segment known as Novo Mercado of B3 S.A. - Brasil, Bolsa, Balcão (B3), under the ticker "BBAS3" and its ADRs (American Depositary Receipts) on the over-the-counter market in the United States under the ticker "BDORY". The Bank´s shareholders, managers and members of the Fiscal Council are subject to the provisions of B3's Novo Mercado Regulation. The provisions of Novo Mercado will prevail over the statutory provisions, in case of prejudice to the rights of the recipients of the public offers provided for in the Bylaws.

The Group's business activities include the following:

- all active, passive and ancillary banking operations;
- banking and financial services, including foreign exchange transactions and other services such as insurance, pension plans, capitalization bonds, securities brokerage, credit/debit card management, consortium management, investment funds and managed portfolios; and
- all other types of transactions available to banks within Brazil's National Financial System.

As an agent for execution of the Brazilian Federal Government's credit and financial policies, Brazilian Law requires the Bank to perform the following functions under the supervision of the National Monetary Council (CMN):

(i) act as financial agent for the National Treasury;
(ii) provide banking services on behalf of the Federal Government and other governmental agencies;
(iii) provide clearing services for checks and other documents;
(iv) buy and sell foreign currencies as determined by the CMN for the Bank's own account and for the account of the Brazilian Central Bank (Bacen);
(v) provide receipt and payment services for Bacen, in addition to other services;
(vi) finance the purchase and development of small and medium-sized farms; and
(vii) disseminate and provide credit.

215 years old, the Bank acts responsibly to promote social inclusion through the generation of jobs and income.

The Bank finances the production and commercialization of agricultural products; fosters rural investments such as storage, processing, industrialization of agricultural products and the modernization of machinery and implements; and finances improvements in rural properties to comply with the environmental law. Accordingly, the Bank supports the Brazilian agribusiness in all stages of the production chain.

The Bank offers to micro and small companies: working capital, financings for investments, and foreign trade solutions, in addition to several other products related to cash flows, social security, pension plans, and services. The Bank provides financing alternatives and business models that promote the transition to an inclusive economy to many companies, including Individual Microentrepreneurs (Microempreendedores Individuais – MEI).

In its financing of foreign trade, the Bank puts into effect government policy instruments to stimulate productive development, entrepreneurship, social and financial inclusion, including the Income Generation Program (Programa de Geração e Renda – Proger) and the Export Financing Program (Programa de Financiamento às Exportações – Proex).

Banco do Brasil also acts as a Financial Market System Operating Institution (IOSMF) executing check clearing services through the Check Clearing Centralizer (Compe), Financial Market Infrastructure (IMF), part of the Brazilian Payment System (SPB), in accordance with BCB Resolutions nº 304 and 314/2023.

More information about the subsidiaries is included in Note 2, while Note 6 contains a description of the Bank's business segments.

2– Presentation of consolidated financial statements

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Bank's Board of Directors approved these consolidated financial statements and authorized for issuance on February 07, 2024.

b) Functional and presentation currency

The consolidated financial statements are presented in Brazilian Reais, which is the Bank's functional and presentation currency. Financial information is presented in thousands of Brazilian Reais (R$ thousand), unless otherwise indicated.

c) Going concern

Management believes that the Bank has sufficient funds to continue its business in the future. Management is not aware of any material uncertainty that may generate significant doubts about the capacity to continue operating. Accordingly, these consolidated financial statements have been prepared based on a going concern basis.

d) Changes in accounting policies

These consolidated financial statements were prepared using the same policies and accounting methods used to prepare the consolidated financial statements for the year ended Dec 31, 2022, except in the cases indicated in item "f" of this note.

e) Consolidated financial statements

The consolidated financial statements include the Bank's branches and subsidiaries in Brazil and abroad. Significant account balances and transactions among the consolidated companies are eliminated. Assets, liabilities, income and expenses balances of the Bank and its controlled entities were combined based on similarity and transactions balances between the consolidated companies were eliminated. The following table demonstrates the Bank's ownership interest in the companies included in the consolidated financial statements by business segment.

Non-controlling shareholder's interests are presented in the balance sheet as a segregated component of shareholders' equity. The result attributable to non-controlling shareholders is shown separately in the income statement and the statement of comprehensive income.

In thousands of Reais, unless otherwise stated

	Activity	Country	Functional currency	% Total share	
				Dec 31, 2023	Dec 31, 2022
Banking segment					
Banco do Brasil AG	Banking	Austria	Real	100.00%	100.00%
BB Leasing S.A. - Arrendamento Mercantil	Leasing	Brazil	Real	100.00%	100.00%
Banco do Brasil Securities LLC.	Broker	USA	Real	100.00%	100.00%
BB Securities Ltd.	Broker	England	Real	100.00%	100.00%
BB USA Holding Company, Inc.	Holding	USA	Real	100.00%	100.00%
BB Cayman Islands Holding	Holding	Cayman Islands	Real	100.00%	100.00%
Banco do Brasil Americas	Banking	USA	American Dollar	100.00%	100.00%
Banco Patagonia S.A. [1]	Banking	Argentina	Argentinian Peso	80.39%	80.39%
Investment segment					
BB Banco de Investimento S.A.	Investment bank	Brazil	Real	100.00%	100.00%
Segment of fund management					
BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A. – BB Asset	Asset management	Brazil	Real	100.00%	100.00%
Segment of insurance, private pension fund and capitalization					
BB Seguridade Participações S.A. [2]	Holding	Brazil	Real	67.03%	66.36%
BB Corretora de Seguros e Administradora de Bens S.A. [2]	Broker	Brazil	Real	67.03%	66.36%
BB Seguros Participações S.A. [2]	Holding	Brazil	Real	67.03%	66.36%
Segment of payment methods					
BB Administradora de Cartões de Crédito S.A.	Service rendering	Brazil	Real	100.00%	100.00%
BB Elo Cartões Participações S.A.	Holding	Brazil	Real	100.00%	100.00%
Other segments					
Ativos S.A. Securitizadora de Créditos Financeiros	Credits acquisition	Brazil	Real	100.00%	100.00%
Ativos S.A. Gestão de Cobrança e Recuperação de Crédito	Collection management	Brazil	Real	100.00%	100.00%
BB Administradora de Consórcios S.A.	Consortium	Brazil	Real	100.00%	100.00%
BB Tur Viagens e Turismo Ltda.	Tourism	Brazil	Real	100.00%	100.00%
BB Asset Management Ireland Limited [3]	Asset management	Ireland	Real	--	100.00%
BB Tecnologia e Serviços [2]	IT	Brazil	Real	99.99%	99.99%
Investment funds					
Fundo de Investimento em Direitos Creditórios – Bancos Emissores de Cartão de Crédito V [4]	Investment funds	Brazil	Real	90.42%	84.09%
BB Impacto ASG I Fundo em Investimento em Multiestratégia Investimento no Exterior [4]	Investment funds	Brazil	Real	100.00%	100.00%
BB Ventures I Fundo de Investimento em Participações Multiestratégia – Investimento no Exterior [4]	Investment funds	Brazil	Real	100.00%	100.00%
FIP Agventures II Multiestratégias [4]	Investment funds	Brazil	Real	54.67%	54.45%
BB Multi Criptoativos Full IE LP FIC FI [5]	Investment funds	Brazil	Real	--	63.96%
BB Asset Renda Fixa Plus FICFI [5]	Investment funds	Brazil	Real	--	52.99%
BB Asset Renda Fixa Crédito Privado Longo Prazo [5]	Investment funds	Brazil	Real	--	82.06%
BB Ações Seleção Fatorial Funci FI [5]	Investment funds	Brazil	Real	--	72.10%
BB MM Multiestratégia LP Funci FIC FI [5]	Investment funds	Brazil	Real	--	54.74%
BB Ações BRL Global Superdividendos Global X Superdividendos [5]	Investment funds	Brazil	Real	--	100.00%
BB Multigesta Crédito Privado FIC FIM [5]	Investment funds	Brazil	Real	--	99.78%
BB Fx MM Allspring Climate Transition FI IE [5]	Investment funds	Brazil	Real	--	100.00%
BB Ações FX Pictet Global Environmental Opportunities [5]	Investment funds	Brazil	Real	--	100.00%
BB MM Global Select Equity Value IE FIC FI [5]	Investment funds	Brazil	Real	--	100.00%
BB Multimercado High Alpha LP FIC FI [5]	Investment funds	Brazil	Real	91.47%	--
BB Asset MM High Alpha FIC FI	Investment funds	Brazil	Real	99.93%	--
BB Asset Seleção Fatorial FIC FI	Investment funds	Brazil	Real	99.76%	--
BB RF Simples Investback FIC FI	Investment funds	Brazil	Real	70.48%	--

1 - Operates in a hyperinflationary economic environment since 2018.
2 - Refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury.
3 - Asset Manager closed on June 17, 2023.
4 - Investment funds in which the Bank substantially assumes or retains risks and benefits.
5 - Non-exclusive and open funds from the initial application of BB Asset's own resources, destined for sale to external investors, the referred entity does not have the intention to substantially assume or retain risks and benefits in these investment funds, which the Bank consolidates only in the months when most of the shares are still held by BB Asset.

In thousands of Reais, unless otherwise stated

Summarized financial information of the subsidiaries with participation of non-controlling interests (NCI)

	Dec 31, 2023			Dec 31, 2022		
	BB Seguridade Participações S.A.	Banco Patagonia S.A.	Other	BB Seguridade Participações S.A.	Banco Patagonia S.A.	Other
Current assets	3,041,513	15,207,741	1,799,622	3,768,306	23,547,407	1,674,003
Non-current assets	9,231,853	3,537,281	182,597	8,135,179	5,335,397	199,586
Current liabilities	2,472,096	13,649,349	488,521	3,686,067	21,955,744	462,661
Non-current liabilities	153	17,805	--	28	173,450	--
Income	7,852,718	19,630,921	1,763,923	6,091,165	9,103,357	1,460,574
Net income	7,736,486	3,572,759	238,606	6,040,886	883,814	157,777
Comprehensive income	7,880,657	5,093,558	238,606	6,187,933	1,184,319	157,777
Non-controlling interest's dividends	1,868,043	--	--	1,931,830	--	--
Ownership interest held by NCI	32.97%	19.61%	--	33.64%	19.61%	--
Net income attributable to NCI	2,585,159	700,618	18,849	2,032,154	173,316	13,458
Accumulated shareholder NCI	3,231,893	995,770	107,384	2,764,330	1,324,383	180,289

f) Recently issued standards, applicable or to be applied in future periods

Standards applicable from January 1st, 2023

Amendments to IAS 1 – Presentation of Financial Statements – In February 2020, the IASB promoted amendments to IAS 1, focusing on clarify the definitions of current liabilities and non-current liabilities.

The Bank assessed the impacts of adopting the standard and did not identify material impacts.

The IASB also determined, in February 2021, that only information about material accounting policies must be disclosed, rather than material accounting policy. The amendment aims to improve accounting policies disclosure so that entities provide more useful information to users of financial statements.

The Bank assessed the impacts of adopting the standard and promoted adjustments in the Financial Statements.

IFRS 17 – Insurance Contracts – In May 2017, the IASB published a new standard to replace the IFRS 4. The new standard establishes recognizing, measuring, and disclosure principles to insurance contracts, which aims to assure that the entity issues material information that faithfully represents these contracts. In addition, the new standard tries to resolve some inadequacies in the existing wide variety of accounting practices in the insurance market, which impaired the comparability of the insurers accounting information.

BB Seguridade's investees that transact insurance contracts within the scope of this standard prepared their financial statements in the new standard for the purpose of meeting the requirements of IFRS 17. The consequences of the adoption of the standard by these companies were recognized in the financial statements of BB Seguridade and the Bank by equity method, with non-relevant effects on investments in equity interests and shareholders' equity.

As IFRS 17 requires, the Bank performed the retrospective application of the standard, taking in account the initial adoption as of January 1, 2023, and the transition date as January 1, 2022, the beginning of the annual reporting period immediately preceding the date of initial adoption. The impacts were reflected in the Bank's financial statements, with effects on investments in equity and shareholders' equity, as evidenced in "Information for comparison purposes" table below.

Amendment to IAS 8 – Accounting Policies, Changes in Estimates and Errors – In February 2021, the IASB distinguished the differences between amendments in accounting policy and amendments in accounting estimates. While estimate changes are prospectively appliable, policy changes usually are retroactive.

The amendment had no material impact on the financial statements.

Amendment to IAS 12 – Income Taxes – In May 2021, the IASB clarified that the exemption for accounting deferred taxes arising from temporary differences generated on the initial recognition of assets or liabilities does not apply to lease operations.

The Bank now discloses that considers the deferred tax effects arising from temporary differences related to right-of-use assets and lease liabilities (Note 30.d).

The IASB also issued amendments, in May 2023, which gives to the entities temporary relief for the deferred tax accounting arising from the Organization for Economic Co-operation and Development's (OECD) international tax reform.

The amendment had no material impact on the financial statements.

Information for comparison purposes

The effects of adjustments in the Balance Sheet and Income Statement are demonstrated below. Consequently, the comparative balances of the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flows and the Statement of Added Value were adjusted, as well as the respective notes.

Besides IFRS 17 adoption, for comparison purposes, the following adjustments were also made to the Consolidated balance sheet and Consolidated statement of income:

(i) extinction of the grouping of "Securities purchased under resale agreements", with balances reclassified to the grouping of "Loans to financial institutions";
(ii) extinction of the "Amounts payable to financial institutions" grouping, with balances reclassified to the "Financial institution resources" grouping;
(iii) reclassification of "On-lending" from the group "Funds from issuance of securities" to the group "Resources from financial institutions";
(iv) reclassification of "Financial and development funds" from the group "Funds from issuance of securities" to the group "Other financial liabilities"; and
(v) reclassification of the expected loss on repurchase agreements from the grouping "Net (constitution)/reversal of expected credit losses with Other financial instruments" to the grouping of "Net (constitution)/reversal of expected credit losses with Loans to financial institutions".

In thousands of Reais, unless otherwise stated

Consolidated balance sheets

Dec 31, 2022	Original report	Adjustments	Restated balances
Assets			
Loans to financial institutions	62,607,954	360,620,474	423,228,428
Securities purchased under resale agreements	360,620,474	(360,620,474)	--
Investments in associates and joint ventures (IFRS 17)	19,773,432	440,629	20,214,061
Total	**2,007,727,977**	**440,629**	**2,008,168,606**
Liabilities			
Amount payable to financial institutions	24,082,857	(24,082,857)	--
Financial institutions resources	564,453,599	88,469,122	652,922,721
Funds from issuance of securities	328,608,124	(98,862,160)	229,745,964
Other financial liabilities	82,794,368	34,475,895	117,270,263
Shareholders' equity			
Accumulated other comprehensive income (IFRS 17)	(7,560,617)	(129,363)	(7,689,980)
Unallocated retained earnings	(7,083,363)	830,202	(6,253,161)
Shareholders' equity attributable to shareholders of the Bank	**158,956,355**	**700,839**	**159,657,194**
Shareholders' equity attributable to non-controlling interests	4,120,768	(260,210)	3,860,558
Total	**163,077,123**	**440,629**	**163,517,752**
Total liabilities and shareholders' equity	**2,007,727,977**	**440,629**	**2,008,168,606**

Consolidated statements of income

2022	Original report	Adjustments	Restated balances
Net (constitution)/reversal of expected credit losses with:	(18,038,862)	--	(18,038,862)
Loans to financial institutions	(43,333)	(34)	(43,367)
Loans to customers	(17,838,964)	--	(17,838,964)
Other financial assets	(156,565)	34	(156,531)
Non-interest income	**43,289,776**	**151,844**	**43,441,620**
Net gains from equity method investments (IFRS 17)	5,111,151	151,844	5,262,995
Non-interest expenses	**(61,295,764)**	**--**	**(61,295,764)**
Other administrative expenses	(8,170,710)	229,567	(7,941,143)
Outras expenses	(9,503,422)	(229,567)	(9,732,989)
Income before taxes	**38,301,717**	**151,844**	**38,453,561**
Net income	**29,849,335**	**151,844**	**30,001,179**
Attributable to shareholders of the Bank	27,630,407	100,755	27,731,162
Attributable to non-controlling interests	2,218,928	51,089	2,270,017

Standards to be adopted in future periods

Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures – In September 2014, the IASB issued amendments to IFRS 10 and to IAS 28 that address an acknowledged inconsistency between the requirements of these two standards, dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The date these amendments will be effective was postponed and it will still be determined and issued by the IASB.

Amendment to IAS 1 – Presentation of Financial Statements – In October 2022, the IASB determined that the entities classify debts as non-current only if they can avoid its settlement before 12 months to the report date. Although sometimes this settlement is subject to the comply with covenants. Covenants complying after the report date don't affect the debt classification as current or non-current, but the entity need to disclose information about that in the notes to provide the users the risk of a possible early settlement.

This change is effective for annual periods beginning on or after January 1, 2024.

Amendment to IFRS 16 – Leases – In September 2022, the IASB issued amendments explaining how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

This change is effective for annual periods beginning on or after January 1, 2024.

Amendment to IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments: Disclosures – In May 2023, the IASB issued amendments that introduces disclosure requirements from forfait transactions as of terms and conditions, cash flow exposure, and other details including: payment terms; non-cash effects; and possible liquidity risk.

This change is effective for annual periods beginning on or after January 1, 2024.

Amendment to IAS 21 – The Effects of Changes in Foreign Exchange Rates – In August 2023, the IASB issued amendments to help companies assessing whether a currency can be exchanged into another currency and, when it cannot, in determining which exchange rate to use.

This change is effective for annual periods beginning on or after January 1, 2025. Earlier application is permitted.

The Bank began evaluating the impacts of adopting the new amendments. Other impacts from the adoption of these standards, changes or interpretations are being evaluated and will be completed before they become effective.

3– Significant accounting policies

The accounting policies set out below have been consistently applied by the Bank and its subsidiaries during all the periods presented in these consolidated financial statements.

a) Basis of consolidation

These consolidated financial statements reflect assets, liabilities, income and expenses of the Bank and its controlled entities. Control is determined when there is decision-making power over the investee, is exposed to or has the right to variable returns from its involvement with the investee and has the ability to affect profit through its power over the investee.

In accordance with IAS 29, the Bank restates the Financial Statements of its subsidiaries whose functional currency is in a hyperinflationary economy, so that they are reflected in a coherent measurement unit at the end of the reporting period. The difference resulting from the monetary restatement of non-monetary assets, equity and items in the Income Statement are recognized by the Bank as a gain or loss on net monetary position, in other operating income/expenses. The restated Financial Statements of the investees, expressed in foreign currency, are converted at the closing exchange rates.

Business combinations – The acquisition of a subsidiary through a business combination is recognized on the acquisition date (the date on which the Bank obtains control) using the acquisition method. Under this method, on the acquisition date, identifiable assets (including intangible assets not previously recognized), liabilities assumed, and contingent liabilities are recognized at their fair value. A positive difference between the acquisition cost and the fair value of the identifiable net assets is recognized as goodwill. Negative differences (gains on a bargain purchase) are recognized in statement of income in the line-item other operating income.

Transaction costs incurred by the Bank as part of a business combination, except for costs related to the issuance of debt or equity securities, are recognized in the statement of income. Contingent consideration is measured at fair value on the acquisition date.

The financial statements of subsidiaries acquired during the period are included in the consolidated financial statements from the acquisition date through the end of the year. Financial statements from subsidiaries disposed of during the year are included in the consolidated financial statements from the beginning of the year through the date of disposal, or the date on which the control ceases.

Business combinations under common control – In a business combination under common control, assets and liabilities are not restated to their fair values. Rather, the Bank recognizes assets and liabilities at their pre-combination carrying amounts.

No new goodwill is recorded. Any difference between the cost of the transaction and the carrying value of the net assets is recorded in equity.

Changes of ownership interests in subsidiaries – Changes that do not result in loss of control are accounted for as equity transactions (i.e., transactions among owners acting in their capacity as owners). As a result, these transactions do not give rise to goodwill.

Loss of control – Upon the Bank's loss of control of a subsidiary, the Bank derecognizes:

i. the carrying amount of the subsidiary's assets (including goodwill) and liabilities; and

ii. the carrying amount of non-controlling interests in the former subsidiary, including any components of other comprehensive income attributed to these interests.

In addition, on the date control is lost, the Bank recognizes:

i. the fair value of consideration received, if any, originating from the transaction, event or circumstances that gave rise to the loss of control;

ii. the distribution of the subsidiary's shares to the owners (if the transaction resulting in the loss of control involved a distribution of shares);

iii. any investment held in the former subsidiary at fair value; and

iv. any difference as a gain or loss attributable to the Bank's shareholders.

Structured entities (SE's) – The Bank sponsors the creation of SE's, including investment funds, consortium groups and securitization vehicles, and it may or may not control the SE and reassesses the need to consolidate the SE if facts and circumstances indicate that there have been changes in one or more elements of control.

b) Offsetting financial assets and liabilities

The Bank only offsets assets and liabilities or income and expenses if there is a legally enforceable right to offset the amounts and offsetting better represents the substance of the transaction. In all other situations, assets and liabilities and income and expenses are separately presented.

Financial assets and liabilities are only presented net if there is a legally enforceable right to offset the amounts and there is intent to settle on a net basis or to realize an asset and settle a liability simultaneously.

c) Translation of foreign currency transactions

Transactions and balances – Transactions in foreign currencies are translated into the respective functional currencies of the Group companies at the exchange rates at the dates of the transactions.

Assets and liabilities denominated in foreign currencies, most of which are monetary in nature, are translated into the functional currency at the exchange rate at the reporting date. All foreign exchange differences are recognized in profit or loss in the period in which they arise, in the line item "net income on foreign exchange and translation of foreign currency transactions".

Translation to the presentation currency – The financial statements of foreign subsidiaries are translated into the Bank's presentation currency based on the following criteria:

i. assets and liabilities are translated at the exchange rate at the reporting date; and

ii. income and expenses are translated at the average exchange rate for the period (except Banco Patagonia, which is the exchange rate at the reporting date), for being in the context of a hyperinflationary economy.

Foreign exchange differences arising from the translation of financial statements of foreign entities whose functional currency is the Real are recognized in the consolidated statement of income as an integral part of net income on foreign exchange and translation of foreign currency transactions. For entities whose functional currency are not the Real, gains or losses on translation are recognized directly in other comprehensive income. Upon disposal or loss of control of the foreign subsidiary, accumulated foreign exchange differences are reclassified from other comprehensive income to profit or loss for the period. Foreign exchange differences attributable to non-controlling shareholders are recognized as part of the interests of non-controlling shareholders in the balance sheet.

d) Revenue and expense recognition

Interest income and fee and commission income are recognized when the amount, related costs and stage of completion of the underlying transaction can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Bank. Considering the Bank's main revenue streams, these principles are applied as follows:

Net interest income – Interest income and expenses on interest-bearing assets and interest-bearing liabilities are recognized in profit or loss on an accrual basis. The Bank uses the effective interest rate method for its financial instruments.

The effective interest rate method is used to calculate the amortized cost of a financial asset or liability (or group of financial assets or liabilities) and to allocate interest income or expense over the instrument's life.

The effective interest rate discounts the estimated cash flows over the expected life of a financial asset or liability. It is calculated when a financial asset or liability is initially recognized. When calculating the effective interest rate, the Bank considers all the contractual terms of a financial instrument to estimate cash flows.

The calculation includes commissions, transaction costs, discounts or premiums that are an integral part of the effective interest rate. Transaction costs correspond to incremental costs directly associated with acquiring or issuing a financial asset or liability.

Fees and commissions – Recognition of fee and commission income considers the purpose of the fee and whether there is a financial instrument associated with the transaction. If there is a financial instrument and the fee is part of the effective interest rate calculation, revenue is recognized as interest income (except if the financial instrument is measured at fair value through profit or loss). Otherwise, these revenues are recognized as the respective performance obligations are fulfilled.

The recognition of these revenues must be for an amount that reflects the consideration expected to be entitled in exchange for the transfer of services to a customer. In line with the exit method and the intrinsic characteristics of the performance obligations involved, the fees for services provided during a specific period are recognized in that period according to the time elapsed. Fees for specific services or a significant event are recognized upon completion of the services or when the event occurs.

The Bank's main contract portfolios refer to the following services: checking account, cards, billing, management of third-party funds, brokerage commission and collections.

General performance obligations involve, respectively: enabling the movement of funds through deposits, checks, withdrawals, money orders and / or transfers; facilitate the purchase of goods and services in accredited establishments as well as withdrawals in national / foreign currency; receiving amounts through the settlement of payment slips that can be paid at any bank; manage resources invested in investment funds; carry out operations with securities on the stock exchange; collect taxes and other revenues in favor of public institutions.

Regarding the transaction price of these contracts, tariffs, annuities, fees, and commissions are expected to be received in up to twelve months.

The main practical expedient adopted refers to the existence of a significant financing component. The financial component was not considered significant when the period between the moment when the promised service is transferred to the customer and the moment when the customer pays for that service is one year or less.

Net gains from equity method investments – Income from equity-accounted investments (associates and joint ventures) is recognized in proportion to the Bank's interest in the results generated by the investees.

Dividends – Dividend income is recognized when the Bank has the right to receive the income. They are included in net interest income based on the classification of the underlying equity investment.

e) Financial instruments

The Bank classifies its financial assets according to its contractual cash flow characteristics and the business model used for management. All financial assets and liabilities are initially recognized on the trading date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. Classification of financial assets and liabilities is determined upon initial recognition.

Classification and subsequent measurement

Business model – Refers to how the Bank manages its financial assets in order to generate cash flows. The Bank's Management evaluates, among other items:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, the way those risks are managed; and
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Bank evaluates the business model used to manage its financial assets, in order to determine if cash flows result from:

- collecting contractual cash flows;
- selling financial assets; or
- both.

Contractual cash flow characteristics - The Bank analyzes the contractual characteristics of the cash flows of its financial assets to verify if they represent solely payments of principal and interest (SPPI) on the principal amount outstanding. If contractual terms expose the Bank to risks or volatility in cash flows not related to a basic loan agreement, cash flow do not represent SPPI. If contractual cash flows are not SPPI the financial instrument is measured at fair value through profit or loss.

e.1) Financial assets

All financial instruments are measured at fair value, plus transaction costs (except for those measured at fair value through profit or loss) on the date of recognition and subsequently measured at fair value or amortized cost. The accounting policies applied to each class of financial instruments are as follows:

Amortized cost – An asset should be measured in this category when its contractual cash flows are SPPI and Management maintains it in a business model whose purpose is to collect only the contractual cash flows.

Assets measured in this category are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate. Interest is recorded on an accrual basis and added to the principal amount in each period. Asset value is reduced by principal repayments, as well as the allowance for credit losses and eventual write-offs. The financial revenues are recorded in interest income.

The main assets measured in this category are:

Loans to financial institutions – Interbank deposits with terms greater than three months and loan portfolios acquired by the Bank for which there is a guarantee from the transferor. Loans to financial institutions are recognized at their principal amount, plus accrued income, which includes interest and discounts.

Loans to customers – Financial assets with fixed or determined payments.

Loans to customers accounting value is reduced through an expected credit for losses account, which value is realized in the income as "Net (constitution)/reversal of expected credit losses". It shows the Management estimate as for the portfolio expected losses.

Securities purchased under resale agreements – The Bank invests in securities subject to resale agreements, comprised mainly of securities issued by the Brazilian government. These transactions are treated as collateralized financial investments and are recognized at the amount of cash paid plus accrued interest. The amount paid for securities subject to resale agreements (reverse repo's), plus the interest recognized, is recorded as an asset under reverse repurchase agreements. This reflects the economic substance of the transaction as a collateralized loan granted by the Bank. The reverse repo assets are separated among those that are:

i. guaranteed by securities that have not been repledged/re-sold; and

ii. guaranteed by securities that have been repledged/re-sold.

The Bank continuously monitors and evaluates the fair value of securities acquired under resale agreements and adjusts the amount of the collateral when appropriate.

Fair value through profit or loss – An asset should be measured in this category when its contractual cash flows are not SPPI or when Management maintains it in a business model whose objective does not include holding the assets to receive the contractual cash flow.

The main assets measured in this category are:

Debt instruments – Instruments that provide to the holder, the right to receive principal and interest, according to terms and rates contractually defined. They include foreign and brazilian federal government securities, among others.

Equity instruments – Any contract that provides residual interest in the assets of an entity, after deduction of all its liabilities. They include common shares, instruments that obligate an entity to deliver to another party a proportional portion of the entity's net assets in liquidation and some types of preferred shares, among others.

Derivatives instruments – Derivatives such as:

i. swaps, forwards, options, and other types of similar derivatives based on interest rates, exchange rates, stock and commodity prices and credit risk. Derivatives are recorded at fair value and disclosed as assets when the fair value is positive and as a liability when the fair value is negative;

ii. derivatives not qualified for hedge accounting, but which are used to manage exposure to market risks, mainly interest rates, currencies, and credit; and

iii. derivatives contracted at the request of its clients, with the sole purpose of protecting against risks inherent in its economic activities.

Fair value through other comprehensive income – An asset should be measured in this category when its contractual cash flows are SPPI and Management maintains it in a business model whose objective is both to obtain its contractual cash flows and for sale.

The main assets measured in this category are:

Debt instruments – Instruments that provide to the holder, the right to receive principal and interest, according to terms and rates contractually defined. They include foreign and brazilian federal government securities, non-financial entities securities, among others.

e.2) Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation to settle it through the delivery of cash or other financial assets, regardless of its legal form.

Liabilities measured at fair value through profit or loss –They refer mainly to derivative financial instruments.

Liabilities subsequently measured at amortized cost – The main liabilities measured in this category are:

Deposits of clients – Comprised of demand deposits, savings deposits, and time deposits, which are characterized for the most part in products with no defined maturity.

Repurchase agreements – The Bank raises funds by selling securities subject to repurchase agreements, comprised mainly of securities issued by the Brazilian government. These transactions are treated as collateralized financing and are recognized at the amount of cash received plus accrued interest.

Securities sold under repurchase agreements (repo's) are not derecognized, as the Bank retains substantially all the risks and rewards of ownership. The cash received, including recognized interest, is recorded as a liability for repurchase agreements. This reflects the economic substance of the transaction as collateralized financing. The repo liabilities are separated into:

i. own portfolio, representing securities not subject to resale agreements; and

ii. third-party portfolio, consisting of securities purchased under reverse repurchase agreements and subsequently transferred.

f) Derecognition of financial assets and liabilities

Financial assets – A financial asset is derecognized when:

i. there are no reasonable expectations of recovery, based on observed historical loss curves;

ii. the contractual rights to its cash flows expire;

iii. the Bank transfers substantially all the risks and rewards of ownership to a third party; or

iv. the Bank transfers control of the asset, even if it retains a portion of the risks and rewards associated with the transaction.

When appropriate, the Bank recognizes rights and obligations retained in a transfer as separate assets and liabilities. The Bank continues to recognize the asset if control is retained, to the extent of its continuing involvement. This is determined by the extent to which it remains exposed to changes in the value of the transferred asset.

Financial liabilities – A financial liability is derecognized when the underlying obligation is eliminated, cancelled, or expires. If an existing financial liability is exchanged for another liability with substantially different terms (or the terms of an existing financial liability are substantially modified), the transaction is treated as an extinguishment of the original liability and the recognition of a new financial liability. Any difference in the carrying amounts is recognized in profit or loss.

The Bank considers the terms substantially different if the discounted present value of cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different to the discounted present value of the remaining cash flows of the original financial liability. If an exchange of financial liabilities or change of terms is accounted for as an extinction, any costs or fees incurred are recognized as part of the gain or loss on termination. If the exchange or modification is not accounted for as an extinction, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

g) Hedge

The Bank uses derivatives to manage exposures to interest rates, foreign exchange variation and credit risk, including exposures created by forecasted transactions and firm commitments. In managing these risks, the Bank applies hedge accounting to certain transactions if they meet specific criteria.

On initial designation of the hedge, the Bank formally documents the relationship between the hedged item(s) and the hedging instrument(s). This includes the risk management objective and strategy of the hedge and the method that will be used to assess the effectiveness of the hedging relationship.

On initial designation of the hedge, the Bank determines, assesses e monitors the methodology and strategies to be used to determine their effectiveness and ensure that they are highly effective, that is, the hedge compensate, in the same proportions, fair value variations attributed to the respective hedged items during the period established for the hedging relationship, aiming to mitigate risk factors.

The evaluation of the effectiveness of hedge structures is carried out prospectively and retrospectively (in the course of operations). For this, some methodologies are used, such as:

- Dollar Offset Method (or Ratio Analysis), based on comparing the variation in the fair value of the hedging instrument with the variation in the fair value of the hedge item;
- Correlation coefficient between the variation in the present value of the hedging instrument and the variations in the present value of the hedge item;
- Beta coefficient of the regression between the regressor (represented by the change in the present value of the hedging instrument) and the regression (represented by the change in the present value of the hedge item).

The Bank keeps applying the IAS 39 hedge requirements, with possibility of prospective adoption of the IFRS 9, at the discretion of the Management.

h) Impairment of financial assets

IFRS 9 requires that the impairment methodology calculation uses the expected credit loss. Thus, all financial assets at amortized cost or fair value through other comprehensive income may have impairment losses at origination which will increase if their risk situation deteriorates.

Financial assets subject to impairment are classified in three stages:

Stage 1 – Regular – The assets classified in this stage are not in arrears or with a delay of less than or equal to 30 days without indicative of significant risk increase. In this case, the expected loss is calculated for the next 12 months.

Stage 2 – Significant credit risk increase – The assets classified in this stage are more than 30 days in delay or present a significant risk increase. It also includes renegotiated credits. In this case, the expected loss is calculated up to the end of the asset's life.

Stage 3 – In default – The assets classified in this stage are in either qualitatively (characterized by indicators that the customer will not fully honor the credit operation) or quantitatively (with a delay of more than 90 days) in default. In this case, the expected loss is calculated up to the end of the asset's life.

The asset's stage classification is reviewed periodically, according to the Bank's risk monitoring processes, to capture possible changes in the client's financial capacity. Migrations of operations between stages may occur when analysis indicates an improvement or worsening of the credit risk of the loan.

The Bank uses internally developed econometric models, qualitative data, and prospective macroeconomic scenarios to the measuring of the expected credit loss estimate. The main macroeconomic variables are: Gross Domestic Product (GDP), basic interest tax (Selic), exchange rate, Credit Defaut Swap (CDS), and Bacen Economic Activity Index (IBC-Br).

The final amount of expected credit loss takes in account a set of assumptions, distinct econometric assessments, and qualitative analysis.

Determination of a significant increase in credit risk – The transfer from stage 1 to stage 2 occurs when there is a significant increase in the financial instrument's credit risk since the initial recognition. In general, the Bank judges that after 30 days of delay in the contractual payments, this condition is met and, qualitatively, for renegotiated credits.

Default on contractual payments – In general, the migration to Stage 3 occurs when the asset is delayed in its contractual payments for more than 90 days and this classification only changes when the asset is written off or after 12 months from the settlement of this delay, in which the operation is considered cured. In addition to the quantitative assessment, we use the qualitative concept of anticipating non-compliance through customer characteristics that indicate a high probability of its occurrence, as an example the indications of civil insolvency, bankruptcy, and judicial recovery.

Calculation of the expected credit losses – The calculation of expected credit losses is based on an estimate weighted by the probability of credit losses. A combination of three parameters is used:

i. Probability of Default (PD);

ii. Loss Given Default (LGD); and

iii. Exposure at Default (EAD).

The calculation of the expected credit loss considers the weighting of prospective scenarios, to anticipate a potential increase in the level of losses in the worst moments of the economic cycle, providing the necessary inputs for a proactive management of risks and business. The expected credit loss estimate considers:

- historical data available (obtained without cost or undue effort on the reporting date on past events, current conditions, and forecasts of future economic conditions),

- financial aspects (time value of money) and the probability different macroeconomic scenarios.

PD – It is the probability that the instrument will not be honored by the counterparty (default) in the observed time horizon. For financial instruments that do not have a significant increase in credit risk, non-compliance is observed over 12 months (PD 12 months). For those who have a significant increase in credit risk, characterized by the allocation in stages 2 and 3, the PD is adjusted to consider the default behavior for the maximum contractual period of the asset (PD lifetime). In addition, PDs are adjusted, based on the weighting of economic scenarios, to better reflect the behavior of non-compliances in the period of the subsequent year.

LGD – Is an estimate based on the history of observed accounting losses weighted by the respective non-compliance rates of the different portfolios. It represents the proportion of the amount not recovered by the creditor compared to the amount exposed to the risk at the time of default.

EAD – It is the estimated exposure of the operation if the customer enters a situation of default. In the case of unilaterally non-cancelable limits, currently related to overdraft and credit card, the Bank uses the Credit Conversion Factor (FCC) methodology, which corresponds to an estimate based on historical observation of the use of the limits so far of possible non-compliance, as a way of obtaining a projection of the balance that will be used by the client at the time the non-compliance occurs.

The allowance for expected credit loss is determined based on the expected risk of contracts with similar characteristics (risk groupings and products, economic sector, and guarantees) and the estimated future loss. The Bank's view on current and future economic conditions is incorporated into the estimate of credit losses, by applying weighted macroeconomic scenarios.

The Bank punctually uses individual analyzes to assess credit risk in certain exposures monitored by Management, which consider relevant aspects of the knowledge of specialists, based on financial indicators and qualitative aspects of the companies, the business environment, and the financial instruments.

The Bank calculates expected credit losses for off-balance sheet exposures, such as credit commitments, balances to be released, guarantees provided and other contingent exposures. In these cases, the Bank evaluates the borrower’s expectation of using the amounts committed. A provision account is created as a liability, and the expense is recognized in profit or loss.

The Bank provides financial guarantees to third parties covering loan agreements with clients. Financial guarantee contract issuers are required to make payments to a creditor on behalf of the third-party debtor when the debtor misses payments under the terms of the debt instrument.

When a financial guarantee is granted, a liability is recognized for the fair value of the premium received under the contract. This amount is recorded as income over the life of the contract. After initial recognition, the liability is measured at the higher of the amount recognized initially, less amortization, and the Bank’s best estimate of its financial obligation under the contract.

i) Investments

Joint ventures – The Bank’s investments in joint ventures are initially recorded at cost, and subsequently, are accounted for using the equity method. The investment is increased (or decreased) to recognize the Bank’s share of the investee’s profit or loss after the acquisition date. The Bank’s share of the investee’s profit or loss is recognized on the reporting date in the statement of income. Adjustments to the carrying amount may be required to reflect changes in the Bank’s proportionate interest in the investee due to gains or losses recognized in the investee’s other comprehensive income. The Bank’s share of these changes is recognized in accumulated other comprehensive income in shareholders’ equity.

Upon investing in a joint venture, any positive difference between the cost of the investment and the Bank's share of the net fair value in the investee's identifiable assets and liabilities is accounted for as goodwill. This goodwill is included in the carrying amount of the investment. Amortization of that goodwill is not permitted. Any excess in the Bank's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognized as income in the statement of income.

If the Bank's share of losses of a joint venture equals or exceeds its investment in the joint venture, the Bank discontinues recognizing its share of future losses. If the Bank's interest is reduced to zero, it provides for additional losses and recognizes a liability to the extent that it has incurred a legal or constructive obligation or has made payments on behalf of the joint venture. Subsequently, if the joint venture reports profits, the Bank recognizes its share of the profits to the extent that they exceed the amount of previously unrecognized losses.

Associates – The Bank's investments in associates are initially recorded at cost. Subsequently, they are accounted for using the equity method. Other accounting policies applicable to associates are equivalent to those Applied to joint ventures.

Non-monetary contributions to associates and joint ventures – When the Bank contributes non-monetary assets in exchange for an equity interest in an associate or jointly controlled entity, it recognizes a gain or loss on the transaction to the extent of the unrelated investors' interests in the associate or joint venture. No gain or loss is recognized if the contribution lacks commercial substance.

j) Property and equipment

Property and equipment, including leasehold improvements, are recognized at acquisition cost less impairment and accumulated depreciation, which is calculated using the straight-line method, which systematically allocates the depreciable amount of property, plant, and equipment over its estimated useful life. Land is not depreciated.

The Bank derecognizes property and equipment when it no longer expects to realize future economic benefits from its continued use or through disposal. Gains or losses on disposal are recognized in other operating income in the period in which the asset is disposed of, impacting profit or loss for the period.

k) Goodwill and other intangible assets

Goodwill on the acquisition of equity investments is calculated based on the fair value of the acquired company's assets and liabilities on the acquisition date. Goodwill is not amortized. It is tested at least annually for impairment. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

The useful life of an intangible asset is considered either finite or indefinite. Intangible assets with finite useful lives are amortized over their estimated economic lives and presented at cost, less accumulated amortization, and impairment. Intangible assets with indefinite useful lives are not amortized and are presented at cost, less impairment.

Costs related to the acquisition, production and development of software are capitalized and recognized as intangible assets. Costs incurred during the research phase are recognized as an expense. Capitalized personnel costs include salaries, social security costs and benefits paid to employees directly involved in the software development.

Amortization expense on intangible assets with finite useful lives is recognized in profit or loss for the period in the line-item amortization of intangible assets. Impairment losses are recorded as an adjustment to the recoverable amount under the line-item other expenses in the statement of income.

l) Impairment of non-financial assets

Annually, the Bank performs an annual impairment test for intangible assets with indefinite useful lives and, at each reporting date, the Bank determines if there is any indication that a non-financial asset may be impaired. This evaluation is based on internal and external sources of information. If there are indications of impairment, the Bank estimates the asset's recoverable amount, which is the higher of its fair value minus selling costs or its value in use.

If the recoverable amount of an asset falls below the carrying amount, the asset's carrying amount is reduced to its recoverable amount. The impairment loss is recognized in profit or loss in the period in which it occurs, in the line-item other operating expenses.

At each reporting date, the Bank also determines if there is indication that an impairment loss recognized on an asset in a previous period may no longer exists or have decreased (except for goodwill). The Bank estimates the recoverable amount of assets for which there is indication of impairment. Reversal of an impairment loss is recognized in the statement of income for the period as other operating income/expenses.

The primary categories of non-financial assets subject to impairment testing are described below:

Property for use

Land and buildings – To determine the recoverable amount of land and buildings, the Bank rely on assessment that considers market indexes, statistical methods based on sales of properties and technical evaluations prepared in accordance with the standards of the ABNT (Brazilian Association of Technical Standards).

Data processing equipment – To determine the recoverable amount of data processing equipment, the Bank uses market values for similar items, substitutes or analogous using internal or external sources. When market values are not readily available, the Bank considers the amount recoverable by using the asset in its operations. Recoverable amount is calculated based on cash flow projections for the asset over its useful life, discounted to present value using the CDI (interbank deposit certificate) rate when the Bank considers that the future benefits expected by the use of this assets still justify its maintenance.

Other items of property and equipment – These items are individually insignificant. Although subject to evaluation of impairment indicators, the Bank does not determine their recoverable amount on an individual basis due to cost benefit considerations. The Bank conducts annual inventory counts and writes off assets that are lost or showing signs of deterioration.

Investments in associates and joint ventures and goodwill arising from business combinations

The Bank applies IAS 28 requirements to determine if its necessary to recognize any additional impairment loss on total net investment. Since goodwill is included in the carrying amount of investments in associates and joint ventures, and not recognized separately, it is not separately tested for impairment under IAS 36

The recoverable amount of investments in associates and joint ventures (including goodwill that forms part of the carrying amount of the investment and goodwill arising from business combinations), is calculated using a discounted cash flow model based on the investments' expected results. Assumptions used in estimating the results consist of:

- the company's operating projections, results and investment plans;
- macroeconomic scenarios developed by the Bank; and
- internal methodologies to determine cost of capital under Capital Asset Pricing Model (CAPM).

Other intangible assets

Rights due to the acquisition of payrolls – The recoverability of acquired payroll contracts is determined based on the contribution margin of the client relationships generated under each contract. The objective is to determine if the projections that justified the initial acquisition correspond to actual performance. An impairment loss is recognized on underperforming contracts. For contracts that do not achieve expected performance, a provision for impairment loss is recognized.

Software – The Bank continuously invests in the modernization and adequacy of its internally developed software to accompany new technologies and meet the demands of the business. Since there is no similar software in the market, and because of the significant cost associated with developing models to calculate value in use, the Bank evaluates the ongoing utility of its software to test for impairment. Any software not being used is written-off.

Acquired through business combinations – At each reporting date, the Bank evaluates intangible assets acquired in business combinations (mainly brands and rights related to clients and contracts) to determine if there are indicators of impairment. If there are indicators, the Bank estimates the recoverable amount of the assets. The recoverable amount is calculated by determining the present value of the intangible asset's estimated cash flows using a discount rate that reflects current market conditions and specific risks associated with the asset.

m)Leases

Bank as lessee – The Bank has operating lease commitments that, according to IFRS 16, are considered:

Right of use assets - Essentially relate to offices and branches rental agreements used in administrative and banking operations derived from operational lease agreements. Generally, these contracts are made under usual terms and conditions, including options to extend the lease term and annual price readjustments, based on Brazil's official inflation indexes.

Lease liability – Arise from the right to use the assets mentioned above and represent the amount to be paid in relation to the lease installments, discounted by an equivalent interest rate that the lessee would have to pay when borrowing, for a similar term and guarantee, the resources necessary to obtain the asset with a similar value to the right of use asset in a similar economic environment, term and warranty. The Bank used the incremental rate that represents the cost of its institutional funding equivalent to a Subordinated Letter of Credit. The Bank used unified discount rates for a similar portfolio considering those terms.

The installments contractually defined, are projected until the end of their contract term. Variable payments, linked to indexes will be remeasured on annual readjustments on the anniversary dates of the contracts. The clauses do not impose any restrictions on the Bank for the payment of dividends, contracting debts or entering into additional lease agreements.

The other leased items besides properties, are essentially equipment, whose lease terms have the duration up to 12 months. For these items, the Bank adopted a practical expedient, and its rental payments are recognized on a straight-line basis as an expense over the lease term.

n) Employee benefits

Employee benefits related to short-term benefits for current employees are recognized on the accrual basis as the services are provided. Post-employment benefits, comprising supplementary retirement benefits and medical assistance for which the Bank is responsible, are assessed in accordance with criteria established by IAS 19. The evaluations are performed semiannually, which may be applicable in a shorter period.

In defined-contribution plans, the actuarial risk and the investment risk are borne by the plan participants. Accordingly, cost accounting is based on each period's contribution amount representing the Bank's obligation. Consequently, no actuarial calculation is required when measuring the obligation or expense, and there are neither actuarial gains nor losses.

In defined benefit plans, the actuarial risk and the investment risk value of plan assets fall either substantially on the sponsoring entity. Accordingly, cost accounting requires the measurement of plan obligations and expenses, with a possibility of actuarial gains and losses, leading to the register of a liability when the amount of the actuarial obligation exceeds the value of plan assets, or an asset when the amount of assets exceeds the value of plan obligations. In the latter instance, the asset should be recorded only when there is evidence that it can effectively reduce the contributions from the sponsor or will be refundable in the future.

The Bank recognizes the components of defined benefit cost in the period in which the actuarial valuation was performed, in accordance with criteria established by IAS 19, as follows:

- the current service cost and the net interest on the net defined benefit liability (asset) are recognized in profit or loss; and
- the remeasurements of the net defined benefit liability (asset) resulting from changes in actuarial assumptions are recognized in Accumulated other comprehensive income in Shareholders' equity, net of tax effects. And, according to the normative provision, these effects recognized directly in equity should not be reclassified to the result in subsequent periods.

Contributions to be paid by the Bank to medical assistance plans in some cases will continue after the employee’s retirement. Therefore, the Bank’s obligations are evaluated by the present actuarial value of the contributions to be paid over the expected period in which the plan participants and beneficiaries will be covered by the plan. Such obligations are evaluated and recognized under the same criteria used for defined benefit plans.

o) Provisions, contingent liabilities, contingent assets, and legal liabilities

The Bank recognizes a provision when:

i. the Bank has a present obligation (legal or constructive) as a result of a past event;

ii. it is probable that an outflow of economic benefits will be required to settle the obligation; and

iii. the amount of the obligation can be reasonably estimated.

The Bank recognizes provisions based on its best estimate of the probable losses.

The Bank continually monitors lawsuits in progress to evaluate, among other factors:

i. the nature and complexity;

ii. the progress of the proceedings;

iii. the opinion of the Bank's lawyers; and

iv. the Bank's experience with similar proceedings.

In determining whether a loss is probable, the Bank considers:

i. the likelihood of loss resulting from claims that occurred prior to or on the reporting date that were identified after that date but prior to issuance of the financial statements; and

ii. the need to disclose claims or events occurring after the reporting date but prior to the issuance of the financial statements.

Contingent assets are not recognized in the financial statements. However, when there is evidence assuring their realization, usually represented by the final judgment of the lawsuit and by the confirmation of the capacity for its recovery by receipt or offsetting by another receivable, they are recognized as assets.

The Bank recognizes tax liabilities for taxes that are the object of legal discussions regarding their constitutionality. In these cases, the Bank recognizes an obligation to the government and a judicial deposit in the same amount, however, no payment is made until the Courts reach a final decision.

p) Income taxes

As a financial institution in Brazil, the Bank is subject to income and social contribution taxes (known as IRPJ and CSLL, both of which are income taxes as defined in IAS 12). Taxpayers owe income tax to the state when a tax-generating event occurs. Taxes are calculated by applying the applicable rate to the tax calculation basis.

Taxes are calculated based on the rates shown in the table below:

Taxes	Rate
Income tax (15.00% + additional 10.00%)	25%
Social Contribution on Net Income - CSLL	20%

Income taxes (IRPJ and CSLL) consists of current and deferred taxes and are recognized in profit or loss, except when it relates to items recognized directly in shareholders' equity under accumulated other comprehensive income. Taxes initially recorded in shareholders' equity are recognized in the statement of income when the associated gains and losses are realized.

Current taxes – Current tax assets and liabilities are measured at the amount expected to be recovered or paid. The amounts are calculated based on the tax rates and tax laws in effect on the reporting date.

Deferred taxes – Deferred tax assets from income tax and social contribution losses and temporary differences are only recognized to the extent that it is probable that future taxable income will be available against which temporary differences can be deducted.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. If it becomes probable that sufficient taxable income will not be available for use of either a portion or all the deferred tax assets, the Bank reduces the amount of the asset. When it becomes probable that sufficient taxable income will be available, the reduction is reversed.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the year in which the asset will be realized or the liability settled. These rates are based on tax rates (or tax law) that are effective on the reporting date.

q) Earnings per share

Earnings per share are calculated using two different methods: (i) basic earnings per share; and (ii) diluted earnings per share. The basic earnings per share is calculated by dividing net income attributable to the Bank's shareholders by the weighted average number of common shares outstanding during each of the periods presented.

The diluted earnings per share is calculated in a similar manner, except that the weighted average number of shares is adjusted to reflect potential common shares resulting from the conversion of outstanding convertible securities.

4– Significant judgments and accounting estimates

The preparation of consolidated financial statements in accordance with IFRS requires the Bank's Management to make judgments and use estimates that affect the recognized amount of assets, liabilities, income, and expenses. These estimates and assumptions are reviewed on an ongoing basis. Changes in estimates are recognized prospectively in the period in which the estimates are revised. Actual results may differ from these estimates.

Given that there are certain alternatives to accounting treatments, the Bank's results may differ if alternative accounting principles had been used. Management believes its choice of accounting principles to be appropriate and that the consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of the Bank's operations.

Significant classes of assets and liabilities subject to estimates and the use of assumptions are generally those measured at fair value. The following components of the consolidated financial statements require the highest degree of judgment and use of estimates:

a) Fair value of financial instruments

When the fair values of financial assets and liabilities cannot be determined based on prices from an active market, they are measured using valuation techniques based on mathematical models. When possible, the inputs to these models are derived from observable market data. However, when market data is not available, the exercise of judgment is required to determine fair value. Note 32 describes the fair value measurement methodologies for certain financial instruments.

b) Expected credit losses of financial instruments

The Bank periodically reviews its financial assets portfolio to determine the value of expected credit losses to be recognized which requires judgment and the use of estimates. The process involves reviewing factors that may indicate a change in the risk profile of the Bank's loan balances or customers and the quality of the guarantees, which could negatively impact the expected cash flows.

To support losses from the possible need to honor obligations arising from off-balance sheet guarantees, besides credit commitments signed (limits granted and not yet used by customers), the Bank sets up a provision for expected losses, which is recognized as a liability against the income for the period.

The expected credit loss seeks to identify the losses that will occur in the next 12 months or that will occur during the life of the operation, considering a prospective view, encompassing the assessment of financial instruments in 3 stages, being subject to quantitative and qualitative analyzes for the appropriate framework.

The qualification stage is systematically reviewed considering the Bank's risk sensing processes, to capture changes in the characteristics of the instruments and their guarantees and in the client's behavioral information, which result in the worsening or mitigation of credit risk, carried out through prospective economic scenarios. These estimates are based on assumptions. Accordingly, actual results may vary, generating future reinforcements or reversals of losses.

Other information on the calculation methodology and assumptions used by the Bank for the evaluation of impairment losses on financial assets and the amounts recorded as expected credit losses are disclosed in Notes 3.h, 15, 17, 18 e 20.

c) Impairment of non-financial assets

When there is an indicator that a non-financial asset may be impaired, the Bank calculates the asset's recoverable value. Losses recognized are subject to reversal in further periods, except for goodwill.

Determining the recoverable amount of non-financial assets requires Management to exercise judgment and make assumptions. These estimates are based on market prices, present value calculations, other pricing techniques, or a combination of these methods.

See Note 3.l for additional information on this topic.

d) Income taxes

Income and gains generated by the Bank are subject to income taxes in the jurisdictions in which the Bank operates. The determination of income taxes requires interpretation and the use of estimates. In the ordinary course of business, the final amount of income tax payable is uncertain for many different types of transactions and calculations. In these cases, the use of different interpretations and estimates may have resulted in different tax amounts being recorded.

Brazilian tax authorities can review the calculations made by the Bank and its subsidiaries for up to five years after the date on which a tax becomes due. During this process, the tax authorities may question the procedures adopted by the Bank, mainly with respect to the interpretation of tax legislation. However, Management does not believe that any significant adjustments will be required to the income tax balances contained in these consolidated financial statements.

e) Recognition and evaluation of deferred taxes

Deferred tax assets are calculated on temporary differences and tax loss carryforwards. They are only recognized when the Bank expects to generate sufficient taxable income in the future to offset the amounts. The expected realization of the Bank's deferred tax assets is based on projections of future income and technical analyses in line with prevailing tax legislation (Note 30).

The Bank reviews the estimates involved in the recognition and valuation of deferred tax assets based on current expectations and projections about future events and trends. The most important assumptions affecting these estimates pertain to:

(i) changes in the amounts deposited, delinquencies and customer base;
(ii) changes in tax law;
(iii) changes in interest rates;
(iv) changes in inflation rates;
(v) legal disputes with an adverse impact on the Bank;
(vi) credit, market and other risks associated with lending and investing activities;
(vii) changes in the fair value of Brazilian securities, especially Brazilian government securities; and
(viii) changes in domestic and global economic conditions.

f) Pension plans and other employee benefits

The Bank sponsors defined contribution and defined benefit pension plans. Actuarial valuations for defined benefit plans are based on a series of assumptions, including:

In thousands of Reais, unless otherwise stated

(i) interest rates;
(ii) mortality tables;
(iii) annual rate applied to the revision of retirement benefits;
(iv) inflation index;
(v) annual salary adjustment; and
(vi) the method used to calculate vested benefit obligations for active employees.

g) Provisions and contingent liabilities

Liabilities for lawsuits are recognized in the consolidated financial statements when the risk of loss of a legal or administrative proceeding is considered probable, an outflow of financial resources will be required to settle the obligation and the amount of the loss can be reasonably estimated. The loss probability is based on the nature and complexity of the lawsuit, the opinion of legal advisors, Management's opinion, and experience with similar cases. Lawsuits are evaluated when judicial notification is received and monthly reviewed, as follows:

Collective assessment – For cases that are similar and recurring in nature for which the amounts involved are not individually significant. Provisions are based on statistical data regarding the Bank's labor, tax and civil cases (except for labor claims filed by unions and cases considered strategic). In this category, the probable amount of the settlement may not exceed R$ 1 million, as determined by the Bank's legal advisors. The collective assessment covers all processes, regardless of the evaluation done by legal advisors.

Individual assessment – For cases considered unusual or whose value is considered significant, as determined by the Bank's legal counsel. The provision is based on the amount of the claim, probability of an unfavorable decision, evidence presented, legal precedents, other facts raised during the case, judicial decisions while the case is being heard and the classification and risk of losing legal motions.

Contingent liabilities evaluated individually, for which the risk of loss is considered possible, are not recognized in the consolidated balance sheet. However, they must be disclosed in the notes to the financial statements. Claims for which the risk of loss is remote are neither provided for nor disclosed.

5– Acquisitions, disposals and corporate restructuring

a) Disposal of indirect equity interest

On October 8, 2021, the Board of Directors approved the sale of the entire indirect equity interest held in Banco Digio S.A., by BB Elo Cartão Participações S.A., a wholly owned subsidiary of the Bank. The sale contract of 49.99% interest, for R$ 645 million, was signed on that date with Bradescard Elo Participações S.A., a company owned by Banco Bradesco S.A.

The transaction was approved by the Administrative Council for Economic Defense on November 24, 2021, and by the Central Bank of Brazil on February 4, 2022, being effective on February 25, 2022, after concluding the corporate movements and the consequent financial settlement of the operation, providing a net result of R$ 222,981 thousand, as shown below:

	2022
1) Capital gain of BB Elo Cartões Participações S.A. [1]	337,850
2) Taxes	(114,869)
3) Impact on net income, net of taxes (1+2)	222,981

1 - Recognized in the Statement of Income as Other operating income.

In thousands of Reais, unless otherwise stated

b) Sale of indirect equity interest – MerchantE

On February 17, 2022, Cielo USA Inc., a wholly-owned subsidiary of Cielo S.A., entered into the agreement for the sale of all the shares of its wholly-owned subsidiary Merchant E-Solutions Inc. On April 08, 2022, the sale was concluded, after the compliance of the conditions precedent, with the payment to Cielo USA Inc. of US$ 137 million referring to the fixed installment (upfront), monetarily adjusted in conformity with the terms provided for in the documents of the transaction. The transaction also comprises a variable portion (earn-out) of US$ 25 million, in addition to the impact on the parent company Cielo, of costs related to the sale, of R$ 20.7 million.

The transaction generated a positive impact of R$ 84 million on the Banco do Brasil Conglomerate in the period of 2022.

c) Corporate Reorganization of the Interbank Payments Chamber – CIP Associação

On February 25, 2022, according to the Extraordinary General Meeting held on the same date by the members of the Interbank Payments Chamber (CIP Associação), the corporate reorganization ("demutualization") of CIP Associação was approved, through its partial spin-off and merger of the assets spun off by CIP S.A.

CIP Associação is a non-profit civil association that integrates the Brazilian Payments System (SPB) and acts as an infrastructure for the financial market, offering solutions and services that integrate technology, innovation and security to financial transactions carried out in the country. The Bank holds a 12.9062% interest in its capital stock, recognized at the historical cost of R$ 7,055 thousand.

CIP S.A. is a corporation that did not carry out its own activity and did not have liabilities or obligations of any nature, being a legal entity with a for-profit purpose that will incorporate the portion to be spun off from CIP Associação. The partial spin-off has the purpose of demutualizing CIP Associação, so that its economic activities are no longer carried out through an associative legal structure, being developed by CIP S.A., in the form of a corporation.

The equity of CIP Associação, based on the financial statements of December 31, 2021, was R$ 1,921,165 thousand, of which R$ 1,915,544 thousand (99.7073860%) was spun off and transferred to CIP S.A., as appraisal report prepared by a specialized company.

Due to the demutualization, with the spun-off portion being transferred to the entity resulting from the spin-off, the associates received common shares issued by CIP S.A. in proportion to their respective shares in CIP Associação, which in the case of the Bank is 12.9062%.

In this context, the Bank considered CIP S.A. as an associated equity interest, due to the existence of significant influence, characterized by the representation on the Board of Directors of this investee, recognizing the book value of the spun-off assets by equity method, whose effects on the result are shown below:

	2022
1) Book value of the spun-off assets, proportional to the interest held by the Bank of 12.9062% [1]	247,224
2) Cost value resulting from the spin-off (99.7073860% of the historical cost value recorded at the Bank)	7,035
3) Capital gain (1-2) [2]	240,189
4) Taxes	(108,085)
5) Impact on net income, net of taxes (3+4)	132,104

1 - According to the appraisal report prepared by a specialized company, considering the equity value of CIP Associação, calculated based on the financial statements of December 31, 2021.

2 - Recognized in the Statement of Income as Other operating income.

d) Incorporation of Broto

On January 04, 2023, according to the General Shareholders' Meeting, held on the same date by the Bank and the Brasilseg Companhia de Seguros S.A. (Brasilseg), indirect associated company through BB Seguridade Participações S.A., the incorporation of Broto S.A. was approved, after obtaining regulatory authorizations from Bacen, Sest and Cade. Broto began to conduct the business of the Broto Digital Platform (Broto Platform), which operates as a marketplace focused on the agribusiness production chain, previously managed by Brasilseg.

the Bank holds 100% of the preferred shares without voting rights, which are equivalent to 50% of Broto's total capital, and Brasilseg, 100% of the common shares, completing 100% of the capital of that share. Due to the 50% interest in the total capital of the new company, Brasilseg contributed with of a portion in cash and another part through the transfer of assets and rights which were associated to Broto Plataform, previously held by the Insurer, totaling an investment of R$ 31.2 million. This same amount was paid by the Bank to subscribe the shares corresponding to the other 50% of the total capital of the new company.

The corporate documents provide for the granting, by Brasilseg, of a call option to BB on the totality of the shares held by it in Broto, exercisable upon payment of the entire amount contributed by the Insurer to Broto, adjusted by the CDI accumulated in the period, within a period of up to 12 months from the date of signature of the shareholders' agreement, renewable for an equal period.

From its incorporation, the investment was initially recognized at cost and subsequently measured using the equity method.

6– Operating segments

The segment information was prepared based on internal reports used by the Bank’s Executive Board to assess performance and make decisions about the allocation of funds for investment and other purposes. The framework also takes into account the regulatory environment and similarities between goods and services.

The Bank’s operations are divided into five segments: banking, investments, fund management, insurance (including insurance, private pension funds and capitalization) and electronic payments. The Bank also engages in other activities, including its consortium business and operational support services (aggregated in “Other”).

Management (and the Chief Operating Decision Maker) use accounting information prepared in accordance with the laws, standards, and accounting practices (recognition and measurement) applicable to financial institutions in Brazil, as determined by Bacen, to evaluate performance and allocate resources. As a result, the Bank presents its segment results in accordance with these standards, which it refers to internally as the ‘consolidated managerial’ financial information.

The following accounting policies and estimates used to prepare the segment information represent the main differences with IFRS accounting principles:

- the recognition of impairment on loans to customers is based on an expected loss model, which considers regulatory guidelines defined by Bacen. Loans to customers are classified in buckets representing increased risk, ranging from AA (low risk) to H (high risk). The allowance amount is calculated each month based on minimum provisioning percentages defined by Bacen. These percentages range from 0% (AA loans) to 100% (H loans);
- fee and commission income from the origination of customer loans is recognized on a cash basis; and
- goodwill and gains’ amount from bargain purchase are amortized when based on expected future profitability.

The segment information includes all the revenue and expenses as well as all assets and liabilities of companies included in the segment, as shown in Note 2 and Note 21. No revenue or expenses are allocated between the segments.

Inter-segment transactions are conducted at the same terms and conditions as those practiced with unrelated parties for similar transactions. These transactions do not involve any unusual payment risks.

None of the Bank's customers individually account for more than 10% of the Bank's interest income.

a) Banking

This segment is responsible for the most significant portion of the Bank's results, primarily from the operations in Brazil. It includes a wide array of products and services, including deposits, loans and other services provided to customers through different distribution channels.

The banking segment's activities include transactions in the retail, wholesale, and public sectors, which are carried out by its network and customer service teams. It also engages in business with micro-entrepreneurs and other activities through its banking correspondents.

b) Investments

This segment engages in the structuring and distribution of debt and equity instruments in Brazil's primary and secondary capital markets, in addition to providing other financial services.

Net interest income in this segment is based on accrued interest on investment securities less expenses from third party funding costs. Non-interest income is derived from economic/financial advisory services from underwriting fixed and variable income securities and the provision of services to associated companies.

c) Fund management

This segment is involved in the purchase, sale and custody of securities, portfolio management and the structuring, organization and management of investment funds and clubs. Income consists mainly of commissions and management fees charged to investors for services provided.

d) Insurance

This segment offers products and services related to life, property and automobile insurance, private pension and capitalization plans.

Income in this segment consists mostly of commissions and fees, insurance premium revenue, contributions to private pension plans and capitalization bonds, and investments in securities. These amounts are offset by selling costs, technical insurance provisions and expenses related to benefits and redemptions.

e) Electronic payments

This segment provides capture, transmission, processing, and financial settlement services for electronic payment transactions (credit and debit cards). Revenue comes from commissions and management fees charged to businesses and financial institutions in exchange for services provided.

f) Other

This segment consists of the operational support services and consortium business, neither of which is individually significant. Revenue is generated mainly from the provision of services not provided by the other segments, including: credit recovery; consortium management; development, manufacturing, sale, rental and integration of digital electronic systems, peripherals, programs, inputs and computing supplies.

In thousands of Reais, unless otherwise stated

g) Financial information by reportable segment reconciliated with the consolidated IFRS results

	2023									
	Banking	Investments	Fund management	Insurance and related	Electronic payments	Other	Intersegment transactions	Consolidated management statement	Adjustments	Consolidated IFRS
Interest income	273,680,210	560,654	343,782	658,178	745,435	1,502,761	(2,233,926)	275,257,094	(9,818,489)	265,438,605
Interest expense	(183,068,745)	(637,306)	--	--	--	(716,340)	2,233,926	(182,188,465)	5,498,591	(176,689,874)
Net interest income	**90,611,465**	**(76,652)**	**343,782**	**658,178**	**745,435**	**786,421**	**--**	**93,068,629**	**(4,319,898)**	**88,748,731**
Expected losses	(28,523,282)	--	--	--	(644)	--	(929)	(28,524,855)	3,171,671	(25,353,184)
Net interest income after expected losses	**62,088,183**	**(76,652)**	**343,782**	**658,178**	**744,791**	**786,421**	**(929)**	**64,543,774**	**(1,148,227)**	**63,395,547**
Non-interest income	**27,147,893**	**1,207,060**	**3,326,024**	**9,927,721**	**2,039,478**	**4,725,358**	**(2,500,986)**	**45,872,548**	**(927,006)**	**44,945,542**
Net commissions and fee income	12,905,140	403,875	3,316,345	5,011,887	45,953	4,096,286	(1,382,055)	24,397,431	602,842	25,000,273
Net gains/(losses) from financial instruments	(634,444)	680,237	(1)	--	(197)	(35,817)	--	9,778	(376,985)	(367,207)
Net gains/(losses) from equity method investments	598,704	35,705	--	4,895,045	1,795,431	--	--	7,324,885	(230,722)	7,094,163
Other operating income	14,278,493	87,243	9,680	20,789	198,291	664,889	(1,118,931)	14,140,454	(922,141)	13,218,313
Non-interest expenses	**(63,336,657)**	**(199,471)**	**(575,981)**	**(1,068,362)**	**(166,792)**	**(3,008,407)**	**2,501,915**	**(65,853,755)**	**(1,340,143)**	**(67,193,898)**
Personnel expenses	(26,712,914)	(30,446)	(150,364)	(86,106)	(6,287)	(422,948)	6,205	(27,402,860)	552,679	(26,850,181)
Administrative expenses	(10,925,753)	(31,840)	(87,790)	(269,744)	(1,200)	(650,261)	1,677,651	(10,288,937)	1,547,952	(8,740,985)
Contributions, fees and other taxes	(7,011,779)	(70,531)	(242,027)	(612,911)	(75,071)	(592,257)	--	(8,604,576)	628,532	(7,976,044)
Amortization of intangible assets	(2,352,347)	--	--	(850)	--	(4,107)	--	(2,357,304)	1,085	(2,356,219)
Labor, tax and civil claims	(8,789,992)	19	(1,514)	(16,116)	(190)	(95,984)	--	(8,903,777)	527,036	(8,376,741)
Depreciation	(1,588,026)	--	--	(20)	--	(43,908)	--	(1,631,954)	(1,204,194)	(2,836,148)
Other operating expenses	(5,955,846)	(66,673)	(94,286)	(82,615)	(84,044)	(1,198,942)	818,059	(6,664,347)	(3,393,233)	(10,057,580)
Income before taxes	**25,899,419**	**930,937**	**3,093,825**	**9,517,537**	**2,617,477**	**2,503,372**	**--**	**44,562,567**	**(3,415,376)**	**41,147,191**
Income taxes	**(2,653,804)**	**(394,479)**	**(1,213,779)**	**(1,546,111)**	**(345,846)**	**(801,738)**	**--**	**(6,955,757)**	**(1,025,843)**	**(7,981,600)**
Current	(3,223,970)	(305,803)	(976,088)	(1,551,581)	(287,848)	(978,729)	--	(7,324,019)	113,446	(7,210,573)
Deferred	570,166	(88,676)	(237,691)	5,470	(57,998)	176,991	--	368,262	(1,139,289)	(771,027)
Net income	**23,245,615**	**536,458**	**1,880,046**	**7,971,426**	**2,271,631**	**1,701,634**	**--**	**37,606,810**	**(4,441,219)**	**33,165,591**
Attributable to shareholders of the Bank	22,142,188	536,458	1,880,046	5,305,841	2,271,631	1,682,787	--	33,818,951	(3,957,986)	29,860,965
Attributable to non-controlling interests	1,103,427	--	--	2,665,585	--	18,847	--	3,787,859	(483,233)	3,304,626
Total assets	**2,174,708,790**	**6,102,551**	**3,716,268**	**17,533,255**	**12,063,823**	**15,984,927**	**(57,629,631)**	**2,172,479,983**	**(18,601,531)**	**2,153,878,452**
Total liabilities	**2,004,064,825**	**5,228,560**	**2,285,764**	**8,315,482**	**2,452,790**	**12,522,787**	**(35,466,312)**	**1,999,403,896**	**(19,095,770)**	**1,980,308,126**
Total equity	**170,643,965**	**873,991**	**1,430,504**	**9,217,773**	**9,611,033**	**3,462,140**	**(22,163,319)**	**173,076,087**	**494,239**	**173,570,326**

In thousands of Reais, unless otherwise stated

	2022									
	Banking	Investments	Fund management	Insurance and related	Electronic payments	Other	Intersegment transactions	Consolidated management statement	Adjustments	Consolidated IFRS
Interest income	236,562,516	467,669	328,712	509,282	689,281	1,284,027	(2,034,719)	237,806,768	(1,257,717)	236,549,051
Interest expense	(163,670,723)	(609,269)	--	--	--	(280,546)	2,033,242	(162,527,296)	324,812	(162,202,484)
Net interest income	**72,891,793**	**(141,600)**	**328,712**	**509,282**	**689,281**	**1,003,481**	**(1,477)**	**75,279,472**	**(932,905)**	**74,346,567**
Expected losses	(16,503,878)	--	--	--	--	--	--	(16,503,878)	(1,534,984)	(18,038,862)
Net interest income after expected losses	**56,387,915**	**(141,600)**	**328,712**	**509,282**	**689,281**	**1,003,481**	**(1,477)**	**58,775,594**	**(2,467,889)**	**56,307,705**
Non-interest income	**26,849,876**	**1,156,815**	**3,326,648**	**8,379,786**	**1,988,640**	**3,571,953**	**(1,952,235)**	**43,321,483**	**120,137**	**43,441,620**
Net commissions and fee income	13,196,110	477,786	3,312,833	4,715,135	53,752	3,294,928	(1,234,515)	23,816,029	828,686	24,644,715
Net gains/(losses) from financial instruments	(1,383,675)	584,626	--	--	(113)	(17,059)	--	(816,221)	(441,819)	(1,258,040)
Net gains/(losses) from equity method investments	800,160	27,900	--	3,501,037	1,393,795	--	--	5,722,892	(459,897)	5,262,995
Other operating income	14,237,281	66,503	13,815	163,614	541,206	294,084	(717,720)	14,598,783	193,167	14,791,950
Non-interest expenses	**(56,360,225)**	**(165,809)**	**(526,959)**	**(1,178,195)**	**(94,579)**	**(2,547,260)**	**1,953,712**	**(58,919,315)**	**(2,376,449)**	**(61,295,764)**
Personnel expenses	(24,865,430)	(20,274)	(124,768)	(74,501)	(6,067)	(413,251)	5,363	(25,498,928)	96,106	(25,402,822)
Administrative expenses	(9,886,801)	(35,322)	(71,146)	(285,393)	(2,743)	(533,256)	1,522,799	(9,291,862)	1,350,719	(7,941,143)
Contributions, fees and other taxes	(5,637,020)	(65,348)	(236,345)	(579,517)	(66,500)	(478,084)	--	(7,062,814)	70,344	(6,992,470)
Amortization of intangible assets	(1,341,476)	--	--	(863)	--	(4,571)	--	(1,346,910)	453	(1,346,457)
Labor, tax and civil claims	(7,504,238)	(9)	(24,392)	1,505	7	(69,316)	--	(7,596,443)	344,219	(7,252,224)
Depreciation	(1,441,495)	--	--	(19)	--	(29,834)	--	(1,471,348)	(1,156,311)	(2,627,659)
Other operating expenses	(5,683,765)	(44,856)	(70,308)	(239,407)	(19,276)	(1,018,948)	425,550	(6,651,010)	(3,081,979)	(9,732,989)
Income before taxes	**26,877,566**	**849,406**	**3,128,401**	**7,710,873**	**2,583,342**	**2,028,174**	**--**	**43,177,762**	**(4,724,201)**	**38,453,561**
Income taxes	**(5,110,296)**	**(375,874)**	**(1,257,346)**	**(1,503,659)**	**(471,611)**	**(663,844)**	**--**	**(9,382,630)**	**930,248**	**(8,452,382)**
Current	(2,382,781)	(452,934)	(1,266,754)	(1,476,013)	(398,863)	(814,548)	--	(6,791,893)	3,854	(6,788,039)
Deferred	(2,727,515)	77,060	9,408	(27,646)	(72,748)	150,704	--	(2,590,737)	926,394	(1,664,343)
Net income	**21,767,270**	**473,532**	**1,871,055**	**6,207,214**	**2,111,731**	**1,364,330**	**--**	**33,795,132**	**(3,793,953)**	**30,001,179**
Attributable to shareholders of the Bank	21,185,812	473,532	1,871,055	4,119,239	2,111,731	1,350,873	--	31,112,242	(3,381,080)	27,731,162
Attributable to non-controlling interests	581,458	--	--	2,087,975	--	13,457	--	2,682,890	(412,873)	2,270,017
Total assets	**2,031,141,537**	**9,129,537**	**3,832,684**	**15,786,604**	**11,823,695**	**14,251,958**	**(56,567,250)**	**2,029,398,765**	**(21,230,159)**	**2,008,168,606**
Total liabilities	**1,869,368,715**	**8,276,298**	**2,447,215**	**8,380,407**	**2,360,458**	**11,121,042**	**(36,584,213)**	**1,865,369,922**	**(20,719,068)**	**1,844,650,854**
Total equity	**161,772,822**	**853,239**	**1,385,469**	**7,406,197**	**9,463,237**	**3,130,916**	**(19,983,037)**	**164,028,843**	**(511,091)**	**163,517,752**

In thousands of Reais, unless otherwise stated

h) Geographical information

	Brazil	Other countries			Total
	2023	Before eliminations	Eliminations	After eliminations	2023
Assets	2,041,546,053	271,125,004	(158,792,604)	112,332,400	2,153,878,453
Income	294,862,686	28,818,733	(13,297,272)	15,521,461	310,384,147
Expenses (including income tax)	(258,553,827)	(26,994,914)	8,330,185	(18,664,729)	(277,218,556)
Income/(loss) before taxes	42,333,225	3,781,053	(4,967,087)	(1,186,034)	41,147,191
Net income/(loss)	36,308,859	1,823,819	(4,967,087)	(3,143,268)	33,165,591

	Brazil	Other countries			Total
	2022	Before eliminations	Eliminations	After eliminations	2022
Assets	1,871,496,460	324,174,827	(187,502,681)	136,672,146	2,008,168,606
Income	267,081,882	22,324,795	(9,416,006)	12,908,789	279,990,671
Expenses (including income tax)	(234,215,317)	(20,931,942)	5,157,767	(15,774,175)	(249,989,492)
Income/(loss) before taxes	41,179,791	1,532,009	(4,258,239)	(2,726,230)	38,453,561
Net income/(loss)	32,866,565	1,392,853	(4,258,239)	(2,865,386)	30,001,179

Income consists of both interest and non-interest income. Expenses consist of interest expense, expected for credit losses, non-interest expense and income taxes.

From the overseas operations, the branches and subsidiaries located in South America provided the majority of the income and most parts of the assets. Assets abroad are mainly monetary and derived from loans to customers and loans to other financial institutions.

In thousands of Reais, unless otherwise stated

i) Non-current assets and investments in associates and joint ventures

	Dec 31, 2023						
	Banking	Investments	Fund management	Insurance and related	Electronic payments	Other	Consolidated IFRS
Investments in associates and joint ventures	6,872,217	284,756	--	9,398,297	5,659,777	--	22,215,047
Non-current assets[1]	**24,644,254**	**--**	**--**	**3,609**	**--**	**272,072**	**24,919,935**
Property and equipment	13,862,096	--	--	24	--	255,886	14,118,006
Intangible	10,782,158	--	--	3,585	--	16,186	10,801,929

	Dec 31, 2022						
	Banking	Investments	Fund management	Insurance and related	Electronic payments	Other	Consolidated IFRS
Investments in associates and joint ventures	6,728,900	221,271	--	8,117,525	5,146,365	--	20,214,061
Non-current assets[1]	**24,022,602**	**--**	**--**	**4,067**	**--**	**204,444**	**24,231,113**
Property and equipment	13,011,819	--	--	46	--	188,263	13,200,128
Intangible	11,010,783	--	--	4,021	--	16,181	11,030,985

1 - Other than financial instruments, deferred tax assets, employee benefit assets and rights arising under insurance contracts.

In thousands of Reais, unless otherwise stated

j) Income by segments

	2023					
	Banking	Investments	Fund management	Insurance and related	Electronic payments	Other
Interest income	**273,680,210**	**560,654**	**343,782**	**658,178**	**745,435**	**1,502,761**
External customers income	273,025,847	560,245	129,396	162,569	461,342	917,695
Intersegments income	654,363	409	214,386	495,609	284,093	585,066
Non-interest income	**27,147,893**	**1,207,060**	**3,326,024**	**9,927,721**	**2,039,478**	**4,725,358**
External customers income	26,331,521	1,200,554	3,326,024	9,927,721	2,039,478	2,872,111
Intersegments income	816,372	6,506	--	--	--	1,853,247

	2022					
	Banking	Investments	Fund management	Insurance and related	Electronic payments	Other
Interest income	**236,562,516**	**467,669**	**328,712**	**509,282**	**689,281**	**1,284,027**
External customers income	235,934,323	463,772	56,458	11,667	440,584	899,964
Intersegments income	628,193	3,897	272,254	497,615	248,697	384,063
Non-interest income	**26,849,876**	**1,156,815**	**3,326,648**	**8,379,786**	**1,988,640**	**3,571,953**
External customers income	26,144,550	1,152,698	3,326,648	8,379,786	1,988,640	2,173,909
Intersegments income	705,326	4,117	--	--	--	1,398,044

7– Net interest income

	2023	2022
Interest income	**265,438,605**	**236,549,051**
Loans to customers	131,618,547	106,258,110
Loans to financial institutions	60,301,701	64,256,200
Financial assets at fair value through other comprehensive income	48,242,868	42,801,719
Compulsory deposits with Brazilian Central Bank	7,393,870	6,343,128
Securities at amortized cost	6,481,399	5,794,258
Financial assets at fair value through profit or loss	2,553,611	780,729
Other interest income [1]	8,846,609	10,314,907
Interest expense	**(176,689,874)**	**(162,202,484)**
Financial institutions resources	(83,760,232)	(82,386,010)
Customers resources	(61,430,066)	(54,244,953)
Funds from issuance of securities	(30,880,708)	(25,120,352)
Other interest expenses	(618,868)	(451,169)
Net interest income	**88,748,731**	**74,346,567**

1 - It includes interest income with guarantee deposits and with National Treasury bonds and credits.

In thousands of Reais, unless otherwise stated

8– Net commissions and fee income

	2023	2022
Commissions and fee income	**30,793,316**	**30,169,222**
Services rendered to customers	**12,532,085**	**12,705,799**
Account fee	5,906,560	5,882,038
Card income	2,385,699	2,376,747
Billing	1,347,843	1,503,596
Collection	1,000,394	1,018,927
Loans and customer information file	792,563	840,900
Capital market income	605,032	664,978
Interbank and funds transfer	154,555	150,144
Foreign exchange	68,565	87,118
Other	270,874	181,351
Asset management	**11,149,747**	**10,661,864**
Commissions	**5,382,153**	**5,056,072**
Insurance distribution	4,599,862	4,313,480
Capitalization distribution	545,427	530,063
Pension plans distribution	236,864	212,529
Guarantees provided	**121,925**	**103,857**
Other services	**1,607,406**	**1,641,630**
Commissions and fee expense	**(5,793,043)**	**(5,524,507)**
Service rendering	(5,202,961)	(4,984,198)
Commission expense	(2,669)	(2,558)
Other services	(587,413)	(537,751)
Net commissions and fee income	**25,000,273**	**24,644,715**

9– Net gains/(losses) from financial instruments at fair value

	2023	2022
Fair value through profit or loss	**(420,855)**	**(437,557)**
Derivative financial instruments	(1,424,941)	(357,456)
Other financial instruments	1,004,086	(80,101)
Fair value through other comprehensive income	**53,648**	**(820,483)**
Debt instruments	53,648	(820,483)
Total	**(367,207)**	**(1,258,040)**

In thousands of Reais, unless otherwise stated

10– Other income/expenses

a) Other operating income

	2023	2022
Gains from benefit plans – Surplus agreements	2,949,618	2,951,467
Receivables income	2,714,715	2,464,667
Recovery of charges and expenses	1,810,940	2,083,707
Card transactions	1,043,654	816,242
Gains from defined benefit plans – Plano 1 – Previ	954,017	1,182,683
Clube de Benefícios	403,310	391,733
Gains/(losses) from the disposal of other assets	204,390	235,592
Reversal of provisions for sundry payments	195,884	837,747
Capital gains [1]	106,481	308,266
Gains/(losses) from permanent investments disposal [2]	--	337,850
Other	1,262,610	1,572,648
Total	**11,645,619**	**13,182,602**

1 - Includes the recognition of the amount of R$ 240,189 thousand of the investment in CIP S.A., in the 1st quarter/2022 (Note 5).
2 - Related to the sale of the equity interest of BB Elo Cartões Participações S.A. at Banco Digio S.A., in the 1st quarter/2022 (Note 5).

b) Other operating expenses

	2023	2022
Loss on the monetary position [1]	(2,982,208)	(2,343,155)
Performance bonus paid to customers for loyalty	(1,313,975)	(1,724,520)
Adjustment of actuarial liabilities	(1,292,032)	(1,211,318)
Compensation for transactions of banking correspondents and business partners	(657,887)	(577,108)
Life insurance premium – consumer credit	(424,365)	(294,194)
Operating losses	(369,683)	(280,251)
Commission for credit recovery	(94,568)	(93,108)
Capital losses	(88,429)	(135,769)
Inflation adjustment of amounts to be paid	(45,183)	(38,633)
Recognition of impairment for devaluation of other assets	(39,568)	(32,956)
Fees for the use of Sisbacen – Brazilian Central Bank System	(35,521)	(34,073)
Liabilities for operations linked to assignments	(16,285)	(19,186)
Inflation adjustments of payables to the National Treasury	(552)	(3,746)
Proagro expenses	(275)	(257)
Inflation adjustments of tax obligations under legal discussion	--	(829,385)
Other	(2,697,049)	(2,115,330)
Total	**(10,057,580)**	**(9,732,989)**

1 - Refers to the inflation adjustments on Banco Patagonia's non-monetary and income items in accordance with IAS 29.

In thousands of Reais, unless otherwise stated

11– Personnel expenses

	2023	2022
Wages and salaries	(13,171,666)	(12,637,773)
Social security costs	(4,379,352)	(4,148,783)
Profit sharing [1]	(4,328,027)	(3,968,529)
Benefits	(3,859,599)	(3,620,571)
Private pension plans	(991,156)	(903,775)
Directors' and officers' remuneration	(63,723)	(54,827)
Staff training	(56,658)	(68,564)
Total	**(26,850,181)**	**(25,402,822)**

1 - It includes the amount of R$11,922 thousand in 2023 (R$ 10,938 thousand in 2022) related to Share-based payment for the Executive Board (Note 31.l).

12– Other administrative expenses

	2023	2022
Surveillance and security services	(1,316,228)	(1,230,029)
Data processing	(1,090,676)	(714,081)
Outsourced services	(1,022,797)	(1,016,780)
Maintenance and preservation	(800,417)	(773,488)
Transportation	(654,573)	(638,055)
Programa de Desempenho Gratificado - PDG	(602,351)	(574,056)
Specialized technical services	(594,222)	(482,379)
Marketing expenses	(493,128)	(474,650)
Communication expenses	(489,849)	(463,609)
Water, energy and gas	(483,216)	(492,937)
Promotion and public relations	(269,983)	(210,504)
Rental and operating leases expenses	(147,872)	(127,754)
Philanthropic contributions	(134,463)	(152,182)
Travel expenses	(129,797)	(87,865)
Office supplies	(28,036)	(39,584)
Other	(483,377)	(463,190)
Total	**(8,740,985)**	**(7,941,143)**

In thousands of Reais, unless otherwise stated

13– Cash and cash equivalents

	Dec 31, 2023	Dec 31, 2022
Cash and bank deposits	**17,327,745**	**18,310,546**
Local currency	9,894,579	8,407,179
Foreign currency	7,433,166	9,903,367
Interbank investments [1]	**37,672,070**	**50,515,733**
Securities purchased under resale agreements	6,457,559	4,107,564
Interbank deposits	29,458,139	46,408,169
Foreign currency	1,756,372	--
Total	**54,999,815**	**68,826,279**

1 - Investments whose original maturity is less than or equal to 90 days and with insignificant risk of change in fair value.

14– Compulsory deposits with Brazilian Central Bank

Compulsory deposits with Brazilian Central Bank refer to reserve requirements on demand, time and savings deposits the Bank must hold. The National Monetary Council determines the proportion of compulsory deposits that banks are required to hold and the associated interest rates.

	Dec 31, 2023	Dec 31, 2022
Interest bearing deposits	40,905,905	40,035,817
Non-interest-bearing deposits	6,999,866	20,204,006
Time deposits	35,616,486	32,959,214
instant payment account	15,946,221	1,394,199
Electronic currency deposits	260,638	472,046
Resources for microfinance	76,785	53,803
Discretionary deposits at the Central Bank	1,999,999	--
Total	**101,805,900**	**95,119,085**

In thousands of Reais, unless otherwise stated

15– Loans to financial institutions

	Dec 31, 2023	Dec 31, 2022
Securities purchased under resale agreements	**393,782,584**	**360,620,474**
Reverse repos - own resources	**95,066,521**	**4,564,647**
National Treasury bills	45,467,277	368,662
National Treasury notes	43,417,921	--
Treasury Financial bills	3,099	13,635
Other securities	6,178,224	4,182,350
Reverse repos - financed position	**298,716,063**	**356,055,827**
National Treasury notes	273,212,838	247,312,465
National Treasury bills	24,785,663	107,411,310
Other securities	717,817	1,332,246
Expected losses on other securities	(255)	(194)
Interbank deposits	**38,375,297**	**55,199,823**
Interbank deposits	38,378,395	55,253,031
Expected credit losses on interbank deposits	(3,098)	(53,208)
Loan portfolios acquired with guarantee from the transferor	**10,508,619**	**7,408,131**
Loan portfolios acquired with guarantee from the transferor	10,539,278	7,411,448
Expected credit losses on loan portfolios acquired with guarantee from the transferor	(30,659)	(3,317)
Total	**442,666,500**	**423,228,428**

Changes in expected credit losses

	Dec 31, 2022	(Allowance)/ reversal	Dec 31, 2023
Expected losses on other securities	(194)	(61)	(255)
Expected credit losses on interbank deposits	(53,208)	50,110	(3,098)
Expected credit losses on loan portfolios acquired with guarantee from the transferor	(3,317)	(27,342)	(30,659)
Total	**(56,719)**	**22,707**	**(34,012)**

	Dec 31, 2021	(Allowance)/ reversal	Dec 31, 2022
Expected losses on other securities	(160)	(34)	(194)
Expected credit losses on interbank deposits	(3,806)	(49,402)	(53,208)
Expected credit losses on loan portfolios acquired with guarantee from the transferor	(9,386)	6,069	(3,317)
Total	**(13,352)**	**(43,367)**	**(56,719)**

In thousands of Reais, unless otherwise stated

16– Financial assets and liabilities at fair value through profit or loss

a) Securities

	Dec 31, 2023			Dec 31, 2022		
	Cost value	Gains/(losses)	Fair value	Cost value	Gains/(losses)	Fair value
Debt instruments	**11,538,073**	**444,669**	**11,982,742**	**10,294,899**	**(19,613)**	**10,275,286**
Brazilian federal government bonds	6,669,090	181,657	6,850,747	1,836,044	7,333	1,843,377
Securities issued by non-financial companies	3,425,797	45,734	3,471,531	5,304,112	(168,803)	5,135,309
Securities issued by financial companies	705,105	(17,271)	687,834	2,496,533	(57,881)	2,438,652
Investments in mutual funds	343,397	80,156	423,553	351,121	91,329	442,450
Federal government bonds	231,445	155,519	386,964	152,412	112,414	264,826
Brazilian government bonds issued abroad	163,239	(1,126)	162,113	154,677	(4,005)	150,672
Equity instruments	**229,266**	**(12,390)**	**216,876**	**193,343**	**(28,686)**	**164,657**
Marketable equity shares	229,266	(12,390)	216,876	193,343	(28,686)	164,657
Total	**11,767,339**	**432,279**	**12,199,618**	**10,488,242**	**(48,299)**	**10,439,943**

In the period of 2022, in order to reflect the business dynamics for the product involved, there was a reclassification of financial assets "at fair value through profit or loss" to "at fair value through other comprehensive income" in the amount of R$ 176,799 thousand in Brazilian government bonds issued abroad. There was no impact on income or equity.

No financial assets at fair value through profit or loss were reclassified during 2023.

In thousands of Reais, unless otherwise stated

b) Derivatives

Assets	Dec 31, 2023			Dec 31, 2022		
	Cost value	Gains/(losses)	Fair value	Cost value	Gains/(losses)	Fair value
Swaps	1,110,225	108,003	1,218,228	1,001,538	133,241	1,134,779
Forwards	881,898	(262,935)	618,963	744,683	(349,658)	395,025
Options	240,834	(130,680)	110,154	272,076	(183,034)	89,042
Other [1]	33,238	(6,897)	26,341	39,087	(19,864)	19,223
Total	**2,266,195**	**(292,509)**	**1,973,686**	**2,057,384**	**(419,315)**	**1,638,069**

Liabilities	Dec 31, 2023			Dec 31, 2022		
	Cost value	Gains/(losses)	Fair value	Cost value	Gains/(losses)	Fair value
Swaps	(942,735)	(155,733)	(1,098,468)	(1,021,623)	(3,313)	(1,024,936)
Forwards	(1,167,816)	346,001	(821,815)	(1,972,065)	898,638	(1,073,427)
Options	(302,080)	(168,850)	(470,930)	(289,378)	(236,198)	(525,576)
Other [1]	(100,369)	(18,160)	(118,529)	(115,849)	(25,009)	(140,858)
Total	**(2,513,000)**	**3,258**	**(2,509,742)**	**(3,398,915)**	**634,118**	**(2,764,797)**

1 - Related to transactions carried out in the Forex market abroad, recorded as Non Deliverable Forwards (NDF) which object is an exchange rate of a specific currency and is traded in the over-the-counter (OTC) market.

Derivatives are financial instruments with all of the following characteristics:

(i) their value changes due to changes in an underlying variable (exchange rate, interest rate, price index, price of a commodity, etc.);
(ii) they require no initial investment, or an initial investment that is less than what would be required for other contracts with similar responses to changes in markets factors; and
(iii) they will be settled on a future date.

The Bank's derivatives are mainly held for trading purposes to meet the needs of its clients. It may also take speculative positions for profit based on expected changes in prices, rates or indexes.

The Bank uses derivative financial instruments to manage, at the consolidated level, credit risk and to meet clients' needs, classifying its own positions as hedge (fair value and net investment in a foreign operation) and trading, both within limits approved by committees of the Bank. The hedge strategy of the equity positions is in line with macroeconomic analyses, and it is approved by the Executive Board of Directors.

The derivative financial instruments used by the Bank are compatible with the defined objectives, observing the best risk and return ratio and considering the economic scenario. The risk categories of derivative financial instruments are considered in the management of these instruments and the consolidated view of different risk factor are adopted.

The Bank assesses the liquidity of derivative financial instruments and identifies, in advance, means of reversing positions. Systems and processes that allow the recording, monitoring and controlling of operations with derivative financial instruments are used.

In the options market, long positions have the Bank as holder, while short positions have the Bank as writer.

The main risks inherent to derivative financial instruments resulting from the business of the Bank and its subsidiaries are credit, market, liquidity and operational, which management process is presented in note 35. Accounting hedge operations are intended to mitigate market risks, such as changes in interest rates and changes in exchange rates.

The models used to manage derivatives' risks are reviewed periodically and the decisions made follow the best risk/return relationship, estimating possible losses based on the analysis of macroeconomic scenarios. The Bank uses appropriate tools and systems to manage the derivatives. New derivatives trades standardized or not, are subjected to a prior risk analysis.

Positioning strategies comply with established limits and risk exposure. Positions are reassessed daily and an evaluation of strategies and performances is done at the beginning of each day.

Strategies are developed based on analysis of economic scenarios; technical analysis (graphical) and fundamental analysis; simulation of expected results; and Value-at-risk simulation (VaR, EVE, Stress).

The Bank uses credit derivatives in the proprietary management of its portfolios, positions and operations. For this purpose, branches abroad use the credit default swap modality in the over-the-counter market abroad.

The objectives to be achieved with hedge operations are defined on a consolidated basis, ensuring effectiveness of each operation and observing the regulations of each jurisdiction. Mechanisms for evaluating and monitoring the effectiveness of hedge operations are used in order to offset the effects of changes in the market value, cash flow or exchange rate changes of the hedged item.

The risk assessment of the subsidiaries is undertaken on an individual basis and its management is done on a consolidated basis. The Bank uses statistical methods and simulations to measure the risks of its positions, including derivatives, using values at risk, sensibility and stress analysis models.

The VaR is used to estimate the potential loss, under routine market conditions, daily measured in monetary values, considering a confidence interval of 99.21%, a 10-day time horizon and a historical series of 252 business days.

In order to calculate the VaR, the Bank uses the Historical Simulation methodology, which assumes that the retrospective behavior of observed (historical) returns of risk factors constitutes relevant information to the measurement of market risks.

The following tables show the composition of the derivatives portfolio by risk exposure, notional amount, fair value and maturity.

In thousands of Reais, unless otherwise stated

c) Breakdown of the portfolio of derivatives by index

By Index	Dec 31, 2023		Dec 31, 2022	
	Notional amount	Fair value	Notional amount	Fair value
Futures contracts				
Purchase commitments	**28,550,980**	**--**	**12,495,923**	**--**
Currency risk	19,422,345	--	1,721,830	--
Interest rate risk	8,512,528	--	7,633,088	--
Other risks	616,107	--	3,141,005	--
Commitments to sell	**19,872,132**	**--**	**23,172,978**	**--**
Interest rate risk	15,480,040	--	15,134,142	--
Currency risk	831,819	--	3,247,949	--
Other risks	3,560,273	--	4,790,887	--
Forwards				
Asset position	**14,030,620**	**618,963**	**15,281,186**	**395,025**
Currency risk	11,642,225	436,368	14,290,097	325,035
Other risks	2,388,395	182,595	991,089	69,990
Liability position	**17,063,538**	**(821,815)**	**23,681,976**	**(1,073,427)**
Currency risk	16,299,577	(797,575)	22,576,793	(824,972)
Other risks	763,961	(24,240)	1,105,183	(248,455)
Option contracts				
Long position	**5,060,860**	**110,154**	**5,227,978**	**89,042**
Currency risk	5,060,860	110,154	5,227,978	89,042
Short position	**5,760,299**	**(470,930)**	**5,659,816**	**(525,576)**
Currency risk	5,079,345	(449,303)	5,195,388	(513,927)
Interest rate risk	61,292	(2,671)	7,302	--
Other risks	619,662	(18,956)	457,126	(11,649)
Swaps				
Asset position	**16,537,484**	**1,218,228**	**22,401,501**	**1,134,779**
Interest rate risk	12,835,313	963,642	14,101,975	845,581
Currency risk	3,702,171	254,586	8,299,526	289,198
Liability position	**13,434,545**	**(1,098,468)**	**8,869,326**	**(1,024,936)**
Interest rate risk	6,920,047	(362,319)	2,445,048	120,218
Currency risk	5,577,463	(562,461)	5,578,198	(1,053,142)
Other risks	937,035	(173,688)	846,080	(92,012)
Other derivative agreements				
Asset position	**1,796,868**	**26,341**	**1,099,157**	**19,223**
Currency risk	1,796,868	26,341	1,099,157	19,223
Liability position	**5,442,909**	**(118,529)**	**6,130,599**	**(140,858)**
Currency risk	5,442,909	(118,529)	6,130,599	(140,858)

In thousands of Reais, unless otherwise stated

d) Composition of the portfolio of derivatives by maturity date

Notional amount - asset position	Maturity in days					
	0-30	31-180	181-360	Above 360	Dec 31, 2023	Dec 31, 2022
Futures	35,400	23,717,420	2,106,427	2,691,733	**28,550,980**	**12,495,923**
Swaps	1,791,483	5,658,529	4,033,400	5,054,072	**16,537,484**	**22,401,501**
Forwards	1,703,525	7,808,669	2,690,797	1,827,629	**14,030,620**	**15,281,186**
Options	239,132	713,237	1,055,993	3,052,498	**5,060,860**	**5,227,978**
Other derivative agreements	1,177,220	619,648	--	--	**1,796,868**	**1,099,157**

Notional amount - liability position	Maturity in days					
	0-30	31-180	181-360	Above 360	Dec 31, 2023	Dec 31, 2022
Futures	3,850,927	5,237,977	2,949,428	7,833,800	**19,872,132**	**23,172,978**
Swaps	1,079,818	10,171,787	4,054,341	1,757,592	**17,063,538**	**23,681,976**
Forwards	691,413	2,720,732	2,439,712	7,582,688	**13,434,545**	**8,869,326**
Options	432,812	1,122,856	1,142,977	3,061,654	**5,760,299**	**5,659,816**
Other derivative agreements	1,842,089	2,953,918	636,147	10,755	**5,442,909**	**6,130,599**

e) Hedge accounting

In order to protect the fair value and exchange rate risk of the instruments designated as the hedge item, the Bank uses derivative financial instruments (Futures and Swap).

e.1) Fair value hedge

The Bank's fair value hedging strategy consists of protecting exposure to changes in the fair value of interest payments and receipts relating to recognized assets and liabilities.

The fair value management methodology adopted by the Bank segregates transactions by risk factor (e.g. exchange rate risk, risk interest, inflation risk and etc.). Transactions generate exposures that are consolidated by risk factor and compared to pre-established internal limits.

To protect the fair value variation in the receipt and payment of interest, the Bank uses interest rate swap contracts related to fixed assets and liabilities.

The Bank applies the fair value hedge as follows:

- The Bank has pre-fixed interest rate risk generated by Federal Public Securities (LTN) classified at fair value through other comprehensive income. To manage this risk, the Bank contracts DI futures or interest rate swaps and designates them as a hedging instrument in an accounting hedge structure, changing the exposure from fixed to post-fixed interest rates.

- The Bank has loan to customers portfolio in the form of Fixed Consumer Direct Credit (CDC). To manage this risk, interest rate futures (DI) operations are contracted and designated as fair value hedge of the corresponding loans, changing the exposure from fixed to post-fixed interest rates.

- The Bank has interest rate risk and foreign currency exposure generated by liabilities from issuance of securities and loans to financial institutions carried out abroad. To manage this risk, it designates swap operations (cross currency interest rate swap) as a hedging instrument in accounting hedge structure, changing exposure between foreign currencies and interest rates.

In thousands of Reais, unless otherwise stated

Portfolio of derivatives designated fair value hedge

	Dec 31, 2023	Dec 31, 2022
Hedge instruments [1]		
Liabilities	**(6,185,280)**	**(5,962,490)**
Futures	(5,897,392)	(5,240,677)
Swap	(287,888)	(721,813)
Hedged items		
Assets	**8,298,827**	**7,807,059**
Securities	5,852,224	5,197,425
Loans to financial institutions	2,396,937	2,563,590
Loans to customers	49,666	46,044
Liabilities	**(2,090,360)**	**(1,816,981)**
Liabilities from issuance of securities and other financial liabilities	(2,090,360)	(1,816,981)

1 - It refers to the notional amount of derivative financial instruments.

In fair value protection structures, gains or losses, both on hedging instruments and on hedge items (attributable to the type of risk being protected) are recognized directly in profit or loss.

Gains and losses on hedging instruments and hedge items (fair value hedge)

	2023	2022
Gains from hedged items	284,714	389,155
Losses from hedged items	(288,627)	(379,859)
Net effect	**(3,913)**	**9,296**

e.2) Hedge of net investment in a foreign operation

The hedging strategy for net investment in a foreign operation consists of protecting exposure to the exchange variation of the US dollar against the real due to the Bank's investment in BB Americas, whose functional currency is different from the real. The hedging instrument used is US dollar futures contracts. These operations are renewed monthly and the designated amount is updated every six months in view of changes in the investment amount considered in the hedge structure.

Portfolio of derivatives designated for hedge of net investment in a foreign operation

	Dec 31, 2023	Dec 31, 2022
Hedge instruments		
Liabilities	**(1,233,083)**	**(702,764)**
Futures	(1,233,083)	(702,764)
Hedged items		
Asset	**1,225,924**	**701,011**
Investment abroad	1,225,924	701,011

In structures for hedge of net investment in a foreign operation, the effective portion of the variation in the value of the hedging instrument is recognized in a separate account in shareholders' equity – "Other Comprehensive

In thousands of Reais, unless otherwise stated

Income – Hedge of net investment in a foreign operation" (Note 31.f). The ineffective portion is recognized directly in profit or loss.

Gains and losses on hedging instruments and hedge item (hedge of investment in a foreign operation)

	2023	2022
Losses of hedged items	(66,916)	(23,659)
Gains of hedge instruments	66,916	17,776
Net effect [1]	**--**	**(5,883)**

1 - In 2023, a positive result of R$ 7,912 were recognized in derivative financial instruments due to the ineffective portion of the accounting hedge structure.

In thousands of Reais, unless otherwise stated

17– Financial assets at fair value through other comprehensive income

	Dec 31, 2023				Dec 31, 2022			
	Cost value	Gains/(losses)	Expected credit losses	Fair value	Cost value	Gains/(losses)	Expected credit losses	Fair value
Debt instruments								
Brazilian federal government bonds	329,647,501	134,538	--	329,782,039	295,303,088	(1,794,890)	--	293,508,198
Securities issued by non-financial companies	55,794,062	(1,683,898)	(47,147)	54,063,017	51,501,802	(925,369)	(26,908)	50,549,525
Brazilian government bonds issued abroad	10,682,435	(855,998)	(616)	9,825,821	9,878,395	(1,439,449)	(50,112)	8,388,834
Federal government bonds	4,868,184	92,775	(38,160)	4,922,799	13,761,396	(278,769)	(50,314)	13,432,313
Investments in mutual funds	1,431,118	86,541	(5,512)	1,512,147	2,294,090	1,578,221	(1,608)	3,870,703
Securities issued by financial companies	1,276,728	59,784	--	1,336,512	21,585	(404)	--	21,181
Total	**403,700,028**	**(2,166,258)**	**(91,435)**	**401,442,335**	**372,760,356**	**(2,860,660)**	**(128,942)**	**369,770,754**

Reconciliation of changes concerning expected credit losses

	Dec 31, 2021	(Allowance) / reversal	Dec 31, 2022	(Allowance) / reversal	Dec 31, 2023
Expected credit losses					
Securities issued by non-financial companies	(288,601)	261,693	(26,908)	(20,239)	(47,147)
Federal government bonds	(247,410)	197,096	(50,314)	12,154	(38,160)
Investments in mutual funds	(54)	(1,554)	(1,608)	(3,904)	(5,512)
Brazilian government bonds issued abroad	(3,604)	(46,508)	(50,112)	49,496	(616)
Securities issued by financial companies	(199)	199	--	--	--
Total	**(539,868)**	**410,926**	**(128,942)**	**37,507**	**(91,435)**

In thousands of Reais, unless otherwise stated

Debt instruments by stages

	Dec 31, 2023				Dec 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Debt instruments								
Brazilian federal government bonds	329,782,039	--	--	329,782,039	293,508,198	--	--	293,508,198
Securities issued by non-financial companies	51,907,205	175,271	1,980,541	54,063,017	47,984,976	528,038	2,036,511	50,549,525
Brazilian government bonds issued abroad	9,825,821	--	--	9,825,821	8,388,834	--	--	8,388,834
Federal government bonds	4,922,799	--	--	4,922,799	13,432,313	--	--	13,432,313
Investments in mutual funds	1,512,147	--	--	1,512,147	3,870,703	--	--	3,870,703
Securities issued by financial companies	1,336,512	--	--	1,336,512	21,181	--	--	21,181
Total	**399,286,523**	**175,271**	**1,980,541**	**401,442,335**	**367,206,205**	**528,038**	**2,036,511**	**369,770,754**

Fair value of the financial assets that are pledged as collateral

	Dec 31, 2023	Dec 31, 2022
Repurchase agreements	269,653,535	205,713,059
Guarantees provided	6,340,560	4,004,104
Total	**275,994,095**	**209,717,163**

Financial assets at fair value through other comprehensive income pledged as collateral represent government bonds pledged in derivatives transactions and the trading of securities and currencies on the B3 Stock Exchange. They also include collateral for equities transactions through the Câmara Brasileira de Liquidação e Custódia (CBLC – Brazilian Clearing & Depositary Corp.).

No financial assets at fair value through other comprehensive income were reclassified during 2023.

In order to reflect the business dynamics for the products involved, the following reclassifications were carried out in the period of 2022:

In thousands of Reais, unless otherwise stated

I – from assets “at fair value through profit or loss” to “at fair value through other comprehensive income” in the amount of R$ 176,799 thousand in Brazilian government bonds issued abroad. There was no impact on income or equity.

II - financial assets “at fair value through other comprehensive income” to “securities at amortized cost” in the amount of R$ 10,953,163 thousand in securities issued by non-financial companies (Certificates of agribusiness credit rights). There was no impact on income or equity. The accumulated effect of mark-to-market on equity for this security, up to the reclassification date, is negative by R$ 15,415 thousand, net of taxes.

Breakdown of expected credit losses between stages

	Stage 1	Stage 2	Stage 3	Total
Dec 31, 2021	**(286,162)**	**(253,281)**	**(425)**	**(539,868)**
Transfer to stage 3	9,261	--	--	**9,261**
Transfer from stage 1	--	--	(9,261)	**(9,261)**
Other [1]	161,766	253,281	(4,121)	410,926
Dec 31, 2022	**(115,135)**	**--**	**(13,807)**	**(128,942)**
Transfer to stage 3	1,287	10,135	--	**11,422**
Transfer from stage 1	--	--	(1,287)	**(1,287)**
Transfer from stage 2	--	--	(10,135)	(10,135)
Other [1]	42,068	(10,135)	5,574	37,507
Dec 31, 2023	**(71,780)**	**--**	**(19,655)**	**(91,435)**

1 - Purchased or settled assets, allowance or reversal of expected credit losses.

In thousands of Reais, unless otherwise stated

18– Securities at amortized cost

	Dec 31, 2023					Dec 31, 2022				
	Up to 1 year	1 to 5 years	5 to 10 years	Over 10 years	Total	Up to 1 year	1 to 5 years	5 to 10 years	Over 10 years	Total
Debt instruments										
Securities issued by non-financial companies	17,330,614	17,294,529	5,394,216	4,237,730	44,257,089	10,139,533	12,999,221	5,934,388	1,166,518	30,239,660
Brazilian federal government bonds	5,883,798	1,175,161	--	--	7,058,959	7,382,193	5,449,886	--	--	12,832,079
Brazilian government bonds issued abroad	1,149,372	1,276,870	--	--	2,426,242	--	1,281,039	1,361,842	--	2,642,881
Federal government bonds	1,538,592	632,932	--	--	2,171,524	1,384,299	1,116,551	--	--	2,500,850
Securities issued by financial companies	196,610	--	--	3	196,613	20,927	--	--	3	20,930
Subtotal	**26,098,986**	**20,379,492**	**5,394,216**	**4,237,733**	**56,110,427**	**18,926,952**	**20,846,697**	**7,296,230**	**1,166,521**	**48,236,400**
Expected losses on securities	(118,062)	(92,190)	(24,402)	(2,777,276)	(3,011,930)	(93,717)	(104,835)	(35,323)	(6,101)	(239,976)
Total	**25,980,924**	**20,287,302**	**5,369,814**	**1,460,457**	**53,098,497**	**18,833,235**	**20,741,862**	**7,260,907**	**1,160,420**	**47,996,424**

Reconciliation of changes concerning expected credit losses

	Dec 31, 2021	(Allowance) / reversal	Dec 31, 2022	(Allowance) / reversal	Dec 31, 2023
Expected credit losses					
Securities issued by non-financial companies	(487,715)	329,561	(158,154)	(2,792,126)	(2,950,280)
Federal government bonds	--	(73,504)	(73,504)	12,054	(61,450)
Brazilian government bonds issued abroad	(5,671)	(2,647)	(8,318)	8,118	(200)
Total	**(493,386)**	**253,410**	**(239,976)**	**(2,771,954)**	**(3,011,930)**

No securities at amortized cost were reclassified during 2023.

In 2022, in order to reflect the business dynamics for the products involved, the amount of R$ 10,953,163 thousand in securities issued by non-financial companies (Certificates of agribusiness credit rights) was reclassified from financial assets "at fair value through other comprehensive income" to "securities at amortized cost". There was no impact on income or equity. The accumulated effect of mark-to-market on equity for these securities, up to the reclassification date, is negative by R$ 15,415 thousand, net of taxes.

In thousands of Reais, unless otherwise stated

Debt instruments by stages

	Dec 31, 2023				Dec 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Debt instruments								
Securities issued by non-financial companies	38,266,924	634,858	5,355,307	44,257,089	27,223,118	869,063	2,147,479	30,239,660
Brazilian federal government bonds	7,058,959	--	--	7,058,959	12,832,079	--	--	12,832,079
Brazilian government bonds issued abroad	2,426,242	--	--	2,426,242	2,642,881	--	--	2,642,881
Federal government bonds	2,171,524	--	--	2,171,524	2,500,850	--	--	2,500,850
Securities issued by financial companies	196,613	--	--	196,613	20,930	--	--	20,930
Subtotal	**50,120,262**	**634,858**	**5,355,307**	**56,110,427**	**45,219,858**	**869,063**	**2,147,479**	**48,236,400**
Expected losses on securities	(122,492)	(4,845)	(2,884,593)	(3,011,930)	(78,918)	(1,920)	(159,138)	(239,976)
Total	**49,997,770**	**630,013**	**2,470,714**	**53,098,497**	**45,140,940**	**867,143**	**1,988,341**	**47,996,424**

Breakdown of expected credit losses between stages

	Stage 1	Stage 2	Stage 3	Total
Dec 31, 2021	**(70,172)**	**(340,020)**	**(83,194)**	**(493,386)**
Other [1]	(8,746)	338,100	(75,944)	253,410
Dec 31, 2022	**(78,918)**	**(1,920)**	**(159,138)**	**(239,976)**
Transfer to stage 2	56	--	--	56
Transfer to stage 3	6,752	15,611	--	22,363
Transfer from stage 1	--	(56)	(6,752)	(6,808)
Transfer from stage 2	--	--	(15,611)	(15,611)
Other [1]	(50,382)	(18,480)	(2,703,092)	(2,771,954)
Dec 31, 2023	**(122,492)**	**(4,845)**	**(2,884,593)**	**(3,011,930)**

1 - Purchased or settled assets, allowance or reversal of expected credit losses.

In thousands of Reais, unless otherwise stated

19– Loans to customers

a) Loan portfolio by type

	Avarage maturity (months)	Dec 31, 2023	Dec 31, 2022
Loans		**873,916,638**	**796,326,140**
Loans and discounted credits rights [1]	46	355,018,984	332,280,880
- Corporations		155,705,799	148,481,510
- Individuals		199,313,185	183,799,370
Financing [2]	56	141,461,732	124,277,536
- Corporations		135,099,139	118,754,528
- Individuals		6,362,593	5,523,008
Rural and agribusiness financing	82	322,240,448	288,354,433
- Corporations		13,294,640	13,612,531
- Individuals		308,945,808	274,741,902
Real estate financing	349	55,063,362	51,251,488
- Corporations		3,243,699	1,878,527
- Individuals		51,819,663	49,372,961
Loans sold under assignment	267	132,112	161,803
- Individuals		132,112	161,803
Others receivables with loan characteristics		**89,631,730**	**86,385,440**
Credit card operations	4	52,184,077	49,502,383
- Corporations		3,588,052	2,972,431
- Individuals		48,596,025	46,529,952
Advances on foreign exchange contracts	12	24,924,882	23,910,738
- Corporations		24,808,478	23,784,268
- Individuals		116,404	126,470
Receivables acquisition	9	9,165,690	10,160,141
- Corporations		9,165,690	10,160,141
Guarantees honored	9	93,927	31,023
- Corporations		87,953	28,180
- Individuals		5,974	2,843
Others	265	3,263,154	2,781,155
- Corporations		3,262,809	2,780,755
- Individuals		345	400
Leasing portfolio	46	**494,847**	**414,726**
- Corporations		491,987	407,774
- Individuals		2,860	6,952
Total loans to customers portfolio		**964,043,215**	**883,126,306**
Expected credit losses for loans to customers		**(52,762,017)**	**(50,187,749)**
Expected credit losses for loans		(49,781,839)	(46,910,808)
Expected credit losses for other receivables		(2,971,499)	(3,270,844)
Expected credit losses for leasing portfolio		(8,679)	(6,097)
Total loans to customers, net		**911,281,198**	**832,938,557**

1 - The balance of "loans and discounted credits rights" to corporations is mainly composed of working capital loans and discounted receivables. The balance of "loans and discounted credits rights" to individuals is mainly composed of personal loans (mostly consumer credit and overdrafts accounts) and credit card balances (revolving credit).

2 - The balance of "financing" to corporations is mainly composed of export, pre-export and import financing and other medium-term financing funded with onlending resources. The balance of "financing" to individuals is mainly composed of vehicle financing.

In thousands of Reais, unless otherwise stated

b) Loan portfolio by economic sectors

	Dec 31, 2023	%	Dec 31, 2022	%
Public sector	**66,944,273**	**7.0**	**57,543,027**	**6.5**
Public administration	59,171,278	6.1	52,816,209	5.9
Oil sector	5,614,664	0.6	2,625,600	0.3
Electricity	827,534	0.1	846,818	0.1
Services	538,178	0.1	539,490	0.1
Other activities	792,619	0.1	714,910	0.1
Private sector	**897,098,942**	**93.0**	**825,583,279**	**93.5**
Individuals	**615,294,969**	**63.8**	**560,265,661**	**63.4**
Corporations	**281,803,973**	**29.2**	**265,317,618**	**30.1**
Agribusiness of plant origin	39,821,090	4.0	39,441,363	4.6
Services	32,193,075	3.3	32,044,525	3.7
Mining and metallurgy	21,795,732	2.3	19,739,757	2.2
Retail commerce	17,124,898	1.8	16,260,340	1.8
Electricity	16,671,505	1.7	13,563,642	1.5
Transportation	15,972,120	1.7	14,795,926	1.7
Agribusiness of animal origin	15,279,754	1.6	14,291,895	1.6
Automotive sector	13,988,224	1.5	12,955,178	1.5
Agricultural inputs	12,087,264	1.3	11,716,655	1.3
Electronics	10,932,898	1.1	9,842,819	1.1
Financial services	10,807,120	1.1	11,765,975	1.3
Fuel	10,801,251	1.1	10,829,193	1.2
Specific activities of construction	10,592,627	1.1	9,857,040	1.1
Wholesale and various industries	9,767,942	1.1	8,583,571	1.0
Chemical	9,678,146	1.0	9,234,899	1.0
Real estate agents	9,673,061	1.0	7,136,047	0.8
Textile and clothing	7,908,143	0.8	7,101,570	0.8
Woodworking and furniture market	5,777,525	0.6	5,220,448	0.6
Pulp and paper	4,125,946	0.4	3,984,616	0.5
Heavy construction	3,820,603	0.4	2,986,726	0.3
Telecommunications	2,774,081	0.3	2,248,711	0.3
Other activities	210,968	--	1,716,722	0.2
Total loans to customers portfolio	**964,043,215**	**100.0**	**883,126,306**	**100.0**

In thousands of Reais, unless otherwise stated

c) Loans to customers by maturity

The majority of our loans require principal and interest payments on a monthly, quarterly, semi-annual or annual basis. The table below shows the book value of the Bank's loan installments according to their contractual maturities. For loans with a single installment, the entire loan balance is presented according to the final maturity date.

	Dec 31, 2023	Dec 31, 2022
Installments falling due		
1 to 30 days	66,467,010	71,144,420
31 to 60 days	33,963,637	33,134,830
61 to 90 days	28,864,430	28,363,524
91 to 180 days	94,889,720	90,678,011
181 to 360 days	165,034,798	145,510,865
361 to 1080 days	249,204,072	218,763,096
1081 to 1800 days	134,651,760	119,412,573
More than 1800 days	175,550,190	162,146,527
Subtotal	**948,625,617**	**869,153,846**
Installments overdue		
1 to 14 days	1,780,045	1,576,508
15 to 30 days	939,571	1,011,515
31 to 60 days	1,549,536	1,313,804
61 to 90 days	1,395,656	1,133,203
91 to 180 days	3,467,957	3,210,068
181 to 360 days	5,563,044	5,272,431
More than 360 days	721,789	454,931
Subtotal	**15,417,598**	**13,972,460**
Total	**964,043,215**	**883,126,306**

d) Leasing portfolio by maturity

	Dec 31, 2023			Dec 31, 2022		
	Minimum lease payments	Unearned finance income	Present value	Minimum lease payments	Unearned finance income	Present value
Up to one year [1]	243,559	(58,779)	184,780	183,639	(43,984)	139,655
Over one year to five years	404,018	(97,503)	306,515	359,182	(86,030)	273,152
Over five years	4,682	(1,130)	3,552	2,523	(604)	1,919
Total	**652,259**	**(157,412)**	**494,847**	**545,344**	**(130,618)**	**414,726**

1 - Includes amounts related to installments overdue

In thousands of Reais, unless otherwise stated

e) Loans to customers by stages

	Dec 31, 2023				Dec 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans	**746,066,575**	**67,091,246**	**60,758,817**	**873,916,638**	**682,143,177**	**59,812,793**	**54,370,170**	**796,326,140**
Loans and discounted credits rights	272,443,357	42,200,957	40,374,670	355,018,984	258,732,796	36,675,548	36,872,536	332,280,880
Financing	131,693,083	5,137,491	4,631,158	141,461,732	114,567,195	5,472,028	4,238,313	124,277,536
Rural and agribusiness financing	298,426,596	13,329,176	10,484,676	322,240,448	268,907,304	11,292,151	8,154,978	288,354,433
Real estate financing	43,380,292	6,416,251	5,266,819	55,063,362	39,789,730	6,359,720	5,102,038	51,251,488
Loans sold under assignment	123,247	7,371	1,494	132,112	146,152	13,346	2,305	161,803
Others receivables with loan characteristics	**86,380,588**	**1,661,984**	**1,589,158**	**89,631,730**	**80,800,009**	**3,847,392**	**1,738,039**	**86,385,440**
Credit card operations	50,387,972	1,437,259	358,846	52,184,077	45,041,235	3,740,618	720,530	49,502,383
Advances on foreign exchange contracts	23,942,006	216,234	766,642	24,924,882	23,124,774	103,100	682,864	23,910,738
Receivables acquisition	8,785,068	4,254	376,368	9,165,690	9,852,394	3,167	304,580	10,160,141
Guarantees honored	2,457	4,168	87,302	93,927	604	406	30,013	31,023
Other	3,263,085	69	--	3,263,154	2,781,002	101	52	2,781,155
Leasing portfolio	**472,184**	**18,332**	**4,331**	**494,847**	**407,614**	**6,792**	**320**	**414,726**
Total loans to customers portfolio	**832,919,347**	**68,771,562**	**62,352,306**	**964,043,215**	**763,350,800**	**63,666,977**	**56,108,529**	**883,126,306**
Expected credit losses for loans to customers	(9,806,843)	(7,054,570)	(35,900,604)	(52,762,017)	(10,291,599)	(6,312,679)	(33,583,471)	(50,187,749)
Total loans to customers, net	**823,112,504**	**61,716,992**	**26,451,702**	**911,281,198**	**753,059,201**	**57,354,298**	**22,525,058**	**832,938,557**

In thousands of Reais, unless otherwise stated

f) Breakdown of loans to customers between stages

Stage 1

	Dec 31, 2022	Acquisition/ (settlement)/ changes	Transfer from/ (to) stage 2	Transfer from/ (to) stage 3	Write-offs	Dec 31, 2023
Loans	**682,143,177**	**83,011,460**	**(8,048,741)**	**(11,039,321)**	**--**	**746,066,575**
Loans and discounted credits rights	258,732,796	26,522,019	(4,756,196)	(8,055,262)	--	272,443,357
Financing	114,567,195	18,032,557	(306,227)	(600,442)	--	131,693,083
Rural and agribusiness financing	268,907,304	34,561,566	(2,780,940)	(2,261,334)	--	298,426,596
Real estate financing	39,789,730	3,922,097	(209,003)	(122,532)	--	43,380,292
Loan portfolio transferred with substantial retention of risks	146,152	(26,779)	3,625	249	--	123,247
Others receivables with loan characteristics	**80,800,009**	**4,176,934**	**1,672,973**	**(269,328)**	**--**	**86,380,588**
Credit card operations	45,041,235	3,762,369	1,746,853	(162,485)	--	50,387,972
Advances on foreign exchange contracts	23,124,774	996,075	(73,880)	(104,963)	--	23,942,006
Receivables acquisition	9,852,394	(1,066,326)	--	(1,000)	--	8,785,068
Guarantees honored	604	2,733	--	(880)	--	2,457
Others	2,781,002	482,083	--	--	--	3,263,085
Leasing portfolio	**407,614**	**68,921**	**(116)**	**(4,235)**	**--**	**472,184**
Total loans to customers portfolio	**763,350,800**	**87,257,315**	**(6,375,884)**	**(11,312,884)**	**--**	**832,919,347**

	Dec 31, 2021	Acquisition/ (settlement)/ changes	Transfer from/ (to) stage 2	Transfer from/ (to) stage 3	Write-offs	Dec 31, 2022
Loans	**612,113,210**	**89,229,627**	**(10,085,401)**	**(9,114,259)**	**--**	**682,143,177**
Loans and discounted credits rights	242,359,312	31,792,202	(7,586,420)	(7,832,298)	--	258,732,796
Financing	113,488,995	84,969	1,310,039	(316,808)	--	114,567,195
Rural and agribusiness financing	216,162,150	55,860,033	(2,287,704)	(827,175)	--	268,907,304
Real estate financing	39,918,258	1,526,877	(1,517,419)	(137,986)	--	39,789,730
Loan portfolio transferred with substantial retention of risks	184,495	(34,454)	(3,897)	8	--	146,152
Others receivables with loan characteristics	**70,997,783**	**12,229,911**	**(1,978,648)**	**(449,037)**	**--**	**80,800,009**
Credit card operations	43,655,217	3,718,906	(1,951,194)	(381,694)	--	45,041,235
Advances on foreign exchange contracts	17,157,352	6,062,219	(27,454)	(67,343)	--	23,124,774
Receivables acquisition	8,577,426	1,274,968	--	--	--	9,852,394
Guarantees honored	2,742	(2,138)	--	--	--	604
Others	1,605,046	1,175,956	--	--	--	2,781,002
Leasing portfolio	**272,688**	**135,543**	**(297)**	**(320)**	**--**	**407,614**
Total loans to customers portfolio	**683,383,681**	**101,595,081**	**(12,064,346)**	**(9,563,616)**	**--**	**763,350,800**

In thousands of Reais, unless otherwise stated

Stage 2

	Dec 31, 2022	Acquisition/ (settlement)/ changes	Transfer from/ (to) stage 1	Transfer from/ (to) stage 3	Write-offs	Dec 31, 2023
Loans	**59,812,793**	**4,942,548**	**8,048,741**	**(5,712,836)**	**--**	**67,091,246**
Loans and discounted credits rights	36,675,548	5,118,376	4,756,196	(4,349,163)	--	42,200,957
Financing	5,472,028	(491,827)	306,227	(148,937)	--	5,137,491
Rural and agribusiness financing	11,292,151	379,902	2,780,940	(1,123,817)	--	13,329,176
Real estate financing	6,359,720	(61,553)	209,003	(90,919)	--	6,416,251
Loan portfolio transferred with substantial retention of risks	13,346	(2,350)	(3,625)	--	--	7,371
Others receivables with loan characteristics	**3,847,392**	**(490,399)**	**(1,672,973)**	**(22,036)**	**--**	**1,661,984**
Credit card operations	3,740,618	(533,441)	(1,746,853)	(23,065)	--	1,437,259
Advances on foreign exchange contracts	103,100	38,225	73,880	1,029	--	216,234
Receivables acquisition	3,167	1,087	--	--	--	4,254
Guarantees honored	406	3,762	--	--	--	4,168
Others	101	(32)	--	--	--	69
Leasing portfolio	**6,792**	**11,520**	**116**	**(96)**	**--**	**18,332**
Total loans to customers portfolio	**63,666,977**	**4,463,669**	**6,375,884**	**(5,734,968)**	**--**	**68,771,562**

	Dec 31, 2021	Acquisition/ (settlement)/ changes	Transfer from/ (to) stage 1	Transfer from/ (to) stage 3	Write-offs	Dec 31, 2022
Loans	**48,269,730**	**5,956,458**	**10,085,401**	**(4,498,796)**	**--**	**59,812,793**
Loans and discounted credits rights	24,361,629	7,793,871	7,586,420	(3,066,372)	--	36,675,548
Financing	7,792,822	(899,805)	(1,310,039)	(110,950)	--	5,472,028
Rural and agribusiness financing	11,026,263	(1,017,378)	2,287,704	(1,004,438)	--	11,292,151
Real estate financing	5,077,130	82,207	1,517,419	(317,036)	--	6,359,720
Loan portfolio transferred with substantial retention of risks	11,886	(2,437)	3,897	--	--	13,346
Others receivables with loan characteristics	**2,006,426**	**(108,379)**	**1,978,648**	**(29,303)**	**--**	**3,847,392**
Credit card operations	1,884,101	(67,664)	1,951,194	(27,013)	--	3,740,618
Advances on foreign exchange contracts	116,737	(38,801)	27,454	(2,290)	--	103,100
Receivables acquisition	4,453	(1,286)	--	--	--	3,167
Guarantees honored	978	(572)	--	--	--	406
Others	157	(56)	--	--	--	101
Leasing portfolio	**7,763**	**(1,268)**	**297**	**--**	**--**	**6,792**
Total loans to customers portfolio	**50,283,919**	**5,846,811**	**12,064,346**	**(4,528,099)**	**--**	**63,666,977**

In thousands of Reais, unless otherwise stated

Stage 3

	Dec 31, 2022	Acquisition/ (settlement)/ changes	Transfer from/ (to) stage 1	Transfer from/ (to) stage 2	Write-offs	Dec 31, 2023
Loans	**54,370,170**	**16,349,186**	**11,039,321**	**5,712,836**	**(26,712,696)**	**60,758,817**
Loans and discounted credits rights	36,872,536	13,930,048	8,055,262	4,349,163	(22,832,339)	40,374,670
Financing	4,238,313	547,808	600,442	148,937	(904,342)	4,631,158
Rural and agribusiness financing	8,154,978	1,333,797	2,261,334	1,123,817	(2,389,250)	10,484,676
Real estate financing	5,102,038	538,095	122,532	90,919	(586,765)	5,266,819
Loan portfolio transferred with substantial retention of risks	2,305	(562)	(249)	--	--	1,494
Others receivables with loan characteristics	**1,738,039**	**(275,304)**	**269,328**	**22,036**	**(164,941)**	**1,589,158**
Credit card operations	720,530	(541,526)	162,485	23,065	(5,708)	358,846
Advances on foreign exchange contracts	682,864	124,311	104,963	(1,029)	(144,467)	766,642
Receivables acquisition	304,580	70,798	1,000	--	(10)	376,368
Guarantees honored	30,013	71,025	880	--	(14,616)	87,302
Others	52	88	--	--	(140)	--
Leasing portfolio	**320**	**187**	**4,235**	**96**	**(507)**	**4,331**
Total loans to customers portfolio	**56,108,529**	**16,074,069**	**11,312,884**	**5,734,968**	**(26,878,144)**	**62,352,306**

	Dec 31, 2021	Acquisition/ (settlement)/ changes	Transfer from/ (to) stage 1	Transfer from/ (to) stage 2	Write-offs	Dec 31, 2022
Loans	**42,843,525**	**15,293,808**	**9,114,259**	**4,498,796**	**(17,380,218)**	**54,370,170**
Loans and discounted credits rights	25,561,823	14,427,336	7,832,298	3,066,372	(14,015,293)	36,872,536
Financing	4,196,021	119,573	316,808	110,950	(505,039)	4,238,313
Rural and agribusiness financing	8,385,945	68,599	827,175	1,004,438	(2,131,179)	8,154,978
Real estate financing	4,697,004	678,719	137,986	317,036	(728,707)	5,102,038
Loan portfolio transferred with substantial retention of risks	2,732	(419)	(8)	--	--	2,305
Others receivables with loan characteristics	**869,374**	**487,329**	**449,037**	**29,303**	**(97,004)**	**1,738,039**
Credit card operations	343,254	(22,546)	381,694	27,013	(8,885)	720,530
Advances on foreign exchange contracts	442,515	170,716	67,343	2,290	--	682,864
Receivables acquisition	--	304,580	--	--	--	304,580
Guarantees honored	83,536	34,031	--	--	(87,554)	30,013
Others	69	548	--	--	(565)	52
Leasing portfolio	**520**	**(49)**	**320**	**--**	**(471)**	**320**
Total loans to customers portfolio	**43,713,419**	**15,781,088**	**9,563,616**	**4,528,099**	**(17,477,693)**	**56,108,529**

In thousands of Reais, unless otherwise stated

g) Renegotiated credit transactions

	2023	2022
Credits renegotiated during the period	**106,309,436**	**83,302,618**
Renegotiated for delay [1]	**23,189,395**	**14,650,551**
- Corporations	10,680,027	6,376,525
- Individuals	12,509,368	8,274,026
Renewed [2]	**83,120,041**	**68,652,067**
- Corporations	20,003,510	14,626,677
- Individuals	63,116,531	54,025,390
Changes in renegotiated credit transactions for delay		
Opening balance	**32,689,826**	**28,512,842**
Contracts [1]	23,189,395	14,650,551
Interest or principal payment net of interest accrual [3]	(12,737,477)	(7,149,259)
Write-off	(4,816,423)	(3,324,308)
Closing balance [4]	**38,325,321**	**32,689,826**
Loans 90 days or more past due	5,649,902	3,459,127
(%) Portfolio which is 90 days or more past due	14.7%	10.6%

1 - Renegotiated credit transactions due to payment delay by clients.

2 - Renegotiated credit transactions of loans prior to maturity for the extension, renewal, granting of new credit for partial or full settlement of previous loans or any other type of agreement that changes the maturity or the originally agreed payment term

3 – Includes the amount of R$ 393 thousand (R$ 1,958 thousand on Dec 31, 2022) related to renegotiated rural credits. The amount of R$ 21.211.031 thousand (R$ 13,604,589 thousand on Dec 31, 2022) related to deferred credits from rural portfolio governed by specific legislation, is not included.

In thousands of Reais, unless otherwise stated

h) Maximum exposure of financial assets segregated by portfolio type and by credit risk classification

The following table represents the maximum exposure of financial assets segregated by portfolio type and by credit risk classification.

	Dec 31, 2023															
	Stage 1				Stage 2				Stage 3				Total			
	Loans	Loans to concede	Financial guarantees	Total	Loans	Loans to concede	Financial guarantees	Total	Loans	Loans to concede	Financial guarantees	Total	Loans	Loans to concede	Financial guarantees	Total
Individuals	**530,583,982**	**108,377,118**	**709,717**	**639,670,817**	**50,515,118**	**2,168,180**	**1,076**	**52,684,374**	**34,195,869**	**113,838**	**--**	**34,309,707**	**615,294,969**	**110,659,136**	**710,793**	**726,664,898**
Retail Individuals	235,888,705	98,180,297	691,506	334,760,508	37,260,186	2,048,933	1,076	39,310,195	24,647,269	96,796	--	24,744,065	297,796,160	100,326,026	692,582	398,814,768
Retail rural producer	294,695,277	10,196,821	18,211	304,910,309	13,254,932	119,247	--	13,374,179	9,548,600	17,042	--	9,565,642	317,498,809	10,333,110	18,211	327,850,130
Corporations	**302,335,365**	**81,225,148**	**9,200,806**	**392,761,319**	**18,256,444**	**1,275,290**	**70,455**	**19,602,189**	**28,156,437**	**3,154,100**	**1,480,508**	**32,791,045**	**348,748,246**	**85,654,538**	**10,751,769**	**445,154,553**
Wholesale	232,690,371	61,390,300	9,031,522	303,112,193	7,379,222	333,725	67,592	7,780,539	18,469,111	2,341,845	1,087,447	21,898,403	258,538,704	64,065,870	10,186,561	332,791,135
Retail MPE	69,634,712	19,834,271	169,284	89,638,267	10,876,350	941,565	2,863	11,820,778	9,685,538	812,182	393,061	10,890,781	90,196,600	21,588,018	565,208	112,349,826
Retail rural producer	10,282	577	--	10,859	872	--	--	872	1,788	73	--	1,861	12,942	650	--	13,592
Total	**832,919,347**	**189,602,266**	**9,910,523**	**1,032,432,136**	**68,771,562**	**3,443,470**	**71,531**	**72,286,563**	**62,352,306**	**3,267,938**	**1,480,508**	**67,100,752**	**964,043,215**	**196,313,674**	**11,462,562**	**1,171,819,451**
%	**80.68%**	**18.36%**	**0.96%**	**100.00%**	**95.14%**	**4.76%**	**0.10%**	**100.00%**	**92.92%**	**4.87%**	**2.21%**	**100.00%**	**82.27%**	**16.75%**	**0.98%**	**100.00%**

	Dec 31, 2022															
	Stage 1				Stage 2				Stage 3				Total			
	Loans	Loans to concede	Financial guarantees	Total	Loans	Loans to concede	Financial guarantees	Total	Loans	Loans to concede	Financial guarantees	Total	Loans	Loans to concede	Financial guarantees	Total
Individuals	**481,271,236**	**101,487,603**	**819,914**	**583,578,753**	**47,359,614**	**8,575,693**	**2,246**	**55,937,553**	**31,634,811**	**221,103**	**1,002**	**31,856,916**	**560,265,661**	**110,284,399**	**823,162**	**671,373,222**
Retail Individuals	219,523,182	90,830,732	799,206	311,153,120	37,306,991	8,445,372	2,246	45,754,609	25,869,240	196,775	897	26,066,912	282,699,413	99,472,879	802,349	382,974,641
Retail rural producer	261,748,054	10,656,871	20,708	272,425,633	10,052,623	130,321	--	10,182,944	5,765,571	24,328	105	5,790,004	277,566,248	10,811,520	20,813	288,398,581
Corporations	**282,079,564**	**73,447,487**	**9,660,519**	**365,187,570**	**16,307,363**	**1,434,478**	**363,617**	**18,105,458**	**24,473,718**	**3,323,143**	**928,606**	**28,725,467**	**322,860,645**	**78,205,108**	**10,952,742**	**412,018,495**
Wholesale	220,185,077	52,530,154	9,582,243	282,297,474	9,044,568	441,194	360,771	9,846,533	17,564,671	2,611,301	504,999	20,680,971	246,794,316	55,582,649	10,448,013	312,824,978
Retail MPE	61,884,789	20,916,614	78,276	82,879,679	7,259,207	993,186	2,846	8,255,239	6,901,837	711,769	423,607	8,037,213	76,045,833	22,621,569	504,729	99,172,131
Retail rural producer	9,698	719	--	10,417	3,588	98	--	3,686	7,210	73	--	7,283	20,496	890	--	21,386
Total	**763,350,800**	**174,935,090**	**10,480,433**	**948,766,323**	**63,666,977**	**10,010,171**	**365,863**	**74,043,011**	**56,108,529**	**3,544,246**	**929,608**	**60,582,383**	**883,126,306**	**188,489,507**	**11,775,904**	**1,083,391,717**
%	**80.46%**	**18.44%**	**1.10%**	**100.00%**	**85.99%**	**13.52%**	**0.49%**	**100.00%**	**92.62%**	**5.85%**	**1.53%**	**100.00%**	**81.51%**	**17.40%**	**1.09%**	**100.00%**

In thousands of Reais, unless otherwise stated

20– Expected credit losses on loans to customers

a) Expected credit losses on loans to customers, net

	2023	2022
Constitution	(29,660,622)	(24,667,985)
Recovery [1]	6,489,051	6,829,021
Expected credit losses for loans to customers, net	**(23,171,571)**	**(17,838,964)**

1 - Refers to recovery of principal.

b) Reconciliation of changes

	2023				
	Opening balance	Constitution/ (reversal) for losses	Write-offs	Exchange rate changes	Closing balance
Loans	**46,910,808**	**29,766,279**	**(26,712,696)**	**(182,552)**	**49,781,839**
Loans and discounted credits rights	33,679,430	23,950,921	(22,832,339)	(178,896)	34,619,116
Financing	3,609,110	1,099,933	(904,342)	(3,656)	3,801,045
Rural and agribusiness financing	6,878,675	4,023,084	(2,389,250)	--	8,512,509
Real estate financing	2,740,895	693,166	(586,765)	--	2,847,296
Loans sold under assignment	2,698	(825)	--	--	1,873
Others receivables with loan characteristics	**3,270,844**	**(109,491)**	**(164,941)**	**(24,913)**	**2,971,499**
Credit card operations	2,676,268	(531,409)	(5,708)	(24,913)	2,114,238
Advances on foreign exchange contracts	444,017	166,684	(144,467)	--	466,234
Receivables acquisition	134,288	203,626	(10)	--	337,904
Guarantees honored	15,210	36,601	(14,616)	--	37,195
Other	1,061	15,007	(140)	--	15,928
Leasing portfolio	**6,097**	**3,834**	**(507)**	**(745)**	**8,679**
Total	**50,187,749**	**29,660,622**	**(26,878,144)**	**(208,210)**	**52,762,017**

In thousands of Reais, unless otherwise stated

	2022				
	Opening balance	Constitution/ (reversal) for losses	Write-offs	Exchange rate changes	Closing balance
Loans	**40,707,832**	**23,683,852**	**(17,380,218)**	**(100,658)**	**46,910,808**
Loans and discounted credits rights	24,884,437	22,896,015	(14,015,293)	(85,729)	33,679,430
Financing	4,867,012	(737,934)	(505,039)	(14,929)	3,609,110
Rural and agribusiness financing	8,372,262	637,592	(2,131,179)	--	6,878,675
Real estate financing	2,581,180	888,422	(728,707)	--	2,740,895
Loans sold under assignment	2,941	(243)	--	--	2,698
Others receivables with loan characteristics	**2,378,163**	**982,126**	**(97,004)**	**7,559**	**3,270,844**
Credit card operations	2,089,382	588,212	(8,885)	7,559	2,676,268
Advances on foreign exchange contracts	254,469	189,548	--	--	444,017
Receivables acquisition	9,182	125,106	--	--	134,288
Guarantees honored	22,480	80,284	(87,554)	--	15,210
Other	2,650	(1,024)	(565)	--	1,061
Leasing portfolio	**4,418**	**2,007**	**(471)**	**143**	**6,097**
Total	**43,090,413**	**24,667,985**	**(17,477,693)**	**(92,956)**	**50,187,749**

In thousands of Reais, unless otherwise stated

c) Breakdown of expected credit losses on loans to customers classified by product and stages

	Dec 31, 2023							
	Stage 1		Stage 2		Stage 3		Total	
	Credit amount	Expected credit losses	Credit amount	Expected credit losses	Credit amount	Expected credit losses	Credit amount	Expected credit losses
Loans	**746,066,575**	**(7,985,657)**	**67,091,246**	**(6,882,505)**	**60,758,817**	**(34,913,677)**	**873,916,638**	**(49,781,839)**
Loans and discounted credits rights	272,443,357	(4,700,942)	42,200,957	(5,274,642)	40,374,670	(24,643,532)	355,018,984	(34,619,116)
Financing	131,693,083	(727,019)	5,137,491	(204,587)	4,631,158	(2,869,439)	141,461,732	(3,801,045)
Rural and agribusiness financing	298,426,596	(2,140,012)	13,329,176	(990,380)	10,484,676	(5,382,117)	322,240,448	(8,512,509)
Real estate financing	43,380,292	(416,447)	6,416,251	(412,763)	5,266,819	(2,018,086)	55,063,362	(2,847,296)
Loans sold under assignment	123,247	(1,237)	7,371	(133)	1,494	(503)	132,112	(1,873)
Others receivables with loan characteristics	**86,380,588**	**(1,815,373)**	**1,661,984**	**(171,805)**	**1,589,158**	**(984,321)**	**89,631,730**	**(2,971,499)**
Credit card operations	50,387,972	(1,706,136)	1,437,259	(147,415)	358,846	(260,687)	52,184,077	(2,114,238)
Advances on foreign exchange contracts	23,942,006	(63,011)	216,234	(22,986)	766,642	(380,237)	24,924,882	(466,234)
Receivables acquisition	8,785,068	(30,249)	4,254	(21)	376,368	(307,634)	9,165,690	(337,904)
Guarantees honored	2,457	(52)	4,168	(1,380)	87,302	(35,763)	93,927	(37,195)
Other	3,263,085	(15,925)	69	(3)	--	--	3,263,154	(15,928)
Leasing portfolio	**472,184**	**(5,813)**	**18,332**	**(260)**	**4,331**	**(2,606)**	**494,847**	**(8,679)**
Total	**832,919,347**	**(9,806,843)**	**68,771,562**	**(7,054,570)**	**62,352,306**	**(35,900,604)**	**964,043,215**	**(52,762,017)**

In thousands of Reais, unless otherwise stated

	Dec 31, 2022							
	Stage 1		Stage 2		Stage 3		Total	
	Credit amount	Expected credit losses	Credit amount	Expected credit losses	Credit amount	Expected credit losses	Credit amount	Expected credit losses
Loans	**682,143,177**	**(8,295,792)**	**59,812,793**	**(6,023,624)**	**54,370,170**	**(32,591,392)**	**796,326,140**	**(46,910,808)**
Loans and discounted credits rights	258,732,796	(5,291,955)	36,675,548	(4,603,168)	36,872,536	(23,784,307)	332,280,880	(33,679,430)
Financing	114,567,195	(691,585)	5,472,028	(150,273)	4,238,313	(2,767,252)	124,277,536	(3,609,110)
Rural and agribusiness financing	268,907,304	(1,896,190)	11,292,151	(812,003)	8,154,978	(4,170,482)	288,354,433	(6,878,675)
Real estate financing	39,789,730	(414,471)	6,359,720	(457,925)	5,102,038	(1,868,499)	51,251,488	(2,740,895)
Loans sold under assignment	146,152	(1,591)	13,346	(255)	2,305	(852)	161,803	(2,698)
Others receivables with loan characteristics	**80,800,009**	**(1,990,091)**	**3,847,392**	**(288,874)**	**1,738,039**	**(991,879)**	**86,385,440**	**(3,270,844)**
Credit card operations	45,041,235	(1,907,780)	3,740,618	(286,530)	720,530	(481,958)	49,502,383	(2,676,268)
Advances on foreign exchange contracts	23,124,774	(75,135)	103,100	(2,042)	682,864	(366,840)	23,910,738	(444,017)
Receivables acquisition	9,852,394	(6,144)	3,167	(77)	304,580	(128,067)	10,160,141	(134,288)
Guarantees honored	604	(7)	406	(224)	30,013	(14,979)	31,023	(15,210)
Other	2,781,002	(1,025)	101	(1)	52	(35)	2,781,155	(1,061)
Leasing portfolio	**407,614**	**(5,716)**	**6,792**	**(181)**	**320**	**(200)**	**414,726**	**(6,097)**
Total	**763,350,800**	**(10,291,599)**	**63,666,977**	**(6,312,679)**	**56,108,529**	**(33,583,471)**	**883,126,306**	**(50,187,749)**

In thousands of Reais, unless otherwise stated

d) Breakdown of expected credit losses on loans to customers classified by product and type of customer

	Dec 31, 2023	Dec 31, 2022
Loans	**49,781,839**	**46,910,808**
Loans and discounted credits rights	**34,619,116**	**33,679,430**
- Corporations	16,983,722	16,055,354
- Individuals	17,635,394	17,624,076
Financing	**3,801,045**	**3,609,110**
- Corporations	3,407,681	3,319,953
- Individuals	393,364	289,157
Rural and agribusiness financing	**8,512,509**	**6,878,675**
- Corporations	59,606	221,505
- Individuals	8,452,903	6,657,170
Real estate financing	**2,847,296**	**2,740,895**
- Corporations	79,063	14,406
- Individuals	2,768,233	2,726,489
Loans sold under assignment	**1,873**	**2,698**
- Individuals	1,873	2,698
Others receivables with loan characteristics	**2,971,499**	**3,270,844**
Credit card operations	**2,114,238**	**2,676,268**
- Corporations	189,888	174,138
- Individuals	1,924,350	2,502,130
Advances on foreign exchange contracts	**466,234**	**444,017**
- Corporations	465,230	443,757
- Individuals	1,004	260
Receivables acquisition	**337,904**	**134,288**
- Corporations	337,904	134,288
Guarantees honored	**37,195**	**15,210**
- Corporations	35,374	14,024
- Individuals	1,821	1,186
Other	**15,928**	**1,061**
- Corporations	15,928	1,060
- Individuals	--	1
Leasing portfolio	**8,679**	**6,097**
- Corporations	8,608	5,938
- Individuals	71	159
Total	**52,762,017**	**50,187,749**

In thousands of Reais, unless otherwise stated

e) Breakdown of expected credit losses between stages

Stage 1

	Dec 31, 2022	Constitution/ (reversal)	Transfer from/ (to) stage 2	Transfer from/ (to) stage 3	Write-offs	Exchange rate changes	Dec 31, 2023
Loans	**8,295,792**	**7,850,106**	**(1,171,259)**	**(6,963,992)**	**--**	**(24,990)**	**7,985,657**
Loans and discounted credits rights	5,291,955	5,413,664	(713,830)	(5,266,555)	--	(24,292)	4,700,942
Financing	691,585	416,614	(75,218)	(305,264)	--	(698)	727,019
Rural and agribusiness financing	1,896,190	1,816,525	(265,510)	(1,307,193)	--	--	2,140,012
Real estate financing	414,471	203,670	(116,712)	(84,982)	--	--	416,447
Loans sold under assignment	1,591	(367)	11	2	--	--	1,237
Others receivables with loan characteristics	**1,990,091**	**65,913**	**(8,973)**	**(211,554)**	**--**	**(20,104)**	**1,815,373**
Credit card operations	1,907,780	(23,531)	(5,624)	(152,385)	--	(20,104)	1,706,136
Advances on foreign exchange contracts	75,135	49,473	(3,349)	(58,248)	--	--	63,011
Receivables acquisition	6,144	24,421	--	(316)	--	--	30,249
Guarantees honored	7	650	--	(605)	--	--	52
Other	1,025	14,900	--	--	--	--	15,925
Leasing portfolio	**5,716**	**3,130**	**(1)**	**(2,533)**	**--**	**(499)**	**5,813**
Total	**10,291,599**	**7,919,149**	**(1,180,233)**	**(7,178,079)**	**--**	**(45,593)**	**9,806,843**

	Dec 31, 2021	Constitution/ (reversal)	Transfer from/ (to) stage 2	Transfer from/ (to) stage 3	Write-offs	Exchange rate changes	Dec 31, 2022
Loans	**9,127,242**	**6,231,447**	**(1,231,885)**	**(5,814,681)**	**--**	**(16,331)**	**8,295,792**
Loans and discounted credits rights	4,947,870	6,051,284	(824,857)	(4,868,872)	--	(13,470)	5,291,955
Financing	752,625	172,810	(48,832)	(182,157)	--	(2,861)	691,585
Rural and agribusiness financing	3,048,028	(334,174)	(179,747)	(637,917)	--	--	1,896,190
Real estate financing	377,033	341,522	(178,349)	(125,735)	--	--	414,471
Loans sold under assignment	1,686	5	(100)	--	--	--	1,591
Others receivables with loan characteristics	**1,759,776**	**717,550**	**(150,204)**	**(342,418)**	**--**	**5,387**	**1,990,091**
Credit card operations	1,638,497	704,897	(150,082)	(290,919)	--	5,387	1,907,780
Advances on foreign exchange contracts	109,411	17,345	(122)	(51,499)	--	--	75,135
Receivables acquisition	9,108	(2,964)	--	--	--	--	6,144
Guarantees honored	164	(157)	--	--	--	--	7
Other	2,596	(1,571)	--	--	--	--	1,025
Leasing portfolio	**3,773**	**2,015**	**(6)**	**(201)**	**--**	**135**	**5,716**
Total	**10,890,791**	**6,951,012**	**(1,382,095)**	**(6,157,300)**	**--**	**(10,809)**	**10,291,599**

In thousands of Reais, unless otherwise stated

Stage 2

	Dec 31, 2022	Constitution/ (reversal)	Transfer from/ (to) stage 1	Transfer from/ (to) stage 3	Write-offs	Exchange rate changes	Dec 31, 2023
Loans	**6,023,624**	**3,578,171**	**1,171,259**	**(3,863,095)**	**--**	**(27,454)**	**6,882,505**
Loans and discounted credits rights	4,603,168	2,867,597	713,830	(2,882,696)	--	(27,257)	5,274,642
Financing	150,273	97,151	75,218	(117,858)	--	(197)	204,587
Rural and agribusiness financing	812,003	573,233	265,510	(660,366)	--	--	990,380
Real estate financing	457,925	40,301	116,712	(202,175)	--	--	412,763
Loans sold under assignment	255	(111)	(11)	--	--	--	133
Others receivables with loan characteristics	**288,874**	**(103,240)**	**8,973**	**(21,065)**	**--**	**(1,737)**	**171,805**
Credit card operations	286,530	(121,937)	5,624	(21,065)	--	(1,737)	147,415
Advances on foreign exchange contracts	2,042	17,595	3,349	--	--	--	22,986
Receivables acquisition	77	(56)	--	--	--	--	21
Guarantees honored	224	1,156	--	--	--	--	1,380
Other	1	2	--	--	--	--	3
Leasing portfolio	**181**	**173**	**1**	**(73)**	**--**	**(22)**	**260**
Total	**6,312,679**	**3,475,104**	**1,180,233**	**(3,884,233)**	**--**	**(29,213)**	**7,054,570**

	Dec 31, 2021	Constitution/ (reversal)	Transfer from/ (to) stage 1	Transfer from/ (to) stage 3	Write-offs	Exchange rate changes	Dec 31, 2022
Loans	**5,194,107**	**2,542,132**	**1,231,885**	**(2,932,161)**	**--**	**(12,339)**	**6,023,624**
Loans and discounted credits rights	2,847,064	2,916,604	824,857	(1,973,640)	--	(11,717)	4,603,168
Financing	1,058,158	(892,461)	48,832	(63,634)	--	(622)	150,273
Rural and agribusiness financing	910,454	379,257	179,747	(657,455)	--	--	812,003
Real estate financing	378,246	138,762	178,349	(237,432)	--	--	457,925
Loans sold under assignment	185	(30)	100	--	--	--	255
Others receivables with loan characteristics	**224,008**	**(62,556)**	**150,204**	**(23,591)**	**--**	**809**	**288,874**
Credit card operations	222,177	(64,786)	150,082	(21,752)	--	809	286,530
Advances on foreign exchange contracts	1,468	2,291	122	(1,839)	--	--	2,042
Receivables acquisition	74	3	--	--	--	--	77
Guarantees honored	288	(64)	--	--	--	--	224
Other	1	--	--	--	--	--	1
Leasing portfolio	**332**	**(160)**	**6**	**--**	**--**	**3**	**181**
Total	**5,418,447**	**2,479,416**	**1,382,095**	**(2,955,752)**	**--**	**(11,527)**	**6,312,679**

In thousands of Reais, unless otherwise stated

Stage 3

	Dec 31, 2022	Constitution/ (reversal)	Transfer from/ (to) stage 1	Transfer from/ (to) stage 2	Write-offs	Exchange rate changes	Dec 31, 2023
Loans	**32,591,392**	**18,338,002**	**6,963,992**	**3,863,095**	**(26,712,696)**	**(130,108)**	**34,913,677**
Loans and discounted credits rights	23,784,307	15,669,660	5,266,555	2,882,696	(22,832,339)	(127,347)	24,643,532
Financing	2,767,252	586,168	305,264	117,858	(904,342)	(2,761)	2,869,439
Rural and agribusiness financing	4,170,482	1,633,326	1,307,193	660,366	(2,389,250)	--	5,382,117
Real estate financing	1,868,499	449,195	84,982	202,175	(586,765)	--	2,018,086
Loans sold under assignment	852	(347)	(2)	--	--	--	503
Others receivables with loan characteristics	**991,879**	**(72,164)**	**211,554**	**21,065**	**(164,941)**	**(3,072)**	**984,321**
Credit card operations	481,958	(385,941)	152,385	21,065	(5,708)	(3,072)	260,687
Advances on foreign exchange contracts	366,840	99,616	58,248	--	(144,467)	--	380,237
Receivables acquisition	128,067	179,261	316	--	(10)	--	307,634
Guarantees honored	14,979	34,795	605	--	(14,616)	--	35,763
Other	35	105	--	--	(140)	--	--
Leasing portfolio	**200**	**531**	**2,533**	**73**	**(507)**	**(224)**	**2,606**
Total	**33,583,471**	**18,266,369**	**7,178,079**	**3,884,233**	**(26,878,144)**	**(133,404)**	**35,900,604**

	Dec 31, 2021	Constitution/ (reversal)	Transfer from/ (to) stage 1	Transfer from/ (to) stage 2	Write-offs	Exchange rate changes	Dec 31, 2022
Loans	**26,386,483**	**14,910,273**	**5,814,681**	**2,932,161**	**(17,380,218)**	**(71,988)**	**32,591,392**
Loans and discounted credits rights	17,089,503	13,928,127	4,868,872	1,973,640	(14,015,293)	(60,542)	23,784,307
Financing	3,056,229	(18,283)	182,157	63,634	(505,039)	(11,446)	2,767,252
Rural and agribusiness financing	4,413,780	592,509	637,917	657,455	(2,131,179)	--	4,170,482
Real estate financing	1,825,901	408,138	125,735	237,432	(728,707)	--	1,868,499
Loans sold under assignment	1,070	(218)	--	--	--	--	852
Others receivables with loan characteristics	**394,379**	**327,132**	**342,418**	**23,591**	**(97,004)**	**1,363**	**991,879**
Credit card operations	228,708	(51,899)	290,919	21,752	(8,885)	1,363	481,958
Advances on foreign exchange contracts	143,590	169,912	51,499	1,839	--	--	366,840
Receivables acquisition	--	128,067	--	--	--	--	128,067
Guarantees honored	22,028	80,505	--	--	(87,554)	--	14,979
Other	53	547	--	--	(565)	--	35
Leasing portfolio	**313**	**152**	**201**	**--**	**(471)**	**5**	**200**
Total	**26,781,175**	**15,237,557**	**6,157,300**	**2,955,752**	**(17,477,693)**	**(70,620)**	**33,583,471**

In thousands of Reais, unless otherwise stated

21– Investments in associates and joint ventures

a) Equity method investments

Company	Equity interest percentage				Adjusted shareholders' equity of investee		Carrying amount of investment		Net gains/(losses) from equity method investments		Dividends	
	Dec 31, 2023		Dec 31, 2022									
	Total	Common stock	Total	Common stock	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	2023	2022	2023	2022
Associates [1] and joint ventures [2]												
Banco Votorantim S.A. [3]	50.00	49.99	50.00	49.99	12,944,732	12,565,823	6,469,031	6,281,244	537,941	584,342	375,000	250,000
Brasilprev Seguros e Previdência S.A. [4]	74.99	49.99	74.99	49.99	7,594,274	6,580,110	5,695,325	4,934,753	1,668,065	1,184,548	937,438	724,706
Cielo S.A. [5]	28.85	28.85	28.89	28.89	12,281,359	10,950,835	3,907,689	3,527,700	601,858	407,731	220,621	195,652
Cateno Gestão de Contas de Pagamentos S.A. [6]	30.00	22.22	30.00	22.22	9,036,680	9,553,126	2,711,004	2,865,938	381,330	303,212	420,544	301,099
BB Mapfre Participações S.A. [7]	74.99	49.99	74.99	49.99	3,169,223	2,576,020	3,065,024	2,620,180	2,798,170	1,936,346	2,533,912	1,986,848
Elo Participações Ltda.	49.99	49.99	49.99	49.99	2,985,230	2,640,061	1,492,317	1,319,766	812,242	636,980	706,150	536,636
UBS BB Serviços de Assessoria Financeira e Participações S.A. [8]	49.99	49.99	49.99	49.99	1,500,831	1,468,858	750,265	734,280	33,822	22,231	12,853	5,280
Brasilcap Capitalização S.A. [9]	66.77	49.99	66.77	49.99	766,221	650,829	622,336	544,591	179,162	120,478	140,142	14,076
Others [10]							489,658	534,665	81,573	67,127	25,522	16,591
Unrealized profit [11]							(2,987,602)	(3,149,056)				
Total							**22,215,047**	**20,214,061**	**7,094,163**	**5,262,995**	**5,372,182**	**4,030,888**

1 - The Bank has significant influence over the investee through board seats or other measures.
2 - The Bank has joint control over the investees' relevant activities through contractual arrangements.
3 - Investment is reduced on the amount of R$ 3,335 thousand due to the unrealized profit with Ativos S.A. Securitizadora de Creditos Financeiros referring to the assignment of credit rights (R$ 1,668 thousand on Dec 31, 2022).
4 - Ownership interest held by BB Seguros Participações S.A. The percentage of effective equity interest of shareholders of the Bank is 49.77%.
5 – It includes the amount of R$ 364,332 thousand related to goodwill on acquisition of the investment. The investment's value considering the quoted market price is R$ 3,650,321 thousand (R$ 4,078,397 thousand on Dec 31, 2022).
6 - Indirect ownership interest held by the Bank in Cateno, through its wholly-owned subsidiary BB Elo Cartões Participações S.A. The total interest held by the Bank is 50.20% (50.22% on Dec 31,2022), considering that Cielo S.A. holds 70% of direct participation in Cateno.
7 - Ownership interest held by BB Seguros Participações S.A. The percentage of effective equity interest of shareholders of the Bank is 49.77%. Includes the amount of R$ 688,423 thousand related to goodwill on acquisition of the investment.
8 - Company arising from the strategic partnership between BB-Banco de Investimentos S.A. and UBS A.G. to operate in investment banking and securities brokerage activities.
9 - Ownership interest held by BB Seguros Participações S.A. The percentage of effective equity interest of shareholders of the Bank is 44.31%. Includes the amount of R$ 110,749 thousand related to goodwill on acquisition of the investment.
10 - Refers to investments in the following companies: Brasildental Operadora de Planos Odontológicos S.A., Cadam S.A., Ciclic Corretora de Seguros S.A., Gestora de Inteligência de Crédito S.A. – QUOD, Estruturadora Brasileira de Projetos – EBP, Galgo Sistemas de Informações S.A. and Tecnologia Bancária S.A. – Tecban, Câmara Interbancária de Pgamentos – CIP and Broto S.A. Investment value is reduced by impairment losses of R$ 2,601 thousand (R$ 3,145 thousand on Dec 31, 2022).
11 - Unrealized profit arising from the strategic partnership between BB Elo Cartões Participações S.A. and Cielo S.A., forming Cateno Gestão de Contas de Pagamento S.A. and unrealized profit arising from the strategic partnership between BB-BI and UBS A.G.

b) Qualitative information of associates and joint ventures

Company	Place of incorporation		Description	Segment	Strategic Participation [1]
	Country	Headquarter location			
Banco Votorantim S.A.	Brazil	São Paulo (SP)	Performs various types of bank activities, such as consumer lending, leasing and investment fund management.	Banking	Yes
Brasilprev Seguros e Previdência S.A.	Brazil	São Paulo (SP)	Commercializes life insurance with survivor coverage and with private retirement and benefit plans.	Insurance	Yes
Cielo S.A.	Brazil	Barueri (SP)	Provides services related to credit and debit cards and payments services.	Electronic payments	Yes
Cateno Gestão de Contas de Pagamentos S.A.	Brazil	Barueri (SP)	Provides services related to the management of transactions arisen from credit and debit card operations.	Electronic payments	Yes
BB Mapfre Participações S.A.	Brazil	São Paulo (SP)	Acts as a holding company for other companies which deal with life, real estate and agricultural insurance.	Insurance	Yes
Elo Participações Ltda	Brazil	Barueri (SP)	Acts as a holding company which consolidates the joint business related to electronic payment services.	Electronic payments	Yes
UBS BB Serviços de Assessoria Financeira e Participações S.A.	Brazil	São Paulo (SP)	Operates in investment banking and securities brokerage activities in the institutional segment in Brazil and in certain South American countries.	Investments	Yes
Brasilcap Capitalização S.A.	Brazil	Rio de Janeiro (RJ)	Commercializes capitalization plans and other products and services that capitalization companies are allowed to provide.	Insurance	Yes

1 - Strategic investments are made in companies with activities that complement or support those of the Bank and its subsidiaries.

In thousands of Reais, unless otherwise stated

c) Summarized financial information of associates and joint ventures, not adjusted for the equity interest percentage held by the Bank

	Dec 31, 2023							
	Banco Votorantim S.A.	Brasilprev Seguros e Previdência S.A.	Cielo S.A.	Cateno Gestão de Contas de Pagamentos S.A.	BB Mapfre Participações S.A.	Elo Participações Ltda.	UBS BB S.A.	Brasilcap S.A.
Current assets	**60,929,133**	**378,684,860**	**106,017,469**	**1,909,830**	**11,864**	**1,023,780**	**333,733**	**9,387,969**
Cash and cash equivalents	679,917	26,245	13,798,700	461,436	17	659,057	988	33
Other current assets	60,249,216	378,658,615	92,218,769	1,448,394	11,847	364,723	332,745	9,387,936
Non-current assets	**79,976,217**	**20,233,804**	**9,127,234**	**8,317,054**	**3,157,529**	**2,627,543**	**1,371,220**	**4,108,791**
Current liabilities	**92,771,812**	**55,376,466**	**99,485,414**	**1,187,231**	**170**	**563,008**	**204,122**	**11,484,438**
Financial liabilities	90,696,835	1,532,949	4,732,526	22,838	--	2,612	--	--
Other current liabilities	2,074,977	53,843,517	94,752,888	1,164,393	170	560,396	204,122	11,484,438
Non-current liabilities	**35,188,806**	**335,947,924**	**3,377,930**	**2,973**	**--**	**103,085**	**--**	**1,246,101**
Financial liabilities	33,613,349	548,822	2,998,405	--	--	253	--	10,703
Other non-current liabilities	1,575,457	335,399,102	379,525	2,973	--	102,832	--	1,235,398
Income	18,975,266	49,446,796	6,469,254	4,182,399	3,887,620	1,696,531	452,282	1,928,647
Interest income	18,975,266	45,665,730	88,953	111,037	1,304	82,140	--	1,188,576
Interest expense	(11,631,778)	(44,729,837)	(2,182,790)	(1,487)	--	(5,022)	(2,303)	(722,456)
Net allowance for loan losses	(1,546,950)	--	--	--	--	--	--	--
Depreciation and amortization	(355,251)	--	(525,156)	(388,168)	--	(693)	(78,926)	(2,821)
Income taxes	263,640	(1,535,846)	(166,726)	(657,159)	(21)	(20,495)	6,043	(166,164)
Net income/(loss) for the period	**1,075,882**	**2,224,235**	**2,086,054**	**1,271,100**	**3,731,390**	**1,624,810**	**67,658**	**268,337**
Other comprehensive income	14,592	(5,123)	1,374	--	77,184	--	(9,972)	58,000
Total comprehensive income	1,090,474	2,219,112	2,087,428	1,271,100	3,808,574	1,624,810	57,686	326,337
Adjusted shareholders' equity	**12,944,732**	**7,594,274**	**12,281,359**	**9,036,680**	**3,169,223**	**2,985,230**	**1,500,831**	**766,221**
Ownership percentage	50.00%	74.99%	28.85%	30.00%	74.99%	49.99%	49.99%	66.77%
Carrying amount of the investment [1]	**6,469,031**	**5,695,325**	**3,543,357**	**2,711,004**	**2,376,601**	**1,492,317**	**750,265**	**511,587**
Goodwill	--	--	364,332	--	688,423	--	--	110,749
Unrealized profit	(3,335)	--	--	(2,451,233)	--	--	(536,369)	--

1 – It excludes goodwill on acquisition of the investment.

In thousands of Reais, unless otherwise stated

	Dec 31, 2022							
	Banco Votorantim S.A.	Brasilprev Seguros e Previdência S.A.	Cielo S.A.	Cateno Gestão de Contas de Pagamentos S.A.	BB Mapfre Participações S.A.	Elo Participações Ltda.	UBS BB S.A.	Brasilcap S.A.
Current assets	**53,928,054**	**331,930,478**	**103,872,667**	**1,975,380**	**23,362**	**1,030,474**	**274,734**	**7,412,209**
Cash and cash equivalents	681,091	278,271	11,015,001	660,868	--	333,466	16,882	12
Other current assets	53,246,963	331,652,207	92,857,666	1,314,512	23,362	697,008	257,852	7,412,197
Non-current assets	**69,977,532**	**19,629,683**	**11,194,780**	**8,754,921**	**2,397,916**	**2,235,890**	**2,082,662**	**4,080,147**
Current liabilities	**73,068,490**	**39,623,895**	**98,950,349**	**1,164,317**	**175**	**461,727**	**184,127**	**9,698,778**
Financial liabilities	70,398,903	678,252	3,626,321	21,766	--	1,155	--	--
Other current liabilities	2,669,587	38,945,643	95,327,028	1,142,551	175	460,572	184,127	9,698,778
Non-current liabilities	**38,271,273**	**305,795,446**	**5,166,263**	**12,858**	**--**	**164,576**	**704,411**	**1,142,749**
Financial liabilities	37,937,652	575,426	3,019,750	--	--	2,284	--	11,071
Other non-current liabilities	333,621	305,220,020	2,146,513	12,858	--	162,292	704,411	1,131,678
Income	16,392,315	2,633,112	6,227,289	3,921,585	2,602,669	1,363,373	417,938	(39,308)
Interest income	16,392,315	30,229,939	135,785	127,559	898	67,838	--	1,175,195
Interest expense	(10,095,834)	(29,900,354)	1,731,559	(10,115)	(13)	(3,708)	(2,525)	(847,180)
Net allowance for loan losses	(1,817,795)	--	--	--	--	--	--	--
Depreciation and amortization	(277,527)	(40,410)	(529,606)	(388,567)	--	(984)	(74,156)	(907)
Income taxes	135,550	(763,227)	(25,240)	(523,569)	(32)	(12,535)	16,205	(122,157)
Net income/(loss) for the period	**1,168,683**	**1,178,442**	**1,411,467**	**603,756**	**2,774,025**	**1,274,214**	**44,472**	**180,438**
Other comprehensive income	(190,564)	--	--	--	4,555	--	--	--
Total comprehensive income	826,549	1,178,442	1,411,467	603,756	2,778,580	1,274,214	44,472	180,438
Adjusted shareholders' equity	**12,565,823**	**6,140,820**	**10,950,835**	**9,553,126**	**2,421,103**	**2,640,061**	**1,468,858**	**650,829**
Ownership percentage	50.00%	74.99%	28.89%	30.00%	74.99%	49.99%	49.99%	66.77%
Carrying amount of the investment [1]	**6,281,244**	**4,605,308**	**3,163,368**	**2,865,938**	**1,815,585**	**1,319,766**	**734,280**	**433,842**
Goodwill	--	--	364,332	--	688,423	--	--	110,749
Unrealized profit	(1,668)	--	--	(2,567,039)	--	--	(582,017)	--

1 – It excludes goodwill on acquisition of the investment.

In thousands of Reais, unless otherwise stated

d) Reconciliation of changes

Company	Opening balance	Changes			Closing balance
	Dec 31, 2022	Net gains / (losses) from equity method investments	Dividends	Other changes [1]	Dec 31, 2023
Banco Votorantim S.A.	6,281,244	537,941	(375,000)	24,846	6,469,031
Brasilprev Seguros e Previdência S.A.	4,934,753	1,668,065	(937,438)	29,945	5,695,325
Cielo S.A.	3,527,700	601,858	(220,621)	(1,248)	3,907,689
Cateno Gestão de Contas de Pagamentos S.A.	2,865,938	381,330	(420,544)	(115,720)	2,711,004
BB Mapfre Participações S.A.	2,620,180	2,798,170	(2,533,912)	180,586	3,065,024
Elo Participações Ltda.	1,319,766	812,242	(706,150)	66,459	1,492,317
UBS BB Serviços de Assessoria Financeira e Participações S.A.	734,280	33,822	(12,853)	(4,984)	750,265
Brasilcap Capitalização S.A.	544,591	179,162	(140,142)	38,725	622,336
Others	534,665	81,573	(25,522)	(101,058)	489,658
Subtotal	**23,363,117**	**7,094,163**	**(5,372,182)**	**117,551**	**25,202,649**
Unrealized profit	(3,149,056)	--	--	161,454	(2,987,602)
Total	**20,214,061**	**7,094,163**	**(5,372,182)**	**279,005**	**22,215,047**

1 – It refers mainly to unrealized gains/(losses) on financial assets at fair value through other comprehensive income, foreign exchange changes on investments abroad and adjustments from previous years made by the investees.

e) Other information

The associates and joint ventures do not expose the Bank to any significant contingent liabilities.

None of the Bank's associates or joint ventures presented significant restrictions on the transfer of resources in the form of cash dividends or the repayment of loans or advances.

None of the associates or joint ventures had discontinued operations.

The Bank does not have any unrecognized losses with respect to its associates or joint ventures in the periods presented or carried-forward from previous years.

All joint arrangements of the Bank are structured through a separate vehicle.

22– Involvement with structured entities

A structured entity is one that has been set up such that voting or similar rights are not significant in deciding who controls the entity. An example is when any voting rights relate only to administrative tasks and the relevant activities are directed by means of contractual arrangements.

A structured entity often has some or all the following features or attributes:

- restricted activities;
- a narrow and well-defined objective;
- insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and

- financing in the form of multiple contractually linked instruments issued to investors that create concentrations of credit or other risks (tranches).

A structured entity usually does not carry out a business or trade and typically have no employees. The main purposes of SE are to provide clients with access to specific portfolios of assets and to provide market liquidity for clients through securitizing financial assets.

Interests to unconsolidated SE have been considered as contractual and non-contractual involvement that exposes the Bank to variability of returns from the performance of the other entity. These interests usually take the form of equity or debt instruments, as well as other forms of involvement, such as the receipt of fees from the other entity and the provision of funding, liquidity support, credit enhancement and/or guarantees. The extent of the Bank's interests to unconsolidated SE will vary depending on the purpose for which the entity was established.

Structured entities generally finance the purchase of assets by issuing debt and/or equity securities that are collateralized by and/or indexed to the assets held by the SE. The debt and/or equity securities issued by SE may include tranches with varying levels of subordination.

a) Consolidated structured entities

The securitization vehicles and investment funds controlled by the Bank, directly or indirectly, are classified as consolidated structured entities. The voting or similar rights are not significant in deciding who controls the entity.

The Bank consolidates structured entities when it has power and current ability to direct the relevant activities, i.e. the activities that significantly affect their returns.

Dollar Diversified Payment Rights Finance Company (SPE Dollar)

Organized under the laws of the Cayman Islands, this SPE has the following objectives:

(i) to issue and sell securities in the international market;
(ii) to use the resources obtained from issuing securities to purchase rights to USD payment orders from the Bank. These payment orders are issued by banking correspondents located in the U.S. and the Bank's New York Branch to one of the Bank's branches in Brazil ("Rights on Consignment"); and
(iii) to pay principal and interest on the outstanding securities and make other payments required by the securities contracts.

The SPE pays the obligations under the securities with USD funds received from the payment orders. The SPE has no material assets or liabilities other than rights and obligations under the securities contracts. The SPE has no subsidiaries or employees.

The SPE's authorized share capital is US$ 1,000.00, consisting of 1,000 common shares with a par value of US$ 1.00. All 1,000 common shares were issued to BNP Paribas Private Bank & Trust Cayman Limited in its capacity as the Trustee of Cayman Islands Charitable Trust. BNP Paribas Private Bank & Trust Cayman Limited is the SPE's sole shareholder. The Bank holds the "Rights on Consignment" and is the sole beneficiary of the funds obtained by the SPE. The Bank provides the SPE with additional funds so that it can pay the principal and interest on the outstanding securities.

Loans Finance Company Limited (SPE Loans)

Organized under the laws of the Cayman Islands, this SPE has the following objectives:

(i) to raise funds through the issuance of securities in the international market;
(ii) to enter into repurchase agreements with the Bank's Grand Cayman Branch to repass funds raised in the market; and

(iii) to obtain protection against the risk of default by the Bank through acquisition of a credit default swap covering the Bank's obligations under the repurchase agreements.

The amounts, terms, currencies, rates and cash flows of the repurchase agreements are identical to those of the securities. The rights and income created from the repurchase agreements cover and match the obligations and expenses created by the securities. As a result, the SPE does not generate profit or loss. The SPE does not hold any assets and liabilities other those from the repurchase agreements, credit default swap and outstanding securities.

The SPE's paid-in capital is US$ 250.00, consisting of 250 common shares with a par value of US$ 1.00. All 250 shares were issued to Maples Corporate Services, the initial subscriber. They were then transferred to MaplesFS Limited, an exempt limited liability company incorporated in the Cayman Islands. MapleFS Limited is an independent provider of specialized fiduciary and fund services and is the SPE's sole shareholder. The Bank's Grand Cayman Branch is the only counterparty to the repurchase agreements.

b) Non-consolidated structured entities

Investment funds

The Bank manages several investment funds, which are unconsolidated structured entities. The Bank holds interests in these funds through the receipt of management and other fees and an equity holding in certain of these funds.

The investment funds have various investment objectives and policies, but all funds invest capital received from investors in a portfolio of assets in order to provide returns to those investors from capital appreciation of those assets, income from those assets or both. The investment funds have been financed through equity capital provided by investors and, in some circumstances, temporarily by the Bank (seed capital).

The Bank does not consolidate investment funds when it acts as agent or when another third-party investor has the ability to direct the relevant activities of the fund.

Consortium groups

The Bank organizes and manages consortium groups to facilitate access to durable movable property, real estate, and services to its clients. The Bank maintains interests in these groups through the receipt of management fees for consortium quotas.

Off-balance assets, which represent consortium resources, refer mainly to:

(i) financial investments in funds, which represent available resources not yet used by the groups;
(ii) rights with contemplated consortium members, which represent the receivables of them;
(iii) monthly forecast of resources receivable from consortium members;
(iv) contributions due to the groups; and
(v) assets to be contemplated.

In thousands of Reais, unless otherwise stated

Management of unconsolidated SE's assets

The table below describes the types of SE that the Bank does not consolidate but in which it holds interest and the total amount of assets held by unconsolidated SE.

Type of structured entity	Nature and purpose	Interest held	Total assets	
			Dec 31, 2023	Dec 31, 2022
Investment funds	• generate fees from managing assets on behalf of third party investors. • these vehicles are financed through the issue of units to investors.	• investments in units issued by the funds. • management and other fees.	1,616,713,849	1,498,863,157
Consortium groups	• management of consortium groups to facilitate access of goods and services.	• management of consortium quotas and other fees.	152,561,199	115,262,695
Total			**1,769,275,048**	**1,614,125,852**

Maximum exposure to loss

The table below sets out the carrying amounts of interests held by the Bank in unconsolidated structured entities. The Bank's maximum exposure to loss is limited to the amounts shown in the table.

	Dec 31, 2023	Dec 31, 2022
Investment funds	475,663	3,344,649

In thousands of Reais, unless otherwise stated

23– Property and equipment

	Use								Right of use
	Buildings	Furniture and equipment	Data processing equipment	Leasehold improvements	Land	Vehicles	Other	Total	
Estimated useful lifetime (in years)	10-25	10	5-10	10-25	--	10	10		
Annual depreciation rate	4 - 10%	10 - 20%	10%	--	--	10%	--		
Acquisition cost									
Balance at Dec 31, 2021	**6,546,082**	**4,387,986**	**4,791,129**	**4,250,608**	**409,003**	**10,954**	**731,785**	**21,127,547**	**7,468,492**
Acquisitions	393,447	592,063	572,319	281,143	8,965	2,918	51,284	1,902,139	460,111
Disposals	(6,862)	(200,709)	(191,655)	(152,970)	(6)	(252)	(50,065)	(602,519)	(360,337)
Exchange rate changes	(20,086)	(41,597)	(16,410)	(15,908)	(2,369)	(1,375)	(12,489)	(110,234)	--
Other changes [1]	(146,532)	457,170	(115)	82,170	(31,863)	8,298	10,372	379,500	895,658
Balance at Dec 31, 2022	**6,766,049**	**5,194,913**	**5,155,268**	**4,445,043**	**383,730**	**20,543**	**730,887**	**22,696,433**	**8,463,924**
Acquisitions	517,720	635,156	1,437,759	345,337	--	615	85,331	3,021,918	874,670
Disposals	(32,596)	(363,010)	(208,949)	(110,603)	(4)	(39)	(40,810)	(756,011)	(205,941)
Exchange rate changes	(12,851)	(42,021)	(15,372)	(14,530)	--	(562)	(15,830)	(101,166)	--
Other changes [1]	(89,284)	(239,260)	2,279	(42,120)	(20,254)	(5,872)	(17,770)	(412,281)	310,033
Balance at Dec 31, 2023	**7,149,038**	**5,185,778**	**6,370,985**	**4,623,127**	**363,472**	**14,685**	**741,808**	**24,448,893**	**9,442,686**
Accumulated depreciation									
Balance at Dec 31, 2021	**(3,416,474)**	**(2,348,410)**	**(3,094,346)**	**(2,787,212)**	**--**	**(8,688)**	**(478,485)**	**(12,133,615)**	**(3,048,987)**
Depreciation	(179,107)	(353,740)	(613,273)	(272,709)	--	(1,007)	(50,947)	(1,470,783)	(1,156,876)
Disposals	3,604	169,329	188,597	116,792	--	(55)	31,126	509,393	229,756
Exchange rate changes	1,243	3,506	3,688	8,198	--	(63)	275	16,847	--
Other changes [1]	2,166	(346,320)	13,290	(79,186)	--	(3,824)	6,778	(407,096)	(482,257)
Balance at Dec 31, 2022	**(3,588,568)**	**(2,875,635)**	**(3,502,044)**	**(3,014,117)**	**--**	**(13,637)**	**(491,253)**	**(13,485,254)**	**(4,458,364)**
Depreciation	(189,231)	(378,052)	(739,056)	(270,984)	--	(676)	(50,359)	(1,628,358)	(1,207,790)
Disposals	7,806	326,872	203,106	74,964	--	(2)	32,556	645,302	264,070
Exchange rate changes	(3,265)	(21,793)	(9,657)	(13,052)	--	(169)	(7,240)	(55,176)	--
Other changes [1]	36,411	223,604	35,481	89,680	--	3,810	15,735	404,721	(221,618)
Balance at Dec 31, 2023	**(3,736,847)**	**(2,725,004)**	**(4,012,170)**	**(3,133,509)**	**--**	**(10,674)**	**(500,561)**	**(14,118,765)**	**(5,623,702)**
Accumulated impairment loss									
Balance at Dec 31, 2021	**(11,709)**	**(67)**	**(6)**	**--**	**--**	**--**	**(4)**	**(11,786)**	**--**
Losses	(31)	(5,148)	--	--	--	--	--	(5,179)	--
Reversal	340	4	6	--	--	--	4	354	--
Balance at Dec 31, 2022	**(11,400)**	**(5,211)**	**--**	**--**	**--**	**--**	**--**	**(16,611)**	**--**
Losses	(7,730)	(7,867)	--	--	--	--	--	(15,597)	--
Reversal	1,102	--	--	--	--	--	--	1,102	--
Balance at Dec 31, 2023	**(18,028)**	**(13,078)**	**--**	**--**	**--**	**--**	**--**	**(31,106)**	**--**
Carrying amount									
Balance at Dec 31, 2022	**3,166,081**	**2,314,067**	**1,653,224**	**1,430,926**	**383,730**	**6,906**	**239,634**	**9,194,568**	**4,005,560**
Balance at Dec 31, 2023	**3,394,163**	**2,447,696**	**2,358,815**	**1,489,618**	**363,472**	**4,011**	**241,247**	**10,299,022**	**3,818,984**

1 - PPE for use includes R$ 162,419 thousand in Buildings and Leasehold improvements of Banco Patagonia related to the hyperinflation in Argentina (R$ 226,450 thousand as of Dec 31, 2022).

In thousands of Reais, unless otherwise stated

Property and equipment for use pledged as collateral totaled R$ 317,889 thousand as of Dec 31, 2023 (R$ 191,666 thousand as of Dec 31, 2022).

Impairment losses are included in the line-item other operating expenses. Reversals of impairment losses are recorded in the line-item other operating income.

Right of use assets

As lessee, the Bank holds operational leases. It mainly refers to offices and branches rentals used in its banking and administrative activities. In general, these leases have clauses of renewal and annual rental adjustment.

Maturity analysis of lease liabilities – The table below shows the contractual undiscounted cash flows from lease liabilities by maturity:

	Dec 31, 2023	Dec 31, 2022
Up to one year	1,289,794	1,323,945
Over one year to five years	3,250,672	3,415,098
Over five years	1,050,956	1,260,236
Total [1]	**5,591,422**	**5,999,279**

1 - Values not discounted to present value.

In thousands of Reais, unless otherwise stated

24– Intangible assets

	Internally generated software	Software acquired	Rights due to payroll management	Other [1]	Total
Estimated useful life	10 years	10 years	From 5 to 10 years	From 2 to 10 years	
Acquisition cost					
Balance at Dec 31, 2021	**3,556,911**	**2,850,817**	**9,785,009**	**3,917,076**	**20,109,813**
Internally generated	838,790	--	--	--	838,790
Acquisitions	--	114,086	3,942,364	--	4,056,450
Write-offs	(60,147)	(23,423)	(4,066,795)	--	(4,150,365)
Foreign currency translations adjustments	--	(32,050)	--	--	(32,050)
Other changes [2]	--	75,153	--	--	75,153
Balance at Dec 31, 2022	**4,335,554**	**2,984,583**	**9,660,578**	**3,917,076**	**20,897,791**
Internally generated	1,077,499	--	--	--	1,077,499
Acquisitions	--	450,230	779,589	--	1,229,819
Write-offs	(33,109)	(10,759)	(473,392)	--	(517,260)
Foreign currency translations adjustments	--	(26,587)	--	--	(26,587)
Other changes [2]	--	(23,643)	--	--	(23,643)
Balance at Dec 31, 2023	**5,379,944**	**3,373,824**	**9,966,775**	**3,917,076**	**22,637,619**
Accumulated amortization					
Balance at Dec 31, 2021	**(1,113,173)**	**(1,871,773)**	**(4,191,665)**	**(3,917,076)**	**(11,093,687)**
Amortization	(219,681)	(204,283)	(922,493)	--	(1,346,457)
Write-offs	--	5,493	3,112,105	--	3,117,598
Foreign currency translations adjustments	--	16,789	--	--	16,789
Other changes [2]	--	(55,365)	--	--	(55,365)
Balance at Dec 31, 2022	**(1,332,854)**	**(2,109,139)**	**(2,002,053)**	**(3,917,076)**	**(9,361,122)**
Amortization	(273,673)	(218,565)	(1,863,981)	--	(2,356,219)
Write-offs	--	3,344	216,218	--	219,562
Foreign currency translations adjustments	--	15,864	--	--	15,864
Other changes [2]	--	15,528	--	--	15,528
Balance at Dec 31, 2023	**(1,606,527)**	**(2,292,968)**	**(3,649,816)**	**(3,917,076)**	**(11,466,387)**
Impairment loss [3]					
Balance at Dec 31, 2021	**--**	**--**	**(1,980,856)**	**--**	**(1,980,856)**
Impairment loss	--	(16,618)	--	--	(16,618)
Reversal	--	--	537,100	--	537,100
Write-offs [4]	--	--	954,690	--	954,690
Balance at Dec 31, 2022	**--**	**(16,618)**	**(489,066)**	**--**	**(505,684)**
Impairment loss	--	(55,819)	--	--	(55,819)
Reversal	--	--	192,200	--	192,200
Balance at Dec 31, 2023	**--**	**(72,437)**	**(296,866)**	**--**	**(369,303)**
Book value					
Balance at Dec 31, 2022	3,002,700	858,826	7,169,459	--	11,030,985
Balance at Dec 31, 2023	3,773,417	1,008,419	6,020,093	--	10,801,929

1 - Includes mainly, brands acquired due to business combinations, related to customers portfolio and contracts.
2 - Includes the amount related to the hyperinflation adjustments in Argentina.
3 - Impairment and reversal for losses are recognized in other operating income/expenses (Note 10).
4 - Impairment loss write-offs due to contract ending.

In thousands of Reais, unless otherwise stated

Estimated expenses with amortization of intangible assets for the following years

	2024	2025	2026	2027	After 2027	Total
Amounts to be amortized	2,344,099	1,950,078	1,851,558	1,560,870	3,095,324	**10,801,929**

25– Other assets and other liabilities

a) Financial

Other assets	Dec 31, 2023	Dec 31, 2022
Judicial deposits for tax, labor and civil lawsuits	36,994,652	35,626,007
Receivable income	6,336,188	5,062,637
Compensation fund for salary changes – merged companies	3,381,724	3,129,805
Securities and credits receivable from the National Treasury [1]	2,121,079	2,473,813
Securities distribution	1,769,495	2,368,343
Interbank/interdepartmental accounts	23,863	64,220
Royalties and government credits	19,684	--
Securities and credits receivable	17,993	16,701
Total	**50,664,678**	**48,741,526**

1 - It includes the amount as of R$ 934,100 thousand (R$ 1,358,911 thousand as of Dec 31, 2022) related to interest rate equalization – agricultural crop.

Other liabilities	Dec 31, 2023	Dec 31, 2022
Credit card operations	49,295,559	45,731,161
Other funding expenses	42,423,047	34,475,895
Advances received on foreign exchange contract	30,711,791	25,857,021
Interbranch accounts – third-party funds in transit	5,941,704	5,394,740
Lease liabilities	4,120,495	4,178,283
Collateral deposits	3,183,293	295,316
Securities distribution	1,380,637	1,252,129
Net foreign exchange portfolio	58,020	85,718
Total	**137,114,546**	**117,270,263**

b) Non financial

Other assets	Dec 31, 2023	Dec 31, 2022
Post-employment benefit plans (Note 38.e)	23,851,683	28,830,246
Previ's surplus – Fundos Previdenciais (Note 38.f)	11,608,853	11,315,371
Sundry debtors – domestic	4,217,062	3,774,549
Prepaid taxes	1,747,409	1,633,680
Prepaid expenses	624,230	633,522
Non-operating assets, net of impairment losses	263,737	499,882
Advances to employees	191,386	176,020
Other	922,082	1,231,377
Total	**43,426,442**	**48,094,647**

In thousands of Reais, unless otherwise stated

Other liabilities	Dec 31, 2023	Dec 31, 2022
Post-employment benefit plans (Note 38.e)	13,586,739	10,895,695
Labor costs	6,181,258	5,911,703
Sundry creditors – domestic	5,938,227	5,483,052
Sundry creditors – overseas	4,040,386	3,858,492
Dividends and pending bonuses	3,322,561	3,698,898
Provision for sundry pending payments	2,390,027	1,966,108
Taxes	2,355,382	2,373,896
Liabilities for official agreements and payment services	1,171,937	1,273,167
Deferred income [1]	1,168,835	554,044
Other	13,685,155	12,519,335
Total	**53,840,507**	**48,534,390**

1 - Mainly related to premiums received in guarantee contracts, which are being gradually recognized as income.

c) Other funding expenses

	Dec 31, 2023	Dec 31, 2022
Fundo Constitucional do Centro Oeste - FCO	31,542,412	24,151,159
Marinha Mercante	5,118,286	5,895,208
Fundo de Desenvolvimento do Nordeste - FDNE	4,314,441	2,898,220
Fundo de Desenvolvimento da Amazônia - FDA	1,008,722	919,219
Pasep	76,983	191,804
Fundo de Desenvolvimento do Centro Oeste - FDCO	176,322	150,672
Funds from Governo do Estado de São Paulo	88,307	106,752
Other	97,574	162,861
Total	**42,423,047**	**34,475,895**

26– Customer resources

	Dec 31, 2023	Dec 31, 2022
Domestic	**769,158,224**	**701,588,908**
Demand deposits	97,524,016	93,739,078
Non-interest bearing deposits	97,297,116	93,504,697
Interest bearing deposits [1]	226,900	234,381
Savings deposits	206,915,086	213,435,806
Time deposits	464,719,122	394,414,024
Abroad	**42,785,579**	**51,674,139**
Demand deposits - non-interest bearing deposits	11,834,219	14,537,779
Time deposits	30,951,360	37,136,360
Total	**811,943,803**	**753,263,047**

1 - Refers to "special accounts", whose purpose is to record the movement of foreign currency accounts opened in the country on behalf of embassies, legations abroad, international organizations, as well as public entities beneficiaries for credit or borrowers of loans granted by international financial bodies or foreign government agencies.

In thousands of Reais, unless otherwise stated

27– Financial institutions resources

a) Breakdown

	Dec 31, 2023	Dec 31, 2022
Securities sold under repurchase agreements (Note 27.b)	**565,293,587**	**564,453,599**
Borrowings and on-lending	**62,038,075**	**64,386,265**
Amount payable to financial institutions	**23,859,062**	**24,082,857**
Financial institutions deposits	23,726,731	23,921,286
Loan portfolios assigned with guarantee of the Bank	132,331	161,571
Total	**651,190,724**	**652,922,721**

b) Securities sold under repurchase agreements

	Dec 31, 2023	Dec 31, 2022
Own portfolio	**267,295,119**	**209,729,852**
Treasury Financial bills	250,702,691	194,439,807
National Treasury notes	1,457,832	--
Corporate bonds	7,447,800	10,524,493
Securities abroad	3,961,313	4,765,545
National Treasury bills	3,725,483	7
Third-party portfolio	**297,998,468**	**354,723,747**
National Treasury notes	272,870,295	247,312,446
National Treasury bills	25,128,173	107,411,301
Total	**565,293,587**	**564,453,599**

28– Funds from issuance of securities

	Dec 31, 2023	Dec 31, 2022
Funds from issuance of securities	245,832,383	174,913,838
Subordinated debt abroad	38,323,924	54,832,126
Total	**284,156,307**	**229,745,964**

In thousands of Reais, unless otherwise stated

a) Funds from issuance of securities

Funding	Currency	Issued amount	Interest p.a.	Funding year	Maturity	Dec 31, 2023	Dec 31, 2022
"Global medium-term notes" program [1]						**20,331,168**	**21,530,405**
	USD	1,000,000	4.63%	2017	2025	4,939,435	5,318,171
	BRL	293,085	10.15%	2017	2027	307,604	279,647
	USD	750,000	4.88%	2018	2023	--	3,951,059
	COP	160,000,000	8.51%	2018	2025	199,944	160,824
	USD	740,000	4.75%	2019	2024	3,630,032	3,963,523
	BRL	398,000	9.50%	2019	2026	404,600	373,471
	MXN	1,900,000	8.50%	2019	2026	550,329	516,440
	COP	520,000,000	6.50%	2019	2027	627,883	486,600
	USD	750,000	3.25%	2021	2026	3,579,794	3,826,343
	USD	500,000	4.88%	2022	2029	2,465,089	2,654,327
	USD	750,000	6.25%	2023	2030	3,626,458	--
Deposit certificate [2]						**8,309,565**	**5,967,236**
Short term			0.00% to 6.70%			7,239,820	5,826,764
Long term			0.00% to 6.57%		2026	1,069,745	140,472
Certificates of structured operations						**96,929**	**38,486**
Short term			9.95% to 13.49% of DI			95,610	38,156
Long term			9.81% to 11.83% of DI		2025	1,319	330
Letters of credit - real estate			**69.00 to 98.00 % of DI TR + 7.7151%**			**14,760,631**	**12,197,438**
Short term						3,151,480	2,167,110
Long term					2026	11,609,151	10,030,328
Letters of credit - agribusiness			**10.28% to 102.50% of DI Fixed 8.88% to 12.92%**			**183,753,790**	**122,248,775**
Short term						83,106,694	55,703,522
Long term					2026	100,647,096	66,545,253
Financial letters			**98.25% of DI 100.00 of DI + 85.00%**			**9,611,304**	**4,486,508**
Short term						5,104,859	--
Long term					2026	4,506,445	4,486,508
Banco Patagonia			Badlar			**--**	**31,910**
Short term	ARS					--	31,910
Special purpose entities - SPE abroad						**9,009,049**	**8,434,779**
Securitization of future flow of payment orders from abroad [3]							
	USD	200,000	Sofr 3m + 1.46%	2019	2024	165,292	520,283
	USD	200,000	3.70%	2019	2026	480,527	727,813
	USD	750,000	Sofr 3m + 2.75%	2022	2029	3,628,138	2,084,623
	USD	150,000	6.65%	2022	2032	725,317	784,998
Structured notes[(3)]							
	USD	500,000	Sofr 6m + 2.93%	2014/2015	2034	2,454,389	2,641,160
	USD	320,000	Sofr 6m + 3.63%	2015	2030	1,555,386	1,675,902
Liabilities from issuance of securities, in possession of subsidiary abroad						(40,053)	(21,699)
Total						**245,832,383**	**174,913,838**

1 - In September 2021, there was an exchange of securities with repurchase of "Senior Notes" and an issue included in the "Global Medium - Term Notes" Program. The issues are presented by their outstanding value since partial repurchase occurred.

2 - Securities issued abroad in USD.

3 - Information about the consolidated special purpose entities may be found in Note 2.

Notes:
Sofr 3m - U.S. interbank rate.
Badlar - Buenos Aires interbank rate.

In thousands of Reais, unless otherwise stated

b) Subordinated debts

Funding	Currency	Issued amount	Interest p.a.	Funding year	Maturity	Dec 31, 2023	Dec 31, 2022
FCO - resources from the constitutional fund for developing the center-west						**17,602,139**	**20,535,828**
Subordinated debt abroad						**--**	**3,968,953**
	USD mil	741,115	5.88%	2012	2023	--	3,968,953
Subordinated letters of credit						**5,399,804**	**2,453,282**
		20,000	100% of CDI + 2.75	2021	Perpetual	21,148	21,250
		2,328,600	100% of CDI + 2.60	2022	Perpetual	2,421,774	2,432,032
		199,800	100% of CDI + 2.50	2023	Perpetual	214,855	--
		1,983,200	100% of CDI + 2.25	2023	Perpetual	2,742,027	--
Perpetual Bonds						**15,113,602**	**27,652,628**
	USD	1,285,950	9.25%	2,012	Perpétuo	--	6,853,656
	USD	1,723,600	6.25%	2,013	Perpétuo	8,453,290	9,709,989
	USD	1,371,338	9.00%	2,014	Perpétuo	6,660,312	11,088,983
Debts issued by the Bank, in possession of subsidiary abroad						--	(30,545)
Total [1]						**38,115,545**	**54,580,146**

1 - The amount of R$ 20,535,828 thousand (R$ 23,469,518 thousand as of Dec 31,.2020) comprise the tier II of the Referential Equity Amount (RE), according to the rules applied to the financial institutions in Brazil. It does not include the interest on additional equity instrument in the amount of R$ 251,980 thousand.

Notes:
CDI - Average rate of the interbank deposits.
IPCA - Broad consumer price index.

This section should be read in conjunction with Note 34 – Regulatory Capital.

The amount of R$ 20,074,697 thousand of the perpetual bonds and subordinated letters of credit perpetual is included in the Referential Equity (R$ 29,350,198 thousand as of December 31, 2022).

The bonds issued in January 2013 of USD 2,000,000 thousand (outstanding value USD 1,723,600 thousand), had their terms and conditions modified on September 27, 2013, in order to adjust them to the rules of Bacen through CMN Resolution 4,192, which regulates the implementation of Basel III in Brazil. The changes were effective from October 1, 2013, when the instruments were submitted to Bacen to obtain authorization to be included in the Supplementary Capital (Tier I) of the Bank. The authorization was granted on October 30, 2013.

The bonds issued in June 2014 of USD 2,500,000 thousand (outstanding value USD 1,371,338 thousand), have the option of redemption at the discretion of the Bank from June 18, 2024 or on each subsequent, semi-annual interest payment date, as long as it has been previously authorized by the Central Bank of Brazil. If the Bank does not exercise the option to redeem in June 2024, the interest on the bonds will be adjusted to 6.362% plus the traded rate on 10-year North American Treasury bonds.

In April 2023, the Bank exercised the redemption option for the bonds issued in 2012. If the Bank does not exercise the redemption option in April 2024 for the bonds issued in 2013, and in June 2024 for the bonds issued in 2014, the rate of bond interest is adjusted on that date and every 10 years according to the 10-year North American

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Treasury bonds at the time plus the initial credit spread. The bonds have the following options of redemption, subject to prior authorization of Bacen:

(i) the Bank may, at its option, redeem the bonds in whole but not in part in April 2023 for the bonds issued in 2012, in April 2024 for the bonds issued in 2013, and in June 2024 for the bonds issued in 2014, and on each subsequent, semi-annual interest payment date, at the base redemption price;
(ii) the Bank may, at its option, redeem the bonds in whole, but not in part, after five years from the date of issue, as long as it is before April 2023, for the bonds issued in 2012, before April 2024 for the bonds issued in 2013, and before April 2024 for the bonds issued in 2014, as a result of a tax event, at the base redemption price;
(iii) the Bank may, at its option, redeem the bonds in whole but not in part, after five years from the date of issue, as long as it is before April 2023, for the bonds issued in 2012, and in April 2024 for the bonds issued in 2013, on the occurrence of a regulatory event, at the higher value between the base redemption price and the Make-whole amount;
(iv) the Bank may, at its option, redeem the bonds in whole but not in part, after five years from the date of issue as long as it is before June 2024 for the bonds issued in 2014, on the occurrence of a regulatory event at the base redemption price.

The bonds issued in January and March 2012, in January 2013 and in June 2014 determine that the Bank suspend the semi-annual payments of interest and/or accessories on those securities issued (which will not be due or accrued) if:

(i) distributable income for the period are not sufficient for making the payment (discretionary condition of the Bank);
(ii) the Bank does not comply or the payment of such charges does not allow the Bank to comply with the levels of capital adequacy, operating limits, or its financial indicators are under the minimum level required by Brazilian regulations applicable to banks;
(iii) Bacen or the regulatory authorities determine the suspension of payment of such charges;
(iv) any event of insolvency or bankruptcy occurs; or
(v) a default occurs.

According to Basel III rules, the bonds issued in January 2012, March 2012, in January 2013 and in June 2014 have mechanisms of loss absorption. Moreover, if the item (i) occurs, the payment of dividends by Bank to its shareholders will be limited to the minimum required determined by applicable law until the semi-annual interest payments and / or accessories on those titles have been resumed in full. Finally, these bonds will expire permanently and at the minimum value corresponding to the balance recorded in the Tier I capital of the Bank if:

(i) the main capital of the Bank is less than 5.125% of the amount of risk-weighted assets (RWA);
(ii) the decision to make a capital injection from the public sector or an equivalent capital contribution to the Bank is taken, in order to maintain the bank's viability;
(iii) the Central Bank, on a discretionary assessment regulated by the CMN, sets out, in writing, the expiration of the bonds to enable the continuity of the Bank.

c) Reconciliation of liabilities arising from financing activities

	Dec 31, 2022	Cash changes		Non-cash changes		Dec 31, 2023
		Funding	Settlement / Payment	Changes in exchange rates	Other	
Debt instruments	**59,010,409**	**2,183,000**	**(19,908,430)**	**(1,527,250)**	**2,686,688**	**42,444,417**
Subordinated debts	54,832,126	2,183,000	(18,868,534)	(1,527,250)	1,704,582	38,323,924
Perpetual bonds	4,178,283	--	(1,039,896)	--	982,106	4,120,493
Shareholder's equity instruments	**3,965,536**	**--**	**(15,616,520)**	**(951,944)**	**14,115,575**	**1,512,647**
Treasury shares/Capital reserve	6,358,139	--	--	--	7,964	6,366,103
Unallocated retained earnings	(6,253,161)	--	(13,214,720)	--	10,279,378	(9,188,503)
Shareholder's equity attributable to non-controlling interests	3,860,558	--	(2,401,800)	(951,944)	3,828,233	4,335,047
Changes - Total		**2,183,000**	**(35,524,950)**	**(2,479,194)**	**16,802,263**	
Changes - Net			**(33,341,950)**		**14,323,069**	

29– Provisions, contingent assets and liabilities

Civil lawsuits

Civil lawsuits relate mainly to claims from customers and users of the Bank's network. In most cases, they are requesting indemnification for material or moral damages arising from banking products or services, inflationary deductions from Economic Plans about financial investments, judicial deposits and rural credit, return of payment due to revision of contractual clauses on financial responsibilities and actions of demanding accounts proposed by customers to explain entries made in checking accounts.

Indemnifications for material and moral damages are ordinarily based on consumer protection laws and generally settled in specific civil courts. In them, compensations are limited to forty times the minimum wage (R$ 1,320.00 on December 31, 2023).

The Bank is a defendant in claims seeking the payment and refund of the difference between the actual inflation rate and the inflation rate used for the adjustment of financial investments and judicial deposits (Bresser Plan, Verão Plans and Collor Plans I and II), and the overpayment on rural credit on March, 1990 (Collor Plan I).

Although it complied with prevailing laws and regulations at the time, the Bank set-up provisions for these lawsuits. The provisions consider claims brought against the Bank and the loss risk. Loss probabilities are determined after an analysis of each claim considering the most recent decisions in the Superior Courts of Justice (STJ) in the Federal Supreme Court (STF).

With respect to cases involving the financial investments related to Economic Plans, the STF suspended prosecution of all cases in the knowledge phase. This will be the case until the court issues a definitive ruling. In the end of 2017, Febraban and the entities representing the savers signed an agreement about the demands involving the economic plans in savings accounts. This agreement has already been approved by STF. Since May 2018, savers can join the agreement, through a tool made available by Febraban. On March 12, 2020, the agreement was extended for 30 months, according to the Amendment signed by the entities representing financial institutions and consumers, being approved by the Plenary of the STF, according to the judgment published on June, 18, 2020, and newly extended for another 30 months, in voting at the Virtual Plenary of the STF, finalized on December, 12, 2022, whose judgment was published on January, 09, 2023.

Regarding lawsuits related to inflationary purges in judicial deposits, Minister Edson Fachin of the Federal Supreme Court, after acknowledging the general repercussion of the constitutional matter dealt with in the Extraordinary Appeal interposed by the Bank, the Caixa Econômica Federal, the Federal Government and the Febraban (RE no. 1,141,156/RJ), has ordered the suspension of the processes that deal with the matter and that process in the national territory, which was confirmed by STF on December 19, 2019.

The Bank is a defendant on civil lawsuits moved by rural credit borrowers linked to Collor Plan I. The plaintiffs motioned that the Bank indexed their loans incorrectly and is liable to pay the difference. On December 4th, 2014, Superior Courts of Justice (STJ) decided on the Special Appeal RESP 1,319,232-DF in the Public Civil Lawsuit ACP 94,008514-1, that the Federal Government, the Brazilian Central Bank and the Bank are jointly and severally liable for the indexation differences between the Customer Price Index (IPC - 84.32% notional, or it´s alternative weighted index – 74.60%, according to Law 8,088/1990) and the National Treasure Bonus (BTN - 41.28%), as found in March 1990, monetarily correcting the amounts from the overpayment, by the index applicable to judicial debts, plus interest for late payment. The defendants appealed and the litigation has yet to be resolved. A suspensive effect was attributed to the Extraordinary Appeal interposed by Banco do Brasil until the STF judges Extraordinary Appeal 1,101,937/SP, which deals about the territorial extension of the collective sentence. On March 24, 2021, considering the conclusion of the judgment of RE 1,101,937/SP and the consequent possibility of national coverage of the collective judgment, the Vice Presidency of the STJ revoked the suspensive effect previously attributed to the Extraordinary Appeal filed by the Bank. On June 22, 2021, the same appeal was rejected, and the appropriate appeals were filed. On February 1st, 2023, the Special Court of the STJ admitted the

Bank´s appeal and determined the processing and remittance of the Extraordinary Appeal to the STF. On June 23, 2023, the Extraordinary Appeal was filed under registration number 1,445,162, and is pending judgment.

Labor lawsuits

The Bank is a party to labor claims involving mainly former employees, banking industry unions or former employees of companies that provide services (outsourced). These claims cover requests of compensation, overtime, incorrect working hours, and additional functions bonus, subsidiary liability, among others.

Tax lawsuits

The Bank is subject to questions about taxes and tax conduct related to its position as a taxpayer or responsible for tax, in inspection procedures, which may lead to the issuance of tax notices. Most claims arising from the notices relate to service tax (ISSQN), income tax (IRPJ), social contribution (CSLL), the Social Integration Program (PIS), Contribution to Social Security Financing (Cofins), Tax on Financial Transactions (IOF), and Employer Social Security Contributions (INSS). To guarantee the disputed tax credit, the Bank has judicial deposits, pledged collateral in the form of cash, government bonds or real estate pledges when necessary.

a) Provisions

In accordance with IAS 37, the Bank recorded a provision for civil, labor and tax demands with risk of loss probable, quantified using individual or aggregated methodology, according to the nature and/or process value.

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

Management considers to be sufficient the provision for losses of civil, labor and tax claims.

In thousands of Reais, unless otherwise stated

Changes in the provisions for civil, labor and tax claims classified as probable

	2023	2022
Civil lawsuits		
Opening balance	**12,015,464**	**11,409,264**
Addition	6,033,531	4,208,206
Reversal of the provision	(1,795,377)	(401,229)
Write-off	(5,807,113)	(3,706,444)
Inflation adjustment and exchange fluctuation	479,044	505,667
Closing balance	**10,925,549**	**12,015,464**
Labor lawsuits		
Opening balance	**5,431,614**	**4,746,919**
Addition	4,006,478	2,396,072
Reversal of the provision	(1,161,392)	(379,921)
Write-off	(2,097,612)	(1,768,070)
Inflation adjustment and exchange fluctuation	531,344	436,614
Closing balance	**6,710,432**	**5,431,614**
Tax lawsuits		
Opening balance	**925,627**	**570,356**
Addition	311,273	695,482
Reversal of the provision	(179,264)	(272,787)
Write-off	(83,087)	(131,544)
Inflation adjustment and exchange fluctuation	115,147	64,120
Closing balance	**1,089,696**	**925,627**
Total civil, labor and tax	**18,725,677**	**18,372,705**

Civil, labor and tax claims expenses

	2023	2022
Civil lawsuits	(4,753,155)	(4,312,644)
Labor lawsuits	(3,376,430)	(2,452,765)
Tax lawsuits	(247,156)	(486,815)
Total	**(8,376,741)**	**(7,252,224)**

Expected outflows of economic benefits

	Civil	Labor	Tax
Up to 5 years	10,600,393	6,154,042	398,869
Over 5 years	325,156	556,390	690,827
Total	**10,925,549**	**6,710,432**	**1,089,696**

The scenario of unpredictability in the duration of the legal procedures, as well as the possibility of changes in the jurisprudence of the courts, make the expected disbursement schedule uncertain.

In thousands of Reais, unless otherwise stated

b) Contingent liabilities - possible loss

The civil, labor and tax lawsuits for which the risk of loss is considered possible do not require provisions when the final outcome of the process is unclear and when the probability of losing is less than probable and higher than the remote, in accordance with IAS 37.

The balances of contingent liabilities classified as possible loss

	Dec 31, 2023	Dec 31, 2022
Tax lawsuits [1]	16,413,903	16,441,899
Civil lawsuits	3,465,133	2,359,110
Labor lawsuits	93,262	124,079
Total	**19,972,298**	**18,925,088**

1 - The main contingencies originate from (i) notices of labor infraction from the National Social Security Institute (INSS) or from the Federal Revenue of Brazil aiming at the payment of employee profit sharing in the amount of R$ 2,405,809 thousand; and meal tickets in the amount of R$ 2,990,002 thousand; and (ii) notices of tax assessment drawn by the Treasuries of the Municipalities, aiming at the collection of service tax (ISSQN), which amounts R$ 2,315,834 thousand.

c) Contingent assets

Contingent assets are not recognized in the financial statements according to IAS 37.

d) Deposits in guarantee

This line-item represents cash held in the Bank or with another official financial institution as payment, or guarantee of payment, for condemnations, claims, agreements and other expenses arising from lawsuits. Deposits in guarantee are recorded in “other financial assets” in the consolidated balance sheet.

Deposits given in guarantee of contingencies

	Dec 31, 2023	Dec 31, 2022
Civil lawsuits	19,354,704	19,399,827
Tax lawsuits	9,660,392	8,804,854
Labor lawsuits	7,979,556	7,421,326
Total	**36,994,652**	**35,626,007**

In thousands of Reais, unless otherwise stated

30– Taxes

a) Breakdown of income tax (IR) and social contribution expenses (CSLL) recognized in profit or loss

	2023	2022
Current		
Current year	(7,141,250)	(6,773,108)
Prior year adjustments	(69,323)	(14,931)
Total current	**(7,210,573)**	**(6,788,039)**
Deferred		
Positive adjustments of benefit plans	(1,521,698)	(1,518,131)
Adjustments from expected loss on loans to customers	(1,191,603)	573,900
Income taxes carryforwards	(946,245)	(646,790)
Inflation adjustments of judicial deposits	--	(373,223)
Adjustments from expected loss for other financial assets	(10,541)	39,708
Fair value adjustments of financial assets	(20,379)	377,439
Other temporary differences/deferred expenses	2,919,439	(117,246)
Total deferred	**(771,027)**	**(1,664,343)**
Total income taxes	**(7,981,600)**	**(8,452,382)**

b) Reconciliation of income taxes expense

	2023	2022
Income before taxes	41,147,191	38,453,561
Total charges of IR (25%) and CSLL (20%)	**(18,516,236)**	**(17,304,102)**
Interest on own capital	5,106,081	4,335,904
Revenues from the Center-West Financing Fund – FCO	2,516,305	2,248,410
Net gains from equity method investments	3,192,373	2,368,347
Income from subsidiaries with different income tax rates	836,979	833,140
Non-taxable revenues/non-deductible expenses	(1,117,102)	(934,081)
Income taxes benefit (expense)	**(7,981,600)**	**(8,452,382)**
Effective rate	**19.40%**	**21.98%**

In thousands of Reais, unless otherwise stated

c) Deferred income taxes recognized in the consolidated balance sheet

Assets

	Dec 31, 2022	Constitutions	Write-offs	Dec 31, 2023
Deferred tax assets				
Expected loss on loans to customers	30,610,125	15,103,039	(13,185,805)	32,527,359
Provisions – others	14,764,413	5,817,541	(5,521,124)	15,060,830
Income taxes carryforwards	2,991,198	1,429,876	(2,376,806)	2,044,268
Business combination	2,380,424	--	(2,189)	2,378,235
Negative fair value adjustments of financial assets	1,789,570	594,686	(971,051)	1,413,205
Expected loss on guarantees provided and loan commitments	1,423,294	--	(262,826)	1,160,468
Negative adjustments of benefits plans	959,100	1,191,606	--	2,150,706
Recoverable social contribution	636,538	--	--	636,538
Provisions – taxes and social security	611,107	107,804	(23,251)	695,660
Deferral of fees and commissions for adjustment based on the effective interest rate method	330,745	12,108	--	342,853
Other	831,436	2,953,122	(1,103,133)	2,681,425
Total	**57,327,950**	**27,209,782**	**(23,446,185)**	**61,091,547**

Liabilities

	Dec 31, 2023	Dec 31, 2022
Deferred tax liabilities		
From actuarial gains	7,583,004	9,438,940
Arising from recovered term credits	2,133,166	1,592,516
Positive fair value adjustments of financial assets	688,850	1,459,045
Bargain purchase gains	337,712	337,712
Inflation adjustments of judicial deposits	134,144	134,144
Adjustments from leasing portfolio	63,160	36,487
Other	1,936,392	567,774
Total	**12,876,428**	**13,566,618**

d) Deferred tax assets (Tax credit - not recorded)

	Dec 31, 2023	Dec 31, 2022
Foreign deferred tax assets	951,407	1,165,599
Tax losses carryforward/negative bases	23,441	22,744
Temporary Differences	4,578	3,864
Total deferred tax assets	**979,426**	**1,192,207**

In thousands of Reais, unless otherwise stated

e) Expected realization of deferred tax assets

	Deferred tax assets
In 2024	19,939,741
In 2025	20,397,304
In 2026	8,667,685
In 2027	8,300,424
In 2028	2,895,753
In 2029	437,832
In 2030	70,418
In 2031	21,273
In 2032	13,536
In 2033	347,581
Total	**61,091,547**

The expectation of realization of the deferred tax assets (tax credits) is based on a technical study, prepared on December 31, 2023.

In 2023, it was possible to observe the realization of tax credits at Banco do Brasil, in the amount of R$ 23,446,185 thousand corresponding to 148.25% of the projection of use for the period of 2023 contained in the technical study prepared on December 31, 2022.

31– Shareholders' equity

a) Book value and market value per common share

	Dec 31, 2023	Dec 31, 2022
Shareholders' equity	169,235,279	159,657,194
Book value per share (R$) [1]	59.30	55.95
Fair value per share (R$)	55.39	34.73

1 - The book value per share calculation is made by dividing the shareholders' equity by the total number of common shares, excluding treasury shares.

b) Share capital

Banco do Brasil's share capital of R$ 120,000,000 thousand (R$ 90,000,023 thousand on December 31, 2022) is fully subscribed and paid-in and consists of 2,865,417,020 common shares with no par value. The Federal Government is the largest shareholder and holds a majority of the Bank's voting shares.

The share capital increase in 2023, in the amount of R$ 29,999,977 thousand, resulted from the use of Statutory reserve for operating margin, approved by the Special Meeting of Shareholders held on April 27, 2023 and approval by the Central Bank of Brazil on June 19, 2023.

c) Instruments qualifying as common equity tier 1 capital

The Bank signed a loan agreement with the federal government on September 26, 2012, as hybrid capital and debt instrument, in the amount up to R$ 8,100,000 thousand, whose resources were designated to finance agribusiness.

As result of the amendment, in August 28, 2014, the interest rate was changed to variable rate, and the interest period was changed to match the Bank's fiscal year (January 1 to December 31). Each years' interest is paid in a single annual installment, adjusted by the Selic rate up to the effective payment date. Payment must be made within 30 calendar days after the dividend payment for the fiscal year.

In thousands of Reais, unless otherwise stated

The interest payment must be made from profits or profit reserves available for distribution at the end of the fiscal year preceding the calculation date. Payment is at Management's discretion. Unpaid interest does not accumulate. If the payment or dividend distribution is not made (including in the form of interest on own capital) prior to the end of the subsequent fiscal year, the accrued interest is no longer owed.

If the Bank's retained earnings, profit reserves (including the legal reserve) and capital reserve cannot fully absorb losses calculated at the end of a fiscal year, the Bank will no longer be obligated to the interest. The Bank will apply the accrued interest and principal balance, in this order, to offset any remaining losses. This will be considered a pay-down of the instrument.

The instrument does not have a maturity date. It is only payable if the Bank is dissolved or Bacen authorizes the repurchase of the instrument. If the Bank is dissolved, the payment of principal and interest is subordinated to payment of the Bank's other liabilities. There will be no preferred interest on the loan under any circumstances, including in relation to other equity instruments included in Reference Equity.

According to the Information to the Market, dated April 8, 2021, the Bank presented a proposal to return the referred instrument in seven annual installments of R$ 1 billion and a final installment of R$ 1.1 billion, based on a schedule between July/2022 and July/2029. On July 27, 2023, the Bank returned to the National Treasury the amount of R$ 1 billion referring to the second installment, which early settlement has been authorized by Bacen on June 29, 2023.

d) Capital reserves

The capital reserve is intended, among others, to recognize the amounts related to transactions with share based payments or other share capital instruments to be settled with the delivery of equity instruments, as well as the profit earned on the sale of treasury shares.

The capital reserves, totaling R$ 6,634,358 thousand (R$ 6,630,709 thousand on December 31, 2022), relates mainly to changes in the Bank's ownership interest in BB Seguridade after the IPO, increased ownership interest in Banco Patagonia resulting from the exercise of a put option, by minority shareholders, as provided for in a Shareholders Agreement entered into on April 12, 2011 between the Bank and the minority shareholders, as well as the sale of treasury shares, occurred on October 23, 2019.

e) Profit reserves

	Dec 31, 2023	Dec 31, 2022
Profit reserves	**61,154,159**	**70,142,173**
Legal reserve	13,458,379	11,777,636
Statutory reserves	47,695,780	58,364,537
Operating margin	41,708,123	51,047,561
Capital payout equalization	5,987,657	7,316,976

The legal reserve ensures the adequacy of the Bank's capital structure and can only be used to offset losses or increase capital. Five percent of net income calculated in accordance with accounting practices applicable for financial institutions in Brazil, before any other allocations, is transferred to the legal reserve. The amount of the reserve cannot exceed 20% of the share capital.

The operating margin statutory reserve ensures the adequacy of the Bank's operating margins in accordance with its business activities. The reserve consists of up to 100% of net income calculated in accordance with accounting practices applicable for financial institutions in Brazil after allocation to legal reserve (including dividends) and is limited to 80% of the share capital.

In thousands of Reais, unless otherwise stated

The reserve for capital payout equalization provides funds for the capital payout. The reserve consists of up to 50% of net income calculated in accordance with accounting practices applicable for financial institutions in Brazil after allocation to legal reserve (including dividends) and is limited to 20% of the share capital.

f) Accumulated other comprehensive income/(loss)

Accumulated other comprehensive income/(loss) includes fair value adjustments for financial assets as fair value through other comprehensive income, translation adjustments on foreign operations, net effects of hedges and remeasurements of defined benefit plans. The Bank recognized in other comprehensive income/(loss) all translation adjustments on foreign operations whose functional currency is not the Brazilian Real.

	Dec 31, 2023	Dec 31, 2022
Financial assets at fair value through other comprehensive income	(1,726,992)	(2,632,077)
Hedge of investment in a foreign operation	44,415	9,323
Foreign currency translation	(5,292,551)	(3,193,840)
Actuarial gains/(losses) on pension plans	(7,793,139)	(1,845,703)
Cash flow hedge	(11,812)	43,654
Other	(416,401)	(71,337)
Total	**(15,196,480)**	**(7,689,980)**

g) Unallocated retained earnings

The amount included in this account represents, besides the unallocated retained earnings, the effect of differences between accounting practices applicable for financial institutions in Brazil and IFRS. Net income calculated in accordance with accounting practices applicable for financial institutions in Brazil is fully distributed semiannually in the form of dividends/interest on own capital or allocated to the profit reserve.

h) Interest on own capital/dividends

In accordance with Laws 9,249/1995, 9,430/1996 and the Bank's Bylaws, Management decided on the payment of Interest on own capital to its shareholders.

In compliance with the income tax as well as social contribution legislation, the interest on own capital is calculated based on adjusted net equity value. It is limited, on a pro rata die basis, to the variation of long-term interest rate, as long as there is profit (before the deduction of interest on own capital) or reserves for retained earnings and profit reserves of at least twice its value, being deductible in the calculation of the taxable income.

In thousands of Reais, unless otherwise stated

Payment schedule of interest on own capital and dividends:

2023	Amount	Amount per share (R$)	Base date of payment	Payment date
1st quarter				
Dividends	351,037	0.123	Jun 01, 2023	Jun 12, 2023
Interest on own capital [1]	1,004,568	0.352	Mar 13, 2023	Mar 31, 2023
Complementary interest on own capital [1]	1,867,568	0.654	Jun 01, 2023	Jun 12, 2023
2nd quarter				
Dividends	410,149	0.144	Aug 21, 2023	Aug 30, 2023
Interest on own capital [1]	966,378	0.339	Jun 12, 2023	Jun 30, 2023
Complementary interest on own capital [1]	1,868,239	0.655	Aug 21, 2023	Aug 30, 2023
3rd quarter				
Dividends	291,053	0.102	Nov 21, 2023	Nov 30, 2023
Interest on own capital [1]	953,724	0.334	Sep 11, 2023	Sep 29, 2023
Complementary interest on own capital [1]	1,958,324	0.686	Nov 21, 2023	Nov 30, 2023
4th quarter				
Dividends	630,167	0.221	Feb 21, 2024	Feb 29, 2024
Interest on own capital (1)	976,866	0.342	Dec 11, 2023	Dec 28, 2023
Complementary interest on own capital (1)	1,751,180	0.614	Feb 21, 2024	Feb 29, 2024
Total allocated to the shareholders	**13,029,253**	**4.566**		
Dividends	1,682,406	0.590		
Interest on own capital [1]	11,346,847	3.976		

1 - Amounts subject to withholding tax, with the exception of shareholders who are exempted or immune.

2022	Amount	Amount per share (R$)	Base date of payment	Payment date
1st quarter				
Dividends	443,296	0.155	May 23, 2022	May 31, 2022
Interest on own capital [1]	601,008	0.211	Mar 14, 2022	Mar 31, 2022
Complementary interest on own capital [1]	1,477,370	0.518	May 23, 2022	May 31, 2022
2nd quarter				
Dividends	571,257	0.200	Aug 22, 2022	Aug 31, 2022
Interest on own capital [1]	714,210	0.250	Jun 13, 2022	Jun 30, 2022
Complementary interest on own capital [1]	1,628,481	0.571	Aug 22, 2022	Aug 31, 2022
3rd quarter				
Dividends	485,698	0.170	Nov 21, 2022	Nov 30, 2022
Interest on own capital [1]	781,128	0.274	Sep 12, 2022	Sep 30, 2022
Complementary interest on own capital [1]	1,810,537	0.634	Nov 21, 2022	Nov 30, 2022
4th quarter				
Dividends	671,995	0.235	Feb 23, 2023	Mar 03, 2023
Interest on own capital (1)	985,986	0.346	Dec 12, 2022	Dec 29, 2022
Complementary interest on own capital (1)	1,636,622	0.574	Feb 23, 2023	Mar 03, 2023
Total allocated to the shareholders	**11,807,588**	**4.138**		
Dividends	2,172,246	0.760		
Interest on own capital [1]	9,635,342	3.378		

1 - Amounts subject to withholding tax, with the exception of shareholders who are exempted or immune.

In thousands of Reais, unless otherwise stated

i) Shareholders (number of shares)

Number of shares issued by the Bank to shareholders which, directly or indirectly, hold more than 5% of the shares. It also includes members of the Bank's Board of Directors, Executive Committee, Fiscal Council and Audit Committee as follows:

Shareholders	Dec 31, 2023		Dec 31, 2022	
	Shares	% Total	Shares	% Total
Federal Government - Tesouro Nacional	1,432,708,542	50.0	1,432,708,542	50.0
Caixa de Previdência dos Funcionários do Banco do Brasil – Previ	102,208,674	3.6	131,948,214	4.6
Treasury shares [1]	11,640,980	0.4	11,830,375	0.4
Other shareholders	1,318,858,824	46.0	1,288,929,889	45.0
Total	**2,865,417,020**	**100.0**	**2,865,417,020**	**100.0**

1 - It includes, on December 31, 2023, 50,250 shares of the Bank held by BB Asset (49,614 on December 31, 2022).

	Common shares (ON) [1]	
	Dec 31, 2023	Dec 31, 2022
Board of Directors (except for the Bank's CEO)	1,000	3,988
Executive Committee (includes the Bank's CEO)	93,425	128,355
Fiscal Council	10,839	1,000
Audit Committee	2,404	2,012

1 - The shareholding interest of the Board of Directors, Executive Committee, Fiscal Council and Audit Committee represents approximately 0.004% of the Bank's capital stock.

j) Quantity of issued shares and quantity of shares in the market (free float)

	Quantity of shares	
	Common shares	Treasury shares
Balance on Dec 31, 2022	**2,865,417,020**	**11,830,375**
Movements	--	(189,395)
Balance on Set 30, 2023	**2,865,417,020**	**11,640,980**

	Dec 31, 2023		Dec 31, 2022	
	Amount	%	Amount	%
Free float at the beginning of period	**1,420,745,751**	**49.6**	**1,420,591,910**	**49.6**
Other changes [1]	227,313		153,841	
Free float at the end of period [2]	**1,420,973,064**	**49.6**	**1,420,745,751**	**49.6**

1 - It includes changes coming from Technical and Advisory Bodies.

2 - It does not include any shares held by the Board of Directors and Executive committee. The shares held by the Caixa de Previdência dos Funcionários do Banco do Brasil – Previ compose the free float shares.

In thousands of Reais, unless otherwise stated

k) Treasury shares

The composition of the treasury shares is shown below:

	Dec 31, 2023		Dec 31, 2022	
	Shares	% Total	Shares	% Total
Treasury shares	**11,640,980**	**100.0**	**11,830,375**	**100.0**
Received in order to comply with operations secured by the FGCN – Fundo de Garantia para a construção Naval	8,075,350	69.4	8,075,350	68.3
Repurchase programs (2012 and 2015)	3,145,476	27.0	3,348,867	28.3
Share-based payment	420,091	3.6	406,095	3.4
Mergers	63	--	63	--
Book value	**(268,255)**		**(272,570)**	

l) Share-based payments

The program of variable remuneration

The program of variable remuneration was based on the CMN Resolution 3,921 of November 25, 2010, which governs compensation policies for executives of financial institution.

The program has a yearly basis period. It is established according to the risks and the activity overseen by the executive and has as pre requirements: the activation of the participation in profit and results program and the achievement of accounting profit by the Bank.

The calculation of variable remuneration is based on indicators that measure the achievement of corporate and individual goals, based on the Corporate Strategy of Banco do Brasil – ECBB for the period. The program also determines that 50% of the remuneration should be paid in cash and the remaining 50% should be paid in shares.

The number of Banco do Brasil shares to be allocated to each participant is calculated by dividing the net amount equivalent to 50% of variable remuneration to which one is entitled, to the average price of the share in the week prior to the payment. The average price is the simple arithmetic mean of the daily average prices of the week prior to the payment.

The distribution of compensation in shares occurs in a way that 20% is immediately transferred for the beneficiary's ownership and 80% is deferred.

The effects of the Program of Variable Remuneration on the income of Banco do Brasil were R$ 23,844 thousand in 2023 (R$ 21,875 thousand in 2022).

BB Asset, in accordance to the resolution mentioned above, also adopted variable remuneration policy for its directors, directly acquiring treasury shares of the Banco do Brasil. All shares acquired are BBAS3 and its fair value is the quoted market price on the date of grant.

In thousands of Reais, unless otherwise stated

We present the statement of acquired shares, its distribution and its transfer schedule:

	Total program shares	Average cost	Shares distributed	Shares to distribute [1]	Estimated schedule transfers
2019 Program					
Banco do Brasil	162,641	46.05	122,752	32,509	Mar 2024
Total shares to be distributed				**32,509**	
BB Asset	15,998	46.07	12,801	3,197	Mar 2024
Total shares to be distributed				**3,197**	
2020 Program					
Banco do Brasil	164,146	29.65	96,381	32,809	Mar 2024
				32,809	Mar 2025
Total shares to be distributed				**65,618**	
BB Asset	29,585	29.65	17,757	5,914	Mar 2024
				5,914	Mar 2025
Total shares to be distributed				**11,828**	
2021 Program					
Banco do Brasil	193,027	33.52	77,272	38,585	Mar 2024
				38,585	Mar 2025
				38,585	Mar 2026
Total shares to be distributed				**115,755**	
BB Asset	28,302	33.52	11,325	5,659	Mar 2024
				5,659	Mar 2025
				5,659	Mar 2026
Total shares to be distributed				**16,977**	
2022 Program					
Banco do Brasil	176,642	39.16	35,398	35,311	Mar 2024
				35,311	Mar 2025
				35,311	Mar 2026
				35,311	Mar 2027
Total shares to be distributed				**141,244**	
BB Asset	22,824	39.16	4,576	4,562	Mar 2024
				4,562	Mar 2025
				4,562	Mar 2026
				4,562	Mar 2027
Total shares to be distributed				**18,248**	

1 - Any difference between the total number of shares to be distributed and the transfer schedule results from specific cases of shares pending transfer/reversal.

In thousands of Reais, unless otherwise stated

32– Fair value of financial instruments

	Dec 31, 2023		Dec 31, 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Assets				
Cash and bank deposits	17,327,745	17,327,745	18,310,546	18,310,546
Compulsory deposits with Brazilian Central Bank	101,805,900	101,805,900	95,119,085	95,119,085
Financial assets at amortized cost, net	1,457,710,873	1,450,504,113	1,352,904,935	1,327,888,759
Loans to financial institutions	442,666,500	441,783,640	423,228,428	423,624,839
Loans to customers	911,281,198	905,123,523	832,938,557	808,100,015
Securities	53,098,497	52,932,272	47,996,424	47,422,379
Other financial assets	50,664,678	50,664,678	48,741,526	48,741,526
Financial assets at fair value through profit or loss	14,173,304	14,173,304	12,078,012	12,078,012
Financial assets at fair value through other comprehensive income	401,442,335	401,442,335	369,770,754	369,770,754
Liabilities				
Financial liabilities at amortized cost	1,884,405,380	1,884,635,174	1,753,201,995	1,755,011,768
Customers resources	811,943,803	811,903,547	753,263,047	753,309,420
Financial institutions resources	651,190,724	651,460,774	652,922,721	654,686,121
Funds from issuance of securities	284,156,307	284,156,307	229,745,964	229,745,964
Other financial liabilities	137,114,546	137,114,546	117,270,263	117,270,263
Financial liabilities at fair value through profit or loss	2,509,742	2,509,742	2,764,797	2,764,797

The methods used to estimate fair value for the different categories of financial instruments are as follows:

a) Cash and bank deposits

Amounts included in this line-item of the consolidated balance sheet represent highly liquid assets. Therefore, the carrying amount is considered to be the same as fair value.

b) Compulsory deposits with Brazilian Central Bank

For this line-item, the carrying amount in the consolidated balance sheet is considered to be the same as fair value.

c) Loans to financial institutions and securities purchased under resale agreements

The fair value of loans to financial institutions and repurchase agreements with fixed rates is determined by discounting estimated future cash flows using current rates on similar instruments (in these cases, similar assets can always be identified).

The inputs used to calculate fair value (funding rates) are compared to rates on similar transactions carried out by other institutions in the financial market. The carrying amount of variable rate instruments is considered to be the same as fair value. Being transactions backed by securities, the pricing of repurchase agreements does not consider any credit risk measurement in its fair value.

Since repurchase agreements are guaranteed by securities, the fair value measurement does not consider credit risk.

d) Financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and securities

These line-items consist mainly of debt and equity instruments and derivatives. Considering the definition of fair value, if there is no price quotation from an active market available or recent transactions with a similar financial instruments, the Bank estimates fair value based on methodologies commonly used in the market. These methodologies include the present value of discounted cash flows (swaps, futures and currency forwards) and the Black-Scholes model for options.

Under the present value method, expected future cash flows are based on the instruments' return. The cash flows are then discounted to present value considering the term and yield curve.

The yield curve depends on the type of asset. For example, for securities in which the yield is linked to the IPCA index, the Bank uses the IPCA curve plus the spread on the measurement date.

The Bank uses a Black-Scholes model to price European options. The option price is measured as a closed-form solution to the Black-Scholes equation. The inputs to the model are directly observable in the market.

The Bank uses this model (without considering dividends) to calculate option premiums and volatility because it is widely used in the market and by stock exchanges to determine daily settlements for European options. In calculating volatility for call options, American and European models produce the same results. This allows for the use of the European model for all American call options.

The main sources for the inputs by category of financial asset are as follows:

- government securities – Anbima/Bacen;
- private securities (B3, SND – National Debentures System, Anbima and Cetip); and
- derivatives (B3, Broadcast and Reuters).

Alternative sources of information (secondary sources) are used when information from primary sources is unavailable, in a situation of a systemic crisis, when there is a lack of liquidity for certain assets or classes of assets, and in case of significant differences among information given by market providers. As an alternative source, the Bank uses Bloomberg. Additionally, in situations of critical missing information, estimates are made using prior day information from primary sources.

e) Loans to customers

The fair value of loans to customers, for post-fixed operations, was mostly considered as the book value itself, due to the equivalence between them. For transactions remunerated at fixed interest rates, future cash flows from loans to customers are calculated based on contractual interest rates and payment dates. Fair value is determined by discounting these estimated cash flows at rates being practiced on the valuation date for operations of similar types.

The credit risk spread is calculated using a methodology based on the expected loss index weighted by the maturity of the operation. This methodology considers loss rates and severities for a variety of different credit lines. It also considers customer data from when the loan was originated, including the business segment and credit risk assigned to the counterparty.

There are always similar assets in the market, so inputs used to calculate fair value (interest rates) can be compared to similar transactions carried out by other financial institutions. The interest rates reflect all applicable costs and risks, including credit risk. They also incorporate funding costs, administrative costs, taxes, credit losses and the Bank's spread.

The Bank has a group of short-term revolving loans (i.e. overdrafts and revolving credit cards) in which the carrying amount approximates fair value. The maturity of these transactions does not exceed one month.

f) Customers resources

The fair value of fixed rate deposits with fixed maturities is calculated by discounting the contractual cash flows by the current market rate for transactions with similar maturities.

There are always similar liabilities in the market, so inputs used to calculate fair value (funding rates) can be compared to similar transactions carried out by other financial institutions. These rates reflect all applicable costs and risks, including opportunity costs, administrative costs, taxes and the Bank's spread.

The carrying amount of variable rate deposits with maturities up to 30 days is considered to be the same as fair value.

g) Financial institutions resources

The fair value of securities sold under repurchase agreements with fixed interest rates is calculated by discounting the cash flows by the current market rate for similar transactions.

There are always similar liabilities in the market, so inputs used to calculate fair value (funding rates) can be compared to similar transactions carried out by other financial institutions.

The carrying amount of variable rate transactions is considered to be the same as fair value.

Since the transactions are guaranteed by securities, the fair value measurement for repurchase agreements does not consider credit risk.

h) Funds from issuance of securities

Fair value is determined by discounting the cash flows using market rates for liabilities with similar contractual terms, maturities and risks.

i) Other financial assets and liabilities

For this line-item, the carrying amount in the consolidated balance sheet is considered to be the same as fair value.

j) Fair value input levels for financial assets and liabilities

The Bank's fair value measurements consider the following input levels:

Level 1 – Price quotations are derived from active markets for identical financial instruments. Financial instruments are considered to be quoted in an active market if prices are readily available and are based on regularly occurring arm's length transactions.

Level 2 – Requires the use of information obtained from the market that is not Level 1. This includes prices quoted in non-active markets for similar assets and liabilities and information that can be corroborated in the market.

Level 3 – Requires the use of information not obtained from the market to measure fair value. When there is not an active market for an instrument, the Bank uses valuation techniques that incorporate internal data. The Bank's methodologies are consistent with commonly used techniques for pricing financial instruments.

Most of the Bank's fair value measurements consider data obtained directly from active markets. If direct information is not available, it uses references available in the market. As a final option, the Bank considers similar assets. The fair value measurement process is monitored on a daily basis to determine the extent to which market prices are available for the Bank's assets.

The Bank's policy for transferring financial instruments between levels considers liquidity in the market. Depending on the level of liquidity, the Bank defines the type of fair value measurement to be used (mark-to-market or mark-to-model). The transfer policy provides consistent recognition principles for transfers between levels.

For private securities, the mark-to-market and mark-to-model methodologies are based on a market data hierarchy. The Bank monitors the valuation methods for all of these instruments on a daily basis.

When private securities are traded during the day, the mark-to-market calculation is based on the closing price. If there are no trades registered, but an indicative price is released by Anbima, this price will be used.

If there were no trades and there is no indicative price, the Bank determines if the security was negotiated within the past 30 days. If it was, the pricing model considers the relationship between the last negotiated price and the security's accrual value on the first day market volumes becomes available. If there were no trades within the past 30 days, the Bank uses one of two rating criteria (in the following order):

1st criterion – If Anbima releases the security's credit curve rating, the Bank uses the spread of this curve to calculate present value.

2nd criterion – If Anbima does not release the instrument's credit curve rating, the Bank uses a linear regression based on 30 days of indicative prices and interest rates provided by Anbima. The variables used to calculate the regression are the rating, maturity and indicative interest rate.

The Bank takes a conservative approach to mark-to-market values. Figures obtained through market prices and mathematical models are compared to prices calculated by the Risk Department based on credit spreads. The lower of the two prices is used.

As a result, the methodologies discussed above (market prices, indicative prices, historical mathematical relationships and rating aggregation models), which all use market-based data, could result in higher prices compared to figures based credit spreads. The prices obtained by these spreads are compared with the other prices obtained and the lowest value is used.

In thousands of Reais, unless otherwise stated

	Dec 31, 2023	Distribution by level		
		Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value in the balance sheet on a recurring basis				
Assets	**418,062,242**	**355,946,071**	**59,600,211**	**2,515,960**
Financial assets at fair value through profit or loss	**14,173,304**	**7,626,935**	**6,519,512**	**26,857**
Debt and equity instruments	**12,199,618**	**7,626,935**	**4,545,826**	**26,857**
Government bonds	7,399,824	7,399,824	--	--
Corporate bonds	4,799,794	227,111	4,545,826	26,857
Derivatives	**1,973,686**	**--**	**1,973,686**	**--**
Swaps	1,218,228	--	1,218,228	--
Forward operations	618,963	--	618,963	--
Options	110,154	--	110,154	--
Other derivative financial instruments	26,341	--	26,341	--
Financial assets at fair value through other comprehensive income	**401,442,335**	**348,319,136**	**50,683,762**	**2,439,437**
Government bonds	344,530,659	344,489,473	41,186	--
Corporate bonds	56,911,676	3,829,663	50,642,576	2,439,437
Financial assets at amortized cost (hedged item)	**2,446,603**	**--**	**2,396,937**	**49,666**
Loans to financial institutions	**2,396,937**	**--**	**2,396,937**	**--**
Loans to customers	49,666	--	--	49,666
Liabilities	**4,600,102**	**--**	**4,600,102**	**--**
Financial liabilities at fair value through profit or loss	**2,509,742**	**--**	**2,509,742**	**--**
Derivatives	**2,509,742**	**--**	**2,509,742**	**--**
Swaps	1,098,468	--	1,098,468	--
Forward operations	821,815	--	821,815	--
Options	470,930	--	470,930	--
Other derivative financial instruments	118,529	--	118,529	--
Financial liabilities at amortized cost (hedged item)	**2,090,360**	**--**	**2,090,360**	**--**
Funds from issuance of securities	2,090,360	--	2,090,360	--
Financial assets and liabilities not measured at fair value in the balance sheet				
Assets	**1,448,057,510**	**11,639,711**	**38,824,010**	**1,397,593,789**
Financial assets at amortized cost, net	1,448,057,510	11,639,711	38,824,010	1,397,593,789
Loans to financial institutions	439,386,703	--	--	439,386,703
Loans to customers	905,073,857	--	--	905,073,857
Securities	52,932,272	11,639,711	38,824,010	2,468,551
Other financial assets	50,664,678	--	--	50,664,678
Liabilities	**1,882,544,814**	**--**	**--**	**1,882,544,814**
Financial liabilities at amortized cost	1,882,544,814	--	--	1,882,544,814
Customers resources	811,903,547	--	--	811,903,547
Financial institutions resources	651,460,774	--	--	651,460,774
Funds from issuance of securities	282,065,947	--	--	282,065,947
Other financial liabilities	137,114,546	--	--	137,114,546

In thousands of Reais, unless otherwise stated

	Dec 31, 2022	Distribution by level		
		Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value in the balance sheet on a recurring basis				
Assets	**384,458,400**	**321,952,749**	**59,745,907**	**2,759,744**
Financial assets at fair value through profit or loss	**12,078,012**	**2,554,362**	**9,419,109**	**104,541**
Debt and equity instruments	**10,439,943**	**2,554,362**	**7,781,040**	**104,541**
Government bonds	2,258,875	2,258,875	--	--
Corporate bonds	8,181,068	295,487	7,781,040	104,541
Derivatives	**1,638,069**	**--**	**1,638,069**	**--**
Swaps	1,134,779	--	1,134,779	--
Forward operations	395,025	--	395,025	--
Options	89,042	--	89,042	--
Other derivative financial instruments	19,223	--	19,223	--
Financial assets at fair value through other comprehensive income	**369,770,754**	**319,398,387**	**47,763,208**	**2,609,159**
Government bonds	315,329,345	315,277,702	51,643	--
Corporate bonds	54,441,409	4,120,685	47,711,565	2,609,159
Financial assets at amortized cost (hedged item)	**2,609,634**	**--**	**2,563,590**	**46,044**
Loans to financial institutions	**2,563,590**	**--**	**2,563,590**	**--**
Loans to customers	46,044	--	--	46,044
Liabilities	**4,581,778**	**--**	**4,581,778**	**--**
Financial liabilities at fair value through profit or loss	**2,764,797**	**--**	**2,764,797**	**--**
Derivatives	**2,764,797**	**--**	**2,764,797**	**--**
Forward operations	1,073,427	--	1,073,427	--
Swaps	1,024,936	--	1,024,936	--
Options	525,576	--	525,576	--
Other derivative financial instruments	140,858	--	140,858	--
Financial liabilities at amortized cost (hedged item)	**1,816,981**	**--**	**1,816,981**	**--**
Funds from issuance of securities	1,816,981	--	1,816,981	--
Financial assets and liabilities not measured at fair value in the balance sheet				
Assets	**1,325,279,125**	**17,317,473**	**27,332,705**	**1,280,628,947**
Financial assets at amortized cost, net	1,325,279,125	17,317,473	27,332,705	1,280,628,947
Loans to financial institutions	421,061,249	--	--	421,061,249
Loans to customers	808,053,971	--	--	808,053,971
Securities	47,422,379	17,317,473	27,332,705	2,772,201
Other financial assets	48,741,526	--	--	48,741,526
Liabilities	**1,753,194,787**	**--**	**--**	**1,753,194,787**
Financial liabilities at amortized cost	1,753,194,787	--	--	1,753,194,787
Customers resources	753,309,420	--	--	753,309,420
Financial institutions resources	654,686,121	--	--	654,686,121
Funds from issuance of securities	227,928,983	--	--	227,928,983
Other financial liabilities	117,270,263	--	--	117,270,263

In thousands of Reais, unless otherwise stated

33– Financial guarantees and other off-balance sheet commitments

	Dec 31, 2023	Dec 31, 2022
Credit commitments	196,313,674	188,489,507
Guarantees provided	11,462,562	11,775,904
Contracted credit opened for import	1,013,011	1,047,202
Confirmed export credit	675,244	621,031

Credit commitments represent overdrafts, revolving credit lines and similar instruments. Guarantees provided by the Bank, including standby letters of credit which represent conditional commitments. They generally guarantee a customer's performance to a third party under a loan. The information regarding the practices of risk management and maximum exposure are described in Note 35.

In these types of contracts, the contractual amount represents the maximum credit risk exposure if the counterparty fails to fulfill its obligations under the contract. However, a majority of these instruments mature without being drawn upon, so the contractual amount is not usually representative of future credit risk exposures or liquidity needs. To mitigate credit risk, the Bank requires the counterparty to provide cash, securities or other assets as collateral (similar to collateral required on loans to customers).

The Bank recognized a provision for estimated losses on guarantees and other commitments.

a) Breakdown of expected credit losses by stages

	Dec 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Expected losses for				
Guarantees provided	(136,983)	(1,974)	(315,914)	(454,871)
Loan commitments	(2,519,433)	(87,056)	--	(2,606,489)
Total	**(2,656,416)**	**(89,030)**	**(315,914)**	**(3,061,360)**

	Dec 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Expected losses for				
Guarantees provided	(158,677)	(17,167)	(138,334)	(314,178)
Loan commitments	(2,987,401)	(283,299)	--	(3,270,700)
Total	**(3,146,078)**	**(300,466)**	**(138,334)**	**(3,584,878)**

b) Reconciliation of changes

The expected losses from the financial guarantee provided and loan commitments are recorded in the Consolidated Statement of Income in the line item "Net (constitution)/reversal of expected credit losses with other financial instruments".

In thousands of Reais, unless otherwise stated

	Dec 31, 2023			
	Open Balance	(Constitution)/ reversal	Others	Closing balance
Expected losses for				
Guarantees provided	(314,178)	(134,084)	(6,609)	(454,871)
Loan commitments	(3,270,700)	664,211	--	(2,606,489)
Total	**(3,584,878)**	**530,127**	**(6,609)**	**(3,061,360)**

	Dec 31, 2022			
	Open Balance	(Constitution)/ reversal	Others	Closing balance
Expected losses for				
Guarantees provided	(517,123)	204,673	(1,728)	(314,178)
Loan commitments	(2,245,158)	(1,025,542)	--	(3,270,700)
Total	**(2,762,281)**	**(820,869)**	**(1,728)**	**(3,584,878)**

34– Regulatory capital and fixed asset limit

a) Capital management

Objectives and policies

Bacen issued CMN Resolution 4,557/2017, which defines the scope and requirements of the risk management structure and the capital management structure for financial institutions.

In compliance with the Resolution, the Board of Directors has established Coris and has appointed as the Chief Risk Officer (CRO), responsible for risk and capital management, the Vice President of Internal Controls and Risk Management.

Capital management aims to ensure the Institution's future solvency concurrent with the implementation of business strategies.

Capital management is carried out through an organizational structure appropriate to the nature of its operations, the complexity of its business and the extent of exposure to relevant risks.

There are defined and documented capital management strategies that establish mechanisms and procedures to keep capital compatible with the Risk Appetite and Tolerance Statement (RAS).

In addition, the Bank has specific policies, approved by the Board, which aim to guide the development of functions or behaviors, through strategic drivers that guide capital management actions. These specific policies apply to all businesses that involve risk and capital at the Bank.

Elements comprised by capital management:

Strategic plans, business goals and budgets respect the risk appetite and tolerance and indicators of capital adequacy and risk-adjusted return.

The Capital Plan is prepared in consistency with the business strategy, seeking to maintain capital indicators at appropriate levels. This Plan highlights the capital planning of Banco do Brasil and the prospective assessment of any need for capital contribution.

The Capital Plan preparation is referenced in the guidelines and limits contained in RAS and the Bank's Corporate Budget (BB Budget), considering that this represents the materialization of the guidelines of ECBB, the Master Plan (PD), the Fixed Investment Plan.

The budgeted amounts must correspond to the goals and objectives defined by the Board of Directors for the Banco do Brasil Conglomerate. Thus, premises such as business growth, credit growth in operations with higher profitability, restrictions on operations in segments with lower profitability, among others, are contained in the BB Budget.

In addition, the BB Budget considers the macroeconomic scenario prepared by the Global Treasury Unit (Tesou) and the legislation applied to the Brazilian Banking Industry (SFN).

The review of the ECBB and the PD results from the application of a set of strategic planning methodologies, observing the best market practices. It is noteworthy that the review of the ECBB and the PD takes place in an integrated manner with the budgeting process, with the RAS and with the other documents of the strategic architecture, which ensures the alignment between such documents, giving greater internal consistency to the strategic planning process.

The BB Budget follows the guidelines defined in the ECBB, respects the RAS and aims to meet the floors and ceilings defined in the indicators approved in the PD. The BB Budget allows the quantification in financial values of the strategic objectives defined in the ECBB.

The RAS is the strategic document that guides the planning of the business strategy, directing budget and capital towards a sustainable and optimized allocation, according to the Institution's capacity to assume risks and its strategic objectives, in addition to promoting understanding and dissemination of the risk culture.

This statement is applied to the Bank and considers potential impacts on the capital of the Banco do Brasil Prudential Conglomerate. It is expected that the Subsidiaries, Affiliates and Investment companies (ELBB) define their drivers based on these guidelines considering specific needs and legal and regulatory aspects to which they are subject.

As defined in the RAS, risk appetite is the maximum level of risk that the Institution accepts to incur in order to achieve its objectives, materialized by indicators that define an aggregate view of risk exposure. Tolerance, in turn, induces risk management in a more granular way, considering the defined appetite.

RAS defines prudential minimum limits that aim to perpetuate the strategy of strengthening the Bank's capital structure. These limits are established above the regulatory minimum, represent the Bank's Risk Appetite and are effective as of January of each year.

The capital target is the level of capital desired by the Bank, which is why its management actions must be guided by this driver. The goals are distinguished from tolerance and risk appetite because the latter defines the level at which the Institution does not accept to operate, and must take timely measures for readjustment, which may trigger contingency measures.

In thousands of Reais, unless otherwise stated

Integration:

Adopting a prospective stance, the Bank assesses the capital status, including the leverage ratio, classified as Critical, Alert or Surveillance, according to the time horizon that precedes the projected deadline for the breach of the prudential minimum capital limits defined by Senior Management and detailed in the RAS, as the figure below:

<table>
<tr><th colspan="2" rowspan="2">Capital and Leverage Ratio</th><th colspan="6">Period of noncompliance (months)</th></tr>
<tr><th>0 to 6</th><th>7 to 12</th><th>13 to 18</th><th>19 to 24</th><th>25 to 30</th><th>above 31</th></tr>
<tr><td>Target[1]</td><td>ICP</td><td colspan="3">ALERT</td><td colspan="3">SURVEILLANCE</td></tr>
<tr><td rowspan="4">Appetite[2]</td><td>Common Equity Tier 1 Ratio</td><td colspan="3">CRITICAL</td><td colspan="2">ALERT</td><td>SURVEILLANCE</td></tr>
<tr><td>Tier 1 Ratio</td><td colspan="2">CRITICAL</td><td colspan="2">ALERT</td><td colspan="2">SURVEILLANCE</td></tr>
<tr><td>Basel Prudential Ratio</td><td>CRITICAL</td><td colspan="2">ALERT</td><td colspan="3">SURVEILLANCE</td></tr>
<tr><td>Leverage Prudential Ratio</td><td colspan="2">CRITICAL</td><td colspan="2">ALERT</td><td colspan="2">SURVEILLANCE</td></tr>
</table>

[1] level of capital desired by the institution
[2] maximum level of risk that institution agrees to incur in order to achieve its goals

The Capital Forum has the responsibility of identify the capital and leverage ratio status of the Bank and occurs through the control of Common Equity Tier 1 Capital Ratio (ICP), Tier I Ratio, Capital Adequacy Ratio and Leverage Ratio projected for a time horizon of at least 36 months. When the projections indicate a potential breach of the prudential minimum limits (risk appetite), the Institution will have enough time to promote strategic changes that avoid extrapolation, according to the deadlines defined for each indicator.

The assessment of the sufficiency of capital maintained by the Bank contemplates a 3-year time horizon and considers: (i) the types of risks and respective levels to which the Institution is exposed and willing to assume; (ii) the Institution's ability to manage risks effectively and prudently; (iii) the Institution's strategic objectives; and (iv) the conditions of competitiveness and the regulatory environment in which it operates.

In compliance with the provisions of Bacen Circular 3,846/2017, this analysis is also part of the Internal Capital Adequacy Assessment Process (Icaap) and must cover, at least:

I – the assessment and measurement of the need for capital to cover credit risks (includes concentration and credit risk of the counterparty), market risk, interest rate variations for instruments classified in the bank portfolio (IRRBB) and operational;

II – the assessment of the capital need to cover the other relevant risks to which the Institution is exposed, considering, at least, the strategy, reputation and socio-environmental risks;

III – the assessment of capital requirements based on the results of the stress test program; and

IV – the description of the methodologies and assumptions used in the evaluation and measurement of capital requirements.

The Icaap, implemented by the Bank on June 30, 2013, follows the disposed on CMN Resolution 4,557/2017. At the Bank, the responsibility for coordinating Icaap was assigned to the Risk Management Directorship. In turn, the Internal Controls Directorship is the responsible for validating the Icaap. Finally, Internal Audit is responsible for performing an annual evaluation of the overall capital management process.

Procedures:

Capital management is an ongoing process of planning, evaluating, controlling and monitoring capital. It supports the Board in the decision process that will lead the Institution to adopt a posture capable of absorbing eventual losses arising from business risks or changes in the financial environment.

Capital simulations are carried out, integrating the results of risk and business stress tests, based on macroeconomic and / or idiosyncratic scenarios. Stress tests are carried out periodically and their impacts are assessed from the perspective of capital.

It is conducted monthly monitoring of the variables used in the preparation of the Capital Plan due to the review of the behavior projected in the preparation of the BB Budget, based on the observed numbers, market expectations and business dynamics. The relevant deviations are presented and discussed, by the Boards participating in the process, in the monthly meetings of the Capital Forum.

Management reports on capital adequacy are disclosed to the areas and strategic intervening committees, supporting the decision-making process by the Board of Directors.

The adoption of a prospective stance, by conducting continuous assessments of the capital need, makes it possible to proactively identify events with a non-zero probability of occurrence or changes in market conditions that may have an adverse effect on capital adequacy, including in stress scenarios.

b) Capital adequacy ratio

The Bank has calculated the Capital Adequacy Ratio in accordance with the requirements established by CMN Resolutions 4,955/2021 and 4,958/2021. Those requirements are related to the calculation of Referential Equity (RE) and Minimum Referential Equity Required (MRER) as a percentage of Risk Weighted Assets (RWA).

The Basel Committee recommendations, related to the set of regulations governing the capital structure of financial institutions, are known as Basel III.

The regulatory capital is divided into Tier I and Tier II. Tier I consists of Common Equity Tier I Capital – CET1 (net of regulatory adjustments) and Additional Tier I Capital.

For calculating the regulatory capital, minimum requirements for RE, Tier I and CET1, and Additional CET1 are requested.

Regulatory adjustments listed below are considered for calculating CET1 ratio:

- goodwill;
- intangible assets;
- actuarial assets related to defined benefit pension plans, net of deferred tax liabilities;
- significant investments (greater than 10% of the share capital) in: non-consolidated entities similar to financial institutions, insurance companies, reinsurance companies, capitalization companies and open-ended pension funds; and institutions authorized by Bacen that are not part of the Prudential Conglomerate.
- non-controlling interests;
- deferred tax assets on temporary differences that rely on the generation of future taxable profits or income to be realized;
- deferred tax assets resulting from tax losses carry forward; and
- value between the provisioned amount and the amount of the adjustments resulting from the evaluation provided by CMN Resolution 4,277/2013.

In thousands of Reais, unless otherwise stated

On August 28, 2014, Bacen authorized the R$ 6,100,000 thousand (R$ 7,100,000 thousand until June/2023) perpetual bond included in Additional Tier I Capital to be considered as Common Equity Tier I Capital, as described in Note 31.c.

According to the CMN Resolutions 4,955/2021 and 4,958/2021, the calculation of the RE and the amount of RWA should be based on Prudential Conglomerate.

	Dec 31, 2023	Dec 31, 2022
RE - Referential Equity	**174,033,091**	**178,688,546**
Tier I	**156,430,952**	**158,152,718**
Common equity Tier 1 capital (CET1)	**136,356,255**	**128,802,520**
Shareholders' equity	163,827,386	153,962,689
Instrument qualifying as CET1	6,100,000	7,100,000
Regulatory adjustments	(33,571,131)	(32,260,169)
Additional Tier 1 capital (AT1)	**20,074,697**	**29,350,198**
Perpetual Bonds	14,886,697	27,001,598
Perpetual subordinated notes	5,188,000	2,348,600
Tier II	**17,602,139**	**20,535,828**
Subordinated debt qualifying as capital	17,602,139	20,535,828
Subordinated debt authorized in accordance with regulations preceding Basel III	17,602,139	20,535,828
Funds obtained from the FCO [1]	17,602,139	20,535,828
Risk weighted assets (RWA)	**1,124,754,293**	**1,072,894,044**
Credit risk (RWA_{CPAD})	938,286,509	917,091,564
Market risk (RWA_{MPAD})	28,285,378	26,975,097
Operational risk (RWA_{OPAD})	158,182,406	128,827,383
Minimum referential equity requirements [2]	**89,980,343**	**85,831,524**
Margin on the minimum referential equity required [3]	**84,052,748**	**92,857,022**
Tier I ratio (Tier I / RWA) [3]	**13.91%**	**14.74%**
Common equity Tier 1 capital ratio (CET1 / RWA) [3]	12.12%	12.01%
Capital adequacy ratio (RE / RWA) [3]	**15.47%**	**16.65%**

1 - According to CMN Resolution 4,955/2021, art. 31, in 2023, the balance of FCO is limited to 60% (70% in 2022) of the amount that composed the Tier II of the RE on June 30, 2018.
2 - According to CMN Resolution 4,958/2021, corresponds to the application of the "F" factor to the amount of RWA, where "F" equals 8%.
3 - Values from DLO (Operational Threshold Statement).

In thousands of Reais, unless otherwise stated

Regulatory adjustments deducted from CET1:

	Dec 31, 2023	Dec 31, 2022
Actuarial assets related to defined benefit pension funds net of deferred tax liabilities	(12,962,189)	(15,548,609)
Intangible assets	(10,787,014)	(11,066,608)
Significant investments and tax assets resulting from temporary differences that rely on the generation of future taxable profits or revenues for their realization (amount exceeding the 15% threshold)	(4,687,150)	(116,376)
Tax assets resulting from tax losses carry forward	(2,663,255)	(3,598,043)
Significant investments (excess of 10%) [1]	(2,345,383)	(1,692,539)
Non-controlling interests [2]	(121,206)	(223,666)
Shortfall of the value between the provisioned amount and the amount of the adjustments resulting from the evaluation provided by CMN Resolution 4,277/2013	(2,870)	(1,968)
Goodwill	(2,064)	(12,360)
Total	**(33,571,131)**	**(32,260,169)**

1 - It refers, mainly, to significant investments in non-consolidated entities similar to financial institutions, non-consolidated financial institutions and insurance companies, reinsurance companies, capitalization companies and open-ended pension funds.
2 - The adjustment of non-controlling interests was calculated according to CMN Resolution 4,955/2021, 1st paragraph of the article 10.

c) Fixed asset ratio and margin

	Dec 31, 2023	Dec 31, 2022
Fixed asset ratio	16.36%	15.88%
Margin in relation to the fixed asset	58,550,324	60,960,991

Bacen defines the fixed asset ratio as the percentage of fixed assets to Referential Equity. The maximum rate allowed is 50%, according to CMN Resolution 4,957/2021.

Margin refers to the difference between the 50% limit of Referential Equity and total fixed assets.

d) Regulatory indicators vs. observed indicators

The minimum regulatory requirement for capital indicators in accordance to CMN Resolution 4,958/2021, as well as the achieved values at the Bank, are shown in the table below:

	Regulatory	Dec 31, 2023
Common Equity Tier 1 Capital Ratio [1]	8.00%	12.12%
Tier I Ratio [1]	9.50%	13.91%
Capital Adequacy Ratio [1]	11.50%	15.47%
Fixed asset ratio	Up to 50%	16.36%

1 - It includes additional main conservation, countercyclical and systemic capital.

On December 31, 2023, the compliance with the regulatory indicators is observed. The Bank, through the capital management strategies already listed, aims to surpass the minimum regulatory indicators, keeping them at levels capable of perpetuating the strategy of reinforcing the structure of capital of the Bank. In this way, the Bank defines the minimum prudential limits of capital indicators and the main capital target to be reached in each period.

e) Instruments eligible as capital

The instruments eligible as capital are described in the Notes 28 and 31.

For subordinated financial bills issued up to the present date, there are the possibilities described in the emission instrument, as listed below:

(i) For the perpetual instruments, there is a repurchase or redemption option, observing the following requirements:
   a. minimum of five years interval between the issue date and the first exercise date of the repurchase or redemption option;
   b. the exercise of the repurchase or redemption option is subject, on the exercise date, to the authorization of the Central Bank of Brazil;
   c. lack of characteristics that lead to the expectation that the repurchase or redemption option will be exercised, constituting an attribution of the Issuer;
   d. the interval between the repurchase or redemption option must be, at least, 180 days.

For securities issued abroad, there is, until now, no possibility for the holder of the security to request repurchase or redemption, total or partial. The expected cash flows will occur when the coupon is paid, upon maturity or when exercising the repurchase by the Bank, as applicable.

The Instrument qualifying as Common Equity Tier I Capital does not have a maturity date and can only be settled in situations of dissolution of the issuing institution or of repurchases authorized by the Central Bank of Brazil. The expected cash flows occur only through the payment of annual remuneration interest.

According to the Information to the Market, dated April 8, 2021 and December 16, 2021, the schedule for returning the Hybrid Instrument established seven annual installments of R$ 1 billion and one final installment of R$ 1.1 billion, between July/2022 and July/2029. Thus, in compliance with the schedule and based on authorization from Bacen and deliberation of Secretaria Especial do Tesouro e Orçamento, The Bank returned R$ 1 billion to the National Treasury, remaining the balance of 6.1 billion.

Regarding the dynamics of the FCO, the monthly flows contemplate the inflows/origins, such as the transfers from the National Treasury resulting from the collection of taxes (made every ten days of the month), returns originating from payments of credit operations and remuneration on the available resources and the exits, such as the reimbursement of payment / rebate bonuses, the audit, del credere and provision. The use of FCO resources as an instrument eligible as capital is limited by CMN Resolution 4,955/2021 (Art. 31).

35– Risk management

a) Risk governance and capital governance

The risk and capital governance model adopted by the Bank involves a strategic committee structure, comprised by Vice Presidents, addressing the following issues:

(i) segregation of functions: business versus risk;
(ii) specific structure for risk management and capital;
(iii) defined management process;
(iv) decisions at multiple hierarchal levels;
(v) clear standards and structure of skills and responsibilities; and
(vi) incorporation of best practices.

All decisions related to risk management are taken collectively in accordance with the Bank's internal policies and procedures.

In accordance with Bacen Resolution 54/2020, the Bank discloses risk management information aligned with Pillar 3's guidelines of Basel II. The report can be viewed at www.bb.com.br/ri.

The bank continuously promotes the evaluation of the structure, governance, processes, systems and methodologies applied to risk and capital management. This evaluation, which aims to identify opportunities for improvement, may result in changes in the present governance structure, with a view to improving management.

Risk and capital management is guided by the Lines of Defense Referential Model – MRLD. In it, the management of risks and necessary controls for its mitigation is carried out based on three lines of defense. The model allows the processes integration of corporate risks and control management, with well-defined roles, providing greater assertiveness in risk and capital management.

The risk management area reports to the vice president for internal control & risk management (VICRI) and is responsible for corporate regulation and supervision of all relevant risks in the 2nd line of defense, including those that become defined as relevant in the future. The Internal Controls Directorship (Dicoi) is responsible for the regulation and supervision of the internal controls system and compliance.

The Internal Audit (Audit) carries out periodic assessments in the risk management processes in order to verify if they are in agreement with the strategic guidelines, the specific policies and the internal and regulatory norms.

The bank's capital management consists of a continuous process of planning, assessment, control and monitoring of the capital that is necessary to cover the company relevant risks, to support the capital requirements required by the regulator, and achieve the internally defined strategic and budget objectives, aiming to optimize its capital allocation.

b) Risk and capital management and process

The Bank considers integrated risk and capital management a fundamental instrument for the sustainability of the banking system. Risk identification, measurement, assessment, monitoring, reporting, control, enhancement, mitigation and improve methods safeguard financial institutions in adverse times and provide support for the generation of positive and recurring results over time.

The risk and capital management integrated process meets the aspects and standards set forth in the rules issued by the National Monetary Council (CMN) and the Central Bank of Brazil (Bacen). It is done based on the risk appetite, capital plan and policies and strategies of the Bank's senior management and permeates several areas at different levels of governance of the Institution, including the Board of Directors (CA) and its Advisory Committees, Board of Officers (CD), Strategic Committee, Directorships and the Forums.

The bank's risk and capital management are based on an assessment process capable of identifying the risks that represent opportunities or threats to the achievement of the Bank's strategic objectives, comprising, under a comprehensive view, the identification and management of relevant risks, the definition of risk appetite and tolerance and the assessment of capital sufficiency.

Identification and management of relevant risks

The Bank has a process of risk identification that results in the risk inventory and in the definition of the corporate set of relevant risks. That process is quite important for the risk and capital management, as well as for the business management.

The risk relevance assessment considers quantitative (direct losses) and qualitative criteria (indirect losses and risk factors or causes) that result in the relevance matrix of the risks.

Appetite and risk tolerance definition

The Risk Appetite Statement (RAS) is the strategic document, revised and approved by the Board of Directors (CA), on an ordinary basis, and at any time, on an extraordinary basis, through which is defined the maximum level of risk that the bank accepts to incur in order to achieve its strategic objectives.

The RAS acts as an important prospective induction instrument in the search for the organic generation of results and strengthening of the Bank's capital structure, since the levels of appetite and defined metrics guide the business strategy, budget and capital, aiming at a sustainable allocation, in addition to promoting the dissemination of the risk culture.

To define these levels, management indicators are used, which enable an aggregated view of the exposure to risks. Tolerance, in turn, induces risk management in a more granular way, considering the defined appetite.

For the establishment of limits, relevant information is considered, for example, internal premises, possible internal, external and idiosyncratic scenarios, with their probabilities of occurrence, in addition to the strategic objectives of the Bank, performance of the same size competitors, guidelines of the controller, expected results, corporate scenarios (including stress), interrelation between the bank's relevant risks and the risk x return ratio of portfolios.

Risk and capital management policies

Risk management policy guide risk and capital management at the Prudential Conglomerate of the Bank. It is intended to establish guidelines related to the continuous and integrated management of risks and capital and the disclosure of information on these topics.

The Risk and capital management policy is applied to all the businesses that involve risks and capital in the Bank and aim to lead the development of functions or behaviors, by means of strategic directives that guide the risk and capital management actions.

c) Market risk and interest rate risk in the banking portfolio (IRRBB)

Market risk reflects the possibility of losses caused by changes in interest rates, foreign exchange rates, equity prices and commodity prices.

The interest rate risk in the bank portfolio is conceptualized as the risk, current or prospective, of the impact of adverse movements in interest rates on capital and on the results of the financial institution, for instruments classified in the bank portfolio.

Policies

The policies of market risk, interest rate risk of the banking portfolio, use of derivative financial instruments and the classification and reclassification of transactions in the trading portfolio, approved by the Board of Directors, comprise the strategic documents related to the management of market risk and the Bank's IRRBB.

These documents establish strategies and guidelines to be observed in the Bank's decision-making. They involve market risk assessment, dealing with quantitative aspects, such as metrics used, and also qualitative aspects such as the scope of management, and segregation of duties.

Within the sphere of the market risk management policies and strategies of the Bank, there is a management model intended to identify, measure, evaluate, monitor, report, control, mitigate and improve the market risk of the Prudential Conglomerate and its respective member institutions, as well as identify and monitor the market risk of other companies controlled by Prudential Conglomerate.

The Bank has policies and strategies in place regarding the use of financial derivative instruments to govern the performance of operations for its clients as well as to govern the management of its own positions, considering the various risk categories and adopting a consolidated view of the different risk factors.

It is important to note that the trading of derivative financial instruments is dependent upon prior evaluation of the nature and the dimension of the risks involved.

Measurement systems and methodologies for risk assessment

The Bank uses statistical and simulation methods to measure the market risks of its exposures. Among the metrics resulting from the application of these methods, the following stand out: sensitivity, value at risk (VaR) and stress.

Using the sensitivity metrics, the effects on the exposure value resulting from variations in the level of market risk factors are simulated.

The performance of the VaR metric is evaluated periodically through the application of adherence tests (backtests).

The interest rate risk in the banking book (IRRBB) comprises all transactions not classified in the trading book. The scope of coverage of the IRRBB is mainly comprised of credit operations, retail funding and bonds and securities and its main characteristic is the intention to maintain the respective operations until maturity, except for some securities that, even composing the bank portfolio, they can present trading opportunities.

The IRRBB management shares the curve-building and mark-to-market methodologies used in the management of market risk.

The main components of the IRRBB management are the active positions in fixed-rate instruments, which, added to the set of other exposures, form the amount subject to interest rate risk.

An important aspect in the management of the IRRBB is the incorporation of the risk of options in the calculation of risk metrics. The options present in an instrument can be classified as explicit or embedded and are subdivided into:

a) automatic options: exchange, over-the-counter or explicit on products, allow the Bank to change the rate offered for products; and
b) behavioral options: allow the customer the right to make early redemptions and prepayments.

(i) Sensitivity analysis

Analysis method and objective

The Bank conducts a quarterly sensitivity analysis of exposure to the interest rate risk of its owned positions, using as a method the application of parallel shocks on the market yield curves relating to the most relevant risk factors. The method is intended to simulate the impacts on the Bank's income vis-à-vis potential scenarios, which consider possible fluctuations in the market interest rates.

Method assumptions and limitations

The application of parallel shocks on the market yield curves assumes that uptrends or downtrends in the interest rates occur in an identical way, both for short terms and for longer terms. As market movements do not usually present such behavior, this method can present deviations from actual results.

Scope, method application scenarios and implications for income

The sensitivity analysis process is carried out considering the following scope:

(i) operations classified in the trading portfolio, basically composed of trading government bonds and derivative financial instruments, have positive or negative effects as a result from the possible movements of interest rates in the market. These changes generate a direct impact on the Bank's results or shareholders' equity; and

(ii) operations classified in the banking portfolio, mainly composed of operations contracted with the intention of being held until their maturities – loans to customers, funding in the retail market and held to maturity securities - and which are accounted for at rates based on the contractual rates. The positive or negative effects resulting from changes in the interest rates in the market do not directly affect the Bank's income.

The following scenarios are considered for the performance of the sensitivity analysis:

Scenario I: 100 basis points (+/- 1%) changes, considering the worst loss by risk factor.

Scenario II: +25% and -25% changes, considering the worst loss by risk factor.

Scenario III: +50% and -50% changes, considering the worst loss by risk factor.

Results of the sensitivity analysis

Results obtained for the sensitivity analysis of the trading portfolio and for the set of operations included in the trading and banking portfolios are presented in the following tables charts:

In thousands of Reais, unless otherwise stated

Sensitivity analysis for trading and trading and non-trading portfolio

Risk factors / Exposures	Dec 31, 2023			Dec 31, 2022		
	Scenario I	**Scenario II**	**Scenario III**	**Scenario I**	**Scenario II**	**Scenario III**
Trading portfolio						
Pre fixed rate	(36,529)	(95,707)	(212,816)	(4)	(16)	(50)
Interest rate coupons	(11,872)	(259)	(518)	(2,321)	(455)	(910)
Price index coupons	(306,701)	(391,514)	(740,582)	(418,639)	(604,520)	(1,134,951)
Foreign currency coupons	(158,376)	(189,337)	(398,177)	(13,819)	(15,175)	(29,809)
Total	**(513,478)**	**(676,817)**	**(1,352,093)**	**(434,783)**	**(620,166)**	**(1,165,720)**
Trading and non-trading portfolios						
Pre fixed rate	(12,657,515)	(29,315,468)	(56,110,520)	(8,159,424)	(25,235,622)	(47,994,780)
Interest rate coupons	(11,489,079)	(22,102,323)	(46,674,809)	(6,412,350)	(22,980,508)	(49,931,838)
Price index coupons	(457,960)	(528,871)	(1,011,996)	(545,442)	(719,616)	(1,364,325)
Foreign currency coupons	(2,810,805)	(720,280)	(1,481,739)	(2,909,671)	(679,352)	(1,385,770)
Total	**(27,415,359)**	**(52,666,942)**	**(105,279,064)**	**(18,026,887)**	**(49,615,098)**	**(100,676,713)**

(ii) Value-at-Risk

Methodology

To measure VaR, The Bank's uses the historical simulation method and the following parameters:

a) Total VaR: (VaR + Stressed VaR) x Multiplier, where:

i. VaR: the expected potential loss using a historical series of shocks with 252 business days, a 99% confidence level and a 10-day holding period (according with Central Bank of Brazil instruction 3,646/2013);

ii. Stressed VaR (SVaR): the potential loss expected using the historical series of daily shocks contained in 12 months of portfolio stress, as of 01.02.2004, 99% confidence level and 10-day holding period; and

iii. Multiplier: M = 3.

The historical simulation method assumes that historical events have a direct correlation with possible future events and this method uses generalized historical events as possible future events (retrospective scenarios), hence each retrospective scenario corresponds to a possible "market state" under the simulation time horizon. One of the major advantages of using the VaR by historical simulation method is that the modeling risk is mitigated, since the use of the empirical distribution of returns renders the assumption of the hypothesis of normality unnecessary for the time series of returns, commonly assumed by other methods such as the parametric method.

The risk factors employed to measure Value-at-Risk for exposures subject to market risks are categorized in the following classes: (i) interest rates: risk of changes in the coupon interest rates in the market. Example: fixed, dollar, IPCA (Amplified Consumer Price Index), TR (Referential Rate); (ii) exchange rates: risk of changes in the exchange rates in the market. Example: Reais versus Dollar, Reais versus Euro, Reais versus Yen; (iii) stock prices: risk of changes in quoted stock prices. Example: PETR4 (Petrobras-PN), VALE5 (Vale-PNA); and (iv) prices of commodities: risk of changes in the prices of commodities in the market. Example: cattle, soya, corn.

Continuous Monitoring Process (PMC)

For model risk management purposes, the models used in the Bank's risk management must have, as a first line of defense, a process for periodically monitoring its performance, in order to assess its level of achievement of the objective for which it was developed, aiding the decision-making process.

It is up to the model manager to continuously monitor it so as to guarantee the quality of the estimates made. As a second line of defense, independent validation of the models in use by the Bank is carried out, including backtesting when applicable.

Due to the nature and form of VaR model, the Basel Test (Traffic Lights) is applied to the PMC methodology, also due to its direct implementation and intuitive understanding. The PMC prerogative is to determine the number of observed extrapolations and, according to this value, the level of accuracy of the model is attested.

Considering the specificities and volatility of the VaR model portions, the calculation of continuous monitoring is performed quarterly, using a time horizon of 250 historical business days for analysis. The VaR model proved to be consistent, given that the tests performed indicated that the adverse results (number of times that negative returns exceed the losses estimated by VaR model) were within the limits established by the statistical tests and the confidence level (99%).

Process of independent backtesting

In addition to the continuous monitoring process, backtesting is carried out annually, independently, by a segregated unit, in compliance with the article 9 of CMN Resolution 4,557/17. This process seeks to assess the calibration of the VaR model used to verify the adequacy of capital to cover Market Risk.

The methodology consists of verifying whether the number of extrapolations (number of times the negative returns exceeded the losses estimated by Value-at-Risk) is compatible with that provided by the model (from the statistical viewpoint). For this purpose, the Basel, Kupiec's Unconditional Coverage, Cristoffersen's and Conditional Coverage tests were applied.

The accuracy of the model proved consistent, since the tests indicated that adverse outcomes (amount of extrapolations) fell within the limits established by the statistical tests.

(iii) Stress test

The Bank uses stress metrics resulting from simulations of its exposures to market risk under extreme conditions, such as financial crises and economic shocks. These tests aim to simulate the size of the impacts on regulatory, economic, MtM and Net Equity requirements of plausible events, unlikely to occur.

The Bank uses the stress testing program has the following objectives:

(i) be integrated with the institution's risk management structure;
(ii) to associate potential losses with plausible events;
(iii) be considered in the development of the risk mitigation strategies and contingency plans;
(iv) performed individually by risk factor and jointly; and
(v) consider the concentration in certain risk factors the non-linear instruments and the breakdown of the assumptions of the VaR model.

For capital requirement, the market risk stress testing program makes use of:

(i) retrospective tests - trading portfolio, for the RWAjurs (1, 2, 3 and 4) and RWAacs, as well as for foreign exchange risk and commodities risk in the Prudential Conglomerate's trading and banking portfolio;
(ii) prospective tests - carried out having as scope the Securities, Categories 1 and 2 and Derivatives, within the scope of the Integrated Stress Test; and
(iii) sensitivity analysis tests – same scope of the retrospective tests.

Retrospective tests – trading portfolio

The retrospective stress test method estimates the percentage of variation in the market value of exposures by applying shocks compatible with specific scenarios capable of reproducing historical periods of market stress or higher losses of the Bank, considering the following parameters:

(i) metrics: minimum (worst loss) and maximum (best gain) of the historical series of daily returns of the trading portfolio;
(ii) extension of the historical series: de February 1st, 2000 until the base date;
(iii) holding period: one month (21 working days); and
(iv) test frequency: monthly.

The control, monitoring and daily follow up of stress limits for the Banco do Brasil's trading portfolio and for its groups and books are performed based on the retrospective stress test metrics.

The results of the retrospective stress tests aim to evaluate the capacity to absorb large losses and to identify possible measures to reduce the risks of the Bank. The table below shows the results of the retrospective stress tests of the trading book in accordance with Banco do Brasil’s market risk stress test program.

In thousands of Reais, unless otherwise stated

Retrospective stress test losses and gains estimates

Risk factor	Dec 31, 2023		Dec 31, 2022	
	Net exposure	Stress	Net exposure	Stress
Losses				
Interest rates	18,084,733	(12,190,702)	1,444,592	(5,208,152)
Foreign currencies	3,107,785	(43,638,141)	6,766,871	(11,860,280)
Commodities	(5,720)	(579,957)	(58,153)	(322,744)
Equity	(2,236)	(22,010)	--	--
Total	**21,184,562**	**(56,430,810)**	**8,153,310**	**(17,391,176)**
Impact on Core Capital	**(41,39%)**		**(13,71%)**	
Gains				
Interest rates	18,084,733	9,676,648	1,444,592	4,848,798
Foreign currencies	3,107,785	58,212,625	6,766,871	15,334,111
Commodities	(5,720)	645,824	(58,153)	120,287
Equity	(2,236)	6,243	--	--
Total	**21,184,562**	**68,541,340**	**8,153,310**	**20,303,196**
Impact on Core Capital	**50,27%**		**16,01%**	

Highlights

Risk factor	Worst losses	Historical scenarios	Best gains	Historical scenarios
Foreign currency				
ARS	(41,377,763)	10/28/2008	55,845,643	04/22/2003
USD	(1,140,953)	08/01/2002	1,118,831	05/18/2017
Interest rates				
USD Coupon	(7,175,730)	10/08/2008	5,496,532	08/02/2002
IPCA Coupon	(2,379,323)	02/05/2010	2,106,300	07/07/2010

The column "Net exposure" is the net result of the asset and liability exposures in present value, considered in the calculation of the market risk capital requirement, presented in the table below by risk factor:

In thousands of Reais, unless otherwise stated

Detail of the net exposures, gains and losses for the retrospective stress test:

Risk factor	Dec 31, 2023			Dec 31, 2022		
	Net exposure	Losses	Gains	Net exposure	Losses	Gains
Foreign currency	**3,107,785**	**(43,638,141)**	**58,212,625**	**6,766,871**	**(11,860,280)**	**15,334,111**
CHF	4,794	(2,006)	2,789	(114,097)	(73,208)	52,626
CAD	883	(249)	228	3,656	(965)	874
EUR	(2,128,338)	(500,696)	549,828	326,130	(84,814)	70,579
GBP	(1,294,976)	(483,617)	541,824	159,319	(70,630)	62,485
JPY	188,806	(77,846)	67,607	932,812	(357,702)	309,851
USD	4,328,077	(1,140,953)	1,118,831	3,171,053	(775,638)	760,599
XAU	32,395	(8,540)	8,374	30,220	(7,392)	7,248
Other currencies	1,976,144	(41,424,234)	**55,923,144**	2,257,778	(10,489,931)	14,069,849
Commodities	**(5,720)**	**(579,957)**	645,824	**(58,153)**	**(322,744)**	**120,287**
Commodities	(5,720)	(579,957)	**645,824**	(58,153)	(322,744)	120,287
Equities	**(2,236)**	**(22,010)**	**6,243**	**--**	**--**	**--**
Equities	(2,236)	(22,010)	6,243	--	--	--
Interest rates	**18,084,733**	**(12,190,702)**	**9,676,648**	**1,444,592**	**(5,208,152)**	**4,848,798**
Prefixed rate	1,613,487	(2,634,425)	2,072,651	1,036,520	(770,904)	870,432
Index Price coupon	785,388	(2,379,323)	2,106,300	92,310	(3,853,057)	3,410,808
Foreign currency coupon	15,685,858	(7,176,954)	5,497,697	315,762	(584,191)	567,558
Total	**21,184,562**	**(56,430,810)**	**68,541,340**	**8,153,310**	**(17,391,176)**	**20,303,196**

Among the instruments that make up the net exposure amounts above, are securities issued by the Brazilian government, securities issued by private companies and derivative financial instruments. The stress tests are applied to all instruments of the trading portfolio, as required by the Central Bank of Brazil. Therefore, all the market risk sensitive instruments included in our trading portfolio are within the scope of the market risk stress test.

The worst losses and the best gains calculated by retrospective methodology refer to losses and gains calculated by historical simulations. In this type of methodology, we obtain the results for each risk factor (short or long positions) according to the historical changes positive or negative in the corporate curves used for stress tests.

Consequently, in the worst case scenario, we calculated the worst losses obtained with the historical simulation for each risk factor, regardless of their short or long net exposure, and similarly for the best gains. There is the impact of a 21-day holding period on the results in the stress scenario, which represents the multiplication of daily gain or loss per square root of 21, as defined by our senior management. The table above shows the gains and losses by risk factor, computed by historical simulation with data from February 1st, 2000 and observing the holding period of 21 days.

From the analysis of the previous table, we concluded that the calculation of gains and losses under stress conditions, obtained through the historical simulation of short and long exposures that compose the net exposure, can generate values higher than the real net exposure.

Prospective testing – trading portfolio

The prospective stress test method estimates the variation in market value resulting from the application of shocks corresponding to market risk factors linked to Securities (financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income) and Derivatives. These shocks are estimated based on stress scenarios generated by our strategy and organization and finance departments.

In thousands of Reais, unless otherwise stated

Prospective stress testing seeks to simulate adversity based on the characteristics of our portfolio and the macroeconomic environment under severe and plausible conditions. There are two macroeconomic scenarios that consider the following assumptions:

- Scenario 1: Global stagflation environment; and
- Scenario 2: Slowdown in Chinese Economic Activity.

Foreign exchange and gold exposure

The Bank adopts policy for managing its foreign exchange risk to reduce its effects on the Bank's results.

Net foreign exchange exposure, Dec 31, 2023, was an asset in the amount of US$ 496,6 million, and on December 31, 2022, was an asset in the amount of US$ 947,4 million.

Foreign currencies and gold balance

Currency	Dec 31, 2023						
	Balance sheet accounts		Derivatives		Total		Net position
	Assets	Liabilities	Long position	Short position	Assets	Liabilities	
USD	186,090,198	202,951,105	51,779,403	31,137,534	237,869,601	234,088,639	3,780,962
EUR	15,548,988	10,016,853	1,376,183	9,115,412	16,925,171	19,132,265	(2,207,094)
GBP	448,524	2,149,456	344,838	10,497	793,362	2,159,953	(1,366,591)
JPY	1,920,424	2,299,012	631,268	74,091	2,551,692	2,373,103	178,589
CHF	13,342	8,528	--	--	13,342	8,528	4,814
CAD	16,968	16,085	--	--	16,968	16,085	883
Gold	32,395	--	--	--	32,395	--	32,395
Other currencies	5,522,027	5,154,125	1,612,584	--	7,134,611	5,154,125	1,980,486
Total	**209,592,866**	**222,595,164**	**55,744,276**	**40,337,534**	**265,337,142**	**262,932,698**	**2,404,444**
Net position total		**13,002,298**	**15,406,742**		**2,404,444**		
Net position total – US$ [1]					**496,653**		

In thousands of Reais, unless otherwise stated

Currency	Dec 31, 2022						
	Balance sheet accounts		Derivatives		Total		Net position
	Assets	Liabilities	Long position	Short position	Assets	Liabilities	
USD	209,136,236	214,507,601	43,920,024	35,895,791	253,056,260	250,403,392	2,652,868
EUR	17,035,552	11,072,786	2,964,228	8,681,191	19,999,780	19,753,977	245,803
GBP	192,082	206,134	293,126	181,670	485,208	387,804	97,404
JPY	4,079,189	4,734,647	877,933	456,249	4,957,122	5,190,896	(233,774)
CHF	4,233	118,601	--	--	4,233	118,601	(114,368)
CAD	8,475	4,809	140,702	140,712	149,177	145,521	3,656
Gold	30,220	--	--	--	30,220	--	30,220
Other currencies	11,265,403	10,173,213	1,169,369	--	12,434,772	10,173,213	2,261,559
Total	**241,751,390**	**240,817,791**	**49,365,382**	**45,355,613**	**291,116,772**	**286,173,404**	**4,943,368**
Net position total	**933,599**		**4,009,769**		**4,943,368**		
Net position total – US$ [1]					**947,423**		

d) Liquidity risk

Liquidity risk is the risk that the Bank will not be capable of fulfilling its financial commitments as they mature, without incurring at significant losses. For risk management purposes, liquidity is measured in monetary values according to the composition of assets and liabilities established by the liquidity manager.

This risk takes two forms: market liquidity risk and cash flow liquidity risk. The first is the possibility of loss resulting from the incapacity to perform a transaction in a reasonable period of time and without significant loss of value. The second is associated with the possibility of a shortage of funds to honor commitments assumed on account of the mismatching between payments and receipts.

Liquidity risk management

Liquidity risk management segregates liquidity in national currency from liquidity in foreign currencies. The managerial views for liquidity risk management contribute to the adequate management of risk in the jurisdictions where the Bank operates and in the currencies for which there is exposure. For this, the following instruments are used:

a) liquidity projections: liquidity projections in a base and stress scenario allow for a prospective assessment, within a 90-day time horizon, of the mismatch between funding and investments, in order to identify situations that could compromise the Bank's liquidity. Additionally, it is worth mentioning that the projection of liquidity in the base scenario is used as an indicator in the Bank's Recovery Plan;

b) stress test: the stress test is performed monthly from the liquidity projection, in a base and stress scenario, against the Liquidity Reserve, assessing whether the potential volume of liquidity contingency measures (MCL) meets the needs liquidity, when the projection in any scenario is below the liquidity reserve;

c) indicator of Maximum Intraday Liquidity Requirement – EMLI (only for liquidity in national currency): EMLI is the biggest difference, occurring during a business day, between the value of payments and receipts at any time of the day; and

d) risk limits: used to guarantee the maintenance of the level of exposure to liquidity risk at the levels desired by the Bank. The indicators used in the liquidity risk management process are:

- Liquidity Coverage Ratio (LCR);
- Net Stable Funding Ratio (NSFR);
- Liquidity Reserve;
- Liquidity Buffer;

- Free Funding Indicator (DRL); and
- Funding Concentration Indicator.

The Bank has a Liquidity Contingency Plan (PCL), which consists of a set of procedures, strategies and responsibilities to identify, manage and report liquidity stress status, in order to ensure the maintenance of cash flow and restore the liquidity level to the desired level.

The liquidity stress states are used as a parameter for triggering the PCL and can occur when the observed liquidity falls below the liquidity reserve or when the LCR indicator falls below the limit established by the current RAS (Risk Appetite Statement).

The strategy to face the state of liquidity stress consists of activating the Liquidity Contingency Measures (MCL), aiming at re-establishing the liquidity reserve or the limit of the LCR indicator.

The instruments used in the management of liquidity risk are periodically reported to the Executive Committee for Risk Management, Internal Controls, Assets, Liabilities, Liquidity and Capital (CEGRC) and to the Bank's Management Committee.

Liquidity risk analysis

The liquidity risk limits are used to monitor the liquidity risk exposure level of the Bank. The control of these limits, that act in a complementary manner in the management of the short, medium and long-term liquidity risk of the Bank, ensured a favorable liquidity situation throughout the period, avoiding the activation of the liquidity contingency plan or the implementation of emergency actions in the budget planning to address the structural liquidity adequacy concerns.

In thousands of Reais, unless otherwise stated

Funding management

Throughout the first half of 2023, improvements were made to the capture and segregation of information, which resulted in adjustments to the presentation of the table for this period in relation to previous years.

Liabilities are now presented based on product lines, making the table more intuitive regarding the origin of funding sources. The segregation into terms was changed, taking into account the significance of values and the criteria for distribution and exhaustion of balances over time, reflecting the internal methodology, making the information more in line with the reality observed for the instruments in question.

The composition of funding represented in balances, from a broad customer base, constitutes an important element in the management of the Bank's liquidity risk.

Funding with a defined maturity that is part of the composition of commercial sources, represented by the issuance of Agribusiness Credit Letters (LCA) and Real Estate Credit Letters (LCI), regardless of the 90-day grace period, has daily availability for the saver. In this case, the behavior of respecting contractual deadlines was observed, a procedure similar to that adopted for Term Deposits.

Repurchase operations backed by bonds and funding carried out by the Bank's Treasury are carried out for short-term liquidity management, while, for the implementation of capital market strategies, funding has medium and long-term characteristics.

Finally, despite the fact that the Demand Deposits, Judicial Deposits and Savings products remain longer in the composition of BB's funding, due to compliance with the criteria brought by IFRS 7, their balances were allocated to the first vertex, as shown in the table Next.

Funding Breakdown

Liabilities	Dec 31, 2023						
	Up to 1 month	1 to 6 months	6 to 12 months	1 to 5 years	> 5 years	Total gross	Part %
Term deposits	1,159,948	14,459,560	8,673,872	156,052,750	3,031	180,349,161	11.0%
LCA	6,899,506	45,526,060	30,344,254	100,961,113	--	183,730,933	11.2%
LCI	234,878	1,420,620	1,504,293	11,612,371	--	14,772,162	0.9%
Savings	206,076,195	--	--	--	--	206,076,195	12.6%
Clients deposits	93,363,980	--	--	--	--	93,363,980	5.7%
Judicial deposits	279,407,549	--	--	--	--	279,407,549	17.0%
Treasury fundings	23,063,275	614,066	1,989,043	3,169,240	7,041,920	35,877,544	2.2%
Fixed term deposit	2,698,821	707,860	399,415	9,083,365	--	12,889,461	0.8%
Other retail fundings	8,977,044	47,242	--	--	--	9,024,286	0.6%
Foreign market funding	8,699,452	25,845,719	2,778,884	20,659,719	92,885	58,076,659	3.5%
Repurchase agreement	518,254,853	31,476,505	6,067,417	9,494,812	--	565,293,587	34.5%
Total gross	**1,148,835,501**	**120,097,632**	**51,757,178**	**311,033,370**	**7,137,836**	**1,638,861,517**	**100.0%**

In thousands of Reais, unless otherwise stated

Liabilities	Dec 31, 2022						
	Up to 1 month	1 to 6 months	6 to 12 months	1 to 5 years	> 5 years	Total gross	Part %
Term deposits	1,411,209	14,465,933	5,048,428	139,638,746	4,279	160,568,595	9.9%
LCA	7,045,501	50,806,629	45,295,303	109,603,650	--	212,751,083	13.1%
LCI	220,690	1,046,767	1,424,783	9,508,797	--	12,201,037	0.7%
Savings	211,644,090	--	--	--	--	211,644,090	13.0%
Clients deposits	107,014,231	--	--	--	--	107,014,231	6.6%
Judicial deposits	213,485,758	--	--	--	--	213,485,758	13.1%
Treasury fundings	18,751,753	87,766	363,702	5,106,552	8,711,375	33,021,148	2.0%
Fixed time deposit	4,001,350	734,227	1,188,566	7,018,977	55,717	12,998,837	0.8%
Other retail fundings	17,508,274	71,010	39,730	199,921	851,570	18,670,505	1.1%
Foreign market funding	4,871,164	12,656,552	6,137,530	18,355,387	38,105,584	80,126,217	4.9%
Repurchase agreement	510,600,242	28,779,683	10,750,885	14,322,789	--	564,453,599	34.7%
Total gross	**1,096,554,262**	**108,648,567**	**70,248,927**	**303,754,819**	**47,728,525**	**1,626,935,100**	**100.0%**

Financial guarantee contracts

Financial guarantee contracts are credit conditional commitments issued by the Bank to guarantee performance of individual and corporate clients and other financial institutions to third parties.

The contingent nature of these liabilities is considered for the Bank's liquidity risk management in the definition of scenarios used in the liquidity stress test, carried out monthly.

The following tables presents a summary of the commitment value of the financial guarantee contracts realized by the Bank as December 31, 2023 and December 31, 2022:

Liabilities	Dec 31, 2023				Dec 31, 2022			
	Bank guarantee	Credit assignments and co-obligations	Others co-obligations	Total	Bank guarantee	Credit assignments and co-obligations	Others co-obligations	Total
1 to 6 months	4,488,892	--	361,824	**4,850,716**	4,129,729	--	400,420	**4,530,149**
6 to 12 months	2,543,752	--	--	**2,543,752**	2,857,444	--	--	**2,857,444**
1 to 5 years	5,296,627	730	--	**5,297,357**	4,214,480	902	--	**4,215,382**
Above 5 years	106,492	--	--	**106,492**	172,929	--	--	**172,929**
Total	**12,435,763**	**730**	**361,824**	**12,798,317**	**11,374,582**	**902**	**400,420**	**11,775,904**

Loan commitments

The Bank offers lines of credit that impact the measurement of liquidity risk, overdraft and credit card limits.

In these lines, the Bank maintains an approved credit limit for current account customers and can be used whenever necessary.

The following tables represent the distribution of the contractual maturities of the Bank's loan commitments, position of December 31, 2023 and December 31, 2022:

In thousands of Reais, unless otherwise stated

Liabilities		Dec 31, 2023				Dec 31, 2022			
		1 to 6 months	6 to 12 months	Above 1 year	Total	1 to 6 months	6 to 12 months	Above 1 year	Total
Overdraft	Withdraw	1,655,120	1,218,228	--	2,873,348	1,339,466	1,283,218	--	2,622,684
	Available	13,051,748	11,479,156	--	24,530,904	11,059,364	13,483,946	--	24,543,310
Credit card	Withdraw	33,173,014	29,735,494	--	62,908,508	36,709,946	27,377,137	--	64,087,083
	Available	66,459,068	32,164,838	--	98,623,906	65,463,154	31,773,276	--	97,236,430
Total		**114,338,950**	**74,597,716**	**--**	**188,936,666**	**114,571,930**	**73,917,577**	**--**	**188,489,507**

Derivative financial instruments

The Bank is a counterparty to financial derivative operations to hedge its own positions to meet the needs of our customers and to take proprietary positions. The hedging strategy is in line with the market and liquidity risk policy and with the derivative financial instruments use policy approved by the Board of Directors.

The Bank has a range of tools and systems for the management of the derivative financial instruments and uses statistical and simulation methodologies to measure the risks of its positions, by means of Value-at-Risk, sensitivity analysis and stress test models.

Operations with financial derivatives, with special emphasis on those subject to margin calls and daily adjustments, are considered in the measurement of the liquidity risk limits adopted by the Bank and in the composition of the scenarios used in the liquidity stress tests, conducted monthly.

e) Credit risk

The Bank's credit risk management process is based on best practices and complies with the requirements of BACEN, The process is designed to identify, measure, evaluate, monitor, report, control and mitigate exposures to credit risk, This contributes to the ongoing financial strength and solvency of the Bank and the protection of shareholders' interests,

The credit risk management includes counterparty credit risk (RCC), country risk, sovereign risk, transfer risk, credit concentration risk and the effectiveness of mitigation or transfer instruments used exposures that generate the designated risks.

Credit policy

The Bank's specific credit policy contains strategic guidelines to direct credit-risk management actions in the conglomerate. It is approved by the Boad of Directors and reviewed every year. It applies to all business that involve credit risk and is available to all employees. It is expected that the Subsidiries, Affiliates and Investment companies define their paths from these guidelines, taking into account the specific needs and legal and regulatory issues to which they are subject.

The specific credit policy guides the continuous, integrated and prospective management of credit risk, comprising all stages the credit process, the management of the assets subject to this risk as well as the process of credit collections and recovery, including those incurred at the risk and expanse of third parties.

Credit risk mitigation mechanisms

The Bank's credit policy addresses the use of risk mitigating instruments, which forms part of the strategic decision-making process. These polices are communicated throughout the Bank and cover every phase of the credit risk management process.

In conducting any business subject to credit risk, the bank's general rule is to tie it to a mechanism that provides partial or complete hedging of risk incurred. In managing credit risk on the aggregate level, to keep exposure within the risk levels established by the senior management, the Bank has the prerogative to transfer or to share credit risk.

Credit rules provide clear, comprehensive guidelines for the operational units. Among other aspects, the rules address ratings, requirements, choices, assessments, formalization, control and reinforcement of guarantees, ensuring the adequacy and sufficiency of the mitigator throughout the transaction cycle.

Measurement

Due to the nature and volume of the transactions, the diversity and complexity of its products and services and the significant amounts involved, the Bank's credit risk measurement process is performed systematically. The architecture of databases and corporate systems allows the Bank to perform comprehensive measurements of credit risk, evaluating prospectively the behavior of the portfolio subject to credit risk considered in several scenarios, corporately defined, including stress.

At the Bank, estimates of Expected Loss (EL) associated with credit risk consider the macroeconomic environment, the likelihood that the exposure will be characterized as a problematic asset and the recovery of credit, including concessions, execution costs and terms. The portfolio evaluation process involves several estimates and judgments, observing factors that show a change in the risk profile of the client, the credit instrument and the quality of the guarantees that result in a reduction in the estimate of the receipt of future cash flows.

The model adopted for the calculation of the impairment of financial assets is based on the concept of expected credit loss, thus, all operations have an expected loss since their origin and are monitored as the credit risk situation changes.

Credit deterioration

The expected loss models aim to identify the losses that will occur in the next 12 months or that will occur during the life of the operation on a forward-looking basis. Financial instruments are evaluated in 3 stages and are subject to quantitative and qualitative analysis.

The stage in which each asset is classified is systematically reviewed and considers the Bank's risk monitoring processes in order to capture changes in the characteristics of the instruments and their guarantees that impact the financial capacity of the client.

The migration of financial assets between stages is sensitized after analyzes that result in aggravation or mitigation of credit risk. These estimates are based on assumptions of a number of factors, and for this reason, actual results may vary, generating future constitutions or reversals of allowances.

Other information on the calculation methodology and assumptions used by the Bank for the evaluation of impairment losses on loans to customers, as well as the quantitative amounts recorded as expected loss for doubtful accounts, can be obtained in Notes 3.h, 17, 18, 20, 22, 23, 24 e 33.

In thousands of Reais, unless otherwise stated

Economic scenarios

For accounting purposes, the expected loss models aim to identify credit losses, over a given time horizon, that influence the assets value, on a forward-looking basis. In order to calculate the expected loss provisions for financial instruments, the Bank associates systemic risk variables (macroeconomic variables). These variables relation makes the expected loss estimation more dynamic, especially when considering current macroeconomic conditions.

Maximum credit risk exposure

	Dec 31, 2023	Dec 31, 2022
Financial assets at amortized cost, net	**1,457,710,873**	**1,352,904,935**
Loans to financial institutions	442,666,500	423,228,428
Loans to customers	911,281,198	832,938,557
Securities	53,098,497	47,996,424
Other financial assets	50,664,678	48,741,526
Financial assets at fair value through profit or loss	**14,173,304**	**12,078,012**
Debt and equity instruments	12,199,618	10,439,943
Derivatives	1,973,686	1,638,069
Financial assets at fair value through other comprehensive income	**401,442,335**	**369,770,754**
Off-balance sheet Items	**209,464,490**	**201,933,644**

Off-balance sheet items

The same risk classification criteria used for regular loans is also used for off-balance sheet items. These arrangements impact clients' credit limits and generally refer to pre-approved credit, credit pending disbursement and guarantees.

Pre-approved credit includes credit cards and overdraft limits. Credit pending disbursement represents future cash outflows under existing loan commitments (following a release of funds schedule), including project finance and real estate loans. These clients present low credit risk.

Guarantees provided represent various types of guarantees offered to low risk clients. Payment is only required under these agreements if the client defaults on its obligation to a third-party creditor. When payment is required, the exposure is transformed into a loan.

In thousands of Reais, unless otherwise stated

Assets received as collateral

Operation type	Dec 31, 2023		Dec 31, 2022	
	Asset value	Collateral Fair Value	Asset value	Collateral Fair Value
Collateralized loans	**636,900,909**	**602,527,144**	**574,782,961**	**418,644,837**
Rural producer	**315,627,081**	**292,936,306**	**278,947,533**	**219,299,736**
Individuals	**54,109,052**	**53,453,705**	**52,516,891**	**51,393,563**
Vehicle Financing	3,225,126	3,103,502	3,393,344	3,301,607
Real estate financing	45,659,623	45,459,614	45,515,588	45,276,177
Others	5,224,303	4,890,589	3,607,959	2,815,779
Corporations	**267,164,776**	**256,137,133**	**243,318,537**	**147,951,538**
Wholesale	111,735,392	107,397,051	110,325,613	50,957,669
Retail MPE	155,429,384	148,740,081	132,992,924	96,993,869
Uncollateralized loans	**176,448,101**	**not applicable**	**164,590,802**	**not applicable**
Loans with other mitigators	**150,694,205**	**not applicable**	**143,752,543**	**not applicable**
Total	**964,043,215**		**883,126,306**	

The different types of loan collateral received by the Bank are listed below:

(i) rural properties (land and buildings);
(ii) urban properties – real estate located in urban areas (houses, apartments, warehouses, sheds, commercial or industrial buildings, urban lots, shops, etc.);
(iii) crops – representing the harvest of the financed products (avocado, rice, beans, etc.). Perishable goods (vegetables, fruit, flowers, etc.) require additional collateral;
(iv) furniture and equipment – only assets that can be easily moved or removed (machinery, equipment, vehicles, etc.);
(v) resources internalized at Banco do Brasil – financial investments with the Bank – savings accounts, certificates of deposit, fixed income funds, etc.;
(vi) personal guarantees – including personal endorsements and surety funds such as FGO, FAMPE, FUNPROGER, etc.;
(vii) extractive agricultural products – pineapple, acai, rice, coffee, cocoa, grapes, etc.;
(viii) industrial products – raw materials, goods or industrial products (steel coil, footwear, stainless steel plates, etc.);
(ix) receivables – including credit cards, future billings and checks;
(x) livestock – cattle, pigs, sheep, goats, horses, etc.;
(xi) securities and other rights – credit securities and other collateral rights (Commercial Credit Notes – CCC, Industrial Credit Notes – CCI, Credit Notes Export – CCE, Rural Product Notes – CPR, rural notes, resources held by the Bank, receivables or other credit notes arising from services provided or goods delivered); and
(xii) credit insurance – provided by the Brazilian Insurer for Export Credits – SBCE, Brazilian Credit Insurer – SECREB, etc.

In thousands of Reais, unless otherwise stated

Percentage of coverage on assets received as collateral

Asset	% Coverage
Credit rights	
Receipt for bank deposit	100%
Certificate of bank deposit [1]	100%
Savings deposits	100%
Fixed income investment funds	100%
Pledge agreement – cash collateral [2]	100%
Standby letter of credit	100%
Others	80%
Guarantee funds	
Guarantee Fund for Generation of Employment and Income	100%
Guarantee Fund for Micro and Small Business	100%
Guarantee Fund for Operations	100%
Guarantee Fund for Investment	100%
Other	100%
Guarantee [3]	**100%**
Credit insurance	**100%**
Pledge agreement – securities [4]	**77%**
Offshore funds – BB Fund [5]	**77%**
Livestock [6]	**70%**
Pledge agreement - cash collateral [7]	**70%**
Other [8]	**50%**

(1) Except certificates that have swap contracts.
(2) In the same currency of the loan.
(3) Provided by a banking institution that has a credit limit at the Bank, with sufficient margin to support the co-obligation.
(4) Contract of deposit/transfer of customer funds.
(5) Exclusive or retail.
(6) Except in Rural Product Notes (CPR) transactions.
(7) Cash collateral celebrated in a distinct currency of the supported operations that have no foreign exchange hedge mechanism.
(8) Include properties, vehicles, machines, equipment, among others.

Collateral in the form of financial investments with the Bank may not be used by the client for other purposes until the loan is fully settled. Without having to notify the borrower, when the financial investments mature, the Bank may apply the funds to any past-due loan installments.

In addition to the credit assignment and credit rights assignment clauses, loans to customers also contain a collateral reinforcement clause. This ensures that the collateral coverage percentage agreed to at inception of the loan is maintained over the entire life of the transaction.

Concentration

The credit risk management strategies guide the Bank's activities at the operational level. Strategic decisions include, among other aspects, determination of the Bank's risk appetite and credit risk and concentration limits.

The Bank also follows the concentration limits established by Bacen.

In thousands of Reais, unless otherwise stated

The Bank has a systematic risk management approach to the concentration of the credit portfolio. In addition to monitoring the concentration levels of different segments of the portfolio, based on the Herfindahl-Hirshman Index, the impact of the concentration on capital allocation for credit risk is evaluated.

Exposures by geographic region

	Dec 31, 2023	Dec 31, 2022
Domestic market	**926,869,802**	**845,605,208**
Southeast	358,914,891	338,528,795
South	170,459,455	161,020,600
Midwest	189,779,286	168,130,285
Northeast	139,311,216	120,350,530
North	68,404,954	57,574,998
Foreign market	**37,173,413**	**37,521,098**
Total	**964,043,215**	**883,126,306**

Loans to customers – concentration of credit operations

The following table sets forth the concentration level of the portfolio with customers and business groups with which the Bank has relations.

	Dec 31, 2023	Dec 31, 2022
1st Customer	0.9%	1.1%
2nd to 20th	6.5%	6.9%
21st to 100th	6.1%	6.2%
Top 100 largest	13.5%	14.2%

Additional information about credit exposure by economic activity is contained in Note 19 – Loans to customers.

Renegotiated loans due to delay

Renegotiated loans are those with evidence of credit recoverability problems, due to significant financial difficulty of the debtor, that have been renegotiated with changes in the conditions originally agreed upon.

These operations aim to provide the client with a situation of financial viability over time, adapting the repayment of the loan with the Bank to the client's new situation of generating funds.

Renegotiations are carried out according to the viability of the operations based on the client's willingness and capacity to pay, for which purpose an updated analysis of its economic and financial situation and capacity to generate revenues is performed.

In thousands of Reais, unless otherwise stated

Assets that the Bank acquired in the settlement of loans

	Dec 31, 2023	Dec 31, 2022
Real estate	276,133	516,771
Machines and equipment	243	249
Vehicles and related	309	336
Other	10,283	800
Total	**286,968**	**518,156**

Other real estate owned received as settlement for non-performing loans is periodically offered in the market through auctions. The Bank does not use these assets to obtain financial income or in the performance of its own activities.

f) Operational risk

Operational risk is the possibility of a loss due to failures, deficiencies or inadequacies in internal processes and systems, a human error and external events. It also includes legal risk arising from errors or deficiencies in contracts, sanctions for non-compliance with laws and indemnification for damages caused to third parties.

In order to improve efficiency in the management of non-financial risks, operational risk is made up of the following management categories: third-party risk, legal risk, compliance risk, security risk, model risk, conduct risk, cyber risk and IT risk. This composition allows the convergence of management instruments such as taxonomy and losses base, among others.

The regulatory categories of operational risk (inappropriate practices, labor practices, fraud and external theft, process failures, interruption of activities, damage to assets and people, fraud and internal theft, failures of systems and technology) are constantly monitored and their results reported to the Bank's Senior Management.

Specific risk and capital management policy

The Bank defines the specific risk and capital management policy, covering guidelines applicable to Operational Risk, with the objective of establishing the guidelines related to the continuous and integrated management of risks and capital and the disclosure of information on these topics to the Prudential Conglomerate, safeguarding those of a confidential and proprietary nature. The definition of the policy complies with applicable legislation and regulations and is based on best governance practices.

In accordance with CMN Resolution 4,557/2017, the policy permeates all of the activities related to operational risk and is designed to identify, measure, evaluate, mitigate, control, monitor, disclose and improve the risks in the Prudential Conglomerate and in each individual institution. It also aims to identify and monitor the risks associated to the investees of the institutions that compose the Prudential Conglomerate.

Management instruments and Monitoring

The Bank's operational risk management seeks to maintain a structured approach for the functioning of all the activities that are necessary for the risk to remain at levels adequate to the expected profitability of the businesses. This requires processes to be regularly reviewed and updated, which means continuously improving management.

Regarding the operational risk management instruments, the SIM - Immediate Complaint Solution stands out, which has streamlined the solution of customer complaints, since the analysis and dispute procedure is carried out on a single environment, with the automated issuance of the Term of Commitment completed, and credit made to the customer's account immediately after dispatch for certain amounts.

In thousands of Reais, unless otherwise stated

In addition, the systematic monitoring of operational loss events is carried out through the analysis of the information contained in the Risk Dashboard, among them the monitoring of the global and specific limits and decisions of the Executive Committee for Risk Management, Internal Controls, Assets, Liabilities, Liquidity and Capital – CEGRC. Based on the monitoring of the established limits, the managers that are responsible for the process, products or services may be called to clarify the reasons for the extrapolation of limits and propose risk mitigation actions.

The monitoring of operational losses, in order to produce the appropriate reports, takes place through the Operational Loss Dashboard, which is also monitored by the areas managing processes, systems, products or services, with monthly calculation of the amounts of losses according to the global operating loss limit and specific operating loss limits.

36– Transfers of financial assets

The Bank transfers financial assets during the normal course of business. The most common assets transferred are debt and equity instruments and loans to customers. To determine the appropriate accounting treatment, the Bank evaluates the level of continuing involvement with the transferred asset. This analysis allows the Bank to determine if the asset should continue to be recognized in full, recognized to the extent of its continuing involvement or derecognized.

The most common transfers are sales of securities under repurchase agreements and transfers of loan portfolios with retention of substantially all of the risks and rewards of ownership (with a corresponding liability recognized in Financial institution resources).

Financial assets transferred and still recognized in the consolidated balance sheet and their associated liabilities

	Dec 31, 2023		Dec 31, 2022	
	Financial assets transferred	Associated liabilities	Financial assets transferred	Associated liabilities
Financial assets related to repurchase agreements				
Financial assets at fair value through profit or loss	4,259,632	5,183,315	--	--
Financial assets at amortized cost – securities	2,487,810	2,504,630	3,354,740	5,420,304
Financial assets at fair value through other comprehensive income	269,653,535	259,607,174	205,713,059	136,063,836
Total	**276,400,977**	**267,295,119**	**209,067,799**	**141,484,140**

Financial assets transferred and still recognized in the consolidated balance sheet which the associated liabilities are resources only to the transferred assets

	Dec 31, 2023		Dec 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Credit assignment with substantial retention of risks [1]				
Financial assets transferred	132,112	132,112	161,803	161,803
Associated liabilities	132,331	132,331	161,571	161,571
Net position	**(219)**	**(219)**	**232**	**232**

1 - Financial assets transferred and associated liabilities are recognized in the consolidated balance sheet in the line items “Loans to customers” and “Financial institution resources”, respectively.

Sales with repurchase agreement

These are transactions in which the Bank sells a security and simultaneously agrees to buy it back on for a fixed price on a future date. The Bank continues to recognize the security in full on the balance sheet, since it retains substantially all of the risks and rewards of ownership. Consequently, the Bank continues to participate in changes in fair value and income generated by the security.

The Bank recognizes the cash received as an asset. A liability is recognized for the obligation to repurchase the security. During the life of the transaction, the Bank does not have the right to negotiate the transferred asset, since it effectively sells the contractual rights to the security's cash flows.

Credit assignment with substantial retention of risks and rewards

In these transactions, the Bank transfers the rights to the future cash flows of loans and receivables in exchange for cash. The Bank continues to recognize the assets on the balance sheet, since it retains substantially all of the risks and rewards associated with the loans. Consequently, the Bank has responsibility for any defaults on the receivables it transfers.

The Bank recognizes the cash received as an asset. A liability is recognized for the obligation to the counterparty financial institution. During the life of the transaction, the Bank does not have the right to negotiate the transferred asset, since it effectively sells the contractual rights to the loan's cash flows.

37– Offsetting of financial assets and liabilities

The Bank presents financial assets and liabilities on a net basis in the consolidated balance sheet or subject to master netting or similar agreements, regardless of whether they are presented on a net basis.

Agreements of this nature include Global Derivative Agreements (known as CGD in Brazil), International Swaps and Derivatives Agreement (ISDA) – overseas contracts, and Global Master Repurchase Agreements (GMRA), which are similar to the CGD/ISDA.

Offsetting under master netting agreements are permissible in the ordinary course of business (Netting of payments or Multiple Transaction Payment Netting) and in the event of default, insolvency, or bankruptcy by either of the parties (Set off).

In thousands of Reais, unless otherwise stated

Financial assets subject to offsetting, enforceable master offsetting agreements or similar agreements

Dec 31, 2023	Effects of offsetting on balance sheet			Related amounts not offset				Amounts not subject to enforceable netting arrangements [3]	Balance sheet total
	Gross amounts [1]	Gross amounts offset	Net amounts offset	Impact of master netting agreements	Financial collateral received [2]		Net amounts		
					Cash	Securities			
Derivatives	1,808,410	(280,108)	1,528,302	(263,920)	--	--	1,264,382	445,384	1,973,686
Reverse repurchase agreement	778,490	--	778,490	--	--	(717,492)	60,998	393,004,094	393,782,584
Total	**2,586,900**	**(280,108)**	**2,306,792**	**(263,920)**	**--**	**(717,492)**	**1,325,380**	**393,449,478**	**395,756,270**

Dec 31, 2022	Effects of offsetting on balance sheet			Related amounts not offset				Amounts not subject to enforceable netting arrangements [3]	Balance sheet total
	Gross amounts [1]	Gross amounts offset	Net amounts offset	Impact of master netting agreements	Financial collateral received [2]		Net amounts		
					Cash	Securities			
Derivatives	694,343	(276,811)	417,532	(55,363)	--	--	362,169	1,220,537	1,638,069
Reverse repurchase agreement	1,476,068	--	1,476,068	--	--	(1,331,896)	144,172	359,144,406	360,620,474
Total	**2,170,411**	**(276,811)**	**1,893,600**	**(55,363)**	**--**	**(1,331,896)**	**506,341**	**360,364,943**	**362,258,543**

1 - Includes the amount of operations subject to enforceable master netting arrangements and similar agreements.
2 - Includes cash deposits and/or high liquidity financial instruments subjects to regular industry conditions. Received collateral securities can be pledged as collateral or sold in the contract term and must be returned at the contract maturity. The guarantee may be sold, and the proceeds used to pay-down the outstanding balance in the event of default, insolvency or bankruptcy of one of the counterparties for both of Repo or derivative contracts.
3 - Includes the total amount of operations without master netting agreements.

In thousands of Reais, unless otherwise stated

Financial liabilities subject to offsetting, enforceable master offsetting agreements or similar agreements

Dec 31, 2023	Effects of offsetting on balance sheet			Related amounts not offset				Amounts not subject to enforceable netting arrangements [3]	Balance sheet total
	Gross amounts [1]	Gross amounts offset	Net amounts offset	Impact of master netting agreements	Financial collateral given [2]		Net amounts		
					Cash	Securities			
Derivatives	(2,159,489)	280,108	(1,879,381)	244,894	--	--	(1,634,487)	(630,361)	(2,509,742)
Repurchase agreement	(4,860,692)	--	(4,860,692)	--	--	4,105,895	(754,797)	(646,330,032)	(651,190,724)
Total	**(7,020,181)**	**280,108**	**(6,740,073)**	**244,894**	**--**	**4,105,895**	**(2,389,284)**	**(646,960,393)**	**(653,700,466)**

Dec 31, 2022	Effects of offsetting on balance sheet			Related amounts not offset				Amounts not subject to enforceable netting arrangements [3]	Balance sheet total
	Gross amounts [1]	Gross amounts offset	Net amounts offset	Impact of master netting agreements	Financial collateral given [2]		Net amounts		
					Cash	Securities			
Derivatives	(1,898,345)	276,811	(1,621,534)	59,317	--	--	(1,562,217)	(1,143,263)	(2,764,797)
Repurchase agreement	(5,615,437)	--	(5,615,437)	--	--	4,825,097	(790,340)	(558,838,162)	(652,922,721)
Total	**(7,513,782)**	**276,811**	**(7,236,971)**	**59,317**	**--**	**4,825,097**	**(2,352,557)**	**(559,981,425)**	**(655,687,518)**

1 - Includes the amount of operations subject to enforceable master netting arrangements and similar agreements.
2 - Includes cash deposits and/or high liquidity financial instruments subjects to regular industry conditions. Received collateral securities can be pledged as collateral or sold in the contract term and must be returned at the contract maturity. The guarantee may be sold, and the proceeds used to pay-down the outstanding balance in the event of default, insolvency or bankruptcy of one of the counterparties for both of Repo or derivative contracts.
3 - Includes the total amount of operations without master netting agreements.

In thousands of Reais, unless otherwise stated

38– Employee benefits

Banco do Brasil sponsors the following pension and health insurance plans for its employees, that ensure the complementation of retirement benefits and medical assistance:

	Plans	Benefits	Classification
Previ – Caixa de Previdência dos Funcionários do Banco do Brasil	Previ Futuro	Retirement and pension	Defined contribution
	Benefit Plan 1	Retirement and pension	Defined benefit
	Informal Plan	Retirement and pension	Defined benefit
Cassi – Caixa de Assistência dos Funcionários do Banco do Brasil	Associates Plan	Health care	Defined benefit
Economus – Instituto de Seguridade Social	Prevmais	Retirement and pension	Variable contribution
	General Regulation	Retirement and pension	Defined benefit
	Complementary Regulation 1	Retirement and pension	Defined benefit
	B' Group	Retirement and pension	Defined benefit
	Unified Health Plan – PLUS	Health care	Defined benefit
	Unified Health Pla – PLUS II	Health care	Defined benefit
	Complementary Health Care – PAMC	Health care	Defined benefit
Fusesc – Fundação Codesc de Seguridade Social	Multifuturo Plan I	Retirement and pension	Variable contribution
	Benefit Plan I	Retirement and pension	Defined benefit
SIM – Caixa de Assistência dos Empregados dos Sistemas Besc e Codesc, do Badesc e da Fusesc	Health Plan	Health care	Defined contribution
Prevbep – Caixa de Previdência Social	BEP Plan	Retirement and pension	Defined benefit

Number of participants covered by benefit plans sponsored by the Bank

	Dec 31, 2023			Dec 31, 2022		
	Number of participants			Number of participants		
	Active	Retired/users	Total	Active	Retired/users	Total
Retirement and pension plans	**87,633**	**122,428**	**210,061**	**87,342**	**123,024**	**210,366**
Benefit Plan 1 – Previ	3,111	99,991	103,102	3,500	100,458	103,958
Previ Futuro	74,259	4,123	78,382	73,413	3,680	77,093
Informal Plan	--	1,916	1,916	--	2,045	2,045
Other plans	10,263	16,398	26,661	10,429	16,841	27,270
Health care plans	**89,336**	**106,502**	**195,838**	**89,007**	**107,329**	**196,336**
Cassi	80,681	101,054	181,735	80,236	101,619	181,855
Other plans	8,655	5,448	14,103	8,771	5,710	14,481

In thousands of Reais, unless otherwise stated

Bank’s contributions to benefit plans

	2023	2022
Retirement and pension plans	**2,099,626**	**1,968,892**
Benefit Plan 1 – Previ [1]	660,535	638,270
Previ Futuro	1,011,300	914,262
Informal Plan	134,995	140,985
Other plans	292,796	275,375
Health care plans	**2,147,840**	**2,001,926**
Cassi	1,908,758	1,804,709
Other plans	239,082	197,217
Total	**4,247,466**	**3,970,818**

1- it refers to the contributions relating to participants subject to Agreement 97 and Plan 1, whereby these contributions occur by the realization of Fundo Paridade until 2018 and Fundo de Utilização (Note 38.f). Agreement 97 aims to regulate the funding required to constitute a portion equivalent to 53.7% of guaranteed amount relating to the supplementary pension due to the participants who joined the Bank up to April 14, 1967 and who have retired or will retire after the aforementioned date, except for those participants who are part of the Informal Plan.

The Bank's contributions to defined benefit plans (post-employment) were estimated at R$ 972,899 thousand for the next 6 months and R$ 2,075,329 thousand for the next 12 months.

Amounts recognized in profit or loss

	2023	2022
Retirement and pension plans	**1,634,233**	**1,757,884**
Benefit Plan 1 – Previ	2,880,308	2,869,928
Previ Futuro	(1,011,300)	(914,262)
Informal Plan	(107,170)	(104,157)
Other plans	(127,605)	(93,625)
Health care plans	**(2,342,250)**	**(2,176,829)**
Cassi	(2,120,045)	(1,989,431)
Other plans	(222,205)	(187,398)
Total	**(708,017)**	**(418,945)**

Detailed information regarding defined benefit plans is provided in Note 38.d.4.

a) Retirement and pension plans

Previ Futuro (Previ)

Participants in this plan include Bank employees hired after December 24, 1997. Depending on time of service and salary, active participants may contribute between 7% and 17% of their salary. Retired participants do not contribute. The plan sponsor matches participants’ contributions up to 14% of their salaries.

Benefit Plan 1 (Previ)

Participants in this plan include Bank employees hired prior to December 23, 1997. Active and retired participants may contribute between 1.8% and 7.8% of their salary or pension.

Informal Plan (Previi)

Banco do Brasil is fully responsible for this plan. The Bank's contractual obligations include to:

I. providing retirement benefits to the initial group of participants and pension payments to the beneficiaries of participants who died prior to April 14, 1967;
II. paying additional retirement benefits to plan participants who retired prior to April 14, 1967, or had the right to retire based on time of service and at least 20 years of service with the Bank; and
III. increasing retirement and pension benefits above the amount provided for in Previ's benefit plan due to judicial and administrative decisions related to changes in the Bank's job, salary and incentive plans.

Prevmais (Economus)

Participants in this plan include employees of Banco Nossa Caixa (a bank acquired by Banco do Brasil on November 30, 2009) who enrolled after August 01, 2006, or were part of the General Regulation benefit plan and opted to receive their vested account balances. The sponsor and participants make equal contributions, which may not exceed 8% of participants' salaries. The plan provides additional risk coverage, including supplemental health, work-related accident, disability and death benefits.

General Regulation (Economus)

Participants in this plan include employees of Banco Nossa Caixa who enrolled prior to July 31, 2006. This plan is closed to new members. The sponsor and participants contribute equally.

Complementary Regulation 1 (Economus)

Participants in this plan include employees of Banco Nossa Caixa. This plan offers supplemental health benefits and annuities upon death or disability. The sponsor, participants and retired/other beneficiaries fund the plan.

B' Group (Economus)

Group of employees and retirees of Banco Nossa Caixa admitted between January 22, 1974, and May 13, 1974, and their beneficiaries.

Multifuturo Plan I (Fusesc)

Participants in this plan include employees of the State Bank of Santa Catarina – Besc (acquired by Banco do Brasil on September 30, 2008) who enrolled after January 12, 2003 or were part of the Plano de Benefícios I (Fusesc) and chose to participate in this plan. Participants and sponsor contribute equally between 2% and 7% of the participation salary, according to the contributory decision of each participant.

Benefit Plan I (Fusesc)

Participants in this plan include employees of Besc who enrolled prior to January 11, 2003. This plan is closed to new members. The sponsor and participants contribute equally.

BEP Plan (Prevbep)

Participants in this plan include employees of the Banco do Estado do Piauí – BEP (acquired by Banco do Brasil on November 30, 2008). The sponsor and participants contribute equally.

b) Health care plans

Associates Plan (Cassi)

The Bank sponsors a health care plan managed by Cassi. The plan covers health care services related to prevention, protection, recovery and rehabilitation for participants and their beneficiaries. Each month, the Bank contributes 4.5% of participants' salaries or pension benefits, in addition to 3% per dependent of active employee (up to three dependents).

Monthly contributions by participants and pensioners total 4% of their salary or pension, copayments for certain hospital procedures, in addition to the contribution per dependent, following the rules provided for in the Cassi Statute and in the plan's regulations.

Unified Health Plan – PLUS (Economus)

Participants in this plan include employees from Banco Nossa Caixa, who enrolled prior to December 12, 2000. Participation in this plan requires a direct payroll deduction of 1.5%, providing coverage for employees and certain preferred dependents. An additional 10% copayment is required for each medical visit and low-cost exam performed by employees and their dependents (both preferred and non-preferred).

Unified Health Plan - PLUS II (Economus)

Participants in this plan include employees from Banco Nossa Caixa, who enrolled after January 01, 2001. Participation in this plan requires a direct payroll deduction of 1.5%, providing coverage for employees and certain preferred dependents. An additional 10% copayment is required for each medical visit and low-cost exam performed by employees and their dependents and adult children. This plan does not cover non-preferred dependents.

Complementary Health Care Plan – PAMC (Economus)

Participants in this plan include employees of Banco Nossa Caixa located in the state of São Paulo. The plan serves disabled employees under the Complementary and General Regulations and their dependents. Participant costs vary based on usage and in accordance with a progressive salary table.

Health Plan (SIM)

Participants in this plan include employees of Besc and other sponsors of the plan (including Badesc, Bescor, Fusesc and SIM). The monthly contribution of the active beneficiaries is variable according to the beneficiary's age, owed by themselves and their dependents, and the contribution's sponsors, in relation to the actives beneficiaries and their respective dependents, is also variable according to its age group. The plan also provides copayment in medical appointments, exams and home care, following the rules set out in the plan's regulations.

c) Risk factors

The Bank may be required to make extraordinary contributions to sponsored entities, which may adversely affect the Bank's operating income and shareholders' equity.

In one hand, from an asset point of view, actuarial risk is associated with the possibility of losses resulting from fluctuation (decrease) in the fair value of plan assets. On the other hand, from the point of view of actuarial liabilities, the risk is associated with the possibility of losses arising from the fluctuation (increase) in the present value of the actuarial obligations of the plans of the Defined Benefit category.

Determination of the Bank's obligations to these entities is based on long-term actuarial and financial estimates and the application and interpretation of current regulatory standards. Inaccuracies inherent to the estimation process could result in differences between recorded amounts and the actual obligations in the future. This could have a negative impact on the Bank's operating results.

In thousands of Reais, unless otherwise stated

d) Actuarial valuations

Actuarial evaluations are performed every six months. The information contained in the below tables refers to the calculations at December 31, 2023 and December 31, 2022.

d.1) Changes in present value of defined benefit actuarial obligations

	Benefit Plan 1 – Previ		Informal Plan – Previ		Associates Plan – Cassi		Other plans	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	**(140,726,703)**	**(152,404,722)**	**(752,171)**	**(846,025)**	**(8,808,892)**	**(9,212,441)**	**(8,352,609)**	**(8,975,214)**
Interest cost	(16,592,450)	(15,969,282)	(81,290)	(84,665)	(1,054,064)	(989,853)	(981,052)	(948,961)
Current service cost	(45,096)	(68,644)	--	--	(83,398)	(79,866)	(3,671)	(4,578)
Past service cost	--	--	(25,880)	(19,492)	--	--	--	--
Benefits paid using plan assets	16,101,165	15,311,473	134,995	140,986	926,175	884,995	916,460	865,173
Remeasurements of actuarial gain/(losses)	(28,921,336)	12,404,472	(91,617)	57,025	(1,892,492)	588,273	(1,587,747)	710,971
Experience adjustment	(1,197,402)	(4,970,461)	637	(7,543)	(189,334)	(335,656)	(55,461)	(268,829)
Changes to biometric/demographic assumptions	38	--	--	--	1,411	--	284	17,932
Changes to financial assumptions	(27,723,972)	17,374,933	(92,254)	64,568	(1,704,569)	923,929	(1,532,570)	961,868
Closing balance	**(170,184,420)**	**(140,726,703)**	**(815,963)**	**(752,171)**	**(10,912,671)**	**(8,808,892)**	**(10,008,619)**	**(8,352,609)**
Present value of actuarial liabilities with surplus	(170,184,420)	(140,726,703)	--	--	--	--	(8,065,338)	(7,476,638)
Present value of actuarial liabilities without surplus	--	--	(815,963)	(752,171)	(10,912,671)	(8,808,892)	(1,943,281)	(875,971)

In thousands of Reais, unless otherwise stated

d.2) Changes in fair value of plan assets

	Benefit Plan 1 – Previ		Informal Plan – Previ		Associates Plan – Cassi		Other plans [1]	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	**197,539,033**	**192,870,833**	**--**	**--**	**--**	**--**	**7,476,638**	**7,590,710**
Interest income	22,398,163	21,777,783	--	--	--	--	867,019	873,990
Contributions received	1,321,070	1,276,540	134,995	140,986	926,175	884,995	482,664	459,151
Participants	660,535	638,270	--	--	--	--	185,238	173,101
Sponsor	660,535	638,270	134,995	140,986	926,175	884,995	297,426	286,050
Benefits paid using plan assets	(16,101,165)	(15,311,473)	(134,995)	(140,986)	(926,175)	(884,995)	(916,460)	(865,173)
Actuarial gain/(loss) on plan assets	12,069,130	(3,074,650)	--	--	--	--	155,477	(582,040)
Closing balance	**217,226,231**	**197,539,033**	**--**	**--**	**--**	**--**	**8,065,338**	**7,476,638**

1- it refers to the following plans: General Regulation (Economus), Prevmais (Economus), Complementary Regulation 1 (Economus), Multifuturo I (Fusesc), Benefit Plan I (Fusesc) and BEP Plan (Prevbep).

d.3) Amounts recognized in the consolidated balance sheet

	Benefit Plan 1 – Previ		Informal Plan – Previ		Associates Plan – Cassi		Other plans	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
1) Fair value of the plan assets	217,226,231	197,539,033	--	--	--	--	8,065,338	7,476,638
2) Present value of actuarial liabilities	(170,184,420)	(140,726,703)	(815,963)	(752,171)	(10,912,671)	(8,808,892)	(10,008,619)	(8,352,609)
3) Surplus/(deficit) (1+2)	47,041,811	56,812,330	(815,963)	(752,171)	(10,912,671)	(8,808,892)	(1,943,281)	(875,971)
4) Net actuarial asset/(liability) [1]	**23,520,905**	**28,406,165**	**(815,963)**	**(752,171)**	**(10,912,671)**	**(8,808,892)**	**(1,527,327)**	**(910,551)**

1- It refers to the portion of the surplus/(deficit) due from the sponsor.

In thousands of Reais, unless otherwise stated

d.4) Breakdown of the amounts recognized in the consolidated statement of income relating to defined benefit plans

	Benefit Plan 1 – Previ		Informal Plan – Previ		Associates Plan – Cassi		Other plans	
	2023	2022	2023	2022	2023	2022	2023	2022
Current service cost	(22,548)	(34,322)	--	--	(83,398)	(79,865)	(1,835)	(2,290)
Interest cost	(8,296,225)	(7,984,642)	(81,291)	(84,665)	(1,054,063)	(989,853)	(542,034)	(525,258)
Expected yield on plan assets	11,199,081	10,888,892	--	--	--	--	432,118	435,673
Unrecognized past service cost	--	--	(25,879)	(19,492)	--	--	--	--
Expense with active employees	--	--	--	--	(982,584)	(919,713)	(241,712)	(191,800)
Other adjustments/reversals	--	--	--	--	--	--	3,653	2,652
(Expense)/income recognized in profit or loss	**2,880,308**	**2,869,928**	**(107,170)**	**(104,157)**	**(2,120,045)**	**(1,989,431)**	**(349,810)**	**(281,023)**

d.5) Amounts recognized in the shareholders' equity

	Benefit Plan 1 – Previ		Informal Plan – Previ		Associates Plan – Cassi		Other plans	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Opening balance	**(789,156)**	**(3,235,552)**	**(105,295)**	**(136,659)**	**(638,989)**	**(962,540)**	**(312,637)**	**(364,321)**
Accumulated other comprehensive income	(8,426,102)	4,664,911	(91,617)	57,026	(1,892,492)	588,273	(802,450)	94,999
Tax effects	4,007,243	(2,218,515)	41,228	(25,662)	851,621	(264,722)	364,646	(43,315)
Closing balance	**(5,208,015)**	**(789,156)**	**(155,684)**	**(105,295)**	**(1,679,860)**	**(638,989)**	**(750,441)**	**(312,637)**

In thousands of Reais, unless otherwise stated

d.6) Maturity profile of defined benefit actuarial obligations

	Duration [1]	Expected benefit payments [2]				
		Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Benefit Plan 1 (Previ)	8.78	16,141,448	15,936,021	15,716,242	315,652,441	363,446,152
Informal Plan (Previ)	5.80	131,715	118,312	106,241	944,209	1,300,477
Associates Plan (Cassi)	9.73	1,018,377	998,880	983,732	24,992,325	27,993,314
General Regulation (Economus)	8.63	707,531	705,626	700,035	13,757,286	15,870,478
Complementary Regulation 1 (Economus)	10.59	3,640	3,824	4,023	137,472	148,959
Plus I and II (Economus)	12.22	47,316	49,251	51,147	2,485,951	2,633,665
B' Group (Economus)	7.53	24,618	24,307	23,959	361,348	434,232
Prevmais (Economus)	9.79	32,889	32,852	32,848	857,375	955,964
Multifuturo Plan I (Fusesc)	9.73	8,669	8,684	8,697	223,329	249,379
Benefit Plan I (Fusesc)	7.33	52,549	51,445	50,240	711,857	866,091
BEP Plan (Prevbep)	9.09	8,013	7,966	7,913	171,864	195,756

1- Weighted average duration, in years, of the defined benefit actuarial obligation.
2- Amounts considered without discounting at present value.

d.7) Composition of the plan assets

	Benefit Plan 1 – Previ		Other plans	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Fixed income	127,077,345	115,877,631	7,276,657	6,582,918
Equity and funds [1]	70,598,525	64,138,045	294,801	389,605
Real estate investments	12,142,946	10,765,877	221,915	221,068
Loans and financing	5,669,605	5,215,030	156,858	151,513
Other	1,737,810	1,542,450	115,107	131,534
Total	**217,226,231**	**197,539,033**	**8,065,338**	**7,476,638**
Amounts listed in fair value of plan assets				
In the sponsor's own financial instruments	9,384,173	6,894,112	--	43,050
In properties or other assets used by the sponsor	1,390,248	1,264,250	35,153	31,239

1- it includes, in Plano 1 – Previ, the amount of R$ 5,586,966 thousand (R$ 6,432,248 thousand on December 31,2022), related to the assets that are not quoted in active markets.

In thousands of Reais, unless otherwise stated

d.8) Main actuarial assumptions adopted

	Benefit Plan 1 – Previ		Informal Plan – Previ		Associates Plan – Cassi		Other plans	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Inflation rate (p.a.)	3.55%	3.45%	3.57%	3.58%	3.55%	3.42%	3.55%	3.45%
Real discount rate (p.a.)	6.81%	8.94%	6.64%	8.79%	6.86%	8.98%	6.80%	8.94%
Nominal rate of return on investments (p.a.)	10.60%	12.70%	--	--	--	--	10.59%	12.69%
Real rate of expected salary growth (p.a.)	0.77%	0.67%	--	--	--	--	0.91%	0.91%
Actuarial life table	BR-EMSsb-2015		BR-EMSsb-2015		BR-EMSsb-2015		AT-2000 / AT-2012 / AT-83 / RP 2000	
Capitalization method	Projected credit unit		Projected credit unit		Projected credit unit		Projected credit unit	

In order to determine the values for the defined benefit plans, the Bank uses methods and assumptions different from those submitted by the entities sponsored.

IAS 19 and IFRIC 14 address the accounting, as well as the effects that occurred or that will occur in the entities that sponsor employee benefits plans. However, the sponsored entities themselves must comply with the rules issued by the Ministério da Previdência Social, through the Conselho Nacional de Previdência Complementar (CNPC) and the Superintendência Nacional de Previdência Complementar (Previc). The most significant differences are in the definition of the assumptions used in Plano 1 – Previ.

d.9) Sensitivity analysis

The sensitivity analysis is performed for changes in a single assumption while maintaining all others constant. This is unlikely in reality, since some of the assumptions are correlated.

The same methodology was used to perform the sensitivity analysis in each of the periods presented. However, the discount rate was updated to reflect market conditions.

The table below presents the sensitivity analysis of the most relevant actuarial assumptions, showing the increase/(decrease) in defined benefit obligations, with variations reasonably possible for December 31, 2023.

	Discount rate		Life expectancy		Salary increase	
	+0.25%	-0.25%	+1 age	-1 age	+0.25%	-0.25%
Benefit Plan 1 (Previ)	(3,504,675)	3,644,230	2,882,631	(2,933,490)	6,428	(6,409)
Informal Plan (Previ)	(11,110)	11,437	23,930	(23,667)	--	--
Associates Plan (Cassi)	(211,965)	221,049	149,512	(151,193)	766	(749)
General Regulation (Economus)	(156,865)	162,833	136,848	(140,621)	--	--
Complementary Regulation 1 (Economus)	(1,621)	1,686	(1,904)	1,944	--	--
Plus I and II (Economus)	(23,035)	24,253	26,373	(25,634)	--	--
B' Group (Economus)	(4,375)	4,522	5,618	(5,786)	--	--
Prevmais (Economus)	(8,977)	9,368	2,370	(2,339)	1,154	(1,145)
Multifuturo I (Fusesc)	(3,162)	3,207	1,162	(1,192)	761	(866)
Benefit Plan I (Fusesc)	(8,116)	8,382	10,462	(10,583)	--	--
BEP Plan (Prevbep)	(1,944)	2,023	1,366	(1,411)	--	--

In thousands of Reais, unless otherwise stated

e) Overview of actuarial asset/(liability) recorded by the Bank

	Actuarial assets		Actuarial liabilities	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Benefit Plan 1 (Previ)	23,520,905	28,406,165	--	--
Informal Plan (Previ)	--	--	(815,963)	(752,171)
Associates Plan (Cassi)	--	--	(10,912,671)	(8,808,892)
General Regulation (Economus)	--	--	(816,905)	(565,077)
Complementary Regulation 1 (Economus)	7,928	9,576	--	--
Plus I and II (Economus)	--	--	(802,397)	(563,390)
B' Group (Economus)	--	--	(238,803)	(206,165)
Prevmais (Economus)	133,637	147,230	--	--
Multifuturo I (Fusesc)	69,919	119,869	--	--
Benefit Plan I (Fusesc)	96,072	115,868	--	--
BEP Plan (Prevbep)	23,222	31,538	--	--
Total	**23,851,683**	**28,830,246**	**(13,586,739)**	**(10,895,695)**

f) Allocations of the surplus – Benefit Plan 1

	2023	2022
Surplus Fund [1]		
Opening balance	**11,315,371**	**10,795,343**
Contributions to Plan 1	(660,535)	(638,270)
Interest and inflation adjustment	954,017	1,158,298
Closing balance	**11,608,853**	**11,315,371**

1- it contains resources transferred from the Allocation Fund (because of the plan's surplus).The Bank can use for repayments or to reduce future contributions (after first meeting all applicable legal requirements). The fund is recalculated based on the actuarial target (INPC + 4.75% p.a.).

39– Related party transactions

a) Bank's key management personnel

Salaries and other benefits paid the Bank's key management personnel (Executive Board and Board of Directors) are as follows:

	2023	2022
Short-term benefits	**51,435**	**52,004**
Compensation and social charges	31,866	30,754
Executive Board	31,443	30,666
Board of Directors	423	88
Variable remuneration (cash) and social charges	13,503	14,093
Other [1]	6,066	7,157
Termination benefits	**3,503**	**52**
Share-based payment benefits	**8,595**	**7,523**
Total	**63,533**	**59,579**

1 - Includes compensation for the members of the Audit Committee and Risks and Capital Committee that are part of the Board of Directors, as well as employer contributions to pension plan and complementary healthy plan, housing assistance, removal benefits, group insurance, among

others.

The Bank's variable compensation policy (developed in accordance with CMN Resolution 3,921/2010) requires variable compensation for the Executive Directors to be paid partially in shares (Note 31.l).

The Bank does not offer post-employment benefits to its key management personnel, except for those who are part of the staff of the Bank.

b) Details of related party transactions

The Bank has the policy of related party transactions approved by the Board of Directors and disclosed to the market. The policy aims to establish rules to assure that all decisions, especially those involving related party and other situations potentially conflicted, are made observing the interests of the Bank and its shareholders. It is applicable to all staff and directors of the company.

The policy forbids related party transactions under conditions other than those of the market or that may adversely affect the Bank's interest. Therefore, the transactions are conducted under normal market conditions. The terms and conditions reflect comparable transactions with unrelated parties (including interest rates and collateral requirements). These transactions do not involve unusual payment risks, as disclosed in other notes.

The transactions between the consolidated companies are eliminated in the consolidated financial statements.

The main transactions carried out by the Bank with related parties are:

- intercompany transactions, such as: interbank deposits, securities, loans, interest bearing and non-interest bearing deposits, securities sold under repurchase agreements, borrowings and onlendings, guarantees given and others;
- receivables from the National Treasury for interest rate equalization under Federal Government programs (Law 8,427/1992). Interest rate equalization represents an economic subsidy for rural credit, which provides borrowers with discounted interest rates compared to the Bank’s normal funding costs (including administrative and tax expenses). The equalization payment is updated by the Selic rate in accordance with the National Treasury’s budgeting process (as defined by law) and is designed to preserve the Bank’s earnings;
- Previ uses the Bank's internal systems for voting, selective processes and access to common internal standards, which generates cost savings for both parties involved;
- related parties loan physical space to the Bank free of charge with the Bank, using the spaces mainly for the installation of self-service terminals, banking service offices and branches. These free of charge loans with related parties do not represent significant value, because the most of them are carried out with third parties;
- provision of business support services for controlled and sponsored entities for which the Bank is reimbursed for its costs with employees, technology and materials. Sharing of structure aims to gain efficiency for the Conglomerate. In 2023, the Bank was reimbursed a total of R$ 361,500 thousand (R$ 384,294 thousand in 2022), related to the structure sharing and a total of R$ R$ 618,628 thousand (R$ 551,499 thousand in 2022), related to employees assigned;
- contracts in which the Bank rents property owned by the entities sponsored to carry out its activities;
- acquisition of portfolio of loans transferred by Banco Votorantim;
- assignment of credits arising from loans written off as losses to Ativos S.A;
- hiring specialized services from BB Tecnologia S.A (BBTS) for specialized technical assistance, digitization and copy of documents, telemarketing, extrajudicial collection, support and backing for financial and non-financial business processes, monitoring, supervision and execution of activities inherent to equipment and environments, software development, support and testing, data center support and operation, management of cell phone electronic messages, outsourcing and monitoring of physical security systems and telephony outsourcing;
- amounts receivable arising from the honors requested by the Bank to the Guarantee Funds (in which the Federal Government holds participation), according to the terms and conditions established by the regulation of each guarantee program. The Guarantee Funds are public or private nature instruments intended to guarantee projects and credit operations, aiming to, among others, enable structured

In thousands of Reais, unless otherwise stated

enterprises of the Federal Government and support the inclusion of individuals and companies in the credit market; and
- Guarantees received and given and other coobligations, including contract of opening of a revolving interbank credit line with Banco Votorantim.

The Bank and Caixa Econômica Federal (CEF) signed a credit opening agreement for real estate loans, in the amount up to R$ 1,650,000 thousand, in 2023 (up to R$ 1,176,794 thousand in 2022).

The balances arising from the transactions above mentioned are disclosed in the "Summary of related party transactions" segregated by nature and category of related parties.

Some transactions are disclosed in other notes: the resources applied in federal government securities are listed in Notes 16, 17 and 18; information about the government funds are related in Notes 25 and 27; and additional information about the Bank's contributions and other transactions with sponsored entities are listed in Note 38.

Fundação Banco do Brasil (FBB) promotes, encourages and sponsors actions in the areas of education, culture, health, social welfare, recreation and sports, science, technology and community development. In 2023, the Bank's contributions to FBB totaled R$ 85,119 thousand (R$ 118,849 thousand in 2022).

c) Acquisition of portfolio of loans transferred by Banco Votorantim

	2023	2022
Assignment with substantial retention of risks and rewards (with co-obligation)	9,426,648	4,881,162

d) Summary of related party transactions

We present the related party transactions segregated into the following categories:

- Controller: Union (National Treasury and agencies of the direct administration of the Federal Government);
- Associates and joint ventures: Mainly refer to Banco Votorantim, Cielo, BB Mapfre Participações, Brasilprev, Brasilcap, Alelo, Cateno and Tecban;
- Key management personnel: Board of Directors and Executive Board; and
- Other related parties: State-owned companies and public companies controlled by the Federal Government, such as: Petrobras, CEF and BNDES. Government funds such as: Fundo de Amparo ao Trabalhador – FAT, Fundo de Aval para Geração de Emprego e Renda – Funproger. In addition, entities linked to employees and sponsored entities: Cassi, Previ and others.

In thousands of Reais, unless otherwise stated

	Controlling shareholder	Associates and joint ventures	Key management personnel	Other related parties	Dec 31, 2023
Assets	**2,218,804**	**14,639,113**	**5,744**	**8,672,109**	**25,535,770**
Loans to financial institutions	--	12,803,632	--	2,024,499	**14,828,131**
Financial assets	--	172,092	--	750,827	**922,919**
Loans to customers [1]	--	512,817	5,744	5,598,011	**6,116,572**
Other assets [2]	2,218,804	1,150,572	--	298,772	**3,668,148**
Liabilities	**5,232,256**	**18,923,689**	**24,240**	**64,201,350**	**88,381,535**
Customers resources	3,339,754	476,907	1,574	17,437,737	**21,255,972**
Financial institutions resources	139,308	100,039	--	45,220,590	**45,459,937**
Other liabilities [3]	1,753,194	18,346,743	22,666	1,543,023	**21,665,626**
Guarantees given and other coobligations	293,040	5,000,023	--	30,864	**5,323,927**
Consolidated statement of income			**2023**		
Interest income	5,016,441	1,781,577	700	596,808	**7,395,526**
Interest expense	(189,136)	(40,631)	(2,316)	(4,078,899)	**(4,310,982)**
Commissions and fee income	141,352	6,346,319	45	761,627	**7,249,343**
Other operating income	29,295	862,970	--	17,216	**909,481**
Other operating expenses	(1,073,172)	(761,973)	--	(1,474,574)	**(3,309,719)**

1 - The Bank constituted the amount of R$ 43 thousand as allowance for losses on loans on transactions with related parties. The constitution of expense was R$ 4 thousand in 2023.

2 - The transactions with the Controller refer mainly to interest rate equalization – agricultural crop and receivables – National Treasury.

3 - It includes mainly other financial instruments and financial bills. The associates and joint ventures' balance mainly refers to amounts payable to Cielo relating to transactions carried out with credit and debit cards issued by the Bank to be transferred by the Cielo to the accredited establishments.

In thousands of Reais, unless otherwise stated

	Controlling shareholder	Associates and joint ventures	Key management personnel	Other related parties	Dec 31, 2022
Assets	**2,580,362**	**12,902,253**	**6,147**	**6,299,651**	**21,788,413**
Loans to financial institutions	--	8,410,124	--	2,901,626	**11,311,750**
Financial assets	--	3,694,921	--	498,019	**4,192,940**
Loans to customers [1]	--	1,211	6,147	2,587,860	**2,595,218**
Other assets [2]	2,580,362	795,997	--	312,146	**3,688,505**
Liabilities	**4,642,909**	**17,773,448**	**25,875**	**57,931,685**	**80,373,917**
Customers resources	2,747,266	570,117	1,741	11,074,351	**14,393,475**
Financial institutions resources	132,828	100,043	--	45,689,386	**45,922,257**
Other liabilities [3]	1,762,815	17,103,288	24,134	1,167,948	**20,058,185**
Guarantees received	--	20	--	--	**20**
Guarantees given and other coobligations	344,592	5,004,909	--	33,985	**5,383,486**
Consolidated statement of income			**2022**		
Interest income	5,744,487	1,141,864	810	541,636	**7,428,797**
Interest expense	(152,927)	(47,406)	(2,192)	(4,080,080)	**(4,282,605)**
Commissions and fee income	165,872	6,011,385	14	750,321	**6,927,592**
Other operating income	113,535	881,363	--	17,229	**1,012,127**
Other operating expenses	(973,196)	(1,384,821)	--	(797,182)	**(3,155,199)**

1 - The Bank constituted the amount of R$ 39 thousand as allowance for losses on loans on transactions with related parties. The reversal of expense for allowance was R$ 8 thousand in 2022.

2 - The transactions with the Controller refer mainly to interest rate equalization – agricultural crop and receivables – National Treasury.

3 - It includes mainly other financial instruments and financial bills. The associates and joint ventures' balance mainly refers to amounts payable to Cielo relating to transactions carried out with credit and debit cards issued by the Bank to be transferred by the Cielo to the accredited establishments.

In thousands of Reais, unless otherwise stated

40– Current and non current assets and liabilities

	Dec 31, 2023		
	Up to 1 year	After 1 year	Total
Assets			
Cash and bank deposits	17,327,745	--	17,327,745
Compulsory deposits with Brazilian Central Bank	101,805,900	--	101,805,900
Financial assets at amortized cost, net	875,175,112	582,535,761	1,457,710,873
Loans to financial institutions	433,281,394	9,385,106	442,666,500
Loans to customers	394,830,350	516,450,848	911,281,198
Securities	25,980,924	27,117,573	53,098,497
Other financial assets	21,082,444	29,582,234	50,664,678
Financial assets at fair value through profit or loss	14,173,304	--	14,173,304
Debt and equity instruments	12,199,618	--	12,199,618
Derivatives	1,973,686	--	1,973,686
Financial assets at fair value through other comprehensive income	22,758,369	378,683,966	401,442,335
Non current assets held for sale	134,755	--	134,755
Investments in associates and joint ventures	--	22,215,047	22,215,047
Property and equipment	--	14,118,006	14,118,006
Use	--	10,299,022	10,299,022
Right of use	--	3,818,984	3,818,984
Intangible assets	--	10,801,929	10,801,929
Tax assets	9,630,569	61,091,547	70,722,116
Current	9,630,569	--	9,630,569
Deferred	--	61,091,547	61,091,547
Other assets	18,070,490	25,355,952	43,426,442
Total assets	**1,059,076,244**	**1,094,802,208**	**2,153,878,452**
Liabilities			
Financial liabilities at amortized cost	1,482,719,779	401,685,601	1,884,405,380
Customers resources	650,934,045	161,009,758	811,943,803
Financial institutions resources	615,311,496	35,879,228	651,190,724
Funds from issuance of securities	117,993,784	166,162,523	284,156,307
Other financial liabilities	98,480,454	38,634,092	137,114,546
Financial liabilities at fair value through profit or loss	2,509,742	--	2,509,742
Provisions for labor, tax and civil lawsuits	8,260,843	10,464,834	18,725,677
Expected losses for guarantees provided and loan commitments	2,656,416	404,944	3,061,360
Tax liabilities	4,889,032	12,876,428	17,765,460
Current	4,889,032	--	4,889,032
Deferred	--	12,876,428	12,876,428
Other liabilities	36,503,356	17,337,151	53,840,507
Shareholders' equity	**--**	**173,570,326**	**173,570,326**
Total liabilities and shareholders' equity	**1,537,539,168**	**616,339,284**	**2,153,878,452**

In thousands of Reais, unless otherwise stated

	Dec 31, 2022		
	Up to 1 year	After 1 year	Total
Assets			
Cash and bank deposits	18,310,546	--	18,310,546
Compulsory deposits with Brazilian Central Bank	95,119,085	--	95,119,085
Financial assets at amortized cost, net	825,013,347	527,891,588	1,352,904,935
Loans to financial institutions	415,659,872	7,568,556	423,228,428
Loans to customers	372,512,511	460,426,046	832,938,557
Securities	18,833,235	29,163,189	47,996,424
Other financial assets	18,007,729	30,733,797	48,741,526
Financial assets at fair value through profit or loss	12,078,012	--	12,078,012
Debt and equity instruments	10,439,943	--	10,439,943
Derivatives	1,638,069	--	1,638,069
Financial assets at fair value through other comprehensive income	44,800,309	324,970,445	369,770,754
Non current assets held for sale	203,473	--	203,473
Investments in associates and joint ventures	--	20,214,061	20,214,061
Property and equipment	--	13,200,128	13,200,128
Use	--	9,194,568	9,194,568
Right of use	--	4,005,560	4,005,560
Intangible assets	--	11,030,985	11,030,985
Tax assets	9,914,030	57,327,950	67,241,980
Current	9,914,030	--	9,914,030
Deferred	--	57,327,950	57,327,950
Other assets	17,768,738	30,325,909	48,094,647
Total assets	**1,023,207,540**	**984,961,066**	**2,008,168,606**
Liabilities			
Financial liabilities at amortized cost	1,394,795,485	358,406,510	1,753,201,995
Customers resources	593,072,021	160,191,026	753,263,047
Financial institutions resources	616,608,090	36,314,631	652,922,721
Funds from issuance of securities	72,864,685	156,881,279	229,745,964
Other financial liabilities	112,250,689	5,019,574	117,270,263
Financial liabilities at fair value through profit or loss	2,764,797	--	2,764,797
Provisions for labor, tax and civil lawsuits	6,363,934	12,008,771	18,372,705
Expected losses for guarantees provided and loan commitments	3,146,078	438,800	3,584,878
Tax liabilities	4,625,471	13,566,618	18,192,089
Current	4,625,471	--	4,625,471
Deferred	--	13,566,618	13,566,618
Other liabilities	45,591,895	2,942,495	48,534,390
Shareholders' equity	**--**	**163,517,752**	**163,517,752**
Total liabilities and shareholders' equity	**1,457,287,660**	**550,880,946**	**2,008,168,606**

41– Other information

a) Social Bond Issue

On January 11, 2022, the Bank informed that, through its Grand Cayman Branch, priced, on January 6, 2022, a sustainable international funding of senior debt, of the social bond type, in the amount of US$ 500 million, maturing on January 11, 2029, and coupon of 4.875% p.a. The financial settlement took place on January 11, 2022. This is the first social bond issued by the Bank.

The issuance took place within the scope of the Bank's Sustainable Finance Framework, which is in line with international standards and taxonomies, such as the ICMA Social Bond Principles 2021, and best global practices such as the Sustainable Development Goals (SDG) of the UN.

b) Eastern Europe and the Middle East conflicts

Banco do Brasil and its subsidiaries, in Brazil and abroad, do not have direct exposure to the conflicts since these regions are not an area of activity as well do not have relevant operations with the governments or companies from the involved countries. Inevitably, the impact of the wars on the world economy brings systemic effects to the financial industry in Brazil, which, for the moment, have no impact on our Financial Statements. The Bank continues to closely monitor development of events in order to mitigate potential financial impacts on its operations.

c) Change in tax treatment applicable to losses incurred

On November 16, 2022, the Provisional Measure 1,128/2022, was converted into Law No. 14,467, promoted changes in the tax treatment applicable to losses incurred in the receipts of credits arising from the activities of financial institutions and other institutions authorized to operate by the Bacen, except consortium administrators and payment institutions.

The Bank is evaluating the possible impacts arising from the standard, which will take effect from January 1st, 2025.

42– Subsequent events

a) Split of Banco do Brasil shares (BBAS 3)

On February 2*nd*, 2024, the General Shareholders' Meeting of Banco do Brasil approved the split of BB's shares (BBAS3) in 100%, thus attributing 01 (one) new share for each share issued.

The statutory change resulting from the split is subject to approval by the Central Bank of Brazil. The Bank will keep its shareholders and the market in general informed about the base date on which the shares will start to be traded reflecting the split.

b) Public Offer for Acquisition of Shares (Tender Offer) of Cielo S.A.

On February 5th, 2024, the Board of Directors of Banco do Brasil authorized the acquisition of up to all of the outstanding shares of Cielo S.A. – Instituição de Pagamento ("Cielo" or "Company"), through a Tender Offer ("Tender Offer") and consequent increase in the Bank's indirect shareholding, through BB Elo Cartões Participações S.A. ("BB Elo") and Elo Participações Ltda. ("Elo Participações") in Cielo, for up to 49.99%.

On the same date, BB Elo and Quixaba Empreendimentos e Participações Ltda. ("Quixaba" and, together with BB Elo, "Controlling Shareholders" of Cielo) issued a statement to Cielo, informing it of the decision to carry out, together with the Elopar Group, a unified public offering for the acquisition of common shares of the Company to (i) conversion of registration as a publicly-held company with the CVM, from category "A" to "B" and (ii) delisting from the Novo Mercado of B3 S.A., in accordance with the applicable legislation and Cielo's bylaws. The request for registration of the Tender Offer with the CVM will be made within the deadline set out in current regulations.

In thousands of Reais, unless otherwise stated

The Tender Offer will be launched by (i) Controlling Shareholders, (ii) Elo Participações, (iii) Alelo Instituição de Pagamento S.A. and (iv) Livelo S.A., jointly qualified as "Offerors" for the acquisition of up to all common shares issued of the Company, except those held by the Offerors themselves, people linked to them and those held in treasury. The price offered for each share subject to the Tender Offer will be R$5.35.

Elo Participações hired an independent appraiser to prepare the Company's appraisal report. The base date considered for the Company's evaluation was December 31st, 2023.

The Tender Offer is subject to compliance with certain conditions, including applicable legal and regulatory approvals from the competent governmental authorities. The other terms and conditions of the Tender Offer will be made available to the market in due course, in accordance with applicable standards.

43– Reconciliation of Shareholders' equity and income

	Reference	Dec 31, 2023	Dec 31, 2022
Shareholders' equity attributable to shareholders of the Bank – BRGAAP		**169,365,702**	**160,571,076**
IFRS's adjustments		**(130,423)**	**(913,882)**
Deferral of fees and commissions for adjustment based on the effective interest rate method	(a)	(766,703)	(743,174)
Business combinations and corporate restructuring	(b)	1,478,647	1,571,298
Expected losses on financial instruments	(c)	294,466	(2,967,816)
Other adjustments		(485,576)	603,670
Income and social contribution taxes on IFRS's adjustments	(d)	(651,257)	622,140
Shareholders' equity attributable to shareholders of the Bank – IFRS		**169,235,279**	**159,657,194**
Attributable to non-controlling interests		4,335,047	3,860,558
Shareholders' equity in accordance with IFRS		**173,570,326**	**163,517,752**

	Reference	2023	2022
Net income attributable to shareholders of the Bank – BRGAAP		**33,818,951**	**31,112,242**
IFRS's adjustments		**(3,957,986)**	**(3,381,080)**
Deferral of fees and commissions for adjustment based on the effective interest rate method	(a)	(23,529)	51,610
Business combinations and corporate restructuring	(b)	(92,651)	(5,536)
Expected losses on financial instruments	(c)	3,262,282	(1,890,317)
Other adjustments [1]		(5,830,691)	(2,388,686)
Income and social contribution taxes on IFRS's adjustments	(d)	(1,273,397)	851,849
Net income attributable to shareholders of the Bank – IFRS		**29,860,965**	**27,731,162**
Attributable to non-controlling interests		3,304,626	2,270,017
Net income in accordance with IFRS		**33,165,591**	**30,001,179**

1 - Refers mainly to hyperinflation adjustments in Argentina, in accordance with IAS 29.

a) Deferral of fees and commissions for adjustment based on the effective interest rate method

According to accounting practices adopted by financial institutions in Brazil, fees and commissions charged for the origination of loans to customers are recognized in the consolidated statement in the inception moment.

According to IFRS 9, fees and commissions that are part of the effective interest rate calculation, directly attributable to financial instruments classified at amortized cost, must be amortized over the expected life of the contracts.

The adjustments presented in these consolidated financial statements reflect the straight-line deferral of these revenues and expenses based on the term determined for each instrument subject to the effective interest rate method.

b) Business combinations and corporate restructuring

According to accounting practices adopted by financial institutions in Brazil until 2022, the amount of goodwill or negative goodwill resulting from the acquisition of control of a company derives from the difference between the amount of consideration paid and the equity value of the shares, which is amortized, if it is based on in expectation of future profitability.

In accordance with IFRS 3, the goodwill paid for expected future profitability is the positive difference between the value of the consideration and the proportional net amount acquired from the fair value of the acquiree's assets and liabilities. The amount recorded as goodwill is not amortized, but is assessed at least annually to determine whether it is impaired.

The adjustments classified as "Business Combinations" refer to the reversal of goodwill amortization carried out in accordance with accounting practices adopted by financial institutions in Brazil, the amortization of the fair value portion of the assets and liabilities acquired/assumed, the amortization of intangible assets of defined useful life identified in the acquisition of the equity interest and the negative goodwill determined in the acquisition of the equity interest, carried out in accordance with IFRS 3.

c) Expected losses on loans to customers, guarantees provided, loan commitments and other financial assets at amortized cost

According to accounting practices adopted by financial institutions in Brazil, loans to customers must be classified in ascending order of risk levels, from risk AA to risk H. The credit holding institution is responsible for the classification of the loan in the corresponding risk level and it must be carried out based on consistent and verifiable criteria, supported by internal and external information.

The main criteria observed by financial institutions when classifying loans to customers in risk levels are related to:

- (i) the debtor's economic and financial situation;
- (ii) degree of indebtedness;
- (iii) ability to generate results;
- (iv) cash flow;
- (v) punctuality and delays in payments;
- (vi) credit limit;
- (vii) nature and purpose of the transaction; characteristics of guarantees, particularly in terms of sufficiency and liquidity; and
- (viii) transaction value.

The classification of loans to customers in risk levels is reviewed monthly, due to delays in the payment of principal or charges.

The allowance to cover losses on loans to customers, in accordance with the accounting practices adopted by financial institutions in Brazil, must be constituted monthly, and cannot be less than the sum resulting from the application of minimum percentages, which vary from 0% for loans at level AA at 100% for loans classified as level H. Although the model used determines a minimum percentage of allowance for each level of risk, an entity may, at its own discretion, determine an additional allowance.

This practice of constitution of allowance for losses associated with credit risk is based on an expected loss model, using regulatory limits, in accordance with CMN Resolution 2,682/1999.

Although both international and Brazilian accounting practices use the concept of expected loss, the international model differs from the Brazilian standard. The model adopted by the bank, based on IFRS 9, considers default and significant changes in the level of credit risk, with a periodic review of the classification of these assets, through the projection of economic scenarios. The bank evaluates its operations in three stages: Stage 1 – Regular, Stage 2 – Significant credit risk increase, and Stage 3 – In default. Operations may migrate between stages according to the improvement or worsening of the operation's credit risk.

Also in accordance with IFRS 9, the bank recognizes an allowance for expected losses on securities at amortized cost, loans to financial institutions, securities purchased under resale agreements, as well as for off-balance exposures, such as loan commitments and guarantees provided, based on internal models (the provision for losses on guarantees provided, according to the practices applicable to financial institutions in Brazil, follows specific rules, using regulatory limits defined by the Central Bank of Brazil, as well as the allowance for losses on loans to customers).

d) Income and social contribution taxes on IFRS's adjustments

This adjustment results from the application of income tax and social contribution rates on the adjustments of the consolidated financial statements prepared in accordance with the accounting practices adopted by financial institutions in Brazil and the consolidated financial statements in accordance with IFRS.

Original signed

Audit Committee Summary Report
BB's consolidated financial statements in IFRS
Second semester of 2023

Presentation

The Audit Committee (Coaud), a statutory body, has its duties defined by Law nº 13,303/2016 (State-Owned Companies Law), Decree nº 8,945/2016, CMN Resolution nº 4,910/2021, Statute of Banco do Brasil S.A. (BB) and its Internal Regulations, advises the Board of Administration (CA) on a permanent basis and independently in the exercise of its functions assignments.

Coaud evaluates and monitors risk exposures through interaction with the Risk and Capital Committee (Coris), in accordance with CMN Resolution nº 4,557/2017.

The administrators of Banco do Brasil and its subsidiaries are responsible for preparing and ensuring the integrity of financial statements, manage risks, maintain the internal controls effective and ensure compliance of activities with laws and regulations.

Internal Audit (Audit) is responsible for carrying out periodic jobs, focusing on main risks to which the Conglomerate is exposed, independently assessing the effectiveness of risk management, internal controls, accounting and governance processes.

Deloitte Touche Tohmatsu Auditores Independentes Ltda. (Deloitte) is responsible for audit of individual and consolidated financial statements of BB and subsidiaries covered by Coaud. It also evaluates, in the context of this work, the quality and sufficiency of internal controls for the preparation and adequate presentation of statements accounting.

Period Activities

The activities developed by Coaud, according to the 2023 Annual Work Plan, approved by the Board of Directors of Banco do Brasil on 12/08/2022, are recorded in meeting minutes and covered the set of responsibilities of the Committee. These minutes were forwarded to the Board of Administration, made available to the Fiscal Council and Independent Audit, and are published, in the form of extracts, at the electronic address www.bb.com.br/ri.

Coaud held meetings with representatives of BB Management and Conglomerate companies, as well as with their respective Boards of Directors and Fiscal, Coris, Board of Directors, Internal and Independent Audits and the Central Bank of Brazil (Bacen), in addition to meetings between Coaud members.

In these meetings, addressed topics under supervision, summarized in the following themes: internal control system, internal audit, independent audit, transactions with related parties, actuarial, risk exposures and accounting.

The Committee presented periodic reports on its activities and opinions relating to topics covered in the scope of its activities. Issued recommendations to management and Internal Audit involving the main themes related to its activities. The recommendations, after discussed, were accepted and their implementations monitored by Coaud.

It did not come to Coaud's knowledge the existence and/or evidence of fraud or non-compliance of legal and regulatory standards that could put the continuity of the institution at risk.

It was not reported to Coaud any divergence between independent audit and the administration related to financial statements.

Original signed

Conclusions

Based on the activities developed and bearing in mind the attributions and limitations inherent to the scope of its activities, Coaud concluded that:

a) the Internal Control System (ICS) is appropriate to the size and complexity of the of the Conglomerate's business and is subject of permanent attention from Management;

b) Internal Audit is effective, has sufficient structure and budget to perform its functions and acts with independence, objectivity and quality;

c) Deloitte acts effectively and independently;

d) processes relating to transactions with related parties are in compliance with BB's specific policy and applicable legislation;

e) the calculation parameters and actuarial results of the sponsored pension fund benefit plans are adequately reflected in the financial statements;

f) risk exposures have been adequately managed by Management;

g) the consolidated financial statements in the IFRS standard for 12/31/2023 were prepared in accordance with the international financial reporting standards (IFRS), issued by International Accounting Standards Board (IASB), and reflect, in their material aspects, the equity and financial position on that date.

Brasília-DF, February 07 th, 2024.

Egidio Otmar Ames
(Coordinator)

Aramis Sá de Andrade

Marcelo Gasparino Da Silva

Rachel de Oliveira Maia

Vera Lucia de Almeida Pereira Elias

Original signed

Declaration of the Executive Board members about the Financial Statements

According to the article 27, § 1, item VI, of CVM Instruction No. 80 of March 29, 2022, we declare that the Financial Statements of the Banco do Brasil S.A. related to the period ended December 31, 2023 were reviewed and, based on subsequent discussions, we agree that such statement fairly reflects, in all material facts, the financial position for the periods presented.

Brasília (DF), February 06, 2024

Tarciana Paula Gomes Medeiros
CHIEF EXECUTIVE OFFICER (CEO)

Ana Cristina Rosa Garcia
CHIEF CORPORATE OFFICER

Carla Nesi
CHIEF RETAIL BUSINESS OFFICER

Felipe Guimarães Geissler Prince
CHIEF INTERNAL CONTROLS AND RISK MANAGEMENT OFFICER (CRO)

Francisco Augusto Lassalvia
CHIEF WHOLESALE OFFICER

José Ricardo Sasseron
CHIEF GOVERNMENT BUSINESS AND CORPORATE SUSTAINABILITY OFFICER

Luiz Gustavo Braz Lage
CHIEF AGRIBUSINESS AND FAMILY FARMING OFFICER

Marco Geovanne Tobias da Silva
CHIEF FINANCIAL MANAGEMENT AND INVESTOR RELATIONS OFFICER (CFO)

Marisa Reghini Ferreira Mattos
CHIEF TECHNOLOGY AND DIGITAL BUSINESS OFFICER (CTO)

Original signed

Declaration of the Executive Board members about the Report of Independent Auditors

According to the article 27, §1, item V, of CVM Instruction No. 80 of March 29, 2022, we affirm based on our knowledge, on auditor's plan and on discussions about the audit results, that we agree, with no dissent, to the opinions/conclusions expressed in the Report of Independent Auditors for Financial Statements.

Brasília (DF), February 06, 2024.

Tarciana Paula Gomes Medeiros
CHIEF EXECUTIVE OFFICER (CEO)

Ana Cristina Rosa Garcia
CHIEF CORPORATE OFFICER

Carla Nesi
CHIEF RETAIL BUSINESS OFFICER

Felipe Guimarães Geissler Prince
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Marisa Reghini Ferreira Mattos
CHIEF TECHNOLOGY AND DIGITAL BUSINESS OFFICER (CTO)

Members of management

CHIEF EXECUTIVE OFFICER (CEO)
Tarciana Paula Gomes Medeiros

VICE-PRESIDENTS
Ana Cristina Rosa Garcia
Carla Nesi
Felipe Guimarães Geissler Prince
Francisco Augusto Lassalvia
José Ricardo Sasseron
Luiz Gustavo Braz Lage
Marco Geovanne Tobias da Silva
Marisa Reghini Ferreira Mattos

DIRECTORS
Alan Carlos Guedes de Oliveira
Alberto Martinhago Vieira
Antonio Carlos Wagner Chiarello
Carlos Eduardo Guedes Pinto
Eduardo Cesar Pasa
Euler Antonio Luz Mathias
João Francisco Fruet Júnior
João Vagnes de Moura Silva
Julio César Vezzaro
Kamillo Tononi Oliveira Silva
Larissa da Silva Novais Vieira
Luciano Matarazzo Regno
Lucinéia Possar
Mariana Pires Dias
Neudson Peres de Freitas
Paula Sayão Carvalho Araujo
Pedro Bramont
Rafael Machado Giovanella
Rodrigo Costa Vasconcelos
Rodrigo Mulinari
Rosiane Barbosa Laviola
Thiago Affonso Borsari

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Elisa Vieira Leonel
Kelly Tatiane Martins Quirino
Marcelo Gasparino da Silva
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Robert Juenemann
Tarciana Paula Gomes Medeiros

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Tatiana Rosito

AUDIT COMMITTEE
Aramis Sá de Andrade
Egídio Otmar Ames
Marcelo Gasparino da Silva
Rachel de Oliveira Maia
Vera Lucia de Almeida Pereira Elias

ACCOUNTING DEPT.
Eduardo Cesar Pasa
General Accountant
Accountant CRC-DF 017601/O-5
CPF 541.035.920-87

Pedro Henrique Duarte Oliveira
Accountant CRC-DF 023407/O-3
CPF 955.476.143-00