BANK OF AMERICA

FINANCIAL STATEMENTS

Bank of America Merrill Lynch Banco Múltiplo S.A.

December 31, 2022

Contents

MANAGEMENT REPORT

Dear Customers and Stakeholders,

The Management of Bank of America Merrill Lynch Banco Múltiplo S.A. (“Bank”) hereby submits the Financial Statements for the semester and fiscal year ended on December 31, 2022, for your review, which were prepared in accordance with current legal and statutory standards. The accounting practices adopted for the recording of operations and preparation of the Financial Statements herein are in line with the Corporation Law, associated with the rules of the Central Bank of Brazil (“BACEN”), substantiated by the Accounting Plan of Institutions of the National Financial System (“COSIF”).

During the year ended on December 31, 2022, the Bank recorded Net Profit of BRL 870,776,000.00, corresponding to BRL 1.46 per share and profitability on mean Equity of 22.96%.

The Bank adopts the calculation of operational and Basel limits based on the consolidated data of the *Bank of America Prudential Conglomerate*(“Conglomerate”). As of December 31, 2022, the Conglomerate Basel index, calculated in accordance with current regulations, is 18.53%.

In accordance with Circular Letter No. 3.068/01 of the Central Bank of Brazil, we declare that we have the financial capacity and intention to keep the securities classified in the category “Held until Maturity” until maturity, in the amount of BRL 199,931,000.00 on December 31, 2022.

The Conglomerate has specific risk areas, independent of business areas, in order to manage the various existing risks. As determined by the current rules of the Central Bank, structures governing risk and capital management activities of the Conglomerate are published in a public access directory, available at: http://www.bofabrasil.com.br/.

São Paulo, March 24, 2023.
The Board of Directors

Bank of America Merrill Lynch Banco Múltiplo S.A.
Balance Sheet as of December 31, 2022 and 2021
(in thousands of Brazilian reals)

Assets		**12/31/2022**	**12/31/2021**
Current Assets		**28. 693,815**	**26,859,056**
Cash and Cash Equivalents		359,647	146,820
Financial assets	(Note 4)	**28,128,751**	**26,508,371**
Reserves at Central Bank of Brazil		328,002	366,652
Interbank liquidity investment	(Note 5)	9,094,189	14,647,441
Held for trading	(Note 6)	8,689,983	6,311,524
Available for sale	(Note 7)	31,504	27,280
Held to maturity	(Note 8)	199,931	199,958
Derivatives	(Note 9)	3,785,211	2,145,772
Credit Operations	(Note 10)	553,627	269,414
Foreign Exchange Portfolio	(Note 11)	4,941,985	1,646,121
Other financial assets	(Note 12)	504,319	894,209
Provision for expected losses associated with credit risk	(Note 10)	(439)	(501)
Current tax assets	(Note 18)	120,697	105,714
Other Assets	(Note 13)	85,159	98,652
Non-current		**3. 654,825**	**3,210,745**
Long-term assets		**3. 595,743**	**3,175,210**
Financial assets		**2,876,845**	**2,541,485**
Interbank liquidity investment	(Note 5)	128,780	80,534
Available for sale	(Note 7)	509,881	503,444
Derivatives	(Note 9)	1,787,438	1,442,720
Credit Operations	(Note 10)	450,746	514,787
Provision for expected losses associated with credit risk	(Note 10)	(2,102)	(170)
Deferred tax assets	(Note 18)	511,135	436,707
Other Assets	(Note 13)	209,865	197,188
Fixed Assets		**59,082**	**35,535**
Fixed Assets for Use	(Note 14)	163,677	154,974
(-) Accumulated depreciation	(Note 14)	(104,595)	(119,439)
Total Assets		**32,348,640**	**30,069,801**

The explanatory notes of the Management comprise an integral part of the financial statements.

Bank of America Merrill Lynch Banco Múltiplo S.A.
Balance Sheet as of December 31, 2022 and 2021
(in thousands of Brazilian reals)

Current Liabilities		**17,319,234**	**13,832,382**
Deposits and other financial liabilities		**16,500,702**	**13,050,900**
Deposits	(Note 15)	3,805,792	3,864,020
Fundraising	(Note 16)	2,873,570	3,197,006
Derivatives	(Note 9)	3,986,916	3,042,139
Foreign Exchange Portfolio	(Note 11)	5,533,220	1,649,999
Other financial liabilities	(Note 12)	301,204	1,297,736
Current Tax Obligations	(Note 18)	506,710	464,102
Other Liabilities	(Note 19)	311,822	317,380
Non-current		**10,995,190**	**12,883,619**
Deposits and other financial liabilities		**10,300,430**	**12,508,337**
Deposits	(Note 15)	8,265,975	8,254,540
Derivatives	(Note 9)	2,034,455	4,253,797
Provisions	(Note 17)	189,617	179,782
Deferred Tax Obligations	(Note 18)	472,286	170,527
Other Liabilities	(Note 19)	32,857	24,973
Total liabilities		**28,314,424**	**26,716,001**
Equity			
Share capital		2,037,555	2,037,555
Profit Reserves		1,994,625	1,315,822
Other comprehensive results		2,036	423
Total Equity	(Note 20)	**4,034,216**	**3,353,800**
Total liabilities and Equity		**32,348,640**	**30,069,801**

The explanatory notes of the Management comprise an integral part of the financial statements.

Bank of America Merrill Lynch Banco Múltiplo S.A.

Income Statement for the semester ended December 31, 2022 and for the fiscal years ended December 31, 2022 and 2021
(in thousands of Brazilian reals)

		2nd Semester	2022	2021
Financial intermediation revenues		954,313	1,696,815	785,647
Financial intermediation expenses		(679,566)	(1,363,688)	(692,099)
Provisions for net recovery losses	(Note 10)	1,445	(1,685)	11
Net gains from financial instruments		343,503	758,939	529,687
Earnings from Foreign Exchange Contracts		210,250	536,186	324,952
Result of financial revenue	(Note 21)	**829,945**	**1,626,567**	**948,198**
Revenue from fees and commissions	(Note 22)	461,745	971,987	1,048,901
Operating revenues		**1,291,690**	**2,598,554**	**1,997,099**
Personnel Expenses	(Note 23)	(364,724)	(645,656)	(615,298)
Board Compensation		(32,509)	(64,077)	(72,913)
Fees and commissions expenses	(Note 24)	(24,864)	(50,639)	(46,111)
Other Administrative Expenses	(Note 25)	(155,512)	(266,754)	(196,047)
Depreciation	(Note 14)	(8,640)	(15,466)	(20,395)
Other operating revenues (expenses)	(Note 26)	(69,317)	(133,619)	(124,240)
Net profit before taxation		**636,124**	**1,422,343**	**922,095**
Income tax	(Note 18)	(208,691)	(551,567)	(389,596)
Net profit for period/year		**427,433**	**870,776**	**532,499**
Earnings per share in Brazilian reais				
Basic and diluted earnings per share		**0.71**	**1.46**	**0.89**
Number of Shares		598,330,140	598,330,140	598,330,140

The explanatory notes of the Management comprise an integral part of the financial statements.

Bank of America Merrill Lynch Banco Múltiplo S.A.

Statement of Comprehensive Income for the semester ended December 31, 2022 and for the fiscal years ended December 31, 2022 and 2021
(in thousands of Brazilian reals)

		2nd Semester	2022	2021
Net profit for period/year		**427,433**	**870,776**	**532,499**
Financial assets available for sale		776	2,248	(836)
Fair value variation	(Note 7)	1,414	4,089	(1,521)
Tax Effect		(638)	(1,841)	685
Employee Benefits		(635)	(635)	1,097
Actuarial adjustment variation	(Note 19)	(1,156)	(1,156)	1,995
Tax Effect		521	521	(898)
Total other comprehensive results		**141**	**1,613**	**261**
Total comprehensive results		**427,574**	**872,389**	**532,760**

The explanatory notes of the Management comprise an integral part of the financial statements.

Bank of America Merrill Lynch Banco Múltiplo S.A.

Statement of Changes in Equity for the semester ended December 31, 2022 and fiscal years ended December 31, 2022 and 2021

(in thousands of Brazilian reals)

		Share capital		Profit Reserve			Other comprehensive results		Total
		Capital	**Capital increase**	**Legal**	**Statutory**	**Profits accrued**	**Assets available for sale**	**Employee Benefits**	
Balances as of December 31, 2020		**1,953,813**	**-**	**78,564**	**814,847**	**-**	**162**	**-**	**2,847,386**
Net profit for fiscal year						532,499			532,499
Legal reserve		-	-	26,625	-	(26,625)	-	-	-
Capital increase and statutory reserve	(Note 20)	-	83,742	-	16,380	-	-	-	100,122
Interest on equity (BRL 0.19 per share)	(Note 20)	-	-	-	-	(111,632)	-	-	(111,632)
Dividends (BRL 0.02 per share)	(Note 20)	-	-	-	-	(14,836)	-	-	(14,836)
Statutory Reserve		-	-	-	379,406	(379,406)	-	-	-
Marking to market of financial assets available for sale	(Note 7)	-	-	-	-	-	(836)	-	(836)
Employee Benefits	(Note 19)	-	-	-	-	-	-	1,097	1,097
Balances as of December 31, 2021		**1,953,813**	**83,742**	**105,189**	**1,210,633**	**-**	**(674)**	**1,097**	**3,353,800**
Net profit for fiscal year						870,776			870,776
Legal reserve		-	-	43,539	-	(43,539)	-	-	-
Capital increase and statutory reserve	(Note 20)	83,742	(83,742)	-	14,836	-	-	-	14,836
Interest on equity (BRL 0.29 per share)	(Note 20)	-	-	-	-	(175,756)	-	-	(175,756)
Dividends (BRL 0.05 per share)	(Note 20)	-	-	-	-	(31,053)	-	-	(31,053)
Statutory Reserve		-	-	-	620,428	(620,428)	-	-	-
Marking to market of financial assets available for sale	(Note 7)	-	-	-	-	-	2,248	-	2,248
Employee Benefits	(Note 19)	-	-	-	-	-	-	(635)	(635)
Balances as of December 31, 2022		**2,037,555**	**-**	**148,728**	**1,845,897**	**-**	**1,574**	**462**	**4,034,216**

Bank of America Merrill Lynch Banco Múltiplo S.A.

Statement of Changes in Equity for the semester ended December 31, 2022 and fiscal years ended December 31, 2022 and 2021

(in thousands of Brazilian reals)

		Share capital				Profit Reserve	Other comprehensive results		Total
		Capital	Increase of capital	Legal	Statutory	Accrued profits	Assets available for sale	Employee Benefits	
Balances as of June 30, 2022		**2,037,555**	**-**	**105,189**	**1,225,469**	**443,343**	**798**	**1,097**	**3,813,451**
Period net profit						427,433			427,433
Legal reserve		-	-	43,539	-	(43,539)	-	-	-
Capital increase and statutory reserve	(Note 20)	-	-	-	-	-	-	-	-
Interest on equity (BRL 0.29 per share)	(Note 20)	-	-	-	-	(175,756)	-	-	(175,756)
Dividends (BRL 0.05 per share)	(Note 20)	-	-	-	-	(31,053)	-	-	(31,053)
Statutory Reserve		-	-	-	620,428	(620,428)	-	-	-
Marking to market of financial assets available for sale	(Note 7)	-	-	-	-	-	776	-	776
Employee Benefits	(Note 19)	-	-	-	-	-	-	(635)	(635)
Balances as of December 31, 2022		**2,037,555**	**-**	**148,728**	**1,845,897**	**-**	**1,574**	**462**	**4,034,216**

The explanatory notes of the Management comprise an integral part of the financial statements.

Bank of America Merrill Lynch Banco Múltiplo S.A.

Statement of Cash Flows for the semester ended December 31, 2022 and fiscal years ended December 31, 2022 and 2021

(in thousands of Brazilian reals)

		2nd Semester	2022	2021
Cash Flows from (used in) operational activities		**(8,545,205)**	**(5,358,492)**	**39,703**
Adjusted net profit for period/year		**445,637**	**1,117,473**	**636,853**
Net profit for period/year				
Net profit adjustments:		427,433	870,776	532,499
Depreciation	(Note 14)	8,640	15,466	20,395
Fixed asset write-off	(Note 14)	337	337	65
Provision/(Reversal) for net recovery losses	(Note 10)	(1,373)	1,817	40
Actuarial provisions	(Note 19)	3,910	6,728	1,186
Provision for contingencies and legal obligations		3,849	9,004	2,717
Revised legal deposits		(7,045)	(12,666)	(4,466)
Deferred tax assets	(Note 18)	182,733	(74,428)	120,401
Deferred Tax Obligations	(Note 18)	(172,847)	300,439	(35,984)
Variation of assets and liabilities		**(8,990,842)**	**(6,475,965)**	**(597,150)**
(Increase) /Reduction Reserves at Central Bank of Brazil		92,068	38,650	(234,098)
(Increase) Financial assets held for trading		(2,631,615)	(2,378,459)	(2,262,498)
(Increase)/Reduction financial assets available for sale		1,293	(6,572)	(511,992)
(Increase)/Reduction financial assets held to maturity		2	27	(198,909)
(Increase)/Reduction derivative financial assets		3,094,756	(1,984,157)	1,301,221
(Increase)/Reduction Credit Operations		80,920	(220,172)	277,783
Reduction Foreign Exchange Portfolio		586,001	587,357	6,134
(Increase)/Reduction Other financial assets		933,966	389,890	(138,047)
(Increase) Other Assets		(377,018)	(282,868)	(8,799)
Payment of Income tax and social contributions		(96,446)	(312,961)	(371,130)
Increase/(Reduction) Deposits		(1,333,351)	(46,793)	1,051,398
Increase/(Reduction) Fundraising		(4,369,356)	(323,436)	1,138,104
(Reduction) Derivative financial liabilities		(3,312,779)	(1,274,565)	(1,472,607)
Increase/(Reduction) Other financial liabilities		(1,912,495)	(996,532)	423,526
Increase Other liabilities		253,212	334,626	402,764
Cash Flows used in investment activities		**(20,741)**	**(39,350)**	**(10,378)**
Additions in fixed assets in use		(20,741)	(39,350)	(10,378)
Cash Flows used in financing activities		**(175,756)**	**(175,756)**	**-**
Interest on equity paid		(175,756)	(175,756)	-
Increase/(reduction) of cash and cash equivalents		**(8,741,702)**	**(5,573,598)**	**29,325**
At the beginning of the period/fiscal year		17,817,820	14,649,716	14,620,391
At the end of the period/fiscal year		9,076,118	9,076,118	14,649,716
Increase/(reduction) of cash and cash equivalents		**(8,741,702)**	**(5,573,598)**	**29,325**
Proposed Dividends		(31,053)	(31,053)	(14,836)

The explanatory notes of the Management comprise an integral part of the financial statements.

Explanatory Notes

1. General information

Bank of America Merrill Lynch Banco Múltiplo S.A. ("Bank") is constituted as a multiple bank and share company, with the corporate purpose of conducting asset, liability and accessory operations inherent to investment, foreign exchange, credit, derivatives and fixed income portfolios.

The Bank is incorporated in the form of a stock company and domiciled in Brazil, and is controlled directly by BofAML EMEA Holdings 2 Limited, a company incorporated in Jersey and indirectly by Bank of America Corporation (the Group's ultimate controller), with headquarters in the United States of America. The Bank is located at Avenida Brigadeiro Faria Lima, 3.400, in the city of São Paulo.

The financial statements for the semester and fiscal year ended December 31, 2022 were authorized for disclosure by the Audit Committee on March 20, 2023 and by the Board on March 24, 2023.

2. Preparation Basis

2.1. Presentation of financial statements

The Bank's financial statements were prepared in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil ("BACEN") and in accordance with the standards and instructions of the National Monetary Council ("CMN"), substantiated by the Accounting Plan of Institutions of the National Financial System ("COSIF") and accounting guidelines emanating from the Law of Share Corporations – Law No. 6.404/76 and amendments introduced by Law No. 11.638/07 and Law No. 11.941/09, and provide proof of all relevant information on the financial statements, and these only, which are consistent with those employed by company management during Management thereof.

CMN Resolution No. 4.818/2020 and BCB Resolution No. 2/20 established general criteria and procedures for the preparation and disclosure of Financial Statements effective from January 2020, including the presentation of Comprehensive Income Statements. BCB Resolution No. 2/20 states that financial institutions must present recurring and non-recurring results incurred during the fiscal year, in their explanatory notes, in a segregated manner.

The financial statements were prepared using estimates and assumptions in determining the amounts of certain assets, liabilities, revenues and expenses in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the BACEN. These estimates and assumptions were primarily included when measuring the provisions for contingencies, determination of the market value of financial instruments and determination of the period for the receipt of tax credits. Actual results may differ from the estimates and assumptions adopted.

The Bank is also presenting asset and liability accounts on the Balance Sheet for liquidity and enforceability.

By way of Resolution No. 4.144 of September 27, 2012, the CMN approved CPC 00 (R1) Basic Conceptual Pronouncement that provides for the conceptual structure for the preparation and presentation of financial statements.

CMN Resolution No. 4.966/21 provides for the concepts and accounting criteria applicable to financial instruments, as well as the designation and acknowledgement of protection relationships (hedge accounting) and reformulates the concepts and criteria for the provision for expected losses associated with credit risk by financial institutions authorized to operate by the BACEN, applicable as of January 1, 2025.

According to Art. 76 of CMN Resolution 4.966/21, the Conglomerate prepared an implementation plan that includes the following stages: (i) Diagnosis of the current situation and impacts of the new regulation; (ii) Analysis and design of new processes, policies and procedures; (iii) Analysis of the new technological architecture and systemic development and (iv) Approval of changes and study of the migration plan on January 1, 2025. The implementation plan was approved by the board on November 23, 2022. The initial plan may undergo changes resulting from complementary standards to be issued by BACEN.

2.2. *Functional Currency and foreign currency conversion*

Financial statements are presented in Brazilian reals, the currency of the primary economic environment in which the entity operates and functional currency of the bank.

2.3. *Key Accounting Practices*

a) Cash and cash equivalents

Cash and cash equivalents are represented by cash and cash equivalents in domestic and foreign currency, as well as investments in repo transactions, and the maturity of operations on the effective date is equal to or less than 90 days and present negligible risk of any change in fair value, which are used by the Bank to manage its short-term commitments.

b) Financial assets

The Bank accounts for financial assets on its balance sheet when these become part of the contractual terms of the instrument.

According to BACEN Memorandum No. 3.068/01, and supplementary regulations, securities are classified on the date of acquisition thereof according to the intention of company management. The Bank classifies its financial assets as: held to maturity, available for sale, or held for trading. Financial assets are classified as held to maturity only if it is the financial intention and capacity of the bank to hold these in a portfolio until maturity.

The Bank initially measures and accounts for financial assets at fair value. In the case of financial assets not classified as held to maturity, acquisition costs directly attributable to the financial asset are accrued and/or deducted. For financial assets classified as held for trading and available for sale, these costs are accounted for as expenses at the time these occur.

Following initial accounting, financial assets recorded as held for trading on balance sheet are measured at fair value in return for results for the period. Financial assets recorded as available for sale on the balance sheet are measured at fair value in return for the highlighted Equity account. Financial assets held to maturity are revised up to the maturity date at amortized cost.

Other financial assets are substantially comprised of receivables from the brokerage of securities with clients and stock exchange and recorded on the balance sheet at amortized cost.

According to BACEN Memorandum No. 3.082/02, derivative financial instruments are classified on the date of acquisition thereof according to the intention of Company

Management for protection purposes or otherwise ("hedge").

Transactions with derivative financial instruments carried out at the request of clients, on their own, or that do not meet the protection criteria (primarily derivatives used to manage global risk exposure) were accounted for at market value, with paid in and unpaid in gains and losses accounted for directly in the income statement.

The positions of these instruments have the reference values thereof recorded in clearing accounts, and amounts receivable and payable are recorded in equity accounts.

c) Financial liabilities

The Bank accounts for financial liabilities on its balance sheet when these become part of the contractual terms of the instrument. Financial liabilities are recorded on the balance sheet at amortized cost, except for derivative financial instruments that were recorded at market value, with paid in and unpaid in gains and losses accounted for directly in the income statement.

d) Write-off of Financial Assets and Liabilities

The Bank writes off a financial asset if the contractual rights to receive the cash flows have expired or if all the risks and benefits of the cash flows have been transferred to a third party. If the Bank has not transferred all risks or benefits to a third party, then the financial asset is not written off.

The Bank writes off a financial liability when its contractual obligations cease to exist, expire or are cancelled.

e) Fixed Assets

Fixed assets include the value of vehicles, data processing systems, communication systems, facilities and furniture and equipment used by the Bank and improvements to third-party properties, being presented at acquisition cost less the respective accumulated depreciation and any loss due to reduction in recoverable value.

Such assets are initially accounted for at the added acquisition cost of all incremental costs necessary to place the asset on site and in a condition of use, and costs incurred subsequently with these assets are immediately accounted for under results.

Depreciation is determined by the linear method based on the estimated service life of 5 years for vehicles and data processing systems, and 10 years for communication systems, facilities and furniture and user equipment.

On the base date of the financial statements, the Bank assesses whether there is any indication that an asset may be non-recoverable (i.e., its accounting value exceeds the recoverable value thereof). Should such a situation occur, the accounting value of the asset is reduced to the recoverable value thereof and any future depreciation expenses are adjusted proportionally to the revised accounting value and new remaining service life.

f) Cash flow statements

Cash flow statements are prepared according to the indirect method.

g) Current and Deferred Taxes

Calculation of the taxable calculation bases of income tax and social contributions on profit was made based on the tax legislation in force for the base period. The rates levied on the calculation bases calculated via actual profit are: income tax 15%, plus an additional 10% on profits exceeding BRL 240 for the fiscal year, and social contributions of 20% to 21%.

On April 28, 2022, Provisional Measure 115/2022 was subsequently published converted into Law 14.446/2022 that according to Art. 1, increased the rate of Social Contribution on Net Profit applicable to the Banks from 20% to 21%, from August 1 to December 31, 2022, thus the current tax was calculated in a proportional manner following the criterion of proportionality of Gross Revenue, according to Normative Instruction 1.942/2020.

The expectation of Bank tax credits being received, as demonstrated by Note 18, is based on projections of future earnings and based on a technical study. Taking into account the prospects for receipt of deferred tax assets, on December 31, 2022, the Bank kept records of: (i) Corporate Income Tax (IRPJ) credit at the nominal rate of 25% on temporary adjustments to be made; and (ii) tax credit relating to Social Contributions on Net Profit (CSLL) which were calculated at the rate of 20% on temporary adjustments.

Income Tax and Social Contribution expenses are accounted for in the income statement, except when these result from a transaction accounted for directly under Equity, in which case, the tax effect is also accounted for under Equity.

Deferred tax assets and liabilities accounted for are revalued on the date of each balance sheet in order to determine whether these still exist, making the appropriate adjustments based on the findings of the analyses performed.

h) Employee Benefits

These are benefits granted to employees by way of formal plans or agreements, as well as through legal or sectoral provisions, which require the Bank to contribute as benefits to its employees. Benefits include:

i. Short-term benefits: salaries, paid vacations, social security, private pensions, participation in results and bonuses and non-monetary benefits such as health plans and life insurance for current employees. The costs of current services and short-term benefits are accounted for in the income statement for the period.

ii. Post-employment benefits: retirement and other benefits such as post-employment health care.

The Bank evaluates its post-employment benefits as a defined benefit plan, and the value thereof is obtained by way of actuarial calculations that employ a series of assumptions. The assumptions used in determining net cost include the discount rate. Any changes to these assumptions affect the accounting value of the obligations.

The cost of the current service and interest on the defined benefit are accounted for under earnings for the period and re-measurements of the defined benefit, primarily resulting from actuarial estimates and discount rates, are accounted for under other comprehensive results, net of tax effects.

The current value of estimated future cash outflows, which must be necessary to settle future obligations, is calculated annually by independent actuaries, who determine the appropriate discount rate for the measurement of these obligations. In determining the appropriate discount rate, the Bank takes into account interest rates on National Treasury securities, which are denominated in Brazilian reals, the currency in which the benefits are paid, and which have maturity dates close to the terms of the respective obligations. Key assumptions for bonds are based in part on current market conditions. Additional information is disclosed in Note 19.

i) Transactions involving stock-based payments

Eligible employees (including senior executives) of the Group receive compensation in the form of a share-based payment, where employees provide services and are compensated based on amounts referenced to Bank of America Corporation shares traded on the New York Stock Exchange (NYSE) under the BAC code, which may only be settled with cash ("cash settled transactions").

The cost of cash transactions is initially measured at fair value on the granting date employing the fair value of the shares disclosed by the NYSE and converted into Brazilian reals. This fair value is debited in the income statement over the period until settlement, accounting for the corresponding liability.

Liability is measured at fair value on each balance sheet date up to – and including – the settlement date, with the variation in fair value accounted for as personnel expenses and board compensation in the income statement.

j) Contingent Provisions, Assets and Liabilities

In preparing the financial statements, Company Management made the distinction between:

Provisions: credit balances representing present obligations (legal or presumed) on the balance sheet date arising from past events whose occurrence is regarded probable and of a certain nature, although of uncertain value and/or time.

Contingent liabilities: possible obligations that originate from past events and whose existence is only confirmed by the occurrence or not of one or more future events that are not fully under the control of the Bank. These include current Bank obligations if it is not likely that an outflow of funds is to be required for settlement thereof.

Contingent assets: assets that originate from past events and whose existence is only confirmed by the occurrence or not of future events that are not fully under the control of the Bank. Contingent assets are not accounted for on the balance sheet, but rather disclosed in the explanatory notes, except where these assets are likely to give rise to an increase in resources incorporating economic benefits.

Provisions are used to meet the specific obligations for which these were originally accounted for. These provisions are based on the best available information about the events that gave rise to them, and reviewed and adjusted (when necessary) at the end of the period. Future events that may affect the amount required to settle an obligation are reflected in the value of the provisions in cases where there is objective evidence of the occurrence thereof. Provisions are fully or partially reversed when such obligations cease to exist or are reduced. Liability is measured at fair value on each balance sheet date up to – and including – the settlement date, with the variation in fair value accounted for in the income statement.

k) Revenue and Expense Accounting

The most significant criteria used by the Bank to account for its revenues and expenses are summarized below:

Financial brokerage result:Interest expense and similar income, commissions paid or received that are components of the expected earnings of the operation and all inherent costs associated with the origination of the asset or uptake of the liability are accounted for under results for the term of the financial instruments originating (tax system) via use of the effective interest rate method.

Revenue and expenses from fees and commissions: Income or expenses received or paid out as a result of the provision of services are accounted for linearly for the period of time during which the provision of these services endures.

Non-financial revenues and expenses: They are accounted for when it is probable that economic benefits or costs are to flow to the entity, respecting the term and characteristics of the contractual relations that gave rise to these.

l) Other Assets and Liabilities

Assets are demonstrated by way of paid in values, including, where applicable, income and monetary and foreign exchange fluctuations (on a "*pro rata*" day basis) earned and provision for loss, when deemed necessary. Liabilities shown include known and calculated amounts, plus any charges and monetary and foreign exchange fluctuations (on a "*pro rata*" day basis) incurred.

m) Current and non-current assets and liabilities

These are demonstrated as paid in and/or enforceability values, including any income, charges and monetary or foreign exchange fluctuations earned and/or incurred up to the balance sheet date, calculated "*pro rata*" day and, where applicable, the effect of adjustments to reduce the cost of assets to their fair value (fair value) or paying in thereof.

Balances that are attainable and enforceable within 12 months are classified under current assets and liabilities, respectively. Securities classified as securities for trading, regardless of their maturity date, are classified fully under current assets, as established by BACEN Memorandum No. 3.068/2001.

n) Profit per share

Profit per share is calculated by dividing Bank net profit by the weighted mean number of ordinary and preferential shares in each fiscal year, where applicable. The weighted mean number of shares is calculated based on the periods during which the shares were in circulation.

o) Recurring and non-recurring result

Non-recurring results are considered as earnings that: i) are not related or incidentally related to the typical activities of the institution; and ii) are not expected to occur frequently in future fiscal years.

During the fiscal year ended December 31, 2022, Bank results segregated as a recurring were BRL 870,776 (BRL 532,499 in 2021) and there was no non-recurring result during the 2022 and 2021 fiscal years.

3. Accounting Estimates

Financial statements include accounting estimates and critical assumptions that have the greatest impact on assets and liabilities are as described below.

3.1. *Valuation of financial instruments*

The fair value of financial instruments is the value at which it may be purchased or sold in a current transaction between parties aware of and willing to trade, conducted on a strictly commercial basis. If a price quoted in an active market is available for an instrument, the fair value is calculated based on that price.

If there is no market price available for a financial instrument, its fair value is estimated based on the price established by recent operations involving the same instrument or similar instruments and, in the absence thereof, based on valuation techniques normally used by the financial market including, where applicable, data observable in the market, as follows:

- Current value discount method for valuation of financial instruments (method applicable mainly for debt instruments, “vanilla” swaps and forward transactions): expected future cash flows are discounted to present value using curves calculated based on observable market data (DIs, Future DDIs, etc.).

- *Black-Scholes* model for the assessment of financial instruments (primarily operations of options and exotic swaps): certain observable market information, such as the difference between the bid-offer spreads (*bid-offer spread*), exchange rates, volatility, correlation between indexes and market liquidity are used as “*inputs*” in the *Black-Scholes* model for the purpose of calculating the fair value of the financial instruments evaluated under this model.

3.2. *Deferred Taxes*

As shown by Note 18, deferred tax assets are accounted for solely in relation to temporary differences insofar as it is considered probable that the Bank has future taxable profit so that such deferred tax assets may be used. According to current regulations, the expected paying in of Bank tax credit is based on the projection of future revenues and technical studies.

These estimates are based on current expectations and estimates on projections of future events and trends, which may affect financial statements.

4. Cash and cash equivalents

The balance of cash and cash equivalents are comprised as follows:

		12/31/2022	12/31/2021
Foreign currency availability		359,595	146,768
Correspondents		52	52
Cash and cash equivalents		**359,647**	**146,820**
Investments in repo transactions	(Note 5)	8,716,471	14,502,896
Total		**9,076,118**	**14,649,716**

Currency		
Brazilian Real	8,716,523	14,502,948
US Dollar	231,300	45,018
Euro	46,053	28,132
Pounds Sterling	43,845	39,457
Canadian Dollar	10,238	5,486
Swiss Franc	9,245	5,866
Mexican Peso	6,719	7,073
Norwegian Krone	3,594	5,836
Swedish Krona	2,913	1,576
Yen	2,804	2,438
Australian Dollar	1,355	3,120
Singapore Dollar	713	1,231
Yuan Renminbi	273	806
New Zealand Dollar	268	390
Rand	207	262
Danish Krone	68	77
Total	**9,076,118**	**14,649,716**

5. Interbank liquidity investment

The breakdown of investments in repo transactions is as follows:

	12/31/2022	12/31/2021
Investments in Repo Transactions	**8,716,471**	**14,502,896**
Bench Position		
National Treasury Notes – NTN	5,400,513	3,699,999
National Treasury Bills – LTN	500,084	102,922
Treasury Financial Bonds – LFT	-	7,504,981
Funded Position		
National Treasury Notes – NTN	2,815,874	
Treasury Financial Bonds – LFT	-	3,194,994
Interbank deposit investments	**506,498**	**225,079**
Total	**9,222,969**	**14,727,975**

Note 31 contains the details of the maturity profile of Bank financial assets and liabilities.

6. Financial assets held for trading

Financial assets held for trading are comprised as follows:

	12/31/2022		12/31/2021	
	Cost	**Market Value**	**Cost**	**Market Value**
Free				
National Treasury Bills – LTN	2,213,700	2,215,140	1,275,087	1,270,570
National Treasury Notes – NTN	1,325,569	1,327,607	699,294	694,661
Foreign Bond Investments	1,920,945	1,920,133	-	-
Tied to repurchases				
National Treasury Bills – LTN	57,380	58,279	2,020	2,020
Given as guarantees				
National Treasury Bills – LTN	1,407,708	1,413,407	1,305,534	1,288,434
National Treasury Notes – NTN	1,750,088	1,755,417	3,069,265	3,055,839
Total	**8,675,390**	**8,689,983**	**6,351,200**	**6,311,524**

Note 31 contains the details of the maturity profile of Bank financial assets and liabilities.

7. Financial assets available for sale

Financial assets available for sale are comprised as follows:

	12/31/2022		12/31/2021	
	Cost	**Market Value**	**Cost**	**Market Value**
Private Securities				
Liquidity Investment Fund of the B3 – FILCB Chamber	16,916	20,303	16,916	18,014
Debentures	403,127	402,388	401,899	399,860
Promissory Notes	118,479	118,694	113,135	112,850
Total	**538,522**	**541,385**	**531,950**	**530,724**

Note 31 contains the details of the maturity profile of Bank financial assets and liabilities.

8. Financial assets held to maturity

Financial assets held to maturity are comprised as follows:

			12/31/2022			12/31/2021
	Cost	Market Value	Book Value	Cost	Market Value	Value Accounting
Government Bonds						
National Treasury Bills	199,931	199.896	199,931	199,958	199,930	199,958
Total	**199,931**	**199,896**	**199,931**	**199,958**	**199,930**	**199,958**

Note 31 contains the details of the maturity profile of Bank financial assets and liabilities.

9. Derivative financial instruments

Details, per type of inherent risk, of derivative financial instruments are listed below:

		12/31/2022		12/31/2021
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
Foreign currency risk	2,738,954	(2,682,579)	2,379,150	(5,304,969)
Interest rate and other risks	2.879.096	(3,338,792)	1,247,374	(1,990,967)
CVA/LVA	(45,401)	-	(38,032)	-
Total	**5,572,649**	**(6,021,371)**	**3,588,492**	**(7,295,936)**

Note 31 contains the details of the maturity profile of Bank financial assets and liabilities.

Additionally, Note 30 contains details on Bank exposure to credit risk, including procedures used by Company Management for management thereof.

10. Credit Operations

The following are the details, per type of credit operation, economic sector of the debtor and type of interest rate of the operation, which reflect Bank exposure to credit risk in its predominant activity, gross of losses due to non-recovery:

		12/31/2022	12/31/2021
Credit Operations			
Loans		1,004,373	784,201
Other Credits			
Discounted Securities	(Note 12)	112,279	30,590
Total		**1,116,652**	**814,791**
Private sector			
Industry		728,812	575,385
Commerce		304,238	133,938
Other services		76,562	105,468
Financial institutions		7,040	-
Total		**1,116,652**	**814,791**
Type of Interest Rate			
Floating		1,004,361	784,201

Fixed	112,291	30,590
Total	**1,116,652**	**814,791**

Note 31 contains the details of the maturity profile of Bank financial assets and liabilities.

Additionally, Note 30 contains details on Bank exposure to credit risk, including procedures used by Company Management for management thereof.

As of December 31, 2022 and 2021, there were no operations carried out with customers in arrears.

Credit operations are substantially classified according to the judgment of Company Management regarding the level of risk, considering the economic situation and specific risks in relation to the operation, debtors and guarantors, observing the parameters set forth by CMN Resolution No. 2.682/99 and subsequent changes by the BACEN, which require periodic analysis of the portfolio and classification thereof into nine levels: from AA (minimum risk) to H (maximum risk).

Credit transactions are floating and accounted for at the principal amount plus earned income, calculated "pro rata" day up to 60 days of arrears, after which these are accounted for on receipt of cash.

Provisions for expected losses associated with credit risks are shown as per the table below:

	12/31/2022		**12/31/2021**	
	Credit Operations	**Provision for expected losses**	**Credit Operations**	**Provision for expected losses**
Risk Level				
AA	631,273	-	710,598	-
A	462,561	(2,313)	74,218	(371)
B	22,818	(228)	29,975	(300)
Total	**1,116,652**	**(2,541)**	**814,791**	**(671)**

The following are movements of provisions for expected losses associated with credit risks:

	12/31/2022	**12/31/2021**
Opening Balance	**(671)**	**(827)**
Incorporation	(2,749)	(1,214)
Reversal	879	1,370
Final balance	**(2,541)**	**(671)**
Incorporation of provision on loans during fiscal year	(2,749)	(1,214)
Reversal of provision for loans during fiscal year	879	1,370
Constitution of provision for guarantees during fiscal year	(1,291)	(1,638)
Reversal of provision for guarantees during fiscal year	1,344	1,442
Recovery of other credits written off for losses	132	51
(Incorporation)/reversal of net provision for recoveries	**(1,685)**	**11**

During the fiscal years ended December 31, 2022 and 2021, there were no credits written off for losses.

11. Foreign Exchange Portfolio

	12/31/2022	**12/31/2021**
Foreign Exchange Portfolio – assets		
Foreign exchange purchased to be settled	2,542,537	825,342

Foreign exchange sales rights	2,399,448	820,779
Total foreign exchange portfolio – assets	**4,941,985**	**1,646,121**
Foreign Exchange Portfolio – liabilities		
Foreign exchange sold to settle	(2,389,607)	(814,474)
Obligations from Foreign exchange Purchases	(3,143,613)	(835,525)
Total Foreign exchange portfolio – liabilities	**(5,533,220)**	**(1,649,999)**

12. Other financial assets and liabilities

	12/31/2022	**12/31/2021**
Value trading and brokerage	326,102	796,480
Discounted Securities	112,279	30,590
Income receivable for service provision (a)	65,938	67,139
Total other financial assets	**504,319**	**894,209**
Value trading and brokerage	(184,083)	(1,237,461)
Foreign exchange currency payment orders	(117,121)	(60,275)
Total other financial liabilities	**(301,204)**	**(1,297,736)**

(a) These are basically service agreements relating to the provision of technical and operational infrastructure necessary in securities trading with related companies.
Note 31 contains the details of the maturity profile of Bank financial assets and liabilities.

13. Other Assets

Breakdown of other assets is detailed below:

	12/31/2022	**12/31/2021**
Court Deposits	209,865	197,188
Amounts receivable (a)	75,331	92,406
Salary advance payments	9,484	5,956
Advances to suppliers	344	290
Total other assets	**295,024**	**295,840**

(a) Includes reimbursements for expenses receivable from Group companies.

14. Fixed Assets for Use

Balances and movements of fixed assets in use and depreciation are detailed below:

	12/31/2021	**Additions**	**Write-offs/ Reclassification**	**12/31/2022**
Facilities	48,010	14,539	(15,789)	46,760
Furniture and equipment used	15,980	-	(1,778)	14,202
Communication Systems	22,259	12,218	(19,587)	14,890
Data processing systems	63,779	4,618	6,799	75,196
Vehicles	712	231	(216)	727
Works of Art	82	-	(76)	6
Fixed Assets in progress	4,152	7,744	-	11,896
Subtotal	**154,974**	**39,350**	**(30,647)**	**163,677**
Accumulated depreciation	(119,439)	(15,466)	30,310	(104,595)

Total	**35,535**	**23,884**	**(337)**	**59,082**

	12/31/2020	Additions	Write-offs	12/31/2021
Facilities	65,947	16	(17,953)	48,010
Furniture and equipment used	17,989	-	(2,009)	15,980
Communication Systems	17,343	6,210	(1,294)	22,259
Data processing systems	68,233	-	(4,454)	63,779
Vehicles	712	-	-	712
Works of Art	82	-	-	82
Fixed Assets in progress	-	4,152	-	4,152
Subtotal	**170,306**	**10,378**	**(25,710)**	**154,974**
Accumulated depreciation	(124,689)	(20,395)	25,645	(119,439)
Total	**45,617**	**(10,017)**	**(65)**	**35,535**

15. Deposits

Deposits recorded on the balance sheet are made at normal market rates and are detailed below:

	12/31/2022	12/31/2021
Spot Deposits	1,694,130	1,425,912
Time Deposits		
Floating rate CDB	9,547,394	10,031,028
Inter-financial deposits		
Fixed rate CDI	497,953	497,486
Floating rate CDI	332,290	164,134
Total	**12,071,767**	**12,118,560**

Note 31 contains the details of the maturity profile of Bank financial assets and liabilities.

16. Fundraising

Fundraising recorded on the balance sheet are carried out at normal market rates and are detailed below:

	12/31/2022	12/31/2021
Own portfolio		
National Treasury Bills – LTN	57,696	2,012
Third-Party Portfolio		
National Treasury Notes – NTN	2,815,874	-
Treasury Financial Bonds – LFT	-	3,194,994
Total	**2,873,570**	**3,197,006**

Note 31 contains the details of the maturity profile of Bank financial assets and liabilities.

17. Provisions

Provisions represent present obligations (legal or presumed) on the balance sheet date arising from past events for which occurrence is regarded as probable and for which the nature is certain, although value and/or time are uncertain, such obligations are assessed as non-current liabilities and are shown below:

	12/31/2022	12/31/2021
Legal obligations and contingent tax liabilities	132,793	125,204
Labor liabilities	56.759	54.425
Civil liabilities	65	153
Total	**189,617**	**179,782**

The change in the balance of provisions for the fiscal years ended on December 31, 2022 and 2021 is as follows:

	12/31/2022	12/31/2021
Opening Balance	**179,782**	**174,064**
Movements	9,835	5,718
Final balance	**189,617**	**179,782**

The Bank, during execution of its regular activities, is involved in contingencies as follows:

(i) *Legal obligations – tax and social security:* The Bank is a party to judicial and administrative litigation of a tax nature, which is classified according to the nature thereof, such as contingencies or legal obligations. According to CPC 25, judicial or administrative proceedings arising from notices of infringement or court orders are classified as contingent liabilities where the requirements formulated by tax authorities are contested. Discussions regarding the unconstitutionality or legality of the requirement for a certain tax are classified as legal obligations.

Legal tax obligations are accounted for under provisions and are composed primarily of the following discussion: (i) expansion of PIS/COFINS base pursuant to §1 of Article 3 of Law No. 9.718/98. Because it represents a legal obligation, the amount involved is fully accrued.

(ii) *Contingent labor liabilities:* Based on the forecasts of legal consultants, the Bank has a provision of BRL 56,759 (BRL 54,425 in 2021) relating to contingent liabilities of a labor nature.

(iii) *Civil contingent liabilities:* Based on the forecasts of legal consultants, the Bank has a provision of BRL 65 (BRL 153 in 2021) relating to contingent liabilities of a civil nature.

(iv) *Possible contingent liabilities:* The Bank has disputes whose risks of loss are classified by Company Management based on the prognosis of its legal advisors, as possible. Potential contingent liabilities associated with such disputes are estimated to be BRL 536,915 (BRL 503,469 in 2021), which involve the following discussions:

	12/31/2022	12/31/2021
Social Security Contributions on PLR	272,915	258,644
Deductibility in credit renegotiations	87,474	82,331
Bonus Deductibility	60,369	56,307
Social Integration Program (PIS) and Social Security Financing Contributions (COFINS) excluding gains in the demutualization of Bovespa and BMF	7,692	7,289
Other	2,774	2,620
Total possible tax suits	**431,224**	**407,191**
Labor liabilities	105,351	95,895

Total possible labor suits	**105,351**	**95,895**
Civil liabilities	340	383
Total possible tax suits	**340**	**383**
Total possible losses	**536,915**	**503,469**

18. Current and deferred tax liability assets

18.1. Current tax assets and obligations

	12/31/2022	**12/31/2021**
Assets		
Taxes and contributions to offset/recover	120,697	105,714
Total	**120,697**	**105,714**
Liabilities		
Provision for income tax and social contributions	(325,556)	(305,179)
Taxes and contributions to be withheld	(181,154)	(158,923)
Total	**(506,710)**	**(464,102)**

18.2. Deferred tax assets and obligations

The nature and origin of deferred income tax and social contributions and tax credits are shown as follows:

	12/31/2022	**12/31/2021**
Temporary differences		
Marking to market – TVM and derivatives	305,001	218,850
Provision for profit sharing	124,169	143,343
Contingencies	58,650	54,984
Provision for doubtful accounts	8,152	7,394
Other	15,163	12,136
Total tax credits – asset	**511,135**	**436,707**
Deferred tax obligations – liabilities	**(472,286)**	**(170,527)**

18.3. Income Tax and Social Contribution Results

		12/31/2022		**12/31/2021**
	Income Tax	**Social Contribution**	**Income tax**	**Social Contribution**
Results prior to Corporate Income Tax (IRPJ) and Social Contributions on Net Profits (CSLL)	1,422,343	1,422,343	922,095	922,095
Interest on equity	(175,756)	(175,756)	(111,632)	(111,632)
Temporary adjustments (1)	(508,106)	(508,106)	(232,837)	(181,281)
Tax incentives	7,514	7,514	5,554	5,554
Other permanent adjustments	10,806	(39,422)	90,517	-
Results prior to IRPJ and CSLL	**756,801**	**706,573**	**673,697**	**634,736**
Rates	25%	20% and 21%	25%	20% and 25%
IRPJ and CSLL	**(189,176)**	**(143,894)**	**(168,400)**	**(142,333)**
Adjustments from previous fiscal years	-	-	-	-

Tax incentives	7,514	-	5,554	-
Deferred tax liability	(166,910)	(133,528)	19,991	15,993
Deferred tax assets	42,520	31,907	(68,152)	(52,249)
Income Tax and Social Contribution Expenses	**(306,052)**	**(245,515)**	**(211,007)**	**(178,589)**

(1) Substantially comprised of adjustments to the market value of financial instruments and provision for contingent liabilities.

18.4. Movement of tax credit

				Deferred Tax Credit Asset – IRPJ
	Dec/21	**Paid in**	**Incorporation**	**Dec/22**
Tax Contingencies	31,409	(580)	2,617	33,446
PCLD	4,108	(563)	984	4,529
PLR provision	73,906	(93,682)	84,202	64,426
Other Provisions	6,742	(63,841)	65,523	8,424
MTM	121,584	(793,920)	841,781	169,445
Total	**237,749**	**(952,586)**	**995,107**	**280,270**

				Deferred Tax Credit Asset – IRPJ
	Dec/20	**Paid in**	**Incorporation**	**Dec/21**
Tax Contingencies	30,741	-	668	31,409
PCLD	4,110	(583)	581	4,108
PLR provision	50,913	(67,308)	90,301	73,906
Other Provisions	6,446	(49,397)	49,693	6,742
MTM	213,691	(472,222)	380,115	121,584
Total	**305,901**	**(589,510)**	**521,358**	**237,749**

				Deferred Tax Credit Asset – CSLL
	Dec/21	**Paid in**	**Incorporation**	**Dec/22**
Tax Contingencies	23,575	(464)	2,093	25,204
PCLD	3,286	(451)	788	3,623
PLR provision	69,436	(66,637)	56,944	59,743
Other Provisions	5,394	(51,074)	52,419	6,739
MTM	97,267	(640,123)	678,412	135,556
Total	**198,958**	**(758,749)**	**790,656**	**230,865**

				Deferred Tax Credit Asset – CSLL
	Dec/20	**Paid in**	**Incorporation**	**Dec/21**
Tax Contingencies	23,040	-	535	23,575
PCLD	3,288	(467)	465	3,286
PLR provision	48,769	(53,847)	74,514	69,436
Other Provisions	5,157	(39,518)	39,755	5,394
MTM	170,953	(382,800)	309,114	97,267
Total	**251,207**	**(476,632)**	**424,383**	**198,958**

18.5. Expected tax credit paid in

Based on a technical study prepared by Company Management, the expectation of annual tax credits paid in, and current value calculated based on the CDI rate of December 31, 2022 are as follows:

Fiscal Year	Expected amount paid in per fiscal year	Current value of tax credits
2023	152,393	134,090
2024	61,072	47,283
2025	8,603	5,861
2026	21,407	12,832
2027	60,818	32,076
2028 onward	206,842	95,989
Total	**511,135**	**328,131**

Technical study on tax credits paid in was prepared by Company Management based on current and future scenarios of the projection of results. Deferred income tax and social contributions to be paid in as temporary differences are reversed or fall within the parameters of tax deductibility.

18.6. Deferred Tax Obligations

Deferred tax obligations were incorporated based on interest on court deposits and mark-to-market adjustments of financial instruments and the movement thereof is detailed below:

	Dec/21	Paid in	Incorporation	Dec/22
Interest on court deposits	38,249	-	5,701	43,950
MTM	131,380	(1,081,429)	1,378,007	427,958
Actuarial Provision	898	(520)	-	378
Total	**170,527**	**(1,081,949)**	**1,383,708**	**472,286**

	Dec/20	Paid in	Incorporation	Dec/21
Interest on court deposits	39,997	(3,681)	1,933	38,249
MTM	166,300	(637,845)	602,925	131,380
Actuarial Provision	-	-	898	898
Total	**206,297**	**(641,526)**	**605,756**	**170,527**

19. Other Liabilities

The breakdown of the other liabilities is detailed below:

	12/31/2022	12/31/2021
Results Participation Program	162,125	169,757
Equity-Based Results Participation Program (1)	72,096	97,653
Payroll Provisioning	34,314	27,050
Actuarial liabilities (2)	32,857	24,973
Dividends payable	31,053	14,836
Other Miscellaneous	12,234	8,084
Total other liabilities	**344,679**	**342,353**

(1) Stock-based compensation plans

The plan for employees eligible for the stock-based compensation program is granted through the receipt of stock-based amounts. The amount paid out to employees is equivalent to the market price of the shares on the settlement date.

There are no alternatives to payment in shares.

Eligible employees receive stock appreciation rights, payable in cash only. These rights are settled annually, based on the amount of shares to be paid at the end of each vesting period. The benefit deferral period is three years from receipt of the award, with 33.33% of the benefit paid out each year. The fair value of the shares is calculated on the date of payment based on amounts disclosed by the NYSE.

On December 31, 2022 and 2021, no share appreciation rights became exercisable. There were no cancellations or changes to the plans during the period in question.

(2) Post-employment benefits: Amounts accounted for in the income statement for the year ended on December 31, 2022 were BRL 6,728 (BRL 1,186 in 2021) and in other comprehensive results of BRL 1,155 ((BRL 1,995) in 2021). The values followed the following assumptions for measurement thereof, since Bank post-employment benefits are assessed as Defined Benefits:

I - Key assumptions employed in the actuarial assessment on December 31, 2022

i. Criteria for calculating Assets – Health Care Plans do not have guarantor assets allocated to cover benefits offered by these, and are paid directly by the Bank as these occur.

ii. Actuarial Bond discount rate: 10.31% p.a. (6.09% p.a. effective)

iii. Annual Long-Term Inflation Rate: 3.98% p.a.

iv. Medical Cost Growth: 8.92% p.a. (7.79% p.a. effective)

v. Growth in Medical Costs due to Aging: Per age group, 0 to 24 years = 1.25% p.a.; 25 to 54 years = 2.75% p.a.; 55 to 79 years = 4.75% p.a.; and 80 years or older = 2.25% p.a.

vi. Percent Plan Stay of future retirees and dismissals: 100%

vii. General Mortality Table: AT-2000, softened by 10%, segregated by gender.

The overall mortality table adopted – AT-2000 softened by 10% adequately reflects the survival that has been observed in recent years in populations linked to benefits programs in the context of what the Bank maintains with its employees, and widely adopted in actuarial assessments of this nature in Brazil.

viii. Turnover: In-company experience.

The assumption of turnover is based on the effective experience of Bank employees eligible for post-employment benefits, which resulted in a mean of 13% p.a.

ix. Age at retirement date: 65 years old for men and 62 years old for women.

x. Actuarial method: Projected Unit Credit.

The purpose of this method is to dilute the cost of each employee benefit over the period during which it is anticipated that they are to work for the company. Determination of the cost for each year of service is achieved indirectly by allocating the benefits expected between the years of service.

The biometric/demographic assumptions adopted are adherent to the mass of benefit plan participants, according to studies prepared by external and independent actuarial consultancy.

II - Exposure to Risks

Existing obligations, linked to post-employment benefits, assessed herein as defined benefits, expose the Bank to a number of risks, the key ones shown below:

- **Inflation Risk:** As demonstrated in the actuarial assumptions, the values of the plans are linked to the inflation index, and once inflation rises, this will take the obligations to a higher level, generating a more relevant actuarial liability;

- **Life expectancy:** The defined benefits provided by the Bank have as a variable the age of the beneficiary, so the increase in life expectancy results in an increase in liabilities.

III - Evolution of the net amount accounted for in the Balance Sheet

	Actuarial liability
Balance as of December 31, 2021	**24,973**
Defined Benefit Obligation	7,884
Balance as of December 31, 2022	**32,857**

IV - Sensitivity of the defined benefit obligation

The impact, by changing the assumed discount rate by 0.5%, which would be accounted for under actuarial liability as well as in other comprehensive results of the Bank (before taxes) would be:

Change of Assumption	Effect on Actuarial Liability and Other Comprehensive Results	
- 0.5% reduction	3,858	Increased liability
- 0.5% increase	(3,318)	Liability reversal

The impact, by changing the assumed rate of medical costs by 0.5%, which would be accounted for under actuarial liability as well as in other comprehensive results of the Bank (before taxes) would be:

Change of Assumption	Effect on Actuarial Liability and Other Comprehensive Results	
- 0.5% reduction	(3,301)	Liability reversal
- 0.5% increase	3,783	Increased liability

20. Equity

On December 31, 2022 and 2021, share capital is represented by 598,330,140 nominative ordinary shares, subscribed and paid-in, with no nominal value, which guarantee annual dividends of 25%

of net profit, and the General Shareholders' Meeting may decide to distribute dividends lower than that which is mandatory or withhold all profits.

Company bylaws provide for the allocation of profits, on December 31 of each year, after legal deductions, to the legal reserve fund at 5%, allowing said allocation to be mandatory as soon as this reserve reaches 20% of the share capital paid in. The remaining balance of profits then

designated are allocated to the Profit Reserve - Statutory account, in order to ensure the operational and regulatory adequacy of the Bank, and this account may be used to guarantee future capital increases or, if there is no need, for dividend distribution.

At the Ordinary General Shareholders' Meeting held on April 30, 2021, Company Management decided on the allocation of BRL 16,380 referring to the mandatory minimum dividends of 2020 to the "profit reserves - statutory" account, designated to ensure operational and regulatory adequacy of the Bank and may be used to guarantee future capital increases or, if there is no need, for the distribution of dividends.

At the Extraordinary General Shareholders' Meeting of December 17, 2021, remuneration of equity to shareholders was approved, calculated on the fiscal year of 2021, pursuant to CMN Resolution No. 4.820/20 and in the amount of BRL 111,632. The tax impact accounted for on results due to deductibility of interest on equity was BRL 52,940.

At the Extraordinary General Meeting held on December 17, 2021, the capital increase of the Bank was approved in the amount of BRL 83,742 through the capitalization of Interest on Equity for the year 2021, after the withholding of taxes withheld, declared to shareholders on that date. This act was approved at the Central Bank of Brazil on February 10, 2022.

After calculation of results for the fiscal year, the establishment of the legal reserve and allocations of capital remuneration to shareholders, BRL 14,836 was provisioned in order to ensure annual dividends of 25% of net profit. At the Ordinary General Shareholders' Meeting held on April 28, 2022, Company Management decided on the allocation of BRL 14,836 relative to the mandatory minimum dividends of 2021 to the "profit reserves - statutory" account, designated to ensure operational and regulatory adequacy of the Bank and may be used to guarantee future capital increases or, if there is no need, for the distribution of dividends.

At the Extraordinary General Shareholders' Meeting of December 25, 2022, remuneration of equity to shareholders was approved, calculated on the result accumulated to October 15, 2022, pursuant to CMN Resolution No. 4.820/20 and in the amount of BRL 175,756. The tax impact accounted for on results due to deductibility of interest on equity was BRL 80,847.

After calculation of results for the fiscal year, the establishment of the legal reserve and allocations of capital remuneration to shareholders, BRL 31,053 was provisioned in order to ensure annual dividends of 25% of net profit.

21. Result of financial brokerage

The breakdown of the balance of this item is as follows:

	2022	2021
Revenues from financial brokerage		
Revenue from investments in repo transactions	1,528,071	723,804
Revenue from credit operations	145,057	56,412
Revenue from interbank deposits	23,675	5,431
Revenue from voluntary investments at the Central Bank	12	-
Financial intermediation expenses		
Overseas loan expenses	(188,830)	(275,396)
Bank deposit certificate expenses	(763,542)	(254,371)
Borrowing expenses in repo transactions	(315,008)	(119,222)
Inter-financial deposit expenses	(81,678)	(28,361)
FGC expenses	(14,630)	(14,749)
Accruals for net losses from recoveries	(1,685)	11
Net gains from financial instruments		
Results from derivatives	439,664	158,369
Variable income result (a)	(423,166)	42,899
Result from government bonds	631,289	323,385
Private bond results	68,457	5,034
Result with securities abroad	42,695	-
Gains (losses) on foreign exchange contracts		
Net results from foreign exchange transactions	536,186	324,952
Total	**1,626,567**	**948,198**

(a) Includes result of loan of shares of the primary and secondary Public Offering transactions of shares.

22. Revenue from fees and commissions

The breakdown of the balance of this item is as follows:

	2022	2021
Provision of other services (a)	667,101	617,839
Technical advice and commission on securities placements on the market	253,767	373,155
Funds Management	32,762	44,917
Bank fee income	11,965	7,414
Other Revenues	6,392	5,576
Total	**971,987**	**1,048,901**

(a) These are basically service agreements relating to the provision of technical and operational infrastructure with related parties.

23. Personnel Expenses

The breakdown of the balance of this item is as follows:

	2022	2021
Direct compensation	(353,747)	(363,988)
Social security costs	(215,230)	(194,083)
Benefits	(74,067)	(54,781)
Other Personnel Expenses	(2,612)	(2,446)
Total	**(645,656)**	**(615,298)**

24. Fees and commissions expenses

The breakdown of the balance of this item is as follows:

	2022	2021
Brokerages and emoluments	(48,898)	(45,699)
Other	(1,741)	(412)
Total	**(50,639)**	**(46,111)**

25. Other administrative expenses

The breakdown of the balance of this item is as follows:

	2022	2021
Technical services provided by third parties	(117,120)	(100,180)
Relationship Programs	(63,788)	(31,768)
Rents	(23,111)	(21,619)
Travel	(15,343)	(3,544)
Communications	(11,675)	(7,006)
Maintenance	(11,190)	(11,153)
Philanthropic Contributions	(8,744)	(6,971)
Serving area and kitchen	(4,476)	(1,734)
Realty, facilities and materials	(1,981)	(1,359)
Insurance premiums	(1,927)	(2,650)
Professional associations	(1,602)	(1,578)
Water, power and gas	(1,336)	(1,117)
Events	(1,265)	(259)
Road travel and parking	(848)	(1,000)
Representations	(790)	(85)
Advertising and Publications	(469)	(441)
Other Miscellaneous	(1,089)	(3,583)
Total	**(266,754)**	**(196,047)**

26. Other operating revenues (expenses)

The breakdown of the balance of this item is as follows:

	2022	2021
Contribution to Social Security Funding – COFINS	(61,986)	(45,489)
Service Tax - ISS	(47,617)	(51,098)
Other operating expenses	(22,273)	(36,840)
Social Integration Programs - PIS	(10,073)	(7,392)
Other tax expenses	(12,078)	(3,395)
Other operating revenues	20,408	19,974
Total	**(133,619)**	**(124,240)**

27. Additional information on financial instruments

27.1. Derivative financial _ instruments

The composition of reference (notional) and/or contractual values and fair values of derivative financial instruments classified as Fair Value by way of Income, maintained by the Bank, is as follows:

	12/31/2022		12/31/2021	
	Reference value	Fair Value	Reference value	Fair Value
Interest rate and other risks				
Interest Rate Swap	21,542,428	(458,878)	17,857,946	(744,068)
Forward Contracts	2,147,691	(817)	563,731	475
Foreign currency risk				
Foreign exchange swaps	24,384,548	202,367	24,758,036	(2,819,748)
Options - long position	3,919,311	108,362	3,371,230	67,210
Options - short position	3,919,311	(108,362)	3,371,230	(67,210)
Forward Contracts	64,841,848	(145,993)	63,082,642	(106,071)
CVA/LVA		(45,401)		(38,032)
Total	**120,755,137**	**(448,722)**	**113,004,815**	**(3,707,444)**

Composition of futures contracts to be settled

The future contracts as of December 31, 2022 and 2021 are as follows:

	12/31/2022	12/31/2021
	Reference value	Reference value
Foreign exchange swaps	5,244,314	2,862,843
Foreign currency	2,891,891	3,058,541
Inter-financial deposit	9,251,822	7,691,026
DDI	19,969,364	21,781,561
Total	**37,357,391**	**35,393,971**

The composition of reference and/or contractual values of derivatives, according to the maturity of operations, is as follows:

				12/31/2022
	Up to 3 months	3 to 12 months	Over 12 months	Total
Swap	2,004,391	8,584,029	35,338,556	45,926,976
Options	1,369,561	4,534,751	1,934,310	7,838,622
Forward Contracts	33,676,201	24,531,066	8,782,272	66,989,539
Total	**37,050,153**	**37,649,846**	**46,055,138**	**120,755,137**

				12/31/2021
	Up to 3 months	3 to 12 months	Over 12 months	Total
Swap	2,335,995	6,914,739	33,365,248	42,615,982
Options	1,086,204	2,405,715	3,250,541	6,742,460
Forward Contracts	39,044,547	15,818,079	8,783,747	63,646,373
Total	**42,466,746**	**25,138,533**	**45,399,536**	**113,004,815**

The Bank does not have derivatives classified as "*hedge accounting*" on December 31, 2022 and 2021.

27.2. Financial instruments segregated by level

According to CMN Resolution No. 4.748/19, which approved CPC 46, the measurement of fair value using a fair value hierarchy that reflects the model used in the measurement process, must be in accordance with the following hierarchical levels:

- Level 1 – Determined based on public price quotes (unadjusted) in active markets for identical assets and liabilities, including public debt securities, shares, listed derivatives;

- Level 2 – These are data derivatives other than price quotes included in Level 1 that are observable for the asset or liability, either directly (such as prices) or indirectly (derived from prices); and

- Level 3 – These are derived from valuation techniques that include data for assets or liabilities that are not based on observable market variables (non-observable data).

The following table shows a summary of the fair values of financial assets and liabilities as of December 31, 2022 and 2021, classified based on the various measurement methods adopted by the Bank to determine the fair value thereof:

			12/31/2022
	Level 1	**Level 2**	**Total**
Financial assets held for trading	8,689,983	-	8,689,983
Financial assets available for sale	20,303	521,082	541,385
Derivative financial assets	-	5,572,649	5,572,649
Derivative financial liabilities	-	(6,021,371)	(6,021,371)

			12/31/2021
	Level 1	**Level 2**	**Total**
Financial assets held for trading	6,311,524	-	6,311,524
Financial assets available for sale	18,014	512,710	530,724
Derivative financial assets	-	3,588,492	3,588,492
Derivative financial liabilities	-	(7,295,936)	(7,295,936)

The following demonstrate the techniques and key assumptions adopted in the measurement of financial instruments presented at fair value, for which measurement employed internal models based substantially on observable market data (Level 2) on December 31, 2022 and 2021.

			12/31/2022
	Fair Value	**Technique adopted**	**Key Assumptions**
Asset Position			
Financial assets available for sale	521,082	Current value method	Market and liquidity observable data
Swap	2,087,197	Current value method	Market and liquidity observable data
Options	108,362	*Black & Scholes* Model	Market and liquidity observable data
Term	3,422,491	Current value method	Market and liquidity observable data
Subtotal	**6,139,132**		
CVA/LVA	(45,401)		
Total	**6,093,731**		
Liability Position			
Swap	(2,343,708)	Current value method	Market and liquidity observable data
Options	(108,362)	*Black & Scholes* Model	Market and liquidity observable data
Term	(3,569,301)	Current value method	Market and liquidity observable data
Total	**(6,021,371)**		

			12/31/2021
	Fair Value	**Technique adopted**	**Key Assumptions**
Asset Position			
Financial assets available for sale	512,710	Current value method	Market and liquidity observable data
Swap	2,202,914	Current value method	Market and liquidity observable data

Options	67,210	*Black & Scholes* Model	Market and liquidity observable data
Term	1,356,400	Current value method	Market and liquidity observable data
Subtotal	**4,139,234**		
CVA/LVA	(38,032)		
Total	**4,101,202**		
Liability Position			
Swap	(5,766,731)	Current value method	Market and liquidity observable data
Options	(67,210)	*Black & Scholes* Model	Market and liquidity observable data
Term	(1,461,995)	Current value method	Market and liquidity observable data
Total	**(7,295,936)**		

27.3. Fair value of assets and liabilities measured at amortized cost

The following is a comparison between the accounting values of the financial assets measured at amortized cost, recorded at the Bank and the respective fair values thereof:

		12/31/2022		**12/31/2021**
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Interbank liquidity investment	9,222,969	9,222,969	14,727,975	14,727,975
Financial assets held to maturity	199,931	199.896	199,958	199,930
Credit Operations	1,004,373	1,004,373	784,201	784,201
Foreign Exchange Portfolio	4,941,985	4,941,985	1,646,121	1,646,121
Other financial assets	504,319	504,319	894,209	894,209
Total	**15,873,577**	**15,873,542**	**18,252,464**	**18,252,436**

The following is a comparison between the book values of the financial liabilities measured at amortized cost, recorded at the Bank and the respective fair values thereof:

		12/31/2022		**12/31/2021**
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Deposits	12,071,767	12,071,767	12,118,560	12,118,560
Fundraising	2,873,570	2,873,570	3,197,006	3,197,006
Foreign Exchange Portfolio	5,533,220	5,533,220	1,649,999	1,649,999
Other financial liabilities	301,204	301,204	894,209	894,209
Total	**20,779,761**	**20,779,761**	**17,859,774**	**17,859,774**

The methods and assumptions used for estimating fair value are defined below:

i) Financial assets held to maturity are recorded at amortized cost, and their fair value was measured based on the market values available on the base date.

ii) The credit transactions detailed in Note 10 are floating rate transactions, and the book value thereof presented is substantially close to their fair value.

iii) The foreign exchange portfolio (asset/liability) is composed of financial and interbank exchanges. The book value presented for these instruments is substantially close to the fair value thereof.

iv) The other financial assets are substantially comprised of trading and brokering of securities and other short-term receivables. The book value presented for these instruments is substantially close to the fair value thereof.

v) The fair value of deposits was calculated by discounting the difference between the cash flows under contractual terms and rates currently employed on the market for instruments for which maturities are similar.

vi) The fair value of fundraising is comprised of short-term promissory operations that are settled within the usual market terms (*overnight*). The book value presented for these instruments is substantially close to the fair value thereof.

vii) The other financial liabilities are substantially comprised of foreign currency fundraising, trading and brokering of values and other short-term obligations. The book value presented for these instruments is substantially close to the fair value thereof.

28. Credit Commitments

The values of surety letters issued by the Bank are not recorded in the balance sheet, however, these are controlled in clearing accounts (*off balance*) and are shown below:

	12/31/2022	**12/31/2021**
Surety letters	437,170	332,807

29. Balances and related party transactions

Related parties to the Bank include, in addition to their parent companies, sister subsidiaries and affiliates, key personnel of the Bank Management, close family members of key personnel of Company Management, and entities over which such key personnel or their close family members may exercise significant influence or control.

Key Company Management persons are defined as those who have the authority and responsibility to plan, direct and control the activities of the Bank of America Group in Brazil, directly or indirectly.

29.1. *Management compensation*

For purposes of disclosure, key personnel of Company Management are the statutory directors of the Bank of America group in Brazil, whose compensation paid is shown below:

	12/31/2022	**12/31/2021**
Long-term benefit plan	31,940	27,865
Profit sharing and bonuses	22,634	14,133
Wages and benefits	22,874	17,093
Private pension	2,076	1,449
Total	**79,524**	**60,540**

During the 2022 fiscal year, social charges were paid in the amount of BRL 26,564 (2021 – BRL 20,202).

i Long-term benefit plan

The long-term incentive award practice is intended to promote success and increase the value of the Bank by linking the personal interests of key contributors with the interests of shareholders. The primary objective is the reinforcement of motivation, attraction and retention of key employees.

ii Contract Termination

Contracts are for an indefinite term. Termination of employment relations, in the event of non-compliance with obligations, does not render entitlement to any financial compensation.

29.2. Transactions with related parties

The balances of related party transactions are shown below:

i) Balances maintained in balance sheet with related non-controlling parties

Type of operation	Expiration	12/31/2022	12/31/2021
Assets			
Cash Equivalents		359,595	146,768
Investments in repo transactions		-	9,922
Derivatives (1)	up to 10/16/2045	1,292,360	1,844,666
Other financial assets	01/03/2023	392,040	
	01/04/2022		863,619
Other assets (2)	01/15/2023	63,723	-
	01/17/2022		63,417
Total Assets		**2,107,718**	**2,928,392**
Liabilities			
Deposits		(596,923)	(589,582)
Fundraising	01/06/2023	(2,873,570)	-
	01/04/2022	-	(3,197,006)
Derivatives (1)	up to 10/16/2045	(902,828)	(527,384)
Dividends payable		(31,053)	(14,836)
Other Obligations		(1,653)	(1,312)
Total Liabilities		**(4,406,027)**	**(4,330,120)**

(1) The fees levied on derivative financial instruments are different and were negotiated according to each type of operation and maturity on the date of contracting according to the fees levied on other clients and the market.

(2) The balance of Other Assets is substantially due to and reimbursement receivables from related parties.

ii) Balances presented in the results from operations with related non-controlling parties

Type of operation	12/31/2022	12/31/2021
Interest income and similar	1,879	194
Interest expense and similar	(370,671)	(136,666)
Results from derivatives	(2,153,791)	(15,748)
Fees and commissions	700,823	663,717
Recovery of personnel expenses	104,718	86,096
Service provision expenses	(1,413)	(678)
Other Administrative Expenses	(867)	-
Other operating expenses	(12,135)	(8,895)

Operations carried out with group companies were executed based on conditions usually employed by the market.

30. Risk and Capital Management

The Bank of America Corporation (BAC) risk framework defines the principles for consistent and efficient management of the various risks to which BAC and its subsidiaries are subject, including the Brazilian subsidiaries of the Bank of America Prudential Conglomerate ("Conglomerate") which is composed of Bank of America Merrill Lynch Banco Múltiplo S.A. and Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários.

The governance structure applies to all staff and employees and establishes roles and responsibilities for the purposes of risk management for the different areas of the organization, divided into three lines of defense: (i) business and respective control areas; (ii) independent risk areas and other control areas; and (iii) internal audits. This structure acts in setting the model, risk appetite and limits for Conglomerate activities, by way of a structure of authority delegated to committees, and executives, supervised by the Board and regional committees.

The Conglomerate manages these risks according to global standards, consisting of local policies, processes, systems, routines and procedures. Although responsibility for risk management is assigned to all employees, the risk area manages these risks through timely and independent analysis.

In compliance with CMN Resolution No. 4.557/17, management of the various types of risk is integrated within the Executive Risk Board, under the responsibility of the Chief Risk Officer ("CRO") and supervision of the Brazil Risk Management Committee (BMRC). The BMRC reports to the Board and, among other responsibilities, reviews and evaluates compliance with the levels of risk appetite, documented in the Risk Appetite Statement (RAS), as well as strategies for managing these risks, regarded individually and in an integrated manner.

Risk committee assignments are available at (https:// www.bofabrasil.com.br).

The integrated risk management framework identifies, measures, assesses, monitors, informs, controls and mitigates the following types of risk:

Credit Risk: Defined as the likelihood of loss events associated with the inability or default by the policyholder, or counterparty, of their respective financial obligations under the terms agreed, the devaluation of a credit contract resulting from deterioration in policyholder risk classification, the reduction of gains or remuneration, the advantages granted in the renegotiation and the cost of recovery. Credit risk exposure refers to the amount at risk or the maximum potential loss to which the Conglomerate is exposed as it grants a new credit.

Following a rigorous and disciplined client selection process, credit risk is managed based on the risk profile of each borrower or counterparty, including the assessment of sources of repayment, underlying guarantees, and the expected impacts relating to the current and projected economic environment. Credit analysis, monitoring and limits are proactively reassessed to capture any changes in the risk profile. The Conglomerate follows local and global Credit Risk Policies, which set high standards for credit risk management and monitoring.

Operating Risk: Defined as that arising from losses resulting from external events or from inadequate or deficient internal systems, people and processes, inherent to all conglomerate activities. The Operational Risk Management Program, in accordance with the requirements of the Central Bank of Brazil, incorporates and documents processes for the identification, measurement, monitoring, control and reporting of operational and compliance risk information to the appropriate committees. Each line of business and the control areas thereof have the responsibility to implement these processes and comply with applicable operational risk policies and standards.

Compliance Risk (Compliance): Defined as that arising from legal or regulatory sanctions capable of causing material financial harm or damage to the reputation of the conglomerate due to non-compliance with the requirements of applicable laws, rules, regulations, as well as standards and codes of conduct. The Compliance Policy follows global guidelines as well as local requirements of CMN Resolution No. 4.595/17.

Market Risk: Defined as that resulting from changes in market conditions that could negatively affect the value of assets and liabilities or otherwise negatively affect results. Market risk is composed of price risk and interest rate risk.

Sensitivity analysis, Value at Risk ("VaR") limits, stress limits and other types of limits on risk metrics are established for the management of Conglomerate market risk exposures. Limits are also set to measure and monitor interest rate risk in the bank portfolio.

i) Sensitivity analysis

Sensitivity analysis allows the impact on the value of a position or portfolio resulting from isolated changes in market factors to be measured, keeping other market risk factors constant. The Local Market Risk area analyzes and reports daily to other business areas the risk sensitivity measures in relation to interest rates, interest curves, volatility, foreign exchange exposure, stocks and commodities.

ii) Value-at-Risk (VaR)

The Conglomerate globally applies the VaR methodology to measure potential portfolio losses. The VaR is a standard methodology used to estimate the maximum expected loss of a portfolio given a significance level and within a given time horizon. The Local Market Risk area uses the VaR measure as an indicator of the level of market risk, and changes observed in this measure should be correlated with relative changes in risk.

The model consists of a historical simulation performed over a 3-year periodically updated observation period. The confidence level of the model is 99% and the 1-day horizon, considering the mean of the last 19 most relevant losses during this three-year period. This methodology considers the effects of extreme risks, known as the "tail risk" effect, characteristic of the financial asset series.

The Conglomerate's VaR on the end-of-period dates and maximum, minimum and mean values thereof, throughout the year are shown below:

VaR (* *) 99% (1 day in thousands of Brazilian reals)		
VaR	**12/31/2022**	**12/31/2021**
End of period	13,192	9,536
Minimum *	5,152	2,458
Maximum *	16,389	13,491
Mean *	9,877	6,204

(*) Mean of the 19 most relevant losses of a 3-year observation window

The historical simulation VaR methodology does not require a prior hypothesis on the distribution of returns, and it is not necessary to estimate volatilities or correlations between portfolio assets, regarded as an advantage over other VaR calculation methodologies. However, with regard to historical returns, it should be regarded that past events do not necessarily represent future events, that is, the time series may contain events that no longer occur or even omit events that occur in the future. In addition, by weighting all samples with the same weight, the VaR may be distorted by old information and if an extreme value leaves the observation window, the VaR may vary greatly.

Liquidity Risk: Defined as the inability to meet expected or unexpected cash flow and collateral needs while continuing to support our business and customers under distinct economic conditions. Corporate Treasury, in conjunction with the business areas, monitors the liquidity position on a daily basis and, if necessary, takes corrective actions to maintain liquidity metrics in accordance with risk appetite and established limits. Additionally, the Conglomerate has a liquidity contingency plan for situations where the stress metric falls below the preset limits.

Reputational Risk: defined as that arising from the negative perception of the conduct and business practices adopted by the Conglomerate that may negatively affect profitability and operations. Reputational risk may come from negative perception by key stakeholders (customers, counterparties, investors, regulators, risk agencies), scrutiny of external parties (politicians, consumers, media organizations), and the ongoing threat of legal proceedings. These factors may impact profitability and operations, hindering the ability to establish new relationships or maintain current relationships with key stakeholders (investors, regulators, employees, and the local community). Reputational risk is managed through policies and controls established in processes and businesses for timely mitigation of reputation risks and through proactive monitoring and identification of potential events. Employees must protect the reputation of the Conglomerate by acting ethically and in compliance with applicable law, as defined under the Code of Conduct.

Strategic Risk: Defined as that resulting from incorrect assumptions about in-company or external factors; inappropriate business plans, such as aggressive assumptions, equivocal and/or ambiguous focus; deployment of inefficient business strategy or untimely response to changes in competitive, macroeconomic or regulatory environments, such as competitor actions, changing customer preferences, obsolescence of products and development of new technologies.

Interconnected Risks

In addition to the seven types of risk described above, risks can manifest themselves in several other types of risk, causing interdependence. These interconnected risks require comprehensive and collaborative efforts to be effectively identified, measured, monitored and controlled. The social, environmental and climate, concentration, information security, data risk and conduct risk risks are examples of interdependent risks that we develop and continue to enhance processes to incorporate into our Risk Framework and risk management programs.

Social, environmental and climate risks: The Conglomerate has a Social, Environmental and Climate Responsibility Policy, and establishes the guidelines for their identification, assessment, monitoring and mitigation of control, in compliance with CMN Resolutions Nos. 4.943/21 and 4.945/21.

Prevention of Money Laundering and Fighting Terrorism: Reputational and regulatory sanctions risk relating to financial crimes of money laundering, economic sanctions and fighting terrorism is managed by global policies and procedures, by addressing local regulatory and organization-wide commitment.

Information Security and Cyber Security: As required by CMN Resolution No. 4.893/21, policies, processes and procedures were implemented for governance, with the appointment of an Executive Director and transparency in information to the regulator, establishment of processes for hiring relevant technology service providers, sharing intelligence with the sector, as well as annual reports as well as in the event of materialized incidents.

Capital Management: It consolidates in a structured manner actions implemented by the Conglomerate for the purposes of regulatory capital management in accordance with the decisions of the CMN Resolution 4.557/17. The capital structure provides a forecast of the sufficiency of available regulatory capital, under normal and stressed scenarios, in view of strategic objectives, risks inherent to the operation of the Conglomerate, future profits, profit distribution policy and corporate actions provided for by executive management.

Quantitative and qualitative, unaudited information relating to risk management for Basel 3 Pillar III is available at the website (https://www.bofabrasil.com.br/).

31. Additional Information

Maturity profile of financial assets and liabilities

The following table demonstrates the maturity profile of the Bank's financial assets and liabilities:

						December 31, 2022
	No expiration	up to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total
Assets						
Cash Equivalents	359,647	-	-	-	-	359,647
Financial assets						
Reserves at Central Bank of Brazil	328,002	-	-	-	-	328,002
Interbank liquidity investment	-	8,716,471	377.718	-	128,780	9,222,969
Held for trading	-	2,905,654	1,311,291	3,175,086	1,297,952	8,689,983
Available for sale	20,303	-	11,201	509,881	-	541,385
Held until maturity	-	199,931	-	-	-	199,931
Derivatives	-	2,639,938	1,145,274	833,813	953,624	5,572,649
Credit Operations	-	292,992	260,635	56,541	394,205	1,004,373
Foreign Exchange Portfolio	-	4,881,336	60,649	-	-	4,941,985
Other financial assets	-	504,319	-	-	-	504,319
Total	**707,952**	**20,140,641**	**3,166,768**	**4,575,321**	**2,774,561**	**31,365,243**
Liabilities						
Deposits	(1,694,130)	(1,532,157)	(579,505)	(361,431)	(7,904,544)	(12,071,767)
Fundraising	-	(2,873,570)	-		-	(2,873,570)
Derivatives	-	(2,644,590)	(1,342,325)	(1,094,239)	(940,217)	(6,021,371)
Foreign Exchange Portfolio	-	(5,476,875)	(56,345)	-	-	(5,533,220)
Other financial liabilities	-	(301,204)	-	-	-	(301,204)
Total	**(1,694,130)**	**(12,828,396)**	**(1,978,175)**	**(1,455,670)**	**(8,844,761)**	**(26,801,132)**
	(986,178)	**7,312,245**				
Net position			**1,188,593**	**3,119,651**	**(6,070,200)**	**4,564,111**

						December 31, 2021
	No expiration	up to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total
Assets						
Cash Equivalents	146,820	-	-	-	-	146,820
Financial assets						
Reserves at Central Bank of Brazil	366,652	-	-	-	-	366,652
Interbank liquidity investment	-	14,505,237	142,204	80,534	-	14,727,975
Held for trading	-	41,666	1,275,972	1,862,119	3,131,767	6,311,524
Available for sale	18,014	-	9,266	103,584	399,860	530,724
Held until maturity	-	199,958	-	-	-	199,958
Derivatives	-	1,291,635	854,137	875,986	566,734	3,588,492
Credit Operations	-	170,173	99,240	121,699	393,089	784,201
Foreign Exchange Portfolio	-	1,646,121	-	-	-	1,646,121
Other financial assets	-	892,767	1,442	-	-	894,209
Total	**531,486**	**18,747,557**	**2,382,261**	**3,043,922**	**4,491,450**	**29,196,676**
Liabilities						
Deposits	(1,425,913)	(1,998,757)	(439,350)	(498,573)	(7,755,967)	(12,118,560)
Fundraising	-	(3,197,006)	-	-	-	(3,197,006)
Derivatives	-	(1,318,756)	(1,723,383)	(2,775,912)	(1,477,885)	(7,295,936)
Foreign Exchange Portfolio	-	(1,649,999)	-	-	-	(1,649,999)
Other financial liabilities	-	(1,297,736)	-	-	-	(1,297,736)

Total	**(1,425,913)**	**(9,462,254)**	**(2,162,733)**	**(3,274,485)**	**(9,233,852)**	**(25,559,237)**
Net position	**(894,427)**	**9,285,303**	**219,528**	**(230,563)**	**(4,742,402)**	**3,637,439**

Ombudsman

In compliance with Resolutions 4.860/20 and 4.859/20 of the National Monetary Council, the Bank of America Conglomerate provides the ombudsman channel and complaints' channel by way of telephone numbers 0800 886 2000 and 0800 721 8036, respectively.

* * *

Board of Directors

Afonso Augusto de Azevedo Soares

Alessandra Raspante Suares

Annali Zavatta Duarte Bittencourt

Daniel Fazzolari

Eduardo Alcalay

Eduardo Bianchi Rolim

Felipe Esberard de Vasconcelos Beltrão

Flávio Pinheiro Corsini

Marcelo Anção Chiovatto

Monalisa Giannini Bertolotti Guarda

Nuno Filipe de Macedo Martins

Accountant

Ricardo Kenji Mukai

Chartered Accountant Reg. (CRC)
No. 1SP233986/O-8

BANK OF AMERICA

SUMMARY OF AUDIT COMMITTEE REPORT

In accordance with its duties, the Audit Committee of the Bank of America Prudential Conglomerate is responsible for ensuring the quality of the Financial Statements, compliance with legal and regulatory requirements, the independence and quality of the work of Independent Audit and Internal Audit and quality and effectiveness of in-company control systems and for risk management.

During the fiscal year, a work meeting was held which was attended, in addition to members of the Audit Committee, by the representatives of the Internal Audit, Independent Audit and other areas. We highlight the following issues:

- Review of the Financial Statements for the semester and fiscal year ended on December 31, 2022;
- Assessment of the performance and quality of the work of Independent and Internal Audits.
- Assessment of compliance with recommendations made by Independent and Internal Auditors.
- Assessment of the effectiveness of the Institution’s In-Company Control systems.

As a result of the assessments carried out, based on the information received from Management and Internal and Independent Audits, the Audit Committee concluded that the work developed is effective and confer transparency and quality to the financial statements of the Bank of America Prudential Conglomerate.

São Paulo, March 20, 2023

The Audit Committee