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Demonstração do Valor Adicionado: A distribuição de valor dos “grandes demais para falir”

Statement of Value Added: The Value Distribution of “Too Big to Fail”

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Resumo
Este estudo teve como objetivo verificar como os bancos "too big to fail" da bolsa de valores brasileira distribuem valor ao longo do tempo. Para tal, a pesquisa adotou uma metodologia quantitativa e descritiva, utilizando a Demonstração do Valor Adicionado (DVA) para analisar dados de 2014 a 2024 de documentos públicos dos quatro maiores bancos listados na B3: Itaú Unibanco, Bradesco, Banco do Brasil e Santander. Os resultados revelaram que a maior parcela do valor adicionado foi consistentemente destinada ao capital próprio, atingindo cerca de 42% em 2024, seguido pela remuneração de pessoal, com uma média em torno de 30%. A principal contribuição científica é a evidenciação, para a literatura nacional e internacional, do alinhamento das práticas de distribuição desses bancos com a teoria da legitimidade, reforçando a utilidade da DVA como ferramenta de transparência da riqueza gerada.
Palavras-chave: DVA; Bancos; Distribuição de Riqueza.

Abstract
This study aimed to determine how "too big to fail" banks on the Brazilian stock exchange distribute value over time. Using a quantitative and descriptive methodology, the research analyzed data from 2014 to 2024 from public documents of the four largest banks listed on the B3: Itaú Unibanco, Bradesco, Banco do Brasil, and Santander. Value Added Statement (VAS) was the main tool used for this analysis. Results show that the largest share of value-added was consistently directed to equity capital, reaching about 42% in 2024, followed by personnel compensation, averaging around 30%. The study's key scientific contribution to both national and international literature is providing evidence that these banks' distribution practices align with legitimacy theory, reinforcing the SVA's utility as a tool for transparently reporting generated wealth.

Keywords: VAS; Banks; Wealth Distribution.

1 INTRODUCTION

Based on the gaps identified in the literature, this study addresses the following research problem: *How do the "*too big to fail" banks listed on the Brazilian stock exchange distribute value over time? Accordingly, the main objective of this research is to examine how these banks distribute value throughout time. To achieve this, the study analyzed the behavior of the value added generated and distributed among Personnel, Government, Third-Party Capital, and Equity Capital over the fiscal years from 2014 to 2024, focusing on the four largest Brazilian banks listed on the Brasil Bolsa Balcão (B3).

Although more recent studies recognize accounting as a useful tool for both public and private management, records of financial and managerial accounting practices, as well as internal control mechanisms, date back to biblical accounts from 1,800 years before Christ to at least 90 years after Christ (Hagerman, 1980). Throughout history, driven by necessity and institutional incentives, accounting systems and financial reporting mechanisms have evolved to meet emerging demands (Sunder, 2016). Financial information is made available to users through structured reports, reflecting business activities that generate social and economic impacts (Hossain, 2017).

The communication of economic and patrimonial aspects is highly relevant for users of accounting information, with the Balance Sheet and Income Statement considered useful tools for assessing asset composition and performance (Black & White, 2010; Oberholzer, 2013). However, financial statements have inherent limitations regardless of their type. In this context, from the late eighteenth century onward, financial reporting began incorporating macroeconomic principles to measure performance through the creation and distribution of wealth (Haller & Van Staden, 2014). Olayinka (2022) emphasizes that, when combined with traditional statements, the Statement of Value Added (DVA) provides practical and realistic information that supports decision-making processes.

In Brazil, the Statement of Value Added became mandatory for publicly traded companies following the convergence of Brazilian accounting standards to the International Financial Reporting Standards (IFRS), despite its voluntary status under IFRS guidelines (Machado, Macedo & Machado, 2015). With the enactment of Law No. 11,638/2007, the preparation of the DVA became compulsory for publicly held companies, thereby amending and revoking certain provisions of Law No. 6,404/1976, which had previously made the statement optional.

The economic and social importance of the DVA has since been reaffirmed, as it enables the assessment of how wealth is generated and distributed including its fiscal (Machado, Macedo & Machado, 2015) and economic dimensions allowing for calculations such as the Gross National Product (Salotti & Santos, 2015). From this economic perspective, the literature indicates that the financial sector is the largest generator of wealth (e.g., Klöppel, Schnorrenberger & Lunkes, 2013; Rosa et al., 2018). Within this sector, "too big to fail" institutions stand out, as their potential collapse could trigger systemic crises due to their high interconnectedness with the rest of the financial system (Pina et al., 2017).

This research is justified by the central role that the financial system plays in a nation's economy—its importance extends beyond the intermediation of resources between individuals

and businesses, encompassing credit expansion and the maintenance of monetary stability. In this regard, banks are essential to a country's economic functioning, facilitating investment and consumption while serving as intermediaries between central bank policies and society at large. Vernikov (2024) argues that, in theory, banks should serve the economy and society, although empirical evidence often reveals the opposite.

The literature review conducted for this study revealed a scarcity of research on how banks generate and distribute wealth in the Brazilian context. Existing studies have primarily focused on: (i) exploring the value added generated by financial institutions (Pinto & Seixas, 2013); (ii) discussing the DVA as an instrument of wealth distribution within the Brazilian banking sector (Rosa et al., 2018); (iii) analyzing the DVA as a managerial tool for assessing value added in commercial banks and credit cooperatives (Fernandes, Altoé & Suave, 2020); (iv) examining the distribution of value added among twenty banks listed on the Brazilian stock exchange (Silva et al., 2018); and (v) assessing the distribution of value added in the five largest banks in Brazil (Serra, 2020).

This study aligns with Silva et al. (2018) by extending the analysis to the period following the last year covered in that research (2015), while narrowing its focus to the four largest financial institutions, consistent with the restrictive "too big to fail" framework. It also differs from Serra (2020) in terms of both period and theoretical methodological approach. In Brazil, the four largest banks Itaú, Bradesco, Santander, and Banco do Brasil rank among the country's most profitable corporations, generating billions in annual revenue. Their economic centrality and the paucity of studies addressing how these institutions distribute value underscore the relevance of this research. Understanding how these entities remunerate their stakeholders' capital is essential for analyzing whether they contribute to the perpetuation or mitigation of economic asymmetries.

This paper is organized into five sections. Following this introductory chapter, which contextualizes the study and outlines its objectives, the second section presents a review of the literature. The third section describes the methodological approach in detail, while the fourth provides the empirical analysis, results, and discussion. Finally, the concluding section presents the study's final considerations, followed by the list of references.

2 LITERATURE REVIEW

2.1 Legitimacy Theory

According to Dias Filho (2007), legitimacy is grounded in the notion of a *social contract* between institutions and society, within which mutual expectations either implicit or explicit are established regarding how these entities should conduct their actions. Similarly, Suchman (1995) argues that the social acceptance of organizations is intrinsically linked to their ability to conform to collectively shared norms and values. Both authors converge in emphasizing that legitimacy depends on the alignment between institutional behavior and prevailing social standards, a condition that is essential for the maintenance and acceptance of organizations within their operating environment.

In the context of wealth distribution, the legitimacy of institutions can be questioned when pronounced socioeconomic disparities are observed. As Piketty (2014) and Robinson and Acemoglu (2013) highlight, economic models characterized by deep asymmetries tend to erode collective trust and threaten political stability. In this sense, the correlation between legitimacy

and distributive equity becomes critical, as Rothstein and Uslaner (2005) note that distributive justice strengthens social cohesion and institutional legitimacy. Consequently, the distribution of wealth functions as a key indicator of institutional legitimacy.

Santos, Rodrigues, and Corrêa (2019) discuss the growing demand for transparency that institutions must uphold in light of their social responsibilities. In response, Brazilian banks have increasingly adopted sustainability and socio-environmental reporting practices as a means of reinforcing their institutional image. This form of legitimization represents a recurring strategy through which organizations communicate their environmental and social commitments to society.

Within the banking sector, from an institutional perspective, organizations tend to respond to external pressures through *isomorphism* that is, by adopting practices similar to those of other legitimized institutions (Oliveira, Ribeiro, & Camargos, 2012). In this context, adherence to the regulatory frameworks of the Central Bank of Brazil manifests such equivalence, as international sustainability commitments and standardized reporting requirements demonstrate that banks seek legitimacy through regulatory compliance.

Notably, the Brazilian Monetary Council (CMN) Resolutions No. 4,943/2021 and No. 4,557/2017 address, respectively, socio environmental and climate responsibility policies, as well as risk management procedures. Additionally, Central Bank of Brazil (BCB) Resolution No. 139/2021 requires the disclosure of socio-environmental risks. Furthermore, the adoption of the *Accounting Plan of the National Financial System Institutions* (COSIF) and compliance with Circular Letter No. 3,584/2012 contribute to the standardization and transparency of financial information across the sector.

2.2 Concepts and Objectives of the Statement of Value Added (DVA)

According to Zicari (2023), the *Statement of Value Added* (DVA) is an important tool for enhancing the transparency of Corporate Social Responsibility (CSR) within "conventional accounting," as well as a powerful instrument of corporate sustainability. It provides a clear and detailed view of how a company's value is created and subsequently distributed to society through salaries, taxes, interest, and dividends. Through the DVA, organizations have the opportunity to demonstrate the value generated for society. To achieve this, it is essential that firms abandon a posture of detachment and foster closer engagement with all potential stakeholders (Santos, 2005).

Value added represents an indicator of a company's wealth creation. It allows for the identification of the percentage of value added generated by firms, the proportion of sales relative to this value, and, subsequently, how that value is distributed among different stakeholder groups (Aswegen, Steyne, & Hamman, 2005).

As characterized by Santos (2005), the DVA emerges as an opportunity to reinsert accounting into the broader social debate. This view is supported by Zicari (2023), who demonstrates how the DVA effectively reveals the socioeconomic impact of corporations by detailing how generated value is distributed among employees, government, investors, and society at large. Nonetheless, the findings of Checon and Santana (2023) indicate that the DVA should be complemented by additional social, environmental, and governance indicators to provide a more comprehensive representation of corporate responsibility.

As an accounting statement, the DVA clarifies how operational activities create value and how this value is distributed among economic agents. It also identifies which economic

components contribute to the formation of value added. In this regard, Bragante and Coutinho (2021) argue that value added corresponds precisely to the difference between an entity's total production and the cost of goods and services acquired from third parties, representing remuneration for the efforts involved in these activities.

The existing literature has consistently recognized that the DVA can serve as a useful parameter for performance evaluation and decision-making. Furthermore, its composition contains relevant informational content for investors. Neves, Maciel, and Andrade (2022) also highlight a growing interest in this topic within accounting research, reflected in the increasing number of publications in high-quality journals and the diversification of contributing authors.

However, much remains to be explored, particularly considering the peculiarities of each sector. For example, Barros and Rocha (2023) examined the *value relevance* of the DVA in the agribusiness sector. In contrast, the banking sector is marked by high concentration, reduced competition, and consequently greater profitability. Across Latin America, Brazil exhibits the lowest level of banking competition, although its profitability aligns with the continental average (Hordones & Sanvicente, 2021).

Several recent studies have deepened the analysis of the DVA as an essential tool for understanding the generation and distribution of wealth, particularly in the financial sector. Rosa et al. (2018) highlight the DVA as a key instrument for measuring how banks distribute generated value among various economic agents, emphasizing its role in promoting transparency and corporate social responsibility. In a complementary study, Fernandes, Altoé, and Suave (2020) conducted a comparative analysis between commercial banks and credit cooperatives, underscoring the managerial utility of the DVA for strategic purposes, as well as its informational value in supporting decision-making processes.

Silva et al. (2018) analyzed twenty financial institutions between 2011 and 2015 and found that banks generally distributed a larger share of wealth to investors and employees, while government and creditors received smaller portions of value added. Serra (2020), in turn, investigated the distribution of value added among Brazil's five largest banks, revealing a predominance of transfers to government and third-party capital, thereby reinforcing the DVA's importance as an accounting statement capable of signaling institutional commitment to economic equity and social transparency.

Although existing studies in the banking sector (Rosa et al., 2018; Serra, 2020) are valuable for mapping patterns of wealth distribution, the literature still lacks analyses of the mechanisms underlying these distributive decisions. Most research remains descriptive, focusing on *who* receives the largest share of value rather than investigating *why* a bank—depending on its oligopolistic position or systemic risk (*"too big to fail"*)—allocates greater value to certain stakeholder groups. This gap hinders an understanding of whether such distributions reflect operational efficiency, a legitimizing strategy in response to regulatory pressures, or merely the result of the low competition inherent in the Brazilian financial market (Hordones & Sanvicente, 2021).

To date, no study has been identified that examines the distribution of value added based on the characteristics inherent to the *"too big to fail"* concept, which refers to organizations of such size and systemic relevance that their potential failure could trigger devastating consequences for the national financial system. The research gap lies in understanding how the legitimacy pressures faced by these systemic institutions are specifically reflected in their patterns of wealth distribution.

2.3 Generation and Distribution of Corporate Wealth

Financial statements serve the fundamental purpose of providing users with information that enables them to make the most informed decisions possible. The *Statement of Value Added* (DVA) fulfills the same function, as it allows for the assessment of how companies generate and distribute wealth (Paula, 2019).

According to Silva, Oliveira, and Gonzales (2021), Accounting Pronouncement CPC 09 defines the criteria for preparing the DVA. For its elaboration, companies must follow the guidelines established in CPC 00, which provides the *Conceptual Framework for Financial Reporting*. Furthermore, CPC 09 emphasizes that most of the data required for preparing the DVA are derived from the *Income Statement for the Year* (*Demonstração do Resultado do Exercício* – DRE).

In accordance with Santos (2005) and Silva (2022), and consistent with CPC 09, the distribution of wealth generated by a company comprises the following main elements:
Employees: These amounts represent the portion of costs and results allocated to direct compensation, such as salaries, bonuses, vacation pay, commissions, overtime, and profit- or results-sharing programs. They also include indirect benefits such as medical assistance, meal and transportation allowances, private pension plans, and other benefits, as well as deposits made to employees' *Severance Indemnity Fund for Length of Service* (*Fundo de Garantia do Tempo de Serviço* – FGTS) accounts.

Taxes, Fees, and Contributions: These encompass fiscal obligations owed to federal authorities (e.g., Corporate Income Tax – IRPJ, Social Contribution on Net Income – CSLL, Excise Tax – IPI, Contribution for Intervention in the Economic Domain – CIDE, Social Integration Program – PIS, and Contribution for the Financing of Social Security – COFINS), to state authorities (Value-Added Tax on Goods and Services – ICMS and Motor Vehicle Property Tax – IPVA), and to municipalities (Service Tax – ISS and Urban Property Tax – IPTU). With respect to recoverable taxes such as ICMS, IPI, PIS, and COFINS, only the amounts effectively due or already paid should be considered, representing the difference between taxes levied on revenues and those applicable to inputs acquired from third parties.

Remuneration of Third-Party Capital: This category refers to amounts allocated to external financing agents, including financial expenses such as loan and financing interest, foreign exchange losses, and capitalized costs during the period, as well as rental expenses, including those related to operating lease contracts. It also includes other forms of wealth transfer to third parties, such as royalty payments, franchise fees, licenses, and intellectual property rights.

Remuneration of Equity Capital: This represents the amounts attributed to the entity's owners or shareholders, including *interest on equity* (JCP), dividend distributions, retained earnings, and accumulated losses.

The Statement of Value Added replaced the former Statement of Changes in Financial Position (Demonstração de Origens e Aplicações de Recursos (DOAR), which was discontinued in 2007. The DOAR had previously reported how the monetary resources generated by a company were distributed during a fiscal period. Currently, the DVA is undergoing ongoing refinement to improve the clarity and transparency of its reporting requirements.

According to the Securities and Exchange Commission of Brazil (CVM, 2023), although the DVA does not have a direct counterpart under the International Financial

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Reporting Standards (IFRS), periodic updates to CPC 09 are proposed to clarify the requirements for its preparation and disclosure. These updates also include the addition of a new section at the end of the Pronouncement to explain its conceptual origins and theoretical rationale. Below is the model of the DVA as presented in Technical Pronouncement CPC 09.

Table 1 – Statement of Value Added (DVA)

DESCRIPTION	X1	X0
1 – REVENUES		
1.1) Financial Intermediation		
1.2) Service Provision		
1.3) Allowance for Doubtful Accounts – Reversal / (Recognition)		
1.4) Others		
2 – FINANCIAL INTERMEDIATION EXPENSES		
3 – INPUTS ACQUIRED FROM THIRD PARTIES		
3.1) Materials, Energy, and Others		
3.2) Third-Party Services		
3.3) Loss / Recovery of Asset Values		
3.4) Others (specify)		
4 – GROSS VALUE ADDED (1-2-3)		
5 – DEPRECIATION, AMORTIZATION, AND DEPLETION		
6 – NET VALUE ADDED PRODUCED BY THE ENTITY (4-5)		
7 – VALUE ADDED RECEIVED IN TRANSFER		
7.1) Equity in Earnings of Subsidiaries		
7.2) Others		
8 – TOTAL VALUE ADDED TO DISTRIBUTE (6+7)		
9 – DISTRIBUTION OF VALUE ADDED *		
9.1) Personnel		
9.1.1) Direct Compensation		
9.1.2) Benefits		
9.1.3) FGTS (Severance Indemnity Fund)		
9.2) Taxes, Fees, and Contributions		
9.2.1) Federal		
9.2.2) State		
9.2.3) Municipal		
9.3) Remuneration of Third-Party Capital		
9.3.1) Rentals		
9.3.2) Others		
9.4) Remuneration of Equity Capital		
9.4.1) Interest on Equity		
9.4.2) Dividends		
9.4.3) Retained Earnings / Loss for the Year		
9.4.4) Non-Controlling Interests in Retained Earnings (for consolidation only)		

Fonte: CPC 09

Pompeu and Santiago (2019) state that a company fulfills its social role when it is capable of creating jobs, generating taxes, and increasing wealth, thereby bringing cultural value to the community in which it operates while adopting sustainable practices that respect both consumers and the environment. Thus, companies achieve their objectives when they grow without causing harm to consumers or suppliers. The social function is accomplished when this growth generates wealth that is subsequently distributed through the payment of taxes and remuneration to employees, thereby fostering social development.

3 METHODOLOGY

3.1 Research Universe and Sample

This study adopts a quantitative and descriptive approach, employing documentary analysis and descriptive statistical techniques to examine financial data collected from companies. As characterized by Tumelero (2018), descriptive research aims to portray reality objectively and impartially, without any interference or influence from the researcher on the observed phenomena. The quantitative nature of the study, in turn, is defined by its use of numerical data to measure and interpret the phenomenon under investigation (Teóphilo, 2023).

The sample consisted of the banks Itaú Unibanco, Bradesco, Banco do Brasil, and Santander, all listed on the Brasil Bolsa Balcão (B3) and recognized for their high levels of corporate governance. These institutions possess systemic relevance and strong interconnectedness with the financial market in terms of total assets. To define the sample, an exploratory verification was conducted considering the following criteria: revenue, profitability, market share, volume of operations, and importance to the stability of the national financial system. These characteristics qualify the selected financial institutions as *"too big to fail."* Only the four largest banks were intentionally selected, following a purposive sampling strategy.

After defining the methodological approach and research design, this investigation was carried out through three distinct methodological procedures aimed at collecting and analyzing secondary data, as described below.

First, a manual collection of secondary data was conducted. Financial data from the selected banking institutions were obtained from publicly available documents on the B3 (Brasil, Bolsa, Balcão) website, annual reports, audited financial statements, and institutional disclosures published on the official websites of each bank, as well as through the Investsite portal (www.investsite.com.br).

Next, a documentary analysis was performed to examine the accounting reports and financial indicators of the four selected institutions, allowing for the systematic extraction of relevant information for the study. Following the documentary phase, descriptive analysis techniques were applied using descriptive statistics to process and interpret the collected data. The analyses were carried out with the aid of spreadsheet software (Microsoft Excel and Google Sheets) to standardize, synthesize, and visualize the data, as well as to generate graphical representations of the findings.

The main limitation of this study lies in the absence of cross-referencing and inferential analyses based on DVA data from previous years or other financial indicators, as such procedures would extend beyond the scope of the present research objectives.

4 RESULTS

4.1 Data Analysis

In order to highlight the results of the value added, segregated into Personnel, Government, Third-Party Capital Remuneration, and Equity Capital over the study period from 2014 to 2024, the collected data were distributed by year and expressed as percentages of each bank's total value added. Table 1 details the distribution of value added among the four largest Brazilian banks *(*Banco do Brasil, Bradesco, Itaú, and Santander) during the 2014–2024 period. A horizontal analysis of the data reveals that Equity Capital consistently represented the largest share of distributed wealth, followed by Personnel, Government, and, lastly, Third Parties. This

hierarchical sequence remained stable in most years, except for certain atypical fiscal periods such as 2015, 2019, and 2020 in which negative or anomalous percentages were recorded in the distribution to the Government, a point that will be discussed in greater detail later.

Table 2 - Distribution of Value Added Among the Analyzed Banks from 2014 to 2024

	2014				**2015**				**2016**			
Bancos	Personnel (%)	Government (%)	Third Parties (%)	Equity (%)	Personnel (%)	Government (%)	Third Parties (%)	Equity (%)	Personnel (%)	Government (%)	Third Parties (%)	Equity (%)
Brasil	48	16	3	34	56	0	3	41	56	19	4	21
Bradesco	32	25	2	41	42	-7	3	62	27	40	2	32
Itaú	29	27	2	42	40	-1	3	59	29	35	2	34
Santander	39	21	4	35	46	-17	5	66	36	23	4	37
Average	**35**	**23**	**3**	**38**	**44**	**-4**	**3**	**60**	**33**	**29**	**3**	**33**
Year	**2017**				**2018**				**2019**			
Brasil	47	21	4	28	44	22	3	31	58	-7	0	48
Bradesco	36	28	2	34	37	24	3	37	49	4	0	47
Itaú	34	27	2	37	35	22	2	40	38	20	0	41
Santander	33	26	3	38	30	21	3	46	26	23	0	51
Average	**35**	**26**	**3**	**35**	**36**	**22**	**3**	**39**	**43**	**12**	**0**	**48**
Year	**2020**				**2021**				**2022**			
Brasil	57	9	0	34	45	19	0	37	36	22	0	42
Bradesco	57	-12	0	55	29	31	0	39	33	26	0	41
Itaú	41	31	0	28	31	34	1	34	34	28	1	37
Santander	29	23	0	48	24	28	1	47	34	16	1	49
Average	**49**	**16**	**0**	**41**	**30**	**30**	**0**	**38**	**34**	**24**	**0**	**42**
Year	**2023**				**2024**							
Brasil	36	21	0	43	45	11	0	44				
Bradesco	47	15	0	38	42	20	0	38				
Itaú	33	28	1	39	32	26	1	42				
Santander	30	30	0	30	33	24	1	42				
Average	34	24	0	38	37	22	1	42				

Source: Authors, based on research data (2025).

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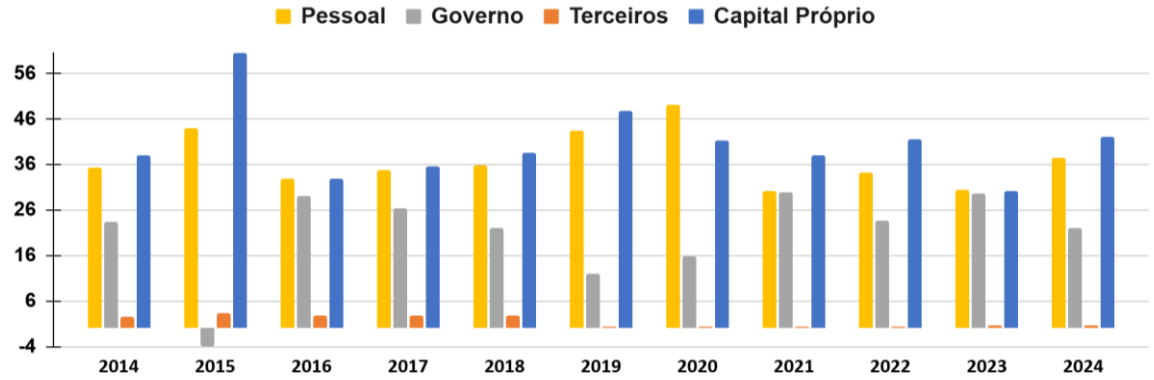
Supporting the idea of presenting comprehensive information on value added, Figure 1 illustrates how the average distribution of this value evolved over time, showing its variations and maintaining a direct relationship with Figure 1.

Figure 1 - Average Distribution of Value Added by Segment



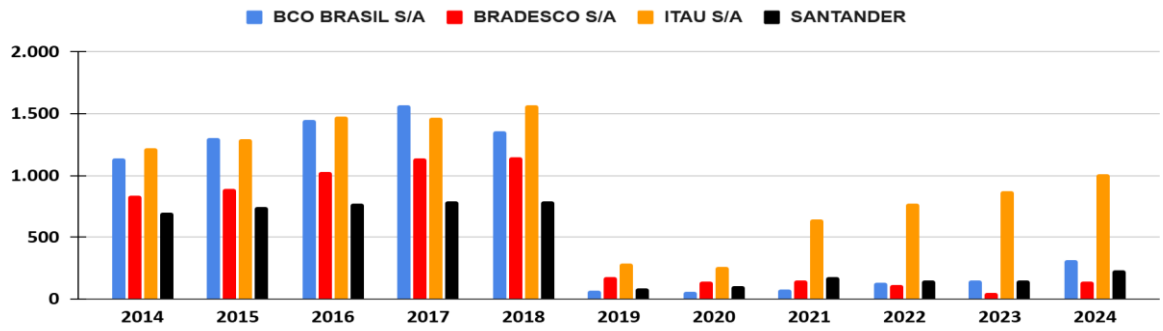
Fonte: Dados da Pesquisa

An assessment of the collected data clearly shows that the distribution of wealth among the analyzed banks is concentrated in equity capital, which consistently presented the highest indicator throughout the period. Starting at approximately 38% in 2014, this category—despite minor fluctuations over the years ended near 42% in 2024. Following this, personnel remuneration ranked second, with an average of around 30%. The government's share exhibited the most significant increase during the period, particularly between 2014 and 2016, reflecting a 20% growth when comparing these two years. In contrast, third-party capital showed minimal variation, remaining consistently between 3% and 0.5%.

A comparative analysis among the banks in the last three-year period (Figure 3) reveals that while *Itaú*, *Banco do Brasil*, and *Santander* converged to similar levels—between 42% and 44% in 2024 *Bradesco* remained below the group, closing the period at 38%, as shown in Table 1.

Examining Table 1, the section "Third Parties (%)" provides insight into the portion of value added allocated to this category. These data are graphically summarized in Figure 2, which illustrates that, overall, the share distributed to third-party capital from 2014 to 2024 consistently represented the smallest fraction of value added among the analyzed banks. Figure 2 below highlights this finding.

Figure 2 - Distribution of Value Added to Third-Party Capital



Source: Authors, based on research data (2025).

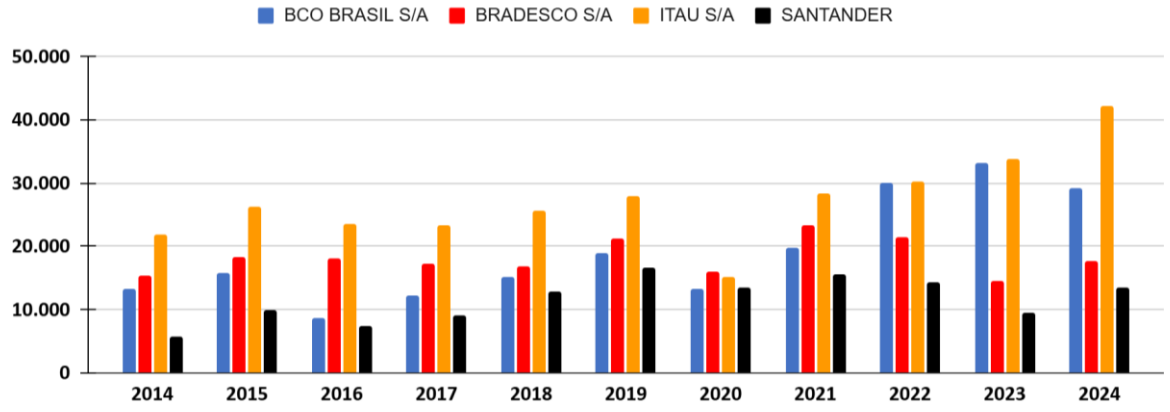
As shown in Figure 2, a reduction in the remuneration of third-party capital in the banks' Statements of Value Added (DVA) is evident for the fiscal years 2019 and 2020. This contraction, compared with previous years, can be attributed to several economic and contextual factors. First, the sharp decline in Brazil's basic interest rate (Selic), set by the Central Bank of Brazil, reached the unprecedented level of 2% per year in 2020, directly reducing financial expenses related to loan and financing interest.

In addition, due to the instability caused by the COVID-19 pandemic, financial institutions adopted a more conservative stance, decreasing their borrowing from third parties, which led to a contraction of such operations. This was accompanied by a reduction in the banks' foreign-exchange exposure and, consequently, a lower incidence of foreign-exchange losses. Regulatory measures implemented by the Central Bank such as the release of reserve requirements and temporary prudential flexibilizations also contributed to this movement by increasing liquidity in the financial system and reducing the need for external indebtedness. Collectively, these elements explain the decline in amounts allocated to the remuneration of third-party capital during the analyzed period.

Figure 2 further illustrates that, although the institutions display broadly similar distribution patterns with relatively close percentages of income allocation Itaú S.A. diverged between 2019 and 2024, showing a gradual increase in the distribution to third-party capital, contrary to the trend observed in the other banks studied. This outcome reflects a strategic decision to reduce dividend payouts in order to retain more capital and expand the credit portfolio, particularly to individuals and small businesses. Moreover, the bank's policy prioritizes the maintenance of adequate capitalization levels, which, in turn, contributes to higher financial expenses arising from third-party funding.

In 2023, as depicted in Figure 3, a sharp decline is observed in the distribution line for equity capital, especially in *Bradesco* and *Santander*. This reduction is directly associated with the significant rise in loan-loss provisions, which reached R$ 4.8 billion and R$ 3.7 billion, respectively. Such increases stemmed from these institutions' substantial exposure to the accounting scandal involving the company Americanas, whose repercussions negatively affected their financial results and, consequently, their capacity to distribute profits.

Figure 3 - Distribution of Value Added by Equity Capital.



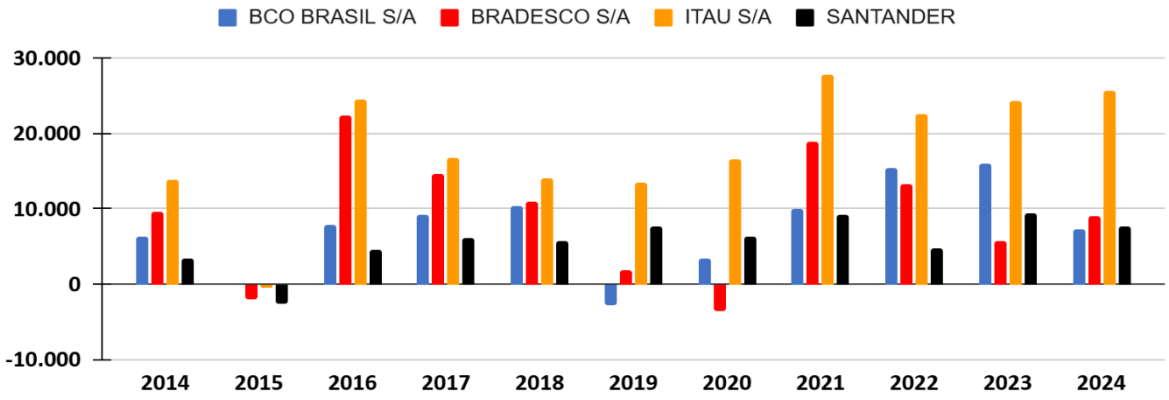
Source: Authors, based on research data (2025).

In the analysis of Figure 4, a significant decline can be observed in the lines representing taxes, fees, and contributions for the year 2015. According to Mendonça (2016), Brazil faced a period of economic recession, marked by GDP contraction, high inflation, and rising unemployment. This scenario negatively affected both the profitability of financial institutions and overall economic activity. During this period, banks substantially increased their loan-loss provisions, which reduced their accounting income and, consequently, the tax base for calculating fiscal obligations. As a result, with lower net income and slower credit expansion, there was a reduction in the effective tax burden recorded in financial statements, which was reflected in smaller amounts reported under the *taxes, fees, and contributions* category of the DVA.

Table 1 shows atypical values, including negative percentages in the distribution to the "Government" in years such as 2015 (Bradesco: –7%, Itaú: –1%, Santander: –17%), 2019 (Banco do Brasil: –7%), and 2020 (Bradesco: –12%). These negative values do not indicate that banks received funds from the government but rather represent an accounting outcome of the DVA.

They result from a combination of factors: (i) the establishment of provisions for doubtful accounts, which substantially reduced taxable income and, therefore, tax expenses; (ii) the use of accumulated tax credits from previous periods (tax-loss carryforwards); and (iii) the utilization of fiscal incentives and tax benefits. In periods of economic recession (as in 2015) or heightened prudence and risk aversion (as in 2019 and 2020), these effects tend to intensify, resulting in a negative "value added distributed to the government" in the DVA an accounting reflection of a very low or even null effective taxation level for that fiscal year.

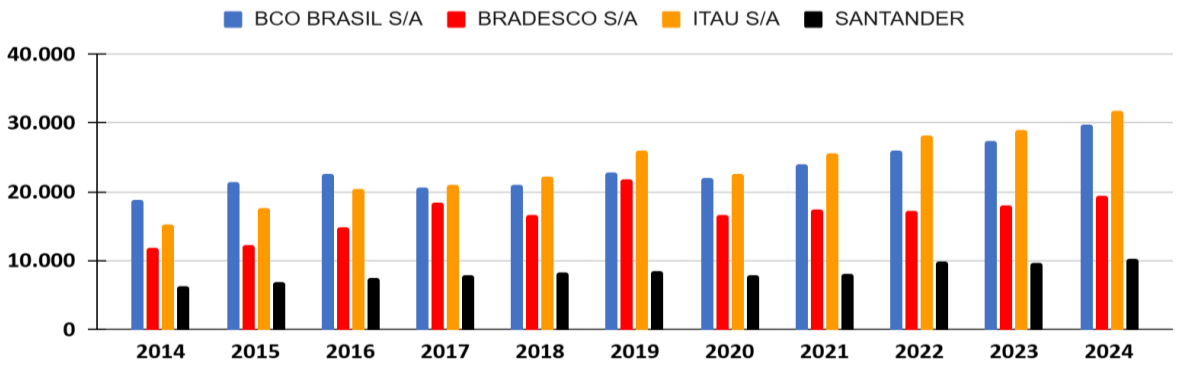
Figure 4 - Distribution of Value Added to the Government



Source: Authors, based on research data (2025).

The growth in personnel remuneration among the four largest banks listed on B3, illustrated in Figure 5, from 2020 to 2024, is associated with salary adjustments linked to inflation, the economic recovery in the post-pandemic period, and the increasing demand for qualified professionals in technological fields driven by the digital transformation of the banking sector. In addition, the rise in institutional profitability supported the expansion of variable compensation and profit-sharing programs, while the incorporation of sustainable practices in accordance with ESG principles reinforced the valorization of employees. Together, these elements contributed to higher average personnel costs.

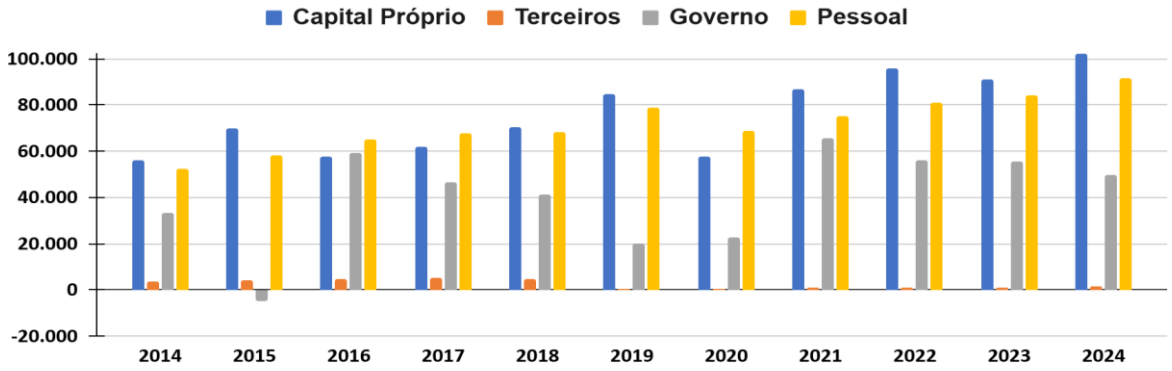
Figure 5 - Distribution of Value Added – Personnel



Source: Authors, based on research data (2025).

Finally, a comparison among the financial institutions over the analyzed period regarding the distribution of value added reveals recurring variations in the government and equity capital components. However, personnel-related value shows a steady upward trend, with only a slight decline in 2020, whereas third-party capital follows the opposite trajectory, gradually decreasing over time. This distribution reflects not only the overall growth of the institutions but also their capacity to generate and distribute wealth in a meaningful way to the economic agents examined during the period illustrated in Figure 7.

Figure 7 - Overall Comparison of Value Added Distribution



Source: Authors, based on research data (2025).

The results found in this study demonstrate alignment with the main concepts addressed in the theoretical framework, particularly regarding Legitimacy Theory, as described by Oliveira, Ribeiro, and Camargos (2012). These authors emphasize that institutions tend to adopt similar practices in their pursuit of legitimacy, which explains the similar graphical patterns observed in the distribution of wealth among banks over time.

Furthermore, the use of the Statement of Value Added (DVA) as an analytical tool proved to be effective in demonstrating how banks distribute their wealth among stakeholders. This finding is consistent with the studies of Santos (2025), Rosa et al. (2018), and Fernandes, Altoé, and Suave (2020), who highlight the managerial and strategic value of the DVA as an instrument for communicating socioeconomic responsibility. Through this research, it was

observed that the largest share of value added generated by the analyzed financial institutions was allocated to equity capital, followed by personnel remuneration, government, and third parties, respectively.

5 FINAL CONSIDERATIONS

To determine how the "too big to fail" banks listed on the Brazilian stock exchange distributed their value added between 2014 and 2024, the analysis was structured in two stages. First, a temporal and stratified analysis was conducted for each bank; subsequently, a consolidated analysis was performed to provide a broader, macro-level overview.

Based on this longitudinal analysis of wealth distribution from 2014 to 2024, it was concluded that the equity capital line presented the highest concentration of distributed wealth representing 38% in 2014 and increasing to 42% in 2024. This finding contrasts with Santos and Malacrida (2022), who reported that, between 1999 and 2018, the largest share of wealth generated by Brazil's five major banks was distributed as personnel remuneration including salaries, charges, and benefits. In contrast, the present study indicates that personnel was only the second-largest category in terms of distributed wealth.

These results corroborate the argument presented by Vernikov (2024) that society often serves the interests of banking institutions rather than the reverse. Among the analyzed banks, Santander distributed the least value to both equity and third-party capital categories.

The temporal comparison of distributed wealth across banks also revealed how external factors influence the banking environment and impact the way these institutions allocate value particularly evident during economically challenging years such as 2015, 2019, 2020, and 2023.

For future research, it is recommended to conduct a more detailed examination of each wealth distribution category, analyzing the representativeness of analytical accounts within their synthetic classifications, as well as expanding the sample size to include additional financial institutions and comparative analyses with other sectors of the economy. Furthermore, future studies could benefit from cross-referencing DVA data with other accounting statements and supplementary disclosures.

This study expands the existing scientific literature and suggests that the observed pattern of value allocation is less a reflection of substantive social responsibility and more a strategy of financial legitimacy prioritizing shareholder remuneration to justify the stability and competitive advantages derived from systemic risk status. The findings imply that the systemic architecture functions to protect and maximize capital returns, reinforcing the notion that the institution benefits from social protection mechanisms.

Accordingly, this research contributes not only to academic discussions but also to regulators and society, by providing insights into how systemic financial institutions manage and distribute value in alignment with their pursuit of legitimacy and stability.

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