

(A free translation of the original in Portuguese)

***China Construction
Bank (Brasil) Banco
Múltiplo S.A.***
***Financial statements at
June 30, 2024
and independent auditor's report***



(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Shareholders
China Construction Bank (Brasil) Banco Múltiplo S.A.

Opinion

We have audited the accompanying financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A. ("Bank"), which comprise the balance sheet as at June 30, 2024 and the statements of income, comprehensive income, changes in shareholder's equity and cash flows for the six-month period then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

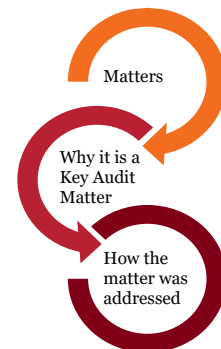
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the China Construction Bank (Brasil) Banco Múltiplo S.A. ("Bank"), as at June 30, 2024, and its financial performance and cash flows for the six-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Basis for opinion

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

Key Audit Matters

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





China Construction Bank (Brasil) Banco Múltiplo S.A.

Why it is a Key Audit Matter

How the matter was addressed in the audit

**Allowance for expected credit risk loss -
(Notes 3 (f), 8(d) and 11)**

The determination of the amount of the allowance for expected credit risk loss is an area that requires judgment and the use of a set of considerations by management.

In this process, loans operations are classified according to the level of risk, considering several assumptions and factors, including the counterparty's financial situation, the default levels, realization of guarantees, as well as the legal and regulatory standards of Resolution nº 2,682 of National Monetary Council (CMN) and subsequent changes made by BACEN.

Considering all those aspects, as well as the significance of the amounts involved, this is a critical estimation area that continues to be defined as a focus in our audit.

Our procedures considered, among others, the update of our understanding and testing of the relevant internal controls related to credit granting and its corresponding risk analysis and approval of the counterparty.

We analyzed the criteria described in the Bank's internal policies and used by management to determine the credit risk of the operations, as well as (i) recalculated the provisions based on those risk attributions and default levels and (ii) validated the completeness of the database extracted from the underlying systems used as basis for recalculating the provision.

We also performed other tests in compliance with the requirements of CMN Resolution nº 2,682, as well as evaluating the aspects related to the disclosure in the explanatory notes.

We considered that the criteria and assumptions adopted by management in the determination and recording of the allowance for expected credit risk loss are reasonable and consistent with the information analyzed in our audit.

Tax credits (Notes 3(j) and 14(a))

The China Construction Bank (Brasil) Banco Múltiplo S.A. recorded tax credits arising from temporary differences substantially, based on a study of the taxable profit projections regarding the realization of these tax credits. The taxable income projection involves judgments and assumptions of a subjective nature established by management based on a study of the current and future scenarios, according to specific requirements of the National Monetary Council and the Brazilian Central Bank.

Considering that the use of different assumptions in the future taxable profit projection could significantly modify the terms expected for the realization of the tax credits, with consequent

Our procedures considered the update of our understanding of the process of determination and recording of the tax credits in accordance with the tax and accounting standards.

We have analyzed the consistency of the relevant assumptions used in the study of tax credit realization with the macroeconomic data disclosed in the market, when applicable, as well as the methodology used to estimate the taxable profits, and the logical and arithmetic consistency of the calculations.

We discussed with management and confirmed the approval of the technical study that supports the



China Construction Bank (Brasil) Banco Múltiplo S.A.

Why it is a Key Audit Matter

accounting impact, this is an area of critical estimation that continues to be defined as a focus in our audit.

How the matter was addressed in the audit

realization of the tax credits by the appropriate management bodies.

Based on the audit procedures results and in the context of the inherent uncertainties of realization of the amounts registered as tax credits, we consider that the assumptions adopted by management are reasonable and consistent with the information analyzed in our audit.

Information technology environment

China Construction Bank (Brasil) Banco Múltiplo S.A. is dependent on its technology structure to manage and generate information used to process their operations and, consequently, to prepare the financial statements.

Therefore, if the technology structure and the respective general controls are not adequate, there could be an incorrect processing of critical information for decision-making or for their own operations.

Therefore, the information technology environment continues to be considered as an area of focus in our audit.

Our procedures considered, among others, the update of our understanding and testing of the information technology environment, including the automated controls or those dependent of technology relevant to the preparation of the financial statements.

With the support of our specialists, the main procedures performed involved tests of controls related to information security, linked to the processes of management and development of systemic changes, security of accesses to programs and databases, physical security of the data processing center, including access management and segregation of duties.

We considered that the information technology environment and the controls established by management have provided a reasonable basis to support the main business processes, which provide information used in the preparation of the financial statements.

Other information accompanying the financial statements and the audit report

The Bank's management is responsible for the other information that comprises the Management Report.

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

In connection with the audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or with our knowledge obtained in the audit or otherwise appears to be materially misstated.



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If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.




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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of subsidiaries to express an opinion on the Bank's financial statements. We are responsible for the direction, supervision and performance of the audit, considering these investees. We remain solely responsible for our audit opinion.

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

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

São Paulo, September 4, 2024


PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Ricardo Barth de Freitas
Contador CRC 1SP235228/O-5

Management report

Dear shareholders,

On January 31, 2024, through the acquisition of shares of the controlling shareholder previously held by CCB Holding, the transfer of share control of CCB Brasil, the controlling institution, was implemented, initiated in the first half of 2023 through a capital increase of R\$ 540 million to Bank of China Limited (“BOC”), a Chinese financial institution headquartered in Beijing, the current controlling shareholder in Brazil of Banco da China Brasil S.A. (“BOC Brasil”). CCB Holding maintained a minority interest of 31.4% in the Bank.

On June 7, 2024, the Central Bank of Brazil published in the Official Gazette of the Union the approval of the transfer of corporate control of the CCB Brasil Group to Bank of China Limited, continuing the transition process and compliance with the contractual and regulatory obligations of the transaction and so that, in a timely manner, the change of corporate names and trade names of CCB Brasil and its controlled companies can be completed.

The new Management of China Construction Bank (Brasil) Banco Múltiplo S.A. (“CCB Brasil” or “Bank”), which took office on February 1, 2024, submits for your consideration the Management Report and the corresponding Financial Statements, together with the unqualified Independent Auditors’ report and the Audit Committee’s report, for the six-month period ended June 30, 2024. The comments presented herein, except where otherwise qualified, are stated in national currency (Reais - R\$). The financial statements portrayed are in compliance with the standards of the Central Bank of Brazil - BACEN.

Performance for the first half of 2024

At the end of the first half of 2024, loan operations reached R\$ 8,831.6 million (R\$ 9,612.9 million on December 31, 2023). The balance of the loan portfolio with the corporate segment on June 30, 2024 was R\$ 8,316.7 million (R\$ 8,933.2 million in December 2023), while the retail loan portfolio, basically composed of payroll loans, ended the first half of 2024 with R\$ 514.9 million, down 24.2% compared to December 2023, whose balance of this portfolio was R\$ 679.7.

The NPL (non performing loans) ratios, formed by the portion of the loan portfolio classified between risk levels D and H, demonstrate a positive performance in terms of the quality of the corporate portfolio. The portfolio as of June 30, 2024 presented 1.9% of NPL, while as of December 31, 2023 was of 1.5%, maintaining stability in the quality of the credit portfolio.

Management declares that it has the financial capacity and intention to hold the securities classified in the held-to-maturity category until maturity.

In relation to Funding, we observed a decrease of 15.1% in funding in reais in this first half of 2024. Time deposits reached R\$ 4,209.3 million, an increase of 4.8% over December of 2023. The funds issued, composed of LCAs, LFs and LCIs, totaled R\$ 697.9 million, a decrease of 46.5% compared to December 31, 2023.

As June 30, 2024, the resources from Head Office represented 38.3% of total funding of R\$ 12,916.2 million. It is worth noting that the Head Office has provided its Subsidiary with adequate funding to maintain the continuity of its operational activities and adhering to market rate conditions.

The gross result of financial intermediation for the first half ended June 30, 2024 reached R\$ 132.5 million, a decrease of 16.0% compared to the result obtained in the year ended on December 31, 2023, R\$ 161.5 million.

The loss for the first half ended June 30, 2024 was R\$ 85.6 million (R\$ 20.1 million on June 30, 2023).

China Construction Bank (Brasil) Banco Múltiplo S.A. and subsidiaries.

Notes to financial statements for the semester ended June 30, 2020

In thousands of reais - R\$, unless otherwise indicated.

On June 30, 2024, shareholders' equity reached R\$ 1,537.6 (R\$ 1,612.7 million on December 31, 2023) and the Basel ratio was 21.98% (20.28% on December 31, 2023).

Final comments

We would like to thank our shareholders, clients and suppliers for their support and trust concerning our management, and also our employees for their valuable contribution.

São Paulo, August 26, 2024

China Construction Bank (Brasil) Banco Múltiplo S.A. and subsidiaries.

Notes to financial statements for the semester ended June 30, 2020
In thousands of reais - R\$, unless otherwise indicated.

Summary of the Audit Committee Report **Semester Ended on June 30, 2024**

The Audit Committee of China Construction Bank (Brasil) Banco Múltiplo S.A. was established in compliance with the rules of the Central Bank of Brasil and the institution's bylaws.

The Committee analyzed the financial statements for the first half of 2024 (balance sheet as of June 30, 2024 and the related statements of income, comprehensive income, changes in equity and cash flows for the half year ended on that date, including the respective explanatory notes), focusing on the application of accounting practices adopted by the market and compliance with rules issued by BACEN. The Committee assessed the recommendations proposed by the Internal and Independent Audits, discussing with Management the measures to be taken into account. Based on the information and reports received from the internal controls and risks areas, on the work of the Internal Audit and on the reports of the Independent Audit, the Committee concluded that no relevant failures were identified in compliance with regulations and internal rules that could jeopardize the continuity of the institution.

The Audit Committee discussed with those responsible for PricewaterhouseCoopers Auditores Independentes (PwC) the results of the work and its conclusions on the audit of the aforementioned financial statements, whose report is presented unmodified opinion. The main audit matters were also discussed with PwC, as well as other points related to accounting practices, recommendations and notes in internal control and risk reports, and presentation of financial statements. The Audit Committee made recommendations aimed at improving the management processes of internal controls, Compliance and risk management, whose actions are monitored by the Internal Audit.

The Audit Committee, as a result of assessments based on information received from Management, Internal Audit, Independent Audit and the area responsible for corporate monitoring of internal controls and risks, considering the limitations arising from the scope of its function, understands that the financial statements for the semester ended June 30, 2024, are ready to be approved by the Board of Directors of CCB Brasil.

São Paulo, September 3, 2024

Audit Committee

Balance sheet on June 30
(In thousands of reais)

Assets	Note	06/30/2024	12/31/2023
Current and non-current			
Financial instruments		14,104,005	17,256,620
Cash and cash equivalents		35,697	8,227
Interbank funds applied	5	493,192	2,136,543
Securities	6.b	4,179,033	5,073,440
Derivatives	7.f	98,485	101,516
Credit Portfolio	8.a	7,094,168	7,742,589
Foreign exchange operations	9	2,057,370	1,918,253
Other financial instruments	10	320,645	425,895
Allowance for expected loss to credit risk	11	(174,585)	(149,843)
Tax assets		855,865	881,552
Taxes to be offset		21,888	20,754
Tax credits	14.a	602,062	628,883
Presumed - Law nº 12.838/13	14.b	231,915	231,915
Other assets	15	156,991	88,707
Non-financial assets held for sale	12	73,320	77,018
Cost		174,125	184,242
Provision for impairment		(100,805)	(107,224)
Investments		247,486	356,452
Investments in domestic subsidiaries	13	247,319	356,285
Other investments		167	167
Property and equipment		4,188	4,739
Cost		89,584	89,753
Accumulated depreciation		(85,026)	(84,625)
Provision for impairment		(370)	(389)
Intangible		2,113	1,823
Cost		29,437	28,120
Accumulated amortization		(27,324)	(26,297)
Total Assets		15,443,968	18,666,911

The Management's accompanying notes are an integral part of these financial statements.

Balance sheet on June 30
(In thousands of reais)
(continued)

Liabilities	Note	06/30/2024	12/31/2023
Current and non-current			
Financial instruments		13,158,166	16,173,662
Funds obtained in the market	16	7,136,765	11,781,168
Borrowings and onlendings	17	4,834,510	3,401,657
Derivatives	7.f	72,778	29,947
Foreign exchange operations	9	167,987	133,967
Debt instruments eligible to capital	18	945,013	823,021
Other financial instruments	19	1,113	3,902
Provisions	20	495,244	570,525
Tax liabilities		194,836	216,460
Current Taxes		6,732	11,893
Deferred Taxes	14.c	147,359	163,866
Presumed Taxes - Law nº 12.838/13	14.b	40,745	40,701
Other liabilities	23	58,142	84,586
Total liabilities		13,906,388	17,045,233
Shareholders' equity			
Share Capital	24.a	3,497,234	3,497,234
Treasury shares	24.b	(55,105)	(55,105)
Accumulated losses		(1,908,485)	(1,822,855)
Capital reserve		899	899
Other comprehensive income		3,037	1,505
Total shareholders' equity		1,537,580	1,621,678
Total liabilities and shareholders' equity		15,443,968	18,666,911

The Management's accompanying notes are an integral part of these financial statements.

Statement of Income
Semesters ended on June 30
(In thousands of reais, except for losses per capital share)

	Note	06/30/2024	06/30/2023
Income from financial intermediation		1,425,963	519,147
Loan operations	26	663,473	319,945
Results from Interbank funds applied and securities	27	272,846	385,017
Derivatives	28	167,953	(63,936)
Foreign exchange results	29	321,691	(121,879)
Financial intermediation expenses		(1,293,460)	(357,632)
Borrowings and onlendings	31	(740,651)	216,296
Funds obtained in the market	32	(430,574)	(640,563)
Debt instruments eligible to capital	33	(121,992)	67,745
Other financial intermediation expenses	30	(243)	(1,110)
Gross profit (loss) from financial intermediation before expected credit loss		132,503	161,515
Provision for expected loss to credit risk	11	(37,969)	2,321
Net profit (loss) from financial intermediation		94,534	163,836
Other operating income (expenses)		(172,908)	(150,992)
Service revenues	34	12,815	19,668
Personnel expenses	35	(80,255)	(82,256)
Other administrative expenses	36	(45,644)	(37,319)
Other operating income	37	16,908	20,116
Other operating expenses	38	(34,967)	(31,696)
Equity in the results of subsidiaries	13	(2,324)	4,655
Provision for contingent liabilities	21.a	(39,093)	(40,233)
Provisions for guarantees provided		(348)	(3,927)
Operating result		(78,374)	12,844
Non operating result	39	805	(3,451)
Profit (loss) before taxes		(77,569)	9,393
Deferred taxes	14.d	(8,061)	(29,533)
Loss for the semester		(85,630)	(20,140)
Amount of shares (thousand)		689,797	689,797
Loss per share - R\$		(0.12)	(0.03)

The Management's accompanying notes are an integral part of these financial statements.

Statement of comprehensive income

Semesters ended on June 30

(In thousands of reais)

	<u>06/30/2024</u>	<u>06/30/2023</u>
Loss for semesters	<u>(85,630)</u>	<u>(20,140)</u>
Other Comprehensive Income that will be Subsequently Reclassified to Net Profit/(Loss)	1,532	2,123
Securities available for sale		
Change in fair value	2,785	3,860
Deferred taxes	(1,253)	(1,737)
Comprehensive loss for the semesters	<u>(84,098)</u>	<u>(18,017)</u>

The Management's accompanying notes are an integral part of these financial statements.

Statement of changes in shareholders' equity
Semesters ended on June 30
(In thousands of reais)

	Share Capital	Capital increase	Treasury share	Capital reserves		Accumulated Loss	Total
				Goodwill of the issues of share	Other comprehensive income		
Balances at January 1, 2023	2,956,864	-	(55,105)	899	(46)	(1,796,187)	1,106,425
Capital increase in cash	-	540,370	-	-	-	-	540,370
Other comprehensive results	-	-	-	-	2,123	-	2,123
Loss for the semester	-	-	-	-	-	(20,140)	(20,140)
Balances at June 30, 2023	2,956,864	540,370	(55,105)	899	2,077	(1,816,327)	1,628,778
Variation in the semester	-	540,370	-	-	2,123	(20,140)	522,353
Balances at January 1, 2024	3,497,234	-	(55,105)	899	1,505	(1,822,855)	1,621,678
Other comprehensive results	-	-	-	-	1,532	-	1,532
Loss for the semester	-	-	-	-	-	(85,630)	(85,630)
Balances at June 30, 2024	3,497,234	-	(55,105)	899	3,037	(1,908,485)	1,537,580
Variation in the semester	-	-	-	-	1,532	(85,630)	(84,098)

The Management's accompanying notes are an integral part of these financial statements.

Statement of cash flows
Semesters ended on June 30
(In thousands of reais)

Cash flow from operating activities	Note	06/30/2024	06/30/2023
Loss for the semesters		(85,630)	(20,140)
Adjustments to the Profit (Loss)		64,976	97,874
Provision for expected loss to credit risk	11	37,969	(2,321)
Monetary update of judicial deposits	37	(8,452)	(14,426)
Provision for contingent liabilities	21.a	39,093	40,233
(Reversal) constitution for loans linked to credit operations	31	(12,767)	40,434
Other operating provisions		639	10,018
Depreciation and amortization	36	1,623	1,873
Tax credits and Deferred tax liabilities	14	8,061	29,533
Equity in the results of subsidiaries	13	2,324	(4,655)
(Gain) on sales of assets held for sale	39	(1,107)	(2,634)
Exchange variations on cash and cash equivalents		(2,418)	(181)
Write-off of assets due to disuse	39	11	-
Adjusted (Loss) Profit		(20,654)	77,734
(Increase) decrease in interbank funds applied		(75)	456
Decrease (Increase) in securities		897,192	(271,180)
Decrease (Increase) decrease in derivatives		45,862	(47,610)
Decrease in credit portfolio		635,193	407,832
(Increase) in foreign exchange portfolio - assets		(139,117)	(2,355,664)
Increase in foreign exchange portfolio - liabilities		34,020	1,805,678
(Increase) in other financial instruments and other assets		150,926	(33,660)
(Decrease) increase in funds obtained in the market		(4,644,403)	503,054
Income tax and social contribution paid		-	(1,344)
Contingencies payment	21.a	(128,453)	(9,230)
(Decrease) increase in other liabilities		(16,830)	32,867
(Decrease) in other financial instruments - liabilities		(2,789)	(4,897)
Dividends received	13.a	-	217
Interest on own capital received	13.b	-	8,500
Net cash (used in) by operating activities		(3,189,128)	112,753
Cash flow from investing activities			
Disposal of non-financial assets held for sale		4,496	6,172
Acquisition of property and equipment		(37)	(81)
Acquisition of intangible assets		(1,317)	(2,162)
Acquisition of investments		-	(4)
Net cash provided by investing activities		3,142	3,925
Cash flow from financing activities			
Increase in borrowings and onlending resources		8,364,269	14,763,407
Increase (decrease) debt instruments eligible to capital	33	121,992	(67,745)
Repayment of borrowings		(6,918,649)	(14,630,158)
Capital increase		-	540,370
Net cash provided by financing activities		1,567,612	605,874
(Decrease) increase in cash and cash equivalents		(1,618,374)	722,552
Cash and cash equivalents at the beginning of the semesters	4	2,140,821	1,890,422
Exchange variations on cash and cash equivalents		2,418	181
Cash and cash equivalents at the end of the semesters	4	524,865	2,613,155
(Decrease) increase in cash and cash equivalents		(1,618,374)	722,552

The Management's accompanying notes are an integral part of these financial statements.

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

1. OPERATIONS

China Construction Bank (Brasil) Banco Múltiplo S.A. (“CCB Brasil”), headquartered at Avenida Brigadeiro Faria Lima, 4.440, São Paulo - SP, Brazil, is a privately-held corporation controlled by Bank of China Limited (“BOC”), chinese financial institution headquartered in Beijing, authorized by the Central Bank of Brazil – BACEN to operate as a Multiple Bank, developing its operations through the following portfolios: commercial, investments, real estate credit and foreign exchange.

Through subsidiaries, it operates throughout the national territory in the markets: lease, credit, financing and investments and distribution of securities.

On January 31, 2024, it was implemented, through the acquisition of shares of the Bank previously held by CCB Brazil Financial Holding Investimentos e Participações Ltda. (“CCB Holding”), the transfer of the shareholding control of CCB Brasil, initiated in the first half of 2023 through a capital increase of R\$ 540 million to BOC, the current controller, in Brazil, of Banco da China Brasil S.A. (“BOC Brasil”). CCB Holding maintained a minority stake of 31.4% in the Bank.

On June 7, 2024, the Central Bank of Brazil published in the Official Gazette of the Union the approval of the transfer of corporate control of the CCB Brasil Group to BOC, continuing the transition process and compliance with the contractual and regulatory obligations of the transaction and so that, in due time, the change of corporate names and trade names of CCB Brasil and its controlled companies are completed.

2. PRESENTATION OF FINANCIAL STATEMENTS

Financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A. - CCB Brasil, including overseas facilities have been prepared based on Brazilian accounting policies applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN) and provided for in the Brazilian Corporate Law - Law 6,404/76 as amended by Laws 11,638/07 and 11,941/09 together with rules and instructions of the National Monetary Council - CMN and BACEN, and evidence all relevant information specific to the financial statements, and only those, which are consistent with those used by Management in its management.

CMN Resolution No. 4,818/20 and BACEN Resolution No. 02/20 of BACEN established general criteria and procedures for the preparation and disclosure of financial statements. BCB Resolution No. 2/20, revoked Bacen Circular No. 3,959/19 and became effective as of January 1, 2021. This standard, among other requirements, determined the separate disclosure in an explanatory note of recurring and non-recurring results (note 41).

We emphasize that, according to option provided for in Article 23 of BCB Resolution 02/20, CCB Brasil chose to present Balance Sheet accounts in decreasing order of liquidity and enforceability, with no separation between current and non-current, the segregation of which is presented in the explanatory notes.

Management declares that disclosures in the Bank's financial statements show all relevant information used in its management and that accounting policies have been applied consistently from one presented period to another.

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

The CCB Brasil Conglomerate prepared a plan to implement the accounting concepts and criteria applicable to financial instruments required by CMN Resolution No. 4,966/21 and its respective updates. This Implementation Plan is segregated as follows:

- (i) Organization and Governance: Forums and Committees made up of different hierarchical levels dedicated to defining and monitoring implementation;
- (ii) Processes and Systems: Mapping impacts and implementing changes in processes and systems;
- (iii) Models and Criteria: Review and update of models and criteria used in accounting estimates. The Implementation Plan schedule is being phased throughout the 2024 financial year, in accordance with additional standards issued by BACEN. The impacts on the financial statements will be disclosed in a timely manner after the implementation required by said resolution at the end of the 2024 financial year.

CMN Resolution No. 4,975/2021, with its respective update, establishes accounting criteria applicable to leasing transactions in compliance with CPC 06 (R2) – Leases, in the recognition, measurement, presentation and disclosure of leasing transactions as of January 1, 2025. The Bank is evaluating the impacts and changes necessary to comply with this standard.

The issue of financial statements was approved by the Senior Management on August 26, 2024.

3. PRINCIPAL ACCOUNTING POLICIES

a) Functional currency

The financial statements are presented in Reais, the functional and presentation currency of CCB Brasil. Monetary assets and liabilities denominated in foreign currencies were translated into Reais at the foreign exchange rate ruling on the balance sheet closing date disclosed by Brazilian Central Bank, and the foreign exchange differences arising on translation were recognized in the income (loss) for the semester.

For foreign branch abroad whose transactions are carried out in foreign currency – as, in essence, it is an extension of Brazilian activities with no significant autonomy, functional currency determined according to criteria established by CMN Resolution 4,524/16 is the Brazilian Real; assets and liabilities are translated at exchange rate prevailing on balance sheet date, and income (loss) is translated at foreign exchange rate on transaction date. Adjustments deriving from translation are recorded as a contra-entry to income for the semester.

b) Cash and cash equivalents

Cash and cash equivalents are represented by cash and cash equivalents in local and foreign currency, which are readily convertible into a known amount of cash, money market repurchase commitments, and interbank deposits, whose maturity of the operations on the date of the effective investment is equal to or shorter than 03 months and present insignificant risk of fair value change, in case of redemption in advance.

c) Interbank funds applied

Are shown at cost of investment or acquisition, plus income accrued up to the balance sheet date.

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

d) Securities

As established by BACEN Circular Letter 3,068/01, securities are classified as follows and evaluated:

- **Trading securities** - securities acquired for the purpose of being frequently and actively negotiated, adjusted to market value with the corresponding entry to the results for the semester.
- **Securities available for sale** - Securities that are not for trading or held to maturity, which are adjusted to market value with the corresponding entry to a separate account in shareholders' equity, reduced for any tax effects.
- **Securities held to maturity** - Securities in which Management declares the intention and financial capacity to be held in portfolio until maturity, valued at acquisition cost, plus income with the corresponding entry to the income (loss) for the semester.

e) Derivative financial instruments

As established by Circular No. 3,082/02 of BACEN, for derivative financial instruments, the assessment is carried out based on the market value and the resulting increases and decreases are recorded in the results for the semester.

f) Loan portfolio and provision for expected credit risk loss

Loan portfolio includes operations related to loan, lease, advances on foreign exchange contracts and other loans with credit granting characteristics. It is stated at present value, considering indices, interest rate and agreed charges and calculated on a pro rata day basis up to balance sheet date. For transactions overdue for more than 60 days, recognition in revenues will only occur when they are actually received.

For the determination of provisions for expected credit losses, loan operations are classified according to the level of risk, taking into consideration the economic panorama, past experience and specific risks in relation to the operations, to obligators and guarantors, among others, financial status among parties, default levels, expected future cash flows, amounts estimates of recovery and realization of guarantees, observing the parameters established by CMN Resolution 2,682/99, which requires the periodic analysis of the portfolio and its rating at nine levels, ranging from AA (minimum risk) to H (potential loss) and Management's judgment, as shown in Note 8.d – Breakdown of portfolio per levels of risk.

g) Credit assignment

A financial asset is written-off when rights in cash flow agreement expire or when financial asset is sold or transferred.

As established in CMN Resolution 3,533/08, sale or transfer of a financial asset is classified in three categories:

- **Operations with substantial transfer of risks and rewards:** transactions in which seller or assignor substantially transfer all property risks and benefits of the financial asset that is the object of the transaction such as: (I) unconditional sale of financial asset; (II) sale of financial asset together with repurchase option at fair value of that asset at the time of repurchase; and (III) sale of financial asset together with call or put option whose exercise is

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

improbable. In this category, asset that is the object of assignment is written off at transaction time and income is recognized in profit or loss through transfer of financial assets.

- **Operations with substantial retention of the risks and rewards:** transactions in which seller or assignor does not substantially retain all property risks and benefits of the financial asset that is the object of the transaction such as: (I) sale of financial asset together with commitment to repurchase the same asset at a fixed price or at sales price plus earnings; (II) loan agreements for securities; (III) sale of financial asset together with total return rate swap that transfers exposure to market risk back to seller or assignor; (IV) sale of financial asset together with call or put option whose exercise is improbable; and (V) sale of receivables for which the seller or assignor guarantees that will use any way to compensate buyer or assignee for credit losses that may occur, or whose sale occurred together with acquisition of subordinated quotas of the buyer's Credit Right Investment Fund (FIDC). In this category, asset that is the object of assignment is kept in accounting books and a liability in favor of the assignee is recognized for the assignment value. Assets continue generating positive results income and liabilities generate expenses at the rate applied on assignment. These amounts are recorded in financial assets' transfer revenue account (assets) and financial assets' transfer expense account (liabilities) over the term of assigned transactions.

- **Operations without transfer or substantial retention of risks and rewards:** transactions in which seller or assignor does not substantially transfer neither retains all property risks and benefits of the financial asset that is the object of the transaction. The Bank does not work with this category.

Evaluation of transfer or retention of property risks and benefits of financial assets is conducted based on consistent criteria liable to verification, with the methodology of comparing exposure, before and after sale or transfer, with expected variation of present value of cash flow associated to the financial asset discounted at proper market interest rate.

h) Non-financial assets held for sale

Non-financial assets held for sale include the book value of individual items, or groups of assets for disposal or items making part of a business unit destined to disposal ("Discontinued Operations"), the sale of which in their present condition is highly and which shall probably occur within one year as of the base date of financial information. They are generally measured for the lower between the fair value less the sale cost and the book value on the date in which they are classified in such category. They are not depreciated, provided that they remain in such category.

i) Investments in domestic subsidiaries

Investments in domestic subsidiaries are valued under the equity method.

j) Tax assets and liabilities

Income tax and social contribution are calculated on accounting profit adjusted under the terms of the tax legislation, at the rates of 15%, plus an additional 10% above a certain limit for income tax and 20% on profit before income tax deduction for social contribution.

The stock of tax credits and deferred tax liabilities recorded on June 30, 2024 and 2023 were calculated considering the rate in effect on the date of their realization.

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

k) Financial instruments recorded in current and non-current liabilities

They are stated at known or estimated amounts, including, where applicable, charges and inflation adjustments (on a pro rata basis) and exchange-rate change earned.

l) Provisions, contingent assets and liabilities and legal obligations - taxes and social security

The recognition, measurement and disclosure of contingent liabilities and legal obligations are carried out in accordance with the criteria set forth by CVM Resolution 3,823/09.

- **Contingent assets:** are not recognized in accounting books, except when there is a favorable final court decision, and such assets are characterized as practically certain. Assets with probable likelihood of success are only disclosed in notes. CCB Brasil does not have contingent assets with probable likelihood of success.
- **Provisions:** are recognized when the Management, advised by the legal advisors' opinion, evaluates if the chance of loss is probable. Cases for which an unfavorable outcome is regarded as possible are only disclosed in the note.
- **Contingent liabilities** according to CPC 25, the term "contingent" is used for liabilities and assets that are not recognized, as their existence will only be confirmed by the occurrence or non-occurrence of one or more future and uncertain events, not fully under the control of the Entity. The term "contingent liability" is used for liabilities that do not satisfy the recognition criteria, as they are considered possible losses, and should only be disclosed in notes, when material. Obligations classified as remote are not accrued or disclosed; and
- **Legal obligations:** these are recognized and provided for in the balance sheet.

m) Accounting estimates

The preparation of financial statements complies with accounting policies adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank and requires that Management uses its judgment in determining and recording accounting estimates. Significant items subject to these estimates and assumptions include: the evaluation of realization of the credit portfolio for calculation of allowance for doubtful accounts, the technical studies to estimate the periods for realization of tax credits, the evaluation of contingencies, liabilities and respective provisions, and evaluation of non-financial asset impairment loss and evaluation of market value of financial instruments and derivatives.

The settlement of the transactions and the respective book balances determined using estimates may present differences, due to inaccuracies inherent in the process. CCB Brasil reviews the estimates and assumptions at least semi-annually.

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

4. CASH AND CASH EQUIVALENTS

	<u>06/30/2024</u>	<u>12/31/2023</u>
Cash and cash equivalents	35,697	8,227
Money market repurchase commitments	242,063	2,000,429
Interbank deposit investments	-	19,616
Foreign currencies investments	247,105	112,549
Total	<u>524,865</u>	<u>2,140,821</u>

5. INTERBANK FUNDS APPLIED

	<u>06/30/2024</u>	<u>12/31/2023</u>
Money market repurchase commitments	242,063	2,000,429
Interbank deposit investments	4,024	23,565
Foreign currencies investments	247,105	112,549
Total	<u>493,192</u>	<u>2,136,543</u>
Current	493,192	2,136,543

6. SECURITIES

a) Operation policy

Destination of securities is evaluated upon acquisitions, and formed portfolio is evaluated upon half-annual balance sheet.

b) Securities portfolio by category and type

	<u>06/30/2024</u>						
	Up to 90 days	91–360 days	Total current	Non- current	Total account amount	Adjusted cost	Market value
Securities available for sale	471,286	-	471,286	3,581,089	4,052,375	4,046,853	4,052,375
Own portfolio (*)	145,369	-	145,369	2,046,761	2,192,130	2,189,179	2,192,130
Financial Treasury Bills	145,369	-	145,369	2,046,761	2,192,130	2,189,179	2,192,130
Subject to purchase and sale agreements	13,993	-	13,993	1,500,848	1,514,841	1,512,220	1,514,841
Financial Treasury Bills	13,993	-	13,993	1,500,848	1,514,841	1,512,220	1,514,841
Related to guarantees provided (**)	311,924	-	311,924	33,480	345,404	345,454	345,404
Financial Treasury Bills	311,924	-	311,924	33,480	345,404	345,454	345,404
Securities held to maturity	-	126,658	126,658	-	126,658	126,658	126,658
Own portfolio	-	126,658	126,658	-	126,658	126,658	126,658
Quotas - FIDC	-	126,658	126,658	-	126,658	126,658	126,658
Total	<u>471,286</u>	<u>126,658</u>	<u>597,944</u>	<u>3,581,089</u>	<u>4,179,033</u>	<u>4,173,511</u>	<u>4,179,033</u>

(*) Terms are assigned based on nominal maturity without considering public securities' high liquidity.

(**) The accounting balance includes R\$ 344,504 relating to the margin deposited as collateral for transactions with derivative financial instruments, R\$ 899 relating to legal proceedings.

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

	12/31/2023						
	Up to 90 days	91–360 days	Total current	Non- current	Total account amount	Adjusted cost	Market value
Securities available for sale	1,107,463	447,910	1,555,373	3,398,305	4,953,678	4,950,941	4,953,678
Own portfolio (*)	230,868	8,605	239,473	145,805	385,278	385,164	385,277
Financial Treasury Bills	230,868	8,605	239,473	145,805	385,278	385,164	385,277
Subject to purchase and sale agreements	820,230	-	820,230	3,220,719	4,040,949	4,038,321	4,040,950
Financial Treasury Bills	820,230	-	820,230	3,220,719	4,040,949	4,038,321	4,040,950
Related to guarantees provided (**)	56,365	439,305	495,670	31,781	527,451	527,456	527,451
Financial Treasury Bills	56,365	439,305	495,670	31,781	527,451	527,456	527,451
Securities held to maturity	-	-	-	119,762	119,762	119,762	119,762
Own portfolio	-	-	-	119,762	119,762	119,762	119,762
Quotas - FIDC	-	-	-	119,762	119,762	119,762	119,762
Total	1,107,463	447,910	1,555,373	3,518,067	5,073,440	5,070,703	5,073,440

(*) Terms are assigned based on nominal maturity without considering public securities' high liquidity.

(**) Book balance includes R\$ 525,884 referring to margin deposited in guarantee of transactions with derivative financial instruments, R\$ 853 referring to lawsuits and R\$ 714 referring to other guarantees.

Public securities are registered with BACEN's Special Settlement and Custody System (SELIC) and FIDC quotas are held in custody by custodian institution indicated by Fund Administrator.

Government bonds' market value was determined based on unit prices disclosed by ANBIMA on balance sheet date and investment fund quotas by the quota value on the date of balance sheet disclosed by the Fund's administrator.

7. DERIVATIVE FINANCIAL INSTRUMENT PORTFOLIO

a) Policy of use

Due to *Paul Volcker* Rule, applicable to the CCB Group on a global basis, transactions of CCB Brasil's trading portfolio are restricted to derivative transactions with customers and must always be hedged. In current year and or the purpose of mitigating market risk deriving from mismatches between the Conglomerate's assets and liabilities, CCB Brasil traded traditional and non-complex derivatives (plain vanilla) aiming at meeting clients' needs mainly, always with respective hedges. It also used this instrument to hedge exposure of banking portfolio to interest rates.

b) Protection against Exchange Rate Exposures

CCB Brasil carries out Swap, NDF (currency term) and Futures Market transactions to hedge obligations with securities issued abroad and foreign currency funding received. Therefore, it is possible to protect the Bank from the risk of currency and exchange coupon change to which such transactions are naturally subject to, and thus, protect it from unexpected impacting changes through economic and accounting hedge, when applicable.

c) Portfolio Protection with Fixed Rates

CCB Brasil adopts the strategy of acquiring DI futures contracts, evaluating amount allocated per credit portfolio term and amount allocated per DI futures contracts' maturities. Hedge coverage is daily monitored and assessed on a quarterly basis for the purpose of maintaining accounting hedge and making it effective. It complies with criteria that consider total portfolio less delayed payments and prepayment. The Bank's Treasury assesses the need to buy or sell new DI futures contracts to offset adjustment to market value of hedge object and guarantee hedge

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

effectiveness ranging 80–125%, considering relationship between market change of protected layer, designated hedge object and market change of DI futures contracts.

d) Risk management

CCB Brasil operates with derivative financial instruments as part of a list of services provided to its customers and to meet its own needs in connection with the management of market risks, arising basically from normal mismatches between currencies, interest rates, indices, and terms of its asset and liability transactions.

The main risk factors for derivatives assumed on June 30, 2024 were related to exchange rate, interest rate and dollar coupon, which aim maximizing risk and return ratios, even in situations of high volatility. Portfolios' risk management control is carried out using metrics VaR (trading portfolio), EVE and NII (banking portfolio), Profitability and Liquidity Risk.

e) Measurement criteria of market value

In order to obtain market values, the following criteria were adopted:

- **Term and Futures Contracts:** quotations in Stock exchanges; and
- **Swap:** cash flow of each of its parties is estimated discounted to present value, according to corresponding interest curves obtained based on prices of B3 S.A. - Brasil, Bolsa, Balcão, and/or on public securities' market prices for Brazilian transactions, and on prices of international exchanges for transactions carried out abroad, when applicable.

f) Recognition of amounts

The balances arising from these transactions are recorded in offset and equity accounts, pursuant to specific rule of the BACEN.

In terms of accounting, the financial instruments are classified according to the intention of Management of using them as hedge instruments or not, according to the BACEN Circular Letter 3,082/02 and subsequent updates.

Operations that use financial instruments carried out upon a request from clients, or that do not fulfill the protection criteria (especially derivatives utilized to manage global risk exposure up to June 30, 2024), are recorded at market value, with realized and unrealized gains and losses, recorded directly in the statement of income.

Specifically, for the market value hedge, the financial assets and liabilities, and the related financial instruments are stated at market values including gains and losses, realized and unrealized, and recognized directly to the statement of income.

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

The outstanding derivative financial instruments on June 30, 2024 have the following characteristics:

							Reference value				
							Net position of assets' and (liabilities) contracts				
	Current	Non-current	Differential receivable	Current	Non-current	Differential payable	Due up to 03 months	Due 03-12 months	Total current	Non-current	Total
Swap contracts											
Interbank market	1,687	2,945	4,632	3,068	12,202	15,270	12,315	67,158	79,473	371,031	450,504
Foreign currency	480	-	480	-	399	399	(12,315)	(77,286)	(89,601)	(371,031)	(460,632)
Fixed rate	-	-	-	1,245	-	1,245	-	10,128	10,128	-	10,128
Subtotal	2,167	2,945	5,112	4,313	12,601	16,914	-	-	-	-	-
Adjustment to market value	295	4,224	4,519	(12)	(2,812)	(2,824)	-	-	-	-	-
Total	2,462	7,169	9,631	4,301	9,789	14,090	-	-	-	-	-
Forward contracts/Non-deliverable forwards - NDF											
Forward purchase/NDF	11,088	119	11,207	3,458	-	3,458	149,568	91,802	241,370	1,097	242,467
Forward sale/NDF	-	-	-	2,486	-	2,486	(45,972)	-	(45,972)	-	(45,972)
Subtotal	11,088	119	11,207	5,944	-	5,944	-	-	-	-	-
Total	13,550	7,288	20,838	10,245	9,789	20,034	-	-	-	-	-
Futures contracts											
Purchase - Interbank market	-	-	-	65	-	65	93,054	84,955	178,009	421	178,430
Sale - Interbank market	363	-	363	-	-	-	(49,980)	(180,268)	(230,248)	(116,246)	(346,494)
Buy - DDI - For. cur. coupon	44,924	-	44,924	2	-	2	3,349,104	115,912	3,465,016	261,787	3,726,803
Sale - DDI - For. cur. coupon	-	-	-	15,677	-	15,677	(238,413)	(869,878)	(1,108,291)	(78,059)	(1,186,350)
Purchase - Foreign currency	31,899	-	31,899	16	-	16	2,298,148	-	2,298,148	-	2,298,148
Sale - Foreign currency	461	-	461	36,984	-	36,984	(3,125,754)	-	(3,125,754)	-	(3,125,754)
Total	77,647	-	77,647	52,744	-	52,744	-	-	-	-	-
Total Derivatives	91,197	7,288	98,485	62,989	9,789	72,778	-	-	-	-	-

The outstanding derivative financial instruments on December 31, 2023 have the following characteristics:

							Reference value				
							Net position of assets' and (liabilities) contracts				
	Current	Non-current	Differential receivable	Current	Non-current	Differential payable	Due up to 03 months	Due 03-12 months	Total current	Non-current	Total
Swap contracts											
Interbank market	14,658	58,047	72,705	69	-	69	12,642	101,155	113,797	374,392	488,189
Foreign currency	5,630	-	5,630	-	6,333	6,333	(13,916)	(116,280)	(130,196)	(366,961)	(497,157)
Fixed rate	761	-	761	-	-	-	1,274	15,125	16,399	(7,431)	8,968
Subtotal	21,049	58,047	79,096	69	6,333	6,402	-	-	-	-	-
Adjustment to market value	1,844	7,458	9,302	3	207	210	-	-	-	-	-
Total	22,893	65,505	88,398	72	6,540	6,612	-	-	-	-	-
Forward contracts/Non-deliverable forwards - NDF											
Forward purchase/NDF	33	-	33	13,463	-	13,463	58,446	140,957	199,403	-	199,403
Forward sale/NDF	552	-	552	14	-	14	(28,622)	(183)	(28,805)	-	(28,805)
Subtotal	585	-	585	13,477	-	13,477	-	-	-	-	-
Total	23,478	65,505	88,983	13,549	6,540	20,089	-	-	-	-	-
Futures contracts											
Purchase - Interbank market	-	-	-	23	-	23	-	198,900	198,900	6,614	205,514
Sale - Interbank market	143	-	143	-	-	-	(155,470)	(125,392)	(280,862)	(284,851)	(565,713)
Buy - DDI - For. cur. coupon	1,916	-	1,916	-	-	-	219,503	60,207	279,710	203,906	483,616
Sale - DDI - For. cur. coupon	-	-	-	2,239	-	2,239	-	(346,964)	(346,964)	(139,322)	(486,286)
Purchase - Foreign currency	10,471	-	10,471	2	-	2	2,152,451	-	2,152,451	-	2,152,451
Sale - Foreign currency	3	-	3	7,594	-	7,594	(1,612,494)	-	(1,612,494)	-	(1,612,494)
Total	12,533	-	12,533	9,858	-	9,858	-	-	-	-	-
Total Derivatives	36,011	65,505	101,516	23,407	6,540	29,947	-	-	-	-	-

Swap and NDF transactions are registered at B3 S.A. - Brasil, Bolsa, Balcão, adjustments referring to receivable or payable differences are recognized in an asset or liability account, respectively, as a contra-entry to revenues or

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

expenses. Transactions in “futures market” are registered at the B3 S.A. - Brasil, Bolsa, Balcão, daily appropriate/paid adjustments are accounted for as revenue or expense.

Amount of margins deposited as collateral for transactions involving derivative financial instruments are comprised as follows:

Title	Maturity	06/30/2024		12/31/2023	
		Fair value / Book value		Fair value / Book value	
LFT	03/01/2024		-		56,365
LFT	09/01/2024		311,924		438,591
LFT	03/01/2028		32,580		30,928
			344,504		525,884

g) Hedge accounting
Credit Transaction for Individuals

CCB Brasil has payroll loan portfolios for civil servants and retirees, and vehicle financing transactions. Loans are granted at fixed rates, exposing CCB Brasil to market risk arising from changes in interbank deposits (CDI) reference rate, index in which CCB Brasil's cost of funding and risk management are controlled. Thus, to cover fixed rate risk to CDI fluctuations, the Bank's treasury acquires DI futures contracts considering the ratio between quantities x maturities that offsets effect from hedge object item adjustment to market value; and effects of this fair value hedge structure began to be recorded at the Bank as of January 2022.

Funding abroad

In order to seek protection for exposure to the exchange coupon variation of funding in foreign currency, CCB Brasil contracts derivative financial instrument operations (USDxCDI), with similar values, terms and rates, and from April 2022 it designated operations of loans made from that date as an item subject to fair value hedge accounting.

06/30/2024	Hedge Object				Hedge instrument		Changes in amount recognized in income (loss)
	Carrying value		Fair Value		Ineffective value	Nominal value	
	Assets	Liabilities	Assets	Liabilities			
Interest rate risk							
Loans transaction (note 26)	342,022	-	343,466	-	77	343,713	1,444
Funding abroad indexed to the dollar (note 31)	-	3,223,710	-	3,233,579	(16,369)	3,165,382	(9,869)
Total	342,022	3,223,710	343,466	3,233,579	(16,292)	3,509,095	(8,425)

12/31/2023	Hedge Object				Hedge instrument		Changes in amount recognized in income (loss)
	Carrying value		Fair Value		Ineffective value	Nominal value	
	Assets	Liabilities	Assets	Liabilities			
Interest rate risk							
Loans transaction (note 26)	451,843	-	460,412	-	2,294	543,105	8,569
Total	451,843	-	460,412	-	2,294	543,105	8,569

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

8. CREDIT AND LEASE PORTFOLIO
a) Breakdown per type of operation

	<u>06/30/2024</u>	<u>12/31/2023</u>
Export financing	3,274,089	3,388,430
Working capital and discounts	1,979,743	2,275,555
Rural and agribusiness financing	1,026,861	996,638
Payroll loans	513,826	675,877
Import financing	131,049	101,933
Vehicle financing	27,691	32,641
Debtors in purchase of assets	9,698	12,159
Loan operations subject to assignment (*)	1,087	3,801
Other	130,124	255,555
Total Loan	7,094,168	7,742,589
Advances on exchange contracts (**)	1,737,468	1,870,331
TOTAL	8,831,636	9,612,920

(*) Refers to payroll loans granted with co-obligation to CCB Financeira and recognized as Payroll loans in consolidated (Note 8.f).

(**) Advance on foreign exchange contracts are recognized in balance sheets under "Liabilities - Foreign exchange transactions" (Note 9) plus income receivable on advances granted, which are under "Assets - Foreign exchange transactions" (Note 9).

b) Diversification by sector of activity

	<u>06/30/2024</u>	<u>12/31/2023</u>
Private sector	8,309,638	8,924,222
Industry	4,135,397	4,453,566
Trade	2,319,567	2,705,410
Other services	1,579,265	1,616,157
Agribusiness	275,409	149,089
Individuals	521,998	688,698
Total	8,831,636	9,612,920

c) Diversification per periods – per installment

	<u>06/30/2024</u>	<u>%</u>	<u>12/31/2023</u>	<u>%</u>
Past due as of 15 days	41,344	0.47	5,952	0.06
Due up to 03 months	1,297,089	14.69	2,797,530	29.10
Due 03–12 months	3,448,689	39.05	2,848,804	29.64
Total current	4,787,122	54.21	5,652,286	58.80
Non-current	4,044,514	45.79	3,960,634	41.20
Total	8,831,636	100	9,612,920	100

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

d) Breakdown of portfolio per levels of risk

Risk level	06/30/2024			12/31/2023		
	Calculation		Provision	Calculation		Provision
	basis	% (*)		basis	% (*)	
AA	3,531,192	39.98	-	4,069,989	42.34	-
A	4,029,303	45.62	20,146	4,091,404	42.56	20,457
B	1,052,282	11.91	10,523	1,215,310	12.65	12,153
C	51,183	0.58	1,535	92,456	0.96	2,774
D	2,193	0.02	219	3,318	0.03	332
E	5,799	0.07	1,740	8,085	0.08	2,424
F	3,229	0.04	1,614	3,429	0.04	1,715
G	58,823	0.67	41,176	63,137	0.66	44,196
H	97,632	1.11	97,632	65,792	0.68	65,792
Total	8,831,636	100	174,585	9,612,920	100	149,843

(*) Percentage of credit portfolio per rating over total portfolio.

e) Levels of risk concentration

	06/30/2024		12/31/2023	
	R\$	R\$	R\$	%
Major debtor	210,896	2.39	309,342	3.22
10 greatest debtors	1,537,180	17.41	1,657,123	17.24
100 main debtors	7,521,569	85.17	8,141,829	84.70

f) Operations related to assignment (Interbank credit assignment)

In years prior to those presented, payroll loan transactions were carried out with its subsidiary, CCB Brasil S.A. - Crédito, Financiamentos e Investimentos.

These assignments are classified in category “transactions with substantial risk and benefit retention” and present the balance of R\$ 1,087 (December/23 - R\$ 3,801), and amount recorded as obligations from credit transactions linked to the assignment, presented in liabilities under “Other financial instruments (note 19), is R\$ 1,111 (December/23 - R\$ 3,896). Expenses from linked obligations recognized in the semester amounted to R\$ 243 (June/23 - R\$ 1,110), and are in the Statement of Income under “Other financial intermediation expenses” (Note 30), deriving from “pro rata temporis” appropriation over the term of each assigned contract. Granting is subject to application of CMN Resolution 2,682/99 for the purpose of classifying credit risk and recognizing an allowance for doubtful accounts.

9. FOREIGN EXCHANGE TRANSACTIONS

	06/30/2024	12/31/2023
Assets		
Purchased foreign exchange to be settled	1,926,640	1,835,358
Receivables from foreign exchange sales	90,218	29,841
Earnings receivable from granted advances	49,147	57,423

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

Advances received in national currency	(8,635)	(4,369)
Total	2,057,370	1,918,253

Current	1,817,123	1,708,299
Non-current	240,247	209,954
Total	2,057,370	1,918,253

	<u>06/30/2024</u>	<u>12/31/2023</u>
Liabilities		
Obligations from foreign currency purchases	1,757,089	1,886,493
Advances on exchange contracts	(1,688,321)	(1,812,908)
Sold foreign exchange to be settled	99,219	60,382
Total	167,987	133,967
Current	167,987	133,967
Total	167,987	133,967

10. OTHER FINANCIAL INSTRUMENTS - ASSETS

	<u>06/30/2024</u>	<u>12/31/2023</u>
Debtors of guarantee deposits	311,445	418,584
Income receivable	9,192	7,304
Securities and credits receivable	8	7
Total	320,645	425,895
Current	6,349	5,071
Non-current	314,296	420,824
Total	320,645	425,895

11. PROVISION FOR EXPECTED CREDIT RISK LOSS

	<u>06/30/2024</u>	<u>12/31/2023</u>
Opening Balance	149,843	307,693
Increase of provision for credits for the semester	37,969	(3,005)
Subtotal	187,812	304,688
Write-offs to loss (*)	(13,227)	(154,845)
Closing balance	174,585	149,843
Recovery of loans written off	19,626	98,072
Percentage of provision on portfolio	1.98	1.56
Current	101,688	59,995
Non-current	72,897	89,848
Closing balance	174,585	149,843

(*) Of the write-off amount, R\$ - (December/23 – R\$ 44,618) refer to credit operations linked to funding operations in accordance with the rules established by CMN Resolution 2,921/02.

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

As of June 30, 2024, renegotiated contracts portfolio presented balance of R\$ 1,094,235 (December/23 - R\$ 1,214,861). It should be noted that, pursuant to paragraph 3 of article 8 of CMN Resolution No. 2,682/99, debt composition, extension, novation, concession of a new transaction for partial or full settlement of a previous transaction or any other type of agreement that involves changing the due dates or payment terms originally agreed are considered as renegotiation. In this case, renegotiations are included that do not necessarily imply readjustments in the face of issues related to the payment capacity of the contracts themselves, but any and all changes to the originally agreed payment conditions. The balance of provision for renegotiated credits of R\$ 71,445 (December/23 - R\$ 78,722).

Of the amount of renegotiated contracts, R\$ 59,936 (December/23 – R\$ 61,528) includes contracts renegotiated due to debtor' financial difficulties.

12. NON-FINANCIAL ASSETS HELD FOR SALE

They are mainly represented by assets received to settle loan operations.

	06/30/2024	12/31/2023
Real estate	156,628	166,642
Machinery and equipment	15,581	15,582
Vehicles and the like	1,695	1,703
Other	221	315
Subtotal	174,125	184,242
Provision for impairment	(100,805)	(107,224)
Total	73,320	77,018

13. OWNERSHIP INVESTMENTS

The main information of subsidiaries in which the Bank has direct interest is shown as follows:

Company's name	06/30/2024						12/31/2023
	Number of shares/quotas held	% Interest	Shareholders' equity	Net income / (loss)	Equity in net income of subsidiaries	Book value of investments	Book value of investments
CCB Brasil Arrendamento Mercantil S.A.	180,920,168	100%	207,240	10,362	10,362	207,240	305,121
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A.	14,223,228	100%	23,887	681	681	23,887	23,206
CCB Brasil Informática S.A.	50,000	100%	924	23	23	925	902
CCB Brasil Administradora de Cartões de Crédito Ltda.	3,670,000	100%	5,296	126	126	5,296	5,170
CCB Brasil S.A. – CFI	116,405,774	100%	9,938	(11,916)	(11,916)	9,938	21,854
CCB Brasil Promotora de Vendas Ltda.	1,354,000	1.67%	1,969	63	1	33	32
Subtotal					(723)	247,319	356,285
CCB Brasil Cobrança Ltda. (*)	110,402,810	3.75%	(43)	(17)	(1)	(2)	(1)
Brasilfactors S.A. (*)	62,931	50%	(13,409)	(3,199)	(1,600)	(6,704)	(5,105)
Total					(2,324)	240,613	351,179

(*) As Brasilfactors S.A. and CCB Brasil Cobrança Ltda. presented shareholders' deficit, amounts equivalent to the Bank's interest are recorded in Other liabilities (Note 23).

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

a) Dividends

On June 29, 2023, the Bank received from its subsidiary CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. the amount of R\$ 217 as dividends for the year 2022.

On June 30, 2024, dividends in the amount of R\$ 108,243 were proposed, resulting from profit reserves earned in previous years by the subsidiary CCB Brasil Arrendamento Mercantil S.A., in addition to the allocation of 5% of the profit earned in the semester to the legal reserve. On December 29, 2023, minimum dividends in the amounts of R\$ 5,969 and R\$ 376 were proposed by the subsidiaries CCB Brasil Arrendamento Mercantil S.A. and CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A., respectively, to be received in 2024, recorded in the group of "Other Assets" (note 15).

b) Interest on own capital

There was no receipt of interest on equity by the subsidiary CCB Brasil Arrendamento Mercantil S.A. in the first semester of 2024. On June 29, 2023, the Bank received the amount of R\$ 8,500 in the form of interest on equity by the subsidiary CCB Brasil Arrendamento Mercantil S.A., which, after withholding income tax at source, at a rate of 15%, resulted in the net amount of R\$ 7,225.

14. TAX ASSETS AND LIABILITIES

a) Deferred tax credits: the deferred income tax and social contribution, recorded at Tax Assets presented the following changes in the semester:

	12/31/2023	Change in shareholders' equity	Realizations	Additions	06/30/2024
Income tax					
Provision for expected credit loss	277,842	-	(21,329)	9,460	265,973
Provision for Hedge Accounting	2,286	-	(2,286)	3,007	3,007
Provision for contingencies and others	53,405	-	(21,066)	10,229	42,568
Subtotal	333,533	-	(44,681)	22,696	311,548
Tax loss	24,090	-	-	7,086	31,176
Subtotal – Tax Credit IRPJ (corporate income tax)	357,623	-	(44,681)	29,782	342,724
Social contribution					
Provision for expected credit loss	222,274	-	(17,064)	7,568	212,778
Provision for Hedge Accounting	1,829	-	(1,829)	2,406	2,406
Provision for contingencies and others	42,724	-	(16,854)	8,183	34,053
Subtotal	266,827	-	(35,747)	18,157	249,237
Negative basis of accumulated CSLL	4,433	-	-	5,668	10,101
Subtotal – Tax Credit CSLL (social contribution on net income)	271,260	-	(35,747)	23,825	259,338
Total - Tax credit - IRPJ/CSSL	628,883	-	(80,428)	53,607	602,062

Realization of tax credits - based on a technical study, it was possible to estimate the generation of future taxable income, in a sufficient amount for the realization of all tax credits existing on the balance sheet date, in a ten-year period, distributed as follows:

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

Projected year	Realization of tax credits										06/30/2024
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Projected value	159,673	147,503	120,619	112,430	41,348	18,053	2,436	-	-	-	602,062
Present value (*)	151,966	127,159	94,187	79,522	26,491	10,476	1,281	-	-	-	491,082
% Realization	26.5%	24.5%	20.0%	18.7%	6.9%	3.0%	0.4%	0.0%	0.0%	0.0%	100,0%

(*) Calculated based on projected Selic rate.

Projected year	Realization of tax credits										12/31/2023
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Projected value	78,334	180,838	132,958	122,960	107,293	6,500	-	-	-	-	628,883
Present value (*)	70,098	144,809	95,273	78,845	61,565	3,337	-	-	-	-	453,927
% Realization	12.5%	28.8%	21.1%	19.5%	17.1%	1.0%	0.0%	0.0%	0.0%	0.0%	100%

(*) Calculated based on projected Selic rate.

On June 30, 2024, the Bank has non-recorded tax credits derived from income tax loss and negative basis of social contribution in the total amount of R\$ 1,035,455 (December/23 - R\$ 981,272) and tax credits from temporary differences in the amount of R\$ 220,029 (December/23 - R\$ 218,078), for which there is no expectation of realization within the period provided for in CMN Resolution 4,842/20 of up to 10 years.

b) Presumed tax credit

In view of high balance of temporary differences deriving from credit losses incurred beginning as of 2014, the Bank chose to determine Presumed Tax Credit of R\$ 380,662, according to criteria established by Law 12,838/13 and BACEN Circular Letter 3,624/13, which require determination of tax losses and credits deriving from temporary differences deriving from allowance for doubtful accounts, determined and existing in prior calendar year.

Also according to Law No. 12,838/13, the Federal Revenue Service may verify the accuracy of the presumed credits determined for a period of five years, counting from the date of the request for reimbursement, which may be in cash or in federal public debt securities, and there may be a deduction of amounts of a tax or non-tax nature due to the National Treasury.

During the first semester of 2024, the Bank recovered R\$ 98 (December/23 - R\$ 952) from credit transactions that are part of presumed tax credit calculation basis, whose deferred taxes, in the amount of R\$ 44 (December/23 - R\$ 427), were recognized in Deferred taxes, as these amounts will be taxed when credit is reimbursed by the National Treasury.

The Administration understands that, given the macroeconomic scenario and the expectation of generation of future taxable results by CCB Brasil, the option for Presumed Credit represents the best alternative to reduce the time for realization of temporary differences arising from provisions for doubtful debts.

	06/30/2024	12/31/2023
Presumed tax credit formed	231,915	231,915
Deferred tax liabilities	(40,745)	(40,701)

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

c) Deferred tax liabilities

	12/31/2023	Change in shareholders ' equity	Realizations	Additions	06/30/2024
Income tax					
Linked funding (Res 2,921)	57,026	-	-	1,604	58,630
Inflation adjustment of judicial deposits	27,747	-	(14,072)	-	13,675
Positive MTM adjustment of government securities and derivatives	4,121	696	-	4,383	9,200
Hedge Accounting	2,142	-	(1,781)	-	361
Subtotal Income tax	91,036	696	(15,853)	5,987	81,866
Social contribution					
Linked funding (Res 2921)	45,620	-	-	1,283	46,903
Inflation adjustment of judicial deposits	22,198	-	(11,258)	-	10,940
Positive MTM adjustment of government securities and derivatives	3,298	557	-	3,506	7,361
Hedge Accounting	1,714	-	(1,425)	-	289
Subtotal Social contribution	72,830	557	(12,683)	4,789	65,493
Total deferred taxes	163,866	1,253	(28,536)	10,776	147,359
Presumed tax credit Income tax – Law 12,838/13	22,612	-	-	24	22,636
Presumed tax credit Social contribution – Law 12,838/13	18,089	-	-	20	18,109
Total presumed tax credit	40,701	-	-	44	40,745
Total	204,567	1,253	(28,536)	10,820	188,104

d) Statement of calculation of income and social contribution tax charges

	06/30/2024		06/30/2023	
	Income tax	Social contribution	Income tax	Social contribution
Determination				
Income before tax on profit	(77,569)	(77,569)	9,393	9,393
Calculation basis	(77,569)	(77,569)	9,393	9,393
Temporary additions	193,127	193,127	228,495	228,495
Permanent additions	359,928	359,928	248,830	248,830
Exclusions	(640,586)	(640,586)	(518,481)	(518,481)
Taxable income and calculation basis of income tax and social contribution on net income	(165,100)	(165,100)	(31,763)	(31,763)
Fiscal Income Foreign Agency	73,638	73,638	51,397	51,397
(-) Compensation of Tax Losses/CSLL Negative Calculation Base	-	-	(5,890)	(5,890)
Taxable income and calculation basis of income tax and social contribution on net income adjusted	(91,462)	(91,462)	13,744	13,744
Reconciliation of Income (loss)				
IRRF - Foreign to offset	(1,044)	-	(9,367)	-
Income tax and deferred CSLL (Liabilities)	(9,842)	(7,874)	(5,744)	(4,593)
(=) Provision for Income Tax and Social Contribution on Net Income	(10,886)	(7,874)	(15,111)	(4,593)
Constitution of tax credit (on temporary additions)	(22,696)	(18,157)	(19,443)	(15,554)
Constitution of tax credit (tax loss and negative basis of accumulated CSLL)	(7,086)	(5,668)	-	-
Realization of tax credit (on temporary additions)	44,681	35,747	46,797	37,437
(=) Net effect of tax credit	14,899	11,922	27,354	21,883
Income and social contribution tax expense	4,013	4,048	12,243	17,290

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

15. OTHER ASSETS

	06/30/2024	12/31/2023
Interest on own capital and dividends receivable (notes 13.a and 13.b)	114,588	6,345
Payments to be refunded	14,858	35,110
Sundry debtors in the country	12,931	38,446
Interbank accounts/relations	8,340	6,422
Prepaid expenses	3,190	1,385
Other	3,084	999
Total	156,991	88,707
Current	131,029	20,633
Non-current	25,962	68,074
Total	156,991	88,707

16. FUNDS OBTAINED IN THE MARKET

	06/30/2024					Total
	Without maturity	Up to 03 months	03–12 months	Total current	Non-current	
Demand deposits	61,859	-	-	61,859	-	61,859
Saving deposits	2,208	-	-	2,208	-	2,208
Interbank deposits	-	453,263	200,136	653,399	-	653,399
Time Deposits	-	3,615,530	534,094	4,149,624	59,752	4,209,376
Liabilities from repurchase and resale agreements	-	1,512,034	-	1,512,034	-	1,512,034
Agribusiness Credit Bills – LCA	-	181,293	452,056	633,349	35,107	668,456
Financial Bills - LF	-	-	24,577	24,577	4,856	29,433
Total	64,067	5,762,120	1,210,863	7,037,050	99,715	7,136,765

	12/31/2023					Total
	Without maturity	Up to 03 months	03–12 months	Total current	Non-current	
Demand deposits	54,124	-	-	54,124	-	54,124
Saving deposits	2,211	-	-	2,211	-	2,211
Interbank deposits	-	567,201	510	567,711	196,573	764,284
Time Deposits	-	3,724,910	666,736	4,391,646	29,615	4,421,261
Liabilities from repurchase and resale agreements	-	5,234,060	-	5,234,060	-	5,234,060
Real Estate Credit Bills - LCI	-	-	136	136	-	136
Agribusiness Credit Bills – LCA	-	356,572	820,697	1,177,269	65,178	1,242,447
Financial Bills - LF	-	16,498	46,147	62,645	-	62,645
Total	56,335	9,899,241	1,534,226	11,489,802	291,366	11,781,168

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

17. BORROWINGS AND ONLENDINGS

Obligations from loans and foreign contributions refer to raising of funds to finance import and export and contributions granted mainly by the controlling shareholder abroad.

The country's contributions are represented by funds from the Ministry of Agriculture under FUNCAFÉ category and Ministry of the Cities in the PSH - Social Housing Program and PMCMV - Minha Casa Minha Vida Program.

Maturities are broken down as follows:

	Up to 03 months	03–12 months	Total current	Non-current	06/30/2024	12/31/2023
Domestic onlendings - Official Institutions	22,269	108,006	130,275	15,279	145,554	252,358
Abroad	4,613,873	46,324	4,660,197	28,759	4,688,956	3,149,299
Loan with head office	3,688,964	-	3,688,964	-	3,688,964	2,647,924
Loans from the Parent Company - linked (*)	-	11,134	11,134	2,560	13,694	9,820
Loan from the controlling shareholder - BOC	278,448	-	278,448	26,199	304,647	
Other foreign loans	646,461	35,190	681,651	-	681,651	491,555
Total on June 30, 2024	4,636,142	154,330	4,790,472	44,038	4,834,510	
Total on December 31, 2023	3,093,717	274,963	3,368,680	32,977		3,401,657

(*) In 2017, the Bank raised funds linked to active transactions in accordance with conditions established by CMN Resolution 2921/02, namely:

- I - Link between funds raised and corresponding active transaction;
- II - Subordination of raised funds' due dates to payment flow of linked active transaction;
- III - Linked active transaction remuneration sufficient to cover funding transaction costs;
- IV - Compatibility between linked active transaction cash flows and funding transaction;
- V - Funding transaction term equal to or greater than that of the linked active transaction;
- VI - Postponement of any payment to the creditor, including as charges or amortization, in case of default in linked active transaction, and
- VII - Non-payment to the creditor, in whole or in part, of principal and charges in case execution of guarantees is not sufficient to settle linked active transaction, or in other situations in which this transaction is not settled.

As of June 30, 2024, amount of funding linked to credit transactions recognized in group "Foreign Loans" is R\$ 336,006 (December/23 - R\$ 308,374) and credit transactions balance is R\$ 23,977 (December/23 - R\$ 30,360), and this semester there is no overdue installments (December/23 – no overdue installments).

To provide the best expected disbursement estimate for the linked obligation, as well as reduce asymmetry, the Bank, considering the expectation of receiving the linked receivables, recorded a downward adjustment in the group

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

“Foreign loans” of R\$ 322,312 (December/23 - R\$ 298,554), with the expenses amount of R\$ 12,767 (December/23 - R\$ 40,434 of expenses) as contra-entry to income for the semester (Note 31).

18. DEBT INSTRUMENTS ELIGIBLE TO CAPITAL

Funding	Issue value - Original currency	Issuance	Maturity	Issue value - Domestic currency	Interest rate (p.a.)	06/30/2024	12/31/2023
Level I Perpetual Debt (a)	US\$ 70,000	12/29/2016	-	228,025	8.00%	389,123	338,891
Level I Perpetual Debt (a)	US\$ 100,000	06/04/2021	-	506,660	5.80%	555,890	484,130
Total						945,013	823,021

	06/30/2024	12/31/2023
Non-current	945.013	823,021
Total	945.013	823,021

As provided for in current regulations, as a result of accumulated losses in previous years, the Bank did not recorded a provision for payment of interest for the years of 2024 and 2023, arising from perpetual debts issued.

19. OTHER FINANCIAL INSTRUMENTS - LIABILITIES

	06/30/2024	12/31/2023
Borrowings related to assignment (note 8.f)	1,111	3,896
Commissions payable	2	6
Total	1,113	3,902
Current	1,052	3,680
Non-current	61	222
Total	1,113	3,902

20. PROVISIONS

	06/30/2024	12/31/2023
Provisions for contingencies (Note 21)	418,593	507,953
Provisions for financial guarantees provided (Note 22)	33,106	32,758
Other	43,545	29,814
Total	495,244	570,525
Current	64,886	56,955
Non-current	430,358	513,570
Total	495,244	570,525

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

21. CONTINGENCIES AND LEGAL OBLIGATIONS

CCB Brasil and its subsidiaries are parties in lawsuits and administrative proceedings arising from the normal course of business, involving issues of a civil, labor, fiscal, and welfare nature.

a) Provisions classified as probable loss and legal obligations

Based on information from its legal advisors, on examinations of outstanding lawsuits, and on the history of losses, the Management formed a provision for liabilities classified as probable loss in an amount deemed to be sufficient to cover estimated losses in the lawsuits in progress and the most relevant ones are:

Civil lawsuits

The Bank is party to civil lawsuits assessed as having a probable risk, which have been fully accrued and amount to R\$ 149,106 (December/23 – R\$ 158,571). In general, the provisions are the result of contract revisions, declarations, obligations to do/not do and compensation for material and moral damages.

Labor lawsuits

The Bank is party to labor lawsuits assessed as having a probable risk, which have been fully accrued and amount to R\$ 106,893 (December/23 – R\$ 106,472). Provisions relate to lawsuits discussing labor claims referring to labor law, such as overtime, salary equalization, additional payment due to transfer and other.

Tax and social security proceedings

COFINS x Law 9,718/98 – amount involved R\$ 48,317 (December/23 - R\$ 40,414): claims payment of the contribution from November 2005 to December 2014, based on the calculation provided in Complementary Law 7/70, in view of the unconstitutionality of expanding the calculation basis provided for in Law 9,718/98. Part of the amount involved was deposited in court, R\$ 35,407 (December/22 – R\$ 34,413). On June 2023, the Federal Supreme Court concluded the judgment on Theme 372 of the General Repercussion, determining that gross operating revenues, arising from the typical business activity of financial institutions, are part of the PIS and COFINS calculation basis. The remaining provision balance, as well as those held as collateral through judicial deposit, will be written off at the time the final certification and adjudication takes place.

PIS x Law 9,718/98 – amount involved R\$ 12,027 (December/23 – R\$ 71,803): claims payment of the contribution from November 2005 up to December 2014, based on the calculation provided in Complementary Law 7/70, in view of the unconstitutionality of expanding the calculation basis provided for in Law 9718/98. The amount of R\$ 9,903 (December/23 – R\$ 81,805) was placed in a judicial deposit. On June 2023, the Federal Supreme Court concluded the judgment on Theme 372 of the General Repercussion, recognizing that the gross operating revenues arising from the typical business activity of financial institutions are part of the PIS and COFINS calculation basis. In may 2024, we had an unfavorable decision, and the judicial deposit in the amount of R\$ 73,759 was converted into federal income, since the final judgment occurred. The remaining provision balance will be written off when the final judgment is certified.

Income tax/Social contribution PDD/94 - amount involved R\$ 25,034 (December/23 – R\$ 20,179): claims to deduct, from the calculation of income tax and social contribution on net income, for the tax base year of 1994, the expense related to the setting up of the Allowance for loan losses, as specified by the National Monetary

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Council and the Brazilian Central Bank, as allowed by CMN Resolution 1,748/90 and subsequent amendments, and dismissing, due to unconstitutionality and unlawfulness, the provision of article 43, paragraph 4, of Law 8,981/95. The amount of R\$ 31,398 (December/23 – R\$ 30,664) was placed in a judicial deposit.

INSS - Profit Sharing of Directors – Years 2009 to 2011 – amount involved of R\$ 76,728 (December/23 – R\$ 68,094): claims the derecognition of a supposed INSS debit, levied on the profit sharing of administrators, related to the base periods from 2009 to 2011, entered through the Tax Assessment Notice, as this contribution is not levied on profit sharing, under the terms of Article 7, XI of the Federal Constitution and Article 28, § 9, j, of Law 8.212/91. The amount of R\$ 76,728 (December/23 – R\$ 73,947) was placed in a judicial deposit.

INSS – Profit Sharing of Directors – Years 2006 to 2008 – amount involved R\$ - (December/23 – R\$ 41,937): requests the cancellation of the entry of supposed INSS debt, relating to the base periods from 2006 to 2008, launched through a Notice of Infraction, firstly due to the fact that it has already been forfeited in relation to the debts relating to the triggering events that occurred up to October 10, 2006, secondly because INSS does not apply to profit sharing, under the terms of article 7, XI, of the Federal Constitution and article 28, § 9, of Law nº 8,212/91. The amount of R\$ - (December/23 – R\$ 41,446) was deposited in court. In January 2024, we had an unfavorable decision, and the judicial deposit in the amount of R\$ 41,708 was converted into federal income, as the decision became final and binding.

Changes in provisions classified as probable loss and legal obligations

Description	12/31/2023	Addition	Reversal	Monetary		06/30/2024
				Update	Payment	
Civil	158,571	2,737	(9,373)	4,616	(7,445)	149,106
Labor	106,472	3,088	(5,410)	8,284	(5,541)	106,893
Subtotal	265,043	5,825	(14,783)	12,900	(12,986)	255,999
Tax and social security	12/31/2023	Addition	Reversal	Monetary		06/30/2024
				Update	Payment	
PIS/COFINS – Expansion of Calculation Basis - Law 9718/98	112,217	-	-	21,886	(73,759)	60,344
Inc. tax and soc. contr. (IRPJ/CSLL) PDD 1994	20,179	-	(1,337)	6,192	-	25,034
INSS of Administrators – Years 2009–2011	68,094	-	(2,938)	11,572	-	76,728
INSS of Administrators – Years 2006–2008	41,937	-	-	(229)	(41,708)	-
Others	483	-	(14)	19	-	488
Subtotal	242,910	-	(4,289)	39,440	(115,467)	162,594
Total	507,953	5,825	(19,072)	52,340	(128,453)	418,593

In 2023, CCB Brasil joined the Tax Litigation Reduction Program (PRLF) - "Zero Litigation" with the Federal Revenue as established by RFB/PGFN Joint Ordinance nº 1, of January 12, 2023, which, among other benefits, promoted discounts on outstanding debts and made it possible to pay tax debts with the use of tax credits from tax losses and negative basis of social contribution, in the amount of R\$ 136,069.

For the contingencies described above, CCB Brasil deposited as collateral (note 10 – Other financial instruments – Assets), a total of R\$ 311,445 (December/23 - R\$ 418,584), of which R\$ 102,640 – civil lawsuits (December/23 - R\$ 100,357), R\$ 14,174 – labor lawsuits (December/23 - R\$ 15,970) and R\$ 194,631 – tax lawsuits (December/23 - R\$ 302,257).

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

b) Lawsuits classified as possible loss

Contingent liabilities stated as likely losses are monitored by CCB Brasil and are based on opinions by legal counsel, with regard to each of the lawsuits and administrative proceedings. Therefore, pursuant to the standards in force, any likely losses are not recognized in the accounting records, and these are composed mainly of the following issues:

Tax and social security proceedings

ISS – Service Tax – Taxed services - Correctness of levying the service tax on services listed in the attachment to Complementary Law 56/87 - involved amount of R\$ 32,955 (December/23 – R\$ 34,373): claims to discontinue the charges of the service tax levied on supposed revenues from provision of taxable services, not expressly included in the list of services attached to Complementary Law 56/87, with the allegation that the list contains mere examples, contrary to understanding taken for granted at the Superior Court of Justice, which adopts the interpretation that only the listed services are taxed. The amount of R\$ 29,193 (December/23 – R\$ 28,478) was placed in a judicial deposit.

IRPJ/2008 – amount involved R\$ 40,566 (December/23 – R\$ 40,566): awaiting approval of the adherence to the installment payment of Law 12,996/14 (REFIS of COPA), whose analysis of the RQA - Request for Early Discharge (art. 33 of Law 13,043/14) is suspended awaiting the judgment of the disallowance of tax losses and negative basis of social contribution on net income for the years 2012 and 2014 (see IRPJ/CSLL).

INSS - Profit Sharing of Directors - Period 2012– amount involved of R\$ 7,395 (December/23 – R\$ 7,186): pleads cancellation of alleged INSS debt for the base period of 2012, issued through a Notice of Infraction, due to the INSS not being levied on profit sharing, in accordance with article 7, XI, of the Federal Constitution and article 28, § 9, of Law No. 8,212/91. The amount of R\$ 8,126 (December/23 – R\$ 7,810) was placed in a judicial deposit.

IRPJ/CSLL – amount involved R\$ 92,084 (December/23 – R\$ 92,084): claims the derecognition of the IRPJ/CSLL debt, related to the base period of 2012 and 2014, entered due to the tax assessment notice, due to disallowance of the deductibility of credit losses, for supposed non-compliance with the procedures established in Law 9,430/96.

Tax on financial transactions (IOF) and Withholding income tax (IRRF) - amount involved R\$ 1,850 (December/23 – R\$ 1,797): CCB Brasil, as jointly liable, claims the derecognition of the supposed IRRF/IOF debit entry related to seven foreign exchange transactions for foreign currency remittances.

IOF on Assignment of Receivables – amount involved R\$ 3,288 (December/23 – R\$ 3,172): claims the derecognition of the entry of IOF debit regarding the supposed levy on receivables assignment contracts with co-obligation, for the period from March 2014 to December 2014, for supposed non-compliance with Decree 6,306/07.

Unapproved Offset – amount involved R\$ 4,808 (December/23 – R\$ 4,675): claims in the administrative level with the RFB the ratification of tax offsets against receivables arising from overpayment or incorrect payment.

Labor lawsuits

There are lawsuits in the Bank that are classified as a possible risk, and no provisions were formed for these cases. According to an estimate by legal advisors, the sum of indemnities for these lawsuits in case of loss amounts to

Notes to financial statements

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R\$ 27,343 (December/23 – R\$ 27,038). Contingencies relate to lawsuits discussing labor claims referring to labor law that is specific of the professional category, such as overtime, salary equalization, additional payment due to transfer and other.

Civil lawsuits

The Conglomerate is party to lawsuits that are classified as a possible risk; thus, no provision was formed. According to an estimate by legal advisors, the possible sum of indemnities for these lawsuits amounts to R\$ 215,406 (December/23 – R\$ 208,389). In general, the contingencies are the result of contract revisions and indemnities for material damages and pain and suffering.

22. SURETIES AND GUARANTEES

Description	06/30/2024		12/31/2023	
	Amounts guaranteed	Provisions	Amounts guaranteed	Provisions
Guarantees or sureties in tax lawsuits and proceedings of a fiscal nature	255,927	29,529	249,007	28,684
Judicial guarantees – others	336,635	3,110	358,125	3,333
Sureties - payments	730,189	359	808,842	641
Performance sureties	96,606	107	32,564	97
Bank guarantees	17,852	1	17,758	2
Other sureties	9,928	-	9,783	1
Total	1,447,137	33,106	1,476,079	32,758
Current	-	33,106	-	32,753
Non-current	-	-	-	5
Total	-	33,106	-	32,758

23. OTHER OBLIGATIONS

	06/30/2024	12/31/2023
Sundry creditors - domestic	30,504	29,859
Social and statutory	12,030	11,061
Interbranch accounts	7,307	17,342
Adjustment of negative equity invested (Note 13)	6,706	5,106
Amounts payable to related companies (*)	1,507	21,130
Payables to related companies	88	88
Total	58,142	84,586

(*) Refers to the remuneration for the provision of payroll loan portfolio management services carried out by the subsidiary CCB Financeira, which cover promotion and capture of operations, credit analysis, formalization, marketing, support, management, customer service, collection and all other services necessary for the good management of the credit portfolio.

Current	40,412	79,480
Non-current	17,730	5,106
Total	58,142	84,586

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

24. SHAREHOLDERS' EQUITY

CCB Brasil's shareholder structure is as follows:

a) Share capital

On May 26, 2023, the Extraordinary General Meeting approved the increase in share capital in the amount of R\$ 540,370, increasing it from R\$ 2,956,864 to R\$ 3,497,234, through the issuance of 230,563,698 new shares at the price of R\$ 2.34 per share, comprising 149,225,015 common shares and 81,338,683 preferred shares. On this date, CCB Brazil Financial Holding - Investimentos e Participações Ltda. transferred its preemptive right to subscribe for new shares to Bank of China Limited (BOC). The aforementioned capital increase was approved by the Central Bank of Brazil on August 22, 2023.

On January 31, 2024, BOC acquired controlling interest in CCB Brasil through the acquisition of CCB Brasil shares previously held by CCB Holding. A total of 240,855,998 shares were transferred, of which 155,886,378 were common shares and 84,969,620 were preferred shares. In view of the above, the shareholder structure of CCB Brasil is now as follows:

Shareholder	06/30/2024			12/31/2023		
	Common	Preferred	Total	Common	Preferred	Total
Bank of China Limited (BOC)	305,111,393	166,308,303	471,419,696	149,225,015	81,338,683	230,563,698
CCB Brazil Financial Holding Investimentos	141,337,530	77,039,420	218,376,950	297,223,908	162,009,040	459,232,948
Total shares	446,448,923	243,347,723	689,796,646	446,448,923	243,347,723	689,796,646
Total in reais (R\$)	2,263,473	1,233,761	3,497,234	2,263,473	1,233,761	3,497,234

b) Treasury shares

The number of treasury shares as of June 30, 2024 corresponds to 6,398,518 (December/23 – 6,398,518) preferred shares in the amount of R\$ 55,105 (December/23 – R\$ 55,105).

c) Dividends and interest on own capital

Pursuant to by-laws, it is entitled to minimum dividends corresponding to 25% of net income for the year, in accordance with the applicable corporate legislation.

d) Reserves

The retained loss justified the non-recognition of profit reserves.

25. RELATED PARTIES
a) Related parties

The Bank and its direct subsidiaries carry out transactions between themselves, which were eliminated in the consolidated statement.

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

The balances of operations of the Bank with the direct, indirect subsidiary, key management personnel and controlling shareholder are shown below:

	Assets / (liabilities)		Revenues / (expenses)	
	06/30/2024	12/31/2023	06/30/2024	06/30/2023
Cash and cash equivalents in foreign currencies	1,572	1,370	-	-
China Construction Bank Corporation (d)	1,572	1,370	-	-
Interbank funds applied in interbank deposits – CDI	-	19,616	73	2,865
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	-	19,616	73	2,865
Investment fund quotas	126,658	119,762	6,896	7,504
FIDC Brasilfactors (b)	126,658	119,762	6,896	7,504
Rendering of services	20	20	82	100
CCB Brasil Arrendamento Mercantil S.A. (a)	20	20	82	100
Other credits – Income receivable	114,588	31,302	-	-
China Construction Bank Corporation (d)	-	24,957	-	-
CCB Brasil Arrendamento Mercantil S.A. (a)	114,212	5,969	-	-
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	376	376	-	-
Demand deposits	(741)	(735)	-	-
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	(64)	(39)	-	-
CCB Brasil Arrendamento Mercantil S.A. (a)	(63)	(60)	-	-
CCB Brasil Informática S.A. (a)	(4)	(7)	-	-
CCB Brasil Administradora de Cartões de Crédito Ltda. (a)	(6)	(1)	-	-
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(464)	(505)	-	-
CCB Brasil Promotora de Vendas Ltda. (b)	-	(1)	-	-
Brasilfactors S.A. (f)	(13)	(1)	-	-
CCB Brazil Financial Holding Ltda. (e)	(50)	(77)	-	-
Key management personnel (c)	(77)	(44)	-	-
Interbank deposits	(155,032)	(298,884)	(10,019)	(15,636)
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	(24,563)	(24,385)	(1,248)	(1,423)
CCB Brasil Arrendamento Mercantil S.A. (a)	(130,468)	(172,698)	(8,771)	(14,213)
Banco da China Brasil S.A. (e)	-	(101,801)	-	-
Time deposits	(986,657)	(391,949)	(49,103)	(16,300)
CCB Brasil Informática S.A. (a)	(894)	(865)	(44)	(50)
CCB Brasil Administradora de Cartões de Crédito Ltda. (a)	(4,975)	(4,911)	(252)	(274)
CCB Brasil Promotora de Vendas Ltda. (b)	(1,958)	(1,923)	(99)	(115)
Brasilfactors S.A. (f)	-	(47)	(1)	-
FIDC Brasilfactors (b)	(42,420)	(39,395)	(6,896)	(1,139)
CCB Brazil Financial Holding Ltda. (e)	(933,972)	(344,310)	(41,723)	(14,602)
Key management personnel (c)	(2,438)	(498)	(88)	(120)
Purchase and sale agreements	(31,650)	(309,813)	(899)	(2,756)
CCB Brasil Arrendamento Mercantil S.A. (a)	(13,994)	(7,095)	(493)	(2,581)
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(17,656)	(1,061)	(406)	(175)
CCB Brasil Administradora de Cartões de Crédito Ltda. (a)	-	(301,657)	-	-
Bank of China Limited (BOC) (e)	-	-	-	-
LCA	(233)	(2,468)	(1)	(310)
Key management personnel (c)	(233)	(2,468)	(1)	(310)

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

	Assets / (liabilities)		Revenues / (expenses)	
	06/30/2024	12/31/2023	06/30/2024	06/30/2023
Borrowings	(4,007,305)	(2,657,744)	(603,696)	249,677
China Construction Bank Corporation (d)	(4,007,305)	(2,657,744)	(603,693)	249,677
Obligations from sales of financial assets – Resolution 3533/08	(1,112)	(3,896)	(243)	(1,110)
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(1,112)	(3,896)	(243)	(1,110)
Amounts payable by related companies	(1,507)	(21,130)	-	-
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(1,507)	(21,130)	-	-
Transfer of credit assignment	-	(172)	-	-
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	-	(172)	-	-

Namely:

- (a) Subsidiaries and associated companies - Direct
- (b) Subsidiaries and associated companies - Indirect
- (c) Key management personnel
- (d) Indirect controlling shareholder headquartered overseas
- (e) Parent Company - direct
- (f) *Joint venture*

a.1) Transactions due dates and rates

Interbank investments with floating-rate liquidity are valued at an average CDI rate of 100% (December/23 – 100%); pre-fixed repo operations were carried out at average rates of 10.40% per year (December/23 – 11.65% per year) and have maturity on July 1, 2024 (December/23 – January 2, 2024), with a collateralization period of up to 3 months (December/23 – up to 3 months). LCA operations were carried out at average rates of 96.02% of the CDI (December/23 – 95.75%) and have a final maturity of up to 2 years (December/23 – up to 2 years). Time deposits are remunerated at an average rate of 100.0% of the CDI (December/23 – 98.74% of the CDI), directly related to the amount invested, with final maturity in up to 2 years (December/23 – in up to 2 years). Loan obligations were made at average rates of 6.02% per year (December/23 – 5.47% per year) and exchange rate variation, with final maturity in up to 7 years (December/23 – in up to 7 years). Information regarding credit assignments with related parties is included in note 8.f.

b) Provision of services carried out by Group companies

The remuneration for services provided is equivalent to 2.8% of the average balance of the payroll loan portfolio, net of credits assigned, recorded in the Bank's assets over the last 12 months.

c) Remuneration of key management personnel – Consolidated

At the annual shareholders' meeting the maximum remuneration for Administrators, members of the Board of Directors, Executive Board and Audit Committee is established, as well as the maximum limit for the participation of Managers in the profit for the year, when applicable, in compliance with limits of the CMN Resolution 3,921/10.

During the first semester of 2024 and year of 2023, the Board of Directors did not approve payments for the profit sharing of the administrators, in view of the recorded net loss in Bank's Shareholders Equity.

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In thousands of reais - R\$, unless otherwise indicated.

c.1) Short-term benefits – Board of Directors, Executive Board and Audit Committee

	<u>06/30/2024</u>	<u>06/30/2023</u>
Fixed remuneration (note 35)	(12,355)	(11,708)
Other	(195)	(396)
Total expenses	<u>(12,550)</u>	<u>(12,104)</u>

c.2) Long-term benefits

CCB Brasil does not offer long-time benefits for termination of employment contract to the Key Management Personnel.

26. INCOME (LOSS) FROM LOAN OPERATIONS AND LEASE

	<u>06/30/2024</u>	<u>06/30/2023</u>
Loans	639,389	224,581
Recovery of loans written off as loss (note 11)	19,626	69,359
Acquisition of receivables	2,486	10,377
Mark-to-market – hedged items (note 7.g)	1,444	14,815
Income from credit notes and sale of assets	528	813
Total	<u>663,473</u>	<u>319,945</u>

The Bank has credit operations indexed in foreign currency, the value of which recorded in the first half of 2024 was impacted by the exchange rate variation of that period in the amount of R\$ 262,087 in revenue (June/23 – R\$ 207,440 in expenses).

27. INCOME (LOSS) FROM INTERBANK FUNDS APPLIED AND SECURITIES

	<u>06/30/2024</u>	<u>06/30/2023</u>
Income from Repurchase and resale agreement	124,943	212,958
Income from fixed income securities	97,580	73,319
Income from short-term interbank investments	36,449	88,121
Income from investments abroad	6,830	2,650
Other securities' operations	7,044	7,969
Total	<u>272,846</u>	<u>385,017</u>

28. INCOME (LOSS) FROM DERIVATIVE FINANCIAL INSTRUMENTS

	<u>06/30/2024</u>	<u>06/30/2023</u>
Future Market - Dollar	182,050	(136,859)
Future Market - DI	3,629	(6,713)
Term of currencies	25,542	(33,003)
Swap	(43,268)	112,639
Total	<u>167,953</u>	<u>(63,936)</u>

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

29. FOREIGN EXCHANGE INCOME

	<u>06/30/2024</u>	<u>06/30/2023</u>
Foreign exchange transactions	219,053	(161,335)
Exchange-rate changes	62,974	51,678
Cash and cash equivalents in foreign currencies	39,664	(12,222)
Total	<u>321,691</u>	<u>(121,879)</u>

30. OTHER FINANCIAL INTERMEDIATION EXPENSES

	<u>06/30/2024</u>	<u>06/30/2023</u>
Loss on credit assignment operations with co-obligation (note 8.f)	(243)	(1,110)
Total	<u>(243)</u>	<u>(1,110)</u>

31. BORROWINGS AND ONLENDINGS

	<u>06/30/2024</u>	<u>06/30/2023</u>
Expenses with obligations to foreign bankers	(736,309)	250,559
Market to market – Hedge objects (note 7.g)	(9,869)	12,894
FUNCAFÉ/BNDES Onlendings	(7,240)	(6,723)
Reversal to funding linked to credit operations	12,767	(40,434)
Total	<u>(740,651)</u>	<u>216,296</u>

The Bank has obligations with bankers abroad for loans indexed in foreign currency, whose amount recorded in the first semester of 2024 was impacted by the exchange rate variation in that period in the amount of R\$ 586,438 in revenue (June/23 – R\$ 384,497 in revenue).

32. EXPENSES WITH MONEY MARKET REPURCHASE AGREEMENTS

	<u>06/30/2024</u>	<u>06/30/2023</u>
Time Deposits	(221,034)	(264,711)
Repurchase and resale agreements	(129,510)	(261,553)
Agribusiness credit bills expenses - LCA	(49,579)	(58,369)
Interbank deposits	(24,463)	(45,973)
Credit Guarantee Fund (FGC) contribution expense	(3,199)	(3,231)
Financial bills expenses - LF	(2,784)	(6,711)
Real estate credit bills expenses - LCI	(5)	(15)
Total	<u>(430,574)</u>	<u>(640,563)</u>

33. EXPENSES WITH DEBT INSTRUMENTS ELIGIBLE TO CAPITAL

	<u>06/30/2024</u>	<u>06/30/2023</u>
Perpetual debt – exchange variation	(121,992)	67,745
Total	<u>(121,992)</u>	<u>67,745</u>

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

34. REVENUES FROM RENDERING OF SERVICES AND TARIFFS

	<u>06/30/2024</u>	<u>06/30/2023</u>
Income from guarantees granted	11,109	14,526
Collection income	686	708
Income from bank fees	606	649
Income from other services	414	3,785
Total	<u>12,815</u>	<u>19,668</u>

35. PERSONNEL EXPENSES

	<u>06/30/2024</u>	<u>06/30/2023</u>
Salaries	(38,558)	(43,753)
Social charges	(20,101)	(16,836)
Directors' fees (note 25.c1)	(12,355)	(11,708)
Benefits	(9,142)	(9,844)
Other	(99)	(115)
Total	<u>(80,255)</u>	<u>(82,256)</u>

36. OTHER ADMINISTRATIVE EXPENSES

	<u>06/30/2024</u>	<u>06/30/2023</u>
Outside service expenses	(18,452)	(10,575)
Rental and fees expenses	(9,330)	(9,208)
Data processing expenses	(7,060)	(6,885)
Financial system service expenses	(3,445)	(4,463)
Expenses with maintenance and preservation	(1,975)	(1,742)
Expenses with amortization and depreciation	(1,623)	(1,873)
Expenses with judicial and notary public fees	(205)	(101)
Other expenses	(3,554)	(2,472)
Total	<u>(45,644)</u>	<u>(37,319)</u>

37. OTHER OPERATING REVENUES

	<u>06/30/2024</u>	<u>06/30/2023</u>
Monetary update of judicial deposits	8,452	14,426
Reversal of provision for restructuring	5,332	281
Recovery of charges and expenses	2,725	346
Revenue with housing social programs	-	4,202
Other operating income	399	861
Total	<u>16,908</u>	<u>20,116</u>

Notes to financial statements

In thousands of reais - R\$, unless otherwise indicated.

38. OTHER OPERATING EXPENSES

	<u>06/30/2024</u>	<u>06/30/2023</u>
Provision for housing program losses (*)	(25,730)	-
Commission expenses	(3,384)	(4,655)
Tax expenses	(2,658)	(17,010)
Processing fee	(1,357)	(1,593)
Provision for profit sharing - employees	(969)	(5,536)
Other operating expenses	(869)	(2,902)
Total	(34,967)	(31,696)

(*) Refers to the creation of a provision for disbursements to complete the construction of residences under the Minha Casa Minha Vida Program and the Social Housing Program (PSH), which are not reimbursable by the Ministry of Cities.

39. NON-OPERATING INCOME

	<u>06/30/2024</u>	<u>06/30/2023</u>
Income from disposal of assets	1,107	2,634
Constitution of provision for other non-operating income (*)	(291)	(6,091)
Write-off of assets due to disuse	(11)	-
Other non-operating income (expenses)	-	6
Total	805	(3,451)

(*) Refers to the constitution of provision for non-financial assets held for sale R\$ 310 (December/23 – R\$ 6,091) and reversal of provision for fixed assets – R\$ 19 (December/23 – R\$ -)

40. RISK AND CAPITAL MANAGEMENT FRAMEWORK

The Bank's risk management enables inherent risks to be properly identified, measured, mitigated, and controlled, to support the sustained development of activities and the continuous improvement in risk management.

The Bank centralizes the management of Social and Environmental, Market, Credit, Liquidity, Operational and Capital Management risks to enhance the efficiency of its controls. It results in an overview of the exposures to which the Bank is subject due to the very nature of its activities, which makes it possible to improve and make more agile strategic decisions, in addition to ensure compliance with the policies established for the area and improve the identification of risks that may affect the business strategy and the fulfillment of related goals, thus complying with CMN Resolution 4,557/17 which provides for integrated Risk Management – "GIR".

The "Basel Pillar III Risk Management Report" can also be found on the Bank's website, in compliance with BCB Resolution No. 54/20 of BACEN, which provides for the structure and responsibilities of CCB Brasil within the scope of prudential risk management. .

The Capital Management Framework is implemented, in compliance with CMN Resolution 4,557/17. The Board of Directors approved the appointment of the executive officer in charge and the definition of the organizational structure, applicable to the entire Financial Conglomerate and other member companies of the financial-economic consolidated. There are institutional policies and processes defined with the procedures and systems necessary for the effective implementation of the Capital Management framework.

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Likewise, in compliance with CMN Resolution 4,557/17, the Risk Management framework was established and implemented. The Board of Directors approved the appointment of the executive officer in charge and the definition of the organizational structure, applicable to the entire financial Conglomerate and other member companies of the financial-economic consolidated, as well as approved the institutional policies on risk management.

CMN Resolution 4,943/21 is also observed in relation to the establishment and implementation of the Social and Environmental Responsibility Policy. The Bank has already adjusted the risk management framework to comply with CMN Resolution 4,557/17.

The Risk Management Policy establishes the underlying principles of the institutional strategy with regards to the control and management of risks in all operations. In the administrative scope, the shares are valued in the several committees that guarantee management compliance, considering the complexity of the products, the exposure to risk and the risk-return ratio that involves all the Bank's business decisions. Risk management is in line with guidelines set forth by the Central Bank and covers all subsidiaries.

CCB Brasil's risk management policies are designed to support the formulation of risk appetite, guide employees and establish procedures to monitor, control, dimension and report the risks to the Executive Board. The Senior Management's involvement with risk management issues occurs through deliberations of its management bodies, defined, in the articles of association, as the Board of Directors, the Executive Board and the Committees. The governance structure ensures effective risk management. The Bank's risk management is carried out through collective decisions, supported by specific Committees. The Risk Management Department is composed, among others, of departments dedicated to the management of social and environmental, market, credit, liquidity, and capital management risks. These areas provide support to the Risk Committee, Internal Controls, Financial Operations that analyze and define strategies and actions pertinent to the areas of operations.

The controls and risk management committees and management bodies provide support to development and seek to minimize losses by adopting a centralized integrated view. They aim at the automation and creation of the database for risk management and modeling, based on history data of losses and evolution of controls.

- I. The risk mitigating controls allow the limits to be defined in advance, considering the profile and the strategic and operational aspects of each unit.
- II. The risk limits broadly consider the amounts that the Bank is willing to accept to meet its goals, and is reflected in the enterprise risk management philosophy, which in turn influences the Bank's culture and operation conduct. This tolerance is influenced by several factors, including the assessment of the risk's consistency with the corporate strategy.

RISK MANAGEMENT

CCB Brasil's Risk Management Policy defines a set of controls, process, tools, systems and standard reports, needed to provide the appropriate control and management of risk.

The Bank designated the CRO (Chief Risk Officer) as the one responsible for the Risk Framework before the Central Bank, according to the Board of Directors' decision.

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Market Risk Management

The Liquidity, Market and Capital Risk Division is responsible for maintaining and updating the Policy and structure of the area on an annual basis. It is independent in relation to the business areas and has as duty to monitor and analyze market risks arising from business activities and the Bank's treasury. It also has a duty to guarantee that the levels of exposure to risk comply with the limits adopted by the Risk Appetite Statement (RAS), and to identify and recommend capitalization levels that are appropriate and compatible with these risks.

Market risk monitoring can be characterized by certain main types of measurements: stale positions, foreign exchange exposure level control, sensitivities, stress tests, Value-at-risk (including adherence tests and validations), DV01, EVE- Economic Value of Equity and NII - Net Interest Income.

All risk metrics are monitored continuously on an integrated basis with the purpose of offering a global view of CCB Brasil's risk profile. The monitoring and control of the Bank's positions is not limited to calculating its market value but recognizes an adequate sensitivity to the real exposure to the Bank's many risk factors. Complementing this measure with the other risk control tools improves monitoring and exposure analysis.

Credit Risk Management

CCB Brasil has an independent area for managing credit risk, in accordance with best governance practices. This area operates independently from the credit approval structure, calculates the ratings of clients based on metrics that consider their behavior in the market as well as that arising from their operations at the Bank. Thus, it differs from the concepts used by the credit approval area, whose structure is built on careful analysis procedures, developed from the expertise acquired throughout the Bank's history.

ESG - Social and Environmental Risk

The Bank constantly improves the methodologies and tools used for assessing social and environmental variables in its loan granting process to mitigate any risks associated with the capacity of payment and default on investments. For this reason, it has established policies and instruments that allow the suspension of the operation, accelerate contracts and the imposition of restriction penalties.

Liquidity Risk Management

CCB Brasil's Liquidity Risk management consists of measuring, evaluating, and controlling the bank's capacity to meet its financial commitments through mathematical estimates and modeling on its own base of operations. Such models have complementary characteristics and are described below:

- I. Backward Looking: historical analysis of transactions, repurchases, renewals of transactions by clients to estimate the potential of insufficient cash to pay the bank's commitments.
- II. Forward Looking: analysis of the projected portfolio, considering budget scenarios and expected portfolio growth.

The results of the liquidity calculations made for the next three years, following these models, demonstrate that CCB Brasil has and will have sufficient funds to meet its obligations and has a position with a wide safety margin in current and non-current.

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CCB Brasil has a liquidity risk management department for the identification, monitoring and control of events that may impact the bank's liquidity in both current and non-current.

Liquidity risk management provides:

- I. Preparation of cash flow for evaluation and monitoring of liquidity in current and non-current terms;
- II. Statistical models for estimating unexpected cash outflows such as acceleration of CDB, derivative adjustment payments and additional guarantee deposits with B3;
- III. Stress tests to monitor financial health in adverse liquidity scenarios.

Events that indicate inadequate liquidity capacity for the institution's future obligations are reported on a timely basis to take corrective and preventive actions.

The assets and liabilities according to the remaining contractual maturities, considering their undiscounted flows, are shown below:

As of June 30, CCB Brasil presented its Current Liabilities greater than Current Assets, calculated according to the nominal maturity of its operations, however, the Bank has securities classified in the category available for sale (note 6.b), which, except for the balance of those linked to the guarantees provided, has an amount of R\$ 3,547,609 (December/23 – R\$ 3,366,524), which even classified as non-current, represent highly liquid investments in government bonds issued by the National Treasury, and a portion of the current liabilities are loans with the parent company in China in the total amount of R\$ 3,978,546 (December/23 – R\$ 2,647,924), maturing in less than one year, which has been systematically renewed.

	06/30/2024		
	Nominal liquidity	Reclassification by effective liquidity	Adjusted liquidity
Current assets	6,323,873	3,547,609	9,871,482
Current liabilities	(12,171,580)	3,978,546	(8,193,034)
Net balance	(5,847,707)	7,526,155	1,678,448

Sensitivity analysis

CCB Brasil has conducted a sensitivity analysis using the scenario of 10% for foreign exchange appreciations or depreciation, interest rates and shares (Scenario I), 25% (Scenario II) and 50% (Scenario III). It is necessary to disclose the demonstrative table of sensitivity analysis for each type of relevant market risk arising from financial instruments that expose the Institution on the closing date for each period. For its preparation we identified the types of risks that could generate material losses, including transactions with derivative financial instruments in a more probable scenario, as well as two (2) scenarios that could generate adverse results for the Institution. In the definition of the scenarios, the situation considered probable by management had as reference an independent external source: B3 S.A. - Brasil, Bolsa, Balcão and a situation, with depreciation or appreciation of 25% and 50% in the risk variable was considered.

We present in the sensitivity analysis table the set of operations involving financial instruments registered in equity accounts that CCB Brasil has with the purpose of managing its exposure to market risks and that aims to

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protect it, especially in periods of historical records. This valuation is systematically carried out by the risk management area and evaluated by the Risk Committee and Asset and Liability Management Committee (ALCO), which meets and defines a set of scenarios in a crisis environment. A scenario, in this context, is regarded as a certain combination of prices and interest rates. The preparation of the table followed the procedure below:

- (i) In each scenario, the amounts of the trading portfolio (Trading Book) and the structural transactions from several of the Institution's business lines and their respective hedges (Banking Book) were calculated;
- (ii) For each one of the risk factors, we chose the calculation that incurred in the highest loss and, based on it, applied the defined increase or decrease;
- (iii) Finally, we obtained the losses, corresponding to the related hypothetical scenario.

The following scenarios do not necessarily reflect the market risk management of the Institution neither is it associated with the accounting policies. The stress models may represent extreme situations that are distant from a day-to-day situation.

Below is the summary of the premises for each one of the scenarios.

We chose for each portfolio the trend (increase or decrease) that maximizes loss for each risk factor. The parallel dislocations of the curve were maintained, that is, a dislocation of + 1,000 basis means that in all future curves there was a 10% increase to the current rates.

For each scenario, the expected loss of the portfolio in relation to the marked-to-market position was measured.

Scenarios are described as follow

Scenario 1: Lower oscillation situation. Assumptions adopted: parallel shock of 10% in risk variables, based on market conditions seen on June 30, 2024, and considering the most significant losses from risk factor, not including the relationship dynamics between the macroeconomic variables.

Scenario 2: Potential situation. Assumptions adopted: parallel shock of 25% in risk variables, based on market conditions seen on June 30, 2024, and considering the most significant losses from risk factor, not including the relationship dynamics between the macroeconomic variables.

Scenario 3: Potential situation. Assumptions adopted: parallel shock of 50% in risk variables, based on market conditions seen on June 30, 2024, and considering the most significant losses from risk factor, not including the relationship dynamics between the macroeconomic variables.

The scenarios adopted for Banking and Trading Portfolio are shown in the following table, and also reflects the deterioration in the macroeconomic expectations since it maximizes loss for each risk factor in this portfolio. (Fixed interest rates strongly increase (10%; 25%; and, 50%), there is a substantial parallel dislocation of the foreign exchange coupon curves, the foreign exchange rates increase widely, the Brazilian stock exchange faces a downfall, reflecting in the indicators and indexed contracts

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Banking Portfolio - premises for risk factors			
	Scenario 1	Scenario 2	Scenario 3
(Fixed) Interest Rate Curve	parallel shift of +1,000 basis points	parallel shift of +2,500 basis points	parallel shift of +5,000 basis points
Foreign Exchange Coupon Curve	parallel shift of -1,000 basis points	parallel shift of -2,500 basis points	parallel shift of -5,000 basis points
Dollar - Spot	10% decrease	25% decrease	50% decrease

The results of the losses calculated in the scenarios presented summarize the losses from market fluctuations by risk factor, generated by CCB Brasil's systems and calculated for the Banking portfolio. These losses are shown in the following table:

Banking Portfolio - Results for risk factors in 06/30/2024			
Risk factors	Scenario 1	Scenario 2	Scenario 3
Dollar and dollar coupon	(13,928)	(33,669)	(63,741)
Fixed Rate in reais	(12,449)	(30,443)	(58,798)
Total loss	(26,377)	(64,112)	(122,539)

Trading Portfolio - Results for risk factors in 06/30/2024			
Risk factors	Scenario 1	Scenario 2	Scenario 3
Dollar and dollar coupon	(8,361)	(21,018)	(41,714)
Fixed Rate in reais	(75,278)	(186,374)	(366,990)
Total loss	(83,639)	(207,392)	(408,704)

The risk factors are presented as follows:

- US\$ Coupon - Includes all the products that have price variations pegged to dollar variations and interest rates in dollars.

- Fixed rate in real – Includes all products that have price variations pegged to dollar variations and interest rates in Real.

The sensitivity analysis Table has limitations and the economic impact on a potential fluctuation in interest rates might not represent necessarily a profit or a material accounting loss for the institution. The specific combination of prices which determine each scenario is an arbitrary decision, though possible. The signs of historical correlations between the assets were not necessarily respected and the scenarios chosen were analyzed according to a past time frame.

The accounting of the "Banking" Portfolio instruments, at a large extent, is made by the contract curve, which is different from the derivative financial instruments in the "Trading" Portfolio that are subject to fluctuations in the respective accounting record due to mark-to-market.

The results presented in the table referring to the banking portfolio may, at first glance, give the impression of high sensitivity to volatility. For a better analysis of the results obtained in this portfolio, it is suggested to evaluate

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the results of the measurements of Delta EVE (Economic Value of Equity) and Delta NII (Net Interest Income) with the calculation methodology standardized by the Brazilian Central Bank in Circular 3,876 /18 and in BCB Resolution 54/20. In view of this, it is noteworthy that the sensitivity analysis is an overview of the potential losses involved in the portfolio in the event of materialization of shocks on the stressed risk factors in isolation. This means that correlation and conjectural impacts are not being considered in this analysis.

Likewise, in the sensitivity chart, interest rates and foreign exchange were considered unrelated. The limitations of the analysis of scenarios also involve the marking to market of all positions, which contradicts the Institution's determination in taking operations (especially foreign currency funding operations) to maturity, which may lead readers to make a mistake in judging that the losses presented in the scenarios will materialize, even if the oscillations provided for in the risk factors are verified.

CAPITAL MANAGEMENT

CCB Brasil's risk and capital sufficiency management adopts, among others, basic elements of analysis, such as the understanding and identification of the risks inherent in its activities embodied in Capital and Liquidity management policy, assessment of the need for capital for the most relevant risks; development of methodologies for quantifying capital buffer; Capital and Contingency plan, and Strategic budget. It is carried out using quantitative metrics that include models and recommendations from the Brazilian Central Bank, from the Basel III perspectives and concepts.

The follow-up and monitoring of this management is continuous by the Risk Committee, assessed by the Board of Directors in Brazil, by the Head Office and regularly reported to BACEN. This framework is based on the guidelines established by CMN Resolution 4,557/17, which provides for the Risk and Capital management structure and the information disclosure policy. The resolution highlights the mandatory creation of a continuous and integrated risk management framework in banks, the definition of a Risk Appetite Statement (RAS), of stress testing programs, the creation of the Risk Committee, among others.

The following table indicates the minimum capital requirements valid for June 30, 2024:

BACEN Requirements	Valid in 06/30/2024	Valid in 12/31/2023
Core capital ratio	7.0%	7.0%
Tier I Capital ratio	8.5%	8.5%
Basel Ratio (total PR)	10.5%	10.5%

The Leverage Ratio (RA) is defined as the ratio between Tier I Capital and Total Exposure, calculated in accordance with BACEN Circular 3,748/15. It is a simple leverage measure not sensitive to risk and does not consider the Risk Weighting Factors (FPR) or mitigations considered in the RWA. It is not required for S3 Group banks, but is calculated for the purpose of monitoring RAS and is a good indicator of an institution's capital X assets ration.

The tables presented below show the main capital indicators calculated as of June 30, 2024 and 2022 and December 31, 2023 and meets both the requirements of Central Bank - Bacen and those established in the RAS Policy for 2023 – which is reviewed annually or at any time when circumstances require it..

In R\$ thousand	06/30/2024	12/31/2023
Capital – Tier 1	2,929,622	2,405,653
- Core Capital	1,984,609	1,582,632

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- Perpetual Bonds	945,013	823,021
Reference Equity	2,929,622	2,405,653
- RWACpad	11,403,636	10,420,893
- RWAMpad	207,854	127,651
- RWAOpad	1,719,985	1,310,934
Total RWA	13,331,475	11,859,478
- IRRBB	28,608	47,358

Ratios

Main Capital	14.89%	13.34%
Level 1	21.98%	20.28%
Basel Ratio	21.98%	20.28%
IB to RWA + IRRBB	21.40%	19.32%

Art. 12, CMN Resolution 4,958/21, determines that institutions must maintain sufficient Capital to cover the risk of changes in interest rates on the bank portfolio (IRRBB), treating it as a capital buffer requirement, without including it in the definition of RWA. At CCB Brasil, the limit for IRRBB is set in R\$ in the risk appetite statement.

41. RECURRING AND NON-RECURRING RESULTS

As provided for in BCB Resolution No. 02/2020, a non-recurring result should be considered as a result that is not related or is incidentally related to the typical activities of CCB Brasil and is not expected to occur frequently in future years. In the first semester of the years of 2024 and 2023, there was no record of non-recurring results at the Bank.

42. OTHER INFORMATION
a) Insurance

The Bank adopts a risk protection policy, according to the relevance of the amounts involved, and Management considers the global amounts of the insurance contracted to be sufficient.

Board of Directors

President:	Qjuseng Cai (took office on 06/07/2024)
Board members:	Guanghua Zhang (took office on 06/07/2024) Ruojie Li (took office on 06/07/2024)

Executive Board

Chief Executive Officer:	Guanghua Zhang
Directors, Vice-President:	Deming Li Lei Xu
Directors:	Hsia Hua Sheng Claudio Augusto Rotolo

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Accountant: Fábio José Mazzetto Said
CRC: 1SP264988/O-8

Audit Committee

President qualified member: Heraldo Gilberto de Oliveira

Committee Members: Walter Mallas Machado de Barros
Daniel Joseph McQuoid