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

Consolidated financial statements at December 31, 2023 and independent auditor's report

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(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 consolidated financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A. and its subsidiaries (the "Institution"), which comprise the consolidated balance sheet as at December 31, 2023 and the consolidated statements of income, comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

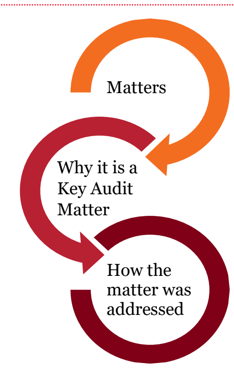
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Institution and its subsidiaries as at December 31, 2023, and their financial performance and their cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

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 consolidated financial statements" section of our report. We are independent of the Institution and its subsidiaries 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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Why it is a Key Audit Matter	How the matter was addressed in the audit
Measurement of expected credit loss	
As disclosed in Notes 3(e) and 9, the estimate of the expected credit loss, considering the requirements of IFRS 9, involves judgment on the part of Management. The determination of expected credit loss considers, among other elements, the existence of objective evidence of loss in the recoverable value of credits that are significant, as well as the deterioration of credit risk and the classification of credits in the stages provided for in IFRS 9. This process involves the use of several assumptions, considering internal and external factors, such as credit quality, portfolio size, concentration and economic factors. Therefore, this is an area was considered a focus in our audit.	We updated the understanding of the process developed by the Institution for analyzing and evaluating IFRS 9, as well as carrying out certain audit procedures, related to adherence to the requirements of said standard. In relation to the expected credit loss methodology, we apply certain audit procedures related to: (i) analysis of management's accounting policies compared to the requirements of IFRS 9; (ii) understanding and tests related to the measurement of expected credit loss that consider the database, models and assumptions adopted by management; and (iii) model testing, including its approval process and validation of assumptions adopted to determine loss and credit recovery estimates. We consider that the assumptions and criteria used by management in measuring and recording the expected credit loss required by IFRS 9 are consistent with the information analyzed in our audit.
Tax credits	
As disclosed in Notes 3(m) and 11, the Institution has assets arising from tax credits on temporary differences substantially, the registration of which is supported by a study of the projection of tax profits for the realization of these tax credits. The projection of tax profit involves judgments and assumptions of a subjective nature established by Management based on a study of the current and future scenario. Considering that the use of different assumptions in the future taxable profit projection could significantly modify the terms expected for the realization of tax credits, with consequent accounting impact, this is an area of critical estimation and continues to be defined as a focus in our audit.	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. With the support of our specialists, we have analyzed the consistency of the relevant assumptions used in the study of tax credit realization with 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 realization of the tax credits by the by the appropriate management bodies.

Why it is a Key Audit Matter	How the matter was addressed in the audit
	Based on the audit procedures results and in the context of the inherent uncertainties of realization of the amounts registered as credits, we consider that the assumptions adopted by management are reasonable and consistent with the information analyzed in our audit.
Information technology environment	
The Institution are dependent on their 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 understanding and testing of the information technology environment, including the automated controls or dependency of technology relevant to the preparation of the financial statements. With the support of our technology 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 database, 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 consolidated financial statements and the independent auditor's report

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

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

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), 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 consolidated financial statements, management is responsible for assessing the ability of the Institution and its subsidiaries, as a whole, 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 Institution and its subsidiaries, as a whole, or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Institution and its subsidiaries, as a

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

whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution and its subsidiaries, as a whole, to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated 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 the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, April 26, 2024

PricewaterhouseCoopers

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Auditores Independentes Ltda.
CRC 2SP000160/O-5

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Fábio de Oliveira Araújo
Signed By: FABIO DE OLIVEIRA ARAUJO:27382814866
CPF: 27382814866
Signing Time: 09 May 2024 | 13:29 BRT
O: ICP-Brasil, OU: Secretaria da Receita Federal do Brasil - RFB
C: BR
Issuer: AC SERASA RFB v5
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Fábio de Oliveira Araújo
Contador CRC 1SP241313/O-3

Management report

Dear shareholders,

The new Management of China Construction Bank (Brasil) Banco Múltiplo S.A. "CCB Brasil" or the "Bank", which took office on February 1, 2024, hereby submits its Management Report and the corresponding Financial Statements, prepared based on the assumptions and estimates applied by the previous Management, together with the Independent Auditor's Report, with no qualified opinion, for the year ended December 31, 2023. The remarks presented here, except when emphasized differently, are demonstrated on a consolidated basis covering their subsidiaries and in domestic currency (Reais – R$). The consolidated financial statements were prepared based on the international standard issued by the International Accounting Standards Board (IASB). Finally, emphasizing that it has recognized the premises adopted by the previous management in the financial statement and in the technical study of tax credits, the new management must review and align these premises with the basis of the new strategy of the new controller Bank of China for the Bank. This outline will be published in due course by the end of the next fiscal year.

Performance for the year of 2023

The consolidated default ratios composed of the loan portfolio classified in stage 3, remain well controlled, reaching 1.2% in 2023, while in 2022 it was 1.7%.

At the end of the year of 2023, loan operations reached R$ 9,742.5 million, a decrease of 4.19% compared to the previous year of 2022

As December 31, 2023, resources from Head Office represented 22% (27% on 2022) of total funding of R$ 15,800.8 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. Indeed, the resources of Head Office, usually available for a period of 180 days, have been systematically renewed.

Net interest income for the period of 2023 reached R$ 361.8 million, an increase compared to the result obtained in the same period of 2022, R$ 376.2 million.

The loss for the year of 2023 was R$ 6.0 million (2022 – loss of R$ 32.5 million).

On December 31, 2023, shareholders' equity reached R$ 1,546.4 million and the Basel ratio was 20.28%.

Change of control

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

A process of transition and compliance with certain contractual and regulatory obligations begins to complete the transaction and, in due course, change the trade names and corporate names of CCB Brasil and its controlled companies.

BOC is a Chinese bank with more than 112 years of tradition. Globally, it has more than US$ 4.5 trillion in assets and approximately US$ 363 billion in Tier I Capital. In 2023, BOC was considered the 4th best World Bank by The Banker magazine and the Best Private Bank for Entrepreneurs by Global Finance magazine.

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.

(Disclosure authorized at the meeting of the Board of Directors on April 25, 2024).

Consolidated Balance sheet on December 31

(In thousands of reais)

Assets	Note	12/31/2023	12/31/2022
Cash and Cash Equivalents and Reserves at the Central Bank of Brazil		14,562	56,105
Securities	5.b	5,073,440	4,510,349
At amortized cost		119,762	104,648
At fair value through other comprehensive income		4,953,678	4,405,701
Derivative Financial Instruments	6	101,516	109,322
Other Financial Assets at Amortized Cost		12,130,178	12,213,870
Loans and advances to financial institutions	7	2,544,004	2,234,094
Loans and advances to clients	8	9,742,506	10,168,698
Other loans and receivables		7,312	16,358
Other financial assets		-	13,378
Allowance for expected loss to credit risk	9	(163,644)	(218,658)
Non-financial assets held for sale	10	69,944	83,584
Property and equipment		4,594	23,357
Intangible		1,823	1,390
Tax Assets		688,697	965,789
Taxes to be offset		28,256	28,777
Tax credits	11.a	469,227	639,495
Presumed - Law nº 12.838/13	11.b	191,214	297,517
Other Assets	12	77,486	68,464
Total assets		18,162,240	18,032,230

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

Consolidated Balance sheet on December 31

(In thousands of reais) *(continued)*

Liabilities	Note	12/31/2023	12/31/2022
Derivative Financial Instruments	6	29,947	49,406
Financial Liabilities at Amortized Cost		15,886,832	15,575,316
Capital instruments	13	823,021	887,009
Deposits from financial institutions	14	5,793,105	4,630,829
Deposits from clients	15	4,486,720	4,289,996
Securities issued	16	1,305,228	1,109,490
Borrowings and onlendings	17	3,392,713	4,657,992
Other financial liabilities		86,045	-
Provisions	18	575,552	1,142,204
Tax liabilities		19,854	37,535
Current Taxes		19,854	37,535
Other liabilities	21	103,702	217,349
Total liabilities		16,615,887	17,021,810
Shareholders' equity			
Share Capital	22.a	3,497,234	2,956,864
Treasury shares	22.b	(55,105)	(55,105)
Accumulated losses		(1,898,180)	(1,892,192)
Profit reserve		899	899
Other comprehensive income		1,505	(46)
Total shareholders´ equity		1,546,353	1,010,420
Total liabilities and shareholders´ equity		18,162,240	18,032,230

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

CCB 中国建设银行 China Construction Bank

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

Consolidated Statement of Income
Years ended on December 31
(In thousands of reais, except for losses per capital share)

	Note	12/31/2023	12/31/2022
Interest and similar revenues	24.a	1,916,745	1,700,952
Interest and similar expenses	24.a	(1,554,736)	(1,320,429)
Net Income (Loss) from Interest and Similar		362,009	380,523
Foreign exchange differences (net)	24.b	42,361	29,061
Gains (losses) with financial assets and liabilities (net)	25	(42,575)	(33,406)
Net Interest Revenue		361,795	376,178
Equity in investments		22	(2,261)
Fee and commission revenue	26	33,811	44,283
Other operating revenues (expenses), net	27	(22,475)	(52,345)
Total Revenue		373,153	365,855
Personnel expenses	28	(175,516)	(174,899)
Other administrative expenses	29	(66,618)	(71,928)
Tax expenses	30	(32,189)	(37,603)
Depreciation and amortization		8,635	(11,056)
Impairment losses of financial assets	9	4,211	(31,329)
Gains (losses) with other assets (net)	31	1,305	13,204
Profit (Loss) before Taxes		112,981	52,244
Current and deferred income and social contribution taxes	11.c	(118,969)	(84,782)
Loss for years		(5,988)	(32,538)
Amount of shares (thousand)		689,797	459,233
Loss per share - R$		(0.01)	(0.07)

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

Consolidated Statement of Comprehensive Income
Years ended on December 31
(In thousands of reais)

	12/31/2023	12/31/2022
Loss for years	(5,988)	(32,538)
Other comprehensive results which will be reclassified subsequently for net income	1,551	1,435
Gains on assets/liabilities at fair value of other income	2,821	2,609
Tax charges on assets/liabilities at fair value of other income	(1,270)	(1,174)
Comprehensive loss for years	(4,437)	(31,103)

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

Consolidated Statement of Changes in Shareholders' Equity
Years ended on December 31
(In thousands of reais)

	Share Capital	Treasury Share	Capital reserves: Goodwill of the issues of shares	Other Comprehensive Income	Accumulated Loss	Total
Balance at January 1, 2022	2,956,864	(55,105)	899	(1,481)	(1,859,654)	1,041,523
Fair value of other comprehensive income	-	-	-	1,435	-	1,435
Loss for the year	-	-	-	-	(32,538)	(32,538)
Balance at December 31, 2022	2,956,864	(55,105)	899	(46)	(1,892,192)	1,010,420
Variation in the year	-	-	-	1,435	(32,538)	(31,103)
Balances at January 1, 2023	2,956,864	(55,105)	899	(46)	(1,892,192)	1,010,420
Capital increase	540,370	-	-	-	-	540,370
Fair value of other comprehensive income	-	-	-	1,551	-	1,551
Loss for the year	-	-	-	-	(5,988)	(5,988)
Balances at December 31, 2023	3,497,234	(55,105)	899	1,505	(1,898,180)	1,546,353
Variation in the year	540,370	-	-	1,551	(5,988)	535,933

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

Consolidated Statement of Cash Flows
Years ended on December 31
(In thousands of reais)

Cash flow from operating activities	Note	12/31/2023	12/31/2022
Loss for the years		(5,988)	(32,538)
Adjustments to the Profit (Loss)		133,375	101,230
Provision for expected loss to credit risk	9	(4,211)	31,329
Monetary update of judicial deposits	27	(28,791)	(27,686)
Provision for contingent liabilities	19.a	56,861	64,377
Other operating provisions		11,556	(5,293)
Depreciation and amortization		(8,635)	11,056
Tax credits and Deferred tax liabilities	11	114,604	63,315
Equity in the results of subsidiaries		(22)	2,261
Loss on sales of property and equipment	31	-	146
Loss (Gain) on sales of assets held for sale	10	(7,487)	(10,907)
Exchange variations on cash and cash equivalents		(549)	(28,355)
Write-off of assets due to disuse	31	49	987
Adjusted Profit		127,387	68,692
Decrease (increase) in loans and advances to financial institutions		19,810	(23,773)
(Increase) in financial assets at amortized cost		(15,114)	(13,065)
(Increase) in financial assets at fair value through other comprehensive income		(545,156)	(438,322)
(Decrease) increase in derivatives		(11,653)	(67,041)
Decrease (increase) in loans and advances to clients		375,389	(37,980)
Decrease (increase) in other loans and receivables		9,046	(952)
Decrease in other financial assets		42,169	61,699
(Increase) in non-financial assets		(1,163)	(335)
(Increase) decrease in other assets		(565,507)	(478,248)
Increase in deposits of financial institutions		1,162,276	973,516
Increase (decrease) in deposits of clients		196,724	(987,717)
Increase in securities issued		195,738	564,853
Increase in other financial liabilities		86,045	-
(Decrease) increase in other liabilities		(118,818)	78,739
Income tax and social contribution paid		(12,510)	(13,463)
Interest payment		(391,880)	(98,706)
Payment of contingencies	19.a	(492,868)	(24,520)
Interest earning		580,740	458,191
Net cash provided by operating activities		640,655	21,568
Cash flow from investing activities			
Sale of assets not for own use	10	16,132	30,674
Sale of property and equipment		29,326	14,229
Acquisition of intangible assets		(2,384)	(2,138)
(Acquisition) sale of investment		(40)	205
Net cash (used in) by investing activities		43,034	42,970
Cash flow from financing activities			
Increase in borrowings and onlending resources		39,067,893	9,437,206
(Decrease) debt instruments eligible to capital	13	(63,988)	(61,676)
Repayment of borrowings		(39,941,292)	(9,482,653)
Capital increase		540,370	-
Net cash (used in) provided by financing activities		(397,017)	(107,123)
Increase (decrease) in cash and cash equivalents		286,672	(42,585)
Cash and cash equivalents at the beginning of the year	4	1,833,984	1,848,214
Exchange variations on cash and cash equivalents		549	28,355
Cash and cash equivalents at the end of the year	4	2,121,205	1,833,984
Increase (decrease) in cash and cash equivalents		286,672	(42,585)

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

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

1. OPERATIONS

China Construction Bank (Brazil) Banco Múltiplo S.A. ("CCB Brasil" and/or "Company"), headquartered at Avenida Brigadeiro Faria Lima, 4.440, São Paulo - SP, Brazil, is a privately-held corporation controlled by CCB Brazil Financial Holding - Investimentos Participações Ltda., a member of the China Construction Bank Corporation group, headquartered in the People's Republic of China and authorized by BACEN (the Brazilian Central Bank) to operate as a Multiple Bank to develop its operations through the following portfolios: commercial, investments, real estate loans and foreign exchange.

Through subsidiaries, it operates in the following markets: lease, credit loan, financing and investments, distribution of securities and credit card administration.

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

A process of transition and compliance with certain contractual and regulatory obligations begins to complete the transaction and, in due course, change the trade names and corporate names of CCB Brasil and its controlled companies. See, additionally, note 35, subsequent events.

2. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A were prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and (currently referred to by the IFRS Foundation as "IFRS accounting standards") the Interpretations of IFRS Interpretation Committee (current name of IFRIC) and all relevant information is evidenced.

Consolidation basis

The Company consolidated all entities in which they retain control, i.e., is exposed to or is entitled to variable returns from its involvement in an investee and has the capacity to direct activities related of the investee.

The subsidiaries included in the consolidation are described below:

Company name	Country of origin	Consolidation method	Interest
			2023
Direct subsidiaries in the country			
CCB Brasil Arrendamento Mercantil S.A.	Brazil	Full	100%
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A.	Brazil	Full	100%
CCB Brasil Informática S.A.	Brazil	Full	100%
CCB Brasil Administradora de Cartões de Crédito Ltda.	Brazil	Full	100%
CCB Brasil S.A. – Crédito, Financiamentos e Investimentos	Brazil	Full	100%
CCB Brasil Promotora de Vendas Ltda.	Brazil	Full	100%
CCB Brasil Cobrança Ltda.	Brazil	Full	100%

The financial statements were approved for issuance by the Board of Directors on April 25, 2024.

3. MATERIAL ACCOUNTING POLICIES

a) Functional currency

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (functional currency). For the purpose of consolidating the financial statements, the results and financial position of the consolidated entities are expressed in Real, the functional currency of CCB Brasil and the presentation currency of the consolidated financial statements. Assets and liabilities that are monetary items are translated at spot exchange rates at the end of the year.

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) Classification of financial instruments

i. Recognition date

All financial assets and liabilities are originally recognized on negotiation date, that is, the date in which CCB Brasil becomes an integral part of the instrument contractual relationship. Including: financial assets purchases or sales requiring the asset to be delivered within a determined period established by the bylaws or market standards.

ii. Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on their characteristics and the purpose for which financial instruments were purchased by Management. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost or fair value.

iii. Classification of financial assets for measurement purposes.

CCB Brasil classifies its financial assets into the following categories of measurement:

- Amortized cost;
- Fair value through other comprehensive income;
- Fair value through profit or loss

The subsequent classification and measurement of financial assets rely on:

- The business model under which they are managed;
- The characteristics of its cash flows (Solely Payment of Principal and Interest (SPPI) Test).

Business model: represents the way in which the financial assets are managed to generate cash flows and does not depend on Management's intentions regarding an individual instrument. The financial assets can be managed with the purpose of: i) obtain contractual cash flows; ii) obtain contractual cash flows and sale; or iii) other. To evaluate the business models, the Bank considers the risks that affect the performance of the business model; how business managers are remunerated; and how the performance of business model is evaluated and reported to Management. If the cash flows are realized differently from CCB Brasil's expectations, the classification of the remaining financial assets maintained in this business model is not changed.

When the financial asset is maintained in business models i) and ii), it is necessary to apply the SPPI Test.

SPPI Test: evaluation of cash flows generated by the financial instrument in order to verify whether they are solely for the payment of principal and interest. To meet this concept, cash flows must include only consideration for the time value of money and the credit risk. If the contractual terms introduce exposure to risks or volatility in cash flows, such as exposure to changes in the prices of equity instruments or prices of commodities, the financial asset is classified as at fair value through profit or loss. Hybrid contracts must be assessed as a whole, including all embedded characteristics. The accounting for a hybrid contract containing an embedded derivative is carried out jointly, i.e., the entire instrument is measured at fair value through profit or loss.

Based on these factors, the Bank applies the following criteria for each classification category:

- Amortized cost

  - Assets managed in order to obtain contractual cash flows solely from payments of principal and interest (SPPI Test);
  - Initially recognized at fair value plus transaction costs;
  - Subsequently measured at amortized cost, using the effective interest rate;
  - Interest, including the amortization of premiums and discounts, is recognized in the Consolidated Income Statement under the heading "Interest and similar revenues".

- Financial assets at fair value through other comprehensive income

  - Assets managed both to obtain contractual cash flows solely from payments of principal and interest (SPPI Test), and for sale;
  - Initially and subsequently recognized at fair value plus transaction costs;
  - Unrealized gains and losses (except for expected credit loss, exchange rate differences, dividends and interest revenue) are recognized, net of applicable taxes, in the "Other comprehensive income" caption in "Shareholders' equity".

- Financial assets at fair value through profit or loss and financial assets at fair value

  - Assets that do not meet the classification criteria of the previous categories; or assets designated upon initial recognition as at fair value through profit or loss to reduce "accounting mismatches";
  - Initially and subsequently recognized at fair value;
  - Transaction costs are recorded directly in the Consolidated Statement of Income;
  - Gains and losses from fair value changes are recognized in "Gains (losses) with financial assets and liabilities (net)".

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

d) Measurement of financial assets and liabilities and recognition of changes in fair value

In general, financial assets and liabilities are initially recorded at fair value, which is considered equivalent to the transaction price, unless otherwise proven. Financial instruments not measured at fair value through profit or loss are adjusted at transaction costs.

- Valuation techniques for fair value

The methods used by CCB Brasil to calculate fair value of financial instruments are rated in three different levels, as follows:

- Level 1: Uses public quotations and prices available in the active market as references. This level includes, mainly, securities issued by the national treasury, private issued securities with an "active" secondary market, equity instruments (shares) of other entities.

- Level 2: In the absence of public quotations, CCB Brasil, through internal models, makes its best estimate of the price that would be determined by the market for negotiation. For this, it uses data based on observable market parameters. Derivative financial instruments, which are measured using curves determined through rates disclosed by B3 S.A. - Brasil, Bolsa, Balcão, are assigned to this level, including the issuances abroad with prices available in the secondary market.

- Level 3: If there is no available data based on observable market parameters, Management uses internal information and models to determine the best fair value of financial assets and liabilities. As of December 31, 2023, there were no financial instruments qualifying for this level.

There were no reclassifications between level 1 and level 2 in the years ended December 31, 2023 and 2022.

	12/31/2023			12/31/2022		
	Published price quotations in active markets (Level 1)	Internal models (Level 2)	Total	Published price quotations in active markets (Level 1)	Internal models (Level 2)	Total
Securities at fair value through other comprehensive income (note 5)	4,953,678	-	4,953,678	4,405,701	-	4,405,701
Derivative Financial instruments – assets (note 6)	12,533	88,983	101,516	26,332	82,990	109,322
Derivative Financial Instruments – liabilities (note 6)	9,858	20,089	29,947	18,907	30,499	49,406

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

The main techniques used by CCB Brasil internal models (level 2) to determine the fair value of financial instruments detailed in the chart below are as follows:

	Fair value amounts calculated using internal models		Valuation techniques	Main assumptions
	12/31/2023	12/31/2022		
Derivatives assets	**88,983**	**82,990**		
Swap contracts	88,398	80,869	Present value method	Observable market data (discount rates and interest)
Forward operations	585	2,121	Present value method	Observable market data and liquidity (discount rates and interest)
Derivatives liabilities	**20,089**	**30,499**		
Swap contracts	6,612	11,618	Present value method	Observable market data (discount rates and interest)
Forward operations	13,477	18,881	Black Scholes method	Observable market data and liquidity (discount rates and interest)

e) Expected credit loss

The Bank evaluates on prospective bases the credit loss related to financial assets measured at amortized cost or at fair value through other comprehensive income. The recognition of the provision for expected credit losses is made monthly in a contra entry to the Consolidated Statement of Income.

Regarding financial assets measured at fair value through other comprehensive income, the Bank recognizes the provision for losses in the Consolidated Statement of Income as a contra entry to Income (loss), without any effect on the gross book value of the financial asset.

At each reported period, the Bank assesses whether the credit risk of a financial asset has increased significantly through reasonable and sustainable information that is relevant and available without undue cost or effort, including qualitative, quantitative and prospective information. Forward-looking information is based on macroeconomic scenarios that are reassessed monthly or whenever market conditions so require.

The Group applies a three-stage approach to measure the expected credit loss, in which the financial assets migrate from one stage to another according to the changes in credit risk.

These are considered financial assets with low credit risk and, thus, Brazilian government bonds remain in stage 1, according to a study carried out by the Bank.

The Bank assesses whether credit risk has increased significantly on an individual or collective basis. For collective assessment purposes, financial assets are grouped based on shared credit risk characteristics, considering the type of instrument, credit risk ratings, the date of initial recognition, the remaining term, area, geographical location of the counterparty and other relevant factors.

f) Write-off of financial assets and liabilities

Financial assets, or part of them, are derecognized when the contractual rights to receive the cash flow from the assets expire, or when they are transferred and the Group substantially transfers all the risks and rewards of ownership, or the Group does not substantially transfer or retain all the risks and rewards of participation.

The consolidated company carries out transactions whereby it retains the contractual rights to receive the cash flow from the assets, but assumes a contractual obligation to pay these cash flows to other entities and substantially transfers all the risks and rewards. These transactions recorded as 'passed-through' transfers that result in derecognition if the group:

(i) Is under no obligation to make payments unless it receives equivalent values for the assets;

(ii) Is prohibited to sell or offer the assets; and

(iii) Has the obligation to remit all the money it collects from the assets without material delay.

g) Net reporting of financial instruments

Assets and liabilities and its respective revenues and expenses are presented net in the financial statements if, and only if, there is a current legal and enforceable right to offset the recognized amounts and if the intention of offsetting, or realizing the asset and settling the liability simultaneously.

h) Non-financial assets held for sale

Non-current assets destined to 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 likely and which shall probably occur within one year as of the base date of financial information. Non-financial assets for sale 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. Non-financial assets held for sale are not depreciated, as long as they remain in such category.

Impairment losses on an asset or disposal group as a result of a decrease in its carrying amount to fair value (less costs to sell) are recognized in "Gains (losses) with other assets (net)" in the Consolidated Statement of the Result. Gains on a non-financial asset held for sale arising from subsequent increases in fair value (less costs to sell) increase its carrying amount and are recognized in the Consolidated Statement of Income up to an amount equal to the impairment losses previously recognized.

i) Fair value hedge

For these operations, the following practices are applied:

a) The gain or loss from the remeasurement of hedge instrument at fair value shall be recognized in income (loss); and

b) The gain or the loss resulting from the hedged item attributable to effective portion of the designated risk must adjust the book value of the hedged item to be recognized in income.

When the derivative expires or is sold and the accounting hedge criteria are no longer met, or if the designation is revoked, the accounting hedge must be discontinued prospectively. Moreover, any adjustment to the book value of the hedged item must be amortized in profit (loss).

The Bank does not have cash flow hedge accounting.

j) Lease accounting

Financial leases are loan operations transferring substantially to lessee all risks and benefits associated to the property of asset leased.

Whenever consolidated entities act in the capacity of lessors with respect to an asset, the sum of present value of payments to be received from lessee with respect to lease plus the residual value guaranteed - which, in general, it is the strike price of the purchase option of lessee at the end of the term of lease - is recognized as loan to third parties and, therefore, included in the account "Loans and advances to clients" in the consolidated balance sheet.

k) Provisions, contingent assets and liabilities

Provisions, contingent assets and contingent liabilities are valuated, recognized and disclosed according to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. Contingent assets and liabilities are potential rights and obligations arising from past events, the occurrence of which depends upon uncertain future events.

Contingent assets: are not recognized in accounting, except when there is a favorable court decision, against which appeals are not allowed, characterized as virtually certain. CCB Brasil does not have contingent assets with probable 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 a note 19.

Contingent liabilities 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, regardless of the evaluation of the likelihood of a favorable outcome.

l) Recognition of revenues and expenses

The most significant criteria used by CCB Brasil to recognize its revenues and expenses are summarized as follows:

i. Interest revenues and expenses and alike

Revenues and expenses on interest and similar are recognized by the accrual basis, utilizing the effective rate of interest method.

ii. Commissions, fees and similar items

Commission revenues and expenses are recognized in the Consolidated Statement of Income, using criteria varying according to their nature. The main criteria are the following:

- Revenues and expenses on fees and commissions, related to financial assets and liabilities measured at the fair value through profit or loss, are recognized upon payment.

- Those arising from transactions or services performed during a period of time are recognized throughout the life of such transactions or services.

- Those related to services rendered in one time are recognized upon execution thereof.

iii. Non-financial revenues and expenses

Are recognized for accounting purposes by the accrual basis of accounting.

m) Tax assets and liabilities

Income tax and social contribution are calculated on accounting income adjusted under the tax legislation, at 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. From August 1st to December 31st, 2022, in accordance with Law No. 14,446/22, the social contribution was 21%.

The stock of tax credits and deferred tax liabilities recorded on December 31, 2023 and 2022 were calculated considering the rate in effect on the date of realization.

IFRIC 23

The CCB Brasil carried out analyzes on the procedures adopted for the accounting and presentation of Taxes on Profits in relation to the content of IFRIC 23, whose conclusion is that there are no impacts on the disclosures of the periods presented.

n) Critical accounting estimates

Consolidated income and the determination of consolidated equity are impacted by accounting policies, assumptions, estimates and measurement methods used by CCB Brasil management in the preparation of Consolidated Financial Statements. All estimates and assumptions emphasized below, applied by Management in conformity with IFRS, are the best estimates in accordance with the applicable standard.

Consolidated financial statements include estimates and assumptions, such as the evaluation of financial asset and liability fair values, measurement of the recoverable value of financial and non-financial assets and the recognition and evaluation of deferred taxes. These estimates, which were prepared with the best information available, are as follows:

i. Evaluation of fair value for certain financial instruments;

The fair value of a financial instrument in a certain date is interpreted as the amount by which it could be acquired or sold on that date by two well-informed parties, acting deliberately and with prudence, in a transaction under regular market conditions. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it in an active, transparent and significant market ("quoted price" or "market price").

If there is no market price available for a financial instrument, its fair value will be estimated based on the price established in recent transactions involving the same instrument or similar instruments and, in the absence of those, based on evaluation techniques normally used by the financial market, considering, when applicable, market observable data.

In addition to the method of discount to present value to evaluate financial instruments (method applicable mainly to debt instruments, swaps, and forward transactions); where future expected cash flows are discounted to present value using the curves calculated based on observable market data (PU Anbima, DIs and Future DDIs, etc.).

ii. Impairment of financial assets;

CCB Brasil recognizes the losses inherent to financial assets not evaluated at fair value taking into consideration the historical experience with impairment and other evaluation circumstances.

iii. Provisions, Contingencies and Other Commitments

CCB Brasil periodically reviews its contingencies. Such contingencies, which are evaluated based on best Management estimates, taking into consideration the opinion of legal advisors, whenever it is probable that financial funds will be required to settle obligations and when total obligations may be reasonably estimated.

Contingencies classified as "Probable" are recognized in the Consolidated Balance sheet as "Provisions".

Contingency amounts are defined using models and criteria that allow proper measurement, despite uncertainties inherent to terms and amounts, as detailed in Note 19.

The sensitivity analysis is detailed in Note 33 - “Risk and capital management structure”.

iv. Provision for guarantees provided.

The methodology for calculating provisions for guarantees is based on the likelihood of disbursement to honor the guarantees provided, calculated using a model developed by the institution with verifiable information and criteria.

Additionally, legal disputes related to guarantees whose likelihood of disbursement is considered as “probable” by the institution’s legal advisors are included in this provision.

The sensitivity analysis is detailed in Note 33 - “Risk and capital management structure”.

o) Investments in domestic subsidiaries

Investments in domestic subsidiaries are valued under the equity method.

p) Basic and diluted profit (loss) per share

Basic profit (loss) per share are calculated by dividing the earnings attributable to the company's shareholders by the weighted average number of shares outstanding during the period, excluding shares purchased by the company and held as treasury shares.

Diluted profit (loss) per share are calculated similarly to basic profit (loss) per share, but with the adjustment made by assuming the conversion of potentially dilutable shares into the denominator.

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

4. CASH AND CASH EQUIVALENTS

	12/31/2023	12/31/2023
Cash and cash equivalents	8,227	50,727
Money market repurchase commitments	2,000,429	1,500,239
Foreign currencies investments	112,549	283,018
Total	2,121,205	1,833,984
Currency:		
Real	1,995,680	1,495,098
Foreign currency	125,525	338,886
Total	2,121,205	1,833,984

5. SECURITIES

a) Operation policy

Destination of securities is evaluated upon acquisitions, and formed portfolio is evaluated upon annually.

b) Securities portfolio by category and type

	12/31/2023						
	Up to 90 days	91–360 days	Total current	Non-current	Total account amount	Adjusted cost	Market value
Financial assets measured at fair value through other comprehensive income (Stage 1)	**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
Financial assets at amortized cost (stage 1):	**-**	**-**	**-**	**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.

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

	12/31/2022						
	Up to 90 days	91 - 360 days	Total current	Non-current	Total account amount	Adjusted cost	Market value
Financial assets measured at fair value through other comprehensive income (Stage 1)	**719,487**	**315,562**	**1,035,049**	**3,370,652**	**4,405,701**	**4,405,784**	**4,405,701**
Own portfolio (*)	111,268	115,458	226,726	908,492	1,135,218	1,135,124	1,135,218
Financial Treasury Bills	111,268	115,458	226,726	908,492	1,135,218	1,135,124	1,135,218
Subject to purchase and sale agreements	608,219	200,104	808,323	2,378,208	3,186,531	3,186,729	3,186,531
Financial Treasury Bills	608,219	200,104	808,323	2,378,208	3,186,531	3,186,729	3,186,531
Related to guarantees provided (**)	-	-	-	83,952	83,952	83,931	83,952
Financial Treasury Bills	-	-	-	83,952	83,952	83,931	83,952
Financial assets at amortized cost (stage 1):	**-**	**-**	**-**	**104,648**	**104,648**	**104,648**	**104,648**
Own portfolio	-	-	-	104,648	104,648	104,648	104,648
Quotas - FIDC	-	-	-	104,648	104,648	104,648	104,648
Total	719,487	315,562	1,035,049	3,475,300	4,510,349	4,510,432	4,510,349

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

(**) Book balance includes R$ 82,569 referring to margin deposited in guarantee of transactions with derivative financial instruments, R$ 752 referring to lawsuits and R$ 631 referring to other guarantees.

Currency:	12/31/2023	12/31/2022
Real	5,073,440	4,510,349

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.

6. 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, as 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 the amount allocated per term of the credit portfolio and the amount per maturity of DI futures contracts. Hedge coverage is monitored daily and evaluated quarterly for the purposes of effectiveness and maintenance of the accounting hedge, and meets criteria that consider the total portfolio deducted from delays and prepayment. The Bank's Treasury assesses the need to purchase or sell new DI futures contracts to offset the adjustment to the market value of the hedge object with the objective of guaranteeing hedge effectiveness in the range of 80% to 125% considering the relationship between the market variation of the protected layer, designated hedge object and the market variation 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 December 31, 2023 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) Recognition of amounts

Operations that use financial instruments, carried out at the request of customers, or that do not meet the protection criteria (mainly derivatives used to manage global risk exposure until December 31, 2023), are accounted for at market value, with gains and realized and unrealized losses, recognized directly in the Consolidated Income Statement.

Specifically, for the Market Value Hedge, financial assets and liabilities, as well as the respective related financial instruments are accounted for at market value with realized and unrealized gains and losses recognized directly in the Consolidated Statement of Income.

f) 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.

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

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 final	36,011	65,505	101,516	23,407	6,540	29,947					

The outstanding derivative financial instruments on December 31, 2022 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	25,619	37,570	63,189	240	1,688	1,928	68,402	243,468	311,870	607,902	919,772
Foreign currency	283	1,657	1,940	4,993	4,622	9,615	(68,402)	(275,265)	(343,667)	(614,272)	(957,939)
Fixed rate	584	-	584	-	119	119	-	31,797	31,797	6,370	38,167
Subtotal	26,486	39,227	65,713	5,233	6,429	11,662	-	-	-	-	-
Adjustment to market value	(133)	15,289	15,156	(404)	360	(44)	-	-	-	-	-
Total	26,353	54,516	80,869	4,829	6,789	11,618	-	-	-	-	-
Forward contracts/Non-deliverable forwards - NDF											
Forward purchase/NDF	1,442	-	1,442	14,232	2,238	16,470	201,139	172,957	374,096	15,653	389,749
Forward sale/NDF	679	-	679	2,411	-	2,411	89,685	21,460	111,145	-	111,145
Subtotal	2,121	-	2,121	16,643	2,238	18,881	-	-	-	-	-
Total	28,474	54,516	82,990	21,472	9,027	30,499	-	-	-	-	-
Futures contracts											
Purchase - Interbank market	20	-	20	-	-	-	50,132	134,757	184,889	22,842	207,731
Sale - Interbank market	-	-	-	284	-	284	(166,820)	(277,917)	(444,737)	(403,469)	(848,206)
Buy - DDI - For. cur. coupon	17,330	-	17,330	4,270	,	4,270	1,245,731	1,101,887	2,347,618	453,719	2,801,337
Sale - DDI - For. cur. coupon	691	-	691	108	-	108	(115,762)	(7,776)	(123,539)	-	(123,539)
Purchase - Foreign currency	4,016	-	4,016	806	-	806	574,931	-	574,931	-	574,931
Sale - Foreign currency	4,275	-	4,275	13,439	-	13,439	(2,301,100)	-	(2,301,100)	-	(2,301,100)
Total	26,332	-	26,332	18,907	-	18,907					
Total final	54,806	54,516	109,322	40,379	9,027	49,406					

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

Derivative Asset

Currency:	12/31/2023	12/31/2022
Real	101,516	109,322
Total	101,516	109,322

Derivative Liabilities

Currency:	12/31/2023	12/31/2022
Real	29,947	49,406
Total	29,947	49,406

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 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:

		12/31/2023	12/31/2022
Title	Maturity	Fair value / Book value	Fair value / Book value
LFT	03/01/2024	56,365	-
LFT	09/01/2024	438,591	82,569
LFT	03/01/2028	30,928	-
		525,884	82,569

g) *Hedge accounting*

Credit Transaction for Individuals

CCB Brasil holds portfolios of payroll loans for public employees and retirees, and vehicle financing operations. Credits are granted at pre-fixed rates, exposing CCB Brasil to market risk arising from fluctuations in the reference rate for interbank deposits (CDI), the index in which CCB Brasil's funding cost and risk management are controlled. In this way, to cover the risk of the pre-fixed rate to CDI fluctuations, the Bank's treasury acquires DI futures contracts in a relationship of quantities x maturities that compensate for the effect of adjusting the market value of the hedged item, being The effects of this fair value hedge structure began to be recorded at the Bank from 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.

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

12/31/2023	Hedge Object				Hedge instrument		
	Carrying value		Fair Value		Ineffective value	Nominal value	Changes in amount recognized in income (loss)
Interest rate risk	Assets	Liabilities	Assets	Liabilities			
Loans transaction (note 25)	451,843	-	460,412	-	2,294	543,105	8,569
Loans transaction – discontinued installment (note 25)	-	-	-	-	-	-	23,119
Total	451,843	-	460,412	-	2,294	543,105	31,688

12/31/2022	Hedge Object				Hedge instrument		
	Carrying value		Fair Value		Ineffective value	Nominal value	Changes in amount recognized in income (loss)
Interest rate risk	Assets	Liabilities	Assets	Liabilities			
Loans transaction (note 25)	585,790	-	576,084	-	952	839,829	(9,706)
Loans transaction – discontinued installment (note 25)	-	-	-	-	-	-	21,494
Funding abroad (nota 25)	-	1,869,997	-	1,873,414	(4,420)	1,871	(3,417)
Total	585,790	1,869,997	576,084	1,873,414	(3,468)	841,700	(8,371)

7. LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS

	12/12/2023	12/31/2022
Classification:		
Loans and advances to financial institutions	2,544,004	2,234,094
Type:		
Financial Assets at amortized cost (stage 1):		
Open market applications	2,000,429	1,500,239
Debtors for guarantee deposits	427,077	446,520
Investments in foreign currencies	112,549	283,018
Applications in interbank deposits	3,949	4,317
Total	2,544,004	2,234,094
Currency:		
Real	2,431,455	1,951,076
Foreign currency	112,549	283,018
Total	2,544,004	2,234,094
Currency	2,116,927	1,786,290
Non-currency	427,077	447,804
Total	2,544,004	2,234,094

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

8. LOANS AND ADVANCES TO CLIENTS

a) Breakdown per type of operation

	12/31/2023	12/31/2022
Individuals	704,276	897,875
Payroll loans	693,225	883,493
Other loans	11,051	14,382
Legal Entities	9,038,230	9,270,823
Import/export financing	3,490,364	3,737,868
Working capital	2,274,379	3,130,847
Advances on foreign exchange contracts	1,870,331	1,393,735
Rural and agro-industrial financing	996,638	668,331
Other loans	406,518	340,042
Total	9,742,506	10,168,698

Currency:		
Real	5,811,293	4,152,630
Foreign currency	3,931,213	6,016,068
Total	9,742,506	10,168,698

Currency	5,593,509	5,644,782
Non-currency	4,148,997	4,523,916
Total	9,742,506	10,168,698

b) Gross book value (loan portfolio) for stages of expected loss

Reconciliation of the “Loans and advances to clients” gross portfolio, segregated by stages:

Stage 1	Opening balance 12/31/2022	Transfer to Stage 2	Transfer to Stage 3	Transfer from Stage 2	Transfer from Stage 3	Other changes*	Closing Balance 12/31/2023
Individuals	798,277	(14,710)	(24,027)	3,621	15,445	(145,288)	633,318
Payroll loans	796,848	(14,458)	(24,027)	3,621	15,445	(145,388)	632,041
Other loans **	1,429	(252)	-	-	-	100	1,277
Legal Entities	8,087,553	(115,724)	-	79,236	-	723,156	8,774,221
Working capital	2,917,773	(9,956)	-	56,208	-	(736,674)	2,227,351
Import/export financing	3,370,295	(105,768)	-	22,823	-	51,285	3,338,635
Other loans **	1,799,485	-	-	205	-	1,408,545	3,208,235
Total	8,885,830	(130,434)	(24,027)	82,857	15,445	577,868	9,407,539

Stage 2	Opening balance 12/31/2022	Transfer to Stage 1	Transfer to Stage 3	Transfer from Stage 1	Transfer from Stage 3	Other changes *	Closing Balance 12/31/2023
Individuals	9,700	(3,621)	(1,781)	14,710	609	(2,576)	17,041
Payroll loans	9,350	(3,621)	(1,781)	14,458	609	(2,428)	16,587
Other loans **	350	-	-	252	-	(148)	454
Legal Entities	1,100,970	(79,236)	-	115,724	-	(938,487)	198,971
Working capital	180,879	(56,208)	-	9,956	-	(110,802)	23,825

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

Import/export financing	367,573	(22,823)	-	105,768	-	(298,790)	151,728
Other loans **	552,518	(205)	-	-	-	(528,895)	23,418
Total	**1,110,670**	**(82,857)**	**(1,781)**	**130,434**	**609**	**(941,063)**	**216,012**

Stage 3	Opening balance 12/31/2022	Transfer to Stage 1	Transfer to Stage 2	Transfer from Stage 1	Transfer from Stage 2	Write-off	Other changes *	Closing Balance 12/31/2023
Individuals	**89,898**	**(15,445)**	**(609)**	**24,027**	**1,781**	**(35,990)**	**(9,745)**	**53,917**
Payroll loans	77,295	(15,445)	(609)	24,027	1,781	(35,990)	(6,463)	44,596
Other loans **	12,603	-	-	-	-	-	(3,282)	9,321
Legal Entities	**82,300**	**-**	**-**	**-**	**-**	**(14,813)**	**(2,449)**	**65,038**
Working capital	32,195	-	-	-	-	-	(8,989)	23,206
Import/export financing	-	-	-	-	-	-	-	-
Other loans **	50,105	-	-	-	-	(14,813)	6,540	41,832
Total	**172,198**	**(15,445)**	**(609)**	**24,027**	**1,781**	**(50,803)**	**(12,194)**	**118,955**

Consolidated - 3 stages	Opening balance 12/31/2022	Write-off	Other changes	Closing Balance 12/31/2023
Individuals	**897,875**	**(35,990)**	**(157,609)**	**704,276**
Payroll loans	883,493	(35,990)	(154,279)	693,224
Other loans **	14,382	-	(3,330)	11,052
Legal Entities	**9,270,823**	**(14,813)**	**(217,780)**	**9,038,230**
Working capital	3,130,847	-	(856,465)	2,274,382
Import/export financing	3,737,868	-	(247,505)	3,490,363
Other loans **	2,402,108	(14,813)	886,190	3,273,485
Total	**10,168,698**	**(50,803)**	**(375,389)**	**9,742,506**

* In "other changes", operations derecognized upon receipt and the inclusion of new operations, credit assignments and exchange-rate changes in operations indexed in foreign currency are considered.

** "Other loans" include other types of credit (advances on foreign exchange contracts, rural and agro-industrial financing, machinery and heavy vehicle financing, debtors for the purchase of securities and assets, securities and credits receivable).

Stage 1	Opening balance 12/31/2021	Transfer to Stage 2	Transfer to Stage 3	Transfer from Stage 2	Transfer from Stage 3	Other changes*	Closing Balance 12/31/2022
Individuals	**1,013,589**	**(4,885)**	**(57,410)**	**21,969**	**17,088**	**(192,074)**	**798,277**
Payroll loans	998,562	(4,538)	(44,832)	21,946	17,088	(191,378)	796,848
Other loans **	15,027	(347)	(12,578)	23	-	(696)	1,429
Legal Entities	**8,843,814**	**(432,105)**	**-**	**6,485**	**-**	**(330,641)**	**8,087,553**
Working capital	2,644,231	(138,114)	-	6,485	-	405,171	2,917,773
Import/export financing	4,389,676	(182,099)	-	-	-	(837,282)	3,370,295
Other loans **	1,809,907	(111,892)	-	-	-	101,470	1,799,485
Total	**9,857,403**	**(436,990)**	**(57,410)**	**28,454**	**17,088**	**(522,715)**	**8,885,830**

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

Stage 2	Opening balance 12/31/2021	Transfer to Stage 1	Transfer to Stage 3	Transfer from Stage 1	Transfer from Stage 3	Other changes *	Closing Balance 12/31/2022
Individuals	38,312	(21,969)	(3,137)	4,885	142	(8,533)	9,700
Payroll loans	38,289	(21,946)	(3,137)	4,538	142	(8,536)	9,350
Other loans **	23	(23)	-	347	-	3	350
Legal Entities	62,927	(6,485)	-	432,105	-	612,423	1,100,970
Working capital	46,888	(6,485)	-	138,114	-	2,362	180,879
Import/export financing	14,015	-	-	182,099		171,459	367,573
Other loans **	2,024	-	-	111,892	-	438,602	552,518
Total	101,239	(28,454)	(3,137)	436,990	142	603,890	1,110,670

Stage 3	Opening balance 12/31/2021	Transfer to Stage 1	Transfer to Stage 2	Transfer from Stage 1	Transfer from Stage 2	Write-off	Other changes *	Closing Balance 12/31/2022
Individuals	134,057	(17,088)	(142)	57,410	3,137	(75,206)	(12,270)	89,898
Payroll loans	125,732	(17,088)	(142)	44,832	3,137	(69,933)	(9,243)	77,295
Other loans **	8,325	-		12,578	-	(5,273)	(3,027)	12,603
Legal Entities	122,541	-	-	-	-	(9,316)	(30,925)	82,300
Working capital	25,495	-	-	-	-	-	6,700	32,195
Import/export financing	27,760	-	-	-	-	-	(27,760)	-
Other loans **	69,286	-	-	-	-	(9,316)	(9,865)	50,105
Total	256,598	(17,088)	(142)	57,410	3,137	(84,522)	(43,195)	172,198

Consolidated - 3 stages	Opening balance 12/31/2021	Write-off	Other changes	Closing Balance 12/31/2022
Individuals	1,185,958	(75,206)	(212,877)	897,875
Payroll loans	1,162,583	(69,933)	(209,157)	883,493
Other loans **	23,375	(5,273)	(3,720)	14,382
		-		-
Legal Entities	9,029,282	(9,316)	250,857	9,270,823
Working capital	2,716,614	-	414,233	3,130,847
Import/export financing	4,431,451	-	(693,583)	3,737,868
Other loans **	1,881,217	(9,316)	530,207	2,402,108
Total	10,215,240	(84,522)	37,980	10,168,698

* In "other changes", operations derecognized upon receipt and the inclusion of new operations, credit assignments and exchange-rate changes in operations indexed in foreign currency are considered.

** "Other loans" include other types of credit (advances on foreign exchange contracts, rural and agro-industrial financing, machinery and heavy vehicle financing, debtors for the purchase of securities and assets, securities and credits receivable).

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

9. PROVISION FOR EXPECTED CREDIT RISK LOSS

Breakdown of the provision for expected credit loss of "Loans and advances to clients and securities":

	12/31/2023	12/31/2022
Individuals	**78,816**	**121,104**
Payroll loans	75,068	112,844
Other loans	3,747	8,260
Legal Entities	**84,280**	**97,132**
Working capital	22,865	33,967
Import/export financing	19,388	18,124
Other loans	42,027	45,041
Subtotal	**163,096**	**218,236**
Securities (Stage 1)	548	422
Total	**163,644**	**218,658**
Currency		
Real	160,596	140,385
Foreign currency	3,048	78,273
Total	**163,644**	**218,658**
Currency	67,440	101,150
Non-Currency	96,204	117,508
Total	**163,644**	**218,658**

Stage 1	Opening balance 12/31/2022	Transfer to Stage 2	Transfer to Stage 3	Transfer from Stage 2	Transfer from Stage 3	Formation / (Reversal)	Closing Balance 12/31/2023
Individuals	**45,057**	**(812)**	**(1,228)**	**526**	**12,594**	**(22,238)**	**33,899**
Payroll loans	44,924	(789)	(1,228)	526	12,594	(22,244)	33,783
Other loans	133	(23)	-	-	-	6	116
Legal Entities	**25,711**	**(95)**	**-**	**1,986**	**-**	**8,368**	**35,970**
Working capital	6,806	(68)	-	683	-	(1,480)	5,941
Import/export financing	12,759	(27)	-	1,296	-	4,159	18,187
Other loans	6,146	-	-	7	-	5,689	11,842
Total	**70,768**	**(907)**	**(1,228)**	**2,512**	**12,594**	**(13,870)**	**69,869**

Stage 2	Opening balance 12/31/2022	Transfer to Stage 1	Transfer to Stage 3	Transfer from Stage 1	Transfer from Stage 3	Formation / (Reversal)	Closing Balance 12/31/2023
Individuals	**1,400**	**(526)**	**(235)**	**812**	**501**	**153**	**2,105**
Payroll loans	1,319	(526)	(235)	789	501	159	2,007
Other loans	81	-	-	23	-	(6)	98
Legal Entities	**11,496**	**(1,986)**	**-**	**95**	**-**	**(7,368)**	**2,237**

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

Working capital	3,402	(683)	-	68	-	(2,031)	756
Import/export financing	5,365	(1,296)	-	27	-	(2,895)	1,201
Other loans	2,729	(7)	-	-	-	(2,442)	280
Total	12,896	(2,512)	(235)	907	501	(7,215)	4,342

Stage 3	Opening balance 12/31/2022	Transfer to Stage 1	Transfer to Stage 2	Transfer from stage 1	Transfer from Stage 2	Write-off	Formation / (Reversal)	Closing Balance 12/31/2023
Individuals	74,647	(12,594)	(501)	1,228	235	(35,990)	15,787	42,812
Payroll loans	66,601	(12,594)	(501)	1,228	235	(35,990)	20,299	39,278
Other loans	8,046	-	-	-	-	-	(4,512)	3,534
Legal Entities	59,925	-	-	-	-	(14,813)	961	46,073
Working capital	23,759	-	-	-	-	-	(7,592)	16,167
Import/export financing	-	-	-	-	-	-	-	-
Other loans	36,166	-	-	-	-	(14,813)	8,553	29,906
Total	134,572	(12,594)	(501)	1,228	235	(50,803)	16,748	88,885

Consolidated - 3 stages	Opening balance 12/31/2022	Write-off	Formation / (Reversal)	Closing Balance 12/31/2023
Individuals	121,104	(35,990)	(6,298)	78,816
Payroll loans	112,844	(35,990)	(1,786)	75,068
Other loans	8,260	-	(4,512)	3,748
Legal Entities	97,132	(14,813)	1,961	84,280
Working capital	33,967	-	(11,103)	22,864
Import/export financing	18,124	-	1,264	19,388
Other loans	45,041	(14,813)	11,800	42,028
Subtotal	218,236	(50,803)	(4,337)	163,096
Securities (Stage 1)	422	-	126	548
Total	218,658	(50,803)	(4,211)	163,644

Stage 1	Opening balance 12/31/2021	Transfer to Stage 2	Transfer to Stage 3	Transfer from Stage 2	Transfer from Stage 3	Formation / (Reversal)	Closing Balance 12/31/2022
Individuals	48,261	(245)	(3,292)	1,919	13,922	(15,508)	45,057
Payroll loans	46,778	(208)	(2,012)	1,917	13,922	(15,473)	44,924
Other loans	1,483	(37)	(1,280)	2	-	(35)	133
Legal Entities	21,119	(1,374)	-	45	-	5,921	25,711
Working capital	3,708	(528)	-	45	-	3,581	6,806
Import/export financing	14,094	(676)	-	-	-	(659)	12,759
Other loans	3,317	(170)	-		-	2,999	6,146
Total	69,380	(1,619)	(3,292)	1,964	13,922	(9,587)	70,768

Stage 2	Opening balance 12/31/2021	Transfer to Stage 1	Transfer to Stage 3	Transfer from Stage 1	Transfer from Stage 3	Formation / (Reversal)	Closing Balance 12/31/2022
Individuals	3,869	(1,919)	(381)	245	119	(533)	1,400
Payroll loans	3,867	(1,917)	(381)	208	119	(577)	1,319

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

Other loans	2	(2)	-	37	-	44	81
Legal Entities	**370**	**(45)**	**-**	**1,374**	**-**	**9,797**	**11,496**
Working capital	343	(45)	-	528	-	2,576	3,402
Import/export financing	27	-	-	676	-	4,662	5,365
Other loans	-	-	-	170	-	2,559	2,729
Total	**4,239**	**(1,964)**	**(381)**	**1,619**	**119**	**9,264**	**12,896**

Stage 3	Opening balance 12/31/2021	Transfer to Stage 1	Transfer to Stage 2	Transfer from stage 1	Transfer from Stage 2	Write-off	Formation / (Reversal)	Closing Balance 12/31/2022
Individuals	**114,412**	**(13,922)**	**(119)**	**3,292**	**381**	**(75,206)**	**45,809**	**74,647**
Payroll loans	107,608	(13,922)	(119)	2,012	381	(69,933)	40,574	66,601
Other loans	6,804	-	-	1,280	-	(5,273)	5,235	8,046
Legal Entities	**83,551**	**-**	**-**	**-**	**-**	**(9,316)**	**(14,310)**	**59,925**
Working capital	14,109	-	-	-	-	-	9,650	23,759
Import/export financing	18,865	-	-	-	-	-	(18,865)	-
Other loans	50,577	-	-	-	-	(9,316)	(5,095)	36,166
Total	**197,963**	**(13,922)**	**(119)**	**3,292**	**381**	**(84,522)**	**31,499**	**134,572**

Consolidated - 3 stages	Opening balance 12/31/2021	Write-off	Formation / (Reversal)	Closing Balance 12/31/2022
Individuals	**166,542**	**(75,206)**	**29,768**	**121,104**
Payroll loans	158,253	(69,933)	24,524	112,844
Other loans	8,289	(5,273)	5,244	8,260
Legal Entities	**105,040**	**(9,316)**	**1,408**	**97,132**
Working capital	18,160	-	15,807	33,967
Import/export financing	32,986	-	(14,862)	18,124
Other loans	53,894	(9,316)	463	45,041
Subtotal	**271,582**	**(84,522)**	**31,176**	**218,236**
Securities (Stage 1)	269	-	153	422
Total	**271,851**	**(84,522)**	**31,329**	**218,658**

10. NON-FINANCIAL ASSETS HELD FOR SALE

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

	12/31/2023	12/31/2022
Real estate	159,181	170,153
Machinery and equipment	15,708	15,795
Vehicles and the like	2,370	1,593
Other	316	316
Subtotal	177,575	187,857
Provision for impairment	(107,631)	(104,273)

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

Total	69,944	83,584

Changes	12/31/2023	12/31/2022
Cost:		
Balances at beginning of the year	187,857	219,455
Assets seized	1,163	335
Gain (loss) in sale of assets	5,053	(1,259)
Write-off due to disuse	(367)	-
Disposals	(16,131)	(30,674)
Balances at the end of the year	177,575	187,857
Provision for impairment:		
Balances at beginning of the year	(104,273)	(121,904)
Reversal by disposal/sale of assets	2,434	12,166
Reversal due to disuse	341	-
Provisions for the fiscal year	(6,133)	5,465
Total provision at the end of the year	(107,631)	(104,273)
Net balance of Non-financial assets held for sale	69,944	83,584

11. 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 period:

Deferred tax assets	12/31/2022	Change in shareholders' equity	Realizations	Additions	Transfers	Payments of taxes (*)	12/31/2023
Income tax							
Provision for expected credit loss	54,666	-	(209,147)	112,620	82,637	-	40,776
Hedge Accounting Adjustment	7,399	-	(10,548)	3,914	-	-	765
Provision for impairment of non-operating assets	1,352	-	(1,364)	44	-	-	32
Provision for contingencies and others	336,813	(21)	(174,231)	79,368	-	-	241,929
Subtotal	400,230	(21)	(395,290)	195,946	82,637	-	283,502
Tax loss	2,318	-	(6,235)	108,180	-	(74,190)	30,073
Subtotal – Tax Credit IRPJ (corporate income tax)	402,548	(21)	(401,525)	304,126	82,637	(74,190)	313,575
Social contribution							
Provision for expected credit loss	43,732	-	(166,814)	89,592	66,110	-	32,620
Hedge Accounting Adjustment	5,919	-	(8,439)	3,132	-	-	612
Provision for impairment of non-operating assets	1,010	-	(1,017)	26	-	-	19
Provision for contingencies and others	269,450	(17)	(138,309)	62,418	-	-	193,542
Subtotal	320,111	(17)	(314,579)	155,168	66,110	-	226,793
Negative basis CSLL	1,350	-	(6,202)	84,825	-	(74,190)	5,783
Subtotal – Tax Credit CSLL (social contribution on net income)	321,461	(17)	(320,781)	239,993	66,110	(74,190)	232,576
Total - Tax credit - IRPJ/CSSL	724,009	(38)	(722,306)	544,119	148,747	(148,380)	546,151

(*) 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 in the Bank and R$ 12,311 regarding the assignment of tax credit for its subsidiary CCB Brasil Arrendamento Mercantil S.A., which was later reimbursed by this subsidiary.

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

Deferred tax liabilities	12/31/2022	Change in shareholders' equity	Realizations	Additions	12/31/2023
Income tax					
Inflation adjustment on judicial deposits	29,748	-	(8,413)	6,894	28,229
Positive adjustment of the MTM of government bonds and derivatives	13,839	684	(10,402)	-	4,121
Hedge Accounting	-	-	-	2,142	2,142
Supervenience of Depreciation	6,139	-	-	8,795	14,934
Subtotal income tax	**49,726**	**684**	**(18,815)**	**17,831**	**49,426**
Social contribution					
Inflation adjustment on judicial deposits	23,724	-	(1,239)	-	22,485
Positive adjustment of the MTM of government bonds and derivatives	11,064	548	(8,861)	-	2,751
Hedge Accounting	-	-	-	2,262	2,262
Subtotal – Tax Credit CSLL (social contribution on net income)	**34,788**	**548**	**(10,100)**	**2,262**	**27,498**
Total deferred taxes	**84,514**	**1,232**	**(28,915)**	**20,093**	**76,924**
Presumed tax credit Income tax – Law 12,838/13	46,192	-	(23,817)	237	22,612
Presumed tax credit Social contribution – Law 12,838/13	36,953	-	(19,054)	190	18,089
Total net tax credit	**167,659**	**1,232**	**(71,786)**	**20,520**	**117,625**

On December 31, 2023 the Bank has non-activated tax credits arising from income tax loss carryforwards and social contribution negative basis, in the total amount of R$ 1,013,849 (December/22 – R$ 1,056,019), alongside of tax credits arising from temporary differences in the amount of R$ 233,165 (December/22 - R$ 218,084), for which there is no expectation of realization within the period provided by CMN Resolution nº 4,848/20 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, according to criteria established by Law 12,838/13 and BACEN Circular nº 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.

During the period of 2023 , the Bank recovered R$ 952 (December/22 - R$ 1,005) from credit transactions that are part of presumed tax credit calculation basis, whose deferred taxes, in the amount of R$ 427 (December/22 - R$ 452), were recognized in Deferred taxes, as these amounts will be taxed when credit is reimbursed by the National Treasury.

In November 2023, CCB Brasil reevaluated the criteria applied in determining the presumed credit constituted, which resulted in the transfer of R$ 148,747 to the tax credit balance arising from losses on credit operations, for which the Bank verified the ability to carry out in Technical Study on the Realization of Tax Credit, carried out for the base date of December 31, 2023. Additionally, recoveries of defaulted credit related to reclassified operations were offered for taxation.

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

	12/31/2023	12/31/2022
Presumed tax credit formed	231,915	380,662
Deferred tax liabilities	(40,701)	(83,145)
Total Presumed Credit	191,214	297,517

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

	12/31/2023		12/31/2022	
Determination	Income tax	Social contribution	Income tax	Social contribution
Income before tax on profit	249,050	249,050	52,244	52,244
Calculation basis	249,050	249,050	52,244	52,244
Temporary additions	244,265	238,865	565,098	557,069
Permanent additions	624,068	624,068	742,886	742,886
Exclusions	(1,706,193)	(1,671,010)	(1,299,963)	(1,293,492)
Profit and calculation basis of income tax and social contribution on net income	(588,810)	(559,027)	60,265	58,707
(-) Breakdown of Tax Losses / CSLL Negative Calculation Basis	(316)	(316)	(15,661)	(10,558)
Profit and calculation basis of income tax and social contribution on net income	(589,126)	(559,343)	44,604	48,149
Charges at the rate of 15% for income tax and social contribution	502	3,579	6,833	10,169
Additional 10% income tax	284	-	4,465	-
Current Taxes	786	3,579	11,298	10,169
Reconciliation of Income				
Current taxes	786	3,579	11,298	10,169
IRRF - Foreign to offset	(12,317)	-	-	-
Income tax and deferred CSLL (Liabilities)	(24,564)	(26,702)	11,218	12,912
(=) Provision for income and social contribution taxes	(36,095)	(23,123)	22,516	23,081
Constitution of tax credit (on temporary additions)	(195,946)	(155,168)	(55,606)	(44,684)
Constitution of tax credit (tax loss and negative basis of accumulated CSLL)	(108,180)	(84,825)	-	-
Write-off of tax credits	-	-	6,763	4,057
Realization of tax credit (on temporary additions)	395,290	314,579	-	-
Realization of tax credit (tax loss and negative basis of accumulated CSLL)	6,235	6,202	71,065	57,590
(=) Net effect of tax credit	97,399	80,788	22,222	16,963
Expense from income tax and social contribution	61,304	57,665	44,738	40,044

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

12. OTHER ASSETS

	12/31/2023	12/31/2022
Sundry debtors in the country	38,767	36,794
Payments to be refunded (*)	36,029	29,194
Other	2,690	2,476
Total	77,486	68,464
Currency		
Real	77,376	68,325
Foreign currency	110	139
Total	77,486	68,464
Current	9,026	42,090
Non-current	68,460	26,374
Total	77,486	68,464

(*) Refers substantially to assets with social housing programs in the amount of R$ 31,902 (December/22 – R$ 25,161).

13. CAPITAL INSTRUMENTS

Funding	Issue value - Original currency	Issuance	Maturity	Issue value - Domestic currency	Interest rate (p.a.)	12/31/2023	12/31/2022
Level I Perpetual Debt (a)	US$ 70,000	12/29/2016	-	228,025	8.00%	338,891	365,239
Level I Perpetual Debt (a)	US$ 100,000	06/04/2021	-	506,660	5.80%	484,130	521,770
Total						823,021	887,009

Currency	12/31/2023	12/31/2022
Foreign currency	823,021	887,009
Total	823,021	887,009
Non-current	823,021	887,009
Total	823,021	887,009

As provided for in current regulations, as a result of accumulated losses in previous years, the Bank did not record a provision for payment of interest relating to the years of 2022 and 2023, arising from perpetual debts issued.

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

14. DEPOSITS FROM FINANCIAL INSTITUTIONS

	12/31/2023				
Amortized cost	Up to 03 months	03–12 months	Total current	Non-current	Total
Interbank deposits	567,201	-	567,201	-	567,201
Liabilities for committed operations	5,225,904	-	5,225,904	-	5,225,904
Total	**5,793,105**	**-**	**5,793,105**	**-**	**5,793,105**

	12/31/2022				
Amortized cost	Up to 03 months	03–12 months	Total current	Non-current	Total
Interbank deposits	499,976	-	499,976	-	**499,976**
Liabilities for committed operations	4,130,853	-	4,130,853	-	**4,130,853**
Total	**4,630,829**	**-**	**4,630,829**	**-**	**4,630,829**

Currency	12/31/2023	12/31/2022
Real	5,793,105	4,630,829
Total	**5,793,105**	**4,630,829**

15. DEPOSITS FROM CLIENTS

	12/31/2023					
Amortized cost	Without maturity	Up to 03 months	03–12 months	Total current	Non-current	Total
Demand deposits	53,512	-	-	53,512	-	53,512
Savings deposits	2,211	-	-	2,211	-	2,211
Time deposits	-	3,724,909	663,223	4,388,132	25,430	4,413,562
Other deposits	-	17,435	-	17,435	-	17,435
Total	**55,723**	**3,742,344**	**663,223**	**4,461,290**	**25,430**	**4,486,720**

	12/31/2022					
Amortized cost	Without maturity	Up to 03 months	03–12 months	Total current	Non-current	Total
Demand deposits	72,791	-	-	72,791	-	**72,791**
Savings deposits	2,295	-	-	2,295	-	**2,295**
Time deposits	-	1,830,028	1,578,043	3,408,071	791,529	**4,199,600**
Other expenses	-	15,310	-	15,310	-	**15,310**
Total	**75,086**	**1,845,338**	**1,578,043**	**3,498,467**	**791,529**	**4,289,996**

Currency:	12/31/2023	12/31/2022
Real	4,464,537	4,274,727
Foreign currency	22,183	15,269
Total	4,486,720	4,289,996

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

16. SECURITIES ISSUED

	12/31/2023				
Amortized cost	Up to 03 months	03–12 months	Total current	Non-current	Total
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 Bill - LF	16,498	46,147	62,645	-	62,645
Total	**373,070**	**866,980**	**1,240,050**	**65,178**	**1,305,228**

	12/31/2022				
Amortized cost	Up to 03 months	03–12 months	Total current	Non-current	Non-current
Real Estate Credit Bills – LCI	-	84	84	153	237
Agribusiness Credit Bills – LCA	535,081	377,270	912,351	75,485	**987,836**
Financial Bill - LF	24,430	41,442	65,872	55,545	**121,417**
Total	**559,511**	**418,796**	**978,307**	**131,183**	**1,109,490**

Currency:	12/31/2023	12/31/2022
Real	1,305,228	1,109,490
Total	**1,305,228**	**1,109,490**

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	12/31/2023	12/31/2022
Domestic onlendings - Official Institutions	99,792	129,409	229,201	23,157	252,358	254,067
Abroad	2,984,981	145,554	3,130,535	9,820	3,140,355	4,403,925
Loan with head office	2,638,980	-	2,638,980	9,820	2,648,800	4,197,999
Other foreign loans	346,001	145,554	491,555	-	491,555	205,926
Total on December 31, 2023	3,084,773	274,963	3,359,736	32,977	3,392,713	
Total on December 31, 2022	2,086,710	2,555,180	4,641,890	16,102		4,657,992

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

Currency	12/31/2023	12/31/2022
Real	252,358	254,067
Foreign currency	3,140,355	4,403,925
Total	3,392,713	4,657,992

18. PROVISIONS

	12/31/2023	12/31/2022
Provisions for contingencies (Note 19.a)	542,794	1,114,870
Provisions for financial guarantees provided (Note 20)	32,758	27,334
Total	575,552	1,142,204
Current	32,753	27,203
Non-current	542,799	1,115,001
Total	575,552	1,142,204

19. 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$ 181,031 (December/22 – R$ 214,619). 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$ 116,014 (December/22 – R$ 112,373). Provisions 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.

Tax and social security proceedings

COFINS x Law 9,718/98 – amount involved R$ 43,253 (December/22 - R$ 610,667): 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$ 37,832 (December/22 – R$ 35,194). 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.

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

PIS x Law 9,718/98 – amount involved R$ 71,803 (December/22 – R$ 96,966): 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$ 81,805 (December/22 – R$ 120,776) 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. 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.

Income tax/Social contribution PDD/94 - amount involved R$ 20,179 (December/22 – R$ 18,413): 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 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$ 30,664 (December/22 – 28,899) was placed in a judicial deposit.

INSS – Profit Sharing of Directors - Years 2009 to 2011 – amount involved of R$ 68,094 (December/22 – R$ 61,400): 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$ 73,947 (December/22 – 67,253) was placed in a judicial deposit.

INSS – Profit Sharing of Directors – Years 2006 to 2008 – amount involved R$ 41,937 (December/22 – R$ -): 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$ 41,446 (December/22 – R$ 37,750) was deposited in court.

Changes in provisions classified as probable loss and legal obligations

Description	12/31/2022	Addition	Reversal	Monetary Update	Payment	Payment with tax credit (**)	12/31/2023
Civil	214,619	16,416	(34,951)	10,439	(25,492)	-	181,031
Labor	112,373	5,956	(8,343)	15,398	(9,370)	-	116,014
Subtotal	**326,992**	**22,372**	**(43,294)**	**25,837**	**(34,862)**	**-**	**297,045**

Tax and social security	12/31/2022	Addition	Reversal	Monetary Update	Payment	Payment with tax credit (**)	12/31/2023
PIS/COFINS – Expansion of Calculation Basis - Law 9718/98	707,633	-	-	1,498	(458,006)	(136,069)	115,056

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

Inc. tax and soc. contr. (IRPJ/CSLL) PDD 1994 (*)	18,413	-	-	1,766	-	-	20,179
INSS of Administrators – Years 2009–2011	61,400	-	-	6,694	-	-	68,094
INSS of Administrators – Years 2006–2008	-	41,937	-	-	-	-	41,937
Others	432	-	-	51	-	-	483
Subtotal	**787,878**	**41,937**	**-**	**10,009**	**(458,006)**	**(136,069)**	**245,749**
Total	**1,114,870**	**64,309**	**(43,294)**	**35,846**	**(492,868)**	**(136,069)**	**542,794**

(*) It refers to a partial success related to a writ of mandamus referring to the discussion on the PDD deductibility criterion related to Social Contribution on Net Income.

(**) 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 in guarantee a total of R$ 427,077, containing R$ 101,526 – civil lawsuits, R$ 17,748 – labor lawsuits and R$ 307,803 – tax lawsuits.

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, regarding 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 – São Paulo - Taxed services - Correctness of levying the service tax on services listed in the attachment to Complementary Law 56/87 - involved amount of R$ 37,958 (December/22 – R$ 29,562): 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$ 30,511 (December/22 – R$ 28,597) was placed in a judicial deposit.

IRPJ/2008 – amount involved R$ 40,566 (December/22 – 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 – amount involved of R$ 7,186 (December/22 – R$ 44,594): pleads cancellation of alleged INSS debt for the base periods of 2006 to 2008, generated by Tax Assessment Notice since the debts regarding the taxable events that occurred up to October 10, 2006 have already elapsed and also because it does not affect Social Security Tax on profit under the terms of Article 7, XI of the Federal Constitution and Article 28, § 9, j, of Law 8,812/1991. The amount of R$ 7,810 (December/22 – R$ 44,799) was placed in a judicial deposit.

IRPJ/CSLL – amount involved R$ 92,084 (December/22 – 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.

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

Tax on financial transactions (IOF) and Withholding income tax (IRRF) - amount involved R$ 1,797 (December/22 – R$ 1,669): 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$ 3,172 (December/22 – R$ 2,929): 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$ 5,605 (December/22 – R$ 9,089): 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 Conglomerate 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 R$ 32,607 (December/22 – R$ 46,303). 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$ 280,207 (December/22 – R$ 235,548). In general, the contingencies are the result of contract revisions and indemnities for material damages and pain and suffering.

20. SURETIES AND GUARANTEES

Description	12/31/2023		12/31/2022	
	Amounts guaranteed	Provisions (note 18)	Amounts guaranteed	Provisions (note 18)
Guarantees or sureties in tax lawsuits and proceedings	249,007	28,684	249,296	26,805
Judicial sureties - Others	358,125	3,333	388,792	288
Sureties - payments	808,842	641	735,028	137
Performance sureties	32,564	97	35,488	97
Bank guarantees	17,758	2	144,980	-
Other sureties	9,783	1	78,110	7
Total	**1,476,079**	**32,758**	**1,631,694**	**27,334**
Currency:				
Real	1,475,445	32,758	1,503,838	27,334
Foreign currency	634	-	127,856	-
Total	**1,476,079**	**32,758**	**1,631,694**	**27,334**

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

Current	-	32,753	-	27,203
Non-current	-	5	-	131
Total	-	32,758	-	27,334

21. OTHER OBLIGATIONS

	12/31/2023	12/31/2022
Sundry creditors - domestic	52,237	92,459
Payable suppliers	33,780	109,553
Social and statutory	12,073	9,445
Other obligations	5,612	5,892
Total	103,702	217,349
Currency:		
Real	103,377	215,945
Foreign currency	325	1,404
Total	103,702	217,349
Current	98,081	206,321
Non-current	5,621	11,028
Total	103,702	217,349

22. SHAREHOLDERS' EQUITY

CCB Brasil’s shareholder structure is as follows:

a) Share capital

Shareholder	12/31/2023			12/31/2022		
	Common	Preferred	Total	Common	Preferred	Total
CCB Brazil Financial Holding Investimentos e Participações Ltda.	297,223,908	162,009,040	459,232,948	297,223,908	162,009,040	459,232,948
Bank of China Limited (BOC) (*)	149,225,015	81,338,683	230,563,698	-	-	-
Total shares	446,448,923	243,347,723	689,796,646	297,223,908	162,009,040	459,232,948
Total in reais (R$)	2,263,473	1,233,761	3,497,234	1,887,438	1,069,426	2,956,864

(*) 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.

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

b) Treasury shares

The number of treasury shares as of December 31, 2023 corresponds to 6,398,518 (December/22 – 6,398,518) preferred shares in the amount of R$ 55,105 (December/22 – 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.

23. RELATED PARTIES

a) Related parties

The balances of operations of the consolidated Bank related parties can be observed as follows:

	Assets / (liabilities)		Revenues / (expenses)	
	12/31/2023	12/31/2022	12/31/2023	31/12/2022
Cash and cash equivalents in foreign currencies	1,370	4,312	-	-
China Construction Bank Corporation (a)	1,370	4,312	-	-
Investment fund quotas	119,762	104,648	15,113	13,065
FIDC BRASILFactors (c)	119,762	104,648	15,113	13,065
Other credits – Income receivable	24,957	23,158	-	-
China Construction Bank Corporation (b)	24,957	23,158	-	-
Demand deposits	(122)	(556)	-	-
BRASILFactors (c)	(1)	(6)	-	-
CCB Brazil Holding Ltda. (b)	(77)	(80)	-	-
Key management personnel (a)	(44)	(470)	-	-
Time deposits	(384,250)	(106,559)	(37,875)	(10,307)
BRASILFactors (c)	(47)	-	(1)	(26)
FIDC BRASILFactors (c)	(39,395)	(15,115)	(3,612)	(2,334)
CCB Brazil Financial Holding Ltda. (b)	(344,310)	(86,538)	(34,085)	(7,724)
Key management personnel (a)	(498)	(4,906)	(177)	(223)
Interbank deposits	(101,801)	(100,596)	(12,771)	(1,897)
Banco da China Brasil S.A. (c)	(101,801)	(100,596)	(12,771)	(1,897)
Purchase and sale agreements	(301,657)	(434,247)	(61,066)	(262,251)
Bank of China Limited (BOC) (c)	(301,657)	(434,247)	(61,066)	(262,251)
LCA	(2,468)	(4,235)	(387)	(793)

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

	Assets / (liabilities)		Revenues / (expenses)	
	12/31/2023	12/31/2022	12/31/2023	31/12/2022
Key management personnel (a)	(2,468)	(4,235)	(387)	(793)
LCI	-	-	-	**(42)**
Key management personnel (a)	-	-	-	(42)
NDF	**-**	**-**	**-**	**(1,783)**
BRASILFactors (c)	-	-	-	(1,783)
Borrowings	**(2,648,800)**	**(4,197,999)**	**71,103**	**100,522**
China Construction Bank Corporation (a)	(2,648,800)	(4,197,999)	71,103	100,522

Namely:

(a) Key management personnel
(b) Indirect controlling shareholder headquartered overseas
(c) Parent Company - direct
(d) *Joint venture*

a.1) Transactions due dates and rates

The LCA operations were carried out at average rates of 97.00% of the CDI (December/22 – 99.78%) and have a final maturity of up to 03 months (December/22 – up to 02 years). Time deposits are remunerated at an average rate of 98.65% of the CDI (December/22 – 84.52% of the CDI), directly related to the amount invested, with a final maturity of up to 02 years (December/22 – up to 03 years). Borrowing obligations were carried out at average rates of 5.47% p.a. (December/22 – 5.53% p.a.) and exchange variation, with final maturity of up to 07 years (December/22 – up to 07 years).

b) 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 years of 2023 and 2022, 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.

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

	12/31/2023	12/31/2022
Fixed remuneration (note 28)	(22,380)	(25,531)
Other	(644)	(689)
Total	(23,024)	(26,220)

b.2) Long-term benefits

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

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

24. INCOME AND EXPENSES WITH INTEREST ALIKE AND NET FOREIGN EXCHANGE DIFFERENCES

a) Interest revenues and expenses and alike

Interest and similar in the consolidated statement of income (loss) are comprised of interest accrued in the year on all financial assets with implicit or explicit return, calculated using the effective interest method, regardless of the fair value measurement and of the errors in results due to the accounting of hedge. Interest is recognized for their gross amount, without the deduction of tax withheld at source.

Expenses from interest and similar in the consolidated statement of income (loss) comprise interest accrued in the year on all financial liabilities with implicit or explicit returns, including compensation in cash, calculated using the effective interest method, regardless of the measurement of fair value.

	12/31/2023	12/31/2022
Interest and similar revenues	1,916,745	1,700,952
Loans and advances to clients	1,127,920	1,017,108
Financial assets at fair value through other comprehensive income	583,472	490,919
Loans and advances to financial institutions	190,240	179,860
Financial assets at amortized cost	15,113	13,065
Interest and similar expenses	(1,554,736)	(1,320,429)
Money market funding	(517,895)	(465,471)
Time Deposits	(515,325)	(548,129)
Foreign borrowings	(297,131)	(130,545)
Domestic borrowings	(151,463)	(140,218)
Interbank deposits	(56,713)	(19,126)
Liability interest expenses	(16,181)	(16,736)
Securities issued	(28)	(204)
Net interest revenue	362,009	380,523

b) Net exchange-rate change

The foreign exchange differences basically show the differences that arise in the conversion of monetary items in foreign currency into the Company's functional currency and do not consider the exchange hedge contracted by the Bank through derivative financial instruments, whose impacts are presented in "Gains (Losses) with financial assets and liabilities (net)"

	12/31/2023	12/31/2022
Loans, assignments and onlendings	335,487	325,363
Foreign exchange securities, net	59,496	60,313
Derivatives	(16,410)	7,280
Foreign exchange operations	(126,879)	(81,934)

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

Credit operations	(209,706)	(282,282)
Others	373	321
Net exchange-rate change	**42,361**	**29,061**

25. GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES (NET)

Gains (losses) from financial assets and liabilities are composed of the amounts of adjustments from the evaluation of financial instruments, except for those attributed to interest accrued as results after the application of the effective interest method and provisions, and of gains (or losses) from the sale or purchase of financial instruments.

The breakdown of the balance of this line, by type of instrument, is shown below:

	12/31/2023	12/31/2022
Hedge accounting – retail portfolio	31,688	11,788
Other liabilities at fair value through profit or loss	3,417	(3,417)
Other financial assets	43	26
Financial assets measured at fair value through profit or loss	(6,106)	5,911
Derivatives	(71,617)	(47,714)
Total	**(42,575)**	**(33,406)**

26. FEE AND COMMISSION REVENUE

The "Fee and commission revenue" line comprises all fees and commissions accumulated on behalf of the Bank in the year, except for those that make up the effective interest rate on financial instruments.

The breakdown of the balance related to this line is shown below:

	12/31/2023	12/31/2022
Income from guarantees	27,069	32,324
Income from other services	4,218	8,072
Income from bank fees – Legal entity	2,520	3,881
Income from bank fees – Individual	4	6
Total	**33,811**	**44,283**

27. OTHER OPERATING REVENUES (EXPENSES)

In this line of the consolidated statement of income (loss) are:

	12/31/2023	12/31/2022
Other operating revenues		
Monetary update of judicial deposits	28,791	27,686
Income for the acquisition of receivables	18,168	15,438
Reversal of civil provisions (note 19)	8,096	(23,413)
Recovery of charges and expenses	6,302	3,202

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

Income from financed sales of non-operating assets	1,491	1,483
Other operating revenues	9,051	16,361
Total Other operating revenues	**71,899**	**40,757**
Other operating expenses		
tax provisions (note 19)	(51,946)	(29,398)
Labor provisions (nota 19)	(13,011)	(11,566)
Remuneration and bonus program	(11,900)	(12,219)
Commission on collection	(9,438)	(10,799)
Guarantees provided	(5,424)	(1,401)
Dismissed expenses	(991)	(11,044)
Other operating expenses	(1,664)	(16,675)
Total other operating expenses	**(94,374)**	**(93,102)**
Net balance of other operating revenues (expenses)	**(22,475)**	**(52,345)**

28. PERSONNEL EXPENSES

The composition of the item “Personnel expenses” is shown below:

	12/31/2023	12/31/2022
Salaries	(93,962)	(90,629)
Social charges	(33,438)	(36,284)
Benefits	(23,489)	(20,157)
Directors’ fees (note 23.b1)	(22,380)	(25,531)
Other	(2,247)	(2,298)
Total	(175,516)	(174,899)

29. OTHER OPERATING EXPENSES

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

	12/31/2023	12/31/2022
Third-party service expenses	(24,046)	(27,063)
Data processing expenses	(17,751)	(18,266)
Financial system service expenses	(9,803)	(9,003)
Rental expenses and fees	(4,128)	(3,821)
Maintenance and conservation expenses	(3,764)	(4,647)
Judicial and notary fees	(623)	(2,146)
Other expenses	(6,503)	(6,982)
Total	(66,618)	(71,928)

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

30. TAX EXPENSES

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

	12/31/2023	12/31/2022
COFINS contribution expense	(21,894)	(26,341)
PIS/PASEP contribution expenses	(3,558)	(4,281)
Tax expenses	(3,468)	(4,235)
Expenses of tax on services of any kind	(3,269)	(2,746)
Total	(32,189)	(37,603)

31. GAINS (LOSSES) WITH OTHER ASSETS (NET)

Basically, it refers to results obtained from the sale of own assets and provisions for adjustment to the realizable value of assets or other non-operating assets.

	12/31/2023	12/31/2022
Income from the sale of available-for-sale assets	7,487	10,907
Profit (Loss) write-off of goods for use	-	(146)
write-off due to disuse	(49)	(987)
Reversal (constitution) provision for other assets	(11,556)	5,293
Other non-operating income (expenses)	5,423	(1,863)
Total	1,305	13,204

32. OPERATING SEGMENTS

According to the international accounting standards, an operating segment is a component of an entity:

(a) That operates activities which may generate revenues and incur expenses (including revenues and expenses related operations with other components of the same entity).

(b) Whose operating results are regularly reviewed by the person in charge of making the entity's operating decisions related to the allocation of funds to the segment and the evaluation of its performance.

(c) For which the individual financial information is available.

The Bank has identified, based on these instructions, the following business segments as being its operating segments:

- Wholesale
- Retail

The Bank maintains as main strategic focus the operations in the Wholesale segment. This segment basically includes the concession of loans and receivables with guarantee of receivables, and the Working Capital is the most profitable product of this segment. A significant portion of the wholesale portfolio is represented by short-term loans that provide higher liquidity and greater risk control to the Bank. Additionally, the Bank participates actively in the foreign exchange market, whose funding is carried out with international banks.

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

The Retail segment includes payroll loans and receivables for public sector employees and vehicle financing for individuals.

The statements of income and other significant data are listed as follows.

	Wholesale	Retail	12/31/2023	Wholesale	Retail	12/31/2022
Interest and similar revenues	1,753,752	162,993	1,916,745	1,526,935	174,017	1,700,952
Interest and similar expenses	(1,450,513)	(104,223)	(1,554,736)	(1,191,114)	(129,315)	(1,320,429)
Net Income (Loss) from Interest and Similar	303,239	58,770	362,009	335,820	44,703	380,523
Foreign exchange differences (net)	42,361	-	42,361	29,061	-	29,061
Gains (losses) with financial assets and liabilities (net)	(35,411)	(7,164)	(42,575)	(44,202)	10,796	(33,406)
NET INTEREST REVENUE	310,189	51,606	361,795	320,679	55,499	376,178
Equity in investments	(226)	248	22	(2,164)	(97)	(2,261)
Fee and commission revenue	33,811	-	33,811	44,280	3	44,283
Other operating revenues (expenses)	(61,802)	39,327	(22,475)	(112,884)	60,539	(52,345)
TOTAL DE REVENUE	281,972	91,181	373,153	249,912	115,943	365,855
Personnel expenses	(163,744)	(11,772)	(175,516)	(163,192)	(11,707)	(174,899)
Other administrative expenses	(55,686)	(10,932)	(66,618)	(57,115)	(14,813)	(71,928)
Tax expenses	(28,100)	(4,089)	(32,189)	(35,157)	(2,446)	(37,603)
Depreciation and amortization	8,704	(69)	8,635	(10,953)	(103)	(11,056)
Impairment losses of financial assets	40,201	(35,990)	4,211	14,480	(45,809)	(31,329)
Gains (losses) with other assets (net)	1,216	89	1,305	12,284	920	13,204
PROFIT (LOSS) BEFIRE TAXES	84,563	28,418	112,981	10,258	41,986	52,244
Current and deferred income and social contribution taxes	(78,742)	(40,227)	(118,969)	(33,644)	(51,138)	(84,782)
LOSS FOR YEARS	5,821	(11,809)	(5,988)	(23,386)	(9,152)	(32,538)
Total assets	17,402,728	759,512	18,162,240	17,076,436	955,794	18,032,230
Main asset line:						
Loans and advances to clients	9,445,483	723,215	10,168,698	9,232,054	936,644	10,168,698
Total liabilities	15,878,228	737,659	16,615,887	16,094,179	927,631	17,021,810
Main liability line:						
Deposits from clients	3,795,789	690,931	4,486,720	3,398,795	891,201	4,289,996

The Bank has a branch in the Cayman Islands, whose total assets are R$ 3,220,762 (R$ 4,832,505 in 2022) and shareholders' equity in the amount of R$ 1,736,952 (R$ 1,450,607 in 2022).

33. 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 manages Socio-environmental, Market, Credit, Liquidity and Capital Management risks in order to enhance the efficiency of its controls. This results in a global view of the exposures to which the Bank is subject due to the very nature of its activities, which allows it to improve and make strategic decisions more agile, ensure compliance with the policies established for the area and improve the identification of risks that may affect that business strategy and the achievement of objectives. Complies with CMN Resolution No. 4,557/17. The Risk Management Report is available on the website in compliance with BCB Resolution No. 54/20 of BACEN, which provides for the disclosure of information regarding the Risk Management Structure and responsibilities in the context of CCB Brasil.

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.

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 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.

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 as 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.

ESG - Social and Environmental Risk

The Bank is constantly improving the methodologies and tools used to assess social and environmental variables in its credit granting process in order to mitigate any risks associated with payment capacity and investment default. For this reason, it has established policies and instruments that make it possible to suspend operations and accelerate the expiration of contracts.

Credit Risk Management

CCB Brasil has an independent division for credit risk management, following the best governance practices. This division calculates the ratings and probabilities of loss for clients based on statistical metrics that consider the client's behavior in the market, in addition to that resulting from their operations at the Bank.

The activities of this division differ, therefore, from the procedures and concepts used by the credit approval area, whose structure is based on careful analysis procedures, developed based on the expertise acquired throughout the Bank's history.

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

Maximum exposure to credit risk

			12/31/2023			12/31/2022
Description	Brazil	Foreign	Total	Brazil	Foreign	Total
Cash and Cash Equivalents and Reserves at the Brazilian Central Bank	7,292	7,270	14,562	33,279	22,826	56,105
At amortized cost	119,762	-	119,762	104,648	-	104,648
At fair value through other comprehensive income	4,953,678	-	4,953,678	4,405,701	-	4,405,701
Derivative Financial Instruments	101,516	-	101,516	109,322	-	109,322
Loans and advances to financial institutions	2,526,303	17,701	2,544,004	2,129,794	104,300	2,234,094
Loans and advances to clients	6,574,553	3,167,953	9,742,506	8,454,958	1,713,740	10,168,698
Other loans and receivables	7,312	-	7,312	16,358	-	16,358
Other financial assets	(86,045)	-	(86,045)	13,378	-	13,378
Co-obligation and risks in guarantees provided						
Open credits for import	11,919	-	11,919	52,514	-	52,514
Guarantees provided	1,476,079	-	1,476,079	1,631,695	-	1,631,695
Export charge	2,587,348	-	2,587,348	2,742,468	-	2,742,468
Total	18,279,717	3,192,924	21,472,641	19,694,115	1,840,866	21,534,981

Expected credit loss

The Bank assesses, on a prospective basis, the expected credit loss associated with financial assets measured at amortized cost or at fair value through other comprehensive income, with loan commitments and with financial guarantee agreements. The recognition of the provision for expected credit losses is made monthly in a contra entry to the Consolidated Statement of Income.

Regarding financial assets measured at fair value through other comprehensive income, the Bank recognizes the provision for losses in the Statement of Income of the IFRS balance sheet.

Significant judgments are required in adopting the accounting requirements for measuring the expected credit loss, such as:

- Deadline for evaluating the expected credit loss: the Bank considers the maximum contractual period over which it will be exposed to the financial instrument credit risk. However, assets without a fixed maturity have their expected life estimated based on the period of exposure to credit risk. Furthermore, all contractual terms are considered upon determining the expected life, including prepayment and rollover options.

- Forward-looking information: IFRS 9 requires a weighted and unbiased credit loss estimate that considers forecasts of future economic conditions. The Bank uses forward-looking macroeconomic information and public information with projections prepared internally to determine the impact of such estimates in determining the expected credit loss.

- Loss scenarios weighted by probability: the Bank uses weighted scenarios to determine the expected credit loss over an appropriate observation horizon.

- Determination of criteria for a significant increase or decrease in credit risk: in each period of the Consolidated Financial Statements, the Bank assesses whether the credit risk on a financial asset has increased significantly using relative and absolute triggers (indicators) by product and country.

These are considered financial assets with low credit risk and, thus, bonds of national and international governments remain in stage 1, according to a study carried out by the Bank.

Significant increase in credit risk: the Bank assesses several factors to determine a significant increase in credit risk, such as: the counterparty, type and characteristics of the product and the region in which it was contracted, considering at least the following objective criteria:

- Stage 1 to Stage 2: delay over 30 days;
- Stage 2 to Stage 3: delay over 90 days.

The approach of this evaluation in CCB Brasil considers account criteria pursuant to IFRS 9, which also adopts the measures:

- The occurrence of a significant increase in the credit risk of the operation in the period from the date of initial recognition to the date of calculation of the expected loss.

- The change in the risk pattern since initial recognition;

- The expected maturity of the financial instrument, and

- Other reasonable and supportable information for which efforts to obtain it are pertinent.

The classification of contracts in stage 1 indicates that such assessments do not identify significant increases in risk between the recognition and reporting dates. The classification in stage 2 indicates that elements were found indicating a significant risk increase. Stage 3 comprises assets with objective evidence of default.

The Bank assesses whether credit risk has increased significantly on an individual or collective basis. For collective assessment purposes, financial assets are grouped based on shared credit risk characteristics, considering the type of instrument, credit risk ratings, the date of initial recognition, the remaining term, area, geographical location of the counterparty and other relevant factors.

Macroeconomic Scenarios: such information involves inherent risks, market uncertainties and other factors that may produce other than expected results, including changes in market conditions and in economic policy, recessions or fluctuations in indicators that are different from the forecasts.

The concepts of IFRS 9 standard consider a financial reporting standard that mainly addresses the classification and impairment of financial assets, whose assumption for the recognition of expected loss is based on principles and not only on rules with different measurement methods, waiving the occurrence of actual delays and losses, thus anticipating them.

Thus, it considers the evaluation of the significant increase in the credit risk of the financial instrument, considering the following three major aspects:

i) basic indicator, ii) quantitative factors, and iii) qualitative factors.

The basic indicator consists in the verification of the delay time of contractual payments. It is considered a significant increase in credit risk in a financial asset if contractual payments are overdue for more than 30 days, unless the institution has reasonable and supporting information without undue costs or efforts that these risks have not actually increased.

To assess risk changes, CCB Brasil uses the rating scales to define the quality of the portfolio based on the breakdown of the best ratings (lower risk) and to determine the “investment grade” or “non-investment grade” ranges as a starting measure for analysis.

In practice, the stages follow selective criteria that overlap, such as (i) management's decision (ii) delay time; (iii) significant risk increase; (iv) definitions of problematic credits, and (v) ratings.

The Probability of Default (PD) indicates the probability of loss for a certain time horizon (in the next 12 months), for exposures belonging to stage 1, or until the final contract expiration for exposures classified in stage 2 maturing in over a year, and provides a probabilistic estimate of a customer not fulfilling his/her obligations. The probabilities of default are associated with scales or rating levels that may vary. Thus, the comparison of PD’s may indicate significant increases in the credit risk for the operations.

CCB Brasil adopted the practice of calculating the 12-month PD as an indicator of credit risk, which is a well-established practice within the local and international financial industry. International and domestic rating agencies generally represent the credit risk of a counterparty associating a probability of default for a fixed assessment horizon, and the 12-month horizon is commonly used for estimating occurrences of credit losses in corporate and retail loans.

PD lifetime is the estimated probability of default for the remaining validity period, or maturity of the operation, if it is over (or less than) one year. PD lifetime is used to calculate the expected credit loss of exposures classified in stage 2 after the forward looking adjustments described below.

The Loss Given Default (LGD) indicates the actual loss of the client. At the Bank, this is a data estimated by means of statistical modeling and considers the historical recovery behavior of loans written-off as losses in the retroactive period of five years in number of contracts by sufficiently significant type for the consistency of the statistical study, both for the retail and the corporate portfolio.

The Exposure at Default (EAD) can be defined as the gross amount of a debtor's default exposure, including principal and interest repayment under the contract, as well as the reasonable expectation of future payment of the underlying debt, represented by the cash flow of the operation.

Calculation of Impairment or Expected Credit Loss (ECL). At the Bank, the expected loss is calculated based on the following equation: ECL = EAD x PD x LGD.

Sensitivity analysis - ECL forward looking

We included the macroeconomic analysis based on scenarios as it presents a forward-looking view due to its variety of possible scenarios. The objective of estimating expected credit losses does not mean estimating a worse or better scenario, but the calculation that the credit loss will occur within the realization of the most probable scenario. Understanding credit loss, by incorporating the probability that a scenario will occur, using weighted probability, even if the latter is low, can help inform the probability of incurring losses.

The increased complexity of the ECL approach, as well as the longer time horizons over which credit losses are modeled, increases the effort required for estimating credit loss allowances and their potential volatility.

It should be noted that the twelve-month Expected Credit Losses used for regulatory purposes are normally based on the 'through the cycle' probability of default (ie the probability of default under cycle-neutral economic conditions). In turn, the PD used for IFRS 9 must be 'point in time' (ie the probability of default under current economic conditions) and contain no adjustments. This can lead to some inaccuracy when measuring past loss and projecting it into the future. However, regulatory PDs can be a good starting point, knowing in advance that estimates of PDs will change as an entity moves through the economic cycle. In normative models, as the PD is calculated by cycle, the estimates are less sensitive to changes in economic conditions. Therefore, regulatory PDs reflect long-term trends in PD behavior. As a consequence, during a more recessive economic cycle, the Probabilities of Default under IFRS9 will be higher than the regulatory Probabilities of Default. Additionally, when using 'through the cycle' PD responses over time may not vary significantly between origination and reporting dates, as PD reflects the long-term average default rate.

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

Scenario-based analysis incorporates forward-looking information using various macroeconomic scenarios. The table below reveals three scenarios and the estimate of expected credit losses. When assessing the impact of portfolio credit losses against shocks on key macroeconomic indicators (eg, unemployment and GDP), each scenario implies a different path to credit losses. These losses were aggregated by estimating the probability of occurrence of each scenario. Adjustments for prospective scenarios (Forward Looking Adjustments) for macroeconomic variables were considered to ensure that the credit loss estimate meets the required prospective requirements.

CCB Brasil - Consolidated		IFRS9 - Calculation of expected loss - 12/31/2023		
Third-party	EAD	Optimistic	Neutral	Pessimistic
On balance	9,762,451	161,903	163,096	164,289

The prospective adjustment is made based on predictive information provided by the developed model, considering macroeconomic data, shock processes and scenario design at three levels of confidence: i) negative or pessimistic bias (25%), ii) neutral (50%) and iii) positive or optimistic (25%) which are inputs of CCB Brasil's ECL calculation system and characterize the neutral scenario. In turn, the pessimistic scenario considers that only the macroeconomic variables of the pessimistic scenario will act. The optimist, that only the variables of the optimistic scenario will be present.

Macroeconomic variables widely publicized in the financial market are used, which best adjust to the variation and dynamics of default rates. The projections of these indices and their probability of occurrence are taken from the Market Focus report by the Brazilian Central Bank, as well as from economists and specialized consultants hired by the institution.

Risk classification according to CMN Resolution 2682/99.

Additionally, as required by the National Monetary Council, through Resolution 2,682/99, the Conglomerate classifies the loan portfolio according to the risk level, taking into account the economic situation, past experience, specific risks in relation to the operation and the borrowers , including, among others, the financial situation between the parties, levels of default, expected future cash flows, estimated values for recovery and realization of guarantees, observing the parameters and minimum requirements established by Resolution , which requires periodic analysis of the portfolio and its classification into nine levels, being AA (minimum risk) and H (potential loss) and Management's judgment, as shown below:

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

Composition of the portfolio by risk levels

Risk level	12/31/2023	12/31/2022
AA	4,081,952	4,442,165
A	4,239,104	3,701,930
B	1,226,986	1,828,264
C	92,664	65,826
D	5,373	15,901
E	8,230	20,520
F	3,561	6,068
G	65,529	69,361
H	69,412	222,775
Total	9,792,811	10,372,810

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 in non-current.

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:

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

Undiscounted Future Flows

	12/31/2023				
Financial assets	0–30 days	31–365 days	366–720 days	>720 days	Total
Cash and cash equivalents	110	-	-	-	110
Investments in Financial Institutions	2,000,867	-	-	-	2,000,867
Money market repurchase agreements - own portfolio	2,000,867	-	-	-	2,000,867
Securities	-	478,447	-	4,669,960	5,148,407
Government bonds	-	478,447	-	4,550,141	5,028,588
Fund's quotas	-	-	-	119,819	119,819
Credit and lease operations	1,891,369	8,072,913	627,979	549,835	11,142,097
Domestic currency credits	917,243	4,146,292	122,404	45,916	5,231,855
Credits in foreign currency	767,162	2,999,206	148,970	-	3,915,338
Retail transactions	19,312	215,935	204,863	503,919	944,029
Rural credit	44,830	676,272	151,742	-	872,844
Leases	142,822	35,208	-	-	178,031
Total	3,892,346	8,551,360	627,979	5,219,795	18,291,481

Financial liabilities	0–30 days	31–365 days	366–720 days	>720 days	Total
Deposits	960,355	3,110,613	1,410,041	49,420	5,530,428
Demand deposits	54,048	-	-	-	54,048
Saving deposits	-	2,318	-	-	2,318
Time Deposits	696,807	2,737,862	1,235,462	49,420	4,719,551
Interbank deposits	209,500	370,433	174,579	-	754,512
Money market repurchase commitments	4,706,598	-	-	-	4,706,598
Government bonds	4,706,598	-	-	-	4,706,598
Borrowings and onlendings	2,902,943	399,420	-	-	3,302,363
Total	8,569,896	3,510,033	1,410,041	49,420	13,539,389
Subordinated debts	-	-	341,138	487,340	828,478
Funding 2,921	40,877	-	-	-	40,877
Liquidity gap	(4,718,427)	5,041,327	(1,123,199)	4,683,036	3,882,737

The information above was prepared based on the nominal maturities of CCB Brasil's financial assets and liabilities, however, the Consolidated contains bonds and securities classified in the Financial Assets category at fair value through other comprehensive income in the amount of R$ **3,366,524** (R$ 3,286,700 in 2022), maturing in more than one year, which represent highly liquid investments in public securities issued by the National Treasury.

In turn, part of the financial liabilities are loans taken out from the parent company in China in the total amount of R$ 2,648,800 (R$ 4,197,999 in 2022), with a maturity of less than one year, which has been systematically renewed.

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

	12/31/2023		
	Nominal liquidity	Reclassification by effective liquidity	Adjusted liquidity
Current assets	9,270,432	3,366,524	12,636,956
Current liabilities	(15,106,426)	2,648,800	(12,457,626)
Net balance	(5,835,994)	6,015,324	179,330

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 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:

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

Scenario 1: Lower oscillation situation. Assumptions adopted: parallel shock of 10% in risk variables, based on market conditions seen on December 31, 2023, 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 December 31, 2023, 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 December 31, 2023, 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

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% incr.	25% incr.	50% incr.
B3 S.A. – Brazil, Bolsa, Balcão	10% decr.	25% decr.	50% decr.
Inflation	10% incr.	25% incr.	50% incr.

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 12/31/2023

Risk factors	Scenario 1	Scenario 2	Scenario 3
Dollar and dollar coupon	(18,479)	(46,109)	(91,851)
Fixed Rate in reais	(4,646)	(10,635)	(18,282)
Total loss	(23,125)	(56,744)	(110,133)

Trading Portfolio - Results for risk factors in 12/31/2022

Risk factors	Scenario 1	Scenario 2	Scenario 3
Dollar and dollar coupon	(522)	(1,317)	(2,672)
Fixed Rate in reais	(565)	(1,291)	(2,216)
Total loss	(1,087)	(2,608)	(4,888)

The risk factors are presented as follows:

- Coupon of US$ - 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.

- Stocks and Indices – Comprises stocks and stock exchange indices, stocks and options linked to stock indices.

- Inflation – Refers to all products whose price changes are linked to changes in inflation coupons and inflation indices.

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 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.

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

The following table indicates the minimum capital requirements valid for 2023:

BACEN Requirements	Valid in 12/31/2023	Valid in 12/31/2022
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-to-assets ratio.

The tables presented below show the main capital indicators calculated as of December 31, 2023 and 2022 and those established in the RAS Policy for 2023 - with review expected to occur in a year or any time when the circumstance requires.

In R$ thousand	12/31/2023	12/31/2022
Capital – Level 1	2,405,653	1,979,876
- Core Capital	1,582,632	1,092,867
-Perpetual Bonds	823,021	887,009
Reference Equity	2,405,653	1,979,876
-RWACpad	10,420,893	11,020,720
-RWAMpad	127,651	167,968
-RWAOpad	1,310,934	1,332,733
Total RWA	11,859,478	12,521,421
-IRRBB	47,358	90,728
Ratios		
Main Capital	13.34%	8.73%
Level 1	20.28%	15.81%
Basel Ratio	20.28%	15.81%
IB to RWA + IRRBB	19.32%	14.50%

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. The review of the calculation methodology, combined with the reduction of the long-term credit portfolio, reduced the consumption of capital in this item, from December 2020.

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

34. 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.

b) Reconciliation of income and equity

The Individual Financial Statements of China Construction Bank (Brasil) Banco Múltiplo S.A. are prepared in accordance with the Accounting Standard of Institutions Regulated by the Brazilian Central Bank (Cosif), while the Consolidated Financial Statements are prepared adopting the international accounting standard in accordance with the pronouncements issued by the International Accounting Standards Board (IASB). Therefore, below is shown the reconciliation of China Construction Bank (Brasil) Banco Múltiplo S.A. with China Construction Bank (Brasil) Consolidado S.A. in compliance with CMN Resolution No. 4,818/20.

	Income		Shareholders equity	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
CCB BRASIL INDIVIDUAL - BRGAAP	**(26,668)**	**(21,829)**	**1,621,678**	**1,106,425**
Expected Credit Losses (ECL) - Credit Portfolio and other financial assets [1]	6,840	(8,202)	(19,556)	(26,396)
Financial discount	1,889	(678)	(11,783)	(13,671)
Effective Rate	(2,337)	(6,363)	(2,218)	119
Leases - IFRS 16	6,760	(2,607)	(7,684)	(14,444)
Operations without retention of risks and benefits	389	(3,992)	(33,208)	(33,846)
Hedge accounting retail	7,377	11,822	(1,682)	(9,059)
Others	(238)	(689)	806	1,292
CCB BRASIL CONSOLIDATED - IFRS	**(5,988)**	**(32,538)**	**1,546,353**	**1,010,420**

[1] Upon adoption of IFRS 9, there was a change in the model for calculating incurred losses (IAS 39) to expected losses, considering prospective information. In BRGAAP, the concept of expected loss is used in accordance with BACEN Resolution No. 2,682/99.

35. SUBSEQUENT EVENTS

On January 31, 2024, the acquisition of controlling interest in CCB Brasil was implemented by BOC, a Chinese financial institution headquartered in Beijing, current controller in the country of Banco da China Brasil S.A. ("BOC Brasil"), through the acquisition of shares of CCB Brasil held until then by CCB Holding. 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 list of shareholders of CCB Brasil will be as follows:

Shareholder	01/31/2024			
	Common	Preferred	Total	%
Bank of China Limited (BOC)	305,111,393	166,308,303	471,419,696	67%
CCB Brazil Financial Holding Investimentos e Participações Ltda.	141,337,530	77,039,420	218,376,950	32%
Treasury shares	-	6,398,518	6,398,518	1%
Total of shares	446,448,923	249,746,241	696,195,164	100%

A process of transition and compliance with certain contractual and regulatory obligations begins to complete the transaction and, in due course, change the trade names and corporate names of CCB Brasil and its controlled companies.

Board of Directors

President:	Xilai Feng
Board members:	Fanggen Liu Liping Shang Daniel Joseph McQuoid Heraldo Gilberto de Oliveira

Executive Board

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