

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

Financial Statements
December 31, 2020

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Management report

Dear shareholders,

The management of China Construction Bank (Brasil) Banco Múltiplo S.A. (“CCB Brasil” or “Bank”) submits, for your analysis, the Management Report and the corresponding Financial Statements, along with the Independent Auditor’s report, with unqualified opinion, and the Audit Committee’s report, for the year ended December 31, 2020. The remarks presented here, except when emphasized differently, are demonstrated on a consolidated basis covering their subsidiaries and in domestic currency (Reais – R\$). The financial statements portrayed are in accordance with the standards of the Central Bank of Brazil (BACEN).

Impacts of the Coronavirus Pandemic (COVID-19)

a) General Context

Considering worldwide pandemic declared by WHO - World Health Organization related to the new Coronavirus - “COVID-19”, which is affecting and bringing risks to public health and countless impacts on Brazilian and global economy, CCB Brasil has adopted a number of measures in line with guidelines established by domestic and international health authorities in order to minimize as much as possible impacts on health and safety of its employees, family members and partners in those areas where it operates, as well as on regular going concern of the Bank.

The Bank adopted contingency measures to maintain its operations on a regular basis, seeking to preserve its professionals’ health by providing safe access to workplaces, when essential, in an environment that preserves distance among people, hygiene and adequate protection. Most employees are working from home. CCB Brasil maintained its staff and did not lay off people due to this crisis.

b) Impact on business for the year of 2020

CCB Brasil adopted conservative measures for its portfolio strengthening an intense follow up on loans portfolio, as well as on customers that could be significantly impacted by reduction in domestic activity. Quality of portfolio built in corporate segment and in medium-sized companies contributed to small effect on deterioration of corporate portfolio, which represents 80% of portfolio.

Main measures to avoid serious impacts of this crisis and maintain credit portfolio quality were to freeze credit limits to assess impacts on respective economic segments, conduct daily credit committees and give continuity to intensive monitoring of segments and of all customers with maturities during the year; adoption of more restrictive criteria for granting new credits and concentration of efforts in segments less impacted by Covid, all in line with Resolutions 4,782 and 4,803 of the Central Bank of Brazil - BACEN.

Based on this scenario, CCB Brasil took a conservative position and, in April 2020, preventively suspended all new disbursements for employees of local state governments. For payroll transactions we also reduced maximum age and made adjustments to retail credit granting policies.

The consolidated NPL (non performing loans) indexes, composed of the credit portfolio classified between risk levels D and H, continues well controlled, showing positive performance in corporate portfolio quality. In December 2020, consolidated portfolio presented 4.9% of NPL, while in December 2019, it was 5.0%.

In addition to above-indicated measures, the Bank closely follows all new government guidelines and policies in response to the pandemic.

Performance for the year

In 2020, we had positive results from measures adopted by the Bank in previous year, which intended to increase assets' quality and volumes and, at the same time, adjust the Bank's operating structure to make the organization more efficient.

At the end of the second semester of 2020, loan operations reached R\$ 10,423.6 million, a 1.5% decrease compared to the previous year of 2019. The share of credits with AA-C rating (the lowest-risk credit range) remained stable in the same period of the previous year, accounting for 95.1% of the total portfolio (95.0% in December 2019).

In relation to Funding, we observed an increase of 30.2% in funding in reais in twelve months. Time deposits reached R\$ 5,555.1 million, an increase of 75.9% over the previous year. The funds issued, composed of LCAs, LFs and LCIs, totaled R\$ 693.2 million, a decrease of 50.0% compared to December 31, 2019.

As of December 31, 2020, Head Office represented 37.8% (39.4% in 2019) of total funding of R\$ 11,860.6 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. In effect, the Head Office's funds, which are usually available for terms of 360 days, have been systematically renewed.

The gross result of the consolidated financial intermediation for the year ended December 31, 2020 reached R\$ 543.5 million, a decrease when compared to result obtained for the year ended December 31, 2019, R\$ 628.1 million.

For the year ended December 31, 2020, operating expenses that include administrative and personnel expenses totaled R\$ 271.4 million, a decrease of 16.5% in comparison with the year ended December 31, 2019.

Consolidated net loss for the year ended December 31, 2020 was R\$ 475.9 million (2019 - loss of R\$ 4.7 thousand), and the significant portion was due to tax credit write-off in the amount of R\$ 394.2 million (R\$ 40.7 million in 2019).

On December 31, 2020, consolidated shareholders' equity reached R\$ 1,110.3 million and Basel ratio was 15.31%.

Human resources and service points

The Bank ended 2020 with 359 employees and nine service points.

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 March 25, 2021).

Summary of the Audit Committee Report Semester and Year Ended December 31, 2020

The Audit Committee of China Construction Bank (Brasil) Banco Múltiplo S.A. - CCB is set up in compliance with regulation of the Central Bank of Brasil - BACEN and the Bank's by-laws, consisting of three independent members, two members of the Board of Directors. It is incumbent upon the Audit Committee to advise the Board of Directors in the performance of its related duties: (i) to follow up the accounting practices adopted in the preparation of the financial statements of CCB and its subsidiaries; (ii) the quality and effectiveness of the internal control and risk management system, and (iii) the indication and evaluation of the effectiveness of the Independent Audit. The Committee acts as an auxiliary, consultancy and advisory body of the Board of Directors, with no decision-making power or executive functions.

The Audit Committee reviewed the quality of the individual and consolidated financial statements (including the prudential conglomerate) for the semester and year ended December 31, 2020, focusing on the application of accounting practices adopted by the market and compliance with standards issued by the Central Bank of Brazil (BACEN). The Committee evaluated the recommendations proposed by the Internal and Independent Auditors, discussing with the Administration the measures with a view to their attendance. The Committee, based on the information and reports received from the internal control and risk areas, in the work of the Internal Audit and in the reports of the Independent Auditors, concluded that there were no failures to comply with regulations and internal rules that could jeopardize continuity of the institution. Management is responsible for the definition and implementation of information systems that produce the Bank's financial statements, in compliance with corporate law, accounting practices, and National Monetary Council (CMN) and BACEN standards. Management is also responsible for the definition and implementation of internal control policies, procedures, processes and practices that ensure the safeguarding of assets, the timely recognition of liabilities and the identification, quantification and mitigation, at acceptable levels, of the Institution's risk factors.

Regarding the work of Internal Audit, the Committee reviewed the planning and work carried out, as well as the reports produced, verifying and following the recommendations, especially in the areas of credit, risks and internal controls, as well as specific demands during the period. The Committee understood that the coverage and quality of Internal Audit work throughout the period were carried out with adequate quality and independence.

The Committee met with those responsible for the areas of accounting, internal controls, internal audit, risks and with the Independent Auditors to analyze the financial statements, including the notes. The main aspects related to its preparation and presentation were discussed and reviewed, and there were no differences that could materially affect the Company's economic and financial situation.

The Audit Committee met with the Board of Directors, stockholders' representatives and Directors of the Institution, presenting its opinions and recommendations within its scope, and also discussed with the Administration the recommendations presented by the Independent Auditors.

The Audit Committee discussed with the persons responsible for PwC the results of the work and its conclusions on the audit of said financial statements, the report of which without qualification. The main audit issues (PAA) raised by PwC are: (i) allowance for doubtful accounts; (ii) tax credits; and (iii) information technology environment. These issues are discussed with those responsible for PwC, as well as other points related to accounting practices, recommendations and other notes in the reports of internal controls and risks and presentation of the financial statements. The Audit Committee understood the appropriate independence in the execution of the audit work of the bank and its subsidiaries.

In view of the COVID 19 pandemic, the Audit Committee carried out its activities remotely during the period. The Committee received information on actions taken by management to support CCB Brasil's activities and risk management.

The Audit Committee, as a result of evaluations based on information received from Management, Internal Audit, Independent Audit and the area responsible for corporate monitoring of internal controls and risks, considering the limitations arising from the scope of its function, understands that the Statements Audited consolidated financial statements for the semester and year ended December 31, 2020 are in a position to be approved by the Board of Directors of the CCB Brasil.

The report of the Audit Committee and this summary were approved at a meeting on this date.

São Paulo, March 25, 2021

Daniel Joseph McQuoid

Heraldo Gilberto de Oliveira
President

Walter M. Machado de Barros

(A free translation of the original in Portuguese)

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

***Parent company and consolidated
financial statements at
December 31, 2020
and independent auditor's report***



(A free translation of the original in Portuguese)

Independent auditor's report on the parent company and consolidated financial statements

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

Opinion

We have audited the accompanying parent company financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A. ("Bank"), which comprise the balance sheet as at December 31, 2020 and the statements of income, comprehensive income, changes in shareholders' equity and cash flows for the six-month period and year then ended, as well as the accompanying consolidated financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2020 and the consolidated statements of income, comprehensive income and cash flows for the six-month period and year then ended, and notes to the financial statements, including a summary of significant accounting policies.

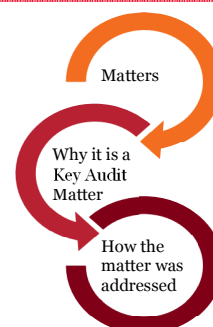
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of China Construction Bank (Brasil) Banco Múltiplo S.A. and of China Construction Bank (Brasil) Banco Múltiplo S.A. and its subsidiaries as at December 31, 2020, and the Bank's financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the six-month period and year then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the parent company and consolidated financial statements" section of our report. We are independent of the Bank 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 six-month period and year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





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

Our audit for the six-month period and year ended December 31, 2020 was planned and performed considering that the Bank and the Consolidated operations have not changed significantly in comparison to the prior year. In this context, the Key Audit Matters, as well as our audit approach, have remained substantially in line with those of the prior year.

Why it is a Key Audit Matter**How the matter was addressed in the audit**

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

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

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

Considering all those aspects, as well as the significance of the amounts involved, this is a critical estimation area and has been defined as an area of focus in our audit.

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

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

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

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

Tax credits (Notes 3 (j), 3 (m) and 14) - Bank and Consolidated

The China Construction Bank (Brasil) Banco Múltiplo S.A. and its subsidiaries recognized tax credits arising from temporary differences, income tax and social contribution losses, recorded based on a study of the taxable profit projections regarding the realization of these tax credits. The taxable income projection involves judgments and assumptions of a subjective nature established by management based on a study of the current and

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 experts, we have analyzed the consistency of the relevant assumptions used in the study of tax credit realization with the macroeconomic data disclosed in the market, when



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

future scenarios, according to specific requirements of the National Monetary Council and the Brazilian Central Bank. It was carried out a written off of tax credits arising from fiscal losses of income tax and negative base of social contribution, during the year ended December 31, 2020, that are not expected to be realized in the 10 years period as determined by the CMN Resolution nº 3,059.

Considering that the use of different assumptions in the future taxable profit projection could significantly modify the terms expected for the realization of the tax credits, with consequent accounting impact, this is an area of critical estimation and was defined as an area of focus in our audit.

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 appropriate management bodies.

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

Information technology environment

China Construction Bank (Brasil) Banco Múltiplo S.A. and its subsidiaries 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 was considered as an area of focus in our audit.

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

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

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



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

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process of the Bank and its subsidiaries.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and 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 parent company and 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.



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

- 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 Bank 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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and 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 individual and 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 as at December 31, 2020 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, March 25, 2021

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Melissa Tuxen Wisnik
Contadora CRC 1SP221490/O-0

Balance sheet as of December 31
 (In thousands of reais)

Assets	Note	Bank		Consolidated	
		2020	2019	2020	2019
Currents and non currents					
Financial instruments		16,472,207	16,346,347	16,557,290	16,342,265
Cash and cash equivalents		168,495	93,665	168,559	93,818
Interbank funds applied	5	1,263,746	1,258,802	887,890	498,446
Securities	6.b	4,884,623	4,790,396	4,884,623	4,801,379
Derivatives	7.f	98,570	425,125	98,570	425,125
Credit Portfolio and leasing operations	8	9,006,816	8,244,722	9,517,523	9,089,834
Foreign exchange operations	9	1,075,652	1,506,955	1,075,652	1,506,955
Other financial instruments	10	461,208	477,725	462,636	478,431
Allowance for expected loss to credit risk	11	(486,903)	(451,043)	(538,163)	(551,723)
Non-financial assets held for sale	12	169,144	228,163	171,948	235,226
Cost		311,487	377,652	318,684	392,608
Provision for impairment		(142,343)	(149,489)	(146,736)	(157,382)
Investments		335,354	323,172	645	645
Investments in domestic subsidiaries	13	334,710	322,528	-	-
Other investments		644	644	645	645
Property and equipment		20,174	31,660	21,158	33,349
Cost		111,746	114,819	116,127	119,200
Accumulated depreciation		(90,063)	(81,650)	(93,460)	(84,342)
Provision for impairment		(1,509)	(1,509)	(1,509)	(1,509)
Intangible		1,970	2,867	1,988	7,275
Cost		22,306	20,877	129,686	128,258
Accumulated amortization		(20,336)	(18,010)	(127,698)	(120,983)
Tax Assets		1,341,495	1,624,263	1,412,227	1,746,107
Taxes to be offset		10,741	23,623	31,925	47,120
Tax credits	14.a	950,092	1,219,978	999,640	1,318,325
Presumed - Law nº 12.838/13	14.b	380,662	380,662	380,662	380,662
Other Assets	15	65,081	79,683	76,200	82,954
Total assets		18,405,425	18,636,155	18,241,456	18,447,821

The accompanying notes are an integral part of these individual and consolidated financial statements.

Balance sheet as of December 31

(In thousands of reais)

(continued)

Liabilities	Note	Bank		Consolidated	
		2020	2019	2020	2019
Current and non current					
Financial instruments		15.871.564	15.587.516	15.563.794	15.218.862
Funds obtained in the market	16	10.368.069	8.837.154	10.113.956	8.578.161
Borrowings and onlendings	17	4.352.900	4.798.031	4.352.900	4.798.031
Derivatives	7.f	82.233	14.890	82.233	14.890
Foreign exchange operations	9	112.856	17.768	112.856	17.768
Debt instruments eligible to capital	18	892.897	692.555	892.897	692.555
Subordinated debts	19	-	1.110.499	-	1.110.499
Other financial instruments	20	62.609	116.619	8.952	6.958
Provisions	21	1.084.874	1.010.406	1.131.744	1.054.932
Tax liabilities		283.338	350.897	332.355	405.133
Current Taxes		18.173	27.376	28.191	32.195
Deferred Taxes	14.c	182.883	241.382	221.882	290.799
Presumed Taxes - Law nº 12.838/13	14.b	82.282	82.139	82.282	82.139
Other liabilities	24	99.593	155.950	103.285	177.905
Total liabilities		17.339.369	17.104.769	17.131.178	16.856.832
Shareholders equity					
Capital stock	25.a	2.956.864	2.956.864	2.956.864	2.956.864
Treasury shares	25.b	(55.105)	(55.105)	(55.105)	(55.105)
Accumulated losses		(1.832.035)	(1.371.538)	(1.787.813)	(1.311.935)
Capital reserve		899	899	899	899
Other comprehensive income		(4.567)	266	(4.567)	266
Total shareholders' equity		1.066.056	1.531.386	1.110.278	1.590.989
Total liabilities and shareholders' equity		18.405.425	18.636.155	18.241.456	18.447.821

The accompanying notes are an integral part of these Prudential Conglomerate financial statements.

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

	Note	Bank			Consolidated		
		2nd Half 2020	2020	2019	2nd Half 2020	2020	Restatement 2019
Income from financial intermediation		107,424	3,018,319	1,765,219	105,778	3,084,124	1,859,815
Loan and lease operations	27	152,298	1,878,480	730,635	161,745	1,973,180	909,014
Results from Interbank funds applied and securities	28	55,678	247,123	821,964	44,585	218,228	738,181
Derivatives	29	(29,644)	352,273	58,570	(29,644)	352,273	58,570
Foreign exchange results	30	(70,908)	540,443	154,050	(70,908)	540,443	154,050
Financial intermediation expenses		96,341	(2,561,529)	(1,274,990)	104,608	(2,540,643)	(1,231,714)
Borrowings and onlendings	32	187,784	(1,573,543)	(437,221)	187,784	(1,573,543)	(437,221)
Funds obtained in the market	33	(114,738)	(282,398)	(579,848)	(113,223)	(278,181)	(566,324)
Debt instruments eligible to capital	34	28,611	(252,956)	(78,427)	28,611	(252,956)	(78,427)
Subordinated debt		-	(438,896)	(153,278)	-	(438,896)	(153,278)
Other financial intermediation expenses	31	(5,316)	(13,736)	(26,216)	1,436	2,933	3,536
Gross profit (loss) from financial intermediation before expected credit loss		203,765	456,790	490,229	210,386	543,481	628,101
Provision for expected loss to credit risk	11	(197,106)	(398,734)	(120,814)	(190,088)	(382,871)	(212,930)
Net profit (loss) from financial intermediation		6,659	58,056	369,415	20,298	160,610	415,171
Other operating income (expenses)		(56,962)	(259,410)	(467,549)	(98,804)	(331,048)	(534,845)
Service revenues	35	30,354	55,825	36,398	30,483	56,135	36,924
Personnel expenses	36	(75,728)	(147,882)	(182,836)	(85,448)	(163,187)	(200,597)
Other administrative expenses	37	(36,426)	(84,018)	(92,111)	(47,883)	(108,178)	(124,455)
Other operating income	38	110,514	128,934	15,498	119,662	141,663	30,898
Other operating expenses	39	(30,263)	(109,974)	(124,527)	(37,642)	(128,137)	(176,096)
Equity in the results of subsidiaries	13	22,050	17,314	(19,619)	(301)	(230)	(891)
Provision / reversal for contingent liabilities	22.a	(77,363)	(107,574)	(150,330)	(79,575)	(117,079)	(150,606)
Provisions for guarantees provided		(100)	(12,035)	49,978	(100)	(12,035)	49,978
Operating result		(50,303)	(201,354)	(98,134)	(78,506)	(170,438)	(119,674)
Other non operating income (expenses)		3,293	2,467	442	3,895	3,602	704
(Provision) for impairment of assets not for own use		(10,901)	(40,278)	5,950	(10,452)	(43,418)	5,689
Non operating result	40	(7,608)	(37,811)	6,392	(6,557)	(39,816)	6,393
Profit (loss) before taxes		(57,911)	(239,165)	(91,742)	(85,063)	(210,254)	(113,281)
Income tax and social contribution	14.d	(5,888)	(5,888)	(12,275)	(9,109)	(13,192)	(13,306)
Deferred taxes	14.d	126,464	(215,444)	102,364	132,881	(252,432)	121,885
Loss for the period		62,665	(460,497)	(1,653)	38,709	(475,878)	(4,702)

The accompanying notes are an integral part of these individual and consolidated financial statements.

Statement of comprehensive income
Years and semester ended December 31
(In thousands of reais)

	Bank			Consolidated		
	2nd Half 2020	2020	2019	2nd Half 2020	2020	2019
Profit (Loss) for the period	62,665	(460,497)	(1,653)	38,709	(475,878)	(4,702)
Other comprehensive results which will be reclassified subsequently for net income (loss)	(4,549)	(4,833)	(1,954)	(4,549)	(4,833)	(1,954)
Securities available for sale						
Own	(8,271)	(8,747)	(3,256)	(8,271)	(8,747)	(3,256)
Deferred taxes of own securities	3,722	3,914	1,302	3,722	3,914	1,302
Comprehensive profit (loss) for the period	58,116	(465,330)	(3,607)	34,160	(480,711)	(6,656)

The accompanying notes are an integral part of these individual and consolidated financial statements.

Statement of changes in shareholders' equity
Years and semester ended December 31
(In thousands of reais)

	<u>Capital reserves</u>					<u>Total</u>
	<u>Capital Stock</u>	<u>Treasury Share</u>	<u>Goodwill of the issues of shares</u>	<u>Other Comprehensive Income</u>	<u>Accumulated (Loss)/Profit</u>	
Balance at January 1, 2019	2,956,864	(55,105)	899	2,220	(1,369,885)	1,534,993
Other comprehensive results	-	-	-	(1,954)	-	(1,954)
Loss for the year	-	-	-	-	(1,653)	(1,653)
Balance at December 31, 2019	2,956,864	(55,105)	899	266	(1,371,538)	1,531,386
Variation in the year	-	-	-	(1,954)	(1,653)	(3,607)
Balances at January 1, 2020	2,956,864	(55,105)	899	266	(1,371,538)	1,531,386
Other comprehensive results	-	-	-	(4,833)	-	(4,833)
Loss for the year	-	-	-	-	(460,497)	(460,497)
Balances at December 31, 2020	2,956,864	(55,105)	899	(4,567)	(1,832,035)	1,066,056
Variation in the year	-	-	-	(4,833)	(460,497)	(465,330)
Balances at July 1, 2020	2,956,864	(55,105)	899	(18)	(1,894,700)	1,007,940
Other comprehensive results	-	-	-	(4,549)	-	(4,549)
Net profit of the period	-	-	-	-	62,665	62,665
Balances at December 31, 2020	2,956,864	(55,105)	899	(4,567)	(1,832,035)	1,066,056
Variation in the period	-	-	-	(4,549)	62,665	58,116

The accompanying notes are an integral part of these individual and consolidated financial statements.

Statement of cash flows
Years and semester ended December 31
(In thousands of reais)

Cash flow from operating activities	Note	Bank			Consolidated		
		2nd Half 2020	2020	2019	2nd Half 2020	2020	2019
Profit (Loss) for the period		62,665	(460,497)	(1,653)	38,709	(475,878)	(4,702)
Adjustments to the Profit / (Loss)		(21,680)	550,610	(36,281)	(11,248)	601,506	11,100
Provision for expected loss to credit risk	11	197,106	398,734	120,814	190,088	382,871	212,930
Provision for contingent liabilities	22.a	77,363	107,574	150,330	79,575	117,079	150,606
Provision for loans linked to credit operations	32	12,544	(31,948)	(50,902)	12,544	(31,948)	(50,902)
Borrowings writ-offs Resolution 2.921/02	17	(173,448)	(173,448)	-	(173,448)	(173,448)	-
Other operating provisions		11,001	52,313	(73,974)	10,552	55,453	(73,712)
Depreciation and amortization	37	5,720	16,009	22,742	6,073	16,721	23,472
Tax credits and Deferred tax liabilities	14	(126,464)	215,444	(102,364)	(132,881)	252,432	(129,537)
Equity in the results of subsidiaries	13	(22,050)	(17,314)	19,619	301	230	891
Loss on sales of Property and equipment		(2,350)	(1)	7	(2,350)	(1)	7
Loss (Gain) on sales of assets held for sale	40	(1,596)	(2,923)	497	(2,196)	(4,053)	395
Exchange variations on cash and cash equivalents		494	(13,830)	(123,050)	494	(13,830)	(123,050)
Adjusted Profit		40,985	90,113	(37,934)	27,461	125,628	6,398
(Increase) decrease in interbank funds applied		207,613	384,418	193,396	(96)	(82)	(46)
(Increase) decrease in Securities		(25,029)	(102,974)	4,404,201	(15,245)	(91,991)	4,411,234
Decrease in derivatives		5,642	393,899	13,304	5,642	393,899	13,304
(Increase) decrease in credit portfolio and leasing operations		1,396,371	(1,124,968)	(1,252,998)	1,595,642	(829,660)	(1,242,995)
(Increase) decrease in foreign exchange portfolio - assets		1,201,199	431,303	(355,540)	1,201,199	431,303	(355,540)
Increase (decrease) in foreign exchange portfolio - liabilities		(363,424)	95,088	(26,228)	(363,424)	95,088	(26,228)
(Increase) in other financial instruments - assets		(379,121)	(596,030)	(238,495)	(457,765)	(755,052)	(428,992)
Increase (decrease) in funds obtained in the market		(2,053,504)	1,530,915	(2,824,063)	(2,067,843)	1,535,795	(2,783,217)
Income tax and social contribution paid		-	-	-	(2,839)	(5,488)	(4,799)
Interest payment		(19,949)	(150,980)	(370,811)	(19,949)	(150,980)	(370,811)
Contingencies payment	22.a	(22,482)	(38,785)	(32,471)	(32,319)	(43,698)	(32,471)
Interest received		384,578	640,779	224,239	457,624	793,958	427,650
(Decrease) increase in other liabilities		(40,088)	(71,916)	91,257	(34,973)	(81,741)	109,823
(Decrease) increase in other financial instruments - liabilities		(25,076)	(54,010)	(81,300)	4,932	1,994	1,713
Net cash provided by (used in) operating activities		307,715	1,426,852	(293,443)	304,047	1,418,973	(274,977)
Cash flow from investing activities							
Sales of assets not for own use		15,087	21,664	19,709	18,678	29,453	17,195
Acquisition and sale of Property and equipment		2,223	2,188	(762)	2,223	2,188	(764)
Acquisition of Intangible assets		(842)	(1,429)	(1,693)	(841)	(1,428)	(1,696)
Dividends and interest on own capital received		-	-	16,000	-	-	-
Net cash provided by investing activities		16,468	22,423	33,254	20,060	30,213	14,735
Cash flow from financing activities							
Increase in borrowings and onlending resources		8,236,899	19,867,590	17,811,752	8,236,899	19,867,590	17,811,752
Increase (decrease) in subordinated debts		-	(1,110,499)	(353,530)	-	(1,110,499)	(353,530)
Increase debt instruments eligible to capital		(63,322)	200,342	77,765	(63,322)	200,342	77,765
Repayment of borrowings		(10,006,492)	(19,956,346)	(19,678,273)	(10,006,492)	(19,956,346)	(19,678,273)
Net cash used in financing activities		(1,832,915)	(998,913)	(2,142,286)	(1,832,915)	(998,913)	(2,142,286)
Increase (decrease) in cash and cash equivalents		(1,508,732)	450,362	(2,402,475)	(1,508,808)	450,273	(2,402,528)
Cash and cash equivalents at the beginning of the period	4	2,560,080	586,662	2,866,087	2,560,220	586,815	2,866,293
Exchange variations on cash and cash equivalents		(494)	13,830	123,050	(494)	13,830	123,050
Cash and cash equivalents at the end of the period	4	1,050,854	1,050,854	586,662	1,050,918	1,050,918	586,815
Increase (decrease) in cash and cash equivalents		(1,508,732)	450,362	(2,402,475)	(1,508,808)	450,273	(2,402,528)

The accompanying notes are an integral part of these individual and consolidated financial statements.

Notes to the individual and consolidated financial statements

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

1. OPERATIONS

China Construction Bank (Brasil) Banco Múltiplo S.A. ("CCB Brasil"), headquartered at Avenida Brigadeiro Faria Lima, 4.440, São Paulo - SP, Brazil, is a privately-held corporation controlled by 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 Central Bank of Brazil) 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 throughout the national territory in the markets: lease, credit, financing and investments, distribution of securities and credit card administration, and has a 50% stake in a joint venture aimed at operations in the Factoring and Forfeiting market.

2. PRESENTATION OF FINANCIAL STATEMENTS
a) Presentation of financial statements

Individual financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A. - CCB Brasil, including overseas facilities, and consolidated financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A. - CCB Brasil and subsidiaries have been prepared based on Brazilian accounting practices applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN) and provided for in the Brazilian Corporate Law - Law 6,404/76 as amended by Laws 11,638/07 and 11,941/09 together with rules and instructions of the National Monetary Council - CMN and BACEN.

CMN Resolution 4,818/2020 and BACEN Resolution BCB 02/2020, which revoked BACEN Circular 3,959/2019, established general criteria and procedures for financial statements' preparation and disclosure. These Resolutions are effective since January 1, 2021 and are applicable as of that date, covering financial statements as of December 31, 2020. These standards, among other requirements, included presentation of the Statement of Comprehensive Income and disclosure in a separate Note of recurring and non-recurring income as disclosed in the note 42.

We emphasize that, according to option provided for in Article 23 of BCB Resolution 02/2020, CCB Brasil chose to present Balance Sheet accounts in decreasing order of liquidity and enforceability, with no separation between current and non-current, the segregation of which is presented in the explanatory notes. In addition, because of adoption of the mentioned standard, comparative figures were reclassified as follows:

Assets		2019	
From	To	BANK	CONSOLIDATED
Cash and cash equivalents	Cash and cash equivalents	93,665	93,818
Interbank funds applied	Interbank funds applied	1,258,802	498,446
Securities and Derivative Financial Instruments	Securities	4,790,396	4,801,379
	Derivatives	425,125	425,125
Interbank accounts	Other assets	4,770	4,770

Notes to the individual and consolidated financial statements

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

Loans	Credit Portfolio and leasing operations	7,959,280	8,715,026
Lease operations		-	88,748
Other receivables	Other assets	49,585	51,617
	Credit portfolio and leasing operations	285,442	286,060
	Foreign exchange operations	1,506,955	1,506,955
	Other financial instruments	477,725	478,431
	Tax credits	1,219,978	1,318,325
	Presumed tax credit – Law 12,838/13	380,662	380,662
	Taxes to be offset	23,623	47,120
Other assets	Other assets	25,328	26,567
	Non-financial assets held for sale	377,652	392,608
Investments	Investments in domestic subsidiaries	322,528	-
	Other investments	644	645
Fixed assets	Property and equipment	31,660	33,349
Intangible	Intangible	2,867	7,275
Allowance for loan losses	Allowance for expected loss to credit risk	(297,005)	(390,250)
Allowance for doubtful lease receivables		-	(7,420)
Allowance for losses		(154,038)	(154,053)
Provision to devaluation of other assets	Provision for impairment	(149,489)	(157,382)
Total assets		18,636,155	18,447,821

Liabilities		2019	
		BANK	CONSOLIDATED
From	To		
Deposits	Funds obtained in the market	3,821,648	3,587,730
	Funds obtained in the open market	3,628,601	3,603,526
	Funds from acceptance and issuance of securities	1,386,905	1,386,905
Other liabilities	Other liabilities	69,344	91,299
	Foreign exchange operations	17,768	17,768
	Subordinated debt	1,110,499	1,110,499
	Other financial instruments	116,619	6,958
	Provisions	1,010,406	1,054,932
	Debt instruments eligible to capital	692,555	692,555
	Presumed tax credit – Law 12838/13	82,139	82,139
	Tax Liabilities - Current Taxes	27,376	32,195
	Tax Liabilities - Deferred taxes	241,382	290,799
Interbranch accounts (liabilities)	Other liabilities	66,006	66,006
Borrowings	Borrowings and onlendings	4,527,706	4,527,706
	Local onlendings – Official institutions	223,975	223,975
	Foreign onlendings	46,350	46,350
Derivative financial instruments	Derivatives	14,890	14,890
Deferred income	Other liabilities	20,600	20,600

Notes to the individual and consolidated financial statements

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

Capital - Domestic	Capital stock	2,956,864	2,956,864
Capital reserves	Capital reserves	899	899
Valuation Adjustments to equity	Other comprehensive income	266	266
Accumulated deficit	Accumulated losses	(1,371,538)	(1,311,935)
Treasury shares	Treasury shares	(55,105)	(55,105)
Total liabilities		18,636,155	18,447,821

Statement of income
2019

From	To	BANK	CONSOLIDATED
Deferred tax assets	Deferred taxes	158,400	183,621
Funds obtained in the market	Results from interbank funds applied and securities	(1,718)	(1,718)
	Funds obtained in the market	(579,848)	(566,324)
	Debt instruments eligible to capital	(78,427)	(78,427)
	Subordinated debt	(153,278)	(153,278)
Social contribution	Income tax and social contribution	(2,780)	(9,549)
	Deferred taxes	(50,183)	(49,486)
Personnel expenses	Personnel expenses	(182,836)	(200,597)
Taxes	Other operating expenses	(21,232)	(27,760)
Borrowings, assignments and onlendings	Borrowings and onlendings	(479,884)	(479,884)
Income tax	Income tax and social contribution	(9,495)	(3,757)
	Deferred taxes	(5,853)	(12,250)
Leases operations	Loans and lease operations	-	5,433
Loan operations		719,672	892,506
Sales or assignment of financial assets	Other financial intermediation expenses	3,536	3,536
		(29,752)	-
Other administrative expenses	Other administrative expenses	(92,111)	(124,455)
Other operating expenses	Other operating expenses	(130,445)	(175,526)
	Borrowings and onlendings	(8,239)	(8,239)
	Provision / reversal for contingent liabilities	(150,330)	(150,606)
	Results from Interbank funds applied and securities	(368)	(368)
Other operating income	Loans and lease operations	10,963	11,075
	Other operating income	15,493	30,893
	Borrowings and onlendings	50,902	50,902
	Other operating expenses	27,150	27,190
	Provision for guarantees provided	49,978	49,978
Allowance for loan losses	Provision for expected loss to credit risk	(120,814)	(212,930)
Income from bank services	Service revenues	1,668	1,668
Service revenues	Service revenues	34,730	35,256
Derivative financial instruments	Derivatives	58,570	58,570
Compulsory investments	Other operating income	5	5

Notes to the individual and consolidated financial statements

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

Foreign exchange transactions	Foreign exchange results	154,050	154,050
Equity in the results of subsidiaries	Equity in the results of subsidiaries	(19,619)	(891)
Securities	Results from interbank funds applied and securities	824,050	740,267
Non-operating result	Non-operating result	442	704
	(Provision) for impairment of assets not for own use	5,950	5,689
Total		(1,653)	(4,702)

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

The issue of financial statements was approved by the Board of Directors on March 25, 2021.

b) Restatement of consolidated financial statements of December 31, 2019

After issuance of original financial statements as of December 31, 2019 of China Construction Bank (Brasil) Banco Múltiplo S.A. - CCB Brasil and its subsidiaries on March 24, 2020, Management identified the need to fix an error of incorrect classification in caption "Prior Years' Adjustments" related to expenses with deferred social contribution liabilities on hedge accounting in the shareholders' equity, in the amount of R\$ 5,637. The deferred social contribution liabilities expense was reclassified to "Deferred Taxes" in the consolidated statement of income for the six-month period and year ended December 31, 2019.

The deferred social contribution expense was reclassified to "Deferred Taxes" in the consolidated income statement for the year ended December 31, 2019.

Thus, the financial statements of the Consolidated for the year ended December 31, 2019 were adjusted and are restated.

A summary of the reclassification adjustment is as follows:

b.1) Statement of income – year ended December 31, 2019

The reclassification adjustment in the amount of R\$ 5,637 was made as a contra-entry to caption "Deferred Taxes", in accordance with new reclassification reported in note 2.a and presented below.

Notes to the individual and consolidated financial statements

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

	CONSOLIDATED		
	2019 (Reclassified balance/note 2a)	Adjustment	Restatement
Operating result	(119,674)	-	(119,674)
Non operating result	6,393	-	6,393
Profit (loss) before taxes	(113,281)	-	(113,281)
Income tax and social contribution	(13,306)	-	(13,306)
Deferred taxes	127,522	(5,637)	121,885
Profit (Loss) for the period	935	(5,637)	(4,702)

c) Restatement of explanatory note on December 31, 2019

In addition, explanatory note 14.a - Tax Credit - Realization of tax credits was revised in order to adequately reflect annual values estimated for the next ten years of respective realization of enabled tax credits of the Bank and Consolidated on December 31, 2019, in accordance with studies prepared by Management and explanatory note 14.d - Statement of income tax and social contribution calculation in order to reflect reclassification adjustment of deferred social contribution liability expenses, as disclosed in item b.1 above.

d) Consolidated financial statements

For preparation of consolidated financial statements, balance sheet balances and results from transactions between group companies were eliminated.

Direct and indirect subsidiaries in consolidation scope are as follows:

Investment	%
CCB Brasil Arrendamento Mercantil S.A.	100
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A.	100
CCB Brasil Informática S.A.	100
CCB Brasil Administradora de Cartões de Crédito Ltda.	100
CCB Brasil S.A. Crédito, Financiamentos e Investimentos	100
CCB Brasil Promotora de Vendas Ltda.	100
CCB Brasil Cobrança Ltda.	100

Conciliation of income and shareholders' equity of CCB Brasil (BANK) x CCB Brasil (CONSOLIDATED).

	2nd half of		
	2020	2020	2019
Income (loss) for the year (Bank)	62,665	(460,497)	(1,653)
Retail portfolio hedge accounting (net of tax effects)	(22,547)	(14,973)	(1,546)
Provision for loans granted to subsidiary CCB Brasil Financeira	(1,409)	(408)	(1,503)
Consolidated income (loss) for the year	38,709	(475,878)	(4,702)

Notes to the individual and consolidated financial statements

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

	2020	2019
Shareholders' equity for the year (Bank)	1,066,056	1,531,386
Retail portfolio hedge accounting (net of tax effects)	41,371	56,344
Provision for loans granted to subsidiary CCB Brasil Financeira	2,851	3,259
Shareholders' equity for the year (Consolidated)	1,110,278	1,590,989

3. SIGNIFICANT ACCOUNTING POLICIES
a) Functional currency

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

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

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

d) Securities

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

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

Notes to the individual and consolidated financial statements

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

corresponding entry to the income (loss) for the year.

e) Derivative financial instruments

Evaluation is carried out based on market value and resulting valuations and devaluations are recorded in income (loss) for the year.

f) Loan portfolio and provision for expected credit risk loss

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

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

g) Credit assignment

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

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

- **Operations with substantial transfer of risks and rewards:** transactions in which seller or assignor substantially transfer all property risks and benefits of the financial asset that is the object of the transaction such as: (I) unconditional sale of financial asset; (II) sale of financial asset together with repurchase option at fair value of that asset at the time of repurchase; and (III) sale of financial asset together with call or put option whose exercise is improbable. In this category, asset that is the object of assignment is written off at transaction time and income is recognized in profit or loss through transfer of financial assets.

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

Notes to the individual and consolidated financial statements

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

applied on assignment. These amounts are recorded in financial assets' transfer revenue account (assets) and financial assets' transfer expense account (liabilities) over the term of assigned transactions.

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

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

h) Non-financial assets held for sale

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

i) Ownership interest

Ownership interests in individual financial statements are valued under the equity method.

j) Tax assets and liabilities

Income tax and social contribution are recorded under "Adjusted Income" under the terms of tax legislation, at rates of 15%, plus an additional 10% above a certain income tax level and 15% of income before deduction of income tax for social contribution taxes up to February 2020, as Law 13,169/15 and as of March 2020, the Bank started adopting the rate of 20% as Constitutional amendment 103/19. Subsidiaries maintained the rate of 15%. Tax credits and deferred tax liabilities recorded as of December 31, 2020 and 2019 were calculated by applying a rate of 20% on social contribution and 25% of income tax, considering that realization or settlement will take place when new rate is effective.

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

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

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

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

- **Contingent assets:** are not recognized in accounting books, except when there is a favorable final court decision, and such assets are characterized as practically certain. Assets with probable likelihood of

Notes to the individual and consolidated financial statements

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

success are only disclosed in notes. CCB Brasil does not have contingent assets with probable likelihood of success.

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

m) Accounting estimates

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

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

4. CASH AND CASH EQUIVALENTS

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Cash and cash equivalents	168,495	93,665	168,559	93,818
Money market repurchase commitments	733,997	229,999	733,997	229,999
Investments in foreign currencies	148,362	262,998	148,362	262,998
Total	1,050,854	586,662	1,050,918	586,815

5. INTERBANK FUNDS APPLIED

	BANK		CONSOLIDATED	
	2020	2019	2020	2019

Notes to the individual and consolidated financial statements

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

Money market repurchase commitments	733,997	229,999	733,997	229,999
Interbank deposit investments	381,387	765,805	5,531	5,449
Investments in foreign currencies	148,362	262,998	148,362	262,998
Total	1,263,746	1,258,802	887,890	498,446

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Current	1,262,638	710,368	886,782	498,446
Non-current	1,108	548,434	1,108	-
Total	1,263,746	1,258,802	887,890	498,446

6. SECURITIES

a) Operation policy

Destination of securities is evaluated upon acquisitions, and formed portfolio is evaluated upon half-annual balance sheet. For securities held to maturity, Management declares its intention and financial capacity to maintain them up to maturity.

b) Securities portfolio by category and type

	2020							
	BANK							CONSOLIDATED
	Up to 90 days	91–360 days	Total current	Non-current	Total account amount	Adjusted cost	Market value	Total account amount
Securities available for sale	398,526	611,054	1,009,580	3,791,369	4,800,949	4,809,252	4,800,949	4,800,949
Own portfolio (*)	8,456	58,347	66,803	869,818	936,621	937,968	936,621	936,621
Financial Treasury								
Bills	8,456	58,347	66,803	869,818	936,621	937,968	936,621	936,621
Linked to repurchase and resale agreements	390,070	281,757	671,827	2,868,031	3,539,858	3,546,573	3,539,858	3,539,858
Financial Treasury								
Bills	390,070	281,757	671,827	2,868,031	3,539,858	3,546,573	3,539,858	3,539,858
Related to guarantees provided (**)	-	270,950	270,950	53,520	324,470	324,711	324,470	324,470
Financial Treasury								
Bills	-	270,950	270,950	53,520	324,470	324,711	324,470	324,470
Securities held to maturity	83,674	-	83,674	-	83,674	83,674	83,674	83,674
Own portfolio	83,674	-	83,674	-	83,674	83,674	83,674	83,674
Quotas - FIDC	83,674	-	83,674	-	83,674	83,674	83,674	83,674
Total	482,200	611,054	1,093,254	3,791,369	4,884,623	4,892,926	4,884,623	4,884,623

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

(**) Book balance includes R\$ 322,352 in Bank and Consolidated referring to margin deposited in guarantee of transactions with derivative financial instruments and R\$ 2,118 in Bank and Consolidated referring to lawsuits.

Notes to the individual and consolidated financial statements
 In thousands of reais - R\$, unless otherwise indicated.

	2019							CONSOLIDATED
	BANK							
	Up to 90 days	91–360 days	Total current	Non- current	Total account amount	Adjusted cost	Market value	Total account amount
Securities available for sale	6,743	3,402,300	3,409,043	1,300,265	4,709,308	4,708,864	4,709,308	4,720,291
Own portfolio (*)	136	616,994	617,130	432,132	1,049,262	1,049,168	1,049,262	1,049,262
Financial Treasury								
Bills	136	616,994	617,130	432,132	1,049,262	1,049,168	1,049,262	1,049,262
Subject to purchase and sale commitments	6,607	2,758,304	2,764,911	866,071	3,630,982	3,630,632	3,630,982	3,630,982
Financial Treasury								
Bills	6,607	2,758,304	2,764,911	866,071	3,630,982	3,630,632	3,630,982	3,630,982
Related to guarantees provided (**)	-	27,002	27,002	2,062	29,064	29,064	29,064	40,047
Financial Treasury								
Bills	-	27,002	27,002	2,062	29,064	29,064	29,064	40,047
Securities held to maturity	-	-	-	81,088	81,088	81,088	81,088	81,088
Own portfolio	-	-	-	81,088	81,088	81,088	81,088	81,088
Quotas - FIDC	-	-	-	81,088	81,088	81,088	81,088	81,088
Total	6,743	3,402,300	3,409,043	1,381,353	4,790,396	4,789,952	4,790,396	4,801,379

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

(**) Book balance includes R\$ 25,651 in Bank and Consolidated referring to margin deposited in guarantee of transactions with derivative financial instruments, R\$ 2,973 in Bank and R\$ 13,956 in Consolidated referring to lawsuits, and R\$ 440 in Bank and Consolidated referring to other guarantees.

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

In view of the Bank's business restructuring process, where, among other results, the growth of credit assets was expected, as well as the proximity of the maturity of subordinated debts, in June, 2019 the Bank reclassified held-to-maturity securities in the amount of R\$ 1,813,505 for the category available for sale and, subsequently, in the second half of 2019, the sale of these securities was recorded, with a profit of R\$ 171,413.

7. DERIVATIVE FINANCIAL INSTRUMENT PORTFOLIO

a) Policy of use

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

Notes to the individual and consolidated financial statements

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

b) Protection against Exchange Rate Exposures

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

c) Portfolio Protection with Fixed Rates

CCB Brasil adopts the strategy of acquiring DI futures contracts, evaluating amount allocated per credit portfolio term and amount allocated per DI futures contracts' maturities. Bearing in mind that credit portfolio, which is the object of hedge, is distributed between the companies (Bank and Financial Institution), and in turn, future contracts are all concentrated in the Bank, determination of fair value hedge of this relationship was applied only in consolidated balance sheet. Hedge coverage is daily monitored and assessed on a quarterly basis for the purpose of maintaining accounting hedge and making it effective. It complies with criteria that consider total portfolio less delayed payments and prepayment. The Bank's Treasury assesses the need to buy or sell new DI futures contracts to offset adjustment to market value of hedge object and guarantee hedge effectiveness ranging 80–125%, considering relationship between market change of protected layer, designated hedge object and market change of DI futures contracts.

d) Risk management

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

The main risk factors for derivatives assumed on December 31, 2020 were related to exchange rate, interest rate and dollar coupon, which aim maximizing risk and return ratios, even in situations of high volatility. Portfolios' risk management control is carried out using metrics VaR (trading portfolio), EVE and NII (banking portfolio), Profitability and Liquidity Risk.

e) Measurement criteria of market value

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

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

f) Recognition of amounts

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

Notes to the individual and consolidated financial statements
In thousands of reais - R\$, unless otherwise indicated.

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

Operations that use financial instruments carried out upon a request from clients, or that do not fulfill the protection criteria (especially derivatives utilized to manage global risk exposure up to December 31, 2020), are recorded at market value, with realized and unrealized gains and losses, recorded directly in the statement of income.

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

The outstanding derivative financial instruments at December 31, 2020 have the following characteristics:

BANK AND CONSOLIDATED							Reference value				
							Net position of assets' and (liabilities) contracts				
							Falling due up to 03 months	Falling due 03–12 months	Total current	Non-current	Total
	Current	Non-current	Differential receivable	Current	Non-current	Differential payable					
Swap contracts											
Interbank market	3,047	3,051	6,098	8	872	880	75,048	14,221	89,269	5,005	94,274
Foreign currency	31,256	39,367	70,623	16,312	34,000	50,312	(89,040)	(53,387)	(142,427)	(5,005)	(147,432)
Fixed rate	827	-	827	-	-	-	13,992	39,166	53,158	-	53,158
Subtotal	35,130	42,418	77,548	16,320	34,872	51,192	-	-	-	-	-
Adjustment to market value	962	2,336	3,298	(826)	1,498	672	-	-	-	-	-
Total	36,092	44,754	80,846	15,494	36,370	51,864	-	-	-	-	-
Forward contracts/Non-deliverable forwards - NDF											
Forward purchase/NDF	10,674	1,782	12,456	28,647	1,018	29,665	312,111	348,171	660,282	41,184	701,466
Forward sale/NDF	5,268	-	5,268	704	-	704	315,265	67,872	383,137	-	383,137
Subtotal	15,942	1,782	17,724	29,351	1,018	30,369	-	-	-	-	-
Total	52,034	46,536	98,570	44,845	37,388	82,233					
Futures contracts (*)											
Purchase - Interbank market	42	-	42	7	-	7	36,495	310,734	347,229	51,255	398,484
Sale - Interbank market	17	-	17	664	-	664	(415,790)	(214,966)	(630,756)	(1,070,498)	(1,701,254)
Buy - DDI - For. cur. coupon	228	-	228	3,331	-	3,331	383,089	1,498,342	1,881,431	-	1,881,431
Sale - DDI - For. cur. coupon	937	-	937	134	-	134	(498,003)	(262,938)	(760,941)	(53,669)	(814,610)
Purchase - Foreign currency	236	-	236	4,313	-	4,313	1,756,936	-	1,756,936	-	1,756,936
Sale - Foreign currency	3,880	-	3,880	474	-	474	(1,871,734)	-	(1,871,734)	-	(1,871,734)
Total	5,340	-	5,340	8,923	-	8,923					

(*) Amounts payable and amounts receivable from futures contracts are presented under captions Other financial instruments – Assets (Note 10) and Other financial instruments – Liabilities (note 20).

The outstanding derivative financial instruments at December 31, 2019 have the following characteristics:

BANK AND CONSOLIDATED							Reference value				
							Net position of assets' and (liabilities) contracts				
							Falling due up to 03 months	Falling due 03–12 months	Total current	Non-current	Total
	Current	Non-current	Differential receivable	Current	Non-current	Differential payable					
Swap contracts											
Interbank market	5,265	2,181	7,446	-	2,130	2,130	83,471	(132,377)	(48,906)	(19,977)	(68,883)
Foreign currency	374,890	30,783	405,673	3,048	4,326	7,374	(187,454)	97,838	(89,616)	19,977	(69,639)

Notes to the individual and consolidated financial statements
In thousands of reais - R\$, unless otherwise indicated.

Fixed rate	2,048	1,431	3,479	-	1,371	1,371	103,983	34,539	138,522	-	138,522
Subtotal	382,203	34,395	416,598	3,048	7,827	10,875	-	-	-	-	-
Adjustment to market value	5,515	2,773	8,288	148	95	243	-	-	-	-	-
Total	387,718	37,168	424,886	3,196	7,922	11,118	-	-	-	-	-
Forward contracts/Non-deliverable forwards - NDF											
Forward purchase/NDF	60	-	60	3,405	136	3,541	53,978	66,747	120,725	7,029	127,754
Forward sale/NDF	179	-	179	231	-	231	(26,231)	(28,864)	(55,095)	-	(55,095)
Subtotal	239	-	239	3,636	136	3,772	-	-	-	-	-
Total	387,957	37,168	425,125	6,832	8,058	14,890	-	-	-	-	-
Futures contracts (*)											
Purchase - Interbank market	4	-	4	1	-	1	-	75,575	75,575	10,896	86,471
Sale - Interbank market	9	-	9	753	-	753	(96,998)	(783,356)	(880,354)	(1,007,887)	(1,888,241)
Buy - DDI - For. cur. coupon	-	-	-	1,697	-	1,697	173,774	81,114	254,888	-	254,888
Sale - DDI - For. cur. coupon	418	-	418	-	-	-	-	(49,746)	(49,746)	(9,752)	(59,498)
Purchase - Foreign currency	-	-	-	4,493	-	4,493	-	659,681	659,681	-	659,681
Sale - Foreign currency	5,725	-	5,725	1	-	1	-	(848,814)	(848,814)	-	(848,814)
Total	6,156	-	6,156	6,945	-	6,945	-	-	-	-	-

(*) Amounts payable and amounts receivable from futures contracts are presented under captions Other financial instruments – Assets (Note 10) and Other financial instruments – Liabilities (note 20).

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:

BANK AND CONSOLIDATED

Title	Maturity	2020		2019	
		Fair value	Book value	Fair value	Book value
LFT	09/01/2020	-	-	25,651	25,651
LFT	09/01/2021	269,455	269,455	-	-
LFT	03/01/2022	26,350	26,350	-	-
LFT	03/01/2023	26,547	26,547	-	-

g) Hedge accounting
Credit Transaction for Individuals

CCB Brasil has payroll loan portfolios for civil servants and retirees, and vehicle financing transactions. Loans are granted at fixed rates, exposing CCB Brasil to market risk arising from changes in interbank deposits (CDI) reference rate, index in which CCB Brasil's cost of funding and risk management are controlled. Thus, to cover fixed rate risk to CDI fluctuations, beginning as of January 2017, the Bank's treasury acquires DI futures contracts considering the ratio between quantities x maturities that offsets effect from hedge object adjustment to market value; and effects of this fair value hedge structure are recognized exclusively in consolidated financial statements.

Notes to the individual and consolidated financial statements

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

2020	Hedged object			Hedge instrument	
	Curve value	Fair value	Ineffectiveness Value	Nominal value	Changes in amount recognized in income (loss)
	Assets	Assets			
Interest rate risk					
Loan transaction hedge	1,379,522	1,454,742	10,036	1,555,731	65,184
Total	1,379,522	1,454,742	10,036	1,555,731	65,184

2019	Hedged object			Hedge instrument	
	Curve value	Fair value	Ineffectiveness Value	Nominal value	Changes in amount recognized in income (loss)
	Assets	Assets			
Interest rate risk					
Loan transaction hedge	1,337,367	1,439,810	10,331	1,660,140	92,112
Total	1,337,367	1,439,810	10,331	1,660,140	92,112

8. CREDIT AND LEASE PORTFOLIO

a) Breakdown per type of operation

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Export financing	3,289,695	2,056,261	3,289,695	2,056,261
Working capital and discounts	2,986,839	3,077,226	2,994,105	3,086,220
Payroll loans	1,562,843	1,763,711	2,031,727	2,553,281
Import financing	399,422	310,159	399,422	310,159
Rural and agribusiness financing	252,607	521,873	252,607	521,873
Vehicle financing	56,332	7,663	71,987	65,079
Debtors in purchase of assets	36,744	54,807	36,744	54,807
Loan operations subject to assignment (*)	50,065	101,332	-	-
Guarantee paid	-	16,789	-	16,789
Other	372,269	334,901	373,361	336,617
Loans	9,006,816	8,244,722	9,449,648	9,001,086
Leases	-	-	67,875	88,748
Total loan operations and lease	9,006,816	8,244,722	9,517,523	9,089,834
Advances on exchange contracts (**)	906,075	1,491,412	906,075	1,491,412
TOTAL	9,912,891	9,736,134	10,423,598	10,581,246

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

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

b) Diversification by sector of activity

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Private sector	8,276,783	7,835,702	8,344,658	7,924,450
Other services	1,904,217	2,333,039	1,958,185	2,409,898
Industry	3,893,408	3,326,167	3,898,598	3,328,507
Trade	2,200,942	1,948,674	2,209,659	1,958,223

Notes to the individual and consolidated financial statements

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

Agribusiness	278,216	227,822	278,216	227,822
Individuals	1,636,108	1,900,432	2,078,940	2,656,796
Total	9,912,891	9,736,134	10,423,598	10,581,246

c) Diversification per periods – per installment

	BANK				CONSOLIDATED			
	2020	%	2019	%	2020	%	2019	%
Past due as of 15 days	51,654	0.52	114,939	1.18	59,145	0.57	124,126	1.17
Up to 3 months	2,017,673	20.35	2,358,437	24.22	2,074,028	19.89	2,539,028	24.00
03–12 months	4,094,678	41.31	3,609,054	37.07	4,229,777	40.58	3,818,834	36.09
Total current	6,164,005	62.18	6,082,430	62.47	6,362,950	61.04	6,481,988	61.26
Non-current	3,748,886	37.82	3,653,704	37.53	4,060,648	38.96	4,099,258	38.74
Total	9,912,891	100	9,736,134	100	10,423,598	100	10,581,246	100

d) Breakdown of portfolio per levels of risk

Risk level	2020						
	BANK			CONSOLIDATED			
	Calculation basis	% (*)	Provision	Calculation basis	% (*)	Provision	
AA	2,566,450	25.89	-	2,641,730	25.35	-	
A	3,472,031	35.03	17,360	3,829,983	36.74	19,150	
B	2,320,838	23.41	23,208	2,336,113	22.41	23,361	
C	1,090,065	11.00	32,702	1,100,003	10.55	33,000	
D	8,717	0.09	872	9,086	0.09	909	
E	30,100	0.30	9,030	30,293	0.29	9,088	
F	14,113	0.14	7,056	14,417	0.14	7,208	
G	46,340	0.47	32,438	55,087	0.53	38,561	
H	364,237	3.67	364,237	406,886	3.90	406,886	
Total	9,912,891	100	486,903	10,423,598	100	538,163	

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

Risk level	2019						
	BANK			CONSOLIDATED			
	Calculation basis	% (*)	Provision	Calculation basis	% (*)	Provision	
AA	3,082,405	31.66	-	3,184,922	30.10	-	
A	3,862,861	39.68	19,314	4,485,503	42.39	22,427	
B	2,268,573	23.30	22,686	2,281,420	21.56	22,814	
C	94,340	0.97	2,830	98,457	0.93	2,953	
D	1,159	0.01	116	2,036	0.02	204	
E	5,375	0.06	1,613	6,140	0.06	1,842	
F	9,190	0.09	4,595	11,071	0.10	5,536	
G	41,138	0.42	28,796	52,501	0.50	36,751	

Notes to the individual and consolidated financial statements

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

H	371,093	3.81	371,093	459,196	4.34	459,196
Total	9,736,134	100	451,043	10,581,246	100	551,723

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

e) Levels of risk concentration

	CONSOLIDATED			
	2020		2019	
	R\$	%	R\$	%
Major debtor	194,612	1.87	289,093	2.73
10 greatest debtors	1,665,243	15.98	2,046,675	19.34
100 main debtors	6,644,517	63.74	6,471,036	61.16

f) Operations related to assignment

f1) Interbank credit assignment

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

These assignments are classified in category “transactions with substantial risk and benefit retention” and present the balance of R\$ 50,065 (December/2019 - R\$ 101,332), and amount recorded as obligations from credit transactions linked to the assignment is R\$ 53,657 (December/2019 - R\$ 109,662). Expenses from linked obligations recognized in the year amounted to R\$ 16,670 (December/2019 - R\$ 29,752), and are in the Statement of Income under “Other financial intermediation expenses” (Note 31), deriving from “pro rata temporis” appropriation over the term of each assigned contract. Granting is subject to application of CMN Resolution 2,682/99 for the purpose of classifying credit risk and recognizing an allowance for doubtful accounts.

9. FOREIGN EXCHANGE TRANSACTIONS

	BANK AND CONSOLIDATED	
	2020	2019
Assets		
Purchased foreign exchange to be settled	1,008,455	1,484,340
Receivables from foreign exchange sales	47,941	11,719
Earnings receivable from granted advances	21,152	13,462
Advances received in national currency	(1,896)	(2,566)
Total	1,075,652	1,506,955
Current	1,075,652	1,506,955
Total	1,075,652	1,506,955

Notes to the individual and consolidated financial statements
In thousands of reais - R\$, unless otherwise indicated.

	BANK AND CONSOLIDATED	
	2020	2019
Liabilities		
Obligations from foreign currency purchases	936,073	1,484,093
Advances on exchange contracts	(884,923)	(1,477,950)
Sold foreign exchange to be settled	61,706	11,625
Total	112,856	17,768
Current	112,856	17,768
Total	112,856	17,768

10. OTHER FINANCIAL INSTRUMENTS - ASSETS

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Debtors of guarantee deposits (Note 22.a)	424,305	437,366	430,899	443,444
Income receivable	24,250	24,931	14,750	16,410
Securities and credits receivable	7,313	9,272	11,647	12,421
Securities clearing accounts	5,340	6,156	5,340	6,156
Total	461,208	477,725	462,636	478,431
Current	28,181	31,074	18,682	23,193
Non-current	433,027	446,651	443,954	455,238
Total	461,208	477,725	462,636	478,431

11. PROVISION FOR EXPECTED CREDIT RISK LOSS

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Opening balance	480,808	451,043	469,025	554,735	551,723	539,934
Increase/reversal of provision for credits for the year	197,106	398,734	120,814	190,088	382,871	212,930
Subtotal	677,914	849,777	589,839	744,823	934,594	752,864
Write-offs to loss	(191,011)	(362,874)	(138,796)	(206,660)	(396,431)	(201,141)
Closing balance	486,903	486,903	451,043	538,163	538,163	551,723
Recovery of loans written off	6,945	6,945	31,615	(19,159)	(34,942)	51,730
Percentage of provision on portfolio	4.91	4.91	4.63	5.16	5.16	5.21
Current	225,281	225,281	226,288	258,559	258,559	289,145
Non-current	261,622	261,622	224,755	279,604	279,604	262,578
Closing balance	486,903	486,903	451,043	538,163	538,163	551,723

Notes to the individual and consolidated financial statements

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As of December 31, 2020, renegotiated contracts portfolio presented balance of R\$ 1,458,542 (December 2019 - R\$ 268,492) in the Bank and R\$ 1,654,395 (December 2019 - R\$ 516,695) in Consolidated and balance of provision for renegotiated credits of R\$ 116,062 (December 2019 - R\$ 231,262) at the Bank and R\$ 133,411 (December 2019 - R\$ 253,899) at Consolidated.

12. NON-FINANCIAL ASSETS HELD FOR SALE

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

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Real estate	292,825	348,666	295,465	351,306
Machinery and equipment	16,808	26,869	17,053	27,114
Vehicles and the like	1,230	1,488	5,542	7,659
Aircrafts	-	-	-	5,900
Other	624	629	624	629
Subtotal	311,487	377,652	318,684	392,608
Provision for impairment	(142,343)	(149,489)	(146,736)	(157,382)
Total	169,144	228,163	171,948	235,226

13. OWNERSHIP INTEREST

The main information of direct subsidiaries and jointly controlled by the Bank is as follows:

Company's name	2020						2019
	Number of shares/quotas held	% Interest	Shareholders' equity	Net income / (loss)	Equity in net income of subsidiaries	Book value of investments	Book value of investments
CCB Brasil Arrendamento Mercantil S.A.	180,920,168	100%	267,243	3,888	3,888	267,243	264,279
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A.	14,223,228	100%	21,068	237	237	21,068	20,887
CCB Brasil Informática S.A.	50,000	100%	780	2	2	780	776
CCB Brasil Administradora de Cartões de Crédito Ltda.	3,670,000	100%	7,985	(1,205)	(1,205)	7,985	9,192
CCB Brasil S.A. - CFI (*)	116,405,774	100%	37,634	16,014	14,622	37,634	27,394
Subtotal						334,710	322,528
Brasifactors S.A. (**)	62,931	50%	(4,692)	(460)	(230)	(2,346)	(2,116)
Total					17,314	332,364	320,412

(*) Investments book value includes goodwill net of amortizations amounting to R\$ - (December 2019 - R\$ 4,383), calculated upon acquisition of CCB Brasil S.A. - CFI and reclassified to Intangible assets in consolidated. Additionally, it includes adjustment to investment value recognized as a contra-entry to the Bank's equity in investees in the first semester of 2020 in the amount of R\$ 1,392, recognized by CCB Brasil S.A. - CFI in year ended December 31, 2019.

(**) As Brasifactors S.A. presented shareholders' deficit, amount equivalent to the Bank's interest is recorded in Other liabilities.

14. TAX ASSETS AND LIABILITIES

Notes to the individual and consolidated financial statements

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

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

	BANK					CONSOLIDATED	
	2019	Change in shareholders' equity	Realizations	Additions	Write-off - Resol. 3059/02	2020	2020
Income tax							
Provision for expected credit loss	195,229	-	(30,033)	110,949	-	276,145	293,571
Provision for impairment of non-operating assets	37,372	-	(12,594)	-	(12,703)	12,075	13,174
Provision for contingencies and others	267,084	2,076	(64,235)	53,327	(19,160)	239,092	249,292
Subtotal	499,685	2,076	(106,862)	164,276	(31,863)	527,312	556,037
Tax loss	174,173	-	(4,866)	-	(168,790)	517	3,067
Subtotal – Tax Credit IRPJ (corporate income tax)	673,858	2,076	(111,728)	164,276	(200,653)	527,829	559,104
Social contribution							
Provision for expected credit loss	156,183	-	(24,026)	88,759	-	220,916	231,372
Provision for impairment of non-operating assets	29,897	-	(10,076)	-	(10,161)	9,660	10,319
Provision for contingencies and others	213,669	1,661	(51,387)	42,660	(15,330)	191,273	197,394
Subtotal	399,749	1,661	(85,489)	131,419	(25,491)	421,849	439,085
Negative basis of accumulated social contribution	146,371	-	(3,892)	-	(142,065)	414	1,451
Subtotal – Tax Credit CSLL (social contribution on net income)	546,120	1,661	(89,381)	131,419	(167,556)	422,263	440,536
Total - Tax credit - IRPJ/CSLL	1,219,978	3,737	(201,109)	295,695	(368,209)	950,092	999,640

In addition to the aforementioned write-offs, Bank and Consolidated did not record new tax credits resulting from temporary differences in the amount of R\$ 74,121, as, according to estimates, there is not enough capacity to generate positive tax results in the next ten years to absorb such credits.

	BANK					CONSOLIDATED	
	2018	Realizations	Additions	Adjustments (CSLL) 5%	Write-off - Resol. 3059/02	2019	2019
Income tax							
Provision for expected credit loss	158,234	(3,244)	40,239	-	-	195,229	225,836
Provision for impairment of non-operating assets	38,857	(2,639)	1,154	-	-	37,372	39,452
Provision for contingencies and others	258,340	(69,450)	78,194	-	-	267,084	276,054
Subtotal	455,431	(75,333)	119,587	-	-	499,685	541,342
Tax loss	206,231	(8,458)	-	-	(23,600)	174,173	202,195
Subtotal – Tax Credit IRPJ (corporate income tax)	661,662	(83,791)	119,587	-	(23,600)	673,858	743,537
Social contribution							

Notes to the individual and consolidated financial statements

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

Provision for expected credit loss	94,940	(1,947)	24,144	39,046	-	156,183	174,547
Provision for impairment of non-operating assets	23,314	(1,583)	692	7,474	-	29,897	31,145
Provision for contingencies and others	155,006	(41,670)	46,916	53,417	-	213,669	219,051
Subtotal	273,260	(45,200)	71,752	99,937	-	399,749	424,743
Negative basis of accumulated social contribution	126,656	(4,069)	-	40,862	(17,078)	146,371	150,045
Subtotal – Tax Credit CSLL (social contribution on net income)	399,916	(49,269)	71,752	140,799	(17,078)	546,120	574,788
Total - Tax credit - IRPJ/CSSL	1,061,578	(133,060)	191,339	140,799	(40,678)	1,219,978	1,318,325

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

BANK											
Realization of tax credits											2020
Projected year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Projected value	145,825	65,219	91,178	75,415	192,046	34,723	3,741	362	362	341,221	950,092
Present value (*)	142,966	62,687	85,919	69,671	173,942	30,833	3,257	309	303	279,920	849,807
% Realization	15.3%	6.9%	9.6%	7.9%	20.2%	3.7%	0.4%	0.0%	0.0%	36.0%	100%

(*) Calculated based on projected Selic rate.

BANK											
Realization of tax credits											2019
Projected year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Projected value	59,475	145,720	163,931	176,905	96,535	48,639	53,792	59,958	67,906	347,117	1,219,978
Present value (*)	56,778	132,804	142,626	146,935	76,545	36,818	38,872	41,363	44,722	218,241	935,704
% Realization	4.9%	11.9%	13.4%	14.5%	7.9%	4.0%	4.4%	4.9%	5.6%	28.5%	100.0%

(*) Calculated based on projected Selic rate.

CONSOLIDATED											
Realization of tax credits											2020
Projected year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Projected value	157,028	76,969	101,850	76,937	194,416	35,369	3,771	392	392	352,516	999,640
Present value (*)	153,949	73,980	95,976	71,078	176,089	31,407	3,283	335	328	289,185	895,610
% Realization	15.7%	7.7%	10.2%	7.7%	19.5%	3.5%	0.4%	0.0%	0.0%	35.3%	100.0%

(*) Calculated based on projected Selic rate.

CONSOLIDATED											
Realization of tax credits											2019
Projected year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total

Notes to the individual and consolidated financial statements

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Projected value	86,582	168,584	176,533	179,194	100,501	52,416	59,152	67,450	70,786	357,127	1,318,325
Present value (*)	82,656	153,641	153,590	148,836	79,690	39,677	42,745	46,532	46,619	224,534	1,018,520
% Realization	6.6%	12.8%	13.4%	13.6%	7.6%	4.0%	4.5%	5.1%	5.4%	27.0%	100.0%

(*) Calculated based on projected Selic rate.

In addition to the expectation of generating future taxable income, the CMN Resolution 3,059/02, establishes that tax credit may only be recorded in accounting books if the Bank presents history of taxable income for income tax and social contribution purposes, proven by occurrence of that situation in at least three of the last five years. The Bank presented a tax loss for income tax and negative basis of social contribution in 2016, 2017 and 2018;

Management presented a new technical study for realization of tax credits to the Central Bank of Brazil, as established by CMN Resolution 3,059/02, amended by CMN Resolution 4,441/15 and BACEN Circular 3,776/15, requiring approval for maintenance of tax credits balance, for which the Bank expects realization in up to 10 years, resulting in maintenance of tax credits balance as recorded as of December 31, 2020.

On December 31, 2020, the Bank had non- recorded tax credits derived from income tax loss and negative basis of social contribution in the total amount of R\$ 1,084,845 (R\$ 773,991 in December 2019), R\$ 1,110,817 at Consolidated (R\$ 773,991 in December 2019), and tax credits from temporary differences and tax contingencies in the amount of R\$ 123,799 at the Bank and Consolidated, for which there is no expectation of realization within the period provided for in CMN Resolution 3059/02 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 in the amount of R\$ 380,662, according to criteria established by Law 12,838/13 and BACEN Circular Letter 3,624/13, which require determination of tax losses and credits deriving from temporary differences deriving from allowance for doubtful accounts, determined and existing in prior calendar year.

Also according to Law 12,838/2013, Federal Revenue Service may verify accuracy of presumed tax credits determined over a period of five years, counted as of reimbursement request date, which may be in kind or in federal public debt securities; and there may be deduction of tax on non-tax values owed to the Treasury Department.

In 2020, the Bank recovered R\$ 317 (December 2019 - R\$ 830) from credit transactions that are part of presumed tax credit calculation basis, whose deferred taxes, in the amount of R\$ 143 (December 2019 - R\$ 9,459), were recognized in Deferred taxes, as these amounts will be taxed when credit is reimbursed by the National Treasury.

Management understands that, due to macroeconomic scenario and expected generation of future taxable income by CCB Brasil, Presumed Tax Credit is the best alternative to reduce the time for realization of temporary differences deriving from allowances for doubtful accounts.

	<u>2020</u>	<u>2019</u>
Presumed tax credit formed	380,662	380,662
Deferred tax liabilities	(82,282)	(82,139)

Notes to the individual and consolidated financial statements
 In thousands of reais - R\$, unless otherwise indicated.

c) Deferred tax liabilities

	BANK			CONSOLIDATED	
	2019	Change in shareholders' equity	Change in income (loss)	2020	2020
Income tax					
Linked funding (Res 2,921)	112,373	-	(33,783)	78,590	78,590
Inflation adjustment of judicial deposits	19,048	-	1,830	20,878	21,110
Positive MTM adjustment of government securities and derivatives	2,692	(112)	(447)	2,133	2,133
Hedge accounting	-	-	-	-	18,805
Excess depreciation	-	-	-	-	4,779
Subtotal Income tax	134,113	(112)	(32,400)	101,601	125,417
Social contribution					
Linked funding (Res 2921)	89,898	-	(27,026)	62,872	62,872
Inflation adjustment of judicial deposits	15,239	-	1,464	16,703	16,842
Positive MTM adjustment of government securities and derivatives	2,132	(65)	(360)	1,707	1,707
Hedge accounting	-	-	-	-	15,044
Subtotal Social contribution	107,269	(65)	(25,922)	81,282	96,465
Total deferred taxes	241,382	(177)	(58,322)	182,883	221,882
Presumed tax credit – Law 12838/13	82,139	-	143	82,282	82,282
Total	323,521	(177)	(58,179)	265,165	304,164

	BANK			CONSOLIDATED	
	2018	Change in shareholders' equity	Change in income (loss)	2019	2019
Income tax					
Linked funding (Res 2,921)	99,648	-	12,725	112,373	112,373
Inflation adjustment of judicial deposits	15,685	-	3,363	19,048	19,257
Positive MTM adjustment of government securities and derivatives	7,234	111	(4,653)	2,692	2,692
Hedge accounting	-	-	-	-	25,611
Excess depreciation	-	-	-	-	2,982
Subtotal Income tax	122,567	111	11,435	134,113	162,915
Social contribution					
Linked loans (Res 2921)	59,788	-	30,110	89,898	89,898
Inflation adjustment of judicial deposits	9,411	-	5,828	15,239	15,365
Positive MTM adjustment of government securities and derivatives	4,341	66	(2,275)	2,132	2,132
Hedge accounting	-	-	-	-	20,489
Subtotal Social contribution	73,540	66	33,663	107,269	127,884

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Total deferred taxes	196,107	177	45,098	241,382	290,799
Presumed tax credit - Law 12838/13	78,982	-	3,157	82,139	82,139
Total	275,089	177	48,255	323,521	372,938

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

	2020			
	BANK		CONSOLIDATED	
	Income tax	Social contribution	Income tax	Social contribution
Determination				
Income before tax on profit	(239,165)	(239,165)	(210,254)	(210,254)
Calculation basis	(239,165)	(239,165)	(210,254)	(210,254)
Temporary additions	826,195	826,195	919,607	919,803
Permanent additions	567,440	567,440	567,473	567,473
Exclusions	(1,138,373)	(1,138,373)	(1,242,739)	(1,235,747)
Taxable income and calculation basis of income tax and social contribution on net income	16,097	16,097	34,087	41,275
(+) Negative taxable result of consolidated companies	-	-	7,852	1,631
(-) Offset of tax loss/negative basis of social contribution on net income	(4,829)	(4,829)	(12,582)	(12,872)
Taxable income and calculation basis of income tax and social contribution on net income	11,268	11,268	29,357	30,034
Charges at the rates of 15% for Income Tax and Social Contribution	1,690	2,254	4,404	5,075
10% IR Surtax	1,103	-	2,872	-
Current taxes	2,793	2,254	7,276	5,075
Reconciliation of Income (loss)				
Current taxes – year 2020	2,793	2,254	7,276	5,075
Current taxes - Adjustment year 2019	1,157	(316)	1,157	(316)
Income tax and deferred CSLL	(32,322)	(25,857)	(37,308)	(31,289)
(=) Provision for Income Tax and Social Contribution on Net Income	(28,372)	(23,919)	(28,875)	(26,530)
Formation of tax credit (on temporary additions)	(164,276)	(131,419)	(175,992)	(138,478)
Recognition of tax credit (on negative calculation basis CSLL - rate difference 5%)	-	-	(1,590)	(8,230)
Write-off of tax credits - Resol. 3059/02	200,653	167,556	216,941	177,240
Realization of tax credit (on reversal of temporary additions)	106,862	85,489	130,640	99,783
Realization of tax credit (on offset of tax loss and negative basis of social contribution on net income)	4,866	3,892	15,640	5,075
(=) Net effect of tax credit	148,105	125,518	185,639	135,390
Income and social contribution tax expense	119,733	101,599	156,764	108,860

	2019			
	BANK		CONSOLIDATED	
	Income tax	Social contribution	Income tax	Social contribution
Determination				
Income before tax on profit	(91,742)	(91,742)	(113,281)	(113,281)

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(-) Interest on own capital paid ⁽¹⁾	-	-	-	-
(+) Interest on own capital received ⁽²⁾	-	-	-	-
Calculation basis	(91,742)	(91,742)	(113,281)	(113,281)
Temporary additions	488,866	488,866	605,106	593,910
Permanent additions ⁽³⁾	578,154	578,154	578,270	578,270
Exclusions	(884,849)	(884,849)	(1,009,215)	(1,005,263)
Tax loss and negative basis of income tax and social contribution on net income	90,429	90,429	60,880	53,636
(+) Negative taxable result of consolidated companies	-	-	33,613	37,119
(-) Offset of tax loss/negative basis of social contribution on net income	(27,129)	(27,129)	(27,129)	(27,129)
Tax loss and negative basis of income tax and social contribution on net income	63,300	63,300	67,364	63,626
Charges at the rates of 15% for Income Tax and Social Contribution	9,495	9,945	10,105	9,548
10% IR Surtax	6,306	-	6,673	-
Current taxes	15,801	9,495	16,778	9,548
Reconciliation of Income (loss)				
Current taxes	15,801	9,945	16,778	9,548
IRRF (Withholding Income Tax) abroad	(13,021)	-	(13,021)	-
Income tax and deferred CSLL	12,568	43,468	12,250	43,850
(=) Provision for Income Tax and Social Contribution on Net Income	15,348	52,963	16,007	53,398
Formation of tax credit (on temporary additions)	(119,587)	(171,689)	(138,270)	(182,898)
Formation of tax credit (on tax losses and negative basis of social contribution on net income)	-	(40,862)	(11,338)	(48,189)
Write-offs of tax credits. Resol. 3059/02	23,600	17,078	23,600	17,077
Realization of tax credit (on reversal of temporary additions)	75,333	45,200	87,364	52,418
Realization of tax credit (on offset of tax loss and negative basis of social contribution on net income)	8,458	4,069	11,012	5,602
(=) Net effect of tax credit	(12,196)	(146,204)	(27,632)	(155,991)
Income and social contribution tax expense	3,152	(93,241)	(11,625)	(102,593)

⁽¹⁾ Beginning as of 2019, pursuant to CMN Resolution 4,706/18, Article 2, the amounts related to declared or proposed capital remuneration must be recognized in liabilities, as a contra-entry to appropriate retained earnings or reserves account.

⁽²⁾ Beginning as of 2019, pursuant to the terms of CMN Resolution 4706/18, Article 4, capital remuneration earned on investments evaluated at the equity method must be recognized in assets, as a contra-entry to respective investment.

⁽³⁾ Permanent additions amount includes R\$ 6,000 received as Interest on own capital of CCB Brasil Arrendamento S.A.

15. OTHER ASSETS

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Payments to be refunded	26,585	30,437	28,097	31,429
Sundry debtors in the country	24,748	18,333	34,330	19,345
Interbank accounts/relations	11,114	4,770	11,114	4,770

Notes to the individual and consolidated financial statements

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

Prepaid expenses	956	25,237	956	26,476
Other	1,678	906	1,703	934
Total	65,081	79,683	76,200	82,954

Current	38,478	49,246	48,083	51,525
Non-current	26,603	30,437	28,117	31,429
Total	65,081	79,683	76,200	82,954

16. FUNDS OBTAINED IN THE MARKET

	2020						CONSOLIDATED Total
	BANK						
	Without maturity	Up to 03 months	03–12 months	Total current	Non-current	Total	
Demand deposits	116,369	-	-	116,369	-	116,369	114,594
Saving deposits	2,935	-	-	2,935	-	2,935	2,935
Interbank deposits	-	222,518	237,982	460,500	1,989	462,489	248,863
Time Deposits	-	318,120	2,106,267	2,424,387	3,134,845	5,559,232	5,555,163
Liabilities from repurchase and resale agreements	-	3,531,794	-	3,531,794	2,051	3,533,845	3,499,202
Real Estate Credit Bills - LCI	-	1,574	1,040	2,614	-	2,614	2,614
Agribusiness Credit Bills – LCA	-	52,050	105,619	157,669	121,000	278,669	278,669
Financial Bills - LF	-	25,933	247,099	273,032	138,884	411,916	411,916
Total	119,304	4,151,989	2,698,007	6,969,300	3,398,769	10,368,069	10,113,956

	2019						CONSOLIDATED Total
	BANK						
	Without maturity	Up to 03 months	03–12 months	Total current	Non-current	Total	
Demand deposits	87,757	-	-	87,757	-	87,757	86,581
Saving deposits	2,977	-	-	2,977	-	2,977	2,977
Interbank deposits	-	143,323	179,133	322,456	247,726	570,182	340,228
Time Deposits	-	456,183	1,417,360	1,873,543	1,287,189	3,160,732	3,157,944
Liabilities from repurchase and resale agreements	-	6,601	2,757,095	2,763,696	864,905	3,628,601	3,603,526
Real Estate Credit Bills - LCI	-	12,934	8,345	21,279	703	21,982	21,982
Agribusiness Credit Bills – LCA	-	203,658	373,095	576,753	33,545	610,298	610,298
Financial Bills - LF	-	22,553	404,588	427,141	327,484	754,625	754,625
Total	90,734	845,252	5,139,616	6,075,602	2,761,552	8,837,154	8,578,161

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 and multilateral agencies.

Notes to the individual and consolidated financial statements

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

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:

	BANK AND CONSOLIDATED				2020	2019
	Up to 03 months	03-12 months	Total current	Non-current		
Domestic onlendings - Official Institutions	27,483	102,587	130,070	24,163	154,233	223,975
Abroad	1,241,905	2,951,636	4,193,541	5,126	4,198,667	4,574,056
Loan with head office	916,827	2,627,285	3,544,112	-	3,544,112	3,812,733
Loans from the Parent Company - linked (*)	37,325	5,884	43,209	5,126	48,335	52,217
Other foreign loans ⁽¹⁾	287,753	318,467	606,220	-	606,220	709,106
Grand total on December 31, 2020	1,269,388	3,054,223	4,323,611	29,289	4,352,900	
Grand total on December 31, 2019	708,707	3,993,263	4,701,970	96,061		4,798,031

⁽¹⁾ Foreign loans and contributions, which contain restrictive clauses ("covenants"), are classified in current assets due to non-compliance with indicators.

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

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

As of December 31, 2020, amount of funding linked to credit transactions recognized in group "Foreign Loans" is R\$ 362,694 (December 2019 - R\$ 501,709) and credit transactions balance is R\$ 84,975 (December 2019 - R\$ 473,046), of which the amount of R\$ 14,481 (December 2019 - R\$ 291,483) represents credits with installments overdue for more than 1 day.

To provide the best expected disbursement estimate for the linked obligation, as well as reduce asymmetry, the Bank, considering the expectation of receiving the linked receivables, recorded a downward adjustment in the group "Foreign loans" of R\$ 314,359 (December 2019 - R\$ 449,492), with the amount of R\$ 31,948 (December 2019 - R\$ 50,902) as contra-entry to income for the year.

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In the second semester of 2020, the Bank wrote-off R\$ 173,448 (R\$ 95,396 net of tax effects) of loans linked to past due receivables, written off to loss, in relation to which no future recovery is expected.

18. DEBT INSTRUMENTS ELIGIBLE TO CAPITAL

BANK AND CONSOLIDATED							
Funding	Issue value - Original currency	Issuance	Maturity	Issue value - Domestic currency	Interest rate (p.a.)	2020	2019
Level I Perpetual Debt	US\$ 70,000	12/29/2016	-	228,025	8.00%	363,769	282,149
Level II subordinated debt	US\$ 100,000	09/29/2015	09/29/2025	397,299	7.20%	529,128	410,406
Total						892,897	692,555

	2020	2019
Non-current	892,897	692,555
Total	892,897	692,555

- **EMTN LEVEL I US\$ 70 MM**

On December 29, 2016, CCB Brasil issued Perpetual Bonds in the amount of US\$ 70 million, with interest rate of 8% per year, paid annually, on December 30 of each year, which payment may be suspended if the amount of interest exceed that of distributable profits and retained profit reserves, and such suspension, due to the breach of these conditions, does not accumulate for subsequent periods and the unpaid amounts are no longer due. Since the issue of Perpetual Bonds, payments in the total amount of US\$ 16,800 have been made for the years 2017, 2018 and 2019, despite the minimum conditions related to the determination of income have not been met.

Accordingly, in November 2020, CCB Brasil's Management, after requesting reimbursement, obtained a full refund for the previously paid amounts, in the amount of R\$ 89,870, equivalent to US\$ 16,800, recognized in the group Other operating income (note 38) in the Bank and Consolidated balances. Additionally, because of the loss incurred in the year ended December 31, 2020, the Bank did not pay interest for such period in the amount of R\$ 13,783.

The securities are perpetual and comply with the provisions of art. 17 of Resolution 4,192/13 to comprise the capital of CCB Brasil, having been acquired by the CCB group itself. Currently, they make up tier 1 capital.

- **EMTN LEVEL II US\$ 100 MM**

The privately-placed securities in 2015, maturing in ten years, to comprise tier 2 capital, and acquired by the CCB group itself, are fully used to comprise tier 2 capital. As of December 2020, an annual and gradual discount of 20% will be applied as the maturity date nears, as provided for in art. 27 of Bacen Circular 4,192/13.

19. SUBORDINATED DEBT

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

The subordinated debt (BIC20) issued in 2010, authorized to comprise the Institution's Tier II Capital, was liquidated in April 2020. In 2020, it no longer comprised Capital, complying with CMN Resolution 4,192/13, which determines a 100% deduction from the book balance in the twelve months prior to maturity.

BANK AND CONSOLIDATED							
Funding	Issue value - Original currency	Issuance	Maturity	Issue value - Domestic currency	Interest rate (p.a.)	2020	2019
Eurobonds	US\$ 300,000	04/27/2010	04/27/2020	R\$ 529,153	8.50%	-	1,110,499
Total						-	1,110,499

	2020	2019
Current	-	1,110,499
Total	-	1,110,499

20. OTHER FINANCIAL INSTRUMENTS - LIABILITIES

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Borrowings related to assignment	53,657	109,662	-	-
Securities clearing accounts (*)	8,952	6,957	8,952	6,958
Total	62,609	116,619	8,952	6,958
Current	62,609	116,619	8,952	6,958
Total	62,609	116,619	8,952	6,958

(*) Includes R\$ 29 (December 2019 - R\$ 12) from Other commissions payable.

21. PROVISIONS

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Provisions for contingencies (Note 22.a)	1,021,130	952,341	1,061,659	988,278
Provisions for financial guarantees provided (Note 23)	25,136	13,101	25,136	13,101
Other	38,608	44,964	44,949	53,553
Total	1,084,874	1,010,406	1,131,744	1,054,932
Current	117,074	-	120,000	-
Non-current	967,800	1,010,406	1,011,744	1,054,932
Total	1,084,874	1,010,406	1,131,744	1,054,932

22. 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 Conglomerate is party to civil lawsuits assessed as having a probable risk, which have been fully accrued and amount to R\$ 187,925 (R\$ 224,360 in December 2019) in the Bank and R\$ 200,183 (R\$ 235,513 in December 2019) in the Consolidated. In general, the provisions are the result of contract revisions and indemnities for material damages and pain and suffering, mostly under the Special Civil Court.

Labor lawsuits

The Conglomerate is party to labor lawsuits assessed as having a probable risk, which have been fully accrued and amount to R\$ 108,602 (R\$ 80,133 in December 2019) at the Bank and R\$ 118,419 at the Consolidated (R\$ 86,757 in December 2019). 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 9718/98 – amount involved R\$ 548,299 (R\$ 539,911 in December 2019) in the Bank and R\$ 565,915 (R\$ 557,244 in December 2019) in the Consolidated: 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\$ 29,134 regarding the Bank (R\$ 28,575 in December 2019) and R\$ 31,998 in the Consolidated (R\$ 31,381 in December 2019).

PIS x Law 9718/98 – amount involved R\$ 89,038 (R\$ 87,676 in December 2019) in the Bank and R\$ 89,876 (R\$ 88,503 in December 2019) in the Consolidated: 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 9718/98. Part of the amount involved was placed in a judicial deposit in the amount of R\$ 108,728 (R\$ 106,393 in December 2019).

PDD/94 - amount involved R\$ 26,769 (R\$ - in December 2019) at the Bank and Consolidated: 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 Central Bank of Brazil, as allowed by CMN Resolution 1,748/90 and subsequent amendments, and

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dismissing, due to unconstitutionality and unlawfulness, the provision of article 43, paragraph 4, of Law 8,981/95. The amount involved was placed in a judicial deposit.

PIS - Constitutional Amendment no. 10/96 – amount involved, R\$ - (R\$ 18,925 in December 2019) at the Bank and Consolidated, since the amount of R\$ 19,232 was written off in November 2019, once that the lawsuit that claims to annul the requirement for the retroactive PIS tax and for a 90-day period from March 7, 1996 to June 07, 1996, in view of principles against retroactivity and 90-day time limit and to ensure the right to calculate and pay the PIS tax on gross operating revenue, understood as that arising solely from the provision of services and sale of goods as established in article 44 of Law 4506/64, in article 12 of Decree-Law 1,587/77 and in article 226 of Decree 1,041/94, was definitely judged with an unfavorable decision and respective conversion into income of the Federal Government regarding the judicial deposit.

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\$ 1,315 (R\$ 1,336 in December 2019) at the Bank and Consolidated: 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 involved was placed in a judicial deposit.

INSS - Profit Sharing of Directors – amount involved of R\$ 59,182 (R\$ - in December 2019) at the Bank and Consolidated: 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 8812/91. The amount involved was placed in a judicial deposit.

Changes in provisions classified as probable loss and legal obligations

Description	BANK					CONSOLIDATED	
	2019	Addition	Reversal	Restatement	Write-off	2020	2020
Civil (*)	224,360	41,372	(74,774)	9,575	(12,608)	187,925	200,183
Labor	80,133	36,021	(654)	-	(6,898)	108,602	118,419
Subtotal	304,493	77,393	(75,428)	9,575	(19,506)	296,527	318,602
Tax and social security	2019	Addition	Reversal	Restatement	Write-off	2020	2020
PIS - Gross Operating Revenue - EC 10/96	18,925	-	-	307	(19,232)	-	-
PIS – Expansion of Calculation Basis - Law 9718/98	87,676	-	-	1,362	-	89,038	89,876
Inc. tax and soc. contr. (IRPJ/CSLL) PDD 1994	-	26,625	-	144	-	26,769	26,769
COFINS - Expansion of Calculation Basis - Law 9718/98	539,911	-	-	8,388	-	548,299	565,915
ISS – Services not taxed – LC 56/87	1,336	-	(21)	47	(47)	1,315	1,315

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INSS of Administrators – Years

2009–2011	-	59,182	-	-	-	59,182	59,182
Subtotal	647,848	85,807	(21)	10,248	(19,279)	724,603	743,057
Total	952,341	163,200	(75,449)	19,823	(38,785)	1,021,130	1,061,659

(*) During the first semester of 2020, the Bank reversed a provision for contingent liabilities related to the guarantee provided in the amount of R\$ 68,314, which due to an unfavorable decision, and consequently the payment, was reclassified to the loan portfolio as guarantee paid, fully provisioned according to the criteria established by Resolution 2682 (note 8a).

In the case of the above-described contingencies, CCB Brasil made a judicial deposit (note 10 - Other financial instruments - Assets), totaling R\$ 422,473 to the Bank, of which R\$ 98,941 - civil lawsuits, R\$ 20,687 - labor claims and R\$ 302,845 – tax lawsuits and a total of R\$ 428,915 to the Consolidated, of which R\$ 108,368 - civil lawsuits, R\$ 22,365 - labor lawsuits and R\$ 307,392 - tax lawsuits.

Description	BANK						CONSOLIDATED
	2018	Addition	Reversal	Restatement	Write-off	2019	2019
Civil	152,028	83,928	(7,779)	5,943	(9,760)	224,360	235,513
Labor	54,991	6,470	(3,611)	26,974	(4,691)	80,133	86,757
Subtotal	207,019	90,398	(11,390)	32,917	(14,451)	304,493	322,270
Tax and social security	2018	Addition	Reversal	Restatement	Write-off	2019	2019
PIS - Gross Operating Revenue - EC 10/96	18,275	-	-	650	-	18,925	18,925
PIS – Expansion of Calculation Basis - Law 9718/98	84,928	-	-	2,748	-	87,676	88,503
COFINS - Expansion of Calculation Basis - Law 9718/98	522,987	-	-	16,924	-	539,911	557,244
ISS – Services not taxed – LC 56/87	1,272	-	-	64	-	1,336	1,336
Subtotal	627,462	-	-	20,386	-	647,848	666,008
Total	834,481	90,398	(11,390)	53,303	(14,451)	952,341	988,278

In the case of the above-described contingencies, CCB Brasil made a judicial deposit (note 10 - Other financial instruments - Assets), totaling R\$ 437,366 to the Bank, of which R\$ 108,867 - civil lawsuits, R\$ 19,768 - labor claims and R\$ 308,731 – tax lawsuits and a total of R\$ 443,444 to the Consolidated, of which R\$ 109,056 - civil lawsuits, R\$ 22,775 - labor lawsuits and R\$ 311,613 - 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, with regard to each of the lawsuits and administrative proceedings. Hence, 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\$ 24,085 (R\$ 23,094 in December 2019) at the Bank and Consolidated: 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 involved was placed in a judicial deposit.

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Withholding income tax on interest remittances to foreign countries - amount involved, R\$ 14,440 (R\$ 14,229 in December 2019): claims to offset the unduly withheld amounts of withholding income tax on remittances of interest to foreign countries, against the same corporate income tax, as allowed by article 39 of Law 9,250/96, and excluding restrictions contained in Circular Letters 2,269/92 and 2,372/93 and Communication 2,747/92, which placed a condition that the zero income tax rate requires observance of minimum amortization periods, considering that condition as a clear violation of legal principles. The amount involved was placed in a judicial deposit.

IRPJ/2008 – amount involved R\$ 20,461 (R\$ 20,071 in December 2019) in the Bank and Consolidated: 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\$ 68,248 (R\$ 124,376 in December 2019) at the Bank and Consolidated: pleads cancellation of alleged INSS debt for the base periods of 2006 to 2008 and 2012, 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. Part of the amount involved was deposited in court, regarding the Bank and Consolidated, R\$ 39,425 (R\$ 90,048 in December 2019).

IRPJ/CSLL – amount involved R\$ 168,154 (R\$ 168,154 in December 2019) at the Bank and Consolidated: claims the derecognition of the IRPJ/CSLL debt, related to the base period of 2012 and 2014, entered due to the tax assessment notice, due to disallowance of the deductibility of credit losses, for supposed non-compliance with the procedures established in Law 9,430/96.

Tax on financial transactions (IOF) and Withholding income tax (IRRF) - amount involved R\$ 1,515 (R\$ 1,485 in December 2019) at the Bank and Consolidated: 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\$ 2,627 (R\$ 2,578 in December 2019) at the Bank and Consolidated: claims the derecognition of the entry of IOF debit regarding the supposed levy on receivables assignment contracts with co-obligation, for the period from March 2014 to December 2014, for supposed non-compliance with Decree 6,306/07.

Unapproved Offset – amount involved R\$ 4,198 at the Bank (R\$ 4,117 in December 2019) and R\$ 4,918 in the Consolidated (R\$ 4,388 in December 2019): 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\$ 24,017 (R\$ 9,204 in December 2019) at the Bank and R\$ 27,705 (R\$ 12,019 in December 2019) at the Consolidated. 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

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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\$ 232,996 (R\$ 205,906 in December 2019) at the Bank and R\$ 272,098 (R\$ 229,628 in December 2019) at the Consolidated. In general, the contingencies are the result of contract revisions and indemnities for material damages and pain and suffering, mostly under the Special Civil Court.

23. SURETIES AND GUARANTEES

Description	BANK AND CONSOLIDATED			
	2020		2019	
	Amounts guaranteed	Provisions	Amounts guaranteed	Provisions
Guarantees or sureties in tax lawsuits and proceedings	747,482	24,699	768,907	12,657
Sureties - payments	435,323	339	503,970	337
Performance sureties	28,188	98	103,184	107
Bank guarantees	42,400	-	43,101	-
Other sureties	12,116	-	27,773	-
Total	1,265,509	25,136	1,446,935	13,101
Non-current	1,265,509	25,136	1,446,935	13,101
Total	1,265,509	25,136	1,446,935	13,101

The liabilities for sureties and guarantees represent the amount of R\$ - (R\$ 16,789 in December 2019) and are classified in the loan portfolio in accordance with CMN Resolution 2,682/99 (Note 8.a).

24. OTHER OBLIGATIONS

	Bank		Consolidated	
	2020	2019	2020	2019
Sundry creditors - domestic	41,985	41,990	44,785	63,945
Social and statutory	14,306	27,354	15,204	27,354
Interbranch accounts	29,674	66,006	29,674	66,006
Deferred income	13,622	20,600	13,622	20,600
Payables to related companies	6	-	-	-
Total	99,593	155,950	103,285	177,905
Current	85,971	135,350	89,663	157,305
Non-current	13,622	20,600	13,622	20,600
Total	99,593	155,950	103,285	177,905

25. SHAREHOLDERS' EQUITY

Notes to the individual and consolidated financial statements
 In thousands of reais - R\$, unless otherwise indicated.

CCB Brasil's shareholder structure is as follows:

a) Share capital

Shareholder	2020			2019		
	Common	Preferred	Total	Common	Preferred	Total
CCB Brazil Financial Holding Investimentos	297,223,908	168,407,558	465,631,466	297,223,908	168,407,558	465,631,466
Total shares	297,223,908	168,407,558	465,631,466	297,223,908	168,407,558	465,631,466
Total in reais (R\$)	1,887,438	1,069,426	2,956,864	1,887,438	1,069,426	2,956,864

b) Treasury shares

The number of treasury shares as of December 31, 2020 corresponds to 6,398,518 (6,398,518 in December 2019) preferred shares in the amount of R\$ 55,105 (R\$ 55,105 in December 2019).

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.

26. RELATED PARTIES
a) Related parties

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

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

	Assets / (liabilities)		Revenues / (expenses)	
	2020	2019	2020	2019
Cash and cash equivalents in foreign currencies	30,418	16,680	-	-
China Construction Bank Corporation (d)	30,418	16,680	-	-
Interbank funds applied in interbank deposits - CDI	375,856	760,356	29,121	83,696
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	375,856	760,356	29,121	83,696
Investment fund quotas	83,674	81,088	2,586	3,880
FIDC Brasilfactors (b)	83,674	81,088	2,586	3,880
Rendering of services	20	20	164	145
CCB Brasil Arrendamento Mercantil S.A. (a)	20	20	164	145

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	Assets / (liabilities)		Revenues / (expenses)	
	2020	2019	2020	2019
Receivables - related companies	44	-	-	-
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	1	-	-	-
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	43	-	-	-
Other liabilities – Income receivable	9,480	8,500	-	-
CCB Brasil Arrendamento Mercantil S.A. (a)	9,424	8,500	-	-
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	56	-	-	-
Demand deposits	(2,186)	(1,673)	-	-
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	(42)	(42)	-	-
CCB Brasil Arrendamento Mercantil S.A. (a)	(82)	(120)	-	-
CCB Brasil Informática S.A. (a)	(2)	(2)	-	-
CCB Brasil Administradora de Cartões de Crédito Ltda. (a)	(182)	(161)	-	-
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(1,464)	(851)	-	-
CCB Brasil Promotora de Vendas Ltda. (b)	(1)	-	-	-
Brasilfactors S.A. (f)	(1)	(1)	-	-
CCB Brazil Financial Holding Ltda. (e)	(107)	(169)	-	-
Key management personnel (c)	(305)	(327)	-	-
Interbank deposits	(213,625)	(229,954)	(3,293)	(11,604)
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	(21,246)	(21,003)	(566)	(1,211)
CCB Brasil Arrendamento Mercantil S.A. (a)	(192,379)	(208,951)	(2,727)	(10,393)
Time deposits	(93,947)	(209,218)	(5,023)	(10,921)
CCB Brasil Informática S.A. (a)	(738)	(748)	(22)	(43)
CCB Brasil Administradora de Cartões de Crédito Ltda. (a)	(1,684)	(386)	(75)	(155)
CCB Brasil Promotora de Vendas Ltda. (b)	(1,647)	(1,653)	(45)	(94)
Brasilfactors S.A. (f)	(4,543)	(219)	(64)	(9)
FIDC Brasilfactors (b)	(8,180)	(10,669)	(807)	(475)
CCB Brazil Financial Holding Ltda. (e)	(77,011)	(195,222)	(4,002)	(10,127)
Key management personnel (c)	(144)	(321)	(8)	(18)
Purchase and sale commitments	(34,644)	(25,051)	(778)	(2,267)
CCB Brasil Arrendamento Mercantil S.A. (a)	(29,542)	(5,991)	(313)	(415)
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(3,050)	(12,482)	(361)	(789)
CCB Brasil Administradora de Cartões de Crédito Ltda. (a)	(2,052)	(6,578)	(104)	(1,063)
LCA	(7,007)	(3,537)	(138)	(125)
Key management personnel (c)	(7,007)	(3,537)	(138)	(125)
LCI	-	(1,850)	(21)	(80)
Key management personnel (c)	-	(1,850)	(21)	(80)
NDF	1,851	535	3,830	282
Brasilfactors S.A. (f)	1,851	535	3,830	282
Borrowings	(3,592,447)	(3,812,733)	(98,625)	(176,637)
China Construction Bank Corporation (d)	(3,592,447)	(3,812,733)	(98,625)	(176,637)
Obligations from sales of financial assets – Resolution 3533/08	(53,657)	(109,662)	(16,670)	(29,752)
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(53,657)	(109,662)	(16,670)	(29,752)
Amounts payable - related companies	(6)	-	-	-

Notes to the individual and consolidated financial statements

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

	Assets / (liabilities)		Revenues / (expenses)	
	2020	2019	2020	2019
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(6)	-	-	-
Transfer of credit assignment	(122)	-	-	-
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(122)	-	-	-

Namely:

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

a.1) Transactions due dates and rates

Floating interbank funds applied are stated at the average CDI of -% (105% in December 2019) and the fixed-interest rate ones are stated at average rates of 4.66% p.a. (5.63% p.a. in December 2019); Fixed repurchase and resale agreements were carried out at average rates of 1.90% p.a. (4.4% p.a. in December 2019) and mature on January 4, 2021 (December 2019 - January 2, 2020), with guarantee of up to 1 year (December 2019 - up to 2 years), the floating interest ones are stated at an average rate of 100% of the CDI (December 2019 - 100%) and mature on August 30, 2022 (December 2019 - February 28, 2020) with guarantee of up to 2 years (December 2019 - up to 3 months). LCA (Agribusiness Credit Bills) operations were carried out with average rates of 101.60% of the CDI (95.60% in December 2019) and with final maturity up to 02 years (up to 01 year in December 2019). LCI (Real estate Credit Bills) operations were carried out with rates of 96.06% of the CDI (95.40% in December 2019 – with maturity up to one year). Term deposits are remunerated at the average rate of 82.90% of CDI (91.77% of CDI in December 2019), directly related to the invested amount, with final maturity in up to 02 years (up to 2 years in December 2019). Borrowings were carried out at average rates of 1.76% p.a. (3.14% p.a. in December 2019) and foreign exchange-rate change with final maturity up to six years (up to seven years in December 2019). Information regarding granting of loans to related parties is found in Note 8.f.

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, and a decision is made ceiling regarding Directors' fees for each year, in compliance with limits of the CMN Resolution 3,921/10.

In the years 2020 and 2019, the Board of Directors did not approve payments for the profit sharing of the administrators, in view of the recorded net loss.

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

	BANK		CONSOLIDATED	
	2020	2019	2020	2019
Fixed remuneration	13,514	14,254	13,633	14,458
Other (*)	1,047	912	1,047	912

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

Total	14,561	15,166	14,680	15,370
(*) Refers substantially to benefits involving food/meal - R\$ 86 (December 2019 - R\$ 98) and medical and dental care - R\$ 961 (December 2019 - R\$ 814).				

b.2) Long-term benefits

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

27. INCOME (LOSS) FROM LOAN OPERATIONS AND LEASE

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Loans	126,407	1,840,587	688,056	127,604	1,915,197	840,776
Recovery of loans written off as loss	13,698	20,643	31,615	19,159	34,942	51,730
Acquisition of receivables;	10,691	13,856	5,203	10,691	13,856	5,203
Income from credit notes and sale of assets	1,502	3,394	5,761	1,502	3,394	5,873
Leases	-	-	-	2,789	5,791	5,432
Total	152,298	1,878,480	730,635	161,745	1,973,180	909,014

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

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Income from Repurchase and resale agreement	38,548	101,766	305,313	38,548	101,766	305,313
Income from short-term interbank investments	21,104	50,982	126,118	9,976	21,867	42,422
Income from fixed income securities	8,858	28,698	277,960	8,893	28,918	277,874
Income from investments abroad	(13,182)	68,019	83,223	(13,182)	68,019	83,223
Other securities' operations	350	(2,342)	29,350	350	(2,342)	29,349
Total	55,678	247,123	821,964	44,585	218,228	738,181

29. INCOME (LOSS) FROM DERIVATIVE FINANCIAL INSTRUMENTS

	BANK AND CONSOLIDATED		
	2nd half of 2020	2020	2019
Swap	(2,942)	362,517	84,461
Term of currencies	(27,980)	55,942	(1,745)
Future Market - DI	(6,829)	(59,201)	(67,174)
Future Market - Dollar	8,107	(6,985)	43,028
Total	(29,644)	352,273	58,570

Notes to the individual and consolidated financial statements
In thousands of reais - R\$, unless otherwise indicated.

30. FOREIGN EXCHANGE INCOME

	BANK AND CONSOLIDATED		
	2nd half of 2020	2020	2019
Forex transactions	34,863	75,322	46,015
Exchange-rate changes	(73,073)	356,961	(3,025)
Cash and cash equivalents in foreign currencies	(32,698)	108,160	111,060
Total	(70,908)	540,443	154,050

31. OTHER FINANCIAL INTERMEDIATION EXPENSES

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Income (loss) from credit assignment operations	(6,752)	(16,670)	(29,752)	-	-	-
Others	1,436	2,934	3,536	1,436	2,933	3,536
Total	(5,316)	(13,736)	(26,216)	1,436	2,933	3,536

32. BORROWINGS AND ONLENDINGS

	BANK AND CONSOLIDATED		
	2nd half of 2020	2020	2019
Expenses with obligations to foreign bankers	204,522	(1,597,183)	(471,294)
FUNCAFÉ/BNDES Onlendings	(4,194)	(8,308)	(10,029)
Reversal to loans linked to credit operations	(12,544)	31,948	50,902
Mark-to-market - Hedged object	-	-	1,556
Other liabilities	-	-	(8,356)
Total	187,784	(1,573,543)	(437,221)

33. EXPENSES WITH MONEY MARKET REPURCHASE AGREEMENTS

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Purchase and sale commitments	40,843	108,013	304,520	40,536	107,241	302,928
Time Deposits	58,314	122,377	170,216	58,256	122,235	169,890
Financial bills expenses	5,238	21,210	40,708	5,238	21,210	40,708
Agribusiness bills expenses - LCA	2,348	10,672	37,097	2,337	10,661	37,097
Interbank deposits	3,891	13,049	21,293	2,750	9,755	9,689
Expenses with Real estate credit bills - LCI	62	292	2,017	62	292	2,017
Other	4,042	6,785	3,997	4,044	6,787	3,995
Total	114,738	282,398	579,848	113,223	278,181	566,324

Notes to the individual and consolidated financial statements
 In thousands of reais - R\$, unless otherwise indicated.

34. EXPENSES WITH DEBT INSTRUMENTS ELIGIBLE TO CAPITAL

	BANK AND CONSOLIDATED		
	2nd half of 2020	2020	2019
Perpetual Debt	(39,710)	76,439	33,494
Subordinated debt	11,099	176,517	44,933
Total	(28,611)	252,956	78,427

35. REVENUES FROM RENDERING OF SERVICES AND TARIFFS

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Income from guarantees granted	21,698	44,306	32,602	21,698	44,306	32,602
Collection income	1,016	2,089	1,464	1,016	2,089	1,464
Income from bank fees	2,694	3,599	1,666	2,694	3,599	1,666
Income from other services	4,946	5,831	666	5,075	6,141	1,192
Total	30,354	55,825	36,398	30,483	56,135	36,924

36. PERSONNEL EXPENSES

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Salaries	44,319	84,914	113,756	49,057	94,006	124,095
Social charges	16,894	33,585	38,089	18,217	36,308	41,420
Benefits	7,828	15,674	16,158	9,365	18,900	19,919
Directors' fees	6,626	13,514	14,255	6,690	13,633	14,458
Other	61	195	578	119	340	705
Total	75,728	147,882	182,836	83,448	163,187	200,597

37. OTHER ADMINISTRATIVE EXPENSES

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Outside service expenses	9,658	20,294	23,806	13,746	29,415	35,110
Expenses with amortization and depreciation	5,720	16,009	22,742	6,073	16,721	23,472
Rental and rate expenses	8,371	15,873	15,083	9,305	17,652	17,336
Data processing expenses	4,836	10,810	12,303	6,975	15,385	17,943
Financial system service expenses	3,509	7,079	5,718	3,876	7,841	6,944
Expenses with judicial and notary public fees	1,063	4,360	2,765	1,366	5,847	7,406
Expenses with maintenance and preservation	1,285	2,568	3,094	1,385	2,809	3,714
Other expenses	1,984	7,025	6,600	5,157	12,508	12,530
Total	36,426	84,018	92,111	47,883	108,178	124,455

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

38. OTHER OPERATING REVENUES

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Repayment of perpetual debt (note 18)	89,870	89,870	-	89,870	89,870	-
Reversal of provision for restructuring	4,813	10,053	-	4,813	10,053	-
Restatement of escrow deposits	3,268	7,777	18,972	3,305	7,867	19,106
Recovery of charges and expenses	408	931	12,731	9,235	14,191	25,347
Other operating income	12,155	20,303	(16,205)	12,439	19,682	(13,555)
Total	110,514	128,934	15,498	119,662	141,663	30,898

39. OTHER OPERATING EXPENSES

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Commission expenses	9,460	28,277	48,600	11,448	35,645	86,923
Tax expenses	16,162	21,980	21,588	18,778	27,864	28,117
Write-off of prepaid expense	-	17,059	-	-	17,059	-
Provision/Reversal of operating provision	(1,658)	15,290	13,088	(1,658)	15,290	13,088
Processing fee	4,540	8,450	9,255	5,733	11,138	12,985
Provision - Ministry of Cities	-	4,337	-	-	4,337	-
Discounts on renegotiation	-	19	14,702	-	23	14,702
Other operating expenses	1,759	14,562	17,294	3,341	16,781	20,281
Total	30,263	109,974	124,527	37,642	128,137	176,096

40. NON-OPERATING INCOME (LOSS)

	BANK			CONSOLIDATED		
	2nd half of 2020	2020	2019	2nd half of 2020	2020	2019
Income (loss) from disposal of assets	1,596	2,923	(497)	2,196	4,053	(395)
Rental income	62	198	496	-	198	282
(Provision) for impairment of assets not for own use	(10,901)	(40,278)	5,950	(10,452)	(43,418)	5,689
Income (loss) on write-off of assets in use	2,350	1	(7)	2,350	1	(7)
Other non-operating income (expenses)	(715)	(655)	450	(651)	(650)	824
Total	(7,608)	(37,811)	6,392	(6,557)	(39,816)	6,393

41. 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.

Notes to the individual and consolidated financial statements

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The Bank centralizes the management of Social and Environmental, Market, Credit, Liquidity, Operational and Capital Management risks to enhance the efficiency of its controls. It results in an overview of the exposures to which the Bank is subject due to the very nature of its activities, which makes it possible to improve and make more agile strategic decisions, in addition to ensure compliance with the policies established for the area and improve the identification of risks that may affect the business strategy and the fulfillment of related goals. Complies with CMN Resolution 4,557/17. It is included in the Risk Management Report website, in compliance with BACEN Resolution BCB 54/20, which provides for the disclosure of information regarding risk management and the Risk Management Framework report, which provides for the framework and responsibilities and its context in CCB Brasil.

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

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

CMN Resolution 4,327/14 is also observed in relation to the establishment and implementation of the Social and Environmental Responsibility Policy. The Bank has already adjusted the risk management framework to comply with CMN Resolution 4,557/17.

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

CCB Brasil's risk management policies are designed to support the formulation of risk appetite, guide employees and establish procedures to monitor, control, dimension and report the risks to the Executive Board. The Top 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, operational, liquidity, and capital management risks. These areas provide support to the Risk Committee, Internal Controls, Financial Operations that analyze and define strategies and actions pertinent to the areas of operations.

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

- I. The risk mitigating controls allow the limits to be defined in advance, considering the profile and the strategic and operational aspects of each unit.

Notes to the individual and consolidated financial statements

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

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

Credit Risk Management

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

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

In line with benchmarking practices benchmark, the Bank continues to upgrade its controls and analytical models of operating risk in accordance with CMN Resolution 4,557/17 and Basel Accord.

Market risk management

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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:

As of December 31, 2020, CCB Brasil presented its Current Liabilities greater than Current Assets, calculated according to the nominal maturity of its operations. However, the Conglomerate has securities classified in the category available for sale (note 6.b) in the amount of R\$ 3,737,849 (December 19 - R\$ 1,298,203), which even classified as non-current, represent highly liquid investments in government bonds issued by the National Treasury, and a portion of the current liabilities are loans with the parent company in China in the total amount of R\$ 3,592,447 (December 2019 - R\$ 3,812,733), maturing in less than one year, which has been systematically renewed.

	2020		
	CONSOLIDATED		
	Nominal liquidity	Reclassification by effective liquidity	Adjusted liquidity
Current assets	8,541,499	3,737,849	12,279,348
Current liabilities	(12,096,465)	3,592,447	(8,504,018)
Net balance	(3,554,966)	7,330,296	3,775,330

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	2019		
	CONSOLIDATED		
	Nominal liquidity	Reclassification by effective liquidity	Adjusted liquidity
Current assets	10,772,976	1,298,203	12,071,179
Current liabilities	(13,605,705)	3,812,733	(9,792,972)
Net balance	(2,832,729)	(2,514,530)	2,278,207

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 practices. 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.

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

Scenarios are described as follow

Scenario 1: Lower oscillation situation. Assumptions adopted: parallel shock of 10% in risk variables, based on market conditions seen on December 31, 2020, 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, 2020, 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, 2020, and considering the most significant losses from risk factor, not including the relationship dynamics between the macroeconomic variables.

The scenarios adopted for December 31, 2020, and 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. - Brasil, Bolsa, Balcão	10% decr.	25% decr.	50% decr.
Inflation	10% decr.	25% decr.	50% decr.

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 2020			
Risk factors	Scenario 1	Scenario 2	Scenario 3
Dollar and dollar coupon	(133,306,573)	(333,085,553)	(532,650,425)
Fixed Rate in reais	(29,756,012)	(72,501,871)	(138,939,490)
Inflation	(3,000)	(7,477)	(14,881)
Total loss	(163,065,585)	(405,594,901)	(671,604,796)

Notes to the individual and consolidated financial statements

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

Trading Portfolio - Results for risk factors in 2020			
Risk factors	Scenario 1	Scenario 2	Scenario 3
Dollar and dollar coupon	(49,307)	(132,187)	(294,186)
Fixed Rate in reais	(16,616,900)	(41,525,826)	(82,996,737)
Total loss	(16,666,207)	(41,658,013)	(83,290,923)

The risk factors are presented as follows:

- 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.
- Shares and Indices – Comprises the shares and indices of stock exchanges, shares and options pegged to share indices.
- Inflation – Refers to all products that have price variations pegged to inflation coupon variations and inflation rates.

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 chart referring to the banking portfolio may, at first glance, give the impression of high sensitivity to volatility. For a better analysis of results obtained in this portfolio, the management chart below - which includes derivatives, assets and others - indicates the mismatching of the Institution's operations. It shows that there is substantial mismatching of prefixed positions, which would produce a negative impact on results, if there were an increase in interest rates. Nevertheless, the sensitivity chart presented does not consider correlations between and among the different risk factors. This means that the analysis disregards the correlation between the prefixed and CDI factors, that is, losses of prefixed rates are not offset by gains in CDI.

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

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

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 Central Bank of Brazil, 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.

Among the measures adopted to face the crisis caused by the Covid-19 pandemic in 2020, and to provide greater stability for the Brazilian financial system, the Bacen launched a series of contingency actions, such as the reduction in the additional collection on mandatory deposits, exemption from provisioning for renegotiated loan operations, the option of funding by Financial Institutions through time deposits with special "NDPGE" guarantees, among others.

In this sense, CMN Resolution 4783/20 established the reduction in the rate of the capital conservation buffer (ACPC) from 2.5% to 1.25% for the period of one year, with a gradual review until March 2022 also aimed to improve the Institutions' ability to leverage assets and loans.

BACEN Requirements	Valid in 2020	Valid in 2019
Core capital ratio	5.75%	7.0%
Tier I Capital ratio	7.25%	8.5%
Basel Ratio (total PR)	9.25%	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. 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, 2020 and December 31, 2019 and those established in the RAS Policy for 2020 - with review expected to occur in a year or any time when the circumstance requires.

It is noted that the capitalization and leverage indices comfortably meet all the minimum requirements, with space for asset growth in 2020.

In R\$ thousand	2020	2019
Capital – Level 1	1,422,085	1,449,867
- Core Capital	1,058,316	1,167,718
-Perpetual Bonds	363,769	282,149
Capital – Level 2	423,302	410,406

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

Reference Equity	1,845,387	1,860,273
-RWACpad	10,453,127	10,971,819
-RWAMpad	152,154	177,335
-RWAOpad	1,447,455	1,292,803
Total RWA	12,052,736	12,441,957
-	184,713	241,597
Ratios		
Main Capital	8.78%	9.39%
Level 1	11.80%	11.65%
Basel Ratio	15.31%	14.95%
IB to RWA + IRRBB	12.85%	12.03%

Art. 13, CMN Resolution 4,193/20, 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 (art. 3, CMN Resolution 4,193/20). At CCB Brasil, the limit for IRRBB is set in R\$ in the risk appetite statement and has represented on average 3 points in the capitalization indicator, as seen above.

42. RECURRING AND NON-RECURRING RESULTS

As determined by BCB Resolution 02/2020, the result that is not related or is incidentally related to the typical activities of CCB Brasil and is not expected to occur frequently in future years should be considered as a non-recurring result. It can be shown as follows:

	BANK			
	2020		2019	
	Recurring income (loss)	Non-recurring income (loss)	Recurring income (loss)	Non-recurring income (loss)
Gross Income from Financial Intermediation before expected loss to credit risk (a)	456,790	-	318,816	171,413
Provision for expected credit risk loss	(398,734)	-	(120,814)	-
Net income (loss) from financial intermediation	58,056	-	198,002	171,413
Other operating revenues (expenses) (b)	(349,280)	89,870	(467,549)	-
Operating income	(291,224)	89,870	(269,547)	171,413
Non-operating income (loss)	(37,811)	-	6,392	-
Income (loss) before taxes	(329,035)	89,870	(263,155)	171,413
Income tax and social contribution	(5,888)	-	(12,275)	-
Deferred taxes (c)	(215,444)	-	(38,435)	140,799
Loss for the period	(550,367)	89,870	(313,865)	312,212

- a) Refers to income from the sale of securities measured at the restated cost up to December 31, 2018, given Management's intention, at that time, to hold them until maturity (note 6b).

Notes to the individual and consolidated financial statements

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

- b) In 2020, it refers to the reimbursement of interest unduly paid as a result of perpetual debt in the Bank and Consolidated (note 18)
- c) In 2019, it refers to the social contribution rate differential established by Constitutional Amendment 103/19.

	CONSOLIDATED			
	2020		2019	
	Recurring income (loss)	Non-recurring income (loss)	Recurring income (loss)	Non-recurring income (loss)
Gross Income from Financial Intermediation before expected loss to credit risk (a)	543,481	-	456,688	171,413
Provision for expected credit risk loss	(382,871)	-	(212,930)	-
Net income (loss) from financial intermediation	160,610	-	243,758	171,413
Other operating revenues (expenses) (b)	(420,918)	89,870	(534,928)	83
Operating income	(260,308)	89,870	(291,170)	171,496
Non-operating income (loss)	(39,816)	-	6,393	-
Income (loss) before taxes	(300,124)	89,870	(284,777)	171,496
Income tax and social contribution	(13,192)	-	(13,306)	-
Deferred taxes (c)	(226,460)	(25,972)	(18,914)	140,799
Loss for the period	(539,776)	63,898	(316,997)	312,295

- a) Refers to income from the sale of securities measured at the restated cost up to December 31, 2018, given Management's intention, at that time, to hold them until maturity (note 6b).
- b) In 2020, it refers to the reimbursement of interest unduly paid as a result of perpetual debt in the Bank and Consolidated (note 18)
- c) In 2020, it refers to the write-off of tax credit recorded in the subsidiary CCB Financeira due to the fact that there is no expectation of generating taxable results in the next 10 years, sufficient to absorb this credit. In 2019, it refers to the social contribution rate differential established by Constitutional Amendment 103/19.

43. OTHER INFORMATION
a) Commitments assumed for guarantees received and funding from international bodies

CCB Brasil is debtor due to loans taken from Proparco (Société de Promotion et de Participation pour la Coopération Économique) for onlending to Brazilian companies, whose agreement requires the maintenance of minimum financial ratios (financial covenants) in addition to the assumption of social and environmental responsibility obligations. Foreign loans and onlendings, which contain covenants, are classified in current, due to non-compliance with indicators.

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The financial ratios are calculated based on the financial information prepared in accordance with Brazilian law and standards of the Central Bank of Brazil (BACEN). These are monitored and assessed by the aforementioned creditor.

BANK AND CONSOLIDATED	Required
Capitalization (Basel)	≥ 11%
Sum of the 20 biggest risks on PR	≤ 300%
Concentration of risk per market segment	≤ 25%
D-H Loans + Pledges - Provisions over Reference Equity	≤ 25%
Operating Expenses over Operating Income	≤ 85%
90-day Liquidity Gap in Reais	> 00%

b) 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.

44. SUBSEQUENT EVENTS

On March 1st, 2021, Provisional Measure 1,034 was published, which is pending in the National Congress and if approved, will increase the CSLL rate for financial institutions, being 20% for CCB Brasil DTVM, CCB Brasil Leasing and CCB Brasil Financeira and 25% for CCB Brasil Banco Múltiplo. The rates return to 15% and 20%, respectively, from January 1st, 2022.

Board of Directors

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

Executive Board

Chief Executive Officer:	Liping Shang
Directors, Vice-President:	Yongdong Jiang Zhiqiang Zhu
Directors:	Carlos José Roque Claudio Augusto Rotolo

Notes to the individual and consolidated financial statements

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

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

Audit Committee

President and qualified member: Heraldo Gilberto de Oliveira

Committee Members: Walter Mallas Machado de Barros
Daniel Joseph McQuoid