

(A free translation of the original in Portuguese)

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***China Construction
Bank (Brasil)
Banco Múltiplo S.A.
Financial statements at
December 31, 2022
and independent auditor's report***





(A free translation of the original in Portuguese)

Independent auditor's report

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

Opinion

We have audited the accompanying financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A. ("Bank"), which comprise the balance sheet as at December 31, 2022 and the statements of income, comprehensive income, changes in shareholders' equity and cash flows for the six-month period and year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

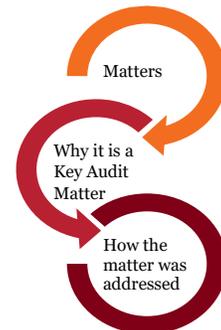
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of China Construction Bank (Brasil) Banco Múltiplo S.A. as at December 31, 2022, and its financial performance and cash flows for the six-month period and year then ended, in accordance 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 financial statements" section of our report. We are independent of the Bank in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

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





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

Why it is a Key Audit Matter

How the matter was addressed in the audit

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

Why it is a Key Audit Matter

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

How the matter was addressed in the audit

realization of the tax credits by the appropriate management bodies.

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

Information technology environment

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

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

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

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

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

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

Other information accompanying the financial statements and the auditor's report

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

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

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



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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of associates to express an opinion on the Bank's financial statements. We are responsible for the direction, supervision and performance of the audit, considering these investees. We remain solely responsible for our audit opinion.

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

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

São Paulo, March 28, 2023


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

Fábio de Oliveira Araújo
Contador CRC 1SP241313/O-3

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 period ended on December 31, 2022. The remarks presented here, except when emphasized differently, are demonstrated in domestic currency (Reais – R\$). The financial statements portrayed are in accordance with the standards of the Central Bank of Brazil (BACEN).

Performance for the year of 2022

The year of 2022 positively reflected the measures adopted by the Bank in the previous year, which proposed to improve the quality of assets and, at the same time, adjust the Bank's operational structure to obtain better efficiency in the organization.

At the end of the year of 2022, loan operations reached R\$ 10,157.5 million (R\$ 10,188.0 million on December 31, 2021). The balance of the loan portfolio with the corporate segment on December 31, 2022 was R\$ 9,319.3 million (R\$ 9,150.9 million in December 2021), while the retail loan portfolio, basically composed of payroll loans, ended 2022 with R\$ 838.2 million, down 19.18% compared to December 2021, whose balance of this portfolio was R\$ 1,037.1 million.

As in recent years, CCB Brasil maintains a strategic approach aimed at maintaining the quality of the loan portfolio, without ceasing to support our customers. In this way, the performance guidelines for customers adopted in 2021 were followed throughout the year of 2022, together with intensive monitoring of the loan portfolio.

The NPL (non performing loans) ratios, formed by the portion of the loan portfolio classified between risk levels D and H, demonstrate a positive performance in terms of the quality of the corporate portfolio. The portfolio as of December 31, 2022 presented 3.1% of NPL, while as of December 31, 2021 was of 3.9%. Actions were carried out to maintain the process of reducing the NPL ratio and expenses with provisions, maintaining stability in the quality of the loan portfolio.

In relation to Funding, we observed an increase of 1.7% in funding in reais in this year. Time deposits reached R\$ 4,206.2 million, a decrease of 17.8% over December of 2021. The funds issued, composed of LCAs, LFs and LCIs, totaled R\$ 1,109.5 million, an increase of 103.7% compared to December 31, 2021.

As December 31, 2022, resources from Head Office represented 32.1% of total funding of R\$ 15,875.8 million. It is worth noting that the Head Office has provided its Subsidiary with adequate funding to maintain the continuity of its operational activities and adhering to market rate conditions.

The gross result of financial intermediation for the year ended on December 31, 2022 reached R\$ 342.8 million, a decrease of 27.0 % compared to the result obtained in the year ended on December 31, 2021, R\$ 469.5 million, a reflection of the reduction in spreads practiced by the Bank, given the option by corporate customers with an excellent risk profile, together with a significant reduction in payroll loan operations.

The loss for the year ended December 31, 2022 was R\$ 21.8 million, lower than the same period in 2021, when was recorded a profit of R\$ 57.7 million.

On December 31, 2022, shareholders' equity reached R\$ 1,106.4 million and the Basel ratio was 15.87%.

Human resources and service points

The Bank ended the year of 2022 with 332 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 27, 2023).

**Summary of the Audit Committee Report
Semester and Year Ended December 31, 2022**

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

The Committee analyzed financial statements for the semester and year ended December 31, 2022, focusing on the application of accounting practices adopted by the market and compliance with standards issued by the Central Bank of Brasil - BACEN. The Committee evaluated the recommendations proposed by the Internal and Independent Audits, discussing with Management the arrangements for the respective compliance. Based on the information and reports received from the internal control and risk areas, the work of the Internal Audit and the Independent Audit reports, the Audit Committee concluded that there were no relevant failures to comply with internal regulations and standards that could endanger the continuity of the institution.

The Audit Committee discussed with PricewaterhouseCoopers (PwC) the results of the work and its conclusions on the audit of these financial statements, the report of which is unqualified. The key audit matters were also discussed with PwC, as well as other points related to accounting practices, recommendations and notes in the internal control and risk reports, and presentation of the financial statements. The Audit Committee made recommendations in order to improve the management processes of internal controls, Compliance and risk management, whose actions are monitored by the Internal Audit.

The Audit Committee, as a result of 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 Audited Financial Statements for the semester and year ended December 31, 2022, are in a condition to be approved by the Board of Directors.

São Paulo, March 28, 2023

Audit Committee

Balance sheet on December 31

(In thousands of reais)

Assets	Note	12/31/2022	12/31/2021
Currents and non currents			
Financial instruments		16,973,468	16,710,735
Cash and cash equivalents		50,727	348,045
Interbank funds applied	5	1,844,012	1,659,407
Securities	6.b	4,510,349	4,056,353
Derivatives	7.f	82,990	46,230
Credit Portfolio	8.a	8,763,763	9,013,325
Foreign exchange operations	9	1,548,019	1,465,962
Other financial instruments	10	481,301	499,982
Allowance for expected loss to credit risk	11	(307,693)	(378,569)
Non-financial assets held for sale		93,754	110,881
Cost		196,175	230,104
Provision for impairment		(102,421)	(119,223)
Investments		342,040	352,253
Investments in domestic subsidiaries	13	341,834	351,843
Other investments		206	410
Property and equipment		6,321	11,871
Cost		96,720	111,991
Accumulated depreciation		(90,009)	(98,501)
Provision for impairment		(390)	(1,619)
Intangible		1,385	1,131
Cost		25,736	23,599
Accumulated amortization		(24,351)	(22,468)
Tax Assets		1,202,562	1,262,258
Taxes to be offset		16,127	5,766
Tax credits	14.a	805,773	875,830
Presumed - Law nº 12.838/13	14.b	380,662	380,662
Other Assets		79,799	55,800
Total assets		18,699,329	18,504,929

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

Balance sheet on December 31

(In thousands of reais)

(continued)

Liabilities	Note	<u>12/31/2022</u>	<u>12/31/2021</u>
Current and non current			
Financial instruments		16,079,070	15,876,367
Funds obtained in the market	16	10,317,894	9,704,550
Borrowings and onlendings	17	4,670,897	4,830,936
Derivatives	7.f	30,499	37,883
Foreign exchange operations	9	140,906	243,903
Debt instruments eligible to capital	18	887,009	948,685
Other financial instruments	19	31,865	110,410
Provisions	20	1,135,009	1,092,985
Tax liabilities		310,995	326,900
Current Taxes		25,561	28,405
Deferred Taxes	14.c	202,289	215,802
Presumed Taxes - Law nº 12.838/13	14.b	83,145	82,693
Other liabilities	23	67,830	81,858
Total liabilities		17,592,904	17,378,110
Shareholders equity			
Share Capital	24.a	2,956,864	2,956,864
Treasury shares	24.b	(55,105)	(55,105)
Accumulated losses		(1,796,187)	(1,774,358)
Capital reserve		899	899
Other comprehensive income		(46)	(1,481)
Total shareholders' equity		1,106,425	1,126,819
Total liabilities and shareholders' equity		18,699,329	18,504,929

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

Statement of Income

Years and semester ended on December 31

(In thousands of reais, except for losses per capital share)

	Note	2nd Half 2022	12/31/2022	12/31/2021
Income from financial intermediation		947,579	1,309,130	1,427,718
Loan operations	26	536,069	680,818	846,138
Results from Interbank funds applied and securities	27	385,666	692,550	266,228
Derivatives	28	(12,656)	(33,229)	165,533
Foreign exchange results	29	38,500	(31,009)	149,819
Financial intermediation expenses		(750,221)	(966,310)	(958,206)
Borrowings and onlendings	31	(88,622)	168,157	(364,145)
Funds obtained in the market	32	(663,371)	(1,192,126)	(427,000)
Debt instruments eligible to capital	33	3,451	61,676	(159,406)
Other financial intermediation expenses	30	(1,679)	(4,017)	(7,655)
Gross profit (loss) from financial intermediation before expected credit loss		197,358	342,820	469,512
Provision for expected loss to credit risk	11	(6,486)	(444)	(19,369)
Net profit (loss) from financial intermediation		190,872	342,376	450,143
Other operating income (expenses)		(152,284)	(308,481)	(305,644)
Service revenues	34	19,034	44,251	44,622
Personnel expenses	35	(86,748)	(174,503)	(171,579)
Other administrative expenses	36	(38,141)	(78,268)	(83,052)
Other operating income	37	20,936	36,269	18,305
Other operating expenses	38	(41,980)	(74,894)	(77,043)
Equity in the results of subsidiaries	13	6,705	(3,553)	17,946
Provision for contingent liabilities	21.a	(31,388)	(56,382)	(54,046)
Provisions for guarantees provided		(702)	(1,401)	(797)
Operating result		38,588	33,895	144,499
Other non operating income		1,967	5,541	27,729
Reversion provision for other non operating income		6,494	6,743	(9,484)
Non operating result	39	8,461	12,284	18,245
Profit (loss) before taxes		47,049	46,179	162,744
Income tax and social contribution	14.d	(12,186)	(12,186)	-
Deferred taxes	14.d	(34,777)	(55,822)	(105,067)
Net Profit (Loss) for semester/years		86	(21,829)	57,677
Amount of shares (thousand)		459,233	459,233	459,233
Profit (loss) per share - R\$		0.00	(0.05)	0.13

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

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

	2nd Half 2022	12/31/2022	12/31/2021
Net Profit (Loss) for the semester/years	86	(21,829)	57,677
Other comprehensive results which will be reclassified subsequently for net income	727	1,435	3,086
Securities available for sale			
Change in fair value	1,322	2,609	5,611
Deferred taxes	(595)	(1,174)	(2,525)
Comprehensive profit (loss) for the semester/years	813	(20,394)	60,763

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

Statement of changes in shareholders' equity

Years and semester ended on December 31

(In thousands of reais)

	<u>Capital reserves</u>					<u>Total</u>
	<u>Share Capital</u>	<u>Treasury Share</u>	<u>Goodwill of the issues of shares</u>	<u>Other Comprehensive Income</u>	<u>Accumulated Loss</u>	
Balance at January 1, 2021	<u>2,956,864</u>	<u>(55,105)</u>	<u>899</u>	<u>(4,567)</u>	<u>(1,832,035)</u>	<u>1,066,056</u>
Other comprehensive income	-	-	-	3,086	-	3,086
Net profit for the year	-	-	-	-	57,677	57,677
Balance at December 31, 2021	<u>2,956,864</u>	<u>(55,105)</u>	<u>899</u>	<u>(1,481)</u>	<u>(1,774,358)</u>	<u>1,126,819</u>
Variation in the year	-	-	-	3,086	57,677	60,763
Balances at January 1, 2022	<u>2,956,864</u>	<u>(55,105)</u>	<u>899</u>	<u>(1,481)</u>	<u>(1,774,358)</u>	<u>1,126,819</u>
Other comprehensive income	-	-	-	1,435	-	1,435
Loss of the year	-	-	-	-	(21,829)	(21,829)
Balances at December 31, 2022	<u>2,956,864</u>	<u>(55,105)</u>	<u>899</u>	<u>(46)</u>	<u>(1,796,187)</u>	<u>1,106,425</u>
Variation in the year	-	-	-	1,435	(21,829)	(20,394)
Balances at July 1, 2022	<u>2,956,864</u>	<u>(55,105)</u>	<u>899</u>	<u>(773)</u>	<u>(1,796,273)</u>	<u>1,105,612</u>
Other comprehensive income	-	-	-	727	-	727
Net profit of the semester	-	-	-	-	86	86
Balances at December 31, 2022	<u>2,956,864</u>	<u>(55,105)</u>	<u>899</u>	<u>(46)</u>	<u>(1,796,187)</u>	<u>1,106,425</u>
Variation in the year	-	-	-	727	86	813

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

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

Cash flow from operating activities	Note	2nd Half	12/31/2022	12/31/2021
		2022		
Net Profit (Loss) for the semester/years		86	(21,829)	57,677
Adjustments to the Profit (Loss)		58,762	99,301	107,461
Provision for expected loss to credit risk	11	6,486	444	19,369
Monetary update of judicial deposits	37	(14,756)	(27,194)	(8,350)
Provision for contingent liabilities	21.a	31,388	56,382	54,046
Provision for loans linked to credit operations	31	11,740	42,104	(4,793)
Other operating provisions		(5,792)	(5,342)	10,281
Depreciation and amortization	36	2,739	7,359	10,570
Tax credits and Deferred tax liabilities	14	34,777	55,822	105,067
Equity in the results of subsidiaries	13	(6,705)	3,553	(17,946)
Loss on sales of property and equipment	39	(111)	146	-
Loss (Gain) on sales of assets held for sale	39	(2,931)	(6,568)	(27,152)
Exchange variations on cash and cash equivalents		977	(28,355)	(33,631)
Write-off of assets due to disuse		950	950	-
Adjusted Profit		58,848	77,472	165,138
(Increase) decrease in interbank funds applied		(96)	(713)	377,783
(Increase) decrease in Securities		(251,249)	(451,387)	833,881
(Increase) decrease in derivatives		6,856	(44,144)	7,990
Decrease in credit portfolio		(250,927)	177,988	(134,442)
(Increase) in foreign exchange portfolio - assets		(407,623)	(82,057)	(390,310)
(Decrease) increase in foreign exchange portfolio - liabilities		(6,121)	(102,997)	131,047
(Increase) in other financial instruments - assets		(225,909)	(376,773)	(377,788)
Increase (decrease) in funds obtained in the market		214,077	613,344	(663,519)
Income tax and social contribution paid		(4,205)	(9,390)	(52)
Interest payment		(71,236)	(98,706)	(55,945)
Contingencies payment	21.a	(17,500)	(21,264)	(42,036)
Interest received		213,320	393,382	352,956
(Decrease) increase in other liabilities		10,389	(1,977)	(12,148)
(Decrease) increase in other financial instruments - liabilities		115	(78,545)	47,801
Dividends received	13.a	-	1,362	979
Interest on own capital received	13.b	-	-	8,500
Net cash (used in) provided by operating activities		(731,261)	(4,405)	249,835
Cash flow from investing activities				
Sale of assets not for own use		12,708	29,463	76,505
Sale of property and equipment		124	208	(245)
Acquisition of intangible assets		(292)	(2,137)	(1,293)
Sale of investment		114	204	-
Net cash provided by investing activities		12,654	27,738	74,967
Cash flow from financing activities				
Increase in borrowings and onlending resources		4,958,886	9,379,215	13,147,777
(Decrease) increase debt instruments eligible to capital	33	(3,451)	(61,676)	55,788
Repayment of borrowings		(4,530,450)	(9,482,653)	(12,609,004)
Net cash (used in) provided by financing activities		424,985	(165,114)	594,561
(Decrease) increase in cash and cash equivalents		(293,622)	(141,781)	919,363
Cash and cash equivalents at the beginning of the semester/years	4	2,185,021	2,003,848	1,050,854
Exchange variations on cash and cash equivalents		(977)	28,355	33,631
Cash and cash equivalents at the end of the semester/years	4	1,890,422	1,890,422	2,003,848
(Decrease) increase in cash and cash equivalents		(293,622)	(141,781)	919,363

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

Notes to financial statements

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

1. OPERATIONS

China Construction Bank (Brasil) Banco Múltiplo S.A. ("CCB Brasil"), headquartered at Avenida Brigadeiro Faria Lima, 4.440, São Paulo - SP, Brazil, is a privately-held corporation controlled by 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.

With a view to better strategic direction, measures are being studied and implemented to reposition the CCB Conglomerate's operations. To date, there have been no actions that require any adjustment to the financial statements.

2. PRESENTATION OF FINANCIAL STATEMENTS

Financial statements of China Construction Bank (Brasil) Banco Múltiplo S.A. - CCB Brasil, including overseas facilities have been prepared based on Brazilian accounting policies applicable to institutions authorized to operate by the 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, and evidence all relevant information specific to the financial statements, and only those, which are consistent with those used by Management in its management.

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

We emphasize that, according to option provided for in Article 23 of BCB Resolution 02/2020, 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.

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

The CCB Brasil Conglomerate prepared a plan to implement the accounting concepts and criteria applicable to financial instruments required by CMN Resolution No. 4,966/2021. This Implementation Plan is segregated as follows:

- (i) Organization and Governance: Forums and Committees made up of different hierarchical levels dedicated to defining and monitoring implementation;
- (ii) Processes and Systems: Mapping impacts and implementing changes in processes and systems;

Notes to financial statements

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

- (iii) **Models and Criteria:** Review and update of models and criteria used in accounting estimates. The Implementation Plan schedule is being phased over the period from 2023 to the end of the 2024 fiscal year, and it still depends on accessory rules to be issued by BACEN for full implementation. The impacts on the Financial Statements will be disclosed in a timely manner after the complete definition of the regulatory framework.

The issue of financial statements was approved by the Board of Directors on March 27, 2023.

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

Notes to financial statements

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

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

- **Operations with substantial transfer of risks and rewards:** transactions in which seller or assignor substantially transfer all property risks and benefits of the financial asset that is the object of the transaction such as: (I) unconditional sale of financial asset; (II) sale of financial asset together with repurchase option at fair value of that asset at the time of repurchase; and (III) sale of financial asset together with call or put option whose exercise is 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 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 and which shall probably occur within one year as of the base date of financial information. They are generally measured for the lower between the fair value less the sale cost and the book value on the date in which they are classified in such category. They are not depreciated, provided that they remain in such category.

i) Investments in domestic subsidiaries

Investments in domestic subsidiaries are valued under the equity method.

j) Tax assets and liabilities

Income tax and social contribution are calculated on accounting profit adjusted under the terms of the tax legislation, at the rates of 15%, plus an additional 10% above a certain limit for income tax and 20% on profit before income tax deduction for social contribution. As of August 2022, in accordance with Law No. 14,446/22, the social contribution is now 21% until December 31, 2022.

From July to December 2021, in accordance with Law No. 14,183/2021, the social contribution of financial institutions was increased by 5%.

The stock of tax credits and deferred tax liabilities recorded on December 31, 2022 and 2021 were calculated considering the rate in effect on the date of realization.

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.

Notes to financial statements

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

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

m) Accounting estimates

The preparation of financial statements complies with accounting policies 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

	<u>12/31/2022</u>	<u>12/31/2021</u>
Cash and cash equivalents	50,727	348,045
Money market repurchase commitments	1,500,239	1,499,994
Interbank deposit investments	56,438	155,809
Foreign currencies investments	283,018	-
Total	<u>1,890,422</u>	<u>2,003,848</u>

5. INTERBANK FUNDS APPLIED

	<u>12/31/2022</u>	<u>12/31/2021</u>
Money market repurchase commitments	1,500,239	1,499,994
Interbank deposit investments	60,755	159,413
Foreign currencies investments	<u>283,018</u>	
Total	<u>1,844,012</u>	<u>1,659,407</u>
Current	1,842,728	1,659,407
Non-current	<u>1,284</u>	-
Total	<u>1,844,012</u>	<u>1,659,407</u>

6. SECURITIES
a) Operation policy

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

b) Securities portfolio by category and type

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

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

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

Notes to financial statements

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

	12/31/2021						
	Up to 90 days	91-360 days	Total current	Non-current	Total account amount	Adjusted cost	Market value
Securities available for sale	633,462	1,189,617	1,823,079	2,141,691	3,964,770	3,967,462	3,964,770
Own portfolio (*)	50,666	15,732	66,398	241,447	307,845	308,200	307,845
Financial Treasury Bills	50,666	15,732	66,398	241,447	307,845	308,200	307,845
Subject to purchase and sale agreements	356,738	1,071,050	1,427,788	1,806,565	3,234,353	3,236,525	3,234,353
Financial Treasury Bills	356,738	1,071,050	1,427,788	1,806,565	3,234,353	3,236,525	3,234,353
Related to guarantees provided (**)	226,058	102,835	328,893	93,679	422,572	422,737	422,572
Financial Treasury Bills	226,058	102,835	328,893	93,679	422,572	422,737	422,572
Securities held to maturity	-	-	-	91,583	91,583	91,583	91,583
Own portfolio	-	-	-	91,583	91,583	91,583	91,583
Quotas - FIDC	-	-	-	91,583	91,583	91,583	91,583
Total	633,462	1,189,617	1,823,079	2,233,274	4,056,353	4,059,045	4,056,353

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

(**) Book balance includes R\$ 421,438 referring to margin deposited in guarantee of transactions with derivative financial instruments, R\$ 651 referring to lawsuits and R\$ 483 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.

7. DERIVATIVE FINANCIAL INSTRUMENT PORTFOLIO

a) Policy of use

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

b) Protection against Exchange Rate Exposures

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

Notes to financial statements

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

c) Portfolio Protection with Fixed Rates

CCB Brasil adopts the strategy of acquiring DI futures contracts, evaluating amount allocated per credit portfolio term and amount allocated per DI futures contracts' maturities. Hedge coverage is daily monitored and assessed on a quarterly basis for the purpose of maintaining accounting hedge and making it effective. It complies with criteria that consider total portfolio less delayed payments and prepayment. The Bank's Treasury assesses the need to buy or sell new DI futures contracts to offset adjustment to market value of hedge object and guarantee hedge 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, 2022 were related to exchange rate, interest rate and dollar coupon, which aim maximizing risk and return ratios, even in situations of high volatility. Portfolios' risk management control is carried out using metrics VaR (trading portfolio), EVE and NII (banking portfolio), Profitability and Liquidity Risk.

e) Measurement criteria of market value

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

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

f) Recognition of amounts

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

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

Operations that use financial instruments carried out upon a request from clients, or that do not fulfill the protection criteria (especially derivatives utilized to manage global risk exposure up to December 31, 2022), are recorded at market value, with realized and unrealized gains and losses, recorded directly in the statement of income.

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

Notes to financial statements

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

The outstanding derivative financial instruments on December 31, 2022 have the following characteristics:

	Current	Non-current	Differential receivable	Current	Non-current	Differential payable	Reference value				
							Net position of assets' and (liabilities) contracts				
							Due up to 03 months	Due 03-12 months	Total current	Non-current	Total
Swap contracts											
Interbank market	25,619	37,570	63,189	240	1,688	1,928	68,402	243,468	311,870	607,902	919,772
Foreign currency	283	1,657	1,940	4,993	4,622	9,615	(68,402)	(275,265)	(343,667)	(614,272)	(957,939)
Fixed rate	584	-	584	-	119	119	-	31,797	31,797	6,370	38,167
Subtotal	26,486	39,227	65,713	5,233	6,429	11,662	-	-	-	-	-
Adjustment to market value	(133)	15,289	15,156	(404)	360	(44)	-	-	-	-	-
Total	26,353	54,516	80,869	4,829	6,789	11,618	-	-	-	-	-
Forward contracts/Non-deliverable forwards - NDF											
Forward purchase/NDF	1,442	-	1,442	14,232	2,238	16,470	201,139	172,957	374,096	15,653	389,749
Forward sale/NDF	679	-	679	2,411	-	2,411	89,685	21,460	111,145	-	111,145
Subtotal	2,121	-	2,121	16,643	2,238	18,881	-	-	-	-	-
Total	28,474	54,516	82,990	21,472	9,027	30,499	-	-	-	-	-
							201,139	172,957	374,096	15,653	389,749
Futures contracts (*)											
Purchase - Interbank market	20	-	20	-	-	-	50,132	134,757	184,889	22,842	207,731
Sale - Interbank market	-	-	-	284	-	284	(166,820)	(277,917)	(444,737)	(403,469)	(848,206)
Buy - DDI - For. cur. coupon	17,330	-	17,330	4,270	-	4,270	1,245,731	1,101,887	2,347,618	453,719	2,801,337
Sale - DDI - For. cur. coupon	691	-	691	108	-	108	(115,762)	(7,776)	(123,539)	-	(123,539)
Purchase - Foreign currency	4,016	-	4,016	806	-	806	574,931	-	574,931	-	574,931
Sale - Foreign currency	4,275	-	4,275	13,439	-	13,439	(2,301,100)	-	(2,301,100)	-	(2,301,100)
Total	26,332	-	26,332	18,907	-	18,907	-	-	-	-	-

(*) Amounts payable and amounts receivable from futures contracts are presented under captions Other financial instruments – Assets (Note 10) and Other financial instruments – Liabilities (note 19).

The outstanding derivative financial instruments on December 31, 2021 have the following characteristics:

	Current	Non-current	Differential receivable	Current	Non-current	Differential payable	Reference value				
							Net position of assets' and (liabilities) contracts				
							Due up to 03 months	Due 03-12 months	Total current	Non-current	Total
Swap contracts											
Interbank market	1,829	7,842	9,671	18,224	10,100	28,324	12,085	144,840	156,925	478,111	635,036
Foreign currency	1,798	5,758	7,556	208	2,775	2,983	(19,089)	(176,329)	(195,418)	(478,111)	(673,529)
Fixed rate	511	-	511	1,054	-	1,054	7,004	31,489	38,493	-	38,493
Subtotal	4,138	13,600	17,738	19,486	12,875	32,361	-	-	-	-	-
Adjustment to market value	831	7,154	7,985	450	(1,752)	(1,302)	-	-	-	-	-
Total	4,969	20,754	25,723	19,936	11,123	31,059	-	-	-	-	-
Forward contracts/Non-deliverable forwards - NDF											
Forward purchase/NDF	7,670	7,566	15,236	5,676	227	5,903	326,065	286,802	612,867	116,135	729,002
Forward sale/NDF	5,271	-	5,271	921	-	921	314,339	60,972	375,311	-	375,311
Subtotal	12,941	7,566	20,507	6,597	227	6,824	-	-	-	-	-
Total	17,910	28,320	46,230	26,533	11,350	37,883	-	-	-	-	-
Futures contracts (*)											
Purchase - Interbank market	113	-	113	-	-	-	61,795	267,682	329,477	107,779	437,256
Sale - Interbank market	-	-	-	400	-	400	(169,382)	(318,886)	(488,268)	(657,668)	(1,145,936)
Buy - DDI - For. cur. coupon	-	-	-	64,507	-	64,507	568,485	2,271,652	2,840,137	296,616	3,136,753
Sale - DDI - For. cur. coupon	3,568	-	3,568	-	-	-	(25,621)	(147,432)	(173,053)	-	(173,053)
Purchase - Foreign currency	43	-	43	19,003	-	19,003	922,168	-	922,168	-	922,168
Sale - Foreign currency	64,714	-	64,714	-	-	-	(3,148,812)	-	(3,148,812)	-	(3,148,812)
Total	68,438	-	68,438	83,910	-	83,910	-	-	-	-	-

(*) Amounts payable and amounts receivable from futures contracts are presented under captions Other financial instruments – Assets (Note 10) and Other financial instruments – Liabilities (note 19).

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.

Notes to financial statements

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

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

Title	Maturity	12/31/2022	12/31/2021
		Fair value / Book value	Fair value / Book value
LFT	03/01/2022	-	225,576
LFT	09/01/2022	-	102,183
LFT	03/01/2023	-	27,763
LFT	09/01/2024	82,569	65,916
		82,569	421,438

g) Hedge accounting
Credit Transaction for Individuals

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

Funding abroad

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

12/31/2022	Hedge Object				Hedge instrument		Changes in amount recognized in income (loss)
	Carrying value		Fair Value		Ineffective value	Nominal value	
	Assets	Liabilities	Assets	Liabilities			
Interest rate risk							
Loans transaction	585,790	-	576,084	-	952	839,829	(9,706)
Funding abroad indexed to the dollar	-	1,869,997	-	1,873,414	(4,420)	1,871	(3,417)
Total	585,790	1,869,997	576,084	1,873,414	(3,468)	841,700	(13,123)

Notes to financial statements

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

8. CREDIT AND LEASE PORTFOLIO

a) Breakdown per type of operation

	<u>12/31/2022</u>	<u>12/31/2021</u>
Export financing	3,537,447	3,880,974
Working capital and discounts	3,186,900	2,774,837
Payroll loans	825,795	1,012,135
Rural and agribusiness financing	668,331	459,037
Import financing	269,370	550,477
Vehicle financing	38,859	11,658
Debtors in purchase of assets	17,785	18,751
Loan operations subject to assignment (*)	12,403	24,968
Other	206,873	280,488
Total Loan	8,763,763	9,013,325
Advances on exchange contracts (**)	1,393,735	1,174,669
TOTAL	10,157,498	10,187,994

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

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

b) Diversification by sector of activity

	<u>12/31/2022</u>	<u>12/31/2021</u>
Private sector	9,307,250	9,133,998
Industry	4,780,456	4,588,133
Trade	2,146,468	2,635,654
Other services	2,143,363	1,626,946
Agribusiness	236,963	283,265
Individuals	850,248	1,053,996
Total	10,157,498	10,187,994

c) Diversification per periods – per installment

	<u>12/31/2022</u>	<u>%</u>	<u>12/31/2021</u>	<u>%</u>
Past due as of 15 days	9,021	0.10	25,546	0.25
Due up to 03 months	2,197,123	21.62	1,995,952	19.59
Due 03–12 months	3,929,340	38.68	3,786,138	37.16
Total current	6,135,484	60.40	5,807,636	57.00
Non-current	4,022,014	39.60	4,380,358	43.00
Total	10,157,498	100	10,187,994	100

Notes to financial statements

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

d) Breakdown of portfolio per levels of risk

Risk level	12/31/2022			12/31/2021		
	Calculation		Provision	Calculation		Provision
	basis	% (*)		basis	% (*)	
AA	4,418,826	43.50	-	3,592,023	35.26	-
A	3,543,887	34.89	17,719	3,764,534	36.95	18,822
B	1,811,429	17.83	18,114	2,330,486	22.88	23,305
C	65,438	0.65	1,963	104,288	1.02	3,129
D	13,027	0.13	1,303	18,750	0.18	1,875
E	20,277	0.20	6,083	44,062	0.43	13,218
F	5,695	0.06	2,847	6,855	0.07	3,428
G	64,184	0.63	44,929	40,679	0.40	28,475
H	214,735	2.11	214,735	286,317	2.81	286,317
Total	10,157,498	100	307,693	10,187,994	100	378,569

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

e) Levels of risk concentration

	12/31/2022		12/31/2021	
	R\$	%	R\$	%
Major debtor	179,558	1.77	156,479	1.50
10 greatest debtors	1,536,523	15.13	1,520,313	14.62
100 main debtors	7,727,987	76.08	7,323,729	70.40

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\$ 12,403 (December/21 - R\$ 24,968), and amount recorded as obligations from credit transactions linked to the assignment, presented in liabilities under “Other financial instruments (note 19), is R\$ 12,955 (December/21 - R\$ 26,494). Expenses from linked obligations recognized in the period amounted to R\$ 4,017 (December/21 - R\$ 8,165), and are in the Statement of Income under “Other financial intermediation expenses” (Note 30), deriving from “pro rata temporis” appropriation over the term of each assigned contract. Granting is subject to application of CMN Resolution 2,682/99 for the purpose of classifying credit risk and recognizing an allowance for doubtful accounts.

Notes to financial statements

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

9. FOREIGN EXCHANGE TRANSACTIONS

	<u>12/31/2022</u>	<u>12/31/2021</u>
Assets		
Purchased foreign exchange to be settled	1,454,431	1,346,682
Receivables from foreign exchange sales	66,926	110,121
Earnings receivable from granted advances	27,473	12,551
Advances received in national currency	(811)	(3,392)
Total	1,548,019	1,465,962
Current	1,344,112	1,465,962
Non-current	203,907	-
Total	1,548,019	1,465,962
Liabilities		
	<u>12/31/2022</u>	<u>12/31/2021</u>
Obligations from foreign currency purchases	1,417,443	1,268,422
Advances on exchange contracts	(1,366,262)	(1,162,118)
Sold foreign exchange to be settled	89,725	137,599
Total	140,906	243,903
Current	140,906	243,903
Total	140,906	243,903

10. OTHER FINANCIAL INSTRUMENTS - ASSETS

	<u>12/31/2022</u>	<u>12/31/2021</u>
Debtors of guarantee deposits (*)	438,668	416,667
Securities clearing accounts	26,332	68,438
Income receivable	16,154	14,870
Securities and credits receivable	147	7
Total	481,301	499,982
Current	32,017	75,810
Non-current	449,284	424,172
Total	481,301	499,982

(*) Comprises substantially of judicial deposits related to legal discussions at the Bank in the amount of R\$ 438,668 (December/21 – R\$ 414,992) and deposits in guarantees abroad R\$ - (December/21 – R\$ 1,675).

Notes to financial statements

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

11. PROVISION FOR EXPECTED CREDIT RISK LOSS

	<u>12/31/2022</u>	<u>12/31/2021</u>
Opening Balance	378,569	486,903
Increase of provision for credits for the semester	444	19,369
Subtotal	379,013	506,272
Debt restructuring (*)	-	110,666
Write-offs to loss (**)	(71,320)	(238,369)
Closing balance	307,693	378,569
Recovery of loans written off	90,355	54,968
Percentage of provision on portfolio	3,03	3.72
Current	140,412	229,683
Non-current	167,281	148,886
Closing balance	307,693	378,569

(*) Refers to debt restructuring of credit operations previously recorded as losses and recorded in assets as a contra-entry to the loan portfolio.

(**) Of the write-off amount, R\$ - (December/21 – R\$ 14,750) refer to credit operations linked to funding operations in accordance with the rules established by CMN Resolution 2,921/02 (Note 17).

As of December 31, 2022, renegotiated contracts portfolio presented balance of R\$ 1,729,868 (December/21 - R\$ 2,145,390). It should be noted that, pursuant to paragraph 3 of article 8 of CMN Resolution No. 2,682/99, debt composition, extension, novation, concession of a new transaction for partial or full settlement of a previous transaction or any other type of agreement that involves changing the due dates or payment terms originally agreed are considered as renegotiation. In this case, renegotiations are included that do not necessarily imply readjustments in the face of issues related to the payment capacity of the contracts themselves, but any and all changes to the originally agreed payment conditions.

Of the amount of renegotiated contracts, R\$ 312,860 (December/21 – R\$ 394,368) includes contracts renegotiated due to debtor' financial difficulties. The balance of provision for renegotiated credits of R\$ 210,871 (December/21 - R\$ 224,953).

12. NON-FINANCIAL ASSETS HELD FOR SALE

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

	<u>12/31/2022</u>	<u>12/31/2021</u>
Real estate	179,143	212,790
Machinery and equipment	15,668	15,683
Vehicles and the like	1,049	1,033
Other	315	598
Subtotal	196,175	230,104
Provision for impairment	(102,421)	(119,223)
Total	93,754	110,881

Notes to financial statements

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

13. OWNERSHIP INVESTMENTS

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

Company's name	12/31/2022						12/31/2021
	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%	285,958	23,077	23,077	285,958	271,381
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A.	14,223,228	100%	22,000	915	915	22,000	21,302
CCB Brasil Informática S.A.	50,000	100%	840	57	57	840	783
CCB Brasil Administradora de Cartões de Crédito Ltda.	3,670,000	100%	4,846	(864)	(864)	4,846	5,709
CCB Brasil S.A. – CFI (*)	116,405,774	100%	28,163	(24,475)	(24,475)	28,163	52,638
CCB Brasil Promotora de Vendas Ltda.	1,354,000	1.67%	1,628	(66)	(1)	27	29
CCB Brasil Cobrança Ltda.	110,402,810	3.75%	-	(34)	(1)	-	1
Subtotal					(1,292)	341,834	351,843
Brasilfactors S.A. (**)	62,931	50%	(10,252)	(5,149)	(2,261)	(5,126)	(2,865)
Total					(3,553)	336,708	348,978

(*) As Brasilfactors S.A. presented shareholders' deficit, amount equivalent to the Bank's interest is recorded in Other liabilities (Note 23).

a) Dividends

On June 28, 2022, the Bank received from its subsidiaries CCB Brasil Arrendamento Mercantil S.A. and CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. the amount of R\$ 1,289 and R\$ 73, respectively, as dividends for the year 2021. On June 10, 2021, the Bank received from its subsidiaries CCB Brasil Arrendamento Mercantil S.A. and CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. the amount of R\$ 923 and R\$ 56, respectively, as dividends for the year 2020.

In December 2022, minimum dividends of R\$ 217 were proposed for the year 2022 by the subsidiary CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A., to be received in 2023, recorded in the "Other Assets" group (note 15).

b) Interest on own capital

In December 2022, interest on own capital in the amount of R\$ 8,500 was proposed, which after withholding income tax at the rate of 15%, resulted in the net amount of R\$ 7,225, by the subsidiary CCB Brasil Arrendamento Mercantil S.A..

No interest on own capital was received from the subsidiary CCB Brasil Arrendamento Mercantil S.A. in fiscal year 2022. On June 10, 2021, the Bank received from its subsidiary CCB Brasil Arrendamento Mercantil S.A. the amount of R\$ 8,500 as interest on own capital provisioned in 2019.

Notes to financial statements

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

14. TAX ASSETS AND LIABILITIES

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

	12/31/2021	Change in shareholders' equity	Realizations	Additions	12/31/2022
Income tax					
Provision for expected credit loss	274,307	-	(29,588)	111	244,830
Provision for Hedge Accounting	-	-	(3,563)	6,844	3,281
Provision for impairment of non-operating assets	4,010	-	(3,016)	-	994
Provision for contingencies and others	208,122	(652)	(10,858)	1,935	198,547
Subtotal – Tax Credit IRPJ (corporate income tax)	486,439	(652)	(47,025)	8,890	447,652
Social contribution					
Provision for expected credit loss	219,444	-	(23,669)	89	195,864
Provision for Hedge Accounting	-	-	(2,851)	5,476	2,625
Provision for impairment of non-operating assets	3,208	-	(2,413)	-	795
Provision for contingencies and others	166,739	(522)	(8,928)	1,548	158,837
Subtotal – Tax Credit CSLL (social contribution on net income)	389,391	(522)	(37,861)	7,113	358,121
Total - Tax credit - IRPJ/CSLL	875,830	(1,174)	(84,886)	16,003	805,773

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:

Projected year	Realization of tax credits										12/31/2022
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Projected value	80,658	173,797	85,337	85,337	89,692	-	-	-	-	290,952	805,773
Present value (*)	70,908	134,319	57,981	50,972	47,098	-	-	-	-	80,225	441,503
% Realization	10.0%	21.6%	10.6%	10.6%	11.1%	0.1%	0.0%	0.0%	0.0%	36.0%	100%

(*) Calculated based on projected Selic rate.

Projected year	Realization of tax credits										12/31/2021
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Projected value	139,915	74,644	123,538	129,967	28,264	80,614	321	321	321	297,925	875,830
Present value (*)	128,068	62,540	94,741	91,232	18,160	47,411	173	158	145	122,997	565,625
% Realization	16.0%	8.5%	14.1%	14.8%	3.2%	9.2%	0.0%	0.0%	0.0%	34.2%	100%

(*) Calculated based on projected Selic rate.

On the base date of December 31, 2022, the Bank complies with the other minimum requirements established by current regulations for maintaining the registration of tax credits.

Notes to financial statements

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

On December 31, 2022, the Bank has non-recorded tax credits derived from income tax loss and negative basis of social contribution in the total amount of R\$ 1,023,317 (December/21 - R\$ 1,027,883) and tax credits from temporary differences and tax contingencies in the amount of R\$ 206,353 (December/21 - R\$ 181,933), for which there is no expectation of realization within the period provided for in CMN Resolution 4,842/20 of up to 10 years.

b) Presumed tax credit

In view of high balance of temporary differences deriving from credit losses incurred beginning as of 2014, the Bank chose to determine Presumed Tax Credit 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.

During the year of 2022, the Bank recovered R\$ 1,005 (December/21 - R\$ 912) from credit transactions that are part of presumed tax credit calculation basis, whose deferred taxes, in the amount of R\$ 452 (December/21 - R\$ 411), 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.

	12/31/2022	12/31/2021
Presumed tax credit formed	380,662	380,662
Deferred tax liabilities	(83,145)	(82,693)

c) Deferred tax liabilities

	12/31/2021	Realizations	Additions	12/31/2022
Income tax				
Linked funding (Res 2,921)	79,788	(13,434)	2,795	69,149
Inflation adjustment of judicial deposits	21,711	(5)	7,672	29,378
Positive MTM adjustment of government securities and derivatives	18,391	(36,923)	32,388	13,856
Hedge Accounting	-	(1,701)	1,701	-
Subtotal Income tax	119,890	(52,063)	44,556	112,383
Social contribution				
Linked funding (Res 2921)	63,830	(10,747)	2,236	55,319
Inflation adjustment of judicial deposits	17,369	(4)	6,137	23,502
Positive MTM adjustment of government securities and derivatives	14,713	(29,539)	25,911	11,085

Notes to financial statements

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

Hedge Accounting	-	(1,361)	1,361	-
Subtotal Social contribution	95,912	(41,651)	35,645	89,906
Total deferred taxes	215,802	(93,714)	80,201	202,289
Presumed tax credit Income tax – Law 12,838/13	45,940	-	252	46,192
Presumed tax credit Social contribution – Law 12,838/13	36,753	-	200	36,953
Total presumed tax credit	82,693	-	452	83,145
Total	298,495	(93,714)	80,653	285,434

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

	12/31/2022		12/31/2021	
	Income tax	Social contribution	Income tax	Social contribution
Determination				
Income before tax on profit	46,179	46,179	162,744	162,744
Calculation basis	46,179	46,179	162,744	162,744
Temporary additions	501,870	501,870	134,313	134,313
Permanent additions	742,260	742,260	491,264	491,264
Exclusions	(1,256,485)	(1,256,485)	(806,193)	(806,193)
Taxable income and calculation basis of income tax and social contribution on net income	33,824	33,824	(17,872)	(17,872)
(-) Offset of tax loss/negative basis of social contribution on net income	(10,147)	(10,147)	-	-
Taxable income and calculation basis of income tax and social contribution on net income	23,677	23,677	(17,872)	(17,872)
Charges at the rates of 15% for Income Tax and Social Contribution	3,551	6,291	-	-
10% IR Surtax	2,344	-	-	-
Current taxes	5,895	6,291	-	-
Reconciliation of Income (loss)				
Current taxes	5,895	6,291	-	-
Income tax and deferred CSLL (Liabilities)	(7,255)	(5,806)	18,517	14,813
(=) Provision for Income Tax and Social Contribution on Net Income	(1,360)	485	18,517	14,813
Constitution of tax credit (on temporary additions)	(8,890)	(7,113)	(15,279)	(12,221)
Write-off of tax credit	-	-	21,309	17,048
Realization of tax credit	47,025	37,861	33,957	26,923
(=) Net effect of tax credit	38,135	30,748	39,987	31,750
Income and social contribution tax expense	36,775	31,233	58,504	46,563

Notes to financial statements

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

15. OTHER ASSETS

	12/31/2022	12/31/2021
Sundry debtors in the country	36,370	26,167
Payments to be refunded	28,409	21,610
Interbank accounts/relations	5,416	4,653
Prepaid expenses	1,523	1,233
Interest on own capital and dividends receivable	7,442	1,362
Other	639	775
Total	79,799	55,800
Current	54,417	34,046
Non-current	25,382	21,754
Total	79,799	55,800

16. FUNDS OBTAINED IN THE MARKET

	12/31/2022					
	Without maturity	Up to 03 months	03–12 months	Total current	Non-current	Total
Demand deposits	73,550	-	-	73,550	-	73,550
Saving deposits	2,295	-	-	2,295	-	2,295
Interbank deposits	-	744,464	-	744,464	890	745,354
Time Deposits	-	1,830,122	1,578,837	3,408,959	797,235	4,206,194
Liabilities from repurchase and resale agreements	-	4,181,011	-	4,181,011	-	4,181,011
Real Estate Credit Bills - LCI	-	-	84	84	153	237
Agribusiness Credit Bills – LCA	-	535,081	377,270	912,351	75,485	987,836
Financial Bills - LF	-	24,430	41,442	65,872	55,545	121,417
Total	75,845	7,315,108	1,997,633	9,388,586	929,308	10,317,894

	12/31/2021					
	Without maturity	Up to 03 months	03–12 months	Total current	Non-current	Total
Demand deposits	136,252	-	-	136,252	-	136,252
Saving deposits	2,931	-	-	2,931	-	2,931
Interbank deposits	-	271,510	2,535	274,045	239	274,284
Time Deposits	-	1,976,542	1,522,832	3,499,374	1,615,939	5,115,313
Liabilities from repurchase and resale agreements	-	3,628,991	2,142	3,631,133	-	3,631,133
Real Estate Credit Bills - LCI	-	-	1,200	1,200	-	1,200
Agribusiness Credit Bills – LCA	-	183,044	126,818	309,862	32,888	342,750
Financial Bills - LF	-	57,029	66,931	123,960	76,727	200,687
Total	139,183	6,117,116	1,722,458	7,978,757	1,725,793	9,704,550

Notes to financial statements

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

17. BORROWINGS AND ONLENDINGS

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

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

Maturities are broken down as follows:

	Up to 03 months	03–12 months	Total current	Non- current	12/31/2022	12/31/2021
Domestic onlendings - Official Institutions	79,780	158,185	237,965	16,102	254,067	211,859
Abroad	2,019,835	2,396,995	4,416,830	-	4,416,830	4,619,077
Loan with head office	1,955,498	2,234,773	4,190,271	-	4,190,271	3,601,899
Loans from the Parent Company - linked (*)	7,300	13,333	20,633	-	20,633	29,177
Other foreign loans	57,037	148,889	205,926	-	205,926	988,001
Total on June 30, 2022	2,099,615	2,555,180	4,654,795	16,102	4,670,897	
Total on December 31, 2021	1,495,811	3,309,168	4,804,979	25,957		4,830,936

(*) 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, 2022, amount of funding linked to credit transactions recognized in group "Foreign Loans" is R\$ 365,010 (December/21 - R\$ 420,255) and credit transactions balance is R\$ 153,294 (December/21 - R\$ 175,326), and this semester there is no overdue installments (December/21 - no overdue installments).

To provide the best expected disbursement estimate for the linked obligation, as well as reduce asymmetry, the Bank, considering the expectation of receiving the linked receivables, recorded a downward adjustment in the group "Foreign loans" of R\$ 344,377 (December/21 - R\$ 391,078), with the expenses amount of R\$ 42,104 (December/21 - R\$ 4,793 of expenses) as contra-entry to income for the year (Note 31).

Notes to financial statements

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

18. DEBT INSTRUMENTS ELIGIBLE TO CAPITAL

Funding	Issue value - Original currency	Issuance	Maturity	Issue value - Domestic currency	Interest rate (p.a.)	12/31/2022	12/31/2021
Level I Perpetual Debt (a)	US\$ 70,000	12/29/2016	-	228,025	8.00%	365,239	390,635
Level I Perpetual Debt (a)	US\$ 100,000	06/04/2021	-	506,660	5.80%	521,770	558,050
Total						887,009	948,685

	12/31/2022	12/31/2021
Non-current	887,009	948,685
Total	887,009	948,685

On June 4, 2021, CCB Brasil issued Perpetual Bonds in the amount of US\$100 million, bearing interest of 5.80% per year. The papers were privately issued with a perpetuity character in accordance with the provisions of article 17 of Resolution No. 4,192/13. The operation was authorized by the Central Bank of Brazil on September 28, 2021, comprising the capital of CCB Brasil and acquired by the CCB group itself. This paper was issued to replace the subordinated debt that made up the Tier II capital, which had settlement in advance in September 2021.

- a) As provided for in current regulations, as a result of accumulated losses in previous years, the Bank did not recorded a provision for payment of interest for the year of 2022, arising from perpetual debts issued.

19. OTHER FINANCIAL INSTRUMENTS - LIABILITIES

	12/31/2022	12/31/2021
Borrowings related to assignment (note 8.f)	12,955	26,494
Securities clearing accounts (note 7.f)	18,907	83,910
Commissions payable	3	6
Total	31,865	110,410
Current	28,660	99,776
Non-current	3,205	10,634
Total	31,865	110,410

20. PROVISIONS

	12/31/2022	12/31/2021
Provisions for contingencies (Note 21.a)	1,068,258	1,033,140
Provisions for financial guarantees provided (Note 22)	27,334	25,933
Other	39,417	33,912
Total	1,135,009	1,092,985
Current	60,728	56,218
Non-current	1,074,281	1,036,767
Total	1,135,009	1,092,985

Notes to financial statements

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

21. CONTINGENCIES AND LEGAL OBLIGATIONS

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

a) Provisions classified as probable loss and legal obligations

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

Civil lawsuits

The Bank is party to civil lawsuits assessed as having a probable risk, which have been fully accrued and amount to R\$ 199,012 (December/21 – R\$ 189,263). In general, the provisions are the result of contract revisions, declarations, obligations to do/not do and compensation for material and moral damages.

Labor lawsuits

The Bank is party to labor lawsuits assessed as having a probable risk, which have been fully accrued and amount to R\$ 101,341 (December/21 – R\$ 104,227). Provisions relate to lawsuits discussing labor claims referring to labor law, such as overtime, salary equalization, additional payment due to transfer and other.

Tax and social security proceedings

COFINS x Law 9,718/98 – amount involved R\$ 591,592 (December/21 - R\$ 559,008): 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\$ 32,020 (December/21 – R\$ 29,848).

PIS x Law 9,718/98 – amount involved R\$ 96,068 (December/21 – R\$ 90,777): claims payment of the contribution from November 2005 up to December 2014, based on the calculation provided in Complementary Law 7/70, in view of the unconstitutionality of expanding the calculation basis provided for in Law 9718/98. The amount of R\$ 120,776 (December/21 – R\$ 111,708) was placed in a judicial deposit.

Income tax/Social contribution PDD/94 - amount involved R\$ 18,413 (December/21 – R\$ 27,296): 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 dismissing, due to unconstitutionality and unlawfulness, the provision of article 43, paragraph 4, of Law 8,981/95. The amount of R\$ 28,899 (December/21 – R\$ 27,296) was placed in a judicial deposit.

INSS - Profit Sharing of Directors – Years 2009 to 2011 – amount involved of R\$ 61,400 (December/21 – R\$ 61,178): 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

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

levied on profit sharing, under the terms of Article 7, XI of the Federal Constitution and Article 28, § 9, j, of Law 8.212/91. The amount of R\$ 67,253 (December/21 – R\$ 61,178) was placed in a judicial deposit.

Changes in provisions classified as probable loss and legal obligations

Description	12/31/2021	Addition	Reversal	Monetary Update	Payment	12/31/2022
Civil	189,263	4,268	(1,314)	15,203	(8,408)	199,012
Labor	104,227	7,453	(8,922)	11,439	(12,856)	101,341
Subtotal	293,490	11,721	(10,236)	26,642	(21,264)	300,353
Tax and social security	12/31/2021	Addition	Reversal	Monetary Update	Payment	12/31/2022
PIS – Expansion of Calculation Basis - Law 9718/98	90,777	-	-	5,291	-	96,068
COFINS - Expansion of Calculation Basis - Law 9718/98	559,008	-	-	32,584	-	591,592
Inc. tax and soc. contr. (IRPJ/CSLL) PDD 1994 (*)	27,296	-	(13,422) ^(*)	4,539	-	18,413
INSS of Administrators – Years 2009–2011	61,178	-	(5,853)	6,075	-	61,400
Others	1,391	407	(1,428)	62	-	432
Subtotal	739,650	407	(20,703)	48,551	-	767,905
Total	1,033,140	12,128	(30,939)	75,193	(21,264)	1,068,258

(*) It refers to a partial success of a writ of mandamus related to the Social Contribution debt on Net Income.

In the case of the above-described contingencies, CCB Brasil made a judicial deposit (note 10 - Other financial instruments - Assets), totaling R\$ 438,668, of which R\$ 100,058 - civil lawsuits, R\$ 14,784 - labor claims and R\$ 323,826 – 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. Therefore, pursuant to the standards in force, any likely losses are not recognized in the accounting records, and these are composed mainly of the following issues:

Tax and social security proceedings

ISS – Service Tax – São Paulo - Taxed services - Correctness of levying the service tax on services listed in the attachment to Complementary Law 56/87 - involved amount of R\$ 26,450 (December/21 – R\$ 23,869): claims to discontinue the charges of the service tax levied on supposed revenues from provision of taxable services, not expressly included in the list of services attached to Complementary Law 56/87, with the allegation that the list contains mere examples, contrary to understanding taken for granted at the Superior Court of Justice, which adopts the interpretation that only the listed services are taxed. The amount of R\$ 26,758 (December/21 – R\$ 23,869) was placed in a judicial deposit.

Withholding income tax on interest remittances to foreign countries - amount involved, R\$ - (December/21 - R\$ 14,520): 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

Notes to financial statements

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

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. In 2021, the amount involved was placed in a judicial deposit.

IRPJ/2008 – amount involved R\$ 40,566 (December/21 – R\$ 40,566): awaiting approval of the adherence to the installment payment of Law 12,996/14 (REFIS of COPA), whose analysis of the RQA - Request for Early Discharge (art. 33 of Law 13,043/14) is suspended awaiting the judgment of the disallowance of tax losses and negative basis of social contribution on net income for the years 2012 and 2014 (see IRPJ/CSLL).

INSS - Profit Sharing of Directors – amount involved of R\$ 44,594 (December/21 – R\$ 40,754): pleads cancellation of alleged INSS debt for the base periods of 2006 to 2008, generated by Tax Assessment Notice since the debts regarding the taxable events that occurred up to October 10, 2006 have already elapsed and also because it does not affect Social Security Tax on profit under the terms of Article 7, XI of the Federal Constitution and Article 28, § 9, j, of Law 8,812/1991. The amount of R\$ 44,799 (December/21 – R\$ 39,823) was placed in a judicial deposit.

IRPJ/CSLL – amount involved R\$ 92,084 (December/21 – R\$ 92,084): claims the derecognition of the IRPJ/CSLL debt, related to the base period of 2012 and 2014, entered due to the tax assessment notice, due to disallowance of the deductibility of credit losses, for supposed non-compliance with the procedures established in Law 9,430/96.

Tax on financial transactions (IOF) and Withholding income tax (IRRF) - amount involved R\$ 1,669 (December/21 – R\$ 1,527): 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\$ 2,929 (December/21 – R\$ 2,657): 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\$ 4,423 (December/21 – R\$ 4,220): 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\$ 42,905 (December/21 – R\$ 20,632). Contingencies relate to lawsuits discussing labor claims referring to labor law that is specific of the professional category, such as overtime, salary equalization, additional payment due to transfer and other.

Civil lawsuits

The Conglomerate is party to lawsuits that are classified as a possible risk; thus, no provision was formed. According to an estimate by legal advisors, the possible sum of indemnities for these lawsuits amounts to R\$ 167,592 (December/21 – R\$ 362,484). In general, the contingencies are the result of contract revisions and indemnities for material damages and pain and suffering.

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

22. SURETIES AND GUARANTEES

Description	12/31/2022		12/31/2021	
	Amounts guaranteed	Provisions	Amounts guaranteed	Provisions
Guarantees or sureties in tax lawsuits and proceedings of a fiscal nature	249,296	26,805	309,894	25,216
Judicial guarantees – others	388,792	288	426,119	285
Sureties - payments	735,028	137	420,857	328
Performance sureties	35,488	97	87,163	104
Bank guarantees	144,980	-	39,383	-
Other sureties	78,110	7	8,728	-
Total	1,631,694	27,334	1,292,144	25,933
Current	-	27,203	-	25,366
Non-current	-	131	-	567
Total	-	27,334	-	25,933

23. OTHER OBLIGATIONS

	12/31/2022	12/31/2021
Sundry creditors - domestic	38,593	43,573
Interbranch accounts	15,269	26,960
Social and statutory	8,804	8,444
Adjustment of negative equity invested (Note 13)	5,126	2,865
Payables to related companies	38	16
Total	67,830	81,858
Current	62,704	68,266
Non-current	5,126	13,592
Total	67,830	81,858

24. SHAREHOLDERS' EQUITY

CCB Brasil's shareholder structure is as follows:

a) Share capital

Shareholder	12/31/2022			12/31/2021		
	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

Notes to financial statements

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

b) Treasury shares

The number of treasury shares as of December 31, 2022 corresponds to 6,398,518 (December/21 – 6,398,518) preferred shares in the amount of R\$ 55,105 (December/21 – R\$ 55,105).

c) Dividends and interest on own capital

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

d) Reserves

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

25. RELATED PARTIES

a) Related parties

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

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)	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and cash equivalents in foreign currencies	4,312	4,924	-	-
China Construction Bank Corporation (d)	4,312	4,924	-	-
Interbank funds applied in interbank deposits - CDI	56,438	155,810	11,623	10,304
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	56,438	155,810	11,623	10,304
Investment fund quotas	104,648	91,583	13,065	4,409
FIDC Brasilfactors (b)	104,648	91,583	13,065	4,409
Rendering of services	40	20	241	240
CCB Brasil Arrendamento Mercantil S.A. (a)	40	20	241	240
Receivables - related companies	-	39	-	-
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	-	39	-	-
Other credits – Income receivable	30,600	12,961	-	-
China Construction Bank Corporation (d)	23,158	11,599	-	-
CCB Brasil Arrendamento Mercantil S.A. (a)	7,225	1,289	-	-
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	217	73	-	-
Demand deposits	(1,315)	(2,773)	-	-
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	(11)	(102)	-	-
CCB Brasil Arrendamento Mercantil S.A. (a)	(287)	(55)	-	-
CCB Brasil Informática S.A. (a)	(3)	(1)	-	-
CCB Brasil Administradora de Cartões de Crédito Ltda. (a)	(2)	(16)	-	-

Notes to financial statements

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

	Assets / (liabilities)		Revenues / (expenses)	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(456)	(746)	-	-
CCB Brasil Promotora de Vendas Ltda. (b)	-	(1)	-	-
Brasilfactors S.A. (f)	(6)	(1)	-	-
CCB Brazil Financial Holding Ltda. (e)	(80)	(202)	-	-
Key management personnel (c)	(470)	(1,649)	-	-
Interbank deposits	(245,378)	(220,913)	(25,698)	(8,062)
CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. (a)	(22,690)	(21,389)	(2,534)	(917)
CCB Brasil Arrendamento Mercantil S.A. (a)	(222,688)	(199,524)	(23,164)	(7,145)
Time deposits	(113,153)	(112,113)	(10,820)	(3,463)
CCB Brasil Informática S.A. (a)	(795)	(750)	(89)	(31)
CCB Brasil Administradora de Cartões de Crédito Ltda. (a)	(3,996)	(417)	(221)	(49)
CCB Brasil Promotora de Vendas Ltda. (b)	(1,803)	(1,678)	(203)	(72)
Brasilfactors S.A. (f)	-	(609)	(26)	(52)
FIDC Brasilfactors (b)	(15,115)	(30,875)	(2,334)	(598)
CCB Brazil Financial Holding Ltda. (e)	(86,538)	(77,761)	(7,724)	(2,649)
Key management personnel (c)	(4,906)	(23)	(223)	(12)
Purchase and sale agreements	(50,158)	(27,190)	(4,773)	(1,539)
CCB Brasil Arrendamento Mercantil S.A. (a)	(46,592)	(18,346)	(3,880)	(1,033)
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(3,566)	(6,702)	(729)	(413)
CCB Brasil Administradora de Cartões de Crédito Ltda. (a)	-	(2,142)	(164)	(93)
LCA	(4,235)	(11,371)	(793)	(414)
Key management personnel (c)	(4,235)	(11,371)	(793)	(414)
LCI	-	-	(42)	-
Key management personnel (c)	-	-	(42)	-
NDF	-	996	(1,783)	206
Brasilfactors S.A. (f)	-	996	(1,783)	206
Borrowings	(4,210,904)	(3,631,076)	100,522	(335,578)
China Construction Bank Corporation (d)	(4,210,904)	(3,631,076)	100,522	(335,578)
Obligations from sales of financial assets – Resolution 3533/08	(12,955)	(26,494)	(4,017)	(8,165)
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	(12,955)	(26,494)	(4,017)	(8,165)
Transfer of credit assignment	-	(101)	-	-
CCB Brasil S.A. - Crédito, Financiamentos e Investimentos (a)	-	(101)	-	-

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*

Notes to financial statements

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

a.1) Transactions due dates and rates

Interbank investments with floating rates are valued at the average CDI rate of 100% (December 21 – 100%); pre-fixed purchase and sale agreements were carried out at average rates of 13.65% p.a. (December/21 - 9.15% p.a.) and mature on January 2, 2023 (December/21 – January 3, 2022), with guarantee of up to 3 months (December/21 – up to 1 year), there were no post-fixed repo operations (December/21 – average rate 100% maturing on August 30, 2022 with guarantee of up to 01 year). LCA (Agribusiness Credit Bills) operations were carried out with average rates of 99.78% of the CDI (December/21 - 100.43%) and with final maturity up to 2 years (December/21 - up to 2 years), there were no pre-fixed LCA operations (December/21 - 7.71% p.a.). There were no LCI (Real estate Credit Bills) operations to December, 2022 (December/21 – 103.65% of the CDI with final maturity in up to 01 year). Term deposits are remunerated at the average rate of 84.52% of CDI (December/21 - 97.02% of CDI), directly related to the invested amount, with final maturity in up to 3 years (December/21 - up to 2 years). Borrowings were carried out at average rates of 5.53% p.a. (December/21 - 5.74% p.a.) and foreign exchange-rate change with final maturity up to 7 years (December/21 - up to 6 years). 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, as well as the maximum limit for the participation of Managers in the profit for the year, when applicable, in compliance with limits of the CMN Resolution 3,921/10.

During the years of 2022 and 2021, the Board of Directors did not approve payments for the profit sharing of the administrators, in view of the recorded net loss in Bank's Shareholders Equity.

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

	<u>12/31/2022</u>	<u>12/31/2021</u>
Fixed remuneration	25,451	20,517
Other	689	662
Total	<u>26,140</u>	<u>21,179</u>

b.2) Long-term benefits

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

26. INCOME (LOSS) FROM LOAN OPERATIONS AND LEASE

	<u>2nd half 2022</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Loans	462,013	583,247	777,088
Mark-to-market – hedged items (note 7.g)	4,549	(9,706)	-
Recovery of loans written off as loss (note 11)	61,120	90,355	54,968
Acquisition of receivables;	7,661	15,439	11,496
Income from credit notes and sale of assets	726	1,483	2,586
Total	<u>536,069</u>	<u>680,818</u>	<u>846,138</u>

Notes to financial statements

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

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

	2nd half 2022	12/31/2022	12/31/2021
Income from Repurchase and resale agreement	214,865	382,184	145,127
Income from short-term interbank investments	103,775	190,635	71,733
Income from fixed income securities	61,072	108,367	37,250
Other securities' operations	5,954	11,364	12,118
Total	385,666	692,550	266,228

28. INCOME (LOSS) FROM DERIVATIVE FINANCIAL INSTRUMENTS

	2nd half 2022	12/31/2022	12/31/2021
Swap	42,857	143,198	(17,169)
Future Market - DI	(1,007)	8,923	49,695
Term of currencies	8,393	(53,817)	19,001
Future Market - Dollar	(62,899)	(131,533)	114,006
Total	(12,656)	(33,229)	165,533

29. FOREIGN EXCHANGE INCOME

	2nd half 2022	12/31/2022	12/31/2021
Cash and cash equivalents in foreign currencies	21,470	62,018	48,876
Foreign exchange transactions	32,466	49,378	40,268
Exchange-rate changes	(15,436)	(142,405)	60,675
Total	38,500	(31,009)	149,819

30. OTHER FINANCIAL INTERMEDIATION EXPENSES

	2nd half 2022	12/31/2022	12/31/2021
Loss from credit assignment operations (note 8.f)	1,679	4,017	8,165
Others	-	-	(510)
Total	1,679	4,017	7,655

31. BORROWINGS AND ONLENDINGS

	2nd half 2022	12/31/2022	12/31/2021
Expenses with obligations to foreign bankers	60,088	(223,451)	364,630
Market to market – Hedge objects (note 7.g)	10,221	3,417	-
Reversal to loans linked to credit operations (note 17)	11,740	42,104	(4,793)
FUNCAFÉ/BNDES Onlendings	6,573	9,773	4,308
Total	88,622	(168,157)	364,145

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The Bank has obligations with bankers abroad for loans indexed in foreign currency, whose amount recorded in 2022 was impacted by the exchange rate variation in that period in the amount of R\$ 325,352 in revenue (December/21 – R\$ 328,568 in expenses).

32. EXPENSES WITH MONEY MARKET REPURCHASE AGREEMENTS

	2nd half 2022	12/31/2022	12/31/2021
Time Deposits	277,757	541,688	226,144
Repurchase and resale agreements	268,042	470,244	154,847
Agribusiness credit bills expenses - LCA	76,249	113,114	12,952
Interbank deposits	30,850	44,823	12,836
Financial bills expenses - LF	6,985	14,855	12,654
Credit Guarantee Fund (FGC) contribution expense	3,396	7,199	7,504
Real estate credit bills expenses - LCI	92	203	63
Total	663,371	1,192,126	427,000

33. EXPENSES WITH DEBT INSTRUMENTS ELIGIBLE TO CAPITAL

	2nd half 2022	12/31/2022	12/31/2021
Perpetual Debt	(3,451)	(61,676)	84,146
Subordinated debt	-	-	75,260
Total	(3,451)	(61,676)	159,406

34. REVENUES FROM RENDERING OF SERVICES AND TARIFFS

	2nd half 2022	12/31/2022	12/31/2021
Income from guarantees granted	16,006	32,323	37,608
Income from bank fees	395	2,432	2,907
Collection income	649	1,388	1,618
Income from other services	1,984	8,108	2,489
Total	19,034	44,251	44,622

35. PERSONNEL EXPENSES

	2nd half 2022	12/31/2022	12/31/2021
Salaries	45,585	92,721	94,227
Social charges	19,557	38,812	41,952
Directors' fees (note 25.b1)	11,479	25,451	20,517
Benefits	10,022	17,331	14,677
Other	105	188	206
Total	86,748	174,503	171,579

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36. OTHER ADMINISTRATIVE EXPENSES

	2nd half 2022	12/31/2022	12/31/2021
Outside service expenses	9,508	20,097	19,457
Rental and fees expenses	9,132	17,599	16,225
Data processing expenses	6,834	14,113	13,349
Financial system service expenses	4,229	8,406	7,886
Expenses with amortization and depreciation	2,739	7,359	10,570
Expenses with maintenance and preservation	2,684	4,441	3,220
Expenses with judicial and notary public fees	333	669	2,155
Other expenses	2,682	5,584	10,190
Total	38,141	78,268	83,052

37. OTHER OPERATING REVENUES

	2nd half 2022	12/31/2022	12/31/2021
Monetary update of judicial deposits	14,756	27,194	8,350
Reversal of provision for restructuring	4,992	6,756	2,768
Recovery of charges and expenses	296	499	1,974
Other operating income	892	1,820	5,213
Total	20,936	36,269	18,305

38. OTHER OPERATING EXPENSES

	2nd half 2022	12/31/2022	12/31/2021
Tax expenses	14,056	35,519	32,668
Provision for profit sharing - employees	8,600	11,579	11,135
Commission expenses	4,681	9,956	18,318
Discounts granted in renegotiation	7,112	7,112	-
Processing fee	1,860	3,811	4,592
Operating Provision	-	-	5,917
Other operating expenses	5,671	6,917	4,413
Total	41,980	74,894	77,043

39. NON-OPERATING INCOME (LOSS)

	2nd half 2022	12/31/2022	12/31/2021
Income from disposal of assets	2,931	6,568	27,152
Reversion (increase) provision for non-operating income	6,494	6,743	(9,484)
Profit (Loss) write-off of goods in use	111	(146)	-
Write-off of assets due to disuse	(950)	(950)	-
Other non-operating income (expenses)	(125)	69	577
Total	8,461	12,284	18,245

40. RISK AND CAPITAL MANAGEMENT FRAMEWORK

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

The Bank centralizes the management of Social and Environmental, Market, Credit, Liquidity, Operational and Capital Management risks to enhance the efficiency of its controls. It results in an overview of the exposures to which the Bank is subject due to the very nature of its activities, which makes it possible to improve and make more agile strategic decisions, in addition to ensure compliance with the policies established for the area and improve the identification of risks that may affect the business strategy and the fulfillment of related goals. 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 Senior Management's involvement with risk management issues occurs through deliberations of its management bodies, defined, in the articles of association, as the Board of Directors, the Executive Board and the Committees. The governance structure ensures effective risk management. The Bank's risk management is carried out through collective decisions, supported by specific Committees. The Risk Management Department is composed, among others, of departments dedicated to the management of social and environmental, market, credit, liquidity, and capital management risks. These areas provide support to the Risk Committee, Internal Controls, Financial Operations that analyze and define strategies and actions pertinent to the areas of operations.

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

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

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

RISK MANAGEMENT

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

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

Market Risk Management

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

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

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

Credit Risk Management

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

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ESG - Social and Environmental Risk

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

Liquidity Risk Management

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

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

The results of the liquidity calculations made for the next three years, following these models, demonstrate that CCB Brasil has and will have sufficient funds to meet its obligations and has a position with a wide safety margin in current 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, 2022, CCB Brasil presented its Current Liabilities greater than Current Assets, calculated according to the nominal maturity of its operations, however, the Bank has securities classified in the category available for sale (note 6.b), which, except for the balance of those linked to the guarantees provided, has an amount of R\$ 3,286,700 (December/21 – R\$ 2,048,012), 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

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with the parent company in China in the total amount of R\$ 4,210,904 (December/21 – R\$ 3,631,076), maturing in less than one year, which has been systematically renewed.

	12/31/2022		
	Nominal liquidity	Reclassification by effective liquidity	Adjusted liquidity
Current assets	8,999,724	3,286,700	12,286,424
Current liabilities	(14,382,788)	4,210,904	(10,171,884)
Net balance	(5,383,064)	7,497,604	2,114,540

	12/31/2021		
	Nominal liquidity	Reclassification by effective liquidity	Adjusted liquidity
Current assets	11,462,079	2,048,012	13,501,091
Current liabilities	(13,306,213)	3,631,076	(9,675,137)
Net balance	(1,844,134)	5,679,088	3,834,954

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.

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

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

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

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

Scenarios are described as follow

Scenario 1: Lower oscillation situation. Assumptions adopted: parallel shock of 10% in risk variables, based on market conditions seen on December 31, 2022, 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, 2022, 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, 2022, and considering the most significant losses from risk factor, not including the relationship dynamics between the macroeconomic variables.

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

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

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

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

Risk factors	Scenario 1	Scenario 2	Scenario 3
Dollar and dollar coupon	(20,252)	(51,707)	(107,381)
Fixed Rate in reais	(17,213)	(42,883)	(85,220)
Total loss	(37,465)	(94,590)	(192,602)

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

Risk factors	Scenario 1	Scenario 2	Scenario 3
Dollar and dollar coupon	(20)	(66)	(173)
Fixed Rate in reais	(160)	(388)	(762)
Total loss	(180)	(454)	(935)

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.

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

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

The results presented in the table referring to the banking portfolio may, at first glance, give the impression of high sensitivity to volatility. For a better analysis of the results obtained in this portfolio, it is suggested to evaluate the results of the measurements of Delta EVE (Economic Value of Equity) and Delta NII (Net Interest Income) with the calculation methodology standardized by the Central Bank of Brazil in Circular 3,876 /18 and in BCB Resolution 54/20. In view of this, it is noteworthy that the sensitivity analysis is an overview of the potential losses involved in the portfolio in the event of materialization of shocks on the stressed risk factors in isolation. This means that correlation and conjectural impacts are not being considered in this analysis.

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

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CAPITAL MANAGEMENT

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

The following table indicates the minimum capital requirements valid for 2022:

BACEN Requirements	Valid in 12/31/2022	Valid in 12/31/2021
Core capital ratio	7.0%	6.5%
Tier I Capital ratio	8.5%	8.0%
Basel Ratio (total PR)	10.5%	10.0%

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

The tables presented below show the main capital indicators calculated as of December 31, 2022 and 2021 and those established in the RAS Policy for 2022 - with review expected to occur in a year or any time when the circumstance requires.

In R\$ thousand	12/31/2022	12/31/2021
Capital – Level 1	1,979,876	2,051,929
- Core Capital	1,092,867	1,103,244
- Perpetual Bonds	887,009	948,685
Reference Equity	1,979,876	2,051,929
- RWACpad	11,020,720	10,965,365
- RWAMpad	167,968	415,104
- RWAOpad	1,332,733	1,405,146
Total RWA	12,521,421	12,785,615
- IRRBB	90,728	65,111
Ratios		
Main Capital	8.76%	8.63%
Level 1	15.87%	16.05%
Basel Ratio	15.87%	16.05%
IB to RWA + IRRBB	14.55%	15.09%

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Art. 12, CMN Resolution 4,958/21, determines that institutions must maintain sufficient Capital to cover the risk of changes in interest rates on the bank portfolio (IRRBB), treating it as a capital buffer requirement, without including it in the definition of RWA. At CCB Brasil, the limit for IRRBB is set in R\$ in the risk appetite statement. The review of the calculation methodology, combined with the reduction of the long-term credit portfolio, reduced the consumption of capital in this item, from December 2020, as noted above.

41. RECURRING AND NON-RECURRING RESULTS

As provided for in BCB Resolution No. 02/2020, a non-recurring result should be considered as a result that is not related or is incidentally related to the typical activities of CCB Brasil and is not expected to occur frequently in future years. In the years of 2022 and of 2021, there was no record of non-recurring results in the Bank.

42. OTHER INFORMATION

a) Other information

Regarding the judgment of the Federal Supreme Court (STF) on Issues 881 (Extraordinary Appeal No. 949,297) and 885 (Extraordinary Appeal No. 955,227) of general repercussion, which decided, on February 8, 2023, that final individual decisions (final and unappealable) lose their effects after and if the STF superveniently decides otherwise, we confirm that, after reviewing definitive individual decisions in favor of the Institution in the past, no relevant exposure was identified in relation to the subject, and, no provision, according to the precepts of CPC 25 – Provisions, Contingent Liabilities and Contingent Assets, was required on December 31, 2022 or prior years.

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.

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

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Directors: Claudio Augusto Rotolo

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