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

## Consolidated financial statements at December 31, 2022 and independent auditor's report

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# *Report of independent auditor on the consolidated financial statements*

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

## Opinion

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

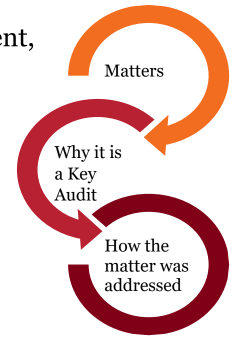
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of China Construction Bank (Brasil) Banco Múltiplo S.A. and its subsidiaries as at December 31, 2022, and their consolidated financial performance and their cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

## 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 consolidated financial statements" section of our report. We are independent of the Institution, 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 (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

| Why it is a Key Audit Matter | How the matter was addressed in the audit |
|---|---|
| | credits, we consider that the assumptions adopted by management are reasonable and consistent with the information analyzed in our audit. |
| **Information technology environment** | |
| The Institution are dependent on their technology structure to manage and generate information used to process their operations and, consequently, to prepare the financial statements.<br><br>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.<br><br>Therefore, the information technology environment continues to be considered as an area of focus in our audit. | Our procedures considered, among others, the understanding and testing of the information technology environment, including the automated controls or dependency of technology relevant to the preparation of the financial statements.<br><br>With the support of our technology specialists, the main procedures performed involved tests of controls related to information security, linked to the processes of management and development of systemic changes, security of accesses to programs and database, physical security of the data processing center, including access management and segregation of duties.<br><br>We considered that the information technology environment and the controls established by management have provided a reasonable basis to support the main business processes, which provide information used in the preparation of the financial statements. |

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

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

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

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International

Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 31, 2023

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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 the "Bank" hereby submits its Management Report and the corresponding Financial Statements, together with the Independent Auditor's Report, with no qualified opinion, for the year ended December 31, 2022. The remarks presented here, except when emphasized differently, are demonstrated on a consolidated basis covering their subsidiaries and in domestic currency (Reais – R$). The consolidated financial statements were prepared based on the international standard issued by the International Accounting Standards Board (IASB).

## 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.

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 consolidated default ratios composed of the loan portfolio classified in stage 3, remain well controlled, reaching 1.7% in 2022, while in 2021 it was 2.6%.

At the end of the year of 2022, loan operations reached R$ 10,168.7 million, a decrease of 0.46% compared to the previous year of 2022

As December 31, 2022, resources from Head Office represented 27.0% (23.8% on 2021) of total funding of R$ 15,575.3 million. It is worth noting that the Head Office has provided its Subsidiary with adequate funding to maintain the continuity of its operational activities and adhering to market rate conditions. Indeed, the resources of Head Office, usually available for a period of 360 days, have been systematically renewed.

Net interest income for the period of 2022 reached R$ 376.2 million, an increase compared to the result obtained in the same period of 2021, R$ 361.9 million.

The loss for the year of 2022 was R$ 32.5 million (2021 – loss of R$ 64.1 million).

On December 31, 2022, shareholders' equity reached R$ 1,010.4 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).

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

# Summary of the Audit Committee Report

São Paulo, March 24, 2023

Audit Committee

## Balance sheet on December 31
*(In thousands of reais)*

| Assets | Note | 12/31/2022 | 12/31/2021 |
|---|---|---|---|
| **Cash and Cash Equivalents and Reserves at the Central Bank of Brazil** | | **56,105** | **352,857** |
| **Securities** | 5.b | **4,510,349** | **4,056,353** |
| At amortized cost | | 104,648 | 91,583 |
| At fair value through other comprehensive income | | 4,405,701 | 3,964,770 |
| **Derivative Financial Instruments** | 6 | **109,322** | **114,668** |
| **Other Financial Assets at Amortized Cost** | | **12,213,870** | **11,933,243** |
| Loans and advances to financial institutions | 7 | 2,234,094 | 1,927,057 |
| Loans and advances to clients | 8 | 10,168,698 | 10,215,240 |
| Other loans and receivables | | 16,358 | 15,406 |
| Other financial assets | | 13,378 | 47,391 |
| Allowance for expected loss to credit risk | 9 | (218,658) | (271,851) |
| **Non-financial assets held for sale** | 10 | **83,584** | **97,551** |
| **Investments** | | **-** | **22** |
| **Property and equipment** | | **23,357** | **46,657** |
| **Intangible** | | **1,390** | **1,141** |
| **Tax Assets** | | **965,789** | **1,021,104** |
| Taxes to be offset | | 28,777 | 19,603 |
| Tax credits | 11.a | 639,495 | 703,532 |
| Presumed - Law nº 12.838/13 | 11.b | 297,517 | 297,969 |
| **Other Assets** | 12 | **68,464** | **60,767** |
| **Total assets** | | **18,032,230** | **17,684,363** |

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

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

## Balance sheet on December 31

*(In thousands of reais)* *(continued)*

| Liabilities | Note | 12/31/2022 | 12/31/2021 |
|---|---|---|---|
| **Derivative Financial Instrumentos** | 6 | **49,406** | **121,793** |
| **Financial Liabilities at Amortized Cost** | | **15,575,316** | **15,230,493** |
| Capital instruments | 13 | 887,009 | 948,685 |
| Deposits from financial institutions | 14 | 4,630,829 | 3,657,313 |
| Deposits from clients | 15 | 4,289,996 | 5,277,713 |
| Securities issued | 16 | 1,109,490 | 544,637 |
| Borrowings and onlendings | 17 | 4,657,992 | 4,802,145 |
| **Provisions** | 18 | **1,142,204** | **1,100,946** |
| **Tax liabilities** | | **37,535** | **32,226** |
| Current Taxes | | 37,535 | 32,226 |
| **Other liabilities** | 21 | **217,349** | **157,382** |
| **Total liabilities** | | **17,021,810** | **16,642,840** |
| **Shareholders equity** | | | |
| Share Capital | 22.a | 2,956,864 | 2,956,864 |
| Treasury shares | 22.b | (55,105) | (55,105) |
| Accumulated losses | | (1,892,192) | (1,859,654) |
| Profit reserve | | 899 | 899 |
| Other comprehensive income | | (46) | (1,481) |
| **Total shareholders´ equity** | | **1,010,420** | **1,041,523** |
| **Total liabilities and shareholders´ equity** | | **18,032,230** | **17,684,363** |

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

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

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

| | Note | 12/31/2022 | 12/31/2021 |
|---|---|---|---|
| Interest and similar revenues | 24.a | 1,700,952 | 961,243 |
| Interest and similar expenses | 24.a | (1,320,429) | (493,315) |
| **Net Income (Loss) from Interest and Similar** | | **380,523** | **467,928** |
| Foreign exchange differences (net) | 24.b | 29,061 | 2,328 |
| Gains (losses) with financial assets and liabilities (net) | 25 | (33,406) | (108,322) |
| **Net Interest Revenue** | | **376,178** | **361,934** |
| Equity in investments | | (2,261) | (519) |
| Fee and commission revenue | 26 | 44,283 | 44,875 |
| Other operating revenues (expenses), net | 27 | (52,345) | (86,959) |
| **Total Revenue** | | **365,855** | **319,331** |
| Personnel expenses | 28 | (174,899) | (173,015) |
| Other administrative expenses | 29 | (71,928) | (79,008) |
| Tax expenses | 30 | (37,603) | (30,703) |
| Depreciation and amortization | | (11,056) | (19,170) |
| Impairment losses of financial assets | 9 | (31,329) | (80,505) |
| Gains (losses) with other assets (net) | 31 | 13,204 | 20,404 |
| **Profit (Loss) before Taxes** | | **52,244** | **(42,666)** |
| Current and deferred income and social contribution taxes | 11.c | (84,782) | (21,473) |
| **Loss for years** | | **(32,538)** | **(64,139)** |
| **Amount of shares (thousand)** | | **459,233** | **459,233** |
| **Basic and diluted loss per share - R$** | | **(0.07)** | **(0.14)** |

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

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| **Loss for years** | **(32,538)** | **(64,139)** |
| **Other comprehensive results which will be reclassified subsequently for net income** | **1,435** | **3,086** |
| Gains on assets/liabilities at fair value of other income | 2,609 | 5,611 |
| Tax charges on assets/liabilities at fair value of other income | (1,174) | (2,525) |
| **Other comprehensive results that will not reclassified subsequently for loss** | **-** | **(47)** |
| **Comprehensive loss for years** | **(31,103)** | **(61,100)** |

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

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

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

| | Share Capital | Treasury Share | Capital reserves: Goodwill of the issues of shares | Other Comprehensive Income | Accumulated Loss | Total |
|---|---|---|---|---|---|---|
| **Balance at January 1, 2021** | **2,956,864** | **(55,105)** | **899** | **(4,520)** | **(1,795,515)** | **1,102,623** |
| Fair value of other comprehensive income | - | - | - | 3,086 | - | 3,086 |
| Liabilities at fair value (Credit Risk) | - | - | - | (47) | - | (47) |
| Loss for the year | - | - | - | - | (64,139) | (64,139) |
| **Balance at December 31, 2021** | **2,956,864** | **(55,105)** | **899** | **(1,481)** | **(1,859,654)** | **1,041,523** |
| **Variation in the year** | - | - | - | 3,039 | (64,139) | (61,100) |
| **Balances at January 1, 2022** | **2,956,864** | **(55,105)** | **899** | **(1,481)** | **(1,859,654)** | **1,041,523** |
| Fair value of other comprehensive income | - | - | - | 1,435 | - | 1,435 |
| Loss for the year | - | - | - | - | (32,538) | (32,538) |
| **Balances at December 31, 2022** | **2,956,864** | **(55,105)** | **899** | **(46)** | **(1,892,192)** | **1,010,420** |
| **Variation in the year** | - | - | - | 1,435 | (32,538) | (31,103) |

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

CCB 中国建设银行 China Construction Bank

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

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

| Cash flow from operating activities | Note | 12/31/2022 | 12/31/2021 |
|---|---|---|---|
| **Loss for the year** | | **(32,538)** | **(64,139)** |
| **Adjustments to the Profit (Loss)** | | **101,230** | **119,459** |
| Provision for expected loss to credit risk | 9 | 31,329 | 80,505 |
| Monetary update of judicial deposits | 27 | (27,686) | (8,511) |
| Provision for continget liabilities | 19.a | 64,377 | 61,961 |
| Other operating provisions | | (5,293) | 10,077 |
| Depreciation and amortization | | 11,056 | 19,170 |
| Tax credits and Deferred tax liabilities | 11 | 63,315 | 19,262 |
| Equity in the results of subsidiaries | | 2,261 | 519 |
| Loss on sales of property and equipment | 31 | 146 | - |
| Loss (Gain) on sales of assets held for sale | 10 | (10,907) | (29,893) |
| Exchange variations on cash and cash equivalents | | (28,355) | (33,631) |
| Write-off of assets due to disuse | 31 | 987 | - |
| **Adjusted Profit** | | **68,692** | **55,320** |
| (Increase) decrease in loans and advances to financial institutions | | (23,773) | 9,367 |
| (Increase) in financial assets at amortized cost | | (13,065) | (7,909) |
| (Increase) decrease in financial assets at fair value through other comprehensive income | | (438,322) | 839,265 |
| (Decrease) increase in derivatives | | (67,041) | 19,878 |
| (Increase) in loans and advances to clients | | (37,980) | (565,973) |
| (Increase) decrease in other loans and receivables | | (952) | 13,479 |
| Decrease in other financial assets | | 61,699 | 17,842 |
| (Increase) in non-financial assets | | (335) | (1,228) |
| (Increase) decrease in other assets | | (478,248) | 23,509 |
| Increase (decrease) in deposits of financial institutions | | 973,516 | (90,752) |
| (Decrease) in deposits of clients | | (987,717) | (424,681) |
| Increase (decrease) in securities issued | | 564,853 | (148,562) |
| Increase (decrease) in other liabilities | | 78,739 | (54,493) |
| Income tax and social contribution paid | | (13,463) | (3,959) |
| Interest payment | | (98,706) | (55,945) |
| Payment of contingencies | 19.a | (24,520) | (47,810) |
| Interest earning | | 458,191 | 461,782 |
| **Net cash provided by operating activities** | | **21,568** | **39,130** |
| **Cash flow from investing activities** | | | |
| Sale of assets not for own use | 10 | 30,674 | 80,305 |
| Sale of property and equipment | | 14,229 | 44,645 |
| Acquisition of intangible assets | | (2,138) | (1,292) |
| Sale of investment | | 205 | - |
| **Net cash provided by investing activities** | | **42,970** | **123,658** |
| **Cash flow from financing activities** | | | |
| Increase in borrowings and onlending resources | | 9,437,206 | 13,154,140 |
| (Decrease) increase debt instruments eligible to capital | 13 | (61,676) | 55,741 |
| Repayment of borrowings | | (9,482,653) | (12,609,004) |
| **Net cash (used in) provided by financing activities** | | **(107,123)** | **600,877** |
| **(Decrease) increase in cash and cash equivalents** | | **(42,585)** | **763,665** |
| Cash and cash equivalents at the beginning of the year | 4 | 1,848,214 | 1,050,918 |
| Exchange variations on cash and cash equivalents | | 28,355 | 33,631 |
| Cash and cash equivalents at the end of the year | 4 | 1,833,984 | 1,848,214 |
| **(Decrease) increase in cash and cash equivalents** | | **(42,585)** | **763,665** |

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

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

## 1. OPERATIONS

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

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

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 CONSOLIDATED FINANCIAL STATEMENTS

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

### Consolidation basis

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

The subsidiaries included in the consolidation are described below:

| Company name | Country of origin | Consolidation method | Interest |
|---|---|---|---|
| | | | 2022 |
| Direct subsidiaries in the country | | | |
| CCB Brasil Arrendamento Mercantil S.A. | Brazil | Full | 100% |
| CCB Brasil Distribuidora de Títulos e Valores Mobiliários S.A. | Brazil | Full | 100% |
| CCB Brasil Informática S.A. | Brazil | Full | 100% |
| CCB Brasil Administradora de Cartões de Crédito Ltda. | Brazil | Full | 100% |
| CCB Brasil S.A. – Crédito, Financiamentos e Investimentos | Brazil | Full | 100% |
| CCB Brasil Promotora de Vendas Ltda. | Brazil | Full | 100% |
| CCB Brasil Cobrança Ltda. | Brazil | Full | 100% |

The financial statements were approved for issuance by the Board of Directors on March 27, 2023.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### a) Functional currency

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

### b) Cash and cash equivalents

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

### c) Classification of financial instruments

#### i. Recognition date

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

#### ii. Initial recognition of financial instruments

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

#### iii. Classification of financial assets for measurement purposes.

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

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

The subsequent classification and measurement of financial assets rely on:

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

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

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

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

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

- Amortized cost

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

- Financial assets at fair value through other comprehensive income

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

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

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

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

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

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

- Valuation techniques for fair value

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

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

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

- Level 3: If there is no available data based on observable market parameters, Management uses internal information and models to determine the best fair value of financial assets and liabilities. As of December 31, 2022, there were no financial instruments qualifying for this level.

There were no reclassifications between level 1 and level 2 in the years ended December 31, 2022 and 2021.

| | 12/31/2022 | | | 12/31/2021 | | |
|---|---|---|---|---|---|---|
| | Published price quotations in active markets (Level 1) | Internal models (Level 2) | Total | Published price quotations in active markets (Level 1) | Internal models (Level 2) | Total |
| Securities at fair value through other comprehensive income (note 5) | 4,405,701 | - | 4,405,701 | 3,964,770 | - | 3,964,770 |
| Derivative Financial instruments – assets (note 6) | 26,332 | 82,990 | 109,322 | 68,438 | 46,230 | 114,668 |
| Derivative Financial Instruments – liabilities (note 6) | 18,907 | 30,499 | 49,406 | 83,910 | 37,883 | 121,793 |

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

| | Fair value amounts calculated using internal models | | Valuation techniques | Main assumptions |
|---|---|---|---|---|
| | 12/31/2022 | 12/31/2021 | | |
| **Derivatives assets** | **82,990** | **46,230** | | |
| Swap contracts | 80,869 | 25,723 | Present value method | Observable market data (discount rates and interest) |
| Forward operations | 2,121 | 20,507 | Present value method | Observable market data and liquidity (discount rates and interest) |
| **Derivatives liabilities** | **30,499** | **37,883** | | |
| Swap contracts | 11,618 | 31,059 | Present value method | Observable market data (discount rates and interest) |
| Forward operations | 18,881 | 6,824 | Black Scholes method | Observable market data and liquidity (discount rates and interest) |

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

### e) Fair values of financial assets and liabilities not measured at fair value

The purpose of the chart below is to demonstrate the fair value of financial assets and liabilities not measured to fair value.

| | | | | | 12/31/2022 |
|---|---|---|---|---|---|
| | Book value | Fair value | Level 1 | Level 2 | Level 3 |
| Securities | | | | | |
| At amortized cost (note 5) | 104,648 | 104,648 | - | 104,648 | - |
| Other Financial Assets at Amortized Cost | | | | | |
| Loans and advances to financial institutions (note 7) | 2,234,094 | 2,234,094 | - | 2,234,094 | - |
| Loans and advances to clients (notes 8 e 9) | 9,950,462 | 9,982,875 | - | 9,982,875 | - |
| Other | 29,736 | 29,736 | - | 29,736 | - |
| Financial Liabilities at Amortized Cost | | | | | |
| Capital instruments (nota 13) | 887,009 | 804,863 | - | 804,863 | - |
| Deposits from financial institutions (note 14) | 4,630,829 | 4,654,639 | - | 4,654,639 | - |
| Deposits from clients (note 15) | 4,289,996 | 4,102,810 | - | 4,102,810 | - |
| Securities issued (note 16) | 1,109,490 | 837,551 | - | 837,551 | - |
| Borrowings and onlendings (note 17) | 4,657,992 | 4,850,913 | - | 4,850,913 | - |

| | | | | | 12/31/2021 |
|---|---|---|---|---|---|
| | Book value | Fair value | Level 1 | Level 2 | Level 3 |
| Securities | | | | | |
| At amortized cost (note 5) | 91,583 | 91,583 | - | 91,583 | - |
| Other Financial Assets at Amortized Cost | | | | | |
| Loans and advances to financial institutions (note 7) | 1,927,057 | 1,927,057 | - | 1,927,057 | - |
| Loans and advances to clients (notes 8 e 9) | 9,943,658 | 9,968,153 | - | 9,968,153 | - |
| Other financial instruments | 62,797 | 62,797 | - | 62,797 | - |
| Financial Liabilities at Amortized Cost | | | | | |
| Capital instruments (nota 13) | 948,685 | 918,385 | - | 918,385 | - |
| Deposits from financial institutions (note 14) | 3,657,313 | 3,657,313 | - | 3,657,313 | - |
| Deposits from clients (note 15) | 5,277,713 | 5,278,776 | - | 5,278,776 | - |
| Securities issued (note 16) | 544,637 | 545,484 | - | 545,484 | - |
| Borrowings and onlendings (note 17) | 4,802,145 | 4,882,255 | - | 4,882,255 | - |

### f) Expected credit loss

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

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

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

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

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

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

### g) Write-off of financial assets and liabilities

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

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

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

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

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

### h) Net reporting of financial instruments

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

### i) Non-financial assets held for sale

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

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

### j) Fair value hedge

For these operations, the following practices are applied:

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

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

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

The Bank does not have cash flow hedge accounting.

### k) Lease accounting

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

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

### l) Provisions, contingent assets and liabilities

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

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

Provisions: are recognized when the Management, advised by the legal advisors' opinion, evaluates if the chance of loss is probable. Cases for which an unfavorable outcome is regarded as possible are only disclosed in a note (Note 19).

Contingent liabilities the term "contingent" is used for liabilities and assets that are not recognized, as their existence will only be confirmed by the occurrence or non-occurrence of one or more future and uncertain events, not fully under the control of the Entity. The term “contingent liability” is used for liabilities that do not satisfy the recognition criteria, as they are considered possible losses, and should only be disclosed in notes, when material. Obligations classified as remote are not accrued or disclosed; and

Legal obligations: these are recognized and provided for in the balance sheet, regardless of the evaluation of the likelihood of a favorable outcome.

m) Recognition of revenues and expenses

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

i. Interest revenues and expenses and alike

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

ii. Commissions, fees and similar items

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

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

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

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

iii. Non-financial revenues and expenses

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

n) Tax assets and liabilities

Income tax and social contribution are calculated on accounting income adjusted under the tax legislation, at rates of 15%, plus an additional 10% above a certain limit for income tax and 20% on profit before income tax deduction for social contribution. As of August 2022, in accordance with Law No. 14,446/22, the social contribution will be 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% until December 31, 2021.

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.

IFRIC 23

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

o) Critical accounting estimates

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

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

i. Evaluation of fair value for certain financial instruments;

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

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

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

ii. Impairment of financial assets;

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

iii. Provisions, Contingencies and Other Commitments

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

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

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

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

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

iv. Provision for guarantees provided.

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

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

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

p) Investments in domestic subsidiaries

Investments in domestic subsidiaries are valued under the equity method.

q) Basic and diluted profit (loss) per share

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

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

## 4. CASH AND CASH EQUIVALENTS

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Cash and cash equivalents | 50,727 | 348,220 |
| Money market repurchase commitments | 1,500,239 | 1,499,994 |
| Foreign currencies investments | 283,018 | - |
| Total | 1,833,984 | 1,848,214 |
| | | |
| Currency: | | |
| Real | 1,495,098 | 1,492,959 |
| Foreign currency | 338,886 | 355,255 |
| Total | 1,833,984 | 1,848,214 |

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

## 5. SECURITIES

### a) Operation policy

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

### b) Securities portfolio by category and type

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

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

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

| | 12/31/2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Up to 90 days | 91–360 days | Total current | Non-current | Total account amount | Adjusted cost | Market value |
| **Financial assets measured at fair value through other comprehensive income (Stage 1)** | **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 |
| **Financial assets at amortized cost (stage 1):** | **-** | **-** | **-** | **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.

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

| Currency: | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Real | 4,510,349 | 4,056,353 |

Bonds and securities are referenced in reais on the base dates presented.

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.

## 6. DERIVATIVE FINANCIAL INSTRUMENT PORTFOLIO

### a) Policy of use

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

### b) Protection against Exchange Rate Exposures

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

### c) Portfolio Protection with Fixed Rates

CCB Brasil adopts the strategy of acquiring DI futures contracts, evaluating 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.

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

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) Recognition of amounts

Operations that use financial instruments, carried out at the request of customers, or that do not meet the protection criteria (mainly derivatives used to manage global risk exposure until December 31, 2022), are accounted for at market value, with gains and realized and unrealized losses, recognized directly in the Consolidated Income Statement.

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

f) Measurement criteria of market value

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

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

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

| | | | | | | | Reference value | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Net position of assets' and (liabilities) contracts | | | | |
| | Current | Non-current | Differential receivable | Current | Non-current | Differential payable | Due up to 03 months | Due 03–12 months | Total current | Non-current | Total |
| Swap contracts | | | | | | | | | | | |
| Interbank market | 25,619 | 37,570 | 63,189 | 240 | 1,688 | 1,928 | 68,402 | 243,468 | 311,870 | 607,902 | **919,772** |
| Foreign currency | 283 | 1,657 | 1,940 | 4,993 | 4,622 | 9,615 | (68,402) | (275,265) | (343,667) | (614,272) | **(957,939)** |
| Fixed rate | 584 | - | 584 | - | 119 | 119 | - | 31,797 | 31,797 | 6,370 | **38,167** |
| **Subtotal** | **26,486** | **39,227** | **65,713** | **5,233** | **6,429** | **11,662** | - | - | - | - | - |
| Adjustment to market value | (133) | 15,289 | 15,156 | (404) | 360 | (44) | - | - | - | - | - |
| **Total** | **26,353** | **54,516** | **80,869** | **4,829** | **6,789** | **11,618** | - | - | - | - | - |
| Forward contracts/Non-deliverable forwards - NDF | | | | | | | | | | | |
| Forward purchase/NDF | 1,442 | - | 1,442 | 14,232 | 2,238 | 16,470 | 201,139 | 172,957 | 374,096 | 15,653 | **389,749** |
| Forward sale/NDF | 679 | - | 679 | 2,411 | - | 2,411 | 89,685 | 21,460 | 111,145 | - | **111,145** |
| **Subtotal** | **2,121** | **-** | **2,121** | **16,643** | **2,238** | **18,881** | - | - | - | - | - |
| **Total** | **28,474** | **54,516** | **82,990** | **21,472** | **9,027** | **30,499** | - | - | - | - | - |
| | | | | | | | | | | | |
| Futures contracts | | | | | | | | | | | |
| Purchase - Interbank market | 20 | - | 20 | - | - | - | 50,132 | 134,757 | 184,889 | 22,842 | **207,731** |
| Sale - Interbank market | - | - | - | 284 | - | 284 | (166,820) | (277,917) | (444,737) | (403,469) | **(848,206)** |
| Buy - DDI - For. cur. coupon | 17,330 | - | 17,330 | 4,270 | , | 4,270 | 1,245,731 | 1,101,887 | 2,347,618 | 453,719 | **2,801,337** |
| Sale - DDI - For. cur. coupon | 691 | - | 691 | 108 | - | 108 | (115,762) | (7,776) | (123,539) | - | **(123,539)** |
| Purchase - Foreign currency | 4,016 | - | 4,016 | 806 | - | 806 | 574,931 | - | 574,931 | - | **574,931** |
| Sale - Foreign currency | 4,275 | - | 4,275 | 13,439 | - | 13,439 | (2,301,100) | - | (2,301,100) | - | **(2,301,100)** |
| **Total** | **26,332** | **-** | **26,332** | **18,907** | **-** | **18,907** | | | | | |
| | | | | | | | | | | | |
| **Total final** | **54,806** | **54,516** | **109,322** | **40,379** | **9,027** | **49,406** | | | | | |

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

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

| | | | | | | | Reference value | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Net position of assets' and (liabilities) contracts | | | | |
| | Current | Non-current | Differential receivable | Current | Non-current | Differential payable | Due up to 03 months | Due 03–12 months | Total current | Non-current | Total |
| Swap contracts | | | | | | | | | | | |
| Interbank market | 1,829 | 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** | | | | | |
| **Total final** | **86,348** | **28,320** | **114,668** | **110,443** | **11,350** | **121,793** | | | | | |

Derivative Asset

| Currency: | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Real | 109,322 | 114,668 |
| Total | 109,322 | 114,668 |

Derivative Liabilities

| Currency: | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Real | 49,406 | 121,793 |
| Total | 49,406 | 121,793 |

Swap and NDF transactions are registered at B3 S.A. - Brasil, Bolsa, Balcão, adjustments referring to receivable or payable differences are recognized in an asset or liability account, respectively, as a contra-entry to revenues or expenses. Transactions in "futures market" are registered at the B3 S.A. - Brasil, Bolsa, Balcão, daily appropriate/paid adjustments are accounted for as revenue or expense.

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

| | | 12/31/2022 | 12/31/2021 |
|---|---|---|---|
| Title | Maturity | 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 |

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

| | | | |
|---|---|---|---|
| LFT | 09/01/2024 | 82,569 | 65,916 |
| | | 82,569 | 421,438 |

g) *Hedge accounting*

Credit Transaction for Individuals

CCB Brasil holds payroll loan portfolios for civil servants and retirees, and vehicle financing operations. Credits are granted at pre-fixed rates, exposing CCB Brasil to market risk arising from fluctuations in the reference rate for interbank deposits (CDI), the index in which CCB Brasil's cost of funding and risk management are controlled. Thus, in order to cover the risk of the pre-fixed rate to CDI fluctuations, the Bank's treasury acquires DI futures contracts in a ratio of quantities x maturities that offset the effect of adjustment to market value of the item object of hedge.

As of January 2022, the effects of the fair value hedge structure of individual credit operations are now accounted for exclusively for credit operations registered at the Bank, without including the operations of the subsidiary CCBF, thus, the portion of the discontinued hedge accounting in the amount of R$ 37,967, which has been recorded in income for the year in accordance with the term of the operations recorded on that base date.

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

| 12/31/2021 | Hedge Object | | | | Hedge instrument | | |
|---|---|---|---|---|---|---|---|
| | Carrying value | | Fair Value | | Ineffective value | Nominal value | Changes in amount recognized in income (loss) |
| Interest rate risk | Assets | Liabilities | Assets | Liabilities | | | |
| Loans transaction (note 25) | 900,521 | - | 862,554 | - | 106 | 1,111,307 | (113,187) |

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

## 7. LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Classification: | | |
| Loans and advances to financial institutions | 2,234,094 | 1,927,057 |
| | | |
| Type: | | |
| Financial Assets at amortized cost (stage 1): | | |
| Open market applications | 1,500,239 | 1,499,994 |
| Debtors for guarantee deposits | 446,520 | 423,460 |
| Investments in foreign currencies | 283,018 | - |
| Applications in interbank deposits | 4,317 | 3,603 |
| Total | 2,234,094 | 1,927,057 |
| | | |
| Currency: | | |
| Real | 1,951,076 | 1,925,383 |
| Foreign currency | 283,018 | 1,674 |
| Total | 2,234,094 | 1,927,057 |
| | | |
| Currency | 1,786,290 | 1,503,597 |
| Non-currency | 447,804 | 423,460 |
| Total | 2,234,094 | 1,927,057 |

## 8. LOANS AND ADVANCES TO CLIENTS

### a) Breakdown per type of operation

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| **Individuals** | 897,875 | 1,185,958 |
| Payroll loans | 883,493 | 1,162,583 |
| Other loans | 14,382 | 23,375 |
| **Legal Entities** | 9,270,823 | 9,029,282 |
| Import/export financing | 3,737,868 | 4,431,451 |
| Working capital | 3,130,847 | 2,716,614 |
| Advances on foreign exchange contracts | 1,393,735 | 1,174,669 |
| Rural and agro-industrial financing | 668,331 | 459,037 |
| Other loans | 340,042 | 247,511 |
| Total | 10,168,698 | 10,215,240 |

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Currency: | | |
| Real | 4,152,630 | 5,390,415 |
| Foreign currency | 6,016,068 | 4,824,825 |
| Total | 10,168,698 | 10,215,240 |
| | | |
| Currency | 5,644,782 | 5,844,239 |
| Non-currency | 4,523,916 | 4,371,001 |
| Total | 10,168,698 | 10,215,240 |

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

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

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

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

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

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

| Consolidated - 3 stages | Opening balance 12/31/2021 | Write-off | Other changes | Closing Balance 12/31/2022 |
|---|---|---|---|---|
| Individuals | 1,185,958 | (75,206) | (212,877) | 897,875 |

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

| | | | | |
|---|---|---|---|---|
| Payroll loans | 1,162,583 | (69,933) | (209,157) | 883,493 |
| Other loans ** | 23,375 | (5,273) | (3,720) | 14,382 |
| | | - | | - |
| **Legal Entities** | **9,029,282** | **(9,316)** | **250,857** | **9,270,823** |
| Working capital | 2,716,614 | - | 414,233 | 3,130,847 |
| Import/export financing | 4,431,451 | - | (693,583) | 3,737,868 |
| Other loans ** | 1,881,217 | (9,316) | 530,207 | 2,402,108 |
| Total | 10,215,240 | (84,522) | 37,980 | 10,168,698 |

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

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

| Stage 1 | Opening balance 12/31/2020 | Transfer to Stage 2 | Transfer to Stage 3 | Transfer from Stage 2 | Transfer from Stage 3 | Other changes* | Closing Balance 12/31/2021 |
|---|---|---|---|---|---|---|---|
| **Individuals** | **1,610,440** | **(13,586)** | **(52,432)** | **12,320** | **35,850** | **(579,003)** | **1,013,589** |
| Payroll loans | 1,608,087 | (13,586) | (52,432) | 12,320 | 21,027 | (576,854) | 998,562 |
| Other loans ** | 2,353 | - | - | - | 14,823 | (2,149) | 15,027 |
| **Legal Entities** | **8,092,415** | **(57,475)** | **(17,652)** | **-** | **3,109** | **823,417** | **8,843,814** |
| Working capital | 2,891,096 | (57,436) | (5,650) | - | - | (183,779) | 2,644,231 |
| Import/export financing | 3,670,979 | - | - | - | - | 718,697 | 4,389,676 |
| Other loans ** | 1,530,340 | (39) | (12,002) | - | 3,109 | 288,499 | 1,809,907 |
| Total | 9,702,855 | (71,061) | (70,084) | 12,320 | 38,959 | 244,414 | 9,857,403 |

| Stage 2 | Opening balance 12/31/2020 | Transfer to Stage 1 | Transfer to Stage 3 | Transfer from Stage 1 | Transfer from Stage 3 | Other changes * | Closing Balance 12/31/2021 |
|---|---|---|---|---|---|---|---|
| **Individuals** | **78,359** | **(12,320)** | **(5,491)** | **13,586** | **1,856** | **(37,678)** | **38,312** |
| Payroll loans | 78,337 | (12,320) | (5,491) | 13,586 | 1,820 | (37,643) | 38,289 |
| Other loans ** | 22 | - | - | | 36 | (35) | 23 |
| **Legal Entities** | **54,324** | **-** | **(12,453)** | **57,475** | **18,331** | **(54,750)** | **62,927** |
| Working capital | 28,174 | - | (4,751) | 57,436 | 15,346 | (49,317) | 46,888 |
| Import/export financing | 7,702 | - | (7,702) | - | - | 14,015 | 14,015 |
| Other loans ** | 18,448 | - | - | 39 | 2,985 | (19,448) | 2,024 |
| Total | 132,683 | (12,320) | (17,944) | 71,061 | 20,187 | (92,428) | 101,239 |

| Stage 3 | Opening balance 12/31/2020 | Transfer to Stage 1 | Transfer to Stage 2 | Transfer from Stage 1 | Transfer from Stage 2 | Write-off | Other changes * | Closing Balance 12/31/2021 |
|---|---|---|---|---|---|---|---|---|
| **Individuals** | **408,964** | **(35,850)** | **(1,856)** | **52,432** | **5,491** | **(229,875)** | **(65,249)** | **134,057** |
| Payroll loans | 359,202 | (21,027) | (1,820) | 52,432 | 5,491 | (229,875) | (38,671) | 125,732 |
| Other loans ** | 49,762 | (14,823) | (36) | - | - | - | (26,578) | 8,325 |

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Legal Entities | 112,938 | (3,109) | (18,331) | 17,652 | 12,453 | (16,516) | 17,454 | 122,541 |
| Working capital | 22,029 | - | (15,346) | 5,650 | 4,751 | - | 8,411 | 25,495 |
| Import/export financing | 10,435 | - | - | - | 7,702 | - | 9,623 | 27,760 |
| Other loans ** | 80,474 | (3,109) | (2,985) | 12,002 | - | (16,516) | (580) | 69,286 |
| Total | 521,902 | (38,959) | (20,187) | 70,084 | 17,944 | (246,391) | (47,795) | 256,598 |

| Consolidated - 3 stages | Opening balance 12/31/2020 | Write-off | Other changes | Closing Balance 12/31/2021 |
|---|---|---|---|---|
| Individuals | 2,097,763 | (229,875) | (681,930) | 1,185,958 |
| Payroll loans | 2,045,626 | (229,875) | (653,168) | 1,162,583 |
| Other loans ** | 52,137 | - | (28,762) | 23,375 |
| Legal Entities | 8,259,677 | (16,516) | 786,121 | 9,029,282 |
| Working capital | 2,941,299 | - | (224,685) | 2,716,614 |
| Import/export financing | 3,689,116 | - | 742,335 | 4,431,451 |
| Other loans ** | 1,629,262 | (16,516) | 268,471 | 1,881,217 |
| Total | 10,357,440 | (246,391) | 104,191 | 10,215,240 |

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

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

## 9. PROVISION FOR EXPECTED CREDIT RISK LOSS

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Individuals | 121,104 | 166,542 |
| Payroll loans | 112,844 | 158,253 |
| Other loans | 8,260 | 8,289 |
| Legal Entities | 97,132 | 105,040 |
| Working capital | 33,967 | 18,160 |
| Import/export financing | 18,124 | 32,986 |
| Other loans | 45,041 | 53,894 |
| Subtotal | 218,236 | 271,582 |
| Securities (Stage 1) | 422 | 269 |
| Total | 218,658 | 271,851 |

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

| | | |
|---|---|---|
| Currency | | |
| Real | 140,385 | 184,863 |
| Foreign currency | 78,273 | 86,988 |
| Total | 218,658 | 271,851 |
| | | |
| Currency | 101,150 | 165,516 |
| Non-Currency | 117,508 | 106,335 |
| Total | 218,658 | 271,851 |

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

| Stage 2 | Opening balance 12/31/2021 | Transfer to Stage 1 | Transfer to Stage 3 | Transfer from Stage 1 | Transfer from Stage 3 | Formation / (Reversal) | Closing Balance 12/31/2022 |
|---|---|---|---|---|---|---|---|
| **Individuals** | **3,869** | **(1,919)** | **(381)** | **245** | **119** | **(533)** | **1,400** |
| Payroll loans | 3,867 | (1,917) | (381) | 208 | 119 | (577) | 1,319 |
| Other loans | 2 | (2) | - | 37 | - | 44 | 81 |
| **Legal Entities** | **370** | **(45)** | **-** | **1,374** | **-** | **9,797** | **11,496** |
| Working capital | 343 | (45) | - | 528 | - | 2,576 | 3,402 |
| Import/export financing | 27 | - | - | 676 | - | 4,662 | 5,365 |
| Other loans | - | - | - | 170 | - | 2,559 | 2,729 |
| Total | 4,239 | (1,964) | (381) | 1,619 | 119 | 9,264 | 12,896 |

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

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

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

| Stage 1 | Opening balance 12/31/2020 | Transfer to Stage 2 | Transfer to Stage 3 | Transfer from Stage 2 | Transfer from Stage 3 | Formation / (Reversal) | Closing Balance 12/31/2021 |
|---|---|---|---|---|---|---|---|
| Individuals | 50,166 | (471) | (1,663) | 1,084 | 22,047 | (22,902) | 48,261 |
| Payroll loans | 49,976 | (471) | (1,663) | 1,084 | 14,300 | (16,448) | 46,778 |
| Other loans | 190 | - | - | - | 7,747 | (6,454) | 1,483 |
| Legal Entities | 32,162 | (489) | (90) | - | 864 | (11,328) | 21,119 |
| Working capital | 8,500 | (489) | (29) | | - | (4,274) | 3,708 |
| Import/export financing | 19,597 | - | - | - | - | (5,503) | 14,094 |
| Other loans | 4,065 | - | (61) | - | 864 | (1,551) | 3,317 |
| Total | 82,328 | (960) | (1,753) | 1,084 | 22,911 | (34,230) | 69,380 |

| Stage 2 | Opening balance 12/31/2020 | Transfer to Stage 1 | Transfer to Stage 3 | Transfer from Stage 1 | Transfer from Stage 3 | Formation / (Reversal) | Closing Balance 12/31/2021 |
|---|---|---|---|---|---|---|---|
| Individuals | 6,101 | (1,084) | (484) | 471 | 1,247 | (2,382) | 3,869 |
| Payroll loans | 6,100 | (1,084) | (484) | 471 | 1,228 | (2,364) | 3,867 |
| Other loans | 1 | - | - | - | 19 | (18) | 2 |
| Legal Entities | 5,278 | - | (4,885) | 489 | 11,736 | (12,248) | 370 |
| Working capital | 537 | - | (167) | 489 | 11,736 | (12,252) | 343 |
| Import/export financing | 4,717 | - | (4,718) | - | - | 28 | 27 |
| Other loans | 24 | - | - | - | - | (24) | - |
| Total | 11,379 | (1,084) | (5,369) | 960 | 12,983 | (14,630) | 4,239 |

| Stage 3 | Opening balance 12/31/2020 | Transfer to Stage 1 | Transfer to Stage 2 | Transfer from stage 1 | Transfer from Stage 2 | Write-off | Formation / (Reversal) | Closing Balance 12/31/2021 |
|---|---|---|---|---|---|---|---|---|
| Individuals | 270,309 | (22,047) | (1,247) | 1,663 | 484 | (229,875) | 95,125 | 114,412 |
| Payroll loans | 243,609 | (14,300) | (1,228) | 1,663 | 484 | (229,875) | 107,255 | 107,608 |
| Other loans | 26,700 | (7,747) | (19) | - | - | - | (12,130) | 6,804 |
| Legal Entities | 73,200 | (864) | (11,736) | 90 | 4,885 | (16,516) | 34,492 | 83,551 |
| Working capital | 16,830 | - | (11,736) | 29 | 167 | - | 8,819 | 14,109 |
| Import/export financing | 7,764 | - | - | - | 4,718 | - | 6,383 | 18,865 |
| Other loans | 48,606 | (864) | - | 61 | - | (16,516) | 19,290 | 50,577 |
| Total | 343,509 | (22,911) | (12,983) | 1,753 | 5,369 | (246,391) | 129,617 | 197,963 |

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

| Consolidated - 3 stages | Opening balance 12/31/2020 | Write-off | Formation / (Reversal) | Closing Balance 12/31/2021 |
|---|---|---|---|---|
| **Individuals** | **326,576** | **(229,875)** | **69,841** | **166,542** |
| Payroll loans | 299,685 | (229,875) | 88,443 | 158,253 |
| Other loans | 26,891 | - | (18,602) | 8,289 |
| **Legal Entities** | **110,640** | **(16,516)** | **10,916** | **105,040** |
| Working capital | 25,867 | - | (7,707) | 18,160 |
| Import/export financing | 32,078 | - | 908 | 32,986 |
| Other loans | 52,695 | (16,516) | 17,715 | 53,894 |
| **Subtotal** | **437,216** | **(246,391)** | **80,757** | **271,582** |
| Securities (Stage 1) | 521 | - | (252) | 269 |
| Total | 437,737 | (246,391) | 80,505 | 271,851 |

## 10. NON-FINANCIAL ASSETS HELD FOR SALE

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Real estate | 170,153 | 200,469 |
| Machinery and equipment | 15,795 | 15,810 |
| Vehicles and the like | 1,593 | 2,578 |
| Other | 316 | 598 |
| Subtotal | 187,857 | 219,455 |
| Provision for impairment | (104,273) | (121,904) |
| Total | 83,584 | 97,551 |

| Changes | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Cost: | | |
| Balances at beginning of the year | 219,455 | 303,723 |
| Assets seized | 335 | 710 |
| Gain (loss) in sale of assets | (1,259) | (4,147) |
| Write-off due to impairment | - | (526) |
| Disposals | (30,674) | (80,305) |
| Balances at the end of the year | 187,857 | 219,455 |
| | | |
| Provision for impairment: | | |
| Balances at beginning of the year | (121,904) | (146,737) |
| Reversal by disposal/sale of assets | 12,166 | 34,040 |
| Reversal due to impairment | - | 526 |
| Provisions for the fiscal year | 5,465 | (9,733) |
| Total provision at the end of the year | (104,273) | (121,904) |
| | | |
| Net balance of Non-financial assets held for sale | 83,584 | 97,551 |

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

## 11. TAX ASSETS AND LIABILITIES

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

| Deferred tax assets | 12/31/2021 | Change in shareholders' equity | Realizations | Additions | Write off | 12/31/2022 |
|---|---|---|---|---|---|---|
| Income tax | | | | | | |
| Provision for expected credit loss | 67,964 | - | (45,733) | 36,675 | (4,240) | 54,666 |
| Hedge Accounting Adjustment | - | - | (7,039) | 14,438 | - | 7,399 |
| Provision for impairment of non-operating assets | 4,680 | - | (3,164) | 9 | (173) | 1,352 |
| Provision for contingencies and others | 350,526 | (652) | (13,751) | 3,004 | (2,314) | 336,813 |
| Subtotal | 423,170 | (652) | (69,687) | 54,126 | (6,727) | 400,230 |
| Tax loss | 2,252 | - | (1,378) | 1,480 | (36) | 2,318 |
| Subtotal – Tax Credit IRPJ (corporate income tax) | 425,422 | (652) | (71,065) | 55,606 | (6,763) | 402,548 |
| Social contribution | | | | | | |
| Provision for expected credit loss | 54,370 | - | (34,730) | 26,636 | (2,544) | 43,732 |
| Hedge Accounting Adjustment | - | - | (9,048) | 14,967 | - | 5,919 |
| Provision for impairment of non-operating assets | 3,610 | - | (2,502) | 6 | (104) | 1,010 |
| Provision for contingencies and others | 280,421 | (522) | (11,249) | 2,187 | (1,387) | 269,450 |
| Subtotal | 338,401 | (522) | (57,529) | 43,796 | (4,035) | 320,111 |
| Negative basis CSLL | 545 | - | (61) | 888 | (22) | 1,350 |
| Subtotal – Tax Credit CSLL (social contribution on net income) | 338,946 | (522) | (57,590) | 44,684 | (4,057) | 321,461 |
| Total - Tax credit - IRPJ/CSSL | 764,368 | (1,174) | (128,655) | 100,290 | (10,820) | 724,009 |

| Deferred tax liabilities | 12/31/2021 | Change in shareholders' equity | Realizations | Additions | Write off | 12/31/2022 |
|---|---|---|---|---|---|---|
| Income tax | | | | | | |
| Inflation adjustment on judicial deposits | 21,975 | - | (5) | 7,777 | - | 29,748 |
| Positive adjustment of the MTM of government bonds and derivatives | 10,259 | - | (36,923) | 40,503 | - | 13,839 |
| Supervenience of Depreciation | 6,525 | - | (2,007) | 1,621 | - | 6,139 |
| Subtotal income tax | 38,760 | - | (40,636) | 51,602 | - | 49,726 |
| Social contribution | | | | | | |
| Inflation adjustment on judicial deposits | 17,528 | - | (4) | 6,200 | - | 23,724 |
| Positive adjustment of the MTM of government bonds and derivatives | 4,548 | - | (29,539) | 36,055 | - | 11,064 |
| Subtotal – Tax Credit CSLL (social contribution on net income) | 22,076 | - | (30,904) | 43,616 | - | 34,788 |
| Total deferred taxes | 60,836 | - | (71,540) | 95,218 | - | 84,514 |
| Total net tax credit | 703,532 | (1,174) | (57,115) | 5,072 | (10,820) | 639,495 |

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

On December 31, the Bank has non-activated tax credits arising from income tax loss carryforwards and social contribution negative basis, in the total amount of R$ 1,056,019 (December/21 – R$ 1,053,855), alongside of tax credits arising from temporary differences and tax contingencies in the amount of R$ 218,084 (December/21 - R$ 181,933), for which there is no expectation of realization 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, 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 period 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) |
| Total Presumed Credit | 297,517 | 297,969 |

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

| | 12/31/2022 | | 12/31/2021 | |
|---|---|---|---|---|
| Determination | Income tax | Social contribution | Income tax | Social contribution |
| Income before tax on profit | 52,244 | 52,244 | (42,666) | (42,666) |
| Calculation basis | 52,244 | 52,244 | (42,666) | (42,666) |
| Temporary additions | 565,098 | 557,069 | 268,245 | 268,245 |
| Permanent additions | 742,886 | 742,886 | 495,806 | 495,806 |
| Exclusions | (1,299,963) | (1,293,492) | (843,118) | (835,929) |
| Profit and calculation basis of income tax and social contribution on net income | 60,265 | 58,707 | (121,733) | (114,544) |
| (+) Negative tax result of consolidated companies | - | - | 635 | 635 |

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

| | | | | |
|---|---|---|---|---|
| (-) Breakdown of Tax Losses / CSLL Negative Calculation Basis | (15,661) | (10,558) | 1,185 | 3,283 |
| **Profit and calculation basis of income tax and social contribution on net income** | **44,604** | **48,149** | **(119,913)** | **(110,626)** |
| Charges at the rate of 15% for income tax and social contribution | 6,833 | 10,169 | 479 | 1,487 |
| Additional 10% income tax | 4,465 | - | 245 | - |
| **Current Taxes** | **11,298** | **10,169** | **724** | **1,487** |
| | | | | |
| **Reconciliation of Income** | | | | |
| Current taxes | 11,298 | 10,169 | 724 | 1,487 |
| Income tax and deferred CSLL | 10,966 | 12,712 | (11,230) | (8,355) |
| Income tax and presumed CSLL | 252 | 200 | 228 | 183 |
| **(=) Provision for income and social contribution taxes** | **22,516** | **23,081** | **(10,278)** | **(6,685)** |
| Formation of tax credits (on temporary additions) | (55,606) | (44,684) | (85,254) | (75,397) |
| Write-off of tax credits | 6,763 | 4,057 | 21,309 | 17,048 |
| Realization of tax credit | 71,065 | 57,590 | 92,050 | 68,680 |
| **(=) Net effect of tax credit** | **22,222** | **16,963** | **28,105** | **10,331** |
| **Expense from income tax and social contribution** | **44,738** | **40,044** | **17,827** | **3,646** |

## 12. OTHER ASSETS

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Sundry debtors in the country | 36,794 | 35,762 |
| Payments to be refunded (*) | 29,194 | 22,574 |
| Other | 2,476 | 2,431 |
| **Total** | **68,464** | **60,767** |
| | | |
| Currency | | |
| Real | 68,325 | 60,641 |
| Foreign currency | 139 | 126 |
| **Total** | **68,464** | **60,767** |
| | | |
| Current | 42,090 | 28,602 |
| Non-current | 26,374 | 32,165 |
| **Total** | **68,464** | **60,767** |

(*) Refers substantially to assets with social housing programs in the amount of R$ 25,161 (December/21 – R$ 18,065).

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

## 13. CAPITAL INSTRUMENTS

| 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 |

| Currency | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Foreign currency | 887,009 | 948,685 |
| Total | 887,009 | 948,685 |

| | | |
|---|---|---|
| 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 Brazilian Central Bank 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 record a provision for payment of interest relating to the prior years, arising from perpetual debts issued.

## 14. DEPOSITS FROM FINANCIAL INSTITUTIONS

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

| | 12/31/2021 | | | | |
|---|---|---|---|---|---|
| Amortized cost | Up to 03 months | 03–12 months | Total current | Non-current | Total |
| Interbank deposits | 52,275 | 1,096 | 53,371 | - | 53,371 |
| Liabilities for committed operations | 3,603,942 | - | 3,603,942 | - | 3,603,942 |
| Total | 3,656,217 | 1,096 | 3,657,313 | - | 3,657,313 |

| Currency | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Real | 4,630,829 | 3,657,313 |
| Total | 4,630,829 | 3,657,313 |

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

## 15. DEPOSITS FROM CLIENTS

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

| | 12/31/2021 | | | | | |
|---|---|---|---|---|---|---|
| Amortized cost | Without maturity | Up to 03 months | 03–12 months | Total current | Non-current | Total |
| Demand deposits | 135,332 | - | - | 135,332 | - | 135,332 |
| Savings deposits | 2,931 | - | - | 2,931 | - | 2,931 |
| Time deposits | - | 1,976,542 | 1,521,209 | 3,497,751 | 1,614,717 | 5,112,468 |
| Other deposits | - | 26,982 | - | 26,982 | - | 26,982 |
| Total | 138,263 | 2,003,524 | 1,521,209 | 3,662,996 | 1,614,717 | 5,277,713 |

| Currency: | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Real | 4,274,727 | 5,250,753 |
| Foreign currency | 15,269 | 26,960 |
| Total | 4,289,996 | 5,277,713 |

## 16. SECURITIES ISSUED

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

| | 12/31/2021 | | | | |
|---|---|---|---|---|---|
| Amortized cost | Up to 03 months | 03–12 months | Total current | Non-current | Total |
| 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 Bill - LF | 57,029 | 66,931 | 123,960 | 76,727 | 200,687 |
| Total | 240,073 | 194,949 | 435,022 | 109,615 | 544,637 |

| Currency: | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Real | 1,109,490 | 544,637 |
| Total | 1,109,490 | 544,637 |

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 | 2,006,930 | 2,396,995 | 4,403,925 | - | 4,403,925 | 4,590,286 |
| Loan with head office | 1,949,893 | 2,248,106 | 4,197,999 | - | 4,197,999 | 3,602,285 |
| Other foreign loans | 57,037 | 148,889 | 205,926 | - | 205,926 | 988,001 |
| Total on December 31, 2022 | 2,086,710 | 2,555,180 | 4,641,890 | 16,102 | 4,657,992 | |
| Total on December 31, 2021 | 1,467,020 | 3,309,168 | 4,776,188 | 25,957 | | 4,802,145 |

| Currency | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Real | 254,067 | 211,859 |
| Foreign currency | 4,403,925 | 4,590,286 |
| Total | 4,657,992 | 4,802,145 |

## 18. PROVISIONS

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Provisions for contingencies (Note 19.a) | 1,114,870 | 1,075,013 |
| Provisions for financial guarantees provided (Note 20) | 27,334 | 25,933 |
| Total | 1,142,204 | 1,100,946 |
| Current | 27,203 | 25,366 |
| Non-current | 1,115,001 | 1,075,580 |
| Total | 1,142,204 | 1,100,946 |

## 19. CONTINGENCIES AND LEGAL OBLIGATIONS

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

a) Provisions classified as probable loss and legal obligations

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

Civil lawsuits

The Bank is party to civil lawsuits assessed as having a probable risk, which have been fully accrued and amount to R$ 214,619 (December/21 – R$ 202,795). 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$ 112,372 (December/21 – R$ 113,738). Provisions relate to lawsuits discussing labor claims referring to labor law that is specific of the professional category, such as overtime, salary equalization, additional payment due to transfer and other.

Tax and social security proceedings

COFINS x Law 9,718/98 – amount involved R$ 610,667 (December/21 - R$ 576,985): claims payment of the contribution from November 2005 to December 2014, based on the calculation provided in Complementary Law 7/70, in view of the unconstitutionality of expanding the calculation basis provided for in Law 9,718/98. Part of the amount involved was deposited in court, R$ 35,194 (December/21 – R$ 32,791).

PIS x Law 9,718/98 – amount involved R$ 96,966 (December/21 – R$ 91,630): 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 Brazilian Central Bank, as allowed by CMN Resolution 1,748/90 and subsequent amendments, and dismissing, due to unconstitutionality and unlawfulness, the provision of article 43, paragraph 4, of Law 8,981/95. The amount of R$ 28,999 (December/21 – 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 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 – 61,178) was placed in a judicial deposit.

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

Changes in provisions classified as probable loss and legal obligations

| Description | 12/31/2021 | Addition | Reversal | Monetary Update | Payment | 12/31/2022 |
|---|---|---|---|---|---|---|
| Civil | 202,795 | 9,582 | (4,465) | 18,296 | (11,589) | 214,619 |
| Labor | 113,738 | 9,139 | (10,001) | 12,428 | (12,931) | 112,373 |
| **Subtotal** | **316,533** | **18,721** | **(14,466)** | **30,724** | **(24,520)** | **326,992** |

| Tax and social security | 12/31/2021 | Addition | Reversal | Monetary Update | Payment | 12/31/2022 |
|---|---|---|---|---|---|---|
| PIS – Expansion of Calculation Basis - Law 9718/98 | 91,630 | - | - | 5,336 | - | 96,966 |
| COFINS - Expansion of Calculation Basis - Law 9718/98 | 576,985 | - | - | 33,682 | - | 610,667 |
| 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** | **758,480** | **407** | **(20,703)** | **49,694** | **-** | **787,878** |
| **Total** | **1,075,013** | **19,128** | **(35,169)** | **80,418** | **(24,520)** | **1,114,870** |

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

For the contingencies described above, CCB Brasil deposited in guarantee a total of R$ 446,519, containing 101,003 – civil lawsuits, R$ 16,589 – labor lawsuits and R$ 328,927 – tax lawsuits.

## b) Lawsuits classified as possible loss

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

### Tax and social security proceedings

**ISS – Service Tax – São Paulo - Taxed services - Correctness of levying the service tax on services listed in the attachment to Complementary Law 56/87 -** involved amount of R$ 29,562 (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$ 28,597 (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 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$ 168,154): 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$ 9,089 (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$ 46,303 (December/21 – R$ 24,359). 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$ 235,548 (December/21 – R$ 421,596). In general, the contingencies are the result of contract revisions and indemnities for material damages and pain and suffering.

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

## 20. SURETIES AND GUARANTEES

| Description | 12/31/2022 | | 12/31/2021 | |
|---|---|---|---|---|
| | Amounts guaranteed | Provisions (note 18) | Amounts guaranteed | Provisions (note 18) |
| Guarantees or sureties in tax lawsuits and proceedings | 735,028 | 137 | 420,857 | 328 |
| Judicial sureties - Others | 388,792 | 288 | 426,119 | 285 |
| Sureties - payments | 249,296 | 26,805 | 309,894 | 25,216 |
| Performance sureties | 144,980 | - | 39,383 | - |
| Bank guarantees | 35,488 | 97 | 87,163 | 104 |
| Other sureties | 78,110 | 7 | 8,728 | - |
| Total | 1,631,694 | 27,334 | 1,292,144 | 25,933 |
| Currency: | | | | |
| Real | 1,503,838 | 27,334 | 1,269,884 | 25,933 |
| Foreign currency | 127,856 | - | 22,260 | - |
| 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 |

## 21. OTHER OBLIGATIONS

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Payable suppliers | 109,553 | 37,542 |
| Sundry creditors - domestic | 92,459 | 107,205 |
| Social and statutory | 9,445 | 9,575 |
| Restructuring | 5,892 | 3,060 |
| Total | 217,349 | 157,382 |
| Currency: | | |
| Real | 215,945 | 155,194 |
| Foreign currency | 1,404 | 2,188 |
| Total | 217,349 | 157,382 |
| Current | 206,321 | 140,721 |
| Non-current | 11,028 | 16,661 |
| Total | 217,349 | 157,382 |

## 22. SHAREHOLDERS' EQUITY

CCB Brasil’s shareholder structure is as follows:

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

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 |

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.

## 23. RELATED PARTIES

a) Related parties

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

| | Assets / (liabilities) | | Revenues / (expenses) | |
|---|---|---|---|---|
| | 12/31/2022 | 12/31/2021 | 12/31/2022 | 31/12/2021 |
| **Cash and cash equivalents in foreign currencies** | **4,312** | **4,924** | **-** | **-** |
| China Construction Bank Corporation (a) | 4,312 | 4,924 | - | - |
| **Investment fund quotas** | **104,648** | **91,583** | **13,065** | **4,409** |
| FIDC BRASILFactors (c) | 104,648 | 91,583 | 13,065 | 4,409 |
| **Other credits – Income receivable** | **23,158** | **11,599** | **-** | **-** |
| China Construction Bank Corporation (b) | 23,158 | 11,599 | - | - |
| **Demand deposits** | **(556)** | **(1,852)** | **-** | **-** |
| BRASILFactors (c) | (6) | (1) | - | - |
| CCB Brazil Holding Ltda. (b) | (80) | (202) | - | - |
| Key management personnel (a) | (470) | (1,649) | - | - |
| **Time deposits** | **(106,559)** | **(109,268)** | **(10,307)** | **(3,311)** |
| BRASILFactors (c) | - | (609) | (26) | (52) |
| FIDC BRASILFactors (c) | (15,115) | (30,875) | (2,334) | (598) |
| CCB Brazil Financial Holding Ltda. (b) | (86,538) | (77,761) | (7,724) | (2,649) |

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

| | Assets / (liabilities) | | Revenues / (expenses) | |
|---|---|---|---|---|
| | 12/31/2022 | 12/31/2021 | 12/31/2022 | 31/12/2021 |
| Key management personnel (a) | (4,906) | (23) | (223) | (12) |
| **LCA** | **(4,235)** | **(11,371)** | **(793)** | **(414)** |
| Key management personnel (a) | (4,235) | (11,371) | (793) | (414) |
| **LCI** | - | - | **(42)** | - |
| Key management personnel (a) | - | - | (42) | - |
| **NDF** | - | **996** | **(1,783)** | **206** |
| BRASILFactors (c) | - | 996 | (1,783) | 206 |
| **Borrowings** | **(4,197,999)** | **(3,602,285)** | **100,522** | **(335,578)** |
| China Construction Bank Corporation (a) | (4,197,999) | (3,602,285) | 100,522 | (335,578) |

Namely:

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

### a.1) Transactions due dates and rates

The LCA operations were carried out at average rates of 99.78% of the CDI (December/21 – 100.43%) and have a final maturity of up to 02 years (December/21 – up to 02 years), there were no pre-existing LCA operations fixed (December/21 - rate of 7.71 p.a.). For December 2022 there were no LCI operations (December/21 – 103.65% of the CDI with maturity of up to 01 year). Time deposits are remunerated at an average rate of 84.52% of the CDI (December/21 – 97.02% of the CDI), directly related to the amount invested, with a final maturity of up to 03 years (December/21 – up to 2 years). Borrowing obligations were carried out at average rates of 5.53% p.a. (December/21 – 5.74% p.a.) and exchange variation, with final maturity of up to 7 years (December/21 – up to 06 years).

## b) Remuneration of key management personnel – Consolidated

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

During the years of 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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Fixed remuneration (note 28) | 25,531 | 20,644 |
| Other | 689 | 662 |
| Total | 26,220 | 21,306 |

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

### b.2) Long-term benefits

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

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

### a) Interest revenues and expenses and alike

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

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Interest revenues and alike | 1,700,952 | 961,243 |
| Loans and advances to clients | 1,017,108 | 712,931 |
| Financial assets at fair value through other comprehensive income | 490,919 | 182,315 |
| Loans and advances to financial institutions | 179,860 | 61,588 |
| Financial assets at amortized cost | 13,065 | 4,409 |
| Interest revenues and alike | (1,320,429) | (493,315) |
| Time | (548,129) | (233,221) |
| Money market funding | (465,471) | (153,308) |
| Domestic borrowings | (140,218) | (31,857) |
| Foreign borrowings | (130,545) | (29,257) |
| Interbank deposits | (19,126) | (4,774) |
| Liability interest expenses | (16,736) | (12,061) |
| Securities issued | (204) | (28,837) |
| Net interest revenue | 380,523 | 467,928 |

### b) Net exchange-rate change

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Loans, assignments and onlendings | 325,363 | (328,372) |

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

| | | |
|---|---|---|
| Foreign exchange securities, net | 60,313 | (133,359) |
| Derivatives | 7,280 | 161,106 |
| Foreign exchange operations | (81,934) | 119,786 |
| Credit operations | (282,282) | 183,247 |
| Others | 321 | (80) |
| Net exchange-rate change | 29,061 | 2,328 |

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

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

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Financial assets measured at fair value through profit or loss | 5,911 | 6,660 |
| Hedge accounting – retail portfolio | 11,788 | (113,187) |
| Other financial assets | 26 | 32 |
| Other liabilities at fair value through profit or loss | (3,417) | 710 |
| Derivatives | (47,714) | (2,537) |
| Total | (33,406) | (108,322) |

## 26. FEE AND COMMISSION REVENUE

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

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Income from guarantees | 32,324 | 37,608 |
| Income from other services | 8,072 | 2,657 |
| Income from bank fees – Legal entity | 3,881 | 4,602 |
| Income from bank fees – Individual | 6 | 8 |
| Total | 44,283 | 44,875 |

## 27. OTHER OPERATING REVENUES (EXPENSES), NET

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Other operating revenues | | |
| Monetary update of judicial deposits | 27,686 | 8,511 |
| Income for the acquisition of receivables | 15,438 | 11,496 |

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

| | | |
|---|---|---|
| Reversal of operating provisions | 6,756 | - |
| Recovery of charges and expenses | 3,202 | 12,769 |
| Income from financed sales of non-operating assets | 1,483 | 2,586 |
| Other operating revenues | 18,932 | 8,771 |
| Total Other operating revenues | 73,497 | 44,133 |
| | | |
| Other operating expenses | | |
| Tax provisions | (29,398) | (15,423) |
| Civil provisions | (23,413) | (26,793) |
| Remuneration and bonus program | (12,219) | (15,448) |
| Labor provisions | (11,566) | (18,948) |
| Dismissed expenses | (11,044) | (7,913) |
| Commission on collection | (10,799) | (18,510) |
| Guarantees provided | (1,401) | (797) |
| Correction of taxes and contributions | (909) | (5,606) |
| Operating Provisions | - | (8,590) |
| Other operating expenses | (25,093) | (13,064) |
| Total other operating expenses | (125,842) | (131,092) |
| | | |
| Net balance of other operating revenues (expenses) | (52,345) | (86,959) |

## 28. PERSONNEL EXPENSES

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Salaries | 90,629 | 97,289 |
| Social charges | 36,284 | 35,358 |
| Directors’ fees (note 23.b1) | 25,531 | 20,644 |
| Benefits | 20,157 | 17,406 |
| Other | 2,298 | 2,318 |
| Total | 174,899 | 173,015 |

## 29. OTHER OPERATING EXPENSES

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Third-party service expenses | 27,063 | 28,630 |
| Data processing expenses | 18,266 | 17,433 |
| Financial system service expenses | 9,003 | 8,491 |
| Other expenses | 6,982 | 12,629 |
| Maintenance and conservation expenses | 4,647 | 3,392 |
| Rental expenses and fees | 3,821 | 4,995 |
| Judicial and notary fees | 2,146 | 3,438 |
| Total | 71,928 | 79,008 |

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

## 30. TAX EXPENSES

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| COFINS contribution expense | 26,341 | 20,470 |
| PIS/PASEP contribution expenses | 4,281 | 3,326 |
| Tax expenses | 4,235 | 4,026 |
| Expenses of tax on services of any kind | 2,746 | 2,881 |
| Total | 37,603 | 30,703 |

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

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

| | 12/31/2022 | 12/31/2021 |
|---|---|---|
| Income from the sale of available-for-sale assets | 10,907 | 29,893 |
| Reversal (constitution) provision for other assets | 5,293 | (10,077) |
| Profit (Loss) write-off of goods for use | (146) | - |
| write-off due to disuse | (987) | - |
| Other non-operating income (expenses) | (1,863) | 588 |
| Total | 13,204 | 20,404 |

## 32. OPERATING SEGMENTS

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

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

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

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

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

- Wholesale
- Retail

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

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

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

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

| | Wholesale | Retail | 12/31/2022 | Wholesale | Retail | 12/31/2021 |
|---|---|---|---|---|---|---|
| Interest and similar revenues | 1,526,935 | 174,017 | 1,700,952 | 835,730 | 125,513 | 961,243 |
| Interest and similar expenses | (1,191,114) | (129,315) | (1,320,429) | (428,611) | (64,704) | (493,315) |
| Net Income (Loss) from Interest and Similar | 335,820 | 44,703 | 380,523 | 407,119 | 60,809 | 467,928 |
| Foreign exchange differences (net) | 29,061 | - | 29,061 | 2,328 | - | 2,328 |
| Gains (losses) with financial assets and liabilities (net) | (44,202) | 10,796 | (33,406) | (164,838) | 56,516 | (108,322) |
| NET INTEREST REVENUE | 320,679 | 55,499 | 376,178 | 244,609 | 117,325 | 361,934 |
| Equity in investments | (2,164) | (97) | (2,261) | (530) | 11 | (519) |
| Fee and commission revenue | 44,280 | 3 | 44,283 | 44,824 | 51 | 44,875 |
| Other operating revenues (expenses), net | (112,884) | 60,539 | (52,345) | (89,912) | 2,953 | (86,959) |
| TOTAL DE REVENUE | 249,912 | 115,943 | 365,855 | 198,991 | 120,340 | 319,331 |
| Personnel expenses | (163,192) | (11,707) | (174,899) | (159,727) | (13,288) | (173,015) |
| Other administrative expenses | (57,115) | (14,813) | (71,928) | (61,121) | (17,887) | (79,008) |
| Tax expenses | (35,157) | (2,446) | (37,603) | (21,355) | (9,348) | (30,703) |
| Depreciation and amortization | (10,953) | (103) | (11,056) | (18,513) | (657) | (19,170) |
| Impairment losses of financial assets | 14,480 | (45,809) | (31,329) | (10,918) | (69,587) | (80,505) |
| Gains (losses) with other assets (net) | 12,284 | 920 | 13,204 | 18,392 | 2,012 | 20,404 |
| PROFIT (LOSS) BEFIRE TAXES | 10,258 | 41,986 | 52,244 | (54,251) | 11,585 | (42,666) |
| Current and deferred income and social contribution taxes | (33,644) | (51,138) | (84,782) | 20,295 | (41,768) | (21,473) |
| LOSS FOR YEARS | (23,386) | (9,152) | (32,538) | (33,956) | (30,183) | (64,139) |
| Total assets | 17,076,436 | 955,794 | 18,032,230 | 16,430,831 | 1,253,532 | 17,684,363 |
| Main asset line: | | | | | | |
| Loans and advances to clients | 9,232,054 | 936,644 | 10,168,698 | 9,029,282 | 1,185,958 | 10,215,240 |
| Total liabilities | 16,094,179 | 927,631 | 17,021,810 | 15,441,944 | 1,200,894 | 16,642,838 |
| Main liability line: | | | | | | |
| Deposits from clients | 3,398,795 | 891,201 | 4,289,996 | 4,111,403 | 1,166,310 | 5,277,713 |

The Bank has a branch in the Cayman Islands, whose total assets are R$ 4,832,505 (R$ 3,742,736 in 2021) and shareholders' equity in the amount of R$ 1,450,607 (R$ 1,327,743 in 2021).

## 33. RISK AND CAPITAL MANAGEMENT FRAMEWORK

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

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

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

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 that analyze and define strategies and actions pertinent to the areas of operations.

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

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

II. The risk limits broadly consider the amounts that the Bank is willing to accept to meet its goals, and is reflected in the enterprise risk management philosophy, which in turn influences the Bank's culture and operation conduct. This tolerance is influenced by several factors, including the assessment of the risk's consistency with the corporate strategy.

## RISK MANAGEMENT

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

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

### Market Risk Management

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

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

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

### ESG - Social and Environmental Risk

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

### Credit Risk Management

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

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

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

Maximum exposure to credit risk

| Description | | | 12/31/2022 | | | 12/31/2021 |
|---|---|---|---|---|---|---|
| | Brazil | Foreign | Total | Brazil | Foreign | Total |
| Cash and Cash Equivalents and Reserves at the Brazilian Central Bank | 33,279 | 22,826 | 56,105 | 179,752 | 173,105 | 352,857 |
| At amortized cost | 104,648 | - | 104,648 | 91,583 | - | 91,583 |
| At fair value through other comprehensive income | 4,405,701 | - | 4,405,701 | 3,964,770 | - | 3,964,770 |
| Derivative Financial Instruments | 109,322 | - | 109,322 | 114,668 | - | 114,668 |
| Loans and advances to financial institutions | 2,129,794 | 104,300 | 2,234,094 | 1,927,057 | - | 1,927,057 |
| Loans and advances to clients | 8,454,958 | 1,713,740 | 10,168,698 | 5,403,539 | 4,811,701 | 10,215,240 |
| Other loans and receivables | 16,358 | - | 16,358 | 15,406 | - | 15,406 |
| Other financial assets | 13,378 | - | 13,378 | 21,671 | 25,720 | 47,391 |
| Co-obligation and risks in guarantees provided | | | | | | |
| Open credits for import | 52,514 | - | 52,514 | 117,142 | - | 117,142 |
| guarantees provided | 1,631,695 | - | 1,631,695 | 1,292,144 | - | 1,292,144 |
| export charge | 2,742,468 | - | 2,742,468 | 2,836,947 | - | 2,836,947 |
| Total | 19,694,115 | 1,840,864 | 21,534,981 | 15,964,678 | 5,010,526 | 20,975,205 |

Expected credit loss

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

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

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

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

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

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

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

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

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

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

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

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

- the change in the risk pattern since initial recognition;

- the expected maturity of the financial instrument, and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Sensitivity analysis - ECL forward looking

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

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

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

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

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

| CCB Brasil - Consolidated | IFRS9 - Calculation of expected loss - 12/31/2022 | | | |
|---|---|---|---|---|
| Third-party | EAD | Optimistic | Neutral | Pessimistic |
| On balance | 10,168,698 | 216,896 | 218,236 | 219,576 |

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

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

Risk classification according to CMN Resolution 2682/99.

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

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

Composition of the portfolio by risk levels

| Risk level | 12/31/2022 | 12/31/2021 |
|---|---|---|
| AA | 4,442,165 | 3,598,736 |
| A | 3,701,930 | 3,954,746 |
| B | 1,828,264 | 2,355,701 |
| C | 65,826 | 105,490 |
| D | 15,901 | 19,101 |
| E | 20,520 | 44,807 |
| F | 6,068 | 7,222 |
| G | 69,361 | 47,703 |
| H | 222,775 | 306,864 |
| Total | 10,372,810 | 10,440,370 |

Liquidity Risk Management

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

I. Backward Looking: historical analysis of transactions, repurchases, renewals of transactions by clients to estimate the potential of insufficient cash to pay the bank's commitments.

II. Forward Looking: analysis of the projected portfolio, considering budget scenarios and expected portfolio growth.

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

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

Liquidity risk management provides:

I. Preparation of cash flow for evaluation and monitoring of liquidity in current and non-current terms;

II. Statistical models for estimating unexpected cash outflows such as acceleration of CDB, derivative adjustment payments and additional guarantee deposits with B3;

III. Stress tests to monitor financial health in adverse liquidity scenarios.

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

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

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

Undiscounted Future Flows

| | 12/31/2022 | | | | |
|---|---|---|---|---|---|
| **Financial assets** | **0–30 days** | **31–365 days** | **366–720 days** | **>720 days** | **Total** |
| Cash and cash equivalents | 11,009 | - | - | - | 11,009 |
| Investments in Financial Institutions | 1,500,747 | 3,124 | 1,597 | - | 1,505,467 |
| Money market repurchase agreements - own portfolio | 1,500,747 | - | - | - | 1,500,747 |
| Interbank deposit investments | - | 3,124 | 1,597 | - | 4,721 |
| Securities | - | 343,669 | 1,615,796 | 3,297,713 | 5,257,177 |
| Government bonds | - | 343,669 | 1,615,796 | 3,193,065 | 5,152,529 |
| Fund's quotas | - | - | - | 104,648 | 104,648 |
| Credit and lease operations | 2,735,113 | 7,700,538 | 717,247 | 679,914 | 11,832,812 |
| Domestic currency credits | 1,126,263 | 3,588,008 | 120,285 | - | 4,834,557 |
| Credits in foreign currency | 1,323,311 | 3,227,075 | 340,419 | - | 4,890,805 |
| Retail transactions | 22,484 | 255,412 | 256,543 | 679,914 | 1,214,352 |
| Rural credit | 27,075 | 529,247 | - | - | 556,321 |
| Leases | 57,929 | 96,101 | - | - | 154,030 |
| Credits 2,921 | 178,052 | 4,695 | - | - | 182,746 |
| Total | 4,246,869 | 8,047,330 | 2,334,639 | 3,977,627 | 18,606,465 |

| **Financial liabilities** | **0–30 days** | **31–365 days** | **366–720 days** | **>720 days** | **Total** |
|---|---|---|---|---|---|
| Deposits | 707,608 | 3,271,458 | 1,052,592 | 178,925 | 5,210,584 |
| Demand deposits | 73,538 | - | - | - | 73,538 |
| Saving deposits | - | 2,318 | - | - | 2,318 |
| Time Deposits | 634,070 | 2,756,503 | 1,052,592 | 178,925 | 4,622,091 |
| Interbank deposits | - | 512,636 | - | - | 512,636 |
| Money market repurchase commitments | 3,756,879 | - | - | - | 3,756,879 |
| Government bonds | 3,756,879 | - | - | - | 3,756,879 |
| Borrowings and onlendings | 740,616 | 3,578,398 | - | - | 4,319,014 |
| Subordinated debts | - | 365,239 | - | 521,770 | 887,009 |
| Funding 2,921 | 188,921 | 2,321 | - | - | 191,243 |
| Total | 5,205,103 | 6,849,856 | 1,052,592 | 178,925 | 13,286,477 |
| Liquidity gap | (1,147,156) | 829,913 | 1,282,047 | 3,276,932 | 4,241,736 |

The information above was prepared based on the nominal maturities of CCB Brasil's financial assets and liabilities, however, the Consolidated contains bonds and securities classified in the Financial Assets category at fair value through other comprehensive income in the amount of R$ 3,286,700 (R$ 2,048,012 in 2021), maturing in more than one year, which represent highly liquid investments in public securities issued by the National Treasury.

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

In turn, part of the financial liabilities are loans taken out from the parent company in China in the total amount of R$ 4,197,999 (R$ 3,602,285 in 2021), with a maturity of less than one year, which has been systematically renewed.

| | 12/31/2022 | | |
|---|---|---|---|
| | Nominal liquidity | Reclassification by effective liquidity | Adjusted liquidity |
| Current assets | 8,550,308 | 3,286,700 | 11,837,008 |
| Current liabilities | (14,059,565) | 4,197,999 | (9,861,566) |
| **Net balance** | **(5,509,257)** | **7,484,699** | **1,975,442** |

| | 12/31/2021 | | |
|---|---|---|---|
| | Nominal liquidity | Reclassification by effective liquidity | Adjusted liquidity |
| Current assets | 9,535,422 | 2,048,012 | 11,583,434 |
| Current liabilities | (12,838,917) | 3,602,285 | (9,236,632) |
| **Net balance** | **(3,303,495)** | **5,650,297** | **2,346,802** |

### 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.

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

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

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

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

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) | (192,601) |

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:

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

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

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

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

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

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

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

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

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

CAPITAL MANAGEMENT

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

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

The following table indicates the minimum capital requirements valid for 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-to-assets ratio.

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

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

| | | |
|---|---|---|
| Main Capital | 8.73% | 8.63% |
| Level 1 | 15.81% | 16.05% |
| Basel Ratio | 15.81% | 16.05% |
| IB to RWA + IRRBB | 14.50% | 15.09% |

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.

## 34. 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 IAS 37 – 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.

### c) Reconciliation of income and equity

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

| | Income | | Shareholders equity | |
|---|---|---|---|---|
| | 12/31/2022 | 12/31/2021 | 12/31/2022 | 12/31/2021 |
| CCB BRASIL INDIVIDUAL - BRGAAP | (21,829) | 57,677 | 1,106,425 | 1,126,819 |
| Expected Credit Losses (ECL) - Credit Portfolio and other financial assets [1] | (8,202) | (40,233) | (26,396) | (18,194) |
| Financial discount | (678) | (2,260) | (13,671) | (12,993) |
| Effective Rate | (6,363) | (14,600) | 119 | 6,482 |
| Leases - IFRS 16 | (2,607) | (3,739) | (14,444) | (11,837) |
| Operations without retention of risks and benefits | (3,992) | 2,452 | (33,846) | (29,854) |
| Hedge accounting retail | 11,822 | (62,252) | (9,059) | (20,881) |
| Others | (689) | (1,184) | 1,292 | 1,981 |
| CCB BRASIL CONSOLIDATED - IFRS | (32,538) | (64,139) | 1,010,420 | 1,041,523 |

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

## Board of Directors

| | |
|---|---|
| President: | Xilai Feng |
| Board members: | Fanggen Liu<br>Liping Shang<br>Daniel Joseph McQuoid<br>Heraldo Gilberto de Oliveira |

## Executive Board

| | |
|---|---|
| Chief Executive Officer: | Liping Shang |
| Directors, Vice-President: | Yongdong Jiang<br>Zhiqiang Zhu |
| Directors: | Claudio Augusto Rotolo |
| Accountant: | Fábio José Mazzetto Said<br>CRC: 1SP264988/O-8 |

## Audit Committee

| | |
|---|---|
| President and qualified member: | Heraldo Gilberto de Oliveira |
| Committee Members | Walter Mallas Machado de Barros<br>Daniel Joseph McQuoid |