

(A free translation of the original in Portuguese)

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***Banco BOCOM BBM
S.A.
Financial statements at
June 30, 2024
and independent auditor's report***



Management Report

(In thousands of Reais)

Who We Are

BOCOM BBM represents the union of two cultures of excellence in bank management, with high performance and solid centennial background, both in Brazil and China.

With agility and transparency, we meet the credit needs of companies established in Brazil and abroad. We offer debt capital market (DCM) solutions, derivatives, foreign exchange and treasury products to our corporate and institutional customers. Our Asset Management offers fixed income funds of different profiles to individual and corporate customers. We also operate in Wealth Management Services with customized financial products and services for high income investors.

Always guided by ethics and transparency, we make efforts to sustainably offer our shareholders and customers profitability of capital, as well as Brazil-China integration; and we offer our employees, opportunities for professional, material and intellectual growth, encouraging the search for cutting-edge knowledge, notably in the financial and technological areas.

Message from Management

The continued progress of disinflation and the dynamism of activity seen throughout the first half of the year in the United States confirm that the soft landing of the American economy should allow the beginning of the monetary easing cycle to begin in 2024, bringing favorable prospects for emerging economies. In Brazil, however, the easing cycle, which began in 2023, was interrupted, and interest rates are expected to remain at an even more restrictive level for a longer period, since core inflation, services and more inertial items are still at a high level. Furthermore, the labor market is showing surprising resilience, and the growth in expanded income, strengthened by other incomes, such as assistance, retirement and benefits, increases growth prospects for this year. However, questions related to the sustainability of the new fiscal framework have contributed to the divergence between the current scenario and market feeling, as reflected in the exchange rate and inflation expectations, demanding structural adjustments in government spending, in addition to the ongoing tax collection effort, in the coming years.

With the economy's basic interest rates at attractive levels and other asset classes performing poorly, the credit market in Brazil stood out once again, as it is possible to see by the continuous inflow of resources into fixed income funds observed in the period, and by the strong demand for private credit securities, especially those which are exempt from taxation. The scenario of greater liquidity has caused BOCOM BBM to face pressure to compress the spreads of new corporate credit operations, which also contributes to maintaining defaults at low levels, as we saw in previous years. We were once again able to sustain high rates of return on equity, with special emphasis on the growth in the coordination and distribution of debt capital market (DCM) operations, low default rates and the growth of new business areas.

For 2024, the resilience of activity and a favorable external environment indicate that the economy will continue on a growth trajectory, albeit in slowdown. Faced with the challenges of the macro scenario and its impacts on the credit market, portfolio growth has slowed down a little, but is still running at a robust annualized rate of 15%. We remain confident in our successful strategy of diversifying into new business areas, with expansions in the debt capital markets segment, treasury products for clients and asset management. These sources of revenue, which are not directly linked to the credit spread, reached 45.4% of the Bank's total revenue. This represents a significant increase compared to the 22.3% achieved in 2016, when the BOCOM BBM project began.

In the first half of 2024, we continue to strengthen our corporate commitment to the well-being of our employees, customers, suppliers and local communities where we operate. Through sponsorships and donations, we support several projects that provide training for people in vulnerable situations. We highlight the continuity of the support to the Project located near our Rio de Janeiro office, Arte Tech, of the NGO Gamboa Ação, which offers extracurricular classes for underprivileged children. Through the NGO Viver Solidário, we have supported the population affected by the floods in the state of Rio Grande do Sul, with donation of crates of drinking water. In addition, we provide support to universities and training courses in strategic areas for the Bank, such as the economic departments of PUC-Rio and FGV, two excellence centers of the area, and the Global Hybrid Classroom, an on-line teaching program developed by Tsinghua University, which promotes the collaboration and the interchange of knowledge between educational institutions all around the world. In Brazil, the program is being implemented by Universidade Federal do Rio de Janeiro. Finally, our Sustainability and Women's Committees continued to promote important internal initiatives, such as the measurement, certification and offsetting of the Bank's carbon emissions.

BOCOM BBM participates in the celebration of 50 years of diplomatic relations between Brazil and China by supporting some projects that portray the cultural exchange between the two countries over the years. The restoration and maintenance of Casa Pacheco Leão, in the district of Jardim Botânico in Rio de Janeiro, will house the exposition "Tea route". And the book "Troposfera compartilhada: Artistas Brasil e China" will bring work of Brazilian and Chinese artists, with elements of nature and technology that unite both cultures. The existing synergies between Brazil and China are not limited to culture, this is just a small show of the opportunities that may bring even more integration between both countries.

Management Report

(In thousands of Reais)

Performance of Bocom BBM

Banco BOCOM BBM ended the first semester of 2024 with equity of BRL 1.3 billion (BRL 1.2 billion on December 31, 2023) and net income of BRL 142 million (BRL 130 million on December 31, 2023), for a return on average equity of 22.5%.

Total assets amounted to BRL 30.8 billion in the first semester of 2024 (BRL 27.8 billion on December 31, 2023). Fundraising in the domestic and foreign markets totaled BRL 21.8 billion in 2023 (BRL 19.8 billion on December 31, 2023). The Basel Capital Adequacy Ratio was 15.24% in the first semester of 2024 (14.84% on December 31, 2023).

Corporate Credit

Our expanded credit portfolio, which includes export-import finance and guarantees such as sureties, reached BRL 17.3 billion in the first semester of 2024 (BRL 16.7 billion on December 31, 2023), when compared to the previous semester, there was an increase of 3.45%.

Sales & Trading

Derivatives pricing and trading, foreign-exchange transactions and other treasury products for clients. The notional value of derivative operations with clients rose 20%, reaching BRL 6.6 billion in the first semester of 2024 (from BRL 5.5 billion in 2023).

Capital Market

Structuring and distribution of transactions involving securities and other fixed-income products. BOCOM BBM coordinated the issuance of BRL 1.7 billion in capital market operations in 2024, up from BRL 2.3 billion in 2023.

Asset Management

Management of fixed-income investment funds. In June 2024, assets under management (AUM) totaled BRL 3.0 billion (BRL 2.3 billion on December 31, 2023).

People

We are recognized for identifying and developing talents, valuing the search for cutting-edge knowledge and encouraging people who want to achieve their material and intellectual goals with the support of practical and academic experience. We know the importance of teaching and motivating those who join us by offering opportunities for growth and for their full individual development. We are committed to maintaining a meritocratic, dynamic, transparent and diverse work environment, taking into account the dignity and well-being of all those with whom we interact.

Credit Ratings

For Banco BOCOM BBM, the classifications awarded by the foremost rating agencies are an important source of transparent and independent assessment of the quality of our credit.

Moody's Investors Service reaffirmed its ratings of Banco BOCOM BBM on December 1, 2023. On its global scale, it awarded a rating of "Ba1" to local and foreign currency deposits, a notch above the Brazilian rating ("Ba2"), assigning a "stable outlook" to both. On the national scale, on April 8, 2024, Moody's Local Brazil reaffirmed its rating of "Aaa.br" with a "stable outlook", the best possible credit rating in this category.

On June 18, 2024, Fitch Ratings raised its global-scale long-term issuer default ratings (IDR) for Banco BOCOM BBM to "BB+" and "BBB-", in local and foreign currency, respectively, keeping us above the sovereign rating ("BB"). In addition, the outlook for long-term IDRs remained stable, in line with the outlook for sovereign ratings.

The long-term national-scale rating remained unchanged on "AAA (bra)", the highest possible rating in this category.



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Independent auditor's report

To the Board of Directors and Stockholders
Banco BOCOM BBM S.A.

Opinion

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

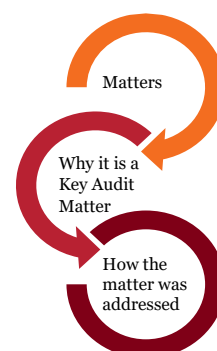
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bank as at June 30, 2024, and its financial performance and cash flow for the six-month period then ended, in accordance with accounting practices adopted in Brazil, applicable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

Basis for opinion

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

Key audit matters

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



Why it is a Key Audit Matter	How the matter was addressed in the audit
<p>Measurement of the Allowance for Doubtful Accounts</p> <p>As disclosed in Notes 3(l) and 7, the determination of the allowance for doubtful accounts considers, in addition to past experience, the risk assessment of debtors and their guarantors, as well as the specific characteristics of the operations carried out in accordance with the requirements of the Resolution No. 2682 of the Central Bank of Brazil.</p> <p>This is an area that was defined as an audit focus, because the use of different judgments in determining the amount of the allowance for loan losses could result in significant variations in the estimate of this allowance.</p>	<p>We updated our understanding of the relevant internal controls in calculating and recognizing the allowance for doubtful accounts.</p> <p>We performed tests in order to observe the integrity of the data used to calculate the allowance for doubtful accounts, in addition to tests to observe the application of the methodology for calculating this allowance in relation to the assigned ratings, the main assumptions adopted, as well as the comparison of balances accounting with analytical reports.</p> <p>We consider that the criteria and main assumptions adopted by Management are consistent with the information analyzed in our audit.</p>
<p>Measuring the fair value of certain financial instruments with low liquidity and no active market</p> <p>As disclosed in Notes 3(b), 3(g) and 6, measuring the fair value of financial instruments with low liquidity and no active market was considered an area of focus in our audit due to its relevance in the context of financial statements. These instruments depend on valuation techniques carried out through internal models, which consider certain assumptions for valuing instruments with low liquidity and without an active market and/or observable market data.</p>	<p>We updated our understanding of the relevant internal controls that involve the measurement, recognition and disclosure of the fair value of these financial instruments with low liquidity and without an active market.</p> <p>We updated our understanding of the calculation methodologies for pricing derivative financial instruments, analyzed the reasonableness of the assumptions used by Management in the construction of curves and internal pricing models, as well as analyzed the alignment of these assumptions and models with practices used in the market. We carry out independent valuation tests on certain operations, selected on a sample basis.</p> <p>We consider that the criteria and main assumptions adopted by Management in measuring the fair value of these financial instruments with low liquidity and no active market are consistent with those analyzed in our audit.</p>



Banco BOCOM BBM S.A.

Other information accompanying the financial statements and the audit report

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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




Banco BOCOM BBM S.A.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current six-month 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.

Rio de Janeiro, August 14, 2024


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

Pedro Henrique Pereira de Sousa
Contador CRC 1RJ119141/O-8

Balance Sheets

(In thousands of Reais)

Assets	Note	06/30/2024	12/31/2023
Current and long-term assets		30,192,192	27,170,397
Cash and cash equivalents	4	147,293	29,551
Cash		4	4
Free reserves		8,715	259
Bank deposits in foreign currencies		138,574	29,288
Short-term interbank investments	5	3,582,369	2,381,996
Open market investments	4	2,136,533	913,979
Interbank deposits		1,299,311	1,359,785
Investments in foreign currencies	4	146,525	108,232
Marketable securities and derivative financial instruments	6	11,973,295	10,214,754
Bank portfolio		3,912,818	3,597,656
Subject to repurchase agreements - Free Movement		560,911	-
Subject to repurchase agreements		2,982,630	3,016,366
Linked to guarantees given		1,589,512	2,049,414
Derivative financial instruments	22	2,928,073	1,551,846
Allowance for marketable securities		(649)	(528)
Interbank accounts		21,585	6,065
Correspondent banks		16,272	359
Deposits – Central Bank of Brazil		5,238	5,706
Check Payment Services and Other Papers		75	-
Loan transactions	7	13,042,786	12,404,710
Discounted securities and loans		5,863,617	5,954,303
Financing		1,347,238	1,964,324
Rural and agroindustrial financing		5,901,601	4,565,188
Allowance for loans		(69,670)	(79,105)
Other receivables		1,410,814	2,120,634
Foreign exchange portfolio	8	965,662	1,748,837
Unearned income		23,560	22,029
Trading and brokerage		81,011	20,611
Credit assignment	7	-	2,782
Honoured guarantee and surety	7	-	1,195
Sundry	14	130,606	193,713
Tax credits	25	214,317	136,454
Allowance for other receivables	7	(4,342)	(4,987)
Other assets	15	14,050	12,687
Permanent assets		616,687	595,459
Investments		560,108	541,700
Income from interest in subsidiaries			
In Brazil	9	21,228	20,118
Abroad	9	538,011	520,085
Other investments		2,679	3,319
Provision for losses		(1,810)	(1,822)
Property and equipment in use		12,006	11,587
Intangible assets	16	44,573	42,172
Total assets		30,808,879	27,765,856

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

Balance Sheets

(In thousands of Reais)

Liabilities	Note	06/30/2024	12/31/2023
Current and long-term liabilities		29,491,608	26,555,904
Deposits	10	3,203,956	2,408,525
Demand deposits		668,539	505,123
Time deposits		2,516,379	1,883,795
Interbank deposits		19,038	19,607
Repurchase agreements	11	3,963,067	2,802,970
Bank portfolio		2,778,263	2,802,970
Free Movement portfolio		1,184,804	-
Funds from acceptance and issue of securities	12	10,059,684	10,409,651
Liabilities – marketable securities abroad		-	25,085
Liabilities from issue of agribusiness credit bills - LCA		7,345,469	7,816,723
Liabilities from issue of housing credit bills - LCI		13,986	20,178
Liabilities from issue of financial bills - LF		1,860,501	1,744,898
Liabilities from issue of financial bills - LF - Subordinated Debts		839,728	802,767
Interbank accounts		165	-
Receipts and payments to be settled		165	-
Interbranch accounts		75,131	68,603
Third-party funds in transit		75,131	68,603
Loans	13	7,978,197	6,245,396
Loans abroad		7,978,197	6,245,396
Derivatives financial instruments	6 and 22	3,252,317	2,870,440
Derivatives financial instruments		3,252,317	2,870,440
Other liabilities		959,091	1,750,319
Collection of similar taxes		53	80
Foreign exchange portfolio	8	423,001	1,184,300
Social obligations		36,596	33,859
Statutory obligations		97,214	88,703
Tax and social security		309,442	337,478
Securities trading		3	2
Allowance for financial guarantees	7 and 27	3,158	3,089
Sundry	14	89,624	102,808
Equity	17	1,317,271	1,209,952
Capital		469,300	469,300
Domiciled in Brazil		469,300	469,300
Income reserves		1,017,371	917,295
Other comprehensive income		12,439	5,196
Treasury stock		(181,839)	(181,839)
Total liabilities and equity		30,808,879	27,765,856

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

Statements of Operations

(In thousands of Reais, except the net income per share)

	Note	06/30/2024	06/30/2023
Financial income		2,101,348	1,280,794
Loans transactions		1,183,168	543,328
Income from marketable securities transactions	5 and 6	472,859	489,663
Result of exchange operations	18	55,693	-
Result on derivative financial instruments	22	389,446	-
Loans, assignments and onlending operations	18	-	247,614
(Provisions)/Reversals for marketable securities	6	182	189
Financial expenses		(1,763,533)	(962,578)
Market funding operations	18	(1,257,477)	(593,056)
Losses on derivatives financial instruments	22	-	(299,457)
Loans, assignments and onlending operations	18	(505,701)	-
Result of exchange operations	18	-	(65,805)
Provision for allowance of doubtful accounts	7	(355)	(4,260)
Gross financial income		337,815	318,216
Other operating income (expenses)		(37,544)	(52,290)
Service revenues	19	87,126	61,360
Personnel expenses		(70,089)	(67,455)
Other administrative expenses	20	(52,207)	(50,383)
Tax expenses		(21,562)	(16,789)
Income from interest in subsidiaries	9	19,027	21,525
Other operating income		4,550	2,437
Other operating expenses		(4,389)	(2,985)
Operating income		300,271	265,926
Non-operating expenses		(3,318)	185
Income before income taxes and profit sharing		296,953	266,111
Income and social contributions taxes	25	(93,560)	(90,621)
Provision for income tax		(98,380)	(17,724)
Provision for social contribution tax		(76,525)	(15,496)
Deferred tax asset		81,345	(57,401)
Profit sharing – management and employees		(61,167)	(45,836)
Net income for the six-month period		142,226	129,654
Earnings per outstanding share		0.69	0.63

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

Statements of Comprehensive Income

(In thousands of Reais)

	06/30/2024	06/30/2023
Net income	142,226	129,654
Market adjustment variation of the securities	3,049	5,985
Securities available for sale	5,713	11,373
Tax effects	(2,664)	(5,388)
Exchange variation of investments abroad	36,642	(14,148)
Derivative financial instruments used for hedging	(35,029)	14,141
Derivatives financial instruments	(34,212)	14,141
Tax effects	(817)	-
Cumulative translation adjustment *	3,486	(193)
Comprehensive income for the six-month period	150,374	135,439

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

*According to BCB Resolution No. 4,817/20

Statements of Changes in Shareholders' Equity

(In thousands of Reais, except for the values per share)

Capital	Revenue reserves			Other comprehensive income			Treasury stock	Retained earnings	Total
	Legal	Statutory	Expansion	Market value adjustment of securities and derivatives	Hedge of Investments Abroad	Cumulative translation adjustment			

See accompanying notes.

Statements of Cash Flow

(In thousands of Reals)

	06/30/2024	06/30/2023
Cash flow from operating activities		
Net income	142,226	129,654
Adjustments to net income:	(88,879)	1,504
Allowance for doubtful accounts	355	4,260
(Provisions) for marketable securities	(182)	(189)
Depreciation and amortization	8,589	7,423
Expenses/Reversals with civil, labor and tax provisions	2,116	448
Income from interest in subsidiaries	(19,027)	(21,525)
Deferred income tax and social contribution	(81,345)	57,401
(Gain) on fair value adjustment on marketable securities and derivatives	(2,871)	(46,121)
Equity adjustments*	3,486	(193)
Adjusted net income	53,347	131,158
Decrease/(Increase) in short-term interbank investments	60,271	(163,359)
Increase in marketable securities and derivative financial instruments	(1,373,611)	(970,372)
Increase in interbank and interbranch accounts	(8,827)	(9,180)
Increase in borrowing and lease transaction	(638,431)	(709,307)
Increase/(Decrease) in deposits	795,431	(932,567)
Increase in open market funding	1,160,097	663,222
Increase/(Decrease) in Loan and onlending	1,732,801	(126,069)
Increase/(Decrease) in other credits and other assets and values	789,802	(759,762)
(Decrease)/Increase in other liabilities	(807,451)	865,731
Market value adjustments - marketable securities	4,662	5,978
Net cash flow from (used in) operating activities	1,714,744	(2,135,685)
Cash flow from investing activities:		
Increase/(Decrease) in investments	619	(444)
(Acquisition) of property and equipment for use and lease	(11,409)	(8,681)
Net cash provided by (used in) investing activities	(10,790)	(9,125)
Cash flow from financing activities:		
Increase/(Decrease) in securities issue resources	(349,967)	625,454
Paid Dividends and interest on equity	(28,948)	(4,008)
Net cash flow from (used in) financing activities	(378,915)	621,446
Net increase/(decrease) in cash and cash equivalents	1,378,386	(1,392,206)
At the beginning of the six-month period	1,051,762	1,692,065
Changes for the six-month period	1,285,942	(1,277,651)
Exchange variation for the six-month period	92,444	(114,555)
At the end of the six-month period	2,430,148	299,859
Net increase/(decrease) in cash and cash equivalents	1,378,386	(1,392,206)
Non-monetary transaction		
Interest on equity	43,055	36,527

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

*According to BCB Resolution No. 4,817/20

Notes to the Parent Company Financial Statements as of June 30, 2024*(In thousands of Reals, unless otherwise indicated)***1. Operations**

Banco BOCOM BBM is authorized to operate as a finance bank with the following portfolios:

- Commercial;
- Investment;
- Loans, Financing and Investment;
- Foreign Exchange;
- Energy Trading.

The Bank operates as a group of institutions which operate together in the financial market, with certain operations involving co-participation or intermediation of associated institutions. The benefits of services rendered by such institutions and the costs of administrative structures are fully or individually absorbed, which is practical and reasonable in the circumstances.

2. Presentation of the Financial Statements

The Financial Statements of Banco BOCOM BBM S.A., including its foreign branch, were prepared in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN), in line with the standards and instructions of the National Monetary Council (CMN) and the Federal Accounting Council (CFC), disclose all relevant information specific to the financial statements, and only them, which are consistent with that used by management in its administration.

The preparation of these statements in accordance with the accounting practices adopted in Brazil, applicable to financial institutions, requires management to use judgment in determining and recording accounting estimates, when applicable. Significant assets and liabilities subject to these estimates and assumptions include: allowance for doubtful accounts, realization of deferred tax assets, provision for labor, tax and civil claims, valuation of financial instruments and other provisions. The definitive values of the transactions involving these estimates will only be known at the time of their settlement.

The Bacen Resolutions No. 2/2020 and 4,818/2020 consolidated the general criteria and the procedures for disclosure of the parent company financial statements.

According to BCB Resolution No. 2/2020, the balance sheet items are disclosed in liquidity and enforceability order.

2.1 Functional Currency

The elements presented in Banco Bocom BBM's financial statements are measured using the currency of the primary economic environment in which the institution operates ("functional currency"). Accordingly, the parent company financial statements are presented in Reals.

The functional currency of the group's investees in Brazil is also the Brazilian Real. Some investees outside Brazil, besides the Nassau Branch, have the U.S. dollars ("USD") as their functional currency.

2.2 CMN Resolution No. 4,966/21 – Financial Instruments

The CMN Resolution No. 4,966, amended by CMN Resolution No. 5,100/23 establishes accounting rules for the financial instruments, such as the classification and recognition of the hedge operations by the financial institutions and other institutions authorized to operate by the Central Bank of Brazil. In order to comply with this Resolution, Bocom BBM elaborated and keeps available for the Central Bank of Brazil its plan to implement the normative for the years to come.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

3. Significant Accounting Practices

(a) Results of operations

Recorded on an accrual basis.

According to BACEN Resolution No. 2/20, recurring and non-recurring results were presented separately.

	06/30/2024	06/30/2023
Recurring Net Income	144,103	129,349
Non-recurring Events	(1,877)	305
Income from Equity Securities	2	807
Reversals for devaluation of properties not for use (AMV)	-	669
Provisions for contingencies	(2,116)	(448)
Devaluation of properties not for use (AMV)	(1,202)	-
Fines	(97)	(473)
Income tax and social contribution	1,536	(250)
Net Income	142,226	129,654

(b) Marketable securities and derivative financial instruments

In accordance with BACEN Circular Letter No. 3,068, securities are classified into the following categories:

- I- Trading securities;
- II- Securities available for sale;
- III- Securities held up to maturity.

Securities classified in categories I and II are adjusted to market value, being the adjustment of the former directly accounted in the result and the adjustment of the latter in specific equity account, net of tax effects. Securities classified as "held up to maturity" are evaluated based on the cost plus the earnings.

Derivative financial instruments are adjusted to market value, in accordance with BACEN Circular Letter No. 3,082.

Investment fund quotas are monthly restated based on the quota value disclosed by the Administrators of the funds in which funds are invested. The appreciation and depreciation of investment fund quotas are presented in "Result from transactions with marketable securities".

(c) Current and non-current assets

These are presented at their realizable value, including, when applicable, the earnings and monetary variations (on a pro rata basis) and foreign exchange variations, less corresponding proceeds from future realization and/or provision for losses. Balances maturing within 12 months (or 360 days) are classified as current assets.

(d) Permanent assets

These are stated at cost, plus the following aspects:

- * Evaluation of the significant investments in subsidiaries on an equity accounting basis;
- * Depreciation of property and equipment in use and lease calculated on a straight-line basis, based on annual rates that reflect the economic useful life of the assets, is as following: properties in use - 4%; furniture and utensils - 10% and data processing - 20%;
- * Amortization of intangible assets calculated according to the economic useful life of the asset.

Notes to the Parent Company Financial Statements as of June 30, 2024*(In thousands of Reals, unless otherwise indicated)***3. Significant Accounting Practices (Continued)**

In accordance with CMN Resolution No. 4,534/16, financial institutions and institutions authorized to operate by BACEN cannot record Deferred Assets.

(e) Current liabilities and long-term liabilities

These are stated at their known or calculable values including, whenever applicable, the charges and the monetary (on a daily pro rata basis) and exchange variations, less the corresponding expenses to be allocated. Balances maturing within 12 months (or 360 days) are classified as Current Liabilities.

(f) Income tax and social contribution

The provision for income tax is set up based on the taxable profit, at a 15% rate, plus 10% surcharge on annual taxable profit exceeding R\$ 240 thousand. The provision for social contribution tax is set up at a 20% rate.

The deferred tax assets and liabilities arising from temporary differences were recognized in accordance with CMN Resolutions No. 3,059, of December 20, 2002, and No. 3,355, of March 31, 2006, and they take into account the history of profitability and the expected generation of future taxable income supported by technical feasibility studies. The deferred taxes were constituted based on the expected rate of 25% for income tax and 15% and 20% for social contribution, according to the rate effectiveness.

(g) Swaps, futures, forwards and options

The market values of derivative transactions are recorded in individual asset and liability accounts. Daily adjustments are made only in futures markets traded on B3 and are settled as income or expenses daily, when earned or incurred.

The nominal values of derivative contracts are recorded in offsetting accounts.

Premiums paid or received upon the realization of operations in the options market are recorded in the respective balance sheet accounts at cost, adjusted by market value as a counterpart to the result.

(h) Earnings per share

These are calculated based on the average number of outstanding shares at the period.

(i) Impairment of assets

In accordance with CPC 1, as approved by CMN Resolution No. 3,566/08 of May 29, 2008, and based on management analysis, if the carrying amount of the Bank's assets exceeds its recoverable value, an impairment is recognized in the statement of operations. Currently, within the scope of our equity, we have real estate foreclosed on credit guarantees subject to evaluation and analysis of its recoverable value.

(j) Contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of contingent assets and liabilities, and legal obligations are as follows:

Contingent assets - these are not recognized in the financial statements, except when there are evidences that offer guarantees of their realization, with no appeals.

Contingent liabilities - these are recognized in the financial statements when, based on the opinion of the legal advisors and of the management, the loss of a lawsuit or administrative proceeding is evaluated as probable and whenever the amounts involved can be measured with sufficient reliability. The contingent liabilities classified as possible losses by legal advisors are not recorded and are just disclosed in the notes to the financial statements, and those classified as remote loss do not require any provision disclosure. Regarding the labor suits with loss probability classified as possible by the external lawyers, management will consider some assumptions such as: procedure stage, involved right, losses background, deal possibility. Accordingly, even if the suits are classified as possible, they may be provided for.

Legal obligations - tax and social security - refer to lawsuits contesting the legality and constitutionality of some taxes and contributions. The discussed amount is quantified and accounted for.

Notes to the Parent Company Financial Statements as of June 30, 2024*(In thousands of Reals, unless otherwise indicated)***3. Significant Accounting Practices (Continued)****(k) Short-term interbank investments**

Interbank investments are stated at the acquisition, investment or release cost, plus foreign exchange, monetary and interest variations, as contractually defined. When the market value is lower, a provision for the adjustment of an asset to its realization value is carried out.

(l) Loan transactions

Credit operations are stated at the acquisition, investment or release cost, plus foreign exchange, monetary and interest rates variations, as contractually defined. When the market value is lower, a provision for the adjustment of an asset to its realization value is carried out. An allowance for doubtful accounts is set at an amount considered sufficient to cover any losses, and it considers, in addition to experience, the assessment of debtors and their guarantors, as well as the specific characteristics of the transactions, in accordance with the requirements of Brazilian Central Bank Resolution No. 2,682. These are recorded at present value on a daily pro rata basis, based on the index variation and the agreed-upon interest rate, restated up to the 59th day in arrears at the financial companies, observing the estimated receipt date. After the 60th day, the recognition in the result occurs on the effective receipt of the installments. The renegotiated operations are maintained, at least, at the same level in which they were classified previously to the renegotiation and, if they have already been written-off against the provision, they are classified as level H; the gains are recognized as income upon the effective receipt.

Credit assignments with no retention risk result in the write-off of the financial assets that are the object of the operation, which are then kept in an offset account. The result of the assignment is fully recognized when it is realized. In January 2012, as determined by CMN Resolutions No. 3,533/2008 and No. 3,895/2010, all credit assignments with retention risk are recognized in the remaining terms of operations, and the financial assets subject to assignment are recorded as credit operations and the amount received, as obligations for sales or transfer of financial assets.

(m) Cash and cash equivalents

These represent cash and cash equivalents, restricted balances held with the Central Bank of Brazil and high liquidity financial assets with maturities within three months, subject to an immaterial risk of changes in their fair values, which are used by the Group to manage short-term commitments (see Note 4).

(n) Other values and assets

The operations classified as other values and assets represent operations arising from the execution of borrowing guarantees, which are valued at fair value based on valuation reports prepared by professional entities with recognized qualifications, using evaluation techniques, limited to the debt amount.

(o) Hedge accounting

The Bank allocated derivative financial assets to hedge principal amounts raised and the corresponding interest due.

Derivative financial instruments used to mitigate risks arising from exposure to variations in the market values of financial assets and liabilities, and that are highly correlated regarding changes in its market value in relation to the market value of the item that is being protected, at the beginning and during the life of the contract, and considered effective in reducing the risk associated to the exposure to be protected, are considered hedges and classified based on their nature:

- (a) Market risk hedge:** the financial instruments classified under this category, as well as their related financial assets and liabilities, which are the hedge objects, are recorded at fair value and have their gains/losses, whether realized or not, reflected in the result; and
- (b) Cash flow hedge:** the financial instruments classified in this category are marked at fair value, being the effective installment of appreciation or depreciation recorded, net of tax effects, in a specific account on equity. The ineffective portion of the respective hedge is recognized directly in the result.

If the hedging instrument expires or is sold, cancelled or exercised, or when the hedging position does not fall under hedge accounting conditions, the hedging relationship ends.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

3. Significant Accounting Practices (Continued)

(o) Hedge accounting (Continued)

The objectives of the risk management of this operation, as well as the strategy of protection against such risks during the operation, are duly documented, as well as it is documented the evaluation, both at the beginning of the protection operation and on an ongoing basis. The derivative financial instruments are highly effective in offsetting the variations of the fair value (mark-to-market) of the hedged item. A hedge is expected to be highly effective if the variation in the fair value or cash flow attributable to the risk being hedged during the hedge relation period nulls from 80% to 125% of the risk variation.

Derivative instruments used for hedging purposes, as well as the mark-to-market value of the hedged object, are disclosed in Note 22.

(p) Deposits and funding in the open market

These are recognized at the liabilities amount, and, when applicable, the charges payable are recorded on a daily pro rata basis.

(q) Intangible assets

These correspond to the acquired rights that aim at assets incorporated into the maintenance of the entity or exercised with this condition, in accordance with CMN Resolution No. 4,534, of November 24, 2016. It consists of (i) licenses and copyrights and use, and (ii) Software. Intangible assets with defined useful lives are amortized on a straight-line basis over the period of their useful lives in which the rights generate benefits.

4. Cash and cash equivalents

	06/30/2024	12/31/2023
Open market investment (a)	2,136,330	913,979
Investments in foreign currencies (b)	146,525	108,232
Bank deposits in foreign currencies	138,574	29,288
Free reserves	8,715	259
Petty cash	4	4
Total	2,430,148	1,051,762

(a) Repurchase transactions maturing within 90 days, on the investment date, see Note 5.

(b) At the end of the semesters ended June 30, 2024 and December 31, 2023, investments in foreign currency present operations mostly in U.S. dollar, see Note 5.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

5. Short-term interbank investments

Short-term interbank investments are as follows:

	06/30/2024	12/31/2023
Open market investments	2,136,533	913,979
Self-funded position	1,502,606	913,979
National Treasury Notes – B series	1,100,415	850,186
Financial Treasury Bills	272,629	50,014
Agribusiness Receivable Certificate	62,893	11,543
National treasury bills	50,684	-
Debentures	10,954	459
Financial Bills	3,724	-
National Treasury Notes – F series	884	1,777
Certificate of Real Estate Receivables	423	-
Short Position	633,927	-
Letras do Tesouro Nacional	633,927	-
Interbank deposits (*)	1,299,311	1,359,785
Investments in foreign currencies (**)	146,525	108,232
	3,582,369	2,381,996
Current assets	3,503,057	2,335,174
Long-term receivables	79,312	46,822
Total	3,582,369	2,381,996

(*) In June 2024, the amount invested in interbank deposits in the Bank refers to interbank deposits' certificates. At the end of the semester ended June 30, 2024, their maturities are between July 2024 and June 2030.

(**) Investments in foreign currencies are operations mostly in US dollars and with immediate liquidity.

At June 30, 2024 and December 31, 2023, the collateral received through repurchase agreements amounted to R\$ 1,396,488 thousand and R\$ 912,348 thousand, respectively, in the Bank. The provided collateral amounted to R\$ 1,476,164 thousand and R\$ 1,111,566 thousand during the same periods.

The results of short-term interbank investments in the Bank are as follows:

	06/30/2024	06/30/2023
Investments in interbank deposits	49,663	78,749
Open market investments	78,137	4,418
Investments in foreign currencies	6,771	2,505
Total	134,571	85,672

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

6. Marketable securities and derivative financial instruments

	Cost	Market	Cost	Market
	06/30/2024		12/31/2023	
I- Marketable securities	9,133,623	9,045,222	8,663,676	8,662,908
Securities for trading (*)	2,629,561	2,550,303	2,192,484	2,198,834
Bank portfolio	1,243,573	1,211,370	858,255	856,253
Fixed-income securities	1,141,322	1,109,119	745,260	743,258
Financial Treasury Bills	55,185	55,186	119,993	120,004
National Treasury Bills	96,974	92,345	-	-
National Treasury Notes - B series	989,163	961,588	625,267	623,254
Investment funds quotas	102,251	102,251	112,995	112,995
Multimarket fund quotas	92,139	92,139	112,995	112,995
Infrastructure Credit Fund Quotas	10,112	10,112	-	-
Subject to repurchase agreements	644,319	625,875	1,051,992	1,062,564
Financial Treasury Bills	-	-	1,227	1,227
National Treasury Notes - B series	644,319	625,875	1,050,765	1,061,337
Linked to guarantees given	741,669	713,058	282,237	280,017
National Treasury Notes - B series	701,255	672,644	244,558	242,338
Fund quotas given as guarantee	40,414	40,414	37,679	37,679
Securities available for sale (*)	3,404,947	3,395,804	3,396,050	3,388,932
Bank portfolio	2,310,866	2,314,288	2,239,431	2,241,251
Fixed-income securities	2,273,299	2,277,454	2,232,669	2,234,917
Financial Treasury Bills	1,230,108	1,230,525	978,512	979,004
National Treasury Bills	-	-	249,942	249,888
National Treasury Notes - B series	-	-	9,833	9,860
Debentures	222,083	214,247	148,996	150,271
Agribusiness Certificate of Credit Rights	464,878	477,072	593,939	593,933
Promissory notes	-	-	99,281	99,281
Commercial Note	109,171	109,171	-	-
Agribusiness Receivables Certificates	-	-	10,753	10,794
Certificate of Real Estate Receivables	482	482	27,149	26,554
Rural product note	246,081	245,461	-	-
Private Financial Bills	496	496	114,264	115,332
Marketable securities abroad	37,567	36,834	6,762	6,334
Eurobonds	37,567	36,834	6,762	6,334
Subject to repurchase agreements	1,094,081	1,081,516	1,156,619	1,147,681
Financial Treasury Bills	56,174	56,211	48,958	49,002
Private Financial Bills	416,300	416,301	455,336	457,428
National Treasury Notes - B series	10,073	9,841	-	-
Debentures	168,471	173,046	343,738	343,207
Agribusiness Receivables Certificates	7,417	7,437	-	-
Certificate of Real Estate Receivables	25,396	26,018	-	-
Eurobonds	410,250	392,662	308,587	298,044

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

6. Marketable Securities and Derivative Financial Instruments (Continued)

	Cost	Market	Cost	Market
	06/30/2024		12/31/2023	
Securities held up to maturity	3,099,115	3,099,115	3,075,142	3,075,142
Bank portfolio	387,160	387,160	500,152	500,152
Fixed-income securities	387,160	387,160	500,152	500,152
National Treasury Notes - F series	305	305	309	309
National Treasury Bills	50,558	50,558	499,843	499,843
National Treasury Notes - B series	336,297	336,297	-	-
Subject to repurchase agreements	1,275,239	1,275,239	806,121	806,121
National Treasury Notes - B series	59,685	59,685	-	-
Eurobonds	1,041,666	1,041,666	806,121	806,121
National Treasury Bills	173,888	173,888	-	-
Subject to repurchase agreements - I	560,911	560,911		
National Treasury Bills	560,911	560,911	-	-
Linked to guarantees given	876,454	876,454	1,769,397	1,769,397
National Treasury Bills	225,484	225,484	905,122	905,122
National Treasury Notes - B series	650,970	650,970	864,275	864,275
Provision for marketable securities	(649)	(649)	(528)	(528)
Eurobonds	(649)	(649)	(528)	(528)
II-Derivative financial instruments	1,364,101	2,928,073	1,232,172	1,551,846
Swap operations	1,057,727	1,277,055	1,097,064	1,161,432
Term	250,815	1,592,955	105,998	383,994
Options	23,864	26,368	28,117	5,427
Futures	31,695	31,695	993	993
Total marketable securities and				
Derivative financial instruments	10,497,724	11,973,295	9,895,848	10,214,754
Segregation of portfolio by maturity range:				
No maturity	92,139	92,139	90,970	90,970
Up to 3 months	3,009,745	3,333,389	3,011,590	3,271,468
From 3 to 12 months	652,392	1,684,818	1,585,433	1,563,074
More than 12 months	6,743,448	6,862,949	5,207,855	5,289,242
Total	10,497,724	11,973,295	9,895,848	10,214,754

(*) Securities classified as "Securities for trading" maturing within more than 12 months and which, at June 30, 2024, amount to R\$ 2,206,333 thousand in the Bank (December 31, 2023 - R\$ 1,984,122 thousand) are classified and segregated according to BACEN Circular Letter No. 3,068/01. Securities classified as "Available for sale", maturing within more than 12 months, in the amount of R\$ 2,778,687 thousand at June 30, 2024 (December 31, 2023 - R\$ 2,629,963 thousand) are classified and segregated according to BACEN Circular Letter No. 3,068/01, regardless its liquidity level. The effect of this determination in net current capital is shown in Note 23 - Liquidity risk.

(**) Bonds classified as "Held to Maturity" are accounted at cost. The market value calculated for Fixed-income Securities is R\$2,028,155 thousand and for Foreign Securities is R\$ 992,705 thousand, these being object of hedge accounting.

There were no transfers in the securities category at the end of the semester ended June 30, 2024, and at December 31, 2023.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

6. Marketable Securities and Derivative Financial Instruments (Continued)

	Cost	Market	Cost	Market
	06/30/2024		12/31/2023	
III-Derivative financial instruments				
Swap operations	1,446,464	1,466,612	939,602	1,009,189
Term	1,495,996	1,601,981	298,782	366,106
Futures	1,622	1,622	3,358	3,358
Options	119,035	182,102	1,551,172	1,491,787
Liability position	3,063,117	3,252,317	2,792,914	2,870,440
Segregation by maturity range:				
Up to 3 months	516,963	544,091	803,766	853,218
From 3 to 12 months	1,213,627	1,294,760	1,029,927	1,000,386
More than 12 months	1,332,527	1,413,466	959,221	1,016,836
Total	3,063,117	3,252,317	2,792,914	2,870,440

The results of Marketable Securities in the Bank are as follows:

	06/30/2024	06/30/2023
Private securities	109,564	68,959
Government bonds	219,262	329,691
Investment funds quotas	4,080	5,341
Exchange Variation	5,382	-
	-	-
Income from marketable securities	338,288	403,991
	06/30/2024	06/30/2023
Reversal of provision for Marketable Securities	182	189
Result with reversal of provision for Marketable Securities	182	189

The market values of marketable securities and derivative financial instruments are determined based on market price quotations at the balance sheet date, when available, or through price valuation models that consider certain assumptions for the valuation of instruments with low liquidity and no active market and/or observable market data.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

7. Loan Transactions

At June 30, 2024 and December 31, 2023, loans and guarantees provided through sureties or guarantee agreements in the Bank, classified according to the customers' economic activities and representativeness, are as follow:

	06/30/2024		12/31/2023	
Grains	3,251,779	20.80%	2,480,964	26.91%
Sugar and Ethanol	2,634,270	16.85%	3,121,118	19.43%
Utilities (energy)	1,503,087	9.62%	1,318,790	8.87%
Agricultural (Others)	1,315,159	8.41%	1,179,043	5.88%
Banks	1,152,392	7.37%	726,847	3.56%
Agricultural supplies	589,424	3.77%	512,686	3.38%
Construction (General)	486,229	3.11%	478,209	2.76%
Slaughterhouse	423,526	2.71%	360,741	2.51%
Automotive Industry	386,956	2.48%	487,634	2.35%
Retail market	379,210	2.43%	244,599	2.23%
Transport Concessions	354,384	2.27%	121,621	2.14%
Services	291,813	1.87%	267,738	1.95%
Foods - Sundry	261,943	1.68%	344,056	1.92%
Construction Material	239,994	1.54%	249,244	1.69%
Telecommunication	198,636	1.27%	136,155	1.54%
Hospitals	195,881	1.25%	221,960	1.42%
Pharmaceutical, HPC, Medical	184,419	1.18%	207,381	1.33%
Others (*)	1,414,089	9.05%	2,101,163	7.93%
Private sector	15,263,191	98%	14,559,949	98%
Utilities (energy)	287,055	1.84%	281,984	0.00%
Others (*)	81,877	0.52%	44,368	2.19%
Public Sector	368,932	2%	326,352	2%
Total	15,632,123	100%	14,886,301	100%

(*) The activities classified as Others include all economic sectors that individually represent less than 1% of the total active of the loans portfolio at the base dates June 30, 2024 and December 31, 2023.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

7. Loan Transactions (Continued)

Loan transactions are stated in the Bank balance sheet as follows:

	06/30/2024	12/31/2023
Current assets		
Loan transactions	7,652,017	7,435,018
Private sector	7,650,051	7,420,075
Public sector	1,966	14,943
Other receivables	14,814	23,736
Foreign exchange portfolio - Receivables (a)	14,814	19,758
Securities and credits receivable (b)	-	3,978
Noncurrent assets		
Loan transactions	5,460,439	5,048,797
Private sector	5,410,439	5,048,797
Public sector	50,000	-
Current liabilities		
Other liabilities	474,214	568,920
Foreign exchange portfolio - Advances on exchange contracts (a)	474,214	568,920
Subtotal	13,601,484	13,076,471
Co-obligations and risks in guarantees provided (c)	2,030,639	1,809,830
Current	1,777,622	1,055,456
Noncurrent	253,017	754,374
Total	15,632,123	14,886,301

(a) The Advances on foreign exchange contracts are classified as reduction accounts of Other liabilities – exchange portfolio, and as Other receivables – foreign exchange portfolio, respectively, as shown in Note 8.

(b) At December 31, 2023, refers to credit assignment, recorded in “Other credits” accounts.

(c) These refer to guarantees granted through sureties, letters of credit and firm assurance. The granted guarantees are recorded in clearing accounts and the respective yields are classified as other liabilities - see Note 14 - and appropriated to income according to the contractual terms of the guarantees. These also include, in the Bank, guarantees granted for credit operations of Nassau Branch and BBM Bank Limited. Nassau Branch is eliminated in the individual reports.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

7. Loan Transactions (Continued)

The provision for loan transactions was calculated according to the criteria established by the CMN Resolutions No. 2,682 and No. 2,697, based on the risk classification of the transactions and on their level of arrears.

The classification of the Loans transactions in the Bank is as follows:

	06/30/2024											12/31/2023	
	Overdue - days					Falling due - days							
Risk Level	Within 14 (a)	15 to 60	61 to 90	91 to 180	181 to 360	Within 90	From 91 to 180	From 181 to 360	Over 360 days	Total	Allowance	Total	Allowance
AA	-	-	-	-	-	2,129,698	1,197,442	2,786,633	2,963,985	9,077,758	-	8,129,908	-
A	1,027	-	-	-	-	664,835	420,453	1,227,011	2,062,290	4,375,616	21,878	4,911,978	24,560
B	65	86	-	-	-	403,684	244,034	253,956	637,173	1,538,998	15,390	1,268,265	12,683
C	798	-	-	-	-	95,447	59,782	251,351	185,901	593,279	17,798	411,892	12,357
D	14	15	12,570	-	-	103	91	3,635	1,553	17,981	1,798	120,769	17,528
E	24	3,764	49	3,185	-	71	71	1,166	769	9,099	2,730	27,211	8,163
F	303	309	-	249	-	853	567	-	-	2,281	1,141	8,636	4,318
G	6	6	7	1,388	-	58	58	96	633	2,252	1,576	233	163
H	-	328	164	2,224	11,034	492	492	125	-	14,859	14,859	7,409	7,409
	2,237	4,508	12,790	7,046	11,034	3,295,241	1,922,990	4,523,973	5,852,304	15,632,123	77,170	14,886,301	87,181

The allowance below is presented in the Bank's balance sheets as follows:

	06/30/2024	12/31/2023
Allowance for loan losses	69,670	79,105
Current assets	48,815	43,372
Noncurrent assets	20,855	35,733
Provision for other credits	4,342	4,987
Securities and credits receivable	4,342	4,987
Current assets	2,994	3,563
Noncurrent assets	1,348	1,424
Provision for co-obligations and risks in guarantees provided	3,158	3,089
Current liability	2,272	2,360
Noncurrent liability	886	729
Total	77,170	87,181

Changes in allowances are as follows:

	06/30/2024	12/31/2023
Balance at January 1	87,181	84,175
Increase	355	22,483
Write-offs to loss	(10,366)	(19,477)
Total	77,170	87,181

At the end of the semester ended June 30, 2024, there were loan transactions renegotiated in the Bank in the amount of R\$ 90,078 thousand (on June 30, 2023, there were no loan transactions).

At the end of the semester ended June 30, 2024, there was a recovery of losses on loan transactions in the amount of R\$ 3,231 thousand (June 30, 2023 - R\$ 800 thousand). This amount is impacting Other operating income in the Statements of Operations.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

7. Loan Transactions (Continued)

The credit risk concentration in the Bank is as follows:

	06/30/2024	%	12/31/2023	%
Top debtor	574,312	3.7%	574,312	3.9%
Top 10 debtors	3,330,755	21.3%	2,826,146	19.0%
Top 20 debtors	5,178,887	33.1%	4,292,755	28.8%
Top 50 debtors	8,144,964	52.1%	7,062,378	47.4%
Top 100 debtors	10,678,606	68.3%	9,608,285	64.5%

The breakdown of the Bank credit portfolio by type is as follows:

	06/30/2024	12/31/2023
Working capital	11,573,406	10,428,450
Export credit bills	2,030,639	1,832,437
Co-obligations and risk in guarantees	1,328,415	1,809,830
Trade finance	589,666	738,955
Others	109,997	76,629
Total	15,632,123	14,886,301

8. Foreign exchange portfolio

	06/30/2024	12/31/2023
Other receivables – Foreign exchange portfolio		
Foreign exchange purchases pending settlement	698,300	1,105,001
Rights on foreign exchange sales	253,640	624,078
Income receivable from advances granted (a)	14,814	19,758
(-) Advances in national currency received	(1,092)	-
Total	965,662	1,748,837
Other payables – Foreign exchange portfolio		
Exchange purchase obligations	641,500	1,128,608
Foreign exchange sales pending settlement	255,715	624,612
Advances on foreign exchange contracts granted (a)	(474,214)	(568,920)
Total	423,001	1,184,300

(a) See Note 7.

At June 30, 2024, there were government securities deposited securing foreign exchange transactions with B3 in the amount of R\$ 202,919 thousand (December 31, 2023 – R\$ 67,546 thousand).

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
9. Investments – Interest in Subsidiaries

	BOCOM BBM CCVM S.A.	The Southern Atlantic Investments Ltd.	Total
At June 30, 2024:			
Number of issued shares	127,374	229,201,370	
Common shares	63,687	229,201,370	
Preferred nominative shares	63,687		
Direct interest	100%	100%	
Capital – R\$ thousand	11,363	229,201	240,564
Equity – R\$ thousand	21,228	538,011	559,239
Net income for the six-month period – R\$ thousand	1,110	17,917	19,027
Book value of investments – R\$ thousand			
June 30, 2024	21,228	538,011	559,239
Income from interest in subsidiaries – R\$ thousand			
First semester of 2024	1,110	17,917	19,027
At December 31, 2023			
Number of issued shares	127,374	229,201,370	
Common nominative shares	63,687	229,201,370	
Preferred nominative shares	63,687		
Direct interest	100%	100%	
Capital – R\$ thousand	8,755	229,201	237,956
Equity – R\$ thousand	20,118	520,085	540,203
Net income for the six-month period – R\$ thousand	1,044	17,954	18,998
Dividends, Interest on Equity or Capital reduction – R\$ thousand	601	-	601
Book value of investments – R\$ thousand			
December 31, 2023	20,118	520,085	540,203
Income from interest in subsidiaries – R\$ thousand			
First semester of 2024	1,488	20,037	21,525
Year ended 2023	2,532	37,991	40,523

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
10. Deposits

Maturities upon issuance	Time deposits	Interbank deposits	Total 06/30/2024	Total 12/31/2023
From 1 to 3 months	163,119	-	163,119	622,405
From 3 to 6 months	66,962	-	66,962	155,164
From 6 to 12 months	961,120	14,737	975,857	269,975
More than 12 months	1,325,178	4,301	1,329,479	855,858
Subtotal	2,516,379	19,038	2,535,417	1,903,402
Demand deposits			668,539	505,123
Total			3,203,956	2,408,525

At June 30, 2024, the average term of interbank and time deposits for outstanding transactions in the Bank is 361 and 482 days (December 31, 2023 - 343 and 564 days), respectively.

Maturities upon issuance	Time deposits	Interbank deposits	Total 06/30/2024	Total 12/31/2023
From 1 to 3 months	163.119	-	163.119	622.405
From 3 to 6 months	66.962	-	66.962	155.164
From 6 to 12 months	961.120	14.737	975.857	269.975
More than 12 months	1.325.178	4.301	1.329.479	855.858
Subtotal	2.516.379	19.038	2.535.417	1.903.402
Demand deposits			668.539	505.123
Total			3.203.956	2.408.525

The Bank's breakdown per segment is as follows:

	Demand deposits		Time deposits		Interbank deposits		Total			
	06/30/2024	12/31/2023	06/30/2024	12/31/2023	06/30/2024	12/31/2023	06/30/2024		12/31/2023	
Legal entities	300,267	277,156	1,371,908	1,037,832	-	-	1,672,175	52.19%	1,314,988	54.60%
Institutional customers	26	113	3,483	711	-	-	3,509	0.11%	824	0.03%
Group	310,340	216,336	368,578	351,974	19,038	19,607	697,956	21.78%	587,917	24.41%
Financial institutions	-	-	715,881	448,401	-	-	715,881	22.34%	448,401	18.62%
Individuals	57,906	11,518	56,529	44,877	-	-	114,435	3.57%	56,395	2.34%
Total	668,539	505,123	2,516,379	1,883,795	19,038	19,607	3,203,956	100%	2,408,525	100%

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
10. Deposits (Continued)

The concentration of the Bank's main customers is as follows:

	06/30/2024		12/31/2023	
Top depositor	659,048	20.57%	182,467	12.57%
Top 10 depositors	2,111,996	65.92%	709,429	48.87%
Top 20 depositors	2,513,936	78.46%	894,043	61.59%
Top 50 depositors	2,834,253	88.46%	1,113,748	76.73%
Top 100 depositors	3,003,976	93.76%	1,254,571	86.43%

11. Repurchase Agreements

The repurchase agreements obligations in the Bank are as follows:

	06/30/2024	12/31/2023
Own portfolio		
Eurobonds	1,164,208	897,300
National Treasury Bills – B series	692,908	1,046,919
Financial Bill	417,318	454,466
Debentures	185,072	345,574
National treasury Bills	170,021	-
Financial treasury Bills	68,898	58,711
Certificate of Agribusiness Receivables	53,298	-
Certificate of Real Estate Receivables	26,540	-
Free Movement portfolio		
Federal Public Bonds - National Treasury	1,184,804	-
Total	3,963,067	2,802,970
Current liabilities	3,931,870	2,321,444
Noncurrent liabilities	31,197	481,526
Total	3,963,067	2,802,970

12. Funds from Acceptance and Issue of Securities and Real Estate Bills

In June 2024, BOCOM BBM have no Eurobonds (December 2023 - R\$ 25,085 thousand) acquired by The Southern Atlantic Investments Ltd, a company not consolidated in BOCOM BBM.

At June 30, 2024 and December 31, 2023, fundraising through Agribusiness Credit Bills (LCA), Housing Credit Bills (LCI), Financial Bills (LF) and Financial Bills – Subordinated Debt was segregated by maturity range as follows:

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

12. Funds from Acceptance and Issue of Securities and Real Estate Bills (Continued)

	LCA (a)		LCI (b)		LF (c)		LFSC - Subordinated debt I (d)		LFSN - Subordinated debt II (e)		Total	
Within 1 month	546,359	458,369	-	-	85,847	78,090	-	-	-	-	632,206.00	536,459.00
From 1 to 3 months	588,536	855,533	-	-	268	143,918	-	-	-	-	588,804.00	999,451.00
From 3 to 6 months	1,178,437	1,661,423	-	400	1,082,553	394,019	-	-	-	-	2,260,990.00	2,055,842.00
From 6 to 12 months	2,413,286	2,374,742	7,104	1,414	78,128	928,084	-	-	-	-	2,498,518.00	3,304,240.00
More than 12 months	2,618,851	2,466,656	6,882	18,364	613,705	200,787	209,481	211,180	630,247	591,587	4,079,166.00	3,488,574.00
Total	7,345,469	7,816,723	13,986	20,178	1,860,501	1,744,898	209,481	211,180	630,247	591,587	10,059,684	10,384,566

- (a) Agribusiness Credit Bills (LCA) are issued by the Bank and registered with B3, according to Laws No. 11,076/2004 and No. 11,311/2006 and subsequent amendments.
- (b) Housing Credit Bills (LCI) are nominative securities created by Provisional Measure No. 2,223 on September 4, 2001, which gave rise to Law No. 10,931 of August 2, 2004.
- (c) Financial Bills (LF) are issued by the Bank and registered with B3 - according to Law No. 12,249/10 (Section II, articles 37 to 43), and ruled by CMN (Law No. 3,836).
- (d) Financial Bill (LFSC) - Subordinated Debt has a perpetual term and a repurchase option starting within 5 semiannual windows. The Bank uses the amount raised as complementary capital in order to make up the institution's Level I capital. The issue was private and carried out with the Bank's shareholder basis.
- (e) Financial Bill (LFSN) - Subordinated Debt has a ten-year term with an option to repurchase it after five years, with payment of principal and interest on maturity. The amount raised is used as complementary capital in order to make up the institution's Level II capital.

13. Liabilities for Loans and Onlendings

Loans abroad in the Bank are as follows:

	06/30/2024	12/31/2023
Obligations with borrowings abroad (*)	7,958,114	6,153,194
Obligations For Operations Linked To Assignment	19,026	-
Import credit facility	1,057	92,202
	7,978,197	6,245,396
Current liabilities	6,201,872	4,773,282
Long-term payables	1,776,325	1,472,114
	7,978,197	6,245,396

On June 30, 2024, the amount of R\$ 7,978,197 thousand (December 31, 2023 - R\$ 6,245,396 thousand), classified as Loans and Onlendings, refers to:

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
13. Loans and Onlendings (Continued)

Operations	Maturity					Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	06/30/2024
BOCOM (*)	1,366,944	698,992	1,053,421	1,244,352	1,645,383	6,009,092
Working Capital (*)	-	270,614	217,789	684,974	111,916	1,285,293
Pre Export (*)	110,319	307,672	245,738	-	-	663,729
Obligations For Operations Linked To Assignment	-	-	-	-	19,026	19,026
Import credit facility	-	1,057	-	-	-	1,057
Total	1,477,263	1,278,335	1,516,948	1,929,326	1,776,325	7,978,197

Currencies	Maturity					Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	06/30/2024
USD	1,359,087	881,743	1,516,948	1,300,571	1,776,325	6,834,674
JPY	118,176	125,978	-	-	-	244,154
CNY	-	270,614	-	628,755	-	899,369
Total	1,477,263	1,278,335	1,516,948	1,929,326	1,776,325	7,978,197

(*) The amount of R\$ 7,958,114 thousand on June 30, 2024 (December 31, 2023 – R\$ 6,153,194 thousand), refers to the obligations with borrowings abroad

Loans with Bocom, whose currency is the U.S. dollar and whose maturity is less than one year, are systematically renewed, as set out in Note 23.

14. Sundry

	06/30/2024	12/31/2023
Sundry		
Debtors deposits on warranty	57,387	51,855
Taxes and contributions to offset	46,576	84,431
Sundry debtors – abroad	16,265	40,602
Sundry debtors – local	6,931	15,401
Advances – Salaries and constructions	3,078	1,269
Securities and credits receivable	356	142
Receivables from related parties	13	13
Total	130,606	193,713
Current asset	120,510	177,339
Long-term asset	10,096	16,374
Total	130,606	193,713

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

14. Sundry (Continued)

	06/30/2024	12/31/2023
Other payables - Sundry		
Sundry debtors - abroad (a)	20,303	45,030
Income on guarantees for credit operations	20,009	19,010
Sundry debtors - Local	20,690	15,336
Allowance for contingent liabilities	15,623	12,807
Provision for contingent liabilities	11,874	9,549
Administrative checks	1,027	1,027
Payables for acquisition of goods and rights	98	49
	89,624	102,808
Current liabilities	71,636	83,506
Noncurrent liabilities	17,988	19,302
	89,624	102,808

15. Other assets

	06/30/2024	12/31/2023
Other Values and Goods		
Properties	6,590	7,792
Others	7,460	4,895
	14,050	12,687
Current asset (a)	12,202	10,931
Long-term assets	1,848	1,756
	14,050	12,687

(a) On June 30, 2024, the amount of R\$ 6,590 thousand (December 31, 2023 – R\$ 7,792 thousand), classified as current assets, refers mainly to the execution of guarantee of properties, recorded as assets held for sale, according to independent appraisal report, limited to the debt amount. At the end of the semester ended June 30, 2024, one of the Bank's properties suffered a devaluation, see note 3.

16. Intangible assets

	12/31/2023	Acquisitions	Internally generated	Projects in progress	Amortization in the period	06/30/2024
Intangible assets						
Data processing systems						
Cost	81,440	1,762	6,030	2,023		91,255
Accrued amortization	(40,006)				7,068	(47,074)
Communication and security systems						
Cost	922					922
Accrued amortization	(888)				34	(922)
Licenses and copyright and use rights						
Cost	4,405					4,405
Accrued amortization	(3,701)				312	(4,013)
Total	42,172	1,762	6,030	2,023	7,414	44,573

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

17. Equity

(a) Capital - Banco BOCOM BBM S.A.

The capital comprises 282,201,085 registered shares with a par value of R\$ 1.60 each, divided into 188,626,652 common shares and 93,574,433 preferred shares. Each common share is entitled to 1 (one) vote in resolutions of the General Meeting. Preferred shares have no voting rights.

(b) Legal reserve

This reserve is calculated at the rate of 5% of the net income at each balance sheet date, up to the limit of 20% of capital, as determined by the Corporation Law.

(c) Statutory reserve

In accordance with the articles of incorporation, this reserve represents the remaining net income balance at each reporting date, after the legal allocations.

(d) Treasury shares

At June 30, 2024 and at December 31, 2023, Banco BOCOM BBM has 76,296,769 shares to be held in treasury in the amount of R\$ 181,839 thousand.

(e) Interest on capital and dividends

According to article 9 of Law No. 9.249/95 and its subsequent amendments, Banco BOCOM BBM S.A., at the end of the semester ended June 30, 2024, declared interest on capital of R\$ 43,055 thousand (December 31, 2023 – R\$ 70,584 thousand), with withholding income tax of R\$ 6,458 thousand (December 31, 2023 – R\$ 10,587 thousand), calculated at a 15% rate. The amount of interest on capital was determined based on the legal limits in force and classified in the group's official records as "Other operating expenses".

For the purposes of the publication of the statement of operations, as established by CMN Resolution No. 4,706/18, BOCOM BBM S.A. recognized as other obligations, as a counterpart for the appropriate equity account, the declared capital remuneration set by the obligation at the balance sheet date.

Interest on capital proposed for the semester ended June 30, 2024 reduced tax burden by R\$ 19,375 thousand (December 31, 2022 – R\$ 31,463 thousand).

	06/30/2024	12/31/2023
Net income - Banco BBM S.A.	142,226	274,201
(-) Legal reserve	7,157	13,665
CTA Adjustment	3,486	(905)
Calculation basis	138,426	259,631
Minimum mandatory dividends	25%	25%
	34,607	64,907
Interest on own capital	36,597	59,996
Dividends	-	4,911
Total	36,597	64,907

- (f) According to the presented Strategic Planning and the capital regulatory limits (article 199 of Law No. 6,404), at the General Meeting of April 2024, the Board of Directors approved and ratified the retention of portion of the net earnings in the amount of R\$ 195,786 thousand regarding the profit for 2023. The amount was recorded in the account "Reserves for Expansion" in order that it is possible to keep the growth of the Bank's activities.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

18. Expenses with Financial Intermediation, Result of Foreign Exchange Operations, Loans, Assignments and Transfers

	06/30/2024	06/30/2023
Open market funding		
Foreign exchange variation	(525,710)	686,989
Agriculture credit bills	(371,924)	(358,355)
Financial bills	(135,902)	(176,930)
Repurchase agreements	(119,667)	(127,402)
Time deposits	(95,517)	(76,556)
Credit guarantee fund	(4,618)	(4,593)
Deposits previous notice	(2,153)	(1,714)
Interbank deposits	(1,039)	(1,376)
Real estate credit bills	(827)	(1,120)
Expenses with securities abroad	(120)	(531,999)
	<u>(1,257,477)</u>	<u>(593,056)</u>
Loans, assignments and onlending operations		
Loan expenses abroad	(222,054)	(65,893)
Foreign exchange variation	(283,647)	313,507
	<u>(505,701)</u>	<u>247,614</u>
Foreign exchange transactions		
Foreign exchange variations and interest differences	22,911	(96,062)
Revenue from advances on exchange contracts (ACC)	33,064	30,483
Other expenses	(282)	(226)
	<u>55,693</u>	<u>(65,805)</u>

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

19. Service Revenue

	06/30/2024	06/30/2023
Service Revenue		
Coordination and structuring commission	43,487	11,531
Bank fee income	18,301	22,075
Guarantees commission and letter of credit (a)	17,550	17,581
Management fees of investment funds	4,023	4,979
Other services	3,765	5,194
Total	87,126	61,360

20. Other Administrative Expenses

	06/30/2024	06/30/2023
Data processing	(9,123)	(9,228)
Amortization and depreciation	(8,589)	(7,423)
Financial system services	(5,577)	(7,325)
Rentals	(5,288)	(5,278)
Specialized technical services	(5,160)	(4,622)
Travel	(3,342)	(3,741)
Communications	(2,749)	(2,586)
Third-party services	(2,485)	(1,330)
Other administrative expenses	(2,352)	(2,921)
Fines	(1,747)	(473)
Registry	(1,574)	(1,410)
Condominium	(1,160)	(1,013)
Property maintenance and upkeep	(919)	(1,007)
Promotion/ Advertising/ Publications	(819)	(635)
Transportation	(757)	(607)
Water, energy and gas	(337)	(468)
Surveillance and security services	(110)	(27)
Material	(76)	(59)
Insurance	(43)	(230)
	(52,207)	(50,383)

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
21. Related-parties Significant Transactions

a) The related parties' transactions were carried out using the average rates practiced in the market, effective on the operations dates, as follows:

	06/30/2024	12/31/2023
Asset		
Cash and cash equivalents	26,327	9,075
Bocom Shanghai	22,215	6,385
Bocom Hong Kong	1,639	550
Bocom Tokyo	88	8
BBM Bank Limited	2,385	2,132
Short-term interbank investments		
Investments in foreign currencies	16,368	11,184
BBM Bank Limited	16,368	11,184
Dividends and bonuses receivables	-	601
BOCOM BBM CCVM S.A.	-	601
Other receivables	15,343	6,294
BOCOM BBM CCVM S.A.	13	13
The Southern Atlantic Investments Ltd	15,290	-
Tai Yang Fund	20	34
Haitan	20	6,247
Derivative financial instruments	251,742	157,907
BBM Bank Limited	21,423	21,000
Bocom Brazil Holding Company Ltda	1,729	24,360
Jiang Fundo De Investimento Multimercado CPIPE	120,290	67,005
Haitan Fund	107,179	44,569
The Southern Atlantic Investments Ltd	1,121	973

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
21. Related-parties Significant Transactions (Continued)

	06/30/2024	12/31/2023
Liability		
Demand deposits	310,340	216,336
Haitan Fund	60,644	42,482
BBM Bank Limited	232,294	171,180
Tai Yang Fund	2,473	2,320
BOCOM BBM CCVM S.A.	82	60
Évora S.A.	10	10
Bocom Brazil Holding Company Ltda	30	33
Aleutas S.A.	1	-
Bahia AM Renda Fixa Ltda	5	5
Bahia AM Renda Variável Ltda	5	5
PIN Petroquímica S.A.	1	1
Farol da Barra Participações Ltda.	1	1
Acritai Investimentos Ltda.	15	16
MSB Participações S.A.	1	-
Outras pessoas físicas/jurídicas ligadas	14,778	223
Interbank deposits	19,038	19,607
BOCOM BBM CCVM S.A.	19,038	19,607
Time deposits	368,578	351,974
Bocom Brazil Holding Company Ltda	220,876	223,325
BBM Bank Limited	139,658	121,357
Bahia Holding S.A.	4,144	3,944
Évora S.A.	1,666	1,585
Other related individuals/legal entities	2,234	1,763
Repurchase agreements - Debentures	28,459	34,990
Other related individuals/legal entities	28,459	34,990
Government Bonds Agreements	58,845	49,864
Other related individuals/legal entities	58,845	49,864
Financial bills	946	896
Other related individuals/legal entities	946	896
Agriculture Credit Bills	210,882	284,272
Other related individuals/legal entities	210,882	284,272
Real Estate Credit Bills	6,934	10,858
Other related individuals/legal entities	6,934	10,858
Obligations for securities abroad	-	25,085
The Southern Atlantic Investments Ltd	-	25,085
Derivative financial instruments	207,770	127,552
Jiang Fundo De Investimento Multimercado CPIE	114,953	62,414
Haitan Fund	67,252	64,264
BBM Bank Limited	14	73
Bocom Brazil Holding Company Ltda	25,551	801
Subordinated debt	209,481	211,180
Bocom Brazil Holding Company Ltda	168,239	169,604
Other related individuals/legal entities	41,242	41,576
Liabilities on loans abroad	6,009,091	5,094,052
Bocom Shanghai	2,685,912	2,432,334
Bocom New York	2,257,687	1,965,083
Bocom Hong Kong	693,170	617,438
Bocom Czech Republic	91,145	79,197
Bocom England	281,177	-
Dividends and bonuses payable	36,596	33,859
Interest on capital credited to shareholders	36,596	28,948
Proposed dividends	-	4,911
Sundry	15,470	6,424
The Southern Atlantic Investments Ltd	-	6,158
Haitan	15,470	266

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
21. Related-parties Significant Transactions (Continued)

	06/30/2024	06/30/2023
Result		
Investment income abroad	-	13,216
BBM Bank Limited	-	13,216
Result with derivative financial instruments	84,856	(52,300)
Haitan Fund	28,711	(732)
The Southern Atlantic Investments Ltd	32,236	(31,502)
BBM Bank Limited	11,683	14,834
Jiang Fundo de Investimento Multimercado C PIE	12,226	(34,900)
Loans operations income	72	1,095
Bank of Communications Co., Ltd.	72	1,067
Other related individuals/legal entities	-	28
Earnings from investments funds	1,170	2,577
Jiang Fundo de Investimento Multimercado C PIE	1,170	2,577
Open market funding	(47,959)	(21,475)
Expenses from investments funds	(769)	27,835
The Southern Atlantic Investments Ltd	(769)	27,835
Repurchase agreements - Debentures expenses	(1,957)	(1,811)
Other related individuals/legal entities	(1,957)	(1,811)
Repurchase agreements - Securities	(13,836)	(5,165)
Other related individuals/legal entities	(13,836)	(5,165)
Interbank deposits expenses	(1,010)	(1,159)
BOCOM BBM CCVM S.A.	(1,010)	(1,159)
Time deposits expenses	(8,868)	(12,106)
Bocom Brazil Holding Company Ltda	(5,353)	(10,284)
BBM Bank Limited	(3,323)	-
Aleutas S.A.	-	(1,192)
Bahia Holding S.A.	(102)	(435)
Évora S.A.	(41)	(109)
Colares Participações S/A	-	(64)
Other related individuals/legal entities	(49)	(22)
Financial bills	(75)	-
Other related individuals/legal entities	(75)	-

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
21. Related-parties Significant Transactions (Continued)

	06/30/2024	06/30/2023
Agriculture credit bills expenses	(13,956)	(14,969)
Other related individuals/legal entities	(13,956)	(14,969)
Real estate credit bills expenses	(424)	(31)
Other related individuals/legal entities	(424)	(31)
Subordinated debt	(7,064)	(14,069)
Bocom Brazil Holding Company Ltda	(4,776)	(11,425)
Other related individuals/legal entities	(2,288)	(2,644)
Loans expenses abroad	(143,040)	(79,285)
Bocom Shanghai	(71,992)	(33,004)
Bocom New York	(52,177)	(34,001)
Bocom Hong Kong	(14,093)	(11,965)
Bocom Czech Republic	(2,665)	(241)
Bocom Luxembourg	(315)	(74)
Bocom England	(1,798)	-
Foreign exchange variation with loans abroad	(192,498)	130,107
Bocom Shanghai	(214,144)	119,774
Bocom Luxembourg	31,042	9,928
Bocom Hong Kong	(9,468)	405
Bocom Czech Republica	72	-
Expenses with banks abroad	(56,998)	(39,023)
BBM Bank Limited	(56,998)	(39,023)
Other administrative expenses	(51)	(50)
Services provisions	(51)	(50)
BBM Bank Limited	(51)	(50)
Other operating income	752	733
BBM Bank Limited	463	455
BOCOM BBM CCVM S.A.	75	75
Haitan Fund	107	203
Tai Yang	107	-
Expenses with dividends and bonuses	(43,055)	(36,527)
Interest on capital credited to shareholders	(43,055)	(36,527)
Total	(396,751)	(80,933)

b) Key Management Compensation

The total compensation will be calculated as follows:

I) Fixed and variable compensation

The total compensation of the Participants will comprise a fixed and a variable part. The variable compensation of the Participants will be paid as follows:

- (a) The amount equivalent to at most 50% (fifty percent) of the variable compensation will be paid in cash, immediately available for the Participant ("Short-term compensation"); and
- (b) The amount equivalent to at least 50% (fifty percent) of the variable compensation will be deferred for payment within 3 (three) years, considering the provisions below ("Deferred Compensation" together with "Short-term Compensation" and "Variable Compensation").

The minimum and maximum amounts of the Variable Compensation of the Participants will be fixed by the Board of Directors of Banco Bocom BBM.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

21. Related-parties Significant Transactions (Continued)

II) Deferred compensation

The payment of the deferred compensation will be carried out on a scaled basis, every six months, in shares proportional to the deferral period ("Deferred Compensation Shares"), and all the deferred shares should be updated by the ROE of Banco Bocom BBM.

ROE is the Profit before tax for the period divided by the Equity at the beginning of the period.

	06/30/2024	12/31/2023
Liabilities		
Statutory	26,600	20,634
Management variable compensation – short term	13,300	7,612
Deferred management variable compensation – long term	13,300	13,022
	06/30/2024	06/30/2023
Result	(37,780)	(28,682)
Fixed compensation	(11,180)	(12,353)
Variable compensation	(26,600)	(16,329)

22. Derivative Financial Instruments

The Bank participates in transactions involving derivative financial instruments to meet its own needs as well as on behalf of its clients.

Derivative financial instruments are classified according to management's intent at the inception of the transaction, taking into consideration whether the purpose is to hedge risks.

In accordance with BACEN Circular Letter No. 3,082, the derivative financial instruments assigned to offset, in whole or in part, exposure to risks from assets, liabilities, commitments or projected future transactions (hedged items), provided that they are considered effective in reducing the risk associated with the exposure to be hedged, are classified according to their nature.

These transactions are traded, recorded or held on B3. In the Bank, international derivative transactions are traded and recorded in the OTC market, at the Chicago Board of Trade (CBOT) or Chicago Mercantile Exchange (CME).

The criteria used to calculate the market values of the derivative financial instruments are:

- Futures: value of daily adjustments to the transactions;
- Swap and term transactions: Cash flow is estimated for each part, discounted to present value according to the corresponding interest rate curves, obtained based on B3 prices or on the assets' prices;
- Options: average trading price on the calculation date or, when not available, estimated price based on pricing models, such as Black & Scholes.

At June 30, 2024, the guarantees for the transactions involving derivative financial instruments onshore are represented mainly by government securities in the total amount of R\$ 1,330,093 thousand (December 31, 2023 - R\$ 336,544 thousand) and fund quotas in the total amount of R\$ 40,414 thousand (December 31, 2023 - R\$ 32,430 thousand). Furthermore, the margin value received in the transactions of derivative financial instruments offshore amounted to R\$ 22,906 thousand in the period ended June 2024.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

22. Derivative Financial Instruments (Continued)

a.) Notional value per asset, maturity and indexer

	In R\$ thousand					
	06/30/2024					12/31/2023
	Up to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Total	Total
Future market						
Purchased position						
Foreign exchange coupon	1,317,545	1,529,274	1,808,431	1,416,334	6,071,584	4,228,325
Interest rate	1,100,468	621,487	891,688	1,416,652	4,030,295	4,784,387
Foreign currency	4,112,921	-	-	-	4,112,921	2,933,772
IPCA	-	-	2,005	1,092	3,097	5,584
Commodities	666	7,101	31,185	126,061	165,013	6,608
Sold position						
Foreign exchange coupon	1,241,497	-	-	1,004,716	2,246,213	1,116,676
Interest rate	310,317	55,857	158,403	844,393	1,368,970	626,476
Foreign currency	1,440,782	-	-	-	1,440,782	1,501,257
IPCA	67,982	-	82,039	306,903	456,924	359,215
Commodities	-	407	14,670	50,634	65,711	-
Forward market						
Asset position						
Currency	1,564,639	149,559	94,856	198,529	2,007,583	400,825
Commodities	172,603	102,234	315,551	925,132	1,515,520	103,987
Others	-	-	358,281	-	358,281	311,215
Liability position						
Currency	2,225,369	248,080	1,649,525	310,417	4,433,391	459,468
Commodities	31,914	23,448	285,945	772,094	1,113,401	127,277
Swaps						
Asset position						
Interest rate	2,681,902	1,187,449	1,332,723	7,907,490	13,109,564	19,589,633
Currency	-	46,956	-	44,341	91,297	1,488,215
Commodities	167	-	-	-	167	-
Liability position						
Interest rate	1,499,740	2,725,231	1,574,186	3,517,242	9,316,399	7,564,138
Currency	899,486	760,623	-	-	1,660,109	1,443,350
Options market						
Asset position						
Currency	68,556	22,539	96,697	127,491	315,283	80,973
Interest rate	2,405	-	-	-	2,405	22,099
Commodities	103,664	-	-	-	103,664	-
Liability position						
Currency	530,203	268,783	438,689	607,838	1,845,513	1,530,883
Interest rate	-	-	-	-	-	1,450,825
Commodities	108,698	-	-	-	108,698	-

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
22. Derivative Financial Instruments (Continued)
b.) At cost and market value

	06/30/2024						12/31/2023
	Cost	Market	Up to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Total
Future market							
Purchased position	31,695	31,695	22,353	751	2,889	5,702	993
Sold position	1,622	1,622	-	-	553	1,069	3,358
Swaps							
Asset position	1,057,727	1,277,055	23,633	55,600	14,451	1,183,371	1,161,432
Liability position	1,446,464	1,466,612	60,891	73,697	117,050	1,214,974	1,009,189
Term							
Asset position	250,815	1,592,955	480,873	15,080	972,380	124,622	383,994
Liability position	1,495,996	1,601,981	453,281	10,700	1,018,495	119,505	366,106
Options market							
Asset position	23,864	26,368	1,762	1,272	10,511	12,823	5,427
Liability position	119,035	182,102	29,921	25,039	49,225	77,917	1,491,787

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

22. Derivative Financial Instruments (Continued)

c.) Notional value per counterparty

	In R\$ thousand						
	06/30/2024						12/31/2023
	Financial institutions	Related-parties	Legal entities	Settlement chamber/Stock exchanges	Individuals	Total	Total
Future market							
Purchased position	938,635	-	-	13,444,275	-	14,382,910	11,958,676
Sold position	65,304	-	-	5,513,296	-	5,578,600	3,603,624
Swaps							
Asset position	3,980,267	5,544,015	3,435,071	-	241,675	13,201,028	21,077,848
Liability position	2,312,477	3,319,663	5,270,334	-	74,034	10,976,508	9,007,488
Forward Market							
Asset position	578,550	2,460,976	841,858	-	-	3,881,384	816,027
Liability position	1,915,943	3,340,514	287,275	-	3,060	5,546,792	586,745
Options market							
Asset position	212,303	180,117	26,527	2,405	-	421,352	103,072
Liability position	1,655,489	184,217	26,527	87,978	-	1,954,211	2,981,708

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

22. Derivative financial instruments (Continued)

The positions in the futures market include the following positions maturing on the first business day of the following month:

- Purchased contracts of foreign exchange coupon (DDI) in the amount of R\$ 55,567 thousand (December 31, 2023 - purchased contracts of foreign exchange coupon (DDI) in the amount of R\$ 200,739 thousand);
- Foreign exchange coupon contracts sold (DDI) in the amount of R\$ 666,806 thousand (December 31, 2023 - foreign exchange coupon contracts sold (DDI) in the amount of R\$ 295,545 thousand);
- Purchased contracts in interest (DI1) in the amount of R\$ 1,100,467 thousand (December 31, 2023 - R\$ 260,572 thousand);
- Contracts sold in interest (DI1) in the amount of R\$ 99,961 thousand (December 31, 2023 - R\$ 0 thousand);
- Purchased contracts in currency (DOL) in the amount of R\$ 667,179 thousand (December 31, 2023 - contracts purchased in currency (DOL) in the amount of R\$ 810,918 thousand);
- Contracts sold in currency (DOL) in the amount of R\$ 51,531 thousand (December 31, 2023 - contracts sold in currency (DOL) in the amount of R\$ 764,441 thousand);

The amount of revenues and net expenses with derivative financial instruments are as follows:

	06/30/2024	06/30/2023
Future contracts	703,693	(503,099)
Options contracts	(113,689)	57,401
Swap and term contracts	(200,948)	146,241
TRS Contracts	390	-
Total	389,446	(299,457)

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

22. Derivative Financial Instruments (Continued)

d.) Hedge accounting

Fundraising fair value hedge (I)

Banco BOCOM BBM entered into loan agreements in U.S. dollars with Bank of Communications with the objective of providing funding. They are as follows:

- On March 31, 2022 in the amount of USD 32,500 thousand with payment of fixed interest of 2.38% p.a..
- On September 14, 2022 in the amount of USD 30,000 thousand with payment of fixed interest of 6.07% p.a..
- On March 27, 2023 in the amount of USD 67,500 thousand with payment of fixed interest of 6.20% p.a..

In order to index these flows to the CDI, a series of exchange coupon operations were carried out at B3, in accordance with the maturities and exposures of the available FRC contracts and the maturity of the operations. Disbursements were made in U.S. dollars and, upon cash receipt, a market risk hedge was contracted, designating a portfolio of derivative financial instruments, comprising DDI, DOL and ED contracts for total hedge, considering the foreign exchange exposure and interest rate risks. In order to equalize the mark-to-market effects of derivative financial instruments designated as hedge, the amount of the hedged principal, plus interest due, is stated at fair value and also marked to market.

Due to the fact that there is a matching of hedge object flows and the results of hedge derivatives, the effectiveness of the operation remains close to 92,31%.

Hedge object	06/30/2024			12/31/2023
	Result of the object	Result of the hedge instrument	Effectiveness	Effectiveness
Fundraising (I)	(11,414)	10,536	92.31%	102.05%

Fundraising fair value - hedge (II)

In December 2018, Banco BOCOM BBM designated a portfolio of derivative financial instruments constituted by DI1 and DAP contracts, with the objective of indexing to the CDI part of its pre-fixed funding portfolio. In order to equalize the effects of mark-to-market derivative financial instruments designated as hedge, the value of the pre-fixed funding portfolio is stated at fair value and also marked to market.

Due to the fact that there is a matching of hedge object flows and the results of hedge derivatives, the effectiveness of the operation remains 99.79% to LF PRÉ

Hedge object	06/30/2024			12/31/2023
	Result of the object	Result of the hedge instrument	Effectiveness	Effectiveness
Fundraising (II) - LF FIXED	479	(478)	99.79%	103.35%

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

22. Derivative Financial Instruments (Continued)

Investment cash flow abroad - hedge

In September 2016, CMN edited the Resolution No. 4,524, establishing the criteria to record the transactions with financial instruments contracted in order to mitigate the risks associated to the foreign exchange exposure of the investments abroad.

In January 2017, Banco BOCOM BBM assigned a portfolio of derivative financial instruments consisting of DI1 and DOL contracts, with the purpose of hedging the foreign exchange rate risk of its investment abroad in the amount of USD 5,000,000, which is consolidated in the Bank.

Due to the fact that there is a matching of hedge object flows and the results of hedge derivatives, the effectiveness of the transaction remained close to 100.00%.

Hedge object	06/30/2024		12/31/2023	
	Result of the object	Result of the hedge instrument	Effectiveness	Effectiveness
Investment abroad	(36,632)	36,632	100.00%	100.00%

Fair value of the bonds held to maturity - hedge

In June 2020, Banco BOCOM BBM designated a portfolio of derivative financial instruments consisting of Libor flat swap contracts vs. fixed rate in USD, and in February 2022, Sofr vs. USD prefixed rate swap contracts, in order to cover the risk of fluctuations in the external profitability of bonds classified as "held to maturity" as spread over Libor due to fluctuations in the forward structure of the Libor curve and SOFR. Because of the match between the flows of the hedge object and the results of the derivatives intended for hedge, the effectiveness of the operation was of 102.46%.

Hedge object	06/30/2024		12/31/2023	
	Result of the object	Result of the hedge instrument	Effectiveness	Effectiveness
Bonds held to maturity abroad - SOFR	(22,645)	23,201	102.46%	103.38%

Cash flow of the bonds available for sale abroad - hedge

In June 2020, Banco BOCOM BBM designated a portfolio of derivative financial instruments consisting of Libor flat swap contracts vs. fixed rate in USD, and in February 2022 SOFR flat swap contracts vs. fixed rate in USD, in order to cover the risk of fluctuations in the external profitability of bonds classified as "available for sale" as spread over Libor due to fluctuations in the forward structure of the Libor and SOFR curve. Because of the match between the flows of the hedge object and the results of the derivatives intended for hedge, the effectiveness of the operation was of 103.98%.

Hedge object	06/30/2024		12/31/2023	
	Result of the object	Result of the hedge instrument	Effectiveness	Effectiveness
Bonds available for sale abroad - SOFR	(2,842)	2,955	103.98%	107.54%

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

23. Risks Management

Market Risk

Banco BOCOM BBM was a pioneer in terms of quantifying market risk in Brazil and developed a proprietary system in 1997 which became a benchmark for the industry. The market risk management structure includes the following: a) the Executive Board, responsible for reviewing risk management policies and proposing risk management operating limits, submitting these for the approval of the Board of Directors at least once a year; b) the Board of Directors, which approves the risk policies and limits at least once a year; c) the Market Risk area, subordinated to the Risk Officer, is responsible for identifying, measuring, monitoring and reporting online to the Executive Board the Bank's market risk, ensuring compliance with the market risk management policy, as well as guaranteeing that the operational limits are observed; d) the Price department, which, among other duties, is responsible for defining the price models and sources used in mark-to-market adjustments of traded products, regardless the management departments; e) Internal Audit, which is responsible for ensuring the adequacy of procedures and the consistency between market risk management policies and the structure actually implemented.

Market Risk means the risk arising from fluctuations in the values of assets and derivatives resulting from changes in market prices and rates, such as interest, stocks, currencies and commodities.

Market Risk control is based on the calculation of VaR - Value at Risk, a statistical tool that measures the maximum potential loss of BOCOM BBM for a given confidence level and investment horizon. BOCOM BBM's daily VaR limit calculated with 95% confidence is 2% of Equity. The model used to calculate the VaR limit is the parametric one. The variance-covariance matrix is reestimated daily using GARCH models. This model captures the presence of volatility groupings and, according to the daily estimated parameters, gives more weight to the most recent past. It should be noted that other VaR models are available, such as Monte Carlo Simulation and Historical Simulation. The effectiveness of the risk model is tested annually through back-testing, which consists in comparing the VaR estimates with the actual daily results.

Furthermore, scenarios are analyzed daily, and these scenarios are quarterly defined by the Risk Committee, independent of the management departments. A full description of the Bank's market risk management structure is available on Banco BOCOM BBM's website (www.bancobocombbm.com.br).

*VaR = Maximum potential loss, given the confidence level and the investment horizon. In the case of BBM, the limit is set based on a 95% probability that the Bank will lose a maximum of 2% of equity in 1 day.

Reference Date	VaR (in R\$ Millions)
06/30/24	5.4
12/31/23	3.3
06/30/23	3.6
12/31/22	4.7

In addition to VaR, stress tests are performed based on the stress scenarios provided by B3. Based on the envelope scenarios for each risk factor, an optimistic and a pessimistic scenario are defined, considering a horizon of 3 business days. For the risk factors in which there is no shock defined by B3 scenarios, the shocks of related risk factors are used. Thus, based on the exposure of the Bank's portfolio to each of the risk factors, the consolidated financial loss of the stressed portfolio is calculated for each of the two scenarios. Finally, the scenario with the highest financial loss is used as a reference.

Reference Date	B3 Stress (in R\$ Millions)
06/30/24	-105.6
12/31/23	-94.1
06/30/23	-101.5
12/31/22	-93.0

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

23. Risks Management (Continued)

Liquidity Risk

Banco BOCOM BBM's liquidity target is to ensure that at any given time the Bank has sufficient cash to meet all its liabilities and other commitments. It is the responsibility of the Liquidity Risk area to monitor whether there is a sufficient free cash position to guarantee the continuity of the bank's operations in a severe stress scenario, following the limits and guidelines defined by the Risk Committee and approved by the Board of Directors.

Liquidity risk is managed based on cash flow forecasts, considering different scenarios for fundraising, credit operations and treasury operations. These cash flow analyses take into consideration: (a) the implicit risk of each client, (b) possible additional cash for compulsory deposits, (c) derivative adjustments; and (d) other existing obligations. The general principle is to ensure that the Bank's commitments are aligned to its equity and the current policies for fundraising, credit and treasury.

Banco BOCOM BBM has a liquidity risk management structure comprising the following agents, with their respective assignments: a) Liquidity Risk area, subordinated to the Risk Director, which is responsible for centralizing and measuring the information referring to liquidity risk management, ensuring that operational limits are observed and disclosing reports to support decision making on liquidity risk; b) Internal Audit, which is responsible for ensuring the adequacy of the procedures and the consistency between the liquidity risk management policies and the effectively implemented structure. A full description of the Bank's liquidity risk management structure is available on the website of Banco BOCOM BBM (www.bocombbm.com.br).

	06/30/2024	12/31/2023
Current assets	17,529,733	16,490,094
Current liabilities	(21,608,982)	(19,489,638)
Working capital, net	(4,079,249)	(2,999,544)
Securities available for sale presented in long-term receivables	2,778,687	2,629,963
Loans abroad	2,830,376	3,973,954
	1,529,814	3,604,373

Banco BOCOM BBM's current liabilities are higher than its current assets calculated according to the nominal maturity of its operations. However, part of the current liabilities are loans made to the parent company in the total amount of R\$ 2,830,376 which, despite having a maturity of less than 1 year, are systematically renewed.

Notes to the Parent Company Financial Statements as of June 30, 2024*(In thousands of Reals, unless otherwise indicated)***23. Risks Management (Continued)****Credit Risk**

Banco BOCOM BBM has a credit risk management structure comprising the following elements and respective duties: a) the Credit Committee, which is responsible for defining the economic groups' credit limits, and monitoring and evaluating the consolidated portfolio position, its concentration and risk level. It is also responsible for establishing the terms for solving default on credit operations or with a certain level of deterioration of the guarantees and deciding whether or not to initiate judicial collection proceedings, as applicable; b) Board of Directors, responsible for approving the risk policies and limits, at least once a year; c) Credit Risk area, subordinated to the Risk Director, is responsible for centralizing and evaluating information related to the individual and consolidated credit risk management, per operation, ensuring that operating limits are complied with, disclosing reports that make it easy to make a decision related to credit limits approved by the Credit Committee. It is also the responsibility of the risk area to previously evaluate new operational genres related to credit risk; d) Credit Analysis area, responsible for assessing the credit risk of economic groups with which the Bank maintains or intends to maintain credit relationships; e) Internal Audit, which carries out periodic audits of the business units and of the credit processes of the Group; f) Legal Department, responsible for analyzing the contracts entered into by Banco BOCOM BBM and its clients, as well as coordinating measures to recover credits or to protect the Bank's rights; and g) Contracts Department, responsible for checking the adherence of operations to the parameters established in the Credit Limit Proposal ("PLC"), as well as providing the adequate guarantees. It is also responsible for issuing contracts to be entered into by Banco BOCOM BBM and the client. A full description of the credit risk management structure is available on the website of Banco BOCOM BBM (www.bocombbm.com.br).

Operational Risk

It is the risk associated with faulty or inadequate internal processes, human or systems failures, or external events. Operational risk is inherent to the Conglomerate's activities and can manifest in several ways.

To monitor and control these risks, and in line with the guidelines of the Regulatory Bodies and best market practices, the Financial Conglomerate BOCOM BBM ("BOCOM BBM") established the "Operational Risk Management Policy". This document constitutes a set of principles, procedures and responsibilities to be observed, in order to ensure the functioning and strengthening of our internal control systems.

The area is responsible for ensuring, together with the other components of the risk management structure, the compliance with the guidelines established by the mentioned Policy. The Internal Controls and Operating Risk area is a segregated independent organizational area of Internal Audit, under the responsibility of the Risk Office.

The complete description of the operating risk management structure is available for the public in the website of Banco BOCOM BBM (www.bocombbm.com.br).

Capital Management

Banco BOCOM BBM manages its capital through a structure comprising the following bodies: Board of Directors, Executive Board, Internal Control, Capital and Risk Board, Treasury Board, Fundraising Board, Back Office, Business Units and Audit Board. The Board of Directors is the highest body within this structure, in charge of monitoring the capital adequacy. The Executive Board must review the documents to be submitted to the Board of Directors, as well as approving the methodologies to be used for the management and monitoring of the capital adequacy. Capital management and centralization is a responsibility of the Capital and Risk Board, which must continuously work to improve and oversee the institution's compliance with the capital management policy and its capital plan. The Treasury and Fundraising Boards are responsible for planning the issuance of equity instrument, if necessary. The capital management department periodically generates reports on the capital adequacy, which are sent to the Executive Board and to the Board of Directors.

These reports comprise simulations of severe events and extreme market conditions. The Business Units must provide all information that the Internal Control, Capital and Risk Board deems necessary for effective capital management. The Audit department is responsible for evaluating, from time to time, the effectiveness of the capital management process. The description of the capital management structure is available on the website of Banco BOCOM BBM (www.bocombbm.com.br).

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

Fair Value Hierarchy

A) Financial Assets and Liabilities Measured at Fair Value. The table below presents financial assets and liabilities measured at fair value on a recurring basis, segregated by levels of the fair value hierarchy.

06/30/2024				
Securities for trading (*)	Level 1	Level 2	Level 3	Total
Financial Treasury Bills	-	-	-	-
National Treasury Bills	-	-	-	-
National Treasury Notes - B series	-	-	-	-
Investment fund quotas	142,665	-	-	142,665
Total - Securities for trading (*)	142,665	-	-	142,665
Securities available for sale (*)	Level 1	Level 2	Level 3	Total
Agribusiness Certificate of Credit Rights	-	-	-	-
Rural product note	-	-	-	-
Agribusiness Receivables Certificates	-	-	-	-
Certificate of Real Estate Receivables	-	-	-	-
Debentures	-	-	-	-
Eurobonds	429,496	-	-	429,496
Private Financial Bills	-	-	-	-
Financial Treasury Bills	-	-	-	-
National Treasury Bills	-	-	-	-
National Treasury Notes - B series	-	-	-	-
Commercial Note	-	-	-	-
Promissory notes	-	-	-	-
Total - Securities available for sale (*)	429,496	-	-	429,496
Derivative financial instruments	-	11,973,295	-	11,973,295
Total Assets	572,161	11,973,295	-	12,545,456
Liabilities	Leve 1	Level 2	Level 3	Total
Derivatives - Liabilities	-	3,252,317	-	3,252,317
Total Liabilities	-	3,252,317	-	3,252,317

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

24. Operating Limits

In October 2013, the new rules related to capital measurement became effective. The financial institutions and similar entities must maintain minimum equity of 8.0% of their assets, weighted by grades of risk to expositions in gold, foreign exchange and operations subject to the operating risk and to the variations in: foreign exchange, interest rate, price of commodities and price of shares classified as held for trade, according to BACEN's standards and instructions. The Prudential Conglomerate of Banco BOCOM BBM is within this operational limit on June 30, 2024.

	06/30/2024	12/31/2023
Reference Equity Level I	1,482,178	1,379,150
Level I + Equity Adjustments Except Non-consolidated Interest and Tax Credit	1,526,752	1,421,321
Decrease in intangible / deferred assets according to CMN Resolution No. 4,955	44,574	42,171
Reference Equity Level II	630,247	591,587
Reference Equity (PR)	2,112,425	1,970,737
Risk-Weighted Assets (RWA)	1,108,786	1,062,603
Portion referring to:		
Credit risk (RWACPAD)	946,044	908,698
Market risk (RWAMPAD)	52,270	53,740
Operating risk (RWAOPAD)	110,472	100,165
Margin or Insufficiency Value (PR - RWA)	1,003,639	908,134
Risk Factor – 8.00% of PR	168,994	157,659
Basel Rate (Risk Factor / RWA)	15.24%	14.84%
RBAN	147,974	133,419
ACP required	346,496	332,063
Reference Equity Margin + RBAN and ACP	509,169	442,652

25. Income Tax and Social Contribution

Changes in tax credits and provision for deferred taxes on temporary differences are as follows:

	06/30/2024	12/31/2023
Asset credit tax:		
Balance at January 1	136,454	186,680
Constitution (Reversal)		
- With effects in the result	81,343	(46,543)
- With effects in equity		
(Securities held for sale)	(3,480)	(3,683)
Balance at June 30	214,317	136,454
Provision for deferred taxes: (*)		
Balance at January 1	119,170	176,896
Constitution (Reversal)		
- With effects in the result	66,062	(57,726)
Balance at June 30	185,232	119,170

(*) The amount of provision for deferred taxes is recorded as other tax and social security obligations.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

25. Income Tax and Social Contribution (Continued)

According to the BACEN Resolution No. 15/2020, in its Article 13, the constitutions and write-offs that occurred in the deferred tax assets and liabilities were highlighted, as well as their nature and origins, as follows:

	12/31/2023	Constitution	Reversal	06/30/2024
Asset credit tax:				
Temporary differences (a)				
- Provision for loan transactions	46,282	6,628	7,167	45,743
- Market value adjustment - marketable securities and derivatives	69,776	84,247	10,498	143,526
- Provisions for Contingencies (Note 25)	4,297	1,046	-	5,343
- Others	16,094	19,528	15,921	19,700
-CTA Tax Effects	5	-	-	5
Social Contribution Negative Basis	-	-	-	-
Tax loss				

Total	136,454	111,450	33,586	214,317
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Provision for deferred taxes

Temporary differences (a)				
- Adjustment to Market of TVM and Derivatives	119,133	74,786	8,724	185,195
- Others	37	-	-	37
Total	119,170	74,786	8,724	185,232

(a) It is expected that the realization of these tax credits occurs up to the end of 2027 for Income Tax and Social Contribution, being its present value of R\$ 7 million. The Social Contribution on tax credits was calculated considering the 20% rate, according to the publication of the PEC No. 6, 2019, for the additions and write-offs as from March 1, 2020.

The present value of the tax credits, considering the expectation of realization for the deferred tax assets and liabilities, is as follows:

Description	Tax credits on temporary differences	Loss and negative basis
2021	(56,197)	-
2022	39,414	
2023	20,942	
2024	13,125	
Total	17,284	
Present value	7,062	

The tax credits of Banco BOCOM BBM were accounted for in the financial statements using the rates applicable for the period they are expected to be realized, and they are based on the future results projections and on a technical study prepared in accordance with CMN Resolution No. 4,842/2020. This study is annually reviewed and considered the effects in the tax credit stock of the changes provided for by Law No. 14,467/22

Notes to the Parent Company Financial Statements as of June 30, 2024
(In thousands of Reals, unless otherwise indicated)
25. Income Tax and Social Contribution (Continued)

The conciliation of the expense calculated using the tax rates and the expense of income tax and social contribution accounted for in the Bank is as follows:

	06/30/2024		06/30/2023	
	IRPJ	CSLL	IRPJ	CSLL
Income before taxes	182,586	182,586	169,333	169,333
Bank 's net profit	145,712	145,712	129,461	129,461
(-) Interest on own capital	(43,055)	(43,055)	(36,527)	(36,527)
(-/+) Income tax and social contribution	(79,929)	(79,929)	(76,399)	(76,399)
Tax rate	25%	20%	25%	20%
Income tax and social contribution				
At tax rate	(45,647)	(36,517)	(42,333)	(33,867)
Permanent additions	144,868	118,268	76,191	59,862
Non-deductible expenses	64,897	38,297	23,014	6,685
Addition on profit abroad	79,971	79,971	53,177	53,177
Permanent exclusions	112,398	100,401	32,198	23,976
Tax-free revenues	36,632	36,632	(5,781)	(14,003)
Non-Taxable income	11,998	2	37,979	37,979
Equity in the result of investees (Bank)	63,767	63,767	-	-
Temporary additions / exclusions	35,085	35,363	(84,096)	(85,111)
Tax basis	250,141	235,816	129,230	120,109
Use of tax loss and negative basis	-	-	-	-
Tax basis with use of tax loss and negative basis	250,141	235,816	129,230	120,109
Income tax and social contribution (a)	(62,524)	(47,164)	(32,296)	(24,022)
Use of tax incentives and taxes of subsidiaries abroad	98	-	47	-
Income tax and social contribution in the result for the period	(62,426)	(47,164)	(32,248)	(24,022)
Exclusive Withholding Tax (Law 12.431)	(1,800)	-	(1,244)	-
Income Tax Withheld from Other Group Institutions At DIPJ adjustment	1,916	-	-	-
	631	-	1,513	-
Provision for Deferred Tax Liabilities	(36,701)	(29,361)	10,657	8,525
Income tax and social contribution in the result for the period - Banco BOCOM BBM	(98,380)	(76,525)	(21,322)	(15,496)

- a) As of January 2022, the CSLL rate decreased from 25% to 20% at Banco BOCOM BBM and from 20% to 15% at BOCOM BBM CCVM. On April 28, 2022, Provisional Measure No. 1,115/22 was issued, which increased the CSLL rate by 1% for these legal entities, according to changes proposed by Law 7,689/88. The CSLL rate for Banco BOCOM BBM increased from 20% to 21% and for BOCOM BBM CCVM, from 15% to 16%, effective from 8/1/2022 to 12/31/2022.

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

26. Provisions and Liabilities due to Legal Obligation

The Bank is a party to lawsuits and administrative proceedings arising from the normal course of its operations, involving tax, labor and civil matters among others.

Breakdown of provision

a) Labor provisions

Based on information from its legal advisors and on an analysis of the pending legal and civil proceedings and labor suits, considering previous experience related to the claimed amounts and current stage of the processes, management recorded a provision in an amount considered sufficient to cover the estimated losses expected in connection with ongoing litigation, as follows:

	06/30/2024	12/31/2023
Labor	9,243	8,292
Total - Provisions for labor contingencies	9,243	8,292

These provisions are recorded as "Other liabilities - sundry" under Long-term liabilities. During the semester ended June 30, 2024, R\$ 951 thousand were reverted into contingent liabilities in the Bank.

b) Tax and social security provisions

Bocom BBM is a party to other proceedings for which the internal and external legal advisors have judged the risk of loss to be possible. From all the tax proceedings classified as possible loss, there are 6 in which the main discussion refers to the offsetting process that is in the initial administrative stage and the aggregate value is not relevant.

In November 2019, Banco BOCOM BBM SA received assessments from the Federal Revenue of Brazil with the purpose of: (i) social security contributions allegedly due on PLR (Profit Sharing or Results) in the amount of R\$ 6.8 million and (ii) social security contributions allegedly due on food in the amount of R\$ 1.4 million, both correspond to payments made in 2015. The Bank discusses the assessments at the administrative level. In the opinion of the legal advisors, the chance of loss in the first proceeding is possible, while it is remote in the second one. Considering that, at the moment, the suits are classified as possible risk of loss, they were not recorded as liability.

At the end of the first half of 2024, BOCOM BBM S.A. did not have an active proceeding related to the judgment of Issue No. 372 of the Federal Supreme Court (payment of PIS and COFINS on the financial income of financial institutions).

c) Civil provisions

Bocom BBM is a party to other lawsuits for which the internal and external legal advisors have assessed the risk of loss to be possible. From all the civil suits classified as possible loss, there are 8 proceedings in the amount of R\$ 3,965 thousand (at December 31, 2023 R\$ 4,091 thousand), which main discussion is related to: request for a review of contractual terms and conditions, requests for monetary adjustments (including alleged effects of the implementation of various government economic plans), bankruptcy, protests, accountability, having counterparties originating from credit operations or products already discontinued, and provision services. For the purposes of provisioning for civil lawsuits, the legal advisors considered the law, jurisprudence, background of cases and the procedural stage.

Based on information from its legal advisors, an analysis of pending lawsuits and, with regard to civil lawsuits, based on previous experience regarding the amounts claimed and the current stage of the proceedings, management has set aside a provision in an amount considered sufficient to cover estimated losses on ongoing lawsuits, as follows:

	06/30/2024	12/31/2023
Civil	1,165	-
Total - Provision for civil contingencies	1,165	-

Notes to the Parent Company Financial Statements as of June 30, 2024

(In thousands of Reals, unless otherwise indicated)

26. Provisions and Liabilities due to Legal Obligation (Continued)

d) Liabilities for legal obligations

Based on the preliminary injunction obtained, Banco BOCOM BBM ensured the suspension of the requirement for PIS/Pasep and COFINS tax credits that are determined, with the levy of Service Tax (ISS) in their calculation bases, as well as their respective bookkeeping for timely and future offset, if applicable, with the respective ISS deductibility from the calculation bases of the mentioned contributions. Based on that preliminary injunction, Banco BOCOM BBM started to collect, in November 2018, PIS/Pasep and COFINS disregarding the municipal tax in their respective calculation bases, having constituted a liability for the remaining balance up to June 2024, recorded as "Other Sundry Liabilities" in Long-Term Liabilities, as follows:

	06/30/2024	12/31/2023
PIS and COFINS	1,466	1,257
Total - Liabilities for legal obligations	1,466	1,257

e) Others

On December 5, 2016, the Brazilian Administrative Council for Economic Defense (CADE) filed an administrative proceeding against Banco BOCOM BBM S.A. investigating alleged anticompetitive practices in relation to the onshore foreign exchange market between 2008 and 2012. The Bank, together with its legal advisors, has already presented its administrative defense, still pending judgment.

27. Allowance for Financial Guarantees

The allowance for doubtful accounts related to financial guarantees is based on the analysis of operations according to the type of obligation provided, past experience, future expectations and management's risk assessment policy. They are reviewed periodically, as established by CMN Resolution No. 4,512/2016.

	06/30/2024	12/31/2023
Guarantee		
Linked to bids, auctions, service render or construction	947,401	1,032,559
Surety Guarantee in lawsuits and administrative procedures	381,502	369,969
Other sureties	319,288	313,154
Linked to international trade	5,861	27,313
Total	1,654,052	1,742,995
Changes in allowances for financial guarantees		
Beginning balance	3,089	8,159
Constitution / (Reversal)	69	(5,070)
Ending balance	3,158	3,089

Notes to the Parent Company Financial Statements as of June 30, 2024*(In thousands of Reals, unless otherwise indicated)***28. Other information****(a) Agreement for the compensation and settlement of obligations**

Banco BOCOM BBM has an agreement for the compensation and settlement of obligations within the scope of the National Financial System, according to CMN Resolution No. 3,263/05, resulting in more guarantee to settle its debts with financial institutions with which it has this kind of agreement. On June 30, 2024, the total assets mitigated by compensation agreement was of R\$ 703,289 thousand (December 31, 2023 - R\$ 771,607 thousand).

(b) Marketable securities portfolio

At the end of the semester ended June 30, 2024, based on Resolution 3,181 of the Central Bank of Brazil, the Bank's Executive Committee unanimously approved to continue the process of stretching the portfolio of nominal securities held to maturity, selling R\$ 270,816 thousand in National Treasury bills maturing on July 2024 and buying R\$ 304,764 thousand maturing on July 2025, which generated an effect on the result of R\$2,944 thousand.

In the first half of the year, Banco BOCOM BBM had R\$ 3,099,115 thousand in marketable securities classified as "held to maturity", according to Circular Letter No. 3,068/01 of Central Bank of Brazil. Banco BOCOM BBM has financial capacity and intention to hold them to maturity.

(c) Corporate change

In 2021, Banco BOCOM BBM announced the beginning of the process to transfer 20% of its shares issue, which will now belong to Bank of Communications. The move is a continuation of the agreement closed in 2016, when the institution acquired 80% of BBM's share capital. The conclusion of the operation is subject to the approval of the regulatory authorities, which will probably conclude it in 2024.

* * *

Aline Gomes – Controller
CRC 087.989/0-9 "S"- BA