
SUMMARY:

01. PURPOSE: 2

02. CONCEPT / DEFINITION: 2

03. SCOPE / AREAS INVOLVED: 2

04. RESPONSIBILITIES: 2

 04.01. Responsible for carrying out the tasks of this policy 2

 04.02. Responsible for monitoring the implementation of the attributions of this policy 2

 04.03. Responsible for maintaining this policy 2

05. AUTHORITY: 2

06. GUIDELINES: 3

 06.01. Operating Limits 3

 06.02. Models and systems 3

 06.03. Reports 4

07. FINAL CONSIDERATIONS: 4

08. RELATED LEGISLATION / REGULATION: 4

09. INTERNAL REFERENCE: 4

10. VERSION CONTROL: 5

11. APPROVALS: 6

CORPORATE GOVERNANCE POLICY

Title: Liquidity Risk Management

Responsible Area: Risk

Start of validity: 01/03/2026

Review scheduled to: 01/03/2027

01. PURPOSE:

The Liquidity Risk Management policy of the BOCOM BBM Prudential Conglomerate ("BOCOM BBM") constitutes a set of principles that guide the Institution's strategy in the control and management of Liquidity Risk.

02. CONCEPT / DEFINITION:

Liquidity risk is defined as the occurrence of imbalances between negotiable assets and liabilities - mismatches between payments and receipts - that may affect the institution's ability to pay, taking into account the different currencies and settlement periods of its rights and duties.

03. SCOPE / AREAS INVOLVED:

- Liquidity Risk
- Operational Control
- Corporate Credit Control
- Accounting
- Risk Committee
- Executive committee
- Board of Directors

04. RESPONSIBILITIES:

04.01. Responsible for carrying out the tasks of this policy

The Liquidity Risk area is responsible for the necessary procedures for the effective compliance with defined policies and processes, which include:

- Centralize information regarding liquidity risk management;
- Ensuring that the operating limits are met; and
- Disclose reports to aid in the decision making specific to liquidity risk.

04.02. Responsible for monitoring the implementation of the attributions of this policy

It is the responsibility of the Manager of the Liquidity Risk area to monitor the execution of the attributions of this policy.

04.03. Responsible for maintaining this policy

It is the responsibility of the Liquidity Risk area to maintain this policy.

05. AUTHORITY:

The Risk Committee is responsible for evaluating and approving the methodologies and procedures for Liquidity Risk Management. The CRO is responsible for the Committee, which has as participants: the CRO itself, the Legal Director, the

Executive Committee Coordinator, the Chief Economist and the Market Risk Area Manager. It is important to note that no employee directly linked to investment decisions has a vote in the decisions of the Committee.

The meetings take place every three months or extraordinarily when there is a relevant change in the macroeconomic scenario.

The Risk Committee shall review the risk management policies, submitting them to the Board of Directors' approval, at least once a year.

Policies should be in line with the Risk Appetite Declaration (RAS) and the Stress Program approved by the Board of Directors.

The decisions of the Risk Committee and the changes submitted to the Board of Directors in the liquidity risk management policy are recorded in the minutes of the Committees.

Exceptions to this policy should be reviewed by BOCOM BBM's Executive Committee and Board of Directors.

06. GUIDELINES:

The Liquidity Risk area is subordinated to the CRO and is led by the liquidity risk manager, thus avoiding eventual conflict of interest with the decision-making areas.

Based on the risk policies approved by the Board of Directors, the Risk area must verify the integrity of the information received from the areas of Operational Control, Corporate Credit Control and Accounting.

06.01. Operating Limits

The Liquidity Risk control is based on the future projection of the cash flow considering the maturities of assets and liabilities.

It is the responsibility of the Liquidity Risk area to monitor that there is a free cash position sufficient to ensure 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. In this scenario, redemptions and redemptions of liabilities, loss of value of public securities and other assets, delays in the receipt of credit assets, call of margins and any other events that could affect cash flow are projected.

06.02. Group Funding Reliance Ratio

Group Funding Reliance Ratio is defined as debt funds obtained from BOCOM group divided by total liabilities, times 100%. Target limit, warning limit and tolerance limit for Group Funding Reliance Ratio should be set according to fundamental instructions from Head Office and meet Chinese regulatory requirements. The three limits for Group Funding Reliance Ratio should be included in Risk Appetite Statement (RAS) and approved by Board of Directors.

The Group Funding Reliance Ratio should be calculated by Risk Department (liquidity control post) and double checked by Accounting Department (composite post). This indicator shall be closely monitored and controlled by the Risk Department (liquidity control post) and reported weekly in the Cash Meeting and quarterly in the Risk Assessment Report. Within five working days before the end of the quarter, the risk department (liquidity control post) shall conduct special monitoring on this indicator.

The Group Funding Reliance Ratio should normally be controlled within its target limit. If it is over the warning limit, necessary measures (repayment of debts from BOCOM group members, or funding from other sources, etc.) should be taken and bring the indicator back around the target limit in 90 days.

If it unexpectedly reaches the tolerance limit, quick measures should be taken to bring it back under the warning limit in 90 days (making sure it does not exceed the tolerance limit before the end of the quarter) and back around the target limit in 180 days.

No new funding operations from any members of BOCOM Group can be closed without checking the availability of at least the warning limit. After the measures are proposed by Risk Department (liquidity control post), Treasury Department (fund trading post) is responsible for the implementations, and Risk Department (liquidity control post) conducts follow-up inspections.

06.03. Models and systems

The effectiveness of the cash projection model is verified monthly, being made compatible with the realized cash and with the new future projections. For the stressed scenario, we consider delays in credit assets according to *rating* of the transaction. It will be done annually backtesting of the liquidity model.

Given the proportions of the BOCOM BBM portfolio, the operational risk of the liquidity risk spreadsheet calculation is judged to be low. The clearing area should determine the need to implement systems according to expectations of growth in the number of controlled operations that may contribute to an increase in these risks.

06.04. Reports

The Liquidity Risk Area issues a monthly report that presents:

- (i) The updated BOCOM BBM equity, given due treatment for the illiquid and immobilized installments; and
- (ii) The projected future cash.

07. FINAL CONSIDERATIONS:

The present policy cancels any other form of disclosure that provides for the subject matter here.

08. RELATED LEGISLATION / REGULATION:

- CMN Resolution 4,557/2017;

09. INTERNAL REFERENCE:

- Liquidity Risk Manual;
- Risk Appetite Statement (RAS).

10. VERSION CONTROL:

Version	Date	Description	Developed by
1.	25 June 2011	Development of document	Liquidity Risk
2.	07 February 2012	Revision of the document	Gustavo Araujo
3.	12 December 2012	Revision of the document	Gustavo Peçanha
4.	20 December 2013	Revision of the document	Gustavo Peçanha
5.	28 December 2014	Revision of the document	Vinicius Sousa
6.	29 December 2015	Revision of the document	Monique Verboonen
7.	30 December 2016	Revision of the document	Monique Verboonen
8.	08 March 2017	Revision of the document	Monique Verboonen
9.	29 December 2017	Revision of the document	Federico Favero
10.	02 January 2019	Revision of the document	Federico Favero
11.	01 January 2020	Revision of the document	Risk Management Department
12.	01 January 2021	Revision of the document	Risk Management Department
13.	31 January 2022	Revision of the document	Risk Management Department
14.	01 February 2023	Revision of the document	Risk Management Department
15.	01 February 2024	Revision of the document	Risk Management Department
16.	29 January 2025	Revision of the document	Risk Management Department
17.	28 January 2026	Revision of the document	Risk Management Department

11. APPROVALS:

Bernardo Ferreira – Credit and Liquidity Risk Manager

Monique Verboonen – Chief Risk Officer