

# Banco Paulista S.A.

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## Financial statements and independent auditor's report as of June 30, 2024

Re. Report No. 248EI-023-EN



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(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## **MANAGEMENT REPORT**

**Dear Shareholders:** We hereby submit the financial statements of Banco Paulista for the years ended June 30, 2024 and 2023, prepared in accordance with the standards established by the Central Bank of Brazil (BACEN) and the National Monetary Council (CMN).

**Profit or Loss, Equity, Assets and Money Market Funding:** Banco Paulista closed the Semester ended June 30, 2024 with a Profit of R\$ 5.3 million and Equity of R\$ 172.08 million. Assets amounted to R\$ 1.7 billion, comprised of R\$ 1.12 million in credit transactions operations and R\$ 399.4 million in bonds and securities, and derivatives. Money market funding was R\$ 1.5 billion.

**Governance, Risk Management and Human Resources:** Banco Paulista has a governance framework based on decision-making committees, in the functional specialization of the different areas and segregation of duties.

**Circular Letter 3.068/01 - BACEN:** Banco Paulista hereby represents that it has financial capacity and intention to hold to maturity the securities classified in the "Held to maturity" category in the amount of R\$ 156.6 million, accounting for only 39.20% of the total Bonds and Securities and Derivative Financial Instruments.

Banco Paulista has been adopting a set of actions to protect the institution which have already contributed to disseminate and promote measures and good management practices for the corporate environment integrity, ethics, and transparency.

The commitment of Banco Paulista's Management goes beyond meeting the requirements in prevailing legislation; rather, Management's objective is to position the Bank among the companies having the best transparency practices, which includes a commitment to communicate relevant, timely and fair information to the market.

**Acknowledgments:** We would like to thank our clients for trusting Banco Paulista and to our employees for their continued hard work and dedication.

São Paulo, August 29, 2024

The Management

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail. See Note 39 to the financial statements.)

# Independent auditor's report on the financial statements

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**Grant Thornton Auditores  
Independentes Ltda.**

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To the Management and Shareholders of  
**Banco Paulista S.A.**  
São Paulo – SP

## Opinion

We have audited the financial statements of Banco Paulista S.A. (“Bank”), which comprise the statement of financial position as of June 30, 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the semester then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, in all material respects, the financial position of Banco Paulista S.A. as of June 30, 2024, and its financial performance and cash flows for the semester then ended, in accordance with practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil (BACEN).

## Basis for opinion

We conducted our audit in accordance with Brazilian and international standards on auditing. Our responsibilities under those standards are further described in the “Auditor’s responsibility for the audit of the financial statements” section of our report. We are independent of the Fund in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the 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 opinion.

## Emphasis of Matter

### Transactions with related parties

We draw attention to the Note 9, which disclose that in the semester ended June 30, 2024, the Bank performed assignment of federal government IOUs without co-obligation with related parties, amounting to R\$ 24,989 thousand, which produces a positive effect in the profit for the semester ended June 30, 2024, amounting to R\$ 3,972 thousand. Our opinion is not qualified regarding these matters.

### Information other than the financial statements and auditor's report thereon

The Bank's Management is responsible for this other information that is included in the Management Report.

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

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

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

The Management is responsible for the preparation of the financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil (BACEN) and for such internal control as Management determines 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, the Management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless management either intends to liquidate the Institution and its subsidiaries, or cease operations, or has no realistic alternative to avoid doing so.

Those charged with governance of the Institution and its subsidiaries are those individuals responsible for overseeing the Institution's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, taken 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. In addition, we:

- 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 material misstatement resulting from fraud is higher than that arising from error, once the fraud may involve the act of dodging the internal controls, collusion, falsification, omission, or false intentional representations;
- Obtain an understanding of the internal controls 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 Bank's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 modify our opinion, in case such disclosures are found to be inadequate. 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 the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 may have identified during our audit.

São Paulo, August 29, 2024

Grant Thornton Auditores Independentes Ltda.  
CRC 2SP-025.583/O-1



Rafael Dominguez Barros  
Accountant CRC 1SP-208.108/O-1

BANCO PAULISTA S.A.

Statements of financial position

As of June 30, 2024, and December 31, 2023

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

(In thousands of reais)

|  | Notes | 06/30/2024       | 12/31/2023       |  | Notes | 06/30/2024       | 12/31/2023       |
|--|-------|------------------|------------------|--|-------|------------------|------------------|
| <b>Assets</b>  |       |                  |                  | <b>Liabilities</b>   |       |                  |                  |
| <b>Current</b>   |       | <b>554,984</b>   | <b>641,684</b>   | <b>Current</b>   |       | <b>1,017,324</b> | <b>979,190</b>   |
| <b>Cash and cash equivalents</b>                                 |       | <b>11,041</b>    | <b>1,041</b>     | <b>Deposits and other financial instruments</b>                |       | <b>998,806</b>   | <b>962,273</b>   |
| Cash assets  | 4a    | 1,015            | 1,041            | Deposits   | 14    | 666,281          | 710,130          |
| Short-term interbank investments                                 | 4b    | 10,026           | -                | Money market funding - own portfolio                           | 15    | 88,895           | 29,104           |
| <b>Financial instruments</b>                                     |       | <b>548,744</b>   | <b>623,200</b>   | Funds from acceptances and issuance of securities              | 16    | 236,839          | 215,554          |
| Short-term interbank investments                                 | 5     | 1,543            | 1,650            | Payables due to borrowings and onlendings                      | 16    | 5,187            | 6,991            |
| Bonds and securities   | 6     | 80,999           | 204,861          | Interbranch and interbank accounts                             | 10    | 1,604            | 494              |
| Interbank accounts   | 10    | 95,714           | 37,749           | <b>Provisions</b>  |       | <b>8,861</b>     | <b>4,446</b>     |
| Credit transactions - private sector                             | 8     | 266,615          | 264,894          | For income tax and social contribution                         |       | 3,373            | -                |
| (-) Trade and other receivables with characteristics of loans    | 8     | 101,997          | 106,432          | Accrued liabilities  | 17    | 5,444            | 4,446            |
| Trade and other receivables without characteristics of loans     | 9     | 1,876            | 7,614            | Financial guarantees   | 32    | 44               | -                |
| <b>Allowance for expected credit losses</b>                      |       | <b>(21,447)</b>  | <b>(5,049)</b>   | <b>Other liabilities</b>                                       |       | <b>9,657</b>     | <b>12,471</b>    |
| (-) Credit transactions  | 8     | (20,525)         | (4,167)          | Taxes payable  |       | 485              | 295              |
| (-) Trade and other receivables with characteristics of loans    | 8     | (888)            | (805)            | Taxes and social security                                      | 18a   | 2,778            | 3,127            |
| (-) Trade and other receivables without characteristics of loans | 9     | (34)             | (77)             | Sundry   | 18b   | 6,394            | 9,049            |
| <b>Other assets</b>  |       | <b>16,646</b>    | <b>22,492</b>    | <b>Non-current</b>   |       | <b>559,138</b>   | <b>492,524</b>   |
| Non-financial assets held for sale - received                    | 11    | 3,958            | 3,381            | <b>Deposits and other financial instruments</b>                |       | <b>547,939</b>   | <b>470,609</b>   |
| Sundry   | 12    | 12,688           | 19,111           | Deposits   | 14    | 511,233          | 400,299          |
| <b>Non-current</b>   |       | <b>1,193,555</b> | <b>1,002,276</b> | Funds from acceptances and issuance of securities              | 16    | 1,126            | 37,347           |
| <b>Financial instruments</b>                                     |       | <b>1,075,676</b> | <b>889,632</b>   | Subordinated debts   | 16    | 35,580           | 32,963           |
| Bonds and securities   | 6     | 318,415          | 94,674           | <b>Provisions</b>  |       | <b>2,977</b>     | <b>3,644</b>     |
| Credit transactions - private sector                             | 8     | 747,273          | 763,074          | Financial guarantees   | 32    | -                | 167              |
| (-) Trade and other receivables with characteristics of loans    | 8     | 3,353            | 4,582            | Contingent liabilities   | 33b   | 2,977            | 3,477            |
| Trade and other receivables without characteristics of loans     | 9     | 6,635            | 27,302           | <b>Other liabilities</b>                                       |       | <b>8,222</b>     | <b>18,271</b>    |
| <b>Allowance for expected credit losses</b>                      |       | <b>(5,885)</b>   | <b>(12,313)</b>  | Sundry   | 18b   | 8,222            | 18,271           |
| (-) Credit transactions  | 8     | (5,804)          | (12)             | <b>Equity</b>  | 19    | <b>172,077</b>   | <b>171,644</b>   |
| (-) Trade and other receivables with characteristics of loans    | 8     | (30)             | (35)             | Share capital - in Brazil                                      |       | 184,300          | 184,300          |
| (-) Trade and other receivables without characteristics of loans | 9     | (51)             | (276)            | Appropriated retained earnings                                 |       | -                | 602              |
| <b>Tax credits</b>   | 29b   | <b>49,073</b>    | <b>42,120</b>    | Market value adjustment - bonds and securities and derivatives |       | (5,456)          | 16               |
| <b>Other assets</b>  |       | <b>71,569</b>    | <b>79,517</b>    | Accumulated profit (loss)                                      |       | (6,767)          | (12,672)         |
| Sundry   | 12    | 71,569           | 79,517           |  |       |                  |                  |
| <b>Investments</b>   | 13    | <b>2,117</b>     | <b>2,117</b>     |  |       |                  |                  |
| Other investments  |       | 2,117            | 2,117            |  |       |                  |                  |
| <b>Property and equipment</b>                                    |       | <b>858</b>       | <b>987</b>       |  |       |                  |                  |
| Properties on use  |       | 957              | 957              |  |       |                  |                  |
| Other property and equipment in use                              |       | 5,392            | 5,392            |  |       |                  |                  |
| (-) Accumulated depreciation                                     |       | (5,491)          | (5,362)          |  |       |                  |                  |
| <b>Intangible Assets</b>   |       | <b>147</b>       | <b>216</b>       |  |       |                  |                  |
| Intangible assets  |       | 5,646            | 5,646            |  |       |                  |                  |
| (-) Accumulated amortization                                     |       | (5,499)          | (5,430)          |  |       |                  |                  |
| <b>Total of assets</b>   |       | <b>1,748,539</b> | <b>1,643,960</b> | <b>Total liabilities and equity</b>                            |       | <b>1,748,539</b> | <b>1,643,960</b> |

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

**BANCO PAULISTA S.A.**

**Statements of profit or loss**

**As of June 30, 2024, and June 30, 2023**

**(Free translation from the original issued in Portuguese.**

**In the event of any discrepancies, the Portuguese language version shall prevail.)**

**(In thousands of reais)**

|   | Notes      | 06/30/2024      | 06/30/2023       |
|---|------------|-----------------|------------------|
| <b>Revenue from financial intermediation</b>                      |            | <b>147,849</b>  | <b>146,176</b>   |
| Credit transactions   | 8i         | 110,068         | 113,057          |
| Gain on short-term interbank investments and bonds and securities | 04 /05 /06 | 34,053          | 29,666           |
| Revenue with voluntary deposits                                   | 10         | 3,684           | 2,642            |
| Gain (loss) on derivative financial instruments                   | 7b         | -               | 670              |
| Gain (loss) on foreign exchange transactions                      |            | 44              | 141              |
| <b>Expenses on financial intermediation</b>                       |            | <b>(97,705)</b> | <b>(110,425)</b> |
| Money market funding  | 20         | (84,838)        | (105,502)        |
| Allowance for expected credit losses                              | 8f         | (12,867)        | (4,923)          |
| <b>Gross profit from financial intermediation</b>                 |            | <b>50,144</b>   | <b>35,751</b>    |
| <b>Other operating income (expenses)</b>                          |            | <b>(39,570)</b> | <b>(43,282)</b>  |
| Service revenue   | 21a        | 1,129           | 1,861            |
| Income from banking fees  | 21b        | 13,954          | 9,869            |
| Personnel expenses  | 22         | (21,667)        | (24,547)         |
| Administrative expenses   | 23         | (25,189)        | (25,204)         |
| Tax expenses  | 24         | (5,083)         | (6,098)          |
| Expenses on provisions  | 25         | (120)           | (2,369)          |
| Other operating income  | 26         | 15              | 27               |
| Other operating expenses  | 27         | (18,010)        | (24,014)         |
| <b>Operating profit or loss</b>                                   |            | <b>10,574</b>   | <b>(7,531)</b>   |
| <b>Non-operating profit (loss)</b>                                | 28         | <b>273</b>      | <b>(193)</b>     |
| <b>Profit before taxes on income and profit sharing</b>           |            | <b>10,847</b>   | <b>(7,724)</b>   |
| <b>Income tax and social contribution</b>                         | 29a        | <b>(4,955)</b>  | <b>3,414</b>     |
| Provision for income tax  |            | (4,078)         | -                |
| Provision for social contribution                                 |            | (3,352)         | -                |
| Deferred tax assets   | 29b        | 2,475           | 3,414            |
| <b>Statutory profit sharing</b>                                   |            | <b>(589)</b>    | <b>(246)</b>     |
| <b>(Loss) profit for the semester, net</b>                        |            | <b>5,303</b>    | <b>(4,556)</b>   |
| <b>(Loss) profit per one thousand shares - R\$, net</b>           |            | <b>12.49</b>    | <b>(10.73)</b>   |

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



**BANCO PAULISTA S.A.**

**Statements of comprehensive income**

**As of June 30, 2024, and June 30, 2023**

**(Free translation from the original issued in Portuguese.**

**In the event of any discrepancies, the Portuguese language version shall prevail.)**

**(In thousands of reais)**

|   | <b>06/30/2024</b> | <b>06/30/2023</b> |
|---|-------------------|-------------------|
| <b>(Loss) profit for the semester, net</b>              | <b>5,303</b>      | <b>(4,556)</b>    |
| <b>Other comprehensive earnings</b>                     | <b>(5,472)</b>    | <b>2,837</b>      |
| Available-for-sale financial instruments                | (9,950)           | 5,159             |
| Income tax and social contribution                      | 4,478             | (2,322)           |
| <b>Comprehensive net profit (loss) for the semester</b> | <b>(169)</b>      | <b>(1,719)</b>    |

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

# BANCO PAULISTA S.A.

## Statements of changes in equity

As of June 30, 2024, and December 31, 2023

(Free translation from the original issued in Portuguese.

In the event of any discrepancies, the Portuguese language version shall prevail.)

(In thousands of reais)

|  | <u>Appropriated retained earnings</u> |               |                   |                            |                                      |                |
|--|---------------------------------------|---------------|-------------------|----------------------------|--------------------------------------|----------------|
|  | Share capital                         | Legal reserve | Statutory reserve | Adjustment to market value | Retained earnings/accumulated losses | TOTAL          |
| <b>Balances as of December 31, 2022</b>                        | <b>184,300</b>                        | <b>603</b>    | <b>4,555</b>      | <b>(2,925)</b>             | <b>-</b>                             | <b>186,533</b> |
| Loss for the semester  | -                                     | -             | -                 | -                          | (4,556)                              | (4,556)        |
| Statutory reserve  | -                                     | (1)           | (4,555)           | -                          | 4,556                                | -              |
| Market value adjustment - bonds and securities and derivative: | -                                     | -             | -                 | 2,837                      | -                                    | 2,837          |
| <b>Balances as of June 30, 2023</b>                            | <b>184,300</b>                        | <b>602</b>    | <b>-</b>          | <b>(88)</b>                | <b>-</b>                             | <b>184,814</b> |
| <b>Changes in the semester</b>                                 | <b>-</b>                              | <b>(1)</b>    | <b>(4,555)</b>    | <b>2,837</b>               | <b>-</b>                             | <b>(1,719)</b> |
| <b>Balances as of December 31, 2023</b>                        | <b>184,300</b>                        | <b>602</b>    | <b>-</b>          | <b>16</b>                  | <b>(12,672)</b>                      | <b>172,246</b> |
| Net profit for the semester                                    | -                                     | -             | -                 | -                          | 5,303                                | 5,303          |
| Absorption of loss   | -                                     | (602)         | -                 | -                          | 602                                  | -              |
| Market value adjustment - bonds and securities and derivative: | -                                     | -             | -                 | (5,472)                    | -                                    | (5,472)        |
| <b>Balances as of June 30, 2024</b>                            | <b>184,300</b>                        | <b>-</b>      | <b>-</b>          | <b>(5,456)</b>             | <b>(6,767)</b>                       | <b>172,077</b> |
| <b>Changes in the semester</b>                                 | <b>-</b>                              | <b>(602)</b>  | <b>-</b>          | <b>(5,472)</b>             | <b>5,905</b>                         | <b>(169)</b>   |

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

# BANCO PAULISTA S.A.

## Statements of cash flows - Indirect method

Semesters ended June 30, 2024, and 2023

(Free translation from the original issued in Portuguese.

In the event of any discrepancies, the Portuguese language version shall prevail.)

(In thousands of reais)

|   | 06/30/2024      | 06/30/2023      |
|---|-----------------|-----------------|
| <b>Adjusted net profit for the semester</b>                               | <b>38,189</b>   | <b>9,710</b>    |
| <b>(Loss) profit for the semester, net</b>                                | <b>5,303</b>    | <b>(4,556)</b>  |
| <b>Adjustments to reconcile profit to net cash</b>                        | <b>32,886</b>   | <b>14,266</b>   |
| Allowance for expected credit losses (Note 8e)                            | 12,867          | 4,923           |
| Provisions for deferred income tax and social contribution                | (2,475)         | (3,414)         |
| Depreciation and amortization (Note 28)                                   | 198             | 391             |
| Inflation adjustment of judicial deposits                                 | (141)           | (215)           |
| Other inflation adjustments   | 36              | -               |
| Reversal of provision for civil, tax and labor risks                      | (427)           | (451)           |
| Reversals of judicial deposits  | 217             | 38              |
| Provision for risks   | 783             | 6,003           |
| Provisions for guarantees   | -               | 5               |
| Reversal of provisions for guarantees                                     | (123)           | (37)            |
| Reversal of provision personnel department                                | -               | (1,135)         |
| Reversal allowance court-ordered notes                                    | (389)           | (493)           |
| Provisions for tax assessment notice - Federal Revenue Service (Note 19a) | -               | 390             |
| Provisions for income tax and social contribution                         | 7,430           | -               |
| Write off in intangible assets  | -               | 478             |
| Reversal of provision for proceedings with RFB                            | -               | 1,951           |
| Expenses on payroll loans - INSS/FGTS/SIAPE                               | 7,245           | 8,497           |
| Financial burdens - Subordinated debts                                    | 2,617           | 2,708           |
| MtM adjustment in bonds and securities                                    | (424)           | (2,536)         |
| Market value adjustment - bonds and securities and derivatives            | 5,472           | (2,837)         |
| <b>Changes in assets and liabilities</b>                                  |                 |                 |
| (Increase) in investments in interbank deposits                           | 107             | (9,374)         |
| Decrease in bonds and securities  | (104,912)       | 21,838          |
| (Increase) in interbranch and interbank accounts                          | (56,855)        | (32,567)        |
| (Increase) decrease in lending operations                                 | 11,373          | (28,917)        |
| (Increase) in other assets  | 4,597           | (27,094)        |
| Decrease in derivative financial instruments                              | -               | 40              |
| Decrease in tax credits   | (4,478)         | 2,322           |
| (Decrease) in trade and other receivables                                 | 31,879          | 362,622         |
| (Decrease) in deposits  | 67,085          | (248,841)       |
| (Decrease) in money market funding  | 59,791          | (287)           |
| (Decrease) increase in other liabilities                                  | (12,512)        | (7,649)         |
| (Decrease) in tax and social security obligations                         | (7,779)         | (8,229)         |
| (Decrease) increase in tax and social security obligations                | -               | (1,762)         |
| (decrease) increase in provisions   | 255             | (7,768)         |
| <b>Net cash provided by (used in) operating activities</b>                | <b>26,740</b>   | <b>24,044</b>   |
| <b>Cash flows from investing activities</b>                               |                 |                 |
| Acquisition of property and equipment in use                              | -               | (135)           |
| Fixed assets disposed of  | -               | 1               |
| Investments   | -               | (324)           |
| <b>Net cash provided by investing activities</b>                          | <b>-</b>        | <b>(458)</b>    |
| <b>Cash flow from financing activities</b>                                |                 |                 |
| (Decrease) in borrowings and onlending                                    | (1,804)         | (1,389)         |
| Increase in funds from acceptances and issuance of securities             | (14,936)        | (17,815)        |
| <b>Net cash (used in) provided by financing activities</b>                | <b>(16,740)</b> | <b>(19,204)</b> |
| <b>Increase in cash and cash equivalents,</b>                             | <b>10,000</b>   | <b>4,382</b>    |
| <b>Cash and cash equivalents</b>  |                 |                 |
| Cash and cash equivalents at the beginning of the semester (Note 4)       | 1,041           | 66,578          |
| Cash and cash equivalents at the end of the semester (Note 4)             | 11,041          | 70,960          |
|   | <b>10,000</b>   | <b>4,382</b>    |

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

# **Banco Paulista S.A.**

Notes to the financial statements

As of June 30, 2024, and June 30, 2023

(In thousands of reais)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## **1. General information**

Banco Paulista S.A. (Bank) is a privately-held corporation controlled by Mr. Álvaro Augusto Vidigal, established as a multipurpose bank, primarily engaged in credit transactions to medium- and large-sized entities, providing services and structuring operations for sale and distribution.

## **2. Basis of presentation and preparation of the financial statements**

- a) The financial statements were prepared in accordance with the accounting practices adopted in Brazil, applicable to the institutions authorized to operate by the Central Bank of Brazil (BACEN), arising from the standards from the Brazilian National Monetary Council (CMN) and BACEN, including Resolutions CMN No. 4.818, and BCB No. 3, both from 2020, the pronouncements from Brazilian Accounting Standards Board (CPC), received in CMN's standards or from BACEN, and corporate legislation.

According to article 77 from Resolution CMN no. 4.966, dated November 25, 2021, the Bank decided to exercise the capability provided for in this article, of disclosing the financial statements in accordance with the Accounting Standard of the Institutions Regulated by the Central Bank of Basil (COSIF).

Accounting estimates are determined by Management, based on factors and assumptions established in reliance upon judgments. Significant items subject to these estimates and assumption include the provisions for adjustment of assets to the probable realizable or recoverable amount, allowances for losses, provisions for risks, mark-to-market of financial instruments, deferred taxes, among others.

The settlement of these transactions involving estimates may result in different amounts due to inaccuracies inherent in the estimation process. Estimates are revised on a periodic basis.

Management hereby represents that the disclosures made in the financial statements evidence all relevant information used in managing the Bank and that the accounting practices were applied consistently to all reporting periods.

In the process of convergence to the International Financial Reporting Standards, the Bank adopts technical pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee (CPC), as ratified by CMN and BACEN as of their effective date.

The financial statements were approved on August 29, 2024.

- b) The financial statements are presented in Brazilian reais, which is the Bank's functional currency. All financial information presented in reais were translated into thousands of Reais, unless otherwise stated.

# **Banco Paulista S.A.**

Notes to the financial statements

As of June 30, 2024, and June 30, 2023

(In thousands of reais)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## **3. Summary of significant accounting policies**

### **a) Recognition of profit or loss**

Finance income and costs are recorded on the accrual basis, on a daily pro rata basis. Fees and commissions received are recognized during the period services are provided (accrual basis).

Finance income and finance costs are calculated under the exponential method. Fixed-rate transactions are stated at redemption value and income and expenses for the future period are stated as a reduction of related assets and liabilities. Floating rate transactions are adjusted for inflation through the statement of financial position date based on the agreed-upon indexes. Fees and commissions on transactions with third parties, such as brokerage, are recognized when the service or transaction is performed.

### **b) Cash and cash equivalents**

Under Resolution 3.064/08, cash and cash equivalents include cash, bank deposits, highly-liquid short-term investments, subject to an insignificant risk of change in value and limits, with maturity equal to or less than 90 days.

### **c) Financial Instruments**

#### **Short-term interbank investments**

Fixed rate transactions are recorded at their redeemable amount less income allocated to future periods, and floating rate transactions are recorded at cost plus income earned through the statement of financial position date, less impairment allowance, when applicable.

Investments in transactions under repurchase agreements are classified according to their maturity, regardless of the maturity terms of the papers backing the transactions.

#### **Bonds and securities and derivative financial instruments**

As established by BACEN Circular 3.068/01, portfolio bonds and securities are classified into three different categories, according to Management's intention, as follows:

Trading securities: stated in current assets, regardless of the related maturity dates, and comprise the securities acquired to be actively and frequently traded. They are stated at fair value and any gains or losses are recorded in profit or loss.

## Banco Paulista S.A.

Notes to the financial statements

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(In thousands of reais)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Available-for-sale securities: securities that were not acquired to be frequently traded and are used, among other purposes, for liquidity reserve, collaterals, and hedge against risks. The income earned, at the acquisition rates, and possible impairment losses are recorded in profit or loss. These securities are stated at fair value and any gains or losses are recorded as a balancing item to a separate equity account (net of taxes) which will be transferred to profit or loss when realized.

Held-to-maturity securities: refer to acquired securities that Management has the intent and financial capacity to hold in portfolio up to their maturity. They are stated at acquisition cost, plus accrued earnings. Impairment losses, if any, are immediately charged to profit or loss.

Derivative financial instruments consisting of futures, forward and swap transactions are accounted for under the following criteria:

- *Future transactions* – mark-to-market amounts are recorded on a daily basis in assets or liabilities and allocated either as income or expenses on a daily basis;
- *Forward transactions* - recorded at the final contract amount, less the difference between this amount and the market value of the asset or right, with income and expenses recorded over the term of the contract through the statement of financial position date;
- *Swap transactions* - the difference receivable or payable is accounted for at fair value in assets or liabilities, respectively, and recognized as income or expenses on a pro rata basis through the statement of financial position date.

Derivative transactions, not eligible for hedge accounting, are stated at fair value at the statement of financial position date, and the related appreciation or depreciation is accounted for as income or expenses in profit or loss for the period.

### Credit transactions and estimated losses with doubtful accounts

Lending operations (borrowing and financing) and other receivables (receivables without recourse) are recorded at present value calculated on a daily pro rata basis, according to the variation of the index and agreed-upon interest rate, adjusted through the 60th day of arrears, considering the expected collection.

## **Banco Paulista S.A.**

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(In thousands of reais)

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Credit transactions are classified according to Management's risk assessment, considering the economic conditions, past experience and specific risks related to the operation, debtors, and guarantors, according to the parameters set forth by Resolution 2.682/99, which requires a periodic analysis of the portfolio and its classification into nine levels, from "AA" (minimum risk) to "H" (loss).

Income from credit transactions with maturity equal or above 60 days, regardless of their risk level, is only recognized as revenue when actually received.

H-rated loans remain under this rating for 180 days, when they are written off against the existing allowance and controlled for a minimum of five years in a memorandum account, no longer appearing on the statement of financial position.

Restructured lending operations remain at least in the same rating in which they were originally classified. Renegotiated credit transactions that had been written off against the allowance and were maintained in memorandum accounts are rated as H, and possible recoveries are only recognized as income when received.

For transactions with a term longer than 36 months, the Bank use double counting of the term, as permitted by Resolution 2.682/99 to determine the risk level. The allowance for doubtful accounts, considered sufficient by the Management, is compliant with Resolution 2.682/99, as shown in Note 8.

### Trading account

Represents the intermediation of transactions conducted on stock exchanges, recognized at the amount of the commitments assumed, on behalf of customers. Brokerage is recognized on profit or loss on an accrual basis.

### Deposits, money market funding, funds from acceptances and issuance of securities, and payables due to onlendings and borrowings

Stated at the original amounts, plus charges incurred through the statement of financial position date, recognized on a daily pro rata basis. Foreign currency liabilities are adjusted at the exchange rates prevailing on the statement of financial position date. Money market funding is recorded in current liabilities according to the respective maturity terms, regardless of the maturity of the papers backing the transactions.

#### **d) Investments**

Investments are recognized at acquisition cost, less allowance for losses, where applicable.

## **Banco Paulista S.A.**

Notes to the financial statements

As of June 30, 2024, and June 30, 2023

(In thousands of reais)

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### **e) Property and equipment and intangible assets**

Represents the rights acquired in tangible and intangible assets for the maintenance of the Company's activities or exercised for such purpose.

Property and equipment items (tangible assets) are stated at acquisition cost. Depreciation of property and equipment is calculated on a straight-line basis at the following rates: 20% p.a. for vehicles and data processing system and 10% p.a. for other assets.

Intangible assets correspond to rights acquired in intangible assets for the maintenance of the Company's activities or exercised for such purpose. Recorded at acquisition cost, less accumulated amortization. Intangible assets with finite useful life are amortized based on its effective use or a method that reflects its economic benefits; intangible assets with indeterminate useful life are annually tested for impairment.

### **f) Impairment of non-financial assets**

The accounting recognition of an asset should evidence events or changes in economic, operating, or technological circumstances that might indicate that an asset is impaired. Whenever evidence is identified and the net carrying amount exceeds the recoverable value, an allowance for impairment losses is recognized to adjust the carrying amount to the recoverable value. These allowances are recognized in profit or loss for the period/year, as provided for in Resolution 3.566/08.

Except for tax credits, whose realization is assessed semiannually, the amounts of non-financial assets are tested for impairment at least annually.

### **g) Current and Deferred Income Tax and Social Contribution**

#### **Current**

The provisions for income tax (IRPJ) and social contribution (CSLL), as applicable, are calculated based on the book profit or loss adjusted by temporary and permanent additions or deductions. Income tax is calculated at a 15% rate, plus a 10% surtax on taxable income exceeding R\$ 240 in the year (R\$ 120 in the semester).

Social contribution must comply with the following rates:

- Starting January 2023 – 20%.
- 

#### **Deferred**

Deferred taxes are calculated on temporary additions, exclusions, and taxable income to be realized when the recognition bases are used and/or reversed based on the expected realization periods and considering technical studies and Management's analyses.



## Banco Paulista S.A.

Notes to the financial statements

As of June 30, 2024, and June 30, 2023

(In thousands of reais)

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h) Contingent assets and contingent liabilities, and legal, tax and social security obligations

Contingent assets and contingent liabilities, and legal obligations are recognized, measured, and disclosed in accordance with the criteria set forth in Resolution 3.823/09 and CPC 25, issued by the Accounting Pronouncements Committee (CPC), based on the following criteria:

Contingent assets are not recognized in the financial statements, except when there is evidence that they will materialize and when they are no longer subject to appeals.

Contingent liabilities are recognized in the financial statements when, based on the opinion of the legal counsel and Management, the risk of loss in a lawsuit or administrative proceeding is assessed as probable, with a probable disbursement of resources to settle the obligations, and when the relevant amounts can be reliably measured. Contingent liabilities assessed by the legal counsel as possible loss are disclosed in the notes to the financial statements whereas those assessed as remote loss are neither accrued nor disclosed.

Legal obligations (tax and social security) - refer to lawsuits challenging the legality and constitutionality of certain taxes (or fees and contributions). The amount under litigation is quantified, recognized, and adjusted on a monthly basis.

i) Other current and non-current assets and liabilities

Stated at their realizable or settlement amounts and include income, charges, inflation adjustments, or exchange rate changes earned and/or incurred through the reporting date, calculated on a daily pro rata basis, and, when applicable, less allowance for losses to reflect their realizable value. Receivables and payables due within 12 months are classified in current assets and current liabilities, respectively.

j) Earnings (loss) per share

Earnings (loss) per share are calculated based on the number of shares outstanding at the statement of financial position date.

k) Recurring and nonrecurring profit or loss

Article 34 of BCB Resolution 2, of August 12, 2020, requires the disclosure of recurring and nonrecurring profit or loss separately. Nonrecurring profit or loss for the year is defined as: I – the one that is not related or is incidentally related to the institutions' core activities; and II – the one that is not expected to occur frequently in future years.

The nature and financial effect of events considered nonrecurring are disclosed in Note 36.

## Banco Paulista S.A.

### Notes to the financial statements

As of June 30, 2024, and June 30, 2023

(In thousands of reais)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## 4. Cash and cash equivalents

As of June 30, 2024, and December 31, 2023, cash and cash equivalents were broken down as follows:

### a) Cash assets

|                                  | <u>6/30/2024</u>    | <u>12/31/2023</u>   |
|----------------------------------|---------------------|---------------------|
| Cash in local currency           | 357                 | 456                 |
| Cash in foreign currency         | 658                 | 585                 |
| <b>Cash and cash equivalents</b> | <b><u>1,015</u></b> | <b><u>1,041</u></b> |

### b) Investments in interbank deposits

|  | <u>06/30/2024</u>    |                      | <u>12/31/2023</u> |
|--|----------------------|----------------------|-------------------|
|  | <u>1 to 30 days</u>  | <u>Total</u>         |                   |
| Interbank deposits – Floating CDI in domestic currency | 10,026               | 10,026               | -                 |
| <b>Investments interbank deposits (Note 5)</b>         | <b><u>10,026</u></b> | <b><u>10,026</u></b> | <b><u>-</u></b>   |

In the semester ended June 30, 2024, the result on transactions under repurchase agreements was R\$ 444, which were traded without position for the closing of the semester.

## 5. Interbank deposits

### a) Investments in interbank deposits

|                                      | <u>06/30/2024</u>          |                     | <u>12/31/2023</u>   |
|--------------------------------------|----------------------------|---------------------|---------------------|
|                                      | <u>From 91 to 360 days</u> | <u>Total</u>        |                     |
| Interbank deposits – Microcredit (i) | 1,543                      | 1,543               | 1,650               |
| <b>Total</b>                         | <b><u>1,543</u></b>        | <b><u>1,543</u></b> | <b><u>1,650</u></b> |

(i) Interbank deposits to fulfill the requirement of Microcredit.

In the semester ended June 30, 2024, income from interbank deposits was R\$ 361 (R\$ 1,408 in 2023).

## Banco Paulista S.A.

Notes to the financial statements

As of June 30, 2024, and June 30, 2023

(In thousands of reais)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

### 6. Securities

#### a) Bonds and securities - Breakdown by classification

|  | 06/30/2024            |                      | 12/31/2023     |                      |
|--|-----------------------|----------------------|----------------|----------------------|
|  | Cost (i)              | Carrying amount (ii) | Cost (i)       | Carrying amount (ii) |
| <b>Trading securities</b>                          |                       |                      |                |                      |
| <b>Own portfolio – trading</b>                     | <b>66,269</b>         | <b>66,273</b>        | <b>15,300</b>  | <b>15,321</b>        |
| Financial treasury bills – LFT                     | 24,696                | 24,700               | 7,294          | 7,301                |
| Agricultural Debt Securities – TDA                 | 1                     | 1                    | 1              | 1                    |
| Units in Investment Funds - CFI (iii)              | 1,483                 | 1,483                | 1,518          | 1,518                |
| Units in Receivables Funds - FIDC (iii)            | 39,490                | 39,490               | 3,030          | 3,030                |
| Debentures   | 547                   | 547                  | 512            | 513                  |
| Shares of listed companies                         | 52                    | 52                   | 69             | 69                   |
| Certificates of Real Estate Receivables—<br>“CRIs” | -                     | -                    | 57             | 70                   |
| Bank Certificates of Deposits — CDB                | -                     | -                    | 2,819          | 2,819                |
| <b>Linked to repurchase agreements</b>             | <b>6,162</b>          | <b>6,129</b>         | -              | -                    |
| National Treasury Notes – NTN                      | 6,162                 | 6,129                | -              | -                    |
| <b>Total trading securities</b>                    | <b>72,431</b>         | <b>72,402</b>        | <b>15,300</b>  | <b>15,321</b>        |
| <b>Available-for-sale securities</b>               |                       |                      |                |                      |
| <b>Own portfolio – trading</b>                     | <b>36.99736.997</b>   | <b>38,113</b>        | <b>149,187</b> | <b>155,171</b>       |
| Financial treasury bills – LFT                     | 35,502 35,502         | 35,715               | -              | -                    |
| National Treasury Notes – NTN                      | -                     | -                    | 100,420        | 101,302              |
| Agricultural Debt Securities – TDA                 | 3                     | 2                    | 3              | 2                    |
| Units in Investment Funds - CFI (iii)              | 380 380               | 579                  | -              | -                    |
| Units in Receivables Funds - FIDC (iii)            | 1,112                 | 1,817                | 42,852         | 47,955               |
| Bank Certificates of Deposits — CDB                | -                     | -                    | 5,912          | 5,912                |
| <b>Linked to repurchase agreements</b>             | <b>138.297138.297</b> | <b>127,254</b>       | <b>35,005</b>  | <b>34,370</b>        |
| Financial treasury bills – LFT                     |                       |                      | 4,807          | 4,809                |
| National Treasury Notes - NTN                      | 138.297138.297        | 127,254              | 30,198         | 29,561               |
| <b>Linked to guarantees given (iv)</b>             | <b>5.055055</b>       | <b>5,060</b>         | -              | -                    |
| Financial treasury bills – LFT                     | 5.055055              | 5,060                | -              | -                    |
| <b>Total available-for-sale securities</b>         | <b>180.349180.349</b> | <b>170,427</b>       | <b>184,192</b> | <b>189,541</b>       |
| <b>Held-to-maturity securities (v)</b>             |                       |                      |                |                      |
| <b>Own portfolio – trading</b>                     | <b>156,585</b>        | <b>156,585</b>       | <b>94,673</b>  | <b>94,673</b>        |
| Units in Receivables Funds - FIDC (iii)            | 151,516               | 151,516              | 94,673         | 94,673               |
| Units in Investment Funds - CFI (iii)              | 5,069                 | 5,069                |                |                      |
| <b>Total held-to-maturity securities (iv)</b>      | <b>156,585</b>        | <b>156,585</b>       | <b>94,673</b>  | <b>94,673</b>        |
| <b>Total</b>                                       | <b>409.365409.365</b> | <b>399,414</b>       | <b>294,165</b> | <b>299,535</b>       |

## Banco Paulista S.A.

### Notes to the financial statements

As of June 30, 2024, and June 30, 2023

(In thousands of reais)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

#### (i) Cost Value

For fixed income securities, which refers to acquisition cost plus income earned through the statement of financial position date; for shares, the acquisition cost is considered. Units in Investment Funds and Units in Receivables Funds refer to the cost adjusted to UP which is provided by their respective fund administrators.

#### (ii) Market values

The market value of public securities is determined according to disclosures made in daily bulletins provided by ANBIMA - Brazilian Financial and Capital Markets Association. Shares and debentures are valued based on the closing price of the last day they were traded on stock exchange. Private securities are recorded at cost plus daily income earned and adjusted to market value. The shares in investment funds are adjusted based on the unit price disclosed by the fund administrator.

#### (iii) Investments in investment fund units:

|      | <u>FUNDS</u>   | <u>06/30/2024</u> | <u>12/31/2023</u> |
|------|--|-------------------|-------------------|
| FIP  | Industrial Parks Brasil FIP Multiestratégia (a)                    | 1,483             | 1,518             |
| FIDC | Esmeralda - Fundo de Investimento em Direitos Creditórios (b)      | 2,690             | 3,030             |
| FIDC | BPD - Consignado Fundo De Investimento Em Direitos Creditórios (d) | 36,800            | -                 |
|      | <b>Total Funds Invested for trading</b>                            | <b>40,973</b>     | <b>4,548</b>      |
| FIDC | BPD - Consignado Fundo De Investimento Em Direitos Creditórios (d) | -                 | 45,296            |
| FIDC | Esmeralda - Fundo de Investimento em Direitos Creditórios (b)      | 1,817             | 2,092             |
| FII  | Singulare Fundo de Investimento Imobiliário (c)                    | 574               | 562               |
| FIP  | Industrial Parks Brasil FIP Multiestratégia (a)                    | 5                 | 5                 |
|      | <b>Total Funds Invested available for sale</b>                     | <b>2,396</b>      | <b>47,955</b>     |
| FIDC | Structure Fundo de Investimento em Direitos Creditórios (e)        | 90,652            | 94,673            |
| FIDC | Canal 75 Fundo De Investimento Em Direitos Creditórios (f)         | 10,149            | -                 |
| FIDC | BPD - Consignado Fundo De Investimento Em Direitos Creditórios (d) | 50,715            | -                 |
| FIDC | GV Home Equity FIDC (g)  | 5,069             | -                 |
|      | <b>Total Funds Invested held to maturity</b>                       | <b>156,585</b>    | <b>94,673</b>     |
|      | <b>Total</b>   | <b>199,954</b>    | <b>147,176</b>    |

- a) Industrial Parks Fundo de Investimento em Participações Multiestratégia (Fund), administered by Lions Trust Administradora de Recursos Ltda., was created on August 19, 2008 as a closed-end fund under CVM Instruction 391, dated July 16, 2003, superseded by CVM Instruction 578, dated August 30, 2016, with duration set for November 19, 2025, according to the 54th Annual Shareholders' Meeting, held on November 09, 2023.

## **Banco Paulista S.A.**

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The Financial Statements of the Fund, related to the period ended February 29, 2024 was issued on June 28, 2024, with the Independent Auditor's Unqualified Report, from "Ernst & Young".

The Fund is in liquidation phase and most of the assets were realized at the beginning of 2021.

- b) Esmeralda - Fundo de Investimento em Direitos Creditórios started to operate on February 08, 2017, and was organized as a closed-end fund, with indefinite duration. The Fund is managed by Singulare Corretora de Títulos e Valores Mobiliários S.A.

On June 30, 2024, the Bank had 9,290.43 subordinate shares, representing 19.6% of units issued.

The Financial Statement of the Fund was issued on December 20, 2023, related to the period ended September 30, 2023, with the independent auditor's qualified report from "Confiance Auditores" related to the amount of R\$ 4,425 of properties destined for sale, that were assessed with reports issued on January 17, 2022, precluding the auditors to finish any adjustments in the financial statements, considering potential updated Reports.

- c) Singulare Fundo de Investimento em Direitos Creditórios Não Padronizados is a real estate investment fund, organized on August 28, 2012, as a closed-end fund managed by Singulare Corretora de Títulos e Valores Mobiliários S.A. with indefinite duration.

On June 30, 2024, the Bank had 2,009 subordinate shares, representing 7.6% of units issued.

The Financial Statements of the Fund, related to the period ended December 31, 2023 was issued on March 26, 2024, with the Independent Auditor's Unqualified Report, from "BDO RCS Auditores independentes".

- d) Fundo Paulista Consignado II – Fundo de Investimento em Cotas de Fundos de Investimento Multimercado – Crédito Privado" (FIC FIM II)", organized on June 01, 2021, as a closed-end fund with indefinite duration was closed in March 2023. The Fund was managed by Singulare Corretora de Títulos e Valores Mobiliários S.A.

The Bank held indirect equity in FIC FIM II, and with the amount of the redemption of shares, for the closure of the Fund in March/2023, the Bank purchased 74,258 senior shares of Fundo BPD FIDC.

BPD Consignado Fundo de Investimento em Direitos Creditórios (BPD FIDC) was organized on April 01, 2021, as a closed-end fund, with indefinite duration and is administered by Singulare Corretora de Títulos e Valores Mobiliários S.A. and managed by Singulare Administração Fiduciária Ltda.

## Banco Paulista S.A.

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During the semester ended June 30, 2024, the Bank assigned payroll loans to BPD Fundo de Investimentos em Direitos Creditórios Consignados for the amount of R\$ 50,408, whose notional value amounted to R\$ 77,255. As a result of this assignment, a profit of R\$ 5,898 was recorded in "Profit from assignment of receivables".

There were not Assignment of the Bank to the Fund BPD FIDC in the year 2023.

In the semester ended June 30, 2024, the Bank changed the 74,257,728 shares of "BPD" from the category "available-for-sale securities" to the category "Negotiation". With this reclassification, the amount R\$ 4,789 was recognized in the line "income from securities", for a better accounting adhesion and the commercial strategy.

On June 11, 2024, the Bank acquired 50,311,249 new shares from the fund "BPD", for the amount of R\$ 50,715, that were classified under category "held to maturity".

The Financial Statements of the Fund, related to the period ended October 31, 2023, were issued on January 25, 2024, with the Independent Auditor's Unqualified Report, from "MGI Assurance".

- e) Structure Fundo de Investimento em Direitos Creditórios, started operations on November 29, 2019 as a closed-end funds, administered by Singulare Corretora de Títulos e Valores Mobiliários S.A., with a duration of 61 months.

The Bank's investment in said fund is represented by the acquisition of mezzanine subordinated shares.

The Financial Statement of the Fund, related to the period ended May 31, 2023 was issued on August 29, 2023, with the Independent Auditor's Unqualified Report, from "Next Auditores".

- f) Canal 75 Fundo de Investimento em Direitos Creditórios has the purpose of raising funds for the acquisition of receivables and documents of title, from transactions arising from payroll-deduction loan represented by the issue of bank credit bills by the assignor in favor of the Debtors (Receivables). The Fund is destined to investors qualified pursuant to the applicable legislation and has an indefinite term.

The Bank's investment in the Fund is represented by the acquisition of 10,000 (ten thousand) shares of the Senior series 2, for the amount of R\$ 10,000 on May 27, 2024.

The Financial Statement of the Fund, related to the period ended May 31, 2023 was issued on August 20, 2023, with the Independent Auditor's Unqualified Report, from "Next Auditores".

## **Banco Paulista S.A.**

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- g) GV Home Equity Fundo de Investimento em Direitos Creditórios (Fund) was organized under the category “Fund of Investment in Receivables (FIDC)”, on May 21, 2024 as a special closed condominium, ruled by Resolution No. 175.

The Fund will have an indefinite term.

The Bank’s investment in said fund is represented by the acquisition of 5,000 mezzanine subordinated shares, on May 21, 2024 for the amount of R\$ 5,000.

(iv) Linked to guarantees given

Securities pledged as collaterals refer to bonds and securities linked to transactions traded on B3 S.A.- Brasil, Bolsa, Balcão amounting to R\$ 5,060 on June 30, 2024 (there was not any balance on December 31, 2023). These securities may be replaced with other securities if selling them is needed.

- (v) In compliance with the Circular Letter No. 3.068, dated November 08, 2001 of Bacen, the Bank declares it has financial capacity and the intention of keeping, until maturity, bonds and securities classified under the category “held-to-maturity securities”, amounting to R\$ 156,585 (R\$ 94,673 in 2023).

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(In thousands of reais)

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### b) Bonds and securities - Breakdown by maturity

|  | 06/30/2024            |                |                |              |                | 12/31/2023     |
|--|-----------------------|----------------|----------------|--------------|----------------|----------------|
|  | Without maturity date | Up to 3 months | 3 to 12 months | 1 to 3 years | Over 3 years   | Total          |
| <b>Trading securities</b>                        |                       |                |                |              |                |                |
| Financial Treasury Bills – LFT                   | -                     | -              | -              | 210          | 24,490         | 24,700         |
| Agricultural Debt Securities – TDA               | -                     | -              | -              | -            | 1              | 1              |
| National Treasury Notes – NTN                    | -                     | -              | -              | -            | 6,129          | 6,129          |
| Investment fund shares- CFI                      | 1,483                 | -              | -              | -            | -              | 1,483          |
| Units in Receivables Funds – FIDC                | 39,490                | -              | -              | -            | -              | 39,490         |
| Debentures                                       | -                     | 547            | -              | -            | -              | 547            |
| Shares of listed companies                       | 52                    | -              | -              | -            | -              | 52             |
| Certificates of Real Estate Receivables (“CRIs”) | -                     | -              | -              | -            | -              | -              |
| Bank Certificate of Deposit - CDB                | -                     | -              | -              | -            | -              | -              |
| <b>Total trading securities (i)</b>              | <b>41,025</b>         | <b>547</b>     | <b>-</b>       | <b>210</b>   | <b>30,620</b>  | <b>72,402</b>  |
| <b>Available-for-sale securities</b>             |                       |                |                |              |                |                |
| Financial Treasury Bills – LFT                   | -                     | -              | 6,201          | 1,891        | 32,683         | 40,775         |
| National Treasury Notes – NTN                    | -                     | -              | -              | -            | 127,254        | 127,254        |
| Agricultural Debt Securities – TDA               | -                     | -              | -              | 1            | 1              | 2              |
| Investment fund shares- CFI                      | 579                   | -              | -              | -            | -              | 579            |
| Units in Receivables Funds – FIDC                | 1,817                 | -              | -              | -            | -              | 1,817          |
| Bank Certificate of Deposit - CDB                | -                     | -              | -              | -            | -              | -              |
| <b>Total available-for-sale securities (i)</b>   | <b>2,396</b>          | <b>-</b>       | <b>6,201</b>   | <b>1,892</b> | <b>159,938</b> | <b>170,427</b> |
| <b>Held-to-maturity securities</b>               |                       |                |                |              |                |                |
| Units in Receivables Funds – FIDC                | -                     | -              | -              | -            | 156,585        | 156,585        |
| <b>Total held-to-maturity securities</b>         | <b>-</b>              | <b>-</b>       | <b>-</b>       | <b>-</b>     | <b>156,585</b> | <b>156,585</b> |
| <b>Total</b>                                     | <b>43,421</b>         | <b>547</b>     | <b>6,201</b>   | <b>2,102</b> | <b>347,142</b> | <b>399,414</b> |

(i) In breaking down the terms, the maturity of the papers, regardless of their accounting classification, was considered.

In the semester ended June 30, 2024, gain on bonds and securities investment was R\$ 33,248 (R\$ 34,109 in 2023).



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Public securities are under the custody of the Special Settlement and Custody System (SELIC) whereas private securities and shares of Funds, in B3.

There was a reclassification of category of “BPD – Consignado Fundo De Investimento Em Direitos Creditórios”, in the semester ended June 30, 2024, from the category “Securities available for sale” to the category “Negotiation”. With this reclassification, the amount R\$ 4,789 was recognized in the line “income from bonds and securities”. There was no reclassification of securities in the year ended December 31, 2023.

### 7. Derivative financial instruments

The Bank conducts transactions involving derivatives, recorded in statement of financial position and memorandum accounts, which are primarily intended for the Bank to manage its overall exposure to risk.

Sales of derivatives with the underlying counterparts is preceded by an evaluation of the credit risks involved.

There were not any transactions related to derivative financial instruments, on June 30, 2024 and December 31, 2023.

The determination of derivatives at market value is based on quotes disclosed by specialized stock exchanges and, in certain cases, pricing techniques are used.

All derivative transactions performed by the Bank are registered with B3. DI futures and foreign currency contracts are primarily used as instruments limiting funding rates, due to mismatch of terms, currencies, and/or indexes with asset transactions.

#### a) Call margin

The following securities are pledged as collateral in conducting derivative transactions:

|                                | <u>06/30/2024</u>   | <u>12/31/2023</u> |
|--------------------------------|---------------------|-------------------|
| Financial Treasury Bills (LFT) | 5,060               | -                 |
| <b>Total</b>                   | <u><b>5,060</b></u> | <u><b>-</b></u>   |

#### b) Gain (loss) on derivative financial instruments

There are no results with transactions with derivative financial instruments on June 30, 2024 (R\$ 670 on June 30, 2023).

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### 8. Credit transactions - private sector

As of June 30, 2024, and December 31, 2023, credit transactions are broken down as follows:

#### a) By type of operation

|   | <u>06/30/2024</u>       | <u>12/31/2023</u>       |
|---|-------------------------|-------------------------|
| <b>Credit transactions:</b>                 |                         |                         |
| Loans and discounted notes                  | 874,298                 | 872,403                 |
| Financing - Export credit bills             | 113,735                 | 100,678                 |
| Financing - Rural to agro-industrial        | 16,017                  | 33,686                  |
| Assignment with co-obligation               | 9,838                   | 21,201                  |
|   | <u><b>1,013,888</b></u> | <u><b>1,027,968</b></u> |
| <b>Other receivables:</b>                   |                         |                         |
| Receivables without recourse                | 105,350                 | 111,014                 |
|   | <u><b>105,350</b></u>   | <u><b>111,014</b></u>   |
| <b>Total credit transactions</b>            | <u><b>1,119,238</b></u> | <u><b>1,138,982</b></u> |
| Estimated losses with doubtful accounts (i) | (26,329)                | (16,169)                |
| Other expected credit losses                | (917)                   | (840)                   |
| <b>Total expected credit losses</b>         | <u><b>(27,246)</b></u>  | <u><b>(17,009)</b></u>  |
| <b>Total</b>                                | <u><b>1,091,993</b></u> | <u><b>1,121,973</b></u> |

(i) Refers substantially to the increase of contracts classified as rating "H". (note 8f)

#### b) By sector

|                               | <u>06/30/2024</u>       |                        | <u>12/31/2023</u>       |                        |
|-------------------------------|-------------------------|------------------------|-------------------------|------------------------|
|                               | <u>PORTFOLIO</u>        | <u>PDD</u>             | <u>PORTFOLIO</u>        | <u>PDD</u>             |
| Private sector                |                         |                        |                         |                        |
| Industry                      | 106,723                 | (1,177)                | 104,340                 | (1,150)                |
| Commerce                      | 191,588                 | (7,577)                | 182,117                 | (2,059)                |
| Analyst                       | 315,491                 | (5,274)                | 242,554                 | (4,773)                |
| Individuals                   | 495,599                 | (13,161)               | 588,770                 | (8,535)                |
| Assignment with co-obligation | 9,838                   | (57)                   | 21,201                  | (492)                  |
| <b>Total</b>                  | <u><b>1,119,238</b></u> | <u><b>(27,246)</b></u> | <u><b>1,138,982</b></u> | <u><b>(17,009)</b></u> |

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### c) By maturity

|                 | 06/30/2024       |               | 12/31/2023       |                 |
|-----------------|------------------|---------------|------------------|-----------------|
|                 | PORTFOLIO        | PDD           | PORTFOLIO        | PDD             |
| Past due        | 42,904           | (16,881)      | 26,915           | (6,490)         |
| Falling due     |                  |               |                  |                 |
| Up to 90 days   | 148,674          | (1,573)       | 158,014          | (1,491)         |
| 91 to 180 days  | 80,323           | (623)         | 81,865           | (1,911)         |
| 181 to 360 days | 96,710           | (2,336)       | 104,532          | (1,147)         |
| Over 360 days   | 750,627          | (5,833)       | 767,656          | (5,970)         |
| <b>Total</b>    | <b>1,119,238</b> | <b>27,246</b> | <b>1,138,982</b> | <b>(17,009)</b> |

### d) Receivables concentration

|                             | 6/30/2024        |                 | 12/31/2023       |                 |
|-----------------------------|------------------|-----------------|------------------|-----------------|
|                             | PORTFOLIO        | PDD             | PORTFOLIO        | PDD             |
| <b>Clients</b>              |                  |                 |                  |                 |
| 10 largest customers        | 215,773          | (3,106)         | 164,445          | (2,825)         |
| 11 to 60 largest customers  | 320,034          | (3,517)         | 306,598          | (3,333)         |
| 61 to 160 largest customers | 146,750          | (7,551)         | 120,567          | (2,352)         |
| Others                      | 436,681          | (13,172)        | 547,372          | (8,499)         |
| <b>Total</b>                | <b>1,119,238</b> | <b>(27,246)</b> | <b>1,138,982</b> | <b>(17,009)</b> |

### e) Portfolio breakdown by risk rating

| Portfolio balances |                  |               |                  |               |                  |               |
|--------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Level              | 06/30/2024       |               |                  |               | 12/31/2023       |               |
|                    | Regular way      | Past due      | Total            | %             | Total            | %             |
| AA                 | 42,126           | -             | 42,126           | 3.76          | 27,427           | 2.41          |
| A                  | 425,971          | -             | 425,971          | 38.06         | 522,812          | 45.90         |
| B                  | 564,716          | 11,219        | 575,935          | 51.46         | 521,881          | 45.82         |
| C                  | 27,071           | 6,166         | 33,237           | 2.97          | 33,481           | 2.94          |
| D                  | 16,256           | 5,638         | 21,894           | 1.96          | 23,399           | 2.05          |
| E                  | 35               | 2,824         | 2,859            | 0.26          | 3,607            | 0.32          |
| F                  | 19               | 2,351         | 2,370            | 0.21          | 1,614            | 0.14          |
| G                  | 27               | 2,365         | 2,392            | 0.21          | 2,724            | 0.24          |
| H                  | 113              | 12,341        | 12,454           | 1.11          | 2,037            | 0.18          |
| <b>Total (i)</b>   | <b>1,076,334</b> | <b>42,904</b> | <b>1,119,238</b> | <b>100.00</b> | <b>1,138,982</b> | <b>100.00</b> |

- (i) Refers substantially to the increase of contracts classified as rating "H", resulting in a higher recognition of provision for losses, as described in Note 8.f.

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| Level | Provision      |             |          |        |        |            |        |
|-------|----------------|-------------|----------|--------|--------|------------|--------|
|       | 06/30/2024     |             |          |        |        | 12/31/2023 |        |
|       | % of allowance | Regular way | Past due | Total  | %      | Total      | %      |
| A     | 0.5            | 2,130       | -        | 2,130  | 7.82   | 2,614      | 15.37  |
| B     | 1.0            | 5,647       | 112      | 5,759  | 21.14  | 5,219      | 30.68  |
| C     | 3.0            | 812         | 185      | 997    | 3.66   | 1,004      | 5.91   |
| D     | 10.0           | 1,626       | 564      | 2,189  | 8.04   | 2,340      | 13.76  |
| E     | 30.0           | 10          | 847      | 858    | 3.15   | 1,082      | 6.36   |
| F     | 50.0           | 10          | 1,176    | 1,185  | 4.35   | 806        | 4.74   |
| G     | 70.0           | 19          | 1,656    | 1,674  | 6.14   | 1,907      | 11.21  |
| H     | 100.0          | 113         | 12,341   | 12,454 | 45.71  | 2,037      | 11.97  |
| Total |                | 10,366      | 16,881   | 27,246 | 100.00 | 17,009     | 100.00 |

### f) Changes in the allowance for expected credit losses

|   | 06/30/2024 | 12/31/2023 |
|---|------------|------------|
| Balance at the beginning of the semester/year | 17,009     | 15,022     |
| Allowances, net (8e)                          | 12,867     | 10,775     |
| Loans derecognized against loss               | (2,630)    | (8,788)    |
| Balance at the end of the semester/year       | 27,246     | 17,009     |

### g) Renegotiated and recovered receivables

There was no renegotiation of receivables in the semester ended June 30, 2024, and year ended December 31, 2023.

In the year ended June 30, 2024, renegotiated receivables amounted to R\$ 3,226 (R\$ 3,968 in the year ended December 31, 2023).

In the year ended June 30, 2024, recovered receivables amounted to R\$ 250 (R\$ 292 in 2023).

### h) Assignment of receivables

In December 2020, the Bank entered into an agreement establishing general conditions for the assignment and acquisition of receivables without co-obligation with a financial institution duly authorized to operate by the Central Bank of Brazil (Bacen), relating to payroll loans arising from borrowings and credit card transactions to retired persons and insured enjoying INSS benefits.

There were no acquisitions during the semester ended June 30, 2024.

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On August 26, 2022, the Bank assigned receivables, as per the Agreement, for the amount of R\$ 131,124, which par values amounted to R\$ 240,063. The result of the 1st semester of 2024, with credits acquired previously was R\$ 40,007 (R\$ 43,727 in 2023) recorded in the line "Revenue from financial intermediation Credit transactions" (Note 8i)

The average acquisition rate was 1.62% for each one of the assigned receivables, recorded in "Other assets - Sundry" (Note 12), and the amount of R\$ 26,493 (R\$ 35,614 in 2023), which has been deferred over the term of the contracts acquired and recorded in "Other operating expenses - Deferral payroll loans INSS", totaling R\$ 9,121 (R\$ 11,109 in 2023) (note 27).

On August 26, 2022, the Bank assigned with co-obligation own automatic-paycheck-deduction loans. As of June 30, 2024, the balance of Credits assigned with co-obligation totaled R\$ 9,838 (R\$ 21,201 in 2023), according to Note 8b. The obligation pegged to this assignment totaled R\$ 11,991 (R\$ 26,183 in 2023), according to Note 18b.

During semester ended June 30, 2024, the Bank assigned to BPD Fundo De Investimentos Em Direitos Creditórios Consignados payroll loans previously acquired under the "Agreement" for the amount of R\$ 50,408, whose par value amounted to R\$ 77,255. As a result of this assignment, a profit of R\$ 6,033 was recorded in "Profit from assignment of receivables". (Note 26)

There was not Assignment of repurchase of credits performed with Paulista Companhia Securitizadora de Créditos Financeiros during the semester ended June 30, 2024.

On December 31, 2023, the Bank assigned without co-obligation to Paulista Companhia Securitizadora de Créditos Financeiros, receivables at the amount R\$ 2,747, which par values accounted for R\$ 4,621. Net income with this Assignment was R\$ 2,431.

#### i) Income from credit transactions

|  | <u>06/30/2024</u>     | <u>06/30/2023</u>     |
|--|-----------------------|-----------------------|
| Loans and discounted notes                         | 59,891                | 55,426                |
| Financing  | 7,989                 | 11,191                |
| Recovery of receivables written off as losses      | 249                   | 292                   |
| Advances on deposits                               | 22                    | 22                    |
| Income from rural financing                        | 1,910                 | 2,399                 |
| Acquisition of receivables - without co-obligation | 40,007                | 43,727                |
| <b>Total profit from credit transactions</b>       | <b><u>110,068</u></b> | <b><u>113,057</u></b> |

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### 9. Trade and other receivables without characteristics of loans

|                                 | 06/30/2024   | 12/31/2023    |
|---------------------------------|--------------|---------------|
| <b>Current</b>                  |              |               |
| Municipal IOU ("precatórios")   | 1,876        | 4,449         |
| Federal IOU ("precatórios") (*) | -            | 3,165         |
| <b>Total current</b>            | <b>1,876</b> | <b>7,614</b>  |
| <b>Non-current</b>              |              |               |
| Municipal IOU ("precatórios")   | 6,635        | 10,911        |
| State IOU ("precatórios")       | -            | 8,873         |
| Federal IOU ("precatórios") (*) | -            | 7,518         |
| <b>Total non-current</b>        | <b>6,635</b> | <b>27,302</b> |
|                                 | <b>8,511</b> | <b>34,916</b> |
| <b>(-) Provision for losses</b> | <b>(85)</b>  | <b>(353)</b>  |
| <b>Total (i)</b>                | <b>8,426</b> | <b>34,563</b> |

(\*) Balance comprised of IOU ("precatórios") already issued by the federal government, or a municipal government arising from lawsuits for which a final unappealable decision has been issued.

In the semester ended June 30, 2024, the Bank assigned without co-obligation, the portfolio of Federal and State IOU ("precatórios"), for the amount of R\$ 19,274, which par values amounted to R\$ 24,989. As a result of this Assignment, the result of R\$ 3,972 was recorded in the line "Profit from assignment of receivables". (Notes 26 and 30)

### 10. Interbranch and interbank accounts

|  | 06/30/2024    | 12/31/2023    |
|--|---------------|---------------|
| <b>Assets - current</b>                                |               |               |
| Offsetting services - Check and other papers           | 719           | -             |
| Voluntary deposits - BACEN (i)                         | 93,489        | 36,317        |
| State-owned banks - Deposits linked to agreements (ii) | 1,507         | 1,432         |
| <b>Total</b>   | <b>95,714</b> | <b>37,749</b> |
| <b>Liabilities - Current</b>                           |               |               |
| Offsetting services - Check and other papers           | 138           | -             |
| Corresponding Banks                                    | 751           | -             |
|  | 716           | 494           |
| <b>Total</b>   | <b>1,604</b>  | <b>494</b>    |

(i) They are long-term voluntary deposits in the Central Bank of Brazil, as per Resolution BCB No. 129/2021. In the semester ended June 30, 2024, income from voluntary investments was R\$ 3,684 (R\$ 2,642 in 2023).

(ii) Refers to checks deposited in Caixa Econômica Federal (CEF), arising from the Ministry of Cities and Agencies (state and municipal agencies and the Federal District and Housing Cooperatives) under the National Program for Support to Social Interest Housing - PSH.

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## 11. Non-financial assets held for sale - received

Comprised of assets not intended for own use (BNDU), repossessed by the Bank due to debtors' default in paying credit transactions:

|                                       | 06/30/2024   | 12/31/2023   |
|---------------------------------------|--------------|--------------|
| <b>Current</b>                        |              |              |
| Vehicles                              | 502          | 502          |
| Properties (for housing purposes) (i) | 3,456        | 2,879        |
| <b>Total</b>                          | <b>3,958</b> | <b>3,381</b> |

(i) Amount recorded by cost, according to assessment report that did not present impairment.

## 12. Other assets – Sundry

|  | 06/30/2024    | 12/31/2023    |
|--|---------------|---------------|
| <b>Current</b>   |               |               |
| Sundry debtors - Brazil – Agreements to settle   | -             | 2,670         |
| Sundry debtors - Brazil – Assignments to settle  | 3             | 1,857         |
| Funding commissions deferred   | 2,139         | 2,081         |
| Premium or discount due to transfer of assets - INSS payroll loans (ii)                  | 7,202         | 9,170         |
| Premium or discount due to transfer of assets - Advance of FGTS birthday withdrawal (ii) | 929           | 1,170         |
| Premium or discount due to transfer of assets - SIAPE (ii)                               | 325           | 398           |
| Others   | 2,090         | 1,765         |
|  | <b>12,688</b> | <b>19,111</b> |
| <b>Non-current</b>   |               |               |
| Recoverable taxes and taxes to offset (i)  | 43,300        | 44,337        |
| Advances on foreign exchange contracts   | 673           | 673           |
| Funding commissions deferred   | 1,317         | 1,380         |
| Premium or discount due to transfer of assets - INSS payroll loans (ii)                  | 15,896        | 21,984        |
| Premium or discount due to transfer of assets - Advance of FGTS birthday withdrawal (ii) | 1,380         | 1,884         |
| Premium or discount due to transfer of assets - SIAPE - Acquisition (ii)                 | 761           | 1,008         |
| Debtors for security deposits (Note 33b)   | 8,242         | 8,251         |
| <b>Total</b>   | <b>71,569</b> | <b>79,517</b> |

(i) Mainly represented by prepayment of prior years' income tax and social contribution which were not offset and recoverable INSS; Of this amount, R\$ 13,230 refers to the payment to adherence to the ax Litigation Reduction Program (PRLF) (Note 33 d2);

(ii) Amounts relating to deferral of prices of receivables acquired as described in Note 8h.

## 13. Investments

|  | 06/30/2024   | 12/31/2023   |
|--|--------------|--------------|
| CERTA - Central de Registro de Títulos e Ativos S.A. | 1,833        | 1,833        |
| Other investments                                    | 284          | 284          |
| <b>Total</b>   | <b>2,117</b> | <b>2,117</b> |

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### 14. Deposits

#### a) By maturity:

|                              | 06/30/2024            |                |                |                | 12/31/2023       |
|------------------------------|-----------------------|----------------|----------------|----------------|------------------|
|                              | Without maturity date | 1 to 90 days   | 91 to 360 days | Over 360 days  | Total            |
| On demand - local currency   | 62,571                | -              | -              | -              | 62,571           |
| On demand - foreign currency | 3                     | -              | -              | -              | 3                |
| Interbank deposits           | -                     | 11,803         | -              | -              | 11,803           |
| Time deposits                | -                     | 127,768        | 464,135        | 511,233        | 1,103,136        |
|                              | <b>62,574</b>         | <b>139,571</b> | <b>464,135</b> | <b>511,233</b> | <b>1,177,514</b> |
|                              |                       |                |                |                | <b>1,110,430</b> |

In the semester ended June 30, 2024, expenses on “Deposits” were R\$ 66,345 (R\$ 81,807 in 2023) and expenses on “Credit Guarantee Fund” amounted to R\$ 842 (R\$ 903 in 2023). (Note 20)

#### b) Average rate applied:

|                    | 06/30/2024 |          | 12/31/2023 |          |
|--------------------|------------|----------|------------|----------|
|                    | Fixed rate | Floating | Fixed rate | Floating |
| Interbank deposits | n/a        | 100.00   | n/a        | 99.94    |
| Time deposits      | 13.02      | 114.52   | 12.43      | 114.52   |

Rates used to raise floating CDB were from 100% to 125% of CDI (95% to 125% of CDI in 2023) and 100% of IPCA. For DI, a rate of 100% of CDI was used (99% and 100% of CDI in 2023).

### 15. Money market funding

|                               | 06/30/2024    |               | 12/31/2023    |
|-------------------------------|---------------|---------------|---------------|
|                               | 1-30 days     | Total         | Total         |
| <b>Own portfolio</b>          | <b>88,895</b> | <b>88,895</b> | <b>29,104</b> |
| National Treasury Notes – NTN | 88,895        | 88,895        | 29,104        |
| <b>Total</b>                  | <b>88,895</b> | <b>88,895</b> | <b>29,104</b> |

In the semester ended June 30, 2024, expenses on money market funding were R\$ 1,933 (R\$ 1,359 in 2023). (Note 20)



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### 16. Borrowings and onlendings; funds from acceptances and issuance of securities and subordinated debts

|  | 06/30/2024            |               |                |                 |               | 12/31/2023     |                |
|--|-----------------------|---------------|----------------|-----------------|---------------|----------------|----------------|
|  | Without maturity date | 1-90 days     | 91 to 180 days | 181 to 360 days | Over 360 days | Total          | Total          |
| <b>Payables due to onlendings</b>                                    | <b>5,187</b>          | -             | -              | -               | -             | <b>5,187</b>   | <b>6,991</b>   |
| Domestic onlendings - state-owned institutions (i)                   | 5,187                 | -             | -              | -               | -             | 5,187          | 6,991          |
| <b>Funds from acceptances and issuance of securities</b>             | <b>-</b>              | <b>92,361</b> | <b>144,436</b> | <b>1,168</b>    | <b>-</b>      | <b>237,965</b> | <b>252,901</b> |
| Obligations on issuance of Agricultural Receivables Notes - LCA (ii) | -                     | 80,083        | 48,187         | -               | -             | 128,270        | 149,124        |
| Obligations on Real Estate Receivables Bills - LCI (iii)             | -                     | 12,278        | 96,249         | 1,168           | -             | 109,695        | 103,777        |
| <b>Subordinated debts</b>  | <b>-</b>              | <b>-</b>      | <b>-</b>       | <b>-</b>        | <b>35,580</b> | <b>35,580</b>  | <b>32,963</b>  |
| Subordinated debts eligible to capital (iv) (note 30)                | -                     | -             | -              | -               | 35,580        | 35,580         | 32,963         |
| <b>Total</b>   | <b>5,187</b>          | <b>92,361</b> | <b>144,436</b> | <b>1,168</b>    | <b>35,580</b> | <b>278,732</b> | <b>292,855</b> |

(i) Domestic onlendings refer to resources deposited arising from the Ministry of Cities and Agencies (state and municipal agencies and the Federal District and Housing Cooperatives) under the National Program for Support to Social Interest Housing - PSH;

(ii) Refer to Agricultural Receivables Notes (LCA). From the amount for the year ended 2023, R\$ 21,498 refer to issuance for the Bank's majority shareholder. A rate from 91% to 116% of CDI was used (91% to 101% of CDI in 2023);

(iii) Refer to Agricultural Receivables Notes. From this amount, R\$ 2,492 (R\$ 3,859 in 2023) refer to the issue with the Bank's majority shareholder. The rate used was from 93.5% to 106% of CDI (93.5% and 106% of CDI in 2023) (Note 30);

(iv) Refer to Treasury Bills containing subordination clauses corresponding to instruments eligible to Tier-II capital authorized according to Resolution 4.192/13. From this amount, R\$ 30,023 (R\$ 32,546 in 2023) refer to issuance for the Bank's majority shareholder.

In the semester ended June 30, 2024, expenses on "Acceptance Appeals and issue of securities" were R\$ 13,101 (R\$ 18,725 in 2023) (notes 20 and 30) and expenses on "Subordinate Debts" amounted to R\$ 2,617 (R\$ 2,708 in 2023). (Note 20)

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### 17. Provisions for payables

|                      | <u>06/30/2024</u>   | <u>12/31/2023</u>   |
|----------------------|---------------------|---------------------|
| Vacation pay         | 2,312               | 3,154               |
| 13th salary          | 727                 | -                   |
| Profit sharing       | 589                 | -                   |
| Rentals              | 194                 | 194                 |
| Technical assistance | 1,332               | 574                 |
| Third-party services | 288                 | 268                 |
| Legal fees           | -                   | 256                 |
| Others               | 2                   | -                   |
| <b>Total</b>         | <b><u>5,444</u></b> | <b><u>4,446</u></b> |

### 18. Other liabilities

#### a) Taxes and social security

|                                 | <u>06/30/2024</u>   | <u>12/31/2023</u>   |
|---------------------------------|---------------------|---------------------|
| <b>Current</b>                  |                     |                     |
| Taxes and contributions payable | 2,778               | 3,127               |
| <b>Total</b>                    | <b><u>2,778</u></b> | <b><u>3,127</u></b> |

#### b) Sundry

|  | <u>06/30/2024</u>    | <u>12/31/2023</u>    |
|--|----------------------|----------------------|
| <b>Current</b>   |                      |                      |
| Obligations by operations connected to assignment with co-obligation (Note 8h) | 3,770                | 7,913                |
| Transactions to pass on – Assignment BPD                                       | 1,316                | -                    |
| Contracts to liquidate   | 650                  | -                    |
| Other payables   | 658                  | 1,136                |
| <b>Total</b>   | <b><u>6,394</u></b>  | <b><u>9,049</u></b>  |
| <b>Non-current</b>   |                      |                      |
| Obligations by operations connected to assignment with co-obligation (Note 8h) | 8,222                | 18,271               |
| <b>Total</b>   | <b><u>14,616</u></b> | <b><u>18,271</u></b> |

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## 19. Equity

### a) Share capital

As of June 30, 2024, fully subscribed and paid-in capital is R\$ 184,300 (R\$ 184,300 as of December 31, 2023), represented by 424,458,216 registered shares (424,458,216 as of December 31, 2023), without par value, of which 212,229,108 are common shares (212,229,108 as of December 31, 2023) and 212,229,108 are preferred shares (212,229,108 as of December 31, 2023).

### b) 13.6 Dividends and interest on Stockholder's Capital

Bylaws establish the payment of minimum mandatory dividends equivalent to 25% of profit for the year, calculated under Brazilian Corporate Law.

### c) Legal reserve

The Bank is required to allocate 5% of its profit to a legal reserve, which may not exceed 20% of paid-in capital.

### d) Statutory reserve

The Bank is required to allocate 10% of profit to the statutory reserve which is intended to ensure an appropriate operating margin up to a maximum of 100% of capital.

The profit balance after the allocations required by Bylaws will be allocated as resolved by the Executive Officers and ratified by the General Shareholders Meeting; 100% of the amount may be allocated to the earnings reserves.

Due to Accumulated losses, amounting to R\$ 12,672, profit of R\$ 5,303, calculated on June 30, 2024 was absorbed and there was not recognition of reserves.

### e) Market value adjustment of bonds and securities available for sale

The balance of valuation adjustments to equity is negative by R\$ 5,456 (R\$ 16 negative in 2023) and corresponds to federal securities available for sale and fund shares which are marked to the market. (Note 6)

### f) Accumulated losses/Retained earnings

Under Resolution 4.872/20, the unallocated profit for year, after the recognition of a legal reserve, was allocated to the statutory earnings reserve. As of June 30, 2024, loss for the year was R\$ 5,303 (Profit of R\$ 4,555 in 2023).

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### 20. Expenses on money market funding

|  | <u>06/30/2024</u>    | <u>06/30/2023</u>     |
|--|----------------------|-----------------------|
| Time deposits (Note 14)                                    | 65,843               | 81,251                |
| Money market funding (Note 15)                             | 1,933                | 1,359                 |
| Contributions to the Credit Guarantee Fund (FGC) (Note 14) | 842                  | 903                   |
| Interbank deposits (Note 14)                               | 502                  | 556                   |
| Treasury bills (Notes 16 and 30)                           | 2,617                | 2,708                 |
| Agricultural Receivables Bills - LCA (Notes 16 and 30)     | 7,655                | 13,452                |
| Real Estate Receivables Bills - LCI (Notes 16 and 30)      | 5,446                | 5,273                 |
| <b>Total</b>   | <b><u>84,838</u></b> | <b><u>105,502</u></b> |

### 21. Revenue from services and banking fees

#### a) Service revenue

|                              | <u>06/30/2024</u>   | <u>06/30/2023</u>   |
|------------------------------|---------------------|---------------------|
| Transaction structuring fees | 347                 | 650                 |
| Agreement amendment fee      | 399                 | 1,086               |
| Hiring fees                  | 255                 | 22                  |
| Other services               | 129                 | 103                 |
| <b>Total</b>                 | <b><u>1,129</u></b> | <b><u>1,861</u></b> |

#### b) Income from banking fees

|                              | <u>06/30/2024</u>    | <u>06/30/2023</u>   |
|------------------------------|----------------------|---------------------|
| Fees on transfers of funds   | 338                  | 378                 |
| Income from banking fees (i) | 13,600               | 9,473               |
| Other fees                   | 16                   | 18                  |
| <b>Total</b>                 | <b><u>13,954</u></b> | <b><u>9,869</u></b> |

- (i) Income from Bank fees have decreased in relation to the same period from the previous year, based on: a) reduction of fees as liquidator bank; b) reduction of structured transactions; and c) reduction of customers with customers with linked accounts.

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### 22. Personnel expenses

|                       | <u>06/30/2024</u>    | <u>06/30/2023</u>    |
|-----------------------|----------------------|----------------------|
| Salaries and wages    | 10,408               | 12,198               |
| Social security taxes | 4,753                | 5,169                |
| Benefits              | 3,303                | 3,704                |
| Fees                  | 3,146                | 3,436                |
| Training              | 30                   | 6                    |
| Interns' compensation | 26                   | 34                   |
| <b>Total</b>          | <b><u>21,667</u></b> | <b><u>24,547</u></b> |

### 23. Administrative expenses

|                                | <u>06/30/2024</u>    | <u>06/30/2023</u>    |
|--------------------------------|----------------------|----------------------|
| Specialized technical services | 4,071                | 4,174                |
| Data processing                | 7,704                | 8,093                |
| Rentals                        | 1,390                | 1,486                |
| Financial system               | 940                  | 1,032                |
| Communications                 | 471                  | 436                  |
| Third-party services           | 560                  | 406                  |
| Notary fees                    | 556                  | 610                  |
| Commissions to correspondents  | 1,507                | 3,044                |
| Financial consultancy          | 6,406                | 4,517                |
| Others                         | 1,583                | 1,406                |
| <b>Total</b>                   | <b><u>25,189</u></b> | <b><u>25,204</u></b> |

### 24. Tax expenses

|                                    | <u>06/30/2024</u>   | <u>06/30/2023</u>   |
|------------------------------------|---------------------|---------------------|
| Services Tax of Any Nature (ISSQN) | 757                 | 587                 |
| COFINS (tax on revenue)            | 3,435               | 2,596               |
| PIS (tax on revenue)               | 558                 | 422                 |
| Others                             | 333                 | 2,493               |
| <b>Total</b>                       | <b><u>5,083</u></b> | <b><u>6,098</u></b> |

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### 25. Expenses on provisions

|   | <u>06/30/2024</u> | <u>06/30/2023</u>   |
|---|-------------------|---------------------|
| Adjustment for inflation of taxes and contributions (Note 33) | 36                | 38                  |
| Contingencies - Judicial and legal (Note 33) (i)              | 85                | 5,184               |
| Reversal of provision for civil risks (Note 33)               | (169)             | (45)                |
| Reversal of provision for IOU (precatórios)                   | (389)             | (493)               |
| Provisions for labor claims (Note 33)                         | 698               | 551                 |
| Reversal of provision for labor risks (Note 33)               | (243)             | (406)               |
| Reversal of provision for tax risks (Note 33)                 | (2)               | -                   |
| Expenses on Federal Revenue Service deficiency notice         | -                 | 390                 |
| Reversal of provision for proceedings with RFB - Interest     | -                 | (1,951)             |
| Contingency-related fees (Note 33)                            | (13)              | 269                 |
| Provision on guarantees given                                 | -                 | 4                   |
| Reversal of provision for personnel expenses                  | -                 | (1,135)             |
| Reversal of provisions for guarantees                         | (123)             | (37)                |
| <b>Total</b>  | <u><b>120</b></u> | <u><b>2,369</b></u> |

(i) Mainly, on 06/30/2023), represented by a civil lawsuit, with revision of probability from potential to probable, thus causing the recognition of a provision. (Note 33 b3).

### 26. Other operating income

|   | <u>06/30/2024</u>    | <u>06/30/2023</u>    |
|---|----------------------|----------------------|
| Exchange gain                                     | 1,525                | 1,399                |
| Interest on federal IOU                           | -                    | 7,783                |
| Adjustment for inflation of judicial deposits     | 141                  | 215                  |
| Assignment of IOU (*)                             | 3,972                | 14,463               |
| Profit from assignment of payroll loans - Note 8h | 6,033                | 402                  |
| Income from guarantees provided                   | 63                   | -                    |
| Recovery of charges and expenses                  | 580                  | -                    |
| Restitution of portability                        | 2,097                | -                    |
| Others  | 1,005                | 2-958                |
| <b>Total</b>                                      | <u><b>15,416</b></u> | <u><b>27,220</b></u> |

(\*) Assignment of IOU with the Bank's shareholders (Note 30).

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### 27. Other operating expenses

|  | 06/30/2024    | 06/30/2023    |
|--|---------------|---------------|
| Amortization and depreciation                        | 198           | 391           |
| Deposits written off                                 | 217           | 758           |
| Transfer – Contracts assigned - BPD                  | 4,764         |               |
| Assignment with co-obligation (Note 8g)              | 1,305         | 3,722         |
| Finance costs - PSH                                  | 222           | 241           |
| Expenses with Frauds.                                | 204           | -             |
| Deferral of payroll loans INSS (Note 8h and Note 12) | 7,838         | 10,053        |
| Deferral of acquisition - SIAPE                      | 320           | -             |
| Deferral of acquisition of FGTS withdrawal           | 963           | 1,056         |
| Other divisions                                      | -             | 1,402         |
| Agreement BACEN - (note 33)                          | -             | 4,000         |
| Others   | 1,980         | 2,391         |
|  | <b>18,010</b> | <b>24,014</b> |

### 28. Non-operating profit (loss)

|   | 06/30/2024 | 06/30/2023   |
|---|------------|--------------|
| Gain or loss on disposal of intangible assets | -          | (478)        |
| Lease of Reserva Metais brand                 | 254        | 254          |
| Others  | 19         | 31           |
| <b>Total</b>                                  | <b>273</b> | <b>(193)</b> |

### 29. Income tax and social contribution

#### a) Reconciliation of provisions for income tax and social contribution

|   | 06/30/2024    | 06/30/2023     |
|---|---------------|----------------|
| Profit before taxes on income and profit sharing    | 10,847        | (7,724)        |
| (-) Profit sharing                                  | (589)         | (246)          |
| <b>Profit before taxes and after profit sharing</b> | <b>10,258</b> | <b>(7,970)</b> |
| <b>Temporary additions and deductions</b>           | <b>12,683</b> | <b>259</b>     |
| MtM adjustment - bonds and securities               | 424           | 206            |
| Credit risk losses                                  | 12,987        | 4,923          |
| Provisions for RFB proceedings - Interest           | (104)         | (1,561)        |
| Provisions for contingent liabilities (Note 33)     | (257)         | (3,144)        |
| Other temporary additions and exclusions            | (367)         | (165)          |
| <b>Permanent additions and deductions</b>           | <b>1,003</b>  | <b>384</b>     |
| Other permanent additions (exclusions)              | 1,003         | 384            |
| <b>Tax base</b>                                     | <b>23,944</b> | <b>(7,327)</b> |
| Income tax/social contribution                      | 7,530         | -              |
| Deductions - tax incentives                         | (100)         | -              |
| <b>Income tax and social contribution</b>           | <b>7,430</b>  | <b>-</b>       |
| Deferred tax assets                                 | (2,475)       | (3,414)        |
| <b>Total of income tax and social contribution</b>  | <b>4,955</b>  | <b>(3,414)</b> |

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### b) Tax credits

Tax credits formation bases were recognized as follows:

|  | 6/30/2024      | 12/31/2023    |
|--|----------------|---------------|
| Credit risk losses and receivables written off as loss   | 48,292         | 35,304        |
| Provision for contingencies  | 2,210          | 2,939         |
| Market value adjustment – bonds and securities - Negotiation                                       | 4,630          | 4,206         |
| Tax loss carryforwards   | 43,998         | 51,181        |
| <b>Total tax credits</b>   | <b>99,129</b>  | <b>93,630</b> |
| Market value adjustment – bonds and securities - Available for sale                                | 9,922          | (30)          |
| <b>Total tax credits after market value adjustment - bonds and securities - Available for sale</b> | <b>109,051</b> | <b>93,600</b> |

Changes in tax credits during the 1st semester of 2024, and year 2023 are as follows:

|  | 12/31/2023    | Constitution  | Realization/<br>Reversal | 06/30/2024    |
|--|---------------|---------------|--------------------------|---------------|
| Expected credit losses   | 15,887        | 7,099         | (1,255)                  | 21,731        |
| Provision for tax risks and contingencies  | 1,322         | 387           | (715)                    | 994           |
| Market value adjustment – bonds and securities - Negotiation                                       | 1,893         | 218           | (27)                     | 2,084         |
| Tax loss carryforwards   | 23,031        | -             | (3,232)                  | 19,799        |
| <b>Total tax credits</b>   | <b>42,133</b> | <b>7,704</b>  | <b>(5,229)</b>           | <b>44,608</b> |
| Market value adjustment – bonds and securities - Available for sale                                | (13)          | 4,478         | -                        | 4,465         |
| <b>Total tax credits after market value adjustment - bonds and securities - Available for sale</b> | <b>42,120</b> | <b>12,182</b> | <b>(5,229)</b>           | <b>49,073</b> |

  

|  | 12/31/2022    | Constitution  | Realization/<br>Reversal | 12/31/2023    |
|--|---------------|---------------|--------------------------|---------------|
| Expected credit losses   | 10,880        | 9,385         | (4,378)                  | 15,887        |
| Provision for tax risks and contingencies  | 4,616         | 3,111         | (6,405)                  | 1,322         |
| Market value adjustment – bonds and securities - Negotiation                                       | 1,787         | 310           | (204)                    | 1,893         |
| Tax loss carryforwards   | 12,096        | 10,935        | -                        | 23,031        |
| <b>Total tax credits</b>   | <b>29,379</b> | <b>23,740</b> | <b>(10,987)</b>          | <b>42,133</b> |
| Market value adjustment – bonds and securities - Available for sale                                | 2,393         | 0             | (2,406)                  | (13)          |
| <b>Total tax credits after market value adjustment - bonds and securities - Available for sale</b> | <b>31,772</b> | <b>23,740</b> | <b>(13,393)</b>          | <b>42,120</b> |

Tax credits will be offset within the statutory term permitted by Resolution 4.842/2020. Offsetting is contingent on the nature of the credit generated.



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Income tax and social contribution tax credits were only recognized on temporarily nondeductible differences.

There are no other tax credits to be recognized.

The present value of tax credits as of June 30, 2024 is R\$ 26,627. The CDI/B3 rates determined for the respective periods were used. Tax credits are periodically assessed based on the generation of future taxable income for income tax and social contribution purposes, in an amount that justifies the realization of the related amounts.

Based on their projections, which include business plan developments, Management expects that the Bank will generate future taxable income within the statutory term and will be able to use the tax credits recognized in the financial statements. Such estimate is revised on a periodic basis so that probable changes in the projected recovery of these credits can be considered in the financial statements on a timely basis.

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The estimated realization of tax credits is as follows:

|   | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         | 2033         | Total         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Expected credit losses  | 1,502        | 1,607        | 1,736        | 1,875        | 2,025        | 2,186        | 2,362        | 2,574        | 2,806        | 3,058        | 21,731        |
| Provision for tax risks and contingencies                           | -            | 249          | 249          | 249          | 248          | -            | -            | -            | -            | -            | 995           |
| Market value adjustment – bonds and securities - Negotiation        | 144          | 154          | 166          | 180          | 194          | 210          | 226          | 247          | 269          | 293          | 2,083         |
| Market value adjustment – bonds and securities - Available for sale | -            | 12           | 4            | 40           | 3,940        | 8            | 107          | 112          | 118          | 124          | 4,465         |
| Tax loss carryforwards  | 1,713        | 1,833        | 1,979        | 2,137        | 2,308        | 2,493        | 2,693        | 2,935        | 1,708        | -            | 19,799        |
| <b>Total</b>  | <b>3,359</b> | <b>3,855</b> | <b>4,134</b> | <b>4,481</b> | <b>8,715</b> | <b>4,897</b> | <b>5,388</b> | <b>5,868</b> | <b>4,901</b> | <b>3,475</b> | <b>49,073</b> |
| <b>Present value</b>  | <b>3,029</b> | <b>3,098</b> | <b>2,959</b> | <b>2,847</b> | <b>4,935</b> | <b>2,465</b> | <b>2,414</b> | <b>2,343</b> | <b>1,748</b> | <b>1,108</b> | <b>26,947</b> |

## 30. Related-party transactions

Related-party transactions were conducted under usual market conditions as regards charges and maturities and consist basically of:

|  | Assets (liabilities) |            | Revenue (expenses) |            |
|--|----------------------|------------|--------------------|------------|
|  | 06/30/2024           | 12/31/2023 | 06/30/2024         | 06/30/2023 |
| Demand deposits  | 3,644                | 4,763      |                    | -          |
| Time deposits  | (125,531)            | (93,509)   |                    | (13,354)   |
| Treasury bills - Subordinated debt (Note 16)           | (30,023)             | (32,546)   | (2,617)            | (5,470)    |
| Real Estate Receivables Bills - LCI (Notes 16 and 20)  | (2,492)              | (3,859)    | (690)              | (790)      |
| Agricultural Receivables Bills - LCA (Notes 16 and 20) | -                    | (21,498)   | -                  | (4,750)    |
| Receivables without recourse (*)                       | -                    | -          | -                  | 2,431      |
| Assignment with IOU (**)                               | -                    | -          | 2,350              | 14,464     |

(\*) There was not Assignment with Receivables with Paulista – Companhia Securitizadora de Créditos Financeiros S.A. During the first semester of 2024 (Note 8.h);

(\*\*) Assignment with IOU, during the first semester of 2024, with Bank's shareholders (Note 26).

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### a) Key management personnel compensation

The annual General Shareholders' Meeting resolves on the overall compensation of the key management personnel, as established in the Bank's Bylaws. The Bank incurred on the following short-term benefits to Management:

|                       | <u>06/30/2024</u>   | <u>06/30/2023</u>   |
|-----------------------|---------------------|---------------------|
| Fixed compensation    | 3,146               | 3,437               |
| Social security taxes | 708                 | 773                 |
| <b>Total</b>          | <b><u>3,854</u></b> | <b><u>4,210</u></b> |

The Bank does not grant long-term, post-employment, layoff, or share-based compensation benefits to its management key personnel.

## 31. Risk management

### Risk appetite

The Executive Board is responsible for approving the risk appetite limits and guidelines and, in accomplishing their responsibilities, counts on the support of the Risk and Control Committee and the Chief Risk Officer (CRO).

The risk appetite limits are monitored on a periodic basis and reported to the Risk and Control Committee and the Executive Board that governed preventive decision-making process to ensure that exposure is aligned with the Bank's strategy.

There is a centralized risk control and management framework and independent from business units which establish risk limits and mitigation mechanisms, besides establishing processes and instruments to measure, monitor and control risks.

The Bank uses three components to organize its risk management activities: Business and operational scenario; governance framework; and the organizational chart of the departments.

- Business and operational scenario: the objective of this component is to identify, analyze, evaluate, address, communicate, and monitor risks;
- The governance framework is comprised of committees and collegiate forums, specialized and with a periodic agenda, with formalization of relevant decisions; and
- The organizational chart of the departments defines specific responsibilities and ensure segregation of duties and independent roles.

# **Banco Paulista S.A.**

Notes to the financial statements

As of June 30, 2024, and June 30, 2023

(In thousands of reais)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

The Bank adopts an integrated management for risks, minimum capital requirements and financial capacity. Risks are classified according to their nature: liquidity, credit; market; operational; and capital management.

## Types of risks:

### a) Liquidity risk

The liquidity risk arises from the risk that the Bank will not be able to efficiently discharge its expected and unexpected obligation, current and future, without affecting its day-to-day operations and without incurring material losses. To protect itself against this risk, the Bank periodically assesses its exposures and defines the volume of security 'cushion', or minimum liquidity, which should be recognized and held by the Institution.

The objective of liquidity risk management is to provide funding and manage investments and funding in the short and long terms. For the short-term horizon, the diversification of funding sources is prioritized. For the long-term horizon, matching the time between funding and investments is the priority. The practices adopted by the Bank are in conformity with the requirements set forth in CMN Resolution 4.557/17.

### b) Credit risk

The credit risk arises from loss due to failure of the taker, issuer, or counterpart to fulfill their respective financial obligations within the agreed-upon terms. To face this risk, the Bank periodically revises its exposures and the credit rating of its clients and counterparts by setting limits and requiring guarantees that are sufficient to cover potential losses incurred by the institution.

The objective of the credit risk management is to anticipate the degree of risk, monitor the diversification and recognize sufficient guarantee that make it possible to minimize the Institution's risk of incurring financial loss. The practices adopted by the Bank are in conformity with the requirements set forth in CMN Resolution 4.557/17.

### c) Market risk

The market risk arises from the risks that the Bank will incur significant losses due to fluctuations in the market value of the positions held by the Bank. Such losses may be subject to currency parity as well as parity in interest rates, share price, price index and prices of commodities.

The risk management function seeks to balance the business objectives in the banking and trading portfolios, considering, among others: political, economic and market scenarios, portfolio profile and capacity to operate in specific markets. The practices adopted by the Bank are in conformity with the requirements set forth in CMN Resolution 4.557/17.

## **Banco Paulista S.A.**

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(In thousands of reais)

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### **d) Operational risk**

The operational risk arises from fraud, internal or external, labor claims and deficient occupational safety, inappropriate practices relating to clients, products and services, damages to own physical assets or in use by the Bank, situations that may cause disruption to the Bank's activities and failures in systems, processes, or information technology infrastructure. To address this risk, the Bank periodically compiles and categorizes these events by monitoring the effectiveness of the improvement plans adopted to minimize the occurrence of such events.

The objective of the operational management risk is the organized capture of information on weaknesses in business processes and the evaluation of the corresponding improvement plans. The practices adopted by the Bank are in conformity with the requirements set forth in CMN Resolution 4.557/17.

### **e) Capital Management**

Capital management counts on a prospective process to monitor and control the Bank's capital including the capital requirement planning and projection consistently with the budgetary plans and business goals and strategies to cover the resulting risks.

Capital can be defined as the long-term funds, own and third parties, and may be segmented into Tier I (Principal Capital and Supplementary Capital and Tier II (Hybrid Instruments), which were classified and authorized by BACEN for this specific purpose and that enable the institution to absorb the risks and determine and meet the required ratios and leverage thresholds. The practices adopted are in conformity with CMN Resolution 4.557/17.

### **f) Sensitivity analysis**

Banco Paulista performed a sensitivity analysis by market risk factors considered relevant, by monitoring the results obtained in determining the risks associated with the Bank's portfolio.

Since the calculation is made by following a methodology standardized by the Central Bank by means of the Financial Risk Management System, it does not consider the dynamic response capacity of management (Treasury and control areas) which triggers risk mitigating measures to minimize significant losses at least partially. The specific purpose of this study is risk management; therefore, it has no relation with accounting practices.

## **Banco Paulista S.A.**

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### **g) Social, Environment, and Climate Responsibility**

We have updated our regulatory commitment following the new guidelines brought through Resolution CMN 4.943/2021 which amends the Resolution 4.577/17 of “Integrated Risk Management (GIR)”, including guidelines related to the management of social, environmental, and climate-related risks, and of Resolution CMN 4.945/2021, which provides on the Policy of Environment, and Climate Responsibility (“PRSAC”). Both came into force on December 01, 2022 for financial institutions of the Segment S4, under which the Company is framed.

The Policy of Environment, and Climate Responsibility (“PRSAC”) presents principles, strategies, and guidelines of social, environmental, and climate nature to be observed in conducting our business, activities, and processes, as well as its relationship with the concerned parties, being 100% aligned with the institutional positioning of the company, as regards of ESG matters.

In addition, it is worth highlighting that the social, environmental, climate risk assessment is part of the acceptance/renovation process of relevant customers and suppliers of Banco Paulista, and includes analysis of the commitment and customer and/or supplier’s ability to prevent, reduce, mitigate, and manage potential social, environmental, and climate-related impacts of their activities. At the end of this process, a rating RSAC (Social, Environmental, and Climate-related Risk) is attributed to eligible customer, as well as to relevant suppliers.

This process is part and contributes to the robustness of the structure of integrated risk management of the company, comprising an exclusive dimension in the institution’s matrix of Risk Appetite (RAS), periodically accompanied by the Management.

## **32. Indorsement, sureties and guarantees provided to third parties**

As of June 30, 2024, the responsibility for indorsement, sureties, and guarantees provided to third parties, including receivables assigned without recourse, amounted to R\$ 12,480 (R\$ 4,074 on December 31, 2023). An allowance for potential losses of R\$ 44 (R\$ 167 on December 31, 2023).

## **33. Contingent assets and contingent liabilities, and legal, tax and social security obligations**

### **a) Contingent assets**

Contingent assets are not recognized, except when there are actual guarantees or judicial decisions favorable on which no appeals apply, characterizing gain as practically guaranteed. Contingent assets with probable success, when existing, are only disclosed in the financial statements.

## **Banco Paulista S.A.**

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(In thousands of reais)

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### **b) Contingent liabilities assessed as probable losses and legal obligations**

#### **b.1) Provision for labor risks**

Comprised mainly of lawsuits filed by former employees claiming overtime and former independent contractors claiming recognition of employee-employer relationship and payment of the related labor rights.

Provisions for risks are recognized based on an individual analysis of the potential loss amount for each lawsuit, considering the current stage of the lawsuit, the case law in relation to the matter and the opinion of outside legal counsel. The probable loss amount reliably estimated is fully recognized, including charges.

#### **b.2) Provision for civil risks**

Comprised mainly of civil lawsuits related to CDC operations, for pain and suffering and property damages, and other lawsuits with indemnity claims. For lawsuits related to CDC operations whose amounts are not individually material, the provision is recognized based on the average history of losses on lawsuits of the same nature. The average history of loss is revised every six months. For other civil lawsuits, the likelihood of loss is individually analyzed considering the current stage of the lawsuit, the case law in relation to the matter and the opinion of outside legal counsel.

#### **b.3) Provision for tax and social security risks**

The provisions for tax and social security risks are represented by lawsuits and administrative proceedings, substantially represented by Constitutional Amendment 10/09 which ensures (i) the right to pay social contribution on net profit (CSLL) at the same rate applicable to entities not operating in the financial services segment; and (ii) suspend the requirement to pay CSLL on profits calculated at a rate of 30% in the period from January 1, 1996 to June 7, 1996, during which the company calculated and paid CSLL at a rate of 18% based on Law 9.249/95.

## Banco Paulista S.A.

Notes to the financial statements

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(In thousands of reais)

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Changes in provisions for risks and contingencies in the semester and year are as follows:

| Provision for risks                           |          |              |              |              |              |
|---|----------|--------------|--------------|--------------|--------------|
|   | Labor    | Civil        | Tax          | 06/30/2024   | 12/31/2023   |
| Balance at the beginning of the semester/year | 243      | 1,842        | 1,392        | 3,477        | 6,954        |
| Recognition                                   | 698      | 85           | -            | 783          | 6,262        |
| Realization                                   | (698)    | (169)        | -            | (867)        | (8,470)      |
| Inflation adjustments                         | -        | 5            | 31           | 36           | 28           |
| Reversals                                     | (243)    | (194)        | (2)          | (439)        | (688)        |
| Fees  | -        | -            | -            | -            | 277          |
| Reversal of fees                              | -        | (13)         | -            | (13)         | (888)        |
| Balance at the end of the semester/year       | <u>-</u> | <u>1,556</u> | <u>1,421</u> | <u>2,977</u> | <u>3,475</u> |

  

| Judicial deposits                             |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
|   | Labor        | Civil        | Tax          | 06/30/2024   | 12/31/2023   |
| Balance at the beginning of the semester/year | 1,988        | 1,352        | 4,912        | 8,251        | 8,411        |
| Inflation adjustments                         | 30           | -            | 111          | 141          | 426          |
| Recognition                                   | 1,061        | 287          | -            | 1,349        | 638          |
| Reversals                                     | (232)        | (12)         | -            | (245)        | -            |
| Write-offs                                    | (217)        | -            | -            | (217)        | (790)        |
| Court costs                                   | (3)          | -            | -            | (3)          | (434)        |
| Payments                                      | (713)        | (322)        | -            | (1,034)      | -            |
| Balance at the end of the semester/year       | <u>1-914</u> | <u>1,305</u> | <u>5,023</u> | <u>8,242</u> | <u>8,251</u> |

### c) Contingent liabilities assessed as possible losses

As of June 30, 2024, contingent liabilities classified as possible loss are represented by 56 civil lawsuits (37 lawsuits in 2023) involving R\$ 3,818 (R\$ 3,000 in 2023), 18 labor claims (18 claims in 2023) involving 4,014 (R\$ 4,567 in 2023), and 03 tax lawsuits (03 lawsuits in 2023) involving R\$ 2,817 (R\$ 2,817 in 2023). The involved amounts were calculated based on the respective claims (which do not necessarily represent the amount of a possible loss) and are substantially represented by the following lawsuits:

- Lawsuits claiming revision of clauses under loan and financing agreements;
- Indemnity claims, arising from the performance of financial transactions; and
- Labor claims:



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### **d) Processes underway**

#### **d.1) Operation Car Wash**

On May 08, 2019, the Bank was the target of the 61st stage of Operation Car Wash, named “Mamom Disguises”, related to the Grupo Odebrecht, in which the Federal Attorney General's Office (“MPF”) and the Federal Police investigate operations of money laundry, through exchange operations. On September 10, 2020 the 74th stage of the Car Wash operation was launched which targets were agreements executed with the Petrobras Group, in relation to surcharges, freezing of resources of officers involved in these operations.

The Bank's current Management has no knowledge of the transactions being investigated by Operation Car Wash, and reassures that the Institution's operations have always being based on legality and all the standards and guidance established by the Central Bank of Brazil are followed.

Additionally, the Bank is not under criminal charge, therefore, there is nothing to state regarding success analysis in the financial sphere. It must be stated that there is not provision for criminal liability of corporate entities in the Brazilian Legal System, except for cases of environmental crimes. The criminal proceedings abovementioned are not result of environmental crimes apt to claim criminal liability of the corporate entity.

The Bank reinforces its commitment to society, clients, and authorities and, for this purpose, the new Management is focused on adopting strict standards, mainly measures to strengthen governance and compliance, such as management, control, audit, and transparency of information.

Management hereby asserts that, through the date these financial statements were closed, there had been no updates or new information on the matter.

#### **d.2) Proceedings – Federal Revenue**

In December 2019, the Federal Revenue Service issued a tax assessment notice disallowing the use of administrative expenses in determining IRPJ, CSLL and IRRF in the amount of R\$ 32,761, which were assessed by the Bank's legal counsel as possible.

The same tax assessment notice disallowed the use of expenses in the amount of R\$ 62,413, assessed as remote loss, as supported legal opinion issued on March 04, 2024 by legal counsels, as well as the findings of the independent investigation, which did not identify irregularities for these expenses. For both cases, the Bank filed an appeal challenging the decisions.

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On February 28, 2023, the Bank registered the intention of adhesion to the Tax Litigation Reduction Program (PRLF), and performed the payment of the amount R\$ 12,898, and the updated amount is R\$ 13,230 (Note 12). This program grants discounts of up to 100% of interests and fees, observing the limit of 65% on the total amount of receivable purpose of the negotiation, varying according to several factors, including the payment capacity determined through statistic calculations. It is worth noticing that the adhesion request does not imply automatic deferral, neither represents irrevocable confession of the respective debts.

The proceedings related to the Tax Litigation Reduction Program (PRLF), until issuance of these statements, is still under analysis by the Federal Revenue Service and the respective defense of citations are in progress, with probability of loss assessed by the legal counsels as potential or remote, thus, no provision was recognized related to this matter

### D.3) Agreement

During the year 2022, it was instituted the "Agreement" by BACEN, being in this case applied a fine of R\$ 4,000 and R\$ 12,081, paid in February 27, 2023 and July 31, 2023, respectively, when the Bank reassured improvements in its actions, as well as preparation of the Action Plan with improvements in the Governance process.

With the liquidation of these amounts during the year of 2023, the Management understands that this matter was fully concluded with the Central Bank of Brazil.

## 34. Operating limits

O regulatory capital required determined under the prevailing regulations is as follows:

| <b>RWA and Basel ratio</b>                                       | <b>06/30/2024</b> | <b>12/31/2023</b> |
|--|-------------------|-------------------|
| <b>PR</b>  | <b>137,485</b>    | <b>175,376</b>    |
| <b>Tier-I regulatory capital</b>                                 | 152,138           | 149,006           |
| <b>Principal Capital</b>   | 152,138           | 149,006           |
| <b>Tier-II regulatory capital</b>                                | 21,348            | 26,370            |
| <b>RWA Cpad - Credit</b>   | 1,225,252         | 1,198,740         |
| <b>RWA Cam - Foreign exchange</b>                                | 1,814             | 1,522             |
| <b>RWA Trading - Interest, commodities, shares</b>               | 11,841            | 277               |
| <b>RWA Opad - Operational</b>                                    | 157,904           | 154,973           |
| <b>RWA – Total</b>   | <b>1,396,812</b>  | <b>1,355,512</b>  |
| <b>Minimum regulatory capital</b>                                | <b>111,745</b>    | <b>108,441</b>    |
| <b>Basel ratio (regulatory capital / Total RWA)</b>              | <b>12.42%</b>     | <b>12.94%</b>     |
| <b>Tier-I ratio (Tier-I regulatory capital/ Total RWA)</b>       | <b>10.89%</b>     | <b>10.99%</b>     |
| <b>Principal Capital ratio (Principal Capital / Total RWA)</b>   | <b>10.99%</b>     | <b>10.99%</b>     |
| <b>Wide Basel ratio (regulatory capital / (Total RWA+ Rban))</b> | <b>12.12%</b>     | <b>12.62%</b>     |

## Banco Paulista S.A.

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Basel Index, for the reference date June 30, 2024, determined in accordance with Resolution 2.099/94, with amendments introduced by Resolutions 4.192/13 and 4.193/13, is 12.42% for the Financial Conglomerate.

The Bank is compliant with the requirements.

### 35. Provision of non-audit services and auditor's independence policy

In compliance with CMN Resolution 2021, the Bank did not engage Grant Thornton Auditores Independentes Ltda. to provide services to the Bank other than the external audit services. The policy adopted complies with the principles that preserve the auditor's independence, according to prevailing standards, that mainly determine that the auditor should neither audit its own work nor exercise management functions in the client or pursue its interests.

### 36. Other information

#### a) Nonrecurring profit or loss

|  | 06/30/2024   | 06/30/2023     |
|--|--------------|----------------|
| <b><u>(Loss) Profit for the semester</u></b> | <b>5,303</b> | <b>(4,556)</b> |
| (-) <u>Nonrecurring profit or loss</u>       |              |                |
| Severance costs (Bank's restructuring)       |              | (640)          |
| Reversal of revenue                          | (190)        |                |
| Agreement                                    | -            | (4,000)        |
| Labor lawsuits                               | (715)        | -              |
| Legal fees                                   | (167)        | (1,448)        |
| Tax effects                                  | 482          | 2,740          |
| <b>Total nonrecurring profit or loss</b>     | <b>(590)</b> | <b>(3,348)</b> |
| <b><u>Recurring net profit (loss)</u></b>    | <b>4,713</b> | <b>(1,208)</b> |

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### **37. Other matters**

- 1) Profit-sharing will be paid to employees until September 2024.
- 2) From January 1, 2025, the provisions of Resolution CMN No. 4.966/21, together with the changes introduced by Resolution CMN No. 5.100/23, establish new criteria applicable to financial instruments, covering the designation and the recognition of hedge relations to be adopted by the financial institutions, including Banco Paulista S.A., and other institutions authorized by the Central Bank of Brazil. These criteria cover several aspects, such as classification, measurement, recognition, and write-off of financial instruments, the recognition of provision for expected losses related to credit risk, the updated of financial instruments based on the contractual effective tax rate, and the recognition of interest for overdue active financial instruments.

The Implementation Planning initially designed based on the guidelines established in the Resolution CMN No. 4.966/21, and adopted by Banco Paulista S.A., provides for a series of steps to be executed during the year of 2024, aiming the effective implementation from January 1, 2025. In addition, there is a specific Committee, comprised of several areas, which will be responsible for identifying the impacts of adoption of guidelines and monitor its implementation, taking into consideration, among other aspects, the effects in the processes and legacy systems, as well as the review of the models and criteria used in the establishment of accounting estimates.

Additionally, to the Resolution CMN No. 4.966/21, the Resolution BCB No. 352, dated November 23, 2023, revoked the Resolution BCB, dated March 28, 2023. This new resolution provides on accounting concepts and criteria applicable to final, as well as on the designation and recognition of hedge relations, in addition to approaching accounting procedures for the definition of cash flows of financial assets, the application of the methodology for appraisal of the effective interest rate, the recognition of provision for losses associated with credit risk, and the disclosure of information related to financial instruments in the Notes to the financial statements.

The Management of Banco Paulista S.A. Is closely monitoring the process of adoption of Resolutions CMN no. 4.966/21 and BCB No. 352/23, as well as the potential impacts on the institution's financial statements.

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### **38. Events after the reporting period**

On August 15, 2024, the Bank sold in the secondary market, to qualified investors, 7,200 shares of the Fund “BPD” for the same equity value of the share.

From June 30, 2024 to the date these financial statements was approved for issue, no subsequent occurred that would require disclosure.

### **39. Explanation added to the English version**

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes. Certain accounting practices applied by the Company that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where these financial statements may be used.

**Marcelo de Toledo Guimarães**  
**Director**

**Rui Luis Fernandes**  
**Director**

Ana Cristina Alves Afonso  
Chief Accountant