

*Commerzbank Brasil S.A.  
– Banco Múltiplo*

*Financial statements  
at June 30, 2021  
and independent auditor's report*

# **Commerzbank Brasil S.A. – Banco Múltiplo.**

## **Financial Statements**

**At June 30, 2021**

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**A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN)**

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## **Independent Auditor's Report on Financial Statements**

To the Board of Directors and Stockholders  
**Commerzbank Brasil S.A. - Banco Múltiplo**  
São Paulo - SP

### **Opinion**

We have audited the financial statements of Commerzbank Brasil S.A. – Banco Múltiplo (“Bank”), which comprise the statement of financial position as at June 30, 2021, and the statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Commerzbank Brasil S.A. – Banco Múltiplo as at June 30, 2021, and its financial performance and cash flows for the six-month period then ended in accordance with accounting practices adopted in Brazil applicable to 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 responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of matter**

As disclosed in Note 1, the controlling shareholder Commerzbank AG decided to discontinue its activities in Brazil. These financial statements were prepared on a liquidation basis, considering the assumption that the Bank will not continue as a going concern, as disclosed in Note 2. Our opinion is not qualified in respect of this matter.

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

Management is responsible for such other information, which comprise 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 work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



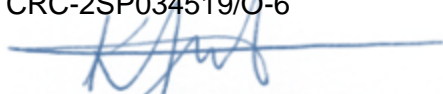
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- Concluded on the appropriateness of management's use of the going concern basis of accounting. When the use of this basis of accounting is inappropriate and management uses an alternative basis of accounting, we conclude on the appropriateness of management's use of the alternative basis of accounting. Additionally, we assessed the adequacy of disclosures related to the alternative basis of accounting and the reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our report.
- Evaluated 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 identify during our audit.

São Paulo, August 27, 2021.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP034519/O-6



Kátia Sayuri Teraoka Kam  
Accountant CRC-1SP272354/O-1

# Commerzbank Brasil S.A. – Banco Múltiplo

## Management's Report In thousands of Reais

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**Dear Shareholders:** In accordance with legal and statutory provisions, we hereby submit for your consideration the Balance Sheet, the Income Statement, the Other Comprehensive Income Statement, Changes in Shareholders' Equity and Cash Flows of Commerzbank Brasil S.A. – Banco Múltiplo (the "Bank") for the period ended on June 30, 2021, together with the Accompanying Notes and the Independent Auditor's Report.

On July 28, 2016, the Bank received approval from the Central Bank of Brazil to initiate its operations as a multiple bank, with commercial and investment portfolios.

As at June 30, 2021, total assets totaled R\$ 840.731 (R\$ 1.310.706 on December 31, 2020). The Bank's assets consisted primarily of a foreign exchange portfolio totaling R\$ 302.780 (R\$ 428.018 on December 31, 2020), government bonds classified as "available for sale", amounting to R\$ 134.979 (R\$ 311.084 on December 31, 2020), loans transactions totaling R\$ 318.166 (R\$ 482.381 on December 31, 2020) and advances against foreign exchange contracts ("ACC"), amounting to R\$ 94.733 (R\$ 163.362 on December 31, 2020). The Bank raised funding mainly through credit lines from Commerzbank AG amounting to R\$ 489.694 (R\$ 903.293 on December 31, 2020). Shareholders' equity totaled R\$ 110.966 (R\$ 137.529 on December 31, 2020).

**Conformity of operations to the business plan:** Commerzbank Brazil's operations are in line with the strategic objectives set out in the business plan, in relation to clients, products and services offered by the bank.

Commerzbank AG, controlling shareholder, decided to change its overall strategy (New Strategy 2024), which includes the closure of several international units, including Commerzbank Brasil S.A.

The closure of the activities of Commerzbank Brasil S.A. is being carried out in a gradual manner that foresees the business wind down in September 2022 and the operational wind down in September 2023.

**Basel Ratio:** The Bank adopts the calculation of operating limits based on the financial data in accordance with BACEN guidelines. The ratio calculated according to the rules prevailing at June 30, 2021 was 16,07% (15,64% on December 31, 2020).

**Risk Management:** the Bank is equipped with structures designed to control and monitor the risks inherent to its activities, and it discloses its credit risk, market risk, operating risk, capital management structures, and information pursuant to Central Bank Circular n.º 3.930/19 available for public access at <https://www.commerzbank.com.br> in the item Financial and Regulatory Information.

São Paulo, August 27, 2021

**The Management**

# Commerzbank Brasil S.A. – Banco Múltiplo

## Balance Sheet In thousands of Reais

| ASSETS                                       | Note      | June 2021                    | December 2020                  |
|--|-----------|------------------------------|--------------------------------|
| Cash   | 4         | <u>31.936</u>                | <u>2.796</u>                   |
| <b>Financial instruments</b>                 |           | <b><u>791.976</u></b>        | <b><u>1.299.858</u></b>        |
| Interbank loans                              | 5         | <u>32.942</u>                | <u>74.834</u>                  |
| Securities                                   | 6         | <u>134.979</u>               | <u>311.084</u>                 |
| Own portfolio                                |           | 19.754                       | 188.929                        |
| Pledged as collateral                        |           | 115.225                      | 122.155                        |
| Derivatives                                  | 7         | <u>3.109</u>                 | <u>3.541</u>                   |
| Lending operations                           | 8         | <u>318.166</u>               | <u>482.381</u>                 |
| Private sector                               |           | 318.166                      | 482.381                        |
| Foreign exchange portfolio                   | 9         | <u>302.780</u>               | <u>428.018</u>                 |
| <b>Allowance for loan losses</b>             | <b>8</b>  | <b><u>(722)</u></b>          | <b><u>(2.642)</u></b>          |
| <b>Interbank relations</b>                   |           | <b><u>62</u></b>             | <b><u>72</u></b>               |
| Central Bank compulsory deposits             |           | 62                           | 72                             |
| <b>Other credits</b>                         |           | <b><u>12.097</u></b>         | <b><u>4.496</u></b>            |
| Income receivable                            |           | 1.756                        | 537                            |
| Negotiation and intermediation of securities | 7         | 5.396                        | 196                            |
| Sundry                                       | 10        | 4.945                        | 3.763                          |
| <b>Other assets</b>                          | <b>11</b> | <b><u>280</u></b>            | <b><u>332</u></b>              |
| Prepaid expenses                             |           | 280                          | 332                            |
| <b>Property and equipment in use</b>         | <b>13</b> | <b><u>5.102</u></b>          | <b><u>5.794</u></b>            |
| Other properties for use                     |           | 12.626                       | 12.888                         |
| Accumulated depreciation                     |           | (7.524)                      | (7.094)                        |
| <b>Total Assets</b>                          |           | <b><u><u>840.731</u></u></b> | <b><u><u>1.310.706</u></u></b> |

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

# Commerzbank Brasil S.A. – Banco Múltiplo

## Balance Sheet In thousands of Reais

| LIABILITIES AND SHAREHOLDERS' EQUITY               | <u>Note</u> | <u>June 2021</u> | <u>December 2020</u> |
|--|-------------|------------------|----------------------|
| <b>Financial instruments</b>                       |             | <b>692.268</b>   | <b>1.160.517</b>     |
| Deposits   | 14          | 4.946            | 12.929               |
| Demand deposits                                    |             | 1.104            | 2.546                |
| Time deposits                                      |             | 3.842            | 10.383               |
| Borrowings   | 15          | 489.694          | 903.293              |
| Foreign borrowings                                 |             | 466.634          | 770.059              |
| Foreign onlending                                  |             | 23.060           | 133.234              |
| Derivatives  | 7           | 3.087            | 11.426               |
| Foreign exchange portfolio                         | 9           | 194.541          | 232.869              |
| <b>Interbank relations</b>                         |             | <b>4.731</b>     | <b>2.515</b>         |
| Settlement payments                                |             | 261              | -                    |
| Third-party resources                              |             | 4.470            | 2.515                |
| <b>Other obligations</b>                           |             | <b>31.023</b>    | <b>9.467</b>         |
| Collection of taxes                                |             | 1                | -                    |
| Tax and social security obligations                | 16a         | 1.193            | 1.455                |
| Negotiation and intermediation of securities       | 7           | 1.887            | 1.998                |
| Other  | 16b         | 27.942           | 6.014                |
| <b>Deferred Income</b>                             |             | <b>1.743</b>     | <b>678</b>           |
| <b>Shareholders' Equity</b>                        | 17          | <b>110.966</b>   | <b>137.529</b>       |
| Capital:   |             | 268.138          | 268.138              |
| Of shareholders' domiciled abroad                  |             | 268.138          | 268.138              |
| OCI - Available-for-sale mark-to-market Adjustment |             | (949)            | 1.079                |
| Accumulated losses                                 |             | (156.223)        | (131.688)            |
| <b>Total Liabilities and Shareholders' Equity</b>  |             | <b>840.731</b>   | <b>1.310.706</b>     |



## Commerzbank Brasil S.A. – Banco Múltiplo

### Income statements for the six-month period. In thousands of Reais (except losses per share)

|   | <u>Note</u> | <u>June 2021</u> | <u>June 2020</u> |
|---|-------------|------------------|------------------|
| <b>Revenue from financial intermediation</b>      |             | <b>13.479</b>    | <b>52.154</b>    |
| Lending operations                                | 18 a        | 8.297            | 42.761           |
| Securities transactions                           | 18 b        | 5.182            | 9.393            |
| <b>Expenses from financial intermediation</b>     |             | <b>(484)</b>     | <b>(46.963)</b>  |
| Open market funding transactions                  | 18 g        | (74)             | (827)            |
| Borrowing and onlending transactions              | 18 h        | 9.827            | (297.935)        |
| Derivative financial instruments                  | 18 c        | (1.915)          | 141.393          |
| Foreign exchange transactions                     | 18 d        | (8.322)          | 110.406          |
| <b>Gross income from financial intermediation</b> |             | <b>12.995</b>    | <b>5.191</b>     |
| <b>Allowance for loan losses</b>                  |             | <b>1.957</b>     | <b>(1.909)</b>   |
| Loan portfolio                                    |             | 1.318            | (1.111)          |
| Foreign portfolio                                 |             | 602              | (437)            |
| Guarantees  |             | 37               | (361)            |
| <b>Results from financial intermediation</b>      |             | <b>14.952</b>    | <b>3.282</b>     |
| <b>Other operating income</b>                     |             | <b>8.933</b>     | <b>8.859</b>     |
| Income from services provided                     | 18 e        | 8.495            | 8.245            |
| Income from banking fees                          | 18 f        | 324              | 102              |
| Other operating revenues                          |             | 114              | 512              |
| <b>Other operating expenses</b>                   |             | <b>(48.420)</b>  | <b>(25.759)</b>  |
| Personnel expenses                                | 18 i        | (37.408)         | (16.042)         |
| Other administrative expenses                     | 18 j        | (8.461)          | (7.862)          |
| Tax expenses                                      | 18 k        | (1.738)          | (1.111)          |
| Other operating expenses                          |             | (121)            | (89)             |
| Depreciation and amortization expenses            |             | (692)            | (651)            |
| Provision for labor contingency                   |             | -                | (4)              |
| <b>Results before income taxes</b>                |             | <b>(24.535)</b>  | <b>(13.618)</b>  |
| <b>Income and social contribution taxes</b>       | 19          | <b>-</b>         | <b>(1.747)</b>   |
| Deferred tax assets                               |             | -                | (1.747)          |
| <b>Losses for the period</b>                      |             | <b>(24.535)</b>  | <b>(15.365)</b>  |
| Number of shares (in thousands)                   |             | 268.137          | 268.137          |
| Losses per share                                  |             | (0,0915)         | (0,0573)         |

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

## Commerzbank Brasil S.A. – Banco Múltiplo

Other comprehensive income statements for the six-month period.

In thousands of *Reais* (except losses per share)

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|  | <u>June 2021</u>              | <u>June 2020</u>              |
|--|-------------------------------|-------------------------------|
| Accumulated losses                                 | <u>(24.535)</u>               | <u>(15.365)</u>               |
| Other comprehensive income                         |                               |                               |
| Securities portfolio - available for sale          | <u>(2.028)</u>                | <u>777</u>                    |
| OCI - Available-for-sale mark-to-market Adjustment | <u>(2.028)</u>                | <u>1.412</u>                  |
| Tax effect   | <u>-</u>                      | <u>(635)</u>                  |
| <b>Total other comprehensive income</b>            | <b><u><u>(26.563)</u></u></b> | <b><u><u>(14.588)</u></u></b> |

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

## Commerzbank Brasil S.A. – Banco Múltiplo

### Statement of changes in shareholders' equity for the six-month period. In thousands of *Reais*

|                                     | <u>Note</u> | <u>Capital<br/>Stock</u> | <u>Equity<br/>Adjustment</u> | <u>Accumulated<br/>Losses</u> | <u>Total</u>   |
|-------------------------------------|-------------|--------------------------|------------------------------|-------------------------------|----------------|
| <b>On December 31, 2019</b>         |             | <u>268.138</u>           | <u>487</u>                   | <u>(99.471)</u>               | <u>169.154</u> |
| Mark-to-market                      |             |                          |                              |                               |                |
| OCI - Available-for-sale securities |             | -                        | 777                          | -                             | 777            |
| Loss for the period                 | 17          | -                        | -                            | (15.365)                      | (15.365)       |
| <b>On June 30, 2020</b>             |             | <u>268.138</u>           | <u>1.264</u>                 | <u>(114.836)</u>              | <u>154.566</u> |
| <b>On December 31, 2020</b>         |             | <u>268.138</u>           | <u>1.079</u>                 | <u>(131.688)</u>              | <u>137.529</u> |
| Mark-to-market                      |             |                          |                              |                               |                |
| OCI - Available-for-sale securities |             | -                        | (2.028)                      | -                             | (2.028)        |
| Loss for the period                 | 17          | -                        | -                            | (24.535)                      | (24.535)       |
| <b>On June 30, 2021</b>             |             | <u>268.138</u>           | <u>(949)</u>                 | <u>(156.223)</u>              | <u>110.966</u> |

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

## Commerzbank Brasil S.A. – Banco Múltiplo

### Statement of cash flow (indirect method) for the six-month period.

In thousands of *Reais*

| From operations  | Nota | June 2021      | June 2020      |
|--|------|----------------|----------------|
| <b>Adjusted loss</b>                                     |      | <b>(6.037)</b> | <b>(7.640)</b> |
| Loss for the period                                      |      | (24.535)       | (15.365)       |
| Allowance for loans losses                               | 8b   | (1.957)        | 1.909          |
| Provision for bonus                                      |      | 108            | 2.641          |
| Deferred taxes   |      | -              | 1.747          |
| Current taxes  |      | -              | -              |
| Depreciation and amortization                            |      | 692            | 651            |
| Mark-to-market adjustment                                |      | (2.028)        | 777            |
| Restructuring provisions                                 | 27   | 21.683         | -              |
| <b>Variance in assets and liabilities</b>                |      | <b>21.575</b>  | <b>155.002</b> |
| Financial instruments                                    |      | 196.488        | 50.182         |
| Interbank relations                                      |      | 2.226          | 2.103          |
| Lending Operations                                       |      | 164.215        | (255.229)      |
| Foreign exchange portfolio                               |      | 86.910         | (93.015)       |
| Other credits  |      | (7.601)        | (3.768)        |
| Other valuables and assets                               |      | 52             | (333)          |
| Deposits   |      | (7.983)        | 33.317         |
| Open market funding                                      |      | -              | (1.000)        |
| Borrowings   |      | (413.599)      | 432.411        |
| Other obligations  |      | (198)          | (10.240)       |
| Deferred income  |      | 1.065          | 574            |
| <b>Net cash from operations</b>                          |      | <b>15.538</b>  | <b>147.362</b> |
| <b>From investments</b>                                  |      | <b>-</b>       | <b>(1.597)</b> |
| Acquisition of fixed assets for use                      |      | -              | (1.597)        |
| <b>Increase in cash and cash equivalents</b>             | 4    | <b>15.538</b>  | <b>145.765</b> |
| Cash and cash equivalents at the beginning of the period |      | 40.797         | 23.159         |
| Cash and cash equivalents at the end of the period       |      | 56.335         | 168.924        |

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

# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

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### 1 Operations

Commerzbank Brasil S.A. - Banco Múltiplo (the “Bank”), located in São Paulo at 1240, Dr. Chucri Zaidan avenue 11th floor, is a private financial institution controlled by Commerzbank A.G. located at Frankfurt, Germany. The Bank was approved by the National Monetary Council on August 20, 2015, incorporated on August 31, 2015 and registered with the Commercial Registry of the State of São Paulo on October 22, 2015, for an indefinite period of time. The Bank received approval to commence its activities, which are restricted to financial institutions, on July 28, 2016.

The corporate purpose of the Bank is to conduct credit, debit and ancillary banking, financial and lending transactions inherent to the activities of a commercial and investment bank, including foreign exchange transactions. The Bank may participate in any other companies or groups of companies, whether commercial or civil, national or foreign, as a partner or shareholder, in accordance with the rules issued by the Brazilian Central Bank (“BACEN”).

Commerzbank AG, controlling shareholder, decided to change its overall strategy (New Strategy 2024), which includes the closure of several international units, including Commerzbank Brasil S.A.

The closure of the activities of Commerzbank Brasil S.A. is being carried out in a gradual manner in 3 fases:

Phase I – business wind down until September 30, 2022;

Phase II – transition period from October 1st until March 31, 2023;

Phase III – operational wind down until September 30, 2023.

The business wind down aims the termination of the relationship with customers, the liquidation of bank deposits in its records and liquidation of any transaction restricted to financial institutions authorized to operate by BACEN.

During the transitional period, will be submitted to the BACEN a request for approval for the cancellation of the operating authorization of Commerzbank Brasil S.A.

The operational wind down phase will be dedicated to infrastructure decommission and office closing.

The Bank’s financial statements were approved by Management on August 24, 2021.

### 2 Presentation of the financial statements

The financial statements are the responsibility of Management, and were prepared according to the accounting practices adopted in Brazil for institutions authorized to operate by BACEN, presented according to the requirements of BACEN and the Accounting Pronouncements Committee (“CPC”) regarding the financial statements, rules and instructions of the National Monetary Council (“CMN”) and the Chart of Accounts of the National Financial System (“COSIF”), when applicable.

The preparation of the Balance Sheet requires that the Management use assumptions and judgments in determining values and accounting estimates, such as the allowance for doubtful loans, impairment of securities and non-financial assets, deferred income tax and social contribution and the determination of the useful lives of certain assets. The settlement of these transactions involving these estimates may result in different values from those estimated due to the inaccuracies inherent in the determination process.

# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

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According to the CMN Resolution 4.818/20 and BACEN Resolution 2/20, financial institutions authorized by BACEN, should prepare their financial statements following the criteria and procedures mentioned in these regulations, which deal with the disclosure of half-yearly and annual financial statements, as well as its content that includes balance sheets and income statements, of other comprehensive income, cash flows and changes in shareholders' equity and notes to the financial statements.

The disclosure of the financial statements, in a comparative manner, shall be presented as follows: (i) the balance sheet at the end of the current period must be compared with the balance sheet at the end of the previous fiscal year and shall be presented in order of liquidity and subordination; (ii) the other financial statements should be compared with the same period of the previous fiscal period; and (iii) the notes of the financial statements needed for the better understanding should be presented in a comparative manner when relevant to the financial statements understanding.

As outlined above, Commerzbank AG, the controlling shareholder, decided to change its overall strategy (New Strategy 2024) which includes the closure of several international units, including Commerzbank Brasil S.A.. Thus, the financial statements are not prepared on a going concern basis, being the assets and liabilities presented at liquidation value, as required by NBC TG 900 (accounting standard issued by the Brazilian Accounting Board) of March 18, 2021. The restructuring provisions are described in the note 27 and a possible impact on the renegotiation of credit operations with installments maturing after September 2022, as described in note 8a.

### 3 Significant accounting policies

#### a) Functional currency

The functional currency of the Bank is the Real, which is also used in the presentation of these financial statements.

#### b) Income recognition

Income is recognized on an accrual basis, according to which revenues and expenses should be included in the income recognition for the periods in which they occur, always simultaneously when they are correlated, regardless of whether they are received or paid. Transactions bearing post-fixed interest rates, calculated by the exponential method, as well as foreign currency-linked transactions, calculated by the linear method, have been restated up to the dates of the balance sheets.

#### c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks in domestic or foreign currency, interbank investments (open-market investments, fixed income investments and repo transactions) with maturities within 90 days or less from the investment date, and with low risk of change in fair value, being used by the bank to manage short-term obligations, according to the CMN Resolution n.º 4.720/19.

#### d) Interbank investments

These are shown at cost plus accrued interest up to the balance sheet date, net of impairment provision, when applicable.

## Commerzbank Brasil S.A. – Banco Múltiplo

### Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

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#### e) Securities

As provided for in BACEN Circular no. 3.068/01, securities are classified in three distinct categories, according to the management, taking into account the following accounting criteria:

- i. Trading securities: are adjusted to fair value, and their adjustments are booked against income for the period;
- ii. Securities available for sale: are booked by the cost of acquisition plus income earned, which is recognized in the result of the period, and adjusted at fair value. Unrealized gains and losses, net of tax effects, due to changes in fair value are recognized in the Equity on a specific account of “other comprehensive income”; and
- iii. Securities held to maturity: purchased with the purpose and financial capacity to be held to maturity, valued at the acquisition cost, plus yields ascertained, against income for the period.

#### f) Derivatives

In accordance with BACEN Circular n.º 3.082/02 and BACEN Circular Letter n.º 3.026/02, derivative financial instruments are booked according to the following criteria:

- **Futures transactions:** the daily adjustments are booked in asset or liability accounts according to the nature of the balance and recognized in the profit and loss;
- **Currency swap and forward transactions (NDF):** any differential receivable or payable is recorded at fair value in the caption “Derivatives” in assets or liabilities, respectively, and allocated to profit or loss as income (when relating to gains) or expense (when relating to losses); and
- **Forward transactions:** these are recorded at the final contractual amount, less the difference between such amount and the cash price of the asset, adjusted to fair value, with income and expenses being recognized over the contractual terms.

Derivative financial instruments are adjusted to market value and the differences are recognized in income for the period.

#### g) Lending operations and allowance for loan losses

These are recorded considering the income earned, recognized pro rata on a daily basis based on the variations of the index and the agreed interest rate. Lending operations are classified based on Management’s risk assessment, considering past experience with prior borrowers, the risk ratings of such borrowers and their guarantors, the economic environment, and specific and overall portfolio risks, pursuant to CMN Resolution n.º 2.682/99, which requires a periodic analysis of the portfolio and its classification into nine risk rating levels from AA (lowest risk) to H (highest risk).

Renegotiated operations are maintained at a minimum at the same risk level as they were classified prior to renegotiation. Credit operations overdue for more than 59 days, regardless of their level of risk classification, have their income recognized only when it is effectively received.

The provision for provided financial guarantees is based on the evaluation of losses associated

## Commerzbank Brasil S.A. – Banco Múltiplo

### Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

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with the probability of future disbursements linked to the guarantees, as well as specific characteristics of the operations performed, according to the requirements of CMN Resolution n.º 4.512/16 and is recorded in an amount considered sufficient to cover probable losses throughout the term of the provided guarantees.

#### **h) Foreign exchange portfolio**

Transactions are shown at the realization value, including earnings and currency variations (calculated pro rata on a daily basis) and a allowance for loan losses in accordance with CMN Resolution n.º 2.682/99.

#### **i) Negotiation and intermediation of securities (assets and liabilities)**

These are shown at the value of own securities traded on stock, commodities and futures exchanges which are not yet settled.

#### **j) Other current assets and long-term receivables**

These are stated at the realization value, including, when applicable, monetary changes and income ascertained up to the balance date.

#### **k) Prepaid expenses**

Payments in advance, for which the rights, benefits or services to be provided will occur in the future, are booked and shown in the line “Other assets”.

#### **l) Fixed assets and intangible assets**

Fixed assets are recorded at cost and deducted by its depreciation. Fixed assets depreciation is calculated and recorded using the straight-line method, and the annual rates applied, taking into consideration the useful economic lives of the assets. The rate for useful lives are as follows: premises, furniture and equipment for use, communication and security systems - 10%; premises - leasehold improvements, vehicles and data processing equipment - 20%.

Intangible assets correspond to the rights acquired for carrying out the Bank’s activities or exercised for such purpose. The intangible assets with finite lives are amortized on a straight-line basis over the estimated period during which they will generate economic benefits.

#### **m) Impairment**

An impairment is recognized in the period during which the book value of an asset exceeds its recoverable value. The values of non-financial assets, except for other valuables, assets and tax credits, are tested at least once a year for impairment.

#### **n) Open market deposits**

These are shown at the amount payable, including, when applicable, charges payable up to the balance sheet date, recognized *pro rata* on a daily basis.



## **Commerzbank Brasil S.A. – Banco Múltiplo**

### **Notes to the Financial Statements**

**In thousands of Reais, unless otherwise indicated**

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#### **o) Foreign borrowings**

These are shown at the amount payable. Charges are recognized pro rata on a daily basis, and amounts due in foreign currency are adjusted at the official exchange rates ruling on the balance sheet date.

#### **p) Current and long-term liabilities**

These are shown at known or ascertainable amounts including, when applicable, the corresponding charges and monetary or exchange rate restatement incurred up to the dates of the balance sheets.

#### **q) Income tax and social contribution**

The income tax provision was calculated at the rate of 15% on the taxable income, plus 10% on certain limits.

According to Law 13.169 of October 6, 2015, the current rate of Social Contribution Tax on Net Income (“CSLL”) for financial institutions is 20% until December 31, 2018 and 15% in 2019. Through Constitutional Amendment n°. 103 published on November 13, 2019, Brazil increased the CSLL rate applicable to banks from 15% to 20% beginning March 1st, 2020.

Deferred income tax and social contribution calculated on temporary additions and tax losses are recorded under "Other receivables - miscellaneous" and "Other liabilities - tax and social security". The recognition of deferred tax credits and liabilities is made at the rates above and applicable to the period in which the realization of the asset is estimated and the settlement of the liability.

On March 1st, 2021, was published the Provisional Measure n. 1034, which increases the Social Contributions rate from 20% to 25%, with effect from July 1st, 2021 to December 31, 2021, returning to the 20% rate on January 1st , 2022.

#### **r) Income from future periods**

This refers to income received prior to the expiry date of the obligation that gave rise to it, and whose recording as actual income depends solely on the expiry date passing.

#### **s) Recurring and non-recurring result**

Resolution BACEN 2/20 States that financial institutions must provide in their explanatory notes in a segregated manner the recurring and non-recurring results incurred in the period.

It is considered as non-recurring result the result that:

- i) it is not related to or relates incidentally to the typical activities of the institution;
- ii) is not expected to occur frequently in future years (note 25).

## Commerzbank Brasil S.A. – Banco Múltiplo

### Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

#### 4 Cash and cash equivalents

These are shown as follows:

|                         | <u>June 2021</u>     | <u>December 2020</u> |
|-------------------------|----------------------|----------------------|
| Cash - free reserves    | 358                  | 106                  |
| Cash - foreign currency | 31.578               | 2.690                |
| Interbank investments   |                      |                      |
| National treasury bills | 24.399               | 38.001               |
| <b>Total</b>            | <b><u>56.335</u></b> | <b><u>40.797</u></b> |

#### 5 Interbank loans

|                         | <u>June 2021</u>     |                      |                     |                      | <u>December 2020</u> |
|-------------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
|                         | <u>Actual Cost</u>   | <u>From 181 to</u>   |                     |                      | <u>Total</u>         |
|                         |                      | <u>Until 90 days</u> | <u>365 days</u>     | <u>Total</u>         |                      |
| Open market             |                      |                      |                     |                      |                      |
| National treasury bills | 24.399               | 24.399               | -                   | 24.399               | 38.001               |
| Interbank loans         | 8.543                | -                    | 8.543               | 8.543                | 36.833               |
| <b>Total</b>            | <b><u>32.942</u></b> | <b><u>24.399</u></b> | <b><u>8.543</u></b> | <b><u>32.942</u></b> | <b><u>74.834</u></b> |

#### 6 Securities

The securities portfolio was as follows:

|  | <u>June 2021</u>      |                       |                       |                      |                            |                             |                           |
|--|-----------------------|-----------------------|-----------------------|----------------------|----------------------------|-----------------------------|---------------------------|
|  | <u>Adjusted cost</u>  | <u>Mark-to-Market</u> | <u>Fair Value</u>     | <u>Maturity</u>      |                            |                             |                           |
|  |                       |                       |                       | <u>Until 90 days</u> | <u>From 91 to 180 days</u> | <u>From 181 to 365 days</u> | <u>More than 365 days</u> |
| <b>Available for sale</b>                  |                       |                       |                       |                      |                            |                             |                           |
| Own portfolio                              |                       |                       |                       |                      |                            |                             |                           |
| National Treasury Bills - LTN              | 19.850                | (96)                  | 19.754                | -                    | 19.754                     | -                           | -                         |
| Pledged as collateral at futures exchange: |                       |                       |                       |                      |                            |                             |                           |
| National Treasury Bills - LTN              | 116.078               | (853)                 | 115.225               | -                    | 19.754                     | 95.471                      | -                         |
| <b>Total</b>                               | <b><u>135.928</u></b> | <b><u>(949)</u></b>   | <b><u>134.979</u></b> | <b><u>-</u></b>      | <b><u>39.508</u></b>       | <b><u>95.471</u></b>        | <b><u>-</u></b>           |

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## Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

|   | December 2020    |                    |                |                  |                        |                         |                       |
|---|------------------|--------------------|----------------|------------------|------------------------|-------------------------|-----------------------|
|   | Adjusted<br>cost | Mark-to-<br>Market | Fair Value     | Maturity         |                        |                         |                       |
|   |                  |                    |                | Until 90<br>days | From 91 to<br>180 days | From 181 to<br>365 days | More than<br>365 days |
| <b>Available for sale</b>                     |                  |                    |                |                  |                        |                         |                       |
| Own portfolio                                 |                  |                    |                |                  |                        |                         |                       |
| National Treasury Bills - LTN                 | 188.294          | 635                | 188.929        | -                | 49.751                 | 118.079                 | 21.099                |
| Pledged as collateral at futures<br>exchange: |                  |                    |                |                  |                        |                         |                       |
| National Treasury Bills - LTN                 | 121.711          | 444                | 122.155        | -                | 99.501                 | -                       | 22.654                |
| <b>Total</b>                                  | <b>310.005</b>   | <b>1.079</b>       | <b>311.084</b> | <b>-</b>         | <b>149.252</b>         | <b>118.079</b>          | <b>43.753</b>         |

Securities classified as available for sale were marked to market in the amount of R\$ (949) (R\$ 1.079 on December 31, 2020), and recognized against shareholders' equity with tax effects.

The securities are classified as fair value of level I as these are highly-liquid securities with available prices in the active market.

The market value of government bonds is determined according to disclosures in the daily bulletins issued by the Brazilian Association of Financial and Capital Market Entities (“ANBIMA”).

Government bonds are recorded in the Special Settlement and Custody System (“SELIC”) of the BACEN.

## 7 Derivatives

The Bank trades derivative financial instruments to meet its own needs and those of its customers. These instruments are booked in equity, income and off-balance accounts.

The derivative financial instruments used are approved based on the policy for the use of these products. The policy requires that before these instruments are traded, all aspects must be analyzed, including: objectives, method of use, risks involved, and the existence of suitable infrastructure for operational support.

The components of credit and market risk for derivative financial instruments are monitored daily. Specific limits are set for trading in these instruments, for each customer and also for the chambers for registration and settlement. These limits are managed through a system which shows the aggregate exposure by counterparty. Any breaches of these limits are immediately noted and forwarded to the appropriate area for action.

Market risk management for derivative financial instruments is subject to the current risk policy which mandates that potential risks arising from price fluctuations in the financial markets must be centralized in the Treasury area.

### i) Market value:

The market value of derivative financial instruments is calculated using the available market information, principally the prices and rates published by B3 S.A. – Brasil, Bolsa, Balcão. When necessary, mathematical models are used to interpolate rates for intermediary periods, and to extrapolate rates for longer periods.

The following pricing method has been adopted to calculate the market value of derivative financial instruments:

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## Notes to the Financial Statements

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- Futures – prices published by B3 S.A. – Brasil, Bolsa, Balcão.

The derivatives included in the Level II are Swaps and Non Deliverable Forwards, whose adopted pricing model information, are observable in the actively quoted markets.

### ii) On balance sheet accounts:

| June 2021                            |                 |               |                |              |               |                     |                   |
|--------------------------------------|-----------------|---------------|----------------|--------------|---------------|---------------------|-------------------|
| Assets                               | Reference value | Adjusted cost | Mark-to-Market | Fair value   | Maturity      |                     |                   |
|                                      |                 |               |                |              | Until 90 days | From 91 to 365 days | From 1 to 2 years |
| <b>Non Deliverable Forward – NDF</b> | <b>95.046</b>   | <b>3.506</b>  | <b>(1.120)</b> | <b>2.386</b> | <b>1.626</b>  | <b>760</b>          | <b>-</b>          |
| EUR x BRL                            | 8.386           | 860           | (143)          | 717          | 717           | -                   | -                 |
| EURWMR x BRL                         | 80.045          | 1.731         | (883)          | 848          | 309           | 539                 | -                 |
| USD x BRL                            | 6.615           | 915           | (94)           | 821          | 600           | 221                 | -                 |
| <b>Swap</b>                          | <b>9.000</b>    | <b>22</b>     | <b>701</b>     | <b>723</b>   | <b>-</b>      | <b>723</b>          | <b>-</b>          |
| CDI x FIXED                          | 9.000           | 22            | 701            | 723          | -             | 723                 | -                 |
| <b>Total</b>                         | <b>104.046</b>  | <b>3.528</b>  | <b>(419)</b>   | <b>3.109</b> | <b>1.626</b>  | <b>1.483</b>        | <b>-</b>          |

| December 2020                        |                 |               |                |              |               |                     |                   |
|--------------------------------------|-----------------|---------------|----------------|--------------|---------------|---------------------|-------------------|
| Liabilities                          | Reference value | Adjusted cost | Mark-to-Market | Fair value   | Maturity      |                     |                   |
|                                      |                 |               |                |              | Until 90 days | From 91 to 365 days | From 1 to 2 years |
| <b>Non Deliverable Forward – NDF</b> | <b>12.103</b>   | <b>633</b>    | <b>(53)</b>    | <b>580</b>   | <b>551</b>    | <b>29</b>           | <b>-</b>          |
| EURWMR x BRL                         | 6.671           | 5             | 5              | 10           | 4             | 6                   | -                 |
| USD x BRL                            | 5.432           | 628           | (58)           | 570          | 547           | 23                  | -                 |
| <b>Swap</b>                          | <b>8.467</b>    | <b>2.365</b>  | <b>142</b>     | <b>2.507</b> | <b>2.507</b>  | <b>-</b>            | <b>-</b>          |
| CDI x USD                            | 8.467           | 2.365         | 142            | 2.507        | 2.507         | -                   | -                 |
| <b>Total</b>                         | <b>20.570</b>   | <b>2.998</b>  | <b>89</b>      | <b>3.087</b> | <b>3.058</b>  | <b>29</b>           | <b>-</b>          |

| December 2020                        |                 |               |                |              |               |                     |                   |
|--------------------------------------|-----------------|---------------|----------------|--------------|---------------|---------------------|-------------------|
| Assets                               | Reference value | Adjusted cost | Mark-to-Market | Fair value   | Maturity      |                     |                   |
|                                      |                 |               |                |              | Until 90 days | From 91 to 365 days | From 1 to 2 years |
| <b>Non Deliverable Forward – NDF</b> | <b>107.475</b>  | <b>3.252</b>  | <b>148</b>     | <b>3.400</b> | <b>3.020</b>  | <b>380</b>          | <b>-</b>          |
| EUR x BRL                            | 28.993          | 135           | 87             | 222          | 32            | 190                 | -                 |
| EURWMR x BRL                         | 63.091          | 2.757         | 1              | 2.758        | 2.726         | 32                  | -                 |
| USD x BRL                            | 15.391          | 360           | 60             | 420          | 262           | 158                 | -                 |
| <b>Swap</b>                          | <b>9.000</b>    | <b>(32)</b>   | <b>173</b>     | <b>141</b>   | <b>-</b>      | <b>-</b>            | <b>141</b>        |
| CDI x FIXED                          | 9.000           | (32)          | 173            | 141          | -             | -                   | 141               |
| <b>Total</b>                         | <b>116.475</b>  | <b>3.220</b>  | <b>321</b>     | <b>3.541</b> | <b>3.020</b>  | <b>380</b>          | <b>141</b>        |

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### Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

| Liabilities                          | Reference value | Adjusted cost | Mark-to-Market | Fair value    | Maturity       |                     |                   |
|--------------------------------------|-----------------|---------------|----------------|---------------|----------------|---------------------|-------------------|
|                                      |                 |               |                |               | Untill 90 days | From 91 to 365 days | From 1 to 2 years |
| <b>Non Deliverable Forward – NDF</b> | <b>34.943</b>   | <b>1.642</b>  | <b>721</b>     | <b>2.363</b>  | <b>148</b>     | <b>2.215</b>        | <b>-</b>          |
| EUR x BRL                            | 2.952           | 30            | (16)           | 14            | 14             | -                   | -                 |
| EURWMR x BRL                         | 10.049          | 240           | (165)          | 75            | 5              | 70                  | -                 |
| EUR x USD                            | 2.584           | 213           | 829            | 1.042         | -              | 1.042               | -                 |
| USD x BRL                            | 19.358          | 1.159         | 73             | 1.232         | 129            | 1.103               | -                 |
| <b>Swap</b>                          | <b>25.165</b>   | <b>8.825</b>  | <b>238</b>     | <b>9.063</b>  | <b>-</b>       | <b>9.063</b>        | <b>-</b>          |
| CDI x USD                            | 25.165          | 8.825         | 238            | 9.063         | -              | 9.063               | -                 |
| <b>Total</b>                         | <b>60.108</b>   | <b>10.467</b> | <b>959</b>     | <b>11.426</b> | <b>148</b>     | <b>11.278</b>       | <b>-</b>          |

### iii) Composition of the balances recorded in asset and liability accounts, under the heading "Securities trading and intermediation":

Securities trading and intermediation:

| Assets   | June 2021        | December 2020        |
|--|------------------|----------------------|
| Transactions with financial assets to be settled |                  |                      |
| Futures - DOL                                    | 1.540            | -                    |
| Futures - DI1                                    | 76               | 68                   |
| Futures - DDI                                    | 3.780            | 128                  |
| <b>Total</b>                                     | <b>5.396</b>     | <b>196</b>           |
| <b>Liabilities</b>                               | <b>June 2021</b> | <b>December 2020</b> |
| Commission and brokerage payable                 | 2                | 1                    |
| Transactions with financial assets to be settled |                  |                      |
| Futures - DOL                                    | 1.084            | 205                  |
| Futures - DDI                                    | 28               | 35                   |
| Futures - DI1                                    | 773              | 1.757                |
| <b>Total</b>                                     | <b>1.887</b>     | <b>1.998</b>         |

The receivable or payable differences and daily adjustments paid or received on derivative financial instruments traded on B3 S.A. – Brasil, Bolsa, Balcão, are booked in Assets and Liabilities accounts as “Securities trading and intermediation”, which are marked to market, with the reference values of the transactions being recorded in off-balance accounts (Note 7 item v).



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## Notes to the Financial Statements

In thousands of Reais, unless otherwise indicated

### 8 Lending operations

Information about the loan transaction portfolio is shown as follows:

#### a) By type of operation:

|  | <u>June 2021</u>      | <u>December 2020</u>  |
|--|-----------------------|-----------------------|
| Loans (working capital)  | 204.174               | 203.459               |
| Export financing (NCE)   | 56.437                | 193.303               |
| Foreign currency financing                                       | 57.555                | 85.619                |
| <b>Total lending operations</b>                                  | <b><u>318.166</u></b> | <b><u>482.381</u></b> |
| Advances on foreign exchange contracts (note 9)                  | 93.688                | 160.719               |
| Income from advances against foreign exchange contracts (note 9) | 1.045                 | 2.643                 |
| <b>Total lending operations and other credits</b>                | <b><u>412.899</u></b> | <b><u>645.743</u></b> |
| Allowance for losses   | (722)                 | (2.642)               |
| <b>Total</b>   | <b><u>412.177</u></b> | <b><u>643.101</u></b> |
| Open import credits  | 23.945                | 71.161                |
| Guarantees and sureties issued                                   | 188.463               | 190.306               |
| <b>Total guarantees</b>  | <b><u>212.408</u></b> | <b><u>261.467</u></b> |
| Allowance for losses   | (502)                 | (539)                 |
| <b>Total</b>   | <b><u>211.906</u></b> | <b><u>260.928</u></b> |

In order to meet the demand and operational processes of our customers, the bank, together with our customers, decided to renew some contacts maturing in the period totaling R\$ 156.312. There was no renegotiation of contracts due to late payment or financial deterioration on the part of our customers.

Following the timetable for the wind down of the Bank's activities, as stated in Note 1, the Bank intends to renegotiate or sell the interbank loans and the working capital that mature after September 30, 2022. The amount of these deals is R\$ 66.500 and the estimated sell value is R\$ 62.125, generating a possible loss of R\$ (4.375). The values were not booked once the operations are still under negotiation and the estimated values may be changed.

#### b) Changes in allowance for losses, in accordance with CMN Resolution n.º 2.682/99:

|                        | <u>June 2021</u>          |                       |                          |                     |                     |                     |
|------------------------|---------------------------|-----------------------|--------------------------|---------------------|---------------------|---------------------|
|                        | <u>Lending operations</u> | <u>Others credits</u> | <u>Guaranties issued</u> | <u>Short term</u>   | <u>Long term</u>    | <u>Total</u>        |
| Opening balance        | 1.720                     | 922                   | 539                      | 1.431               | 1.750               | 3.181               |
| Provision recorded     | (1.318)                   | (602)                 | (37)                     | (276)               | (1.681)             | (1.957)             |
| <b>Closing balance</b> | <b><u>402</u></b>         | <b><u>320</u></b>     | <b><u>502</u></b>        | <b><u>1.155</u></b> | <b><u>69</u></b>    | <b><u>1.224</u></b> |
|                        | <u>December 2020</u>      |                       |                          |                     |                     |                     |
|                        | <u>Lending operations</u> | <u>Others credits</u> | <u>Guaranties issued</u> | <u>Short term</u>   | <u>Long term</u>    | <u>Total</u>        |
| Opening balance        | 936                       | 946                   | 140                      | 1.656               | 366                 | 2.022               |
| Provision recorded     | 784                       | (24)                  | 399                      | (225)               | 1.384               | 1.159               |
| <b>Closing balance</b> | <b><u>1.720</u></b>       | <b><u>922</u></b>     | <b><u>539</u></b>        | <b><u>1.431</u></b> | <b><u>1.750</u></b> | <b><u>3.181</u></b> |

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## Notes to the Financial Statements

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### c) By maturity date:

| Outstanding          | Working capital | Export and<br>import financing | Advances on                   | June 2021      | December 2020  |
|----------------------|-----------------|--------------------------------|-------------------------------|----------------|----------------|
|                      |                 |                                | foreign exchange<br>contracts |                |                |
| Up to 30 days        | 11.611          | 57.637                         | -                             | 69.248         | 87.355         |
| From 31 to 60 days   | 1.419           | 14.220                         | 40.950                        | 56.589         | 62.373         |
| From 61 to 90 days   | 38.393          | 16.918                         | 33                            | 55.344         | 153.002        |
| From 91 to 180 days  | 16.249          | 5.166                          | 5.032                         | 26.447         | 109.162        |
| From 181 to 365 days | 92.808          | 20.051                         | 48.718                        | 161.577        | 116.629        |
| Over 365 days        | 43.694          | -                              | -                             | 43.694         | 117.222        |
| <b>Total</b>         | <b>204.174</b>  | <b>113.992</b>                 | <b>94.733</b>                 | <b>412.899</b> | <b>645.743</b> |

### d) By business sector:

| Private sector         | Working capital | Export and<br>import financing | Advances on                   | June 2021      | December 2020  |
|------------------------|-----------------|--------------------------------|-------------------------------|----------------|----------------|
|                        |                 |                                | foreign exchange<br>contracts |                |                |
| Others                 | 125.792         | 100.913                        | 30.648                        | 257.353        | 271.585        |
| Commerce               | 36.878          | -                              | 28.315                        | 65.193         | 90.009         |
| Financial services     | 41.504          | -                              | -                             | 41.504         | 43.174         |
| Metallurgy and steel   | -               | 13.079                         | 23.851                        | 36.930         | 42.589         |
| Automotive             | -               | -                              | 11.919                        | 11.919         | 161.239        |
| Foods and beverages    | -               | -                              | -                             | -              | 33.140         |
| Machines and equipment | -               | -                              | -                             | -              | 4.007          |
| <b>Total</b>           | <b>204.174</b>  | <b>113.992</b>                 | <b>94.733</b>                 | <b>412.899</b> | <b>645.743</b> |

### e) By maturity date and risk rating:

| Outstanding          | Risk Rating    |                | June 2021      | December 2020  |
|----------------------|----------------|----------------|----------------|----------------|
|                      | AA             | A              |                |                |
| Up to 30 days        | 68.358         | 890            | 69.248         | 87.355         |
| From 31 to 60 days   | 15.639         | 40.950         | 56.589         | 62.373         |
| From 61 to 90 days   | 12.035         | 43.309         | 55.344         | 153.002        |
| From 91 to 180 days  | 11.019         | 15.428         | 26.447         | 109.162        |
| From 181 to 365 days | 121.817        | 39.760         | 161.577        | 116.629        |
| Over 365 days        | 39.612         | 4.082          | 43.694         | 117.222        |
| <b>Total</b>         | <b>268.480</b> | <b>144.419</b> | <b>412.899</b> | <b>645.743</b> |
| Allowance for losses | -              | (722)          | (722)          | (2.642)        |

### f) By type of operation and risk rating:

| Product                                | Risk Rating    |                | June 2021      | December 2020  |
|--|----------------|----------------|----------------|----------------|
|  | AA             | A              |                |                |
| Loans (working capital)                | 136.919        | 67.255         | 204.174        | 203.459        |
| Export financing (NCE)                 | 100.913        | 13.079         | 113.992        | 278.922        |
| Advances on foreign exchange contracts | 30.648         | 64.085         | 94.733         | 163.362        |
| <b>Total</b>                           | <b>268.480</b> | <b>144.419</b> | <b>412.899</b> | <b>645.743</b> |

### g) Portfolio concentration

|                            | June 2021      |             | December 2020  |             |
|----------------------------|----------------|-------------|----------------|-------------|
|                            | Portfolio      | % Portfolio | Portfolio      | % Portfolio |
| Largest borrower           | 57.555         | 13,94%      | 108.390        | 16,79%      |
| Next ten largest borrowers | 286.363        | 69,35%      | 357.232        | 55,32%      |
| Other borrowers            | 68.981         | 16,71%      | 180.121        | 27,89%      |
| <b>Total</b>               | <b>412.899</b> | <b>100%</b> | <b>645.743</b> | <b>100%</b> |



# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

### h) Guarantees and sureties issued:

As at June 30, 2021, the Bank's commitments under guarantees and sureties issued were as follows:

| <u>Outstanding</u>          | <u>AA</u>      | <u>A</u>      | <u>B</u>      | <u>June 2021</u> | <u>December 2020</u> |
|-----------------------------|----------------|---------------|---------------|------------------|----------------------|
| Until 30 days               | 10.426         | 2.769         | 2.169         | 15.364           | 19.034               |
| From 31 to 60 days          | 15.663         | 7.696         | -             | 23.359           | 52.384               |
| From 61 to 90 days          | 2.618          | 732           | 1.425         | 4.775            | 1.660                |
| From 91 to 180 days         | 14.874         | 9.388         | 2.057         | 26.319           | 45.199               |
| From 181 to 365 days        | 52.338         | -             | 29.350        | 81.688           | 32.765               |
| Over 365 days               | 56.038         | -             | 4.865         | 60.903           | 110.425              |
| <b>Total</b>                | <b>151.957</b> | <b>20.585</b> | <b>39.866</b> | <b>212.408</b>   | <b>261.467</b>       |
| <b>Allowance for losses</b> | <b>-</b>       | <b>(103)</b>  | <b>(399)</b>  | <b>(502)</b>     | <b>(539)</b>         |
| <u>Private sector</u>       | <u>AA</u>      | <u>A</u>      | <u>B</u>      | <u>June 2021</u> | <u>December 2020</u> |
| Mining                      | 84.789         | -             | -             | 84.789           | 74.849               |
| Transports                  | -              | -             | 33.628        | 33.628           | 36.787               |
| Machines and equipaments    | 2.068          | 17.208        | 3.594         | 22.870           | 29.089               |
| Paper and Cellulose         | 17.654         | -             | 2.644         | 20.298           | 22.256               |
| Others                      | 15.799         | 3.377         | -             | 19.176           | 5.182                |
| Energy                      | 15.936         | -             | -             | 15.936           | 7.276                |
| Chemical and Petrochemical  | 15.711         | -             | -             | 15.711           | 35.626               |
| Metals                      | -              | -             | -             | -                | 50.402               |
| <b>Total</b>                | <b>151.957</b> | <b>20.585</b> | <b>39.866</b> | <b>212.408</b>   | <b>261.467</b>       |

Losses associated with the likelihood of future disbursements linked to financial guarantees are measured according to models and practices of recognized credit risk management and based on consistent information and consistent verifiable criteria.

As at June 30, 2021 there was a loss provision of R\$ 502 for guarantees and sureties issued (R\$ 539 on December 31, 2020).

## 9 Foreign exchange portfolio

|   | <u>June 2021</u> | <u>December 2020</u> |
|---|------------------|----------------------|
| <b>Other credits</b>                              |                  |                      |
| Foreign exchange purchased pending settlement     | 204.284          | 307.554              |
| Right on foreign exchange sold                    | 97.505           | 117.821              |
| Advances in local currency received               | (54)             | -                    |
| Income receivable from advances granted (note 7a) | 1.045            | 2.643                |
| <b>Total</b>                                      | <b>302.780</b>   | <b>428.018</b>       |
| <b>Other obligations</b>                          |                  |                      |
| Payable for foreign exchange purchased            | 97.090           | 115.048              |
| Foreign exchange sold pending settlement          | 191.139          | 278.540              |
| Advances on foreign exchange contracts (note 7a)  | (93.688)         | (160.719)            |
| <b>Total</b>                                      | <b>194.541</b>   | <b>232.869</b>       |

# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

### 10 Other credits – sundry

They following amounts make-up Other Credits - sundry:

|  | June 2021    |              |              | December 2020 |              |              |
|--|--------------|--------------|--------------|---------------|--------------|--------------|
|  | Short Term   | Long Term    | Total        | Short Term    | Long Term    | Total        |
| Advances on payroll                          | 523          | -            | 523          | 206           | -            | 206          |
| Judicial deposits                            | -            | 40           | 40           | -             | 10           | 10           |
| Taxes and contributions to be offset (a)     | -            | 1.576        | 1.576        | -             | 1.474        | 1.474        |
| Amounts receivable from associated companies | 2.806        | -            | 2.806        | 2.073         | -            | 2.073        |
| <b>Total</b>                                 | <b>3.329</b> | <b>1.616</b> | <b>4.945</b> | <b>2.279</b>  | <b>1.484</b> | <b>3.763</b> |

#### a) Taxes and contributions to be offset

Amounts of tax paid in advance are as follows:

|  | June 2021    | December 2020 |
|--|--------------|---------------|
| Corporate Income Tax ("IRPJ")                                    | 934          | 1.053         |
| Social Contribution Tax on Net Income ("CSLL")                   | 257          | 45            |
| National Institute of Social Security ("INSS")                   | 343          | 343           |
| Contribution to Financing the Social Security Systems ("COFINS") | 14           | 14            |
| Social Integration Program ("PIS")                               | 19           | 19            |
| Tax on Financial Transactions ("IOF")                            | 9            | -             |
| <b>Total</b>   | <b>1.576</b> | <b>1.474</b>  |

### 11 Other assets

These refer substantially to prepaid expenses related to insurance, the provision of real-time economic and market information services and services involving information provided for compliance purposes. The amount of deferred prepaid expenses during the period was R\$ 280 (R\$ 332 on December 31, 2020).

### 12 Income and social contribution tax credits

The Bank has tax credits not recognized in accounting books because they do not meet the standards of Resolution CMN 4.842/20 which requires that:

- I. there is expectation of generating future taxable income or profits for the purposes of income tax and social contribution in subsequent periods based on a technical study demonstrating the likelihood of future obligations with taxes and contributions that would allow the deferred tax asset to be carried out within a maximum of ten years; and
- II. Present a history of taxable income or profits for the purposes of income tax and social contribution on net income evidenced by the occurrence of such situations at least in three out of the last five financial years, including the current year.

# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

In thousands of Reais, unless otherwise indicated

Income and social contribution tax credits not recorded include the following:

|   | June 2021     |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | Tax base IRPJ | Tax base CSLL | IRPJ          | CSLL          | Total         |
| Fiscal loss carry-forward (i)               | 118.835       | 119.569       | 29.709        | 23.914        | 53.623        |
| Provision for staff bonuses                 | 21.683        | 21.683        | 5.421         | 4.337         | 9.758         |
| Provision for losses                        | 2.048         | 2.048         | 512           | 410           | 922           |
| Adjustment derivative financial instruments | 1.224         | 1.224         | 306           | 245           | 551           |
| Provision for accounts payable              | (870)         | (870)         | (218)         | (174)         | (392)         |
| Contingency provision                       | 537           | 537           | 134           | 107           | 241           |
| Others                                      | 141           | 141           | 35            | 28            | 63            |
| <b>Total</b>                                |               |               | <b>35.899</b> | <b>28.867</b> | <b>64.766</b> |

|   | December 2020 |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | Tax base IRPJ | Tax base CSLL | IRPJ          | CSLL          | Total         |
| Fiscal loss carry-forward (i)               | 112.879       | 113.553       | 28.220        | 22.711        | 50.931        |
| Provision for staff bonuses                 | 2.156         | 2.156         | 539           | 431           | 970           |
| Provision for losses                        | 3.181         | 3.181         | 795           | 636           | 1.431         |
| Adjustment derivative financial instruments | 783           | 783           | 196           | 157           | 353           |
| Provision for accounts payable              | 129           | 129           | 32            | 26            | 58            |
| Contingency provision                       | 543           | 543           | 136           | 108           | 244           |
| Others                                      | 8             | 8             | 2             | 2             | 4             |
| <b>Total</b>                                |               |               | <b>29.920</b> | <b>24.071</b> | <b>53.991</b> |

- (i) Tax losses and negative social contribution base subject to be offset against future taxable income, as provided for under the prevailing legislation;

### Movement of tax credits recorded

|                                   | June 2021 | December 2020 |
|-----------------------------------|-----------|---------------|
| Opening balance                   | -         | 20.790        |
| Reversal with effect on P&L       | -         | (20.790)      |
| Constituted with effect on Equity | -         | -             |
| Closing balance                   | -         | -             |

## 13 Fixed assets and intangible assets

### Fixed assets

|                                   | % Annual<br>Depreciation | June 2021     |                |              | December 2020 |                |              |
|-----------------------------------|--------------------------|---------------|----------------|--------------|---------------|----------------|--------------|
|                                   |                          | Cost          | Accumulated    |              | Cost          | Accumulated    |              |
|                                   |                          |               | Depreciation   | Net Amount   |               | Depreciation   | Net Amount   |
| Leasehold improvements            | 20                       | 1.359         | (1.359)        | -            | 1.359         | (1.352)        | 7            |
| Premises                          | 10                       | 1.307         | (687)          | 620          | 1.307         | (622)          | 685          |
| Furniture and equipment           | 10                       | 896           | (487)          | 409          | 896           | (443)          | 453          |
| Data processing system            | 20                       | 8.995         | (4.956)        | 4.039        | 8.995         | (4.392)        | 4.603        |
| Communication and security system | 10                       | 69            | (35)           | 34           | 83            | (37)           | 46           |
| Transportation system             | 20                       | -             | -              | -            | 248           | (248)          | -            |
| <b>Total</b>                      |                          | <b>12.626</b> | <b>(7.524)</b> | <b>5.102</b> | <b>12.888</b> | <b>(7.094)</b> | <b>5.794</b> |

Fixed assets are still in use and being depreciated until June 2023 according to the wind down timeframe and the eventual impairment will be recorded at an appropriate time when the destinations for each fixed asset will be defined.

## Commerzbank Brasil S.A. – Banco Múltiplo

### Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

#### 14 Deposits

##### a) Demand deposits

These refer to deposits in the current account from corporate companies, amounting to R\$ 1.104 (R\$ 2.546 on December 31, 2020).

##### b) Time deposits

|                           | Adjusted cost | June 2021     |                     |                   | Total        |
|---------------------------|---------------|---------------|---------------------|-------------------|--------------|
|                           |               | Until 90 days | From 91 to 365 days | From 1 to 3 years |              |
| Bank certificate deposits | 3.842         | -             | 3.842               | -                 | 3.842        |
| <b>Total</b>              | <b>3.842</b>  | <b>-</b>      | <b>3.842</b>        | <b>-</b>          | <b>3.842</b> |

|                           | Adjusted cost | December 2020 |                     |                   | Total         |
|---------------------------|---------------|---------------|---------------------|-------------------|---------------|
|                           |               | Until 90 days | From 91 to 365 days | From 1 to 3 years |               |
| Bank certificate deposits | 10.383        | 3.391         | 197                 | 6.795             | 10.383        |
| <b>Total</b>              | <b>10.383</b> | <b>3.391</b>  | <b>197</b>          | <b>6.795</b>      | <b>10.383</b> |

#### 15 Foreign borrowings

| Currency     | June 2021                  |                |                     |                   |                |
|--------------|----------------------------|----------------|---------------------|-------------------|----------------|
|              | Amount in foreign currency | Until 90 days  | From 91 to 365 days | From 1 to 3 years | Total          |
| EUR          | 9.100                      | 39.048         | 14.794              | -                 | 53.842         |
| USD          | 87.057                     | 384.067        | 51.785              | -                 | 435.852        |
| <b>Total</b> |                            | <b>423.115</b> | <b>66.579</b>       | <b>-</b>          | <b>489.694</b> |

| Currency     | December 2020              |                |                     |                   |                |
|--------------|----------------------------|----------------|---------------------|-------------------|----------------|
|              | Amount in foreign currency | Until 90 days  | From 91 to 365 days | From 1 to 3 years | Total          |
| EUR          | 29.000                     | 34.361         | 150.438             | -                 | 184.799        |
| USD          | 137.878                    | 336.111        | 340.633             | 41.750            | 718.494        |
| <b>Total</b> |                            | <b>370.472</b> | <b>491.071</b>      | <b>41.750</b>     | <b>903.293</b> |

The balance of foreign borrowings consists of funds provided by Commerzbank AG, annual rates between -0,305% and 0,048 (-0,290% and -0,070 on December 31, 2020) in EUR and between 0,205% and 0,830% (0,383% and 1,170% on December 31, 2020) in USD.

# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

In thousands of Reais, unless otherwise indicated

### 16 Other obligations

#### a) Tax and social security

|   | <u>June 2021</u>    | <u>December 2020</u> |
|---|---------------------|----------------------|
| <u>Current liabilities</u>                      |                     |                      |
| Taxes and contributions on payroll              | 1.028               | 1.132                |
| Income tax provision                            | 54                  | 54                   |
| ISS tax payable                                 | 53                  | 50                   |
| Taxes and contributions on third-party services | 53                  | 107                  |
| COFINS tax payable                              | 4                   | -                    |
| Pis tax payable                                 | 1                   | -                    |
| Income tax payable                              | -                   | 62                   |
| Taxes and contributions to pay                  | -                   | 50                   |
| <b>Total</b>                                    | <b><u>1.193</u></b> | <b><u>1.455</u></b>  |

#### b) Other

|  | <u>June 2021</u>     | <u>December 2020</u> |
|--|----------------------|----------------------|
| <u>Current liabilities</u>                   |                      |                      |
| Personnel expenses (note 27)                 | 7.510                | 4.407                |
| Other administrative expenses (note 27)      | 606                  | 522                  |
| Allowance for guarantees and sureties issued | 452                  | 68                   |
| Other payments                               | 13                   | 3                    |
| <b>Total</b>                                 | <b><u>8.581</u></b>  | <b><u>5.000</u></b>  |
| <u>Non-current liabilities</u>               |                      |                      |
| Personnel expenses (note 27)                 | 17.075               | -                    |
| Other administrative expenses (note 27)      | 1.700                | -                    |
| Provision to contingency (note 24)           | 537                  | 543                  |
| Allowance for guarantees and sureties issued | 49                   | 471                  |
| <b>Total</b>                                 | <b><u>19.361</u></b> | <b><u>1.014</u></b>  |
|  | <b><u>27.942</u></b> | <b><u>6.014</u></b>  |

### 17 Shareholders' equity

#### a) Capital

The capital stock is represented by 268.138.562 common shares, with no par value and fully paid-in.

The subscribed capital is R\$ 268.138 divided in 268.137 nominated shares. The accumulated losses in financial period of R\$ 24.535 (R\$ 15.365 on June 30, 2020), and an accumulated loss per share of R\$ 0,0915 on June 30, 2021 (R\$ 0,0573 on June 30, 2020).

There is no difference between basic losses per share and diluted losses per share.

#### b) Income allocation

According to the bylaws, the Bank's net income for the period after offsetting the losses accrued in previous periods, if any, should be allocated as follows:

# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

- 5% for the constitution of legal reserves, up to the limit of 20% of capital stock;
- A minimum of 5% for dividends and/or return on capital to shareholders, in accordance with the applicable laws; and
- The balance, if any, should be allocated according to the decision of the Annual Shareholders' Meeting as proposed by the Management according to the legal provisions on the matter.

The distribution of dividends and/or interest on capital will not be mandatory for fiscal years in which such payments would be deemed incompatible with the Bank's financial condition.

No income was distributed for the periods ended June 30, 2021.

### 18 Breakdown of the income accounts

#### a) Lending transactions

|                         | <u>June 2021</u>    | <u>June 2020</u>     |
|-------------------------|---------------------|----------------------|
| Loans (working capital) | 6.628               | 5.396                |
| Export financing (NCE)  | 1.669               | 37.365               |
| <b>Total</b>            | <b><u>8.297</u></b> | <b><u>42.761</u></b> |

#### b) Income from securities transactions

|   | <u>June 2021</u>    | <u>June 2020</u>    |
|---|---------------------|---------------------|
| Income from transactions with fixed income securities (i) | 3.920               | 6.661               |
| Income from interbank liquidity applications              | 1.219               | 2.495               |
| Gains on transactions with fixed income securities (i)    | 42                  | 186                 |
| Income from money market investments                      | 1                   | 51                  |
| <b>Total</b>  | <b><u>5.182</u></b> | <b><u>9.393</u></b> |

- (i) Refers to income from Brazilian government bonds – Treasury Bills (“LFTs”) and National Treasury Notes (“LTNs”).

#### c) Derivatives

|              | <u>June 2021</u>      |                         |                       | <u>June 2020</u>        |                           |                       |
|--------------|-----------------------|-------------------------|-----------------------|-------------------------|---------------------------|-----------------------|
|              | <u>Gain</u>           | <u>Loss</u>             | <u>Net</u>            | <u>Gain</u>             | <u>Loss</u>               | <u>Net</u>            |
| Swap         | 582                   | (1.348)                 | (766)                 | 63                      | (20.177)                  | (20.114)              |
| NDF          | 6.403                 | (2.326)                 | 4.077                 | 9.613                   | (16.363)                  | (6.750)               |
| Future       | 446.669               | (451.895)               | (5.226)               | 1.290.111               | (1.121.854)               | 168.257               |
| <b>Total</b> | <b><u>453.654</u></b> | <b><u>(455.569)</u></b> | <b><u>(1.915)</u></b> | <b><u>1.299.787</u></b> | <b><u>(1.158.394)</u></b> | <b><u>141.393</u></b> |

# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

In thousands of Reais, unless otherwise indicated

### d) Foreign exchange transactions

|   | <u>June 2021</u>      | <u>June 2020</u>      |
|---|-----------------------|-----------------------|
| Income from foreign exchange transactions   | 16.373                | 42.389                |
| Expenses from foreign exchange transactions | (79)                  | (940)                 |
| FX rate variation                           | (24.616)              | 68.957                |
| <b>Total</b>                                | <b><u>(8.322)</u></b> | <b><u>110.406</u></b> |

### e) Income from services provided

|  | <u>June 2021</u>    | <u>June 2020</u>    |
|--|---------------------|---------------------|
| Commissions on mediation deals (note 20)             | 4.681               | 4.276               |
| Service intercompany fees (note 20)                  | 1.617               | 1.679               |
| Guarantee fees                                       | 904                 | 314                 |
| Intermediation of export letters of credit (note 20) | 726                 | 1.362               |
| Other service fees                                   | 567                 | 519                 |
| Commission on finance structuring                    | -                   | 95                  |
| <b>Total</b>   | <b><u>8.495</u></b> | <b><u>8.245</u></b> |

### f) Income from bank fees

|   | <u>June 2021</u>  | <u>June 2020</u>  |
|---|-------------------|-------------------|
| Fees from foreign exchange income - import    | 302               | 81                |
| Fees from current account                     | 21                | 18                |
| Fees from foreign exchange income - financial | 1                 | 1                 |
| Fees from foreign exchange income - export    | -                 | 2                 |
| <b>Total</b>                                  | <b><u>324</u></b> | <b><u>102</u></b> |

### g) Open market funding transactions

|                       | <u>June 2021</u>   | <u>June 2020</u>    |
|-----------------------|--------------------|---------------------|
| Time deposits         | (66)               | (779)               |
| Credit guarantee fund | (5)                | (29)                |
| Repurchase agreements | (3)                | (19)                |
| <b>Total</b>          | <b><u>(74)</u></b> | <b><u>(827)</u></b> |

### h) Borrowing and on-lending transactions

|   | <u>June 2021</u>    | <u>June 2020</u>        |
|---|---------------------|-------------------------|
| Borrowing and on-lending transactions (note 20) | 5                   | 18                      |
| Borrowing with foreign Banks (note 20)          | (1.434)             | (3.191)                 |
| FX rate variation                               | 11.256              | (294.762)               |
| <b>Total</b>                                    | <b><u>9.827</u></b> | <b><u>(297.935)</u></b> |

# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

In thousands of *Reais*, unless otherwise indicated

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### i) Personnel expenses

|                                 | <u>June 2021</u>       | <u>June 2020</u>       |
|---------------------------------|------------------------|------------------------|
| Employee compensation (note 27) | (21.497)               | (8.009)                |
| Social charges (note 27)        | (9.408)                | (4.012)                |
| Benefits                        | (5.497)                | (3.049)                |
| Management compensation         | (935)                  | (831)                  |
| Interns' salary                 | (55)                   | (118)                  |
| Training                        | (16)                   | (23)                   |
| <b>Total</b>                    | <b><u>(37.408)</u></b> | <b><u>(16.042)</u></b> |

### j) Other administrative expenses

|   | <u>June 2021</u>      | <u>June 2020</u>      |
|---|-----------------------|-----------------------|
| Data processing                             | (3.716)               | (4.173)               |
| Rentals                                     | (2.434)               | (1.213)               |
| Expenses with specialist technical services | (655)                 | (552)                 |
| Expenses for financial systems services     | (638)                 | (722)                 |
| Third-party services                        | (354)                 | (229)                 |
| Communication expenses                      | (267)                 | (367)                 |
| Transportation                              | (104)                 | (125)                 |
| Lease                                       | (86)                  | (97)                  |
| Publications and advertising                | (19)                  | (65)                  |
| Travel and accommodation                    | -                     | (68)                  |
| Maintenance and conservation                | -                     | (70)                  |
| Other administrative expenses               | (188)                 | (181)                 |
| <b>Total</b>                                | <b><u>(8.461)</u></b> | <b><u>(7.862)</u></b> |

### k) Tax expenses

|                   | <u>June 2021</u>      | <u>June 2020</u>      |
|-------------------|-----------------------|-----------------------|
| COFINS            | (1.002)               | (462)                 |
| Service tax - ISS | (450)                 | (417)                 |
| PIS               | (163)                 | (75)                  |
| IOF               | (2)                   | (6)                   |
| Other taxes       | (121)                 | (151)                 |
| <b>Total</b>      | <b><u>(1.738)</u></b> | <b><u>(1.111)</u></b> |



# Commerzbank Brasil S.A. – Banco Múltiplo

## Notes to the Financial Statements

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### 19 Income and social contribution taxes

#### a) Statement of calculation of income and social contribution taxes

|   | June 2021      |                | June 2020       |                 |
|---|----------------|----------------|-----------------|-----------------|
|   | IRPJ           | CSLL           | IRPJ            | CSLL            |
| Pre-tax earnings  | (24.535)       | (24.535)       | (13.618)        | (13.618)        |
| <b>Additions:</b>   |                |                |                 |                 |
| Temporary   | 23.604         | 23.604         | 4.286           | 4.286           |
| Permanent   | 997            | 938            | 2.099           | 2.003           |
| <b>Exclusions:</b>  |                |                |                 |                 |
| Temporary   | (6.764)        | (6.764)        | (5.350)         | (5.350)         |
| <b>Income tax and social contribution basis of calculation</b>    | <b>(6.698)</b> | <b>(6.757)</b> | <b>(12.583)</b> | <b>(12.679)</b> |
| <br>  |                |                |                 |                 |
| <b>Income and social contribution taxes</b>                       | <b>1.675</b>   | <b>1.351</b>   | <b>3.146</b>    | <b>1.902</b>    |
| Effect of the adoption of different tax rates                     | -              | -              | -               | 634             |
| <b>Income and social contribution taxes - deferred tax losses</b> | <b>1.675</b>   | <b>1.351</b>   | <b>3.146</b>    | <b>2.536</b>    |
| <br>  |                |                |                 |                 |
| Tax credit reversal   | -              | -              | (1.003)         | (744)           |
| <b>Income and social contribution tax expense</b>                 | <b>-</b>       | <b>-</b>       | <b>(1.003)</b>  | <b>(744)</b>    |

#### b) Origin of tax credits and deferred tax liabilities

|   | June 2020 |          | June 2021    |              |
|---|-----------|----------|--------------|--------------|
|   | IRPJ      | CSLL     | IRPJ         | CSLL         |
| <b>Tax credits</b>  |           |          |              |              |
| Deferred income and social contribution taxes on:             |           |          |              |              |
| Provision for doubtful debts                                  | -         | -        | 477          | 382          |
| Adjustment derivative financial instruments                   | -         | -        | (84)         | (67)         |
| Bonus provision   | -         | -        | (660)        | (528)        |
| <b>Total tax credits</b>                                      | <b>-</b>  | <b>-</b> | <b>(267)</b> | <b>(213)</b> |
| <br>  |           |          |              |              |
| <b>Deferred tax obligations</b>                               |           |          |              |              |
| Deferred income and social contribution taxes on:             |           |          |              |              |
| Adjustment to market value of securities available for sale   | -         | -        | (353)        | (282)        |
| <b>Total deferred tax obligation on temporary differences</b> | <b>-</b>  | <b>-</b> | <b>(353)</b> | <b>(282)</b> |

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### c) Reconciliation of the calculation of income tax and social contribution

The reconciliation between the tax expense and the accounting result determined by the tax rate for the period ended on June 30, 2021 and 2020, is as follows:

|   | June 2020    |              | June 2021    |              |
|---|--------------|--------------|--------------|--------------|
|   | IRPJ         | CSLL         | IRPJ         | CSLL         |
| Pre-tax earnings  | (24.535)     | (24.535)     | (13.618)     | (13.618)     |
| Income and social contribution taxes, calculated at the current tax rates | 6.134        | 4.907        | 3.406        | 2.724        |
| <b>Additions:</b>   |              |              |              |              |
| Temporary   | (5.901)      | (4.721)      | (1.072)      | (857)        |
| Permanent   | (249)        | (188)        | (525)        | (401)        |
| <b>Exclusions:</b>  |              |              |              |              |
| Temporary   | 1.691        | 1.353        | 1.337        | 1.070        |
| Income and social contribution taxes                                      | <u>1.675</u> | <u>1.351</u> | <u>3.146</u> | <u>2.536</u> |
| Effective income tax and social contribution rate                         | 6,83%        | 5,51%        | 23,10%       | 18,62%       |

## 20 Transactions with related parties

Transactions with related parties are carried out under arm's length. These operations are closed under rates at the beginning of the deal as well at the settlement dates according to the market conditions.

The following table shows the balance of the Bank's transactions with its related parties on June 30, 2021 and December 31, 2020.

|   | June 2021                |                           | June 2020                | December 2020             |
|---|--------------------------|---------------------------|--------------------------|---------------------------|
|   | Revenues /<br>(Expenses) | Assets /<br>(Liabilities) | Revenues /<br>(Expenses) | Assets /<br>(Liabilities) |
| Foreign currency deposits (i)               |                          |                           |                          |                           |
| Commerzbank AG                              | -                        | 1.229                     | -                        | 1.421                     |
| Foreign exchange portfolio - Arbitrage (ii) |                          |                           |                          |                           |
| Commerzbank AG                              | -                        | (1.337)                   | -                        | 1.088                     |
| Foreign borrowings (iii)                    |                          |                           |                          |                           |
| Commerzbank AG                              | (971)                    | (164.237)                 | (1.851)                  | (552.788)                 |
| Commerzbank AG New York                     | (458)                    | (267.902)                 | (1.322)                  | (284.477)                 |
| Services provided (iv)                      |                          |                           |                          |                           |
| Commerzbank AG                              | 2.343                    | 1.481                     | 3.041                    | 906                       |
| Commerzbank AG Luxembourg                   | 930                      | 930                       | 1.448                    | 187                       |
| Commerzbank AG New York                     | 3.751                    | 395                       | 2.828                    | 980                       |
| <b>Total</b>                                | <u>5.595</u>             | <u>(429.441)</u>          | <u>4.144</u>             | <u>(832.683)</u>          |

- (i) Represents foreign currency deposits;
- (ii) Represents arbitrage deals with Commerzbank AG;
- (iii) Represents the foreign borrowings;
- (iv) Represents the mediation services between the Bank and Commerzbank Luxembourg and New York, service agreement and letter of credit intermediation between the Bank and Commerzbank AG.

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In thousands of *Reais*, unless otherwise indicated

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### 21 Key management compensation

|                       | <u>June 2021</u>  | <u>June 2020</u>  |
|-----------------------|-------------------|-------------------|
| Fixed remuneration    | 687               | 569               |
| Variable remuneration | <u>248</u>        | <u>262</u>        |
| <b>Total</b>          | <b><u>935</u></b> | <b><u>831</u></b> |

The key management compensation is not based on shares and there is no post-employment benefits.

### 22 Risk and Capital management

Risk management is a continuous process that identifies and measures existing risks, in addition to potential risks that might threaten the Bank's operations. The policy of Risk and Capital management is available in <https://www.commerzbank.com.br> at Finance and Regulatory information item.

Identifying risks aims to map out risk events, both internal and external, that might affect the business strategy, with a possible adverse impact on the Bank's results, liquidity or reputation.

Responsibilities for risk management are, in principle, structured along three lines of defense:

- a) In the first line of defense, the role of the business areas and the support areas is to manage the risks by identifying, assessing, controlling and reporting those risks;
- b) In the second line of defense, an autonomous unit controls the risks in a centralized manner, seeking to ensure that the risks are managed in accordance with the established risk appetite, policies and procedures;
- c) In the third line of defense, the role of the internal audit function is independently to assess the activities in which the institution engages, enabling senior management to ascertain whether controls are adequate, risk management is effective and internal and external rules have been complied with.

#### **Risk management structure**

The risk management organizational structure complies with the regulations prevailing in Brazil and overseas and is aligned with best market practices and can be summarized as follows:

##### **a) Credit risk**

Credit risk is the possibility of loss due to default by the taker, issuer or counterparty on their financial obligations at the terms agreed, the impairment of a credit agreement due to the downgrading of the risk of the taker, issuer or counterparty, a decrease in earnings or remuneration, benefits granted in subsequent debt renegotiations, or the recovery of costs.

The Bank's credit risk management structure provides for consistent, integrated handling of credit risk for transactions in the trading and banking portfolios. The responsibilities of this structure include the identification, assessment, measurement, control and mitigation of risks. For this

## Commerzbank Brasil S.A. – Banco Múltiplo

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purpose, policies and strategies have been introduced to manage credit risk; systems, models and internal procedures for credit risk are properly validated; losses associated with credit risk are estimated using consistent and prudent criteria and the levels of Reference Capital (“PR”) and provision are kept in line with the credit risk assumed by the institution.

#### **b) Market risk**

Market risk is the possibility of loss resulting from fluctuations in the market prices of positions held by a financial institution. This definition includes the risk of operations subject to changes in currency rates, interest rates, share prices or commodities prices.

The Bank’s market risk management structure is based on risk management policies and strategies that establish operating limits and procedures to keep market risk at acceptable levels as well as systems to measure, monitor and control market risk exposure, both for dealings in the trading portfolio and for other positions, and to generate timely reports for the management of the institution.

#### **c) Liquidity risk**

Liquidity risk can be defined as the possibility that the institution may not be able to honor its expected and unexpected obligations effectively, currently or in the future, including those arising from liabilities under guarantees, without affecting its routine operations or incurring significant losses, and the possibility that the institution may not be able to close out a position at the market price, due to its size in relation to the volumes normally traded, or because the market has been suspended.

The Bank’s liquidity risk management structure is based on policies and strategies which set operating limits and procedures intended to keep liquidity risk exposure at the levels determined by management; processes to identify, assess, monitor and control liquidity risk exposure over different time horizons; periodical stress testing in short and long-term scenarios, and the assessment of liquidity risk as part of the approval process for new products, as well as checking their compatibility with existing procedures and controls. Liquidity management policies and limits are reviewed periodically.

In order to avoid such risk, a Assets and Liabilities Committee (ALCO) is held in a quarterly basis, which assesses potential liquidity risks, either by market factors or internal operations. The Cash management is performed in a daily basis where assumptions of disbursements to be realized and future receipts are used.

As part of its liquidity management, the Bank has assets considered highly liquid (government bonds) that ensure a comfortable position related to any type of short-term liquidity event. These assets are classified in the balance sheet according to their original maturity.

#### **d) Operating risk**

Operating risk is the possibility that losses may be caused by failings, defects or inadequacies in internal processes, people or systems, or by external events. This definition includes the legal risk of inadequate or defective contracts executed by the institution, sanctions resulting from a failure to comply with legal provisions or indemnities to third parties for damage caused by the institution’s business activities.

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The Bank's operating risk management structure operates by means of the identification, assessment, monitoring, control and mitigation of risk; documentation and the storage of information on losses resulting from operating risk. Reports are prepared at least once a year to permit the identification and prompt correction of weaknesses in the control and management of operating risk, the testing of operating risk control systems, carried out at least once a year; and an operating risk management policy is drafted and published to be followed by staff.

### Capital and liquidity management

The purpose of capital management is to ensure that the Bank has sufficient resources to support its operations and to meet its capital requirements in a sustainable manner, taking into account the institution's risk profile.

The capital and liquidity management system includes dealing with Risk Weighted Assets ("RWA"); the Leverage Ratio limit (as a method of managing excessive debt); Liquidity Management and Loss Management.

The Bank's minimum capital requirements are subject to the provisions of the resolutions and circulars issued by the CMN and by BACEN in respect of the global standard capital requirement, known as Basel III. These are expressed in the form of ratios of available capital - Reference Equity ("PR"), or Total Capital, made up of Level I, Level II and RWAs.

To calculate the minimum capital requirements, the total value of RWA is obtained by taking into account the total weighted assets for credit, operating and market risks. The Bank uses the **standard approach** to calculate the portions of RWA for market risk and credit risk; while for operating risk the Basic Indicator Approach is used.

The Bank has met the capital requirements of the regulations during the periods presented in this financial statement, with the main capitalization indicators and their minimum requirements on June 30, 2021 and December 31, 2020, as below:

|   | <u>June 2021</u> | <u>December 2020</u> |
|---|------------------|----------------------|
| <b>Regulatory Capital</b>               | <b>110.966</b>   | <b>137.529</b>       |
| Credit Risk                             | 544.507          | 687.466              |
| Market Risk                             | 30.600           | 76.434               |
| Operational Risk                        | 77.494           | 63.257               |
| <b>Risk-Weighted Assets</b>             | <b>652.601</b>   | <b>827.157</b>       |
| Banking Book - Interest Rate Risk       | 3.633            | 4.804                |
| Minimum Core Capital Requirement        | 55.841           | 70.977               |
| Additional Core Capital Buffer          | 10.605           | 10.339               |
| <b>Shareholders' Equity Requirement</b> | <b>66.446</b>    | <b>81.316</b>        |
| Basel Limit Margin                      | 44.520           | 56.213               |
| <b>Basel Ratio</b>                      | <b>16,07%</b>    | <b>15,64%</b>        |
| <i>minimum required</i>                 | <u>9,625%</u>    | <u>9,25%</u>         |
| <b>Leverage Ratio</b>                   | <b>8,49%</b>     | <b>9,44%</b>         |
| <i>minimum required</i>                 | <u>3,00%</u>     | <u>3,00%</u>         |

## Socio-Environmental Responsibility

The Socio-environmental responsibility policy outlines the guidelines for the identification, evaluation, monitoring, mitigation and control of socio-environmental risk, in compliance with Resolution CMN 4.327/14. The Bank recognizes the importance of its responsibility for the socio-environmental issues in the conduct of its business and activities. It is also committed to utilizing market solutions to promote environmental sustainability, ensuring the long-term interests of its customers, suppliers and society, demonstrated by the implementation of actions aimed at ensuring adherence to regulatory criteria and good practices in relation to the subject.

The Socio-Environmental Risk Management Policy is available in <https://www.commerzbank.com.br> at Finance and Regulatory information item.

## 23 Employee benefits

The Bank sponsors for its employees and managers (except expatriates), of its own free will, the benefits listed below:

**Medical and Dental Plan:** The Bank offers plans that include legal dependents at no cost to the employees: The expenditure on this benefit in the period was R\$ 1.830 (R\$ 2.204 on June 30, 2020).

**Supplementary Pension Plan:** Both staff and Commerzbank contribute. The Bank paid the amount of R\$ 264 in the period (R\$ 185 on June 30, 2020).

The Company's bonus programs is aligned with the remuneration system of Commerzbank AG, which was agreed with the German Federal Financial Supervisory Authority and the Special Fund for Financial Market Stabilization.

## 24 Contingencies

Assets and Liabilities contingents and legal, tax and social security obligations.

The assets and liabilities contingents and legal, tax and social security obligations are recognized, measured and released as follows:

- Contingents assets – are not recognized on financial statements, except when the evidences providing the guarantee of realization, when no claims are acceptable.
- Contingents liabilities – are recognized on financial statements when, based on legal advisors and management opinion to be considered the risk of losses are possible with a legal or administrative action with a probable settlement of obligations and when the amounts involved were measurable with enough certainty.  
The liabilities contingents assessed as possible losses by legal advisors are only disclosed in an explanatory notes, whereas remote losses are not provisioned or disclosed.
- Legal obligations (legal and social security) – refer to legal demand where are being contested the legality and constitutionality of some taxes and contributions. The amount disputed is quantified, provisioned and monthly updated, independent of probability of losses.

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### Liabilities contingents classified as probable and possible losses:

The contingent liabilities assessed as probable and possible losses are represented by labor claims, as follows:

|                         | June 2021  |          | December 2020 |              |
|-------------------------|------------|----------|---------------|--------------|
|                         | Probable   | Possible | Probable      | Possible     |
| Opening balance         | 543        | 1.093    | 510           | 1.031        |
| Provision in the period | (6)        | (1.093)  | 33            | 62           |
| Closing balance         | <u>537</u> | <u>-</u> | <u>543</u>    | <u>1.093</u> |

## 25 Sensitivity analysis

The sensitivity analysis shows the impact of interest rate and exchange rate variations on the fair value of assets and liabilities as of June 30, 2021 without considering the tax effect.

The impact on the fair value of assets and liabilities exposed to interest rate variation is measured by applying parallel variations in their respective interest rates without considering the correlations between them. The impact of exchange rate variation is measured by applying a fixed percentage of valuation or devaluation of the Real currency in relation to other currencies.

In this analysis are presented 4 scenarios with an increase or reduction of 50 basis points in interest rates for all periods and valuation or devaluation in exchange rates of 5%:

**Scenario I** – impact of the increase in interest rates and the valuation of exchange rates.

**Scenario II** – impact of the reduction in interest rates and the devaluation of exchange rates.

**Scenario III** – only adverse impacts of the increase in interest rates and the valuation of exchange rates

**Scenario IV** – only adverse impacts of the reduction of interest rates and the devaluation of exchange rates

| Risk factor         | Scenarios    |            |              |            |
|---------------------|--------------|------------|--------------|------------|
|                     | I            | II         | III          | IV         |
| Fixed interest rate | 405          | (405)      | -            | (405)      |
| Exchange coupon     | (761)        | 761        | (761)        | 761        |
| External interest   | 8            | (8)        | -            | (8)        |
| FX variance         | (30)         | 30         | (30)         | 30         |
| <b>Total</b>        | <u>(378)</u> | <u>378</u> | <u>(791)</u> | <u>378</u> |

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#### 26 Non-recurring results

The Bank presented a non-recurring result as follows:

|  | <u>June 2021</u>       | <u>June 2020</u>      |
|--|------------------------|-----------------------|
| Restructuring expenses (note 1 and 27) | (23.250)               | -                     |
| Deferred tax assets reversal           | -                      | (1.747)               |
| Operational losses                     | -                      | (1.270)               |
| Eventual gratification                 | -                      | (13)                  |
| <b>Total</b>                           | <b><u>(23.250)</u></b> | <b><u>(3.030)</u></b> |

#### 27 Other information

Impact of the Covid-19 Pandemic – up to the current date, the Bank has not suffered any significant financial impact and does not have enough information to predict future impacts. The Bank has highly liquid assets at comfortable levels to honor short-term obligations and to conduct its business activities. However, as a precaution, exposures to market risks have been reduced to minimum levels and new loans are granted after careful individual credit analysis.

In line with NBC TG 900, the values of assets and liabilities presented are already at the liquidation value. This way, there are no disclosures with adjustments between book value and the liquidation value.

In the six months ended June 30, 2021, the bank booked restructuring expenses of R\$ 1.567 and restructuring provision of R\$ 21.683 associated with the institution's wind down process. The restructuring provision expenses are described as follows:

|  | <u>June 2021</u>     |
|--|----------------------|
| Employee compensations (i)                     | 17.265               |
| Social charges (i)                             | 2.718                |
| Contracts' penalties (ii)                      | 695                  |
| Office reinstatement (iii)                     | 1.005                |
| <b>Total provisions</b>                        | <b><u>21.683</u></b> |
| Legal expenses (iv)                            | 125                  |
| Third-party services (v)                       | 27                   |
| Employee compensations and social charges (vi) | 1.415                |
| <b>Total actual expenses</b>                   | <b><u>1.567</u></b>  |
| <b>Total restructuring expenses</b>            | <b><u>23.250</u></b> |

- (i) Refers to the amount of employee compensations social and charges arising from the termination of the employment contract in accordance with individual contracts..
- (ii) Refers to the expected termination penalties for the office rental contract and data center that will take place in 2023.
- (iii) Refers to the estimated office reinstatement costs.
- (iv) Legal services for amendment of employees' individual contracts
- (v) Human resources consultancy services.
- (vi) Expenses incurred with employees layoff in June 2021.



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### 28 Subsequent events

There are no subsequent events to disclose.

Ronaldo Correa  
President director

Karsten Sieber  
Director

Elio Pereira Sales  
Accountant CRC-1SP 212554/O-0

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