BANCO SUMITOMO MITSUI BRASILEIRO S.A.

Financial statements as of June 30, 2024

Content

Management report

Shareholders:

In compliance with legal provisions, we submit for your appreciation the financial statements for the semester ended June 30, 2024, where net income for the year was R$60,129 thousand (R$76,556 thousand on June 30, 2023), total assets, R$11,434,367 thousand (R$9,533,238 thousand on December 31, 2023) and the loans portfolio, R$1,437,290 thousand (R$1,493,759 thousand on December 31, 2023).

Dividends:
Corporate legislation and the bylaws state that a minimum of 25% of net income for the year shall be distributed to shareholders in the form of dividends and/or interest on shareholders’ equity. On June 30, 2024, a decision was made not to set up a provision for dividends, and income for the semester was allocated to the statutory reserve for future distribution.

The fees paid to the external audit for audit and non-audit services will be disclosed in the *Annual Report* of Sumitomo Mitsui Financial Group, Inc. June 30 2024.

We remain at your disposal should you need any further clarifications, and we inform you that all accounting documents supporting these financial statements are at the Bank’s headquarters.

São Paulo, August 28, 2024.

Summary of the Audit Committee Report

Introduction:
According to CMN Resolution 4.910 from Central Bank of Basil, it is incumbent on the Audit Committee ("Committee") to ensure the quality and integrity of the Financial Statements of Banco Sumitomo Mitsui Brasileiro S.A. ("Bank"), for compliance with legal and regulatory requirements, for the performance, independence and quality of the work of the external audit and internal audit and for the quality and effectiveness of the Bank's internal control and risk management systems. The Committee shall consist of four (4) full and independent members, elected in accordance with the criteria laid down in the rules of the National Monetary Council ("CMN").

The Committee's assessments are based on information received from the Bank's Management, external auditors, internal audit, for those in charge of risk management, internal controls and compliance, the Bank's legal advisors and its own analyses.

KPMG Auditores Independentes Ltda. is the independent audit firm contracted to review the Bank's Financial Statements, prepared in accordance with Brazil's accounting practices and in compliance with the standards published by the Central Bank of Brazil.

Internal Audit focuses on issues that represent higher risk potential and on the assessment of internal control and risk management systems, providing the Committee with critical view of the quality of processes and monitoring of risks.

Activities carried out during the period:
At a meeting held on August 27, 2024 with our internal and external auditors, the revision work on the financial statements for the semester ended June 30, 2024 carried out by the KPMG Auditores Independentes Ltda team was presented. At its conclusion, the approval of the financial statements by our external auditors was recommended and the Audit Committee considered their quality appropriate for official disclosure. We always count on the presence of the members of the Audit Committee, as well as the Executive Manager of Accounting and the Executive Manager of Internal Audit.

Risk Management and internal control systems:
In the first semester of 2024, the Bank continued to improve and update its rules and procedures and strengthen the corporate governance process. The reports required by regulators and prepared by the Compliance Division concluded that the Internal Control System of Banco Sumitomo Mitsui Brasileiro S.A. is adequately structured to ensure effective management of risk and capital, internal controls, operations and systems that generate the financial reports.

The points raised by the Internal Audit and the reports produced by the external audit and the compliance division did not indicate any breach of the domestic laws, regulations and rules that could put the continuity of the operations of Banco Sumitomo Mitsui Brasileiro S.A. at risk. The Bank's internal control system has been continuously improved and the procedures already implemented, as well as those still under deployment, are compatible with the size and complexity of the operations.

External audit:
The Committee shall maintain, directly and/or indirectly through its Technical Member, a regular channel of communication with external auditors for a broad discussion of the results of its work and of relevant accounting aspects, to enable its members to substantiate their view on the integrity of the Financial Statements.

Based on the assessment carried out and the information provided by KPMG Auditores Independentes Ltda, the Committee did not identify situations which could affect the objectivity and independence of the external audit.

The Committee shall assess the volume and quality of information provided by the external audit as fully satisfactory and supportive of its Lada view on the integrity of the financial statements.

Internal Audit:
The strategic and tactical planning of the Internal Audit and the analysis of the structure, resources, professional development, responsibilities, independence, objectivity, performance and completion of the work were examined by the Audit Committee. The outcome of this process did not give the Committee any concerns about the points examined.

The Internal Audit, through its reports, did not bring to the attention of the Committee the existence of residual risks that could affect the degree of soundness and continuity of the Bank's operations.

Financial statements:
The Committee reviewed the procedures involving the preparation of the individual and consolidated balance sheets and interim balance sheets, explanatory notes and financial reports published together with the individual and consolidated financial statements.

The relevant accounting practices used by the Bank in drawing up the Financial Statements were also examined and found to be in line with Brazilian practices and in compliance with the standards published by the Central Bank of Brazil.

Conclusions:
Given its responsibilities and the natural constraints that arise from the scope of its activities, and on the basis of the activities it carried out during the period, the Committee concludes that during the six-month period ended June 30, 2024:

• internal controls systems, compliance policy, and capital and risk management frameworks are appropriate for the proportion and complexity of Banco Sumitomo Mitsui Brasileiro S.A. and the approved risk appetite. Compliance with the rules in force was monitored, and shortcomings, evidenced;

• the coverage and quality of Internal Audit work are satisfactory, including with regard to verification of compliance with legal and regulatory provisions and internal regulations and codes, with evidence of deficiencies identified and acting with appropriate independence;

• the relevant accounting practices adopted by the Bank are aligned with those adopted in Brazil, including compliance with standards emanating from the National Monetary Council and the Central Bank of Brazil, as well as with international accounting standards issued by the International Accounting Standards Board (IASB); and

• the information provided by KPMG Auditores Independentes Ltda is suitable, including verification of compliance with legal and regulatory arrangements and internal regulations and codes, with evidence of deficiencies identified, where the Committee supports its recommendation on the financial statements, and no situation was identified which could undermine the objectivity and independence of the Independent Auditor.

In the course of the other activities carried out, the Committee did not become aware of the occurrence of fraud or non-compliance with legal and regulatory standards or internal controls, accounting and audit errors which could jeopardize the continuity of the Bank.

In view of the foregoing, this Committee, basing its judgment on the actions carried out and considering its responsibilities and the natural limitations arising from the scope of its activities, recommends the approval of the audited financial statements of Banco Sumitomo Mitsui Brasileiro S.A., for the semester and year ended December 31, 2023.

São Paulo, August 27, 2024.

Audit Committee

KPMG Auditores Independentes Ltda.
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Independent auditors' report on the financial statements

To the Shareholders of
Banco Sumitomo Mitsui Brasileiro S.A.
Sao Paulo-SP

Opinion

We have examined the financial statements of Banco Sumitomo Mitsui Brasileiro S.A. ("Bank"), which comprise the balance sheet as of June 30, 2024 and the respective statements of income, comprehensive income, changes in equity and cash flows for the semester then ended, as well as the corresponding notes, including a summary of the significant accounting policies.

In our opinion, the financial statements referred to above adequately present, in all material respects, the equity and financial position of Banco Sumitomo Mitsui Brasileiro SA as of June 30, 2024, the performance of its operations and its cash flows for the semester then ended, in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil - Bacen.

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "Auditors' responsibilities for the audit of the financial statements". We are independent in relation to the Bank, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our audit for the current semester. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion on those financial statements and, therefore, we do not express a separate opinion on these matters.

Provisions for expected losses associated with credit risk	
See notes 3.g. and 9 to the financial statements.	
Key audit matter	**How our audit addressed this issue**
As mentioned in notes No. 3.g. and 9, for the purposes of measuring the provision for expected losses associated with credit risk, loan and foreign exchange transactions are classified according to management's judgment regarding the level of risk, in accordance with the policy of the Bank that takes into account the economic situation, past experience and specific risks in relation to each transaction, its debtors and guarantors, observing the parameters established by CMN Resolution No. 2.682/99, which requires periodic analysis of the portfolio and its classification in nine levels, from "AA" (minimum risk) to "H" (loss). The Bank applies the loss percentages determined by said Resolution to each risk level for the purpose of calculating the provision for expected losses associated with credit risk and, in addition to the parameters established in said Resolution, the Bank recognizes an additional provision, based on internal methodology. The classification of loan transactions into risk levels and the measurement of the provision for losses associated with credit risk involve the Bank's assumptions and judgments based on its internal methodologies. Due to the relevance of loan transactions and the uncertainties inherent in determining the estimate of the provision for expected losses associated with credit risk and the complexity of the methods and assumptions used, as well as the judgment involved in its determination, we consider this to be a key audit matter.	Our audit procedures included, but are not limited to: • We assessed the design and effectiveness of key internal controls related to the processes of approval, registration and updating of loan transactions, as well as to the internal methodologies for assessing customers' risk levels ("ratings") that support the classification of transactions and the main assumptions used in determining the provision for expected losses associated with credit risk. • We assessed, based on sampling, the information that supports the definition and review of customers' ratings by the Bank, such as the loan application, financial and registration information and the amounts given in formal guarantees, including the methodologies and assumptions used for the provision. • We analyzed the arithmetic calculation of the provision, and included in our assessment compliance with the requirements established by CMN Resolution No. 2,682/99 related to the calculation of the provision for expected losses associated with credit risk. • We also assessed whether the disclosures made in the financial statements are appropriate in relation to current standards.

Based on the evidence obtained through the procedures summarized above, we consider that the assumptions used in measuring the provisions for expected losses associated with credit risk are acceptable, as well as the respective disclosures, in the context of the financial statements taken as a whole for the semester ended June 30, 2024.

Measurement of the fair value of derivative financial instruments, including assessment of hedge accounting structures	
See notes 3.f. and 7 (item 4) of the financial statements.	
Key audit matter	**How our audit addressed this issue**
As disclosed in notes No. 3.f. and 7 (item 4), the Bank carries out transactions with derivative financial instruments aimed at protecting market price variations and mitigating foreign currency and interest rate risks of its assets and liabilities and contracted cash flows. These derivative financial instruments comprise Swaps, Non-Deliverable Forwards (NDF) and Futures transactions. The mark-to-market methodology for these derivative financial instruments was established based on consistent and verifiable criteria that take into account the closing price, or adjustment price, when applicable, on the day of calculation or, failing that, through pricing models that reflect the probable net realization value, or even the price of a similar financial instrument, taking into account, at least, the payment and maturity terms, the currency or index, and the credit risk associated with the counterparty. Additionally, the Bank has Futures contracts, which were entered into with the purpose of mitigating the effect of exchange rate variations on funding carried out in foreign currency and loan transactions pre-fixed in reais. These transactions were designated as hedging derivatives and classified as Fair Value Hedge or Cash Flow Hedge transactions. Transactions as hedge are measured at market value. The fair value measurement of both derivatives and the hedged item must meet the criteria determined by BACEN Circular No. 3.082/02, a standard that establishes and consolidates criteria for recording and accounting valuation of derivative financial instruments, in addition to policies and controls to ensure their effectiveness. Due to the importance of transactions with derivative financial instruments, their results and the subjectivity of the measurement of the market value of the hedged item, we consider this to be a key audit matter.	Our audit procedures included, but are not limited to: • We assessed the design and operational effectiveness of the key internal controls adopted by the Bank to measure the market value of derivative financial instruments, including derivatives intended for hedging, and the hedged items. • With the help of our experts in financial instruments, we tested the models developed by the Bank to determine fair values and the reasonableness of the criteria for defining the parameters and information included in the pricing models used, we recalculated the fair value of the transactions and compared the assumptions used to determine fair value with similar transactions in the market. • Furthermore, with the help of our experts in financial instruments, we gained an understanding of the hedging strategies adopted by the Bank, including those related to hedge accounting to preserve the spread of investments, interbank deposits and onlending transactions. We assessed the sufficiency of the documentation prepared by the Bank that supports the designation as hedge accounting, specifically the formal designations containing descriptions of all strategies and methodologies used to measure effectiveness. • We also recalculated the prospective and retrospective coverage effectiveness test prepared by the Bank. • Sample testing of the financial settlements that were carried out during the period of derivative financial instruments; • Additionally, we analyzed whether the

	information presented in the notes meets all disclosure requirements determined by current regulations.

Based on the evidence obtained through the procedures summarized above, we consider the fair value measurement of derivative financial instruments to be acceptable, including derivatives intended for hedging, and the hedged items, in the context of the financial statements taken as a whole referring to the semester ended June 30, 2024.

Other information accompanying the financial statements and auditors' report

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

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

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

Responsibilities of management and governance for the financial statements

Management is responsible for the preparation and adequate presentation of the financial statements in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil - Bacen and for the internal controls that it determined as necessary to allow the preparation of financial statements that are free from material misstatement, whether caused by fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in preparing the financial statements, unless the management intends to liquidate the Bank or cease its operations, or has no realistic alternative but to do so. Those responsible for the Bank's governance are those responsible for supervising the process of preparing the financial statements.

Auditors' responsibilities for auditing the financial statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit carried out in accordance with Brazilian and international auditing standards will always detect any existing relevant distortions. Misstatements may arise from fraud or error and are considered material when, individually or collectively, they may influence, within a reasonable perspective, users' economic decisions made based on said financial statements.

As part of the audit performed in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore:

— We identify and assess the risks of material misstatement in the financial statements, regardless of whether caused by fraud or error, plan and perform audit procedures in response to such risks and obtain sufficient appropriate audit evidence to support our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve the act of circumventing internal controls, collusion, forgery, omission or intentional misrepresentations.

- We obtain an understanding of the internal controls relevant to the audit to plan audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls.
- We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty regarding events or conditions that may raise significant doubt regarding the Bank's ability to continue as a going concern. If we conclude that material uncertainty exists, we should draw attention in our audit report to the related disclosures in the financial statements or include a modification of our opinion if the disclosures are inadequate. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the Bank to no longer continue as a going concern.
- We assess the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the corresponding transactions and events in a manner consistent with the objective of fair presentation.

We communicate with those responsible for governance regarding, among other things, the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our work.

Of the matters that were the subject of communication with those responsible for governance, we determine those that were considered most significant in the audit of the financial statements for the current period and that, therefore, constitute key audit matters. We describe these matters in our audit report unless law or regulation has prohibited public disclosure of the matter, or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of such communication could, within a reasonable perspective, outweigh the benefits of communication for the public interest.

São Paulo, August 28, 2024.

KPMG Auditores Independentes Ltda.

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(sgd)
Mark Suda Yamashita
CRC SP Counter - 1SP271754/O-9

Banco Sumitomo Mitsui Brasileiro S.A.
Statements of Financial Position
June 30, 2024 and December 31, 2023
(In Thousands of Reais)

ASSETS	Note	June/2024	December/2023
Cash and cash equivalents	**4**	**24.501**	**96.008**
FINANCIAL ASSETS		**11.194.328**	**9.221.704**
Interbank liquidity investments	**5**	**3.926.186**	**2.989.718**
Open market investments		2.900.753	1.695.719
Interbank deposits		886.444	1.047.015
Foreign currency		138.989	246.984
Marketable Securities	**6**	**3.463.985**	**2.499.456**
Own portfolio		1.934.497	1.081.455
Linked to guarantees		1.529.488	1.418.001
Derivative financial instruments	**7**	**321.503**	**539.102**
Interbranch accounts		**514.346**	**257.967**
Deposits at the Central Bank of Brazil - BACEN		2.133	2.513
Interbank on-lending	**8**	512.335	255.510
Provision for expected losses associated with credit risk	**8**	(122)	(56)
Loan transactions		**1.435.395**	**1.491.427**
Loans	**9.a**	1.437.290	1.493.759
Provision for expected losses associated with credit risk	**9.e**	(1.895)	(2.332)
Exchange transactions		**1.532.913**	**1.444.034**
Foreign exchange portfolio	**10**	1.537.338	1.445.882
Provision for expected losses associated with credit risk	**9.e**	(4.425)	(1.848)
OTHER ASSETS	**12**	**135.895**	**106.148**
TAX ASSETS	**11**	**70.923**	**102.081**
Current tax assets		14.294	32.077
Tax Credit		56.629	70.004
INVESTMENTS		**98**	**98**
PROPERTY AND EQUIPMENT FOR USE	**13.a**	**2.933**	**3.265**
Other property and equipment for use		16.832	16.695
Accumulated depreciation		(13.899)	(13.430)
INTANGIBLE ASSETS	**13.b**	**5.689**	**3.934**
Intangible Assets		18.949	16.840
Accumulated depreciation		(13.260)	(12.906)
T O T A L A S S E T S		**11.434.367**	**9.533.238**

LIABILITIES	Note	June/2024	December/2023
FINANCIAL LIABILITIES		**8.654.498**	**6.758.127**
Deposits	**14.a**	**1.941.366**	**2.080.890**
Demand deposits		68.833	75.264
Term deposits		1.872.533	2.005.626
Open market funding	**14.c**	**2.000**	**15.009**
Securities Issued	**15**	**121.160**	**114.495**
Interbank accounts		**173**	**-**
Interbranch accounts		**68.261**	**31.835**
Derivative financial instruments	**7**	**274.715**	**159.941**
Obligations for loans abroad	**16.a**	**1.048.233**	**545.297**
Foreign on-lendings	**16.b**	**4.671.652**	**2.880.745**
Foreign exchange portfolio	**10**	**526.938**	**929.915**
OTHER LIABILITIES	**17**	**136.308**	**289.288**
PROVISIONS		**105.872**	**75.415**
Tax, civil and labor	**18**	20.549	19.317
Other	**17.b**	85.323	56.098
TAX LIABILITIES		**143.202**	**185.025**
Current tax liabilities	**20**	71.267	90.480
Deferred tax obligations	**20.c**	71.935	94.545
SHAREHOLDERS' EQUITY		**2.394.487**	**2.225.383**
Share Capital:		1.675.699	1.559.699
Domestic		2	2
Foreign		1.675.697	1.559.697
Profit Reserves		711.741	651.612
Mark-to-market of securities	**6**	(2.606)	(606)
Cash flow hedge		10.437	19.039
Adjustments to actuarial liabilities - CVM 600		(24.814)	(21.636)
Foreign exchange adjustments to investments		24.030	17.275
T O T A L L I A B I L I T I E S		**11.434.367**	**9.533.238**

*See the accompanying notes to the financial statements.

Banco Sumitomo Mitsui Brasileiro S.A.
Statements of profit or loss
Semesters ended June 30, 2024 and 2023
(In thousands of Reais, except earnings per lot of a thousand shares)

	Note	June/2024	June/2023
Financial operations revenue		734.678	130.402
Loans	21.a	145.357	152.081
Income from securities income	21.b	308.005	292.342
Income from derivative financial instruments	21.c	109.341	(282.242)
Foreign exchange transactions	21.d	171.975	(31.779)
Financial operations expenses		(190.424)	(177.276)
Deposits, money market and interbank funds	21.e	(107.533)	(117.236)
Borrowings and pass-throughs	21.f	(82.891)	(60.040)
Gross income on financial intermediation		544.254	(46.874)
(-) Provision for losses associated with credit risk	9.e	(2.140)	(1.136)
Other operating revenue (expenses)		(423.789)	206.445
Service fee income	21.g	57.623	46.920
Personnel expenses	21.h	(61.446)	(56.535)
Other administrative expenses	21.i	(30.247)	(29.121)
Tax expenses	21.j	(16.596)	(15.450)
Other operating revenues / (expenses)	21.k	(371.891)	261.606
(Provision for) / Reversal of provision for contingent liabilities	21.l	(1.232)	(975)
Operating income		118.325	158.435
Non-operating income		7	217
Income before taxation		118.332	158.652
Income tax and social contribution	20	(54.873)	(78.664)
Income Tax		(40.502)	(43.947)
Social contribution		(30.825)	(33.670)
Deferred assets		16.454	(1.047)
Statutory profit-sharing		(3.330)	(3.432)
Net income for the period		60.129	76.556
Number of shares		1.675.699	1.559.699
Net earnings per lot of a thousand shares - R$		35,88	49,08

*See the accompanying notes to the financial statements.

Banco Sumitomo Mitsui Brasileiro S.A.
Statements of Comprehensive Income
Semesters ended June 30, 2024 and 2023
(In Thousands of Reais)

	June/2024	June/2023
Net income for the period	60.129	76.556
Comprehensive income that may be subsequently reclassified to net income:	**(3.847)**	**(8.641)**
Available-for-sale financial assets		
Change in fair value	(3.636)	131
Tax Effect	1.636	(59)
Foreign exchange adjustments to overseas investment		
Change in fair value	12.282	(6.847)
Tax Effect	(5.527)	3.081
Cash flow hedges		
Change in fair value	(15.640)	(8.995)
Tax Effect	7.038	4.048
Comprehensive income that may not be subsequently reclassified to net income:	**(3.178)**	**(3.060)**
Adjustment to actuarial liabilities		
Change in fair value	(5.778)	(5.564)
Tax Effect	2.600	2.504
Total other comprehensive income for the period	**(7.025)**	**(11.701)**
Total comprehensive income	53.104	64.855

*See the accompanying notes to the financial statements.

Banco Sumitomo Mitsui Brasileiro S.A.
Statement of changes in net worth
Semesters ended June 30, 2024 and 2023
(In Thousands of Reais)

			Profit Reserve		Other Comprehensive Income					
	Note	Realized capital	Legal	Statutory	Own	Hedge gains and losses	Adjustment to Actuarial Liabilities	Foreign exchange adjustments to overseas investments	Retained earnings	Total
Balances at December 31, 2022		**1.559.699**	**30.195**	**534.670**	**(902)**	**(14.062)**	**(16.116)**	**20.833**	**-**	**2.114.317**
Mark-to-market of securities					72	(4.947)				(4.875)
Adjustments to actuarial liabilities							(3.060)			(3.060)
Foreign exchange adjustments to investments abroad Resolution 4.524								(3.766)		(3.766)
Net income for the year									76.556	76.556
Legal reserve	19.c		3.828						(3.828)	-
Statutory reserve	19.d			72.728					(72.728)	-
Balances as of June 30, 2023		**1.559.699**	**34.023**	**607.398**	**(830)**	**(19.009)**	**(19.176)**	**17.067**	**-**	**2.179.172**
Balances as of December 31, 2023		**1.559.699**	**42.017**	**609.595**	**(606)**	**19.039**	**(21.636)**	**17.275**	**-**	**2.225.383**
Mark-to-market of securities					(2.000)	(8.602)				(10.602)
Adjustments to actuarial liabilities							(3.178)			(3.178)
Foreign exchange adjustments to investments abroad Resolution 4.524								6.755		6.755
Capital increase		116.000								116.000
Net income for the year									60.129	60.129
Legal reserve	19.c		3.005						(3.005)	-
Statutory reserve	19.d			57.124					(57.124)	-
Balances as of June 30, 2024		**1.675.699**	**45.022**	**666.719**	**(2.606)**	**10.437**	**(24.814)**	**24.030**	**-**	**2.394.487**

*See the accompanying notes to the financial statements.

SMBC SUMITOMO MITSUI BANKING CORPORATION

Banco Sumitomo Mitsui Brasileiro S.A.
Statement of Cash Flow
Semesters ended June 30, 2024 and 2023
(In Thousands of Reais)

	June/2024	June/2023
Operating activities		
Adjusted net income	**469.525**	**(23.426)**
Income for the period	60.129	76.556
Adjustments to net income	409.396	(99.982)
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)	332.373	(94.426)
Income on in financial assets measured at fair value through OCI	-	(130)
Adjustment to the provision for expected losses associated with credit risk	2.141	1.135
Adjustment to provision for (reversal of) interbank operations	66	(36)
Adjustment to provision for (reversal of) financial guarantees submitted	32.030	345
Depreciation and amortization	824	749
Adjustment to provision for tax risks	-	48
Adjustment to provision for contingent liabilities	1.232	927
Deferred Taxes	(16.454)	(1.046)
Provision for Income Tax and Social Contribution	71.267	-
Monetary (restatement) / Reversal of judicial deposits	(14)	(44)
Provisions for / Reversals of personnel bonuses	(14.069)	(7.504)
Change in assets and liabilities	**(2.880.722)**	**999.848**
(Increase) Decrease in Interbank liquidity investments	(1.014.431)	844.116
(Increase decrease in securities and derivative financial instruments (assets/liabilities)	(964.528)	(157.697)
(Increase) Decrease in interbank accounts (asset/liabilities)	(219.846)	145.882
(Increase) Decrease in loans	56.469	66.927
(Increase) Decrease in foreign exchange portfolio	(494.433)	(20)
(Increase) Decrease in securities trading and intermediation (assets/liabilities)	(8.380)	105.956
(Increase) Decrease in other assets	(12.129)	(72.965)
Provision for income and social contribution taxes	-	(10.746)
Income tax and social contribution paid	(72.487)	8.556
(Reduction) Increase In Other Liabilities	(150.957)	69.839
Net cash from or used in operating activities	**(2.411.197)**	**976.422**
Investment Activities		
(Acquisition) sale of intangible assets	(2.110)	339
(Acquisition) property and equipment for use	(138)	(800)
Net cash provided by or used in investment activities	**(2.247)**	**(461)**
Financing Activities		
Capital Increase	116.000	-
Increase (Decrease) in deposits	(139.524)	(365.645)
Increase (Reduction) in open market funding	(13.009)	(31.006)
Increase (Reduction) in funds from acceptance and issue of securities	6.666	7.093
Increase (Decrease) in on-lending and loan obligations	2.293.843	(513.078)
Net cash from or used in financing activities	**2.263.976**	**(902.636)**
Increase / (Decrease) in cash and cash equivalents	**(149.469)**	**73.325**
Cash and cash equivalents at beginning of period	96.008	80.261
Cash equivalents at beginning of period	246.984	287.186
Total cash and cash equivalents at beginning of period	342.992	367.447
Cash and cash equivalents at end of period	24.501	73.613
Cash equivalents at end of period	169.022	367.159
Total cash and cash equivalents at end of period	193.523	440.772
Changes in cash and cash equivalents in the period	**(149.469)**	**73.325**

*See the accompanying notes to the financial statements.

Notes to the financial statements
(In Thousands of Reais)

1 Operations

Banco Sumitomo Mitsui Brasileiro S.A. ("Bank") is established as a multiple bank, operating commercial portfolios, including foreign exchange and investment operations, pursuant to Resolution No. 2.099/94 of the National Monetary Council - CMN.

On January 18, 2012, the Bank received authorization from the Central Bank of Brazil to open a branch on the *Cayman Islands*. The documents approving the opening of this branch were issued on January 8, 2013. The Bank effectively initiated its operations at the branch in September 2013. The accounting balances of the foreign branches are included in the financial statements.

2 Preparation and presentation of financial statements

The financial statements comply with the regulations issued by the National Monetary Council and Central Bank of Brazil, as per CMN Resolution No. 4.818/2020.

Price assumptions and estimates were used in the preparation of these financial statements for purposes of recording and determining the amounts of assets and liabilities. Accordingly, upon the actual financial settlement of these assets and liabilities, the results earned could be different from the estimates.

The accounting pronouncements which have already been approved by the Central Bank of Brazil are:

CMN Resolution No. 3.823/09 - Provisions, contingent liabilities and contingent assets (CPC 25)

CMN Resolution No. 3.989/11 - Share-based payments (CPC 10 R1)

CMN Resolution No. 4.524/16 - Effects of changes in foreign exchange rates and translation of financial statements (CPC 02)

CMN Resolution No. 4.534/16 - Intangible Assets (CPC 04 R1)

CMN Resolution No. 4.535/16 – Property, Plant and Equipment (CPC 27)

CMN Resolution No. 4.818/20 - Individual and Consolidated Financial Statements, Cash Flow Statements, Disclosure about related parties, Subsequent events and Earnings per Share (CPC 03 R2, CPC 05 R1, CPC 24 and CPC 41)

CMN Resolution No. 4.877/20 - Employee benefits (CPC 33 R1)

CMN Resolution No. 4.924/21 – Accounting recognition, measurement, bookkeeping and evidencing (CPC 00 R2, CPC 01 R1, CPC 23, CPC 46 and CPC 47)

CMN Resolution No. 4.966 ([1]) – Financial instruments (CPC 48)

([1]) CMN Resolution No. 4966/2021 establishes the right for financial institutions to prepare and disclose Prudential Financial Statements in accordance with Bacen rules and instructions until the year ending December 31, 2024, that is, until the new applicable accounting criteria becomes effective. SMBCB chose to adopt this prerogative.

Implementation plan for CMN Resolution No. 4.966/21:

In accordance with Article 76 of CMN Resolution No. 4.966 of November 25, 2021, which sets out the accounting concepts and criteria for financial instruments, aligned with the accounting criteria of COSIF established by International Standard - IFRS 9, as of January 1, 2025. The Bank has drawn up a plan to implement the new accounting regulation, considering the accounting scenario, industry, market strategy and risk management framework. The Bank Management believes that changes in business models and the relationship with financial products will have an impact on all workflow and internal processes, and that policies, controls and systems will need to be reviewed and adapted. We have established a macro implementation schedule that includes activities until the standard comes into force.

The Bank established a working group, aiming to cover the main challenges posed by the standard: (a) classification requirements; (b) initial recognition and measurement requirements; (c) subsequent measurement; (d) recognition and measurement of exchange products; (e) expected losses and (f) transition strategies.

To date, the following has been completed:
1) mapping of regulatory changes;
2) definition of working groups to adjust the Bank to changes;
3) regular weekly presentation meetings of work progress with the Bank's executive management;
4) budget approval for initiatives that aim to fully comply with new requirements;
5) determination of technical requirements that impact the Bank's systems;

To date, the Bank has made available to Bacen the Implementation Plan for Res 4.966, which covers the following steps: (i) evaluation; (ii) design; (iii) development; (iv) tests and approvals; (v) transition activities and (vi) initial adoption.

The regulations released throughout 2023 and 2024 (BCB Resolution No. 352/2023, CMN Resolution No. 5.100/2023 and CMN Resolution No. 3.146/2024) have already been analyzed for their impacts on implementation of the resolution as a whole and incorporated into the adjustment work.

The Executive Board authorized the issuance of the financial statements as of June 30, 2024 on August 28, 2024.

3 Significant accounting policies

The Bank adopts the following key accounting policies in drawing up its financial statements:

a. Functional currency and presentation currency

The Bank's functional and presentation currency is the Brazilian *Real*.

The functional currency of the operations conducted by the overseas branch (*Cayman*) is the dollar, but for the purpose of presentation of these financial statements, the amount is translated to Brazilian *Reais* at the exchange rate for sale informed by the Central Bank of Brazil on this same date.

The effect of exchange variation resulting from translation of foreign currency and from financial statements from investees overseas is recorded in separate shareholders' equity accounts in accordance with CMN Resolution No. 4.524/16.

b. Statement of profit or loss

Revenues and expenses are recognized according to the accrual basis, on a daily *pro rata* basis for financial income and expenses.

Financial income and expenses are calculated based on the exponential method, except those relating to discounted securities, or to transactions abroad, which are calculated using the straight-line method.

Transactions with fixed rates are recorded at redemption amount and revenues and expenses corresponding to the future period are recorded in a reducing account of the respective assets and liabilities. Transactions with variable rates or rates indexed to foreign currencies are updated until the balance sheet date.

c. Cash and cash equivalents

Cash and cash equivalents consist of local currency funds, foreign-currency funds and open market investments maturing in 3 months or less counting from the investment date and posing insignificant risk a change in fair value. They are used by the Bank to manage its short-term commitments.

d. Interbank liquidity investments

Interbank liquidity investments are stated at the amount of investment, plus income earned up to the balance sheet date.

e. Marketable securities

Under BACEN Circular No. 3.068, of November 8, 2001, securities are classified according to Management's intent, into the following categories:

- **Trading Securities** - Securities acquired for active and frequent trading, adjusted to market value and charged against profit or loss for the period.

- **Available-for-sale securities** - Securities that are neither classified as marketable or held to maturity, adjusted to market value and charged against the relevant item in shareholders' equity, net of tax.

- **Held-to-maturity securities** - Securities acquired for which there is the intention and financial capacity to hold them as part of the portfolio until maturity date. These securities are measured at acquisition cost, plus income earned, against profit or loss for the period.

f. Derivative financial instruments

The Bank carries out transactions with derivative financial instruments to hedge its operations against variations in market prices and to mitigate currency and interest rate risks posed to its assets and liabilities and cash flows contracted for compatible terms, rates and amounts.

Derivative financial instruments are used as a risk-transfer tool to protect the positions of the banking book and the trading book. In addition, highly liquid derivatives traded on the stock exchange are used, within the strict and periodically reviewed limits, with the purpose of managing trading book exposures.

To manage the ensuing risks, internal limits to global exposures and exposures by portfolios were set. These limits are monitored daily. Considering the possibility of exceeding the limits because of unexpected situations, Management established internal policies which imply immediate definition of conditions for realignment. These risks are monitored by an area independent of the operating areas and are reported daily to senior management.

The mark-to-market methodology of derivative financial instruments was established based on consistent and verifiable criteria that take into account the closing price, or adjustment price, when applicable, on the calculation day or, in its absence, through pricing models that translate the probable net realization value, or the price of a similar financial instrument, taking into account the payment and maturity, currency or index, and the credit risk associated with the counterparty, at the very least.

Under BACEN Circular No. 3.082, issued on January 31, 2002 and BACEN Circular Letter No. 3.026, issued on July 5, 2002, derivative financial instruments are composed of Swap and Non Deliverable Forward ("NDF") transactions and also transactions with futures, accounted for according to the following criteria:

- Futures:

The daily adjustments are recorded in assets and liabilities and recognized daily as revenue or expenses.

- Swaps and Non-Deliverable Forwards:

Difference receivable or payable recorded in assets or liabilities, respectively, and recognized as revenue or expense on a pro-rata die basis through to the balance sheet date.

Derivative transactions carried out at the request of clients or on one's own account, which meet or do not meet the hedging criteria applied to global exposure to risks and which are not considered as related transactions according to the assumptions disclosed by circular No. 3.150/ 2002 issued by BACEN (Central Bank of Brazil), are stated at market value, and appreciations and devaluations are recognized as follows:

Derivative financial instruments not classified as hedge should be recorded in the revenue or expense account in the statement of income for the period.
Financial instruments considered as hedging instruments:

- Against market risks: are used to offset the risks arising from exposure to variation in the market value of the hedged item. Their appreciations or devaluations is accounted for against revenue or expense accounts in profit or loss for the period.

- Cash flows: intended to offset changes in estimated future cash flows. Their appreciations or devaluations are accounted for against a separate shareholding's equity account.

- Upon initial designation of the derivative as hedging instrument, the Bank formally documents the relationship between the hedging instruments and the items subject to hedge, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship, considering traditional calculation methods. The Bank makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the market value of the respective hedged items during the period for which the hedged risk is attributable, and whether the actual results of each hedge are within the range of 80% and 125%.

g. Loans and foreign exchange operations and provision for credit risk losses

Loan and forex operations are classified according to Management's assessment of risk level, in accordance with the Bank's policy, which takes into account economic conditions, past experience and specific risks of each operation, its debtors and guarantors, according to the parameters established by CMN Resolution No. 2.682/99. This procedure requires a periodic analysis of the portfolio and its classification into nine levels, from "AA" (minimum risk) to "H" (loss). In addition, to the parameters established in said Resolution, the Bank also makes an additional provision based on an internal methodology prepared by its parent company, Sumitomo Mitsui Banking Corporation.

The Bank has established policies and procedures for granting credit, approved by the Credit Committee and incorporated into the Bank's internal control systems. These policies and procedures determine the need for assessing clients' data to define the client's "Obligor Grade" - "grading", considering qualitative and quantitative aspects.

Regardless of their level of risk, income from loans more than 60 days overdue is only recorded as revenue when actually received.

Loans classified as level "H" (100% of provision for expected credit risk losses) remain in this classification for six months, whereupon they are written off against the existing provision, and controlled for five years in memorandum accounts, no longer appearing in the statement of financial position.

Renegotiated loans are held at the level they were classified in or higher. Renegotiations of loans which had already been written off against the provision and were held in memorandum accounts are classified as level H and any gains deriving from the renegotiation shall only be recognized as revenue when effectively received. When there is significant amortization of the transaction, or when new significant facts justify a change in the level of risk, the transaction may be reclassified to the lowest-risk category.

The Bank records a provision for collateral provided and guarantee operations, using these same policies as criteria, whilst observing at least the assumptions established in CMN Resolution No. 2.682/99, taking into account the economic situation, past experience and specific risks posed by each operation and its debtors, as mentioned above.

h. Other assets

These are stated at cost plus, when applicable, income and monetary variations earned, less the corresponding provisions for losses or adjustments to realization value.

i. Property and equipment

Property and equipment is stated at acquisition cost, less accumulated depreciation, calculated through to the period closing date. Depreciation is calculated using the straight-line method at annual rates which reflect the estimated useful lives of the assets. The main annual depreciation rates are 20% for vehicles and data processing equipment, and 10% for other assets.

In compliance with Resolution No. 4.535 of the National Monetary Council (CMN), of November 24, 2016, new property and equipment will be recognized at cost, which comprises acquisition or construction price in cash, plus any import taxes and non-recoverable taxes on the purchase, other directly attributable costs required to bring the asset to its operating location and condition, and an initial estimate of the costs of dismantling and removing the asset and restoring the location in which it is located. Furthermore, depreciation will correspond to the depreciable amount divided by the asset's useful life, calculated on a straight-line basis as of the moment the asset is available for use and recognized monthly against a specific operating expense account. Useful life is the period during which the Bank expects to use the asset.

j. Intangible asset

Intangible assets consist of expenses incurred with the acquisition and development of systems, being amortized on a straight-line basis at an annual rate of 20%, and leasehold improvements are stated at the cost of acquisition or formation, less accumulated amortization calculated up to the period-closing date, amortized over the lease term.

In compliance with Resolution No. 4.534 of the National Monetary Council (CMN), of November 24, 2016, new intangible assets will be recognized at cost, which comprises acquisition price or development cost in cash, plus any import taxes and non-recoverable taxes, and other directly attributable costs required for preparing the asset for the proposed purpose.

Amortization will be recognized monthly over the estimated useful life of the asset, against a specific operating expense account. Useful life is the period during which the Bank expects to use the asset. Intangible assets characterized as having an indefinite useful life are not amortizable.

k. Impairment of non-monetary assets

Pursuant to CMN Resolution No. 3.566, approving the adoption of Technical Pronouncement CPC 01, which provides for the procedures applicable to the recognition, measurement and disclosure of impairment losses, establishing the following criteria:
An impairment loss is recognized if the carrying value of an asset or its cash generating unit exceeds its recoverable value. A cash generating unit is the smallest identifiable group of assets that generates cash flows with substantial independence from the other assets and groups. Impairment losses are recognized in the statement of income for the period in which they were observed. Non-financial assets, except tax credits, are reviewed at least annually to check for any signs of impairment.

l. Monetary restatement of rights and liabilities

Rights and obligations legally or contractually subject to exchange rate or index variations are monetarily restated through to the balance sheet date. Contra-entries for these monetary restatements are recognized directly in profit or loss for the period.

m. Deposits

Deposits are stated at the amounts of liabilities and consists of charges incurred up to the balance sheet date, recognized on a pro rata die basis.

n. Contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of contingent assets and liabilities and legal obligations (tax and social security) are performed in accordance with the criteria set by National Monetary Council (CMN) Resolution No. 3.823/09, which approved CPC 25 issued by the Accounting Pronouncements Committee (CPC). The criteria used by Management for the measurement and disclosure of contingent assets and liabilities are:

- **Contingent assets** – Not recognized in the financial statements unless evidence exists that provides a guarantee of their realization.

- **Contingent liabilities** - Recognized in the financial statements when a present obligation exists because of a past event, and according to the legal advisors’ and Management’s opinion it is probable that an outflow of funds incorporating the economic benefits to settle the obligation and whenever the amounts involved can be reliably estimated.

  Provisions for labor, civil and tax contingencies are recognized according to Management’s decisions based on legal opinions, given the chances of loss in the case.

- **Legal obligations - Tax and social security** – Consist of legal claims challenging the legality and constitutionality of some taxes and contributions. The amounts disputed are fully recorded in the financial statements and updated in accordance with legislation in force.

Contingent liabilities are disclosed in the notes to the financial statements, unless the likelihood of any disbursement to settle them is remote.

Court deposits are held in an asset account, and updated based on their bank statements, without deducting the provisions for contingent liabilities and legal obligations, in compliance with BACEN rules.

o. Income tax and social contribution

The provision for income tax and social contribution is calculated according to the rate of 15%, plus 10% on taxable income more than R$240 thousand for the year, adjusted by the additions and exclusions established by law.

The current rate of social contribution on net income is 20% according to Law No. 7.689/1988.

Tax credits are recognized according to the provisions included in Resolution No. 4.842 of July 30, 2020 issued by the National Monetary Council. Under those resolutions, to record and maintain in the books the tax credits arising from income and social contribution tax losses, negative social contribution base and those arising from temporary differences, the entity must cumulatively fulfill the following conditions:

Report a history of taxable income or revenues for income and social contribution tax purposes in at least three of the last five fiscal years, including the current year.

Future taxable income is expected to be generated for income and social contribution tax purposes in subsequent periods, according to technical studies which allow the realization of the tax credit over a maximum period of ten years.

Tax credits on temporary differences were calculated at the rate of 25% for income tax and 20% for social contribution.

p. Employee Benefit Plan

The post-employment benefit plan comprises the commitment made by the Bank to supplement the benefits of private pension plan system.

Defined Benefit Plan

For this type of plan, the Sponsor’s obligation is to provide employee benefits, assuming the potential actuarial risk that the benefits will cost more than expected.

CVM Resolution No. 695, of December 13, 2012, approved CPC Technical Pronouncement No. 33 (R1), which addresses the matter of employee benefits, in accordance with the amendments to International Accounting Standards IAS 19. CPC Technical Pronouncement 33 (R1) established essential changes in recording and disclosure of employee benefits, such as removal of the corridor mechanism for recognizing the plan’s liabilities, and changes in the criterion for recognizing the plans’ assets (appreciations and devaluations). The adoption of the Pronouncement applies to years started as from January 1, 2015, and the effects are recorded retrospectively in the books, as changes in accounting practices.

The present value of a defined-benefit obligation is the present value without deducing any of the plan's assets from future expected payments necessary to settle the obligation resulting from the employee's service in current and past periods.

On December 25, 2015, the Central Bank issued CMN Resolution No. 4.877/2020 stating that financial institutions should comply with CPC Technical Pronouncement 33 (R1) as from January 1, 2016.

The Bank has adopted the assumptions and effects of CPC 33 (R1) since 2013.

q. Accounting estimates

The preparation of individual and consolidated financial statements in accordance with accounting practices adopted in Brazil that apply to financial institutions licensed to operate by Central Bank requires that Management use its judgment in determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include the provision for credit risk losses, deferred income tax assets, provision for contingencies and valuation of derivative financial instruments and hedging structure. The settlement of transactions involving these estimates may result in significantly different amounts due to the lack of accuracy inherent to the process of their determination. Estimates and assumptions are reviewed at least quarterly.

r. Non-recurring income

Non-recurring income embraces revenue and expenses from administrative acts and facts that are unusual or unlikely to occur in consecutive years.

4 Cash and cash equivalents

The cash and cash equivalents presented in the statement of cash flow are broken down as follows:

	June/2024	December/2023
Cash equivalents	**24,501**	**96,008**
(*) Interbank deposits	**169,022**	**246,984**
Interbank deposits	30,033	-
Investments in foreign currencies	138,989	246,984
Total cash and cash equivalents	**193,523**	**342,992**

(*) Denote operations with an original term lower than 90 days with an insignificant risk of fair value impairment.

5 Interbank liquidity investments

Investments in the open market, as of June 30, 2024 and December 31, 2023, are composed as follows:

	June/2024			
	Up to 3 months	**3 to 12 months**	**Over 12 months**	**Total**
Open market	**-**	**-**	**2,900,753**	**2,900,753**
Own funds	**-**	**-**	**2,900,753**	**2,900,753**
National Treasury Bills	-	-	1,800,470	1,800,470
National Treasury Notes – B Series	-	-	1,100,283	1,100,283

Interbank deposits	**30,033**	**318,183**	**538,228**	**886,444**
Not related	30,033	318,537	538,208	886,778
Hedged Item Mark-to-market	-	(354)	20	(334)
Foreign currency investments	**138,989**	**-**	**-**	**138,989**
Total	**169,022**	**318,183**	**3,438,981**	**3,926,186**

	December/2023			
	Up to 3 months	**3 to 12 months**	**Over 12 months**	**Total**
Open market	**-**	**-**	**1,695,719**	**1,695,719**
Own funds	**-**	**-**	**1,695,719**	**1,695,719**
National Treasury Bills	-	-	1,695,719	1,695,719
Interbank deposits	**-**	**314,489**	**732,526**	**1,047,015**
Not related	-	314,489	728,443	1,042,932
Hedged Item Mark-to-market	-	-	4,083	4,083
Foreign currency investments	**246,984**	**-**	**-**	**246,984**
Total	**246,984**	**314,489**	**2,428,245**	**2,989,718**

6 Securities

It is not the Bank's strategy to acquire securities for the purpose of actively and frequently trading them. The amount presented in multi-market fund shares consists of the Bank's investments in the exclusive investment fund SMBCB Onshore Fundo de Investimento Multimercado Investimento no Exterior ("SMBCB Onshore"). See below further details of the securities portfolio as of June 30, 2024 and December 31, 2023:

	June/2024		December/2023	
	Curve Value	**Market value**	**Curve Value**	**Market value**
Marketable securities				
Multimarket fund shares - SMBCB Onshore Fundo de Investimento	288,424	288,424	275,301	275,301
Total – Trading securities	**288,424**	**288,424**	**275,301**	**275,301**
(*) Available-for-sale securities				
Own portfolio				
National Treasury Bills	-	-	249,853	249,888
Financial Treasury Bills	664,192	664,207	266,108	266,180
Debentures	734,837	730,470	291,002	289,869
Trade Notes	251,810	251,291	-	-
Private equity fund shares – FIP Brasil Sustentabilidade	648	105	641	217
	1,651,487	**1,646,073**	**807,604**	**806,154**
Linked to the provision of guarantees				
Financial Treasury Bills	1,528,812	1,529,488	1,417,654	1,418,001
	1,528,812	**1,529,488**	**1,417,654**	**1,418,001**
Total - Available for sale	**3,180,299**	**3,175,561**	**2,225,258**	**2,224,155**
Grand total	**3,468,723**	**3,463,985**	**2,500,559**	**2,499,456**

(*) Securities classified as available have their adjustment to market value recorded in shareholders' equity accounts, net of taxes, in the amount of R$(2,606) on June 30, 2024 (R$(606) on December 31, 2023).

The market value of securities is calculated according to market price quotes or quotes from market agents, and pricing models developed by management. Such models use rate interpolation mathematical models for intermediate terms.

The market value of marketable securities is calculated in the following manner:

- **Securities bearing interest at SELIC (Central Bank Overnight Rate) and DI (Interbank Deposit) rates –** The market value is calculated by applying the SELIC rate accrued over the period to the issue price per unit, considering the market premium or discount. The premium or discount is obtained daily according to the expectations of ANBIMA – Brazilian Financial and Capital Markets Association for each maturity on the day before the calculation.

- **Securities bearing interest at fixed rates –** The market value is obtained by applying a discount rate to the securities' future flow of payments. The rate is calculated according to the fixed rate curve of B3 S.A. – Brasil, Bolsa, Balcão, plus the counterparty risk for private securities.

- **Investment fund shares –** The investment fund is valued according to the last value of the share disclosed as of the fund's balance sheet date by the manager.

- **Debentures:** The market value is obtained from the curve using the credit spread obtained by internal methodologies that use the issuer's internal rating.

Government securities are book-entry and registered with the Special Settlement and Custody System of the Central Bank of Brazil (SELIC).

The fund shares and debentures are registered and held in custody at B3 S.A. – Brasil, Bolsa, Balcão on the stock and over-the-counter markets.

7 Derivative financial instruments

Derivative financial instruments consist of Swap and Non Deliverable Forward – NDF transactions and also transactions with futures, being held in custody at B3 SA – Brasil, Bolsa, Balcão on the stock and over-the-counter markets.

Below are the derivative financial instruments explained above, recorded in shareholders' equity and memorandum accounts as of June 30, 2024 and December 31, 2023:

	June/2024		
ASSET POSITION	**Cost**	**Fair value**	**Notional**
SWAP			
CDI x Fixed rate	1,107	1,254	110,000
Fixed rate x CDI	2,229	9,438	397,872
Fixed rate x DOLLAR	15,980	15,485	174,870
CDI x DOLLAR	5,029	38,153	928,250

Fixed rate x YEN	3,724	3,286	60,000
CDI x YEN	700	475	75,454
YEN x CDI	24,271	32,488	1,745,721
Fixed rate x SOFR	470	27,790	1,130,005
	53,510	**128,369**	**4,622,172**
NDF			
DOLLAR x Fixed rate	163,217	193,539	460,134
Fixed rate x YEN	13	141	139,444
	163,230	**193,680**	**599,578**
Credit value adjustment (CVA)			
CVA	-	(546)	-
	-	**(546)**	**-**
Total	**216,740**	**321,503**	**5,221,750**

	December/2023		
ASSET POSITION	**Cost**	**Fair value**	**Notional**
SWAP			
Fixed rate x CDI	10,251	27,166	810,584
Fixed rate x DOLLAR	34,558	39,603	197,651
CDI x DOLLAR	241,047	344,724	3,027,234
Fixed rate x YEN	717	1,870	60,000
CDI x YEN	1,194	163	89,891
YEN x CDI	29,417	28,722	685,642
Fixed rate x SOFR	438	55,257	1,130,005
	317,622	**497,505**	**6,001,007**
NDF			
Fixed rate x DOLLAR	43,039	43,038	1,483,697
DOLLAR x Fixed rate	13	18	3,326
Fixed rate x EURO	64	104	4,314
Fixed rate x YEN	162	305	3,590
	43,278	**43,465**	**1,494,927**
Credit value adjustment (CVA)			
CVA	-	(1,868)	-
	-	**(1,868)**	**-**
Total	**360,900**	**539,102**	**7,495,934**

	June/2024		
LIABILITY POSITION	**Cost**	**Fair value**	**Notional**
SWAP			
Fixed rate x CDI	7,611	3,911	425,013
CDI x YEN	1,173	6	83,313
Fixed rate x DOLLAR	4,565	6,605	110,817
CDI x DOLLAR	145,548	107,504	1,941,563
Fixed rate x YEN	3,335	7,277	607,191
YEN x CDI	87,726	78,036	2,090,403
Fixed rate x SOFR	534	21,501	1,130,005
	250,492	**224,840**	**6,388,305**
NDF			
Fixed rate x DOLLAR	39,881	45,355	92,649
DOLLAR x Fixed rate	3,061	2,869	12,342
Fixed rate x EURO	51	62	190
Fixed rate x YEN	63	76	77,204
YEN x Fixed rate	1,706	1,513	911,000

	44,762	**49,875**	**1,093,385**
Total	**295,254**	**274,715**	**7,481,690**

	December/2023		
LIABILITY POSITION	**Cost**	**Fair value**	**Notional**
SWAP			
CDI x Fixed rate	1,138	1,082	110,000
Fixed rate x CDI	1,970	1,515	121,935
Fixed rate x YEN	24,230	10,976	487,191
YEN x CDI	29,787	32,114	962,238
Fixed rate x SOFR	498	49,197	1,130,005
	57,623	**94,884**	**2,811,369**
NDF			
DOLLAR x Fixed rate	62,185	63,626	1,781,552
PRE x YEN	1,057	551	43,303
YEN x Fixed rate	167	880	37,374
	63,409	**65,057**	**1,862,229**
Total	**121,032**	**159,941**	**4,673,598**

1- Composition of notional value by maturity

	June/2024			
	Up to 3 months	**From 3 months to 12 months**	**Over 12 months**	**Total**
SWAP				
CDI x Fixed rate	-	-	110,000	110,000
Fixed rate x CDI	-	452,129	370,756	822,885
Fixed rate x DOLLAR	159,000	38,651	88,036	285,687
CDI x DOLLAR	340,000	889,004	1,640,809	2,869,813
Fixed rate x YEN	-	50,000	617,191	667,191
CDI x YEN	-	75,454	83,313	158,767
YEN x CDI	511,900	1,317,974	2,006,250	3,836,124
Fixed rate x SOFR	-	-	2,260,010	2,260,010
	1,010,900	**2,823,212**	**7,176,365**	**11,010,477**
NDF				
Fixed rate x DOLLAR	68,775	23,874	-	92,649
DOLLAR x Fixed rate	194,861	169,647	107,968	472,476
Fixed rate x EUR	190	-	-	190
Fixed rate x YEN	95,485	121,164	-	216,649
YEN x Fixed rate	112,000	343,999	455,000	910,999
	471,311	**658,684**	**562,968**	**1,692,963**
Total				
	1,482,211	**3,481,896**	**7,739,333**	**12,703,440**

	December/2023			
	Up to 3 months	**From 3 months to 12 months**	**Over 12 months**	**Total**
SWAP				
CDI x Fixed Rates	-	-	110,000	110,000
Fixed Rates x CDI	107,336	74,416	750,769	932,521
Fixed Rates x DOLLAR	-	159,000	38,651	197,651
CDI x DOLLAR	659,426	528,250	1,839,558	3,027,234

Fixed Rates x YEN	-	-	547,191	547,191
CDI x YEN	-	-	89,891	89,891
YEN x CDI	-	710,200	937,679	1,647,879
Fixed Rates x SOFR	-	-	2,260,009	2,260,009
	766,762	**1,471,866**	**6,573,748**	**8,812,376**
NDF				
Fixed Rates x DOLLAR	1,192,608	291,088	-	1,483,697
DOLLAR x Fixed Rates	947,917	316,284	520,676	1,784,877
Fixed Rates x EUR	4,314	-	-	4,314
Fixed Rates x YEN	639	46,256	-	46,894
YEN x Fixed Rates	3,364	10,899	23,111	37,374
	2,148,842	**664,527**	**543,787**	**3,357,156**
Total	**2,915,604**	**2,136,393**	**7,117,535**	**12,169,532**

2- Composition of notional value by trading location

	June/2024		
	Stock market	**Over the counter**	**Nominal value**
SWAP	3,836,124	7,174,353	11,010,477
NDF	1,011,000	681,963	1,692,963
Total	**4,847,124**	**7,856,316**	**12,703,440**

	December/2023		
	Stock market	**Over the counter**	**Nominal value**
SWAP	1,647,879	7,164,497	8,812,376
NDF	526,704	2,830,452	3,357,156
Total	**2,174,583**	**9,994,949**	**12,169,532**

3- Comparison between cost value and fair value

Daily adjustments to futures market transactions, as well as the result of SWAP and NDF contracts, are recorded in revenue or expense when earned and represent their current fair value.

Futures - B3 S.A. – Brasil, Bolsa, Balcão

	June/2024			
	Reference value (carrying)			
	Up to 3 months	**3 to 12 months**	**Over 12 months**	**Total**
FUTURES - Reference value				
Purchase				
Currency Coupon	150,031	1,020,125	1,862,589	3,032,745
Foreign currency	88,942	-	-	88,942
Interest rate	703,024	141,817	501,820	1,346,661
Exchange rate	108,964	-	-	108,964
	1,050,961	**1,161,942**	**2,364,409**	**4,577,312**

Sale				
Currency Coupon	527,477	241,956	374,092	1,143,525
Foreign currency	165,354	-	-	165,354
Interest rate	265,296	615,652	1,527,714	2,408,662
	958,127	**857,608**	**1,901,806**	**3,717,541**
Total	**2,009,088**	**2,019,550**	**4,266,215**	**8,294,853**

	December/2023			
	Reference value (carrying)			
	Up to 3 months	**3 to 12 months**	**Over 12 months**	**Total**
FUTURES - Reference value				
Purchase				
Currency Coupon	920,842	1,212,870	2,109,478	4,243,190
Foreign currency	561,708	-	-	561,708
Interest rate	74,435	243,403	486,250	804,088
Exchange rate	302,000	-	-	302,000
	1,858,985	**1,456,273**	**2,595,728**	**5,910,986**
Sale				
Currency Coupon	833,794	71,135	332,531	1,237,460
Interest rate	521,073	863,218	1,829,834	3,214,125
Exchange rate	3,895	-	-	3,895
	1,358,762	**934,353**	**2,162,365**	**4,455,480**
Total	**3,217,747**	**2,390,626**	**4,758,093**	**10,366,466**

The valuation at market value of derivative financial instruments is determined by discounting futures values at present value according to the interest rate curves obtained by applying a market method mostly based on data disclosed by B3 S.A. – Brasil, Bolsa, Balcão.

The adjustment to market value determined with derivative financial instruments for the semester ended June 30, 2024 was R$25,057 (R$95,156 on June 30, 2023), and registered in profit and loss accounts.

Profit or loss from derivative financial instruments for the semesters ended June 30, 2024 and 2023 are directly influenced by the market interest rates prevailing at the time of the transaction, and by the Dollar rate variation. They are presented below:

	Result	
Derivative financial instruments	**1st Semester 2024**	**1st Semester/2023**
SWAP	(361,070)	531,032
NDF	200,269	(142,140)
Futures	270,142	(671,134)
Total	**109,341**	**(282,242)**

4- Hedge accounting

On June 30, 2024 and December 31, 2023, the Bank only carried out transactions with derivative financial instruments to mitigate the effect of exchange variations on foreign currency funding and fixed loan transactions in Brazilian *Reais*. These operations were designated as hedge accounting and were segregated into:

- **Fair value hedge –** intended to offset the risks arising from exposure to the variation in the market value of the hedged item. Its appreciations or devaluations are accounted for against revenue or expense accounts in profit or loss for the period.

- **Cash Flow Hedge –** intended to offset changes in estimated future cash flows. Its appreciations or devaluations are accounted for against a separate item in shareholders' equity, less tax effects. The portion identified as no effect must be reflected in profit or loss. The respective hedged items are marked to market at the balance sheet date.

Foreign currency futures contracts, designated as hedging instruments, were valued at market value, in accordance with BACEN Circular Letter No. 3.082/02.

4.1 Valuation at market value of derivative financial instruments by maturity and index – Fair value hedge

		Maturity - Market Value			
Description	**Index**	**Up to 12 months**	**1 to 3 years**	**3 to 5 years**	**June/2024**
Futures	Currency Coupon	(623,692)	(137,483)	-	(761,175)
Total	**-**	**(623,692)**	**(137,483)**	**-**	**(761,175)**

		Maturity - Market Value			
Description	**Index**	**Up to 12 months**	**1 to 3 years**	**3 to 5 years**	**December/2023**
Futures	Currency Coupon	(521,110)	(292,163)	(5,910)	(819,183)
Total		**(521,110)**	**(292,163)**	**(5,910)**	**(819,183)**

	June/2024	**December/2023**
Assets		
Hedged Items		
Investments in interfinancial deposits		
Value updated by agreed conditions	457,637	556,499
Adjustment value	334	(4,082)
Market value	457,303	560,581
Working capital		
Value updated by agreed conditions	237,747	229,628
Adjustment value	3,787	(1,974)
Market value	233,960	231,602
Export Credit Notes		
Value updated by agreed conditions	50,151	56,633
Adjustment value	(293)	(1,223)
Market value	50,444	57,856

Total market value - Hedged assets	**741,707**	**850,039**
Liabilities		
Hedging instruments		
DI1 Futures	(761,175)	(819,183)
Total Market value of hedging instruments	**(761,175)**	**(819,183)**

Maturity - Market Value					
Description	**Index**	**Up to 12 months**	**1 to 3 years**	**3 to 5 years**	**Total in June/2024**
SWAP	JPY x CDI -	1,772,288	346,174	1,021,339	3,139,801
Total		**1,772,288**	**346,174**	**1,021,339**	**3,139,801**

Maturity - Market Value					
Description	**Index**	**Up to 12 months**	**1 to 3 years**	**3 to 5 years**	**Total in December/2023**
SWAP	JPY x CDI	621,427	448,493	-	1,069,920
Total		**621,427**	**448,493**	**-**	**1,069,920**

	June/2024	**December/2023**
Liabilities		
Hedged Items		
On-lending transactions		
Value updated by agreed conditions	(3,127,184)	(1,066,272)
Adjustment value	(28,953)	(3,649)
Market value	(3,156,137)	(1,069,921)
Total market value – Hedged liabilities	**(3,156,137)**	**(1,069,921)**
Assets		
Heding instruments		
Swap	3,139,801	1,069,921
Total Market value – Heding instrument	**3,139,801**	**1,069,921**

4.2 Valuation at market value of derivative financial instruments by maturity and index – Cash Flow Hedge

Maturity - Market Value					
Description	**Index**	**Up to 12 months**	**1 to 3 years**	**3 to 5 years**	**June/2024**
Futures	Exchange Coupon	614,422	167,234	-	781,656
Total	**-**	**614,422**	**167,234**	**-**	**781,656**

Maturity - Market Value					
Description	**Index**	**Up to 12 months**	**1 to 3 years**	**3 to 5 years**	**December/2023**
Futures	Exchange Coupon	1,234,567	486,759	50,285	1,771,611
Total		**1,234,567**	**486,759**	**50,285**	**1,771,611**

	June/2024	**December/2023**
Hedged Items		

Liabilities		
On-lending transactions		
Amount restated by agreed conditions	(793,471)	(2,509,325)
Heding instruments		
Assets		
Futures	781,656	1,771,611
Cash flow hedge reserve	10,437	19,039

The amount of R$10,437 on June 30, 2024 (R$19,039 on December 31, 2023), recorded in the reserve for cash flow hedge, will be recognized in profit or loss over the term of maturity of the hedged item.

8 Interbank accounts

They refer to on lending of loans from abroad to the Financial Institution in the country and abroad (branch in Cayman). The amounts provisioned are based on the assumptions of CMN Resolution CMN No. 2.682/99 and total the amount of R$122 (R$56 as of December 31, 2023):

	June/2024		
	Interbank on-lendings	**Provision**	**Net balance**
Maturity:			
61 to 90 days	183,863	(37)	183,826
181 to 360 days	97,746	(22)	97,724
Over 360 days	230,726	(63)	230,663
Total	**512,335**	**(122)**	**512,213**

	December/2023		
	Interbank on-lendings	**Provision**	**Net balance**
Maturity:			
181 to 360 days	155,946	(31)	155,915
Over 360 days	99,564	(25)	99,539
Total	**255,510**	**(56)**	**255,454**

9 Loans

As of June 30, 2024 and December 31, 2023, information on the loan portfolio is summarized as follows:

a. By operation

	June/2024	**December/2023**
Advances to depositors	67	-
Resolution No. 3.844 (formerly Resolution No. 63)	124,393	104,083
Working capital	962,297	1,047,451
Export Credit Notes - NCE	350,533	342,225
Total loans	**1,437,290**	**1,493,759**
Advance on foreign exchange contracts (note 10)	898,746	511,650
Income receivable from advances (note 10)	32,745	16,037
Total loan portfolio	**2,368,781**	**2,021,446**

Financial Guarantees Provided	3,413,420	3,148,967
Total with Financial Guarantees Provided	**5,782,201**	**5,170,413**

b. By maturity

	June/2024	December/2023
Maturity		
Up to 30 days	232,517	105,505
31 to 60 days	248,940	344,381
61 to 90 days	289,156	147,256
91 to 180 days	505,987	338,759
181 to 360 days	701,239	413,259
Over 360 days	390,942	672,286
Total	**2,368,781**	**2,021,446**

The loan operations of the 20 largest debtors on June 30, 2024 represent 94.39% of the credit portfolio (94.04% on December 31, 2023), in the amount of R$2,235,815 (R$1,900,957 on 31 December 2023).

c. By risk rating

		June/2024				
Risk rating	**%provision 2,682**	**Total transactions**	**% of portfolio**	**Regular provision**	**Additional provision**	**Total provision**
AA	-	1,659,124	70.0	-	1,309	1,309
A	0.50	548,955	23.2	2,745	81	2,826
B	1.00	160,702	6.8	1,607	578	2,185
Total		**2,368,781**	**100**	**4,352**	**1,968**	**6,320**

		December/2023				
Risk rating	**% provision 2,682**	**Total transactions**	**% of portfolio**	**Regular provision**	**Supplementary provision**	**Total provision**
AA	-	1,468,872	72.7	-	1,246	1,246
A	0.50	546,518	27.0	2,733	117	2,850
B	1.00	6,056	0.3	61	23	84
Total		**2,021,446**	**100**	**2,794**	**1,386**	**4,180**

(*) The provision for expected losses associated with credit risk is calculated based on CMN Resolution 2682/99. SMBCB follows the minimum provision and delay criteria informed in the rule. The amounts presented as supplementary provision refer to an analysis of the bank, in accordance with the guideline of the head office.

d. By business sector

	June/2024	December/2023
Private sector		
Industry	891,168	1,016,937
Trade	305,129	236,877
Other services	990,242	534,019

Public sector		
Federal	182,242	233,613
Total	**2,368,781**	**2,021,446**

e. Changes in provision for expected credit risk losses

	June/2024	December/2023
Opening balance	**4,180**	**5,260**
Reversal of provision	(458)	(2,649)
Setting up of provision	2,598	1,569
Closing balance	**6,320**	**4,180**

There were no transactions renegotiated or written off as losses.

f. Guarantees provided

The Bank recorded a provision for credit risk losses on these guarantees in accordance with CMN Resolution No. 4.512/16 (note 17b). The provisioned amounts are based on the assumptions of CMN Resolution No. 2.682/99 and total the amount of R$43,774 in the semester ended June 30, 2024 (R$11,745 for the year ended December 31, 2023):

	June/2024	
	Guarantees Provided	Provisio n
Related to the International Trade of Goods	34,773	(170)
Related to Bids, Auctions, Provision of Services or Delivery of Works	167	-
Related to the Provision of Goods	66,798	(147)
Related to Distribution of securities - Public Offering	675,538	(32,534)
Surety or Guarantees in Judicial and Administrative Proceedings of a Tax Nature	570,260	(1,570)
Other Bank Guarantees	877,188	(3,481)
Other Financial Guarantees Provided	1,188,696	(5,872)
Total	**3,413,420**	**(43,774)**

	December/2023	
	Guarantees Provided	Provision
Related to the International Trade of Goods	25,291	(123)
Related to Bids, Auctions, Provision of Services or Delivery of Works	236	-
Related to the Provision of Goods	87,307	(156)
Related to Distribution of securities - Public Offering	657,641	(3,288)
Surety or Guarantees in Judicial and Administrative Proceedings of a Tax Nature	539,779	(1,556)
Other Bank Guarantees	1,066,971	(2,830)
Other Financial Guarantees Provided	771,742	(3,792)
Total	**3,148,967**	**(11,745)**

10 Foreign exchange portfolio

Exchange operations are recorded in equity accounts, as follows:

	June/2024	December/2023
Assets		
Purchased foreign exchange to be settled	1,289,630	854,902

Rights to exchange sales	230,820	578,989
Advances received in local currency	(15,857)	(4,046)
Income receivable from advances granted (note 9a)	32,745	16,037
Total	**1,537,338**	**1,445,882**
Liabilities		
Sold foreign exchange to be settled	231,634	579,696
Obligations for foreign exchange purchases	1,194,050	861,869
Advance on foreign exchange contracts (note 9a)	(898,746)	(511,650)
Total	**526,938**	**929,915**

11 Tax Assets

They are represented by the following amounts:

	June/2024	December/2023
Tax credit – provisions for temporary differences	36,508	25,882
Tax credit - temporary differences MTM	20,121	44,122
Advance income tax and social contribution	13,509	31,247
Other tax advances	785	830
Total	**70,923**	**102,081**

12 Other assets

They are represented by the following amounts:

	June/2024	December/2023
Income receivable (*)	85,051	74,580
Securities trading and intermediation	39,380	21,762
Prepaid expenses	1,002	926
Escrow debtors (see note 17)	620	580
Other	9,842	8,300
Total	**135,895**	**106,148**

13 PP&E in use and intangible assets

On June 30, 2024 and December 31, 2023, this is represented as follows:

a. Property and equipment

		June/2024		
Description	**Annual depreciation rate %**	**Cost**	**Accumulated depreciation**	**Net value**
Data processing system	20	7,896	(6,314)	1,582
Facilities	10	5,503	(4,671)	832
Furniture and equipment	10	1,682	(1,482)	200
Communication system	10	543	(266)	277
Security system	10	341	(299)	42
Transport system	20	867	(867)	-
Total		**16,832**	**(13,899)**	**2,933**

December/2023

Description	Annual depreciation rate %	Cost	Accumulated depreciation	Net value
Data processing system	20	7,884	(6,083)	1,801
Facilities	10	5,503	(4,520)	983
Furniture and equipment for use	10	1,669	(1,434)	235
Communication system	10	433	(233)	200
Security system	10	339	(293)	46
Transport system	20	867	(867)	-
Total		**16,695**	**(13,430)**	**3,265**

b. Intangible assets

		June/2024			December/2023
Description	Annual depreciation rate %	Cost	Accumulated depreciation	Net value	Net value
Software	20	17,839	(12,302)	5,537	3,689
Right of use	20	1,110	(958)	152	245
Total		**18,949**	**(13,260)**	**5,689**	**3,934**

14 Deposits and funding in the open market

a. Deposits

	June/2024	December/2023
Demand deposits	68,833	75,264
Time deposits	1,872,533	2,005,626
	1,941,366	**2,080,890**

b. Breakdown by maturity

	June/2024				
	No maturity	Up to 3 months	3 to 12 months	Over 12 months	Total
Demand deposits	68,833	-	-	-	68,833
Time deposits	-	459,258	876,674	536,601	1,872,533
	68,833	**459,258**	**876,674**	**536,601**	**1,941,366**

	December/2023				
	No maturity	Up to 3 months	3 to 12 months	Over 12 months	Total
Demand deposits	75,264	-	-	-	75,264
Time deposits	-	836,379	687,396	481,851	2,005,626
	75,264	**836,379**	**687,396**	**481,851**	**2,080,890**

c. Funding in the open market

	June/2024	December/2023
Third-party portfolio		
National Treasury Bills	2,000	15,009
	2,000	**15,009**

15 Securities issued.

Financial Bills, raised in 2022 and due in 2025, are represented as follows:

	Amount issued	June/2024	December/2023
Financial Bills	100,000	121,160	114,495
		121,160	**114,495**

16 Borrowings and on-lendings

Foreign funding is basically performed using credit facilities granted by shareholder Sumitomo Mitsui Banking Corporation, as follows:

a. Obligations for loans abroad

The balance on June 30, 2024 of US$265,464 (US$272,012 on December 31, 2023) is made up of financing for exports and imports, with maturities until June 2, 2025, subject to interest rates of up to 5.68% p.a., plus exchange variation on these transactions. The balance on June 30, 2024 is R$1,048,233 (R$545,297 on December 31, 2023).

b. Obligations for foreign on-lendings

Foreign on-lendings, on June 30, 2024, correspond to US$222,862 and JPY 95,960,674 (US$360,271 and JPY 29,818,457 as of December 31, 2023). Such obligations, translated at the official purchase rate at the end of the period, are governed by BCB Resolution No. 278 and are subject to interest rates ranging from 0.19% p.a. to 6.69% p.a., plus exchange rate variation, with maturities up to June 15, 2029. The balance on June 30, 2024 is R$4,671,652 (R$2,880,745 on December 31, 2023):

	June/2024		
	Up to 12 months	**Over 12 months**	**Total**
Obligations for loans abroad	1,048,233	-	1,048,233
Foreign on-lendings	2,893,619	1,778,033	4,671,652
Total	**3,941,852**	**1,778,033**	**5,719,885**

	December/2023		
	Up to 12 months	**Over 12 months**	**Total**
Obligations for loans abroad	246,195	299,102	545,297
Foreign on-lendings	1,890,085	990,660	2,880,745
Total	**2,136,280**	**1,289,762**	**3,426,042**

17 Other Liabilities and Provisions

a. Other Liabilities

Description	**June/2024**	**December/2023**
Deferred income	80,458	73,541
Actuarial liabilities	29,483	41,353
Securities trading and intermediation	13,238	4,000
Corporate and Statutory	4,757	139,744

Contribution to Social Security Financing - COFINS	2,395	2,683
Payroll taxes and contributions	2,284	3,352
Service Tax – ISS	722	885
Withholding income tax – fixed income transactions	191	20,363
Other	2,780	3,367
Total	**136,308**	**289,288**
(*) Current Liabilities	136,308	289,288

(*) The Bank considers all obligations as current liabilities, as there is no date determined to fulfill them. This may occur in a period of either less or more than one year.

b. Provisions

	June/2024		
	Current	**Non-current**	**Total**
Provision for tax, civil and labor risks (note No. 18)	20,549	-	20,549
Provision for personnel expenses	34,982	-	34,982
Provision for general expenses	6,567	-	6,567
Financial guarantees provided (note No. 9.f)	37,864	5,910	43,774
Total	**99,962**	**5,910**	**105,872**

	December/2023		
	Current	**Non-current**	**Total**
Provision for tax, civil and labor risk (note No. 18)	19,317	-	19,317
Provision for personnel expenses	40,734	-	40,734
Provision for general expenses	3,619	-	3,619
Guarantees provided (note No. 9.f)	8,525	3,220	11,745
Total	**72,195**	**3,220**	**75,415**

18 Provisions for tax, civil and labor risks

The Bank is a party to tax, civil and labor proceedings. The provision amounts and related court deposits are shown below:

	Provision		**Court deposits**	
Description	**June/ 2024**	**December/ 2023**	**June/ 2024**	**December/ 2023**
Legal obligations:				
Demutualization Cetip (a)	99	114	-	-
Total	**99**	**114**	**-**	**-**
Provision for risks:				
Civil (b)	16,821	15,773	-	-
Labor (c)	3,629	3,430	620	580
Total	**20,450**	**19,203**	**620**	**580**
Total provisions and court deposits	**20,549**	**19,317**	**620**	**580**

(a) The Bank, following guidance of the external office, accounted for the amount referring to the portion of the proceeding in progress, which it considers as a probable loss on the demutualization of Cetip shares. The amount as of June 30, 2024 is R$99 (R$114 in 2023). There is also a portion of this proceeding considered to be a possible loss and, in this case, there is no provision, the amount being R$178 in 2024 (R$204 in 2023).

(b) The provision refers primarily to understated inflation on term deposits, where financial disbursement is probable.
The updated amount on June 30, 2024 is R$16,821 (R$15,773 in 2023).

(c) The provision basically refers to actions filed by former employees and outsourced workers claiming labor rights that they consider to be due. The actions are controlled individually, and the provisions are made on the basis of a decision previously laid down by the Board or a lower labor court. Management, based on the opinion of its legal advisors, believes that the amounts currently provisioned are adequate. The updated amount on June 30, 2024 is R$3,629 (R$3,430 in 2023).

Changes in provisions and legal obligations

	June/2024			
	Tax	**Labor**	**Civil**	**Total**
Balance on December 31, 2023	**114**	**3,431**	**15,773**	**19,318**
Setting up of provision	-	-	-	-
Monetary restatement	1	198	1,048	**1,247**
Operating reversals	(16)	-	-	**(16)**
Balance on June 30, 2024	**99**	**3,629**	**16,821**	**20,549**

	June/2023			
	Tax	**Labor**	**Civil**	**Total**
Balance on December 31, 2022	**109**	**6,319**	**14,310**	20,738
Setting up of provision	45	-	-	45
Monetary restatement	3	713	1,069	1,785
Operating reversals	-	(854)	-	(854)
Balance on June 30, 2023	**157**	**6,178**	**15,379**	**21,714**

19 Equity

a. Share capital

The share capital on June 30, 2024 is represented by common shares, worth R$1.00 each, distributed as follows:

	June/2024	**December/2023**
	Number of shares (thousand)	**Number of shares (thousand)**
Sumitomo Mitsui Banking Corporation (Japan)	1,675,697	1,559,697
Shareholders domiciled in Brazil	2	2
Total	**1,675,699**	**1,559,699**

According to the Extraordinary General Meeting held on March 15, 2024, approved by the Central Bank of Brazil on March 28, 2024, the increase in capital stock in the amount of R$116,000 was decided through the recapitalization of interest on equity.

b. Dividends

Corporate legislation and the bylaws state that a minimum of 25% of net income for the year shall be distributed to shareholders as dividends.
On June 30, 2024, a decision was made not to set up a provision for dividends, and income for the semester was allocated to the statutory reserve for future distribution.

c. Legal reserve

The legal reserve was recorded as established by Corporate Law and may be used for offsetting losses or increasing the Company's share capital.

d. Statutory reserve

The statutory reserve corresponds to the transfer of the balance of retained earnings, after the mandatory distributions. The remaining balance of R$666,719 (R$609,595 on December 31, 2023) will be transferred to the following year or will be allocated as proposed by the Executive Board and approved at the General Meeting.

20 Income tax and social contribution

a. On June 30, 2024 and 2023, income tax and social contribution expenses was as follows:

	June/2024	
	Income tax	**Social contribution**
Income before income taxes after profit sharing	115,002	115,002
Adjustment to market value of hedge accounting transactions	36,176	36,176
Adjustment to market value of derivative financial instruments	25,057	25,057
Temporary provisions	20,853	20,853
Non-deductible expenses	8,661	972
Provision for expected credit risk losses	2,578	2,578
Provision for contingent liabilities	1,243	1,243
Other additions/(exclusions)	(209)	(209)
B3 Operations	(47,547)	(47,547)
Taxable income	**161,814**	**154,125**
Income tax - 15% (note No. 3.o)	24,272	-
Additional income tax - 10% (note 3.o)	16,169	-
Adjustment from previous years	61	-
Social contribution – 20% (note 3.o)	-	30,825
Tax for the period	**40,502**	**30,825**

	June/2023	
	Income tax	**Social contribution**
Result before taxation and after equity interest	155,219	155,219
Adjustment to market value of hedge accounting transactions	(6,434)	(6,434)
Adjustment to market value of derivative financial instruments	(95,156)	(95,156)
Temporary provisions	(4,649)	(4,649)
Non-deductible expenses	4,518	1,085

Provision for expected credit risk losses	1,555	1,555
Provision for contingent liabilities	1,839	1,839
Reversal of provisions for contingent liabilities	(854)	(854)
Other additions/(exclusions)	(45)	(45)
B3 Operations	102,424	102,424
Taxable income	**158,417**	**154,984**
Income tax - 15% (note No. 3.o)	23,763	-
Additional income tax - 10% (note No. 3.o)	15,830	-
Adjustment from previous years	4,474	2,673
Empresa Cidadã Law	(120)	-
Social contribution – 20% (note No. 3.o)	-	30,997
Tax for the period	**43,947**	**33,670**

b. Tax credits

Deferred tax credits on temporary provisions, based on the technical study drawn up, may be realizable within 10 years. The amounts are presented in the following notes:

c. Breakdown of deferred tax liability

Breakdown of tax liabilities	**June/2024**	**December/2023**
Mark-to-market – Swap	49,914	73,413
Mark-to-market NDF	11,600	615
Hedge accounting adjustment	8,649	16,002
Pension plan actuarial adjustment	1,180	990
Mark-to-market - Hedged item	313	3,276
Adjustment to Available-for-Sale Securities	277	202
Temporary adjustment B3	2	47
Total	**71,935**	**94,545**

1. Breakdown of tax credit assets on June 30, 2024

Breakdown of the tax asset	**June/2024**	**December/2023**
Temporary adjustments to provision for expected credit risk losses	22,587	7,188
Mark-to-market - Hedged item	14,958	1,642
Temporary adjustments other provisions	13,545	18,642
Health plan actuarial adjustment	2,858	15,342
Adjustment to Available-for-Sale Securities	2,409	698
Temporary Adjustment B3	117	21,558
Hedge accounting adjustment	110	425
Temporary adjustments to judicial provisions	45	52
Pension plan actuarial adjustment	-	3,219
Mark-to-market - NDF	-	1,238
Total	**56,629**	**70,004**

2. Expected realization of tax credits as of June 30, 2024

Year	**Deferred Income Tax**	**Deferred social contribution**	**Total**
2024	19,581	13,615	**33,196**
2025	4,761	3,809	**8,570**
2026	1,940	1,552	**3,492**

2027	2,799	2,238	**5,037**
From 2028	3,519	2,815	**6,334**
Total	**32,600**	**24,029**	**56,629**

3. Variation in tax credit

The realization of tax credits is occurring in accordance with the amounts estimated in the corresponding study and its assumptions.

	Balance in Dec/2023	**(Realizations)/ Constitutions**	**Balance in Jun/2024**
Temporary adjustment B3	21,558	(21,441)	117
Temporary adjustments to other provisions	18,642	(5,097)	13,545
Actuarial adjustment to health care plan	15,342	(12,484)	2,858
Temporary adjustments on provisions for expected credit risk losses	7,188	15,399	22,587
Actuarial adjustment to pension plan	3,219	(3,219)	-
Mark to market - Hedged item	1,642	13,316	14,958
Mark-to-market - NDF	1,238	(1,238)	-
Adjustment to Available-for-sale securities	698	1,711	2,409
Hedge accounting adjustment	425	(315)	110
Temporary adjustments to judicial provisions	52	(7)	45
	70,004	**(13,375)**	**56,629**

Breakdown of result with deferred tax assets:

	June/2024	**December/2023**
Temporary adjustment B3	21,396	(23,234)
Mark-to-market - NDF	12,223	(802)
Temporary adjustments to other provisions	5,097	(3,553)
Temporary adjustments to judicial provisions	7	(2)
Adjustment to CDI hedge	(1,987)	1,739
Mark-to-market - hedged item	(14,292)	(115)
Temporary adjustments on expected credit risk losses	(15,399)	1,655
Mark-to-market - Swap	(23,499)	7,232
	(16,454)	**(17,080)**

4. Present value of tax credit

Year	**Deferred Income Tax**	**Deferred social contribution**	**Total**
2024	18,586	12,923	**31,509**
2025	4,036	3,229	**7,265**
2026	1,463	1,171	**2,634**
2027	1,873	1,498	**3,371**
From 2028	1,862	1,490	**3,352**
Total	**27,820**	**20,311**	**48,131**

The tax credit amounts were brought to present value by the fixed curve.

d. Other tax credits

There are also unrecorded tax credits on provisions for civil contingencies and actuarial liabilities relating to health and social security plans in the amount of R$17,789 (R$7,098 on December 31, 2023, and only the provision for civil contingencies was being considered for this period), which were not set up due to the uncertainty of their realization in a period of less than 10 years.

21 Statement of profit and loss

a. Loans

	June/2024	June/2023
Income from loans	99,694	142,680
Income from financing and on lendings	51,671	7,086
Recovery of credits written off as loss	447	-
Hedged Item Adjustment - Loans and Financing	(6,455)	2,315
Total	**145,357**	**152,081**

b. Income from securities transactions

	June/2024	June/2023
Income from interbank liquidity investments	168,871	173,430
Income from securities transactions	139,134	118,912
Total	**308,005**	**292,342**

c. Income from derivative financial instruments

	June/2024	June/2023
Revenue from SWAP, Futures and NDFs transactions	1,875,341	3,878,089
Expenses for SWAP, Futures and NDFs transactions	(1,766,000)	(4,160,331)
Total	**109,341**	**(282,242)**

d. Income from foreign exchange transactions

	June/2024	June/2023
Revenue from foreign exchange transactions	191,288	32,526
Expenses for foreign exchange transactions	(19,313)	(64,305)
Total	**171,975**	**(31,779)**

e. Deposits, money market and interbank funds

	June/2024	June/2023
Expenses for time deposits	(97,804)	(103,513)
Expenses for interbank deposits	(1,472)	(4,512)
Expenses for repo transactions	(396)	(1,066)
Expenses for contributions to the Credit Guarantee Fund	(1,195)	(1,052)
Expenses for funding from acceptance and issue of securities	(6,666)	(7,093)
Total	**(107,533)**	**(117,236)**

f. Borrowings and on-lending

	June/2024	June/2023
Expenses for foreign loans and on-lending	(57,587)	(60,040)
Hedged item adjustment – On-lendings and loans	(25,304)	-

Total	**(82,891)**	**(60,040)**

g. Service fee income

	June/2024	June/2023
Revenues from fees and services	4,670	1,618
Revenues from business intermediation (see note 21a)	17,229	12,925
Revenue from guarantees provided	35,724	32,377
Total	**57,623**	**46,920**

h. Personnel expenses

	June/2024	June/2023
Salaries	(28,436)	(27,933)
Payroll taxes	(21,320)	(17,356)
Benefits	(8,071)	(7,774)
Management Fees	(3,538)	(3,325)
Training	(81)	(147)
Total	**(61,446)**	**(56,535)**

i. Other administrative expenses

	June/2024	June/2023
Data processing expenses	(14,195)	(10,796)
Expenses on outsourced technical services	(2,799)	(3,713)
Communication expenses	(5,055)	(4,216)
Lease expenses	(3,073)	(3,032)
Financial system service expenses	(1,350)	(2,475)
Amortization and depreciation expenses	(823)	(1,143)
Asset maintenance and upkeep expenses	(316)	(385)
Security and surveillance services	(277)	(160)
Transport expenses	(176)	(109)
Office supplies	(71)	(103)
Water, energy and gas expenses	(147)	(202)
Expenses for outsourced services	(305)	(269)
Advertising and marketing expenses	(100)	(106)
Insurance expenses	(21)	(181)
Promotions and public relations expenses	(98)	(77)
Charitable contribution expenses	(38)	(2)
Other administrative expenses	(1,403)	(2,152)
Total	**(30,247)**	**(29,121)**

j. Tax expenses

	June/2024	June/2023
COFINS	(10,254)	(9,983)
ISS	(2,941)	(2,394)
PIS	(1,666)	(1,622)
Other	(1,735)	(1,451)
Total	**(16,596)**	**(15,450)**

k. Other operating revenues/(expenses)

	June/2024	June/2023
(Provision)/Reversal of operating provisions	2,510	2,751
(Provision)/Reversal of provisions for guarantees provided	(32,030)	(2,043)
Exchange variation	(343,278)	260,206
Recovery of charges and expenses	548	729
Restatement of judicial deposits	14	45
Indemnification fines	-	-
Other expenses	346	(82)
Total	**(371,890)**	**261,606**

l. (Provision for) / Reversal of provision for contingent liabilities

	June/2024	June/2023
Reversal of operating provisions – contingent liabilities	-	854
Restatement of contingent liabilities	(1,232)	(1,784)
Provisions for Contingent Liabilities Expenses	-	(45)
Total	**(1,232)**	**(975)**

22 Related-party transactions and balances

a. Transactions with controlling shareholders (direct and indirect)

Balances for transactions with parties related to Sumitomo Mitsui Banking Corporation are as follows:

	Assets / (liabilities)		Revenue / (expense)	
	June/2024	December/2023	June/2024	December/2023
Cash and cash equivalents - foreign currency deposits	18,257	71,232	-	-
Investments in foreign currency abroad (note 5)	138,989	246,984	8,635	(4,911)
Amounts receivable – commission for business intermediation	7,453	7,952	17,229	28,291
Obligations for loans abroad	(1,048,233)	(545,297)	(131,737)	14,359
Obligations for foreign lendings	(4,671,652)	(2,880,745)	(294,431)	110,488
Total	**(5,555,186)**	**(3,099,874)**	**(400,304)**	**148,227**

b. Compensation of key management personnel

To comply with Resolution No. 4.818/20 and also Technical Pronouncement CPC 05 - Disclosure of Related Parties, all members of the Executive Board have been defined as key personnel of this institution.

The global compensation paid to executive officers distributed in accordance with the Bylaws of Banco Sumitomo Mitsui Brasileiro S.A.

In the most recent statutory reform in April 2019, the maximum global monthly compensation of the executive officers was maintained at R$600 (salaries).

Short-term benefits to executive officers

	June/2024	December /2023
Salaries	3,537	6,184
Variable compensation	5,031	4,189
Contributions to INSS (Social Security Contribution)/FGTS (Severance pay fund)	2,456	2,849
Total	**11,024**	**13,222**

Post-employment benefits

In accordance with the Pension Fund regulations, executive officers may opt to participate in the supplementary defined-benefit Pension Plan, fully sponsored by Banco Sumitomo Mitsui Brasileiro S.A., under the same conditions as other employees of the Bank (note No. 23).

The Bank does not grant long-term benefits or share-based compensation to its key Management personnel.

c. Other information

According to CMN Resolution No. 4.693/18, financial institutions can carry out loan operations with related parties, provided they cumulatively meet the conditions established in the items below:

- Except for the cases established in the legislation or specific regulations, loans to related parties can only be made on an arm's-length basis, including in respect of limits, interest rates, grace period, terms, collateral required and risk rating criteria in order to set up a provision for probable losses and write-offs as loss, without additional or special benefits in comparison to loans granted to clients with similar profiles of the respective institutions.

- The balances of direct or indirect loan to related parties should not exceed 10% (ten percent) of shareholders' equity adjusted for accumulated revenues and expenses less equity interests held in institutions authorized to operate by the Central Bank of Brazil and financial institutions abroad, subject to the following maximum individual limits:

1. 1% (one percent) for transactions with individuals; and
2. 5% (five percent) for transactions with legal entities.

Directors or officers meeting, at least the following conditions in both counterparties, are considered independent:

I – not having a qualified equity interest as either controlling shareholder, member of the control group or other group with a qualified equity interest and not being a spouse, companion or relative, by blood or otherwise, up to the second degree, of such persons;
II – not being bound by a shareholders' agreement; and

III - not being or having been, in the last three years:

a) an officer director or member of statutory or contractual bodies, including at affiliates;
b) an employee, including at affiliates;
c) a spouse, companion or relative, by blood or otherwise, up to the second degree of the parties mentioned in sections "a" and "b"; and
d) a recipient of compensation except that for their work as an independent director or on account of any equity interests.

On June 30, 2024, the Bank had not granted: loans, financing or any other advance to its executive officers or to any of their family members.

Members of the Executive Board do not hold any interest in the capital of the Bank.

23 Post-employment benefits sponsored by the bank

The Bank's actuarial liabilities were determined in accordance with the model established in the respective plan and represent the amount of commitments made and to be made.

The actuarial calculation is updated every six months.

CVM Resolution 695 of December 13, 2015, approved CPC Technical Pronouncement 33 (R1), which addresses the matter of employee benefits, in accordance with International Accounting Standard IAS 19. CPC Technical Pronouncement 33 established essential changes in accounting for and disclosing employee benefits, such as the removal of the corridor mechanism for recognizing the plan's liabilities, and changes in the criterion for recognizing the plan's assets (appreciations and devaluations). The adoption of the aforementioned Pronouncement applies to years started as from January 1, 2015, and the effects are recorded retrospectively in the books, as changes in accounting practices. Adopting this practice will basically lead to the full recognition in a liability account of actuarial losses (actuarial deficit) not recognized to date, against a shareholders' equity account.

a. Retirement Plan

The Bank sponsors Banco Sumitomo Mitsui Brasileiro Sociedade de Previdência Privada ("Entity"), established on April 20, 1992, and primarily engaged in granting lump sum benefits and/or supplemental income to the Bank's employees and officers by means of a defined benefit plan. Participants (employees) are entitled to a benefit upon termination of the employment relationship, calculated according to regulatory provisions, whose amount will depend on the participant's salary and length of service at termination date.

	Retirement Plan	
	June/2024	December/2023
Description		

Present value of actuarial obligations	37,010	40,152
Fair value of plan's assets	(30,079)	(32,945)
Deficit/ (Surplus) for covered plans	6,931	7,207
Adjustments for permitted deferrals		
Net actuarial liabilities (assets)	6,931	7,207
Actuarial assumptions:		
Nominal discount rate for actuarial obligation	10.13% pa	9.56% pa
Estimated nominal salary increase	3.75% pa	4.00% pa
Estimated rate of nominal benefit increase	4.27% pa	4.52% pa
Estimated inflation rate	3.75% pa	4.00% pa
Biometric table of general mortality	AT-2000 reduced by 10% and segregated by gender	AT-2000 reduced by 10% and segregated by gender
Biometric table for classification as disables	Mercer table	Mercer table
Expected turnover rate	0.31/ (length of service +1)	0.31/ (length of service +1)
Chance of entering retirement	10% on the first date of eligibility for early retirement; 3% between the 1st eligibility for early and normal retirement; 100% on the date of eligibility for the normal retirement.	

Sensitivity Analysis

The present value of the actuarial obligation is sensitive to changes in the main hypotheses: discount rate, salary growth and life expectancy. The impacts on the present value of the actuarial obligation are shown, considering the basic discount rate adopted for this Actuarial Appraisal:

	Sensitivity Analysis	
Present Value of the Obligations	**June/2024**	**December/2023**
Discount Rate: 0.25% decrease	735	851
Discount Rate: 0.25% increase	(708)	(819)

b. Health Plan

The Health Plan offered by Banco Sumitomo Mitsui to its employees was contribution-based until November 2017, generating the obligation to extend coverage in exchange for payment of the respective premiums to the Company's former employees and retired employees, in accordance with Articles 31 and 31 of the Law No. 9.656/98. Contributions to the plan were interrupted in December 2017, although there remains a group of employees who are entitled to this coverage, presenting the following actuarial liabilities:

Description	**Health Plan**	
	June/2024	**December/2023**
Net actuarial liabilities (assets)	22,130	34,146
Total	22,130	34,146

Actuarial assumptions/Actuarial hypotheses		
Nominal discount rate for actuarial obligation	10,17% pa	9,71% pa
Estimated inflation rate	3.75% p.a.	4.00% p.a.
Biometric Turnover Rate	Until 9 years SVC: 0.5/(Length of Service +1) From 10 years SVC: 0.075/(Length of Service) +1)	Until 9 years SVC: 0.5/(Length of Service +1) From 10 years SVC: 0.075/(Length of Service) +1)
Biometric retirement entry table	55 years	55 years
Biometric table of general mortality	AT-2000 segregated by gender and reduced by 10%	AT-2000 segregated by gender and reduced by 10%
Health Care Cost Trend Rate (HCCTR)	6.86% pa 3.00% pa actual rate	7.12% pa 3.00% pa actual rate
Restatement of the Participant's Contribution	Inflation (HCCTR)	Inflation (HCCTR)
Restatement of the plan's cost	Inflation (HCCTR) + Aging Factor	Inflation (HCCTR) + Aging Factor
Percentage of people opting to remain in the plan	Retirement: 100% Termination: 100%	Retirement: 100% Termination: 100%
Aging Factor	3.00% (per year - age)	3.00% (per year - age)
Family members - Active	90% Married	90% Married
Age difference between holder and spouse	4 years	4 years
Family members - Retired	Real family	Real family

24 Operational, market, credit risk management and capital management framework

Operational risk

Operational Risk is defined as the risk of loss arising from deficiencies, failures or inadequacy of internal processes involving people, systems or unexpected external and unexpected events.

The Operational Risk Management framework is considered a strategic and competitive factor for Banco Sumitomo Mitsui Brasileiro S.A. and is defined in the Bank's Operational Risk Management Policy established and approved by the Bank's Executive Board, at least annually, pursuant to CMN Resolution No. 4.557/17, being directly subordinate to the Chief Risk Officer in Brazil (CRO).

Operational Risk is an important tool for the effective management of the Bank's economic and regulatory capital. The size of the framework is proportional to the risks relating to the complexity of the products offered by the institution, nature of transactions and risk exposure guidelines of the Bank and the companies whose accounts are included in the consolidated financial statements.

The Operational Risk Management of Banco Sumitomo Mitsui Brasileiro S.A. adopts a management method in partnership with the Bank's business areas, therefore leading to a clear view of the respective tactical and strategic roles and responsibilities of the business areas and the Operational Risk Management department, allowing all employees to coordinate and cooperate to reduce operational losses and further improve the Bank's processes and activities.

Under this management model, the Operational Risk Management department is in charge for:

i. Establishing the structure, policies and tools for managing operational risks;
ii. Preparing periodic reports;
iii. Coordinating the operational risk management committees set up by the Bank;
iv. Consolidating and monitoring operational losses incurred by the Bank;
v. Establishing strategies aligned with the risk appetite levels established in the RAS;
vi. Implementing protection mechanisms for information security in order to prevent, detect and reduce vulnerability to cyber attacks;
vii. Defining business continuity plans that establish procedures and estimated deadlines for the availability and recovery of activities in the event of interruption of critical business processes;
viii. Implementing training for employees in order to foster the organizational risk culture within SMBC.

Management, in line with its Corporate Governance Policy, recognizes, participates in and shares responsibility for the continuous improvement in this structure, to ensure compliance with the established objectives and goals and security and quality for the Bank's clients, shareholders and related parties.

Regarding the calculation of capital requirements for Operational Risk, Banco Sumitomo Mitsui Brasileiro S.A. adopted the calculation model based on the Basic Indicator Approach, also known as "BIA".

Information related to the Bank's Operational Risk Management Framework, and Management's responsibility for the published information, is included in a publicly disclosed report available at www.smbcgroup.com.br (unaudited).

Market Risk and Liquidity

Market Risk is the possibility of losses being incurred due to variations in prices, indexes and rates on mismatches of terms, currencies and indexes of the asset and liability portfolios. Banco Sumitomo Mitsui Brasileiro S.A. adopts a highly conservative policy and exposure to market risk factors.

Liquidity Risk is the possibility of the Bank being unable to meet its expected and unexpected obligations, whether current or future, including those resulting from guarantees, without affecting its daily transactions and without sustaining significant losses; and the possibility of the Bank being unable to trade a position at market price, due to its high size in relation to usually traded volume or due to some market discontinuity.

The Market and Liquidity Risk Management framework is a specific unit of the Bank, independent from the business and audit areas, reporting directly to the Bank's Executive Board. It is responsible for managing market, liquidity and credit risks, and ensuring prudent practices and effective techniques of risk control. The size of the framework is proportional to the risks related to the complexity of the products offered by the institution, nature of transactions and risk exposure guidelines of the Bank and the companies whose accounts are included in the consolidated financial statements.

The Market Risk Management policy is based on the daily control of the Bank's market risk positions, on the control of limits for positions, divided into limits for exposure to interest rate and exposure to exchange rates, as well as to Limits/Guidelines for Stop Loss. In addition, stress test reports and regulatory capital information (IRRBB – Regulatory Capital for Interest Rate Risk in the Banking Book and Regulatory Capital for the Trading Book) are produced in accordance with the requirements of the Central Bank of Brazil (Bacen).

The Liquidity Risk Management policy is based on the daily control of Money Gap (the need for funding within a certain period of time), liquidity indicators and additional emergency funds for liquidity.
In addition, stress test and regulatory information reports and Liquidity Statements are produced, according to the requirements of the Central Bank of Brazil (Bacen).

The Market and Liquidity Risk Management framework was implemented in accordance with the requirements of CMN Resolution No. 4.557/17, and is approved and reviewed at least annually by the Bank's Management. In order to ensure the implementation of guidelines and policies in force, Banco Sumitomo Mitsui Brasileiro S.A. has an Asset and Liability Committee (ALCO), which usually meets once a month with the Management members, and extraordinarily whenever necessary. The purposes of said Committee are, among others, to decide on the market and liquidity risk management policy, asset and liability management policy, to ensure compliance with the limits/guidelines for market and liquidity risk, to ensure that the Bank keep proper and sufficient liquidity levels and to check procedures in the treatment of new products and their risk management framework.

Information related to the Bank's Market and Liquidity Risk Management Framework is included in a publicly disclosed report available at www.smbcgroup.com.br (unaudited).

The Management of Banco Sumitomo Mitsui Brasileiro S.A. is responsible for all disclosed information.

Credit risk

Credit Risk is defined as the possibility of the occurrence of losses related to non-compliance by the borrower or counterparty with their respective obligations under the terms agreed on, the devaluation of credit assets, deriving from the deterioration in the risk rating of the borrower, a decrease in gains or remunerations, the advantages granted in the renegotiation and recovery costs.

Credit Risk is strongly related to other types of risk, such as market and liquidity risks. These types of risks derive, many times, from Credit Risk and may occur concurrently.

The Credit Risk Management framework was implemented in accordance with the requirements of CMN Resolution No. 4.557/17 and is approved and reviewed at least annually by the Bank's Management. The Credit Risk Management framework is a specific unit of the Bank, independent from the business and audit areas, reporting directly to the Bank's Executive Board. The size of the framework is proportional to the risks related to the complexity of the products offered by the institution, nature of transactions and risk exposure guidelines of the Bank and the companies whose accounts are included in the consolidated financial statements.

The Bank's Credit Risk Management framework is implemented to maintain the policies, procedures and systems for monitoring and controlling credit risk according to prevailing laws, therefore ensuring that credit risk be identified, measured, monitored, controlled and reported to Management, so as to allow a proper treatment of risk as one of the vectors of growth and profitability.

The Credit Risk Management framework has policies and strategies which are clearly defined and duly documented and reviewed, establishing operational limits, risk mitigation mechanisms and procedures to keep exposure to credit risk at levels considered acceptable by the Bank's Management.

Information related to the Bank's Credit Risk Management Framework, and Management's responsibility for published information, is included in the publicly disclosed report available at www.smbcgroup.com.br (unaudited).

Capital Management

Capital management is defined as a continuous process of monitoring and controlling the capital held by the Bank; assessing capital needs to face the risks the Bank is subject to; and planning goals and capital needs, considering the Bank's strategic purposes.

The capital management framework was implemented in accordance with the requirements of CMN Resolution No. 4.557/17 and is approved and reviewed at least annually by the Bank's Management. The capital management framework is under the responsibility of the Risk Management Department, independent from the business and audit areas and reports directly to the Bank's Vice-Presidency. The size of the framework is proportional to the risks related to the complexity of the products offered by the Bank, the nature of transactions and risk exposure guidelines of the Bank and the companies forming part of the Prudential Conglomerate. Its objective is to identify and assess all the Bank's significant risks according to policies and strategies in order to keep the level of the capital compatible with incurred risks.

The main source of information to calculate the regulatory capital is the document CADOC 2061 – DLO Operational Limits Statements, submitted monthly to the Central Bank, which details all the components of the Regulatory Equity, which is the basis for complying with the minimum regulatory capital required by Basel III pronouncements.

In order to determine the minimum capital required, the total RWA is calculated by summing the assets weighted by credit, market and operational risks:

➢ RWA = RWAcpad + RWAmpad + RWAopad

The total RWA consists of the sum of these duly weighted assets.

In July/2023, BCB Resolution 229 came into force (replacing Circular Letter No. 3.644), in which the Central Bank changed the calculation of assets weighted by credit risk.

Basel Ratio

The Bank complies with the limits established in CMN Resolution No. 2099/94, as amended by CMN Resolutions No. 4.193/13 and 4.192/13, presenting the Equity to Weighted Assets ratio, as follows:

	June/2024	December/2023
Credit risk (RWAcpad)	6,711,756	6,344,399
Market Risk (RWAmpad)	756,269	1,029,448
Operational Risk (RWAopad)	797,755	704,633
Risk Weighted Assets (RWA)	**8,265,780**	**8,078,480**
Reference Assets Levels I and II (PR)	**2,371,415**	**2,193,756**
Required Reference Equity (RWA 8%)	**661,262**	**646,278**
Margin on the Required Reference Equity	**1,710,153**	**1,547,478**
Basel Ratio (IB) - PR/RWA	**28.69%**	**27.16%**

If the Bank needs additional capital, the contingency plan is to increase capital through capital injection by Sumitomo Mitsui Banking Corporation (parent company).

Any relevant incident or problem must be directed immediately to the Bank's Governance Committee, which is the group designated to centralize decisions and define measures to remedy any capital adequacy problems.

In order to adopt a prospective stance and foresee the need for capital, the Bank set up the New Product and Service Committee, with the permanent participation of the Risk Management Department, where the product and/or service is analyzed before being implemented in the Bank.

The Bank does not follow an Internal Capital Adequacy Assessment Process (ICAAP) pursuant to Article 6 of CMN Resolution No. 4,557/2017 as it is not required according to the segment classification.

The Risk Management Department tracks the portfolio's performance daily and, if there are any differences, communicates them immediately to Senior Management so that the capital adequacy is adequately addressed.

If the scenarios change materially, the Finance division will call on the IRM (Integrated Risk Management) team and instruct it to carry out stress tests under extreme market and economic conditions.

Information related to the Bank's Capital Management Framework is included in the publicly disclosed report available at www.smbcgroup.com.br (unaudited).

The Management of Banco Sumitomo Mitsui Brasileiro S.A. is responsible for all disclosed information.

Fair Value Measurement

The fair values of financial assets and liabilities are determined based on market prices or prices quoted by market agents for financial instruments traded in active markets. For other financial instruments, the fair value is determined by valuation methods. Valuation methods include net present value methods, discounted cash flow methods, comparison with similar instruments for which there are observable prices and valuation models in the market. The Bank uses widely recognized valuation models in most of its products to determine the fair value of financial instruments, relying on observable market data.

- Level 1 - Securities acquired for active and frequently trading. They are marked-to-market, have high liquidity and their prices are available in the market. This category includes available-for-sale securities and stock futures.

- Level 2 - Pricing information is not available for an active market, but is priced by using prices quoted for similar instruments or by pricing techniques using observable data in the market. The category includes SWAPs, NDFs and Debentures, in which the methodology used is the mark to model, where inputs are collected from the market.

- Level 3 - Pricing of assets where data is not available on the market. In accordance with best market practices, the fair value of certain products such as Financial Bills is calculated through Credit Spread to incorporate the issuer’s credit risk in the asset’s price.

25 Recurring and non-recurring income

To classify income between recurring and non-recurring, Banco Sumitomo considers as recurring any income obtained from its regular and everyday activities.

Non-recurring income include revenue and expenses arising from administrative acts and facts that are unusual or unlikely to occur in consecutive years.

For the semester ended June 30, 2024, the Bank did not show outstanding amounts classified as non-recurring.