

# Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários

## **Financial statements as of June 30, 2024 and 2023**

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil)

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## Management Report

### Presentation

We present the financial statements of Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários for the semesters ended June 30, 2024 and 2023, together with the notes and the independent auditors' report, prepared in accordance with accounting policies adopted in Brazil, applicable to the institutions authorized to operate by the Central Bank of Brazil, issued by Brazilian Corporate Law.

### Other information

The Brokerage Firm started its activities on November 1, 2021 as an intermediary for foreign institutional clients and its business plan is being fully followed and is being directly monitored by top Management.

As per the Brokerage Firm's bylaws, shareholders are entitled to minimum dividends of 25% of annual profit adjusted in pursuance to Corporate Law. This dividend may also be distributed as interest on own capital.

Fees paid to independent auditors for audit and non-audit services are annually disclosed in the Annual Report of The Bank of Nova Scotia ("BNS").

### Acknowledgment

Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários thanks all its clients for their trust and support, and its employees and collaborators for their dedication, ethics, professionalism and commitment.

### Executive Board



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# Independent auditors' report on the financial statements

## To the Management

### Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários

São Paulo - SP

#### Opinion

We have audited the financial statements of Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários (the "Brokerage"), which comprise the statements of financial position as of June 30, 2024, and the statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários as of June 30, 2024, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting policies adopted in Brazil applicable to the institutions authorized to operate by the Central Bank of Brazil - BACEN.

#### Basis for Opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Brokerage Firm in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Regional Association of Accountants, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information accompanying the financial statements and the independent auditors' report

Management is responsible for the other information. The other information comprises the Management Report.

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

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Brokerage Firm's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Brokerage Firm's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Brokerage Firm to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

São Paulo, August 27, 2024.

KPMG Auditores Independentes Ltda.  
CRC 2SP-027685/O-0 F SP

*Original report in Portuguese signed by*  
Mark Suda Yamashita  
Accountant CRC SP-271754/O-9

# Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários

## Statements of financial position as of June 30, 2024 and December 31, 2023

(In thousands of reais)

Assets	Note	Jun/2024	Dec/2023
<b>Cash and cash equivalents</b>	4	<b>19</b>	<b>33</b>
<b>Financial instruments</b>		<b>199,207</b>	<b>100,068</b>
Interbank funds applied	5	52,664	-
Securities	6	16,059	68,448
Derivative financial instruments	7	40,491	-
Securities clearing accounts	9	89,852	31,523
Other financial instruments		141	97
<b>Other assets</b>	10	<b>953</b>	<b>1,196</b>
Sundry		953	1,196
<b>Tax credits</b>	13b	<b>1,613</b>	<b>499</b>
<b>Property, plant and equipment for use</b>		<b>101</b>	<b>123</b>
Property and equipment for use		8	8
Other property for use		220	220
Accumulated depreciation		(127)	(105)
<b>Intangible assets</b>		<b>350</b>	<b>430</b>
Intangible assets		807	807
Accumulated amortization		(457)	(377)
<b>Total assets</b>		<b>202,243</b>	<b>102,349</b>
<b>Liabilities</b>			
<b>Financial liabilities</b>		<b>130,246</b>	<b>31,807</b>
Money market funding		-	400
Derivative financial instruments	7	40,514	-
Securities clearing accounts	9	89,732	31,407
<b>Other liabilities</b>	11	<b>6,108</b>	<b>4,342</b>
Sundry		6,108	4,342
<b>Deferred tax liabilities</b>		<b>6</b>	<b>8</b>
Deferred tax liabilities	13b	6	8
<b>Shareholders' equity</b>		<b>65,883</b>	<b>66,192</b>
Capital	12	60,000	60,000
Profit reserves		6,197	6,197
Other comprehensive income		(26)	(5)
Accumulated losses		(288)	-
<b>Total liabilities</b>		<b>202,243</b>	<b>102,349</b>

See the accompanying notes to the financial statements.

# Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários

## Statements of income

Semester ended June 30, 2024 and 2023

*(In thousands of reais)*

	<u>Note</u>	<u>Jun/2024</u>	<u>Jun/2023</u>
<b>Interest income</b>		<b>3,479</b>	<b>3,977</b>
Securities		3,502	3,977
Derivative financial instruments		(23)	-
<b>Financial intermediation expenses</b>		<b>-</b>	<b>(8)</b>
Money market repurchase agreements		-	(8)
<b>Gross income from financial intermediation</b>		<b>3,479</b>	<b>3,969</b>
<b>Other operating revenues /(expenses)</b>		<b>(3,970)</b>	<b>(4,342)</b>
Revenues from rendering of services	20	7,989	4,712
Personnel expenses	21	(9,044)	(5,874)
Other administrative expenses	22	(2,404)	(2,421)
Tax expenses	23	(946)	(649)
Other operating revenues		458	14
Other operating expenses		(23)	(124)
<b>Operating income</b>		<b>(491)</b>	<b>(373)</b>
<b>Non-operating income (loss)</b>		<b>-</b>	<b>104</b>
<b>Income before tax and profit sharing</b>		<b>(491)</b>	<b>(269)</b>
<b>Income tax and social contribution</b>	13a	<b>203</b>	<b>88</b>
Provision for income tax		(555)	(354)
Provision for social contribution		(347)	(224)
Deferred tax assets		1,105	666
<b>Net income (loss) for the semester</b>		<b>(288)</b>	<b>(181)</b>
<b>Earnings (loss) per thousand shares - R\$</b>		<b>(4.80)</b>	<b>(3.02)</b>

See the accompanying notes to the financial statements



# Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários

## Statements of comprehensive income

Semester ended June 30, 2024 and 2023

*(In thousands of reais)*

	<u>Jun/2024</u>	<u>Jun/2023</u>
Net income (loss) for the semester	<u>(288)</u>	<u>(181)</u>
<b>Items that can be reclassified to income/(loss)</b>		
Changes in the market value of financial assets available for sale	<u>(21)</u>	<u>204</u>
Securities	(36)	340
Tax effect	<u>15</u>	<u>(136)</u>
Comprehensive income (loss) for the semester	<u><u>(309)</u></u>	<u><u>23</u></u>

See the accompanying notes to the financial statements.

# Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários

## Statements of changes in shareholders' equity

Semester ended June 30, 2024 and 2023

*(In thousands of reais)*

	Profit reserves			Other comprehensive income	Accumulated losses	Total
	Capital	Legal	Statutory			
<b>Balances as of December 31, 2022</b>	<b>60,000</b>	<b>240</b>	<b>4,568</b>	<b>(204)</b>	<b>-</b>	<b>64,604</b>
Equity valuation adjustments	-	-	-	204	-	204
Loss for the semester	-	-	-	-	(181)	(181)
<b>Balances as of June 30, 2023</b>	<b>60,000</b>	<b>240</b>	<b>4,568</b>	<b>-</b>	<b>(181)</b>	<b>64,627</b>
<b>Balances as of December 31, 2023</b>	<b>60,000</b>	<b>310</b>	<b>5,887</b>	<b>(5)</b>	<b>-</b>	<b>66,192</b>
Equity valuation adjustments	-	-	-	(21)	-	(21)
Loss for the semester	-	-	-	-	(288)	(288)
<b>Balances as of June 30, 2024</b>	<b>60,000</b>	<b>310</b>	<b>5,887</b>	<b>(26)</b>	<b>(288)</b>	<b>65,883</b>

See the accompanying notes to the financial statements.

# Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários

## Statements of cash flows

Semester ended June 30, 2024 and 2023

*(In thousands of reais)*

	<u>Jun/2024</u>	<u>Jun/2023</u>
<b>Operating activities</b>		
Net income (loss) for the semester	(288)	(181)
Adjustments to loss	<u>(1,001)</u>	<u>(667)</u>
Deferred taxes	(1,103)	(665)
Depreciation and amortization	102	103
Income from variable income securities	-	(105)
<b>Changes in operating assets and liabilities</b>	<b><u>53,939</u></b>	<b><u>874</u></b>
Decrease in securities	52,353	2,111
Decrease in derivative financial instruments	23	-
(Increase) in other financial assets	(44)	(94)
(Increase)/decrease in securities clearing accounts	(4)	195
Decrease in other assets	244	669
Increase/(Decrease) in other liabilities	1,767	(2,007)
(Decrease) in money market funding	(400)	-
<b>Net cash from operating activities</b>	<b><u>52,650</u></b>	<b><u>26</u></b>
<b>Increase in cash and cash equivalents</b>	<b><u>52,650</u></b>	<b><u>26</u></b>
Cash and cash equivalents at beginning of the semester	33	248
Cash and cash equivalents at end of the semester	<u>52,683</u>	<u>274</u>
<b>Increase in cash and cash equivalents</b>	<b><u>52,650</u></b>	<b><u>26</u></b>

See the accompanying notes to the financial statements.

## **Notes to the financial statements**

*(Amounts in thousands of reais, except when otherwise indicated)*

### **1 Operations**

The main purpose of Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários (“Brokerage”) located at Av. Brigadeiro Faria Lima, 2.277 – 7º floor, São Paulo - Brazil, is to complement Scotiabank’s activities in Brazil through the intermediation of stock operations carried out within the scope of B3 S.A. – Brasil, Bolsa, Balcão, for foreign institutional customers that invest in the country, offering them a comprehensive and “end-to-end” structure in line with current legislation.

Brokerage is a wholly owned subsidiary of Scotiabank Brasil S.A. Banco Múltiplo (“Bank”), which together form the Scotiabank Brazil Financial Conglomerate (“Scotiabank Brazil Group”).

Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários maintains a corporate governance structure integrated with Scotiabank Brasil S.A. Banco Múltiplo and is controlled by The Bank of Nova Scotia (“BNS”), with head office in Canada.

### **2 Preparation and Presentation of the Financial Statements**

The financial statements have been prepared and are presented in accordance with the provisions of the Brazilian Corporate Law and the standards and instructions of the National Monetary Council (CMN) and the Brazilian Central Bank (BACEN) in the Standard Chart of Accounts for Financial Institutions (COSIF), and of the Accounting Pronouncements Committee (CPC), when applicable.

The authorization for issue of these financial statements was given by the Company's management on August 23, 2024.

The financial statements include estimates and assumptions, such as estimates of the market value of certain financial instruments, other provisions, and the determination of the useful lives of certain assets. Actual results may differ from these estimates and assumptions.

Statements of cash flow have been prepared at the indirect method.

The financial statements are prepared and disclosed in accordance with the general criteria and procedures set forth by CMN Resolution No. 4,818 and BCB Resolution No. 2.

### **3 Description of Significant Accounting Policies**

#### **a. Functional and presentation currency**

The financial statements are being presented in reais (R\$), functional currency of Brokerage.

#### **b. Statement of Income**

Revenues and expenses are recognized on the accrual basis.

**c. Cash and cash equivalents**

They are represented by cash and cash equivalents in domestic currency and repurchase and reverse repurchase agreements - own portfolio with an original term of 90 days or less.

**d. Securities**

They are recorded at acquisition cost and presented in the statement of financial position according to BACEN Circular 3068, and are classified according to Management's intention in the following categories: "Trading securities" refers to securities acquired for the purpose of being actively and frequently traded, classified in current and marked-to-market as a contra-entry to the income/(loss) for the period, "Securities held to maturity" which have the financial capacity to be held until maturity and are recorded at cost, plus income accrued in contra account to income or loss for the period and "Securities available for sale", that are not qualified as trading or held to maturity securities, and are adjusted to market value with the corresponding entry to a separate account in shareholders' equity, less tax effects. To calculate the market value of the securities portfolio, federal government bonds are adjusted to reflect the observable market price, as published by ANBIMA.

**e. Permanent**

- **Property, plant and equipment for use:** corresponds to the assets and rights that refer to corporeal personal property intended for the maintenance of Brokerage activities with this purpose. In compliance with CMN Resolution 4535, new property, plant, and equipment items are recognized at cost. Depreciation of property, plant and equipment is recorded based on the straight-line method, considering the rates comprising the useful and economic life of assets.
- **Intangible assets:** corresponds to the rights that refer to incorporeal personal property intended for the maintenance of Brokerage activities or exercised with this purpose. In compliance with CMN Resolution 4534, new intangible assets are recognized at cost. Intangible assets with defined useful life are amortized using the straight-line method over an estimated period of economic benefit.

**f. Asset impairment**

Pursuant to CMN Resolution 4924 which approved the adoption of Technical Pronouncement CPC 01 – Asset impairment, the recoverable value of assets is tested, at least once a year, if there are indicators of loss. When the book value of the asset exceeds its recoverable value, the loss will be recognized directly in P&L.

Impairment losses were not identified on June 30, 2024 and 2023.

**g. Income and social contribution taxes**

Provision for income tax is formed at the rate of 15% on taxable income, plus a surtax of 10%, as set forth by the Law 9430. Social contribution tax is calculated at the rate of 15% of taxable income as set forth by the Law 7689.

As of June 30, 2024 and 2023, Brokerage has deferred tax credit assets from income tax and social contribution calculated from temporary differences.

Tax credits whose realization is expected to occur in future periods were recorded at the rate of 25% for income tax and 15% for social contribution.

Based on CMN Resolution 4842, the short and medium-term projections prepared by Brokerage enable a reasonable estimate of the term of realization of these assets.

**h. PIS and COFINS**

PIS contributions are calculated at the same rate of 0.65% and for COFINS at the rate of 4%, pursuant to the legislation in place.

**i. Share-based payments**

Qualified employees of Brokerage participate in stock-based compensation plans, which are evaluated based on the price of the common share of BNS. Brokerage records its expense in the income/(loss) for the period against a provision in liabilities, as established by CMN Resolution 3989 which approved the adoption of Technical Pronouncement CPC 10 – Share-Based Payment (note 18).

**j. Post-employment employee benefits**

Post-employment or long-term benefit plans are formal or informal arrangements under which Brokerage undertakes to provide post-employment benefits to one or more employees, pursuant to CMN Resolution 4877, which approved the Technical Pronouncement CPC 33 (R1) – Employee Benefits.

Defined contribution plans are post-employment benefit plans according to which Brokerage, as the sponsoring entity, pays fixed contributions to a separate entity (fund), without legal or constructive obligation of paying additional contributions if the fund does not have sufficient assets to pay all benefits related to services in the current and prior periods. These contributions are recognized as "Personnel Expenses" in the statement of income.

**k. Other assets**

Stated at realizable values, net of the related unappropriated revenue, including, when applicable, income and inflation adjustments, adjusted by a provision through the statement of financial position date, when applicable.

**l. Other liabilities**

Stated at known amounts or estimated, including, the charges calculated on a "pro rata" daily basis and the inflation adjustment and exchange-rate change incurred.

**m. Non-recurring profit (loss)**

BCB Resolution 2, in its art. 34, establishes that financial institutions must disclose recurring and non-recurring results in a segregated manner. The non-recurring income/(loss):

- (i) Is not related or incidentally related to the typical activities of the institution; and
- (ii) Is not expected to occur frequently in future years.

The nature and financial effect of events considered as non-recurring are shown in note 24.

## 4 Cash and cash equivalents

	<u>Jun/2024</u>	<u>Dec/2023</u>
Cash and cash equivalents	19	33
Local currency	19	33
<b>Interbank funds applied</b>	<b>52,664</b>	<b>-</b>
Money market repurchase commitments – resales to be settled - own portfolio	52,664	-
<b>Total</b>	<b>52,683</b>	<b>33</b>

## 5 Interbank Funds Applied

	<u>Jun/2024</u>		<u>Dec/2023</u>
	Up to 3 months	Total	Total
<b>Money market repurchase commitments</b>	<b>52,664</b>	<b>52,664</b>	<b>-</b>
Own portfolio			
LTN	52,664	52,664	-
<b>Total</b>	<b>52,664</b>	<b>52,664</b>	<b>-</b>

## 6 Securities

The restated cost (including income earned) and the market value of securities were as follows:

### Securities available for sale

	<u>Jun/2024</u>				<u>Dec/2023</u>	
	Without maturity	Up to 3 months	Market/ book value	Restated cost	Market/ book value	Restated cost
<b>Own portfolio</b>						
LTN	-	3,598	3,598	3,599	57,668	57,658
Public company shares	61	-	61	105	85	105
<b>Subtotal</b>	<b>61</b>	<b>3,598</b>	<b>3,659</b>	<b>3,704</b>	<b>57,753</b>	<b>57,763</b>
<b>Subject to guarantees provided</b>						
LTN	-	-	-	-	401	399
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401</b>	<b>399</b>
<b>Pledged as collateral <sup>(i)</sup></b>						
Quotas of investment fund	12,400	-	12,400	12,400	10,294	10,294
<b>Subtotal</b>	<b>12,400</b>	<b>-</b>	<b>12,400</b>	<b>12,400</b>	<b>10,294</b>	<b>10,294</b>
<b>Total</b>	<b>12,461</b>	<b>3,598</b>	<b>16,059</b>	<b>16,104</b>	<b>68,448</b>	<b>68,456</b>

(i) Securities given as a guarantee margin for the performance of share purchase and sale of operations.

Federal government bonds are held in custody by SELIC, the investment fund quotas and stocks are held in custody by B3 S.A.- Brasil, Bolsa, Balcão.

## 7 Derivative financial instruments

### a. Forward transactions

	<u>Jun/2024</u>			<u>Dec/2023</u>
	Reference Value	Receivables	Payables	Reference value
Forward purchase agreements	40,530	40,491	(40,514)	-
Buying forward	40,530	40,491	(40,514)	-
<b>Total</b>	<b>40,530</b>	<b>40,491</b>	<b>(40,514)</b>	<b>-</b>

**b. Breakdown by cost and market values**

	<b>Jun/2024</b>			<b>Dec/2023</b>
	<b>Cost value</b>	<b>Unrealized gains/(losses)</b>	<b>Market value</b>	<b>Market value</b>
<b>Assets</b>	<b>40,530</b>	<b>(39)</b>	<b>40,491</b>	-
Forward purchase agreements	40,530	(39)	40,491	-
<b>Liabilities</b>	<b>(40,530)</b>	<b>16</b>	<b>(40,514)</b>	-
Forward purchase agreements	(40,530)	16	(40,514)	-

**c. Result**

	<b>Jun/2024</b>	<b>Jun/2023</b>
Forward purchase agreements	(23)	-
<b>Total</b>	<b>(23)</b>	-

## **8 Risk Management**

### **Operating risk management**

Brokerage is included in the internal control environment of Scotiabank Brazil Group, which has a structure of operating risk management responsible for identifying, evaluating, monitoring, controlling, reducing and reporting its risks, which is widely spread within the organization. In this context, all employees have direct access to tools, methodologies and reports produced by the Risk Management department, facilitating the dissemination of the risk-control culture inside the Group.

The operating risk structure also includes the participation of the Executive Board, which is immediately involved in every significant event and actively participates in the monitoring of actions for reduction and resolution of these events. In addition to the daily monitoring, the Risk Management department also reports the major events of operating risk occurred during the month in a report sent to the department heads and to the Executive Boards of the Bank and of the Scotiabank Brazil Group.

### **Management of market and liquidity risks**

As determined by the head office and following the best practices of risk management adopted worldwide, the Group has a structure of management and control of risks that is comprehensive, integrated and independent from the business areas and which seeks the optimization of the risk/return relation, focusing on efficient monitoring and strict control of the risk exposure factors. An integrated set of processes using platforms of local and global systems is responsible for the determination, analysis and report of market and liquidity risks. The risk limits are determined and approved by the local Executive Board and head office and monitored on a preventive basis.

In this context, the market and liquidity risk management is performed on a daily basis using own models and instruments such as VaR - Value-at-Risk, liquidity short-term measures, projections of cash flow, stress test, back testing, analysis of sensitivity of interest, exchange and volatility.

By observing BNS's requirements, the Group was able to meet Central Bank requirements regarding implementation of the continued and integrated risk management structure (CMN Resolution 4557), more specifically regarding market and liquidity risks. In addition, the Group



is now reviewing the capital requirements due to market risk exposure under criteria established in CMN Resolution 4958.

### **Credit risk management**

In line with the requirements of BACEN (CMN Resolutions 2682, 4557, 4677, 4,693, among others) and the organization's risk management philosophy, the Group has a credit risk management structure which includes individual credit limit analysis and establishment for the entire range of loan takers, as well as analysis and monitoring of the Group's aggregate credit risk, which takes into account all product lines offered by the Bank and all economic segments where loan takers operate.

The Scotiabank Brazil Group's risk culture is emphasized to all its areas and the description of the products offered to loan takers includes identification of credit, market and operating risks, as well the information systems that control them. Individual credit limits for borrowers are approved by using the Group's own techniques and methodologies and are reviewed at least once a year together with their ratings, in accordance with CMN Resolution 2682, which are reviewed every six months for the operations of the same client or economic group whose amount exceeds 5% of Group's adjusted shareholders' equity.

The Executive Board and the risk control areas actively operate in credit risk management, which includes the approval of individual credit limits and institutional policies. Additionally, they monitor the aggregate loan portfolio and evaluate the results of stress tests, which are exercises used to assess the potential impacts of adverse events on the institution's loan portfolio.

### **Capital Management**

The Scotiabank Brazil Group is dedicated to maintaining a robust capital basis to support risks associated to its businesses. The Group's Continued Capital Management structure, which encompasses internal policies, actions and procedures that refer to Capital Management is in line with BNS's global policy and complies with Brazilian Central Bank's (BACEN) requirements provided for in CMN Resolution 4557.

The principles governing the Group's capital management structure intend to meet the requirements in connection with: regulatory rules; existence of appropriate governance and supervision; capital management policies, strategies and measures focusing on relationships between risk propensity, risk profile and capital capacity; a solid risk management process; a capital adjustment evaluation process that is in accordance with governance and capital policies; existence of adequate systems, processes and controls to assist in capital planning, forecast, measurement, monitoring and control of authorized limits, in addition to the preparation of reports on capital.

The Executive Board is directly involved in the continued capital management and is also responsible for the annual review and approval of the Group's internal policies. In addition, the Executive Board operates on monitoring level and adequacy of the capital through periodic reports produced and sent by the areas that are directly involved in the capital management process.

The description of the risk management framework and capital management framework is evidenced in a public report available at: <http://www.br.scotiabank.com>.

## Market risk

Market risk is defined as the possibility of incurring losses resulting from fluctuations in the market values of instruments held by the Group, including the risk of changes in interest rates and share prices, for instruments classified in the trading portfolio and the risk of exchange-rate change and commodity prices, for instruments classified in the trading or banking portfolio.

According to the guidelines of the Central Bank of Brazil, through CMN Resolution 4557 and BCB Resolution 111, transactions are divided into trading and banking portfolios.

The trading portfolio consists of all positions in financial assets held for trading or for the purpose of hedging other elements of the trading portfolio. The positions held for trading are those held intentionally for short-term resale and/or with the intention of protecting the portfolio against market movements.

All operations not classified under the trading portfolio are in the banking book. This portfolio includes the Group's business portfolio operations, such as loan operations, onlendings and their financing lines, as well as securities positions that are accounted for as held to maturity and the instruments in the treasury portfolio.

To assess the effects on the Conglomerate's income/(loss) in face of possible scenarios, the Group performs sensitivity analysis for each market risk factor considered relevant by Management.

## 9 Securities clearing accounts

	<u>Jun/2024</u>	<u>Dec/2023</u>
<b>Current assets</b>		
Cash accounts for registration and settlement	63,282	-
Debtors - pending settlement accounts	<u>26,570</u>	<u>31,523</u>
<b>Total</b>	<u><b>89,852</b></u>	<u><b>31,523</b></u>
<b>Current liabilities</b>		
Creditors - pending settlement accounts	89,732	7,590
Cash accounts for registration and settlement	<u>-</u>	<u>23,817</u>
<b>Total</b>	<u><b>89,732</b></u>	<u><b>31,407</b></u>

## 10 Other assets

	<u>Jun/2024</u>	<u>Dec/2023</u>
<b>Current assets</b>		
Taxes and contributions to offset	602	1,105
Salary advances and prepayments	263	5
Prepaid expenses	<u>88</u>	<u>86</u>
<b>Total</b>	<u><b>953</b></u>	<u><b>1,196</b></u>

## 11 Other liabilities

	<u>Jun/2024</u>	<u>Dec/2023</u>
<b>Current liabilities</b>		
Provision for personnel expenses	3,136	1,318
Provision for income tax and social contribution	899	1,161
Taxes and contributions payable	350	1,381
Provision for other administrative expenses	<u>151</u>	<u>82</u>
<b>Subtotal</b>	<u><b>4,536</b></u>	<u><b>3,942</b></u>

<b>Non-current liabilities</b>		
Provision for personnel expenses	1,572	400
<b>Subtotal</b>	<u>1,572</u>	<u>400</u>
<b>Total</b>	<u><u>6,108</u></u>	<u><u>4,342</u></u>

## 12 Shareholders' Equity

The fully paid-up capital amounts to R\$ 60,000 and it is represented by 60,000,000 nominative and common shares with no par value.

### a. Profit reserves

The legal reserve is formed at the rate of 5% of net income for the period, up to the limit defined by the current legislation.

### b. Dividends and interest on own capital

As per the Brokerage's bylaws, the shareholders are entitled to a minimum dividend of 25% of annual net income adjusted in the form of the Law. Such dividend may also be distributed in the form of interest on own capital.

In the semester ended June 30, 2024 and 2023, no shareholders decided to distribute dividends and interest on equity capital.

## 13 Deferred Income Tax and Social Contribution

### a. Calculation of charges with income and social contribution taxes levied on the operations

	Jun/2024		Jun/2023	
	Income tax	Social contribution	Income tax	Social contribution
<b>Income before taxation</b>	(491)	(491)	(269)	(269)
<b>Temporary exclusions/(additions)</b>	<u>2,757</u>	<u>2,757</u>	<u>1,663</u>	<u>1,663</u>
Market value adjustment - securities and derivatives	23	23	-	-
Other administrative expenses	2,734	2,734	1,663	1,663
<b>Permanent additions/(exclusions)</b>	<u>40</u>	<u>40</u>	<u>102</u>	<u>102</u>
<b>Taxable base</b>	<u>2,306</u>	<u>2,306</u>	<u>1,496</u>	<u>1,496</u>
Rates	25%	15%	25%	15%
<b>Total IRPJ and CSLL - current values before tax incentives</b>	<u>(564)</u>	<u>(346)</u>	<u>(362)</u>	<u>(224)</u>
Tax incentives	11	-	9	-
<b>Total income tax and social contribution – current values - (note 11)</b>	<u>(553)</u>	<u>(346)</u>	<u>(353)</u>	<u>(224)</u>
Tax credits	691	414	416	250
Deferred tax liabilities	(2)	(1)	(1)	-
<b>Total</b>	<u><u>136</u></u>	<u><u>67</u></u>	<u><u>62</u></u>	<u><u>26</u></u>

### b. Changes in deferred income tax and social contribution by type and origin

	Balances as of December 31, 2023	Formation	Realization/r eversal	Balances as of June 30, 2024
<b>Tax credits</b>				
<b>Reflected in income (loss)</b>	<u>491</u>	<u>1,111</u>	<u>(6)</u>	<u>1,596</u>
Non-deductible provisions	491	1,102	(6)	1,587
Mark to market of derivatives	-	9	-	9
<b>Reflected in shareholders' equity</b>	<u>8</u>	<u>9</u>	<u>-</u>	<u>17</u>
Mark-to-market of securities classified as available for sale	8	9	-	17
<b>Total</b>	<u><u>499</u></u>	<u><u>1,120</u></u>	<u><u>(6)</u></u>	<u><u>1,613</u></u>

	Balances as of December 31, 2023	Formation	Realization/r eversal	Balances as of June 30, 2024
<b>Deferred tax liabilities</b>				
<b>Reflected in income (loss)</b>	(3)	(3)	-	(6)
Adjustment for inflation of court deposits	(3)	(3)	-	(6)
<b>Reflected in shareholders' equity</b>	(5)	-	5	-
Mark-to-market of securities classified as securities available for sale	(5)	-	5	-
<b>Total</b>	<b>(8)</b>	<b>(3)</b>	<b>5</b>	<b>(6)</b>

**c. Forecast of realization of tax credits on tax loss, negative basis of social contribution and temporary differences**

Realization period	Timing differences	Tax loss and negative basis	Total
1st year	845	-	845
2nd year	430	-	430
3rd year	321	-	321
4th year	17	-	17
5th year	-	-	-
6- 10th year	-	-	-
<b>Total</b>	<b>1,613</b>	<b>-</b>	<b>1,613</b>
<b>Present value (*)</b>	<b>1,385</b>	<b>-</b>	<b>1,385</b>

(\*) For the adjustment to present value, the projected annual CDI rate was used

## 14 Basel and Operating Limits

Brokerage adopts the calculation of operating and Basel limits based on the consolidated data of the Scotiabank Brazil Financial Conglomerate (“Conglomerate”), formed by Scotiabank Brasil S.A. Banco Múltiplo, leader of the Conglomerate, and by the Brokerage Firm, in accordance with BACEN guidelines.

As of June 30, 2024, the Conglomerate’s Basel Ratio, calculated in accordance with current regulations, is 50.67% (25.08% in December 2023), which is higher than the minimum ratio required by BACEN regulations.

## 15 Contingent Liabilities

Brokerage is not a party to lawsuits or legal discussions as of June 30, 2024 and 2023.

## 16 Related Parties

Operations between related parties are disclosed in conformity with CMN (National Monetary Council) Resolution 4818, in compliance with Technical Pronouncement CPC 05 (R1) – Related Parties Disclosure. These operations are carried out at usual market values, terms and average rates in effect at the respective dates.

Operations with related parties are represented by:

	Assets/(liabilities)		Revenues/(expenses)	
	Jun/2024	Dec/2023	Jun/2024	Jun/2023
<b>Cash and cash equivalents</b>	<b>19</b>	<b>33</b>	<b>-</b>	<b>-</b>
Scotiabank Brasil S.A. Banco Múltiplo (Controller)	19	33	-	-
<b>Interbank funds applied</b>	<b>52,664</b>	<b>-</b>	<b>2,670</b>	<b>20</b>
Scotiabank Brasil S.A. Banco Múltiplo (Controller)	52,664	-	2,670	20
<b>Amounts receivable from/(payables to) related companies/service revenues(expenses)</b>	<b>-</b>	<b>-</b>	<b>945</b>	<b>(167)</b>
Scotiabank Brasil S.A. Banco Múltiplo (Controller)	-	-	951	(161)

	Assets/(liabilities)		Revenues/(expenses)	
	Jun/2024	Dec/2023	Jun/2024	Jun/2023
Scotiabank Colpatria (Colômbia) (Related Part)	-	-	(6)	(6)
<b>Money market borrowings</b>	-	(400)	-	(8)
Scotiabank Brasil S.A. Banco Múltiplo (Controller)	-	(400)	-	(8)
<b>Other operating revenues</b>	-	-	17	-
Scotiabank Brasil S.A. Banco Múltiplo (Controller)	-	-	17	-

## 17 Management Remuneration

For the purpose of disclosing management remuneration, statutory directors were considered. Expenses with directors' remuneration for the semester ended June 30, 2024 total R\$767 (R\$759 in June 2023), comprised by R\$657 (R\$696 in June 2023), which represent salaries and payroll charges, profit sharing, and bonus and charges, denominated short-term benefits, and R\$110 (R\$63 in June 2023), which represents share-based remuneration and charges. There are no post-employment benefits, other long-term benefits or work agreement termination benefits.

## 18 Share-based Payment

Share-based payment plans are evaluated based on BNS common shares price traded at the Toronto, Canada (TSX) stock exchange. BNS share price fluctuations change the value of units, which affects share-based payment expenses. The portion that calculates share price market value also varies according to the Bank's performance. These plans are settled in cash and their expenses are recognized in income for the period as a contra-entry to provision in liabilities. Eligible employees are paid through this variable remuneration by means of RSU plan.

### Restricted RSU - Restricted Share Unit Plan

According to RSU plan, eligible employees will receive a bonus in restricted share units after three years. Final value to be paid varies according to BNS share price. As of June 30, 2024, the amount of provisioned liability for this plan is R\$ 579 (R\$ 322 in December 2023) and the total number of shares is 5,944 units measured at the market value of R\$ 234.30 per share. Total expenses recorded in the period for this plan is R\$ 260 (R\$ 162 in June 2023).

	Balance			
	Jun/2024		Dec/2023	
	Quantity of shares	Value	Quantity of shares	Value
<b>RSU</b>				
Share Price	-	234.30 <sup>(i)</sup>	-	235.60 <sup>(i)</sup>
Total quantity – due	5,945	1,392	5,861	1,381
Total quantity - provisioned	2,473	579	1,368	322
Total quantity – to be provisioned	3,472	813	4,493	1,059

(i) Amounts in real

	Payable					
	Dec/2024		Dec/2025		Dec/2026	
	Quantity of shares	Value	Quantity of shares	Value	Quantity of shares	Value
<b>RSU</b>						
Share Price	-	234.30 <sup>(i)</sup>	-	234.30 <sup>(i)</sup>	-	234.30 <sup>(i)</sup>
Total quantity – due	1,448	339	2,055	481	2,442	572
Total quantity - provisioned	825	193	934	219	714	167
Total quantity – to be provisioned	623	146	1,121	262	1,728	405

(i) Amounts in real

## 19 Post-employment Employee Benefits

For the post-employment defined contribution plan, the bank offers its employees the supplementary private pension benefit through monthly contributions, ceasing after the

employee leaves the company. Total personnel expenses incurred with this plan in the semester ended June 30, 2024 are R\$ 185 (R\$ 86 in June 2023).

Other post-employment defined contribution plans are considered short-term benefits, such as health care and profit sharing.

Brokerage does not have post-employment benefit plans to its employees.

## 20 Service Revenues

They are comprised by income from brokerage fees and activities in exchange operations, as well as fee from the placement of securities in the total amount of R\$7,989 (R\$4,712 in June 2023).

## 21 Personnel Expenses

	<u>Jun/2024</u>	<u>Jun/2023</u>
Salaries	5,522	3,853
Social charges	2,074	1,349
Benefits	731	594
Training	717	78
<b>Total</b>	<b><u>9,044</u></b>	<b><u>5,874</u></b>

## 22 Other Administrative Expenses

	<u>Jun/2024</u>	<u>Jun/2023</u>
Data processing	1,374	1,287
Financial system services	218	304
Rents	230	168
Amortization/Depreciation	103	103
Advertising	-	169
Communications	85	70
Specialized technical services	66	60
Water, electricity and gas	35	25
Publications	16	16
Other	277	219
<b>Total</b>	<b><u>2,404</u></b>	<b><u>2,421</u></b>

## 23 Tax Expenses

	<u>Jun/2024</u>	<u>Jun/2023</u>
Cofins	460	348
ISS	400	236
Pis	75	56
Taxes fees and contributions	11	9
<b>Total</b>	<b><u>946</u></b>	<b><u>649</u></b>

## 24 Recurring and non-recurring Profit (loss)

As established by BCB Resolution 2, profit (loss) that is not related or is incidentally related to the Brokerage House's typical activities and is not expected to be reported frequently in future years should be considered as non-recurring profit.

As of June 30, 2024, the Brokerage Firm's results were fully recurring. As of June 30, 2023, the Brokerage House's non-recurring results originated from floating-rate income in the amount of R\$105 and net of taxes, in the amount of R\$63.

## **25 CMN Resolution 4966 Implementation Plan**

In compliance with the provisions of article 76 of CMN Resolution 4966 dated November 25, 2021, Scotiabank Brazil Group prepared the implementation plan for the new accounting regulation, effective January 1, 2025.

The plan consists of analysis, planning, implementation and testing stages, and considers the scenario, line of business, market strategy and risk management framework. The purpose of the analysis and planning was to evaluate the adequacy of the organization's several areas, the adequacy of IT systems, the restructuring of the business model, the analysis of tax impacts, and the evaluation of accounting asymmetries.

As of June 30, 2024, Scotiabank Brazil Group is developing the requirements set by the change in the accounting standard and should complete the implementation and testing phase within the deadline set by the regulator. Possible impacts resulting from the reprocessing of the portfolios caused by changes in accounting policies, such as changes in recognition, initial measurement and measurement will be disclosed in the financial statements for the year ended 2024, as required by article 78 of CMN Resolution 4966.

### **Executive Board**

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### **Accountant**

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