



# Combined Financial Statements

December 31, 2021  
with Independent Auditor's Report



**Sistema de Crédito Cooperativo - Sicredi**

## Combined financial statements

December 31, 2021

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A free translation from Portuguese into English of independent auditor's report on combined financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the accounting guidance provided by Law No. 6404/76 and in consonance with the rules established by BACEN, substantiated in the Chart of Accounts for Institutions of the National Financial System (COSIF) and new pronouncements, guidance and interpretations issued by the Brazilian FASB (CPC) applicable to cooperative entities and Cooperativism Law No. 5764/71 and Supplementary Law (LC) No. 130/09

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## Independent auditor's report on combined financial statements

To the  
Management and Associates of  
**Sistema de Crédito Cooperativo - Sicredi**  
Porto Alegre - RS

### Opinion

We have audited the combined financial statements of Sistema de Crédito Cooperativo ("Sicredi System") (formed by the related parties mentioned in Note 2), which comprise the combined statement of financial position as at December 31, 2021 and the combined statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Sistema de Crédito Cooperativo as at December 31, 2021, and its combined financial performance and cash flows for the year then ended in accordance with the provisions for preparation of combined financial statements set out in Brazilian Monetary Council (CMN) Resolution No. 4151 of October 30, 2012 and (Central Bank of Brazil) BACEN Memorandum Circular No. 3669, for preparation of these special-purpose combined financial statements, as described in Note 2 to referred to statements.

### Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of combined financial statements section of our report. We are independent of the Sicredi System in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of matter - Basis of preparation and presentation of the combined financial statements**

As mentioned in Note 2 (a), these combined financial statements are presented solely for the purpose of providing, by means of a single set of financial statements, information on the activities performed by Sistema de Crédito Cooperativo, taking into consideration the guidance established in CMN Resolution 4151 of October 30, 2012 and BACEN Memorandum Circular 3669 of October 2, 2013, irrespective of Sicredi System corporate structure, control and corporate governance aspects and the requirements for presentation of financial statements set out by the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN). Accordingly, our report on these combined financial statements was prepared solely for complying with these specific requirements and may not be appropriate for other purposes. Our opinion is not qualified in respect of this matter.

## **Other matters**

### **Combined statement of comprehensive income**

The combined statement of comprehensive income for the year ended December 31, 2021, prepared under the responsibility of the Executive Board of Sicredi System and presented as supplementary information to the provisions for preparation of combined financial statements set out in CMN Resolution No. 4151 and BACEN Memorandum Circular 3669, was subject to audit procedures performed in conjunction with the audit of the combined financial statements of Sicredi System. In order to form our opinion, we assessed whether this statement is reconciled to the combined financial statements and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in CMN Resolution No. 4818 and BACEN Resolution No. 02. In our opinion, this combined statement of comprehensive income was fairly prepared, in all materials respects, in accordance with the criteria established in referred to Resolutions and is consistent with the combined financial statements as a whole.

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

Sicredi System's Executive Board is responsible for such other information, which comprises the Management Report. Our opinion on the combined financial statements does not encompass the Management Report; accordingly, we do not express any form of audit conclusion thereon.

In connection with the audit of the combined financial statements, we are responsible for reading the Management Report and, in so doing, considering whether such report presents significant inconsistency with the financial statements or with our knowledge obtained in the audit or otherwise seems to present material misstatements. If, based on the work performed, we conclude that the Management Report presents material misstatements, we are required to communicate such fact. We have nothing to report in this regard.

## **Responsibilities of the Executive Board and those charged with governance for the combined financial statements**

The Executive Board of Sicredi System is responsible for the preparation and fair presentation of the combined financial statements in accordance with the provisions established in CMN Resolution No. 4151 and BACEN Memorandum Circular No. 3669, as described in Note 2 to referred to statements, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the Executive Board is responsible for assessing the Sicredi System'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 the Executive Board either intends to liquidate Sicredi System or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Sicredi System's combined financial reporting process.

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

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

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

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

- Concluded on the appropriateness of the Executive Board'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 substantial doubt on Sicredi System's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined 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 auditor's report. However, future events or conditions may cause Sicredi System to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the corresponding transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial statements of the entities or business activities of Sicredi System to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of Sicredi System's audit. We remain solely responsible for our audit opinion.

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

Porto Alegre, March 25, 2022.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC SP-015199/F



Américo F. Ferreira Neto  
Accountant CRC-1SP192685/O-9

## Management Report

Sicredi kept the virtuous cycle of cooperativism alive despite the pandemic scenario by means of loan facilities granted to the cooperatives' associates. We supported maintenance of the communities' economic activity, taking into consideration different realities and needs. We remain strongly committed with our mission to add income and contribute to improving the quality of life of our associates and of society as a whole.

Despite the pandemic scenario, this year was marked by the resumption of business and most commercial, industrial manufacturing and financial activities of people and communities. Sicredi achieved the milestone of 5 million associates in the beginning of 2021, which ensures us that the institution is on the right path. Physical expansion is one of the factors that is helping to sustain growth. We began operating in Amapá and Espírito Santo in February and September, respectively. We are currently present in 25 states and in the Federal District, with more than 2,000 branches in all regions of Brazil.

We believe that physical proximity to our associates and regions is essential and credit operations are our main tools for bringing development to people and regions. We achieved over R\$ 97 billion in credit granted. In 2021, the credit portfolio amounted to R\$ 133 billion, which represents a 36.9% increase as compared with 2020. Despite the significant increase in credit granted, at year end, we had a decrease of 0.02 percentage points in default rate (Over 90), which was of 0.92%. As is already traditional in our business model, we helped the agricultural area grow and prosper by releasing the Safra Plan funds. In 2021, we made a record amount of R\$ 38.2 billion available for the 2021/2022 harvest and are second place among the financial institutions focused on agricultural credit in Brazil.

In 2021, our assets totaled R\$ 197.6 billion, an increase of 27.6% as compared with 2020 year-end. P&L of Sicredi amounted to R\$ 4.8 billion, 43.6% higher as compared with prior year's P&L, and equity achieved R\$ 24.9 billion, 23% higher as compared with December 2020. Revenues from services provided amounted to R\$ 3.3 billion, which represents an increase of 21.9% as compared with the same period of 2020.

These results express the solidity perceived by our associates, which is evidenced by the increased funding rate, which was up 23.8% in deposits in the System as compared with December 2020, a total of more than R\$ 129.5 billion.

For over 115 years, we have aimed at being close to people and therefore, we are always attentive to changes and transformations in the financial market. Since 2017, we have invested in the digital transformation process, which expands our work with different audiences and maintains our differential as a cooperative. Based on people and processes, the transformation we are promoting goes beyond products or services, and is directly related to our culture.

In 2021, we expanded the functionalities of Pix, which was included in our card machines, facilitating the daily lives of our associates. In the year, we also reached the mark of 6 million cards issued, which proves that diversification is important for the development of our various associate profiles.

Aware of the challenges of working in an increasingly data-driven culture, we made our entry into Open Banking official from its early stages on a voluntary basis, taking all the benefits of this novelty to associates in a pioneering, safe and transparent way.



As an institution made of people and for people, we value our achievements, especially those that have a direct impact on our employees and associates. In 2021, we won the Zone of Excellence according to the 2021 Climate Survey based on the Great Place to Work (GPTW) methodology. This achievement places us as a certified company in the ranking and attests to our concern to make Sicredi an excellent place to work.

Additionally, we have been granted various awards relating to our financial performance, such as the World's Best Banks 2021, prepared by Forbes, highlight in the rankings of Exame Melhores & Maiores 2021 (Revista Exame), Valor 1000 (Valor Econômico), Época Negócios 360º (Revista Época Negócios) and Valor Grandes Grupos (Valor Econômico).

We guarantee highlights in rankings that show the most accurate economic projections in Brazil, conquered important positions in two categories of Broadcast Projections and were present in all editions of the Top Five Projections of the Central Bank of Brazil (BACEN). Along the same lines of recognition, we won first place in the Funds Guide, organized by the Center for Studies in Finance of Getúlio Vargas Foundation (FGV).

In terms of innovation, we were highlighted as one of the 100 companies open to innovation in Brazil, a ranking prepared by 100 Open Startups, and Theo, our virtual assistant, was a case awarded at the Banking Transformation 2021.

Also in 2021, Fitch revised Sicredi's rating outlook to Stable, which reflects a good assessment of the business model and ability to generate revenues, profitability and maintain good asset quality and liquidity ratios.

All actions linked to our governance model, social actions and environmental impact are documented through the Sustainability Report, a document that was highlighted in the 23<sup>rd</sup> edition of the Abrasca Award, in which Sicredi's 2020 Sustainability Report won second place in the 'Privately-held Companies' category. These recognitions received in different areas of the organization show our commitment to continue growing in a safe, sustainable way and placing people and associates at the center of our operation.

We bring to the center of our financial solutions a perspective related to the social environmental impact that these solutions generate. As a result, we structured a Green Finance area, dedicated to raising funds linked to generating value to society and the environment.

In this direction, we raised funds from the International Finance Corporation (IFC), to meet the growing demand for credit for the installation of solar energy systems. The credit line of around R\$ 600 million was the first operation by a Brazilian cooperative financial institution to receive a certification issued by the Climate Bonds Initiative (CBI), an organization aimed at promoting investments in the low carbon economy.

We also raised funds aimed at financing micro, small and medium-sized Brazilian companies led by women, which generated a credit facility of R\$ 438 million. The operation included, for the first time in our business, the gender factor as one of the criteria, in addition to considering other social and environmental aspects. The partnership agreement was signed with the German Society for Investment and Development (DEG), a subsidiary of the German Development Bank (KfW) and the French development agency PROPARCO, a subsidiary of the French Development Bank (AFD), development financial institutions (DFI) that aim to provide long-term financing and capital to private companies in emerging and developing countries.

Through this partnership, we also started to contribute to the 2X Challenge - Finance for Women, a global challenge launched by the G7 development financial institutions and which aims to allocate resources to the generation of entrepreneurship and leadership opportunities for women in emerging countries.



In addition, we took another important step by launching Sicredi's first ESG investment portfolio, which seeks to generate value by investing associates' money in companies with proven positive social, environmental and governance impact. We continue expanding the impact of our non-financial solutions, in programs such as 'A União Faz a Vida', 'Cooperativas Escolares' and 'Cooperação na Ponta do Lápis'.

Worth stressing, the engagement of Sicredi in Dia de Cooperar (Dia C), which takes place on July 3. This year, the action was aimed at collecting food. Our cooperatives collected almost 750 tons, which directly benefited more than 106 thousand people in a food insecurity situation. This campaign mobilized over 2 thousand donors in 227 municipalities.

All these initiatives reinforce our commitment to the Global Pact and the United Nations (UN) Sustainable Development Goals, and demonstrate, in practice, how our business generates sustainable development.

### **Acknowledgement**

Even in an uncertain scenario due to the continuity of the pandemic throughout 2021, Sicredi was attentive, present and active in economic and social contributions together with associates and cooperatives. All this was built on the principles and values of cooperativism, present in all actions carried out by the institution. With the support of more than 100 cooperatives in the system, more than 30 thousand employees and more than 5 million members, we are moving towards building a more prosperous society. We thank everyone. Together we shall continue making a difference.

### **MANAGEMENT**

Porto Alegre, March 25, 2022.

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## Sistema de Crédito Cooperativo - Sicredi

Combined statements of financial position

December 31, 2021

(In thousands of reais)

	Note	12/31/2021	12/31/2020
<b>Assets</b>			
Cash and cash equivalents	4	1,443,685	1,258,087
Financial instruments		191,834,675	149,955,930
Short-term interbank investments	5	33,716,227	13,044,514
Compulsory deposits in Central Bank of Brazil	6	3,792,066	3,114,885
Marketable securities and derivative financial instruments	7	22,513,768	38,410,830
Own portfolio		19,373,251	36,654,464
Linked to repurchase agreements		2,480,595	1,163,546
Linked to guarantees given		533,516	546,624
Derivative financial instruments		126,406	46,196
Credit operations	8	127,048,187	93,327,202
Other financial assets	9	8,920,459	5,519,558
Provision for expected losses associated with credit risk	8.e	(4,156,032)	(3,461,059)
Tax credits	22.b	58,750	41,158
Other assets	10	1,055,318	956,694
Investments in subsidiaries	11	79,742	171,303
Other investments	12	921	6,403
Property and equipment in use	13	2,766,748	2,091,158
Intangible assets	13	333,916	380,162
<b>Total assets</b>		<b>197,573,755</b>	<b>154,860,895</b>
<b>Liabilities</b>			
Deposits and other financial instruments		168,254,172	131,086,099
Deposits	14	129,536,750	104,638,994
Open market funding	14	3,257,872	2,343,109
Funds from acceptance and issue of securities	15	9,069,682	4,157,403
Loan obligations	16	4,488,697	2,500,900
Local on-lending obligations - official institutions	16	14,412,086	12,599,299
Derivative financial instruments	7.c	29,404	48,267
Other financial liabilities	17	7,459,681	4,798,127
Provisions	18	545,882	506,413
Deferred tax obligations	22.b	55,060	-
Other liabilities	19	3,505,825	2,710,707
<b>Equity</b>	20	<b>24,877,573</b>	<b>20,224,775</b>
Capital		9,272,579	8,210,012
Income reserves		14,141,417	10,993,154
Other comprehensive income (loss)		186	(921)
Retained earnings/(accumulated losses)		1,463,391	1,022,530
Noncontrolling interests	21	335,243	332,901
<b>Total liabilities and equity</b>		<b>197,573,755</b>	<b>154,860,895</b>

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

## Sistema de Crédito Cooperativo - Sicredi

Combined statements of profit or loss  
Six-month period and year ended December 31, 2021  
(In thousands of reais)

	Note	2021 2H	12/31/2021 Year	12/31/2020 Year
Trading revenues		10,211,566	16,959,588	12,477,625
Credit operations	8.f	8,030,193	14,077,578	11,091,757
Revenue from marketable securities		1,810,883	2,502,940	1,417,566
Income from (loss on) derivative financial instruments	7.c	242,644	210,089	(185,485)
Foreign exchange transactions		41,696	47,928	83,465
Compulsory investments		86,150	121,053	70,322
Trading expenses		(3,624,226)	(4,941,816)	(2,650,488)
Open market transactions	14.b	(2,932,848)	(4,052,272)	(1,922,325)
Borrowings and onlending		(691,378)	(889,544)	(728,163)
Trading profit (loss)		6,587,340	12,017,772	9,827,137
Provision for expected losses associated with credit risk	8.e	(1,137,862)	(1,716,967)	(1,646,694)
Gross trading profit		5,449,478	10,300,805	8,180,443
Other operating income		2,350,043	4,401,690	3,669,354
Service revenues	25	1,773,122	3,353,626	2,750,751
Equity pickup in subsidiaries	11	3,982	6,123	10,485
Other operating income	26	572,939	1,041,941	908,118
Other operating expenses		(4,985,765)	(9,240,905)	(7,919,521)
Personnel expenses	27	(2,134,414)	(3,931,978)	(3,020,909)
Administrative expenses	28	(2,163,903)	(3,991,705)	(2,814,577)
Tax expenses		(65,620)	(148,233)	(127,593)
Other operating expenses	29	(621,828)	(1,168,989)	(1,956,442)
Income before taxes and profit sharing		2,813,756	5,461,590	3,930,276
Income and social contribution taxes	22	(35,576)	(80,448)	(149,727)
Income tax		32,906	(23,661)	(94,751)
Social contribution tax		21,474	(20,157)	(66,200)
Deferred tax credits, net		(89,956)	(36,630)	11,224
Employee profit sharing		(302,027)	(539,541)	(401,519)
Noncontrolling interests		(38,364)	(75,040)	(59,586)
Net income for the six-month period/year		2,437,789	4,766,561	3,319,444

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

## Sistema de Crédito Cooperativo - Sicredi

Combined statements of comprehensive income (loss)  
Six-month period and year ended December 31, 2021  
(In thousands of reais)

	<b>2021</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
	<b>2H</b>	<b>Year</b>	<b>Year</b>
Net income for the six-month period/year	<b>2,437,789</b>	<b>4,766,561</b>	3,319,444
Noncontrolling interests	<b>38,364</b>	<b>75,040</b>	59,586
Net income for the six-month period/years attributed to shareholders	<b>2,476,153</b>	<b>4,841,601</b>	3,379,030
Marketable securities available for sale	<b>2,903</b>	<b>2,160</b>	(1,730)
Taxes on adjustments to marketable securities available for sale	<b>(2,339)</b>	<b>(1,053)</b>	842
Total adjustments not included in net income for the six-month period/years	<b>564</b>	<b>1,107</b>	(888)
Comprehensive income (loss) for the six-month period/years	<b>2,476,717</b>	<b>4,842,708</b>	3,378,142
Attributed to shareholders			
Net income attributed to controlling interests	<b>2,438,353</b>	<b>4,767,668</b>	3,318,556
Net income attributed to non-controlling interests	<b>38,364</b>	<b>75,040</b>	59,586

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

## Sistema de Crédito Cooperativo - Sicredi

Combined statements of changes in equity  
Six-month period and year ended December 31, 2021  
(In thousands of reais)

	Capital	social a ser to be approved by the Central Bank	Income reserves				liquido dos controlling interests	dos acionistas non-	Total	
	Legal reserve		Expansion reserve	Other reserves	Other comprehen- sive income(loss)	Retained earnings/ (accumula- d losses)				
Balances at December 31, 2019	7,479,245		8,884,037	87,548	39,539	(33)	936,664	17,427,000	331,241	17,758,241
Other comprehensive income (loss)										
Adjustments to market value - marketable securities	-	-	-	-	-	(888)	-	(888)	(141)	(1,029)
Allocation of net income of the prior year										
Distribution of surplus to associates	331,499	-	-	-	-	-	(743,618)	(412,119)	-	(412,119)
Reserves	-	-	96,491	45,500	14,914	-	(156,905)	-	-	-
Social fund	-	-	-	-	-	-	(19,780)	(19,780)	-	(19,780)
FATES	-	-	-	-	-	-	(16,597)	(16,597)	-	(16,597)
Other allocations	-	-	(7,394)	-	(2,212)	-	(2,286)	(11,892)	-	(11,892)
Capital increase	746,204	-	-	-	-	-	-	746,204	-	746,204
Capital write-offs	(549,521)	-	-	-	-	-	-	(549,521)	-	(549,521)
Net income for the year	-	-	-	-	-	-	3,319,444	3,319,444	59,586	3,379,030
Profit allocation										
FATES	-	-	-	-	-	-	(159,574)	(159,574)	-	(159,574)
Reserves	-	-	1,783,614	78,079	9,083	-	(1,870,776)	-	873	873
Reversals of reserves	-	-	(3,051)	(26,056)	(6,938)	-	36,045	-	-	-
Interest on equity	202,585	-	-	-	-	-	(246,116)	(43,531)	(2,200)	(45,731)
Dividends	-	-	-	-	-	-	(24,772)	(24,772)	(56,458)	(81,230)
SFG returns	-	-	-	-	-	-	(8,264)	(8,264)	-	(8,264)
Social fund	-	-	-	-	-	-	(18,859)	(18,859)	-	(18,859)
Other allocations	-	-	-	-	-	-	(2,076)	(2,076)	-	(2,076)
Balances at December 31, 2020	8,210,012	-	10,753,697	185,071	54,386	(921)	1,022,530	20,224,775	332,901	20,557,676
Other comprehensive income (loss)										
Adjustments to market value - marketable securities	-	-	669	-	-	1,107	-	1,776	180	1,956
Allocation of net income of the prior year										
Distribution of surplus to associates	418,162	-	-	-	-	-	(853,406)	(435,244)	-	(435,244)
Reserves	-	-	104,932	36,033	405,198	-	(152,144)	394,019	-	394,019
Social fund	-	-	-	-	-	-	(16,558)	(16,558)	-	(16,558)
FATES	-	-	-	-	-	-	(2,695)	(2,695)	-	(2,695)
Other allocations	-	-	10	-	(17,557)	-	9,927	(7,620)	-	(7,620)
Capital increase	907,728	-	-	-	(12,173)	-	-	895,555	-	895,555
Capital write-offs	(572,907)	-	-	-	-	-	-	(572,907)	-	(572,907)
Net income for the year	-	-	-	-	-	-	4,766,561	4,766,561	75,040	4,841,601
Profit allocation										
FATES	-	-	-	-	-	-	(221,652)	(221,652)	-	(221,652)
Reserves	-	-	2,571,344	96,172	14,878	-	(2,696,766)	(14,372)	1,423	(12,949)
Reversals of reserves	-	-	-	(58,474)	(3,081)	-	46,043	(15,512)	-	(15,512)
Interest on equity	309,584	-	-	-	-	-	(338,031)	(28,447)	(1,368)	(29,815)
Dividends	-	-	-	-	-	-	(40,323)	(40,323)	(72,933)	(113,256)
Statutory funds	-	-	48	-	10,264	-	(60,095)	(49,783)	-	(49,783)
Balances at December 31, 2021	9,272,579	-	13,430,700	258,802	451,915	186	1,463,391	24,877,573	335,243	25,212,816
Balances at June 30, 2021	8,448,678	290,000	10,857,195	214,023	74,164	(378)	2,680,577	22,564,259	369,706	22,933,965
Other comprehensive income (loss)										
Adjustments to market value - marketable securities	-	-	510	-	-	564	-	1,074	104	1,178
Allocation of net income of the prior year										
Reserves	-	-	3,330	(2,496)	393,185	-	(334,149)	59,870	-	59,870
Other allocations	-	-	(1,727)	-	(27,792)	-	(7,985)	(37,504)	-	(37,504)
Capital increase	774,842	(290,000)	-	-	(12,173)	-	-	472,669	-	472,669
Capital write-offs	(259,755)	-	-	-	-	-	-	(259,755)	-	(259,755)
Net income for the six-month period	-	-	-	-	-	-	2,437,789	2,437,789	38,364	2,476,153
Profit allocation										
FATES	-	-	-	-	-	-	(221,652)	(221,652)	-	(221,652)
Reserves	-	-	2,571,344	96,172	14,878	-	(2,696,766)	(14,372)	1,370	(13,002)
Reversals of reserves	-	-	-	(48,897)	(611)	-	38,963	(10,545)	-	(10,545)
Interest on equity	308,814	-	-	-	-	-	(332,968)	(24,154)	(1,368)	(25,522)
Dividends	-	-	-	-	-	-	(40,323)	(40,323)	(72,933)	(113,256)
Statutory funds	-	-	48	-	10,264	-	(60,095)	(49,783)	-	(49,783)
Balances at December 31, 2021	9,272,579	-	13,430,700	258,802	451,915	186	1,463,391	24,877,573	335,243	25,212,816

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

## Sistema de Crédito Cooperativo - Sicredi

Combined statements of cash flows  
Six-month period and year ended December 31, 2021  
(In thousands of reais)

	2021	12/31/2021	12/31/2020
	2H	Year	Year
Cash flows from operating activities			
Net income before income and social contribution taxes	2,473,365	4,513,749	3,469,171
Adjustments to net income before taxes			
Adjustment to market value - marketable securities and derivatives	25,406	51,799	2,051
Provision for expected losses associated with credit risk	1,137,862	1,716,930	1,646,694
Provisions for (Reversals of) financial guarantees given	33,399	5,735	17,147
Depreciation and amortization	207,846	399,432	372,168
Loss on disposal of property and equipment	14,113	18,600	14,608
Provision for liabilities and contingencies	19,047	33,983	42,915
Interest on subordinated debt	4,076	6,095	4,339
Equity pickup in subsidiaries	(3,982)	(6,123)	(10,485)
Other comprehensive income (loss)	564	1,107	(888)
Adjusted net income for the six-month period/years	3,911,696	6,741,307	5,557,720
Changes in assets and liabilities			
(Increase) in short-term interbank investments	(11,794,260)	(21,464,753)	(9,384,631)
(Increase) in compulsory deposits in Central Bank of Brazil	(267,558)	(677,181)	(26,562)
Decrease (increase) in marketable securities and derivative financial instruments	18,659,577	16,254,644	(13,305,667)
(Increase) in loans	(24,954,832)	(34,788,073)	(25,288,680)
(Increase) in other financial instruments	(1,692,856)	(3,372,310)	(1,371,528)
Decrease (increase) in tax credits	52,904	(17,377)	(9,869)
Decrease (increase) in other assets	(30,948)	(16,874)	100,803
Increase in deposits	9,109,496	24,897,756	33,880,652
Increase in open market funding	376,644	914,763	148,225
Increase in borrowings and onlending	3,109,177	3,800,584	3,563,609
Increase in other financial liabilities	4,186,210	7,527,448	3,229,830
Increase (decrease) in provisions	21,159	1,898	(10,889)
Increase (decrease) in deferred tax obligations	37,599	55,060	(2,944)
Increase in other liabilities	636,271	659,266	230,068
Income and social contribution taxes paid	(2,921)	(104,691)	(149,549)
Net cash from (used in) operating activities	1,357,358	411,467	(2,839,412)
Cash flow from investing activities			
Acquisition of intangible assets	(105,091)	(198,936)	(104,874)
Acquisition of property and equipment for own use	(420,396)	(725,051)	(511,537)
Refund of capital in subsidiaries	14,999	97,684	41,190
Acquisition of other investments	(51)	(51)	(84)
Cash migrated upon Confederation entry	-	1,585	-
Net cash (used in) investing activities	(510,539)	(824,769)	(575,305)
Cash flows from financing activities			
Subordinated debt	(59,276)	(83,886)	(7,433)
Capital increase	472,669	895,555	746,204
Capital write-offs	(259,755)	(572,907)	(549,521)
Dividends paid	-	(435,244)	(412,119)
Noncontrolling interests	(34,463)	2,342	1,660
Net cash from (used in) financing activities	119,175	(194,140)	(221,209)
(Decrease) increase in cash and cash equivalents	965,994	(607,442)	(3,635,926)
Cash and cash equivalents at beginning of six-month period/years (Note 4)	2,106,215	3,679,651	7,315,577
Cash and cash equivalents at end of six-month period/years	3,072,209	3,072,209	3,679,651

Non-cash transactions are presented in Note 31.

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

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined financial statements

December 31, 2021

(In thousands of reais, unless otherwise stated)

### 1. Operations

Sistema de Crédito Cooperativo ("Sicredi" or "System") comprises 108 first-degree associated credit cooperatives ("Cooperatives"), which operate a network of 2,203 service points. The structure also relies on five Regional Centrals ("Centrals") – shareholders of Sicredi Participações S.A. ("SicrediPar") – the Confederation of Sicredi Cooperatives ("Sicredi Confederation"), Sicredi Foundation and Banco Cooperativo Sicredi S.A. ("Bank"), which controls Corretora de Seguros Sicredi Ltda., Administradora de Consórcios Sicredi Ltda. ("Consortia Administrator" or "Consortia") and Administradora de Bens Sicredi Ltda., located at Avenida Assis Brasil, 3940 in Porto Alegre/RS, main office of Sicredi Administrative Center ("CAS").

Counting on 5.5 million associates throughout Brazil, Sicredi is a cooperative financial institution made by people for people. Present in 25 Brazilian states and in the Federal District, Sicredi promotes the social and economic development of its associates and of the communities in the areas in which it operates, based on sustainable growth. Sicredi's differential is a management model that values participation, in which the associates vote and decide on the direction to be assumed by their credit cooperative.

Through the Bank, the System entered into an investment agreement on June 07, 2011 with Rabo Partnerships B.V., the development arm of Rabobank Dutch group. This partnership promotes the exchange of information and technical knowledge between Sicredi and Rabobank System. This process, formally conducted by means of an investment agreement, was approved by BACEN on January 27, 2011 and by the Brazilian federal government, through Federal Decree of May 18, 2011, published in the Federal Official Gazette on May 19, 2011.

In October 2012, the System, through the Bank, entered into an investment agreement with International Finance Corporation ("IFC"), a member of the World Bank and global development institution focused on the private sector in developing countries. This partnership is aimed at contributing with Sicredi's development. This process, formally conducted by means of an investment agreement, was approved by BACEN on May 24, 2013.

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

#### a) Presentation of the combined financial statements

Sicredi combined financial statements, which are under the responsibility of management of the institutions part of the System, are presented solely for the purpose of providing, by means of a single set of financial statements, information on the entirety of the System's activities, irrespective of its corporate structure, control and corporate governance aspects, and the requirements for presentation of financial statements set out by Bacen and the Brazilian Monetary Council ("CMN"). Accordingly, these combined financial statements do not represent individual or consolidated financial statements of a legal entity and its subsidiaries, nor can they be used for purposes of calculation of dividends, performance assessment, taxes or any other corporate or statutory purposes.



## Sistema de Crédito Cooperativo - Sicredi

Notes to combined financial statements

December 31, 2021

(In thousands of reais, unless otherwise stated)

The combined financial statements of Cooperative Systems were allowed by CMN and Bacen by means of Resolution No. 4151/12 and Memorandum Circular No. 3669/13, which permit the institutions that comprise Cooperative Systems to disclose their financial statements in a combined manner and establish procedures for preparation and disclosure of these statements.

The combined financial statements were prepared in accordance with the accounting practices adopted in Brazil, and with the accounting guidance provided by Law No. 6404/76, as amended by Laws No. 11638/07 and No. 11041/09 and in consonance with the rules established by BACEN, CMN, consubstantiated in the Chart of Accounts for Institutions of the National Financial System (COSIF) and the new pronouncements, guidance and interpretations issued by the Brazilian FASB (CPC) approved by BACEN No. 01 (R1), 02 (R2), 03 (R2), 04 (R1), 05 (R1), 10 (R1), 23, 24, 25, 27, 33 (R1), 41 and 46, specifically applicable to cooperative entities and Cooperativism Law No. 5764/71 and Supplementary Law No. 130/09.

Additionally, as from January 2021, the amendments to CMN Resolution No. 4818/2020 and BACEN Resolution No. 2/2020 were included in the presentation of the combined financial statements, as well as in the other entities that comprise Sicredi System. These amendments are mainly aimed at bringing similarity with local reporting guidance in accordance with International Financial Reporting Standards (IFRS). The main changes implemented were that (i) the statement of financial position accounts are presented in order of liquidity and payment, no longer segregated into current and noncurrent, and segregation in only presented in the explanatory notes; (ii) the statement of financial position balances for the period are presented in comparison with the end of the immediately prior year and the other statements are compared with the same periods of the prior year; (iii) the statement of comprehensive income was included; and (iv) information on recurring and non-recurring results is presented in the explanatory notes in a segregated manner.

These combined financial statements were approved by the Bank's Executive Board on March 25, 2022.

### b) Combination criteria

Asset and liability accounts and income(loss) of the institutions participating in the combination were included, and the balances resulting from transactions performed between the institutions were eliminated.

### c) Institutions included in the combined financial statements

According to CMN Resolution No. 4151/12, the cooperative system is formed by single credit cooperatives, central credit cooperatives, credit confederations and cooperative banks, directly or indirectly linked to these institutions, through interest held or effective operating control, characterized by administration or management in common, or by market activity under the same trademark or commercial brand.

On October 02, 2013, Bacen defined, in article 6 of Memorandum Circular No. 3669/13, that the combined financial statements of the Cooperative System must include all investment funds in which the entities belonging to the combined cooperative system, in any manner, assume or substantially retain risks and rewards.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined financial statements

December 31, 2021

(In thousands of reais, unless otherwise stated)

On December 30, 2020, BACEN established, by means of BCB/Desuc Official Letter No. 34129/2020, the extension of the list of entities contained in item III of article 2 of Resolution No. 4151/12, therefore including, for reporting purposes, Sicredi Confederation, Consortia Administrator and Sicredi Fundos Garantidores ("SFG") in the combined financial statements of the Cooperative System, in order to enable comprehensive information to be obtained on economic and financial situations relating to the cooperative system, as from June 30, 2021.

The balances of transactions of the new entities that are part of the combined financial statements are not presented comparatively in the combined statements and explanatory notes of the immediately preceding fiscal year and prior 2020 period, following the guidance of CPC 23 - Accounting Policies, Changes in Estimates and Correction of Errors on the prospective application of changes in accounting policies and recognition of the effect of changes in accounting estimates.

We present below the statements of the financial position of the institutions as at December 31, 2020, included in the combined financial statements as from January 01, 2021.

	Aggregated amounts		Eliminations		Net
	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020
	Confederation	Consortia Administrator	SFG	Total - entities	Total - entities
<b>Assets</b>					
Cash and cash equivalents	42,064	7,144	339	(47,628)	1,919
Financial instruments	24,697	127,293	327,922	(23,077)	456,835
Marketable securities and derivative financial instruments	-	124,650	326,671	(23,077)	428,244
Credit operations	-	-	7,399	(7,362)	37
Other financial assets	24,697	2,643	1,251	-	28,591
Provision for expected losses associated with credit risk	-	-	(7,399)	7,362	(37)
Tax credits	-	215	-	-	215
Other assets	74,962	267	6,521	-	81,750
Other investments	12	-	-	(12)	-
Property and equipment in use	149,268	132	-	(24,839)	124,561
Intangible assets	304,272	-	-	-	304,272
<b>Total assets</b>	<b>595,275</b>	<b>135,051</b>	<b>334,782</b>	<b>(95,556)</b>	<b>969,552</b>
<b>Liabilities</b>					
Deposits and other financial instruments	411,898	44,812	442	(410,767)	46,385
Other financial liabilities	411,898	44,812	442	(410,767)	46,385
Provisions	3,435	153	-	-	3,588
Other liabilities	174,569	7,392	30	(24,839)	157,152
<b>Equity</b>	<b>5,373</b>	<b>82,694</b>	<b>334,310</b>	<b>(89,117)</b>	<b>333,260</b>
Capital	5,358	22,827	161	(28,346)	-
Income reserves	15	53,353	-	(53,368)	-
Retained earnings/(accumulated losses)	-	6,514	334,149	(7,403)	333,260
<b>Total liabilities and equity</b>	<b>595,275</b>	<b>135,051</b>	<b>334,782</b>	<b>(524,723)</b>	<b>540,385</b>

Sicredi's combined financial statements comprise the following entities:

**Banco Cooperativo Sicredi S.A.:** a private Brazilian financial institution established in accordance with CMN Resolution No. 2193, was authorized to operate by BACEN on March 20, 1996, and commenced its activities on June 3, 1996. The Bank is primarily engaged in performing bank transactions of a commercial nature, including exchange transactions and operates as a multiple bank, by means of its commercial and investment portfolio. By strategic decision of the System, the Bank operates as an instrument of the Credit Cooperatives, enabling these cooperatives to, by means of agreements, operate in the various markets available and perform operations that are supplementary to their nature, thus offering their associates access to a full-fledged service portfolio.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined financial statements

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(In thousands of reais, unless otherwise stated)

**Central Credit Cooperatives:** cooperative financial institutions focused on credit, whose main purpose is to spread credit cooperativism, coordinate and supervise the activity of the associated cooperatives, supporting these cooperatives in their development and expansion activities. The cooperatives may perform all operations compatible with their business purpose, including obtaining foreign funds, in compliance with relevant legislation, official regulations, their bylaws and Sicredi internal rules;

**Single Credit Cooperatives:** non-bank financial institutions authorized to operate by Bacen, and which must be associated with Central Credit Cooperatives;

**Sicredi Cooperatives Confederation:** Confederation of central service cooperatives aimed at providing technology, regulation, assistance and administrative services, among others, to its associates - Central Cooperative Entities, in view of its centralization convenience (article 9 of Law No. 5764/71), with increased quality and scale gains. In addition, Sicredi Confederation provides marketable security portfolio management services, duly authorized on November 04, 2016 by the CVM by means of CVM Declaratory Statute No. 15336;

**Administradora de Consórcios Sicredi Ltda.:** a limited liability company, established in accordance with BACEN Circular No. 3260/04, was authorized by BACEN to manage consortia groups, as published in the Federal Official Gazette of May 11, 2006. The Institution is primarily engaged in formation, organization and administration of consortia groups, intended for acquisition of durable products, real properties and services. The Institution is also engaged in provision of services to third parties by selling and placing shares of other consortia administrators, managing groups of other consortia administrators and performing registration, survey and advisory services to other consortia administrators;

**Sicredi Fundos Garantidores:** A non-profit private association, with legal personality governed by private law, integrating the Sicredi System, its purpose is to ensure the credibility and solvency of its associates (which are the Single Cooperatives) through allocation of funds to:

- a) Cover losses deriving from electronic fraud and/or deficiencies in centralized processes, relating to any business and/or service regulated in a corporate manner within Sicredi sphere;
- b) Develop projects and/or actions aimed at curing, providing financial soundness and/or development of its associates and of Sicredi; and
- c) Cover other special situations not foreseen in the items above, defined by the Board of Directors.

**Investment Funds:** investment funds included in the combined financial statements, for compliance with article 6 of Bacen Memorandum Circular No. 3669/13, were as follows:

- Fundo de Investimento Multimercado Crédito Privado Centralização;
- Fundo de Investimento Liquidez Renda Fixa;
- Fundo de Investimento Renda Fixa Crédito Privado Sicredi Coop;
- Fundo de Investimento Renda Fixa Crédito Privado Centralização;
- Estratégia Conservadora Fundo de Investimento em Cotas de Fundos de Investimento Renda Fixa Longo Prazo (activities began on April 01, 2021);
- Estratégia Moderada Fundo de Investimento em Cotas de Fundos de Investimento Renda Fixa Longo Prazo (activities began on April 01, 2021);
- Estratégia Arrojada Fundo de Investimento em Cotas de Fundos de Investimento Renda Fixa Longo Prazo (activities began on April 01, 2021);

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined financial statements

December 31, 2021

(In thousands of reais, unless otherwise stated)

- Fundo de Investimento Renda Fixa Crédito Privado Zeramento (activities began on June 30, 2021); and
- Fundo de Investimento em Cotas de Fundos de Investimento Ações Sustentáveis ESG (activities began on December 16, 2021).

The entities that comprise the System are individually responsible for conducting their activities as per their business purposes, in accordance with systemically pre-established policies and limits.

The other Sicredi entities, as established by Resolution No. 4151/12 of CMN, Memorandum Circular No. 3669/13 of Bacen and Official Letter No. 34129/2020 of BCB/Desuc, were not included in these combined financial statements, and are presented by means of interest held. Detailed information on these entities is provided in Notes 11 and 12.

Breakdown of interest held by the System associates in the institutions included in the combined financial statements is as follows:

Doing business as	BR stat e	Interest held		Total assets		Equity		P&L	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Banco Cooperativo Sicredi	RS	86.32%	78.00%	83,117,785	67,582,067	2,449,876	1,513,189	108,003	84,357
Central Sicredi Sul/Sudeste	RS	100.00%	100.00%	10,036,468	7,734,743	591,058	416,563	-	-
Central Sicredi PR/SP/RJ	PR	100.00%	100.00%	7,923,903	13,563,933	364,897	320,371	-	-
Central Sicredi Centro Norte	MT	100.00%	100.00%	3,726,997	2,979,717	344,471	154,771	-	2,365
Central Sicredi Brasil Central	GO	100.00%	100.00%	2,622,010	1,879,081	188,310	66,590	(367)	839
Central Sicredi Norte/Nordeste	PB	100.00%	100.00%	3,483,798	3,583,715	173,677	173,388	3,012	4,689
Sicredi Ouro Verde MT	MT	100.00%	100.00%	5,970,826	4,591,052	953,987	796,299	168,865	141,961
Sicredi Centro Sul MS	MS	100.00%	100.00%	3,701,338	3,043,369	684,277	563,322	138,271	105,233
Sicredi União PR/SP	PR	100.00%	100.00%	6,492,758	5,405,148	675,223	565,371	92,012	77,332
Sicredi Planalto RS/MG	RS	100.00%	100.00%	3,613,608	2,932,674	670,358	530,611	156,138	87,763
Sicredi Vanguarda PR/SP/RJ	PR	100.00%	100.00%	5,743,651	4,667,461	659,856	511,572	133,794	69,006
Sicredi Sudoeste MT/PA	MT	100.00%	100.00%	4,027,447	2,832,793	623,992	465,157	159,683	104,859
Sicredi Região dos Vales RS	RS	100.00%	100.00%	3,073,824	2,534,935	607,131	531,492	75,495	61,330
Sicredi União RS/ES	RS	100.00%	100.00%	4,061,338	3,390,033	590,681	514,057	96,866	77,775
Sicredi Vale do Piquiri ABCD PR/SP	PR	100.00%	100.00%	5,633,036	4,195,647	574,437	445,423	110,344	64,248
Sicredi Celeiro MT/RR	MT	100.00%	100.00%	3,273,127	2,483,256	569,552	487,585	95,328	72,648
Sicredi Araxingu	MT	100.00%	100.00%	3,456,996	2,250,245	562,629	410,597	143,342	71,125
Sicredi Pioneira RS	RS	100.00%	100.00%	4,457,649	3,645,988	542,928	476,791	79,303	54,551
Sicredi Serrana RS/ES	RS	100.00%	100.00%	4,379,516	3,438,557	519,079	421,275	106,796	75,403
Sicredi Evolução	PB	100.00%	100.00%	2,277,448	2,069,574	492,498	460,757	51,166	57,568
Sicredi Grandes Rios MT/PA	MT	100.00%	100.00%	3,670,762	2,167,980	486,685	393,581	83,919	63,353
Sicredi Uniestados	RS	100.00%	100.00%	4,206,953	3,219,652	459,758	336,969	88,230	63,020
Sicredi Campos Gerais PR/SP	PR	100.00%	100.00%	4,624,487	3,424,429	451,829	362,383	80,790	59,478
Sicredi Essência	RS	100.00%	100.00%	1,795,776	1,524,700	436,866	401,694	51,903	32,850
Sicredi Vale do Cerrado	MT	100.00%	100.00%	3,201,645	2,406,080	408,957	310,687	63,086	33,889
Sicredi Univales MT/RO	MT	100.00%	100.00%	2,185,230	1,426,018	392,924	337,474	80,904	47,518
Sicredi Região Centro RS/MG	RS	100.00%	100.00%	2,311,857	1,866,477	386,971	329,736	67,848	29,360
Sicredi União MS/TO	MS	100.00%	100.00%	3,598,941	2,535,928	379,725	290,596	65,183	48,476
Sicredi Alto Uruguai RS/SC/MG	RS	100.00%	100.00%	2,673,019	2,073,803	349,727	287,953	62,483	47,973
Sicredi Celeiro Centro Oeste	MS	100.00%	100.00%	2,866,546	2,067,272	344,302	257,047	61,717	45,269
Sicredi Noroeste RS	RS	100.00%	100.00%	1,635,841	1,334,711	342,567	299,079	52,590	42,452
Sicredi Ouro Branco RS	RS	100.00%	100.00%	2,151,362	1,768,395	333,984	286,420	58,024	48,784
Sicredi das Culturas RS/MG	RS	100.00%	100.00%	1,862,807	1,376,716	320,100	269,313	62,922	42,322
Sicredi Ibiraiaras RS/MG	RS	100.00%	100.00%	1,824,974	1,448,019	309,330	252,528	60,867	36,689
Sicredi Raízes RS/SC/MG	RS	100.00%	100.00%	1,542,997	1,229,563	297,957	252,582	50,260	33,512
Sicredi Integração RS/MG	RS	100.00%	100.00%	1,900,941	1,521,990	282,053	243,417	46,329	32,826
Sicredi Fronteiras PR/SC/SP	PR	100.00%	100.00%	2,146,030	1,657,857	280,813	242,031	52,866	35,160
Sicredi Centro Serra RS	RS	100.00%	100.00%	1,219,228	1,029,231	276,731	249,900	30,371	27,277
Sicredi Iguaçu PR/SC/SP	PR	100.00%	100.00%	1,805,578	1,312,889	276,027	229,894	55,021	34,921
Sicredi Vale do Jaguarí e Zona da Mata RS/MG	RS	100.00%	100.00%	1,024,952	760,056	270,500	238,709	41,292	25,139
Sicredi Interestados RS/ES	RS	100.00%	100.00%	1,807,493	1,355,071	269,362	221,908	54,493	38,675
Sicredi Aliança PR/SP	PR	100.00%	100.00%	1,938,077	1,536,402	266,300	204,766	43,447	27,476
Sicredi Altos da Serra RS/SC	RS	100.00%	100.00%	2,054,817	1,558,334	261,626	221,849	51,464	27,363
Sicredi Integração Rota das Terras RS/MG	RS	100.00%	100.00%	1,432,232	1,070,671	260,150	222,102	46,232	27,592
Sicredi Botucaraí RS/MG	RS	100.00%	100.00%	1,667,214	1,233,150	259,074	226,100	36,446	27,257
Sicredi Espumoso RS/MG	RS	100.00%	100.00%	1,069,534	773,849	258,239	208,630	51,059	32,898



## Sistema de Crédito Cooperativo - Sicredi

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(In thousands of reais, unless otherwise stated)

Doing business as	BR state	Interest held		Total assets		Equity		P&L	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Sicredi Região da Produção RS/SC/MG	RS	100.00%	100.00%	2,305,240	1,836,750	252,211	199,260	59,342	38,291
Sicredi Aliança RS/SC/ES	RS	100.00%	100.00%	2,131,921	1,596,668	241,291	196,127	46,228	31,794
Sicredi Agroempresarial PR/SP	PR	100.00%	100.00%	2,242,027	1,776,225	240,350	187,670	71,172	35,295
Sicredi Biomás	MT	100.00%	100.00%	1,692,649	1,108,965	230,593	198,975	50,195	45,920
Sicredi Pantanal MS	MS	100.00%	100.00%	1,198,951	898,264	225,165	179,003	49,391	39,198
Sicredi Integração de Estados RS/SC	RS	100.00%	100.00%	1,663,683	1,231,639	221,065	171,480	49,222	27,638
Sicredi Campo Grande MS	MS	100.00%	100.00%	1,806,639	1,462,567	220,974	176,159	39,122	34,864
Sicredi Norte SC	SC	100.00%	100.00%	1,741,436	1,348,156	220,160	164,720	45,839	32,777
Sicredi Expansão	AL	100.00%	100.00%	1,364,501	1,150,726	214,823	196,204	33,949	32,577
Sicredi Vale do Rio Pardo RS	RS	100.00%	100.00%	1,206,416	1,015,141	208,074	170,125	41,553	30,744
Sicredi Planalto Central	GO	100.00%	100.00%	1,725,677	1,247,504	201,383	153,252	30,965	25,688
Sicredi Integração MT/AP/PA	MT	100.00%	100.00%	1,464,720	1,191,007	197,908	171,794	27,461	23,251
Sicredi Parque das Araucárias PR/SC/SP	PR	100.00%	100.00%	1,710,905	1,322,095	189,155	161,381	28,003	24,680
Sicredi Vale Litoral SC	SC	100.00%	100.00%	1,738,656	1,249,819	186,285	149,956	41,855	24,392
Sicredi Progresso PR/SP	PR	100.00%	100.00%	1,455,629	1,074,414	179,766	148,691	28,503	19,235
Sicredi Cooperação RS/SC	RS	100.00%	100.00%	943,378	750,898	173,706	146,580	28,933	16,723
Sicredi Centro Sul PR/SC/RJ	PR	100.00%	100.00%	1,317,477	956,047	162,915	135,014	24,003	20,329
Sicredi União Metropolitana RS	RS	100.00%	100.00%	1,775,296	1,328,975	158,993	125,261	32,252	28,084
Sicredi Centro Leste RS	RS	100.00%	100.00%	1,201,152	1,082,055	157,921	128,436	36,981	27,897
Sicredi Fronteira Sul RS	RS	100.00%	100.00%	851,502	695,338	155,076	129,258	29,153	20,228
Sicredi Sul Minas RS/MG	RS	100.00%	100.00%	1,120,141	633,388	154,933	129,403	23,179	10,051
Sicredi Nossa Terra PR/SP	PR	100.00%	100.00%	1,209,987	1,007,257	151,563	137,222	11,254	9,566
Sicredi Rio Paraná PR/SP	PR	100.00%	100.00%	1,129,218	874,249	150,253	111,921	30,897	17,278
Sicredi Ceará Centro Norte	CE	100.00%	100.00%	1,000,891	924,383	147,971	133,289	20,944	16,594
Sicredi Sul SC	SC	100.00%	100.00%	1,405,688	1,050,075	146,986	114,902	31,416	25,553
Sicredi Planalto das Águas PR/SP	PR	100.00%	100.00%	917,083	634,227	142,497	118,664	20,477	10,950
Sicredi Norte Sul PR/SP	PR	100.00%	100.00%	1,154,742	922,695	129,267	106,159	20,585	12,291
Sicredi Grandes Lagos PR/SP	PR	100.00%	100.00%	966,553	696,638	129,041	110,067	18,708	14,239
Sicredi Cerrado GO	GO	100.00%	100.00%	1,104,955	741,586	128,243	100,543	19,769	13,601
Sicredi Rio Grande do Norte	RN	100.00%	100.00%	800,979	826,719	120,525	104,910	27,653	18,482
Sicredi Novos Horizontes PR/SP	PR	100.00%	100.00%	1,124,388	812,799	112,776	85,222	20,001	13,795
Sicredi Integração PR/SC	PR	100.00%	100.00%	915,049	786,283	103,437	84,322	17,066	11,252
Sicredi Parapanema PR/SP	PR	100.00%	100.00%	1,011,560	784,291	101,473	74,706	27,325	17,994
Sicredi Caminho das Águas RS	RS	100.00%	100.00%	1,129,278	900,733	100,535	84,232	19,537	20,990
Sicredi Centro Oeste Paulista	SP	100.00%	100.00%	873,093	707,067	100,270	82,735	13,385	11,247
Sicredi Pernambuco	PE	100.00%	100.00%	548,353	498,529	87,417	89,823	3,358	18,575
Sicredi Recife	PE	100.00%	100.00%	644,888	583,196	82,153	87,847	1,161	10,193
Sicredi Valor Sustentável PR/SP	PR	100.00%	100.00%	833,233	598,734	80,601	56,726	14,841	9,523
Sicredi Aracaju	SE	100.00%	100.00%	546,387	456,091	79,827	71,768	11,238	8,944
Sicredi Creduni	PB	100.00%	100.00%	301,083	302,816	70,562	78,421	10,622	16,727
Sicredi Rio RJ	RJ	100.00%	100.00%	284,235	319,863	64,470	64,107	1,268	785
Sicredi Centro Pernambucana	PE	100.00%	100.00%	210,362	205,210	54,415	54,236	1,402	5,298
Sicredi Alta Noroeste SP	SP	100.00%	100.00%	445,860	341,358	53,659	40,693	9,628	7,360
Sicredi Noroeste SP	SP	100.00%	100.00%	375,449	278,102	46,026	35,214	10,332	5,551
Sicredi Alto Sertão Paraíba	PB	100.00%	100.00%	136,100	116,314	45,383	36,615	1,676	3,040
Sicredi Região Sul Da Bahia	BA	100.00%	100.00%	184,173	165,480	42,439	42,635	702	3,861
Sicredi Norte	PA	100.00%	100.00%	420,880	327,317	42,424	41,489	2,387	7,033
Sicredi Centro Norte SP	SP	100.00%	100.00%	367,644	281,565	41,028	33,511	7,214	4,781
Sicredi Vale do São Francisco	PE	100.00%	100.00%	218,092	193,507	40,863	37,707	4,014	3,768
Sicredi Cariri	CE	100.00%	100.00%	216,626	163,619	38,126	35,032	2,129	2,961
Sicredi Força dos Ventos SP	SP	100.00%	100.00%	237,929	214,036	19,538	17,411	355	762
Sicredi Ajuris RS	RS	100.00%	100.00%	186,419	179,479	18,966	16,341	4,145	1,968
Sicredi Credjuris	PR	100.00%	100.00%	145,761	144,221	17,651	15,912	1,462	2,298
Sicredi Mil RS	RS	100.00%	100.00%	101,619	95,371	17,149	15,542	2,095	2,469
Sicredi Coomamp	MA	100.00%	100.00%	51,735	47,385	16,086	15,613	1,052	1,347
Sicredi Empreendedores PR	PR	100.00%	100.00%	134,476	108,203	11,678	10,439	452	1,764
Sicredi Cooperjuris	CE	100.00%	100.00%	73,218	59,870	11,592	11,062	1,605	2,527
Sicredi Piauí	PI	100.00%	100.00%	97,079	78,559	11,416	10,326	550	401
Sicredi Bandeirantes SP	SP	100.00%	100.00%	76,707	51,722	10,487	7,635	2,356	1,426
Sicredi Credigrande MG	MG	100.00%	100.00%	80,685	60,904	10,212	8,918	1,333	744
Sicredi Medicrod PR	PR	100.00%	100.00%	65,821	59,352	10,105	9,068	952	491
Sicredi Cooperucs	RS	100.00%	100.00%	55,449	35,216	10,015	8,505	1,722	1,500
Sicredi Credenoreg PR	PR	100.00%	100.00%	59,997	55,380	9,534	8,143	1,373	1,080
Sicredi Pol RS/SC	RS	100.00%	100.00%	70,214	53,920	9,420	6,672	640	1,442
Sicredi MP	RS	100.00%	100.00%	63,979	52,765	6,711	6,997	341	622
Sicredi Sul do Maranhão	MA	100.00%	100.00%	37,982	42,741	6,154	5,573	696	440
Sicredi São Luís	MA	100.00%	100.00%	45,327	32,002	4,881	4,487	762	747
Sicredi Coaabcred RS	RS	100.00%	100.00%	62,896	50,506	4,719	3,507	1,023	527
Fundo Liquidez Renda Fixa	RS	100.00%	100.00%	22,290,362	23,862,466	22,289,805	23,861,662	945,004	482,495

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Notes to combined financial statements

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(In thousands of reais, unless otherwise stated)

Doing business as	BR state	Interest held		Total assets		Equity		P&L	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Fundo Multimercado Crédito Privado Centralização	RS	100.00%	100.00%	16,583,746	19,784,034	16,583,231	19,782,608	818,938	364,746
Fundo Renda Fixa Crédito Privado Zeramento	RS	100.00%	-	2,840,671	-	2,840,518	-	151,285	-
Fundo Renda Fixa Crédito Privado Centralização	RS	100.00%	100.00%	2,671,207	85,075	2,671,100	85,063	148,929	58,800
Fundo Renda Fixa Crédito Privado Sicredi Coop	RS	100.00%	100.00%	298,738	649,356	298,710	649,310	19,034	24,979
Fundo em Cotas de Fundos Renda Fixa Longo Prazo Estratégia Conservadora	RS	59.81%	-	1,743	-	1,740	-	57	-
Fundo em Cotas de Fundos Ações Sustentáveis ESG	RS	87.52%	-	1,131	-	1,130	-	(10)	-
Fundo em Cotas de Fundos Multimercado Longo Prazo Estratégia Moderada	RS	95.62%	-	1,088	-	1,087	-	43	-
Fundo em Cotas de Fundos Multimercado Longo Prazo Estratégia Arrojada	RS	98.53%	-	1,055	-	1,054	-	40	-
Sicredi Fundos Garantidores	RS	100.00%	-	369,142	-	368,071	-	33,761	-
Administradora de Consórcios	RS	99.99%	-	130,942	-	70,054	-	7,360	-
Confederação Sicredi	RS	100.00%	-	591,775	-	5,373	-	-	-
Sicredi Grande Palmeira RS	RS	-	-	-	-	-	-	-	3,647
Sicredi Salvador	BA	-	-	-	-	-	-	-	(6,607)
<b>Total</b>				<b>329,856,534</b>	<b>275,743,138</b>	<b>73,666,638</b>	<b>67,236,790</b>	<b>6,563,442</b>	<b>4,087,084</b>

### d) Institutions included in or excluded from the System

Mergers derive from decisions taken by the associates of the cooperatives involved and are aimed at increasing the operating capacity of such cooperatives.

In the year ended December 31, 2021, no mergers between System cooperatives occurred. In 2020, mergers between System cooperatives were as follows:

Merging entity	Merged entity	Date of merger	Equity
Sicredi Raízes RS/SC/MG	Sicredi Grande Palmeira RS	06/01/2020	73,485
Sicredi Alagoas	Sicredi Salvador	07/01/2020	13,782

The combined statements of profit or loss and of cash flows comprise the operations of the merged cooperatives only for the period in which these cooperatives were active.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined financial statements

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(In thousands of reais, unless otherwise stated)

### e) Eliminations between System institutions

	Aggregated amounts		Eliminations		Combined amounts	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Assets</b>						
Cash and cash equivalents	1,456,415	1,258,126	(12,730)	(39)	1,443,685	1,258,087
Financial instruments	319,154,928	267,951,054	(127,320,253)	(117,995,124)	191,834,675	149,955,930
Short-term interbank investments	42,646,982	29,368,848	(8,930,755)	(16,324,334)	33,716,227	13,044,514
Compulsory deposits in Central Bank of Brazil	3,792,066	3,114,885	-	-	3,792,066	3,114,885
Marketable securities and derivative financial instruments	70,409,264	83,068,423	(47,895,496)	(44,657,593)	22,513,768	38,410,830
Credit operations	127,653,764	93,922,828	(605,577)	(595,626)	127,048,187	93,327,202
Other financial assets	78,810,981	61,938,742	(69,890,522)	(56,419,184)	8,920,459	5,519,558
Provision for expected losses associated with credit risk	(4,158,129)	(3,462,672)	2,097	1,613	(4,156,032)	(3,461,059)
Tax credits	58,750	41,158	-	-	58,750	41,158
Other assets	1,834,878	1,559,258	(779,560)	(602,564)	1,055,318	956,694
Investments in subsidiaries	149,788	171,303	(70,046)	-	79,742	171,303
Other investments	3,748,530	2,290,919	(3,747,609)	(2,284,516)	921	6,403
Property and equipment in use	2,778,685	2,091,158	(11,937)	-	2,766,748	2,091,158
Intangible assets	674,560	380,162	(340,644)	-	333,916	380,162
<b>Total assets</b>	<b>329,856,534</b>	<b>275,743,138</b>	<b>(132,282,779)</b>	<b>(120,882,243)</b>	<b>197,573,755</b>	<b>154,860,895</b>
<b>Liabilities</b>						
Deposits and other financial instruments	245,222,762	201,293,193	(76,968,590)	(70,207,094)	168,254,172	131,086,099
Deposits	140,829,376	109,833,875	(11,292,626)	(5,194,881)	129,536,750	104,638,994
Open market funding	3,749,399	13,472,602	(491,527)	(11,129,493)	3,257,872	2,343,109
Funds from acceptance and issue of securities	9,069,682	4,157,403	-	-	9,069,682	4,157,403
Loan obligations	5,094,274	3,096,526	(605,577)	(595,626)	4,488,697	2,500,900
Local on-lending obligations - official institutions	14,412,086	12,599,299	-	-	14,412,086	12,599,299
Derivative financial instruments	29,404	48,267	-	-	29,404	48,267
Other financial liabilities	72,038,541	58,085,221	(64,578,860)	(53,287,094)	7,459,681	4,798,127
Provisions	546,012	506,560	(130)	(147)	545,882	506,413
Deferred tax obligations	55,060	-	-	-	55,060	-
Other liabilities	10,366,062	6,706,595	(6,860,237)	(3,995,888)	3,505,825	2,710,707
<b>Equity</b>	<b>73,331,395</b>	<b>66,903,889</b>	<b>(48,453,822)</b>	<b>(46,679,114)</b>	<b>24,877,573</b>	<b>20,224,775</b>
<b>Noncontrolling interests</b>	<b>335,243</b>	<b>332,901</b>	<b>-</b>	<b>-</b>	<b>335,243</b>	<b>332,901</b>
<b>Total liabilities and equity</b>	<b>329,856,534</b>	<b>275,743,138</b>	<b>(132,282,779)</b>	<b>(120,882,243)</b>	<b>197,573,755</b>	<b>154,860,895</b>
<b>Statements of profit or loss</b>						
Trading revenues	21,345,273	15,504,152	(4,385,685)	(2,841,042)	16,959,588	12,663,110
Trading expenses	(7,245,088)	(4,747,692)	2,303,272	1,911,719	(4,941,816)	(2,835,973)
Provision for expected losses associated with credit risk	(1,754,424)	(1,656,783)	37,457	10,089	(1,716,967)	(1,646,694)
Other operating income (expenses)	(4,824,257)	(4,215,336)	(14,958)	(34,831)	(4,839,215)	(4,250,167)
Income and social contribution taxes	(80,448)	(149,727)	-	-	(80,448)	(149,727)
Profit sharing	(539,541)	(401,519)	-	-	(539,541)	(401,519)
Noncontrolling interests	(75,040)	(59,586)	-	-	(75,040)	(59,586)
<b>Net income for the year</b>	<b>6,826,475</b>	<b>4,273,509</b>	<b>(2,059,914)</b>	<b>(954,065)</b>	<b>4,766,561</b>	<b>3,319,444</b>

### f) Functional currency

The combined financial statements are stated in Brazilian reais (R\$), which is the functional currency of the entire System, and the information, unless otherwise stated, in thousands of (R\$ thousand).



## Sistema de Crédito Cooperativo - Sicredi

Notes to combined financial statements

December 31, 2021

(In thousands of reais, unless otherwise stated)

### 3. Summary of significant accounting practices

Significant accounting practices adopted to prepare the financial statements are as follows:

a) Determination of profit or loss

Profit or loss is computed on an accrual basis, which establishes that revenues and expenses must be included in the calculations of the periods in which these revenues and expenses occurred, always simultaneously when they correlate, irrespective of receipt or payment. Fixed rate transactions are recorded at redemption value, and income and expenses corresponding to future periods are recognized as a reduction of respective assets or liabilities.

Financial income and costs are calculated on a pro rata basis using the exponential method, except those related to discounted securities or those relating to foreign transactions, which are calculated on a straight-line basis. Floating rate transactions or transactions indexed to foreign currencies are restated up to the statement of financial position date.

b) Cash and cash equivalents

These are represented by amounts in domestic and foreign currency, and short-term interbank investments whose maturity at effective investment date is equal to or below 90 days, subject to a low risk of change in fair value.

c) Financial instruments

i. Short-term interbank investments

These represent fixed-income transactions referring to purchase of securities subject to repurchase agreements and investments in interbank deposits and in foreign currency, which are stated at redemption value, net of unrecorded yield amounts corresponding to future periods.

ii. Marketable securities

As established by BACEN Memorandum Circular No. 3068/01, marketable securities of the Bank and of the investment funds are classified and subsequently measured as follows:

*Trading securities* – these are acquired for the purpose of being actively and frequently traded, are adjusted to market value, matched against net income for the period and classified in current assets regardless of their maturity;

*Securities available for sale* – these do not classify as trading or held to maturity and are adjusted to market value, matched against a specific equity account, net tax effects;

*Securities held to maturity* – the entity intends or has the financial capacity to hold these securities in its portfolio until maturity. They are stated at acquisition cost plus earnings and matched against P&L for the period. Financial capacity is defined using cash flow projections and discounting the possibility of sale of these securities.

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(In thousands of reais, unless otherwise stated)

### iii. Derivative financial instruments

The System, by means of the Bank and of the investment funds, uses derivative financial instruments such as swaps and interest rate futures, currency swaps, exchange futures in foreign currency and interest rate options with a view to meeting the System's needs and are classified in accordance with management's intent, at inception date, taking into consideration whether or not these instruments are contracted for hedging purposes, under the terms of Bacen Memorandum Circular No. 3082/02.

Operations involving derivative financial instruments are recorded at fair value, using the marked-to-market methodologies adopted by the System. The method for recognition of gains and losses resulting from these operations depends on whether or not the derivative is designated as a hedging instruments, in cases of adoption of hedge accounting.

Instruments designated for hedge accounting may be classified according to their nature into the following categories:

- *Market risk hedge:* derivative financial instruments intended to offset risks arising from exposure to market value changes of the hedged item, and gains and losses should be matched against the System's P&L for the period;
- *Cash flow hedge:* derivative financial instruments intended to offset variations in the System's estimated cash flow, and gains and losses relating to the effective portion should be matched against a specific account in equity less any tax effects and other variations matched against P&L for the period.

The System recorded no operations classified as cash flow hedge accounting for the year ended December 31, 2021 and 2020, and the System's operations subject to hedge accounting are classified as market risk.

Derivatives classified as hedge accounting are subject to documental identification using detailed information on the operations and risks involved, effectiveness of the strategy, by means of tests of prospective and/or retrospective effectiveness, as well as marked to market of the instruments and of the hedged items, as established by Memorandum Circular No. 3082/02.

Derivative transactions in the options and future market are held in custody on B3 S.A. – Brasil, Bolsa e Balcão ("B3"). The market value of these derivative financial instruments is calculated based on specialized exchange quotes.

### iv. Credit operations

These are stated at cost plus yield earned. Loan transactions are classified according to management's risk level analysis, considering the economic scenario and specific risks in connection with these transactions, the debtors and guarantors, under the parameters established in CMN Resolutions No. 2682/99 and No. 2697/00.

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(In thousands of reais, unless otherwise stated)

Loan transactions overdue within 59 days are accrued under revenues from loans and from the 60th day onwards under unearned revenues. Operations classified as "H" remain under this classification for six months when they are charged against the existing allowance and controlled for five years in memorandum accounts, and are no longer presented in the statement of financial position.

d) Provision for expected losses associated with credit risk

Provision for expected losses associated with credit and currency risk is based on the analysis of the operations and takes into consideration the economic context, past experience, specific and overall risks of the portfolios, under the accrual criteria defined in CMN Resolutions No. 2682/99 and No. 2697/00. Management may adopt provision percentages above those defined in referred to Resolutions, associated with management's assessment in determining credit risks.

e) Other current assets and long-term receivables (noncurrent)

These are stated at realizable values, including, when applicable, earnings, monetary variations (on a pro-rata basis) and exchange variations, less corresponding provisions for losses or adjustment to market value and unearned income.

f) Investments

Investments are stated at cost of acquisition and investments in subsidiaries not included in the combination are adjusted by the equity method. Other investments are stated at cost less impairment, when applicable.

g) Property and equipment in use

These correspond to acquired rights over assets intended for maintaining the activities or exercised for that purpose. They are stated at acquisition or build-up cost. Depreciation of property and equipment in use is calculated on a straight-line basis over the asset's useful life using the annual rates mentioned in Note 13, which take into account the useful life of the assets, as follows:

	<u>Useful life</u>
Facilities	6 to 25 years
Furniture and equipment of own use	1 to 12 years
Communication equipment	4 to 12 years
Data processing equipment	2 to 12 years
Security system	9 to 11 years
Transportation system	4 to 11 years

Property and equipment items are written off when sold or when no future economic benefits are likely to flow to the Company from the use or sale of these assets. Gains or losses, if any, arising from the asset write-off (calculated as the difference between the net sales value and the carrying amount of the asset) are posted to the statement of profit or loss in the year in which the asset is derecognized.

Assets net book value and useful lives, as well as depreciation methods, are reviewed at year end, and adjusted on a prospective basis, as the case may be.

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December 31, 2021

(In thousands of reais, unless otherwise stated)

### h) Intangible assets

Intangible assets correspond to acquired rights over these assets intended for maintaining the System or exercised for that purpose. They are stated at cost and comprise expenses with software acquisition and development, adjusted for accumulated amortization, calculated as from the moment when the respective rewards begin to be used, based on annual rates that take into account the useful life of the assets (Note 13).

### i) Impairment of nonfinancial assets

Property and equipment, assets not for own use and other noncurrent assets, including intangible assets, are annually reviewed in order to identify evidence of non-recoverable losses or whenever events or changes in the circumstances indicate that the carrying amount may not be recovered.

When this is the case, the recoverable amount is calculated to identify any loss. When identified, the loss is recorded in P&L for the period for the amount in which book value exceeds the recoverable amount, which is the higher of net sale price and value in use of an asset.

### j) Assets and liabilities in foreign currency

Monetary assets denominated in foreign currency are translated into reais using BACEN exchange rates in effect for the transactions. Differences deriving from currency translation are recorded in P&L for the period.

### k) Deposits, onlending obligations and other financial liabilities

These are stated at their respective amounts plus charges, monetary and exchange fluctuations through to the statement of financial position date, recognized on a pro rata basis.

### l) Other current liabilities and long-term payables (noncurrent)

These are stated at known or estimated amounts, including, when applicable, charges and monetary variations on a pro-rata basis, less corresponding expenses to be recorded.

### m) Tax credits, taxes and contributions

Provisions for Corporate Income Tax (IRPJ), Social Contribution on Net Profit (CSLL), and federal contribution taxes on gross revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) were calculated at the rates in effect, considering, for the respective bases, the prevailing legislation for each tax, including with respect to offset of tax losses and recording of tax credits.

The Bank and Cooperatives are subject to the cumulative regime, which results in PIS and COFINS taxation at 0.65% and 4%, respectively.

The Consortia Administrator is subject to PIS and COFINS under the non-cumulative regime at 1.65% and 7.6%, respectively. Tax credits are computed on expenses linked to these activities. Finance income is subject to 0.65% PIS and 4% COFINS.

The Confederation is a cooperative entity subject to the cumulative regime. Revenues earned are subject to PIS e COFINS at 0.65% and 3%, respectively, on non-cooperated acts.

The Bank's P&L is subject to IRPJ (15% plus 10% on taxable profit exceeding R\$ 240 in the year, on taxable profit) and CSLL (25%). Income and social contribution tax credits are recorded on temporary differences, at 25% and 20% respectively.

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Profit earned by the Cooperatives and by the Confederation on non-cooperative acts is subject to IRPJ (15% plus 10% on taxable profit exceeding R\$ 240 in the year, on taxable profit) and CSLL (20% - Cooperatives and 9% - Confederation).

The Consortium is subject to IRPJ (15% plus 10% on taxable profit exceeding R\$ 240 in the year, on taxable profit) and CSLL (9%) on P&L. Income and social contribution tax credits are recorded on temporary differences, at 25% and 9% respectively.

### n) Tax exemptions

For being associated for and developing not-for-profit activities, solely providing the services for which it was established, SFG benefits from income and social contribution tax exemption in accordance with article 174 of Decree No. 9580/18 and article 15 of Law No. 9532/97.

Additionally, this entity is exempt from COFINS on revenues from own activities, as established in article 46 of Decree No. 4524/02 and article 14 of Provisional Executive Order (MP) No. 2158/01, respectively.

### o) Provision for civil, tax and labor contingencies

The accounting practices for recording, measuring and disclosing contingent assets and liabilities are substantiated in CVM Rule No. 489/05 and CMN Resolution No. 3535/08, to wit:

- *Contingent assets* are recorded only when subject to security interests or favorable legal decisions on which no further appeals may be filed. Contingent assets whose likelihood of a favorable outcome is rated as probable are only disclosed in an explanatory note;
- *Contingent liabilities* are provisioned when losses thereon are assessed as probable and the amounts involved may be reliably measured. Contingent liabilities assessed as possible loss are disclosed and contingent liabilities that may not be reliably measured and those assessed as probable loss are not provisioned or disclosed;
- *Legal obligations* are recorded as payables, irrespective of the assessment of the likelihood of a favorable outcome.

### p) Significant accounting estimates and judgments

Preparation of the financial statements requires application of certain significant assumptions and judgments that involve a high level of uncertainty and may have a significant impact on these statements. Accounting estimates are determined by management, considering factors and assumptions set up based on judgment, which are reviewed every six months.

Estimates and judgments deemed significant by management are as follows:

- Provision for expected losses associated with credit risk: In addition to compliance with the provision recording requirements by function of delay in payment of principal installments or operation charges, this provision is calculated based on management's judgment concerning the risk level, taking into consideration the economic scenario, specific risks relating to the operation, debtors and guarantors, delay periods and the economic group, and using the parameters established in CMN Resolutions No. 2682/99 and No. 2697/00. Detailed information on provision for losses is presented in Note 8.

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- Provision for civil, tax and labor contingencies: Based on the likelihood of loss assessed by management, this provision is recorded for contingencies of a tax, civil and labor nature by means of legal opinions. Assessment of the likelihood of loss takes into account the probability of disbursements by the entity for each proceeding and may incur in a high level of judgment, depending on how high the existing uncertainty is. Detailed information on provisions and contingent liabilities is presented in Note 18.
- Impairment of intangible and other assets: these assets are tested for impairment at least annually in order to identify any indication that an asset may be impaired. When the recoverable amount of these assets may not be obtained from external sources, calculation of the recoverable amount may incur in significant judgments, mainly in measuring potential future economic benefits associated thereto.
- Measurement of the impacts of Covid-19 on the financial statements and on the System: management monitors the development of operations, which includes monitoring capital and liquidity levels, the behavior of the assets' credit risk, market risk and financial instruments, new loan transactions and fund-raising operations performed. Major effects and impacts of Covid-19 on the financial statements in this period are described, when applicable, in the notes corresponding to the statement of financial position headings affected.

### q) Pension plan - defined contribution

The System participates in a pension plan managed by a private pension entity, which provides the System's employees with post-employment benefits under the defined contribution system. A defined contribution plan is a pension plan under which the companies make fixed contributions to a separate entity. The companies have no legal or constructive obligation to make contributions if the fund has no sufficient assets to pay all employees the benefits related with these employees' service in the current and prior period.

For the defined contribution plan, the companies pay contributions to the private pension entity, on a compulsory, contractual or voluntary basis. Regular contributions comprise net costs for the period in which they are due and are, therefore, included in personnel expenses.

### r) Recurring and non-recurring income (loss)

Recurring income (loss) is related with the System's typical characteristics, which occur frequently in the present and are foreseen to occur in the future whereas non-recurring income (loss) derives from an extraordinary and/or unpredictable event that tends not to occur again in the future.

## 4. Cash and cash equivalents

Cash and cash equivalents and short-term interbank investments are classified as cash and cash equivalents for purposes of presentation in the statement of cash flows, when the requirements of CPC 03 (R2) – Statement of Cash Flows are met. The following amounts were classified:

	12/31/2021	12/31/2020
Cash and cash equivalents	1,443,685	1,258,087
Short-term interbank investments	1,628,524	2,421,564
Resale to settle - Self-funding position	338,239	735,080
Resale to settle - Financed position	1,281,758	1,665,032
Investments in foreign currency	8,527	21,452
Total	3,072,209	3,679,651

Cash and cash equivalents refer mainly to amounts under custody, ATM balances, amount transportation, amounts for cash and foreign deposits in foreign currency.



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### 5. Short-term interbank investments

	12/31/2021	12/31/2020
Open market investments	<b>33,569,993</b>	12,980,110
Resale to settle - Self-funding position		
Financial Treasury Bills (LFT)	-	740
National Treasury Bills (LTN)	<b>10,000,000</b>	3,634,339
National Treasury Notes (NTN)	<b>22,288,235</b>	7,679,999
Resale to settle - Financed position		
Financial Treasury Bills (LFT)	-	399,260
National Treasury Bills (LTN)	-	1,265,772
National Treasury Notes (NTN)	<b>1,281,758</b>	-
Investments in interbank deposits	<b>137,707</b>	42,952
Interbank Deposit Certificates (CDI)	<b>137,707</b>	42,952
Investments in foreign currency	<b>8,527</b>	21,452
Investments in foreign currency	<b>8,527</b>	21,452
Total - current	<b>33,716,227</b>	13,044,514

Resale to settle - Self-funding position is mostly comprised of repurchase agreements entered into by the investments funds and other Brazilian Financial System (SFN) institutions.

### 6. Compulsory deposits in Central Bank of Brazil

	12/31/2021	12/31/2020
Compulsory reserves - microcredit	-	56
Compulsory reserves – deposits in savings accounts	<b>3,784,928</b>	3,080,865
Rural credit – PROAGRO receivable	<b>7,138</b>	33,964
Total - current	<b>3,792,066</b>	3,114,885

Deposits in savings accounts refer to amounts mandatorily deposited in Rural Savings Accounts and in the Brazilian Savings and Loan System (SBPE) in domestic currency in the Central Bank of Brazil.



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### 7. Marketable securities and derivative financial instruments

#### a) Portfolio breakdown

Breakdown per type of paper, contractual maturity and type of marketable securities portfolio is as follows:

	12/31/2021				12/31/2020
	Falling due				Total
	Up to 3 months	From 3 to 12 months	Over 12 months	Total	
Own portfolio					
Financial Treasury Bills (LFT)	5,010,986	250,007	6,907,611	12,168,604	18,304,412
National Treasury Bills (LTN)	-	-	-	-	4,481,422
National Treasury Notes (NTN)	-	6,639	161	6,800	9,921,576
Financial Bills (LF)	438,281	1,185,712	1,237,632	2,861,625	3,225,713
Debentures	-	161,685	63,279	224,964	217,226
Fixed-income investment funds	464,655	-	-	464,655	1,870
Rural Product Bills (CPR)	178,344	2,234,710	1,159,019	3,572,073	407,137
Bank Deposit Certificates (CDB)	47,078	27,452	-	74,530	95,108
Linked to repurchase agreements					
Financial Treasury Bills (LFT)	-	-	2,480,595	2,480,595	1,157,631
National Treasury Bills (LTN)	-	-	-	-	5,915
Linked to guarantees given					
Financial Treasury Bills (LFT)	-	-	533,516	533,516	546,553
Other	-	-	-	-	71
Subtotal	6,139,344	3,866,205	12,381,813	22,387,362	38,364,634
Derivative financial instruments					
Swap operations	2,392	-	124,014	126,406	46,196
Total - 2021	6,141,736	3,866,205	12,505,827	22,513,768	
Total - 2020	3,116,923	19,060,648	16,233,259		38,410,830
Total - current				10,007,941	22,177,571
Total noncurrent				12,505,827	16,233,259

In accordance with Bacen Memorandum Circular No. 3068/01, marketable securities classified as held for trading are presented in current assets, regardless of maturity.

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### b) Classification of marketable securities

	12/31/2021		12/31/2020	
	Restated cost	Market value	Restated cost	Market value
Held for trading				
No maturity	464,655	464,655	1,941	1,941
Maturing within 12 months	7,080,263	7,081,918	19,213,351	19,214,014
Maturing over 12 months	3,023,674	3,023,207	4,006,880	4,010,167
Subtotal	10,568,592	10,569,780	23,222,172	23,226,122
Available for sale				
Maturing within 12 months	-	-	7,600,780	7,599,770
Maturing over 12 months	1,326,985	1,327,629	62,389	62,172
Subtotal	1,326,985	1,327,629	7,663,169	7,661,942
Held to maturity				
Maturing within 12 months	2,412,713	2,412,642	1,880,618	1,880,132
Maturing over 12 months	8,077,240	8,376,084	5,596,689	5,551,426
Subtotal	10,489,953	10,788,726	7,477,307	7,431,558
Total	22,385,530	22,686,135	38,362,648	38,319,622

Based on the understanding of BACEN Memorandum Circular No. 3068/01, securities recorded as held to maturity are measured for the respective costs of acquisition plus yield earned whereas securities held for trading and available for sale are adjusted to market value.

In compliance with the provisions of article 8 of BACEN Memorandum Circular No. 3068/01, management represents that the System has the financial capacity and intent to maintain until maturity the securities classified as held to maturity.

In 2021, no marketable securities were reclassified.

As at December 31, 2021, unrealized income/(loss) from securities classified as available for sale presented net gain of R\$ 338 (loss of R\$ 1,675 in December 2020), recorded net of tax effects in equity under equity adjustments amounting to R\$ 186 (R\$ 921 in December 2020).

Market value of government securities was calculated based on the quotation obtained from the National Association of Financial and Capital Market Institutions (ANBIMA).

In operations involving bank deposit bills, time deposits with special guarantee and financial bills, issuers are classified into rating groups and are attributed spreads at each issue. These spreads are calculated based on the average rates traded that day.

Debentures are adjusted using information from the bulletins published by ANBIMA. For debentures not informed by ANBIMA, the discounted cash flow method is used. The discount rates/indices used are projections/information provided by bulletins or specialized publications (ANBIMA). Credit spread is obtained by means of the marked-to-market method, which considers the following aspects: i) classification into period ranges, based on maturity; ii) operation rating, which considers the risk relating to the issuer, guarantees, etc.; and iii) spread calculation at issue rates weighted per maturity range and operation rating.

Market value of Rural Product Bills (CPR) is obtained based on the interest curve, using the rates negotiated in B3's DI future market for one day, and on the credit spreads calculated for each issuer.

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### c) Derivative financial instruments

These are classified, upon acquisition, based on management's intent of using them for hedging purposes, in accordance with BACEN Memorandum Circular No. 3082/02. Transactions that use financial instruments, carried out at the request of customers, on their own account, or that do not meet the hedging criteria (mainly derivatives used for managing global risk exposure), are accounted for at fair value, and realized and unrealized gains and losses are recognized directly in the statement of profit or loss. The System uses swap derivatives to hedge its foreign borrowings. Use of these derivative financial instruments is mainly aimed as hedge against risks deriving from currency fluctuations, and the instruments' maturity is linked to maturity of the fund-raising transactions.

Swap derivatives as well as hedged borrowings are adjusted to market value, except when held to maturity in matched operations with the same counterparty (instrument and object). Market value of these operations is calculated using modelling techniques such as the discounted cash flow method, and approved by Sicredi management.

Fixed-income marketable securities classified as for trading and available for sale are operated together with derivative contracts, and future DI contracts are the instrument used to hedge against rate variations. The purpose of this instrument is to hedge against fluctuation of the rates pegged to fixed-income government securities.

Hedged government securities are adjusted to market value, except when held to maturity, under market price assumptions obtained by means of quotations for assets and liabilities with the same or similar characteristics. In case these assumptions are not available, pricing models approved by Bank management such as the discounted cash flow method are used. Financial instruments under custody of B3 are daily adjusted based on futures transactions that are recorded in asset or liability accounts, depending on the nature of the adjustment, and settled on D+1.

Difference amounts and adjustments of derivative assets and liabilities are recorded in asset and liability accounts in accordance with each operation method, and matched against respective P&L accounts.

Sicredi adopted hedge accounting for swap derivatives, whose hedged items are funds obtained in the foreign market from Citibank and Japan International Cooperation Agency (JICA), as well as future DI transactions, whose hedged items are fixed-income government securities available for sale. The variations and adjustments deriving from (de)valuation of these instruments and items are matched against P&L, irrespective of their classification pursuant to Memorandum Circular No. 3068/01, in compliance with Memorandum Circular No. 3082/02, which provides for recognition of hedge accounting operations in P&L accounts, when classified as market risk.

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As at December 31, 2021 and 2020, these amounts are adjusted to market value, except specific derivative financial instruments that are only adjusted based on the curve, recorded and valued in accordance with Bacen Memorandum Circular No. 3082/02, and respective referential amounts are recorded in memorandum accounts, as follows:

	12/31/2021				12/31/2020
	Net position of contracts to mature				
	Up to 3 months	From 3 to 12 months	Over 12 months	Total	Total
<u>Offset</u>					
Futures contracts	59,948	(7,771)	55,984	108,161	13,125,708
Swap contracts	91,787	103	2,629,487	2,721,377	974,465
Total - 2021	<u>151,735</u>	<u>(7,668)</u>	<u>2,685,471</u>	<u>2,829,538</u>	
Total - 2020	<u>9,782,216</u>	<u>2,509,465</u>	<u>1,808,492</u>		<u>14,100,173</u>
<u>Swap contracts</u>					
Receivables	2,392	-	124,014	126,406	46,196
Payables	(10)	(24)	(29,370)	(29,404)	(48,267)
Total - 2021	<u>2,382</u>	<u>(24)</u>	<u>94,644</u>	<u>97,002</u>	
Total - 2020	<u>(13)</u>	<u>(3)</u>	<u>(2,055)</u>		<u>(2,071)</u>
	12/31/2021			12/31/2020	
	Notional amount	Cost – amount receivable/received (payable/paid)	Market value	Market value	
<u>Futures contracts</u>	<u>108,161</u>	<u>(44)</u>	<u>-</u>	<u>-</u>	
Purchase commitments	(251,428)	12	-	-	
Future DI	(234,061)	16	-	-	
Future DOL	(6,976)	(140)	-	-	
Future WDO	(10,391)	136	-	-	
Sale commitments	359,589	(56)	-	-	
Future DI	342,049	(50)	-	-	
Future DOL	11,234	(6)	-	-	
Future WDO	6,306	-	-	-	
<u>Swap contracts</u>	<u>2,721,377</u>	<u>86,677</u>	<u>97,002</u>	<u>(2,071)</u>	
Receivables	1,884,952	98,562	126,406	46,196	
Foreign currency	1,884,952	98,562	126,406	46,196	
Payables	836,425	(11,885)	(29,404)	(48,267)	
Foreign currency	836,425	(11,885)	(29,404)	(48,267)	

Daily adjustments of futures transactions are recorded in asset or liability accounts, depending on the nature of the adjustment, and settled on D+1. As at December 31, 2021, the balance recorded under Securities trading and brokerage in assets is of R\$ 164 (R\$ 566 in December 2020) and in liabilities is of R\$ 208 (R\$ 796 in December 2020).

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Market values adjustments of swap operations are recorded in asset or liability accounts, depending on the difference receivable or payable.

As at December 31, 2021, the amount recorded in derivative financial instruments in assets is of R\$ 126,406 (R\$ 46,196 in December 2020) and in liabilities is of R\$ 29,404 (R\$ 48,267 in December 2020).

As at December 31, 2021, the Bank recorded gains on derivatives amounting to R\$ 210,089 (losses of R\$ 185,485 in December 2020).

As at December 31, 2021, the equity position of government securities given in guarantee for stock exchange operations amounted to R\$ 425,604 (R\$ 196,462 in December 2020).

Notional value, hedged items and hedging instruments referring to operations subject to market risk and hedge accounting are as follows:

	12/31/2021			12/31/2020
	Net position of contracts to mature			
	Notional value	Curve value	Market value	Market value
Market risk hedge – Funding				
Hedging instruments	1,116,718	3,140	(21,632)	(48,253)
Swap contracts (payable)	1,116,718	3,140	(21,632)	(48,253)
Hedged items	1,116,718	1,140,321	1,115,549	713,750
Foreign market funding	1,116,718	1,140,321	1,115,549	713,750

Prospective and retrospective effectiveness tests were conducted on the hedge portfolio classified as market risk, whose results were effective and in accordance with the provisions of Bacen Memorandum Circular No. 3082/02.

## 8. Credit operations

### a) Breakdown of credit portfolio per type

	12/31/2021				12/31/2020
	Falling due				
	Overdue from 15 days	Up to 3 months	From 3 to 12 months	Over 12 months	Total portfolio
Credit operations	843,406	13,693,909	44,218,481	68,292,391	127,048,187
Loans and discounted notes	789,610	8,924,022	18,177,317	33,269,941	61,160,890
Financing	32,721	1,603,762	4,913,753	10,883,314	17,433,550
Rural and agro-industrial financing	21,067	3,148,239	21,084,088	22,911,774	47,165,168
Housing financing	8	17,886	43,323	1,227,362	1,288,579
Exchange transactions	-	38,300	134,192	1,531	174,023
Advances on exchange contracts (Note 17.a)	-	37,511	131,428	1,499	170,438
Income from advances on exchange contracts	-	789	2,764	32	3,585
Other financial instruments (Note 9)	14,180	4,211,374	1,565,396	132,143	5,923,093
Amounts receivable relating to payment transactions	-	4,200,318	1,530,824	8,905	5,740,047
Securities and receivables	-	-	-	-	-
Payables due to purchase of amounts and assets	84	10,246	34,174	122,334	166,838
Collateral and pledges honored	14,096	810	398	904	16,208
Total - 2021	857,586	17,943,583	45,918,069	68,426,065	133,145,303
Total - 2020	613,924	11,970,319	34,251,948	50,404,387	97,240,578
Total - current					64,719,238
Total noncurrent					68,426,065

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In December 2021, notes and receivables were reclassified to amounts receivable relating to payment transactions to adjust accounting for card payment transactions, pursuant to Circular Letter No. 3828/17. These amounts refer mostly to installment payment of store owners, unbilled amounts and receivables from card associations.

### b) Breakdown of credit portfolio per risk level

Pursuant to article 3 of CMN Resolution No. 2697/00, we present below the breakdown of the credit operations' portfolio, including exchange transactions amounting to R\$ 174,023 (R\$ 128,380 in December 2020) and other receivables of a credit nature amounting to R\$ 5,923,093 (R\$ 3,784,996 in December 2020), distributed in the corresponding levels of risk, according to the classification provided for in article 1 of CMN Resolution No. 2682/99:

Risk level	% Provision	Portfolio		Provision for expected losses associated with credit and currency risk	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
AA	0.00	17,668,134	16,339,503	-	-
A	0.50	59,490,601	34,583,273	297,204	172,575
B	1.00	39,414,559	29,825,101	393,918	297,777
C	3.00	8,788,773	10,032,761	263,517	300,585
D	10.00	3,805,987	3,158,505	380,373	315,606
E	30.00	1,223,139	964,911	366,675	289,430
F	50.00	576,623	437,693	288,226	218,756
G	70.00	493,144	383,196	345,102	268,237
H	100.00	1,684,343	1,515,635	1,683,870	1,515,570
Total		133,145,303	97,240,578	4,018,885	3,378,536

Sicredi adopted provision percentages above the minimum amount defined in CMN Resolution 2682/99, taking into consideration, besides the legal criteria, the economic scenario, the period's projections and uncertainty scenarios, the experience of operating in the region and knowledge of its associates' base. As at December 31, 2021, the additional provision amount recorded was of R\$ 135,696 (R\$ 81,016 in December 2020).

As at December 31, 2021, Sicredi recorded other receivables not of a credit grant nature for which a provision was set up amounting to R\$ 1,451 (R\$ 1,507 in December 2020).

In accordance with article 5 of Resolution 4800/20, provision for losses for operations classified as Emergency Program for Employment Support (PESE) should be calculated only on the amount equivalent to own capital of the cooperatives intended for this purpose. As such, management recorded a provision amounting to R\$ 328 (R\$ 314 in December 2020). These amounts are presented together with the amount accrued for credit operations and other receivables.

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c) Breakdown of credit operations per sector of activity and maturity brackets

Private sector	12/31/2021				Total portfolio	12/31/2020
	Overdue from 15 days	Up to 3 months	Falling due From 3 to 12 months	Over 12 months		Total portfolio
Rural	21,067	3,148,239	21,084,088	22,911,774	47,165,168	33,440,110
Individuals	531,404	7,398,883	11,771,481	20,503,491	40,205,259	30,077,003
Legal entities	156,333	3,570,462	6,571,722	12,712,465	23,010,982	16,261,409
Commerce	134,638	3,081,442	5,214,468	8,732,672	17,163,220	13,309,203
Industry	13,949	721,840	1,223,635	2,326,789	4,286,213	3,543,696
Housing	8	17,886	43,323	1,227,362	1,288,579	592,828
Financial intermediation	188	4,831	9,351	11,512	25,882	16,329
Total - 2021	<u>857,587</u>	<u>17,943,583</u>	<u>45,918,068</u>	<u>68,426,065</u>	<u>133,145,303</u>	
Total - 2020	<u>613,924</u>	<u>11,970,319</u>	<u>34,251,948</u>	<u>50,404,387</u>		<u>97,240,578</u>

d) Concentration of credit operations

	12/31/2021	%	12/31/2020	%
10 major debtors	1,291,987	0.97	915,199	0.94
50 next major debtors	2,296,788	1.73	1,766,083	1.82
100 next major debtors	2,552,663	1.92	2,073,709	2.13
Other	127,003,865	95.38	92,485,587	95.11
Total	<u>133,145,303</u>	<u>100.00</u>	<u>97,240,578</u>	<u>100.00</u>

e) Changes in provision for expected losses associated with credit risk

	12/31/2021	12/31/2020
Opening balance	<u>3,461,059</u>	3,046,194
Set up of provision	3,864,554	3,748,196
Reversal of provision	(2,147,587)	(2,101,502)
Subtotal	<u>1,716,967</u>	<u>1,646,694</u>
Changes in amounts written off for loss	(1,021,994)	(1,231,829)
Closing balance	<u>4,156,032</u>	<u>3,461,059</u>



## Sistema de Crédito Cooperativo - Sicredi

Notes to combined financial statements

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f) Income from credit operations

	<u>2H</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Loans and discounted notes	5,060,369	8,883,877	7,273,448
financing	1,075,200	1,849,340	1,343,138
Rural and agro-industrial financing	1,500,048	2,621,232	1,905,812
Housing financing	38,712	65,375	35,915
Other	4,462	8,286	6,483
Subtotal	<u>7,678,791</u>	<u>13,428,110</u>	<u>10,564,796</u>
Recovery of receivables written off as loss	351,402	649,468	526,961
Total	<u>8,030,193</u>	<u>14,077,578</u>	<u>11,091,757</u>

In the year ended December 31, 2021, recovery of credit operations previously written off as loss, amounting to R\$ 649,468 (R\$ 526,961 in December 2020), was recorded as trading revenues – credit operations”.

In the year ended December 31, 2021, credit operations amounting to R\$ 2,244,901 (R\$ 4,423,734 in December 2020) were renegotiated. In 2020, when the pandemic began, various sectors of the economy suffered losses, which affected certain groups of associates, reduced their financial capacity and generated an increase in atypical extensions and renegotiations in the period. However, in mid-2021, Sicredi implemented tools to begin collection, as from initial default date, from associates who demonstrated a financial weakness behavior, with a view to reducing default and, as such, the number of renegotiations.

Due to the high number of extensions in 2020, the beginning of collection with the collection partner companies in associates with higher risks was advanced to avoid the escalation of default after the extension ended, managing to minimize the effects on the number of renegotiations carried out and significantly increasing performance in groups with greater probabilities of continued delay.

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(In thousands of reais, unless otherwise stated)

### 9. Other financial assets

	12/31/2021	12/31/2020
Payments and receipts to be settled	59	52
Bank agents	16,196	18,692
Payment transactions	2,001,400	1,230,427
Exchange portfolio	262,567	170,996
Securities trading and brokerage	164	566
Income receivable	126,857	110,356
Notes and receivables (Note 8.a)	-	3,635,226
Payables due to purchase of amounts and assets (Note 8.a)	44,504	35,426
Collateral and pledges honored (Note 8.a)	15,304	14,458
Consortium quotas	23,028	21,486
Credit card transactions	557,128	177,021
Amounts receivable relating to payment transactions (Note 8.a)	5,731,142	-
Refunds receivable	9,967	4,966
<b>Total - current</b>	<b>8,788,316</b>	<b>5,419,672</b>
Amounts receivable relating to payment transactions (Note 8.a)	8,905	-
Notes and receivables (Note 8.a)	-	1,788
Payables due to purchase of amounts and assets (Note 8.a)	122,334	97,608
Collateral and pledges honored (Note 8.a)	904	490
<b>Total noncurrent</b>	<b>132,143</b>	<b>99,886</b>
<b>Total</b>	<b>8,920,459</b>	<b>5,519,558</b>

Payment transactions refer to amounts receivable from issuers on intermediation of operations performed with credit and debit cards.

### 10. Other assets

	12/31/2021	12/31/2020
Payables relating to agreements	9,015	4,930
Advances and salaries prepaid	46,765	39,569
Taxes and contributions to be offset	67,815	14,535
Advances for payments on our account	36,747	41,198
Amounts honored	1,020	971
Pending items to be regularized	125,210	53,219
Deposit Insurance Fund	10,205	10,205
Other sundry receivables	37,765	24,708
Other amounts and assets (Note 10.a)	471,115	498,247
<b>Total - current</b>	<b>805,657</b>	<b>687,582</b>
Advances for payments on our account	-	60,560
Payables for guarantee deposits (Note 18.b)	221,401	191,446
Other amounts and assets (Note 10.a)	28,260	17,106
<b>Total noncurrent</b>	<b>249,661</b>	<b>269,112</b>
<b>Total</b>	<b>1,055,318</b>	<b>956,694</b>

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(In thousands of reais, unless otherwise stated)

Pending items to be regularized refer mainly to centralized process amounts and other credit information system (SCR) payables, recorded in the Cooperatives and regularized in January 2022.

The Deposit Insurance Fund (FGD) refers to a financial reserve set up by the cooperatives of Central Sicredi Norte/Nordeste to guarantee credit for their associates, and aimed at safeguarding System's image.

### a) Other amounts and assets

	12/31/2021	12/31/2020
Non-financial assets held for sale – received	<b>441,210</b>	539,762
Buildings	<b>432,818</b>	529,831
Vehicles	<b>6,736</b>	7,157
Machinery and equipment	<b>1,650</b>	2,738
Other	<b>6</b>	36
Material in inventory	<b>3,030</b>	3,217
Prepaid expenses	<b>101,847</b>	27,769
Provision for devaluation of non-financial assets held for sale – received	<b>(46,712)</b>	(55,395)
Total	<b>499,375</b>	515,353

Prepaid expenses refer mostly to software licenses under free lease, maintenance and support recorded in the Confederation.

### b) Changes in provision for devaluation of non-financial assets held for sale – received

	12/31/2021	12/31/2020
Opening balance	<b>55,395</b>	65,624
Set up of provision	<b>9,920</b>	18,244
Reversal of provision	<b>(18,603)</b>	(28,473)
Closing balance	<b>46,712</b>	55,395

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(In thousands of reais, unless otherwise stated)

### 11. Investments in subsidiaries

Banco Sicredi investments assessed under the equity method in Administradora de Cartões Sicredi Ltda. (Card Administrator), Corretora de Seguros Sicredi Ltda. (Insurance Broker), Administradora de Bens Sicredi Ltda. (Asset Administrator) and Administradora de Consórcios Sicredi Ltda. (Consortium Administrator) are as follows:

	Sicredi Cards		Insurance Broker		Asset Administrator		Consortia administrator		Total	Total
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Number of units of interest held	-	-	400	399	49,276	49,276	-	22,825		
Interest percentage - %	-	-	100.00	99.75	99.98	99.98	-	99.99		
Capital	-	-	400	400	49,286	49,286	-	22,827		
Equity	-	-	26,800	35,772	52,952	52,946	-	82,694		
Net income (loss) for the year	-	-	6,028	1,993	7	11	-	6,513		
Investment amount	-	-	26,800	35,683	52,942	52,935	-	82,685	79,742	171,303
Equity pickup	-	1,973	6,116	1,989	7	11	-	6,512	6,123	10,485

On November 12, 2020, Sicredi Cartões Ltda became extinct, by strategic definition of the Executive Board of the Bank, controlling entity of the company. The operations that were performed by this company began to be conducted internally by the System's Cooperatives and by Sicredi Confederation.

From June 30, 2021 onwards, the Consortium Administrator forms part of the list of institutions included in the combined financial statements.

On December 16, 2021, Corretora de Seguros Sicredi Ltda. paid its controlling members dividends amounting to R\$ 15,000 using the Income Reserve.

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Notes to combined financial statements

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### 12. Other

Other investments refer to interests held by the System in other companies, as follows:

	12/31/2021	12/31/2020
Sicredi Confederation	-	5,373
Shares and units of interest	921	1,030
Total	921	6,403

From June 30, 2021 onwards, Sicredi Confederation forms part of the list of institutions included in the combined financial statements.

### 13. Property and equipment in use and intangible assets

	12/31/2021		12/31/2020		
	Cost	Accumulated depreciation/ amortization	Net	Net	Annual depreciation/ amortization rates - %
Property and equipment in use	4,166,339	(1,399,591)	2,766,748	2,091,158	
Land	226,948	-	226,948	189,677	-
Buildings	553,988	(119,480)	434,508	419,268	2 to 4
Facilities	300,394	(138,160)	162,234	139,521	10
Furniture and equipment	728,703	(278,054)	450,649	375,596	10
Leasehold improvements	750,586	(285,346)	465,240	362,540	10
IT equipment and processing systems	781,820	(481,268)	300,552	216,694	20
Transportation systems	77,850	(40,767)	37,083	28,843	20
Other	152,861	(56,516)	96,345	75,263	10
Property and equipment in progress	593,189	-	593,189	283,756	-
Intangible assets	815,308	(481,392)	333,916	380,162	
Software acquisition and development	759,451	(456,403)	303,048	352,791	8 to 20
Rights for acquisition of payroll	55,857	(24,989)	30,868	27,371	13 to 50
Total - 2021	4,981,647	(1,880,983)	3,100,664		
Total - 2020	4,163,219	(1,691,899)		2,471,320	

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Notes to combined financial statements

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(In thousands of reais, unless otherwise stated)

### 14. Deposits and open-market funding

a) Breakdown of deposits and funding, per maturity bracket, is as follows:

	12/31/2021			12/31/2020	
	No maturity and within 3 months	From 3 to 12 months	Over 12 months	Total	Total
Judicial	52,136,396	11,189,264	66,211,090	129,536,750	104,638,994
Demand deposits	24,555,454	-	-	24,555,454	21,218,765
Deposits in savings accounts	26,067,585	-	-	26,067,585	22,200,753
Interbank deposits	368,717	8,747,989	877,600	9,994,306	4,537,036
Time deposits	1,144,640	2,441,275	65,333,490	68,919,405	56,682,440
Open market funding	1,810,740	277,446	1,169,686	3,257,872	2,343,109
Own portfolio	1,020,508	277,446	1,169,686	2,467,640	1,120,227
Third-party portfolio	790,232	-	-	790,232	1,222,882
Investment funds	790,232	-	-	790,232	1,170,883
Financial institutions	-	-	-	-	51,999
Total - 2021	53,947,136	11,466,710	67,380,776	132,794,622	
Total - 2020	45,954,426	5,835,433	55,192,244		106,982,103
Total - current				65,413,846	51,789,859
Total noncurrent				67,380,776	55,192,244

b) Expenses with open market transactions

	2H	12/31/2021	12/31/2020
Deposits in savings accounts	504,259	709,250	372,575
Interbank deposits	107,533	131,931	98,544
Time deposits	1,896,700	2,585,809	1,146,048
Repurchase agreements	96,769	154,689	90,177
Agribusiness credit bills	154,953	193,956	44,105
Financial bills	62,531	79,651	30,424
Contributions to Credit Insurance Fund	97,117	180,480	131,735
Other funding expenses	7,986	11,506	8,717
Total	2,927,848	4,047,272	1,922,325

### 15. Funds from acceptance and issue of securities

	12/31/2021			12/31/2020
	Up to 3 months	From 3 to 12 months	Over 12 months	Total
Funds from agribusiness credit bills	479,900	1,878,940	4,286,011	6,644,851
Payables for issue of financial bills	93,211	346,548	1,985,072	2,424,831
Total - 2021	573,111	2,225,488	6,271,083	9,069,682
Total - 2020	272,928	2,124,897	1,759,578	4,157,403
Total - current				2,798,599
Total noncurrent				6,271,083



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### 16. Loan and onlending obligations

	12/31/2021			12/31/2020
	Up to 3 months	From 3 to 12 months	Over 12 months	Total
Loan obligations	434,250	893,492	3,160,955	4,488,697
Domestic loans – official institutions	1,021	2,467	69,747	73,235
Domestic loans	133,434	320,960	1,005,858	1,460,252
Foreign loans	299,795	570,065	2,085,350	2,955,210
Local on-lending obligations - official institutions	469,430	2,471,957	11,470,699	14,412,086
National Treasury	3,765	54,846	19,773	78,384
Banco do Brasil	31,537	109,810	795,911	937,258
Brazilian Development Bank (BNDES)	302,265	1,631,765	8,140,075	10,074,105
Machinery and Equipment Financing (FINAME)	126,831	665,047	2,503,165	3,295,043
FNO Banco da Amazônia	5,032	10,489	11,775	27,296
Total - 2021	903,680	3,365,449	14,631,654	18,900,783
Total - 2020	715,762	2,917,078	11,467,359	15,100,199
Total - current				4,269,129
Total noncurrent				14,631,654

Domestic loans – official institutions are represented by funds raised from Caixa Econômica Federal in domestic currency, to be invested in commercial transactions relating to housing financing, maturing until December 2051.

Domestic loans are represented by Bank Credit Note (CCB) operations, deriving from funds raised abroad and translated into domestic currency, maturing until January 2025.

Foreign loans are represented by funds raised in foreign currency maturing until November 2028, whose borrowing agreements, in certain cases, are subject to debt covenants. These include, among others, clauses referring to maintenance of certain financial ratios. Noncompliance with these covenants entails immediate contact with the creditors and report of the reasons why such covenants were not complied with. Persistence in noncompliance may result in advanced contract settlement. As at December 31, 2021, Sicredi is compliant with the clauses of referred to agreements.

Domestic onlending obligations mostly represent funds raised from BNDES. The operations contracted, according to the characteristics of each program, have monthly, quarterly, half-yearly and annual maturity until 2035. These funds are transferred using the same periods and rates of the funding program plus onlending commission amounts.

In addition, domestic funds for domestic onlending represent amounts raised from the National Treasury transferred through BNDES. The operations contracted, according to the characteristics of PESE, have monthly maturity until 2023. These funds are transferred using the same periods and rates of the funding program plus onlending commission amounts.

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### 17. Other financial liabilities

	12/31/2021	12/31/2020
Receipts and payments to be settled	277	296
Payment transactions	5,511,682	3,325,214
Third-party funds in transit	318,504	270,902
Domestic transfers of funds	1,538	2,602
Exchange portfolio (Note 17.a)	100,705	44,999
Securities trading and brokerage	208	796
Subordinated debt (Note 17.b)	46,111	100,902
Interest on rural savings account	76,305	15,881
Accredited establishment – multiple card	23,910	43,940
Investment fund share obligations	904	8,758
Funds to be released – real property sellers	121,444	60,896
Payment transaction obligations	1,219,359	892,032
Obligations due to payment arranger services	10,324	8,672
Total - current	7,431,271	4,775,890
Obligations due to consortium members' funds	29,909	-
Exchange portfolio (Note 17.a)	(1,499)	(763)
Subordinated debt (Note 17.b)	-	23,000
Total noncurrent	28,410	22,237
Total	7,459,681	4,798,127

Payment transactions refer to operations performed by the associates in purchases paid in cash and in installments using Visa and Mastercard cards, whose amounts are paid to accreditation agents, relating to the issue financial agenda.

Payment transaction obligations mostly refer to domicile amounts, payments to be processed, TECBAN withdrawals to be confirmed and transactions using savings account cards.

#### a) Exchange portfolio

	12/31/2021	12/31/2020
Foreign exchange payables	17,364	6,146
Exchange purchase obligations	252,280	163,551
Advances on exchange contracts (Note 8.a)	(168,939)	(124,698)
Total - current	100,705	44,999
Advances on exchange contracts (Note 8.a)	(1,499)	(763)
Total noncurrent	(1,499)	(763)
Total	99,206	44,236

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### b) Subordinated debt

On December 15, 2021, the Bank settled its subordinated debt to IFC, the financial arm of the World Bank. Settlement was planned for December 2021, as per maturity established in the contract between the parties entered into on February 07, 2013.

In October 2021, in conformity with CMN Resolution No. 4192/13, the Bank issued Subordinated Financial Notes (LFSN) amounting to R\$ 45,000, maturing in October 2031. This operation is subject to annual interest and annual repurchase option as from the 5<sup>th</sup> year. As at December 31, 2021, the adjusted amount of the subordinated debt is of R\$ 46,111.

## 18. Provisions

	<u>12/31/2021</u>	<u>12/31/2020</u>
Provision for financial guarantees given	<b>284,947</b>	279,253
Total - current	<u><b>284,947</b></u>	<u>279,253</u>
Provision for civil, tax and labor contingencies	<b>260,935</b>	227,160
Total - noncurrent	<u><b>260,935</b></u>	<u>227,160</u>
Total	<u><b>545,882</b></u>	<u>506,413</u>

Provision for financial guarantees given refers to financial guarantees provided by the Cooperatives upon transactions performed with the Bank by their associates.

### a) Changes in provision for financial guarantees given

	<u>12/31/2021</u>	<u>12/31/2020</u>
Opening balance	<b>279,253</b>	262,379
Set up of provision	<b>162,071</b>	165,259
Reversal of provision	<b>(156,377)</b>	(148,385)
Closing balance	<u><b>284,947</b></u>	<u>279,253</u>

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### b) Provision for civil, tax and labor contingencies

The System is party to legal proceedings whose likelihood of an unfavorable outcome is rated by the System's legal advisors as probable. Estimated amounts and respective provisions are recorded under provisions and presented below, according to the nature of these liabilities.

<u>Nature</u>	<u>Likelihood of loss</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Labor	Probable	<b>79,893</b>	78,782
Civil	Probable	<b>56,121</b>	38,122
Tax	Probable	<b>124,921</b>	110,256
Total		<b><u>260,935</u></b>	<u>227,160</u>

As at December 31, 2021, the System also recorded labor, civil and tax claims whose likelihood of loss is considered possible amounting to R\$ 44,741, R\$ 181,812 and R\$ 54,250 (R\$ 58,371, R\$ 102,510 and R\$ 42,976 in December 2020), respectively.

Changes in provision for civil, tax and labor contingencies are as follows:

<u>Nature</u>	<u>12/31/2020</u>	<u>Increase in provision</u>	<u>Write-off/Reversal of provision</u>	<u>12/31/2021</u>
Labor	78,782	<b>2,590</b>	<b>(1,479)</b>	<b>79,893</b>
Civil	38,122	<b>20,842</b>	<b>(2,843)</b>	<b>56,121</b>
Tax	110,256	<b>21,250</b>	<b>(6,585)</b>	<b>124,921</b>
Total - noncurrent	<u>227,160</u>	<b><u>44,682</u></b>	<b><u>(10,907)</u></b>	<b><u>260,935</u></b>

In the year ended December 31, 2021, management recorded a provision amounting to R\$ 11,199 (R\$ 5,863 in December 2020) relating to actions that challenge legality of income tax collection on interest on equity and surplus amounts. This amount is retained from the associates and deposited in court, therefore resulting in no impact on the Cooperatives' P&L.

As at December 31, 2021, Sicredi System recorded judicial deposits amounting to R\$ 221,401 (R\$ 191,446 in December 2020), recorded under other assets, referring to these legal proceedings.

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### 19. Other liabilities

	12/31/2021	12/31/2020
Collection of taxes, charges and contributions	42,112	852
Units of interest payable	439,301	329,687
Technical, Educational and Social Fund (FATES)	382,775	274,469
Social fund	43,382	27,508
Voluntary funds	41,993	-
Accrual for profit sharing	560,997	432,516
Other social and statutory obligations	-	8,264
Dividends payable	92,602	70,139
Tax and social security obligations	193,924	188,719
Cashier's checks	547,273	474,208
Provision for payments to be made (Note 19.a)	498,111	387,212
Obligations due to official agreements	11,598	13,803
Credit card transactions	105,757	61,008
Payments on behalf of third parties	97,229	91,989
Funds to be transferred	10,821	12,023
Sundry creditors	330,523	253,103
Amounts under custody linked to loan transactions	23,344	15,913
Other liabilities	84,083	69,294
Total - current	<u>3,505,825</u>	<u>2,710,707</u>

Collection of taxes, charges and contributions refers Tax on Financial Transactions (IOF), Social Security Tax Payment Forms (GPS), Federal Tax Payment Forms (DARFs) and Simplified Tax Regime (Simples Nacional) Collection Document (DAS).

Article 24, paragraph 4 of Law No. 5764/71 establishes that units of interest payable no longer form part of the cooperative's equity when such units become payable, as provided for in the cooperative's bylaws and legislation in force. Under the cooperatives' bylaws, capital shall be refunded within thirty (30) days after approval, by the general meeting, of the statement of financial position for the year in which the termination occurred. The Cooperative may pay this amount in installments, beginning on the same date, within five (5) years. Worth mentioning, amounts available for withdrawal are informed to the citizens by means of the Receivables System, on a monthly basis.

Sundry creditors mostly refer to accounts payable to suppliers and Group companies.

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Breakdown of provision for payments to be made is as follows:

a) Provision for payments to be made

	12/31/2021	12/31/2020
Accrued vacation pay	206,518	150,677
Accrued related charges	73,173	53,181
Provision for productivity bonuses	100,220	32,626
Provision for charges on bonuses	3,161	2,743
Provision for long-term receivables – Executive Board	6,709	4,844
Accrued related charges – long-term receivables – Executive Board	460	230
Provision for redemption of card miles	40,359	38,431
Provision for Credit Cooperative Insurance Fund	16,289	12,915
Provision for adjustment rate – CCR – savings accounts	421	21,527
Other provisions – personnel expenses	5,377	2,905
Other administrative provisions	45,424	67,133
Total	498,111	387,212

## 20. Equity

a) Capital

Capital is divided into shares at par value equivalent to R\$ 1.00 (one real) comprising 9,272,579 shares (8,210,012 shares in December 2020). Each member is entitled to one vote, irrespective of the number of shares held, as follows:

	12/31/2021	12/31/2020
Capital	9,272,579	8,210,012
Number of associates	5,517,502	4,848,404

In the year ended December 31, 2021, the System increased capital amounting by R\$ 1,062,567 (R\$ 730,767 in December 2020), of which R\$ 727,746 (R\$ 534,084 in December 2020) by means of payment of profit and R\$ 907,728 (R\$ 746,204 in December 2020), through payment of shares. In this period, capital decreased, by means of share redemption, in the amount of R\$ 572,907 (R\$ 549,521 in December 2020).

In the Consortia Executive Board meeting held on December 16, 2021, payment amounting to R\$ 12,173 was approved, through reversal of prior periods' reserves. This payment awaits approval by the Central Bank.



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### b) Interest on equity

Interest on equity paid may be remunerated annually at the Central Bank Benchmark Rate (SELIC), upon proposal by the cooperative's Board of Directors. Payment may be in capital shares and/or the associates' checking account.

In the year ended December 31, 2021, interest on equity amounts paid were recorded in P&L for the year amounting to R\$ 338,031 (R\$ 246,116 in December 2020), presented as allocation of surplus amounts in the statement of changes in equity.

### c) Statutory and legal allocations

Pursuant to the cooperatives' bylaws and Law No. 5764/71, net surplus amounts will be allocated as follows:

- From 5% to 85% to the Legal Reserve, aimed at curing losses and meeting the requirements relating to development of the cooperatives' activities;
- From 1% to 16% to the Expansion Reserve, aimed at actions that enable the expansion of the cooperatives in the area of operation;
- A minimum 5% to the Technical, Educational and Social Assistance Fund (FATES), aimed at educational activities and providing assistance to the cooperative members, their families and to cooperative employees.

Additionally, Law No. 5764/71 establishes that:

- (i) The positive results from operations with non-associates will be allocated to FATES account; and
- (ii) Loss computed in the period will be covered by the legal reserve and, if the legal reserve is insufficient, by means of apportionment, between the associates with future years' surplus amounts, as provided for in Supplementary Law No. 130/09. At least 45% will be allocated to the legal reserve, whose purpose is to repair losses and support the development of the cooperative's activities. In the years ended December 31, 2021 and 2020, no losses were incurred.
- The total amount recovered, referring to loan operations written off as loss, may be allocated to the legal reserve, other reserves and funds, at the discretion of the cooperative's Board of Directors; and
- The Cooperative's General Meeting may create other reserves (funds), including those subject to flexible terms, with funds intended for specific purposes, and determine their formation, application and settlement terms, as defined by the Board of Directors, such as expansion reserves, equalization fund and social funds.

### d) Dividend

Under the terms of the Bank's bylaws, net income calculated, after legal and statutory allocations, will be fully distributed to the shareholders.

The bylaws of the Consortia provide for distribution of profits among the members in proportion to shares held.

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### 21. Noncontrolling interests

As at December 31, 2021, Rabo Partnerships B.V. and IFC hold interests of 12.10% (19.45% in December 2020) and 1.59% (2.55% in December 2020), respectively, of the Bank's shares.

The interests of Rabo Partnerships B.V. and IFC are class A preferred shares (PNA) and class B preferred shares (PNB), respectively. Dividends to be paid to these shares are calculated in proportion to the interests held by Rabo Partnerships B.V. and IFC, and equity of the cooperatives, named profit sharing ratio (QPL). As at December 31, 2021, profit sharing ratio of Rabo Partnerships B.V. and IFC is of 1.44% (1.67% in December 2020) and 0.11% (0.12% in December 2020), respectively.

	12/31/2021		12/31/2020	
	Rabo Part.B.V	IFC	Rabo Part.B.V	IFC
Bank equity	2,449,876		1,513,189	
Interest held (%)	12.10%	1.59%	19.45%	2.55%
Interest held (R\$)	296,317	38,926	294,247	38,654
Noncontrolling interests	296,317	38,926	294,247	38,654
QPL	1.44%	0.11%	1.67%	0.12%
Total noncontrolling interests in the year	335,243		332,901	

At the Bank's Executive Board meeting held on December 28, 2021, payment of dividends referring to net income for 2021 was approved.

### 22. Income and social contribution taxes

#### a) Reconciliation of income and social contribution taxes

The Bank's P&L is subject to IRPJ (15% plus 10% on taxable profit exceeding R\$ 240 in the year, on taxable profit) and CSLL (25%). Worth mentioning, in July/2021 and December/2021, the CSLL rate in effect was of 25%.

In the Cooperatives and Confederation, profit earned on non-cooperative acts is subject to IRPJ (15% plus 10% on taxable profit exceeding R\$ 240 in the year, on taxable profit) and CSLL (20% and 9%, respectively). We should stress that, since the Confederation provides services to the System entities, it does not aim at earning profits in its operations. Therefore, no income and social contribution taxes were computed in the year ended December 31, 2021.

In the Consortia, P&L is subject to IRPJ (15% plus 10% on taxable profit exceeding R\$ 240 in the year, on taxable profit) and CSLL (9%).

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Provisions were recorded considering additions, exclusions and offset of income and social contribution tax losses capped at 30% of taxable profit. Breakdown of these amounts is as follows:

	12/31/2021	12/31/2020
Income before profit sharing and interest on equity	5,461,590	3,930,276
Profit sharing and interest on equity	(539,541)	(401,519)
Income after profit sharing and before income taxes and interest on equity	4,922,049	3,528,757
Income and social contribution taxes at tax rates	(2,214,922)	(1,411,503)
Exclusions / (Additions)		
Permanent		
Equity pickup in subsidiaries	2,755	4,718
Tax incentives	1,569	6,939
Set up of provision for profit sharing	(2,186)	(4,044)
Reversal of prior year's income and social contribution taxes	-	13
Income from cooperative acts	2,056,195	1,180,444
Tax loss	4	10,008
Interest on equity	152,114	98,446
Effect of change in social contribution rate (*)	1,572	1,529
Effect of increase in social contribution rate (**)	1,793	-
Other, net	(83,344)	(33,298)
Subtotal	2,130,472	1,264,755
Temporary		
(Provision) for profit sharing	(668)	(33)
(Provision) for loan operations	(24,724)	(6,024)
(Provision) for civil, tax and labor contingencies	(17)	(1,740)
MtM adjustment of securities	66,769	(5,450)
Other provisions	(228)	(2)
Effect of change in social contribution rate (*)	-	(500)
Other, net	(500)	(454)
Subtotal	40,632	(14,203)
Current income and social contribution taxes	(43,818)	(160,951)
Tax credits recorded	(36,630)	11,224
Income and social contribution taxes recorded in P&L	(80,448)	(149,727)

The effect of change in social contribution tax rate difference for the company - Banco, in which the social contribution rate decreased from 20% to 25% as from July 2021 and going back to 20% as from March 2022. The difference effect is applied on the asset and liability balances to deferred taxes in proportion to the rates for current social contribution tax. The effect of change in social contribution tax rate difference for the Cooperatives, in which the social contribution rate increased from 15% to 20% as from July 2021 and going back to 15% as from March 2022.

(\*\*) The effect of the rate increase refers to the rate difference for the other non-financial companies, in which social contribution tax rate is of 9%.

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### b) Deferred tax assets and liabilities

#### *i. Breakdown of deferred taxes*

In the Bank, deferred tax credit assets and liabilities, already considering the tax rates of 25% for income tax and 25% for social contribution tax (at December 31, 2020, the rates considered were of 25% IRPJ and 20% CSLL). In the Consortia Administrator, deferred tax credit assets and liabilities on income and social contribution taxes are recorded at the rates of 25% and 9% respectively, recorded under "Tax credits" in assets and "Deferred tax obligations" in liabilities. Breakdown of these amounts is as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Temporary differences – deferred tax assets		
Provision for civil, tax and labor contingencies	<b>12,684</b>	12,589
Provisions for profit sharing	<b>11,014</b>	10,330
Provision for losses on assets	<b>32,385</b>	9,564
MtM of marketable securities and derivative financial instruments	<b>470</b>	6,556
Other provisions	<b>2,197</b>	2,119
Total	<u><b>58,750</b></u>	<u>41,158</u>
Temporary differences – deferred tax liabilities		
MtM of marketable securities and derivative financial instruments	<b>(55,060)</b>	-
Total	<u><b>(55,060)</b></u>	<u>-</u>

Recognition in accounting took into consideration the probable realization of these taxes based on future results prepared based on internal assumptions and future economic scenarios which may, therefore, change.

As at December 31, 2021, present value of net tax credits, calculated at the average rate of 1.20% (2.66% in December 2020), computed based on the average rate of government securities and loan operations in portfolio, amounts to R\$ 63,333 (R\$ 39,716 in December 2020).

As at December 31, 2021 and 2020, no tax credits were recorded.

#### *ii. Estimated realization period*

As at December 31, 2021 and 2020, deferred tax asset amounts are expected to be realized as follows:

<u>Year</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
2021	-	24,828
2022	<b>30,195</b>	5,603
2023	<b>11,234</b>	8,683
2024	<b>10,390</b>	2,044
2025	<b>6,931</b>	-
Total	<u><b>58,750</b></u>	<u>41,158</u>

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Since the taxable net profit base of income and social contribution taxes derives not only from profit that may be generated but also from whether or not there are non-taxable revenues, non-deductible expenses, tax incentives and other variables, the System's net income and income/(expenses) relating to income and social contribution taxes are not immediately correlated. As such, the expected use of tax credits should not be understood as the sole indication of future results of the System.

### iii. Changes in the period

	Deferred assets		Deferred liabilities		Equity	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Balance at beginning of year	41,158	31,289	-	(2,944)	(872)	(30)
Increase in opening balance of Consortia	215	-	-	-	-	-
Tax credits recorded	155,264	19,680	(147,763)	2,944	5,048	(842)
Tax credits realized	(137,887)	(9,811)	92,703	-	(3,994)	-
Balance at end of year	58,750	41,158	(55,060)	-	182	(872)

## 23. Balances and transactions with related parties

### a) Related institutions

The following entities perform transactions with related parties, including companies that do not form part of the combined financial statements: Asset Administrator, Insurance Broker, SicrediPar, Sicredi Foundation, Card Administrator (in December 2020), Sicredi Confederation (in December 2020), SFG (in December 2020), Consortia Administrator (in December 2020) and Investment Funds managed by the Bank not included in these combined financial statements.

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Transactions with related parties, summarized per accounting group, break down as follows:

	12/31/2021	12/31/2020
<b>Assets</b>	<b>43,992</b>	466,570
Other receivables – income receivable	43,992	56,019
Other receivables – Sundry	-	60,056
Intangible assets	-	350,495
<b>Liabilities</b>	<b>971,436</b>	1,350,369
Demand deposits	5,206	83,241
Time deposits	48,441	16,024
Third-party portfolio	915,677	1,170,824
Sundry	2,112	57,203
Subordinated debt	-	23,077
	<b>12/31/2021</b>	<b>12/31/2020</b>
Revenues	-	37,850
Other operating income	-	37,844
Service revenues	-	6
Expenses	76,230	1,072,913
Open market transactions	75,050	36,240
Other administrative expenses	519	1,415
Other operating expenses	661	1,035,258

In assets, differences in other receivables – sundry and intangible assets derive from Confederation and SFG balances, which were included in the combined financial statements at June 30, 2021 and no longer configure transactions with related parties.

In liabilities, third-party portfolio is comprised on investments in financial treasury bills and national treasury bills recorded in investments funds not included in the consolidated financial statements. Changes in subordinated debt derive from SFG balances, which were included in the combined financial statements at June 30, 2021 and no longer configure transactions with related parties.

In revenues and other operating income, changes derive from Confederation and SFG balances, which were included in the combined financial statements at June 30, 2021 and no longer configure transactions with related parties. Changes in service revenues derive from balances in Sicredi Cartões Ltda., which ceased to exist on November 12, 2020.

### b) Transactions with management members

Transactions with management members refer to loans and (demand or time) deposits maintained in the cooperatives by their management members (directors, officers and Board of Director members).

Loan and funding transactions with related parties were performed under conditions similar to those practiced by third parties, in effect at transaction dates.



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Guarantees given for loan transactions are collateral signatures, mortgage guarantees, pledges and chattel mortgage. Transactions with management members, summarized per accounting group, are as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Assets	<b>515,018</b>	393,538
Credit operations	<b>515,018</b>	393,538
Liabilities	<b>381,972</b>	352,614
Demand deposits	<b>39,090</b>	42,060
Time deposits	<b>342,882</b>	310,554

### c) Key management personnel compensation

Sicredi key management personnel compensation follows the compensation policy defined by the System, and is approved by decision of each entity's specific forums.

Total key management personnel compensation for the year ended amounted to R\$ 396,052 (R\$ 344,726 in December 2020), which is considered a short-term benefit and a post-employment benefit.

Concerning compensation of the Bank's and Confederation's management, the current policy establishes that 50% of variable compensation, if any, will be readily paid and 50% will be available in three successive equal annual installments, the first of which maturing in the year subsequent to payment date. This procedure is in compliance with CMN Resolution No. 3921/10, which provides for the policy for compensation of management of financial institutions.

## 24. Investment funds managed by the Bank

The Bank manages investment funds, whose equity as at December 31, 2021 amounted to R\$ 14,007,015 (R\$ 12,245,876 in December 2020), not considering the funds consolidated in these combined financial statements.

Revenue from investment fund management in the year ended amounted to R\$ 9,193 (R\$ 10,232 in December 2020) and is presented under service revenues.

The investment funds are audited at various base dates by other independent auditors.

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### 25. Service revenues

	2021 2H	12/31/2021 Year	12/31/2020 Year
Fund management	4,719	9,193	10,232
Collection	186,378	361,349	316,063
Custody	709	1,365	1,912
Bank services	499,819	972,059	941,934
Clearance processing	15,242	33,261	34,272
Cards	577,280	1,034,343	701,514
Insurance	241,693	465,354	412,390
Consortia	149,258	292,235	201,162
Agreements	47,116	91,847	82,832
Payment services	7,671	13,402	19,439
Fund rates	3,231	5,968	-
Other services	40,006	73,250	29,001
Total	1,773,122	3,353,626	2,750,751

Changes in fund rates and other services derive from inclusion of the Confederation in the combined financial statements at June 30, 2021.

### 26. Other operating income

	2021 2H	12/31/2021 Year	12/31/2020 Year
Absorption of expenditures - FATES	73,084	119,428	92,544
Recovery of charges and expenses	172,290	317,126	247,874
Reversal of provision for financial guarantees given	69,424	156,336	148,112
Reversal of operating provisions	50,014	68,953	86,937
Reversal of provision for civil, tax and labor contingencies	20,513	34,438	33,245
Funds received from Sicredi Fundos Garantidores	-	-	48,544
Profit upon disposal of amounts and assets	22,925	40,698	25,268
Offset – Refund of Operating Expenses (RCO)	46,122	85,103	67,669
Non-mandatory funds	22,932	37,948	21,148
Rent of Sicredi card machines	55,203	105,251	63,182
Exchange differences on cards	-	30	10,296
Refund of costs of cards used abroad	12,159	20,383	6,720
Other revenues	28,273	56,247	56,579
Total	572,939	1,041,941	908,118

Recovery of charges and expenses refer mostly to refunds of administrative expenses, the cooperatives' contribution to the centrals, cards and commissions on pledges.

Changes in fund received from Sicredi Fundos Garantidores derive from inclusion of SFG in the combined financial statements at June 30, 2021.

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### 27. Personnel expenses

	2021 2H	12/31/2021 Year	12/31/2020 Year
Salaries	1,234,968	2,300,820	1,751,013
Benefits	443,461	827,653	650,497
Social charges	438,946	778,809	606,527
Training	15,661	22,674	11,906
Other personnel expenses	1,378	2,022	966
Total	<u>2,134,414</u>	<u>3,931,978</u>	<u>3,020,909</u>

As at December 31, 2021, the System had 34 thousand employees, which represents an increase of 14% as compared with December 2020 headcount (29.7 thousand employees).

### 28. Administrative expenses

	2021 2H	12/31/2021 Year	12/31/2020 Year
Water, power and gas	44,524	85,703	71,269
Rents	180,629	341,679	281,736
Communication	90,244	168,203	106,577
Depreciation and amortization	207,846	399,432	372,168
Technical, educational and social assistance expenses	74,476	120,892	96,257
Social funds	7,407	14,697	948
Maintenance and upkeep of assets	117,634	213,426	156,831
Materials and supplies	32,839	59,494	51,392
Data processing	248,812	467,287	105,342
Promotions, public relations, advertising and publicity	235,184	394,746	313,699
Tariff refunds	17,772	34,121	33,626
Financial System Services	153,480	314,883	250,341
Third-party services	523,068	956,087	577,875
Fees	37,128	70,557	59,569
Transportation	76,953	147,785	130,307
Travel	20,378	27,850	20,693
Other	95,529	174,863	185,947
Total	<u>2,163,903</u>	<u>3,991,705</u>	<u>2,814,577</u>

Data processing refers mainly to software use licenses, system development and maintenance and other data processing expenses.

Financial system services substantially comprise expenses with provision of services relating to allocation of funds from BNDES loan facilities and equalization of costs of National Family Farming Strengthening Program (PRONAF) programs.

Third-party services refer to services outsourced by the System such as surveillance, legal services and credit card processing.

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Social funds refer to actions focused on social inclusion, education and health, in which 12.7 million were invested, representing a significant increase as compared with December 2020. Additionally, actions were performed for specific purposes in the areas of environment, sports, culture and security, which generated a direct positive impact on the communities and the environment.

### 29. Other operating expenses

	2021	12/31/2021	12/31/2020
	2H	Year	Year
Contribution to Sicredi Confederation	-	-	701,881
Contribution to Sicredi Fundos Garantidores	-	-	70,473
Provision for financial guarantees given	102,823	162,071	165,259
Provision for civil, tax and labor contingencies	39,560	72,009	76,160
Discounts granted in renegotiations	128,237	242,776	298,526
Cards	189,960	358,222	350,197
Contribution to Organização das Cooperativas Estaduais	7,450	14,467	13,725
Operating losses	18,204	35,902	30,167
Offset – Refund of Operating Expenses (RCO)	59,639	111,048	92,018
Loss on disposal of amounts and assets	8,786	19,078	17,415
Operating provisions	(6,297)	22,322	21,972
Services associated with payment transactions	672	672	8
Social Security Institute (INSS)	13,067	24,890	4,395
Other	59,727	105,532	114,246
Total	621,828	1,168,989	1,956,442

Changes in Sicredi Confederation and Sicredi Fundos Garantidores contributions derive from inclusion of the respective entities in the combined financial statements at June 30, 2021.

### 30. Recurring and non-recurring income (loss)

	2021	12/31/2021	12/31/2020
	2H	Year	Year
Non-recurring events			
Provision for expected losses associated with credit risk (additional)	-	-	(3,393)
Effects of change in social contribution rate	(1,572)	(1,572)	(1,529)
Funds received from Sicredi Fundos Garantidores	-	-	(48,544)
Recovery of receivables deriving from loans granted	401	401	-
Tax proceedings referring to COFINS recovery	1,552	1,552	-
Sale of real properties and of properties owned by the Cooperatives	1,075	1,075	-
Gains from civil proceedings	332	332	-
Reimbursement of registration and collection services	(721)	(721)	-
Non-recurring income (loss)	1,067	1,067	(53,466)

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### 31. Non-cash transactions

Net balances that did not affect cash in the year ended December 31, 2021, deriving from inclusion of Sicredi Confederation, Consortia Administrator and SFG in the combined financial statements are as follows:

	12/31/2021
	Year
Marketable securities and derivative financial instruments	428,244
Credit operations	37
Other financial assets	28,591
Provision for expected losses associated with credit risk	(37)
Tax credits	215
Other assets	81,750
Other financial liabilities	(46,385)
Provisions	(3,588)
Other liabilities	(157,152)
Retained earnings (accumulated losses)	(333,260)
Total	(1,585)

### 32. Capital and risk management structure

Sicredi System considers risk management a priority in conducting its activities and business, and adopts practices in absolute consonance with the precepts of Basel Accords. As such, the System has specialized areas for managing these risks, centralized in Banco Cooperativo Sicredi S.A. Major risks managed by the Institution include the capital management structure, and operational, going-concern, market, interest rate variation, liquidity, credit, social and environmental, compliance and information security risk, whose key aspects are presented as follows:

#### a) Capital management structure

For purposes of the legislation currently in force, capital management is defined as the continuous process of:

- Monitoring and controlling capital maintained by the Institution;
- Assessing the capital requirements to cover the risks to which the Institution is subject;
- Planning capital objectives and needs, considering the Institution's strategic objectives.

Capital management of Sicredi System institutions is centralized in Banco Cooperativo Sicredi, by means of a unified structure compatible with the nature of the operations, complexity of the products and dimension of the System's exposure to risk. The centralized structure is responsible for establishing the processes, policies and systems that support the System's entities in managing capital.

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The processes and policies for capital management are defined in accordance with the minimum requirements of the regulation in force, in line with best market practices, and approved by the relevant hierarchy levels of each System institution.

The processes used by Sicredi System for managing capital include:

- Mechanisms that enable the identification, assessment and monitoring of the significant risks incurred by the Institution, including risks not covered by the minimum legal capital requirements;
- Capital objectives at levels above the minimum legal requirements and that reflect the System's risk appetite, in order to maintain capital to support the risks incurred and ensure that the business grows sustainably and efficiently;
- A capital plan for each System institution, consistent with the strategic planning and comprising a horizon of at least three years;
- Stress tests and measurement of impacts thereof on capital;
- Periodic management reports on capital adequacy for the executive board and board of directors;

### b) Operational risk

This risk is defined as the possibility of loss occurrence resulting from external events, or failure, deficiency or inadequacy of internal processes, people or systems. This definition also includes the legal risk associated with inadequacy or deficiency in agreements entered into by the Institution, with sanctions due to non-compliance with legal provisions or indemnities for damages to third parties deriving from the activities developed by the Institution. Operational risk is managed jointly by the Bank, Centrals and Single Cooperatives. These entities are responsible for complying with internal and external rules and regulations, using tools, methodologies and processes systemically established. These processes are comprised of a set of actions aimed at keeping the risks to which each institution is exposed in appropriate levels. The actions are as follows:

- Internally-established regulations containing rules, roles and responsibilities for managing operational risk spread to the Institution's personnel;
- Identification, assessment, treatment and monitoring of operational risks;
- Storage, monitoring and inquiry on operating losses in order to keep such losses at levels considered acceptable by the Institution;
- Structured periodic reports on significant matters relating to operational risk and internal controls provided to those in charge of governance;
- Implementation and maintenance of qualification programs on culture of risks and controls in the Institution;
- Periodic stress tests for operational risk scenarios;
- Procedures aimed at ensuring the continuity of the institution's activities and limiting losses derived from interruption of critical business processes, including impact analyses and periodic tests on continuity plans.

Additionally, a set of procedures is under implementation to assess, manage and monitor the operational risk deriving from outsourced services that are significant for Institution's regular operation.



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### c) Going-concern risk

Business Continuity Management (GCN) is the organization's ability to continue delivering products and/or services at a previously defined acceptable level, following interruption incidents.

Sicredi has a structure to respond adequately to recovery, restoration and the agreed levels of availability for the most critical processes of the System's centralizing entities, upon occurrence of events that cause the interruption of its services, thus preserving the interests of all parties involved. Through a Business Impact Analysis (BIA), the main business processes of the institution are identified as well as the IT services that support these processes and, thus, the adopted business continuity strategies are defined.

Sicredi's Integrated Risk Management Policy and Business Continuity Rule provide the basic principles and necessary structure to guarantee the adequate response to recovery, restoration and the agreed levels of availability for the most critical processes of the entities.

Sicredi's Business Continuity Management system comprises:

- Going-concern Management Rule;
- Business impact analysis (BIAs);
- IT and business disaster recovery strategies;
- IT and operating continuity plans.

Finally, Sicredi provides all its branches with a guide for these branches' activity continuity, which allows preparation of a customized document, in order to meet the main activity interruption scenarios.

### d) Market risk

This is the possibility of loss occurrence due to fluctuation in market values of positions held by a financial institution. Operations subject to currency, interest rate, share price and commodity price risks are included in this definition.

Market risk management of Sicredi System institutions is centralized in Banco Cooperativo Sicredi, by means of a unified structure compatible with the nature of the operations, complexity of the products and dimension of the System's exposure to risk. The centralized structure is responsible for establishing the processes, policies and systems that support the System's entities in managing market risk.

The processes and policies for market risk management are defined in accordance with the minimum requirements of the regulation in force, in line with best market practices, and approved by the relevant hierarchy levels of each System institution.

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The processes for managing Sicredi System's market risk include:

- Clear rules for classifying the trading portfolios, which ensure the correct treatment of the operations;
- Procedures for measuring, monitoring and maintaining market risk exposure at levels considered acceptable by the Institution;
- Processes to monitor and report compliance with the Institution's market risk appetite in relation to its capital;
- Definition of market risk methodologies to be applied;
- Systems to calculate and measure risks, considering the complexity of the products and dimension of market risk exposure of the System's institutions.

### e) Interest rate risk for instruments classified in the bank portfolio (IRRBB)

This is the current or prospective risk of impacts from adverse variations in interest rates on P&L or the institution's economic value, resulting from instruments classified in the bank portfolio.

IRRBB risk management of Sicredi System institutions is centralized in Banco Cooperativo Sicredi, by means of a unified structure compatible with the nature of the operations, complexity of the products and dimension of the System's exposure to risk. The centralized structure is responsible for establishing the processes, policies and systems that support the System's institutions in managing IRRBB risk.

For measuring and controlling this risk in Sicredi, the economic value (EVE) and financial brokerage income (NII) approaches are used. Sicredi System defines the rules for calculating the risk of variation in interest rates to which its operations are subject in line with market practices and the requirements of current regulations.

The processes for managing Sicredi System's IRRBB risk include:

- Procedures for measuring, monitoring and maintaining IRRBB risk exposure at levels considered acceptable by the Institution;
- Processes to monitor and report compliance with the Institution's IRRBB risk appetite in relation to its capital;
- Definition of IRRBB risk methodologies to be applied;
- Systems to calculate and measure risks, considering the complexity of the products and dimension of IRRBB risk exposure of the System's institutions.

### f) Liquidity risk

Understanding liquidity risk is essential for sustainability of the institutions that operate in the financial and capital markets, and is associated with the entity's ability to fund the commitments acquired at reasonable market prices and conduct its business plans using stable funding sources. For this effect, liquidity risk is defined as:

- The possibility that the institution will not be able to efficiently honor its expected and unexpected, current and future obligations, including obligations deriving from guarantees given, without affecting the institution's daily operations or incurring in significant losses; and

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- The possibility that the institution will not be able to trade a certain position at market price, due to its large size in relation to the volume usually transacted or by reason of market discontinuity.

Market risk management of Sicredi System institutions is centralized in Banco Cooperativo Sicredi, by means of a structure compatible with the nature of the operations, complexity of the products and dimension of the System's exposure to risk. The centralized structure is responsible for establishing the processes, policies and systems that support the System's entities in managing liquidity risk.

The processes and policies for liquidity risk management are defined in accordance with the requirements of the regulation in force, in line with best market practices, and approved by the relevant hierarchy levels of each System institution.

The processes used by Sicredi System for managing liquidity risk include:

- Definition of processes for identifying, assessing, monitoring and controlling exposure to liquidity risk in different time horizons;
- Establishment of processes for tracking and reporting on compliance with liquidity risk appetite and at levels considered acceptable by the Institution;
- Definition of funding strategies that allow for appropriate dispersion of funding sources and maturity periods;
- Definition of a liquidity contingency plan, regularly updated, which establishes responsibilities and procedures to face liquidity stress situations;
- Stress tests periodically conducted in short and long-term scenarios.

### g) Credit risk

This consists in identifying, measuring, controlling and mitigating risks derived from loan transactions performed by the financial institutions.

Sicredi manages credit risk by means of a centralized structure and by the local areas and collegiate committees.

Banco Cooperativo Sicredi is responsible for the set of policies, strategies and methodologies to control and manage exposure to credit risk of the System entities, to wit: responding for the corporate credit risk management policies; developing and proposing credit risk classification methods, including by means of quantitative models; checking and controlling the capital requirements for covering the credit risk assumed; and constantly monitoring exposure to credit risk of all Sicredi companies.

The local areas and collegiate committees are in charge of managing credit risk, in compliance with the policies and limits systemically pre-established.

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### h) Social environmental risk

This is defined as the possibility of losses incurred by the financial institutions deriving social, environmental and climate damages. In addition, this risk is indirectly involved in a series of other risks and may generate financial, legal and reputation impacts. Sicredi manages this risk by means of a centralized structure and by the local areas and collegiate committees. The processes and policies for social environmental risk management are defined in accordance with the requirements of the regulation in force, in line with best market practices, and approved by the relevant hierarchy levels of each System institution.

The processes for managing Sicredi System's social environmental risk include:

- Internally-established regulations containing rules, methods and responsibilities for managing this risk;
- Monitoring of limitations and prohibitions of exposures subject to social environmental risk, adhering to the risk appetite of the system;
- Collection and use of data to measure, classify and assess social, environmental and climate risks in operations;
- Periodic stress tests for social environmental risk scenarios;
- Communicating with and reporting to environmental entities, federations, business partners and governance forums;
- Constant evolution of the strategy on the matter, aiming at alignment with market techniques and technologies, as well as stakeholders' expectations.

### i) Compliance risk

This is defined as the possibility of sanctions, financial losses, reputational and other damages arising from noncompliance or failure to comply with external rules (laws and regulations), recommendations from regulatory entities, self-regulatory codes applicable as well as official internal regulations.

Compliance risk management, within the scope of Sicredi, is under the responsibility of the Compliance Superintendence, a structure that forms part of Banco Cooperativo Sicredi S.A. which, for systemic monitoring, offers support and information, both to the areas of the Administrative Center companies and to the Central and Single Cooperatives, regarding the compliance process and compliance risk management.

The compliance function is performed in the development and execution of the Compliance Program, structured on the following pillars: (i) Prevention; (ii) Detection; and (iii) Correction.

The processes for managing compliance risk include:

- Identification of the institution's compliance risks;
- Communication, qualification and training of all levels of the Entity for appropriately managing compliance risks and meeting legal and self(regulation) requirements;
- Monitoring significant processes referring to the measures adopted for mitigating compliance risks and correcting deficiencies in order to promote conformity;

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- Reporting relevant adjustments and new measures to mitigate risks, as well as identified non-conformities;
- Identifying actions and/or processes associated with the main risks, which need to be reviewed, updated or implemented, seeking effectiveness of the Compliance Program as a whole;
- Treating identified non-compliance and developing awareness-raising actions, seeking to avoid recurrence.

### j) Information security risk

This is defined as the risk relating to the probability that a weakness will be explored, considering all related threats, and the respective impact on confidentiality, completeness or availability of the information. Cyber security risk are included in the context of information security risk.

In Sicredi, information security risk is managed in a jointly manner by the Bank, Centrals and Cooperatives, which are responsible for complying with internal and external regulations, using systemic tools and methodologies that may be supplemented by local actions. The processes and actions relating to information security are aimed at maintaining the risks at acceptable levels, including use of appropriate and effective controls, in compliance with the business costs, technology and objectives.

### k) Additional information

Description of the full structure and process for management of risks and capital may be accessed at [www.sicredi.com.br](http://www.sicredi.com.br), path: Sobre nós > Relatórios > Gestão de Riscos > Publicações Sistêmicas > Gerenciamento de Riscos Pilar 3 - Sistêmico.

Social and Environmental Risk Management Policy and Sustainability Report, as well as documents containing detailed information on the related processes may also be accessed at [www.sicredi.com.br](http://www.sicredi.com.br), path: Sobre nós > Sustentabilidade > Políticas e Relatórios.

## 33. Property and equipment and Basel Indices

Financial and other institutions authorized to operate by the Central Bank of Brazil should maintain, at all times, Reference Assets (RA) computed under the terms of CMN Resolutions No. 4192/13 and No. 4193/13, commensurate with the risks inherent in their activities.

Despite the combined financial statements, Bacen requires that each of the institutions included in the combined financial statements comply with reference asset levels.

As at December 31, 2021, all the institutions included in the combined financial statements are in compliance with the Basel parameters established by Bacen.

## 34. Correspondent banks

As allowed by CMN Resolution No. 3263/05, the System entered into agreements referring to clearance and settlement of obligations in the sphere of Brazil's National Financial System (SFN). Amounts receivable and payable are recorded in the statement of financial position in the respective headings relating to the products, in assets and liabilities, respectively, with no offset.

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### 35. Commitments, guarantees and other responsibilities

#### a) Commitments, guarantees and other responsibilities

	<u>12/31/2021</u>	<u>12/31/2020</u>
Credits open to export		
Exchange to be contracted	3,392	1,350
Co-obligations for guarantees given		
Beneficiaries of guarantees given	31,647	53,233
Co-obligations in credit assignments	1,896	2,693
Depositories of amounts in custody/guarantee	296,287,207	7,368,985
Notes under collection	38,563,543	26,662,161

The increase in depositories of amounts in custody/guarantee refers mostly to fixed-income securities, i.e. Bank Deposit Certificates (CDB) recorded under Fundo de Investimento Renda Fixa Crédito Privado Zeramento, whose activities began on June 30, 2021.

#### b) Other guarantees

	<u>12/31/2021</u>	<u>12/31/2020</u>
B3 guarantee margin	425,604	196,462

### 36. Insurance coverage

The System takes out insurance for its assets subject to risks and operations. System management analyzed insurance coverage and deemed it sufficient to cover any losses. The risk assumptions adopted, given their nature, are not within the scope of an audit of financial statements; accordingly, such assumptions were not audited by our independent auditors.

### 37. Other matters

#### a) Covid-19 Pandemic

In the period, we continued complying with the sanitary measures and recommendations of the Brazilian Ministry of Health and other relevant authorities to fight the novel coronavirus pandemic (COVID 19) in Brazil. As a cooperative financial institution, our business model allows us to closely monitor the reality of our associates and of the areas where we operate, which enables us to expand the offers of financial solutions to meet each individual need in fighting this crisis and maintaining the business.

In order to support our entrepreneur associates, we kept our loan facilities active, mainly serving micro and small customers. Our related credit portfolio recorded an increase of 47.6% (totaling R\$ 8.7 billion) and 29.7% (R\$ 19.1 billion), respectively.

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Our electronic service means (ATMs, internet banking, applications) continue supporting many of our demands, since these are full-fledged channels that allow most operations to be performed without the need to go to a branch. In addition, we continue increasing the service possibilities via WhatsApp, therefore resolving many requests more quickly.

At the same time, our branches resumed face-to-face work, following the protocols set out by health authorities and maintaining this relationship channel with our associates. We remain strongly committed with our mission to contribute to improving the quality of life of our associates and of society as a whole, also by means of initiatives such as Eu Coopero com a Economia Local, which strengthens cooperativism as an economic activity driver in Brazil.

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

On January 21, 2022, for the first time, Banco Sicredi issued Subordinated Green Bonds amounting USD 100 million from BID Invest, a member of the Interamerican Development Bank (BID). The amount raised by Sicredi will be fully allocated to funding renewable energy and energetic efficiency projects for its associates.