



Combined Interim Financial Statements

March 31, 2022
with Independent Auditor's Report



Sistema de Crédito Cooperativo - Sicredi

Combined interim financial statements

March 31, 2022

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A free translation from Portuguese into English of Independent auditor's review report on combined interim financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

Independent auditor's review report on combined interim financial statements

To the Shareholders, Board of Directors and Officers of
Sistema Cooperativo Sicredi S.A.

Introduction

We have reviewed the combined interim financial statements of Sistema Cooperativo Sicredi S.A. ("System") for the quarter ended March 31, 2022, which comprise the combined statement of financial position as at March 31, 2022 and the combined statements of profit or loss and of comprehensive income for the three-month period then ended and the combined statements of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

The executive board is responsible for the preparation of the combined interim financial statements in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, provided for in CMN Resolution No. 4151 of October 30, 2012 and Bacen Memorandum Circular No. 3669, described in Note 2. Our responsibility is to express a conclusion on these combined interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the combined interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying combined interim financial statements included in the quarterly information referred to above was not were not prepared, in all material respects, in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, as well as the provisions for the preparation of combined financial statements contained in CMN Resolution No. 4151 of October 30, 2012 and Bacen Memorandum Circular No. 3669, described in Note 2.

Emphasis of matter

Basis of preparation and presentation of the combined interim financial statements

We draw attention to Note 2 to combined interim financial statements, which describes the basis of preparation and presentation of combined interim financial statements. The combined interim financial statements were prepared for the purpose of providing, by means of a single set of financial statements, information on the activities performed by Sistema de Crédito Cooperativo at March 31, 2022, taking into consideration the guidance established in CMN Resolution No. 4151 of October 30, 2012 and Bacen Memorandum Circular No. 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). As such, these combined interim financial statements may not be appropriate for other purposes. Our conclusion is not qualified in respect of this matter.

Restatement of corresponding figures

We draw attention to Note 2 to the combined interim financial statements, which describes the restatements of figures corresponding to the year ended December 31, 2021, related to reclassifications of balances from investments in investment funds to cash and cash equivalents, due to their immediate convertibility. In this context, the corresponding figures for the year ended December 31, 2021, presented for comparison purposes, have been adjusted and are being restated as provided for in NBC TG 23, or CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors. 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 three-month period ended March 31, 2022, prepared under the responsibility of management of Sicredi System and presented as supplementary information to the provisions for preparation of the combined interim financial statements set out in CMN Resolution No. 4151 and Bacen Memorandum Circular No. 3669, was subject to review procedures performed in conjunction with the review of the combined interim financial statements. In order to form our conclusion, we assessed whether this statement is reconciled to the combined interim 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. 2. In our conclusion, 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 interim financial statements as a whole.



Review of corresponding figures

The System's combined interim financial statements for the three-month period ended March 31, 2021, presented for comparison purposes, have not been reviewed by us or any other independent auditor.

Porto Alegre, May 27, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-SP015199/F


Renata Zanotta Calçada
Accountant CRC-1RS062793/O-8

A free translation from Portuguese into English of combined interim financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

Sistema de Crédito Cooperativo - Sicredi

Combined statement of financial position
March 31, 2022 and December 31, 2021
(In thousands of reais)

	Note	03/31/2022	12/31/2021 (restated)
Assets			
Cash and cash equivalents	3	1,479,981	1,443,685
Financial instruments		204,739,837	191,834,675
Short-term interbank investments	4	23,179,369	33,716,227
Compulsory deposits in Central Bank of Brazil		3,859,455	3,792,066
Marketable securities and derivative financial instruments	5	40,187,821	22,513,768
Own portfolio		37,981,989	19,373,251
Linked to repurchase agreements		1,701,630	2,480,595
Linked to guarantees given		489,429	533,516
Derivative financial instruments		14,773	126,406
Credit operations	6	131,742,314	127,048,187
Other financial assets	7	10,299,869	8,920,459
Allowance for expected losses associated with credit risk	6.e	(4,528,991)	(4,156,032)
Tax credits		249,530	58,750
Other assets		1,141,312	1,055,318
Investments in subsidiaries		81,794	79,742
Other investments		1,037	921
Property and equipment in use		2,968,407	2,766,748
Intangible assets		323,706	333,916
Total assets		210,985,604	197,573,755
Liabilities			
Deposits and other financial instruments		180,702,237	168,254,172
Deposits	8	136,341,429	129,536,750
Open market funding	8	3,254,194	3,257,872
Funds from acceptance and issue of securities	9	12,374,003	9,069,682
Loan obligations	10	3,888,461	4,488,697
Domestic onlending obligations - official institutions	10	14,570,189	14,412,086
Derivative financial instruments	5.c	459,881	29,404
Other financial liabilities	11	9,814,080	7,459,681
Provisions	12	565,559	545,882
Deferred tax obligations		13,132	55,060
Other liabilities		3,127,588	3,505,825
Equity		26,223,783	24,877,573
Capital		9,541,561	9,272,579
Income reserves		14,126,283	14,141,417
Other comprehensive income		103	186
Retained earnings		2,555,836	1,463,391
Noncontrolling interests	13	353,305	335,243
Total liabilities and equity		210,985,604	197,573,755

See accompanying notes.

Sistema de Crédito Cooperativo - Sicredi

Combined statement of profit or loss
Three-month periods ended March 31, 2022 and 2021
(In thousands of reais)

	Note	Accumulated balance at March 31	
		2022	2021 (not reviewed)
Trading revenues		5,662,110	3,378,606
Credit operations	6.f	4,715,307	2,990,201
Revenue from marketable securities		1,425,123	213,803
Income (loss) on derivative financial instruments	5.c	(563,532)	139,778
Foreign exchange transactions		21,759	21,407
Compulsory investments		63,453	13,417
Trading expenses		(2,040,240)	(779,488)
Open market transactions	17	(2,488,263)	(423,749)
Borrowings and onlending		448,023	(355,739)
Trading profit (loss)		3,621,870	2,599,118
Allowance for expected losses associated with credit risk		(651,890)	(339,097)
Gross trading profit		2,969,980	2,260,021
Other operating income		1,403,628	944,906
Service revenues	16	914,298	729,625
Equity pickup in subsidiaries		2,053	2,345
Other operating income		487,277	212,936
Other operating expenses		(2,812,395)	(2,044,130)
Personnel expenses	18	(1,094,273)	(783,227)
Administrative expenses	19	(1,228,150)	(753,054)
Tax expenses		(62,804)	(21,418)
Other operating expenses		(427,168)	(486,431)
Income before taxes and profit sharing		1,561,213	1,160,797
Income and social contribution taxes		2,373	(30,104)
Income tax		(128,272)	(4,813)
Social contribution tax		(101,982)	(2,870)
Deferred tax credits, net		232,627	(22,421)
Employee profit sharing		(136,621)	(102,518)
Noncontrolling interests		(18,045)	(15,966)
Net income for the period		1,408,920	1,012,209

See accompanying notes.

Sistema de Crédito Cooperativo - Sicredi

Combined statement of comprehensive income
Three-month periods ended March 31, 2022 and 2021
(In thousands of reais)

	Accumulated balance at March 31	
	2022	2021 (not reviewed)
Net income for the period	1,408,920	1,012,209
Noncontrolling interests	18,045	15,966
Net income attributed to shareholders	1,426,965	1,028,175
Marketable securities available for sale	(164)	2,092
Taxes on adjustments to marketable securities available for sale	81	(1,020)
Total adjustments not included in net income for the period	(83)	1,072
Comprehensive income for the period	1,426,882	1,029,247
Attributed to shareholders		
Net income attributed to controlling interests	1,408,837	1,013,281
Net income attributed to noncontrolling interests	18,045	15,966

See accompanying notes.

Sistema de Crédito Cooperativo - Sicredi

Combined statement of changes in equity

Three-month periods ended March 31, 2022 and 2021

(In thousands of reais)

	Income reserves			Other comprehensive Income (loss)	Retained earnings	Controlling interests	Noncontrolling interests	Total	
	Capital	Legal reserve	Expansion reserve						Other reserves
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									
Adjustments to market value - marketable securities	-	-	-	-	1,072	-	1,072	174	1,246
Allocation of net income of the prior year									
Distribution of surplus to associates	165,117	-	-	-	-	(300,925)	(135,808)	-	(135,808)
Allocation to reserves	-	16,541	17,416	1,113	-	(21,070)	14,000	-	14,000
Social fund	-	-	-	-	-	(5,898)	(5,898)	-	(5,898)
Other allocations	-	(35,043)	-	10,235	-	4,692	(20,116)	-	(20,116)
Capital increase	186,057	-	-	-	-	-	186,057	-	186,057
Capital write-offs	(151,706)	-	-	-	-	-	(151,706)	-	(151,706)
Reversals of reserves	-	-	-	(2,309)	-	-	(2,309)	-	(2,309)
Net income for the period	-	-	-	-	-	1,012,209	1,012,209	15,966	1,028,175
Profit allocation									
Allocation to reserves	-	-	-	-	-	-	-	100	100
Interest on equity	732	-	-	-	-	(5,062)	(4,330)	-	(4,330)
Balances at March 31, 2021 (not reviewed)	8,410,212	10,735,195	202,487	63,425	151	1,706,476	21,117,946	349,141	21,467,087
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
Other comprehensive income									
Adjustments to market value - marketable securities	-	-	-	-	(83)	-	(83)	(16)	(99)
Allocation of net income of the prior year									
Distribution of surplus to associates	153,271	-	-	-	-	(257,441)	(104,170)	-	(104,170)
Allocation to reserves	-	15,764	1,941	198	-	(16,712)	1,191	-	1,191
Reversals of reserves	-	-	(10,538)	(923)	-	923	(10,538)	-	(10,538)
Social fund	-	-	-	-	-	(4,258)	(4,258)	-	(4,258)
Other allocations	-	(362)	433	(21,647)	-	(38,987)	(60,563)	-	(60,563)
Capital increase	236,443	-	-	-	-	-	236,443	-	236,443
Capital write-offs	(120,674)	-	-	-	-	-	(120,674)	-	(120,674)
Net income for the period	-	-	-	-	-	1,408,920	1,408,920	18,045	1,426,965
Profit allocation									
Allocation to reserves	-	-	-	-	-	-	-	33	33
Interest on equity	(58)	-	-	-	-	-	(58)	-	(58)
Balances at March 31, 2022	9,541,561	13,446,102	250,638	429,543	103	2,555,836	26,223,783	353,305	26,577,088

See accompanying notes.

Sistema de Crédito Cooperativo - Sicredi

Combined statement of cash flows

Three-month periods ended March 31, 2022 and 2021

(In thousands of reais)

	Accumulated balance at March 31	
	2022	2021
		(not reviewed)
Cash flows from operating activities		
Net income before income and social contribution taxes	1,406,547	1,042,313
Adjustments to net income before taxes		
Adjustment to market value - marketable securities and derivatives	13,374	40,502
Allowance for expected losses associated with credit risk	651,890	339,097
Provisions for financial guarantees given	15,434	429
Depreciation and amortization	130,451	97,332
Loss on disposal of property and equipment	4,812	1,575
Provision for liabilities and contingencies	7,709	4,352
Interest on subordinated debt	5,870	767
Equity pickup in subsidiaries	(2,053)	(2,345)
Other comprehensive income	(83)	1,072
Adjusted net income for the period	2,233,951	1,525,094
Changes in assets and liabilities		
Decrease (increase) in short-term interbank investments	(390,725)	42,952
(Increase) in compulsory deposits with Bacen	(67,389)	(42,647)
(Increase) in marketable securities and derivative financial instruments	(17,256,950)	(5,448,879)
(Increase) in credit operations	(5,005,237)	(6,004,714)
(Increase) in other financial instruments	(1,379,410)	(703,561)
(Increase) in tax credits	(190,780)	(31,870)
(Increase) in other assets	(85,994)	(49,148)
Increase in deposits	6,804,679	6,129,854
Increase (decrease) in open market funding	(3,678)	2,241,468
Increase (decrease) in borrowings and onlending	(442,133)	299,676
Increase in other financial liabilities	4,721,081	1,503,713
Increase in provisions	11,968	11,053
Increase (decrease) in deferred tax obligations	(41,928)	55,311
(Decrease) in other liabilities	(349,294)	(579,484)
Income and social contribution taxes paid	(90,258)	(65,481)
Net cash flows (used in) operating activities	(11,532,097)	(1,116,663)
Cash flows from investing activities		
Acquisition of intangible assets	(25,581)	(12,654)
Acquisition of property and equipment for own use	(294,923)	(141,589)
Acquisition of other investments	(116)	-
Net cash flows (used in) investing activities	(320,620)	(154,243)
Cash flows from financing activities		
Subordinated debt	931,769	(1,417)
Capital increase	236,443	186,057
Capital write-offs	(120,674)	(151,706)
Dividends paid	(104,170)	(135,808)
Noncontrolling interests	18,062	16,240
Net cash flows from (used in) financing activities	961,430	(86,634)
Increase (decrease) in cash and cash equivalents	(10,891,287)	(1,357,540)
Cash and cash equivalents at beginning of period	35,022,205	14,259,648
Cash and cash equivalents at end of period	24,130,918	12,902,108

Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2022

(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 2,256 service points. The structure also relies on five Regional Centers ("Centers") – shareholders of Sicredi Participações S.A. ("SicrediPar") – the Confederation of Sicredi Cooperatives ("Sicredi Confederation" or "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, Porto Alegre/RS, main office of Sicredi Administrative Center ("CAS").

With 5.7 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 (DF), 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 the Central Bank of Brazil on May 24, 2013.

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

a) Presentation of the interim financial statements

Sicredi's combined interim 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 interim 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.

The combined interim 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.

Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2022

(In thousands of reais, unless otherwise stated)

The combined interim 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. 11941/09 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 (CPCs 01 (R1), 02 (R2), 03 (R2), 04 (R1), 05 (R1), 10 (R1), 23, 24, 25, 27, 33 (R1), 41 and 46, specifically those applicable to cooperative entities and Cooperativism Law No. 5764/71 and Supplementary Law No. 130/09.

The combined interim financial statements were prepared with the purpose of allowing the directors, financial institutions and potential investors of the Sicredi System to assess the financial position of the System as of March 31, 2022, and the combined performance of its operations for the quarter then ended, in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil. As such, these interim financial statements may not be appropriate for other purposes.

The combined interim financial statements must be analyzed in conjunction with the complete combined financial statements for the year ended December 31, 2021.

We list below the explanatory notes that were presented in the combined financial statements for the year ended December 31, 2021, which are not included or presented in the same degree of detail in these combined interim financial statements, given the absence of significant changes this quarter:

- i. Basis of preparation and presentation of financial statements;
- ii. Summary of significant accounting practices;
- iii. Compulsory deposits in Central Bank of Brazil;
- iv. Other assets;
- v. Investments in subsidiaries;
- vi. Other investments;
- vii. Property and equipment in use and intangible assets;
- viii. Provisions;
- ix. Other liabilities;
- x. Equity;
- xi. Income and social contribution taxes;
- xii. Other operating income;
- xiii. Other operating expenses;
- xiv. Capital and risk management structure;
- xv. Correspondent banks;
- xvi. Insurance coverage; and
- xvii. Other matters.

Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2022

(In thousands of reais, unless otherwise stated)

These combined interim financial statements were approved by the Bank's Executive Board on May 27, 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 these institutions were eliminated.

c) Institutions included in the combined interim 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.

At December 30, 2020, Bacen determined, through Official Letter 34129/20-BCB/Desuc, the extension of the list of entities contained in item III, article 2 of Resolution No. 4151/12, which now includes Sicredi Confederation, Consortia Administrator and Sicredi Guarantor Funds ("SFG") in the Combined Financial Statements of the Cooperative System, with a view to providing comprehensive information on the economic, financial and equity position related to the cooperative system as of June 30, 2021 for disclosure purposes.

The combined interim financial statements of Sicredi include the following entities:

- I. Banco Cooperativo Sicredi S.A.;
- II. Central Credit Cooperatives;
- III. Single Credit Cooperatives;
- IV. Confederation of Sicredi Cooperatives;
- V. Administradora de Consórcios Sicredi LTDA;
- VI. Sicredi Guarantor Funds;
- VII. 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;
 - Fundo de Investimento Renda Fixa Crédito Privado Zeramento (start of activities on June 30, 2021).

Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2022

(In thousands of reais, unless otherwise stated)

- Fundo de Investimento em Cotas de Fundos de Investimento Ações Sustentáveis ESG (start of activities on December 16, 2021).

On April 1, 2021, Banco Sicredi went through a process for raising seed money to leverage the opening of investment funds: Estratégia Conservadora Fundo de Investimento em Cotas de Fundos de Investimento Renda Fixa Longo Prazo, Estratégia Moderada Fundo de Investimento em Cotas de Fundos de Investimento Multimercado Longo Prazo and Estratégia Arrojada Fundo de Investimento em Cotas de Fundos de Investimento Multimercado Longo Prazo, which were included in the combination in compliance with article 6 of Bacen Memorandum Circular No. 3669/13. Upon completion of the 12-month limit, the Bank redeemed the investments and, as a result, the Bank does not have such investments as of March 31, 2022, and the aforementioned funds are no longer part of the list of institutions included in the combined interim financial statements.

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.

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

Doing business as	BR state	Equity		Total assets		Equity		P&L	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	03/31/2021
									(not reviewed)
Banco Cooperativo Sicredi	RS	86.32%	86.32%	109,943,220	83,117,785	2,463,642	2,449,876	13,865	28,723
Total Central Credit Cooperatives	RS	100.00%	100.00%	29,881,543	27,793,176	1,663,191	1,662,413	775	639
Total Single Credit Cooperatives	PR	100.00%	100.00%	184,962,287	173,163,973	25,733,194	24,422,476	1,321,315	996,858
Fundo Liquidez Renda Fixa	RS	100.00%	100.00%	22,833,129	22,290,362	22,832,586	22,289,805	489,815	105,796
Fundo Multimercado Crédito Privado Centralização	RS	100.00%	100.00%	19,398,028	16,583,746	19,397,443	16,583,231	411,342	88,470
Fundo Renda Fixa Crédito Privado Zeramento	RS	100.00%	100.00%	3,277,816	2,840,671	3,277,654	2,840,518	117,358	-
Fundo Renda Fixa Crédito Privado Centralização	RS	100.00%	100.00%	3,294,907	2,671,207	3,294,781	2,671,100	70,859	15,413
Fundo Renda Fixa Crédito Privado Sicredi Coop	RS	100.00%	100.00%	206,555	298,738	206,524	298,710	6,556	2,862
Fundo em Cotas de Fundos Ações Sustentáveis ESG	RS	56.32%	87.52%	1,930	1,131	1,878	1,130	128	-
Sicredi Guarantor Funds	RS	100.00%	100.00%	400,754	369,142	400,468	368,071	32,396	-
Consortia administrator	RS	99.99%	99.99%	103,862	130,942	71,931	70,054	1,877	-
Sicredi Confederation	RS	100.00%	100.00%	564,522	591,775	5,373	5,373	-	-
Fundo em Cotas de Fundos Renda Fixa Longo Prazo Estratégia Conservadora	RS	-	59.81%	-	1,743	-	1,740	-	-
Fundo em Cotas de Fundos Multimercado Longo Prazo Estratégia Moderada	RS	-	95.62%	-	1,088	-	1,087	-	-
Fundo em Cotas de Fundos Multimercado Longo Prazo Estratégia Arrojada	RS	-	98.53%	-	1,055	-	1,054	-	-
Total				374,868,553	329,856,534	79,348,665	73,666,638	2,466,286	1,238,761

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 their operating capacity.

In the accumulated for period ended March 31, 2022 and in the year ended December 31, 2021, there were no mergers or exclusions between System cooperatives.

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e) Eliminations between System institutions

	Merged amounts		Eliminations		Combined amounts	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
	Accumulated for the period	Year	Accumulated for the period	Year	Accumulated for the period	Year
Assets						
Cash and cash equivalents	1,502,901	1,456,415	(22,920)	(12,730)	1,479,981	1,443,685
Financial instruments	363,956,833	319,154,928	(159,216,996)	(127,320,253)	204,739,837	191,834,675
Short-term interbank investments	53,601,900	42,646,982	(30,422,531)	(8,930,755)	23,179,369	33,716,227
Compulsory deposits in Central Bank of Brazil	3,859,455	3,792,066	-	-	3,859,455	3,792,066
Marketable securities and derivative financial instruments	93,883,007	70,409,264	(53,695,186)	(47,895,496)	40,187,821	22,513,768
Credit operations	132,337,816	127,653,764	(595,502)	(605,577)	131,742,314	127,048,187
Other financial assets	84,805,470	78,810,981	(74,505,601)	(69,890,522)	10,299,869	8,920,459
Allowance for expected losses associated with credit risk	(4,530,815)	(4,158,129)	1,824	2,097	(4,528,991)	(4,156,032)
Tax credits	249,530	58,750	-	-	249,530	58,750
Other assets	1,650,192	1,834,878	(508,880)	(779,560)	1,141,312	1,055,318
Investments in subsidiaries	153,711	149,788	(71,917)	(70,046)	81,794	79,742
Other investments	3,748,647	3,748,530	(3,747,610)	(3,747,609)	1,037	921
Property and equipment in use	2,959,696	2,778,685	8,711	(11,937)	2,968,407	2,766,748
Intangible assets	647,043	674,560	(323,337)	(340,644)	323,706	333,916
Total assets	374,868,553	329,856,534	(163,882,949)	(132,282,779)	210,985,604	197,573,755
Liabilities						
Deposits and other financial instruments	284,874,788	245,222,762	(104,172,551)	(76,968,590)	180,702,237	168,254,172
Deposits	148,627,689	140,829,376	(12,286,260)	(11,292,626)	136,341,429	129,536,750
Open market funding	24,691,197	3,749,399	(21,437,003)	(491,527)	3,254,194	3,257,872
Funds from acceptance and issue of securities	12,374,003	9,069,682	-	-	12,374,003	9,069,682
Loan obligations	4,483,963	5,094,274	(595,502)	(605,577)	3,888,461	4,488,697
Domestic lending obligations - official institutions	14,570,189	14,412,086	-	-	14,570,189	14,412,086
Derivative financial instruments	459,881	29,404	-	-	459,881	29,404
Other financial liabilities	79,667,866	72,038,541	(69,853,786)	(64,578,860)	9,814,080	7,459,681
Provisions	565,720	546,012	(161)	(130)	565,559	545,882
Deferred tax obligations	13,132	55,060	-	-	13,132	55,060
Other liabilities	10,066,248	10,366,062	(6,938,661)	(6,860,237)	3,127,587	3,505,825
Equity	78,995,360	73,331,395	(52,771,576)	(48,453,822)	26,223,784	24,877,573
Noncontrolling interests	353,305	335,243	-	-	353,305	335,243
Total liabilities and equity	374,868,553	329,856,534	(163,882,949)	(132,282,779)	210,985,604	197,573,755
	03/31/2022	03/31/2021 (not reviewed)	03/31/2022	03/31/2021 (not reviewed)	03/31/2022	03/31/2021 (not reviewed)
	Accumulated for the period					
Statement of profit or loss						
Trading revenues	8,495,238	3,928,695	(2,833,128)	(550,089)	5,662,110	3,378,606
Trading expenses	(3,777,406)	(1,116,975)	1,737,166	337,487	(2,040,240)	(779,488)
Allowance for expected losses associated with credit risk	(706,973)	(340,182)	55,083	1,085	(651,890)	(339,097)
Other operating income (expenses)	(1,410,327)	(1,095,046)	1,560	(4,178)	(1,408,767)	(1,099,224)
Income and social contribution taxes	2,373	(30,103)	-	(1)	2,373	(30,104)
Profit sharing	(136,621)	(102,518)	-	-	(136,621)	(102,518)
Noncontrolling interests	(18,045)	(15,966)	-	-	(18,045)	(15,966)
Net income for the period	2,448,239	1,227,905	(1,039,319)	(215,696)	1,408,920	1,012,209

f) Functional currency

The combined interim 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 reais (R\$ thousand).

g) Restatement of comparative figures

Management is restating the balances of the combined financial statements for 2021, presented for comparison purposes, resulting from adjustments due to correction of errors in the presentation and disclosure of elements of financial statements, in accordance with the provisions of CPC 23, as follows:

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i. Cash and cash equivalents in the combined statements of cash flows at beginning of period

At December 31, 2021, Fundo Liquidez Renda Fixa, Fundo Multimercado Crédito Privado Centralização and Fundo Renda Fixa Crédito Privado Centralização carried out repurchase agreements with other institutions of the National Financial System, which are immediately convertible into a known amount of cash and subject to an insignificant risk of change in value. In accordance with the assumptions of CPC 03, management understands that these transactions are characterized as cash equivalents, unlike the understanding previously adopted. The referred to correction affects cash and cash equivalents at the end of the year ended December 31, 2021, as well as the balance of short-term interbank investments at the end of the year ended December 31, 2021.

The amounts reclassified are stated below:

Cash and cash equivalents	Previously stated 12/31/2021	Reclassified Adjustment	Restated 12/31/2021
Short-term interbank investments	1,628,524	31,949,996	33,578,520
Resale to settle - Self-funding position	338,239	31,949,996	32,288,235
Total	3,072,209	31,949,996	35,022,205

3. 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 amounts are shown below:

	03/31/2022	12/31/2021 (restated)
Cash and cash equivalents	1,479,981	1,443,685
Short-term interbank investments	22,650,937	33,578,520
Resale to settle - Self-funding position	18,269,407	32,288,235
Resale to settle - Financed position	4,371,588	1,281,758
Investments in foreign currency	9,942	8,527
Total	24,130,918	35,022,205

Cash and cash equivalents refer mainly to cash in custody, balances in ATM (Automatic Teller Machine), transport of cash, cash for cashiers, and deposits abroad in foreign currencies.

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4. Short-term interbank investments

	<u>03/31/2022</u>	<u>12/31/2021</u>
Open market investments	<u>22,640,996</u>	33,569,993
Resale to settle - Self-funding position		
National Treasury Bills (LTN)	791	10,000,000
National Treasury Notes (NTN)	18,268,617	22,288,235
Resale to settle - Financed position		
National Treasury Bills (LTN)	102,209	-
National Treasury Notes (NTN)	4,269,379	1,281,758
Investments in interbank deposits	<u>528,431</u>	137,707
Interbank Deposit Certificates (CDI)	528,431	137,707
Investments in foreign currency	<u>9,942</u>	8,527
Investments in foreign currency	9,942	8,527
Total current	<u>23,179,369</u>	<u>33,716,227</u>

Resale to be settled – self-funding position mainly consists of repurchase agreements carried out by investment funds with other institutions of the National Financial System.

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5. Marketable securities and derivative financial instruments

a) Portfolio breakdown

Breakdown by type of investment paper, contractual maturity and type of securities portfolio is as follows:

	03/31/2022			12/31/2021	
	Falling due			Total	Total
	Within 3 months	From 3 to 12 months	Over 12 months		
Own portfolio					
Financial Treasury Bills (LFT)	-	674,055	10,033,074	10,707,129	12,168,604
National Treasury Bills (LTN)	7,985,883	1,349,228	8,650,282	17,985,393	-
National Treasury Notes (NTN)	-	1,002,392	162	1,002,554	6,800
Financial Bills (LF)	145,265	1,202,387	1,527,701	2,875,353	2,861,625
Debentures	-	160,532	65,448	225,980	224,964
Investment funds	470,322	-	-	470,322	464,655
Rural Product Bills (CPR)	942,526	1,923,311	1,821,231	4,687,068	3,572,073
Bank Deposit Certificates (CDB)	21,813	6,377	-	28,190	74,530
Linked to repurchase agreements					
Financial Treasury Bills (LFT)	-	212	1,615,915	1,616,127	2,480,595
National Treasury Bills (LTN)	-	4,208	77,294	81,502	-
National Treasury Notes (NTN)	-	4,001	-	4,001	-
Linked to guarantees given					
Financial Treasury Bills (LFT)	-	16,462	472,967	489,429	533,516
Subtotal	9,565,809	6,343,165	24,264,074	40,173,048	22,387,362
Derivative financial instruments					
Swap transactions	207	434	14,132	14,773	126,406
Total - 2022	9,566,016	6,343,599	24,278,206	40,187,821	
Total - 2021	6,141,736	3,866,205	12,505,827		22,513,768
Total current				19,384,332	13,031,148
Total noncurrent				20,803,489	9,482,620

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

	03/31/2022		12/31/2021	
	Restated cost	Market value	Restated cost	Market value
Held for trading				
No maturity	468,402	468,402	464,655	464,655
Maturing within 12 months	7,129,550	7,133,502	7,080,263	7,081,918
Maturing over 12 months	3,471,917	3,474,717	3,023,674	3,023,207
Subtotal	11,069,869	11,076,621	10,568,592	10,569,780
Available for sale				
Maturing within 12 months	5,008,694	5,003,642	-	-
Maturing over 12 months	10,692,887	10,666,695	1,326,985	1,327,629
Subtotal	15,701,581	15,670,337	1,326,985	1,327,629
Held to maturity				
Maturing within 12 months	3,303,428	3,302,801	2,412,713	2,412,642
Maturing over 12 months	10,122,662	10,177,599	8,077,240	8,376,084
Subtotal	13,426,090	13,480,400	10,489,953	10,788,726
Total	40,197,540	40,227,358	22,385,530	22,686,135

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.

As at March 31, 2022, unrealized income/(loss) from securities classified as available for sale presented net gain of R\$187 (R\$338 of gain in December 2021), recorded net of tax effects in equity under equity adjustments amounting to R\$103 (R\$186 in December 2021).

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

In transactions involving bank deposit bills, time deposits in special guarantee and financial bills, issuers are classified into rating groups and spreads are assigned at each issue. These spreads are calculated based on the average rates traded on the 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 mark-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.

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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.

c) Derivative financial instruments

These are recorded in asset and liability accounts and memorandum accounts in accordance with Bacen specific rules, and are intended to meet the Bank's needs and hedge it against market risks arising mainly from the mismatch between currencies, interest rates, indexes and terms of the Bank's asset and liability operations. Accordingly, the policy adopted by the System is to mitigate exposure to market risk. Management directly monitors these risks using duly tested and assessed instruments.

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 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 Sicredi management 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, 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 March 31, 2022 and December 31, 2021, these instruments 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:

	03/31/2022				12/31/2021
	Net position of contracts to mature				Total
	Within 3 months	From 3 to 12 months	Over 12 months	Total	
<u>Clearance</u>					
Futures contracts	8,061,939	2,289,448	8,764,146	19,115,533	108,161
Swap contracts	1,076,336	84,501	1,882,546	3,043,383	2,721,377
Total - 2022	9,138,275	2,373,949	10,646,692	22,158,916	
Total - 2021	151,735	(7,668)	2,685,471		2,829,538
<u>Swap contracts</u>					
Long position	207	434	14,132	14,773	126,406
Short position	(228,154)	(13,719)	(218,008)	(459,881)	(29,404)
Total - 2022	(227,947)	(13,285)	(203,876)	(445,108)	
Total - 2021	2,382	(24)	94,644		97,002

	03/31/2022		12/31/2021	
	Notional amount	Cost – amount	Market value	Market value
		receivable/received (payable/paid)		
<u>Futures contracts</u>	19,115,533	(13,747)	-	-
Purchase commitments	(133,427)	(259)	-	-
Future DI	(92,113)	52	-	-
Future WDO	(41,314)	(311)	-	-
Sale commitments	19,248,960	(13,488)	-	-
Future DI	19,158,465	(14,084)	-	-
Future DOL	86,902	547	-	-
Future WDO	3,593	49	-	-
<u>Swap contracts</u>	3,043,383	(335,071)	(445,108)	97,002
Long position	167,501	14,855	14,773	126,406
Foreign currency	167,501	14,855	14,773	126,406
Short position	2,875,882	(349,926)	(459,881)	(29,404)
Foreign currency	2,875,882	(349,926)	(459,881)	(29,404)

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 March 31, 2022, the balance recorded under Securities trading and brokerage in assets is of R\$656 (R\$164 in December 2021) and R\$14,403 in liabilities (R\$208 in December 2021).

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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 March 31, 2022, the amount recorded in derivative financial instruments in assets is of R\$14,773 (R\$126,406 in December 2021) and of R\$459,881 in liabilities (R\$29,404 in December 2021).

In the period ended March 31, 2022, the Bank recorded losses on derivatives amounting to R\$563,532 (gains of R\$139,778 in March 2021).

As at March 31, 2022, the equity position of government securities given in guarantee for stock exchange operations amounted to R\$378,700 (R\$425,604 in December 2021).

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

	03/31/2022		12/31/2021	
	Net position of contracts to mature			
	Notional value	Curve value	Market value	Market value
<u>Market risk hedge – Funding</u>				
Hedging instruments	1,576,121	(249,764)	(292,581)	(21,632)
Swap contracts (payable)	1,576,121	(249,764)	(292,581)	(21,632)
Hedged items	1,576,121	1,363,922	1,321,105	1,115,549
Foreign market funding	1,576,121	1,363,922	1,321,105	1,115,549
	03/31/2022		12/31/2021	
	Hedged position			
	Curve value	Market value	Market value	
<u>Market risk hedge – Marketable securities</u>				
Hedging instruments	13,712,685	13,712,685	-	
Futures contracts	13,712,685	13,712,685	-	
Hedged items	13,762,875	13,731,219	-	
Marketable securities available for sale	13,762,875	13,731,219	-	

As at March 31, 2022, the Bank reclassified from equity to P&L for the period a loss of R\$31,656 (loss of R\$21,996 in March 2021) referring to MtM adjustment on securities available for sale.

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

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6. Credit operations

a) Breakdown of credit operations per type

	03/31/2022				12/31/2021	
	Falling due				Total portfolio	Total portfolio
	Overdue from 15 days	Within 3 months	From 3 to 12 months	Over 12 months		
Credit operations	1,076,589	22,391,228	38,200,341	70,074,156	131,742,314	127,048,187
Loans and discounted notes	1,002,004	10,986,101	18,848,719	33,890,569	64,727,393	61,160,890
Financing	42,167	1,966,172	4,804,905	11,432,100	18,245,344	17,433,550
Rural and agro-industrial financing	32,418	9,417,376	14,496,954	23,332,882	47,279,630	47,165,168
Housing financing	-	21,579	49,763	1,418,605	1,489,947	1,288,579
Exchange transactions	-	52,611	163,241	1,184	217,036	174,023
Advances on exchange contracts (Note 11.a)	-	51,766	160,621	1,165	213,552	170,438
Income from advances on exchange contracts	-	845	2,620	19	3,484	3,585
Other financial instruments in assets	15,701	4,482,393	1,684,350	134,518	6,316,962	5,923,093
Amounts receivable relating to payment transactions	-	4,463,479	1,658,013	12,521	6,134,013	5,740,047
Payables due to purchase of amounts and assets	131	14,390	26,023	121,097	161,641	166,838
Collateral and pledges honored	15,570	4,524	314	900	21,308	16,208
Total - 2022	1,092,290	26,926,232	40,047,932	70,209,858	138,276,312	
Total - 2021	857,586	17,943,583	45,918,069	68,426,065		133,145,303
Total current					68,066,454	64,719,238
Total noncurrent					70,209,858	68,426,065

Amounts receivable relating to payment transactions refer mostly to amounts paid in installments by storeowners, amounts to be billed and notes receivable from card brands.

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b) Breakdown of credit operations 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\$217,036 (R\$174,023 in December 2021) and other receivables of a credit nature amounting to R\$6,316,962 (R\$5,923,093 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		Allowance for expected losses associated with credit risk	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
AA	0.00	17,654,570	17,668,134	-	-
A	0.50	59,988,984	59,490,601	299,754	297,204
B	1.00	41,594,121	39,414,559	415,746	393,918
C	3.00	10,502,245	8,788,773	314,939	263,517
D	10.00	4,041,012	3,805,987	403,887	380,373
E	30.00	1,417,662	1,223,139	425,117	366,675
F	50.00	750,518	576,623	374,917	288,226
G	70.00	603,170	493,144	422,027	345,102
H	100.00	1,724,030	1,684,343	1,723,756	1,683,870
Total		138,276,312	133,145,303	4,380,143	4,018,885

Sicredi adopted allowance percentages above the minimum defined in CMN Resolution No. 2682/99, taking into account, in addition to legal criteria, the economic situation, projections and scenarios of uncertainties for the period, the experience of operating in the region, and the knowledge about its base of associates. As at March 31, 2022, the additional allowance amount recorded was of R\$146,903 (R\$135,696 in December 2021).

As at March 31, 2022, Sicredi recorded other receivables not of a credit grant nature for which an allowance was set up amounting to R\$1,945 (R\$1,451 in December 2021).

In accordance with article 5 of Resolution No. 4800/20, allowance for losses on operations that fall under the 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 allowance of R\$323 (R\$328 in December 2021). These amounts are presented together with the amount accrued for credit operations and other receivables.

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c) Breakdown of credit portfolio per sector of activity and maturity terms

Private sector	03/31/2022				12/31/2021	
	Overdue from 15 days	Within 3 months	Falling due From 3 to 12 months	Over 12 months	Total portfolio	Total portfolio
Rural	32,418	9,417,376	14,496,954	23,332,882	47,279,630	47,165,168
Individuals	673,157	8,900,454	11,639,536	21,308,153	42,521,300	40,205,259
Legal entities	198,168	4,127,187	7,071,716	13,081,565	24,478,636	23,010,982
Commerce	168,835	3,602,171	5,543,825	8,716,236	18,031,067	17,163,220
Industry	19,462	850,383	1,237,192	2,340,964	4,448,001	4,286,213
Housing	-	21,579	49,763	1,418,605	1,489,947	1,288,579
Financial intermediation	250	7,082	8,946	11,453	27,731	25,882
Total - 2022	1,092,290	26,926,232	40,047,932	70,209,858	138,276,312	
Total - 2021	857,587	17,943,583	45,918,068	68,426,065		133,145,303

d) Concentration of credit operations

	03/31/2022	%	12/31/2021	%
10 major debtors	1,300,702	0.94	1,291,987	0.97
50 next major debtors	2,440,190	1.76	2,296,788	1.73
100 next major debtors	2,649,421	1.92	2,552,663	1.92
Other	131,885,999	95.38	127,003,865	95.38
Total	138,276,312	100.00	133,145,303	100.00

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

	03/31/2022	03/31/2021 (not reviewed)
Opening balance	4,156,032	3,461,059
Set up of provision	1,337,683	909,230
Reversal of provision	(685,793)	(570,133)
Subtotal	651,890	339,097
Changes in amounts written off as loss	(278,931)	(298,473)
Closing balance	4,528,991	3,501,683

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f) Income from credit operations

	Accumulated balance at March 31	
	2022	2021
		(not reviewed)
Loans and discounted notes	3,003,240	1,919,898
Financing	625,670	384,670
Rural and agro-industrial financing	934,955	542,705
Housing financing	28,776	12,366
Other	2,226	1,930
Subtotal	4,594,867	2,861,569
Recovery of receivables written off as loss	120,440	128,632
Total	4,715,307	2,990,201

In the period ended March 31, 2022, recovery of credit operations previously written off as loss amounted to R\$120,440 (R\$128,632 in March 2021) and was recorded as trading revenues – credit operations.

In the period ended March 31, 2022, credit operations totaling R\$457,327 were renegotiated (R\$615,799 in March 2021).

7. Other financial assets

	03/31/2022	12/31/2021
Payments and receipts to be settled	834,584	59
Bank agents	15,789	16,196
Payment transactions	2,117,750	2,001,400
Third-party funds in transit	70	-
Exchange portfolio	221,783	262,567
Securities trading and brokerage	656	164
Income receivable	134,323	126,857
Payables due to purchase of amounts and assets (Note 6.a)	40,544	44,504
Collateral and pledges honored (Note 6.a)	20,408	15,304
Consortium quotas	23,300	23,028
Credit card transactions	625,985	557,128
Amounts receivable relating to payment transactions (Note 6.a)	6,121,492	5,731,142
Refunds receivable	8,667	9,967
Total current	10,165,351	8,788,316
Amounts receivable relating to payment transactions (Note 6.a)	12,521	8,905
Payables due to purchase of amounts and assets (Note 6.a)	121,097	122,334
Collateral and pledges honored (Note 6.a)	900	904
Total noncurrent	134,518	132,143
Total	10,299,869	8,920,459

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Payments and receivables to be settled refer mostly to checks and other papers submitted to other systems and receipts of documents submitted by other participants of the settlement system.

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

8. Deposits and open-market funding

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

	03/31/2022			12/31/2021	
	No maturity and within 3 months	From 3 to 12 months	Over 12 months	Total	Total
Deposits	56,081,947	9,231,555	71,027,927	136,341,429	129,536,750
Demand deposits	27,208,536	-	-	27,208,536	24,555,454
Deposits in savings accounts	25,866,533	-	-	25,866,533	26,067,585
Interbank deposits	1,527,287	6,793,246	1,867,839	10,188,372	9,994,306
Time deposits	1,479,591	2,438,309	69,160,088	73,077,988	68,919,405
Open market funding	1,658,842	340,581	1,254,771	3,254,194	3,257,872
Own portfolio	2,188	340,581	1,254,771	1,597,540	2,467,640
Third-party portfolio	1,656,654	-	-	1,656,654	790,232
Investment funds	1,656,654	-	-	1,656,654	790,232
Total - 2022	57,740,789	9,572,136	72,282,698	139,595,623	
Total - 2021	53,947,136	11,466,710	67,380,776		132,794,622
Total current				67,312,925	65,413,846
Total noncurrent				72,282,698	67,380,776

9. Funds from acceptance and issue of securities

	03/31/2022			12/31/2021	
	Within 3 months	From 3 to 12 months	Over 12 months	Total	Total
Funds from agribusiness credit bills	662,480	2,444,220	6,367,930	9,474,630	6,644,851
Payables for issue of financial bills	-	497,697	2,401,676	2,899,373	2,424,831
Total - 2022	662,480	2,941,917	8,769,606	12,374,003	
Total - 2021	573,111	2,225,488	6,271,083		9,069,682
Total current				3,604,397	2,798,599
Total noncurrent				8,769,606	6,271,083

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10. Loan and onlending obligations

	03/31/2022			12/31/2021	
	Within 3 months	From 3 to 12 months	Over 12 months	Total	Total
Loan obligations	214,526	1,380,787	2,293,148	3,888,461	4,488,697
Domestic loans – official institutions	1,082	2,496	70,773	74,351	73,235
Domestic loans	129,536	692,235	425,817	1,247,588	1,460,252
Foreign loans	83,908	686,056	1,796,558	2,566,522	2,955,210
Domestic onlending obligations - official institutions	721,280	2,349,015	11,499,894	14,570,189	14,412,086
National Treasury-BR	10,476	64,627	40,736	115,839	78,384
Banco do Brasil	59,183	91,114	808,586	958,883	937,258
Brazilian Development Bank (BNDES)	469,188	1,526,280	8,057,651	10,053,119	10,074,105
Machinery and Equipment Financing (FINAME)	177,443	661,396	2,581,216	3,420,055	3,295,043
Constitutional Fund for Financing in the North of Brazil (FNO) – Banco da Amazônia	4,990	5,598	11,705	22,293	27,296
Total - 2022	935,806	3,729,802	13,793,042	18,458,650	
Total - 2021	903,680	3,365,449	14,631,654		18,900,783
Total current				4,665,608	4,269,129
Total noncurrent				13,793,042	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 February 2024.

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. Failure to comply with these clauses implies contacting creditors immediately and reporting the reasons why it was not possible to comply with the covenants in a given period. Continuing noncompliance can lead to early settlement of contracts. As at March 31, 2022, Sicredi is compliant with the clauses of the referred to agreements.

Domestic onlending obligations substantially represent funding with 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 the Emergency Program for Employment Support (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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11. Other financial liabilities

	03/31/2022	12/31/2021
Receipts and payments to be settled	1,029,239	277
Payment transactions	5,926,842	5,511,682
Third-party funds in transit	406,502	318,504
Domestic transfers of funds	-	1,538
Exchange portfolio (Note 11.a)	49,569	100,705
Securities trading and brokerage	14,403	208
Interest on rural savings account	99,798	76,305
Accredited establishment – multiple card	10,069	23,910
Investment fund share obligations	820	904
Funds to be released – real property sellers	81,532	121,444
Payment transaction obligations	1,196,405	1,219,359
Obligations due to payment arranger services	16,316	10,324
Total current	8,831,495	7,385,160
Obligations due to consortium members' funds	-	29,909
Exchange portfolio (Note 11.a)	(1,165)	(1,499)
Subordinated debt (Note 11.b)	983,750	46,111
Total noncurrent	982,585	74,521
Total	9,814,080	7,459,681

Payments and receivables to be settled refer mostly to checks and other papers submitted to other systems and receipts of documents submitted by other participants of the settlement system.

Payment transactions refer to operations carried out by associates in purchases in cash and in installments with Visa and Mastercard cards, whose amounts will be 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

	03/31/2022	12/31/2021
Foreign exchange payables	21,994	17,364
Exchange purchase obligations	239,962	252,280
Advances on exchange contracts (Note 6.a)	(212,387)	(168,939)
Total current	49,569	100,705
Advances on exchange contracts (Note 6.a)	(1,165)	(1,499)
Total noncurrent	(1,165)	(1,499)
Total	48,404	99,206

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b) Subordinated debt

Between October 2021 and March 2022, in accordance with CMN Resolution No. 4192/2013, the Bank issued Subordinated Financial Notes (LFSN) in the amount of R\$523,100, maturing in ten years from the date of issuance. As at March 31, 2022, the adjusted amount of these subordinated debt instruments is R\$527,748 (R\$46,111 in December 2021).

On January 21, 2022, the Bank issued a Subordinated Green Bond in the amount of USD100,000 with IDB Invest, a member of the Inter-American Development Bank (IDB), intended in its entirety to finance renewable energy and energy efficiency projects with Sicredi associates. The amount raised in reais is equivalent to R\$540,780 and matures in ten years (principal) and interest is paid semiannually. As at March 31, 2022, the adjusted amount of this subordinated debt instrument is R\$456,002.

12. Provisions

	<u>03/31/2022</u>	<u>12/31/2021</u>
Provision for financial guarantees given	79,795	74,841
Total current	<u>79,795</u>	<u>74,841</u>
Provision for financial guarantees given	221,876	210,106
Provision for civil, tax and labor contingencies	263,888	260,935
Total noncurrent	<u>485,764</u>	<u>471,041</u>
Total	<u>565,559</u>	<u>545,882</u>

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

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13. Noncontrolling interests

As at March 31, 2022, Rabo Partnerships B.V. and IFC hold interests of 12.10% (12.10% in December 2021) and 1.59% (1.59% in December 2021), 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 March 31, 2022, profit sharing ratio of Rabo Partnerships B.V. and IFC is of 1.18% (1.44% in December 2021) and 0.09% (0.11% in December 2021), respectively.

	03/31/2022		12/31/2021	
	Rabo Part.B.V	IFC	Rabo Part.B.V	IFC
Bank equity	2,463,642		2,449,876	
Interest held (%)	12.10%	1.59%	12.10%	1.59%
Interest held (R\$)	297,982	39,145	296,317	38,926
Additional dividends	15,160	1,018	-	-
Noncontrolling interests	<u>313,142</u>	<u>40,163</u>	<u>296,317</u>	<u>38,926</u>
QPL	<u>1.18%</u>	<u>0.09%</u>	<u>1.44%</u>	<u>0.11%</u>
Total noncontrolling interests in the year	<u>353,305</u>		<u>335,243</u>	

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

14. Balances and transactions with related parties

a) Related institutions

The entities carry out transactions with related parties, including companies that do not form part of the combined financial statements, as follows: Administradora de Bens, Corretora de Seguros, SicrediPar, Fundação Sicredi, Administradora de Cartões, Confederação Sicredi, SFG, Administradora de Consórcios, and investment funds administered by the Bank and not consolidated in these combined financial statements.

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

	<u>03/31/2022</u>	<u>12/31/2021</u>
Assets	38,072	43,992
Other receivables – income receivable	38,072	43,992
Liabilities	145,591	971,436
Demand deposits	2,435	5,206
Time deposits	39,296	48,441
Third-party portfolio	102,208	915,677
Sundry	1,652	2,112
	<u>03/31/2022</u>	<u>03/31/2021</u>
		(not reviewed)
Expenses	40,135	279,297
Open market transactions	39,992	6,897
Administrative expenses	143	475
Other operating expenses	-	271,925

Changes in other operating expenses arise from balances of the Confederation and SFG, which became part of the combined entities as of June 30, 2021, thus no longer classified as transactions with related parties.

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.

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

	<u>03/31/2022</u>	<u>12/31/2021</u>
Assets	525,894	515,018
Credit operations	525,894	515,018
Liabilities	457,778	381,972
Demand deposits	63,230	39,090
Time deposits	394,548	342,882

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.

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Concerning compensation of the Bank and Confederation 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.

Total key management personnel compensation for the period ended March 31, 2022 amounted to R\$103,293 (R\$87,895 in March 2021), which is considered a short-term benefit and a post-employment benefit.

15. Investment funds managed by the Bank

The Bank manages investment funds, whose equity as at March 31, 2022 amounted to R\$10,889,145 (R\$14,007,015 in December 2021), not considering the balances of funds consolidated in these combined financial statements.

Revenue from investment fund management in the period ended March 31, 2022 amounted to R\$2,435 (R\$2,226 in March 2021) and is presented under Service revenues.

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

16. Service revenues

	Accumulated balance at March 31	
	2022	2021 (not reviewed)
Fund management	2,435	2,226
Collection	94,823	86,238
Custody	377	324
Bank services	255,959	234,371
Clearance processing	1,512	9,115
Cards	316,166	217,034
Insurance	115,077	95,165
Consortia	79,898	51,162
Agreements	24,092	22,519
Payment services	3,964	2,641
Fund fees	1,540	-
Other services	18,455	8,830
Total	<u>914,298</u>	<u>729,625</u>

Changes in fund fees and other services is due to the inclusion of the Confederation in the combined entities as of June 30, 2021.

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17. Expenses with fund-raising transactions

	Accumulated balance at March 31	
	2022	2021
	(not reviewed)	
Deposits in savings accounts	425,538	79,089
Interbank deposits	81,500	10,603
Time deposits	1,592,404	254,524
Repurchase agreements	75,240	20,100
Agribusiness credit bills	184,806	13,063
Financial bills	73,230	6,094
Contribution to the Deposit Insurance Fund	49,831	38,856
Other funding expenses	5,714	1,420
Total	2,488,263	423,749

18. Personnel expenses

	Accumulated balance at March 31	
	2022	2021
	(not reviewed)	
Salaries	641,448	456,061
Benefits	236,987	172,497
Social charges	207,427	151,591
Training	6,177	2,749
Other personnel expenses	2,234	329
Total	1,094,273	783,227

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19. Administrative expenses

	Accumulated balance at March	
	2022	2021 (not reviewed)
Water, power and gas	28,614	21,022
Rents	97,500	77,238
Communication	47,137	27,421
Depreciation and amortization	130,451	97,332
Technical, educational and social assistance expenses	38,967	17,032
Social funds	680	852
Maintenance and upkeep of assets	58,230	46,248
Materials and supplies	16,334	12,682
Data processing	158,687	34,256
Promotions, public relations, advertising and publicity	110,813	71,317
Tariff refunds	9,192	7,815
Financial System Services	152,582	83,868
Third-party services	266,932	165,325
Fees	19,000	15,465
Transportation	38,709	35,293
Travel	8,464	3,210
Other expenses	45,858	36,678
Total	<u>1,228,150</u>	<u>753,054</u>

Data processing mainly consists of software licenses, systems development and maintenance, and other data processing expenses.

Financial System Services substantially consist of 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.

Social funds refer to actions aimed at social inclusion, education and health, in which they were invested. In addition, actions were carried out with specific purposes in the environmental, sports, culture and safety areas, generating a direct positive impact on communities and the environment.

20. 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 are capital management structure, operational, going concern risks and market risks, risk of changes in interest rates, liquidity, credit risk, socio-environmental risks, and compliance and information security risks.

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a) Additional information

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

The Socio-environmental Risk Management Policy and the Sustainability Report, documents with details and numbers of the processes on the subject, can also be accessed at www.sicredi.com.br, path: "Sobre nós > Sustentabilidade > Políticas e Relatórios".

21. 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 March 31, 2022, all the institutions included in the combined financial statements are in compliance with the Basel parameters established by BACEN.

22. Commitments, guarantees and other responsibilities

a) Commitments, guarantees and other responsibilities

	<u>03/31/2022</u>	<u>12/31/2021</u>
Credits open to export		
Exchange to be contracted	-	3,392
Co-obligations for guarantees given		
Beneficiaries of guarantees given	33,237	31,647
Co-obligations in credit assignments	1,918	1,896
Depositories of amounts in custody/guarantee	339,412,269	296,287,207
Notes under collection	38,555,301	38,563,543

Depositories of amounts in custody/guarantee refer substantially to fixed income securities in CDBs (Bank Deposit Certificates) registered in Fundo de Investimento Renda Fixa Crédito Privado Zeramento.

b) Other guarantees

	<u>03/31/2022</u>	<u>12/31/2021</u>
B3 guarantee margin	378,700	425,604

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23. Events after the reporting period

At the meeting held on April 19, 2022, the Board of Directors approved capital increase in the Bank of R\$650,000, which was paid in on May 18, 2022. Approval of this contribution with the Central Bank of Brazil is under analysis.