



## **Individual and consolidated interim financial statements**

### **Banco Cooperativo Sicredi S.A.**

**March 31, 2023**  
**with Independent Auditor's Report**



## Banco Cooperativo Sicredi S.A.

### Individual and consolidated interim financial statements

March 31, 2023

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A free translation from Portuguese into English of independent auditor's review report of individual and consolidated interim financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil (BACEN)

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## **Independent auditor's review report on individual and consolidated interim financial statements**

To the  
Shareholders, Board of Directors and Officers of  
**Banco Cooperativo Sicredi S.A.**  
Porto Alegre - RS

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial statements of Banco Cooperativo Sicredi S.A. (the "Bank") for the quarter ended March 31, 2023, comprising the statement of financial position as at March 31, 2023 and the related statements of income, comprehensive income for the three-month period then ended, and of changes in equity and of cash flows for the three-month period then ended, including notes to the financial statements.

The executive board is responsible for the preparation of the individual and consolidated interim financial statements in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN). Our responsibility is to express a conclusion on these individual and consolidated interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with the 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, respectively). 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**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial statements are 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.



## **Emphasis of a matter**

### *Presentation of consolidated financial statements*

We draw attention to Note 2 to the individual and consolidated interim financial statements, which describes the basis of preparation and presentation of the individual and consolidated interim financial statements. The consolidated interim financial statements were prepared of enable shareholders, directors, financial institutions and potential investors of Banco Cooperativo Sicredi S.A. to assess the Bank's consolidated financial position as at March 31, 2023, its consolidated performance for the three-month period 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, our report on these consolidated interim financial statements may not be appropriate for other purposes. Our conclusion is not qualified in respect of this matter.

Brasília, May 12, 2023.

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

A handwritten signature in blue ink, reading 'Renata Zanotta Calçada'.

Renata Zanotta Calçada  
Accountant CRC-RS-062793/O-8

## Banco Cooperativo Sicredi S.A.

Statements of financial position  
March 31, 2023 and December 31, 2022  
(In thousands of reais)

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

	Note	Individual		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Assets</b>					
Cash and banks	3	721,531	611,295	721,531	611,295
Financial instruments		165,702,374	149,194,483	165,904,380	149,372,154
Short-term interbank investments	4	31,578,337	18,431,808	31,578,337	18,431,808
Compulsory deposits in Central Bank of Brazil		4,206,997	4,236,748	4,206,997	4,236,748
Marketable securities and derivative financial instruments	5	36,524,657	37,817,421	36,726,663	37,995,083
Own portfolio		16,288,756	13,513,665	16,490,762	13,691,327
Subject to repurchase agreements		18,667,481	23,248,790	18,667,481	23,248,790
Subject to guarantees given		1,514,502	1,023,008	1,514,502	1,023,008
Derivative financial instruments	5.c	53,918	31,958	53,918	31,958
Interbank onlending	6	59,286,998	55,443,135	59,286,998	55,443,135
Loan transactions	6	22,329,366	21,652,001	22,329,366	21,652,001
Other financial assets	7	11,912,536	11,743,848	11,912,536	11,743,857
Allowance for expected losses associated with credit risk	6.e	(136,517)	(130,478)	(136,517)	(130,478)
Tax credits		288,385	191,934	288,864	192,978
Other assets		241,287	252,718	265,063	273,707
Investments in subsidiaries		164,459	160,096	-	-
Other investments		978	978	978	978
Property and equipment in use		8,294	7,780	61,296	61,189
Intangible assets		2	3	7	8
<b>Total assets</b>		<b>167,127,310</b>	<b>150,419,287</b>	<b>167,242,119</b>	<b>150,512,309</b>
<b>Liabilities and equity</b>					
Deposits and other financial instruments		162,664,537	146,291,001	162,657,610	146,285,867
Deposits	8	50,156,180	47,373,024	50,149,253	47,367,875
Open market funding	8	36,993,485	31,015,145	36,993,485	31,015,145
Funds from acceptance and issue of securities	9	38,490,224	31,787,555	38,490,224	31,787,555
Borrowings	10	6,244,561	6,376,481	6,244,561	6,376,481
Local onlending obligations - official institutions	10	18,743,836	18,255,380	18,743,836	18,255,380
Derivative financial instruments	5.c	489,244	368,547	489,244	368,547
Other financial liabilities	11	11,547,007	11,114,869	11,547,007	11,114,884
Provisions for civil, tax and labor contingencies		31,405	31,410	32,566	33,460
Deferred tax obligations		96,114	29,922	96,838	30,647
Other liabilities		698,337	508,323	818,181	603,881
<b>Equity</b>		<b>3,636,917</b>	<b>3,558,631</b>	<b>3,636,917</b>	<b>3,558,631</b>
Capital		3,488,974	3,488,974	3,488,974	3,488,974
Legal reserve		69,657	69,657	69,657	69,657
Other comprehensive income		5,004	-	5,004	-
Retained earnings		73,282	-	73,282	-
<b>Noncontrolling interests</b>		<b>-</b>	<b>-</b>	<b>7</b>	<b>(177)</b>
Noncontrolling interests		-	-	7	(177)
<b>Total liabilities and equity</b>		<b>167,127,310</b>	<b>150,419,287</b>	<b>167,242,119</b>	<b>150,512,309</b>

The accompanying notes are an integral part of the individual and consolidated interim financial statements.

## Banco Cooperativo Sicredi S.A.

### Statements of profit or loss

Three-month periods ended March 31, 2023 and 2022

(In thousands of reais, except for net earnings per thousand shares)

Note	Individual		Consolidated	
	Accumulated at March 31 2023	Accumulated at March 31 2022	Accumulated at March 31 2023	Accumulated at March 31 2022
Trading revenues	<b>3,915,573</b>	1,194,795	<b>3,920,840</b>	1,198,123
Loans and interbank onlending	<b>2,025,985</b>	937,567	<b>2,025,985</b>	937,567
Revenue from marketable securities	<b>2,040,141</b>	757,490	<b>2,045,408</b>	760,818
Gain (loss) on derivative financial instruments	<b>(233,483)</b>	(563,715)	<b>(233,483)</b>	(563,715)
Gain (loss) on compulsory investments	<b>82,930</b>	63,453	<b>82,930</b>	63,453
Trading expenses	<b>(3,529,085)</b>	(926,420)	<b>(3,529,061)</b>	(926,406)
Market funding transactions	<b>(3,314,811)</b>	(1,361,783)	<b>(3,314,787)</b>	(1,361,769)
Borrowings and onlending	<b>(212,079)</b>	451,003	<b>(212,079)</b>	451,003
Gain (loss) on derivative financial instruments	<b>(2,195)</b>	(15,640)	<b>(2,195)</b>	(15,640)
Trading profit (loss)	<b>386,488</b>	268,375	<b>391,779</b>	271,717
Allowances for expected loan losses associated with credit risk	<b>(6,716)</b>	(5,189)	<b>(6,716)</b>	(5,189)
Gross trading profit	<b>379,772</b>	263,186	<b>385,063</b>	266,528
Other operating income (expense)	<b>(242,772)</b>	(234,678)	<b>(245,785)</b>	(235,675)
Service revenues	<b>25,136</b>	20,195	<b>261,140</b>	243,456
Personnel expenses	<b>(23,130)</b>	(20,831)	<b>(24,349)</b>	(22,350)
Administrative expenses	<b>(370,712)</b>	(316,787)	<b>(573,110)</b>	(506,949)
Tax expenses	<b>(26,098)</b>	(39,563)	<b>(55,428)</b>	(67,123)
Equity pickup in subsidiaries	<b>4,362</b>	3,923	-	-
Other operating income	<b>165,034</b>	131,924	<b>164,914</b>	131,038
Other operating expenses	<b>(17,364)</b>	(13,539)	<b>(18,952)</b>	(13,747)
Operating income (expenses)	<b>137,000</b>	28,508	<b>139,278</b>	30,853
Income before taxes and profit sharing	<b>137,000</b>	28,508	<b>139,278</b>	30,853
Income and social contribution taxes	<b>(57,478)</b>	(8,813)	<b>(59,512)</b>	(10,910)
Income tax	<b>(51,720)</b>	(134,789)	<b>(52,797)</b>	(136,139)
Social contribution tax	<b>(40,110)</b>	(106,785)	<b>(40,503)</b>	(107,276)
Deferred tax credits, net	<b>34,352</b>	232,761	<b>33,788</b>	232,505
Employee profit sharing	<b>(6,240)</b>	(5,830)	<b>(6,484)</b>	(6,075)
Noncontrolling interests	-	-	-	(3)
Net income for the period	<b>73,282</b>	13,865	<b>73,282</b>	13,865
Number of shares at end of period	<b>2,977,691,316</b>	2,063,207,523	<b>2,977,691,316</b>	2,063,207,523
Net earnings per thousand shares at end of period - R\$	<b>24.61</b>	6.72	<b>24.61</b>	6.72

The accompanying notes are an integral part of the individual and consolidated interim financial statements.

## Banco Cooperativo Sicredi S.A.

Statements of comprehensive income  
Three-month periods ended March 31, 2023 and 2022  
(In thousands of reais)

	Individual		Consolidated	
	03/31/2023	31/03/2022	03/31/2023	31/03/2022
Net income for the period	<b>73,282</b>	13,865	<b>73,282</b>	13,865
Noncontrolling interests	-	-	-	(3)
Net income for the period attributable to shareholders	<b>73,282</b>	13,865	<b>73,282</b>	13,862
Marketable securities available for sale	<b>9,098</b>	(180)	<b>9,098</b>	(180)
Taxes on adjustments to marketable securities available for sale	<b>(4,094)</b>	81	<b>(4,094)</b>	81
Total adjustments not included in net income	<b>5,004</b>	(99)	<b>5,004</b>	(99)
Comprehensive income for the period	<b>78,286</b>	13,766	<b>78,286</b>	13,763
Attributable to shareholders				
Net income for the period attributable to controlling interests	<b>78,286</b>	13,766	<b>78,286</b>	13,766
Net income for the period attributable to noncontrolling interests	-	-	-	(3)

The accompanying notes are an integral part of the individual and consolidated interim financial statements.

## Banco Cooperativo Sicredi S.A.

Statements of changes in equity  
Three-month periods ended March 31, 2023 and 2022  
(In thousands of reais)

	Subscribed		Reserve		Retained earnings	Equity of parent company	Noncontrolling interests	Total
	Capital	Legal Reserve	Equity adjustments					
Balances at December 31, 2021	2,388,974	60,681	221	-	-	2,449,876	138	2,450,014
Adjustments to market value - marketable securities	-	-	(99)	-	-	(99)	-	(99)
Net income for the period	-	-	-	13,865	13,865	13,865	3	13,868
Balances at March 31, 2022	<b>2,388,974</b>	<b>60,681</b>	<b>122</b>	<b>13,865</b>	<b>13,865</b>	<b>2,463,642</b>	<b>141</b>	<b>2,463,783</b>
Balances at December 31, 2022	<b>3,488,974</b>	<b>69,657</b>	-	-	-	<b>3,558,631</b>	<b>(177)</b>	<b>3,558,454</b>
Adjustments to market value - marketable securities	-	-	5,004	-	-	5,004	-	5,004
Noncontrolling interests adjustment	-	-	-	-	-	-	184	184
Net income for the period	-	-	-	73,282	73,282	73,282	-	73,282
Balances at March 31, 2023	<b>3,488,974</b>	<b>69,657</b>	<b>5,004</b>	<b>73,282</b>	<b>73,282</b>	<b>3,636,917</b>	<b>7</b>	<b>3,636,924</b>

The accompanying notes are an integral part of the individual and consolidated interim financial statements.



## Banco Cooperativo Sicredi S.A.

### Statements of cash flows

Quarters and three-month periods ended March 31, 2023 ad 2022

(In thousands of reais)

	Individual		Consolidated	
	03/31/2023	31/03/2022	03/31/2023	31/03/2022
Cash flows from operating activities				
Net income before income and social contribution taxes	130,760	22,678	132,794	24,778
Adjustments to net income before taxes				
Adjustment to market value - marketable securities and derivatives	90,971	(48,639)	90,971	(48,639)
Allowance for expected losses associated with credit risk	6,716	5,189	6,716	5,189
Depreciation and amortization	329	429	1,129	1,190
Loss on disposal of property and equipment	4	-	4	-
Provision for civil, tax and labor contingencies	(5)	2,489	(894)	2,480
Interest on hybrid capital instruments	7,303	5,465	7,303	5,465
Equity pickup in subsidiaries	(4,362)	(3,923)	-	-
Adjusted net income for the period	231,716	(16,312)	238,023	(9,537)
Changes in assets and liabilities				
(Increase) in short-term interbank investments	(1,515,574)	(416,008)	(1,515,574)	(416,008)
(Increase) in marketable securities and derivative financial instruments	(1,243,679)	(1,058,424)	(1,268,023)	(1,025,335)
Decrease in compulsory deposits in Central Bank of Brazil	29,751	23,358	29,751	23,358
(Increase) in interbank lending	(3,843,863)	(2,095,852)	(3,843,863)	(2,095,852)
(Increase) in loan transactions	(677,365)	(372,467)	(677,365)	(372,467)
Decrease in other financial instruments	256,147	1,081,657	256,141	1,051,792
(Increase) in Provision for expected losses associated with credit risk	(677)	(245)	(677)	(245)
Decrease (increase) in other assets and tax credits	11,431	(174,722)	8,644	(173,224)
Increase in deposits	2,783,156	811,283	2,781,378	810,192
Increase in open market funding	5,978,340	20,941,798	5,978,340	20,941,798
Increase in funds from acceptance and issue of securities	6,702,669	3,304,321	6,702,669	3,304,321
Increase (decrease) in borrowings and onlending	356,536	(431,825)	356,536	(431,825)
Increase (decrease) in other provisions, deferred tax obligations and other liabilities	234,861	(464,940)	259,331	(477,220)
Net cash flows from operating activities	9,303,449	21,131,622	9,305,311	21,129,748
Income and social contribution taxes paid	(87,737)	(140,173)	(89,207)	(137,713)
Net cash flows from operating activities	9,215,712	20,991,449	9,216,104	20,992,035
Cash flows from investing activities				
Acquisition of property and equipment for own use	(846)	(855)	(1,238)	(1,440)
Acquisition of other investments	-	(116)	-	(117)
Decrease (increase) in available-for-sale securities	2,686,088	(14,342,708)	2,686,088	(14,342,708)
Decrease in held-to-maturity securities	(114,915)	(2,573,598)	(114,915)	(2,573,598)
Net cash from (used in) investing activities	2,570,327	(16,917,277)	2,569,935	(16,917,863)
Cash flows from financing activities				
Subordinated debt	(4,848)	937,639	(4,848)	937,639
Interest on equity paid	(40,000)	(10,000)	(40,000)	(10,000)
Net cash flows (used in) from financing activities	(44,848)	927,639	(44,848)	927,639
Increase in cash and cash equivalents	11,741,191	5,001,811	11,741,191	5,001,811
Cash and cash equivalents at beginning of period	8,486,931	2,151,964	8,486,931	2,151,964
Cash and cash equivalents at end of period	20,228,122	7,153,775	20,228,122	7,153,775

The accompanying notes are an integral part of the individual and consolidated interim financial statements.

## **Banco Cooperativo Sicredi S.A.**

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### **1. Operations**

Banco Cooperativo Sicredi S.A. (the “Bank” or “Institution”), a private Brazilian financial institution established in accordance with Brazilian Monetary Council (CMN) Resolution No. 2788 of November 30, 2000, was authorized to operate by the Central Bank of Brasil (BACEN) on March 20, 1996, commenced its activities on June 3, 1996 and is located at Avenida Assis Brasil, 3940 in Porto Alegre, State of Rio Grande do Sul (RS). The Institution 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 Sistema de Crédito Cooperativo (“Sicredi” or “System”), the Bank operates 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.

As at March 31, 2023, the System is organized into 105 associated Credit Cooperatives, which operate a service network of 2,494 points. The structure also relies on five Regional Centrals (“Centrals”) – shareholders of Sicredi Participações S.A. – the Confederation of Sicredi Cooperatives (“Sicredi Confederation”), Sicredi Foundation and the Bank, which controls Corretora de Seguros Sicredi Ltda., Administradora de Consórcios Sicredi Ltda. and Administradora de Bens Sicredi Ltda.

Operations are conducted in the context of the companies that are part of Sicredi, which operate in the market in an integrated manner. The rewards from the services provided between the System’s companies and the costs of the operating and administrative structure are absorbed, together or individually, by these companies.

The Bank and Rabo Partnerships B.V., development arm of Rabobank Dutch Group, entered into an investment agreement on June 07, 2011. This partnership enables the exchange of information and technical knowledge between Sicredi System and Rabobank System, and may expand the portfolio of Sicredi products in the segments in which Rabobank has expertise. 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 Bank and International Finance Corporation (“IFC”), a member of the World Bank and the largest global development institution turned to the private sector in developing countries, entered into an investment agreement. This partnership is aimed at maintaining the Bank’s leverage capacity at levels that enable the Bank to meet the demands of the associated Cooperatives and ensuring the strategic alignment between the System and IFC. This process, formally conducted by means of an investment agreement, was approved by the Central Bank of Brazil on May 24, 2013.

As at March 31, 2023, Rabo Partnerships B.V. and IFC hold interests of 8,38% and 1.10% respectively (8.38% and 1.10%, respectively, in December 2022) in the Bank’s shares.

## **Banco Cooperativo Sicredi S.A.**

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### **2. Basis of preparation and presentation of the individual and consolidated interim financial statements**

#### Presentation of the individual and consolidated interim financial statements

The individual and consolidated interim financial statements were prepared in accordance with the accounting practices adopted in Brazil, and with the accounting guidance provided for 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 (CPC 00 (R2), 01 (R1), 02 (R2), 03 (R2), 04 (R1), 05 (R1), 10 (R1), 23, 24, 25, 27, 33 (R1), 41 and 46).

The individual and consolidated interim financial statements must be analyzed in conjunction with the complete set of individual and consolidated financial statements for the year ended December 31, 2022.

The explanatory notes that were presented in the individual and consolidated financial statements for the year ended December 31, 2022, which are not included or presented with the same level of detail in these individual and consolidated interim financial statements, due to the absence of significant changes for this quarter, are listed below:

- i. Basis of preparation and presentation of financial statements;
- ii. Summary of significant accounting practices;
- iii. Compulsory deposits in the Central Bank of Brazil;
- iv. Other assets;
- v. Interests held in domestic subsidiaries;
- vi. Property and equipment in use and intangible assets;
- vii. Provisions for civil, tax and labor contingencies
- viii. Other liabilities;
- ix. Equity;
- x. Income and social contribution taxes;
- xi. Personnel expenses;
- xii. Other operating expenses;
- xiii. Capital and risk management structure;
- xiv. Sensitivity analysis;
- xv. Correspondent banks;
- xvi. Insurance coverage.

As at March 31, 2023 and 2022, there was no information on non-recurring results.

These individual and consolidated interim financial statements were approved by the Executive Board on May 12, 2023.

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 2. Basis of preparation and presentation of the individual and consolidated interim financial statements (Continued)

#### a) Consolidation criteria

In the consolidation process, intercompany transaction balances were eliminated and net income (loss) and equity referring to noncontrolling shareholders were separately disclosed. The individual and consolidated interim financial information was prepared with the purpose of enabling the members, officers, financial institutions and potential investors of Banco Cooperativo Sicredi to assess the Bank's consolidated financial position as at March 31, 2023, and its consolidated financial performance 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 well as with its corporate structure. Consequently, the individual and consolidated interim financial statements may not be appropriate for any other purpose.

#### b) Consolidated interim financial statements

The consolidated interim financial statements were prepared in accordance with Brazil's Corporation Law and with the consolidation principles disciplined by BACEN, and include the individual financial statements of the Bank and all those of the following subsidiaries:

<u>Entity</u>	<u>Activity</u>	<u>03/31/2023</u>	<u>12/31/2022</u>
Direct equity investment:		%	%
Administradora de Consórcios Sicredi Ltda.	Consortia administrator	<b>99.99</b>	99.99
Administradora de Bens Sicredi Ltda.	Asset Administrator	<b>99.98</b>	99.98
Corretora de Seguros Sicredi Ltda.	Insurance Broker	<b>100.00</b>	100.00

Subsidiaries are fully consolidated as from date of acquisition, which is the date on which control is obtained by the Bank, and are excluded from the consolidated financial statements as from the date when that control ceases. The consolidated interim financial statements are prepared for the same reporting period as the parent company, using consistent accounting policies. All intragroup balances, revenues and expenses and unrealized gains and losses deriving from intragroup transactions are fully eliminated.

#### c) Functional currency

The individual and consolidated financial statements are stated in Brazilian reais, which is the functional currency of the Bank and its subsidiaries.

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 3. Cash and cash equivalents

In the statement of cash flows, the following amounts were considered cash and cash equivalents:

	Individual and Consolidated	
	03/31/2023	12/31/2022
Cash and banks	721,531	611,295
Short-term interbank investments	19,506,591	7,875,636
Resale pending settlement - Self-funding position	988,576	-
Resale pending settlement - Financed position	18,496,420	7,849,998
Investments in foreign currency	21,595	25,638
<b>Total</b>	<b>20,228,122</b>	<b>8,486,931</b>

Cash and cash equivalents and short-term 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.

### 4. Short-term interbank investments

	Individual and Consolidated				
	03/31/2023			12/31/2022	
	Falling due			Total portfolio	
	Up to 3 months	From 3 to 12 months	Over 12 months	Total portfolio	Total portfolio
Open market investments	19,484,996	-	-	19,484,996	7,849,998
Resale pending settlement - Self-funding position National Treasury Notes (NTN)	988,576	-	-	988,576	-
Resale pending settlement - Financed position National Treasury Notes (NTN)	18,496,420	-	-	18,496,420	7,849,998
Investments in interbank deposits	957,292	4,461,434	6,653,020	12,071,746	10,556,172
Interbank Deposit Certificates (CDI)	957,292	4,461,434	6,653,020	12,071,746	10,556,172
Investments in foreign currency	21,595	-	-	21,595	25,638
Investments in foreign currency	21,595	-	-	21,595	25,638
<b>Total - 2023</b>	<b>20,463,883</b>	<b>4,461,434</b>	<b>6,653,020</b>	<b>31,578,337</b>	
<b>Total - 2022</b>	<b>8,747,697</b>	<b>6,177,095</b>	<b>3,507,016</b>		<b>18,431,808</b>
<b>Total - current</b>				<b>24,925,317</b>	<b>14,924,792</b>
<b>Total - noncurrent</b>				<b>6,653,020</b>	<b>3,507,016</b>

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 5. Marketable securities and derivative financial instruments

#### a) Portfolio breakdown

	Individual					Consolidated				
	03/31/2023		12/31/2022			03/31/2023		12/31/2022		
Note	Up to 3 months	From 3 to 12 months	Over 12 months	Total portfolio	Total portfolio	Up to 3 months	From 3 to 12 months	Over 12 months	Total portfolio	Total portfolio
Own portfolio										
Financial Treasury Bills (LFT)	-	-	13,849,800	13,849,800	-	-	-	13,849,800	13,849,800	-
National Treasury Bills (LTN)	-	-	-	-	3,375,547	-	-	-	-	3,375,547
Fixed-income investment funds	-	-	-	-	-	201,976	-	-	201,976	177,633
National Treasury Notes (NTN)	-	-	973,477	973,477	8,691,586	-	-	973,477	973,477	8,691,586
Financial bills and subordinated debts	-	-	1,465,479	1,465,479	1,446,532	-	-	1,465,509	1,465,509	1,446,561
Subject to repurchase agreements										
Financial Treasury Bills (LFT)	-	-	4,585,711	4,585,711	17,038,882	-	-	4,585,711	4,585,711	17,038,882
National Treasury Bills (LTN)	-	-	14,036,535	14,036,535	6,164,994	-	-	14,036,535	14,036,535	6,164,994
National Treasury Notes (NTN)	-	-	45,235	45,235	44,914	-	-	45,235	45,235	44,914
Subject to guarantees given										
Financial Treasury Bills (LFT)	-	-	1,514,502	1,514,502	1,023,008	-	-	1,514,502	1,514,502	1,023,008
Subtotal	5,b	-	36,470,739	36,470,739	37,785,463	201,976	-	36,470,769	36,672,745	37,963,125
Derivative financial instruments		33,203	113	20,602	53,918	31,958	33,203	113	20,602	53,918
Total - 2023		33,203	113	36,491,341	36,524,657		235,179	113	36,491,371	36,726,663
Total - 2022		16,618,043	10,721	21,188,657	37,817,421	16,795,676	10,721	21,188,686		37,995,083
Total - current				1,289,765	16,628,764				1,491,741	16,806,397
Total - noncurrent				35,234,892	21,188,657				35,234,922	21,188,686

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

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 5. Marketable securities and derivative financial instruments (Continued)

#### b) Classification of marketable securities

	Individual		Consolidated	
	Restated cost	Market value	Restated cost	Market value
Held for trading				
No maturity	-	-	201,976	201,976
Maturing over 12 months	1,248,489	1,256,449	1,248,489	1,256,449
Subtotal	1,248,489	1,256,449	1,450,465	1,458,425
Available for sale				
Maturing over 12 months	15,513,019	15,546,039	15,513,019	15,546,039
Subtotal	15,513,019	15,546,039	15,513,019	15,546,039
Held to maturity				
Maturing within 12 months	341	341	341	341
Maturing over 12 months	19,667,910	19,634,894	19,667,940	19,634,894
Subtotal	19,668,251	19,635,235	19,668,281	19,635,235
Total - 2023	36,429,759	36,437,723	36,631,765	36,639,699
Total - 2022	37,843,742	37,863,940	38,021,404	38,041,573

Based on the understanding of BACEN 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 Circular No. 3068/01, management represents that the Institution has the financial capacity and intent to maintain until maturity the securities classified as held to maturity.

As at March 31, 2023, no marketable securities were reclassified to other categories.

As at March 31, 2023, unrealized income/(loss) from securities classified as available for sale presented net gain of R\$ 91,299 (net loss of R\$ 58,279 in December 2022), recorded net of tax effects in equity under equity adjustments amounting to R\$ 5,004 (R\$ 0 in December 2022).

As at March 31, 2023, adjustment to market value of securities classified as held for trading recorded in profit or loss presented R\$ 0 balance (gain of R\$1,068 in March 2022).

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

The official fund share amount is adjusted on a daily basis and sent to the Brazilian SEC (CVM) and ANBIMA.



## **Banco Cooperativo Sicredi S.A.**

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### **5. Marketable securities and derivative financial instruments (Continued)**

#### c) Derivative financial instruments

Pursuant to Circular No. 3082/02 of January 1, 2002, derivative financial instruments are classified at the date of acquisition in accordance with management's intention as to whether or not to use them for hedging purposes. Transactions that use financial instruments entered into at the request of customers, on its own account, or that do not meet the hedging criteria (mainly derivatives used to manage the overall risk exposure) are accounted for at fair value, with realized and unrealized gains and losses recognized directly in the Statement of profit or loss. The Bank uses swap derivatives to hedge its foreign borrowings. The use of these derivative financial instruments mainly aims at hedging against risks arising from currency fluctuations, and the instruments' maturity is linked to the maturity of borrowings.

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

Fixed-income marketable securities classified as held 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.

Hedging 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, as well as future DI transactions, whose hedged items are fixed-income government securities available for sale or fixed corporate bonds. The variations and adjustments deriving from (de)valuation of these instruments and items are matched against P&L, irrespective of their classification pursuant to Circular No. 3068/01, in compliance with 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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Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 5. Marketable securities and derivative financial instruments (Continued)

As at March 31, 2023 and December 31, 2022, 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 Circular No. 3082/02, and respective reference amounts are recorded in memorandum accounts, as follows:

	Individual and Consolidated				12/31/2022
	03/31/2023				
	Net position of contracts falling due				
	Up to 3 months	From 3 to 12 months	Over 12 months	Total	Total
<u>Offset</u>					
Futures contracts	633,540	9,234,166	15,239,601	25,107,307	36,063,075
Swap contracts	4,575,106	-	-	4,575,106	4,719,328
Forward contracts	1,119	1,077	-	2,196	4,819
Total - 2023	<u>5,209,765</u>	<u>9,235,243</u>	<u>15,239,601</u>	<u>29,684,609</u>	
Total - 2022	<u>21,741,443</u>	<u>831,789</u>	<u>18,213,990</u>		<u>40,787,222</u>
<u>Swap contracts</u>					
Long position	33,126	-	20,602	53,728	31,863
Short position	(114,369)	(22,056)	(352,819)	(489,244)	(368,476)
<u>Forward contracts</u>					
Long position	77	113	-	190	95
Short position	-	-	-	-	(71)
Total - 2023	<u>(81,166)</u>	<u>(21,943)</u>	<u>(332,217)</u>	<u>(435,326)</u>	
Total - 2022	<u>(3,842)</u>	<u>(63,486)</u>	<u>(269,261)</u>		<u>(336,589)</u>
Total - current				<u>(103,109)</u>	<u>(67,328)</u>
Total - noncurrent				<u>(332,217)</u>	<u>(269,261)</u>

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 5. Marketable securities and derivative financial instruments (Continued)

	Individual and Consolidated			
	03/31/2023		12/31/2022	
	Notional amount	Cost - amount receivable/received (payable/paid)	Market value	Market value
<u>Futures contracts</u>	<u>25,107,307</u>	<u>14,706</u>	-	-
Purchase commitments	1,671,380	(536)	-	-
Future DI	1,515,076	(184)	-	-
Future WDO	156,304	(510)	-	-
Other	-	158	-	-
Sale commitments	23,435,926	15,242	-	-
Future DI	22,958,691	13,084	-	-
Future DOL	477,235	2,158	-	-
<u>Swap contracts</u>	<u>4,575,106</u>	<u>142</u>	<u>(435,516)</u>	<u>(336,613)</u>
Long position	-	153	53,728	31,863
Foreign currency	-	153	53,728	31,863
Short position	4,575,106	(11)	(489,244)	(368,476)
Foreign currency	4,575,106	(11)	(489,244)	(368,476)
<u>Forward contracts</u>	<u>2,196</u>	<u>153</u>	<u>190</u>	<u>24</u>
Long position	-	153	190	95
Foreign currency	-	153	190	95
Short position	2,196	-	-	(71)
Foreign currency	2,196	-	-	(71)

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, 2023, the balance recorded under Securities trading and brokerage in assets is of R\$16,207 (R\$204 in December 2022) and in liabilities is of R\$1,501 (R\$6,123 in December 2022) in the individual and consolidated interim financial statements.

In the three-month period ended March 31, 2023, the Bank recorded losses on derivatives amounting to R\$ 233,483 (losses of R\$ 563,715 in March 2022).

As at March 31, 2023, the equity position of government securities given in guarantee for stock exchange transactions amounted to R\$ 787,013 (R\$378,700 in March 2022).

Notional value, hedged items and financial instruments referring to transactions classified as hedge accounting are as follows:

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 5. Marketable securities and derivative financial instruments (Continued)

The Bank uses Hedge Accounting to match losses and gains on hedge derivatives (hereinafter instrument) to losses and gains on assets and liabilities that are hedged items (hereinafter item), generating benefits of predictability and reduced volatility in the statement of financial position. The internal rules for Hedge Accounting establish the rules for use at Banco Sicredi, that is, rules for changing the recognition of the item and the instrument in the consolidated interim financial statements.

There are two types of Hedging relationships: Fair Value Hedge and Cash Flow Hedge:

- I. Fair Value Hedge: Its purpose is to avoid losses resulting from variations in the market value, including exchange rate, of the hedged item. Variations in the prices of derivatives used for hedging fair value risk, as well as instruments under protection, must be directly reflected in the Institution's profit or loss.
  - a. **Fixed Rate Risk:** the hedged item has a fixed remuneration or payment rate and fluctuations in market value may generate financial gains or losses depending on the variation in the item's fair value:
    - Federal government securities hedge;
    - Private securities hedge.

		<b>Individual and Consolidated</b>			
		<b>Fixed Rate Risk</b>			
		<b>03/31/2023</b>		<b>12/31/2022</b>	
<u>Item</u>	<u>Index</u>	<u>Curve value</u>	<u>Market value</u>	<u>Curve value</u>	<u>Market value</u>
Government securities	Fixed interest rate	13,566,090	13,590,314	18,290,406	18,232,127
Private securities	Fixed interest rate	81,745	81,350	79,501	78,540
Total		<u>13,647,835</u>	<u>13,671,664</u>	18,369,907	18,310,667
<u>Derivative instruments</u>					
Futures contracts – government securities	Fixed interest rate	13,461,237	13,461,237	18,512,205	18,512,205
Futures contracts – private securities	Fixed interest rate	82,018	82,018	18,512,205	18,512,205
Total		<u>13,543,255</u>	<u>13,543,255</u>	18,512,205	18,512,205
Total net		<u>104,580</u>	<u>128,409</u>	(142,298)	(201,538)

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 5. Marketable securities and derivative financial instruments (Continued)

At March 31, 2023, the Bank reclassified from equity to profit or loss for the period a gain of R\$24,224 (loss of R\$31,656 in March 2022) referring to the mark-to-market adjustment on securities available for sale, in view of the classification of these hedged items as Market Risk Hedge for purposes of compliance with the Hedge Accounting rules.

- *Portfolio interest rate risk hedge;*

The Bank holds an Interbank Onlending portfolio at fixed interest rates in which the credit cooperatives of the Sicredi System are counterparties ("Hedged Item", which generates market risk arising from the variation in the expected reference interest rate of Brazilian interbank deposits (CDI). Thus, in order to protect the market risk of this portfolio, the Bank performed transactions with DI Future contracts ('Derivatives').

In order to eliminate differences in the accounting measurement of the hedged item (onlending) for the hedging instruments (DI Future contract), the hedge accounting program was applied, minimizing the mismatches caused by the price accounting adjustment criteria in the statement of financial position.

The general strategy is to reduce changes in the fair value of part of the fixed rate Interbank Onlending portfolio as if they were floating rate financial instruments pegged to the attributable reference rates. To reflect the dynamic nature of the hedged portfolio, since it may arise from the mismatch between expected and actual prepayments (prepayment risk), the strategy is to monitor the interest rate risk of the loan portfolio and rebalance the DI Future contracts, if they do not meet the parameters defined in the hedge documentation.

According to its interest rate risk protection strategy, the Bank calculates the DV01 (delta value of a basis point) for exposure and futures to identify the ideal coverage ratio while monitoring the hedging ratio in a timely manner, providing any rebalancing if so required.

The need to buy or sell new DI Future contracts is evaluated daily, to offset the adjustment to market value of the hedged item, in order to ensure the effectiveness of the hedge as determined in the hedge documentation.

For designated and qualifying fair value hedges, the cumulative change in the fair value of the fixed risk component of the hedged items is recognized in the consolidated statement of profit or loss under "Other Operating Income". In addition, the accumulated change in the fair value of the hedged item is recorded as part of the book value of the hedged item in the consolidated statement of financial position, under Interbank onlending.

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

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(In thousands of reais – R\$, unless otherwise stated)

### 5. Marketable securities and derivative financial instruments (Continued)

		Individual and Consolidated							
		Portfolio hedge							
		03/31/2023				12/31/2022			
		Notional value	Curve value	Market value	Fair value adjustment	Notional value	Curve value	Market value	Fair value adjustment
<u>Item</u>	<u>Index</u>								
Interbank onlending	Fixed interest rate		768,164	771,047	(2,883)	-	-	-	-
Total		760,940	768,164	771,047	(2,883)	-	-	-	-
<u>Derivative instruments</u>	<u>Index</u>								
Futures contracts	Fixed interest rate		(768,638)	(771,508)	2,870	-	-	-	-
Total		(761,411)	(768,638)	(771,508)	2,870	-	-	-	-
Total net		(471)	(474)	(461)	(13)	-	-	-	-

**Banco Cooperativo Sicredi S.A.**

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

- b. **Currency Risk:** risk of changes in the exchange rate, which may generate changes in cash flows or in the fair value of the Bank's assets and liabilities:
- Fundraising hedge.

		Individual and Consolidated Currency Risk							
		03/31/2023				12/31/2022			
Debts	Index	Notional value	Curve value	Market value	Fair value adjustment	Notional value	Curve value	Market value	Fair value adjustment
Fundraising in dollar and fixed interest rate	Foreign exchange difference + Semiannual LIBOR + Fixed Rate	-	-	-	-	39,451	37,154	37,390	(236)
		407,411	375,477	376,251	(774)	458,337	437,487	446,181	(8,694)
Fundraising in dollar and fixed interest rate	Foreign exchange difference + Fixed rate	438,176	417,073	365,805	51,268	438,176	423,639	370,228	53,411
		357,357	342,800	282,910	59,890	357,357	345,548	282,835	62,713
		192,423	184,585	152,333	32,252	192,423	186,064	152,292	33,772
		496,660	513,540	488,457	25,083	496,660	528,578	509,419	19,159
		52,340	53,493	51,690	1,803	52,340	53,598	52,689	909
Subtotal		1,944,367	1,886,968	1,717,446	169,522	2,034,744	2,012,068	1,851,034	161,034
Financial instruments	Index	Notional value	Curve value	Market value	Fair value adjustment	Notional value	Curve value	Market value	Fair value adjustment
Fixed interest rate swap	CDI %	-	-	-	-	39,451	(4,037)	(3,801)	(236)
		407,411	(34,574)	(33,800)	(774)	458,337	(39,302)	(30,608)	(8,694)
		438,176	(46,967)	(98,235)	51,268	438,176	(23,174)	(76,585)	53,411
		357,357	(42,318)	(102,208)	59,890	357,357	(21,025)	(83,738)	62,713
		192,423	(22,912)	(55,164)	32,252	192,423	(11,362)	(45,134)	33,772
		496,660	13,517	(11,566)	25,083	496,660	11,009	(8,149)	19,159
		52,340	(4,300)	(6,103)	1,803	52,340	(2,060)	(2,969)	909
Subtotal		1,944,367	(137,554)	(307,076)	169,522	2,034,744	(89,951)	(250,984)	161,034
<b>Total net</b>		-	2,024,522	2,024,522	-	-	2,102,019	2,102,018	-

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 5. Marketable securities and derivative financial instruments (Continued)

- II. Cash Flow Hedge: the purpose is to offset changes in the institution's future cash flow. In the case of cash flow hedge, only the ineffective portion of the instrument must go through profit or loss. The effective portion is transferred to equity, while changes in projected cash flows are not realized. Once such situation is verified, the gains and losses accounted for in equity must be transferred to profit or loss for the period. At March 31, 2023 and 2022, the Bank did not perform this hedge accounting classification.

To assess the effectiveness and measure the ineffectiveness of the strategies, the Bank adopts the dollar offset method whose analysis is carried out monthly:

The dollar offset method is calculated by the difference between the change in the fair value of the hedging instrument and the change in the fair value of the hedged object, attributed to changes in interest rates.

The effectiveness test is performed by verifying the changes in the market value or in the cash flow of the hedging instrument which offset the variations in the market value or in the cash flow of the hedged item, evidencing the hedging ratio, known as hedge index. To be considered hedge accounting at the Bank, this ratio must be set between 80% and 125%. At March 31, 2023, both tests demonstrated the effectiveness of this hedge.

### 6. Loan transactions, interbank onlending and provision for expected losses associated with credit risk

#### a) Breakdown of credit portfolio per type of transaction

Note	Individual and Consolidated					Total portfolio	Total portfolio	
	03/31/2023				12/31/2022			
	Overdue from 15 days	Falling due			Total portfolio			Total portfolio
Up to 3 months		From 3 to 12 months	Over 12 months					
Loan transactions	991	1,176,043	3,659,806	17,492,526	22,329,366	21,652,001		
Loans and discounted notes	-	295,659	688,990	2,264,786	3,249,435	2,959,930		
Financing	991	213,442	420,685	608,823	1,243,941	1,229,306		
Rural and agro-industrial financing	-	641,726	2,494,032	13,062,674	16,198,432	15,843,418		
Real property financing	-	25,216	56,099	1,556,243	1,637,558	1,619,347		
Interbank onlending	-	14,347,542	21,586,031	23,353,425	59,286,998	55,443,135		
Interbank onlending – rural credit cooperatives	-	11,976,502	17,903,034	15,339,295	45,218,831	43,531,369		
Interbank onlending - other	-	2,371,040	3,682,997	8,014,130	14,068,167	11,911,766		
Exchange transactions	-	90,124	332,277	-	422,401	449,025		
Advances on exchange contracts	11.a	87,969	324,331	-	412,300	439,176		
Income from advances on exchange contracts	-	2,155	7,946	-	10,101	9,849		
Total - 2023	991	15,613,709	25,578,114	40,845,951	82,038,765			
Total - 2022	1,090	5,809,041	35,162,622	36,571,408		77,544,161		
Total - current					41,192,814	40,972,753		
Total - noncurrent					40,845,951	36,571,408		

## Banco Cooperativo Sicredi S.A.

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### 6. Loan transactions, interbank onlending and provision for expected losses associated with credit risk (Continued)

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

Pursuant to article 3 of CMN Resolution No. 2697/00, the Bank presents below the breakdown of the credit operations' portfolio, including exchange transactions amounting to R\$ 422,401 (R\$ 449,025 in December 2022), distributed in the corresponding levels of risk, according to the classification provided for in article 1 of CMN Resolution No. 2682/99:

Risk level	% - Minimum	% Additional	Individual and Consolidated					
			Portfolio		Allowance for expected losses associated with credit and currency risks			
			03/31/2023	12/31/2022	Minimum	Total additional	Minimum	Total additional
					03/31/2023	03/31/2023	12/31/2022	12/31/2022
AA	0.00	0.05 and 0.13	79,701,189	75,302,019	-	48,019	-	45,213
A	0.50	0.36	129,547	125,228	648	14	626	15
B	1.00	0.00	4,217	4,056	42	-	41	-
C	3.00	0.92	2,201,027	2,109,858	66,031	20,124	63,296	19,292
D	10.00	0.00	557	589	56	-	59	-
E	30.00	0.00	436	312	131	-	94	-
F	50.00	0.00	486	370	243	-	185	-
G	70.00	0.00	324	240	227	-	168	-
H	100.00	0.00	982	1,489	982	-	1,489	-
Total			82,038,765	77,544,161	68,360	68,157	65,958	64,520

As of June 2022, the criteria for classifying credit risk of the Cooperatives part of Sicredi were improved for purposes of calculating provision for credit operations as a counterparty of the Bank. In addition, management decided to conservatively adopt percentages higher than those minimally established by CMN Resolution No. 2682/99, considering the current economic scenario.

#### c) Breakdown of loans transactions per sector of activity and maturity ranges

Private sector	Individual and Consolidated					
	Overdue from 15 days	03/31/2023			12/31/2022	
		Falling due			Total portfolio	Total portfolio
		Up to 3 months	From 3 to 12 months	Over 12 months		
Financial intermediation (a)	-	14,347,544	21,586,028	23,353,425	59,286,997	55,443,135
Rural	-	641,726	2,494,032	13,062,674	16,198,432	15,843,418
Housing	-	25,216	56,099	1,556,243	1,637,558	1,619,347
Legal entities	243	274,914	547,632	1,199,981	2,022,770	1,890,546
Individuals	538	116,899	304,255	795,735	1,217,427	1,144,349
Trade	200	156,009	414,879	704,643	1,275,731	1,240,815
Industry	11	51,404	175,185	173,250	399,850	362,551
Total - 2023	992	15,613,712	25,578,110	40,845,951	82,038,765	
Total - 2022	1,090	5,809,040	35,162,623	36,571,408		77,544,161
Total - current					41,192,814	40,972,753
Total - noncurrent					40,845,951	36,571,408



## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 6. Loan transactions, interbank onlending and provision for expected losses associated with credit risk (Continued)

- (a) This refers substantially to interbank onlending of rural credit and other funds between the Bank and the Sicredi System Cooperatives. As at March 31, 2023, these operations totaled R\$ 59,284,116 (R\$ 55,443,135 in December 2022).
- (b) This refers substantially to interbank onlending of rural credit and other funds between the Bank and the Sicredi System Cooperatives. As at March 31, 2023, these operations totaled R\$ 59,284,116 (R\$ 55,443,135 in December 2022).

#### d) Concentration of loan transactions

	Individual and Consolidated			
	03/31/2023	%	12/31/2022	%
10 major debtors	23,459,047	28.60	21,217,045	27.36
50 next major debtors	33,797,822	41.20	32,301,482	41.66
100 next major debtors	3,213,652	3.92	3,149,138	4.06
Other	21,568,244	26.29	20,876,496	26.92
Total	82,038,765	100.00	77,544,161	100.00

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

	Individual and Consolidated	
	03/31/2023	31/03/2022
Opening balance	130,478	71,429
Setup/(reversal) of minimum provision	3,079	11,149
Setup/(reversal) of additional provision	3,637	(5,960)
Subtotal	6,716	5,189
Credits written off as loss	(677)	(245)
Closing balance	136,517	76,373

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March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 6. Loan transactions, interbank onlending and provision for expected losses associated with credit risk (Continued)

#### f) Income from (loss on) loans and interbank onlending

	<u>03/31/2023</u>	<u>31/03/2022</u>
Interbank onlending	1,560,428	613,959
Loans	119,500	76,675
Financing	35,088	24,322
Rural and agro-industrial financing	272,085	195,814
Housing financing	38,750	26,755
Other	-	-
Subtotal	<u>2,025,851</u>	<u>937,525</u>
Recovery of receivables written off as loss	134	42
Total	<u>2,025,985</u>	<u>937,567</u>

In the period ended March 31, 2023, recovery of credit operations previously written off as loss amounted to R\$134 (R\$42 in March 2022) and was recorded as trading revenues – credit operations.

In the period ended March 31, 2023 and 2022, no loans were renegotiated.

### 7. Other financial assets

	<u>Individual</u>		<u>Consolidated</u>	
	<u>03/31/2023</u>	<u>12/31/2022</u>	<u>03/31/2023</u>	<u>12/31/2022</u>
Payments and receipts to be settled	17,897	-	17,897	-
Payment transactions (a)	2,538,905	2,569,490	2,538,905	2,569,490
Instant payments (b)	119,960	155,220	119,960	155,220
Other foreign exchange transactions (c)	482,711	531,826	482,711	531,826
Securities trading and brokerage	16,207	204	16,207	213
Transactions with cards (d)	8,736,856	8,487,108	8,736,856	8,487,108
Total - current	<u>11,912,536</u>	<u>11,743,848</u>	<u>11,912,536</u>	<u>11,743,857</u>
Total	<u>11,912,536</u>	<u>11,743,848</u>	<u>11,912,536</u>	<u>11,743,857</u>

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

(b) Instant payments refer to amounts deposited in the Central Bank's instant payment account (PI account) to settle Pix transactions.

## Banco Cooperativo Sicredi S.A.

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March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

### 7. Other financial liabilities (Continued)

- (c) Other foreign exchange transactions refer to purchases in foreign currency, sale exchange transactions, amounts in domestic currency and advance of funds on account of sale exchange operations.
- (d) Card transactions refer to balances receivable from Cooperatives, both from the issue financial agenda, which comprise purchase transactions and amounts withdrawn by our Associates and provisioned for payment to credit card companies, and from amounts from the acceptance product, which refer to balances receivable in the process of paying the costs of accreditation agents such as card association tariffs, processing costs and card machine rentals.

### 8. Deposits and open-market funding

Deposits and funding, per maturity bracket, are as follows:

	Individual			Consolidated					
	03/31/2023			12/31/2022		03/31/2023		12/31/2022	
	No maturity and within 3 months	From 3 to 12 months	Over 12 months	Total	Total	Total	Total	Total	Total
Deposits	34,059,942	8,195,735	7,900,503	50,156,180	47,373,024	50,149,253	47,367,875		
Demand deposits	95,074	-	-	95,074	112,946	88,147	107,797		
Deposits in savings accounts	26,078,231	-	-	26,078,231	26,530,271	26,078,231	26,530,271		
Interbank deposits	924,339	8,038,729	7,783,327	16,746,395	15,407,755	16,746,395	15,407,755		
Time deposits	6,962,298	157,006	117,176	7,236,480	5,322,052	7,236,480	5,322,052		
Open market funding	34,939,096	418,847	1,635,542	36,993,485	31,015,145	36,993,485	31,015,145		
Own portfolio	16,442,676	418,847	1,635,542	18,497,065	23,163,818	18,497,065	23,163,818		
Third-party portfolio	18,496,420	-	-	18,496,420	7,851,327	18,496,420	7,851,327		
Investment funds	18,156,422	-	-	18,156,422	7,071,196	18,156,422	7,071,196		
Financial institutions	339,998	-	-	339,998	780,131	339,998	780,131		
Total - 2023	68,999,038	8,614,582	9,536,045	87,149,665		87,142,738			
Total - 2022	61,269,568	8,050,634	9,067,967		78,388,169		78,383,020		
Total - current				77,613,620	69,320,202	77,606,693	69,315,004		
Total - noncurrent				9,536,045	9,067,967	9,536,045	9,067,967		

## Banco Cooperativo Sicredi S.A.

Notes to individual and consolidated interim financial statements

March 31, 2023

(In thousands of reais – R\$, unless otherwise stated)

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

	Individual and Consolidated				12/31/2022
	03/31/2023				
	Up to 3 months	From 3 to 12 months	Over 12 months	Total	
Funds from agribusiness credit bills	1,355,516	9,099,970	21,708,365	32,163,851	25,796,909
Payables for issue of financial bills	-	925,615	5,400,758	6,326,373	5,990,646
Total - 2023	<u>1,355,516</u>	<u>10,025,585</u>	<u>27,109,123</u>	<u>38,490,224</u>	
Total - 2022	<u>1,285,043</u>	<u>7,919,141</u>	<u>22,583,371</u>		<u>31,787,555</u>
Total - current				<u>11,381,101</u>	<u>9,204,184</u>
Total - noncurrent				<u>27,109,123</u>	<u>22,583,371</u>

In June 2022, the Bank carried out the first issue of Green Financial Bills amounting to R\$ 780,000 maturing until 2025, for loan facilities for associates to be allocated to projects and good practices aligned with sustainability, whose balance is presented in obligations due to issue of financial bills. As at March 31, 2023, the balance totals R\$869,688.

### 10. Borrowings and onlending

	Individual and Consolidated				12/31/2022
	03/31/2023				
	Up to 3 months	From 3 to 12 months	Over 12 months	Total	
Loan obligations	1,818,372	2,064,582	2,361,607	6,244,561	6,376,481
Domestic loans – official institutions	1,622	3,609	100,113	105,344	102,554
Domestic loans	904,852	666,561	364,408	1,935,821	2,143,260
Foreign loans (a)	911,898	1,394,412	1,897,086	4,203,396	4,130,667
Local on-lending obligations - official institutions (b)	877,526	3,204,872	14,661,438	18,743,836	18,255,380
National Treasury	59,375	255,178	63,465	378,018	425,411
Banco do Brasil	77,187	137,487	1,304,281	1,518,955	1,489,281
Brazilian Development Bank (BNDES) Machinery and Equipment Financing (FINAME)	215,057	806,391	3,134,610	4,156,058	3,993,974
Financing Fund for the North Region (FNO) Banco da Amazônia	4,778	6,580	197,896	209,254	203,879
Total - 2023	<u>2,695,898</u>	<u>5,269,454</u>	<u>17,023,045</u>	<u>24,988,397</u>	
Total - 2022	<u>1,150,482</u>	<u>6,432,115</u>	<u>17,049,264</u>		<u>24,631,861</u>
Total - current				<u>7,965,352</u>	<u>7,582,597</u>
Total - noncurrent				<u>17,023,045</u>	<u>17,049,264</u>

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March 31, 2023

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### 10. Borrowings and onlending (Continued)

- (a) 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. As at March 31, 2023, the Bank is compliant with the clauses of the referred to agreements. A portion of these funds is allocated to financing women entrepreneurs amounting to R\$ 934,836, of which R\$ 438,176 raised in November 2021 in partnership with the German Society for Investment and Development (DEG) and the French Agency for Development (PROPARGO) and R\$ 496,660 raised in May 2022 from the International Finance Corporation (IFC). The credit facility is intended for micro, small and medium-sized Brazilian companies led by women and includes the gender factor as a criterion for the use of resources. Through this action, we contributed to the 2X Challenge - Finance for Women, a global challenge launched by the G7 development institutions, which aims to allocate resources to the generation of entrepreneurship and leadership opportunities for women in emerging countries.
- (b) Domestic onlending obligations mostly represent funds raised from the Brazilian Development Bank (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.

### 11. Other financial liabilities

	Note	Individual		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
Receipts and payments to be settled		13,262	11,639	13,262	11,639
Payment transactions (a)		8,106,431	7,671,483	8,106,431	7,671,483
Third-party funds in transit		197,223	161,505	197,223	161,505
Domestic transfers of funds		27	8,903	27	8,903
Securities trading and brokerage		1,501	6,123	1,501	6,138
Provision for interest on rural savings account		97,815	102,598	97,815	102,598
Transactions with cards (b)		1,478,728	1,478,403	1,478,728	1,478,403
Exchange portfolio	11.a	103,702	128,948	103,702	128,948
Subordinated debt	11.c	39,107	67,743	39,107	67,743
Total - current		<u>10,037,796</u>	<u>9,637,345</u>	<u>10,037,796</u>	<u>9,637,360</u>
Exchange portfolio – advances	11.a	-	(596)	-	(596)
Hybrid equity and debt instruments	11.b	233,175	225,872	233,175	225,872
Subordinated debt	11.c	1,276,036	1,252,248	1,276,036	1,252,248
Total - noncurrent		<u>1,509,211</u>	<u>1,477,524</u>	<u>1,509,211</u>	<u>1,477,524</u>
Total		<u>11,547,007</u>	<u>11,114,869</u>	<u>11,547,007</u>	<u>11,114,884</u>

- (a) Payment transactions refer to amounts that will be paid to accreditation agents, relating to the issue financial agenda.
- (b) Card transactions refer to amounts that will be paid to commercial establishments and other partners relating to the acquiring financial agenda, as well as any issue agenda balances awaiting to be settled by the card association.

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### 11. Other financial liabilities (Continued)

#### a) Exchange portfolio

	Note	Individual and Consolidated	
		03/31/2023	12/31/2022
Foreign exchange payables		34,056	47,488
Exchange purchase obligations		481,946	520,040
Advances on exchange contracts	6.a	(412,300)	(438,580)
Total - current		103,702	128,948
Advances on exchange contracts	6.a	-	(596)
Total - noncurrent		-	(596)
Total		103,702	128,352

#### b) Hybrid equity and debt instruments

On May 02, 2005, pursuant to CMN Resolution No. 2837/01, revoked and replaced by CMN Resolution No. 4955/21, the Bank raised the amount of R\$ 52,400 from the Central Cooperatives associated with Sicredi System, by issuing Bank Deposit Receipts (RDB), for purposes of eligibility as Hybrid equity and debt instruments. The operation was contracted subject to no maturity and remuneration pegged to variation of the daily average rate of Interbank Deposits, namely "DI Rate – Cetip Over Extra Grupo" expressed as a percentage per year, based on 252 days, calculated and informed on a daily basis by B3.

On January 03, 2014, in conformity with CMN Resolution No. 4192/13, revoked and replaced by CMN Resolution No. 4955/21, the Bank raised the amount of R\$ 134,539 from the Central Cooperatives by issuing Subordinated Financial Bills, for purposes of eligibility as Hybrid equity and debt instruments, in replacement for the Bank Deposit Receipts (RDB) issued in 2005. The operation was contracted subject to no maturity and remuneration pegged to 100% of the DI rate expressed as a percentage per year, based on 252 days, calculated and informed on a daily basis by B3. The funds raised may be used for absorbing losses, if any.

Fundraising is distributed as follows:

Central	Individual and Consolidated	
	03/31/2023	12/31/2022
Central Sicredi Sul	143,955	139,446
Central Sicredi Paraná/São Paulo States	58,516	56,684
Central Sicredi Mato Grosso/Pará/Rondônia states	26,254	25,432
Central Sicredi Brasil Central	4,450	4,310
Total	233,175	225,872

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### 11. Other financial liabilities (Continued)

#### c) Subordinated debt

In conformity with CMN Resolution No. 4955/2021, the Bank has Subordinated Financial Notes (LFSN) amounting to R\$800,300, maturing in 2032.

In January 2022, the Bank issued Subordinated Green Bonds amounting to USD100,000 to IDB Invest, a member of the Inter-American Development Bank (IDB), intended to finance renewable energy and energy efficiency projects with Sicredi associates. The amount raised in reais equals R\$540,780 and matures within ten years (principal), subject to semiannual interest.

As at March 31, 2023, the adjusted amount of this subordinated debt totals R\$1,315,143 (R\$ 1,319,991 in December 2022).

### 12. Balances and transactions with related parties

*Related parties / Sistema de Crédito Cooperativo – (Sicredi)*

As mentioned in the Operations section (Note 1), the Bank was created in order to fulfill the needs of Credit Cooperatives in accessing the financial market as a whole.

Major operations performed by the Bank and Sicredi System entities are as follows:

	<b>Individual</b>	
	<b>03/31/2023</b>	<b>12/31/2022</b>
<b>Assets</b>	<b>80,387,317</b>	<b>75,439,811</b>
Investments in interbank deposits	12,640,966	11,954,520
Interbank onlending	59,284,116	55,443,135
Loan transactions	387,947	374,935
Income receivable	6,180	25,287
Other receivables – Sundry	8,162,262	7,735,818
Allowance for expected losses associated with credit risk	(94,154)	(93,884)
<b>Liabilities</b>	<b>58,186,776</b>	<b>49,121,036</b>
Demand deposits	37,058	65,327
Time deposits	6,935,141	4,922,332
Interbank deposits	15,815,901	14,574,101
Open market funding – own portfolio	16,442,676	21,216,894
Open market funding – third-party portfolio	18,496,420	7,851,326
Social and statutory obligations	130,534	161,310
Other obligations - sundry	95,871	103,874
Hybrid equity and debt instruments	233,175	225,872
	<b>03/31/2023</b>	<b>31/03/2022</b>
<b>Revenues</b>	<b>1,980,243</b>	<b>803,624</b>
Loan transactions	1,326,836	489,788
Revenue from marketable securities	555,671	220,103
Service revenues	7,894	4,951
Other operating income	89,842	88,782
<b>Expenses</b>	<b>1,849,648</b>	<b>835,338</b>
Market funding transactions	1,527,750	544,713
Other administrative expenses	320,322	235,214
Other operating expenses	1,291	329
Allowance for expected losses associated with credit risk	285	55,082

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(In thousands of reais – R\$, unless otherwise stated)

### 12. Balances and transactions with related parties (Continued)

#### Related parties / subsidiaries

##### Demand deposits

	<u>03/31/2023</u>	<u>12/31/2022</u>
Administradora de Bens Sicredi	50	12
Corretora de Seguros Sicredi	3,036	2,045
Administradora de Consórcios Sicredi	3,841	3,080
Sicredi - FIC FIA ESG	-	12
Total	<u>6,927</u>	<u>5,149</u>

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

#### Key management personnel compensation

At the Annual General Meeting, the shareholders decide:

- The monthly compensation of the CEO, executive director and directors; and
- The CEO, executive director and directors are also be entitled to the prerogatives provided for in Sicredi Benefit Program (PBS) and Cooperative Education Program (PEC) under the term of respective regulations and under conditions equivalent to the other employees.

Concerning management compensation, 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.

Management compensation paid was as follows:

#### Short-term benefits – management

	<u>Individual</u>		<u>Consolidated</u>	
	<u>03/31/2023</u>	<u>31/03/2022</u>	<u>03/31/2023</u>	<u>31/03/2022</u>
Salaries	1,343	1,182	1,343	1,182
Profit sharing	2,150	1,396	2,150	1,396
Social Security Tax (INSS)	723	542	732	561
Total	<u>4,216</u>	<u>3,120</u>	<u>4,225</u>	<u>3,139</u>



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March 31, 2023

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### 12. Balances and transactions with related parties (Continued)

#### Post-employment benefits

	<u>Individual and Consolidated</u>	
	<u>03/31/2023</u>	<u>31/03/2022</u>
Supplementary pension plan – defined contribution	454	56
Total	<u>454</u>	<u>56</u>

The Bank and its subsidiaries provide key management personnel with no share-based payment, work agreement termination or long-term benefits.

### 13. Investment funds managed by Banco Cooperativo Sicredi S.A.

The Bank manages investment funds, whose equity at March 31, 2023 amounted to R\$91,439,628 (R\$82,821,938 in December 2022).

At March 31, 2023, revenue from investment fund management amounted to R\$ 7,826 (R\$4,907 in March 2022) and is presented under Service revenues (Note 23).

The investment funds are audited by other independent auditors.

### 14. Service revenues

	<u>Individual</u>		<u>Consolidated</u>	
	<u>Accumulated at March 31</u>		<u>Accumulated at March 31</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Fund management	7,826	4,907	7,825	4,901
Collection	1,327	1,092	1,327	1,092
Custody	514	377	514	377
Bank services	1,344	1,302	1,344	1,302
Fund management fee	75	55	75	55
Clearance processing (a)	493	442	493	442
Special agreements (b)	8,182	8,108	8,182	8,108
Cards issued	4,771	3,838	4,770	3,838
Rent	-	-	1,093	899
Guarantees given	604	74	604	74
Consortium management fees	-	-	70,192	79,482
Insurance commission	-	-	164,721	142,886
<b>Total</b>	<u>25,136</u>	<u>20,195</u>	<u>261,140</u>	<u>243,456</u>

(a) Clearance processing refers to revenues from clearance services relating to checks and other papers.

(b) Revenue from agreements refers to revenue from public and private agreements.

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### 15. Administrative expenses

	Individual		Consolidated	
	Accumulated	at March 31	Accumulated	at March 31
	2023	2022	2023	2022
Financial System Services (a)	271,483	236,917	323,601	296,454
Depreciation and amortization	329	429	1,129	1,190
Communication	1,322	1,383	1,411	1,436
Data processing	5,084	4,063	5,140	4,096
Third-party services (b)	79,660	68,450	96,680	81,880
Cooperative agreements (c)	-	-	130,244	113,839
Partners' compensation	-	-	2,078	2,661
Utilities	195	179	201	188
Rent	238	149	90	10
Condominium fees	989	976	1,045	1,033
Advertising, publicity, promotions and public relations	10,058	2,492	10,058	2,492
Transportation	18	8	18	8
Travel	321	80	342	82
Rates and fees	342	266	382	287
Other	673	1,395	691	1,293
<b>Total</b>	<b>370,712</b>	<b>316,787</b>	<b>573,110</b>	<b>506,949</b>

- (a) Financial System Services expenses are substantially represented by expenses with the provision of services by the Cooperatives that are part of Sicredi in the allocation of funds from BNDES credit lines, cost equalization of PRONAF programs, insurance, pension plans, consortia, issuance and acquisition of cards and other means of payment, clearing of checks and other papers, credit with official resources or transferred by other financial institutions, exchange, savings, funds and investment clubs, and any other financial and non-financial product and service subject to specific regulations.
- (b) Third-party services refer primarily to the amounts paid to Visa and Mastercard for credit and debit card processing.
- (c) Cooperative agreements basically refer to expenses in connection with units of interest of Administradora de Consórcios Sicredi Ltda. and insurance operations of Corretora de Seguros Sicredi Ltda. performed by Credit Cooperatives that form part of Sicredi.

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### 16. Other operating income

	Individual		Consolidated	
	03/31/2023	31/03/2022	03/31/2023	31/03/2022
Reversal of operating provisions	6,495	1,192	6,495	1,192
Reversal of provision for civil, tax and labor contingencies	1,039	844	2,221	859
Service refund – cards (a)	76,349	65,572	76,349	65,572
Service refund – centralized	2,054	1,358	-	-
Recovery of charges and expenses	12,032	12,741	12,035	12,744
Clearance - RCO	22	28	22	28
Advanced receivables - PMA and Domicilio Sicredi (b)	53,058	32,462	53,058	32,462
Promotion incentives	-	1,171	3,385	1,171
Pricing services	-	15,392	7,884	15,614
Restatements of judicial deposits and tax credits	1,094	1,081	1,485	1,259
Other income	12,891	83	1,980	137
<b>Total</b>	<b>165,034</b>	<b>131,924</b>	<b>164,914</b>	<b>131,038</b>

(a) Income from service refund – cards refers to tariff and card processing services provided by the Cooperatives.

(b) Advanced receivables from PMA and Domicilio Sicredi refer to amounts made available by the Cooperatives to support the volumes advanced by the Associates corresponding to card operations.

### 17. 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 Sicredi System are the capital management structure, and operational, market, liquidity, credit, information security, and social and environmental risks.

#### a) Additional information

Description of the full structure and processes 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 > Conglomerado Prudencial do Banco > Relatórios de Pilar 3.

The Social and Environmental Risk Management Policy and the Sustainability Report, documents that contain details and figures of related processes, can also be accessed at [www.sicredi.com.br](http://www.sicredi.com.br); path: Sobre nós > Sustentabilidade > Políticas e Relatórios.

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### 18. Basel and fixed asset to equity ratios

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 and of CMN Resolution No. 4955/21, commensurate with the risks inherent in their activities, calculated as follows:

Operating limits	Individual and Consolidated	
	03/31/2023	12/31/2022
<b>Regulatory Capital (RC)</b>	<b>4,083,453</b>	4,013,829
Tier I (TI)	<b>3,870,097</b>	3,784,507
<b>Core capital (CC)</b>	<b>3,636,922</b>	3,558,635
Capital	<b>3,488,977</b>	3,488,977
Capital reserves	69,661	69,661
Retained earnings	<b>73,282</b>	-
Unrealized equity valuation losses	5,004	-
Prudential adjustments	(2)	(3)
<b>Supplementary Capital (SC)</b>	<b>233,175</b>	225,872
Financial bills and subordinated debts	233,175	225,872
Deduction of investment in other entities		
<b>Tier II (TII)</b>	<b>213,356</b>	229,322
Financial bills and subordinated debts	1,315,143	1,319,991
Deduction of investment in other entities	(1,101,787)	(1,090,669)
<b>Risk Weighted Assets (RWA)</b>	<b>26,422,039</b>	24,498,310
Credit risk	23,311,117	21,572,307
Market risk	397,864	343,000
Operational risk	2,713,058	2,583,003
<b>Interest rate risk of bank portfolio</b>	<b>185,723</b>	124,641
<b>Capital Margin<sup>1</sup></b>	<b>1,123,415</b>	1,316,868
<b>Basel Index (RC / RWA)</b>	<b>15.5%</b>	16.4%
Tier I Capital (TI / RWA)	14.6%	15.4%
Core capital (CC / RWA)	13.8%	14.5%
Supplementary Capital (SC / RWA)	0.9%	0.9%
Capital Level II (LII / RWA)	0.8%	0.9%
Fixed asset to equity status (FA)	<b>93,962</b>	91,071
<b>Fixed asset to equity ratio (FA / RC)</b>	<b>2.3%</b>	2.3%

<sup>1</sup> Capital margin consists in the institution's capital in excess of the minimum regulatory requirements and of additional principal capital.

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### 19. Commitments, guarantees and other responsibilities

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

	<u>Individual and Consolidated</u>	
	<u>03/31/2023</u>	<u>12/31/2022</u>
Credits open to export		
Exchange to be contracted	1,334	3,092
Co-obligations for guarantees given		
Beneficiaries of guarantees given (a)	140,626	138,940
Depositories of amounts in custody/guarantee (b)	23,893,390	23,207,853
Notes under collection (c)	46,895,796	43,134,118

(a) Beneficiaries of guarantees given correspond basically to the amount of guarantees given, collateral and pledges granted to third parties in domestic currency.

(b) Depositories of amounts in custody/guarantee refer to amounts of third-party notes under custody of B3 and SELIC.

(c) Notes under collection represent third-party notes being collected directly in Brazil.

#### b) Other guarantees

	<u>Individual and Consolidated</u>	
	<u>03/31/2023</u>	<u>12/31/2022</u>
B3 guarantee margin	787,013	351,051

### 20. Other matters

#### a) Implementation Plan for accounting regulations established by CMN Resolution No. 4966/2021

On November 25, 2021, CMN Resolution No. 4966/21 was published, which provides for the concepts and accounting criteria applicable to financial instruments, as well as for the designation and recognition of hedging relationships (hedge accounting) by financial institutions and other institutions authorized to operate by the Central Bank of Brazil, converging with the main concepts of the international standard IFRS 9 – Financial Instruments.

The new accounting rule takes effect as of January 1, 2025, with the adjustments resulting from the application of the accounting criteria established by this rule recorded against the accumulated profit or loss account, net of tax effects.

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### 20. Other matters (Continued)

Among the requirements of the new standard, preparing an implementation plan is necessary. The said plan was approved by the Bank's Board of Directors in year 2022.

In compliance with the provisions of item II, sole paragraph of article 76 of CMN Resolution No. 4966/2021, the Bank discloses below, in summary form, the implementation plan of said regulation:

- Phase I (2022): Assessment and understanding of the impacts of the standard (Gap analysis);
- Phase II (2022/2023): Design and specifications of solutions and methodologies;
- Phase III (2023/2024): System development, calculation engines, etc.;
- Phase IV (2023/2024): Tests and implementations.

We point out that in the event of issuance of complementary rules to CMN Resolution No. 4966/21 by the Central Bank of Brazil, revising the implementation plan will be required.

#### b) Provisional Executive Order No. 1128/2022

In November 2022, Provisional Executive Order no. 1128/2022 was signed into Law No. 14467, ratifying the new criteria for the tax recognition of losses incurred in receiving credits from the financial industry, taking effect as of January 1, 2025. Since that rule is directly related to the implementation of Resolution CMN No. 4966/2021 ("IFRS 9"), Sicredi is analyzing the impacts thereof across different areas, especially risks, accounting and tax.