



# Combined interim financial statements

March 31, 2023  
with Independent Auditor's Report



## Sistema de Crédito Cooperativo - Sicredi

Combined interim financial statements

March 31, 2023

### Contents

Independent auditor's report on combined financial statements .....	1
Audited combined interim financial statements	
Combined statement of financial position .....	3
Combined statements of profit or loss .....	4
Combined statements of comprehensive income .....	5
Combined statements of changes in equity .....	6
Combined statements of cash flows .....	7
Notes to combined interim financial statements .....	8

**A free translation from Portuguese into English of independent auditor's review report of combined 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)**

## **Independent auditor's review report on combined interim financial statements**

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

### **Introduction**

We have reviewed the accompanying combined interim financial statements of Sistema Cooperativo Sicredi ("Sistema Sicredi"), for the quarter ended March 31, 2023, which comprise the combined statement of financial position as at March 31, 2023 and the related combined statement of profit or loss, of comprehensive income for the three-month period then ended, and combined statement of changes in equity and cash flow statement for the three-month period then ended, and other explanatory information.

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, determined in CMN (National Monetary Council) Resolution No. 4151 of October 30, 2012 and Circular No. 3669 of the Central Bank of Brazil (BACEN). 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 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 on combined interim financial statements**

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, as well as the provisions to prepare the combined interim financial statements determined on CMN Resolution No. 4151 on October 30, 2012 and BACEN Circular No. 3669.

## **Emphasis of a matter**

### *Basis of preparation and presentation of combined interim financial statements*

We draw attention to Note 2 to the combined interim financial statements, which describes the basis of preparation and presentation of the combined interim financial statements. The combined interim financial statements were prepared with the purpose to provide, through one single financial statement, information related to the activities of Sistema de Crédito Cooperativo, at March 31, 2023, considering the guidelines established by CMN Resolution No. 4151 of October 30, 2012 and BACEN Circular No. 3669 of October 2, 2013, regardless of the disposition of its corporate structure, control and corporate governance aspects and requirements for presentation of financial statements determined by accounting practices adopted in Brazil applicable to institutions authorized to operate by BACEN. As a result, the combined interim financial statements may not be appropriate for other purposes. Our conclusion is not qualified in respect of this matter.

## **Other matters**

### *Combined statement of comprehensive income (DRA)*

The combined statement of comprehensive income (DRA) for the three-month ended March 31, 2023, prepared under the responsibility of the Executive Board of Sicredi System and presented as supplementary information to the provisions for preparation of combined interim financial statements set out in CMN Resolution No. 4151 and BACEN Circular No. 3669, was subject to review procedures performed in conjunction with the review of the combined financial statements of Sicredi System. In order to form our opinion, 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. 02. In our conclusion, this combined statement of comprehensive income was fairly prepared, in all material respects, in accordance with the criteria established in referred to Resolution and is consistent with the combined interim financial statements taken as a whole.

Brasília, May 26, 2023.

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



Renata Zanotta Calçada  
Accountant CRC-RS062793/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 financial institutions authorized to operate by the Central Bank of Brazil (BACEN)

## Sistema de Crédito Cooperativo - Sicredi

Combined statement of financial position

March 31, 2023 and December 31, 2022

(In thousands of reais)

	Note	03/31/2023	12/31/2022
<b>Assets</b>			
Cash and banks	3	1,714,493	1,530,896
Financial instruments		<b>273,272,522</b>	255,907,427
Short-term interbank investments	4	46,469,883	34,081,426
Compulsory deposits in Central Bank of Brazil		4,301,471	4,243,246
Marketable securities and derivative financial instruments	5	<b>60,174,233</b>	59,931,340
Own portfolio		56,338,493	54,459,336
Subject to repurchase agreements		2,224,813	4,316,956
Subject to guarantees given		1,517,748	1,122,925
Derivative financial instruments		93,014	31,958
Cooperatives' interests		165	165
Loan transactions	6	155,561,846	151,786,877
Other financial assets	7	13,691,723	12,329,036
Allowance for expected losses associated with credit risk	6,e	(6,926,634)	(6,464,498)
Tax credits		288,806	192,799
Other assets		1,861,220	1,836,856
Investments in subsidiaries		84,554	82,190
Other investments		1,040	1,040
Property and equipment in use		3,752,854	3,578,382
Intangible assets		371,668	379,033
<b>Total assets</b>		<b>281,347,157</b>	263,508,623
<b>Liabilities</b>			
Deposits and other financial instruments		<b>244,696,048</b>	227,511,371
Deposits	8	162,165,174	153,889,693
Open market funding	8	5,721,924	5,643,824
Funds from acceptance and issue of securities	9	38,490,224	31,787,555
Borrowings	10	6,245,438	6,378,234
Local onlending obligations - official institutions	10	18,775,300	18,301,701
Derivative financial instruments	5,c	528,338	368,547
Other financial liabilities	11	12,769,650	11,141,817
Provisions	12	685,006	664,351
Deferred tax obligations		96,114	29,922
Other liabilities		3,670,728	4,699,858
<b>Equity</b>		<b>31,844,710</b>	30,265,709
Capital		11,847,523	11,455,353
Income reserves		17,245,397	17,321,249
Other comprehensive income		4,351	-
Retained earnings		2,747,439	1,489,107
Noncontrolling interests	13	354,551	337,412
<b>Total liabilities and equity</b>		<b>281,347,157</b>	263,508,623

See accompanying notes.

## Sistema de Crédito Cooperativo - Sicredi

Combined statements of profit or loss  
Three-month periods ended March 31, 2023 and 2022  
(In thousands of reais)

	Note	03/31/2023	03/31/2022
Trading revenues		<b>10,145,197</b>	6,225,642
Loan transactions	6.f	<b>6,783,310</b>	4,715,307
Revenue from marketable securities		<b>3,273,024</b>	1,425,123
Gain (loss) on foreign exchange transactions		<b>5,933</b>	21,759
Gain (loss) on compulsory investments		<b>82,930</b>	63,453
Trading expenses		<b>(5,380,749)</b>	(2,603,772)
Market funding transactions	17	<b>(4,933,089)</b>	(2,488,263)
Borrowings and onlending		<b>(213,713)</b>	448,023
Gain (loss) on derivative financial instruments	5.c	<b>(233,947)</b>	(563,532)
Trading profit (loss)		<b>4,764,448</b>	3,621,870
Allowances for expected loan losses associated with credit risk		<b>(1,154,895)</b>	(651,890)
Gross trading profit		<b>3,609,553</b>	2,969,980
Other operating income		<b>1,527,209</b>	1,403,628
Service revenues	16	<b>1,131,819</b>	914,298
Equity pickup in subsidiaries		<b>2,364</b>	2,053
Other operating income		<b>393,026</b>	487,277
Other operating expenses		<b>(3,324,199)</b>	(2,812,395)
Personnel expenses	18	<b>(1,383,428)</b>	(1,094,273)
Administrative expenses	19	<b>(1,409,009)</b>	(1,228,150)
Tax expenses		<b>(48,568)</b>	(62,804)
Other operating expenses		<b>(483,194)</b>	(427,168)
Income before taxes and profit sharing		<b>1,812,563</b>	1,561,213
Income and social contribution taxes		<b>(64,428)</b>	2,373
Income tax		<b>(55,766)</b>	(128,272)
Social contribution tax		<b>(42,571)</b>	(101,982)
Deferred tax credits, net		<b>33,909</b>	232,627
Employee profit sharing		<b>(155,596)</b>	(136,621)
Noncontrolling interests		<b>(16,663)</b>	(18,045)
Net income for the three-month period		<b>1,575,876</b>	1,408,920

See accompanying notes.

## Sistema de Crédito Cooperativo - Sicredi

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

	Note	<u>03/31/2023</u>	<u>03/31/2022</u>
Net income for the three-month period		1,575,876	1,408,920
Noncontrolling interests		<u>16,663</u>	<u>18,045</u>
Net income for the three-month period attributable to shareholders		<u>1,592,539</u>	<u>1,426,965</u>
Marketable securities available for sale		8,445	(164)
Taxes on adjustments to marketable securities available for sale		<u>(4,094)</u>	<u>81</u>
Total adjustments not included in net income for the three-month period		<u>4,351</u>	<u>(83)</u>
Comprehensive income for the three-month period		<u>1,596,890</u>	<u>1,426,882</u>
Attributable to shareholders			
Net income attributable to controlling interests		1,580,227	1,408,837
Net income attributable to non-controlling interests		16,663	18,045

See accompanying notes.

## Sistema de Crédito Cooperativo - Sicredi

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

	Income reserves			Other comprehensive income (loss)	Retained earnings	Equity attributable to controlling interests	Equity interest attributable to noncontrolling interests	Total	
	Capital	Legal reserve	Expansion reserve						Other reserves
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 for prior year	-	-	-	-	-	(257,441)	(104,170)	-	(104,170)
Distribution of surplus to members	153,271	-	-	-	-	(16,712)	1,191	-	1,191
Allocations to reserves	-	15,764	1,941	198	-	923	(10,538)	-	(10,538)
Reversal of legal reserve/absorption of losses	-	-	(10,538)	(923)	-	(4,258)	(4,258)	-	(4,258)
Social fund	-	-	-	-	-	(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	-	-	-	-	-	-	-	-	-
Allocations 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
Balances at December 31, 2022	11,455,353	16,548,347	280,719	492,183	-	1,489,107	30,265,709	337,412	30,603,121
Other comprehensive income									
Adjustments to market value - marketable securities	-	-	-	-	4,351	-	4,351	653	5,004
Allocation of net income for prior year	-	-	-	-	-	(313,869)	(87,983)	-	(87,983)
Distribution of surplus to members	225,886	-	-	-	-	(7,254)	4	-	4
Allocations to reserves	-	3,674	3,579	5	-	(14,954)	(14,954)	-	(14,954)
Social fund	-	-	-	-	-	(9,161)	(9,161)	-	(9,161)
Allocations - FATES	-	-	-	-	-	(47,510)	(47,510)	-	(47,510)
Other allocations	-	(101,373)	-	26,147	-	27,716	336,888	-	336,888
Capital increase	336,888	-	-	-	-	-	(170,604)	-	(170,604)
Capital write-offs	(170,604)	-	-	-	-	-	1,575,876	16,663	1,592,539
Net income for the period	-	-	-	-	-	1,575,876	1,575,876	16,663	1,592,539
Profit allocation	-	-	-	-	-	-	-	-	-
Allocations to reserves	-	-	-	-	-	-	-	(177)	(177)
Reversals of reserves	-	-	(7,884)	-	-	-	(7,884)	-	(7,884)
Interest on equity	-	-	-	-	-	(22)	(22)	-	(22)
Balances at March 31, 2023	11,847,523	16,450,648	276,414	518,335	4,351	2,747,439	31,844,710	354,551	32,199,261

See accompanying notes.



## Sistema de Crédito Cooperativo - Sicredi

Combined statements of cash flows  
Three-month periods ended March 31, 2023 and 2022  
(In thousands of reais)

	<u>03/31/2023</u>	<u>03/31/2022</u>
Cash flows from operating activities		
Net income before income and social contribution taxes	<u>1,640,304</u>	<u>1,406,547</u>
Adjustments to net income before taxes		
Adjustment to market value - marketable securities and derivatives	463	13,374
Allowances for expected loan losses associated with credit risk	1,154,895	651,890
Provision for financial guarantees given	20,381	15,434
Depreciation and amortization	133,984	130,451
Loss on disposal of property and equipment	3,407	4,812
Provision for liabilities and contingencies	9,195	7,709
Interest on subordinated debt	8,293	5,870
Equity pickup in subsidiaries	(2,364)	(2,053)
Other comprehensive income	4,351	(83)
Adjusted net income for the three-month period	<u>2,972,909</u>	<u>2,233,951</u>
Changes in assets and liabilities		
(Increase) in short-term interbank investments	(757,531)	(390,725)
(Increase) decrease in compulsory deposits at BACEN	(58,225)	(67,389)
Decrease (increase) in marketable securities and derivative financial instruments	(83,565)	(17,256,950)
(Increase) in loan transactions	(4,513,094)	(5,005,237)
(Increase) in other financial instruments	(1,362,687)	(1,379,410)
(Increase) in tax credits	(96,007)	(190,780)
(Increase) in other assets	(24,364)	(85,994)
Increase in deposits	8,275,481	6,804,679
Increase in open market funding	78,100	(3,678)
Increase in borrowings and onlending obligations	340,803	(442,133)
Increase in other financial liabilities	8,335,350	4,721,081
Increase in provisions	11,460	11,968
Increase (decrease) in deferred tax obligations	66,192	(41,928)
Increase in other liabilities	(1,048,116)	(349,236)
Income and social contribution taxes paid	(124,969)	(90,258)
Net cash from (used in) operating activities	<u>12,011,737</u>	<u>(11,532,039)</u>
Cash flows from investing activities		
Acquisition of intangible assets	(32,164)	(25,581)
Acquisition of property and equipment for own use	(247,327)	(294,923)
Acquisition of other investments	-	(116)
Net cash from (used in) investing activities	<u>(279,491)</u>	<u>(320,620)</u>
Cash flows from financing activities		
Subordinated debt	(13,141)	931,769
Capital increase	336,888	236,443
Capital write-offs	(170,604)	(120,674)
Dividends paid out	(87,983)	(104,170)
Noncontrolling interests	17,139	18,062
Interest on equity	(22)	(58)
Net cash from (used in) financing activities	<u>82,277</u>	<u>961,372</u>
Increase (decrease) in cash and cash equivalents	11,814,523	(10,891,287)
Cash and cash equivalents at beginning of three-month period (Note 3)	34,406,527	35,022,205
Cash and cash equivalents at end of three-month period	<u>46,221,050</u>	<u>24,130,918</u>

See accompanying notes.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

### 1. Operations

Sistema de Crédito Cooperativo ("Sicredi" or "System") comprises 105 first-degree associated credit cooperatives ("Cooperatives"), which operate a network of 2,492 service points. The structure also relies on five Regional Centrals ("Centrals") – shareholders of Sicredi Participações S.A. – 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. ("Administradora de Consórcios" or "Consórcios") and Administradora de Bens Sicredi Ltda., located at Avenida Assis Brasil, 3940 in Porto Alegre/RS, main office of Sicredi Administrative Center ("CAS").

Counting on over 6.6 million associates throughout Brazil, Sicredi is a cooperative financial institution made by people for people. Present in 26 Brazilian states and in the Federal District, Sicredi promotes the social and economic development of its associates and of the communities in the areas in which it operates, based on sustainable growth. Sicredi's differential is a management model that values participation, in which the shareholders vote and decide on the direction to be assumed by their credit cooperative.

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

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

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

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

Sicredi 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.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

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

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

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

These combined interim financial statements were approved by the Bank's Executive Board on May 26, 2023.

### b) Combination criteria

The balances of asset/liability and P&L accounts of the institutions participating in the combination were included, and the balances resulting from transactions performed between the institutions were eliminated. The combined interim financial statements were prepared in order to enable shareholders, directors, financial institutions, associates and potential investors of Sicredi System to assess the combined financial position as at March 31, 2023, its consolidated financial 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 well as the Bank's corporate structure. As a result, the combined interim financial statements may not be appropriate for other purposes.

### 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.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

On October 02, 2013, BACEN defined, in article 6 of 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.

On December 30, 2020, BACEN determined, through Official Letter 34129/2020-BCB/Desuc, extension of the relationship of entities within item III of Article 2 of Resolution No. 4151/12, beholding, in order to disclosure, Sicredi Confederation, Administradora de Consórcios and Sicredi Fundos Garantidos (“SFG”) on the Cooperative System Combined Financial Statements, aiming to obtain comprehensive income information on economic-financial situations related to the cooperative system, as of June 30, 2021.

Sicredi’s combined interim financial statements comprise the following entities:

- i. Banco Cooperativo Sicredi S.A.
- ii. Cooperativas Centrais de Crédito
- iii. Cooperativas de Crédito Singulares
- iv. Confederação das Cooperativas do Sicredi
- v. Administradora de Consórcios Sicredi Ltda.
- vi. Sicredi Fundos Garantidores:
- vii. Investment Funds: investment funds included in the combined financial statements, for compliance with article 6 of Bacen 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; and
  - Fundo de Investimento em Cotas de Fundos de Investimento Ações Sustentáveis ESG.

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

The other Sicredi entities, as established by Resolution No. 4151/12 of CMN, Circular No. 3669/13 of BACEN and Official Letter No. 34129/2020 of BCB/Desuc were not included in these combined financial statements, and are presented by means of interest held.

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

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

Doing business as	BR stat e	Equity interest		Total assets		Equity		Net	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	03/31/2022
Banco Cooperativo Sicredi	RS	90.52%	90.52%	167,127,310	150,423,581	3,636,916	3,562,924	73,282	13,865
Total Cooperativas Centrais de Crédito	RS	100.00%	100.00%	21,493,721	19,311,142	2,759,835	2,759,035	2,860	775
Total Cooperativas de Crédito Singulares	PR	100.00%	100.00%	244,322,540	230,265,881	31,341,770	29,807,446	1,488,128	1,321,315
Fundo Liquidez Renda Fixa	RS	100.00%	100.00%	27,938,603	27,357,107	27,905,250	27,356,380	846,487	411,342
Fundo Multimercado Crédito Privado Centralização	RS	100.00%	100.00%	31,442,688	26,827,117	31,441,876	26,826,461	854,334	489,815
Fundo Renda Fixa Crédito Privado Zeramento	RS	100.00%	100.00%	5,461,736	5,522,439	5,454,995	5,522,278	172,495	70,859
Fundo Renda Fixa Crédito Privado Centralização	RS	100.00%	100.00%	6,935,186	4,921,392	6,934,885	4,921,194	250,211	117,358
Fundo Renda Fixa Crédito Privado Sicredi Coop	RS	-	-	-	1,049	-	1,033	-	128
Fundo em Cotas de Fundos Renda Fixa Longo Prazo Estratégia Conservadora	RS	-	-	-	-	-	-	-	6,556
Sicredi Fundos Garantidores:	RS	100.00%	100.00%	386,814	369,581	386,492	369,267	17,225	32,396
Consortia administrator	RS	99.99%	99.99%	145,687	118,322	79,913	77,914	1,999	1,877
Sicredi Confederation	RS	100.00%	100.00%	389,670	404,381	5,373	5,373	-	-
<b>Total</b>		<b>118</b>	<b>118</b>	<b>505,643,955</b>	<b>465,521,992</b>	<b>109,947,305</b>	<b>101,209,305</b>	<b>3,707,021</b>	<b>2,466,286</b>

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

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

In the period ended March 31, 2023, no mergers or exclusions between System cooperatives occurred.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

### e) Eliminations between System institutions

	Aggregated amounts		Eliminations		Combined amounts	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Assets</b>						
Cash and banks	1,730,701	1,558,649	(16,208)	(27,753)	1,714,493	1,530,896
Financial instruments	495,057,395	455,305,875	(221,784,873)	(199,398,448)	273,272,522	255,907,427
Short-term interbank investments	97,253,549	78,060,470	(50,783,666)	(43,979,044)	46,469,883	34,081,426
Compulsory deposits in Central Bank of Brazil	4,301,471	4,243,246	-	-	4,301,471	4,243,246
Marketable securities and derivative financial instruments	144,782,388	135,376,730	(84,608,155)	(75,445,390)	60,174,233	59,931,340
Loan transactions	155,998,423	152,228,780	(436,577)	(441,903)	155,561,846	151,786,877
Other financial assets	99,648,707	91,861,933	(85,956,984)	(79,532,897)	13,691,723	12,329,036
Allowance for expected losses associated with credit risk	(6,927,143)	(6,465,284)	509	786	(6,926,634)	(6,464,498)
Tax credits	288,806	192,799	-	-	288,806	192,799
Other assets	2,433,202	2,507,459	(571,982)	(670,603)	1,861,220	1,836,856
Investments in subsidiaries	1,982,719	1,978,357	(1,898,165)	(1,896,167)	84,554	82,190
Other investments	1,040	1,040	-	-	1,040	1,040
Property and equipment in use	3,741,968	3,564,609	10,886	13,773	3,752,854	3,578,382
Intangible assets	408,124	413,204	(36,456)	(34,171)	371,668	379,033
<b>Total assets</b>	<b>505,643,955</b>	<b>465,521,992</b>	<b>(224,296,798)</b>	<b>(202,013,369)</b>	<b>281,347,157</b>	<b>263,508,623</b>
<b>Liabilities</b>						
Deposits and other financial instruments	381,990,189	349,919,471	(137,294,141)	(122,408,100)	244,696,048	227,511,371
Deposits	188,628,628	177,447,503	(26,463,454)	(23,557,810)	162,165,174	153,889,693
Open market funding	36,993,485	31,015,145	(31,271,561)	(25,371,321)	5,721,924	5,643,824
Funds from acceptance and issue of securities	38,490,224	31,787,555	-	-	38,490,224	31,787,555
Borrowings	6,682,015	6,820,135	(436,577)	(441,901)	6,245,438	6,378,234
Local onlending obligations - official institutions	18,775,299	18,301,701	1	-	18,775,300	18,301,701
Derivative financial instruments	528,338	368,547	-	-	528,338	368,547
Other financial liabilities	91,892,200	84,178,885	(79,122,550)	(73,037,068)	12,769,650	11,141,817
Provisions	686,171	665,515	(1,165)	(1,164)	685,006	664,351
Deferred tax obligations	96,114	29,922	-	-	96,114	29,922
Other liabilities	12,924,176	13,697,779	(9,253,448)	(8,997,921)	3,670,728	4,699,858
Equity	109,592,754	100,871,893	(77,748,044)	(70,606,184)	31,844,710	30,265,709
Noncontrolling interests	354,551	337,412	-	-	354,551	337,412
<b>Total liabilities and equity</b>	<b>505,643,955</b>	<b>465,521,992</b>	<b>(224,296,798)</b>	<b>(202,013,369)</b>	<b>281,347,157</b>	<b>263,508,623</b>
	<b>03/31/2023</b>	<b>03/31/2022</b>	<b>03/31/2023</b>	<b>03/31/2022</b>	<b>03/31/2023</b>	<b>03/31/2022</b>
	<b>Period</b>	<b>Period</b>	<b>Period</b>	<b>Period</b>	<b>Period</b>	<b>Period</b>
<b>Statements of profit or loss</b>						
Trading revenues	15,311,494	8,495,238	(5,400,244)	(2,833,128)	9,911,250	5,662,110
Trading expenses	(8,424,172)	(3,777,406)	3,277,370	1,737,166	(5,146,802)	(2,040,240)
Allowances for expected loan losses associated with credit risk	(1,159,929)	(706,973)	5,034	55,083	(1,154,895)	(651,890)
Other operating income (expense)	(1,800,349)	(1,410,327)	3,359	1,560	(1,796,990)	(1,408,767)
Income and social contribution taxes	(64,428)	2,373	-	-	(64,428)	2,373
Profit sharing	(155,596)	(136,621)	-	-	(155,596)	(136,621)
Noncontrolling interests	(16,663)	(18,045)	-	-	(16,663)	(18,045)
<b>Net income for the three-month period</b>	<b>3,690,357</b>	<b>2,448,239</b>	<b>(2,114,481)</b>	<b>(1,039,319)</b>	<b>1,575,876</b>	<b>1,408,920</b>

### f) Functional currency

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

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

### 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 following amounts were classified:

	03/31/2023	12/31/2022
Cash and banks (a)	1,714,493	1,530,896
Short-term interbank investments	44,506,557	32,875,631
Resale pending settlement - Self-funding position	25,988,542	24,999,995
Resale pending settlement - Financed position	18,496,420	7,849,998
Investments in foreign currency	21,595	25,638
Total	46,221,050	34,406,527

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

### 4. Short-term interbank investments

	03/31/2023			12/31/2022	
	Falling due				
	Up to 3 months	From 3 to 12 months	Over 12 months	Total portfolio	Total portfolio
Open market investments	44,484,962	-	-	44,484,962	32,849,993
Resale to settle - Self-funding position (a)					
Financial Treasury Bills (LFT)	14,999,965	-	-	14,999,965	-
National Treasury Notes (NTN)	10,988,577	-	-	10,988,577	24,999,995
Resale pending settlement - Financed position					
National Treasury Notes (NTN)	18,496,420	-	-	18,496,420	7,849,998
Investments in interbank deposits	-	1,779,513	183,813	1,963,326	1,205,795
Interbank Deposit Certificates (CDI)	-	1,779,513	183,813	1,963,326	1,205,795
Investments in foreign currency	21,595	-	-	21,595	25,638
Investments in foreign currency	21,595	-	-	21,595	25,638
Total - 2023	44,506,557	1,779,513	183,813	46,469,883	
Total - 2022	32,875,631	1,044,266	161,529		34,081,426
Total - current				46,286,070	33,919,897
Total - noncurrent				183,813	161,529

(a) Resales pending settlement - Self-funding position are mainly composed of repurchase agreements carried out by investment funds with other institutions of the National Financial System.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

### 5. Marketable securities and derivative financial instruments

#### a) Portfolio breakdown

Following is the breakdown by type of note, contractual maturity and type of marketable securities portfolio:

	03/31/2023				12/31/2022
	Falling due				Total
	Up to 3 months	From 3 to 12 months	Over 12 months	Total	
Own portfolio					
Financial Treasury Bills (LFT)	-	1,326,050	20,697,359	22,023,409	18,357,458
National Treasury Bills (LTN)	-	-	13,907,870	13,907,870	9,882,712
National Treasury Notes (NTN)	-	-	1,018,411	1,018,411	9,679,574
Financial Bills (LF)	667,354	1,056,760	2,363,269	4,087,383	3,432,053
Debentures	25,327	-	41,299	66,626	64,580
Fixed-income investment funds	491,658	-	-	491,658	456,637
Rural Product Bills (CPR)	2,697,097	5,716,323	6,279,759	14,693,179	12,543,799
Bank Deposit Certificates (CDB)	-	49,957	-	49,957	42,523
Subject to repurchase agreements					
Financial Treasury Bills (LFT)	-	-	2,073,887	2,073,887	1,999,132
National Treasury Bills (LTN)	-	-	150,624	150,624	2,317,263
National Treasury Notes (NTN)	-	-	302	302	561
Subject to guarantees given					
Financial Treasury Bills (LFT)	-	-	1,517,748	1,517,748	1,122,925
Subtotal	<u>3,881,436</u>	<u>8,149,090</u>	<u>48,050,528</u>	<u>60,081,054</u>	59,899,217
Derivative financial instruments	33,203	39,209	20,602	93,014	31,958
Swap operations	33,203	113	20,602	53,918	31,958
Forwards receivable	-	39,096	-	39,096	-
Cooperatives' interests (a)	165	-	-	165	165
Total - 2023	<u>3,914,804</u>	<u>8,188,299</u>	<u>48,071,130</u>	<u>60,174,233</u>	
Total - 2022	<u>22,257,479</u>	<u>8,684,191</u>	<u>28,989,670</u>		59,931,340
Total - current				<u>20,125,168</u>	35,382,603
Total - noncurrent				<u>40,049,065</u>	24,548,737

- (a) As of July 2022, BACEN established through BCB Normative Ruling No. 268 of April 1, 2022, that cooperatives' interests, previously presented in the item other investments, will then be classified in marketable securities and derivative financial instruments.



## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

### b) Classification of marketable securities

	03/31/2023		12/31/2022	
	Restated cost	Market value	Restated cost	Market value
Held for trading				
No maturity	491,416	491,416	456,499	456,499
Maturing within 12 months	3,163,960	3,125,568	6,116,632	6,119,085
Maturing over 12 months	8,017,703	8,022,065	4,436,703	4,440,933
Subtotal	11,673,079	11,639,049	11,009,834	11,016,517
Available for sale				
Maturing within 12 months	-	-	16,136,283	16,137,404
Maturing over 12 months	15,513,019	15,546,039	2,154,123	2,094,723
Subtotal	15,513,019	15,546,039	18,290,406	18,232,127
Held to maturity				
Maturing within 12 months	8,413,419	8,413,437	8,217,769	8,217,656
Maturing over 12 months	24,482,533	24,449,175	22,432,804	22,511,100
Subtotal	32,895,952	32,862,612	30,650,573	30,728,756
Total	60,082,050	60,047,700	59,950,813	59,977,400

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 System has the financial capacity and intent to maintain until maturity the securities classified as held to maturity.

As at March 31, 2023, unrealized income/(loss) from securities classified as available for sale presented net gain of R\$ 90,646 (net loss of R\$ 58,279 in December 2022), recorded net of tax effects in equity under Other comprehensive income amounting to R\$ 4,351 (R\$ 0 in December 2022).

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

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

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

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

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 classified, upon acquisition, based on management's intent of whether or not using them for hedging purposes, in accordance with BACEN Circular No. 3082/02. 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 System 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 hedged item). Market value of these transactions is calculated using modelling techniques such as the discounted cash flow method, and approved by Sicredi 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.

Hedged government securities are adjusted to market value, 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 transactions in P&L accounts, when classified as market risk.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

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:

	03/31/2023				12/31/2022
	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	4,622,158	9,262,628	15,234,569	29,119,355	39,683,827
Swap contracts	4,575,106	-	-	4,575,106	4,719,328
Forward contracts	1,119	1,096	-	2,215	4,818
Options contracts	19	-	-	19	-
Total - 2023	<u>9,198,402</u>	<u>9,263,724</u>	<u>15,234,569</u>	<u>33,696,695</u>	
Total - 2022	<u>25,277,746</u>	<u>831,771</u>	<u>18,298,456</u>		<u>44,407,973</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	39,209	-	39,286	95
Short position	-	(39,094)	-	(39,094)	(71)
<u>Options contracts</u>					
Total - 2023	<u>(81,166)</u>	<u>(21,941)</u>	<u>(332,217)</u>	<u>(435,324)</u>	
Total - 2022	<u>(3,842)</u>	<u>(63,486)</u>	<u>(269,261)</u>		<u>(336,589)</u>

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

	03/31/2023		12/31/2022	
	Notional amount	Cost - amount receivable/received (payable/paid)	Market value	Market value
<u>Futures contracts</u>	<b>29,119,355</b>	<b>14,725</b>	-	-
Purchase commitments	<b>1,656,183</b>	<b>(488)</b>	-	-
Future DI	<b>1,499,879</b>	<b>(136)</b>	-	-
Future WDO	<b>156,304</b>	<b>(510)</b>	-	-
Other	-	<b>158</b>	-	-
Sale commitments	<b>27,463,172</b>	<b>15,213</b>	-	-
Future DI	<b>26,985,937</b>	<b>13,055</b>	-	-
Future DOL	<b>477,235</b>	<b>2,158</b>	-	-
Other	-	-	-	-
<u>Swap contracts</u>	<b>4,575,106</b>	<b>142</b>	<b>(435,516)</b>	(336,613)
Long position	-	<b>153</b>	<b>53,728</b>	31,863
Foreign currency	-	<b>153</b>	<b>53,728</b>	31,863
Short position	<b>4,575,106</b>	<b>(11)</b>	<b>(489,244)</b>	(368,476)
Foreign currency	<b>4,575,106</b>	<b>(11)</b>	<b>(489,244)</b>	(368,476)
<u>Forward contracts</u>	<b>2,215</b>	<b>155</b>	<b>192</b>	24
Long position	<b>39,113</b>	<b>39,249</b>	<b>39,286</b>	95
Purchase of forward financial instruments	<b>39,113</b>	<b>39,096</b>	<b>39,096</b>	-
Foreign currency	-	<b>153</b>	<b>190</b>	95
Short position	<b>(36,898)</b>	<b>(39,094)</b>	<b>(39,094)</b>	(71)
Purchase of forward financial instruments	<b>(39,094)</b>	<b>(39,094)</b>	<b>(39,094)</b>	-
Foreign currency	<b>2,196</b>	-	-	(71)
<u>Options contracts</u>	<b>19</b>	-	-	-
Long position	<b>(11)</b>	-	-	-
Stock markets	<b>(11)</b>	-	-	-
Short position	<b>30</b>	-	-	-
Stock markets	<b>30</b>	-	-	-

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\$16,239 (R\$220 in December 2022) and in liabilities is of R\$1,514 (R\$6,199 in December 2022).

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

As at March 31, 2023, the balance recorded in Derivative financial instruments in assets amounts to R\$ 93,014 (R\$ 31,958 in December 2022) and in liabilities amounts to R\$528,338 (R\$368,547 in December 2022).

In the year ended March 31, 2023, the Bank recorded losses on derivatives amounting to R\$ 233,947 (losses of R\$ 563,532 in March 2022).

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

As at March 31, 2023, the equity position of government securities given in guarantee for stock exchange transactions amounted to R\$787,013 (R\$351,051 in December 2022).

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

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 hedged item and the instrument in the 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; and
    - Portfolio interest rate risk hedge.

		Fixed Rate Risk			
		03/31/2023		12/31/2022	
		Curve value	Market value	Curve value	Market value
<u>Item</u>	<u>Index</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		13,647,835	13,671,664	18,369,907	18,310,667
<u>Derivative instruments</u>	<u>Index</u>				
Futures contracts – government securities	Fixed interest rate	13,461,237	13,461,237	18,433,019	18,433,019
Futures contracts	Fixed interest rate	82,018	82,018	79,186	79,186
Total		13,543,255	13,543,255	18,512,205	18,512,205
Total net		104,580	128,409	(142,298)	(201,538)

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

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\$27,992 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.

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.

		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	760,940	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	(761,411)	(768,638)	(771,508)	2,870	-	-	-	-
Total		(761,411)	(768,638)	(771,508)	2,870	-	-	-	-
Total net		(471)	(474)	(461)	(13)	-	-	-	-

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.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined 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.

		Currency Risk							
		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>Debts</u>	<u>Index</u>								
Fundraising in dollar and fixed interest rate	Foreign exchange difference + Semiannual LIBOR + Fixed Rate	-	-	-	-	39,451	37,154	37,390	(236)
		<b>407,411</b>	<b>375,477</b>	<b>376,251</b>	<b>(774)</b>	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
<u>Derivative instruments</u>	<u>Index</u>								
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>		<b>-</b>	<b>2,024,522</b>	<b>2,024,522</b>	<b>-</b>	<b>-</b>	<b>2,102,019</b>	<b>2,102,018</b>	<b>-</b>

- 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 year. 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 index must be set between 80% and 125%.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
 March 31, 2023  
 (In thousands of reais – R\$, unless otherwise stated)

### 6. Loan transactions

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

	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	1,987,565	28,533,592	45,724,223	79,316,466	155,561,846	151,786,877
Loans and discounted notes	1,809,553	14,445,301	22,988,411	38,711,566	77,954,831	74,993,809
Financing	89,313	2,217,121	5,518,929	13,013,191	20,838,554	20,432,525
Rural and agro-industrial financing	88,601	11,840,799	17,149,490	25,703,365	54,782,255	54,459,015
Housing financing	98	30,371	67,393	1,888,344	1,986,206	1,901,528
Exchange transactions	-	90,124	332,277	-	422,401	449,025
Advances on exchange contracts (Note 11.a)	-	87,969	324,331	-	412,300	439,176
Income from advances on exchange contracts	-	2,155	7,946	-	10,101	9,849
Other financial instruments (Note 7)	23,324	6,383,840	2,363,034	170,078	8,940,276	8,397,295
Amounts receivable relating to payment transactions (a)	-	6,363,953	2,334,115	21,060	8,719,128	8,166,925
Payables due to purchase of amounts and assets	235	19,138	28,514	147,972	195,859	200,152
Collateral and pledges honored	23,089	749	405	1,046	25,289	30,218
<b>Total - 2023</b>	<b>2,010,889</b>	<b>35,007,556</b>	<b>48,419,534</b>	<b>79,486,544</b>	<b>164,924,523</b>	
Total - 2022	1,782,460	24,523,634	56,401,806	77,925,297		160,633,197
Total - current					85,437,979	82,707,900
Total - noncurrent					79,486,544	77,925,297

(a) These refer to amounts receivable from credit card transactions.

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

Pursuant to article 3 of CMN Resolution No. 2697/00, loan transactions are broken down below, including exchange transactions amounting to R\$422,401 (R\$ 449,025 in December 2022) and other receivables of a credit nature amounting to R\$8,940,276 (R\$8,397,294 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	% -		Portfolio		Allowance for expected losses associated with credit and currency risks			
	Minimum	% Additional	03/31/2023	12/31/2022	Minimum at 03/31/2023	Additional at 03/31/2023	Minimum at 12/31/2022	Additional at 12/31/2022
AA	0.00	0.30 and 0.49	26,801,020	24,602,766	-	14,822	-	13,301
A	0.50	0.15 to 0.49	63,920,398	59,954,540	319,558	29,390	299,697	27,963
B	1.00	0.10 to 1.99	46,695,773	49,326,501	466,925	38,362	493,182	39,991
C	3.00	0.50 to 6.95	14,257,085	14,781,199	427,668	40,213	443,353	39,590
D	10.00	2.00 to 15.00	5,830,644	5,341,075	583,006	60,047	534,002	61,898
E	30.00	5.00 to 18.50	2,233,662	1,922,948	670,063	19,927	576,824	13,539
F	50.00	8.00 to 18.50	1,246,542	1,026,548	623,185	12,288	513,151	11,395
G	70.00	5.00 to 28.50	1,101,666	966,694	771,118	11,251	676,517	8,116
H	100.00	0.00	2,837,733	2,710,926	2,837,071	-	2,710,239	-
<b>Total</b>			<b>164,924,523</b>	<b>160,633,197</b>	<b>6,698,594</b>	<b>226,300</b>	<b>6,246,965</b>	<b>215,793</b>



## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

Cooperatives adopted provision percentages above the minimum amount defined in CMN Resolution 2682/99, taking into consideration, in addition to the legal criteria, the economic scenario, the period's projections and uncertainty scenarios, the experience of operating in the region and knowledge of its associates' base. As at March 31, 2023, the additional provision amount recorded was of R\$208,367 (R\$198,408 in December 2022).

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. As at March 31, 2023, the additional allowance amount recorded was of R\$17,933.

As at March 31, 2023, Sicredi recorded other receivables not of a credit grant nature for which a provision was set up amounting to R\$ 1,740 (R\$ 19,125 in December 2022).

In accordance with Article 5 of Resolution 4800/20, provision for losses for operations classified as Emergency Program for Employment Support (PESE) should be calculated only on the amount equivalent to the equity of the cooperatives intended for this purpose. As such, management recorded a provision amounting to R\$176 (R\$254 in December 2022). These amounts are presented together with the amount accrued for credit operations and other receivables.

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

Private sector	03/31/2023				Total portfolio	12/31/2022
	Overdue from 15 days	Falling due				Total portfolio
		Up to 3 months	From 3 to 12 months	Over 12 months		
Rural	88,601	11,840,808	17,149,499	25,703,347	54,782,255	54,459,015
Industry	35,616	947,328	1,359,677	2,529,764	4,872,385	4,816,147
Trade	327,080	4,587,282	6,325,303	10,012,164	21,251,829	20,607,318
Legal entities	403,645	5,604,974	8,968,267	16,209,616	31,186,502	29,758,304
Individuals	1,155,847	11,996,787	14,549,403	23,143,309	50,845,346	49,090,885
Housing	98	30,371	67,393	1,888,344	1,986,206	1,901,528
Total - 2023	<u>2,010,887</u>	<u>35,007,550</u>	<u>48,419,542</u>	<u>79,486,544</u>	<u>164,924,523</u>	
Total - 2022	<u>1,782,459</u>	<u>24,523,591</u>	<u>56,401,850</u>	<u>77,925,297</u>		<u>160,633,197</u>

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

### d) Concentration of loan transactions

	<u>03/31/2023</u>	<u>%</u>	<u>12/31/2022</u>	<u>%</u>
10 major debtors	1,381,990	0.84	1,313,529	0.82
50 next major debtors	2,581,344	1.57	2,566,705	1.60
100 next major debtors	2,807,825	1.70	2,738,324	1.70
Other	158,153,364	95.89	154,014,639	95.88
Total	<u>164,924,523</u>	<u>100.00</u>	<u>160,633,197</u>	<u>100.00</u>

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

	<u>03/31/2023</u>	<u>03/31/2022</u>
Opening balance	6,464,498	4,156,032
Recognition of allowance	2,252,310	1,337,683
Reversal of provision	(1,097,415)	(685,793)
Subtotal	<u>1,154,895</u>	<u>651,890</u>
Changes in amounts written off for loss	(692,759)	(278,931)
Closing balance	<u>6,926,634</u>	<u>4,528,991</u>

### f) Income from loan transactions

	<u>03/31/2023</u>	<u>03/31/2022</u>
Loans and discounted notes	4,352,610	3,003,240
Financing	919,400	625,670
Rural and agro-industrial financing	1,352,540	934,955
Housing financing	46,754	28,776
Other	2,153	2,226
Subtotal	<u>6,673,457</u>	<u>4,594,867</u>
Recovery of receivables written off as loss	109.853	120,440
Total	<u>6,783,310</u>	<u>4,715,307</u>

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

In the period ended March 31, 2023, recovery of credit operations previously written off as loss amounted to R\$109,853 (R\$120,440 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>03/31/2023</u>	<u>12/31/2022</u>
Payments and receipts to be settled (a)	969,425	11,980
Correspondent banks	17,096	14,594
Payment transactions (b)	2,658,897	2,724,732
Exchange portfolio	482,711	531,826
Securities trading and brokerage	16,239	220
Income receivable	172,717	173,215
Payables due to purchase of amounts and assets (Note 6.a)	47,887	52,792
Collateral and pledges honored (Note 6.a)	24,243	29,332
Consortium fees	24,050	24,004
Transactions with cards	402,758	446,769
Amounts receivable relating to payment transactions (Note 6.a)	8,698,068	8,148,783
Refunds receivable	7,554	4,402
Total - current	<u>13,521,645</u>	<u>12,162,649</u>
Amounts receivable relating to payment transactions (Note 6.a)	21,060	18,142
Payables due to purchase of amounts and assets (Note 6.a)	147,972	147,359
Collateral and pledges honored (Note 6.a)	1,046	886
Total - noncurrent	<u>170,078</u>	<u>166,387</u>
Total	<u>13,691,723</u>	<u>12,329,036</u>

(a) Payments and receipt to be settled refer mainly to checks and other draft sent to other systems and receipt of documents sent by other participants of the settlement system.

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

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

### 8. Deposits and open-market funding

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

	03/31/2023			12/31/2022	
	No maturity and within 3 months	From 3 to 12 months	Over 12 months	Total	Total
Deposits	59,077,612	10,619,202	92,468,360	162,165,174	153,889,693
Demand deposits	30,285,297	-	-	30,285,297	27,807,361
Deposits in savings accounts	26,144,599	-	-	26,144,599	26,589,579
Interbank deposits	881,258	7,028,258	1,190,433	9,099,949	8,319,513
Time deposits	1,766,458	3,590,944	91,277,927	96,635,329	91,173,240
Open market funding	3,667,535	418,847	1,635,542	5,721,924	5,643,824
Own portfolio	8	418,847	1,635,542	2,054,397	4,231,984
Third-party portfolio	3,667,527	-	-	3,667,527	1,411,840
Investment funds	3,327,529	-	-	3,327,529	631,709
Financial institutions	339,998	-	-	339,998	780,131
Total - 2023	62,745,147	11,038,049	94,103,902	167,887,098	
Total - 2022	60,231,646	10,855,778	88,446,093		159,533,517
Total - current				73,783,196	71,087,424
Total - noncurrent				94,103,902	88,446,093

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

	03/31/2023			12/31/2022	
	Up to 3 months	From 3 to 12 months	Over 12 months	Total	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	1,355,516	10,025,585	27,109,123	38,490,224	
Total - 2022	1,285,043	7,919,141	22,583,371		31,787,555
Total - current				11,381,101	9,204,184
Total - noncurrent				27,109,123	22,583,371

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.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

### 10. Borrowings and onlending

	03/31/2023			12/31/2022	
	Up to 3 months	From 3 to 12 months	Over 12 months	Total	Total
Borrowings	<b>1,818,372</b>	<b>2,065,459</b>	<b>2,361,607</b>	<b>6,245,438</b>	6,378,234
Domestic loans – official institutions	1,622	3,609	100,113	105,344	102,554
Domestic loans	<b>904,852</b>	<b>667,438</b>	<b>364,408</b>	<b>1,936,698</b>	2,145,013
Foreign loans (a)	<b>911,898</b>	<b>1,394,412</b>	<b>1,897,086</b>	<b>4,203,396</b>	4,130,667
Local on-lending obligations - official institutions (b)	<b>890,234</b>	<b>3,211,431</b>	<b>14,673,635</b>	<b>18,775,300</b>	18,301,701
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)	<b>533,837</b>	<b>2,003,036</b>	<b>9,960,803</b>	<b>12,497,676</b>	12,173,817
Financing Fund for the North Region (FNO)	215,057	806,391	3,134,610	4,156,058	3,993,974
Banco da Amazônia	4,778	6,580	197,896	209,254	203,879
BRDE	-	2,759	12,580	15,339	15,339
Total - 2023	<b>2,708,606</b>	<b>5,276,890</b>	<b>17,035,242</b>	<b>25,020,738</b>	
Total - 2022	1,166,074	6,451,775	17,062,086		24,679,935
Total - current				<b>7,985,496</b>	7,617,849
Total - noncurrent				<b>17,035,242</b>	17,062,086

(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 foreign 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 Economic and Social Development Bank (BNDES). The operations contracted, according to the characteristics of each program, have monthly, quarterly, half-yearly and annual maturity until 2033. 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 maturities until 2023. These funds are transferred using the same periods and rates of the funding program plus onlending commission amounts.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

### 11. Other financial liabilities

	<u>03/31/2023</u>	<u>12/31/2022</u>
Receipts and payments to be settled (a)	1,239,263	11,709
Payment transactions (b)	8,106,441	7,671,501
Third-party funds in transit	389,995	379,166
Domestic transfers of funds	27	8,903
Exchange portfolio (Note 11.a)	103,702	128,948
Securities trading and brokerage	1,514	6,199
Subordinated debt (Note 11.b)	39,107	67,743
Interest on rural savings account	97,815	102,598
Accredited establishment – multiple card	11,969	9,314
Funds to be released – real property sellers	65,696	73,805
Payment transaction obligations (c)	1,413,095	1,410,796
Obligations due to payment arranger services	24,990	19,483
Total - current	<u>11,493,614</u>	<u>9,890,165</u>
Exchange portfolio (Note 11.a)	-	(596)
Subordinated debt (Note 11.b)	1,276,036	1,252,248
Total - noncurrent	<u>1,276,036</u>	<u>1,251,652</u>
Total	<u>12,769,650</u>	<u>11,141,817</u>

(a) Payments and receipts to be settled refer mainly to checks and other draft sent to other systems and receipt of documents sent by other participants of the settlement system.

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

(c) 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

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

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

### b) 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. Provisions

	<u>03/31/2023</u>	<u>12/31/2022</u>
Provision for financial guarantees given (a)	96,346	90,259
Total - current	<u>96,346</u>	<u>90,259</u>
Provision for financial guarantees given (a)	297,995	282,770
Provision for civil, tax and labor contingencies	290,665	291,322
Total - noncurrent	<u>588,660</u>	<u>574,092</u>
Total	<u>685,006</u>	<u>664,351</u>

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

## 13. Noncontrolling interests

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

The equity 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 equity interests held by Rabo Partnerships B.V. and IFC, and equity of the cooperatives, named profit sharing ratio ('QPL'). As at March 31, 2023, profit sharing ratio of Rabo Partnerships B.V. and IFC is of 1.18% (1.18% in December 2022) and 0.09% (0.09% in December 2022), respectively.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

	03/31/2023		12/31/2022	
	Rabo Part.B.V	IFC	Rabo Part.B.V	IFC
Bank equity	3,636,916		3,562,924	
Equity interest held (%)	8,38%	1,10%	8,38%	1,10%
Equity interest held (R\$)	304,592	39,836	298,391	39,021
Additional dividend	9,786	337	-	-
Noncontrolling interests	<u>314,378</u>	<u>40,173</u>	<u>298,391</u>	<u>39,021</u>
Profit sharing ratio	<u>1.18%</u>	<u>0.09%</u>	<u>1.18%</u>	<u>0.09%</u>
Total of noncontrolling interests in the period	<u>354,551</u>		<u>337,412</u>	

### 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, namely: Asset Administrator, Insurance Broker, SicrediPar, Sicredi Foundation, Card Administrator and Investment Funds managed by the Bank not included in these combined interim financial statements.

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

	03/31/2023	12/31/2022
Liabilities	<u>3,938,252</u>	<u>2,323,560</u>
Demand deposits	4,585	9,814
Time deposits	31,545	29,042
Third-party portfolio (a)	3,902,090	2,284,672
Shares	32	32
	<u>03/31/2023</u>	<u>03/31/2022</u>
Expenses	<u>105,202</u>	<u>270,118</u>
Market funding transactions	105,051	268,208
Other administrative expenses	151	571
Other operating expenses	-	1,339

(a) The third-party portfolio comprises investments in Financial Treasury Bills (LFT) and National Treasury Bills (LTN) recorded in investment funds not included in the consolidation.



## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

### 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 Directors' 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, pledges and chattel mortgage. Transactions with management members, summarized per accounting group, are as follows:

	<u>03/31/2023</u>	<u>12/31/2022</u>
Assets	<u>636,868</u>	<u>617,255</u>
Loan transactions	636,868	617,255
Liabilities	<u>553,375</u>	<u>499,613</u>
Demand deposits	61,114	37,065
Time deposits	492,261	462,548

### c) Key management personnel compensation

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

Total key management personnel compensation for the year ended March 31, 2023 amounted to R\$ 118,993 (R\$ 103,293 in December 2022), which is considered a short-term benefit and a post-employment benefit.

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

## 15. Investment funds managed by the Bank

The Bank manages investment funds, whose equity as at March 31, 2023 amounted to R\$19,641,979 (R\$14,010,897 in December 2022), not considering the funds consolidated in these combined financial statements.

Revenue from investment fund management in the period ended amounted to R\$ 4,112 (R\$ 2,435 in March 2022) and is presented under Service revenues.

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

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements

March 31, 2023

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

### 16. Service revenues

	<u>03/31/2023</u>	<u>03/31/2022</u>
Fund management	4,112	2,435
Collection	102,744	94,823
Custody	514	377
Bank services	285,914	255,959
Clearance processing	1,642	1,512
Cards	477,021	316,166
Insurance	131,650	115,077
Consortia	70,192	79,898
Agreements	26,589	24,092
Payment services	5,866	3,964
Funds' rates	2,225	1,540
Other services	23,350	18,455
Total	<u>1,131,819</u>	<u>914,298</u>

### 17. Expenses with market funding operations

	<u>03/31/2023</u>	<u>03/31/2022</u>
Deposits in savings accounts	487,520	425,538
Interbank deposits	194,253	81,500
Time deposits	2,872,472	1,592,404
Repurchase agreements	161,866	75,240
Agribusiness Credit Bills (LCA)	887,264	184,806
Financial Bills	254,122	73,230
Contribution to the Deposit Insurance Fund (DIF)	68,347	49,831
Other fundraising expenses	7,245	5,714
Total	<u>4,933,089</u>	<u>2,488,263</u>

### 18. Personnel expenses

	<u>03/31/2023</u>	<u>03/31/2022</u>
Salaries	801,484	641,538
Benefits	316,693	236,987
Social charges	255,455	207,337
Training	9,254	6,177
Other personnel expenses	542	2,234
Total	<u>1,383,428</u>	<u>1,094,273</u>

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

### 19. Administrative expenses

	<u>03/31/2023</u>	<u>03/31/2022</u>
Utilities	22,333	28,614
Rent	118,252	97,500
Communication	48,911	47,137
Depreciation and amortization	133,984	130,451
Technical, educational and social assistance expenses	75,594	38,967
Social funds	931	680
Maintenance and upkeep of assets	69,257	58,230
Materials and supplies	17,885	16,334
Data processing (a)	172,862	158,687
Promotions, public relations, advertising and publicity	173,804	110,813
Tariff refunds	9,428	9,192
Financial System Services (b)	81,255	152,582
Third-party services (c)	337,983	266,932
Rates and fees	27,251	19,000
Transportation	46,899	38,709
Travel	17,772	8,464
Other	54,608	45,858
Total	<u>1,409,009</u>	<u>1,228,150</u>

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

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

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

### 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 the Capital Management Structure; Operational Risk; Going Concern Risk; Market Risk; Risk of Changes in Interest Rates; Liquidity Risk; Credit Risk; Social and Environmental Risk; Compliance Risk; Information Security Risk, the main aspects of which are presented below:

#### 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 > Publicações Sistêmicas > Gerenciamento de Riscos Pilar 3 - Sistêmico.

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.

## Sistema de Crédito Cooperativo - Sicredi

Notes to combined interim financial statements  
March 31, 2023  
(In thousands of reais – R\$, unless otherwise stated)

### 21. Basel and investment index

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 Resolution No. 4955/21, 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, 2023, 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>03/31/2023</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	63,500	62,286
Co-obligations in credit assignments	1,334	1,324
Depositories of amounts in custody/guarantee (a)	715,522,103	514,653,377
Notes under collection	46,895,796	43,134,118

(a) Depositories of amounts in custody/guarantee refer mostly to fixed-income securities, i.e. Bank Deposit Certificates (CDB) recorded under Fundo de Investimento Renda Fixa Crédito Privado Zeramento.

#### b) Other guarantees

	<u>03/31/2023</u>	<u>12/31/2022</u>
B3 guarantee margin	787,013	425,604

### 23. Events after the reporting period

At the Board of Directors' meeting held on May 16, 2023, a capital increase in the Bank amounting to R\$ 482,000 was authorized and paid in on the same day. This capital contribution is currently under analysis for approval by the Central Bank.