



Individual and Consolidated Interim Financial Statements

Banco Cooperativo Sicredi S.A.

**March 31, 2025 and
Independent Auditor's Report**

Banco Cooperativo Sicredi S.A.

Individual and consolidated interim financial statements

March 31, 2025

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Management and Shareholders 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. ("Bank") for the quarter ended March 31, 2025, which comprise the balance sheet as at March 31, 2025, and the related statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including a summary of significant accounting policies and other explanatory information.

The Executive Board is responsible for preparing 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 Brazilian and international standards on review of interim financial information (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 the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated 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 included in the ITR referred to above were not prepared, in all material respects, in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the BACEN.

Emphasis of matter

Comparative information

We draw attention to note 2.1 b) to the individual and consolidated interim financial statements, which describes that such financial statements have been prepared in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the BACEN, considering the exemption from presenting prior-period comparative amounts in the financial statements for the three-month period ended March 31, 2025, as set out in CMN Resolution 4966 and BACEN Resolution 352. Our conclusion is not qualified in respect of this matter.

Other matters

Opening balances corresponding to the year ended December 31, 2024

The corresponding figures reported in the statement of changes in equity and statement of cash flows as at January 1, 2025 were previously audited by other independent auditors, who issued an unmodified opinion thereon dated February 17, 2025.

The accompanying individual and consolidated interim financial statements have been translated into English for the convenience of readers outside Brazil.

Porto Alegre, May 19, 2025



DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.



Dario Ramos da Cunha
Engagement Partner

Banco Cooperativo Sicredi S.A

Balance Sheet - Assets

As at March 31, 2025

(In thousands of Brazilian reais - R\$)

	Note	Parent 03/31/2025	Consolidated 03/31/2025
Assets			
Cash and cash equivalents	5	569,665	569,665
Financial instruments		202,031,754	202,337,324
Financial assets measured at amortized cost		181,229,609	181,231,860
Interbank investments, net of the allowance for expected credit losses	6	14,522,438	14,522,438
Deposits in the Central Bank of Brazil	7	3,052,751	3,052,751
Securities and derivative financial instruments, net of the allowance for expected credit losses	8	25,088,029	25,088,029
Subject to guarantees			
Other investments			
Interbank onlendings, net of the allowance for expected credit losses	9	79,044,747	79,044,747
Loan transactions, net of the allowance for expected credit losses	9	39,634,492	39,634,492
Other financial assets	10	19,887,152	19,889,403
Financial assets measured at fair value through other comprehensive income		20,493,817	20,493,817
Securities and derivative financial instruments, net of the allowance for expected credit losses	8	20,493,817	20,493,817
Related to the Central Bank			
Subject to guarantees			
Financial assets measured at fair value through profit or loss		308,328	611,647
Investment fund units		559	303,878
Derivative financial instruments	8.c	307,769	307,769
Deferred tax assets		627,800	769,827
Other assets		190,954	631,590
Investments in equity interests in subsidiaries		254,271	-
Property, plant and equipment in use		15,113	69,402
TOTAL ASSETS		203,689,557	204,377,808

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

Banco Cooperativo Sicredi S.A.

Balance Sheet - Liabilities

As at March 31, 2025

(In thousands of Brazilian reais - R\$)

	Note	Parent 03/31/2025	Consolidated 03/31/2025
Liabilities and equity			
Financial instruments		197,004,694	197,408,819
Financial liabilities measured at amortized cost		196,777,235	197,181,360
Deposits	11	59,340,371	59,333,829
Money market funding	11	17,239,753	17,239,753
Funds from acceptances and issuance of securities	12	56,306,614	56,306,614
Borrowings	13	8,915,935	8,915,935
Domestic onlendings - official institutions	13	34,826,224	34,826,224
Other financial liabilities	14	20,148,338	20,559,005
Financial liabilities stated at cost in profit or loss		227,459	227,459
Derivative financial instruments	8.c	227,459	227,459
Provisions for civil, tax and labor risks		27,329	27,373
Deferred tax liabilities		331,082	471,343
Other liabilities		1,396,878	1,540,690
Equity		4,929,574	4,929,574
Capital		4,870,974	4,870,974
Legal reserve		87,563	87,563
Other comprehensive income		(8,758)	(8,758)
Retained earnings (accumulated losses)		(20,205)	(20,205)
Noncontrolling interests		-	9
Noncontrolling interests		-	9
TOTAL LIABILITIES AND EQUITY		203,689,557	204,377,808

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

Banco Cooperativo Sicredi S.A.

Statement of profit and loss

For the three-month period ended March 31, 2025

(In thousands of Brazilian reais - R\$, except earnings per thousand shares)

		Parent	Consolidated
		Accumulated as at	Accumulated as at
		March 31	March 31
	Note	2025	2025
Income from financial intermediation		4,353,666	4,361,250
Loan transactions and interbank onlendings	9.f	2,814,891	2,814,891
Income from securities transactions		1,726,062	1,733,646
Gain (loss) on derivative financial instruments	8.c	(227,245)	(227,245)
Gain (loss) on foreign exchange transactions		(28,298)	(28,298)
Income from investments in the Central Bank		68,256	68,256
Expenses on financial intermediation		(3,864,450)	(3,864,450)
Money market funding		(3,381,852)	(3,381,852)
Gain (loss) on borrowings and onlendings		(482,598)	(482,598)
Income from financial intermediation		489,216	496,800
(Allowances) for expected credit losses, interbank onlendings and other transactions with loan characteristics		(154,969)	(154,969)
(Allowances) for expected credit losses, interbank investments, securities and other assets		(43,162)	(43,162)
Gross income from financial intermediation		291,085	298,669
Other operating income		350,383	701,105
Service revenue	17	26,839	375,784
Gain (loss) on equity interests in subsidiaries		6,586	(90)
Other operating income		316,958	325,411
Other operating expenses		(736,945)	(1,091,787)
Personnel expenses	18	(24,093)	(24,677)
Administrative expenses	19	(639,737)	(942,375)
Tax expenses		(47,565)	(99,010)
Other operating expenses		(25,550)	(25,725)
Operating income (expenses)		(95,477)	(92,013)
Profit (loss) before income taxes and profit sharing		(95,477)	(92,013)
Income tax and social contribution		56,622	53,342
Income tax		(70,012)	(84,920)
Social contribution		(54,933)	(60,323)
Recognition of deferred tax assets, net		181,567	198,638
Reversal of income tax and social contribution for the prior year		-	(53)
Employee profit sharing		(6,365)	(6,548)
Noncontrolling interests		-	(1)
Loss for the period		(45,220)	(45,220)
Number of shares at the end of the period		4,103,270,757	4,103,270,757
Loss per thousand shares at the end of the period - R\$		(11.02)	(11.02)

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

Banco Cooperativo Sicredi S.A.

Statement of comprehensive income
For the three-month period ended March 31, 2025
(In thousands of Brazilian reais - R\$)

	Parent	Consolidated
	2025-03	2025-03
Loss for the period	(45,220)	(45,220)
Noncontrolling interests	-	(1)
Loss for the period attributable to shareholders	(45,220)	(45,221)
Total adjustments not included in profit for the period	(6,950)	(6,950)
Increase (decrease) in securities from other comprehensive income	(12,637)	(12,637)
Taxes on adjustments to securities - other comprehensive income	5,687	5,687
Total Hedge	(1,807)	(1,807)
Variations - cash flow hedge	(3,286)	(3,286)
Taxes on adjustments to cash flow hedge	1,479	1,479
Total adjustments not included in loss for the period	(8,757)	(8,757)
Comprehensive income for the period	(53,977)	(53,978)
Attributable to shareholders		
Loss for the period attributable to controlling shareholders	(53,977)	(53,977)
Loss for the period attributable to noncontrolling shareholders	-	(1)

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

Banco Cooperativo Sicredi S.A.

Statement of changes in equity
For the three-month period ended March 31, 2025
(In thousands of Brazilian reais - R\$)

		Capital	Reserve					
	Note	Subscribed	Legal reserve	Other comprehensive income	Retained earnings	Parent's equity	Noncontrolling interests	Total
Balances as at December 31, 2024		4,870,974	87,563	(7,531)	-	4,951,006	9	4,951,015
Transition adjustments - Res. 4966/21	4	-	-	-	25,015	25,015	-	25,015
Balances as at January 1, 2025		4,870,974	87,563	(7,531)	25,015	4,976,021	9	4,976,030
Capital increase		-	-	-	-	-	-	-
Fair value adjustments – non-equity securities		-	-	(1,227)	-	(1,227)	-	(1,227)
Adjustments to noncontrolling interests		-	-	-	-	-	(9)	(9)
Loss for the period		-	-	-	(45,220)	(45,220)	-	(45,220)
Balances as at March 31, 2025		4,870,974	87,563	(8,758)	(20,205)	4,929,574	-	4,929,574

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

Banco Cooperativo Sicredi S.A.

Statement of cash flows

For the three-month periods ended March 31, 2025 and 2024

(In thousands of Brazilian reais - R\$)

	Note	Parent 2025-03 Period	Consolidated 2025-03 Period
Cash flows from operating activities			
Profit before income tax and social contribution		(101,842)	(98,561)
Adjustments to profit before taxes			
Allowance for expected credit losses, interbank onlendings and other transactions with loan characteristics		198,131	198,131
Depreciation and amortization		529	1,384
Loss on the sale of property, plant and equipment		205	203
Provision for civil, tax and labor risks		712	640
Interest on hybrid equity instruments		24,373	24,373
Gain (loss) on equity interests in subsidiaries		(6,586)	(90)
Adjusted profit for the period		115,522	126,080
Increase (decrease) in assets and liabilities			
(Increase) decrease in assets			
Decrease in interbank investments		4,963,748	4,963,748
Decrease in securities and derivative financial instruments		868,831	798,550
Decrease in deposits in the Central Bank		13,836	13,836
(Increase) in interbank onlendings		(2,173,698)	(2,173,698)
(Increase) in loan transactions		(1,868,696)	(1,868,696)
Decrease in other financial instruments		119,891	117,571
Decrease in other assets and tax credits		373,842	441,106
(Decrease) increase in liabilities			
(Decrease) in deposits		(2,444,450)	(2,444,585)
Increase in money market funding		8,230,070	8,230,070
Increase in funds from acceptances and issuance of securities		4,428,008	4,428,008
Increase in borrowings and onlendings		1,110,200	1,110,200
Increase in other provisions, deferred tax liabilities and other liabilities		616,046	692,134
Cash (used in) operations		14,353,150	14,434,324
Income tax and social contribution paid		(124,944)	(145,243)
Net cash (used in) operating activities		14,228,206	14,289,081
Cash flows from investing activities			
Purchase of property, plant and equipment in use		(91)	(972)
Capital payment in subsidiaries		59,994	-
Decrease in other investments		90	90
Decrease in securities measured at fair value through other comprehensive income		(12,795,930)	(12,795,930)
Increase in securities measured at amortized cost		(1,318,386)	(1,318,386)
Net cash provided by investing activities		(14,054,323)	(14,115,198)
Cash flows from financing activities			
Subordinated debt		9,326	9,326
Hybrid equity instruments		550,000	550,000
Net cash provided by financing activities		559,326	559,326
Increase in cash and cash equivalents		733,209	733,209
Cash and cash equivalents at the beginning of the period		2,910,358	2,910,358
Cash and cash equivalents at the end of the period	5	3,643,567	3,643,567

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

Banco Cooperativo Sicredi S.A.

Notes to the individual and consolidated interim financial statements

March 31, 2025

(In thousands of Brazilian reais – R\$)

1. General information

Banco Cooperativo Sicredi S.A. (“Bank” or “Institution”), a Brazilian private financial institution authorized to operate by the Central Bank of Brazil (“BACEN”) on March 20, 1996, became operational on June 3, 1996 pursuant to CMN Resolution 2193 of August 31, 1995, as amended by Resolution 5060 of February 16, 2023, which is currently in force. The Bank is located at Avenida Assis Brasil, 3940 in the city of Porto Alegre/RS.

The Institution is primarily engaged in performing bank transactions of commercial nature, including exchange transactions, and operates as a full-service bank through its commercial and investment portfolio. Drawing on the strategic decision of Sistema de Crédito Cooperativo (“Sicredi” or “System”), it operates as an instrument of credit unions, allowing them to operate in the several available markets through agreements and conduct supplementary operations, besides providing its members with access to a full range of services.

As at March 31, 2025, the System is composed of 103 affiliated credit unions, which operate through a network of over 2,900 service points. The structure also comprises five Regional Centers (“Centers”) – shareholders of Sicredi Participações S.A. – Confederação das Cooperativas do Sicredi (“Sicredi Confederation”), Fundação Sicredi, in addition to the Bank, which controls Corretora de Seguros Sicredi Ltda., Administradora de Consórcios Sicredi Ltda. and Administradora de Bens Sicredi Ltda.

Operations are conducted by the set of Sicredi companies, which operate in the market on an integrated basis. The benefits of services rendered between the System companies and the costs of operational and administrative structures are absorbed, jointly or individually, by these companies.

Most of the Bank’s voting capital belongs to Sicredi Participações S.A. (“Company”), which is a privately-held company established on October 10, 2008, composing the Sistema de Crédito Cooperativo (“Sicredi” or “System”) that holds controlling interests in the Bank. As at March 31, 2025, the Company holds a 91.95% equity interest in the Bank.

The Bank and Rabo Partnerships B.V., which operates as a development branch of the Dutch group Rabobank, entered into an investment agreement on June 7, 2011. The partnership promotes the exchange of information and technical knowledge between Sicredi System and Rabobank System, thus potentially expanding Sicredi’s product portfolio to industries in which Rabobank has expertise. The process documented through an investment agreement was approved by the Central Bank of Brazil (“BACEN”) on January 27, 2011 and by the Federal Government under the Presidential Decree of May 18, 2011 published in the Federal Official Gazette on May 19, 2011. As at March 31, 2025, Rabo Partnerships B.V. holds an 8.05% equity interest in the Bank.

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

Presentation of individual and consolidated interim financial statements

The individual and consolidated interim financial statements have been prepared in accordance with the accounting practices adopted in Brazil, the accounting guidelines set out in Law 6404/76, the amendments introduced by Law 11638/07 and Law 11941/09, as well as in conformity with the guidelines established by BACEN and CMN, based on the standards set forth in the Standard Chart of Accounts for Financial Institutions (COSIF) and the new technical pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (“CPC”) and approved by BACEN (CPC 00 (R2), 01 (R1), 03 (R2), 05 (R1), 06 (R2) 10 (R1), 23, 24, 25, 28, 33 (R1), 41, 46 and 47).

Banco Cooperativo Sicredi S.A.

Notes to the individual and consolidated interim financial statements

March 31, 2025

(In thousands of Brazilian reais – R\$)

Listed below are the notes to the individual and consolidated financial statements for the year ended December 31, 2024, which are not included and presented at the same level of detail in these individual and consolidated interim financial statements, due to the lack of significant changes during the quarter:

- i. Other assets;
- ii. Equity interests in domestic subsidiaries;
- iii. Property, plant and equipment in use and intangible assets;
- iv. Provisions for civil, tax and labor risks;
- v. Other liabilities;
- vi. Equity;
- vii. Income tax and social contribution;
- viii. Other operating income;
- ix. Other operating expenses;
- x. Risk and capital management structure;
- xi. Sensitivity analysis;
- xii. Clearing Agreement - Correspondent banks; and
- xiii. Insurance coverage.

These individual and consolidated interim financial statements, prepared under the assumption that the Bank and its subsidiaries will continue as a going concern, were approved by the Executive Board on May 16, 2025.

a) Consolidation criteria

In the consolidation process, intercompany transactions were eliminated and profit for the year and equity relating to noncontrolling interests were recorded separately. The consolidated interim financial statements have been prepared for the purpose of allowing shareholders, executive officers, financial institutions and potential investors of Banco Cooperativo Sicredi to assess the consolidated financial position as at March 31, 2025 and the 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 and according to the ownership structure. Consequently, the consolidated financial statements may not be appropriate for other purposes.

b) Consolidated interim financial statements

The consolidated interim financial statements are presented 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 the accounting guidelines set out in the Brazilian Corporate Law, including the individual interim financial statements of the Bank and the following subsidiaries:

Company	Core business	03/31/2025
Direct equity interest:		%
Administradora de Consórcios Sicredi Ltda.	Consortia Administrator	99.99
Administradora de Bens Sicredi Ltda.	Asset Administrator	99.98
Corretora de Seguros Sicredi Ltda.	Insurance Broker	100.00

The subsidiaries are fully consolidated as from the acquisition date, i.e., the date on which the Bank obtains control, and continue to be consolidated through the date such control ceases to exist. The financial statements are prepared for the same reporting period of the Parent, using consistent accounting policies. All intragroup balances, income, expenses and unrealized gains and losses arising from intragroup transactions have been fully eliminated.

Banco Cooperativo Sicredi S.A.

Notes to the individual and consolidated interim financial statements

March 31, 2025

(In thousands of Brazilian reais – R\$)

c) Functional currency

The individual and consolidated interim financial statements are expressed in Brazilian reais (R\$), which is the functional currency adopted by the Bank and its subsidiaries.

2.1 Adoption of new standards

a) Amendments in force

The Bank adopted the standards and guidelines that became effective beginning on or after January 1, 2025. The following standards and interpretations apply to the Institution:

CMN Resolution 4966/21 and BCB Resolution 352/23: introduction of significant amendments to the accounting standards applicable to financial instruments, in line with the concepts set out in IFRS 9 (CPC 48). The main impacts of such resolution on the financial statements are as follows:

- Adoption of the full expected loss model for the recognition of an allowance for expected credit losses. It also classified the financial instruments into three stages according to the increases in the underlying credit risks. Such approach allows identifying any risks of loss before default events take place.
- Financial assets are now measured and classified according to Sicredi's business model and their contractual cash flow characteristics (also known as SPPI test).
- Revenues and charges directly related to the origination/issuance of financial instruments should be recognized in profit or loss under the effective interest method.
- New criteria for the measurement of renegotiated and restructured transactions, aiming to ensure greater transparency and comparability.
- Changes in the criteria for suspending the interest recognition, which now occurs when transactions are classified as "credit-impaired financial assets".
- Changes in the criteria applicable to the write-off of financial assets to loss, which are now derecognized when the Institution no longer expects to collect the relevant amounts.
- Prohibition on recognizing instruments written off to loss in assets, except when instruments are renegotiated, in conformity with the appropriate requirements set out in the Resolution.

BCB Regulatory Instructions 426 to 433, of December 1, 2023, BCB Regulatory Instructions 493 to 500 of July 26, 2024, BCB Regulatory Instructions 537 to 543, of November 5, 2024: define the line items from the Standard Chart of Accounts for Financial Institutions (COSIF) referring to: (i) realizable and permanent assets; (ii) offset of assets and liabilities; (iii) liabilities; (iv) equity; (v) income and expenses.

b) First-time adoption

The Bank adopted the transitional provisions set forth in article 79 of CMN Resolution 4966/21 that does not require the restatement of comparative information for prior periods as a result of changes in the classification and measurement of financial instruments (including expected credit losses).

The effects of the adjustments arising from the application of the accounting criteria established by the Resolution were recorded in equity as a contra entry to retained earnings or accumulated losses at the net amount of taxes.

Banco Cooperativo Sicredi S.A.

Notes to the individual and consolidated interim financial statements

March 31, 2025

(In thousands of Brazilian reais – R\$)

The reconciliation of equity disclosing the standard transition effects on January 1, 2025 is shown in note 4.

3. Accounting policies

The accounting policies and methods adopted in preparing these financial statements are equivalent to those applied to the financial statements for the year ended December 31, 2024, except for the application of CMN Resolution 4966/21 (regarding financial instruments), which became effective on January 1, 2025.

The significant accounting policies adopted in preparing these individual and consolidated financial statements are as follows:

a) Revenue and expense recognition

Revenues and expenses are recognized on an accrual basis, which determines that revenues and expenses should be included in the statement of profit and loss for the periods they are earned/incurred, concurrently when correlated, regardless of any receipt or payment. Fixed-rate transactions are stated at redeemable amount and income and expenses for the future period are stated as a reduction of the respective assets and liabilities.

Finance income and finance costs are calculated on a pro rata basis and under the exponential method, except for those related to discounted notes or foreign transactions calculated under the straight-line method. Floating-rate or foreign currency-denominated transactions are adjusted for inflation through the balance sheet dates.

b) Cash and cash equivalents

Cash and cash equivalents are represented by cash in local currency, foreign currency, short-term interbank investments and voluntary deposits with daily liquidity held with the Central Bank of Brazil, maturing within three months, for instance, from the acquisition date, which are subject to an insignificant risk of change in value.

c) Financial instruments

I. Classification of financial instruments

Banco Cooperativo Sicredi's financial assets are classified into the following categories:

Amortized Cost: assets are managed within a business model whose objective is to hold assets in order to collect the respective contractual cash flows, which are solely payments of principal and interest.

Fair Value through Other Comprehensive Income: financial assets are managed within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets with substantial transfer of risks and rewards, which are solely payments of principal and interest.

Fair Value through Profit or Loss: adopted for financial assets that do not fall under the criteria described above.

Banco Cooperativo Sicredi S.A.

Notes to the individual and consolidated interim financial statements

March 31, 2025

(In thousands of Brazilian reais – R\$)

The accounting classification under each category is contingent upon the business model assessment for each financial asset and their contractual cash flow characteristics (solely payment of principal and interest – SPPI test).

In order to determine the business model, the Institution assesses the strategy of obtaining finance income by either i) collecting cash flows from principal and interest and ii) selling the financial assets, or iii) both. Accordingly, it considers the following evidence, among others:

- the risks affecting the business model performance;
- how the business managers receive compensation; and
- how the business model performance is assessed and reported to Management.

The cash flow characteristics are assessed by applying the SPPI test so as to determine whether the contractual cash flows are solely payments of principal and interest. In order to meet such concept, cash flows should include consideration for the time value of money and credit risk. In case of failure to meet this concept, financial assets are classified at fair value through profit or loss.

The Bank does not irrevocably elect to measure financial assets at fair value upon initial recognition.

II. Subsequent measurement of financial instruments

Financial assets and financial liabilities are measured under the following accounting classification categories:

Amortized Cost: financial assets and financial liabilities falling under this category are initially measured at fair value, plus transaction costs or collected amounts. They are subsequently measured at amortized cost, plus inflation adjustments made using the effective interest rate. Any gains on financial assets classified under this category are recognized in line item “Interest income”, while interest expenses on financial liabilities are recognized in line item “Interest expenses” over the respective contractual term.

At fair value through other comprehensive income: financial assets falling under this category are initially measured at fair value, plus transaction costs or collected amounts. They are subsequently measured at fair value, with gains or losses on fair value changes being directly recognized in a specific line item from equity, namely “Valuation adjustments to equity”, until the financial assets are derecognized. Upon the derecognition of assets, any cumulative gains or losses reported in a specific line item from equity are transferred to profit or loss for the period. Interest on financial assets classified under this category is recognized in profit or loss for the year, in line item “Interest income”. Interest on those financial assets is calculated under the effective interest method.

At fair value through profit or loss and designated at fair value upon initial recognition: they are initially recognized at fair value, with the respective transaction costs or collected amounts being directly recognized as income or expenses upon the issuance or use of the financial instruments. Any gains or losses arising from changes in the fair value of financial assets and financial liabilities are recorded in the consolidated statement of profit and loss, in line item “Interest income or expenses, net”, for the period in which they are earned/incurred.

Banco Cooperativo Sicredi S.A.

Notes to the individual and consolidated interim financial statements

March 31, 2025

(In thousands of Brazilian reais – R\$)

III. Fair value hierarchy

Valuation techniques are applied to financial instruments measured at fair value according to three hierarchy levels:

Financial Instruments - Level 1: fair value based on observable inputs of prices quoted in the active market for identical instruments. The active market consists of transactions involving financial assets and financial liabilities that are traded frequently to provide pricing information on an ongoing basis.

Financial Instruments - Level 2: fair value based on unobservable inputs either directly or indirectly, which may include: (i) quoted prices of similar financial instruments in active markets; (ii) quoted prices of financial instruments that are not assets, i.e., in which there are no continuously current prices, which may vary over time or involve information assessed by the over-the-counter market; (iii) inputs for which prices are determined based on assumptions disclosed in the market, such as interest rates and observable profitability curves, volatilities, among other similar inputs.

Financial Instruments – Level 3: fair value based on unobservable market inputs that are assessed by using models and internal techniques.

IV. Reclassification of financial instruments

In conformity with CMN Resolution 4966/21, on January 1, 2025, the Institution reclassified securities recorded up to December 31, 2024 as: held-to-maturity securities, available-for-sale securities and trading securities into the new accounting categories: At amortized cost, at fair value through other comprehensive income (FVTOCI) and at fair value through profit or loss (FVTPL). Adjustments were made based on the business model and cash flow characteristics of assets, with the effects being duly recognized in the financial statements and disclosed in note 4.

On January 1, 2025, the Rural Product Note (CPR) transactions were reclassified to line item “Other financial assets”, which, up to December 31, 2024, were classified as “Securities”, without any changes in the classification/measurement of these assets, as stated in note 4.

The foreign exchange contracts with future settlement and demand foreign exchange contracts, classified in line items “Other financial assets” and “Other financial liabilities” up to December 31, 2024 as measured at amortized cost were reclassified as derivatives beginning January 1, 2025, as disclosed in note 4.

V. Derecognition of financial instruments

Financial assets are derecognized when the contractual rights on the asset cash flows expire or when all risks and rewards incidental to ownership of the instrument are substantially transferred and such transfer qualifies for derecognition.

Financial liabilities are derecognized when the relevant obligations are discharged or cancelled.

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d) Derivatives

The Institution uses derivatives, such as interest rate swaps and futures, currency swaps, foreign exchange futures in foreign currency and interest rate options with a view to fulfilling its own needs to manage the Bank's global exposure, which, on the respective acquisition date, are classified according to Management's intent to use them as hedging instruments, pursuant to BACEN Circular Letter 3082, of January 30, 2002.

The derivative financial instruments are adjusted to fair value as a contra entry to profit or loss for the period.

Forward transactions are recorded at the final contract amount, less the difference between this amount and the cash price of the asset or right, with income and expenses being recorded over the contractual term.

Transactions involving options are recorded at the amount of premiums paid or received until the effective exercise of options, when they are derecognized as reduction, adjusted to fair value, or increase in the cost of assets or rights, through the effective exercise, or as income or expenses in the event of non-exercise.

Futures transactions are recorded at the amount of daily adjustments, recognized as income or expenses.

Swap transactions are recorded at fair value based on any differences receivable or payable, recognized as income or expenses.

The foreign exchange contracts, previously classified in specific line items of assets or liabilities related to foreign currency, should now be recorded as derivatives, pursuant to article 2, item XI, of CMN Resolution 4966, since they refer to financial instruments which value varies due to variables such as exchange rates, with settlement on a future date. This transition directly affects the manner in which these transactions are recorded on an accounting and financial basis and, therefore, they are now measured at fair value through profit or loss (FVTPL).

The transactions involving other derivative financial instruments are recorded according to the contractual characteristics and adjusted to fair value.

The derivative transactions are recorded at fair value, considering the mark-to-market methodologies adopted by Sicredi. The method adopted to recognize the resulting gains or losses depends on whether the derivative is designated or not as a hedging instrument in the cases where hedge accounting is adopted.

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

- *Fair value hedge*: this category includes derivative financial instruments that are intended to offset any risks arising from the exposure to changes in the fair value of hedged items, whereas any gains and losses should be recorded as a contra entry to the Institution's profit or loss for the year;
- *Cash flow hedge*: this category includes derivative financial instruments that are intended to offset any changes in the Institution's estimated cash flows, whereas any gains and losses relating to the effective portion are recorded as a contra entry to a specific line item in equity, less any taxes and other changes as a contra entry to profit or loss for the year.

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The Bank conducts transactions classified as cash flow hedge accounting for the quarter ended March 31, 2025, whereas its hedge accounting transactions are classified as market risk.

As for derivatives classified under the hedge accounting category, there are documents containing detailed information on transactions and risks involved, the strategy effectiveness, through prospective and/or retrospective effectiveness tests, as well as the mark-to-market of hedging instruments and hedged items, as set out in Circular Letter 3082/02.

The derivative transactions in the futures and options markets are held in custody on B3 S.A. – Brasil, Bolsa e Balcão ("B3"). The fair values of those derivative financial instruments are determined based on the quotations disclosed by the specialized stock exchanges.

e) Effective interest method

The effective interest rate is the rate that discounts the payments and receipts to present value over the contractual term of financial assets or financial liabilities.

The effective interest rate is determined on the initial recognition of financial assets or financial liabilities.

The calculation of effective interest rates includes eligible transaction costs, such as:

- Revenue from rates and fees related to the concession of transactions;
- Costs on specialized companies (document analysis, collection, inspection and evaluation services); and
- Costs of commissions and portability of transactions.

The eligible transaction costs include incremental costs directly attributable to the acquisition, issuance or sale of financial assets or financial liabilities.

Pursuant to the requirements set out in BCB Resolution 352/23, Banco Cooperativo Sicredi elected to adopt the proportional differentiated methodology for loan transactions and transactions with loan characteristics.

f) Loss allowance

I. Overview

Banco Cooperativo Sicredi is an integral part of the prudential segment "S2", in accordance with CMN Resolution 5146 of June 26, 2024. The financial institutions composing the two- or three-tier cooperative systems that include institutions classified under 1 ("S1"), 2 ("S2") or 3 ("S3") segments are required to adopt in full the expected loss methodology for the cooperative system as a whole.

Under such methodology, statistical expected loss models were determined in conformity with the concepts of CMN Resolution 4966 of 2021 and the minimum allowance amounts were assessed for transactions under Stage 3, pursuant to BCB Resolution 352 of 2023.

The Institution recognizes expected losses for the following financial instruments:

- Interbank investments;
- Securities (measured at amortized cost and "FVTOCI");
- Loan transactions;
- Other financial assets; and
- Off-balance exposures (giving rise to credit risks).

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II. Stages

The Bank applies the three-stage approach to measure expected credit losses, in which financial assets migrate from one stage to another stage according to credit risk changes.

Stage 1: refers to financial instruments without a significant increase in credit risk in relation to the loan origination date. In these cases, the probability of default (late payment) considered in the expected loss model is calculated for the next 12 months only.

Stage 2: refers to financial instruments with a significant increase in credit risk, but which are not yet considered credit-impaired financial assets (without default). In these cases, the expected losses are based on the probability of default (PD) calculation over the remaining term of transactions and should compose at least a 12-month PD.

Stage 3: refers to credit-impaired financial instruments (in default). In these cases, for loss recognition purposes, the highest loss amount is recognized between:

- Expected loss calculated based on observed statistical data; or
- The Stage 3 minimum amount determined by BCB Resolution 352 of 2023 (appendix 1 thereof – “Allowance for incurred losses applicable to non-performing financial assets”).

III. Significant increase in credit risks

The concept of credit risk underlying loan transactions is based on the lifetime probability of default.

Originally, when loan transactions are granted by the Institution, the risk rating is recorded at stage 1, and subsequently, at each monthly closing date, the Bank assesses whether the assets posted a significant increase in the credit risk since the initial recognition. In the event of increase, such loan transactions should be classified under stage 2, or in case there is objective evidence of impairment losses on assets, with a significant increase in the credit risks, they will be allocated to stage 3. Finally, loan transactions should be written off to loss in case evidence of impairment exists with insignificant recovery estimates.

The definitions of significant increase and evidence of distressed assets are based not only on qualitative and prospective aspects (probability of default model projections), but also on the effective late payment of financial assets.

Assets that should be classified under stage 2 are those assets subject to a significant increase in credit risks since the initial recognition, having as rebuttable assumption a delay of 30 days (limited to 60 days).

Assets that should be classified under stage 3 refer to all contracts for which there is impairment evidence. Ultimately, distressed assets are marked to market when a contract is subject to late payment of debt (over 90 days in default), restructuring or when a customer has characteristics indicating a difficulty to perform payment obligations such as those cases where it is under court-ordered reorganization.

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IV. Calculation of expected losses

The calculation of expected losses aims to generate expected credit losses throughout a certain time horizon and encompasses the assessment of three parameters:

- *Probability of default – PD*: The PD refers to the future probability of an asset defaulting within a given time period;
- *Loss given default – LGD*: The LGD is the expected percentage of loss of a customer given default. It is an important component for modeling the credit risks to which the Institution is exposed so that it may draw on models to measure the expected probability of loss given the execution/renewal of contracts and customers, as well as to conduct in-depth specific analysis to address the different types of collaterals, collateral coverage ratio, among other customer information.
- *Exposure at Default – EAD*: Refers to the exposure on the default date. For revolving credits with limits, the exposure at the time of default is estimated by using conversion factors. For installment credits, the account balance of transactions for the reporting month is considered.

Moreover, CMN Resolution 4966 of 2021 requires that all models include predictive variables of macroeconomic factors to provide a view of the risk of exposure to exogenous factors, prepare and anticipate institutions in assessing impacts in extreme events (stress scenarios). In other words, the forward-looking variables are intended to calibrate macroeconomic models or credit policies.

g) Credit-impaired financial assets

Financial assets are considered to be “Distressed assets” when:

- There is a delay of over 90 days in the payment of principal and charges.
- If there is an indication that the respective obligation will not be fully performed under the agreed-upon conditions, without resorting to any guarantees or collaterals.
- All transactions are classified as restructured transactions.

A restructuring process involves a renegotiation entailing the grant of advantages to the counterparty arising from the deterioration of the creditworthiness of a counterparty, intervening party, or the mitigating instrument.

When a financial instrument is classified as a credit-impaired asset, the transactions conducted by the same counterparty or related counterparties are allocated to Stage 3 (at the reporting date of the trial balance sheet referring to the month when such classification was made).

The effect of such rating change may not be observed in the event the Institution has financial instruments that, due to their nature or purpose, are exposed to a credit risk significantly lower than the instrument held by the same counterparty and characterized as a credit-impaired asset.

From the time they are classified as distressed assets, revenues not yet earned are suspended and recognized in profit or loss upon their effective collection.

Transactions will be written off to loss if, besides being considered credit-impaired assets, they involve insignificant estimates of a potential recovery.

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The Bank considers that financial assets will no longer be distressed assets, i.e., they have been remedied, when the following aspects are achieved:

Lack of past-due installments, including charges.

- Timely payment of principal and charges for a sufficient period to indicate significant financial improvement of the counterparty.
- Performance of other contractual obligations, if any, for a sufficient period to demonstrate significant financial improvement of the counterparty.

For “remedy” purposes in Banco Sicredi, it is not segregated by type of individual or legal entity, but rather by the frequency of installment payments. Accordingly, three consecutive installments are considered to be paid with a maximum tolerance of five days for any periodicity in installment transactions.

h) Assigned loan transactions

Credit assignments with substantial retention of risks and rewards are recognized over the remaining term of transactions. The assigned financial assets remain recorded as loan transactions and any amounts received are recognized as payables for sale transactions or transfer of financial assets.

i) Other current and noncurrent assets

Stated at realizable value, including, when applicable, income earned and inflation adjustments incurred on a pro rata basis, and exchange rate changes, less the corresponding allowances for losses or fair value adjustment and unearned income.

j) Investments

Stated at the acquisition cost, whereas investments in subsidiaries are adjusted under the equity method of accounting. Other investments are stated at cost and written down to the recoverable amount, when applicable.

k) Property, plant and equipment in use

Stated at acquisition cost. Depreciation of property, plant and equipment items is calculated on a straight-line basis at annual rates disclosed in the following table, which take into consideration the economic useful lives of the assets.

	Parent	Consolidated
Property, plant and equipment	Annual depreciation rate	Annual depreciation rate
Buildings	4%	2% to 4%
Furniture, fixtures and fittings	10%	2% to 50%
IT equipment and processing systems	20%	7% to 38%
Transportation systems	20%	11% to 25%
Other property, plant and equipment	10%	8% to 20%

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l) Intangible assets

Correspond to rights acquired in intangible assets that are maintained or used in the Institution's operations. They are stated at cost and comprise expenses on software acquisition and development, adjusted for accumulated amortization, calculated from the time the respective benefits are used, at the rate of 10% to 20% p.a., on a straight-line basis.

m) Impairment of non-financial assets

Property, plant and equipment and other noncurrent assets, including intangible assets, are tested for impairment on an annual basis or whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

In this case, the recoverable amount is calculated to determine whether an asset is impaired. Impairment losses are recognized in the statement of profit and loss at the amount by which the carrying amount of an asset exceeds its recoverable amount, which is the higher of net selling price and value in use of an asset.

n) Foreign currency-denominated assets and liabilities

Foreign currency-denominated monetary assets are translated into Brazilian reais (R\$) at the exchange rates determined by the Central Bank of Brazil on transaction dates. The translation differences are recorded in the statement of profit and loss for the quarter.

o) Other current and noncurrent liabilities

Stated at their known or estimated amounts plus, when applicable, charges and inflation adjustments on a pro rata basis, less the corresponding expenses.

p) Tax credits, taxes and contributions

The provisions for income tax, social contribution and taxes on revenue (PIS and COFINS) were calculated at the prevailing rates, considering the legislation applicable to each tax for the respective tax bases.

The income tax and social contribution credits are recorded on temporary differences at the rates of 25% for income tax and 20% for social contribution. These tax credits will be realized to the extent the recognized provisions are realized.

q) Provision for civil, tax and labor risks

The accounting policies for the recognition, measurement and disclosure of contingent assets and contingent liabilities are set forth in BACEN Resolution 3823/09, as follows:

Contingent assets are recognized only when there are collaterals or favorable final and unappealable court decisions. Contingent assets with a probable favorable outcome are only disclosed in a note to the financial statements.

Contingent liabilities are recognized when losses are assessed as probable and amounts can be reliably measured. Contingent liabilities assessed as possible losses are disclosed and contingent liabilities that cannot be reliably measured and assessed as remote losses are neither accrued nor disclosed.

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Legal obligations are recorded as payable regardless of the likelihood of favorable outcome.

r) Accounting estimates

Accounting estimates are determined by Management, based on factors and assumptions established in reliance upon judgments, which are revised during each six-month period. Significant items subject to these estimates and assumptions include the allowances for adjustment of assets to the probable realizable or recoverable amount, allowances for expected credit losses, provisions for risks, fair value of financial instruments, among others.

The settlement of transactions involving these estimates may result in different amounts due to the inaccuracy inherent in the estimation process.

s) Pension plan – defined contribution

The Bank and its subsidiaries provide a pension plan managed by close-end pension funds that grant employees postemployment benefits under the defined contribution category. A defined contribution plan is a pension plan according to which the companies make fixed contributions to a separate entity. The companies do not have a legal or constructive obligation to make contributions to the fund if it does not have sufficient assets to pay to all of its employees the benefits related to the service provided by the employee in the current and prior years.

With respect to the defined contribution plans, the companies pay contributions to the close-end pension fund on a compulsory, contractual or voluntary basis. Regular contributions comprise the net costs for the year they are due, thus being included in personnel costs.

t) Earnings (loss) per share

Earnings per share are calculated in Brazilian reais (R\$) based on the number of shares outstanding at the end of the reporting period. Recurring and non-recurring revenue and expenses

Recurring revenues and expenses are related to the Bank's activities frequently conducted in the present and expected to occur in the future, while non-recurring revenues and expenses derive from extraordinary and/or unpredictable events, which tend not to reoccur in the future.

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4. Effects of transition adjustments to equity under CMN 4966/21 on January 1, 2025

The effects of transition adjustments arising from the adoption of the accounting criteria set out in CMN Resolution 4966/21 were recorded in Banco Sicredi's equity. These adjustments were recognized as a contra entry to line item "Retained earnings (accumulated losses)" at the net amount of taxes, as shown below:

Equity balance as at December 31, 2024	4,951,015
Effects of transition adjustments to equity as at December 31, 2024	
Reversal of expected credit losses and interbank onlendings	51,828
Remeasurement of assets due to the new standard classification (a)	947
Adjustments due to suspended payment of interest on loan transactions and interbank onlendings	13
Deferred taxes	(27,773)
Effect on equity as at January 1, 2025	25,015
Equity balance as at January 1, 2025	4,976,030

^(a) The measurement of financial assets was changed according to the new standard classification.

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Below are the reconciliation balances including the impacts introduced by CMN Resolution 4966/21:

Financial assets	Classification/ Measurement as at 12/31/2024	Balance as at 12/31/2024	Expected Loss 12/31/2024	Transition adjustments - expected loss Res.4966	Expected loss 01/01/2025	Reclassifications 01/01/2025	Remeasurements 01/01/2025	Balance as at 01/01/2025	New classification pursuant to CMN Resolution 4966/21
Interbank investments	Amortized cost	19,534,727	-	(6,151)	(6,151)	-	-	19,528,576	Financial assets measured at amortized cost
Securities and derivatives	Available for sale	5,324,992	(23)	19	(4)	-	-	5,324,988	Financial assets measured at fair value through other comprehensive income
	Held to maturity	26,767,635	-	(2,490)	(2,490)	(9,630)	996	26,756,511	Financial assets measured at amortized cost
	Trading	551,503	-	-	-	6,604	-	558,107	Financial assets measured at fair value through profit or loss
Interbank onlendings	Amortized cost	77,089,406	(75,367)	48,319	(27,048)	-	-	77,062,358	Financial assets measured at amortized cost
Loan transactions	Amortized cost	37,765,796	(48,325)	9,323	(39,002)	-	-	37,726,794	Financial assets measured at amortized cost
Other receivables	Other receivables/Amortized cost	18,892,882	-	(11)	(11)	-	-	18,892,871	Financial assets measured at amortized cost
	Other securities with loan characteristics (CPR) /Amortized cost	-	-	(78)	(78)	9,630	-	9,552	Financial assets measured at amortized cost
	Foreign exchange transactions/Amortized cost	1,115,172	-	-	-	(6,604)	-	1,108,568	Financial assets measured at amortized cost
Total financial assets		187,042,113	(123,715)	48,931	(74,784)	-	996	186,968,325	

Financial Liabilities	Classification/ Measurement as at 12/31/2024	Balance as at 12/31/2024	Expected loss 12/31/2024	Transition adjustments - expected losses Res.4966	Expected loss 01/01/2025	Reclassifications 01/01/2025	Remeasurements 01/01/2025	Balance as at 01/01/2025	New classification pursuant to CMN Resolution 4966/21
Deposits	Amortized cost	61,784,821	-	-	-	-	-	61,784,821	Financial liabilities measured at amortized cost
Money market funding	Amortized cost	9,009,683	-	-	-	-	-	9,009,683	Financial liabilities measured at amortized cost
Funds from acceptances and issuance of securities	Amortized cost	51,878,606	-	-	-	-	-	51,878,606	Financial liabilities measured at amortized cost
Borrowings	Amortized cost	9,422,684	-	-	-	-	-	9,422,684	Financial liabilities measured at amortized cost
Domestic onlendings - official institutions	Amortized cost	33,209,275	-	-	-	-	-	33,209,275	Financial liabilities measured at amortized cost
Derivative financial instruments	Trading	207,597	-	-	-	168	(49)	207,716	Financial liabilities measured at fair value through profit or loss
Other financial liabilities	Other financial liabilities / amortized cost	19,522,166	(4,431)	2,896	(1,535)	-	-	19,520,631	Financial liabilities measured at amortized cost
	Foreign exchange transactions / amortized cost	168	-	-	-	(168)	-	-	Financial liabilities measured at amortized cost
Total financial liabilities		185,035,000	(4,431)	2,896	(1,535)	-	(49)	185,033,416	

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5. Cash and cash equivalents

a) Breakdown

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

		Parent and Consolidated
	Note	03/31/2025
Cash and cash equivalents (a)		569,665
Interbank investments (a)		21,151
Foreign currency-denominated investments		21,151
Voluntary deposits in the Central Bank	7	3,052,751
Total		3,643,567

(a) Cash and interbank investments are classified as cash and cash equivalents for purposes of presenting the statement of cash flows, when the requirements of CPC 03 (R2) – Statement of Cash Flows are met.

The balances of those investments may substantially vary in comparative periods due to the strategies adopted for money market investments.

6. Interbank investments

a) Financial assets measured at amortized cost

Represent fixed-price transactions involving the acquisition of securities under resale agreements and investments in interbank deposits, which are stated at the redeemable value, net of unearned income corresponding to future periods.

	Parent and Consolidated			
	03/31/2025			
	Falling due			
	Up to 3 months	3 to 12 months	Over 12 months	Total portfolio
Financial assets measured at amortized cost				
Investments in interbank deposits	4,784,085	-	9,776,674	14,560,759
Foreign currency-denominated investments	21,154	-	-	21,154
Total investments measured at amortized cost	4,805,239	-	9,776,674	14,581,913
Allowance for expected credit losses				(59,475)
Total, net 2025	4,805,239	-	9,776,674	14,522,438
Total current				4,805,239
Total noncurrent				9,776,674

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b) Allowance for expected credit losses

	<u>03/31/2025</u>		
Financial assets measured at amortized cost			
(Allocated to Stage 1)			
Interbank investments		14,581,913	
Allowance for expected credit losses		(59,475)	
Total		<u>14,522,438</u>	

	<u>Balance as at 01/01/2025</u>	<u>Acquisition/(settlement)</u>	<u>Allowance, net</u>	<u>Balance as at 03/31/2025</u>
Stage 1				
Interbank investments	19,534,727	(4,952,813)	(59,475)	14,522,438
Total 2025	<u>19,534,727</u>	<u>(4,952,813)</u>	<u>(59,475)</u>	<u>14,522,438</u>

In the period ended March 31, 2025, there was no significant increase in the credit risk underlying interbank investments that entailed the migration to Stage 2 or Stage 3.

7. Deposits in the Central Bank of Brazil

a) Financial assets measured at amortized cost

	<u>Parent and Consolidated</u>
	<u>03/31/2025</u>
Financial assets measured at amortized cost	
Voluntary deposits in the Central Bank (a)	2,577,600
Compulsory reserves - savings deposits (b)	14,401
Instant payment account - IP account (c)	460,503
PROAGRO rural credit receivable	247
Total current	<u>3,052,751</u>

(a) The voluntary deposits refer to liquid funds recorded in line item "Bank reserves", on a voluntary basis, pursuant to BCB Resolution 129/2021 and Notice 38288/2022, which are effective for one business day, yielding daily interest determined by the Central Bank of Brazil (BCB) annually, considering 252 business days.

(b) The savings deposits refer to mandatorily payable amounts of "Poupança Rural" and Brazilian Savings and Loan System (SBPE), in local currency, held with the Central Bank.

(c) Instant payments refer to amounts paid to the Central Bank to the instant payment account (IP Account) to settle Pix transactions, which account has been yielding interest since August 2022, in conformity with BCB Resolution 235/2022.

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On May 13, 2024, the Central Bank of Brazil issued BCB Resolution 379, which suspended the payment of compulsory loans with respect to savings funds due to the public calamity referred to in Legislative Decree 36 of May 7, 2024. Accordingly, Banco Sicredi no longer paid such deposits to Bacen and allocated part of those funds to Individual Credit Unions from Rio Grande do Sul through investments in interbank deposits (DI) and onlendings (loan transactions).

8. Securities and derivative financial instruments

a) Portfolio breakdown

Note	Parent				Consolidated			
	03/31/2025				03/31/2025			
	Up to 3 months	3 to 12 months	Over 12 months	TOTAL	Up to 3 months	3 to 12 months	Over 12 months	TOTAL
Financial assets measured at amortized cost								
Own portfolio								
Financial Treasury Bills (LFT)	-	-	-	-	-	-	-	-
Subordinated Financial Bills	-	-	-	-	-	-	-	-
Allowance for expected losses	-	-	-	(10,319)	-	-	-	(10,319)
Foreign fixed-income investments (a)	-	621,151	-	621,151	-	621,151	-	621,151
Allowance for expected losses	-	-	-	(390)	-	-	-	(390)
Subject to repurchase agreements								
Financial Treasury Bills (LFT)	-	-	1	1	-	-	1	1
Subject to guarantees								
Financial Treasury Bills (LFT)	-	-	-	-	-	-	-	-
Total financial assets measured at amortized cost	-	621,151	1	610,443	-	621,151	1	610,443
Financial assets measured at fair value through other comprehensive income								
Own portfolio								
Financial Treasury Bills (LFT)	-	-	1,042	1,042	-	-	1,042	1,042
National Treasury Bills (LTN)	-	-	-	-	-	-	-	-
National Treasury Notes (NTN)	-	-	(5)	(5)	-	-	(5)	(5)
Financial Bills (LF)	7,137	-	75,818	82,955	7,137	-	75,818	82,955
Allowance for expected losses	-	-	-	(14)	-	-	-	(14)
Subject to repurchase agreements								
Financial Treasury Bills (LFT)	-	-	1,464,225	1,464,225	-	-	1,464,225	1,464,225
National Treasury Bills (LTN)	-	-	-	-	-	-	-	-
Financial Bills (LF)	4,941	-	(2,963)	1,978	4,941	-	(2,963)	1,978
Allowance for expected losses	-	-	-	(3)	-	-	-	(3)
Total financial assets measured at fair value through other com	12,078	-	1,538,117	1,550,178	12,078	-	1,538,117	1,550,178
Financial assets measured at fair value through profit or loss								
Own portfolio								
Investment funds	-	-	559	559	-	303,878	-	303,878
Derivative financial instruments								
Derivative financial instruments	-	15,870	6,596	22,466	-	15,870	6,596	22,466
Total financial assets measured at fair value through profit or loss	-	15,870	7,155	23,025	-	319,748	6,596	326,344
Total securities	12,078	637,021	1,545,273	2,183,646	12,078	940,899	1,544,714	2,486,965

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b) Classification of securities without expected losses, except for derivative financial instruments

	Parent		Consolidated	
	Adjusted cost	Fair value	Adjusted cost	Fair value
Fair value through profit or loss				
Without maturity	559	559	303,878	303,878
Subtotal	559	559	303,878	303,878
Fair value through other comprehensive income				
Falling due within 12 months	12,063	12,078	12,063	12,078
Falling due over 12 months	20,665,502	20,481,756	20,665,502	20,481,756
Subtotal	20,677,565	20,493,834	20,677,565	20,493,834
Amortized cost				
Falling due within 12 months	2,305,067	2,623,031	2,305,067	2,623,031
Falling due over 12 months	22,793,671	22,897,357	22,793,671	22,897,357
Subtotal	25,098,738	25,624,074	25,098,738	25,520,388
Total 2025	45,776,862	46,118,467	46,080,181	46,318,100

I. Measured at amortized cost

	Parent and Consolidated		
	03/31/2025		
	Carrying amount	Expected loss	Net amount of expected losses
Financial assets measured at amortized cost (Allocated to Stage 1)			
Financial Treasury Bills (LFT)	22,292,143	-	22,292,143
Subordinated financial bills	2,185,444	(10,319)	2,175,125
National Treasury Bills (LTN)	-	-	-
Foreign fixed-income investments	621,151	(390)	620,761
Total 2025	25,098,738	(10,709)	25,088,029

	Parent and Consolidated			
	Balance as at 01/01/2025	Acquisition/(Settlement)	Allowance, net	Balance as at 03/31/2025
Stage 1				
Financial Treasury Bills (LFT)	21,792,500	499,643	-	22,292,143
Subordinated financial bills	2,142,475	42,969	(10,319)	2,175,125
National Treasury Bills (LTN)	2,218,289	(2,218,289)	-	-
Foreign fixed-income investments (a)	604,741	16,410	(390)	620,761
Total 2025	26,758,005	(1,659,267)	(10,709)	25,088,029

In the period ended March 31, 2025, there was no significant increase in the credit risk underlying securities measured at amortized cost that entailed the migration to Stage 2 or Stage 3.

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II. Measured at fair value through other comprehensive income

The methodology for adjusting securities to fair value was established based on consistent, formal, objective, verifiable and transparent criteria.

	Parent and Consolidated		
	03/31/2025		
	Carrying amount	Expected loss	Net amount of expected losses
Financial assets - fair value through other comprehensive income			
Financial Treasury Bills (LFT)	1,465,267	-	1,465,267
National Treasury Bills (LTN)	15,570,842	-	15,570,842
National Treasury Notes (NTN)	3,354,784	-	3,354,784
Financial Bills (LF)	102,941	(17)	102,924
Total 2025	20,493,834	(17)	20,493,817

	Parent and Consolidated			
	Balance as at 01/01/2025	Acquisition/(Settlement)	Allowance, net	Balance as at 03/31/2025
Stage 1				
Financial Treasury Bills (LFT)	1,590,475	(125,208)	-	1,465,267
National Treasury Bills (LTN)	3,523,707	12,047,135	-	15,570,842
National Treasury Notes (NTN)	79,698	3,275,086	-	3,354,784
Financial Bills (LF)	131,112	(28,171)	(17)	102,924
	5,324,992	15,168,842	(17)	20,493,817

In the period ended March 31, 2025, there was no significant increase in the credit risk underlying securities measured at fair value through other comprehensive income that entailed the migration to Stage 2 or Stage 3.

III. Measured at fair value through profit or loss

	Parent		
	Balance as at 01/01/2025	Acquisition/(Settlement)	Balance as at 03/31/2025
Financial assets - fair value through profit or loss			
Investment funds	-	559	559
Derivative financial instruments	558,107	(250,338)	307,769
Total 2025	558,107	(249,779)	308,328

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	Consolidated		
	Balance as at 01/01/2025	Acquisition/(Settlement)	Balance as at 03/31/2025
Financial assets - fair value through profit or loss			
Investment funds	233,568	70,310	303,878
Derivative financial instruments	558,107	(250,338)	307,769
Total 2025	791,675	(180,028)	611,647

The financial assets disclosed in the table above are classified at fair value through profit or loss since they have failed the SPPI test.

IV. Summary of the consolidated portfolio by measurement category

	Parent			Consolidated		
	03/31/2025			03/31/2025		
	Carrying amount	Expected loss	Net carrying amount	Carrying amount	Expected loss	Net carrying amount
Measured at amortized cost	25,098,738	(10,709)	25,088,029	25,098,738	(10,709)	25,088,029
Measured at fair value through other comprehensive income	20,493,834	(17)	20,493,817	20,493,834	(17)	20,493,817
Measured at fair value through profit or loss	308,328	-	308,328	611,647	-	611,647
Total 2025	45,900,900	(10,726)	45,890,174	46,204,219	(10,726)	46,193,493

V. Reclassification of financial assets

On January 1, 2025, the Rural Product Note (CPR) transactions were reclassified to line item “Other financial assets”, which, up to December 31, 2024, were classified as “Securities”. The reclassified balance was R\$9,630, without any changes in the classification/measurement of assets, as disclosed in note 4.

The foreign exchange contracts with future settlement and demand foreign exchange contracts, classified in line items “Other financial assets” and “Other financial liabilities” up to December 31, 2024 as measured at amortized cost were reclassified as derivatives beginning January 1, 2025. The reclassified balance was R\$6,604 in assets and R\$168 in liabilities, with changes in the classification/measurement to fair value through profit or loss, as disclosed in note 4.

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c) Derivative financial instruments

Banco Sicredi uses derivative financial instruments under the swap category which hedged items are foreign currency-denominated transactions. These derivative financial instruments are primarily used to hedge against risks of exchange rate changes, with the respective maturity pegged to the maturity of borrowing transactions.

The swap derivatives and hedged borrowings are adjusted to fair value, unless otherwise held to maturity in back-to-back transactions carried out with the same counterparty (instrument and hedged item). The fair values of these transactions are determined using modeling techniques, such as the discounted cash flows, approved by the Bank's Management.

Securities measured at fair value through profit or loss and fair value through other comprehensive income are related to back-to-back transactions through derivative contracts, under which the instruments used for hedging against rate fluctuations are DI futures. These instruments are intended to hedge against fluctuations in the rates of fixed-rate government bonds.

The hedged government bonds are adjusted to fair value using market price assumptions, obtained from quotations for assets and liabilities with the same or similar characteristics. In case of lack of assumptions, pricing models approved by the entity's management are used, such as the discounted cash flows. The financial instruments held in custody on B3 are subject to daily adjustments to futures transactions that are recorded in assets or liabilities, depending on the nature of such adjustment, and settled based on D+1.

The differences and adjustments to derivative financial instruments (assets and liabilities), according to the methodology of each transaction, are recorded in balance sheet accounts as a contra entry to the respective profit or loss accounts.

The Bank established the hedge accounting for transactions involving swap derivatives, under which the hedged items include foreign borrowings, as well as DI futures transactions hedging available-for-sale government bonds subject to fixed rates or fixed-rate private securities. In addition, current fixed-rate loan transactions and issues of fixed-rate, fixed-income financial assets are hedged by DI futures transactions, as long as they have predetermined characteristics. Therefore, any variations and adjustments arising from the depreciation or appreciation in those instruments and hedged items are recorded as a contra entry to profit or loss, regardless of their classification pursuant to Circular Letter 3068/01, once the requirements of Circular Letter 3082/02 are met, which provides for the recognition of hedge accounting transactions in profit or loss accounts, when classified as market risk.

As at March 31, 2025, they are adjusted to fair value, except for specific derivative financial instruments that are adjusted based on the curve only, recognized and measured pursuant to BACEN Circular Letter 3082/02, while the respective notional amounts are recorded in memorandum accounts, as follows:

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	03/31/2025			
	Net position of current contracts			
	Up to 3 months	3 to 12 months	Over 12 months	Total
<u>Offset</u>				
Futures contracts	1,518,235	7,075,429	20,010,162	28,603,826
Swap contracts	860,318	149,061	4,493,471	5,502,850
Forward contracts	53,439	58,966	221,151	333,556
Total - 2025	2,431,992	7,283,456	24,724,784	34,440,232
<u>Futures contracts</u>				
Long position	-	-	15,870	15,870
Short position	-	-	(46,221)	(46,221)
<u>Swap contracts</u>				
Long position	16,556	2	258,006	274,564
Short position	-	(1,521)	(153,200)	(154,721)
<u>Forward contracts</u>				
Long position	1,719	866	7,366	9,951
Short position	(217)	(1,891)	(23,879)	(25,987)
<u>Foreign exchange contracts</u>				
Long position	-	-	7,384	7,384
Short position	-	-	(530)	(530)
Total - 2025	18,058	(2,545)	64,797	80,310
Total current				15,514
Total noncurrent				64,796

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	03/31/2025		
	Notional amount of contracts	Cost - Amount	Fair value
		receivable/received (Payable/paid)	
<u>Futures contracts</u>	28,603,826	19,733	-
Purchase commitment	(2,198,462)	3,746	-
Future DI	(1,995,815)	2,076	-
Future WDO	(202,648)	1,670	-
Sale commitment	30,802,289	15,987	-
Future DI	29,120,855	28,177	-
Future DOL	1,681,433	(12,190)	-
<u>Swap contracts</u>	5,502,850	119,843	135,685
Long position	3,078,481	274,564	290,406
Foreign currency	3,078,481	274,564	290,406
Short position	2,424,369	(154,721)	(154,721)
Foreign currency	2,424,369	(154,721)	(154,721)
<u>Forward contracts</u>	333,556	(7,415)	(16,036)
Long position	204,716	6,269	10,740
Foreign currency	204,716	6,269	10,740
Short position	128,840	(13,684)	(26,776)
Foreign currency	128,840	(13,684)	(26,776)
<u>Foreign exchange contracts</u>	19,681	22,660	42,341
Long position	69,265	23,190	92,455
Foreign currency	69,265	23,190	92,455
Short position	(49,584)	(530)	(50,114)
Foreign currency	(49,584)	(530)	(50,114)

The daily adjustments to futures transactions are recorded in assets or liabilities, depending on the adjustment nature, and settled based on D+1. As at March 31, 2025, the balances recorded in line item "Trading account" amount to R\$3,746 in assets and R\$31,830 in liabilities, in the Bank and consolidated.

In the period ended March 31, 2025, the performance of derivative transactions was positive by R\$1,726,062.

As at March 31, 2025, the financial position for government bonds pledged as collateral for stock exchange transactions amounts to R\$531,790.

Banco Sicredi uses Hedge Accounting to match gains and losses on derivatives for hedging purposes (hereinafter referred to as instruments) to gains and losses on assets and liabilities that are hedged items (hereinafter referred to as hedged items), giving rise to predictability benefits and reducing volatility in the balance sheet. The internal hedge accounting standard provides for use requirements at Banco Sicredi, i.e., rules for changing the recognition of hedged items and hedging instruments in the financial statements.

The notional amounts, hedged items and financial instruments referring to hedge accounting transactions are described below.

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Fair value hedge: Aims to avoid losses resulting from changes in the fair value of hedged items, including exchange rate changes. Any fluctuations in the prices of derivatives used for fair value hedge purposes and hedged instruments should be directly recorded in the Institution's profit or loss.

I Fixed rate risk: the hedged item is subject to fixed-rate interest or payment and any fair value changes may give rise to gains or losses due to changes in the fair value of hedged items:

- Hedge of Federal Government Bonds.
- Hedge of Private Securities.

		Fixed rate risk	
		03/31/2025	
		Curve Value	Fair Value
<u>Hedged Items</u>	<u>Index</u>		
Federal Government Bonds	Fixed Interest Rate	19,014,998	18,843,906
Private Securities		329,813	310,414
Subtotal		19,344,811	19,154,320
<u>Derivative Instruments</u>	<u>Index</u>		
Futures - TPFs	Fixed Interest Rate	17,931,003	17,931,003
Futures - Private Tit		311,240	311,240
Subtotal		18,242,243	18,242,243
Total Net		1,102,568	912,077

As at March 31, 2025, the Bank reclassified unrealized losses in the amount of R\$171,092 from equity to profit or loss for the quarter, referring to mark-to-market adjustments to available-for-sale securities, considering the classification of these items as market risk hedge for purposes of complying with Hedge Accounting standards.

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II Foreign Exchange Risk: risk of exchange rate changes that may result in fluctuations in cash flows or fair value of the Bank's assets and liabilities:

- *Hedge of Borrowings.*

		2025-03			
		Foreign Exchange Risk			
		Notional Amount	Curve Value	Fair Value	Fair value Adjustment
<u>Debt</u>	<u>Index</u>				
	Exchange rate changes + SOFR + fixed rate	203,705	209,442	210,832	(1,390)
Borrowings in US dollar and fixed interest rate	Exchange rate changes + Semiannual Term SOFR + fixed rate	2,288,386	2,495,616	2,251,110	244,506
	Exchange rate changes + fixed rate	1,775,230	2,009,420	1,853,720	155,700
Total		4,267,321	4,714,478	4,315,662	398,816
<u>Derivatives</u>	<u>Index</u>	Notional Amount	Curve Value	Fair Value	Fair Value Adjustment
Fixed/floating interest rate SWAP	% of CDI	4,267,321	254,586	97,760	156,826
Total		4,267,321	254,586	97,760	156,826
Total Net		-	4,459,892	4,217,902	241,990

In order to evaluate and measure the effectiveness of strategies, the Bank adopts the dollar offset method, which is monthly analyzed.

The dollar offset method is calculated by the difference between the changes in the fair values of the hedging instruments and hedged items, attributable to interest rate changes.

The effectiveness test is performed upon the assessment of changes in the fair value or cash flows of the hedging instruments, which offset the changes in the fair value or cash flows of the hedged items, thus substantiating the hedge relationship, known as hedge ratio. In order to qualify as hedge accounting in Banco Sicredi, this ratio should remain from 80% to 125%.

III Portfolio interest rate risk

- *Hedge of the portfolio from other sources – Assets.*
- *Hedge of the portfolio from other sources – Liabilities.*
- *Hedge of the LCA portfolio.*
- *Hedge of LCA interbank deposits – fixed rate.*

Banco Cooperativo Sicredi S.A. maintains an interbank onlending portfolio at fixed interest rates ("Portfolio") to which Sicredi System's credit unions are counterparties. In order to provide funding in respect of such portfolio, the Bank carries out issues through different financial instruments.

The investment conditions (Interbank onlendings) and funding conditions (LF, CDB, CDI, LCA) usually involve different terms and indexes, generating market risks related to adjustments to trading conditions and changes in these variables. The main risk underlying such portfolio arises from fluctuations in the expected benchmark interest rate of Brazilian interbank deposits (CDI). In order to mitigate this exposure, the Bank carried out transactions involving DI futures ("Derivatives"), assessing the exposures derived from both onlending notes and borrowing liabilities, both of which are considered to be hedged items.

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To eliminate differences in the accounting measurement of hedged items and hedging instruments (DI1 futures), the hedge accounting methodology was applied to minimize the mismatches stemmed from differences in the criteria applicable to the recognition of assets and liabilities in the balance sheet. The investment aims to recognize loan transactions and gains and losses on the fair value attributed to the interest rate risk underlying the hedged portfolio (hedged item) in profit or loss, thus lowering the volatility in profit or loss.

Due to the dynamic nature of the hedged interbank onlending portfolio, which exists due to prepayments in relation to the respective maturity and different timing of release of new transactions, the strategy revolves around monitoring the interest rate risk underlying the loan portfolio and rebalancing DI futures, in the event they do not meet the parameters defined in the hedge documentation.

In line with the interest rate risk hedging strategy, the Bank calculates DV01 (delta value of a basis point) of the exposure and of futures to identify the optimal coverage proportion and monitor the coverage ratio in a timely manner, providing any rebalance, if necessary. The need to buy or sell new DI Futures is assessed on a daily basis to counterbalance any adjustments to the fair value of the hedged item, seeking to ensure the hedge effectiveness as determined in the hedge documentation.

		Parent and Consolidated			
		03/31/2025			
Item	Index	Notional Amount	Curve Value	Fair Value	Fair Value Adjustment
Portfolio - other sources - assets	Fixed Interest Rate	902,764	980,726	953,575	27,151
Portfolio - other sources - liabilities		(2,741,296)	(3,118,310)	(2,951,184)	(167,126)
Onlendings - LCA portfolio		9,995,080	10,665,598	10,457,707	207,892
Onlendings - DILCA fixed rate		390,053	427,686	371,375	56,311
Subtotal		8,546,601	8,955,701	8,831,473	124,228
Derivatives					
Futures contracts - other sources - assets	Fixed Interest Rate	(933,257)	(1,015,250)	(987,835)	(27,415)
Futures contracts - other sources - liabilities		2,749,523	3,128,410	2,960,959	167,451
Futures contracts - onlendings - LCA		(9,866,306)	(10,523,927)	(10,311,054)	(212,874)
Futures contracts - onlendings - DILCA fixed rate		(389,830)	(427,457)	(371,150)	(56,307)
Subtotal		(8,439,869)	(8,838,224)	(8,709,080)	(129,144)
Total Net		106,732	117,477	122,393	(4,916)

Cash flow hedge: Refers to derivative financial instruments aimed at offsetting fluctuations in the Institution's estimated cash flows.

In November 2024, adjustments were made to the remaining balance of fair value measurement (mark-to-market) for the hedging instruments and hedged items to equity, given the transition to cash flow hedge.

The Bank's cash flow hedge strategies consist of hedging the exposure to cash flow fluctuations in respect of floating-rate interest payments in foreign currency.

The hedged items refer to borrowings in US dollar yielding interest at the floating rate SOFR 6M + Spread.

The hedging instruments are swap contracts traded in the over-the-counter market with a long position bearing interest at a floating rate pegged to SOFR 6M + Spread in US dollar and a short position subject to fixed interest rate in US dollar.

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Cash flows from borrowings are translated at the fixed interest rate through the short position of swaps traded in the over-the-counter market. Accordingly, the payments resulting from the transaction as a whole refer to the fixed-rate fluctuations in the financial instruments on the respective maturity dates.

I Interest rate risk:

- *Cash Flow Hedge.*

		Parent and Consolidated			
		03/31/2025			
		Interest rate risk			
		Notional Amount	Curve Value	Fair Value	Fair value adjustment recognized in equity
<u>Debt</u>	<u>Index</u>				
Borrowings in US dollar and fixed interest rate	Exchange rate changes + Semiannual Term SOFR + Fixed rate	371,580	441,585	437,648	3,937
Total		371,580	441,585	437,648	3,937
<u>Derivatives</u>	<u>Index</u>	Notional Amount	Curve Value	Fair Value	Fair value adjustment recognized in equity
Fixed/floating interest rate SWAP	Exchange rate changes + Fixed rate	371,580	409	(2,877)	3,286
Total		371,580	409	(2,877)	3,286
Total Net		-	441,176	440,525	651

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9. Loan transactions, interbank onlendings and allowance for expected credit losses

a) Breakdown of loan portfolio by type of transaction:

Note	Parent and Consolidated				
	03/31/2025				
	Falling due				Total portfolio
	Past due as from 15 days	Up to 3 months	3 to 12 months	Over 12 months	
Financial assets measured at amortized cost					
Loan transactions	3,690	2,342,093	7,952,013	29,428,409	39,726,205
Loans and discounted notes	-	699,109	1,819,672	4,756,749	7,275,530
Financing	3,690	498,035	1,110,060	1,945,129	3,556,914
Rural and agroindustrial financing	-	1,075,703	4,820,173	20,791,437	26,687,313
Real estate financing	-	68,951	197,320	1,919,023	2,185,294
Trade notes with loan characteristics	-	295	4,788	16,071	21,154
Allowance for incurred losses					(5,481)
Allowance for expected losses					(86,232)
Subtotal - loan transactions, net of incurred and expected credit losses					39,634,492
Interbank onlendings	-	15,604,135	27,542,418	36,024,570	79,171,123
Interbank onlendings - rural credit cooperatives	-	14,358,724	22,478,157	24,844,532	61,681,413
Interbank onlendings - other (a)	-	1,245,411	5,064,261	11,180,038	17,489,710
Allowance for incurred losses					-
Allowance for expected losses					(126,376)
Subtotal - interbank onlendings, net of expected credit losses					79,044,747
Other financial assets	10	250,157	716,375	-	966,532
Advances on foreign exchange contracts	-	250,157	716,375	-	966,532
Allowance for expected losses					(268)
Subtotal - other financial assets, net of expected credit losses					966,264
Total gross amount - 2025	3,690	18,196,385	36,210,806	65,452,979	119,863,860
Total current	119,863,860				54,410,881
Total noncurrent					65,452,979
Allowance for incurred losses					(5,481)
Allowance for expected losses					(212,876)
Total allowance for expected and incurred losses					(218,357)
Total loan portfolio, net of allowance					119,645,503

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b) Breakdown of loan portfolio by stage:

	Stage 1	Stage 2	Stage 3	Total portfolio
Financial assets measured at amortized cost				
Loan transactions	39,602,848	48,339	75,018	39,726,205
Loans and discounted notes	7,256,917	917	17,696	7,275,530
Financing	3,519,122	21,846	15,946	3,556,914
Rural and agroindustrial financing	26,621,855	24,284	41,174	26,687,313
Real estate financing	2,183,800	1,292	202	2,185,294
Trade notes with loan characteristics	21,154	-	-	21,154
Allowance for incurred losses	-	-	(5,481)	(5,481)
Allowance for expected losses	(75,429)	(8,126)	(2,677)	(86,232)
Subtotal - loan transactions, net of incurred and expected credit losses	39,527,419	40,213	66,860	39,634,492
Interbank onlendings	79,171,123	-	-	79,171,123
Interbank onlendings - rural credit cooperatives	61,681,413	-	-	61,681,413
Interbank onlendings - other	17,489,710	-	-	17,489,710
Allowance for expected credit losses	(126,376)	-	-	(126,376)
Subtotal - interbank onlendings, net of expected credit losses	79,044,747	-	-	79,044,747
Other financial assets	942,596	-	23,936	966,532
Advances on foreign exchange contracts	942,596	-	23,936	966,532
Allowance for expected credit losses	(267)	-	(1)	(268)
Subtotal - other financial assets, net of expected credit losses	942,329	-	23,935	966,264
Total gross amount 2025	119,716,567	48,339	98,954	119,863,860
Allowance for expected losses	(5,481)	-	-	(5,481)
Allowance for incurred losses	(196,591)	(8,126)	(8,159)	(212,876)
Total allowance for expected and incurred losses	(202,072)	(8,126)	(8,159)	(218,357)
Total loan portfolio, net of allowance	119,514,495	40,213	90,795	119,645,503

c) Variations in the allowance for expected credit losses:

	03/31/2025
Opening balance	(123,692)
Transition adjustments - Res. 4966 - allowance reversal	60,529
Allowance recognition	(154,969)
Subtotal	(218,132)
Loans written off to loss	(225)
Closing balance	(218,357)

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d) Reconciliation of the gross loan portfolio segregated by stage:

Stage 1	Balance as at 01/01/2025	03/31/2025					Closing balance as at 03/31/2025
		Transfer to Stage 2	Transfer to Stage 3	Transfer from Stage 2	Transfer from Stage 3	Acquisition/ (Settlement)	
Loan transactions							39,605,243
Loans and discounted notes	6,854,307	(965)	(5,042)	59	409	408,150	7,256,918
Financing	3,379,322	(22,208)	(4,006)	664	529	166,721	3,521,022
Rural and agroindustrial financing	25,447,119	(25,006)	(26,435)	922	2,869	1,222,387	26,621,856
Real estate financing	2,027,755	(1,299)	-	84	-	157,259	2,183,799
Trade notes with loan characteristics	9,653	-	-	-	-	11,995	21,648
Interbank onlendings							79,179,981
Interbank onlendings - rural credit cooperatives	59,868,772	-	-	-	-	1,812,641	61,681,413
Interbank onlendings - other	17,640,380	-	-	-	-	(141,812)	17,498,568
Other financial assets							931,343
Advances on foreign exchange contracts	892,318	-	(21,434)	-	-	60,459	931,343
Total - 2025	116,119,626	(49,478)	(56,917)	1,729	3,807	3,697,800	119,716,567

Stage 2	Balance as at 01/01/2025	03/31/2025					Closing balance as at 03/31/2025
		Transfer to Stage 1	Transfer to Stage 3	Transfer from Stage 1	Transfer from Stage 3	Acquisition/ (Settlement)	
Loan transactions							48,339
Loans and discounted notes	65	(65)	-	917	-	-	917
Financing	3,821	(701)	(2,514)	21,397	89	(247)	21,845
Rural and agroindustrial financing	922	(911)	-	24,284	-	(10)	24,285
Real estate financing	84	(84)	-	1,292	-	-	1,292
Total - 2025	4,892	(1,761)	(2,514)	47,890	89	(257)	48,339

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Stage 3	03/31/2025						Closing balance as at 03/31/2025
	Balance as at 01/01/2025	Transfer to Stage 1	Transfer to Stage 2	Transfer from Stage 1	Transfer from Stage 2	Acquisition/ (Settlement)	
Loan transactions							<u>75,018</u>
Loans and discounted notes	18,247	(487)	-	4,667	-	(4,731)	17,696
Financing	13,422	(594)	(119)	3,946	2,434	(3,143)	15,946
Rural and agroindustrial financing	18,871	(2,837)	-	26,070	-	(930)	41,174
Real estate financing	203	-	-	-	-	(1)	202
Other financial assets							<u>23,936</u>
Advances on foreign exchange contracts	-	-	-	21,988	-	1,948	23,936
Total - 2025	<u>50,743</u>	<u>(3,918)</u>	<u>(119)</u>	<u>56,671</u>	<u>2,434</u>	<u>(6,857)</u>	<u>98,954</u>

e) Reconciliation of the expected credit losses segregated by stage:

Stage 1	03/31/2025						Closing balance as at 03/31/2025
	Balance as at 01/01/2025	Transfer to Stage 2	Transfer to Stage 3	Transfer from Stage 2	Transfer from Stage 3	Recognition/ (reversal)	
Loan transactions							<u>75,429</u>
Loans and discounted notes	1,937	(2)	(7)	-	15	4,515	6,458
Financing	17,635	(2,402)	(487)	230	76	4,509	19,561
Rural and agroindustrial financing	9,550	(57)	(18)	9	33	38,121	47,638
Real estate financing	559	(2)	-	-	-	1,202	1,759
Trade notes with loan characteristics	4	-	-	-	-	9	13
Interbank onlendings							<u>126,376</u>
Interbank onlendings - rural credit cooperatives	20,476	-	-	-	-	85,304	105,780
Interbank onlendings - other	5,676	-	-	-	-	14,920	20,596
Other financial assets							<u>267</u>
Advances on foreign exchange contracts	580	-	(1)	-	-	(312)	267
Total - 2025	<u>56,417</u>	<u>(2,463)</u>	<u>(513)</u>	<u>239</u>	<u>124</u>	<u>148,268</u>	<u>202,072</u>

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Stage 2	Balance as at 01/01/2025	03/31/2025					Closing balance as at 03/31/2025
		Transfer to Stage 1	Transfer to Stage 3	Transfer from Stage 1	Transfer from Stage 3	Recognition/ (reversal)	
Loan transactions							8,126
Loans and discounted notes	-	-	-	35	-	-	35
Financing	1,779	(248)	(1,299)	6,969	38	(97)	7,142
Rural and agroindustrial financing	1	(1)	-	919	-	-	919
Real estate financing	-	-	-	30	-	-	30
Total - 2025	1,780	(249)	(1,299)	7,953	38	(97)	8,126

Stage 3	Balance as at 01/01/2025	03/31/2025					Closing balance as at 03/31/2025
		Transfer to Stage 1	Transfer to Stage 2	Transfer from Stage 1	Transfer from Stage 2	Recognition/ (Reversal)	
Loan transactions							8,158
Loans and discounted notes	17	(1)	-	17	-	12	45
Financing	6,968	(230)	(93)	1,027	1,851	(1,574)	7,949
Rural and agroindustrial financing	20	(3)	-	40	-	107	164
Other financial assets							1
Advances on foreign exchange contracts	-	-	-	1	-	-	1
Total - 2025	7,005	(234)	(93)	1,085	1,851	(1,455)	8,159

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f) Gain (loss) on loan transactions and interbank onlendings

	03/31/2025
Interbank onlendings	2,010,573
Loans	264,605
Financing	101,213
Rural and agroindustrial financing	391,197
Housing financing	46,679
Other	582
Subtotal	2,814,849
Recovery of receivables written off as losses	42
Total	2,814,891

Pursuant to the requirements set out in BCB Resolution 352/23, the Bank elected to apply the straight-line differentiated methodology to loan transactions using the effective interest rate.

The eligible transaction costs include incremental costs directly attributable to the acquisition of loans.

In the period ended March 31, 2025, recoveries of loan transactions previously written off as losses totaled R\$42 and were recorded as “Income from financial intermediation - Loan transactions”.

During the period ended March 31, 2025, no loan transactions were renegotiated.

10. Other financial assets

	Note	Parent 2025-03	Consolidated 2025-03
Other financial assets measured at amortized cost			
Credit card transactions (a)		13,977,257	13,977,257
Advances on foreign exchange contracts	9.a	966,532	966,532
Income receivable		181,202	183,166
Debtors for escrow deposits		23,738	24,093
Debtors for agreements		1,160	1,160
Payment transactions (b)		4,738,274	4,738,275
Total current		19,888,163	19,890,483
Allowance for expected credit losses		(1,011)	(1,080)
Total net 2025		19,887,152	19,889,403

(a) Card transactions refer to receivables from credit unions, both in connection with the financial issuance schedule, which comprises purchases and withdrawals made by members and accrued for payment to the card companies, and acceptance amounts, which refer to receivables from the payment of accretor costs, such as fees charged by credit card companies, processing costs and card machine rentals.

(b) Payment transactions refer to receivables from issuers concerning the intermediation of transactions conducted through credit and debit cards.

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11. Deposits and money market funding

The deposits and money market funding by maturity range are broken down as follows:

	Parent			Consolidated	
	03/31/2025			03/31/2025	
	Without maturity and up to 3 months	3 to 12 months	Over 12 months	Total	Total
Deposits	44,588,275	7,191,238	7,560,858	59,340,371	59,333,829
Demand deposits	117,023	-	-	117,023	110,481
Savings deposits	31,873,821	-	-	31,873,821	31,873,821
Interbank deposits	7,501,157	4,183,553	7,560,858	19,245,568	19,245,568
Time deposits	5,095,826	3,007,685	-	8,103,511	8,103,511
Other deposits	448	-	-	448	448
Money market funding	4,931	1,693,424	15,541,398	17,239,753	17,239,753
Own portfolio	4,931	1,693,424	15,541,398	17,239,753	17,239,753
Total - 2025	44,593,206	8,884,662	23,102,256	76,580,124	76,573,582
Total current				53,477,868	53,477,868
Total noncurrent				23,102,256	23,102,256

12. Funds from acceptances and issuance of securities

	Parent and Consolidated			
	03/31/2025			
	Up to 3 months	3 to 12 months	Over 12 months	Total
Funds from agribusiness credit bills	5,690,465	14,096,049	28,995,116	48,781,630
Payables for the issue of financial bills	7,116,726	139,231	269,027	7,524,984
Total - 2025	12,807,191	14,235,280	29,264,143	56,306,614
Total current				27,042,471
Total noncurrent				29,264,143

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13. Borrowings and onlendings

	Parent and Consolidated			
	03/31/2025			
	Up to 3 months	3 to 12 months	Over 12 months	Total
Borrowings	825,651	2,683,436	5,406,848	8,915,935
Domestic borrowings - official institutions	10,937	31,299	304,332	346,568
Domestic borrowings	229,099	718,323	412,511	1,359,933
Foreign borrowings (a)	585,615	1,933,814	4,690,005	7,209,434
Domestic onlendings - official institutions	1,790,257	6,982,696	26,053,271	34,826,224
National Treasury	54,622	353,062	66,734	474,418
Banco do Brasil	187,223	429,001	1,838,979	2,455,203
BNDES	1,166,858	4,601,955	18,085,883	23,854,696
FINAME	351,727	1,527,180	5,400,687	7,279,594
FNO Banco da Amazônia	29,737	71,231	610,618	711,586
FINEP	90	267	50,370	50,727
Total - 2025	2,615,908	9,666,132	31,460,119	43,742,159
Total current				12,282,040
Total noncurrent				31,460,119

(a) Foreign loans are represented by funds raised in foreign currency, which mature up to June 2031. Some borrowing agreements comprise debt covenants. As at March 31, 2025, the Bank is compliant with these covenants.

Domestic onlendings primarily comprise funds obtained from the National Bank for Economic and Social Development ("BNDES"). According to the characteristics of each program, the transactions mature on a monthly, quarterly, semiannually and annually basis up to 2035. These funds are transferred within the same terms and at the same borrowing rates in effect under the program, plus onlending commissions.

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14. Other financial liabilities

		Parent	Consolidated
	Note	03/31/2025	03/31/2025
Unsettled payables and receivables		16,792	16,792
Payment transactions (a)		13,328,138	13,328,138
Third-party funds in transit		44,421	44,421
Trading account		2,355	2,355
Accrued interest - rural savings		104,538	104,538
Card transactions (b)		2,696,611	2,696,611
Deferred revenue (c)		-	96,489
Foreign exchange portfolio		21,668	21,668
Subordinated debt	14.b	42,284	42,284
Other		19	19
Total current		16,256,826	16,353,315
Deferred revenue (c)		-	314,178
Hybrid debt/equity instruments	14.a	2,183,041	2,183,041
Subordinated debt	14.b	1,708,471	1,708,471
Total noncurrent		3,891,512	4,205,690
Total		20,148,338	20,559,005

- (a) Payment transactions refer to payments that will be made to accreditors, concerning the financial issuance schedule.
- (b) Card transactions refer to payments that will be made to commercial establishments and other partners concerning the financial acquisition schedule (net of amounts paid in advance as per the establishments' request), as well as any issuance balances pending settlement by the credit card companies.
- (c) In conformity with CPC 47, all receipts relating to management fees on bids and prepayments for sales of units to consortia and insurance brokerage recorded in liabilities are monthly adjusted for inflation on an accrual basis, with new deferrals and write-off of amounts recognized as revenue. Up to June 2024, these amounts were fully recognized in profit or loss.

a) Hybrid debt/equity instruments

On May 2, 2005, pursuant to CMN Resolution 2837/01, revoked and superseded by CMN Resolution 4955/21, the Bank conducted borrowing transactions with the central credit unions affiliated to Sicredi System, in the amount of R\$52,400, through the issuance of Bank Deposit Receipts ("RDBs"), so as to make them eligible for classification as "Hybrid debt/equity instruments". The transaction was performed without a maturity date, bearing interest pegged to the fluctuation of the average daily rate of interbank deposits, known as "DI Rate – Cetip Over Extra Group" expressed in percentage terms p.a., on a 252 days basis, calculated and disclosed daily by B3.

On January 3, 2014, in conformity with CMN Resolution 4192/13, revoked and superseded by CMN Resolution 4955/21, the Bank conducted borrowing transactions with the central credit unions, in the amount of R\$134,539, through the issue of Perpetual Subordinated Financial Bills (eligible as authorized capital buffer), so as to make them eligible for classification as "Hybrid debt/equity instruments", replacing the Bank Deposit Receipts ("RDBs") issued in 2005. The transaction was performed without a maturity date, bearing interest equivalent to 100% of the DI Rate expressed in percentage terms p.a., on a 252 days basis, calculated and disclosed daily by B3. The funds raised may be used for absorbing potential losses.

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In compliance with CMN Resolution 4955/21, last year Banco Sicredi issued Perpetual Subordinated Financial Bills (eligible as capital buffer) on three occasions: On December 14, 2023, in the amount of R\$750,000, yielding interest equivalent to 100% of the CDI + 3.6% p.a.; on August 21, 2024, in the total amount of R\$600,000, yielding interest equivalent to 100% of the CDI + 2.54% p.a.; and on February 19, 2025, in the amount of R\$550,000, yielding interest equivalent to 100% of the CDI + 1.9% p.a. These transactions were acquired by the central credit unions, without maturity dates.

Borrowings are distributed among the central credit unions as follows:

Central	Parent and Consolidated
	2025-03
Central Sicredi Sul/Sudeste	937,996
Central Sicredi Nordeste	35,995
Central Sicredi PR/SP/RJ	619,600
Central Sicredi Centro Norte	381,984
Central Sicredi Brasil Central	207,466
Total noncurrent	2,183,041

b) Subordinated debt

In conformity with CMN Resolution 4955/2021, the Bank has Subordinated Financial Bills (LFSN) issued in the amount of R\$959,600, which mature up to 2034.

In January 2022, the Bank issued Subordinated Green Bonds in the amount of US\$100 million with BID Invest, a member of the Inter-American Development Bank (IDB), which are fully intended to fund renewable energy and energy efficiency projects together with Sicredi's members. The amount raised in Brazilian reais (R\$), equivalent to R\$549,780, matures within ten years (principal), with interest payable semiannually.

As at March 31, 2025, the inflation-adjusted subordinated debt instruments totaled R\$1,750,755.

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15. Related-party balances and transactions

Related institutions / Sistema de Crédito Cooperativo – (Sicredi)

As detailed in the general information section (note 1), the Bank was established to meet the needs of credit unions when entering the financial market as a whole. Below are the main transactions conducted by the Bank with the Sicredi System's entities:

	Parent
	03/31/2025
Assets	106,401,048
Investments in interbank deposits	13,114,710
Interbank onlendings	79,044,747
Loan transactions	192,837
Income receivable	1,657
Other receivables - sundry	14,047,097
Liabilities	30,970,041
Demand deposits	24,261
Time deposits	7,700,263
Interbank deposits	20,930,277
Social and statutory payables	130,534
Other payables - sundry	1,665
Hybrid debt/equity instruments	2,183,041
	03/31/2025
Income	1,914,837
Loan transactions and interbank onlendings	1,190,245
Income from securities transactions	519,891
Service revenue	1,059
Other operating income	203,642
Expenses	1,789,137
Money market funding	1,256,058
Other administrative expenses	536,679
Other operating expenses	249
(Reversal) allowance for expected credit losses	(3,849)

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Related institutions / subsidiaries

Demand deposits

	<u>03/31/2025</u>
Administradora de Bens Sicredi	71
Corretora de Seguros Sicredi	2,080
Administradora de Consórcios Sicredi	4,391
Total	<u>6,542</u>

Intragroup loans were subject to conditions similar to those agreed with third parties, in effect on the transaction dates.

Compensation of key management personnel

The Annual Shareholders' Meeting determines the following:

- The amount of monthly fees of the CEO, executive officers and directors, and
- The CEO, executive officers and directors will also be entitled to the Sicredi Benefit Program (PBS) and Cooperative Education Program (PEC) pursuant to the respective regulations and conditions applicable to other employees.

In relation to Management compensation, the current policy determines that 50% of the net amount of variable compensation, if any, will be paid immediately and 50% will be paid in three equal, annual, consecutive installments, with the first installment falling due in the subsequent year of the payment date. This procedure complies with CMN Resolution 3921/10, which provides for the compensation policy applicable to management of financial institutions.

Management compensation is as follows:

Short-term benefits

	<u>Parent</u>	<u>Consolidated</u>
	<u>03/31/2025</u>	<u>03/31/2025</u>
Wages	1,561	1,561
Profit sharing	1,327	1,327
Social security contribution (INSS)	551	561
Total	<u>3,439</u>	<u>3,449</u>

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Postemployment benefits

	Parent and Consolidated
	03/31/2025
Supplementary defined contribution pension plan	67
Total	67

The Bank and its subsidiaries do not grant long-term, severance or share-based compensation benefits to its key management personnel.

16. Investment funds managed by Banco Cooperativo Sicredi S.A.

The Bank manages investment funds, whose net assets totaled R\$145,433,364 as at March 31, 2025.

In the period, revenue from investment fund management totaled R\$10,184 and is recorded in line item “Service revenue” (note 17).

17. Service revenue

	Parent	Consolidated
	03/31/2025	03/31/2025
Fund administration	10,184	10,184
Collection	1,411	1,411
Custody	842	842
Banking services	1,248	1,248
Fund management fees	81	81
Clearing processing (a)	494	494
Agreements (b)	5,838	5,838
Rentals	-	124
Collaterals provided	1,037	1,037
Consortia administration fees	-	127,431
Income from payment services	5,704	5,703
Insurance commissions	-	221,391
Total	26,839	375,784

(a) Clearing processing refers to revenues from the clearing of checks and other notes.

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

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18. Personnel expenses

	Parent	Consolidated
	03/31/2025	03/31/2025
Wages	13,601	13,970
Benefits	1,878	1,888
Payroll and related taxes	3,649	3,774
Other personnel expenses	4,965	5,045
Total	<u>24,093</u>	<u>24,677</u>

19. Administrative expenses

	Parent	Consolidated
	03/31/2025	03/31/2025
Financial system services (a)	404,541	495,931
Depreciation and amortization	529	1,384
Communication	2,065	2,203
Data processing	6,637	6,677
Outside services (b)	206,553	225,105
Credit union agreements (c)	-	170,339
Water, energy and gas	150	159
Rentals	1,973	751
Advertising, publicity, promotions and public relations	14,258	34,300
Transportation	86	86
Travel	297	301
Taxes and fees	128	168
Other expenses	2,520	4,971
Total	<u>639,737</u>	<u>942,375</u>

(a) Expenses on Financial System Services substantially comprise expenses on the services provided by Sicredi's credit unions to allocate funds derived from BNDES credit facilities, cost equalization under PRONAF programs, insurance, private pension plans, consortia, issuance and acquisition of cards and other payment means, clearing of checks and other notes, credits from official funds or funds transferred by other financial institutions, foreign exchange transactions, savings, investment funds and clubs, and any other financial and non-financial products and services, pursuant to the specific regulations.

(b) Outside services primarily refer to amounts paid to Visa and Mastercard credit card companies referring to credit and debit card processing fees.

(c) Credit Union Agreements ultimately refer to expenses on units of Administradora de Consórcios Sicredi Ltda. and insurance transactions from Corretora de Seguros Sicredi Ltda., conducted by Sicredi's Credit Unions.

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20. Risk and capital management structure

The Bank prioritizes risk management in conducting its activities and business, further adopting practices in full compliance with the Basel Accord. Accordingly, it relies on specialized areas for managing those risks, centralized at Banco Cooperativo Sicredi S.A.

The main risks managed by the institution include the capital management structure, operational risk, going concern risk, market risk, interest rate risk, liquidity risk, credit risk, social, environmental and climate risk, compliance risk and information technology and security risk.

a) Additional Information

A description of the complete structure and risk and capital management process, as well as the Social, Environmental and Climate Risks and Opportunities Report (GRSAC) is available on the website www.sicredi.com.br, as follows: About Us > Reports > Risk Management > Systemic Publications > Pillar 3 – Systemic Risk Management.

The Social, Environmental and Climate Risk Management policy is available on www.sicredi.com.br, as follows: About Us > Sustainability > Policies and Reports.

b) Deferral of expected loss transition adjustments

Pursuant to CMN Resolution 5199 of December 2024, which amends Resolution 4955/21, the negative adjustments to expected losses recorded on January 1, 2025 should be deferred in the regulatory capital as follows:

I - 75% up to December 31, 2025;

II - 50% from January 1, 2026 to December 31, 2026;

III - 25% from January 1, 2027 to December 31, 2027; and

IV - 0% beginning January 1, 2028." Regulatory Standard (NR)

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21. Basel ratio and equity-to-fixed-assets ratio

The financial institutions and other institutions authorized to operate by the Central Bank of Brazil are required to permanently hold a regulatory capital amount determined pursuant to CMN Resolution 4192/13, CMN Resolution 4193/13 and CMN Resolution 4955/21, consistently with the risks underlying its activities. The calculated thresholds are broken down as follows:

Operating Limits	Parent and Consolidated 03/31/2025
Regulatory Capital (RC)	6,961,625
Tier I (NI)	6,912,999
Common Equity (CE)	4,729,958
Capital	4,870,987
Capital reserves	87,563
Retained earnings	(20,205)
Unrealized losses on valuation adjustments to equity	(8,758)
Prudential adjustments	(199,630)
Capital Buffer (CB)	2,183,041
Financial bills and subordinated debts	2,183,041
Tier II (NII)	48,626
Financial bills and subordinated debts	1,750,755
Deduction of investments in other entities	(1,702,129)
Risk Weighted Assets (RWA)	37,052,584
Credit Risk	31,730,184
Market Risk	868,251
Payment Service Risk	1,113,896
Operational Risk	3,340,253
Interest Rate Risk in the Banking Book	126,712
Capital Margin¹	2,944,446
Basel Ratio (PR / RWA)	18.8%
Tier 1 Capital (NI / RWA)	18.7%
Common Equity (CE / RWA)	12.8%
Capital Buffer (CB / RWA)	5.9%
Tier II Capital (NII / RWA)	0.1%
Fixed assets (Imob)	105,039
Equity-to-fixed-assets ratio (Imob / PR)	1.5%

¹ The Capital Margin consists of the Institution's capital surpluses in respect of the minimum regulatory requirements and capital buffer.

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22. Commitments, guarantees and other liabilities

a) Commitments, guarantees and other liabilities

	<u>Parent and Consolidated</u> <u>03/31/2025</u>
Co-obligation for collaterals provided	
Collateral beneficiaries (a)	479,771
Depositories of amounts held in custody/pledged as collateral (a)	55,770,902
Notes under collection	112,633,831

(a) The depositories of amounts held in custody/pledged as collateral refer to third-party securities held in custody on B3 and pegged to SELIC.

b) Other guarantees

	<u>Parent and Consolidated</u> <u>03/31/2025</u>
Margin call - B3	531,790

23. Other matters

a) Amendments to tax standards

On November 17, 2022, Law 14467 was enacted upon the conversion of Provisional Measure 1128/22, which establishes a new tax treatment referring to losses incurred on the failure to collect loan receivables by banks and other entities authorized to operate by the Central Bank of Brazil. The amendment aims to align the tax and accounting standards with a view to reducing vulnerabilities associated with the deferred tax assets recorded in the balance sheets of financial institutions.

The new law completely changes the logic behind the deductibility of losses. On an overall basis, once loans are considered to be non-performing, the outcome from multiplying the non-performing loans by Factor A and, in the subsequent months, the deduction will be recorded by multiplying the non-performing loans by Factor B.

In summary, losses incurred on January 1, 2025 on non-performing loans recorded as at December 31, 2024 that have not been deducted to the aforesaid date and have not been recovered should be deducted from profit for the year, when determining taxable income and social contribution tax base, at the ratio of 1/84 for each month of the calculation period beginning January 2026. Should the term be considered insufficient, deduction is allowed within up to 120 months, if election is made until December 31, 2025.

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Notes to the individual and consolidated interim financial statements

March 31, 2025

(In thousands of Brazilian reais – R\$)

b) Tax Reform

In December 2023, Constitutional Amendment 132 was enacted, which established the Consumption Tax Reform aimed at streamlining and modernizing the tax system to reduce litigation and ensure greater legal certainty. The project regulation began through Bill (PLP) 68 approved at the House of Representatives in July 2024. In January 2025, upon the presidential approval, said Bill was converted into Supplementary Law 214/25.

The main change derives from the creation of Tax on Goods and Services (IBS) and Contribution on Goods and Services (CBS), which supersedes the taxes on revenue (PIS and COFINS), service tax (ISS) and State VAT (ICMS). The new legislation will come into force beginning 2026, with a transitional period extended until 2032. Accordingly, no changes will be made to tax calculations for 2025. The Bank has been monitoring discussions about this matter and expecting other regulations to accurately assess the tax reform-related impacts.
