

(A free translation of the original in Portuguese)

Banco Cooperativo Sicoob S.A.

***Parent company and consolidated
financial statements at
December 31, 2022
and independent auditor's report***



(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Stockholders
Banco Cooperativo Sicoob S.A.

Opinion

We have audited the accompanying parent company financial statements of Banco Cooperativo Sicoob S.A. ("Institution" or "Banco Sicoob"), which comprise the balance sheet as at December 31, 2022 and the statements of income, comprehensive income, changes in equity and cash flows for the six-month period and year then ended, as well as the accompanying consolidated financial statements of Banco Cooperativo Sicoob S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2022 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period and year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

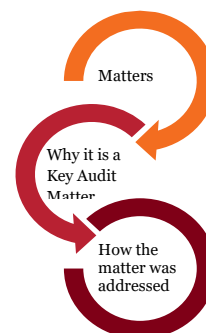
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco Cooperativo Sicoob S.A. and its subsidiaries as at December 31, 2022, and the Institution's financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the six-month period and year then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the parent company and consolidated financial statements section of our report. We are independent of the Institution and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current six-month period and year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Banco Cooperativo Sicoob S.A.

Why it is a key audit matter

How the matter was addressed in the audit

Provisions for expected losses associated with credit risk (Notes 3(h) and 9)

The estimate of the provisions for expected losses associated with credit risk relies on the judgment of management.

The provisions for expected losses associated with credit risk are recorded in accordance with the regulatory requirements of the National Monetary Council (CMN) and the Brazilian Central Bank (BACEN), especially CMN Resolution 2,682, and are based on the analyses of outstanding receivables.

Accordingly, this area remained as an area of focus in our audit.

We updated our understanding of and tested the significant internal controls for the calculation and recognition of the provisions for expected losses associated with credit risk, mainly: (i) approval of the credit policy; (ii) credit analysis; (iii) credit granting and renegotiated transactions; (iv) attribution of rating considering the risk of the recoverable amount of transactions; (v) processing and recording of provisions; (vi) reconciliation of account balances with the analytical position; and (vii) preparation of the notes to the financial statements.

We conducted tests to verify the integrity of the database used to calculate the provisions for expected losses associated with credit risk, in addition to tests to verify the application of the calculation methodology for these provisions in relation to the ratings attributed, the assumptions adopted, as well as the comparison of the account balances with the analytical reports.

We consider that the criteria and assumptions adopted by management to calculate and record the provisions for expected losses associated with credit risk are reasonable, in all material respects, in the context of the financial statements.

Provisions for contingent liabilities (Notes 3(q) and 19)

Banco Sicoob and its subsidiaries are party to tax, labor and civil proceedings, at the administrative and judicial levels, resulting from their normal course of business.

In general, these proceedings are only concluded after a lengthy period and involve not only discussions on merits, but also complex procedural aspects, in accordance with applicable legislation.

The decision to recognize a contingent liability and the measurement bases require the judgment of management, which is periodically reassessed,

Our audit procedures included, among others, the updating of our understanding and tests related to the identification, the constitution of contingent liabilities and their disclosures in the explanatory notes.

In addition, we performed confirmation procedures with the law firms responsible for accompanying the administrative and judicial proceedings to obtain their prognosis, including for new events that occurred during the year, the completeness of the information and the reasonableness of the estimated amount of the provisions.



Banco Cooperativo Sicoob S.A.

Why it is a key audit matter

including when preparing the financial statements, and considering new events. This matter remained as an area of focus in our audit.

How the matter was addressed in the audit

We consider that the criteria and assumptions adopted by management to determine and record the provisions for contingent liabilities are reasonable, in all material respects, in the context of the financial statements.

Information technology environment

Banco Sicoob has a business environment that is highly dependent on technology, requiring a complex infrastructure to support the high volume of transactions processed daily by its several systems.

The risks inherent to information technology, associated with the processes and controls that support the technology systems, in view of the legacy systems and existing technology environments, may result in the incorrect processing of critical information, including those used for the preparation of the financial statements. This matter remained an area of focus in our audit.

With the assistance of our system experts, we reviewed our evaluation of the design and tested the operating effectiveness of the internal controls related to the management of the information technology environment.

Our audit procedures comprised a combination of control tests of the key processes related to information security, the development and maintenance of systems, and the operation of computers related to the infrastructure that supports the Institution's business.

As a result of our work, we consider that the technology environment processes and controls provided a reasonable basis to determine the nature, period and extent of our audit procedures for the financial statements.

Other information accompanying the parent company and consolidated financial statements and the independent auditor's report

The Institution's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

The Institution's management is responsible for the preparation and fair presentation of these parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and for



Banco Cooperativo Sicoob S.A.

such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Institution and its subsidiaries.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Institution and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.




Banco Cooperativo Sicoob S.A.

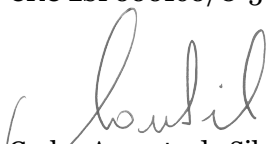
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Brasília, February 15, 2023


PricewaterhouseCoopers
Audidores Independentes Ltda.
CRC 2SP000160/O-5


Carlos Augusto da Silva
Contador CRC 1SP197007/O-2

Contents

Management Report.....	2
Balance sheet.....	15
Statement of income.....	17
Statement of comprehensive income.....	18
Statement of changes inequity.....	19
Statement of cash flows.....	21
Notes to the financial statements.....	22
Note 1 - Operations.....	22
Note 2 - Presentation of the parent company and consolidated financial statements.....	22
Note 3 - Summary of significant accounting policies.....	23
Note 4 - Cash and cash equivalents.....	27
Note 5 - Available funds.....	28
Note 6 - Short-term interbank investments.....	28
Note 7 - Compulsory deposits with the Brazilian Central Bank.....	28
Note 8 - Financial instruments.....	29
Note 9 - Interbank onlendings and lending operations.....	32
Note 10 - Income tax and social contribution - tax credits and deferred tax liabilities.....	36
Note 11 - Investments in associates and subsidiaries.....	40
Note 12 - Property and equipment.....	41
Note 13 - Intangible assets.....	42
Note 14 - Deposits.....	42
Note 15 - Repurchase agreement obligations.....	43
Note 16 - Funds from acceptance of bills of exchange, real estate and mortgage notes, debentures and similar items.....	43
Note 17 - Borrowings and onlendings.....	43
Note 18 - Derivative financial instruments.....	44
Note 19 - Provisions.....	44
Note 20 - Equity.....	46
Note 21 - Operational limits - Basel Accord.....	47
Note 22 - Other items in the financial statements.....	47
Note 23 - Related-party transactions.....	52
Note 24 - Other information.....	53
Composition of Banco Sicoob's Management Bodies.....	56
Summary of the Audit Committee Report.....	57

Management Report

December 31, 2022 and 2021

Macroeconomic Scenario

In 2022, the global economy witnessed severe inflationary pressures with some countries having to deal with the highest inflation rates in decades. In addition to the remnants of the pandemic and the effect of financial support measures that were granted around the world, inflation was further fueled by Russia's invasion of Ukraine, which significantly affected the price of important commodities such as oil, natural gas, fertilizers, and grains. Amidst growing pressures, the announcement of interest rate hikes by the US Federal Reserve affected the pricing of assets in international markets. However, thanks to the monetary tightening introduced by the main Central Banks and the gradual return of supply chains to normal levels of operation, inflation began slowing down during the second half of the year. From an economic viewpoint, the global growth rate remained positive overall, except for China, whose economy was hampered by the government's restrictive policies aimed at curbing the spread of Covid-19.

In Brazil, the economy confirmed the recovery trend initiated in 2021, driven by the resumption of activities in service industries - a sector severely hit by the pandemic - and the consistent strengthening of the labor market. Brazilian GDP accumulated a 3.2% growth up to the 3rd quarter, in comparison to the same period in 2021. In terms of demand, the performance was favored by household consumption, which grew at a robust 4.3% year-on-year, reflecting the recovery of the labor market, the increase in income transfer programs, and the expansion of credit, although the latter tended to lose pace in the second half of the year. On the supply side, the highlight was the services sector (up 4.4%), with activities regaining normal levels after the lifting of the restrictions imposed by the pandemic.

In relation to credit, total loans ended 2022 with a 10.4% growth in real terms, boosted by the 10.1% growth in 2021. In the year, the accelerated growth in loans was driven by the higher volumes in the corporate portfolio, which after a 4.7% increase in 2021, continued to expand reaching 10.5% in 2022.

Loans to individuals also increased, although at a slower pace than the previous year (+10.2% in 2022, against + 15.2% in 2021). Credit granting measures were favored by increased volumes in certain modalities of the individual and corporate portfolios, such as those for consigned credit margin, the renewal of the National Program of Support to Micro and Small Companies (PRONAMPE), the expansion of *Plano Safra* (Government's agribusiness financing plan), and the changes in regulations for real estate credit. In addition, the resumption of activities after the health crisis favored the higher volume of consumption-related credit provision, such as credit cards for individuals, and discount of trade bills for companies.

Management Report

December 31, 2022 and 2021

The default rate continued on an upward trend in 2022, with a steeper rise in loans with free (non-designated) resources for individuals. Total default rate reached 3.0% in December 2022, 0.7 p.p. above that of December 2021.

The official annual inflation of 5.8%, as measured by the Broad Consumer Price Index (IPCA), decreased considerably in 2022, against the 10.1% registered in 2021. Besides having once again exceeded the target set for the year (3.50%, with a ceiling of 4.75%), the fall resulted mainly from tax cuts on items such as fuel and electricity, which pushed the regulated prices down (-3.8%, from 17% in 2021). Unregulated prices picked up with an annual variation of 9.4% (against 7.7% in 2021), although the 12-month rise reached its highest point of 11.9% in June, which indicates that cost-push inflation on these prices has also lessened in the second half of the year.

In view of the significant worsening of the inflationary trend, with negative effects on IPCA projections for 2022 and 2023, the Brazilian Central Bank extended the process of monetary policy normalization. After raising the Selic rate from 2.0% in March 2021 to 9.25% in December, the Monetary Policy Committee (COPOM) made further adjustments up to August 2022, increasing the basic rate to 13.75%, which was maintained until December 2022.

From a fiscal point of view, the year was somewhat mixed. If on the one hand, the current figures remain relatively favorable amidst the increased tax collection due to the hikes in commodity prices and the recovery of the economy, on the other hand, new initiatives from the Executive and Legislative branches, aimed at creating room for increased spending and tax reduction, have renewed concerns about the course of the Brazilian fiscal policy. Based on the Central Government's data, released by the National Treasury, a primary surplus of R\$ 54.1 billion was achieved in 2022 (0.5% of GDP), a much higher balance than in 2021 (deficit of R\$ 35.1 billion), and the first surplus recorded since 2013.

In summary, the economic performance in Brazil in 2022 turned out to be better than expected, with further reductions in the unemployment rate and sustained household consumption. However, the deterioration in the pricing of domestic assets and the heightened perception of fiscal risk primarily affected the cost of capital, which was impacted by expectations of higher future interest rates. Moreover, the year was marked by a persistent inflationary environment, which required the Brazilian Central Bank to further adjust interest rates. Regarding the international scenario, inflation has definitively become the focus of concern for governments and markets, more so after Russia's invasion of Ukraine.

Banco Sicoob

Founded in November 1996, Banco Cooperativo Sicoob S.A. ("Banco Sicoob" or "Bank") is a multi-service private bank, controlled by entities affiliated to the Sistema de Cooperativas de Crédito do Brasil ("Sicoob"). Since its foundation, the financial institution has been building a history based on strategic business management and integrated work, with the aim of fostering the growth of financial cooperative systems in the country.

Management Report

December 31, 2022 and 2021

Banco Sicoob integrates the unified Corporate Governance structure with Sicoob Confederation, making up the Sicoob Cooperative Center (CCS, from the acronym in Portuguese). The Bank's group structure comprises the following companies: Sicoob Distribuidora de Títulos e Valores Mobiliários Ltda. - Sicoob DTVM, Sicoob Administradora de Consórcios Ltda. - Sicoob Consórcios, Sicoob Soluções de Pagamento Ltda. - Sicoob Pagamentos e Sicoob Participações em Seguridade S.A. and - SicoobPar Seguridade. In addition, the Bank sponsors Fundação Sicoob de Previdência Privada (Sicoob Previ).

Together with these companies, Banco Sicoob undertakes strategic initiatives aimed at the continuous improvement of processes and the provision of financial products and services dedicated to meeting the demands of the individual credit unions.

Such actions integrate the CCS Strategic Planning, represented by the Systemic Pact, which consists of a set of guidelines addressing challenges that are shaped by increased competition, employee knowledge generation, and innovation in relation to the infrastructure of products and services offered by Banco Sicoob. From this standpoint, the role of Banco Sicoob is to provide the credit units with competitive differentials.

The impressive figures achieved by the institution reflect the positive outcome from these initiatives: Banco Sicoob's achieved consolidated results in 2022 of R\$470.90 million, an increase of 112.73% over 2021, and total deposits amounted to R\$ 75.85 billion.

Performance

At the end of the year, Banco Sicoob's consolidated assets totaled R\$ 102.19 billion, up 35.19% when compared to December 2021, with the following items being particularly noteworthy:

a. Financial instruments

Consolidated financial instruments totaled R\$ 69.75 billion in 2022, corresponding to an increase of approximately 35.58% when compared to December 2021.

Marketable securities

Consolidated marketable securities amounted to R\$ 30.03 billion in December 2022, comprising mainly federal government securities (LFTs), accounting for approximately 43.06% of the total financial instruments.

Investments in interbank deposits

Consolidated interbank deposits, comprised of Interbank Deposit Certificates, amounted to R\$ 1.31 billion in December 2022,

Management Report

December 31, 2022 and 2021

Interbank onlendings and lending operations

Consolidated interbank onlendings and lending operations totaled R\$ 38.41 billion, a 34.25% increase when compared to December 2021. As regards the breakdown of the loan portfolio, the highlight was the real estate credit line, which increased by 26.85%, and interbank onlendings, which increased by 38.06%. There was also growth in the portfolios using Own Funds, LCA/FINAME and the Constitutional Financing Fund the Mid-West of Brazil (FNO). The payroll-deductible loan portfolio (including loans to pensioners and retirees of the National Institute of Social Security (INSS), as well as traditional credit facilities) totaled R\$ 2.42 billion, an increase of 43.22% over last year.

b. Card operations

The card issuance segment of Banco Sicoob, comprising cards issued by Sicoob and other credit union systems, reached 10.80 million cards issued at the end of 2022. The expansion of the card base through partner credit union systems accounted for approximately 20% of total operations.

The volume of purchases with cards increased by 25.30% in relation to 2021, reaching R\$ 90.40 billion. For transactions carried out using the credit function alone, the volume was R\$ 47.80 billion.

c. Acquiring operations

In 2022, acquiring operations, which combine the Sicoob customer base and those of partner systems, recorded an increase of 9.35% in the number of authorized licensees of the Sipag card machine when compared to 2021.

The higher number of establishments in the customer base increased the accumulated revenue to R\$40.90 billion, a year-on-year growth of 6.60%.

d. Deposits

Consolidated deposits totaled R\$ 75.85 billion in 2022.

The credit union savings account ("*Poupança Cooperada*") closed the year with a total of R\$ 11.97 billion, up 3.33% over 2021.

e. Services

Banco Sicoob provides services such as document custody, microfilming and tracking, in addition to real-time surveys, among others. During the year, a total of 555,994,268 documents were processed, a volume 6.25% higher than in the previous year.

Management Report

December 31, 2022 and 2021

f. New agreements

In 2022, new corporate agreements for the collection of bar-coded invoices/payment slips and direct debits were signed, totaling 866 partnership agreements. Among the new partnership agreements, the following were of note: DETRAN AM, DETRAN and SEFAZ RS, DMAE Uberlândia MG, SAAE Cacoal RO, SAMAE Governador Celso Ramos SC, Coprel Telecom RS, Hidropan Energia RS, Ambiental Crato CE, Municipality of Aracajú SE, Municipality of Barbacena MG, Municipality of Costa Rica MS, Municipality of Jundiáí SP, Municipality of Macaé RJ, Municipality of Osasco SP, Municipality of Porto Alegre RS, Municipality of Gaspar SC, and Municipality of Alexânia GO.

The portfolio agreements, highly relevant to the National Financial System, are made available to Sicoob's credit unions, as well as to other systems and banking institutions.

Risk and capital management

I. Risk Management

The risk management framework of Banco Sicoob seeks to identify, measure, evaluate, monitor, report, manage, control and mitigate the risks inherent in its activities, based on established policies, strategies, processes and limits.

The allocation of resources, the definition of responsibilities and processes, and the application of the best risk management practices provide greater transparency, effectiveness and timeliness to the Bank's activities.

The risk management framework is consistent with the nature of the Bank's operations and the complexity of the products and services offered, as well as proportional to its exposure to risks.

The risks that are considered relevant and which are part of the integrated risk management program are listed below:

- a) Financial risks:** credit risk, market risk, interest rate variations risk, and liquidity risk.
- b) Non-financial risks:** operational risk, social, environmental and climate risk, reputational risk, compliance risk, strategy risk, business continuity risk, money laundering risk, and cyber security risk.

Banco Sicoob prepares a risk interaction map, which is published in a specific manual, identifying existing correlations among the relevant risks.

The risk management process is segregated, and the organizational structure involved ensures specialization, representation and rationality, with proper dissemination of risk management information and culture across the Institution.

The procedures adopted by the Bank ensure the timely reporting, to the governance bodies, of data relating to normal and atypical situations with respect to risk policies, as well as the application of stress tests to assess critical situations, which would require the adoption of contingency measures.

Management Report

December 31, 2022 and 2021

With a view to optimizing the delegation and coordination of tasks that are essential to the risk management function, Banco Sicoob adopts a model of three lines of defense, described below:

- a) First line of defense:** controls and operational management performed by risk-taking areas;
- b) Second line of defense:** specific areas, responsible for an integrated performance of internal control, risk management, and compliance;
- c) Third line of defense:** independent assessment by the internal audit function.

The risk culture is spread across the organization through a structured process, based on specific training programs. Information about the risk appetite levels set in the Risk Appetite Statement (RAS), policies, strategies and processes related to the integrated risk management approach is also disseminated across the Institution.

The Stress Testing Program (STP), which is part of the Bank's integrated risk management function, has the purpose of identifying impacts caused by adverse events and circumstances on the Institution as a whole, or on a specific portfolio, through the application of sensitivity stress tests.

This structure receives support from a department specialized in risk management, segregated from the business units and the internal audit function. This segregation ensures, in an ongoing and integrated manner, that the Institution's risks are managed in accordance with the levels defined in the RAS.

Risk management indicators and activities are permanently monitored by the governance bodies, committees, and senior management, to ensure the efficiency and effectiveness of the control model.

The Board of Directors is the body responsible for establishing the guidelines, policies, and approval levels for risk management.

The Risk Committee (Coris) is responsible for supporting the Board of Directors in the performance of its duties.

At the executive level, the Chief Risk Officer (CRO) is responsible for the continuous and integrated management of risks, under the monitoring of the Risk Committee.

The internal audit function provides an independent assessment of activities, systems, models and procedures developed facilitating senior management's evaluation as to the adequacy of controls, effectiveness of risk management, and compliance with internal standards and regulatory requirements.

The risk management report - Tier III is available on Banco Sicoob's website (www.bancoob.com.br).

a. Credit risk

Credit risk management guidelines are stated in the Institutional Policy for Credit Risk Management, approved by the Executive Board and the Board of Directors, which defines consistent procedures, metrics, and actions for all Sicoob's entities.

As the entity responsible for the credit risk management of the group companies and the sponsored foundation, Banco Sicoob standardizes processes, establishes methodologies to assess the risk posed by counterparties and transactions, and monitors the assets that involve credit risk.

Management Report

December 31, 2022 and 2021

In order to mitigate credit risk, Bancoob makes use of risk analysis and rating models based on quantitative and qualitative data, intended to support the risk calculation process and the establishment of credit limits for borrowers, while maintaining the high quality of its portfolio. The Bank's models are periodically tested to ensure their consistency with the economic and financial condition of counterparties. Default on the portfolio and the respective ratings assigned to the operations are also monitored, in accordance with CMN Resolution 2,682/1999.

The credit risk management framework requires the adoption of the following procedures:

- a) definition of policies and strategies, including risk limits;
- b) validation of systems, models and internal procedures;
- c) estimation (using consistent and prudent criteria) of losses associated with credit risk, and comparison between the estimated and actually incurred losses;
- d) specific monitoring of related-party transactions;
- e) procedures for monitoring loan portfolios;
- f) identification and treatment of troubled assets;
- g) systems, routines and procedures to identify, measure, assess, monitor, report, control, and mitigate the exposure to credit risk;
- h) monitoring and reporting of risk appetite limits;
- i) periodic submission of managerial information to the governance bodies;
- j) responsibility for calculating and projecting the regulatory capital required, as well as the level of provisions for expected credit losses;
- k) creation of models to assess the counterparty credit risk, according to the transaction and the public involved, which consider specific characteristics of the borrowers, as well as industry-related and macroeconomic aspects;
- l) application of stress tests identifying and assessing the Institution's potential vulnerabilities;
- m) establishment of credit limits for each counterparty and overall limits by portfolio or credit line;
- n) specific risk assessment for new products and services.

The standards for internal credit risk management include an organizational and regulatory structure, risk rating models for borrowers and operations, overall and individual limits, the use of computer systems, and system-based monitoring to validate models and compliance of processes.

b. Market risk and interest rate risk

The guidelines for managing market and interest rate risks are recorded in the Institutional Policy for Credit Risk Management, approved by the Executive Board and the Board of Directors, which defines consistent procedures, metrics and actions for all Sicoob's entities.

The Bank's framework for the management of these risks is consistent with the nature of its operations and the complexity of the products and services offered, as well as proportional to its exposure to risks.

Banco Sicoob's market and interest rate risks are managed by a specialized department, which ensures that the risk is managed in accordance with the levels defined in the Risk Appetite Statement (RAS) and the guidelines provided for in the institutional policies and manuals.

The system adopted by Banco Sicoob for measuring, monitoring, and controlling market and interest rate risks is based on the use of widely known tools, which rely on the best risk management practices and cover all the positions held by the Bank.

Management Report

December 31, 2022 and 2021

For the market risk portions in the trading portfolio RWAjur1, RWAjur2, RWAjur3, RWAjur4, RWAcam, RWAcam, and RWAacs, the methodologies used are based on regulations issued by the Brazilian Central Bank.

The interest rate risk of the banking portfolio (IRRBB) is managed through the use of good practices and consolidated assessment models. The economic value and financial intermediation result approaches are used in the risk management process.

- a) Economic Value of Equity (EVE): this methodology consists of assessing the effect of changes in interest rates on the present value of the cash flows of instruments included in the banking portfolio;
- b) Financial intermediation approach (Non-interest income (NII)): this methodology consists of assessing the effect of changes in interest rates on the result of financial intermediation included in the banking portfolio.

The monitoring of market risks and interest rate variations is carried out by means of periodical reports prepared by the specialized department and submitted to the governance bodies, committees, and senior management that include, at least:

- a) the value at risk and the use of the banking portfolio's limit, under the economic value and financial intermediation result approaches;
- b) the value at risk and the use of the trading portfolio's limit, under the standardized approaches provided by the Brazilian Central Bank;
- c) an analysis of mismatches between asset and liability flows, segregated by maturity and risk factors;
- d) maximum exposure limits to interest rate risks;
- e) a sensitivity analysis to assess the impact on the market value of the portfolio's cash flows when subject to a parallel increase of one (1) basis point in the yield curve;
- f) result of the embedded gains and losses (EGL);
- g) stress tests; and
- h) a contingency plan.

In addition, stress tests are performed on the banking portfolio to assess the risk sensitivity to the limits defined in the RAS.

c. Liquidity risk

The liquidity risk management guidelines are recorded in the Institutional Policy for Financial Centralization Management and Institutional Policy for Liquidity Risk Management, approved by the Executive Board and the Board of Directors, which define consistent procedures, metrics and actions for all Sicoob's entities.

The liquidity risk management framework of Banco Sicoob is consistent with the nature of its operations and the complexity of the products and services offered, as well as proportional to its exposure to risks.

Banco Sicoob's liquidity risk is managed by a specialized department, which ensures that the entities' risk is managed in accordance with the levels defined in the Risk Appetite Statement (RAS), and with the guidelines provided for in the institutional policies and manuals.

Management Report

December 31, 2022 and 2021

Banco Sicoob's liquidity risk management complies with the aspects and standards set out by the regulatory authorities, and are constantly improved and aligned with good management practices.

The liquidity risk management instruments used are:

- a) the monitoring, through periodic reports submitted to the governance bodies, committees and senior management, addressing at least:
 - minimum liquidity limit;
 - projected cash flow;
 - application of stress scenarios;
 - definition of contingency plans;
- b) performance of tests to assess the liquidity risk control systems;
- c) preparation of reports that allow for the timely identification and correction of control weaknesses and management of liquidity risks;
- d) preparation of a contingency plan which includes strategies to be adopted to ensure the continuity of activities and limit the losses arising from liquidity risks.

Quarterly stress tests are performed for various scenarios, with a view to identifying any deficiencies and atypical situations that could compromise the Bank's liquidity.

In managing liquidity risk, procedures for identification of short- and long-term risks are adopted, considering possible impacts on the Group's liquidity.

As a control mechanism to assess the effectiveness of the contingency plan, key measures are tested on a quarterly basis, to evaluate the liquidity generation capacity.

d. Operational and reputational risks

The operational risk management guidelines are recorded in the Institutional Policy for Operational Risk Management, approved by the Executive Board and the Board of Directors, which defines consistent procedures, metrics and actions for all Sicoob's entities.

The operational risk management process consists of a qualitative and quantitative assessment of operational risks through stages that involve identification, assessment, treatment, documentation, and storage of information on operational losses incurred and recovered, and the performance of tests on control, communication and information systems.

Operational losses are reported to the Operational Risk and Business Continuity Management (GCN) department, which interacts with the managers of the respective areas and formally identifies the causes of losses, adjusts the controls in place, and determines the need for improving processes, which may require the implementation of new controls.

The results are submitted to the Executive Board and Board of Directors.

The capital allocation methodology used to compute the portion of operational risk (RWAopad) is the Basic Indicator Approach (BIA).

Reputational risk is managed by monitoring the client's satisfaction and service quality through communication channels of the Institution (Ombudsman's Office, Customer Support Service - SAC), of the Brazilian Central Bank (On-line Demand Registration System - Citizen Module - RDR), as well as publicly available communication channels (such as the customer complaint website "Reclame Aqui" and social media).

Management Report

December 31, 2022 and 2021

e. Social, environmental, and climate risks

The guidelines for managing social, environmental, and climate risks are stated in the Institutional Policy for Business Continuity Risk Management, approved by the Executive Board and the Board of Directors, which defines consistent procedures, metrics and actions for all Sicoob's entities.

Social risk

The social risk management process aims to promote respect for diversity and protection of rights in business relationships and for individuals in general. This involves assessing negative impacts and potential losses that could affect the Sicoob's reputation.

Environmental risk

The process of environmental risk management involves conducting systematic evaluations based on information about the environment provided by relevant agencies, as well as monitoring potential impacts.

Climate risks

The process of climate risk management involves a systematic assessment of the likelihood of climate-related events that may result in damage. Additionally, it includes monitoring the transition and physical risks associated with climate change.

f. Compliance risk

The guidelines for compliance risk management are set out in the Institutional Policy of Internal Controls and Compliance, approved by the Executive Board and the Board of Directors, which defines consistent procedures, metrics and actions for all Sicoob's entities.

Banco Sicoob has employees exclusively dedicated to the implementation of the policy and specific procedures, who also act as consultants in charge of providing the information required for the effective implementation of the compliance process.

g. Strategy risk

The Bank furthers its strategic focus on providing competitive factors to Sicoob's members, by acting as a system-based manager of financial products and services. In turn, the products and services provided follow the management guidelines for risk identification, classification, control, and reporting.

h. Business continuity risk

The guidelines for managing business continuity risks are recorded in the Institutional Policy for Business Continuity Risk Management, approved by the Executive Board and the Board of Directors, which defines consistent procedures, metrics and actions for all Sicoob's entities.

The process of business continuity management requires the performance of the following activities:

- a) identification of the possibility of stoppage of activities;
- b) assessment of the results and consequences (potential impacts) to the entity that may arise from the stoppage of activities;
- c) definition of the strategy of recovery in the event of incidents;
- d) planned continuity of operations (IT assets, including people, facilities, processes and systems), involving procedures for the periods before, during and after the stoppage; and
- e) transition between the contingency and the resumption of the normal course of business (end of the event).

Management Report

December 31, 2022 and 2021

The Sicoob Cooperative Center performs the Impact Analysis (AIN) to identify the system's critical processes and define strategies for their continuity, thereby protecting the organization from prolonged interruptions that could threaten business continuity. This analysis considers financial, legal, and reputation impacts.

Business Continuity Plans are prepared annually, and include the key procedures to be performed to ensure the maintenance of activities in the event of contingencies. Business Continuity Plans are classified into: Operational Continuity Plan (OCP) and Disaster Recovery Plan (DRP).

The effectiveness of the Business Continuity Plans is tested annually.

i. Money laundering and terrorism financing risk

The guidelines for management of money laundering and terrorism financing risks are recorded in the Institutional Policy for Prevention of Money Laundering and Terrorism Financing, approved by the Executive Board and the Board of Directors, which defines consistent procedures, metrics, and actions for all Sicoob's entities.

The Anti-Money Laundering/Terrorism Financing (AML/TF) process has the purpose of detecting atypical behaviors, situations, and transactions, through information provided by the System for Prevention of Money Laundering and Terrorism Financing.

This process comprises the following steps:

- a) Defining AML/TF guidelines and processes, with the aim of mitigating image/reputational risk;
- b) Monitoring;
- c) Selecting;
- d) Recording, assessing and performing due diligence;
- e) Reporting to the Brazilian Council for Financial Activities Control (COAF);
- f) Issuing managerial reports.
- g) Implementing and updating the AML/TF Internal Risk Assessment (AIR);
- h) Preparing the AML/TF Effectiveness Evaluation Report (RAE).

The prevention of money laundering and terrorism financing aims at mitigating the risk of illegal acts being committed through the use of Sicoob's structure, as well as to protect the Bank's image/reputation.

j. Cyber security risk

The guidelines for managing cyber security risks are set out in the Bank's Institutional Policy for Cyber Security, approved by the Executive Board and the Board of Directors, which defines consistent procedures, metrics and actions for all Sicoob's entities.

The cyber security risk management process requires the performance of the following activities:

- a) definition of cyber security guidelines addressing the Bank's ability to prevent, detect, and reduce its vulnerability to incidents related to the cyber environment;
- b) protection of the information under the responsibility of the companies, by preserving its confidentiality, integrity, availability and authenticity;
- c) prevention of potential interruptions, either total or partial, of the IT services accessed by the companies and clients/credit union members, and, in the event of an interruption, mitigation of the impacts;

Management Report

December 31, 2022 and 2021

- d) handling and prevention of cyber security incidents;
- e) education and training of the human resources required for the cyber security area;
- f) promotion of an exchange of knowledge on cyber security topics between the various financial institutions and public agencies and entities;
- g) establishment of an incident response action plan which is reviewed annually;
- h) definition of information classification guidelines, kept in electronic or physical format, in accordance with the protection measures expected in terms of secrecy, value, legal requirements, sensitivity and business needs, so as to ensure the confidentiality, integrity and availability of the data and information systems used.

II. Capital management

At the Banco Sicoob Group, capital management is an ongoing forward-looking process that aims to assess the capital requirements of its institutions, considering the Group's strategic goals for a minimum period of three years.

The guidelines for the continuous monitoring and control of capital are included in Sicoob's Institutional Policy for Capital Management, to which all the Sicoob members have formally adhered.

The capital management process relies on a set of methodologies that enable the institutions of Banco Sicoob Group to identify, assess and control major exposures, in order to maintain a capital level compatible with the risks incurred. A specific capital plan in place provides for capital targets and forecasts that consider the strategic goals, the main sources of capital and the contingency plan. Additionally, severe events and extreme market conditions are simulated, and the related results and impacts on the capital framework are submitted to the Executive Board and Board of Directors.

The capital management process is annually reviewed by the Internal Audit function.

In compliance with CMN Resolution 4,557/2017, a report describing the risk and capital management framework and the risk management report - Tier III are available on Banco Sicoob's website (www.bancoob.com.br).

Equity and profit for the period

At December 31, 2022, consolidated equity totaled R\$ 3.22 billion, an increase of 29.92% in comparison with the previous year.

Consolidated profit in 2022 totaled R\$ 470.90 million, an annualized return on average equity of 18.59%.

Management Report

December 31, 2022 and 2021

Acknowledgments

We would like to thank our shareholders for the trust placed in our management; the Sicoob Confederation and the central and individual credit unions for their cooperation towards the achievement of Sicoob's goals; our external partners for their confidence in the solutions offered by the Banco Sicoob Group and Sicoob Previ Foundation; and our employees of the Bank, its subsidiaries and the sponsored foundation, for their unwavering dedication.

The Management

Balance sheet

December 31, 2022 and 2021

(A free translation of the original in Portuguese)

All amounts in thousands of Reais, unless otherwise stated

Assets	Note	Bank		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current and non-current assets		102,045,717	75,611,894	102,194,593	75,592,986
Cash and cash equivalents	4(a)	13,982,121	8,451,634	13,982,516	8,451,644
Compulsory deposits with the Brazilian Central Bank	7	2,367,260	2,173,252	2,367,260	2,173,252
Financial instruments		69,703,595	51,400,501	69,753,770	51,448,835
Marketable securities	8	29,984,475	22,039,486	30,034,650	22,087,821
Own portfolio		18,274,425	11,969,760	18,324,600	12,018,095
Government securities		17,303,822	11,499,334	17,332,247	11,524,323
Private securities		917,610	416,348	917,610	416,717
Investment fund shares		52,993	54,078	74,743	77,056
Linked to Repurchase Agreements		4,728,606	2,034,027	4,728,606	2,034,027
Government securities		4,728,606	2,034,027	4,728,606	2,034,027
Linked to the provision of guarantees		6,981,176	8,035,392	6,981,176	8,035,392
Government securities		6,981,176	8,035,392	6,981,176	8,035,392
Derivative financial instruments		268	307	268	307
Investments in interbank deposits	6	1,308,535	750,582	1,308,535	750,581
Interbank onlendings and lending operations		38,410,585	28,610,432	38,410,585	28,610,431
Interbank onlendings	9(a)	27,702,023	20,064,697	27,702,023	20,064,697
Lending operations	9(a)	10,933,373	8,697,369	10,933,373	8,697,369
(-) Provision for expected credit losses	9(g)	(224,811)	(151,634)	(224,811)	(151,634)
Other assets	22	15,083,841	12,931,300	15,470,788	13,055,418
Payment transactions	22 (a1)	14,600,069	12,556,896	14,660,970	12,604,787
Foreign exchange portfolio	22 (a2)	65	-	65	-
Income receivable		129,962	31,969	144,155	40,770
Other	22 (a3)	491,356	444,945	803,209	512,372
(-) Provisions for other receivables		(137,611)	(102,510)	(137,611)	(102,510)
Deferred tax assets	10(a)	286,100	261,779	318,845	266,323
Equity in the results of associates and subsidiaries	11	523,326	325,635	137,916	107,615
Subsidiaries and associates		523,326	325,635	137,916	107,615
Property and equipment	12	93,582	62,497	146,668	76,757
Property and equipment in use		163,968	116,783	241,800	151,322
(-) Accumulated depreciation		(70,386)	(54,286)	(95,132)	(74,565)
Intangible assets	13	5,893	5,297	16,830	13,143
Software usage rights		16,628	14,541	48,205	39,296
(-) Accumulated amortization		(10,735)	(9,244)	(31,375)	(26,153)
Total assets		102,045,717	75,611,894	102,194,593	75,592,986

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

Balance sheet

December 31, 2022 and 2021

(continued)

All amounts in thousands of Reais, unless otherwise stated

Liabilities and equity	Note	Bank		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current and non-current liabilities		98,831,250	73,137,609	98,978,530	73,117,640
Financial liabilities		86,583,520	62,893,757	85,943,586	62,430,740
Deposits	14(a)	76,486,368	56,956,316	75,846,434	56,493,300
Repurchase agreement obligations	15	4,716,718	2,027,200	4,716,718	2,027,200
Funds from the acceptance of bills of exchange, real estate bills, mortgage notes, debentures, and similar items	16	230,340	34,681	230,340	34,681
Borrowings and onlendings	17(a)	5,150,012	3,875,502	5,150,012	3,875,502
Derivative financial instruments	18	82	56	82	56
Provisions		17,510	15,428	18,314	16,142
Provision for contingencies	19(a)	17,339	15,217	18,143	15,931
Provisions for guarantees	19(b)	171	211	171	211
Other liabilities	22	12,230,220	10,228,400	12,991,162	10,670,734
Payment transactions	22 (b1)	11,208,808	9,192,857	11,386,113	9,318,577
Social and statutory obligations and payments pending settlement		19,958	15,891	25,428	19,744
Tax and social security obligations	22 (b2)	276,868	224,150	364,535	280,254
Foreign exchange portfolio	22 (b3)	439	338	439	338
Other	22 (b4)	724,147	795,164	1,214,647	1,051,821
Deferred tax liabilities	10(b)	-	24	25,468	24
Other deferred tax liabilities		-	24	25,468	24
Total liabilities		98,831,250	73,137,609	98,978,530	73,117,640
Equity	20	3,214,467	2,474,285	3,216,063	2,475,346
Share capital		2,570,093	2,110,226	2,570,093	2,110,226
Capital reserves		858	858	858	858
Revenue reserve		654,914	393,397	654,914	393,397
Other comprehensive income		(11,399)	(30,196)	(11,399)	(30,196)
Non-controlling interests		-	-	1,596	1,061
Total liabilities and equity		102,045,717	75,611,894	102,194,593	75,592,986

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

Statement of income

December 31, 2022 and 2021

(A free translation of the original in Portuguese)

All amounts in thousands of Reals, unless otherwise stated

	Note	Bank				Consolidated	
		Years		2nd six-month period		Years	
		2022	2021	2022	2021	2022	2021
Income from financial intermediation		8,562,484	3,410,726	5,137,001	2,189,295	8,567,536	3,412,187
Gains on lending operations	9 (h)	3,116,803	1,522,972	1,799,006	893,084	3,116,803	1,522,972
Gains on marketable securities	8(c)	5,277,260	1,827,278	3,244,528	1,253,068	5,282,312	1,828,739
Gain (loss) on derivative financial instruments	8(c)	3,948	(847)	1,346	(1,217)	3,948	(847)
Gains (losses) on foreign exchange transactions	22(c)	3,836	6,020	3,054	4,225	3,836	6,020
Gains (losses) on compulsory investments		160,637	55,303	89,067	40,135	160,637	55,302
Expenses with financial intermediation		(8,008,490)	(2,656,711)	(4,864,349)	(1,841,380)	(7,931,383)	(2,638,669)
Money market funding	14(b)	(7,699,445)	(2,421,845)	(4,695,202)	(1,711,499)	(7,633,870)	(2,404,390)
Borrowings and onlendings	17(b)	(184,802)	(159,796)	(96,069)	(81,054)	(184,802)	(159,796)
Provision for expected credit losses	9(g)	(124,243)	(75,070)	(73,078)	(48,827)	(112,711)	(74,483)
Gross profit from financial intermediation		553,994	754,015	272,653	347,915	636,153	773,518
Operating income		2,356,919	1,748,806	1,195,786	950,054	2,544,589	2,129,677
Income from services rendered	22(d)	1,762,471	1,330,181	909,339	730,277	2,016,327	1,713,715
Income from banking fees	22(d)	118	123	50	64	118	123
Equity in the results of subsidiaries and associates	11	226,478	87,612	99,521	44,232	96,377	21,331
Other operating income	22(e)	367,852	330,890	186,876	175,481	431,767	394,509
Operating expenses		(2,223,405)	(2,075,562)	(1,214,476)	(1,078,769)	(2,412,246)	(2,428,927)
Personnel expenses	22(f)	(186,609)	(150,527)	(101,212)	(80,855)	(282,509)	(228,249)
Administrative expenses	22(g)	(548,977)	(411,524)	(300,119)	(241,087)	(633,106)	(689,516)
Tax expenses		(196,303)	(167,187)	(101,052)	(87,891)	(252,385)	(213,008)
Other operating expenses	22 (h)	(1,291,516)	(1,346,324)	(712,093)	(668,936)	(1,244,246)	(1,298,154)
Operating result		687,507	427,259	253,963	219,201	768,496	474,267
Non-operating income (expenses)	22 (i)	163	(38,091)	84	(14,226)	109	(38,091)
Profit before taxation and profit sharing		687,671	389,168	254,047	204,975	768,605	436,176
Income tax and social contribution	10	(199,184)	(154,028)	(65,412)	(92,594)	(274,245)	(196,780)
Provision for income tax	10(f)	(128,713)	(99,086)	(65,003)	(38,902)	(180,403)	(128,023)
Provision for social contribution	10(f)	(110,818)	(92,305)	(58,603)	(42,875)	(136,923)	(110,382)
Deferred tax assets	10(c)	40,347	37,364	58,194	(10,817)	43,081	41,625
Statutory profit sharing		(18,126)	(14,228)	(9,276)	(9,171)	(23,464)	(18,041)
Finance income (costs), net		470,361	220,912	179,359	103,210	470,896	221,354
Number of shares		1,334,159,277	1,120,742,225	1,334,159,277	1,120,742,225	1,334,159,277	1,120,742,225
Earnings per share		134.44	92.09	134.44	92.09	134.63	92.26
Profit attributable to the parent company						470,361	220,912
Profit attributable to non-controlling interests						534	442

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

Statement of comprehensive income

December 31, 2022 and 2021

(A free translation of the original in Portuguese)

All amounts in thousands of Reais, unless otherwise stated

	Bank				Consolidated		
	Note	Years		2nd six-month period		Years	
		2022	2021	2022	2021	2022	2021
Profit for the year		470,361	220,912	179,359	103,210	470,896	221,354
Other comprehensive income							
Items that will be reclassified to profit or loss		18,797	15,884	7,841	25,669	18,797	15,884
Adjustments to securities		35,562	28,880	13,272	46,760	35,562	28,880
Mark-to-market adjustment - associates and subsidiaries		(762)	-	541	-	(762)	-
Tax effects		(16,003)	(12,996)	(5,972)	(21,091)	(16,003)	(12,996)
Other comprehensive income for the six-month period/year, net of taxes		489,158	236,796	187,200	128,879	489,693	237,238
Total comprehensive income for the six-month period/year		489,158	236,796	187,200	128,879	489,693	237,238
Profit attributable to owners of the parent		489,158	236,796	187,200	128,879	489,159	236,796
Profit attributable to non-controlling interests						534	442

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

Statement of changes in equity

December 31, 2022 and 2021

(A free translation of the original in Portuguese)

All amounts in thousands of Reais, unless otherwise stated

	Note	Share capital	Capital increase	(-) Unpaid share capital	Capital reserve	Revenue reserve	Adjustment to market value	Retained earnings	Treasury shares	Attributable to owners of the Parent	Attributable to non-controlling interests	Total
At December 31, 2020		1,864,332	-	-	51	218,378	(46,080)	-	-	2,036,681	628	2,037,309
Profit for the year		-	-	-	-	-	-	-	-	-	434	434
Items that will be reclassified to profit or loss, net of tax effects		-	-	-	-	-	15,884	-	-	15,884	-	15,884
Total comprehensive income for the year		-	-	-	-	-	15,884	-	-	15,884	434	16,318
Increase in share capital		-	245,894	(245,894)	-	-	-	-	-	-	-	-
Unpaid share capital		-	-	-	-	-	-	-	-	-	-	-
Payment of capital		245,894	(245,894)	245,894	-	-	-	-	-	245,894	-	245,894
Share buyback		-	-	-	807	-	-	-	-	807	-	807
Proposed dividends from previous years		-	-	-	-	(45,894)	-	-	-	(45,894)	-	(45,894)
Profit for the year		-	-	-	-	-	-	220,913	-	220,913	-	220,913
Proposed allocations:		-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	11,046	-	(11,046)	-	-	-	-
Revenue reserve	20(c)	-	-	-	-	199,373	-	(199,373)	-	-	-	-
Proposed dividends		-	-	-	-	10,494	-	(10,494)	-	-	-	-
At December 31, 2021		2,110,226	-	-	858	393,397	(30,196)	-	-	2,474,285	1,062	2,475,347
Changes in the year		245,894	-	-	807	175,019	-	-	-	421,720	-	421,720
At December 31, 2021		2,110,226	-	-	858	393,397	(30,196)	-	-	2,474,285	1,062	2,475,347
Profit for the year		-	-	-	-	-	-	-	-	-	534	534
Items that will be reclassified to profit or loss, net of tax effects		-	-	-	-	-	18,797	-	-	18,797	-	18,797
Total comprehensive income for the year		-	-	-	-	-	18,797	-	-	18,797	534	19,331
Increase in share capital		459,868	459,868	(459,868)	-	-	-	-	-	459,868	-	459,868
Payment of capital		-	(459,868)	459,868	-	-	-	-	-	-	-	-
Share buyback		-	-	-	-	-	-	-	-	-	-	-
Proposed dividends from previous years		-	-	-	-	(209,867)	-	-	-	(209,867)	-	(209,867)
Market to market and investee prior period adjustments		-	-	-	-	1,023	-	-	-	1,023	-	1,023
Profit for the year		-	-	-	-	-	-	470,361	-	470,361	-	470,361
Proposed allocations:		-	-	-	-	-	-	-	-	-	-	-
Legal reserve	20(d)	-	-	-	-	23,518	-	(23,518)	-	-	-	-
Revenue reserve		-	-	-	-	424,501	-	(424,501)	-	-	-	-
Proposed dividends	20 (d)	-	-	-	-	22,342	-	(22,342)	-	-	-	-
At December 31, 2022		2,570,094	-	-	858	654,914	(11,399)	-	-	3,214,467	1,596	3,216,063
Changes in the year		459,868	-	-	-	261,517	-	-	-	721,385	-	721,385

Statement of changes in equity

December 31, 2022 and 2021

(continued)

All amounts in thousands of Reals, unless otherwise stated

	Note	Share capital	Capital increase	(-) Unpaid share capital	Capital reserve	Revenue reserve	Adjustment to market value	Retained earnings	Treasury shares	Attributable to owners of the Parent	Attributable to non-controlling interests	Total
At June 30, 2022		2,320,094	-		858	476,361	(19,240)	-	-	2,778,073	1,334	2,779,407
Profit for the year		-	-	-	-	-	-	-	-	-	-	-
Items that will be reclassified to profit or loss, net of tax effects		-	-	-	-	-	7,841	-	-	7,841	262	8,103
Total comprehensive income for the year		-	-	-	-	-	7,841	-	-	7,841	262	8,103
Capital increase		250,000	250,000	(250,000)	-	-	-	-	-	250,000	-	250,000
Unpaid share capital		-	-	-	-	-	-	-	-	-	-	-
Payment of capital		-	(250,000)	250,000	-	-	-	-	-	-	-	-
Share buyback		-	-	-	-	-	-	-	-	-	-	-
Proposed dividends from previous years		-	-	-	-	(806)	-	-	-	(806)	-	(806)
Profit for the period		-	-	-	-	-	-	179,359	-	179,359	-	179,359
Proposed allocations:												
Legal reserve		-	-	-	-	8,968	-	(8,968)	-	-	-	-
Revenue reserve		-	-	-	-	161,872	-	(161,872)	-	-	-	-
Proposed dividends	20(d)	-	-	-	-	8,519	-	(8,519)	-	-	-	-
At December 31, 2022		2,570,094	-	-	858	654,914	(11,399)	-	-	3,214,467	1,596	3,216,063
Changes in the year		250,000	-	-	-	178,553	-	-	-	428,553	-	428,553

Statement of cash flows

December 31, 2022 and 2021

(A free translation of the original in Portuguese)

All amounts in thousands of Reals, unless otherwise stated

	Note	Bank				Consolidated	
		Years		2nd six-month period		Years	
		2022	2021	2022	2021	2022	2021
Cash flows from operating activities							
Adjusted profit		607,572	428,326	239,109	229,995	828,255	549,190
Profit before income tax and social contribution		687,671	389,167	254,047	204,974	768,605	436,176
Provision for expected credit losses		124,243	75,070	73,078	48,827	124,243	75,070
Depreciation and amortization		17,593	9,006	9,012	4,690	27,041	16,381
Equity in the results of subsidiaries	(226,478)		(87,612)	(99,521)	(44,232)	(96,377)	(21,331)
Amortization of goodwill on equity interest in subsidiaries		-	39,799	-	14,317	-	39,799
Provision for tax, labor and civil contingencies		4,543	2,896	2,493	1,419	4,743	3,096
Increase (decrease) in short-term interbank investments	(557,953)		138,246	(552,665)	(31,456)	(557,953)	138,246
Decrease (increase) in marketable securities	(7,925,169)		(4,587,091)	(3,853,195)	(2,501,610)	(7,927,008)	(4,581,408)
Increase in interbank and interdepartmental accounts	(5,254,867)		(8,140,253)	(6,586,174)	(5,922,466)	(5,267,883)	(8,148,325)
Increase in lending operations	(2,270,279)		(1,725,045)	(1,424,769)	(1,602,187)	(2,270,279)	(1,725,045)
Increase in other receivables	(2,355,819)		(2,032,700)	(1,356,055)	(1,412,847)	(2,410,595)	(2,066,933)
Decrease in other assets	7,721		11,783	11,087	11,204	(209,432)	10,935
Increase in deposits	19,530,053		1,416,339	12,669,495	6,320,488	19,374,451	1,299,176
Increase in repurchase agreement obligations	2,689,518		(4,751,822)	2,219,779	(1,602,237)	2,689,518	(4,751,822)
Decrease in funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures	195,659		(17,695)	174,177	(1,859)	195,659	(17,695)
Increase in borrowings and onlendings	1,274,510		108,373	1,247,640	347,372	1,274,510	108,373
Decrease in other obligations	(486,005)		230,054	(459,966)	(254,703)	(246,897)	281,732
Income tax and social contribution paid	(154,380)		(43,601)	(154,380)	(43,601)	(157,737)	(46,958)
Change in deferred income	(99)		(2)	-	(153)	(99)	(2)
Net cash provided by (used in) operating activities		5,300,462	(18,965,087)	2,174,084	(6,464,061)	5,314,509	(18,950,536)
Cash flows from investing activities							
Acquisitions of equity interests	(38,112)		(20,476)	(38,392)	(20,387)	-	(20,476)
Dividends received from associates	66,749		1,093	28,000	-	66,338	-
Disposal of property and equipment in use	4		-	4	-	134	-
Purchases of property and equipment	(47,190)		(6,140)	(3,875)	(2,669)	(91,859)	(15,010)
Acquisition of intangible assets	(2,088)		(4,520)	(118)	(4,285)	(8,913)	(9,106)
Net cash used in investing activities		(20,637)	(30,043)	(14,381)	(27,341)	(34,300)	(44,592)
Cash flows from financing activities							
Share capital subscription paid in	459,868		245,894	250,000	200,000	459,868	245,894
Share buyback	-		807	(806)	21,193	-	807
Payment of dividends	(209,206)		(45,856)	-	-	(209,206)	(45,856)
Net cash provided by (used in) financing activities		250,662	200,845	249,194	221,193	(250,662)	200,845
Increase (decrease) in cash and cash equivalents	4	5,530,487	(18,794,285)	2,408,897	(6,270,209)	5,530,871	(18,794,283)
Changes in cash and cash equivalents							
Net increase (decrease) in cash and cash equivalents (Note 4)		5,530,487	(18,794,285)	2,408,897	(6,270,209)	5,530,871	(18,794,283)
At the beginning of the period		8,451,634	27,245,919	11,573,224	14,721,843	8,451,644	27,245,927
At the end of the year		13,982,121	8,451,634	13,982,121	8,451,634	13,982,515	8,451,644

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

(A free translation of the original in Portuguese)

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Note 1 - Operations

Banco Cooperativo Sicoob S.A. ("Banco Sicoob", "Institution" or "Bank") is a privately-held corporation located in Brasília, Federal District, incorporated pursuant to the National Monetary Council (CMN) Resolution 2193, of August 31, 1995. The Bank was authorized to operate by the Brazilian Central Bank ("Central Bank" or "BACEN") on July 21, 1997, and started operations on September 1, 1997.

On March 29, 2016, the BACEN authorized the Bank to operate in the real estate loan segment, and on April 1, 2016, the Bank started carrying out these operations, becoming a multi-service credit union bank.

Banco Sicoob was created to provide financial, technical and operational services to credit unions, in accordance with Article 88 of Law 5,764/71, and is under the control of central credit unions, which, together with the individual credit unions, comprise the Sistema de Cooperativas de Crédito do Brasil ("Sicoob").

Note 2 - Presentation of the parent company and consolidated financial statements

The parent company and consolidated financial statements ("financial statements") are the responsibility of Management and have been prepared based on the accounting guidelines established by the Brazilian Corporate Law, as well as on standards and instructions issued by the National Monetary Council ("CMN") and the Brazilian Central Bank ("BACEN"). Banco Sicoob complies with the provisions of CMN Resolution 4,720/2019 and BACEN Resolution 2/2020.

BACEN Resolution 2/2020, which came into effect on January 1, 2021, and revoked BACEN Circular Letter 3,959/2019, was applied, as from its effective date to the preparation, disclosure and submission of the Bank's financial statements, including those at December 31, 2020. Among other requirements, this Resolution determines that the Balance sheet accounts should be presented in order of liquidity and collectability, and that recurring and non-recurring results should be disclosed separately in an explanatory note.

The following regulations became effective on January 1, 2022:

CMN Resolution 4,911/2021, which provides for changes to be made in documents and disclosures.

CMN Resolution 4,817/2020, which provides for the criteria of accounting recognition and measurement of investments in subsidiaries, associates, and jointly controlled entities, with the effects of its initial application recorded in Equity, net of taxes.

CMN Resolution 4,967/2021, which determines the criteria for accounting recognition, measurement, and disclosure of investment properties and non-financial assets acquired for future sale and appreciation based on changes in their market prices.

CMN Resolution 4,924/2021, which provides for general principles for accounting recognition, measurement, bookkeeping, and disclosures. Among the main changes is the adoption of the following CPC technical pronouncements: (i) CPC 00 (R2) - Conceptual Framework for Financial Reporting; (ii) CPC 01 (R1) - Impairment of Assets; (iii) CPC 23 - Accounting Policies, Changes in Estimates and Correction of Errors; (iv) CPC 46 - Fair Value Measurement; and (v) CPC 47 - Revenue from Contracts with Customers.

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

The consolidated financial statements include, in addition to the Bank, the subsidiaries Sicoob Distribuidora de Títulos e Valores Mobiliários Ltda., Ponta Administradora de Consórcios Ltda., Sicoob Soluções de Pagamento Ltda., and Sicoob Participações em Seguridade S.A. Equity interests, as well receivables and payables, and income and expenses between the parent company and subsidiaries, have been eliminated in the consolidated financial statements.

The Joint Executive Board of Banco Sicoob submitted these financial statements to the Board of Directors, which approved them on February 15, 2023.

Note 3 - Summary of significant accounting policies

a. Accounting estimates

The preparation of financial statements in accordance with accounting practices adopted in Brazil requires Management to exercise its judgment in determining and recording the accounting estimates, where applicable. Significant items subject to the application of estimates and assumptions include the valuation of the recoverable amount of property and equipment and intangible assets, the provision for expected credit losses, the estimated realization of tax credits, the provision for cash outflows in connection with tax, labor and civil contingencies, and the valuation of securities and derivative financial instruments. The settlement amounts of the transactions may differ from the estimated amounts presented in the financial statements due to inaccuracies inherent in their determination process. Banco Sicoob reviews the accounting estimates and assumptions on a half-yearly basis.

b. Determination of results of operations

The results of operations are determined on the accrual basis of accounting.

c. Foreign currency

Monetary assets denominated in foreign currency were translated into Brazilian Reais at the exchange rate in effect on the balance sheet date, and currency translation differences were recorded in profit or loss for the period.

d. Cash and cash equivalents

Cash and cash equivalents comprise cash in local and foreign currency, and short-term interbank investments, whose maturities at the investment date are equal to or lower than 90 days, and are subject to immaterial risk of change in fair value. These resources are used by the Bank to manage its short-term obligations (Note 4).

e. Short-term interbank investments and repurchase agreement obligations

Short-term interbank investments are stated at the amount of the investment or acquisition, plus accrued income up to the balance sheet date. These operations are backed by federal government and private securities.

f. Marketable securities

Marketable securities are classified into three specific categories, based on a set of criteria adopted for the registration and valuation of portfolios of securities defined by BACEN Circular Letter 3,068/2001, and on Management's intention, in accordance with the following recognition criteria:

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

- i. Trading securities** - securities acquired to be frequently and actively traded, adjusted to market value with a corresponding entry to profit or loss for the period.
- ii. Available-for-sale securities** - securities that are neither classified as trading nor as held-to-maturity. These securities are adjusted to market value, and the result of the adjustment, net of tax effects, is recorded in a separate account in equity. Gains and losses, where applicable, are recognized in the statement of income.
- iii. Held-to-maturity securities** - securities acquired to be held to maturity, based on financial capacity studies, accounted for at acquisition cost plus any income earned.

The methodology for the marking-to-market of securities was established in compliance with consistent and verifiable criteria, which consider the average trading price on the day of the calculation, or, in the absence thereof, pricing models that reflect the probable net realizable value.

Income from marketable securities, irrespective of the category in which they are classified, is accrued on a daily pro-rata basis, under the exponential or straight-line method, based on the return clauses and acquisition cost distributed over the term of the investment, and is recognized directly in the statement of income for the period.

When available-for-sale securities are sold, the difference between the selling price and the initial acquisition cost, adjusted for accrued income, is considered as the result of the transaction, and recognized on the transaction date within "Gains (losses) on securities".

g. Derivative financial instruments

In compliance with BACEN Circular Letter 3,082/02, derivative financial instruments are measured at market value at least at the time the monthly trial balances and balance sheets are prepared. Any appreciation or depreciation is recognized directly in income or expense accounts for the respective derivative financial instruments.

The methodology for the marking-to-market of derivatives was established in compliance with consistent and verifiable criteria, which take into consideration the average trading price at the day of the calculation, or, in the absence thereof, pricing models that reflect the probable net realizable value according to the characteristics of the derivative.

h. Provision for expected credit losses

The provision for expected credit losses is calculated based on Management's judgment concerning the risk level, considering the analysis and rating of the borrower and the transaction, and in compliance with the parameters established by CMN Resolution 2,682/99.

This provision is supported by analyses of outstanding lending operations (current and overdue), in line with internal policies that consider established credit ratings (risk ratings), the expected realization of the loan portfolio, as well as the minimum amount established by the prevailing legislation, based on past experience, current scenario and future expectations, risks specific to the portfolios, and Management's risk assessment at the time the provision is set up.

Income from lending operations overdue for more than 60 days, irrespective of their risk level, is only recognized in profit or loss after it has been received.

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Operations classified as risk level "H" are transferred to the offsetting account, with the corresponding debit entry to the provision account, only six months after their classification into this risk level. Renegotiated operations are maintained at the same risk level in which they were classified before the renegotiation, and operations which had been previously recorded as losses start to be classified as risk level "H".

Renegotiated operations are only transferred to a lower risk level category after significant amortization has occurred, or when new relevant facts justify a change in their risk classification. Any gains arising from renegotiations are only recognized as income when effectively received. The provision for expected credit losses, which is considered sufficient by Management, complies with the minimum requirement established in the aforementioned Resolution (Note 9g).

i. Investments

Investments are recorded at acquisition cost, and ownership interests in subsidiaries are accounted for under the equity method.

j. Property and equipment

Property and equipment are recorded at acquisition, formation or construction cost, including interest and other capitalized financial charges. Depreciation is calculated on the straight-line basis, in accordance with the following annual rates, based on the useful lives of the assets: properties in use - 4.70%; equipment in use - 10%; vehicles and data processing equipment - 20%.

Other expenditures are capitalized only when associated with an increase in the economic benefits related to the asset. Any other type of expenditure is expensed in the statement of income when incurred.

Impairment of assets - a loss is recognized if there is clear evidence that the assets are not stated at their recoverable amount.

k. Intangible assets

These correspond to rights acquired in intangible assets that are maintained for or used in the Bank's operations. Intangible assets with a defined useful life are usually amortized on a straight-line basis during an estimated period of economic benefit. Intangible assets comprise software acquired from third parties, and are amortized at an annual rate of 20%. Intangible assets are reviewed for impairment annually.

l. Other current and non-current assets

These are stated at net realizable value.

m. Deposits and money market funding

Funds arising from deposits are stated at the amount raised, plus any accrued income, on a daily pro-rata basis.

n. Borrowings and onlendings

These are stated at known or determinable amounts, including accrued charges and monetary variations, net of the corresponding unrecognized expenses, where applicable.

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

o. Private pension plan

Banco Sicoob's private pension plan is of a defined contribution type, and the monthly contributions to the plan are expensed in the statement of income for the period.

p. Income tax, social contribution, and tax credits

The provision for income tax was calculated at the rate of 15%, plus a 10% surtax. The contribution was calculated at 20% in the period from January to July, and at 21% from August to December, pursuant to the Provisional Measure 1,115/22, subsequently converted into Law 14,446/22.

Both taxes were calculated based on the taxable profit in compliance with the legal provisions in force.

The deferred income tax credits were calculated in accordance with the aforementioned tax rates. The deferred social contribution tax credits were calculated at the rate of 20%, plus an additional 1% in the period from August to November, based on a study of realization and expected use of provisions maturing in 2022, considering the tax rate increase according to the provisions of Law 14,446/22.

At December 31, the deferred social contribution tax credits was again calculated at the rate of 20%, in accordance with the provisions of the above-mentioned Law.

Tax credits are recognized considering the expected generation of future taxable profit, over a maximum period of ten years, pursuant to CMN Resolution 4842/20. The expected generation of future taxable income is supported by a technical study prepared by Management and updated twice a year.

q. Contingent assets and liabilities and legal obligations

Provisions are recognized in the balance sheet when Banco Sicoob has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of funds will be required to settle the obligation. Provisions are recorded based on the best estimates of the risk involved.

Contingent Assets and Liabilities - The recognition, measurement and disclosure of provisions and contingent assets and liabilities is conducted in accordance with CMN Resolution 3,823/09, which requires financial institutions and other institutions authorized to operate by BACEN to comply with Technical Pronouncement CPC 25, issued by the Accounting Pronouncements Committee (CPC), as follows:

- **Contingent assets** - Contingent assets are not accounted for, except when collateralized by security interests or final and unappealable court decisions, when a favorable outcome is virtually certain. Contingent assets for which a favorable outcome is classified as probable are only disclosed in the notes to the financial statements.
- **Contingent liabilities** - Management recognizes contingent liabilities, under the advice of its legal counsel, taking into account the nature of the lawsuits, similarities with previous lawsuits, and the complexity of the lawsuits, when the risk of an unfavorable outcome is classified as probable generating an outflow of funds to settle the obligation, and the amounts involved can be measured reliably. The lawsuits for which an unfavorable outcome is classified as a possible risk of loss are only disclosed in the notes to the financial statements when considered material on a stand-alone basis.
- **Legal Obligations** - These are obligations that derive from a contract, through implicit or explicit terms, a law or other legal instrument, which should be recognized by Banco Sicoob.

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

r. Other current and non-current liabilities

s. These are stated at known or estimated amounts including, where applicable, with corresponding charges and indexation accruals **Technical Accounting Pronouncements - CPCs**

The National Monetary Council (CMN) has approved the adoption of the following Technical Pronouncements issued by CPC. The pronouncements applicable to institutions authorized to operate by the Brazilian Central Bank were adopted in the preparation of these combined financial statements:

- CPC 00 (R2) - Basic conceptual pronouncement - approved by CMN Resolution 4,144/2012;
- CPC 01 (R1) - Impairment of assets - approved by CMN Resolution 3,566/2008;
- CPC 03 (R2) - Statement of cash flows - approved by CMN Resolution 4,720/2019;
- CPC 05 (R1) - Related-party disclosures - approved by CMN Resolution 4,636/2018;
- CPC 10 (R1) - Share-based payments - approved by CMN Resolution 3,989/2011;
- CPC 23 - Accounting policies, changes in accounting estimates and correction of errors - approved by CMN Resolution 4,007/2011;
- CPC 24 - Events after the reporting period - approved by CMN Resolution 3,973/2011;
- CPC 25 - Provisions, contingent liabilities and contingent assets - approved by CMN Resolution 3,823/2009;
- CPC 28 - Investment Properties;
- CPC 33 (R1) - Employee benefits - approved by CMN Resolution 4,424/2015; and
- CPC 41 - Earnings (Loss) per Share;
- CPC 46 - Fair value measurement - approved by CMN Resolution 4,748/2019.
- CPC 47 - Revenue from Contracts with Customers.

The remaining Technical Pronouncements issued by the CPC will be applied once approved by the National Monetary Council. The following CPCs have been partially adopted by the CMN:

- CPC 02 (R2) - Effects of changes in exchange rates and translation of financial statements - CMN Resolution 4,524/2016;
- CPC 04 (R1) - Intangible assets - CMN Resolution 4,534/2016; and
- CPC 27 - Property, plant and equipment - CMN Resolution 4,535/2016.

Note 4 - Cash and cash equivalents

a. Balances

Cash and cash equivalents, presented in the statement of cash flows, are as follows:

Cash	Note	Bank		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Available funds	5	24,383	39,882	24,777	39,892
Local currency		407	383	407	389
Bank deposits		-	-	394	4
Non-designated reserves		29	-	29	-
Foreign currency		23,947	39,499	23,947	39,499
Cash equivalents					
Short-term interbank investments (up to 90 days)	6	13,957,738	8,411,752	13,957,738	8,411,752
Total		13,982,121	8,451,634	13,982,516	8,451,644

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Note 5 - Available funds

	Note	Bank		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Local currency		407	383	407	389
Bank deposits		-	-	394	4
Non-designated reserves		29	-	29	-
Foreign currency		23,947	39,499	23,947	39,499
Total		24,383	39,882	24,777	39,892

Note 6 - Short-term interbank investments

a. Short-term interbank investment balances

	Note	Bank and Consolidated					Total 12/31/2022	Total 12/31/2021
		Maturity						
		Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year		
Investments in interbank deposits	4	13,957,738	-	-	-	-	13,957,738	8,411,752
Resales pending settlement - own resources		13,957,738	-	-	-	-	13,957,738	8,411,752
Investments in interbank deposits		-	31,101	143,599	1,003,321	130,513	1,308,534	750,582
Total		13,957,738	31,101	143,599	1,003,321	130,513	15,266,272	9,162,334
Current							15,135,759	9,064,974
Non-current							130,513	97,360

b. Income from short-term interbank investments

Classified in the statement of income as profit or loss arising from transactions with marketable securities.

Income from investments in repurchase agreements	Bank and Consolidated			
	Years		2nd six-month period	
	2022	2021	2022	2021
Own resources	2,058,910	916,844	1,326,653	607,672
Sub-total	2,058,910	916,844	1,326,653	607,672
Income from investments in interbank deposits	130,694	32,219	88,373	20,289
Total	2,189,604	949,063	1,415,026	627,961

Note 7 - Compulsory deposits with the Brazilian Central Bank

	Note	Bank and Consolidated	
		12/31/2022	12/31/2021
BACEN - Instantaneous payments		116,450	229,323
BACEN - Compulsory reserves in cash		3,117	4,896
BACEN - Mandatory payments		2,247,693	1,939,033
Total		2,367,260	2,173,252
Current		2,367,260	2,173,252
Non-current		-	-

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Note 8 - Financial instruments

a. Marketable securities

Securities are classified as "trading", available for sale" or "held to maturity". Market values were determined considering the following parameters:

i. Federal government securities (LTNs, LFTs, NTNs) - the index disclosed by the Brazilian Association of Capital and Financial Markets Institutions (ANBIMA) is used.

ii. Investment funds - the latest price disclosed by the fund's administrator for the subordinated share, which represents the fair value of the fund's net assets, is used.

iii. Private securities - are marked to market periodically, using an in-house methodology that first considers the prices available on liquid markets. Alternatively, fair values are calculated based on a method that considers the average spreads (for similar private securities) adopted for the own portfolio, in accordance with the size of the issuer.

Marketable securities, including derivative financial instruments and short-term interbank investments, are under the custody of [B]⁹ Brasil Bolsa Balcão and SELIC, except for investment fund shares whose records are kept by the respective administrators.

(A free translation of the original in Portuguese)

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Cost adjusted for accruals (including income earned) and the market values of marketable securities were as follows:

Bank	Note	Maturity						Total at 12/31/2022			Total at 12/31/2021		
		Without defined maturity	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Yield value	Market value	Unrealized gain (loss)	Yield value	Market value	Unrealized gain (loss)
I - Available-for-sale securities													
Own portfolio		52,993	-	595,356	-	814,740	11,246,889	12,729,319	12,709,978	(19,341)	12,997,213	12,942,311	(54,902)
Financial Treasury Bills (LFTs)		-	-	595,356	-	778,766	4,122,818	5,505,540	5,496,940	(8,600)	6,364,725	6,336,853	(27,872)
Funds		52,993	-	-	-	-	-	52,993	52,993	-	54,078	54,078	-
Financial Bills (LF)		-	-	-	-	-	-	-	-	-	236,105	236,158	53
Total		52,993	-	595,356	-	778,766	4,122,818	5,558,533	5,549,933	(8,600)	6,654,908	6,627,089	(27,819)
Subject to repurchase agreements													
Financial Treasury Bills (LFTs)		-	-	-	-	-	3,752,354	3,758,511	3,752,354	(6,157)	2,046,984	2,034,027	(12,957)
Total		-	-	-	-	-	3,752,354	3,758,511	3,752,354	(6,157)	2,046,984	2,034,027	(12,957)
Linked to the provision of guarantees													
Financial Treasury Bills (LFTs)		-	-	-	-	35,974	3,371,717	3,412,275	3,407,691	(4,584)	4,295,321	4,281,195	(14,126)
Total		-	-	-	-	35,974	3,371,717	3,412,275	3,407,691	(4,584)	4,295,321	4,281,195	(14,126)
II - Trading securities													
Derivative financial instruments		268	-	-	-	-	-	268	268	-	307	307	-
Futures - Foreign exchange		268	-	-	-	-	-	268	268	-	307	307	-
Total		268	-	-	-	-	-	268	268	-	307	307	-
III - Held-to-maturity securities													
Own portfolio		-	314	5,631	74,320	175,804	17,018,160	17,462,636	17,274,229	(188,407)	9,101,365	9,096,868	(4,497)
Financial Treasury Bills (LFTs)		-	-	-	-	-	11,806,882	11,806,882	11,806,882	-	5,162,481	5,162,481	-
Financial Rural Producer Notes (CPRFs) - Floating rate		-	-	1,363	4,405	39,960	249,371	295,099	295,099	-	138,556	138,556	-
CPRFs - Fixed rate		-	314	4,268	69,915	135,844	412,170	810,918	622,511	-	46,131	41,634	(4,497)
Total		-	314	5,631	74,320	175,804	12,468,423	12,912,899	12,724,492	(188,407)	5,347,168	5,342,671	(4,497)
Linked to repurchase agreements													
Financial Treasury Bills (LFTs)		-	-	-	-	-	976,252	967,252	976,252	-	-	-	-
Total		-	-	-	-	-	976,252	967,252	976,252	-	-	-	-
Linked to the provision of guarantees													
Financial Treasury Bills (LFTs)		-	-	-	-	-	3,573,485	3,573,485	3,573,485	-	3,754,197	3,754,197	-
Total		-	-	-	-	-	3,573,485	3,573,485	3,573,485	-	3,754,197	3,754,197	-
Total - marketable securities		53,261	314	600,987	74,320	990,544	28,265,049	30,192,223	29,984,475	(207,748)	22,098,885	22,039,486	(59,399)
Current													1,734,387
Non-current									28,265,049			20,305,099	

(A free translation of the original in Portuguese)

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Cost adjusted for accruals (including income earned) and the market values of marketable securities were as follows:

Consolidated	Note	Maturity						Total at 12/31/2022			Total at 12/31/2021		
		Without defined maturity	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Yield value	Market value	Unrealized gain (loss)	Yield value	Market value	Unrealized gain (loss)
I - Available-for-sale securities		74,743	-	623,455	-	814,740	11,247,215	12,779,494	12,760,153	(19,341)	13,045,548	12,990,646	(54,902)
Own portfolio													
Financial Treasury Bills (LFTs)		-	-	623,455	-	778,766	4,122,818	5,533,639	5,525,039	(8,600)	6,389,713	6,361,841	(27,872)
Bank Deposit Certificate (CDB)		-	-	-	-	-	326	326	326	-	369	369	-
Funds		74,743	-	-	-	-	-	74,743	74,743	-	77,056	77,056	-
Financial Bills (LF)		-	-	-	-	-	-	-	-	-	236,105	236,158	53
Total		74,743	-	623,455	-	778,766	4,123,144	5,608,708	5,600,108	(8,600)	6,703,243	6,675,424	(27,819)
Linked to repurchase agreements													
Financial Treasury Bills (LFTs)		-	-	-	-	-	3,752,354	3,758,511	3,752,354	(6,157)	2,046,984	2,034,027	(12,957)
Total		-	-	-	-	-	3,752,354	3,758,511	3,752,354	(6,157)	2,046,984	2,034,027	(12,957)
Linked to the provision of guarantees													
Financial Treasury Bills (LFTs)		-	-	-	-	35,974	3,371,717	3,412,275	3,407,691	(4,584)	4,295,321	4,281,195	(14,126)
Total		-	-	-	-	35,974	3,371,717	3,412,275	3,407,691	(4,584)	4,295,321	4,281,195	(14,126)
II - Trading securities		268	-	-	-	-	-	268	268	-	307	307	-
Derivative financial instruments													
Futures - Foreign exchange		268	-	-	-	-	-	268	268	-	307	307	-
Total		268	-	-	-	-	-	268	268	-	307	307	-
III - Held-to-maturity securities		-	314	5,631	74,320	175,804	17,018,160	17,462,636	17,274,229	(188,407)	9,101,365	9,096,868	(4,497)
Own portfolio													
Financial Treasury Bills (LFTs)		-	-	-	-	-	11,806,882	11,806,882	11,806,882	-	5,162,481	5,162,481	-
Financial Rural Producer Notes (CPRFs) - Floating rate		-	-	1,363	4,405	39,960	249,371	295,099	295,099	-	138,556	138,556	-
CPRFs - Fixed rate		-	314	4,268	69,915	135,844	412,170	810,918	622,511	-	46,131	41,634	(4,497)
Total		-	314	5,631	-	175,804	12,468,423	12,912,899	12,724,492	(188,407)	5,347,168	5,342,671	(4,497)
Linked to repurchase agreements													
Financial Treasury Bills (LFTs)		-	-	-	-	-	976,252	967,252	976,252	-	-	-	-
Total		-	-	-	-	-	976,252	967,252	976,252	-	-	-	-
Linked to the provision of guarantees													
Financial Treasury Bills (LFTs)		-	-	-	-	-	3,573,485	3,573,485	3,573,485	-	3,754,197	3,754,197	-
Total		-	-	-	-	-	3,573,485	3,573,485	3,573,485	-	3,754,197	3,754,197	-
Total - marketable securities		75,011	314	629,086	74,320	990,544	28,265,375	30,242,398	30,034,650	(207,748)	22,147,220	22,087,821	(59,399)
Current													1,757,734
Non-current													20,330,087

(A free translation of the original in Portuguese)

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

b. Marketable security balances

	Note	Bank		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Market value of available-for-sale securities		12,709,978	12,942,311	12,085,807	12,942,311
Market value of trading securities		-	-	-	-
Market value of held-to-maturity securities		17,274,229	9,096,868	17,274,229	9,096,868
Total		29,984,207	22,039,179	29,360,036	22,039,179

There were no reclassifications of securities among the categories.

At December 31, 2022, Banco Sicoob's securities linked to provision of guarantees totaled R\$ 6,981,176 (R\$ 8,035,392 at December 31, 2021), comprising:

(a) R\$ 3,573,486 (R\$ 3,986,022 at December 31, 2021) as collateral for funding operations;

(b) R\$ 3,332,848 (R\$ 3,982,980 at December 31, 2021) as collateral for card transactions.

c. Gains (losses) on marketable securities and derivatives

	Note	Bank				Consolidated	
		Years		2nd six-month period		Years	
		2022	2021	2022	2021	2022	2021
Income from fixed-income securities	3,086,726	874,062	1,830,377	621,298	3,089,543	875,139	
Income from investment funds	8,493	10,416	4,592	7,015	10,728	10,800	
Income from short-term interbank investments	6(b)	2,189,604	949,063	1,415,026	627,961	2,189,604	949,063
Gains (losses) on derivative transactions	3,948	(847)	1,346	(1,218)	3,948	(847)	
Expenses with marketable securities and derivatives	(7,563)	(6,263)	(5,467)	(3,205)	(7,563)	(6,263)	
Total		5,281,208	1,826,431	3,245,874	1,251,851	5,286,260	1,827,892

Note 9 - Interbank onlendings and lending operations

a. Portfolio of interbank onlendings, lending operations and other receivables with loan characteristics

	Note	Bank and Consolidated	
		12/31/2022	12/31/2021
Interbank onlendings		27,702,023	20,064,697
Loans and discounted notes		4,637,787	3,699,945
Financing		1,347,303	1,165,222
Rural and agro-industrial financing		4,043,355	3,118,815
Real estate financing		904,929	713,387
Other Receivables	22(a1)	10,167,039	7,791,238
Sub-total		48,802,436	36,553,304
(-) Provision for expected credit losses - interbank onlendings		(29,696)	(12,283)
(-) Provision for expected credit losses - lending operations		(195,115)	(139,351)
(-) Provision for expected credit losses - other receivables		(134,651)	(102,051)
Total		48,442,974	36,299,619
Current		30,777,289	21,780,602
Non-current		17,665,685	14,519,017

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

b. Loan portfolio by type and risk level

	Bank and Consolidated									12/31/2022	12/31/2021
	AA	A	B	C	D	E	F	G	H		
Interbank onlendings	23,774,610	3,291,469	291,993	343,951	-	-	-	-	-	27,702,023	20,064,697
Loans and discounted notes	513,452	2,777,275	657,197	480,312	158,274	26,578	9,674	4,434	10,591	4,637,787	3,699,946
Financing	38,449	423,439	398,116	357,568	69,312	23,569	11,917	13,221	11,712	1,347,303	1,165,222
Rural and agro-industrial financing	83,103	3,396,212	381,974	141,111	26,096	7,787	2,598	3,070	1,402	4,043,353	3,118,815
Real estate financing	4,605	504,517	131,339	176,418	63,347	13,447	8,412	2,122	723	904,930	713,386
Total	24,414,219	10,392,912	1,860,619	1,499,360	317,029	71,381	32,601	22,847	24,428	38,635,396	28,762,066
Other receivables	31,366	6,949,085	1,865,732	949,352	317,118	40,914	8,301	1,804	3,368	10,167,040	7,791,238
Grand Total	24,445,585	17,341,997	3,726,351	2,448,712	634,147	112,295	40,902	24,651	27,796	48,802,436	36,553,304
Provisions for expected credit losses	-	(86,685)	(37,227)	(73,360)	(63,294)	(33,661)	(20,375)	(17,243)	(27,617)	(359,462)	(253,685)
Total provisions at 12/31/2022, net	24,445,585	17,255,312	3,689,124	2,375,352	570,853	78,634	20,527	7,408	179	48,442,974	-
Total provisions at 12/31/2021, net	19,490,592	11,631,926	3,102,751	1,615,081	388,790	53,556	10,923	5,846	154	-	36,299,619

c. Provisions for expected credit losses by type of receivable

	Bank and Consolidated									12/31/2022	12/31/2021
	A	B	C	D	E	F	G	H			
Interbank onlendings	16,457	2,920	10,319	-	-	-	-	-	-	29,696	12,283
Loans and discounted notes	13,886	6,572	14,409	15,827	7,974	4,837	3,104	10,591	-	77,200	50,085
Financing	2,091	3,945	10,625	6,811	7,042	5,883	9,242	11,534	-	57,173	47,184
Rural and agro-industrial financing	16,981	3,820	4,233	2,610	2,336	1,299	2,149	1,402	-	34,830	31,855
Real estate financing	2,523	1,313	5,293	6,335	4,034	4,206	1,485	723	-	25,912	10,227
Total	51,938	18,570	44,879	31,583	21,386	16,225	15,980	24,250	-	224,811	151,634
Other receivables	34,746	18,657	28,481	31,712	12,274	4,150	1,263	3,368	-	134,651	102,051
Grand Total	86,684	37,227	73,360	63,295	33,660	20,375	17,243	27,618	-	359,462	253,685

d. Balances classified by maturity range and risk level

d1. Interbank onlendings, lending operations, and other receivables with loan characteristics falling due

	Bank and Consolidated									12/31/2022	12/31/2021
	AA	A	B	C	D	E	F	G	H		
01 to 30 days	699,910	611,421	169,395	128,109	52,964	7,348	1,734	630	625	1,672,136	1,016,448
31 to 60 days	631,162	468,926	112,714	98,410	21,234	2,835	837	366	485	1,336,969	875,226
61 to 90 days	871,832	738,216	158,457	112,988	27,259	4,013	992	364	456	1,914,577	1,757,794
91 to 180 days	4,754,521	2,442,534	575,756	366,998	92,278	14,547	3,322	1,707	1,303	8,252,966	6,040,095
181 to 360 days	8,859,093	6,068,404	1,487,603	890,512	257,901	36,067	8,568	3,045	3,615	17,614,808	12,099,959
Over 360 days	8,629,047	6,972,390	1,147,387	752,604	110,077	25,071	8,062	9,162	6,662	17,660,462	14,549,520
Total	24,445,565	17,301,891	3,651,312	2,349,621	561,713	89,881	23,515	15,274	13,146	48,451,918	36,339,042

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

d2. Interbank onlendings, ending operations, and other receivables with loan characteristics, past due and falling due

Bank and Consolidated											
Past-due installments	AA	A	B	C	D	E	F	G	H	12/31/2022	12/31/2021
01 to 30 days	1	22,236	54,335	26,125	13,427	2,428	881	338	460	120,231	93,752
31 to 60 days	-	-	161	34,722	7,518	1,561	530	291	365	45,148	28,188
61 to 90 days	-	-	-	208	14,284	635	395	201	356	16,079	8,597
91 to 180 days	-	0	-	70	352	402	446	572	1,109	2,951	1,544
181 to 360 days	-	-	-	-	-	142	233	296	1,872	2,543	1,487
Over 360 days	-	-	-	-	-	-	-	-	388	388	217
Total	1	22,236	54,496	61,125	35,581	5,168	2,485	1,698	4,550	187,340	133,785
Falling due installments											
01 to 30 days	-	322	487	690	483	226	276	144	315	2,943	1,913
31 to 60 days	-	205	335	533	391	215	257	188	324	2,448	1,674
61 to 90 days	-	222	340	542	385	202	249	131	303	2,374	1,884
91 to 180 days	1	623	979	1,582	1,139	624	720	456	987	7,111	4,852
181 to 360 days	2	1,257	1,967	3,207	2,393	1,355	1,358	863	1,629	14,031	9,322
Over 360 days	16	15,241	16,435	31,412	32,062	14,624	12,042	5,897	6,542	134,271	60,832
Total	19	17,870	20,543	37,966	36,853	17,246	14,902	7,679	10,100	163,178	80,477
Total	20	40,106	75,039	99,091	72,434	22,414	17,387	9,377	14,650	350,518	214,262

e. Balances classified by industry and maturity

Bank and Consolidated								Total	Total
	Past-due		Not yet due				Over 15 years	12/31/2022	12/31/2021
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years				
Rural	-	121,468	549,180	1,259,420	1,058,697	1,054,590	-	4,043,355	3,118,815
Financial intermediaries	-	2,515,827	15,205,025	6,420,412	2,086,744	1,474,014	-	27,702,022	20,064,695
Individuals	85,831	1,419,627	6,638,367	1,252,109	675,782	355,276	-	10,426,992	8,668,605
Other services	49,291	906,783	3,473,899	936,510	317,251	39,641	1,762	5,725,137	4,701,189
Housing	1,000	13,370	27,644	73,821	73,118	344,241	371,736	904,930	-
Total	136,122	4,977,075	25,894,115	9,942,272	4,211,592	3,267,762	373,498	48,802,436	36,553,304

f. Concentration of interbank onlendings, lending operations, and other receivables with loan characteristics

f1. Concentration of interbank onlendings

	Bank and Consolidated			
	12/31/2022	%	12/31/2021	%
10 largest debtors	8,856,011	31.97	6,738,805	33.59
50 next largest debtors	12,187,630	43.99	8,302,858	41.37
100 next largest debtors	6,060,869	21.88	4,474,545	22.30
Other	597,513	2.16	548,489	2.74
Total	27,702,023	100.00	20,064,697	100.00

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

f2. Concentration of lending operations

	Bank and Consolidated			
	12/31/2022	%	12/31/2021	%
10 largest debtors	654,371	5.99	706,632	8.12
50 next largest debtors	662,379	6.06	718,696	8.26
100 next largest debtors	446,284	4.08	360,801	4.15
Other	9,170,339	83.87	6,911,240	79.46
Total	10,933,373	100.00	8,697,369	100.00

f3. Concentration of operations - other receivables with loan characteristics

	Bank and Consolidated			
	12/31/2022	%	12/31/2021	%
10 largest debtors	10,512	0.10	8,253	0.11
50 next largest debtors	28,629	0.28	21,444	0.28
100 next largest debtors	35,756	0.35	26,297	0.34
Other	10,092,142	99.27	7,735,244	99.27
Total	10,167,039	100.00	7,791,238	100.00

g. Changes in the provisions for expected credit losses

g1. Provisions for expected credit losses - interbank onlendings and lending operations

	Bank and Consolidated			
	Years		2nd six-month period	
	2022	2021	2022	2021
Balance at the beginning of the year	151,634	120,852	184,360	127,650
Constitution (reversal) of provision for expected credit losses - interbank onlendings	17,413	10,536	7,948	8,222
Constitution (reversal) of provision for expected credit losses - lending operations	71,768	34,112	41,796	23,282
Lending operations written off as losses	(16,004)	(13,866)	(9,293)	(7,520)
Balance at the end of the period	224,811	151,634	224,811	151,634

The loans renegotiated in the period, whether due to regulations or default, totaled R\$ 519.21 million (R\$ 246.90 million at December 31, 2021) and related to non-performing contracts of payroll-deductible loans, rural credit, and lending operations.

The amount of R\$ 397.29 million relates to renegotiations of payroll-deductible loans; R\$ 5.03 million to rural credit operations renegotiated in compliance with Resolutions 4,782/2020 and 4,801/2020 addressing the COVID-19 pandemic; and R\$ 116.21 million relates to rural credit operations renegotiated in compliance with standards issued by the National Monetary Council.

In 2022, the recovery of loans written off as losses totaled R\$ 4,707 (R\$ 5,497 at December 31, 2021).

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

g2. Provisions for expected credit losses - other receivables with loan characteristics

	Bank and Consolidated			
	Years		2nd six-month period	
	2022	2021	2022	2021
Balance at the beginning of the year	102,052	71,442	113,714	83,333
Constitution (reversal) of provision for expected credit losses	32,599	30,609	20,937	18,718
Balance at the end of the year	134,651	102,052	134,651	102,052

h. Income from interbank onlendings and lending operations

	Bank and Consolidated			
	Years		2nd six-month period	
	2022	2021	2022	2021
Income from interbank onlendings	2,085,002	892,054	1,234,828	544,725
Loans and discounted notes	585,193	312,695	328,222	175,745
Financing	158,910	112,564	81,020	62,966
Rural and agribusiness financing	200,768	171,432	107,315	87,236
Income from housing financing	82,223	28,800	45,220	19,834
Sub-total	3,112,096	1,517,545	1,796,605	890,506
Recovery of receivables written-off as losses	4,707	5,427	2,401	2,578
Balance at the end of the year	3,116,803	1,522,972	1,799,006	893,084

Note 10 - Income tax and social contribution - tax credits and deferred tax liabilities

a. Deferred tax assets

	12/31/2022				12/31/2021			
	Bank		Consolidated		Bank		Consolidated	
	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution
Provision for loan losses	368,680	368,680	368,680	368,680	259,818	259,818	259,818	259,818
Contingent liabilities	17,339	17,339	17,668	17,668	15,217	15,217	15,546	15,546
Adjustment of securities to market value	19,341	19,341	19,341	19,341	54,956	54,956	54,956	54,956
Profit sharing	18,400	18,400	19,646	19,646	14,659	14,659	15,614	15,614
Provisions for the national sales campaign	26,908	26,908	28,768	28,768	30,815	30,815	31,729	31,729
Credit incentive program	33,442	33,442	33,442	33,442	109,761	109,761	109,761	109,761
Administration fees received in advance	-	-	62,917	62,917	-	-	-	-
Provision for fraudulent practices	105,310	105,310	129,388	129,388	52,711	52,711	52,711	52,711
Other provisions	46,358	46,358	52,138	52,138	43,795	43,795	54,884	54,884
Amount	635,778	635,778	731,988	731,988	581,732	581,732	595,019	595,019
Tax rates	25%	20%	25%	*	25%	20%	25%	*
Deferred tax assets	158,944	127,156	182,997	135,848	145,433	116,346	148,754	117,569

* Social Contribution rates varied among 20%, 15% and 9% , depending on the legal nature of the companies..

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

b. Deferred tax liabilities

Balances	12/31/2022				12/31/2021			
	Bank		Consolidated		Bank		Consolidated	
	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution
Adjustment of securities to market value	-	-	-	-	53	53	53	53
Management fee - non-performing loans	-	-	2,129	2,129	-	-	-	-
Prepaid expenses - deferred commissions	-	-	72,776	72,776	-	-	-	-
Amount	-	-	74,905	74,905	53	53	53	53
Tax rates	25%	20%	25%	*	25%	20%	25%	*
Deferred tax liabilities	-	-	18,727	6,741	13	11	13	11

* Deferred tax liabilities recorded at the rates of 20%, 15% or 9%, depending on the legal nature of the companies.

c. Changes in deferred tax balances

Balances	12/31/2022				12/31/2021			
	Bank		Consolidated		Bank		Consolidated	
	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution
At December 31								
Deferred tax assets	145,433	116,346	148,754	117,569	131,922	105,537	132,098	105,644
Deferred tax liabilities	(13)	(11)	(13)	(11)	(40)	(32)	(40)	(32)
Sub-total	145,420	116,335	148,741	117,558	131,882	105,505	132,058	105,612
Adjustment to profit (loss)	22,415	17,932	24,420	18,661	20,758	16,606	23,903	17,722
Tax assets recognized	276,037	221,761	303,794	231,773	244,217	195,373	248,555	196,952
Tax assets derecognized	(253,622)	(203,829)	(260,647)	(206,371)	(223,499)	(178,799)	(224,692)	(179,262)
Changes in deferred taxes	-	-	(18,727)	(6,741)	40	32	40	32
Adjustment to equity (securities)	(8,891)	(7,111)	(8,890)	(7,112)	(7,220)	(5,776)	(7,220)	(5,776)
Tax assets recognized	86,716	69,378	86,716	69,377	250,678	200,716	250,678	200,715
Tax assets derecognized	(95,620)	(76,500)	(95,620)	(76,500)	(257,885)	(206,481)	(257,885)	(206,480)
Changes in deferred taxes	13	11	13	11	(13)	(11)	(13)	(11)
Changes	13,524	10,821	15,529	11,549	13,538	10,830	16,683	11,946
At December 31								
Deferred tax assets	158,944	127,156	182,997	135,848	145,433	116,346	148,754	117,569
Deferred tax liabilities	-	-	(18,727)	(6,741)	(13)	(11)	(13)	(11)
	158,944	127,156	164,270	129,107	145,420	116,335	148,741	117,558

d. Expected realization of deferred tax assets

Based on a study that considered the expected generation of future taxable profit, the deferred tax assets and tax liabilities will be realized within 10 years, as follows:

Years	12/31/2022			
	Bank		Consolidated	
	Nominal amount	Present value	Nominal amount	Present value
2023	89,101	79,554	81,551	85,355
2024	35,806	32,403	54,867	37,274
2025	42,295	34,956	48,483	38,782
2026	26,155	19,741	31,340	19,938
2027	25,169	17,428	30,354	20,922
2028 to 2032	67,574	43,006	72,250	45,898
Total deferred tax assets	286,100	227,088	318,845	248,169
2023	-	-	7,969	7,115
2024	-	-	7,733	6,248
2025	-	-	7,489	5,526
2026	-	-	2,277	87
2027	-	-	-	-
2028 to 2032	-	-	-	-
Total deferred tax liabilities	-	-	25,468	18,976

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

The present value of tax assets was calculated considering the SELIC rate projected for the estimated years of realization.

e. Realization of deferred tax assets and liabilities

For the expected realization of the tax assets presented in the technical study conducted at December 31, 2021, the Bank had realized 99% 100% of the total credits at the end of the year,.

Deferred tax assets	Expected realization	Realized	Percentage
Profit sharing	6,597	6,033	91%
Pre-authorized provisions	182	182	100%
Prize-Linked Savings Account campaign	4,256	3,587	84%
SIPAG Acceleration Program - PAS	1,920	1,920	100%
Provision for credit incentive	35,370	35,370	100%
Rental of SISPAG payment machines	2,885	2,885	100%
Provision for contingent liabilities	691	691	100%
Guarantees provided	23	23	100%
Provision for fraud of credit card and acquiring operations	9,584	9,584	100%
Provision for expected credit losses	10,277	10,277	100%
Provision for the Brazilian Championship	4,725	4,725	100%
Mark-to-market - securities and derivatives	70	70	100%
Provisions for the National Sales Campaign (CNV)	13,867	13,867	100%
Total	90,446	89,214	99%

Deferred tax liabilities	Expected realization	Realized	Percentage
Marked to Market (MtM)	24	24	100%
Total	24	24	100%

f. Income tax and social contribution on net income

The reconciliation of the expense calculated by applying the combined statutory income tax and social contribution rates to the expense corresponding to the effective rates in the statement of income is as follows:

(A free translation of the original in Portuguese)

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

	Bank									Consolidated					
	12/31/2022			12/31/2021			2nd half of 2022			2nd half of 2021		12/31/2022		12/31/2021	
	Income tax	Social contribution		Income tax	Social contribution		Income tax	Social contribution		Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution
	Up to July	August to December		1st six-month period	2nd six-month period		July	August to December							
Profit before taxation and profit sharing	687,671	472,762	214,909	389,168	184,193	204,975	254,047	39,138	214,909	204,975	204,975	768,605	768,605	436,176	436,176
Equity in the results of subsidiaries	(226,478)	(138,835)	(87,643)	(87,612)	(43,380)	(44,232)	(99,521)	(11,878)	(87,643)	(44,232)	(44,232)	(96,377)	(96,377)	(21,331)	(21,331)
Employee profit sharing	(18,126)	(10,377)	(7,749)	(14,228)	(5,057)	(9,171)	(9,276)	(1,527)	(7,749)	(9,171)	(9,171)	(23,464)	(23,464)	(18,041)	(18,041)
Tax base	443,067	323,550	119,517	287,328	135,756	151,572	145,250	25,733	119,517	151,572	151,572	648,764	648,764	396,804	396,804
Tax rate	25%	20%	21%	25%	20%	25%	25%	20%	21%	25%	25%	25%	*	25%	**
	110,767	64,710	25,099	71,832	27,151	37,893	36,313	5,147	25,099	37,893	37,893	162,191	114,638	99,201	81,604
Tax effects on permanent differences	22,415	(5,640)	24,751	20,729	16,692	(136)	32,330	2,291	24,752	(136)	(136)	24,891	20,137	23,506	17,775
Tax effects on permanent differences	2,343	653	1,245	12,135	5,587	5,118	1,580	70	1,244	5,125	5,118	2,808	2,148	12,582	11,004
	24,758	(4,987)	25,996	32,864	22,279	4,982	33,910	2,361	25,996	4,989	4,982	27,699	22,285	36,088	28,779
Income tax and social contribution losses	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	(1)
Sponsorships benefiting from tax incentives	(2,636)	-	-	(2,020)	-	-	(2,636)	-	-	(2,020)	-	(3,476)	-	(2,603)	-
Donations	(1,054)	-	-	(808)	-	-	(1,054)	-	-	(808)	-	(1,472)	-	(1,041)	-
Workers' Meal Program (PAT)	(2,765)	-	-	(2,514)	-	-	(1,346)	-	-	(1,029)	-	(4,039)	-	(3,244)	-
Extension of parenthood leave	(357)	-	-	(268)	-	-	(184)	-	-	(123)	-	(500)	-	(375)	-
	(6,812)	-	-	(5,610)	-	-	(5,220)	-	-	(3,980)	-	(9,488)	-	(7,266)	(1)
Current income tax and social contribution	128,713	59,723	51,095	99,086	49,430	42,875	65,003	7,508	51,095	38,902	42,875	180,403	136,923	128,023	110,382

* Social Contribution rates varied among 20%, 21%, 15%, 16% and 9% in 2022, depending on the legal nature of the companies and the period of the fiscal year.

* Social Contribution rates varied among 25%, 20%, 15% and 9% in 2021, depending on the legal nature of the companies and the period of the fiscal year.

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Note 11 - Investments in associates and subsidiaries

In the parent company financial statements, investments in subsidiaries are accounted for under the equity method and recorded within "Investments in associates and subsidiaries". Equity accounting adjustments were recorded within "Equity in the results of associates and subsidiaries". In the consolidated financial statements, investments in subsidiaries are eliminated upon consolidation.

Description	Reporting date	Paid-up share capital	Adjusted equity	Profit for the year	Ownership %	Number of shares/quotas	Equity in the results				Bank		Consolidated	
							Years		2nd six-month period		Years		Years	
							2022	2021	2022	2021	2022	2021	2022	2021
Sicoob Distribuidora de Títulos e Valores Mobiliários Ltda. (a)	12/31/2022	2,170	10,468	5,313	100	2,000,000	5,313	2,411	2,976	1,128	10,468	7,566	-	-
Sicoob Soluções de Pagamento Ltda. (b)	12/31/2022	106,110	159,671	53,562	99	105,048,528	53,026	43,676	25,983	18,194	158,074	105,048	-	-
Ponta Administradora de Consórcios Ltda.(c)	12/31/2022	6,191	213,443	71,044	100	6,191,000	71,044	20,152	27,054	14,313	213,443	104,699	-	-
Bancoob Participações em Seguridade S.A. (d)	12/31/2022	40,000	141,341	97,095	100	40,000,000	97,095	21,373	43,508	10,597	141,341	108,322	137,916	107,615
Total							226,478	87,612	99,521	44,232	523,326	325,635	137,916	107,615

(a) Administrator and manager of investment funds, with managed assets amounting to R\$ 69,111,716 at December 31, 2022 (R\$ 47,524,627 at December 31, 2021).

(b) Operator of Mastercard, Visa and Cabal credit cards within Sicoob system.

(c) Operator of consortia for the sale of light and heavy-duty vehicles, properties and services, with over 319,399 active participants and a managed portfolio of R\$ 32.5 billion.

(d) Bancoob Participações em Seguridade S.A - Bancoob PAR, which holds an equity interest in Sicoob Seguradora de Vida e Previdência S.A.

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Note 12 - Property and equipment

	Bank						Consolidated
	Land	Buildings and improvements	Machinery and equipment	Information technology equipment	Other	Total	Total
At December 31, 2020	3,010	48,544	5,183	7,473	451	64,661	73,849
Purchases	-	-	8	6,035	97	6,140	15,010
Disposals	-	-	-	-	-	-	-
Depreciation	-	(3,274)	(788)	(4,125)	(117)	(8,304)	(12,102)
At December 31, 2021	3,010	45,270	4,403	9,383	431	62,497	76,757
Total cost	3,010	72,582	11,210	28,825	1,156	116,783	151,322
Accumulated depreciation	-	(27,312)	(6,807)	(19,442)	(725)	(54,286)	(74,565)
Net book value	3,010	45,270	4,403	9,383	431	62,497	76,757
At December 31, 2021	3,010	45,270	4,403	9,383	431	62,497	76,757
Purchases	-	-	2,825	43,930	435	47,190	91,859
Disposals	-	-	-	(4)	-	(4)	(134)
Depreciation	-	(3,273)	(744)	(11,958)	(126)	(16,101)	(21,816)
At December 31, 2022	3,010	41,997	6,484	41,351	740	93,582	146,668
Total cost	3,010	72,582	14,035	72,750	1,591	163,968	241,800
Accumulated depreciation	-	(30,585)	(7,551)	(31,399)	(851)	(70,386)	(95,132)
Net book value	3,010	41,997	6,484	41,351	740	93,582	146,668
Annual depreciation rates - %	-	4.70%	10%	20%	10%		

(A free translation of the original in Portuguese)

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Note 13 - Intangible assets

	Bank	Consolidated
At December 31, 2020	1,477	8,315
Purchases	4,521	9,107
Depreciation	(701)	(4,279)
At December 31, 2021	5,297	13,143
Total cost	14,541	39,296
Accumulated depreciation	(9,244)	(26,153)
Net book value	5,297	13,143
At December 31, 2021	5,297	13,143
Purchases	2,087	8,913
Depreciation	(1,491)	(5,226)
At December 31, 2022	5,893	16,830
Total cost	16,628	48,205
Accumulated depreciation	(10,735)	(31,375)
Net book value	5,893	16,830
Annual depreciation rates - %	20%	20%

Note 14 - Deposits

a. Balances

Deposits	Bank							Consolidated				
	Without defined maturity	12/31/2022						12/31/2021	12/31/2022		12/31/2021	
		Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total	Total	Total	Total		
Demand deposits	104,620	-	-	-	-	-	104,620	92,291	104,326	91,972		
Savings deposits	11,969,195	-	-	-	-	-	11,969,195	11,582,945	11,969,195	11,582,945		
Interbank deposits	-	6,374,518	5,089,977	2,941,960	29,513,805	10,407,065	54,327,325	36,155,776	54,327,325	36,155,776		
Rural interbank deposits	-	321,040	957,615	337,205	3,610,960	320,061	5,546,881	5,903,367	5,546,881	5,903,367		
Time deposits	-	44,305	3,151,322	104,704	100,901	1,137,115	4,538,347	3,221,937	3,898,707	2,759,240		
Total	12,073,815	6,739,863	9,198,914	3,383,869	33,225,666	11,864,241	76,486,368	56,956,316	75,846,434	56,493,300		
Current							64,622,127	47,306,949	64,546,117	47,134,807		
Non-current							11,864,241	9,649,367	11,300,317	9,358,493		

b. Expenses with money market funding

	Bank				Consolidated	
	2022	2021	2nd six-month period of 2022	2nd six-month period of 2021	2022	2021
Savings deposits	837,992	313,313	454,181	222,736	837,992	313,313
Interbank deposits	6,261,951	1,876,723	3,882,378	1,334,468	6,261,951	1,876,723
Time deposits	368,813	86,765	217,592	74,666	303,238	69,310
Money market funding	199,168	124,955	122,312	68,530	199,168	124,955
Other funding expenses	31,521	20,089	18,739	11,099	31,521	20,089
Total	7,699,445	2,421,845	4,695,202	1,711,499	7,633,870	2,404,390

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Note 15 - Repurchase agreement obligations

By maturity

	Bank and Consolidated					12/31/2021
	12/31/2022					
	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Total	
Own portfolio	2,237,627	1,132,297	93,882	1,252,912	4,716,718	2,027,200
Total	2,237,627	1,132,297	93,882	1,252,912	4,716,718	2,027,200
Current					4,716,718	2,027,200
Non-current					-	-

Note 16 - Funds from acceptance of bills of exchange, real estate and mortgage notes, debentures and similar items

	Bank and Consolidated						12/31/2021
	12/31/2022						
	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total	
Agribusiness Credit Notes (LCAs) - floating rate	29,108	96,510	6,106	10,446	88,170	230,340	34,681
Total	29,108	96,510	6,106	10,446	88,170	230,340	34,681
Current						142,170	13,086
Non-current						88,170	21,595

Note 17 - Borrowings and onlendings

a. Balance of borrowings and onlendings

Onlending obligations with Brazilian institutions are mainly represented by funds obtained from BNDES/FINAME, National Treasury, Banco do Brasil, and Funcafé credit facilities, maturing up to 2042, and bearing finance charges of up to 16.67 % p.a.

	Bank and Consolidated							12/31/2022	12/31/2021
	12/31/2022								
	Without defined maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Over 15 years		
BNDES	-	99,720	380,026	807,632	679,154	751,029	1,247	2,718,808	2,421,872
Banco do Brasil/ FCO	-	16,140	42,803	189,874	210,741	175,710	-	635,268	212,856
Banco da Amazônia/ FNO	-	-	2,168	108,399	-	-	-	110,567	141
FINAME	-	42,530	228,438	421,282	300,057	120,039	-	1,112,346	874,316
Funcafé	-	144,570	372,364	37,124	14,483	4,482	-	573,023	366,317
Total	-	302,960	1,025,799	1,564,311	1,204,435	1,051,260	1,247	5,150,012	3,875,502
Current								1,328,759	993,949
Non-current								3,821,253	2,881,553

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

b. Expenses with borrowings and onlendings

	Bank and Consolidated			
	Years		2nd six-month period	
	2022	2021	2022	2021
Brazilian Central Bank rediscount	1,115	6	297	6
BNDES	87,944	99,284	40,357	49,109
FINAME	52,766	47,880	27,509	23,906
Banco do Brasil/ FCO	11,472	3,076	7,781	2,088
Other Institutions - Funcafé	31,505	9,550	20,125	5,945
Total	184,802	159,796	96,069	81,054

Note 18 - Derivative financial instruments

	Bank and Consolidated		
	12/31/2022		12/31/2021
	Without defined maturity	Total	Total
Futures - Foreign exchange	82	82	56
Total	82	82	56
Current	82	82	56
Non-current	-	-	-

Note 19 - Provisions

a. Provision for contingencies

Tax-related lawsuits and administrative proceedings to which Banco Sicoob is a party are classified by management, with the support of internal and external legal consultants, taking into consideration the nature and specifics of each lawsuit, as well as the case law ruling from higher courts.

Provisions for contingent liabilities are recognized, measured and disclosed in accordance with CMN Resolution 3,823/09, as summarized below:

A provision is recognized only when: (a) the Bank has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount of the obligation can be estimated reliably. In the event any of the above conditions is not met, no provision is recognized.

Based on these assumptions, the Bank records a provision when it is probable that a present obligation exists at the balance sheet date. Otherwise, the contingent liability is disclosed, unless the possibility of an outflow of resources is considered remote.

Management believes that the provision recorded is sufficient to cover any probable losses arising from the lawsuits in course, as shown below:

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Legal obligations classified as involving probable risk of loss

Legal obligations classified as probable losses, the amounts of which can be reliably estimated, are provided for and presented according to their nature in the table below, with the respective changes in the period. Deposits in court are recorded under "Other receivables - sundry".

Provisions recorded

	Bank				Consolidated			
	12/31/2022		12/31/2021		12/31/2022		12/31/2021	
	Deposits in court	Provisions	Judicial deposits	Provisions	Judicial deposits	Provisions	Judicial deposits	Provisions
Tax	9,860	-	6,680	-	9,942	2	6,762	-
Labor	759	1,326	1,240	1,310	759	1,325	1,240	1,310
Civil	9,456	16,013	9,341	13,907	10,187	16,816	9,675	14,621
Total	20,075	17,339	17,261	15,217	20,888	18,143	17,677	15,931

Changes in the provisions

	Bank			Consolidated		
	12/31/2022			12/31/2021		
	Labor	Civil	Total	Total	Total	Total
At December 31, 2021	1,310	13,907	15,217	14,670	15,931	14,979
Additions in the year	1,456	3,924	5,380	4,034	5,794	4,547
Use in the year	(624)	(962)	(1,586)	(1,824)	(1,872)	(1,860)
Reversals in the year	(816)	(856)	(1,672)	(1,663)	(1,710)	(1,735)
At December 31, 2021	1,326	16,013	17,339	15,217	18,143	15,931

The provision for tax risks is recorded within "Other payables - tax and social security obligations" (Note 22b), and the provisions for civil and labor contingencies within "Other payables - sundry" (Note 19).

Nature of lawsuits classified as involving probable losses

- i. **Labor** - relate basically to lawsuits filed by employees claiming overtime pay, beyond the six-hour workday.
- ii. **Civil** - relate basically to contractual terms, registration of clients with credit protection services, and pain and suffering.

Schedule of expected cash outflows

Uncertainties arising from the nature of existing contingencies and the complexity of Brazilian legal environment do not permit a reasonable estimate to be made of the dates of future settlement.

Contingencies classified as involving possible risk of losses

Lawsuits classified as involving possible risk of loss are not recognized, and are only disclosed when the amount involved is material. The following contingencies are classified into this category: (i) civil lawsuits disputing Banco Sicoob's joint liability for deposits made in credit unions; (ii) civil lawsuit disputing the Bank's liability for the payment of damages due to an error made by a credit union; (iii) civil lawsuits disputing alleged property damages and pain and suffering caused by the Bank's products; (iv) labor/social security lawsuits; (v) tax and social security administrative proceedings (Accident Prevention Factor (FAP), Scholarships and Social Integration Program (PIS)); (vi) action for annulment of a tax assessment notice, filed by the Bank. The tax assessment notice that the annulment action is intended to overturn refers to an amount deducted by Banco Sicoob from the tax base in 2008. The deduction arose from the

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

compensatory nature of the amount paid by Banco Sicoob, as decided at an Extraordinary General Meeting, in relation to a substandard provision of services under the Bank's responsibility.

Estimate of contingent liabilities classified as involving possible risk of loss

	Bank		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Labor	31,807	18,968	32,922	19,361
Tax	183,936	165,495	183,993	165,495
Civil	307,762	249,934	324,025	260,469
Administrative	2,238	-	2,338	-
Total	525,743	434,397	543,278	445,325

b. Provisions for guarantees

	Bank and Consolidated			
	Years		2nd six-month period	
	2022	2021	2022	2021
Balance at the beginning of the year	211	195	237	86
Constitution (reversal)	(40)	16	(66)	125
Balance at the end of the period	171	211	171	211

The provisions for guarantees are subject to the same criteria established by Resolution 2,682/99. In 2022, a total of R\$ 40 was reversed (addition of R\$ 16 at December 31, 2021).

Note 20 - Equity

a. Share capital

Share capital is comprised of 1,334,159,277 shares (1,120,742,225 at December 31, 2021), of which 670,740,638 are common shares (563,446,485 at December 31, 2021) and 663,418,639 preferred shares (557,295,740 at December 31, 2021), all of which with no par value.

b. Capital reserve

The balance of R\$ 858 (R\$ 51 in 2021) relates to a gain on the sale of treasury shares.

c. Revenue reserve

In accordance with its bylaws, Banco Sicoob transfers 5% of adjusted profit for the period to the revenue reserve, which totaled R\$ 23,518 in 2022 (R\$ 11,046 at December 31, 2021).

The amount of R\$ 424,501 (R\$ 199,373 at December 31, 2021) was transferred to "Revenue reserve - Other", to be allocated as decided at the next general meeting. The Bank also recorded mandatory dividends, totaling R\$ 22,342, which will be distributed upon authorization.

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

d. Dividends

The shareholders of Banco Sicoob are entitled to mandatory minimum dividends corresponding to 5% of adjusted profit for the year. Banco Sicoob approved the distribution of dividends of R\$ 22,342, equivalent to R\$ 16.75 per thousand shares (R\$ 10,494, equivalent to R\$ 9.36 per thousand shares, at December 31, 2021).

e. Adjustment to market value

These are adjustments arising from the marking-to-market of available-for-sale securities, as required by BACEN Circular Letter 3,068/01, net of tax effects (Note 8).

Note 21 - Operational limits - Basel Accord

The net assets of Banco Sicoob Prudential Conglomerate are consistent with the level of risk underlying its asset framework. In December 2022, the Basel ratio was 14.48% (13.48% at December 31, 2021).

Note 22 - Other items in the financial statements

a. Other assets

a1. Payment transactions

	Bank		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Payment transactions - Acquiring operations	4,433,030	4,765,658	4,493,931	4,813,549
Receivables from payment transactions - Card	10,167,039	7,791,238	10,167,039	7,791,238
Total	14,600,069	12,556,896	14,660,970	12,604,787
Current	14,436,592	12,469,596	14,497,493	12,517,487
Non-current	163,477	87,300	163,477	87,300

a2. Foreign exchange portfolio

	Bank		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Foreign currency purchase	65	-	65	-
Total	65	-	65	-
Current	65	-	65	-
Non-current	-	-	-	-

a3. Other

	Bank		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Checks and other documents remitted	856	137	856	137
Documents received from other system participants	-	-	-	-
Taxes and contributions to be offset	213,838	201,828	292,268	248,205
Payments to be reimbursed	74,546	79,066	74,944	79,234
Notes and credits receivable	35,807	30,258	35,559	30,063
Sundry debtors - Brazil	73,252	51,199	83,293	60,130
Prepaid expenses	43,773	53,326	263,400	55,799
Other	49,284	29,131	52,889	38,804

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

	Bank		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Total	491,356	444,945	803,209	512,372
Current	408,280	343,877	494,016	406,551
Non-current	83,076	101,068	309,193	105,822

a4. Provision for other assets

	Bank		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Provision for receivables from payment transactions	134,651	102,051	134,651	102,051
Provision for other loan losses	2,960	459	2,960	459
Total	137,611	102,510	137,611	102,510
Current	135,595	101,395	135,595	101,395
Non-current	2,016	1,115	2,016	1,115

b. Other liabilities

b1. Payment transactions

	Bank		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Prepaid payment account	-	-	76,931	55,614
Checks and other documents received	771	-	771	-
Receipts remitted	-	1	-	1
Payment transactions	8,729,514	6,504,776	8,729,520	6,504,787
Obligations related to payment transactions	2,476,659	2,686,216	2,577,027	2,756,311
Obligations related to payment arrangement services	1,864	1,864	1,864	1,864
Total	11,208,808	9,192,857	11,386,113	9,318,577
Current	11,208,808	9,192,857	11,386,113	9,318,577
Non-current	-	-	-	-

b2. Tax and social security obligations

	Note	Bank		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Provision for income tax		128,714	99,086	180,176	128,016
Provision for social contribution		110,818	92,305	136,836	110,378
Taxes and contributions on third-party services		4,780	5,861	5,679	6,673
Taxes and contributions on salaries		7,155	5,767	10,386	8,468
Other taxes		25,401	21,131	31,458	26,719
Total		276,868	224,150	364,535	280,254
Current		276,339	218,872	363,862	274,976
Non-current		529	5,278	673	5,278

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

b3. Foreign exchange portfolio

	Note	Bank		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Obligations related to foreign currency purchases		439	338	439	338
Total		439	338	439	338
Current		439	338	439	338
Non-current		-	-	-	-

b.4 Other

	Bank		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Interdepartmental accounts	29,149	27,513	29,149	27,513
Collection of taxes and similar charges	14,385	19,489	14,385	19,489
Payables to members of terminated consortia groups	-	-	1,591	29,596
Obligations related to official agreements	36,544	29,445	36,544	29,445
Personnel expenses	19,628	16,085	29,054	23,363
Administrative expenses	166,419	161,171	139,211	145,852
Credit cards	271,972	232,190	271,972	232,190
Expenses with lending operations	85,975	155,379	85,975	155,378
Acquiring operations	64,370	62,832	64,370	62,832
Other	35,705	91,060	542,396	326,163
Total	724,147	795,164	1,214,647	1,051,821
Current	721,641	793,143	999,300	1,049,413
Non-current	2,506	2,021	215,347	2,408

c. Foreign exchange gain (loss)

	Bank and Consolidated			
	Years		2nd six-month period	
	2022	2021	2022	2021
Foreign exchange gain	8,564	7,148	3,509	4,367
Foreign exchange loss	4,728	1,128	455	142
Total	3,836	6,020	3,054	4,225

d. Income from services rendered and banking fees

	Bank		Consolidated			
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Sicoob Agreement	10,614	9,988	5,447	5,181	10,614	9,988
Income from banking fees (a)	23,557	21,083	12,615	11,038	23,557	21,083
Income from fund services	3,361	2,629	1,827	1,375	3,361	2,628
Income from fund management services	-	-	-	-	15,138	11,698
Income from consortium management services	-	-	-	-	203,936	315,045
Income from credit card services (b)	1,006,066	759,027	530,770	404,231	1,019,071	768,998
Income from prepayments of obligations related to payment transactions	482,862	338,926	238,825	198,017	482,978	339,012
Income from collection services for public utility companies (c)	120,848	108,358	60,225	56,350	120,846	108,358
Income from banking fees	118	123	50	64	118	123

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

	Bank				Consolidated	
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Income from acquiring services	10,767	8,670	5,674	4,789	10,767	8,671
Other income - sundry	104,396	81,500	53,956	49,296	126,059	128,244
Total	1,762,589	1,330,304	909,389	730,341	2,016,445	1,713,838

- (a) Relate to services provided to Sicoob members that are not related to banking fees.
 (b) Relate to exchange services, withdrawals, electronic checks, annual fees of cards, credit card management services etc.
 (c) Relate to fees charged for collection services rendered to public utility companies.

e. Other operating income

	Bank				Consolidated	
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Recovery of charges and expenses	11,849	9,208	5,801	5,210	11,849	9,208
Income from credit card operations (a)	93,036	66,074	49,134	35,183	93,036	123,261
Acquiring operations	242,647	251,683	123,038	132,833	242,647	251,683
Others	20,320	3,925	8,903	2,255	84,235	10,357
Total	367,852	330,890	186,876	175,481	431,767	394,509

- (a) Total income from credit card operations should include the information disclosed in Note 22d.

f. Personnel expenses

	Bank				Consolidated	
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Fees paid to Officers and Directors	17,740	15,573	9,166	8,609	20,364	20,014
Salaries (a)	94,520	75,513	51,476	40,606	139,340	110,998
Social charges (b)	42,586	34,397	22,910	18,497	60,507	49,073
Benefits (c)	29,021	23,731	16,271	12,477	57,942	45,844
Training programs	2,546	815	1,328	426	2,868	976
Interns' compensation	196	498	61	240	1,488	1,344
Total	186,609	150,527	101,212	80,885	282,509	228,249

- (a) Relates mainly to salaries, overtime, and provisions for 13th month salary and vacation pay.
 (b) Relate mainly to provisions for the National Institute of Social Security (INSS) and Government Severance Indemnity Fund for Employees (FGTS).
 (c) Relate mainly to health care benefits, and transportation and meal vouchers provided to employees.

g. Administrative expenses

	Bank				Consolidated	
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Water, electricity, gas, maintenance and upkeep	412	135	257	70	1,692	1,174
Communication	50,314	29,055	26,948	18,070	53,756	43,799
Materials	378	528	83	395	457	1,729
Data processing	44,225	37,850	20,176	22,751	48,641	37,079
Advertising and publicity	297,882	219,551	167,753	130,291	307,184	221,988
Financial system services	39,858	37,659	20,401	19,326	40,858	38,551
Outsourced services	42,919	34,545	23,140	19,275	99,732	286,650

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

	Bank				Consolidated	
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Specialized technical services	32,853	28,679	16,156	16,665	26,677	21,407
Depreciation and amortization	17,592	9,005	9,012	4,690	27,040	16,383
Travel	4,642	287	3,429	274	4,693	293
Other administrative expenses	17,902	14,230	12,764	9,280	22,376	20,463
Total	548,977	411,524	300,119	241,087	633,106	689,516

h. Other operating expenses

	Bank				Consolidated	
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Contingencies	4,434	2,679	2,434	1,383	4,874	2,888
Expenses related to transaction payment services	600,342	423,063	311,137	223,659	501,431	340,239
Commissions on lending operations	240,581	459,561	171,692	216,053	240,581	459,561
Acquiring operations	318,630	354,300	166,300	176,520	318,630	354,300
Other operating expenses	127,529	106,721	60,530	51,321	178,730	141,166
Total	1,291,516	1,346,324	712,093	668,936	1,244,246	1,298,154

i. Non-operating income (expenses)

	Bank				Consolidated	
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Non-operating income	163	1,708	84	91	198	1,708
Non-operating expense	-	-	-	-	89	-
Amortization of goodwill - Sicoob Soluções de Pagamentos Ltda	-	39,799	-	14,317	-	39,799
Total	163	(38,091)	84	(14,226)	109	(38,091)

j. Recurring and non-recurring income (expenses)

There was no recurring income (expenses) during the period.

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Note 23 - Related-party transactions

a. Sicoob System

As described in Note 1, Banco Sicoob was created to provide financial, technical and operational services to credit unions, pursuant to Article 88 of Law 5,764/71.

The transactions conducted between the Bank and the Sicoob system are shown below:

	Note	12/31/2022	12/31/2021
Assets		27,692,143	20,089,270
Lending operations and interbank onlendings		27,660,832	20,052,414
Receivables		15,381	4,104
Prepaid expenses - commission		15,930	32,752
Liabilities		59,925,351	38,969,196
Deposits		54,802,568	36,387,672
Repurchase agreements		3,638,464	1,247,905
Payables		1,484,319	1,333,619
		12/31/2022	12/31/2021
Revenues		2,935,433	1,407,001
Lending operations and interbank onlendings		2,245,094	955,916
Other income		690,339	451,085
Expenses		6,928,251	2,815,869
Funding		6,216,204	1,888,474
Other expenses		712,047	927,395

b. Subsidiaries

	Sicoob DTVM		Sicoob PAR		Sicoob Soluções de Pagamento		Sicoob Consórcios	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Assets	72	47	-	-	-	-	176	147
Receivables	72	47	-	-	-	-	176	147
Liabilities	10,528	7,743	3,201	679	452,883	370,232	208,607	111,445
Demand deposits	1	3	2	23	290	285	1	8
Time deposits	10,527	7,740	3,199	656	417,309	342,864	208,606	111,437
Payables	-	-	-	-	35,284	27,083	-	-
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Expenses	1,068	329	1,463	35	177,422	128,932	19,692	4,693
Funding expenses	1,068	329	1,463	35	43,353	12,398	19,692	4,693
Administrative expenses	-	-	-	-	134,068	116,534	-	-
Revenue	-	-	-	-	38,388	15,533	2,003	1,796
Sundry income	-	-	-	-	38,388	15,533	2,003	1,796

c. Compensation of key management personnel

Key management includes directors and officers. The maximum aggregate compensation payable to the Board of Directors and Executive Board is established annually, at the General Shareholders' Meeting.

The compensation paid or payable to officers and directors for their services is shown below:

	Bank				Consolidated	
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Fees	15,491	13,252	7,956	7,332	17,244	16,078
Benefits	4,085	3,403	1,953	1,901	5,153	5,605

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

	Bank				Consolidated	
	Years		2nd six-month period		Years	
	2022	2021	2022	2021	2022	2021
Financial charges	3,831	3,269	1,965	1,803	4,312	4,088
Total	23,407	19,924	11,874	11,036	26,709	25,771

Note 24 - Other information

a. Agreements for offsetting payables against receivables with the same financial institution

As established by CMN Resolution 3,263/05, Banco Sicoob has investments in financial institutions which allow it to offset payables against receivables held with the same financial institution.

The amounts subject to offsetting are summarized below:

Description	Bank					
	12/31/2022			12/31/2021		
	Investment	Funding	Amount to offset	Investment	Funding	Amount to offset
CDI/LF	1,308,534	3,167,958	1,197,560	750,581	1,328,296	657,382
Total	1,308,534	3,167,958	1,197,560	750,581	1,328,296	657,382

b. Insurance

Banco Sicoob's assets subject to risks are insured at amounts deemed sufficient to cover losses, taking into consideration the nature of its activities.

c. Guarantees provided

The guarantees provided through financial charges, relating to endorsements and sureties, totaled R\$ 11,490 at December 31, 2022 (R\$ 18,150 at December 31, 2021). In December 2022, a provision in the amount of R\$ 40 was recorded (R\$ 16 at December 31, 2021).

d. Employee benefits

Private pension

Banco Sicoob and the group companies sponsor the Sicoob Private Pension Foundation (Sicoob Previ), established in November 2006, which provides its participants and their dependents with pension benefits, in the form of a defined contribution plan, to supplement the benefits provided by the official social security system.

At December 31, 2022, Sicoob Previ had 1,197 active participants (1,067 in 2021), whose contributions totaled R\$ 6,662 (R\$ 5,670 at December 31, 2021).

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

e. Profit-sharing

Banco Sicoob offers profit sharing to its employees, which is calculated in accordance with the Collective Labor Agreement. In 2022, the amounts of R\$ 18,400 (R\$ 20,088 at December 31, 2021), and R\$ 23,737 (R\$ 24,803 at December 31, 2021) in the consolidated, were recorded as a "Provision for profit sharing".

f. CMN Resolution 4,966/21- plan for financial instrument changes

On November 25, 2021, the Brazilian Central Bank issued CMN Resolution 4,966/21, changing the concepts and criteria applicable to financial instruments aligning them with the definitions in IFRS 9 - Financial Instruments.

The new accounting standard becomes effective as of January 1, 2025, and the adjustments resulting from its application will be recorded against retained earnings (accumulated deficit) account, net of tax effects.

The new standard requires the preparation of an implementation plan, which was approved by the Board of Directors on June 22, 2022.

Summary of the Implementation Plan

In compliance with the provisions of Article 76, sole paragraph, item II of CMN Resolution 4,966/21, a summary of the implementation plan required by the regulation is as below:

Phase 1 - Assessment (2022): comprises diagnostic activities of the main accounting changes introduced by the Resolution, mapping the main systems, preparing a matrix detailing the identified action plans, and the definition of a schedule with the respective assignment of the staff. A specialized consulting firm was hired to assist in this assessment process;

Phase 2 - Design (2023): This phase involves the activities intended to specify the necessary system changes, define the system architecture, and design the transition strategy, new processes, and policies.

Phase 3 - Development (2023/2024): comprises activities related to new system developments, calculation methodologies (e.g. effective interest rate method, expected loss models for financial instruments), preparation of "FROM-TO" for the new chart of accounts, and changes in accounting routines.

Phase 4 - Tests and Approvals (2024): Includes the testing of system changes (in a validation environment) and the implementation of the tested system developments;

Phase 5 - Transition activities (2024): Definition of new disclosure model, calculation of the opening balance, and assessment of the impacts from the initial adoption. This phase also includes training activities, and the parallel running of existing systems and new processes;

Phase 6 - Initial adoption (January 1, 2025): Effective adoption of CMN Resolution 4,966/21.

During the implementation plan's Phase I, the following main impacts listed below were mapped, which were considered in the definition of the activities to be performed in the subsequent implementation phases.

Classification requirements: determination of the classification of financial assets in the categories Amortized Cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVTPL), considering the business model used to manage the financial assets and the characteristics of their contractual cash flows.

Notes to the financial statements

December 31, 2022 and 2021

All amounts in thousands of reais, unless otherwise stated

Initial recognition and measurement requirements: recognition of financial instruments net of origination costs and income.

Subsequent measurement: new measurement methods for financial instruments after initial recognition, considering the accrual of interest at the effective interest rate, the suspension of interest accrual for non-performing financial assets, and new measurement methodology for renegotiated and restructured transactions.

Recognition and measurement of foreign exchange proceeds: these amounts will no longer be accounted for separately or from a special event, but will instead be treated as a financial instrument subject to the business model and cash flow characteristics, and subsequently measured in accordance with the classification in which they are included.

Expected losses: the measurement of expected credit losses requires the use of complex models and assumptions regarding future economic conditions and credit behavior.

Banco Sicoob will adopt the full model of expected credit loss. The performance of these calculations has a significant impact, considering the need to collect consistent historical data, organize and cluster the portfolio data, develop statistical models of expected losses, and implement the modeling codes in a productive environment, in addition to all the required changes in the regulatory reporting.

Transitory provisions: studies and discussions will be carried out to define the transition strategy, including the establishment of the process for recalculating balances at December 31, 2024, according to the criteria of Resolution 4966, which allow the adjustment for the new rule's implementation to be made on January 1, 2025.

* * *

Composition of Banco Sicoob's Management Bodies

Board of Directors

Miguel Ferreira de Oliveira - Chairman
Rui Schneider da Silva - Vice Chairman
Aifa Naomi Uehara de Paula
Bento Venturim
Clidenor Gomes Filho
Felipe Magalhães Bastos
Hudson Tabajara Camilli
Ivan Capra
Ivo Azevedo de Brito
João Batista Bartoli de Noronha
José Evaldo Campos
Luiz Antônio Ferreira de Araujo
Luiz Gonzaga Viana Lage
Marcelo Baiocchi Carneiro
Marcelo Martins
Wilson Geraldo Cavina

Executive Board

Marco Aurélio Borges de Almada Abreu - Chief Executive Officer
Antônio Cândido Vilaça Junior - Executive Officer
Ênio Meinen - Executive Officer
Fernando Vicente Netto - Executive Officer
Francisco Silvio Reposse Junior - Executive Officer
Marcos Vinicius Viana Borges - Executive Officer
Rubens Rodrigues Filho - Executive Officer

Accountant

Primo João Cracco
CRC-SP 149.703/O-2

Summary of the Audit Committee Report

Introduction

1. The Audit Committee is a statutory body providing advice to the Board of Directors, expressing its opinion on the financial statements, the effectiveness of the internal control system and risk management, and the work performed by internal and independent auditors.
2. Banco Cooperativo Sicoob S.A. Under statutory and regulatory terms, in addition to Banco Cooperativo Sicoob S.A. - Banco Sicoob, the activities of the Audit Committee also address the following companies that comprise the Banco Sicoob Group: Sicoob Distribuidora de Títulos e Valores Mobiliários Ltda. - Sicoob DTVM, Sicoob Administradora de Consórcios Ltda. - Sicoob Consórcios e Sicoob Soluções de Pagamento Ltda. - Sicoob Pagamentos.
3. The Management of Banco Sicoob and of the companies that comprise the Group are responsible for preparing and ensuring the integrity of the financial statements, managing risks, maintaining an effective and consistent system of internal controls, and ensuring compliance with legal and regulatory standards.
4. The Internal Audit performs, in an independent manner, regular assessments of the risk management activities and of the suitability and effectiveness of internal controls in all Group companies.
5. PricewaterhouseCoopers Auditores Independentes Ltda. ("PwC") is the independent audit firm hired to audit the financial statements of Banco Sicoob and of the companies that comprise the Group. The Independent Auditor is responsible for:
 - a) expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of Banco Sicoob and the Group companies, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN); and
 - b) assessing the suitability and quality of the internal control system, within the context of the audit of the financial statements, including the risk management system and compliance with legal and regulatory requirements.

Audit Committee Activities

6. In compliance with legal and regulatory requirements, the Audit Committee:
 - a) held , in the first half of 2022, three regular meetings and one extraordinary meeting;
 - b) acted independently in the performance of its duties, always supported by information received from Management, the independent and internal auditors, and the officers responsible for risk and internal control management, and also based on its own conclusions arising from direct observation;
 - c) followed the process of preparation of the financial statements; assessed the relevant aspects, comprehensiveness, compliance and clarity of the notes to the financial statements; reviewed the accounting practices adopted, the procedures used for the constitution of provisions and the contents of the independent auditor's on the parent company and consolidated financial statements;
 - d) held meetings with the Executive Board, the Board of Directors and the Risk Committee, suggesting improvements to the relevant function in situations where opportunities for improvement were identified;
 - e) monitored and evaluated the work performed by the Internal Audit Function; the Independent Audit conducted by PwC; the management of credit, market, interest rate, liquidity, operational, socio-environmental, reputational, compliance, strategy and cyber security risks; business continuity/ Prevention of Money Laundering and Terrorism Financing; Risk Appetite Statement (RAS); and the Stress Testing Program (STP); and

Summary of the Audit Committee Report

- f) provided management with recommendations, which were included in the minutes of the meetings and filed, remaining available all management's bodies.

Internal control and risk management systems

7. At meetings held with the responsible areas, and through the analysis of the information and documents requested and made available by Management, the Audit Committee evaluated aspects relating to the Group's internal control and risk management, and did not identify non-compliances with laws, regulations, and internal rules, which could put the organization at risk.
8. In the second six-month period of 2022, no errors, fraud or non-compliance with statutory or regulatory provisions were reported through the communication channels made available to the employees. During the current period the Audit Committee welcomed two independent members.
9. The Audit Committee considers that the internal control system and the risk management processes are appropriate for the size and complexity of the operations of Banco Sicoob and companies comprising the Group. Furthermore, Management is continuously striving to improve the systems, processes and procedures.

Independent Audit

10. PwC, the independent auditors, presented the results of their work and relevant accounting aspects at the Audit Committee's monthly meetings. No situations have been identified that could affect the objectivity and independence of the audit work.
11. The Audit Committee considers satisfactory the work performed by the Independent Audit function, which reflects the Committee's opinion on the integrity of the consolidated financial statements at December 31, 2022.

Internal Audit

12. In accordance with the annual planning approved by the Board of Directors, the Internal Audit presented, at the Audit Committee's monthly meetings, the result of the work carried out, which did not identify any residual risks that could affect the strength and continuity of the operations of Banco Sicoob and companies that comprise the Group.
13. The Audit Committee assesses as positive the scope and quality of the work performed by the Internal Audit Function.

Financial Statements

14. The analyses addressed the procedures adopted in the preparation of parent company and consolidated trial balances and balance sheets, notes to the financial statements, and financial reports disclosed together with the consolidated financial statements.
15. The Audit Committee concluded that the consolidated financial statements at December 31, 2022 were prepared in compliance with legal and regulatory standards, and in accordance with accounting practices adopted in Brazil, reflecting, in all material respects, the financial position of the Banco Sicoob Group for the period then ended.

Brasília - Federal District, February 9, 2023.

Rafael Alves Horta
Coordinator

Antonio Carlos Correia

Marcos Vinicius Viana Borges