

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

Banco Daycoval S.A.

Individual and Consolidated Financial Statements for the
Six-month Period and Year Ended December 31, 2022
and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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

INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Management and Shareholders of
Banco Daycoval S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of Banco Daycoval S.A. ("Bank"), identified as Bank and consolidated, respectively, which comprise the balance sheet as at December 31, 2022, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the six-month period and year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Banco Daycoval S.A. as at December 31, 2022, and its individual and consolidated financial performance and its individual and consolidated cash flows for the six-month period and year then ended, in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil (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 individual and consolidated financial statements" section of our report. We are independent of the Bank and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), 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 (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the current six-month period and year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not provide a separate opinion on these matters.

Allowance for loan losses

Allowances for loan losses are recognized pursuant to the regulations issued by the BACEN, in particular the National Monetary Council (CMN) Resolution 2,682, and are based on the analyses of outstanding loan transactions (past-due and current), in accordance with the internal policies that consider the determination of credit ratings.

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The estimation of the allowance for loan losses involves internal models when determining the borrower's rating that take into account financial and economic data, market inputs, masterfile information, restricted collaterals, default level, among others. The borrower's rating is also revised by the Bank's Management when the financial condition of a specific borrower or a given economic sector changes. As such revision involves judgment in the loss estimate by Management, we believe that this matter is a key audit matter in our audit approach.

How the matter was addressed in our audit

Our audit procedures included, without limitation: (i) understanding the internal model used in determining the credit rating; (ii) understanding the accrual criterion adopted by the Bank; (iii) reading the Bank's accrual policy; (iv) conducting tests on the design, implementation and effectiveness of internal controls; (v) challenging the key assumptions and Management's significant judgments in determining the credit rating; (vi) recalculating, on a sampling basis, the amounts accrued; and (vii) assessing the disclosures in the individual and consolidated financial statements.

Based on the audit procedures performed, we believe that the criteria and assumptions adopted by the Bank's Management and the policy used to determine the allowance for loan losses are appropriate, in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added ("DVA") for the six-month period and year ended December 31, 2022, prepared under the responsibility of the Bank's Management, the presentation of which is not required by accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the BACEN, were subject to audit procedures performed together with the audit of the Bank's individual and consolidated financial statements. In forming our opinion, we assess whether these individual and consolidated statements of value added are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been appropriately prepared, in all material respects, in accordance with the criteria set out in CPC 09 and are consistent with the individual and consolidated financial statements taken as a whole.

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

Management is responsible for the other information. The other information comprises the Management Report.

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

In connection with our audit of the individual 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 individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the BACEN, and for 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 individual and consolidated financial statements, Management is responsible for assessing the Bank'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 Bank and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's and its subsidiaries' financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the individual 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual 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 Bank 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 ability of the Bank and its subsidiaries 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 individual 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 Bank and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

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 six-month period and 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.

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

São Paulo, February 8, 2023


DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.


Vanderlei Minoru Yamashita
Engagement Partner

MANAGEMENT REPORT

Dear Shareholders,

The Management of Banco Daycoval S.A. (“Daycoval” or “Bank”) is pleased to submit to you the Management Report and accompanying Individual and Consolidated Financial Statements, together with the Independent Auditor’s Report containing an unqualified opinion thereon, for the year ended December 31, 2022. The comments herein presented refer to Daycoval’s consolidated financial position for the respective year.

The year 2022 was marked by a series of events that resulted in a complex scenario. The fact that we are back to normal, after the beginning of the Covid-19 pandemic, was one of these events. The following also contributed to this scenario: elections, political polarization, high interest rates in Brazil and abroad. All this contributed to making this year a unique and challenging year. In this context, many companies, either of large, medium or small size, had to find solutions for the challenges that arose in the economic, corporate, social and cultural areas.

In light of this scenario and emphasizing Daycoval’s experience in credit granting, we ended 2022 with a total of R\$55,453.8 million of the Expanded Loan Portfolio, accounting for a growth by 18.7% when compared to 2021. Such growth did not affect the portfolio quality which posted a Default Level of 1.5% at the end of the year, while the balance of the allowance for loan losses amounted to R\$1,796.0 million, already including appropriate allowance for credit loss related to the Material Event disclosed on January 11, 2023 by a Corporate customer.

We ended 2022 with Profit of R\$1,102.9 million, a 22.0% drop when compared to 2021. The Return on Average Equity (ROAE) reached 20.3% in 2022, a 8.0 p.p. decrease when compared to the previous year. Equity amounted to R\$5,738.5 million at the end of 2022, a 15.2% growth in 12 months and the Basel Ratio was 12.9%, at the end of the year, which reflects the Bank’s high capital base.

In terms of Funding, we reached R\$50,196.5 million at the end of the year, a 6.0% growth year-on-year. We ended the year with a positive gap of 254 days between the maturities of assets and liabilities. We carried out the twelfth public offering of Financial Bills (LFs), in a total amount of R\$1.0 billion in three series, the longest with a 4-year term.

We also grew in terms of the ESG (Environmental, Social and Corporate Governance) pillar, with much more structured criteria, practices and metrics. Also, Daycoval maintained investments in the expansion of the social commitments and completed the renovation of its transaction with the IFC, a World Bank Group member, which resulted in an additional transaction of US\$100 million, for a period of up to three years. The proceeds were used to encourage the financing of the female entrepreneurship of small- and mid-sized companies.

Our history of more than 50 years is marked by the strength to overcome barriers and create alternatives to innovate and grow. In 2022 we reached 3,432 thousand employees throughout the country and adapted our operations even remotely, committed in serving our clients well and dedicating efforts to reach sustainable performance, which is a reason for proud, as Daycoval is a bank made of individuals and to individuals. Digital and technological innovations are another important focus, aiming at offering competitive strengths in relation to the market.

About Banco Daycoval

Daycoval is specialized in the segment of corporate loans, financing and lease, also operating significantly in the Retail segment through payroll loan, auto loan, tourism exchange and investment transactions.

In the year ended December 31, 2022, relying on a team comprised of 3,432 professionals and headquartered in the city of São Paulo, State of São Paulo, Daycoval reached an expanded loan portfolio of R\$55,453.8 million, total assets of R\$69,704.9 million, equity of R\$5,738.5 million and profit of R\$1,102.9 million. As a result of its conservative strategy, the Bank stands out for its low leverage, high liquidity and performance reflected in a Basel III ratio of 12.9%.

2022 Main Indicators

Main Indicators	2022
Total assets - R\$ million	69,704.9
Expanded loan portfolio - R\$ million	55,453.8
Total funding - R\$ million	50,196.5
Profit - R\$ million	1,102.9
Equity - R\$ million	5,738.5
Return on Average Equity (ROAE) (% p.a)	20.3%
Return on Average Assets (ROAA) (% p.a)	1.7%
Net Interest Margin (NIM) (% p.a)	7.3%
Efficiency Ratio	37.8%
Basel III Ratio	12.9%

Distribution

Consistently with the proposal for growing with diversification, Banco Daycoval currently has 50 branches located in 21 States, including the Federal District. Daycoval also has a branch in the Cayman Islands, which is an important instrument not only for funding purposes, but also for opening commercial credit facilities and handling our relationships with correspondent banks.

In the year ended 2022, IFP - Promotora de Serviços de Consultoria e Cadastro Ltda., a Daycoval Group's company, a correspondent engaged in fostering payroll-deductible loan transactions, accounted for approximately 16.3% of total origination of the Bank's transactions. IFP has 51 stores throughout the country. To improve its productivity, IFP also provides services to other financial institutions.

Daycoval Câmbio had 159 points of service at the end of 2022. The Bank also operates through partnerships with travel operators and agencies to facilitate access to clients and offer greater flexibility for conducting their operations and providing rapid and secure service.

Rating

Banco Daycoval's ratings demonstrate the low level of risk and soundness attained in its operations. The information obtained by the respective risk rating agencies is widely taken into account by the financial market, but, for all effects, should not be construed as an investment advice.

According to the reports disclosed, the ratings reflect the understanding of the risk rating agencies about Banco Daycoval:

- I) AA (bra), in National scale by Fitch Rating with "stable" perspective;
- II) AA.br, in National scale by Moody's with "stable" perspective;
- III) brAA+, in National scale by Standard&Poor's with "stable" perspective.

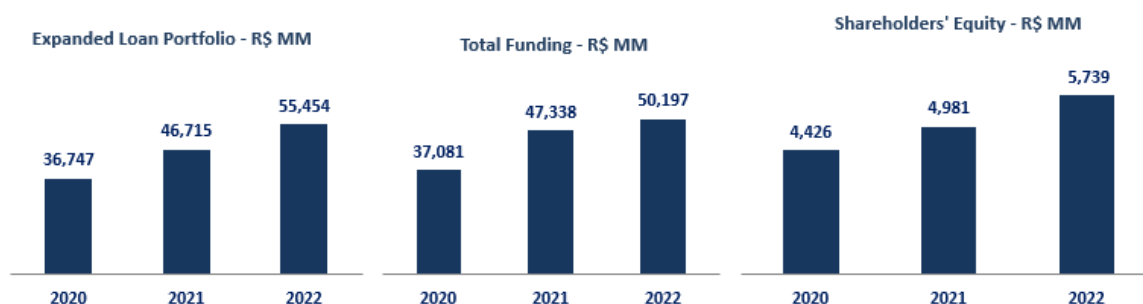
Operating and Financial Performance

Banco Daycoval's strategy is to diversify its funding, either from the standpoint of source or from the standpoint of instrument, so as to be aligned with the expected loan portfolio growth, always seeking the combination of assets and liabilities and cost effectiveness. In 2022 funding grew in line with the loan portfolio growth and totaled R\$50,196.5 million at the end of the year, a growth by 6.0% when compared to the same period in 2021.

Daycoval completed its twelfth public offering of Financial Bills, issuing a total amount of R\$1.0 billion. The amount is divided in three series, the first of which in the amount of R\$406.0 million for two years; the second in the amount of R\$340.5 million for three years; and the third in the amount of R\$253.5 million for four years.

By the end of 2022, the expanded loan portfolio balance was R\$55,453.8 million, up by 18.7% compared to 2021. The corporate loan segment, the Bank's core business, grew by 14.8% in the year.

Profit reached R\$1,102.9 million in 2022, down by 22.0% against 2021. The Return on Average Equity (ROAE) reached 20.3% p.a., the Return on Average Assets (ROAA) was 1.7% p.a., the Efficiency Ratio was 37.8% in the year, and the Net Interest Margin (NIM) was 7.3% p.a.



Corporate Governance

Banco Daycoval's corporate management policy is consistent with the principles set out by the Brazilian Institute of Corporate Governance (IBGC) and the best market practices. The Bank often seeks to improve its management model, driven by sustainability guidelines and ethics, transparency, respect and responsibility principles in conducting its business and maintaining relationship equity towards all of its stakeholders.

Audit Committee

The Audit Committee, established and instated in the first half of 2009, pursuant to Resolution 3,198 of May 27, 2004, currently Resolution 4,190 of May 27, 2021, both from the National Monetary Council, is responsible for assessing the quality and completeness of the Bank's financial statements, complying with legal and regulatory requirements, ensuring the performance, independence and quality of external auditors' work, as well as ensuring the internal audit performance and quality and effectiveness of the Bank's internal control and risk management systems. The current members of this Committee were approved by the Central Bank of Brazil on September 12, 2022.

Integrated risk and capital management

The Bank considers the risk management an important instrument for adding value to Daycoval, its shareholders, employees and clients, besides contributing to strengthen the corporate governance and the internal control environment. Accordingly, it constantly makes investments to enhance processes, procedures, criteria and tools designed for managing operational, market, liquidity, credit, compliance, social, environmental, climate and capital management risks, in order to ensure a high degree of safety for all of its operations. Daycoval adopts preventive measures and continuously operates to enhance its risk policies and internal control systems with a view to avoiding or mitigating the exposure to risks to the maximum extent. Daycoval draws on a continuing, integrated risk management framework, aligned with the Bank's strategic goals, through its Risk Appetite Statement (RAS) and with capital management framework, designed to identify, monitor, control and mitigate the risks underlying its activities, as well as to disseminate such risk mitigation culture. It also relies on committees and periodic reports from the relevant areas so as to ensure appropriate risk management and efficient governance.

The management framework for the Operational Risk, Compliance Risk, Social, Environmental and Climate Risk, Market and Liquidity Risks, Credit and Capital Management Risk is comprised of the Board of Directors, Executive Board, Risk Board, Integrated Risk and Capital Committee and respective committees.

More information on Risk Management and the Required Regulatory Capital, pursuant to the prevailing law, can be obtained at: www.daycoval.com.br/ri.

People

When talking about Daycoval Group's growth and development, one strength must be highlighted: the individuals. Having a motivated and interested team is a decisive factor to make Daycoval one of the best places to work, certified by the Great Place to Work since 2018, and one of our principles revolves around believing that human capital is imperative for the good business performance. Accordingly, Daycoval continuously invests in the training and wellbeing of its employees. To inspire employees, the Group offers learning opportunities, adopts ethical and non-discriminatory practices, maintains a pleasant and highly productive work environment and pays fair compensation.

As at December 31, 2022, the Group relied on a talented, motivated team of 3,432 professionals. We are growing, which is good for business and people, as more opportunities and new challenges will arise for everyone.

The Daycoeduca Program stands out among the major initiatives targeted at continuous development, offering Undergraduate, Graduate or MBA scholarships. 154 employees were contemplated in 2022 under this development strategy.

In 2022, 21,280 hours of training were given, involving 3,941 participants, encompassing programs in the IT, anti-money laundering, sustainability, custody, internal processes, certification and risk management areas and special courses for managers on Leadership. Developing our employees to face today's challenges and preparing them for tomorrow is one of the RH management strategy adopted.

The Executive Board continues to use the communication platform and presents the results of operations and perspectives to employees every quarter. This is an important strategy when we talk about engagement and alignment.

The Bank relies on a qualified team and always seeks professionals willing to overcome challenges. It recognizes the potential of employees, offering professional and personal development and growth. Our employees encompass different generations: 54% of generation Y, 30% of generation X, 12% of generation Z and roughly 4% of Baby Boomers. The Trainee Program continues to attract more and more young professionals with strong potential, ending 2022 with 73 trainees, as we need to create a pipeline of talented professionals.

Daycoval Group also participates in the Young Apprentice Program through an agreement with ESPRO (Ensino Social Profissionalizante – Social, Vocational Education) and CIEE (Company-School Integration Center), besides offering welfare and labor gymnastics programs.

Sustainability

2022 combined several events that contributed to making the year a unique and challenging year. The fact that we are back to normal, after the beginning of the Covid-19 pandemic, was one of these events. Daycoval continued with its strategic plan, strengthening its actions to expand its customer portfolio and seek to overcome even further its expectations in the economic, corporate, social and cultural areas.

In the ESG pillar, Daycoval maintained investments in the expansion of the social commitments and completed the renovation of its transaction with the IFC, a World Bank Group member, which resulted in an additional

transaction of US\$100 million, for a period of up to three years. The proceeds were used to encourage the financing of the female entrepreneurship of small- and mid-sized companies.

A friendly, ethical and diverse environment allows attracting and retaining talents aligned with Daycoval's culture. Hence, the Bank invests heavily in the qualification of its staff and reached 3,432 employees in 2022 throughout the country.

In the constant search for adding value to the society, we implemented solidarity actions with the participation of employees, supplemented by Daycoval's effort. In 2022 employees throughout Brasil collected 1,250 items, including blankets, clothes and shoes, through another edition of the "Conexão do Bem" Campaign. In relation to the Bank, the estimated amount of these donations was converted into a monetary sum that was used to distribute basic staple baskets to poor communities. It is an interconnected chain, where employees are engaged and the Bank is the counterparty.

In 2022 we started an affinity group focused on disabled persons. The group's purpose is to offer a safe and inclusive space where it is possible to share experiences, support each other and develop our journey inside Daycoval Group. Also focused on diversity, we offer the "Dando Asas" social project, in partnership with SER ESPECIAL, upon the inclusion of work from intellectually disabled individuals.

Vaccination campaigns are organized and courses involving healthcare actions, social life and personal support are provided for the wellbeing of employees and their families. Moreover, music classes and running training are promoted, seeking to enhance the quality of life.

Social Responsibility

Significant progress in social responsibility projects and actions was observed in 2022. Approximately R\$13.3 million was invested in conformity with tax incentive laws and R\$24.5 million in direct donations, totaling R\$37.8 million in the promotion of cultural, educational and sports initiatives and actions focused on health and life quality. A few institutions must be pointed out such as: Graac, Gol de Letra, Verdescola, Hospital Pequeno Príncipe, Instituto Mano Down, Hospital do Câncer de Barretos.

Relationship with Independent Auditors

In accordance with CVM Instruction 381 of January 14, 2003, we inform that the company engaged to audit the financial statements for the years ended December 31, 2022 and 2021 was not engaged to perform services to the Bank other than external audit.

Executive Board Statement

Pursuant to the provisions set out in Article 27, of CVM Resolution 80/2022, the Bank's Executive Board states that it has discussed, reviewed and agreed with the opinions expressed in the independent auditor's report, and that it has discussed, reviewed and agreed with the financial statements for the six-month period and year ended December 31, 2022.

Acknowledgements

Banco Daycoval S.A.'s management thanks the shareholders, clients, suppliers and the financial community for the essential support and trust shown, as well as our professionals who have made such performance possible.

São Paulo, February 08, 2023.

The Management

For further information on Banco Daycoval's performance, please visit www.daycoval.com.br/ri.

INDIVIDUAL AND CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

ASSETS	Note	Bank		Consolidated	
		2022	2021	2022	2021
Cash	4	829,952	311,805	830,204	312,094
Reserves - Central Bank of Brazil	5	287,834	435,630	287,834	435,630
Interbank accounts		4,526	3,319	4,526	3,319
Financial instruments		64,394,743	57,617,009	65,614,845	58,641,525
Interbank investments	6	4,730,619	4,659,241	2,870,882	3,310,566
Securities	7	11,775,496	9,597,269	12,281,864	10,079,292
Derivatives	8.a	413,784	933,080	414,421	935,598
Lending portfolio					
Loans	9	31,017,630	27,295,601	31,285,002	27,583,232
Finance lease	9.i	-	-	2,286,458	1,591,383
Operating lease	9	-	-	208,202	218,144
(-) Unearned income from leasing operations	9	-	-	(207,600)	(217,893)
Other transactions with loan characteristics	9	13,913,718	11,557,562	13,932,120	11,566,947
Foreign exchange portfolio	10	2,543,496	3,574,256	2,543,496	3,574,256
Allowance for loan losses	9.e	(1,711,637)	(1,575,832)	(1,745,611)	(1,601,748)
Lending operations		(1,276,842)	(1,416,314)	(1,283,611)	(1,425,902)
Leasing operations		-	-	(27,091)	(16,310)
Other		(434,795)	(159,518)	(434,909)	(159,536)
Current and deferred tax assets	19.b	2,074,380	1,739,710	2,159,618	1,786,185
Debtors for escrow deposits		1,794,437	1,581,364	1,798,718	1,585,388
Tax	18.c	1,733,400	1,528,906	1,733,400	1,528,906
Civil	18.c	45,749	38,773	45,772	38,856
Labor	18.c	15,288	13,685	19,473	17,559
Other		-	-	73	67
Other credits		300,045	257,060	284,209	265,210
Income receivable		64,950	35,177	47,259	40,627
Trading account		27,872	85,596	27,872	85,596
Sundry	11	207,223	136,287	209,078	138,987
Other assets	12	132,518	159,321	132,518	159,321
Non-financial assets held for sale		91,885	89,204	91,885	89,204
(Allowance for losses on non-financial assets held for sale)		(5,175)	(3,270)	(5,175)	(3,270)
Prepaid expenses		45,808	73,387	45,808	73,387
Investments		1,653,617	1,531,285	64,854	52,814
Equity in subsidiaries and associates	14	1,648,681	1,525,731	11,285	-
Other investments		4,936	5,554	53,569	52,814
Property and equipment in use	15.a	54,219	61,154	61,107	68,358
Property and equipment in use		124,890	119,541	136,856	130,994
(Accumulated depreciation)		(70,671)	(58,387)	(75,749)	(62,636)
Property and equipment for operating lease	15.b	-	-	211,941	223,203
Leased assets		-	-	462,568	409,213
(Accumulated depreciation)		-	-	(250,627)	(186,010)
Intangible assets		-	-	163	257
TOTAL ASSETS		69,814,634	62,121,825	69,704,926	61,931,556

The accompanying notes are an integral part of this interim financial statements.

**INDIVIDUAL AND CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)**

LIABILITIES	Note	Bank		Consolidated	
		2022	2021	2022	2021
			(Restated)		(Restated)
Financial instruments		59,703,154	52,995,770	59,237,832	52,562,790
Deposits	16.b	17,932,740	17,331,441	17,864,912	17,281,007
Repurchase commitments	16.a	6,832,015	2,474,519	6,832,015	2,474,519
Issuance of securities	16.b	23,476,949	20,542,824	23,079,455	20,160,278
In Brazil		21,263,647	17,928,549	20,879,224	17,546,003
Abroad		2,213,302	2,614,275	2,200,231	2,614,275
Borrowings	16.b	7,820,251	8,709,577	7,820,251	8,709,577
Domestic onlendings - official institutions	16.b	389,386	195,571	389,386	195,571
Subordinated debts	16.b	1,042,478	992,038	1,042,478	992,038
Derivatives	8.a	549,729	207,588	549,729	207,588
Foreign exchange portfolio	10	1,659,606	2,542,212	1,659,606	2,542,212
Interbank and interbranch accounts		321,026	217,061	321,026	217,061
Provision for risks	18	2,101,466	1,975,484	2,115,618	1,987,709
Tax		1,918,896	1,812,691	1,920,734	1,813,790
Civil		138,177	115,688	138,960	116,382
Labor		44,393	47,105	55,924	57,537
Provision for financial guarantees provided	9.e	44,616	42,873	44,616	42,873
Current and deferred tax liabilities	19.b	1,267,806	1,231,008	1,474,628	1,370,966
Other payables		638,107	678,351	751,985	749,196
Social and statutory	17.a	274,748	368,900	277,583	371,570
Collected taxes and others		12,653	11,698	12,722	11,856
Trading account		41,888	46,905	41,888	46,905
Sundry	17.b	308,818	250,848	419,792	318,865
Equity	20	5,738,459	4,981,278	5,759,221	5,000,961
Bank owner's equity		5,738,459	4,981,278	5,738,459	4,981,278
Capital social		3,557,260	3,557,260	3,557,260	3,557,260
Capital reserves		2,125	1,125	2,125	1,125
Earnings reserves		2,189,436	1,423,037	2,189,436	1,423,037
Other comprehensive income		(10,362)	(144)	(10,362)	(144)
Noncontrolling equity		-	-	20,762	19,683
Noncontrolling interests		-	-	20,762	19,683
TOTAL LIABILITIES AND EQUITY		69,814,634	62,121,825	69,704,926	61,931,556

The accompanying notes are an integral part of this interim financial statements.

INCOME STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2022 AND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	Note	2nd half of 2022		Bank		Consolidated	
		Bank	Consolidated	2022	2021	2022	2021
INCOME FROM FINANCIAL INTERMEDIATION		4,887,817	5,029,498	9,033,434	5,850,048	9,301,070	6,062,312
Lending operations	21.a	3,878,034	4,086,053	6,938,430	5,197,954	7,311,192	5,407,598
Securities transactions	21.b	750,222	780,979	1,359,669	384,679	1,417,340	416,834
Interbank accounts	21.c	99,956	(17,599)	262,437	115,686	61,999	66,627
Foreign exchange transactions	21.d	159,605	180,065	472,907	149,833	510,548	169,357
Sale transactions or transfer of financial assets		-	-	(9)	1,896	(9)	1,896
EXPENSES ON FINANCIAL INTERMEDIATION		(2,734,850)	(2,703,398)	(5,157,063)	(1,800,566)	(5,101,179)	(1,776,457)
Interbank and time deposits	21.e	(830,610)	(826,885)	(1,552,680)	(625,838)	(1,546,864)	(624,377)
Issuance of securities in Brazil	21.e	(1,384,613)	(1,357,455)	(2,533,859)	(893,964)	(2,483,929)	(874,540)
Issuance of securities abroad	21.e	(38,861)	(38,713)	206,546	(217,602)	206,804	(217,233)
Borrowings and onlendings	21.f	(268,158)	(268,158)	234,347	(567,511)	234,347	(567,511)
Derivative instruments	21.b	(212,608)	(212,187)	(1,511,417)	504,349	(1,511,537)	507,204
GROSS PROFIT FROM FINANCIAL INTERMEDIATION		2,152,967	2,326,100	3,876,371	4,049,482	4,199,891	4,285,855
EXPENSES ON THE ALLOWANCE FOR LOAN LOSSES	9.e	(393,016)	(400,632)	(665,986)	(437,317)	(676,548)	(446,561)
Lending operations		(116,508)	(124,082)	(386,818)	(404,942)	(397,284)	(414,316)
Other credits		(292,569)	(292,611)	(277,425)	(34,283)	(277,521)	(34,153)
Guarantees and collaterals		16,061	16,061	(1,743)	1,908	(1,743)	1,908
PROFIT FROM FINANCIAL INTERMEDIATION		1,759,951	1,925,468	3,210,385	3,612,165	3,523,343	3,839,294
OTHER ADMINISTRATIVE AND OPERATING INCOME (EXPENSES)		(768,592)	(896,310)	(1,445,020)	(1,141,210)	(1,680,425)	(1,305,135)
Income from services provided	21.g	202,681	214,376	380,184	271,721	402,237	290,020
Income from insurance operations		-	-	-	-	(304)	8
Personnel expenses	21.h	(346,250)	(397,337)	(660,874)	(530,392)	(754,914)	(605,348)
Other administrative expenses	21.i	(535,600)	(531,323)	(975,597)	(767,623)	(964,824)	(761,293)
Tax expenses	19.a.ii	(124,233)	(145,622)	(228,905)	(210,621)	(270,629)	(241,147)
Equity in subsidiaries and associates	14	73,796	883	132,954	93,639	1,473	-
Other operating income and expenses	21.j	46,534	51,129	65,371	(10,978)	68,031	(1,271)
Depreciation and amortization expenses		(6,324)	(6,855)	(12,624)	(11,773)	(13,689)	(12,981)
Expenses with provision for risks							
Tax		(75,422)	(75,844)	(136,325)	(41,146)	(137,148)	(41,659)
Civil		(5,903)	(5,905)	(12,434)	51,072	(12,441)	51,243
Labor		2,129	188	3,230	14,891	1,783	17,293
OPERATING INCOME		991,359	1,029,158	1,765,365	2,470,955	1,842,918	2,534,159
NONOPERATING EXPENSES (INCOME)		(3,926)	12,083	2,761	24,572	27,070	40,231
INCOME BEFORE INCOME TAXES		987,433	1,041,241	1,768,126	2,495,527	1,869,988	2,574,390
INCOME TAX AND SOCIAL CONTRIBUTION	19.a.i	(254,406)	(305,217)	(466,171)	(918,228)	(562,987)	(993,930)
Provision for income tax		(111,271)	(123,016)	(333,971)	(433,725)	(356,105)	(454,529)
Provision for social contribution		(117,508)	(107,131)	(295,973)	(397,555)	(304,239)	(432,076)
Deferred tax assets (liabilities)		(25,627)	(75,070)	163,773	(86,948)	97,357	(107,325)
PROFIT SHARING		(98,169)	(99,510)	(199,028)	(163,100)	(201,912)	(166,238)
Noncontrolling interests		-	(1,656)	-	-	(2,162)	(23)
PROFIT		634,858	634,858	1,102,927	1,414,199	1,102,927	1,414,199
Profit attributable to controlling shareholders		634,858	633,202	1,102,927	1,414,199	1,100,765	1,414,176
Profit attributable to noncontrolling interests		-	1,656	-	-	2,162	23

The accompanying notes are an integral part of this interim financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2022 AND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	Bank and Consolidated		
	2nd half of 2022	2022	2021
PROFIT	634,858	1,102,927	1,414,199
Other comprehensive income	4,774	(10,218)	7,235
Fair value adjustments -			
Available-for-sale marketable securities			
Attributable to the parent	6,621	(5,932)	21,869
Attributable to subsidiaries	1,132	(6,955)	(4,793)
Deferred taxes on valuation adjustments to equity			
Attributable to the parent	(2,979)	2,669	(9,841)
TOTAL OTHER COMPREHENSIVE INCOME	639,632	1,092,709	1,421,434

The accompanying notes are an integral part of this interim financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2022 AND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	Note	Capital	Capital reserves	Earnings reserves		Retained earnings	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
				Legal	Bylaws					
BALANCE AS AT JUNE 30, 2022		3,557,260	2,125	153,244	1,293,196	284,015	(15,135)	5,274,705	19,181	5,293,886
Adjustment to fair value -										
Available-for-sale marketable securities		-	-	-	-	-	4,773	4,773	-	4,773
Profit		-	-	-	-	634,858	-	634,858	-	634,858
Allocations:										
Legal reserve		-	-	31,743	-	(31,743)	-	-	-	-
Bylaws reserve		-	-	-	711,253	(711,253)	-	-	-	-
Interest on capital	20.c.ii	-	-	-	-	(175,877)	-	(175,877)	-	(175,877)
Changes in noncontrolling interests		-	-	-	-	-	-	-	1,581	1,581
BALANCE AS AT DECEMBER 31, 2022		3,557,260	2,125	184,987	2,004,449	-	(10,362)	5,738,459	20,762	5,759,221
BALANCE AS AT DECEMBER 31, 2021		3,557,260	1,125	129,841	1,293,196	-	(144)	4,981,278	-	4,981,278
Adjustments of adoption of new accounting practices										
Reclassification of noncontrolling interests										
In subsidiaries and associates		-	-	-	-	-	-	-	1,056	1,056
In controlled investment fund		-	-	-	-	-	-	-	18,627	18,627
Balance as at January 1 2022		3,557,260	1,125	129,841	1,293,196	-	(144)	4,981,278	19,683	5,000,961
Adjustment to fair value -										
Available-for-sale marketable securities		-	-	-	-	-	(10,218)	(10,218)	-	(10,218)
Monetary adjustment to equity securities		-	1,000	-	-	-	-	1,000	-	1,000
Profit		-	-	-	-	1,102,927	-	1,102,927	-	1,102,927
Allocations:										
Legal reserve		-	-	55,146	-	(55,146)	-	-	-	-
Bylaws reserve		-	-	-	711,253	(711,253)	-	-	-	-
Interest on capital	20.c.ii	-	-	-	-	(336,528)	-	(336,528)	-	(336,528)
Changes in noncontrolling interests		-	-	-	-	-	-	-	1,079	1,079
BALANCE AS AT DECEMBER 31, 2021		3,557,260	2,125	184,987	2,004,449	-	(10,362)	5,738,459	20,762	5,759,221
BALANCE AS AT DECEMBER 31, 2020		3,557,260	279	59,131	816,582	-	(7,379)	4,425,873	-	4,425,873
Adjustments of adoption of new accounting practices										
Reclassification of noncontrolling interests										
In subsidiaries and associates		-	-	-	-	-	-	-	1,030	1,030
In controlled investment fund		-	-	-	-	-	-	-	19,544	19,544
Balance as at January 1 2021		3,557,260	279	59,131	816,582	-	(7,379)	4,425,873	20,574	4,446,447
Adjustment to fair value -										
Available-for-sale marketable securities		-	-	-	-	-	7,235	7,235	-	7,235
Monetary adjustment to equity securities		-	846	-	-	-	-	846	-	846
Prior-year additional dividends	20.c.iv	-	-	-	(500,008)	-	-	(500,008)	-	(500,008)
Profit		-	-	-	-	1,414,199	-	1,414,199	-	1,414,199
Allocations:										
Legal reserve		-	-	70,710	-	(70,710)	-	-	-	-
Bylaws reserve		-	-	-	976,622	(976,622)	-	-	-	-
Dividends	20.c.iii	-	-	-	-	(160,235)	-	(160,235)	-	(160,235)
Interest on capital	20.c.ii	-	-	-	-	(206,632)	-	(206,632)	-	(206,632)
Changes in noncontrolling interests		-	-	-	-	-	-	-	(891)	(891)
BALANCE AS AT DECEMBER 31, 2021		3,557,260	1,125	129,841	1,293,196	-	(144)	4,981,278	19,683	5,000,961

The accompanying notes are an integral part of this interim financial statements.

STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2022 AND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	2nd half of 2022		Bank		Consolidated	
	Bank	Consolidated	2022	2021	2022	2021
OPERATING ACTIVITIES						
PROFIT	634,858	634,858	1,102,927	1,414,199	1,102,927	1,414,199
ADJUSTMENTS TO RECONCILE PROFIT						
TO NET CASH USED IN OPERATING ACTIVITIES						
Depreciation and amortization	6,324	6,855	12,624	11,773	13,689	12,981
Deferred taxes	25,627	75,070	(163,773)	86,948	(97,357)	107,325
Current taxes	228,779	230,147	629,944	831,280	660,344	886,605
Provision for risks	44,028	46,034	125,981	89,367	127,909	87,185
Provision for guarantees and collaterals	(16,061)	(16,061)	1,743	(1,908)	1,743	(1,908)
Allowance for loan losses	116,508	116,106	386,818	404,762	385,089	410,444
Allowance for losses on leasing operations	-	7,976	-	-	12,195	3,872
Allowance for other loan losses	301,676	301,718	291,431	35,863	291,527	35,553
Allowance for other sundry loan losses	(9,107)	(9,107)	(14,006)	(1,400)	(14,006)	(1,400)
Allowance for losses on other assets	1,704	1,704	1,904	(5,294)	1,904	(5,294)
Exchange rate changes on cash and cash equivalents	22,933	22,933	94,514	(20,878)	94,514	(20,878)
Gains on disposal of permanent assets	10,100	(2,032)	9,696	3,180	(9,811)	(14,041)
Share of profit (loss) of subsidiaries and associates	(73,796)	(883)	(132,954)	(93,639)	(1,473)	-
TOTAL RECONCILIATION ADJUSTMENTS	658,715	780,460	1,243,922	1,340,054	1,466,267	1,500,444
ADJUSTED PROFIT	1,293,573	1,415,318	2,346,849	2,754,253	2,569,194	2,914,643
CHANGES IN ASSETS AND LIABILITIES	(807,918)	(921,678)	1,045,023	(7,729,152)	836,225	(7,888,872)
(Increase) Decrease in interbank accounts	1,163,658	1,480,673	658,640	(1,600,406)	1,169,703	(1,044,897)
(Increase) Decrease in securities and derivatives	(1,038,662)	(1,063,325)	(1,276,858)	(3,916,680)	(1,304,095)	(4,107,568)
(Increase) Decrease in interbank and deposits with the Central Bank	10,428	10,428	250,553	(231,369)	250,553	(231,369)
(Increase) Decrease in lending operations	(2,756,472)	(2,763,963)	(4,248,618)	(2,140,636)	(4,229,450)	(2,237,395)
(Increase) Decrease in leasing operations	-	(450,267)	-	-	(692,453)	(638,615)
(Increase) Decrease in other receivables	(2,207,710)	(2,189,765)	(1,661,841)	(7,321,678)	(1,641,681)	(7,286,753)
(Increase) Decrease in other assets	27,864	15,296	37,475	(53,778)	45,599	(53,778)
Increase (Decrease) in deposits	1,174,788	1,147,472	601,299	3,248,890	583,905	3,253,405
Increase (Decrease) in repurchase commitments	1,671,572	1,671,571	4,357,496	522,847	4,357,496	522,847
Increase (Decrease) in funds issuance of securities	1,879,243	1,900,138	3,868,799	2,657,785	3,866,923	2,811,915
Increase (Decrease) in borrowings and onlendings	625,382	625,381	92,608	937,358	92,608	937,358
Increase (Decrease) in other payables	(1,185,405)	(1,117,095)	(873,635)	817,777	(842,459)	883,143
Income tax and social contribution paid	(172,604)	(188,222)	(760,895)	(649,262)	(820,424)	(697,165)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	485,655	493,640	3,391,872	(4,974,899)	3,405,419	(4,974,229)
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of property and equipment in use	(2,914)	(2,940)	(5,349)	(11,126)	(5,863)	(11,655)
NET CASH USED IN INVESTING ACTIVITIES	(2,914)	(2,940)	(5,349)	(11,126)	(5,863)	(11,655)
CASH FLOWS FROM FINANCING ACTIVITIES						
Increase (Decrease) in funds from acceptance and issuance of securities	(224,342)	(232,204)	(934,676)	(575,419)	(947,746)	(575,419)
Increase (Decrease) in borrowings and onlendings	(48,797)	(48,797)	(788,119)	3,299,040	(788,119)	3,299,040
Increase (decrease) in subordinated debts	16,203	16,203	50,440	531,381	50,440	531,381
Dividends and interest on capital paid	(86,695)	(86,695)	(371,488)	(827,481)	(371,488)	(827,481)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(343,631)	(351,493)	(2,043,843)	2,427,521	(2,056,913)	2,427,521
EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(22,933)	(22,933)	(94,514)	20,878	(94,514)	20,878
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	116,177	116,274	1,248,166	(2,537,626)	1,248,129	(2,537,485)
Cash and cash equivalents at beginning of the period	2,406,733	2,406,888	1,274,744	3,812,370	1,275,033	3,812,518
Cash and cash equivalents at end of the period	2,522,910	2,523,162	2,522,910	1,274,744	2,523,162	1,275,033
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	116,177	116,274	1,248,166	(2,537,626)	1,248,129	(2,537,485)

The accompanying notes are an integral part of this interim financial statements.

STATEMENTS OF VALUE ADDED
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2022 AND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	2nd half of 2022		Bank		Consolidated	
	Bank	Consolidated	2022	2021	2022	2021
REVENUES	4,660,890	4,823,237	8,670,234	5,722,863	8,971,538	5,971,588
Income from financial intermediation	4,887,817	5,029,498	9,033,434	5,850,048	9,301,070	6,062,312
Revenue from services	202,681	214,376	380,184	271,721	402,237	290,020
Allowance for loan losses	(393,016)	(400,632)	(665,986)	(437,317)	(676,548)	(446,561)
Other	(36,592)	(20,005)	(77,398)	38,411	(55,221)	65,817
EXPENSES	(2,734,850)	(2,703,398)	(5,157,063)	(1,800,566)	(5,101,179)	(1,776,457)
Expenses on financial intermediation	(2,734,850)	(2,703,398)	(5,157,063)	(1,800,566)	(5,101,179)	(1,776,457)
INPUTS PURCHASED FROM THIRD PARTIES	(523,624)	(518,309)	(952,218)	(748,492)	(939,701)	(740,131)
Materials, electric power and other	(94,648)	(103,560)	(164,451)	(123,555)	(185,035)	(144,571)
Outside services	(428,976)	(414,749)	(787,767)	(624,937)	(754,666)	(595,560)
GROSS VALUE ADDED	1,402,416	1,601,530	2,560,953	3,173,805	2,930,658	3,455,000
DEPRECIATION AND AMORTIZATION	(6,324)	(6,855)	(12,624)	(11,773)	(13,689)	(12,981)
TOTAL WEALTH CREATED BY THE BANK AND CONSOLIDATED	1,396,092	1,594,675	2,548,329	3,162,032	2,916,969	3,442,019
WEALTH RECEIVED IN TRANSFER	73,796	883	132,954	93,639	1,473	-
Equity in subsidiaries	73,796	883	132,954	93,639	1,473	-
WEALTH FOR DISTRIBUTION	1,469,888	1,595,558	2,681,283	3,255,671	2,918,442	3,442,019
DISTRIBUTION OF WEALTH	1,469,888	1,595,558	2,681,283	3,255,671	2,918,442	3,442,019
EMPLOYEES	390,046	434,656	756,734	608,485	839,473	675,173
Salaries and wages	323,307	356,567	633,427	509,897	695,220	560,841
Benefits	53,859	62,981	98,988	79,026	115,908	91,590
Severance pay fund (FGTS)	12,880	15,108	24,319	19,562	28,345	22,742
TAXES, FEES AND CONTRIBUTIONS	433,009	513,031	798,243	1,213,855	950,919	1,331,483
Federal	419,689	489,033	771,626	1,192,678	903,658	1,295,999
State	2,222	2,227	4,422	3,193	4,483	3,257
Municipal	11,098	21,771	22,195	17,984	42,778	32,227
LENDERS AND LESSORS	11,975	13,013	23,379	19,132	25,123	21,164
Rentals	11,975	13,013	23,379	19,132	25,123	21,164
SHAREHOLDERS	634,858	634,858	1,102,927	1,414,199	1,102,927	1,414,199
Dividends	-	-	-	160,235	-	160,235
Interest on capital	175,877	175,877	336,528	206,632	336,528	206,632
Retained earnings	458,981	460,637	766,399	1,047,332	768,561	1,047,355
Noncontrolling interests	-	(1,656)	-	-	(2,162)	(23)

The accompanying notes are an integral part of this interim financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$, unless otherwise stated)**

1 - GENERAL INFORMATION

Banco Daycoval S.A. ("Bank" or "Daycoval"), headquartered at Avenida Paulista, 1,793, in the City and State of São Paulo, is a publicly-held entity, organized as a full-service bank authorized to operate commercial, foreign exchange, investment, and lending and financing portfolios and, through its direct and indirect subsidiaries, also leasing portfolio, asset management, life insurance, pension plans and provision of services. The Bank is part of Daycoval Conglomerate and conducts its businesses on an integrated basis.

2 - INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

a) Presentation

The Bank's individual and consolidated interim financial statements, which include its foreign branch, direct and indirect subsidiaries and the investment funds in which there is retention of risks and rewards, have been prepared in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil, and is in conformity with the accounting guidelines set out in the Brazilian Corporate Law (Law 6,404/76), and the amendments introduced by Law 11,638/07 and Law 11,941/09, for the recognition of transactions including, when applicable, the rules and instructions from the National Monetary Council (CMN), the Central Bank of Brazil (BACEN) and the Standard Chart of Accounts for Financial Institutions (COSIF), the Brazilian and Securities Exchange Commission (CVM), the National Private Insurance Council (CNSP), the Private Insurance Superintendence (SUSEP) and the Accounting Pronouncements Committee (CPC).

As prescribed by CMN Resolution 4,818/20 and BCB Resolution 2/20 which revoked CMN Resolution 4,720/19 and BACEN Circular Letter 3,959/19, respectively, the financial institutions and other institutions authorized to operate by BACEN, must prepare their financial statements in accordance with the criteria and procedures set out in these regulations, which address the disclosure of interim, semiannual and annual financial statements, as well as their content, which include the balance sheets and statements of income, of comprehensive income, of cash flows and of changes in equity, the notes to the financial statements and the disclosure of information on non-recurring results.

The individual and consolidated Interim Financial Statements were approved by Management on February 8, 2023.

Daycoval adopts presentation criteria in its financial statements so as to represent the economic substance of its transactions and in accordance with financial reporting criteria set out in BCB Resolution 2/20, and additional regulations.

b) Process of convergence with International Financial Reporting Standards ("IFRS")

As part of the process of convergence with the International Financial Reporting Standards ("IFRS"), the Accounting Pronouncements Committee (CPC) has issued pronouncements related to the international accounting convergence process that have been approved by the CVM but not all of them have been ratified by the BACEN. Accordingly, in the preparation of the interim financial statements, the Bank has adopted the following pronouncements that have been approved by the BACEN:

Pronouncements issued by the CPC	CMN Resolution
CPC 00 (R2) - Conceptual Framework for Financial Reporting and Disclosure of Financial and Accounting Report	4,924/21
CPC 01 (R1) - Impairment of Assets	4,924/21
CPC 03 (R2) - Statements of Cash Flows	4,818/20
CPC 05 (R1) - Related-party Disclosures	4,818/20
CPC 10 (R1) - Share-based Payment	3,989/11
CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors	4,924/21
CPC 24 - Events After the Reporting period	4,818/20
CPC 25 - Provisions, Contingent Liabilities and Contingent Assets	3,823/09
CPC 33 (R1) - Employee Benefits	4,877/20
CPC 41 - Earnings per Share	4,818/20
CPC 46 - Fair Value Measurement	4,924/21
CPC 47 - Revenue from Contracts with Customers	4,924/21

All relevant information in the Individual and Consolidated Financial Statements of the Bank, and only such information, is being disclosed and corresponds to the information used by the Bank's Management in managing the Bank.

c) Consolidation

In the process of consolidation of the interim financial statements, the balances of assets, liabilities and results from the transactions among the Bank, its foreign branch, its direct and indirect subsidiaries and the investment funds acquired with substantial retention of risks and rewards, were eliminated, and the balances of profit and equity attributable to noncontrolling interests were recorded in separate line items.

The individual and consolidated financial statements include the Bank and the following entities:

	Ownership interest - %	
	2022	2021
Leasing operations		
Daycoval Leasing – Banco Múltiplo S.A. (“Daycoval Leasing”)	100.00	100.00
Financial activity - Foreign branch		
Banco Daycoval S.A. - Cayman Branch	100.00	100.00
Insurance and pension plan activity		
Dayprev Vida e Previdência S.A. (“Dayprev”)	97.00	97.00
Non-financial activity		
ACS Participações Ltda. (“ACS”)	99.99	99.99
Daycoval Asset Management Administração de Recursos Ltda. (“Daycoval Asset”)	99.99	99.99
IFP Promotora de Serviços de Consultoria e Cadastro Ltda. (“IFP”)	99.99	99.99
SCC Agência de Turismo Ltda. (“SCC”)	99.99	99.99
Treetop Investments Ltd. (“Treetop”)	99.99	99.99
Investment fund		
Multigestão Renda Comercial Fundo de Investimento Imobiliário - FII (“Fundo”) ⁽¹⁾	67.97	67.97

(1) The Fund was consolidated if Daycoval substantially assumes or retains the risks and rewards.

d) New standards issued by the BACEN effective in the future:

i. CMN Resolution 4,966 of November 25, 2021

Effective beginning January 1, 2025, establishes new criteria applicable to financial instruments, including the designation and recognition of hedge relationships (hedge accounting) to be adopted by financial institutions and other institutions authorized to operate by the Central Bank of Brazil, including: (i) classification, measurement, recognition and write-off of financial instruments; (ii) recognition of allowance for expected credit losses; (iii) adjustment of financial instruments through the effective contractual interest rate; and (iv) recognition of interest for past-due financial instruments.

The adoption of the previously mentioned regulations and the potential supplementary regulations related to the accounting treatment of financial instruments, including the restructuring of the Accounting Chart of Institutions Regulated by the Central Bank of Brazil (COSIF), are included in Banco Daycoval’s Implementation Plan.

The Implementation Plan initially established based on the definitions set out in CMN Resolution 4,966/21, adopted by Banco Daycoval provides for phases to be implemented during 2023 and 2024 for the effective implementation beginning January 1, 2025 and the creation of a specific Committee, comprised of several areas that will be dedicated to the identification of the impacts arising from the adoption of the regulations and the monitoring of their implementation considering, among other aspects, the impacts on processes and legacy systems and review of the models and criteria used in the determination of accounting estimates. It must be mentioned that, as supplementary regulations will be published by the CMN and/or BCB, new adjustments to the Implementation Plan can be made.

Daycoval’s Management is monitoring the process of adoption of Resolution 4,966/21 and the impacts on the financial statements will be disclosed after the full definition of the regulatory framework.

ii. CMN Resolution 4,975, of December 16, 2021

Provides for the accounting criteria applicable to leasing operations by the financial institutions and other institutions authorized to operate by the Central Bank of Brazil. This Resolution comes into effect beginning January 1, 2025 and Management will determine the impacts arising from its adoption.

iii. Law 14,467, of November 16, 2022

Effective beginning January 1, 2025, it changes the accounting treatment applicable to the losses incurred with operations with credit granting characteristics arising from the activities of the financial institutions and other institutions authorized to operate by the Central Bank of Brazil, the deduction of the losses incurred with the determination of taxable income and the CSLL tax basis being the main change.

e) **Adoption of new standards issued by the BCB effective beginning January 1, 2022:**

i. **CMN Resolution 4,818, of May 29, 2020, CMN Resolution 4,966, of November 25, 2021, CMN Resolution 4,967, of November 25, 2021**

CMN Resolution 4,818, of May 29, 2020, which consolidates the general criteria for the preparation and disclosure of individual and consolidated financial statements by financial institutions and other institutions authorized to operate by the BCB and establishes that financial institutions registered as a publicly-held company or that are leading companies of a prudential conglomerate classified in Segment S1 to S3, must prepare annual or lower-period financial statements in accordance with the international accounting standards issued by the International Accounting Standards Board (IASB).

Art. 77 of CMN Resolution 4,966, of November 25, 2021, authorized financial institutions to prepare and disclose consolidated financial statements in accordance with the Chart of Accounts for Institutions Regulated by the Central Bank of Brazil (Cosif), up to 2024, in addition to the statements in accordance with the international accounting standard, as set forth in Resolution 4,818/20.

Accordingly, Daycoval's Management has elected for the option set forth in Art. 77, of CMN Resolution 4,966/21, to presents its consolidated financial statements for the quarter and year ended December 31, 2022, in accordance with the Chart of Accounts for Institutions Regulated by the Central Bank of Brazil (Cosif) and, subsequently, the consolidated financial statements in accordance with the pronouncements issued by the International Accounting Standards Board.

CMN Resolution 4,967, of November 25, 2021, authorized financial institutions, up to the end of 2022, to measure investment properties and non-financial assets acquired for future sale and generation of profit based on the variations in their market prices in the market that cannot be measured in level 1 of the fair value hierarchy, pursuant to the prevailing regulation, at acquisition cost less any impairment loss. Beginning January 1, 2023, investment properties for use by subsidiaries or the entity controlling the institution and those arising from non-financial assets held for sale, received in the settlement of financial instruments of difficult or doubtful solution transferred by financial institutions to an entity comprising the same prudential conglomerate must be assessed under the cost method. It also establishes that non-financial assets acquired for future sale and generation of profit based on the variations in their market prices must be initially recognized at acquisition price in cash, plus transaction costs.

ii. **BCB Resolution 92, of May 6, 2021**

Provides for the use of the Chart of Accounts for Institutions Regulated by the Central Bank of Brazil (Cosif) by the managers of consortium and payment institutions and the structure of the set of Cosif accounts to be followed by the financial institutions and other institutions authorized to operate by the Central Bank of Brazil.

The adoption of such regulation, beginning January 1, 2022, gave rise to the reclassification of "Deferred income" to "Other payables – Sundry" and, in order to maintain the comparability of the financial statements, reclassifications were made as shown in item iv.

iii. **BCB Regulatory Instruction 206, of December 13, 2021**

Creates accounting sub-headings and changes the heading in the Chart of Accounts for Institutions Regulated by the Central Bank of Brazil (Cosif).

The adoption of such regulation, beginning January 1, 2022, gave rise to the reclassification of "Liabilities – Payables for investment fund units" in "Other payables – Sundry" , to "Equity – Noncontrolling interests", which purpose is to record in the consolidated financial statements, by the leading institution of the prudential conglomerate, noncontrolling interests separately from equity attributable to the owners of the parent and, in order to maintain the comparability of the annual information, reclassifications were made as shown in item iv.

iv. **Adjustments of adoption the new standards issued by the BACEN for purposes of comparability of the interim financial statements:**

Consolidated	1/01/2021		
	Amount disclosed	Reclassifications	Amount restated
Equity	4,425,873		4,446,447
Owner's equity	4,425,873		4,425,873
Noncontrolling equity	-		20,574
Noncontrolling interests	-	1,030	1,030
Other controlled investment funds	-	19,544	19,544

	2021		
	Amount disclosed	Reclassifications	Amount restated
Bank			
Balance sheet - Liabilities			
Sundry	185,819	65,029	250,848
Deferred income	65,029	(65,029)	-
Consolidated			
Balço patrimonial Balance sheet - Liabilities			
Sundry ⁽¹⁾	231,228	87,637	318,865
Deferred income	106,264	(106,264)	-
Noncontrolling interests	1,056	(1,056)	-
Equity	4,981,278		5,000,961
Owners' equity	4,981,278		4,981,278
Noncontrolling interests	-		19,683
Noncontrolling interests	-	1,056	1,056
Other controlled investment funds ⁽¹⁾	-	18,627	18,627

(1) The amount of R\$18,627 was reclassified from "Sundry – Payables for investment fund units" to "Noncontrolling equity– Other controlled investment funds".

These reclassifications did not result in changes in the total of assets, liabilities and profit for the year.

3 - SIGNIFICANT ACCOUNTING POLICIES

a) Functional and reporting currency, foreign currency-denominated transactions and share of profit (loss) of foreign entities:

i. Functional and reporting currency

Daycoval's financial statements are presented in Brazilian reais (R\$), which is the Bank's functional and reporting currency. As prescribed by CMN Resolution 4,524/16, Daycoval has defined that the functional and reporting currency for each of its direct and indirect subsidiaries, including foreign entities, will also be the Brazilian real (R\$).

ii. Translation of foreign-currency denominated transactions

If foreign investees conduct transactions in a currency different from their respective functional currencies, these transactions will be converted by applying the exchange rates of the respective trial balance or balance sheet for monetary items, assets and liabilities stated at fair value and for items not classified as monetary items. For other cases, the exchange rates on the transaction date are applied.

iii. Share of profit (loss) of foreign entities

The share of profit (loss) of foreign entities, the functional currency of which is defined in item "i" above, is recognized directly in Daycoval's income statements, in "Share of profit (loss) of subsidiaries".

b) Recording of income and expenses

Income and expenses are recorded on the accrual basis. Fixed-rate transactions are stated at the final amount, and income and expenses for future period are recognized as a reduction of the related assets and liabilities. Finance income and costs are recorded on a pro rata basis and calculated based on the exponential method, except those related to discounted notes or foreign transactions, which are calculated under the straight-line method. Floating-rate transactions or those indexed to foreign currencies are adjusted through the balance sheet date.

c) Cash and cash equivalents

Cash and cash equivalents are represented by cash and bank deposits, recorded in line items "Cash", "Interbank accounts", and "Securities - own portfolio", with original investment term of 90 days or less; the risk of change in their fair value is considered immaterial.

The breakdown of cash and cash equivalents is presented in Note 4.

d) Financial instruments

i. Interbank accounts

Repurchase commitments are stated at cost, plus income earned through the balance sheet date, less allowance for impairment, when applicable.

The breakdown of Interbank accounts is presented in Note 6.

ii. Securities

Securities are stated at cost plus income earned, as follows: (i) fixed-income securities are adjusted at the applicable interest rate based on the respective maturities; (ii) shares are adjusted based on the average price informed by the Stock Exchange where the shares are more traded; and (iii) investments in investment funds are adjusted based on the share price informed by the fund managers.

Securities are classified in conformity with BACEN Circular Letter 3,068/01 into one of the following categories:

- Trading securities - securities acquired for the purpose of being actively and frequently traded, adjusted to fair value as a contra-entry to profit or loss.
- Available-for-sale securities - securities not acquired for the purpose of being actively and frequently traded, which Management does not intend to hold to maturity. The adjustments to fair value (unrealized gains and losses) are recorded as a separate component of equity, net of taxes, and are recognized in profit or loss when realized.
- Held-to-maturity securities - securities that the Bank has the positive intent and ability to hold to maturity and stated at cost, plus income earned, as a contra-entry to profit or loss.

Bonuses arising from investments in shares issued by publicly-traded companies are recorded in the securities portfolio only according to the respective quantities, without modifying the amount of investments, when the corresponding shares are considered "ex-rights" on the stock exchange.

Dividends and interest on capital arising from investments in shares issued by publicly-traded companies are recorded as income when the related shares are considered "ex-rights" on the stock exchange.

The breakdown and classification of securities are presented in Notes 7.a and 7.b.

iii. Derivative financial instruments (assets and liabilities)

Derivatives consist of forward, futures and swap options and are recorded in conformity with BACEN Circular Letter 3,082/02, which provides for the adoption of the following criteria:

- Option transactions - premiums received or paid are recorded at fair value in caption "Derivatives" in assets or liabilities, respectively, until the option is exercised, and recorded as a decrease or increase in the cost of the asset subject to the option, for the exercise of the option, or as income or expense in the event of non-exercise;
- Futures transactions - daily adjustments are recorded at fair value in line item "Trading account" in assets or liabilities and allocated daily to profit or loss as income (when relating to gains) or expense (when relating to losses);
- Currency swap and forward transactions (NDF) - differential receivable or payable is recorded at fair value in caption "Derivatives" in assets or liabilities, respectively, and allocated to profit or loss as income (when relating to gains) or expense (when relating to losses); and
- Forward transactions - recorded at the final contractual amount, less the difference between such amount and the cash price of the asset, adjusted to fair value, income and expenses being recognized over the contractual terms.

Derivative transactions are stated at fair value, with gains and losses recorded as described below:

- Derivatives not qualified as hedge - in income or expense in profit or loss; and
- Derivatives qualified as hedge - classified as market risk hedge or cash flow hedge.

Market risk hedges are used to offset the risks arising from the exposure to changes in the fair value of the hedged item, with gains or losses recorded as a contra-entry to income or expense in profit or loss.

Cash flow hedges are used to offset the changes in estimated future cash flows, the effective portion used in such offset being recorded as a contra-entry to a separate item of equity, net of taxes, and any other change as a contra-entry to income or expense in profit or loss.

The breakdown of derivative financial instruments recorded in assets and liabilities accounts and in memorandum accounts is presented in Note 8.

iv. Fair value measurement

The methodology applied to measure the fair value of financial assets and derivative financial instruments measured at fair value is based on the economic scenario and on the pricing models designed by Management, which include capturing average prices charged in the market, applicable to the balance sheet date. Accordingly, upon the financial settlement of these items, the results may be different from estimates.

The model of fair value measurement of financial instruments assets and liabilities, including derivatives, designed by the Management, takes into consideration the economic scenario, the collection of indicators and prices charged in the market, applicable to these instruments at the balance sheet date. The value of settlement of these financial instruments may be different from estimates.

e) Lending operations, other transactions with loan and lease characteristics and allowance for losses associated with the credit risks of these instruments

Leasing operations were reclassified so as to reflect its financial position in conformity with the financial method.

Lending and leasing operations are classified based on Management's risk assessment, considering the past experience with prior borrowers, the risk rating of such borrowers and their guarantors, the economic environment, and specific and overall portfolio risks, pursuant to CMN Resolution 2,682/99, which requires a periodic analysis of the portfolio and its classification into nine risk rating levels from AA (minimum risk) to H (maximum risk - loss).

Additionally to the minimum levels of provision mentioned in Resolution 2,682/99, and subsequent amendments, Daycoval also established a provision for additional credit risk, calculated on the basis of a credit risk assessment and monitoring from time to time revalued and approved by Management.

The allowance for losses associated with the credit risk is established in an amount sufficient to cover probable losses and in accordance with standards and guidelines from CMN and Bacen.

Also according to CMN Resolution 2,682/99, and subsequent amendments, the income from lending operations past due for more than 60 days, regardless of the risk rating, is only recognized when received, and H-rated loans remain as such for 180 days, after which period they are written off against the existing allowance and are controlled in memorandum accounts, no longer being recorded in the balance sheet.

Renegotiated operations are held at least at the same level of risk in which they were classified on the date of renegotiation. In case of significant amortization of the operation or when new significant or observable facts justify the change of risk level, the operation can be reclassified into a lower risk category.

Lending operations, other transactions with loan and lease characteristics and leasing transactions are measured at amortized cost.

The breakdown of lending operations, other transactions with loan and lease characteristics and leasing operations and that of the allowance for losses associated with the credit risks of these instruments are presented in Note 9.

f) Derecognition of financial assets

A financial asset is derecognized, as prescribed by CMN Resolution 3,533/08, when the contractual rights to the financial asset's cash flows expire or when the asset is sold or transferred, which should be classified into the following categories:

- Transactions with substantial transfer of the risks and rewards: the assignor substantially transfers all the risks and rewards of ownership of the financial asset as follows: (i) unconditional sale of the financial asset; (ii) sale of the financial asset with repurchase option at its fair value on the repurchase date; and (iii) sale of the financial asset with call or put options, whose exercise is unlikely to occur;
- Transactions with substantial retention of the risks and rewards: the assignor substantially retains all the risks and rewards of ownership of the financial asset as follows: (i) sale of the financial asset with repurchase commitment at a fixed price or at the sales price plus any yields; (ii) securities lending agreements; (iii) sale of the financial assets with total return rate swap agreement, which transfers the market risk exposure back to the assignor; (iv) sale of the financial asset with call or put options whose exercise is likely to occur; and (v) sale of receivables, when the losses incurred by the buyer or assignee, if any, are compensated by the seller or assignor, or whose sale is made together with the acquisition of subordinated units of the buyer Receivables Investment Fund (FIDC); and
- Transactions with no substantial transfer or retention of the risks and rewards: transactions in which the assignor neither transfers nor substantially retains all the risks and rewards of ownership of the financial asset.

The transfer or retention of the risks and rewards of ownership of the financial asset is analyzed by comparing Daycoval's exposure, before and after the sale or transfer, with the changes in the present value of the financial asset's expected cash flows, adjusted at the appropriate market interest rate.

g) Foreign exchange transactions (gains and losses)

Foreign exchange transactions are stated at realizable values, plus income and exchange rate changes calculated on a daily pro rata basis.

The breakdown of foreign exchange transactions (gains and losses) is presented in Note 10.

h) Insurance operations

The operations of Seguradora Líder are stated in one single line item in assets, in "Other sundry receivables", proportionally to the interest held in the entity, in conformity with the regulatory amendments set out in SUSEP Circular Letter 595/19, which revoked articles 153 and 154 of SUSEP Circular Letter 517/15, which provided for the line-by-line presentation of the Consortium's assets and liabilities proportionally to the consortium's interest.

There is no balance of total "Unearned insurance premium" as at June 30, 2022 (no balance as at December 31, 2021), as shown in note 11.

i) Prepaid expenses

Prepaid expenses related to commissions paid to bank correspondents are controlled by contract and accounted for as expense in line item ""Other administrative expenses".

Other prepaid expenses regarding expenses with issuance of securities in Brazil or abroad and with those relating to funds from the Interamerican Development Bank (IDB) are recognized in profit or loss on a pro rata basis, over the respective contractual terms.

Prepaid expenses are presented in Note 12.

j) Investments in subsidiaries

Investments in subsidiaries and associates in which the Bank has a significant influence or interest of 20% or more of the voting capital, are accounted for under the equity method of accounting.

The breakdown of investments in subsidiaries and associates is presented in Note 14.

k) Other investments

Other investments are stated at cost, less allowance for loss, when applicable.

l) Property and equipment for use

Stated at acquisition cost, monthly adjusted by their respective accumulated depreciation, calculated under the straight-line method in accordance with the estimated useful and economic life of the assets, namely: property and equipment for use - 4% p.a.; facilities, furniture, equipment for use, security and communications systems - 10% p.a.; transportation systems - 10% and 20% p.a.; and data processing systems - 20% p.a., and adjusted by impairment, as applicable.

The breakdown of property and equipment for use is presented in Note 15.a.

m) Property and equipment for operating lease

Leased assets are stated at acquisition cost, less accumulated depreciation. Depreciation is calculated on a straight-line basis, with a 30% reduction benefits in the normal useful lives of assets for leasing operations carried out with legal entities, provided for by prevailing legislation.

The breakdown of property and equipment for operating lease is shown in note 15.b.

n) Held-for-sale non-financial assets

Held-for-sale non-financial assets, pursuant to CMN Resolution 4,747, must be classified as:

- a) own – which expected realization is through sale, are available for immediate sale and which disposal is highly probable within no more than one year; or
- b) received – which receipt by the institution for settlement of financial instrument is difficult or doubtful nor intended for own use.

Held-for-sale non-financial assets are show in note 12.

o) Impairment of non-financial assets

The impairment of non-financial assets is recognized as a loss when the carrying amount of an asset or a cash-generating unit is higher than its recoverable or realizable value. A cash-generating unit is the smallest identifiable group of assets that generates cash flows substantially independent from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period in which they are identified, when applicable.

Non-financial assets, except those recorded in line items 'Other assets' and 'Current and deferred tax credits', are tested for impairment at least annually to determine if there is any indication that such assets might be impaired, pursuant to Note 12.

p) Funding

The deposits, issuance of securities in Brazil and abroad and borrowings and onlendings are recognized at initial value, plus interest and financial charges incurred up to the balance sheet date, calculated on a pro rata basis. Funds from acceptance of securities abroad and foreign onlendings are also increased by the exchange variation calculated at the foreign currency quote announced by BACEN at the balance sheet date.

Funds from issuance of securities and foreign onlendings, subject to hedge accounting, are measured at fair value at the balance sheet date, and the effects of this measurement are recognized in the statements of income.

The breakdown of funding is presented in Note 16.

q) Provisions, contingent assets and liabilities and legal obligations (tax and labor)

The recognition, measurement and disclosure of the provisions for contingent assets and liabilities and legal obligations are carried out in accordance with the criteria established by Technical Pronouncement CPC 25 – Provisions, Contingent Liabilities and Contingent Assets approved by CMN Resolution 3,823/2009 and BACEN Circular Letter 3,429/2010, as follows:

i. Provisions

Recognized when there is a present obligation as a result of past events, where it is likely that an outflow of funds will be required to settle an obligation and which can be reliably estimated. Daycoval, for the recognition of the provisions, considers the opinion of its legal advisors and Management for its recognition.

ii. Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of the entity. The contingent asset is not recognized in the financial assets, except when there is sufficient evidence that its realization is certain, otherwise, it is disclosed in the notes to the financial statements when the inflow of economic benefits is probable.

iii. Contingent liabilities

Contingent liabilities are not recorded as their existence will be confirmed only upon the occurrence or not of one or more uncertain future events that are beyond Daycoval's control. Contingent liabilities do not satisfy the criteria for their recognition as they are considered as possible losses and disclosed in the notes to the interim financial information. Contingent liabilities assessed as remote loss are not recognized and disclosed.

iv. Legal obligations (tax and social security)

Legal obligations (tax and social security) refer to lawsuits challenging the legality and constitutionality of certain taxes and contributions. The amount under litigation is determined, accrued and adjusted on a monthly basis, regardless of its likelihood of loss.

The breakdown of contingent assets and liabilities and legal obligations is presented in Note 18.

r) Taxes

Tax credits from income tax and social contribution on net profit, calculated on temporary additions, are recorded in line item "Current and deferred tax credits", and the provision for deferred tax liabilities on excess depreciation, adjustments to fair value of marketable securities, monetary adjustment of escrow deposits, among others, are recorded in "Current and deferred taxes". Only the income tax rate is applied to excess depreciation.

Tax credit arising from temporary differences on the fair value measurement of certain financial assets and financial liabilities, including derivative agreement, provisions for tax, civil and labor contingencies and allowances for loan losses, are recognized only when all requirements for its recognition, established by CMN Resolution 4,842/20, are met.

Taxes are recognized in the statement of income, except when they refer to items recognized directly in equity. Deferred taxes, comprising tax credits and deferred tax liabilities, are calculated on the temporary differences between the tax base of assets and liabilities and their carrying amounts.

The calculation of income tax and social contribution and the breakdown of tax credits and deferred tax liabilities are respectively presented in Notes 19.a.i and 19.d.

The realization of tax credits is presented in Note 19.e.

s) Earnings per share

Earnings per share are calculated based on criteria and procedures set out in Technical Pronouncement CPC 41 – Earnings per Share, considering the provisions applicable to financial institutions, as prescribed by CMN Resolution 4,818/20.

Earnings per share are shown in note 20.e.

t) Interest on capital

CMN Resolution 4,872/20, which came into effect beginning January 1, 2022, establishes procedures for the recognition of interest on capital, which must be recognized after declared or proposed and if representing a present obligation at the balance sheet date.

Dividends and interest on capital declared are recognized in current liabilities in line item "Social and statutory" and dividends proposed and not yet approved are recognized in equity in line item "Special earnings reserves".

Interest on capital is presented in Note 20.c.

u) Use of accounting estimates

The preparation of interim financial information requires Management to make estimates and adopt assumptions that, in its best judgment, affect the reported amounts of certain assets and liabilities (financial or not), revenues, expenses and other transactions, such as:

- i. Depreciation rates of property and equipment items and lease property and equipment;
- ii. Amortization of deferred assets;
- iii. Allowance for loan and lease losses;
- iv. Measurement of financial instruments; and
- v. Provisions for contingencies.

The actual settlement amounts of these financial or non-financial assets and liabilities could differ from those estimates.

v) Non-recurring profit or loss

Non-recurring profit or loss is the profit or loss:

- i. Arising from operations/transactions carried out by the Bank that are not directly related to its core activities;
- ii. Indirectly related to the Bank's core activities; and
- iii. Arising from operations/transactions not expected to be frequently carried out in future years.

The breakdown of non-recurring profit or loss is shown in note 21.k.

4 - CASH AND CASH EQUIVALENTS

	Bank		Consolidated	
	2022	2021	2022	2021
Cash and cash equivalents	829,952	311,805	830,204	312,094
Money market investments ⁽¹⁾	1,282,908	675,884	1,282,908	675,884
Foreign currency investments ⁽²⁾	410,050	287,055	410,050	287,055
Total	2,522,910	1,274,744	2,523,162	1,275,033

(1) Money market investments comprising cash and cash equivalents, do not include the amount of interbank investments – third-party (note 6), for the Bank and the Consolidated.

(2) Refers to foreign currency investments (note 6) maturing within up to 90 days from the investment date.

5 - RESERVES AT THE CENTRAL BANK

	Bank and Consolidated	
	2022	2021
Reserves in instant payment account	54,222	3,369
Compulsory reserves in cash on		
Demand deposits	222,064	181,074
Mandatory collections		
Compulsory on time deposits	-	235,956
Other mandatory collections	11,548	15,231
Total	287,834	435,630

6 - INTERBANK ACCOUNTS

	Bank				2021 Total
	2022			Total	
	Up to 3 months	3 to 12 months	1 to 3 Years		
Investments in repurchase transactions	1,635,967	-	-	1,635,967	1,954,989
Own portfolio	1,282,908	-	-	1,282,908	675,884
Financial Treasury Bills (LFT)	100,712	-	-	100,712	420,492
National Treasury Bills (LTN)	35,006	-	-	35,006	155,860
National Treasury Notes (NTN)	1,147,190	-	-	1,147,190	99,532
Financed portfolio	353,059	-	-	353,059	1,279,105
Financial Treasury Bills (LFT)	-	-	-	-	29,501
National Treasury Bills (LTN)	300,050	-	-	300,050	265,198
National Treasury Notes (NTN)	53,009	-	-	53,009	984,406
Interbank deposits	-	2,559,952	124,650	2,684,602	2,417,197
Investments in foreign currencies ⁽¹⁾	410,050	-	-	410,050	287,055
Total	2,046,017	2,559,952	124,650	4,730,619	4,659,241

	Consolidated				2021 Total
	2022			Total	
	Up to 3 months	3 to 12 months	1 to 3 Years		
Investments in repurchase transactions	1,635,967	-	-	1,635,967	1,954,989
Own portfolio	1,282,908	-	-	1,282,908	675,884
Financial Treasury Bills (LFT)	100,712	-	-	100,712	420,492
National Treasury Bills (LTN)	35,006	-	-	35,006	155,860
National Treasury Notes (NTN)	1,147,190	-	-	1,147,190	99,532
Financed portfolio	353,059	-	-	353,059	1,279,105
Financial Treasury Bills (LFT)	-	-	-	-	29,501
National Treasury Bills (LTN)	300,050	-	-	300,050	265,198
National Treasury Notes (NTN)	53,009	-	-	53,009	984,406
Interbank deposits	-	700,215	124,650	824,865	1,068,522
Investments in foreign currencies ⁽¹⁾	410,050	-	-	410,050	287,055
Total	2,046,017	700,215	124,650	2,870,882	3,310,566

(1) Refer to investments in foreign currencies maturing within up to 90 days from the investment date.

7 - MARKETABLE SECURITIES

a) Breakdown by category and type

	Bank					
	2022			2021		
	Curve value	Fair value adjustment at:		Fair value ⁽¹⁾	Curve value	Fair value ⁽¹⁾
Profit or loss		Equity				
Trading securities	5,517,676	30,512	-	5,548,188	78,824	78,198
Own portfolio	862,861	4,877	-	867,738	38	38
Financial Treasury Bills (LFT)	860,269	4,885	-	865,154	-	-
Debentures ⁽⁴⁾	2,592	(8)	-	2,584	38	38
Linked to repurchase commitments	4,613,728	25,316	-	4,639,044	78,786	78,160
Financial Treasury Bills (LFT)	4,565,101	25,513	-	4,590,614	-	-
Debentures ⁽⁴⁾	48,627	(197)	-	48,430	78,786	78,160
Linked to guarantees⁽²⁾	41,087	319	-	41,406	-	-
Financial Treasury Bills (LFT)	41,087	319	-	41,406	-	-
Available for sale	5,954,812	-	(8,132)	5,946,680	9,504,399	9,502,228
Own portfolio	3,332,031	-	(11,153)	3,320,878	8,086,841	8,081,183
Financial Treasury Bills (LFT)	1,502,142	-	1,190	1,503,332	7,120,803	7,125,719
National Treasury Bills (LTN)	1,006	-	(25)	981	2,135	2,071
National Treasury Notes (NTN)	373	-	1	374	338	329
Investment fund units	1,091,047	-	(11,594)	1,079,453	887,977	877,583
Rural product notes (CPR) ⁽⁴⁾	544,619	-	-	544,619	33,945	33,945
Commercial notes ⁽⁴⁾	133,916	-	(17)	133,899	-	-
Debentures ⁽⁴⁾	58,809	-	(708)	58,101	2,029	2,003
Certificates of Real Estate Receivables (CRI) ⁽⁴⁾	116	-	-	116	30,020	29,908
Certificates of long-term deposits - CDB	3	-	-	3	-	-
Foreign securities	-	-	-	-	8,627	8,660
Certificates of Agribusiness Receivables - CRA ⁽⁴⁾	-	-	-	-	967	965
Linked to repurchase commitments	1,857,734	-	2,363	1,860,097	1,115,308	1,119,026
Financial Treasury Bills (LFT)	1,541,083	-	1,721	1,542,804	964,109	967,236
National Treasury Notes (NTN)	190	-	(6)	184	-	-
Debentures ⁽⁴⁾	285,110	-	653	285,763	151,199	151,790
Certificates of Real Estate Receivables (CRI)	29,954	-	(5)	29,949	-	-
Certificates of Agribusiness Receivables - CRA ⁽⁴⁾	1,397	-	-	1,397	-	-
Linked to guarantees⁽²⁾	765,047	-	658	765,705	302,250	302,019
Financial Treasury Bills (LFT)	765,047	-	658	765,705	275,796	275,510
Debentures ⁽⁴⁾	-	-	-	-	26,454	26,509
Held-to-maturity securities⁽³⁾	280,628	-	-	280,628	16,843	16,843
Own portfolio	280,628	-	-	280,628	16,843	16,843
Other government bonds	280,628	-	-	280,628	16,843	16,843
Total	11,753,116	30,512	(8,132)	11,775,496	9,600,066	9,597,269

	Consolidated					
	2022			2021		
	Curve value	Fair value adjustment at:		Fair value ⁽¹⁾	Curve value	Fair value ⁽¹⁾
Profit or loss		Equity				
Trading securities	5,517,737	30,512	-	5,548,249	79,149	78,523
Own portfolio	862,922	4,877	-	867,799	363	363
Financial Treasury Bills (LFT)	860,330	4,885	-	865,215	325	325
Debentures ⁽⁴⁾	2,592	(8)	-	2,584	38	38
Linked to repurchase commitments	4,613,728	25,316	-	4,639,044	78,786	78,160
Financial Treasury Bills (LFT)	4,565,101	25,513	-	4,590,614	-	-
Debentures ⁽⁴⁾	48,627	(197)	-	48,430	78,786	78,160
Linked to guarantees⁽²⁾	41,087	319	-	41,406	-	-
Financial Treasury Bills (LFT)	41,087	319	-	41,406	-	-
Available for sale	6,455,876	-	(2,889)	6,452,987	9,975,880	9,983,926
Own portfolio	3,833,095	-	(5,910)	3,827,185	8,558,322	8,562,881
Financial Treasury Bills (LFT)	1,540,399	-	1,190	1,541,589	7,155,817	7,160,689
National Treasury Bills (LTN)	1,006	-	(25)	981	2,135	2,071
National Treasury Notes (NTN)	373	-	1	374	338	329
Investment fund units	1,479,617	-	(1,471)	1,478,146	1,229,572	1,228,543
Rural product notes - CPR ⁽⁴⁾	544,619	-	-	544,619	33,945	33,945
Commercial notes ⁽⁴⁾	133,916	-	(17)	133,899	-	-
Debentures ⁽⁴⁾	58,809	-	(708)	58,101	2,029	2,003
Foreign securities	56,016	-	(2,846)	53,170	75,455	77,124
Foreign government bonds	15,683	-	(2,034)	13,649	25,723	24,984
Certificates of Real Estate Receivables (CRI) ⁽⁴⁾	2,250	-	-	2,250	3,095	3,092
Certificates of long-term deposits - CDB	181	-	-	181	162	162
Certificates of Real Estate Receivables (CRI) ⁽⁴⁾	116	-	-	116	30,020	29,908
Real estate credit notes - LCI	89	-	-	89	-	-
Bills of exchange - LC	21	-	-	21	31	31
Linked to repurchase commitments	1,857,734	-	2,363	1,860,097	1,115,308	1,119,026
Financial Treasury Bills (LFT)	1,541,083	-	1,721	1,542,804	964,109	967,236
National Treasury Notes (NTN)	190	-	(6)	184	-	-
Debentures ⁽⁴⁾	285,110	-	653	285,763	151,199	151,790
Certificates of Real Estate Receivables (CRI) ⁽⁴⁾	29,954	-	(5)	29,949	-	-
Certificates of Agribusiness Receivables - CRA ⁽⁴⁾	1,397	-	-	1,397	-	-
Linked to guarantees⁽²⁾	765,047	-	658	765,705	302,250	302,019
Financial Treasury Bills (LFT)	765,047	-	658	765,705	275,796	275,510
Debentures ⁽⁴⁾	-	-	-	-	26,454	26,509
Held-to-maturity securities⁽³⁾	280,628	-	-	280,628	16,843	16,843
Own portfolio	280,628	-	-	280,628	16,843	16,843
Other government bonds	280,628	-	-	280,628	16,843	16,843
Total	12,254,241	30,512	(2,889)	12,281,864	10,071,872	10,079,292

(1) The securities' fair value was calculated based on the prices and rates prevailing as at December 31, 2022 and 2021, as disclosed by the Brazilian Financial and Capital Markets Association (ANBIMA) - by the managers of the investment fund in which the Bank invests, the B3 S.A. - Brasil, Bolsa, Balcão, and other market makers in the case of securities acquired abroad, and, when applicable, based on discount cash flow models.

(2) Securities linked to guarantees refer to securities conducted on B3 S.A.- Brasil, Bolsa, Balcão.

(3) For securities classified as held to maturity, the fair value relates to the initial value adjusted by interest recognized in the years ended December 31, 2022 and 2021.

(4) Rural product notes, debentures, certificates of agribusiness receivables, certificates of real estate receivables and commercial notes are stated net of the allowance for losses associated with the credit risk. As at December 31, 2022, the balance of the allowance is R\$5,747 pursuant to Note 9.e (R\$2,990 in 2021).

b) Breakdown by maturity

	Bank						2021
	2022					Fair Value	
	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 years		
Federal government bonds	122,237	5,508,425	664,609	3,015,255	28	9,310,554	8,370,865
Financial Treasury Bills (LFT) ⁽¹⁾	122,237	5,507,145	664,382	3,015,251	-	9,309,015	8,368,465
National Treasury Bills (LTN)	-	754	227	-	-	981	2,071
National Treasury Notes (NTN)	-	526	-	4	28	558	329
Foreign securities	-	97	264,880	-	15,651	280,628	25,503
Other government bonds	-	97	264,880	-	15,651	280,628	16,843
Eurobonds and similar bonds	-	-	-	-	-	-	8,660
Private-sector securities	16,876	227,103	464,644	395,730	508	1,104,861	323,318
Rural product notes - CPR	16,876	98,182	356,847	72,714	-	544,619	33,945
Debentures ⁽¹⁾	-	128,918	76,335	189,117	508	394,878	258,500
Commercial notes	-	-	-	133,899	-	133,899	-
Certificates of Real Estate Receivables - CRI	-	-	30,065	-	-	30,065	29,908
Certificates of Agribusiness Receivables - CRA	-	-	1,397	-	-	1,397	965
Certificates of long-term deposits	-	3	-	-	-	3	-
Investment fund units	40,396	-	-	-	1,039,057	1,079,453	877,583
Real estate investment fund	34,998	-	-	-	-	34,998	34,154
Credit rights funds	-	-	-	-	1,039,057	1,039,057	841,160
Other investment funds	5,398	-	-	-	-	5,398	2,269
Total	179,509	5,735,625	1,394,133	3,410,985	1,055,244	11,775,496	9,597,269

	Consolidated						2021
	2022					Fair Value	
	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 years		
Federal government bonds	122,237	5,508,487	702,866	3,015,254	28	9,348,872	8,406,160
Financial Treasury Bills (LFT) ⁽¹⁾	122,237	5,507,207	702,639	3,015,250	-	9,347,333	8,403,760
National Treasury Bills (LTN)	-	754	227	-	-	981	2,071
National Treasury Notes (NTN)	-	526	-	4	28	558	329
Foreign securities	6,716	2,004	285,369	5,271	48,087	347,447	118,951
Other government bonds	-	97	264,880	-	15,651	280,628	16,843
Foreign securities	6,716	1,877	20,489	5,271	18,817	53,170	77,124
Foreign government bonds	-	30	-	-	13,619	13,649	24,984
Private-sector securities	16,876	227,201	464,813	395,751	2,758	1,107,399	325,638
Rural product notes - CPR	16,876	98,182	356,847	72,714	-	544,619	33,945
Debentures ⁽¹⁾	-	128,918	76,335	189,117	508	394,878	258,500
Commercial notes	-	-	-	133,899	-	133,899	-
Certificates of Real Estate Receivables - CRI	-	-	30,065	-	-	30,065	29,908
Certificates of Agribusiness Receivables - CRA	-	-	1,397	-	2,250	3,647	3,092
Certificates of long-term deposits - CDB	-	101	80	-	-	181	162
Real estate credit notes - LCI	-	-	89	-	-	89	-
Exchange bills	-	-	-	21	-	21	31
Investment fund units	192,187	-	-	-	1,285,959	1,478,146	1,228,543
Credit rights funds	-	-	-	-	1,285,959	1,285,959	1,061,838
Fixed-income investment funds	129,359	-	-	-	-	129,359	110,645
Multimarket investment funds	35,042	-	-	-	-	35,042	31,676
Equity funds	12,355	-	-	-	-	12,355	11,608
Real estate investment funds	10,033	-	-	-	-	10,033	10,507
Other investment funds	5,398	-	-	-	-	5,398	2,269
Total	338,016	5,737,692	1,453,048	3,416,276	1,336,832	12,281,864	10,079,292

(1) As set forth in the sole paragraph of Article 7 of BACEN Circular Letter No. 3,068/01, securities classified as "Trading securities" are presented with realization term of up to 12 months, regardless of their respective maturities.

c) Reclassification of securities

As set forth in BCB Circular 3,068/01, article 5, the revaluation of the classification of securities, initially classified as: (i) trading securities; (ii) available-for-sale securities; and (iii) held-to-maturity securities, can only be carried out upon the preparation of semiannual balance sheets and the potential transfer between the categories mentioned, must take into consideration the Bank's intent and financial capacity and be carried out at market value or of the instrument or security.

Accordingly, Daycoval elected to reclassify securities initially classified as "Available-for-sale securities" to "Trading securities" recognizing, in profit for the period, unrealized gains previously recorded in a separate line item of equity, as follows

Reclassified securities	Category		Reclassified amount	Effect on profit
	From	To		
Federal government bonds				
Financial Treasury Bills (LFT)	Available for sale	Trading	5,165,898	37,304

The reclassification of securities listed above was caused by Daycoval Management's intention of increasing its cash liquidity, aiming at originating new transaction in the normal course of business.

During the second quarter half of 2022 there was no reclassification of securities.

8 - DERIVATIVES

The Bank conducts derivative transactions so as to meet own or its clients' needs, which are recognized in balance sheet, profit or loss, and memorandum accounts.

Derivatives used are properly approved based on the product use policy. Pursuant to this policy, prior to the implementation of each product, all aspects should be analyzed, such as: objectives, methods of use, underlying risks and appropriate supporting operational infrastructure.

The credit and market risk components of derivatives are monitored on a daily basis, and specific limits are set for derivative transactions for clients and also for registration and settlement chambers. Such limits are managed through a system that consolidates exposures by counterparty. Any discrepancies are promptly identified and addressed for immediate solution.

The market risk of derivatives is managed based on a prevailing risk policy, pursuant to which potential risks of price fluctuations in the financial markets are centralized in the Treasury department, which provides hedge for the other areas.

The main derivative financial instruments contracted by Daycoval as at December 31, 2022 are as follows:

- Future market contracts - commitments to purchase or sell, interest rates and foreign currencies on a future date at a given price or yield and can be settled in cash or by physical delivery of the underlying asset of the contract. The notional value represents the notional value of the contract. The adjustments regarding the changes in the price of underlying assets of the contract are daily settled.
- Forward contracts - forward exchange contracts represent contracts for currency exchange at a price contracted on an agreed-upon future settlement date. There may be only the physical delivery or only the financial settlement of the difference between the prices of currencies underlying the contract ("*Non deliverable forwards - NDF*").
- Index swap contracts ("*Swaps*") - these are commitments to settle in cash on a date or future dates (in case there is more than one payment flow) the difference between both financial indicators stipulated and different ones (interest rates, foreign currency, inflation indexes, among others) on a notional value of principal.
- Options - options contracts subject the purchaser, by paying a premium, and the seller (writer) to the obligation, by receiving a premium, to purchase or sell a financial asset (interest rates, shares, currencies, among others) in a term limited to a contracted price.

No operations were carried out with derivative financial instruments among companies comprising the Consolidated.

i Hedge transactions

The hedging strategy is determined based on the Bank's operating risk exposure limits. Whenever its transactions have risk exposures above the preset limits, which might result in significant fluctuations in the Bank's profit or loss, the Bank uses derivatives, contracted in the organized or over-the-counter market, to hedge against such risks, according to the hedging rules set forth in BACEN Circular Letter 3,082/02.

The hedge instruments seek to mitigate market, currency fluctuation and interest rate risks. According to the market liquidity, the maturity dates of hedge instruments are the closest possible to the dates of the financial flows of the hedged transactions so as to ensure an efficient hedge.

The Bank has a market risk hedge structure as follows:

- Designed to enable the purchase and sale of light and heavy vehicles, under the lending operations in the vehicle financing category (hedged item), recorded in line item "Vehicle financing" (Note 9.b). The hedge framework of this operation was recognized by associating future interest rate market operations (DI futures) for each one of the hedged flows, either of interest or principal and interest, in order to mitigate the fluctuations of the interest curve, that impact the raising of funds for the growth of the lending operations portfolio, thus protecting the margin of these operations on the granting dates;
- Designed to offset the risks arising from the exposure to changes in the fair value relating to the fluctuation of foreign currency (US dollar and euro fluctuation) and of the Libor interest rate on foreign borrowings - (hedged items) recorded in "Payables for securities issued abroad" (Note 16.b) and "Payables for foreign borrowings" (Note 16.b). The accounting hedge framework for this transaction was established by associating a swap cash flow contract for each borrowing repayment flow, either of interest or principal plus interest, and the Bank's long position is identical to the interest rates on borrowings agreements.

The table below summarizes the market risk hedge structure:

2022				Changes in fair value		Effectiveness
Hedged Item	Maturity	Principal amount	Hedge Instrument	Hedged Item	Hedge Instrument	
Vehicle financing	12/22/2027	R\$ 870,608	DI Futures	(6,151)	6,839	111.19%
Foreign issuance	12/13/2024	USD 350,000	Swap	(310,581)	304,470	98.03%
Foreign issuance	12/13/2024	USD 100,000	Swap	55,611	(55,295)	99.43%
Funding IFC	06/15/2023	USD 100,000	Swap	(6,816)	6,835	100.28%
Funding IFC	09/16/2024	USD 130,000	Swap	31,201	(30,876)	98.96%
Funding IFC	03/15/2023	USD 254,000	Swap	53,591	(53,470)	99.77%
Funding IFC	03/15/2023	USD 16,000	Swap	(842)	834	99.05%
Funding IFC	09/15/2023	USD 135,000	Swap	8,416	(9,401)	111.70%
Funding IDB - A/B Loan	12/15/2023	USD 150,000	Swap	212,506	(213,058)	100.26%
Funding IDB - A/B Loan	12/15/2023	USD 300,000	Swap	117,718	(119,252)	101.30%
				154,653	(162,374)	

2021				Changes in fair value		Effectiveness
Hedged Item	Maturity	Principal amount	Hedge Instrument	Hedged Item	Hedge Instrument	
Foreign issuance	12/13/2024	USD 350,000	Swap	(730,094)	724,831	99.28%
Foreign issuance	12/13/2024	USD 100,000	Swap	(52,362)	54,556	104.19%
Funding IFC	03/15/2022	USD 110,000	Swap	(321,531)	321,309	99.93%
Funding IFC	06/15/2022	USD 100,000	Swap	(38,631)	39,096	101.20%
Funding IFC	09/16/2024	USD 130,000	Swap	(14,419)	16,635	115.37%
Funding IFC	03/15/2023	USD 254,000	Swap	(27,167)	29,654	109.15%
Funding IFC	03/15/2023	USD 16,000	Swap	(5,691)	5,752	101.07%
Funding IFC	09/15/2023	USD 135,000	Swap	(28,527)	27,317	95.76%
Funding IDB - A/B Loan	12/15/2023	USD 150,000	Swap	(264,159)	263,499	99.75%
Funding IDB - A/B Loan	12/15/2023	USD 300,000	Swap	24,863	(23,880)	96.05%
				(1,457,718)	1,458,769	

a) Breakdown of amounts of differentials receivable and payable recorded in assets and liabilities as "Derivatives" (Bank and Consolidated):

	2022							2021			
	Amortized cost	Fair value adjustment	Fair value	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 year	Amortized cost	Fair value adjustment	Fair value
Assets											
Bank											
Derivatives	497,400	(83,616)	413,784	48,221	125,945	237,122	2,496	-	855,681	77,399	933,080
Swaps - differential receivable	427,595	(81,722)	345,873	5,065	106,019	232,293	2,496	-	801,951	62,315	864,266
Currency forward receivable	25,626	(4,913)	20,713	14,356	4,866	1,491	-	-	37,392	14,104	51,496
Premiums paid for purchase of stock options	15,958	3,019	18,977	579	15,060	3,338	-	-	2,858	980	3,838
Foreign exchange coupon futures (DDI)	13,668	-	13,668	13,668	-	-	-	-	10,940	-	10,940
Dollar futures (DOL)	12,267	-	12,267	12,267	-	-	-	-	816	-	816
Interest rate futures (DI)	1,386	-	1,386	1,386	-	-	-	-	783	-	783
Coupon futures IPC-A (DAP)	900	-	900	900	-	-	-	-	941	-	941
Controlled entity											
Derivatives	829	(192)	637	-	-	-	-	637	520	1,998	2,518
Swaps - differential receivable	829	(192)	637	-	-	-	-	637	520	1,998	2,518
Total consolidated - assets	498,229	(83,808)	414,421	48,221	125,945	237,122	2,496	637	856,201	79,397	935,598
Liabilities											
Bank											
Derivatives	492,859	56,870	549,729	162,600	211,679	175,450	-	-	136,670	70,918	207,588
Swaps - differential payable	420,249	66,526	486,775	127,781	187,249	171,745	-	-	60,930	69,054	129,984
Currency forward payable	28,713	(4,264)	24,449	14,775	9,433	241	-	-	18,236	657	18,893
Premiums paid for sale of stock options	24,433	(5,392)	19,041	580	14,997	3,464	-	-	2,631	1,207	3,838
Foreign exchange coupon futures (DDI)	7,407	-	7,407	7,407	-	-	-	-	44,085	-	44,085
Dollar futures (DOL)	6,433	-	6,433	6,433	-	-	-	-	5,858	-	5,858
Interest rate futures (DI)	5,597	-	5,597	5,597	-	-	-	-	4,685	-	4,685
Coupon futures IPC-A (DAP)	27	-	27	27	-	-	-	-	245	-	245

b) Breakdown by type of contract and counterparty at fair value (Bank and consolidated):

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Bank				
Futures	28,221	19,464	13,480	54,873
B3 S.A. - Bolsa, Brasil, Balcão	28,221	19,464	13,480	54,873
Swap	345,873	486,775	864,266	129,984
Financial institutions	300,464	486,531	813,687	128,771
Companies	45,118	244	50,429	1,213
Individuals	291	-	150	-
Forward (NDF)	20,713	24,449	51,496	18,893
Companies	20,700	24,371	51,267	18,753
Individuals	13	78	229	140
Options	18,977	19,041	3,838	3,838
Financial institutions	1,431	19,041	-	3,838
Companies	8,915	-	596	-
Individuals	8,631	-	3,242	-
Controlled entity				
Swap	637	-	2,518	-
Financial institutions	637	-	2,518	-

c) Breakdown of notional values recorded in memorandum accounts by type of strategy of contract and notional index (Bank and Consolidated):

	2022					2021	
	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 years	Total	Total
Bank							
Swap							
Assets	22,058	980,035	1,581,043	29,109	-	2,612,245	3,607,103
Hedge accounting	-	827,745	1,442,055	-	-	2,269,800	3,314,150
Dollar x CDI	-	827,745	1,442,055	-	-	2,269,800	2,781,500
Dollar x fixed rate	-	-	-	-	-	-	532,650
Trading objective	22,058	152,290	138,988	29,109	-	342,445	292,953
CDI x Dollar	2,477	110,342	-	-	-	112,819	11,003
CDI x fixed rate	5,961	17,496	104,017	1,232	-	128,706	141,232
Dollar x CDI	4,861	9,046	21,774	19,540	-	55,221	21,633
Dollar x fixed rate	6,440	-	-	-	-	6,440	68,300
Fixed rate x Dollar	2,319	15,406	13,197	-	-	30,922	50,785
Fixed rate x CDI	-	-	-	8,337	-	8,337	-
Liabilities							
Hedge accounting	1,502,028	2,442,239	1,253,556	-	-	5,197,823	4,585,408
Dollar x CDI	1,502,028	2,442,239	1,253,556	-	-	5,197,823	4,585,408
Trading objective	3,014	1,356	-	-	-	4,370	28,136
CDI x Dollar	-	1,001	-	-	-	1,001	16,935
CDI x fixed rate	2,514	-	-	-	-	2,514	923
Fixed rate x Dollar	500	355	-	-	-	855	10,278
Forward ("NDF")	3,689,841	571,129	102,760	-	-	4,363,730	2,692,054
Long position	690,915	434,311	102,698	-	-	1,227,924	1,170,162
Short position	2,998,926	136,818	62	-	-	3,135,806	1,521,892
Futures	8,401,885	3,547,817	9,800,346	824,721	292,523	22,867,292	12,610,692
Long position	4,770,494	581,979	909,104	395,960	269,232	6,926,769	3,668,596
Foreign exchange coupon (DDI)	1,811,887	82,147	4,912	-	-	1,898,946	2,140,441
Dollar futures (DOL)	2,868,702	-	-	-	-	2,868,702	-
Interest rate futures (DI)	-	49,302	-	227,414	193,320	470,036	1,004,986
Coupon future IPC-A (DAP)	89,905	450,530	904,192	168,546	75,912	1,689,085	523,169
Short position	3,631,391	2,965,838	8,891,242	428,761	23,291	15,940,523	8,942,096
Foreign exchange coupon (DDI)	1,805,583	455,974	395,818	47,563	13,831	2,718,769	530,587
Dollar futures (DOL)	-	-	-	-	-	-	435,660
Interest rate futures (DI)	1,825,808	2,509,864	8,495,424	380,948	1,108	13,213,152	7,973,514
Coupon future IPC-A (DAP)	-	-	-	250	8,352	8,602	2,335
Options	75,173	380,853	82,273	-	-	538,299	60,388
Long position	35,710	172,421	38,286	-	-	246,417	29,392
Foreign currency	35,710	172,421	38,286	-	-	246,417	29,392
Short position	39,463	208,432	43,987	-	-	291,882	30,996
Foreign currency	39,463	208,432	43,987	-	-	291,882	30,996
Controlled entity							
Swap							
Assets							
Trading objective	-	-	-	-	16,410	16,410	16,410
Real x Dollar	-	-	-	-	16,410	16,410	16,410

9 - LENDING OPERATIONS

a) Summary of credit portfolio and extended credit portfolio

	Bank		Consolidated	
	2022	2021	2022	2021
Loans ⁽¹⁾	31,017,630	27,295,601	31,285,002	27,583,232
Leasing ⁽²⁾	-	-	2,463,780	1,779,303
Other transactions with loan characteristics	13,913,718	11,557,562	13,932,120	11,566,947
Income receivable from advances granted (Note 10 - Exchange Gains)	21,014	18,091	21,014	18,091
Financed imports (Nota 10 - Exchange Losses)	36,820	26,091	36,820	26,091
Advances on foreign exchange contracts (Nota 10 - Exchange Losses)	835,678	1,035,288	835,678	1,035,288
Income to be allocated to advances granted (Note 10 - Exchange Losses)	(1,107)	(1,446)	(1,107)	(1,446)
Total credit portfolio	45,823,753	39,931,187	48,573,307	42,007,506
Private-sector securities (Note 7.a) ⁽³⁾	1,110,605	326,308	1,110,605	326,308
Financial guarantees provided	5,763,769	4,381,471	5,763,769	4,381,471
Total extended credit portfolio ⁽¹⁾	52,698,127	44,638,966	55,447,681	46,715,285

(1) As at December 31, 2022, includes losses of R\$6,151 relating to the fair value adjustment of vehicle financing operations, subject to hedge accounting, both for the Bank and the consolidated. This amount is not being included in the total of lending operations presented in the subsequent notes.

(2) The leasing portfolio is comprised of finance and operating lease transactions at present value.

(3) Private-sector securities are comprised of rural product notes, debentures, certificates of agribusiness receivables, certificates of real estate receivables and commercial notes.

b) Breakdown of portfolio with loan characteristics

i. By segment, type of operation and risk level

Bank										
2022	AA	A	B	C	D	E	F	G	H	Total
Corporate segment	8,730,807	18,765,236	3,180,491	884,385	250,897	100,940	730,482	96,770	246,480	32,986,488
Loans	321,709	5,906,444	1,025,107	380,417	147,521	51,669	126,455	84,957	155,984	8,200,263
FGI PEAC	13,513	3,095,873	172,742	66,303	35,711	21,889	84,674	9,964	50,539	3,551,208
FGI PEAC II ⁽³⁾	-	1,308,812	22,046	6,455	611	947	-	-	-	1,338,871
PRONAMPE ⁽⁴⁾	-	5,716	720	680	298	79	-	-	-	7,493
Discounted trade notes	1,447,819	317,693	42,039	20,232	8,355	948	529	403	9,770	1,847,788
Financing	112,774	1,685,135	227,551	65,561	11,353	3,337	1,890	-	7,841	2,115,442
Rural and agro-industrial financing	15,544	311,980	-	-	-	-	-	-	2,184	329,708
Payables for purchase of assets	-	25,881	6,464	6,783	-	-	-	-	-	39,128
Purchase of credit rights without right of recourse	5,914,267	5,203,083	1,576,320	329,338	47,048	13,447	516,032	1,446	20,162	13,621,143
Advances on foreign exchange contracts	117,813	612,191	107,439	8,616	-	8,624	902	-	-	855,585
Import financing	592,854	292,428	63	-	-	-	-	-	-	885,345
Export financing	194,514	-	-	-	-	-	-	-	-	194,514
Retail segment	-	7,994,764	2,876,625	1,257,081	181,131	83,658	49,960	44,942	355,255	12,843,416
Payroll-deductible loans	-	7,994,753	1,477,854	692,218	42,918	32,047	25,919	28,357	285,098	10,579,164
Loans backed by real estate	-	-	144,933	4,964	3,018	292	104	108	-	153,419
Discounted trade notes	-	11	-	-	-	-	-	-	3	14
Vehicle financing	-	-	1,244,407	559,899	135,195	51,319	23,937	16,477	70,154	2,101,388
Real estate financing	-	-	9,431	-	-	-	-	-	-	9,431
Total portfolio of transactions with loan characteristics	8,730,807	26,760,000	6,057,116	2,141,466	432,028	184,598	780,442	141,712	601,735	45,829,904
Corporate segment										
Private-sector securities (Note 7.a)	205,499	872,138	2,433	29,960	-	-	-	575	-	1,110,605
Total private-sector securities	205,499	872,138	2,433	29,960	-	-	-	575	-	1,110,605
Corporate segment										
Financial guarantees provided	2,676,313	2,482,711	495,266	41,052	61,696	1,825	4,317	175	414	5,763,769
Total financial guarantees provided	2,676,313	2,482,711	495,266	41,052	61,696	1,825	4,317	175	414	5,763,769
Total extended credit portfolio	11,612,619	30,114,849	6,554,815	2,212,478	493,724	186,423	784,759	142,462	602,149	52,704,278
Breakdown of the portfolio of transactions with loan characteristics in normal and abnormal course										
Transactions in normal course ⁽¹⁾	8,730,807	25,919,890	5,265,052	1,590,661	253,972	54,540	616,786	47,794	81,994	42,561,496
Transactions in abnormal course ⁽²⁾	-	840,110	792,064	550,805	178,056	130,058	163,656	93,918	519,741	3,268,408
Total portfolio of transactions with loan characteristics	8,730,807	26,760,000	6,057,116	2,141,466	432,028	184,598	780,442	141,712	601,735	45,829,904

2021	AA	A	B	C	D	E	F	G	H	Total
Corporate segment	7,816,252	7,480,514	12,985,916	696,633	260,641	100,044	112,477	32,036	197,012	29,681,525
Loans	454,914	1,552,702	4,712,774	401,094	168,524	56,947	59,980	14,987	136,263	7,558,185
FGI PEAC	24,400	1,574,574	4,414,679	79,818	49,761	39,197	45,856	15,086	43,423	6,286,794
Discounted trade notes	115,694	50,665	297,363	24,460	3,066	416	424	322	5,368	497,778
Financing	132,947	692,565	865,647	13,131	8,755	2,813	4,429	-	6,518	1,726,805
Rural and agro-industrial financing	-	235,204	47,233	-	-	-	-	-	-	282,437
Debtors for purchase of assets	-	17,847	-	-	-	-	-	-	200	18,047
Purchase of credit rights without right of recourse	6,476,148	2,727,249	1,924,548	158,860	30,535	671	1,788	1,641	5,240	11,326,680
Advances on foreign exchange contracts	-	384,138	649,535	18,259	-	-	-	-	-	1,051,932
Import financing	612,149	245,570	74,137	1,011	-	-	-	-	-	932,867
Retail segment	-	5,471,227	2,582,263	1,402,628	191,884	89,336	50,437	58,223	403,664	10,249,662
Payroll-deductible loans	-	5,470,709	1,776,344	911,361	62,374	50,736	32,775	45,206	359,787	8,709,292
Loans backed by real estate	-	-	94,196	1,243	211	306	176	921	329	97,382
Loans granted with substantial retention of risks and rewards	-	479	55	14	2	-	-	-	-	550
Discounted trade notes	-	39	-	-	3	3	2	4	28	79
Vehicle financing	-	-	707,393	489,821	129,294	37,597	17,484	12,092	43,520	1,437,201
Real estate financing	-	-	4,275	189	-	694	-	-	-	5,158
Total portfolio of transactions with loan characteristics	7,816,252	12,951,741	15,568,179	2,099,261	452,525	189,380	162,914	90,259	600,676	39,931,187
Corporate segment										
Private-sector securities (Note 7.a)	78,964	152,647	79,453	14,352	892	-	-	-	-	326,308
Total private-sector securities	78,964	152,647	79,453	14,352	892	-	-	-	-	326,308
Corporate segment										
Financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
Total financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
Total extended credit portfolio	10,198,678	14,097,281	16,642,935	2,183,964	471,207	190,638	162,914	90,259	601,090	44,638,966
Breakdown of the portfolio of transactions with loan characteristics in normal and abnormal course										
Transactions in normal course ⁽¹⁾	7,816,252	12,452,220	14,815,886	1,700,420	270,704	81,392	69,870	4,598	158,712	37,370,054
Transactions in abnormal course ⁽²⁾	-	499,521	752,293	398,841	181,821	107,988	93,044	85,661	441,964	2,561,133
Total portfolio of transactions with loan characteristics	7,816,252	12,951,741	15,568,179	2,099,261	452,525	189,380	162,914	90,259	600,676	39,931,187

Consolidated										
2022	AA	A	B	C	D	E	F	G	H	Total
Corporate segment	9,308,266	19,801,519	4,132,664	1,024,221	277,801	104,473	734,529	96,827	255,742	35,736,042
Loans	337,459	5,920,560	1,026,765	380,417	147,521	52,018	126,455	84,957	155,984	8,232,136
FGI PEAC	13,513	3,095,873	172,742	66,303	35,711	21,889	84,674	9,964	50,539	3,551,208
FGI PEAC II ⁽³⁾	-	1,308,812	22,046	6,455	611	947	-	-	-	1,338,871
PRONAMPE ⁽⁴⁾	-	5,716	720	680	298	79	-	-	-	7,493
Discounted trade notes	1,447,819	317,693	42,039	20,232	8,355	948	529	403	9,770	1,847,788
Financing	117,068	1,737,390	379,181	82,228	17,259	4,768	1,962	-	11,085	2,350,941
Rural and agro-industrial financing	15,544	311,980	-	-	-	-	-	-	2,184	329,708
Debtors for purchase of assets	-	25,881	6,464	6,783	-	-	-	-	-	39,128
Purchase of credit rights without right of recourse	5,919,249	5,207,210	1,585,613	329,338	47,048	13,447	516,032	1,446	20,162	13,639,545
Advances on foreign exchange contracts	117,813	612,191	107,439	8,616	-	8,624	902	-	-	855,585
Leasing	552,433	965,785	789,592	123,169	20,998	1,753	3,975	57	6,018	2,463,780
Import financing	592,854	292,428	63	-	-	-	-	-	-	885,345
Export financing	194,514	-	-	-	-	-	-	-	-	194,514
Retail segment	-	7,994,764	2,876,625	1,257,081	181,131	83,658	49,960	44,942	355,255	12,843,416
Payroll-deductible loans	-	7,994,753	1,477,854	692,218	42,918	32,047	25,919	28,357	285,098	10,579,164
Loans backed by real estate	-	-	144,933	4,964	3,018	292	104	108	-	153,419
Discounted trade notes	-	11	-	-	-	-	-	-	3	14
Vehicle financing	-	-	1,244,407	559,899	135,195	51,319	23,937	16,477	70,154	2,101,388
Real estate financing	-	-	9,431	-	-	-	-	-	-	9,431
Total portfolio of transactions with loan characteristics	9,308,266	27,796,283	7,009,289	2,281,302	458,932	188,131	784,489	141,769	610,997	48,579,458
Corporate segment										
Private-sector securities (Note 7.a)	205,499	872,138	2,433	29,960	-	-	-	575	-	1,110,605
Total private-sector securities	205,499	872,138	2,433	29,960	-	-	-	575	-	1,110,605
Corporate segment										
Financial guarantees provided	2,676,313	2,482,711	495,266	41,052	61,696	1,825	4,317	175	414	5,763,769
Total financial guarantees provided	2,676,313	2,482,711	495,266	41,052	61,696	1,825	4,317	175	414	5,763,769
Total extended credit portfolio	12,190,078	31,151,132	7,506,988	2,352,314	520,628	189,956	788,806	142,519	611,411	55,453,832
Breakdown of portfolio of transaction with loan characteristics in normal and abnormal course										
Transactions in normal course ⁽¹⁾	9,308,266	26,955,692	6,209,804	1,727,828	280,610	57,277	617,326	47,851	84,851	45,289,505
Transactions in abnormal course ⁽²⁾	-	840,591	799,485	553,474	178,322	130,854	167,163	93,918	526,146	3,289,953
Total portfolio of transaction with loan characteristics in normal and abnormal course	9,308,266	27,796,283	7,009,289	2,281,302	458,932	188,131	784,489	141,769	610,997	48,579,458

2021	AA	A	B	C	D	E	F	G	H	Total
Corporate segment	8,371,263	8,162,178	13,703,679	772,996	288,321	109,241	114,655	32,169	203,342	31,757,844
Loans	494,108	1,563,991	4,714,747	401,094	168,525	56,947	60,496	14,987	136,262	7,611,157
FGI PEAC	24,400	1,574,574	4,414,679	79,818	49,761	39,197	45,856	15,086	43,423	6,286,794
Discounted trade notes	115,694	50,665	297,363	24,460	3,066	416	424	322	5,368	497,778
Financing	141,418	748,795	1,007,574	22,125	17,665	8,026	4,595	-	11,265	1,961,463
Rural and agro-industrial financing	-	235,204	47,233	-	-	-	-	-	-	282,437
Debtors for purchase of assets	-	17,847	-	-	-	-	-	-	200	18,047
Purchase of credit rights without right of recourse	6,482,015	2,730,768	1,924,548	158,860	30,535	671	1,788	1,641	5,240	11,336,066
Advances on foreign exchange contracts	-	384,138	649,535	18,259	-	-	-	-	-	1,051,932
Leasing	501,479	610,626	573,863	67,369	18,769	3,984	1,496	133	1,584	1,779,303
Import financing	612,149	245,570	74,137	1,011	-	-	-	-	-	932,867
Retail segment	-	5,471,227	2,582,263	1,402,628	191,884	89,336	50,437	58,223	403,664	10,249,662
Payroll-deductible loans	-	5,470,709	1,776,344	911,361	62,374	50,736	32,775	45,206	359,787	8,709,292
Loans backed by real estate	-	-	94,196	1,243	211	306	176	921	329	97,382
Loans granted with substantial retention of risks and rewards	-	479	55	14	2	-	-	-	-	550
Discounted trade notes	-	39	-	-	3	3	2	4	28	79
Vehicle financing	-	-	707,393	489,821	129,294	37,597	17,484	12,092	43,520	1,437,201
Real estate financing	-	-	4,275	189	-	694	-	-	-	5,158
Total portfolio of transactions with loan characteristics	8,371,263	13,633,405	16,285,942	2,175,624	480,205	198,577	165,092	90,392	607,006	42,007,506
Corporate segment										
Private-sector securities (Note 7.a)	78,964	152,647	79,453	14,352	892	-	-	-	-	326,308
Total private-sector securities	78,964	152,647	79,453	14,352	892	-	-	-	-	326,308
Corporate segment										
Financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
Total financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
Total extended credit portfolio	10,753,689	14,778,945	17,360,698	2,260,327	498,887	199,835	165,092	90,392	607,420	46,715,285
Breakdown of portfolio of transaction with loan characteristics in normal and abnormal course										
Transactions in normal course ⁽¹⁾	8,371,263	13,133,768	15,528,159	1,772,053	293,605	90,361	71,215	4,597	163,478	39,428,499
Transactions in abnormal course ⁽²⁾	-	499,637	757,783	403,571	186,600	108,216	93,877	85,795	443,528	2,579,007
Total portfolio of transaction with loan characteristics in normal and abnormal course	8,371,263	13,633,405	16,285,942	2,175,624	480,205	198,577	165,092	90,392	607,006	42,007,506

(1) Operations without past-due installments and/or with installments past due up to 14 days.

(2) Operations with at least one installment past due for more than 14 days.

(3) New phase of loans made, beginning August 2022, within the scope of the Emergency Credit Access Program (PEAC), set forth in Provisional Act (MP) 1,114/22, established through Law No. 14,042/20, collateralized by the Investment Guarantee Fund (FGI).

(4) Loans made, beginning July 2022, within the scope of the Emergency Credit Access Program (PEAC), established through Provisional Act (MP) 975/20, passed into Law 14,042/20, collateralized by the Operation Guarantee Fund (FGO).

ii. By maturity, risk level and breakdown of the provision associated with the credit risk

Bank										
2022	AA	A	B	C	D	E	F	G	H	Total
In normal course ⁽¹⁾	8,730,807	25,919,890	5,265,052	1,590,661	253,972	54,540	616,786	47,794	81,994	42,561,496
Installments falling due	8,730,807	25,791,983	5,235,736	1,575,977	251,059	54,299	616,554	47,265	81,586	42,385,266
Up to 3 months	7,388,405	9,022,334	1,832,340	436,016	89,100	16,217	64,663	15,554	12,576	18,877,205
3 to 12 months	955,940	7,585,154	1,416,474	518,976	82,313	22,714	515,549	28,526	24,292	11,149,938
1 to 3 years	379,430	6,608,297	1,398,944	437,414	70,267	13,527	33,801	2,612	30,368	8,974,660
3 to 5 years	7,032	1,900,328	388,748	123,880	7,685	1,795	2,541	559	9,105	2,441,673
Over 5 years	-	675,870	199,230	59,691	1,694	46	-	14	5,245	941,790
Past due up to 14 days	-	127,907	29,316	14,684	2,913	241	232	529	408	176,230
In abnormal course ⁽²⁾	-	840,110	792,064	550,805	178,056	130,058	163,656	93,918	519,741	3,268,408
Installments falling due	-	830,106	740,164	503,973	144,673	93,166	103,052	38,351	263,669	2,717,154
Up to 3 months	-	299,735	202,705	63,582	22,398	18,349	16,597	5,674	28,966	658,006
3 to 12 months	-	198,891	159,211	147,686	51,395	29,710	40,995	12,240	76,193	716,321
1 to 3 years	-	204,648	227,851	207,994	56,463	36,711	39,478	15,742	105,491	894,378
3 to 5 years	-	91,397	99,921	54,914	10,333	6,257	4,476	3,807	42,133	313,238
Over 5 years	-	35,435	50,476	29,797	4,084	2,139	1,506	888	10,886	135,211
Installments past due	-	10,004	51,900	46,832	33,383	36,892	60,604	55,567	256,072	551,254
Up to 60 days	-	10,004	51,900	43,064	15,986	13,713	24,934	7,612	44,320	211,533
61 to 90 days	-	-	-	2,802	10,867	4,663	11,477	2,197	21,968	53,974
91 to 180 days	-	-	-	966	3,303	16,388	21,111	43,023	45,138	129,929
181 to 360 days	-	-	-	-	3,227	2,128	3,082	2,735	144,646	155,818
Total portfolio of transactions with loan characteristics	8,730,807	26,760,000	6,057,116	2,141,466	432,028	184,598	780,442	141,712	601,735	45,829,904
Term ⁽³⁾										
Up to 3 months	17,526	25,521	1,300	-	-	-	-	-	-	44,347
3 to 12 months	19,247	249,010	648	-	-	-	-	-	-	268,905
1 to 3 years	47,342	381,489	406	-	-	-	-	-	-	429,237
3 to 5 years	120,876	209,801	-	29,960	-	-	-	-	-	360,637
Over 5 years	508	6,317	-	-	-	-	-	-	-	6,825
Up to 14 days past-due	-	-	79	-	-	-	-	-	-	79
91 to 180 days past-due	-	-	-	-	-	-	-	575	-	575
Total private-sector securities (Note 7.a)	205,499	872,138	2,433	29,960	-	-	-	575	-	1,110,605
Financial guarantees provided	2,676,313	2,482,711	495,266	41,052	61,696	1,825	4,317	175	414	5,763,769
Total financial guarantees provided	2,676,313	2,482,711	495,266	41,052	61,696	1,825	4,317	175	414	5,763,769
Total extended credit portfolio	11,612,619	30,114,849	6,554,815	2,212,478	493,724	186,423	784,759	142,462	602,149	52,704,278
Provision associated with credit risk										
Minimum required ⁽⁴⁾	-	133,800	60,571	64,244	43,203	55,379	390,221	99,198	601,735	1,448,351
Additional ⁽⁵⁾	-	-	115,085	79,234	37,586	31,381	-	-	-	263,286
Total provision associated with credit risk on the portfolio of transactions with loan characteristics	-	133,800	175,656	143,478	80,789	86,760	390,221	99,198	601,735	1,711,637
Minimum required ⁽⁴⁾	-	4,363	24	912	-	-	-	402	-	5,701
Additional ⁽⁵⁾	-	-	46	-	-	-	-	-	-	46
Total provision associated with credit risk on private-sector securities	-	4,363	70	912	-	-	-	402	-	5,747
Minimum required ⁽⁴⁾	-	12,414	4,953	1,232	6,169	546	2,158	123	414	28,009
Additional ⁽⁵⁾	-	-	9,410	1,519	5,368	310	-	-	-	16,607
Total provision associated with credit risk on financial guarantees provided ⁽⁶⁾	-	12,414	14,363	2,751	11,537	856	2,158	123	414	44,616
Total provision associated with credit risk on extended credit portfolio	-	150,577	190,089	147,141	92,326	87,616	392,379	99,723	602,149	1,762,000

2021	AA	A	B	C	D	E	F	G	H	Total
In normal course ⁽¹⁾	7,816,252	12,452,220	14,815,886	1,700,420	270,704	81,392	69,870	4,598	158,712	37,370,054
Installments falling due	7,816,252	12,365,148	14,776,940	1,688,175	269,193	81,121	69,693	4,580	157,844	37,228,946
Up to 3 months	5,948,530	4,183,189	4,542,593	368,646	85,911	18,791	13,406	468	21,264	15,182,798
3 to 12 months	1,593,141	3,195,114	5,009,989	466,305	116,867	29,345	24,409	1,203	48,492	10,484,865
1 to 3 years	196,127	3,276,115	4,409,753	549,823	60,598	23,466	29,732	2,294	66,666	8,614,574
3 to 5 years	77,459	1,137,890	521,561	189,754	5,216	8,885	1,942	458	18,535	1,961,700
Over 5 years	995	572,840	293,044	113,647	601	634	204	157	2,887	985,009
Past due up to 14 days	-	87,072	38,946	12,245	1,511	271	177	18	868	141,108
In abnormal course ⁽²⁾	-	499,521	752,293	398,841	181,821	107,988	93,044	85,661	441,964	2,561,133
Installments falling due	-	492,602	718,567	365,729	160,541	85,187	72,433	61,661	249,298	2,206,018
Up to 3 months	-	310,249	136,839	63,919	21,248	11,256	9,529	7,135	25,333	585,508
3 to 12 months	-	55,829	220,479	106,162	51,200	26,150	23,466	17,671	62,208	563,165
1 to 3 years	-	78,292	256,515	145,629	72,681	38,844	33,783	28,449	103,797	757,990
3 to 5 years	-	33,287	64,693	34,528	12,025	6,391	4,354	6,730	43,221	205,229
Over 5 years	-	14,945	40,041	15,491	3,387	2,546	1,301	1,676	14,739	94,126
Installments past due	-	6,919	33,726	33,112	21,280	22,801	20,611	24,000	192,666	355,115
Up to 60 days	-	6,919	33,726	30,479	11,926	9,931	7,277	4,696	29,798	134,752
61 to 90 days	-	-	-	1,931	6,638	3,523	3,050	2,150	15,660	32,952
91 to 180 days	-	-	-	702	2,716	8,218	8,140	12,254	41,700	73,730
181 to 360 days	-	-	-	-	-	1,129	2,144	4,900	105,508	113,681
Total portfolio of transactions with loan characteristics	7,816,252	12,951,741	15,568,179	2,099,261	452,525	189,380	162,914	90,259	600,676	39,931,187
Term ⁽³⁾										
3 to 12 months	51,921	24,255	17,676	3,162	-	-	-	-	-	97,014
1 to 3 years	26,509	55,515	61,777	11,190	892	-	-	-	-	155,883
3 to 5 years	-	40,187	-	-	-	-	-	-	-	40,187
Over 5 years	534	32,690	-	-	-	-	-	-	-	33,224
Total private-sector securities (Note 7.a)	78,964	152,647	79,453	14,352	892	-	-	-	-	326,308
Financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
Total financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
Total extended credit portfolio	10,198,678	14,097,281	16,642,935	2,183,964	471,207	190,638	162,914	90,259	601,090	44,638,966
Provision associated with credit risk										
Minimum required ⁽⁴⁾	-	64,759	155,682	62,978	45,252	56,814	81,457	63,181	600,676	1,130,799
Additional ⁽⁵⁾	-	-	295,795	77,673	39,370	32,195	-	-	-	445,033
Total provision associated with credit risk on the portfolio of transactions with loan characteristics	-	64,759	451,477	140,651	84,622	89,009	81,457	63,181	600,676	1,575,832
Minimum required ⁽⁴⁾	-	764	795	430	89	-	-	-	-	2,078
Additional ⁽⁵⁾	-	-	303	531	78	-	-	-	-	912
Total provision associated with credit risk on private-sector securities	-	764	1,098	961	167	-	-	-	-	2,990
Minimum required ⁽⁴⁾	-	4,964	9,953	2,111	1,779	377	-	-	414	19,598
Additional ⁽⁵⁾	-	-	18,910	2,603	1,548	214	-	-	-	23,275
Total provision associated with credit risk on financial guarantees provided	-	4,964	28,863	4,714	3,327	591	-	-	414	42,873
Total provision associated with credit risk on extended credit portfolio	-	70,487	481,438	146,326	88,116	89,600	81,457	63,181	601,090	1,621,695

Consolidated										
2022	AA	A	B	C	D	E	F	G	H	Total
In normal course ⁽¹⁾	9,308,266	26,955,692	6,209,804	1,727,828	280,610	57,277	617,326	47,851	84,851	45,289,505
Installments falling due	9,308,266	26,825,622	6,179,153	1,712,950	277,413	56,984	617,090	47,322	84,432	45,109,232
Up to 3 months	7,466,232	9,142,885	1,954,927	453,373	94,086	16,737	64,821	15,611	13,129	19,221,801
3 to 12 months	1,095,382	7,859,522	1,693,301	560,241	91,814	23,911	515,819	28,526	25,414	11,893,930
1 to 3 years	629,349	7,078,582	1,839,090	503,965	80,754	14,495	33,909	2,612	31,539	10,214,295
3 to 5 years	117,279	2,056,179	489,646	135,678	9,065	1,795	2,541	559	9,105	2,821,847
Over 5 years	24	688,454	202,189	59,693	1,694	46	-	14	5,245	957,359
Past due up to 14 days	-	130,070	30,651	14,878	3,197	293	236	529	419	180,273
In abnormal course ⁽²⁾	-	840,591	799,485	553,474	178,322	130,854	167,163	93,918	526,146	3,289,953
Installments falling due	-	830,567	747,528	506,372	144,914	93,756	105,732	38,351	268,600	2,735,820
Up to 3 months	-	299,791	203,851	63,918	22,449	18,487	17,228	5,674	29,563	660,961
3 to 12 months	-	199,042	161,813	148,577	51,520	30,013	42,590	12,240	77,760	723,555
1 to 3 years	-	204,902	231,462	209,166	56,528	36,860	39,932	15,742	108,250	902,842
3 to 5 years	-	91,397	99,926	54,914	10,333	6,257	4,476	3,807	42,141	313,251
Over 5 years	-	35,435	50,476	29,797	4,084	2,139	1,506	888	10,886	135,211
Installments past due	-	10,024	51,957	47,102	33,408	37,098	61,431	55,567	257,546	554,133
Up to 60 days	-	10,024	51,957	43,334	16,009	13,811	25,368	7,612	44,757	212,872
61 to 90 days	-	-	-	2,802	10,869	4,716	11,715	2,197	22,203	54,502
91 to 180 days	-	-	-	966	3,303	16,443	21,266	43,023	45,625	130,626
181 to 360 days	-	-	-	-	3,227	2,128	3,082	2,735	144,961	156,133
Total portfolio of transactions with loan characteristics	9,308,266	27,796,283	7,009,289	2,281,302	458,932	188,131	784,489	141,769	610,997	48,579,458
Term ⁽³⁾										
Up to 3 months	17,526	25,521	1,300	-	-	-	-	-	-	44,347
3 to 12 months	19,247	249,010	648	-	-	-	-	-	-	268,905
1 to 3 years	47,342	381,489	406	-	-	-	-	-	-	429,237
3 to 5 years	120,876	209,801	-	29,960	-	-	-	-	-	360,637
Over 5 years	508	6,317	-	-	-	-	-	-	-	6,825
Up to 14 days past-due	-	-	79	-	-	-	-	-	-	79
91 to 180 days past-due	-	-	-	-	-	-	-	575	-	575
Total private-sector securities (Note 7.a)	205,499	872,138	2,433	29,960	-	-	-	575	-	1,110,605
Financial guarantees provided	2,676,313	2,482,711	495,266	41,052	61,696	1,825	4,317	175	414	5,763,769
Total financial guarantees provided	2,676,313	2,482,711	495,266	41,052	61,696	1,825	4,317	175	414	5,763,769
Total extended credit portfolio	12,190,078	31,151,132	7,506,988	2,352,314	520,628	189,956	788,806	142,519	611,411	55,453,832
Provision associated with credit risk										
Minimum required ⁽⁴⁾	-	138,981	70,093	68,439	45,893	56,439	392,245	99,238	610,997	1,482,325
Additional ⁽⁵⁾	-	-	115,085	79,234	37,586	31,381	-	-	-	263,286
Total provision associated with credit risk on the portfolio of transactions with loan characteristics	-	138,981	185,178	147,673	83,479	87,820	392,245	99,238	610,997	1,745,611
Provision associated with credit risk										
Minimum required ⁽⁴⁾	-	4,363	24	912	-	-	-	402	-	5,701
Additional ⁽⁵⁾	-	-	46	-	-	-	-	-	-	46
Total provision associated with credit risk on private-sector securities	-	4,363	70	912	-	-	-	402	-	5,747
Minimum required ⁽⁴⁾	-	12,414	4,953	1,232	6,169	546	2,158	123	414	28,009
Additional ⁽⁵⁾	-	-	9,410	1,519	5,368	310	-	-	-	16,607
Total provision associated with credit risk on financial guarantees provided ⁽⁶⁾	-	12,414	14,363	2,751	11,537	856	2,158	123	414	44,616
Total provision associated with credit risk on extended credit portfolio	-	155,758	199,611	151,336	95,016	88,676	394,403	99,763	611,411	1,795,974

2021	AA	A	B	C	D	E	F	G	H	Total
In normal course ⁽¹⁾	8,371,263	13,133,768	15,528,159	1,772,053	293,605	90,361	71,215	4,597	163,478	39,428,499
Installments falling due	8,371,255	13,046,605	15,488,923	1,759,799	292,086	90,087	71,034	4,579	162,610	39,286,978
Up to 3 months	6,024,804	4,280,930	4,641,788	380,592	89,335	19,805	13,831	467	21,842	15,473,394
3 to 12 months	1,713,034	3,380,173	5,222,737	486,742	124,483	32,120	24,848	1,203	50,009	11,035,349
1 to 3 years	434,281	3,587,035	4,737,239	580,893	70,771	28,416	30,203	2,294	69,064	9,540,196
3 to 5 years	190,203	1,224,822	592,625	197,925	6,894	9,112	1,947	458	18,807	2,242,793
Over 5 years	8,933	573,645	294,534	113,647	603	634	205	157	2,888	995,246
Past due up to 14 days	8	87,163	39,236	12,254	1,519	274	181	18	868	141,521
In abnormal course ⁽²⁾	-	499,637	757,783	403,571	186,600	108,216	93,877	85,795	443,528	2,579,007
Installments falling due	-	492,712	723,952	370,026	164,238	85,372	73,191	61,760	249,855	2,221,106
Up to 3 months	-	310,270	137,500	64,665	22,728	11,286	9,619	7,151	25,439	588,658
3 to 12 months	-	55,882	221,965	107,685	53,416	26,215	23,799	17,715	62,418	569,095
1 to 3 years	-	78,328	259,455	147,657	72,682	38,934	34,117	28,488	103,998	763,659
3 to 5 years	-	33,287	64,991	34,528	12,025	6,391	4,355	6,730	43,261	205,588
Over 5 years	-	14,945	40,041	15,491	3,387	2,546	1,301	1,676	14,739	94,126
Installments past due	-	6,925	33,831	33,545	22,362	22,844	20,686	24,035	193,673	357,901
Up to 60 days	-	6,925	33,831	30,912	13,008	9,951	7,326	4,707	29,970	136,630
61 to 90 days	-	-	-	1,931	6,638	3,534	3,076	2,155	15,752	33,086
91 to 180 days	-	-	-	702	2,716	8,229	8,140	12,273	41,992	74,052
181 to 360 days	-	-	-	-	-	1,130	2,144	4,900	105,959	114,133
Total portfolio of transactions with loan characteristics	8,371,263	13,633,405	16,285,942	2,175,624	480,205	198,577	165,092	90,392	607,006	42,007,506
Term ⁽³⁾										
3 to 12 months	51,921	24,255	17,676	3,162	-	-	-	-	-	97,014
1 to 3 years	26,509	55,515	61,777	11,190	892	-	-	-	-	155,883
3 to 5 years	-	40,187	-	-	-	-	-	-	-	40,187
Over 5 years	534	32,690	-	-	-	-	-	-	-	33,224
Total private-sector securities (Note 7.a)	78,964	152,647	79,453	14,352	892	-	-	-	-	326,308
Financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
Total financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
Total extended credit portfolio	10,753,689	14,778,945	17,360,698	2,260,327	498,887	199,835	165,092	90,392	607,420	46,715,285
Provision associated with credit risk										
Minimum required ⁽⁴⁾	-	68,167	162,860	65,269	48,020	59,573	82,546	63,274	607,006	1,156,715
Additional ⁽⁵⁾	-	-	295,795	77,673	39,370	32,195	-	-	-	445,033
Total provision associated with credit risk on the portfolio of transactions with loan characteristics	-	68,167	458,655	142,942	87,390	91,768	82,546	63,274	607,006	1,601,748
Provision associated with credit risk										
Minimum required ⁽⁴⁾	-	764	795	430	89	-	-	-	-	2,078
Additional ⁽⁵⁾	-	-	303	531	78	-	-	-	-	912
Total provision associated with credit risk on private-sector securities	-	764	1,098	961	167	-	-	-	-	2,990
Minimum required ⁽⁴⁾	-	4,964	9,953	2,111	1,779	377	-	-	414	19,598
Additional ⁽⁵⁾	-	-	18,910	2,603	1,548	214	-	-	-	23,275
Total provision associated with credit risk on financial guarantees provided ⁽⁶⁾	-	4,964	28,863	4,714	3,327	591	-	-	414	42,873
Total provision associated with credit risk on extended credit portfolio	-	73,895	488,616	148,617	90,884	92,359	82,546	63,274	607,420	1,647,611

(1) Operations without past-due installments and/or with installments past due up to 14 days.

(2) Operations with at least one installment past due for more than 14 days.

(3) Private-sector securities are presented with their respective maturities.

(4) Allowance for loan losses associated with credit risk, considering the minimum percentages required by CMN Resolution 2,682/99, and subsequent amendments.

(5) Additional allowance established in relation to the minimum percentage required by the regulation in force, based on an own methodology of credit risk rating and also in connection with the factors described in Note 26.e.

(6) As established by CMN Resolution 4,512/16 concerning accounting procedures applicable to the evaluation and recording of the liability provision for financial guarantees provided, the Bank recorded the provision for bank guarantees based on the parameters set by CMN Resolution 2,682/99, and subsequent amendments, which requires periodic portfolio analysis and its classification into nine levels, namely "AA" (minimum risk) and "H" (maximum risk - loss).

iii. By line of business

	Bank			
	2022		2021	
	Value	% exposure	Value	% exposure
Total extended credit portfolio	52,704,278	100.00%	44,638,966	100.00%
Public Sector	38,791	0.08%	84,622	0.20%
Governo federal	3,762	0.01%	27,680	0.06%
State government	35,029	0.07%	56,942	0.14%
	52,665,487	99.92%	44,554,344	99.80%
Private Sector	38,807,485	73.63%	33,669,797	75.42%
Legal entity	15,142,153	28.73%	13,563,046	30.38%
Industrial	9,849,950	18.69%	8,582,364	19.23%
Commercial	228,694	0.43%	158,413	0.35%
Financial	13,256,980	25.15%	11,047,978	24.75%
Other services	329,708	0.63%	317,996	0.71%
	13,858,002	26.29%	10,884,547	24.38%
Individual				
	Consolidated			
	2022		2021	
	Value	% exposure	Value	% exposure
Total extended credit portfolio	55,453,832	100.00%	46,715,285	100.00%
Public Sector	38,791	0.07%	84,622	0.18%
State government	3,762	0.01%	27,680	0.06%
Municipal government	35,029	0.06%	56,942	0.12%
Private Sector	55,415,041	99.93%	46,630,663	99.82%
Legal entity	41,469,027	74.78%	35,736,751	76.50%
Industrial	15,769,518	28.44%	14,092,265	30.17%
Commercial	10,373,314	18.71%	8,963,271	19.19%
Financial	577,970	1.04%	468,453	1.00%
Other services	14,418,517	26.00%	11,894,766	25.46%
Rural	329,708	0.59%	317,996	0.68%
Individual	13,946,014	25.15%	10,893,912	23.32%

c) Financial guarantees provided (Bank and Consolidated)

	2022	2021
Open credits for import	345,145	99,860
Beneficiaries of guarantees provided	5,418,624	4,281,611
Total	5,763,769	4,381,471

d) Concentration of the portfolio with credit granting characteristics

	Bank			
	2022		2021	
	Value	% of portfolio	Value	% of portfolio
Largest debtor	1,044,830	2.28	517,044	1.29
10 largest debtors	3,464,667	7.56	2,519,327	6.31
50 next largest debtors	4,945,214	10.79	4,622,274	11.58
100 next largest debtors	4,431,138	9.67	3,688,522	9.24
Other debtors	31,944,055	69.70	28,584,020	71.58
Total	45,829,904	100.00	39,931,187	100.00

	Consolidated			
	2022		2021	
	Value	% of portfolio	Value	% of portfolio
Largest debtor	1,044,830	2.15	517,044	1.23
10 largest debtors	3,663,088	7.54	2,593,019	6.17
50 next largest debtors	5,178,601	10.66	4,872,284	11.60
100 next largest debtors	4,632,910	9.54	3,873,514	9.22
Other debtors	34,060,029	70.11	30,151,645	71.78
Total	48,579,458	100.00	42,007,506	100.00

e) Variations and breakdown of the allowance for loan losses

e.1) Variations of the allowance for loan losses

	Bank		Consolidated	
	2022	2021	2022	2021
Opening balance of the allowance for loan losses	1,621,695	1,560,501	1,647,611	1,579,521
Operations written off as loss	(531,428)	(379,661)	(533,932)	(382,009)
Recognition (reversal) of expenses on the allowance for loan losses in the year	665,986	437,317	676,548	446,561
Minimum required by CMN Resolution 2,682/99 ⁽¹⁾	845,725	536,759	856,287	546,003
Sureties and pledges provided ⁽²⁾	8,411	5,469	8,411	5,469
Additional to the minimum required ⁽³⁾	(188,150)	(104,363)	(188,150)	(104,363)
Exchange rate changes	-	(548)	-	(548)
Recognition (reversal) of allowance for loan losses associated with the credit risk of private-sector securities (Note 7a)	5,747	2,990	5,747	2,990
Closing balance of the allowance for loan losses	1,762,000	1,621,695	1,795,974	1,647,611

e.2) Breakdown of the allowance for loan losses

	Bank		Consolidated	
	2022	2021	2022	2021
Portfolio of transactions with loan characteristics	1,711,637	1,575,832	1,745,611	1,601,748
Minimum required by CMN Resolution 2,682/99 ⁽¹⁾	1,448,351	1,130,799	1,482,325	1,156,715
Additional to the minimum required ⁽³⁾	263,286	445,033	263,286	445,033
Financial guarantees provided	44,616	42,873	44,616	42,873
Minimum required by CMN Resolution 2,682/99 ⁽¹⁾	28,009	19,598	28,009	19,598
Additional to the minimum required ⁽³⁾	16,607	23,275	16,607	23,275
Private-sector securities	5,747	2,990	5,747	2,990
Minimum required by CMN Resolution 2,682/99 ⁽¹⁾	5,701	2,078	5,701	2,078
Additional to the minimum required ⁽³⁾	46	912	46	912
Total allowance for loan losses	1,762,000	1,621,695	1,795,974	1,647,611

(1) This refers to the allowance for losses associated with credit risk considering the minimum percentages required by CMN Resolution No. 2,682/99, and subsequent amendments.

(2) Pursuant to CMN Resolution 4,512/16 on the accounting procedures applicable for the evaluation and recording of a provision for financial guarantees provided, the Bank recorded the provision for bank guarantees based on the parameters set by CMN Resolution 2,682/99, and subsequent amendments, which requires the periodic portfolio analysis and its classification into nine levels, namely "AA" (minimum risk) and "H" (maximum risk - loss).

(3) Additional provision established in relation to the minimum percentage required by the regulation in force, based on a proprietary credit risk evaluation methodology and also in connection with the factors described in Note 26.e.

f) Renegotiation and recovery of transactions with loan characteristics

	Bank		Consolidated	
	2022	2021	2022	2021
Variations in renegotiated operations for the period				
Opening balance	3,279,582	2,822,908	3,369,615	2,927,159
Write-off of renegotiated operations to loss for the year	(155,317)	(80,720)	(156,796)	(81,657)
Payments / repayments for the period of renegotiated operations	(3,688,524)	(2,861,961)	(3,818,766)	(2,942,845)
Renegotiated operations for the year	3,992,818	3,399,355	4,109,109	3,466,958
Closing balance	3,428,559	3,279,582	3,503,162	3,369,615
Breakdown of the balance of renegotiated operations				
Operations in normal course ⁽¹⁾	2,834,461	2,676,318	2,907,875	2,758,743
Installments falling due	2,816,139	2,666,869	2,888,896	2,749,209
Up to 3 months	926,981	655,547	943,861	674,030
3 to 12 months	1,021,773	1,118,177	1,049,406	1,143,627
1 to 3 years	762,832	790,133	787,962	821,492
3 to 5 years	87,681	90,012	90,795	97,060
Over 5 years	16,872	13,000	16,872	13,000
Installments past due for up to 14 days	18,322	9,449	18,979	9,534
Operations in abnormal course ⁽²⁾	594,098	603,264	595,287	610,872
Installments falling due	454,180	502,836	455,144	508,917
Up to 3 months	106,016	61,980	106,235	63,967
3 to 12 months	167,811	192,672	168,288	195,812
1 to 3 years	151,513	231,148	151,781	232,062
3 to 5 years	26,434	15,431	26,434	15,471
Over 5 years	2,406	1,605	2,406	1,605
Installments past due	139,918	100,428	140,143	101,955
Up to 60 days	62,724	51,247	62,863	52,609
61 to 90 days	17,350	13,231	17,393	13,263
91 to 180 days	34,518	23,434	34,560	23,490
181 to 360 days	25,326	12,516	25,327	12,593
Total	3,428,559	3,279,582	3,503,162	3,369,615

(1) Operations without late payment and/or installments up to 14 days past due.

(2) Operations with at least installment over 14 days past due.

As at December 31, 2022, the balance of renegotiated transactions includes R\$200,334 (R\$680,814 in 2021), relating to the renegotiated transactions as a result of the circumstances involving the COVID-19 pandemic.

During the year ended December 31, 2022, the Bank recovered loans previously written off as loss, in the amount of R\$181,774 (R\$177,505 in 2021) and Daycoval Leasing recovered the amount of R\$556 (R\$3,519 in 2021), recognized in the statements of income in line item "Loan portfolio".

g) Restricted lending transactions (Bank and Consolidated)

	2022	2021
Restricted lending transactions		
Loans	36,534	59,343
Payables for restricted lending transactions		
Bank certificates of deposit - CDBs	35,264	58,262

h) Financial assets sale or transfer (Bank and Consolidated)

The credit assignments carried out by the Bank comply with the accounting criteria described in CMN Resolution 3,533/08, with respect to the classification of such assignments as "Operations with substantial retention of risks and rewards".

As at December 31, 2021, the balance of loans with substantial retention of risks and rewards amounts to R\$550, pursuant to Note 9.b.i, including the respective obligation assumed by the assignment, presented in Note 17.b, in the amount of R\$576.

Such assignments of receivables did not generate profit (loss) in advance for the Bank.

During the year ended December 31, 2022, no credit was assigned.

i) Reconciliation of the breakdown of the finance lease portfolio, at present value, with the account balances:

Under the accounting system adopted by the COSIF chart of accounts, finance lease transactions are recorded according to their nature, which are summarized below:

	2022	2021
Assets		
Finance lease transactions		
Finance lease receivable	2,323,631	1,589,455
(-) Unearned income from finance lease receivable	(2,289,409)	(1,557,946)
Total	34,222	31,509
Residual values		
Unrealized residual values	938,867	638,801
Offsetting residual values	(938,867)	(638,801)
Total	-	-
Sundry		
Commitment fee	2,847	1,171
Total	2,847	1,171
Property and equipment for finance lease		
Leased assets	3,391,359	2,339,887
Excess depreciation	577,510	403,645
(-) Insufficient depreciation	(45,384)	(80,244)
(-) Accumulated depreciation on finance lease assets	(1,184,939)	(826,724)
Unamortized lease losses	18,104	24,533
Total	2,756,650	1,861,097
Liabilities		
Other payables		
(-) Prepaid guaranteed residual value (VRGA)	(507,261)	(302,394)
Total	(507,261)	(302,394)
Total finance lease at present value	2,286,458	1,591,383

10 - FOREIGN EXCHANGE PORTFOLIO (BANK AND CONSOLIDATED)

	2022			2021	
	Up to 3 months	3 to 12 Months	1 to 3 years	Value	Value
Assets					
Foreign exchange purchased pending settlement	741,426	427,902	31,303	1,200,631	1,627,341
Right on foreign exchange sold	1,347,844	11,298	-	1,359,142	1,956,692
(-) Advances received in local currency	(37,291)	-	-	(37,291)	(27,868)
Income receivable from advances granted (Note 9.a)	10,681	9,876	457	21,014	18,091
Total	2,062,660	449,076	31,760	2,543,496	3,574,256
Liabilities					
Foreign exchange sold pending settlement	1,333,304	11,023	-	1,344,327	2,012,487
(-) Financed imports (Note 9.a)	(36,820)	-	-	(36,820)	(26,091)
Payables for foreign exchange purchased	736,234	420,360	30,060	1,186,654	1,588,439
(-) Advances on foreign exchange contracts (Note 9.a)	(431,994)	(373,624)	(30,060)	(835,678)	(1,035,288)
Amounts in foreign currencies payable	16	-	-	16	1,219
Unearned income on advances granted (Note 9.a)	520	587	-	1,107	1,446
Total	1,601,260	58,346	-	1,659,606	2,542,212

11 - OTHER SUNDRY CREDITS

	Bank		Consolidated			
	2022 Current	2021 Current	2021 Noncurrent	2022 Current	2021 Current	2021 Noncurrent
Salary advances	1,783	1,514	-	1,823	1,648	-
Advances for payment of our account	24,288	20,868	-	25,274	21,405	-
Reimbursable payments	933	905	-	933	1,264	-
Prepaid profit sharing	65,766	54,042	-	66,033	54,342	-
Premiums paid on the acquisition of lending operations ⁽¹⁾	6,104	3,513	2,451	6,104	3,513	2,451
Sundry debtors ⁽²⁾	108,349	52,994	-	108,911	54,364	-
Total	207,223	133,836	2,451	209,078	136,536	2,451

(1) As at December 31, 2022 and 2021, refers to premiums paid on the acquisition of loan operations from other institutions comprising the National Financial System, to be recognized in the Bank's income statements, in line item "Lending operations", due to the lapse of the transaction term.

(2) As at December 31, 2022, line item "Sundry debtors" includes primarily: (i) amounts of depositors of secured account in the amount of R\$84,412 for the Bank and Consolidated (R\$40,703 for the Bank and Consolidated in 2021).

12 - OTHER ASSETS (BANK AND CONSOLIDATED)

	2022					2021	
	Up to 3 months	3 to 12 Months	1 to 3 years	3 to 5 years	Over 5 years	Value	Value
Prepaid expenses	8,951	15,853	10,937	6,764	3,303	45,808	73,387
Total prepaid expenses	8,951	15,853	10,937	6,764	3,303	45,808	73,387

Held-for-sale non-financial assets

As at December 31, 2022, held-for-sale non-financial assets total R\$91,885 (R\$89,204 in 2021) with impairment adjustment in the amount of R\$5,175 (R\$3,270 in 2021), for the Bank and Consolidated.

13 - FOREIGN BRANCH

The balances of the transactions of Bank Daycoval S.A. - Cayman Branch (foreign branch) conducted with third parties and included in the Bank's interim financial information are as follows:

	2022		2021	
	US\$ thousand	R\$ thousand ⁽¹⁾	US\$ thousand	R\$ thousand ⁽¹⁾
Assets				
Cash and cash equivalents	450	2,348	402	2,245
Interbank accounts	63,750	332,628	45,450	253,634
Securities	9,163	47,810	1,552	8,661
Lending operations	434,391	2,266,524	253,446	1,414,356
Other credits	11,855	61,854	18,170	101,396
Other assets	49	255	-	-
Total assets	519,658	2,711,419	319,020	1,780,292
Liabilities				
Demand deposit	865	4,512	2,635	14,706
Time deposits	279,722	1,459,505	92,787	517,798
Securities issued abroad	1,866	9,734	8,403	46,892
Borrowings and onlendings	202,771	1,058,000	183,156	1,022,099
Derivatives	279	1,454	-	-
Other sundry payables	1,409	7,352	1	5
Deferred income	-	-	46	259
Total liabilities	486,912	2,540,557	287,028	1,601,759

(1) The amounts in US dollars have been translated into Brazilian reais (R\$) at the exchange rates of R\$/US\$5.2177 and R\$/US\$5.5805, disclosed by the BACEN, for December 31, 2022 and 2021, respectively.

As at December 31, 2022, expense from exchange rate changes in the amount of R\$11,761 (income of R\$12,689 in 2021) on the investment in Banco Daycoval S.A. - Cayman Branch was recognized in the Bank's profit or loss.

14 - INVESTMENTS IN SUBSIDIARIES

a) Direct subsidiaries

Companies	Equity	Capital	Number of shares	% interest	Profit (loss)		Adjusted investment amount		Share of profit (loss) of subsidiaries	
					2022	2021	2022	2021	2022	2021
Daycoval Leasing ⁽¹⁾	692,551	343,781	5,780,078,463	100.0	82,498	71,861	652,827	583,019	82,498	71,861
Dayprev	37,366	25,000	19,591,614	97.0	2,259	901	36,036	34,028	2,190	874
ACS	875,423	623,597	54,225,800	99.9	34,747	13,688	875,899	848,098	34,747	13,688
Daycoval Asset	72,633	1,554	36,875	99.9	12,046	7,216	72,634	60,586	12,046	7,216
Total							1,637,396	1,525,731	131,481	93,639

(1) The discount on the acquisition of another financial institution in 2015 is being fully amortized over a period of ten years, as well as the recognition of the deferred tax liability set up at the rates in effect at the time of amortization. The balance as at December 31, 2022 is R\$20,131 (R\$27,034 as at December 31, 2021).

b) Indirect subsidiaries

Companies	Equity	Capital	Number of shares	% interest	Profit (loss)		Adjusted investment amount		Share of profit (loss) of subsidiaries ^{(1) (2)}	
					2022	2021	2022	2021	2022	2021
IFP	246,514	260,020	260,020,000	99.9	8,926	(1,434)	246,514	237,588	8,926	(1,434)
SCC	15,134	10,020	10,020,000	99.9	826	573	15,134	14,308	826	573
Treetop	83,706	13,924	2,668,585	99.9	(7,970)	(5,481)	83,706	104,678	(8,347)	(1,774)
Total							345,354	356,574	1,405	(2,635)

(1) During the year ended December 31, 2022, expense from exchange rate changes in the amount of R\$377 (income of R\$3,707 as at December 31, 2021) on the investment in Treetop was recognized in profit or loss of ACS Participações (direct parent company), mentioned in table 14.a above.

(2) As at December 31, 2022, the share in profit (loss) of subsidiaries includes income of R\$1,405 (expense of R\$2,635 in 2021) which was recognized in profit or loss of ACS Participações (direct parent company), mentioned in table 14.a.

c) Associate

Company	Equity	Capital	Number of shares	% interest	Adjusted investment amount	Share of profit (loss) of subsidiaries
						2022
CIP S.A. ⁽¹⁾	2,222,489	959,982	250,002	0.49%		11,285
Total						11,285

(1) In March 2022, the Interbank Payment Chamber (CIP) was demutualized. The non-profit association underwent a spin-off and part of its net assets was merged into a new CIP S.A, a profit entity.

15 - PROPERTY AND EQUIPMENT IN USE AND FOR OPERATING LEASE

a) Property and equipment in use

	Bank				
	2022				2021
	Annual depreciation	Acquisition cost	Accumulated depreciation	Net amount	Net amount
Aircraft	10%	75,865	(39,829)	36,036	43,623
Computers and peripherals	20%	31,966	(20,216)	11,750	10,837
Communications equipment	20%	758	(658)	100	140
Security equipment	10%	1,459	(1,238)	221	325
Properties in use	4%	1,500	(300)	1,200	1,260
Facilities	10%	939	(718)	221	251
Furniture and equipment in use	10%	8,899	(5,821)	3,078	3,107
Vehicles	20%	3,504	(1,891)	1,613	1,611
Total		124,890	(70,671)	54,219	61,154

	Consolidated				
	2022				2021
	Annual depreciation	Acquisition cost	Accumulated depreciation	Net amount	Net amount
Aircraft	10%	75,865	(39,829)	36,036	43,623
Computers and peripherals	20%	33,170	(21,330)	11,840	10,940
Communications equipment	20%	1,100	(811)	289	329
Security equipment	10%	1,459	(1,238)	221	325
Properties in use	4%	4,142	(737)	3,405	3,583
Facilities	10%	5,039	(1,988)	3,051	3,476
Furniture and equipment in use	10%	11,074	(6,911)	4,163	4,139
Vehicles	20%	5,007	(2,905)	2,102	1,943
Total		136,856	(75,749)	61,107	68,358

b) Property and equipment for operating lease (Consolidated)

		2022			2021	
		Annual depreciation	Acquisition cost	Accumulated depreciation	Allowance for impairment	Net amount
Facilities	10%	60	(30)	-	30	47
Machinery and equipment	10%	461,564	(247,288)	(3,043)	211,233	222,580
Furniture	10%	17	(8)	-	9	14
Vehicles	20%	927	(258)	-	669	562
Total		462,568	(247,584)	(3,043)	211,941	223,203

16 - REPURCHASE TRANSACTIONS AND FUNDING INSTRUMENTS

a) Breakdown of repurchase transactions by maturity (Bank and Consolidated)

	2022	2021
	Up to 3 months	Up to 3 months
Repurchase transactions		
Own portfolio	6,448,013	1,195,541
Financial Treasury Bills (LFT)	6,111,395	963,474
National Treasury Bills (LTN)	183	-
Debentures	336,435	232,067
Third-party portfolio	384,002	1,278,978
Financial Treasury Bills (LFT)	-	29,453
National Treasury Bills (LTN)	300,050	265,194
National Treasury Notes (NTN)	53,009	984,331
Certificates of real estate receivables (CRI)	30,943	-
Total	6,832,015	2,474,519

b) Summary of funding instruments

The table below shows the summary of funding instruments used by Daycoval:

	Bank		Consolidated	
	2022	2021	2022	2021
Deposits	17,932,740	17,331,441	17,864,912	17,281,007
Demand deposits	1,765,296	1,539,909	1,760,552	1,535,027
Interbank deposits	1,862,400	988,220	1,862,400	988,220
Time deposits	14,293,851	14,791,000	14,230,767	14,745,448
Other deposits	11,193	12,312	11,193	12,312
Issuance of securities	23,476,949	20,542,824	23,079,455	20,160,278
Mortgage loan notes	1,754,269	1,465,309	1,754,269	1,465,309
Agribusiness and financial letter of credit	2,406,819	2,392,038	2,406,819	2,392,038
Financial bills	17,102,559	14,071,202	16,718,136	13,688,656
Foreign issuance	2,213,302	2,614,275	2,200,231	2,614,275
Borrowings and onlendings	8,209,637	8,905,148	8,209,637	8,905,148
Foreign borrowings	7,820,251	8,709,577	7,820,251	8,709,577
Onlendings - official institutions	389,386	195,571	389,386	195,571
Subordinated debts (Note 16.d)	1,042,478	992,038	1,042,478	992,038
Financial bills	1,042,478	992,038	1,042,478	992,038
Total	50,661,804	47,771,451	50,196,482	47,338,471

c) Breakdown of funding instruments by terms

	Bank					2021	2021
	2022						
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Deposits	4,988,738	5,675,413	6,597,271	649,206	22,112	17,932,740	17,331,441
Demand deposits	1,765,296	-	-	-	-	1,765,296	1,539,909
Interbank deposits	11,033	1,820,723	28,601	2,043	-	1,862,400	988,220
Time deposits	3,201,216	3,854,690	6,568,670	647,163	22,112	14,293,851	14,791,000
Other deposits	11,193	-	-	-	-	11,193	12,312
Issuance of securities	2,654,569	3,348,881	14,414,731	2,480,473	578,295	23,476,949	20,542,824
Mortgage loan notes	188,066	512,479	1,033,883	12,993	6,848	1,754,269	1,465,309
Agribusiness and financial letters of credit	369,225	966,246	1,071,066	282	-	2,406,819	2,392,038
Financial bills ⁽¹⁾⁽⁵⁾	2,096,230	1,856,184	10,111,500	2,467,198	571,447	17,102,559	14,071,202
Foreign issuance	1,048	13,972	2,198,282	-	-	2,213,302	2,614,275
Borrowings and onlendings	2,730,738	4,766,589	643,699	63,423	5,188	8,209,637	8,905,148
Foreign borrowings	2,695,872	4,666,092	458,287	-	-	7,820,251	8,709,577
Foreign-currency payables ⁽²⁾	1,022,376	761,175	-	-	-	1,783,551	1,884,758
Foreign borrowings ⁽³⁾⁽⁴⁾	1,673,496	3,904,917	458,287	-	-	6,036,700	6,824,819
Onlendings - official institutions	34,866	100,497	185,412	63,423	5,188	389,386	195,571
BNDES	15,702	20,953	14,910	1,219	-	52,784	71,921
FINAME	19,164	79,544	170,502	62,204	5,188	336,602	123,650
Subordinated debts (Note 16.d)	-	-	-	-	1,042,478	1,042,478	992,038
Financial bills	-	-	-	-	1,042,478	1,042,478	992,038
Total	10,374,045	13,790,883	21,655,701	3,193,102	1,648,073	50,661,804	47,771,451

	Consolidated						2021
	2022					Total	
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Deposits	4,983,926	5,675,413	6,560,410	623,051	22,112	17,864,912	17,281,007
Demand deposits	1,760,552	-	-	-	-	1,760,552	1,535,027
Interbank deposits	11,033	1,820,723	28,601	2,043	-	1,862,400	988,220
Time deposits	3,201,148	3,854,690	6,531,809	621,008	22,112	14,230,767	14,745,448
Other deposits	11,193	-	-	-	-	11,193	12,312
Issuance of securities	2,654,543	3,348,881	14,017,263	2,480,473	578,295	23,079,455	20,160,278
Mortgage loan notes	188,066	512,479	1,033,883	12,993	6,848	1,754,269	1,465,309
Agribusiness and financial letters of credit	369,225	966,246	1,071,066	282	-	2,406,819	2,392,038
Financial bills ⁽¹⁾⁽⁵⁾	2,096,230	1,856,184	9,727,077	2,467,198	571,447	16,718,136	13,688,656
Foreign issuance	1,022	13,972	2,185,237	-	-	2,200,231	2,614,275
Borrowings and onlendings	2,730,738	4,766,589	643,699	63,423	5,188	8,209,637	8,905,148
Foreign borrowings	2,695,872	4,666,092	458,287	-	-	7,820,251	8,709,577
Foreign-currency payables ⁽²⁾	1,022,376	761,175	-	-	-	1,783,551	1,884,758
Foreign borrowings ⁽³⁾⁽⁴⁾	1,673,496	3,904,917	458,287	-	-	6,036,700	6,824,819
Onlendings - official institutions	34,866	100,497	185,412	63,423	5,188	389,386	195,571
BNDES	15,702	20,953	14,910	1,219	-	52,784	71,921
FINAME	19,164	79,544	170,502	62,204	5,188	336,602	123,650
Subordinated debts (Note 16.d)	-	-	-	-	1,042,478	1,042,478	992,038
Financial bills	-	-	-	-	1,042,478	1,042,478	992,038
Total	10,369,207	13,790,883	21,221,372	3,166,947	1,648,073	50,196,482	47,338,471

(1) Pursuant to the Notice to the Market, published on May 03, 2022, Daycoval completed its twelfth issuance of Financial Bills, totaling R\$1 billion. The Financial Bills were issued in three series, the first in the amount of R\$406.0 million for two years; the second for three years in the amount of R\$340.5 million; and the third in the amount of R\$253.5 million for four years.

(2) The balance of "Foreign-currency payables" refers to funding for foreign exchange operations related to export and import financing.

(3) As at December 31, 2022, includes foreign loan transactions, in the amount of US\$1.5 billion (US\$613 million and €25 and as at December 31, 2021), subject to hedge accounting of market risk (note 8), which carrying amount and fair value amount to R\$5,326,667 and R\$5,389,898, respectively (R\$6,284,123 and R\$6,306,997 as at December 31, 2021).

(4) On June 15, 2022, Daycoval raised from International Finance Corporation – IFC the amount of US\$100 million, subject to hedge accounting.

(5) On July 4, 2022, Guaranteed Financial Bills, pursuant to CMN Resolution 4,795/20, in the amount of R\$1,048,641 were settled in advance.

Financial covenants

There was no breach of covenants linked to borrowing agreements with the International Finance Corporation - IFC and the Inter-American Development Bank – IDB, recognized in line item "Borrowings", that could result in the accelerated maturity of the agreements entered into with the Bank and these institutions.

d) Subordinated debts (Bank and Consolidated)

Tier of Capital	Funding Instrument	2022		Issuance amount (R\$ million)	% of index	Date of BACEN'S authorization ⁽¹⁾
		Dates of issuance	Dates of maturity			
Complementary Tier I	Financial bills	10/15/2021	Perpetual	500,000	140% CDI	10/15/2021
Complementary Tier I	Financial bills	02/11/2021	Perpetual	163,875	150% CDI	03/05/2021
Complementary Tier I	Financial bills	04/15/2020	Perpetual	240,000	150% CDI	06/10/2020
Complementary Tier I	Financial bills	02/19/2020	Perpetual	50,000	135% CDI	04/15/2020

(1) Funding was authorized by the BACEN to comprise the Bank's Regulatory Capital, pursuant to CMN Resolution 4,192/13.

There were no changes in the breakdown of subordinated debts during the years ended December 31, 2022 and 2021.

17 - OTHER OBLIGATIONS

a) Social and statutory

	Bank		Consolidated	
	Current		Current	
	2022	2021	2022	2021
Dividends and/or interest on capital payable	75,806	205,104	75,806	205,104
Profit sharing program	198,942	163,676	201,777	166,346
Bonus and profit sharing payable	-	120	-	120
Total	274,748	368,900	277,583	371,570

b) Sundry

	Bank		Consolidated	
	Current		Current	
	2022	2021	2022	2021
Administrative checks	800	-	800	-
Creditors for unreleased resources	11,459	3,841	11,459	3,841
Payables to related party	1,739	1,322	-	-
Amounts reimbursable to customers	5,287	-	5,287	-
Payables for sales operations and transfer of financial assets	-	576	-	576
Accrued payments ⁽¹⁾	119,527	85,345	131,231	96,760
Discounted notes partially received	9,221	34,715	9,221	34,715
Collections for release	29,116	28,735	29,116	28,735
Insurance payable	6,574	5,051	6,574	5,051
Income from securities receivable	21,146	32,184	21,146	32,184
Surety commissions	37,615	26,993	96,272	30,508
Discounts relating to lease operations	-	-	15,646	13,458
Negative goodwill on acquisition of Daycoval Leasing	-	-	20,130	27,034
Payables for refund of fees	41	-	41	-
Other sundry creditors	66,293	32,086	72,869	46,003
Total	308,818	250,848	419,792	318,865

(1) As at December 31, 2022, the balance of "Accrued payments" (Bank and Consolidated) is mainly comprised of the following: (i) personnel expenses in the amount of R\$55,938 for the Bank and R\$65,809 for the Consolidated (R\$38,316 for the Bank and R\$46,030 for the Consolidated in 2021); (ii) expenses on suppliers in the amount of R\$42,444 for the Bank and R\$45,645 for the Consolidated (R\$25,098 for the Bank and R\$27,533 for the Consolidated in 2021); and (iii) commissions payable in the amount of R\$16,827 for the Bank and Consolidated (R\$16,233 in 2021 for the Bank and Consolidated).

18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS**a) Contingent assets**

Daycoval and its subsidiaries did not recognize contingent assets as at December 31, 2022 and 2021.

b) Provisions for lawsuits and legal obligations

The Bank is a party to lawsuits involving labor, civil and tax matters. Provisions are recorded based on the criteria described in note 3.q. The Bank's Management understands that the provisions recorded are sufficient to cover probable losses on these lawsuits.

The balances of provisions for tax, civil and labor risks recognized and the respective variations for the years ended December 31, 2022 and 2021, are broken down below:

	Bank		Consolidated	
	2022	2021	2022	2021
Legal obligations - tax risks	1,918,896	1,812,691	1,920,734	1,813,790
Civil lawsuits	138,177	115,688	138,960	116,382
Labor lawsuits	44,393	47,105	55,924	57,537
Total	2,101,466	1,975,484	2,115,618	1,987,709

Risks	Year ended December 31, 2022							
	Bank				Consolidated			
	Opening balance	Monetary adjustment	Recognition (reversal)	Closing balance	Opening balance	Monetary adjustment	Recognition (reversal)	Closing balance
Tax	1,812,691	114,540	(8,335)	1,918,896	1,813,790	114,540	(7,596)	1,920,734
Civil	115,688	-	22,489	138,177	116,382	-	22,578	138,960
Labor	47,105	-	(2,712)	44,393	57,537	-	(1,613)	55,924
Total	1,975,484	114,540	11,442	2,101,466	1,987,709	114,540	13,369	2,115,618

Risks	Year ended December 31, 2021							
	Bank				Consolidated			
	Opening balance	Monetary adjustment	Recognition (reversal)	Closing balance	Opening balance	Monetary adjustment	Recognition (reversal)	Closing balance
Tax	1,656,548	41,146	114,997	1,812,691	1,657,360	41,146	115,284	1,813,790
Civil	166,760	-	(51,072)	115,688	167,308	-	(50,926)	116,382
Labor	62,809	-	(15,704)	47,105	75,856	-	(18,319)	57,537
Total	1,886,117	41,146	48,221	1,975,484	1,900,524	41,146	46,039	1,987,709

c) Escrow deposits for tax, civil and labor risks

	Bank		Consolidated	
	2022	2021	2022	2021
Tax	1,733,400	1,528,906	1,733,400	1,528,906
Civil	45,749	38,773	45,772	38,856
Labor	15,288	13,685	19,473	17,559
Total	1,794,437	1,581,364	1,798,645	1,585,321

d) The Bank is challenging in court the legality of certain taxes and contributions and the related amounts are fully accrued and adjusted:**IRPJ**

Challenges the effect from the extinguishment of the monetary adjustment to the balance sheet and twice PAT deduction, the amount accrued totaling R\$15,084 (R\$60,311 in 2021). Total escrow deposits for these challenges amounts to R\$15,227 (R\$22,878 in 2021).

CSLL

Challenges the effect from the extinguishment of the monetary adjustment to the balance sheet, challenges the requirement of a different tax rate and challenges the increase in tax rate from 9% to 15%, prescribed by Provisional Act 413/08, passed into Law 11,727/08, and from 15% to 20%, as prescribed by Law 13,169/15. The amount accrued amounts to R\$1,048,913 (R\$945,087 in 2021) and the total escrow deposits for this lawsuit amount to R\$1,054,331 (R\$882,641 in 2021).

COFINS

Challenges the constitutionality of Law 9,718/98. The amount accrued amounts to R\$739,253 (R\$698,034 in 2021) and the total escrow deposits for this lawsuit amount to R\$544,121 (R\$510,734 in 2021).

PIS

Challenges the application of Law 9,718/98 and the tax authorities' requirement of calculation of the PIS tax basis in noncompliance with Constitutional Amendments 01/94, 10/96 and 17/97. The amount accrued amounts to R\$111,599 (R\$105,437 in 2021) and the total escrow deposits for this lawsuit amount to R\$114,137 (R\$107,705 in 2021).

The provision for other legal liabilities amounts to R\$4,046 (R\$3,821 in 2021) and the total escrow deposits for this lawsuits amount to R\$5,584 (R\$3,821 in 2021).

Daycoval Leasing has been challenging in courts the Tax Assessment Notices and Fine Imposition issued by the State of São Paulo, as described below:

ISS Tax Execution lawsuits of the municipalities of Cascavel-PR and Uberlândia-MG, in the adjusted amount of R\$310, assessed as remote loss, where the municipalities intend to receive the ISS relating to lease transactions carried out with customers domiciled in these municipalities.

Case No. 1013470-42,2021,8,26,0068 Civil Writ of Security for the suspension of payment of the ISS assessed by the municipality of Barueri-SP supported by the decision of ADPF 189. Assessed as possible loss. The municipality of Barueri-SP has charged from Daycoval Leasing the amount of R\$6,623, an amount related to the difference of the ISS due in 2016 and 2017, calculated between the prevailing tax rate at the time, determined by the municipality, and a 2% rate, which was considered legally applicable by the judge for the lease service. The adjusted amount is R\$12,609.

As at December 31, 2022, there are legal proceedings relating to the PAT provisioned by Daycoval Leasing in the amount of R\$166. There were no proceedings relating to PAT provisioned as at December 31, 2021.

Daycoval Leasing is challenging the PIS and COFINS tax basis at court, with favorable injunction for the collection based on the plea. As at December 31, 2022, the amount of unpaid taxes, waiting for the favorable decision on the lawsuits, is R\$1,673 (R\$1,098 in 2021).

f) Contingent liabilities assessed as possible losses

Contingent liabilities assessed as possible losses are not recognized and are represented by civil and labor lawsuits.

As at December 31, 2022, civil lawsuits correspond to an approximate amount of R\$66,345 for the Bank and Consolidated (R\$133,941 for the Bank and Consolidated in 2021).

As at December 31, 2022, labor lawsuits amount to R\$122 for the Bank and Consolidated (R\$142 for the Bank and R\$143 for the Consolidated in 2021).

There are no ongoing administrative proceedings for noncompliance with the rules of the National Financial System or payment of fines, which may have significant impacts on the financial position of the Bank or its subsidiaries.

19 - TAXES

Taxes and contributions are calculated pursuant to the legislation currently in force. The following rates were levied:

Taxes and contributions	Rate
Income tax	15.00%
Income tax surcharge (on the amount exceeding R\$240,000.00)	10.00%
Social contribution - financial institutions ⁽¹⁾	21.00%
Social contribution - non-financial institution ⁽²⁾	9.00%
PIS	0.65%
COFINS	4.00%
ISS	up to 5.00%

(1) Pursuant to Law 14,446/22, the social contribution (CSLL) rate increased from 20% to 21%, from August 1, 2022 to December 31, 2022. For non-financial subsidiaries the rate remains at 9%.

(2) The non-financial subsidiaries falling under the non-cumulative computation regime are subject to PIS and COFINS rates of, respectively, 1.65% and 7.6% on operating income, and 0.65% and 4% on financial income. For non-financial subsidiaries subject to deemed, PIS and Cofins rates are 0.65% and 3%.

a) Expenses with taxes and contributions

i. Calculation of income tax (IR) and social contribution on net profit (CSLL):

	Bank		Consolidated	
	2022	2021	2022	2021
Profit before income tax and social contribution and profit sharing	1,569,098	2,332,427	1,668,076	2,408,152
Charges (IR and CSLL) at effective rates ⁽¹⁾	(711,970)	(1,102,506)	(756,880)	(1,137,044)
Increases/decreases of IR and CSLL charges				
Equity in subsidiaries	132,954	93,639	1,473	-
Interest on capital	154,803	103,316	154,803	103,316
Non-deductible expenses net of non-taxable revenues	(9,502)	(14,766)	(5,773)	(12,274)
Other amounts	(32,456)	2,089	43,390	52,072
Income tax and social contribution for the year	(466,171)	(918,228)	(562,987)	(993,930)
Current tax	(629,944)	(831,280)	(660,344)	(886,605)
Deferred tax	163,773	(86,948)	97,357	(107,325)

(1) The effective IRPJ and CSLL rate considered in the period ended December 31, 2022 are 46% (50% in 2021).

ii. Tax expenses

	Bank		Consolidated	
	2022	2021	2022	2021
Contributions to COFINS	(171,514)	(161,330)	(189,163)	(174,632)
Contributions to PIS / PASEP	(27,871)	(26,216)	(31,108)	(29,048)
ISS	(18,050)	(12,948)	(38,373)	(26,906)
Other tax expenses	(11,470)	(10,127)	(11,985)	(10,561)
Total	(228,905)	(210,621)	(270,629)	(241,147)

b) Tax assets and liabilities

	Bank		Consolidated	
	2022	2021	2022	2021
Tax assets				
Current	294,092	242,367	339,153	274,295
Taxes and contributions for offset ⁽¹⁾	294,092	242,367	339,134	274,276
Recoverable income tax	-	-	19	19
Deferred	1,780,288	1,497,343	1,820,465	1,511,890
Tax credits (note 19.d)	1,780,288	1,497,343	1,820,465	1,511,890
Total	2,074,380	1,739,710	2,159,618	1,786,185
Tax liabilities				
Current	680,824	760,530	714,733	819,638
Provision for income tax on income	340,412	425,885	359,644	444,905
Provision for social contribution on income	270,569	283,824	277,740	317,692
Taxes and contributions payable	69,843	50,821	77,349	57,041
Deferred	586,982	470,478	759,895	551,328
Tax liabilities (note 19.d)	586,982	470,478	759,895	551,328
Total	1,267,806	1,231,008	1,474,628	1,370,966

(1) As at December 31, 2022, "Taxes and contributions for offset" comprise, substantially, prepaid income tax and social contribution in the amount of R\$290,637 (R\$239,605 in 2021), for the Bank, and R\$320,603 (R\$262,881 in 2021), for the Consolidated.

c) **Deferred income tax and social contribution on temporary additions and deductions (asset and liability)**

As required by BACEN Resolution 4,842/20, the recognition of deferred tax assets and liabilities ('Tas credits' and 'Deferred tax obligations') arising on temporary differences must meet all the following conditions: (i) the entity has a history of taxable profit or income for income tax and social contribution purposes, recorded at least in three of the past five fiscal years, including the reporting year; and (ii) the entity expects to generate future taxable profits or income for income tax and social contribution purposes in subsequent periods, based on an entity-specific technical study that shows the likelihood of future taxes payable against which the tax credits can be offset within ten years or less.

As at December 31, 2022, the Bank did not recognize tax credits in assets. In the Consolidated, the balance of tax credits not recognized in assets amounted to R\$7,460 (R\$8,520 in 2021).

d) **Origin of tax credits and deferred tax liabilities**

	Bank		Consolidated			
	2021	Recognition/ (Realization)	2022	2021	Recognition/ (Realization)	2022
Tax Credits						
Deferred income tax and social contribution on:						
Provision for tax risks	181,760	-	181,760	182,470	380	182,850
Allowance for loan losses	772,584	89,491	862,075	785,390	92,732	878,122
Adjustment to fair value of securities and derivatives	176,898	134,812	311,710	176,915	134,794	311,709
Monetary adjustment of civil, tax and labor risks	278,286	53,874	332,160	278,286	53,874	332,160
Other temporary additions, including provisions for civil and labor risks	87,815	4,768	92,583	88,829	26,795	115,624
Total tax credits on temporary differences	1,497,343	282,945	1,780,288	1,511,890	308,575	1,820,465

	2021	Recognition/ (Realization)	2022	2021	Recognition/ (Realization)	2022
Deferred tax liabilities						
Deferred income tax and social contribution on:						
Adjustment to fair value of securities and derivatives	227,363	61,364	288,727	227,363	61,365	288,728
Deferred income tax on excess depreciation	-	-	-	80,850	52,034	132,884
Amortization of negative goodwill on the acquisition of Daycoval Leasing	18,957	3,106	22,063	18,957	3,106	22,063
Monetary adjustment of escrow deposits	224,158	52,034	276,192	224,158	92,062	316,220
Total deferred tax liabilities on temporary differences	470,478	116,504	586,982	551,328	208,567	759,895

	Bank		Consolidated			
	2020	Recognition/ (Realization)	2021	2020	Recognition/ (Realization)	2021
Tax Credits						
Deferred income tax and social contribution on:						
Provision for tax risks	181,760	-	181,760	182,358	112	182,470
Allowance for loan losses	761,590	10,994	772,584	773,458	11,932	785,390
Adjustment to fair value of securities and derivatives	108,882	68,016	176,898	108,917	67,998	176,915
Monetary adjustment of civil, tax and labor risks	259,770	18,516	278,286	259,770	18,516	278,286
Other temporary additions, including provisions for civil and labor risks	122,421	(34,606)	87,815	123,223	(34,394)	88,829
Total tax credits on temporary differences	1,434,423	62,920	1,497,343	1,447,726	64,164	1,511,890

	2020	Recognition/ (Realization)	2021	2020	Recognition/ (Realization)	2021
Deferred tax liabilities						
Deferred income tax and social contribution on:						
Adjustment to fair value of securities and derivatives	76,709	150,654	227,363	76,709	150,654	227,363
Resultados com instrumentos financeiros derivativos não realizados	11,562	(11,562)	-	11,562	(11,562)	-
Deferred income tax on excess depreciation	-	-	-	59,212	21,638	80,850
Amortization of negative goodwill on the acquisition of Daycoval Leasing	15,852	3,105	18,957	15,852	3,105	18,957
Monetary adjustment of escrow deposits	206,646	17,512	224,158	206,646	17,512	224,158
Total deferred tax liabilities on temporary differences	310,769	159,709	470,478	369,981	181,347	551,328

e) Estimated realization and present value of tax credits

	Bank					
	2022			2021		
	Temporary differences		Total	Temporary differences		Total
Income Tax	Social contribution	Income Tax		Social contribution		
Up to 1 year	169,469	135,577	305,046	119,794	95,837	215,631
Up to 2 years	145,793	116,636	262,429	118,161	94,531	212,692
Up to 3 years	175,677	140,544	316,221	131,857	105,487	237,344
Up to 4 years	133,319	106,657	239,976	126,290	101,034	227,324
Up to 5 years	15,670	12,536	28,206	11,854	9,483	21,337
Over 5 years	350,880	277,530	628,410	325,661	257,354	583,015
Total	990,808	789,480	1,780,288	833,617	663,726	1,497,343

	Consolidated					
	2022			2021		
	Temporary differences		Total	Temporary differences		Total
Income Tax	Social contribution	Income Tax		Social contribution		
Up to 1 year	171,698	137,360	309,058	123,904	99,125	223,029
Up to 2 years	148,783	119,028	267,811	120,538	96,433	216,971
Up to 3 years	177,906	142,327	320,233	132,962	106,369	239,331
Up to 4 years	135,548	108,440	243,988	126,675	101,342	228,017
Up to 5 years	27,710	22,168	49,878	11,960	9,568	21,528
Over 5 years	351,484	278,013	629,497	325,661	257,353	583,014
Total	1,013,129	807,336	1,820,465	841,700	670,190	1,511,890

As at December 31, 2022, the present value of total tax credits is R\$1,396,274 for the Bank (R\$1,207,691 in 2021) and R\$1,426,603 for the Consolidated (R\$1,220,734 in 2021), and was calculated based on the expected realization of temporary differences, discounted by the average borrowing rate of the Bank and Daycoval Leasing, projected for the corresponding periods.

The earnings projections that allow generating a tax basis take into consideration macroeconomic assumptions, exchange and interest rates, and the forecast of new financial and other transactions. Actual results could differ from those estimates.

20 - EQUITY (PARENT COMPANY)**a) Capital**

In the years ended December 31, 2022 and 2021, the Bank's capital amounts to R\$3,557,260, being fully subscribed and paid in, represented by 1,890,672,918 registered shares, comprised of 1,323,471,042 common shares and 567,201,876 preferred shares.

b) Breakdown of and variations in capital

	2022	2021
Common shares	1,323,471,042	1,323,471,042
Preferred shares	567,201,876	567,201,876
Total shares	1,890,672,918	1,890,672,918

There was no variation in the number of shares in the years ended December 31, 2022 and 2021.

c) Interest on capital and dividends

According to the bylaws, the shareholders are entitled to dividends and/or interest on capital corresponding to no less than 25% of profit for the year, adjusted in accordance with the Brazilian corporate law.

Interest on capital is calculated on equity, limited to the variation of the TJLP (long-term interest rate), contingent upon the existence of profit determined before its deduction or retained earnings and earnings reserves.

i. Statement of calculation of interest on capital and mandatory dividends:

	2022	% ⁽¹⁾	2021	% ⁽¹⁾
Profit	1,102,927		1,414,199	
(-) Legal reserve	(55,146)		(70,710)	
Adjusted profit	1,047,781		1,343,489	
Amount of interest on capital	336,528		206,632	
(-) Withholding income tax related to interest on capital	(50,479)		(30,995)	
Amount of mandatory dividends	-		160,235	
Net value of interest on capital and mandatory dividends	286,049	27.30	335,872	25.00

(1) Refers to the percentage corresponding to the sum of the net interest on capital and dividends on adjusted profit.

ii. Interest on capital declared and/or paid:

Interest on capital was declared and/or paid, which, net of withholding income tax, will be attributed to mandatory minimum dividends for the years ended December 31, 2022 and 2021, as shown below:

Board of Director's Meeting Date	Availability date	2022		Gross amount	IRRF	Net amount
		Price per share				
		ON	PN			
12/30/2022	01/16/2023	0.04717	0.04717	89,183	(13,377)	75,806
09/30/2022	10/17/2022	0.04585	0.04585	86,694	(13,004)	73,690
06/30/2022	07/15/2022	0.04701	0.04701	88,881	(13,332)	75,549
03/31/2022	04/18/2022	0.03796	0.03796	71,770	(10,766)	61,004
				Total	(50,479)	286,049

Board of Director's Meeting Date	Availability date	2021		Gross amount	IRRF	Net amount
		Price per share				
		ON	PN			
12/30/2021	01/17/2022	0.0279	0.0279	52,788	(7,918)	44,870
09/30/2021	10/15/2021	0.0814	0.0814	153,844	(23,077)	130,767
				Total	(30,995)	175,637

iii. Dividends:

	2021
Board of Director's Meeting Date	02/08/2022
Availability date	02/09/2022
Price per share in R\$ - ON	0.0848
Price per share in R\$ - PN	0.0848
Total dividends amount - R\$ thousand	160,235

Para o exercício findo em 31 de dezembro de 2022, não foram propostos dividendos aos acionistas.

iv. Dividendos adicionais de exercícios anteriores:

Additional dividends were paid to shareholders in the amount of R\$500,008, approved at the Annual General Meeting held on October 14, 2021, and made available to shareholders on October 15, 2021, relating to prior years.

d) Reserva de lucros

	2022	2021
Legal reserve ⁽¹⁾	184,987	129,841
Bylaws reserves ⁽²⁾	2,004,449	1,293,196
Total	2,189,436	1,423,037

(1) 5% of profit for the year must be allocated to this reserve until it reaches 20% of capital, according to the prevailing legislation.

(2) Reserve recorded according to the bylaws.

e) Earnings per share (Parent)

	2022	2021
Profit attributable to controlling shareholders	1,102,927	1,414,199
Profit attributable to each group of shares		
Common shares	772,049	989,939
Preferred shares	330,878	424,260
Weighted average number of shares issued and comprising the capital ⁽¹⁾		
Common shares	1,323,471,042	1,323,471,042
Preferred shares	567,201,876	567,201,876
Basic earnings per shares		
Common shares	0.5834	0.7480
Preferred shares	0.5834	0.7480
Diluted earnings per shares		
Common shares	0.5834	0.7480
Preferred shares	0.5834	0.7480

(1) The weighted average number of shares was calculated based on the variations of shares as at December 31, 2022 and 2021 and, also, in accordance with the criteria and procedures set out in technical pronouncement CPC 41 – Earnings per Share, considering the applicability to financial institutions, as prescribed by CMN Resolution 4,818/20.

21 - INCOME STATEMENTS

INCOME FROM FINANCIAL INTERMEDIATION

a) Loan portfolio

	Bank		Consolidated	
	2022	2021	2022	2021
Lending operations	5,285,314	4,371,620	5,324,567	4,396,238
Advance to depositors	8,832	5,688	8,832	5,688
Secured account / overdraft account	671,911	379,995	672,094	380,013
Discounted notes	74,013	113,820	74,013	113,820
Onlending - Resolution 3,844/10	(36)	178	(36)	178
Working capital	1,057,702	637,427	1,057,702	637,427
Export Credit Notes - CCE	213,989	154,307	213,989	154,307
Onlending - BNDES	8,787	6,388	8,787	6,388
Onlending - FINAME	33,096	14,934	33,096	14,934
Rural credit	47,984	18,120	47,984	18,120
Financing with intervention	3,250	8,221	3,250	8,221
Foreign currency financing	(88,453)	21,335	(88,453)	21,335
FGI PEAC	738,202	936,013	738,202	936,013
FGO Pronampe	464	-	464	-
Payroll-deductible loans	1,983,912	1,687,719	1,983,912	1,687,719
Vehicle financing	493,781	346,692	493,781	346,692
Real estate financing	25,265	17,051	25,265	17,051
Daypag - discount of freight forwarder's checks	9	86	9	86
Other lending operations	15,632	23,220	54,702	47,820
Loan origination income	(3,026)	426	(3,026)	426
Result of lease operations	-	-	332,953	181,507
Revenue from leasing	-	-	1,169,608	772,969
Finance leasing - internal resources	-	-	992,743	627,480
Operating leasing - internal resources	-	-	140,190	108,259
Gain on disposal of leased assets	-	-	36,675	37,230
Expenses on leasing	-	-	(836,655)	(591,462)
Finance leasing - internal resources	-	-	(724,515)	(499,287)
Operating leasing - internal resources	-	-	(3,194)	(4,240)
Loss on disposal of leased assets	-	-	(108,946)	(87,935)
Other transactions with loan characteristics	1,471,342	648,829	1,471,342	648,829
Advance on foreign exchange contracts / advance on export contracts	77,132	61,803	77,132	61,803
Income from acquisition of receivables without right of recourse	1,394,210	587,026	1,394,210	587,026
Recoveries from lending and leasing operations	181,774	177,505	182,330	181,024
Recovery of credits previously written off as loss (Note 9.f)	181,774	177,505	181,774	177,505
Recovery of credits previously written off as loss (Note 9.f) - Leases	-	-	556	3,519
Total	6,938,430	5,197,954	7,311,192	5,407,598

b) Securities and derivatives transactions

	Bank		Consolidated	
	2022	2021	2022	2021
Securities transactions				
Fixed-income securities	1,155,945	347,467	1,165,159	355,398
Variable-income securities	37	26	784	493
Investments in investment fund units	152,692	26,261	200,403	50,936
Gain (loss) on disposal of securities	14,718	1,607	14,718	1,607
Fair value adjustments	31,073	2,535	31,072	1,616
Foreign investments	5,216	6,783	5,216	6,784
Perdas permanentes com títulos e valores mobiliários	(12)	-	(12)	-
Total	1,359,669	384,679	1,417,340	416,834
Derivatives				
Gains				
Swap	4,548,840	9,271,219	4,557,283	9,274,074
Currency forward ("NDF")	1,409,675	979,809	1,409,675	979,809
Future	1,206,315	953,472	1,206,315	953,472
Options	29,620	10,879	29,620	10,879
Losses				
Swap	(6,111,787)	(9,173,329)	(6,120,350)	(9,173,329)
Currency forward ("NDF")	(1,240,918)	(960,289)	(1,240,918)	(960,289)
Future	(1,336,684)	(568,811)	(1,336,684)	(568,811)
Options	(16,478)	(8,601)	(16,478)	(8,601)
Total (1)	(1,511,417)	504,349	(1,511,537)	507,204

(1) As at December 31, 2022, gain (loss) on derivative instruments includes net losses on mark-to-market in the amount of R\$17,846 for the Bank and R\$19,907 for the Consolidated (net losses on mark-to-market in the amount of R\$24,268 as at December 31, 2021).

c) Interbank accounts

	Bank		Consolidated	
	2022	2021	2022	2021
Repurchase operations (assets)	523,547	159,086	523,547	159,086
Own portfolio	245,016	83,596	245,016	83,596
Third-party portfolio	278,531	75,463	278,531	75,463
Short position	-	27	-	27
Repurchase operations (liabilities)	(558,630)	(124,034)	(558,630)	(124,034)
Own portfolio	(280,513)	(48,757)	(280,513)	(48,757)
Third party portfolio	(278,117)	(75,251)	(278,117)	(75,251)
Free trading	-	(26)	-	(26)
Gain (loss) on repurchase operations	(35,083)	35,052	(35,083)	35,052
Interbank deposits				
Fixed rate	64,044	24,860	64,044	24,860
Variable rate	233,476	55,774	33,038	6,715
Total	297,520	80,634	97,082	31,575
Total	262,437	115,686	61,999	66,627

d) Foreign exchange operations

	Bank		Consolidated	
	2022	2021	2022	2021
Income from foreign exchange operations	258,323	126,911	258,323	126,911
Expenses on foreign exchange operations	(201,287)	(99,333)	(163,646)	(79,809)
Exchange rate changes	415,871	122,255	415,871	122,255
Total	472,907	149,833	510,548	169,357

EXPENSES ON FINANCIAL INTERMEDIATION

e) Interbank and time deposits and issuances of securities in Brazil and abroad

	Bank		Consolidated	
	2022	2021	2022	2021
Interbank deposits	(63,364)	(27,964)	(63,364)	(27,964)
Fixed	(2,912)	-	(2,912)	-
Floating	(60,452)	(27,964)	(60,452)	(27,964)
Time deposits	(1,489,316)	(597,874)	(1,483,500)	(596,413)
Fixed	(111,593)	(18,911)	(105,777)	(18,911)
Floating	(1,444,155)	(553,192)	(1,444,155)	(551,731)
Linked to asset operations (CMN Resolution 2,921/02) (Note 9.g)	(4,756)	(2,762)	(4,756)	(2,762)
Exchange rate changes	94,560	-	94,560	-
Expenses on contribution to FGC	(23,372)	(23,009)	(23,372)	(23,009)
Total	(1,552,680)	(625,838)	(1,546,864)	(624,377)
Issuance in Brazil				
Mortgage loan notes	(182,254)	(69,769)	(182,254)	(69,769)
Fixed	(36,338)	(19,021)	(36,338)	(19,021)
Floating	(145,916)	(50,748)	(145,916)	(50,748)
Agribusiness letter of credit	(251,645)	(104,267)	(251,645)	(104,267)
Fixed	(85,513)	(46,041)	(85,513)	(46,041)
Floating	(166,132)	(58,226)	(166,132)	(58,226)
Financial Bills	(2,099,960)	(719,928)	(2,050,030)	(700,504)
Fixed	(143,137)	(90,666)	(143,137)	(90,666)
Floating	(1,956,823)	(629,262)	(1,906,893)	(609,838)
Total	(2,533,859)	(893,964)	(2,483,929)	(874,540)
Issuance abroad				
Interest	(114,200)	(119,669)	(113,942)	(119,300)
Exchange rate changes	170,539	(117,555)	170,539	(117,555)
Adjustment to fair value of hedged issuance	150,207	19,622	150,207	19,622
Total	206,546	(217,602)	206,804	(217,233)

f) Borrowings and onlendings (Bank and Consolidated)

	2022	2021
Foreign borrowings	280,282	(401,092)
Interest	(248,494)	(129,573)
Exchange rate changes	569,133	(238,609)
Adjustment to fair value of hedged loans	(40,357)	(32,910)
Obligation with Bank abroad	(14,660)	(150,784)
Interest	(39,226)	(23,603)
Exchange rate changes	24,566	(127,181)
Onlending operations - official institutions	(31,275)	(15,635)
BNDES	(5,727)	(3,933)
FINAME	(25,548)	(11,702)
Total	234,347	(567,511)

OTHER OPERATING AND ADMINISTRATIVE INCOME (EXPENSES)

g) Income from service provision

	Bank		Consolidated	
	2022	2021	2022	2021
Bank fees	191,502	126,942	191,502	126,942
Income from financial guarantees provided	54,715	49,348	54,715	49,348
Asset management ⁽¹⁾	43,515	24,149	64,783	41,899
Other services ⁽²⁾	90,452	71,282	91,237	71,831
Total	380,184	271,721	402,237	290,020

⁽¹⁾ Includes income from management, administration, custody and controllership services for investment funds and clubs.

⁽²⁾ Mainly comprised of income from collection in the amount of R\$67,818 (R\$48,783 in 2021), for the Bank and Consolidated.

h) Personnel expenses

	Bank		Consolidated	
	2022	2021	2022	2021
Executive Committee's and Board of Directors' compensation	(92,080)	(80,842)	(95,897)	(84,163)
Benefits	(98,910)	(78,920)	(115,800)	(91,485)
Social security charges	(127,485)	(104,568)	(145,698)	(119,156)
Proceeds	(340,472)	(264,663)	(395,507)	(309,060)
Training	(78)	(103)	(107)	(104)
Interns' compensation	(1,849)	(1,296)	(1,905)	(1,380)
Total	(660,874)	(530,392)	(754,914)	(605,348)

i) Other administrative expenses

	Bank		Consolidated	
	2022	2021	2022	2021
Public utilities (water, power and gas)	(3,348)	(2,884)	(4,474)	(3,796)
Rent and insurance	(26,147)	(20,593)	(27,927)	(22,652)
Communication	(20,652)	(12,518)	(22,827)	(14,532)
Charitable contributions	(24,515)	(17,514)	(37,168)	(31,465)
Maintenance and upkeep of assets	(4,901)	(11,557)	(7,603)	(13,379)
Consumables	(1,735)	(1,364)	(2,176)	(1,501)
Data processing	(148,959)	(117,510)	(151,800)	(120,409)
Promotions, advertising and publications	(47,978)	(31,616)	(50,357)	(33,414)
Outside, technical and specialized services ⁽¹⁾	(619,572)	(482,202)	(580,503)	(447,614)
Other administrative expenses	(77,790)	(69,865)	(79,989)	(72,531)
Total	(975,597)	(767,623)	(964,824)	(761,293)

⁽¹⁾ Includes the recognition of expenses on commissions paid in advance to third parties, upon origination of lending operations.

j) Other operating income and expenses

	Bank		Consolidated	
	2022	2021	2022	2021
Exchange rate changes ⁽¹⁾	165	36,094	17,927	58,731
Monetary adjustment of escrow deposits	132,367	41,066	132,679	41,311
Other operating income	61,189	10,341	70,385	16,265
Total	193,721	87,501	220,991	116,307
Exchange rate changes ⁽¹⁾	-	(23,405)	(24,509)	(38,238)
Other operating expenses ⁽²⁾	(126,153)	(73,876)	(126,254)	(78,139)
Interest expense	(2,197)	(1,198)	(2,197)	(1,201)
Total	(128,350)	(98,479)	(152,960)	(117,578)
Total	65,371	(10,978)	68,031	(1,271)

⁽¹⁾ Refers to the reclassification of exchange rate changes on investments abroad, not eliminated in the consolidation process of the financial statements.

⁽²⁾ Other operating expenses for the year ended December 31, 2022 are mainly comprised of: (i) discounts and reimbursements in loan operations - R\$38,601 for the Bank and Consolidated (R\$36,175 for the Bank and Consolidated as at December 31, 2021); and (ii) settlement of lawsuits - R\$31,747 for the Bank and Consolidated (R\$16,835 for the Bank and Consolidated as at December 31, 2021).

k) Regulatory non-recurring profit

	Bank		Consolidated	
	2022	2021	2022	2021
Profit for the period	1,102,927	1,414,199	1,102,927	1,414,199
Regulatory non-recurring profit				
Amortization of negative goodwill on acquisition of another financial institution (net of taxes)	(3,767)	(3,624)	(3,767)	(3,624)
Demutualization - CIP ⁽¹⁾	(1,812)	-	(1,812)	-
Regulatory recurring profit	1,097,348	1,410,575	1,097,348	1,410,575

⁽¹⁾ Non-operating result on the demutualization of CIP S.A in 2022. The non-profit association underwent a spin-off which part of the net assets was merged into a new CIP S.A, a profit entity.

22 - RELATED-PARTY TRANSACTIONS

- a) The direct and indirect subsidiaries and the Bank's shareholders enter into transactions with the Bank under usual market conditions. These transactions are contracted at rates consistent with those prevailing in the market on the transaction and settlement dates, and are presented in conformity with CMN Resolution No. 4,693/18 and CMN Resolution No. 4,818/20.

The table below shows the balance of the Bank's transactions with its respective related parties:

Transactions	Bank			
	Assets (liabilities)		Income (expenses)	
	2022	2021	2022	2021
Derivative transactions	291	(28)	141	(26)
Other related parties - individuals	291	(28)	141	(26)
Interbank deposits	1,859,737	1,348,675	200,438	38,007
Direct subsidiaries	1,859,737	1,348,675	200,438	38,007
Daycoval Leasing - Banco Múltiplo S.A.	1,859,737	1,348,675	200,438	38,007
Loan operations ⁽¹⁾	14,815	15,154	1,961	1,090
Other related parties - legal entities	14,815	15,154	1,961	1,090
Danuri Importação e Exportação Ltda	14,815	15,154	1,961	1,090
Demand deposits	(7,590)	(8,973)	-	-
Direct subsidiaries	(945)	(292)	-	-
ACS Participações Ltda.	(30)	(25)	-	-
Daycoval Asset Management Ltda.	(28)	(59)	-	-
Daycoval Leasing - Banco Múltiplo S.A.	(782)	(86)	-	-
Dayprev Vida e Previdência S.A.	(22)	(6)	-	-
Multigestão Renda Corporativa F.I. Imobiliário FII	(83)	(116)	-	-
Indirect subsidiaries	(3,798)	(4,591)	-	-
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(3,496)	(659)	-	-
SCC Agência de Turismo Ltda.	(10)	(14)	-	-
Treetop Investments Ltd.	(292)	(3,918)	-	-
Other related parties - legal entities	(328)	(69)	-	-
Other related parties - individuals	(2,519)	(4,021)	-	-
Time deposits	(203,804)	(124,551)	(37,159)	(15,046)
Direct subsidiaries	(21,981)	(31,199)	(3,312)	(894)
ACS Participações Ltda.	(21,040)	(30,236)	(3,176)	(880)
Daycoval Asset Management Ltda.	(941)	(963)	(136)	(14)
Indirect subsidiaries	(41,103)	(14,352)	(2,763)	(1,516)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(33,970)	(7,035)	(2,197)	(778)
SCC Agência de Turismo Ltda.	(2,552)	(2,422)	(308)	(146)
Treetop Investments Ltd.	(4,581)	(4,895)	(258)	(592)
Other related parties - legal entities	(9,360)	(8,667)	(2,386)	(398)
Daycoval Metais Ltda.	(80)	(61)	(8)	(3)
Shtar Empreendimentos e Participações S.A.	(212)	(2,488)	(1,624)	(118)
Valco Adm. Part. e Representações Ltda.	(9,068)	(6,118)	(754)	(277)
Other related parties - individuals	(131,360)	(70,333)	(28,698)	(12,238)

Transactions	Bank			
	Assets (liabilities)		Income (expenses)	
	2022	2021	2022	2021
Financial bills	(623,376)	(594,000)	(75,198)	(51,472)
Direct subsidiaries	(364,819)	(320,552)	(44,266)	(20,174)
ACS Participações Ltda.	(364,819)	(320,552)	(44,266)	(20,174)
Indirect subsidiaries	(19,605)	(61,994)	(5,664)	(5,892)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(7,350)	(50,757)	(4,646)	(4,506)
SCC Agência de Turismo Ltda.	(12,255)	(11,237)	(1,018)	(1,386)
Other related parties - individuals	(238,952)	(211,454)	(25,268)	(25,406)
Agribusiness letter of credit	(38,884)	(28,361)	(3,777)	(5,480)
Other related parties - individuals	(38,884)	(28,361)	(3,777)	(5,480)
Mortgage Loan Notes	(38,762)	(34,642)	(4,288)	(7,643)
Other related parties - individuals	(38,762)	(34,642)	(4,288)	(7,643)
Commissions	(1,739)	-	(30,425)	(37,234)
Indirect subsidiaries	(1,739)	-	(30,425)	(37,234)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(1,739)	-	(30,425)	(37,234)
Administration fees	13	14	144	77
Direct subsidiaries	13	14	144	77
Multigestão Renda Corporativa F.I. Imobiliário FII	13	14	144	77
Bookkeeping fees	3	3	29	15
Direct subsidiaries	3	3	29	15
Multigestão Renda Corporativa F.I. Imobiliário FII	3	3	29	15

(1) The National Monetary Council (CMN), through the publication by the Central Bank of Brazil (BACEN) of Resolution 4,693/18, has regulated the conditions and limits for loan transactions with related parties to be carried out by financial institutions and leasing companies, defining the concept of qualified interest as direct or indirect interest in another company, equivalent to or above 15% of the respective shares or units.

The Resolution also established that the sum of the balance of loan transactions with related parties must not exceed 10% of the adjusted equity (PLA), subject to the individual limits of 1% for loans with individuals and 5% for loans with legal entities, as prescribed in article 7 of the Resolution. These limits must be calculated on the loan transaction date.

b) The table below shows the yield rates and respective terms of the transactions between the Bank and its related parties as at December 31, 2022:

Transações	Interest rate ⁽¹⁾	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total assets (liabilities)
Derivative transactions		25	63	131	72	-	291
Other related parties - individuals	CDI x Fixed	25	63	131	72	-	291
Interbank deposits		-	1,859,737	-	-	-	1,859,737
Direct subsidiaries		-	1,859,737	-	-	-	1,859,737
Daycoval Leasing - Banco Múltiplo S.A.	Floating	-	1,859,737	-	-	-	1,859,737
Loan operations		14,815	-	-	-	-	14,815
Other related parties - legal entities		14,815	-	-	-	-	14,815
Danuri Importação e Exportação Ltda	Floating	14,815	-	-	-	-	14,815
Time deposits		(953)	(19,292)	(83,579)	(93,355)	(6,625)	(203,804)
Direct subsidiaries		-	-	(21,641)	(340)	-	(21,981)
ACS Participações Ltda.	Floating	-	-	(21,040)	-	-	(21,040)
Daycoval Asset Management Ltda.	Floating	-	-	(601)	(340)	-	(941)
Indirect subsidiaries		-	-	(15,289)	(25,814)	-	(41,103)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	Floating	-	-	(8,156)	(25,814)	-	(33,970)
SCC Agência de Turismo Ltda.	Floating	-	-	(2,552)	-	-	(2,552)
Treetop Investments Ltd.	Fixed	-	-	(4,581)	-	-	(4,581)
Other related parties - legal entities		-	-	(7,132)	(2,228)	-	(9,360)
Daycoval Metais Ltda.	Floating	-	-	(69)	(11)	-	(80)
Shtar Empreendimentos e Participações S.A.	Floating	-	-	(212)	-	-	(212)
Valco Adm. Part. e Representações Ltda.	Floating	-	-	(6,851)	(2,217)	-	(9,068)
Other related parties - individuals		(953)	(19,292)	(39,517)	(64,973)	(6,625)	(131,360)
Financial Bills		-	(10,456)	(592,780)	(17,899)	(2,241)	(623,376)
Direct subsidiaries		-	-	(364,819)	-	-	(364,819)
ACS Participações Ltda.	Fixed / Floating	-	-	(364,819)	-	-	(364,819)
Indirect subsidiaries		-	-	(19,605)	-	-	(19,605)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	Floating	-	-	(7,350)	-	-	(7,350)
SCC Agência de Turismo Ltda.	Floating	-	-	(12,255)	-	-	(12,255)
Other related parties - individuals		-	(10,456)	(208,356)	(17,899)	(2,241)	(238,952)
Agribusiness letter of credit		(4,714)	(11,770)	(22,118)	(282)	-	(38,884)
Other related parties - individuals	Fixed / Floating	(4,714)	(11,770)	(22,118)	(282)	-	(38,884)
Mortgage Loan Notes		(1,474)	(4,863)	(15,450)	(10,742)	(6,233)	(38,762)
Other related parties - individuals	Fixed / Floating	(1,474)	(4,863)	(15,450)	(10,742)	(6,233)	(38,762)

(1) The yield rates range from: (i) Fixed from 1.1% to 15% p.a.; and (ii) Floating from 90% to 120% of the CDI rate.

c) Compensation of key management personnel

The Annual Shareholders' Meeting sets the overall annual compensation of Management, as established by the Bank's bylaws.

The Annual Shareholders' Meeting held on April 29, 2022 set the overall compensation of up to R\$100 million for the year ended December 31, 2022 (R\$85 million for the year ended December 31, 2021).

	2022	2021
Total compensation	92,080	80,842
Direct and fringe benefits (healthcare plan)	1,394	1,264
Total compensation	93,474	82,106

The Bank does not offer other short- and long-term post-employment and severance to its key management personnel.

d) Ownership interest

All common and preferred shares are held by Management, as shown below:

	2022	2021
Common shares (ON)	100.00%	100.00%
Preferred shares (PN)	100.00%	100.00%

23 - FAIR VALUE OF FINANCIAL INSTRUMENTS

a) Determination and hierarchy of fair value

Daycoval uses the following hierarchy to determine and disclose the fair value of financial instruments:

- Level 1: prices quoted in an active market for the same instrument;
- Level 2: prices quoted in an active market for similar assets or liabilities or based on other valuation method, mainly the “Discounted cash flows” method, in which all significant inputs are based on observable market data; and
- Level 3: valuation techniques in which significant inputs are not based on observable market data.

Accounting classification	Bank			
	2022		2021	
	Level 1	Level 2	Level 1	Level 2
Financial assets measured at fair value:				
Through profit or loss (free trading)				
Securities				
Private-sector securities	51,014	-	78,198	-
Federal government bonds	5,497,174	-	-	-
Derivatives				
Swap, forward and options operations	-	385,563	-	919,600
Futures market	28,221	-	13,480	-
Loan operations				
Vehicle financing (subject to accounting hedge)	-	864,457	-	-
Through other comprehensive income - equity (available for sale)				
Securities				
Federal government bonds	3,813,380	-	8,370,865	-
Marketable securities abroad	-	-	-	8,660
Private-sector securities	343,864	709,983	180,302	64,818
Investment fund units	1,079,453	-	877,583	-
Financial liabilities measured at fair value:				
Through profit or loss (free trading)				
Issuances abroad				
Issuances abroad (bonds)	-	2,213,302	-	2,614,275
Obligations for loans				
Loans abroad	-	5,530,632	-	6,054,043
Derivatives				
Swap, forward and options operations	-	530,265	-	152,715
Futures market	19,464	-	54,873	-
Accounting classification	Consolidated			
	2022		2021	
	Level 1	Level 2	Level 1	Level 2
Financial assets measured at fair value:				
Through profit or loss (free trading)				
Securities				
Private-sector securities	5,455,829	-	78,198	-
Federal government bonds	92,420	-	325	-
Derivatives				
Swap, forward and options operations	-	385,563	-	919,600
Futures market	28,221	-	13,480	-
Loan operations				
Vehicle financing	-	864,457	-	-
Through other comprehensive income - equity (available for sale)				
Securities				
Federal government bonds	3,851,637	-	8,405,835	-
Marketable securities abroad	-	66,819	-	102,108
Private-sector securities	343,864	712,521	180,302	67,138
Investment fund units	1,478,146	-	1,228,543	-
Financial liabilities measured at fair value:				
Through profit or loss (free trading)				
Issuances of securities				
Issuances abroad (bonds)	-	2,213,302	-	2,614,275
Obligations for loans				
Loans abroad	-	5,530,632	-	6,054,043
Derivatives				
Swap, forward and options operations	-	530,265	-	152,715
Futures market	19,464	-	54,873	-

As at December 31, 2022 and 2021, Daycoval had no financial instrument classified in Level 3.

b) Fair value measurement method

Description of the method to measure the fair value of financial instruments, considering valuation techniques that adopt Daycoval's estimates on assumptions that a participant would use to value its instruments.

Marketable securities

The prices of marketable securities quoted at market price are the best indicators of its respective fair values. It should be noted that, for certain financial instruments, there is no liquidity of transactions and/or quotes available and, accordingly, it is necessary to adopt estimates of present value and other techniques for fair value measurement. In the absence of price quoted by ANBIMA - Brazilian Financial and Capital Markets Association, the fair values of government bonds are determined in view of the rates or prices given by other market agents that trade such securities. The fair values of debt securities of companies, when not available in the active market, are calculated by discounting estimated cash flows, based on interest rates adopted in the market and applicable to each payment flow or maturity of these debts. The fair values of the units in investment funds are made available by their respective managers.

Derivatives

- **Swaps:** cash flows are discounted at present value on the basis of interest curves or other indexators that reflect the risk factors, at prices of derivatives quoted in B3, of Brazilian public securities in secondaries or derivatives and marketable securities traded abroad. These interest curves are used to obtain fair value of swaps.
- **Futures and Forward ("NDF"):** quotes on stock exchanges or based on the same criteria of fair value measurement of swap contracts.
- **Options:** determined in view of mathematic models using market data such as implicit volatility, interest rate curve and fair value of the underlying asset.

Lending operations, issuances abroad and payables for loans

These are calculated by discounting estimated cash flows at market interest rates.

c) Fair values of financial assets and liabilities measured at amortized cost

The fair value of financial assets and liabilities recorded at amortized cost is estimated by comparing the current market interest rate of similar financial instruments. The estimated fair value is based on discounted cash flows at present value, using the observable market interest rate for financial instruments with similar credit risk and maturity. For debt instruments quoted, the value is determined based on market prices. For securities issued whose market price is not available, a discounted cash flow model is used on the basis of the appropriate future interest rate curve for the remaining of the term up to maturity. For other instruments subject to floating rate, an adjustment is made to reflect changes in credit spread required since the date the instrument was initially recognized.

Comparison of the value of the financial instruments recorded at amortized cost and the respective estimated fair value:

Accounting classification	Bank			
	2022		2021	
	Amortized cost	Fair value	Amortized cost	Fair value
Financial assets measured at amortized cost:				
Interbank accounts	4,730,619	6,274,698	4,659,241	4,990,196
Credit operations with loan characteristics	44,959,296	47,660,721	39,931,187	40,472,177
Marketable securities issued by governments of other countries	280,628	276,109	16,843	18,891
Financial liabilities measured at amortized cost:				
Local funding (interbank deposits, time deposits and issuances of securities in B)	38,462,376	40,005,966	34,699,807	34,506,485
Borrowings and onlendings	2,679,005	2,202,813	2,851,105	1,749,563
Accounting classification	Consolidated			
	2022		2021	
	Amortized cost	Fair value	Amortized cost	Fair value
Financial assets measured at amortized cost:				
Interbank accounts	2,870,882	3,333,696	3,310,566	3,628,844
Credit operations with loan characteristics	45,245,070	47,966,283	40,228,203	40,786,373
Lease operations	2,463,780	2,635,439	1,779,303	1,870,618
Marketable securities issued by governments of other countries	280,628	276,109	16,843	18,891
Financial liabilities measured at amortized cost:				
Local funding (interbank deposits, time deposits and issuances of securities in B)	38,014,869	39,558,459	34,271,709	34,078,388
Borrowings and onlendings	2,679,005	2,202,813	2,851,105	1,749,563

The financial instruments measured at amortized cost, for purposes of assessing its potential fair value, were classified as "Level 2" instruments. This valuation considered the prices quoted in an active market for similar assets or liabilities or based on another valuation method, mainly the "discounted cash flows" method, in which all significant inputs are based on observable market data.

24 - INTEGRATED RISK AND CAPITAL MANAGEMENT

Daycoval believes that the risk management is an important instrument for adding value to the Prudential Conglomerate's entities, shareholders, employees and clients, besides contributing to strengthen the corporate governance and the internal control environment. The Governance, Risk and Compliance (GRC) area, subordinated to the Senior Management, plays an institutional role towards the enhancement of the operating, market, liquidity, credit, compliance, social and environmental and capital risk management processes, procedures, criteria and tools, in order to ensure a high level of security in all its operations on an integrated basis.

In addition to complying with the requirements of CMN Resolution 4,557, Daycoval understands that the integrated management of risks is a key instrument for disseminating a behavior that encourage the establishment of a culture oriented to manage these risks. Accordingly, it establishes strategies and objectives to reach optimal balance between the growth goals and return on investments and the underlying risks, thus allowing to explore its funds effectively and efficiently in pursuing the entity's objectives.

The structuring of the process of Integrated Management of Corporate Risks contributes to the better Corporate Governance, which is one of Daycoval's strategic focus, in line with the guidelines of Management, Integrated Risk and Capital Management Executive Committee, to steer actions in order to ensure compliance with prevailing regulation, guarantee the implementation of actions and access to the information necessary for such management.

The responsibility for risk identification and management is structured according to the concept of three lines of defense, in order to map the risk events of internal and external nature that may affect the objectives of the business units. In this scenario, the Risk Committee and risk managers play an important role in the various areas of the Bank, in order to ensure the Bank's continuing and sustainable growth.

The Bank's Risk Managers identify, measure, control, evaluate and manage the risks, ensuring the consistency between the risks assumed and the acceptable risk level defined by the Institution, as well as report the exposure to the Management, business areas and regulatory bodies. Within this context, the risk appetite defines the nature and level of the risks acceptable for the institution and the risk culture guides the necessary behavior to manage these risks. Daycoval invests in the development of risk management processes supported by corporate values (agility, safety, integrity, soundness, relationship and sustainability) which strengthen the employees' responsibility for the business sustainability.

a) Capital management

The Board of Directors, Daycoval's ultimate capital management body is responsible for approving the Capital Management Policy, the acceptable capital level, approving the capital plan and determining when the contingency plan must be implemented, in addition to revising the capital management policies and strategies, as well as the capital plan, at least annually, so as to determine its compatibility with its strategic planning and the market conditions. The explanatory notes on capital have been prepared in accordance with BACEN regulations to determine its capital sufficiency on an annual basis and are shown below:

i. Basel Accord

Banco Daycoval's minimum capital requirements are presented as a Based Indicator by dividing the Regulatory Capital (PR) by the Minimum Capital Required, consisting of the sum of portions of risk-weighted assets or RWA, multiplied by the percentage of minimum capital requirement, which is currently 8.00%. These minimum requirements are an integral part of a set of standards announced by BACEN, in order to implement global capital requirements, known as Basel III and, are expressed as indices that link the capital available and the right-weighted assets (RWA).

Basel III rules seek to improve the quality of financial institutions' capital, restricting the use of financial instruments not capable of absorbing losses, and deducting assets that may threaten the value of capital due to low liquidity, dependence on future profits for realization or difficulty to measure value. These instruments include tax credits, intangible assets and investments in non-subsidiaries, especially those operating in the insurance industry.

The Regulatory Capital ("PR") is defined as the sum of Tier I (principal and complementary capital) and of Tier II, calculated on a consolidated basis, considering the institutions comprising the Prudential Conglomerate which, for Banco Daycoval, include the Bank's operations, its branch abroad and Daycoval Leasing.

CMN Resolutions 4,192/13 and 4,193/13 establish the criteria and procedures to calculate the minimum requirements for regulatory capital ("PR"), of Tier I, of Principal Capital and of Additional Principal Capital, at the following percentages:

	Minimum % of capital	
	2022	2021
Minimum Regulatory Capital ("PR")	8.00%	8.00%
Tier I	6.00%	6.00%
Principal capital	4.50%	4.50%
Complementary capital	1.50%	1.50%
Tier II	2.00%	2.00%
Additional principal capital ("ACP")	2.50%	2.00%
ACP - Conservation ⁽¹⁾	2.50%	2.00%
ACP - Countercyclical ⁽²⁾	0.00%	0.00%
ACP - Systemic ⁽³⁾	0.00%	0.00%
Total capital required (PR + ACP)	10.50%	10.00%

(1) CMN Resolution No. 4,783/20 established the rate of 2% for Additional Principal Conservation Capital (ACP Conservation), from October 1, 2021 to March 31, 2022, and of 2.5% beginning April 1, 2022.

(2) Pursuant to Bacen Circular 3,769/15, article 3, the percentage of Countercyclical ACP is equal to 0%.

(3) The Systemic Importance Additional (Systemic ACP) is determined on the basis of criteria set by BACEN Circular 3,768/15. The percentage of Systemic ACP is up to 2%, provided that the reason between total exposure, pursuant to article 2, item II, of BACEN Circular Letter 3,748/15, as of December 31 of the penultimate year in relation to the base date of calculation, and the Brazilian GDP, is higher than 10%, otherwise the percentage of Systemic ACP is equal to 0%.

The breakdown of the Regulatory Capital, Minimum Required Capital, risk-weighted assets ("RWA") and Basel ratio is as follows:

	2022	2021
Regulatory Capital	6,752,551	5,958,513
Regulatory Capital – Tier I	6,752,551	5,958,513
Principal Capital	5,710,073	4,966,475
Equity	5,738,459	4,981,278
Prudential adjustments - Bacen Resolution 4,192/13	(28,386)	(14,803)
Complementary capital	1,042,478	992,038
Perpetual financial bills (Note 16.d)	1,042,478	992,038
Minimum required capital (RWAx 8%)	4,199,357	3,670,434
Risk-Weighted Assets (RWA)	52,491,957	45,880,423
Credit risk	47,254,922	40,863,566
Market risk	1,896,129	2,582,403
Foreign exchange asset - RWAcam	1,289,501	971,726
Assets indexed to fixed interest - RWAjur1	397,365	1,514,641
Assets indexed to foreign exchange coupon - RWAjur2	208,047	93,077
Assets indexed to inflation - RWAjur3	1,216	2,959
Operational risk - RWAopad	3,340,906	2,434,454
Basel ratio - Total	12.9%	13.0%
Basel ratio - Tier I	12.9%	13.0%
Exposure of assets to the interest rate in the Banking Book (IRRBB)	503,520	661,122
Surplus regulatory capital		
On minimum requirement	60.8%	62.3%
On total requirement	22.5%	29.9%

b) Market risk

Market risk is the risk of incurring losses due to fluctuations in the fair values of the positions held by a financial institution, including the risks to which the transactions subject to exchange rate changes, interest rates, stock prices, and commodity prices are exposed.

i. Main market risks to which Daycoval is exposed:

Interest rate risk

Possible interest rate fluctuations that could adversely affect the value of the financial instruments. This risk is classified as follows:

- Parallel change risk: exposure of profit and loss to parallel changes in the interest curve, resulting in equal differentials for all terms.
- Risk of changes in curve slope: exposure of profit or loss to the changes in the timeframe structure of the interest curve, resulting in changes in pending or curve form.

Currency price risk

The exposure of foreign currency positions to the changes in the exchange type.

Price Risk

Defined as the sensitivity to the amount of outstanding positions in securities based on adverse movements of the market prices. This risk is classified as follows:

- Generic or systematic risk: exposure of the position value to the changes in prices in general;
- Specific risk: exposure not related to the changes in prices in general but related to the issuer's own characteristics

ii. Market Risk management methodologies

Value-at-Risk (VaR)

The Value-at-Risk or VaR is the benchmark used in the market and a measure that properly summarizes the market risk exposure from the trading activities (trading portfolio). It represents the potential maximum loss in the market value that, under normal market conditions, can result in a specific position or portfolio, considering a defined certainty level (confidence level) and time horizon.

Among the different methodologies available to calculate the VaR (parametric, historical simulation and Montecarlo simulation), Daycoval understands that the parametric methodology is the most adequate to the characteristics of the positions of its trading portfolio.

Parametric methodology

It is based on the normality statistics in the distribution of probabilities related to the risk factor changes, based on the volatilities and correlations to determine the potential change of a position. Accordingly, the risk factors must be identified and the positions must be allocated to the defined vertices. Subsequently, the volatilities of each risk factor and the correlations to the positions are applied.

Banking Book

Managing the risk of variation in interest rates in financial instruments classified as Interest Rate Risk in the Banking Book (IRRBB) is based on the following metrics:

- Δ EVE (Delta Economic Value of Equity): difference between the present value of the sum of flows of repricing of instruments subject to IRRBB in a base scenario and the present value of the sum of repricing of flows of these instruments in a shock scenario of interest rates;
- Δ NII (Delta Net Interest Income): difference between the result of trading of instruments subject to IRRBB in a base scenario and the result of trading of these instruments in a shock scenario in interest rates.

iii. Stress test

It is a supplementary tool to the VaR measures used to measure and assess the risk to which the Bank is exposed. It is based on the definition of a set of movements for certain market variables and the determination of the effects from the movements on the portfolio value. The stress test results are periodically analyzed by the Market Risk Committee.

iv. Scenario analysis

The purpose of the scenario analysis is to assist the senior management in understanding the impact caused by certain events on the Bank, using a risk analysis tool that defines the long-term scenarios that affect the parameters or variables defined for risk measurement.

Differently from the stress tests, which consider the impact from the changes in the market risk factors on the short-term portfolio, the scenario analysis determines the impact from more complex events on the Bank as a whole.

In the definition of the scenarios, the following factors are considered:

- The experience and expertise of the persons responsible for the areas involved;
- The proper number of relevant variables and their explanation power in order to avoid unnecessary problems in the analysis and interpretation of the results.

As a risk management governance practice, Daycoval and its subsidiaries adopt a continuous risk management process that involves controlling all the positions exposed to the market risk. The market risk limits are determined according to the characteristics of the operations, which are segregated in the following portfolios:

- Trading portfolio: refers to transactions with financial instruments and commodities, including derivatives, that are held for the purpose of being actively traded or to hedge other financial instruments comprising the trading portfolio. These held-for-trading transactions are those intended for the resale, obtain gains from actual or expected price fluctuations, or arbitrage.
- Banking portfolio: refers to all transactions that are not classified in the trading portfolio and are represented by transactions arising from the Bank's business lines.

The segregation above is related to the way Management manages Daycoval's business and its exposure to the market risks, in conformity with the best market practices, the transaction classification criteria set forth in prevailing regulations issued by BACEN and the Basel Accord. Therefore, according to the nature of the activities, the sensitivity analysis, as prescribed by CVM Instruction 475/08, was conducted for the trading and banking portfolio operations, as they represent significant exposures for Daycoval's profit or loss.

The table below shows the sensitivity analysis of the Trading and Banking Portfolio as at December 31, 2022 and 2021:

Risk factors	2022			2021		
	Scenarios			Scenarios		
	1	2	3	1	2	3
Fixed rate	(17,550)	(39,964)	(59,022)	(61,365)	(134,732)	(199,949)
Foreign currencies	(4,077)	(13,243)	(17,158)	2,941	8,056	14,365
Price indices	(9)	(18)	(25)	4	10	15
Total Trading Book	(21,636)	(53,225)	(76,205)	(58,420)	(126,666)	(185,569)
Total Banking Book	(148,266)	(327,355)	(489,303)	(510,477)	(1,093,680)	(1,646,240)
Grand total	(169,902)	(380,580)	(565,508)	(568,897)	(1,220,346)	(1,831,809)

The sensitivity analysis was carried out considering the following scenarios:

- Scenario 1: refers to the stress scenario considered probable for the risk factors and its preparation is based on available market inputs (B3 S.A., ANBIMA, etc.). Accordingly, risk factors considered were: (i) quotation of R\$/US\$6.01 (R\$/US\$6.34 in 2021); (ii) fixed interest rate of 16.13% p.a. (14.50% p.a. in 2021); (iii) Ibovespa of 89,982 points (85,954 points in 2021); and (iv) exchange coupon of 8.78% p.a. (3.63% p.a. in 2021); and (v) price index of 7.57% p.a. (7.21% p.a. in 2021).
- Scenario 2: as set out by CVM Instruction 475/08, a 25% stress of the risk factors was considered for this scenario. Accordingly, risk factors considered were: (i) quotation of R\$/US\$7.52 (R\$/US\$7.92 in 2021); (ii) fixed interest rate of 20.16% p.a. (18.13% p.a. in 2021); (iii) Ibovespa of 67,486 points (64,466 points in 2021); and (iv) exchange coupon of 10.98% p.a. (4.54% p.a. in 2021); and (v) price index of 9.46% p.a. (9.01% p.a. in 2021).
- Scenario 3: as set out by CVM Instruction 475/08, a 50% stress of the risk factors was considered for this scenario. Accordingly, risk factors considered were: (i) quotation of R\$/US\$9.02 (R\$/US\$9.51 in 2021); (ii) fixed interest rate of 24.20% p.a. (21.75% p.a. in 2021); (iii) Ibovespa of 44,990 points (42,977 points in 2021); and (iv) exchange coupon of 13.17% p.a. (5.45% p.a. in 2021); and (v) price index of 11.36% p.a. (10.82% p.a. in 2021).

It is worth mentioning that the results shown in the table above reflect the impacts for each scenario projected on a static position of the portfolio as at December 31, 2022 and 2021. The market dynamics produces constant changes in this position and thus it does not necessarily reflect the actual position on the date these interim financial statements are disclosed. Additionally, as mentioned above, there is a continuous management of the trading and banking portfolios' positions to mitigate the risks associated to such portfolios, according to the strategy defined by Management and, when there are indications of deterioration of a certain position, proactive actions are taken to minimize possible adverse impacts and maximize the risk/return ratio for Daycoval.

v. Backtesting

Backtesting is the comparison between the former estimated gain/loss and the effective gain/loss. The purpose is to analyze the risk model efficiency adequacy. For purposes of backtesting, effective gains/losses are used for each business unit.

c) Liquidity risk

Liquidity risk is the risk of mismatches between tradable assets and payable liabilities — payables and receivables mismatches — that might affect the payment ability of the Bank, taking into consideration the different currencies and settlement terms of its assets and liabilities.

The main liquidity risk factors can have external or internal origin:

i. Main external risk factors:

- Macroeconomic factors, both national and international;
- Liquidity policies set by the regulator;
- Situations where the confidence and, consequently, the system liquidity was affected;
- Credit agencies' ratings: sovereign risk and organization risk;
- Lack of funds in the market.

ii. The main internal risk factors are:

- Bank's risk appetite and definition of the acceptable liquidity level;
- Terms and rates mismatches caused by the characteristics of the traded products and services;
- Concentration policy, both in funding and credit granting;
- Covenants assumed by the Institution: financial, economic and related to environmental management;
- Increase in the number of early redemptions of funds raised or transactions with immediate or grace period liquidity clauses;
- Exposure to illiquid or low liquidity assets;
- Leverage.

This type of risk is particularly important at the financial institutions, as economic / political / financial events and even changes in the perception of confidence or expectations may quickly turn into major solvency problems. This is a risk that needs to be constantly managed, with extreme care with respect to matches and terms between receivables and payables; either at the short, medium or long terms.

The controls over liquidity risks are frequently performed in portfolio. Accordingly, the balance between obligations and receipts from institution's books is analyzed. In addition to an in-depth analysis of cash flows, extreme scenarios of liquidity risks are considered, together with performance triggers.

d) Credit risk

Risk associated with possible losses from the borrower's or counterparty's non-compliance with respective obligations as agreed upon; the devaluation, reduction of remunerations and expected gains on financial instruments from the deterioration of credit quality of the counterparty, the intervening party or of the mitigating instrument; the restructuring of financial instruments; or costs of recovery from exposures characterized as problematic assets.

i. Classification of operations

Daycoval adopts consistent and verifiable criteria to classify its loan transactions that combine the borrower's economic, financial, personal and market information with the accessory guarantees provided to the transaction. Based on this information, minimum allowances will be recognized to cover the risks assumed, as prescribed by BACEN Resolution 2,682/99, and subsequent amendments, from the Central Bank of Brazil.

ii. Daycoval credit scoring models:

Models designed through statistic approach and used to classify risks in the credit granting process, after applying the credit policies previously analyzed and approved with customer data, as well as operations verified and relevant. It should also be noted that the assets underlying financing, for purposes of developing a score model, are classified and a risk classification is obtained for each product.

iii. Treasury - financing of government bonds, over-the-counter derivatives and brokers:

Low-risk strategies are adopted in the structuring of operations based on the exposure limit analysis against the counterparties' equity, trading agreements previously agreed and according to the objective technical assessment conditions of the counterparties' credit risk and strict selection of brokers related to prime banks to deal with the positions allocated.

e) Operational risk

Operational risk is the possibility of an entity incurring losses due to failure, deficiency or ineffectiveness of internal processes, people and systems, or external events. It includes the legal risk associated to inadequacy or deficiency in contracts entered into by the Bank, as well as penalties due to noncompliance with legal provisions, and compensation paid for damages caused to third parties as a result of the activities conducted by the Bank.

In managing operational risks, the Bank relies on a qualified risk management framework to identify, control and identify operational risks, as well as to disseminate the risk mitigation culture. In these processes, the Governance, Risk and Compliance (GRC) area works in synergy with the managers of the executive areas, in the application of the methodologies and tools used in the corporate analysis of the following factors:

- Measurement of the risk impact;
- Assessment of the risk frequency;
- Calculation of the risk severity (impact x probability);
- Measurement of the control effectiveness.

We believe that this activity is inherent in the processes adopted by all areas, resulting in the design of a Risk and Control Matrix, which presents a detailed overview of the exposure to the operational risk, being possible to analyze the risks with greater level of exposure to, if necessary, align the mitigation action plan.

For purposes of business continuity, the strategy defined is to keep all business areas and lines in operation, including relevant services provided by third parties, in contingency. In order to fulfill the resolution of senior management, the business continuity management must be implemented to ensure the continuity of the activities and limit losses arising from a possible suspension of the critical business processes.

f) Compliance risk

Compliance risk is the risk associated to legal or regulatory sanctions, financial losses or even reputation losses arising from the lack of compliance with legal and regulatory provisions and codes of conduct.

At Daycoval, the monitoring of activities for compliance with laws and regulations is carried out by the Governance, Risk and Compliance (GRC) area to ensure the compliance with the Bank's and Conglomerate's deadlines and objectives, as well as to manage, on integrated basis, this risk together with the other risks, ensuring the effectiveness of the activities related to the compliance activity for compliance with regulatory, legal and internal rules.

g) Social and environmental responsibility

Refers to the possibility of incurring losses arising from social and environmental damages, related to each entity individually, comprising Daycoval Group, in accordance with the principles of relevance and proportionality.

The Social and Environmental Responsibility Policy (PRSA) establishes guidelines that support Daycoval Conglomerate in terms of social, environmental and climate aspects, proportional to its business model, the nature of the transactions and complexity of the products, services, activities and processes of the Bank, as well as the relationship with stakeholders and provide for the governance framework to ensure the assessment and continuing management of the social, environmental and climate risk, considering the principles of relevance, proportionality and efficiency.

The social, environmental and climate risk mitigation measures are carried out through mapping of processes, risks and controls, monitoring of new standards related to the matter and management of the social, environmental and climate risk by the first line of defense in its daily operations, relying on the support, as the case may, from the GRC and legal areas.

The governance also relies on the Executive Social, Environmental and Climate Risk Committee, which main duty is to provide instructions on the institutional principles that guide the social, environmental and climate actions in the business and relationship with stakeholders, aiming at ensuring the appropriate integration with the PRSA.

25 - EMPLOYEE BENEFITS**Education incentive and profit sharing programs**

As part of its strategy of being ranked among the best companies to work in Brazil, the Bank invests in the training and welfare of its employees, through programs involving college and MBA and postgraduate students, participates in the federal government's Minor Apprenticeship program, and implements its own internship programs.

The Bank offers a profit sharing program to all employees. This program is designed in partnership with the Union of Bank Employees and is tied to performance goals annually evaluated, using the criteria according to the Performance Evaluation program.

26 - OTHER INFORMATION**a) Asset management**

Banco Daycoval S.A. and Daycoval Asset Management are responsible for the management, administration, controllership and custody of third-party funds through investment funds, investment clubs and managed portfolios, whose net assets as at December 31, 2022, totaled R\$78.5 billion (R\$49.6 billion in 2021).

b) Insurance coverage against losses

Despite the low risk exposure as a result of their assets not being physically concentrated, the Bank and its subsidiaries insure their assets at amounts considered sufficient to cover probable losses.

c) Relationship with Auditors

In accordance with CVM Instruction 381, of January 14, 2003, we inform that the firm engaged to review the Bank's financial statements for the year ended December 31, 2022, has not provided any other services to the Bank and the Group companies, other than the independent audit services.

Our policy, including our subsidiaries, to engage non-audit services from our independent auditors, is based on applicable regulation and internationally accepted principles that preserve the independence of the auditor. These principles consist of: (a) the auditor must not audit its own work; (b) the auditor must not exercise managerial functions in its client; and (c) the auditor must not promote the interests of its client.

d) Audit Committee

As required by CMN Resolution 3,198/04, effective up to January 1, 2022, revoked by CMN Resolution 4,190, of May 27, 2021, which came into effect on that date, with a view to adopting the industry best practices when conducting its businesses, Extraordinary General Meeting held on March 26, 2009 has decided on and approved the establishment of an Audit Committee, which will be comprised of 3 independent members, pursuant to the prevailing legislation. The establishment of this committee was ratified by the Central Bank of Brazil on September 12, 2022.

e) Impacts from the COVID-19 pandemic

Daycoval monitors the effects from the COVID-19 pandemic that can adversely affect its results of operations and abides by the guidelines adopted by the Ministry of Health and other Authorities to mitigate the effects from COVID-19, which ensures the maintenance of our operating and administrative activities.

Since the declaration of the pandemic by the World Health Organization (WHO), in March 2020, we established a Crisis Committee comprised of the Executive Officers, Human Resources and Operational Risk Management areas, which periodically reports the assessment on the progress of the COVID-19 and its effects on Daycoval's operations to the Board of Directors and all employees.

The impacts related to the pandemic on the economic conditions will continue to be determined and monitored by Management.

All economic projections take into consideration the effect and control of this pandemic, as its duration or worsening cannot be reliably estimated, adversely impacting the economies around the world for indeterminate period, which can negatively affect the results and performance of operations.

The Management

Luiz Alexandre Cadornin
Accountant
CRC 1SP243564/O-2