

(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, 2023 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, 2023, 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, 2023, 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 No. 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, 2023, 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 technical pronouncement 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.

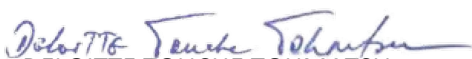
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 individual and consolidated 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 6, 2024


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 six-month period and year ended December 31, 2023. The comments herein presented refer to Daycoval’s consolidated financial position for the respective periods.

In Brazil, the year 2023 was characterized by the high volatility and uncertainties, despite the general context of interest and inflation differing from most of the markets. The number of companies undergoing court-ordered reorganization in the year reached record figures, exceeding R\$100 billion in debts. Against this scenario, we showed our strength and commitment to the financial soundness of an institution with more than 50 years operating in the market, and our determination allowed us to learn from the adversities and grow continually.

The cycle of the benchmark interest rate drop has only began in August, when Selic reached 11.75% by the end of 2023, a still high level. In light of all events and different more adverse scenarios, the feeling is that we ended 2023 positively.

We believe that the economic activity must not be significantly impacted by the restraining interest rates adopted during most of 2023 and we expect that 2024 represents the continuity of the deflation and interest rate reduction process, which suggests higher visibility to clearly pursue our objectives and achieve excellence.

As to the financial performance, Banco Daycoval reported profit of R\$1,101.9 million in 2023, showing a stable performance when compared to 2022. The Return on Average Equity (ROAE) reached 18.2% in the same period, a 2.1 p.p. decrease when compared to the previous year. Equity amounted to R\$6,136.4 million in 2023, a 6.9% growth when compared to the previous year.

The Basel Ratio was 13.9%, which reflected a 1.0 percentage point growth in relation to the end of 2022 (12.9%). Such increase is due to the maintenance of the loan portfolio, which resulted in lower use of capital in the period.

In spite of the restraining credit environment and high interest rates, we ended 2023 with a loan portfolio in the amount of R\$57,239.4 million, which represented a 3.2% growth when compared to 2022. Such growth was influenced by the increase of the individuals portfolio, mainly the payroll-deductible loan portfolio, which posted a 36% growth when compared to 2022, reaching R\$14,383.7 million.

As to the portfolio quality, the Default level (ratio between transactions past due for more than 90 days and the loan portfolio balance) grew 1,3 p.p. reaching 2.8% when compared to 1.5% in 2022. Such growth is mainly due to the granting of loans to the a company in the large corporate segment, which filed for court-ordered reorganization in January 2023. The rate would be 1.9% without considering this event.

The balance of the allowance for loan losses totaled R\$2,136.7 million in 2023, a 19% growth when compared to 2022, impacted by a specific customer from the corporate segment and portfolio growth, which require an additional allowance.

In terms of funding sources, Daycoval reached a total of R\$55,274.1 million, which represented a year-on-year growth by 10.1%. The categories of term deposits, Financial Bills and Credit Bills (LCI+LCA) were the reason for such growth.

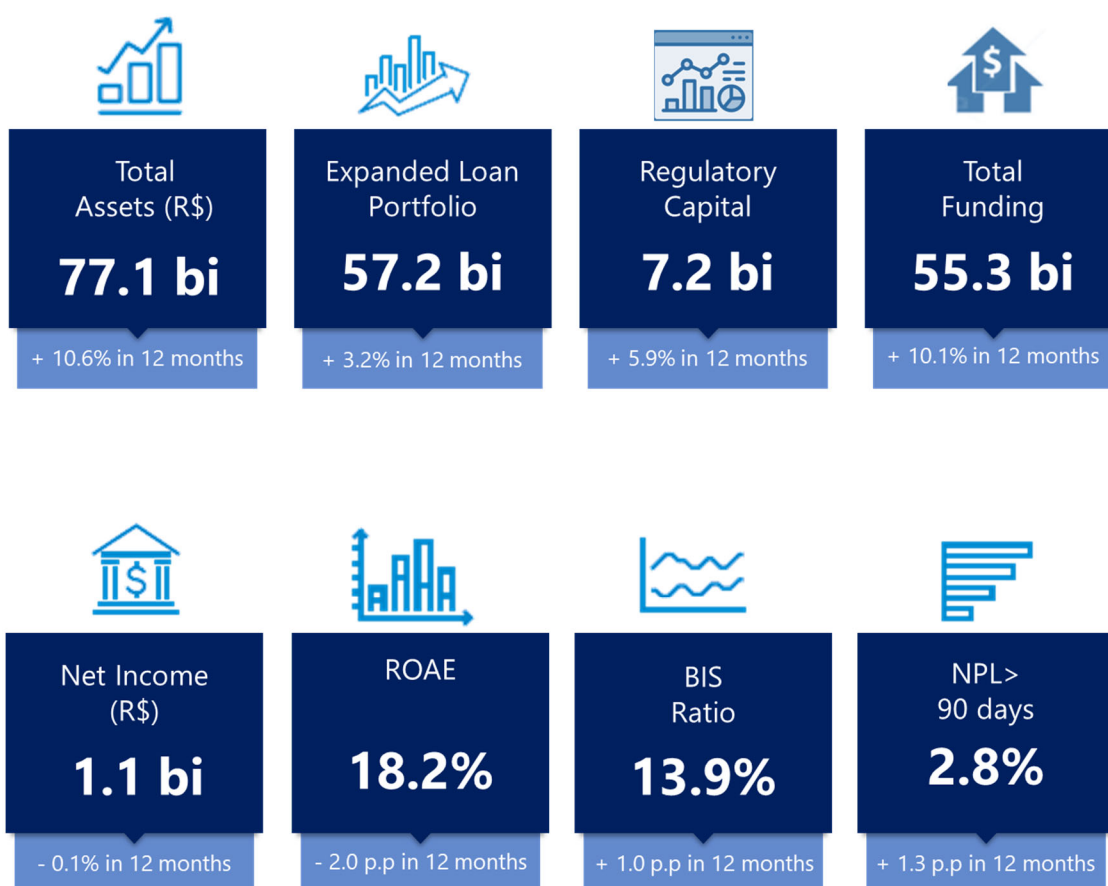
Reinforcing our sustainable development strategy, we raised from Proparco, the financing arm of the French Development Agency, US\$75 million for a period of five years, to expand the financing to micro, small- and medium-sized entities specialized in renewable energy, energy efficiency, sustainable infrastructure and waste management projects, promoting the local culture.

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 2023, relying on a team comprised of 3,544 professionals and headquartered in the city of São Paulo, State of São Paulo, Daycoval reached an expanded loan portfolio of R\$57,239.4 million, total assets of R\$77,091.1 million, equity of R\$6,136.4 million and profit of R\$1,101.9 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 13.9%.

Main Indicators



Distribution

Following the proposal for growing with diversification, 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.

As at December 31, 2023, IFP - Promotora de Serviços de Consultoria e Cadastro Ltda., a Daycoval Group's company, played an important role in the origination of payroll-deductible loans, accounting for approximately 9.3% of the total transactions. IFP has 56 stores throughout Brazil and also provides services not only to Crédito Consignado, but also to Daycoval Veículos, Daycoval Câmbio and other financial institutions, constantly seeking to improve its productivity.

Customers can simulate and take loans and financing and refinancing and follow up proposals and update information using the APP | Consignado. In 2023 R\$3.6 billion was originated using this channel, showing the importance of this platform to facilitate and expedite the access to the financial services offered by Daycoval.

The Fund Custody and Management services reported R\$95.6 billion at the end of 2023, posting a growth of 21.8% within 12 months. Such growth resulted from the dedication to offer excellent services to 166 asset managers, managing 763 funds.

Daycoval Asset Management reported a balance of R\$13.4 billion of funds under management at the end of the year, a 10.9% drop within 12 months.

Daycoval Câmbio had 162 points of service at the end of 2023, strengthening our presence and commitment to serve our customers on a comprehensive basis. Also, we operate through strategic partnerships with tourism companies and agencies, seeking to offer easy and flexible services so that customers can carry out their transactions quickly and safely.

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 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) Ba2 in National scale by Moody's with "stable" perspective;
- ii) BB- by Fitch Ratings with "stable" perspective;
- iii) BB- by Standard&Poor's with "stable" perspective, and;
- iv) by RISKbank – BRLP3 – Low Risk for the Long-term (up to five years), with negative perspective.

These ratings reinforce our commitment to transparency and excellence in our financial transactions.

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. Our dedication to abide by these values allows us to offer a solid governance, guaranteeing the trust and satisfaction of our Stakeholders, and strengthens our commitment to operate on a responsible and sustainable manner in the financial market.

Audit Committee

The Audit Committee, established and instated in the first half of 2009, pursuant to the National Monetary Council (CMN) Resolution 3198/2004, current Resolution 4910 of May 27, 2021, 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.

Integrated risk and capital management

The Bank considers the risk management an important instrument for adding value to the Bank, 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, reputational, information technology, social and environmental 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 its 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 and Environmental and Climate Risk, Market and Liquidity Risks, Credit, Reputational 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: <https://ri.daycoval.com.br/>.

People

During our history, we are certain that one of the critical factors for Daycoval Group is undoubtedly its human capital. We believe that having a motivated and interested team is a decisive factor to make Daycoval one of the best places to work, initially certified by the Great Place to Work in 2018. Since then,

we strive to offer a work environment that ensures the respect, credibility, impartiality and other topics addressed at every GPTW survey. As to our people, we continuously invest in the training and wellbeing of our employees.

With a talented and dedicated team comprised of 3,544 professionals as at December 31, 2023, we are growing and offering more opportunities and challenges to everyone. The Daycoeduca Program stands out among the initiatives, offering Undergraduate, Graduate or MBA scholarships. Also, we support the certification process, which is so important for our operations, we carefully monitor our regulatory programs and also have a pool of mandatory courses. In 2023, we launched the “Momentos Carreira” Program to inspire everyone who wants to grow and show progress. Through episodes, as a podcast, we present our different businesses and display the relevant competencies and behaviors. Through the “Palestras Educativas” Program, we transfer knowledge so that each employee can also progress and reflect on his/her journey as an individual. We also offer internal campaigns with an impact on the society.

Certainly when we talk about the development of a good work environment, we must not forget the role of the leaders; we fully support them in order to help in the management of their teams.

Not to mention that our training actions rely on Academia Daycoval, an e-learning platform that offers numerous courses and videos to help our employees in various aspects. We continue to improve the internal communication and engagement through initiatives such as when the Executive Board directly talks to all employees at every four months.

We value the diversity and inclusion, seeking to build a safe and inclusive environment for our employees, including affinity groups focused on disabled persons and social inclusion projects, such as the “Dando Asas”. Also, we promote the wellbeing through vaccination campaigns, music classes and running training, demonstrating the care and commitment to the life quality of our team and family members. In this aspect, we can point out that 50% of the Group’s staff is comprised of female employees and 14% is comprised of 50+ employees; which figures we are proud of. Another interesting perspective is when we look at the distribution of different generations: 54% Y, 28% X, 15% Z and approximately 4% Baby-Boomers.

Another initiative in this year was the internal NPS survey (indicator that measures the customer satisfaction) conducted in the areas to enhance the relationships and processes and generate a positive impact on Daycoval’s final customer.

Finally, it is worth mentioning again that Daycoval continues dedicated to offer a pleasant work environment, encouraging the professional and personal growth of the employees, as we believe that they are responsible for the success of our business.

Sustainability

Maintaining our mission of becoming a bank recognized for offering solutions appropriate to the needs of our customers, we leveraged our strategy of diversifying and expanding the offer of products and services in line with the market changes and our customers’ expectations. And the technology is a key factor in our business strategy. Aiming at offering security, Daycoval developed the Login Manager, a facial biometry system to increase security in credit granting, in particular payroll deductible loans. The purpose of the tool is to ensure that all loan transactions are certified through the facial recognition of the individual accessing the system.

Part of this strategy is also reflected on the growth of our geographic operations until the development of innovative products and services, all this boosted by a culture of respect and excellence. An example is the solid improvement of retail and wholesale products, particularly the negotiations involving foreign exchange and derivatives, as well as the issuance of debentures, NCs, LFs, CRIs, CRAs, FIDCs, FIPs and FIIs.

In the ESG pillar, Daycoval entered into a partnership with Proparco, the financing arm of the French Development Agency, to finance sustainable projects for small- and medium-sized entities, the so-called SMEs. With the project, the Bank has R\$370 million (US\$75 million) for a five-year period to originate sustainability-related loans to SMEs dedicated to renewable energy, efficient energy generation with low carbon content, non-energy greenhouse gas emission reduction, water treatment, urban and municipal transport, low carbon technologies and other activities focusing on the reduction of greenhouse gases.

The challenges in the social area are related to our concern in promoting charitable initiatives that rely on the active involvement of the employees and the Bank. An example is the “PPR do Bem” Campaign, where employees throughout Brazil were able to choose any non-profit organization to make a donation, between R\$100.00 and R\$3,000.00 and Daycoval doubled the amount. The campaign raised R\$66 thousand, strengthening such charity program.

Social Responsibility

Over its 55 years of history, Banco Daycoval maintains the tradition of sponsoring social responsibility projects and actions. More recently, it has implemented an area dedicated to manage donations and sponsorships to promote developing a work that is more targeted at projects that require special attention. The support is given through direct donations and through Incentive Laws, and is divided in four pillars: culture, education, sports and healthcare. In 2023, approximately R\$40 million was allocated to promote numerous initiatives, totaling 71 projects and 54 institutions. The main were: Hospital do Amor, Hospital Pequeno Príncipe, Instituto Mano Down e Beneficência Portuguesa, Unibes, Gol de Letra, Fundação Dorina Nowill, Teatro Municipal de São Paulo Osesp.

Relationship with Independent Auditors

In accordance with CVM Resolution 162, of July 13, 2022, we inform that the company engaged to audit the financial statements for the years ended December 31, 2023, did not provide services not related to the audit of the Financial Statements of the Bank and its subsidiaries higher than 5% of the total fees related to the independent audit services. Our policy, including our subsidiaries, in case of engagement of non-audit services from our independent auditor, is based on applicable regulation and internationally accepted principles that preserve the auditor’s independence. These principles establish that: (a) the auditor must not audit its own work; (b) the auditor must not act as management of the audit client; and (c) the auditor must not serve in a position of being an advocate for its client. The acceptance and provision of professional services not related to the audit of the financial statements by its independent auditors in the year ended December 31, 2023, did not affect the independence and objectivity in the provision of external audit services at Banco Daycoval and its subsidiaries, as the principles set out above were complied with.

Executive Board Statement

Pursuant to the provisions set out in CVM Instruction 480/09, the Bank's Executive Board states that it has discussed, reviewed and agreed with the opinions expressed in the independent auditor's report, as well as the financial statements for the six-month period and year ended December 31, 2023.

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 06, 2024.

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, 2023 AND 2022
(In thousands of Brazilian reais - R\$)**

ASSETS	Note	Bank		Consolidated	
		2023	2022	2023	2022
Cash	4	592,610	829,952	593,175	830,204
Reserves - Central Bank of Brazil	5	1,321,373	287,834	1,321,373	287,834
Interbank accounts		3,932	4,526	3,932	4,526
Financial instruments		70,714,117	64,394,743	72,038,245	65,614,845
Interbank investments	6	5,531,421	4,730,619	3,497,712	2,870,882
Securities	7	16,661,303	11,775,496	17,001,225	12,281,864
Derivatives	8.a	249,113	413,784	244,702	414,421
Lending portfolio					
Loans	9	32,387,907	31,017,630	32,643,826	31,285,002
Finance lease	9.i	-	-	2,737,012	2,286,458
Operating lease	9	-	-	155,449	208,202
(-) Unearned income from leasing operations	9	-	-	(144,826)	(207,600)
Other transactions with loan characteristics	9	12,091,528	13,913,718	12,110,300	13,932,120
Foreign exchange portfolio	10	3,792,845	2,543,496	3,792,845	2,543,496
Allowance for loan losses	9.e	(2,054,600)	(1,711,637)	(2,092,712)	(1,745,611)
Lending operations		(1,457,636)	(1,276,842)	(1,465,308)	(1,283,611)
Leasing operations		-	-	(30,359)	(27,091)
Other - sundry		(596,964)	(434,795)	(597,045)	(434,909)
Current and deferred tax assets	19.b	2,308,327	2,074,380	2,504,179	2,159,618
Debtors for escrow deposits		1,943,231	1,794,437	1,950,408	1,798,718
Tax	18.c	1,867,520	1,733,400	1,869,291	1,733,400
Civil	18.c	58,597	45,749	58,628	45,772
Labor	18.c	17,114	15,288	22,410	19,473
Other		-	-	79	73
Other credits		457,011	300,045	426,003	284,209
Income receivable		118,732	64,950	81,745	47,259
Trading account		45,907	27,872	45,907	27,872
Sundry	11	292,372	207,223	298,351	209,078
Other assets	12	105,195	132,518	106,398	132,518
Non-financial assets held for sale		66,846	91,885	67,217	91,885
(Allowance for losses on non-financial assets held for sale)		(7,443)	(5,175)	(7,443)	(5,175)
Prepaid expenses		45,792	45,808	46,624	45,808
Investments	14	1,861,692	1,653,617	43,415	64,854
Property and equipment in use	15.a	50,424	54,219	56,836	61,107
Property and equipment for operating lease	15.b	-	-	145,460	211,941
Intangible assets		849	-	918	163
TOTAL ASSETS		77,304,161	69,814,634	77,097,630	69,704,926

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

**INDIVIDUAL AND CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R\$)**

LIABILITIES	Note	Bank		Consolidated	
		2023	2022	2023	2022
Financial instruments		66,577,456	59,703,154	65,867,780	59,237,832
Deposits	16.b	22,105,309	17,932,740	22,070,948	17,864,912
Repurchase commitments	16.a	8,234,979	6,832,015	8,234,979	6,832,015
Issuance of securities	16.b	27,713,267	23,476,949	27,038,440	23,079,455
In Brazil		24,913,565	21,263,647	24,238,738	20,879,224
Abroad		2,799,702	2,213,302	2,799,702	2,200,231
Borrowings	16.b	4,586,694	7,820,251	4,586,694	7,820,251
Domestic onlendings - official institutions	16.b	535,219	389,386	535,219	389,386
Subordinated debts	16.b	1,042,763	1,042,478	1,042,763	1,042,478
Derivatives	8.a	274,049	549,729	273,561	549,729
Foreign exchange portfolio	10	2,085,176	1,659,606	2,085,176	1,659,606
Interbank and interbranch accounts		290,742	321,026	290,742	321,026
Provision for risks	18	2,254,304	2,101,466	2,271,678	2,115,618
Tax		2,046,144	1,918,896	2,048,783	1,920,734
Civil		162,287	138,177	163,408	138,960
Labor		45,873	44,393	59,487	55,924
Provision for financial guarantees provided	9.e	30,265	44,616	30,265	44,616
Current and deferred tax liabilities	19.b	1,173,100	1,267,806	1,580,609	1,474,628
Other payables		841,914	638,107	899,047	751,985
Social and statutory	17.a	280,025	274,748	281,885	277,583
Collected taxes and others		16,110	12,653	16,145	12,722
Trading account		43,591	41,888	43,591	41,888
Sundry	17.b	502,188	308,818	557,426	419,792
Equity	20	6,136,380	5,738,459	6,157,509	5,759,221
Bank owner's equity		6,136,380	5,738,459	6,136,380	5,738,459
Capital		3,557,260	3,557,260	3,557,260	3,557,260
Capital reserves		2,125	2,125	2,125	2,125
Earnings reserves		2,589,008	2,189,436	2,589,008	2,189,436
Other comprehensive income		(12,013)	(10,362)	(12,013)	(10,362)
Noncontrolling equity		-	-	21,129	20,762
TOTAL LIABILITIES AND EQUITY		77,304,161	69,814,634	77,097,630	69,704,926

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

INCOME STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2023 AND
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R\$)

	Note	Bank			Consolidated		
		2nd six-month period of 2023	2023	2022	2nd six-month period of 2023	2023	2022
INCOME FROM FINANCIAL INTERMEDIATION		5,512,875	10,395,196	9,033,434	5,751,293	10,793,063	9,301,070
Lending operations	21.a	4,351,713	8,168,053	6,938,430	4,658,256	8,721,614	7,311,192
Securities transactions	21.b	933,672	1,753,468	1,359,669	966,465	1,809,285	1,417,340
Interbank accounts	21.c	167,818	321,435	262,437	48,896	72,024	61,999
Foreign exchange transactions	21.d	59,672	152,240	472,907	77,676	190,140	510,548
Sale transactions or transfer of financial assets		-	-	(9)	-	-	(9)
EXPENSES ON FINANCIAL INTERMEDIATION		(3,115,939)	(6,059,639)	(5,157,063)	(3,089,395)	(5,999,831)	(5,101,179)
Interbank and time deposits	21.e	(1,120,985)	(2,059,115)	(1,552,680)	(1,119,502)	(2,054,283)	(1,546,864)
Issuance of securities in Brazil	21.e	(1,560,511)	(3,062,795)	(2,533,859)	(1,531,843)	(3,006,791)	(2,483,929)
Issuance of securities abroad	21.e	(122,100)	30,003	206,546	(121,956)	30,314	206,804
Borrowings and onleading's	21.f	(305,283)	59,180	234,347	(305,283)	59,180	234,347
Derivative instruments	21.b	(7,060)	(1,026,912)	(1,511,417)	(10,811)	(1,028,251)	(1,511,537)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION		2,396,936	4,335,557	3,876,371	2,661,898	4,793,232	4,199,891
EXPENSES ON THE ALLOWANCE FOR LOAN LOSSES	9.e	(612,265)	(1,062,661)	(665,986)	(621,232)	(1,075,346)	(676,548)
Lending operations		(451,510)	(801,126)	(386,818)	(460,538)	(813,844)	(397,284)
Other credits		(160,160)	(275,886)	(277,425)	(160,099)	(275,853)	(277,521)
Guarantees and collaterals		(595)	14,351	(1,743)	(595)	14,351	(1,743)
PROFIT FROM FINANCIAL INTERMEDIATION		1,784,671	3,272,896	3,210,385	2,040,666	3,717,886	3,523,343
OTHER ADMINISTRATIVE AND OPERATING INCOME (EXPENSES)		(841,909)	(1,633,976)	(1,445,020)	(1,031,173)	(1,960,979)	(1,680,425)
Income from services provided	21.g	239,704	438,849	380,184	253,175	465,820	402,237
Income from insurance operations		37	37	-	(346)	(407)	(304)
Personnel expenses	21.h	(392,930)	(748,907)	(660,874)	(458,003)	(867,290)	(754,914)
Other administrative expenses	21.i	(611,461)	(1,134,494)	(975,597)	(594,895)	(1,105,501)	(964,824)
Tax expenses	19.a.ii	(136,815)	(252,043)	(228,905)	(163,486)	(302,050)	(270,629)
Equity in subsidiaries and associates	14	138,391	221,900	132,954	755	2,227	1,473
Other operating income and expenses	21.j	6,861	28,574	65,371	20,643	39,149	68,031
Depreciation and amortization expenses		(6,950)	(13,541)	(12,624)	(7,459)	(14,565)	(13,689)
Expenses with provision for risks							
Tax		(71,265)	(148,907)	(136,325)	(71,806)	(150,291)	(137,148)
Civil		(6,499)	(24,132)	(12,434)	(6,411)	(24,051)	(12,441)
Labor		(982)	(1,312)	3,230	(3,340)	(4,020)	1,783
OPERATING INCOME		942,762	1,638,920	1,765,365	1,009,493	1,756,907	1,842,918
NONOPERATING EXPENSES (INCOME)		(11,286)	(18,111)	2,761	3,526	11,715	27,070
INCOME TAX AND SOCIAL CONTRIBUTION		931,476	1,620,809	1,768,126	1,013,019	1,768,622	1,869,988
INCOME TAX AND SOCIAL CONTRIBUTION	19.a.i	(194,072)	(317,424)	(466,171)	(275,460)	(462,575)	(562,987)
Provision for income tax		(126,700)	(302,006)	(333,971)	(135,300)	(323,682)	(356,105)
Provision for social contribution		(121,343)	(269,435)	(295,973)	(123,668)	(278,224)	(304,239)
Deferred tax assets (liabilities)		53,971	254,017	163,773	(16,492)	139,331	97,357
PROFIT SHARING		(94,338)	(201,456)	(199,028)	(93,593)	(202,569)	(201,912)
Noncontrolling interests		-	-	-	(900)	(1,549)	(2,162)
PROFIT		643,066	1,101,929	1,102,927	643,066	1,101,929	1,102,927
Profit attributable to controlling shareholders		643,066	1,101,929	1,102,927	643,066	1,101,929	1,102,927
Profit attributable to noncontrolling interests		-	-	-	900	1,549	2,162

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2023 AND
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R\$)

	Bank and Consolidated		
	2nd six-month period of 2023	2023	2022
PROFIT	643,066	1,101,929	1,102,927
Other comprehensive income	297	(1,651)	(10,218)
Fair value adjustments -			
Available-for-sale marketable securities			
Attributable to the parent	(6,224)	(11,382)	(5,932)
Attributable to subsidiaries	3,720	4,609	(6,955)
Deferred taxes on valuation adjustments to equity			
Attributable to the parent	2,801	5,122	2,669
TOTAL OTHER COMPREHENSIVE INCOME	643,363	1,100,278	1,092,709

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2023 AND
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023		3,557,260	2,125	207,930	2,004,449	227,174	(12,310)	5,986,628	20,853	6,007,481
Adjustment to fair value -										
Available-for-sale marketable securities		-	-	-	-	-	297	297	-	297
Additional prior-year dividends	20.c.iii	-	-	-	(300,012)	-	-	(300,012)	-	(300,012)
Profit		-	-	-	-	643,066	-	643,066	-	643,066
Allocations:										
Legal reserve		-	-	32,153	-	(32,153)	-	-	-	-
Bylaws reserve		-	-	-	644,488	(644,488)	-	-	-	-
Interest on capital	20.c.ii	-	-	-	-	(193,599)	-	(193,599)	-	(193,599)
Changes in noncontrolling interests		-	-	-	-	-	-	-	276	276
BALANCE AS AT DECEMBER 31, 2023		3,557,260	2,125	240,083	2,348,925	-	(12,013)	6,136,380	21,129	6,157,509
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
Adjustment to fair value -										
Available-for-sale marketable securities		-	-	-	-	-	(1,651)	(1,651)	-	(1,651)
Additional prior-year dividends	20.c.iii	-	-	-	(300,012)	-	-	(300,012)	-	(300,012)
Profit		-	-	-	-	1,101,929	-	1,101,929	-	1,101,929
Allocations:										
Legal reserve		-	-	55,096	-	(55,096)	-	-	-	-
Bylaws reserve		-	-	-	644,488	(644,488)	-	-	-	-
Interest on capital	20.c.ii	-	-	-	-	(402,345)	-	(402,345)	-	(402,345)
Changes in noncontrolling interests		-	-	-	-	-	-	-	367	367
BALANCE AS AT DECEMBER 31, 2023		3,557,260	2,125	240,083	2,348,925	-	(12,013)	6,136,380	21,129	6,157,509
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
Adjustment to fair value -										
Available-for-sale marketable securities		-	-	-	-	-	(10,218)	(10,218)	-	(10,218)
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, 2022		3,557,260	2,125	184,987	2,004,449	-	(10,362)	5,738,459	20,762	5,759,221

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

STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2023 AND
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R\$)

	Bank			Consolidated		
	2nd six-month period of 2023	2023	2022	2nd six-month period of 2023	2023	2022
OPERATING ACTIVITIES						
PROFIT	643,066	1,101,929	1,102,927	643,066	1,101,929	1,102,927
ADJUSTMENTS TO RECONCILE PROFIT						
TO NET CASH USED IN OPERATING ACTIVITIES						
Depreciation and amortization	6,950	13,541	12,624	7,459	14,565	13,689
Deferred taxes	(53,971)	(254,017)	(163,773)	16,492	(139,331)	(97,357)
Current taxes	248,043	571,441	629,944	258,968	601,906	660,344
Provision for risks	78,746	174,351	125,981	81,557	178,362	127,909
Provision for guarantees and collaterals	595	(14,351)	1,743	595	(14,351)	1,743
Allowance for loan losses	451,510	801,126	386,818	452,079	803,202	385,089
Allowance for losses on leasing operations	-	-	-	8,459	10,642	12,195
Allowance for other loan losses	161,933	281,543	291,431	161,872	281,510	291,527
Allowance for other sundry loan losses	(1,773)	(5,657)	(14,006)	(1,773)	(5,657)	(14,006)
Allowance for losses on other assets	852	2,269	1,904	852	2,269	1,904
Other reversals of allowances	(16,565)	(16,565)	-	(16,565)	(16,565)	-
Exchange rate changes on cash and cash equivalents	62,350	76,597	94,514	62,350	76,597	94,514
Gains (losses) on disposal of permanent assets	9,520	14,184	9,696	(8,245)	(19,847)	(9,811)
Share of profit (loss) of subsidiaries and associates	(138,391)	(221,900)	(132,954)	(755)	(2,227)	(1,473)
TOTAL RECONCILIATION ADJUSTMENTS	809,799	1,422,562	1,243,922	1,023,345	1,771,075	1,466,267
ADJUSTED PROFIT	1,452,865	2,524,491	2,346,849	1,666,411	2,873,004	2,569,194
CHANGES IN ASSETS AND LIABILITIES	(234,500)	1,618,406	1,045,023	(488,591)	1,237,021	836,225
(Increase) Decrease in interbank accounts	2,549,669	(281,193)	658,640	2,655,324	(107,221)	1,169,703
(Increase) Decrease in securities and derivatives	(3,807,218)	(4,982,134)	(1,276,858)	(3,641,708)	(4,831,130)	(1,304,095)
(Increase) Decrease in interbank and deposits with the Central Bank	(393,469)	(1,063,229)	250,553	(393,469)	(1,063,229)	250,553
(Increase) Decrease in lending operations	(657,594)	(1,990,610)	(4,248,618)	(647,887)	(1,980,328)	(4,229,450)
(Increase) Decrease in leasing operations	-	-	-	(265,680)	(316,522)	(692,453)
(Increase) Decrease in other receivables	(3,300,602)	158,249	(1,661,841)	(3,273,563)	137,454	(1,641,681)
(Increase) Decrease in other assets	30,808	25,054	37,475	30,948	23,853	45,599
Increase (Decrease) in deposits	781,487	4,172,569	601,299	789,266	4,206,037	583,905
Increase (Decrease) in repurchase commitments	1,438,537	1,402,964	4,357,496	1,438,537	1,402,964	4,357,496
Increase (Decrease) in issuance of securities	3,280,077	3,957,541	3,868,799	3,017,010	3,667,137	3,866,923
Increase (Decrease) in borrowings and onleading's	278,345	247,330	92,608	278,345	247,330	92,608
Increase (Decrease) in other payables	(253,628)	637,046	(873,635)	(285,195)	547,736	(842,459)
Income tax and social contribution paid	(180,912)	(665,181)	(760,895)	(190,519)	(697,060)	(820,424)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,218,365	4,142,897	3,391,872	1,177,820	4,110,025	3,405,419
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of property and equipment in use	(5,854)	(8,651)	(5,349)	(5,532)	(8,537)	(5,863)
Capital increase in subsidiary	(20,000)	(20,000)	-	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	(25,854)	(28,651)	(5,349)	(5,532)	(8,537)	(5,863)
CASH FLOWS FROM FINANCING ACTIVITIES						
Increase (Decrease) in funds from acceptance and issuance of securities	880,541	278,493	(934,676)	900,653	291,564	(947,746)
Increase (Decrease) in borrowings and onleading's	(1,674,881)	(3,335,054)	(788,119)	(1,674,881)	(3,335,054)	(788,119)
Increase (Decrease) in subordinated debts	(2,382)	284	50,440	(2,382)	284	50,440
Dividends and interest on capital paid	(505,500)	(699,105)	(371,488)	(505,500)	(699,105)	(371,488)
NET CASH USED IN FINANCING ACTIVITIES	(1,302,222)	(3,755,382)	(2,043,843)	(1,282,110)	(3,742,311)	(2,056,913)
EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(62,350)	(76,597)	(94,514)	(62,350)	(76,597)	(94,514)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(172,061)	282,267	1,248,166	(172,172)	282,580	1,248,129
Opening cash and cash equivalents	2,977,238	2,522,910	1,274,744	2,977,914	2,523,162	1,275,033
Closing cash and cash equivalents	2,805,177	2,805,177	2,522,910	2,805,742	2,805,742	2,523,162
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(172,061)	282,267	1,248,166	(172,172)	282,580	1,248,129

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

**STATEMENTS OF VALUE ADDED
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2023 AND
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R\$)**

	Bank			Consolidated		
	2nd six-month period of 2023	2023	2022	2nd six-month period of 2023	2023	2022
REVENUES	5,057,181	9,607,532	8,670,234	5,325,502	10,055,632	8,971,538
Income from financial intermediation	5,512,875	10,395,196	9,033,434	5,751,293	10,793,063	9,301,070
Revenue from services	239,704	438,849	380,184	253,175	465,820	402,237
Allowance for loan losses	(612,265)	(1,062,661)	(665,986)	(621,232)	(1,075,346)	(676,548)
Other	(83,133)	(163,852)	(77,398)	(57,734)	(127,905)	(55,221)
EXPENSES	(3,115,939)	(6,059,639)	(5,157,063)	(3,089,395)	(5,999,831)	(5,101,179)
Expenses on financial intermediation	(3,115,939)	(6,059,639)	(5,157,063)	(3,089,395)	(5,999,831)	(5,101,179)
INPUTS PURCHASED FROM THIRD PARTIES	(599,095)	(1,110,184)	(952,218)	(581,580)	(1,079,234)	(939,701)
Materials, electric power and other	(98,760)	(171,731)	(164,451)	(104,956)	(182,395)	(185,035)
Outside services	(500,335)	(938,453)	(787,767)	(476,624)	(896,839)	(754,666)
GROSS VALUE ADDED	1,342,147	2,437,709	2,560,953	1,654,527	2,976,567	2,930,658
DEPRECIATION AND AMORTIZATION	(6,950)	(13,541)	(12,624)	(7,459)	(14,565)	(13,689)
TOTAL WEALTH CREATED BY THE BANK AND CONSOLIDATED	1,335,197	2,424,168	2,548,329	1,647,068	2,962,002	2,916,969
WEALTH RECEIVED IN TRANSFER	138,391	221,900	132,954	755	2,227	1,473
Equity in subsidiaries	138,391	221,900	132,954	755	2,227	1,473
WEALTH FOR DISTRIBUTION	1,473,588	2,646,068	2,681,283	1,647,823	2,964,229	2,918,442
DISTRIBUTION OF WEALTH	1,473,588	2,646,068	2,681,283	1,647,823	2,964,229	2,918,442
EMPLOYEES	429,159	836,104	756,734	483,744	937,939	839,473
Salaries and wages	355,859	695,993	633,427	397,164	772,597	695,220
Benefits	59,441	113,256	98,988	69,985	133,511	115,908
Severance pay fund (FGTS)	13,859	26,855	24,319	16,595	31,831	28,345
TAXES, FEES AND CONTRIBUTIONS	388,996	683,723	798,243	506,797	896,544	950,919
Federal	370,891	651,123	771,626	475,183	837,907	903,658
State	3,371	6,324	4,422	3,381	6,380	4,483
Municipal	14,734	26,276	22,195	28,233	52,257	42,778
LENDERS AND LESSORS	12,367	24,312	23,379	13,316	26,268	25,123
Rentals	12,367	24,312	23,379	13,316	26,268	25,123
SHAREHOLDERS	643,066	1,101,929	1,102,927	643,066	1,101,929	1,102,927
Interest on capital	193,599	402,345	336,528	193,599	402,345	336,528
Retained earnings	449,467	699,584	766,399	450,367	701,133	768,561
Noncontrolling interests			-	(900)	(1,549)	(2,162)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 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 Financial Statements were approved by Management on February 6, 2024.

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 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	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 Interim 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 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 owners of the Bank and noncontrolling interests were recorded in separate line items.

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

	Ownership interest - %	
	2023	2022
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
Corretora de Títulos e Valores Mobiliários		
Daycoval Corretora de Títulos e Valores Mobiliários Ltda. ("Daycoval CTVM") ⁽¹⁾	100.00	-
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 ("Multigestão") ⁽²⁾	67.97	67.97

(1) Daycoval CTVM started to operate on August 31, 2023, after authorization of operation granted by BACEN. Capital was paid on October 6, 2023.

(2) 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 4,966/21 and subsequent amendments

Effective as from January 1, 2025, CMN Resolution 4,966/21 and the amendments introduced by CMN Resolution 5,100/23, establish new criteria applicable to financial instruments, including the designation and recognition of hedging relationships (hedge accounting) to be adopted by financial institutions and other institutions authorized to operate by the Central Bank of Brazil, among which the following stand out: (i) classification, measurement, recognition and derecognition of financial instruments; (ii) recognition of allowance for expected losses associated with credit risk; (iii) adjustment of financial instruments at the contractual effective interest rate; and (iv) recognition of interest for past due financial assets.

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.

To supplement CMN Resolution 4,966/21, BCB Resolution 352 was issued on November 23, 2023, which revoked BCB Resolution 309, of March 28, 2023, which provides for the accounting concepts and criteria applicable to financial instruments, as well as for the designation and recognition of hedge relationships (hedge accounting) and on the accounting procedures on the definition of cash flows from financial assets solely as payment of principal and interest; the application of the methodology for determination of the effective interest rate of financial instruments; the recognition of allowance for losses associated with the credit risk; and disclosure of information relating to financial instruments in explanatory notes.

Daycoval's Management is monitoring the process of adoption of CMN Resolution 4,966/21 and BCB Resolution 352/23 and the impacts on the financial statements.

ii. CMN Resolution 4,975/21 and subsequent amendments

Provides for the accounting criteria applicable to lease operations by financial institutions and other institutions authorized to operate by the Central Bank of Brazil. This Resolution is effective as from January 1, 2025 and Management will carry out an assessment to determine the impacts of its adoption.

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

Effective as from January 1, 2025, it changes the tax treatment applicable to losses incurred with operations with credit granting characteristics arising from the activities of financial institutions and other institutions authorized to operate by the Central Bank of Brazil, with the deduction of losses incurred in determining the Taxable Income and the CSLL tax basis, its main change.

e) Adoption of new standards issued by the BCB effective beginning January 1, 2023:

i. BCB Regulatory Instruction 319, of November 4, 2022

On November 4, 2022, Bacen published BCB Regulatory Instruction 319, which revokes Circular Letter 3,429, of February 11, 2010, which provides clarification about the procedures for recognition of taxes payable subject to litigation. This Regulatory Instruction came into effect on January 1, 2023 and there were no significant impacts on the financial statements of Daycoval due to its effectiveness.

3 - SIGNIFICANT ACCOUNTING PRACTICES**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 equal to or 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.

As at December 31, 2023 and 2022, the Bank and the companies comprising Daycoval Consolidated did not assign financial assets to other entities, part or not, of the National Financial System (SFN).

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 "Unearned insurance premium" as at December 31, 2023 and 2022.

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".

Prepaid expenses are presented in Note 12.b.

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 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 4,747/19, must be classified as:

- Own - which expected realization is either through sale, are available for immediate sale and which disposal is highly probable within no more than one year; or
- 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.a.

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.a.

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 BCB Regulatory Instruction 319/22, 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". Income tax and social contribution 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	
	2023	2022	2023	2022
Cash	592,610	829,952	593,175	830,204
Money market investments ⁽¹⁾	1,065,606	1,282,908	1,065,606	1,282,908
Foreign currency investments ⁽²⁾	1,146,961	410,050	1,146,961	410,050
Total	2,805,177	2,522,910	2,805,742	2,523,162

(1) Money market investments comprising cash and cash equivalents, have 90-day maturity and 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)

	2023	2022
Reserves in instant payment account	167,040	54,222
Compulsory reserves in cash on		
Demand deposits	168,307	222,064
Mandatory collections		
Mandatory on time deposits	970,284	-
Other mandatory collections	15,742	11,548
Total	1,321,373	287,834

6 - INTERBANK ACCOUNTS

	Bank				2022 Total
	2023			Total	
	Up to 3 months	3 to 12 months	1 to 3 Years		
Investments in repurchase transactions	1,233,244	-	-	1,233,244	1,635,967
Own portfolio	1,065,606	-	-	1,065,606	1,282,908
Financial Treasury Bills	660,919	-	-	660,919	100,712
National Treasury Bills	90,018	-	-	90,018	35,006
National Treasury Notes	314,669	-	-	314,669	1,147,190
Financed portfolio	167,638	-	-	167,638	353,059
Financial Treasury Bills	82,220	-	-	82,220	-
National Treasury Bills	-	-	-	-	300,050
National Treasury Notes	85,418	-	-	85,418	53,009
Interbank deposits	-	3,084,171	67,045	3,151,216	2,684,602
Investments in foreign currencies ⁽¹⁾	1,146,961	-	-	1,146,961	410,050
Total	2,380,205	3,084,171	67,045	5,531,421	4,730,619

	Consolidated				2022 Total
	2023			Total	
	Up to 3 months	3 to 12 months	1 to 3 Years		
Investments in repurchase transactions	1,233,244	-	-	1,233,244	1,635,967
Own portfolio	1,065,606	-	-	1,065,606	1,282,908
Financial Treasury Bills	660,919	-	-	660,919	100,712
National Treasury Bills	90,018	-	-	90,018	35,006
National Treasury Notes	314,669	-	-	314,669	1,147,190
Financed portfolio	167,638	-	-	167,638	353,059
Financial Treasury Bills	82,220	-	-	82,220	-
National Treasury Bills	-	-	-	-	300,050
National Treasury Notes	85,418	-	-	85,418	53,009
Interbank deposits	-	1,050,462	67,045	1,117,507	824,865
Investments in foreign currencies ⁽¹⁾	1,146,961	-	-	1,146,961	410,050
Total	2,380,205	1,050,462	67,045	3,497,712	2,870,882

(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					
	2023			2022		
	Fair value adjustment at:			Fair value ⁽¹⁾	Curve value	Fair value ⁽¹⁾
Curve value	Profit or loss	Equity				
Trading securities	12,718,284	39,791	-	12,758,075	5,517,676	5,548,188
Own portfolio	3,973,576	10,555	-	3,984,131	862,861	867,738
Financial Treasury Bills	2,524,565	8,627	-	2,533,192	860,269	865,154
Debentures ⁽⁴⁾	932	(22)	-	910	2,592	2,584
National Treasury Notes	1,011	10	-	1,021	-	-
Rural product notes ⁽⁴⁾	1,447,068	1,940	-	1,449,008	-	-
Linked to repurchase commitments	7,834,867	23,383	-	7,858,250	4,613,728	4,639,044
Financial Treasury Bills	7,810,446	23,894	-	7,834,340	4,565,101	4,590,614
Debentures ⁽⁴⁾	24,421	(511)	-	23,910	48,627	48,430
Linked to guarantees ⁽²⁾	909,841	5,853	-	915,694	41,087	41,406
Financial Treasury Bills	909,841	5,853	-	915,694	41,087	41,406
Available for sale	1,334,177	-	(19,514)	1,314,663	5,954,812	5,946,680
Own portfolio	1,093,052	-	(19,636)	1,073,416	3,332,031	3,320,878
Financial Treasury Bills	-	-	-	-	1,502,142	1,503,332
National Treasury Bills	1,934	-	3	1,937	1,006	981
National Treasury Notes	5,835	-	(3)	5,832	373	374
Investment fund units	54,016	-	(18,717)	35,299	1,091,047	1,079,453
Rural product notes ⁽⁴⁾	-	-	-	-	544,619	544,619
Commercial notes ⁽⁴⁾	887,270	-	(530)	886,740	133,916	133,899
Debentures ⁽⁴⁾	37,770	-	4	37,774	58,809	58,101
Certificates of Real Estate Receivables ⁽⁴⁾	106,135	-	(393)	105,742	116	116
Certificates of long-term deposits	-	-	-	-	3	3
Real Estate Credit Bills	12	-	-	12	-	-
Agribusiness Credit Bills	80	-	-	80	-	-
Linked to repurchase commitments	241,125	-	122	241,247	1,857,734	1,860,097
Financial Treasury Bills	-	-	-	-	1,541,083	1,542,804
National Treasury Notes	-	-	-	-	190	184
Debentures ⁽⁴⁾	241,125	-	122	241,247	285,110	285,763
Certificates of Real Estate Receivables ⁽⁴⁾	-	-	-	-	29,954	29,949
Certificates of Agribusiness Receivables ⁽⁴⁾	-	-	-	-	1,397	1,397
Linked to guarantees ⁽²⁾	-	-	-	-	765,047	765,705
Financial Treasury Bills	-	-	-	-	765,047	765,705
Held-to-maturity securities ⁽³⁾	2,588,565	-	-	2,588,565	280,628	280,628
Own portfolio	2,588,565	-	-	2,588,565	280,628	280,628
National Treasury Notes	2,020,500	-	-	2,020,500	-	-
Other government bonds	568,065	-	-	568,065	280,628	280,628
Total	16,641,026	39,791	(19,514)	16,661,303	11,753,116	11,775,496

	Consolidated					
	2023			2022		
	Curve value	Fair value adjustment at:		Fair value ⁽¹⁾	Curve value	Fair value ⁽¹⁾
Profit or loss		Equity				
Trading securities	12,749,524	39,787	-	12,789,311	5,517,737	5,548,249
Own portfolio	4,004,816	10,551	-	4,015,367	862,922	867,799
Financial Treasury Bills	2,555,805	8,623	-	2,564,428	860,330	865,215
Debentures ⁽⁴⁾	932	(22)	-	910	2,592	2,584
National Treasury Notes	1,011	10	-	1,021	-	-
Rural product notes ⁽⁴⁾	1,447,068	1,940	-	1,449,008	-	-
Linked to repurchase commitments	7,834,867	23,383	-	7,858,250	4,613,728	4,639,044
Financial Treasury Bills	7,810,446	23,894	-	7,834,340	4,565,101	4,590,614
Debentures ⁽⁴⁾	24,421	(511)	-	23,910	48,627	48,430
Linked to guarantees ⁽²⁾	909,841	5,853	-	915,694	41,087	41,406
Financial Treasury Bills	909,841	5,853	-	915,694	41,087	41,406
Available for sale	1,626,394	-	(3,045)	1,623,349	6,455,876	6,452,987
Own portfolio	1,385,269	-	(3,167)	1,382,102	3,833,095	3,827,185
Financial Treasury Bills	40,705	-	(8)	40,697	1,540,399	1,541,589
National Treasury Bills	1,934	-	3	1,937	1,006	981
National Treasury Notes	5,835	-	(3)	5,832	373	374
Investment fund units	229,267	-	(1,510)	227,757	1,479,617	1,478,146
Rural product notes ⁽⁴⁾	-	-	-	-	544,619	544,619
Commercial notes ⁽⁴⁾	887,270	-	(530)	886,740	133,916	133,899
Debentures ⁽⁴⁾	37,770	-	4	37,774	58,809	58,101
Foreign government bonds	73,653	-	(730)	72,923	56,016	53,170
Foreign securities	-	-	-	-	15,683	13,649
Certificates of Real Estate Receivables ⁽⁴⁾	106,135	-	(393)	105,742	116	116
Certificates of Agribusiness Receivables ⁽⁴⁾	2,357	-	-	2,357	2,250	2,250
Certificates of long-term deposits	150	-	-	150	181	181
Real estate credit notes	113	-	-	113	89	89
Agribusiness Credit Bills	80	-	-	80	-	-
Bills of exchange	-	-	-	-	21	21
Linked to repurchase commitments	241,125	-	122	241,247	1,857,734	1,860,097
Financial Treasury Bills	-	-	-	-	1,541,083	1,542,804
National Treasury Notes	-	-	-	-	190	184
Debentures ⁽⁴⁾	241,125	-	122	241,247	285,110	285,763
Certificates of Real Estate Receivables ⁽⁴⁾	-	-	-	-	29,954	29,949
Certificates of Agribusiness Receivables ⁽⁴⁾	-	-	-	-	1,397	1,397
Linked to guarantees ⁽²⁾	-	-	-	-	765,047	765,705
Financial Treasury Bills	-	-	-	-	765,047	765,705
Held-to-maturity securities ⁽³⁾	2,588,565	-	-	2,588,565	280,628	280,628
Own portfolio	2,588,565	-	-	2,588,565	280,628	280,628
National Treasury Notes	2,020,500	-	-	2,020,500	-	-
Other government bonds	568,065	-	-	568,065	280,628	280,628
Total	16,964,483	39,787	(3,045)	17,001,225	12,254,241	12,281,864

(1) The securities' fair value was calculated based on the prices and rates prevailing as at December 31, 2023 and 2022, 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, 2023 and 2022.

(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, 2023, the balance of the allowance is R\$13,727 pursuant to Note 9.e (R\$5,747 as at December 31, 2022).

b) Breakdown by maturity

	Bank						2022 Fair Value
	2023					Fair Value	
	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 years		
Federal government bonds	51,878	11,750,931	932,076	214,116	363,515	13,312,516	9,310,554
Financial Treasury Bills ⁽¹⁾	50,200	11,233,026	-	-	-	11,283,226	9,309,015
National Treasury Bills ⁽¹⁾	1,678	259	-	-	-	1,937	981
National Treasury Notes ⁽¹⁾	-	517,646	932,076	214,116	363,515	2,027,353	558
Foreign securities	-	297,090	256,453	-	14,522	568,065	280,628
Other government bonds	-	297,090	256,453	-	14,522	568,065	280,628
Private-sector securities	595,214	1,412,823	316,441	368,742	52,203	2,745,423	1,104,861
Rural product notes ⁽¹⁾	94,743	1,354,265	-	-	-	1,449,008	544,619
Debentures ⁽¹⁾	-	24,822	85,130	152,575	41,314	303,841	394,878
Commercial notes	500,471	14,996	155,106	216,167	-	886,740	133,899
Certificates of Real Estate Receivables	-	18,648	76,205	-	10,889	105,742	30,065
Real Estate Credit Bills	-	12	-	-	-	12	-
Agribusiness Credit Bills	-	80	-	-	-	80	-
Certificates of Agribusiness Receivables	-	-	-	-	-	-	1,397
Certificates of time deposits	-	-	-	-	-	-	3
Investment fund units	35,299	-	-	-	-	35,299	1,079,453
Real estate investment fund	29,288	-	-	-	-	29,288	34,998
Credit rights funds	-	-	-	-	-	-	1,039,057
Other investment funds	6,011	-	-	-	-	6,011	5,398
Total	682,391	13,460,844	1,504,970	582,858	430,240	16,661,303	11,775,496

	Consolidated						2022 Fair Value
	2023					Fair Value	
	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 years		
Federal government bonds	112,881	11,761,861	932,076	214,116	363,515	13,384,449	9,348,872
Financial Treasury Bills ⁽¹⁾	111,203	11,243,956	-	-	-	11,355,159	9,347,333
National Treasury Bills ⁽¹⁾	1,678	259	-	-	-	1,937	981
National Treasury Notes ⁽¹⁾	-	517,646	932,076	214,116	363,515	2,027,353	558
Foreign securities	18,428	317,778	256,453	12,311	36,018	640,988	347,447
Foreign government bonds	-	297,090	256,453	-	14,522	568,065	280,628
Foreign securities	18,428	20,688	-	12,311	21,496	72,923	53,170
Other government bonds	-	-	-	-	-	-	13,649
Private-sector securities	595,214	1,413,010	316,441	371,163	52,203	2,748,031	1,107,399
Rural product notes ⁽¹⁾	94,743	1,354,265	-	-	-	1,449,008	544,619
Debentures ⁽¹⁾	-	24,822	85,130	152,575	41,314	303,841	394,878
Commercial notes	500,471	14,996	155,106	216,167	-	886,740	133,899
Certificates of Real Estate Receivables	-	18,648	76,205	-	10,889	105,742	30,065
Certificates of Agribusiness Receivables	-	-	-	2,357	-	2,357	3,647
Certificates of long-term deposits	-	86	-	64	-	150	181
Real estate credit notes	-	113	-	-	-	113	89
Agribusiness Credit Bills	-	80	-	-	-	80	-
Bills of exchange	-	-	-	-	-	-	21
Investment fund units	226,925	-	-	-	832	227,757	1,478,146
Credit rights funds	9,792	-	-	-	832	10,624	1,285,959
Fixed-income investment funds	147,743	-	-	-	-	147,743	129,359
Multimarket investment funds	37,855	-	-	-	-	37,855	35,042
Equity funds	14,306	-	-	-	-	14,306	12,355
Real estate investment funds	11,219	-	-	-	-	11,219	10,033
Other investment funds	6,010	-	-	-	-	6,010	5,398
Total	953,448	13,492,649	1,504,970	597,590	452,568	17,001,225	12,281,864

(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 marketable securities

As set forth in Article 5 of BCB Circular 3,068/01, the revaluation of marketable 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 the entity's semiannual balance sheets and, any transfer between the abovementioned categories, must take into account the institution's intent and financial capacity and be carried at the market value of the bond or security.

Accordingly, as at December 31, 2023, Daycoval elected to reclassify marketable securities initially classified as "Available-for-sale securities" to "Trading securities" thus recognizing in profit or loss for the period, unrealized gains previously recorded in a separate line item of equity, as shown below:

2023	Reclassified marketable securities	Category		Reclassified amount	Effect on profit or loss
		From	To		
	Government bonds				
	Financial Treasury Bills	Available-for-sale	Trading	1,500,763	2,449
	Private bonds				
	Rural product notes	Available-for-sale	Trading	1,449,009	1,940
2022	Reclassified marketable securities	Category		Reclassified amount	Effect on profit or loss
		From	To		
	Government bonds				
	Financial Treasury Bills	Available-for-sale	Trading	5,165,898	37,304

The reclassification of marketable securities, as shown above, resulted from Daycoval Management's intention of increasing its cash liquidity, aiming at originating new transactions in the normal course of its business.

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, 2023 and 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.

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:

- In order to mitigate the exposure to the interest rate in the future cash flows, given the fixed nature of the loan and lease transactions, hedged items, recorded in line item "Vehicle financing", "Payroll-deductible loans" and "Leases" (Note 9.b). The hedge framework of these operations 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:

2023				Changes in fair value		Effectiveness
Hedged Item	Maturity	Reference Value	Hedge Instrument	Hedged Item	Hedge Instrument	
Loan and lease transactions						
Leases	07/27/2032	R\$ 1,242,856	DI Futures	41,786	(38,380)	91.85%
Payroll-deductible loans	02/06/2034	R\$ 5,028,752	DI Futures	164,428	(153,855)	93.57%
Vehicle financing	01/05/2029	R\$ 2,013,102	DI Futures	25,812	(23,845)	92.38%
Funding instruments						
Foreign issuance	12/13/2024	USD 350,000	Swap	(203,107)	200,237	98.59%
Foreign issuance	12/13/2024	USD 100,000	Swap	86,318	(86,092)	99.74%
Proparco funding	10/16/2028	USD 75,000	Swap	845	(1,038)	122.84%
Funding IFC	06/27/2024	USD 100,000	Swap	522	(444)	85.06%
Funding IFC	09/16/2024	USD 130,000	Swap	297,635	(297,498)	99.95%
Funding IFC	09/16/2024	USD 169,000	Swap	(18,394)	18,231	99.11%
Funding IFC	09/16/2024	USD 20,000	Swap	721	(758)	105.13%
				396,566	(383,443)	

2022				Changes in fair value		Effectiveness
Hedged Item	Maturity	Reference Value	Hedge Instrument	Hedged Item	Hedge Instrument	
Loan transactions						
Vehicle financing	12/22/2027	R\$ 870,608	DI Futures	(6,151)	6,839	111.19%
Funding instruments						
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)	

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

	2023							2022			
	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	276,549	(31,847)	244,702	59,520	166,492	5,599	3,107	9,984	497,400	(83,616)	413,784
Swaps - differential receivable	235,486	(41,784)	193,702	18,711	157,724	4,176	3,107	9,984	427,595	(81,722)	345,873
Currency forward ("NDF") - differential receivable	16,868	10,693	27,561	20,614	5,707	1,240	-	-	25,626	(4,913)	20,713
Premiums paid for purchase of stock options	4,130	(756)	3,374	130	3,061	183	-	-	15,958	3,019	18,977
Foreign exchange coupon futures (DDI)	2,714	-	2,714	2,714	-	-	-	-	13,668	-	13,668
Foreign currency futures	3,112	-	3,112	3,112	-	-	-	-	12,267	-	12,267
Coupon futures IPC-A (DAP)	956	-	956	956	-	-	-	-	900	-	900
Interest rate futures (DI)	13,283	-	13,283	13,283	-	-	-	-	1,386	-	1,386
Controlled entity											
Derivatives	-	-	-	-	-	-	-	-	829	(192)	637
Swaps - differential receivable	-	-	-	-	-	-	-	-	829	(192)	637
Total consolidated - assets	276,549	(31,847)	244,702	59,520	166,492	5,599	3,107	9,984	498,229	(83,808)	414,421
Liabilities											
Bank											
Derivatives	253,064	20,497	273,561	41,902	204,420	10,555	16,566	118	492,859	56,870	549,729
Swaps - differential payable	146,935	41,427	188,362	-	166,293	5,385	16,566	118	420,249	66,526	486,775
Currency forward ("NDF") - differential payable	71,489	(4,596)	66,893	26,797	35,108	4,988	-	-	28,713	(4,264)	24,449
Premiums paid for sale of stock options	19,665	(16,334)	3,331	130	3,019	182	-	-	24,433	(5,392)	19,041
Foreign exchange coupon futures (DDI)	5,100	-	5,100	5,100	-	-	-	-	7,407	-	7,407
Foreign currency futures	9,611	-	9,611	9,611	-	-	-	-	6,433	-	6,433
Coupon futures IPC-A (DAP)	209	-	209	209	-	-	-	-	27	-	27
Interest rate futures (DI)	55	-	55	55	-	-	-	-	5,597	-	5,597

As at December 31, 2023, the amounts of R\$4,411 and R\$488, respectively, relating to amounts receivable from and payable to the Bank arising from swap derivative transactions carried out with Daycoval Leasing, were eliminated in the consolidated financial statements. In 2022, no derivative transactions were carried out between the Bank and its direct or indirect subsidiaries.

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

	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Bank				
Futures				
B3 S.A. - Bolsa, Brasil, Balcão	20,065	14,975	28,221	19,464
Swap	193,702	188,362	345,873	486,775
Financial institutions	151,197	179,346	300,464	486,531
Companies	35,529	1,336	45,118	244
Individuals	6,976	7,680	291	-
Forward (NDF)	27,561	66,893	20,713	24,449
Companies	27,490	65,535	20,700	24,371
Individuals	50	1,358	13	78
Financial institutions	21	-	-	-
Options	3,374	3,331	18,977	19,041
Financial institutions	-	3,331	1,431	19,041
Companies	743	-	8,915	-
Individuals	2,631	-	8,631	-
Controlled entity				
Swap			637	
Financial institutions	-	-	637	-

As at December 31, 2023, the amounts of R\$4,411 and R\$488, respectively, relating to amounts receivable from and payable to the Bank arising from swap derivative transactions carried out with Daycoval Leasing, were eliminated in the consolidated financial statements. In 2022, no derivative transactions were carried out between the Bank and its direct or indirect subsidiaries.

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

	2023					2022	
	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 Years	Total	Total
Bank							
Swap	150,738	3,884,413	65,662	572,699	202,463	4,875,975	7,814,438
Assets	150,738	2,288,580	31,996	68,905	198,460	2,738,679	2,612,245
Hedge accounting	-	2,247,796	-	-	-	2,247,796	2,269,800
Dollar x CDI	-	2,247,796	-	-	-	2,247,796	2,269,800
Trading objective	150,738	40,784	31,996	68,905	198,460	490,883	342,445
CDI x Dollar	54,741	13,796	8,976	29,696	-	107,209	112,819
CDI x fixed rate	86,682	4,997	2,747	-	-	94,426	128,706
Dollar x CDI	1,371	4,024	4,733	-	-	10,128	55,221
Fixed rate x Dollar	7,944	17,967	9,386	-	5,807	41,104	30,922
Fixed rate x CDI	-	-	6,154	-	177,422	183,576	8,337
Dollar x fixed rate	-	-	-	39,209	15,231	54,440	6,440
Liabilities	-	1,595,833	33,666	503,794	4,003	2,137,296	5,202,193
Hedge accounting	-	1,595,833	-	368,528	-	1,964,361	5,197,823
Dollar x CDI	-	1,595,833	-	368,528	-	1,964,361	5,197,823
Trading objective	-	-	33,666	135,266	4,003	172,935	4,370
CDI x Dollar	-	-	-	-	-	-	1,001
Dollar x fixed rate	-	-	22,310	49,330	4,003	75,643	-
Dollar x CDI	-	-	10,136	85,936	-	96,072	-
CDI x fixed rate	-	-	1,220	-	-	1,220	2,514
Fixed rate x Dollar	-	-	-	-	-	-	855
Forward ("NDF")	3,977,951	1,076,875	130,472	-	-	5,185,298	4,363,730
Long position	2,348,374	809,813	130,472	-	-	3,288,659	1,227,924
Short position	1,629,577	267,062	-	-	-	1,896,639	3,135,806
Futures	9,539,614	11,929,368	8,653,901	2,409,216	1,243,717	33,775,816	22,867,292
Long position	2,514,961	2,007,259	61,998	-	61,221	4,645,439	6,926,769
Trading strategy	2,514,961	2,007,259	61,998	-	61,221	4,645,439	6,926,769
Foreign exchange coupon (DDI)	1,507,274	1,229,171	-	-	-	2,736,445	1,898,946
Foreign currency futures	766,143	-	-	-	-	766,143	2,868,702
Interest rate futures (DI)	14,349	348,682	11,856	-	-	374,887	470,036
Coupon future IPC-A (DAP)	227,195	429,406	50,142	-	61,221	767,964	1,689,085
Short position	7,024,653	9,922,109	8,591,903	2,409,216	1,182,496	29,130,377	15,940,523
Hedge accounting	851,702	2,126,398	2,893,559	1,813,340	986,361	8,671,360	894,970
Interest rate futures (DI)	851,702	2,126,398	2,893,559	1,813,340	986,361	8,671,360	894,970
Trading strategy	6,172,951	7,795,711	5,698,344	595,876	196,135	20,459,017	15,045,553
Foreign exchange coupon (DDI)	203,284	3,119,089	1,922,450	538,317	65,114	5,848,254	2,718,769
Foreign currency futures	2,219,186	-	-	-	-	2,219,186	-
Interest rate futures (DI)	3,750,481	4,676,622	3,432,013	-	-	11,859,116	12,318,182
Coupon future IPC-A (DAP)	-	-	343,881	57,559	131,021	532,461	8,602
Options	29,288	356,515	10,373	-	-	396,176	538,299
Long position	14,298	167,612	4,540	-	-	186,450	246,417
Foreign currency	14,298	167,612	4,540	-	-	186,450	246,417
Short position	14,990	188,903	5,833	-	-	209,726	291,882
Foreign currency	14,990	188,903	5,833	-	-	209,726	291,882
Controlled entity							
Swap							
Assets							
Trading objective	-	-	-	-	-	-	16,410
Real x Dollar	-	-	-	-	-	-	16,410

As at December 31, 2023, the amount of R\$1,269,949, relating to notional amounts for swap derivative transactions carried out with Daycoval Leasing, were eliminated in the consolidated financial statements. In 2022, no derivative transactions were carried out between the Bank and its direct or indirect subsidiaries.

9 - LENDING OPERATIONS

a) Summary of credit portfolio and extended credit portfolio

	Bank		Consolidated	
	2023	2022	2023	2022
Loans ⁽¹⁾⁽⁵⁾	32,313,804	31,017,630	32,569,723	31,285,002
Leasing ⁽²⁾⁽³⁾	-	-	2,871,731	2,463,780
Other transactions with loan characteristics	12,091,528	13,913,718	12,110,300	13,932,120
Income receivable from advances granted (Note 10 - Exchange Gains)	23,215	21,014	23,215	21,014
Financed imports (Nota 10 - Exchange Losses)	99,784	36,820	99,784	36,820
Advances on foreign exchange contracts (Nota 10 - Exchange Losses)	738,501	835,678	738,501	835,678
Income to be allocated to advances granted (Note 10 - Exchange Losses)	(615)	(1,107)	(615)	(1,107)
Total credit portfolio	45,266,217	45,823,753	48,412,639	48,573,307
Private-sector securities (Note 7.a) ⁽⁴⁾	2,759,058	1,110,605	2,759,058	1,110,605
Financial guarantees provided	6,299,716	5,763,769	6,299,716	5,763,769
Total extended credit portfolio ⁽¹⁾⁽²⁾	54,324,991	52,698,127	57,471,413	55,447,681

(1) As at December 31, 2023, includes gains of R\$190,240 (osses of R\$6,151 in 2022) 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) As at December 31, 2023, includes gains of R\$41,786 relating to the fair value adjustment of leases, subject to hedge for the Consolidated. This amount is not included in the total leasing operations presented in the subsequent notes.

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

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

(5) Includes renegotiation of transactions subject to honor received from the FGI, within the scope of the PEAC program.

b) Breakdown of portfolio with loan characteristics

i. By segment, type of operation and risk level

Bank										
2023	AA	A	B	C	D	E	F	G	H	Total
Corporate segment	8,504,382	15,237,697	2,272,612	681,536	263,546	101,871	100,044	111,089	977,581	28,250,358
Loans	277,423	5,005,082	777,208	279,195	110,457	39,896	71,046	100,479	328,530	6,989,316
FGI PEAC	12,619	1,046,115	75,263	33,879	22,470	6,621	10,738	1,186	68,062	1,276,953
FGI PEAC II ⁽³⁾	-	1,894,123	51,700	31,566	29,715	10,971	5,962	4,334	17,477	2,045,848
PRONAMPE ⁽⁴⁾	-	3,953	693	269	418	182	131	104	838	6,588
Discounted trade notes	1,428,748	301,463	28,891	19,606	6,241	1,118	1,091	3	10,963	1,798,124
Financing	207,335	1,518,959	86,233	34,236	19,451	8,465	7,001	-	6,011	1,887,691
Rural and agro-industrial financing	10,417	349,020	8,011	-	-	-	-	-	-	367,448
Payables for purchase of assets	-	20,807	3,001	14,011	200	4,189	-	-	1,184	43,392
Purchase of credit rights without right of recourse	5,526,756	4,292,779	1,183,031	245,309	57,580	12,187	4,075	4,465	536,969	11,863,151
Advances on foreign exchange contracts	102,700	533,035	58,581	23,465	17,014	18,242	-	518	7,547	761,102
Import financing	680,200	272,361	-	-	-	-	-	-	-	952,561
Export financing	258,184	-	-	-	-	-	-	-	-	258,184
Retail segment	-	12,084,663	2,736,344	1,122,653	234,465	106,679	60,332	54,672	425,811	16,825,619
Payroll-deductible loans	-	12,084,662	1,124,136	628,948	99,550	54,175	32,068	32,135	328,000	14,383,674
Loans backed by real estate	-	-	208,117	2,646	4,001	417	-	1,926	1,629	218,736
Discounted trade notes	-	1	-	-	-	-	-	-	-	1
Vehicle financing	-	-	1,385,701	489,787	130,914	51,942	28,264	20,611	96,182	2,203,401
Real estate financing	-	-	18,390	1,272	-	145	-	-	-	19,807
Total portfolio of transactions with loan characteristics	8,504,382	27,322,360	5,008,956	1,804,189	498,011	208,550	160,376	165,761	1,403,392	45,075,977
Corporate segment										
Private-sector securities (Note 7.a)	760,075	1,806,147	109,073	83,763	-	-	-	-	-	2,759,058
Total private-sector securities	760,075	1,806,147	109,073	83,763	-	-	-	-	-	2,759,058
Corporate segment										
Financial guarantees provided	3,258,450	2,513,635	381,278	124,556	21,383	-	-	-	414	6,299,716
Total financial guarantees provided	3,258,450	2,513,635	381,278	124,556	21,383	-	-	-	414	6,299,716
Total extended credit portfolio	12,522,907	31,642,142	5,499,307	2,012,508	519,394	208,550	160,376	165,761	1,403,806	54,134,751
Breakdown of the portfolio of transactions with loan characteristics in normal and abnormal course										
Transactions in normal course ⁽¹⁾	8,504,382	27,322,360	4,394,834	1,308,028	209,995	58,888	44,828	69,851	208,953	42,122,119
Transactions in abnormal course ⁽²⁾	-	-	614,122	496,161	288,016	149,662	115,548	95,910	1,194,439	2,953,858
Total portfolio of transactions with loan characteristics	8,504,382	27,322,360	5,008,956	1,804,189	498,011	208,550	160,376	165,761	1,403,392	45,075,977

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
Debtors 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	26,760,000	5,527,523	1,683,236	265,353	65,957	626,538	48,428	90,306	43,798,148
Transactions in abnormal course ⁽²⁾	-	-	529,593	458,230	166,675	118,641	153,904	93,284	511,429	2,031,756
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

Consolidated										
2023	AA	A	B	C	D	E	F	G	H	Total
Corporate segment	9,039,578	17,147,982	2,758,813	804,350	289,550	106,834	103,479	116,188	988,220	31,354,994
Loans	277,423	5,040,358	778,756	280,735	110,457	39,896	71,046	100,479	328,530	7,027,680
FGI PEAC	12,619	1,046,115	75,263	33,879	22,470	6,621	10,738	1,186	68,062	1,276,953
FGI PEAC II ⁽³⁾	-	1,894,123	51,700	31,566	29,715	10,971	5,962	4,334	17,477	2,045,848
PRONAMPE ⁽⁴⁾	-	3,953	693	269	418	182	131	104	838	6,588
Discounted trade notes	1,428,748	301,463	28,891	19,606	6,241	1,118	1,091	3	10,963	1,798,124
Financing	208,563	1,672,335	122,314	41,826	30,268	12,556	7,390	1,357	8,637	2,105,246
Rural and agro-industrial financing	10,417	349,020	8,011	-	-	-	-	-	-	367,448
Debtors for purchase of assets	-	20,807	3,001	14,011	200	4,189	-	-	1,184	43,392
Purchase of credit rights without right of recourse	5,529,727	4,308,148	1,183,463	245,309	57,580	12,187	4,075	4,465	536,969	11,881,923
Advances on foreign exchange contracts	102,700	533,035	58,581	23,465	17,014	18,242	-	518	7,547	761,102
Leasing	530,997	1,706,264	448,140	113,684	15,187	872	3,046	3,742	8,013	2,829,945
Import financing	680,200	272,361	-	-	-	-	-	-	-	952,561
Export financing	258,184	-	-	-	-	-	-	-	-	258,184
Retail segment	-	12,084,663	2,736,344	1,122,653	234,465	106,679	60,332	54,672	425,811	16,825,619
Payroll-deductible loans	-	12,084,662	1,124,136	628,948	99,550	54,175	32,068	32,135	328,000	14,383,674
Loans backed by real estate	-	-	208,117	2,646	4,001	417	-	1,926	1,629	218,736
Discounted trade notes	-	1	-	-	-	-	-	-	-	1
Vehicle financing	-	-	1,385,701	489,787	130,914	51,942	28,264	20,611	96,182	2,203,401
Real estate financing	-	-	18,390	1,272	-	145	-	-	-	19,807
Total portfolio of transactions with loan characteristics	9,039,578	29,232,645	5,495,157	1,927,003	524,015	213,513	163,811	170,860	1,414,031	48,180,613
Corporate segment										
Private-sector securities (Note 7.a)	760,075	1,806,147	109,073	83,763	-	-	-	-	-	2,759,058
Total private-sector securities	760,075	1,806,147	109,073	83,763	-	-	-	-	-	2,759,058
Corporate segment										
Financial guarantees provided	3,258,450	2,513,635	381,278	124,556	21,383	-	-	-	414	6,299,716
Total financial guarantees provided	3,258,450	2,513,635	381,278	124,556	21,383	-	-	-	414	6,299,716
Total extended credit portfolio	13,058,103	33,552,427	5,985,508	2,135,322	545,398	213,513	163,811	170,860	1,414,445	57,239,387
Breakdown of portfolio of transaction with loan characteristics in normal and abnormal course										
Transactions in normal course ⁽¹⁾	9,039,578	29,232,645	4,874,044	1,427,657	235,739	60,515	47,884	73,593	214,622	45,206,277
Transactions in abnormal course ⁽²⁾	-	-	621,113	499,346	288,276	152,998	115,927	97,267	1,199,409	2,974,336
Total portfolio of transaction with loan characteristics in normal and abnormal course	9,039,578	29,232,645	5,495,157	1,927,003	524,015	213,513	163,811	170,860	1,414,031	48,180,613

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	27,796,283	6,478,540	1,820,403	291,989	68,696	627,077	48,485	93,164	46,532,903
Transactions in abnormal course ⁽²⁾	-	-	530,749	460,899	166,943	119,435	157,412	93,284	517,833	2,046,555
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

(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 National Program to Support Micro and Small-Sized Companies (PRONAMPE), established through Law 13,999/20, guaranteed by the Operation Guarantee Fund (FGO).

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

Bank										
2023	AA	A	B	C	D	E	F	G	H	Total
In normal course ⁽¹⁾	8,504,382	27,322,360	4,394,834	1,308,028	209,995	58,888	44,828	69,851	208,953	42,122,119
Installments falling due	8,504,382	27,275,229	4,372,375	1,301,359	207,824	56,976	43,772	69,334	204,275	42,035,526
Up to 3 months	6,321,191	8,104,078	1,536,864	380,279	80,556	22,705	7,702	13,666	1,725	16,468,766
3 to 12 months	1,714,874	6,760,836	1,189,382	340,646	52,191	15,180	10,189	12,397	25,676	10,121,371
1 to 3 years	436,531	7,606,774	1,179,161	384,378	62,417	15,596	18,001	27,723	103,489	9,834,070
3 to 5 years	31,782	3,111,163	286,690	129,357	11,061	3,274	7,577	15,391	67,470	3,663,765
Over 5 years	4	1,692,378	180,278	66,699	1,599	221	303	157	5,915	1,947,554
Past due up to 14 days	-	47,131	22,459	6,669	2,171	1,912	1,056	517	4,678	86,593
In abnormal course ⁽²⁾	-	-	614,122	496,161	288,016	149,662	115,548	95,910	1,194,439	2,953,858
Installments falling due	-	-	563,281	441,004	226,912	102,750	81,944	57,812	348,594	1,822,297
Up to 3 months	-	-	53,144	59,565	33,833	14,452	11,692	8,056	36,768	217,510
3 to 12 months	-	-	136,569	138,959	76,530	32,394	26,756	19,015	101,126	531,349
1 to 3 years	-	-	224,119	184,287	90,579	43,070	34,844	24,164	150,134	751,197
3 to 5 years	-	-	97,515	40,292	18,995	9,727	7,049	4,950	49,325	227,853
Over 5 years	-	-	51,934	17,901	6,975	3,107	1,603	1,627	11,241	94,388
Installments past due	-	-	50,841	55,157	61,104	46,912	33,604	38,098	845,845	1,131,561
Up to 60 days	-	-	50,841	51,247	26,347	15,056	8,678	5,904	34,929	193,002
61 to 90 days	-	-	-	2,892	30,514	11,470	4,804	3,461	22,636	75,777
91 to 180 days	-	-	-	1,018	4,243	18,737	17,822	25,482	390,314	457,616
181 to 360 days	-	-	-	-	-	1,649	2,300	3,251	397,966	405,166
Total portfolio of transactions with loan characteristics	8,504,382	27,322,360	5,008,956	1,804,189	498,011	208,550	160,376	165,761	1,403,392	45,075,977
Term ⁽³⁾										
Up to 3 months	500,471	115,667	51,275	-	-	-	-	-	-	667,413
3 to 12 months	1,255	634,416	16,303	1,681	-	-	-	-	-	653,655
1 to 3 years	251,448	532,450	4,137	2,667	-	-	-	-	-	790,702
3 to 5 years	6,385	499,986	4,080	79,415	-	-	-	-	-	589,866
Over 5 years	516	23,317	33,278	-	-	-	-	-	-	57,111
Vencidas até 14 dias	-	311	-	-	-	-	-	-	-	311
Total private-sector securities (Note 7.a)	760,075	1,806,147	109,073	83,763	-	-	-	-	-	2,759,058
Financial guarantees provided	3,258,450	2,513,635	381,278	124,556	21,383	-	-	-	414	6,299,716
Total financial guarantees provided	3,258,450	2,513,635	381,278	124,556	21,383	-	-	-	414	6,299,716
Total extended credit portfolio	12,522,907	31,842,142	5,499,307	2,012,508	519,394	208,550	160,376	165,761	1,403,806	54,134,751
Provision associated with credit risk										
Minimum required ⁽⁴⁾	-	136,612	50,089	54,125	49,801	62,565	80,188	116,033	1,403,392	1,952,805
Additional ⁽⁵⁾	-	-	80,144	21,651	-	-	-	-	-	101,795
Total provision associated with credit risk on the portfolio of transactions with loan characteristics	-	136,612	130,233	75,776	49,801	62,565	80,188	116,033	1,403,392	2,054,600
Minimum required ⁽⁴⁾	-	9,013	1,096	2,550	-	-	-	-	-	12,659
Additional ⁽⁵⁾	-	-	1,003	65	-	-	-	-	-	1,068
Total provision associated with credit risk on private-sector securities	-	9,013	2,099	2,615	-	-	-	-	-	13,727
Minimum required ⁽⁴⁾	-	12,568	3,813	3,737	2,138	-	-	-	414	22,670
Additional ⁽⁵⁾	-	-	6,100	1,495	-	-	-	-	-	7,595
Total provision associated with credit risk on financial guarantees provided ⁽⁶⁾	-	12,568	9,913	5,232	2,138	-	-	-	414	30,265
Total provision associated with credit risk on extended credit portfolio	-	158,193	142,245	83,623	51,939	62,565	80,188	116,033	1,403,806	2,098,592

2022	AA	A	B	C	D	E	F	G	H	Total
In normal course ⁽¹⁾	8,730,807	26,760,000	5,527,523	1,683,236	265,353	65,957	626,538	48,428	90,306	43,798,148
Installments falling due	8,730,807	26,622,089	5,489,714	1,667,124	262,174	62,507	626,306	47,890	89,847	43,598,458
Up to 3 months	7,388,404	9,322,068	1,990,264	448,146	91,812	22,348	66,606	15,944	14,257	19,359,849
3 to 12 months	955,940	7,784,045	1,461,398	542,911	88,479	23,638	520,389	28,761	27,653	11,433,214
1 to 3 years	379,430	6,812,945	1,432,048	469,380	72,472	14,629	36,641	2,612	32,982	9,253,139
3 to 5 years	7,033	1,991,726	399,365	138,551	7,717	1,846	2,670	559	9,584	2,559,051
Over 5 years	-	711,305	206,639	68,136	1,694	46	-	14	5,371	993,205
Past due up to 14 days	-	137,911	37,809	16,112	3,179	3,450	232	538	459	199,690
In abnormal course ⁽²⁾	-	-	529,593	458,230	166,675	118,641	153,904	93,284	511,429	2,031,756
Installments falling due	-	-	486,186	412,827	133,558	84,957	93,301	37,725	255,408	1,503,962
Up to 3 months	-	-	44,781	51,453	19,685	12,218	14,654	5,284	27,284	175,359
3 to 12 months	-	-	114,287	123,751	45,229	28,785	36,156	12,004	72,832	433,044
1 to 3 years	-	-	194,747	176,028	54,258	35,609	36,638	15,742	102,877	615,899
3 to 5 years	-	-	89,304	40,242	10,302	6,206	4,347	3,807	41,654	195,862
Over 5 years	-	-	43,067	21,353	4,084	2,139	1,506	888	10,761	83,798
Installments past due	-	-	43,407	45,403	33,117	33,684	60,603	55,559	256,021	527,794
Up to 60 days	-	-	43,407	41,635	15,720	10,505	24,933	7,604	44,269	188,073
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	1,301	-	-	-	-	-	-	44,348
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
Past due up to 14 days	-	-	78	-	-	-	-	-	-	78
Past due from 91 to 180 days	-	-	-	-	-	-	-	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	-	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

Consolidated										
2023	AA	A	B	C	D	E	F	G	H	Total
In normal course ⁽¹⁾	9,039,578	29,232,645	4,874,044	1,427,657	235,739	60,515	47,884	73,593	214,622	45,206,277
Installments falling due	9,039,578	29,176,442	4,847,888	1,420,021	233,380	58,603	46,820	72,857	209,912	45,105,501
Up to 3 months	6,382,629	8,345,041	1,606,400	401,257	86,310	23,118	8,215	14,403	3,097	16,870,470
3 to 12 months	1,868,450	7,297,825	1,338,883	380,103	61,342	16,144	11,745	14,194	28,756	11,017,442
1 to 3 years	687,902	8,435,482	1,403,913	437,998	71,501	15,846	18,831	28,712	104,501	11,204,686
3 to 5 years	99,439	3,386,824	318,331	133,960	12,628	3,274	7,726	15,391	67,643	4,045,216
Over 5 years	1,158	1,711,270	180,361	66,703	1,599	221	303	157	5,915	1,967,687
Past due up to 14 days	-	56,203	26,156	7,636	2,359	1,912	1,064	736	4,710	100,776
In abnormal course ⁽²⁾	-	-	621,113	499,346	288,276	152,998	115,927	97,267	1,199,409	2,974,336
Installments falling due	-	-	569,876	443,851	227,127	105,591	82,260	58,815	350,460	1,837,980
Up to 3 months	-	-	54,202	60,031	33,872	14,686	11,717	8,207	37,191	219,906
3 to 12 months	-	-	139,083	140,112	76,632	33,131	26,841	19,507	101,869	537,175
1 to 3 years	-	-	227,127	185,350	90,653	44,940	35,050	24,524	150,782	758,426
3 to 5 years	-	-	97,530	40,457	18,995	9,727	7,049	4,950	49,377	228,085
Over 5 years	-	-	51,934	17,901	6,975	3,107	1,603	1,627	11,241	94,388
Installments past due	-	-	51,237	55,495	61,149	47,407	33,667	38,452	848,949	1,136,356
Up to 60 days	-	-	51,237	51,585	26,377	15,249	8,695	6,002	35,442	194,587
61 to 90 days	-	-	-	2,892	30,529	11,611	4,817	3,509	22,986	76,344
91 to 180 days	-	-	-	1,018	4,243	18,898	17,855	25,690	391,396	459,100
181 to 360 days	-	-	-	-	-	1,649	2,300	3,251	399,125	406,325
Total portfolio of transactions with loan characteristics	9,039,578	29,232,645	5,495,157	1,927,003	524,015	213,513	163,811	170,860	1,414,031	48,180,613
Term ⁽³⁾										
Up to 3 months	500,471	115,667	51,275	-	-	-	-	-	-	667,413
3 to 12 months	1,255	634,416	16,303	1,681	-	-	-	-	-	653,655
1 to 3 years	251,448	532,450	4,137	2,667	-	-	-	-	-	790,702
3 to 5 years	6,385	499,986	4,080	79,415	-	-	-	-	-	589,866
Over 5 years	516	23,317	33,278	-	-	-	-	-	-	57,111
Past due up to 14 days	-	311	-	-	-	-	-	-	-	311
Total private-sector securities (Note 7.a)	760,075	1,806,147	109,073	83,763	-	-	-	-	-	2,759,058
Financial guarantees provided	3,258,450	2,513,635	381,278	124,556	21,383	-	-	-	414	6,299,716
Total financial guarantees provided	3,258,450	2,513,635	381,278	124,556	21,383	-	-	-	414	6,299,716
Total extended credit portfolio	13,058,103	33,552,427	5,985,508	2,135,322	545,398	213,513	163,811	170,860	1,414,445	57,239,387
Provision associated with credit risk										
Minimum required ⁽⁴⁾	-	146,162	54,951	57,810	52,401	64,054	81,906	119,602	1,414,031	1,990,917
Additional ⁽⁵⁾	-	-	80,144	21,651	-	-	-	-	-	101,795
Total provision associated with credit risk on the portfolio of transactions with loan characteristics	-	146,162	135,095	79,461	52,401	64,054	81,906	119,602	1,414,031	2,092,712
Provision associated with credit risk										
Minimum required ⁽⁴⁾	-	9,013	1,096	2,550	-	-	-	-	-	12,659
Additional ⁽⁵⁾	-	-	1,003	65	-	-	-	-	-	1,068
Total provision associated with credit risk on private-sector securities	-	9,013	2,099	2,615	-	-	-	-	-	13,727
Minimum required ⁽⁴⁾	-	12,568	3,813	3,737	2,138	-	-	-	414	22,670
Additional ⁽⁵⁾	-	-	6,100	1,495	-	-	-	-	-	7,595
Total provision associated with credit risk on financial guarantees provided ⁽⁶⁾	-	12,568	9,913	5,232	2,138	-	-	-	414	30,265
Total provision associated with credit risk on extended credit portfolio	-	167,743	147,107	87,308	54,539	64,054	81,906	119,602	1,414,445	2,136,704

2022	AA	A	B	C	D	E	F	G	H	Total
In normal course ⁽¹⁾	9,308,266	27,796,283	6,478,540	1,820,403	291,989	68,696	627,077	48,485	93,164	46,532,903
Installments falling due	9,308,266	27,656,189	6,439,395	1,804,096	288,526	65,194	626,841	47,947	92,694	46,329,148
Up to 3 months	7,460,273	9,428,576	2,103,831	462,931	96,798	22,870	66,763	15,945	14,810	19,672,797
3 to 12 months	1,095,385	8,058,564	1,740,485	584,177	97,979	24,836	520,659	28,761	28,775	12,179,621
1 to 3 years	629,349	7,283,486	1,875,178	535,930	82,959	15,596	36,749	2,612	34,154	10,496,013
3 to 5 years	117,279	2,147,577	500,268	150,349	9,096	1,846	2,670	559	9,584	2,939,228
Over 5 years	5,980	737,986	219,633	70,709	1,694	46	-	70	5,371	1,041,489
Past due up to 14 days	-	140,094	39,145	16,307	3,463	3,502	236	538	470	203,755
In abnormal course ⁽²⁾	-	-	530,749	460,899	166,943	119,435	157,412	93,284	517,833	2,046,555
Installments falling due	-	-	487,286	415,226	133,800	85,546	95,982	37,725	260,338	1,515,903
Up to 3 months	-	-	44,911	51,789	19,736	12,356	15,286	5,284	27,881	177,243
3 to 12 months	-	-	114,630	124,642	45,355	29,088	37,751	12,004	74,399	437,869
1 to 3 years	-	-	195,374	177,200	54,323	35,757	37,092	15,742	105,636	621,124
3 to 5 years	-	-	89,304	40,242	10,302	6,206	4,347	3,807	41,661	195,869
Over 5 years	-	-	43,067	21,353	4,084	2,139	1,506	888	10,761	83,798
Installments past due	-	-	43,463	45,673	33,143	33,889	61,430	55,559	257,495	530,652
Up to 60 days	-	-	43,463	41,905	15,744	10,602	25,367	7,604	44,706	189,391
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	1,301	-	-	-	-	-	-	44,348
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
Past due up to 14 days	-	-	78	-	-	-	-	-	-	78
Past due from 91 to 180 days	-	-	-	-	-	-	-	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

(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).

(7) The allowance for loan losses related to the renegotiation of FGI/PEAC operations which were subject to honor, comprises only the risk exposure to which Banco Daycoval is exposed in these renegotiations.

iii. By line of business

	Bank			
	2023		2022	
	Value	% exposure	Value	% exposure
Total extended credit portfolio	54,134,751	100.00%	52,704,278	100.00%
Private Sector	54,133,496	100.00%	52,665,487	99.93%
Legal entity	35,911,271	66.34%	38,807,485	73.64%
Industrial	11,719,023	21.66%	12,589,515	23.91%
Commercial	8,552,107	15.80%	9,758,876	18.52%
Transportation and logistics	2,060,653	3.81%	2,462,772	4.67%
Financial activities and insurance companies	2,474,056	4.57%	1,604,277	3.04%
Management and services	3,193,736	5.90%	2,677,058	5.08%
Construction	1,067,801	1.97%	1,162,333	2.21%
Energy	1,410,426	2.61%	2,000,091	3.79%
Telecommunication and IT	890,045	1.64%	1,008,202	1.91%
Specialized services	320,424	0.59%	698,467	1.33%
Health	424,251	0.78%	465,851	0.88%
Real estate	456,753	0.84%	389,791	0.74%
Culture and leisure	320,416	0.59%	343,262	0.65%
Sanitation	141,890	0.26%	176,357	0.33%
Extraction	249,691	0.46%	392,347	0.74%
Lodging and meals	165,562	0.31%	219,687	0.42%
Education	171,318	0.32%	160,637	0.30%
Public administration, defense and social security	331,136	0.61%	74,133	0.14%
Other	1,961,983	3.62%	2,623,829	4.98%
Individual	18,222,225	33.66%	13,858,002	26.29%
Public Sector	1,255	0.00%	38,791	0.07%

	Consolidated			
	2023		2022	
	Value	% exposure	Value	% exposure
Total extended credit portfolio	57,239,387	100.00%	55,453,832	100.00%
Private Sector	57,238,132	100.00%	55,415,041	99.93%
Legal entity	38,839,977	67.86%	41,469,027	74.78%
Industrial	12,296,473	21.50%	13,107,364	23.64%
Commercial	9,120,634	15.93%	10,269,628	18.52%
Transportation and logistics	2,418,040	4.22%	2,824,879	5.09%
Financial activities and insurance companies	3,126,216	5.46%	2,221,208	4.01%
Management and services	3,367,352	5.88%	2,839,498	5.12%
Construction	1,139,828	1.99%	1,226,512	2.21%
Energy	1,424,139	2.49%	2,018,513	3.64%
Telecommunication and IT	1,053,504	1.84%	1,207,638	2.18%
Specialized services	406,306	0.71%	771,944	1.39%
Health	470,174	0.82%	506,388	0.91%
Real estate	465,233	0.81%	392,539	0.71%
Culture and leisure	376,148	0.66%	366,095	0.66%
Sanitation	149,146	0.26%	181,895	0.33%
Extraction	309,794	0.54%	412,072	0.74%
Lodging and meals	172,528	0.30%	226,738	0.41%
Education	182,257	0.32%	170,966	0.31%
Public administration, defense and social security	331,136	0.58%	74,133	0.13%
Other	2,031,069	3.55%	2,651,017	4.78%
Individual	18,398,155	32.14%	13,946,014	25.15%
Public Sector	1,255	0.00%	38,791	0.07%

c) Financial guarantees provided (Bank and Consolidated)

	2023	2022
Open credits for import	232,351	345,145
Beneficiaries of guarantees provided	6,067,365	5,418,624
Total	6,299,716	5,763,769

d) Concentration of the portfolio with loan characteristics per economic group

	Bank			
	2023		2022	
	Value	% of portfolio	Value	% of portfolio
Largest debtor	968,707	2.15%	1,044,830	2.28%
10 largest debtors	3,497,398	7.76%	3,464,667	7.56%
50 next largest debtors	4,897,632	10.87%	4,945,214	10.79%
100 next largest debtors	3,406,055	7.56%	4,431,138	9.67%
Other debtors	32,306,185	71.66%	31,944,055	69.70%
Total	45,075,977	100.00%	45,829,904	100.00%

	Consolidated			
	2023		2022	
	Value	% of portfolio	Value	% of portfolio
Largest debtor	968,707	2.01%	1,044,830	2.15%
10 largest debtors	3,540,678	7.35%	3,663,088	7.54%
50 next largest debtors	5,178,548	10.75%	5,178,601	10.66%
100 next largest debtors	3,726,027	7.73%	4,632,910	9.54%
Other debtors	34,766,653	72.16%	34,060,029	70.11%
Total	48,180,613	100.00%	48,579,458	100.00%

e) Variations and breakdown of the allowance for loan losses

e.1) Variations of the allowance for loan losses

	Bank		Consolidated	
	2023	2022	2023	2022
Opening balance of the allowance for loan losses	1,762,000	1,621,695	1,795,974	1,647,611
Operations written off as loss	(734,624)	(531,428)	(743,171)	(533,932)
Recognition (reversal) of expenses on the allowance for loan losses in the year	1,062,661	665,986	1,075,346	676,548
Minimum required by CMN Resolution 2,682/99 ⁽¹⁾	1,238,506	845,725	1,251,191	856,287
Sureties and pledges provided ⁽²⁾	(5,340)	8,411	(5,340)	8,411
Additional to the minimum required ⁽³⁾	(170,505)	(188,150)	(170,505)	(188,150)
Recognition (reversal) of allowance for loan losses associated with the credit risk of private-sector securities (Note 7a)	8,555	5,747	8,555	5,747
Closing balance of the allowance for loan losses	2,098,592	1,762,000	2,136,704	1,795,974

e.2) Breakdown of the allowance for loan losses

	Bank		Consolidated	
	2023	2022	2023	2022
Portfolio of transactions with loan characteristics	2,054,600	1,711,637	2,092,712	1,745,611
Minimum required by CMN Resolution 2,682/99 ⁽¹⁾	1,952,805	1,448,351	1,990,917	1,482,325
Additional to the minimum required ⁽³⁾	101,795	263,286	101,795	263,286
Financial guarantees provided	30,265	44,616	30,265	44,616
Minimum required by CMN Resolution 2,682/99 ⁽¹⁾	22,670	28,009	22,670	28,009
Additional to the minimum required ⁽³⁾	7,595	16,607	7,595	16,607
Private-sector securities	13,727	5,747	13,727	5,747
Minimum required by CMN Resolution 2,682/99 ⁽¹⁾	12,659	5,701	12,659	5,701
Additional to the minimum required ⁽³⁾	1,068	46	1,068	46
Total allowance for loan losses	2,098,592	1,762,000	2,136,704	1,795,974

⁽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.

f) Renegotiation and recovery of transactions with loan characteristics

	Bank		Consolidated	
	2023	2022	2023	2022
Variations in renegotiated operations				
Opening balance	3,428,559	3,343,341	3,503,163	3,424,817
Write-off of renegotiated operations to loss for the quarter	(232,467)	(85,846)	(232,467)	(87,142)
Payments / repayments for the period of renegotiated operations	(3,273,978)	(2,073,134)	(3,386,493)	(2,103,172)
Renegotiated operations for the quarter	3,551,602	2,244,198	4,176,644	2,268,660
Closing balance	3,473,716	3,428,559	4,060,847	3,503,163
Breakdown of the balance of renegotiated operations				
Operations in normal course ⁽¹⁾	2,733,282	3,026,286	3,316,960	3,099,789
Installments falling due	2,706,759	3,005,960	3,288,925	3,078,804
Up to 3 months	655,119	993,227	717,066	1,010,126
3 to 12 months	877,152	1,088,311	1,033,769	1,115,976
1 to 3 years	934,940	805,938	1,195,325	831,104
3 to 5 years	225,204	100,293	327,385	103,407
Over 5 years	14,344	18,191	15,380	18,191
Installments past due for up to 14 days	26,523	20,326	28,035	20,985
Operations in abnormal course ⁽²⁾	740,434	402,273	743,887	403,374
Installments falling due	386,452	264,359	387,656	265,238
Up to 3 months	59,169	39,771	59,408	39,971
3 to 12 months	137,144	101,272	137,597	101,718
1 to 3 years	157,573	108,406	158,070	108,639
3 to 5 years	30,512	13,823	30,527	13,823
Over 5 years	2,054	1,087	2,054	1,087
Installments past due	353,982	137,914	356,231	138,136
Up to 60 days	59,534	60,720	59,902	60,857
61 to 90 days	22,328	17,350	22,561	17,393
91 to 180 days	250,034	34,518	250,759	34,560
181 to 360 days	22,086	25,326	23,009	25,326
Total	3,473,716	3,428,559	4,060,847	3,503,163

(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.

During the year ended December 31, 2023, the Bank recovered credits previously written off as losses, in the amount of R\$193,268 (R\$181,774 in 2022) and Daycoval Leasing recovered the amount of R\$579 (R\$556 in 2022), recognized in the income statements in line item "Loan portfolio"

g) Restricted lending transactions (Bank and Consolidated)

As at December 31, 2023, there were no restricted lending transactions.

	2022
Restricted lending transactions	
Loans	36,534
Payables for restricted lending transactions	
Bank certificates of deposit	35,264

h) Sale or transfer of financial assets (Bank and Consolidated)

During the years ended December 31, 2023 and 2022, no credit assignments were made.

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:

	2023	2022
Assets		
Finance lease transactions		
Finance lease receivable	2,778,420	2,323,631
(-) Unearned income from finance lease receivable	(2,717,706)	(2,289,409)
Total	60,714	34,222
Residual values		
Unrealized residual values	1,227,256	938,867
Offsetting residual values	(1,227,256)	(938,867)
Total	-	-
Sundry		
Commitment fee	5,227	2,847
Total	5,227	2,847
Property and equipment for finance lease		
Leased assets	4,235,555	3,391,359
Excess depreciation	852,826	577,510
(-) Insufficient depreciation	(61,994)	(45,384)
(-) Accumulated depreciation on finance lease assets	(1,614,117)	(1,184,939)
Unamortized lease losses	20,470	18,104
Total	3,432,740	2,756,650
Liabilities		
Other payables		
(-) Prepaid guaranteed residual value	(794,361)	(507,261)
Total	(794,361)	(507,261)
Total finance lease at present value	2,704,320	2,286,458

10 - FOREIGN EXCHANGE PORTFOLIO (BANK AND CONSOLIDATED)

	2023			2022	
	Up to 3 months	3 to 12 Months	1 to 3 years	Value	Value
Assets					
Foreign exchange purchased pending settlement	1,714,412	317,226	4,842	2,036,480	1,200,631
Right on foreign exchange sold	1,594,746	248,454	-	1,843,200	1,359,142
(-) Advances received in local currency	(110,050)	-	-	(110,050)	(37,291)
Income receivable from advances granted (Note 9.a)	12,490	10,103	622	23,215	21,014
Total	3,211,598	575,783	5,464	3,792,845	2,543,496
Liabilities					
Foreign exchange sold pending settlement	1,588,867	245,521	-	1,834,388	1,344,327
(-) Financed imports (Note 9.a)	(99,784)	-	-	(99,784)	(36,820)
Payables for foreign exchange purchased	1,724,060	322,653	5,216	2,051,929	1,186,654
(-) Advances on foreign exchange contracts (Note 9.a)	(1,382,216)	(314,638)	(5,216)	(1,702,070)	(835,678)
Amounts in foreign currencies payable	98	-	-	98	16
Unearned income on advances granted (Note 9.a)	466	149	-	615	1,107
Total	1,831,491	253,685	-	2,085,176	1,659,606

11 - OTHER SUNDRY CREDITS

	Bank				Consolidated			
	Current		Noncurrent		Current		Noncurrent	
	2023	2022	2023	2022	2023	2022	2023	2022
Salary advances	2,232	1,783	-	-	3,034	1,823	-	-
Advances for payment of our account	43,258	24,288	-	-	50,111	25,274	-	-
Advances for property, plant and equipment	947	933	-	-	949	933	-	-
Reimbursable payments	74,718	65,766	-	-	74,718	66,033	-	-
Prepaid profit sharing	863	1,573	2,624	4,531	863	1,573	2,624	4,531
Premiums paid on the acquisition of lending operations ⁽¹⁾	167,730	108,349	-	-	166,052	108,911	-	-
Sundry debtors ⁽²⁾	-	-	-	-	-	-	-	-
Total	289,748	202,692	2,624	4,531	295,727	204,547	2,624	4,531

(1) As at December 31, 2023 and 2022, 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, 2023, line item "Sundry debtors" includes primarily: (i) amounts from depositors of secured account pending offset in the amount of R\$95,495 for the Bank and for the consolidated (R\$84,412 for the Bank and consolidated in 2022).

12 - OTHER ASSETS

a) Non-financial assets held for sale

	Bank					
	2023			2022		
	Gross amount	Provision	Net amount	Gross amount	Provision	Net amount
Received	66,846	(7,443)	59,403	91,885	(5,175)	86,710
Total non-financial assets held for sale	66,846	(7,443)	59,403	91,885	(5,175)	86,710

	Consolidated					
	2023			2022		
	Gross amount	Provision	Net amount	Gross amount	Provision	Net amount
Received	67,217	(7,443)	59,774	91,885	(5,175)	86,710
Total non-financial assets held for sale	67,217	(7,443)	59,774	91,885	(5,175)	86,710

b) Prepaid expenses

	Bank					2022	
	2023					Value ⁽¹⁾	
	Up to 3 months	3 to 12 Months	1 to 3 years	3 to 5 years	Over 5 years	Value ⁽¹⁾	Value ⁽¹⁾
Prepaid expenses	9,117	13,218	8,168	5,425	9,864	45,792	45,808
Total prepaid expenses	9,117	13,218	8,168	5,425	9,864	45,792	45,808

	Consolidated					2022	
	2023					Value ⁽¹⁾	
	Up to 3 months	3 to 12 Months	1 to 3 years	3 to 5 years	Over 5 years	Value ⁽¹⁾	Value ⁽¹⁾
Prepaid expenses	9,949	13,218	8,168	5,425	9,864	46,624	45,808
Total prepaid expenses	9,949	13,218	8,168	5,425	9,864	46,624	45,808

(1) As at December 31, 2023, the balance of prepaid expenses are mainly comprised of commissions on loans and issuances abroad in the amount of R\$9,071 (R\$20,274 in 2022), discount on the issuance of securities in the amount of R\$21,756 (R\$16,872 in 2022).

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:

	2023		2022	
	US\$ thousand	US\$ thousand ⁽¹⁾	US\$ thousand	US\$ thousand ⁽¹⁾
Assets				
Cash and cash equivalents	1,207	5,846	450	2,348
Interbank accounts	228,973	1,108,526	63,750	332,628
Securities	102,773	497,557	9,163	47,810
Lending operations	428,881	2,076,339	434,391	2,266,524
Other credits	6,176	29,902	11,855	61,854
Other assets	984	4,764	49	255
Total assets	768,994	3,722,934	519,658	2,711,419
Liabilities				
Demand deposit	3,731	18,063	865	4,512
Time deposits	308,885	1,495,403	279,722	1,459,505
Securities issued abroad	246,369	1,192,746	1,866	9,734
Borrowings and onleading's	196,341	950,548	202,771	1,058,000
Derivatives	718	3,474	279	1,454
Other sundry payables	721	3,493	1,409	7,352
Total liabilities	756,765	3,663,727	486,912	2,540,557

(1) The amounts in US dollars have been translated into Brazilian reais (R\$) at the exchange rates of R\$/US\$4.8413 and R\$/US\$5.2177, disclosed by the BACEN, for December 31, 2023 and 2022.

As at December 31, 2023, expense on exchange rate changes in the amount of R\$9,927 (expense of R\$11,761 in 2022) 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	
					2023	2022	2023	2022	2023	2022
Daycoval Leasing ^{(1) (2)}	834,963	643,781	5,780,078,463	100.00	161,993	82,498	783,249	652,827	161,993	82,498
Dayprev	39,582	25,000	19,591,614	97.00	2,435	2,259	38,170	36,036	2,362	2,190
ACS	923,887	623,597	54,225,800	99.99	43,373	34,747	923,886	875,899	43,373	34,747
Daycoval CTVM ⁽³⁾	20,204	20,000	2,000,000	100.00	220	-	20,220	-	220	-
Daycoval Asset	84,357	1,554	36,875	99.99	11,725	12,046	84,357	72,634	11,725	12,046
Total							1,849,882	1,637,396	219,673	131,481

(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, 2023 is R\$13,229 (R\$20,131 in 2022).

(2) On August 7, 2023, the Extraordinary General Meeting approved the increase of capital upon merger of part of the reserve balance in the amount of R\$300 million. The amendment to the bylaws was approved by BACEN on October 25, 2023.

(3) Daycoval CTVM started to operate on August 31, 2023, after authorized by BACEN. Capital in the amount of R\$20 million was paid on October 6, 2023.

b) Indirect subsidiaries

Companies	Equity	Capital	Number of shares	% interest	Profit (loss)		Adjusted investment amount		Share of profit (loss) of subsidiaries	
					2023	2022	2023	2022	2023	2022
IFP	253,110	260,020	260,020,000	99.90	6,595	8,926	253,109	246,514	6,595	8,926
SCC	16,060	10,020	10,020,000	99.90	926	826	16,060	15,134	926	826
Treetop	85,199	12,919	2,668,585	99.90	3,291	(7,970)	85,199	83,706	(3,134)	(8,347)
Total							354,368	345,354	4,387	1,405

(1) In the year ended December 31, 2023, expense from exchange rate changes in the amount of R\$6,425 (expense from exchange rate changes in the amount of R\$377 in 2022) in 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, 2023, the share in profit (loss) of subsidiaries corresponds to income of R\$4,387 (expense of R\$1,405 as at December 31, 2022), which was recognized in profit or loss of ACS Participações (direct parent company), mentioned in table 14.a).

c) Associate

Companies	Equity	Capital	Number of shares	% interest ⁽¹⁾	Profit (loss)		Adjusted investment amount		Share of profit (loss) of subsidiaries	
					2023	2022	2023	2022	2023	2022
CIP S.A.	1,783,796	1,143,289	310,534	0.59	588,843	277,136	11,229	11,285	2,227	1,473
Total							11,229	11,285	2,227	1,473

(1) As at September 30, 2023, there was increase in interest from 0.49% to 0.59%.

15 - PROPERTY AND EQUIPMENT IN USE AND FOR OPERATING LEASE

a) Property and equipment in use

	Bank				
	2023				2022
	Annual depreciation	Acquisition cost	Accumulated depreciation	Net amount	Net amount
Aircraft	10%	75,865	(47,415)	28,450	36,036
Computers and peripherals	20%	38,835	(24,613)	14,222	11,750
Communications equipment	20%	1,114	(731)	383	100
Security equipment	10%	1,570	(1,338)	232	221
Properties in use	4%	-	-	-	1,200
Facilities	10%	939	(747)	192	221
Furniture and equipment in use	10%	11,575	(6,431)	5,144	3,078
Vehicles	20%	3,643	(1,842)	1,801	1,613
Total		133,541	(83,117)	50,424	54,219

	Consolidated				
	2023				2022
	Annual depreciation	Acquisition cost	Accumulated depreciation	Net amount	Net amount
Aircraft	10%	75,865	(47,415)	28,450	36,036
Computers and peripherals	20%	40,039	(25,739)	14,300	11,840
Communications equipment	20%	1,497	(942)	555	289
Security equipment	10%	1,571	(1,338)	233	221
Properties in use	4%	2,642	(556)	2,086	3,405
Facilities	10%	5,039	(2,413)	2,626	3,051
Furniture and equipment in use	10%	14,103	(7,697)	6,406	4,163
Vehicles	20%	4,637	(2,457)	2,180	2,102
Total		145,393	(88,557)	56,836	61,107

b) Property and equipment for operating lease (Consolidated)

		2023			2022	
		Annual depreciation	Acquisition cost	Accumulated depreciation	Allowance for impairment	Net amount
Facilities	10%	60	(47)	-	13	30
Machinery and equipment	10%	418,236	(268,765)	(4,415)	145,056	211,233
Furniture	10%	10	(8)	-	2	9
Vehicles	20%	907	(518)	-	389	669
Total		419,213	(269,338)	(4,415)	145,460	211,941

16 - REPURCHASE TRANSACTIONS AND FUNDING INSTRUMENTS

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

	2023	2022
	Up to 3 months	Up to 3 months
Repurchase transactions		
Own portfolio	8,067,342	6,448,013
Financial Treasury Bills	7,800,555	6,111,395
National Treasury Bills	-	183
Debentures	266,787	336,435
Third-party portfolio	167,637	384,002
Financial Treasury Bills	82,220	-
National Treasury Bills	-	300,050
National Treasury Notes	85,417	53,009
Certificates of real estate receivables	-	30,943
Total	8,234,979	6,832,015

b) Summary of funding instruments

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

	Bank		Consolidated	
	2023	2022	2023	2022
Deposits	22,105,309	17,932,740	22,070,948	17,864,912
Demand deposits	1,809,798	1,765,296	1,794,020	1,760,552
Interbank deposits	795,139	1,862,400	795,139	1,862,400
Time deposits	19,488,847	14,293,851	19,470,264	14,230,767
Other deposits	11,525	11,193	11,525	11,193
Issuance of securities	27,713,267	23,476,949	27,038,440	23,079,455
Mortgage loan notes	2,122,819	1,754,269	2,122,819	1,754,269
Agribusiness and financial letter of credit	2,773,140	2,406,819	2,773,140	2,406,819
Financial bills	20,017,606	17,102,559	19,342,779	16,718,136
Foreign issuance	2,799,702	2,213,302	2,799,702	2,200,231
Borrowings and onlendings	5,121,913	8,209,637	5,121,913	8,209,637
Foreign borrowings	4,586,694	7,820,251	4,586,694	7,820,251
Onlendings - official institutions	535,219	389,386	535,219	389,386
Subordinated debts (Note 16.d)	1,042,763	1,042,478	1,042,763	1,042,478
Financial bills	1,042,763	1,042,478	1,042,763	1,042,478
Total	55,983,252	50,661,804	55,274,064	50,196,482

c) Breakdown of funding instruments by terms

	Bank						Total	Total	
	2023					Total			2022
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years				
Deposits	5,642,844	6,517,845	8,986,217	903,791	54,612	22,105,309	17,932,740		
Demand deposits	1,809,798	-	-	-	-	1,809,798	1,765,296		
Interbank deposits	95,872	677,454	21,813	-	-	795,139	1,862,400		
Time deposits	3,725,649	5,840,391	8,964,404	903,791	54,612	19,488,847	14,293,851		
Other deposits	11,525	-	-	-	-	11,525	11,193		
Issuance of securities	4,300,149	9,311,227	11,601,071	1,862,970	637,850	27,713,267	23,476,949		
Mortgage loan notes	259,953	1,338,226	516,920	321	7,399	2,122,819	1,754,269		
Agribusiness and financial letters of credit	385,466	1,562,085	806,703	18,886	-	2,773,140	2,406,819		
Financial bills ⁽¹⁾	2,613,092	4,771,431	10,158,869	1,843,763	630,451	20,017,606	17,102,559		
Foreign issuance ⁽⁶⁾	1,041,638	1,639,485	118,579	-	-	2,799,702	2,213,302		
Borrowings and onlendings	1,487,489	2,895,660	488,613	249,662	489	5,121,913	8,209,637		
Foreign borrowings	1,449,808	2,764,596	210,407	161,883	-	4,586,694	7,820,251		
Foreign-currency payables ⁽²⁾	1,108,557	727,463	49,028	-	-	1,885,048	1,783,551		
Foreign borrowings ^{(3) (4) (5)}	341,251	2,037,133	161,379	161,883	-	2,701,646	6,036,700		
Onlendings - official institutions	37,681	131,064	278,206	87,779	489	535,219	389,386		
BNDES	3,207	8,029	5,016	91	-	16,343	52,784		
FINAME	34,474	123,035	273,190	87,688	489	518,876	336,602		
Subordinated debts (Note 16.d)	-	-	-	-	1,042,763	1,042,763	1,042,478		
Financial bills	-	-	-	-	1,042,763	1,042,763	1,042,478		
Total	11,430,482	18,724,732	21,075,901	3,016,423	1,735,714	55,983,252	50,661,804		

	Consolidated						2022 Total
	2023					Total	
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Deposits	5,623,796	6,517,845	8,978,585	896,110	54,612	22,070,948	17,864,912
Demand deposits	1,794,020	-	-	-	-	1,794,020	1,760,552
Interbank deposits	95,872	677,454	21,813	-	-	795,139	1,862,400
Time deposits	3,722,379	5,840,391	8,956,772	896,110	54,612	19,470,264	14,230,767
Other deposits	11,525	-	-	-	-	11,525	11,193
Issuance of securities	4,269,701	8,915,351	11,587,709	1,627,829	637,850	27,038,440	23,079,455
Mortgage loan notes	259,953	1,338,226	516,920	321	7,399	2,122,819	1,754,269
Agribusiness and financial letters of credit	385,466	1,562,085	806,703	18,886	-	2,773,140	2,406,819
Financial bills ⁽¹⁾	2,582,644	4,375,555	10,145,507	1,608,622	630,451	19,342,779	16,718,136
Foreign issuance ⁽⁶⁾	1,041,638	1,639,485	118,579	-	-	2,799,702	2,200,231
Borrowings and onlendings	1,487,489	2,895,660	488,613	249,662	489	5,121,913	8,209,637
Foreign borrowings	1,449,808	2,764,596	210,407	161,883	-	4,586,694	7,820,251
Foreign-currency payables ⁽²⁾	1,108,557	727,463	49,028	-	-	1,885,048	1,783,551
Foreign borrowings ^{(3) (4) (5)}	341,251	2,037,133	161,379	161,883	-	2,701,646	6,036,700
Onlendings - official institutions	37,681	131,064	278,206	87,779	489	535,219	389,386
BNDES	3,207	8,029	5,016	91	-	16,343	52,784
FINAME	34,474	123,035	273,190	87,688	489	518,876	336,602
Subordinated debts (Note 16.d)	-	-	-	-	1,042,763	1,042,763	1,042,478
Financial bills	-	-	-	-	1,042,763	1,042,763	1,042,478
Total	11,380,986	18,328,856	21,054,907	2,773,601	1,735,714	55,274,064	50,196,482

(1) Pursuant to the Notice to the Market, published on January 24, 2023, Daycoval has completed the thirteenth issuance of Financial Bills, in the amount of R\$269.2 million. The Financial Bills were issued in five series, the first in the amount of R\$141.4 million for three years; the second for five years, in the amount of R\$39.4 million; the third in the amount of R\$53.6 million, for ten years; the fourth in the amount of R\$12.5 million, for ten years; and the fifth in the amount of R\$22.3 million, for ten 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, 2023, includes foreign loan transactions, in the amount of US\$494 million (US\$1.1 billion in 2022), subject to hedge accounting of market risk (note 8), which carrying amount and fair value amount to R\$2,218,213 and R\$2,221,958, respectively (R\$5,326,667 and R\$5,389,898 in 2022).

(4) On March 15 and March 24, 2023, Daycoval raised from International Finance Corporation - IFC, the amounts of US\$169 million and US\$20 million, both maturing on September 16, 2024, both subject to hedge accounting.

(5) On November 10, 2023, Daycoval raised the amount of US\$75 million from Agence Française de Développement - AFD PROPARCO, maturing on October 16, 2028, subject to hedge accounting.

(6) On December 27, 2023, Credit Linked Note in the amount of R\$964.1 million was issued, maturing on January 31, 2024.

Financial covenants

There was no breach of covenants linked to borrowing agreements with the International Finance Corporation - IFC and Agence Française de Développement - AFD PROPARCO, 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	2023		Issuance amount (R\$ million)	% of Index	Date of BACEN'S authorization to comprise Capital ⁽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 4.955/21.

There were no changes in the breakdown of subordinated debts during the years ended December 31, 2023 and 2022.

17 - OTHER OBLIGATIONS

a) Social and statutory

Bank		Consolidated	
Current		Current	
2023	2022	2023	2022
78,570	75,806	78,570	75,806
201,455	198,942	203,315	201,777
280,025	274,748	281,885	277,583

Dividends and/or interest on capital payable
Profit sharing program

Total

b) Sundry

	Bank				Consolidated			
	Current		Noncurrent		Current		Noncurrent	
	2023	2022	2023	2022	2023	2022	2023	2022
Administrative checks	-	800	-	-	-	800	-	-
Creditors for unreleased resources	11,466	11,459	-	-	11,466	11,459	-	-
Unpaid capital subscription	50,000	-	-	-	50,000	-	-	-
Payables to related party	2,077	1,739	-	-	-	-	-	-
Amounts to be returned to clients	8,397	5,287	-	-	8,397	5,287	-	-
Accrued payments								
Personnel expenses	65,694	45,955	16,204	9,983	78,750	35,322	17,583	10,708
Trade payables	56,061	42,444	-	-	58,228	45,645	-	-
Commissions payable for intermediation of operations	35,836	16,827	-	-	35,836	16,827	-	-
Accrued sundry payments	26,547	4,318	-	-	18,545	22,729	-	-
Discounted notes partially received	13,489	9,221	-	-	13,489	9,221	-	-
Collections for release	26,078	29,116	-	-	26,078	29,116	-	-
Insurance payable	-	6,574	-	-	-	6,574	-	-
Income from securities receivable	25,145	21,146	-	-	25,145	21,146	-	-
Surety commissions	49,035	37,615	-	-	56,919	96,272	-	-
Discounts linked to leases	-	-	-	-	15,206	15,646	-	-
Discount on the acquisition of Daycoval Leasing	-	-	-	-	1,664	6,710	11,576	13,420
Obligations for return of tariffs ⁽¹⁾	37	41	-	-	37	41	-	-
Other sundry creditors ⁽¹⁾	116,122	66,293	-	-	128,507	72,869	-	-
Total	485,984	298,835	16,204	9,983	528,267	395,664	29,159	24,128

⁽¹⁾ The balance is basically comprised of FGI on lending's in the amount of R\$72,221 for the Bank and Consolidated (R\$18,279 as at December 31, 2022 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, 2023 and 2022.

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 as at December 31, 2023 and year ended December 31, 2022, are broken down below:

	Bank		Consolidated	
	2023	2022	2023	2022
Legal obligations - tax risks	2,046,144	1,918,896	2,048,783	1,920,734
Civil lawsuits	162,287	138,177	163,408	138,960
Labor lawsuits	45,873	44,393	59,487	55,924
Total	2,254,304	2,101,466	2,271,678	2,115,618

Risks	Year ended December 31, 2023					
	Bank			Consolidated		
	Opening balance	Recognition (reversal) ⁽¹⁾	Closing balance	Opening balance	Recognition (reversal) ⁽¹⁾	Closing balance
Tax	1,918,896	127,248	2,046,144	1,920,734	128,049	2,048,783
Civil	138,177	24,110	162,287	138,960	24,448	163,408
Labor	44,393	1,480	45,873	55,924	3,563	59,487
Total	2,101,466	152,838	2,254,304	2,115,618	156,060	2,271,678

Risks	Year ended December 31, 2022					
	Bank			Consolidated		
	Opening balance	Recognition (reversal) ⁽¹⁾	Closing balance	Opening balance	Recognition (reversal) ⁽¹⁾	Closing balance
Tax	1,812,691	106,205	1,918,896	1,813,790	106,944	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	125,982	2,101,466	1,987,709	127,909	2,115,618

(1) Includes monetary adjustment and payments.

c) Escrow deposits for tax, civil and labor risks

	Bank		Consolidated	
	2023	2022	2023	2022
Tax	1,867,520	1,733,400	1,869,291	1,733,400
Civil	58,597	45,749	58,628	45,772
Labor	17,114	15,288	22,410	19,473
Total	1,943,231	1,794,437	1,950,329	1,798,645

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 deduction of tax incentives (FINAM), the amount accrued totaling R\$13,016 (R\$15,084 in 2022). Total escrow deposits for these challenges amounts to R\$12,472 (R\$15,227 in 2022).

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\$1,123,815 (R\$1,048,913 in 2022) and the total escrow deposits for this lawsuit amount to R\$1,146,162 (R\$1,054,331 in 2022).

COFINS

Challenges the constitutionality of Law 9,718/98. The amount accrued amounts to R\$784,674 (R\$739,253 in 2022) and the total escrow deposits for this lawsuit amount to R\$580,911 (R\$544,121 in 2022).

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\$118,389 (R\$111,599 in 2022) and the total escrow deposits for this lawsuit amount to R\$121,224 (R\$114,137 in 2022).

The provision for other legal liabilities amounts to R\$6,250 (R\$4,046 in 2022) and the total escrow deposits for this lawsuits amount to R\$6,751 (R\$5,584 in 2022).

e) Daycoval Leasing has been challenging in courts the following lawsuits:

ISS tax execution lawsuits of the municipalities of Cascavel-PR and Uberlândia-MG, in the adjusted amount of R\$396, classified as remote loss, where the municipalities intend to receive the ISS relating to lease transactions 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\$14,567.

There were no lawsuits related to PAT accrued by Daycoval Leasing as at December 31, 2023 (R\$166 in 2022).

Daycoval Leasing is challenging at the courts the PIS and COFINS tax basis, with a favorable injunction for the payment based on the request. As at December 31, 2023, the amount of unpaid taxes, waiting for a favorable judgment of the lawsuits amount to R\$2,639 (R\$1,673 in 2022), which were accrued as tax contingencies.

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, 2023, civil lawsuits correspond to an approximate amount of R\$75,297 for the Bank and for the Consolidated (R\$66,345 for the Bank and Consolidated in 2022).

As at December 31, 2023, labor lawsuits amount to R\$767 for the Bank and Consolidated (R\$122 for the Bank and Consolidated in 2022).

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	20.00%
Social contribution - non-financial institution	9.00%
PIS ⁽¹⁾	0.65%
COFINS ⁽¹⁾	4.00%
ISS	até 5,00%

(1) 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	
	2023	2022	2023	2022
Current taxes				
Profit before income tax and social contribution and profit sharing	1,419,353	1,569,098	1,564,504	1,668,076
Charges (IR and CSLL) at effective rates ⁽¹⁾	(638,709)	(711,970)	(704,027)	(756,880)
Permanent additions and deductions				
Equity in subsidiaries	99,855	132,954	1,002	1,473
Interest on capital	181,055	154,803	181,055	154,803
Non-deductible expenses net of non-taxable revenues	10,998	(9,502)	17,376	(5,773)
Other amounts	29,377	(32,456)	42,019	43,390
Income tax and social contribution	(317,424)	(466,171)	(462,575)	(562,987)
Current tax	(571,441)	(629,944)	(601,906)	(660,344)
Deferred tax	254,017	163,773	139,331	97,357

(1) The effective IRPJ and CSLL rates considered in the year ended December 31, 2023 is 45%.(46% in 2022).

ii. Tax expenses

	Bank		Consolidated	
	2023	2022	2023	2022
Contributions to COFINS	(184,549)	(171,514)	(204,640)	(189,163)
Contributions to PIS / PASEP	(29,989)	(27,871)	(33,668)	(31,108)
ISS	(20,414)	(18,050)	(46,019)	(38,373)
Other tax expenses	(17,091)	(11,470)	(17,723)	(11,985)
Total	(252,043)	(228,905)	(302,050)	(270,629)

b) Tax assets and liabilities

	Bank		Consolidated	
	2023	2022	2023	2022
Tax assets				
Current	329,988	294,092	466,388	339,153
Taxes and contributions for offset ⁽¹⁾	329,988	294,092	466,369	339,134
Recoverable income tax	-	-	19	19
Deferred	1,978,339	1,780,288	2,037,791	1,820,465
Tax credits (note 19.d)	1,978,339	1,780,288	2,037,791	1,820,465
Total	2,308,327	2,074,380	2,504,179	2,159,618
Tax liabilities				
Current	647,206	680,824	683,140	714,733
Provision for income tax on income	304,551	340,412	323,160	359,644
Provision for social contribution on income	270,799	270,569	278,391	277,740
Taxes and contributions payable	71,856	69,843	81,589	77,349
Deferred	525,894	586,982	897,469	759,895
Tax liabilities (note 19.d)	525,894	586,982	897,469	759,895
Total	1,173,100	1,267,806	1,580,609	1,474,628

(1) As at December 31, 2023, "Taxes and contributions for offset" comprise, substantially, prepaid income tax and social contribution in the amount of R\$321,812 (R\$290,637 in 2022), for the Bank, and R\$357,244 (R\$320,603 in 2022), 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 ("Tax 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, 2023, IFP, Daycoval's subsidiary, has no tax credits not recognized in assets (R\$7,460 in 2022). On the same date, the Bank has no tax credits not recognized in assets.

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

	Year ended December 31, 2023					
	Bank			Consolidated		
	2022	Recognition/ (Realization)	2023	2022	Recognition/ (Realization)	2023
Tax Credits						
Deferred income tax and social contribution on:						
Provision for tax risks	181,760	3,892	185,652	182,850	4,327	187,177
Allowance for loan losses	862,075	301,349	1,163,424	878,122	307,676	1,185,798
Adjustment to fair value of securities and derivatives	311,710	(126,661)	185,049	311,709	(123,050)	188,659
Monetary adjustment of civil, tax and labor risks	332,160	60,840	393,000	332,160	60,840	393,000
Other temporary additions, including provisions for civil and labor risks	92,583	(41,369)	51,214	115,624	(32,467)	83,157
Total tax credits on temporary differences	1,780,288	198,051	1,978,339	1,820,465	217,326	2,037,791

	2022	Recognition/ (Realization)	2023	2022	Recognition/ (Realization)	2023
Deferred tax liabilities						
Deferred income tax and social contribution on:						
Adjustment to fair value of securities and derivatives	288,727	(123,882)	164,845	288,728	(105,077)	183,651
Deferred income tax and social contribution on excess depreciation	-	-	-	132,884	219,882	352,766
Amortization of negative goodwill on the acquisition of Daycoval Leasing	22,063	3,106	25,169	22,063	3,106	25,169
Monetary adjustment of escrow deposits	276,192	59,688	335,880	316,220	19,663	335,883
Total deferred tax liabilities on temporary differences	586,982	(61,088)	525,894	759,895	137,574	897,469

	Year ended December 31, 2022					
	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 and social contribution 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

e) **Estimated realization and present value of tax credits**

	Bank					
	2023			2022		
	Income Tax	Social contribution	Total	Income Tax	Social contribution	Total
Up to 1 year	216,751	173,403	390,154	169,469	135,577	305,046
Up to 2 years	172,090	137,674	309,764	145,793	116,636	262,429
Up to 3 years	172,095	137,678	309,773	175,677	140,544	316,221
Up to 4 years	170,185	136,150	306,335	133,319	106,657	239,976
Up to 5 years	4,137	3,310	7,447	15,670	12,536	28,206
Over 5 years	363,667	291,199	654,866	350,880	277,530	628,410
Total	1,098,925	879,414	1,978,339	990,808	789,480	1,780,288

	Consolidated					
	2023			2022		
	Income Tax	Social contribution	Total	Income Tax	Social contribution	Total
Up to 1 year	220,222	176,179	396,401	171,698	137,360	309,058
Up to 2 years	175,619	140,497	316,116	148,783	119,028	267,811
Up to 3 years	176,041	140,835	316,876	177,906	142,327	320,233
Up to 4 years	174,015	139,213	313,228	135,548	108,440	243,988
Up to 5 years	24,279	14,201	38,480	27,710	22,168	49,878
Over 5 years	364,680	292,010	656,690	351,484	278,013	629,497
Total	1,134,856	902,935	2,037,791	1,013,129	807,336	1,820,465

As at December 31, 2023, the present value of total tax credits is R\$1,645,326 for the Bank (R\$1,396,274 in 2022) and R\$1,692,941 for the Consolidated (R\$1,426,603 in 2022), 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, 2023 and 2022, 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

	2023	2022
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 during year ended December 31, 2023 and 2022.

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:

	2023	% ⁽¹⁾	2022	% ⁽¹⁾
Profit	1,101,929		1,102,927	
(-) Legal reserve	(55,096)		(55,146)	
Adjusted profit	1,046,833		1,047,781	
Amount of interest on capital	402,345		336,528	
(-) Withholding income tax related to interest on capital	(60,351)		(50,479)	
Net value of interest on capital and mandatory dividends	341,994	32.67	286,049	27.30

⁽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, 2023 and 2022, as shown below:

2023						
Board of Director's Meeting Date	Availability date	Price per share		Gross amount	IRRF	Net amount
		ON	PN			
03/31/2023	04/17/2023	0.05523	0.05523	104,422	(15,663)	88,759
06/30/2023	07/17/2023	0.05518	0.05518	104,325	(15,649)	88,676
09/29/2023	10/16/2023	0.05351	0.05351	101,163	(15,174)	85,989
12/29/2023	01/15/2024	0.04889	0.04889	92,435	(13,865)	78,570
				Total	(60,351)	341,994

2022						
Board of Director's Meeting Date	Availability date	Price per share		Gross amount	IRRF	Net amount
		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

iii. Additional prior-year dividends

Additional prior-year dividends in the amount R\$300,012, approved at the meeting of the Board of Directors held on December 15, 2023 were paid and were available to shareholders on December 18, 2023.

d) Earnings reserve

	2023	2022
Legal reserve ⁽¹⁾	240,083	184,987
Bylaws reserves ⁽²⁾	2,348,925	2,004,449
Total	2,589,008	2,189,436

⁽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)

	2023	2022
Profit attributable to controlling shareholders	1,101,929	1,102,927
Profit attributable to each group of shares		
Common shares	771,350	772,049
Preferred shares	330,579	330,878
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	0.5828	0.5834
Preferred shares	0.5828	0.5834
Diluted earnings per shares		
Common shares	0.5828	0.5834
Preferred shares	0.5828	0.5834

(1) The weighted average number of shares was calculated based on the variations of shares as at December 31, 2023 and 2022 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	
	2023	2022	2023	2022
Lending operations	6,561,866	5,285,314	6,608,678	5,324,567
Advance to depositors	6,769	8,832	6,769	8,832
Secured account / overdraft account	679,990	671,911	680,067	672,094
Discounted notes	120,719	74,013	120,719	74,013
Onlending - Resolution 3,844/10	69	(36)	69	(36)
Working capital	1,149,503	1,057,702	1,149,503	1,057,702
Export Credit Notes - CCE	214,037	213,989	214,037	213,989
Onlending – BNDES	4,933	8,787	4,933	8,787
Onlending – FINAME	70,119	33,096	70,119	33,096
Rural credit	29,593	47,984	29,593	47,984
Financing with intervenience	771	3,250	771	3,250
Foreign currency financing	(39,088)	(88,453)	(39,088)	(88,453)
FGI PEAC	705,468	738,202	705,468	738,202
FGO Pronampe	1,201	464	1,201	464
Payroll-deductible loans	2,549,655	1,983,912	2,549,655	1,983,912
Adjustment to fair value of payroll-deductible loans- hedged item	202,655	-	202,655	-
Vehicle financing	625,534	493,781	625,534	493,781
Adjustment to fair value of vehicles - hedged item	31,963	-	31,963	-
Real estate financing	39,391	25,265	39,391	25,265
Daypag - discount of freight forwarder's checks	3	9	3	9
Other lending operations	168,581	15,632	215,316	54,702
Loan origination income	-	(3,026)	-	(3,026)
Result of lease operations	-	-	506,170	332,953
Revenue from leasing	-	-	1,578,703	1,169,608
Finance leasing - internal resources	-	-	1,330,209	992,743
Operating leasing - internal resources	-	-	142,913	140,190
Adjustment to fair value of leases - hedged item	-	-	53,865	-
Gain on disposal of leased assets	-	-	51,716	36,675
Expenses on leasing	-	-	(1,072,533)	(836,655)
Finance leasing - internal resources	-	-	(947,101)	(724,515)
Operating leasing - internal resources	-	-	(4,024)	(3,194)
Adjustment to fair value of leases - hedged item	-	-	(12,079)	-
Loss on disposal of leased assets	-	-	(109,329)	(108,946)
Other transactions with loan characteristics	1,412,919	1,471,342	1,412,919	1,471,342
Advance on foreign exchange contracts / advance on export contracts	72,816	77,132	72,816	77,132
Income from acquisition of receivables without right of recourse	1,340,103	1,394,210	1,340,103	1,394,210
Recoveries from lending and leasing operations	193,268	181,774	193,847	182,330
Recovery of credits previously written off as loss (Note 9.f)	193,268	181,774	193,268	181,774
Recovery of credits previously written off as loss (Note 9.f) - Leases	-	-	579	556
Total	8,168,053	6,938,430	8,721,614	7,311,192

b) Securities and derivatives transactions

	Bank		Consolidated	
	2023	2022	2023	2022
Securities transactions				
Fixed-income securities	1,605,759	1,155,945	1,614,804	1,165,159
Variable-income securities	-	37	1,951	784
Investments in investment fund units	129,223	152,692	174,090	200,403
Gain (loss) on disposal of securities	6,379	14,718	6,379	14,718
Fair value adjustments	9,762	31,073	9,716	31,072
Foreign investments	2,423	5,216	2,423	5,216
Permanent losses on securities	(78)	(12)	(78)	(12)
Total	1,753,468	1,359,669	1,809,285	1,417,340
Derivatives				
Gains				
Swap	2,331,740	4,548,840	2,318,001	4,557,283
Currency forward ("NDF")	933,791	1,409,675	933,792	1,409,675
Future	1,143,222	1,206,315	1,143,222	1,206,315
Options	74,321	29,620	74,321	29,620
Losses				
Swap	(3,214,486)	(6,111,787)	(3,202,087)	(6,120,350)
Currency forward ("NDF")	(863,244)	(1,240,918)	(863,244)	(1,240,918)
Future	(1,395,159)	(1,336,684)	(1,395,159)	(1,336,684)
Options	(37,097)	(16,478)	(37,097)	(16,478)
Total ⁽¹⁾	(1,026,912)	(1,511,417)	(1,028,251)	(1,511,537)
Total	726,556	(151,748)	781,034	(94,197)

(1) As at December 31, 2023, gain (loss) on derivative instruments includes net gains in the amount of R\$15,427 for the Bank and R\$15,607 for the Consolidated (net losses at fair value in the amount of R\$17,846 for the Bank and R\$19,907 for the Consolidated in 2022).

c) Interbank accounts

	Bank		Consolidated	
	2023	2022	2023	2022
Repurchase operations (assets)	704,072	523,547	704,072	523,547
Own portfolio	380,685	245,016	380,685	245,016
Third-party portfolio	323,387	278,531	323,387	278,531
Repurchase operations (liabilities)	(764,863)	(558,630)	(764,863)	(558,630)
Own portfolio	(441,909)	(280,513)	(441,909)	(280,513)
Third party portfolio	(322,954)	(278,117)	(322,954)	(278,117)
Gain (loss) on repurchase operations	(60,791)	(35,083)	(60,791)	(35,083)
Interbank deposits				
Fixed rate	88,109	64,044	88,109	64,044
Variable rate	294,117	233,476	44,706	33,038
Total	382,226	297,520	132,815	97,082
Total	321,435	262,437	72,024	61,999

d) Foreign exchange operations

	Bank		Consolidated	
	2023	2022	2023	2022
Income from foreign exchange operations	146,908	258,323	146,920	258,323
Expenses on foreign exchange operations	(238,217)	(201,287)	(200,329)	(163,646)
Exchange rate changes	243,549	415,871	243,549	415,871
Total	152,240	472,907	190,140	510,548

EXPENSES ON FINANCIAL INTERMEDIATION

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

	Bank		Consolidated	
	2023	2022	2023	2022
Interbank deposits	(171,661)	(63,364)	(171,661)	(63,364)
Fixed	(7,094)	(2,912)	(7,094)	(2,912)
Floating	(164,567)	(60,452)	(164,567)	(60,452)
Time deposits	(1,887,454)	(1,489,316)	(1,882,622)	(1,483,500)
Fixed	(114,375)	(111,593)	(114,375)	(105,777)
Floating	(1,781,109)	(1,444,155)	(1,776,277)	(1,444,155)
Linked to asset operations (CMN Resolution 2,921/02) (Note 9.g)	(1,935)	(4,756)	(1,935)	(4,756)
Exchange rate changes	35,419	94,560	35,419	94,560
Expenses on contribution to FGC	(25,454)	(23,372)	(25,454)	(23,372)
Total	(2,059,115)	(1,552,680)	(2,054,283)	(1,546,864)
Issuance in Brazil				
Mortgage loan notes	(240,648)	(182,254)	(240,648)	(182,254)
Fixed	(44,009)	(36,338)	(44,009)	(36,338)
Floating	(196,639)	(145,916)	(196,639)	(145,916)
Agribusiness letter of credit	(304,234)	(251,645)	(304,234)	(251,645)
Fixed	(85,088)	(85,513)	(85,088)	(85,513)
Floating	(219,146)	(166,132)	(219,146)	(166,132)
Financial Bills	(2,517,913)	(2,099,960)	(2,461,909)	(2,050,030)
Fixed	(167,328)	(143,137)	(167,328)	(143,137)
Floating	(2,350,585)	(1,956,823)	(2,294,581)	(1,906,893)
Total	(3,062,795)	(2,533,859)	(3,006,791)	(2,483,929)
Issuance abroad				
Interest	(110,731)	(114,200)	(110,420)	(113,942)
Exchange rate changes	172,139	170,539	172,139	170,539
Adjustment to fair value of hedged issuance	(31,405)	150,207	(31,405)	150,207
Total	30,003	206,546	30,314	206,804

f) Borrowings and onlendings (Bank and Consolidated)

	Bank and Consolidated	
	2023	2022
Foreign borrowings	138,232	280,282
Interest	(337,560)	(248,494)
Exchange rate changes	415,800	569,133
Adjustment to fair value of hedged loans	59,992	(40,357)
Obligation with Bank abroad	(8,762)	(14,660)
Interest	(55,358)	(39,226)
Exchange rate changes	46,596	24,566
Onlending operations - official institutions	(70,290)	(31,275)
BNDES	(3,516)	(5,727)
FINAME	(53,440)	(25,548)
Other institutions	(13,334)	-
Total	59,180	234,347

OTHER OPERATING AND ADMINISTRATIVE INCOME (EXPENSES)

g) Income from service provision

	Bank		Consolidated	
	2023	2022	2023	2022
Bank fees	167,708	191,502	167,715	191,502
Income from financial guarantees provided	67,795	54,715	67,795	54,715
Asset management ⁽¹⁾	68,039	43,515	91,056	64,783
Other services	135,307	90,452	139,254	91,237
Total	438,849	380,184	465,820	402,237

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

h) Personnel expenses

	Bank		Consolidated	
	2023	2022	2023	2022
Executive Committee's and Board of Directors' compensation	(96,014)	(92,080)	(100,170)	(95,897)
Benefits	(113,137)	(98,910)	(133,372)	(115,800)
Social security charges	(141,113)	(127,485)	(163,751)	(145,698)
Proceeds	(396,610)	(340,472)	(467,874)	(395,507)
Training	(120)	(78)	(139)	(107)
Interns' compensation	(1,913)	(1,849)	(1,984)	(1,905)
Total	(748,907)	(660,874)	(867,290)	(754,914)

i) Other administrative expenses

	Bank		Consolidated	
	2023	2022	2023	2022
Public utilities (water, power and gas)	(3,635)	(3,348)	(4,890)	(4,474)
Rent and insurance	(26,249)	(26,147)	(28,250)	(27,927)
Communication	(16,756)	(20,652)	(19,015)	(22,827)
Charitable contributions	(23,664)	(24,515)	(26,085)	(37,168)
Maintenance and upkeep of assets	(11,171)	(4,901)	(14,602)	(7,603)
Consumables	(1,303)	(1,735)	(1,569)	(2,176)
Data processing	(204,093)	(148,959)	(208,580)	(151,800)
Promotions, advertising and publications	(43,960)	(47,978)	(46,531)	(50,357)
Outside, technical and specialized services ⁽¹⁾	(709,530)	(619,572)	(659,483)	(580,503)
Other administrative expenses	(94,133)	(77,790)	(96,496)	(79,989)
Total	(1,134,494)	(975,597)	(1,105,501)	(964,824)

⁽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	
	2023	2022	2023	2022
Exchange rate changes ⁽¹⁾	67	165	9,490	17,927
Monetary adjustment of escrow deposits	152,750	132,367	153,120	132,679
Other operating income	90,320	61,189	97,793	70,385
Recovery of charges and expenses	2,043	-	2,043	-
Monetary adjustment of taxes for offset	-	-	10,763	-
Total	245,180	193,721	273,209	220,991
Exchange rate changes ⁽¹⁾	(125)	-	(15,421)	(24,509)
Other operating expenses ⁽²⁾	(210,423)	(126,153)	(211,756)	(126,254)
Interest expense	(6,058)	(2,197)	(6,883)	(2,197)
Total	(216,606)	(128,350)	(234,060)	(152,960)
Total	28,574	65,371	39,149	68,031

⁽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, 2023 are mainly comprised of: (i) discounts and reimbursements in loan operations - RS43,115 for the Bank and Consolidated (RS38,601 for the Bank and Consolidated in 2022); and (ii) settlement of lawsuits - RS41,404 for the Bank and Consolidated (RS31,747 for the Bank and Consolidated in 2022).

k) Regulatory non-recurring profit

	Bank		Consolidated	
	2023	2022	2023	2022
Profit for the period	1,101,929	1,102,927	1,101,929	1,102,927
Regulatory non-recurring profit				
Amortization of negative goodwill on acquisition of another financial institution (net of taxes)	(3,796)	(3,767)	(3,796)	(3,767)
Demutualization - CIP ⁽¹⁾	-	(1,812)	-	(1,812)
Regulatory recurring profit	1,098,133	1,097,348	1,098,133	1,097,348

⁽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 contra 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)	
	2023	2022	2023	2022
Derivative transactions	4,110	291	3,819	141
Direct subsidiaries	3,923	-	3,923	-
Daycoval Leasing - Banco Múltiplo S.A.	3,923	-	3,923	-
Other related parties - individuals	187	291	(104)	141
Interbank deposits	2,033,709	1,859,737	249,410	200,438
Direct subsidiaries	2,033,709	1,859,737	249,410	200,438
Daycoval Leasing - Banco Múltiplo S.A.	2,033,709	1,859,737	249,410	200,438
Loan operations ⁽¹⁾	47,850	14,815	2,836	1,961
Other related parties - individuals	1,014	-	29	-
Other related parties - legal entities	46,836	14,815	2,807	1,961
Demand deposits	(19,488)	(7,590)	-	-
Direct subsidiaries	(1,920)	(945)	-	-
ACS Participações Ltda.	(55)	(30)	-	-
Daycoval Asset Management Ltda.	(29)	(28)	-	-
Daycoval Corretora de Títulos e Valores Mobiliários Ltda.	(14)	-	-	-
Daycoval Leasing - Banco Múltiplo S.A.	(1,119)	(782)	-	-
Dayprev Vida e Previdência S.A.	(12)	(22)	-	-
Multigestão Renda Corporativa F.I. Imobiliário FII	(691)	(83)	-	-
Indirect subsidiaries	(13,857)	(3,798)	-	-
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(4,882)	(3,496)	-	-
SCC Agência de Turismo Ltda.	(8)	(10)	-	-
Treetop Investments Ltd.	(8,967)	(292)	-	-
Other related parties - legal entities	(202)	(328)	-	-
Other related parties - individuals	(3,509)	(2,519)	-	-
Time deposits	(245,389)	(203,804)	(35,661)	(37,159)
Direct subsidiaries	(4,055)	(21,981)	(1,401)	(3,312)
ACS Participações Ltda.	(3,038)	(21,040)	(1,254)	(3,176)
Daycoval Asset Management Ltda.	(1,017)	(941)	(147)	(136)
Indirect subsidiaries	(14,527)	(41,103)	(3,743)	(2,763)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(8,578)	(33,970)	(3,091)	(2,197)
SCC Agência de Turismo Ltda.	(2,680)	(2,552)	(341)	(308)
Treetop Investments Ltd.	(3,269)	(4,581)	(311)	(258)
Other related parties - legal entities	(25,403)	(9,360)	(1,917)	(2,386)
Other related parties - individuals	(201,404)	(131,360)	(28,600)	(28,698)
Financial bills	(1,024,263)	(687,435)	(134,141)	(79,115)
Direct subsidiaries	(444,386)	(364,819)	(53,167)	(44,266)
ACS Participações Ltda.	(444,386)	(364,819)	(53,167)	(44,266)
Indirect subsidiaries	(230,441)	(19,605)	(2,837)	(5,664)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(217,079)	(7,350)	(1,730)	(4,646)
SCC Agência de Turismo Ltda.	(13,362)	(12,255)	(1,107)	(1,018)
Other related parties - legal entities	(18,343)	(64,059)	(2,316)	(3,917)
Other related parties - individuals	(331,093)	(238,952)	(75,821)	(25,268)
Perpetual subordinated financial bills	(739,204)	(1,042,478)	(187,750)	(172,416)
Other related parties - individuals	(739,204)	(1,042,478)	(187,750)	(172,416)
Agribusiness letter of credit	(46,573)	(38,884)	(3,773)	(3,777)
Other related parties - individuals	(46,573)	(38,884)	(3,773)	(3,777)
Mortgage Loan Notes	(50,565)	(38,762)	(9,468)	(4,288)
Other related parties - individuals	(50,565)	(38,762)	(9,468)	(4,288)
Commissions	(2,077)	(1,739)	(93,939)	(30,425)
Indirect subsidiaries	(2,077)	(1,739)	(93,939)	(30,425)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(2,077)	(1,739)	(93,939)	(30,425)
Administration fees	12	13	151	144
Direct subsidiaries	12	13	151	144
Multigestão Renda Corporativa F.I. Imobiliário FII	12	13	151	144
Bookkeeping fees	2	3	30	29
Direct subsidiaries	2	3	30	29
Multigestão Renda Corporativa F.I. Imobiliário FII	2	3	30	29

(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, 2023:

Transactions	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		(35)	160	2,127	1,477	381	4,110
Direct subsidiaries		(39)	45	2,059	1,477	381	3,923
Daycoval Leasing - Banco Múltiplo S.A.		(39)	45	2,059	1,477	381	3,923
Other related parties - individuals	CDI x Fixed	4	115	68	-	-	187
Interbank deposits		-	2,033,709	-	-	-	2,033,709
Direct subsidiaries		-	2,033,709	-	-	-	2,033,709
Daycoval Leasing - Banco Múltiplo S.A.	Floating	-	2,033,709	-	-	-	2,033,709
Loan operations		35,364	7,401	5,075	10	-	47,850
Other related parties - individuals	Floating	606	162	236	10	-	1,014
Other related parties - legal entities	Floating	34,758	7,239	4,839	-	-	46,836
Time deposits		(5,867)	(20,864)	(92,384)	(124,443)	(1,831)	(245,389)
Direct subsidiaries		-	-	(3,530)	(525)	-	(4,055)
ACS Participações Ltda.	Floating	-	-	(2,513)	(525)	-	(3,038)
Daycoval Asset Management Ltda.	Floating	-	-	(1,017)	-	-	(1,017)
Indirect subsidiaries		(3,269)	-	(4,101)	(7,157)	-	(14,527)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	Floating	-	-	(1,557)	(7,021)	-	(8,578)
SCC Agência de Turismo Ltda.	Floating	-	-	(2,544)	(136)	-	(2,680)
Treetop Investments Ltd.	Fixed	(3,269)	-	-	-	-	(3,269)
Other related parties - legal entities	Floating	(277)	(300)	(22,318)	(2,508)	-	(25,403)
Other related parties - individuals	Floating	(2,321)	(20,564)	(62,435)	(114,253)	(1,831)	(201,404)
Financial Bills		(188,706)	(433,508)	(137,444)	(262,170)	(2,435)	(1,024,263)
Direct subsidiaries		(30,449)	(387,454)	-	(26,483)	-	(444,386)
ACS Participações Ltda.	Fixed / Floating	(30,449)	(387,454)	-	(26,483)	-	(444,386)
Indirect subsidiaries		-	(8,422)	(13,362)	(208,657)	-	(230,441)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	Floating	-	(8,422)	-	(208,657)	-	(217,079)
SCC Agência de Turismo Ltda.	Floating	-	-	(13,362)	-	-	(13,362)
Other related parties - legal entities		(18,343)	-	-	-	-	(18,343)
Other related parties - individuals		(139,914)	(37,632)	(124,082)	(27,030)	(2,435)	(331,093)
Perpetual subordinated financial bills		-	-	-	-	(739,204)	(739,204)
Other related parties - legal entities	Floating	-	-	-	-	(739,204)	(739,204)
Agribusiness letter of credit		(2,604)	(15,282)	(28,339)	(348)	-	(46,573)
Other related parties - individuals	Fixed / Floating	(2,604)	(15,282)	(28,339)	(348)	-	(46,573)
Mortgage Loan Notes		(1,975)	(15,364)	(26,422)	(50)	(6,754)	(50,565)
Other related parties - individuals	Fixed / Floating	(1,975)	(15,364)	(26,422)	(50)	(6,754)	(50,565)

(1) The yield rates range from: (i) Fixed from 6.22% to 15% p.a.; and (ii) Floating from 90% to 120% of the CDI.

c) Compensation of key management personnel

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

For the year ended December 31, 2023, the Annual Shareholders' Meeting held on April 28, 2023 set the overall compensation of up to R\$100 million (R\$100 million in 2022).

	Bank	
	2023	2022
Total compensation	96,014	92,080
Direct and fringe benefits (healthcare plan)	1,597	1,394
Total compensation	97,611	93,474

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

d) Ownership interest

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

	2023	2022
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			
	2023		2022	
	Level 1	Level 2	Level 1	Level 2
Financial assets measured at fair value:				
Through profit or loss (free trading)				
Securities				
Private-sector securities	1,473,828	-	51,014	-
Federal government bonds	11,284,247	-	5,497,174	-
Derivatives				
Swap, forward and options operations	-	224,637	-	385,563
Futures market	20,065	-	28,221	-
Loan operations				
Vehicle financing (hedge accounting)	-	2,038,914	-	864,457
Payroll-deductible loans (hedge accounting)	-	5,193,180	-	-
Through other comprehensive income - equity (available for sale)				
Securities				
Federal government bonds	7,769	-	3,813,380	-
Foreign securities	-	-	-	-
Private-sector securities	59,391	1,212,204	78,874	974,973
Investment fund units	35,299	-	1,079,453	-
Financial liabilities measured at fair value:				
Through profit or loss (free trading)				
Issuances abroad				
Issuances abroad (bonds)	-	2,799,702	-	2,213,302
Obligations for loans				
Loans abroad	-	2,221,958	-	5,389,898
Derivatives				
Swap, forward and options operations	-	258,586	-	530,265
Futures market	14,975	-	19,464	-

Accounting classification	Consolidated			
	2023		2022	
	Level 1	Level 2	Level 1	Level 2
Financial assets measured at fair value:				
Through profit or loss (free trading)				
Securities				
Private-sector securities	1,473,828	-	51,014	-
Federal government bonds	11,315,483	-	5,497,235	-
Derivatives				
Swap, forward and options operations	-	224,637	-	386,200
Futures market	20,065	-	28,221	-
Loan operations				
Vehicle financing (hedge accounting)	-	2,038,914	-	864,457
Payroll-deductible loans (hedge accounting)	-	5,193,180	-	-
Leases (hedge accounting)	-	1,284,642	-	-
Through other comprehensive income - equity (available for sale)				
Securities				
Federal government bonds	48,466	-	3,851,637	-
Foreign securities	-	72,923	-	66,819
Private-sector securities	59,391	1,214,812	78,874	977,511
Investment fund units	227,757	-	1,478,146	-
Financial liabilities measured at fair value:				
Through profit or loss (free trading)				
Issuances abroad				
Issuances abroad (bonds)	-	2,799,702	-	2,213,302
Obligations for loans				
Loans abroad	-	2,221,958	-	5,389,898
Derivatives				
Swap, forward and options operations	-	258,586	-	530,265
Futures market	14,975	-	19,464	-

As at December 31, 2023 and 2022, 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, 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			
	2023		2022	
	Amortized cost	Fair value	Amortized cost	Fair value
Financial assets measured at amortized cost:				
Interbank accounts	5,531,421	5,741,615	4,730,619	6,274,698
Credit operations with loan characteristics	38,034,123	38,026,112	44,088,688	47,660,721
Marketable securities - Federal government bonds	2,020,500	2,042,819	-	-
Marketable securities issued by governments of other countries	568,065	563,550	280,628	276,109
Financial liabilities measured at amortized cost:				
Local funding (interbank deposits, time deposits and issuances of securities in B)	46,240,314	48,411,420	38,462,376	40,005,966
Borrowings and onleading's	2,899,955	2,920,511	2,679,005	2,202,813
Accounting classification	Consolidated			
	2023		2022	
	Amortized cost	Fair value	Amortized cost	Fair value
Financial assets measured at amortized cost:				
Interbank accounts	3,497,712	3,708,350	2,870,882	3,333,696
Credit operations with loan characteristics	38,308,814	38,325,803	44,374,462	47,966,283
Lease operations	1,587,089	1,577,196	2,463,780	2,635,439
Marketable securities - Federal government bonds	2,020,500	2,042,819	-	-
Marketable securities issued by governments of other countries	568,065	563,550	280,628	276,109
Financial liabilities measured at amortized cost:				
Local funding (interbank deposits, time deposits and issuances of securities in Brazil)	45,546,904	47,726,431	38,014,869	39,558,459
Borrowings and onleading's	2,899,955	2,920,511	2,679,005	2,202,813

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 4,955/21 and 4,958/21 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	
	2023	2022
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%	2.50%
ACP - Conservation	2.50%	2.50%
ACP - Countercyclical ⁽¹⁾	0.00%	0.00%
ACP - Systemic ⁽²⁾	0.00%	0.00%
Total capital required (PR + ACP)	10.50%	10.50%

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

(2) 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:

	2023	2022
Regulatory Capital	7,152,977	6,752,551
Regulatory Capital – Tier I	7,152,977	6,752,551
Principal Capital	6,110,214	5,710,073
Equity	6,136,380	5,738,459
Prudential adjustments - CMN Resolution 4,955/21	(26,166)	(28,386)
Complementary capital	1,042,763	1,042,478
Perpetual financial bills (Note 16.d)	1,042,763	1,042,478
Minimum required capital (RWAx 8%)	4,126,857	4,199,357
Risk-Weighted Assets (RWA)	51,585,716	52,491,957
Credit risk	47,711,342	46,952,639
Market risk	962,084	2,198,412
Foreign exchange asset - RWAcam	275,573	1,289,501
Assets indexed to fixed interest - RWAjur1	239,056	397,365
Assets indexed to foreign exchange coupon - RWAjur2	184,805	208,047
Assets indexed to inflation - RWAjur3	18,812	1,216
CVA derivatives - RWAcva ^{(2) (3)}	243,838	302,283
Operational risk - RWAopad	2,912,290	3,340,906
Basel ratio - Total	13.9%	12.9%
Basel ratio - Tier I	13.9%	12.9%
Exposure of assets to the interest rate in the Banking Book (IRRBB)	179,166	503,520
Surplus regulatory capital		
On minimum requirement	73.3%	60.8%
On total requirement	32.1%	22.5%

(1) The procedures to calculate the portion of risk-weighted assets related to the credit risk exposures subject to calculation of capital requirement based on the standardized approach (RWACPAD) are established by BCB Resolution 229, of May 12, 2022, which came into effect beginning July 1, 2023.

(2) Refers to the portion related to the exposures as a result of the variation of the credit quality of the counterparty of the derivative financial instruments.

(3) Pursuant to BCB Resolution 200/22, the RWAcva related to derivatives started to comprise the RWApad, beginning July 1, 2023. For purposes of better comparability, the amount of the RWAcva as at December 31, 2022 was reclassified from RWAcpad.

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 of the amounts of outstanding securities positions in relation to adverse fluctuations in their 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:

- ΔEVE (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;
- ΔNII (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 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 books as at December 31, 2023 and 2022:

Risk factors	2023			2022		
	Scenarios			Scenarios		
	1	2	3	1	2	3
Fixed rate	5,191	11,144	16,630	(17,550)	(39,964)	(59,022)
Foreign currencies	(1,615)	(4,637)	(7,892)	(4,077)	(13,243)	(17,158)
Price indices	(523)	(1,137)	(1,702)	(9)	(18)	(25)
Total Trading Book	3,053	5,370	7,036	(21,636)	(53,225)	(76,205)
Total Banking Book	(87,125)	(147,911)	(192,957)	(148,266)	(327,355)	(489,303)
Grand total	(84,072)	(142,541)	(185,921)	(169,902)	(380,580)	(565,508)

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\$5.51 (R\$/US\$6.01 in 2022); (ii) fixed interest rate of 12.85% p.a. (16.13% p.a. in 2022); (iii) Ibovespa of 110,032 points (89,982 points in 2022); (iv) foreign exchange coupon of 8.71% p.a. (8.78% p.a. in 2022); and (v) price index coupon of 8.16% p.a. (7.57% p.a. in 2022).

- Scenario 2: a 25% stress of the risk factors was considered for this scenario. Accordingly, risk factors considered were: (i) quotation of R\$/US\$6.89 (R\$/US\$7.52 in 2022); (ii) fixed interest rate of 16.06% p.a. (20.16% p.a. in 2022); (iii) Ibovespa of 82,524 points (67,486 points in 2022); (iv) foreign exchange coupon of 10.89% p.a. (10.98% in 2022); and (v) price index coupon of 10.20% p.a. (9.46% p.a. in 2022).
- Scenario 3: a 50% stress of the risk factors was considered for this scenario. Accordingly, risk factors considered were: (i) quotation of R\$/US\$8.27 (R\$/US\$9.02 in 2022); (ii) fixed interest rate of 19.28% p.a. (24.20% p.a. in 2022); (iii) Ibovespa of 55,016 points (44,990 points in 2022); (iv) foreign exchange coupon of 13.07% p.a. (13.17% p.a. in 2022); and (v) price index coupon of 12.24% p.a. (11.36% p.a. in 2022).

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, 2023 and 2022. 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, environmental and climate responsibility

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

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

The actions to mitigate the social, environmental and climate risk are carried out through process, risk and control mapping, monitoring of new standards related to the matter and, management of the social, environmental and climate risk carried out by the first line of defense in its daily operations, relying on the support, as the case may be, of the GRC and legal areas.

The governance also relies on the Executive Social and Environmental Risk Committee, which main duty is to provide instructions on the institutional principles that guide the social and environmental 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 Apprentice 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, bookkeeping and custody of third-party funds through investment funds, investment clubs and managed portfolios, whose net assets as at December 31, 2023, totaled R\$95.6 billion (R\$78.5 billion in 2022).

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 Resolution CVM 162, of July 13, 2022, we inform that the firm engaged to audit the Bank's financial statements for the year ended December 31, 2023, 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.

The acceptance and provision of professional services not related to the audit of the financial statements by its independent auditors in the year ended December 31, 2023, did not affect the independence and objectivity in the provision of external audit services at Banco Daycoval and its subsidiaries, as the principles set out above were complied with.

d) Audit Committee

The Audit Committee, established and operating in the first half of 2009, pursuant to Resolution 3,198 of May 27, 2004, current Resolution 4,910 of May 27, 2021, both from the National Monetary Council, is responsible for assessing the quality and integrity of the Bank's financial statements, checking the compliance with legal and regulatory requirements, for the work, independence and quality of the work with the external auditors, the work and quality of the internal audit and the reliability and efficiency of the Bank's internal control and risk management systems. The current composition of this committee was ratified by the Central Bank of Brazil on September 12, 2022.

27 - EVENTS AFTER THE REPORTING PERIOD

- a) On January 11, 2024, the securities issued abroad in the amount of US\$100 million, totaling R\$490.5 million, were settled in advance.

The Management

Luiz Alexandre Cadornin
Accountant
CRC 1SP243564/O-2