

Financial Statements

4Q23



Business overview

Cymbal Bank is an American retail bank with over 2,000 branches in all 50 states. It offers comprehensive debit and credit services that are built on top of a robust payments platform.

Cymbal Bank was founded in 1920 under the name Troxler. Cymbal Group acquired the company in 1975 after it had been investing heavily in Cymbal Group's proprietary ATMs. As the bank grew into a national leader, they put strategic emphasis on modernizing the customer experience both in-person at their branches and digitally through an app they released in 2014. Cymbal Bank employs 42,000 people nationwide and, in 2019, reported \$24 billion in revenue.

Cymbal Bank is a **digitally transforming** legacy financial services institution.

Management Report 2023

Highlights of 2023

Key indicators and ratios of our performance from January to December 2023 over the same period of the previous year:

Recurring
Result

\$ 26 billion

17% ▲

Credit
portfolio

\$ 1.5 trillion

1.3% ▲

ROE
Recurring

15.3%

30 bps ▲

Performance 2023 x 2022

Net interest
Income

\$ 112 billion

11.3% ▲

Efficiency
Ratio

28%

85 bps ▲

Tier 1
Capital Ratio

15.3%

63 bps ▲

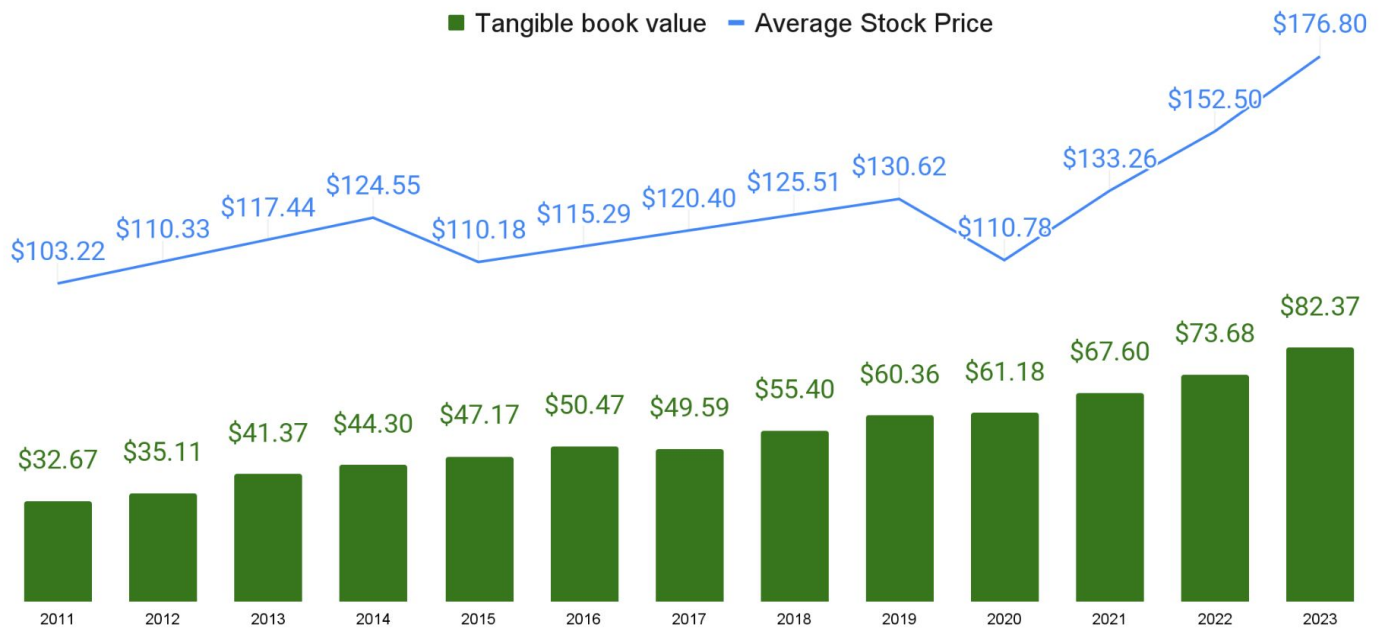
Financial Highlights 2023

(in millions, except per share, ratio data and headcount)	2023	2022	2021
Selected income statement data			
Total net revenue	\$167,304	\$158,144	\$71,971
Total noninterest expense	\$76,140	\$42,806	\$39,994
Pre-provision profit(a)	\$73,577	\$70,428	\$42,636
Provision for credit losses	\$7,028	-\$11,107	\$20,976
Per common share data			
Net income	\$48,979	\$33,834	\$14,566
Net income per share (Basic)	\$6.05	\$23.09	\$9.78
Net income per share (Diluted)	\$15.72	\$23.04	\$12.43
Book value per share	\$63.20	\$132.11	\$81.75
Tangible book value per share (TBVPS)	\$58.50	\$71.53	\$79.33
Cash dividends declared per share	\$5.60	\$4.18	\$4.32
Selected ratios			
Return on common equity	21%	29%	11%
Return on tangible common equity (ROTCE)	18	11.5	12.6
Liquidity coverage ratio (average)	134.4	111	165
Common equity Tier 1 capital ratio	19.8	7.86	6.55
Tier 1 capital ratio	19.37	13.5	22.5
Total capital ratio	18.48	23.52	17.3
Selected balance sheet data (period-end)			
Loans	\$567,824	\$1,401,028	\$1,114,138
Total assets	\$3,665,743	\$5,615,351	\$2,707,806
Deposits	\$2,340,179	\$1,477,382	\$1,500,980
Common stockholders' equity	\$132,464	\$285,218	\$224,362
Total stockholders' equity	\$263,099	\$147,064	\$279,354
Market data			
Closing share price	\$93.87	\$142.52	\$152.48
Market capitalization	\$590,226	\$419,585	\$193,746
Common shares at period-end	3,227.62	2,355.28	2,134.58
Headcount	381,840	298,128	229,816

Tangible Book Value 2011 - 2023

Tangible Book Value and Average Stock Price per Share

2011 - 2023



Tangible book value is calculated by subtracting intangible assets (like patents, goodwill, and brand value) and liabilities from the company's total equity.

TBV doesn't consider Cymbal Bank's brand value, customer relationships, intellectual property, and other intangible assets.

Key trends

01

Greater economic uncertainty & market volatility

Increased economic and market volatility triggered by recent global events has caused a general atmosphere of uncertainty.

02

Changing customer expectations

As the industry becomes increasingly competitive, high-touch customer service and seamless online-offline experiences are now the new standard.

03

Increased privacy & security requirements

Institutions are more vulnerable to security breaches than ever before, and organizations have been grappling with ways to establish more robust cybersecurity programs to combat bad actors.

04

Intensified regulatory requirements

Heightened government regulation has forced organizations to adapt their practices to adequately follow new legal mandates.

05

Industry disruptors

New market entrants that are highly focused on a specific discipline and/or technology are threatening the wellbeing of industry incumbents and forcing them to speed up development and strategy timelines.

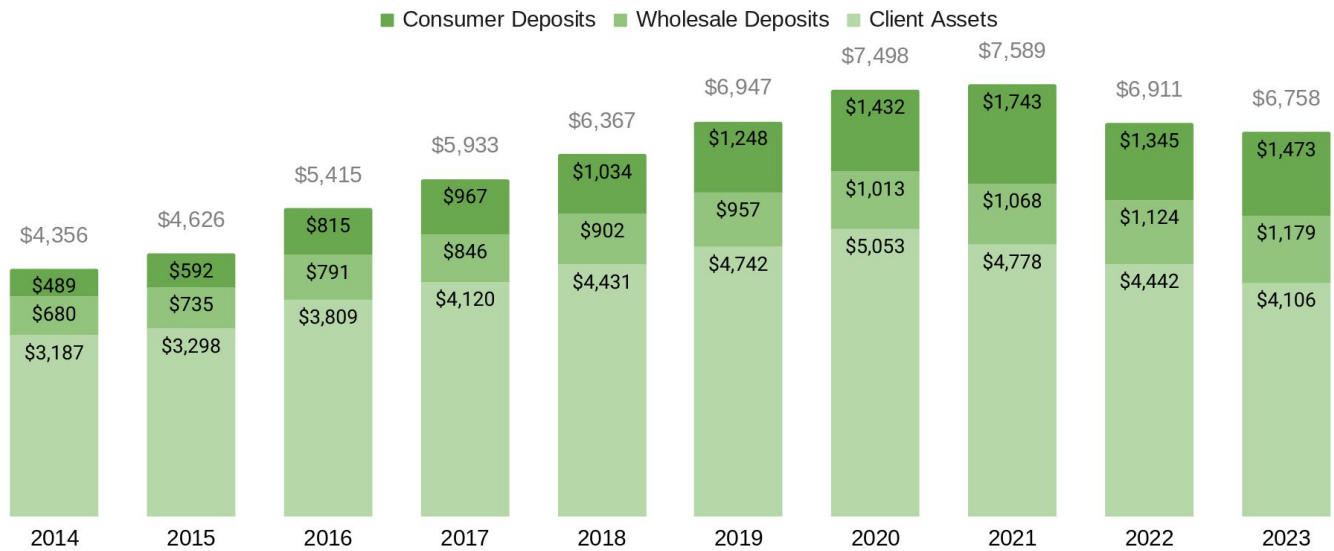
Private Social Investment 2023

	US		Other countries		Total	
	\$ millions	Projects	\$ millions	Projects	\$ millions	Projects
Non-incentivated	590.28	977.9	47.88	210	631.32	1,029
Education	345.41	400.5	8.54	67.2	380.52	378
Sport	0.45	2.6	0	3.3	0.44	5
Culture	180.83	455	16.25	67.6	212.38	507
Urban mobility	62.04	15	13.32	3.9	87.62	19.8
Diversity	10.32	79.5	4.56	13.5	17.36	62
Innovation and Entrepreneurship	8.58	24	0.45	4.5	6.9	27.6
Local Develop. and Participation	18.24	84.7	0.4	24	15.6	97
Healthcare	0	0	0	2.4	0	2.6
Incentivated	325.93	582.4	2	35.1	328.13	620.2
Culture	133.98	176	1.44	18.2	172.2	266
Education	33.11	89.7	0.98	12.1	40.04	112
Sport	72.12	120.4	0	0	72.12	111.8
Healthcare	81.15	42	0	0	81.15	30
Senior Citizens	45.3	55	0	0	36.24	77
Innovation and Entrepreneurship	0	0	0.11	1.5	0.1	1.5
Local Develop. and Participation	0	0	0	1.4	0	1
Total	867.02	1,566	54.3	250.5	1071.72	1,472

Assets Entrusted to Us by Our Clients

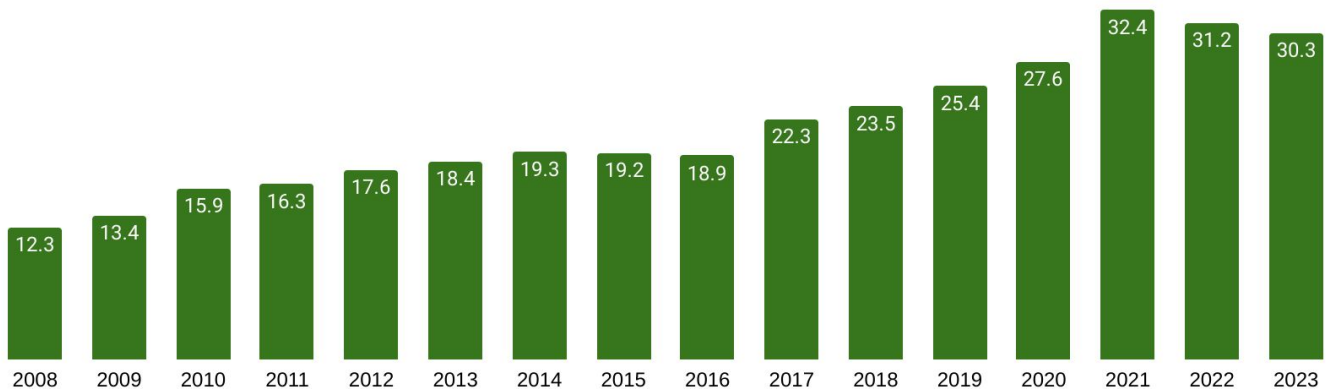
Deposits and client assets

(\$ in billions)



Assets Under Custody

(in trillions of dollars)



Consolidated Balance Sheet

(in \$ millions)

Assets	12/31/2023	12/31/2022
Cash	33,281	33,612
Financial assets	2,141,270	2,187,761
At Amortized Cost	1,446,853	1,667,198
Compulsory deposits with the Central Bank of Brazil	115,748	115,748
Interbank deposits	50,987	53,047
Securities purchased under agreements to resell	239,012	226,405
Securities	213,028	271,173
Loan and lease operations	765,432	947,014
Other financial assets	109,234	105,513
Provision for expected loss	(46,588)	(51,701)
At Fair Value through Other Comprehensive Income	133,940	122,564
Securities	133,940	122,564
At Fair Value through Profit or Loss	560,478	397,998
Securities	501,517	321,544
Derivatives	57,461	75,080
Other financial assets	1,365	1,348
Insurance contracts	135	27
Tax assets	63,723	60,495
Income tax and social contribution current	983	1,598
Income tax and social contribution deferred	56,376	52,667
Other	6,364	6,231
Other assets	19,426	17,823
Investments in associates and joint ventures	9,386	7,224
Fixed assets, net	8,952	7,654
Goodwill and Intangible assets, net	23,831	22,151
Total assets	2,238,274	2,281,868

Future

01

Satisfying digital demand

In an effort to meet the expectations of Millennial and Gen Z customers, Cymbal Bank is investing heavily in best-in-class digital platforms as a supplement to their physical branches. They're also exploring opportunities to acquire digital companies and related assets to improve their information technology infrastructure and to deliver on their digital strategy.

02

Strengthening Security

Similar to other large corporations, Cymbal Bank is exposed to operational risk that can manifest itself in many ways, such as errors related to failed or inadequate processes, inaccurate models, faulty or disabled computer systems, fraud by employees or persons outside of the company and exposure to external events. In addition, with many employees now working from home, the company is even more susceptible to data breaches.

03

Addressing Industry Disruptors

Many of Cymbal Bank's competitors, including new and emerging competitors in the digital and mobile payments space, are not subject to the same regulatory requirements or legislative scrutiny. This could place the company at a competitive disadvantage, in particular in the development of new technology platforms or the ability to rapidly innovate.



**Cymbal
Bank**