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PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Banco Cooperativo do Brasil - Bancoob

June 30, 2020

BANCOOB

(A free translation of the original in Portuguese)

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Macroeconomic Scenario

The first half of 2020 was marked by the impacts of the COVID-19 pandemic worldwide. This unprecedented event in modern economic history has brought unparalleled consequences to the economies and the way the populations lives.

The adoption of highly restrictive measures to curb the advance of the virus led to a temporary disruption in both supply and demand, leading to sharp declines in economic activity indexes in virtually all countries.

In Brazil, the economy followed the same trend as the rest of the world, and concerns were worsened by the perception of a complex fiscal legacy left by the previous administration amidst a turbulent political environment. The main economic activity indexes showed the impacts of the pandemic from March, when the social distancing measures started to be implemented. However, the most critical point in the economic paralysis was reached in April, when restrictions were imposed on a number of activities and industries. Signs of recovery were noted from May, although the resumption of pre-pandemic levels will still take time, mainly because, in addition to the intense impact faced during the most the more critical period, the pandemic has not yet been controlled due to the lack of an efficient treatment or vaccine. Therefore, Brazil began the second half of the year still facing a few restrictive measures, social distancing recommendations and changed habits.

Industry data released up to May indicate that the economic recovery will not be consistent, with signs of a more intense resumption in retail and manufacturing, while the service sector, which accounts for a greater share of the economy, faces greater difficulty to recover.

According to the monthly survey of the manufacturing sector (PIM) from the Brazilian Institute of Geography and Statistics (IBGE), Brazil's industrial production was growing at the beginning of the year. However, substantial declines were reported for March and April, and, in May, after the lifting of some restrictions, growth was resumed, although with the significant drop of 21.9% in the annual comparison. In the year-to-date (January–May), the PIM reported a decline of 11.3%.

In the first quarter of 2020, the Agribusiness GDP performed with positive results, increasing by 1.9% in relation to the same period in 2019. The 5.1% growth in soybean production was the main driving force in the quarter, and this upward path is expected to continue throughout the year. The Agribusiness GDP is expected to grow by 1.7% in 2020, a year marked by a strong downturn in the other sectors of the economy (expected decline of 8.5% in manufacturing and of 6.6% in services).

The agribusiness sectors are expected to benefit from the devalued exchange rate this year, which is favorable for exports in this industry, especially in relation to their trading price in Brazilian reais, providing producers with the capital required to prepare themselves, through purchases of inputs, for the planting phase of the 2020/2021 crop season in the current quarter.

Household consumption was also strongly impacted by COVID-19. According to the Monthly Commerce Survey (PMC) from the IBGE, retail sales decreased by 3.9% from January to May when compared to the same period in 2019, even though the annual decline in April alone reached 17.1%.

At the beginning of 2020, there was a promising trend in the creation of formal jobs, with 342.5 thousand net jobs created in January and February, according to data from the Ministry of Labor (Caged). However, from March, this trend was drastically reversed by the negative effects of the pandemic. In the first half of 2020, 1.2 million net jobs were lost, affecting virtually all main sectors of the economy. The agribusiness was the only sector that recorded an increase in net generation of jobs (+63 thousand). The manufacturing (-247 thousand), civil construction (-32 thousand), retail (-475 thousand) and services (-508 thousand) sectors were severely hit by the crisis.

The credit market, which sustained a positive course over the last months, was also strongly impacted by the pandemic which affected each credit line in a different manner. Loans to legal entities increased significantly due to the creation of emergency credit lines to support the companies whose activities have been drastically affected by COVID-19. Consequently, during the first five months of the year, loans granted to legal entities using unrestricted funds increased by 17.5% in nominal terms when compared to the same period in 2019, according to data released by the Brazilian Central Bank. On the other hand, the positive trend in loans for individuals was reversed from April, in view of the sudden worsening of income and employment conditions, the higher level of uncertainties, and the closure of commerce.

The official inflation, measured by the Amplified Consumer Price Index (IPCA), increased by only 0.10% during the first half of the year, being the lowest IPCA variation ever recorded for a six-month period in the historical series.

Against the backdrop of the severe economic impacts from the pandemic and expected inflation below the targets, the Brazilian Central Bank resumed the interest rate cutting process that was halted at the end of 2019. The Monetary Policy Committee (Copom) has been stressing that the current conditions require an exceptionally high level of incentives, acknowledging that the current interest rates are much lower than neutral. The Brazilian Central Bank has been alerting to the risks posed by the critical fiscal situation and stalling of the reform agenda, factors that influence the perception of the equilibrium interest rate.

The public accounts are being directly impacted by the policies implemented in response to the pandemic. The government's need to adopt measures to support the population, the significant increase in health care expenditures, and the sharp decline in revenues have completely changed the positive trend in fiscal indicators seen in recent years. The consolidated public sector posted a primary deficit of 214.0 billion, or 7.4% of the GDP, from January to May.

In the international markets, the sense of optimism that prevailed at the beginning of the year was suddenly shaken in March and April, as the pandemic spread worldwide. The strong aversion to risk led investors to look for more secure assets, rather than stocks, commodities and assets from emerging countries. As a consequence, there was strong appreciation of the U.S. dollar.

In the domestic markets, the assets followed, to a large extent, the external trends, albeit worsened by the internal turbulence, mostly of a political nature, which helped increase volatility. Since then, the global depreciation of the U.S. dollar and a certain weakening of the internal political crisis made it possible for the foreign exchange rate to offset some of the pressures, although still amidst great instability, strengthening to R$5.20/US$ at the end of the six-month period.

In short, a completely unpredictable event took center stage in the economy during the first half of 2020, with unprecedented impacts on economic variables and asset prices. Although the six-month period ended on a much more hopeful note, especially in comparison with the moments experienced in the international markets, the environment of uncertainties regarding the trend of the pandemic in the rest of the year still prevails.

GDP of most countries will be severely impacted in 2020, with unprecedented downward revisions, and most will resort to vigorous incentives leveraged off higher levels of debt. In Brazil, the scenario mirrors the rest of the world but aggravated by a still turbulent political environment and fragile fiscal situation. The Brazilian government must promote structural measures capable of addressing the huge tax challenge that continues to challenge the balance of the economic scenario marked by lower interest rates, which is the foundation for a gradual resumption of growth.

Bancoob

Banco Cooperativo do Brasil S/A ("Bancoob" or the "Bank") is a multi-service private bank founded in 1996, whose controlling shareholders are the entities affiliated to Sistema de Cooperativas de Crédito do Brasil ("Sicoob"). Currently, the Group is comprised of Bancoob DTVM, Cabal Brasil, Ponta Administradora de Consórcios and Sicoob Seguradora, as well as the sponsored foundation Sicoob Previ.

Bancoob, which specializes in serving credit unions, provides structuring services and offers financial products and services aimed to support and optimize the development of credit unions. With this mission in mind and aiming to increase the commitment of third-level entities (Bancoob Group and Sicoob Confederation) to the activities of credit unions, the governance framework to which Bancoob is subject is being updated. Going forwards, a single governance framework will be used to provide higher added value to credit union members.

In the first half of 2020, the Bank posted a profit of R$91.3 million, up 11.66%. Despite a six-month period marked by unprecedented circumstances arising from the spread of COVID-19, our total deposits and lending operations increased significantly, which shows the resilience of the credit union system in a market of uncertainties.

Among the measures taken to lessen the impacts of the pandemic, 95% of the staff from our head office in Brasília, Federal District, is working from home without any loss of efficiency in their activities.

Lending operations and interbank onlendings reached R$ 15.13 billion, an increase of 7.26% compared to December 2019. This growth surpassed that reported for the lending operations (total funds) of the National Financial System, which reached 4.20% in the same period.

The Bank ended the first-six month period of 2020 with total deposits of R$ 50.32 billion, up 32.82%. This significant growth shows the trust credit members place in us and the importance of the support provided by credit unions at times of turbulence and economic slowdown.

The Bank also recorded total assets of R$ 67.30 billion, an increase of 25.16% compared to the same period in the previous year.

In the second half of the year, Bancoob expects to launch a loyalty program, as well as a marketplace that will help credit union members to enter e-commerce.

Performance

At the end of the first half of 2020, Bancoob's total consolidated assets amounted to R$ 67.30 billion, up 25.11% when compared to December 2019, with the following items being particularly noteworthy:

a. Financial instruments

The consolidated portfolio totaled R$ 32.68 billion in the first half of 2020, which corresponds to a decrease of approximately 0.71% when compared to December 2019.

Marketable securities

The consolidated portfolio amounted to R$ 16.88 billion in the first half of 2020, comprised mainly of federal government securities (LFTs, LTNs and NTNs), which accounted for 51.66% of the total financial instruments.

Interbank deposits

Interbank deposits, which reported a consolidated balance of R$ 666.70 million in the first half of 2020, refer to investments in Interbank Deposit Certificates.

Interbank onlendings and lending operations

The consolidated portfolio totaled R$ 15.13 billion, up 7.26% compared to December 2019. As regards the breakdown of the loan portfolio, the highlight was the real estate credit line, which increased by 66.20%, and working capital loans, which increased by 55.12%. Growth was also recorded in Rural Savings Accounts, Own Funds, Compulsory Funds, BNDES/FINAME, and the Constitutional Financing Fund of the Mid-West of Brazil (FCO).

The payroll-deductible loan portfolio (including loans to pensioners and retirees of the National Institute of Social Security (INSS) and under traditional credit facilities) totaled R$ 985 million, increasing by 11.42% when compared to December 2019.

b. Card operations

At the end of the first half of 2020, Bancoob, as the issuer of cards for Sicoob and other cooperative systems, had issued a total of 5.55 million cards, of which 2.71 million with a built-in limit. The expansion of the card base through partner systems represented approximately 23% of total revenues.

In the first half of the year, the volume of purchases with cards increased by 15% in relation to the same period in 2019, reaching R$ 19.95 billion. Considering only the transactions carried out using the credit function, the volume reached R$ 10.74 billion.

c. Acquiring operations

In the first six-month period of 2020, acquiring operations, which combine the Sicoob customer base and those of partner systems, recorded a decrease of 2% in the number of authorized licensees of the Sipag card machine when compared to the same period in 2019.

Due to a reduction in the customer base, accumulated revenue totaled R$ 20.4 billion, a decrease of 17.7% in relation to the first half of 2019.

d. Deposits

In the first half of 2020, total consolidated deposits reached R$ 50.15 billion, an increase of 32.89% when compared to the same period in 2019, reflecting the confidence placed in Bancoob as the manager of the available funds of Sicoob and the partner systems.

The credit union savings account ("Poupança Cooperada") closed the year with a total of R$ 7.66 billion, up 17.72% when compared to 2019.

e. Services

Bancoob provides services such as document custody, microfilming and tracking, and real-time queries, among others. During the first half of 2020, Bancoob processed a total of 217,080,050 documents, an increase of 8.37% when compared to the same period in the previous year.

f. New agreements

In the first half of 2020, new corporate agreements for the collection of bar-coded invoices/payment slips and pre-authorized payments were added to the Bank's portfolio, with a total of 22 partnership agreements signed. Among the new partnership agreements we highlight the Municipal Autonomous Water and Sewage Service (SAMAE) of Caxias do Sul, the Municipal Tourism Fund (Fumtur) of Timbó (Santa Catarina), the Municipal Government of Abaeté (Minas Gerais), the Municipal Government of Vitória (Espírito Santo), CERTEL (Rio Grande do Sul), the Municipal Government of Bebedouro (São Paulo), and the Water and Sewage System of Chapadão do Céu (SANEACEU) (Goiás). Bancoob's portfolio of agreements, which is highly relevant in the Brazilian National Financial System, is available to Sicoob's credit unions and the other credit union systems, as well as to banks.

Risk and capital management

I. Risk Management

Bancoob's risk management framework seeks to identify, measure, evaluate, monitor, report, manage, control and mitigate the risks inherent to its activities, based on established policies, strategies, processes and limits.

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

Its risk management framework is consistent with the nature of its operations and the complexity of the products and services offered, as well as proportional to the extent of the Bank's exposure to risks.
The risks that are considered relevant and which are included in the integrated risk management program are listed below:

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

Bancoob prepares a risk interaction map, which is published in a specific manual, for the purpose of tracking the existing correlations of significant risks.

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

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

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

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

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

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

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

The governance bodies, committees, and senior management monitor, on a permanent basis, the risk management indicators and activities, so as to ensure the efficiency and effectiveness of the control model.

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

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

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

The internal audit function is in charge of providing an independent assessment of activities, systems, models and procedures developed at the Institution, allowing the senior management's evaluation of the adequacy of controls, effectiveness of risk management, and compliance with internal standards and regulatory requirements.

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

a. Credit risk

Credit risk arises from a counterparty's ability to honor its commitments. Bancoob's credit risk management is linked to the Institutional Policy for Credit Risk Management, which defines consistent procedures, metrics and actions for all Sicoob entities.

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

In order to mitigate credit risk, Bancoob makes use of risk analysis and rating models based on quantitative and qualitative data, to support the risk calculation process and the establishment of credit limits for borrowers, with a view to maintaining the high quality of its portfolio. Bancoob performs periodic tests on its models, ensuring that they are consistent with the economic and financial condition of borrowers. Default on the portfolio and the respective ratings assigned to the operations are also monitored, in accordance with CMN Resolution 2,682/1999.

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

- **a)** definition of policies and strategies, including risk limits;
- **b)** validation of systems, models and internal procedures;
- **c)** estimation (using consistent and prudent criteria) of losses associated with credit risk, and comparison between the estimated and actually incurred losses;
- **d)** specific monitoring of related-party transactions;
- **e)** procedures for monitoring loan portfolios;
- **f)** identification and treatment of distressed assets;
- **g)** systems, routines and procedures to identify, measure, assess, monitor, report, control and mitigate the exposure to credit risk;
- **h)** monitoring and reporting of risk appetite limits;
- **i)** periodic submission of managerial information to the governance bodies;
- **j)** area responsible for the calculation and projection of the regulatory capital required, and for the adequate level of the provision for loan losses;
- **k)** models to assess the counterparty credit risk, according to the transaction and the public involved, which take into consideration specific characteristics of the borrowers, as well as industry-related and macroeconomic matters;
- **l)** application of stress tests identifying and assessing the Institution's potential vulnerabilities;
- **m)** establishment of credit limits for each counterparty and overall limits by portfolio or credit line;
- **n)** model to assess the impact of an extreme risk scenario on the provision for loan losses, regulatory capital and Basel ratio;
- **o)** specific risk assessment for new products and services.

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

b. Market risks and interest rate risks

Bancoob has adopted the Market Risk Management Policy, which sets out procedures, metrics, and standardized actions to be followed by all the entities that comprise Sicoob.

Bancoob's framework for managing market and interest rate risks is consistent with the nature of its operations and the complexity of the products and services it offers, as well as proportional to its exposure to risks.

The management of market and interest rate risks requires the adoption of the following procedures:

a) monitoring, through periodic reports sent to the governance bodies, committees and senior management, addressing at least:

a.1) Value at Risk - VaR of the Treasury portfolio;
a.2) Economic Value of Equity (EVE) and Net Interest Income (NII);
a.3) analysis of mismatches to assess the impact on the financial margin;
a.4) maximum limits of exposure to market and interest rate risks;
a.5) application of stress tests;
a.6) definition of contingency plans;

b) preparation of reports that allow the timely identification and correction of deficiencies in the control and management of market risks and interest rate variation risks;
c) existence of a contingency plan containing the strategies to be adopted to ensure the continuity of activities and to limit losses arising from market risks and interest rate variation risks.

Bancoob's market risk management framework is based on good practices and consolidated valuation models. Market risk is calculated through the use of standard methodologies that are based on existing risk factors for the instruments classified in the trading portfolio.

For the market risk portions RWAjur1, RWAjur2, RWAjur3, RWAjur4, RWAcam, RWAcom, and RWAacs, Bancoob uses methodologies based on regulations issued by the Brazilian Central Bank.

The interest rate risk of the banking portfolio (IRRBB) is managed through the use of good practices and consolidated assessment models. The Bank adopts standardized procedures for the identification of risk factors, establishment of risk limits, and performance of stress tests.

Bancoob measures and controls the risk of variation in interest rates of the banking portfolio (IRRBB) using the Economic Value of Equity (EVE) and Net Interest Income (NII) methodologies, which measure the impacts arising from variation in interest rates on the economic value of equity and on income from financial intermediation of assets and liabilities held by the Institution, respectively, considering the application of simultaneous upward and downward shifts in the yield curve.

Stress tests are performed daily, with the aim of assessing the possibility of losses resulting from sharp fluctuations in the prices of assets and enabling the adoption of preventive measures.

c. Liquidity risk

Bancoob has adhered to the following policies: Institutional Policy for Financial Centralization Management, and Institutional Policy for Liquidity Risk Management. These policies set out standard procedures, metrics and actions to be followed by all the entities that comprise Sicoob.

Bancoob's liquidity risk management framework is consistent with the nature of its operations and the complexity of the products and services it offers, as well as proportional to its exposure to risks.

The management of liquidity risks requires the adoption of the following procedures:

- **a)** monitoring, through periodic reports sent to the governance bodies, committees and senior management, addressing at least:
  - **a.1)** minimum liquidity limit;
  - **a.2)** projected cash flow;
  - **a.3)** application of stress scenarios;
  - **a.4)** definition of contingency plans;
- **b)** performance of tests to assess the systems that control liquidity risks;
- **c)** preparation of reports that allow for the timely identification and correction of control weaknesses and management of liquidity risks;
- **d)** existence of a contingency plan containing the strategies to be adopted to ensure the continuity of activities and to limit losses arising from liquidity risks.

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

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

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

d. Operational and reputational risks

The guidelines for managing operational risks are set out in Sicoob's Institutional Policy for Operational Risk Management, approved by the Executive Board and the Board of Directors.

The operational risk management process consists of a qualitative and quantitative assessment of operational risks through identification, assessment and treatment stages.

Operational losses are reported to the Internal Control Department, which interacts with the managers of the respective areas and formally reviews the causes of losses, the adequacy of the controls in place, and the need for improving processes, which may include the implementation of new controls.

The results are submitted to the Executive Board, Board of Directors and the Statutory Audit Committee.

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

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

On a permanent basis, Sicoob and Bancoob monitor the brands' exposure and the impacts on their reputation resulting from the campaigns carried out.

The monitoring of reputational risk is also assessed through the materialization of financial and non-financial risks, including potential non-compliances with regulatory bodies.

e. Socio-environmental risk

The guidelines for socio-environmental risk management are set out in Sicoob's Institutional Policy for Socio-Environmental Responsibility (PRSA), approved by the Executive Board and the Board of Directors.

For the eligibility of operations, the process of socio-environmental risk management includes the evaluation of potentially negative impacts, including in relation to reputational risk, such as:

- **a)** sectors at greater exposure to socio-environmental risk;

b) credit lines and borrowing facilities at greater exposure to socio-environmental risk;
c) portion of the outstanding balance of lending operations at greater exposure to socio-environmental risk.

The proposals of counterparties assessed for environmental crimes are reviewed by a specific approval level.

The Bank does not carry out transactions with counterparties included on the list of employers that have subjected workers to conditions similar to slavery or exploited child labor.

f. Compliance risk

The guidelines for managing compliance risk are set out in the Compliance Policy, approved by the Executive Board and the Board of Directors.

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

g. Strategy risk

Bancoob's strategy of adding competitiveness factors to Sicoob's credit unions by acting as a managing system for retail banking products is developed through the following business platforms:

- ✓ Payments;
- ✓ Credit;
- ✓ Management of third-party funds;
- ✓ Financial centralization;
- ✓ Social security;
- ✓ Insurance;
- ✓ Cards;
- ✓ Prepaid cards;
- ✓ Acquiring products;
- ✓ Consortia (purchasing pools through formed by a group of individuals who pay monthly installments for the acquisition of a certain item (e.g. a car) so that every month the group can afford to buy one of the items, which is then awarded (by draw or bid) to one of the group members);
- ✓ Housing credit facilities;
- ✓ Digitalization;
- ✓ Investments;
- ✓ Foreign exchange and foreign trade;
- ✓ Agribusiness derivatives - Financial Rural Credit Note (CPRF) - PEP;
- ✓ BNDES and Constitutional Funds.

h. Business Continuity Risk

The related guidelines are set out in Sicoob's Institutional Policy for Business Continuity Management, approved by the Executive Board and the Board of Directors.

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

a) identification of potential disruption to activities;
b) assessment of the potential impacts (results and consequences) to the entity that may arise from disruption to activities;
c) definition of a strategy to recover from potential incidents;
d) planned continuity of operations (assets, including people, processes and systems), including procedures to be performed before, during and after a disruption;
e) transition between the contingency and the resumption of the normal course of business (end of the disruptive event).

i. Money Laundering Risk

The related guidelines are set out in the Sicoob's Institutional Policy for Prevention of Money Laundering and Terrorism Financing, approved by the Executive Board and the Board of Directors.

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

This process comprises the following steps:

a) monitoring;
b) analysis and due diligence;
c) reporting to the Brazilian Council for Financial Activities Control (COAF);
d) issue of managerial reports.

j. Cyber Security Risk

The guidelines for managing cyber security risk are set out in the Bank's Institutional Policy for Cyber Security, approved by the Executive Board and the Board of Directors.

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

a) definition of cyber security guidelines addressing the Bank's ability to prevent, detect and reduce the vulnerability to incidents related to the cyber environment;
b) protection of the information under the responsibility of the companies, by preserving its confidentiality, integrity, availability and authenticity;
c) prevention of potential disruptions, either total or partial, to the IT services accessed by the companies and clients/credit union members, and, in the event of disruption, mitigation of the resulting impacts;
d) handling and prevention of cyber security incidents;
e) education and training of the human resources required for the cyber security area;
f) promotion of an exchange of knowledge between the various financial institutions and public agencies and entities on the topic of cyber security;
g) establishment of an incident response action plan which is reviewed annually;
h) definition of information classification guidelines, maintained in physical or electronic format, in accordance with the protection requirements expected in terms of secrecy, value, legal aspects, sensitivity and business needs, so as to ensure the confidentiality, integrity and availability of the data and information systems used.

II. Capital management

At the Group level, Bancoob's capital management is an ongoing and forward-looking process whose aim is to assess the capital requirements of its institutions, considering the Group's strategic goals for a minimum time horizon of three years.

The guidelines for ongoing monitoring and control of capital are included in Sicoob's Institutional Policy for Capital Management, to which Bancoob has formally adhered, as approved by its Board of Directors.

The capital management process comprises a set of methodologies that enable the Bancoob Group to identify, assess and control major exposures, so as to maintain its capital at a level consistent with the risks taken by its institutions.

Bancoob has a specific capital plan which provides for capital targets and forecasts that consider strategic goals for a minimum time horizon of three years, the main sources of capital and the contingency plan. Additionally, severe events and extreme market conditions are simulated and their related results and impacts on the capital framework are submitted to the Executive Board and Board of Directors.

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

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

Equity and profit for the period

At June 30, 2020, consolidated equity totaled R$ 2.02 billion, an increase of 4.79% in comparison with the previous year.

Consolidated profit for the year amounted to R$ 92.25 million, with an annualized return on average equity of 7.24%.

Acknowledgments

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

The Management

Balance sheet

June 30, 2020 and December 31, 2019

(A free translation of the original in Portuguese)

All amounts in thousands of reais unless otherwise stated

		Bank		Consolidated	
Assets	**Note**	**6/30/2020**	**12/31/2019**	**6/30/2020**	**12/31/2019**
Current and non-current assets		**67,304,401**	**53,776,026**	**67,303,949**	**53,796,347**
Cash and cash equivalents	**4(a)**	**24,800,168**	**11,082,740**	**24,800,180**	**11,082,748**
Compulsory deposits with the Brazilian Central Bank	**7**	**1,510,306**	**1,281,858**	**1,510,306**	**1,281,858**
Financial instruments	**8**	**32,639,195**	**32,868,801**	**32,682,071**	**32,916,141**
Securities		**16,839,394**	**18,006,620**	**16,882,270**	**18,053,959**
Own portfolio		**5,544,372**	**7,037,456**	**5,587,248**	**7,084,795**
Government securities		4,262,343	5,811,261	4,286,712	5,833,688
Private securities		1,231,614	1,175,628	1,231,964	1,176,878
Investment fund shares		50,415	50,567	68,572	74,229
Subject to Repurchase Agreements		**3,837,745**	**3,952,540**	**3,837,745**	**3,952,540**
Government securities		3,837,745	3,952,540	3,837,745	3,952,540
Linked to the Brazilian Central Bank		**122,636**	**-**	**122,636**	**-**
Government securities		122,636	-	122,636	-
Linked to the provision of guarantees		**7,334,608**	**7,016,502**	**7,334,608**	**7,016,502**
Government securities		7,143,068	6,827,910	7,143,068	6,827,910
Private securities		191,540	188,591	191,540	188,591
Derivative financial instruments		**33**	**122**	**33**	**122**
Interbank deposits	**6**	**666,700**	**754,033**	**666,700**	**754,033**
Interbank onlendings and lending operations	**9(a)**	**15,133,101**	**14,108,148**	**15,133,101**	**14,108,148**
Interbank onlendings		9,260,280	8,961,086	9,260,280	8,961,086
Lending operations		5,994,116	5,243,171	5,994,116	5,243,171
(-)Interbank onlendings and lending operations	9(g)	(121,295)	(96,109)	(121,295)	(96,109)
Other assets	**22(a)**	**7,876,697**	**8,144,418**	**7,932,329**	**8,208,445**
Payment transactions	22 (a1)	6,573,498	7,797,261	6,607,733	7,836,577
Foreign exchange portfolio	22 (a2)	-	8,060	-	8,060
Income receivable		12,709	15,554	17,449	21,019
Other	22 (a3)	1,342,178	377,283	1,358,835	396,530
(-) Provisions for other receivables		(51,688)	(53,741)	(51,688)	(53,741)
Tax credits	**10**	**234,365**	**161,178**	**234,650**	**161,473**
Equity interests in associates and subsidiaries	**11**	**173,329**	**164,391**	**56,950**	**54,079**
Subsidiaries and associates		173,329	164,391	56,950	54,079
Property and equipment	**12**	**68,517**	**70,941**	**78,745**	**82,961**
Property and equipment in use		110,538	110,002	135,593	134,924
(-) Accumulated depreciation		(42,021)	(39,061)	(56,848)	(51,963)
Intangible assets	**13**	**1,824**	**1,700**	**8,718**	**8,643**
Software usage rights		10,014	9,544	28,752	26,935
(-) Accumulated amortization		(8,190)	(7,844)	(20,034)	(18,292)
Total assets		**67,304,401**	**53,776,026**	**67,303,949**	**53,796,347**

Balance sheet
June 30, 2020 and December 31, 2019

All amounts in thousands of reais unless otherwise stated *(continued)*

		Bank		Consolidated	
Liabilities and equity	**Note**	**6/30/2020**	**12/31/2019**	**6/30/2020**	**12/31/2019**
Current and non-current liabilities		**65,296,654**	**51,859,694**	**65,285,604**	**51,870,306**
Financial liabilities		**57,366,874**	**45,024,326**	**57,199,229**	**44,879,132**
Deposits	14(a)	50,315,145	37,882,224	50,147,500	37,737,030
Repurchase agreement obligations	15	3,832,722	3,940,599	3,832,722	3,940,599
Funds from acceptance of bills of exchange, real estate and mortgage notes, debentures, and the like	16	61,898	111,639	61,898	111,639
Borrowings and onlendings	17(a)	3,156,991	3,089,778	3,156,991	3,089,778
Derivative financial instruments	18	118	86	118	86
Provisions		**14,589**	**14,066**	**14,978**	**14,344**
Provisions for contingencies	19(a)	14,503	13,815	14,892	14,094
Provisions for guarantees provided	19(b)	86	250	86	250
Other liabilities	**22(b)**	**7,915,191**	**6,820,847**	**8,071,397**	**6,976,376**
Payment transactions	22 (b1)	6,548,011	6,007,963	6,619,073	6,089,923
Social and statutory obligations and payments pending settlement		5,994	19,742	7,643	21,295
Tax and social security obligations	22 (b2)	124,943	139,886	143,527	159,317
Foreign exchange portfolio	22 (b3)	-	8,070	-	8,070
Other	22 (b4)	1,236,243	645,186	1,301,154	697,771
Deferred tax liabilities		**-**	**454**	**-**	**454**
Other deferred tax liabilities		-	454	-	454
Total liabilities		**65,296,654**	**51,859,693**	**65,285,604**	**51,870,306**
Equity	**20**	**2,007,747**	**1,916,333**	**2,018,345**	**1,926,041**
Share capital		1,864,332	1,742,770	1,864,332	1,742,770
Capital reserves		51	51	51	51
Revenue reserve		148,708	172,831	148,708	172,831
Other comprehensive income (loss)		(5,344)	681	(5,344)	681
Non-controlling interests		**-**	**-**	**10,598**	**9,708**
Total liabilities and equity		**67,304,401**	**53,776,026**	**67,303,949**	**53,796,347**

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

Statement of income
Six-month periods ended June 30, 2020 and 2019

All amounts in thousands of reais unless otherwise stated (A free translation of the original in Portuguese)

		Bank		Consolidated	
	Note	1/1 to 6/30/2020	1/1 to 6/30/2019	1/1 to 6/30/2020	1/1 to 6/30/2019
Income from financial intermediation		**1,151,144**	**1,465,413**	**1,151,711**	**1,466,287**
Lending operations	9 (h)	534,737	531,283	534,737	531,283
Gains (losses) on securities	8 (b)	597,348	909,626	597,915	910,499
Gains (losses) on derivative financial instruments	8(c)	(6,609)	374	(6,609)	374
Gains (losses) on foreign exchange transactions	22(c)	7,620	953	7,620	953
Gains (losses) on compulsory investments		18,048	23,177	18,048	23,177
Expenses for financial intermediation		**(850,092)**	**(1,238,535)**	**(847,433)**	**(1,234,662)**
Money market funding	14 (b)	(762,570)	(1,147,714)	(759,911)	(1,143,841)
Borrowings and onlendings	17 (b)	(58,145)	(57,197)	(58,145)	(57,197)
Provision for loan losses	9(g)	(29,377)	(33,625)	(29,377)	(33,625)
Gross profit from financial intermediation		**301,052**	**226,878**	**304,278**	**231,625**
Operating revenues		**669,648**	**718,784**	**784,268**	**805,534**
Income from services rendered	22(d)	472,637	526,483	593,659	620,846
Income from banking fees	22(d)	30	32	30	32
Equity in the results of subsidiaries and associates	11	33,885	24,437	24,161	14,094
Other operating income	22(e)	163,096	167,832	166,418	170,562
Operating expenses		**(874,566)**	**(819,105)**	**(983,522)**	**(901,345)**
Personnel expenses	22(f)	(69,606)	(63,113)	(108,460)	(93,800)
Administrative expenses	22(g)	(121,799)	(120,953)	(207,564)	(137,198)
Tax expenses		(63,981)	(61,747)	(78,690)	(74,475)
Other operating expenses	22 (h)	(619,180)	(573,292)	(588,808)	(595,872)
Operating income		**96,134**	**126,557**	**105,024**	**135,813**
Non-operating income (expenses)	22 (i)	**5,771**	**(1,012)**	**5,772**	**(1,014)**
Profit before taxation and profit sharing		**101,905**	**125,545**	**110,796**	**134,799**
Income tax and social contribution	10	**(5,601)**	**(38,405)**	**(12,074)**	**(46,162)**
Provision for income tax	10(c)	(42,447)	(38,124)	(46,587)	(43,282)
Provision for social contribution	10(c)	(31,970)	(23,201)	(34,291)	(25,762)
Deferred tax assets	10(c)	68,816	22,921	68,804	22,882
Statutory profit sharing	24(e)	**(4,942)**	**(5,319)**	**(6,470)**	**(6,137)**
Net profit		**91,362**	**81,821**	**92,252**	**82,500**
Number of shares		**1,003,744,529**	**943,870,276**	**1,003,744,529**	**943,870,276**
Net earnings per share		**91.02**	**86.69**	**91.91**	**87.41**
Profit attributable to the parent company				**91,362**	**81,821**
Profit attributable to non-controlling interests				**890**	**678**

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

Statement of comprehensive income
June 30, 2020 and 2019

All amounts in thousands of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	Bank		Consolidated	
		1/1 to 6/30/2020	1/1 to 6/30/2019	1/1 to 6/30/2020	1/1 to 6/30/2019
Profit for the six-month period		**91,362**	**81,821**	**92,252**	**82,500**
Other comprehensive income (loss)					
Items that will be reclassified to profit or loss		**(5,344)**	**(1,431)**	**(5,344)**	**(1,431)**
Adjustments to securities		(9,716)	(793)	(9,716)	(793)
Tax effects		4,372	(638)	4,372	(638)
Other comprehensive income for the period, net of taxes		**86,018**	**80,390**	**86,908**	**81,069**
Total comprehensive income for the six-month period		**86,018**	**80,390**	**86,908**	**81,069**
Profit attributable to the parent company		86,018	80,390	86,018	80,391
Profit attributable to non-controlling interests		-	-	890	678

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

Statement of changes in equity

June 30, 2020 and 2019

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Note	Share capital	Increase in share capital	(-) Unpaid share capital	Capital reserve	Revenue reserve	Adjustment to market value	Retained earnings	Treasury shares	Attributable to the Parent Company	Attributable to non-controlling interests	Total equity
At December 31, 2018		**1,525,152**	**-**	**-**	**51**	**257,685**	**1,359**	**-**	**-**	**1,784,247**	**8,220**	**1,792,467**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**132,627**	**-**	**132,627**	**678**	**133,305**
Items that will be reclassified to profit or loss, net of tax effects		-	-	-	-	-	(2,790)	-	-	(2,790)	-	(2,790)
Total comprehensive loss for the year		**-**	**-**	**-**	**-**		**(2,790)**	**132,627**	**-**	**129,837**	**678**	**130,515**
Increase in share capital		217,618	(217,618)	-	-	-	-	-	-	-	-	-
Unpaid share capital		-	-	(217,618)	-	-	-	-	-	(217,618)	-	(217,618)
Capital payment		-	217,618	217,618	-	-	-	-	-	435,236	-	435,236
Dividends proposed in previous years		-	-	-	-	(206,737)	-	-	-	(206,737)	-	(206,737)
Profit for the six-month period	**-**	**-**	**-**	**-**		**-**	**-**	**81,821**	**-**	**81,821**	**-**	**81,821**
Proposed allocations:												
Legal reserve		-	-	-	-	4,091	-	(4,091)	-	-	-	-
Revenue reserve		-	-	-	-	73,844	-	(73,844)	-	-	-	-
Proposed dividends	20(d)	-	-	-	-	-	-	(3,886)	-	(3,886)	-	(3,866)
At June 30, 2019		**1,742,770**	**-**	**-**	**51**	**128,883**	**(1,431)**	**-**	**-**	**1,870,273**	**8,898**	**1,879,171**
Changes in the six-month period		**217,618**	**-**	**-**	**-**	**(128,802)**	**-**	**-**	**-**	**88,816**	**-**	**88,816**
At December 31, 2019		**1,742,770**	**-**	**-**	**51**	**172,831**	**681**	**-**	**-**	**1,916,333**	**9,708**	**1,926,041**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**91,362**	**-**	**91,362**	**890**	**92,252**
Items that will be reclassified to profit or loss, net of tax effects		-	-	-	-	-	(6,025)	-	-	(6,025)	-	(6,025)
Total comprehensive income (loss) for the year		**-**	**-**	**-**	**-**	**-**	**(6,025)**	**91,362**	**-**	**85,337**	**890**	**86,227**
Increase in share capital	19(a)	121,563	(217,618)	-	-	-	-	-	-	(96,055)	-	(96,055)
Unpaid share capital		-	-	(121,563)	-	-	-	-		(121,563)	-	(121,563)
Capital payment		-	217,618	121,563	-	-	-	-	-	339,181	-	339,181
Dividends proposed in previous years		-	-	-	-	(115,485)	-	-	-	(115,485)	-	(115,485)
Profit for the six-month period		**-**	**-**	**-**		**-**	**-**	**91,362**	**-**	**91,362**	**-**	**91,362**
Proposed allocations:												
Legal reserve		-	-	-	-	4,568	-	(4,568)	-	-	-	
Revenue reserve		-	-	-	-	82,454	-	(82,454)	-	-		-
Proposed dividends	19(d)	-	-	-	-	4,340	-	(4,340)	-	-	-	-
At June 30, 2020		**1,864,332**	**-**	**-**	**51**	**148,708**	**(5,344)**	**-**	**-**	**2,007,747**	**10,598**	**2,018,345**
Changes in the six-month period		**121,563**	**-**	**-**	**-**	**(24,123)**	**-**	**-**	**-**	**97,440**	**-**	**97,440**

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

Statement of cash flows

Six-month periods ended June 30, 2020 and 2019

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

		Bank		Consolidated	
Cash flows from operating activities	**Note**	**1/1 to 6/30/2020**	**1/1 to 6/30/2019**	**1/1 to 6/30/2020**	**1/1 to 6/30/2019**
Adjusted profit		**104,022**	**140,910**	**126,173**	**163,517**
Profit before income tax and social contribution		101,905	125,545	110,796	134,799
Provision for loan losses		29,540	33,625	29,540	33,625
Depreciation and amortization		4,263	4,011	7,583	7,009
Equity in the results of subsidiaries		(33,885)	(24,437)	(24,161)	(14,094)
Goodwill on equity interests in subsidiaries		1,289	983	1,289	983
Provision for tax, labor and civil contingencies		910	1,183	1,126	1,195
Decrease (increase) in short-term interbank investments		87,333	362,840	87,333	362,840
Decrease (increase) in securities		1,161,202	(1,535,518)	1,165,665	(1,538,088)
Decrease in interbank and interdepartmental accounts		353,591	126,837	358,669	126,588
Increase (decrease) in lending operations		(739,743)	(629,269)	(739,743)	(629,269)
Decrease (increase) in other receivables		472,909	88,647	485,791	104,517
Decrease in other assets		(4,855)	4,475	(7,223)	3,697
Increase in deposits		12,432,921	(478,100)	12,401,793	(493,997)
Increase (decrease) in repurchase agreement obligations		(107,877)	681,899	(107,877)	681,899
Increase (decrease) in funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures		(49,741)	14,211	(49,741)	14,211
Increase (decrease) in borrowings and onlendings		67,213	76,467	67,213	76,467
Increase (decrease) in other payables		(28,661)	(352,578)	(27,397)	(360,246)
Income tax and social contribution		(52,798)	(37,292)	(60,001)	(44,495)
Change in deferred income		(56)	43	(56)	43
Net cash inflow (outflow) from operating activities		**13,695,460**	**(1,536,428)**	**13,700,599**	**(1,532,316)**
Cash flows from investing activities					
Dividends received from associates		23,657	10,686	20,000	8,000
Disposal of property and equipment in use		17	29	17	30
Acquisition of investments		(62)	-	(62)	-
Purchases of property and equipment		(1,510)	(2,989)	(1,642)	(4,547)
Purchases of intangible assets		(470)	(178)	(1,817)	(279)
Net cash inflow from investing activities		**21,632**	**7,548**	**16,496**	**3,205**
Cash flows from financing activities					
Increase in share capital		121,562	217,618	121,562	217,618
Payment of dividends		(121,225)	(217,426)	(121,225)	(217,426)
Net cash inflow from financing activities		**337**	**192**	**337**	**192**
Net increase (decrease) in cash and cash equivalents	**4**	**13,717,429**	**(1,528,688)**	**13,717,432**	**(1,528,920)**
Cash and cash equivalents at the beginning of the six-month period		11,082,740	15,599,032	11,082,748	15,599,269
Cash and cash equivalents at the end of the six-month period		24,800,169	14,070,344	24,800,180	14,070,349

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

Note 1 - Operations

Banco Cooperativo do Brasil S.A. ("Bancoob", the "Institution" or the "Bank") is a privately-held corporation located at the Graphic Industry District (SIG), block 06, lot 2080, Brasília, Federal District, established pursuant to Resolution 2,193 of the National Monetary Council (CMN) of August 31, 1995. The Bank was authorized to operate by the Brazilian Central Bank ("Central Bank" or "BC") on July 21, 1997 and started operations on September 1, 1997.

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

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

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

The parent company and consolidated financial statements ("financial statements") are the responsibility of Management and have been prepared based on the accounting guidelines established by the Brazilian Corporation Law, as well as on standards and instructions issued by the National Monetary Council ("CMN") and the Brazilian Central Bank. Bancoob complies with the provisions of CMN Resolution 4,720/2019 and BACEN Circular Letter 3,959/2019.

The consolidated financial statements include not only the Bank's accounting balances, but also those of Bancoob Distribuidora de Títulos e Valores Mobiliários Ltda., Ponta Administradora de Consórcios Ltda., Cabal Brasil Ltda., and Bancoob Participações em Seguridade S.A. Equity interests, intercompany receivables and payables, as well as revenue and expenses, have been eliminated in the consolidated financial statements.

The Joint Executive Board of Bancoob submitted these financial statements to the Board of Directors, which approved them on August 11, 2020.

Note 3 - Summary of significant accounting policies

a. Accounting estimates

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

b. Determination of results of operations

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

c. Foreign currency

Monetary assets denominated in foreign currency were translated into Brazilian reais at the exchange rate in effect on the balance sheet date, and currency translation differences were recorded in the statement of income for the period.

d. Cash and cash equivalents

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

e. Short-term interbank investments and repurchase agreement obligations

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

f. Securities

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

i. **Trading securities -** securities acquired to be frequently and actively traded, adjusted to market value with a corresponding entry to profit or loss for the period.

ii. **Available-for-sale securities -** securities that are not classified as "trading securities" or "held-to-maturity securities". These securities are adjusted to market value, and the result of the adjustment, net of tax effects, is recorded in a separate account in equity. Gains and losses, where applicable, are recognized in the statement of income.

iii. **Held-to-maturity securities -** securities acquired to be held to maturity, based on financial capacity studies, accounted for at acquisition cost plus any income earned.

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

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

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

g. Derivative financial instruments

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

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

h. Provision for loan losses and losses on interbank onlendings

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

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

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

Operations classified as risk level "H" are transferred to the offsetting account, with the corresponding debit entry to the provision account, only six months after their classification into this risk level. Renegotiated operations are maintained in the same risk level in which they were classified prior to the renegotiation, and operations which had been previously recorded as losses start to be classified as risk level "H". Renegotiated operations are only transferred to the lowest risk level category after significant amortization has occurred, or when new relevant facts justify a change in their risk classification. Any gains arising from renegotiations are only recognized as income when effectively received. The provision for loan losses, which is considered sufficient by Management, complies with the minimum requirement established in the aforementioned Resolution, as shown in Note 9g.

i. Investments

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

j. Property and equipment

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

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

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

k. Intangible assets

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

l. Other current and non-current assets

These are stated at net realizable value.

m. Deposits and money market funding

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

n. Borrowings and onlendings

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

o. Private pension plan

The private pension plan established by Bancoob is of a defined contribution type, and the monthly contributions to the plan are expensed in the statement of income for the period.

p. Income tax, social contribution, and tax credits

The provision for income tax was set up at the rate of 15%, plus a 10% surtax, and the provision for social contribution, at the rate of 15% on taxable income up to February. From March, pursuant to Constitutional Amendment 103/19, these provisions started to be computed at the rate of 20% on taxable income calculated as per the prevailing tax laws.

Income tax and social contribution credits were calculated in accordance with the aforementioned tax rates. Tax credits are recognized considering the expected generation of future taxable income, over a maximum period of ten years, pursuant to CMN Resolution 3,059/02. The expected generation of future taxable income is supported by a technical study prepared by Management and updated on a half-yearly basis.

q. Contingent assets and liabilities and legal obligations

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

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

- **Contingent assets** - Contingent assets are not accounted for, except when backed by real guarantees or final court decisions, for which a favorable outcome is virtually certain. Contingent assets for which a favorable outcome is classified as probable are only disclosed in the notes to the financial statements.

- **Contingent liabilities** - Contingent liabilities are recognized based on the opinion of legal advisors, the nature of the lawsuits, similarities with previous proceedings, and the complexity of the lawsuits, when the risk of an unfavorable outcome is classified as probable, generating an outflow of funds to settle the obligation, and the amounts involved can be measured reliably. The lawsuits for which an unfavorable outcome is classified as possible are only disclosed in the notes to the financial statements when considered material on a stand-alone basis.

- **Legal Obligations** - These are obligations that derive from a contract, through implicit or explicit terms, a law or other operation of law, which should be recognized by Bancoob.

r. Other current and non-current liabilities

These are stated at known or estimated amounts including, where applicable, the corresponding charges and monetary variations incurred.

s. Technical Accounting Pronouncements - CPCs

The Brazilian Central Bank has approved the adoption of the following Technical Pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), which were considered in the financial statements:

- CPC 00 (R2) - Basic Conceptual Pronouncement;
- CPC 01 (R1) - Impairment of Assets;
- CPC 02 (R2) - Effects of Exchange Rates Variations and Translation of Financial Statements;
- CPC 03 (R2) - Statement of Cash Flows;
- CPC 04 (R1) - Intangible Assets;
- CPC 05 (R1) - Related-party Disclosures;
- CPC 10 (R1) - Share-based Payments;
- CPC 23 - Accounting Policies, Changes in Accounting Estimates and Correction of Errors;
- CPC 24 - Events After the Reporting Period;
- CPC 25 - Provisions, Contingent Liabilities and Contingent Assets;
- CPC 27 - Property and Equipment;
- CPC 33 (R1) - Employee Benefits;
- CPC 41 (R1) - Earnings (Loss) per Share;
- CPC 46 - Fair Value Measurement.

The other Technical Pronouncements issued by CPC will be applied after their adoption has been approved by the Brazilian Central Bank.

Note 4 - Cash and cash equivalents

Cash	Note	Bank 6/30/2020	Bank 12/31/2019	Consolidated 6/30/2020	Consolidated 12/31/2019
Available funds	5	**29,735**	**17,383**	**29,747**	**17,391**
Local currency		411	365	419	370
Bank deposits		-	-	4	3
Unrestricted funds		160	124	160	124
Foreign currency		29,164	16,894	29,164	16,894
Cash equivalents					
Short-term interbank investments (up to 90 days)	6	**24,770,433**	**11,065,357**	**24,770,433**	**11,065,357**
Total		**24,800,168**	**11,082,740**	**24,800,180**	**11,082,748**

Note 5 - Available funds

	Note	Bank 6/30/2020	Bank 12/31/2019	Consolidated 6/30/2020	Consolidated 12/31/2019
Local currency		411	365	419	370
Bank deposits		-	-	4	3
Unrestricted funds		160	124	160	124
Foreign currency		29,164	16,894	29,164	16,894
Total		**29,735**	**17,383**	**29,747**	**17,391**

Note 6 - Short-term interbank investments

a. Breakdown of short-term interbank investments

		Bank						Consolidated	
		Maturity				Total	Total	Total	Total
	Note	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Interbank deposits	4	**4,755,893**	**20,014,540**	**-**	**-**	**24,770,433**	**11,065,357**	**24,770,433**	**11,065,357**
Resales pending settlement - own resources		4,755,893	20,014,540	-	-	24,770,433	11,065,357	24,770,433	11,065,357
Interbank deposits		**515,595**	**98,590**	**42,384**	**10,131**	**666,700**	**754,033**	**666,700**	**754,033**
Total		**5,271,488**	**20,113,130**	**42,384**	**10,131**	**25,437,133**	**11,819,390**	**25,437,133**	**11,819,390**
Current						**25,437,133**	**11,819,390**	**25,437,133**	**11,819,390**
Non-current						-	-	-	-

b. Income from short-term interbank investments

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

Income from investments in repurchase agreements	Bank and Consolidated 6/30/2020	Bank and Consolidated 6/30/2019
Own resources	278,684	441,777
Third-party resources	-	35,441
Sub-total	**278,684**	**477,218**
Income from investments in interbank deposits	14,088	44,077
Total	**292,772**	**521,295**

Note 7 - Compulsory deposits with the Brazilian Central Bank

		Bank and Consolidated	
	Note	6/30/2020	12/31/2019
Compulsory reserves in cash held with BACEN		5,333	5,597
BACEN - Mandatory payments		1,504,973	1,276,261
Total		**1,510,306**	**1,281,858**
Current		1,510,306	1,281,858
Non-current		-	-

Note 8 - Financial instruments

a. Securities

Securities are classified as "available for sale", "trading" and "held to maturity". Their market value was calculated considering the following parameters:

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

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

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

Marketable securities, including derivative financial instruments and short-term interbank investments, are under the custody of B3 - Brasil Bolsa Balcão and SELIC, except for investment fund shares whose records are kept by the respective administrators.

Notes to the financial statements

June 30, 2020

All amounts in thousands of reais, unless otherwise stated

Cost plus accrued income and the market values of marketable securities are shown below:

		Maturity				Total at 6/30/2020			Total at 12/31/2019		
Bank	Note	Without defined maturity	From 1 to 3 months	From 6 to 12 months	Over 1 year	Curve value	Market value	Unrealized gain (loss)	Curve value	Market value	Unrealized gain (loss)
I - Available-for-sale securities		**50,415**	**3,961,481**	**1,619,208**	**11,065,057**	**16,705,876**	**16,696,161**	**(9,715)**	**17,989,948**	**17,991,083**	**1,135**
Bank's own portfolio											
Financial Treasury Bills (LFTs)		-	953,824	97,467	3,211,052	4,264,922	4,262,343	(2,579)	5,805,208	5,805,471	263
Funds		50,415	-	-	-	50,415	50,415	-	50,567	50,567	-
Financial Bills (LFs)		-	56,626	414,247	617,541	1,090,673	1,088,414	(2,259)	1,165,889	1,166,003	114
Total		**50,415**	**1,010,450**	**511,714**	**3,828,593**	**5,406,010**	**5,401,172**	**(4,838)**	**7,021,664**	**7,022,041**	**377**
Subject to repurchase agreements											
Financial Treasury Bills (LFTs)		-	1,705,544	-	2,132,201	3,839,487	3,837,745	(1,742)	3,952,246	3,952,540	294
Total		**-**	**1,705,544**	**-**	**2,132,201**	**3,839,487**	**3,837,745**	**(1,742)**	**3,952,246**	**3,952,540**	**294**
Linked to the Brazilian Central Bank											
Financial Treasury Bills (LFTs)		-	-	-	122,636	122,733	122,636	(97)	-	-	-
Total		**-**	**-**	**-**	**122,636**	**122,733**	**122,636**	**(97)**	**-**	**-**	**-**
Linked to the provision of guarantees											
Financial Bills (LFs)		-	-	113,809	77,731	192,113	191,540	(573)	188,639	188,591	(48)
Financial Treasury Bills (LFTs)		-	1,245,487	993,685	4,903,896	7,145,533	7,143,068	(2,465)	6,827,399	6,827,911	512
Total		**-**	**1,245,487**	**1107.494**	**4,981,627**	**7,337,646**	**7,334,608**	**(3,038)**	**7,016,038**	**7,016,502**	**464**
II - Trading securities		**11,947**	**-**	**-**	**-**	**12,144**	**11,947**	**(197)**	**16,137**	**15,537**	**(600)**
Own portfolio											
Rural Product Notes (CPRs)		11,914	-	-	-	12,111	11,914	**(197)**	10,225	9,625	**(600)**
Financial Treasury Bills (LFTs)		-	-	-	-	-	-	-	5,790	5,790	-
Total		**11,914**	**-**	**-**	**-**	**12,111**	**11,914**	**(197)**	**16,015**	**15,415**	**(600)**
Derivative financial instruments											
Futures - CPRs		4	-	-	-	4	4	-	**5**	**5**	-
Futures - Foreign Exchange		29	-	-	-	29	29	-	**117**	**117**	-
Total		**33**	**-**	**-**	**-**	**33**	**33**	**-**	**122**	**122**	**-**
III - Held-to-maturity securities		**-**	**-**	**2,501**	**128,785**	**132,564**	**131,286**	**(1,278)**	**-**	**-**	**-**
Own portfolio											
Financial Rural Product Notes (CPRFs) - Floating rate		-	-	-	121,245	121,245	121,245	-	-	-	-
CPRFs - Fixed rate		-	-	2,501	7,540	11,319	10,041	(1,278)	-	-	-
Total		**-**	**-**	**2,501**	**128,785**	**132,564**	**131,286**	**(1,278)**	**-**	**-**	**-**
Total - marketable securities		**62,362**	**3,961,481**	**1,621,709**	**11,193,842**	**16,850,584**	**16,839,394**	**(11,190)**	**18,006,085**	**18,006,620**	**535**
Current							**5,645,552**			**6,241,767**	
Non-current							**11,193,842**			**11,764,853**	

All amounts in thousands of reais, unless otherwise stated

Cost plus accrued income and the market values of marketable securities are shown below:

		Maturity				Total at 6/30/2020			Total at 12/31/2019		
Consolidated	Note	Without defined maturity	From 1 to 3 months	From 6 to 12 months	Over 1 year	Curve value	Market value	Unrealized gain (loss)	Curve value	Market value	Unrealized gain (loss)
I - Available-for-sale securities		**68,572**	**3,961,481**	**1,619,208**	**11,089,776**	**16,748,752**	**16,739,037**	**(9,715)**	**18,037,287**	**18,038,422**	**1,135**
Own portfolio											
Financial Treasury Bills (LFTs)		-	953,824	97,467	3,235,421	4,289,291	4,286,712	(2,579)	5,827,634	5,827,897	263
Bank Deposit Certificates (CDBs)		-	-	-	350	350	350	-	1,251	1,251	-
Funds		68,572	-	-	-	68,572	68,572	-	74,229	74,229	-
Financial Bills (LFs)		-	56,626	414,247	617,541	1,090,673	1,088,414	(2,259)	1,165,889	1,166,003	114
Total		**68,572**	**1,010,450**	**511,714**	**3,853,312**	**5,448,886**	**5,444,048**	**(4,838)**	**7,069,003**	**7,069,380**	**377**
Subject to repurchase agreements											
Financial Treasury Bills (LFTs)		-	1,705,544	-	2,132,201	3,839,487	3,837,745	(1,742)	3,952,246	3,952,540	294
Total		**-**	**1,705,544**	**-**	**2,132,201**	**3,839,487**	**3,837,745**	**(1,742)**	**3,952,246**	**3,952,540**	**294**
Linked to the Brazilian Central Bank											
Financial Treasury Bills (LFTs)		-	-	-	122,636	122,733	122,636	(97)	-	-	-
Total		**-**	**-**	**-**	**122,636**	**122,733**	**122,636**	**(97)**	**-**	**-**	**-**
Portfolio supported by guarantees											
Financial Bills (LFs)		-	-	113,809	77,731	192,113	191,540	(573)	188,639	188,591	(48)
Financial Treasury Bills (LFTs)		-	1,245,487	993,685	4,903,896	7,145,533	7,143,068	(2,465)	6,827,399	6,827,911	512
Total		**-**	**1,245,487**	**1,107,494**	**4,981,627**	**7,337,646**	**7,334,608**	**(3,038)**	**7,016,038**	**7,016,502**	**464**
II - Trading securities		**11,947**	**-**	**-**	**-**	**12,144**	**11,947**	**(197)**	**16,137**	**15,537**	**(600)**
Own portfolio											
Rural Product Notes (CPRs)		11,914	-	-	-	12,111	11,914	(197)	10,225	9,625	(600)
Financial Treasury Bills (LFTs)		-	-	-	-	-	-	-	5,790	5,790	-
Total		**11,914**	**-**	**-**	**-**	**12,111**	**11,914**	**(197)**	**16,015**	**15,415**	**(600)**
Derivative financial instruments											
Futures - CPRs		4	-	-	-	4	4	-	5	5	-
Futures - Foreign Exchange		29	-	-	-	29	29	-	117	117	-
Total		**33**	**-**	**-**	**-**	**33**	**33**	**-**	**122**	**122**	**-**
III - Held-to-maturity securities		**-**	**-**	**2,501**	**128,785**	**132,564**	**131,286**	**(1,278)**	**-**	**-**	**-**
Own portfolio											
CPRFs - Floating rate		-	-	-	121,245	121,245	121,245	-	-	-	-
CPRFs - Fixed rate		-	-	2,501	7,540	11,319	10,041	(1,278)	-	-	-
Total		**-**	**-**	**2,501**	**128,785**	**132,564**	**131,286**	**(1,278)**	**-**	**-**	**-**
Total - marketable securities		**80,519**	**3,961,481**	**1,621,709**	**11,218,561**	**16,893,460**	**16,882,270**	**(11,190)**	**18,053,424**	**18,053,959**	**535**
Current							**5,663,709**			**6,287,195**	
Non-current							**11,218,561**			**11,766,764**	

All amounts in thousands of reais, unless otherwise stated

b. Breakdown of marketable securities

		Bank		Consolidated	
	Note	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Market value of available-for-sale securities		16,696,160	17,991,083	16,696,160	18,038,422
Market value of trading securities		11,914	15,415	11,914	15,415
Market value of held-to-maturity securities		131,287	-	131,287	-
Total		**16,839,361**	**18,006,498**	**16,839,361**	**18,053,837**

During the six-month period, there were no reclassifications of securities between the categories.

At June 30, 2020, Bancoob's securities linked to the provision of guarantees totaled R$ 7,334,608 (R$ 7,016,502 at December 31, 2019), mainly distributed as follows:

(a) R$ 3,610,699 (R$ 4,132,923 at 12/31/2019) as collateral for funding operations;
(b) R$ 3,664,606 (R$ 2,826,956 at 12/31/2019) as collateral for card operations.

c. Gains on marketable securities and derivatives

		Bank		Consolidated	
	Note	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Income from fixed-income securities		303,844	385,007	304,319	385,697
Income from investment funds		6,735	4,652	6,861	4,905
Positive adjustment of securities to market value		132	-	132	-
Income from short-term interbank investments	6 (b)	292,772	521,295	292,772	521,295
Gains (losses) on derivative transactions		(6,609)	374	(6,609)	374
Gains (losses) on marketable securities and derivatives		(6,135)	(1,328)	(6,169)	(1,398)
Total		**590,739**	**910,000**	**591,306**	**910,873**

Note 9 - Interbank onlendings and lending operations

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

		Bank and Consolidated	
	Note	6/30/2020	12/31/2019
Interbank onlendings		9,260,280	8,961,086
Loans and discounted notes		2,343,831	1,877,000
Financing		1,043,696	881,817
Rural and agribusiness financing		2,485,896	2,411,736
Real estate financing		120,693	72,618
Other receivables	22(a1)	4,000,981	4,357,757
Sub-total		**19,255,377**	**18,562,014**
(-) Provision for losses on interbank onlendings		(5,581)	(8,577)
(-) Provision for loan losses		(115,714)	(87,531)
(-) Provision for other receivables		(50,598)	(51,967)
Total		**19,083,484**	**18,413,938**
Current		11,924,714	12,087,986
Non-current		7,158,770	6,325,953

Statement of comprehensive income

June 30, 2020 and 2019

b. Portfolio by type and risk level

	Bank and Consolidated										
Lending operations	**AA**	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**6/30/2020**	**12/31/2019**
Interbank onlendings	8,492,590	505,206	241,314	21,076	94	-	-	-	-	9,260,280	8,961,086
Loans and discounted notes	788,504	1,051,554	286,556	138,390	54,246	7,888	2,260	2,108	12,326	2,343,832	1,877,000
Financing	28,445	396,586	234,195	269,254	50,400	39,757	9,178	7,027	8,855	1,043,697	881,817
Rural and agribusiness financing	12,355	1,892,083	353,777	149,894	47,501	26,516	2,885	407	477	2,485,895	2,411,736
Real estate financing	9,723	82,227	18,360	6,029	3,970	383	-	-	-	120,692	72,618
Total	**9,331,617**	**3,927,656**	**1,134,202**	**584,643**	**156,211**	**74,544**	**14,323**	**9,542**	**21,658**	**15,254,397**	**14,204,257**
Other receivables	6,515	2,646,583	840,824	366,838	125,611	12,242	1,013	478	877	4,000,981	4,357,757
Grand total	**9,338,132**	**6,574,239**	**1,975,026**	**951,481**	**281,822**	**86,786**	**15,336**	**10,020**	**22,535**	**19,255,377**	**18,562,014**
Provision for loan losses	-	32,772	19,645	28,243	28,048	25,987	7,668	6,995	22,535	171,893	148,075
Total provisions at 6/30/2020, net	**9,338,132**	**6,541,467**	**1,955,381**	**923,238**	**253,774**	**60,799**	**7,668**	**3,025**	**-**	**19,083,484**	-
Total provisions at 12/31/2019, net	**8,583,346**	**6,950,548**	**1,654,894**	**944,229**	**232,366**	**43,605**	**3,522**	**1,429**	**-**	**-**	**18,413,939**

c. Provision for loan losses by type

Lending operations	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**6/30/2020**	**12/31/2019**
Interbank onlendings	2,527	2,413	632	9	-	-	-	-	5,581	8,578
Loans and discounted notes	5,258	2,865	4,152	5,425	2,366	1,130	1,475	12,326	34,997	33,464
Financing	1,883	2,237	7,776	4,906	11,879	4,589	4,901	8,855	47,026	27,805
Rural and agribusiness financing	9,460	3,538	4,497	4,750	7,955	1,443	285	477	32,405	25,666
Real estate financing	411	184	181	397	115	-	-	-	1,287	596
Total	**19,539**	**11,237**	**17,238**	**15,487**	**22,315**	**7,162**	**6,660**	**21,658**	**121,295**	**96,109**
Other receivables	13,233	8,408	11,005	12,561	3,673	506	334	877	50,598	51,967
Grand total	**32,772**	**19,645**	**28,243**	**28,048**	**25,988**	**7,668**	**6,994**	**22,535**	**171,893**	**148,075**

d. Portfolio by maturity range and risk level

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

	Bank and Consolidated										
	AA	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**6/30/2020**	**12/31/2019**
01 to 30 days	434,757	250,951	91,905	49,993	21,019	3,316	367	261	423	852,992	677,968
31 to 60 days	595,808	197,819	68,785	28,290	9,533	1,255	192	153	182	902,017	603,465
61 to 90 days	630,668	283,646	97,542	39,061	12,075	1,584	248	141	263	1,065,228	872,913
91 to 180 days	1,423,245	924,494	305,571	130,323	41,128	6,190	822	499	994	2,833,266	3,509,176
181 to 360 days	3,019,919	2,108,934	715,030	319,867	106,136	17,476	1,952	1,165	1,538	6,292,017	6,430,806
Over 360 days	3,233,722	2,795,296	666,425	352,987	74,979	50,836	6,970	3,992	9,938	7,195,146	6,343,446
Total	**9,338,119**	**6,561,140**	**1,945,258**	**920,521**	**264,870**	**80,657**	**10,551**	**6,211**	**13,338**	**19,140,666**	**18,437,774**

d1. interbank onlendings, lending operations, and other non-performing receivables with loan characteristics

Bank and Consolidated

Past-due installments	AA	A	B	C	D	E	F	G	H	6/30/2020	12/31/2019
01 to 30 days	13	5,814	17,079	9,266	4,625	689	197	163	288	38,134	47,534
31 to 60 days	-	-	142	7,568	1,589	289	121	100	227	10,036	13,713
61 to 90 days	-	-	-	103	3,383	165	135	75	229	4,090	4,545
91 to 180 days	-	-	-	64	141	211	325	259	737	1,737	1,446
181 to 360 days	-	-	-	-	-	54	97	112	1,309	1,572	1,196
Over 360 days	-	-	-	-	-	-	-	-	126	126	139
Total	**13**	**5,814**	**17,221**	**17,001**	**9,738**	**1,408**	**875**	**709**	**2,916**	**55,695**	**68,573**
Falling due installments											
01 to 30 days	-	178	396	394	211	137	114	90	240	1,760	1,658
31 to 60 days	-	121	271	328	186	112	106	82	224	1,430	1,335
61 to 90 days	-	124	275	327	197	122	109	83	221	1,458	1,488
91 to 180 days	-	388	820	943	556	360	320	249	696	4,331	4,091
181 to 360 days	-	784	1,597	1,936	1,157	724	672	505	1,207	8,581	8,236
Over 360 days	-	5,690	9,188	10,032	4,907	3,267	2,588	2,091	3,693	41,456	38,859
Total	**-**	**7,285**	**12,547**	**13,960**	**7,214**	**4,722**	**3,909**	**3,100**	**6,281**	**59,016**	**55,667**
Total	**13**	**13,099**	**29,768**	**30,961**	**16,952**	**6,131**	**4,784**	**3,809**	**9,197**	**114,711**	**124,240**

e. Portfolio by industry and maturity

Bank and Consolidated

	Past-due	Not yet due						Total	Total
		3 months or less	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Over 15 years	6/30/2020	12/31/2019
Rural	-	94,063	365,946	769,622	595,521	660,744	-	2,485,896	2,411,736
Financial intermediaries	-	1,741,872	4,323,043	2,319,232	549,324	326,809	-	9,260,280	8,961,087
Individuals	27,369	682,414	2,912,880	553,277	281,422	144,557	46,232	4,648,151	2,579,148
Other services	11,502	323,357	1,536,330	660,095	294,107	33,585	2,074	2,861,050	4,610,043
Housing	-	-	-	-	-	-	-	-	-
Total	**38,871**	**2,841,706**	**9,138,199**	**4,302,226**	**1,720,374**	**1,165,695**	**48,306**	**19,255,377**	**18,562,014**

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

f1. Concentration of interbank onlendings

Bank and Consolidated

	6/30/2020	%	12/31/2019	%
10 largest debtors	3,051,092	32.95	2,964,826	37.76
50 next largest debtors	4,057,894	43.81	3,808,981	39.51
100 next largest debtors	2,025,668	21.87	2,046,135	21.15
Other	125,626	1.37	141,144	1.58
Total	**9,260,280**	**100.00**	**8,961,086**	**100.00**

f2. Concentration of lending operations

	Bank and Consolidated			
	6/30/2020	%	12/31/2019	%
10 largest debtors	545,960	9.39	492,301	9.39
50 next largest debtors	518,200	6.09	319,318	6.09
100 next largest debtors	312,238	4.20	220,063	4.20
Other	4,617,718	80.32	4,211,489	80.32
Total	**5,994,116**	**100.00**	**5,243.171**	**100.00**

f3. Concentration of operations - other receivables with loan characteristics

	Bank and Consolidated			
	6/30/2020	%	12/31/2019	%
10 largest debtors	5,581	0.14	5,533	0.13
50 next largest debtors	12,710	0.32	12,661	0.29
100 next largest debtors	14,592	0.36	15,081	0.35
Other	3,968,098	99.18	4,324,482	99.23
Total	**4,000,981**	**100.00**	**4,357,757**	**100.00**

g. Changes in the provision for loan losses

g1. Provision for loan losses - interbank onlendings and lending operations

	Bank and Consolidated	
	6/30/2020	12/31/2019
Balance at the beginning of the period	96,109	78,387
Constitution (reversal) of provision for loan losses - interbank onlendings	(2,997)	1,215
Constitution (reversal) of provision for loan losses - lending operations	34,590	21,986
Lending operations written off as losses	(6,407)	(5,479)
Balance at the end of the period	**121,295**	**96,108**

The contracts renegotiated in the first six-month period of 2020 totaled R$ 126.8 (R$ 20.7 at 12/31/2019) and related to non-performing payroll-deductible loans, rural credit facilities, and lending operations.

In the first six-month period of 2020, loans written off as losses totaling R$ 974 (R$ 5,479 at 12/31/2019) were recovered.

g2. Provision for loan losses - Other receivables with loan characteristics

	Bank and Consolidated	
	6/30/2020	12/31/2019
Balance at the beginning of the period	51,967	35,689
Constitution (reversal) of provision for loan losses	(1,369)	16,278
Balance at the end of the period	**50,598**	**51,967**

h. Income from interbank onlendings and lending operations

	Bank and Consolidated	
	6/30/2020	6/30/2019
Income from interbank onlendings	294,296	306,067
Loans and discounted notes	131,065	121,255
Financing	30,367	36,297
Rural and agro-industrial financing	74,342	65,031
Income from housing financing	3,693	1,449
Sub-total	**533,763**	**530,099**
Receivables written-off as losses recovered	974	1,184
Balance at the end of the six-month period	**534,737**	**531,283**

Note 10 - Tax credits, income tax and social contribution on net income

a. Tax credits

	6/30/2020				12/31/2019			
	Bank		Consolidated		Bank		Consolidated	
Breakdown	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution
Provision for loan losses	177,579	177,579	177,579	177,579	154,524	154,524	154,524	154,524
Civil and labor contingencies	14,503	14,503	14,503	14,503	13,815	13,815	13,815	13,815
Adjustment to market value - securities	9,830	9,830	9,830	9,830	815	815	815	815
Profit sharing	5,063	5,063	5,158	5,158	12,733	12,733	13,008	13,008
Commission - SIPAG Acceleration Program	3,021	3,021	3,021	3,021	2,759	2,759	2,759	2,759
Government Severance Indemnity Fund for Employees (FGTS) - 50% - Executive Board	1,460	1,460	1,912	1,912	1,551	1,551	1,966	1,966
National sales campaign	20,518	20,518	20,518	20,518	20,943	20,943	20,943	20,943
Incentive Program - Credit	140,024	140,024	140,024	140,024	59,813	59,813	59,813	59,813
Card bonus	133,454	133,454	133,454	133,454	127,791	127,791	127,791	127,791
Legal fees	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518
Other provisions	13,842	13,842	14,005	14,005	6,681	6,681	6,730	6,730
Amount	**520,812**	**520,812**	**521,522**	**521,522**	**402,943**	**402,943**	**403,682**	**403,682**
Tax rates	25%	20%	25%	20%/15%	25%	15%	25%	15%
Tax credits recognized	**130,203**	**104,162**	**130,381**	**104,269**	**100,736**	**60,441**	**100,921**	**60,552**

b. Changes in balances

	6/30/2020				12/31/2019			
	Bank		Consolidated		Bank		Consolidated	
	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution
At December 31								
Deferred tax assets	100,736	60,441	100,921	60,552	63,569	38,141	63,731	38,271
Deferred tax liabilities	(284)	(170)	(284)	(170)	(566)	(340)	(566)	(340)
Sub-total	**100,452**	**60,271**	**100,637**	**60,382**	**63,003**	**37,801**	**63,165**	**37,931**
Adjustment to profit (loss)	**27,038**	**41,778**	**27,031**	**41,773**	**37,074**	**22,244**	**37,097**	**22,225**
Tax credits recognized	102,269	93,964	102,333	94,002	357,835	214,701	357,952	214,771
Tax credits derecognized	(75,231)	(52,186)	(75,302)	(52,229)	(320,668)	(192,401)	(320,762)	(192,490)
Changes in deferred taxes	-	-	-	-	(93)	(56)	(93)	(56)
Adjustment to equity (securities)	**2,713**	**2,113**	**2,713**	**2,113**	**375**	**226**	**375**	**226**
Tax credits recognized	10,482	8,064	10,482	8,064	-	-	-	-
Tax credits derecognized	(8,053)	(6,121)	(8,053)	(6,121)	-	-	-	-
Changes in deferred taxes	284	170	284	170	375	226	375	226
Changes	**29,751**	**43,891**	**29,744**	**43,887**	**37,449**	**22,470**	**37,472**	**22,451**
At December 31								
Deferred tax assets	130,203	104,162	130,381	104,269	100,736	60,441	100,921	60,552
Deferred tax liabilities	-	-	-	-	(284)	(170)	(284)	(170)
	130,203	**104,162**	**130,381**	**104,269**	**100,452**	**60,271**	**100,637**	**60,382**

Statement of comprehensive income

June 30, 2020 and 2019

Expected realization of tax credits

Based on a study conducted by Management, which considered the expected generation of future taxable profit, the tax credits will be realized within 10 years, as follows:

	6/30/2020			
	Bank		Consolidated	
Years	Nominal amount	Present value	Nominal amount	Present value
2020	133,794	133,467	133,860	133,532
2021	22,987	22,263	23,206	22,285
2022	9,270	8,551	9,270	8,551
2023	11,531	10,034	11,531	10,034
2024	14,845	12,186	14,845	12,186
2025 to 2039	41,938	32,478	41,938	32,478
Total tax credits	**234,365**	**218,979**	**234,650**	**219,066**

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

c. Income tax and social contribution on net income

The expense calculated by applying the combined statutory income tax and social contribution rates to profit before tax was adjusted and is reconciled to the expense charged to the statement of income as follows:

	Bank					Consolidated			
	6/30/2020			6/30/2019		6/30/2020		6/30/2019	
		Social contribution							
Breakdown	Income tax	*Up to February*	*From March**	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution
Profit before taxation and profit sharing	101,905	40,325	61,580	125,545	125,545	109,536	109,536	134,799	134,799
Equity in the results of subsidiaries	(33,885)	(6,165)	(27,720)	(24,437)	(24,437)	(24,161)	(24,161)	(14,094)	(14,094)
Employee profit sharing	(4,941)	(1,481)	(3,460)	(5,319)	(5,319)	(6,470)	(6,470)	(6,137)	(6,137)
Tax base	**63,079**	**32,679**	**30,400**	**95,789**	**95,789**	**80,164**	**80,164**	**114,568**	**114,568**
Tax rate	25%	15%	20%	25%	15%	25%	20%/15%	25%	15%/9%
	15,770	**4,902**	**60,080**	**23,947**	**14,368**	**20,042**	**13,219**	**28,642**	**16,626**
Tax effects on permanent differences									
Provision for loan losses	5,826	958	3,384	8,202	4,920	5,826	4,342	8,202	4,921
Provision for contingent liabilities	172	28	100	(422)	(253)	199	138	(415)	(250)
Other provisions	21,244	2,716	13,372	6,546	3,928	21,095	16,107	6,867	4,080
	27,242	**3,702**	**16,856**	**14,326**	**8,595**	**27,120**	**20,587**	**14,654**	**8,751**
Tax effect on permanent differences	587	79	351	411	238	677	484	624	386
Workers' Meal Program (PAT)	(1,047)	-	-	(409)	-	(1,149)	-	(518)	-
Extension of parenthood leave	(105)	-	-	(151)	-	(105)	-	(160)	-
Tax losses to offset	-	-	-	-	-	-	-	(1)	(1)
	(1,152)	**-**	**-**	**(560)**	**-**	**(1,254)**	**-**	**(679)**	**(1)**
Income tax and social contribution - current	**42,447**	**8,683**	**23,287**	**38,124**	**23,201**	**46,585**	**34,290**	**43,241**	**25,762**
Income tax and social contribution - prior years	**-**	**-**	**-**	**-**	**-**	**2**	**1**	**41**	**-**
Total	**42,447**	**8,683**	**23,287**	**38,124**	**23,201**	**46,587**	**34,291**	**43,282**	**25,762**

** From March 2020, the social contribution tax rate was changed to 20%, pursuant to the provisions of Article 32 of Constitutional Amendment 103/2019.*

All amounts in thousands of reais, unless otherwise stated

Note 11 - Equity interests in associates and subsidiaries

In the parent company financial statements, investments in subsidiaries are accounted for under the equity method and recorded within "Equity interests in associates and subsidiaries". Adjustments arising from equity accounting were recorded within "Equity in the results of associates and subsidiaries". In the consolidated financial statements, investments in subsidiaries, except for jointly-controlled subsidiaries, are eliminated.

Description	Reporting date	Paid-up share capital	Adjusted equity	Profit for the year	Ownership %	Number of shares	Equity in the results		Goodwill on investments		Bank		Consolidated	
							Year							
							6/30/2020	6/30/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Bancoob Distribuidora de Títulos e Valores Mobiliários Ltda. (a)	6/30/2020	2,170	4,636	2,032	99.9994	2,000,000	2,032	1,716	-	-	4,636	6,262	-	-
Cabal Brasil Ltda. (b)	6/30/2020	41,070	52,955	4,446	80	41,069,859	3,557	2,712	2,354	3,644	44,718	42,451	2,354	3,644
Ponta Administradora de Consórcios Ltda.(c)	6/30/2020	6,191	68,722	4,139	99.99	6,191,000	4,138	5,866	-	-	68,715	64,576	-	-
Bancoob Participações em Seguridade S.A. (d)	6/30/2020	20,000	55,260	24,158	100	20,000,000	24,158	14,143	-	-	55,260	51,102	54,596	50,435
Total							**33,885**	**24,437**	**2,354**	**3,644**	**173,329**	**164,391**	**56,950**	**54,079**

(a) Administrator and manager of investment funds, with managed assets amounting to R$ 32,387,510 at June 30, 2020 (R$ 25,981,456 at December 31, 2019).
(b) Operator of MasterCard, Visa and Cabal credit cards within Sicoob.
(c) Administrator of consortium groups for the sale of light and heavy-duty vehicles, properties and services, with over 173,749 active participants and a managed portfolio of R$ 12.19 billion.
(d) Bancoob Participações em Seguridade S.A - Bancoob PAR Seguridade, which holds an equity interest in Sicoob Seguradora de Vida e Previdência S.A.

Note 12 - Property and equipment

	Bank						Consolidated
	Land	Buildings and improvements	Machinery and equipment	IT equipment	Other	Total	Total
At June 30, 2019	**3,010**	**53,454**	**4,498**	**11,727**	**537**	**73,226**	**85,687**
Acquisitions	-	-	1,076	394	74	1,544	3,039
Disposals	-	-	-	-	-	-	(40)
Depreciation	-	(1,637)	(345)	(1,779)	(68)	(3,829)	(5,725)
At December 31, 2019	**3,010**	**51,817**	**5,229**	**10,342**	**543**	**70,941**	**82,961**
Total cost	3,010	72,582	10,561	22,831	1,018	110,002	134,924
Accumulated depreciation	-	(20,765)	(5,332)	(12,489)	(475)	(39,061)	(51,963)
Net book value	**3,010**	**51,817**	**5,229**	**10,342**	**543**	**70,941**	**82,961**
At December 31, 2019	**3,010**	**51,817**	**5,229**	**10,342**	**543**	**70,941**	**82,961**
Acquisitions	-	-	767	708	35	1,510	1,642
Disposals	-	-	(7)	(2)	(8)	(17)	(17)
Depreciation	-	(1,638)	(393)	(1,816)	(71)	(3,917)	(5,841)
At June 30, 2020	**3,010**	**50,179**	**5,596**	**9,233**	**499**	**68,517**	**78,745**
Total cost	3,010	72,582	11,198	22,711	1,037	110,538	135,593
Accumulated depreciation	-	(22,402)	(5,603)	(13,478)	(539)	(42,021)	(56,848)
Net book value	**3,010**	**50,180**	**5,596**	**9,233**	**498**	**68,517**	**78,745**
Annual depreciation rates - %	**-**	**4.70%**	**10%**	**20%**	**10%**		

All amounts in thousands of reais, unless otherwise stated

Note 13 - Intangible assets

	Bank	Consolidated
At June 30, 2019	**1,900**	**8,078**
Acquisitions	131	2,146
Depreciation	(331)	(1,581)
At December 31, 2019	**1,700**	**8,641**
Total cost	9,544	26,935
Accumulated depreciation	(7,844)	(18,292)
Net book value	**1,700**	**8,643**
At December 31, 2019	**1,700**	**8,643**
Acquisitions	470	1,818
Depreciation	(346)	(1,742)
At June 30, 2020	**1,824**	**8,718**
Total cost	10,014	28,752
Accumulated depreciation	(8,190)	(20,034)
Net book value	**1,824**	**8,718**
Annual depreciation rates - %	**20%**	**20%**

Note 14 - Deposits

a. Balances

	Bank								Consolidated	
	6/30/2020							12/31/2019	6/30/2020	12/31/2019
Deposits	Without defined maturity	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total	Total	Total	Total
Demand deposits	62,065	-	-	-	-	-	62,065	52,354	61,393	51,376
Savings deposits	7,660,917	-	-	-	-	-	7,660,917	6,507,726	7,660,917	6,507,726
Interbank deposits	-	4,284,542	7,517,449	3,847,773	18,932,577	3,176,900	37,759,241	26,068,210	37,759,241	26,068,210
Rural interbank deposits	-	1,993,780	388,853	1,377,870	10,121	353,736	4,124,360	4,605,915	4,124,360	4,605,915
Time deposits	-	982	482	10,770	72,495	623,833	708,562	648,019	541,589	503,803
Total	**7,722,982**	**6,279,304**	**7,906,784**	**5,236,413**	**19,015,193**	**4,154,469**	**50,315,145**	**37,882,224**	**50,147,500**	**37,737,030**
Current							**46,160,676**	**34,724,751**	**46,154,063**	**34,718,334**
Non-current							**4,154,469**	**3,157,473**	**3,993,437**	**3,018,695**

b. Expenses with money market funding

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Savings deposits	90,786	113,995	90,786	113,995
Interbank deposits	595,782	916,796	595,782	916,796
Time deposits	11,556	18,688	8,897	14,815
Money market funding	57,584	87,434	57,584	87,434
Other funding expenses	6,862	10,801	6,862	10,801
Total	**762,570**	**1,147,714**	**759,911**	**1,143,841**

Note 15 - Repurchase agreement obligations

Maturity

	Bank and Consolidated						
	6/30/2020						12/31/2019
	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total	Total
Own portfolio	2,159,324	1,673,398	-	-	-	3,832,722	3,940,599
Total	**2,159,324**	**1,673,398**	**-**	**-**	**-**	**3,832,722**	**3,940,599**
Current						**3,832,722**	**3,940,599**
Non-current						**-**	**-**

Nota 16 - Funds from acceptance of bills of exchange, real estate and mortgage notes, debentures and the like

	Bank and Consolidated						
	6/30/2020						12/31/2019
	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total	Total
Agribusiness Credit Notes (LCAs) - floating rate	2,843	5,372	7,041	13,002	23,621	51,879	111,639
LFG-LTEL	-	-	-	10,019	-	10,019	-
Total	**2,843**	**5,372**	**7,041**	**23,021**	**23,621**	**61,898**	**111,639**
Current						**38,277**	**79,748**
Non-current						**23,621**	**31,891**

Note 17 - Borrowings and onlendings

a. Balances

Onlendings in Brazil are represented mainly by funds obtained from the National Bank for Economic and Social Development ("BNDES")/Government Agency for Machinery and Equipment Financing ("FINAME"), the National Treasury, Banco do Brasil, and the Coffee Economy Defense Fund (Funcafé), with maturities up to 2038 and bearing finance charges of up to 11.18 % per year.

	Bank and Consolidated								
	6/30/2020								12/31/2019
	Without defined maturity	3 months or less	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Over 15 years	Total	Total
BNDES	-	69,338	286,888	639,776	476,192	609,508	89	2,081,791	1,925,661
Banco do Brasil/ FCO	-	2,425	7,652	10,478	2,255	566	-	23,376	27,002
FINAME	-	49,920	153,232	322,170	192,392	105,303	-	823,017	811,108
Funcafé	-	11,117	118,060	99,630	-	-	-	228,807	326,007
Total	**-**	**132,800**	**565,832**	**1,072,054**	**670,839**	**715,377**	**89**	**3,156,991**	**3,089,778**
Current								**698,632**	**817,840**
Non-current								**2,458,359**	**2,271,938**

b. Expenses

	Bank and Consolidated	
	6/30/2020	6/30/2019
BNDES	33,680	33,006
FINAME	19,187	17,445
Banco do Brasil/ FCO	536	785
Other institutions - Funcafé	4,742	5,961
Total	**58,145**	**57,197**

Note 18 - Derivative financial instruments

	Bank and Consolidated		
	6/30/2020		12/31/2019
	Without defined maturity	Total	Total
Futures - CPRs	99	99	82
Futures - Foreign Exchange	19	19	4
Total	**118**	**118**	**86**
Current	**118**	**118**	**86**
Non-current	**-**	**-**	**-**

Note 19 - Provisions

a. Provision for contingencies

Tax-related lawsuits and administrative proceedings to which Bancoob is a party are classified by internal and external legal consultants, who take into consideration the nature and specifics of each lawsuit, as well as the case law from higher courts.

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

A provision is recognized only when: (a) Bancoob has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount of the obligation can be estimated reliably. In the event any of the above conditions is not met, the provision is not recognized.

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

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

Legal obligations classified as involving risk of probable losses

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

Provisions recorded

Balances

	Bank				Consolidated			
	6/30/2020		12/31/2019		6/30/2020		12/31/2019	
	Deposits in court	Provisions	Deposits in court	Provisions	Deposits in court	Provisions	Deposits in court	Provisions
Tax	4,464	-	3,507	-	4,601	2	3,507	2
Labor	1,159	3,134	1,036	2,614	1,159	3,252	1,036	2,733
Civil	8,842	11,369	8,871	11,201	8,842	11,638	8,964	11,359
Total	**14,465**	**14,503**	**13,414**	**13,815**	**14,602**	**14,892**	**13,507**	**14,094**

Changes in the provisions for lawsuits

	Bank				Consolidated	
	6/30/2020			12/31/2019	6/30/2020	12/31/2019
	Labor	Civil	Total	Total	Total	Total
At December 31	**2,614**	**11,201**	**13,815**	**13,085**	**14,094**	**13,355**
Additions in the six-month period	566	597	1,163	1,391	1,281	1,449
Used in the six-month period	(3)	(151)	(154)	(373)	(155)	(422)
Reversals in the six-month period	(43)	(278)	(321)	(288)	(328)	(288)
At June 30	**3,134**	**11,369**	**14,503**	**13,815**	**14,892**	**14,094**

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

Nature of lawsuits classified as involving probable losses

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

Schedule of expected cash outflows

Due to the nature of the existing contingencies and the complexity of Brazil's legal environment, there are uncertainties that do not allow for a reasonable definition of the schedule for the future settlement of the lawsuits.

Contingencies classified as involving risk of possible losses

The lawsuits classified as possible losses are not recognized, and are only disclosed when the amount is significant. The following contingencies are classified as possible losses: (i) civil lawsuits disputing Bancoob's joint liability for deposits made in credit unions; (ii) civil lawsuit disputing Bancoob's liability for the payment of damages due to an error made by a credit union; (iii) civil lawsuits disputing alleged property damages and pain and suffering caused by Bancoob's products; (iv) labor lawsuits; (v) tax and social security administrative proceedings (Accident Prevention Factor (FAP), Scholarships and Social Integration Program (PIS)); (vi) action filed by the Bank for annulment of a tax assessment notice. The tax assessment notice the Bank intends to annul through the aforementioned action for annulment refers to the amount deducted by BANCOOB from the tax base in 2018. The deduction arose from the compensatory nature of the amount paid by Bancoob, as decided at an Extraordinary General Meeting, due to a flaw in services provided under the Bank's responsibility.

b1. Contingent liabilities classified as involving risk of possible losses

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Labor	19,798	17,012	20,029	17,219
Tax/social security	175,064	160,912	173,090	160,912
Civil	173,961	153,663	193,374	160,735
Total	**368,823**	**331,587**	**386,493**	**338,866**

b. Provisions for guarantees

	Bank and Consolidated	
	6/30/2020	12/31/2019
Balance at the beginning of the period	250	328
Constitution (reversal) during the six-month period	(164)	(78)
Total	86	250

Provisions are recorded for guarantees provided, subject to the same criteria established by Resolution 2,682/99. In the first six-month period of 2020, R$164 was reversed from the provisions (reversal of R$78 at 12/31/2019).

Note 20 - Equity

a. Share capital

Share capital is represented by 1,003,744,529 shares (943,870,276 at 12/31/2019), of which 504,626,590 are common shares (474,525,166 at 12/31/2019) and 499,117,939 preferred shares (469,345,110 at 12/31/2019), all of which with no par value.

b. Capital reserve

The balance of R$ 51 (R$ 51 in 2019) relates to a gain on sale of treasury shares.

c. Revenue reserve

In accordance with its bylaws, Bancoob transferred 5% of adjusted profit for the period to the revenue reserve, which totaled R$ 4,568 (R$ 6,398 at 12/31/2019).

The amount of R$ 82,454 (R$ 172,831 at 12/31/2019) was transferred to "Revenue reserve - Other", to be allocated as decided at the next general meeting. The Bank also recorded mandatory dividends, totaling R$4,340, which will be distributed when authorized.

d. Dividends

Bancoob's shareholders are entitled to mandatory minimum dividends corresponding to 5% of adjusted profit for the year. Bancoob approved the distribution of dividends totaling R$ 4,340, equivalent to R$ 4.32 per thousand shares (R$ 6,078, equivalent to R$ 6.43 per thousand shares, at 12/31/2019).

e. Adjustment to market value

These are adjustments arising from the marking-to-market of available-for-sale securities, as required by BACEN Circular Letter 3,068/01, net of tax effects. (Note 9(a)).

Note 21 - Operational limits - Basel Accord

The net assets of Bancoob's Prudential Conglomerate are consistent with the level of risk posed by its asset framework. The Basel ratio for the first six-month period of 2020 was 16.35% (16.61% at 12/31/2019).

Note 22 - Other items in the financial statements

a. Other assets

a1. Payment transactions

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Payment transactions - Acquiring services	2,572,517	3,439,504	2,606,752	3,478,820
Receivables from payment transactions - Card	4,000,981	4,357,757	4,000,981	4,357,757
Total	**6,573,498**	**7,797,261**	**6,607,733**	**7,896,577**
Current	**4,688,783**	**5,244,070**	**4,723,018**	**5,283,386**
Non-current	**1,884,715**	**2,553,191**	**1,884,715**	**2,553,191**

a2. Foreign exchange portfolio

	Bank and Consolidated	
	6/30/2020	12/31/2019
Foreign currency purchased	-	8,060
Total	**-**	**8,060**
Current	**-**	**8,060**
Non-current	**-**	**-**

a3. Other

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Checks and other documents remitted	562,360	297	562,360	297
Receipt of documents sent to other participants of the systems	469,329	-	469,329	-
Taxes and contributions to offset	61,074	100,021	68,883	115,278
Payments to be reimbursed	58,398	111,714	61,054	111,714
Notes and credits receivable	29,584	22,307	29,480	23,362
Sundry debtors - Brazil	68,366	52,994	68,845	53,448
Prepaid expenses	69,200	64,266	73,157	65,855
Other	23,867	25,684	25,727	26,576
Total	**1,342,178**	**377,283**	**1,358,835**	**396,530**
Current	**1,258,971**	**314,280**	**1,275,073**	**332,991**
Non-current	**83,207**	**63,003**	**83,762**	**63,539**

a4. Provision for other assets

	Bank and Consolidated	
	6/30/2020	12/31/2019
Provision for receivables from payment transactions	50,598	51,967
Provision for other loan losses	1,090	1,774
Total	**51,688**	**53,741**
Current	**50,577**	**51,945**
Non-current	**1,111**	**1,796**

Statement of comprehensive income
June 30, 2020 and 2019

b. Other liabilities

b1. Payment transactions

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Prepaid bill	-	-	20,928	20,606
Checks and other documents received	394,699	-	394,699	-
Receipts remitted	787,430	-	787,430	-
Payment transactions	3,407,898	3,589,860	3,407,918	3,589,886
Obligations related to payment transactions	1,956,627	2,417,074	2,006,741	2,469,402
Obligations related to payment arrangement services	1,357	1,029	1,357	1,029
Total	**6,548,011**	**6,007,963**	**6,619,073**	**6,089,923**
Current	**6,548,011**	**6,007,963**	**6,619,073**	**6,089,923**
Non-current	**-**	**-**	**-**	**-**

b2. Tax and social security obligations

		Bank		Consolidated	
	Note	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Provision for income tax		42,447	69,906	46,585	78,274
Provision for social contribution		31,970	44,318	34,290	48,732
Taxes and contributions on third-party services		2,637	4,215	2,886	4,758
Taxes and contributions on salaries		10,099	4,931	14,604	7,026
Other taxes		37,790	16,516	45,162	20,527
Total		**124,943**	**139,886**	**143,527**	**159,317**
Current		**124,414**	**139,357**	**142,998**	**158,788**
Non-current		**529**	**529**	**529**	**529**

b3. Foreign exchange portfolio

	Bank and Consolidated	
	6/30/2020	12/31/2019
Obligations related to foreign currency purchases	-	8,070
Total	**-**	**8,070**
Current	**-**	**8,070**
Non-current	-	-

b4. Other

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Interdepartmental accounts	70,029	21,560	70,029	21,560
Collection of taxes and similar charges	452,320	12,237	452,320	12,237
Obligations related to funds due to members of terminated consortium groups	-	-	15,456	9,595
Obligations related to official agreements	31,577	30,394	31,577	30,394
Personnel expenses	16,190	12,437	25,734	19,478
Administrative expenses	88,594	91,183	87,648	90,339
Other payments	270,053	204,819	270,841	205,664
Other	307,480	272,556	347,548	308,504
Total	**1,236,243**	**645,186**	**1,301,153**	**697,771**
Current	**1,234,763**	**643,635**	**1,299,221**	**696,219**
Non-current	**1,480**	**1,551**	**1,932**	**1,552**

c. Foreign exchange income (expenses)

	Bank and Consolidated	
	6/30/2020	12/31/2019
Foreign exchange income	7,649	1,343
Foreign exchange expenses	(29)	(390)
Total	**7,620**	**953**

d. Income from services rendered and banking fees

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Sicoob Agreement	4,129	8,463	4,129	8,463
Income from banking fees (a)	10,695	16,142	10,695	16,142
Income from fund services	1,488	920	1,488	920
Income from fund management services	-	-	6,749	5,880
Income from consortium management services	-	-	96,203	73,201
Income from credit card services (b)	260,133	241,326	265,281	244,838
Income from prepayments of obligations related to payment transactions	126,443	183,911	126,491	183,943
Income from collection services for public utility companies (c)	42,746	34,920	42,746	34,920
Income from banking fees	30	32	30	32
Income from acquiring services	1,953	1,137	1,953	1,137
Other income - sundry	25,050	39,664	37,924	51,402
Total	**472,667**	**526,515**	**593,689**	**620,878**

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

e. Other operating income

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Recovery of charges and expenses	3,217	4,970	3,217	4,970
Income from credit card operations (a)	47,391	29,752	48,148	29,973
Income from acquiring services	111,737	132,354	111,737	132,354
Other	751	756	3,316	3,265
Total	**163,096**	**167,832**	**166,418**	**170,562**

(a) Total income from credit card operations (Note 22d).

f. Personnel expenses

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Fees paid to officers and directors	5,144	4,194	7,551	6,560
Salaries (a)	35,756	32,653	53,910	46,836
Social charges (b)	16,209	14,274	23,742	20,117
Benefits (c)	11,083	9,796	21,109	16,986
Training programs	1,035	1,824	1,323	2,535
Interns' compensation	379	372	825	766
Total	**69,606**	**63,113**	**108,460**	**93,800**

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

g. Administrative expenses

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Water, electricity, gas, maintenance and upkeep	187	75	792	632
Communication	15,662	14,537	22,238	18,392
Materials	274	318	736	829
Data processing	22,461	28,439	17,493	27,810
Advertising and publicity	31,309	24,029	33,940	27,296
Financial system services	16,631	17,545	17,148	17,961
Outsourced services	14,714	14,710	90,776	19,792
Specialized technical services	10,279	9,628	8,621	7,295
Depreciation and amortization	4,263	4,011	7,583	7,009
Travel	1,148	2,882	1,219	3,025
Other administrative expenses	4,871	4,779	7,018	7,157
Total	**121,799**	**120,953**	**207,564**	**137,198**

h. Operating expenses

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Contingencies	868	978	1,107	999
Expenses related to payment transactions	252,284	247,547	221,764	247,547
Other operating expenses	366,028	324,767	365,937	347,326
Total	**619,180**	**573,292**	**588,808**	**595,872**

i. Non-operating income (expenses)

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Non-operating income	7,078	-	7,079	-
Non-operating expenses	18	29	18	31
Amortization of goodwill - Cabal Brasil Ltda.	1,289	983	1,289	983
Total	**5,771**	**(1,012)**	**5,772**	**(1,014)**

Note 23 - Related-party transactions

a. Sicoob System

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

The transactions carried out between Bancoob and the Sicoob system are shown below:

	Note	6/30/2020	12/31/2019
Assets		**10,229,043**	**9,586,724**
Lending operations and interbank onlendings		10,175,993	9,530,392
Receivables		4,055	4,337
Prepaid expenses - commission		48,995	51,995
Liabilities		**40,696,182**	**30,326,834**
Deposits		37,877,330	26,164,436
Repurchase agreements		2,045,285	3,155,650
Payables		773,567	1,006,748
		6/30/2020	6/30/2019
Revenues		**487,637**	**485,791**
Lending operations and interbank onlendings		319,467	319,222
Other income		168,170	166,569
Expenses		**921,469**	**1,220,408**
Funding		564,209	907,131
Other expenses		357,260	313,277

b. Subsidiaries

	Bancoob DTVM		Bancoob PAR		Cabal		Consórcio Ponta	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Assets	**8**	**27**	**-**	**-**	**123**	**107**	**96**	**111**
Receivables	8	27	-	-	123	107	96	111
Liabilities	**5,196**	**2,164**	**536**	**558**	**88,972**	**77,015**	**83,379**	**74,826**
Demand deposits	2	3	30	1	596	964	44	10
Time deposits	5,196	2,161	506	557	77,938	66,682	83,335	74,816
Payables	-	-			10,438	9,369	-	-
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Expenses	**121**	**142**	**9**	**79**	**49,471**	**37.44**	**1,341**	**2,176**
Funding expenses	121	142	9	79	1,189	1,475	1,341	2,176
Administrative expenses	-	-	-	-	48,282	35,968	-	-
Revenues	**-**	**-**	**-**	**-**	**7**	**7**	**833**	**508**
Sundry income	-	-	-	-	7	7	833	508

c. Key management remuneration

Key management personnel includes the directors and officers. At the General Shareholders' Meetings, which are held on an annual basis, the maximum aggregate compensation payable to the Board of Directors and Executive Board is established.

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

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Fees	4,275	3,529	5,949	5.034
Benefits	1,490	1,047	2,245	1,943
Charges	1,112	898	1,529	1,302
Total	**6,877**	**5,474**	**9,723**	**8,279**

Note 24 - Other information

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

As established by CMN Resolution 3,263/05, Bancoob has investments in financial institutions that allow it to offset payables against receivables held with these institutions. The amounts receivable and payable are presented in the balance sheet in the line items for the products under assets and liabilities, respectively.

The amounts subject to offsetting are summarized below:

	Bank					
	6/30/2020			12/31/2019		
Description	**Receivables**	**Payables**	**Net amount**	**Receivables**	**Payables**	**Net amount**
Time deposit/CDI	1,636,578	1,001,138	635,440	1,073,858	882,023	191,835
Total	**1,636,578**	**1,001,138**	**635,440**	**1,073,858**	**882,023**	**191,835**

b. Insurance

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

c. Guarantees provided

The guarantees provided through financial charges, relating to endorsements and sureties, totaled R$ 16,326 at June 30, 2020 (R$ 17,501 at 12/31/2019). In the first six-month period of 2020, R$ 164 was reversed from this provision (addition of R$120 at 6/30/2019).

d. Employee benefits

Private pension

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

At June 30, 2020, Sicoob Previ had 594 active participants (567 in 2019), whose contributions totaled R$ 1,969 (R$ 1,778 in 2019).

e. Profit sharing

Bancoob offers profit sharing to its employees, which is calculated in accordance with the Collective Labor Agreement. In the first six-month period of 2020, the amounts recorded in the provision for profit sharing totaled R$ 5,994 (R$ 5,256 at 12/31/2019) in the parent company, and R$ 7,642 (R$ 6,105 at 12/31/2019) in the consolidated.

f. Measures to cope with the effects of the COVID-19 pandemic

In the first half of 2020, the world economy was adversely impacted by the spread of the disease caused by the novel coronavirus SARS-CoV-2, COVID-19, which was elevated to a pandemic status by the World Health Organization (WHO) on March 11, 2020.

Measures were put in place by Sicoob, its individual and central credit unions, third-level institutions (Sicoob Confederation, Banco Cooperativo do Brasil - Bancoob) related companies and sponsored foundation to manage operations and provide support to their employees, credit union members and communities amidst the pandemic.

Bancoob is permanently monitoring potential impacts of the pandemic on its operations and results. In addition to the measures taken by regulatory and governmental entities to promote the safety of people and organizations, since March 13, 2020, Sicoob's Crisis Committee and Crisis Group have been set in motion to face the pandemic, by continuously monitoring its effects and impacts on operations, as well as providing the System's institutions with guidance on strategic, operational, prudential and business aspects.

Among the main actions taken, the following are to be highlighted:

- Creation of the Sicoob Crisis Committee and Crisis Group to handle this issue effectively, ensuring a uniform approach and timely dissemination of information to internal and external audiences;
- Assignment of priority to telework;
- Provision of ongoing guidance to employees, especially with regard to telework, how to carry out operations and serve the credit union members;
- Suspension of all travel;
- Replacement of in-person meetings with video conferences;
- Increased cleaning of spaces and areas.

- Maintenance of banking services which are essential for the population.
- Encouragement of the use of digital tools and channels for services over the Internet and cell phone.

Provision for credit risk losses

Bancoob is tracking the creditworthiness profile of clients affected by the pandemic, due to the economic slowdown and loss of their ability to honor their obligations, through continuous monitoring of its provisions.

Other identified/expected effects

The following governmental and regulatory measures taken at the level of the National Financial System, provided support for enterprises, mitigating the impacts of the pandemic:

- Deferral of payments of taxes, pursuant to Ordinance 139/2020 of the Ministry of Economy;
- Changes to the Tax on Financial Transactions (IOF) rate (Decree 10,414 reduced to zero the IOF rate for lending operations carried out between 4/3/2020 and 10/2/2020).
- The Emergency Employment Support Program (Pese) offers emergency financing to fund the payroll of small and medium-sized enterprises - CVM Resolution 4,800/2020;
- Granting of loans backed by financial bills collateralized by lending operations.

* * *

Board of Directors

Miguel Ferreira de Oliveira - Chairman
Rui Schneider da Silva - Vice Chairman
Aifa Naomi Uehara de Paula
Bento Venturim
Clidenor Gomes Filho
Felipe Magalhães Bastos
Geraldo Souza Ribeiro Filho
Henrique Castilhano Vilares
Hudson Tabajara Camilli
Ivan Capra
Ivo Azevedo de Brito
José Evaldo Campos
Luiz Antônio Ferreira de Araújo
Luiz Gonzaga Viana Lage
Marcelo Baiocchi Carneiro
Wilson Geraldo Cavina

Executive Board

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

Accountant

Primo João Cracco
CRC-SP 149.703/O-2

Summary of the Audit Committee Report

Introduction

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

Audit Committee Activities

6. In compliance with legal and regulatory requirements, the Audit Committee:
   a) held, in the first half of 2020, six regular meetings;
   b) acted independently in the performance of its duties, while always supported by information received from management, independent and internal auditors, and the officers responsible for risk management and internal control management, and also based on its own conclusions arising from direct observation;
   c) monitored the process of preparation of the financial statements; assessed the relevant aspects, comprehensiveness, compliance and clarity of the notes to the financial statements; examined the accounting practices adopted, the procedures used for the constitution of provisions, and the contents of the independent auditor's report on the parent company and consolidated financial statements;
   d) held meetings with the Executive Board, the Board of Directors, the Statutory Audit Board, and Risk Committee, suggesting improvements to the relevant function in situations where opportunities for improvement were identified;
   e) monitored and evaluated the work performed by the Internal Audit Function; the Independent Audit conducted by PwC; the management of credit, market, interest rate, liquidity, operational, socio-environmental, reputational, compliance, strategy and cyber security risks; Business Continuity Management (BCM); Prevention of Money Laundering and Terrorism Financing; Risk Appetite Statement (RAS); and the Stress Testing Program (STP); and

f) provided management with recommendations, which were included in the minutes of meetings, filed, and made available to all management bodies.

Internal control and risk management system

7. At meetings held with the responsible areas, and through the analysis of the information and documents requested and made available by Management, the Audit Committee evaluated aspects relating to the Group's internal control and risk management, and did not identify non-compliances with laws, regulations, and internal rules, which could put the organization at risk.
8. In the first six-month period of 2020, no errors or cases of fraud or non-compliance with statutory or regulatory provisions were reported through the communication channels made available to the employees. During this period, the Committee monitored the measures taken by management, and the verification of simulations, under stress scenarios, of impacts of the Covid-19 crisis on credit, liquidity and capital risks of Sicoob's institutions.
9. The Audit Committee considers that the internal control system and the risk management processes are appropriate to the size and complexity of the operations of Bancoob and companies comprising the Group. Furthermore, Management is continuously striving to improve the systems, processes and procedures.

Independent Audit

10. PwC, the contracted independent auditors, presented the results of their work and relevant accounting aspects at the Audit Committee's monthly meetings. No situations were identified that could affect the objectivity and independence of the audit work.
11. The Audit Committee considers satisfactory the work carried out by the Independent Audit function, which confirms the Committee's opinion on the integrity of the consolidated financial statements at June 30, 2020.

Internal Audit

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

Financial Statements

14. The analyses addressed the procedures adopted in the preparation of parent company and consolidated trial balances and balance sheets, notes to the financial statements, and financial reports disclosed together with the consolidated financial statements.
15. The Audit Committee concluded that the consolidated financial statements at June 30, 2020 were prepared in compliance with legal and regulatory standards, and in accordance with accounting practices adopted in Brazil, reflecting, in all material respects, the financial position of the Bancoob Group for the year then ended.

Brasília, August 6, 2020.

Rubens Rodrigues Filho
Coordinator

Marcos Vinícius Viana Borges

Rafael Alves Horta

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(A free translation of the original in Portuguese)

Banco Cooperativo do Brasil S.A. - Bancoob

Parent company and consolidated financial statements at June 30, 2020 and independent auditor's report

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Stockholders
Banco Cooperativo do Brasil S.A. - Bancoob

Opinion

We have audited the accompanying parent company financial statements of Banco Cooperativo do Brasil S.A. - Bancoob ("Institution"), which comprise the balance sheet as at June 30, 2020 and the statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the accompanying consolidated financial statements of Banco Cooperativo do Brasil S.A. - Bancoob and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at June 30, 2020 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

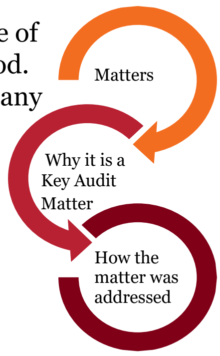
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco Cooperativo do Brasil S.A. - Bancoob and its subsidiaries as at June 30, 2020, and the Institution's financial performance and cash flows, as well as the consolidated financial performance and cash flows for the six-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Basis for opinion

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

Key Audit Matters

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



Why it is a key audit matter	How the matter was addressed in the audit
Provision for impairment of receivables (Notes 3(h), 9 and 24 (f))	
The provision for impairment of receivables involves judgment by management. The provision for impairment of receivables is recorded in accordance with the regulatory requirements of the National Monetary Council (CMN) and the Brazilian Central Bank (BACEN), especially CMN Resolution 2,682, and is based on the analyses of outstanding receivables. In addition, management has monitored the Covid-19 impacts that could affect the operations and results. Therefore, this area remained as an area of focus in our audit.	We carried out procedures to update our understanding, and tested the internal controls that are significant in the calculation and recognition of the provision for impairment of receivables, mainly including the following processes: (i) approval of the credit policy; (ii) credit analysis; (iii) granting of credit and renegotiated transactions; (iv) attribution of ratings considering the recoverable value risk of the operations; (v) processing and recording of the provisions; (vi) reconciliation of accounting balances with the analytical position; and (vii) preparation of the notes to the financial statements. We tested the completeness of the database used to calculate the provision for impairment of receivables, in addition to tests to verify the calculation methodology for this provision in relation to the ratings assigned, the assumptions adopted, as well as the comparison of the account balances with the analytical reports. We analyzed the procedures adopted by management to monitor the Covid-19 impacts that could affect the operations and results. We consider the criteria and assumptions adopted by management to determine and record the provision for impairment of receivables to be reasonable, in all material respects, in the context of the financial statements.
Provisions for contingent liabilities (Notes 3(q) and 19)	
Bancoob and its subsidiaries are parties to legal and administrative tax, labor, and civil proceedings arising from the normal course of their activities. In general, these proceedings are only definitively concluded after an extensive period and involve not only discussions on merits, but also complex procedural aspects, in accordance with applicable legislation.	Our audit procedures included, among others, updating our understanding and tests related to the identification and recording of contingent liabilities, and disclosures in the explanatory notes. We circularized the law firms responsible for the administrative and judicial proceedings to confirm the assessment of the risk of loss, any new events during the six-month period, the

Why it is a key audit matter	How the matter was addressed in the audit
The decision to recognize a contingent liability and the measurement bases requires the judgment of the Institution's management. This is periodically reassessed, including when preparing the financial statements, and upon occurrence of new events. We focused again on this area in our audit.	details and completeness of the information, and the amounts used for the provisions. We consider the criteria and assumptions that management adopted to determine and record the provisions for contingent liabilities to be reasonable, in all material respects, in the context of the financial statements.
Information technology environment Bancoob has a business environment that is highly dependent on technology, requiring a complex infrastructure to support the high volume of transactions processed in its several systems on a daily basis. The risks inherent to information technology, associated with the processes and controls that support the processing of the technology systems, considering the legacy systems and existing technology environments, could result in the incorrect processing of critical information, including that used in the preparation of the financial statements. For this reason, this remained an area of focus in our audit.	With the assistance of our system experts, we updated our evaluation of the design and tested the operating effectiveness of the internal controls related to the management of the information technology environment. The procedures carried out involved the combination of tests of controls over the key processes related to information security, development and maintenance of systems, and operation of computers related to the infrastructure that supports the Institution's business. Our tests indicated that the technology environment processes and controls provided a reasonable basis to determine the nature, timing and extent of our audit procedures in relation to the financial statements.

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

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

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

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

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

Management is responsible for the preparation and fair presentation of these parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements, taken 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 combined financial statements.

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

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud could involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Institution and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these 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.

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

Brasília, August 20, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

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