

(A free translation of the original in Portuguese)

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# ***Banco Cooperativo Sicoob S.A.***

***Parent company and consolidated  
financial statements at  
June 30, 2021  
and independent auditor's report***



(A free translation of the original in Portuguese)

## **Independent auditor's report**

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

### **Opinion**

We have audited the accompanying parent company financial statements of Banco Cooperativo Sicoob S.A. ("Institution" or "Banco Sicoob") which comprise the balance sheet as at June 30, 2021 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 Sicoob S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at June 30, 2021 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.

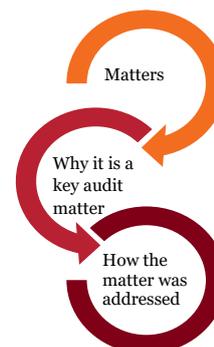
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco Cooperativo Sicoob S.A. and of Banco Cooperativo Sicoob S.A. and its subsidiaries as at June 30, 2021, and the Institution's financial performance and cash flows, as well 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 six-month period. These matters were addressed in our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Banco Cooperativo Sicoob S.A.

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**Why it is a Key Audit Matter**

**How the matter was addressed in the audit**

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**Provisions for expected losses from credit risks (Notes 3(h), 9 and 24 (f))**

The provisions for expected losses from credit risks rely on Management's judgment.

The provisions for expected losses from credit risks are recorded in accordance with the regulatory requirements of the National Monetary Council (CMN) and the Brazilian Central Bank (BACEN), especially CMN Resolution 2,682/1999, and are based on the analyses of outstanding receivables.

Management continues to monitor possible effects from COVID-19 that may affect the operations and results.

This matter remained as an area of focus in our audit.

We updated our understanding and tested the internal controls that are significant to the calculation and recording of the provisions for expected losses from credit risks, including the : (i) credit approval policy; (ii) credit analysis; (iii) granting of credit and renegotiated transactions; (iv) determination of ratings score for risk of non recoverability; (v) processing and recording provisions; (vi) reconciliation of account balances with the analytical position; and (vii) preparation of the notes to the financial statements.

We conducted tests to determine the completeness of the database used for the provisions for expected losses from credit risks. We tested the methodology used for the provisions reflecting their respective ratings, assumptions applied and comparison of the account balances with the analytical reports.

We obtained an understanding of the procedures adopted by Management to monitor the COVID-19 impacts that may affect the operations and results.

We consider that the criteria and assumptions adopted by Management to calculate and record the provisions for expected losses from credit risks to be reasonable, in all material respects, in the context of the financial statements taken as a whole.

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

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

These proceedings generally require a considerable length of time until a definitive resolution is reached involving complex procedural aspects, as per the relevant legislation.

Our audit procedures included, among others, updating our understanding of and testing the processes for the identification and recording of contingent liabilities and disclosures in the explanatory notes.

We performed confirmation procedures with the law firms responsible for accompanying the administrative and judicial proceedings to evaluate Management's assessments, including for new events that occurred during



Banco Cooperativo Sicoob S.A.

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<b>Why it is a Key Audit Matter</b>	<b>How the matter was addressed in the audit</b>
<p>Management must apply its judgment in determining the need and the measurement of a contingent liability which is reassessed periodically and as new developments occur.</p> <p>This area matter continued to be an area of focus in our audit.</p>	<p>the six-month period, and tested the completeness of information and sufficiency of the provisions.</p> <p>We consider that the criteria and assumptions adopted by Management to determine and record the provisions for contingent liabilities to be reasonable, in all material respects, in the context of the financial statements taken as a whole.</p>

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### **Information technology environment**

<p>Banco Cooperativo Sicoob S.A. operates in a business environment that is highly dependent on technology, requiring a complex infrastructure to support the volume of transactions processed daily by its legacy systems.</p> <p>The information technology risks inherent to the processing and control required to supporting the technology systems, including those legacy systems, may result in the incorrect processing of critical information, including that used in the preparation of the financial statements.</p> <p>This matter remained an area of focus in our audit.</p>	<p>With the assistance of our system experts, we reviewed the design and tested the operating effectiveness of the internal controls related to the management of the information technology environment.</p> <p>The procedures carried out involved a combination of control tests of the key processes related to information security, the development and maintenance of systems, and the operation of systems related to the infrastructure supporting the businesses.</p> <p>We consider that the information technology general controls environment provides a reasonable basis to determine the nature, period and extent of our audit procedures on the financial statements.</p>
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### **Other information accompanying the parent company and consolidated financial statements and the auditor's report**

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

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

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



Banco Cooperativo Sicoob S.A.

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

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

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

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

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



Banco Cooperativo Sicoob S.A.

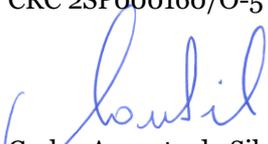
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate 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.

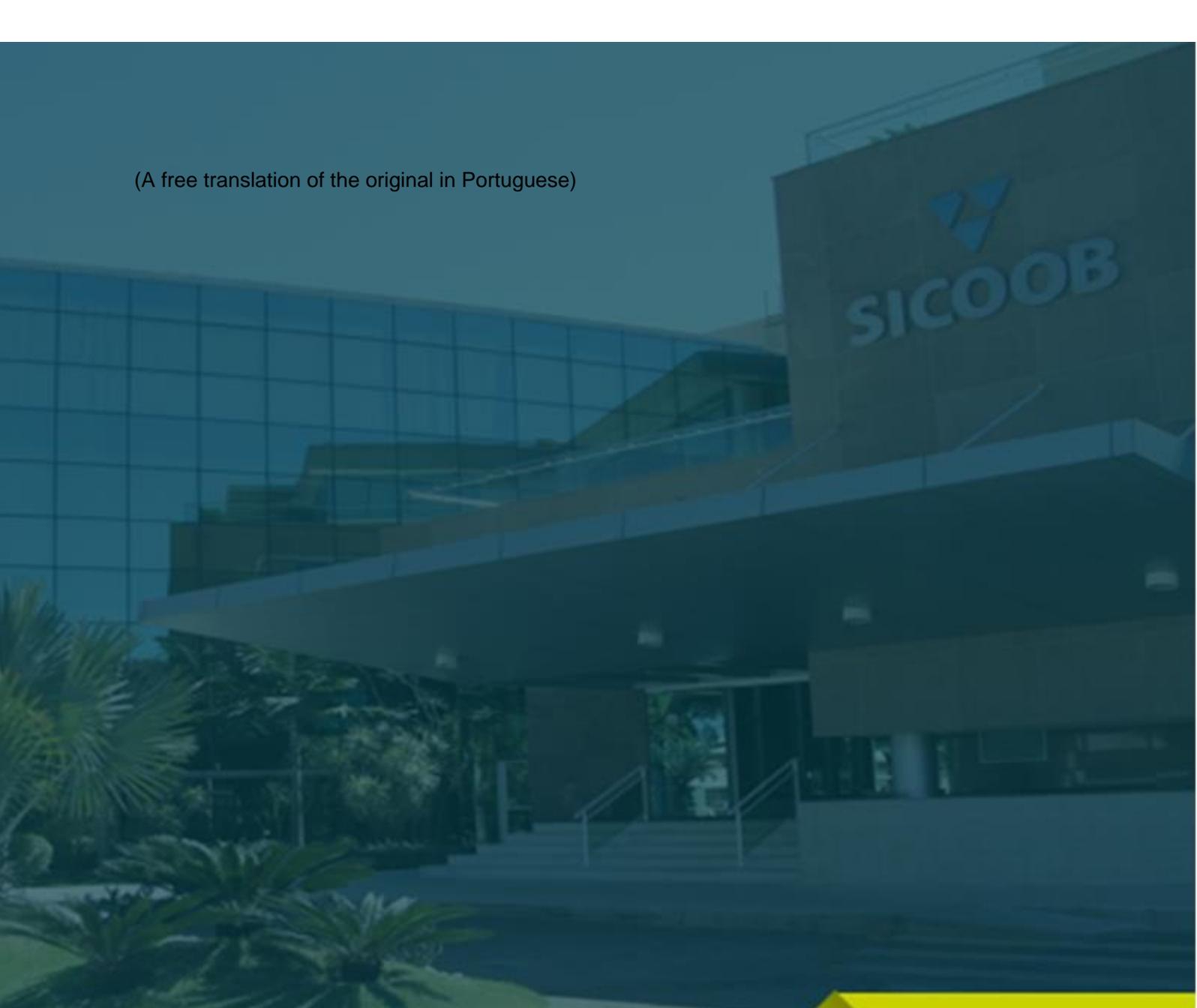
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current six-month period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or 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 13, 2021

  
PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

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

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The image shows a modern building with a glass facade and a prominent 'SICOOB' logo on the upper right. The logo consists of a stylized triangle above the word 'SICOOB'. The building is surrounded by greenery, including palm trees. The overall image has a dark blue overlay.

SICOOB

# **PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS**

## **BANCO COOPERATIVO SICOOB S.A. - BANCO SICOOB**

**June 30, 2021**





(A free translation of the original in Portuguese)

# Contents

Management Report .....	2
Balance sheet .....	14
Statement of income .....	16
Statement of changes inequity .....	18
Statement of cash flows .....	20
Notes to the financial statements .....	21
Note 1 – Operations .....	21
Note 2 - Presentation of the parent company and consolidated financial statements.....	21
Note 3 – Summary of significant accounting policies .....	21
Note 4 – Cash and cash equivalents .....	26
Note 5 – Available funds .....	26
Note 6 – Short-term interbank investments.....	26
Note 7 – Compulsory deposits with the Brazilian Central Bank .....	27
Note 8 – Financial instruments.....	27
Note 9 – Interbank onlendings and lending operations.....	30
Note 10 - Tax credits, income tax and social contribution on net income .....	34
Note 11 - Investments in associates and subsidiaries .....	37
Note 12 - Property and equipment .....	38
Note 13 - Intangible assets .....	39
Note 14 - Deposits .....	39
Note 15 - Repurchase agreement obligations.....	40
Nota 16 – Funds from acceptance of bills of exchange, real estate and mortgage notes, debentures and similar items .....	40
Note 17 – Borrowings and onlendings .....	40
Note 18 – Derivative financial instruments .....	41
Note 19 - Provisions.....	41
Note 20 – Equity.....	43
Note 21 – Operational limits – Basel Accord.....	44
Note 22 – Other items in the financial statements.....	44
Note 23 – Related-party transactions.....	48
Note 24 – Other information.....	49
Banco Sicoob's Management Bodies.....	52
Summary of the Audit Committee Report.....	53
Independent auditor's report .....	55

(A free translation of the original in Portuguese)

## Management Report

### at June 30, 2021

### Macroeconomic Scenario

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In the first six months of 2021, having been hit by COVID-19 pandemic, the global economy continued an upward trend that started in the second half of last year. The beginning of the vaccination process around the world and the gradual easing of restrictions in some regions provided an additional stimulus for the recovery of major economies, although specific outbreaks caused by new variants of the virus continue to cause concern over recent months.

In Brazil, GDP grew 1.2% in 1Q21 when compared to 4Q20 on a seasonally adjusted basis (1.0% in comparison with 1Q20). The highlight was the Agribusiness sector, which grew 5.7%, driven by the strong external demand and a favorable exchange rate. Industrial GDP increased by 0.7%, a performance that was boosted by the Extractive Industries (3.2%) and the Civil Construction sector (2.1%), while the Manufacturing Industry decreased by 0.5% in the period, affected by the shortage and high cost of inputs, as well as by the aftereffects of the strong growth recorded in the last half of 2020.

GDP for services grew at the modest rate of 0.4%, as the sector felt the restrictions caused by the second wave of the virus between March and April.

The labor market has shown signs of improvement, at least with respect to formal employment. According to data from the Ministry of the Economy (Caged), 1.5 million net jobs were created in the first six months of the year. All the key sectors showed a positive variation in the number of formal jobs: services (631 thousand), industry (340 thousand), commerce (234 thousand), civil construction (178 thousand) and agribusiness (152 thousand).

Lending operations were up throughout the first half of the year, recording a 1.7% increase over the second half of 2020 in seasonally adjusted terms, and an 8.0% year-on-year increase in real terms. The growth was driven by personal loans, which increased by 4.1% in the seasonally adjusted margin, while the margin of loans for legal entities decreased by 0.8%. In the personal banking portfolio, non-restricted credit, more consumption-oriented, showed an increase in 2Q21, after the closure of activities at the end of 1Q21 due to the second wave of the pandemic. In the corporate banking portfolio, the reduction in the margin resulted from the end of the government assistance programs for companies, and the consequent reduction in the volume of directed credit. The external modalities also grew in the period, favored by the exchange rate devaluation.

Official inflation, measured by the Broad Consumer Price Index (IPCA), continued under pressure in the beginning of 2021; up to June the index increased by 3.77%, having exceeded the target for the whole year of 3.75%. Until June 2021, the index was primarily affected by the transportation sector (1.6 p.p. and increase of 8.2%), aggravated by a hike in fuel prices. The second major contribution was from the food sector (0.6 p.p., up 2.7%), driven by the rise in meat prices, followed by household expenses (0.5 p.p., up 3.3%), impacted by the higher prices of bottled gas.

In view of the faster recovery of the economy and the higher inflation rate, reflected also on the on the IPCA projections for 2021 and 2022, the Brazilian Central Bank started in March a process of monetary alignment. Once the Selic rate has ended 2020 at a record low rate of

# Management Report

June 30, 2021

2%, the Monetary Policy Committee (COPOM) carried out three increases of 75 bps in the first half of the year, raising the base rate to 4.25% per year. The COPOM had already indicated its intention to adjust the Selic rate to a neutral level, which should be close to 7% by 2021, considering that the equilibrium real interest rate is estimated at approximately 3%, and inflation for next year is expected to be just below 4%.

In the international scenario, the main economies continued to recover, although at differing paces. In the United States, the strong annualized growth was recorded in the first and second quarters of 2021, of 6.3% and 6.5%, respectively, amidst a context of intense monetary and fiscal stimulus and as the effects of the pandemic waned, allowing for a resumption of activities.

Europe, on the other hand, was hit by a third wave of the pandemic at the beginning of the year, which required a return to restrictions in most countries, and resulted in a fall in GDP of 0.3% in the Eurozone and 1.6% in the UK in 1Q21. With the easing of restrictions, GDP in these regions is expected to have resumed growth in 2Q21. China has kept up the momentum, albeit leveling off. Despite the weak fundamentals of the 1st half of 2020, Chinese GDP showed strong annual expansion of 18.3% in 1Q21 and 7.9% in 2Q21.

In the domestic markets, asset values followed, to a great extent, the external trends, despite the internal turbulence, mostly of a political nature, which increased volatility. After closing 2020 at R\$ 5.20/US\$1.00, the BRL/USD exchange rate witnessed periods of great instability, reaching R\$ 5.80/US\$1.00 in the beginning of March. Since then, the global stabilization of the dollar exchange rate, the interest rate readjustment carried out by the Brazilian Central Bank, and signs of improvement in internal economic and fiscal conditions have allowed the Brazilian currency to recover, which closed the first half of the year at R\$ 5.00/US\$ 1.00.

In short, the first six-month period of 2021 was marked by the continued global recovery from the economic and health disruption caused by the COVID-19 pandemic, although the event and its impacts have not yet been fully overcome. In this respect, new waves of infection caused by variants of SARS-CoV-2, with recurrent peaks of cases and deaths in several regions around the world, have shown that total recovery will only be achieved once the vaccination programs are complete. Brazil mirrors the rest of the world, although further burdened by a turbulent political environment coupled by an already fragile fiscal environment. Brazil must move forward with its structural reforms to be able to deal with the challenges disrupting a balanced economic framework, and reduce interest rates which is fundamental for a gradual resumption of growth.

## Banco Sicoob

Founded in 1996, Banco Cooperativo Sicoob S.A. ("Banco Sicoob") is a multi-service private bank, controlled by entities affiliated to Sistema de Cooperativas' de Crédito do Brasil ("Sicoob").

Banco Sicoob integrates the unified Corporate Governance structure with Sicoob Confederation, making up the Sicoob Cooperative Center (CCS). The Bank's group structure comprises the following companies: Sicoob Distribuidora de Títulos e Valores Mobiliários Ltda.<sup>1</sup> — Sicoob DTVM, Sicoob Administradora de Consórcios Ltda.<sup>2</sup> — Sicoob Consórcios, Sicoob Soluções de Pagamento Ltda. — Sicoob Pagamentos e Sicoob Participações em Seguridade S.A. — SicoobPar Seguridade. In addition, the Bank sponsors Fundação Sicoob de Previdência Privada (Sicoob Previ).

<sup>1</sup> The organization name, registered with the National Corporate Taxpayers' Registry (CNPJ) as Bancoob Distribuidora de Títulos e Valores Mobiliários Ltda is in the process of being changed before the competent agencies. (August 6, 2021)

<sup>2</sup> The entity's name, registered with the National Corporate Taxpayers' Registry (CNPJ) as Ponta Administradora de Consórcios Ltda. is in the process of being changed before the competent agencies (August 6, 2021)

# Management Report

June 30, 2021

Banco Sicoob specializes in providing individual credit unions with financial products and services aimed at meeting their needs.

The CSS Strategic Planning, represented by the Systemic Pact, consists of set of guidelines addressing challenges that are shaped by increased competitiveness, innovation, improvement of internal processes, generation of knowledge for employees, and the infrastructure of products and services offered by Banco Sicoob. Under this approach, the Bank's role is inserted into a broader scope, which aims at adding competitiveness to the credit unions.

In the first half of 2021, the Bank posted a profit of R\$ 117.70 million, an increase of 28.83% in relation to the same period of 2020. Likewise, in June 2021, total deposits reached R\$ 50.25 billion, with highlight to savings deposits that totaled R\$ 10.68 billion, showing an increase of 8.02% in relation to December 2020, and a decrease of 0.54% in the savings balance of the National Financial System (SFN). Time deposits, another highlight in the period, totaled R\$ 1.75 billion, or a growth of 90%.

## Performance

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At the end of the first half of 2021, Banco Sicoob's consolidated assets totaled R\$ 71.06 billion, a decrease of 6.82% when compared to December 2020, with the following items being particularly noteworthy:

### a. Financial instruments

Consolidated financial instruments totaled R\$ 41.70 billion in June 2021, which corresponds to an increase of approximately 12.31% when compared to December 2020.

#### Marketable securities

Consolidated marketable securities amounted to R\$ 19.55 billion in June 2021, comprising mainly federal government securities (LFTs), which accounted for approximately 46.89% of total financial instruments.

#### Investments in interbank deposits

Consolidated interbank deposits, comprised of Interbank Deposit Certificates, amounted to R\$ 719.13 million in June 2021.

#### Interbank onlendings and lending operations

With a consolidated amount of R\$ 21.43 billion, interbank onlendings and lending operations increased by 14.28% when compared to December 2020. As regards the breakdown of the loan

## Management Report

June 30, 2021

portfolio, the highlight was the real estate credit line, which increased by 58,90%. Rural Savings Accounts, Own Funds, and Compulsory Funds also recorded growth.

The portfolio of payroll-deductible loan (including loans to pensioners and retirees of the National Institute of Social Security (INSS) and under traditional credit facilities) totaled R\$ 1.40 billion, increasing by 5.76% in comparison with December 2020.

### **b. Card operations**

The card issuance segment of Banco Sicoob, comprising cards issued by Sicoob and other credit union systems, reached 8.62 million cards issued. The expansion of the card base through partner systems represented approximately 23% of total revenue.

The volume of purchases with cards increased by 60% in relation to the same six-month period of 2020, totaling R\$ 32 billion. Considering only the transactions carried out using the credit function, the volume reached R\$ 16.42 billion.

### **c. Acquiring operations**

In the first half of 2021, acquiring operations, which combine the Sicoob's customer base and those of partner systems, recorded an increase of 12% in the number of authorized licensees of the Sipag card machine, in comparison with the same period of 2020.

Reflecting the increase in the customer base, year to date revenue totaled R\$ 17.3 billion, or up 25% in relation to 2020.

### **d. Deposits**

Consolidated deposits totaled R\$ 50.25 billion in the first half of 2021.

The credit union savings account ("*Poupança Cooperada*") closed the period with a total of R\$ 10.68 billion, up 8.02% over 2020.

## Management Report

June 30, 2021

### e. Services

Banco Sicoob provides services such as document custody, microfilming and tracking, and real-time queries, among others. During the first half of 2021, a total of 251,812,920 documents were processed, an increase of 16.01% in comparison with the same period in the previous year.

### f. New agreements

In the first half of 2021, new corporate agreements for the collection of bar-coded invoices/payment slips and pre-authorized debits were added to the Bank's portfolio, totaling 28 partnership agreements signed. Among the new partnership agreements were the Municipality of Buritis MG, the Municipality of Presidente Prudente SP, the Municipality of Ibitirama ES, the Municipality of Caxias do Sul RS, the Municipal Water and Sewage Department (DMAE) of Castanheira MT, the Municipality of Davinópolis GO, the Municipal Autonomous Water and Sewage Service (SAAEC) of Colina SP, Power generation and distribution company (COPREL) of Rio Grande do Sul, the Municipality of Santo Antônio do Monte MG, the Water and Sewage Service (SAE) of Ourinhos SP, the Municipal Autonomous Water and Sewage Service (SAAE) of Atibaia SP, Adyl Net Telecom of Rio Grande do Sul, and BEK Maceió, in Alagoas.

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

## Risk and capital management

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### I. Risk Management

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

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

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

The risks listed below are those considered relevant and therefore, included in the integrated risk management program:

- a) **Financial risks:** credit risk, market risk, interest rate variation 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.

Banco Sicoob prepares a risk interaction map, presented in a specific manual, to parameterize the existing correlations between the risks considered relevant.

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, Banco Sicoob adopts a model of three lines of defense, described below:

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

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

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

# Management Report

June 30, 2021

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 guidelines, policies, and authority levels for risk management.

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 internally developed for the purposes of allowing the senior management's evaluation of the adequacy of controls, effectiveness of risk management, and compliance with internal standards and regulatory requirements.

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

## a. Credit risk

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

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

In order to mitigate credit risk, Banco Sicoob 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. The Bank's models are periodically tested to ensure their consistency with the economic and financial condition of counterparties. Default on the portfolio and the respective ratings assigned to the operations are also monitored, in accordance with CMN Resolution 2,682/1999.

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

- a) definition of policies and strategies, including risk limits;
- b) validation of systems, models and internal procedures;
- c) estimation (using consistent and prudent criteria) of losses associated with credit risk, and comparison between the estimated and actually incurred losses;
- d) specific monitoring of related-party transactions;
- e) procedures for monitoring loan portfolios;
- f) identification and treatment of troubled assets;
- g) systems, routines and procedures to identify, measure, assess, monitor, report, control, and mitigate the exposure to credit risk;
- h) monitoring and reporting of risk appetite limits;
- i) periodic submission of managerial information to the governance bodies;
- j) responsibility for calculating and projecting the regulatory capital required, as well as the level of the provision for expected credit losses;
- k) creation of 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;

# Management Report

June 30, 2021

- l) application of stress tests to identify and assess the Institution's potential vulnerabilities;
- m) establishment of credit limits for each counterparty and overall limits by portfolio or credit line; and
- n) 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 process models and compliance.

## b. Market risks and interest rate risks

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

The Bank's framework for 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.

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

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

For the market risk portions in the trading portfolio RWAjur1, RWAjur2, RWAjur3, RWAjur4, RWAcam, RWacom, and RWAacs, the Bank 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, such as the economic value and income from financial intermediation approaches.

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

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

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

# Management Report

June 30, 2021

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

## c. Liquidity risk

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

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

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

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

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

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

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

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

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

## d. Operational and reputational risks

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

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

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

# Management Report

June 30, 2021

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

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

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

## e. Socio-environmental risk

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

The process of socio-environmental risk management consists of evaluating potential negative social and environmental impacts, including in relation to the reputation risk, for the eligibility of operations:

- a) sectors at greater exposure to socio-environmental risk;
- b) credit lines and borrowing facilities at greater exposure to socio-environmental risk; and
- c) operations at greater exposure to socio-environmental risk;

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

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

## f. Compliance risk

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

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

## g. Strategy risk

The bank furthers its strategic focus on providing competitive factors to Sicoob's members, by acting as a system-based manager of financial products and services, such as:

- ✓ Payments;
- ✓ Credit;
- ✓ Management of third-party funds;
- ✓ Financial centralization;
- ✓ Social security;
- ✓ Insurance;
- ✓ Credit cards;
- ✓ Acquiring products;
- ✓ Consortia (a purchasing pool for acquisition of goods);
- ✓ Digitalization;
- ✓ Investments;
- ✓ Foreign exchange and foreign trade;
- ✓ Agribusiness derivatives.

# Management Report

June 30, 2021

## **h. Business Continuity Risk**

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

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

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

## **i. Money Laundering and Terrorism Financing Risk**

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

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

The AMLTF process comprises the following steps:

- a) Monitoring;
- b) Selecting;
- c) Recording, assessing, and performing due diligence;
- d) Reporting to the Brazilian Council for Financial Activities Control (COAF);
- e) Issuing managerial reports.

The prevention of money laundering and terrorism financing aims to mitigate the risk of illegal acts being committed within Sicoob's framework, as well as to protect its image/reputation.

## **j. Cyber Security Risk**

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

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

- a) definition of cyber security guidelines addressing the Bank's ability to prevent, detect and reduce 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 interruptions, either total or partial, of the IT services accessed by the companies and clients/credit union members, and, in the event of an interruption, mitigation of the resulting impacts;
- d) handling and prevention of cyber security incidents;
- e) education and training of the human resources required for the cyber security area;

## Management Report

June 30, 2021

- 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, kept in electronic or physical format, in accordance with the protection measures expected in terms of secrecy, value, legal requirements, sensitivity and business needs, so as to ensure the confidentiality, integrity and availability of the data and information systems used.

## II. Capital management

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

The Bank's capital management process complies with the guidelines included in Sicoob's Institutional Policy for Capital Management, to which Banco Sicoob Group has formally adhered, following the approval of its Board of Directors.

The capital management process relies on a set of methodologies that enable the institutions of Banco Sicoob to identify, assess and control major exposures, so as to maintain a capital level compatible with the risks incurred.

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

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

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

## Equity and profit for the year

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At June 30, 2021, consolidated equity totaled R\$ 2.12 billion, an increase of 4.31% in comparison with the previous year.

During the reporting period, consolidated profit totaled R\$ 117.96 million, with an annualized return on average equity of 9.08%.

## Acknowledgments

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

The Management

# Balance sheet

## June 30, 2021

(A free translation of the original in Portuguese)

All amounts in thousands of reais, unless otherwise stated

Assets	Note	Bank		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
<b>Current and non-current assets</b>		<b>71,110,922</b>	<b>76,269,420</b>	<b>71,061,131</b>	<b>76,264,539</b>
<b>Available funds</b>	<b>4(a)</b>	<b>14,721,843</b>	<b>27,245,919</b>	<b>14,721,853</b>	<b>27,245,927</b>
<b>Compulsory deposits with the Brazilian Central Bank</b>	<b>7</b>	<b>1,704,904</b>	<b>1,518,597</b>	<b>1,704,904</b>	<b>1,518,597</b>
<b>Financial instruments</b>		<b>41,661,837</b>	<b>37,078,615</b>	<b>41,705,167</b>	<b>37,132,633</b>
<b>Marketable securities</b>	<b>8</b>	<b>19,512,207</b>	<b>17,436,512</b>	<b>19,555,537</b>	<b>17,490,529</b>
<b>Bank's own portfolio</b>		<b>8,987,686</b>	<b>4,974,972</b>	<b>9,031,016</b>	<b>5,028,989</b>
Government securities		8,096,779	3,535,177	8,121,704	3,559,789
Private securities		839,799	1,388,529	840,157	1,388,882
Investment fund shares		51,108	51,266	69,155	80,318
<b>Subject to Repurchase Agreements</b>		<b>3,640,663</b>	<b>6,812,656</b>	<b>3,640,663</b>	<b>6,812,656</b>
Government securities		3,640,663	6,812,656	3,640,663	6,812,656
<b>Linked to the provision of guarantees</b>		<b>6,883,842</b>	<b>5,648,831</b>	<b>6,883,842</b>	<b>5,648,831</b>
Government securities		6,848,470	5,613,943	6,848,470	5,613,943
Private securities		35,372	34,888	35,372	34,888
<b>Derivative financial instruments</b>		<b>16</b>	<b>53</b>	<b>16</b>	<b>53</b>
<b>Investments in interbank deposits</b>	<b>6</b>	<b>719,126</b>	<b>888,827</b>	<b>719,126</b>	<b>888,827</b>
<b>Interbank onlendings and lending operations</b>		<b>21,430,504</b>	<b>18,753,276</b>	<b>21,430,504</b>	<b>18,753,276</b>
Interbank onlendings	9(a)	14,453,750	11,883,497	14,453,750	11,883,497
Lending operations	9(a)	7,104,404	6,990,631	7,104,404	6,990,631
(-) Provision for expected losses associated with credit risk	9(g)	(127,650)	(120,852)	(127,650)	(120,852)
<b>Other receivables</b>	<b>22</b>	<b>12,387,427</b>	<b>9,863,776</b>	<b>12,457,173</b>	<b>9,941,387</b>
Payment transactions	22 (a1)	10,674,106	9,476,361	10,704,305	9,516,182
Foreign exchange portfolio	22 (a2)	7,085	187	7,085	187
Income receivable		16,490	14,558	20,963	21,556
Other	22 (a3)	1,773,736	444,775	1,808,810	475,567
(-) Provisions for other receivables		(83,990)	(72,105)	(83,990)	(72,105)
<b>Deferred tax assets</b>	<b>10</b>	<b>293,663</b>	<b>237,459</b>	<b>296,730</b>	<b>237,742</b>
<b>Equity in the results of associates and subsidiaries</b>	<b>11</b>	<b>275,720</b>	<b>258,916</b>	<b>91,348</b>	<b>106,090</b>
Subsidiaries and associates		275,720	258,916	91,348	106,090
<b>Property and equipment</b>	<b>12</b>	<b>64,145</b>	<b>64,661</b>	<b>73,572</b>	<b>73,849</b>
Property and equipment in use		114,114	110,643	141,797	136,332
(-) Accumulated depreciation		(49,969)	(45,982)	(68,225)	(62,483)
<b>Intangible assets</b>	<b>13</b>	<b>1,383</b>	<b>1,477</b>	<b>10,384</b>	<b>8,315</b>
Software usage rights		10,255	10,020	34,399	30,190
(-) Accumulated amortization		(8,872)	(8,543)	(24,015)	(21,875)
<b>Total assets</b>		<b>71,110,922</b>	<b>76,269,420</b>	<b>71,061,131</b>	<b>76,264,539</b>

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

# Balance sheet

## June 30, 2021

(continued)

All amounts in thousands of reais, unless otherwise stated

Liabilities and equity	Note	Bank		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
<b>Current and non-current liabilities</b>		<b>68,986,710</b>	<b>74,232,739</b>	<b>68,936,032</b>	<b>74,227,230</b>
<b>Financial liabilities</b>		<b>57,830,025</b>	<b>66,138,506</b>	<b>57,445,467</b>	<b>65,807,227</b>
Deposits	14(a)	50,635,828	55,539,977	50,251,271	55,208,698
Repurchase agreement obligations	15	3,629,437	6,779,022	3,629,437	6,779,022
Funds from the acceptance of bills of exchange, real estate and mortgage notes, mortgage notes, debentures, and similar items	16	36,540	52,376	36,540	52,376
Borrowings and onlendings	17(a)	3,528,130	3,767,130	3,528,130	3,767,130
Derivative financial instruments	18	89	1	89	1
<b>Provisions</b>		<b>14,798</b>	<b>14,865</b>	<b>15,128</b>	<b>15,174</b>
Provision for contingencies	19(a)	14,564	14,670	14,894	14,979
Provisions for guarantees	19(b)	234	195	234	195
<b>Other liabilities</b>	<b>22</b>	<b>11,141,887</b>	<b>8,079,296</b>	<b>11,475,437</b>	<b>8,404,757</b>
Payment transactions	22 (b1)	9,641,259	7,341,871	9,723,832	7,437,397
Social and statutory obligations and payments pending settlement		6,550	14,189	7,413	16,023
Tax and social security obligations	22 (b2)	135,925	100,167	164,408	128,815
Foreign exchange portfolio	22 (b3)	9,514	187	9,514	187
Other	22 (b4)	1,348,640	622,882	1,570,270	822,335
<b>Deferred tax liabilities</b>		<b>-</b>	<b>72</b>	<b>-</b>	<b>72</b>
Other deferred tax liabilities		-	72	-	72
<b>Total liabilities</b>		<b>68,986,710</b>	<b>74,232,739</b>	<b>68,936,032</b>	<b>74,227,230</b>
<b>Equity</b>	<b>20</b>	<b>2,124,212</b>	<b>2,036,681</b>	<b>2,125,099</b>	<b>2,037,309</b>
Share capital		1,910,226	1,864,332	1,910,226	1,864,332
Capital reserves		51	51	51	51
Revenue reserve		290,186	218,378	290,186	218,378
Other comprehensive income		(55,865)	(46,080)	(55,865)	(46,080)
Treasury shares		(20,386)	-	(20,386)	-
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>	<b>887</b>	<b>628</b>
<b>Total liabilities and equity</b>		<b>71,110,922</b>	<b>76,269,420</b>	<b>71,061,131</b>	<b>76,264,539</b>

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

# Statement of income

## June 30, 2021

(A free translation of the original in Portuguese)

	Note	Bank		Consolidated	
		6/30/2021	6/30/2020	6/30/2021	6/30/2020
<b>Income from financial intermediation</b>		<b>1,221,430</b>	<b>1,151,144</b>	<b>1,221,914</b>	<b>1,151,711</b>
Gains (losses) on lending operations	9 (h)	629,887	534,737	629,887	534,737
Gains on marketable securities	8(c)	574,209	597,348	574,693	597,915
Gain (loss) on derivative financial instruments	8(c)	371	(6,609)	371	(6,609)
Gains (losses) on foreign exchange transactions	22(c)	1,795	7,620	1,795	7,620
Gains (losses) on compulsory investments		15,168	18,048	15,168	18,048
<b>Expenses for financial intermediation</b>		<b>(815,331)</b>	<b>(850,092)</b>	<b>(810,227)</b>	<b>(847,433)</b>
Money market funding	14(b)	(710,346)	(762,570)	(705,829)	(759,911)
Borrowings and onlendings	17 (b)	(78,742)	(58,145)	(78,742)	(58,145)
Provision for expected credit losses	9(g)	(26,243)	(29,377)	(25,656)	(29,377)
<b>Gross profit from financial intermediation</b>		<b>406,099</b>	<b>301,052</b>	<b>411,687</b>	<b>304,278</b>
<b>Operating income</b>		<b>798,752</b>	<b>669,648</b>	<b>981,517</b>	<b>784,268</b>
Income from services rendered	22(d)	599,904	472,637	783,799	593,659
Income from banking fees	22(d)	59	30	59	30
Equity in the results of subsidiaries and associates	11	43,380	33,885	10,739	24,161
Other operating income	22(e)	155,409	163,096	186,920	166,418
<b>Operating expenses</b>		<b>(996,793)</b>	<b>(874,566)</b>	<b>(1,165,499)</b>	<b>(983,522)</b>
Personnel expenses	22(f)	(69,672)	(69,606)	(105,935)	(108,460)
Administrative expenses	22(g)	(170,437)	(121,799)	(313,867)	(207,564)
Tax expenses		(79,296)	(63,981)	(99,648)	(78,690)
Other operating expenses	22 (h)	(677,388)	(619,180)	(646,049)	(588,808)
<b>Operating result</b>		<b>208,058</b>	<b>96,134</b>	<b>227,704</b>	<b>105,024</b>
<b>Non-operating income (expenses)</b>	22 (j)	<b>(23,865)</b>	<b>5,771</b>	<b>(23,865)</b>	<b>5,772</b>
<b>Profit before taxation and profit sharing</b>		<b>184,193</b>	<b>101,905</b>	<b>203,838</b>	<b>110,796</b>
<b>Income tax and social contribution</b>	10	<b>(61,434)</b>	<b>(5,601)</b>	<b>(79,994)</b>	<b>(12,074)</b>
Provision for income tax	10(d)	(60,184)	(42,447)	(73,853)	(46,587)
Provision for social contribution	10(d)	(49,430)	(31,970)	(57,106)	(34,291)
Deferred tax assets	10(d)	48,180	68,816	50,965	68,804
<b>Statutory profit sharing</b>		<b>(5,057)</b>	<b>(4,942)</b>	<b>(5,885)</b>	<b>(6,470)</b>
<b>Finance income (costs), net</b>		<b>117,702</b>	<b>91,362</b>	<b>117,960</b>	<b>92,252</b>
<b>Number of shares</b>		<b>1,026,352,536</b>	<b>1,003,744,529</b>	<b>1,026,352,536</b>	<b>1,003,744,529</b>
<b>Earnings per share</b>		<b>114.68</b>	<b>91.02</b>	<b>114.93</b>	<b>91.91</b>
<b>Profit attributable to the parent company</b>		-	-	<b>117,702</b>	<b>91,362</b>
<b>Profit attributable to non-controlling interests</b>		-	-	<b>259</b>	<b>890</b>

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

# Statement of comprehensive income

June 30, 2021

(A free translation of the original in Portuguese)

	Note	Bank		Consolidated	
		6/30/2021	6/30/2020	6/30/2021	6/30/2020
Profit for the year		117,702	91,362	117,960	92,252
Other comprehensive income (loss)					
Items that will be reclassified to profit or loss		(55,865)	(5,344)	(55,865)	(5,344)
Adjustments to securities		(101,662)	(9,716)	(101,662)	(9,716)
Tax effects		45,797	4,372	45,797	4,372
Other comprehensive income for the six-month period/year, net of taxes		61,837	86,018	62,095	86,908
Total comprehensive income for the six-month period/ year		61,837	86,018	62,095	86,908
Profit attributable to the parent company		61,837	86,018	61,836	86,018
Profit attributable to non-controlling interests		-	-	259	890

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

# Statement of changes in equity

## June 30, 2021

(A free translation of the original in Portuguese)

All amounts in thousands of reais, unless otherwise stated

	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
<b>At December 31, 2019</b>		<b>1,742,770</b>	-	-	<b>51</b>	<b>172,831</b>	<b>681</b>	-	-	<b>1,916,333</b>	<b>9,708</b>	<b>1,926,041</b>
<b>Profit for the six-month period</b>		-	-	-	-	-	-	<b>91,362</b>	-	<b>91,362</b>	<b>890</b>	<b>92,252</b>
Items that will be reclassified to profit or loss, net of tax effects		-	-	-	-	-	(6,025)	-	-	(6,025)	-	(6,025)
<b>Total comprehensive income for the six-month period</b>		-	-	-	-	-	<b>(6,025)</b>	<b>91,362</b>	-	<b>85,337</b>	<b>890</b>	<b>86,227</b>
Increase in share capital		121,563	(217,618)	-	-	-	-	-	-	(96,055)	-	(96,055)
Unpaid share capital		-	-	(121,563)	-	-	-	-	-	(121,563)	-	(121,563)
Payment of capital		-	217,618	121,563	-	-	-	-	-	339,181	-	339,181
Proposed dividends from previous years		-	-	-	-	(115,485)	-	-	-	(115,485)	-	(115,485)
<b>Profit for the six-month period</b>		-	-	-	-	-	-	<b>91,362</b>	-	<b>91,362</b>	-	<b>91,362</b>
<b>Proposed appropriations:</b>										-	-	-
Legal reserve		-	-	-	-	4,568	-	(4,568)	-	-	-	-
Revenue reserve		-	-	-	-	82,454	-	(82,454)	-	-	-	-
Proposed dividends	20(d)	-	-	-	-	4,340	-	(4,340)	-	-	-	-
<b>At June 30, 2020</b>		<b>1,864,332</b>	-	-	<b>51</b>	<b>148,708</b>	<b>(5,344)</b>	-	-	<b>2,007,747</b>	<b>10,598</b>	<b>2,018,345</b>
<b>Changes in the six-month period</b>		<b>121,563</b>	-	-	-	<b>(24,123)</b>	-	-	-	<b>97,440</b>	-	<b>97,440</b>
<b>At December 31, 2020</b>		<b>1,864,332</b>	-	-	<b>51</b>	<b>218,378</b>	<b>(46,080)</b>	-	-	<b>2,036,681</b>	<b>628</b>	<b>2,037,309</b>
<b>Profit for the six-month period</b>		-	-	-	-	-	-	<b>91,362</b>	-	<b>91,362</b>	<b>259</b>	<b>91,621</b>
Items that will be reclassified to profit or loss, net of tax effects		-	-	-	-	-	(9,785)	-	-	(9,785)	-	(9,785)
<b>Total comprehensive income for the six-month period</b>		-	-	-	-	-	<b>(9,785)</b>	<b>91,362</b>	-	<b>(81,577)</b>	<b>259</b>	<b>81,836</b>
Increase in share capital		-	45,894	-	-	-	-	-	-	45,894	-	45,894

## Statement of changes in equity

### June 30, 2021

(continued)

	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
Unpaid share capital		-	-	(45,894)	-	-	-	-	-	(45,894)	-	(45,894)
Payment of capital		45,894	(45,894)	45,894	-	-	-	-	-	45,894	-	45,894
Proposed dividends from previous years		-	-	-	-	(45,894)	-	-	-	(45,894)	-	(45,894)
Acquisitions of own shares		-	-	-	-	-	-	-	(20,386)	(20,386)	-	(20,386)
<b>Profit for the six-month period</b>		-	-	-	-	-	-	<b>117,702</b>	-	117,702	-	<b>117,702</b>
<b>Proposed allocations:</b>												
Legal reserve		-	-	-	-	5,885	-	(5,885)	-	-	-	-
Revenue reserve		-	-	-	-	106,226	-	(106,226)	-	-	-	-
Proposed dividends	20(d)	-	-	-	-	5,591	-	(5,591)	-	-	-	-
<b>At June 30, 2021</b>		<b>1,910,226</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b>290,186</b>	<b>(55,865)</b>	<b>-</b>	<b>(20,386)</b>	<b>2,124,212</b>	<b>887</b>	<b>2,125,099</b>
<b>Changes in the six-month period</b>		<b>45,894</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,808</b>	<b>-</b>	<b>-</b>	<b>(20,386)</b>	<b>97,316</b>	<b>-</b>	<b>97,316</b>

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

# Statement of cash flows

## June 30, 2021

(A free translation of the original in Portuguese)

All amounts in thousands of reais, unless otherwise stated

	Note			
			Bank	Consolidated
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
<b>Cash flows from operating activities</b>				
<b>Adjusted profit</b>	<b>198,331</b>	<b>104,022</b>	<b>253,818</b>	<b>126,173</b>
Profit before income tax and social contribution	184,193	101,905	203,838	110,796
Provision for expected credit losses	26,243	29,540	25,656	29,540
Depreciation and amortization	4,316	4,263	7,888	7,583
Equity in the results of subsidiaries	(43,380)	(33,885)	(10,739)	(24,161)
Amortization of goodwill on equity interest in subsidiaries	25,482	1,289	25,482	1,289
Provision for tax, labor and civil contingencies	1,477	910	1,693	1,126
Increase (decrease) in short-term interbank investments	169,701	87,333	169,701	87,333
Increase (decrease) in marketable securities	(2,085,480)	1,161,202	(2,074,792)	1,165,665
Increase (decrease) in interbank and interdepartmental accounts	(2,218,605)	353,591	(2,208,986)	358,669
Increase (decrease) in lending operations	(122,040)	(739,743)	(122,040)	(739,743)
Increase (decrease) in other receivables	(556,558)	472,909	(548,831)	485,791
Decrease (increase) in other assets	579	(4,855)	(1,702)	(7,223)
Decrease in deposits	(4,904,149)	12,432,921	(4,965,767)	12,401,793
Decrease (increase) in repurchase agreement obligations	(3,149,585)	(107,877)	(3,149,585)	(107,877)
Decrease in funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures	(15,836)	(49,741)	(15,836)	(49,741)
Decrease in borrowings and onlendings	(239,000)	67,213	(239,000)	67,213
Increase in other payables	484,759	(28,661)	479,410	(27,397)
Income tax and social contribution paid	(63,296)	(52,798)	(70,499)	(60,001)
Change in deferred income	152	(56)	152	(56)
<b>Net cash provided by (used in) operating activities</b>	<b>(12,501,026)</b>	<b>13,695,460</b>	<b>(12,493,956)</b>	<b>13,700,599</b>
<b>Cash flows from investing activities</b>				
Acquisitions of equity interests	(90)	(62)	(90)	(62)
Dividends received from associates	1,093	23,657	-	20,000
Disposal of property and equipment in use	-	17	-	17
Purchase of property and equipment	(3,471)	(1,510)	(5,469)	(1,642)
Additions to intangible assets	(234)	(470)	(4,211)	(1,817)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,702)</b>	<b>21,632</b>	<b>(9,770)</b>	<b>16,496</b>
<b>Cash flows from financing activities</b>				
Increase in share capital	45,894	121,562	45,894	121,562
Share buyback	(20,386)	-	(20,386)	-
Payment of dividends	(45,856)	(121,225)	(45,856)	(121,225)
<b>Net cash provided by (used in) financing activities</b>	<b>(20,348)</b>	<b>337</b>	<b>(20,348)</b>	<b>337</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>4</b>	<b>(12,524,076)</b>	<b>(12,524,074)</b>	<b>13,717,432</b>
Cash and cash equivalents at the beginning of the six-month period/ year	27,245,919	11,082,740	27,245,927	11,082,748
Cash and cash equivalents at the end of the six-month period/ year	14,721,843	24,800,169	14,721,853	24,800,180

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

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### Note 1 – Operations

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Banco Cooperativo Sicoob S.A. ("Banco Sicoob", "Institution" or "Bank") is a privately-held corporation located in Brasília, Federal District, established pursuant to the National Monetary Council (CMN) Resolution 2,193, of August 31, 1995. The Bank was authorized to operate by the Brazilian Central Bank ("Central Bank" or "BACEN") on July 21, 1997, and started operations on September 1, 1997.

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

Banco Sicoob was created to provide financial, technical and operational services to credit unions, 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

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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 ("BACEN"). Banco Sicoob complies with the provisions of CMN Resolution 4,720/2019 and BACEN Resolution 2/2020.

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

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

The Joint Executive Board of Banco Sicoob submitted these financial statements to the Board of Directors, which approved them on August 10, 2021.

### Note 3 – Summary of significant accounting policies

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#### a. Accounting estimates

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

## Notes to the financial statements

June 30, 2021

*All amounts in thousands of reais, unless otherwise stated*

presented in the financial statements due to inaccuracies inherent in their determination process. Banco Sicoob reviews the accounting estimates and assumptions on a half-yearly basis.

### b. Determination of results of operations

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

### c. Foreign currency

Monetary assets denominated in foreign currency were translated into Brazilian Reais at the exchange rate in effect on the balance sheet date, and currency translation differences were recorded in 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 the Bank to manage its short-term obligations (Note 4).

### e. Short-term interbank investments and repurchase agreement obligations

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

### f. Marketable securities

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

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

The methodology for the marking-to-market of securities was established in compliance with consistent and verifiable criteria, which 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 marketable securities, irrespective of the category in which they are classified, is accrued on a daily pro-rata basis, under the exponential or straight-line method, based on the return clauses and acquisition cost distributed over the term of the investment, and 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".

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### g. Derivative financial instruments

In compliance with BACEN Circular Letter 3,082/02, derivative financial instruments are measured at market value at least at the time balance sheet dates. 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 derivative financial instruments 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 in accordance with the characteristics of the derivative.

### h. Provision for expected credit losses

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

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

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

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

### i. Investments

Investments are recorded at acquisition cost, and 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 associated with an increase in the economic benefits related to the asset. Any other type of expenditure is expensed in the statement of income when incurred.

## Notes to the financial statements

June 30, 2021

*All amounts in thousands of reais, unless otherwise stated*

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

### **k. Intangible assets**

These correspond to rights acquired in intangible assets that are maintained for or used in the Bank's operations. Intangible assets with a defined useful life are usually amortized on a straight-line basis during an estimated period of economic benefit. Intangible assets comprise software acquired from third parties, and are amortized at an annual rate of 20%. Intangible assets are 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 Banco Sicoob 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 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. The social contribution tax credit was calculated at the rate of 20%, plus an additional 5%, based on a study of realization and expected use of provisions maturing in 2021, considering the tax rate increase according to the provisions of Law 14,183/21.

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

### **q. Contingent assets and liabilities and legal obligations**

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

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

**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 BACEN to comply with Technical Pronouncement CPC 25, issued by the Accounting Pronouncements Committee (CPC), as follows:

- **Contingent assets** - Contingent assets are not accounted for, except when collateralized by security interests or final 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 advice of legal advisors, the nature and complexity of the lawsuits, and similarities with previous proceedings, 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 Banco Sicoob.

## r. Other current and non-current liabilities

These are stated at known or estimated amounts including, where applicable, accrued interest/indexation charges.

## Technical Accounting Pronouncements - CPCs

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

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

The other Technical Pronouncements issued by CPC will be applied upon approval by the National Monetary Council. However, the following CPCs have been partially adopted by CMN through the issue of the following standards:

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

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## Note 4 – Cash and cash equivalents

### a. Balances

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

Cash	Note	Bank		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
<b>Available funds</b>	5	<b>47,845</b>	<b>32,044</b>	<b>47,855</b>	<b>32,052</b>
Local currency		332	322	338	328
Bank deposits		-	-	4	2
Non-restricted reserves		129	268	129	268
Foreign currency		47,384	31,454	47,384	31,454
<b>Cash equivalents</b>					
Short-term interbank investments (up to 90 days)	6	<b>14,673,998</b>	<b>27,213,875</b>	<b>14,673,998</b>	<b>27,213,875</b>
<b>Total</b>		<b>14,721,843</b>	<b>27,245,919</b>	<b>14,721,853</b>	<b>27,245,927</b>

## Note 5 – Available funds

	Note	Bank		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
Local currency		332	322	338	328
Bank deposits		-	-	4	2
Non-restricted reserves		129	268	129	268
Foreign currency		47,384	31,454	47,384	31,454
<b>Total</b>		<b>47,845</b>	<b>32,044</b>	<b>47,855</b>	<b>32,052</b>

## Note 6 – Short-term interbank investments

### a. Balances of short-term interbank investments

	Bank and Consolidated				
	Maturity			Total	Total
	Note	Up to 1 month	From 1 to 3 months	6/30/2021	12/31/2020
Investments in interbank deposits	4	14,673,998	-	14,673,998	27,213,875
Resales pending settlement - own resources		14,673,998	-	14,673,998	27,213,875
<b>Investments in interbank deposits</b>		<b>388,532</b>	<b>330,594</b>	<b>719,126</b>	<b>888,827</b>
<b>Total</b>		<b>15,062,530</b>	<b>330,594</b>	<b>15,393,124</b>	<b>28,102,702</b>
<b>Current</b>				<b>15,393,124</b>	<b>28,102,702</b>
<b>Non-current</b>				-	-

### b. Income from short-term interbank investments

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

Income from investments in repurchase agreements	6/30/2021	6/30/2020
Own resources	309,172	278,684
<b>Sub-total</b>	<b>309,172</b>	<b>278,684</b>
Income from investments in interbank deposits	11,930	14,088
<b>Total</b>	<b>321,102</b>	<b>292,772</b>

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### Note 7 – Compulsory deposits with the Brazilian Central Bank

	Note	Bank and Consolidated	
		6/30/2021	12/31/2020
BACEN - Instantaneous payments		51,721	91,729
BACEN - Compulsory reserves in cash		4,812	6,661
BACEN - Mandatory payments		1,648,371	1,420,207
<b>Total</b>		<b>1,704,904</b>	<b>1,518,597</b>
Current		1,704,904	1,518,597
Non-current		-	-

### Note 8 – Financial instruments

#### a. Marketable 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 [B]<sup>9</sup> 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, 2021

All amounts in thousands of reais, unless otherwise stated

Accrued cost (including income earned) and the market value of marketable securities were as follows:

Bank	Note	Maturity					Total at 6/30/2021			Total at 12/31/2020			
		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	Curve value	Market value	Unrealized gain (loss)	Curve value	Market value	Unrealized gain (loss)
<b>I - Available-for-sale securities</b>													
		51,108	27,385	357,948	412,721	427,538	11,980,356	13,980,356	13,358,719	(101,663)	14,869,752	14,785,971	(83,781)
<b>Bank's own portfolio</b>													
	Financial Treasury Bills (LFTs)	-	-	46,256	-	124,929	6,231,656	6,464,131	6,402,841	(61,290)	3,155,961	3,127,897	(28,064)
	Funds	51,108	-	-	-	-	-	51,108	51,108	-	51,266	51,266	-
	Financial Bills (LFs)	-	27,385	89,421	331,987	228,625	-	678,548	677,418	(1,130)	1,203,903	1,201,847	(2,056)
	<b>Total</b>	<b>51,108</b>	<b>27,385</b>	<b>135,677</b>	<b>331,987</b>	<b>353,554</b>	<b>6,231,656</b>	<b>7,193,787</b>	<b>7,131,367</b>	<b>(62,420)</b>	<b>4,411,130</b>	<b>4,381,010</b>	<b>(30,120)</b>
<b>Subject to repurchase agreements</b>													
	Financial Treasury Bills (LFTs)	-	-	37,377	80,734	-	1,306,828	1,438,350	1,424,939	(13,411)	4,790,462	4,756,130	(34,332)
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>37,377</b>	<b>80,734</b>	<b>-</b>	<b>1,306,828</b>	<b>1,438,350</b>	<b>1,424,939</b>	<b>(13,411)</b>	<b>4,790,462</b>	<b>4,756,130</b>	<b>(34,332)</b>
<b>Linked to the provision of guarantees</b>													
	Financial Treasury Bills (LFTs)	-	-	184,894	-	73,984	4,406,500	4,691,208	4,665,378	(25,830)	34,913	34,888	(25)
	Financial Bills (LFs)	-	-	-	-	-	35,372	35,374	35,372	(2)	5,633,247	5,613,943	(19,304)
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>184,894</b>	<b>-</b>	<b>73,984</b>	<b>4,441,872</b>	<b>4,726,582</b>	<b>4,700,750</b>	<b>(25,832)</b>	<b>5,668,160</b>	<b>5,648,831</b>	<b>(19,329)</b>
<b>II - Trading securities</b>													
	<b>Bank's own portfolio</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>656</b>	<b>654</b>	<b>(2)</b>
	Rural Producer Notes (CPRs)	-	-	-	-	-	-	-	-	-	603	601	(2)
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>603</b>	<b>601</b>	<b>(2)</b>
<b>Derivative financial instruments</b>													
	Futures – Foreign exchange	16	-	-	-	-	-	16	16	-	53	53	-
	<b>Total</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>53</b>	<b>53</b>	<b>-</b>
<b>III - Held-to-maturity securities</b>													
	<b>Bank's own portfolio</b>	<b>-</b>	<b>7,950</b>	<b>3,230</b>	<b>9,248</b>	<b>8,418</b>	<b>6,226,289</b>	<b>6,261,438</b>	<b>6,255,135</b>	<b>(6,303)</b>	<b>2,658,635</b>	<b>2,649,887</b>	<b>(8,748)</b>
	Financial Treasury Bills (LFTs)	-	-	-	-	-	1,693,938	1,693,938	1,693,938	-	407,280	407,280	-
	Financial Rural Producer Notes (CPRFs) - Floating rate	-	2,634	3,230	1,009	-	99,061	105,934	105,934	-	126,033	126,033	-
	CPRFs - Fixed rate	-	5,316	-	8,239	8,418	34,474	62,750	56,447	(6,303)	68,796	60,048	(8,748)
	<b>Total</b>	<b>-</b>	<b>7,950</b>	<b>3,230</b>	<b>9,248</b>	<b>8,418</b>	<b>1,827,473</b>	<b>1,862,622</b>	<b>1,856,319</b>	<b>(6,303)</b>	<b>602,109</b>	<b>593,361</b>	<b>(8,748)</b>
<b>Subject to repurchase agreements</b>													
	Financial Treasury Bills (LFTs)	-	-	-	-	-	2,215,724	2,215,724	2,215,724	-	2,056,526	2,056,526	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,215,724</b>	<b>2,215,724</b>	<b>2,215,724</b>	<b>-</b>	<b>2,056,526</b>	<b>2,056,526</b>	<b>-</b>
<b>Linked to the provision of guarantees</b>													
	Financial Treasury Bills (LFTs)	-	-	-	-	-	2,183,092	2,183,092	2,183,092	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,183,092</b>	<b>2,183,092</b>	<b>2,183,092</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - marketable securities</b>													
		<b>51,124</b>	<b>35,335</b>	<b>361,178</b>	<b>421,969</b>	<b>435,956</b>	<b>18,206,645</b>	<b>19,620,173</b>	<b>19,512,207</b>	<b>(107,966)</b>	<b>17,529,043</b>	<b>17,436,512</b>	<b>(92,531)</b>
<b>Current</b>													
													<b>2,497,286</b>
<b>Non-current</b>													
													<b>14,939,226</b>

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

Accrued cost (including income earned) and the market value of marketable securities were as follows:

Consolidated	Note	Maturity						Total at 6/30/2021			Total at 12/31/2020		
		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	Curve value	Market value	Unrealized gain (loss)	Curve value	Market value	Unrealized gain (loss)
<b>I - Available-for-sale securities</b>		69,155	27,385	357,948	412,721	427,538	12,005,639	13,402,049	13,300,386	(101,663)	14,923,769	14,839,988	(83,781)
<b>Bank's own portfolio</b>													
Financial Treasury Bills (LFTs)		-	-	46,256	-	124,929	6,256,581	6,464,131	6,402,841	(61,290)	3,180,573	3,152,509	(28,064)
Bank Deposit Certificate (CDB)		-	-	-	-	-	358	358	358	-	353	353	-
Funds		69,155	-	-	-	-	-	69,155	69,155	-	80,318	80,318	-
Financial Bills (LFs)		-	27,385	89,421	331,987	228,625	-	678,548	677,418	(1,130)	1,203,903	1,201,847	(2,056)
<b>Total</b>		<b>69,155</b>	<b>27,385</b>	<b>135,677</b>	<b>331,987</b>	<b>353,554</b>	<b>6,256,939</b>	<b>7,237,117</b>	<b>7,174,697</b>	<b>(62,420)</b>	<b>4,465,147</b>	<b>4,435,027</b>	<b>(30,120)</b>
<b>Subject to repurchase agreements</b>													
Financial Treasury Bills (LFTs)		-	-	37,377	80,734	-	1,306,828	1,438,350	1,424,939	(13,411)	4,790,462	4,756,130	(34,332)
<b>Total</b>		<b>-</b>	<b>-</b>	<b>37,377</b>	<b>80,734</b>	<b>-</b>	<b>1,306,828</b>	<b>1,438,350</b>	<b>1,424,939</b>	<b>(13,411)</b>	<b>4,790,462</b>	<b>4,756,130</b>	<b>(34,332)</b>
<b>Linked to the provision of guarantees</b>													
Financial Treasury Bills (LFTs)		-	-	184,894	-	73,984	4,406,500	4,691,208	4,665,378	(25,830)	34,913	34,888	(25)
Financial Bills (LFs)		-	-	-	-	-	35,372	35,374	35,372	(2)	5,633,247	5,613,943	(19,304)
<b>Total</b>		<b>-</b>	<b>-</b>	<b>184,894</b>	<b>-</b>	<b>73,984</b>	<b>4,441,872</b>	<b>4,726,582</b>	<b>4,700,750</b>	<b>(25,832)</b>	<b>5,668,160</b>	<b>5,648,831</b>	<b>(19,329)</b>
<b>II - Trading securities</b>		16	-	-	-	-	-	16	16	-	656	654	(2)
<b>Bank's own portfolio</b>													
Rural Producer Notes (CPRs)		-	-	-	-	-	-	-	-	-	603	601	(2)
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>603</b>	<b>601</b>	<b>(2)</b>
<b>Derivative financial instruments</b>													
Futures – Foreign exchange		16	-	-	-	-	-	16	16	-	53	53	-
<b>Total</b>		<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>53</b>	<b>53</b>	<b>-</b>
<b>III - Held-to-maturity securities</b>		-	7,950	3,230	9,248	8,418	6,226,289	6,261,438	6,255,135	(6,303)	2,658,635	2,649,887	(8,748)
<b>Bank's own portfolio</b>													
Financial Treasury Bills (LFTs)		-	-	-	-	-	1,693,938	1,693,938	1,693,938	-	407,280	407,280	-
Financial Rural Producer Notes (CPRFs) - Floating rate		-	2,634	3,230	1,009	-	99,061	105,934	105,934	-	126,033	126,033	-
CPRFs - Fixed rate		-	5,316	-	8,239	8,418	34,474	62,750	56,447	(6,303)	68,796	60,048	(8,748)
<b>Total</b>		<b>-</b>	<b>7,950</b>	<b>3,230</b>	<b>9,248</b>	<b>8,418</b>	<b>1,827,473</b>	<b>1,862,622</b>	<b>1,856,319</b>	<b>(6,303)</b>	<b>602,109</b>	<b>593,361</b>	<b>(8,748)</b>
<b>Subject to repurchase agreements</b>													
Financial Treasury Bills (LFTs)		-	-	-	-	-	2,215,724	2,215,724	2,215,724	-	2,056,526	2,056,526	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,215,724</b>	<b>2,215,724</b>	<b>2,215,724</b>	<b>-</b>	<b>2,056,526</b>	<b>2,056,526</b>	<b>-</b>
<b>Linked to the provision of guarantees</b>													
Financial Treasury Bills (LFTs)		-	-	-	-	-	2,183,092	2,183,092	2,183,092	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,183,092</b>	<b>2,183,092</b>	<b>2,183,092</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - marketable securities</b>		<b>69,171</b>	<b>35,335</b>	<b>361,178</b>	<b>421,969</b>	<b>435,956</b>	<b>18,231,928</b>	<b>19,663,503</b>	<b>19,555,537</b>	<b>(107,966)</b>	<b>17,583,060</b>	<b>17,490,529</b>	<b>(92,531)</b>
<b>Current</b>									<b>1,323,609</b>			<b>2,527,016</b>	
<b>Non-current</b>									<b>18,231,928</b>			<b>14,963,513</b>	

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### b. Balances of marketable securities

	Note	Bank		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
Market value of available-for-sale securities		13,257,057	14,785,971	13,257,057	14,785,971
Market value of available-for-sale securities		-	601	-	601
Market value of held-to-maturity securities		6,255,134	2,649,887	6,255,134	2,649,887
<b>Total</b>		<b>19,512,191</b>	<b>17,436,459</b>	<b>19,512,191</b>	<b>17,436,459</b>

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

At June 30, 2021, Banco Sicoob's securities linked to the provision of guarantees totaled R\$ 6,883,842 (R\$ 5,648,831 at December 31, 2020), mainly distributed as follows:

- (a) R\$ 4,096,766 (R\$ 1,891,950 at 12/31/2020) as collateral for funding operations;
- (b) R\$ 2,722,254 (R\$ 3,692,745 at 12/31/2020) as collateral for card transactions.

### c. Gains (losses) on marketable securities and derivatives

	Note	Bank		Consolidated	
		6/30/2021	6/30/2020	6/30/2021	6/30/2020
Income from fixed-income securities		252,764	303,844	253,082	304,319
Income from investment funds		3,401	6,735	3,567	6,861
Positive adjustment of securities to market value		-	132	-	132
Income from short-term interbank investments	6(b)	321,102	292,772	321,102	292,772
Gains (losses) on transactions with derivatives		371	(6,609)	371	(6,609)
Gains (losses) on marketable securities and derivatives		(3,058)	(6,135)	(3,058)	(6,169)
<b>Total</b>		<b>574,580</b>	<b>590,739</b>	<b>575,064</b>	<b>591,306</b>

## Note 9 – Interbank onlendings and lending operations

### a. Balances of the loan portfolio, interbank onlendings, and other receivables with loan characteristics

	Note	Bank and Consolidated	
		6/30/2021	12/31/2020
Interbank onlendings		14,453,750	11,883,497
Loans and discounted notes		2,788,904	2,683,726
Financing		1,186,930	1,243,993
Rural and agribusiness financing		2,796,063	2,853,657
Real estate financing		332,507	209,255
Other Receivables	22(a1)	6,418,483	5,736,586
<b>Sub-total</b>		<b>27,976,637</b>	<b>24,610,714</b>
(-) Provision for expected credit losses - interbank onlendings		(4,061)	(1,747)
(-) Provision for expected credit losses - lending operations		(123,589)	(119,105)
(-) Provision for expected credit losses - other receivables		(83,333)	(71,442)
<b>Total</b>		<b>27,765,654</b>	<b>24,418,420</b>
Current		16,493,736	15,012,523
Non-current		11,271,918	9,405,897

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## b. Loan portfolio by type and risk level

Lending operations	Bank and Consolidated									6/30/2021	12/31/2020
	AA	A	B	C	D	E	F	G	H		
Interbank onlendings	13,673,918	756,630	20,904	2,298	-	-	-	-	-	14,453,750	11,883,497
Loans and discounted notes	805,097	1,395,557	305,190	192,833	61,492	12,989	2,653	2,785	10,308	2,788,904	2,683,725
Financing	39,344	405,564	326,329	296,218	66,988	21,445	8,673	12,703	9,666	1,186,930	1,243,993
Rural and agribusiness financing	14,988	2,259,647	331,296	130,406	39,770	10,434	3,262	5,805	455	2,796,063	2,853,658
Real estate financing	20,684	234,234	57,081	15,810	3,145	991	406	156	-	332,507	209,255
<b>Total</b>	<b>14,554,031</b>	<b>5,051,632</b>	<b>1,040,800</b>	<b>637,565</b>	<b>171,395</b>	<b>45,859</b>	<b>14,994</b>	<b>21,449</b>	<b>20,429</b>	<b>21,558,154</b>	<b>18,874,128</b>
Other receivables	14,132	4,267,478	1,359,590	556,362	187,074	26,751	3,218	1,703	2,175	6,418,483	5,736,586
<b>Grand Total</b>	<b>14,568,163</b>	<b>9,319,110</b>	<b>2,400,390</b>	<b>1,193,927</b>	<b>358,469</b>	<b>72,610</b>	<b>18,212</b>	<b>23,152</b>	<b>22,604</b>	<b>27,976,637</b>	<b>24,610,714</b>
Provisions for expected credit losses	-	46,484	23,850	35,476	35,648	21,767	9,080	16,167	22,511	210,983	192,294
<b>Total provisions at 6/30/2021, net</b>	<b>14,568,163</b>	<b>9,272,626</b>	<b>2,376,540</b>	<b>1,158,451</b>	<b>322,821</b>	<b>50,843</b>	<b>9,132</b>	<b>6,985</b>	<b>93</b>	<b>27,765,654</b>	<b>-</b>
<b>Total provisions at 12/31/2020, net</b>	<b>12,874,122</b>	<b>7,992,832</b>	<b>2,116,156</b>	<b>1,056,106</b>	<b>302,579</b>	<b>67,993</b>	<b>5,700</b>	<b>2,932</b>	<b>-</b>	<b>-</b>	<b>24,418,420</b>

## c. Provisions for expected credit losses by type

Lending operations	A	B	C	D	E	F	G	H	6/30/2021	12/31/2020
Interbank onlendings	3,783	209	69	-	-	-	-	-	4,061	1,748
Loans and discounted notes	6,978	3,052	5,785	6,149	3,897	1,327	1,950	10,308	39,446	36,029
Financing	1,917	3,110	8,545	6,500	6,417	4,311	8,852	9,573	49,225	49,585
Rural and agribusiness financing	11,298	3,313	3,912	3,977	3,130	1,631	4,063	455	31,779	31,314
Real estate financing	1,171	571	474	314	297	203	109	-	3,139	2,176
<b>Total</b>	<b>25,147</b>	<b>10,255</b>	<b>18,785</b>	<b>16,940</b>	<b>13,741</b>	<b>7,472</b>	<b>14,974</b>	<b>20,336</b>	<b>127,650</b>	<b>120,852</b>
Other receivables	21,338	13,596	16,691	18,707	8,025	1,609	1,192	2,175	83,333	71,442
<b>Grand Total</b>	<b>46,485</b>	<b>23,851</b>	<b>35,476</b>	<b>35,647</b>	<b>21,766</b>	<b>9,081</b>	<b>16,166</b>	<b>22,511</b>	<b>210,983</b>	<b>192,294</b>

## d. Balances classified by maturity range and risk level

### d1. Lending operations, interbank onlendings, and other receivables with loan characteristics falling due

	Bank and Consolidated									6/30/2021	12/31/2020
	AA	A	B	C	D	E	F	G	H		
01 to 30 days	469,850	341,916	121,749	70,659	27,962	4,766	647	661	511	1,038,721	655,699
31 to 60 days	715,661	269,092	81,526	38,374	12,367	2,245	347	334	265	1,120,211	709,478
61 to 90 days	930,560	419,862	112,872	52,464	16,558	2,879	422	390	284	1,536,291	899,739
91 to 180 days	1,840,084	1,336,168	381,239	172,597	54,704	9,032	1,607	1,224	1,523	3,798,178	4,312,368
181 to 360 days	4,121,821	3,291,117	982,206	446,634	144,258	22,841	3,284	3,605	2,628	9,018,394	8,466,632
Over 360 days	6,490,058	3,639,975	674,656	366,330	77,602	23,270	6,777	13,274	9,207	11,301,149	9,442,924
<b>Total</b>	<b>14,568,034</b>	<b>9,298,130</b>	<b>2,354,248</b>	<b>1,147,058</b>	<b>333,451</b>	<b>65,033</b>	<b>13,084</b>	<b>19,488</b>	<b>14,418</b>	<b>27,812,944</b>	<b>24,486,840</b>

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## d2. Past-due due lending operations, interbank onlendings, and other receivables with loan characteristics

Bank and Consolidated											
Past-due portion	AA	A	B	C	D	E	F	G	H	6/30/2021	12/31/2020
01 to 30 days	2	10,929	32,976	14,863	6,657	1,450	269	214	299	67,659	50,795
31 to 60 days	-	-	92	14,012	2,588	658	167	109	238	17,864	8,651
61 to 90 days	-	-	-	120	5,076	329	137	86	250	5,998	3,720
91 to 180 days	-	-	-	50	181	170	289	287	597	1,574	1,528
181 to 360 days	-	-	-	-	-	42	71	98	934	1,145	1,751
Over 360 days	-	-	-	-	-	-	-	-	179	179	277
<b>Total</b>	<b>2</b>	<b>10,929</b>	<b>33,068</b>	<b>29,045</b>	<b>14,502</b>	<b>2,649</b>	<b>933</b>	<b>794</b>	<b>2,497</b>	<b>94,419</b>	<b>66,722</b>
<b>Portion not yet due</b>											
01 to 30 days	2	213	338	470	261	141	129	86	193	1,833	1,613
31 to 60 days	1	152	242	373	232	129	112	79	178	1,498	1,565
61 to 90 days	1	153	248	409	243	136	126	92	185	1,593	1,490
91 to 180 days	4	470	735	1,172	687	389	343	242	537	4,579	4,248
181 to 360 days	8	933	1,400	2,211	1,328	728	672	470	994	8,744	8,102
Over 360 days	111	8,130	10,111	13,189	7,765	3,405	2,813	1,901	3,602	51,027	40,134
<b>Total</b>	<b>127</b>	<b>10,051</b>	<b>13,074</b>	<b>17,824</b>	<b>10,516</b>	<b>4,928</b>	<b>4,195</b>	<b>2,870</b>	<b>5,689</b>	<b>69,274</b>	<b>57,152</b>
<b>Total</b>	<b>129</b>	<b>20,980</b>	<b>46,142</b>	<b>46,869</b>	<b>25,018</b>	<b>7,577</b>	<b>5,128</b>	<b>3,664</b>	<b>8,186</b>	<b>163,693</b>	<b>123,874</b>

## e. Balances classified by industry and maturity

Bank and Consolidated									
	Past-due		Not yet due				Total	Total	
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Over 15 years	6/30/2021	12/31/2020	
Rural	-	119,076	387,755	826,344	701,243	761,645	-	2,796,063	2,853,657
Financial intermediaries	-	2,163,293	5,974,364	4,237,232	1,143,282	935,582	-	14,453,753	11,883,497
Individuals	45,648	960,671	4,360,122	770,848	434,503	311,320	139,048	7,022,160	6,341,636
Other services	20,738	485,140	2,107,654	761,772	282,296	45,498	1,563	3,704,661	3,531,924
Housing	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>66,386</b>	<b>3,728,180</b>	<b>12,829,895</b>	<b>6,596,196</b>	<b>2,561,324</b>	<b>2,054,045</b>	<b>140,611</b>	<b>27,976,637</b>	<b>24,610,714</b>

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

### f1. Concentration of interbank onlendings

	Bank and Consolidated			
	6/30/2021	%	12/31/2020	%
10 largest debtors	5,179,029	35.83	4,118,766	34.66
50 next largest debtors	5,751,239	39.78	4,641,710	39.05
100 next largest debtors	3,045,435	21.07	2,668,875	22.46
Other	478,047	3.32	454,146	3.83
<b>Total</b>	<b>14,453,750</b>	<b>100</b>	<b>11,883,497</b>	<b>100.00</b>

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## f2. Concentration of lending operations

	Bank and Consolidated			
	6/30/2021	%	12/31/2020	%
10 largest debtors	504,743	7.10	531,504	7.60
50 next largest debtors	522,027	7.35	572,516	8.19
100 next largest debtors	315,977	4.45	335,274	4.80
Other	5,761,657	81.10	5,551,337	79.41
<b>Total</b>	<b>7,104,404</b>	<b>100.00</b>	<b>6,990,631</b>	<b>100.00</b>

## f3. Concentration of operations - other receivables with loan characteristics

	Bank and Consolidated			
	6/30/2021	%	12/31/2020	%
10 largest debtors	9,973	0.16	6,129	0.11
50 next largest debtors	18,546	0.29	15,128	0.26
100 next largest debtors	21,658	0.34	18,462	0.32
Other	6,368,306	99.22	5,696,867	99.31
<b>Total</b>	<b>6,418,483</b>	<b>100.00</b>	<b>5,736,586</b>	<b>100.00</b>

## g. Changes in the provisions for expected credit losses

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

	Bank and Consolidated	
	6/30/2021	12/31/2020
<b>Balance at the beginning of the period</b>	120,852	96,109
Constitution (reversal) of provision for expected credit losses - interbank onlendings	2,314	(6,830)
Constitution (reversal) of provision for expected credit losses - lending operations	12,004	45,835
Lending operations written off as losses	(7,520)	(14,262)
<b>Balance at the end of the six-month period</b>	<b>127,650</b>	<b>120,852</b>

The loans renegotiated in the period, whether due to regulations or default, totaled R\$ 204.34 (R\$ 231.66 at 12/31/2020) and related to non-performing contracts of payroll-deductible loans, Rural Credit, and lending operations.

The amount of R\$ 99.7 relates to renegotiations of payroll-deductible loans; R\$ 22.43 to rural credit operations renegotiated in compliance with Resolutions 4,782/2020 and 4,801/2020, due to the COVID-19 pandemic; and R\$ 82.2 relates to rural credit operations renegotiated in compliance with standards issued by the National Monetary Council.

The recovery of receivables written off as losses in the first six-month period of 2020 totaled R\$ 2,849 (R\$ 974 at 6/30/2020).

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

	Bank and Consolidated	
	30/6/2021	12/31/2020
Balance at the beginning of the period	71,442	51,967
Constitution (reversal) of provision for expected credit losses	11,891	19,475
<b>Balance at the end of the six-month period</b>	<b>83,333</b>	<b>71,442</b>

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## h. Income from interbank onlendings and lending operations

	Bank and Consolidated	
	6/30/2021	6/30/2020
Income from interbank onlendings	347,329	294,296
Loans and discounted notes	136,949	131,065
Financing	49,598	30,367
Rural and agribusiness financing	84,196	74,342
Income from housing financing	8,966	3,693
<b>Sub-total</b>	<b>627,038</b>	<b>533,763</b>
Recovery of receivables written-off as losses	2,849	974
<b>Balance at the end of the six-month period</b>	<b>629,887</b>	<b>534,737</b>

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

### a. Balances

Balances	6/30/2021				12/31/2020			
	Bank		Consolidated		Bank		Consolidated	
	Income tax	Social contribution						
Provision for loan losses	217,203	217,203	217,203	217,203	198,301	198,301	198,301	198,301
Contingent liabilities	14,564	14,564	14,868	14,868	14,670	14,670	14,670	14,670
Adjustment of securities to market value	101,708	101,708	101,708	101,708	83,782	83,782	83,782	83,782
Profit sharing	5,429	5,429	5,672	5,672	13,106	13,106	13,301	13,301
Commission on SIPAG Acceleration Program	3,790	3,790	3,790	3,790	4,009	4,009	4,009	4,009
Government Severance Indemnity Fund for Employees (FGTS) - 50% - Executive Board	1,784	1,784	2,499	2,499	1,608	1,608	2,096	2,096
Provisions for the national sales campaign	24,960	24,960	25,686	25,686	29,582	29,582	29,582	29,582
Incentive Program - Credit	168,594	168,594	168,594	168,594	102,702	102,702	102,702	102,702
Card bonuses	-	-	-	-	5,345	5,345	5,345	5,345
Legal fees	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518
Other provisions	89,477	89,477	96,395	96,395	73,063	73,063	73,086	73,086
<b>Amount</b>	<b>629,027</b>	<b>629,027</b>	<b>637,933</b>	<b>637,933</b>	<b>527,686</b>	<b>527,686</b>	<b>528,392</b>	<b>528,392</b>
Tax rates	25%	20%	25%	20%/15%/9%	25%	20%	25%	20%,15%
<b>Tax credits recognized</b>	<b>157,257</b>	<b>136,406</b>	<b>159,483</b>	<b>137,247</b>	<b>131,922</b>	<b>105,537</b>	<b>132,098</b>	<b>105,644</b>

\* On June 30, 2021, Banco Sicoob recorded social contribution (CSLL) tax credits in the amount of R\$10,600, based on the increase in the tax rate from 20% to 25% effective July 1, 2021, in accordance with legal provision 14,183/21 and based on a study of expected realization of tax credits relating to provisions due in 2021.

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## b. Changes in balances

	6/30/2021				12/31/2020			
	Bank		Consolidated		Bank		Consolidated	
	Income tax	Social contribution						
<b>Balances</b>								
<b>At December 31</b>								
Deferred tax assets	131,922	105,537	132,098	105,644	100,736	60,441	100,921	60,552
Deferred tax liabilities	(40)	(32)	(40)	(32)	(284)	(170)	(284)	(170)
<b>Sub-total</b>	<b>131,882</b>	<b>105,505</b>	<b>132,058</b>	<b>105,612</b>	<b>100,452</b>	<b>60,271</b>	<b>100,637</b>	<b>60,382</b>
<b>Adjustment to profit (loss)</b>	<b>20,904</b>	<b>27,276</b>	<b>22,955</b>	<b>28,010</b>	<b>10,201</b>	<b>28,307</b>	<b>10,192</b>	<b>28,303</b>
Tax credits recognized	119,470	106,129	122,373	107,181	214,807	183,994	214,904	184,053
Tax credits derecognized	(98,606)	(78,885)	(99,458)	(79,203)	(204,567)	(155,655)	(204,673)	(155,718)
Changes in deferred taxes	40	32	40	32	(39)	(32)	(39)	(32)
<b>Adjustment to equity (securities)</b>	<b>4,471</b>	<b>3,625</b>	<b>4,470</b>	<b>3,625</b>	<b>21,229</b>	<b>16,927</b>	<b>21,229</b>	<b>16,927</b>
Tax credits recognized	146,935	117,596	146,934	117,596	118,262	94,288	118,262	94,289
Tax credits derecognized	(142,464)	(113,971)	(142,464)	(113,971)	(97,316)	(77,531)	(97,316)	(77,532)
Changes in deferred taxes	-	-	-	-	283	170	283	170
<b>Changes</b>	<b>25,375</b>	<b>30,901</b>	<b>27,425</b>	<b>31,635</b>	<b>31,430</b>	<b>45,234</b>	<b>31,421</b>	<b>45,230</b>
<b>At December 31</b>								
Deferred tax assets	157,257	136,406	159,483	137,247	131,922	105,537	132,098	105,644
Deferred tax liabilities	-	-	-	-	(40)	(32)	(40)	(32)
	<b>157,257</b>	<b>136,406</b>	<b>159,483</b>	<b>137,247</b>	<b>131,882</b>	<b>105,505</b>	<b>132,058</b>	<b>105,612</b>

## c. Expected realization of tax credits

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

Years	6/30/2021			
	Bank		Consolidated	
	Nominal amount	Present value	Nominal amount	Present value
2021	106,004	100,743	106,957	101,648
2022	40,869	36,425	41,924	37,366
2023	23,887	19,991	24,735	20,701
2024	20,415	16,042	20,626	16,208
2025	38,598	28,480	38,598	28,480
2026 to 2030	63,890	44,263	63,890	44,263
<b>Total tax credits</b>	<b>293,663</b>	<b>245,944</b>	<b>296,730</b>	<b>248,666</b>

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

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## d. Income tax and social contribution on net income

The reconciliation of tax at the statutory rate applied to pretax combined income to the expense charged to the statement of Income is as follows:

	Bank					Consolidated			
	6/30/2021		6/30/2020			6/30/2021		6/30/2020	
	Income tax	Social contribution	Income tax	Social contribution up to February	Social contribution from March*	Income tax	Social contribution	Income tax	Social contribution
<b>Balances</b>									
Profit before taxation and profit sharing	184,193	184,193	101,905	40,325	61,580	203,838	203,838	109,536	109,536
Equity in the results of subsidiaries	(43,380)	(43,380)	(33,885)	(6,165)	(27,720)	(10,739)	(10,739)	(24,161)	(24,161)
Employee profit sharing	(5,057)	(5,057)	(4,941)	(1,481)	(3,460)	(5,885)	(5,885)	(6,470)	(6,470)
<b>Tax base</b>	<b>135,755</b>	<b>135,755</b>	<b>63,079</b>	<b>32,679</b>	<b>30,400</b>	<b>187,215</b>	<b>187,215</b>	<b>80,164</b>	<b>80,164</b>
Tax rate	25%	20%	25%	15%	20%	25%	20%/15%/9%	25%	20%/15%/9%
	<b>33,939</b>	<b>27,151</b>	<b>15,770</b>	<b>4,902</b>	<b>60,080</b>	<b>46,804</b>	<b>34,441</b>	<b>20,042</b>	<b>13,219</b>
Tax effects on permanent differences									
Provision for expected credit losses	4,725	3,780	5,826	958	3,384	4,725	3,780	5,826	4,342
Provision for contingent liabilities	(26)	(21)	172	28	100	(20)	(21)	199	138
Other provisions	16,166	12,933	21,244	2,716	13,372	17,183	13,254	21,095	16,107
	<b>20,865</b>	<b>16,692</b>	<b>27,242</b>	<b>3,702</b>	<b>16,856</b>	<b>21,888</b>	<b>17,013</b>	<b>27,120</b>	<b>20,587</b>
Tax effects on permanent differences									
	7,008	5,587	587	79	351	7,141	5,653	677	484
Tax losses available for offset	-	-	-	-	-	(3)	(1)	-	-
Sponsorships benefiting from tax incentives	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-
Workers' Meal Program (PAT)	(1,484)	-	(1,047)	-	-	(1,818)	-	(1,149)	-
Extension of parenthood leave	(144)	-	(105)	-	-	(159)	-	(105)	-
	<b>(1,628)</b>	<b>-</b>	<b>(1,152)</b>	<b>-</b>	<b>-</b>	<b>(1,980)</b>	<b>(1)</b>	<b>(1,254)</b>	<b>-</b>
<b>Current income tax and social contribution</b>	<b>60,184</b>	<b>49,430</b>	<b>42,447</b>	<b>8,683</b>	<b>23,287</b>	<b>73,853</b>	<b>57,106</b>	<b>46,585</b>	<b>34,290</b>
Income tax and social contribution from prior years	-	-	-	-	-	-	-	2	1
<b>Total</b>	<b>60,184</b>	<b>49,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,853</b>	<b>57,106</b>	<b>46,587</b>	<b>34,291</b>

\* From March 2020, the social contribution tax rate was changed to 20%, pursuant to Constitutional Amendment No. 103/2019.

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### Note 11 - Investments in associates and subsidiaries

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

Description	Reporting date	Paid-up share capital	Adjusted equity	Profit for the year	Ownership %	Number of shares	Equity in the results		Goodwill on investments		Bank		Consolidated	
							Six-month period							
							6/30/2021	6/30/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Bancoob Distribuidora de Títulos e Valores Mobiliários Ltda. (a)	6/30/2021	2,170	6,439	1,283	99.9994	2,000,000	1,283	2,032	-	-	6,439	6,249	-	-
Sicoob Soluções de Pagamento Ltda. (b)	6/30/2021	61,922	87,732	25,740	99	61,922,499	25,482	3,557	14,317	39,799	101,172	101,172	14,317	39,799
Ponta Administradora de Consórcios Ltda. (c)	6/30/2021	6,191	90,394	5,840	99.99	6,191,000	5,839	4,138	-	-	90,385	84,546	-	-
Bancoob Participações em Seguridade S.A. (d)	6/30/2021	20,000	77,724	10,776	100	20,000,000	10,776	24,158	-	-	77,724	66,949	77,031	66,291
<b>Total</b>							<b>43,380</b>	<b>33,885</b>	<b>14,317</b>	<b>39,799</b>	<b>275,720</b>	<b>258,916</b>	<b>91,348</b>	<b>106,090</b>

(a) Administrator and manager of investment funds, with managed assets amounting to R\$ 47,887,521 at June 30, 2021 (R\$ 36,950,710 at December 31, 2020).

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

(c) Operator of consortia for light and heavy-duty vehicles, properties and services, with over 248,310 active participants and a managed portfolio of R\$ 19.97 billion.

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

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### Note 12 - Property and equipment

	Bank						Consolidated
	Land	Buildings and improvements	Machinery and equipment	IT equipment	Other	Total	Total
<b>At December 31, 2019</b>	<b>3,010</b>	<b>51,817</b>	<b>5,229</b>	<b>10,342</b>	<b>543</b>	<b>70,941</b>	<b>82,961</b>
Purchases	-	-	767	708	35	1,510	1,642
Disposals	-	-	(7)	(2)	(8)	(17)	(17)
Depreciation	-	(1,637)	(393)	(1,816)	(71)	(3,917)	(5,841)
<b>At June 30, 2020</b>	<b>3,010</b>	<b>50,180</b>	<b>5,596</b>	<b>9,233</b>	<b>499</b>	<b>68,517</b>	<b>78,745</b>
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)
<b>Net book value</b>	<b>3,010</b>	<b>50,180</b>	<b>5,596</b>	<b>9,233</b>	<b>499</b>	<b>68,517</b>	<b>78,745</b>
<b>At December 31, 2020</b>	<b>3,010</b>	<b>48,544</b>	<b>5,183</b>	<b>7,473</b>	<b>451</b>	<b>64,661</b>	<b>73,849</b>
Purchases	-	-	4	3,439	28	3,471	5,469
Disposals	-	-	-	-	-	-	-
Depreciation	-	(1,637)	(401)	(1,889)	(60)	(3,987)	(5,746)
<b>At June 30, 2021</b>	<b>3,010</b>	<b>46,907</b>	<b>4,786</b>	<b>9,023</b>	<b>419</b>	<b>64,145</b>	<b>73,572</b>
Total cost	3,010	72,582	11,205	26,229	1,088	114,114	141,797
Accumulated depreciation	-	(25,675)	(6,419)	(17,206)	(669)	(49,969)	(68,225)
<b>Net book value</b>	<b>3,010</b>	<b>46,907</b>	<b>4,786</b>	<b>9,023</b>	<b>419</b>	<b>64,145</b>	<b>73,572</b>
<b>Annual depreciation rates - %</b>	<b>-</b>	<b>4.70%</b>	<b>10%</b>	<b>20%</b>	<b>10%</b>		

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## Note 13 - Intangible assets

	Bank	Consolidated
<b>At December 31, 2019</b>	<b>1,700</b>	<b>8,643</b>
Acquisitions	470	1,818
Depreciation	(346)	(1,742)
<b>At June 30, 2020</b>	<b>1,824</b>	<b>8,718</b>
Total cost	10,014	28,732
Accumulated depreciation	(8,190)	(20,034)
<b>Net book value</b>	<b>1,824</b>	<b>8,718</b>
<b>At December 31, 2020</b>	<b>1,477</b>	<b>8,315</b>
Acquisitions	234	4,211
Depreciation	(328)	(2,142)
<b>At June 30, 2021</b>	<b>1,383</b>	<b>10,384</b>
Total cost	10,255	34,399
Accumulated depreciation	(8,872)	(24,015)
<b>Net book value</b>	<b>1,383</b>	<b>10,384</b>
<b>Annual depreciation rates - %</b>	<b>20%</b>	<b>20%</b>

## Note 14 - Deposits

### a. Balances

Deposits	Bank							Consolidated			
	Without defined maturity	Up to 1 month	From 1 to 3 months	From 3 to 4 months	From 6 to 12 months	Over 1 year	Total	12/31/2020	6/30/2021	12/31/2020	
Demand deposits	156,381	-	-	-	-	-	156,381	83,247	156,037	82,838	
Savings deposits	10,697,021	-	-	-	-	-	10,697,021	9,902,359	10,697,021	9,902,359	
Interbank deposits	-	5,751,413	4,670,355	4,770,112	10,830,642	6,357,952	32,380,474	41,103,171	32,380,474	41,103,171	
Rural interbank deposits	-	2,263,157	717,181	137,757	370,756	2,163,928	5,652,779	3,530,653	5,652,779	3,530,653	
Time deposits	-	770,791	23,546	29,623	166,561	758,652	1,749,173	920,547	1,364,960	589,677	
<b>Total</b>	<b>10,853,402</b>	<b>8,785,361</b>	<b>5,411,082</b>	<b>4,937,492</b>	<b>11,367,959</b>	<b>9,280,532</b>	<b>50,635,828</b>	<b>55,539,977</b>	<b>50,251,271</b>	<b>55,208,698</b>	
<b>Current</b>							<b>41,355,296</b>	<b>48,852,534</b>	<b>40,994,917</b>	<b>48,839,376</b>	
<b>Non-current</b>							<b>9,280,532</b>	<b>6,687,443</b>	<b>9,256,354</b>	<b>6,369,322</b>	

### b. Expenses with money market funding

	Bank		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Savings deposits	90,577	90,786	90,577	90,786
Interbank deposits	542,255	595,782	542,255	595,782
Time deposits	12,099	11,556	7,582	8,897
Money market funding	56,425	57,584	56,425	57,584
Other funding expenses	8,990	6,862	8,990	6,862
<b>Total</b>	<b>710,346</b>	<b>762,570</b>	<b>705,829</b>	<b>759,911</b>

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### Note 15 - Repurchase agreement obligations

#### Maturity

	Bank and Consolidated						12/31/2020
	6/30/2021						
	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total	Total
Own portfolio	2,620,540	1,001,873	7,024	-	-	3,629,437	6,779,022
<b>Total</b>	<b>2,620,540</b>	<b>1,001,873</b>	<b>7,024</b>	<b>-</b>	<b>-</b>	<b>3,629,437</b>	<b>6,779,022</b>
<b>Current</b>						<b>3,629,437</b>	<b>6,779,022</b>
<b>Non-current</b>						-	-

### Nota 16 – Funds from acceptance of bills of exchange, real estate and mortgage notes, debentures and similar items

	Bank and Consolidated						12/31/2020
	6/30/2021						
	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total	Total
Agribusiness Credit Notes (LCAs) - floating rate	2,963	2,719	5,311	9,035	16,512	36,540	42,227
Special Temporary Liquidity Line backed by Guaranteed Financial Bills (LTEL-LFG)	-	-	-	-	-	-	10,149
<b>Total</b>	<b>2,963</b>	<b>2,719</b>	<b>5,311</b>	<b>9,035</b>	<b>16,512</b>	<b>36,540</b>	<b>52,376</b>
<b>Current</b>						<b>20,028</b>	<b>33,162</b>
<b>Non-current</b>						<b>16,512</b>	<b>19,214</b>

### Note 17 – Borrowings and onlendings

#### a. Breakdown of borrowings and onlendings

Onlending obligations of Brazilian institutions are mainly represented by funds obtained from BNDES/FINAME, National Treasury, Banco do Brasil, and Funcafé, and mature up to 2038, bearing finance charges of up to 11.18 % p.a.

	Bank and Consolidated							12/31/2020	
	6/30/2021								
	Without defined maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Over 15 years	Total	Total
BNDES	-	90,069	314,175	687,256	553,221	674,626	59	2,319,406	2,477,046
Banco do Brasil/ FCO	-	2,359	9,344	28,148	31,584	35,420	-	106,855	52,502
Banco da Amazônia/ FNO	-	53	159	35	-	-	-	247	354
FINAME	-	59,410	155,654	312,967	197,783	102,663	-	828,477	891,280
Funcafé	-	149,792	107,108	16,245	-	-	-	273,145	345,948
<b>Total</b>	<b>-</b>	<b>301,683</b>	<b>586,440</b>	<b>1,044,651</b>	<b>782,588</b>	<b>812,709</b>	<b>59</b>	<b>3,528,130</b>	<b>3,767,130</b>
<b>Current</b>								<b>888,123</b>	<b>955,742</b>
<b>Non-current</b>								<b>2,640,007</b>	<b>2,811,388</b>

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### b. Expenses with borrowings and onlendings

	Bank and Consolidated	
	6/30/2021	6/30/2020
BNDES	50,175	33,680
FINAME	23,974	19,187
Banco do Brasil/ FCO	988	536
Other Institutions - Funcafé	3,605	4,742
<b>Total</b>	<b>78,742</b>	<b>58,145</b>

### Note 18 – Derivative financial instruments

	Bank and Consolidated		
	6/30/2021		12/31/2020
	Without defined maturity	Total	Total
Futures – Foreign exchange	89	89	1
<b>Total</b>	<b>89</b>	<b>89</b>	<b>1</b>
<b>Current</b>		<b>89</b>	<b>1</b>
<b>Non-current</b>		-	-

### Note 19 - Provisions

#### a. Provision for contingencies

Tax-related lawsuits and administrative proceedings to which Banco Sicoob is a party are classified by Management under the advice of internal and external legal consultants, taking into consideration the nature and specifics of each lawsuit, as well as higher court judicial precedents.

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

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

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

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

#### Legal obligations classified as involving risk of probable loss

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

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## Provisions recorded

### Balance sheet balances

	Bank				Consolidated			
	6/30/2021		12/31/2020		6/30/2021		12/31/2020	
	Deposits in court	Provisions	Judicial deposits	Provisions	Judicial deposits	Provisions	Judicial deposits	Provisions
Tax	5,766	-	5,059	-	5,848	2	5,141	2
Labor	1,251	1,696	800	2,536	1,251	1,998	800	2,536
Civil	8,834	12,868	8,841	12,134	8,994	12,894	8,907	12,441
<b>Total</b>	<b>15,851</b>	<b>14,564</b>	<b>14,700</b>	<b>14,670</b>	<b>16,093</b>	<b>14,894</b>	<b>14,848</b>	<b>14,979</b>

### Changes in the provisions for lawsuits

	Bank			Consolidated		
	6/30/2021			12/31/2020	6/30/2021	12/31/2020
	Labor	Civil	Total	Total	Total	Total
At December 31, 2020	2,536	12,134	14,670	14,503	14,979	14,892
Additions in the period	906	1,254	2,160	2,800	2,255	3,458
Use in the period	(929)	(262)	(1,191)	(615)	(1,211)	(1,163)
Reversals	(817)	(258)	(1,075)	(2,018)	(1,129)	(2,208)
At June 30, 2020	1,696	12,868	14,564	14,670	14,894	14,979

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

### Nature of lawsuits classified as involving probable losses

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

### Schedule of expected cash outflows

Due to the nature of the existing contingencies and the complexity of Brazilian legal environment, estimating a reasonable schedule for the future settlement of the lawsuits can be difficult.

### Contingencies classified as involving possible losses

Lawsuits classified as possible losses are not recognized, and are only disclosed when the amount is material. The following contingencies are classified as possible risk of losses: civil lawsuits disputing Bancoob's joint liability for deposits made in credit unions; (ii) civil lawsuit disputing the Bank's liability for the payment of damages due to an error made by a credit union; (iii) civil lawsuits disputing alleged property damages and pain and suffering caused by products of Banco Sicoob; (iv) labor lawsuits; (v) tax and social security administrative proceedings (Accident Prevention Factor (FAP), Scholarships and Social Integration Program (PIS)); (vi) action for annulment of a tax assessment notice, filed by the Bank. The tax assessment notice intended to be annulled through this action refers to the amount deducted by Banco Sicoob from the tax base in 2008. The deduction arose from the compensatory nature of the amount paid by Banco Sicoob, as decided at an Extraordinary General Meeting, in relation to a failure in the provision of services under the Bank's responsibility.

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### Balance of contingent liabilities classified as involving possible losses

	Bank		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Labor	19,051	21,423	19,423	22,026
Tax/social security	160,515	164,195	160,516	164,195
Civil	222,502	202,647	230,767	212,232
<b>Total</b>	<b>402,068</b>	<b>388,265</b>	<b>410,706</b>	<b>398,453</b>

### b. Provisions for guarantees

	Bank and Consolidated	
	6/30/2021	12/31/2020
Balance at the beginning of the period	195	250
Constitution (reversal)	39	(55)
<b>Balance at the end of the six-month period</b>	<b>234</b>	<b>195</b>

Provisions are recorded for guarantees provided, subject to the same criteria established by Resolution 2,682/99. In the first half of 2021, a provision of R\$39 was recorded (R\$ 55 was reversed at 12/31/2020).

## Note 20 – Equity

### a. Share capital

Share capital is comprised of 1,016,460,452 shares (1,003,744,529 at 12/31/2020), of which 515,997,658 are common shares (504,626,590 at 12/31/2020) and 510,364,878 preferred shares (499,117,939 at 12/31/2020), all of which with no par value. In March 2021, 9,902,084 treasury shares were acquired.

### b. Capital reserve

The balance of R\$ 51 (R\$ 51 in 2020) relates to a gain on the sale of treasury shares.

### c. Revenue reserve

In accordance with its bylaws, Banco Sicoob appropriated 5% of adjusted profit for the period to the revenue reserve, which totaled R\$ 5,885 (R\$ 8,052 at 12/31/2020).

The amount of R\$ 106,226 (R\$ 145,331 at 12/31/2020) was transferred to "Revenue reserve - Other", to be allocated as decided at the next general meeting. The Bank also recorded mandatory dividends, totaling R\$7,649, which will be distributed upon authorization.

### d. Dividends

The shareholders of Banco Sicoob are entitled to mandatory minimum dividends corresponding to 5% of adjusted profit for the year. Banco Sicoob approved the distribution of dividends totaling R\$ 5,591, equivalent to R\$ 5.50 per thousand shares (R\$ 7,649, equivalent to R\$ 7.62 per thousand shares, at 12/31/2020).

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### e. Adjustment to market value

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

## Note 21 – Operational limits – Basel Accord

The net assets of Banco Sicoob Prudential Conglomerate are consistent with the level of risk posed by its asset framework. In June 2021, the Basel ratio was 13.14% (13.47% at 12/31/2020).

## Note 22 – Other items in the financial statements

### a. Other assets

#### a1. Payment transactions

	Bank		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Payment transactions - Acquiring operations	4,255,623	3,739,775	4,285,822	3,779,596
Receivables from payment transactions - Card	6,418,483	5,736,586	6,418,483	5,736,586
<b>Total</b>	<b>10,674,106</b>	<b>9,476,361</b>	<b>10,704,305</b>	<b>9,516,182</b>
<b>Current</b>	<b>10,591,212</b>	<b>9,461,749</b>	<b>10,621,411</b>	<b>9,501,570</b>
<b>Non-current</b>	<b>82,894</b>	<b>14,612</b>	<b>82,894</b>	<b>14,612</b>

#### a2. Foreign exchange portfolio

	Bank		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Foreign currency purchase	7,085	187	7,085	187
<b>Total</b>	<b>7,085</b>	<b>187</b>	<b>7,085</b>	<b>187</b>
<b>Current</b>	<b>7,085</b>	<b>187</b>	<b>7,085</b>	<b>187</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### a3. Other

	Bank		Consolidated	
	6/30/2021	12/31/2020	31/06/2021	12/31/2020
Clearing of checks and other documents	685,617	8	685,617	8
Documents received from other participants of the systems	723,537	-	723,537	-
Taxes and contributions to be offset	113,431	121,133	135,022	143,959
Payments to be reimbursed	73,322	148,484	73,879	149,102
Notes and credits receivable	28,423	21,618	28,265	21,435
Sundry debtors - Brazil	60,741	62,484	62,490	63,004
Prepaid expenses	64,351	64,660	68,257	66,286
Other	24,314	26,388	31,743	31,773
<b>Total</b>	<b>1,773,736</b>	<b>444,775</b>	<b>1,808,810</b>	<b>475,567</b>
<b>Current</b>	<b>1,674,360</b>	<b>390,373</b>	<b>1,707,662</b>	<b>420,415</b>
<b>Non-current</b>	<b>99,376</b>	<b>54,402</b>	<b>101,148</b>	<b>55,152</b>

# Notes to the financial statements

## June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### a4. Provision for other assets

	Bank		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Provision for receivables from payment transactions	83,333	71,442	83,333	71,442
Provision for other loan losses	657	663	657	663
<b>Total</b>	<b>83,990</b>	<b>72,105</b>	<b>83,990</b>	<b>72,105</b>
<b>Current</b>	<b>83,551</b>	<b>71,249</b>	<b>83,551</b>	<b>71,249</b>
<b>Non-current</b>	<b>439</b>	<b>856</b>	<b>439</b>	<b>856</b>

### b. Other liabilities

#### b1. Payment transactions

	Bank		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Prepaid payment account	-	-	32,701	41,040
Checks and other documents received	496,947	-	496,947	-
Receipts remitted	1,218,078	-	1,218,078	-
Payment transactions	5,489,559	4,804,890	5,489,570	4,804,903
Obligations related to payment transactions	2,434,987	2,535,306	2,484,848	2,589,779
Obligations related to payment arrangement services	1,688	1,675	1,688	1,675
<b>Total</b>	<b>9,641,259</b>	<b>7,341,871</b>	<b>9,723,832</b>	<b>7,437,397</b>
<b>Current</b>	<b>9,641,259</b>	<b>7,341,871</b>	<b>9,723,832</b>	<b>7,437,397</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### b2. Tax and social security obligations

	Note	Bank		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
Provision for income tax		60,184	40,960	73,850	55,064
Provision for social contribution		49,430	32,342	57,105	39,620
Taxes and contributions on third-party services		3,224	5,432	3,731	5,996
Taxes and contributions on salaries		4,637	4,655	6,288	6,650
Other taxes		18,450	16,778	23,434	21,485
<b>Total</b>		<b>135,925</b>	<b>100,167</b>	<b>164,408</b>	<b>128,815</b>
<b>Current</b>		<b>130,647</b>	<b>99,638</b>	<b>159,130</b>	<b>128,286</b>
<b>Non-current</b>		<b>5,278</b>	<b>529</b>	<b>5,278</b>	<b>529</b>

#### b3. Foreign exchange portfolio

	Note	Bank		Consolidated	
		6/30/2021	12/31/2020	12/30/2021	12/31/2020
Obligations related to foreign currency purchases		9,514	187	9,514	187
<b>Total</b>		<b>9,514</b>	<b>187</b>	<b>9,514</b>	<b>187</b>
<b>Current</b>		<b>9,514</b>	<b>187</b>	<b>9,514</b>	<b>187</b>
<b>Non-current</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## b4. Other

	Bank		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Interdepartmental accounts	78,082	16,331	78,082	16,331
Collection of taxes and similar charges	503,179	11,495	503,179	11,495
Payables to members of terminated consortia	-	-	21,250	18,787
Obligations related to official agreements	52,216	30,422	52,216	30,422
Personnel expenses	17,554	12,944	26,418	20,561
Administrative expenses	126,149	117,702	109,608	105,953
Credit cards	214,627	167,990	214,627	167,991
Expenses with lending operations	216,582	152,214	216,582	152,214
Acquiring operations	77,525	75,562	77,525	75,562
Other	62,726	38,222	270,783	223,019
<b>Total</b>	<b>1,348,640</b>	<b>622,882</b>	<b>1,570,270</b>	<b>822,335</b>
<b>Current</b>	<b>1,346,830</b>	<b>621,249</b>	<b>1,567,536</b>	<b>819,854</b>
<b>Non-current</b>	<b>1,810</b>	<b>1,633</b>	<b>2,735</b>	<b>2,481</b>

## c. Foreign exchange results

	Bank and Consolidated	
	6/30/2021	6/30/2020
Foreign exchange gains	2,781	7,649
Foreign exchange losses	986	29
<b>Total</b>	<b>1,795</b>	<b>7,620</b>

## d. Income from services rendered and banking fees

	Bank		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Sicoob Agreement	4,807	4,129	4,807	4,129
Income from banking fees (a)	10,044	10,695	10,044	10,695
Income from fund services	1,254	1,488	1,254	1,488
Income from fund management services	-	-	5,547	6,749
Income from consortia management services	-	-	153,170	96,203
Income from credit card services (b)	354,796	260,133	359,373	265,281
Income from prepayments of obligations related to payment transactions	140,908	126,443	140,945	126,491
Income from collection services for public utility companies (c)	52,008	42,746	52,008	42,746
Income from banking fees	59	30	59	30
Income from acquiring services	3,882	1,953	3,882	1,953
Other income - sundry	32,205	25,050	52,769	37,924
<b>Total</b>	<b>599,963</b>	<b>472,667</b>	<b>783,858</b>	<b>593,689</b>

(a) Relate to services provided to Sicoob members that are not related to banking fees.

(b) Relate to exchange services, withdrawals, electronic checks, annual fees of cards, credit card management services etc.

(c) Relate to fees charged for collection services rendered to public utility companies.

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### e. Balances of other operating income

	Bank		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Recovery of charges and expenses	3,999	3,217	3,999	3,217
Income from credit card operations (a)	30,892	47,391	58,781	48,148
Acquiring operations	118,850	111,737	118,850	111,737
Others	1,668	751	5,290	3,316
<b>Total</b>	<b>155,409</b>	<b>163,096</b>	<b>186,920</b>	<b>166,418</b>

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

### f. Personnel expenses

	Bank		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Fees paid to officers and directors	6,964	5,144	8,896	7,551
Salaries (a)	34,908	35,756	51,355	53,910
Social charges (b)	15,901	16,209	22,841	23,742
Benefits (c)	11,254	11,083	21,711	21,109
Training programs	389	1,035	512	1,323
Interns' compensation	256	379	620	825
<b>Total</b>	<b>69,672</b>	<b>69,606</b>	<b>105,935</b>	<b>108,460</b>

(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	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Water, electricity, gas, maintenance and upkeep	65	187	560	792
Communication	10,985	15,662	19,223	22,238
Materials	133	274	402	736
Data processing	15,099	22,461	15,262	17,493
Advertising and publicity	89,259	31,309	90,304	33,940
Financial system services	18,333	16,631	18,751	17,148
Outsourced services	15,270	14,714	145,201	90,776
Specialized technical services	12,014	10,279	8,810	8,621
Depreciation and amortization	4,315	4,263	7,888	7,583
Travel	14	1,148	14	1,219
Other administrative expenses	4,950	4,871	7,452	7,018
<b>Total</b>	<b>170,437</b>	<b>121,799</b>	<b>313,867</b>	<b>207,564</b>

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### h. Balances of other operating expenses

	Bank		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Contingencies	1,296	868	1,423	1,107
Expenses related to transaction payment services	199,403	214,891	159,777	184,371
Commissions on lending operations	243,508	180,663	243,508	180,663
Acquiring operations	177,780	186,008	177,780	186,008
Other operating expenses	55,401	36,750	63,561	36,659
<b>Total</b>	<b>677,388</b>	<b>619,180</b>	<b>646,049</b>	<b>588,808</b>

### i. Non-operating income (expenses)

	Bank		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Non-operating income	1,617	7,078	1,617	7,079
Non-operating expense	-	18	-	18
Amortization of goodwill - Cabal Brasil Ltda.	25,482	1,289	25,482	1,289
<b>Total</b>	<b>23,866</b>	<b>5,771</b>	<b>23,866</b>	<b>5,772</b>

### j. Recurring and non-recurring income (expenses)

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

## Note 23 – Related-party transactions

### a. Sicoob System

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

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

	Note	6/30/2021	12/31/2020
<b>Assets</b>		<b>15,358,631</b>	<b>12,908,840</b>
Lending operations and interbank onlendings		15,307,344	12,856,702
Receivables		3,931	4,365
Prepaid expenses - commission		47,356	47,773
<b>Liabilities</b>		<b>35,296,352</b>	<b>46,427,016</b>
Deposits		32,766,695	41,385,172
Repurchase agreements		1,445,156	4,090,337
Payables		1,084,503	951,507

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

	Note	6/30/2021	12/31/2020
		6/30/2021	6/30/2020
<b>Revenue</b>		<b>574,877</b>	<b>487,637</b>
Lending operations and interbank onlendings		371,022	319,467
Other income		203,857	168,170
<b>Expenses</b>		<b>998,253</b>	<b>921,469</b>
Funding		551,078	564,209
Other expenses		447,175	357,260

## b. Subsidiaries

	Sicoob DTVM		Sicoob PAR		Sicoob Soluções de Pagamento		Consórcio Ponta	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020
<b>Assets</b>	<b>21</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>125</b>
Receivables	21	57	-	-	-	-	137	125
<b>Liabilities</b>	<b>6,825</b>	<b>6,516</b>	<b>667</b>	<b>541</b>	<b>304,943</b>	<b>249,113</b>	<b>96,665</b>	<b>95,003</b>
Demand deposits	2	2	31	30	307	373	5	5
Time deposits	6,823	6,514	636	511	280,094	228,847	96,660	94,998
Payables	-	-	-	-	24,542	19,893	-	-
	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
<b>Expenses</b>	<b>-</b>	<b>121</b>	<b>7</b>	<b>9</b>	<b>58,433</b>	<b>49,471</b>	<b>1,272</b>	<b>1,341</b>
Funding expenses	-	121	7	9	3,148	1,189	1,272	1,341
Administrative expenses	-	-	-	-	55,284	48,282	-	-
<b>Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>862</b>	<b>853</b>
Sundry income	-	-	-	-	7	7	862	853

## c. Remuneration of the key management personnel

Key management personnel include 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	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Fees	5,920	4,275	7,314	5,949
Benefits	1,502	1,490	2,309	2,245
Financial charges	1,466	1,112	1,832	1,529
<b>Total</b>	<b>8,888</b>	<b>6,877</b>	<b>11,455</b>	<b>9,723</b>

## Note 24 – Other information

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

As established by CMN Resolution 3,263/05, Banco Sicoob has investments in financial institutions which allow it to offset payables against receivables held with these institutions. The amounts receivable and payable are stated in the balance sheet in the respective line items, under assets and liabilities.

The amounts subject to offsetting are summarized below:

Description	Bank					
	6/30/2021			12/31/2020		
	Receivables	Payables	Net amount	Receivables	Payables	Net amount
CDI/LF	1,113,869	756,958	356,911	1,862,333	81,893	1,051,440
<b>Total</b>	<b>1,113,869</b>	<b>756,958</b>	<b>356,911</b>	<b>1,862,333</b>	<b>81,893</b>	<b>1,051,440</b>

## Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

### b. Insurance

Banco Sicoob's assets exposed 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\$ 17,246 at June 30, 2021 (R\$ 16,104 at 12/31/2020). In June 2021, a provision in the amount of R\$ 39 was recorded (reversal of R\$ 55 at 12/31/2020).

### d. Employee benefits

#### Private pension

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

At June 30, 2021, Sicoob Previ had 946 active participants (1,116 in 2020), whose contributions totaled R\$ 2,520 (R\$ 2,668 at June 30, 2020).

#### Profit sharing

Banco Sicoob offers profit sharing to its employees, which is calculated in accordance with the Collective Labor Agreement. In the first half of 2021, the amounts recorded in the provision for profit sharing totaled R\$ 5,429 (R\$ 13,106 at 12/31/2020) in the parent company, and R\$ 6,292 (R\$ 14,940 at 12/31/2020) in the consolidated.

### g. Effects of the COVID-19 pandemic

In 2020, the global economy was adversely affected by COVID-19, which was declared to be a pandemic by the World Health Organization (WHO).

Sicoob - Sistema de Cooperativas de Crédito do Brasil, its individual and central credit unions, third-level institutions: Sicoob Confederation, Bancoob - Banco Cooperativo Sicoob - Banco Sicoob, affiliated companies, and sponsored foundation have implemented measures to manage operations and provide support to employees, members and communities to mitigate the effects of the COVID-19 pandemic.

Banco Sicoob permanently monitors impacts that may affect its operations and results. In addition to the actions of regulatory and governmental entities to promote the safety of its staff and organizations. On March 13, 2020, Sicoob's Crisis Committee and Crisis Group was mandated to monitor the effects of the pandemic, assessing its effects and impacts on operations, and providing the System's institutions with strategic, operational, and business guidance, among others.

# Notes to the financial statements

June 30, 2021

All amounts in thousands of reais, unless otherwise stated

## Main actions taken:

- Creation of the Sicoob Crisis Committee and Crisis Group ensuring a uniform approach and timely dissemination of information internally and externally.
- Prioritizing work from home.
- Provision of ongoing guidance to employees working from home on how to conduct the operations and serve the credit union members.
- Suspension of all air travel.
- Replacement of in-person meetings with video conferences.
- Increased cleaning of environments 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 phones.

## Provisions for expected credit losses

Banco Sicoob has been monitoring and taking a preventive approach in its assessment of the quality of its loan portfolio, adopting, whenever necessary, measures to reinforce provisions, particularly for associates from the industries most affected by the economic crisis triggered by the COVID-19 pandemic.

During 2020, following the best practices, a number of studies were conducted to anticipate, provide guidance on, and mitigate economic impacts of the pandemic on the various portfolios.

## Other identified/expected effects

Governmental and regulatory measures provided for the National Financial System, provide support for enterprises to alleviate the effects of the pandemic, including:

- Postponement of the collection of taxes, pursuant to Ordinance 139/2020 of the Ministry of Economy.
- Change in the tax rate of the Tax on Financial Transactions (IOF) (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 credit line to fund the payroll of small and medium-sized enterprises - CMN Resolution 4,800/2020
- Loans backed by financial bills collateralized by lending operations.

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## **Banco Sicoob's Management Bodies**

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### **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  
Hudson Tabajara Camilli  
Ivan Capra  
Ivo Azevedo de Brito  
José Evaldo Campos  
Luiz Antônio Ferreira de Araujo  
Luiz Gonzaga Viana Lage  
Marcelo Baiocchi Carneiro  
Marcelo Martins  
Wilson Geraldo Cavina

### **Executive Board**

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

### **Accountant**

Primo João Cracco  
CRC-SP 149.703/O-2

## Summary Audit Committee Report

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### Introduction

1. The Audit Committee of Banco Sicoob 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 assess the work performed by internal and independent auditors.
2. Under statutory and regulatory terms, in addition to Banco Cooperativo Sicoob S.A. – Banco Sicoob, the activities of the Audit Committee also address the following companies that comprise the Banco Sicoob Group: Sicoob Distribuidora de Títulos e Valores Mobiliários Ltda. – Sicoob DTVM, Sicoob Administradora de Consórcios Ltda. – Sicoob Consórcios e Sicoob Soluções de Pagamento Ltda. – Sicoob Pagamentos.
3. The Management of Banco Sicoob and of the companies that comprise the Group are responsible for preparing and ensuring the integrity of the financial statements, managing risks, maintaining an effective and consistent system of internal controls, and ensuring compliance with legal and regulatory standards.
4. The Internal Audit performs independent and 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 Banco Sicoob and of the companies that are members of the Group. The Independent Auditor is responsible for:
  - a) expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of Banco Sicoob and the Group companies, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN); and
  - b) assessing the suitability and quality of the internal control system, 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) in the first half of 2021, held three regular meetings and one extraordinary meeting;
  - b) acted independently in the performance of its duties, relying on information received from Management, the independent and internal auditors, and the officers responsible for risk and internal control management, and also based on its own conclusions arising from direct observation;
  - c) accompanied 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 read the independent auditor's on the parent company and consolidated financial statements;
  - d) held meetings with the Executive Board, the Board of Directors and the Risk Committee, suggesting improvements to the relevant function in situations where opportunities for improvement were identified;
  - e) monitored and evaluated the work performed by the Internal Audit Function; the Independent Audit conducted by PricewaterhouseCoopers; the management of credit, market, interest rate, liquidity, operational, socio-environmental, reputational, compliance, strategy and cyber security risks; business continuity/ Prevention of Money Laundering and Terrorism Financing; Risk Appetite Statement (RAS); and the Stress Testing Program (STP); and
  - f) provided management with recommendations, which were included in the minutes of meetings, filed, and made available to all management bodies.

## Summary of the Audit Committee Report

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### Internal control and risk management systems

7. At meetings held with the responsible areas, and through the analysis of the information and documents requested and made available by Management, the Audit Committee evaluated aspects relating to the Group's internal control and risk management, and did not identify cases of non-compliances with laws, regulations, and internal rules, which could put the organization at risk.
8. In the second six-month period of 2021, no errors, fraud or non-compliance with statutory or regulatory provisions were reported through the communication channels made available to the employees. During this period, the measures taken by Management were accompanied, stress simulations for impacts of the COVID-19 crisis on the credit liquidity and capital risks to which Sicoob's institutions are exposed.
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 Banco Sicoob and companies comprising the Group. Furthermore, Management is continuously striving to improve the systems, processes and procedures.

### Independent Audit

10. PwC, the independent auditors, presented the results of their work with significant accounting matters at the Audit Committee's monthly meetings. No situations have been identified that could affect the objectivity and independence of the audit work.
11. The Audit Committee considers satisfactory the work performed by the Independent Audit function, supporting the Committee's opinion on the integrity of the consolidated financial statements at June 30, 2021.

### Internal Audit

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

### Financial Statements

14. The analyses addressed the procedures adopted in the preparation of parent company and consolidated trial balances and balance sheets, notes to the financial statements, and financial reports disclosed together with the consolidated financial statements.
15. The Audit Committee concluded that the consolidated financial statements at June 30, 2021 were prepared in compliance with legal and regulatory standards, and in accordance with accounting practices adopted in Brazil, reflecting, in all material respects, the financial position of the Banco Sicoob Group for the period then ended.

Brasília - Federal District, August 5, 2021.

Rubens Rodrigues Filho  
Coordinator

Marcos Vinicius Viana Borges

Rafael Alves Horta