

(A free translation of the original in Portuguese)

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***Sistema de  
Cooperativas de  
Crédito do  
Brasil - Sicoob***  
***Combined financial statements  
June 30, 2019 and 2018  
Independent auditor's report***



(A free translation of the original in Portuguese)

## ***Independent auditor's report***

To the Board of Directors and Cooperative Members  
Sistema de Cooperativas de  
Crédito do Brasil - Sicoob

### **Opinion**

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We have audited the accompanying combined financial statements of Sistema de Cooperativas de Crédito do Brasil - Sicoob ("Sistema Sicoob" or "Institution"), consisting of the entities listed in Note 2(b), comprising the Institution's combined balance sheet as at June 30, 2019 and the combined statements of changes in equity for the six-month period ended June 30, 2019 and the combined statements of income 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Sistema de Cooperativas de Crédito do Brasil - Sicoob as at June 30, 2019, and its combined financial performance and combined cash flows for the six-month period and then ended, in accordance with the guidelines for the preparation of combined financial statements established by Resolution 4,151 of the National Monetary Council (CMN), dated October 30, 2012, and the additional regulations issued by the Brazilian Central Bank (BACEN), as described in Notes 2 and 3.

### **Basis for opinion**

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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 Combined Financial Statements section of our report. We are independent of the Institution 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.

### **Emphasis of matter - Basis of preparation of the combined financial statements**

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We draw attention to Note 2 to the combined financial statements, which describes that the Institution's combined financial statements were prepared by management in order to meet the requirements of CMN Resolution 4,151/2012 as well as BACEN's additional regulations. Consequently, our report on these combined financial statements was prepared exclusively to meet these specific requirements and, therefore, may not be suitable for other purposes. Our opinion is not modified in respect of this matter.

### **Other information accompanying the combined financial statements and the auditor's report**

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



Sistema de Cooperativas de  
Crédito do Brasil - Sicoob

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

### **Responsibilities of management and those charged with governance for the combined financial statements**

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Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with CMN Resolution 4,151/2012 as well as BACEN's additional regulations, the main criteria for which and respective accounting practices are described in Notes 2 and 3 to the combined financial statements, 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 combined 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 Institution's financial reporting process.

### **Auditor's responsibilities for the audit of the combined financial statements**

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Our objectives are to obtain reasonable assurance about whether the combined 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 combined financial statements.

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

- Identify and assess the risks of material misstatement of the combined 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 Institution's internal control.

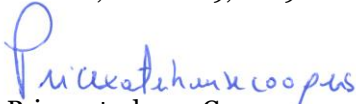


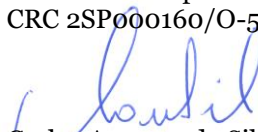
Sistema de Cooperativas de  
Crédito do Brasil - Sicoob

- Evaluate the appropriateness of accounting practices 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 combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether these combined 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 combined 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.

Brasília, October 9, 2019

  
PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

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

(A free translation of the original in Portuguese)

The image shows a modern building with a glass facade and a prominent 'SICOOB' logo on the upper right. The building is surrounded by tropical landscaping, including palm trees and a circular garden bed. The entire image is overlaid with a dark blue gradient.

**SICOOB**

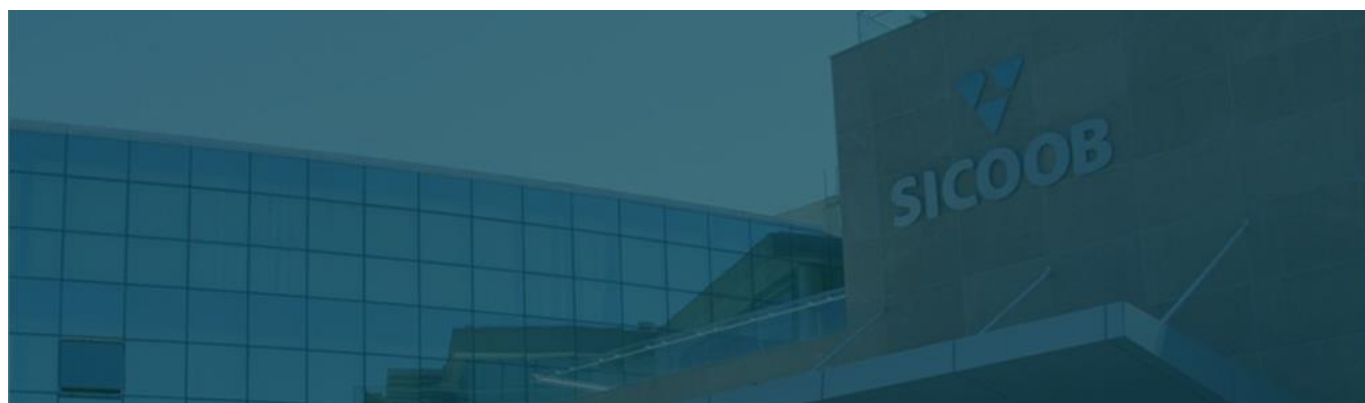
# COMBINED FINANCIAL STATEMENTS

Sistema de Cooperativas de Crédito do Brasil – Sicoob

| June 30, 2019 and 2018

The SICOOB logo, consisting of a stylized triangle icon followed by the word 'SICOOB' in a bold, sans-serif font.

**SICOOB**



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## Management report

### June 30, 2019 and 2018

To the Managers and Members of Sicoob,

We present herein the Combined Financial Statements of Sistema de Cooperativas de Crédito do Brasil - Sicoob at June 30, 2019, which present the financial position and results of the largest system of credit unions in Brazil, and discussion of the results, the expansion of the service network, the technological advances and information technology awards received.

## Sicoob

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Sicoob is the largest credit union in Brazil, with 4.5 million members and more than 3,000 service units nationwide. The System is comprised of credit unions and supporting companies, which, together, provide Sicoob members with services related to current account, credit, investment, credit card, social security, consortium, insurance, bank collection, acquiring of electronic means of payment, among others. Although Sicoob is a financial credit union, and not a bank, owned by its clients and with whom it shares its results, it provides similar services as provided by a banking network.

## Performance

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At June 30, 2019, total assets amounted to R\$ 108.5 billion, a growth of 11.7% when compared to the same period of 2018. Over the first six-month period of 2019, the credit portfolio of gross loans grew to R\$ 58.8 billion, representing a significant 18.8% increase in relation to the same period of the prior year. Of note was the growth in loans / discounted notes and financing, which increased by 16.3% and 45.4%, respectively. Rural and agribusiness financing, in turn, totaled R\$ 15.5 billion, recording a growth of 17.3% in relation to the same period of the prior year.

At June 30, 2019, total deposits totaled R\$ 67.0 billion, a growth of 11.4% against the R\$ 60.2 billion recorded for the first half of 2018. This is witness to the high degree of confidence placed by the members of the credit unions in the System's management. Also highlighted in the period was the increase of 20.6% in demand deposits in relation to the first half of 2018, closing with a balance of R\$ 14.4 billion. Time deposits, despite the lower returns due to the fall in the Selic rate and, consequently, in the DI rate, increased by 7.1%, from R\$ 40.9 billion in the first half of 2018 to R\$ 43.9 billion in the current period.

Equity was R\$ 21.7 billion, higher by 9.2% in relation to 2018, whereas revenue reserves increased 17.3% from R\$ 5.6 billion in June 2018 to R\$ 6.6 billion.

Surpluses totaled R\$ 1.30 billion in the first half of 2019, a 20.2% drop from the R\$ 1.63 billion recorded for the first half of 2018. Sources of Sicoob's revenue were 78.1% from financial activities, 15.8% from fees and services and 6.1% from other operating revenue and equity interests in subsidiaries and associates.

The number of credit union members increased considerably in the period, from 4.16 million in June 2018 to 4.47 million in June 2019, or 7.5%, equivalent to more than 2,700 new members per business day. This shows the System's ability to present an alternative to the traditional banking system. Noted were the number of legal entity members which increased by 18.7% from 674.1 thousand in June 2018 to 800.3 thousand in June 2019, witness to businesses' expanding interest in the services provided by credit unions. Individual members totaled 3.7 million at the close of the first half of 2019, an increase of 5.7% compared to the 3.5 million last year.

## Management report

### June 30, 2019 and 2018

We also highlight the initiative to attract new members through digital channels, a growing trend in the financial sector. By June 2019, more than 18,000 members had joined the *Sicoob Faça Parte* application, totaling R\$ 13.9 million for lending operations and R\$ 17.8 million for deposits.

### Service channels

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In common with financial market trends, Sicoob's financial and non-financial transactions through digital channels accounted for 73% of its total operations reflecting the System's technological advances. Sisbr, the Sicoob system, processed 2.16 billion transactions in the period, an increase of 29.3% when compared to 1.67 billion transactions processed in the first half of 2018.

In line with its strategy to focus on innovation and digital transformation, initiated in 2017, Sicoob became the first credit union in Brazil to offer an Open Banking platform in 2018. The system supports integration with other platforms, broadening the range of its products and services by expanding service options, providing its members with greater convenience and delivering a differentiated experience. With an eye to meeting the needs of an increasingly online target audience, Sicoob has redesigned its "*Conta Fácil*" application, now called YOOU, making it more modern, intuitive and fully digital.

Sicoob provides its members with an extensive service network (ranked the fifth largest in Brazil), featuring 3,093 branches located in 1,728 Brazilian municipalities. For 270 of these, Sicoob is the only financial institution in operation in the town. The System also provides services through 4,900 Electronic Service Units (PAEs) and over 20 thousand ATMs using the Banco24Horas Network, in addition to its digital channels (SicoobNet Celular and Sicoobcard).

In the first half of 2019 alone, 150 new service units were opened. During this period Sicoob invested more than R\$ 500 million in the expansion, modernization and opening of service units, which, although increase administrative and personnel expenses in the short term, will generate new business and expand the service base for its members in the medium and long term.

The awards granted to the System by the principal communication entities covering the financial industry reflect this transformation. In its 19th edition, the e-finance Award, created by the magazine "*Executivos Financeiros*", acknowledged four Sicoob entries and awarded the System the best in the following two categories: Risk Management and IT Infrastructure. The success cases awarded were for prevention of money laundering, combating fraud, efficient credit risk management, governance and automation of cloud storage. All are highly relevant in times of uncertainty and the new conditions introduced by the General Data Protection Act (in Portuguese, *Lei Geral de Proteção de Dados (LGPD)*).

### Credit card operations

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Bancoob's card issuance segment, comprising Sicoob's and other cooperative systems' cards, closed the six-month period with 4.29 million cards issued, of which 2.14 million incorporate a limiting factor. The card base through partner cooperative systems represented approximately 22% of total operations.

The volume of card purchases increased by 34% in relation to the same six-month period of 2018, totaling R\$ 17.30 billion. Transactions carried out using the credit function alone accounted for R\$ 9.60 billion.

### Acquiring operations

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In the first half of 2019, the segment of acquiring operations recorded an increase of 14.42% in the number of authorized Sipag card machine licensees in comparison with the same period of 2018.



## **Management report**

### **June 30, 2019 and 2018**

The expansion in Sipag's customer base increased revenue to date by R\$ 3.6 billion, or 28.81% in relation to 2018.

### **Guarantor Credit Union Fund (FGCoop)**

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Credit unions deposits are protected by the Guarantor Credit Union Fund (FGCoop), which guarantees deposits and credits maintained with single credit unions or cooperative banks in the event of intervention or out-of-court liquidation of these institutions. Currently, the limit covered by the fund is the same as that for bank deposits.

### **People**

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Differently to the current Brazilian scenario, Sicoob contributed to the reduction in unemployment. The System employed 41,281 in June 2019, an increase of 7.0% in relation to June 2018, reflecting Sicoob's dedication to social responsibility through the generation of jobs and growing its headcount.

### **Code of ethics**

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All Sicoob members have signed up to the Confederação Nacional das Cooperativas do Sicoob Ltda. ("Sicoob Confederation") Code of Ethics, as have all new employees joining the System.

### **Institutional policy for social and environmental responsibility**

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This policy introduces the principles and guidelines that govern Sicoob's social and environmental actions in conducting its business and its relations with stakeholders, aiming to contribute to the effective implementation of cooperativism supported by sustainable development.

### **Sicoob Institute**

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The Sicoob Institute, the Sicoob's agency for strategic social investment, was founded in 2004 in the state of Paraná, inspired by the 7th principle of cooperativism: interest in the community.

In 2018, encouraged by Bancoob, Sicoob Confederation and Sicoob's Credit Unions' integrated and participative performance, the Institute expanded its operations nationwide, formulating, sharing, and disseminating social methodologies, in coordination with Sicoob's entities.

Since then, Sicoob Institute has mobilized employee and manager volunteers, who, once trained in the Transformational Volunteer program, have participated in the implementation of the Institute's social initiatives in the communities where Sicoob operates.

### **Ombudsman**

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Sicoob has an Ombudsman channel for communication between the credit unions and the users of the System's services the framework of which is regulated by CMN Resolution 4,433/2015 and centralized at Bancoob. The Ombudsman office has a ten-business day target to respond to any occurrence reported which may be extended by an additional ten day period.

# Management report

June 30, 2019 and 2018

## Acknowledgments

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We would like to thank our members, the central and individual credit unions, and Sicoob Confederation for their collaboration towards the achievement of the System's goals; our external partners for their confidence in the solutions offered by Sicoob; and our employees for their dedication and commitment.

# Combined balance sheet

## June 30, 2019 and 2018

(A free translation of the original in Portuguese)

All amounts in thousands of reais, unless otherwise stated

Assets	Note	6/30/2019	6/30/2018
<b>Current assets</b>		<b>64,710,667</b>	<b>60,022,829</b>
<b>Available funds</b>	<b>5</b>	<b>903,744</b>	<b>699,693</b>
<b>Short-term interbank investments</b>	<b>6</b>	<b>15,165,405</b>	<b>15,387,950</b>
Money market investments		14,039,108	14,287,500
Investments in interbank deposits		1,122,700	1,095,097
Investments in savings account deposits		3,597	5,353
<b>Marketable securities and derivative financial instruments</b>	<b>7(b)</b>	<b>6,744,127</b>	<b>6,777,889</b>
Own portfolio		5,685,024	5,857,500
Subject to repurchase agreements		200,086	-
Linked to the provision of guarantees		858,923	920,389
Derivative financial instruments	7(c)	94	-
<b>Interbank accounts</b>	<b>8</b>	<b>5,308,646</b>	<b>5,287,764</b>
Payments and receipts pending settlement		4,183,056	3,933,533
Receivables linked to the Brazilian Central Bank		1,117,591	1,349,951
Correspondent banks		5,492	4,222
Other		2,507	58
<b>Interdepartmental accounts</b>		<b>2,664</b>	<b>17,102</b>
Interdepartmental accounts		2,664	17,102
<b>Lending operations</b>		<b>30,177,763</b>	<b>26,319,439</b>
Lending operations - private sector	9(a)	32,235,109	27,770,758
(-) Provision for loan losses	9(c)	(2,057,346)	(1,451,319)
<b>Other receivables</b>		<b>5,082,177</b>	<b>4,496,788</b>
Guarantees and sureties		101,668	72,836
Foreign exchange		10,576	-
Income receivable		19,370	20,890
Negotiation and intermediation of securities		1	2
Sundry	10(a)	5,154,903	4,543,824
(-) Provision for loan losses	10(a)	(204,341)	(140,764)
<b>Other assets</b>	<b>12</b>	<b>1,326,141</b>	<b>1,036,204</b>
Other assets		1,168,547	919,161
Prepaid expenses		157,594	117,043
<b>Non-current assets</b>		<b>43,766,356</b>	<b>37,055,219</b>
<b>Long-term receivables</b>			
<b>Short-term interbank investments</b>	<b>6</b>	<b>24,761</b>	<b>58,681</b>
Investments in interbank deposits		24,761	58,681
<b>Marketable securities</b>	<b>7(b)</b>	<b>16,085,469</b>	<b>14,314,307</b>
Own portfolio		7,009,756	8,925,755
Subject to repurchase agreements		3,778,623	1,573,554
Linked to the provision of guarantees		5,297,090	3,814,998
<b>Lending operations</b>		<b>25,183,182</b>	<b>20,565,954</b>
Lending operations - private sector	9(a)	26,552,739	21,700,012
(-) Provision for loan losses	9(c)	(1,369,557)	(1,134,058)
<b>Other receivables</b>		<b>61,334</b>	<b>29,101</b>
Sundry	10(a)	63,841	33,195
(-) Provision for loan losses	10(a)	(2,507)	(4,094)
<b>Investments</b>	<b>13</b>	<b>520,443</b>	<b>477,417</b>
Equity interests in associates and subsidiaries		186,810	158,835
Other capital investments		267,245	272,641
Other investments		66,388	45,941
<b>Property and equipment</b>	<b>14</b>	<b>1,833,849</b>	<b>1,558,161</b>
Properties in use		890,277	807,950
Other property and equipment in use		1,921,958	1,589,902
(-) Accumulated depreciation		(978,386)	(839,691)
<b>Intangible assets</b>	<b>14</b>	<b>57,318</b>	<b>51,598</b>
Software		209,984	189,973
(-) Accumulated amortization		(152,666)	(138,375)
<b>Total assets</b>		<b>108,477,023</b>	<b>97,078,048</b>

# Combined balance sheet

## June 30, 2019 and 2018

(continued)

All amounts in thousands of reais, unless otherwise stated

Liabilities	Note	6/30/2019	6/30/2018
<b>Current liabilities</b>		<b>82,346,986</b>	<b>73,461,405</b>
<b>Deposits</b>	<b>15</b>	<b>66,080,647</b>	<b>59,497,536</b>
Demand deposits		14,435,883	11,971,329
Savings deposits		5,610,661	4,446,141
Interbank deposits		2,333,760	1,832,632
Notice deposits		368,514	761,924
Credit union deposit receipts		43,224,034	40,437,183
Bank Deposit Certificates (CDBs)		107,756	48,220
Other		39	107
<b>Repurchase agreement obligations</b>	<b>16</b>	<b>412,026</b>	<b>779,620</b>
Own portfolio		412,026	8,080
Third-party portfolio		-	771,540
<b>Funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures</b>	<b>17</b>	<b>3,533,595</b>	<b>2,214,300</b>
Agribusiness credit note obligations		3,533,595	2,214,300
<b>Interbank accounts</b>	<b>18</b>	<b>3,910,344</b>	<b>3,051,353</b>
Payment transactions		2,901,890	2,296,673
Receipts and payments pending settlement		1,005,651	752,611
Correspondent banks		2,803	1,978
Other		-	91
<b>Interdepartmental accounts</b>		<b>115,817</b>	<b>87,730</b>
Third-party funds in transit		115,817	87,730
<b>Derivative financial instruments</b>	<b>7(c)</b>	<b>85</b>	<b>798</b>
Derivative financial instruments		85	798
<b>Onlendings in Brazil - Official institutions</b>	<b>19</b>	<b>1,790,872</b>	<b>1,962,548</b>
DI - Rural		503,520	416,286
BACEN MCR 6-2 and 6-7		-	479,496
BNDES		327,205	294,882
FINAME		193,493	163,552
Banco do Brasil		11,902	21,286
Funcafé		744,685	559,027
Other financial institutions		10,067	28,019
<b>Onlendings abroad</b>	<b>19</b>	<b>-</b>	<b>664</b>
Onlendings abroad		-	664
<b>Other payables</b>		<b>6,503,600</b>	<b>5,866,855</b>
Collection of taxes and similar charges		305,706	244,863
Foreign exchange		10,537	-
Social and statutory charges		794,132	656,989
Tax and social security obligations	20(a)	229,551	248,309
Negotiation and intermediation of securities		35	84
Sundry	20(b)	5,163,639	4,716,610
<b>Non-current liabilities</b>		<b>4,453,591</b>	<b>3,757,589</b>
<b>Long-term liabilities</b>			
<b>Deposits</b>	<b>15</b>	<b>950,060</b>	<b>690,278</b>
Interbank deposits		434,929	240,693
Bank Deposit Certificates (CDBs)		515,131	449,585
<b>Funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures</b>	<b>17</b>	<b>1,267,023</b>	<b>1,044,354</b>
Agribusiness credit note obligations		1,267,023	1,044,354
<b>Onlendings in Brazil - Official institutions</b>	<b>19</b>	<b>2,220,532</b>	<b>2,016,426</b>
BNDES		1,440,548	1,265,770
FINAME		625,580	543,333
Banco do Brasil		27,649	39,360
Funcafé		102,596	132,753
Other financial institutions		24,159	35,210
<b>Other payables</b>		<b>15,076</b>	<b>5,512</b>
Tax and social security obligations	20(a)	529	506
Sundry	20(b)	14,547	5,006
<b>Deferred income</b>		<b>900</b>	<b>1,019</b>
Prepaid income		900	1,019
<b>Equity</b>	<b>22</b>	<b>21,676,446</b>	<b>19,859,055</b>
<b>Share capital</b>			
Share capital		13,862,604	12,791,683
Capital reserve		74,283	69,429
Revenue reserve		6,558,300	5,591,310
Profit or loss/Retained earnings or accumulated deficit		1,181,831	1,404,446
Revaluation reserve		859	887
Adjustment to market value - marketable securities		(1,431)	1,300
<b>Total liabilities and equity</b>		<b>108,477,023</b>	<b>97,078,048</b>

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

# Combined statement of income

## Six months ended June 30, 2019 and 2018

(A free translation of the original in Portuguese)

All amounts in thousands of reais, unless otherwise stated

	Note	6/30/2019	6/30/2018
<b>Income from financial intermediation</b>		<b>6,472,693</b>	<b>5,995,170</b>
Lending operations	9 (h)	5,273,950	4,838,889
Gains on marketable securities	7 (d)	1,172,693	1,135,569
Gains (losses) on derivative financial instruments	7 (d)	363	(564)
Gains on foreign exchange transactions		953	-
Gains on compulsory investments		24,724	21,112
Disposals or transfers of assets		10	164
<b>Expenses for financial intermediation</b>		<b>(2,945,696)</b>	<b>(2,431,895)</b>
Money market funding	15 (c)	(1,643,102)	(1,522,778)
Borrowings and onlendings	19 (b)	(56,048)	(75,478)
Provision for loan losses		(1,246,539)	(833,633)
Disposals or transfers of assets		(7)	(6)
<b>Gross profit from financial intermediation</b>		<b>3,526,997</b>	<b>3,563,275</b>
<b>Other operating income (expenses)</b>		<b>(2,066,571)</b>	<b>(1,751,893)</b>
Income from services rendered	25 (a)	878,057	723,653
Income from banking fees	25 (a)	435,113	358,448
Personnel expenses	25 (b)	(1,679,333)	(1,482,932)
Administrative expenses	25 (c)	(1,402,638)	(1,190,185)
Taxes	25 (d)	(121,819)	(119,575)
Equity in the results of subsidiaries and associates	13	28,223	23,754
Other operating income	25 (e)	473,437	386,419
Other operating expenses	25 (f)	(677,611)	(451,475)
<b>Operating result</b>		<b>1,460,426</b>	<b>1,811,382</b>
<b>Non-operating income (expenses)</b>	25(g)	<b>(14,192)</b>	<b>(2,059)</b>
<b>Profit before taxation and profit sharing</b>		<b>1,446,234</b>	<b>1,809,323</b>
<b>Income tax and social contribution</b>	11	<b>(95,724)</b>	<b>(141,404)</b>
Income tax		(72,839)	(83,974)
Social contribution		(45,767)	(65,900)
Deferred tax credit		22,882	8,470
<b>Employee profit sharing</b>	26 (f)	<b>(49,892)</b>	<b>(39,086)</b>
<b>Profit for the six-month period</b>		<b>1,300,618</b>	<b>1,628,833</b>

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

# Combined statement of changes in equity

June 30, 2019 and 2018

(A free translation of the original in Portuguese)

All amounts in thousands of reais, unless otherwise stated

	Note	Share capital	Capital reserve	Revaluation reserve	Revenue reserve	Adjustment to market value	Retained earnings	Treasury shares	Total
<b>At December 31, 2017</b>		<b>12,158,243</b>	<b>54,050</b>	<b>901</b>	<b>5,379,162</b>	<b>2,818</b>	<b>955,184</b>	<b>(59)</b>	<b>18,550,299</b>
<b>Prior year allocations:</b>									
Surplus/apportionment to be distributed		-	-	-	-	-	(33,520)	-	(33,520)
Allocations to reserves		-	8,749	-	16,414	-	(25,163)	-	-
Reversal of reserves/offsetting of losses		-	-	-	6,108	-	(6,108)	-	-
Distributions to members		-	-	-	-	-	(207,793)	-	(207,793)
Other allocations/adjustments		-	-	-	-	-	-	-	-
Capital units payable to former members		-	-	-	-	-	(8,169)	-	(8,169)
Balances of credit union merged		9,298	-	-	122	-	10	-	9,430
Proposed dividends from prior years		-	-	-	(157,614)	-	-	-	(157,614)
Capital increase	22 (a)	1,147,540	-	-	-	-	(426,156)	-	721,384
Refunds (write-offs) of capital		(519,053)	-	-	-	-	-	-	(519,053)
Credit unions excluded from the System		(5,433)	-	-	-	-	5,433	-	-
Realization of revaluation reserve		-	-	(14)	-	-	-	-	(14)
Treasury shares		-	-	-	-	-	-	59	59
Adjustment to market value	22 (i)	-	-	-	-	(1,518)	-	-	(1,518)
<b>Profit for the six-month period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,628,833</b>	<b>-</b>	<b>1,628,833</b>
<b>Proposed allocations:</b>									
Allocations to reserves		-	6,630	-	347,118	-	(353,748)	-	-
FATES	22 (e)	-	-	-	-	-	(3,766)	-	(3,766)
Interest on capital	22 (d)	1,088	-	-	-	-	(114,291)	-	(113,203)
Proposed dividends	22 (c)	-	-	-	-	-	(6,300)	-	(6,300)
<b>At June 30, 2018</b>		<b>12,791,683</b>	<b>69,429</b>	<b>887</b>	<b>5,591,310</b>	<b>1,300</b>	<b>1,404,446</b>	<b>-</b>	<b>19,859,055</b>
<b>Changes in the period</b>		<b>633,440</b>	<b>15,379</b>	<b>(14)</b>	<b>212,148</b>	<b>(1,518)</b>	<b>449,262</b>	<b>59</b>	<b>1,308,756</b>
<b>At December 31, 2018</b>		<b>13,439,861</b>	<b>67,071</b>	<b>873</b>	<b>6,485,628</b>	<b>1,359</b>	<b>1,330,429</b>	<b>-</b>	<b>21,325,221</b>
<b>Prior year allocations:</b>									
Surplus/apportionment to be distributed		-	-	-	-	-	(37,758)	-	(37,758)
Allocations to reserves		-	-	-	-	-	-	-	-
Reversal of reserves/offsetting of losses		-	(3,864)	-	(72,062)	-	75,926	-	-
Distributions to members		-	-	-	-	-	(119,296)	-	(119,296)
Other allocations/adjustments		-	-	-	(17,531)	-	17,531	-	-
Capital units payable to former members		-	-	-	-	-	-	-	-
Proposed dividends from prior years		-	-	-	(206,737)	-	-	-	(206,737)
Capital increase	22 (a)	983,210	-	-	(70,835)	-	(533,461)	-	378,914
Balances of credit union merged		26,152	(90)	-	(5,257)	-	350	-	21,155
Refunds (write-offs) of capital		(341,536)	-	-	-	-	-	-	(341,536)
Entry of new credit unions into the System		27,022	783	-	19,323	-	3,628	-	50,756
Credit unions excluded from the System		(273,919)	(104)	-	(210,105)	-	(78,158)	-	(562,287)
Realization of revaluation reserve		-	-	(14)	-	-	-	-	(14)
Share buyback		-	-	-	-	-	-	-	-
Adjustment to market value	22 (i)	-	-	-	-	(2,789)	-	-	(2,789)
<b>Profit for the six-month period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,300,618</b>	<b>-</b>	<b>1,300,618</b>
<b>Proposed allocations:</b>									
Allocations to reserves		-	10,487	-	636,701	-	(647,188)	-	-
FATES	22 (e)	-	-	-	(824)	-	(4,369)	-	(5,193)
Interest on capital	22 (d)	1,814	-	-	-	-	(122,535)	-	(120,721)
Proposed dividends	22 (c)	-	-	-	-	-	(3,886)	-	(3,886)
<b>At June 30, 2019</b>		<b>13,862,604</b>	<b>74,283</b>	<b>859</b>	<b>6,558,300</b>	<b>(1,431)</b>	<b>1,181,831</b>	<b>-</b>	<b>21,676,446</b>
<b>Changes in the period</b>		<b>422,743</b>	<b>7,212</b>	<b>(14)</b>	<b>72,672</b>	<b>(2,790)</b>	<b>(148,598)</b>	<b>-</b>	<b>351,225</b>

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

# Combined statement of cash flows

## Six months ended June 30, 2019 and 2018

(A free translation of the original in Portuguese)

All amounts in thousands of reais, unless otherwise stated

	Note	6/30/2019	6/30/2018
<b>Cash flows from operating activities</b>			
<b>Adjusted profit</b>		<b>2,811,578</b>	<b>2,741,828</b>
Profit before taxation and profit sharing		1,446,234	1,809,323
Provision for loan losses		1,246,539	833,633
Provision for impairment of other assets		17,341	8,889
Depreciation and amortization		116,071	98,225
Equity in the results of subsidiaries		(28,222)	(23,754)
Goodwill on equity interest in subsidiaries		983	1,026
Gain on sale of assets not in use		(6,933)	(9,330)
Loss on sale of assets not in use		7,217	5,156
Provision for tax, labor and civil contingencies		12,367	11,951
Other adjustments		(18)	6,709
<b>Changes in assets and liabilities</b>			
(Increase) in short-term interbank investments		(438,483)	(725,586)
(Increase) in marketable securities		(1,852,478)	(38,662)
Decrease (increase) in interbank and interdepartmental accounts		144,799	(586,918)
(Increase) in lending operations		(4,626,108)	(3,119,877)
Decrease (increase) in other receivables		419,756	(244,070)
Income tax and social contribution (offset)		(59,069)	(59,078)
(Increase) in other assets		(107,649)	(67,047)
Increase in deposits		2,047,692	4,447,517
Increase in repurchase agreement obligations		350,254	334,911
Increase in funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures		946,493	602,046
(Decrease) in borrowings and onlendings		(195,432)	(586,725)
(Decrease) increase in other payables		(430,346)	(264,135)
(Decrease) in deferred income		(100)	(184)
<b>Net cash inflow (outflow) from operating activities</b>		<b>(989,092)</b>	<b>2,434,020</b>
<b>Cash flows from investing activities</b>			
Payment of capital in subsidiaries		(12,625)	(30,381)
Purchases of property and equipment		(225,931)	(248,137)
Purchases of intangible assets		(9,146)	(11,133)
Disposal of property and equipment		2,126	16,818
Disposal of intangible assets		2	-
<b>Net cash inflow (outflow) from investing activities</b>		<b>(245,574)</b>	<b>(272,833)</b>
<b>Cash flows from financing activities</b>			
Share buyback		-	65
Dividends received from associates and subsidiaries		8,000	-
Increase in share capital		378,914	721,384
Write-off of capital assets		(341,536)	(519,053)
Dividends paid		(217,426)	(165,527)
Distribution of surplus		(119,296)	(207,793)
Exclusion of credit unions from the System		(35,831)	(5,433)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(327,175)</b>	<b>(176,537)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(1,561,841)</b>	<b>1,984,830</b>
Cash and cash equivalents at the beginning of the six-month period	4	16,508,289	12,959,986
Cash and cash equivalents at the end of the six-month period	4	14,946,448	14,944,816

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

## Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### Note 1 - Operations

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Sistema de Cooperativas de Crédito do Brasil - Sicoob ("Sicoob" or "System") comprises 435 first-level individual credit unions, which operate in all of Brazil's 27 states, featuring 2,658 service units, 3,093 branches, and 949 Correspondent banks, in addition to 4,900 Electronic Service Units (PAES), and more than 20 thousand ATMs using the Banco24Horas Network, providing services to 4.5 million members. The System also includes 16 central credit unions, Banco Cooperativo do Brasil S.A ("Bancoob" or the "Bank"), Confederação Nacional das Cooperativas do Sicoob ("Sicoob Confederation"), and the Bank's or credit unions' subsidiaries.

With a strong performance across all Brazilian states, Sicoob, a financial credit union, plays a key social role by providing support for the growth and development of the communities in which it operates. Sicoob offers a full range of banking products and services. It shares its results with its members and invests the funds raised in the same communities, fostering production and sales and creating jobs and wealth.

Bancoob is controlled by 16 central credit unions, namely: Sicoob Central ES, Sicoob Central BA, Sicoob Central Crediminas, Sicoob Goiás Central, Sicoob Central SC/RS, Sicoob SP, Sicoob Norte, Sicoob Planalto Central, Sicoob Central Cecremge, Sicoob Central Cecresp, Sicoob Central NE, Sicoob Central Rondon, Sicoob Central Unicoob, Sicoob Unimais, Sicoob Uni, and Sicoob Central Rio.

Bancoob is a multi-service bank established pursuant to National Monetary Council (CMN) Resolution 2,193 of August 31, 1995, and is the controlling shareholder of Bancoob Distribuidora de Títulos e Valores Mobiliários ("Bancoob DTVM"), Ponta Administradora de Consórcios ("Consórcio Ponta"), Cabal Brasil Ltda. ("Cabal"), which is responsible for processing Sicoob's credit cards, and Bancoob Participações em Seguridade S.A. ("Bancoob PAR"), holding an interest in Sicoob Seguradora.

Fundação Sicoob Previ ("Sicoob Previ") is Sicoob's private pension entity established in November 2006 for the purpose of offering participants and their dependents pension benefits by supplementing those provided by the government's social security system.

Confederação Nacional das Cooperativas do Sicoob Ltda. ("Sicoob Confederation") is a third-level entity established by the central credit unions to provide representation and oversight services, standardization of operational procedures, implementation of the internal control system, as well as information technology services.

### Note 2 - Presentation of the combined financial statements

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The Management of Bancoob is responsible for Sicoob's combined financial statements. The financial statements have been prepared for the purpose of presenting, in a single set of financial statements, the combined position of all activities carried out by Sicoob, through the entities that comprise the System.

Accordingly, despite the corporate, internal control and governance structures of each Sicoob member, as well as the requirements for presentation and disclosure of the financial statements pursuant to the standards issued by the National Monetary System (CMN) and the Central Bank of Brazil (BACEN), the combined financial statements are not representative of the individual financial statements of the entities that comprise Sicoob. The balances presented should not be used for calculations of dividends or taxes, performance assessments, or any other corporate or statutory purposes; these should be based on the individual financial statements.



# Notes to the combined financial statements

June 30, 2019 and 2018

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

CMN Resolution 4,151/2012 and BACEN Circular Letter 3,669/2013 establish procedures and requirements for the preparation and disclosure of combined financial statements of financial cooperative systems in Brazil.

The preparation of the combined financial statements are based on the accounting practices adopted in Brazil, pursuant to Law 6,404/1976 as amended by Laws 11,638/2007 and 11,041/2009, the standards issued by BACEN and CMN for purposes of compliance with the Accounting Chart for Institutions of the National Financial System (COSIF), as well as the Technical Pronouncements issued by the Accounting Pronouncements Committee (CPC), and approved by the monetary authority (Note 3(t)).

The Joint Executive Board of Bancoob submitted these combined financial statements to the Board of Directors, which approved them on October 8, 2019.

## a. Criteria used in the combination of balances

The balance sheet and income statement balances of the institutions that comprise Sicoob were included in the preparation of these combined financial statements. The balances of transactions carried out between these institutions were eliminated.

## b. Sicoob entities included in the combined financial statements

Pursuant to Article 4 of CMN Resolution 4,151/2012, a cooperative system is made up of single cooperatives, central cooperatives, credit confederations, cooperative banks, as well as other financial institutions or entities authorized to operate by the Brazilian Central Bank, except for consortia administrators directly or indirectly linked to these institutions by means of an equity interest or actual control of operations, characterized by joint administration/management, or by operations in the market under the same trademark or trade name.

Accordingly, Ponta Administradora de Consórcios ("Consórcio Ponta"), Bancoob Participações em Seguridade S/A ("Bancoob PAR") and Cabal Brasil Ltda. ("Cabal"), which are all subsidiaries of Banco Cooperativo do Brasil - S/A, have not been included in the combined financial statements for purposes of compliance with the provisions of the above-mentioned Resolution.

Sicoob Previ, although an entity of the System as Sicoob's private pension entity, was not included in these combined financial statements.

Furthermore, Confederação Nacional das Cooperativas do Sicoob Ltda. ("Sicoob Confederation") was not included in the combined financial statements, as it is not a Credit Confederation as defined by Article 2, item II, of CMN Resolution 4,151/2012.

In addition, Article 6 of Circular Letter 3,669/2013 establishes that all the investment funds in which the entities that comprise a cooperative system have or retain substantial risks and rewards, in any form, must be included in the combined trial balance. Therefore, these combined financial statements include the funds, whether managed by Bancoob DTVM or not, in which Bancoob or the credit unions retain substantial risks and rewards.

The following institutions were included in the preparation of the combined financial statements, in accordance with CMN Resolution 4,151/2012:

- **Banco Cooperativo do Brasil S.A. - Bancoob ("Bancoob" or "Bank"):** Bancoob, a multi-service bank established pursuant to Resolution 2,193, of August 31, 1995, of the National Monetary Council ("CMN"), was authorized to operate by BACEN on July 21, 1997, and started operations on September 1, 1997.

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

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

- **Bancoob Distribuidora de Títulos e Valores Mobiliários ("Bancoob DTVM"):** Bancoob DTVM is a limited liability company engaged mainly in the administration of investment funds by entering into contracts or charging a commission.

Bancoob DTVM, either on a stand-alone basis or in a consortium with other authorized companies, is engaged in the subscription of securities for resale; intermediation of public offerings and distributions of securities in the market; and purchases and sales of securities on its own account or on behalf of third parties, in compliance with the regulations issued by BACEN and the Brazilian Securities Commission (CVM) in their respective areas of competence.

Bancoob DTVM manages the funds listed in items (i) and (ii) of the "Investment Funds" group, except for Sicoob Cocred Multi-market investment fund - Private Credit, which is managed by Planner Corretora de Valores S/A.

- **Sicoob's central credit unions:** Independent financial institutions authorized to operate by the Brazilian Central Bank, made up of at least three affiliated individual credit unions, engaged in integrating the System's credit unions at both regional and state levels. Sicoob has 16 central credit unions (Note 1), which act on a proactive manner to prevent and correct situations that pose risk to the safety and soundness of the credit unions and the System. The following services are among those provided by central credit unions: centralization of the funds raised by their credit unions; standardization and oversight of operating systems and control of deposits and loans; auxiliary supervision; education and training; adoption of corrective measures; legal advice, communication advice; common procurement; exchanges for quality improvement and professional training.

- **Sicoob's individual credit unions:** These are non-bank financial institutions authorized to operate by the Brazilian Central Bank, which result from the association of individuals who, to better way meet their financial needs, become both users and owners of the credit union's products and services.

In accordance with CMN Resolution 4,434/2015, individual credit unions are classified based on their specific operations, as follows: **Full**, **Classic**, or **Capital and Loans**.

Individual credit unions classified under the Full category can carry out all credit unions characteristic operations. Those classified as Classic credit unions are not authorized to operate with foreign currency, foreign exchange results, or derivatives, among other restrictions. The credit unions classified as of Capital and Loans are non-depository institutions, whose funding arises exclusively from the capital paid by its members.

Sicoob's individual credit unions are distributed as follows:

Classification	Number
Full	10
Classic	365
Capital and Loans	51
<b>Total</b>	<b>426</b>

- **Investment Funds** The following investment funds were included in the combined financial statements:

#### i. Funds in which the central and/or individual credit unions retain substantial risks and rewards:

- Minascoop - Fixed-income investment fund - Private Credit
- Bancoob Centralização - Fixed-income investment fund - Private Credit
- Coopmútuo - Multi-market investment fund - Private Credit (a)
- Invest Rio - Fixed-income investment fund - Private Credit (b)
- Unicoob - Fixed-income investment fund - Private Credit (b)
- Sicoob Unimais - Fixed-income investment fund - Private Credit
- Sicoob Institucional - Fixed-income investment fund - Private Credit
- Sicoob Central SC - Fixed-income investment fund - Private Credit (b)

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

- Sicoob Cocred - Fixed-income investment fund - Private Credit
- Sicoob Cocred - Multi-market investment fund - Private Credit
- BB Forte - Long-term Fixed-income investment fund - Private Credit (c)
- Caixa Sustentabilidade - Fixed-income investment fund - Private Credit (c)

(a) Fund closed in the first half of 2019.

(b) Funds closed in the second half of 2018.

(c) Funds that were not combined in the first half of 2019 due to the divestiture of the individual credit union that retained substantial risks and rewards relating to these investments (proprietary funds).

## ii. Funds in which Bancoob retains substantial risks and rewards:

- Sicoob Previdenciário - Fixed-income investment fund - IMA-B
- Sicoob Agências - Real estate investment fund
- Sicoob Multi-market investment fund
- Sicoob Stock investment fund

## c. Share of the institutions authorized to operate by the Brazilian Central Bank and combined investment funds

The individual balances of assets, equity and result of all combined entities and funds are presented below:

Institution	State	Ownership interest	6/30/2019			6/30/2018		
			Assets	Equity	Result	Assets	Equity	Result
Bancoob	DF	100.00%	51,493,877	1,792,338	81,821	47,054,730	1,565,997	132,627
Bancoob DTVM	DF	99.99%	6,933	2,604	1,716	6,081	2,538	1,266
<b>Regional system Espírito Santo</b>								
Sicoob Central ES	ES	100%	3,289,258	170,725	8,931	2,920,175	115,842	6,745
Sicoob Sul-Litorâneo	ES	100%	401,225	85,627	7,774	341,190	69,969	7,066
Sicoob Sul	ES	100%	1,220,685	297,588	16,688	1,083,441	245,536	26,966
Sicoob Leste Capixaba	ES	100%	1,728,234	412,203	39,948	1,461,507	346,725	32,796
Sicoob Centro-Serrano	ES	100%	924,119	159,398	14,975	834,113	135,547	11,975
Sicoob Norte	ES	100%	929,515	200,057	1,511	930,492	194,500	16,900
Sicoob Sul-Serrano	ES	100%	1,408,416	324,756	19,637	1,250,070	261,791	31,394
Sicoob Credirochas	ES	100%	622,965	91,288	11,299	507,801	79,395	3,211
Credestiva	ES	100%	-	-	-	15,441	10,854	234
<b>Regional system Bahia</b>								
Sicoob Central BA	BA	100%	534,349	64,915	2,393	493,129	58,643	2,927
Sicoob Coopere	BA	100%	161,938	40,827	6,145	139,148	30,773	4,659
Sicoob Copelba	BA	100%	6,251	5,027	210	5,505	4,703	142
Sicoob Cooperbom	BA	100%	38,894	21,756	626	40,951	22,104	733
Sicoob Costa do Descobrimento	BA	100%	90,453	18,914	1,845	77,177	17,517	1,486
Sicoob Sertão	BA	100%	172,522	44,297	1,770	145,627	38,164	1,632
Sicoob Crediconquista	BA	100%	76,373	18,385	1,769	59,628	14,991	1,770
Sicoob Extremo Sul	BA	100%	297,099	107,742	5,767	280,248	101,948	5,734
Sicoob Credcoop	BA	100%	32,010	15,343	219	24,907	13,099	417
Sicoob Norte Sul	BA	100%	67,605	11,846	(1,428)	53,550	10,898	974
Sicoob Coopemar	BA	100%	61,962	9,580	709	54,595	7,588	670
Sicoob Cred Executivo	BA	100%	110,247	18,051	1,136	78,111	14,213	1,846
Sicoob Bonfim	BA	100%	-	-	-	7,951	2,252	64
Sicoob Credmed	BA	100%	42,709	13,815	756	37,372	12,250	915
Sicoob Coopec	BA	100%	63,977	40,621	570	64,360	41,250	964
<b>Regional system Crediminas</b>								
Sicoob Central Crediminas	MG	100%	6,654,558	521,975	17,114	6,293,772	446,632	24,693
Sicoob Crediriodoce	MG	100%	309,283	50,589	1,279	285,149	47,485	4,291
Sicoob Carlos Chagas	MG	100%	159,384	52,700	857	172,550	48,861	2,848
Sicoob Credijequitinhonha	MG	100%	212,151	46,888	2,569	174,890	43,932	1,612
Sicoob Credicope	MG	100%	204,196	38,110	2,348	180,388	37,503	1,651
Sicoob Credilivre	MG	100%	472,995	97,729	4,407	469,443	87,659	6,983
Sicoob Credinorte	MG	100%	121,023	28,603	854	108,665	25,848	1,379
Sicoob Credivale	MG	100%	229,863	45,638	1,944	200,395	43,574	2,128
Sicoob Credioeste	MG	100%	161,345	28,053	(370)	150,669	29,154	631
Sicoob Credialp	MG	100%	106,435	23,203	1,001	108,773	20,549	2,862
Sicoob Cooperosa	MG	100%	24,048	6,043	132	22,846	5,422	380
Sicoob Aracredi	MG	100%	220,033	37,558	1,061	188,106	31,673	2,837
Sicoob Crediará	MG	100%	233,300	45,227	2,234	194,495	39,306	3,257

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Institution	State	Ownership interest	6/30/2019			6/30/2018			
			Assets	Equity	Result	Assets	Equity	Result	
Sicoob União Centro-Oeste	MG	100%	121,132	27,789	2,255	107,351	24,118	1,954	
Sicoob Credibam	MG	100%	98,794	22,714	1,281	91,848	20,803	1,312	
Sicoob Belcredi	MG	100%	121,878	18,790	2,575	101,550	16,066	1,680	
Sicoob Credibom	MG	100%	355,033	50,602	3,222	322,793	49,567	2,029	
Sicoob Credisuccesso	MG	100%	63,909	9,836	(288)	59,955	9,819	141	
Sicoob Credicampina	MG	100%	110,199	18,191	(2,416)	101,901	17,659	1,564	
Sicoob Credibelo	MG	100%	106,534	15,203	1,661	95,597	11,396	2,149	
Sicoob Crediagro	MG	100%	105,638	33,366	983	110,806	29,855	1,917	
Sicoob Credicam	MG	100%	72,411	15,082	1,064	67,810	12,337	1,786	
Sicoob Credicapi	MG	100%	58,706	13,316	624	61,256	11,690	1,107	
Sicoob Carmocredi	MG	100%	84,106	15,367	2,043	75,808	13,343	1,409	
Sicoob Credicarpa	MG	100%	260,589	79,915	6,453	220,605	69,605	1,180	
Sicoob Credicarmo	MG	100%	93,084	28,097	1,933	90,100	23,423	3,133	
Sicoob Credicarmominas	MG	100%	116,239	16,373	2,673	93,969	13,355	2,126	
Sicoob Crediverde	MG	100%	148,597	24,893	2,793	128,159	23,423	(522)	
Sicoob Credindaiá	MG	100%	47,702	9,823	331	44,279	8,674	760	
Sicoob Credicampo	MG	100%	184,697	26,009	2,500	159,010	21,787	2,035	
Sicoob Crediesmeraldas	MG	100%	72,141	12,470	634	55,482	9,091	1,157	
Sicoob Credisudeste	MG	100%	389,943	54,472	2,058	332,117	37,877	4,575	
Sicoob Credifor	MG	100%	207,123	30,104	3,193	172,763	25,578	4,343	
Sicoob Frutal	MG	100%	198,527	52,844	2,841	186,224	48,017	3,067	
Sicoob Crediguapé	MG	100%	36,533	6,663	245	38,697	6,341	171	
Sicoob Guarinter	MG	100%	223,156	38,802	2,072	200,837	29,735	3,011	
Sicoob Guaranicredi	MG	100%	160,483	14,942	1,018	145,171	13,979	707	
Sicoob Agrocredi	MG	100%	984,190	228,657	(9,308)	916,424	199,362	22,518	
Sicoob Creditama	MG	100%	60,869	17,022	1,222	55,292	15,585	955	
Sicoob Credimil	MG	100%	146,463	29,423	1,460	130,628	26,775	1,567	
Sicoob Itapagipe	MG	100%	80,114	25,425	1,562	77,692	24,247	1,226	
Sicoob Crediuna	MG	100%	250,859	41,971	6,392	216,426	33,334	7,292	
Sicoob Credivag	MG	100%	117,135	26,192	(290)	114,714	26,962	(1,118)	
Sicoob Credipinho	MG	100%	106,191	18,069	1,083	87,645	15,289	868	
Sicoob Crediprata	MG	100%	154,088	30,468	2,443	147,541	26,564	3,081	
Sicoob Credicaf	MG	100%	304,848	54,164	3,575	287,687	49,272	2,427	
Sicoob Crediluz	MG	100%	119,756	18,116	2,217	90,511	16,266	1,417	
Sicoob Credimac	MG	100%	57,321	10,554	1,331	53,322	9,365	1,199	
Sicoob Montecredi	MG	100%	183,402	37,960	2,584	189,024	32,771	4,288	
Sicoob Credinor	MG	100%	295,986	54,523	790	255,643	46,744	4,572	
Sicoob União Central	MG	100%	169,511	30,261	231	155,906	28,820	2,691	
Sicoob Credipatos	MG	100%	380,699	60,431	6,607	309,073	47,537	5,965	
Sicoob Coopacredi	MG	100%	303,653	63,856	6,042	237,350	51,748	6,780	
Sicoob Credipel	MG	100%	104,772	17,394	622	94,990	15,784	1,474	
Sicoob Credipimenta	MG	100%	32,145	5,824	181	28,093	5,939	18	
Sicoob Credicoop	MG	100%	142,713	28,369	2,543	123,850	25,874	2,375	
Sicoob Credipéu	MG	100%	189,573	32,963	2,988	158,035	29,446	3,431	
Sicoob União	MG	100%	305,022	45,718	3,192	246,862	36,264	3,612	
Sicoob Sacramento	MG	100%	72,721	18,154	862	57,021	16,420	722	
Sicoob Credimonte	MG	100%	228,211	38,747	577	182,104	36,460	2,600	
Sicoob Credisales	MG	100%	41,102	10,321	506	36,020	9,591	745	
Sicoob São Gonçalo do Pará	MG	100%	40,720	9,955	476	39,466	9,300	273	
Sicoob Credivass	MG	100%	480,983	69,800	5,758	398,559	61,261	7,122	
Sicoob Nossocrédito	MG	100%	415,838	60,519	7,125	325,011	47,300	5,888	
Sicoob Credivertentes	MG	100%	404,790	66,295	3,083	355,113	56,733	5,941	
Sicoob Credisavi	MG	100%	57,096	8,131	(543)	62,704	8,053	900	
Sicoob Credisete	MG	100%	249,087	35,647	3,092	213,179	31,244	2,211	
Sicoob Creditiros	MG	100%	92,165	18,109	1,680	80,871	16,226	1,973	
Sicoob Copersul	MG	100%	140,601	24,763	927	135,912	21,191	1,634	
Sicoob Uberaba	MG	100%	143,931	21,837	1,964	84,845	16,842	1,559	
Sicoob Noroeste De Minas	MG	100%	306,810	59,852	2,746	249,236	48,744	4,257	
Sicoob Credivar	MG	100%	564,662	94,705	8,402	472,912	80,848	10,181	
Sicoob Credivaz	MG	100%	105,901	27,367	1,816	109,542	24,550	1,590	
Sicoob Credimata	MG	100%	205,226	33,897	2,023	180,576	30,341	2,139	
Sicoob Credcooper	MG	100%	283,934	41,654	1,458	285,115	38,512	5,534	
Sicoob Credirama	MG	100%	178,617	29,536	4,524	134,068	25,834	2,838	
Sicoob Credisg	MG	100%	309,876	68,243	3,301	283,148	59,646	6,399	
Sicoob Credinosso	MG	100%	26,709	7,044	578	23,792	5,754	782	
Sicoob Credifiemg	MG	100%	212,555	29,650	3,451	136,226	23,240	1,531	
Sicoob Saúde	MG	100%	60,735	7,804	566	50,136	6,406	743	
<b>Regional system Goiás</b>									
Sicoob Goiás Central	GO	100%	882,313	106,748	4,672	1,446,837	62,841	9,165	
Sicoob Agrorural	GO	100%	400,645	110,542	6,719	359,119	101,078	3,729	
Sicoob Centro-Sul	GO	100%	126,223	26,474	1,870	101,538	20,421	2,318	
Sicoob do Vale	GO	100%	168,817	30,106	636	120,474	21,481	1,728	

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Institution	State	Ownership interest	6/30/2019			6/30/2018			
			Assets	Equity	Result	Assets	Equity	Result	
Sicoob Palmeiras	GO	100%	91,861	43,482	1,892	100%	70,685	32,493	2,606
Sicoob Crediforte	GO	100%	67,282	17,644	(2,700)	100%	66,275	17,397	1,003
Sicoob Credisaúde	GO	100%	51,163	12,660	(684)	100%	40,010	9,533	2,343
Sicoob Credijur	GO	100%	118,326	38,918	1,241	100%	110,381	32,475	3,547
Sicoob Credicapá	GO	100%	108,342	22,757	392	100%	75,332	18,737	1,448
Sicoob Credipar	TO	100%	172,423	37,199	(3,520)	100%	174,752	38,695	756
Sicoob Credi-SGPA	GO	100%	344,960	76,999	(7,127)	100%	297,303	66,885	746
Sicoob Cerrado	GO	100%	58,687	15,163	(54)	100%	39,933	11,998	1,962
Sicoob do Vale Rio Crixás	GO	100%	35,980	11,830	703	100%	32,325	10,774	193
Sicoob Emprecred	GO	100%	110,445	40,144	(41)	100%	96,624	31,771	2,725
Sicoob Secovicred	GO	100%	394,396	91,666	1,563	100%	295,785	62,543	6,459
Sicoob Juriscredcelg	GO	100%	108,133	31,698	2,075	100%	97,567	22,491	2,840
Sicoob Credicer	GO	100%	54,079	15,175	641	100%	58,089	13,136	1,106
Sicoob Crediadag	GO	100%	94,985	33,473	2,363	100%	56,363	17,389	2,383
<b>Regional system SC/RS</b>									
Sicoob Central SC/RS	SC	100%	7,165,662	344,237	25,094	100%	7,201,921	332,107	19,938
Sicoob Credicanoinhas/SC	SC	100%	552,080	79,747	11,410	100%	478,096	59,746	9,238
Sicoob Credial/SC	SC	100%	734,580	145,458	5,865	100%	682,124	127,196	9,988
Sicoob Credirio SC	SC	100%	287,132	23,964	1,730	100%	265,777	25,404	3,739
Sicoob Alto Vale	SC	100%	387,273	39,566	5,278	100%	326,769	31,358	3,752
Sicoob Credinorte	SC	100%	487,235	62,124	6,071	100%	426,457	53,089	9,418
Sicoob Creditaipu	SC	100%	661,426	156,194	8,638	100%	636,050	144,602	10,095
Sicoob Vale do Vinho	SC	100%	556,313	84,699	6,476	100%	479,713	75,492	9,970
Sicoob Caçador/SC	SC	100%	62,876	9,457	867	100%	52,313	8,098	955
Sicoob São Miguel SC	SC	100%	1,217,596	174,049	18,412	100%	1,116,514	157,044	14,143
Sicoob Valcredi Sul	SC	100%	327,555	48,886	3,678	100%	338,556	61,602	3,125
Sicoob - Crediauc/SC	SC	100%	894,858	128,382	6,184	100%	805,218	112,013	10,382
Sicoob Oestecredi	SC	100%	486,916	79,563	5,510	100%	455,096	66,747	8,884
Sicoob Maxicredito	SC	100%	2,257,805	276,444	40,607	100%	1,996,460	222,333	31,025
Sicoob Credija	SC	100%	673,513	99,677	12,965	100%	572,819	85,366	13,184
Sicoob Campos Novos	SC	100%	220,049	39,369	1,335	100%	212,764	36,595	2,882
Sicoob Creditapiranga SC	SC	100%	365,562	45,852	(886)	100%	360,703	42,710	1,755
Sicoob Credisulca SC	SC	100%	771,599	131,862	15,120	100%	679,997	114,837	12,706
Sicoob Credimoc SC	SC	100%	220,131	26,069	966	100%	199,060	23,453	2,378
Sicoob Original	SC	100%	353,241	46,751	3,487	100%	286,811	38,086	3,547
Sicoob Credivale/SC	SC	100%	423,552	52,141	1,256	100%	379,559	49,219	3,640
Sicoob Canoas SC	SC	100%	97,259	21,364	1,009	100%	84,570	18,987	1,094
Sicoob Credicaru SC/RS	SC	100%	326,840	78,237	6,072	100%	277,664	66,128	8,011
Sicoob Crediplanalto SC/RS	SC	100%	328,253	51,302	6,922	100%	329,586	39,286	8,722
Sicoob Euro Vale	SC	100%	95,815	15,800	1,145	100%	78,760	13,985	563
Sicoob Crediserra SC	SC	100%	92,913	18,033	394	100%	80,902	16,577	433
Sicoob Credinião	SC	100%	50,544	8,270	427	100%	44,634	6,855	775
Sicoob Crediaracária/SC	SC	100%	135,502	19,683	1,755	100%	107,732	15,202	2,858
Sicoob Trentocredi SC	SC	100%	352,188	57,722	5,243	100%	311,765	52,479	5,863
Sicoob Multicredi	SC	100%	137,476	37,255	3,298	100%	112,686	30,488	2,981
Sicoob Credisserrana SC	SC	100%	106,607	11,523	(502)	100%	82,857	10,314	730
Sicoob Credisc	SC	100%	122,839	17,609	2,444	100%	112,014	13,409	2,816
Sicoob Transcredi	SC	100%	554,761	95,788	6,615	100%	485,111	88,637	8,396
Sicoob Creditrán	SC	100%	54,635	10,518	846	100%	50,496	8,619	1,049
Credpom	SC	100%	59,782	8,746	663	100%	47,786	7,248	794
Sicoob Advocacia	SC	100%	279,356	36,523	4,587	100%	234,050	29,331	4,031
Sicoob Ecocredi	RS	100%	321,705	46,112	(8,407)	100%	298,227	34,530	2,631
Sicoob Cejascred	SC	100%	65,517	9,516	868	100%	61,790	7,449	1,647
Sicoob Porto Alegre	RS	100%	-	-	-	100%	23,967	4,011	292
Cooperando	RS	100%	62,220	48,195	1,042	100%	58,175	44,799	1,584
Cruz Alta	RS	100%	69,522	9,199	(20)	100%	83,158	9,487	(369)
<b>Regional system São Paulo</b>									
Sicoob SP	SP	100%	4,726,611	253,097	8,054	100%	4,726,572	243,731	13,580
Sicoob Coopecredi	SP	100%	1,160,267	168,876	18,761	100%	1,153,020	163,610	1,613
Sicoob Cocrealpa	SP	100%	356,984	60,823	3,639	100%	314,941	51,600	6,640
Sicoob Credicitrus	SP	100%	5,972,598	1,501,050	90,853	100%	5,624,706	1,383,908	68,454
Sicoob Credimota	SP	100%	168,217	35,580	3,026	100%	160,520	29,555	2,548
Sicoob Cooplivre	SP	100%	265,524	37,995	2,277	100%	231,484	28,881	5,140
Sicoob Crediguaçu	SP	100%	434,417	99,812	12,467	100%	374,231	85,712	11,376
Sicoob Credicoapepec	SP	100%	408,452	98,709	(3,577)	100%	325,106	81,727	11,425
Sicoob Crediceripa	SP	100%	462,395	57,434	7,461	100%	416,777	47,629	5,140
Credicana	SP	100%	12,898	12,219	11	100%	-	-	-
Sicoob Coocrelivre	SP	100%	314,629	135,365	2,373	100%	267,620	122,371	5,414
Sicoob Cocre	SP	100%	623,051	111,420	7,462	100%	537,254	102,821	6,447
Sicoob Credivale	SP	100%	301,791	53,132	7,613	100%	248,882	42,878	6,266
Credicoonai	SP	100%	848,109	128,527	(50,207)	100%	987,834	178,181	203
Sicoob Cecres	SP	100%	198,174	157,817	4,461	100%	189,313	157,028	3,392
Sicoob Cocred	SP	100%	3,589,131	499,095	22,521	100%	3,019,339	399,345	23,501

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Institution	State	Ownership interest	6/30/2019			6/30/2018		
			Assets	Equity	Result	Assets	Equity	Result
Sicoob Coopcred	SP	100%	91,805	28,610	(559)	85,844	26,916	(656)
Sicoob Credlíder	SP	100%	56,795	14,266	138	44,968	12,177	927
Unimais Norte Paulista	SP	100%	-	-	-	35,096	5,327	(557)
<b>Regional system Norte</b>								
Sicoob Norte	RO	100%	826,706	49,036	3,501	843,976	38,006	3,402
Sicoob Credip	RO	100%	1,224,127	188,844	25,897	906,969	138,587	25,976
Sicoob Ourocredi	RO	100%	184,662	43,778	2,941	151,667	35,031	4,719
Sicoob Acre	AC	100%	42,471	17,803	883	32,920	14,799	1,489
Sicoob Crediforte	RO	100%	-	-	-	52,975	20,492	(1,112)
Sicoob Credjurd	RO	100%	76,052	21,870	3,479	70,849	18,489	3,133
Sicoob Amazônia	RO	100%	403,745	111,054	2,545	286,059	75,212	5,884
Sicoob Portocredi	RO	100%	258,284	55,404	4,287	195,410	38,128	4,022
Sicoob Credisul	RO	100%	1,377,025	218,982	34,984	1,077,072	159,538	29,703
Sicoob Centro	RO	100%	373,142	78,912	5,906	284,119	60,027	10,426
Sicoob Credempresas - AM	AM	100%	13,926	3,473	(320)	12,042	3,032	321
Sicoob Manaus	AM	100%	-	-	-	28,561	4,106	2,448
<b>Regional system Planalto Central</b>								
Sicoob Planalto Central	DF	100%	580,807	179,226	8,640	745,931	176,757	11,004
Sicoob Executivo	DF	100%	105,910	24,626	1,884	97,462	20,907	1,949
Sicoob Judiciário	DF	100%	141,978	20,235	2,559	120,123	16,252	2,798
Sicoob Credijustra	DF	100%	240,583	38,823	5,249	200,653	33,288	4,835
Sicoob Credibrasília	DF	100%	176,402	33,669	1,389	179,919	30,204	1,668
Sicoob Crediembrapa	DF	100%	176,467	37,863	571	143,739	35,962	(14)
Cooperforte	DF	100%	-	-	-	2,253,927	479,065	41,141
Sicoob Cooperplan	DF	100%	32,646	6,089	859	22,710	4,964	923
Sicoob Credfaz	DF	100%	193,005	79,407	7,746	143,889	83,431	7,137
Sicoob Legislativo	DF	100%	59,026	13,380	1,174	47,430	10,401	2,196
Sicoob Credsef	DF	100%	43,682	9,994	545	37,869	9,353	389
Sicoob DFMil	DF	100%	46,345	9,874	1,775	36,032	6,471	1,738
Sicoob Empresarial	DF	100%	155,585	34,260	2,164	109,659	30,320	1,171
Sicoob Credilojista	DF	100%	-	-	-	40,468	13,532	(15,374)
Sicoob Credichapada	MG	100%	49,207	13,467	(887)	49,064	11,892	913
<b>Regional system Ceceremge</b>								
SICOOB CENTRAL CECEMGE	MG	100%	5,583,620	221,506	3,158	4,994,504	198,725	7,299
Sicoob Credipontal	MG	100%	595,159	68,903	300	471,070	60,280	6,171
Sicoob Credirural	MG	100%	220,003	30,505	1,728	211,036	27,435	2,151
Sicoob Saromcredi	MG	100%	269,231	42,148	3,802	236,053	38,651	1,839
Sicoob Credifril	MG	100%	289,567	44,264	2,737	273,542	39,646	2,339
Sicoob Credileite	MG	100%	50,426	7,478	292	43,442	7,294	(789)
Sicoob Credicom	MG	100%	2,714,114	375,519	35,988	2,324,539	311,761	32,846
Sicoob Cofal	MG	100%	177,337	38,378	3,315	151,512	35,905	3,592
Sicoob Arcomcredi	MG	100%	33,851	6,641	311	33,418	5,978	452
Sicoob Divired	MG	100%	385,575	49,540	5,891	309,963	42,163	4,155
Sicoob Credivale	MG	100%	11,333	5,801	101	9,922	6,062	21
Sicoob Credicopa	MG	100%	391,371	99,470	5,856	332,226	82,367	6,989
Sicoob Ascicred	MG	100%	230,450	29,539	4,420	206,261	23,948	4,921
Sicoob Vale do Aço	MG	100%	187,994	47,887	3,111	158,587	42,166	1,772
Sicoob AC Credi	MG	100%	178,896	33,621	6,262	154,148	32,093	2,466
Sicoob Coocrez	MG	100%	57,642	22,788	951	47,740	20,332	658
Cecref	MG	100%	56,212	22,389	764	53,566	20,555	659
Sicoob Ceceremec	MG	100%	11,028	7,009	394	10,844	7,013	170
Sicoob Coopsef	MG	100%	221,145	68,640	6,373	202,924	65,289	6,277
Sicoob Coopjus	MG	100%	157,464	55,453	1,893	139,647	53,008	1,340
Sicoob Nossacoop	MG	100%	258,763	31,491	3,107	171,497	28,375	2,941
Sicoob Creditábil	MG	100%	35,576	7,556	435	31,825	6,676	689
Sicoob Credesp	MG	100%	136,877	19,197	659	123,257	18,122	2,687
Sicoob Centro-Oeste	MG	100%	389,828	74,761	7,581	351,758	66,841	5,928
Sicoob Credicenm	MG	100%	145,322	19,840	1,548	107,404	14,007	1,753
Sicoob Acicredi	MG	100%	30,234	6,439	299	24,637	5,615	599
Sicoob Cosmipa	MG	100%	96,769	50,553	3,086	83,286	43,999	2,953
Sicoob Cosemi	MG	100%	8,776	6,856	173	8,341	6,557	337
Sicoob Credimepi	MG	100%	478,271	74,762	8,244	378,809	59,107	7,494
Sicoob Credibelgo	MG	100%	5,431	4,179	158	5,659	4,157	99
Sicoob Lagoacred Gerais	MG	100%	254,678	36,786	4,031	193,224	27,993	4,014
Sicoob Credinova	MG	100%	275,727	48,281	3,076	229,259	41,410	2,210
Coopaço	MG	100%	16,305	13,975	121	15,658	13,765	138
Sicoob Credigerais	MG	100%	303,132	79,887	6,986	247,205	65,759	7,406
Sicoob Paraisocred	MG	100%	81,871	13,525	574	77,238	10,853	2,003
Cooperfim	MG	100%	9,523	7,178	1,669	7,169	6,216	354
Sicoob Copesita	MG	100%	44,708	15,937	1,256	41,359	14,313	1,069
Sicoob Credimed	MG	100%	30,046	8,999	225	29,456	7,760	580
Sicoob Triangulo	MG	100%	16,904	7,770	(62)	10,065	7,333	281

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Institution	State	Ownership interest	6/30/2019			6/30/2018			
			Assets	Equity	Result	Assets	Equity	Result	
Sicoob Sertão Minas	MG	100%	54,312	10,073	715	100%	44,888	7,652	938
Sicoob Credimontes	MG	100%	56,372	13,135	367	100%	54,206	11,379	1,354
Credfenas	MG	100%	26,005	3,126	(175)	100%	26,776	2,948	163
Sicoob Coopcredi	MG	100%	42,554	9,059	20	100%	38,890	8,350	(84)
Sicoob Copermec	MG	100%	365,891	59,795	8,257	100%	313,895	51,088	5,121
Sicoob Coopemata	MG	100%	428,386	73,454	12,435	100%	292,949	53,469	11,552
Sicoob Engecred	MG	100%	97,074	16,619	(798)	100%	99,498	15,378	1,328
Credisam	MG	100%	8,416	7,289	121	100%	8,091	7,064	112
Sicoob UFVCredi	MG	100%	64,129	22,686	1,645	100%	55,082	20,494	1,874
Coopçoços	MG	100%	9,373	5,603	444	100%	8,025	5,331	475
Sicoob Crediserv	MG	100%	26,065	13,045	254	100%	22,354	11,582	787
Sicoob Coopemg	MG	100%	155,109	18,983	3,511	100%	91,968	12,418	1,804
Sicoob Aracoop	MG	100%	1,000,390	139,937	14,001	100%	593,591	87,600	10,682
Sicoob Jus-MP	MG	100%	252,165	38,597	5,051	100%	195,831	31,834	4,501
Sicoob Coopercorreios	MG	100%	62,116	21,858	853	100%	52,653	19,777	1,415
Sicoob Credpit	MG	100%	103,881	13,261	1,952	100%	87,726	12,190	571
Sicoob Sul de Minas	MG	100%	62,182	9,660	2,066	100%	65,783	5,993	2,177
Sicoob Credileste	MG	100%	139,482	33,536	3,027	100%	131,059	30,409	3,495
Sicoob Cred UFU	MG	100%	-	-	-	100%	39,319	18,388	1,449
Sicoob Credialto	MG	100%	139,051	23,071	(445)	100%	131,095	19,775	1,594
Cecrem	MG	100%	7,002	6,293	210	100%	7,031	6,315	220
Sicoob Credjus	MG	100%	60,010	25,615	1,754	100%	49,783	21,797	1,400
Cooptek	MG	100%	17,114	16,197	293	100%	16,423	15,508	316
Coopseps	MG	100%	7,644	6,072	13	100%	7,153	5,858	(91)
Tupicred	MG	100%	1,829	1,576	77	100%	1,814	1,525	90
Sicoob Cooppecic	MG	100%	6,026	4,913	198	100%	5,972	5,190	210
Sicoob Secovicred MG	MG	100%	85,038	10,596	891	100%	72,650	8,662	945
<b>Regional system Cecresp</b>									
Sicoob Central Cecresp	SP	100%	1,645,445	125,310	5,717	100%	1,591,111	110,361	8,533
Sicoob Credicazola	SP	100%	-	-	-	100%	46,384	5,583	(2,196)
Sicoob Cred Copercana	SP	100%	48,649	17,649	631	100%	41,291	15,449	769
Sicoob Credsaúde	SP	100%	11,691	2,366	183	100%	10,953	2,111	339
Coopluzia	SP	100%	14,418	12,744	722	100%	10,117	8,919	516
Credirhodia	SP	100%	13,895	9,940	(194)	100%	14,358	10,208	153
Coopemesp	SP	100%	25,627	15,946	503	100%	23,775	16,332	214
Coopmil	SP	100%	282,277	137,122	4,011	100%	302,137	143,166	4,397
Coofer	SP	100%	-	-	-	100%	6,999	6,629	217
Sicoob Credimogiana	SP	100%	244,744	27,103	2,720	100%	219,729	19,951	2,405
Sicoob Coopercredi - SP	SP	100%	99,092	69,039	(1,347)	100%	86,877	60,940	2,768
Copercred	SP	100%	16,555	12,995	27	100%	17,366	13,134	62
Sicoob Credmetal	SP	100%	14,746	11,942	279	100%	14,754	11,832	344
Sicoob Credmalhas	MG	100%	41,779	7,253	121	100%	33,390	6,211	421
Cressem	SP	100%	188,892	143,005	7,845	100%	192,612	144,427	9,679
Sicoob Cred Acif	SP	100%	157,441	20,842	545	100%	143,525	14,507	2,643
Copermed de Jaboticabal	SP	100%	13,989	2,121	(45)	100%	12,190	1,917	171
Sicoob Cooptransp	SP	100%	18,657	12,519	(257)	100%	18,703	12,297	507
Sicoob Credicucar	SP	100%	108,718	12,568	434	100%	100,279	11,928	(514)
Magiscred	SP	100%	86,784	15,846	(175)	100%	86,766	17,226	(335)
Sicoob Crediconsumo	SP	100%	45,736	21,719	(561)	100%	43,467	17,856	1,079
Ouricred	SP	100%	89,565	12,434	846	100%	73,249	9,507	1,777
Sicoob Crediacisc	SP	100%	22,834	3,785	(37)	100%	17,726	3,442	(96)
Credipropesp	SP	100%	20,757	19,307	752	100%	20,025	18,370	915
Sicoob Credicor - SP	SP	100%	40,957	5,823	1,109	100%	32,960	4,989	762
Cooperserv	SP	100%	-	-	-	100%	1,070	882	68
Sicoob Grande ABC	SP	100%	21,364	4,856	87	100%	20,459	4,878	182
Sicoob Cooperac	SP	100%	69,134	12,187	1,005	100%	54,078	9,515	1,243
Sicoob Crediacil	SP	100%	87,668	11,321	733	100%	73,798	9,494	2,299
Sicoob Credceg	SP	100%	299,599	53,123	6,874	100%	241,632	41,607	8,235
Sicoob Cred-ACI	SP	100%	26,272	4,885	601	100%	24,697	4,194	81
Judcred	SP	100%	5,602	3,155	218	100%	4,490	2,639	232
Sicoob Cred-Acilpa	SP	100%	15,282	4,858	446	100%	12,295	4,221	370
Sicoob	SP	100%	79,806	13,498	1,009	100%	43,369	7,176	469
Metalcred da Grande São Paulo	SP	100%	50,279	40,131	1,861	100%	34,657	25,572	1,940
Sicoob Crediacirc	SP	100%	51,803	12,644	491	100%	47,627	9,953	981
Sicoob Acicred	SP	100%	38,199	7,221	479	100%	35,179	6,123	568
Sicoob Cooperace	SP	100%	23,181	7,206	722	100%	26,770	6,213	460
Sicoob Cooperaso	SP	100%	32,333	12,282	213	100%	27,232	11,257	116
Sicoob Paulista	SP	100%	206,862	23,647	1,170	100%	158,135	16,406	3,376
Sicoob Coopara	SP	100%	-	-	-	100%	17,349	6,755	286
Sicoob Cecresa	SP	100%	11,088	8,709	142	100%	10,505	8,662	149
Promocred	SP	100%	-	-	-	100%	14,784	10,903	(129)
Cooperserv	SP	100%	29,620	11,451	1,186	100%	21,187	9,800	1,039

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Institution	State	Ownership interest	6/30/2019			6/30/2018		
			Assets	Equity	Result	Assets	Equity	Result
Cosae	SP	100%	6,034	3,832	(592)	5,204	3,679	183
Barracred Cosan	SP	100%	130,715	116,139	3,159	118,858	104,048	3,376
Crediprodam	SP	100%	7,036	6,849	110	7,187	6,976	130
Nossa Terra	SP	100%	14,589	13,570	571	15,315	14,249	680
Coopercredi Fleury	SP	100%	9,864	9,197	329	9,673	9,109	333
Sicoob Coopemapi	SP	100%	6,365	3,597	(160)	6,511	3,261	(58)
Cooperacs-SP	SP	100%	-	-	-	4,390	3,563	(363)
Cooperemb	SP	100%	393,860	307,383	17,587	385,014	289,251	19,518
Coopincor	SP	100%	27,942	25,692	1,281	25,837	23,818	1,204
Crediafam	SP	100%	8,054	7,698	169	7,744	7,512	51
Sicoob Santa	SP	100%	33,193	27,484	1,078	30,679	26,133	1,239
Cocoresb	SP	100%	4,706	2,700	49	3,773	2,533	97
Crediaabc	SP	100%	35,619	23,971	767	33,007	22,819	911
Cred Serv	SP	100%	14,175	13,215	840	12,307	11,084	700
Sicoob Cooperfac	SP	100%	6,867	6,202	241	6,303	5,705	174
Cooper Vera Cruz	SP	100%	8,182	7,013	376	8,290	7,665	308
Cooperparques	SP	100%	1,103	967	(35)	1,228	1,234	(157)
Sicoob Cooper 7	SP	100%	12,024	10,087	974	10,852	8,999	1,079
Cooperalesp	SP	100%	17,622	16,158	987	16,567	14,548	1,064
Avibras	SP	100%	10,052	9,138	534	9,051	8,271	424
Usagro	SP	100%	11,790	10,264	395	10,574	9,281	331
Coopernitro	SP	100%	6,122	5,790	170	7,274	6,824	254
Coopervale	SP	100%	12,520	11,479	456	13,691	12,617	715
Cooper-Sekurit	SP	100%	6,874	6,012	305	6,893	5,621	239
Coopowens	SP	100%	-	-	-	7,480	4,431	138
Piloncred	SP	100%	2,579	2,360	94	2,272	2,065	62
Sicoob Pilkington	SP	100%	9,048	8,174	505	8,380	7,508	558
Selene	SP	100%	3,064	2,742	152	2,764	2,464	127
Cooperpak	SP	100%	21,101	19,236	1,490	19,741	18,125	1,410
Credi-Camda	SP	100%	5,062	4,378	144	4,352	3,794	148
Cooperplascar	SP	100%	-	-	-	5,957	5,122	320
Coopriclan	SP	100%	-	-	-	6,043	5,149	253
Coopermsd	SP	100%	12,696	12,031	506	11,278	10,815	330
Cooperjs	SP	100%	2,442	2,265	57	2,326	2,129	106
Crediscoop	SP	100%	5,051	2,144	(33)	5,672	2,391	(167)
Crediunifi	SP	100%	-	-	-	1,406	1,308	21
Grupo PPG	SP	100%	-	-	-	2,104	2,006	64
Owens-Illinois	SP	100%	-	-	-	19,008	18,076	504
Empresas Itau	SP	100%	6,855	6,304	200	6,649	6,146	238
Itapira	SP	100%	9,918	8,595	418	9,360	8,148	395
Eaton Valinhos	SP	100%	7,866	7,188	77	7,836	7,066	101
Credi Nestlé	SP	100%	68,745	64,591	2,932	66,757	62,724	2,813
Coopaz	SP	100%	-	-	-	12,106	11,630	(12)
Coopertel	SP	100%	7,173	6,706	57	7,428	6,731	234
Mondelez	SP	100%	42,762	39,429	1,479	43,839	40,398	1,749
Cofasa	SP	100%	3,636	3,418	46	3,626	3,444	78
SKF	SP	100%	12,472	11,925	465	12,136	11,386	598
Cooperfeis	SP	100%	6,561	6,304	150	6,343	6,054	182
Usicred	SP	100%	93,459	85,009	3,307	86,287	77,594	3,044
Morlan	SP	100%	6,905	6,328	427	6,260	5,783	389
Melhoramentos	SP	100%	-	-	-	8,614	8,245	210
Confab	SP	100%	11,874	10,822	400	11,359	10,583	422
Crediaços	SP	100%	9,848	9,142	170	10,341	9,443	342
Elgin	SP	100%	5,293	4,562	308	4,594	4,044	258
Cooperalpina	SP	100%	4,226	3,934	248	4,309	3,994	279
Credicebrace	SP	100%	15,146	14,198	618	16,275	13,954	788
Parker Hannifin	SP	100%	5,853	5,267	83	6,087	5,443	151
Metalcoopercred	SP	100%	11,462	10,686	357	10,623	9,772	394
Coopaspacer	SP	100%	3,152	1,355	37	3,320	1,280	(75)
Coop Akzonobel	SP	100%	-	-	-	7,827	7,039	220
Coopercred Unilever	SP	100%	-	-	-	4,288	3,911	55
Credirhodia Paulínea	SP	100%	15,929	15,061	517	16,821	15,822	629
Credieaton	SP	100%	2,821	2,696	53	2,746	2,597	52
Colorado	SP	100%	25,855	21,903	1,411	22,397	19,595	1,406
Bombril	SP	100%	-	-	-	9,995	9,232	243
Novelis	SP	100%	11,121	9,929	443	10,724	9,263	657
Cooperceres	SP	100%	-	-	-	5,176	4,895	147
Credmil	SP	100%	2,394	1,593	(3)	2,355	1,618	(57)
Coopertrem	SP	100%	8,784	8,393	187	8,548	8,193	231
Coopriclaro	SP	100%	-	-	-	1,106	832	13
Coopertakatapetri	SP	100%	16,469	14,144	1,181	15,365	13,883	1,095
Coopunsp	SP	100%	-	-	-	4,230	3,120	48
Monsanto	SP	100%	6,253	5,855	82	5,877	5,484	85



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			Assets	Equity	Result	Assets	Equity	Result	
Sicoob Alcatel	SP	100%	-	-	-	100%	4,238	4,077	52
Villares Metals	SP	100%	17,613	16,688	766	100%	16,650	15,690	788
Coopwmw Internacional	SP	100%	12,013	11,584	360	100%	10,998	10,560	320
Sicoob Independência	SP	100%	-	-	-	100%	28,346	4,390	(865)
Sicoob Vale do Paraíba	SP	100%	293,983	31,588	331	100%	291,349	30,077	1,007
<b>Regional system Nordeste</b>									
Sicoob Central NE	PB	100%	286,883	30,599	16	100%	187,221	22,594	24
Sicoob Ceará	CE	100%	48,989	11,758	782	100%	41,195	10,029	847
Sicoob Centro Nordeste	PB	100%	33,935	14,862	649	100%	28,798	13,282	784
Sicoob Leste	AL	100%	83,562	29,313	3,038	100%	64,752	28,170	2,779
Sicoob Coopercred	PB	100%	25,571	7,806	167	100%	22,064	6,946	315
Sicoob Potiguar	RN	100%	35,001	7,768	133	100%	19,694	6,457	(327)
Sicoob Pernambuco	PE	100%	173,180	30,560	1,726	100%	142,477	26,547	3,074
Sicoob Piauí	PI	100%	33,023	6,504	(19)	100%	27,759	6,222	165
Sicoob Centro Leste Maranhense	MA	100%	98,367	33,293	(316)	100%	80,062	23,736	1,328
Sicoob Oeste Maranhense	MA	100%	50,112	12,708	479	100%	50,747	11,672	(827)
Sicoob Paraíba	PB	100%	333,258	71,917	11,288	100%	231,803	53,429	10,887
Sicoob Empresarial	MA	100%	-	-	-	100%	12,700	4,426	(158)
Sicoob Sul Maranhense	MA	100%	23,497	2,723	194	100%	10,558	1,958	82
Sicoob Rio Grande Do Norte	RN	100%	178,359	38,005	2,376	100%	-	-	-
<b>Regional system Rondon</b>									
Sicoob Central Rondon	MT	100%	295,357	31,449	1,210	100%	276,148	29,263	833
Sicoob Uniao MT/MS	MT	100%	338,973	50,113	(2,392)	100%	217,308	32,621	682
Sicoob Primavera MT	MT	100%	206,906	26,012	2,068	100%	146,422	17,191	1,524
Sicoob Cerrado MT	MT	100%	99,914	16,508	532	100%	89,598	14,498	461
Sicoob Cocresul	MS	100%	35,431	3,379	(198)	100%	17,024	1,773	44
Sicoob Integração	MT	100%	257,616	61,829	709	100%	187,086	33,360	2,411
Sicoob Centro Sul MS	MS	100%	73,721	13,477	1,080	100%	58,427	8,115	2,446
Sicoob Norte MT	MT	100%	131,266	22,459	899	100%	75,336	8,399	1,129
Sicoob Fronteiras	RO	100%	120,294	37,424	(1,665)	100%	-	-	-
Sicoob Aliança MS	MS	100%	-	-	-	100%	4,286	845	(171)
<b>Regional system Unicoob</b>									
Sicoob Central Unicoob	PR	100%	1,752,848	115,579	644	100%	1,961,677	110,843	3,433
Sicoob Cooesa	PA	100%	44,969	12,333	465	100%	35,278	11,745	164
Coimppa	PA	100%	88,578	54,722	2,795	100%	83,040	54,060	2,045
Sicoob Unidas	PA	100%	40,305	19,809	(392)	100%	41,736	18,919	(137)
Sicoob Cantareira	SP	100%	-	-	-	100%	19,944	4,116	318
Sicoob Metropolitano	PR	100%	1,439,341	174,030	16,933	100%	1,232,769	141,124	14,573
Sicoob Vale do Iguaçu	PR	100%	455,049	61,735	(57)	100%	406,738	57,764	4,647
Sicoob Três Fronteiras	PR	100%	206,656	26,727	2,173	100%	187,199	21,048	3,350
Sicoob Unicoob Meridional	PR	100%	519,216	62,110	5,396	100%	433,603	50,256	5,184
Sicoob Ouro Verde	PR	100%	962,023	146,912	5,241	100%	756,766	86,508	(1,944)
Sicoob Noroeste do Paraná	PR	100%	222,375	38,363	(3,043)	100%	204,775	33,757	3,327
Sicoob Sul	PR	100%	602,870	68,194	3,951	100%	562,779	54,533	6,878
Sicoob Credicapital	PR	100%	553,878	61,665	1,274	100%	481,772	48,766	5,379
Sicoob Aliança	PR	100%	288,628	48,538	5,681	100%	247,944	40,402	3,179
Sicoob Arenito	PR	100%	241,662	26,149	3,025	100%	177,584	17,410	2,584
Sicoob Marechal	PR	100%	86,590	12,184	408	100%	79,749	11,819	(190)
Sicoob Integrado	PR	100%	315,370	32,441	2,347	100%	252,206	26,423	2,765
Sicoob Horizonte	PR	100%	85,040	17,053	18	100%	90,709	15,408	2,873
Sicoob Médio Oeste	PR	100%	140,058	17,741	141	100%	109,528	13,520	2,335
Sicoob Crediaciprev	SP	100%	-	-	-	100%	8,226	1,941	164
Sicoob Amapa	AP	100%	-	-	-	100%	21,388	4,444	(714)
Sicoob Transamazônica	PA	100%	63,109	9,333	715	100%	25,073	6,349	324
União Paraibana	PB	100%	24,540	8,327	(704)	100%	30,116	7,866	51
<b>Regional system Unimais</b>									
Sicoob Unimais	SP	100%	586,073	22,385	2,064	100%	674,998	32,717	498
Sicoob Unimais Mantiqueira	SP	100%	346,395	37,021	2,559	100%	287,910	29,435	3,613
Unimais Centro Leste Paulista	SP	100%	235,469	30,945	1,527	100%	201,706	27,581	3,102
Unimais Metropolitana	SP	100%	583,747	68,637	3,146	100%	528,087	59,819	9,650
<b>Regional system Uni</b>									
Sicoob Uni	GO	100%	2,946,892	112,623	4,742	100%	1,903,399	76,292	5,290
Sicoob Credi-Rural	GO	100%	1,392,652	429,273	37,083	100%	1,172,338	365,530	43,871
Sicoob Coopercred	GO	100%	267,359	104,193	3,059	100%	234,145	99,465	6,255
Sicoob Mineiros	GO	100%	380,737	164,180	12,592	100%	324,913	140,209	15,437
Sicoob Credigoias	GO	100%	153,486	95,114	(2,196)	100%	158,006	97,867	3,198
Sicoob Goiânia	GO	100%	131,900	35,053	3,016	100%	116,315	27,235	2,609
Sicoob Credseguro	GO	100%	307,293	112,162	7,346	100%	268,151	99,384	7,130
Sicoob Engecred-GO	GO	100%	718,227	186,639	15,396	100%	573,413	160,623	13,241
Sicoob Lojicred	GO	100%	102,987	26,623	1,265	100%	74,393	20,395	1,567
Sicoob Credi Comigo	GO	100%	18,200	12,220	526	100%	18,228	11,535	756
Sicoob Empresarial	GO	100%	99,781	19,728	2,937	100%	90,144	15,198	2,773

# Notes to the combined financial statements

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All amounts in thousands of reais, unless otherwise stated

Institution	State	Ownership interest	6/30/2019			6/30/2018			
			Assets	Equity	Result	Assets	Equity	Result	
Sicoob Cooprem	GO	100%	35,388	9,889	1,283	32,518	8,806	455	
Unimais Bandeirante	SP	100%	-	-	-	391,963	42,577	779	
Centro Brasileira Ltda	GO	100%	2,503,161	448,548	18,754	1,889,833	338,333	46,481	
Sicoob Uniam	AM	100%	128,731	42,618	4,887	105,455	40,576	(548)	
Sicoob Unisaúde Goias	GO	100%	198,216	33,573	2,671	148,545	25,699	2,624	
Sicoob Unirondônia	RO	100%	192,619	28,800	2,178	154,709	23,728	2,719	
Sicoob Unicentro Norte Goiano	GO	100%	549,691	97,988	9,356	403,759	73,687	10,163	
Sicoob UNIBV	RR	100%	21,364	6,752	805	20,019	5,353	824	
Sicoob Unirbo	AC	100%	122,908	23,404	1,351	76,542	18,120	1,776	
Sicoob Unigarulhas	SP	100%	108,978	13,625	4,164	-	-	-	
Sicoob Unisaúde Sudeste	MG	100%	228,414	24,849	1,532	185,891	19,080	2,162	
<b>Regional system Rio</b>									
Sicoob Central Rio	RJ	100%	601,937	38,171	2,503	703,213	35,639	2,543	
Sicoob Servidores	ES	100%	73,109	27,037	1,008	61,001	24,110	582	
Sicoob Cecremef	RJ	100%	454,340	60,526	(1,344)	470,466	62,185	881	
Sicoob Cremendes	RJ	100%	-	-	-	5,461	815	(221)	
Sicoob Coopjustiça	RJ	100%	155,075	60,223	4,511	131,729	54,647	3,353	
Sicoob Fluminense	RJ	100%	146,511	34,614	330	121,800	29,513	517	
Sicoob Coopvale	RJ	100%	21,426	7,819	570	17,069	6,882	324	
Sicoob Credicor RJ	RJ	100%	22,130	7,183	(967)	21,148	6,949	209	
Sicoob Empresas RJ	RJ	100%	67,673	13,766	411	68,011	12,016	1,231	
Sicoob Coomperj	RJ	100%	302,457	41,351	1,581	289,958	37,323	2,349	
<b>Investment Funds</b>									
Minascoop FI - RF - CP	DF	100%	17,882	16,932	939	8,874	7,529	1,337	
Bancoob Centralização FI - RF - CP	DF	100%	1,391,568	1,354,260	36,682	1,380,367	1,347,061	33,111	
Sicoob Unimais FI - Renda Fixa - CP	DF	100%	1,107	859	243	24,411	23,164	1,235	
Sicoob Institucional FI - RF - CP	DF	100%	1,361,558	1,323,227	38,204	735,922	713,209	22,619	
Sicoob Cocred FI - RF - CP	DF	100%	4,171	4,066	99	3,969	3,843	120	
Sicoob Cocred FI - Multimercado - CP	SP	100%	36,504	35,624	865	110,505	108,944	1,550	
Sicoob Previdenciário FI - RF - IMA-B	DF	100%	22,974	19,909	3,056	19,539	19,294	236	
Sicoob Agências FI - Imobiliário	DF	100%	27,120	25,812	1,098	26,333	25,299	1,000	
Sicoob Ações investment fund	DF	100%	1,916	1,741	160	-	-	-	
Sicoob Multi-market investment fund	DF	100%	1,776	1,718	3	-	-	-	
Coopmutuo FI - Multimercado - CP	DF	100%	-	-	-	467,470	451,233	16,137	
BB Forte FI - RF - LP - CP	DF	100%	-	-	-	259,778	251,020	8,747	
FI Caixa Sustentabilidade RF - CP	DF	100%	-	-	-	149,891	145,123	4,758	
Unicoob FI - RF - CP	DF	100%	-	-	-	46,131	44,677	1,436	
Sicoob Central SC FI - RF - CP	DF	100%	-	-	-	10,711	10,003	701	
Invest Rio FI - RF - CP	DF	100%	-	-	-	173,094	166,501	6,537	
<b>Total</b>			<b>189,803,469</b>	<b>26,826,644</b>	<b>1,455,450</b>	<b>174,325,988</b>	<b>24,797,524</b>	<b>1,831,496</b>	

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## i. Merger of credit unions

The credit unions merged in the first half of 2019 are listed below:

### 1st six-month period of 2019

Merged credit union   Regional system	Merging credit union   Regional system
Sicoob Crediforte   Sicoob Norte	Sicoob Amazônia   Sicoob Norte
Sicoob Bonfim   Sicoob BA	Sicoob Sertão   Sicoob BA
Sicoob Justiça   Sicoob SC/RS	Sicoob Vale Do Vinho   Sicoob SC/RS
Sicoob Cantareira   Sicoob Unicoob	Sicoob Metropolitan   Sicoob Unicoob
Sicoob Coopera   Sicoob Cecresp	Sicoob   Sicoob Cecresp
Sicoob Amapá   Sicoob Unicoob	Sicoob Ouro Verde   Sicoob Unicoob
Sicoob Empresarial   Sicoob NE	Sicoob Centro Leste Maranhense   Sicoob NE
Sicoob Aliança MS   Sicoob MT/MS	Sicoob Cocresul   Sicoob MT/MS
Unimais Norte Paulista   Sicoob SP	Sicoob Credicitrus   Sicoob SP

### 1st six-month period of 2018

Merged credit union   Regional system	Merging credit union   Regional system
Sicoob Credicentro   Sicoob Crediminas	Sicoob Crediparaopeba   Sicoob Crediminas
Coopermeta   Sicoob Cecresp	Sicoob Cooperaso   Sicoob Cecresp
Sicoob Litoral Paraibano   Sicoob NE	Creds   Sicoob NE

## d. Eliminations between Sicoob's entities

Combined balance sheets	6/30/2019			6/30/2018		
	Aggregate	Eliminations	Combined	Aggregate	Eliminations	Combined
<b>Assets</b>						
<b>Current and non-current assets</b>						
Available funds	903,938	(194)	903,744	1,388,611	(688,918)	699,693
Short-term interbank investments	44,953,013	(29,762,847)	15,190,166	42,862,135	(27,415,504)	15,446,631
Marketable securities and derivative financial instruments	32,818,074	(9,988,478)	22,829,596	32,527,165	(11,434,969)	21,092,196
Interbank accounts	41,572,986	(36,264,340)	5,308,646	38,810,801	(33,523,037)	5,287,764
Interdepartmental accounts	2,664	-	2,664	17,102	-	17,102
Lending operations	56,595,383	(1,234,438)	55,360,945	47,423,397	(538,004)	46,885,393
Other receivables	5,343,599	(200,088)	5,143,511	4,700,442	(174,553)	4,525,889
Other assets	1,326,141	-	1,326,141	1,036,204	-	1,036,204
Investments	4,396,503	(3,876,060)	520,443	3,950,372	(3,472,955)	477,417
Property and equipment in use	1,833,849	-	1,833,849	1,558,161	-	1,558,161
Intangible assets	57,318	-	57,318	51,598	-	51,598
<b>Total assets</b>	<b>189,803,468</b>	<b>(81,326,445)</b>	<b>108,477,023</b>	<b>174,325,988</b>	<b>(77,247,940)</b>	<b>97,078,048</b>
<b>Liabilities</b>						
<b>Current and non-current liabilities</b>						
Deposits	100,668,665	(33,637,957)	67,030,707	93,514,163	(33,326,349)	60,187,814
Money market funding	3,970,603	(3,558,577)	412,026	3,708,093	(2,928,473)	779,620
Funds from acceptance of bills of exchange and issuance of securities	4,800,618	-	4,800,618	3,258,654	-	3,258,654
Interbank accounts	40,265,226	(36,354,882)	3,910,344	35,962,813	(32,911,460)	3,051,353
Interdepartmental accounts	115,817	-	115,817	87,730	-	87,730
Borrowing and onlending obligations	5,174,856	(1,163,452)	4,011,404	4,624,919	(645,281)	3,979,638
Derivative financial instruments	85	-	85	798	-	798
Other payables	6,527,494	(8,818)	6,518,676	6,545,078	(672,711)	5,872,367
Deferred income	900	-	900	1,019	-	1,019
<b>Total liabilities</b>	<b>161,524,263</b>	<b>(74,723,685)</b>	<b>86,800,577</b>	<b>147,703,267</b>	<b>(70,484,274)</b>	<b>77,218,993</b>
<b>Equity</b>	<b>28,279,206</b>	<b>(6,602,760)</b>	<b>21,676,446</b>	<b>26,622,720</b>	<b>(6,763,665)</b>	<b>19,859,055</b>
<b>Total liabilities and equity</b>	<b>189,803,468</b>	<b>(81,326,445)</b>	<b>108,477,023</b>	<b>174,325,988</b>	<b>(77,240,940)</b>	<b>97,078,048</b>

Combined statements of income	6/30/2019			6/30/2018		
	Aggregate	Eliminations	Combined	Aggregate	Eliminations	Combined
Income from financial intermediation	8,041,157	(1,568,464)	6,472,693	7,487,100	(1,491,930)	5,995,170
Expenses for financial intermediation	(4,445,174)	1,499,478	(2,945,696)	(3,830,693)	1,398,798	(2,431,895)
Other operating income (expenses)	(1,858,190)	(208,381)	(2,066,571)	(1,528,144)	(223,749)	(1,751,893)
Non-operating income (expenses)	(14,192)	-	(14,192)	(1,935)	(124)	(2,059)
Income tax and social contribution	(95,724)	-	(95,724)	(141,404)	-	(141,404)
Profit-sharing	(49,892)	-	(49,892)	(39,086)	-	(39,086)
<b>Profit for the six-month period</b>	<b>1,577,985</b>	<b>(277,367)</b>	<b>1,300,618</b>	<b>1,945,838</b>	<b>(317,005)</b>	<b>1,628,833</b>
Interest on capital	(122,535)	-	(122,535)	(114,291)	-	(114,291)
<b>Profit after interest on capital</b>	<b>1,455,450</b>	<b>(277,367)</b>	<b>1,178,083</b>	<b>1,831,547</b>	<b>(317,005)</b>	<b>1,514,542</b>

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## Note 3 - Summary of significant accounting policies

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### a. Accounting estimates

The combined financial statements were prepared in accordance with the accounting practices described in Note 2 and requiring Management to use its judgment to determine and record accounting estimates, where applicable. Significant items that require the use of estimates and assumptions include the valuation of the recoverable amounts of property and equipment and intangible assets, the provision for loan losses, the estimated realization of tax assets, the provision for cash outflows in connection with tax, labor and civil contingencies, and the valuation of marketable securities and derivative financial instruments. Actual transactions settlement amounts may differ from the estimated amounts presented in the combined financial statements due to variables inherent in their determination process. The estimates and assumptions are reviewed on a half-yearly basis, in order to reflect the best available information.

### b. Determination of results

The results of operations are determined on the accrual basis of accounting. Service revenue, typical to the financial system, is recognized upon rendering of the service.

### 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, with original maturities at the investment date equal to or lower than 90 days, and are subject to immaterial risk of change in fair value. Cash and cash equivalents are used by Sicoob to manage its short-term obligations.

### e. Short-term interbank investments

Short-term interbank investments are stated at the amount of the investment or acquisition, plus income earned up to the balance sheet date.

### f. Marketable securities

Where applicable, securities are classified into three specific categories, based on criteria for registration and valuation of security portfolios, defined by Central Bank Circular Letter 3,068/2001, and on Management's intended use, as follows:

**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. Held-to-maturity securities** - securities acquired to be held to maturity, classified based on studies prepared by Management that indicate Sicoob's financial capacity to hold them to maturity, are accounted for at acquisition cost plus any income earned.

**iii. Available-for-sale securities** - securities that are not classified as "trading securities" or "held-to-maturity securities". These securities are adjusted to market value, and the result of the adjustment, net of tax effects,

# Notes to the combined financial statements

June 30, 2019 and 2018

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

is recorded in a separate account in equity. Gains and losses, where applicable, are recognized in the statement of income.

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

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

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

## **g. Derivative financial instruments**

In compliance with Central Bank Circular Letter 3,082/01, derivative financial instruments are measured at market value, at a minimum, at the time of preparation of the monthly trial balances and balance sheets. Any appreciation or depreciation is recognized directly in income or expense accounts for the respective derivative financial instruments.

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

## **h. Provision for loan losses**

The provision for loan losses is calculated based on Management's judgment of 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 Resolution requires a periodic analysis of the loan portfolio, as well as the classification of its operations into nine levels, of which "AA" is the lowest risk level and "H" the highest risk level.

Income from lending operations overdue for more than 60 days, irrespective of their risk level, is only recognized in profit or loss once effectively 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 are then classified as risk level "H". Renegotiated operations are only transferred to the lowest risk level category after significant amortization has occurred, or if new relevant facts justify a change in their risk classification. Any gains arising from renegotiations are only recognized as income when effectively received. The allowance for loan losses, considered sufficient by Management, complies with the minimum requirement established by the aforementioned Resolution (Note 9(c)).

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## 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 a straight-line basis, in accordance with the following annual rates, based on the useful lives of the assets: properties in use - 5%; 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.

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

## k. Intangible assets

These correspond to rights acquired in intangible assets that are intended for the maintenance of the entities that comprise Sicoob or used for this purpose. 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 on an annual basis.

## l. Other current and non-current assets

These are stated at net realizable value.

## m. Deposits

Deposits comprise demand deposits, savings account deposits, time deposits, credit union deposit receipts and interbank deposits and notice deposits.

Savings accounts earn interest at rates established by the regulation in force and are recorded at the amount of the deposit restated by interest earned, plus the Referential Rate (TR) variation.

Funds received from time deposits and credit union deposit receipts are stated at the amount raised, plus any accrued income, on a *pro-rata* daily basis, at floating or fixed rates, and are made available at a pre-established date.

## n. Repurchase agreement obligations

These obligations are stated at known or determinable amounts, which include accrued interest and indexation charges, net of the corresponding unrecognized expenses, where applicable.

## o. Obligations from interbank onlendings and borrowings

These are stated at known or determinable amounts, which include accrued interest and indexation charges, net of the corresponding unrecognized expenses, where applicable.

## Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### p. Employee benefits - Supplementary pension plan

Bancoob provides a defined contribution pension plan to the entire Sicoob network. The monthly contributions to the plan are recognized as an expense in the statement of income for the period.

### q. Income tax and social contribution

The provision for income tax was set up at the rate of 15%, plus a 10% surtax on income exceeding R\$ 120,000 in the period, and the provision for social contribution at the rate of 15% on taxable profit calculated as per the prevailing tax laws.

The calculation of the Corporate Income Tax and Social Contribution on Net Income due by credit unions is subject to specific rules. Income earned by credit unions that is not related to cooperative activities is subject to the same rules applicable to financial institutions.

Tax credits were calculated in accordance with the aforementioned tax rates and are recognized considering the expected generation of future taxable profit, over a maximum period of ten years, pursuant to CMN Resolution 3,059/2002. The expected generation of future taxable profit is supported by a technical study prepared by Management and updated on a half-yearly basis.

### r. Contingent assets and liabilities and legal obligations

Provisions are recognized in the balance sheet when 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.

**Contingent assets and liabilities** - The recognition, measurement and disclosure of provisions and contingent assets and liabilities are carried out in accordance with CMN Resolution 3823/2009, which requires financial institutions and other institutions authorized to operate by Central Bank to comply with Technical Pronouncement CPC 25, issued by the Accounting Pronouncements Committee (CPC), as follows:

- **Contingent assets** - Contingent assets are not accounted for, except when backed by real guarantees or final court decisions, for which a favorable outcome is virtually certain. Contingent assets for which a favorable outcome is classified as probable are only disclosed in the notes to the financial statements.
- **Contingent liabilities** - Contingent liabilities are recognized based on the advice of the legal counsel, the nature of the lawsuits, similarities with previous proceedings, and the complexity of the lawsuits, when the risk of an unfavorable outcome is classified as probable, generating an outflow of funds to settle the obligation, and the amounts involved can be measured reliably.
- **Legal Obligations** - These are contractual obligations, with implicit or explicit terms, under a law or other operation of law, are recognized as liabilities by the member entities of Sicoob.

### s. Other current and non-current liabilities

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

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## t. Technical Pronouncements - CPCs

The Brazilian Central Bank has approved the adoption of the following Technical Pronouncements issued by CPC, which were considered in the preparation of these financial statements:

- CPC 00 (R1) - Basic Conceptual Pronouncement;
- CPC 01 (R1) - Impairment of Assets;
- CPC 03 (R2) - Statement of Cash Flows;
- CPC 05 (R1) - Related-party Disclosures;
- CPC 10 (R1) - Share-based Payments;
- CPC 23 - Accounting Policies, Changes in Accounting Estimates and Correction of Errors;
- CPC 24 - Events After the Reporting Period;
- CPC 25 - Provisions, Contingent Liabilities and Contingent Assets;
- CPC 33 (R1) - Employee Benefits

Further Technical Pronouncements issued by CPC will be applied once approved by the Brazilian Central Bank.

## Note 4 - Cash and cash equivalents

### a. Breakdown

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

Cash	Note	6/30/2019	6/30/2018
<b>Available funds</b>	5	<b>903,744</b>	<b>699,693</b>
Local currency		872,898	691,579
Foreign currency		30,846	8,114
<b>Cash equivalents</b>			
Short-term interbank investments (up to 90 days)		14,039,108	14,287,500
Investments in savings account deposits		3,597	5,353
<b>Total</b>		<b>14,946,448</b>	<b>14,992,546</b>

## Note 5 - Available funds

Currency	6/30/2019	6/30/2018
Local currency	872,898	691,579
Foreign currency	30,846	8,114
<b>Total</b>	<b>903,744</b>	<b>699,693</b>

## Note 6 - Short-term interbank investments

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

	Note	Maturity			6/30/2019	6/30/2018
		Up to 3 months	From 3 to 12 months	Over 1 year		
<b>Investments in repurchase agreements</b>		<b>14,039,108</b>	-	-	<b>14,039,108</b>	<b>14,287,500</b>
Resales pending settlement - own resources	(a)	14,039,108	-	-	14,039,108	12,151,652
Resales pending settlement - third-party resources		-	-	-	-	2,135,848
<b>Investments in interbank deposits</b>		<b>1,092,043</b>	<b>30,657</b>	<b>24,761</b>	<b>1,147,461</b>	<b>1,153,778</b>
Investments in savings account deposits		3,597	-	-	3,597	5,353
<b>Total</b>		<b>15,134,748</b>	<b>30,657</b>	<b>24,761</b>	<b>15,190,166</b>	<b>15,446,631</b>

(a) Transactions backed by Federal Government Securities carried out with other financial institutions, mostly by Bancoob.



# Notes to the combined financial statements

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## b. Income from short-term interbank investments

	6/30/2019	6/30/2018
Own resources	447,948	354,928
Third-party resources	35,441	60,650
Income from investments in interbank deposits	55,463	52,415
<b>Total</b>	<b>538,852</b>	<b>467,994</b>

## Note 7 - Marketable securities and derivative financial instruments

### a. Marketable securities

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

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

**ii. National Treasury Certificates (ECTNs)** - relating to loan transactions assumed from credit unions, with a face value similar to the amount of debt, accrue charges at the rate of 12% p.a., plus an adjustment based on the General Market Price Index (IGPM).

**iii. Investment Funds (FIs) and Credit Rights Investment Funds (FIDCs)** - the latest price disclosed by the fund's administrator for the fund shares and subordinated shares are used.

**iv. Private securities** - these are marked to market periodically, using an in-house methodology that considers primarily 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 Sicoob's own portfolio, in accordance with the size of the issuer.

Securities, including derivative financial instruments and short-term interbank investments, are held under the custody of B3 or SELIC, except for investment fund shares for which records are kept by the respective administrators.

The classification of securities classified as "held to maturity" is supported by a study that proves Sicoob's financial capacity and Management's intention to hold them to maturity.

The credit unions are released from the obligation to classify the securities held in their portfolios into the aforementioned three categories. Accordingly, for purposes of presentation of the combined financial statements, the securities held by these credit unions were classified as "Available for sale", since they do not fit into the other categories.

Securities classified as "Trading securities" are presented within current assets.

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## b. Breakdown of securities and derivative financial Instruments

Classification/Securities	Maturity			6/30/2019	6/30/2018
	With no maturity date and up to 3 months	From 3 to 12 months	Over 1 year	Accounting balance	Accounting balance
<b>I - Available-for-sale securities</b>	<b>1,233,811</b>	<b>3,530,254</b>	<b>16,085,469</b>	<b>20,849,534</b>	<b>18,891,877</b>
<b>Own portfolio</b>	<b>1,146,535</b>	<b>2,558,521</b>	<b>7,009,756</b>	<b>10,714,812</b>	<b>12,582,937</b>
Financial Treasury Bills (LFT)	73,045	1,761,202	3,975,496	5,809,744	9,009,806
Investment fund shares	275,477	-	-	275,477	304,674
Financial Bills (LFs)	798,013	777,861	2,907,720	4,483,594	3,108,588
Agribusiness Receivables Certificates (CRAs)	-	-	71,466	71,466	97,573
National Treasury Certificates	-	13,557	43,074	56,631	43,378
Rural Producer Note	-	-	12,000	12,000	-
Other	-	5,901	-	5,901	18,918
<b>Subject to Repurchase Agreements</b>	<b>-</b>	<b>200,086</b>	<b>3,778,623</b>	<b>3,978,709</b>	<b>1,573,554</b>
Financial Treasury Bills (LFT)	-	200,086	3,778,623	3,978,709	1,573,554
<b>Linked to the provision of guarantees</b>	<b>87,276</b>	<b>771,647</b>	<b>5,297,090</b>	<b>6,156,013</b>	<b>4,735,386</b>
Financial Treasury Bills (LFT)	-	771,647	5,259,672	6,031,319	4,204,925
Financial Bills (LFs)	87,276	-	37,418	124,693	520,299
Other	-	-	-	-	10,162
<b>II - Trading securities</b>	<b>87,138</b>	<b>150,400</b>	<b>1,738,614</b>	<b>1,976,152</b>	<b>2,138,578</b>
<b>Own portfolio</b>	<b>87,138</b>	<b>150,400</b>	<b>1,738,614</b>	<b>1,976,152</b>	<b>2,138,578</b>
Financial Treasury Bills (LFT)	-	79,466	503,385	582,851	465,203
National Treasury Notes	-	-	22,742	22,742	19,132
Bank Deposit Certificates	698	-	-	698	89,138
Bank Credit Notes	-	-	-	-	17,446
Financial Bills (LFs)	86,440	42,970	1,202,362	1,331,772	1,225,809
Time Deposits with Special Guarantee	-	27,964	10,125	38,089	230,699
Investment fund shares	-	-	-	-	79,661
Other	-	-	-	-	11,490
<b>III - Held-to-maturity securities</b>	<b>-</b>	<b>3,816</b>	<b>-</b>	<b>3,816</b>	<b>61,741</b>
<b>Own portfolio</b>	<b>-</b>	<b>3,816</b>	<b>-</b>	<b>3,816</b>	<b>61,741</b>
Bank Credit Notes	-	3,816	-	3,816	8,220
National Treasury Bills	-	-	-	-	32,683
Financial Bills (LFs)	-	-	-	-	11,715
Time Deposits with Special Guarantee	-	-	-	-	1,097
Other	-	-	-	-	8,026
<b>IV - Derivative financial instruments</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>94</b>	<b>-</b>
Forward sales receivable (a)	-	-	-	-	-
Futures	94	-	-	94	-
<b>Total</b>	<b>1,321,043</b>	<b>3,684,470</b>	<b>17,824,083</b>	<b>22,829,596</b>	<b>21,092,196</b>

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

## c. Breakdown of derivative financial instruments

Derivatives	Note	6/30/2019			6/30/2018		
		Assets	Liabilities	Exposure	Assets	Liabilities	Exposure
Futures		94	85	-	-	798	20,000
<b>Total</b>		<b>94</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>798</b>	<b>20,000</b>

## d. Income from securities and derivative financial instruments

	Note	6/30/2019	6/30/2018
Income from fixed-income securities	(a)	634,493	647,561
Income from investment funds	(a)	4,950	27,933
Income from short-term interbank investments	6(b) and (a)	538,852	467,994
Income from fixed-income securities		7	205
Income from derivative transactions		8,539	-
Expenses with securities and derivative financial instruments		(13,785)	(8,722)
Other		-	34
<b>Total</b>		<b>1,173,056</b>	<b>1,135,005</b>

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## Note 8 - Interbank accounts - assets

	Note	6/30/2019	6/30/2018
Payment transactions	(a)	3,430,119	3,389,738
Rights held with participants of settlement systems	(b)	752,937	543,795
Compulsory reserves in cash held with BACEN		3,490	997
BACEN MCR 6-2 and 6-7	(c)	-	479,496
BACEN - savings deposits		1,112,050	868,622
Correspondent banks		5,492	4,222
Others		4,558	894
<b>Total</b>		<b>5,308,646</b>	<b>5,287,764</b>

(a) Relates to acquiring operations, which are centralized at Bancoob.

(b) Relates to receivables from clearance operations.

(c) Relates to transfer to Rural Credit Funds to comply with the amount required in the BACEN's Rural Credit Manual (MCR) 6-2 and MCR 6-7.

In the first six-month period of 2018, compulsory investments amounted to R\$ 24,724 (R\$ 21,112 in 2018).

## Note 9 - Lending operations

### a. Breakdown of the loan portfolio

	6/30/2019	6/30/2018
Loans and discounted bills	37,630,546	32,368,434
Financing	5,620,472	3,866,425
Rural and agribusiness financing	15,495,417	13,212,633
Real estate financing	41,413	12,962
Operations linked to assignment of receivables	-	10,316
<b>Total lending operations</b>	<b>58,787,848</b>	<b>49,470,770</b>
(-) Provision for loan losses	(3,426,903)	(2,585,377)
<b>Total lending operations - net of provision</b>	<b>55,360,945</b>	<b>46,885,393</b>
Credit cards	3,436,975	2,613,121
(-) Provision for loan losses - credit cards	(35,689)	(19,477)
Other receivables with loan characteristics	550,482	599,826
(-) Provision for loan losses	(133,061)	(92,757)
<b>Total other receivables - net of provision</b>	<b>3,818,707</b>	<b>3,100,713</b>
<b>Total lending operations and other receivables</b>	<b>59,179,652</b>	<b>49,986,106</b>

### b. Breakdown of the portfolio by industry and maturity

Industry	Note	Past-due	Falling due in up to 3 months	Not yet due					6/30/2019	6/30/2018
				From 3 to 12 months	From 1 to 3 years	3 to 5 years	From 5 to 15 years	Over 15 years		
Rural		157,497	2,582,322	7,150,297	3,636,355	1,235,993	732,489	464	15,495,417	13,212,633
Individuals		733,873	3,129,320	5,065,746	5,865,327	2,184,544	1,216,251	5,798	18,200,859	17,059,775
Real estate financing		16	583	1,230	3,325	3,328	15,709	17,222	41,413	12,962
<b>Legal entities</b>										
Services		297,203	1,416,108	2,256,740	3,173,924	1,074,456	405,314	669	8,624,414	6,688,779
Manufacturing		268,294	1,736,532	1,697,526	1,920,053	610,164	200,904	168	6,433,641	5,292,492
Commerce		431,984	2,472,324	2,562,417	2,836,825	752,865	201,048	1,317	9,258,780	7,098,434
Others	(a)	12,006	73,367	189,724	302,734	131,563	23,930	-	733,324	105,695
<b>Total</b>		<b>1,900,873</b>	<b>11,410,556</b>	<b>18,923,680</b>	<b>17,738,543</b>	<b>5,992,913</b>	<b>2,795,645</b>	<b>25,638</b>	<b>58,787,848</b>	<b>49,470,770</b>
<b>Current</b>									<b>32,235,109</b>	<b>27,770,758</b>
<b>Non-current</b>									<b>26,552,739</b>	<b>21,700,012</b>

(a) Relates mostly to legal entities whose activities are classified as Commerce/Manufacturing, and, therefore, do not fit into the manufacturing or commerce fields of activity on an individual basis.

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## c. Breakdown of provisions for loan losses by risk level

Risk	Percentage	6/30/2019			6/30/2018		
		Balance of the portfolio	% of the portfolio	Amount of provision	Balance of the portfolio	% of the portfolio	Amount of provision
AA	-	3,024,411	5.14%	-	1,541,367	3.12%	-
A	0.50%	22,471,679	38.23%	112,358	21,384,003	43.23%	109,256
B	1.00%	16,863,209	28.68%	168,632	16,179,744	32.71%	166,797
C	3.00%	9,416,147	16.02%	282,484	6,135,960	12.40%	188,879
D	10.00%	2,948,013	5.01%	294,801	1,380,516	2.79%	143,852
E	30.00%	1,417,781	2.41%	425,334	800,769	1.62%	246,231
F	50.00%	758,629	1.29%	379,315	437,995	0.89%	222,497
G	70.00%	413,334	0.70%	289,334	351,837	0.71%	249,286
H	100.00%	1,474,644	2.51%	1,474,644	1,258,579	2.54%	1,258,579
<b>Total</b>		<b>58,787,848</b>	<b>100.00%</b>	<b>3,426,903</b>	<b>49,470,770</b>	<b>100.00%</b>	<b>2,585,377</b>

## d. Breakdown of provisions for loan losses on other receivables with loan characteristics, by risk level

Risk	Percentage	6/30/2019			6/30/2018		
		Balance of the portfolio	% of the portfolio	Amount of provision	Balance of the portfolio	% of the portfolio	Amount of provision
AA	-	18,914	0.50%	-	7,217	0.22%	-
A	0.50%	2,785,657	69.86%	13,928	2,731,465	85.01%	13,657
B	1.00%	530,343	13.30%	5,303	228,734	7.12%	2,287
C	3.00%	345,275	8.66%	10,358	88,919	2.77%	2,668
D	10.00%	134,631	3.38%	13,463	18,042	0.56%	1,804
E	30.00%	36,626	0.92%	10,988	40,066	1.25%	12,020
F	50.00%	14,264	0.36%	7,132	20,971	0.65%	10,486
G	70.00%	47,234	1.18%	33,064	27,404	0.85%	19,183
H	100.00%	74,514	1.84%	74,514	50,129	1.56%	50,129
<b>Total</b>		<b>3,987,457</b>	<b>100.00%</b>	<b>168,750</b>	<b>3,212,947</b>	<b>100.00%</b>	<b>112,234</b>

The portfolio of other receivables with characteristic of credit granting is substantially represented by credit card operations (payment transactions).

## e. Concentration of lending operations

	6/30/2019	%	6/30/2018	%
10 largest debtors	841,849	1.43%	298,492	0.60%
50 next largest debtors	1,509,034	2.57%	678,682	1.37%
100 next largest debtors	1,538,925	2.62%	843,760	1.71%
Other	54,898,040	93.38%	47,649,836	96.32%
<b>Total</b>	<b>58,787,848</b>	<b>100.00%</b>	<b>49,470,770</b>	<b>100.00%</b>

## f. Changes in the provision for loan losses

	6/30/2019	6/30/2018
<b>Balance at the beginning of the six-month period</b>	<b>3,032,203</b>	<b>2,483,721</b>
Constitution (reversal) of provision for loan losses	1,174,202	897,545
Lending operations written off as losses	(779,502)	(795,889)
<b>Balance at the end of the six-month period</b>	<b>3,426,903</b>	<b>2,585,377</b>

## g. Changes in the provision for loan losses on other receivables with loan characteristics

	6/30/2019	6/30/2018
<b>Balance at the beginning of the six-month period</b>	<b>138,063</b>	<b>123,262</b>
Constitution (reversal) of provision	30,687	(11,028)
<b>Balance at the end of the six-month period</b>	<b>168,750</b>	<b>112,234</b>

In its the constant search for improving the identification of potential impairment of receivables, and the most accurate determination of the provision for loan losses, Sicoob implemented new methods for risk assessment modeling, which consider assumptions and incremental techniques that increased the percentage of the provision for its loan portfolio. Credit risk management is monitored as a matter of

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priority by Management, ensuring the appropriateness and consistency of the provisions recorded, in line with the growth of the System's loan portfolio.

## h. Income from lending operations

Types of borrowings and financing	6/30/2019	6/30/2018
Loans and discounted bills	3,966,639	3,698,568
Financing	417,742	335,639
Rural and agribusiness financing	600,554	560,776
Real estate financing	1,449	421
Other	544	973
<b>Sub-total</b>	<b>4,986,928</b>	<b>4,596,377</b>
Recovery of receivables written-off as losses	287,022	242,512
<b>Total</b>	<b>5,273,950</b>	<b>4,838,889</b>

## Note 10 - Other receivables - sundry

### a. Breakdown

	Note	6/30/2019	6/30/2018
Deposits in court	(a)	585,542	792,180
Tax credits	11 (a)	125,033	83,230
Taxes recoverable or to be offset		107,133	93,331
Receivables from payment transactions	(b)	3,436,975	2,613,121
Notes and credits receivable		138,353	138,211
Salary prepayments and advances		50,097	42,722
Advance payments on property and equipment		32,698	39,466
Prepaid expenses		41,505	17,260
Payments to be reimbursed		89,156	72,813
Debtors for purchase of assets	(c)	394,308	471,042
Amounts receivable - Fees		42,796	35,022
Other		175,148	178,621
<b>Sub-total</b>		<b>5,218,744</b>	<b>4,577,019</b>
Provision for losses on other receivables		(206,848)	(144,858)
<b>Total</b>		<b>5,011,896</b>	<b>4,432,161</b>

(a) Relates to deposits in court made by Sicoob entities, upon court order, or following a strategy adopted by the System's entities, without actual settlement of the contingent liability.

(b) Relates to transactions carried out by holders of Cabal/MasterCard credit cards.

(c) Relates mainly to notes receivable for the sale of properties received in renegotiations of loan debts, which have been substantially adjusted by the Long-term Interest Rate (TJLP) or Interbank Deposit Certificate (CDI).

## Note 11 - Tax credits, income tax and social contribution on net income

### a. Breakdown of tax credits

Sicoob's tax credits comprise mainly those recorded by Bancoob, and were as follows in the first half of 2019:

Breakdown	6/30/2019		6/30/2018	
	Income tax	Social contribution (a)	Income tax	Social contribution
Provision for loan losses	120,784	120,784	75,655	75,655
Civil and labor contingencies	13,085	13,085	4,925	4,925
Profit sharing	5,400	5,400	5,257	5,257
Adjustment to market value - securities	1	1	3,218	3,218
Government Severance Indemnity Fund for Employees (FGTS) - 50% - Executive Board	1,806	1,806	1,502	1,502
SIPAG Acceleration Program	3,041	3,041	2,263	2,263
National Sales Campaign (CNV)	11,273	11,273	10,469	10,469
Legal fees	1,518	1,518	1,681	1,681
Card bonus	116,334	116,334	92,427	92,427
Other provisions	39,340	39,340	4,260	4,260
<b>Amount</b>	<b>312,584</b>	<b>312,584</b>	<b>201,658</b>	<b>201,658</b>
Tax rates	25%	15%	25%	20%
<b>Tax credits recognized</b>	<b>78,146</b>	<b>46,887</b>	<b>50,414</b>	<b>32,816</b>

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(a) The Social Contribution tax credit was recognized on temporary differences at the rate of 20% up to December 2018; from January 2019, the rate is 15%, pursuant to Law 13,169/15.

## b. Changes in tax credits

Changes	6/30/2019		6/30/2018	
	Income tax	Social contribution	Income tax	Social contribution
<b>At December 31</b>				
Deferred tax assets	63,731	38,271	44,715	29,541
Deferred tax liabilities	(567)	(340)	(1,681)	(1,073)
	<b>63,164</b>	<b>37,931</b>	<b>43,034</b>	<b>28,468</b>
<b>Adjustment to profit (loss)</b>	<b>14,322</b>	<b>8,560</b>	<b>5,382</b>	<b>3,089</b>
Tax credits recognized	21,588	12,952	9,388	13,658
Tax credits derecognized	(7,173)	(4,336)	(4,006)	(10,570)
Changes in deferred taxes	(93)	(56)	-	-
<b>Adjustment to equity (securities)</b>	<b>169</b>	<b>101</b>	<b>421</b>	<b>(3,157)</b>
Tax credits recognized	-	-	1,193	1,781
Tax credits derecognized	-	-	(1,007)	(4,286)
Changes in deferred taxes	169	101	235	(652)
<b>Changes</b>	<b>14,491</b>	<b>8,661</b>	<b>6,028</b>	<b>3,509</b>
<b>At June 30</b>				
Deferred tax assets	78,146	46,887	50,414	32,816
Deferred tax liabilities	(491)	(295)	(1,352)	(838)
	<b>77,655</b>	<b>46,592</b>	<b>49,062</b>	<b>31,978</b>

## c. Expected realization of tax credits

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

Year	Nominal amount	Present value
2019	36,691	36,883
2020	29,805	28,219
2021	23,291	20,583
2022	8,789	7,248
2023	8,114	6,246
2024 to 2028	18,343	13,179
<b>Total tax credits</b>	<b>125,033</b>	<b>112,358</b>

The present value of tax credits was calculated considering the SELIC rate projected for the years in which the tax credits are expected to be realized.

## Note 12 - Other assets

Other assets	Note	6/30/2019	6/30/2018
<b>Assets not for own use</b>			
Properties	(a)	916,167	729,254
Vehicles and similar items		9,279	8,655
Machinery and equipment		4,715	3,389
Assets under a special regime		264,214	186,437
Other		7,107	6,356
(-) Provision for impairment of other assets		(41,155)	(23,651)
<b>Total assets not for own use</b>		<b>1,160,327</b>	<b>910,440</b>
<b>Other assets</b>			
Materials in stock		8,220	8,720
Prepaid expenses		157,594	117,044
<b>Total other assets</b>		<b>165,814</b>	<b>125,764</b>
<b>Total other assets</b>		<b>1,326,141</b>	<b>1,036,204</b>

(a) Properties received in lieu of payment of loan debts.

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## Note 13 - Investments

Investments made by Central Credit Unions in Sicoob Confederation are stated at cost, and investments made by Bancoob and credit unions in associates and subsidiaries are valued under the equity method and recorded in Non-current assets - Investments". Results from equity interests were included in the "Equity in the results of subsidiaries and associates" line item.

Investments	Note	Ownership interest %	6/30/2019			6/30/2018			
			Investment amount	Equity in the results	Good will	Investment amount	Equity in the results	Goodwill	
Sicoob Confederation	(a)	100.00%	267,245	-	-	100.00%	272,641	-	-
Cabal Brasil Ltda.	(b)	80.00%	35,567	2,712	4,818	80.00%	31,768	2,829	6,433
Bancoob PAR	(c)	100.00%	41,139	14,143	-	100.00%	29,209	3,783	-
Consórcio Ponta	(d)	99.99%	62,313	5,866	-	99.99%	46,509	11,159	-
Sancar Seguros	(e)	25.00%	32,152	2,770	-	25.00%	33,426	4,848	-
Sicoob Minaseg	(e)	99.99%	15,639	1,729	-	99.99%	11,489	916	-
Sicoob Agências - Real estate investment fund	(f)	-	26,909	-	-	-	26,115	-	-
Other		-	34,661	1,003	-	-	19,827	219	-
<b>Total</b>			<b>515,625</b>	<b>28,223</b>	<b>4,818</b>		<b>470,984</b>	<b>23,754</b>	<b>6,433</b>

(a) Third-level credit union established by Sicoob's central credit unions for the purpose of safeguarding the interests of the System, by standardizing, overseeing and integrating operations, finances, regulations, and technology. This credit union also defines communication and marketing policies and strategies, mainly as regards the Sicoob brand.

(b) Sicoob's operator of MasterCard, Visa and Cabal credit cards, controlled by Bancoob.

(c) Investment in Bancoob Participações em Seguridade S.A. - Bancoob PAR Seguridade, holder of an equity interest in Sicoob Seguradora.

(d) Sicoob's Consortium Administrator controlled by Bancoob.

(e) Investments held by two Sicoob's central credit unions.

(f) Relates to investment property held by a real estate investment fund.

## Note 14 - Property and equipment and intangible assets

Property and equipment in use	6/30/2019			6/30/2018		
	Restated cost	Accumulated depreciation/ amortization	Net balance	Restated cost	Accumulated depreciation/ amortization	Net balance
Construction in progress	232,934	-	232,934	172,710	-	172,710
Land	166,727	-	166,727	148,424	-	148,424
Buildings	723,550	(158,126)	565,424	659,526	(129,845)	529,681
Furniture, fixtures and facilities	979,902	(407,680)	572,222	807,537	(346,088)	461,448
IT equipment	707,911	(412,038)	295,873	608,630	(363,190)	245,440
Other	1,211	(542)	669	1,025	(568)	458
<b>Total</b>	<b>2,812,235</b>	<b>(978,386)</b>	<b>1,833,849</b>	<b>2,397,852</b>	<b>(839,691)</b>	<b>1,558,161</b>

Intangible assets	6/30/2019			6/30/2018		
	Restated cost	Accumulated depreciation/ amortization	Net balance	Restated cost	Accumulated depreciation/ amortization	Net balance
Software	209,984	(152,666)	57,318	189,973	(138,375)	51,598
<b>Total</b>	<b>209,984</b>	<b>(152,666)</b>	<b>57,318</b>	<b>189,973</b>	<b>(138,375)</b>	<b>51,598</b>

## Note 15 - Deposits

### a. Breakdown by type and maturity

Deposits	Maturity				6/30/2019	6/30/2018
	Without defined maturity	Up to 3 months	From 3 to 12 months	Over 1 year		
Demand deposits	14,435,883	-	-	-	14,435,883	11,971,329
Savings deposits	5,610,661	-	-	-	5,610,661	4,446,141
Interbank deposits/Rural interbank deposits	-	1,589,334	744,426	434,929	2,768,689	2,073,325
Bank Deposit Certificates (CDBs)	-	44,382	63,374	515,131	622,887	497,805
Notice deposits	-	-	368,514	-	368,514	761,924
Credit Union Deposit Receipts (RDCs)	43,224,034	-	-	-	43,224,034	40,437,183
Other	39	-	-	-	39	107
<b>Total</b>	<b>63,270,617</b>	<b>1,633,717</b>	<b>1,176,314</b>	<b>950,060</b>	<b>67,030,707</b>	<b>60,187,814</b>

# Notes to the combined financial statements

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All amounts in thousands of reais, unless otherwise stated

## b. Concentration of depositors

	6/30/2019	%	6/30/2018	%
10 largest depositors	4,871,004	7.27%	4,793,927	7.96%
50 next largest depositors	4,934,554	7.36%	5,022,268	8.34%
100 next largest depositors	2,657,878	3.97%	2,641,658	4.39%
Other	54,567,271	81.41%	47,729,961	73.90%
<b>Total</b>	<b>67,030,707</b>	<b>100.00%</b>	<b>60,187,814</b>	<b>100.00%</b>

## c. Expenses with money market funding

Type	Note	6/30/2019	6/30/2018
Savings deposits		113,995	92,468
Interbank deposits		74,218	81,491
Time deposits		1,264,508	1,194,671
Notice deposits		12,165	26,005
Money market funding		12,360	4,827
Agribusiness Credit Bills (LCAs)		117,389	81,422
Other funding expenses		48,467	41,894
<b>Total</b>		<b>1,643,102</b>	<b>1,522,778</b>

## Note 16 - Repurchase agreement obligations

Portfolios	Maturity			6/30/2019	6/30/2018
	Up to 3 months	From 3 to 12 months	Over 1 year		
Own portfolio - Financial Treasury Bills (LFT)	412,026	-	-	412,026	8,080
Third-parties' portfolio - LFT	-	-	-	-	551,523
Third-parties' portfolio - National Treasury Notes (NTN))	-	-	-	-	220,017
<b>Total</b>	<b>412,026</b>	<b>-</b>	<b>-</b>	<b>412,026</b>	<b>779,620</b>

## Note 17 - Funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures

### a. Breakdown of agribusiness credit notes by maturity

Agribusiness Credit Notes	Maturity			6/30/2019	6/30/2018
	Up to 3 months	From 3 to 12 months	Over 1 year		
Fixed rate	15,481	24,640	447	40,568	23,278
Floating rate	1,113,368	2,380,106	1,266,575	4,760,049	3,235,376
<b>Total</b>	<b>1,128,849</b>	<b>2,404,746</b>	<b>1,267,023</b>	<b>4,800,618</b>	<b>3,258,654</b>

## Note 18 - Interbank accounts - liabilities

### a. Breakdown of obligations to participants of settlement systems

	Note	6/30/2019	6/30/2018
Payment transactions	(a)	2,901,890	2,296,673
Receipts and payments pending settlement		1,005,651	752,611
Correspondent banks		2,803	1,978
Other		-	91
<b>Total</b>		<b>3,910,344</b>	<b>3,051,353</b>

(a) Relate to acquiring operations, which are centralized at Bancoob.

Funding through Rural Interbank Deposits (DI-Rural) with other financial institutions, carried out by the System's credit unions, were reclassified to the "Borrowing and onlending obligation" group (Note 19(a)).



# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## Note 19 - Interbank onlendings and borrowings in Brazil and abroad

### a. Breakdown, by maturity, of interbank onlendings and borrowings in Brazil and abroad

Interbank onlendings are mainly represented by DI-Rural borrowings taken from other financial institutions, and interbank onlendings in Brazil comprise mainly funds obtained by Bancoob from the National Bank for Economic and Social Development (BNDES)/Government Agency for Machinery and Equipment Financing (FINAME), Banco do Brasil, and Funcafé, maturing by 2038, and bearing financial charges of up to 11.31 % p.a.

Interbank onlendings	Note	Maturity				6/30/2019	6/30/2018
		Without defined maturity	Up to 3 months	From 3 to 12 months	Over 1 year		
DI-Rural	(a)	-	463,071	40,449	-	503,520	416,286
<b>Sub-total</b>		-	<b>463,071</b>	<b>40,449</b>	-	<b>503,520</b>	<b>416,286</b>
In Brazil	Note	Without defined maturity	Up to 3 months	From 3 to 12 months	Over 1 year	6/30/2019	6/30/2018
BACEN MCR 6-2 and 6-7	(b)	-	-	-	-	-	479,496
BNDES		-	62,321	264,884	1,440,548	1,767,753	1,560,652
FINAME		-	48,510	144,983	625,580	819,073	706,885
Funcafé		-	158,828	585,858	102,595	847,281	691,780
Banco do Brasil		-	2,600	9,302	27,649	39,551	60,646
Other financial institutions		-	961	9,106	24,159	34,226	63,229
<b>Sub-total</b>		-	<b>273,219</b>	<b>1,014,133</b>	<b>2,220,532</b>	<b>3,507,884</b>	<b>3,562,688</b>
Abroad	Note	Without defined maturity	Up to 3 months	From 3 to 12 months	Over 1 year	6/30/2019	6/30/2018
Other		-	-	-	-	-	664
<b>Sub-total</b>		-	-	-	-	-	<b>664</b>
<b>Total</b>		-	<b>736,291</b>	<b>1,054,582</b>	<b>2,220,531</b>	<b>4,011,404</b>	<b>3,979,638</b>

(a) Funding through DI-Rural with the banks Bradesco, Itaú, Safra, and Santander.

(b) Transfer to Rural Credit Funds to comply with the amount required in the BACEN's Rural Credit Manual (MCR) 6-2 and MCR 6-7.

(c) Mostly relating to onlending of funds from the Midwest Constitutional Financing Fund (FCO).

### b. Expenses with interbank onlendings and borrowing obligations

Onlendings	6/30/2019	6/30/2018
BNDES	32,923	29,779
FINAME	17,445	11,809
Funcafé and financial institutions	4,660	25,924
Banco do Brasil	851	1,203
Other	169	6,763
<b>Total</b>	<b>56,048</b>	<b>75,478</b>

## Note 20 - Other payables

### a. Tax and social security obligations

	Note	6/30/2019	6/30/2018
Provision for income tax and social contribution		70,701	113,233
PIS/COFINS/ISSQN and other taxes		32,429	30,950
Taxes payable on third-party services		14,979	12,120
Taxes and contributions on salaries		84,650	72,228
Deferred taxes and contributions (marking to market of securities)	11(b)	788	2,190
Taxes and contributions on profits payable		26,533	18,094
<b>Total</b>		<b>230,080</b>	<b>248,815</b>

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## b. Other payables - sundry

	Note	6/30/2019	6/30/2018
Provision for the payment of administrative expenses	(a)	388,344	391,608
Provision for personnel expenses		462,689	393,230
Obligations related to official agreements - INSS		35,843	28,580
Payments not yet processed		20,666	28,497
Payables to third parties		58,472	21,080
Settlement - collection		151,340	88,787
Contingent liabilities	(b)	630,623	804,848
Provision for financial guarantees provided		169,207	95,997
Checks deposited		38,871	23,926
Credit card obligations	(c)	220,947	186,062
Payables for acquisition of assets and rights		27,003	23,602
Obligations related to payment transactions	(d)	2,428,121	2,373,383
Obligations related to fund shares	(e)	310,513	168,395
Guarantee fund for deposits/assets	(f)	87,810	49,681
Obligations related to the assignment of lending operations	(g)	-	10,317
Other		147,737	33,623
<b>Total</b>		<b>5,178,186</b>	<b>4,721,616</b>

- (a) Relates to provisions for the payment of expenses such as water, electricity, gas, rental, communication, publicity and advertising, among others.  
(b) Relates to contingent liabilities for which an unfavorable outcome has been classified as probable based on the legal counsel's advice. Includes lawsuits of a tax, civil and labor nature (Note 21 (a.1)).  
(c) Corresponds to obligations assumed in relation to the MasterCard brand and store owners of the Cabal chain for transactions carried out by the card holders.  
(d) Relates mainly to payables in connection with acquiring operations.  
(e) Relates to fund shares held by non-members of Sicoob.  
(f) Relates to guarantee funds for assets and deposits, established by central credit unions.  
(g) Relates to obligations arising from the assignment of Financial Rural Producer Notes (CPRFs) and Bank Credit Notes (CCBs) to a securitization company.

## Note 21 - Liabilities, contingencies and legal obligations

The entities that comprise Sicoob are parties to tax-related lawsuits and administrative proceedings. These lawsuits are classified by internal and external legal counsel according to the likelihood of a successful outcome and taking into consideration the nature and specifics of each lawsuit, as well as former decisions of higher courts.

Provisions for lawsuits are recognized, measured, and disclosed as follows:

A provision is recognized only when: **(a)** the entities have 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 constituted.

Based on these assumptions, when it is probable that a present obligation exists at the balance sheet date, Sicoob records a provision, and, when it is not probable that a present obligation exists at the balance sheet date, Sicoob discloses the contingent liability, unless the possibility of an outflow of resources is considered remote.

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

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

The contingencies classified as involving risk of probable loss basically arise from labor and tax lawsuits and administrative proceedings inherent in the normal course of business, filed by third parties, former employees and public agencies.

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## a.1. Deposits in court and provisions for contingencies

Type of lawsuit	Note	6/30/2019		6/30/2018	
		Deposits in court	Provisions	Deposits in court	Provisions
Tax	(a.3 and a.4)	549,707	438,951	767,103	731,835
Labor		9,755	18,901	8,307	15,191
Civil	(a.3)	26,079	172,744	16,770	57,822
<b>Total</b>		<b>585,541</b>	<b>630,596</b>	<b>792,180</b>	<b>804,848</b>

## a.2. Changes in provisions for contingencies

	6/30/2019				6/30/2018
	Tax	Labor	Civil	Total	Total
Opening balance at December 31	624,175	18,101	170,505	812,781	653,468
Additions/reversals/adjustments	(185,224)	800	2,239	(182,185)	151,380
<b>Closing balance at June 30</b>	<b>438,951</b>	<b>18,901</b>	<b>172,744</b>	<b>630,596</b>	<b>804,848</b>

The provisions for tax, civil, and labor contingencies are recorded under "Other payables - sundry" (Note 20 (b)).

## a.3. Nature of lawsuits classified as involving risk of probable loss

**i. Tax** - these lawsuits are being discussed at the administrative level, and relate to tax assessment notices received from the Federal Revenue Service with respect to Corporate Income Tax (IRPJ), Social Contribution on Net Income (CSLL), Social Integration Program (PIS), and Social Contribution on Revenues (COFINS) levied on returns from financial investments, as well as to the increase in the COFINS tax rate.

**ii. Civil** - these relate basically to questioning of contractual terms, registration of clients with credit protection services, and pain and suffering.

**iii. Labor** - relate basically to lawsuits filed by employees claiming overtime hours in addition to the regular six-hour workday.

## a.4. Schedule of expected cash outflows

Due to the nature of the existing contingencies and the complexity of Brazil's legal environment, uncertainties can prevent a reasonable definition of the schedule for the future settlement of the lawsuits.

## a.5. Tax lawsuits - Income Tax Withheld at Source (IRRF) on financial investments

The credit unions are challenging in court the income tax withheld at source on the earnings from financial investments made by members. Accordingly, the corresponding obligations are being recorded with a corresponding entry to the deposits in court made.

## b. Contingencies classified as involving risk of possible loss

Lawsuits classified as possible losses are not recognized and are only disclosed when the amount involved is significant. The following contingencies are classified as involving "risk of possible loss": **(i)** civil lawsuits filed by members against credit unions **(ii)** civil lawsuits disputing Bancoob's joint liability for deposits made in credit unions; **(iii)** civil lawsuit disputing Bancoob's civil liability for an error made by a credit union; **(iv)** tax and social security administrative proceedings (Accident Prevention Factor (FAP), Scholarships, and Social Integration Program (PIS), **(v)** action for annulment of a tax assessment, filed by the Bank, related to the amount deducted from the tax base by Bancoob in 2008. The deduction arose from the compensatory nature of the amount paid by Bancoob, as decided at the Annual General Meeting, in relation to a failure in the provision of services under the Bank's responsibility.

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## Note 22 - Equity

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### a. Share capital

Capital is comprised of units equivalent to R\$ 1.00 each whereby each member of the System is entitled to one vote, irrespective of the number of units held.

In the first six-month period of 2019, the entities that comprise Sicoob increased its capital by R\$ 983,210 (R\$ 1,147,540 in 2018). Returns of capital totaled R\$ 341,536 in the period (R\$ 519,053 in 2018).

In the same period, the number of members totaled 4,464,152 (4,161,917 in 2018), of which 3,662,530 are individuals and 801,622 are legal entities (3,487,785 individuals and 674,132 legal entities in 2018).

### b. Legal reserve

This reserve is constituted with allocations of surpluses, at a percentage established by the bylaws, and is used to offset losses and foster development in the credit unions' activities.

### c. Dividends

The shareholders of Bancoob are entitled to mandatory minimum dividends corresponding to 5% of adjusted profit for the six-month period. In June 2019, Bancoob accrued dividends totaling R\$ 3,886, equivalent to R\$ 4.12 per thousand shares (R\$ 6,300 in 2018, equivalent to R\$ 7.60 per thousand shares).

### d. Interest on capital

Interest on capital is computed on the balance of paid-up capital and adjusted by the SELIC rate, limited to 12% per year, as established by Law 5,764/1971.

The percentage used to adjust the members' balances of paid-up capital may vary among the credit unions. BACEN Circular Letter 2,739/1997 determines that for the purposes of being presented in the combined statement of changes in equity, expenses with interest on capital recorded in the statement of income should be adjusted to surplus for the period. Interest on capital is paid on the last day of the year, either through a deposit on current account, or as capital contribution in the credit unions.

The provision for expenses with interest on capital for the period totaled R\$ 122,534 (R\$ 114,291 in 2018).

### e. FATES - Fund for Technical, Educational and Social Assistance

This fund is intended for educational activities and the provision of assistance for the members, their relatives, and the employees of the credit unions. As provided for in the bylaws, 5% of the net surplus for the period, in addition to the income not arising from cooperative activities, is allocated to FATES. The amounts payable are recognized within a specific line item in liabilities, within the "Other obligations - social and statutory" group of accounts. The amounts allocated to FATES in the first six-month period of 2019 totaled R\$ 4,369 (R\$ 3,766 in 2018).

### f. Losses computed

Pursuant to Supplementary Law 130/2009, the losses computed for the period by credit unions are covered by the Legal Reserve funds. In the event the aforementioned funds are not sufficient, the losses will be apportioned among the members and covered by future years' surpluses.

## Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### g. Surplus

Surpluses are distributed in accordance with the bylaws of each entity and in compliance with the regulations in force for subsequent approval by the credit unions' Annual General Meeting (AGO), which is held by the end of April of each year.

### h. Approval of allocations

The allocations of surplus from 2018 were approved by the Annual General Meetings held in 2019, in accordance with the schedule of the central and individual credit unions.

As mentioned above, surpluses are allocated in accordance with the bylaws of the central and individual credit unions to make up reserve funds, to FATES, to set up reserves, to increase capital, or to be transferred to the members' current account, net of tax effects. In the first six-month period of 2019, the amount of R\$ 119,296 was distributed to the members (R\$ 207,793 in 2018).

### i. Adjustment to market value

These adjustments result mainly from the marking-to-market of Bancoob's available-for-sale securities, net of the income tax and social contribution effects, as required by Central Bank Circular Letter 3,068/2001 (Note 11 (a)). These adjustments arise primarily from the mark to market adjustments of Bancoob securities available for sale.

## Note 23 - Management of third-party funds

At June 30, 2019, total third-party funds managed by Bancoob DTVM amounted to R\$ 24,676,952 (R\$ 21,606,457 in 2018), of which R\$ 19,569,027 (R\$ 17,853,760 in 2018) related to the management of securities, and R\$ 4,670,035 (R\$ 3,752,696 in 2018) to the management of investment funds. The income from management of third-party funds is recognized under "Income from investment fund management" and totaled R\$ 5,880 (R\$ 4,956 in 2018) in the first six-month period of 2019.

## Note 24 - Operational limits - Basel Accord

In accordance with CMN Resolutions 4,192 and 4,193, both of 2013, financial institutions authorized to operate by Central Bank must calculate and maintain reference equity (PR) consistent with the risks of its activities, and each entity that comprises the System must comply with the provisions of the aforementioned Resolutions.

## Note 25 - Other items in the combined financial statements

### a. Income from services rendered and banking fees

	Note	6/30/2019	6/30/2018
Income from collection services		190,716	157,170
Income from payment transaction services		164,446	181,967
Income from prepayments of obligations related to payment transactions	(a)	183,911	170,785
Income from provision of services - commissions	(b)	55,640	89,887
Income from credit card services		241,326	54,957
Income from banking fees	(c)	19,621	19,621
Income from acquiring services		1,137	1,083
Income from banking fees		435,113	358,448
Income from public utility companies		14,526	34,020
Other		6,734	14,163
<b>Total</b>		<b>1,313,170</b>	<b>1,082,101</b>

(a) Relates to income from advance of receivables for payment transactions.

(b) Relates to commissions received for sales of services or products.

(c) Relates to electronic checks, annual fees of cards, and credit card management services, among others.

# Notes to the combined financial statements

## June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### b. Personnel expenses

	Note	6/30/2019	6/30/2018
Fees paid to officers and directors		190,477	172,903
Salaries	(a)	854,550	758,292
Social charges	(b)	328,699	289,439
Benefits	(c)	283,119	245,433
Training		12,348	8,358
Interns' compensation		10,140	8,507
<b>Total</b>		<b>1,679,333</b>	<b>1,482,932</b>

(a) Relate 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/meal vouchers provided to employees.

### c. Administrative expenses

	Note	6/30/2019	6/30/2018
Water, electricity and gas		38,389	30,103
Rentals		109,713	91,834
Communication		80,838	74,978
Maintenance and upkeep		38,656	35,593
Materials		23,544	20,851
Data processing		84,018	83,954
Promotions and public relations		60,292	52,779
Advertising and publicity		44,131	35,819
Financial System Services	(a)	156,019	122,032
Travels		26,273	19,206
Outsourced services		97,904	85,816
Security and surveillance		98,558	85,090
Specialized technical services		95,470	73,044
Transportation		79,451	70,549
Insurance		16,789	14,056
Depreciation and amortization		116,071	98,225
Legal expenses and notarial fees		25,051	21,433
Apportionment of Sicoob Confederation expenses - other	(b)	128,999	98,613
Other administrative expenses		82,472	76,210
<b>Total</b>		<b>1,402,638</b>	<b>1,190,185</b>

(a) Relate mainly to expenses with settlement and clearance services, issue of check books, the Brazilian Payment System (SPB), Centralized Check Clearance Service (COMPE) processing fees, services rendered to credit card brands, fees paid to inspection agencies etc.

(b) Relate mostly to the apportionment of technology services provided by Sicoob Confederation.

### d. Taxes

	Note	6/30/2019	6/30/2018
Social Contribution on Revenues (COFINS)		57,127	48,475
Social Integration Program (PIS)		14,578	12,451
Tax on Services of Any Kind (ISSQN)		33,574	27,674
Tax on Financial Transactions (IOF) on remittance abroad		-	16,896
Other		16,540	14,079
<b>Total</b>		<b>121,819</b>	<b>119,575</b>

### e. Other operating income

	Note	6/30/2019	6/30/2018
Income from credit cards		83,705	83,263
Recovery of charges and expenses		98,224	97,601
Reversal of operating provisions		3,344	5,332
Income from Onlendings - Del Credere		2,283	6,103
Adjustment of deposits in court		13,010	9,061
Charges and fees		1,409	6,085
Acquiring operations		132,354	96,861
Income from brokerage, consortia and insurance		2,249	9,350
Surpluses received from Sicoob Confederation		271	5,000
Income from fines and interest		26,870	6,489
Reversal of provision for guarantees provided		67,063	14,669
Other		42,655	46,605
<b>Total</b>		<b>473,437</b>	<b>386,419</b>

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## f. Other operating expenses

	Note	6/30/2019	6/30/2018
Credit card administration expenses		246,805	206,186
Expenses for collection fees		25,582	21,350
Discounts granted		46,796	42,397
Contributions to the guarantor fund		7,691	4,880
Contributions to development, reimbursement, stability, and liquidity funds		20,520	12,076
Cancellation of pending fees		36,394	30,170
Return of income		11,337	6,419
Contingent liabilities		12,367	11,951
Provisions for guarantees		105,584	19,140
Sundry contributions		26,079	9,495
Contributions to the fund for information technology	(a)	24,255	24,260
Acquiring operations		65,724	48,454
Sundry commissions		10,706	10,444
Other		37,771	4,253
<b>Total</b>		<b>677,611</b>	<b>451,475</b>

(a) Information technology fund held by Sicoob Confederation., to which the credit unions made contributions.

## g. Non-operating income (expenses)

	6/30/2019	6/30/2018
Non-operating income	28,550	26,447
Non-operating expenses	(26,384)	(18,591)
Provision for devaluation of assets not for own use	(17,341)	(8,889)
Amortization of goodwill - Cabal Brasil Ltda.	983	(1,026)
<b>Total</b>	<b>(14,192)</b>	<b>(2,059)</b>

## Note 26 - Other information

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

As established by CMN Resolution 3,263/2005, Bancoob has investments in financial institutions that allow it to offset payables against receivables held with these institutions. The amounts receivable and payable are stated in the balance sheet in the line items related to products under assets and liabilities, respectively.

### b. Insurance (unaudited)

The System's assets are insured against risks at amounts deemed sufficient by Management to cover any losses, taking into consideration the nature of its activities.

### c. Financial guarantees provided

The guarantees relating to endorsements and sureties provided by the credit unions that comprise Sicoob through financial charges totaled R\$ 6,085,611 at June 30, 2019 (R\$ 5,266,153 in 2018). The income from guarantees provided amounted to R\$ 689 (R\$ 1,146 in 2018).

## Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### d. Employee benefits - Private pension plan

The credit unions that comprise Sicoob are sponsors of the Sicoob Private Pension Foundation (Sicoob Previ), which was established in November 2006, in the form of a defined contribution plan, to provide its participants and their dependents with pension benefits that supplement the benefits provided by the official social security system. At June 30, 2019, the contributions to Sicoob Previ totaled R\$ 7,030 (R\$ 5,621 in 2018).

### e. Apportionment of Sicoob Confederation expenses

The Sicoob Confederation's Policy for Apportionment of Expenses was established on December 14, 2016, through Resolution 179, and became effective from January 1, 2017.

Expenses eligible for apportionment include: **1)** technology: expenses with depreciation and amortization, personnel, data processing, outsourced personnel, communication, technical services, security and others; **2)** other areas: expenses with depreciation and amortization, personnel, administrative expenses, rentals and condominium fees, communication, technical services, and others.

### f. Profit sharing

Sicoob offers profit sharing to its employees, which is calculated in accordance with the Collective Labor Agreement. Up to June 30, 2019, profit sharing totaling R\$ 49,892 (R\$ 39,086 in 2018) had been accrued.

## Note 27 - Related-party transactions

### a. Bancoob's Subsidiaries

The balances of Bancoob's subsidiaries were as follows:

	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
	Bancoob DTVM		Bancoob PAR		Cabal		Consórcio Ponta	
<b>Assets</b>	<b>31</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>63</b>
Receivables	31	13	-	-	-	-	71	63
<b>Liabilities</b>	<b>9,423</b>	<b>3,801</b>	<b>547</b>	<b>491</b>	<b>64,375</b>	<b>44,355</b>	<b>76,014</b>	<b>53,925</b>
Demand deposits	3	4	1	1	2,546	1,872	26	26
Time deposits	557	3,797	546	490	61,829	36,087	75,988	53,899
Payables	8,863	-	-	-	-	6,396	-	-
<b>Expenses</b>	<b>142</b>	<b>147</b>	<b>79</b>	<b>15</b>	<b>37,443</b>	<b>26,639</b>	<b>2,176</b>	<b>1,526</b>
Funding expenses	142	147	79	15	1,475	1,006	2,176	1,526
Administrative expenses	-	-	-	-	35,968	25,633	-	-
<b>Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>508</b>	<b>389</b>
Sundry income	-	-	-	-	7	7	508	389

### b. Sicoob's credit unions

The balances of transactions carried out with Sicoob's credit unions are presented below:

	6/30/2019	6/30/2018
<b>Assets</b>	<b>77,511,567</b>	<b>72,640,360</b>
Interbank onlendings and lending operations	10,352,866	8,478,446
Marketable securities	9,988,478	11,406,774
Short-term interbank investments	29,762,847	26,959,510
Interbank accounts - financial centralization	27,145,913	25,580,505
Other receivables	200,087	174,553
Prepaid expenses - Credconsignado commission	61,376	40,572
<b>Liabilities</b>	<b>64,957,084</b>	<b>61,584,639</b>
Demand and savings deposits	151	24,161
Interbank deposits	26,211,354	24,736,513



# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

	6/30/2019	6/30/2018
Time deposits	7,425,002	7,896,321
Repurchase agreements - own portfolio	2,695,854	1,563,481
Repurchase agreements - third-party portfolio	-	1,107,487
Interbank accounts	27,145,913	25,087,074
Borrowing and onlending obligations	1,163,452	610,086
Other payables	315,358	559,516
<b>Income</b>	<b>3,429,923</b>	<b>3,138,746</b>
Interbank onlendings and lending operations	366,399	316,972
Short-term interbank investments and marketable securities	1,202,361	1,135,234
Income from services rendered	236,008	227,794
Other operating income	1,625,155	1,458,746
<b>Expenses</b>	<b>2,598,414</b>	<b>2,334,456</b>
Funding	1,486,115	1,352,046
Other operating expenses	1,112,299	982,410

## c. Investment Funds

The balances of transactions carried out with combined investment funds managed by Bancoob DTVM are presented below:

Funds	6/30/2019			6/30/2018		
	Repurchase agreements	Demand deposits	Funding expenses	Repurchase agreements	Demand deposits	Funding expenses
Minascoop - Fixed-income investment fund - Private Credit	193	10	79	859	3	70
Bancoob Centralização - Fixed-income investment fund - Private Credit	850,571	9	20,628	349,995	664,692	24,628
Coopmútuo - Multi-market investment fund - Private Credit	-	-	-	11,134	3	551
Invest Rio - Fixed-income investment fund - Private Credit	-	-	-	33,640	7	933
Unicoob - Fixed-income investment fund - Private Credit	-	-	-	181	2	22
Sicoob Unimais - Fixed-income investment fund - Private Credit	1,106	1	91	6,951	11	128
Sicoob Cocred - Fixed-income investment fund - Private Credit	4,169	2	123	86	9	19
Sicoob Central SC - Fixed-income investment fund - Private Credit	-	-	-	248	9	102
Sicoob Previdenciário - Fixed-income investment fund - IMA-B	223	8	12	401	6	11
Sicoob Institucional - Fixed-income investment fund - Private Credit	6,360	6	692	52,498	-	794
Sicoob Ações investment fund	51	-	3	-	-	-
Sicoob Multi-market investment fund	51	2	2	-	-	-
Sicoob Agências - Real estate investment fund	-	-	-	-	22	-
<b>Total</b>	<b>862,724</b>	<b>39</b>	<b>21,630</b>	<b>455,993</b>	<b>664,764</b>	<b>27,258</b>

The amounts above are included in the balances before eliminations.

## d. Remuneration of the key management personnel

Key management includes the directors and officers. The maximum aggregate compensation payable to the Board of Directors and Executive Board is established at the Annual General Meetings.

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

Events	6/30/2019	6/30/2018
Fees	190,477	172,902
Social charges	41,008	44,029
Benefits	16,445	8,694
<b>Total</b>	<b>247,930</b>	<b>225,625</b>

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## Note 28 - Sicoob's centralized risk and capital management

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### a. Risk management

The integrated risk and capital management of Sicoob's credit unions is performed on a centralized basis by Sicoob Confederation, addressing, at least, credit, market, liquidity, operational, environmental, business continuity, and capital management risks.

The institutional policy for the integrated risk and capital management, as well as the related guidelines are approved by the Board of Directors of Sicoob Confederation.

This centralized risk and capital management framework is consistent with the nature of the operations and the complexity of the products and services offered, as well as proportional to the extent of the Sicoob's entities exposure to risks.

In compliance with CMN Resolution 4,557/2017, a report detailing the risk management and capital management frameworks is available on Sicoob's website ([www.sicoob.com.br](http://www.sicoob.com.br)).

#### a.1. Operational risk

The operational risk management process consists of a qualitative assessment of operational risks through stages involving identification, evaluation, remediation, testing of control systems, communication and awareness.

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

For purposes of compliance with the New Basel Accord, the capital allocation methodology used to compute the portion of operational risk (RWAopad) is the Basic Indicator Approach (BIA).

#### a.2. Credit risk

Credit risk is managed through the use of good practices that ensure adherence to standards, maximize the use of capital and minimize the risks involved in lending operations.

The centralized manager (Sicoob Confederation) is responsible for standardizing processes and methodologies for analysis of the risk posed by clients and transactions, for creating and maintaining a single policy for Sicoob's credit risk, and for monitoring the credit unions' loan portfolios.

#### a.3. Market and liquidity risks

The process of market risk management aims at quantifying the possibility of losses arising from fluctuations in the market values of financial instruments held by the credit unions, and includes the risk of variations in interest rates and stock prices for financial instruments classified in the trading portfolio, and the risk of variations in the exchange rate and commodity prices for financial instruments classified in the trading or banking portfolios.

The liquidity risk management process deals with the possibility of the credit union not being able to honor effectively its obligations, whether expected or unexpected, current or non-current, including those arising from binding guarantees, without affecting its daily operations and incurring significant losses.

The following procedures are used to manage credit unions' market and liquidity risk:

- (a) Use of Value at Risk (VaR) to measure market risk.
- (b) Analysis of mismatches between Assets and Liabilities to assess the impact on the financial margin.

# Notes to the combined financial statements

June 30, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

- (c) Definition of maximum limit of exposure to market risk.
- (d) Periodical performance of back test on the VaR of the credit unions' portfolios and the models for calculating market risk.
- (e) Definition of minimum liquidity limit.
- (f) 90-day cash flow forecast.
- (g) Different scenarios simulating a loss in stress situations.

The mismatch between current assets and current liabilities, in the combined balance sheet, totaling R\$ 17.64 billion at June 30, 2019, does not pose any risk to the System in view of the following: **i)** 31.04% of non-current assets consist of highly liquid federal government securities; **ii)** 64.48% of the deposits is obtained through Credit Union Deposit Receipts (RDCs) with members of the credit unions; **iii)** tests conducted periodically show the stability/renewal of short-term liabilities.

## a.4. Environmental risk

Environmental risk management consists of the identification, classification, assessment and treatment of potential risks of loss arising from environmental damages.

## a.5. Business continuity management

Business Continuity Management is a comprehensive process aimed to identify potential threats of business interruption faced by the organization, and the impacts that those threats, if realized, might cause.

The Impact Analysis (AIN) is performed by Sicoob Confederation with the aim to identify the system's critical processes and define strategies for the continuity of these processes, in order to protect the organization from prolonged interruptions that could threaten business continuity. This analysis is based on financial, legal, and reputation impacts.

Business Continuity Plans are prepared annually and include the key procedures to be performed to ensure the maintenance of activities in the event of contingencies. These Plans are classified into: Operational Continuity Plan (OCP), and Disaster Recovery Plan (DRP).

The effectiveness of the Business Continuity Plans is tested annually.

## b. Capital management

Capital management is an ongoing process of monitoring and controlling the capital held by the credit unions to cope with the risks to which they are exposed, and achieve the strategic objectives established.

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## **Bancoob's Management**

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### **Board of Directors**

Geraldo Souza Ribeiro Filho - Chairman  
Hudson Tabajara Camilli - Vice Chairman  
Ivo Azevedo de Brito - Member  
Luiz Gonzaga Viana Lage - Member  
Marcelo Baiocchi Carneiro - Member  
Rui Schneider da Silva - Member  
Ismael Perina Júnior - Member  
José Alves Sena - Member  
Luiz Antônio Ferreira de Araujo - Member

### **Executive Board**

Marco Aurélio Borges de Almada Abreu - Chief Executive Officer  
Ênio Meinen - Executive Officer  
Marcos Vinicius Viana Borges - Executive Officer  
Ricardo Simone Pereira - Executive Officer  
Rubens Rodrigues Filho - Executive Officer

### **Accountant**

Primo João Cracco  
CRC-SP 149.703/O-2 S-DF