

(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 logo consists of a stylized triangle above the word "SICOOB". The building has a curved glass section on the left and a more solid facade on the right. There are palm trees and other plants in the foreground. The overall image has a dark blue overlay.

SICOOB

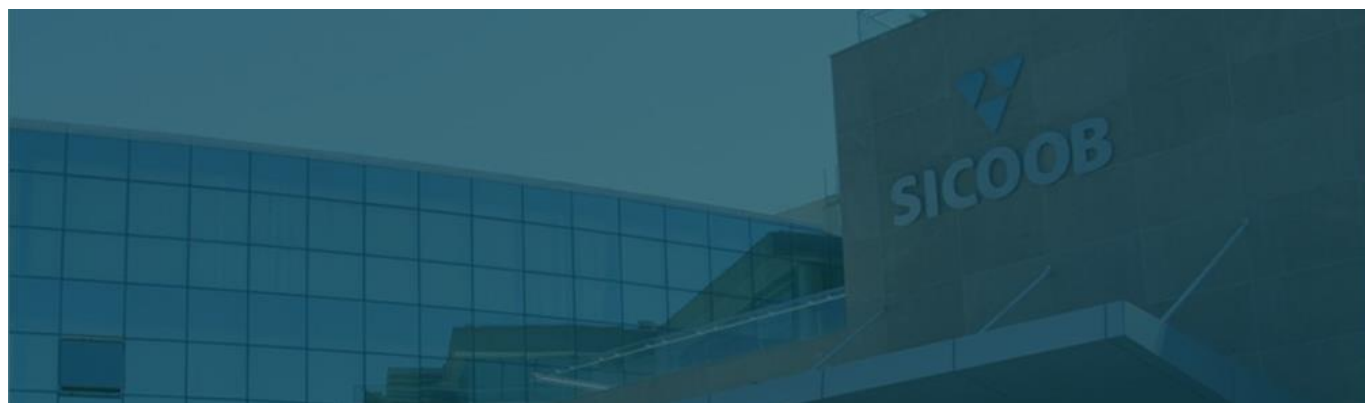
# COMBINED FINANCIAL STATEMENTS

Sistema de Cooperativas de Crédito do Brasil - Sicoob

| December 31, 2019 and 2018

The SICOOB logo, featuring a stylized triangle above the word "SICOOB".

SICOOB



## Contents

Management Report .....	5
Combined balance sheet .....	10
Combined statement of income .....	11
Combined statement of changes in equity .....	12
Combined statement of cash flows .....	14
Notes to the combined financial statements .....	15
Note 1 - Operations .....	15
Note 2 - Presentation of the combined financial statements .....	15
Note 3 - Summary of significant accounting policies .....	28
Note 4 - Cash and cash equivalents .....	33
Note 5 - Available funds .....	33
Note 6 - Short-term interbank investments .....	33
Note 7 - Marketable securities and derivative financial instruments .....	33
Note 8 - Interbank accounts - assets .....	36
Note 9 - Lending operations .....	36
Note 10 - Other receivables - sundry .....	38
Note 11 - Tax credits, income tax and social contribution on net income .....	38
Note 12 - Other assets .....	39
Note 13 - Investments .....	40
Note 14 - Property and equipment and intangible assets .....	41
Note 15 - Deposits .....	41
Note 16 - Repurchase agreement obligations .....	42
Note 17 - Funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures .....	42
Note 18 - Interbank accounts - liabilities .....	42
Note 19 - Borrowings and onlendings in Brazil .....	42
Note 20 - Other payables .....	43
Note 21 - Liabilities, contingencies and legal obligations .....	44
Note 22 - Equity .....	46
Note 23 - Management of third-party funds .....	47
Note 24 - Operational limits - Basel Accord .....	47
Note 25 - Other items in the combined financial statements .....	48
Note 26 - Other information .....	50
Note 27 - Related-party transactions .....	51
Note 28 - Sicoob's centralized risk and capital management .....	53
Note 29 - Supplementary information .....	54
Bancoob's Management .....	56



(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**

---

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 December 31, 2019 and the combined statements of income, changes in equity and cash flows for the six-month period and year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the 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 December 31, 2019, and its combined financial performance and cash flows for the six-month period and year 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**

---

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**

---

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**

---

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

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



## Sistema de Cooperativas de Crédito do Brasil - Sicoob

In connection with the audit of the 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**

---

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 combined 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**

---

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud could involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern.



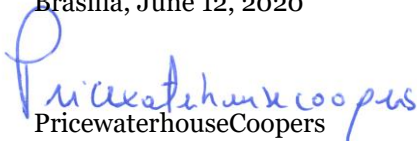
Sistema de Cooperativas de Crédito do Brasil - Sicoob

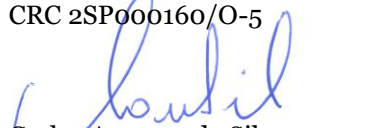
concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.

- 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.
- 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.

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, June 12, 2020

  
PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

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

(A free translation of the original in Portuguese)

## Management Report

### December 31, 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 December 31, 2019, with the latest financial results from the largest system of credit unions in Brazil, and highlights the results achieved, the expansion of the service network, and the technological advances and awards received for information technology.

## Sicoob

---

Sicoob is the largest credit union system in Brazil, with 4.6 million members and more than 3,200 service units operating throughout Brazil. The System is comprised of credit unions and supporting companies, which, together, provides the Sicoob members with services related to current account, credit, investment, credit card, social security, consortium, insurance, bank collection, acquiring of electronic payment means, among others. Although not a bank, Sicoob provides the same services as banking networks, operating as a financial credit union, of which the clients are the owners, and, therefore, share in its results.

## Performance

---

At year-end December 2019, the balance of total assets was R\$ 117.3 billion, a growth of 12.2% when compared to 2018. During the year, the credit portfolio of gross loans reached R\$ 65.2 billion, representing a significant increase of 18.6% in relation to the previous year. The loans and discounted notes, and financing, which increased by 16.0% and 50.7%, respectively, in the period, are of note. Rural and agribusiness financing totaled R\$ 16.7 billion (up 14.7% versus 2018). Provisions, in turn, increased by 27.9%, totaling R\$ 3.9 billion, due to accrual basis adjustments.

Total deposits amounted to R\$ 74.1 billion in 2019, increasing by 14.1% in relation to the R\$ 65.0 billion recorded for 2018. This result reflects the high confidence of credit union members in the System's management. Also of note, demand deposits increased by 25.8% in relation to 2018, closing with a balance of R\$ 17.1 billion. Time deposits, despite lower profitability due to the fall in the SELIC rate and, consequently, in the DI rate, increased by 7.2%, from R\$ 42.4 billion in 2018 to R\$ 45.5 billion this year.

Equity totaled R\$ 23.2 billion, an increase of 8.6% in relation to 2018. Revenue reserves grew by 17.3%, from R\$ 6.5 billion in 2018 to R\$ 7.6 billion in 2019.

Surpluses totaled R\$ 3.0 billion in 2019, a 2.9% drop from the R\$ 3.1 billion recorded for 2018. The result for the year was impacted by adjustments to the provision for loan losses, which increased by 22.6% and the increase of 15.9% and 11.8% in administrative expenses and personnel expenses, respectively. On the other hand, revenue from services rendered and banking fees increased by 21.6% and from lending operations by 8.3%, sustaining the surplus. As to Sicoob's revenues, 76.8% came from financial activities, 16.4% from fees and services, and 6.8% from other operating revenue and equity interests in subsidiaries and associates.

Sicoob provides its members with a wide service network, featuring 3,283 branches located in 1,859 Brazilian municipalities. It should be noted that in 327 of these municipalities, Sicoob is the only financial institution in operation. Service is also available at 5,368 Electronic Service Units (PAEs) and over 23 thousand ATMs from the Banco24Horas Network.

## Management Report

### December 31, 2019 and 2018

In 2019, 421 new service units were opened Sicoob, more than R\$ 500 million was spent in the expansion, modernization, and opening of service units, which, in the short term, increases administrative and personnel expenses, but generates new business and expands the service base for its members in the medium and long run.

In December 2019, Sicoob had 43,352 employees, an increase of 5.3% in relation to 2018. This result shows Sicoob's social responsibility through job generation and expansion of its headcount.

The number of credit union members increased considerably in the year, from 4.40 million in 2018 to 4.63 million in 2019, or 5.3%, equivalent to more than 2,700 new members per business day, confirming the society's interest in alternatives to the traditional banking system. The number of members that are legal entities were of note, with an increase of 16.9% in the comparison, from 740 thousand in December 2018 to 865.1 thousand in December 2019, reflecting the entrepreneurial interest in the services provided by credit unions. Individual members totaled 3.76 million in 2019, increasing by 3.0% when compared to the 3.66 million in 2018.

We also highlight the initiative to attract new members through digital channels, which is a trend in the financial sector. By December 2019, approximately 35,000 members had joined the *Sicoob Faça Parte* application, totaling over R\$ 30 million in lending operations, and R\$ 38 million in deposits.

In line with the financial market trends, Sicoob's transactions on digital channels accounted for more than 70% of its total operations, which reflects the System's technological advances in terms of usability and security attributes.

The awards granted to the System by the main communication vehicles in the financial industry reflect these improvements. Sicoob won the 2019 Banking Report Award in the categories of Debt Collection, Credit Innovation, and Digital Transformation - Moob app. The System received the eFinance award - XIX edition for the solutions Fraud Prevention and Fight - Risk Management category, and Agile Infrastructure and MultiCloud project - Agile Infrastructure category.

### Business expansion

---

In 2019, in line with the main trends in the industry, Sicoob made major advances in technology and products available to its members. The launch of the Sicoob Moob application and availability of the contracting of consortium and payroll loans through digital channels are highlighted.

The functionalities are the System's showcase for the segment of digital channels, representing competitiveness gains in the financial market. Moob is the Sicoob's application that facilitates and encourages the contact between the members and credit unions, which, among other functions, provides access to the Institution's main data, and allows the receipt and management of invitations to events, and the trade of goods advertised. The possibility of contracting consortia and payroll loans on digital channels expands the range of services available to credit union members, increasing Sicoob's competitiveness.

### Credit card operations

---

Bancoob, the issuer of cards for Sicoob and other credit union systems, closed the year with 4.74 million cards issued, 2.42 million of which with a built-in credit limit. The expansion of the card base through partner credit union systems accounted for approximately 20% of total revenue.

In the second half of the year, the volume of purchases using cards increased by 31% in relation to the same period of 2018, totaling R\$ 21.03 billion. The transactions carried out using the credit function alone accounted for R\$ 11.55 billion.

# Management Report

## December 31, 2019 and 2018

### Acquiring operations

---

In 2019, acquiring operations, which combine the Sicoob customer base and those of partner systems, recorded an increase of 9.58% in the number of authorized licensees of the Sipag card machine, in comparison with the same period of 2018.

Through the expansion of the customer base, accumulated revenue totaled R\$ 49.8 billion, representing a growth of 0.50% in relation to 2018.

### Service channels

---

Over the past three years, Sicoob invested an average of R\$ 265 million per year in technology, which is one of its cornerstones of transformation and innovation, with the objective of enabling growth, increasing efficiency, managing risks, and developing new products and services, enabling a larger number of people to benefit from the advantages of credit unions.

The number of transactions carried out through Sicoob's service channels grew by 36% in 2019 when compared to the previous year. The annual growth rate over the past five years was 32%, in line with the expansion in the System's businesses. Of the 4.41 billion transactions, 79% were carried out through digital channels (Mobile and Internet banking), and 21% through conventional channels (Cashier, ATM, and Correspondent banks). In the comparison with 2018, digital channels increased by 6%.

The top performer, again, was the Mobile Banking, the preferred app of the credit unions' members in accessing products and services. The number of transactions on this channel increased by 62% in the year, from 1.52 billion in 2018 to 2.47 billion in 2019. In terms of channel share, mobile banking accounted for 56% of the transactions, increasing by 9% over the previous year. For the first year, more than half of Sicoob's transactions were carried out using cell phones. This improvement can be explained by a change in the users' behavior and the higher acceptance of the application, which continues to be the best rated among all Brazilian financial institutions, with a score of 4.8 in the Apple Store and Play Store.

The fact that digital channels continue occupy space from conventional channels portrays the shift in the behavior of credit union members, who began to rely more on digital channels, and the efforts of the credit unions to guide their members towards greater convenience in accessing the products and services offered. This change provided Sicoob with savings estimated at R\$ 158.5 million, as the cost of financial transactions on digital channels is much lower than those carried out through conventional channels.

Sicoob services are also available at 5,368 Electronic Service Units (PAEs) and over 23 thousand ATMs from the Banco24Horas Network, in addition to the digital channels (available on mobile phones and computers).

### Guarantor Credit Union Fund (FGCoop)

---

Deposits in credit unions are protected by the Guarantor Credit Union Fund (FGCoop), which guarantees deposits and credits maintained in individual credit unions or cooperative banks in the event of intervention or out-of-court liquidation of these institutions. Currently, the protective ceiling is the same as for depositors of other financial institutions covered by the Credit Guarantee Fund (FGC).

### People

---

Contrary to the trends in the Brazilian economy currently, the Institution contributed to reducing unemployment by creating 2.1 thousand new jobs in the segment, and increasing its headcount by 5.3%, from 41,000 to over 43,000 employees.



# Management Report

## December 31, 2019 and 2018

### Code of ethics

---

All the members of Sicoob signed their adherence to the Code of Ethics proposed by the Confederação Nacional das Cooperativas do Sicoob Ltda. ("Sicoob Confederation"), a commitment also assumed by all new employees that join the System.

### Institutional policy for social and environmental responsibility

---

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

### Sicoob Institute

---

Sicoob Institute for Sustainable Development, which is the Sicoob's agency for strategic social investment, was created with the objective of disseminating the cooperative culture and contributing to the promotion of sustainable development of the communities.

The Institute's activities, which started in 2004 at Sicoob Metropolitano, evolved in 2019 to the entire jurisdiction of Central Unicoob, headquartered in Maringá, State of Paraná (PR). In 2018, Sicoob Institute expanded its activities nationwide with the aim of organizing and aligning actions with Sicoob's strategic objectives, as determined by the System's senior management.

Grounded on the 5th and 7th principles of cooperative systems, namely, education, training and information, and interest for the community, respectively, Sicoob Institute develops programs and projects based on three main pillars - Cooperativism and Entrepreneurship, Financial Citizenship, and Sustainable Development, reflecting a balance of the social return of the business and the challenges faced by credit unions in providing the population with social justice and financial education and inclusion. From this alignment emerged the three pillars that guide a social agenda based on themes in which Sicoob can positively affect the locations where it operates. Action strategies, projects, and programs were developed for each pillar, making up a portfolio of initiatives that are able to leverage the development of communities and, simultaneously, increase competitiveness by fostering a cooperative culture, encouraging entrepreneurship, and promoting financial citizenship and sustainable development.

The programs and projects are implemented with the engagement of volunteer managers and employees acting as influencers across the System.

### Ombudsman

---

Sicoob has an Ombudsman channel for communication between the credit unions and the users of the System's services; the framework is centralized at Bancoob, and regulated by CMN Resolution 4,433/2015. The Ombudsman office has up to ten business days to provide a response to any occurrence reported. This deadline may be extended for an equal period.

### Acknowledgments

---

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 believing in the solutions offered by Sicoob; and our employees for their dedication and commitment.

# Combined balance sheet

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

(A free translation of the original in Portuguese)

Assets	Note	2019	2018
<b>Current assets</b>		<b>67,902,417</b>	<b>64,234,551</b>
Available funds	5	1,373,175	912,006
Short-term interbank investments	6	11,844,456	17,182,228
Money market investments		11,065,358	15,644,557
Investments in interbank deposits		777,285	1,532,233
Investments in savings account deposits		1,813	5,438
Marketable securities and derivative financial instruments	7(b)	10,388,654	6,518,450
Own portfolio		7,011,034	5,786,014
Subject to repurchase agreements		907,356	-
Linked to the provision of guarantees		2,470,142	732,436
Derivative financial instruments		122	-
Interbank accounts	8	4,726,159	4,684,614
Payments and receipts pending settlement		3,443,588	3,629,378
Receivables linked to the Brazilian Central Bank		1,281,858	1,043,455
Interbank onlendings/Other		-	343
Correspondent banks		204	191
Other		509	11,247
Interdepartmental accounts		1,433	18,718
Interdepartmental accounts		1,433	18,718
Lending operations		32,292,585	28,418,869
Lending operations - private sector	9(b)	34,335,292	30,078,922
(-) Provision for loan losses	9(e)	(2,042,707)	(1,660,053)
Other receivables		5,875,754	5,277,991
Guarantees and sureties		129,484	81,651
Foreign exchange portfolio		8,060	-
Income receivable		23,191	19,901
Negotiation and intermediation of securities		-	2
Sundry	10(a)	5,949,206	5,349,726
(-) Provision for loan losses	10(b)	(234,187)	(173,289)
Other assets	12	1,400,201	1,221,683
Other assets		1,282,893	1,064,511
Prepaid expenses		117,308	157,172
<b>Non-current assets</b>		<b>49,359,009</b>	<b>40,303,818</b>
Long-term receivables			
Short-term interbank investments	6	20,036	-
Investments in interbank deposits		20,036	-
Marketable securities	7(b)	17,527,418	14,461,544
Own portfolio		9,550,360	9,477,952
Subject to repurchase agreements		3,045,184	718,949
Linked to the provision of guarantees		4,931,874	4,264,643
Lending operations		29,013,915	23,490,175
Lending operations - private sector	9(b)	30,849,226	24,862,325
(-) Provision for loan losses	9(e)	(1,835,311)	(1,372,150)
Other receivables	10(a)	164,459	92,974
Sundry		166,229	94,801
(-) Provision for loan losses		(1,770)	(1,827)
Investments	13	534,872	495,598
Equity interests in associates and subsidiaries		231,705	176,190
Other capital investments		268,019	267,064
Other investments		35,148	52,344
Property and equipment	14	2,055,925	1,702,565
Properties in use		967,836	830,282
Other property and equipment in use		2,151,667	1,773,545
(-) Accumulated depreciation		(1,063,578)	(901,262)
Intangible assets	14	42,384	60,961
Software		202,501	206,762
(-) Accumulated amortization		(160,117)	(145,801)
<b>Total assets</b>		<b>117,261,426</b>	<b>104,538,376</b>

# Combined balance sheet

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

(continued)

Liabilities	Note	2019	2018
<b>Current liabilities</b>		<b>89,221,477</b>	<b>79,045,419</b>
<b>Deposits</b>	<b>15</b>	<b>73,332,330</b>	<b>64,226,576</b>
Demand deposits		17,097,270	13,591,263
Savings deposits		6,507,717	5,239,256
Interbank deposits		4,410,747	2,712,108
Notice deposits		350,275	730,157
Credit union deposit receipts		44,840,953	41,893,095
Bank Deposit Certificates (CDBs)		125,351	60,658
Other		17	39
<b>Repurchase agreement obligations</b>	<b>16</b>	<b>73,583</b>	<b>61,772</b>
Own portfolio		73,583	-
Third-party portfolio		-	61,772
<b>Funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures</b>	<b>17</b>	<b>3,704,657</b>	<b>2,676,383</b>
Agribusiness credit note obligations		3,704,657	2,676,383
<b>Interbank accounts</b>	<b>18</b>	<b>3,596,755</b>	<b>3,132,922</b>
Payment transactions		3,589,860	2,561,725
Interbank lendings		-	567,815
Other		6,895	3,382
<b>Interdepartmental accounts</b>		<b>721,863</b>	<b>676,168</b>
Third-party funds in transit		721,863	676,168
<b>Derivative financial instruments</b>		<b>86</b>	<b>-</b>
Derivative financial instruments		86	-
<b>Onlendings in Brazil - Official institutions</b>	<b>19</b>	<b>1,152,683</b>	<b>1,420,193</b>
BNDES		338,682	316,277
FINAME		398,243	655,265
Banco do Brasil		12,005	15,265
Funcefé		388,074	402,657
Other financial institutions		15,679	30,729
<b>Other payables</b>		<b>6,639,520</b>	<b>6,851,404</b>
Collection of taxes and similar charges		35,124	34,224
Foreign exchange portfolio		8,070	-
Social and statutory charges		887,507	840,538
Tax and social security obligations	20(a)	326,587	383,664
Negotiation and intermediation of securities		31	50
Sundry	20(b)	5,382,201	5,592,928
<b>Non-current liabilities</b>		<b>4,880,428</b>	<b>4,167,737</b>
<b>Long-term liabilities</b>			
<b>Deposits</b>	<b>15</b>	<b>813,717</b>	<b>756,439</b>
Interbank deposits		293,210	264,452
Bank Deposit Certificates (CDBs)		520,507	491,987
<b>Funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures</b>	<b>17</b>	<b>1,589,289</b>	<b>1,177,742</b>
Agribusiness credit note obligations		1,589,289	1,177,742
<b>Onlendings in Brazil - Official institutions</b>	<b>19</b>	<b>2,462,494</b>	<b>2,218,827</b>
BNDES		1,591,489	1,367,876
FINAME		738,332	712,356
Banco do Brasil		19,469	30,846
Funcefé		97,463	98,209
Other financial institutions		15,741	9,541
<b>Other payables</b>		<b>13,728</b>	<b>13,728</b>
Tax and social security obligations	20(a)	529	529
Sundry	20(b)	13,199	13,199
<b>Deferred income</b>		<b>1,200</b>	<b>1,000</b>
Prepaid income		1,200	1,000
<b>Equity</b>	<b>22</b>	<b>23,159,521</b>	<b>21,325,221</b>
Share capital		14,282,325	13,439,861
Capital reserve		88,135	67,071
Revenue reserve		7,605,004	6,485,628
Retained earnings		1,182,532	1,330,429
Revaluation reserve		844	873
Adjustment to market value - marketable securities		681	1,359
<b>Total liabilities and equity</b>		<b>117,261,426</b>	<b>104,538,376</b>

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

# Combined statement of income

## Periods ended December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

(A free translation of the original in Portuguese)

	Note	2nd half of 2019	2019	2018
<b>Income from financial intermediation</b>		<b>6,831,409</b>	<b>13,304,104</b>	<b>12,548,515</b>
Lending operations	9 (h)	5,658,149	10,932,099	10,093,676
Gains on marketable securities	7 (c)	1,141,914	2,314,608	2,398,669
Gain (loss) on derivative financial instruments	7 (c)	(797)	(434)	(1,269)
Foreign exchange gains		1,669	2,623	-
Gains on compulsory investments		30,474	55,199	49,211
Disposals or transfers of assets		-	10	8,228
<b>Expenses for financial intermediation</b>		<b>(2,847,010)</b>	<b>(5,792,705)</b>	<b>(5,323,666)</b>
Money market funding	15 (c)	(1,603,545)	(3,246,647)	(3,151,659)
Borrowings and onlendings	19 (b)	(51,535)	(107,583)	(181,869)
Provision for loan losses	9 (e)	(1,191,925)	(2,438,464)	(1,989,595)
Disposals or transfers of assets		(5)	(11)	(543)
<b>Gross profit (loss) from financial intermediation</b>		<b>3,984,399</b>	<b>7,511,399</b>	<b>7,224,849</b>
<b>Other operating income (expenses)</b>		<b>(2,119,596)</b>	<b>(4,186,169)</b>	<b>(3,760,708)</b>
Income from services rendered	25 (a)	1,041,983	1,920,040	1,566,298
Income from banking fees	25 (a)	477,855	912,968	763,138
Personnel expenses	25 (b)	(1,822,138)	(3,501,471)	(3,131,878)
Administrative expenses	25 (c)	(1,555,626)	(2,958,264)	(2,551,452)
Tax expenses	25 (d)	(133,502)	(255,321)	(230,607)
Equity in the results of subsidiaries and associates	13	21,889	50,111	51,278
Other operating income	25 (e)	653,146	1,126,583	862,514
Other operating expenses	25 (f)	(803,205)	(1,480,816)	(1,089,999)
<b>Operating result</b>		<b>1,864,803</b>	<b>3,325,230</b>	<b>3,464,141</b>
<b>Non-operating income (expenses)</b>	<b>25(g)</b>	<b>(44,485)</b>	<b>(58,678)</b>	<b>(41,003)</b>
<b>Profit before taxation and profit sharing</b>		<b>1,820,318</b>	<b>3,266,551</b>	<b>3,423,138</b>
<b>Income tax and social contribution</b>		<b>(57,794)</b>	<b>(153,518)</b>	<b>(244,855)</b>
Income tax		(54,496)	(127,335)	(151,065)
Social contribution		(39,717)	(85,484)	(122,329)
Deferred taxes		36,419	59,301	28,539
<b>Employee profit sharing</b>	<b>26 (f)</b>	<b>(67,846)</b>	<b>(117,737)</b>	<b>(92,138)</b>
<b>Profit for the six-month period/year</b>		<b>1,694,678</b>	<b>2,995,296</b>	<b>3,086,145</b>

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

# Combined statement of changes in equity

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

(A free translation of the original in Portuguese)

	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>2,819</b>	<b>955,184</b>	<b>(59)</b>	<b>18,550,300</b>
<b>Prior year appropriations:</b>									
Surplus/apportionment to be distributed		-	-	-	-	-	(33,520)	-	(33,520)
Appropriations to reserves		-	6,630	-	347,118	-	(353,748)	-	-
Reversal of reserves/offsetting of losses		-	(9,158)	-	(75,371)	-	84,529	-	-
Distributions to members		-	-	-	-	-	(299,598)	-	(299,598)
Other appropriations		-	-	-	-	-	88,062	-	88,062
Capital units payable to former members		-	-	-	-	-	(73,600)	-	(73,600)
Prior year proposed dividends		-	-	-	(157,614)	-	-	-	(157,614)
Increase in share capital	22 (a)	1,721,503	-	-	-	-	(393,638)	-	1,327,865
Credit union merged	22 (a)	134,767	-	-	-	-	-	-	134,767
Refunds (capital reductions)		(976,180)	-	-	-	-	-	-	(976,180)
Entry of new credit unions into the System		74,574	-	-	10,895	-	5,698	-	91,167
Credit unions excluded from the System		(33,710)	-	-	(1,702)	-	(24,103)	-	(59,515)
Realization of revaluation reserve		-	-	(28)	-	-	-	-	(28)
Share buyback	22 (h)	-	-	-	-	-	-	59	59
Adjustment to market value		-	-	-	-	(1,459)	-	-	(1,459)
<b>Profit for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,086,145</b>	<b>-</b>	<b>3,086,145</b>
<b>Proposed appropriations:</b>									
Appropriations to reserves		-	15,549	-	983,141	-	(998,690)	-	-
FATES	22 (e)	-	-	-	-	-	(130,461)	-	(130,461)
Interest on capital distributions	22 (d)	360,663	-	-	-	-	(570,950)	-	(210,287)
Proposed dividends	22 (c)	-	-	-	-	-	(10,881)	-	(10,881)
<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>Changes in the year</b>		<b>1,281,618</b>	<b>13,021</b>	<b>(28)</b>	<b>1,106,466</b>	<b>(1,460)</b>	<b>375,245</b>	<b>59</b>	<b>2,774,921</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 appropriations:</b>									
Surplus/apportionment to be distributed		-	-	-	-	-	(37,758)	-	(37,758)
Appropriations to reserves		-	-	-	-	-	-	-	-
Reversal of reserves/offsetting of losses		-	(15,590)	-	(124,960)	-	140,550	-	-
Distributions to members		-	-	-	-	-	(119,955)	-	(119,955)
Other appropriations		-	-	-	(32,241)	-	45,250	-	13,009
Capital units payable to former members		(4,706)	-	-	-	-	-	-	(4,706)
Proposed dividends from previous years		-	-	-	(206,737)	-	-	-	(206,737)
Increase in share capital	22 (a)	1,666,075	-	-	(70,835)	-	(550,612)	-	1,044,628
Balances of credit union merged	22 (a)	85,869	(90)	32	15,540	-	350	-	101,701
Refunds (capital reductions)		(992,573)	-	-	-	-	-	-	(992,573)
Entry of new credit unions into the System		59,854	782	-	19,323	-	24,555	-	104,514
Credit unions excluded from the System		(472,015)	(104)	-	(224,864)	-	(82,744)	-	(779,727)
Realization of revaluation reserve		-	-	(61)	-	-	-	-	(61)
Share buyback	22 (h)	-	-	-	-	-	-	-	-
Adjustment to market value		-	-	-	-	(678)	-	-	(678)
<b>Profit for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,995,296</b>	<b>-</b>	<b>2,995,296</b>
<b>Proposed appropriations:</b>									
Appropriations to reserves		-	36,066	-	1,744,974	-	(1,781,040)	-	-
FATES	22 (e)	-	-	-	(824)	-	(179,710)	-	(180,534)
Interest on capital	22 (d)	499,960	-	-	-	-	(596,001)	-	(96,041)
Proposed dividends	22 (c)	-	-	-	-	-	(6,078)	-	(6,078)
<b>At December 31, 2019</b>		<b>14,282,325</b>	<b>88,135</b>	<b>844</b>	<b>7,605,004</b>	<b>681</b>	<b>1,182,532</b>	<b>-</b>	<b>23,159,521</b>
<b>Changes in the year</b>		<b>842,464</b>	<b>21,064</b>	<b>(29)</b>	<b>1,119,376</b>	<b>(678)</b>	<b>(147,897)</b>	<b>-</b>	<b>1,834,300</b>

## Combined statement of changes in equity

### December 31, 2019 and 2018

(continued)

	Note	Share capital	Capital reserve	Revaluation reserve	Revenue reserve	Adjustment to market value	Retained earnings	Treasury shares	Total
<b>At June 30, 2019</b>		<b>13,862,604</b>	<b>74,282</b>	<b>859</b>	<b>6,558,301</b>	<b>(1,431)</b>	<b>1,181,832</b>	<b>-</b>	<b>21,676,447</b>
Surplus/apportionment to be distributed		-	-	-	-	-	-	-	-
<b>Appropriations to reserves</b>		-	-	-	-	-	-	-	-
Reversal of reserves/offsetting of losses		-	(11,726)	-	(52,898)	-	64,624	-	-
Distributions to members		-	-	-	-	-	(659)	-	(659)
Other appropriations		-	-	-	(14,710)	-	27,719	-	13,009
Capital units payable to former members		(4,706)	-	-	-	-	-	-	(4,706)
Proposed dividends from previous years		-	-	-	-	-	-	-	-
Increase in share capital	22 (a)	682,864	-	-	-	-	(17,151)	-	665,713
Balances of credit union merged	22 (a)	59,717	-	32	20,797	-	-	-	80,546
Refunds (capital reductions)		(651,037)	-	-	-	-	-	-	(651,037)
Entry of new credit unions into the System		32,832	-	-	-	-	20,927	-	53,759
Credit unions excluded from the System		(198,095)	-	-	(14,759)	-	(4,586)	-	(217,440)
Realization of revaluation reserve		-	-	(47)	-	-	-	-	(47)
Adjustment to market value - available-for-sale securities		-	-	-	-	2,112	-	-	2,112
<b>Profit for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,694,678</b>	<b>-</b>	<b>1,694,678</b>
<b>Proposed appropriations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reserves		-	25,579	-	1,108,273	-	(1,133,852)	-	-
Other appropriations (Fates)		-	-	-	-	-	(175,342)	-	(175,342)
Interest on capital distributions	22 (d)	498,146	-	-	-	-	(473,466)	-	24,680
Proposed dividends	22 (c)	-	-	-	-	-	(2,192)	-	(2,192)
<b>At December 31, 2019</b>		<b>14,282,325</b>	<b>88,135</b>	<b>844</b>	<b>7,605,004</b>	<b>681</b>	<b>1,182,531</b>	<b>-</b>	<b>23,159,521</b>
<b>Changes in the six-month period</b>		<b>419,721</b>	<b>13,853</b>	<b>(15)</b>	<b>1,046,703</b>	<b>2,112</b>	<b>700</b>	<b>-</b>	<b>1,483,074</b>

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

# Combined statement of cash flows

## Periods ended December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

(A free translation of the original in Portuguese)

Cash flows from operating activities	Note	2nd half of 2019	2019	2018
<b>Adjusted profit</b>		<b>3,177,362</b>	<b>5,988,957</b>	<b>5,702,721</b>
Profit before taxation and profit sharing		1,820,318	3,266,551	3,423,139
Provision for loan losses		1,191,925	2,438,464	1,989,595
Provision for impairment of other assets		50,261	67,601	27,696
Depreciation and amortization		124,524	240,596	205,674
Equity in the results of subsidiaries		(21,889)	(50,112)	(51,278)
Goodwill on equity interest in subsidiaries		1,174	2,157	1,657
Gain on sale of assets not in use		(16,052)	(22,985)	(19,626)
Loss on sale of assets not in use		11,372	18,589	29,585
Provision for tax, labor and civil contingencies		15,729	28,096	96,279
(Increase) in short-term interbank investments		(350,139)	(788,622)	(341,149)
(Increase) in marketable securities		(5,088,587)	(6,936,164)	75,856
(Increase) in interbank and interdepartmental accounts		881,764	493,552	289,882
(Increase) in lending operations		(7,071,029)	(11,699,282)	(11,200,165)
(Increase) in other receivables		(782,984)	(844,759)	(1,272,147)
Income tax and social contribution (offset)		(102,705)	(102,705)	(111,792)
(Increase) in other assets		(96,896)	(204,544)	(254,386)
Increase in deposits		7,115,339	9,163,031	9,299,114
Increase in repurchase agreement obligations		(338,443)	11,811	(382,937)
Increase in funds from acceptance of bills of exchange, real estate and mortgage notes, and debentures		493,329	1,439,821	1,197,517
(Decrease) in borrowings and onlendings		672,880	(23,843)	(590,369)
(Decrease) increase in other payables		(396,226)	708,298	1,973,931
(Decrease) in deferred income		300	200	(203)
<b>Net cash inflow (outflow) from operating activities</b>		<b>(1,886,035)</b>	<b>(2,794,249)</b>	<b>4,385,873</b>
<b>Cash flows from investing activities</b>				
Payment of capital in subsidiaries		(6,161)	(25,250)	(30,381)
Acquisition of investments		(335,681)	(451,862)	(432,118)
Acquisition of property and equipment		(15,258)	(18,292)	(19,391)
Acquisition of intangible assets		-	4,252	19,457
Disposal of property and equipment		-	-	-
Disposal of intangible assets		-	4	2
<b>Net cash (outflow) from investing activities</b>		<b>(357,100)</b>	<b>(491,148)</b>	<b>(462,431)</b>
<b>Cash flows from financing activities</b>				
Share buyback		-	-	65
Capital increase		682,865	1,115,464	1,327,865
Capital returns		(651,037)	(992,573)	(976,180)
Dividends paid		-	(217,426)	(165,527)
Interest on capital distributions paid		(96,041)	(96,041)	(210,287)
Distribution of surplus		(659)	(119,955)	(299,598)
Exclusion of credit unions from the System		(198,095)	(472,015)	(51,477)
<b>Net cash (outflow) from financing activities</b>		<b>(262,967)</b>	<b>(782,546)</b>	<b>(375,139)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(2,506,102)</b>	<b>(4,067,943)</b>	<b>3,548,303</b>
Cash and cash equivalents at the beginning of the six-month period/ year	4	14,946,448	16,508,289	12,959,986
Cash and cash equivalents at the end of the six-month period/ year	4	12,440,346	12,440,346	16,508,289

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

## Notes to the combined financial statements

December 31, 2019 and 2018

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

### Note 1 - Operations

---

Sistema de Cooperativas de Crédito do Brasil - Sicoob ("Sicoob" or "System") is made up of 396 first-level individual credit unions, which operate in 27 Brazilian states, featuring 3,283 branches, and 982 Correspondent banks, in addition to 5,368 Cooperative Service Units (PAES) and over 23 thousand ATMs, providing services to 4.6 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 national presence across Brazil, Sicoob is a financial credit union that plays a key social role by providing support for the growth and development of the communities in which it operates. Sicoob offers all types of banking products and services, shares the results achieved with its members, and invests the funds raised in the communities, stimulating production and sales, and creating jobs and income.

Bancoob is controlled by the following 16 central credit unions: 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 Resolution 2,193 of August 31, 1995, of the National Monetary Council (CMN), and 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"), which holds interest in Sicoob Seguradora.

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

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

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

---

Sicoob's combined financial statements ("financial statements") are the responsibility of Bancoob's Management and have been prepared based on the individual financial statements of the Institutions that comprise the System. The financial statements have been prepared for the purpose of presenting, in a single set of financial statements, the consolidated 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 member of the System, as well as the requirements for financial statement presentation and disclosure 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, and neither can the figures presented be used for calculations of dividends and taxes, performance assessments, or for any other corporate or statutory purposes, which should be based on the individual financial statements.



# Notes to the combined financial statements

## December 31, 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 prepared based on the accounting practices adopted in Brazil, under Law 6,404/1976 as amended, complemented 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 Brazilian 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 May 12, 2020.

### 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, and the balances of transactions carried out between these institutions were excluded.

### 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 individual cooperatives, central cooperatives, a credit confederation, a cooperative bank, as well as other financial institutions or entities authorized to operate by the Brazilian Central Bank, except for consortium 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, were not included in the combined financial statements for purposes of compliance with the provisions of the above-mentioned Resolution. The subsidiaries of central credit unions were also excluded from the combined financial statements (Note 13).

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

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 BACEN 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 2,193/1995, of the National Monetary Council ("CMN"), authorized to operate by BACEN on July 21, 1997, and started operations on September 1, 1997.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

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

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

Bancoob DTVM is engaged in the subscription, either on a stand-alone basis or in a consortium with other authorized companies, 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 CMN, BACEN, and 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 Fundo Sicoob Cocred - Multi-market Investment Fund - Private Credit FI, managed by Planner Corretora de Valores S/A, BB Forte Fundo de Investimento Renda Fixa Longo Prazo Crédito Privado, managed by BB DTVM, and Fundo de Investimento Caixa Sustentabilidade Renda Fixa Crédito Privado, managed by Caixa Econômica Federal ("Caixa"). These funds are exclusively held by two individual credit unions and were included in these combined financial statements due to their characteristic of substantial retention of benefits and risks in 2018.

- **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 proactively 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 and professional training.

- **Sicoob's individual credit unions:** These are non-bank financial institutions authorized to operate by the Brazilian Central Bank, resulting from the association of individuals who, in search of a better way to 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 the operations inherent in credit cooperatives. Those classified as Classic credit unions are not authorized to operate foreign currency transactions 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, in accordance with the classification provided for in CMN Resolution, are distributed as follows:

Classification	Number
Classic	352
Capital and Loans	36
Full	8
<b>Total</b>	<b>396</b>

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

• **Investment Funds:** The following investment funds were considered in the preparation of 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 <sup>(a)</sup>
- Sicoob Unimais - Fixed-income investment fund - Private Credit <sup>(a)</sup>
- Sicoob Cocred - Fixed-income investment fund - Private Credit <sup>(a)</sup>
- Invest Rio - Fixed-income investment fund - Private Credit <sup>(b)</sup>
- Unicoob - Fixed-income investment fund - Private Credit <sup>(b)</sup>
- Sicoob Institucional - Fixed-income investment fund - Private Credit
- Sicoob Goiás Central - Fixed-income investment fund - Private Credit <sup>(b)</sup>
- Sicoob Central SC - Fixed-income investment fund - Private Credit <sup>(b)</sup>
- Sicoob Cocred - Multi-market investment fund - Private Credit <sup>(a)</sup>
- BB Forte - Long-term Fixed-income investment fund - Private Credit <sup>(a)</sup>
- Caixa Sustentabilidade - Fixed-income investment fund - Private Credit <sup>(c)</sup>

(a) Funds closed in 2019.

(b) Funds closed in 2018.

(c) Funds that were not combined in 2019 due to the divestiture of the individual credit union that retained substantial risks and rewards on 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 Ações investment fund

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

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

	2019					2018			
	State	Ownership interest	Assets	Equity	Result	Ownership interest	Assets	Equity	Result
Bancoob	DF	100.00%	53,776,026	1,872,384	127,961	100.00%	50,022,239	1,692,383	229,072
Bancoob DTVM	DF	99.99%	10,420	4,235	3,657	99.99%	9,096	3,745	2,752
<b>Regional system Espírito Santo</b>			<b>10,780,053</b>	<b>1,886,985</b>	<b>251,586</b>		<b>10,172,731</b>	<b>1,644,604</b>	<b>243,351</b>
Sicoob Central ES	ES	100%	3,246,794	185,390	9,445	100%	3,268,060	138,142	5,571
Sicoob Sul-Litorâneo	ES	100%	411,728	94,603	17,312	100%	372,515	78,890	15,553
Sicoob Sul	ES	100%	1,312,587	318,981	37,605	100%	1,180,346	277,369	53,157
Sicoob Leste Capixaba	ES	100%	1,832,584	458,638	81,962	100%	1,606,149	387,354	67,380
Sicoob Centro-Serrano	ES	100%	951,645	175,887	31,184	100%	873,047	150,514	24,672
Sicoob Norte	ES	100%	861,410	198,212	6,323	100%	948,665	213,939	7,938
Sicoob Sul-Serrano	ES	100%	1,477,103	351,258	44,696	100%	1,327,796	301,972	57,987
Sicoob Credirochas	ES	100%	686,202	104,016	23,059	100%	578,668	84,696	10,571
Credestiva	ES	100%	-	-	-	100%	17,485	11,728	522
<b>Regional system Bahia</b>			<b>1,898,702</b>	<b>462,314</b>	<b>36,204</b>		<b>1,677,238</b>	<b>425,780</b>	<b>44,145</b>
Sicoob Central BA	BA	100%	566,096	70,483	1,384	100%	524,234	62,263	4,848
Sicoob Coopere	BA	100%	186,515	50,303	10,990	100%	154,057	36,439	10,197
Sicoob Copelba	BA	100%	-	-	210	100%	6,062	5,234	227
Sicoob Cooperbom	BA	100%	38,772	22,188	(539)	100%	41,931	23,588	1,230
Sicoob Costa do Descobrimento	BA	100%	102,851	21,469	3,310	100%	86,113	19,241	1,197
Sicoob Sertão	BA	100%	182,296	46,779	2,015	100%	158,964	41,275	3,613
Sicoob Crediconquista	BA	100%	86,188	20,383	1,909	100%	65,493	17,265	3,193
Sicoob Extremo Sul	BA	100%	311,133	117,158	10,475	100%	283,472	109,071	10,430
Sicoob Credcoop	BA	100%	39,598	16,142	296	100%	27,658	14,317	277
Sicoob Norte Sul	BA	100%	70,937	10,000	(162)	100%	58,295	11,883	890
Sicoob Coopemar	BA	100%	71,312	11,107	769	100%	58,155	8,788	1,200
Sicoob Cred Executivo	BA	100%	131,831	19,822	2,450	100%	96,331	16,508	3,195
Sicoob Bonfim	BA	100%	-	-	-	100%	11,366	2,351	86
Sicoob Credmed	BA	100%	49,255	15,052	1,176	100%	40,010	13,742	1,419
Sicoob Cooppec	BA	100%	61,919	41,428	1,921	100%	65,097	43,816	2,142
<b>Regional system Crediminas</b>			<b>23,248,044</b>	<b>3,523,119</b>	<b>374,350</b>		<b>20,817,421</b>	<b>3,195,684</b>	<b>431,869</b>
Sicoob Central Crediminas	MG	100%	7,003,629	562,691	19,732	100%	6,751,146	519,533	28,904
Sicoob Crediriodoce	MG	100%	312,280	51,565	1,890	100%	298,823	52,294	4,700
Sicoob Carlos Chagas	MG	100%	165,393	54,093	1,784	100%	164,185	52,221	4,053
Sicoob Credijequitinhonha	MG	100%	226,272	50,463	4,549	100%	187,473	46,383	2,659
Sicoob Credicope	MG	100%	219,861	39,350	6,067	100%	194,138	38,649	4,099
Sicoob Credilivre	MG	100%	495,622	102,819	10,979	100%	469,436	95,126	14,802
Sicoob Credinorte	MG	100%	123,771	30,086	3,549	100%	116,231	28,055	1,987
Sicoob Credivale	MG	100%	241,867	47,245	5,336	100%	212,965	45,681	3,466
Sicoob Credioeste	MG	100%	166,688	27,439	1,525	100%	150,962	29,700	(981)
Sicoob Credialp	MG	100%	108,097	24,042	1,231	100%	103,741	23,245	3,340
Sicoob Cooperosa	MG	100%	25,159	6,187	565	100%	21,956	5,873	495
Sicoob Aracredi	MG	100%	211,991	41,525	3,014	100%	220,786	35,175	6,156
Sicoob Crediarara	MG	100%	250,213	47,373	4,496	100%	205,690	42,312	6,363
Sicoob União Centro-Oeste	MG	100%	134,660	29,978	4,748	100%	122,021	26,412	3,874
Sicoob Credibam	MG	100%	101,072	24,019	2,170	100%	97,191	22,215	2,382
Sicoob Belcredi	MG	100%	160,686	21,493	4,250	100%	125,788	17,841	3,924
Sicoob Credibom	MG	100%	374,555	53,587	8,219	100%	345,678	50,954	4,921
Sicoob Credisucesso	MG	100%	68,997	9,527	(211)	100%	59,438	9,921	97
Sicoob Credicampina	MG	100%	93,067	15,682	(3,645)	100%	97,081	19,357	768
Sicoob Credibelo	MG	100%	119,046	16,888	3,203	100%	104,451	13,336	4,255
Sicoob Creddiagro	MG	100%	102,221	33,736	1,932	100%	96,148	31,711	4,357
Sicoob Credcam	MG	100%	93,108	16,126	2,617	100%	66,528	14,148	2,906
Sicoob Credicapi	MG	100%	63,426	13,935	1,287	100%	60,005	12,868	1,978
Sicoob Centro União	MG	100%	132,240	27,759	4,417	100%	79,275	14,672	2,338
Sicoob Credicarpa	MG	100%	280,039	85,328	8,128	100%	240,383	70,324	12,540
Sicoob Credicarmo	MG	100%	107,210	29,669	4,573	100%	92,487	26,296	5,577
Sicoob Credicarmominas	MG	100%	177,831	23,864	5,696	100%	106,073	15,714	3,883
Sicoob Crediverde	MG	100%	175,721	27,818	5,943	100%	138,987	23,102	1,447
Sicoob Credindaia	MG	100%	50,941	9,909	(272)	100%	40,715	9,440	1,485
Sicoob Credicampo	MG	100%	188,666	29,242	5,062	100%	176,679	24,456	3,712
Sicoob Crediesmeraldas	MG	100%	79,294	13,477	1,722	100%	65,203	10,875	2,557
Sicoob Credisudeste	MG	100%	470,155	57,591	365	100%	368,723	45,718	11,501
Sicoob Credifor	MG	100%	228,500	33,236	5,575	100%	198,238	29,825	6,249
Sicoob Frutal	MG	100%	216,303	55,754	5,714	100%	198,169	51,918	4,519

# Notes to the combined financial statements

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

	2019					2018			
	State	Ownership interest	Assets	Equity	Result	Ownership interest	Assets	Equity	Result
Sicoob Crediguapé	MG	100%	40,746	6,890	572	100%	35,208	6,416	516
Sicoob Credinter	MG	100%	251,253	41,606	3,054	100%	216,005	35,082	6,463
Sicoob Guaranicredi	MG	100%	174,086	15,960	3,044	100%	156,226	14,650	1,167
Sicoob Agrocredi	MG	100%	1,022,118	218,502	19,680	100%	1,012,301	217,168	41,671
Sicoob Creditama	MG	100%	59,592	18,113	2,180	100%	58,850	16,430	1,852
Sicoob Credimil	MG	100%	161,330	31,691	3,273	100%	132,694	28,931	3,145
Sicoob Itapagipe	MG	100%	81,522	26,947	2,608	100%	75,444	25,498	1,963
Sicoob Crediuana	MG	100%	281,854	48,390	9,343	100%	234,211	41,170	9,228
Sicoob Credivag	MG	100%	115,740	25,744	1,263	100%	106,274	25,165	31
Sicoob Credipinho	MG	100%	113,418	19,382	637	100%	93,885	16,266	2,498
Sicoob Crediprata	MG	100%	173,374	32,742	5,267	100%	147,520	29,521	5,313
Sicoob Credicaf	MG	100%	356,341	58,192	9,062	100%	322,836	52,323	4,120
Sicoob Crediluz	MG	100%	153,457	20,593	3,628	100%	102,389	17,462	2,866
Sicoob Credimac	MG	100%	57,854	12,325	2,374	100%	55,751	10,847	1,738
Sicoob Montecredi	MG	100%	219,949	40,563	5,931	100%	193,580	37,170	7,083
Sicoob Credinor	MG	100%	337,437	56,143	9,179	100%	273,562	51,644	9,167
Sicoob União Central	MG	100%	175,788	30,604	1,846	100%	159,671	29,629	3,905
Sicoob Credipatos	MG	100%	470,907	69,768	17,006	100%	335,194	55,538	9,727
Sicoob Coopacredi	MG	100%	322,640	70,111	12,026	100%	273,294	58,498	13,554
Sicoob Credipel	MG	100%	112,625	17,710	1,214	100%	101,706	17,202	1,913
Sicoob Credipimenta	MG	100%	33,984	5,910	477	100%	28,466	5,935	63
Sicoob Credicoop	MG	100%	160,031	30,976	5,907	100%	135,700	28,357	3,497
Sicoob Credipéu	MG	100%	205,822	35,840	5,704	100%	176,477	32,570	4,511
Sicoob União	MG	100%	344,790	50,355	11,088	100%	270,513	40,328	9,101
Sicoob Sacramento	MG	100%	89,389	18,962	3,983	100%	63,291	16,410	3,094
Sicoob Credimonte	MG	100%	237,096	38,528	981	100%	191,704	38,925	5,376
Sicoob Credisales	MG	100%	38,745	10,805	269	100%	35,793	9,925	1,422
Sicoob São Gonçalo do Pará	MG	100%	-	-	476	100%	40,561	9,712	658
Sicoob Credivass	MG	100%	517,855	74,774	12,640	100%	416,457	68,630	9,173
Sicoob Nossocrédito	MG	100%	420,930	67,611	15,794	100%	369,421	53,096	15,339
Sicoob Crediverentes	MG	100%	409,598	69,197	(14,186)	100%	375,993	63,694	10,029
Sicoob Credisavi	MG	100%	-	-	(543)	100%	62,482	9,185	(288)
Sicoob Credisete	MG	100%	267,915	38,705	7,628	100%	233,450	33,887	4,512
Sicoob Creditiros	MG	100%	100,440	19,591	4,307	100%	85,401	18,108	3,176
Sicoob Copersul	MG	100%	156,084	25,477	2,101	100%	133,952	22,505	4,320
Sicoob Uberaba	MG	100%	156,641	25,455	2,342	100%	111,495	19,708	3,157
Sicoob Noroeste De Minas	MG	100%	293,792	62,065	7,100	100%	259,689	52,634	11,789
Sicoob Credivar	MG	100%	682,399	102,056	22,307	100%	500,096	89,452	19,825
Sicoob Credivaz	MG	100%	100,483	29,108	4,311	100%	103,090	26,161	3,184
Sicoob Credimata	MG	100%	219,175	36,392	1,111	100%	191,971	32,834	3,210
Sicoob Credcooper	MG	100%	300,205	43,928	6,036	100%	279,115	44,563	3,504
Sicoob Credirama	MG	100%	174,517	34,249	8,595	100%	145,258	28,287	5,950
Sicoob Credisa	MG	100%	351,499	73,977	10,903	100%	288,872	68,787	7,408
Sicoob Credinosso	MG	100%	29,940	7,644	601	100%	25,608	6,680	1,247
Sicoob Credifiemg	MG	100%	242,000	37,590	4,612	100%	171,072	25,870	4,504
Sicoob Saúde	MG	100%	64,101	8,453	413	100%	58,100	7,484	877
<b>Regional system Goiás</b>			<b>3,448,953</b>	<b>831,547</b>	<b>(8,422)</b>		<b>3,203,794</b>	<b>728,504</b>	<b>56,976</b>
Sicoob Goiás Central	GO	100%	795,785	112,022	337	100%	870,037	104,048	14,662
Sicoob Agrorural	GO	100%	399,171	122,619	6,882	100%	364,029	111,424	363
Sicoob Centro-Sul	GO	100%	127,944	31,179	463	100%	117,600	24,594	3,222
Sicoob do Vale	GO	100%	199,941	33,223	453	100%	142,863	28,045	1,190
Sicoob Palmeiras	GO	100%	113,095	47,934	4,347	100%	80,056	37,394	3,741
Sicoob Crediforte	GO	100%	-	-	(2,700)	100%	73,468	20,307	(1,929)
Sicoob Credisaúde	GO	100%	-	-	(684)	100%	46,489	13,098	1,658
Sicoob Credijur	GO	100%	133,925	43,141	1,463	100%	108,240	37,631	4,554
Sicoob Credicapa	GO	100%	106,794	25,270	1,308	100%	93,297	22,051	1,414
Sicoob Credipar	TO	100%	179,663	36,245	348	100%	187,717	41,387	240
Sicoob Credi-SGPA	GO	100%	351,920	73,852	(31,996)	100%	320,838	73,781	3,506
Sicoob Cerrado	GO	100%	66,227	16,763	647	100%	48,464	14,844	2,313
Sicoob do Vale Rio Crixás	GO	100%	37,014	12,896	781	100%	34,000	11,733	601
Sicoob Emprecred	GO	100%	131,551	44,660	(1,112)	100%	106,207	41,084	1,784
Sicoob Secovicred	GO	100%	402,876	101,472	5,258	100%	366,082	75,994	8,092
Sicoob Juriscredcelg	GO	100%	122,657	37,079	4,036	100%	109,752	28,958	6,157
Sicoob Credicer	GO	100%	48,527	16,955	768	100%	58,665	15,074	922
Sicoob Crediadag	GO	100%	231,865	76,237	977	100%	75,991	27,058	4,487
<b>Regional system SC/RS</b>			<b>23,796,806</b>	<b>2,951,652</b>	<b>447,439</b>		<b>22,006,856</b>	<b>2,655,944</b>	<b>343,954</b>
Sicoob Central SC/RS	SC	100%	6,934,975	374,339	25,094	100%	7,335,894	340,012	19,938

# Notes to the combined financial statements

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

	2019					2018			
	State	Ownership interest	Assets	Equity	Result	Ownership interest	Assets	Equity	Result
Sicoob Credicanoinhas/SC	SC	100%	624,919	92,119	25,414	100%	525,353	70,788	18,412
Sicoob Credial/SC	SC	100%	820,780	159,206	14,370	100%	708,429	143,943	13,870
Sicoob Credirio SC	SC	100%	312,205	26,007	2,151	100%	282,615	29,445	(2,213)
Sicoob Alto Vale	SC	100%	416,549	46,670	11,067	100%	356,346	37,148	6,615
Sicoob Credinorte	SC	100%	573,091	71,104	9,579	100%	459,419	65,180	12,759
Sicoob Creditaipu	SC	100%	770,387	167,098	15,444	100%	656,150	158,081	11,052
Sicoob Vale do Vinho	SC	100%	620,327	91,189	12,363	100%	512,918	86,697	11,562
Sicoob Caçador/SC	SC	100%	72,162	10,511	1,781	100%	59,073	9,373	1,063
Sicoob São Miguel SC	SC	100%	1,355,979	193,950	38,005	100%	1,193,526	167,108	28,700
Sicoob Valcredi Sul	SC	100%	349,050	53,390	5,777	100%	330,285	65,217	(13,367)
Sicoob - Crediauc/SC	SC	100%	976,509	134,773	16,500	100%	872,332	122,432	16,063
Sicoob Oestecredi	SC	100%	547,773	85,686	14,190	100%	490,643	76,287	15,560
Sicoob Maxicrédito	SC	100%	2,525,721	321,721	84,740	100%	2,141,598	261,056	62,944
Sicoob Credija	SC	100%	686,152	111,220	29,164	100%	609,446	98,425	24,251
Sicoob Campos Novos	SC	100%	274,185	41,702	4,145	100%	233,637	40,755	2,099
Sicoob Creditapiranga SC	SC	100%	378,165	45,278	2,259	100%	357,304	45,204	1,888
Sicoob Credisulca SC	SC	100%	843,684	147,274	31,217	100%	748,769	128,036	25,716
Sicoob Credimac SC	SC	100%	234,052	27,267	1,399	100%	207,692	26,108	2,185
Sicoob Original	SC	100%	420,902	54,450	6,704	100%	330,468	43,543	6,437
Sicoob Credivale/SC	SC	100%	472,642	54,044	4,734	100%	400,370	53,560	1,224
Sicoob/SC Canoas	SC	100%	100,683	22,381	24	100%	93,176	20,980	1,358
Sicoob Credicarú SC/RS	SC	100%	367,728	85,473	15,615	100%	315,668	75,287	14,166
Sicoob Crediplanalto SC/RS	SC	100%	393,065	60,065	11,338	100%	322,596	48,862	12,344
Sicoob Euro Vale	SC	100%	103,890	17,786	2,047	100%	93,705	15,587	704
Sicoob Crediserra SC	SC	100%	98,341	18,715	1,795	100%	84,094	16,852	1,681
Sicoob Credinião	SC	100%	54,555	8,742	946	100%	47,010	7,716	1,162
Sicoob-Crediarauçária/SC	SC	100%	144,743	22,109	4,341	100%	115,817	18,608	3,831
Sicoob Trentocredi SC	SC	100%	373,476	62,967	12,152	100%	341,039	58,612	6,099
Sicoob Multicredi	SC	100%	161,886	41,685	5,652	100%	131,094	35,153	5,570
Sicoob/SC Credisserrana	SC	100%	107,541	11,069	801	100%	100,582	11,376	482
Sicoob Credisc	SC	100%	131,497	20,332	4,915	100%	117,953	16,468	5,576
Sicoob - Transcredi	SC	100%	581,824	102,028	17,434	100%	529,287	97,737	8,696
Sicoob Creditran	SC	100%	43,422	11,390	1,050	100%	48,057	9,636	1,790
Credpom	SC	100%	66,726	9,927	1,064	100%	56,733	8,476	1,391
Sicoob Advocacia	SC	100%	307,597	41,219	8,660	100%	263,436	33,713	6,779
Sicoob Ecocredi	RS	100%	334,617	35,094	(3,488)	100%	304,359	39,803	182
Sicoob Cejascred	SC	100%	83,307	10,979	1,648	100%	72,409	9,730	2,170
Sicoob Porto Alegre	RS	100%	-	-	-	100%	29,776	4,578	432
Sicoob Cooperando	RS	100%	63,124	50,447	4,627	100%	61,217	49,407	2,449
Cruz Alta	RS	100%	68,576	10,246	721	100%	66,579	8,964	337
<b>Regional system São Paulo</b>			<b>20,913,805</b>	<b>3,827,398</b>	<b>247,634</b>		<b>18,941,234</b>	<b>3,418,513</b>	<b>231,753</b>
Sicoob SP	SP	100%	4,977,197	270,193	7,190	100%	4,423,074	256,984	13,909
Sicoob Coopecredi	SP	100%	1,272,167	187,527	23,266	100%	1,148,451	164,841	10,956
Sicoob Cocrealpa	SP	100%	354,883	65,326	6,638	100%	300,139	59,434	9,176
Sicoob Credicitrus	SP	100%	5,917,368	1,612,273	122,049	100%	5,725,768	1,493,362	83,735
Sicoob Credimota	SP	100%	199,814	38,639	6,799	100%	185,850	32,246	5,841
Sicoob Cooplivre	SP	100%	280,476	41,143	959	100%	255,422	35,014	8,090
Sicoob Crediguaçu	SP	100%	474,715	114,171	13,974	100%	408,689	98,893	18,111
Sicoob Credicocapec	SP	100%	427,732	95,665	4,319	100%	381,306	93,815	17,410
Sicoob Crediceripa	SP	100%	473,050	66,741	12,378	100%	447,199	52,923	10,162
Credicana	SP	100%	13,023	12,215	44	100%	-	-	-
Sicoob Coocrelivre	SP	100%	348,119	138,112	7,564	100%	296,810	128,888	13,006
Sicoob Cocre	SP	100%	651,944	115,878	15,228	100%	574,879	111,384	13,140
Sicoob Credivale	SP	100%	291,569	60,861	14,993	100%	250,745	49,260	11,779
Credicoonai	SP	100%	870,930	81,149	(33,746)	100%	907,916	176,213	(45,872)
Sicoob Cecres	SP	100%	205,336	150,691	1,050	100%	210,726	160,902	429
Sicoob Cocred	SP	100%	4,000,887	734,178	43,898	100%	3,282,663	464,302	58,960
Sicoob Coopcred	SP	100%	92,510	28,341	265	100%	87,674	26,596	1,197
Sicoob Credlíder	SP	100%	62,086	14,297	766	100%	53,923	13,455	1,726
<b>Regional system Norte</b>			<b>5,215,351</b>	<b>901,082</b>	<b>174,426</b>		<b>4,391,850</b>	<b>725,448</b>	<b>174,704</b>
Sicoob Norte	RO	100%	827,593	60,389	4,670	100%	832,752	43,264	4,438
Sicoob Credip	RO	100%	1,216,116	215,219	54,204	100%	1,031,207	165,922	51,095
Sicoob Ourocredi	RO	100%	193,321	46,905	6,205	100%	166,704	41,250	7,244
Sicoob Acre	AC	100%	46,844	19,712	2,118	100%	40,302	16,793	2,392
Sicoob Crediforte	RO	100%	-	-	-	100%	49,172	19,205	(4,809)
Sicoob Credjurd	RO	100%	87,637	26,622	7,017	100%	80,099	22,942	6,040
Sicoob Amazonia	RO	100%	458,223	117,915	2,162	100%	348,729	94,542	14,195

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

	2019					2018			
	State	Ownership interest	Assets	Equity	Result	Ownership interest	Assets	Equity	Result
Sicoob Portocredi	RO	100%	296,737	64,609	6,199	100%	233,994	49,332	8,915
Sicoob Credisul	RO	100%	1,610,972	256,310	76,740	100%	1,240,928	194,098	66,738
Sicoob Centro	RO	100%	459,942	89,625	14,517	100%	351,517	74,454	18,446
Sicoob Credempresas - AM	AM	100%	17,966	3,777	593	100%	16,445	3,645	12
<b>Regional system Planalto Central</b>			<b>2,079,446</b>	<b>553,733</b>	<b>51,953</b>		<b>4,504,189</b>	<b>1,037,994</b>	<b>142,830</b>
Sicoob Planalto Central	DF	100%	601,190	195,046	11,606	100%	826,849	195,980	19,824
Sicoob Executivo	DF	100%	109,174	26,218	3,921	100%	101,163	23,166	3,667
Sicoob Judiciário	DF	100%	124,437	23,829	4,008	100%	103,829	19,879	4,022
Sicoob Credijustra	DF	100%	250,312	44,655	9,347	100%	213,931	38,029	8,816
Sicoob Credibrasília	DF	100%	191,053	37,393	1,680	100%	204,983	32,927	211
Sicoob Crediembrapa	DF	100%	182,675	40,180	3,487	100%	160,674	37,257	807
Cooperforte	DF	100%	-	-	-	100%	2,337,439	523,248	84,892
Sicoob Cooperplan	DF	100%	29,854	7,145	795	100%	29,806	6,174	602
Sicoob Credfaz	DF	100%	218,411	90,508	5,993	100%	187,081	82,978	9,104
Sicoob Legislativo	DF	100%	57,886	15,386	2,168	100%	57,308	13,330	2,160
Sicoob Credsef	DF	100%	43,864	10,715	666	100%	40,374	9,897	501
Sicoob DFML	DF	100%	57,402	12,164	2,490	100%	44,758	9,430	2,484
Sicoob Empresarial	DF	100%	166,320	37,998	5,571	100%	149,315	32,409	4,151
Sicoob Credichapada	MG	100%	46,867	12,495	221	100%	46,679	13,291	1,589
<b>Regional system Cecremge</b>			<b>19,128,276</b>	<b>2,674,735</b>	<b>354,838</b>		<b>16,345,818</b>	<b>2,323,110</b>	<b>303,995</b>
Sicoob Central Cecremge	MG	100%	5,773,796	252,750	3,899	100%	5,257,366	206,620	15,013
Sicoob Credipontal	MG	100%	580,118	71,442	7,863	100%	508,831	67,883	8,131
Sicoob Credirural	MG	100%	238,091	32,241	4,417	100%	228,061	29,612	5,023
Sicoob Saromcredi	MG	100%	289,939	45,437	9,176	100%	250,301	40,239	5,710
Sicoob Creditril	MG	100%	293,137	47,766	4,468	100%	252,020	42,869	4,238
Sicoob Credileite	MG	100%	57,166	8,430	1,835	100%	46,262	6,981	(875)
Sicoob Credicom	MG	100%	3,009,055	435,497	56,370	100%	2,567,328	361,768	42,525
Sicoob Cofal	MG	100%	202,948	43,280	5,354	100%	177,530	41,013	5,438
Sicoob Arcomcredi	MG	100%	40,650	7,013	869	100%	34,498	6,355	873
Sicoob Divicred	MG	100%	451,337	58,073	12,265	100%	355,680	50,618	8,458
Sicoob Credivale	MG	100%	11,629	5,792	401	100%	10,348	5,971	171
Sicoob Credicopa	MG	100%	444,668	105,168	12,220	100%	355,892	92,543	13,857
Sicoob Ascicred	MG	100%	244,925	33,732	8,766	100%	218,975	28,817	8,801
Sicoob Vale do Aço	MG	100%	210,896	53,880	3,701	100%	203,766	46,861	2,245
Sicoob AC Credi	MG	100%	190,594	39,748	9,762	100%	166,548	35,387	3,557
Sicoob Coocrez	MG	100%	61,833	23,017	2,301	100%	53,015	21,716	1,485
Cecref	MG	100%	55,361	24,060	752	100%	55,921	22,096	731
Sicoob Cecremec	MG	100%	11,244	7,277	416	100%	10,957	7,239	298
Sicoob Coopsef	MG	100%	222,322	77,104	8,719	100%	215,681	73,389	9,315
Sicoob Copjus	MG	100%	167,607	59,184	4,318	100%	150,932	55,776	1,985
Sicoob Nossacoop	MG	100%	324,692	35,175	5,229	100%	198,107	32,177	3,709
Sicoob Creditável	MG	100%	41,014	7,629	910	100%	34,815	7,288	1,078
Sicoob Credesp	MG	100%	153,201	20,160	3,070	100%	126,733	21,272	659
Sicoob Centro-Oeste	MG	100%	436,418	83,568	10,278	100%	367,206	73,992	8,332
Sicoob Credicem	MG	100%	177,442	21,862	4,685	100%	126,479	16,133	3,763
Sicoob Acicredi	MG	100%	37,094	6,868	474	100%	27,562	6,200	963
Sicoob Cosmipa	MG	100%	107,466	56,467	4,047	100%	91,934	49,711	3,915
Sicoob Cosemi	MG	100%	8,995	7,007	284	100%	8,595	7,017	514
Sicoob Credimepi	MG	100%	590,588	84,236	16,728	100%	424,566	68,171	14,347
Sicoob Credibelgo	MG	100%	-	-	158	100%	4,910	4,304	30
Sicoob Lagoacred Gerais	MG	100%	280,420	42,352	9,321	100%	229,776	33,466	8,195
Sicoob Credinova	MG	100%	303,447	53,087	5,340	100%	260,302	45,646	5,914
Coopaço	MG	100%	16,584	13,390	295	100%	15,969	13,312	207
Sicoob Credigerais	MG	100%	336,207	87,594	16,602	100%	283,077	75,535	13,160
Sicoob Paraisocred	MG	100%	84,714	14,414	2,284	100%	82,077	13,427	2,406
Coopertim	MG	100%	10,210	8,979	2,138	100%	7,720	6,677	768
Sicoob Copesita	MG	100%	44,524	17,781	1,813	100%	43,557	16,152	1,381
Sicoob Credimed	MG	100%	29,272	9,503	492	100%	30,597	8,589	902
Sicoob Triângulo	MG	100%	15,981	7,248	(211)	100%	11,013	7,487	362
Sicoob Sertão Minas	MG	100%	64,667	11,400	1,674	100%	46,014	8,953	1,769
Sicoob Credimontes	MG	100%	59,792	13,524	44	100%	56,390	12,899	2,577
Credfenas	MG	100%	31,096	2,948	(316)	100%	26,879	3,101	207
Sicoob Coopcredi	MG	100%	44,311	9,123	460	100%	41,090	8,450	519
Sicoob Copermec	MG	100%	400,124	71,182	14,673	100%	327,287	57,421	9,309
Sicoob Coopemata	MG	100%	538,204	86,206	26,652	100%	333,014	66,661	23,999
Sicoob Engecred	MG	100%	-	-	(798)	100%	100,297	16,943	1,421
Credisam	MG	100%	8,678	7,729	241	100%	8,168	7,092	199

# Notes to the combined financial statements

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

	2019					2018			
	State	Ownership interest	Assets	Equity	Result	Ownership interest	Assets	Equity	Result
Sicoob Ufvcredi	MG	100%	69,304	26,002	2,626	100%	59,350	23,641	2,347
Coopoços	MG	100%	9,463	6,275	798	100%	8,961	5,546	761
Sicoob Crediserv	MG	100%	27,266	14,360	277	100%	24,955	13,344	504
Sicoob Coopemg	MG	100%	194,339	23,982	8,356	100%	114,885	15,250	4,571
Sicoob Aracoop	MG	100%	1,107,568	160,250	27,262	100%	838,929	125,032	25,695
Sicoob Jus-Mp	MG	100%	264,301	44,327	7,357	100%	209,688	37,217	5,574
Sicoob Coopercorreios	MG	100%	64,496	24,202	701	100%	57,974	23,037	781
Sicoob Credpit	MG	100%	117,171	15,266	4,152	100%	97,416	12,799	1,572
Sicoob Sul de Minas	MG	100%	73,927	11,773	3,984	100%	59,035	8,234	3,802
Sicoob Credileste	MG	100%	160,105	37,056	6,733	100%	133,749	34,471	3,594
Sicoob Credialto	MG	100%	145,802	24,229	1,324	100%	137,017	22,761	1,697
Cecrem	MG	100%	6,847	6,480	144	100%	7,083	6,772	96
Sicoob Credjus	MG	100%	63,610	27,937	3,756	100%	55,599	23,540	3,196
Cooptek	MG	100%	17,480	16,952	600	100%	16,939	16,505	566
Coopsesp	MG	100%	8,107	6,382	42	100%	7,238	5,898	(105)
Tupicred	MG	100%	1,847	1,683	94	100%	1,803	1,623	93
Sicoob Cooppecic	MG	100%	5,943	5,015	171	100%	6,057	5,440	329
Sicoob Secovicred MG	MG	100%	88,243	12,242	2,024	100%	75,093	10,172	1,342
<b>Regional system Cecresp</b>			<b>5,899,418</b>	<b>2,108,204</b>	<b>113,282</b>		<b>5,952,576</b>	<b>2,256,645</b>	<b>128,635</b>
Sicoob Central Cecresp	SP	100%	1,629,743	135,870	3,763	100%	1,654,948	127,850	7,269
Sicoob Cred Copercana	SP	100%	51,699	19,655	453	100%	45,772	17,658	546
Sicoob Credsaúde	SP	100%	11,095	2,736	227	100%	11,576	2,643	501
Coopluzia	SP	100%	17,102	14,797	1,024	100%	12,423	11,084	643
Credirhodia	SP	100%	13,807	9,671	60	100%	14,205	10,316	5
Coopemesp	SP	100%	26,357	17,193	316	100%	24,835	16,660	72
Coopmil	SP	100%	292,347	142,177	4,159	100%	297,060	147,804	4,127
Coofer	SP	100%	-	-	-	100%	7,198	6,917	82
Sicoob Credimogiana	SP	100%	266,232	33,952	3,009	100%	233,171	24,523	4,533
Sicoob Coopercredi - SP	SP	100%	93,360	66,229	678	100%	97,769	73,460	1,592
Copercred	SP	100%	16,183	12,921	69	100%	17,564	13,439	259
Sicoob Credmetal	SP	100%	17,477	12,289	64	100%	14,844	12,657	88
Sicoob Cantareira	SP	100%	-	-	-	100%	19,677	4,327	(24)
Sicoob Circuito das Águas	SP	100%	45,653	7,883	(147)	100%	37,331	6,659	723
Sicoob Cressem	SP	100%	192,992	150,616	9,168	100%	196,685	157,151	11,967
Sicoob Cred Acif	SP	100%	186,214	22,597	3,000	100%	147,291	18,335	4,750
Copermed de Jaboticabal	SP	100%	-	-	(45)	100%	13,154	2,228	63
Sicoob Cooptransp	SP	100%	17,795	11,438	(751)	100%	19,657	12,988	406
Sicoob Credçucar	SP	100%	110,627	13,392	1,620	100%	108,736	11,424	869
Magiscred	SP	100%	87,282	15,880	(1,110)	100%	86,994	17,110	(1,560)
Sicoob Crediconsumo	SP	100%	44,989	22,425	(1,133)	100%	47,044	20,985	724
Ouricred	SP	100%	95,686	14,228	1,966	100%	85,072	12,381	2,227
Sicoob Crediacisc	SP	100%	25,526	3,808	183	100%	20,830	3,442	182
Crediprodesp	SP	100%	20,584	20,395	129	100%	20,742	20,100	704
Sicoob Credicor/SP	SP	100%	40,497	7,479	1,645	100%	36,315	6,222	964
Cooperserv	SP	100%	-	-	-	100%	1,173	1,014	66
Sicoob Grande ABC	SP	100%	21,549	4,829	2	100%	22,123	5,358	(466)
Sicoob Cooperac	SP	100%	83,713	13,796	480	100%	62,172	11,494	1,920
Sicoob Crediacil	SP	100%	94,177	12,192	4,166	100%	85,379	11,721	3,619
Sicoob Credceg	SP	100%	304,850	65,310	11,127	100%	273,116	54,916	14,477
Sicoob Cred-Aci	SP	100%	28,474	5,680	372	100%	26,310	4,473	585
Judcred	SP	100%	5,790	3,290	255	100%	5,263	2,937	454
Sicoob Cred-Acilpa	SP	100%	16,144	5,422	681	100%	12,890	4,739	618
Sicoob	SP	100%	84,017	14,347	1,482	100%	48,144	8,465	455
Metalcred da Grande São Paulo	SP	100%	49,225	43,968	877	100%	38,059	32,761	2,001
Sicoob Crediacirc	SP	100%	-	-	491	100%	51,315	12,387	1,644
Sicoob Acicred	SP	100%	41,060	8,149	762	100%	37,742	7,076	726
Sicoob Cooperace	SP	100%	27,480	8,289	269	100%	28,696	7,082	297
Sicoob Cooperaso	SP	100%	38,065	13,176	528	100%	30,721	11,827	243
Sicoob Paulista	SP	100%	273,128	40,268	1,481	100%	201,333	21,823	3,587
Sicoob Coopara	SP	100%	-	-	-	100%	18,688	6,535	130
Sicoob Cecresa	SP	100%	11,218	9,001	77	100%	11,091	9,380	133
Promocred	SP	100%	-	-	-	100%	14,737	10,756	(297)
Cooperserv	SP	100%	35,999	13,133	1,752	100%	25,707	11,558	1,472
Cosae	SP	100%	-	-	(592)	100%	6,614	4,062	25
Barracred Cosan	SP	100%	135,597	120,101	16,801	100%	126,013	110,785	8,173
Crediprodam	SP	100%	7,105	7,145	3	100%	7,236	7,258	1
Nossa Terra	SP	100%	14,291	13,996	189	100%	15,779	14,706	604



# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

	2019					2018			
	State	Ownership interest	Assets	Equity	Result	Ownership interest	Assets	Equity	Result
Coopercredi Fleury	SP	100%	10,148	10,076	80	100%	10,266	10,240	106
Sicoob Coopermapi	SP	100%	6,107	2,330	(227)	100%	5,982	3,428	(127)
Cooperacs-SP	SP	100%	-	-	-	100%	3,514	2,859	(769)
Cooperemb	SP	100%	408,126	340,138	18,825	100%	396,787	324,166	20,360
Coopincor	SP	100%	29,804	27,742	1,044	100%	27,730	25,849	853
Crediafam	SP	100%	-	-	169	100%	7,937	7,798	2
Sicoob Santa	SP	100%	34,093	30,639	151	100%	32,704	28,169	690
Coocresb	SP	100%	4,850	2,754	30	100%	3,931	2,782	54
Crediacbc	SP	100%	35,789	25,233	895	100%	33,792	24,340	817
Cred Serv	SP	100%	14,439	14,061	1,016	100%	13,189	12,941	837
Sicoob Cooperfac	SP	100%	-	-	241	100%	6,538	6,014	291
Cooper Vera Cruz	SP	100%	7,881	7,494	198	100%	8,230	8,096	193
Cooperparques	SP	100%	-	-	(35)	100%	1,143	1,011	(158)
Sicoob Cooper 7	SP	100%	12,940	11,520	1,369	100%	11,837	11,091	1,183
Cooperalesp	SP	100%	-	-	987	100%	17,668	16,547	1,050
Avibras	SP	100%	-	-	534	100%	9,759	9,630	334
Usagro	SP	100%	12,822	11,497	494	100%	11,247	10,052	351
Coopernitro	SP	100%	-	-	170	100%	6,990	7,106	11
Coopervale	SP	100%	12,216	11,369	361	100%	13,218	12,684	712
Cooper-Sekurit	SP	100%	-	-	305	100%	7,214	6,235	281
Coopowens	SP	100%	-	-	-	100%	7,860	4,889	99
Piloncred	SP	100%	2,764	2,645	120	100%	2,498	2,373	89
Sicoob Pilkington	SP	100%	9,231	8,937	494	100%	8,807	8,530	589
Selene	SP	100%	3,167	3,015	129	100%	2,893	2,761	111
Cooperpak	SP	100%	22,961	21,276	1,887	100%	21,395	20,470	1,821
Credi-Camda	SP	100%	5,376	4,862	322	100%	4,721	4,283	286
Cooperplascar	SP	100%	-	-	-	100%	6,280	5,944	310
Coopriclan	SP	100%	-	-	-	100%	6,165	5,715	252
Coopermsd	SP	100%	12,888	12,884	257	100%	12,230	12,199	161
Cooperjs	SP	100%	2,464	2,427	(8)	100%	2,488	2,391	119
Crediscoop	SP	100%	-	-	(33)	100%	5,632	2,236	(226)
Crediunifi	SP	100%	-	-	-	100%	1,416	1,294	-
Grupo Ppg	SP	100%	-	-	-	100%	2,106	2,140	1
Owens-Illinois	SP	100%	-	-	-	100%	19,287	19,233	(71)
Empresas Itau	SP	100%	-	-	200	100%	6,908	6,651	101
Itapira	SP	100%	-	-	418	100%	9,678	8,964	319
Eaton Valinhos	SP	100%	10,962	10,420	(53)	100%	7,913	7,156	244
Credi Nestlé	SP	100%	70,748	69,996	2,612	100%	67,105	65,798	3,133
Coopaz	SP	100%	-	-	-	100%	12,318	11,860	192
Coopertel	SP	100%	-	-	57	100%	7,518	7,313	70
Mondelez	SP	100%	43,198	41,865	734	100%	41,945	40,291	1,170
Cofasa	SP	100%	3,712	3,616	56	100%	3,806	3,709	83
SKF	SP	100%	12,739	12,853	237	100%	12,681	12,658	468
Cooperfeis	SP	100%	-	-	150	100%	6,624	6,637	109
Usired	SP	100%	98,526	94,636	1,629	100%	91,154	86,908	1,514
Morlan	SP	100%	7,552	7,015	518	100%	6,982	6,501	443
Melhoramentos	SP	100%	-	-	-	100%	8,683	8,718	8
Confab	SP	100%	11,879	11,575	188	100%	11,654	11,161	341
Crediaços	SP	100%	9,725	9,273	36	100%	10,119	9,407	223
Elgin	SP	100%	5,511	5,140	283	100%	4,978	4,709	270
Cooperalpina	SP	100%	-	-	248	100%	4,245	4,181	342
Credicebrace	SP	100%	-	-	618	100%	16,172	15,140	658
Parker Hannifin	SP	100%	-	-	83	100%	6,039	5,667	71
Metalcoopercred	SP	100%	11,787	11,289	102	100%	10,837	10,431	480
Coopaspacer	SP	100%	-	-	37	100%	3,746	1,362	(116)
Coop Akzonobel	SP	100%	-	-	-	100%	7,430	7,191	4
Credirhodia Paulínea	SP	100%	16,196	16,187	253	100%	16,646	16,657	308
Credieaton	SP	100%	-	-	53	100%	2,898	2,874	1
Colorado	SP	100%	25,334	23,317	1,716	100%	22,233	21,248	1,789
Bombril	SP	100%	-	-	-	100%	10,631	10,172	200
Novelis	SP	100%	11,537	11,101	402	100%	11,016	10,450	662
Credmil	SP	100%	2,618	1,604	97	100%	2,454	1,544	40
Coopertrem	SP	100%	8,929	8,894	1	100%	8,868	8,887	62
Crediaços Mogi	SP	100%	-	-	-	100%	-	-	44
Coopertakatapetri	SP	100%	-	-	1,181	100%	16,562	15,967	1,509
Coopunesp	SP	100%	-	-	-	100%	4,111	3,207	54
Monsanto	SP	100%	-	-	82	100%	6,121	5,904	2

# Notes to the combined financial statements

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

	2019				2018				
	State	Ownership interest	Assets	Equity	Result	Ownership interest	Assets	Equity	Result
Villares Metals	SP	100%	19,149	18,443	641	100%	17,473	17,433	646
Coopmwm Internacional	SP	100%	-	-	360	100%	12,004	11,431	241
Sicoob Credsaopaulo	SP	100%	306,124	40,358	1,022	100%	308,372	31,487	159
<b>Regional system Nordeste</b>			<b>1,573,302</b>	<b>328,450</b>	<b>34,656</b>		<b>1,303,793</b>	<b>293,334</b>	<b>35,945</b>
Sicoob Central NE	PB	100%	322,571	32,261	20	100%	247,069	26,809	146
Sicoob Ceará	CE	100%	58,528	13,725	1,974	100%	44,607	11,952	1,608
Sicoob Centro Nordeste	PB	100%	34,121	15,877	949	100%	32,300	15,268	965
Sicoob Leste	AL	100%	94,108	34,020	4,992	100%	73,079	31,249	4,027
Sicoob Coopercret	PB	100%	28,138	8,396	437	100%	23,892	7,710	581
Sicoob Potiguar	RN	100%	37,785	8,321	1,217	100%	31,191	6,788	50
União Paraibana	PB	100%	-	-	(704)	100%	32,622	8,405	(46)
Sicoob Pernambuco	PE	100%	200,485	32,689	2,554	100%	160,607	32,196	1,904
Sicoob Piauí	PI	100%	43,861	6,876	506	100%	30,093	6,446	(199)
Sicoob Centro Leste Maranhense	MA	100%	120,153	33,142	2,127	100%	89,468	26,732	3,735
Sicoob Oeste Maranhense	MA	100%	59,333	13,585	1,132	100%	53,053	11,713	1,375
Sicoob Paraíba	PB	100%	370,689	84,718	15,692	100%	267,199	67,295	20,132
Sicoob Empresarial	MA	100%	-	-	-	100%	11,773	4,497	(1,039)
Sicoob Sul Maranhense	MA	100%	29,701	3,306	346	100%	18,527	2,332	251
Sicoob Rio Grande Do Norte	RN	100%	173,828	41,536	3,415	100%	188,315	33,942	2,455
<b>Regional system Rondon</b>			<b>1,653,620</b>	<b>283,082</b>	<b>14,889</b>		<b>1,295,867</b>	<b>174,445</b>	<b>10,970</b>
Sicoob Central Rondon	MT	100%	270,311	36,859	50	100%	298,570	30,896	78
Sicoob União MT/MS	MT	100%	348,194	46,644	1,971	100%	313,243	40,748	723
Sicoob Primavera MT	MT	100%	240,038	35,387	3,047	100%	181,922	22,830	2,002
Sicoob Cerrado MT	MT	100%	106,899	19,070	1,110	100%	94,916	16,213	472
Sicoob Ipê	MS	100%	48,091	4,248	662	100%	20,904	2,197	237
Sicoob Integração	MT	100%	277,849	63,604	1,843	100%	215,065	37,533	1,731
Sicoob Centro Sul MS	MS	100%	74,627	15,452	1,621	100%	68,577	11,030	5,000
Sicoob Norte MT	MT	100%	155,904	25,099	3,133	100%	94,227	12,015	1,169
Sicoob Fronteiras	RO	100%	131,707	36,720	1,452	100%	-	-	-
Sicoob Aliança MS	MS	100%	-	-	-	100%	8,443	983	(441)
<b>Regional system Unicoob</b>			<b>8,695,218</b>	<b>1,109,327</b>	<b>128,801</b>		<b>8,007,027</b>	<b>938,661</b>	<b>113,750</b>
Sicoob Central Unicoob	PR	100%	1,723,411	126,223	423	100%	1,938,485	114,276	3,443
Sicoob Cooesa	PA	100%	56,262	13,138	1,065	100%	39,837	12,230	1,015
Coimppa	PA	100%	94,050	57,559	4,421	100%	87,577	55,627	3,700
Sicoob Unidas	PA	100%	57,858	19,616		100%	40,922	19,097	190
Sicoob Metropolitano	PR	100%	1,563,063	195,009	34,339	100%	1,428,614	161,609	25,719
Sicoob Vale Sul	PR	100%	521,919	63,508	9,484	100%	445,618	64,434	3,058
Sicoob Três Fronteiras	PR	100%	232,612	29,657	7,377	100%	211,985	26,263	5,049
Sicoob Unicoob Meridional	PR	100%	559,734	71,754	9,401	100%	482,553	60,135	9,585
Sicoob Ouro Verde	PR	100%	1,012,139	159,256	14,861	100%	869,801	104,088	11,055
Sicoob Unicoob Ouro Branco	PR	100%	254,087	35,287	(1,515)	100%	216,893	38,239	5,283
Sicoob Sul	PR	100%	639,381	74,885	16,168	100%	570,575	63,786	13,558
Sicoob Credicapital	PR	100%	616,311	71,087	6,915	100%	538,441	59,115	7,848
Sicoob Aliança	PR	100%	308,640	55,874	9,690	100%	274,215	45,038	8,825
Sicoob Arenito	PR	100%	300,805	34,960	6,071	100%	212,513	23,930	4,595
Sicoob Marechal	PR	100%	88,874	13,382	1,199	100%	86,307	11,729	331
Sicoob Unicoob Integrado	PR	100%	347,069	38,236	4,618	100%	279,463	30,751	5,344
Sicoob Horizonte	PR	100%	94,924	16,918	72	100%	87,789	18,753	1,338
Sicoob Médio Oeste	PR	100%	161,718	22,116	3,741	100%	131,601	17,702	2,752
Sicoob Amapa	AP	100%	-	-	-	100%	27,394	4,082	
Sicoob Transamazônica	PA	100%	62,359	10,863	471	100%	36,444	7,776	1,065
<b>Regional system Unimais</b>			<b>1,667,102</b>	<b>183,825</b>	<b>15,123</b>		<b>1,723,351</b>	<b>171,790</b>	<b>13,378</b>
Sicoob Unimais	SP	100%	498,780	28,467	150	100%	582,477	25,489	122
Sicoob Unimais Mantiqueira	SP	100%	347,826	45,749	6,772	100%	320,303	35,699	1,215
Unimais Centro Leste Paulista	SP	100%	255,796	34,635	4,467	100%	224,561	32,390	3,995
Unimais Norte Paulista	SP	100%	-	-	-	100%	38,257	4,927	(400)
Unimais Metropolitana	SP	100%	564,701	74,973	3,734	100%	557,753	73,285	11,347
Unimais Centro Paulista	SP	100%	-	-	-	100%	-	-	(945)
Unimais Sudeste Paulista	SP	100%	-	-	-	100%	-	-	(1,957)
<b>Regional system Uni</b>			<b>11,616,268</b>	<b>2,289,141</b>	<b>220,936</b>		<b>10,151,008</b>	<b>1,997,916</b>	<b>258,016</b>
Sicoob Uni	GO	100%	3,188,344	151,218	3,690	100%	2,865,822	103,073	3,250
Sicoob Credi-Rural	GO	100%	1,450,813	491,548	65,155	100%	1,253,238	423,719	59,410
Sicoob Coopercred	GO	100%	268,143	108,193	4,616	100%	283,953	105,990	6,177
Sicoob Mineiros	GO	100%	363,729	182,152	17,102	100%	326,702	158,195	24,618
Sicoob Credigoias	GO	100%	140,573	93,718	(17,365)	100%	153,554	103,133	1,332
Sicoob Goiânia	GO	100%	236,765	38,822	2,667	100%	129,413	33,665	3,238
Sicoob Credseguro	GO	100%	330,483	123,614	6,379	100%	299,639	110,005	12,621

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

	2019					2018			
	State	Ownership interest	Assets	Equity	Result	Ownership interest	Assets	Equity	Result
Sicoob Engecred-Go	GO	100%	944,062	215,204	23,064	100%	717,255	181,800	19,502
Sicoob Lajiced	GO	100%	121,475	30,552	881	100%	89,354	23,419	2,247
Sicoob Credi Comigo	GO	100%	18,939	12,943	747	100%	19,747	12,196	1,113
Sicoob Empresarial	GO	100%	113,018	24,574	5,116	100%	88,169	18,469	3,819
Sicoob Cooprem	GO	100%	44,209	11,880	1,816	100%	37,848	9,612	679
Sicoob Unicentro Brasileira	GO	100%	2,636,567	480,698	57,225	100%	2,533,504	455,195	85,940
Sicoob Uniam	AM	100%	139,583	48,249	8,000	100%	123,247	41,579	1,011
Sicoob Unisaúde Goiás	GO	100%	214,203	38,273	6,621	100%	157,027	30,964	4,793
Sicoob Unirondônia	RO	100%	223,114	34,245	4,581	100%	183,624	28,634	3,782
Sicoob Unicentro Norte Goiano	GO	100%	637,290	117,934	17,554	100%	437,601	92,096	17,285
Sicoob Roraima	RR	100%	24,864	8,003	1,332	100%	22,598	6,663	1,119
Sicoob Unirbo	AC	100%	134,845	26,530	5,046	100%	112,698	22,093	3,427
Sicoob Unigarulhos	SP	100%	107,343	18,322	1,001	100%	108,047	14,435	(1,158)
Medcred Ribeirão Preto	SP	100%	35,327	4,275	70	100%	-	-	-
Sicoob Uni Sudeste	MG	100%	242,580	28,194	5,637	100%	207,967	22,982	3,811
<b>Regional system Rio</b>			<b>1,946,523</b>	<b>309,111</b>	<b>10,787</b>		<b>1,882,810</b>	<b>293,997</b>	<b>15,615</b>
Sicoob Central Rio	RJ	100%	638,862	43,065	230	100%	642,653	40,825	857
Sicoob Servidores	ES	100%	75,627	28,786	1,313	100%	71,593	26,338	942
Sicoob Cecremef	RJ	100%	457,025	57,692	(3,428)	100%	467,791	62,235	1,605
Sicoob Coopjustiça	RJ	100%	165,710	67,871	6,400	100%	142,189	61,151	4,654
Sicoob Fluminense	RJ	100%	165,717	37,150	1,589	100%	142,616	32,830	826
Sicoob Coopvale	RJ	100%	24,374	8,682	941	100%	24,245	7,542	1,004
Sicoob Credicor/RJ	RJ	100%	25,304	6,373	(221)	100%	22,455	7,435	(168)
Sicoob Empresas RJ	RJ	100%	81,535	14,053	1,709	100%	69,675	13,262	2,116
Sicoob Coomperj	RJ	100%	312,369	45,439	2,254	100%	299,593	42,378	3,779
<b>Investment Funds</b>			<b>3,155,242</b>	<b>3,074,814</b>	<b>159,496</b>		<b>3,760,464</b>	<b>3,633,345</b>	<b>216,908</b>
Minascoop FI - RF - CP	DF	100%	26,299	25,706	1,522	100%	36,755	35,607	2,473
Bancoob Centralização FI - RF - CP	DF	100%	1,597,562	1,562,086	71,499	100%	1,763,828	1,726,985	69,360
Sicoob Institucional FI - RF - CP	DF	100%	1,467,571	1,426,874	78,742	100%	1,066,162	1,035,918	52,755
Sicoob Previdenciário FI - RF - IMA-B	DF	100%	25,316	23,803	4,562	100%	19,916	17,701	2,444
Sicoob Agências FI - Imobiliário	DF	100%	33,064	31,255	2,708	100%	27,113	25,863	2,047
Sicoob Açôes FI	DF	100%	3,593	3,291	427	100%	-	-	-
Sicoob Multimercado FI	DF	100%	1,836	1,800	35	100%	-	-	-
Sicoob Unimais FI - Renda Fixa - CP	DF	100%	-	-	244	100%	18,433	17,399	2,262
Sicoob Cocred FI - RF - CP	DF	100%	-	-	99	100%	4,071	3,963	224
Sicoob Cocred FI - Multimercado - CP	SP	100%	-	-	865	100%	35,644	10,494	26,680
Coopmutuo FI - Multimercado - CP	DF	100%	-	-	-	100%	291,508	278,088	29,475
BB Forte FI - RF - LP - CP	DF	100%	-	-	-	100%	342,225	331,445	19,514
FI Caixa Sustentabilidade RF - CP	DF	100%	-	-	-	100%	154,809	149,882	9,674
<b>Total</b>			<b>200,502,580</b>	<b>29,175,137</b>	<b>2,760,802</b>		<b>186,169,360</b>	<b>27,611,840</b>	<b>2,998,413</b>

# Notes to the combined financial statements

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### i. Merger of credit unions

The credit unions merged in the year are listed below:

#### • 2019

System	Merged credit union	System	Merging credit union
Sicoob BA	Sicoob Copelba	Sicoob BA	Sicoob Coopere
Sicoob BA	Sicoob Bonfim	Sicoob BA	Sicoob Sertão
Sicoob Crediminas	Sicoob São Gonçalo do Pará	Sicoob Crediminas	Sicoob Carmocredi
Sicoob Crediminas	Sicoob Credisavi	Sicoob Crediminas	Sicoob Credicarmominas
Sicoob Goiás	Sicoob Crediforte	Sicoob Goiás	Sicoob Crediadag
Sicoob Goiás	Sicoob Credisaúde	Sicoob Goiás	Sicoob Crediadag
Sicoob SC/RS	Sicoob Porto Alegre	Sicoob SC/RS	Sicoob Vale do Vinho
Sicoob SP	Unimais Norte Paulista	Sicoob SP	Sicoob Credicitrus
Sicoob Norte	Sicoob Crediforte	Sicoob Norte	Sicoob Amazonia
Sicoob Cecresp	Copermed de Jaboticabal	Sicoob Cecresp	Sicoob Centro Leste Maranhense
Sicoob Cecresp	Sicoob Crediaticirc	Sicoob Cecresp	Sicoob Paulista
Sicoob Cecresp	Sicoob Coopara	Sicoob Cecresp	Sicoob
Sicoob Cecresp	Cosae	Sicoob Cecresp	Sicoob Credsapaulo
Sicoob Cecresp	Parker Hannifin	Sicoob Cecresp	Sicoob Credsapaulo
Sicoob NE	Sicoob Empresarial	Sicoob NE	Sicoob Centro Leste Maranhense
Sicoob Rondon	Sicoob Aliança MS	Sicoob Rondon	Sicoob Ipê
Sicoob Unicoob	Sicoob Cantareira	Sicoob Unicoob	Sicoob Metropolitano
Sicoob Unicoob	Sicoob Amapa	Sicoob Unicoob	Sicoob Ouro Verde
Sicoob Uni	Sicoob Engecred	Sicoob Uni	Sicoob Engecred-GO

#### • 2018

System	Merged credit union	System	Merging credit union
Sicoob Crediminas	Sicoob Credicentro	Sicoob Crediminas	Sicoob Crediparaopeba
Sicoob Norte	Sicoob Manaus	Sicoob Norte	Sicoob Vale do Jamari
Sicoob Planalto Central	Sicoob Credilojista	Sicoob Planalto Central	Sicoob Credfaz Servidor Federal
Sicoob Cecremge	Sicoob Cred UFU	Sicoob Cecremge	Sicoob Aracoop
Sicoob Cecresp	Coopermeta	Sicoob Cecresp	Sicoob Cooperaso
Sicoob Cecresp	Cooperceres	Sicoob Cecresp	Sicoob Coopercredi - SP
Sicoob Cecresp	Cooprioclaro	Sicoob Cecresp	Sicoob Crediaticirc
Sicoob Cecresp	Sicoob Alcatel	Sicoob Cecresp	Metalcred da Grande São Paulo
Sicoob NE	Sicoob Litoral Paraibano	Sicoob NE	Creds
Sicoob Unicoob	Sicoob Crediaticiprev	Sicoob Unicoob	Sicoob Metropolitano
Sicoob Uni	Sicoob Cbcred	Sicoob Uni	Sicoob Unirbo
Sicoob Uni	Grancred Noroeste Paulista	Sicoob Uni	Sicoob Unicentro Brasileira
Sicoob Uni	Unimais Bandeirante	Sicoob Uni	Sicoob Unicentro Brasileira
Sicoob Rio	Cecmesb-ES	Sicoob Rio	Sicoob Servidores
Sicoob Rio	Sicoob Cremendes	Sicoob Rio	Sicoob Fluminense

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## d. Eliminations between Sicoob's entities

Combined balance sheets	2019			2018		
	Aggregate	Eliminations	Combined	Aggregate	Eliminations	Combined
<b>Current and non-current assets</b>	<b>200,502,580</b>	<b>(83,241,154)</b>	<b>117,261,426</b>	<b>186,169,360</b>	<b>(81,630,984)</b>	<b>104,538,376</b>
Available funds	1,374,752	(1,577)	1,373,175	912,158	(152)	912,006
Short-term interbank investments	41,693,682	(29,829,190)	11,864,492	47,302,758	(30,120,530)	17,182,228
Marketable securities and derivative financial instruments	38,167,647	(10,251,575)	27,916,072	31,710,866	(10,730,872)	20,979,994
Interbank accounts	42,059,559	(37,333,400)	4,726,159	40,782,790	(36,098,176)	4,684,614
Interdepartmental accounts	1,433	-	1,433	18,718	-	18,718
Lending operations	62,875,374	(1,568,874)	61,306,500	52,736,829	(827,784)	51,909,044
Other receivables	6,235,544	(195,331)	6,040,213	5,602,890	(231,925)	5,370,965
Other assets	1,400,201	-	1,400,201	1,221,682	-	1,221,683
Investments	4,596,079	(4,061,207)	534,872	4,117,142	(3,621,545)	495,598
Property and equipment in use	2,055,925	-	2,055,925	1,702,564	-	1,702,565
Intangible assets	42,384	-	42,384	60,961	-	60,961
<b>Total assets</b>	<b>200,502,580</b>	<b>(83,241,154)</b>	<b>117,261,426</b>	<b>186,169,360</b>	<b>(81,630,984)</b>	<b>104,538,376</b>
<b>Current and non-current liabilities</b>	<b>170,211,941</b>	<b>(76,110,036)</b>	<b>94,101,905</b>	<b>157,586,364</b>	<b>(74,373,210)</b>	<b>83,213,155</b>
Deposits	107,712,276	(33,566,229)	74,146,047	99,300,192	(34,317,177)	64,983,015
Money market funding	3,940,599	(3,867,016)	73,583	3,288,705	(3,226,933)	61,772
Funds from acceptance of bills of exchange and issuance of securities	5,293,946	-	5,293,946	3,854,125	-	3,854,125
Interbank accounts	41,041,840	(37,445,085)	3,596,755	39,025,342	(35,892,420)	3,132,922
Interdepartmental accounts	721,863	-	721,863	676,168	-	676,168
Borrowings and onlendings	5,091,549	(1,476,372)	3,615,177	4,564,157	(925,136)	3,639,021
Derivative financial instruments	86	-	86	-	-	-
Other payables	6,408,583	244,665	6,653,248	6,876,676	(11,544)	6,865,132
Deferred income	1,200	-	1,200	1,000	-	1,000
<b>Equity</b>	<b>30,290,638</b>	<b>(7,131,117)</b>	<b>23,159,521</b>	<b>28,582,996</b>	<b>(7,257,775)</b>	<b>21,325,221</b>
<b>Total liabilities and equity</b>	<b>200,502,580</b>	<b>(83,241,154)</b>	<b>117,261,426</b>	<b>186,169,360</b>	<b>(81,630,984)</b>	<b>104,538,376</b>

Combined statements of income	2019			2018		
	Aggregate	Eliminations	Combined	Aggregate	Eliminations	Combined
Income from financial intermediation	16,389,563	(3,085,459)	13,304,104	15,657,149	(3,108,634)	12,548,515
Expenses for financial intermediation	(8,753,889)	2,961,184	(5,792,705)	(8,227,966)	2,904,300	(5,323,666)
Other operating income (expenses)	(3,896,911)	(289,259)	(4,186,170)	(3,433,149)	(327,559)	(3,760,708)
Non-operating income (expenses)	(58,678)	-	(58,678)	(40,879)	(124)	(41,003)
Income tax and social contribution	(153,518)	-	(153,518)	(244,855)	-	(244,855)
Profit-sharing	(117,737)	-	(117,737)	(92,138)	-	(92,138)
<b>Profit for the year</b>	<b>3,408,830</b>	<b>(413,534)</b>	<b>2,995,296</b>	<b>3,618,162</b>	<b>(532,017)</b>	<b>3,086,145</b>
Interest on capital	(648,028)	52,127	(595,901)	(619,749)	48,799	(570,950)
<b>Profit after interest on capital</b>	<b>2,760,802</b>	<b>(361,407)</b>	<b>2,399,395</b>	<b>2,998,413</b>	<b>(483,218)</b>	<b>2,515,195</b>

## Note 3 - Summary of significant accounting policies

### a. Accounting estimates

The preparation of combined financial statements in accordance with the Brazilian accounting practices described in Note 2 requires 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 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. The settlement amounts of transactions involving such estimates may differ from the estimated amounts presented in the combined financial statements due to the inherent nature in their determination process. The estimates and assumptions are reviewed on a half-yearly basis.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## 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 as the service is rendered to the member or third party.

## c. Foreign currency

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

## d. Cash and cash equivalents

Cash and cash equivalents comprise cash in local and foreign currency, and short-term interbank investments, whose maturities at the investment date are equal to or lower than 90 days and 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, and consist of transactions backed by federal government securities.

## f. Marketable securities

Where applicable, securities are classified based on a set of criteria for registration and valuation of security portfolios, defined by BACEN Circular Letter 3,068/2001, in accordance with management's intention regarding their use, into three specific categories, in compliance with the following recognition criteria:

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

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

**iii. Available-for-sale securities** - securities that are neither classified as trading nor held-to-maturity. These securities are adjusted to market value, and the result of the adjustment, net of tax effects, is recorded in a separate account in equity. Gains and losses, where applicable, are recognized in the statement of income.

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

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

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

## Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### g. Derivative financial instruments

In compliance with BACEN Circular Letter 3,082/01, derivative financial instruments are measured at market value at least 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 at 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 after it has been received.

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

### 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.

Property and equipment items are subject to annual impairment tests, in accordance with CPC 01 (R1). A loss is recognized if there is clear evidence that the assets are not stated at their recoverable amount.

## Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### k. Intangible assets

These correspond to rights acquired in intangible assets that are intended for the maintenance of 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, are amortized at an annual rate of 20%, and are also subject to annual impairment tests.

### l. Other current and non-current assets

These are stated at net realizable value.

### m. Deposits

These comprise demand deposits, savings account deposits, time deposits, which include credit union deposit receipts (RDCs) and bank deposit certificates (CDBs), 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 plus any income earned in the period

The funds from time deposits (RDC and CDB) 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 interest and indexation charges, net of unrecognized expenses, where applicable.

### o. Obligations from interbank onlendings and borrowings

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

Interbank onlendings comprise funding through Rural Interbank Deposits (DI-Rural) with financial Institutions, and borrowings and onlendings comprise mainly funding obtained from government agencies such as the National Bank for Economic and Social Development (BNDES) and Ministry of Agriculture, Livestock and Food Supply (MAPA).

### 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, and the provision for social contribution at the rate of 15% on taxable profit calculated based on the prevailing tax laws.

Income tax and social contribution credits were calculated in accordance with the aforementioned tax rates. Tax credits are recognized considering the expected generation of future taxable income, over a



# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

maximum period of ten years, pursuant to CMN Resolution 3.355/06. The expected generation of future taxable income 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 is carried out in accordance with CMN Resolution 3,823/2009, which requires financial institutions and other institutions authorized to operate by BACEN to comply with Technical Pronouncement CPC 25, issued by the Accounting Pronouncements Committee (CPC), as follows:

- **Contingent assets** - Contingent assets are not accounted for, except when 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, under the advice of legal counsel, the nature of the lawsuits, similarities with previous lawsuits, and the complexity of the lawsuits, when the risk of an unfavorable outcome is classified as probable, generating an outflow of funds to settle the obligation, and the amounts involved can be measured reliably. The lawsuits for which an unfavorable outcome is classified as possible are only disclosed in the notes to the financial statements when considered material on a stand-alone basis.
- **Legal obligations** - These are obligations that derive from a contract, through implicit or explicit terms, a law or other legal instrument, which should be recognized by the member entities of Sicoob.

## s. Other current and non-current liabilities

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

## 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 financial statements:

- CPC 00 (R2) - 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; and
- CPC 33 (R1) - Employee Benefits.

The other Technical Pronouncements issued by CPC will be applied upon approval by the Brazilian Central Bank.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## Note 4 - Cash and cash equivalents

### a. Breakdown

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

Cash	Note	2019	2018
<b>Available funds</b>	5	<b>1,373,175</b>	<b>912,006</b>
Local currency		1,356,281	904,120
Foreign currency		16,894	7,886
<b>Cash equivalents</b>			
Short-term interbank investments (up to 90 days)		11,065,358	15,590,845
Investments in savings account deposits		1,813	5,438
<b>Total</b>		<b>12,440,346</b>	<b>16,508,289</b>

## Note 5 - Available funds

Currency	2019	2018
Local currency	1,356,281	904,120
Foreign currency	16,894	7,886
<b>Total</b>	<b>1,373,175</b>	<b>912,006</b>

## Note 6 - Short-term interbank investments

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

	Note	Maturity				2019	2018
		Up to 1 month	Up to 3 months	From 3 months to 1 year	Over 1 year		
<b>Investments in repurchase agreements</b>		<b>40,988</b>	<b>11,024,370</b>	-	-	<b>11,065,358</b>	<b>15,644,557</b>
Resales pending settlement - own resources	(a)	40,988	11,024,370	-	-	11,065,358	13,072,651
Resales pending settlement - third-party resources		-	-	-	-	-	2,571,906
<b>Investments in interbank deposits</b>		<b>1,574</b>	<b>37,859</b>	<b>737,853</b>	<b>20,036</b>	<b>797,322</b>	<b>1,532,233</b>
<b>Investments in savings account deposits</b>		<b>1,813</b>	-	-	-	<b>1,813</b>	<b>5,438</b>
<b>Total</b>		<b>44,375</b>	<b>11,062,229</b>	<b>737,853</b>	<b>20,036</b>	<b>11,864,493</b>	<b>17,182,228</b>
<b>Current</b>						<b>11,864,493</b>	<b>17,182,228</b>
<b>Non-current</b>						-	-

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

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

	Note	2nd six-month period	2019	2018
Own resources		410,052	858,001	825,115
Third-party resources		6	35,447	131,226
Income from investments in interbank deposits		42,345	97,807	111,651
<b>Total</b>		<b>452,403</b>	<b>991,255</b>	<b>1,067,992</b>

## Note 7 - Marketable securities and derivative financial instruments

### a. Marketable securities

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

## Notes to the combined financial statements

December 31, 2019 and 2018

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

- i. Federal government securities (LTNs, LFTs, NTNs)** - the index disclosed by the Brazilian Association of Capital and Financial Markets Institutions (ANBIMA) is used.
- ii. National Treasury Certificates (ECTNs)** relating to renegotiations of loan transactions assumed from credit unions, whose face value is equivalent to the amount of debt, accrue 12% p.a., over the General Market Price Index (IGPM).
- iii. Investment Funds (FIs)** - the value of the fund shares on the last working day, disclosed by the fund's administrators, is used.
- iv. Investment funds in credit rights (FIDC) - subordinated shares** - the latest price disclosed by the fund's administrator for the subordinated share, which represents the fair value of the fund's net assets, is used.
- v. Private securities** 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.

Marketable 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.

Securities classified as "held to maturity" are supported by a study that proves the financial capacity and Sicoob 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, based on regulatory provisions.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## b. Securities and derivative financial Instruments

Classification/Securities	Maturity			2019	2018
	With no maturity date and up to 3 months	From 3 months to 1 year	Over 1 year	Accounting balance	Accounting balance
<b>I - Available-for-sale securities</b>	<b>3,226,342</b>	<b>4,748,787</b>	<b>17,517,277</b>	<b>25,492,406</b>	<b>18,653,143</b>
<b>Own portfolio</b>	<b>2,573,471</b>	<b>2,024,161</b>	<b>9,540,218</b>	<b>14,137,850</b>	<b>12,937,115</b>
Financial Treasury Bills	2,140,838	1,653,186	6,003,256	9,797,280	9,056,462
Bank Deposit Certificates	89	1,648	-	1,737	-
Investment fund shares	266,813	-	-	266,813	313,373
Financial Bills (LFs)	150,404	295,851	3,383,797	3,830,052	3,445,772
Agribusiness Receivables Certificates (CRAs)	-	-	70,027	70,027	74,020
National Treasury Certificates	14,229	50,942	22,606	87,777	46,942
Debentures	-	-	20,202	20,202	-
Other	1,098	22,534	40,330	63,962	546
<b>Subject to Repurchase Agreements</b>	<b>-</b>	<b>907,356</b>	<b>3,045,184</b>	<b>3,952,540</b>	<b>718,949</b>
Financial Treasury Bills	-	907,356	3,045,184	3,952,540	718,949
<b>Linked to the provision of guarantees</b>	<b>652,871</b>	<b>1,817,270</b>	<b>4,931,875</b>	<b>7,402,016</b>	<b>4,997,079</b>
Financial Treasury Bills	652,871	1,782,149	4,733,829	7,168,849	4,702,175
Financial Bills (LFs)	-	35,121	198,046	233,167	287,199
National Treasury Certificates	-	-	-	-	3,836
Investment fund shares	-	-	-	-	3,797
Capitalization securities	-	-	-	-	72
<b>II - Trading securities</b>	<b>50,669</b>	<b>603,245</b>	<b>1,757,758</b>	<b>2,411,672</b>	<b>2,252,652</b>
<b>Own portfolio</b>	<b>50,669</b>	<b>603,245</b>	<b>1,757,758</b>	<b>2,411,672</b>	<b>2,252,652</b>
Financial Treasury Bills	18,532	30,551	854,132	903,215	493,784
National Treasury Notes	-	874	23,708	24,582	19,710
Bank Deposit Certificates	-	-	-	-	54,164
Debentures	-	-	-	-	28,480
Rural Producer Notes (CPRs)	9,625	-	-	9,625	16
Financial Bills (LFs)	-	567,097	873,224	1,440,321	1,435,662
Time Deposits with Special Guarantee	22,512	4,723	6,694	33,929	87,644
Investment fund shares	-	-	-	-	133,192
<b>III - Held-to-maturity securities</b>	<b>-</b>	<b>1,730</b>	<b>10,142</b>	<b>11,872</b>	<b>74,199</b>
<b>Own portfolio</b>	<b>-</b>	<b>1,730</b>	<b>10,142</b>	<b>11,872</b>	<b>74,199</b>
Bank Credit Notes	-	1,730	10,142	11,872	38,260
National Treasury Bills	-	-	-	-	34,003
National Treasury Certificates	-	-	-	-	1,936
<b>IV - Derivative financial instruments</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>-</b>
Futures	122	-	-	122	-
<b>Total</b>	<b>3,277,133</b>	<b>5,353,762</b>	<b>19,285,177</b>	<b>27,916,072</b>	<b>20,979,994</b>
<b>Current</b>				<b>10,388,654</b>	<b>6,518,449</b>
<b>Non-current</b>				<b>17,527,418</b>	<b>14,461,545</b>

In the six-month period and the year, there were no reclassifications of securities between the categories.

## c. Income from securities and derivative financial instruments

	Note	2nd six-month period	2019	2018
Income from fixed-income securities	(a)	692,723	1,327,216	1,281,208
Income from investment funds	(a)	5,831	10,781	69,565
Income from short-term interbank investments	6(b)	452,403	991,255	1,067,992
Income from fixed-income securities		0	7	4,529
Income from derivative transactions		9,056	17,595	1
Expenses with securities and derivative financial instruments		(18,896)	(32,681)	(25,930)
Other		-	-	35
<b>Total</b>		<b>1,141,117</b>	<b>2,314,173</b>	<b>2,397,400</b>

(a) The decrease in income from securities and short-term interbank investments resulted from the fall in interest rates.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## Note 8 - Interbank accounts - assets

	Note	2019	2018
Payment transactions		3,439,505	3,626,982
Compulsory reserves in cash held with BACEN		5,597	3,418
BACEN - savings deposits		1,279,335	1,040,804
Other		1,722	13,410
<b>Total</b>		<b>4,726,159</b>	<b>4,684,614</b>
<b>Current</b>		<b>4,726,159</b>	<b>4,684,614</b>
<b>Non-current</b>		-	-

The result from compulsory investments during the year amounted to R\$ 47,405 (R\$ 49,211 in 2018),

## Note 9 - Lending operations

### a. Loan portfolio and other receivables with loan characteristics

	2019	2018
<b>Lending operations</b>		
Loans and discounted notes	41,415,568	35,713,577
Financing	7,016,275	4,656,739
Rural and agribusiness financing	16,680,057	14,545,836
Real estate financing	72,618	25,095
<b>Total lending operations</b>	<b>65,184,518</b>	<b>54,941,247</b>
(-) Provision for loan losses	(3,878,018)	(3,032,203)
<b>Total lending operations - net of provision</b>	<b>61,306,500</b>	<b>51,909,044</b>
<b>Other receivables with loan characteristics</b>		
Credit cards	4,357,757	3,308,984
(-) Provision for loan losses - credit cards	(51,967)	(26,868)
Debtors for purchase of assets	45,990	424,611
Guarantees and sureties honored	129,484	81,651
Other receivables with loan characteristics	265,200	55,665
(-) Provision for loan losses	(146,357)	(111,195)
<b>Total other receivables - net of provision</b>	<b>4,600,107</b>	<b>3,732,848</b>
<b>Total lending operations and other receivables</b>	<b>65,906,607</b>	<b>55,641,892</b>

### b. Portfolio by industry and maturity

Industry	Note	Past-due	Not yet due						2019	2018
			Falling due in up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Over 15 years		
Rural and agribusiness financing		162,208	1,752,056	8,397,297	4,210,018	1,317,034	840,959	485	16,680,057	14,545,836
Individuals		704,678	3,091,371	5,816,843	6,541,490	2,544,249	1,444,879	7,208	20,150,718	18,351,366
Real estate financing		19	1,100	2,465	6,589	6,481	28,574	27,390	72,618	25,094
<b>Legal entities</b>										
Services		264,979	1,514,317	2,640,269	3,790,006	1,332,007	570,152	858	10,112,588	7,542,798
Manufacturing		239,750	1,776,097	1,833,279	2,256,125	765,436	230,910	191	7,101,788	5,843,846
Trade		391,480	2,613,704	2,906,395	3,319,655	882,290	240,354	2,194	10,356,072	8,047,520
Other	(a)	4,233	65,432	157,320	309,307	140,876	33,471	38	710,677	584,787
<b>Total</b>		<b>1,767,347</b>	<b>10,814,077</b>	<b>21,753,868</b>	<b>20,433,190</b>	<b>6,988,373</b>	<b>3,389,299</b>	<b>38,364</b>	<b>65,184,518</b>	<b>54,941,247</b>
<b>Current</b>									<b>34,335,292</b>	<b>30,078,922</b>
<b>Non-current</b>									<b>30,849,226</b>	<b>24,862,325</b>

(a) Relates mostly to legal entities that operate in Trade/Manufacturing industries, and therefore, do not fit into the manufacturing or trade fields of activity on an individual basis.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## c. Provisions for loan losses by risk level

Risk	Percentage	2019			2018		
		Portfolio balance	% of the portfolio	Amount of provision	Portfolio balance	% of the portfolio	Amount of provision
AA	-	3,874,050	5.94	-	2,162,670	3.93	-
A	0.50	25,351,040	38.89	126,755	22,905,389	41.69	114,527
B	1.00	16,949,693	26.00	169,497	16,885,976	30.73	168,860
C	3.00	11,379,734	17.46	341,392	7,370,741	13.42	221,122
D	10.00	3,114,859	4.78	311,486	2,089,524	3.80	208,952
E	30.00	1,464,148	2.25	439,244	1,138,847	2.07	341,654
F	50.00	834,643	1.28	417,322	600,204	1.09	300,102
G	70.00	480,093	0.74	336,065	369,705	0.67	258,794
H	100.00	1,736,257	2.66	1,736,257	1,418,191	2.59	1,418,191
<b>Total</b>		<b>65,184,518</b>	<b>100.00</b>	<b>3,878,018</b>	<b>54,941,247</b>	<b>100.00</b>	<b>3,032,203</b>

## d. Concentration of lending operations

	2019	%	2018	%
10 largest debtors	579,384	0.89	307,495	0.56
50 next largest debtors	1,313,909	2.02	760,787	1.38
100 next largest debtors	1,430,575	2.19	889,940	1.62
Other	61,860,650	94.90	52,983,025	96.44
<b>Total</b>	<b>65,184,518</b>	<b>100.00</b>	<b>54,941,247</b>	<b>100.00</b>

## e. Changes in the provision for loan losses

	2nd six-month period	2019	2018
<b>Balance at the beginning of the six-month period</b>	<b>3,426,903</b>	<b>3,032,203</b>	<b>2,483,721</b>
Constitution (reversal) of provision for loan losses	1,119,881	2,294,084	2,181,592
Lending operations written off as losses	(668,766)	(1,448,269)	(1,633,110)
<b>Balance at the end of the six-month period</b>	<b>3,878,018</b>	<b>3,878,018</b>	<b>3,032,203</b>

## f. Provisions for loan losses on other receivables with loan characteristics, by risk level

Risk	Percentage	2019			2018		
		Balance of the portfolio	% of the portfolio	Amount of provision	Balance of the portfolio	% of the portfolio	Amount of provision
AA	-	35,493	0.74	-	16,860	0.44	-
A	0.50	3,114,239	64.90	15,571	3,321,587	85.81	16,608
B	1.00	833,033	17.36	8,330	232,288	6.00	2,871
C	3.00	457,968	9.54	13,739	115,218	2.98	3,457
D	10.00	148,415	3.09	14,841	22,300	0.58	2,230
E	30.00	59,585	1.24	17,876	47,722	1.23	14,536
F	50.00	15,231	0.32	7,616	8,730	0.23	4,370
G	70.00	47,056	0.98	32,939	41,384	1.07	29,169
H	100.00	87,411	1.82	87,411	64,822	1.67	64,822
<b>Total</b>		<b>4,798,431</b>	<b>100.00</b>	<b>198,324</b>	<b>3,870,911</b>	<b>100.00</b>	<b>138,063</b>

The portfolio of other receivables with loan characteristics is substantially represented by credit card operations (payment transactions), which are carried out by Bancoob.

## g. Provision for loan losses on other receivables with loan characteristics

	2nd six-month period	2019	2018
<b>Balance at the beginning of the period/year</b>	<b>168,751</b>	<b>138,063</b>	<b>123,262</b>
Constitution (reversal) of provision	29,573	60,261	14,801
<b>Balance at the end of the period/year</b>	<b>198,324</b>	<b>198,324</b>	<b>138,063</b>

The loans renegotiated in 2019 totaled R\$ 2,195,558 (R\$ 3,110,220 in 2018) and related to payroll-deductible loans, Rural Credit, and lending operations.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## h. Income from lending operations

Type	2nd six-month period	2019	2018
Loans and discounted notes	4,202,446	8,169,085	7,602,573
Financing	480,709	898,451	711,688
Rural and agribusiness financing	650,386	1,250,940	1,149,581
Real estate financing	2,251	3,701	1,264
Other	1,419	1,962	1,959
<b>Sub-total</b>	<b>5,337,211</b>	<b>10,324,139</b>	<b>9,467,066</b>
Recovery of receivables written-off as losses	320,938	607,960	626,611
<b>Total</b>	<b>5,658,149</b>	<b>10,932,099</b>	<b>10,093,676</b>

## Note 10 - Other receivables - sundry

	Note	2019	2018
Deposits in court	(a) and 21(a.1)	592,961	757,245
Tax credits	11(a)	161,473	102,002
Taxes recoverable or to be offset		169,382	157,494
Receivables from payment transactions	(b)	4,357,757	3,308,984
Notes and credits receivable		143,677	172,980
Salary prepayments and advances		12,444	17,277
Advance payments on property and equipment		33,215	38,706
Prepaid expenses		49,341	19,563
Payments to be reimbursed		129,878	95,570
Debtors for purchase of assets	(c)	265,200	424,611
Amounts receivable - Fees		43,552	35,761
Other		156,555	314,334
<b>Sub-total</b>		<b>6,115,435</b>	<b>5,444,527</b>
Provision for losses on other receivables		(235,957)	(175,116)
<b>Total</b>		<b>5,879,478</b>	<b>5,269,411</b>
<b>Current</b>		<b>5,715,019</b>	<b>5,176,437</b>
<b>Non-current</b>		<b>164,459</b>	<b>92,974</b>

(a) Relate 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) Relate to transactions carried out by holders of Cabal/MasterCard/Visa credit cards. For the purposes of presentation of the total loan portfolio, these amounts also comprise Note 9(a).

(c) Relate mainly to notes receivable for the sale of properties, received in renegotiations of loan debts, which mostly accrue interest based on the Long-term Interest Rate (TJLP) or the Interbank Deposit Certificate (CDI).

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

### a. Tax credits

Breakdown	2019		2018	
	Income tax	Social contribution	Income tax	Social contribution
Provision for loan losses	154,524	154,524	91,068	91,068
Civil and labor contingencies	13,815	13,815	13,154	13,154
Adjustment to market value - securities	815	815	-	-
Profit sharing	13,008	13,008	11,143	11,143
Commission on SIPAG Acceleration Program	2,759	2,759	2,248	2,248
Government Severance Indemnity Fund for Employees (FGTS) - 50% - Executive Board	1,966	1,966	1,650	1,650
Provisions for the national sales campaign	20,943	20,943	16,184	16,184
Card bonus	127,791	127,791	104,573	104,573
Legal fees	1,518	1,518	1,518	1,518
Other provisions	66,543	66,543	13,385	13,385
<b>Amount</b>	<b>403,682</b>	<b>403,682</b>	<b>254,923</b>	<b>254,923</b>
Tax rates	25%	15%	25%	15%
<b>Tax credits recognized</b>	<b>100,921</b>	<b>60,552</b>	<b>63,731</b>	<b>38,271</b>

Tax credits recognized relate to Bancoob and Bancoob DTVM.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## b. Changes in tax credits

Changes	2019		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	(566)	(340)	(1,681)	(1,073)
<b>Sub-total</b>	<b>63,165</b>	<b>37,931</b>	<b>43,034</b>	<b>28,468</b>
<b>Adjustment to profit (loss)</b>	<b>37,097</b>	<b>22,225</b>	<b>19,502</b>	<b>9,037</b>
Tax credits recognized	357,952	214,771	25,053	26,192
Tax credits derecognized	(320,762)	(192,490)	(5,551)	(17,155)
Changes in deferred taxes	(93)	(56)	-	-
<b>Adjustment to equity (securities)</b>	<b>375</b>	<b>226</b>	<b>628</b>	<b>426</b>
Tax credits recognized	-	-	-	81
Tax credits derecognized	-	-	(485)	(388)
Changes in deferred taxes	375	226	1,114	733
<b>Changes</b>	<b>37,472</b>	<b>22,451</b>	<b>20,130</b>	<b>9,463</b>
<b>At December 31</b>				
Deferred tax assets	100,921	60,552	63,731	38,271
Deferred tax liabilities	(284)	(170)	(567)	(340)
	<b>100,637</b>	<b>60,382</b>	<b>63,165</b>	<b>37,931</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 10 years, distributed as follows:

Year	Nominal amount	Present value
2020	101,575	99,341
2021	9,771	8,779
2022	9,595	8,095
2023	8,940	7,082
2024	11,761	8,790
2025 to 2039	19,831	13,983
<b>Total tax credits</b>	<b>161,473</b>	<b>146,070</b>

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

## Note 12 - Other assets

Other assets	Note	2019	2018
<b>Assets not for own use</b>			
Properties	(a)	1,037,491	860,897
Vehicles and similar items		8,679	8,269
Machinery and equipment		4,971	3,908
Assets under a special regime		297,586	207,088
Other		3,182	7,260
(-) Provision for impairment of other assets	(b)	(76,543)	(31,319)
<b>Total assets not for own use</b>		<b>1,275,366</b>	<b>1,056,103</b>
<b>Other assets</b>			
Materials in stock		7,527	8,408
Prepaid expenses		117,308	157,172
<b>Total other assets</b>		<b>124,835</b>	<b>165,580</b>
<b>Total other assets</b>		<b>1,400,201</b>	<b>1,221,683</b>
<b>Current</b>		<b>1,400,201</b>	<b>1,221,683</b>
<b>Non-current</b>		<b>-</b>	<b>-</b>

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

(b) The increase in the provision for impairment of other assets is matched by the increase in properties received in payment.



## Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### 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.

Corporate shareholdings	Note	Ownership interest %	Investment amount	2019			2018			
				Equity in the results		Goodwill	Ownership interest %	Investment amount	Equity in the results	Goodwill
				2nd six-month period	Year					
Sicoob Confederation	(a)	100.00	268,019	-	-	-	100.00	267,064	-	-
Cabal Brasil Ltda.	(b)	80.00	38,807	3,240	5,951	3,644	80.00	32,856	3,917	5,801
Bancoob PAR	(c)	100.00	51,102	9,963	24,106	-	100.00	34,996	9,570	-
Consórcio Ponta	(d)	99.99	64,577	2,264	8,130	-	99.99	56,447	21,096	-
Sancor Seguros	(e)	25.00	26,294	1,419	4,189	-	25.00	32,180	9,276	-
Sicoob Minaseg	(e)	99.99	18,061	2,422	4,151	-	99.99	13,910	3,337	-
Sicoob agências - Real estate investment fund	(f)	-	32,864	-	-	-	-	26,909	-	-
Other		-	31,504	2,581	3,584	-	-	25,435	4,083	-
<b>Total</b>		-	<b>531,228</b>	<b>21,889</b>	<b>50,111</b>	<b>3,644</b>		<b>489,797</b>	<b>51,279</b>	<b>5,801</b>

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

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

(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.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## Note 14 - Property and equipment and intangible assets

Property and equipment in use	2019			2018		
	Restated cost	Accumulated depreciation/ amortization	Net balance	Restated cost	Accumulated depreciation/ amortization	Net balance
Construction in progress	262,462	-	262,462	208,290	-	208,290
Land	193,978	-	193,978	159,192	-	159,192
Buildings	773,859	(170,784)	603,074	671,090	(142,418)	528,672
Furniture, fixtures and facilities	1,110,783	(449,702)	661,082	906,197	(372,017)	534,180
IT equipment	777,566	(442,528)	335,038	657,775	(386,308)	271,467
Other	856	(564)	291	1,283	(519)	764
<b>Total</b>	<b>3,119,504</b>	<b>(1,063,579)</b>	<b>2,055,925</b>	<b>2,603,827</b>	<b>(901,262)</b>	<b>1,702,565</b>

Intangible assets	2019			2018		
	Restated cost	Accumulated depreciation/ amortization	Net balance	Restated cost	Accumulated depreciation/ amortization	Net balance
Software	202,501	(160,117)	42,384	206,762	(145,801)	60,961
<b>Total</b>	<b>202,501</b>	<b>(160,117)</b>	<b>42,384</b>	<b>206,762</b>	<b>(145,801)</b>	<b>60,961</b>

## Note 15 - Deposits

### a. By type and maturity

Deposits	Maturity				2019	2018
	Without defined maturity	Up to 3 months	From 3 to 12 months	Over 1 year		
Demand deposits	17,097,270	-	-	-	17,097,270	13,591,263
Savings deposits	6,507,717	-	-	-	6,507,717	5,239,256
Interbank deposits/Rural interbank deposits	-	86,939	4,323,808	293,210	4,703,957	2,976,560
Bank Deposit Certificates (CDBs)	-	74,909	50,442	520,507	645,858	552,645
Notice deposits	-	-	350,275	-	350,275	730,157
Credit Union Deposit Receipts (RDCs)	44,840,953	-	-	-	44,840,953	41,893,095
Other	17	-	-	-	17	39
<b>Total</b>	<b>68,445,957</b>	<b>161,848</b>	<b>4,724,525</b>	<b>813,717</b>	<b>74,146,047</b>	<b>64,983,015</b>
<b>Current</b>					<b>73,332,330</b>	<b>64,226,576</b>
<b>Non-current</b>					<b>813,717</b>	<b>756,439</b>

### b. Concentration of depositors

	2019	%	2018	%
10 largest depositors	4,243,763	5.72	2,466,802	3.80
50 next largest depositors	2,370,119	3.20	1,918,597	2.95
100 next largest depositors	1,749,975	2.36	1,558,217	2.40
Other	65,782,190	88.72	59,039,400	90.85
<b>Total</b>	<b>74,146,047</b>	<b>100.00</b>	<b>64,983,015</b>	<b>100.00</b>

### c. Money market funding expenses

Type	Note	2nd six-month period	2019	2018
Savings deposits		116,798	230,793	197,605
Interbank deposits		56,996	131,214	145,805
Time deposits		1,232,669	2,497,176	2,478,740
Notice deposits		10,819	22,984	50,204
Money market funding		3,162	15,522	7,750
Agribusiness Credit Bills (LCAs)		129,960	247,349	182,403
Other funding expenses		53,141	101,609	89,152
<b>Total</b>		<b>1,603,545</b>	<b>3,246,647</b>	<b>3,151,659</b>

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## Note 16 - Repurchase agreement obligations

Portfolios	Maturity			2019	2018
	Up to 3 months	From 3 months to 1 year	Over 1 year		
Own portfolio - Financial Treasury Bills (LFT)	73,583	-	-	73,583	-
Third-parties' portfolio - LFT	-	-	-	-	61,772
Third-parties' portfolio - National Treasury Notes (NTN))	-	-	-	-	-
<b>Total</b>	<b>73,583</b>	<b>-</b>	<b>-</b>	<b>73,583</b>	<b>61,772</b>
<b>Current</b>				<b>73,583</b>	<b>61,772</b>
<b>Non-current</b>				-	-

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

Agribusiness Credit Notes	Maturity			2019	2018
	Up to 3 months	From 3 months to 1 year	Over 1 year		
Fixed rate	20,287	25,971	1,245	47,503	25,308
Floating rate	1,420,413	2,237,986	1,588,044	5,246,443	3,828,817
<b>Total</b>	<b>1,440,700</b>	<b>2,263,957</b>	<b>1,589,289</b>	<b>5,293,946</b>	<b>3,854,125</b>
<b>Current</b>				<b>3,704,657</b>	<b>2,676,382</b>
<b>Non-current</b>				<b>1,589,289</b>	<b>1,177,743</b>

## Note 18 - Interbank accounts - liabilities

	Note	2019	2018
Payment transactions	(a)	3,589,860	2,561,725
Interbank onlendings - funds from rural credit	(b)	-	567,815
Other		6,895	3,382
<b>Total</b>		<b>3,596,755</b>	<b>3,132,922</b>
<b>Current</b>		<b>3,596,755</b>	<b>3,132,922</b>
<b>Non-current</b>		-	-

(a) Mainly comprised of acquiring operations, which are centralized at Bancoob.

(b) Funding through Rural Interbank Deposits (DI-Rural) with other financial institutions, carried out by Sicoob Central. These operations were fully settled in 2019.

## Note 19 - Borrowings and onlendings in Brazil

### a. Breakdown by type and maturity

Onlendings are mainly for funds obtained by Bancoob from the National Bank for Economic and Social Development ("BNDES")/Government Agency for Machinery and Equipment Financing ("FINAME"), the National Treasury, Banco do Brasil, and Funcafé, with maturities up to 2038 and bearing finance charges of up to 11.31 % per year.

In Brazil	Note	Without defined maturity	Maturity			2019	2018
			Up to 3 months	From 3 months to 1 year	Over 1 year		
BNDES		-	92,034	246,648	1,591,489	1,930,171	1,684,153
FINAME		-	45,969	352,274	738,332	1,136,575	1,367,622
Funcafé		-	195,651	192,423	97,463	485,537	500,866
Banco do Brasil	(a)	-	1,588	10,417	19,469	31,475	46,111
Other financial institutions	(b)	-	9,539	6,139	15,742	31,420	40,270
<b>Total onlendings in Brazil</b>		-	<b>344,781</b>	<b>807,902</b>	<b>2,462,495</b>	<b>3,615,177</b>	<b>3,639,021</b>
<b>Current</b>						<b>1,152,683</b>	<b>1,420,194</b>
<b>Non-current</b>						<b>2,462,494</b>	<b>2,218,827</b>

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

(b) Onlendings held mainly with Bradesco, Itaú and HSBC.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## b. Expenses with interbank onlendings and borrowing obligations

Onlendings	2nd six-month period	2019	2018
BNDES	11,461	44,384	61,733
FINAME	17,682	35,127	26,089
Funcafé and financial institutions	21,457	26,117	61,926
Banco do Brasil	917	1,767	2,931
Other	18	188	29,190
<b>Total</b>	<b>51,535</b>	<b>107,583</b>	<b>181,869</b>

The decrease in onlending expenses resulted from the fall in interest rates.

## Note 20 - Other payables

### a. Tax and social security obligations

	Note	2019	2018
Provision for income tax and social contribution		125,488	202,726
PIS/COFINS/ISSQN and other taxes		58,741	58,126
Taxes payable on third-party services		15,842	14,153
Taxes and contributions on salaries		109,534	97,378
Deferred taxes and contributions (marking to market of securities)	11(b)	454	906
Other taxes payable		17,057	10,904
<b>Total</b>		<b>327,116</b>	<b>384,193</b>

### b. Other payables - sundry

	Note	2019	2018
Payment orders pending settlement	(a)	-	53,100
Provision for the payment of administrative expenses	(b)	572,426	347,766
Provision for personnel expenses		487,230	374,428
Obligations related to official agreements - INSS		30,413	31,636
Payments not yet processed		18,118	18,221
Payables to third parties		59,025	73,923
Settlement - collection		37,055	21,185
Contingent liabilities	(c)	509,253	812,781
Provision for financial guarantees provided		183,123	130,243
Checks deposited		83,341	31,579
Credit card obligations	(d)	249,534	198,470
Payables for acquisition of assets and rights		33,594	25,426
Obligations related to payment transactions	(e)	2,417,073	3,008,990
Obligations related to fund shares	(f)	505,072	327,534
Guarantee fund for deposits/assets	(g)	114,852	74,804
Other		95,291	76,041
<b>Total</b>		<b>5,395,400</b>	<b>5,606,127</b>

(a) Relates to payment orders pending settlement which had not been cleared up to 12/31/2018.

(b) Relate to provisions for the payment of expenses such as water, electricity, gas, rental, communication, publicity and advertising, etc.

(c) Relate to contingent liabilities classified as involving probable loss under the advice of legal counsel. Include lawsuits of a tax, civil, and labor nature (Note 21(a.1)).

(d) Correspond to obligations assumed in relation to the MasterCard brand and store owners of the Cabal chain for transactions carried out by card holders.

(e) Relates mainly to payables in connection with acquiring operations.

(f) Relates to fund shares held by non-members of Sicoob.

(g) Relates to guarantee funds for assets and deposits, established by central credit unions.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## 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 under advice of internal and external legal counsel according to the likelihood of loss taking into consideration the nature and specifics of each lawsuit, as well as legal precedent of higher courts.

The provisions for lawsuits are recognized, measured and disclosed as follows:

A provision is recognized only when:

- (a) Sicoob's 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 recognized.

Based on these assumptions, where it is probable that a present obligation exists at the balance sheet date, Sicoob records a provision, and, if loss is possible, the contingent liability is disclosed, unless the likelihood of an outflow of resources is considered remote.

Management believes 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 arise mainly from labor and tax lawsuits and administrative proceedings inherent in the normal course of business, filed by third parties, former employees, and public agencies.

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

Type of lawsuit	Note	2019		2018	
		Deposits in court	Provisions	Deposits in court	Provisions
Tax	(a.3 and a.4)	555,991	422,811	548,900	624,175
Labor		10,774	26,284	9,487	18,101
Civil	(a.3)	26,196	60,158	198,858	170,505
<b>Total</b>		<b>592,961</b>	<b>509,253</b>	<b>757,245</b>	<b>812,781</b>

The reduction in civil lawsuits was mainly due to the successful outcome of a tax lawsuit filed by an affiliated credit union that challenged the levy of Income Tax Withheld at Source (IRRF) on income earned from members' financial investments. The related amounts were being recorded as tax contingencies with a corresponding escrow deposits. The deposits in court were made up to March 10, 1999, when the Superior Court of Justice (STJ) handed down a favorable decision to the credit union, taking into account Special Appeal 1741047/SP, which recorded the final decision of March 11, 2009, which concluded that the IRRF should not be levied on such transactions. Accordingly, the withdrawal of the related deposits in court was determined, and at that time, based on the reassessment of the legal advisors' opinion, who understood that the lawsuit no longer posed a risk of probable loss, the credit union reversed the provision recorded against the reserve fund. The amount of R\$ 171,905 was reversed, which corresponded to the provision recorded, net of the lawyer's fees.

# Notes to the combined financial statements

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### a.2. Changes in provisions for contingencies

	Tax	Labor	Civil	Total	Total
Opening balance at December 31, 2018	624,175	18,101	170,505	812,781	653,468
Additions/reversals/adjustments	(201,364)	8,183	(110,347)	(303,528)	159,313
Closing balance at December 31, 2019	422,811	26,284	60,158	509,253	812,781

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 contractual terms, registration of clients with credit protection services, and pain and suffering.

### a.4. Tax lawsuits - Income Tax Withheld at Source (IRRF) on financial investments

The credit unions are also 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.

### a.5. Schedule of expected cash outflows

Due to the nature of the existing contingencies and the complexity of Brazilian legal environment, certain items cannot be reliably measured as to the schedule for the future settlement from lawsuits.

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

Lawsuits classified as possible losses are not recognized as provisions and are only disclosed in the notes. The following contingencies are classified into this category:

- (i) civil lawsuits disputing Bancoob's joint liability for deposits made in credit unions;
- (ii) civil lawsuit disputing Bancoob's civil liability for an error made by a credit union;
- (iii) labor lawsuits;
- (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 an Extraordinary General Meeting, in relation to a failure in the provision of services under the Bank's responsibility.

## Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### b.1 Balance of contingent liabilities classified as possible loss

Under the advice of Sicoob's legal counsel, the lawsuits in which the credit unions figure as defendants and classified as involving possible risk of loss amounted to R\$ 674,228 in 2019 (R\$ 884,572 in 2018).

## Note 22 - Equity

---

### a. Share capital

Capital is comprised of units equivalent to R\$ 1.00 each, in a such a manner that each member of the System is entitled to one vote, irrespective of the number of units held.

During 2019, the entities that comprise Sicoob increased its capital by R\$ 842,464 (R\$ 1,281,617 in 2018). Write-offs of capital totaled R\$ 992,573 in the year (R\$ 976,180 in 2018).

In the same period, the number of members totaled 4,629,429 (4,395,878 in 2018), of which 3,764,329 are individuals and 865,100 are legal entities (3,655,916 individuals and 739,962 legal entities in 2018).

### b. Legal reserve

This reserve is made up of surplus allocations, at a percentage established by the bylaws, and is used to offset losses and promote development of the credit unions' activities.

### c. Dividends

Bancoob's shareholders are entitled to mandatory minimum dividends corresponding to 5% of adjusted profit for the year. In 2019, Bancoob accrued dividends totaling R\$ 6,078, equivalent to R\$ 6.43 per thousand shares (R\$ 10,881 in 2018, equivalent to R\$ 13.12 per thousand shares).

### d. Interest on capital distributions

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' balance 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 year to be distributed. Interest on capital is paid on the last day of the year, either through a deposit on current account, or as paid-in capital.

The provision for expenses with interest on capital totaled R\$ 473,366 for the six-month period (R\$ 114,291 for the period in 2018) and R\$ 595,901 for the year (R\$ 570,950 in 2018).

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

As provided for in Law 130/2009, this fund is intended for educational activities and the provision of assistance to the members, their relatives, and employees of the credit unions. Funds arising from activities unrelated to the core business of the credit unions, as well as at least 5% of the net surplus for the year, are allocated to FATES, as provided for in the bylaws. The amounts payable are recognized within a specific line item in liabilities, in accordance with the Accounting Chart for Institutions of the National Financial System (COSIF). The amounts allocated to FATES in 2019 totaled R\$ 180,535 (R\$ 126,695 in 2018).

## Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### f. Losses computed

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

### g. Accumulated surplus

Surplus is distributed and allocated in accordance with the bylaws of each entity, and in compliance with BACEN standards, as approved by the Annual General Meeting.

### h. Approval of appropriations

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

The surpluses are appropriated 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 distributed to the members' current account, net of tax effects. In 2019, the amount of R\$ 119,955 was distributed to the members (R\$ 299,598 in 2018).

### i. Adjustment to market value

These adjustments result from the mark-to-market of available-for-sale securities, net of the income tax and social contribution effects (Note 11 (a)), applicable only to securities held by Bancoob, and totaled R\$ 678 in 2019 (R\$ 1,459 in 2018).

## Note 23 - Management of third-party funds

---

At December 31, 2019, total third-party funds managed by Bancoob DTVM amounted to R\$ 25,981,456 (R\$ 24,219,303 in 2018), of which R\$ 20,254,026 (R\$ 20,028,794 in 2018) related to the management of securities, and R\$ 5,727,430 (R\$ 4,190,509 in 2018) to the management of investment funds.

Income from management of third-party funds totaled R\$ 12,454 in 2019 (R\$ 15,466 in 2018).

Funds relating to combined investment funds managed in 2019 totaled R\$ 3,155,241 (R\$ 3,227,786 in 2018).

## 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 BACEN must calculate and maintain reference equity (PR) consistent with the risks of its activities. Accordingly, each entity that comprises the System must comply with the provisions of these Resolutions.



# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

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

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

	Note	2nd six-month period	2019	2018
Income from collection services		212,118	402,835	335,307
Income from payment transaction services		182,604	347,050	398,127
Income from prepayments of obligations related to payment transactions	(a)	182,230	366,141	363,150
Income from provision of services - commissions	(b)	211,348	287,003	206,100
Income from credit card services		103,340	139,306	92,264
Income from banking fees		35,114	54,767	41,802
Income from investment fund management		4,531	8,430	6,458
Income from acquiring services		1,626	2,763	3,345
Income from banking fees		477,855	912,968	763,138
Income from public utility companies		84,760	130,311	69,794
Other		24,314	181,434	49,951
<b>Total</b>		<b>1,519,838</b>	<b>2,833,008</b>	<b>2,329,436</b>

- (a) Relates to income from advance of receivables for payment transactions.  
 (b) Relates to commissions received for sales of services or products.

### b. Personnel expenses

	Note	2nd six-month period	2019	2018
Fees paid to Officers and Directors		203,254	393,732	360,521
Salaries	(a)	921,669	1,776,219	1,596,004
Social charges	(b)	351,250	679,948	608,022
Benefits	(c)	316,217	599,336	523,049
Training programs		18,708	31,057	25,849
Interns' compensation		11,040	21,179	18,433
<b>Total</b>		<b>1,822,138</b>	<b>3,501,471</b>	<b>3,131,878</b>

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

### c. Administrative expenses

	Note	2nd six-month period	2019	2018
Water, electricity and gas		37,091	75,480	62,161
Rentals		122,555	232,268	202,600
Communication		84,045	164,883	153,395
Maintenance and upkeep		45,111	83,766	75,381
Materials		25,503	49,047	44,137
Data processing	(a)	89,256	173,274	166,824
Promotions and public relations		75,916	136,207	119,402
Advertising and publicity		61,904	106,035	95,124
Financial System Services	(b)	169,431	325,450	274,715
Travels		31,978	58,251	46,847
Outsourced services		112,465	210,370	179,445
Security and surveillance		104,065	202,622	177,568
Specialized technical services		110,823	206,292	169,841
Transportation		84,376	163,827	147,254
Insurance		17,588	34,377	30,983
Depreciation and amortization		124,524	240,596	205,674
Legal expenses and notarial fees		28,943	53,994	46,892
Apportionment of Sicoob Confederation expenses - other		144,252	273,252	196,876
Other administrative expenses		85,800	168,273	156,333
<b>Total</b>		<b>1,555,626</b>	<b>2,958,264</b>	<b>2,551,452</b>

- (a) Relates mostly to the apportionment of technology services provided by Sicoob Confederation.  
 (b) Relates mainly to expenses with settlement and clearance services, issue of checkbooks, the Brazilian Payment System (SPB), Centralized Check Clearance Service (COMPE) processing fees, services rendered to credit card brands, fees paid to inspection agencies etc.

# Notes to the combined financial statements

## December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### d. Tax expenses

	Note	2nd six-month period	2019	2018
Social Contribution on Revenues (COFINS)		64,021	121,146	101,625
Social Integration Program (PIS/PASEP)		16,006	30,583	25,974
Tax on Services of Any Kind (ISSQN)		38,807	72,384	57,433
Tax on Financial Transactions (IOF) on remittance abroad		-	-	16,972
Municipal Real Estate Tax (IPTU)		4,654	10,471	8,685
Other		10,014	20,737	19,917
<b>Total</b>		<b>133,502</b>	<b>255,321</b>	<b>230,607</b>

### e. Other operating income

	Note	2nd six-month period	2019	2018
Income from credit cards		141,122	224,828	207,422
Recovery of charges and expenses		109,362	207,586	226,355
Reversal of operating provisions		8,262	11,607	7,950
Income from Onlendings - <i>Del Credere</i>		9,731	12,014	17,484
Adjustment of deposits in court		8,017	21,028	24,179
Charges and fees		2,127	3,535	20,817
Acquiring operations		134,249	266,603	232,206
Income from brokerage, consortia and insurance		2,881	5,130	5,000
Surpluses received from Sicoob Confederation		271	542	9,648
Income from fines and interest		93,729	120,599	32,732
Reversal of provision for guarantees provided		93,454	160,518	30,020
Other		49,941	92,593	48,701
<b>Total</b>		<b>653,146</b>	<b>1,126,583</b>	<b>862,514</b>

### f. Other operating expenses

	Note	2nd six-month period	2019	2018
Credit card administration expenses		260,110	506,915	366,715
Expenses for collection fees		32,376	57,958	42,953
Discounts granted		26,193	73,006	94,964
Contributions to the guarantor fund		4,202	11,893	10,069
Contributions to development/reimbursement fees		30,980	51,500	26,790
Cancellation of pending fees		44,164	80,558	66,687
Return of income		7,146	18,483	16,032
Contingent liabilities		15,729	28,096	30,011
Provisions for guarantees		107,492	213,075	69,376
Sundry contributions		13,334	39,412	23,532
Contributions to the Fund for Reimbursements		-	-	1,701
Contributions to the fund for information technology	(a)	24,676	48,931	48,152
Acquiring operations		99,265	164,989	192,358
Sundry commissions		134,266	144,972	52,718
Other		3,272	41,028	47,941
<b>Total</b>		<b>803,205</b>	<b>1,480,816</b>	<b>1,089,999</b>

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

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

	2nd six-month period	2019	2018
Non-operating income	43,443	71,993	55,028
Non-operating expenses	(36,493)	(60,913)	(66,678)
Provision for devaluation of assets not for own use	(50,261)	(67,601)	(27,696)
Amortization of goodwill - Cabal Brasil Ltda.	(1,174)	(2,157)	(1,657)
<b>Total</b>	<b>(44,485)</b>	<b>(58,678)</b>	<b>(41,003)</b>

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## 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

The System's assets are insured against risks at amounts deemed sufficient by Management to cover 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\$ 6,951,055 at December 31, 2019 (R\$ 5,750,042 in 2018). The income from guarantees provided amounted to R\$ 1,889 (R\$ 2,022 in 2018).

### 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 December 31, 2019, the contributions to Sicoob Previ totaled R\$ 15,521 (R\$ 12,235 in 2018).

### e. Apportionment of Sicoob Confederation expenses

The expenses incurred by Sicoob Confederation are apportioned among Sicoob's credit unions, in accordance with policy established in 2017, through Resolution 179. Expenses eligible for apportionment are as follows:

**e.1) Technology:** expenses with depreciation and amortization, personnel, data processing, outsourced personnel, communication, technical services, security and others; and

**e.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 December 31, 2019, profit sharing totaling R\$ 117,737 (R\$ 92,138 in 2018) had been accrued.

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

## Note 27 - Related-party transactions

### a. Bancoob's Subsidiaries

The balances of Bancoob's subsidiaries were as follows:

	Bancoob DTVM		Bancoob PAR		Cabal		Consórcio Ponta	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Assets</b>	<b>27</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>109</b>	<b>111</b>	<b>90</b>
Receivables	27	23	-	-	107	109	111	90
<b>Liabilities</b>	<b>2,164</b>	<b>5,004</b>	<b>558</b>	<b>507</b>	<b>77,015</b>	<b>64,959</b>	<b>74,826</b>	<b>63,303</b>
Demand deposits	3	19	1	1	964	15,030	10	41
Time deposits	2,161	4,985	557	506	66,682	40,677	74,816	63,262
Payables	-	-	-	-	9,369	9,252	-	-
<b>Expenses</b>	<b>193</b>	<b>295</b>	<b>173</b>	<b>30</b>	<b>80,163</b>	<b>57,369</b>	<b>4,384</b>	<b>3,407</b>
Funding expenses	193	295	173	30	3,113	2,174	4,384	3,407
Administrative expenses	-	-	-	-	77,050	55,195	-	-
<b>Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>23</b>	<b>1,114</b>	<b>842</b>
Sundry income	-	-	-	-	14	23	1,114	842

### b. Sicoob's credit unions

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

	2019	2018
<b>Assets</b>	<b>78,518,997</b>	<b>76,723,933</b>
Interbank onlendings and lending operations	10,826,686	9,738,835
Marketable securities	10,251,575	10,730,872
Short-term interbank investments	29,117,822	28,768,251
Interbank accounts - financial centralization	28,075,588	27,187,125
Other receivables	195,331	231,925
Prepaid expenses - Credconsignado commission	51,995	66,925
<b>Liabilities</b>	<b>66,531,220</b>	<b>64,502,934</b>
Demand and savings deposits	1,585	112
Interbank deposits	25,970,169	26,897,615
Time deposits	7,591,451	7,413,600
Repurchase agreements - own portfolio	3,155,648	717,555
Repurchase agreements - third-party portfolio	-	1,157,098
Interbank accounts	28,075,588	27,052,741
Borrowings and onlendings	1,476,372	925,135
Other payables	260,407	339,077
<b>Income</b>	<b>6,671,034</b>	<b>6,408,240</b>
Interbank onlendings and lending operations	747,094	617,574
Short-term interbank investments and marketable securities	2,340,811	2,464,339
Income from services rendered	455,118	438,285
Other operating income	3,128,011	2,888,042
<b>Expenses</b>	<b>5,163,098</b>	<b>4,995,629</b>
Funding	2,924,083	2,860,199
Other operating expenses	2,239,015	2,135,430

## Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

### c. Investment Funds

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

Funds	Note	2019			2018		
		Repurchase agreements	Demand deposits	Income	Repurchase agreements	Demand deposits	Income
Minascoop - Fixed-income investment fund - Private Credit		147	6	4	740	4	28
Bancoob Centralização - Fixed-income investment fund - Private Credit		700,704	8	15,745	1,330,593	6	24,912
Coopmútuo - Multi-market investment fund - Private Credit	(a)	-	-	-	5,562	10	180
Sicoob Unimais - Fixed-income investment fund - Private Credit	(a)	-	-	-	2,761	8	99
Sicoob Cocred - Fixed-income investment fund - Private Credit	(a)	-	-	-	4,063	8	54
Sicoob Previdenciário - Fixed-income investment fund - IMA-B		733	-	20	197	9	17
Sicoob Institucional - Fixed-income investment fund - Private Credit		8,414	12	704	8,363	5	690
Sicoob Central SC - Fixed-income investment fund - Private Credit	(b)	-	-	-	-	-	106
Invest Rio - Fixed-income investment fund - Private Credit	(b)	-	-	-	-	-	1,042
Unicoob - Fixed-income investment fund - Private Credit	(b)	-	-	-	-	-	22
Sicoob Goiás Central - Fixed-income investment fund - Private Credit	(b)	-	-	-	-	-	38
Sicoob Ações FI	(c)	942	26	4	-	-	-
Sicoob Multi-market investment fund	(c)	429	1	5	-	-	-
<b>Total</b>		<b>711,369</b>	<b>53</b>	<b>16,482</b>	<b>1,352,279</b>	<b>50</b>	<b>27,187</b>

The amounts above are included in the balances before eliminations.

(a) Funds closed in 2019. Income computed up to the closing of the fund.

(b) Funds closed in 2018. Income computed up to the closing of the fund.

(c) Funds established in 2019.

### d. Remuneration of key management personnel

Key management includes directors and officers. The maximum aggregate compensation payable to the Board of Directors and Executive Board is established at General Shareholders' Meetings, which are held annually.

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

Events	2019	2018
Fees	393,732	360,521
Social charges	82,131	81,147
Benefits	267,307	315,029
<b>Total</b>	<b>743,170</b>	<b>756,697</b>

### e. Related parties

Events	2019	2018
Lending operations	1,323,017	935,872
Deposits	1,908,142	1,454,132
<b>Total</b>	<b>3,231,159</b>	<b>2,390,004</b>

# Notes to the combined financial statements

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

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

---

### 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, the credit, market, liquidity, operational, environmental, operational, 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

December 31, 2019 and 2018

All amounts in thousands of reais, unless otherwise stated

- (c) Definition of maximum limit of exposure to market risk;
- (d) Periodical backtesting of 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 losses in stress situations.

The negative working capital in the combined balance sheet, totaling R\$ 21.32 billion at December 31, 2019, is mitigated by the following: i) 34.55% of non-current assets consist of highly liquid federal government securities; ii) 60.48% of the deposits is obtained through Credit Union Deposit Receipts (RDCs) from 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.

## Note 29 - Supplementary information

---

### Combating COVID-19

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

Sicoob permanently monitors the impacts that may affect its operations and results. In addition to recommendations of regulatory and governmental entities to promote personal safety and safe working organizations, since March 13, 2020, Sicoob's Crisis Committee and Crisis Group have been continuously monitoring the effects and impacts on operations, and providing the System's institutions with guidance on strategic, operational, prudential, and business aspects, among others.

## Notes to the combined financial statements

December 31, 2019 and 2018

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

Through to the date the Combined Financial Statements at December 31, 2019 were disclosed, the following changes have been noted to its main combined balances: **(a)** increase in lending operations; **(b)** increase in renegotiations and extensions of lending operations; **(c)** maintenance of the coverage index for loan losses (provision for 90-day default); **(d)** impacts on the pricing of financial instruments; **(e)** increase in deposits; and **(f)** consistency in regulatory indicators of liquidity and capital.

\* \* \*



## **Bancoob's Management**

---

### **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