

Highlights



Av. Paulista, 2.100 - São Paulo/SP
CNPJ 58.160.789/0001-28

R\$ million (unless otherwise stated)

Profitability

	Jun.20	Dec.19	Jun.19
Net Income of the Parent Company (in the period)	921	2,211	1,040
Equity of Parent Company	12,640	11,884	12,443
Return on Average Equity - Annualized (%)	15.0%	18.1%	17.2%
Return on Average Assets - Annualized (%)	0.9%	1.2%	1.1%

Performance Indicators (%)

Basel Ratio	14.5%	13.9%	15.3%
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Credit Ratios (%)

Non-Performing Loans (over 90 Days)	0.9%	0.6%	0.5%
Coverage Ratio (Balance of ALL/Transactions over 90 days past due)	382.0%	544.9%	656.3%
Ratio of Problem Assets ⁽¹⁾	1.7%	1.2%	1.2%
Coverage Ratio for Problem Assets ⁽¹⁾	253.6%	322.5%	310.0%
NIM ⁽²⁾ after ALL	3.2%	3.9%	4.0%
Balance of ALL/Credit Portfolio	3.5%	3.2%	3.1%

Statement of Financial Position

Total Assets	223,653	190,784	188,445
Liquidity ⁽³⁾	40,253	22,902	30,018
Expanded Credit Portfolio	108,408	111,070	106,191
Companies	81,565	83,970	82,569
Individuals	26,843	27,099	23,622
Funding Net of Compulsory	126,745	108,620	108,285
Clients	95,767	84,264	83,029
Market	30,978	24,356	25,256
Credit Portfolio ⁽⁴⁾ / Funding Ratio	73.4%	86.4%	81.1%
Raised and Managed Assets ⁽⁵⁾	272,695	241,927	238,418
Funds Raised and Managed	229,397	212,565	205,499
Repurchase Agreements, Foreign Exchange and Collection of Taxes	43,298	29,362	32,919

(1) Problem Assets according to CMN Resolution 4,557 = transactions over 90 days past due; renegotiated transactions without any indication that they will be fully paid; and all transactions of business customers with judicial recovery or bankruptcy declared.

(2) NIM = financial margin after ALL / average interest-bearing assets.

(3) Liquidity = cash and cash equivalents + unrestricted government and corporate securities (own portfolio) – collection of taxes and similar.

(4) Does not include guarantees and sureties.

(5) Raised and Managed Assets = funds raised and managed + repurchase agreements, foreign exchange and collection of taxes.

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R\$ million (unless otherwise stated)

Material Data

	Jun.20	Dec.19	Jun.19
Conglomerate employees (individuals)	9,047	9,190	9,231
Number of Branches and Points of Banking Services in the Country (units)	134	132	132

Basel Ratio Statement

Regulatory Capital (PR)	17,594	16,810	16,751
Tier I	14,170	12,950	13,421
Core Capital	12,427	11,726	12,261
Additional Capital	1,744	1,224	1,160
Tier II	3,423	3,860	3,330
RWA	120,929	120,543	109,208
Credit Risk	108,903	106,258	96,348
Market Risk	4,969	6,876	4,484
Operational Risk (POPR)	7,056	7,409	8,376
Basel Ratio (PR*100/RWA) ⁽¹⁾	14.5%	13.9%	15.3%
Tier I	11.7%	10.7%	12.3%
Core Capital	10.3%	9.7%	11.2%
Tier II	2.8%	3.2%	3.0%
Risk of change in interest rates in instruments classified in the banking portfolio (IRRBB)	678	415	408
Additional Countercyclical buffer (ACP)	1,512	3,014	2,730
Capital Margin (PR-RWaxF-IRRBB-ACP)	5,729	3,738	4,876

(1) In June 2020, if the issue of the level I perpetual subordinated debt security in the amount of US 200 million, approved by the Central Bank in July 2020, is considered, the Basel ratio would be 15.5%.

Summary

Consolidated Financial Statements



Safrá

Av. Paulista, 2.100 - São Paulo/SP
CNPJ 58.160.789/0001-28

Index

Net Income
R\$ 921.3
million

Annualized return
on average equity
15.0%

Liquidity⁽¹⁾
R\$ 40.3
billion

MOODY'S

International Scale⁽²⁾
Ba2
National Scale - Long Term (Aa1.br)

S&P Global

International Scale⁽²⁾
BB-
National Scale - Long Term (brAAA)

Consolidated Statement of Financial Position⁽³⁾

In thousands of Reals

	06.30.2020	12.31.2019
Extended cash and equivalents ⁽¹⁾	40,375,210	22,923,591
Interbank investments and Central Bank compulsory deposits	10,156,900	13,497,221
Financial assets	11,924,050	7,127,704
Marketable securities	6,870,254	5,384,398
Derivative financial instruments	5,053,796	1,743,306
Investment linked to open market operations - Government securities	41,597,160	28,472,607
Insurance, reinsurance and private pension operations	19,047,765	18,519,543
Credit portfolio	89,580,152	90,668,515
Credit portfolio	92,982,502	93,796,391
(Allowance for credit risk)	(3,402,350)	(3,127,876)
Others financial assets	5,702,994	5,535,630
Tax assets	4,015,430	2,838,218
Other assets	461,670	420,243
Investments, Property and equipment and Intangible assets	792,118	781,100
TOTAL ASSETS	223,653,449	190,784,372
LIABILITIES	211,013,132	178,899,997
Financial liabilities	135,108,806	119,981,415
Funds from customers	103,959,740	94,827,344
Funds from market	31,149,066	25,154,071
Derivative financial instruments	5,373,413	1,705,766
Open market funding - Government securities	41,532,511	28,208,651
Insurance and private pension operations	18,904,693	18,389,590
Others financial liabilities	6,017,816	6,389,575
Provisions for contingent liabilities and Tax liabilities	2,992,568	3,169,875
Others liabilities	1,083,325	1,055,125
CONSOLIDATED EQUITY	12,640,317	11,884,375
TOTAL LIABILITIES AND EQUITY	223,653,449	190,784,372

Consolidated Statement of Income⁽³⁾

In thousands of Reals

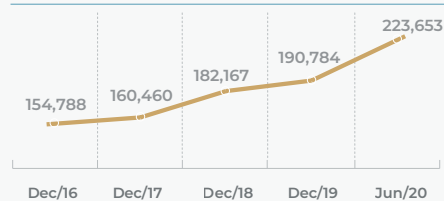
	Accumulated	
	2020	2019
GROSS INCOME ON FINANCIAL INTERMEDIATION BEFORE ALLOWANCE FOR LOAN LOSSES	2,990,160	2,875,753
RESULT OF ALLOWANCE FOR LOAN LOSSES	(693,662)	(265,647)
NET INCOME ON FINANCIAL INTERMEDIATION	2,296,498	2,610,106
OTHER INCOME FROM OPERATIONS	1,100,364	970,228
Revenue from service, bank fees and foreign exchange transactions	955,842	843,234
Management and administration of funds, brokerages and custodys	694,225	546,026
Other services, fees and foreign exchange transactions	261,617	297,208
Insurance, reinsurance and private pension operations	144,522	126,994
TAX EXPENSES OF OPERATIONS	(304,446)	(259,070)
NET INCOME FROM OPERATIONS	3,092,416	3,321,264
OTHER OPERATING INCOME (EXPENSES)	(2,095,155)	(1,998,065)
Personnel expenses	(1,435,272)	(1,405,189)
Administrative expenses	(597,863)	(512,254)
Other operating income (expenses)	(62,020)	(80,622)
INCOME BEFORE TAXES	997,261	1,323,199
INCOME TAX AND SOCIAL CONTRIBUTION	(76,005)	(282,797)
NET INCOME	921,256	1,040,402

José Manuel da Costa Gomes

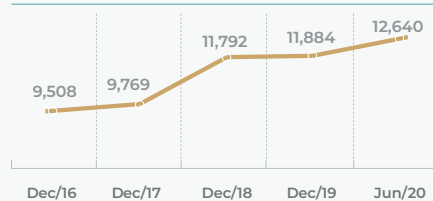
Accountant CRC n° 15P219892/O-0

The Consolidated Financial Statements with Independent Auditor's report, unqualified opinion, are available in the website www.safrá.com.br

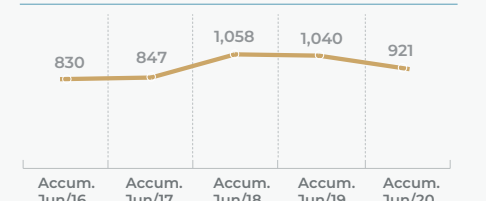
Total Assets



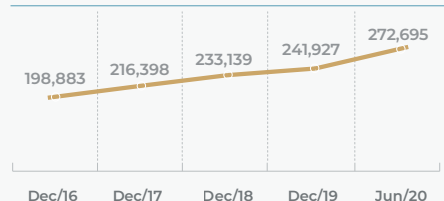
Equity



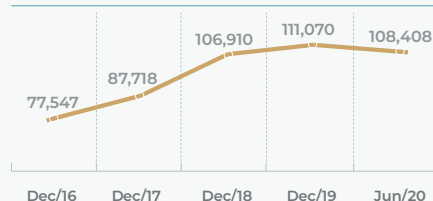
Net Income



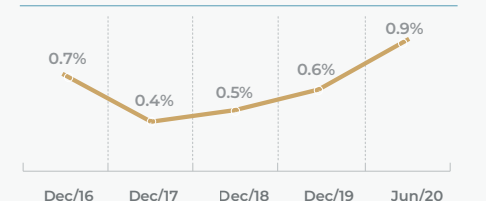
Raised and managed assets⁽⁴⁾



Expanded Credit Portfolio⁽⁵⁾



Non Performing Loans (Over 90 days)



⁽¹⁾ Liquidity represented by Cash and Unrestricted government securities of high liquidity. ⁽²⁾ The Banco Safrá continues with the highest rating among the financial institutions in Brazil, which are limited to Sovereign rating, both the S&P Global and Moody's. ⁽³⁾ In the Statement of Financial Position, it refers to the presentation model with information included in the explanatory notes. In the Statement of Income adjusted by the tax effect of the hedge of investments abroad. ⁽⁴⁾ Represented by raised and managed funds + repurchase agreements + foreign exchange portfolio + collection of taxes and similar. ⁽⁵⁾ Included Credit portfolio and Guarantees and sureties.