

# 1Q21

## Management Report

**+104.7% y/y**  
Accounts with Salary  
2.9 mi Total Clients

**+47.6% y/y**  
Credit Portfolio  
R\$ 2.6 bi

**+141 hubs y/y**  
Total of 751 hubs  
across Brasil (April 2021)

**74 NPS**  
Net Promoter Score

**+48.4% y/y**  
Credit Origination  
R\$ 1.1 B

**+107.1% y/y**  
Cash Deposits

**+43.0% y/y**  
NII  
R\$ 276.9 M

**+37.4% y/y**  
Service Fees  
R\$ 22.7 mi

**+11.5% y/y**  
Total Revenues  
R\$ 395.7 mi

**+58.9% y/y**  
Net Income  
R\$ 22.5 mi

**+55.0% y/y**  
Net Equity  
R\$ 825 M

**19.5%**  
Adjusted ROAE  
+0.8 p.p.

## MANAGEMENT REPORT

The first quarter of 2021 was marked by **accelerated Agibank growth** on all fronts. The number of checking account holders with paycheck accounts more than doubled compared with the same period in 2020, enabling us to reach **2.9 million customers**, adding principality and cross-sell opportunities. **Credit origination reached R\$ 1.1 billion** in the quarter, representing **a growth of 48.4%** per working day from the same period last year, setting a new record for us. The **gross credit portfolio** thus reached **R\$ 2.6 billion, up 47.6%** from March 2020.

This is all because we always **put customers first and foremost**, with our **NPS of 74 points** just one piece of evidence that our teams are tireless about providing the best experience, making sure that their needs are understood and met, and their expectations exceeded. Another recognition can be seen in our maintained **RA 1000 seal** according to the *Reclame Aqui* rankings, showing that we have been able to grow our customer base even as we improved service quality at all points of contact – be it the app, by phone, or the **751 hubs** across Brazil. Therefore, our consultants – exclusive employees who identify deeply with customers – play an increasingly key role providing service in a **welcoming and humanized** way, offering appropriate and fair products and services and encouraging customers to self-serve digitally on increasingly simple and comprehensive channels.

In this quarter our innovative culture prevailed once more, and we reached strategic, financial and operational milestones that we are proud to share here. To help the deep Brazil and facilitate the financial lives of millions of people is why our nearly 4 thousand employees and entrepreneurs get up early each day, helping democratize access to financial products and services in Brazil, in line with our values:

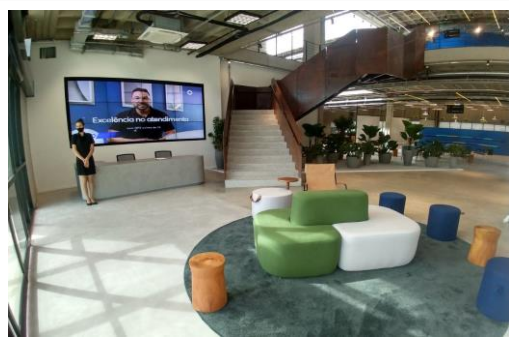
- **PEOPLE** | We believe in the potential of our people and cheer for their accomplishments and happiness.
- **CUSTOMERS** | Our obstinacy with making each customer's daily life better is legitimate and tireless.
- **ENTREPRENEURSHIP** | We are close to 4,000 entrepreneurs: we like and pursue ownership in everyone.

**Investment Platform.** We announced to the market our investment platform in March 2021, providing our customers with a complete solution for fixed-income, variable-income, investment-fund and government-bond products. All to further expand our value offering and gain ground in the construction of a complete ecosystem of financial and non-financial solutions. The fee-free solution will be integrated with the bank's checking account services, which also charge no upkeep fees.

The investment platform will contribute to attracting new investor profiles and additional cash deposits, as well as to reducing our medium- and long-term funding costs. It is worth emphasizing that, as a payer institution of the largest payroll in Latin America, the platform also enables us to contain the outflow of funds from our ecosystem as we offer investment choices for all investor profiles.



**Agi Campus.** In the early days of the year, we held the Agi Campus soft opening, which embraced all safety protocols. The space has special value to us besides being the new headquarters, as it is where we carry out management rites, disseminate the institution's culture, and hold integration and training programs for all employees, in particular our consultants serving the network of 751 hubs. The Campus is situated in **the city of Campinas, state of São Paulo**, a reference when it comes to innovation and business. In addition to its proximity with one of the world's main economic hubs, the city was also chosen for being listed one of the smartest and most connected in Brazil. The site is strategically located, joining a 19,000 square-meter innovation and technology hub that also houses other large companies in a **LEED Gold-certified** complex that fully meets **ESG practices**.



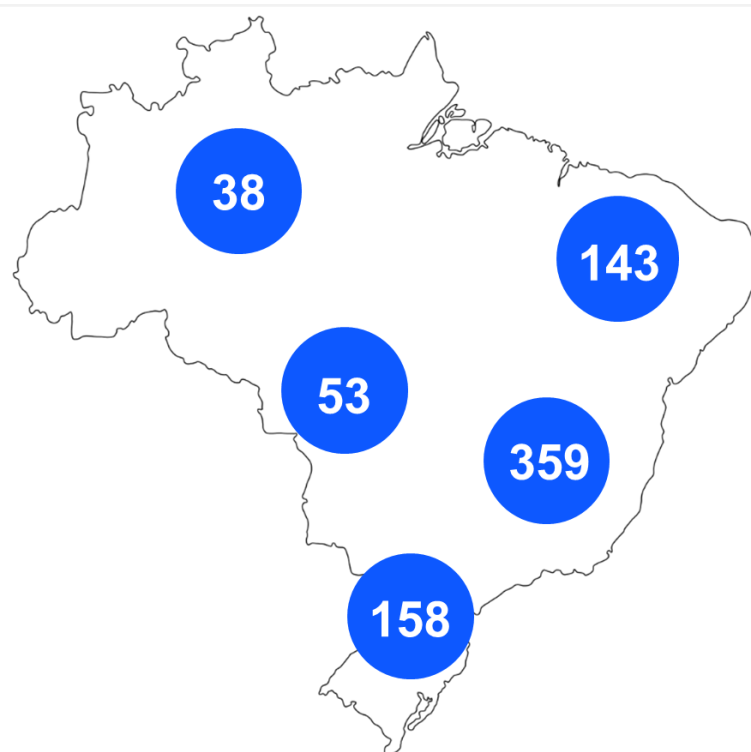
**Agi Lab.** Also in the first quarter, we unveiled Agi Lab in Porto Alegre, our co-working space, maintaining our operation in the state of Rio Grande do Sul, alongside **Instituto Caldeira**. The facility at Instituto Caldeira – a private-sector initiative originated by 39 founding companies with the purpose of fostering transformation and connecting Rio Grande do Sul with the New Economy themes – will bring the bank closer to startup companies in various segments, which fully aligns with our innovative DNA.



**HypeFlame.** Late in 2020, we announced HypeFlame: the spin-off from the bank's technology area (an Agibank-controlled subsidiary) to make its role even more relevant, answering for the entire technology infrastructure and architecture, data engineering, transformation agenda for the banking core, evolving solutions for channels, checking accounts, payments, credit operations, investments and, in particular Big Data. As concerns attracting talents and showing its potential as an employer brand, HypeFlame has already proved its mettle: in the first three months of 2021, **we hired 120 technology professionals**, reaching 500 professionals, 80% of which are engineers, reinforcing squads and creating new ones with a focus on delivering Agibank projects. HypeFlame therefore has the potential to go further, creating technology products and services available to the market at large, and eventually accelerating its own growth through acquisitions.

**Data Science & Credit Modeling.** In the first quarter, our data scientists dedicated themselves to the development of models to assist decision-making in various company areas. Some of the more relevant deliveries include the **new credit modeling**, which creates new opportunities with fairer customer offerings, thereby reducing the average interest rate and defaulting by more than 20%, leading to a **NPL** (over 90) in excess of 26.6% of the gross credit portfolio in Mar/20 to **8.7% in Mar/21**. Another major gain was the development of a customer **consumption, digitalization and connectedness profile model**, which enables selecting the best offerings and channels, changing strategies at a more granular level, customer by customer, ensuring improved conversion levels.

**Omnichannel.** We offer customers an increasingly digital journey, regardless of their channel of choice, and our hubs provide an additional opportunity to deliver a fluid, frictionless experience. We are currently present in every Brazilian city of more than 100 thousand, with **751 hubs**, a physical chain that compares with the main Brazilian retailers in terms of locations. Our hubs are more than in-person service points: they are mechanisms for the financial and digital literacy of our customers, who can address their financial needs with the assistance of technology, with free Wi-Fi to download the app, open accounts, carry out salary portability, or choose to receive benefits through Agibank, and



*Geographic distribution of our 751 hubs in Apr/21.*

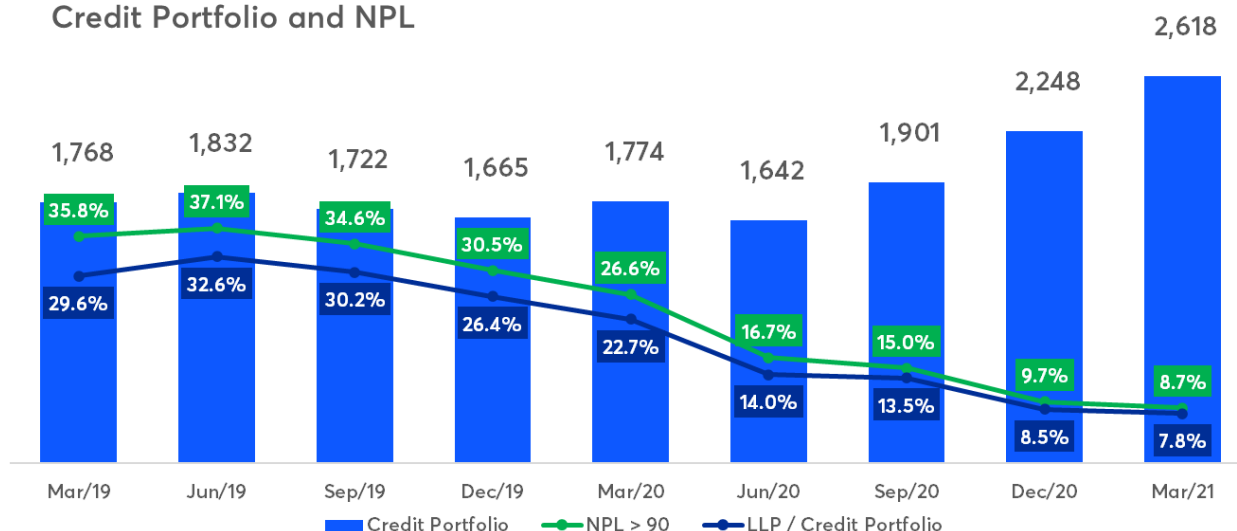
will soon be able to enjoy many more services besides finance. In addition, we continue to improve our digital channels, from a reformulated ATM experience to the app and Internet Banking, always built shoulder to shoulder with customers. This is yet another example of how far we have been consolidating our omnichannel strategy, providing access on every platform, so that customers have at hand a **unique off- and online combination**, and may choose whatever channel they prefer to use at any time.

**Financial and Operational Results.** In 1Q21, we report significant evolution in the bank's indicators, a result of the implementation of new credit models, of the strategy of segmenting customers by risk level, and of a more diverse portfolio mix. We reach the end of the period with a **gross credit portfolio of R\$ 2,618.2 million (up 47.6% from 1Q20)** and R\$ 276.9 million in results from financial intermediation (up 43.0% from 1Q20). Therefore, the net income of R\$ 22.5 million (up 58.9% from 1Q20), together with a net margin of 8.1%, produced 19.5% adjusted Return on Average Equity (average ROAE) and 3.5% adjusted Return on Average Assets (adjusted ROAA). As at the end of 1Q21, our cash position was R\$ 1,264.0 million (up 24.7% from 1Q20) and the bank's risk and liquidity indicators – 15.6% adjusted Basel capital adequacy Ratio and 5,487.3% Liquidity Coverage Ratio (LCR) – illustrate our satisfactory capital and liquidity positions.

The macroeconomic environment's lingering complexity showcases our competitive advantages, enabling Agibank to stand out in an adverse scenario and grow consistently. The asset-light model enables agile adjustment to the new dynamics by means of a lean cost structure compared with other players, which allows offering more affordable and fairer products, with a unique value proposal for our target public. It is also worth emphasizing how far we have advanced our credit models, investing in data sciences with dedicated data engineers, in even more robust credit engines, and in the continued creation of risk clusters, guaranteeing assertive customer segmentation and continuously capturing new information as it becomes available, adjusting to the country's new reality to continue offering credit in a responsible and sustainable way.

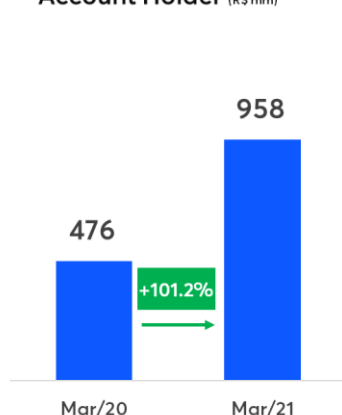
**Credit.** In March 2021, more than **96% of our credit portfolio had the Federal Government as a counterparty**, due to a new origination strategy that significantly expands the addressable market and places the credit portfolio's risk at a new level. NPL (E-H) continued to trend down and reached 8.7% in Mar/21, meaning a significant decrease from Mar/20. Another indicator in support of this view is LLP, which was 7.8% of the gross credit portfolio in Mar/21, down 14.9 p.p. from Mar/20. This means a lower cost of risk and a positive indicator for the coming periods.

### Credit Portfolio and NPL

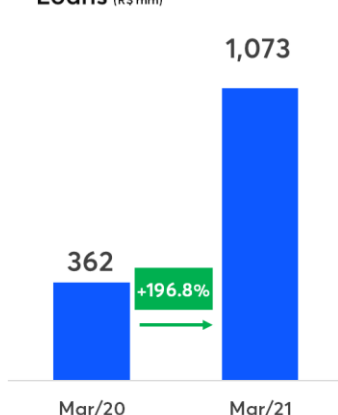


The gradual change of the credit portfolio's profile remained on track, favoring facilities with lower risks and lower nominal rates, such as **paycheck-deductible loans and paycheck-deductible credit cards, which gained 196.8% and 90.9%, respectively, from Mar/20** and already represent a 49.3% share of the portfolio (from 27.9% in Mar/20). Furthermore, in line with the strategy of building closer ties with customers, **we increased the personal credit portfolio for checking accountholders by 101.2%**. It already represents 37.1% of the total credit portfolio and is close to triple the share of non-checking accountholders. Besides, we continue to invest in technology, in improved credit granting models, and in the other phases of the credit cycle, leading to increased volumes of digital transactions and product cross selling.

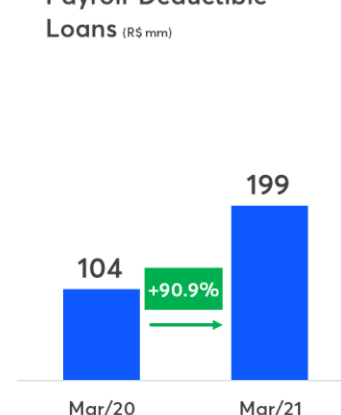
### Personal Credit - Account Holder (R\$ mm)



### Payroll-Deductible Loans (R\$ mm)



### Credit Card Payroll-Deductible Loans (R\$ mm)

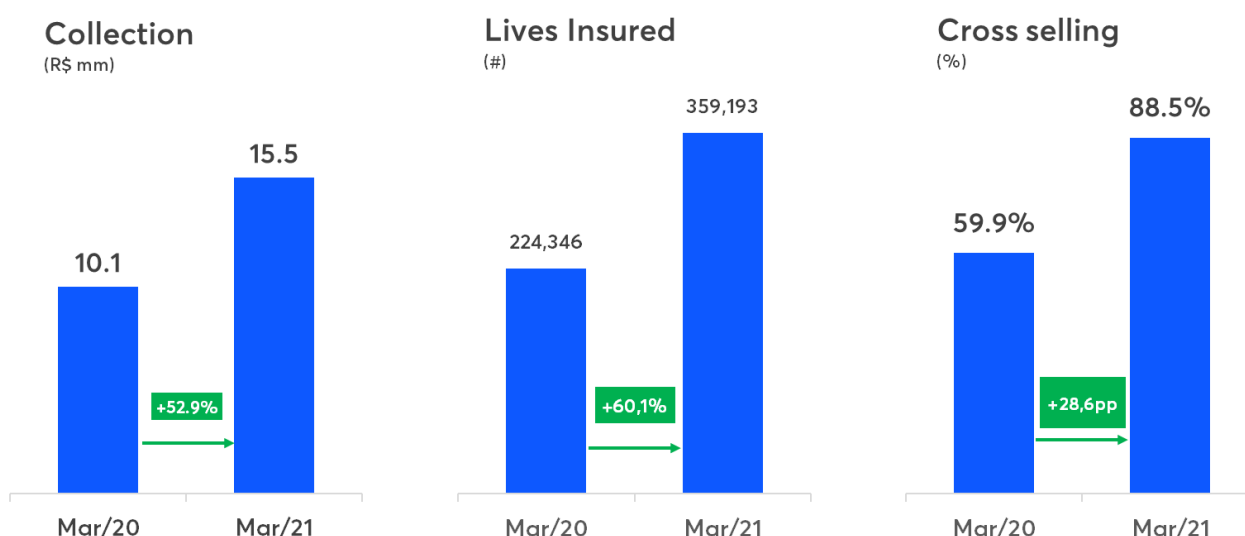


**Insurance.** In 2020, we completed a bidding process that involved more than 15 insurers and announced Italian company Generali – a leading asset-management group and a global top-five in insurance – as exclusive partner for the sale of the group life insurance product over the coming 6



years. The fruit of the partnership is a more comprehensive product for our customers, with upgraded services and coverage amounts for the same price as the insurance previously on offer. The product adds funeral support and refunds for medication expenses, in addition to a weekly R\$ 5 thousand prize using the Federal Lotto draw.

We reached the end of March 2021 with approximately **360 thousand lives insured**, up **60.1%** from Mar/20 and **15.6%** from Dec/20, with average insuree age of 59 years old. The **cross-selling index for new contracts is 88.5%**, in line with our relationship strategy and the profile of the credit portfolio that Agibank originates. In 1Q21, R\$ 15.5 million in insurance premiums were collected, up **52.9%** from 1Q20 and **6.0%** from 4Q20.



**Outlook.** The course we take clearly shows the problem that we are up to solving for people: **we do not believe in a 100%-digital bank (much less in a 100%-brick-and-mortar bank). We believe in omnichannel execution, guided to the needs of the deep Brazil.** How many can actually use a banking app or internet banking without difficulty in our country? Our reality is far more adverse than that, with a huge amount of people living through hardship. And the problems don't end just with digitalizing this public. Many feel intimidated and excluded from traditional banks' servicing; not receiving the proper attention and guidance they need for taking care of their financial lives.

Over more than 20 years, we gradually built strengths that now let us go beyond. **From our base of 3 million checking and non-checking accountholders, from the over R\$ 10 billion in cash-in we receive annually, from our data-driven, innovative culture and our more than 750 existing hubs**, we want to extend the experience of our 70-plus NPS score to enchant and exceed the expectations of an even larger addressable market.

We believe that bank digitalization requires assistance and that this is possible from our hubs. Our consultants are highly qualified to welcoming this public properly, to understand their difficulties and needs. We believe that every hub must offer them an experience of belonging, of connectedness, and of learning. At the same time, the strategy has been proving effective insofar as we have become less and less dependent on digital marketing, **reducing our CAC (client acquisition cost) and generating a significant business model flywheel.**

Many people still use cash day-to-day, because no one told them that there are alternatives. That's why our process is completely attuned to educating about the use of these solutions, which enables customers to gain independence and gradually learn how to do things, from checking their

balance to other online transactions. This dynamic **creates another important flywheel, putting the CTS (cost to serve) on a decreasing path, allowing consultants to generate new operations**. The results are becoming evident: in this first quarter, our customers' digital transactions more than doubled. According to a Bain & Company survey, only 8% of the mature population is digital. At Agibank, the same age group is current at 45%.

In this vein, we took one more step ahead in March with the controlled launch of our investment platform, to be soon followed by a **new app** that will also stand as an account opening platform, with a **marketplace of financial and non-financial services**. This will enable, among many more opportunities, improved hub area optimization serving as a showroom for sellers' merchandise, for example. The new platform will use a member-get-member model with cashback features, enabling the creation of an exponential network. With the release of the new app, we'll be like a tensed coil, capable of even further accelerating growth. In addition to the construction of a complete ecosystem for customers, this will also help address Agibank's funding, attracting cash deposits, boosting the asset-light strategy and improving our leverage capacity.

Our business has been in place for more than 20 years, and keeps coming up with new versions, all of which play an important evolutionary role. It is worth mentioning that we are not switching strategies, or minimizing the focus on the 50-plus public. We understand clearly that a relevant opportunity continues to exist in the segment, but that **expanding into a universe of 160 million** who desire access to better financial and non-financial services **is only natural**.

When we look at the coming quarters, our vision is that this will be another year of **consistent growth for our core portfolios**, of continued brick-and-mortar and digital expansion, of enhanced activities with the new Agibank headquarters in São Paulo, consolidating an **ecosystem** that meets needs far beyond banking, credit, insurance, and investing.

With an extremely engaged team that is connected with our purpose and capable of bring about these transformations, we enter 2021 sharply focused on developing new products, services, channels and features, which will further boost long-term relationships with our customers and generate a virtuous cycle of growth founded on an increasingly comprehensive portfolio and with more attractive conditions for people to enjoy better lives.

**Acknowledgments.** Agibank wishes to thank its customers, employees, service providers and partners for one more quarter of support, dedication, courage, trust and dedication.

*São Paulo, May 13, 2021.  
The Management*



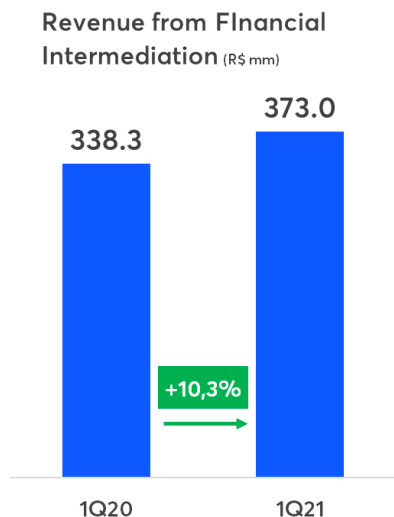
## KEY INDICATORS

In millions of Reais, unless otherwise stated		1Q21	1Q20	1Q21/1Q20
Results	Revenue from Financial Intermediation	373.0	338.3	10.3%
	Expenses from Financial Intermediation	(96.1)	(144.6)	-33.5%
	Gross Profit from Financial Intermediation	276.9	193.7	43.0%
	Operating Expenses	(237.7)	(175.5)	35.5%
	Operating Income	39.2	18.2	115.3%
	Net Income	22.5	14.2	58.9%
Performance	ROAE <sup>(1)</sup> a.a. (%)	16.6%	18.7%	-2.1 p.p.
	ROAE <sup>(1)</sup> a.a. (%) - Adjusted	19.5%	18.7%	0.8 p.p.
	ROAA <sup>(2)</sup> a.a. (%)	3.4%	3.8%	-0.4 p.p.
	ROAA <sup>(2)</sup> a.a. (%) - Adjusted	3.5%	3.8%	-0.3 p.p.
	Net Interest Margin <sup>(3)</sup> a.a. (%)	34.1%	34.1%	0.0 p.p.
	Operating Efficiency Ratio <sup>(4)</sup> (%)	72.2%	58.2%	14.0 p.p.
	Risk-adjusted Operating Efficiency Ratio <sup>(5)</sup> (%)	86.9%	91.3%	-4.4 p.p.
	Net Margin <sup>(6)</sup> (%)	8.1%	7.3%	0.8 p.p.
Balance Sheet	Net Equity	825.2	532.5	55.0%
	Net Equity - Adjusted	625.2	532.5	17.4%
	Assets	4,044.7	2,648.3	52.7%
	Cash	1,264.3	1,013.6	24.7%
	Credit Portfolio	2,618.2	1,774.2	47.6%
	Leverage <sup>(7)</sup>	3.2	3.3	-0.1 p.p.
	Loan Loss Provision/Gross Credit Portfolio (%)	7.8%	22.7%	-14.9 p.p.
	NPL (>90 days) (%)	8.7%	26.6%	-17.9 p.p.
	Capital Adequacy Ratio (%)	15.6%	13.4%	2.2 p.p.
Other	Total Number of Clients	2,865,126	2,639,700	8.5%
	Total Number of Outlets	723	604	19.7%

(1) ROAE = 12-mo Net Income/Average Equity; (2) ROAA = 12-mo Net Income/Average Assets; (3) Net Financial Margin = 12-mo Gross Profit from Fin. Int./Average Interest-Bearing Assets; (4) Operating Efficiency Ratio = (Adm. Exp. + Payroll Exp. + Tax Exp. + Other Operating Expenses and Revenues/Gross Profit from Fin. Int. before LLP + Services Revenue, Bank Fee Income; (5) Risk-adjusted OER = (Adm. Expenses + Payroll Expenses + Tax Expenses + Other Operating Expenses and Revenues)/Gross Profit from Fin. Int. + Services Revenues + Bank Fee Income; (6) Net Margin = Net Income/Gross Profit from Fin. Int.; (7) Leverage = Total Credit Portfolio/Equity.

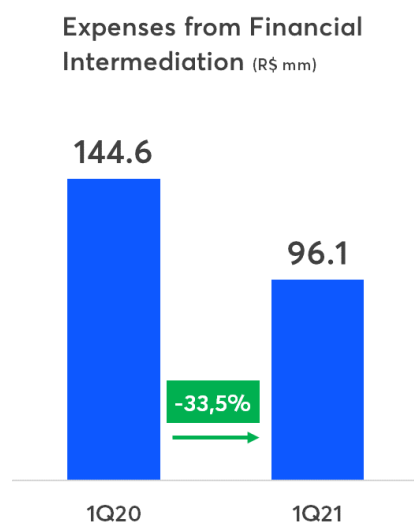
## MD&A

### REVENUE FROM FINANCIAL INTERMEDIATION



Revenue from financial intermediation was R\$ 373.0 million in Mar/21, which represents an increase of 10.3% compared to the same timeframe of 2020, mainly due to the increase of credit origination, notwithstanding the continually increasing origination of facilities with lower risk and nominal rates, such as payroll-deductible loans and credit cards, in addition to a 20% decrease in effective personal credit interest rates, boosted by the advance in personal loans to account holders.

### EXPENSES FROM FINANCIAL INTERMEDIATION AND FUNDING



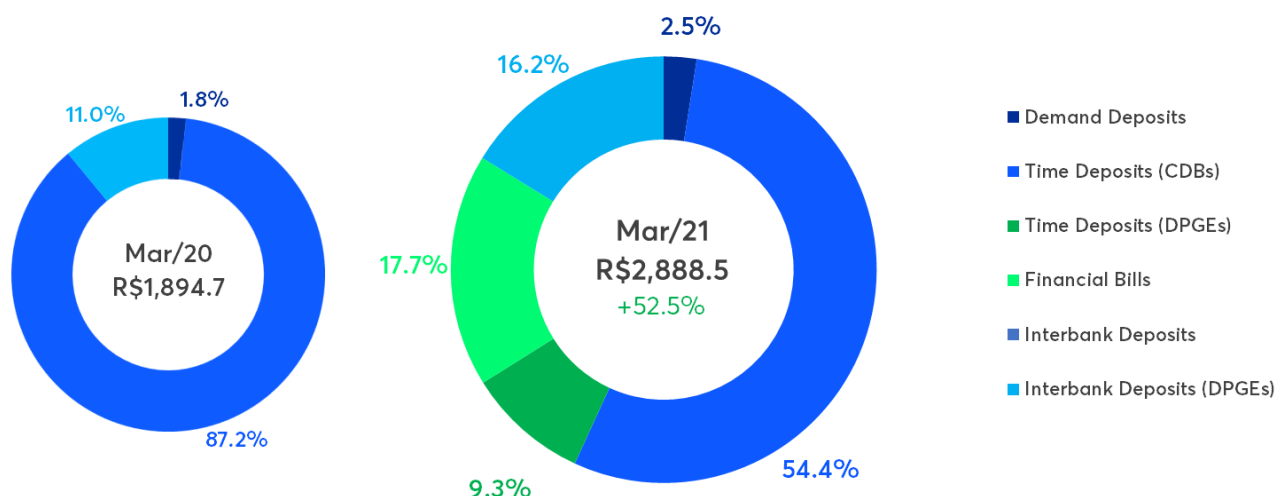
Expenses from Financial Intermediation amounted to R\$ 96.1 million in 1Q21, down 33.5% y/y, due mainly to lower LLP (Loan-Loss Provisions), capturing the benefits of a better portfolio mix and improved efficiency in credit cycle phases including modeling, approval and operations maintenance.

As for funding, the Bank relies on a fundraising structure whose main component is CDB-based (time deposits), appropriate for the profile of its credit portfolio, which is conservatively managed, maintaining comfortable liquidity levels.

Agibank distributes its securities by means of more than 40 platforms and is currently undertaking a gradual process of diversification of its funding sources. This has proved beneficial and efficient in terms of dispersal and costs, notably with the issue of public, bilateral and subordinated Financial Bonds.

In the beginning of 2020, the Central Bank of Brazil issued resolutions for enhancing liquidity in the Brazilian financial system, notably in the form of Time Deposits with Special Guarantee (NDPGE) and Guaranteed Financial Bonds (LFG), the latter bearing a cost of Selic + 0.6% per year., with the Central Bank itself as counterparty. Taken together, NDPGE and LFG give the Bank a potential increase in liquidity of approximately R\$ 1.5 billion, of which approximately R\$ 1.0 billion had been taken through the issuing of DPGEs and LFG by March/2021. Agibank will remain evaluating available limits for the issuing of DPGE throughout 2021, such as other viable alternatives for optimizing the funding and/or maintenance costs of its already comfortable level of liquidity.

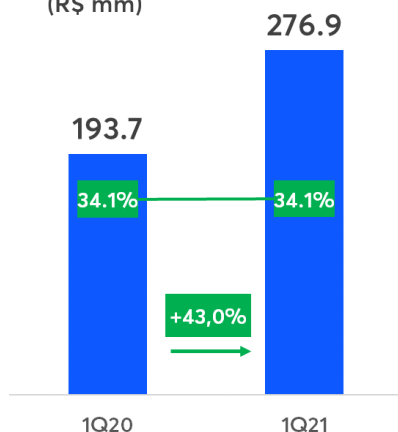
## Funding (R\$ mm)



Worthy of note is the increase in the volume of Demand Deposits, reporting R\$ 71.9 million in Mar/20. With the beginning of the payment of social security benefits, mainly following the INSS auction, the Bank expects an even greater advance in this resource, given the profile of the customers that will naturally migrate to the institution under this new dynamic.

## GROSS PROFIT FROM FINANCIAL INTERMEDIATION

Gross Profit from Financial Intermediation and NIM (R\$ mm)



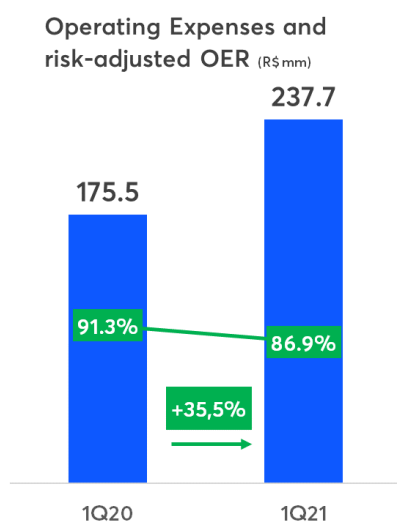
Gross Profit from Financial Intermediation was R\$ 276.9 million in 1Q21, up 43.0% y/y and up, following the same effect that led to a greater proportional reduction in Expenses than the decline in Revenue, as discussed previously. The annualized Net Interest Margin, measured based on the Gross Result from Financial Intermediation to Interest-Paying Assets, remained 34.1% in March 2021.

## SERVICE FEES

In millions of Reais, unless otherwise stated	1Q21	1Q20	1Q21/1Q20
Comissions	12.3	7.0	76.8%
Purchase Pool Administration Fees	1.1	0.8	35.4%
Sign up Fees	3.5	3.8	-7.0%
Annuities	1.4	2.1	-33.5%
Other Fees	4.4	2.9	51.6%
<b>Total</b>	<b>22.7</b>	<b>16.5</b>	<b>37.4%</b>

Service Revenue, which includes revenues from fees and services rendered, amounted to R\$ 22.7 million in 1Q21, increasing 37.4% y/y. The main factor was the growth in insurance brokerage commissions. In the quarter, our life insurance products had over 70.0% cross-selling with the credit operations.

## OPERATING EXPENSES



Net Operating Expenses were up 35.5% y/y, reaching R\$ 237.7 million in 1Q21, a result of the acceleration of investments in technology and the expanding number of physical hubs throughout Brazil.

The risk-adjusted Operational Efficiency Ratio (OER), the measuring methodology for which is displayed below, was 86.9% in March 2021, down 4.4 p.p. from March 2020, due mainly to the reduced LLP expenses.

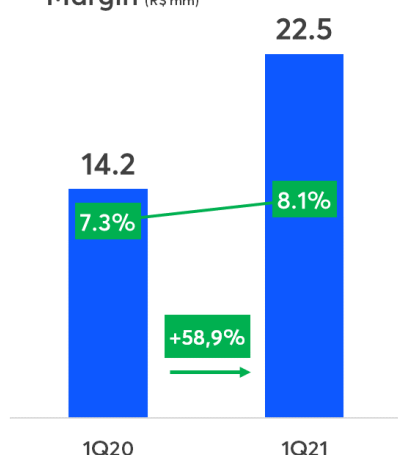
## OPERATING EFFICIENCY RATIO

In millions of Reais, unless otherwise stated	1Q21	1Q20	1Q21/1Q20
Employee Expenses*	(105.2)	(29.7)	254.6%
Administrative Expenses	(122.9)	(144.0)	-14.6%
Tax Expenses	(31.9)	(17.9)	78.7%
Other Operating Income and Expenses	(0.4)	(0.5)	-9.3%
<b>Total Expenses</b>	<b>(260.5)</b>	<b>(192.0)</b>	<b>35.6%</b>
Revenue from Fin. Intermediation before LLP	338.2	313.1	8.0%
Banking Service Fees	22.7	16.5	37.4%
<b>Total Revenues</b>	<b>361.0</b>	<b>329.7</b>	<b>9.5%</b>
<b>Operating Efficiency Ratio (%)</b>	<b>72.2%</b>	<b>58.2%</b>	<b>14.0 p.p.</b>
Loan Loss Provision (LLP)	(61.4)	(119.4)	-48.6%
Revenue from Financial Intermediation	276.9	193.7	42.9%
<b>Risk-adjusted Operating Efficiency Ratio (%)</b>	<b>86.9%</b>	<b>91.3%</b>	<b>-4.4 p.p.</b>

\* considers profit sharing expenses

## NET INCOME

Net Income and Net Margin (R\$ mm)



Agibank's 1Q21 Net Income was R\$ 22.5 million, up 58.9% from 1Q20, with a Net Margin of 8.1%.

This result validates Agibank's successful strategical reorientation of its credit portfolio mix, and of becoming its customers' main bank.

## DIVIDENDS AND INTEREST ON SHAREHOLDER'S EQUITY

In the first quarter of 2021, the Bank's Administration approved the destination of profits to the payment of interest on shareholder's equity and dividends totalizing R\$ 8.9 million.

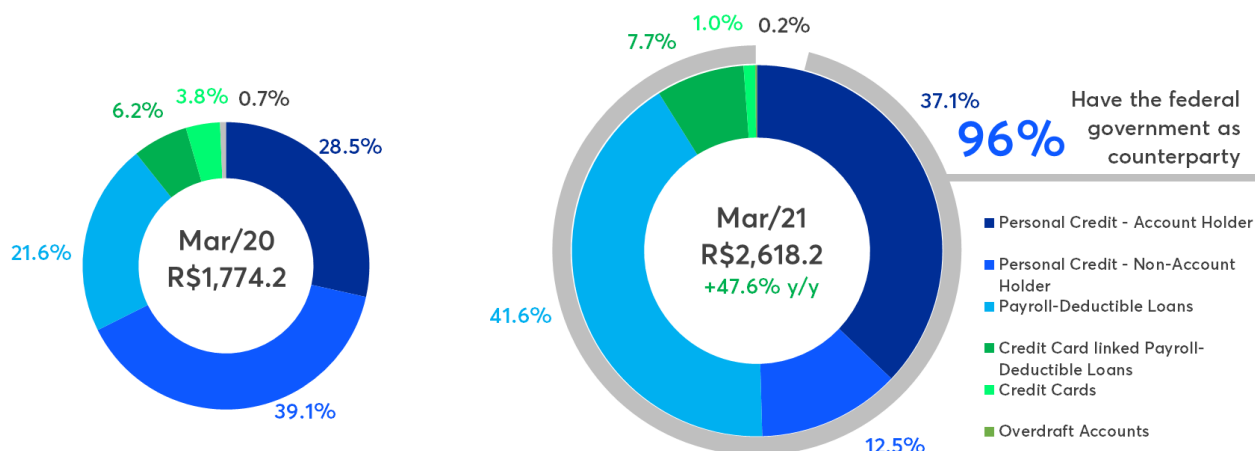
## ANALYSIS OF CREDIT OPERATIONS

### CREDIT PORTFOLIO

In millions of Reais, unless otherwise stated	Portfolio			Var. %	
Credit Portfolio	Mar/21	Dec/20	Mar/20	Mar/21 x Dec/20	Mar/21 x Mar/20
Personal Credit	1,279.3	1,063.3	1,130.2	20.3%	13.2%
Personal Credit - Account Holder	957.7	734.3	475.9	30.4%	101.2%
Personal Credit - Non-Account Holder	321.7	329.0	654.3	-2.2%	-50.8%
Payroll-Deductible Loans	1,072.9	920.3	361.5	16.6%	196.8%
Credit Card linked Payroll-Deductible Loans	198.9	194.7	104.2	2.2%	90.9%
Digital Credit Cards	26.4	27.9	64.3	-5.3%	-58.9%
Digital Overdraft Accounts	4.0	4.2	11.2	-4.1%	-64.5%
<b>Credit Portfolio</b>	<b>2,581.5</b>	<b>2,210.4</b>	<b>1,671.4</b>	<b>16.8%</b>	<b>54.5%</b>
Securities and Credits Receivable	36.7	37.7	102.8	-2.6%	-64.3%
<b>Total Gross Credit Portfolio</b>	<b>2,618.2</b>	<b>2,248.0</b>	<b>1,774.2</b>	<b>16.5%</b>	<b>47.6%</b>
LLP - Credit Portfolio	(201.4)	(187.5)	(379.3)	7.4%	-46.9%
LLP - Securities and Credits receivable	(1.8)	(1.0)	(5.1)	82.2%	-65.4%
<b>Net Credit Portfolio</b>	<b>2,415.1</b>	<b>2,059.6</b>	<b>1,389.8</b>	<b>17.3%</b>	<b>73.8%</b>

As of March 2021, the Total Credit Portfolio amounted to R\$ 2,618.2 million, growing 47.6% y/y. Once again, the highlights being the growth of the Account Holder Personal Credit and Payroll-Deductible Loans portfolios, which, together with the Payroll-Deductible Credit Card portfolio, represented 86.4% of the total credit portfolio (compared to 56.3% in March 2020). It is worth emphasizing that, in March 2021, approximately 96.0% of the credit portfolio had the Federal government as counterparty, which substantially reduces the portfolio's risk. The Credit Portfolio, net of loan loss provisions, reached R\$ 2,415.1 million, 73.8% and 17.3% higher than the positions outstanding in March 2020 and December 2020, respectively.

Credit Portfolio Breakdown (R\$ mm)





## QUALITY OF THE CREDIT OPERATIONS PORTFOLIO

In millions of Reais, unless otherwise stated		Portfolio			Provision			Breakdown		
Rating	% of provision	Mar/21	Dec/20	Mar/20	Mar/21	Dec/20	Mar/20	Mar/21	Dec/20	Mar/20
A	0.5%	2,231.1	1,876.1	1,084.0	(11.2)	(9.4)	(5.4)	85%	85%	65%
B	1%	53.0	38.3	45.6	(0.5)	(0.4)	(0.5)	2%	2%	3%
C	3%	62.5	46.7	52.0	(1.9)	(1.4)	(1.6)	2%	2%	3%
D	10%	43.0	34.8	44.9	(4.3)	(3.5)	(4.5)	2%	2%	3%
E	30%	32.4	29.9	58.7	(9.7)	(9.0)	(17.6)	1%	1%	4%
F	50%	26.3	27.8	47.5	(13.2)	(13.9)	(23.8)	1%	1%	3%
G	70%	24.9	22.8	42.1	(17.4)	(16.0)	(29.5)	1%	1%	3%
H	100%	144.9	134.0	296.6	(144.9)	(134.0)	(296.6)	6%	6%	18%
Total		2,618.2	2,210.4	1,671.4	(203.1)	(187.5)	(379.3)	100%	100%	100%

## CAPITAL MANAGEMENT

### CAPITAL ADEQUACY RATIO (BASEL III)

In millions of Reais, unless otherwise stated	Mar/21	Dec/20	Mar/20
Referential Equity - Tier I	695.3	501.9	460.1
Core Capital	695.3	501.9	460.1
<b>Referential Equity</b>	<b>746.7</b>	<b>552.0</b>	<b>493.0</b>
Referential Equity - Tier II	51.4	50.0	33.0
Credit Risk-weighted Assets	1,964.7	1,684.6	1,362.5
Market Risk-weighted Assets	41.0	26.8	13.8
Operational Risk-weighted Assets	2,741.2	2,696.7	2,515.1
<b>Risk-weighted Assets</b>	<b>4,746.9</b>	<b>4,408.1</b>	<b>3,891.3</b>
RBAN	42.6	42.1	154.4
<b>Capital Adequacy Ratio (RE/RWA)</b>	<b>15.7%</b>	<b>12.5%</b>	<b>12.7%</b>
<b>Expanded Capital Adequacy Ratio (RE/(RWA+RBAN))</b>	<b>15.6%</b>	<b>12.4%</b>	<b>12.2%</b>

The Bank's Capital Adequacy Ratio reached 15.6% in March 2021, increasing 2.9 p.p. y/y, also influenced by the R\$ 200.0 million capital investment by Vinci Partners'.

## LIQUIDITY MANAGEMENT

### LIQUIDITY COVERAGE RATIO (LCR) and CASH POSITION

In millions of Reais, unless otherwise stated	Mar/21	Dec/20	Mar/20
High Quality Liquid Assets	892.3	924.7	516.0
Potential Cash Outflows	16.2	12.9	35.5
<b>LCR (%)</b>	<b>5487.3%</b>	<b>7189.5%</b>	<b>1451.8%</b>
<b>Cash Position</b>	<b>1,264.3</b>	<b>1,499.5</b>	<b>1,011.2</b>

LCR indicates the Bank's capacity to absorb the effects of a scenario of stress with the outflow of a large volume of high quality liquid assets. The amounts are calculated based on the methodology defined by Brazilian Central Bank regulations, in line with Basel III guidelines.

In March 2021, LCR reached 5,487.3%, keeping the bank at a comfortable liquidity position. The Bank's Cash Position reached R\$ 1,265.3 million in March 2021, up 25.0% from March 2020.

## **RISK MANAGEMENT**

Agibank has in place a risk management, internal controls and compliance structure with an exclusive-dedication team responsible for keeping processes mapped and compliant with standards, and modern systems to measure, monitor, evaluate and mitigate the institution's exposures on a continued basis.

Embracing best risk-management practices, Agibank uses specific calculations and indicators to measure and monitor compliance, operational, credit, market, liquidity and capital management risks.

## **SHAREHOLDER STRUCTURE**

As of March 31, Agibank's equity capital consisted of 418,159,216 common shares and 17,030,139 preferential class A shares (PNA), 145,674,473 preferential class B shares (PNB), 77,235,516 preferential class C shares (PNC), and 10,000 preferential class D shares (PND), all nominative and without face value. From this amount, the sum of R\$ 200 million corresponding to the capital increase undertaken by the Company in December 2020, through the issuing of 77,235,516 preferential class C shares, already approved by the Central Bank of Brazil.

## **OMBUDSMANSHIP**

Agibank has in place an Ombudsmanship structure to interface between the institution and customers, pursuing solutions to issues not addressed by other channels and proposing corrective measures for processes and procedures based on the demands it receives.

## **DISCLAIMER**

The statements in this document related to the prospects for the businesses, forecasts on operating and financial results and those relating to the outlook for growth of Banco Agibank S.A., are merely estimates and as such are based exclusively on the expectations of Management as to the future of the businesses. These expectations depend substantially on market conditions, the performance of the Brazilian economy, the sector and the international markets and are therefore subject to change without prior notice. All variations presented herein are calculated based on the numbers in thousands of Brazilian Reais, as are any roundings.

## ABOUT AGIBANK

Agibank is a customer-obsessed bank that encourages a sense of ownership in its 4 thousand enterprising employees on a daily basis, in the belief that happy employees can perform change and make people's daily lives better. Digital always and brick-and-mortar when customers need it to be, it provides simple and affordable products and services to streamline the financial lives of thousands of Brazilians. For those who prefer to handle things digitally, there is the App, Internet banking, chat and a relationship center that is always on call. For those who do not want to relinquish one-on-one service, there are over 750 hub spread across Brazil. Our portfolio includes upkeep charge-free checking accounts, credit and debit cards, credit facilities, investments, purchase pools, and insurance. A network of partners provides over 30 thousand ATMs for withdrawals and more than 2 million establishments certified to accept payments using QR Codes.

### INVESTOR RELATIONS

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## Balance Sheet | Assets - Consolidated

(In thousands of Brazilian Reais)

ASSETS	Mar/21 unaudited	Dec/20	Mar/20 unaudited
<b>Current Assets</b>	<b>2,538,551</b>	<b>2,526,907</b>	<b>1,987,591</b>
Cash and bank deposits	63,485	121,132	31,714
Short-term interbank investments	181,882	404,906	602,589
Securities and derivative financial instruments	673,963	611,494	148,905
Interbank accounts	3,599	3,237	476
Loan operations	1,691,118	1,464,217	1,395,887
Receivables from affiliated companies	-	265	-
Notes and credits receivables	1,552	37,665	10,635
Loan loss provisions	36,691	(169,689)	102,807
Loan loss provisions (others)	(1,750)	(961)	(5,064)
Taxes and contributions recoverable	18,944	14,386	23,171
Miscellaneous	39,833	34,902	40,647
Prepaid expenses	7,513	5,353	4,548
<b>Long-term Receivables</b>	<b>1,348,719</b>	<b>1,215,441</b>	<b>579,955</b>
Securities and derivative financial instruments	344,971	361,936	230,405
Loan operations	890,430	746,174	275,824
Securities credits receivable	7	5	2
Funds receivable from closed groups	2,590	2,627	2,591
Escrow deposits on judicial claims	22,157	20,864	2,506
Allowance for loan losses	(23,088)	(17,768)	(10,922)
Deferred tax assets	94,245	85,520	75,298
Prepaid expenses	8,241	6,836	4,251
Miscellaneous	9,166	9,247	-
<b>Permanent Assets</b>	<b>157,418</b>	<b>130,240</b>	<b>80,789</b>
Investments	45	45	34
Property, plant and equipment	35,964	25,255	12,300
Intangible assets	121,409	104,940	68,455
<b>TOTAL ASSETS</b>	<b>4,044,688</b>	<b>3,872,588</b>	<b>2,648,335</b>

## Balance Sheet | Liabilities - Consolidated

(In thousands of Brazilian Reais)

LIABILITIES	Mar/21 unaudited	Dec/20	Mar/20 unaudited
<b>Current liabilities</b>	<b>1,226,822</b>	<b>1,127,305</b>	<b>1,000,041</b>
Demand deposits	71,937	68,318	34,734
Interbank deposits	21,904	78,810	-
Time deposits	459,789	349,457	828,734
Own Portfolio	-	2,499	-
Funds from acceptance (currency exchange)	-	-	236
Funds from acceptance and issue of securities	451,645	447,872	5,508
Interbank accounts	579	-	365
Financing and borrowings	2,006	2,002	-
Collection and payment of taxes and similar	2,018	7	891
Social and statutory	15,078	23,529	26,455
Intermediation of securities	240	-	103
Tax and social security contributions	47,525	32,901	14,239
Funds obligations with closed groups	508	696	816
Other liabilities	153,593	121,214	87,960
<b>Long-term liabilities</b>	<b>1,992,135</b>	<b>1,934,976</b>	<b>1,115,575</b>
Time deposits	1,377,858	1,373,045	822,687
Interbank deposits	446,674	399,723	-
Funds from acceptance and issue of securities	-	-	169,817
Funds pending receipt - judicial collection	2,590	2,627	2,591
Loan Obligations	4,000	4,000	-
Equity eligible debt instruments	58,721	57,204	32,960
Unearned Revenues	-	-	50,000
Other liabilities	102,292	98,377	37,520
Minority Interest	495	415	219
<b>EQUITY</b>	<b>825,236</b>	<b>809,892</b>	<b>532,500</b>
Capital Stock	531,080	531,080	321,500
Capital Reserves	9,896	9,896	11,436
Profit Reserves	262,774	270,988	186,590
Adjustments to Market Value - securities and derivatives	(1,010)	(2,809)	(67)
(-)Treasury Shares	-	-	(1,112)
Retained Earnings	22,496	737	14,153
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,044,688</b>	<b>3,872,588</b>	<b>2,648,335</b>

## Income Statement – Consolidated

(In thousands of Brazilian Reais)

INCOME STATEMENT	1Q21	1Q20	1Q21/1Q20
<b>REVENUE FROM FINANCIAL INTERMEDIATION</b>	<b>373,015</b>	<b>338,265</b>	<b>10.3%</b>
Loan operations	364,586	327,690	11.3%
Short-term interbank investments	1,876	7,080	-73.5%
Securities transactions	2,185	3,636	-39.9%
Derivative financial instruments	4,368	(504)	-966.7%
Foreign exchange	-	363	-
Sale of financial assets	-	-	-
<b>EXPENSES FROM FINANCIAL INTERMEDIATION</b>	<b>(34,766)</b>	<b>(25,130)</b>	<b>38.3%</b>
Market funding expenses	(34,688)	(25,130)	38.0%
Loan operations and onlending	(78)	-	-
Sale of financial assets	-	-	-
<b>PROFIT FROM FINANCIAL INTERMEDIATION</b>	<b>338,249</b>	<b>313,135</b>	<b>8.0%</b>
<b>PROVISIONS FOR EXPECTED LOSSES ASSOCIATED TO CREDIT RISK</b>	<b>(61,372)</b>	<b>(119,427)</b>	<b>-48.6%</b>
Loan loss provisions	(60,583)	(117,954)	-48.6%
Loan loss provisions (other accounts)	(789)	(1,473)	-46.4%
<b>GROSS PROFIT FROM FINANCIAL INTERMEDIATION</b>	<b>276,877</b>	<b>193,708</b>	<b>42.9%</b>
<b>OPERATING EXPENSES</b>	<b>(237,718)</b>	<b>(175,468)</b>	<b>35.5%</b>
Revenue from services	16,897	10,040	68.3%
Banking fees	5,835	6,505	-10.3%
Employee expenses	(105,162)	(29,654)	254.6%
Administrative expenses	(122,917)	(144,015)	-14.6%
Tax expenses	(31,944)	(17,873)	78.7%
Other operating income (expenses)	(427)	(471)	-9.3%
Non-Operating Income	217	(4)	-5525.0%
<b>INCOME BEFORE TAXES</b>	<b>39,376</b>	<b>18,236</b>	<b>115.9%</b>
Current income tax and social distribution	(19,708)	(4,724)	317.2%
Deferred income tax and social distribution	10,198	2,504	307.3%
Profit sharing	(7,289)	(1,813)	302.0%
Minority Interest	(81)	(49)	65.3%
<b>NET INCOME</b>	<b>22,496</b>	<b>14,154</b>	<b>58.9%</b>