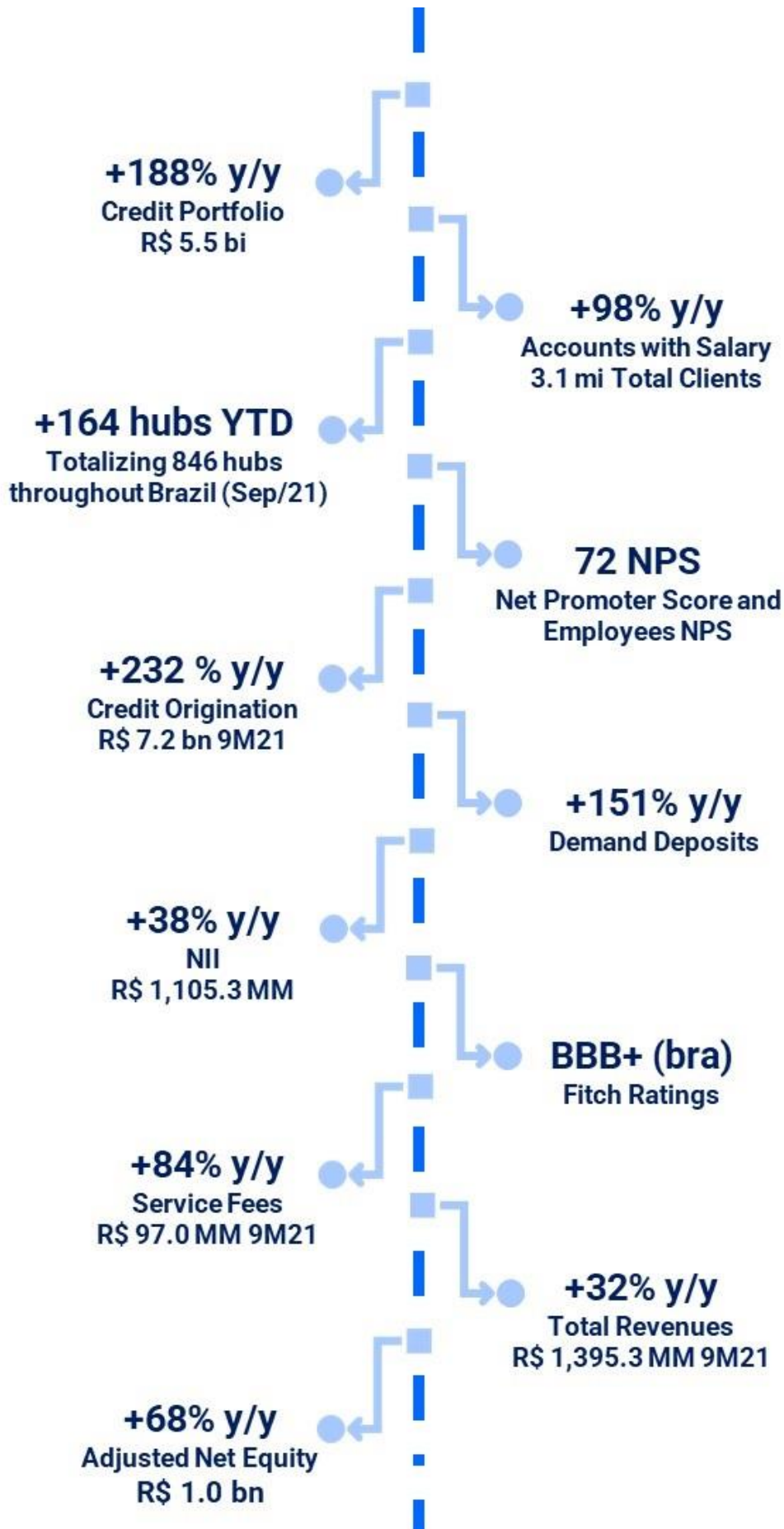




**Management
Report
3Q21 & 9M21**

agi

HIGHLIGHTS



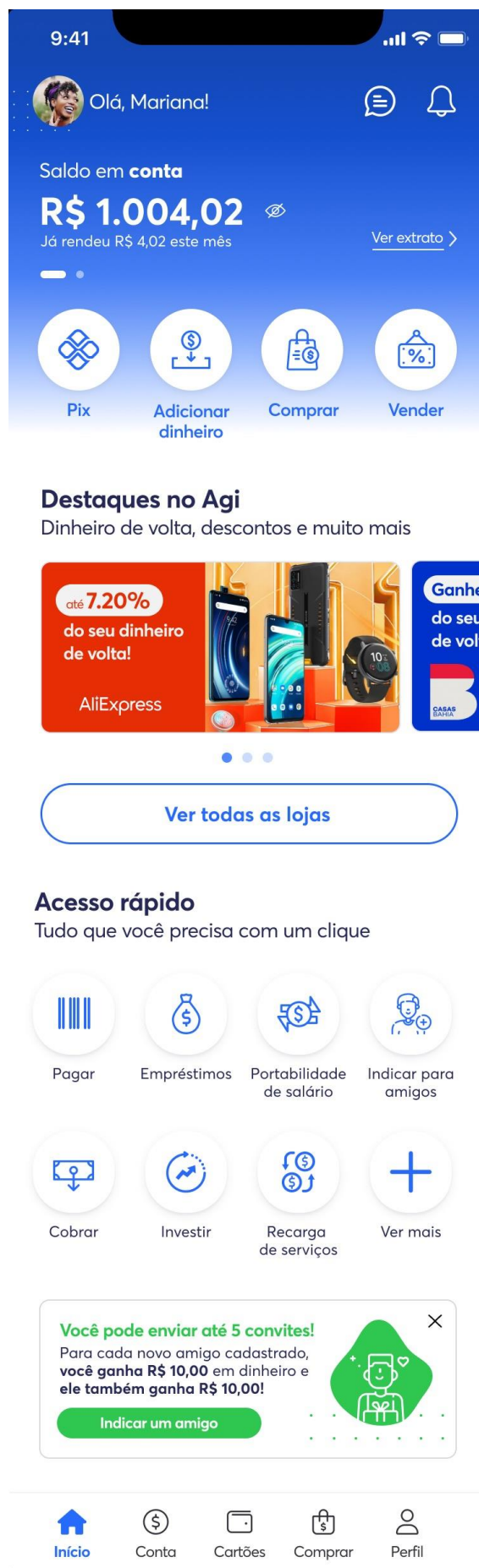
MANAGEMENT REPORT

Over more than 20 years, we gradually added strengths that now enable us to go further than ever before. **From our base of over 3 million clients, more than BRL 11 billion in cash-in that flow annually through our accounts, our innovative and data-driven culture, and more than 850 smart hubs**, we leverage the experience reflected in our **70 point-plus NPS** to charm and surpass the expectations of an even larger addressable market, boosting our strategy of growth and attraction of new profiles, creating a flywheel effect for assets, funding and fees.

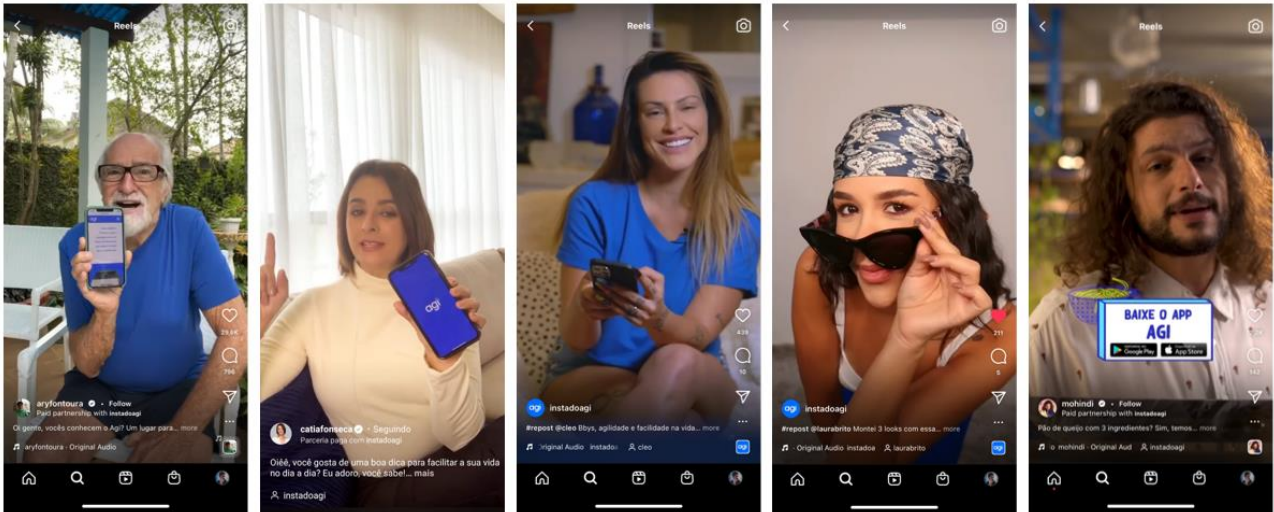
We are now **Agi**, a superapp created to bring the same experience of belonging and digital and financial inclusion to all Brazilians through an **open platform**, that distributes financial and non-financial products and services – both Agi’s and others’ – developed to address all kinds of everyday needs our customers may have. Agi’s role lies in challenging the *status quo*.

The platform arises to enable Brazilians to solve their everyday needs in a simple way, reducing the distance between credit and the goods and services that they consume. In recent years, we have been building strengths that enable us to take this additional step towards our purpose: **to make people’s day-to-day lives better**.

To be truly inclusive, we deliver quick and simple onboarding in just three clicks. Through outstanding work in UX, data intelligence and engine orchestration, a single app can serve **three major profiles**: the grandfather, the grandson, and the entrepreneur – each with offerings of financial and non-financial services in line with their needs.



Agi is for everyone. To engage an even wider audience with the app's products and services, we partnered with digital influencers who have been producing exclusive content on their social media networks. The brand's five partners come from different backgrounds: **Ary Fontoura, Cátia Fonseca, Cleo Pires, Laura Brito e Mohamad Hindi.**



As the product of an intense process of research, testing and strategic partnerships, **Agi** will continue to expand its solutions offerings, including support from a community (comunidade.agi.com.br) created to truly bring the public into Agi. Via this platform, clients can give feedback, make suggestions, try out solutions and help define priorities in our roadmap, always with the goal of adding even more quality to our user experience and portfolio of solutions.

agi 🔍 ☰ F³

Você quer notificações em tempo real quando as pessoas responderem às suas postagens? [Ativar notificações](#) ✕

Que bom ter você por aqui, Agilover! 🥰 ✕

A Agi Comunidade foi pensada pra você se conectar com outras pessoas que queiram participar da construção do Agi com opiniões, sugestões, perguntas e ideias.

Fique à vontade, afinal, essa comunidade é feita pra - e por - você.

Bora crescer juntos? 🚀

Um abraço,
Marciano Testa - CEO do Agi

todas as categorias ▾ todas as etiquetas ▾ **Categorias** Recentes Melhores Novo + Novo tópico

Categoria	Tópicos	Recentes
Desafio de Features	7	Você conhece o Blog do Agi? 4

Truly Omnichannel. Based on the one-stop-shop concept, we are available both to Agi checking account holders and non-customers on **12 different contact channels**, making us the only true omnichannel player. We offer an increasingly digital journey to our customers, regardless of their preferred channel, and our **846 smart hubs** provide an additional mechanism to deliver a fluid, frictionless experience. We have a brick-and-mortar presence in **every Brazilian city with population above 100 thousand**, with a brick-and-mortar chain comparable with the country's major retailers.

Our smart hubs are **paperless** and **cashless**, that is, fully asset-light. They are what we would call anti-branches, they have no revolving doors, no red tape, and, more than a space for on-site service, they are gateways to the financial and digital literacy of our customers, who can address their financial needs with lots of technology, free Wi-Fi to download the app, open their accounts, carry out paycheck portability, or choose to receive social security benefits through Agi. These spaces enable us to serve and access a vast public in Brazil that has not been captured by competitors, who lack the required channels and products. With Agi, they also serve as **experience facilitators**, and even double as digital showrooms for goods available from the marketplace.

This is yet another example of how far we have been consolidating the omnichannel strategy, becoming accessible on every platform, where customers have available a **unique off- and online combination** and may choose the most convenient channel at any time.



In the first nine months of the year, our culture of customer-centric entrepreneurship prevailed. We believe that making people's day-to-day lives better requires our more than 4 thousand employees to enjoy the journey with us. This is why this year we began measuring our **eNPS** – an employee

satisfaction index that is surveyed on a weekly basis from different angles. The accumulated results so far are amazing: **a score over 70 points**, in line with our customer NPS, proving the importance of having a strong consolidated culture with people who are engaged and motivated to improve our customers' lives.

We reached strategic, financial and operational milestones in this period, which we are glad to share in this report. The quarter was marked by **sharp growth acceleration** on all our **business units**:



Faced with a macroeconomic environment that remains complex, our **competitive advantages** became even clearer, enabling Agi to stand out under adverse conditions and grow consistently. Our asset-light model enables nimble adjustment to the new dynamics through a lean cost structure compared with other players, allowing us to offer more affordable and fairer products, amounting to a unique customer value proposition.



The *banking* pillar remains relevant at Agi, for which Agibank is a provider of day-to-day banking solutions. The number of **salaried checking accountholders doubled (+98%)** from the same period in 2020, allowing us to reach **3.1 million customers** and **151.0%** growth in demand deposits YoY, **for a total above BRL 132.1 million** as of Sep/21, providing principality and cross-selling opportunities.

This is all because we always place **customers first and foremost**, with our **72-point NPS** as just another piece of evidence of our tireless pursuit of the best experience, making sure that customers' needs are understood and met, and their expectations are exceeded. We retained our **RA 1000 seal** according to the *Reclame Aqui* rankings, proving that we have been able to grow our customer base while providing even higher quality service at all points of contact – be it on the app, by phone, or at the **846 smart hubs** throughout Brazil. Our consultants

– exclusive employees who identify deeply with customers – play a relevant and increasingly key role in this context: to provide **welcoming and humanized** customer service, offering appropriate and fair products and services, encouraging customers to self-serve digitally on increasingly simple and comprehensive channels.

The quarter saw the launch of several features that make our customer experience even better. These include the release of the **Conta Remunerada** (interest-bearing bank account) product, which automatically provides daily returns on account balances at 100% of the CDI rate. The product is cost-free for customers and doesn't even require any kind of sign up – returns can be tracked within the app itself.

2. Credit



Agi is key to reducing the historical credit gap in Brazil and employs the credit-builder strategy, which improves credit offers to the customers based on the relationships built with them.

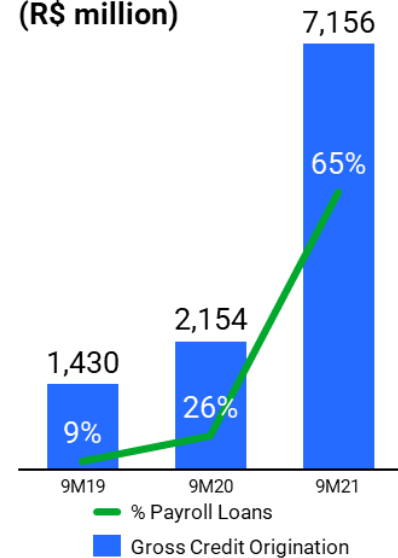
The **accumulated credit origination in the year to date reached BRL 7.2 billion, up 232.3%** from the same period in 2020 and setting a new record in our history.

To give an idea, in Aug/21, **payroll credit origination** stood for approximately **13.9% of the market total** according to Central Bank of Brazil data. This, compared to our current **2.1%**

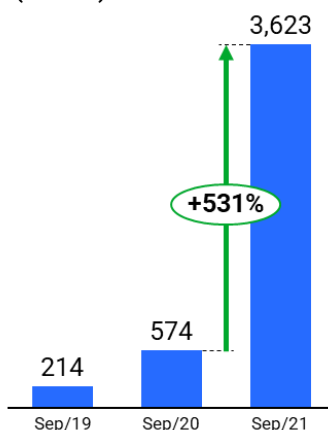
market share portfolio-wise, shows that we are increasing our share of payroll credit at a brisk pace and provides evidence of the excellent performance of our origination channels and the adequacy of our offers to what customers really need.

The **gross credit portfolio** reached **BRL 5.5 billion, up 187.8%** from September 2020. The gradual shift in credit profile remained, favoring lower-risk facilities with lower nominal rates, such as **payroll credit and payroll-deductible credit card, which gained 531.1% and 15.0% from Sep/20, respectively**, and already represent 70.8% of the total portfolio (from 40.9% in Sep/ 20). Furthermore, in line with the strategy of building closer relationships with customers, **we achieved a 98.3% increase in our portfolio of personal credit to checking account holders**, which already represents 23.5% of the total credit portfolio and is more than three times the share of non-checking account holders. This move is key to increasing our role as our customer's main bank, adding to our points of contact and relationship with them, which enables leveraging the other business units. It is worth emphasizing that our accelerating credit products afford cross-selling opportunities for other products and services, aside from providing attractive risk-weighted unit economics.

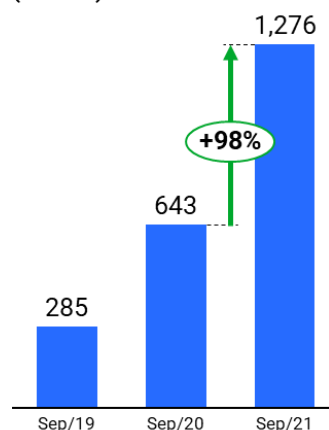
Credit Origination (R\$ million)



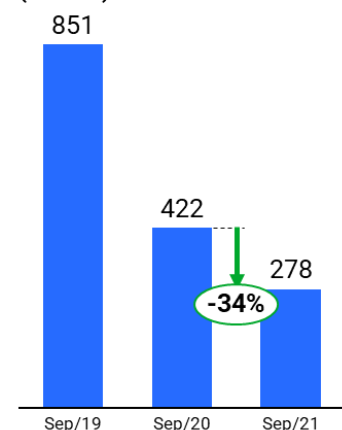
Payroll-Deductible Loans (R\$ MM)



Personal Credit Account Holder (R\$ MM)



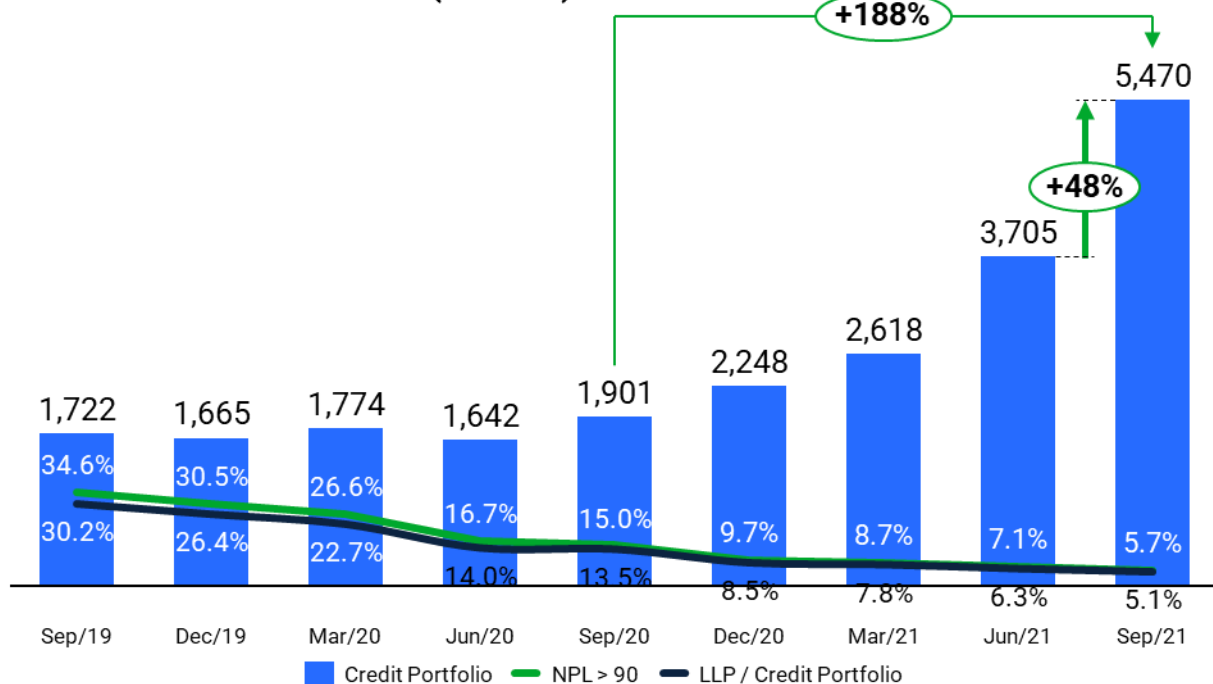
Personal Credit Non-Account Holder (R\$ MM)



In September 2021, we booked over **98% of our credit portfolio had the Federal Government as a counterparty**, the fruit of a new origination strategy that significantly expands the addressable market and brings the credit portfolio's risk profile to a new level. **NPL (E-H)** remained on a declining trend, **reaching 5.7% in Sep/21**, which means a significant decrease from Sep/20 and earlier quarters. Another indicator that backs this perspective is **LLP (Loan Loss Provisions)**, which was

5.1% of the gross credit portfolio in Sep/21. This means an 8.4 p.p. decrease from Sep/20 and translates into a lower cost of risk and a positive indicator for coming periods.

Credit Portfolio and NPL (R\$ mm)



In addition, we continue to **reduce interest rates on non-payroll credit**: in Sep/21, they were **33.8% lower than two years ago**. The interest rate reduction path is in line with our purpose of **promoting financial justice and facilitating millions of Brazilians' access to credit**. We continue to invest in technology, in improved credit granting models and all other phases of the credit cycle, in improved internal processes, and in the best customer experience, leading to rising volumes of digital transactions and product cross-selling. It is also worth emphasizing how much our credit models have progressed through investment in data science and dedicated data engineers, even more robust credit engines, and the continuous creation of risk pools, ensuring assertive customer segmentation while absorbing new information at all times as we adjust to the Country's new reality as a means to continue on providing credit in a responsible and sustainable manner.

Funding & Hedging. With expected assets growth in the year, we planned and executed funding strategies that proved essential to supporting the credit portfolio's progress, protecting future margins and providing liquidity. In late August, we **issued the second Public Financial Bill**, at a volume of BRL 250 million. The issue was an important milestone in our funding's evolution, and we intend to make Public Financial Bill issues a recurring event, unlocking value in terms of the liquidity of our securities on the debt market. We also held funding campaigns with relevant partners as we spotted opportunities in indexes that were then the subject of hedging to keep liabilities in line with the predominantly fixed-rate nature of our assets. As such, in Sep/21 we had booked more than BRL 16 million in positive adjustments to our equity (cash flow hedge accounting).

Reaffirmed rating. After several periods of positive operating results, our rating was reaffirmed by Fitch Ratings at **BBB+ (bra), with stable long-term outlook (complete report)**. This recognition in terms of risk rating is the fruit of marked improvements in credit portfolio quality, the gradual diversification of funding sources, the implementation of best governance practices with the BRL 400 million injection from Vinci Partners, and the strategy of delivering products and services to solve our demographic's real needs.

3. Insurance



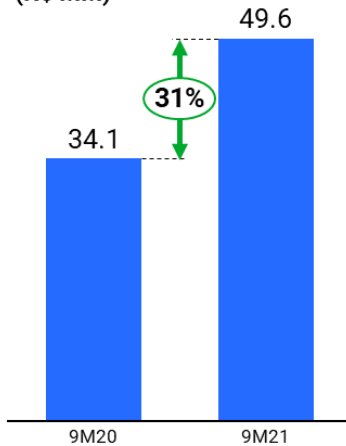
The partnership with Italian insurance company Generali allowed the development of more comprehensive insurance products for our customers, with upgraded services and higher coverage for **Life Insurance**, adding funeral-support services and the refund of expenses with the purchase of medication.

We began offering the **Urban Protection** product in 3Q21. The new product is a mix of coverages that addresses accidental death, accidental and total disability, hospital inpatient per-diems, card loss and theft with withdrawals under coercion, and smartphone-protected bag. Monthly fees range from BRL 7.99 to BRL 35.99. In addition, the product has benefits like monthly lotteries for BRL 5 thousand prizes using Federal Lotto draws. As of Sep/21, we already had **37.6 thousand Urban Protection policies in place**.

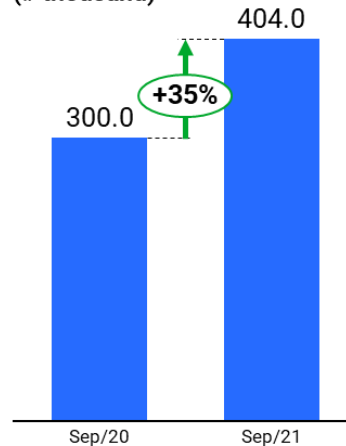
It is worth mentioning that the development of new products is the fruit of a strong data-driven, customer-centric culture, which enables determining the insurance products that best meet the needs of each customer cluster.

By the end of September 2021, we had approximately **404 thousand lives insured**, equivalent to a **34.7%** increase from Sep/20 and an average age of 60 years. The **insurance cross-selling index for new contracts is 87%**, in line with the relationship strategy and the profile of the originated credit portfolio. In 9M21, the bank collected BRL 49.6 million in insurance premiums, up **31.3%** from 9M20.

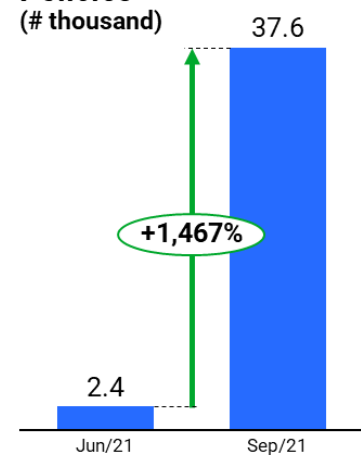
Collection
(R\$ MM)



Lives Insured
(# thousand)



Urban Protection Policies
(# thousand)

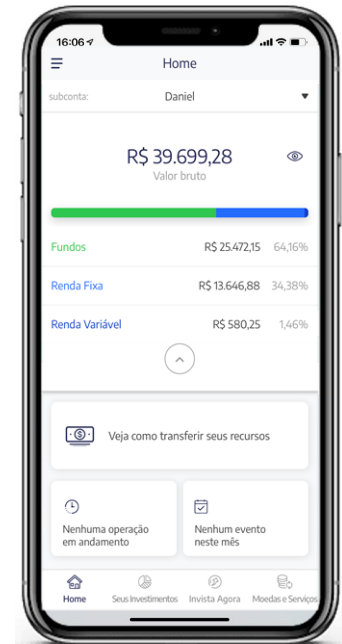


4. Investments



Earlier this year, we announced our new **investments platform**, offering customers a comprehensive solution with over 650 financial products including fixed income, floating income, investment funds, government bonds, overseas remittances, and home-delivery currency exchange. All to further increase our value offering and gain ground building a complete ecosystem of financial and non-financial solutions. The fee-free solution will be integrated with the bank's equally fee-free checking account services.

The investment platform complements our value proposition for new customer profiles, creating a new source of revenues for Agi and contributing to the retention of additional demand deposits and to the reduction of medium- and long-term funding cost. It is worth underscoring that, as a payer institution of the **largest payroll in Latin America**, the new service will encourage customers to keep their funds in our ecosystem and is part of the basic customer-service package.



In Sep/21, the platform already showed material evolution, up **+175.1%** in **AuC (Assets under Custody)** from Jun/21, with an average ticket of **BRL 79.4 thousand per customer**.

5. Marketplace & Open platform

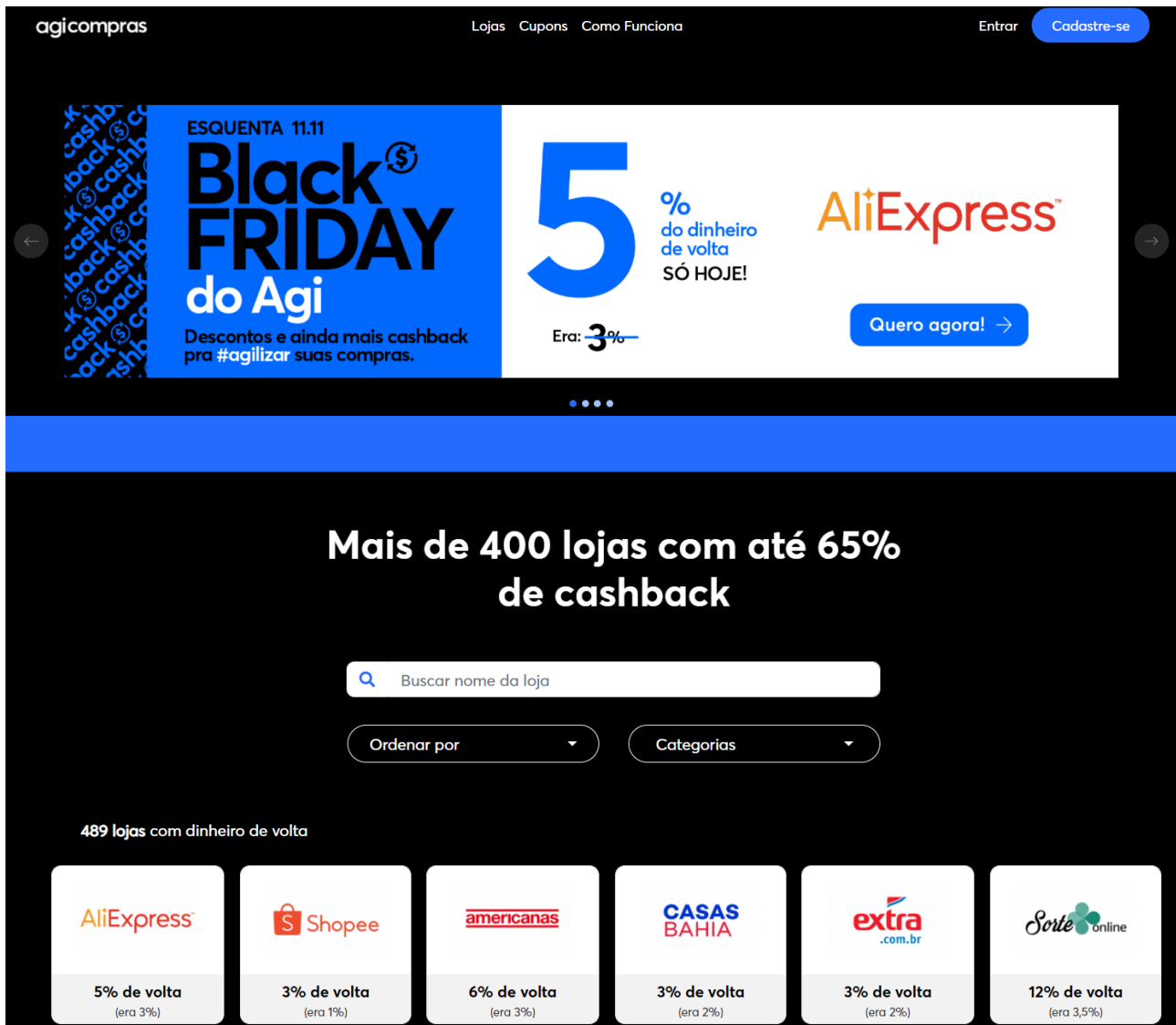


We continue to make progress on our **marketplace of financial and non-financial services**, which, among many other possibilities, enables attracting retail funding, attracting demand deposits, boosting the asset-light strategy, and improving leverage capacity.

The platform operates under a member-get-member format with cashback, which enables creating exponential network effects. In addition to the construction of a complete ecosystem for customers, it will also allow improved optimization of the hubs' space, which may serve as showrooms for sellers' merchandise for example.

One of the quarter's news was the launch of **mobile top-up** for the country's main mobile service operators, with high levels of adherence from our target public. We also began offering **home equity loans** and **auto equity loans** through a partner company, under the fee business model.

After launching late in the first half of the year, our marketplace already has **100,000 registered users** with an average ticket of **BRL 760.00** in purchases, and an average **4.0% cashback** per purchase. It is worth emphasizing the relevance of recurring purchases, which already answer for **over 50% of total GMV**, indicating the platform's potential for stickiness.



Data Science & Credit Modeling. In the first nine months of the year, our data scientists devoted themselves to the development of models to assist decision making in all areas of Agi. Some of the main deliveries include the **new credit modeling**, which created new opportunities through fairer customer offers, thereby reducing average interest rates and delinquency, and resulting in **NPL (>90 days)** from 15.0% of the gross credit portfolio in Sep/20 to **5.7% in Sep/21**. Another major step forward was the development of the **consumption profile, digitalization and binding profile models**, which enable selecting the best offers and channels, switching between strategies at a granular level, customer by customer, which ensures higher conversion rates.

Corporate Governance. To further strengthen our governance, we announced **Rosie Rios**, a former Treasurer of the United States from 2009 to 2016, as our newest Board of Directors' Advisor. As a member of the US Government, Rosie oversaw currency issuance and led the efforts to have the image of a woman on US Dollar bills for the first time. As a Board of Directors' Advisor, Rosie will play a role in building the strategy that drives Agi's business, bringing to bear her extensive market experience and a global perspective. In addition, we increased gender diversity in our board, in line with the breakdown of Agi's workforce – where women currently are 74% of employees.

“Agi's global mission of providing democratic access to financial services on a digital platform, while maintaining a much-needed physical presence, was what motivated me to join. My role as a consulting advisor will be to collaborate with the credit access vision in line with sound environmental, social and corporate governance principles”, Rosie noted.



Outlook. Our business, which has been operating for more than 20 years, has been moving through new versions over time, all of which played important evolutionary roles. It is worth noting that we are not changing our strategy or minimizing our focus on the 50-plus demographic. We clearly understand that a relevant opportunity continues to exist in this segment. However, **we believe that our ability to provide excellent service to our existing public can be expanded and escalated to even more people** who wish to have access to better financial and non-financial services.

Looking forward to the coming months, our vision is of another quarter of **consistent growth for our core portfolios**, consolidating an **ecosystem** that meets needs far beyond banking, credit, insurance, and investments.

With an extremely engaged team that is connected to our purpose and capable of bringing about these transformations, we enter the final quarter of 2021 **with a focus on executing** the development of new products, services, channels and features, adding even more momentum to long-term relationships with our customers and generating a virtuous cycle of growth, anchored on a more and more comprehensive portfolio and more attractive terms so that people can enjoy better lives.

Acknowledgments. Agi thanks its customers, employees, service providers and partners for yet another quarter of their support, efforts, courage, confidence and dedication.

*Campinas, November 19, 2021.
The Management*

KEY INDICATORS

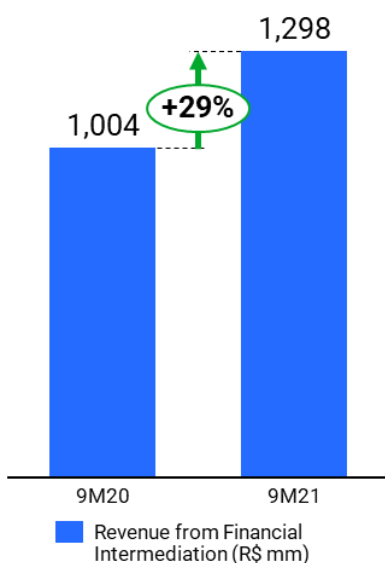
In the third quarter of 2021 we presented a substantial evolution in the Agi's growth indicators, fruit of the implementations of new credit models, the strategy of client segmentation by risk levels and a more diverse portfolio mix. We finished the second quarter with a **gross credit portfolio of R\$ 5,470.3 million (+187.8% y/y)** and Net Interest Income (NII) of R\$ 1,105.3 million (+37.9% y/y). We closed the first half of 2021 with a cash position of R\$ 2,070.1 million (+97.1% y/y) and the risk and liquidity indicators – 12.8% Adjusted Capital Adequacy Ratio and 4,828.3% Liquidity Coverage Ratio (LCR) – illustrate our satisfactory capital and liquidity positions.

In millions of Reais, unless when stated otherwise		3Q21	3Q20	Var.	9M21	9M20	Var.
Results	Total Revenues	547.3	339.7	61.1%	1,395.3	1,056.9	32.0%
	Revenue from Financial Intermediation	502.1	319.1	57.4%	1,298.3	1,004.1	29.3%
	Expenses from Financial Intermediation	(114.2)	(20.8)	449.1%	(193.0)	(202.6)	-4.7%
	Net Interest Income	388.0	298.3	30.1%	1,105.3	801.5	37.9%
	Provision Expenses	(106.5)	(64.9)	64.2%	(242.3)	(135.2)	79.2%
	Net Interest Income - Risk-Adjusted	281.5	233.4	20.6%	863.0	666.3	29.5%
	Operating Expenses	(349.1)	(185.4)	88.3%	(894.3)	(560.2)	59.6%
	Operating Income	(67.6)	48.0	-241.0%	(31.3)	106.1	-129.5%
	Net Income	(42.4)	32.0	-232.5%	(14.8)	70.7	-121.0%
	Net Income - Adjusted	(35.0)	32.3	-208.3%	(3.9)	70.3	-105.5%
Performance	ROAE ⁽³⁾	2.8%	23.3%	-20.5 p.p.	2.8%	23.3%	-20.5 p.p.
	ROAE - Adjusted	4.1%	23.2%	-19.1 p.p.	4.1%	23.2%	-19.1 p.p.
	ROAA ⁽⁴⁾	0.4%	4.8%	-4.4 p.p.	0.4%	4.8%	-4.4 p.p.
	ROAA - Adjusted	0.5%	4.8%	-4.3 p.p.	0.5%	4.8%	-4.3 p.p.
	Net Interest Margin ⁽⁵⁾ a.a.	25.7%	44.8%	-19.1 p.p.	25.7%	44.8%	-19.1 p.p.
	Net Interest Margin - Risk-Adjusted ⁽⁶⁾	21.0%	34.9%	-13.9 p.p.	21.0%	34.9%	-13.9 p.p.
	Operating Efficiency Ratio ⁽⁷⁾	92.8%	65.8%	27.0 p.p.	83.9%	73.2%	10.8 p.p.
	Operating Efficiency Ratio - Risk-Adjusted	123.8%	83.0%	40.8 p.p.	105.6%	87.3%	18.3 p.p.
	Margem Líquida ⁽⁹⁾	-10.9%	10.7%	-21.6 p.p.	-1.3%	8.8%	-10.2 p.p.
Net Margin - Adjusted	-9.0%	10.8%	-19.8 p.p.	-0.4%	8.8%	-9.1 p.p.	
Balance Sheet	Net Equity	796.2	591.6	34.6%	796.2	591.6	34.6%
	Net Equity - Adjusted ⁽¹⁰⁾	993.2	591.6	67.9%	993.2	591.6	67.9%
	Total Assets	7,888.3	2,849.3	176.8%	7,888.3	2,849.3	176.8%
	Cash Position	2,070.1	1,050.5	97.1%	2,070.1	1,050.5	97.1%
	Gross Credit Portfolio	5,470.3	1,900.7	187.8%	5,470.3	1,900.7	187.8%
	Gross Credit Origination	3,820.7	820.8	365.5%	7,155.8	2,153.7	232.3%
	Leverage ⁽¹¹⁾	6.9	3.2	113.8%	6.9	3.2	113.8%
	LLP/Gross Credit Portfolio	5.1%	13.5%	-8.4 p.p.	5.1%	13.5%	-8.4 p.p.
	NPL (>90 days)	5.7%	15.0%	-9.4 p.p.	5.7%	15.0%	-9.4 p.p.
	Capital Adequacy Ratio	9.7%	13.0%	-3.3 p.p.	9.7%	13.0%	-3.3 p.p.
Capital Adequacy Ratio - Adjusted	12.8%	13.0%	-0.1 p.p.	12.8%	13.0%	-0.1 p.p.	
Others	Clients	2,004,615	1,553,631	29.0%	2,004,615	1,553,631	29.0%
	Smart Hubs (Stores)	846	638	208	846	638	208
	Smart Hubs - Openings	60	24	36	164	43	121

(1) NII – Risk-Adjusted = NII – Provision Expenses; (2) Net Income – Adjusted considers the accumulated hedging result; (3) ROAE = Net Income LTM / Average Net Equity; (4) ROAA = Net Income LTM / Average Assets; (5) Net Interest Margin = NII LTM / Average Interest-Bearing Assets; (6) NIM – Risk-Adjusted considers NII – Risk-Adjusted; (7) Operating Efficiency Ratio = (Adm. Exp. + Emp. Exp. + Tax. Exp. + Other Operating Income) / NII + Service Fees + Banking Fees; (8) OER – Risk-Adjusted = (Adm. Exp. + Emp. Exp. + Tax. Exp. + Other Operating Income) / NII + Provision Expenses + Service Fees + Banking Fees; (9) Net Margin = Net Income / NII; (10) Leverage = Gross Credit portfolio / Net Equity; (11) Capital Adequacy Ratio – Adjusted: considers the second installment from Vinci Partner's investment addition into the Referential Equity.

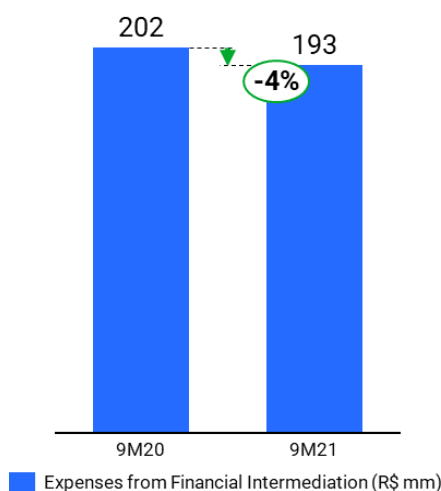
MD&A

REVENUE FROM FINANCIAL INTERMEDIATION



Revenue from financial intermediation was R\$ 1,298.3 million in Sep/21, increasing 29.3% 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 13% decrease in effective personal credit interest rates over the last year, boosted by the advance in personal loans to account holders.

EXPENSES FROM FINANCIAL INTERMEDIATION AND FUNDING



Expenses from Financial Intermediation were R\$ 193.0 on 9M21, down 4.7% from 9M20. However, it's important to mention that in 9M20 expenses were affected by credit concessions, amounting to R\$134,3 million. If we compare only funding expenses, 9M21 presented an increase of 182,7% y/y, reflecting the growth of the growth of funding portfolio and the current interest rates landscape.

Regarding 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. Agi is constantly evaluating the diversification of its funding strategies, which has proven beneficial and efficient in terms of decentralization and expenses, notably via the issuing

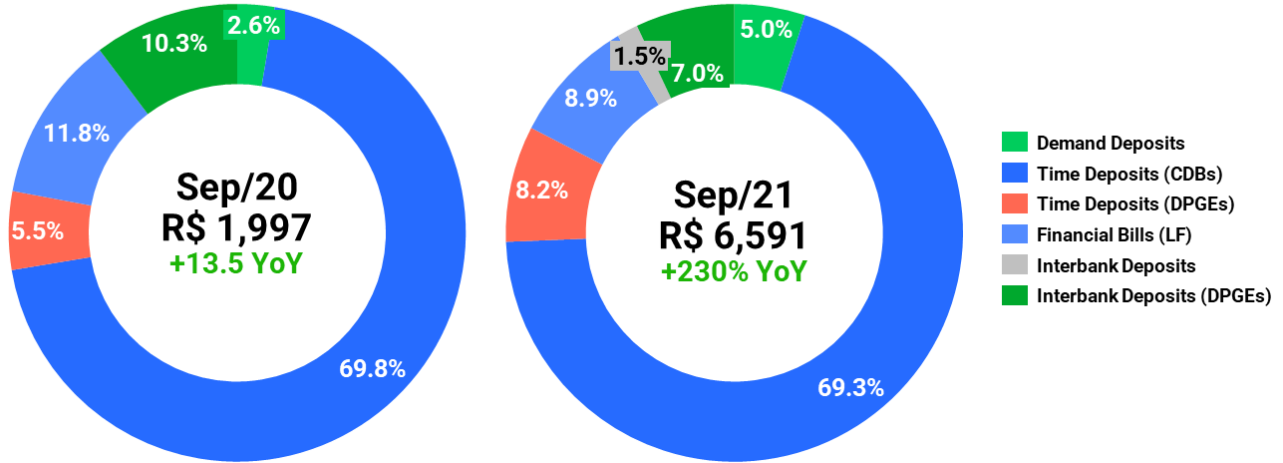
of Financial Bills, always aligned to the businesses' strategies, internal policies and funding cost efficiency.

By the end of August, we also issued our second Public Financial Bill (*LFP*), raising R\$ 250 MM. The funds will be destined to the Bank's credit operations and its growth strategies. This issuing is an important milestone, and we are interested in recurring issuances. Over the last year, we have also complemented our funding through the instruments made available by the Central Bank of Brazil, such as *NPDGE* (Time Deposits with Special Warranty) and *LFG* (Warranted Financial Bill). Overall, these facilities provided over R\$ 1.2 billion in funding to the Bank.

It's also worth noting the increment of Demand Deposits, which reached R\$ 132.1 million by Sep/21 (+151.2% y/y). With the advance of the payment of social security benefits, mainly following the INSS auction, the Bank expects an even greater advance in this resource, given the constant growth of this client base and their profile. On the Balance Sheet, Demand Deposits were also affected by the second installment of Vinci's capital investment which was fulfilled by the end of the quarter, with the

sum of R\$ 200MM being deposited into an account from Agi's group and thus being booked as Demand Deposits initially.

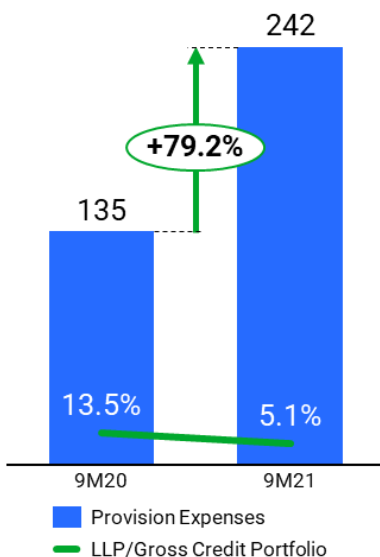
Funding Breakdown (R\$ MM)



NET INTEREST INCOME

Net Interest Income (NII) amounted to R\$ 1,105.3 in the first nine months of 2021, growing 37.9% over the previous year, resulting from an increase in Revenues from Financial Intermediation generated by the substantial growth in credit operations, together with a decrease in Financial Intermediation Expenses. The Net Interest Margin (NIM), calculated by dividing NII over Interest Bearing Assets, was 25.7% in Sep/21, falling 19.2 p.p. from Sep/20, due to the changes in the credit portfolio mix, which now is composed by a higher share of payroll loans.

PROVISION EXPENSES



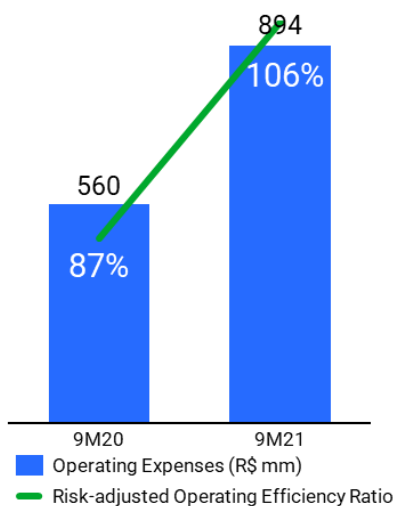
On 9M21 the Provision Expenses amounted to R\$ 242.3 million, growing 79.2% from 9M20. This is a natural increase given the expressive growth of the credit portfolio, being worth noting that LLP/Credit Portfolio fell 8.4 p.p. y/y, reaching 5.1% in Sep/21, evidencing that the portfolio and its revenue potential grows faster than Provision Expenses.

SERVICE FEES

In millions of Reais, unless when stated otherwise	3Q21	3Q20	Var.	9M21	9M20	Var.
Comissions	14.7	10.8	36.1%	41.2	25.0	64.9%
Purchase Pool Administration Fees	0.4	0.7	-44.4%	2.1	2.2	-6.8%
Sign up Fees	4.9	3.1	55.3%	11.8	8.8	34.2%
Annuities	1.2	1.6	-24.0%	3.9	5.3	-26.3%
Other Fees	24.0	4.4	449.7%	38.1	11.5	231.7%
Total	45.1	20.6	119.2%	97.0	52.7	84.0%

Service Revenues, which include revenues from fees and services rendered, amounted to R\$ 97.0 million in 9M21, increasing 84.0% y/y. The main highlight was the growth in insurance brokerage commissions. Over 2021, our life insurance products registered over 70.0% cross-selling with the credit operations.

OPERATING EXPENSES

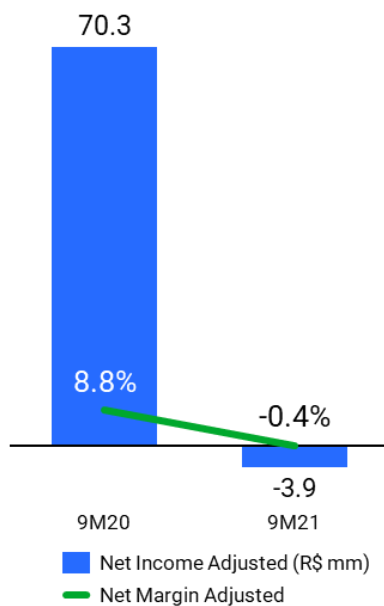


Operating expenses were up 59.6% when comparing the first nine months of 2021 over 2020, reaching R\$ 894.3 million in September, impacted mainly by the great acceleration in credit origination, especially payroll loans, as well as the ongoing investments in technology and expansion of our physical network of Hubs.

The risk-adjusted Operational Efficiency Ratio (OER), the measuring methodology for which is displayed below, was 105.6% in September 2021, versus 87.3% from September 2020, due mainly to the expected increase of operational expenses.

OPERATING EFFICIENCY RATIO

In millions of Reais, unless when stated otherwise	3Q21	3Q20	Var.	9M21	9M20	Var.
Employee Expenses	(131.1)	(27.4)	378.0%	(349.9)	(83.1)	321.1%
Administrative Expenses	(221.8)	(161.5)	37.4%	(527.1)	(476.0)	10.7%
Tax Expenses	(41.7)	(17.1)	143.3%	(113.2)	(52.1)	117.2%
Other Operating Income and Expenses	0.4	(0.0)	-5471.4%	(1.2)	(1.7)	-32.6%
Total Expenses	(394.2)	(206.0)	91.4%	(991.3)	(613.0)	61.7%
Revenue from Fin. Intermediation before LLP	388.0	298.3	30.1%	1,105.3	801.5	37.9%
Banking Service Fees	37.0	14.8	150.2%	75.8	36.0	110.3%
Total Revenues	424.9	313.1	35.7%	1,181.1	837.6	41.0%
Operating Efficiency Ratio (%)	92.8%	65.8%	27.0 p.p.	83.9%	73.2%	10.7 p.p.
Loan Loss Provision (LLP)	(106.5)	(64.9)	64.2%	(242.3)	(135.2)	79.2%
Revenue from Financial Intermediation	281.5	233.4	20.6%	863.0	666.3	29.5%
Risk-adjusted Operating Efficiency Ratio (%)	123.8%	83.0%	40.8 p.p.	105.6%	87.3%	18.3 p.p.

ADJUSTED NET INCOME


In the first nine months of 2021, we recorded net loss of R\$ 14.8 million, mainly impacted by expenses related to credit origination, such as commissions and other related costs. If the result is adjusted by hedge operations – which are fundamental to neutralize funding expenses and locking spreads – the accumulated adjusted result for the nine months would be a net loss of R\$ 3.9 million.

By the end of September, the adjusted ROAE was 4.1%, falling due to the reasons explained previously as well as due to the capital increase made in the previous year.

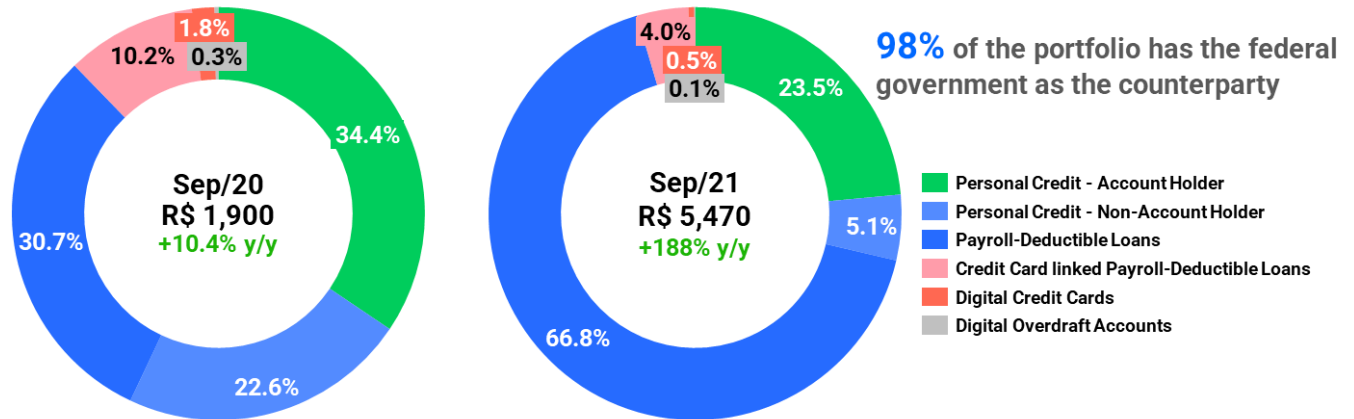
ANALYSIS OF CREDIT OPERATIONS
CREDIT PORTFOLIO

In millions of Reais, unless otherwise stated	Portfolio			Var. %	
	Sep/21	Dec/20	Sep/20	Sep/21 x Dec/20	Sep/21 x Sep/20
Credit Portfolio					
Personal Credit	1,553.4	1,063.3	1,064.9	46.1%	45.9%
Personal Credit - Account Holder	1,275.6	734.3	643.2	73.7%	98.3%
Personal Credit - Non-Account Holder	277.8	329.0	421.7	-15.6%	-34.1%
Payroll-Deductible Loans	3,623.2	920.3	574.1	293.7%	531.1%
Credit Card linked Payroll-Deductible Loans	219.3	194.7	190.6	12.6%	15.0%
Digital Credit Cards	24.8	27.9	33.0	-10.9%	-24.8%
Digital Overdraft Accounts	3.6	4.2	5.6	-13.8%	-35.6%
Credit Portfolio	5,424.3	2,210.4	1,868.1	145.4%	190.4%
Securities and Credits Receivable	46.1	37.7	32.6	22.3%	41.4%
Total Gross Credit Portfolio	5,470.3	2,248.0	1,900.7	143.3%	187.8%
LLP - Credit Portfolio	(276.8)	(187.5)	(251.5)	47.7%	10.1%
LLP - Securities and Credits receivable	(0.5)	(1.0)	(0.9)	-53.1%	-47.9%
Net Credit Portfolio	5,193.1	2,059.6	1,648.3	152.1%	215.1%

As of September 2021, the Total Credit Portfolio amounted to R\$ 5,470.3 million, growing 187.8% over September 2020 and even 143.3% over December 2020. The first nine months of 2021 were highlighted by the great acceleration in credit origination for the core portfolios: Account Holder Personal Credit and Payroll-Deductible Loans, and Payroll Credit Cards, which now represent 94.4% of the total credit portfolio (compared to 75.4% in September 2020). It is worth emphasizing that the income of the clients who make up the credit portfolio is majorly from federal sources, which substantially reduces the portfolio's risk for defaulting. The Credit Portfolio, net of loan loss

provisions, reached R\$ 5,193.1 million, 215.1% and 152.1% higher than the positions outstanding in September 2020 and December 2020, respectively.

Credit Portfolio Breakdown (R\$ MM)



QUALITY OF THE CREDIT PORTFOLIO

In millions of Reais, unless otherwise stated		Portfolio			Provision			Breakdown		
Rating	% of provision	Sep/21	Dec/20	Sep/20	Sep/21	Dec/20	Sep/20	Sep/21	Dec/20	Sep/20
A	0.5%	4,828.9	1,876.1	1,466.8	(24.1)	(9.4)	(7.3)	88.3%	84.9%	76.2%
B	1%	177.7	38.3	40.9	(1.8)	(0.4)	(0.4)	3.2%	1.7%	2.1%
C	3%	85.0	46.7	44.9	(2.5)	(1.4)	(1.3)	1.6%	2.1%	2.5%
D	10%	68.7	34.8	35.0	(6.9)	(3.5)	(3.5)	1.3%	1.6%	2.4%
E	30%	47.8	29.9	29.1	(14.3)	(9.0)	(8.7)	0.9%	1.4%	2.4%
F	50%	44.4	27.8	26.2	(22.2)	(13.9)	(13.1)	0.8%	1.3%	2.3%
G	70%	41.6	22.8	27.4	(29.1)	(16.0)	(19.2)	0.8%	1.0%	2.1%
H	100%	176.2	134.0	197.9	(176.2)	(134.0)	(197.9)	3.2%	6.1%	9.9%
Total		5,470.3	2,210.4	1,868.1	(277.2)	(187.5)	(251.5)	100%	100%	100%

The shift in the portfolio mix, prioritizing facilities with lower risk such as Payroll Loans, had a positive effect in the portfolio's quality. In Sep/21, NPL>90 (clients delinquent over 90 days) reached 5,7% of the total portfolio, falling 4.0 p.p. and 9.4 p.p. from Dec/20 and Sep/20, respectively.

The focus on originating credit facilities with lower risk and nominal rates offered attractive cross-selling opportunities. This is evident as we registered an average of **2.8 products per active client** by the end of 3Q21, an average that grows gradually when looking at client cohorts. **Mature cohorts of account holders already present an average above 5.0 products per client**, meanwhile new cohorts keep on following this trend, reaching close to 4.0 products during the client's onboarding process.

CAPITAL MANAGEMENT

CAPITAL ADEQUACY RATIO (BASEL III)

In millions of Reais, unless otherwise stated	Sep/21	Dec/20	Sep/20
Referential Equity - Tier I	566.1	501.9	494.0
Core Capital	566.1	501.9	494.0
Referential Equity	607.9	552.0	542.7
Referential Equity - Tier II	41.8	50.0	48.7
Credit Risk-weighted Assets	3,530.2	1,684.6	1,411.9
Market Risk-weighted Assets	2.7	26.8	2.5
Operational Risk-weighted Assets	2,724.8	2,696.7	2,696.7
Risk-weighted Assets	6,257.8	4,408.1	4,111.2
RBAN	15.5	42.1	72.6
Capital Adequacy Ratio (RE/RWA)	9.7%	12.5%	13.2%
Expanded Capital Adequacy Ratio (RE/(RWA+RBAN))	9.7%	12.4%	13.0%
Capital Adequacy Ratio (Second Vinci Installment)	12.8%	16.9%	-

The Bank's Adjusted Capital Adequacy Ratio reached, which considers Vinci Partners investment's second installment fulfilled in September 2021, reached 12,8% by the end of the third quarter. The Expanded Capital Adequacy Ratio, as reported to Brazilian Central Bank, was 9.7% on September 2021, falling 3.3 p.p. from September 2020, reflecting the Bank's strategies of growth in credit operations.

LIQUIDITY MANAGEMENT

LIQUIDITY COVERAGE RATIO and CASH POSITION

In millions of Reais, unless otherwise stated	Sep/21	Dec/20	Sep/20
High Quality Liquid Assets	1,717.2	924.7	619.5
Potential Cash Outflows	35.6	12.9	19.1
LCR (%)	4828.3%	7189.5%	3247.0%
Cash Position	2,070.1	1,499.5	913.3

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 September 2021, LCR reached 4,828.3%, maintaining the Bank at a comfortable liquidity position. The Bank's cash position reached R\$ 2,070.1 million in September 2021, up 126.7% from September 2020.

RISK MANAGEMENT

Agi 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, Agi uses specific calculations and indicators to measure and monitor compliance, operational, credit, market, liquidity and capital management risks.

SHAREHOLDER STRUCTURE

As of September 30, Agi's equity capital consisted of 641,078,911 common shares and 1,030,433 preferential class A shares (PNA).

OMBUDSMANSHIP

Agi 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 AGI

Agi is a super app that works as an ecosystem to distribute financial and non-financial products and services that meet the everyday needs of Brazilians. Its goal is to provide the population with more democratic access to services, thanks to a complete offering that encompasses content, entertainment, investments, means of payment, insurance and a marketplace with cashback opportunities, as well as banking solutions. Agi has Brazil's fastest onboarding process, providing an easy-to-use experience to clients – supported by robust technology and data intelligence running in the background. Everything is designed to ensure the best offerings for each different client profile, from young to mature users as well entrepreneurs. This even includes products and services from other institutions. Customers can choose between 12 different types of touchpoints, all of them integrated into a network of 820 asset-light brick and mortar hubs spread around Brazilian states. Agi also counts on a community created to listen and collect customer feedback, with the aim of co-creating the best solutions and of being truly aligned to the needs of Brazilian citizens.

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Balance Sheet | Consolidated Assets

(In thousands of Brazilian Reais)

ASSETS	Sep/21	Sep/20	Sep/21 x Sep/20
Current Assets	4,228,462	1,825,066	131.7%
Cash and bank deposits	195,675	87,986	122.4%
Short-term interbank investments	302,131	175,878	71.8%
Securities and derivative financial instruments	1,247,939	313,909	297.5%
Interbank accounts	13,471	725	1758.1%
Loan operations	2,527,435	1,394,061	81.3%
Intermediation of securities	1,725	-	-
Receivables from affiliated companies	5,434	296	1735.8%
Notes and credits receivables	46,061	32,583	41.4%
Loan loss provisions	(229,000)	(238,545)	-4.0%
Loan loss provisions (others)	(451)	(866)	-47.9%
Taxes and contributions recoverable	19,414	24,310	-20.1%
Miscellaneous	66,353	30,023	121.0%
Prepaid expenses	32,275	4,706	585.8%
Long-term Receivables	3,440,180	908,495	278.7%
Securities and derivative financial instruments	324,358	335,563	-3.3%
Loan operations	2,896,826	474,055	511.1%
Securities credits receivable	9	2	350.0%
Funds receivable from closed groups	3,408	2,483	37.3%
Escrow deposits on judicial claims	26,292	19,999	31.5%
Allowance for loan losses	(47,785)	(12,968)	268.5%
Deferred tax assets	154,806	74,487	107.8%
Prepaid expenses	74,192	5,530	1241.6%
Miscellaneous	8,074	9,344	-13.6%
Permanent Assets	219,643	115,788	89.7%
Investments	45	45	0.0%
Property, plant and equipment	55,010	24,047	128.8%
Intangible assets	164,588	91,696	79.5%
TOTAL ASSETS	7,888,285	2,849,349	176.8%

Balance Sheet | Consolidated Liabilities

(In thousands of Brazilian Reais)

LIABILITIES	Sep/21	Sep/20	Sep/21 x Sep/20
Current liabilities	2,222,447	774,840	186.8%
Demand deposits	332,028	52,591	531.3%
Interbank deposits	303,360	20,906	1351.1%
Time deposits	932,500	396,551	135.2%
Funds from acceptance and issue of securities	335,796	127,213	164.0%
Interbank accounts	-	761	-
Foreign Onlending	750	-	-
Financing and borrowings	4,005	2,496	60.5%
Collection and payment of taxes and similar	3,808	3	-
Social and statutory	24,568	7,897	211.1%
Intermediation of securities	-	588	-
Tax and social security contributions	34,679	50,776	-31.7%
Funds obligations with closed groups	1,468	601	144.3%
Other liabilities	249,485	114,457	118.0%
Long-term liabilities	4,869,447	1,482,957	228.4%
Time deposits	4,173,579	1,107,563	276.8%
Interbank deposits	261,900	184,467	42.0%
Funds from acceptance and issue of securities	252,654	52,580	380.5%
Funds pending receipt - judicial collection	3,408	2,483	37.3%
Loan Obligations	667	-	-
Equity eligible debt instruments	61,931	55,694	11.2%
Other liabilities	115,308	-	-
Minority Interest	232	372	-37.6%
EQUITY	796,159	591,180	34.7%
Capital Stock	777,778	331,080	134.9%
Capital Reserves	9,896	14,241	-30.5%
Profit Reserves	43,588	214,480	-79.7%
Adjustments to Market Value - securities and derivatives	7,248	(1,330)	-
(-)Treasury Shares	-	-	-
Retained Earnings	(42,351)	32,709	-
TOTAL LIABILITIES AND EQUITY	7,888,285	2,849,349	176.8%

Income Statement - Consolidated

(In thousands of Brazilian Reais)

INCOME STATEMENT	3Q21	3Q20	Var.	9M21	9M20	Var.
REVENUE FROM FINANCIAL INTERMEDIATION	502,145	319,095	57.4%	1,298,316	1,004,142	29.3%
Loan operations	485,021	314,059	54.4%	1,264,369	956,513	32.2%
Short-term interbank investments	6,658	2,871	131.9%	10,507	15,646	-32.8%
Securities transactions	4,645	1,287	260.9%	13,244	7,154	85.1%
Derivative financial instruments	5,821	859	577.6%	10,196	434	2249.3%
Foreign exchange	-	19	-	-	23,870	-
Sale of financial assets	-	-	-	-	525	-
EXPENSES FROM FINANCIAL INTERMEDIATION	(114,158)	(20,791)	449.1%	(193,006)	(202,604)	-4.7%
Market funding expenses	(114,049)	(20,791)	448.5%	(192,722)	(68,175)	182.7%
Loan operations and onlending	(109)	-	-	(284)	-	-
Sale of financial assets	-	-	-	-	(134,429)	-
PROFIT FROM FINANCIAL INTERMEDIATION	387,987	298,304	30.1%	1,105,310	801,538	37.9%
PROVISIONS FOR EXPECTED LOSSES ASSOCIATED TO CREDIT RISK	(106,508)	(64,884)	64.2%	(242,317)	(135,236)	79.2%
Loan loss provisions	(106,541)	(64,810)	64.4%	(242,827)	(137,961)	76.0%
Loan loss provisions (other accounts)	33	(74)	-144.6%	510	2,725	-81.3%
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	281,479	233,420	20.6%	862,993	666,302	29.5%
OPERATING EXPENSES	(349,119)	(185,440)	88.3%	(894,299)	(560,220)	59.6%
Revenue from services	36,958	14,772	150.2%	75,753	36,028	110.3%
Banking fees	8,156	5,805	40.5%	21,263	16,709	27.3%
Employee expenses	(131,091)	(27,423)	378.0%	(349,884)	(83,085)	321.1%
Administrative expenses	(221,826)	(161,450)	37.4%	(527,096)	(476,041)	10.7%
Tax expenses	(41,692)	(17,137)	143.3%	(113,171)	(52,104)	117.2%
Other operating income (expenses)	376	(7)	-	(1,164)	(1,727)	-32.6%
Non-Operating Income	(3,819)	46	-	(3,283)	119	-
INCOME BEFORE TAXES	(71,459)	48,026	-248.8%	(34,589)	106,201	-132.6%
Current income tax and social distribution	(10,630)	(10,205)	4.2%	(33,207)	(21,188)	56.7%
Deferred income tax and social distribution	49,381	(4,516)	-	77,605	(9,829)	-
Profit sharing	(9,542)	(1,255)	660.3%	(24,348)	(4,354)	459.2%
Minority Interest	(101)	(77)	31.2%	(300)	(177)	69.5%
NET INCOME	(42,351)	31,973	-232.5%	(14,839)	70,653	-121.0%

-- National Long-term Rating 'BBB+(bra)', Stable Outlook
-- National Short-term Rating 'F3(bra)'

[Full report.](#)