



Banese



BANCO DO ESTADO DE SERGIPE S.A. – BANESE 3Q2021 EARNINGS RELEASE

For immediate disclosure: Aracaju-SE, November 12, 2021. Banco do Estado de Sergipe S.A. – **BANESE** (“Banese” or “Bank”), a mixed-capital corporation with shares traded on B3, under the tickers BGIP3 (registered common shares) and BGIP4 (registered preferred shares), and listed in the ITAG (Special Tag-Along Stock Index) index, announces its results for the 3Q2021. For additional information, please access Banese’s investor relations website at <https://ri.banese.com.br/>.

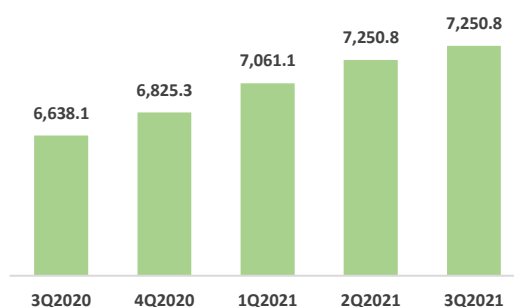
BANESE RECORDS NET INCOME OF R\$21.8 M LOAN ASSETS AND VOLUME CAPTURED CONTINUE GROWING

3Q2021 Highlights

All comparisons in this section refer to 3Q2020 (12M)

- Total assets of R\$7.4 billion (+10.9%);
- Net Equity of R\$556.9 million (+11.9%);
- Net Income of R\$21.8 million (+142.2%)
- Total Funding of R\$6.4 billion (+10.6%)

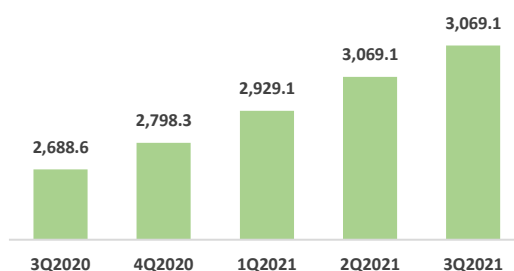
TOTAL ASSETS - R\$ Million



All comparisons in this section refer to 2Q2021 (3M)

- Loan operations reached the mark of R\$3.2 billion (+4.2%)
- Revenues from Financial Investments totaled R\$40.7 million (+62.8%)
- Revenues from loan operations totaled R\$140.4 million (+7.9%)
- Payroll Coverage Ratio increased 1.6 p.p.

LOAN OPERATIONS - R\$ Millions



Investor Relations Contact

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Equity Items - R\$ million	3Q2021	2Q2021		V3M	3Q2021	3Q2020		V12M
Total Assets	7,364.9	7,250.8	▲	+1.6%	7,364.9	6,638.1	▲	+10.9%
Loan Operations	3,198.5	3,069.1	▲	+4.2%	3,198.5	2,688.6	▲	+19.0%
Financial Investments ⁽¹⁾	3,439.5	3,443.5	▼	-0.1%	3,439.5	3,379.0	▲	+1.8%
Total Funding	6,422.9	6,320.2	▲	+1.6%	6,422.9	5,806.8	▲	+10.6%
Net Equity	556.9	535.1	▲	+4.1%	556.9	497.8	▲	+11.9%

Income Statement Items - R\$ million	3Q2021	2Q2021		V3M	9M2021	9M2020		V12M
Total Revenue	261.1	233.3	▲	+11.9%	715.3	677.0	▲	+5.7%
Gross Income from Financial Intermediation	106.7	110.2	▼	-3.2%	330.2	318.0	▲	+3.8%
Operating Result	35.9	45.2	▼	-20.6%	122.0	64.4	▲	+89.4%
Financial Margin ⁽²⁾	129.2	122.6	▲	+5.4%	373.8	359.9	▲	+3.8%
EBITDA ⁽³⁾	36.3	44.7	▼	-18.8%	121.1	69.0	▲	+75.5%
Net Income	21.8	26.9	▼	-19.0%	72.6	34.6	▲	+109.8%
Net Interest Income (NII) ⁽⁴⁾	120.9	115.3	▲	+4.9%	347.3	337.5	▲	+2.9%
Service Revenue	34.5	30.0	▲	+15.0%	96.6	99.7	▼	-3.2%
Provisions for Loan Losses	45.3	27.8	▲	+62.9%	105.6	120.8	▼	-12.6%
Administrative Expenses	92.6	85.8	▲	+7.9%	266.2	256.9	▲	+3.6%
Net Margin ⁽⁵⁾	8.3%	11.5%	▼	-3.2 pp.	10.1%	5.1%	▲	+5.0 p.p.
EBITDA Margin ⁽⁶⁾	13.9%	19.2%	▼	-5.3 pp.	16.9%	10.2%	▲	+6.7 pp.

Efficiency Ratios and Measures (%)	3Q2021	2Q2021		V3M	9M2021	9M2020		V12M
Delinquency (% of the portfolio)	1.07%	0.88%	▲	+0.19 p.p.	1.07%	1.6%	▼	-0.56 p.p.
Basel Ratio	13.34%	13.22%	▲	+0.12 p.p.	13.34%	14.09%	▼	-0.75 pp.
Net Interest Margin (NIM) ⁽⁷⁾	1.8%	1.7%	▲	+0.1 p.p.	5.2%	5.5%	▼	-0.3 p.p.
Return on Assets (ROAA) ⁽⁸⁾	1.3%	1.4%	▼	-0.1 p.p.	1.3%	0.7%	▲	+0.6 p.p.
Return on Net Equity (ROE) ⁽⁹⁾	+18.4%	20.8%	▼	-2.4 p.p.	20.8%	9.7%	▲	+11.1 p.p.
Efficiency Ratio ⁽¹⁰⁾	65.5%	61.2%	▲	+4.3 p.p.	62.4%	55.9%	▲	+6.5 p.p.
Provisioning Coverage Ratio	3.7%	3.5%	▲	+0.2 p.p.	3.7%	4.4%	▼	-0.7 p.p.
Administrative Coverage Ratio ⁽¹¹⁾	37.3%	34.9%	▲	+2.4 p.p.	36.3%	38.8%	▼	-2.5 p.p.
Payroll Coverage Ratio ⁽¹²⁾	75.8%	74.2%	▲	+1.6 p.p.	75.4%	73.4%	▲	+2.0 p.p.

(1) Short-Term Interbank Investments and Marketable Securities + Remunerated Restricted Credits.

(2) Gross Financial Intermediation Result + Allowance for Doubtful Accounts.

(3) Operational Result - Equity Income + Depreciation/Amortization.

(4) Interest Income (loan operations + financial investments) – Interest Expenses (funding, marketable securities, loans and equity interests).

(5) Net Income/Total Revenue.

(6) EBITDA/Total Revenue.

(7) Net Interest Income/Average Balance of Income-Generating Assets (loan operations + interbank investments + marketable securities + interbank accounts).

(8) Net Income over Average Total Assets (annualized rate).

(9) Net Income over Average Equity (annualized rate).

(10) Administrative Expenses/Gross Profit from Financial Intermediation + Revenue from Services) *.

(11) Revenue from Services/Administrative Expenses.

(12) Revenue from Services/Direct and Indirect Payroll Costs.

This report may contain forward-looking statements. Such statements reflect management's expectations that may not materialize for reasons both intrinsic or extrinsic to the Company. Words such as "believes", "anticipates", "wishes", "predicts", "expects" and similar expressions are intended to identify information which necessarily involves future risks, whether known or unknown.

Known risks include uncertainties and are not limited to the impact of competitive pricing and services, acceptance of services in the market, competitive market, internal or systemic macroeconomic aspects, regulatory and legal environment, currency fluctuations, inflation and interest rates, political risks, and other risks described in materials previously published by Banese.

This report is updated as of the date of its publication, and Banese may not be held liable for subsequent events that are not predicted or mentioned in this report.

**Changes in methodology in 2Q2021.*

***Financial Margin, EBITDA and EBITDA Margin reported for 2Q2021 were corrected.*

MESSAGE FROM MANAGEMENT

The global economy has slowly recovering from the Covid-19 pandemic and thus, according to the International Monetary Fund (IMF), the global economic growth forecast for 2021 will likely be lower than the estimated 6.0%. The economic activity in Brazil continues to recover diversely with the improvement of sanitary conditions. The services and trade sectors began to show positive results, while industrial activities are still being affected with the scarcity of raw materials and energy costs. The labor market is still suffering with the lowest unemployment rates since the beginning of the Covid-19 pandemic, the credit market is stable and the external sector has shown a positive performance.

The expected Gross Domestic Product (GDP) for 2021 remains at the 5.0% level. Accumulated inflation in the 12-month period ending September 2021 was 10.25%, and from January to September it has already reached 6.90%. To control inflation, the basic interest rate (SELIC) reached 6.25% at the end of 3Q2021.

Banese recorded a Net Income of R\$72.6 million from January to September 2021, corresponding to a 109.8% growth in relation to the same period in 2020, a reflection of the commercial strategies implemented in the recent months, expansion of loan assets and funding, recovery of loans that had been written-off as losses, and the reduction in the provision for loan operations.

Given the gradual resumption in economic and financial activities, combined with the inflationary scenario, the results obtained by the Company are positive and higher than expected, in particular for the Loan Portfolio, Total Assets, Shareholders' Equity and Funding lines.

In this quarter, the Bank continued to encourage the use of its digital channels and observed all mandatory sanitary protocols for the services provided at its business units as a way of combating Covid-19 and continuing to care for its customers and employees.

We take this opportunity to give special recognition to our employees, who have been committed to the expansion of our business and whose dedication and effort resulted in the good performance achieved by the Bank in this third quarter of 2021. We also thank our clients and shareholders for their trust.

ANALYSIS OF OPERATIONS

Assets

Total Assets by Type – R\$ million

	3Q2021	2Q2021		V3M	3Q2020		V12M
Loan Assets	3,198.5	3,069.1	▲	+4.2%	2,688.6	▲	+19.0%
(-) Provisions	-119.5	-107.4	▲	+11.3%	-119.1	▲	+0.3%
Net Loan Assets	3,079.0	2,961.7	▲	+4.0%	2,569.5	▲	+19.8%
Financial Investments	3,072.1	3,076.7	▼	-0.1%	3,089.0	▼	-0.5%
Restricted Loans	453.8	467.5	▼	-2.9%	365.5	▲	+24.2%
Permanent Assets	182.4	180.8	▲	+0.9%	107.5	▲	+69.7%
Others	577.6	564.1	▲	+2.4%	506.6	▲	+14.0%
Total	7,364.9	7,250.8	▲	+1.6%	6,638.1	▲	+10.9%

The balance of total assets reached R\$7.4 billion at the end of 3Q2021, up by 10.9% in 12 months and 1.6% higher than the previous quarter.

Total asset growth in 12 months was mainly due to the increase in net loan assets (R\$+509.5 million).

In this quarter, we highlight the R\$117.2 million increase in net loan assets, driven by the growth in our commercial (R\$+91.1 million) and real estate (R\$+13.8 million) portfolios, which were directly influenced by the granting of loans to individuals.

Provision volume increased by 11.3% (R\$12.1 million) in the last quarter and was 0.3% (R\$436.2 thousand) higher in 12 months as a result of loans for the commercial, rural and industrial portfolios.

At the end of 3Q2021, net loans assets represented 41.8% of total assets and financial investments accounted for 41.7%. Net loan assets increased their relative share by 1.0 p.p. while financial investments fell by 0.7 p.p. in relation to 2Q2021.

In terms of restricted loans, these increased by R\$88.3 million YoY due to the final and unappealable ruling for the Salary Variation Compensation Fund - FCVS lawsuit, therefore its outstanding balance was consequently updated and reconciled, in addition to the increase in total cash paid to Bacen (this total includes Compulsory Investments and Instant Payments accounts) arising from higher amounts in demand deposits.

The positive variation in Permanent Assets over the 12-month period was due to the R\$71 million capital contribution in October 2020 at SEAC - Sergipe Administradora de Cartões S.A., Company, belonging to Banese's conglomerate, whose main activity is offering solutions for payment methods, focusing on credit, debit, and benefit cards (food and meals), acting as issuer, creditor, and processor, now holding a 71.68% interest in the Company compared to the previous interest of 49.75%.

Funding

Funding by Product Line – R\$ million

	3Q2021	2Q2021		V3M	3Q2020		V12M
Demand Deposits	1,117.7	1,069.1	▲	+4.5%	943.4	▲	+18.5%
Savings Deposit	1,915.9	1,902.1	▲	+0.7%	1,748.9	▲	+9.5%
Judicial Deposits	1,241.4	1,243.7	▼	-0.2%	1,051.1	▲	+18.1%
Certificate of Bank Deposit/RDB	1,659.8	1,625.1	▲	+2.1%	1,624.8	▲	+2.2%
CDI/DPGE	150.1	147.4	▲	+1.8%	139.5	▲	+7.6%
LF/LFS/LCI	180.3	179.7	▲	+0.3%	185.9	▼	-3.0%
Repurchase Transactions	8.6	11.3	▼	-23.9%	5.1	▲	+68.6%
Onlending Obligations	149.1	141.8	▲	+5.1%	107.9	▲	+38.2%
Total	6,422.9	6,320.2	▲	+1.6%	5,806.6	▲	+10.6%

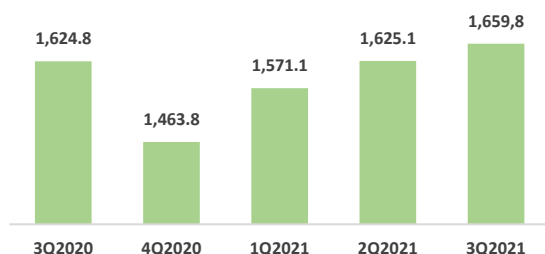
Banese ended 3Q2021 with a total funding of R\$6.4 billion, up by 1.6% (R\$+102.7 million) in the quarter, mainly due to demand deposits (R\$+48.6 million), Certificate of Bank Deposit/RDB (R\$+34.7 million) and savings deposits (R\$+13.8 million). In the 12-month comparison, total funding increased by 10.6% (R\$+616.3 million), mainly due to judicial deposits (R\$+190.3 million), demand deposits (R\$+174.3 million) and savings deposits (R\$+167.0 million).

Funding volume from interbank deposits (CDI) increased by 1.8% (R\$+2.7 million) in 3Q2021, and by 7.6% (R\$+10.6 million) in 12 months, as a result of funding with reciprocity in interbank deposits linked to real estate loans.

The balance of Subordinated Financial Bills increased by 3.5% in the quarter and by 16.0% in 12 months, due to inventory compensation. Financial Bills increased by 0.4% in the quarter and were 37.6% lower in 12 months, due to maturities that were not renewed. Funding from Housing Loan Bills fell by 11.4% in the quarter, and by 11.4% in 12 months, due to maturities that were not renewed.

Evolution of Time Deposits (Certificate of Bank Deposit/RDB)

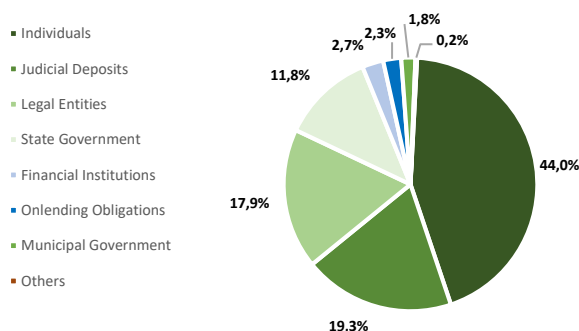
Time Deposits - R\$ Million



Total funding in time deposits reached R\$1.7 billion in 3Q2021, up by 2.1% (R\$+34.7 million) in the quarter, and by 2.2% (R\$+35.0 million) in 12 months, with both of these results due to higher government funding.

The Company's funding structure is diversified, which helps it maintain comfortable liquidity levels and support the rebound in loans in scenarios of economic recovery.

Key Funding Sources (% of the Total)

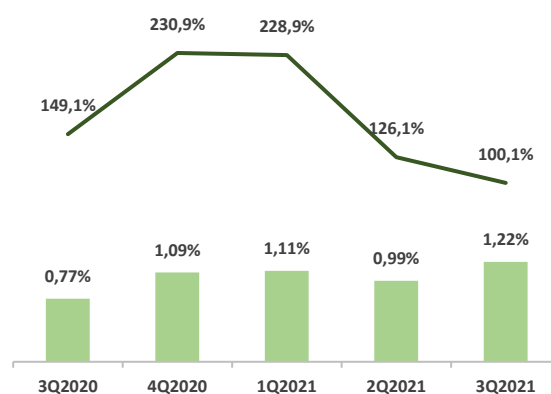


Banese's key funding sources are individuals, with approximately 44.0% of its total funding volume. Legal entities account for 17.9% of funding. The dilution of funding between individuals and legal entities mitigates liquidity risks.

Judicial deposits accounted for 19.3% of Banese's total funding.

The funding cost increased by 0.23 p.p. and 0.45 p.p. in the quarter and 12 months, respectively, due to the increase in the SELIC Target rate, which remunerates most of the post-fixed funding instruments, and the increase in the National Consumer Price Index (INPC), which remunerates the largest volume raised in Subordinated Financial Bills (LFS). As for the CDI, the reduction observed in the quarter and in 12 months was due to the increase in the Selic Target rate, even with the increase funding costs linked to fixed rate indexes and inflation, such as subordinated debt.

Funding costs (in absolute terms and as a % of the CDI)



Loan

Loan Portfolio by Type – R\$ million

	3Q2021	2Q2021		V3M	3Q2020		V12M
Commercial Portfolio*	2,259.7	2,156.7	▲	+4.8%	1,859.6	▲	+21.5%
For Individuals	1,718.3	1,651.3	▲	+4.1%	1,462.3	▲	+17.5%
For Legal Entities	541.4	505.4	▲	+7.1%	397.3	▲	+36.3%
Development Portfolio	690.0	666.8	▲	+3.5%	607.3	▲	+13.6%
For Individuals	554.8	536.0	▲	+3.5%	477.1	▲	+16.3%
For Legal Entities	135.2	130.8	▲	+3.4%	130.2	▲	+3.8%
Securities and Loans Receivable	248.8	245.6	▲	+1.3%	221.7	▲	+12.2%
Total	3,198.5	3,069.1	▲	+4.2%	2,688.6	▲	+19.0%

(*) free allocation credit modality

Banese's loan portfolio reached R\$3.2 billion in assets, up by 4.2% QoQ and by 19.0% YoY, reflecting the Bank's strategic positioning aimed at increasing its market share and promoting regional economic development.

The increase in Banese's commercial loan portfolio was mainly due to the Bank's sales strategy, which culminated in actions aimed at self-service contracts, the creation of credit lines based on credit card sales, agreements with new companies and public agencies, in addition to actions at our business units to reach credit-eligible customers, including salary and loan portability initiatives.

The commercial loan portfolio aimed at the Individuals segment reached R\$1.7 billion at the end of 3Q2021, a 4.1% growth in the quarter and 17.5% higher YoY. The growth of this portfolio is due to the Bank's strong commitment in diversifying its credit lines, through sales actions aimed at attracting new customers to increase asset inventory and profitability. We highlight the Payroll-Deductible segment, which contributed to the 5.6% increase in the lower risk portfolio in the quarter and an increase of 18.1% in the last 12 months.

The commercial loan portfolio for the Corporate segment also increased, by 7.1% in the quarter and by 36.3% YoY. We also emphasize the working capital line in the quarter, backed by credit card sales revenue, which encourages portfolio diversification and, consequently, mitigates the risk of credit concentration. Banese holds the largest portion of the free credit loan market in the state of Sergipe, with a market share of 36.0% according to the Central Bank of Brazil (July 2021).

The development loan portfolio, which includes the management of housing, loans and agribusiness portfolios, had a balance of R\$690.0 million in 3Q2021, accounting for 21.6% of Banese's total loan portfolio. In this quarter, the balance of the development loan portfolio increased by 3.5%, mainly due to rural (+5.6%) and real estate (+3.4%) loans. Portfolio growth was influenced by the strategies aimed at the agribusiness segment, in addition to initiatives in the tourism chain and real estate financing, both for Corporate and Individual customers. In 12 months, this portfolio increased by 13.6%, mainly as a result of rural loans (+38.7%) and the financing portfolio (+18.3%).

Securities and Receivables with Loan Characteristics grew by R\$3.2 million in the quarter, and by R\$27.1 million in 12 months, driven by the greater use of the revolving credit card limit.

Quality of the Loan Portfolio by Risk Rating

	R\$ million			Change	% of the Portfolio		Change
	3Q2021	3Q2020			3Q2021	3Q2020	
AA	1,166.8	923.9	▲	+26.3%	36.5%	34.4%	+2.1 p.p.
A	1,115.3	990.1	▲	+12.6%	34.9%	36.8%	-1.9 p.p.
B	532.7	396.2	▲	+34.5%	16.7%	14.7%	+2.0 p.p.
C	198.0	230.8	▼	-14.2%	6.2%	8.6%	-2.4 p.p.
D - H	185.7	147.6	▲	+25.7%	5.8%	5.5%	+0.3 p.p.
Total	3,198.5	2,688.6	▲	+19.0%	100.0%	100.0%	N/A

In relative terms, the loan operations classified under the “AA” to “C” risk ratings range accounted for 94.2% of Banese’s total loan portfolio (-0.3 p.p. compared to 94.5% in 3Q2020). Loans classified under the “D” to “H” risk ratings, which concentrate the operations with the highest credit risk, represent 5.8% of Banese’s credit portfolio (+0.3 p.p. versus 5.5% in 3Q2020).

Loans Quality by Portfolio in 2Q2021 – R\$ million

	Total	Commercial	Industrial	Rural	Real Estate	Others
AA	1,166.8	1,166.8	-	-	-	-
A	1,115.3	337.3	22.1	110.1	404.8	241.0
B	532.7	446.1	45.9	24.3	9.9	6.5
C	198.0	156.9	23.7	14.5	2.4	0.5
D - H	185.7	152.6	3.9	26.5	1.9	0.9
Total	3,198.5	2,259.7	95.6	175.4	419.0	248.9

As for the loan risk levels by segment, the rural portfolio (in which loans are classified as “D - H” account for 15.1% of the portfolio) has lower quality. The classification refers to the characteristics of the products and the relatively high volume of each individual operation.

Financial Investments

Financial Investments – R\$ million

	3Q2021	2Q2021		V3M	3Q2020		V12M
Short-Term Interbank Investments	1,654.5	1,563.2	▲	+5.8%	1,991.1	▼	-16.9%
Free Marketable Securities	1,371.5	1,460.6	▼	-6.1%	1,092.2	▲	+25.6%
Mutual Fund Shares	2.5	2.4	▲	+4.2%	46.3	▼	-94.6%
Fixed Income	1,369.0	1,458.2	▼	-6.1%	1,045.9	▲	+30.9%
Linked Securities	46.1	52.9	▼	-12.9%	5.7	▲	+708.8%
Remunerated Compulsory Deposits	367.1	366.8	▲	+0.1%	290.0	▲	+26.6%
Total	3,439.2	3,443.5	▼	-0.1%	3,379.0	▲	+1.8%

The balance of financial investments was R\$3.4 billion at the end of 3Q2021, slightly down by -0.1% over 2Q2021 (R\$-4.3 million), impacted by the allocation of funds invested in loan operations. In 12 months, the balance of financial investments increased 1.8% (R\$+60.2 million), both due to increased funding volumes and its impact on remunerated compulsory deposits.

Interbank liquidity investments grew by 5.8% (+R\$91.3 million) in 3Q2021, due to repurchase transactions and assets in compliance with Central Bank’s requirements (Real Estate DI). In 12 months, interbank liquidity investments fell by 16.9% (R\$-336.6 million), due to the reduction in repurchase transactions and assets in compliance with Central Bank’s requirements (Real Estate DI).

Free Marketable Securities fell by 6.1% in the quarter (R\$-89.1 million), arising from the non-renewal of financial investments in Financial Treasury Bills (LFT). In 12 months, an increase of 25.6% (R\$+279.3 million) was reported as a result of the increase in investments in Financial Treasury Bills (LFT) and in Financial Bills (LF). The reduction of Investment Funds arises from the strategy adopted by the Bank’s treasury department, which is to focus on asset operations that require less capital.

Banese complies with the provisions of Bacen Circular 3068/2001, which establishes criteria for accounting registration and valuation of marketable securities. The investments in liquidity instruments, denominated in national currency, are marked to market in order to mitigate risks related to changes in value and volatility of financial instruments.

Portfolio Profitability

Banese's treasury asset portfolio currently adopts a strategy to maintain investments in liquid assets and low-risk instruments in order to maintain comfortable liquidity and capital levels, aimed at reaching profitability higher than the country's interest rate.

The YTD return on the portfolio in 3Q2021 reached 109.5% of the CDI, higher than the 106.7% of the CDI in 2Q2021, due to the improvement in the mark-to-market (MtM) of the bank's portfolio of Treasury Bills (LFT), and the 94.4% profitability of the CDI registered in 3Q2020, resulting from investments in private bonds with better remuneration, in addition to the reasons previously mentioned. The variation in MtM of LFTs in September 2021 followed the trend observed since the end of May 2021, with better prices in the secondary market due to the speed in which the basic interest rate, the Selic Target Rate, increased in the short term and the perspective of future increases due to the inflationary scenario.

ANALYSIS OF RESULTS

Revenues

Breakdown of Revenue – R\$ million

	3Q2021	2Q2021		V3M	9M2021	9M2020		V12M
Loan Revenue	140.4	130.1	▲	+7.9%	398.0	389.0	▲	+2.3%
Revenue from Financial Investments	40.7	25.0	▲	+62.8%	81.3	52.4	▲	+55.2%
Income from Services	34.5	30.0	▲	+15.0%	96.5	99.6	▼	-3.1%
Revenue from Equity Investments	1.5	2.9	▼	-48.3%	9.1	7.7	▲	+18.2%
Other Operating Income	43.9	45.2	▼	-2.9%	130.2	128.2	▲	+1.6%
Non-Operating Revenue	0.1	0.1	►	N/A	0.2	0.2	►	N/A
Total	261.1	233.3	▲	+11.9%	715.3	677.1	▲	+5.6%

Banese's total revenue amounted to R\$261.1 million in 3Q2021, increasing by 11.9% over 2Q2021. The highest variation was in revenue from financial investments, which increased by R\$15.7 million in the quarter due to the higher basic interest rate (SELIC) and the effects from mark-to-market (MtM) on the Federal Government Bonds that are included in this portfolio. In 12 months, the increase of R\$28.9 million was due to these same reasons, in addition to investments in private bonds with better remuneration. Loan revenue increased by approximately R\$10.3 million, revenue from equity investments reduced by R\$1.4 million and revenue from services fell by R\$1.3 million.

Revenue from services increased by 15.0% (R\$+4.5 million) in the quarter, driven by revenues from the Agreements Portfolio and revenues from banking services. As a way of matching new services and solutions being offered by other Financial Institutions, Banese has been investing in initiatives to increase its banking services portfolio.

From January to September 2021, Banese had total revenues of R\$715.3 million, 5.6% higher than in the same period in 2020, mainly due to revenue from financial investments (R\$+28.9 million) and loan revenue (R\$+9.0 million).

Costs and Expenses

Direct Operating Costs – R\$ million

	3Q2021	2Q2021		V3M	9M2021	9M2020		V12M
Funding Expenses	54.8	37.9	▲	+44.6%	120.1	96.2	▲	+24.8%
Earnings from Marketable Securities	1.7	0.7	▲	+142.9%	3.5	3.4	▲	+2.9%
Loan Obligations Expenses	3.7	1.2	▲	+208.3%	8.4	4.2	▲	+100.0%
Total	60.2	39.8	▲	+51.3%	132.0	103.8	▲	+27.2%

The total direct costs of operations increased 51.3% in the quarter (R\$+20.4 million), directly due to the higher basic interest rate of the economy (SELIC) and a higher funding volume in the period. From January to September 2021, these expenses increased by 27.2% (R\$+28.2 million), mainly due to the lower basic interest rate which impacts post-fixed fundings.

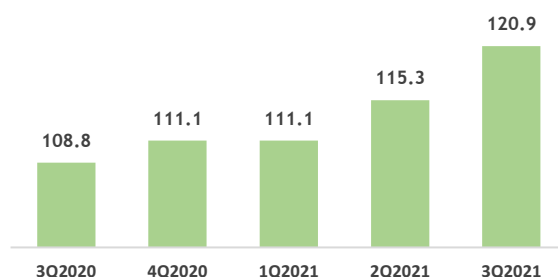
The growth in expenses with obligations for loans and onlendings in the quarter and YoY was due to funds received from BNDES in December 2020, of approximately R\$30 million, where expenses are generated as the operations are released.

Net Interest Income (NII)

Net Interest Income (Credit Revenue Plus Income from Financial Investments less Direct Funding Costs) increased by 4.9% QoQ and by 11.1% YoY.

The result is a combination of factors already presented in the previous items mentioned in this report, such as the increase in revenues from financial investments and loans that were higher than the funding expenses.

Net Interest Income (NII)



Personnel/Payroll Expenses - R\$ million

	3Q2021	2Q2021		V3M	9M2021	9M2020		V12M
Salaries	28.3	24.4	▲	+16.0%	78.5	82.4	▼	-4.7%
Benefits	5.6	5.1	▲	+9.8%	16.1	17.3	▼	-6.9%
Social Charges	11.6	10.8	▲	+7.4%	33.3	35.9	▼	-7.2%
Training and Others	0.1	0.1	►	N/A	0.2	0.2	►	N/A
Total	45.6	40.4	▲	+12.9%	128.1	135.8	▼	-5.7%

Personnel expenses grew 12.9% in the quarter, as a result of the 10.97% salary readjustment in compliance with the collective agreement and the reopening of the Retirement Incentive Program – PEA with 12 new members. In 3Q2021, 18 dismissals were carried out through the program, totaling 145 dismissals in 9M21, corresponding to 55% of the program's total adhesions and an accumulated drop of 14% in Banese's workforce.

The payroll coverage ratio was 75.8% in the quarter, 1.6 p.p. higher than the ratio recorded in 2Q2021. The payroll coverage index in 12 months increased by 2.0 p.p. The Administrative Coverage Ratio in 3Q2021 reached 37.3%, varying by +2.4 p.p. in the quarter and -2.5 p.p. YoY.

Other Administrative Expenses – R\$ million

	3Q2021	2Q2021		V3M	9M2021	9M2020		V12M
Outsourced Services	23.9	21.6	▲	+10.6%	67.0	57.6	▲	+16.3%
Consumption, Maintenance and Materials	5.2	5.0	▲	+4.0%	15.1	16.1	▼	-6.2%
Systems and Data Processing	9.5	10.6	▼	-10.4%	30.7	21.2	▲	+44.8%
Insurance	0.8	1.5	▼	-46.7%	3.4	2.7	▲	+25.9%
Transportation of Cash	2.7	2.5	▲	+8.0%	7.9	6.9	▲	+14.5%
Taxes	0.2	0.3	▼	-33.3%	0.9	1.5	▼	-40.0%
Other Expenses	4.7	4.0	▲	+17.5%	13.0	14.9	▼	-12.8%
Total	47.0	45.4	▲	+3.5%	138.0	120.9	▲	+14.1%

Other administrative expenses grew by 3.5% (+R\$1.6 million) in the quarter, in which we highlight Third-Party Services (Legal Advisory Fees for Individuals and Ponto Banese). In 12 months, these expenses increased by 14.1% (R\$+17.1 million), especially in Systems and Data Processing (maintenance of software and execution of technology services) and Third-Party Services (Ponto Banese).

Other Operating Expenses – R\$ million

	3Q2021	2Q2021		V3M	9M2021	9M2020		V12M
Amortization and Depreciation	3.4	3.5	▲	-2.9%	10.8	12.3	▼	-12.2%
Provisions for Loan Operations	45.3	27.8	▼	+62.9%	105.6	120.8	▼	-12.6%
Loan Depreciation	0.7	0.7	►	N/A	2.5	0.3	▲	+733.3%
Liability Provisions	7.6	9.3	▼	-18.3%	23.5	51.0	▼	-53.9%
Partnership with the Court of Justice	3.9	4.9	▼	-20.4%	13.5	13.0	▲	+3.8%
ISS/PIS/COFINS Taxes	9.2	8.7	▲	+5.7%	26.5	26.5	►	N/A
Discounts Granted	0.3	4.1	▼	-92.0%	4.4	3.9	▲	+12.8%
Profit Sharing	1.9	5.7	▼	-66.7%	9.5	5.3	▲	+79.2%
Others	1.8	3.3	▼	-45.5%	7.9	15.2	▼	-48.0%
Total	74.1	68.0	▲	+9.0%	204.2	248.3	▼	-17.8%

Other Operating Expenses increased by R\$6.1 million in the quarter, in which we highlight the increase of provisions for loan operations by R\$17.5 million in the period. In the quarter, a reduction of R\$3.8 million was recorded for Discounts granted.

From January to September 2021, Other Operating Expenses reduced by R\$44.1 million, highlighting the reductions of R\$27.5 million in the liability provisions line as a result of lower provision volumes for labor contingencies, and a reduction of R\$15.2 million in provisions for loan operations.

The increase in expenses with Provisions for Loan Operations in the quarter was due to the constitution of a provision for doubtful accounts (PDD), aimed mainly at the corporate segment of the commercial, rural and industrial portfolios. In the annual comparison, we had a reduction of 12.58% (R\$15.2 million) in provisions for the corporate segment, with emphasis on the real estate portfolio.



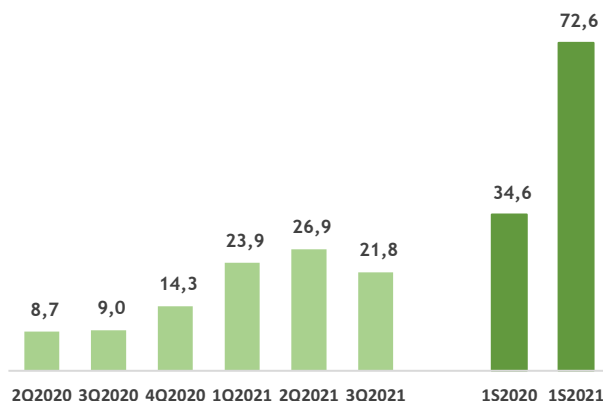
Net Income

Banese recorded a Net Income of R\$21.8 million in 3Q2021, increasing by 142.2% over the same period in 2020. From January to September 2021, Net Income was R\$72.6 million, 109.8% higher than in 9M2020.

The result achieved is a consequence of the reasons already mentioned, in which we highlight the expansion of loan assets and funding, as well as higher revenues from loans and financial investments. In view of the gradual recovery of economic-financial activities and the inflationary scenario, our results are positive and higher than expected.

In 2Q2021, a non-recurring event occurred, in the amount of R\$9.6 million, which contributed positively to the result achieved, referring to the variation in interest on actuarial liabilities according to CPC 33 (R1) and CPC 23.

Net Income - R\$ Million



Net Equity

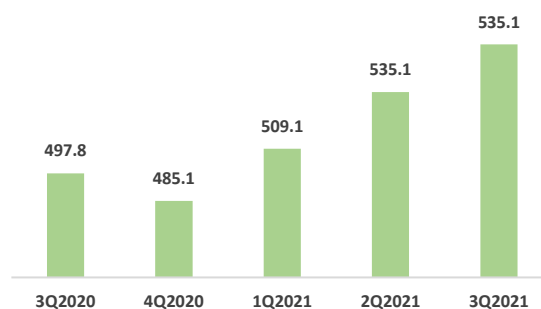
Banese's Net Equity was positive by 11.9% YoY and by 4.1% in the quarter.

The increase in the quarter was due to the incorporation of results in the period and the result in the 12-month period was influenced by the payment of Interest on Equity and the actuarial valuation adjustment related to the supplementary pension plan for Banese employees through Instituto Banese de Seguridade Social – SERGUS (defined benefit plan), according to CPC 33 (R1), approved by CVM Resolution 695/2012.

The impact of the actuarial adjustment on Banese's Net Equity at the end of 3Q2021 was R\$-4.0 million. The negative effect on the Bank's Equity was by R\$-7.3 million in 3Q20.

Furthermore, there were adjustments in Net Equity in 4Q2020 and 1Q2021 due to corrections made on 12/2020, namely: (i) the accounting for Actuarial Liabilities, which changed Net Equity in 1Q2021 from R\$-24.0 million to R\$-8.2 million; and (ii) Interest on Equity for Equity Income, which reduced net equity in 4Q2020 by R\$2.7 million, from R\$487.8 million to R\$485.1 million.

Net Equity - R\$ Millions

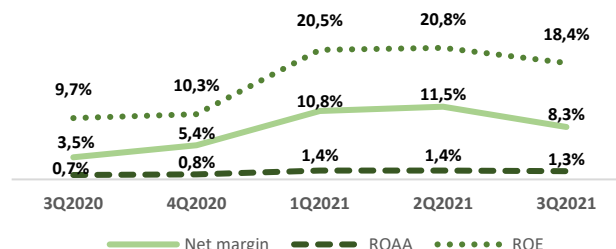


Profitability Ratios

Profitability indexes help us to view the return on invested capital in the period.

Return on Equity (ROE), Net Margin and Return on Average Assets (ROAA) achieved by Banese in 3Q2021 increased in 12 months and retracted in the quarter due to the business environment already presented in this report.

Profitability and Yield Ratios (%)

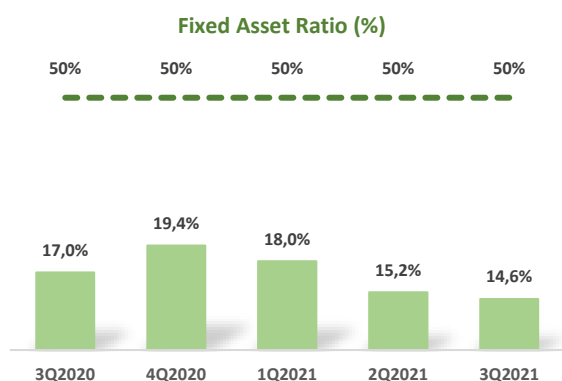




Capitalization and Basel Ratio – R\$ Million

Ratios and Capitalization	3Q2021	2Q2021		V3M	3Q2020		V12M
Reference Equity	603.2	581.4	▲	3.75%	507.5	▲	18.85%
Tier I	495.0	474.3	▲	4.37%	465.9	▲	6.25%
Tier II	108.2	107.1	▲	1.00%	41.6	▲	160.03%
Basel Ratio	13.34%	13.22%	▲	+0.12 p.p.	14.09%	▼	-0.75 p.p.
Principal Capital Ratio	10.95%	10.78%	▲	+0.17 p.p.	12.94%	▼	-1.99 p.p.
Capital Rate Tier I	10.95%	10.78%	▲	+0.17 p.p.	9.25%	▼	-1.99 p.p.
Minimum Basel Ratio + ACP	9.625%	9.625%	▶	-	9.250%	▲	+0.38 p.p.
Margin on Reference Equity, including capital for coverage of Interest Rate Risk of Banking Portfolio and ACP.	141.8	133.7	▲	6.12%	147.9	▼	-4.07%

Banese's Conglomerate Basel Ratio totaled 13.34% at the end of 3Q2021, up by 0.12 p.p. over the index at the end of 2Q2021, mainly due to the 4.37% growth in the Tier II Reference Equity (approximately R\$20.73 million), arising from the accumulated result for the period.



Fixed Assets Ratio

The fixed asset-to-equity ratio ended 3Q2021 at 14.6%, reducing by 0.6 p.p. over the ratio in 2Q2021, due to the 4.37% increase in the Reference Equity (approximately R\$20.73 million). The result was substantially below the maximum fixed assets requirement established by the Central Bank of Brazil, which is 50.0%. It is important to emphasize that, the lower the ratio, the better it is.

Ratings

On August 30, 2021, Fitch Ratings affirmed the Bank's National Long-Term Rating at 'A-(bra)' (A minus (bra)) and changed the outlook from Stable to Negative. The review of the outlook to Stable reflects Fitch's view that the impacts of the coronavirus pandemic on Banese's business model and financial profile were lower than expected, mainly on credit quality and profitability metrics.

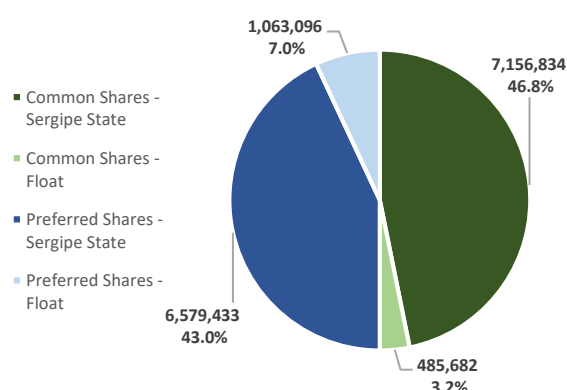
On December 11, 2020, Moody's Investors Service (Moody's) upgraded Banese's foreign currency deposit rating to Ba2, previously Ba3, due to Brazil's foreign currency ceiling (stable Ba2) raised to Baa2 announced on December 7, 2020. The outlook for the rating of foreign currency deposits has changed from stable to negative. The stable outlook was due to the sovereign ceiling that limited the Bank's foreign currency deposit rating, which carried the sovereign's stable outlook, despite the Bank's other ratings having a negative outlook.

On June 29, 2021, Moody's América Latina Ltda ("Local Moody's") assigned Banese a AA-.br rating, with a AA-.br rating on the Bank's long-term deposits and a ML A-1.br rating on its short-term deposits, both on a national scale, with a negative outlook, due to the exposure of its business segments that are more vulnerable to the COVID-19 pandemic, which can affect asset quality and profitability.

Agency	Scale	Long-Term	Short-Term	Outlook
Fitch Ratings	National	A- (bra)	F1 (bra)	Stable
Moody's Local	National – Deposits	AA-.br	ML A-1.br	Negative
Moody's Investor Service	Global in Domestic Currency – Deposits	Ba2	Not Prime	Negative
	Global in Foreign Currency – Deposits	Ba2	Not Prime	Negative

ADDITIONAL INFORMATION

Banese on B3



Banese's ownership structure in 3Q2021 was comprised by 89.8% of shares owned by the State Government of Sergipe and 10.2% of shares are Free Float. The outstanding shares are comprised of 31.3% common shares and 68.7% preferred shares.

The ownership structure represents 15.2 million shares, of which 7.6 million are common shares (BGIP3) and 7.6 million are preferred shares (BGIP4).

Banese's shares are included in the ITAG Index of B3, which concentrates shares with special Tag Along rights.

Customer and Service Channels

In 1H21, Banese's customer base totaled 818,265 current and savings accounts, consisting of 792,134 individual customers and 26,131 legal entities.

Banese has invested in the availability of a larger products and services portfolio on digital channels and in improving the usability of the virtual service media. Due to the pandemic, this investment was intensified so that customers have access to products, services, and transactions safely, without having to go to a physical service point, minimizing the exposure risk. With Banese's Virtual Service, the customer has several products and services available and can schedule a time for in-person service, without queues and more security.

The use of self-service channels to make transactions remains as the method preferred by Banese's customers, as 86.0% of the total transactions were made in self-service channels in 3Q2021, with 78.9% on the digital channels alone.

The volume of transactions carried out on the Internet and Mobile Banking channels increased by 0.7% in the quarter and by 38.2% from January to September 2020.

Channel Data

	3Q2021	2Q2021		V3M	9M2021	9M2020		V12M
Branches	63	63	►	N/A	63	63	►	N/A
Service Points	09	09	►	N/A	09	09	►	N/A
ATMs	464	462	▲	+2	464	491	▼	-27
Bank Correspondents in Brazil	210	206	▲	+4	210	203	▲	+7
Transactions in Branches, ATMs and Bank Correspondents	8.5 M	8.6M	▼	-1.2%	26.1 M	27.7 M	▼	-5.8%
Transaction Volume	R\$10.6 B	R\$10.4 B	▲	+1.9%	R\$30.8 B	R\$26.3 B	▲	+17.1%
Online Transactions	32.4 M	32.2M	▲	+0.7%	91.9 M	66.5 M	▲	+38.2%
Transaction Volume	R\$9.9 B	R\$8.6 B	▼	+16.2%	R\$30.0 B	R\$9.4 B	▲	+214.5%

Considering the growing number of transactions and financial volume handled through digital channels, the vast network of Correspondents in the country, and following the Company's Strategic Planning, Banese has been adapting its service network to this reality in recent years. Thus, the Bank ended 3Q2021 with 63 branches, of which 55 were physical units (13 in the capital city and 42 in the countryside).

Financial Services – Banese 2.0

Banese continues to implement the strategy of providing its customers with innovative banking and payment services through new technologies. We continue to highlight the Intelligent Deposit, the inclusion of the Digital Recharges services (which serves the customer daily consumption services such as: Games, Uber, Netflix, Spotify), the Instant Payments System (PIX) and the Banese Clube Mais de Benefits (which has a discount network including movie theaters, pharmacies and several partner establishments, as well as monthly prizes, life insurance and other convenience services for customers' daily lives). Among the new services and solutions to be available soon, we highlight Open Banking or Cashback Elo.

Investments in Human Capital

Banese has invested in the professional development and improvement of its employees through several initiatives, including the Banese Corporate University, the Educational Training Incentive Program, the Apprenticeship Program, and the Continuing Certification Program, among other actions. The Bank also the search for self development, aiming to raise the performance and engagement of teams.

The Vocational Training Incentive Program, which aims to increase the knowledge base of its employees, offers 50% scholarships in undergraduate, specialization and foreign language courses, in addition to online learning platforms in areas that are aligned with the Bank's strategic planning. Specialization and foreign language courses have the largest number of active scholarship.

In 3Q2021, we expanded the audience for the virtual learning platform since other companies in the Banese conglomerate and young apprentices were included, and we also added new courses and maintained the campaign for mandatory courses with Banese employees. These initiatives led to a 271% increase in the number of certificates issued compared to 2Q2021. We also highlight the courses Anti-Money Laundering and Terrorist Financing Policy and Data Privacy focused on the General Data Protection Law (LGPD). The Banese Corporate University has engaged employees to take a leading role in their corporate training by building knowledge paths that genuinely interest and contribute to their professional success in the corporate environment.

Aiming to encourage continuing education, the Bank also offers programs that ensure obtaining certifications and attending events and training. The training and development process provides opportunities for the employees to expand their learning capacity, directly impacting the quality and efficiency of processes, relationship with customers and productivity, enhancing organizational results and contributing to the sustainability of the business.

BANESE CONGLOMERATE

Banese's economic conglomerate is comprised by Banese and SEAC - Sergipe Administradora de Cartões e Serviços S.A. (SEAC). In addition, Banese's group of companies also include: Banese Corretora e Administradora de Seguros, Instituto Banese de Seguridade Social (SERGUS), Caixa de Assistência dos Empregados do Banese (CASSE) and Instituto Banese.

SEAC - Sergipe Administradora de Cartões e Serviços S.A.

SEAC offers solutions for payment methods and related services, focused on the market of credit card, vouchers and acquisition solutions.

The number of qualified customers reached 632.0 thousand clients in 3Q2021, increasing by 5.0% from the end of 3Q2020. The volume of transactions using products managed by SEAC and other brands, including its own brand TKS, was R\$965.9 million at the end of 3Q2021, 32.4% higher than the volumes achieved in 3Q2020 and 9.9% higher than the previous quarter.

The financial volume of the Banese Card (with a 66.2% share), reached R\$639.8 million in the quarter, up by 22.4% over 3Q2020, and 6.7% higher than in 2Q2021. The financial volume generated by Other Brands, with a 26.3% share, reached R\$254.4 million in 3Q2021. This performance is due to partnerships with large retail chains, extensive accreditation actions, expanded revolving limits, and greater acceptance, including in e-commerce, enabled by the co-branding of cards through the partnership with the Elo brand.

During 3Q2021, SEAC gave priority to the creation of new products, remodeled the current ones, making them more attractive, signed new partnerships, improved its service channels and continued to follow the trends of the means of payment market. In the quarter, we highlight the increase from 06 to 27 in the number of states using the Banese Card Elo Nanquim, a result of our marketing efforts on main blogs and through digital influencers, and the dissemination of the Elo Nanquim turbocharged points. We also launched the new Banese Card ELO Nanquim OAB, following the same pattern as ELO Nanquim, providing exclusivity to Lawyers of Sergipe.

Banese Corretora de Seguros

To improve customer service, Banese Administradora e Corretora de Seguros Ltda. has consolidated its partnership with the main Brazilian insurance companies, seeking to expand the product portfolio offered to the public.

In 3Q2021, the insurance broker recorded R\$41.5 million in contracted insurance, a 29.5% increase over the same period in 2020 due to increase in credit life insurance and personal insurance. Compared to the previous quarter, the volume of contracted insurance increased by 58.7% due to the significant sale of the consortium product from the months of July to September.

In terms of revenues, we had a decline of 38.8% in 3Q2021 over 3Q2020 and an increase of 50% compared to 2Q2021.

Instituto Banese and Museu da Gente Sergipana

Aiming to be recognized as a source of knowledge, inspiration and cultivation of artistic and cultural expressions, Instituto Banese develops social and environmental responsibility actions in line with public policies, focused on promoting the rescue, preservation and dissemination of the Sergipe culture. Banese Institute benefited 15,086 people in 3Q2021, directly linked to strategic projects in the 12 supported and sponsored entities, and indirectly benefited people through total investments of around R\$49.5 thousand.

Museu da Gente Sergipana Governador Marcelo Déda, the Institution's key project, was developed to reinforce the Bank's social role as the great motivator and patron of several languages of the culture of the state of Sergipe. With the museum's virtual tour platform launched in 2020, the visitor can discover, meet, research, and revisit the historical and cultural content represented by traditions, customs, architectural heritage, biodiversity, cuisine, economic aspects, and cultural manifestations in a 360° tour through the entire museum.

TABLES AND ATTACHMENTS
Consolidated Income Statement – BANESE – (R\$ thousand)

	09.30.2021	09.30.2020
		Re-introduced
Revenue from Financial Intermediation	511,831	475,176
Credit Transactions	413,560	402,674
Income from Marketable Securities Transactions	89,048	65,490
Earnings from Compulsory Investment	9,223	7,012
Financial Intermediation Expenses	(203,647)	(171,104)
Market Funding Operations	(117,967)	(94,845)
Loans and Onlending	(8,442)	(4,211)
Provision for Expected Credit Loss Associated with Credit Risk	(43,568)	(41,915)
Provision for Revolving Credit Card Loan	(33,670)	(30,020)
Gross Income from Financial Intermediation	308,184	304,185
Other Operating Revenues (Expenses)	(150,747)	(171,104)
Service Revenues	117,599	98,015
Banking Fee Revenue	50,693	56,858
Personnel Expenses	(158,269)	(161,137)
Other Administrative Expenses	(193,425)	(170,440)
Tax Expenses	(45,657)	(43,107)
Equity Income in Affiliates and Subsidiary	-	-
Other Operating Revenues	126,092	92,499
Other Operating Expenses	(47,780)	(43,792)
Expenses with Provisions	(26,433)	(53,426)
Expenses with Provisions for Contingencies	(26,433)	(53,426)
Operating Income	131,004	79,655
Pre-tax Income	131,004	79,655
Income and Social Contribution Taxes	(45,282)	(32,219)
Provision for Income Tax	(24,090)	(29,189)
Provision for Social Contribution Tax	(20,963)	(22,097)
Deferred Tax Asset	(229)	19,067
Profit Sharing – Employees and Management	(9,533)	(5,266)
Net Income Before Non-Controlling Interest	76,189	42,170
Non-Controlling Interests	(3,595)	(7,739)
Net Income	72,594	34,431

Income Statement - BANESE MÚLTIPLO – (R\$ thousand)

	09.30.2021	09.30.2020
		Re-introduced
Revenue from Financial Intermediation	502,260	460,345
Credit Transactions	415,216	404,400
Income from Marketable Security Transactions	77,821	48,933
Earnings from Compulsory Investment	9,223	7,012
Financial Intermediation Expenses	(172,070)	(142,329)
Market Funding Operations	(120,060)	(96,203)
Loans and Onlending	(8,442)	(4,211)
Provision for Expected Credit Loss Associated with Credit Risk	(43,568)	(41,915)
Provision for Revolving Credit Card Loan	330,190	318,016
Gross income from Financial Intermediation	(187,404)	(202,669)
Service Revenues	45,907	42,850
Banking Fee Revenue	50,693	56,858
Personnel Expenses	(131,269)	(138,551)
Other Administrative Expenses	(144,873)	(129,059)
Tax Expenses	(27,363)	(28,006)
Equity Income In Affiliates and Subsidiary	9,098	7,662
Other Operating Revenues	39,373	19,542
Other Operating Expenses	(28,970)	(37,089)
Expenses with Provisions	(23,478)	(50,953)
Expenses with Provisions Judicial	(23,478)	(50,953)
Operating Income	119,308	61,270
Pre-Tax Income	119,308	61,270
Income and Social Contribution Taxes	(37,181)	(21,573)
Expenses with Income Tax	(18,476)	(24,244)
Expenses with Social Contribution Tax	(16,973)	(18,995)
Income Tax and Social Contribution Tax Deferred	(1,732)	21,666
Profit Sharing – Employees and Management	(9,533)	(5,266)
Net Income Before Non-Controlling Interest	72,594	34,575
Non-Controlling Interests	-	-
Net Income	72,594	34,575



Consolidated Balance Sheet – ASSETS (R\$ thousand)

	09.30.2021	12.31.2020
		Re-introduced
CURRENT ASSETS	4,211,214	3,935,459
CASH AND CASH EQUIVALENTS	97,718	80,485
FINANCIAL INSTRUMENTS	4,206,601	3,940,388
INTERBANK INVESTMENTS	1,398,371	1,416,741
Reverse Repurchase Agreements	419,955	647,004
Interbank Deposits	978,416	769,737
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	797,748	819,728
Own Portfolio	751,652	811,286
Subject to Repurchase Agreements	8,633	7,821
Linked to Guarantees Given	637	621
Linked to Central Bank of Brazil	36,826	-
INTERBANK ACCOUNTS	491,884	394,853
Payments and Receivables to be Settled	90,976	29,464
Restricted Deposits:	390,842	365,349
- Central Bank Deposits	390,842	365,098
- Agreements	-	251
Correspondents	10,066	40
LOAN OPERATIONS	841,004	696,524
Loan Operations:	841,004	696,524
- Private Sector	841,004	696,524
OTHER RECEIVABLES	677,594	612,542
Unearned Income	11,843	13,813
Sundry	665,899	599,274
Allowance for Losses on Other Receivables Without Loan Characteristics	(148)	(545)
PROVISIONS FOR EXPECTED LOAN LOSSES	(97,619)	(88,413)
Provision for Loan Losses	(52,183)	(52,431)
Provision for Other Doubtful Accounts	(1,654)	(1,517)
Provision for Receivables Related to Payment Transactions	(43,782)	(34,465)
OTHER ASSETS	4,514	2,999
Other Assets	2,248	1,422
Prepaid Expenses	2,266	1,577
NON-CURRENT ASSETS	3,582,458	3,304,083
LONG-TERM RECEIVABLES	3,476,014	3,202,702
FINANCIAL INSTRUMENTS	3,230,460	2,962,251
INTERBANK INVESTMENTS	256,102	327,243
Interbank Deposits	256,102	327,243
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	650,668	536,912
Own Portfolio	650,668	536,912
INTERBANK ACCOUNTS	62,979	59,768
Restricted Deposits:	62,979	59,768
- National Housing System (SFH)	62,979	59,768
LOAN OPERATIONS	2,108,625	1,846,558
Loan Operations:	2,108,625	1,846,558
- Private Sector	2,108,625	1,846,558
OTHER RECEIVABLES	2,108,625	191,770
Unearned Income	11	29
Sundry	159,114	198,780
Allowance for Losses on Other Receivables Without Loan Characteristics	(7,039)	(7,039)

Consolidated Balance Sheet – ASSETS (R\$ thousand) - CONTINUATION

	09.31.2021	12.31.2020
PROVISIONS FOR EXPECTED LOAN LOSSES	(58,662)	(48,761)
Provision for Loan Losses	(58,662)	(48,761)
TAX CREDITS	224,558	216,916
Tax credits on Temporary Differences	179,668	187,614
Tax credits on Negative Tax Basis	1,254	4,833
Tax credits on Taxes and Contributions to be Compensated	43,636	24,469
OTHER ASSETS	79,658	72,296
Other Assets	77,784	73,957
Allowance for Devaluation	(4,951)	(4,977)
Prepaid Expenses	6,825	3,316
INVESTMENTS	-	-
Interest in Affiliates and Subsidiaries	-	-
OTHER INVESTMENTS	6	6
Other Investments	454	454
Provisions for Losses	(448)	(448)
PROPERTY AND EQUIPMENT FOR USE	248,979	236,273
Property for Use	74,221	74,193
Other Property and Equipment Items for Use	174,758	162,080
INTANGIBLE ASSETS	81,083	74,321
Intangible Assets	81,083	74,321
DEPRECIATION AND AMORTIZATION	(223,624)	(209,219)
Accumulated Amortization of Property and Equipment Items for Use	(161,035)	(150,179)
Accumulated Amortization of Intangible Assets	(62,589)	(59,040)
TOTAL	7,793,672	7,239,542



Consolidated Balance Sheet – LIABILITIES (R\$ thousand)

	09.30.2021	12.31.2020
		Re-introduced
CURRENT LIABILITIES	5,269,077	5,090,172
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	4,679,739	4,373,682
DEPOSITS	4,544,731	4,280,166
Demand Deposits	1,088,478	1,036,185
Savings Deposits	1,915,902	1,879,392
Interbank Deposits	150,138	139,906
Time Deposits	1,387,734	1,222,472
Other Deposits	2,479	2,211
INTERBANK ACCOUNTS	52,236	4,839
Receivables and Payments to be Settled	52,236	4,839
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	25,238	43,873
Funds from Real Estate, Mortgage, Credit and Similar Notes	25,238	43,873
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	57,534	44,804
BNDES	3,445	1,276
FINAME	457	438
Other Institutions	53,632	43,090
OTHER LIABILITIES	589,338	716,490
Collection of Taxes and Alike	23,726	660
Social and Statutory Charges	412	16,547
Tax and Social Security Obligations	28,502	34,842
Third-Party Funds in Transit	730	262
Sundry	535,968	664,179
NON-CURRENT LIABILITIES	1,920,034	1,618,314
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	1,609,181	1,324,435
DEPOSITS	1,483,719	1,192,276
Time Deposits	1,483,719	1,192,276
OPEN MARKET FUNDING	-	7,814
Own Portfolio	-	7,814
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	34,396	38,700
Funds from Real Estate, Mortgage, Credit and Similar Notes	34,396	38,700
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	91,066	85,645
BNDES	8,712	11,212
FINAME	668	801
Other Institutions	81,686	73,632
OTHER LIABILITIES	121,493	109,410
Subordinated Debts	120,664	108,414
Sundry	829	996
PROVISIONS	179,376	174,118
Provisions for Contingencies	179,376	174,118
DEFERRED INCOME	9,984	10,351
Deferred Income	9,984	10,351
SHAREHOLDERS' EQUITY	1,920,034	1,618,314
Capital - Domiciled in Brazil	426,000	348,000
Capital Increase	-	78,000
Profit Reserves	69,844	67,305
Equity Valuation Adjustments	(3,956)	(8,177)
Retained earnings (Accumulated Losses)	65,055	-
Non-Controlling Interests	47,618	45,928
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,793,672	7,239,542

Consolidated Statement of Value Added (R\$ thousand)

	09.30.2021	09.30.2020
		Re-introduced
VALUE ADDED CALCULATION		
Revenue from Financial Intermediation	511,831	475,176
Financial Intermediation Expenses	(203,647)	(170,991)
Other Operating Revenues (Expenses)	51,879	(4,719)
Service revenue	168,292	154,873
Materials, Energy, Third-Party Services and Other Expenses	(173,258)	(146,683)
Gross Value Added	355,097	310,116
Retentions	(14,124)	(15,061)
Amortization	(3,519)	(3,717)
Depreciation	(10,605)	(11,344)
Net Value Added Produced by the Company	340,973	292,595
Value Added Received in Transfer	-	-
Equity Pickup	-	-
Value Added to be Distributed	340,973	292,595
DISTRIBUTION OF VALUE ADDED		
Government	90,939	77,642
Tax Expenses	45,886	26,356
Income and Social Contribution Taxes	45,053	48,970
Employees	167,802	166,403
Salaries and Fees	98,558	98,934
Social Charges	34,746	36,788
Private Pension Plan	3,837	3,640
Benefits and Training	21,128	21,775
Profit Sharing	9,533	5,266
Rents	2,890	3,479
Taxes and Contributions	3,153	5,217
Non-Controlling Interests	3,595	7,739
(Accumulated Losses) / Retained Earnings	72,594	34,431
Value Added Distributed	340,973	292,595



Consolidated Cash Flow (R\$ thousand)

	09.30.2021	09.30.2020
		Re-introduced
CASH FLOW FROM OPERATING ACTIVITIES		
Adjusted net income	114.343	141.353
Net Income	72.594	34.431
Adjustment to Net Income	41.749	106.922
Equity Adjustment - Fiscal Year	(2.680)	-
Allowance for Loan Losses	43.568	41.915
Provision/ (Reversal) for Restricted Deposits-FCVS	2.506	384
Depreciation and Amortization	14.456	15.320
PIS and COFINS tax Credit on Depreciation with Affiliates	(332)	(259)
Adjustment of Provision for Liabilities	26.433	53.426
Other Operational Provisions	9.480	11.202
Expense for Loyalty Bonus	657	5.620
Marketable Securities Marking to Market	(458)	3.186
Deferred Tax Asset	229	(16.751)
Capital Losses	3.758	1.655
Reversal of Other Operating Provisions	(13.756)	(4.968)
Inflation Adjustment	(5.748)	(2.621)
Other Non-Operational Revenue	(6.915)	(731)
Equity Income in Subsidiaries	-	-
Gains/(Losses) Other Comprehensive Results	4.221	32.296
Provision for Revolving Credit Card Loan	(33.670)	(30.020)
Additional Dividend Proposed Non-Paid	-	(2.742)
Variation in Assets and Liabilities	(293.653)	595.619
(Increase) Decrease in Short-Term Liquidity Investments	(137.538)	(394.857)
(Increase) Decrease in Marketable Securities and Derivative Financial Instruments	(91.318)	23.934
(Increase) Decrease in Interbank Accounts (Assets/ Liabilities)	(55.351)	31.489
(Increase) Decrease in Credit Transactions	(406.547)	66.635
(Increase) Decrease in Other Assets	(8.877)	(29.839)
(Increase) Decrease in Other Credits	(2.936)	10.614
(Increase) Decrease in Provisions for Losses Associated with Credit Risk	9.209	(14.850)
(Increase) Decrease in Other Receivables	(7.642)	(4.080)
Increase (Decrease) in Deposits	556.008	978.847
Increase (Decrease) in Funds Obtained in the Open Market	(7.814)	4.970
Increase (Decrease) in Borrowings and Onlending	18.151	15.000
Gains / (Losses) Other Comprehensive Income	-	-
Increase (Decrease) in Deferred Income	(367)	(542)
Increase (Decrease) in Other Liabilities	(137.456)	(74.562)
Increase (Decrease) in Provisions	(21.175)	(17.140)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(179.310)	736.972
Transfer of Property in Use to Freelease	-	-
Acquisition of Property and Equipment for Use	(12.672)	(9.649)
Write-off of Property and Equipment for Use	301	259
Disposal of property and equipment	4	5
Intangible Asset Investments	(6.763)	(3.680)
Transfer to assets not for use	(88)	-
Tax credit on investment in intangible assets	31	-
Equity Equivalence Adjustment - Previous Year	2.680	-
Dividends Received from Subsidiary	-	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES	(16.507)	(13,065)
Non-Controlling Interests	1.690	7,739
Dividends Paid to Non-Controlling	-	(1,712)
Interest on Capital	(5.000)	-
Increase (Decrease) in Real Estate	(22.939)	(17,130)
Subordinated Debts	12.250	6,762
NET CASH USED IN FINANCING ACTIVITIES	(13.999)	(4.341)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(209.816)	719.566
Cash and banks at the beginning of the period	727.489	613.613
Cash and banks at the end of the period	517.673	1.333.179