



Banese



BANCO DO ESTADO DE SERGIPE S.A. 4Q22 AND 2022 EARNINGS RELEASE

For immediate disclosure: Aracaju, February 16, 2022. 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 4Q22 and 2022. For additional information, please access Banese's investor relations website at <https://ri.banese.com.br/>.

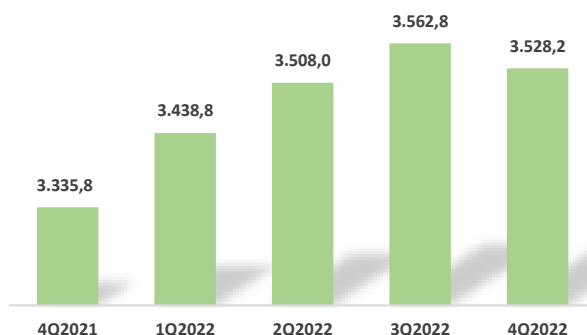
BANESE RECORDS NET INCOME OF R\$75.5 million LOAN ASSETS AND FUNDING VOLUME CONTINUE TO GROW

4Q22 Highlights

All comparisons in this section refer to 4Q21 (LTM)

- Loan operations increased by R\$192.4 million (+5.8%);
- Total assets of R\$7.8 billion (+6.0%);
- Total revenues increased by R\$384.9 million (+38.5%);
- Total funding reached R\$6.8 billion (+6.1%);
- Net loan assets totaled R\$3.4 billion (+5.1%);

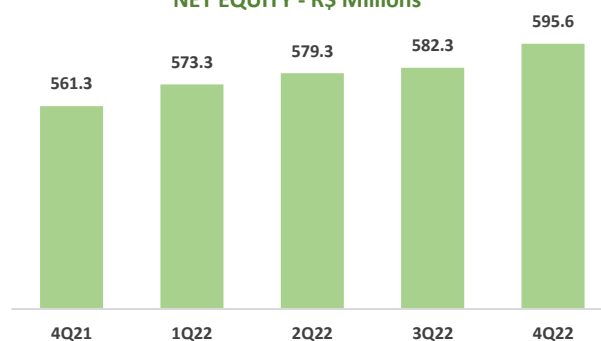
LOAN OPERATIONS - R\$ Millions



All comparisons in this section refer to 3Q22 (3M)

- Shareholders' Equity of R\$595.6 million (+2.3%);
- Total revenue increased by R\$41.1 million (+328.8%);
- Net margin grew by 13.9 p.p.;
- Provision for loan losses fell by 29.3%.

NET EQUITY - R\$ Millions



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Equity Items - R\$ million	4Q22	4Q21		YoY	4Q22	3Q22		QoQ
Total Assets	7,760.9	7,319.5	▲	+6.0%	7,760.9	8,055.4	▼	-3.7%
Loan Operations	3,528.2	3,335.8	▲	+5.8%	3,528.2	3,562.8	▼	-1.0%
Financial Investments ⁽¹⁾	3,450.6	3,328.7	▲	+3.7%	3,450.6	3,742.2	▼	-7.8%
Total Funding	6,840.2	6,448.7	▲	+6.1%	6,840.2	7,123.5	▼	-4.0%
Shareholders' Equity	595.6	561.3	▲	+6.1%	595.6	582.3	▲	+2.3%

Income Statement Items - R\$ million	2022	2021		YoY	4Q22	3Q22		QoQ
Total Revenue	1,384.9	1,000.0	▲	+38.5%	379.5	361.4	▲	+5.0%
Gross Income from Financial Intermediation	385.7	427.1	▼	-9.7%	112.3	97.2	▲	+15.5%
Operating Results ⁽²⁾	89.8	150.2	▼	-40.2%	53.6	12.5	▲	+328.8%
Financial Margin ⁽³⁾	522.3	499.0	▲	+4.7%	142.1	131.3	▲	+8.2%
EBITDA ⁽⁴⁾	118.1	152.4	▼	-22.5%	60.7	21.7	▲	+179.7%
Net Income	75.5	83.7	▼	-9.8%	55.9	3.0	▲	+1763.3%
Net Interest Income (NII) ⁽⁵⁾	485.9	468.8	▲	+3.6%	128.6	121.2	▲	+6.1%
Service Revenue	125.4	129.1	▼	-2.9%	31.9	32.5	▼	-1.8%
Provision for Loan Losses	205.2	147.5	▲	+39.1%	41.8	59.1	▼	-29.3%
Administrative Expenses	397.5	368.3	▲	+7.9%	106.2	99.7	▲	+6.5%
Net Margin ⁽⁶⁾	5.5%	8.3%	▼	-2.8 p.p.	14.7%	0.8%	▲	+13.9 p.p.
EBITDA Margin ⁽⁷⁾	8.5%	15.2%	▼	-6.7 p.p.	16.0%	6.0%	▲	+10.0 p.p.

Efficiency Ratios and Measures (%)	2022	2021		YoY	4Q22	3Q22		QoQ
Delinquency (% of the portfolio)	1.18%	1.21%	▼	-0.03 p.p.	1.18%	1.63%	▼	-0.45 p.p.
Basel Ratio	13.57%	13.15%	▲	+0.42 p.p.	13.57%	12.73%	▲	-0.84 p.p.
Net Interest Margin (NIM) ⁽⁸⁾	6.6%	6.9%	▼	-0.30 p.p.	1.8%	1.6%	▲	+0.2 p.p.
Profitability on Assets (ROAA) ⁽⁹⁾	0.9%	1.2%	▼	-0.3 p.p.	0.9%	0.3%	▲	+0.6 p.p.
Return on Equity (ROE) ⁽¹⁰⁾	13.1%	15.7%	▼	-2.6 pp	13.1%	4.5%	▲	+8.6 p.p.
Efficiency Ratio ⁽¹¹⁾	77.8%	66.2%	▲	+11.6 p.p.	73.6%	76.9%	▼	-3.3 p.p.
Provisioning Coverage Ratio	4.7%	4.1%	▲	+0.6 p.p.	4.7%	4.7%	►	N/A
Administrative Coverage Ratio ⁽¹²⁾	31.6%	35.0%	▼	-3.4 p.p.	30.1%	32.6%	▼	-2.5 p.p.
Payroll Coverage Ratio ⁽¹³⁾	67.6%	74.0%	▼	-6.4 p.p.	64.2%	73.1%	▼	-8.9 p.p.

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

(2) Operating Income - Operating Expenses (excluding non-operating income and expenses).

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

(4) Operational Result - Equity Pick-Up + Depreciation/Amortization.

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

(6) Net Income/Total Revenue.

(7) EBITDA/Total Revenue.

(8) Net interest income/Average balance of income-generating assets (loan operations + interbank investments + marketable securities + interbank accounts).

(9) Net income over total average assets (annualized rate).

(10) Net Income over average shareholders' equity (annualized rate).

(11) Administrative expenses/(Gross profit from financial intermediation + Service revenue) *.

(12) Service revenue /Administrative expenses.

(13) Service revenue/Direct and indirect payroll costs.

This report may contain forward-looking statements. Such statements reflect management's expectations that may not materialize for intrinsic and extrinsic reasons to the Company. Words such as "believes", "anticipates", "wishes", "predicts", "expects" and similar expressions are intended to identify information that 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 2Q21.*

MESSAGE FROM MANAGEMENT

While the world economy continues to worsen because of high inflation, rising interest, and activity slowdown, the economic indexes for Brazil have already returned to pre-pandemic levels, which strongly influenced Brazil's growth factors. IPEA revised the forecast for GDP growth at 3.1% in 2022, together with the official inflation of 5.79% for the year, which is far above the center of the inflation target. Because of the tough monetary policy (giving Brazil the highest nominal interest rate in G20) and despite being far from the target, Brazil recorded the sixth lowest inflation in G20, mainly due to the global inflationary spiral.

In Brazil, the unemployment rates have fallen without increases in salaries and productivity, therefore workforce has been allocated to lower-income sectors, signaling the population's difficulty in restoring purchasing power and credit capacity. In 2022, unemployment reached its lowest level in seven years (8.1%).

Given this scenario, the Company's performance was affected by higher operating costs, directly impacted by the rise in inflation and the Selic rate, highlighting the increase in delinquency, expenses with provisions for loan losses, and equity pick-up.

Nevertheless, we continued to invest heavily in the Conglomerate's technical development to better adapt to market requirements, featuring the availability of loans to Desty' customers and the launch of the payment solution Mulvi Pay, aiming to fulfill our mission of simplifying people's lives with innovative financial solutions, and our vision to be recognized for our contribution to the socio-economic development of the regions where we operate.

We take this opportunity to recognize, in particular, our employees for their commitment to the continuity of Banese, even during such an adverse scenario. We also thank our clients and shareholders for their trust.

ANALYSIS OF OPERATIONS

Assets

Total Assets by Type – R\$ million

	4Q22	4Q21		YoY	3Q22		QoQ
Loan Assets	3,528.2	3,335.8	▲	+5.8%	3,562.8	▼	-1.0%
(-) Provisions	-165.0	-135.7	▲	+21.6%	-168.5	▼	-2.1%
Net Loan Assets	3,363.2	3,200.1	▲	+5.1%	3,394.3	▼	-0.9%
Financial Investments	2,950.3	2,959.7	▼	-0.3%	3,382.7	▼	-12.8%
Restricted Loans	693.4	471.6	▲	+47.0%	481.9	▲	+43.9%
Permanent Assets	165.0	177.6	▼	-7.1%	168.0	▼	-1.8%
Others	589.0	510.5	▲	+15.4%	628.5	▼	-6.3%
Total	7,760.9	7,319.5	▲	+6.0%	8,055.4	▼	-3.7%

Banese's total assets reached R\$7.8 billion at the end of 4Q22, a YoY growth of 6.0%. We can highlight the increase in the balance of net loan assets, which increased by 5.1% YoY (R\$+163.1 million), totaling R\$3.4 billion at the end of the year.

The volume of provisioning increased YoY, due to the growth of the portfolio and the worsening of loan operation ratings. In 4Q22, the slight decrease in the provision balance is related to the decrease in the portfolio balance, which, in addition to the amortization, was impacted by the write-offs of the underperforming Commercial Loans portfolio, especially legal entities' working capital transactions, and individual's personal loan (CDC) transactions.

At the end of 4Q22, net loan assets accounted for 43.3% of total assets and financial investments accounted for 38.0%. YoY, the share of net loan assets fell by 0.4 p.p., while financial investments fell by 2.4 p.p. Net loan assets increased their relative share by 1.2 p.p. QoQ, while financial investments fell by 3.9 p.p.

In terms of restricted loans, the LTM variation of R\$+221.8 million, boosted last quarter (R\$+211.5 million), is a result of the higher balance of cash deposit receivables (R\$41.4 million) and savings deposits (R\$133 million, mainly impacted by the end of the deduction arising from investments in Time Deposits with Special Guarantee - DPGE), higher balance with the Central Bank to cover

instant payments – Pix (R\$30.7 million), and lower provision of Compensation Fund for Wage Variations - FCVS (R\$17.9 million, resulting from the migration to validated contract and the update of reasonable estimates that measure such provisions).

Permanent Assets fell both YoY (R\$-12.6 million) and QoQ (R\$-3.0 million), mainly due to the impact of the absorption of the results of MULVI Instituição de Pagamentos S.A., a company that belongs to the Banese conglomerate, and the depreciation of property and equipment, whose effect was mitigated by the increase in intangible assets.

Funding

Funding by Product Line – R\$ million

	4Q22	4Q21		YoY	3Q22		QoQ
Demand Deposits	1,185.2	1,158.4	▲	+2.3%	1,092.8	▲	+8.5%
Savings Deposit	2,034.5	1,937.9	▲	+5.0%	1,968.0	▲	+3.4%
Judicial Deposits	1,546.0	1,287.3	▲	+20.1%	1,490.6	▲	+3.7%
Certificate of Bank Deposit/RDB	1,637.1	1,568.3	▲	+4.4%	2,126.4	▼	-23.0%
CDI/DPGE	146.5	152.0	▼	-3.6%	124.5	▲	+17.7%
LF/LFS/LCI	166.6	186.8	▼	-10.8%	176.4	▼	-5.6%
Repurchase Transactions	15.4	13.0	▲	+18.5%	16.7	▼	-7.8%
Onlending Obligations	108.9	145.0	▼	-24.9%	128.1	▼	-15.0%
Total	6,840.2	6,448.7	▲	+6.1%	7,123.5	▼	-4.0%

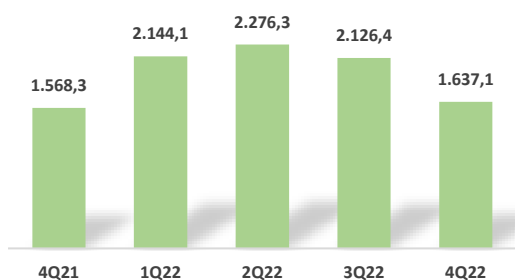
Funds raised totaled R\$6.8 billion at the end of 4Q22, a YoY increase of 6.1%, mainly due to the growth of remunerated judicial deposits (R\$+258.7 million), savings deposits (R\$+96.6 million), and time deposits (R\$+68.8 million). QoQ, total funds raised fell by 4.0% (R\$-283.3 million), mainly due to lower time deposits from the government (R\$-489.3 million).

Interbank deposits (CDI) fell by 3.6% YoY (R\$-5.5 million), due to maturities not renewed in DPGE, despite the rise in interbank funding with mutual benefits for investments in interbank deposits linked to rural loans; and grew by 17.7% QoQ, due to higher funding with mutual benefits for investments in interbank deposits linked to housing loans.

The balance of Subordinated Financial Bills increased by 11.5% YoY (R\$+14.5 million) and by 2.3% QoQ (R\$+3.2 million) due to inventory remuneration. Financial Bills fell by 35.1% (R\$ -11.0 million) YoY, due to unrenewed maturities, and increased by 3.4% QoQ, due to inventory remuneration. Funding from Housing Loan Bills fell by 80.3% YoY (R\$-23.7 million) and by 69.8% QoQ (R\$-13.5 million), due to non-renewed maturities.

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

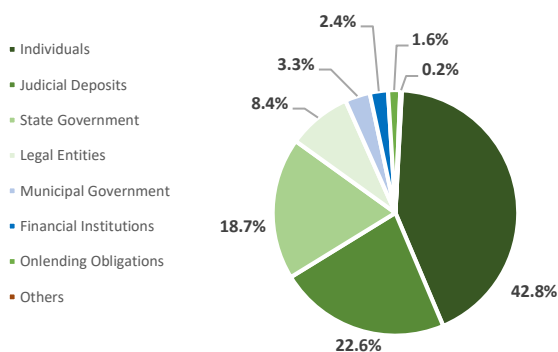
Time Deposits - R\$ Million



Time deposits totaled R\$1.6 billion in December 2022, up by 4.4% (R\$+68.8 million) YoY, due to the increase in government, individual, and legal entity funding, and down by -23.0% (R\$-489.3 million) QoQ, impacted by lower government funding.

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

Key Funding Sources (% of the Total)

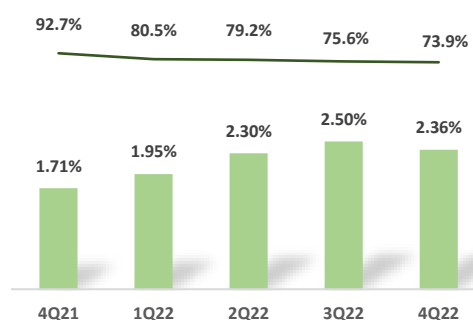


Banese's key funding sources are individuals, which account for approximately 42.8% of the total funding volume. Judicial deposits accounted for 22.6% of Banese's total funding. Legal entities accounted for 18.7% of funding.

The dilution of funding between individuals and legal entities mitigates liquidity risks.

In 4Q22, funding costs in absolute terms fell by 0.14 p.p. QoQ, due to the reduced number of business days in the period, and increased by 0.65 p.p. YoY, due to the rise in the Selic Target rate, which remunerates most of the post-fixed funding instruments. In 4Q22, the CDI rate in relative terms fell because of the higher share of savings and judicial deposit funding, and the slight decrease in the funding costs of time deposits. YoY, the decrease, in addition to the aforementioned reasons, was due to lower inflation, the rise in the Selic Target rate, and the relative cost of fixed-rate funding, even with the increase in funding costs in financial terms.

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



Loan

Loan Portfolio by Type – R\$ million

	4Q22	4Q21		YoY	3Q22		QoQ
Commercial Portfolio*	2,516.1	2,359.3	▲	+6.6%	2,523.0	▼	-0.3%
For Individuals	2,096.4	1,805.3	▲	+16.1%	2,061.0	▲	+1.7%
For Legal Entities	419.7	554.0	▼	-24.2%	462.0	▼	-9.2%
Development Portfolio	738.1	707.1	▲	+4.4%	772.5	▼	-4.5%
For Individuals	609.8	570.6	▲	+6.9%	633.8	▼	-3.8%
For Legal Entities	128.3	136.5	▼	-6.0%	138.7	▼	-7.5%
Securities and Loans Receivable	274.0	269.4	▲	+1.7%	267.3	▲	+2.5%
Total	3,528.2	3,335.8	▲	+5.8%	3,562.8	▼	-1.0%

(*) free allocation credit modality

Banese's loan portfolio reached R\$3.5 billion in assets, increasing by 5.8% YoY and decreasing by 1.0% QoQ. Of the total, R\$2.5 billion corresponds to the commercial loan portfolio, which increased by 6.6% YoY and slightly fell by 0.3% QoQ.

The increase in Banese's commercial loan portfolio was mainly due to the Bank's organizational sales strategy, with actions aimed at loans in the digital channels, agreements with new companies and government agencies, actions with Bank Correspondents in Brazil to boost loans, and debt retention and acquisition for active and inactive serves of the Sergipe State and Municipal Governments.

The commercial loan portfolio aimed at the Individuals segment reached R\$2.1 billion at the end of 4Q22, increasing by 16.1% YoY and by 1.7% QoQ. We highlight the payroll-deductible segment, which totaled R\$1.5 billion, growing by 19.4% YoY (R\$+236.1 million) and by 4.2% QoQ (R\$+58.8 million), thus contributing to the increase in the lower-risk portfolio.

The commercial loan portfolio for Individuals fell by 24.2% YoY and by 9.2% QoQ, due to lower working capital financing, amortization, and write-offs to losses.

Banese holds the largest share of the free loan market in the state of Sergipe, with a market share of 34.1% according to the Central Bank of Brazil (November/2022). The Bank's exposure is focused on retail operations, especially those pegged to payroll and aimed at small and medium-sized company loans.

The development loan portfolio, which includes the real estate, financing, and rural portfolios, totaled R\$738.1 million in 4Q22, accounting for 20.9% of Banese's total loan portfolio. YoY, the 4.4% growth was mainly due to rural loans (+12.2%) and real estate loans (+8.0%). In 4Q22, the balance of the development loan portfolio fell by 4.5%, mainly due to financing (-16.2%) and rural loans (-10.2%).

The Securities and Receivables with Loan Characteristics portfolio grew by R\$4.6 million YoY, and by R\$6.7 million QoQ, driven by the increased use of the revolving credit card limit in the period.

Quality of the Loan Portfolio by Risk Rating

	R\$ million			Variation	% of the Portfolio			Variation
	4Q22	4Q21			4Q22	4Q21		
AA	1,619.4	1,371.8	▲	+18.0%	45.9%	41.1%	▲	+4.8 p.p.
A	1,161.2	1,098.9	▲	+5.7%	32.9%	32.9%	►	N/A
B	339.0	467.6	▼	-27.5%	9.6%	14.0%	▼	-4.4 p.p.
C	148.8	192.0	▼	-22.5%	4.2%	5.8%	▼	-1.6 p.p.
D - H	259.8	205.5	▲	+26.4%	7.4%	6.2%	▲	+1.2 p.p.
Total	3,528.2	3,335.8	▲	+5.8%	100.0%	100.0%	►	N/A

In relative terms, the loan operations classified under the "AA" to "C" risk ratings accounted for 92.6% of Banese's total loan portfolio (-1.2 p.p. compared to the 93.8% recorded in 4Q21). Loans classified under the "D" to "H" risk ratings, which concentrate the operations with the highest credit risk, accounted for 7.4% of Banese's loan portfolio (+1.2 p.p. versus 6.2% in 4Q21).

Loan Quality by Portfolio in 4Q22 – R\$ million

	Total	Commercial	Financing	Rural	Real Estate	Others
AA	1,619.4	1,619.4	0	0	0	0
A	1,161.2	273.6	11.9	154.0	452.5	269.2
B	338.9	266.6	32.5	25.1	12.0	2.7
C	148.8	102.7	25.4	14.9	4.8	1.0
D - H	259.9	219.5	12.7	24.4	2.2	1.1
Total	3,528.2	2,481.8	82.5	218.4	471.5	274.0

As for the loan risk levels by segment, the products of the financing portfolio have lower-quality loans, whereby those rated as “D - H” account for 15.4% of the portfolio.

Financial Investments
Financial Investments – R\$ million

	4Q22	4Q21		YoY	3Q22		QoQ
Short-Term Interbank Investments	1,367.8	1,514.7	▼	-9.7%	1,755.7	▼	-22.1%
Marketable Securities	1,532.7	1,398.0	▲	+9.6%	1,572.9	▼	-2.6%
Mutual Fund Shares	3.7	3.4	▲	+8.8%	3.6	▲	+2.8%
Fixed Income	1,529.0	1,394.6	▲	+9.6%	1,569.3	▼	-2.6%
Repurchase Agreements + Guarantees	49.8	13.6	▲	+266.2%	54.1	▼	-7.9%
Remunerated Compulsory Deposits	500.3	402.4	▲	+24.3%	359.5	▲	+39.2%
Total	3,450.6	3,328.7	▲	+3.7%	3,742.2	▼	-7.8%

Short-term interbank investments fell by 9.7% YoY (R\$-146.9 million) and by 22.1% QoQ (R\$-387.9 million), due to maturities not renewed in DI and DPGE, and lower volume available for investments in repurchase agreements backed by federal government bonds, considering the evolution of the loan portfolio and increase in the compulsory deposits on savings deposits funds, as a result of the end of the deduction of the requirement of the balance of investments in DPGE.

Marketable securities increased by 9.6% YoY (R\$+134.7 million), impacted by the acquisition of Financial Treasury Bills (LFT) and inventory profitability. QoQ, the 2.6% decrease (R\$-40.2 million) was due to maturities not being renewed in Financial Bills.

Banese complies with the provisions of Bacen Circular Letter 3,068/2001, which establishes criteria for accounting registration and valuation of marketable securities. The investments in liquidity instruments, denominated in national currency, are marked to market to mitigate risks related to changes in the value and volatility of financial instruments.

Portfolio Profitability

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

The accumulated portfolio profitability in 4Q22 was 105.76% of the CDI, lower than the 106.45% of the CDI reported in 3Q22, due to the non-renewal of positions in private bonds. YoY, the current profitability was lower than the 109.34% of the CDI reported in 4Q21, due to, in addition to the aforementioned reason, the renewal of allocations with lower remuneration rates because of the increase, in absolute terms, of the interest rate in Brazil.

RESULTS ANALYSIS

Revenues

Breakdown of Revenue – R\$ million

	2022	2021		YoY	4Q22	3Q22		QoQ
Loan Revenue	652.4	548.9	▲	+18.9%	170.3	165.9	▲	+2.7%
Revenue from Financial Investments	406.3	139.1	▲	+192.1%	103.4	118.2	▲	-12.5%
Service Revenue	125.4	128.9	▼	-2.7%	31.9	32.5	▼	-1.8%
Revenue from Equity Investments	2.8	9.1	▲	-69.2%	0.5	0.0	▼	+100.0%
Other Operating Income	198.0	174.0	▼	+13.8%	73.4	44.8	▼	+63.8%
Total	1,384.9	1,000.0	▲	+38.5%	379.5	361.4	▲	+5.0%

Banese's revenue totaled R\$1,384.9 million in 2022, up by 38.5% over 2021. The major changes were in revenues from financial investments (R\$+267.2 million), mainly due to the interest rate rise in Brazil; and loan revenue (R\$+103.5 million), directly influenced by the increase in the portfolio. Other operating income increased by R\$28.6 million and R\$24.0 million in 4Q22 and 2022, respectively, directly influenced by income from reversals and recognition of loan contracts of the Compensation Fund for Wage Variations (FCVS), reversion of actuarial liabilities in compliance with Technical Pronouncement CPC 33 (R1) – Employee Benefits, reversal of provision referring to the 2019 *Lei do Bem*, reversion of the provision for tax liabilities related to final and unappealable proceedings favorable to Banese, and restatement of registered warrants.

Service revenue totaled R\$31.9 million at the end of 4Q22, totaling R\$125.4 million in 2022. Service revenue fell by 1.8% QoQ, led by lower revenue with agreements, and by 2.7% YoY, mainly impacted by lower commercial loan fees.

To create new sources of revenue to remain competitive in the banking market, Banese has been developing the necessary tools to make available to customers services linked to instant payment (Pix), whose charging is allowed (Pix Cobrança, Pix Saque, Pix Troco, and Pix Arrecadação).

Costs and Expenses

Direct Operating Costs – R\$ million

	2022	2021		YoY	4Q22	3Q22		QoQ
Funding Costs	541.4	199.9	▲	+170.8%	137.7	154.1	▼	-10.6%
Earnings from Marketable Securities	1.0	3.6	▼	-69.4%	0.1	0.0	►	N/A
Loan Obligation Expenses	10.6	11.9	▼	-10.9%	2.5	2.4	▲	+4.2%
Total	553.1	215.4	▲	+156.8%	140.3	156.5	▼	-10.4%

The total direct costs of the operations increased by 156.8% YoY (R\$+337.7 million), directly related to the rise in the basic interest rate (Selic) and higher average funding volume in the period. Total direct costs fell by 10.4% QoQ (R\$-16.2 million), due to the lower average funding volume in time deposits.

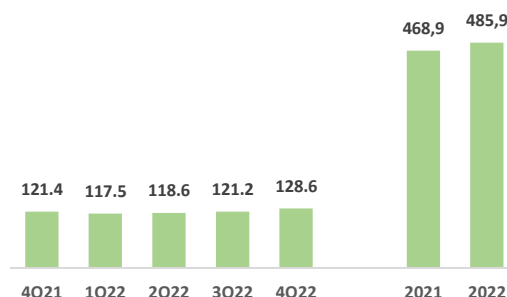
Funding expenses fell by 10.6% (R\$-16.4 million) in 4Q22, due to the aforementioned reason. YoY, the 170.8% increase (R\$341.5 million) was directly related to the rise in the basic interest rate (Selic Target), especially the increase of costs related to Time, Savings, and Judicial Deposits.

Net Interest Income (NII)

Net Interest Income (Loan Revenue Plus Income from Financial Investments less Direct Funding Costs) increased by 6.1% QoQ and by 3.6% YoY.

The result is a combination of factors already presented in the previously mentioned items in this report. The quarterly result was mainly influenced by lower funding expenses.

Net Interest Income (NII) - R\$ million



Personnel/Payroll Expenses - R\$ million

	2022	2021	YoY	4Q22	3Q22	QoQ
Payroll	110.4	105.9	▲ +4.2%	28.2	26.5	▲ +6.4%
Benefits	25.6	22.5	▲ +13.8%	8.2	5.7	▲ +43.9%
Social Charges	48.4	45.4	▲ +6.6%	12.9	12.0	▲ +7.5%
Training and Others	1.2	0.5	▲ +140.0%	0.4	0.3	▲ +33.3%
Total	185.6	174.3	▲ +6.5%	49.7	44.5	▲ +11.7%

Personnel expenses increased by 6.5% YoY (R\$+11.3 million) and by 11.7% QoQ (R\$+5.2 million). In 2022, we hired 183 employees approved in the public examinations held in 2021 and 2022 (157 Banking Technicians I and 26 Banking Technicians III), and six new people were hired in 4Q22. In turn, 149 people were dismissed, mainly due to the Retirement Incentive Program – PEA. In 2022, there was also salary adjustment and payment of salary bonuses signed in National Collective Agreement and Collective Agreement specific to Banese, respectively.

The payroll coverage ratio was 67.6% in 2022, 6.4 p.p. below the ratio recorded in 2021. It fell by 8.9 p.p. in 4Q22. The Administrative Coverage Ratio reached 31.6% in 2022, a YoY decrease of -3.4 p.p., while the ratio recorded in 4Q22 was 30.1%, -2.5 p.p. from 3Q22.

Other Administrative Expenses – R\$ million

	2022	2021	YoY	4Q22	3Q22	QoQ
Outsourced Services	109.9	91.8	▲ +19.7%	29.0	31.4	▼ -7.6%
Consumption, Maintenance, and Materials	21.4	21.5	▼ -0.5%	5.1	5.0	▲ +2.0%
Financial Services and Data Processing	43.3	39.5	▲ +9.6%	14.0	11.2	▲ +25.0%
Insurance	3.5	4.0	▼ -12.5%	0.6	0.7	▼ -14.3%
Transportation of Cash	9.9	10.6	▼ -6.6%	1.5	2.2	▼ -31.8%
Taxes	1.9	1.1	▲ +72.7%	0.2	0.3	▼ -33.3%
Other Expenses	22.0	25.4	▼ -13.4%	6.0	4.5	▲ +33.3%
Total	211.9	193.9	▲ +9.3%	56.4	55.3	▲ +2.0%

Other administrative expenses increased by 9.3% YoY (R\$+18.0 million), especially Outsourced Services (with Technical Advisors), and Financial Services and Data Processing (with software maintenance costs and provision of IT services). Other administrative expenses increased by 2.0% in 4Q22 (R\$+1.1 million), especially the Financial Services and Data Processing groups (BB cash costs and software maintenance) and Other Expenses (Promotions and Public Relations – sponsorships and donations).

Other Operating Expenses – R\$ million

	2022	2021		YoY	4Q22	3Q22		QoQ
Amortization and Depreciation	11.3	14.0	▼	-19.3%	2.9	2.8	▲	+3.6%
Provisions for Loan Operations	205.2	147.5	▲	+39.1%	41.8	59.1	▼	-29.3%
Loan Depreciation	12.0	3.2	▲	+275.0%	6.1	0.5	▲	+1120.0%
Liability Provisions	19.8	28.0	▼	-29.3%	6.0	5.5	▲	+9.1%
Agreement with the Court of Justice	17.1	17.2	►	N/A	4.6	4.4	▲	+4.5%
ISS/PIS/COFINS Taxes	38.6	36.0	▲	+7.2%	10.4	9.6	▲	+8.3%
Discounts Granted	0.4	4.5	▼	-92.0%	0.1	0.1	▼	-40.0%
Profit Sharing	11.6	12.4	▼	-6.5%	6.8	2.1	▲	+223.8%
Investments Expenses	19.7	3.8	▲	+418.4%	4.7	6.4	▼	-26.6%
Others	19.8	18.2	▲	+8.8%	2.7	4.2	▼	-35.7%
Total	355.6	284.8	▲	+24.9%	86.1	94.7	▼	-9.1%

Other Operating Expenses increased by R\$70.9 million YoY, especially the expenses with provisions for loan operations (R\$+57.7 million); Provision for Loan Depreciation related to the Compensation Fund for Wage Variations (FCVS) (R\$+8.8 million); and Investment Expenses (R\$+15.9 million), due to the equity pick-up of MULVI – Instituições de Pagamento S.A., mainly impacted by higher credit card delinquency.

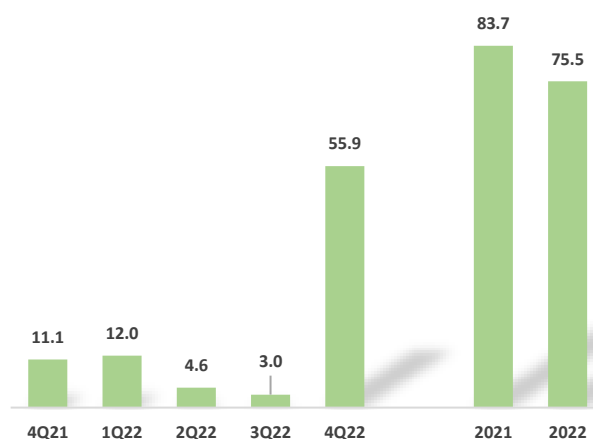
The decrease in the expenses with the Provisions for Loan Operations in the quarter was due to the lower exposure of portfolios whose loan quality had been worsening. YoY, the increase in the provision was mainly due to the worsening of loan operation ratings in the commercial portfolio.

Net Income

Banese's net income totaled R\$75.5 million in 2022, down by 9.8% from 2021, impacted by higher funding costs, delinquency, and expenses with Provisions for Loan Operations in the adverse economic scenario marked by the rise in the Selic rate and strong inflationary pressure. Net income totaled R\$55.9 million in 4Q22, R\$52.9 million above the figure reported in 3Q22, and R\$44.8 million above the figure reported in 4Q21.

The improvement the result recorded in 2022 is a result of higher loan operation revenues, especially the loan portfolio, and financial investment revenues, highlighting (i) the containment of the financial budget for administrative expenses to neutralize the increase in operating costs arising from the aforementioned adverse economic scenario; (ii) the innovation strategies that, in addition to allowing Banese to improve the efficiency of its business and expand geographical expansion, allow the return of innovation projects through *Lei do Bem*, which consists of a tax incentive that allows for IRPJ and CSLL reduction; (iii) the update of reasonable estimates for measurement of the provisions for FCVS; (iv) actuarial surplus in compliance with Technical Pronouncement CPC 33 (R1) – Employee Benefits, which is not considered for asset recognition; (v) the reversal of the provision for tax liabilities of final and unappealable proceedings in favor of Banese; and (vi) the tax savings arising from the distribution of Interest on Equity.

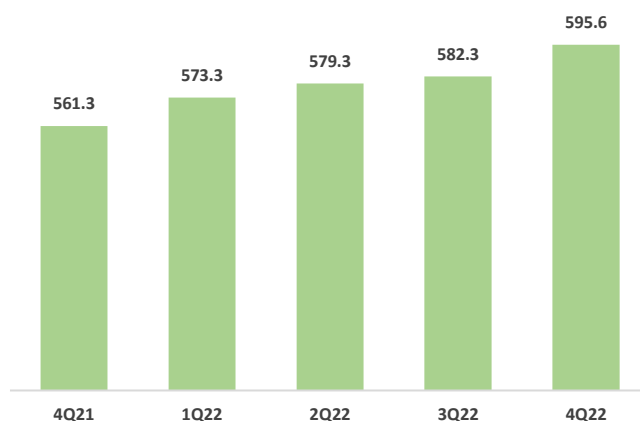
Net Income - R\$ Million



Net Equity

Banese's Shareholders' Equity increased by 6.1% YoY and by 2.3% QoQ. The variations are a result of the absorption of the result for the period and the distribution of Interest on Equity into the period's result.

Net Equity - R\$ Millions

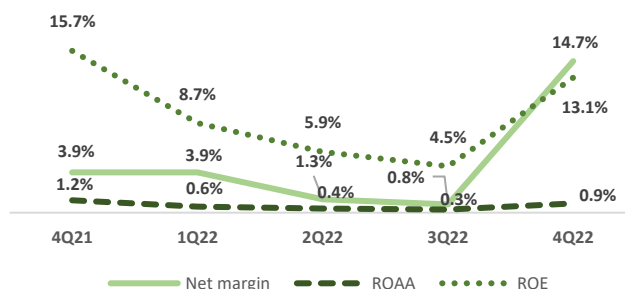


Profitability and Yield Ratios

YoY, the Net Margin increased, while the Return on Equity (ROE) and Return on Average Assets (ROAA) fell.

In 4Q22, the indexes recorded have improved due to the results reported in this Earnings Release.

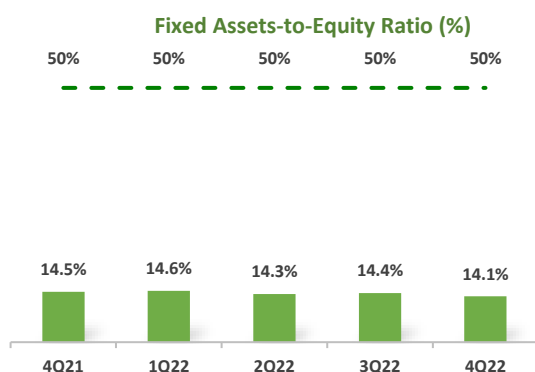
Profitability and Yield Ratios (%)



Capitalization and Basel Ratio – R\$ million

Ratios and Capitalization	4Q22	4Q21	YoY	3Q22	QoQ
Reference Equity	648.6	613.2	▲ +5.77%	633.3	▲ +2.42%
Tier I	524.6	499.9	▲ +4.94%	511.8	▲ +2.50%
Tier II	124.0	113.3	▲ +9.45%	121.5	▲ +2.06%
Basel Ratio	13.57%	13.15%	▲ +0.42 p.p.	12.73%	▲ +0.84 p.p.
Principal Capital Ratio	10.97%	10.72%	▲ +0.25 p.p.	10.29%	▲ +0.68 p.p.
Capital Ratio Tier I	10.97%	10.72%	▲ +0.25 p.p.	10.29%	▲ +0.68 p.p.
Minimum Basel Ratio + ACP	10.50%	10.00%	▲ +0.50 p.p.	10.50%	► N/A
Margin on Reference Equity, including capital for coverage of the Interest Rate Risk of the Banking Portfolio and ACP.	69.6	119.8	▼ -41.92%	33.6	▲ +107.08%

Banese Conglomerate's Basel Ratio totaled 13.57% at the end of 4Q22, up by 0.84 p.p. over 4Q21, mainly due to the accumulated result of the year, followed by the 4.31% decrease in Assets Weighted by Credit Risk (R\$191.6 million).



Fixed Asset-to-Equity Ratio

The fixed asset-to-equity ratio ended 4Q22 at 14.1%, reducing by 0.23 p.p. from 3Q22, due to the increase in the Reference Equity.

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

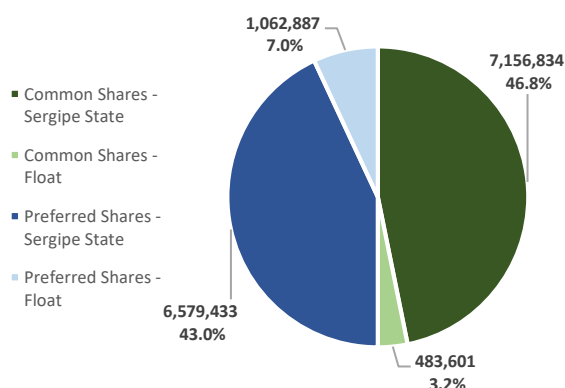
On June 13, 2022, Fitch Ratings maintained Banese's national long-term rating at 'AA-(bra)', with a stable outlook; and a national short-term rating at 'F1+(bra)'. Banese's national long-term rating reflects Fitch's opinion and, if necessary, the bank would receive support from its controlling shareholder, the State of Sergipe, whose credit profile is internally assessed by Fitch. Fitch believes that Banese is strategically important for Sergipe, being the main financial agent of the local government and with a significant market share in loans and deposits in the state. For the agency, the size of the institution to the financial capacity of Sergipe highly influences its ratings. Also according to the agency, the Bank has a stable business model and adequate economic and financial indicators.

On July 8, 2022, Moody's Local BR Agência de Classificação de Risco Ltda. ("Moody's Local") downgraded the issuer rating from AA-.br to A+.br, the long-term deposit rating from AA-.br to A+.br, and confirmed the short-term deposit rating as ML A-1.br. The perspective is stable. The downgrade reflects, among other factors, the continued pressures caused by higher delinquency in the Bank's loan portfolio, as well as the maintenance of relatively low capital levels compared to the market.

Rating Agency	Scale	Long-Term	Short-Term	Outlook
Fitch Ratings	National	AA- (bra)	F1+ (bra)	Stable
Moody's Local	National – Deposits	A+.br	ML A-1.br	Stable

ADDITIONAL INFORMATION

Banese on B3



Banese's ownership structure in 4Q22 was comprised of 89.8% of shares owned by the State Government of Sergipe and 10.2% of shares at 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 on B3's ITAG Index, which concentrates shares with special Tag Along rights.

Customer and Service Channels

At the end of 2022, Banese's customer base totaled 843,104 current and savings accounts, consisting of 817,674 individual customers and 25,430 legal entities.

The total financial changes grew by 10.6% over 2021, as a result of the full resumption of economic activities. In the 12-month period of 2022, the volume of transactions carried out on the Internet and Mobile Banking channels increased by 18.5% over the same period in the previous year. ATM transactions fell by 15%, while transactions at Banese Points dropped by 10%. Bank teller volumes remained flat YoY.

Channel Data

	2022	2021	QoQ	4Q22	3Q22	YoY
Branches	63	63	► N/A	63	63	► N/A
Service Points	09	09	► N/A	09	09	► N/A
ATMs	458	476	▼ -18	458	460	▼ -2
Bank Correspondents in Brazil	216	218	▼ -2	216	210	▲ +6
Transactions in Branches, ATMs, and Bank Correspondents	30.9 million	34.9 million	▼ -11.5%	7.5 million	7.7 million	▼ -2.6%
Transaction Volume	R\$40.6 billion	R\$41.6 billion	▼ -2.4%	R\$10.1 billion	R\$10.2 billion	▼ -1.0%
Online Transactions	144.8 million	122.2 million	▲ +18.5%	39.4 million	35.6 million	▲ +10.7%
Transaction Volume	R\$47.3 billion	R\$41.2 billion	▲ +15.0%	R\$14.0 billion	R\$11.4 billion	▲ +22.8%

The Bank maintained the guidelines referring to the readjustment of its service network, aimed at ensuring adherence to the Company's Strategic Planning. Thus, the Bank ended 2022 with 63 branches, 54 of which were physical units (12 in the capital city and 42 in the countryside).

Banking Services

In 2022, Banese continued developing Pix-related services, such as Pix Saque, Pix Troco, Pix Cobrança, and Arrecadação Pix, which enable the offer of new business and the opportunity to expand banking service revenues. Banese also participated in all the phases established by the Central Bank of Brazil related to its profile for the implementation of Open Finance. Such progress will allow Banese to improve its loan offer and banking/financial services according to the profile of each customer.

Banese also provides, through the ELO flag, cashback for customers who make debit purchases from national or local partners participating in campaigns promoted by ELO Cards.

Investments in Human Capital

Banese has been investing in the professional development and improvement of its employees by promoting several initiatives such as the Professional Training Program and the Continued Certification Program, which aim to encourage the use of new knowledge in the institutional dynamics, the concession of scholarships, and the obtaining of new certifications.

Banese's Corporate University offers several courses associated with knowledge areas meeting the dynamics and demands of the work world under situational and strategic perspectives, such as the courses on Data Privacy (GDPR), Pix - Instant Payments, Banese on Remote Work, Prevention of Money Laundering and Terrorism Financing (PLDFT), among others.

During 2022, our onboarding processes continued through the implementation of strategies for welcoming, developing, and training new employees, with 183 new employees participating in this process in the period. The number of training sessions increased compared to the same period of the previous year, totaling 470 courses completed in 4Q22, with 184 employees participating in, at least, one training session through the apprenticeship program in the period, accounting for 21.1% of the total workforce.

BANESE CONGLOMERATE

Banese's economic conglomerate is composed of Banese S.A. and Mulvi Instituição de Pagamentos S.A. (MULVI). In addition, Banese's group of companies also includes Banese Corretora e Administradora de Seguros, Instituto Banese de Seguridade Social (SERGUS), Caixa de Assistência dos Empregados do Banese (CASSE), and Instituto Banese.

MULVI

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

The number of qualified customers reached 633,829 thousand clients in 2022. The volume of transactions using products managed by MULVI totaled R\$3.2 billion, up by 14.4% over 2021. In 4Q22, it totaled R\$830.7 million.

MULVI also recorded an annual increase in e-commerce transacted financial volume, reaching R\$295.2 million (+20.7%), in active outlets, with 24,972 (+8.2%), and in the average purchase, which totaled R\$1,218.09 (+13.2%). The volume of transactions processed and authorized in the TKS network totaled R\$3.9 billion in 2022 and R\$986.4 million in 4Q22.

It is worth noting that, on October 10, 2022, the Extraordinary Shareholders' Meeting resolved on and approved the change in the corporate name of SEAC - Sergipe Administradora de Cartão e Serviços S.A. to Mulvi Payment Institution S.A.

The Mulvi institutional brand was inspired by the words multiply and viability and it is part of the Bank's project to revise and structure the architecture of institutional and commercial brands. The strategy considered assumptions such as expanding outside the State of Sergipe and the strategic connection with current and new products.

Aligned with MULVI's strategic plan, especially the expansion and remodeling of its business, MULVI PAY, the company's newest suite of payment solutions, was launched. By offering customers a better experience in the Acquiring segment, it has a totally

restructured sales force and new onboarding processes, which are now available online. The product follows a commercial strategy throughout all Northeastern States.

Banese Corretora de Seguros

To improve customer service, Banese Administradora e Corretora de Seguros Ltda. has been consolidating its partnership with the main insurance companies in Brazil, seeking to serve a larger number of clients through new products.

With more than 40 years of operations, in 4Q22, Banese Corretora de Seguros's volume of insurance contracted totaled R\$64.7 million, a 47.7% increase over 4Q21. In 2022, it came to R\$199.8 million, up by 46,9% over 2021. Such performance was mainly led by higher sales of Pension Plans and Consortium products.

Revenue increased by 1.7% in 2022 over 2021.

Instituto Banese and Museu da Gente Sergipana

Instituto Banese has been aiming to be recognized as a source of knowledge, motivation, and promotion of artistic and cultural expressions, in addition to becoming an element of social transformation.

In 4Q22, Instituto Banese provided social benefits to 9,922 people directly associated with the strategic projects of the 11 entities it financially supports, and a total of 23,391 people were benefitted through actions carried out directly by the Institute, which enabled activities that promoted transformation and sustainable development through educational, sports, artistic, and cultural programs, professional training courses, health care, psycho-pedagogical and social inclusion programs. A total of 116,858 people were benefitted from Instituto Banese in 2022. In addition to the entities currently supported, we also include the Sergipe Youth Orchestra, which is one of Instituto Banese's proprietary projects that benefits 280 children and young adults.

The Museu da Gente Sergipana Governador Marcelo Déda is an outstanding cultural center, an interpretative center of Sergipe's culture, and a channel to connect with the local, national, and international artistic community, by exchanging exhibitions and organizing cultural events. Using this event, the cultural identity of Sergipe is emphasized through images, sounds, and signs. The Museum is increasingly becoming an important center of arts and culture, not only for citizens of Sergipe but also for visitors from all regions of Brazil and several countries. In 4Q22, the Museum received visits from 22,617 people from several locations and for several purposes (tourism, education, social assistance, and leisure), totaling 72,471 visits in 2022.

In December 2022, *Centro de Memória Digital Professora Eneida Chagas* was opened in the municipality of Simão Dias. It is a secular architectural building that has been restored and revitalized to become a cultural complex in a partnership between the State Government and Banco do Estado de Sergipe S/A, under the responsibility of Instituto Banese.

Another social initiative sponsored by the Banese Group, and operated by Instituto Banese, is Projetar.SE, which has been consolidating itself as an important center that provides technical support to the municipal governments of the State of Sergipe. The initiative aims to guide the municipalities in raising funds for various types of works, developing architectural, urban planning, and engineering projects, and strengthening the institutional capacity of the municipal governments. In 2022, 44 municipalities were contacted and 33 were visited. Out of the total, 20 municipalities have already been assisted. A total of 10 projects are being developed with feasibility studies being already approved and delivered, in addition to 10 executive projects delivered, involving, on average, five architecture and urbanism disciplines, in addition to seven specific engineering projects.

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

	12.31.2022	12.31.2021
Revenue from Financial Intermediation	1,061,590	719,587
Credit Transactions	624,924	558,526
Income from Marketable Securities Transactions	404,439	146,950
Earnings from Compulsory Investment	32,227	14,111
Financial Intermediation Expenses	(782,142)	(331,338)
Market Funding Operations	(539,224)	(197,394)
Loans and Onlending	(10,650)	(11,944)
Provision for Expected Credit Loss Associated with Credit Risk	(136,688)	(71,910)
Provision for Revolving Credit Card Loan	(95,580)	(50,090)
Gross Income from Financial Intermediation	279,448	388,249
Other Operating Revenues (Expenses)	(191,169)	(202,736)
Service Revenues	159,867	163,098
Banking Fee Revenue	68,030	67,525
Personnel Expenses	(232,480)	(215,925)
Other Administrative Expenses	(286,240)	(267,787)
Tax Expenses	(67,021)	(62,677)
Equity Income in Affiliates and Subsidiary	-	-
Other Operating Revenues	240,902	180,677
Other Operating Expenses	(74,227)	(67,647)
Expenses with Provisions	(23,651)	(33,149)
Expenses with Legal Provisions	(23,651)	(33,149)
Operating Income	64,628	152,364
Pre-tax Income	64,628	152,364
Income and Social Contribution Taxes	15,748	(52,600)
Expenses with Income Tax	(3,433)	(29,192)
Expenses with Social Contribution Tax	(2,204)	(26,968)
Deferred Tax Asset	21,385	3,560
Profit Sharing – Employees and Management	(11,539)	(12,440)
Net Income Before Non-Controlling Interest	68,837	87,324
Non-Controlling Interests	6,675	(3,585)
Net Income	75,512	83,739

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

	12.31.2022	12.31.2021
Revenue from Financial Intermediation	1,074,465	710,872
Credit Transactions	636,930	561,177
Income from Marketable Security Transactions	405,308	135,584
Earnings from Compulsory Investment	32,227	14,111
Financial Intermediation Expenses	(688,783)	(283,756)
Market Funding Operations	(541,445)	(199,902)
Loans and Onlending	(10,650)	(11,944)
Provision for Expected Credit Loss Associated with Credit Risk	(136,688)	(71,910)
Provision for Revolving Credit Card Loan	-	-
Gross income from Financial Intermediation	385,682	427,116
Other Operating Revenues (Expenses)	(275,940)	(255,485)
Service Revenues	57,470	61,534
Banking Fee Revenue	68,030	67,525
Personnel Expenses	(190,645)	(178,631)
Other Administrative Expenses	(216,369)	(202,542)
Tax Expenses	(40,360)	(36,995)
Equity Income In Affiliates and Subsidiary	(16,895)	5,277
Other Operating Revenues	100,614	68,612
Other Operating Expenses	(37,785)	(40,265)
Expenses with Provisions	(19,933)	(27,987)
Expenses with Legal Provisions	(19,933)	(27,987)
Operating Income	89,809	143,644
Pre-Tax Income	89,809	143,644
Income and Social Contribution Taxes	(2,758)	(47,465)
Expenses with Income Tax	(4,636)	(23,588)
Expenses with Social Contribution Tax	(3,211)	(22,839)
Deferred Tax Asset	5,089	(1,038)
Profit Sharing – Employees and Management	(11,539)	(12,440)
Net Income Before Non-Controlling Interest	75,512	83,739
Non-Controlling Interests	-	-
Net Income	75,512	83,739



Consolidated Balance Sheet – ASSETS (R\$ thousand)

	12.31.2022	12.31.2021
CURRENT ASSETS	4,484,432	4,267,190
CASH AND CASH EQUIVALENTS	67,012	59,949
FINANCIAL INSTRUMENTS	4,584,500	4,318,810
INTERBANK INVESTMENTS	1,367,835	1,379,799
Reverse Repurchase Agreements	599,985	253,285
Interbank Deposits	767,850	1,126,514
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	821,083	877,706
Own Portfolio	771,305	830,700
Subject to Repurchase Agreements	15,422	12,989
Linked to Guarantees Given	732	650
Linked to Central Bank of Brazil	33,624	33,367
INTERBANK ACCOUNTS	689,463	500,869
Payments and Receivables to be Settled	76,342	93,351
Restricted Deposits:	613,121	407,518
- Central Bank Deposits	613,121	407,518
LOAN OPERATIONS	888,460	850,501
Loan Operations:	888,460	850,501
- Private Sector	888,460	850,501
OTHER RECEIVABLES	817,659	709,935
Unearned Income	12,281	12,220
Sundry	805,474	697,879
Allowance for Losses on Other Receivables Without Loan Characteristics	(96)	(164)
PROVISIONS FOR EXPECTED LOAN LOSSES	(172,792)	(116,336)
Provision for Loan Losses	(88,205)	(62,913)
Provision for Other Doubtful Accounts	(1,873)	(1,770)
Provision for Receivables Related to Payment Transactions	(82,714)	(51,653)
OTHER ASSETS	5,712	4,767
Other Assets	2,262	2,258
Prepaid Expenses	3,450	2,509
NON-CURRENT ASSETS	3,854,908	3,538,154
LONG-TERM RECEIVABLES	3,713,357	3,423,550
FINANCIAL INSTRUMENTS	3,425,956	3,188,066
INTERBANK INVESTMENTS	-	134,932
Interbank Deposits	-	134,932
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	763,944	582,520
Own Portfolio	763,944	582,520
INTERBANK ACCOUNTS	80,234	64,074
Restricted Deposits:	80,234	64,074
- National Housing System (SFH)	80,234	64,074
LOAN OPERATIONS	2,365,804	2,215,956
Loan Operations:	2,365,804	2,215,956
- Private Sector	2,365,804	2,215,956
OTHER RECEIVABLES	215,974	190,584
Unearned Income	20	20
Sundry	227,681	197,603
Allowance for Losses on Other Receivables Without Loan Characteristics	(11,727)	(7,039)

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

	12.31.2022	12.31.2021
PROVISIONS FOR EXPECTED LOAN LOSSES	(63,174)	(63,943)
Provision for Loan Losses	(63,174)	(63,943)
TAX CREDITS	281,785	222,296
Tax credits on Temporary Differences	189,851	180,434
Tax credits on Negative Tax Basis	8,476	1,573
Tax credits on Taxes and Contributions to be Compensated	83,458	40,289
OTHER ASSETS	68,790	77,131
Other Assets	72,747	77,818
Allowance for Devaluation	(7,255)	(7,207)
Prepaid Expenses	3,298	6,520
INVESTMENTS	-	-
Interest in Affiliates and Subsidiaries	-	-
OTHER INVESTMENTS	6	6
Other Investments	454	454
Provisions for Losses	(448)	(448)
PROPERTY AND EQUIPMENT FOR USE	266,838	252,534
Property for Use	74,110	74,103
Other Property and Equipment Items for Use	192,728	178,431
INTANGIBLE ASSETS	117,081	88,975
Intangible Assets	117,081	88,975
DEPRECIATION AND AMORTIZATION	(242,374)	(226,911)
Accumulated Amortization of Property and Equipment Items for Use	(174,896)	(163,418)
Accumulated Amortization of Intangible Assets	(67,478)	(63,493)
TOTAL	8,339,340	7,805,344



Consolidated Balance Sheet – LIABILITIES (R\$ thousand)

	12.31.2022	12.31.2021
CURRENT LIABILITIES	5,840,907	5,347,538
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	5,120,564	4,758,963
DEPOSITS	5,046,244	4,654,986
Demand Deposits	1,170,362	1,142,761
Savings Deposits	2,034,501	1,937,941
Interbank Deposits	146,509	152,007
Time Deposits	1,692,378	1,419,439
Other Deposits	2,494	2,838
OPEN MARKET FUNDING	3,301	-
Own Portfolio	3,301	-
INTERBANK ACCOUNTS	14,869	6,695
Receivables and Payments to be Settled	14,869	6,695
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	21,114	40,364
Funds from Real Estate, Mortgage, Credit and Similar Notes	21,114	40,364
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	35,036	56,918
BNDES	2,471	2,925
FINAME	207	382
Other Institutions	32,358	53,611
OTHER LIABILITIES	720,343	588,575
Collection of Taxes and Alike	2,497	2,948
Social and Statutory Charges	35,803	17,457
Tax and Social Security Obligations	15,942	14,510
Third-Party Funds in Transit	260	298
Sundry	665,841	553,362
NON-CURRENT LIABILITIES	1,863,444	1,850,376
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	1,561,995	1,539,737
DEPOSITS	1,480,132	1,427,559
Time Deposits	1,480,132	1,427,559
OPEN MARKET FUNDING	3,257	4,177
Own Portfolio	3,257	4,177
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	4,964	20,369
Funds from Real Estate, Mortgage, Credit and Similar Notes	4,964	20,369
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	73,642	87,632
BNDES	4,424	7,897
FINAME	179	415
Other Institutions	69,039	79,320
OTHER LIABILITIES	141,166	131,013
Social and Statutory Charges	-	4,318
Subordinated Debts	140,564	126,105
Sundry	602	590
PROVISIONS	160,283	169,793
Provisions for Contingencies	160,283	169,793
DEFERRED INCOME	-	9,833
Deferred Income	-	9,833

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

	12.31.2022	12.31.2021
SHAREHOLDERS' EQUITY	634,989	607,430
Capital - Domiciled in Brazil	513,000	426,000
Profit Reserves	82,556	130,044
Equity Valuation Adjustments	-	5,278
Non-Controlling Interests	39,433	46,108
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,339,340	7,805,344

Consolidated Statement of Value Added (R\$ thousand)

	12.31.2022	12.31.2021
VALUE ADDED CALCULATION		
Revenue from Financial Intermediation	1,061,590	719,587
Financial Intermediation Expenses	(782,142)	(331,338)
Other Operating Revenues (Expenses/Provisions)	143,023	79,881
Service revenue	227,897	230,623
Materials, Energy, Third-Party Services and Other Expenses	(262,475)	(241,699)
Gross Value Added	387,893	457,054
Retentions	(17,108)	(18,494)
Amortization	(3,907)	(4,411)
Depreciation	(13,201)	(14,083)
Net Value Added Produced by the Company	370,785	438,560
Value Added Received in Transfer	-	-
Equity Pickup	-	-
Value Added to be Distributed	370,785	438,560
DISTRIBUTION OF VALUE ADDED		
Government	51,273	115,277
Tax Expenses	45,636	59,117
Income and Social Contribution Taxes	5,637	56,160
Employees	244,018	228,365
Salaries and Fees	142,094	133,735
Social Charges	50,450	47,173
Private Pension Plan	6,660	5,548
Benefits and Training	33,275	29,469
Profit Sharing	11,539	12,440
Rents	3,436	3,678
Taxes and Contributions	3,221	3,916
Shareholders	-	21,000
Interest on Equity	-	21,000
Non-Controlling Interests	(6,675)	3,585
(Accumulated Losses) / Retained Earnings	75,512	62,739
Value Added Distributed	370,785	438,560



Consolidated Cash Flow (R\$ thousand)

	12.31.2022	12.31.2021
CASH FLOW FROM OPERATING ACTIVITIES		
Adjusted net income	295,302	153,869
Net Income	75,512	83,739
Adjustment to Net Income	219,790	70,130
Allowance for Loan Losses	136,688	71,910
Provision/ (Reversal) for Restricted Deposits-FCVS	12,001	3,245
Depreciation and Amortization	17,695	18,949
PIS and COFINS tax Credit on Depreciation with Affiliates	(587)	(455)
Adjustment of Provision for Liabilities	23,651	33,149
Other Operational Provisions	26,603	15,398
Expense for Loyalty Bonus	1,362	835
Marketable Securities Marking to Market	(936)	(998)
Deferred Tax Asset	(21,385)	(3,560)
Capital Losses	6,188	5,924
Reversal of Other Operating Provisions	(47,293)	(29,024)
Inflation Ajustment	(18,267)	(8,608)
Other Operacional Revenue	(6,232)	-
Equity Income in Subsidiaries	-	-
Gains/(Losses) Other Comprehensive Income	(5,278)	13,455
Provision for Revolving Credit Card Loan	95,580	(50,090)
Variation in Assets and Liabilities	165,387	(511,438)
(Increase) Decrease in Short-Term Liquidity Investments	493,596	(164,466)
(Increase) Decrease in Marketable Securities and Derivative Financial Instruments	(123,865)	(102,588)
(Increase) Decrease in Interbank Accounts (Assets/ Liabilities)	(208,581)	(111,711)
(Increase) Decrease in Credit Transactions	(187,807)	(523,375)
(Increase) Decrease in Other Assets	7,396	(6,603)
(Increase) Decrease in Other Credits	(46,125)	(60,939)
(Increase) Decrease in Provisions for Losses Associated with Credit Risk	(176,581)	21,285
(Increase) Decrease in Other Receivables	(59,489)	(5,380)
Increase (Decrease) in Deposits	443,831	610,103
Increase (Decrease) in Funds Obtained in the Open Market	2,381	(3,637)
Increase (Decrease) in Borrowings and Onlending	(35,872)	14,101
Increase (Decrease) in Deferred Income	(9,833)	(518)
Increase (Decrease) in Other Liabilities	99,497	(140,236)
Increase (Decrease) in Provisions	(33,161)	(37,474)
NET CASH GENERATED FROM OPERATING ACTIVITIES	460,689	(357,569)
CASH FLOW FROM INVESTING ACTIVITIES		
Transfer of Property in Use to Freelease	-	(109)
Acquisition of Property and Equipment for Use	(17,232)	(17,498)
Write-off of Property and Equipment for Use and Intangible	528	455
Disposal of property and equipment	389	1,010
Disposal of Depreciation	-	(1,199)
Intangible Asset Investments	(28,046)	(14,612)
Transfer for non-use assets	306	236
Dividends Received from Subsidiary	-	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES	(44,055)	(31,717)
CASH FLOW FROM FINANCING ACTIVITIES		
Non-Controlling Interests	(6,675)	180
Interest on Equity	(36,000)	(21,000)
Increase (Decrease) in Real Estate	(34,655)	(21,840)
Subordinated Debts	14,459	17,691
NET CASH PROVIDED BY /USED IN FINANCING ACTIVITIES	(62,871)	(24,969)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	353,763	(414,255)
Cash and banks at the beginning of the period	313,234	727,489
Cash and banks at the end of the period	666,997	313,234