



## BANCO DO ESTADO DE SERGIPE S.A. – BANESE 1Q2021 EARNINGS RELEASE

**For immediate disclosure:** Aracaju, May 14, 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 1Q2021. For additional information, please access Banese’s investor relations website at <https://ri.banese.com.br/>.

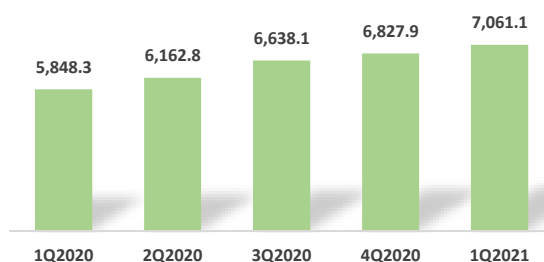
### BANESE RECORDS NET INCOME OF R\$23.9 MI LOAN ASSETS AND VOLUME CAPTURED CONTINUED GROWING

#### 1Q2021 Highlights

All comparisons in this section refer to 1Q2020 (12M)

- Total Assets of R\$7.1 billion (+20.7%).
- Net Equity of R\$509.1 million (+13.0%);
- Net Income of R\$23.9 million (+43.1%);
- Total Funding of R\$6.2 billion (+21.3%).

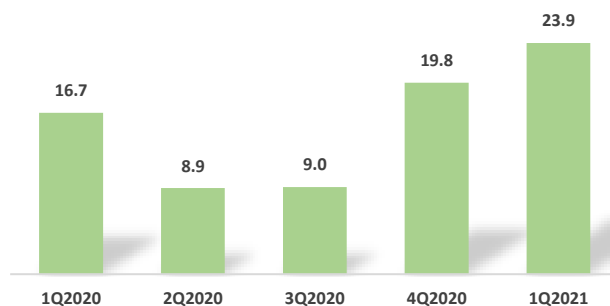
TOTAL ASSETS - R\$ Million



All comparisons in this section refer to 4Q2020 (3M)

- Net Income of R\$23.9 million (+20.7%);
- Loan Operations totaled R\$2.9 billion (+4.7%);
- Return on Average Assets (ROAA) reached 1.4% (+0.5 pp.);
- Delinquency Rate fell by 0.47 pp.

Net Income - R\$ million



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Equity Items - R\$ million	1Q2021	4Q2020		V3M	1Q2020		V12M
Total Assets	7,061.1	6,827.9	▲	+3.4%	5,848.3	▲	+20.7%
Loan Operations	2,929.1	2,798.3	▲	+4.7%	2,791.3	▲	+4.9%
Financial Investments <sup>(1)</sup>	3,384.4	3,342.3	▲	+1.3%	2,581.2	▲	+31.1%
Total Funding	6,165.8	5,948.0	▲	+3.7%	5,081.2	▲	+21.3%
Net Equity	509.1	487.8	▲	+4.4%	450.5	▲	+13.0%

Income Statement Items - R\$ million	1Q2021	4Q2020		V3M	1Q2020		V12M
Total Revenue	220.91	266.6	▼	-17.1%	224.3	▼	-1.5%
Gross Income from Financial Intermediation	113.2	136.3	▼	-17.0%	103.8	▲	+9.1%
Operating Result	41.0	16.6	▲	+147.0%	30.5	▲	+34.4%
Financial Margin <sup>(2)</sup>	121.9	144.9	▼	-15.9%	118.1	▲	+3.2%
EBITDA <sup>(3)</sup>	40.1	16.7	▲	+140.1%	31.9	▲	+25.7%
Net Income	23.9	19.8	▲	+20.7%	16.7	▲	+43.1%
Net Interest Income (NII) <sup>(4)</sup>	111.1	111.1	►	NA	114.3	▼	-2.8%
Service Revenue	32.0	33.0	▼	-3.0%	33.9	▼	-5.6%
Provisions for Loan Losses	32.4	20.0	▲	+62.0%	38.0	▼	-14.7%
Administrative Expenses	87.7	137.6	▼	-36.3%	87.2	▲	+0.6%
Net Margin <sup>(5)</sup>	10.8%	7.4%	▲	+3.4 pp.	7.4%	▲	+3.4 pp.
EBITDA Margin <sup>(6)</sup>	18.2%	6.3%	▲	+11.9 pp.	14.2%	▲	+4.0 pp.

Efficiency Ratios and Measures (%)	1Q2021	4Q2020		V3M	1Q2020		V12M
Delinquency (% of the portfolio)	0.97%	1.44%	▼	-0.47 pp.	1.23%	▼	-0.26 pp.
Basel Ratio	11.33%	11.15%	▲	+0.18 pp.	14.12%	▼	-2.79 pp.
Net Interest Margin (NIM) <sup>(7)</sup>	1.7%	1.8%	▼	-0.10 pp.	2.1%	▼	-0.40 pp.
Return on Assets (ROA) <sup>(8)</sup>	1.4%	0.9%	▲	+0.50 pp.	1.2%	▲	+0.20 pp.
Return on Net Equity (ROE) <sup>(9)</sup>	20.5%	11.4%	▲	+9.10 pp.	15.8%	▲	+4.70 pp.
Efficiency Ratio <sup>(10)</sup>	79.6%	57.7%	▲	+21.9 pp.	76.4%	▲	+3.20 pp.
Provisioning Coverage Ratio	3.6%	3.9%	▼	-0.30 pp.	4.2%	▼	-0.60 pp.
Administrative Coverage Ratio <sup>(11)</sup>	36.5%	24.0%	▲	+12.5 pp.	38.8%	▼	-2.30 pp.
Payroll Coverage Ratio <sup>(12)</sup>	76.0%	35.1%	▲	+40.9 pp.	74.9%	▲	+1.10 pp.

(1) Liquid Interbank Investments and Marketable Securities + Remunerated Restricted Loans.

(2) Gross Income from Financial Intermediation + Provision for Loan Losses

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

(4) Interest Income (credit 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 Net Equity (annualized rate).

(10) (Net Interest Income + Service Revenue)/Total Expenses.

(11) Service Revenue/Administrative Expenses.

(12) Service Revenue/Direct and Indirect Payroll Costs.

*This report may contain forward-looking statements. Such information reflects management's expectations, which may not materialize for reasons intrinsic or extrinsic to the Company. Words such as "believe," "anticipate," "wish," "predict," "expect," and similar expressions identify information that necessarily involves known or unknown future risks.*

*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.*

### MESSAGE FROM MANAGEMENT

Early 2021 continues with uncertainties due to the Covid-19 pandemic, with infection rates worsening in many countries, leading to more social distancing, new lockdowns, and curfews, having countless negative impacts on the world economy, offset by the fiscal and cash stimulus packages implemented by many countries. In Brazil, the situation is no different. Many measures have been under discussion and implementation to fight the impacts on the economy, losing sight of the structural reforms that need to be carried out in the country.

Gross Domestic Product (GDP) had the worst drop in recent years (4.1%), but it was better than analysts' forecasts, given the chaotic scene in 2020. The 2021 forecast is that the GDP will grow by 3.1%. Inflation has been at higher levels, reaching 6.1% at the end of this quarter. Therefore, the basic interest rate, SELIC, was raised to 2.75% in March 2021 to control inflation. In 1Q2021, loans grew in Brazil and Sergipe, both for companies and families, especially compared to the first three months of 2020.

Banese continued to take care of its customers and employees, reinforcing measures to deal with Covid-19, changing the opening hours of the branches, limiting the operations to essential services, and keeping part of the employees working from home.

Despite this challenging scenario, the Bank's results reached R\$23.9 million in 1Q2021, up by 20.7% QoQ and 43.1% YoY. Banese's loan portfolio followed the growth of Brazil and Sergipe, up by 4.7% QoQ and 4.9% YoY. The Bank's positive numbers for this quarter were due to many strategies to offer new loan lines, with more attractive rates, to meet the customers' needs, mainly micro and small companies. There was also a positive variation in equity rates such as Total Assets and Net Equity, which reflected the business behavior in the period.

### ANALYSIS OF OPERATIONS

#### Assets

Total Assets by Type – R\$ million

	1Q2021	4Q2020		V3M	1Q2020		V12M
Loan Assets	2,929.1	2,798.3	▲	+4.7%	2,791.3	▲	+4.9%
(-) Provisions	-105.9	-109.7	▼	-3.5%	-118.0	▼	-10.3%
Net Loan Assets	2,823.2	2,688.6	▲	+5.0%	2,673.3	▲	+5.6%
Financial Investments	3,011.2	2,990.3	▲	+0.7%	2,244.6	▲	+34.2%
Restricted Loans	448.0	425.1	▲	+5.4%	366.8	▲	+22.1%
Permanent Assets	176.2	179.9	▼	-2.1%	105.7	▲	+66.7%
Others	602.5	544.0	▲	+10.8%	457.9	▲	+31.6%
<b>Total</b>	<b>7,061.1</b>	<b>6,827.9</b>	<b>▲</b>	<b>+3.4%</b>	<b>5,848.3</b>	<b>▲</b>	<b>+20.7%</b>

The balance of total assets surpassed the R\$7.0 billion mark at the end of 1Q2021, up by 20.7% YoY and 3.4% in the last quarter.

The YoY growth was mainly due to the higher volume of financial investments, considering that Banese has the policy to invest funds resulting from the difference between volume raised and allocated to loan operations and other legal requirements to improve results. In the last quarter, the R\$130.8 million growth in the balance of loan operations is noteworthy, driven by the commercial portfolio. The growth in loan operations was directly influenced by the increase in loans taken by individuals.

The provisioning volume decreased in twelve months due to the settlement of loan losses, recorded at high-risk levels. There was a drop in provisions in the quarter due to settlements and transfers of loan operations for losses.

In 1Q2021, net loan assets represented 40.0% of total assets, and short-term investments accounted for 42.6%. Quarter-on-quarter, the share of net loan assets grew by 1.9 p.p. and financial investments fell by 0.3 p.p. Year-on-year, financial investments increased their share by 4.2 p.p. while net loan assets fell by 5.7 p.p.

Linked loans grew R\$81.2 million YoY due to the unappealable proceeding regarding the Salary Variation Compensation Fund - FCVS, thus updating and reconciling the recorded balances and the higher cash paid to Bacen (this total includes the Compulsory Reserves and Instant Payments accounts) resulting from more demand deposits.

The YoY positive variation in Permanent Assets is due to the R\$70 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

	1Q2021	4Q2020		V3M	1Q2020		V12M
Demand Deposits	1,071.8	1,047.0	▲	+2.4%	740.1	▲	+44.8%
Savings Deposits	1,880.8	1,879.4	▲	+0.1%	1,456.6	▲	+29.1%
Judicial Deposits	1,153.9	1,088.5	▲	+6.0%	1,059.9	▲	+8.9%
Certificate of Bank Deposit/RDB	1,571.1	1,463.8	▲	+7.3%	1,451.6	▲	+8.2%
CDI/DPGE	152.2	139.9	▲	+8.8%	84.9	▲	+79.3%
LF/LFS/LCI	193.5	191.0	▲	+1.3%	188.1	▲	+2.9%
Repurchase Transactions	10.0	7.8	▲	+28.2%	3.6	▲	+177.8%
Onlending Obligations	132.5	130.3	▲	+1.7%	96.3	▲	+37.6%
<b>Total</b>	<b>6,165.8</b>	<b>5,947.7</b>	<b>▲</b>	<b>+3.7%</b>	<b>5,081.2</b>	<b>▲</b>	<b>+21.3%</b>

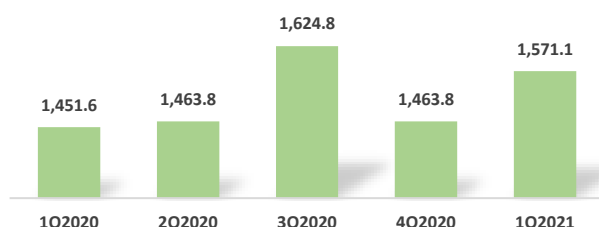
At the end of 1Q2021, total funding reached R\$6.2 billion, up by 3.7%, R\$218.1 million, in 1Q2021, mainly from term deposits - Certificate of Bank Deposit (R\$+107.3 million), judicial deposits (R\$+ 65.4 million), and cash deposits (R\$+24.8 million). Grew 21.3%, R\$1.1 billion, YoY mainly due to savings deposits (R\$+424.2 million), demand deposits (R\$+331.7 million), term deposits - Certificate of Bank Deposit, CDI, and DP (R\$+186.8 million) and judicial deposits (R\$+94.0 million).

The funding volume from interbank deposits (CDI) grew by 8.8%, R\$12.3 million, in 1Q2021 due to funding in the reciprocity of investments in interbank deposits linked to housing loans. The YoY positive variation, 79.3% or R\$67.3 million, is due, besides the above reason, to funding in Term Deposits with Special Guarantee from FGC (DPGE).

The balance of Subordinated Financial Bills increased by 3.9% and 12.7% in the quarter and YoY, respectively, both due to inventory compensation. Financial Bonds fell slightly, by 3.7% in 1Q2021 and 4.0% YoY, due to interest payments in the period. Funding from Housing Loan Bills went slightly up by 0.4% in the quarter due to portfolio compensation and down by 13.8% YoY due to not renewed maturities.

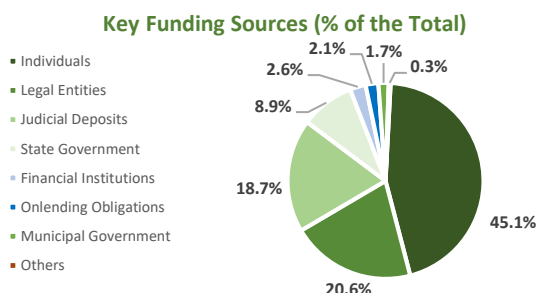
## Evolution of Time Deposits (Certificate of Bank Deposit/RDB)

### Time Deposits - R\$ Million



Total funding in time deposits reached R\$1.6 billion in 1Q2021, up by R\$107.3 million, 7.3% in the quarter, impacted by the higher government funding and the YoY growth reached R\$119.5 million 8.2%, due to higher funding from companies and the government.

Banese's funding structure is diversified, which helps maintain comfortable liquidity levels and support the rebound of loans granted in a scenario of economic recovery.



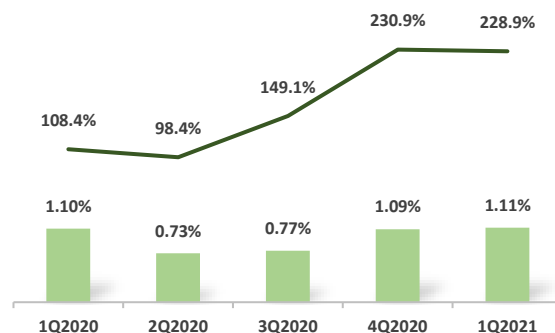
Banese's key funding sources are individuals, with approximately 45.1% of its total funding volume. Legal entities account for 20.6% of funding. The dilution of funding between individuals and legal entities reduces liquidity risks.

Court deposits represented 18.7% of Banese's total funding.

The funding cost increased slightly by 0.02 p.p in the quarter due to the higher SELIC Target rate, which compensates most of the post-fixed funding. The funding cost increased by 0.01 p.p. over 1Q2020, mainly due to the higher funding cost in Subordinated Financial Bill (LFS), due to the increase in the Brazilian Consumer Price Index (INPC), which compensates the highest volume captured in the product, even with the higher share of savings and judicial deposits and the country's lower interest rates.

As for the CDI, the reduction in the quarter compared to 4Q2020 was due to funding with pre-fixed indexes, such as subordinated debt and increased SELIC Target rate in the period. Compared to 1Q2020, the sharpest increase in funding indexed to inflation and the lower SELIC Target rate.

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



## Loan

#### Loan Portfolio by Type – R\$ million

	1Q2021	4Q2020		V3M	1Q2020		V12M
Commercial Portfolio	2,067.0	1,914.3	▲	+8.0%	1,967.4	▲	+5.1%
For Individuals	1,592.0	1,476.8	▲	+7.8%	1,622.9	▼	-1.9%
For Legal Entities	475.0	437.5	▲	+8.6%	344.5	▲	+37.9%
Development Portfolio	621.1	628.8	▼	-1.2%	602.5	▲	+3.1%
For Individuals	491.8	490.3	▲	+0.3%	456.1	▲	+7.8%
For Legal Entities	129.3	138.5	▼	-6.6%	146.4	▼	-11.7%
Securities and Loans Receivable	241.0	255.2	▼	-5.6%	221.4	▲	+8.9%
<b>Total</b>	<b>2,929.1</b>	<b>2,798.3</b>	▲	<b>+4.7%</b>	<b>2,791.3</b>	▲	<b>+4.9%</b>

Banese's loan portfolio reached R\$2.9 billion in assets, up by 4.7% QoQ and 4.9% YoY, despite the impacts due to the Covid-19 pandemic.

The growth observed in the last three months was due to integrated sales measures to increase the stock of assets and their profitability, expanding the customer base in a trend, still light, of the economic recovery. New loan lines were created, with more attractive rates, to meet the needs of individual and corporate clients in this period, mainly micro and small companies. Highlighting the consignment, prepayment of receivables, CDC, and working capital backed by revenues from credit card sales.

Banese has the largest share of the loan market with free resources from Sergipe, a 37.0% share according to the Central Bank of Brazil (February 2021).

Banese's loan portfolio maintained its growth trend, affected, above all, by the Individual segment for Payroll-Deductible Loans negotiated via Bank Correspondents and self-service channels, motivated by measures promoted focused on state civil servants and Municipal City Halls Employees and Employees of Private Companies, which occurred in 1Q2021. The contribution of the

Corporate portfolio was concentrated in working capital, with a higher customer base and lower average ticket, denoting greater portfolio dispersion and mitigating individual loan risks.

The development loan portfolio, which includes managing housing, industrial and agribusiness portfolios, represented 21.2% of Banese's total portfolio, totaling a balance of R\$621.1 million in 1Q2021. In the last quarter, the balance of the development loan fell by 1.2%. The 3.1% growth YoY was affected by operations granted in the rural loan portfolios (+18.2%) by strengthening agribusiness and housing portfolio (+2.5%), mainly loans for individuals. In the same period, the industrial portfolio fell by 11.4%.

The portfolio of Securities and Receivables with Loan Characteristics fell by around R\$14.2 million in the last quarter due to the lower use of the revolving credit card limit in the period. Year-on-year, a R\$19.6 million growth was recorded in the portfolio.

#### Quality of the Loan Portfolio by Risk Rating

	R\$ million		Change	% of the portfolio		Change
	1Q2021	1Q2020		1Q2021	1Q2020	
AA	1,037.3	1,056.5	▼ -1.8%	35.4%	37.8%	▼ -2.4 pp.
A	1,045.8	1,030.8	▲ +1.5%	35.7%	36.9%	▼ -1.2 pp.
B	462.8	373.4	▲ +23.9%	15.8%	13.4%	▲ +2.4 pp.
C	228.7	153.2	▲ +49.3%	7.8%	5.5%	▲ +2.3 pp.
D - H	154.5	177.4	▼ -12.9%	5.3%	6.4%	▼ -1.1 pp.
<b>Total</b>	<b>2,929.1</b>	<b>2,791.3</b>	<b>▲ +4.9%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>► NA</b>

In relative terms, the loan operations classified under the "AA" to "C" risk ratings range account for 94.7% of Banese's total loan portfolio (+1.1 pp. compared to 93.6% in 1Q2020). Loans classified under the "D" to "H" risk ratings, which concentrate the operations with the highest credit risk, represent 5.3% of Banese's loan portfolio (-1.1 p.p. versus 6.4% in 1Q2020).

#### Loans Quality by Portfolio in 1Q2021 – R\$ million

	Total	Commercial Loan	Industrial	Rural	Housing	Others
AA	1,037.3	1,037.3	0	0	0	0
A	1,045.8	339.1	18.8	66.3	387.8	233.9
B	462.8	375.9	48.1	24.3	8.5	6.2
C	228.7	196.0	18.3	10.5	3.3	0.5
D - H	154.5	118.7	1.1	26.1	8.0	0.4
<b>Total</b>	<b>2,929.1</b>	<b>2,067.0</b>	<b>86.3</b>	<b>127.2</b>	<b>407.6</b>	<b>241.0</b>

Concerning the loan risk levels by segment, the rural portfolio (where loans classified as "D - H" account for 20.6% 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

	1Q2021	4Q2020	V3M	1Q2020	V12M
Short-Term Interbank Investments	1,507.6	1,744.0	▼ -13.6%	1,154.5	▲ +30.6%
Marketable Securities	1,492.9	1,237.9	▲ +20.6%	1,085.4	▲ +37.5%
Mutual Fund Shares	3.8	4.0	▼ -5.0%	46.0	▼ -91.7%
Fixed Income	1,489.1	1,233.9	▲ +20.7%	1,039.4	▲ +43.3%
Repurchase Transactions + Guarantees	10.7	8.4	▲ +27.4%	4.5	▲ +137.8%
Remunerated Compulsory Deposits	373.2	352.0	▲ +6.0%	336.8	▲ +10.8%
<b>Total</b>	<b>3,384.4</b>	<b>3,342.3</b>	<b>▲ +1.3%</b>	<b>2,581.2</b>	<b>▲ +31.1%</b>

Liquid interbank investments fell by 13.6% (R\$-236.4 million) in 1Q2021, due to a lower volume of Repurchase Agreements, even with the increased liabilities compliance assets with Central Bank (DI Housing). A 30.6% growth YoY (R\$353.1 million), affected by

higher investments in Term Deposits with Special Guarantee (DPGE), Interbank Deposits and assets for compliance with the Central Bank (DI Housing).

Securities grew by 20.6% (R\$255.0 million) in the quarter and 37.5% (R\$407.5 million) YoY, both from higher investments in Financial Bonds of the Treasury (LFT). Year-on-year, there was an increase in Financial Bond (LF) and a drop in investments in Investment Funds due to the treasury strategy to prioritize operations with assets that require less capital and have a better yield.

In this context, total Liquid Interbank Investments and Marketable Securities reached a balance of R\$3.0 billion at the end of 1Q2021, up by 0.6% QoQ (R\$18.6 million) and 34.0% YoY (R\$760.6 million), due to the increase in funding and higher volume of funds available in Treasury.

Banese complies with the provisions of Bacen Circular 3068/2001, which sets out 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 value and volatility of financial instruments.

### Portfolio Profitability

Banese's treasury asset portfolio currently adopts a strategy that includes investing all liquid assets in low-risk instruments to maintain comfortable liquidity and capital levels, with a profitability target to surpass the country's basic interest rate.

The YTD portfolio profitability in 1Q2021 was 104.5% of the CDI, higher than 97.8% of the CDI in 4Q2020 and 98.8% of the CDI in 1Q2020, due to investments in private loan with better compensation, even with a negative impact of the mark-to-market (MtM) of the Treasury Financial Bills (LFT)'s own portfolio. The trend presented by MtM of LFTs shows the fiscal risk linked to the Brazilian Treasury, mainly due to the uncertain compliance with the spending ceiling by the Federal Government and needs when rolling over the public debt. However, the greater short-term indebtedness results in a higher compensation requirement, including LFTs, security always considered less risky and less volatile.

## ANALYSIS OF RESULTS

### Revenue

Breakdown of Revenue – R\$ million

	1Q2021	4Q2020		V3M	1Q2020		V12M
Loan Revenue	127.5	123.8	▲	+3.0%	135.3	▼	-5.8%
Revenue from Financial Investments	15.6	16.4	▼	-4.9%	20.9	▼	-25.4%
Income from Services	32.0	33.0	▼	-3.0%	33.8	▼	-5.3%
Revenue from Equity Investments	4.7	3.9	▲	+20.5%	2.7	▲	+74.1%
Other Operating Income	41.1	89.5	▼	-54.1%	31.6	▲	+30.1%
Non-Operating Revenue	0.0	0.01	▼	-100.0%	0.0	►	NA
<b>Total</b>	<b>220.9</b>	<b>266.6</b>	<b>▼</b>	<b>-17.1%</b>	<b>224.3</b>	<b>▼</b>	<b>-1.5%</b>

Banese's revenues totaled R\$220.9 million in 1Q2021, down by 17.1% over 4Q2020 total revenues. The drop pointed out in the group of other operating revenues refers to the earnings from loans linked to SFH in 4Q2020, inherent to the Compensation Fund for Salary Variations - FCVS final and unappealable court decision in favor of Banese. In the same period, there was an increase in loan revenues of around R\$+3.7 million. Total revenues fell by 1.5% YoY.

Revenues from financial investments fell by R\$5.3 million over 1Q2020, mainly due to the lower basic interest rate in the country, despite the higher balance of financial investments. In the quarterly analysis, there was a R\$0.8 million drop due to the lower number of business days in the period, and the effects of mark-to-market (MtM) on Federal Public Securities classified as free trade that makes up the Company's own portfolio.

Income from Services totaled R\$32.0 million at the end of 1Q2021. Quarter-on-quarter, we observed a 3.0% decrease and a 5.3% decrease YoY, due to lower fees for services in the health insurance portfolio, due to the change in the commissioning rule in the Lender Insurance.

To align with the market and matching services and solutions, Banese invests in initiatives such as increased payment agreements, PIX and Open Banking.

### Costs and Expenses

#### Direct Operating Costs – R\$ million

	1Q2021	4Q2020		V3M	1Q2020		V12M
Funding Expenses	27.4	26.7	▲	+2.6%	39.7	▼	-31.0%
Earnings from Marketable Securities	1.0	0.3	▲	+233.3%	0.3	▲	+233.3%
Loan Obligations Expenses	3.6	2.0	▲	+80.0%	1.9	▲	+89.5%
<b>Total</b>	<b>32.0</b>	<b>29.0</b>	<b>▲</b>	<b>+10.3%</b>	<b>41.9</b>	<b>▼</b>	<b>-23.6%</b>

Funding expenses grew by 10.3% (R\$+3.0 million) in the quarter, directly due to the higher basic interest rate of the economy - Selic Target in this period, and a higher funding volume. Year-on-year, there was a 23.6% (R\$-9.9 million) drop due to the lower basic interest rate between 1Q2021 and 1Q2020, which affected the compensation of term deposits.

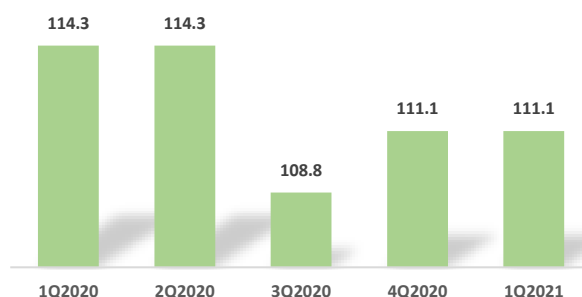
The growth in expenses with obligations for loans and onlendings, both QoQ and YoY, is due to funds from BNDES in December 2020, around R\$30 million, where expenses are generated as the operations are released.

The increase in Securities expenses is due to the mark-to-market (MtM) of government bonds that make up the Company's own portfolio and reflect the fiscal risk associated with the Brazilian Treasury, especially due to the uncertain compliance with budget rules and the higher indebtedness in the short term, impacting compensation rates and leading to asset volatility.

Net Interest Income (Credit Revenue Plus Income from Financial Investments less Direct Funding Costs) stable QoQ. Compared to 1Q2020, it fell by -2.8%.

The result is a combination of factors presented in the previous items mentioned in this report, such as the higher revenues from loan transactions in the quarter, even with higher funding expenses. Year-on-year, the result was due to lower revenues from loan operations and financial investments, despite the lower funding expenses.

#### Net Interest Income (NII) - R\$ Million



#### Personnel/Payroll Expenses – R\$ million

	1Q2021	4Q2020		V3M	1Q2020		V12M
Salaries	25.8	68.5	▼	-62.3%	26.9	▼	-4.1%
Benefits	5.3	11.0	▼	-51.8%	5.8	▼	-8.6%
Social Charges	11.0	14.5	▼	-24.4%	12.3	▼	-10.6%
Training and Others	0.1	0.1	►	NA	0.1	►	NA
<b>Total</b>	<b>42.2</b>	<b>94.1</b>	<b>▼</b>	<b>-55.2%</b>	<b>45.1</b>	<b>▼</b>	<b>-6.4%</b>

Personnel expenses fell by 55.2% in the last three months, mainly due to the payment of the financial and social benefits provided for in the Retirement Stimulus Program - PEA (around R\$46 million), launched in the last quarter of 2020 and fell by 6.4% YoY. In 1Q2021, 111 dismissals were carried out through the said program, representing a 12% drop in Banese's workforce.

The payroll coverage index in the last quarter was 76.0%, up by 40.9 pp. and 1.1 pp. over 4Q2020 and 1Q2020, respectively, due to lower personnel expenses resulting from the Retirement Incentive Program - PEA. The Administrative Expenses coverage in 1Q2021 reached 36.5%, varying by -12.5 p.p. in the quarter and -2.3 p.p. YoY.

#### Other Administrative Expenses – R\$ million

	1Q2021	4Q2020		V3M	1Q2020		V12M
Outsourced Services	21.6	21.7	▼	-0.5%	19.5	▲	+10.8%
Consumption, Maintenance and Materials	4.9	4.9	►	NA	6.1	▼	-19.7%
Systems and Data Processing	10.6	7.0	▲	+51.4%	7.5	▲	+41.3%
Insurance	1.1	0.9	▲	+22.2%	1.1	►	NA
Transportation of Cash	2.7	2.8	▼	-3.6%	2.4	▲	+12.5%
Taxes	0.4	0.4	►	NA	0.4	►	NA
Other Expenses	4.3	5.8	▼	-25.9%	5.0	▼	-14.0%
<b>Total</b>	<b>45.5</b>	<b>43.5</b>	<b>▲</b>	<b>+4.6%</b>	<b>42.0</b>	<b>▲</b>	<b>+8.3%</b>

Other administrative expenses grew by 4.6% (R\$+2.0 million) in the last quarter, and by 8.3% (R\$+3.5 million) YoY, especially in Systems and Data Processing. Year-on-year, there have also been higher expenses with Outsourced Services and lower expenses with Consumption, Maintenance and Materials, due to administrative measures to control and reduce expenses.

#### Other Operating Expenses – R\$ million

	1Q2021	4Q2020		V3M	1Q2020		V12M
Amortization and Depreciation	3.9	4.0	▼	-2.5%	4.1	▼	-4.9%
Provisions for Loan Operations	32.4	20.0	▲	+62.0%	38.0	▼	-14.7%
Loan Depreciation	1.1	28.8	▼	-96.2%	0.1	▲	+1000.0%
Liability Provisions	6.6	12.3	▼	-46.3%	3.8	▲	+73.7%
Partnership with the Court of Justice	4.7	4.5	▲	+4.4%	4.4	▲	+6.8%
ISS/PIS/COFINS Taxes	8.5	10.8	▼	-21.3%	8.8	▼	-3.4%
Discounts Granted	0.0	0.4	▼	-100.0%	0.4	▼	-100.0%
Profit Sharing	1.9	2.8	▼	-32.1%	2.2	▼	-13.6%
Others	2.8	2.3	▲	+21.7%	3.3	▼	-15.2%
<b>Total</b>	<b>62.1</b>	<b>85.9</b>	<b>▼</b>	<b>-27.9%</b>	<b>65.3</b>	<b>▼</b>	<b>-4.9%</b>

Other Operating Expenses fell by R\$23.8 million in the last quarter, mainly expenses with the Provision for the Devaluation of Loans related to the Salary Variation Compensation Fund - FCVS in the last quarter of 2020.

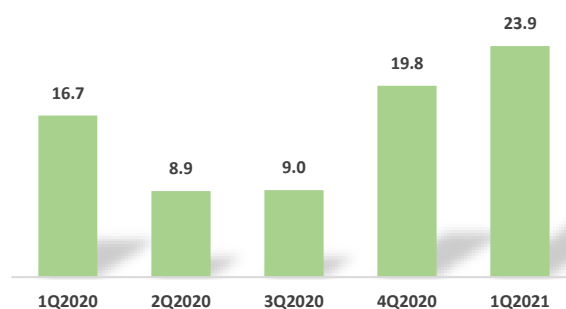
The increased expenses with Provisions for Loan Operations in the quarter was due to loan operations linked to Loan Portfolio. Year-on-year, the lower provision expense is mainly due to the transfer to a loss of loan operations focused on the corporate segment.

#### Net Income

Banese's Net Income in 1Q2021 reached R\$23.9 million, up by 20.7% and 43.1% over 4Q2020 and 1Q2020, respectively.

This result is due to our business behavior, with a higher loan portfolio, funding at the same growth pace, improved risk levels, credit recovery and lower provision for doubtful accounts, and administrative expenses controlled.

#### Net Income - R\$ million



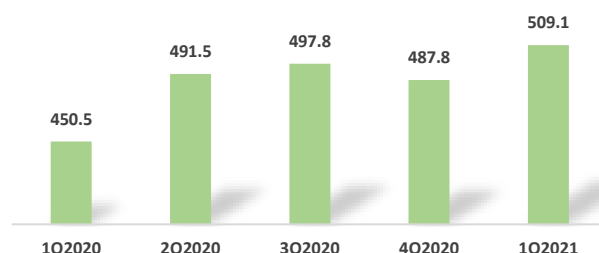
### Net Equity

Banese's Net Equity was positive by 13.0% YoY and 4.4% QoQ.

The growth in the quarter is due to the incorporation of the period's result. The YoY positive variation is due to the results in the period and the actuarial valuation adjustments relating to the supplementary pension plan for Banese employees through the Instituto Banese de Seguridade Social – SERGUS (defined benefit plan), according to CPC 33-R1, approved by CVM Resolution 695/2012.

The negative effect on the Bank's Net Equity was R\$-24.0 million in 1Q2021 and -R\$39.5 million at the end of 1Q2020.

### Shareholders' Equity - R\$ Millions

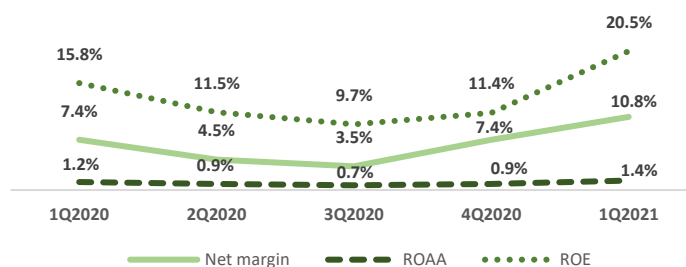


### Profitability and Yield Ratios

The Return on Net Equity (ROE), Net Margin and Return on Average Assets (ROAA) help to recognize the return on funds invested in the period.

The indicators show a consistent advance when compared to previous periods. It should be noted that the business in the last quarter was affected by the Covid-19 pandemic and also by extraordinary events that impacted the Bank's results (mainly PEA and Liability Labor Provisions, which occurred in the second half of 2020).

### Profitability and Yield Ratios (%)

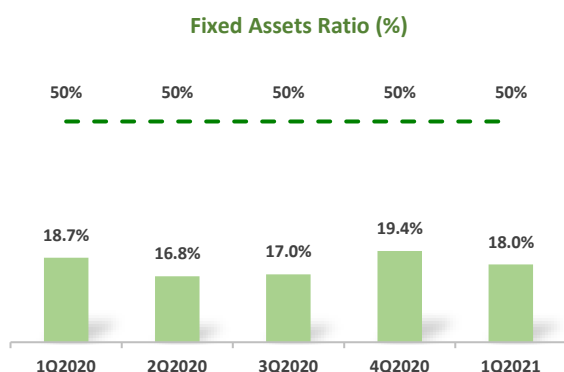


### Capitalization and Basel Ratio

Ratios and Capitalization (R\$ million)	1Q2021	4Q2020		V3M	1Q2020		V12M
Reference Equity (PR)	478.5	442.9	▲	+8.0%	479.2	▼	-0.2%
Tier I	433.5	399.6	▲	+8.5%	419.3	▲	+3.4%
Tier II	45.0	43.4	▲	+3.9%	59.9	▼	-24.9%
Basel Ratio	11.33%	11.15%	▲	+0.18 pp.	14.12%	▼	-2.79 pp.
Principal Capital Ratio	10.26%	10.06%	▲	+0.20 pp.	12.35%	▼	-2.09 pp.
Capital Rate Tier I	10.26%	10.06%	▲	+0.20 pp.	12.35%	▼	-2.09 pp.
Minimum Basel Ratio + ACP	9.25%	9.25%	►	NA	10.50%	▼	-1.25 pp.
Margin on Reference Equity, including capital for coverage of Interest Rate Risk of Banking Portfolio and ACP.	53,536	55,454	▼	-3.5%	38,840	▲	+37.9%

Banese's Conglomerate Basel Ratio totaled 11.3% at the end of 1Q2021, up by 0.18 pp. over 4Q2020, due to the 8.5% growth in the Tier I Reference Equity (around R\$33.9 million), mainly due to the YTD result for the period. The Tier II Reference Equity grew by 3.9% (around R\$1.67 million) due to the incorporation of interest on subordinated financial bills.

Besides, the 6.4% growth in Risk-Weighted Assets (RWA) (around R\$252.2 million) over 4Q2020, due to the 7.1% growth in Assets Weighted by Loan Risk (RWACPAD) (around R\$249.8 million).



#### Fixed Assets Ratio

The fixed asset-to-equity ratio ended 1Q2020 at 18.0%, reducing by 1.4 p.p. over the ratio in 4Q2020, due to the 8.7% increase in the Reference Equity (approximately R\$35.6 million).

The result was substantially lower than the 50.0% maximum immobilization limit imposed by the Brazilian Central Bank.

It is worth noting that the lower this figure is, the better.

#### Ratings

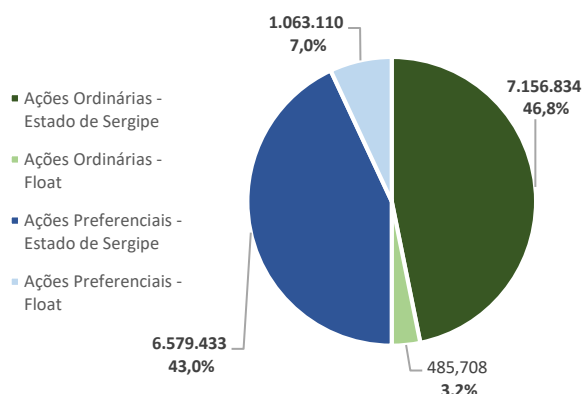
On April 17, 2020, Fitch Ratings affirmed the Bank's Brazilian Long-Term Rating at 'A-(bra)' (A minus (bra)) and changed the outlook from Negative to Stable. At the same time, the agency also affirmed the Bank's Brazilian Short-Term Rating at 'F1(bra)'. The change in outlook considered the economic impact of the coronavirus pandemic, which could negatively affect the quality of assets and the Bank's profitability, even though its liquidity indicators remain adequate.

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 former 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.

Agency	Scale	Long-Term	Short-Term	Outlook
<i>Fitch Ratings</i>	Brazilian	A- (bra)	F1 (bra)	Negative
<i>Moody's</i>	Brazilian – Deposits	Aa3 br	BR-1	Negative
	Global Brazilian Currency - Deposits	Ba2	Not Prime	Negative
	Global Foreign Currency - Deposits	Ba2	Not Prime	Negative

## ADDITIONAL INFORMATION

### Banese on B3



Banese's ownership structure in 1Q2021 was comprised of 89.8% of shares owned by the Government of Sergipe, and 10.2% of shares are Free Float. The outstanding shares are comprised of 31.3% ON shares and 68.7% PN 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 shares are listed in B3's ITAG index, which concentrates on shares with special tag-along rights.

### Customers and Service Channels

Banese's customer base totaled 879,427 account holders and savers in 1Q2021, with 850,028 individual customers and 29,399 corporate customers.

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, and taking out loans through Chat Online.

The use of self-service channels to make transactions has become a priority for Banese's customers, as 83.7% of the total transactions were made in self-service in 1Q2021, with 75.0% on digital channels.

This quarter, there was a 25.7% increase in the number of transactions carried out on the Internet and Mobile Banking YoY. Highlighting the higher volume traded in 1Q2021, up by 311.5% over 1Q2020 and 143.2% over 4Q2020.

### Channel Data

	1Q2021	4Q2020		V3M	1Q2020		V12M
Branches	63	63	►	NA	63	►	NA
Service Points	09	09	►	NA	09	►	NA
ATMs	461	486	▼	-25	492	▼	-31
Bank Correspondents in Brazil	203	204	▼	-1	197	▲	+4
Transactions in Branches, ATMs, and Bank Correspondents	9.0 million	9.8 million	▼	-8.2%	9.9 million	▼	-9.1%
Transaction Volume	R\$9.8 billion	R\$9.7 billion	▲	+1.0%	R\$10.0 billion	▼	-2.0%
Online Transactions	27.4 million	31.9 million	▼	-14.1%	21.8 million	▲	+25.7%
Transaction Volume	R\$10.7 billion	R\$4.4 billion	▲	+143.2%	R\$2.6 billion	▲	+311.5%

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 currently has 63 branches, with 57 physical units (15 in the capital and 42 in the countryside). In 1Q2021, Banese completed the migration of 2 branches to the same address where its main branch in the capital of Sergipe already operated.

### Financial Services – Banese 2.0

Focused on meeting the needs of customers through innovative solutions and adopting new technologies to offer products and services, Banese has modernized banking services and means of payment, for example, making available Instant Payments (PIX) and including digital services in the recharge options of daily consumer services such as Games, Uber, Netflix, Spotify, among others.

Among modernization initiatives that will be implemented during this year are the Open Banking (standardized data and services shared by regulated institutions by opening and integrating their systems, using dedicated interfaces for this purpose) and a partnership to expand the bill payment and recharge operation, with access to all types of agreements.

### Investments in Human Capital

Banese invests in actions and programs that encourage employees' continuous learning and encourage the search for self-development, raising the performance and engagement of teams and promoting innovation and growth opportunities.

The Professional Training Incentive Program aims to increase the knowledge base of employees by offering scholarships that cover 50% of the monthly tuition of undergraduate, specialization, foreign language courses and courses in digital learning platforms in operating areas that are linked to the Bank's strategic planning. Specialization courses occupy the largest number of active scholarships, followed by foreign language.

In 1Q2021, the Corporate University, which has a new visual identity and tools that allow greater engagement from the target audience, has engaged employees to take the lead in their corporate training by building knowledge paths that genuinely interest and contribute to the professional's success in the corporate environment.

To encourage continuing education, it also has programs that ensure obtaining certifications and attending events and training, with most carried out in virtual learning environments and call conference rooms. These actions and programs can promote a learning and development culture for teams and each employee part of them, which can be seen in the Bank's results.

### BANESE CONGLOMERATE

Banese's economic conglomerate is comprised by Banese S.A. and 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.

### Sergipe Administradora de Cartões e Serviços S.A.

Sergipe Administradora de Cartões e Serviços S.A. (SEAC) offers solutions for payment methods and related services, focused on the credit cards market, vouchers and acquisition solutions. The Banese Card is present in the States of Sergipe, Alagoas, Paraíba, and expanded to the States of Rio Grande do Norte, Ceará and Bahia.

The number of qualified customers reached 610,000 clients in 1Q2021, up by 5.4% over 1Q2020. The volume of transactions using products managed by SEAC (Banese Debit, Banese Card and Banese Food/M meal Card) closed 1Q2021 totaling R\$814.1 million, up by 29.2% over 1Q2020. The Banese Card credit card (with a 67.7% share) reached R\$551.5 million, up by 24.7% YoY. The financial volume generated by Other Brands, with a 24.2% share, totaled R\$197.5 million. This performance is due to partnerships with large retail chains, extensive accreditation actions, expanded revolving limits, and Elo cards' rollout.

In 1Q2021, SEAC continued with its strategic projects to make new products and services available, remodeling the current ones, making them more attractive, promoting improvement in the service channels and meeting the trends of the means of payment market. In this quarter, Co-branded (credit cards similar to Private label cards, but with the advantage that the customer can buy at any place accredited to the card's brand) was carried out with a group of supermarkets in the State.

#### **Banese Corretora de Seguros**

Banese Administradora e Corretora de Seguros Ltda. has consolidated its partnership with the main insurance companies in Brazil to improve customer service and increase the portfolio of new products offered to the audience.

In 1Q2021, the Broker's volume reached R\$25.5 million in contracted insurance, corresponding to 70% of the amount YoY. It is worth noting that 1Q2020 had a very expressive result, considering an investment of around R\$9 million in the pension plan product.

Revenue fell by 18.3% in 1Q2021 YoY due to the change in the commissioning of the most relevant financial product (lender insurance), with the remaining payment as a quarterly profit share.

#### **Instituto Banese and Museu da Gente Sergipana (Banese Institute and Museum of the People of Sergipe)**

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 rescuing, promoting and diffusing Sergipe's culture. Banese Institute benefited 10,262 people in 1Q2021, directly linked to strategic projects in the 13 entities supported, and indirectly benefited people, totaling an investment of around R\$54,000.

The Museu da Gente Sergipana Governador Marcelo Déda museum, 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)**

	03.31.2021	03.31.2020
<b>Revenue from Financial Intermediation</b>	<b>157,323</b>	<b>165,860</b>
Credit Transactions	135,437	135,605
Income from Marketable Securities Transactions	19,298	27,456
Earnings from Compulsory Investment	2,588	2,799
<b>Financial Intermediation Expenses</b>	<b>(45,859)</b>	<b>(64,767)</b>
Market Funding Operations	(26,687)	(39,046)
Loans and Onlending	(3,613)	(1,942)
Provision for Expected Credit Loss Associated with Credit Risk	(8,691)	(14,300)
Provision for Revolving Credit Card Loan	(6,868)	(9,479)
<b>Gross Income from Financial Intermediation</b>	<b>111,464</b>	<b>101,093</b>
Other Operating Revenues (Expenses)	(56,797)	(60,240)
Service Revenues	37,146	33,389
Banking Fee Revenue	17,547	19,013
Personnel Expenses	(51,802)	(54,238)
Other Administrative Expenses	(63,006)	(58,740)
Tax Expenses	(14,728)	(14,445)
Equity Income in Affiliates and Subsidiary	-	-
Other Operating Revenues	29,390	26,330
Other Operating Expenses	(11,344)	(11,549)
<b>Expenses with Provisions</b>	<b>(7,174)</b>	<b>(4,288)</b>
Expenses with Provisions for Contingencies	(7,174)	(4,288)
<b>Operating Income</b>	<b>47,493</b>	<b>36,565</b>
Non-Operating Income (Expenses)	-	-
<b>Pre-tax Income</b>	<b>47,493</b>	<b>36,565</b>
Income and Social Contribution Taxes	(19,771)	(14,960)
Provision for Income Tax	(5,469)	(10,664)
Provision for Social Contribution Tax	(4,213)	(7,202)
Deferred Tax Asset	(10,089)	2,906
Profit Sharing – Employees and Management	(1,939)	(2,199)
<b>Net Income Before Non-Controlling Interest</b>	<b>25,783</b>	<b>19,406</b>
Non-Controlling Interests	(1,857)	(2,751)
<b>Net Income</b>	<b>23,926</b>	<b>16,655</b>

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

	03.31.2021	03.31.2020
<b>Revenue from Financial Intermediation</b>	<b>152,898</b>	<b>159,658</b>
Credit Transactions	135,711	136,335
Income from Marketable Security Transactions	14,599	20,524
Earnings from Compulsory Investment	2,588	2,799
<b>Financial Intermediation Expenses</b>	<b>(39,674)</b>	<b>(55,895)</b>
Market Funding Operations	(27,370)	(39,653)
Loans and Onlending	(3,613)	(1,942)
Provision for Expected Credit Loss Associated with Credit Risk	(8,691)	(14,300)
Provision for Revolving Credit Card Loan	-	-
<b>Gross income from Financial Intermediation</b>	<b>113,224</b>	<b>103,763</b>
Other Operating Revenues (Expenses)	(65,780)	(69,446)
Service Revenues	14,507	14,847
Banking Fee Revenue	17,547	19,013
Personnel Expenses	(43,114)	(46,298)
Other Administrative Expenses	(48,157)	(44,649)
Tax Expenses	(8,895)	(9,198)
Equity Income In Affiliates and Subsidiary	4,700	2,723
Other Operating Revenues	5,412	3,923
Other Operating Expenses	(7,780)	(9,807)
<b>Expenses with Provisions</b>	<b>(6,578)</b>	<b>(3,847)</b>
Expenses with Provisions for Contingencies	(6,578)	(3,847)
<b>Operating Income</b>	<b>40,866</b>	<b>30,470</b>
Non-Operating Income	-	-
<b>Pre-Tax Income</b>	<b>40,866</b>	<b>30,470</b>
Income and Social Contribution Taxes	(15,001)	(11,616)
Provision for Income Tax	(4,227)	(9,224)
Provision for Social Contribution Tax	(3,446)	(6,313)
Deferred Tax Asset	(7,328)	3,921
Profit Sharing – Employees and Management	(1,939)	(2,199)
<b>Net Income Before Non-Controlling Interest</b>	<b>23,926</b>	<b>16,655</b>
Non-Controlling Interests	-	-
<b>Net Income</b>	<b>23,926</b>	<b>16,655</b>

## Consolidated Balance Sheet – ASSETS (R\$ thousand)

	03.31.2021	12.31.2020
<b>CURRENT ASSETS</b>	<b>4,049,474</b>	<b>3,935,459</b>
CASH AND CASH EQUIVALENTS	101,495	80,485
FINANCIAL INSTRUMENTS	4,023,470	3,940,388
INTERBANK INVESTMENTS	1,203,795	1,416,741
Reverse Repurchase Agreements	277,976	647,004
Interbank Deposits	925,819	769,737
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	990,019	819,728
Own Portfolio	979,352	811,286
Subject to Repurchase Agreements	10,044	7,821
Linked to Guarantees Given	623	621
INTERBANK ACCOUNTS	448,440	394,853
Payments and Receivables to be Settled	50,608	29,464
Restricted Deposits:	387,111	365,349
- Central Bank Deposits	386,791	365,098
- Agreements	320	251
Correspondents	10,721	40
LOAN OPERATIONS	779,924	696,524
Loan Operations:	779,924	696,524
- Private Sector	779,924	696,524
OTHER RECEIVABLES	601,292	612,542
Unearned Income	12,757	13,813
Sundry	588,853	599,274
Allowance for Losses on Other Receivables Without Loan Characteristics	(318)	(545)
PROVISIONS FOR EXPECTED LOAN LOSSES	(79,903)	(88,413)
Provision for Loan Losses	(48,847)	(52,431)
Provision for Other Doubtful Accounts	(1,433)	(1,517)
Provision for Receivables Related to Payment Transactions	(29,623)	(34,465)
OTHER ASSETS	4,412	2,999
Other Assets	2,205	1,422
Prepaid Expenses	2,207	1,577
<b>NON-CURRENT ASSETS</b>	<b>3,445,807</b>	<b>3,304,083</b>
LONG-TERM RECEIVABLES	3,343,836	3,202,702
FINANCIAL INSTRUMENTS	3,105,378	2,962,251
INTERBANK INVESTMENTS	303,840	327,243
Interbank Deposits	303,840	327,243
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	638,621	536,912
Own Portfolio	638,621	536,912
INTERBANK ACCOUNTS	60,914	59,768
Restricted Deposits:	60,914	59,768
- National Housing System (SFH)	60,914	59,768
LOAN OPERATIONS	1,846,558	1,846,558
Loan Operations:	1,846,558	1,846,558
- Private Sector	1,846,558	1,846,558
OTHER RECEIVABLES	193,807	191,770
Unearned Income	10	29
Sundry	200,836	198,780
Allowance for Losses on Other Receivables Without Loan Characteristics	(7,039)	(7,039)

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

	03.31.2021	12.31.2020
<b>PROVISIONS FOR EXPECTED LOAN LOSSES</b>	(48,560)	(48,761)
Provision for Loan Losses	(48,560)	(48,761)
<b>TAX CREDITS</b>	208,611	216,916
Tax credits on Temporary Differences	178,402	187,614
Tax credits on Negative Tax Basis	3,956	4,833
Tax credits on Taxes and Contributions to be Compensated	26,253	24,469
<b>OTHER ASSETS</b>	78,407	72,296
Other Assets	79,427	73,957
Allowance for Devaluation	(4,977)	(4,977)
Prepaid Expenses	3,957	3,316
<b>INVESTMENTS</b>	-	-
Interest in Affiliates and Subsidiaries	-	-
<b>OTHER INVESTMENTS</b>	6	6
Other Investments	454	454
Provisions for Losses	(448)	(448)
<b>PROPERTY AND EQUIPMENT FOR USE</b>	240,327	236,273
Property for Use	74,214	74,193
Other Property and Equipment Items for Use	166,113	162,080
<b>INTANGIBLE ASSETS</b>	75,926	74,321
Intangible Assets	75,926	74,321
<b>DEPRECIATION AND AMORTIZATION</b>	(214,288)	(209,219)
Accumulated Amortization of Property and Equipment Items for Use	(154,056)	(150,179)
Accumulated Amortization of Intangible Assets	(60,232)	(59,040)
<b>TOTAL</b>	<b>7,495,281</b>	<b>7,239,542</b>



Consolidated Balance Sheet – LIABILITIES (R\$ thousand)

	03.31.2021	12.31.2020
<b>CURRENT LIABILITIES</b>	<b>5,167,916</b>	<b>5,090,172</b>
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	4,518,411	4,373,682
DEPOSITS	4,401,442	4,280,166
Demand Deposits	1,070,232	1,036,185
Savings Deposits	1,880,783	1,879,392
Interbank Deposits	152,232	139,906
Time Deposits	1,295,938	1,222,472
Other Deposits	2,257	2,211
INTERBANK ACCOUNTS	37,871	4,839
Receivables and Payments to be Settled	37,871	4,839
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	33,512	43,873
Funds from Real Estate, Mortgage, Credit and Similar Notes	33,512	43,873
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	45,586	44,804
BNDES	2,553	1,276
FINAME	439	438
Other Institutions	42,594	43,090
OTHER LIABILITIES	649,505	716,490
Collection of Taxes and Alike	14,702	660
Social and Statutory Charges	426	16,547
Tax and Social Security Obligations	20,857	34,842
Third-Party Funds in Transit	645	262
Sundry	612,875	664,179
<b>NON-CURRENT LIABILITIES</b>	<b>1,772,431</b>	<b>1,618,314</b>
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	1,472,284	1,324,435
DEPOSITS	1,328,129	1,192,276
Time Deposits	1,328,129	1,192,276
OPEN MARKET FUNDING	10,032	7,814
Own Portfolio	10,032	7,814
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	47,388	38,700
Funds from Real Estate, Mortgage, Credit and Similar Notes	47,388	38,700
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	86,735	85,645
BNDES	10,476	11,212
FINAME	744	801
Other Institutions	75,515	73,632
OTHER LIABILITIES	113,027	109,410
Subordinated Debts	112,590	108,414
Sundry	437	996
PROVISIONS	176,832	174,118
Provisions for Contingencies	176,832	174,118
DEFERRED INCOME	10,288	10,351
Deferred Income	10,288	10,351



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

	03.31.2021	12.31.2020
<b>SHAREHOLDERS' EQUITY</b>	<b>554,934</b>	<b>531,056</b>
Capital - Domiciled in Brazil	426,000	348,000
Capital Increase	-	78,000
Profit Reserves	85,760	85,760
Other Comprehensive Results	(23,952)	(23,952)
Retained earnings	21,246	-
Non-Controlling Interests	45,880	43,248
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>7,495,281</b>	<b>7,239,542</b>

## Consolidated Statement of Value Added (R\$ thousand)

	03.31.2021	03.31.2020
<b>VALUE ADDED CALCULATION</b>		
Revenue from Financial Intermediation	157,323	165,860
Financial Intermediation Expenses	(45,859)	(64,767)
Other Operating Revenues (Expenses/Provisions)	10,872	10,493
Service revenue	54,693	52,402
Materials, Energy, Third-Party Services and Other Expenses	(56,108)	(52,076)
<b>Gross Value Added</b>	<b>120,921</b>	<b>111,912</b>
<b>Retentions</b>	<b>(4,965)</b>	<b>(5,085)</b>
Amortization	(1,183)	(1,260)
Depreciation	(3,782)	(3,825)
<b>Net Value Added Produced by the Company</b>	<b>115,956</b>	<b>106,827</b>
<b>Value Added Received in Transfer</b>	-	-
Equity Pickup	-	-
<b>Value Added to be Distributed</b>	<b>115,956</b>	<b>106,827</b>
<b>DISTRIBUTION OF VALUE ADDED</b>		
<b>Government</b>	<b>34,499</b>	<b>29,405</b>
Tax Expenses	24,817	11,539
Income and Social Contribution Taxes	9,682	17,866
<b>Employees</b>	<b>53,741</b>	<b>56,437</b>
Salaries and Fees	32,063	32,957
Social Charges	11,533	12,655
Private Pension Plan	1,230	1,248
Benefits and Training	6,976	7,378
Profit Sharing	1,939	2,199
<b>Rents</b>	<b>1,023</b>	<b>1,169</b>
<b>Taxes and Contributions</b>	<b>910</b>	<b>410</b>
<b>Non-Controlling Interests</b>	<b>1,857</b>	<b>2,751</b>
<b>(Accumulated Losses) / Retained Earnings</b>	<b>23,926</b>	<b>16,655</b>
<b>Value Added Distributed</b>	<b>115,956</b>	<b>106,827</b>



## Consolidated Cash Flow (R\$ thousand)

	03.31.2021	03.31.2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Adjusted net income</b>	<b>58,790</b>	<b>50,154</b>
Net Income	23,926	16,655
<b>Adjustment to Net Income</b>	<b>34,864</b>	<b>33,499</b>
Equity Pickup Adjustment - Exercises	(2,680)	-
Allowance for Loan Losses	8,691	14,300
Provision/ (Reversal) for Restricted Deposits-FCVS	1,127	126
Depreciation and Amortization	5,070	5,174
PIS and COFINS tax Credit on Depreciation with Affiliates	(105)	(89)
Adjustment of Provision for Liabilities	7,174	4,288
Other Operational Provisions	1,626	2,928
Expense for Loyalty Bonus	242	2,141
Marketable Securities Marking to Market	571	271
Deferred Tax Asset	10,089	(2,906)
Capital Losses	294	455
Reversal of Other Operating Provisions	(3,956)	(985)
Inflation Adjustment	(147)	(366)
Other Operational Revenue	-	(1,317)
Equity Income in Subsidiaries	-	-
Provision for Revolving Credit Card Loan	6,868	9,479
<b>Variation in Assets and Liabilities</b>	<b>(406,388)</b>	<b>321,140</b>
(Increase) Decrease in Short-Term Liquidity Investments	(132,679)	67,745
(Increase) Decrease in Marketable Securities and Derivative Financial Instruments	(272,571)	(16,762)
(Increase) Decrease in Interbank Accounts (Assets/ Liabilities)	(22,828)	31,258
(Increase) Decrease in Credit Transactions	(145,038)	(36,433)
(Increase) Decrease in Other Assets	(7,524)	493
(Increase) Decrease in Other Credits	2,933	46,339
(Increase) Decrease in Provisions for Losses Associated with Credit Risk	(24,270)	(21,312)
(Increase) Decrease in Other Receivables	8,305	(7,705)
Increase (Decrease) in Deposits	257,129	298,166
Increase (Decrease) in Funds Obtained in the Open Market	2,218	3,546
Increase (Decrease) in Borrowings and Onlending	1,872	3,252
Increase (Decrease) in Deferred Income	(63)	(184)
Increase (Decrease) in Other Liabilities	(69,412)	(45,119)
Increase (Decrease) in Provisions	(4,460)	(2,144)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(347,598)</b>	<b>371,294</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property and Equipment for Use	(4,058)	(5,574)
Write-off of Property and Equipment for Use	95	-
Disposal of property and equipment	4	-
Intangible Asset Investments	(1,606)	(483)
Deferred Tax on Intangible Assets	10	-
Equity Pickup Adjustment - Previous Year	-	-
Dividends Received from Subsidiary	-	-
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(5,555)</b>	<b>(6,057)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Non-Controlling Interests	2,632	1,038
Increase (Decrease) in Real Estate	(1,673)	(10,770)
Subordinated Debts	4,176	2,634
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>5,135</b>	<b>(7,098)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(348,018)</b>	<b>358,139</b>
<b>Cash and banks at the beginning of the period</b>	<b>727,489</b>	<b>613,613</b>
<b>Cash and banks at the end of the period</b>	<b>379,471</b>	<b>971,752</b>