



Banese



BANCO DO ESTADO DE SERGIPE S/A – BANESE 4Q20 and FY2020 EARNINGS RELEASE

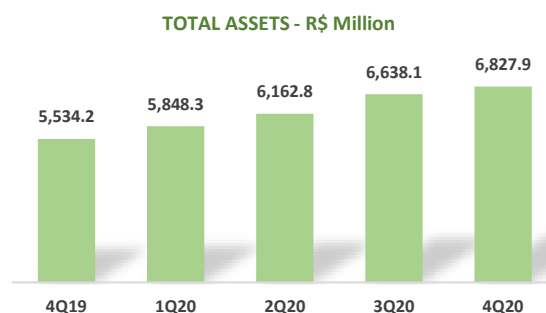
For immediate disclosure: Aracaju, February 26, 2021. Banco do Estado de Sergipe S.A. – **BANESE** (“Banese” or “Bank”), a mixed-capital corporation with shares traded on B3, under the tickers BGIP3 (registered common shares) and BGIP4 (registered preferred shares), and listed in the ITAG (Special Tag-Along Stock Index) index, announces its results for the 4Q2020 and FY2020. For additional information, please access Banese’s investor relations website at <https://ri.banese.com.br/>.

BANESE RECORDS NET INCOME OF R\$54.3 MI LOAN ASSETS AND VOLUME CAPTURED CONTINUED GROWING

4Q2020 Highlights

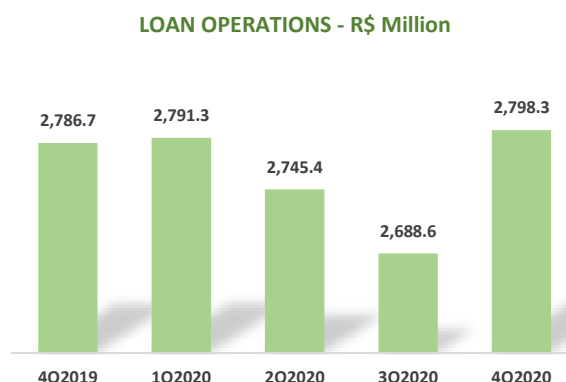
All comparisons in this section refer to 4Q2019 (12M)

- Total Assets of R\$6.8 billion (+23.4%).
- Net Equity of R\$487.8 million (+12.4%);
- Financial Investments of R\$3.3 billion (+46.5%).
- Total funding of R\$5.9 billion (+23.6%).



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

- Loan operations of R\$2.8 billion (+4.1%);
- Total Revenue increased by R\$11.1 million (+4.4%);
- Net Income of R\$19.8 million (+120.0%);
- Delinquency Rate fell by 0.19 pp.



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4Q20 and 2020 Earnings Release Banco do Estado de Sergipe S.A. - BANESE

Equity Items - R\$ million	4Q2020	4Q2019		V12M	4Q2020	3Q2020		V3M
Total Assets	6,827.9	5,534.2	▲	+23.4%	6,827.9	6,638.1	▲	+2.9%
Loan Operations	2,798.3	2,786.7	▲	+0.4%	2,798.3	2,688.6	▲	+4.1%
Financial Investments ⁽¹⁾	3,342.3	2,281.3	▲	+46.5%	3,342.3	3,379.0	▼	-1.1%
Total Funding	5,948.0	4,810.8	▲	+23.6%	5,948.0	5,806.8	▲	+2.4%
Equity	487.8	433.9	▲	+12.4%	487.8	497.8	▼	-2.0%

Income Statement Items - R\$ million	2020	2019		V12M	4Q2020	3Q2020		V3M
Total Revenue	943.6	916.0	▲	+3.0%	266.6	255.5	▲	+4.3%
Gross Income from Financial Intermediation	454.4	397.8	▲	+14.2%	136.3	120.5	▲	+13.1%
Operating Result	80.9	116.9	▼	-30.8%	16.6	13.6	▲	+22.1%
Financial Margin ⁽²⁾	504.9	472.7	▲	+6.8%	144.9	122.3	▲	+18.5%
EBITDA ⁽³⁾	85.7	121.1	▼	-29.2%	16.7	15.2	▲	+9.9%
Net Income	54.3	83.6	▼	-35.0%	19.8	9.0	▲	+120.0%
Net Interest Income (NII) ⁽⁴⁾	448.6	438.5	▲	+2.3%	111.1	108.8	▲	+2.1%
Service Revenue	132.6	134.6	▼	-1.5%	33.0	33.1	▼	-0.3%
Allowance for Loan Losses	140.8	125.9	▲	+11.8%	20.0	48.7	▼	-58.9%
Administrative Expenses	394.5	339.7	▲	+16.1%	137.6	87.5	▲	+57.3%
Net Margin ⁽⁵⁾	5.8%	9.1%	▼	-3.3 pp	7.4%	3.5%	▲	+3.9 pp
EBITDA Margin ⁽⁶⁾	9.1%	13.2%	▼	-4.1 pp	6.3%	5.9%	▲	+0.4 pp

Efficiency Ratios and Measures (%)	2020	2019		V12M	4Q2020	3Q2020		V3M
Delinquency (% of the portfolio)	1.44%	1.18%	▲	+0.26 pp	1.44%	1.63%	▼	-0.19 pp
Basel Ratio	11.15%	13.30%	▼	-2.15 pp	11.15%	14.09%	▲	-2.94 pp
Net Interest Margin (NIM) ⁽⁷⁾	7.2%	8.5%	▼	-1.3 pp	1.8%	1.8%	►	NA
Return on Assets (ROA) ⁽⁸⁾	0.9%	1.5%	▼	-0.6 pp	0.9%	0.7%	▲	+0.2 pp
Return on Shareholders' Equity (ROE) ⁽⁹⁾	11.4%	20.8%	▼	-9.4 pp	11.4%	9.7%	▲	+1.7 pp
Efficiency Ratio ⁽¹⁰⁾	67.4%	71.9%	▼	-4.5 pp	57.7%	58.7%	▼	-1.0 pp
Provisioning Coverage Ratio	3.9%	4.1%	▼	-0.2 pp	3.9%	4.4%	▼	-0.5 pp
Administrative Coverage Ratio ⁽¹¹⁾	33.6%	39.6%	▼	-6.0 pp	24.0%	37.8%	▼	-13.8 pp
Payroll Coverage Ratio ⁽¹²⁾	57.7%	77.0%	▼	-19.3 pp	35.1%	70.7%	▼	-35.6 pp

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

(2) Gross Financial Intermediation Result + Allowance 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 (credit operations + interbank investments + marketable securities + interbank accounts).

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

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

(10) (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

2020's highlight in Brazil was the economic shock due to the Covid-19 pandemic, but with a recovery trend as of the second half, after easing security measures, providing fiscal stimulus and relaxing the monetary policy. The end of the year was characterized by the resumption of the industry and trade above pre-crisis level, while services was much lower. Even so, the estimated fall in 2020 GDP was 4.3%, less than forecast by analysts.

The level reached by the unemployment rate has been reflecting the slow economy recovery, and continues with the growth prospect in 2021 before decreasing. The basic interest rate at its historic minimum level (2.00% p.a.) and inflation at 4.5% also contributed to the economic expansion, as a loan growth for companies and families was observed throughout the year, both in the Brazil and Sergipe.

Banese had many actions during 2020 to alleviate the misfortunes generated by the Coronavirus pandemic. The Bank focused on taking care of its customers and employees, mainly by donating R\$5.3 million, intended to purchase materials and help fight the new Coronavirus. Following all guidelines by WHO (World Health Organization), Ministry of Health and Government, we intensified our commitment as a development agent in the State.

The result in 2020, specially in the last quarter, shows our customers and shareholders that the business model adopted by the Bank made it possible for us to adapt to the adverse scenario and generated new opportunities, highlighting loans available with special conditions, exclusive offers for debt renegotiation, free home support, new features in Banese's app and Internet Banking, training courses available through "Capacitar-SE" project, among others. We would like to thank our employees who worked hard to overcome the adversities faced by all in 2020.

ANALYSIS OF OPERATIONS

Assets

Total Assets by Type – R\$ million

	4Q2020	4Q2019		V12M	3Q2020		V3M
Credit Assets	2,798.3	2,786.7	▲	+0.4%	2,688.6	▲	+4.1%
(-) Provisions	-109.7	-114.7	▼	-4.4%	-119.1	▼	-7.9%
Net Credit Assets	2,688.6	2,672.0	▲	+0.6%	2,569.5	▲	+4.6%
Financial Investments	2,990.3	1,942.8	▲	+53.9%	3,089.0	▼	-3.2%
Restricted Credits	425.1	365.4	▲	+16.3%	365.5	▲	+16.3%
Permanent Assets	179.9	106.0	▲	+69.7%	107.5	▲	+67.3%
Other	544.0	447.9	▲	+21.5%	506.6	▲	+7.4%
Total	6,827.9	5,534.2	▲	+23.4%	6,638.1	▲	+2.9%

The balance of total assets surpassed the R\$6.8 billion mark at the end of 4Q2020, up by 23.4% in 12 months. It is worth noting the higher balance of financial investments (R\$+1,047.5 million in 12M), distributed in Repurchase Transactions backed by Federal Public Securities, Time Deposits with Special Guarantee (DPGE) and Interbank Deposits. The growth in financial investments was directly due to the increase in funding and low loan expansion.

Net assets invested in loans grew by 0.6% in 12M (+R\$16.6 million) and by 4.6% in 3M (-R\$119.1 million), with a portfolio of R\$2.7 billion at the end of 4Q2020.

The provisioning volume decreased in twelve months due to the settlement of loan losses, recorded at high-risk levels. In the quarter, the drop in provisions was due to the transfer of loan operations from assets to liabilities in the portfolio.

Regarding linked credits, both the 12-month (R\$59.7 million) and 3-month (R\$59.6 million) analysis show a positive variation due to the unappealable proceeding regarding the Salary Variation Compensation Fund - FCVS, updating and reconciling the recorded balances.

At the end of 4Q2020, net loan assets represented 39.4% of total assets and short-term investments accounted for 43.8%. Quarter-on-quarter, the share of net loan assets grew by 0.7 p.p. and financial investments fell by 2.7 p.p. Year-on-year, financial investments increased their share by 8.7 p.p. while net loan assets fell by 8.9 p.p.

Permanent assets varied positively, mainly due to the capital contribution, which occurred in the last quarter, reaching R\$70.0 million 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 previous interest of 49.75%.

Funding

Funding by Product Line – R\$ million

	4Q2020	4Q2019		V12M	3Q2020		V3M
Time Deposits	1,047.0	770.0	▲	+36.0%	943.4	▲	+11.0%
Savings Deposits	1,879.4	1,472.0	▲	+27.7%	1,748.9	▲	+7.5%
Court Deposits	1,088.5	1,036.7	▲	+5.0%	1,051.1	▲	+3.6%
CDB/RDB	1,463.8	1,115.8	▲	+31.2%	1,624.8	▼	-9.9%
CDI/DPGE	139.9	126.7	▲	+10.4%	139.5	▲	+0.3%
LF/LFS/LCI	191.0	196.3	▼	-2.7%	185.9	▲	+2.7%
Repurchase Transactions	7.8	0.1	▲	+7700.0%	5.1	▲	+52.9%
Onlending Obligations	130.3	92.9	▲	+40.3%	107.9	▲	+20.8%
Total	5,947.7	4,810.5	▲	+23.6%	5,806.6	▲	+2.4%

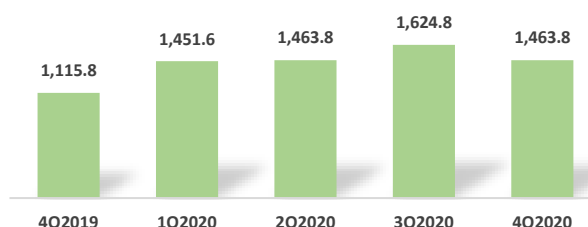
At the end of 4Q2020, total funds raised reached R\$5.9 billion, up by 23.6% in 12M, mainly reflecting the growth in savings deposits (R\$+407.4 million), in time deposits (R\$+348.0 million) and cash deposits (R\$+277.0 million). In the last quarter, increased by 2.4%, due to the growth in savings deposits (R\$+130.5 million), time deposits (R\$+103.6 million) and court deposits (R\$+37.4 million).

Funding volume from interbank deposits (CDI) increased by 10.4% in the last 12 months (R\$+13.2 million) and 0.3% QoQ, reflecting the funding that is reciprocity of investments in interbank deposits linked to real estate loan and funding from Time Deposits with Special Guarantee from FGC (DPGE).

The balance of Subordinated Financial Bills increased by 4.2% (R\$4.4 million) in the quarter, and by 11.5% (R\$11.1 million) in 12 months, both due to inventory compensation. Financial Bills increased slightly, by 0.1% in the quarter, due to stock compensation, and a fell by -0.5% in 12 months, due to interest payments in the period. Funding in Real Estate Bills went slightly up by 1.9% in the quarter, due to operations renewed at a higher value. In 12 months, fell by -32.7% (R\$-16.2 million), due to non-renewed maturities.

Evolution of Time Deposits (CDB/RDB)

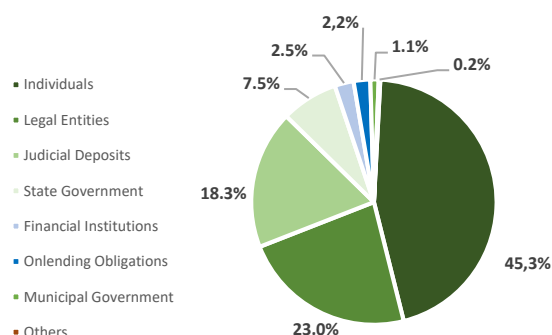
Time Deposits - R\$ Million



Time deposits reached R\$1.5 billion in December 2020, down by R\$161.0 million in the quarter, equivalent to -9.9%, impacted by the drop in funding from the State government. In 12 months, increased by 31.2% (R\$+348.0 million) due to the growth in funding from companies and the state government.

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

Key Funding Sources (% of the Total)



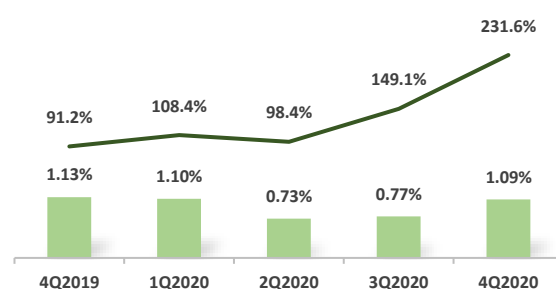
Banese's key funding sources are individuals, with approximately 45.3% of its total funding volume. Legal entities account for 23.0% of funding. The dilution of funding between individuals and legal entities reduce liquidity risks.

Court deposits represented 18.3% of Banese's total funding.

The funding cost increased by 0.32 p.p. in the quarter, mainly due to the increase in the cost of funding in Subordinated Financial Bill (LFS), which was affected by the higher National Consumer Price Index (INPC). Compared to 4Q2019, there was a -0.04 p.p. drop due to the growth in the share of savings deposits in total funding and the cut to the country's basic interest rate.

As for the CDI, the increase in the quarter comparing 3Q2020 and 4Q2019 was due to funding with pre-fixed indexes, such as subordinated debt, and the decrease in the SELIC rate in 12 months.

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



Credit

Loan Portfolio by Type – R\$ million

	4Q2020	4Q2019		V12M	3Q2020		V3M
Commercial Portfolio	1,914.3	1,939.0	▼	-1.3%	1,859.6	▲	+2.9%
For Individuals	1,476.8	1,588.5	▼	-7.0%	1,462.3	▲	+1.0%
For Legal Entities	437.5	350.5	▲	+24.8%	397.3	▲	+10.1%
Development Portfolio	628.8	594.4	▲	+5.8%	607.3	▲	+3.5%
For Individuals	490.3	464.7	▲	+5.5%	477.1	▲	+2.8%
For Legal Entities	138.5	129.7	▲	+6.8%	130.2	▲	+6.4%
Securities and Credits Receivable	255.2	253.3	▲	+0.8%	221.7	▲	+15.1%
Total	2,798.3	2,786.7	▲	+0.4%	2,688.6	▲	+4.1%

Banese's loan portfolio reached R\$2.8 billion in assets, up by 4.1% QoQ and 0.4% YoY, despite the impacts due to the Covid-19 pandemic.

The growth recorded in the quarter was due to the set of integrated sales actions to increase the stock of assets, profitability and expand the customer base, in a movement to recover the economy. Highlighting the consignment, CDC, prepayment of receivables and working capital backed by revenues from credit card sales. The contribution of the corporate portfolio focused in the working capital. Highlighting the increase of R\$65.4 million in the product, which represents a growth of 26.5% in 12 months; in the quarter, this increase reached 13.9% (R\$+38.1 million).

Banese has the largest share of the credit market with free resources from Sergipe, a 37.4% share according to the Central Bank of Brazil (November 2020). Apr/2020). The Bank's exposure is focused on retail operations, mainly payroll loans and small and medium-sized companies. The positive variation of the individual commercial loan portfolio is a result of planned actions for the self-service channels, new business lines with partner companies and state and municipal public agencies, and strategic by the business units to reach customers eligible for credit, including through credit portability initiatives. The individual public represented 77.1% of the bank's loan portfolio at the end of 4Q2020.

The development loan portfolio, which includes the management of real estate, industrial and agribusiness portfolios, represented 22.5% of Banese's total portfolio, totaling a balance of R\$628.8 million in 4Q2020. The growth of the portfolio in the last 12 months was affected by operations granted in rural credit portfolios (+6.6%), due to the stronger agribusiness, and real estate financing (+7.7%) for both the public corporate and public individual. In the same period, the industrial portfolio fell by 3.0%.

In the last quarter, development loan grew: the mortgage loan portfolio grew by 2.8% due to loan portability actions and new loans to individuals; the industrial loan portfolio grew by +10.6%, due to the transactions contracted with funds from BNDES, with the sole purpose of working capital, with this action related directly to the Emergency Credit Access Program - PEAC, in effect until December 2020; and the rural portfolio grew by 1.5%, arising from transactions to promote agricultural activity.

The portfolio of Securities and Receivables with Loan Characteristics grew by around R\$33.5 million in the last quarter, due to the greater use of the revolving credit card limit in the period. In 12 months, a R\$1.9 million growth was recorded in the portfolio.

Loan Portfolio Quality by Risk Rating

	R\$ million		Change	% of the portfolio		Change
	4Q2020	4Q2019		4Q2020	4Q2019	
AA	975.6	1,015.0	▼ -3.9%	34.9%	36.4%	▼ -1.5 pp
A	1,026.8	1,037.0	▼ -1.0%	36.7%	37.2%	▼ -0.5 pp
B	453.3	414.0	▲ +9.5%	16.2%	14.9%	▲ +1.3 pp
C	201.7	155.0	▲ +30.1%	7.2%	5.6%	▲ +1.6 pp
D - H	140.8	165.7	▼ -15.0%	5.0%	5.9%	▼ -0.9 pp
Total	2,798.3	2,786.7	▲ +0.4%	100.0%	100.0%	► NA

In relative terms, the loan operations classified under the "AA" to "C" risk ratings range account for 95.0% of Banese's total loan portfolio (+0.9 pp. compared to 94.1% in 4Q2019). Loans classified under the "D" to "H" risk ratings, which concentrate the operations with the highest credit risk, represent 5.0% of Banese's credit portfolio (-0.9 p.p. versus the 5.9% in 4Q2019).

Loan Quality by Portfolio 4Q2020- R\$ million

	Total	Commercial	Industrial	Rural	Real Estate	Other
AA	975.6	975.6	0	0	0	0
A	1,026.8	291.9	18.5	81.0	387.2	248.2
B	453.3	370.0	52.3	17.6	7.2	6.2
C	201.7	171.1	17.5	8.3	4.4	0.3
D - H	140.8	105.6	1.1	21.4	12.3	0.4
Total	2,798.3	1,914.2	89.4	128.3	411.1	255.2

In relation to the loan risk levels by segment, the rural portfolio (where loans are classified as "D - H" account for 16.7% of the portfolio) have 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

	4Q2020	4Q2019		V12M	3Q2020		V3M
Short-Term Interbank Investments	1,744.0	862.2	▲	+102.3%	1,991.1	▼	-12.4%
Marketable Securities	1,237.9	1,079.4	▲	+14.7%	1,092.2	▲	+13.3%
Mutual Fund Shares	4.0	45.6	▼	-91.2%	46.3	▼	-91.4%
Fixed Income	1,233.9	1,033.8	▲	+19.4%	1,045.9	▲	+18.0%
Repurchase Transactions + Guarantees	8.4	1.0	▲	+740.0%	5.7	▲	+47.4%
Remunerated Compulsory Deposits	352.0	338.7	▲	+3.9%	290.0	▲	+21.4%
Total	3,342.3	2,281.3	▲	+46.5%	3,379.0	▼	-1.1%

Interbank liquidity investments fell by 12.4% in 4Q2020 (R\$-247.1 million), due to the lower volume of Repurchase Transactions and compliance assets with the Central Bank (DI Real Estate and DI Rural), even with the increased investments in Interbank Deposit and Time Deposit with Special Guarantee (DPGE). In 12 months, grew by 102.3% (R\$+881.8 million), affected by investments in Time Deposits with Special Guarantee (DPGE), Interbank Deposits and Repurchase Transactions.

Securities grew by 13.3% over 3Q2020 (R\$+145.7 million), and 14.7% in 12 months (R\$+158.5 million), both due to the increased investments in Financial Treasury Bills (LFT) and Financial Bills (LF). In the period, there was 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 Interbank Investments in Liquidity and Securities reached R\$3.0 billion at the end of December 2020, down by 3.3% (R\$-101.4 million) in the quarter, affected by an increase in loans granted. In 12 months, grew by 53.6% (R\$+1.0 billion), due to the increased funding and low credit expansion.

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 in order to mitigate risks related to changes in value and volatility of financial instruments.

Portfolio Profitability

Banese's treasury asset portfolio currently adopts a strategy that includes investing all liquid assets in low-risk instruments in order to maintain comfortable liquidity and capital levels.

The YTD portfolio profitability in 4Q2020 reached 97.77% of the CDI, higher than 94.42% of the CDI in 3Q2020, due to the mark-to-market (MtM) of the Treasury Financial Bills (LFT) and the increase in the private loan portfolio. The result is lower than 100.66% of the CDI rate in 4Q2019, mainly due to the aforementioned mark-to-market (MtM). The trend presented by MtM of LFTs, specially in the second half of 2020, shows the fiscal risk linked to the National Treasury, mainly due to the uncertain compliance with the spending ceiling by the Federal Government and issues expected when rolling over the public debt. However, the greater short-term indebtedness results in a higher compensation requirement, including LFTs, a security always considered less risky and less volatile.

ANALYSIS OF RESULTS

Revenue

Breakdown of Revenue – R\$ million

	2020	2019		V12M	4Q2020	3Q2020		V3M
Credit Revenue	512.7	522.2	▼	-1.8%	123.8	123.9	▼	-0.1%
Income from Financial Investments	68.8	129.5	▼	-46.9%	16.4	14.6	▲	+12.3%
Service Revenue	132.6	134.4	▼	-1.3%	33.0	33.1	▼	-0.3%
Income from Equity Investments	11.6	11.9	▼	-2.5%	3.9	2.4	▲	+62.5%
Other Operating Income	217.7	115.5	▲	+88.5%	89.5	81.5	▲	+9.8%
Non-Operating Revenue	0.2	2.5	▼	-92.0%	0.01	0.01	►	NA
Total	943.6	916.0	▲	+3.0%	266.6	255.5	▲	+4.3%

Banese's revenues totaled R\$943.6 million in 2020, up by 3.0% over 2019. Highlight to other operating income: income from loans linked to SFH (R\$+47.1 million) in 4Q2020, referring to the final and unappealable lawsuit on the Compensation Fund for Salary Variations - FCVS in favor of Banese; and reversal of provisions for loan operations (R\$+46.3 million), mainly reversals in the commercial and industrial portfolios.

In 4Q2020, revenues totaled R\$266.6 million, up by 4.3% QoQ. Highlight to the Other Operating Revenues, directly affected by the extraordinary income from FCVS, slightly offset by the decreased income with reversion for loan operations.

Revenue from financial investments grew R\$1.8 million in the quarter, due to the effects of mark-to-market (MtM) on part of the Federal Public Securities that make up the own portfolio and contribution of investments in assets with higher profitability. Between 2019 and 2020, there was a R\$60.7 million drop, mainly due to the country's lower basic interest rate, despite the higher balance of financial investments in the same period.

Service Revenues totaled R\$33.0 million at the end of 4Q2020. Quarter-on-quarter, we observed a 0.3% decrease and a 1.3% decrease in 12 months, due to lower fees for services in the health insurance portfolio.

As a way of aligning with the market and matching services and solutions, Banese invests in initiatives such as: new digital recharges of online products, opening of bank accounts in batches, smart deposits, partnerships to increase payment agreements, PIX and Open Banking.

Costs and Expenses

Direct Operating Costs – R\$ million

	2020	2019		V12M	4Q2020	3Q2020		V3M
Funding Expenses	123.0	204.8	▼	-39.9%	26.7	25.8	▲	+3.5%
Earnings from Marketable Securities	3.7	4.0	▼	-7.5%	0.3	2.9	▼	-89.7%
Loan Obligations	6.2	4.4	▲	+40.9%	2.0	1.0	▲	+100.0%
Total	132.9	213.2	▼	-37.7%	29.0	29.7	▼	-2.4%

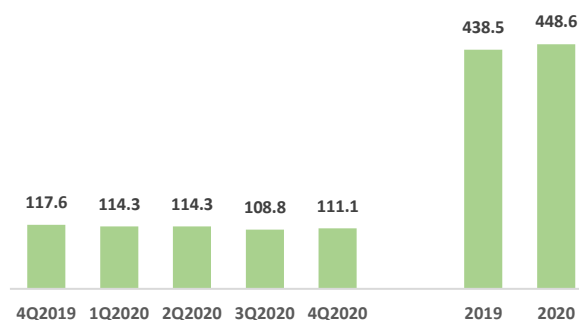
Funding expenses fell by 39.9% (R\$-81.8 million) between 2020 and 2019, directly related to the lower basic interest rate of the economy - Selic Target. In the last quarter, grew 3.5% (R\$967,000), due to higher expenses with Subordinated Financial Bills, leveraged by the increased INPC in the period.

Net Interest Income (NII)

Net Interest Income (Credit Revenue Plus Income from Financial Investments less Direct Funding Costs) increased by 2.1% QoQ. Compared to 4Q2019, fell by -5.5%.

The result is a combination of factors presented in the previous items mentioned in this report, such as the higher revenues from financial investments in the quarter, even with higher funding expenses. The result YoY was due the drop in revenues from financial investments.

Net Interest Income (NII) - R\$ Million



Personnel/Payroll Expenses – R\$ million

	2020	2019		V12M	4Q2020	3Q2020		V3M
Salaries	150.9	104.5	▲	+44.4%	68.5	29.3	▲	+133.8%
Benefits	28.3	22.9	▲	+23.6%	11.0	5.7	▲	+93.0%
Social Charges	50.4	46.4	▲	+8.6%	14.5	11.8	▲	+22.9%
Training and Other	0.3	1.1	▼	-72.7%	0.06	0.05	▲	+20.0%
Total	229.9	174.9	▲	+31.4%	94.1	46.8	▲	+100.8%

Personnel expenses grew by 31.4% in 12 months and 100.8% 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. There was also a salary readjustment and payment of allowances signed in the National Bargaining Agreement and specific Banese Bargaining Agreement, respectively.

The increased personnel expenses in the last quarter led to a 19.3 p.p. drop in the payroll coverage index in 12 months, reaching 57.7% at the end of fiscal year 2020.

The Administrative Coverage Ratio reaching 33.6% in 2020, varying by -6.0 p.p. year-on-year.

Other Administrative Expenses – R\$ million

	2020	2019		V12M	4Q2020	3Q2020		V3M
Third-Party Services	79.3	76.4	▲	+3.8%	21.7	20.5	▲	+5.9%
Consumption, Maintenance and Materials	21.0	23.5	▼	-10.6%	4.9	5.2	▼	-5.8%
Systems and Data Processing	28.2	31.4	▼	-10.2%	7.0	7.2	▼	-2.8%
Insurance	3.6	3.7	▼	-2.7%	0.9	0.8	▲	+12.5%
Transportation of Cash	9.8	8.6	▲	+14.0%	2.8	2.6	▲	+7.7%
Taxes	1.9	2.2	▼	-13.6%	0.4	0.9	▼	-55.6%
Other Expenses	20.8	19.0	▲	+9.5%	5.8	3.5	▲	+65.7%
Total	164.6	164.8	▼	-0.1%	43.5	40.7	▲	+6.9%

Other administrative expenses grew by 6.9% (R\$+2.8 million) in the last quarter, highlighting the group of Other Expenses, mainly expenses related to Advertising, Advertising and Public Relations (R\$+1.8 million).

In 12 months, fell by -0.1% (-R\$0.2 million), with the higher drop in expenses with Systems and Data Processing and expenses with Consumption, Maintenance and Materials, due to administrative measures to control and cut expenses.

Other Operating Expenses – R\$ million

	2020	2019		V12M	4Q2020	3Q2020		V3M
Amortization and Depreciation	16.3	16.0	▲	+1.9%	4.0	4.0	►	NA
Provisions for Loan Operations	140.8	125.9	▲	+11.8%	20.0	48.7	▼	-58.9%
Credit Depreciation	29.2	0.5	▲	+5740.0%	28.8	0.1	▲	+28700.0%
Liability Provisions	63.2	33.2	▲	+90.4%	12.3	42.2	▼	-70.9%
Partnership with the Court of Justice	17.5	18.2	▼	-3.8%	4.5	4.3	▲	+4.7%
ISS/PIS/COFINS Taxes	37.2	37.9	▼	-1.8%	10.8	9.0	▲	+20.0%
Discounts Granted	4.3	0.1	▲	+4200.0%	0.4	2.8	▼	-85.7%
Profit Sharing	8.1	12.6	▼	-35.7%	2.8	1.0	▲	+180.0%
Other	17.6	11.9	▲	+47.9%	2.3	6.5	▼	-64.6%
Total	334.2	256.3	▲	+30.4%	85.9	118.6	▼	-27.6%

Other Operating Expenses grew R\$77.9 million in 12 months, highlighting expenses with Liabilities for Labor Provisions related to compliance with court decisions in lawsuits regarding the Paid Weekly Rest - DSR (R\$+30.0 million); Provision for the Devaluation of Loans related to the Salary Variation Compensation Fund - FCVS (R\$+28.7 million); and Provisions for Loan Losses (R\$+14.9 million).

In the last quarter there was a partial decrease in expenses with liability provisions, due to the adoption of the Retirement Stimulus Plan - PEA.

The drop in expenses with Provisions for Loan Operations in the quarter was due to the settlement of loan operations linked to industrial loan. Year-on-year, the increased provision expense is mainly due to migrations to worse levels of “D - H” risk of loan operations focused on the corporate segment.

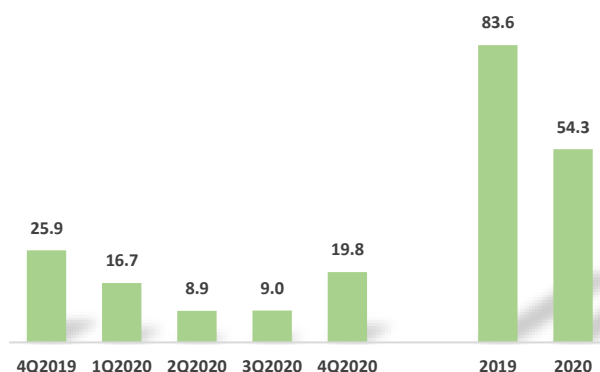
Net Income

Banese’s net income in 4Q2020 totaled R\$19.8 million, up by 120.0% over 3Q2020 and down by 23.6% over 4Q2019.

The Net Income is due to many factors already mentioned, highlighting other operating revenues, with the positive effect of the unappealable FCVS lawsuit, also the result from the accounting of the Bank’s Retirement Incentive Plan. Given the lower operating efficiency, with the year’s result affected by the economy’s lower basic interest rate and the restrictions imposed by the COVID - 19 pandemic, the 4Q2020 figures are considered positive.

YTD net income in 2020 reached R\$54.3 million, down by 35.0% compared to R\$83.6 million in 2019.

Net Income - R\$ Million



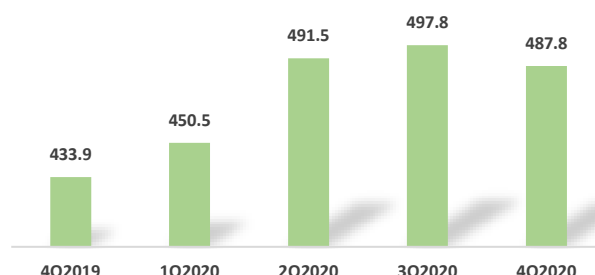
Equity

Banese's equity was positive by 12.4% YoY and fell by 2.0% QoQ.

The increased in 12 months is due to the incorporation of 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 actuarial adjustment negatively impacted Banese's Shareholders' Equity by -R\$-24.0 million at the end of 4Q2020 due to the lower market rate used to calculate the present value of actuarial obligations. The negative effect on the Bank's Shareholders' Equity was -R\$-39.5 million in 4Q2019 and -R\$-7.3 million in 3Q2020.

Shareholders' Equity - R\$ Millions

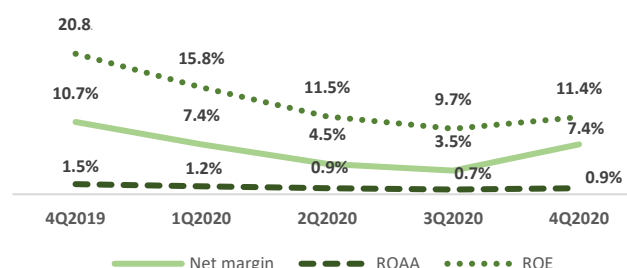


Profitability and Yield Ratios

The Return on Equity (ROE), Net Margin and Return on Average Assets (ROAA) decreased in 12 months, with the business results suffering the impacts of the current pandemic.

In the last quarter, the ratios improved, due to the beginning of actions that provide a better resumption in business, as presented in this report.

Profitability and Yield Ratios (%)

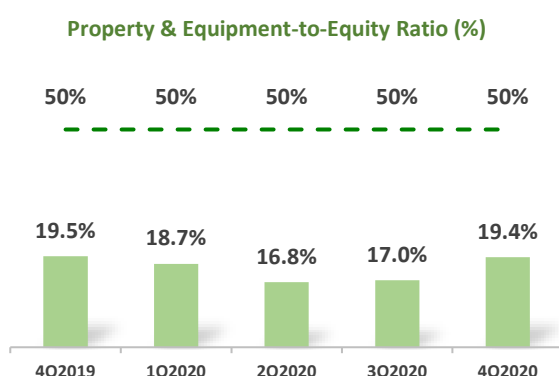


Capitalization and Basel Ratio

Ratios and Capitalization (R\$ million)	2020	2019	V12M	4Q 2020	3Q 2020	V 3 M
Reference Equity (PR)	442.9	451.2	▼ -1.84%	442.9	507.6	▼ -12.74%
Tier I	399.6	392.9	▲ +1.69%	399.6	465.9	▼ -14.25%
Tier II	43.3	58.3	▼ -25.63%	43.3	41.6	▲ +4.21%
Basel Ratio	11.15%	13.30%	▼ -2.15 p. p	11.15%	14.09%	▼ -2.94 p.p
Core Capital Ratio	10.06%	11.58%	▼ -1.52 p. p	10.06%	12.94%	▼ -2.88 p. p
Tier I Capital Ratio	10.06%	11.58%	▼ -1.52 p. p	10.06%	12.94%	▼ -2.88 p. p
Minimum Basel Ratio + ACP	9.25%	10.50%	▼ -1.25 p.p.	9.25%	9.25%	► NA
Margin on Reference Equity, including capital for coverage of Interest Rate Risk of Banking Portfolio and ACP.	55,505	78,667	▼ -29.44%	55,505	147,868	▼ -62.46%

Banese Conglomerate's Basel Ratio totaled 11.15% at the end of 4Q2020, down by 2.94 p.p. over 3Q2020, due to the lower Reference Equity (PR), down by 12.74 % (around R\$64.6 million). The PR drop was due to the increased Prudential Adjustment accounts, notably Temporary Difference Tax Loans (around R\$51.8 million), due to a provision recognized for the Retirement Incentive Program - PEA (R\$21.1 million), Salary Variation Compensation Fund - FCVS (R\$13.1 million) and SERGUS Actuarial Liabilities (around R\$13.6 million); and Unrealized Losses - Equity Valuation and Securities by 227.3% (around R\$16.6 million), also due to the increase in SERGUS Actuarial Liabilities.

Assets Weighted by Risk (RWA) also grew 10.25% (around R\$369.2 million) over 3Q2020, due to the 11.96% growth (around R\$375.8 million) in Assets Weighted by Loan Risk (RWACPAD).



Property & Equipment-to-Equity Ratio

The fixed asset-to-equity ratio ended 4Q2020 at 19.4%, increasing by 2.4 p.p. over the ratio in 3Q2020, due to the 12.7% decrease in the Reference Equity (around R\$64.6 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

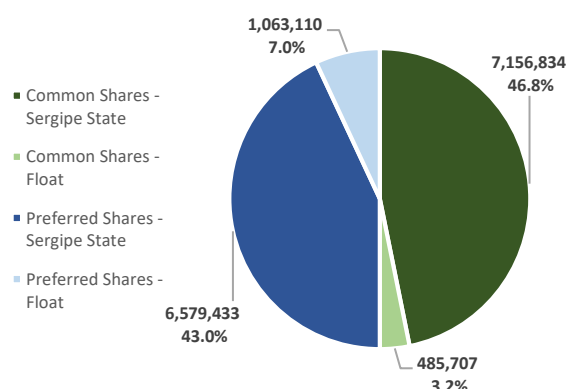
On April 17, 2020, Fitch Ratings affirmed the Bank's National Long-Term Rating at 'A-(bra)' (A minus (bra)) and changed the outlook from Negative to Stable. At the same time, the agency also affirmed the Bank's National Short-Term Rating at 'F1(bra)'. The change in outlook considered the economic impact 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>	National	A- (bra)	F1 (bra)	Negative
<i>Moody's</i>	National – Deposits	Aa3 br	BR-1	Negative
	Global National Currency - Deposits	Ba2	<i>Not Prime</i>	Negative
	Global Foreign Currency - Deposits	Ba2	<i>Not Prime</i>	Negative

ADDITIONAL INFORMATION

Banese on B3



Banese's ownership structure in 4Q2020 was comprised by 89.8% of shares owned by the State 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 shares with special tag-along rights.

Clients and Service Channels

Banese's customer base totaled 881,449 account holders and savers in 2020, with 849,690 individual customers and 31,759 corporate customers. The number of customers changed by 0.2% compared to 2019.

The focus on digital channels ensures convenience for customers and more agility in the acquisition of a wide portfolio of products and services. The use of self-service channels to make transactions remains as the method preferred by Banese's customers, as 82.9% of the total transactions were made in self-service in 2020, with 72.0% on digital channels.

At the end of 2020, there was an 8.2% increase in the YoY number of transactions carried out on the Internet and Mobile Banking. Comparing 4Q2020 to 4Q2019, the number of transactions carried out grew 29.7%. Comparing to 3Q2020, grew 39.2%.

Channel Data

	2020	2019		V12M	4Q2020	3Q2020		V3M
Branches	63	63	►	NA	63	63	►	NA
Service Points	09	09	►	NA	09	09	►	NA
ATMs	486	488	▼	-2	486	491	▼	-5
Banking Correspondents in Brazil	204	204	►	NA	204	203	▲	1
Transactions in Branches, ATMs and Bank Correspondents	37.6 million	41.3 million	▼	-9.0%	9.8 million	9.4 million	▲	4.3%
Transaction Volume	R\$35.9 billion	R\$41.5 billion	▼	-13.5%	R\$9.7 billion	R\$8.5 billion	▲	14.1%
Online Transactions	98.6 million	91.1 million	▲	8.2%	31.9 million	22.9 million	▲	39.3%
Transaction Volume	R\$13.9 billion	R\$9.4 billion	▲	47.9%	R\$4.4 billion	R\$3.8 billion	▲	15.8%

Financial Services – Banese 2.0

The Intelligent Deposit service allows Legal Entities to obtain gains with an automated and proactive treasury management. This service speeds up the conversion of cash flows into working capital, reduces collection expenses and mitigates the operational failures.

The total transactions in 4Q2020 registered a volume of 14,700 and totaled R\$20.2 million. In 2020, the Bank expanded its digital services in the Recharges Portfolio, meeting the customer's need in the perception of daily consumer services, games and streaming.

Investments in Human Capital

Banese has been investing in actions and programs to develop its employees, encourage the search for self-development, raise the performance and engagement of teams, as well as promote innovation and growth opportunities.

The Professional Training Incentive Program has the purpose 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. Specialization courses occupy the largest number of active scholarships, followed by foreign language.

In 4Q2020, the Corporate University started its resumption through the development of contents that will be part of the base of courses on this platform. In addition, seeking equality in the provision of knowledge, the new platform includes vacancies for all employees of the institution and conglomerate.

In 2020, complying with the requirements of the State-Owned Companies Responsibility Law, Law 13303/2016, leaders also underwent a training program on corporate and capital market laws, information disclosure, internal control, code of conduct, Law 12846/13 (Anticorruption Law), and other matters related to activities and performance of the mixed-capital company listed on the stock exchange.

To encourage a continuing education, it also has programs that ensure obtaining certifications, as well as attending events and training. The Bank believes that with these actions and programs available, it is possible to promote a learning and development culture not only for teams, but also for each employee part of them, which can be perceived through the deliveries.

BANESE CONGLOMERATE

Banese's economic conglomerate is comprised by Banese 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 market, vouchers and acquisition solutions. The Banese Card is present in the States of Sergipe, Alagoas, Paraíba, and expanding to the States of Rio Grande do Norte, Ceará and Bahia.

The number of customers able to buy increased by 5.7% over 2019, totaling 615,500 customers in 2020. The volume of transactions using products managed by SEAC (Banese Debit, Banese Card and Banese Food/Meal Card) closed the year totaling R\$2.2 billion, a 10.0% change over 2019. The financial volume of the Banese Card (the Company's main product with a 89.02% share), reached R\$1.9 billion, up by 5.6% YoY. This performance is due to the higher number of carriers and the expansion of SEAC.

2020 was marked by the launching of the co-flagged Banese Elo Card, which can be used in national and international establishments that accept the Elo, Discover and Dinners cards, as well as the Banese Card Nanquim for high-income clients, which

offers: VIP rooms, travel insurance, shopping protection insurance, international travel chip, in addition to accumulating points in the Lívolo points program.

SEAC had a relevant participation in the development of the Mais Inclusão Card, an emergency aid government program during the pandemic period, which brought greater visibility to the food/meal card. SEAC also implemented an online proposal capture system, through the chat service available on Banese's Card website, in this 3Q2020, and made it possible for businesses to request online accreditation through Portal Lojista, which optimizes the process so that they can make transactions with Banese Card and other market brands, reducing bureaucracy, costs, and waiting time. Besides the improvements in architecture and usability, and the provision of new features to SEAC's customers and employees.

Banese Corretora de Seguros

Throughout the years, Banese Administradora e Corretora de Seguros Ltda. has entered into partnerships with the main insurance companies to better meet the customer's needs, offering the best solutions in different insurance lines.

In 2020, Banese Corretora reached a volume of R\$120.8 million in contracted insurance, up by 10.9% over 2019, mainly due to life insurance and private pension plans.

YTD operating revenue reached R\$27.2 million in 2020, up by 7.8% YoY.

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. The actions and projects of the entities supported by Instituto Banese benefited 10,384 individuals in 4Q2020 and invested R\$58.5 million.

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.

In September 2020, Banese Institute launched the virtual visit platform to the museum, an initiative that allows a 360° tour of all museum's facilities. Navigation is a complete, immersive and interactive experience just like in-person visits, making people feel as if they were inside the museum. In four months, the platform has already received over 1 million visits, exceeding the total number of in-person visitors to the Museum since it opened, in 2011, until March 2020, which totaled 714,340 people.



Banese



TABLES AND ATTACHMENTS

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

	12.31.2020	12.31.2019
Revenue from Financial Intermediation	653,234	690,830
Credit Transactions	528,762	538,497
Income from Marketable Securities Transactions	86,255	138,760
Earnings from Compulsory Investment	38,217	13,573
Financial Intermediation Expenses	(212,822)	(313,810)
Market Funding Operations	(120,981)	(201,556)
Loans and Onlending	(6,216)	(4,376)
Provision for Expected Credit Loss Associated with Credit Risk	(50,511)	(74,875)
Provision for Revolving Credit Card Loan	(35,114)	(33,003)
Gross Income from Financial Intermediation	440,412	377,020
Other Operating Revenues (Expenses)	(272,577)	(195,885)
Service Revenues	135,688	133,977
Banking Fee Revenue	76,354	78,307
Personnel Expenses	(265,073)	(209,925)
Other Administrative Expenses	(232,988)	(223,384)
Tax Expenses	(59,837)	(60,275)
Equity Income in Affiliates and Subsidiary	-	-
Other Operating Revenues	126,736	125,745
Other Operating Expenses	(53,457)	(40,330)
Expenses with Provisions	(68,904)	(36,038)
Expenses with Provisions for Contingencies	(68,904)	(36,038)
Operating Income	98,931	145,097
Non-Operating Income (Expenses)	-	-
Pre-tax Income	98,931	145,097
Income and Social Contribution Taxes	(27,211)	(36,883)
Provision for Income Tax	(43,283)	(31,443)
Provision for Social Contribution Tax	(34,089)	(20,132)
Deferred Tax Asset	50,161	14,692
Profit Sharing – Employees and Management	(8,093)	(12,589)
Net Income Before Non-Controlling Interest	63,627	95,625
Non-Controlling Interests	(9,288)	(12,011)
Net Income	54,339	83,614

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

	12.31.2020	12.31.2019
Revenue from Financial Intermediation	634,048	681,886
Credit Transactions	530,748	542,894
Income from Marketable Security Transactions	65,083	125,419
Earnings from Compulsory Investment	38,217	13,573
Financial Intermediation Expenses	(179,688)	(284,053)
Market Funding Operations	(122,961)	(204,802)
Loans and Onlending	(6,216)	(4,376)
Provision for Expected Credit Loss Associated with Credit Risk	(50,511)	(74,875)
Provision for Revolving Credit Card Loan	-	-
Gross income from Financial Intermediation	454,360	397,833
Other Operating Revenues (Expenses)	(313,223)	(248,078)
Service Revenues	56,371	56,303
Banking Fee Revenue	76,354	78,307
Personnel Expenses	(233,579)	(179,254)
Other Administrative Expenses	(175,348)	(174,258)
Tax Expenses	(39,147)	(40,111)
Equity Income In Affiliates and Subsidiary	11,603	11,891
Other Operating Revenues	34,961	32,109
Other Operating Expenses	(44,438)	(33,065)
Expenses with Provisions	(63,245)	(33,223)
Expenses with Provisions for Contingencies	(63,245)	(33,223)
Operating Income	77,892	116,532
Non-Operating Income	-	-
Pre-Tax Income	77,892	116,532
Income and Social Contribution Taxes	(15,460)	(20,329)
Provision for Income Tax	(38,404)	(23,461)
Provision for Social Contribution Tax	(30,939)	(15,067)
Deferred Tax Asset	53,883	18,199
Profit Sharing – Employees and Management	(8,093)	(12,589)
Net Income Before Non-Controlling Interest	54,339	83,614
Non-Controlling Interests	-	-
Net Income	54,339	83,614



Consolidated Balance Sheet – ASSETS (R\$ thousand)

	12.31.2020	12.31.2019
CURRENT ASSETS	3,935,459	3,833,705
CASH AND CASH EQUIVALENTS	80,485	93,628
FINANCIAL INSTRUMENTS	3,940,388	3,837,844
INTERBANK INVESTMENTS	1,416,741	862,246
Reverse Repurchase Agreements	647,004	519,985
Interbank Deposits	769,737	342,261
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	819,728	1,209,380
Own Portfolio	811,286	1,208,219
Subject to Repurchase Agreements	7,821	104
Linked to Guarantees Given	621	858
Linked to Central Bank of Brazil	-	199
INTERBANK ACCOUNTS	394,853	362,040
Payments and Receivables to be Settled	29,464	7,330
Restricted Deposits:	365,349	336,334
- Central Bank Deposits	365,098	336,184
- Agreements	251	150
Correspondents	40	18,376
LOAN OPERATIONS	696,524	869,401
Loan Operations:	696,524	869,401
- Private Sector	696,524	869,401
OTHER RECEIVABLES	612,542	534,777
Unearned Income	13,813	12,116
Sundry	599,274	522,815
Allowance for Losses on Other Receivables Without Loan Characteristics	(545)	(154)
PROVISIONS FOR EXPECTED LOAN LOSSES	(88,413)	(100,902)
Provision for Loan Losses	(52,431)	(60,955)
Provision for Other Doubtful Accounts	(1,517)	(1,580)
Provision for Receivables Related to Payment Transactions	(34,465)	(38,367)
OTHER ASSETS	2,999	3,135
Other Assets	1,422	1,395
Prepaid Expenses	1,577	1,740
NON-CURRENT ASSETS	3,304,083	2,130,345
LONG-TERM RECEIVABLES	3,202,702	2,027,755
FINANCIAL INSTRUMENTS	2,962,251	1,871,090
INTERBANK INVESTMENTS	327,243	-
Interbank Deposits	327,243	-
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	536,912	21,403
Own Portfolio	536,912	21,403
INTERBANK ACCOUNTS	59,768	29,106
Restricted Deposits:	59,768	29,106
- National Housing System (SFH)	59,768	29,106
LOAN OPERATIONS	1,846,558	1,664,072
Loan Operations:	1,846,558	1,664,072
- Private Sector	1,846,558	1,664,072
OTHER RECEIVABLES	191,770	156,509
Unearned Income	29	-
Sundry	198,780	156,509
Allowance for Losses on Other Receivables Without Loan Characteristics	(7,039)	-

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

	12.31.2020	12.31.2019
PROVISIONS FOR EXPECTED LOAN LOSSES	(48,761)	(52,145)
Provision for Loan Losses	(48,761)	(52,145)
TAX CREDITS	216,916	165,136
Tax credits on Temporary Differences	187,614	140,571
Tax credits on Negative Tax Basis	4,833	8,432
Tax credits on Taxes and Contributions to be Compensated	24,469	16,133
OTHER ASSETS	72,296	43,674
Other Assets	73,957	44,144
Allowance for Devaluation	(4,977)	(2,713)
Prepaid Expenses	3,316	2,243
INVESTMENTS	-	-
Interest in Affiliates and Subsidiaries	-	-
OTHER INVESTMENTS	6	6
Other Investments	454	454
Provisions for Losses	(448)	(448)
PROPERTY AND EQUIPMENT FOR USE	236,273	223,866
Property for Use	74,193	73,440
Other Property and Equipment Items for Use	162,080	150,426
INTANGIBLE ASSETS	74,321	68,554
Intangible Assets	74,321	68,554
DEPRECIATION AND AMORTIZATION	(209,219)	(189,836)
Accumulated Amortization of Property and Equipment Items for Use	(150,179)	(135,756)
Accumulated Amortization of Intangible Assets	(59,040)	(54,080)
TOTAL	7,239,542	5,964,050



Consolidated Balance Sheet – LIABILITIES (R\$ thousand)

	12.31.2020	12.31.2019
CURRENT LIABILITIES	5,090,172	4,245,344
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	4,373,682	3,643,741
DEPOSITS	4,280,166	3,574,253
Demand Deposits	1,036,185	757,056
Savings Deposits	1,879,392	1,472,015
Interbank Deposits	139,906	126,718
Time Deposits	1,222,472	1,218,236
Special Deposits Remuneration	2,211	228
INTERBANK ACCOUNTS	4,839	612
Receivables and Payments to be Settled	4,839	612
OPEN MARKET FUNDING	-	104
Own Portfolio	-	104
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	43,873	48,439
Funds from Real Estate, Mortgage, Credit and Similar Notes	43,873	48,439
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	44,804	20,333
BNDES	1,276	74
FINAME	438	1,033
Other Institutions	43,090	19,226
OTHER LIABILITIES	716,490	601,603
Collection of Taxes and Alike	660	1,698
Social and Statutory Charges	16,547	9,194
Tax and Social Security Obligations	34,842	16,495
Third-Party Funds in Transit	262	407
Sundry	664,179	573,809
NON-CURRENT LIABILITIES	1,618,314	1,245,438
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	1,324,435	1,009,684
DEPOSITS	1,192,276	886,567
Time Deposits	1,192,276	886,567
OPEN MARKET FUNDING	7,814	-
Own Portfolio	7,814	-
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	38,700	50,566
Funds from Real Estate, Mortgage, Credit and Similar Notes	38,700	50,566
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	85,645	72,551
BNDES	11,212	270
FINAME	801	1,231
Other Institutions	73,632	71,050
OTHER LIABILITIES	109,410	98,113
Subordinated Debts	108,414	97,273
Sundry	996	840
PROVISIONS	174,118	126,586
Provisions for Contingencies	174,118	126,586
DEFERRED INCOME	10,351	11,055
Deferred Income	10,351	11,055

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

	12.31.2020	12.31.2019
SHAREHOLDERS' EQUITY	531,056	473,268
Capital - Domiciled in Brazil	348,000	348,000
Capital Increase	78,000	-
Profit Reserves	85,760	125,327
Other Comprehensive Results	(23,952)	(39,470)
Non-Controlling Interests	43,248	39,411
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,239,542	5,964,050

Consolidated Statement of Value Added (R\$ thousand)

	12.31.2020	12.31.2019
VALUE ADDED CALCULATION		
Revenue from Financial Intermediation	653,234	690,830
Financial Intermediation Expenses	(212,822)	(313,810)
Other Operating Revenues (Expenses/Provisions)	4,375	49,377
Service revenue	212,042	212,284
Materials, Energy, Third-Party Services and Other Expenses	(202,111)	(197,178)
Gross Value Added	454,718	441,503
Retentions	(20,097)	(19,041)
Amortization	(4,931)	(5,424)
Depreciation	(15,166)	(13,617)
Net Value Added Produced by the Company	434,621	422,462
Value Added Received in Transfer	-	-
Equity Pickup	-	-
Value Added to be Distributed	434,621	422,462
DISTRIBUTION OF VALUE ADDED		
Government	87,048	97,158
Tax Expenses	9,676	45,583
Income and Social Contribution Taxes	77,372	51,575
Employees	273,166	222,514
Salaries and Fees	173,984	127,397
Social Charges	51,689	47,845
Private Pension Plan	5,081	4,874
Benefits and Training	34,319	29,809
Profit Sharing	8,093	12,589
Rents	4,621	4,709
Taxes and Contributions	6,159	2,456
Shareholders	13,164	224
Dividends	-	224
Interest on Equity	13,164	-
Non-Controlling Interests	9,288	12,011
(Accumulated Losses) / Retained Earnings	41,175	83,390
Value Added Distributed	434,621	422,462



Consolidated Cash Flow (R\$ thousand)

	12.31.2020	12.31.2019
CASH FLOW FROM OPERATING ACTIVITIES		
Adjusted net income	147,467	223,021
Net Income	54,339	83,614
Adjustment to Net Income	93,128	139,407
Allowance for Loan Losses	50,511	74,875
Provision/ (Reversal) for Restricted Deposits-FCVS	29,220	486
Depreciation and Amortization	20,476	19,334
PIS and COFINS tax Credit on Depreciation with Affiliates	(379)	(293)
Adjustment of Provision for Liabilities	68,904	36,038
Other Operational Provisions	13,597	10,821
Expense for Loyalty Bonus	5,846	1,897
Other Non-Operational Provisions	2,167	379
Marketable Securities Marking to Market	2,158	21
Deferred Tax Asset	(50,161)	(14,692)
Capital Losses	2,106	2,761
Reversal of Other Operating Provisions	(7,693)	(21,299)
Inflation Adjustment	(3,856)	(3,200)
Other Non-Operational Revenue	(4,654)	(724)
Equity Income in Subsidiaries	-	-
Provision for Revolving Credit Card Loan	(35,114)	33,003
Variation in Assets and Liabilities	2,657	(345,715)
(Increase) Decrease in Short-Term Liquidity Investments	(754,719)	(83,596)
(Increase) Decrease in Marketable Securities and Derivative Financial Instruments	(128,015)	(83,196)
(Increase) Decrease in Interbank Accounts (Assets/ Liabilities)	(88,468)	(33,069)
(Increase) Decrease in Credit Transactions	(9,609)	(502,167)
(Increase) Decrease in Other Assets	(28,486)	(6,525)
(Increase) Decrease in Other Credits	(48,768)	(66,492)
(Increase) Decrease in Provisions for Losses Associated with Credit Risk	(31,270)	40,177
(Increase) Decrease in Other Receivables	(51,780)	(35,968)
Increase (Decrease) in Deposits	1,011,622	259,147
Increase (Decrease) in Funds Obtained in the Open Market	7,710	(48,302)
Increase (Decrease) in Borrowings and Onlending	37,565	27,755
Gains / (Losses) Other Comprehensive Income	15,518	(35,614)
Increase (Decrease) in Deferred Income	(704)	(577)
Increase (Decrease) in Other Liabilities	93,433	151,729
Increase (Decrease) in Provisions	(21,372)	70,983
NET CASH GENERATED FROM OPERATING ACTIVITIES	150,124	(122,694)
CASH FLOW FROM INVESTING ACTIVITIES		
Transfer of Property in Use to Freelease	123	1
Acquisition of Property and Equipment for Use	(14,158)	(21,366)
Write-off of Property and Equipment for Use	379	-
Disposal of property and equipment	506	302
Intangible Asset Investments	(5,738)	(3,508)
Dividends Received from Subsidiary	-	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES	(18,888)	(24,571)
CASH FLOW FROM FINANCING ACTIVITIES		
Non-Controlling Interests	9,288	12,011
Dividends Paid to Non-Controlling	(1,712)	-
Dividendos Adicionais Propostos Não Pagos	(2,742)	-
Dividendo Obrigatórios	-	(225)
Interest on Capital	(16,903)	(19,858)
Increase (Decrease) in Real Estate	(16,432)	184
Subordinated Debts	11,141	(61,565)
NET CASH USED IN FINANCING ACTIVITIES	(17,360)	(69,453)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	113,876	(216,718)
Cash and banks at the beginning of the period	613,613	830,331
Cash and banks at the end of the period	727,489	613,613