



# Banese



## BANCO DO ESTADO DE SERGIPE S.A. – BANESE 1Q22 EARNINGS RELEASE

**For immediate disclosure:** Aracaju, May 13, 2022. Banco do Estado de Sergipe S.A. – **BANESE** (“Banese” or “Bank”), a mixed-capital corporation with shares traded on B3, under the tickers BGIP3 (registered common shares) and BGIP4 (registered preferred shares), and listed in the ITAG (Special Tag-Along Stock Index) index, announces its results for the 1Q22. For additional information, please access Banese’s investor relations website at <https://ri.banese.com.br/>.

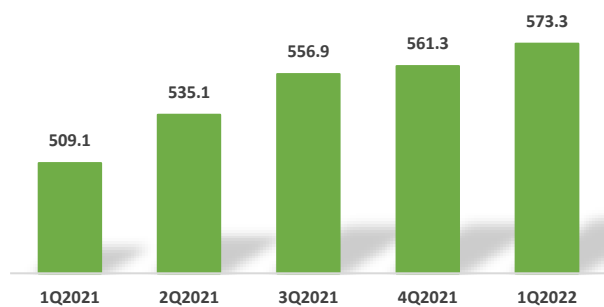
### BANESE RECORDS NET INCOME OF R\$12.0 million LOAN ASSETS AND FUNDING VOLUME CONTINUE GROWING

#### 1Q22 Highlights

All comparisons in this section refer to 1Q21 (12M)

- Shareholders' Equity of R\$573.3 million (+12.6%);
- Total assets of R\$7.9 billion (+12.4%);
- Loan operations increased R\$509.7 million (+17.4%);
- Total funding reached R\$7.0 billion (+13.8%);

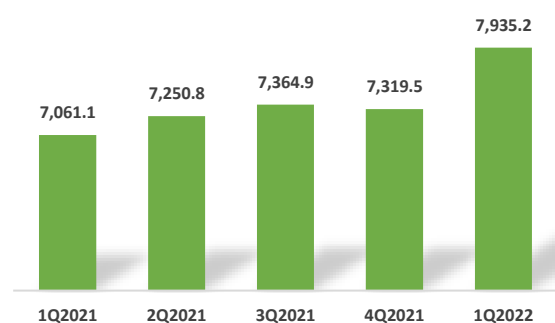
Net Equity - R\$ Millions



All comparisons in this section refer to 4Q21 (3M)

- Financial Investments registered a balance of R\$3.8 billion (+13.3%);
- Total revenue increased by R\$18.5 million (+6.5%);
- Revenues from Financial Investments totaled R\$80.1 million (+38.6%);
- Administrative Expenses decreased by 8.4%.

Total Assets - R\$ Million



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Equity Items - R\$ million	1Q22	4Q21		V3M	1Q21		V12M
Total Assets	7,935.2	7,319.5	▲	+8.4%	7,061.1	▲	+12.4%
Loan Operations	3,438.8	3,335.8	▲	+3.1%	2,929.1	▲	+17.4%
Financial Investments <sup>(1)</sup>	3,771.3	3,328.7	▲	+13.3%	3,384.4	▲	+11.4%
Total Funding	7,018.4	6,448.7	▲	+8.8%	6,165.8	▲	+13.8%
Shareholders' Equity	573.3	561.3	▲	+2.1%	509.1	▲	+12.6%

Income Statement Items - R\$ million	1Q22	4Q21		V3M	1Q21		V12M
Total Revenue	303.2	284.7	▲	+6.5%	220.9	▲	+37.3%
Gross Income from Financial Intermediation	84.4	96.9	▼	-12.9%	113.2	▼	-25.4%
Operating Results <sup>(2)</sup>	10.3	24.3	▼	-57.6%	40.9	▼	-74.8%
Financial Margin <sup>(3)</sup>	118.9	125.3	▼	-5.1%	121.9	▼	-2.5%
EBITDA <sup>(4)</sup>	16.5	31.3	▼	-47.3%	40.1	▼	-58.9%
Net Income	12.0	11.1	▲	+8.1%	23.9	▼	-49.8%
Net Interest Income (NII) <sup>(5)</sup>	117.5	121.4	▼	-3.2%	111.1	▲	+5.8%
Service Revenue	28.7	32.5	▼	-11.7%	32.0	▼	-10.3%
Provision for Loan Losses	56.2	41.9	▲	+34.1%	32.4	▲	+73.5%
Administrative Expenses	93.5	102.1	▼	-8.4%	87.7	▲	+6.6%
Net Margin <sup>(6)</sup>	3.9%	3.9%	►	N/A	10.8%	▼	-6.9 pp.
EBITDA Margin <sup>(7)</sup>	5.4%	11.0%	▼	-5.6 pp.	18.2%	▼	-12.8 pp.

Efficiency Ratios and Measures (%)	1Q22	4Q21		V3M	1Q21		V12M
Delinquency (% of the portfolio)	1.46%	1.21%	▲	+0.25 p.p.	0.97%	▲	+0.49 pp.
Basel Ratio	12.95%	13.15%	▼	-0.20 pp.	11.33%	▲	+1.62 pp.
Net Interest Margin (NIM) <sup>(8)</sup>	1.6%	1.8%	▼	-0.2 p.p.	1.7%	▼	-0.1 p.p.
Profitability s/ Assets (ROAA) <sup>(9)</sup>	0.6%	1.2%	▼	-0.6 p.p.	1.4%	▼	-0.8 pp.
Return on Net Equity (ROE) <sup>(10)</sup>	8.7%	15.7%	▼	-7.0 pp.	20.5%	▼	-11.8 pp.
Efficiency Ratio <sup>(11)</sup>	82.7%	78.9%	▲	+3.8 pp.	79.6%	▲	+3.1 pp.
Provisioning Coverage Ratio	4.3%	4.1%	▲	+0.2 p.p.	3.6%	▲	+0.7 p.p.
Administrative Coverage Ratio <sup>(12)</sup>	30.7%	31.8%	▼	-1.1 pp.	36.5%	▼	-5.8 pp.
Payroll Coverage Ratio <sup>(13)</sup>	63.8%	70.3%	▼	-6.5 pp.	76.0%	▼	-12.2 pp.

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

(2) Operating Revenue - Operating Expenses

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

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

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

(6) Net Income/Total Revenue.

(7) EBITDA/Total Revenue.

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

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

(10) Net Income over Average Shareholders' Equity (annualized rate).

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

(12) Revenue from Services/Administrative Expenses.

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

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

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

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

*\*Changes in methodology in 2Q21.*

### MESSAGE FROM MANAGEMENT

Global economic recovery has been driven, among many factors, by inflationary pressures and labor market instabilities, which have led financial authorities in many countries toward tighter monetary policies and consequently lower growth expectations. International Monetary Fund reduced its forecast for global GDP growth in 2022 from 4.9% to 4.4%, and the World Bank from 4.3% to 4.1%. It is expected the improvement of the pandemic scenario in Brazil will contribute significantly to a recovery of the service sector and labor market activities, even with negative effects from the Ukrainian war.

The projection for the Gross Domestic Product (GDP), according to the March 2022 Focus bulletin, is 0.5% for the year 2022. Accumulated 12-month inflation until March was 11.3%, aiming for an inflation target of 3.5% for 2022, including a tolerated margin of 1.5 percentage points. The SELIC basic interest rate reached 11.75% at the end of 1Q22.

Banese's Net Income totaled R\$12.0 million from January to March of this year, a result of the business performance, with expansion in the credit portfolio and growing funding. Banese's total assets exceeded R\$7.9 billion in the first quarter of 2022, with an increase of 12.4% in twelve months and 8.4% compared to 4Q21. The Company's business performance is positive, such as the Credit Portfolio, Total Assets, Shareholders' Equity, and Funding, even with an economic scenario still in slow recovery and high inflation.

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

### ANALYSIS OF OPERATIONS

#### Assets

Total Assets by Type – R\$ million

	1Q22	4Q21		V3M	1Q21		V12M
Loan Assets	3,438.8	3,335.8	▲	+3.1%	2,929.1	▲	+17.4%
(-) Provisions	-146.5	-135.7	▲	+8.0%	-105.9	▲	+38.3%
Net Loan Assets	3,292.3	3,200.1	▲	+2.9%	2,823.2	▲	+16.6%
Financial Investments	3,404.6	2,959.7	▲	+15.0%	3,011.2	▲	+13.1%
Restricted Loans	454.3	471.6	▼	-3.7%	448.0	▲	+1.4%
Permanent Assets	174.5	177.6	▼	-1.7%	176.2	▼	-1.0%
Others	609.5	510.5	▲	+19.4%	602.5	▲	+1.2%
<b>Total</b>	<b>7,935.2</b>	<b>7,319.5</b>	<b>▲</b>	<b>+8.4%</b>	<b>7,061.1</b>	<b>▲</b>	<b>+12.4%</b>

Banese's total assets exceeded R\$7.3 billion at the end of 1Q22, a growth of 8.4% in the last 3 months (R\$+615.7 million), highlighting a positive variation of 15.0% in the balance of financial applications (R\$+444.9 million); and in 12 months recorded a growth of 12.4% (R\$+874.1 million), highlighting net credit assets, with an increase of 16.6% (R\$+469.1 million), financial investments with an increase of 13.1% (R\$+393.4 million).

Provisioning volume grew by 8.0% (R\$10.8 million) in the quarter and 38.3% (R\$40.6 million) in 12 months, due to the portfolio increase in the period and the migration of risk levels of operations connected to the commercial portfolio.

At the end of 1Q22, net loan assets represented 41.5% of total assets and financial investments represented 42.9%. Net loan assets decreased their relative share by 2.2 p.p. QoQ, while financial investments fell by 2.5 p.p. Net assets increased their participation by 1.5 pp. in 12 months and financial investments by 0.3 pp.

As for restricted credits, the change noted in the quarter (R\$ -17.3 million) is related to the reduction in credits related to Pix - Instant Payments, consequently, lower need for funds. Over 12 months (R\$ +6.3 million), the variation refers to the increase in the demand deposit balance in the period.

Permanent Assets decreased in 3 months (R\$ -3.1 million) and in 12 months (R\$ -1.7 million), resulting from the incorporation of results from SEAC - Sergipe Administradora de Cartões S.A., a company owned by the Banese conglomerate.

## Funding

### Funding by Product Line – R\$ million

	1Q22	4Q21		V3M	1Q21		V12M
Demand Deposits	1,144.4	1,158.4	▼	-1.2%	1,071.8	▲	+6.8%
Savings Deposit	1,892.3	1,937.9	▼	-2.4%	1,880.8	▲	+0.6%
Judicial Deposits	1,367.9	1,287.3	▲	+6.3%	1,153.9	▲	+18.5%
Certificate of Bank Deposit/RDB	2,144.1	1,568.3	▲	+36.7%	1,571.1	▲	+36.5%
CDI/DPGE	132.6	152.0	▼	-12.8%	152.2	▼	-12.9%
LF/LFS/LCI	182.2	186.8	▼	-2.5%	193.5	▼	-5.8%
Repurchase Transactions	13.5	13.0	▲	+3.8%	10.0	▲	+35.0%
Onlending Obligations	141.4	145.0	▼	-2.5%	132.5	▲	+6.7%
<b>Total</b>	<b>7,018.4</b>	<b>6,448.7</b>	<b>▲</b>	<b>+8.8%</b>	<b>6,165.8</b>	<b>▲</b>	<b>+13.8%</b>

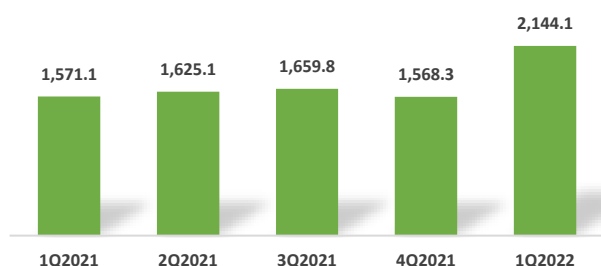
In 1Q22, total funds raised reached R\$7.0 billion, an increase of 8.8% in 3 months, mainly reflecting the growth in time deposits - CDB/RDB (R\$575.8 million) and judicial (R\$+80.6 million), whereas in the period there was a reduction in savings deposits (R\$ -45.6 million), interbank (R\$-19.4 million) and demand deposits (R\$-14.0 million). YoY Total funds raised increase 13.8% (R\$852.6 million), resulting from the growth in time deposits (R\$573.0 million), judicial deposits with remuneration (R\$+214.0 million), demand deposits (R\$+72.6 million) and savings (R\$+11.5 million).

Interbank deposits (CDI) decreased by R\$19.4 million in 1Q22 (-12.8%), due to the decrease in funding, which is a mutual benefit of the investments in interbank deposits linked to real estate and rural credit, and, in 12 months, a reduction of R\$19.6 million (-12.9%), due, in addition to the aforementioned factor, to the reduction in funding from Time Deposits with Special Guarantee.

The balance of Subordinated Financial Bills increased by 3.3% in 3 months (R\$+4.2 million) and 15.7% in 12 months (R\$+17.7 million), resulting from inventory compensation. Financial Bills increased by 0.4% in 3 months (R\$+135 thousand) and in 12 months a reduction of 33.8% (R\$ -16.0 million), due to maturities that were not renewed to other products. Funding from Housing Loan Bills fell by 30.1% (R\$ -8.9 million) in the last quarter and 38.5% (R\$ -12.9 million) in 12 months, due to maturities that were not renewed.

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

### Time Deposits - R\$ Million

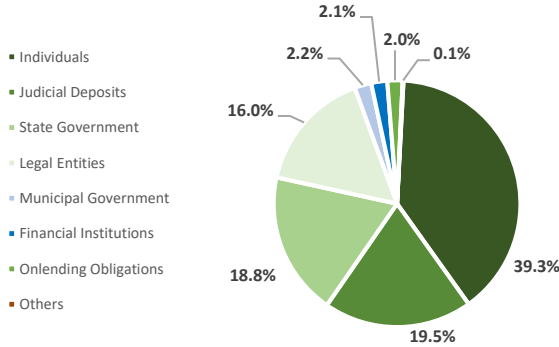


Time deposits totaled R\$2.1 billion in March 2022, presenting a 36.7% growth (R\$575.8 million) in the quarter and 36.5% (R\$+573.0 million) in 12 months, resulting, in both periods, from the increase in funding from governments and individuals.

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



### Key Funding Sources (% of the Total)



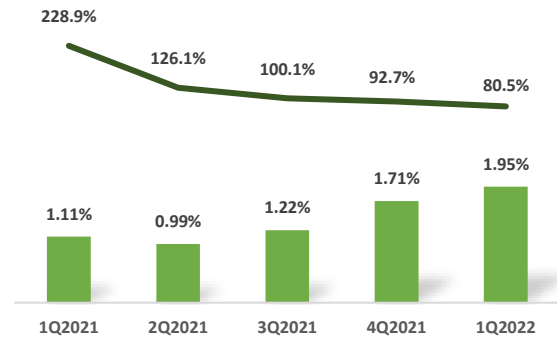
Banese's key funding sources are individuals and legal, which account for approximately 55.3% of the total funding volume. Judicial deposits account for 19.5% of Banese's total funding.

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

Cost of remunerated funding increased by 0.24 pp. between 1Q22 and 4Q21 and by 0.84 pp. when compared to 1Q21, both due to the increase in the SELIC rate, which compensates most funding.

Regarding CDI, the decrease resulted directly from the increase in the SELIC Target rate, which reduced the relative cost of fixed-rate funding, and also from the lower impact of the INPC, which provides compensation for the higher volume of funds raised in Subordinated Financial Bills (LFS).

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



### Loan

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

	1Q22	4Q21		V3M	1Q21		V12M
Commercial Portfolio*	2,464.7	2,359.3	▲	+4.5%	2,067.0	▲	+19.2%
For Individuals	1,905.4	1,805.3	▲	+5.5%	1,592.0	▲	+19.7%
For Legal Entities	559.3	554.0	▲	+1.0%	475.0	▲	+17.7%
Development Portfolio	716.2	707.1	▲	+1.3%	621.1	▲	+15.3%
For Individuals	576.4	570.6	▲	+1.0%	491.8	▲	+17.2%
For Legal Entities	139.8	136.5	▲	+2.4%	129.3	▲	+8.1%
Securities and Loans Receivable	257.9	269.4	▼	-4.3%	241.0	▲	+7.0%
<b>Total</b>	<b>3,438.8</b>	<b>3,335.8</b>	▲	<b>+3.1%</b>	<b>2,929.1</b>	▲	<b>+17.4%</b>

(\*) free allocation credit modality

Banese's loan portfolio reached R\$3.4 billion in assets, increasing by 3,1% QoQ and by 17.4% YoY. Of the total, R\$2.5 billion corresponds to the commercial loan portfolio, which increased by 4.5% QoQ, and by 19.2% YoY.

The increase in Banese's commercial loan portfolio was mainly due to the Bank's organizational sales strategy, with actions aimed at loans in the digital channel, and corresponding banking, agreements with municipalities, new companies, and public agencies, sales strategies to promote credit granting and the sale of financial products and banking services to add more value for customers.

The commercial loan portfolio aimed at the individuals segment reached R\$1.9 billion at the end of 1Q22, with increases of 5.5% QoQ and 19.7% YoY. We highlight the Payroll-Deductible segment, contributing to the increase in the lower risk portfolio, growing by 2.2% QoQ (R\$+26.2 million) and by 20.3% YoY (R\$+210.0 million).

Commercial loans portfolio for companies, on the other hand, registered an increase of 1.0% in 3 months and 17.7% in 12 months, mainly focused on working capital financing operations.

Banese holds the largest share of the free credit loan market in the state of Sergipe, with a market share of 36.6% according to the Central Bank of Brazil (February/2022). The Bank's exposure is focused on retail operations, especially those pegged to payroll and small and medium-sized company loans.

The development loan portfolio, which includes the real estate, financing, and rural portfolios, totaled R\$716.2 million in 1Q22, accounting for 20.8% of Banese's total loan portfolio. In 4Q21, the balance of the development loan portfolio increased by 1.3%, driven by real estate loans (+4.9%), for both legal entities and the individuals segment. Year-over-year, the 15.3% growth was mainly due to rural loans (+28.6%) and real estate loans (+12.7%).

The portfolio of Securities and Receivables with Loan Characteristics increased by R\$11.5 million in the last quarter, driven by the lower use of the rotating credit card limit in the period. During the 12-month period, it totaled R\$16.9 million.

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

	R\$ million		Change	% of the portfolio		Change
	1Q22	1Q21		1Q22	1Q21	
AA	1,087.8	1,037.3	▲ +4.9%	31.6%	35.4%	▼ -3.8 p.p.
A	1,701.0	1,045.8	▲ +62.7%	49.5%	35.7%	▲ +13.8 pp.
B	301.4	462.8	▼ -34.9%	8.8%	15.8%	▼ -7.0 pp.
C	139.0	228.7	▼ -39.2%	4.0%	7.8%	▼ -3.8 p.p.
D - H	209.6	154.5	▲ +35.7%	6.1%	5.3%	▲ +0.8 p.p.
<b>Total</b>	<b>3,438.8</b>	<b>2,929.1</b>	<b>▲ +17.4%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>▶ N/A</b>

In relative terms, the loan operations classified under the "AA" to "C" risk ratings range accounted for 93.7% of Banese's total loan portfolio (-1.0 p.p. compared to the 94.7% recorded in 1Q21). Loans classified under the "D" to "H" risk ratings, which concentrate the operations with the highest credit risk, accounted for 6.3% of Banese's loan portfolio (+1.0 p.p. versus 5.3% in 1Q21).

#### Loans Quality by Portfolio in 1Q22 – R\$ million

	Total	Commercial Loans	Financing	Rural	Real Estate	Others
AA	1,433.4	1,433.4	0	0	0	0
A	1,087.9	285.8	14.6	98.7	439.2	249.6
B	489.0	396.0	42.3	28.5	15.4	6.8
C	210.8	163.2	31.3	12.8	2.8	0.7
D - H	217.7	186.3	4.9	23.6	2.0	0.9
<b>Total</b>	<b>3,438.8</b>	<b>2,464.7</b>	<b>93.1</b>	<b>163.6</b>	<b>459.4</b>	<b>258.0</b>

As for the loan risk levels by segment, the products of the rural portfolio (in which loans classified as "D - H" account for 14.4% of the portfolio) have lower quality. The classification refers to the characteristics of the products and the relatively high volume of each operation.

**Financial Investments**
**Financial Investments – R\$ million**

	1Q22	4Q21		V3M	1Q21		V12M
Short-Term Interbank Investments	1,977.6	1,514.7	▲	+30.6%	1,507.6	▲	+31.2%
Marketable Securities	1,366.8	1,398.0	▼	-2.2%	1,492.9	▼	-8.4%
Mutual Fund Shares	3.4	3.4	▶	N/A	3.8	▼	-10.5%
Fixed Income	1,363.4	1,394.6	▼	-2.2%	1,489.1	▼	-8.4%
Repurchase Transactions + Guarantees	14.3	13.6	▲	+5.1%	10.7	▲	+33.6%
Remunerated Compulsory Deposits	412.6	402.4	▲	+2.5%	373.2	▲	+10.6%
<b>Total</b>	<b>3,771.3</b>	<b>3,328.7</b>	<b>▲</b>	<b>+13.3%</b>	<b>3,384.4</b>	<b>▲</b>	<b>+11.4%</b>

Short-term interbank investments registered an increase of 30.6% in 1Q22 (R\$462.9 million), mainly due to the increase in the volume of repurchase agreements. This increase of 31.2% (R\$470.0 million) was registered in 12 months, impacted, besides the Repurchase Agreements, by the allocation in Time Deposits with Special Guarantee (DPGE) and in assets for compliance with Central Bank liabilities (DI Real Estate and DI Microfinance).

Marketable Securities decreased 2.2% in comparison to 4Q21 (R\$ -31.2 million), resulting from the maturity of the Treasury Financial Bills - LFT. In comparison to 1Q21, there was a reduction of 8.4% (R\$-126.1 million), resulting, in addition to the aforementioned reason, from the slight decrease in the investments in Financial Bills (LF).

In this context, Short-Term Interbank Investments and Marketable Securities totaled R\$3.3 billion at the end of March 2022, an increase of 14.8% (R\$431.7 million) in the quarter and 11.5% (R\$343.9 million) in 12 months, resulting from the higher availability of treasury resources from the growth in funding.

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

**Portfolio Profitability**

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

The YTD return on the portfolio reached 107.9% of the CDI in 1Q22, lower than the 109.3% of the CDI registered in 4Q21, due to the renewal of allocations with lower remuneration rates, which were reduced due to the increase in the Target Selic Rate, even with a positive impact on the mark-to-market (MtM) of the Treasury Financial Bills (LFT) portfolio itself. During the 12-month period, the current profitability was higher than the 104.5% of CDI recorded in 1Q21, due to the significant improvement in the accumulated mark-to-market (MtM) of the Treasury Financial Bills (LFT) own portfolio, even with a reduced volume allocated, and the increase in investments in private credit with better remuneration.

**RESULTS ANALYSIS**
**Revenues**
**Breakdown of Revenue – R\$ million**

	1Q22	4Q21		V3M	1Q21		V12M
Loan Revenue	157.5	150.9	▲	+4.4%	127.5	▲	+23.5%
Revenue from Financial Investments	80.1	57.8	▲	+38.6%	15.6	▲	+413.5%
Income from Services	28.7	32.4	▼	-11.4%	32.0	▼	-10.3%
Revenue from Equity Investments	2.3	0.02	▲	+11400.0%	4.7	▼	-51.1%
Other Operating Income	34.6	42.2	▼	-18.0%	41.1	▼	-15.8%
Non-Operating Revenue	0.0	1.4	▼	-100.0%	0.0	▶	N/A
<b>Total</b>	<b>303.2</b>	<b>284.7</b>	<b>▲</b>	<b>+6.5%</b>	<b>220.9</b>	<b>▲</b>	<b>+37.3%</b>

Banese's revenues totaled R\$303.2 million in 1Q22, 6.5% higher than the total revenues recorded in 4Q21. The major changes were in revenues from financial investments (R\$+22.3 million), mainly due to the interest rate rise in Brazil; and loan revenue R\$6.2 million, directly influenced by the increase in the portfolio.

YoY revenues increased 37.3% (R\$82.3 million), also highlighting revenues from financial applications (R\$64.5 million), mainly due to the increase in the basic interest rate and higher volume of applications in the period; and credit revenues (R\$30.0 million), driven by the increase in the portfolio.

Revenues from Services Rendered totaled R\$28.7 million in 1Q22, representing a decrease of 11.4% in 3 months and 10.3% in 12 months. Major declines in fundraising were registered in revenues from agreements and fund transfers (issuance of TED/DOCs and transfers between the institution's accounts, a consequence of the PIX), service packages and commercial loan fees. There was a change of -10.3% in 12 months, mainly explained by the decrease in the revenue with agreements.

**Costs and Expenses**
**Direct Operating Costs – R\$ million**

	1Q22	4Q21		V3M	1Q21		V12M
Funding Expenses	111.2	79.8	▲	+39.3%	27.4	▲	+305.8%
Earnings from Marketable Securities	0.1	0.1	▶	N/A	1.0	▼	-90.0%
Loan Obligations Expenses	3.2	3.5	▼	-8.6%	3.6	▼	-5.4%
<b>Total</b>	<b>114.5</b>	<b>83.4</b>	<b>▲</b>	<b>+37.3%</b>	<b>32.0</b>	<b>▲</b>	<b>+257.8%</b>

The total direct costs of operations increased by 37.3% (R\$+31.1 million) in the quarter and of 257.8% (R\$+82.5 million) in 12 months, both directly related to the increase in the economy's basic interest rate - Selic and to the increase in funding volume in the period.

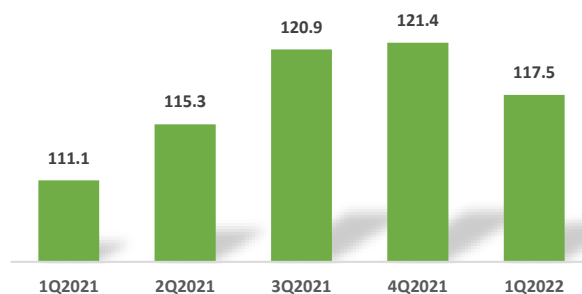
Funding expenses increased by 39.3% (R\$31.4 million) in 3 months and 305.8% (R\$83.8 million) in 12 months, both directly related to the increase in the economy's basic interest rate - Selic Meta in the period. Regarding funding instruments, we highlight the 3-month reduction in expenses with Subordinated Financial Bills, due to the decrease in the INPC rate in the period, which compensates most of the volume captured in this financial instrument, and the 12-month increase in costs associated with time deposits, resulting from the increase in funding and the increase in the basic interest rate - Selic Meta in the period.



**Net Interest Income (NII)**

Net Interest Income (Credit Revenue plus Investment Income less Interest Expense) decreased 3.2% in 3 months and increased 5.8% in 12 months.

This result was caused by a combination of factors mentioned earlier in this report. Financial expenses growth in the quarter exceeds revenue growth from financial investments and credit operations.

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

**Personnel/Payroll Expenses - R\$ million**

	1Q22	4Q21	V3M	1Q21	V12M
Payroll	26.8	27.4	▼ -2.2%	25.8	▲ +3.9%
Benefits	5.9	6.4	▼ -7.8%	5.3	▲ +11.3%
Social Charges	12.1	12.1	► N/A	11.0	▲ +10.0%
Training and Others	0.2	0.3	▼ -33.3%	0.1	▲ +100.0%
<b>Total</b>	<b>45.0</b>	<b>46.2</b>	<b>▼ -2.6%</b>	<b>42.2</b>	<b>▲ +6.6%</b>

Personnel expenses decreased 2.6% in the last quarter (R\$-1.2 million) and increased 6.6% (R\$+2.8 million) in 12 months. In 1Q22, 78 new employees approved in the public examination held in 2021 were hired (67 banking technicians I and 11 banking technicians III) and 28 new employees left the Program for Stimulation to Retirement - PEA.

The payroll coverage ratio registered in 1Q22 was 63.8%, 6.5 pp. higher than in 4Q21 and 12.2 pp. lower than in 1Q21. For administrative expenses coverage, we reached a rate of 30.7% in 1Q22, changing by -1.1 pp. in the quarter, and -5.8 pp. in 12 months.

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

	1Q22	4Q21	V3M	1Q21	V12M
Outsourced Services	23.4	24.7	▼ -5.3%	21.6	▲ +8.3%
Consumption, Maintenance and Materials	5.6	6.4	▼ -12.5%	4.9	▲ +14.3%
Financial Services and Data Processing	9.6	8.8	▲ +9.1%	10.6	▼ -9.4%
Insurance	1.0	0.6	▲ +66.7%	1.1	▼ -9.1%
Transportation of Cash	3.2	2.7	▲ +18.5%	2.7	▲ +18.5%
Taxes	0.9	0.2	▲ +350.0%	0.4	▲ +125.0%
Other Expenses	4.9	12.5	▼ -60.8%	4.3	▲ +14.0%
<b>Total</b>	<b>48.6</b>	<b>55.9</b>	<b>▼ -13.1%</b>	<b>45.6</b>	<b>▲ +6.6%</b>

Other administrative expenses decreased 13.1% in the last quarter (R\$-7.3 million), highlighting Other Expenses, mainly due to the reduction of R\$7.8 million in expenses with Promotions and Public Relations and Advertising and Publicity. There was a 6.6% increase over 12 months (R\$3.0 million), highlighting the Outsourced Services group (expenses with Specialized Technical Services in the order of R\$2.5 million); and Consumption, Maintenance and Materials, with expenses increasing by R\$0.7 million.

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

	1Q22	4Q21		V3M	1Q21		V12M
Amortization and Depreciation	2.9	3.2	▼	-9.4%	3.9	▼	-25.6%
Provisions for Loan Operations	56.2	41.9	▲	+34.1%	32.4	▲	+73.5%
Loan Depreciation	0.4	0.7	▼	-42.9%	1.1	▼	-63.6%
Liability Provisions	4.1	4.5	▼	-8.9%	6.6	▼	-37.9%
Partnership with the Court of Justice	4.0	3.8	▲	+5.3%	4.7	▼	-14.9%
ISS/PIS/COFINS Taxes	8.9	9.4	▼	-5.3%	8.5	▲	+4.7%
Discounts Granted	0.1	0.1	▶	N/A	0.0	▶	N/A
Profit Sharing	2.2	2.8	▼	-21.4%	1.9	▲	+15.8%
Investments Expenses	5.6	0.0		N/A	0.0		N/A
Others	2.5	7.4	▼	-66.2	3.1	▼	-0.6%
<b>Total</b>	<b>86.9</b>	<b>68.5</b>	<b>▲</b>	<b>+17.8%</b>	<b>62.2</b>	<b>▲</b>	<b>+39.7%</b>

Other Operating Expenses increased by R\$18.4 million in the last quarter and R\$24.7 million over 12 months, mainly influenced by expenses with provisions for credit operations, due to the growth in the commercial portfolio and delinquency in the period.

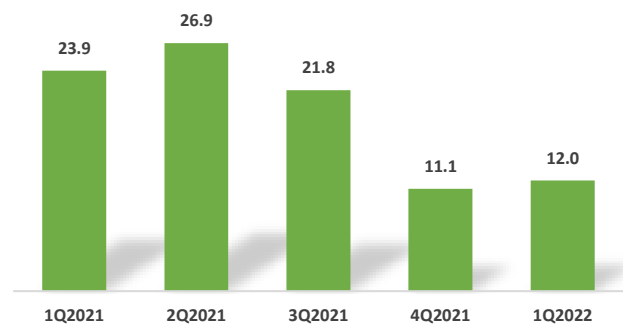
During the quarter the growth in provision expenses was influenced by the Commercial, Rural, and Financing loan portfolios. The increase in 12 months was due to the decline in credit ratings of the Commercial, Financing and Rural portfolios, and of operations related to Credit Card - Transfer.

**Net Income**

Banese's net income in 1Q22 was R\$12.0 million, 8.1% higher than in 4Q21, directly affected by the performance of the businesses mentioned above and by the equity accounting expense.

When compared to 1Q21, net income decreased 49.8%, resulting from the increase in operating costs directly impacted by the increase in inflation and in the economy's basic interest rate - Selic, and from expenses with provisions for credit operations.

**Net Income - R\$ Million**



### Shareholders' Equity

Banese's net equity increased by 2.1% in the last quarter and 12.6% in the 12-month period.

During the quarter, the growth is due to the merger of the period's result. YoY positive variation months also arises from the incorporation of the result for the period, and also from the adjustment to the actuarial valuation related to the supplementary pension plan for Banese employees with Instituto Banese de Seguridade Social - SERGUS (balanced defined benefit plan), as per CPC 33-R1, approved by CVM Resolution 695/2012.

In 1Q22, the impact of the actuarial adjustment on Banese's equity remained at R\$ +5.3 million. The negative effect on the Bank's Equity was by R\$-8.2 million in 1Q21.

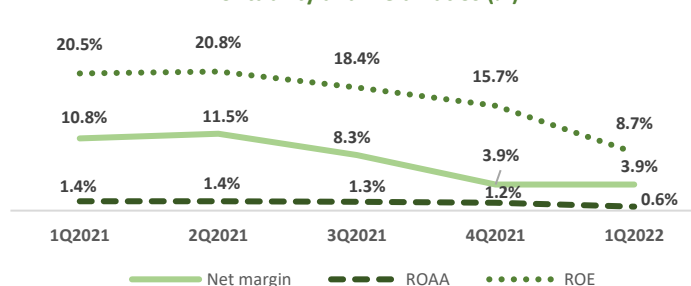
Shareholders' Equity - R\$ Millions



### Profitability and Yield Ratios

Return on Equity (ROE) and Return on Average Assets (ROAA) reached by Banese in 1Q22 presented decrease in the quarter and in 12 months, while the Net Margin remained stable in the quarter and decreased in relation to 1Q21, reflecting the business performance presented in this report.

Profitability and Yield Ratios (%)

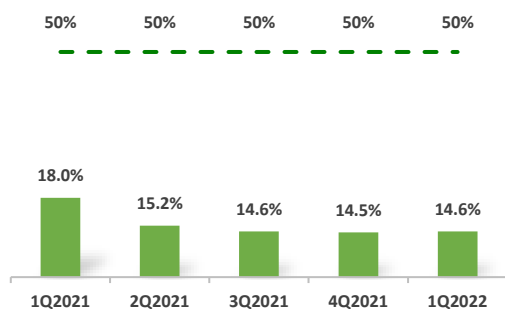


Capitalization and Basel Ratio – R\$ million

Ratios and Capitalization	1Q22	4Q21		V3M	1Q21		V12M
Reference Equity	628.8	613.2	▲	+2.53%	478.5	▲	+31.40%
Tier I	511.1	499.9	▲	+2.24%	433.5	▲	+17.91%
Tier II	117.6	113.3	▲	+3.83%	45.03	▲	+161.22%
Basel Ratio	12.95%	13.15%	▼	-0.20 pp.	11.33%	▲	+1.62 pp.
Principal Capital Ratio	10.52%	10.72%	▼	-0.20 pp.	10.27%	▲	+0.25 p.p.
Capital Rate Tier I	10.52%	10.72%	▼	-0.20 pp.	10.27%	▲	+0.25 p.p.
Minimum Basel Ratio + ACP	10.00%	10.00%	▶	0.00 pp.	9.25%	▲	+0.75 pp.
Margin on Reference Equity, including capital for coverage of Interest Rate Risk of Banking Portfolio and ACP.	71.2	142.1	▼	-49.90%	53.9	▲	+32.13%

Banese's Conglomerate Basel Ratio totaled 12.95% at the end of 1Q22, which represents an increase of 1.62 pp. when compared to the same period of the previous year, mainly due to the evolution of the Level I Reference Equity in 17.91% (approximately R\$77.7 million), and the increase of the Level II Reference Equity by 161.22% (approx. R\$72.6 million), resulting, respectively, from the accumulated result for the period and the early redemption with the issue of new Subordinated Financial Bills.

### Fixed Assets-to-Equity Ratio (%)



### Fixed Asset-to-Equity Ratio

Fixed assets ratio ended 1Q22 at 14.6%, an evolution of 0.1 pp. when compared to the ratio observed in 4Q21, due to the increase in permanent assets (alost R\$7.7 million).

The result was substantially below the maximum fixed assets requirement established by the Central Bank of Brazil, which is 50.0%. It is important to emphasize that the lower the ratio, the better it is.

### Ratings

On April 04, 2022, Fitch Ratings upgraded Banese's national long-term rating to 'AA-(bra)', from 'A-(bra)', with a stable outlook; and national short-term rating to 'F1+(bra)', from 'F1(bra)'. Banese's national long-term rating upgrade reflects an improvement in its controller's supporting capacity, the state of Sergipe (SE), whose credit profile is internally assessed by Fitch. According to Fitch's internal assessment, the improved credit profile of the state of Sergipe is the result of the robust growth of tax revenue throughout 2021, followed by controlled expenditure. Although some improvement factors are seen as temporary, there is evidence of sustained growth in operating margins amid the stability of the debt. Sergipe's credit profile also benefits from federal support in the form of intergovernmental debt with more favorable conditions.

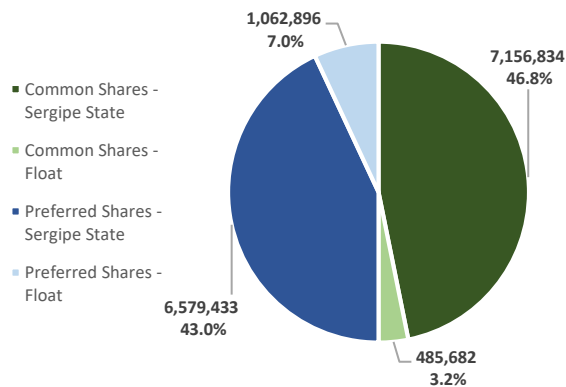
On June 29, 2021, Moody's América Latina Ltda ("Local Moody's") assigned Banese an AA-.br rating, with an AA-.br rating on the Bank's long-term deposits and an ML A-1.br rating on its short-term deposits, both on a national scale, with a negative outlook, due to the exposure of its business segments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

On April 25, 2022, Moody's Investors Service (Moody's) downgraded Banese's long-term local and foreign currency deposit rating to Ba3, from Ba2, and the baseline credit assessment to Ba3, from Ba2. Banese's long-term local and foreign currency counterparty risk ratings were also downgraded to Ba2, from Ba1, and the counterparty risk ratings (CRAs) to Ba2(cr), from Ba1(cr). All short-term ratings and Agribusiness Receivables Certificates (CRAs) were affirmed at *Not Prime* and *Not Prime (cr)*. The rating outlook was changed from negative to stable. The revision of the ratings reflects the lower quality of assets and profitability metrics Banese has reported since 2019, after adopting a strategy to increase its business diversification by expanding its small and mid-sized enterprise loan portfolio in the state of Sergipe, especially after the COVID-19 pandemic in 2020. The revision also considered the Bank's more challenging scenario of profitability in the next 12 months, as a result of a strong and rising pressure on funding costs due to the rapid increase in interest rates in Brazil.

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

## ADDITIONAL INFORMATION

### Banese on B3



Banese's ownership structure in 1Q22 was comprised of 89.8% of shares owned by the State Government of Sergipe and 10.2% of shares at Free Float. The outstanding shares are comprised of 31.3% common shares and 68.7% preferred shares.

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

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

### Customer and Service Channels

In 1Q22, Banese's customer base totaled 825,474 current and savings accounts, consisting of 799,657 individual customers and 25,817 legal entities.

We have continued to invest in offering products and services using our digital channels, constantly improving the features of these service channels. Also reflecting the pandemic, online transactions continue to grow, when compared to the same period in 2021 and to 4Q21. The evidence of this is that 87.6% of the total number of transactions were made through self-service in 1Q22, being 80.9% only in digital channels.

The volume of transactions carried out on the Internet and Mobile Banking channels increased by 17% in the quarter and by 29% from January to March 2021. On the Branches, ATM and Correspondents channels recorded an 8% reduction in transactions compared to the last quarter of 2021, and a 7% reduction in the financial volume transacted for the same period.

### Channel Data

	1Q22	4Q21		V3M	1Q21		V12M
Branches	63	63	▶	N/A	63	▶	N/A
Service Points	09	09	▶	N/A	09	▶	N/A
ATMs	476	476	▶	N/A	461	▲	+15
Bank Correspondents in Brazil	218	218	▶	N/A	203	▲	+15
Transactions in Branches, ATMs and Bank Correspondents	8.1 million	8.8 million	▼	-8%	9.0M	▼	-10%
Transaction Volume	R\$9.9 billion	R\$10.7 billion	▼	-7%	R\$9.8 billion	▲	1%
Online Transactions	35.4 million	30.3 million	▲	17%	27.4 million	▲	29%
Transaction Volume	R\$10.7 billion	R\$11.1 billion	▼	-4%	R\$10.7 billion	▶	N/A

The Bank maintains the guidelines related to the readjustment of its service network, aiming to ensure the adherence of the network to the increasing transactions and financial volume operated using digital channels and to the Company's Strategic Planning. Thus, the Bank ended 1Q22 with 63 branches, of which 54 were physical units (12 in the capital city and 42 in the countryside).

### Banking Services

During 1Q22, we made available the new services linked to Pix - Pix Withdrawal, Pix Change and Pix Collection, which will enable the offer of new business and opportunity to expand revenues from banking services. Banese also participated in all the phases established by the Brazilian Central Bank related to the profile of this Financial Institution for the implementation of Open Banking. It is worth mentioning that this progress will allow Banese to improve its credit offer and banking/financial services according to the profile of each customer.

### Investments in Human Capital

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

Banese Corporate University is undergoing a rebranding process, featuring a new visual and brand image, and tools, as a result of a change in the virtual learning platform. Distance Learning courses are being updated and approved by the responsible departments. These courses are associated to knowledge areas meeting the dynamics and demands of the work world under situational and strategic perspectives, such as the courses on Data Privacy - LGPD, Pix - Instant Payments, Banese on Remote Work, Prevention of Money Laundering and Terrorism Financing (PLDFT), among others.

The training and capacitation was higher when compared to the same period of the previous year. 1Q22 was also marked by the monthly onboarding classes for those approved in the 2021 Public Selection. The designated Commission has structured strategies for welcoming, developing and training new employees. During the first quarter, all 78 new employees joined the onboarding process.

## BANESE CONGLOMERATE

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

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

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

Customers eligible to buy presented a 3.48% growth when compared to 1Q21, reaching a total of 632.0 thousand customers. The volume of transactions using products managed by SEAC, including its own brand TKS, was R\$814.1 million at the end of 1Q22, 15.59% when compared to the volume reached in the same period in 2021. SEAC also reported year-over-year growth in the indicators of: E-commerce Transacted Financial Volume, reaching the amount of R\$87.49 million (an increase of 72.68%); Active Outlets reached 23,767 (an increase of 3.84%) and the Average Purchase reached R\$895.42 (an increase of 14.10%).

In 1Q22, the "Feirão Digital de Renegociação" was held, with an increase of 58% in the renegotiation volume, when compared to the same period in 2021. Our licensing initiatives in this period focused on prospecting for retailers in the states of Ceará, João Pessoa, and Paraíba. The payroll coverage ratio registered in 1Q22 was 63.8%, 6.5 pp. higher than in 4Q21 and 12.2 pp. lower than in 1Q21.

**Banese Corretora de Seguros**

Banese Corretora's performance was improved due to the resumption of economic activity and business growth, regarding the diversification of the portfolio of products and services commercialized and the increase in insurance sales.

In 1Q22, Banese Corretora reached an accumulated volume of R\$29.9 million in insurance production, corresponding to an increase of 17.3% compared to the same period of the previous year. It is worth mentioning the significant increase is due, mainly, to the increase in sales of consortium shares. Meanwhile, the operating revenue accumulated in this period represents a growth of 7.2% compared to the same period of the previous year and is related to the higher volume of operations with insurance brokerage.

**Instituto Banese and Museu da Gente Sergipana**

The Banese Institute is aiming for recognition as a source of knowledge, motivation and the promotion of artistic and cultural expressions, in addition to becoming an element of social transformation.

During 1Q22, the Banese Institute provided social benefits to 10,422 people directly associated to the strategic projects of the 13 entities it financially supported, enabling activities to promote transformation and sustainable development, through educational, sports, artistic and cultural programs, professional training courses, health care, psycho-pedagogical and social inclusion programs.

The Museu da Gente Sergipana Governador Marcelo Déda is an outstanding cultural center, an interpretative center of Sergipe's culture and a channel to connect with the local, national, and international artistic community, by exchanging exhibitions and organizing cultural events. Using this event, the cultural identity of Sergipe is emphasized through images, sounds, and signs. The Museum is becoming more important center of arts and culture, not only for citizens of Sergipe, but also for visitors from all regions of Brazil and several countries. In 1Q22, the Museum received visits from 12,112 people from several locations and for several purposes (tourism, education, social assistance and leisure).

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

	03.31.2022	03.31.2021
<b>Revenue from Financial Intermediation</b>	<b>230,682</b>	<b>157,323</b>
Credit Transactions	145,459	135,437
Income from Marketable Securities Transactions	80,047	19,298
Earnings from Compulsory Investment	5,176	2,588
<b>Financial Intermediation Expenses</b>	<b>(168,007)</b>	<b>(45,859)</b>
Market Funding Operations	(110,810)	(26,687)
Loans and Onlending	(3,162)	(3,613)
Provision for Expected Credit Loss Associated with Credit Risk	(34,551)	(8,691)
Provision for Revolving Credit Card Loan	(19,484)	(6,868)
<b>Gross Income from Financial Intermediation</b>	<b>62,675</b>	<b>111,464</b>
Other Operating Revenues (Expenses)	(48,319)	(56,797)
Service Revenues	38,899	37,146
Banking Fee Revenue	16,503	17,547
Personnel Expenses	(56,071)	(51,802)
Other Administrative Expenses	(66,356)	(63,006)
Tax Expenses	(16,272)	(14,728)
Equity Income in Affiliates and Subsidiary	-	-
Other Operating Revenues	49,664	29,390
Other Operating Expenses	(14,686)	(11,344)
<b>Expenses with Provisions</b>	<b>(4,879)</b>	<b>(7,174)</b>
Expenses with Legal Provisions	(4,879)	(7,174)
<b>Operating Income</b>	<b>9,477</b>	<b>47,493</b>
<b>Pre-tax Income</b>	<b>9,477</b>	<b>47,493</b>
Income and Social Contribution Taxes	3,371	(19,771)
Expenses with Income Tax	(2,742)	(5,469)
Expenses with Social Contribution Tax	(1,384)	(4,213)
Deferred Tax Asset	7,497	(10,089)
Profit Sharing – Employees and Management	(2,169)	(1,939)
<b>Net Income Before Non-Controlling Interest</b>	<b>10,679</b>	<b>25,783</b>
Non-Controlling Interests	1,280	(1,857)
<b>Net Income</b>	<b>11,959</b>	<b>23,926</b>



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

	03.31.2022	03.31.2021
<b>Revenue from Financial Intermediation</b>	<b>233,327</b>	<b>152,898</b>
Credit Transactions	148,170	135,711
Income from Marketable Security Transactions	79,981	14,599
Earnings from Compulsory Investment	5,176	2,588
<b>Financial Intermediation Expenses</b>	<b>(148,956)</b>	<b>(39,674)</b>
Market Funding Operations	(111,243)	(27,370)
Loans and Onlending	(3,162)	(3,613)
Provision for Expected Credit Loss Associated with Credit Risk	(34,551)	(8,691)
Provision for Revolving Credit Card Loan	-	-
<b>Gross income from Financial Intermediation</b>	<b>84,371</b>	<b>113,224</b>
Other Operating Revenues (Expenses)	<b>(69,903)</b>	<b>(65,780)</b>
Service Revenues	12,205	14,507
Banking Fee Revenue	16,503	17,547
Personnel Expenses	(46,036)	(43,114)
Other Administrative Expenses	(49,576)	(48,157)
Tax Expenses	(9,751)	(8,895)
Equity Income In Affiliates and Subsidiary	(3,240)	4,700
Other Operating Revenues	16,758	5,412
Other Operating Expenses	(6,766)	(7,780)
<b>Expenses with Provisions</b>	<b>(4,134)</b>	<b>(6,578)</b>
Expenses with Legal Provisions	(4,134)	(6,578)
<b>Operating Income</b>	<b>10,334</b>	<b>40,866</b>
<b>Pre-Tax Income</b>	<b>10,334</b>	<b>40,866</b>
Income and Social Contribution Taxes	<b>3,794</b>	<b>(15,001)</b>
Expenses with Income Tax	(2,742)	(4,227)
Expenses with Social Contribution Tax	(1,384)	(3,446)
Deferred Tax Asset	7,920	(7,328)
Profit Sharing – Employees and Management	<b>(2,169)</b>	<b>(1,939)</b>
<b>Net Income Before Non-Controlling Interest</b>	<b>11,959</b>	<b>23,926</b>
Non-Controlling Interests	-	-
<b>Net Income</b>	<b>11,959</b>	<b>23,926</b>

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

	03.31.2022	12.31.2021
<b>CURRENT ASSETS</b>	<b>4,864,465</b>	<b>4,267,190</b>
CASH AND CASH EQUIVALENTS	85,853	59,949
FINANCIAL INSTRUMENTS	4,905,817	4,318,810
INTERBANK INVESTMENTS	1,838,652	1,379,799
Reverse Repurchase Agreements	719,980	253,285
Interbank Deposits	1,118,672	1,126,514
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	834,682	877,706
Own Portfolio	774,547	830,700
Subject to Repurchase Agreements	13,592	12,989
Linked to Guarantees Given	667	650
Linked to Central Bank of Brazil	45,876	33,367
INTERBANK ACCOUNTS	542,947	500,869
Payments and Receivables to be Settled	132,394	93,351
Restricted Deposits:	389,480	407,518
- Central Bank Deposits	389,480	407,518
Correspondents	21,073	-
LOAN OPERATIONS	942,307	850,501
Loan Operations:	942,307	850,501
- Private Sector	942,307	850,501
OTHER RECEIVABLES	747,229	709,935
Unearned Income	9,598	12,220
Sundry	737,783	697,879
Allowance for Losses on Other Receivables Without Loan Characteristics	(152)	(164)
PROVISIONS FOR EXPECTED LOAN LOSSES	(132,652)	(116,336)
Provision for Loan Losses	(72,729)	(62,913)
Provision for Other Doubtful Accounts	(1,742)	(1,770)
Provision for Receivables Related to Payment Transactions	(58,181)	(51,653)
OTHER ASSETS	5,447	4,767
Other Assets	2,117	2,258
Prepaid Expenses	3,330	2,509
<b>NON-CURRENT ASSETS</b>	<b>3,570,869</b>	<b>3,538,154</b>
LONG-TERM RECEIVABLES	3,448,524	3,423,550
FINANCIAL INSTRUMENTS	3,199,090	3,188,066
INTERBANK INVESTMENTS	138,958	134,932
Interbank Deposits	138,958	134,932
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	595,766	582,520
Own Portfolio	595,766	582,520
INTERBANK ACCOUNTS	64,784	64,074
Restricted Deposits:	64,784	64,074
- National Housing System (SFH)	64,784	64,074
LOAN OPERATIONS	2,238,541	2,215,956
Loan Operations:	2,238,541	2,215,956
- Private Sector	2,238,541	2,215,956
OTHER RECEIVABLES	161,041	190,584
Unearned Income	15	20
Sundry	168,065	197,603
Allowance for Losses on Other Receivables Without Loan Characteristics	(7,039)	(7,039)

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

	03.31.2022	12.31.2021
<b>PROVISIONS FOR EXPECTED LOAN LOSSES</b>	(65,005)	(63,943)
Provision for Loan Losses	(65,005)	(63,943)
<b>TAX CREDITS</b>	241,019	222,296
Tax credits on Temporary Differences	187,931	180,434
Tax credits on Negative Tax Basis	1,573	1,573
Tax credits on Taxes and Contributions to be Compensated	51,515	40,289
<b>OTHER ASSETS</b>	73,420	77,131
Other Assets	73,529	77,818
Allowance for Devaluation	(7,263)	(7,207)
Prepaid Expenses	7,154	6,520
<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>	258,588	252,534
Property for Use	74,103	74,103
Other Property and Equipment Items for Use	184,485	178,431
<b>INTANGIBLE ASSETS</b>	94,677	88,975
Intangible Assets	94,677	88,975
<b>DEPRECIATION AND AMORTIZATION</b>	(230,926)	(226,911)
Accumulated Amortization of Property and Equipment Items for Use	(166,555)	(163,418)
Accumulated Amortization of Intangible Assets	(64,371)	(63,493)
<b>TOTAL</b>	<b>8,435,334</b>	<b>7,805,344</b>

**Consolidated Balance Sheet – LIABILITIES (R\$ thousand)**

	03.31.2022	12.31.2021
<b>CURRENT LIABILITIES</b>	<b>5,422,265</b>	<b>5,347,538</b>
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	4,828,242	4,758,963
DEPOSITS	4,669,670	4,654,986
Demand Deposits	1,132,256	1,142,761
Savings Deposits	1,892,310	1,937,941
Interbank Deposits	132,597	152,007
Time Deposits	1,509,179	1,419,439
Other Deposits	3,328	2,838
INTERBANK ACCOUNTS	51,690	6,695
Receivables and Payments to be Settled	51,690	6,695
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	49,508	40,364
Funds from Real Estate, Mortgage, Credit and Similar Notes	49,508	40,364
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	57,374	56,918
BNDES	2,890	2,925
FINAME	431	382
Other Institutions	54,053	53,611
OTHER LIABILITIES	594,023	588,575
Collection of Taxes and Alike	20,272	2,948
Social and Statutory Charges	799	17,457
Tax and Social Security Obligations	13,167	14,510
Third-Party Funds in Transit	957	298
Sundry	558,828	553,362
<b>NON-CURRENT LIABILITIES</b>	<b>2,394,960</b>	<b>1,850,376</b>
DEPOSITS AND OTHER FINANCIAL INSTRUMENTS	2,085,069	1,539,737
DEPOSITS	1,992,553	1,427,559
Time Deposits	1,992,553	1,427,559
OPEN MARKET FUNDING	6,611	4,177
Own Portfolio	6,611	4,177
FUNDS FROM ACCEPTANCE AND ISSUE OF NOTES	2,468	20,369
Funds from Real Estate, Mortgage, Credit and Similar Notes	2,468	20,369
LOCAL ONLENDING – OFFICIAL INSTITUTIONS	83,437	87,632
BNDES	7,193	7,897
FINAME	354	415
Other Institutions	75,890	79,320
OTHER LIABILITIES	144,150	131,013
Social and Statutory Charges	4,318	4,318
Subordinated Debts	130,266	126,105
Sundry	9,566	590
PROVISIONS	165,741	169,793
Provisions for Contingencies	165,741	169,793
DEFERRED INCOME	-	9,833
Deferred Income	-	9,833



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

	03.31.2022	12.31.2021
<b>SHAREHOLDERS' EQUITY</b>	<b>618,109</b>	<b>607,430</b>
Capital - Domiciled in Brazil	426,000	426,000
Profit Reserves	130,044	130,044
Equity Valuation Adjustments	5,278	5,278
Retained earnings (Accumulated Losses)	11,959	-
Non-Controlling Interests	44,828	46,108
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>8,435,334</b>	<b>7,805,344</b>

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

	03.31.2022	12.31.2021
<b>VALUE ADDED CALCULATION</b>		
Revenue from Financial Intermediation	230,682	157,323
Financial Intermediation Expenses	(168,007)	(45,859)
Other Operating Revenues (Expenses/Provisions)	30,099	10,872
Service revenue	55,402	54,693
Materials, Energy, Third-Party Services and Other Expenses	(60,906)	(56,108)
<b>Gross Value Added</b>	<b>87,270</b>	<b>120,921</b>
<b>Retentions</b>	<b>(4,239)</b>	<b>(4,965)</b>
Amortization	(865)	(1,183)
Depreciation	(3,374)	(3,782)
<b>Net Value Added Produced by the Company</b>	<b>83,031</b>	<b>115,956</b>
<b>Value Added Received in Transfer</b>	-	-
Equity Pickup	-	-
<b>Value Added to be Distributed</b>	<b>83,031</b>	<b>115,956</b>
<b>DISTRIBUTION OF VALUE ADDED</b>		
<b>Government</b>	<b>12,901</b>	<b>34,499</b>
Tax Expenses	8,775	24,817
Income and Social Contribution Taxes	4,126	9,682
<b>Employees</b>	<b>58,240</b>	<b>53,741</b>
Salaries and Fees	34,204	32,063
Social Charges	12,656	11,533
Private Pension Plan	1,466	1,230
Benefits and Training	7,745	6,976
Profit Sharing	2,169	1,939
<b>Rents</b>	<b>822</b>	<b>1,023</b>
<b>Taxes and Contributions</b>	<b>389</b>	<b>910</b>
<b>Non-Controlling Interests</b>	<b>(1,280)</b>	<b>1,857</b>
<b>(Accumulated Losses) / Retained Earnings</b>	<b>11,959</b>	<b>23,926</b>
<b>Value Added Distributed</b>	<b>83,031</b>	<b>115,956</b>

**Consolidated Cash Flow (R\$ thousand)**

	03.31.2022	12.31.2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Adjusted net income</b>	<b>58,119</b>	<b>60,511</b>
<b>Net Income</b>	<b>11,959</b>	<b>23,926</b>
<b>Adjustment to Net Income</b>	<b>46,160</b>	<b>36,585</b>
Allowance for Loan Losses	34,551	8,691
Provision/ (Reversal) for Restricted Deposits-FCVS	359	1,127
Depreciation and Amortization	4,371	5,070
PIS and COFINS tax Credit on Depreciation with Affiliates	(132)	(105)
Adjustment of Provision for Liabilities	4,879	7,174
Other Operational Provisions	3,170	1,626
Expense for Loyalty Bonus	262	242
Marketable Securities Marking to Market	(818)	571
Deferred Tax Asset	(7,497)	10,089
Capital Losses	1,052	294
Reversal of Other Operating Provisions	(10,216)	(3,956)
Inflation Ajustment	(3,305)	(1,106)
Equity Income in Subsidiaries	-	-
Provision for Revolving Credit Card Loan	19,484	6,868
<b>Variation in Assets and Liabilities</b>	<b>452,336</b>	<b>(405,429)</b>
(Increase) Decrease in Short-Term Liquidity Investments	3,816	(132,679)
(Increase) Decrease in Marketable Securities and Derivative Financial Instruments	30,596	(272,571)
(Increase) Decrease in Interbank Accounts (Assets/ Liabilities)	1,848	(22,828)
(Increase) Decrease in Credit Transactions	(114,391)	(145,038)
(Increase) Decrease in Other Assets	3,031	(7,524)
(Increase) Decrease in Other Credits	12,215	3,892
(Increase) Decrease in Provisions for Losses Associated with Credit Risk	(36,657)	(24,270)
(Increase) Decrease in Other Receivables	(18,723)	8,305
Increase (Decrease) in Deposits	579,678	257,129
Increase (Decrease) in Funds Obtained in the Open Market	2,434	2,218
Increase (Decrease) in Borrowings and Onlending	(3,739)	1,872
Increase (Decrease) in Deferred Income	(9,833)	(63)
Increase (Decrease) in Other Liabilities	10,992	(69,412)
Increase (Decrease) in Provisions	(8,931)	(4,460)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>510,455</b>	<b>(344,918)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property and Equipment for Use	(6,918)	(4,058)
Write-off of Property and Equipment for Use and Intangible	119	95
Disposal of property and equipment	451	4
Intangible Asset Investments	(5,689)	(1,606)
Transfer for non-use assets	57	10
Dividends Received from Subsidiary	-	-
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(11,980)</b>	<b>(5,555)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Non-Controlling Interests	(1,280)	(48)
Increase (Decrease) in Real Estate	(8,757)	(1,673)
Subordinated Debts	4,161	4,176
<b>NET CASH PROVIDED BY /USED IN FINANCING ACTIVITIES</b>	<b>(24,969)</b>	<b>(5,876)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>492,599</b>	<b>(348,018)</b>
<b>Cash and banks at the beginning of the period</b>	<b>313,234</b>	<b>727,489</b>
<b>Cash and banks at the end of the period</b>	<b>805,833</b>	<b>379,471</b>