Management Report

1Q20

Management Report

Porto Alegre, May 18, 2020 – Banco Agibank S.A. ("Bank", or "Agibank") an omnichannel digital bank offering solutions to improve and facilitate people's daily and financial lives, announces its **results for the first quarter of 2020**. The financial statements were prepared based on accounting practices in the Brazilian corporate legislation, associated with the rules and instructions of the National Monetary Council (CMN) and the Central Bank of Brazil (BACEN).

MESSAGE FROM THE MANAGEMENT

In the first quarter of 2020, Agibank proved in practice that "by your side all the time" is more than just a slogan. It represents a commitment to its customers, employees, suppliers and partners. The last few days of the quarter saw the nationwide outbreak of COVID-19 in Brazil. With it, Agibank sought more than ever to create new solutions, all of them with a single aim in mind: to be the Bank which offers more to its customers, precisely at a time when they most need it. To implement and monitor the results of the measures described below, a **Crisis Management Committee** was installed, holding daily meetings in which the entire Board of Executive Officers take part together with most of the Bank's managers, thereby ensuring the functioning on all operating fronts. In addition to protecting the employment of its more than 3,000 employees, Agibank has adopted initiatives for preserving people's health, reinforcing engagement and maintaining productivity, placing its entire head office and call center workforce on a home office regime, due to an operation coordinated by the IT and Support areas, concluded in record time. Additionally, the Bank introduced several measures to implement alternatives for serving its customers and enabling secure access to its products and services as follow:

More service. *Thinking of those unable to resolve all their requirements through digital and remote channels, our service outlets remain open, being the essential service that they are, with a team and opening hours tailored for the occasion, respecting the restrictions imposed by each municipality and complying with all the necessary protocols in place for the safety of our customers and employees.*

More attention. *Our team of consultants is calling our senior customers, just to get in touch, listen and alleviate the loneliness of those in quarantine. As we like to say: here, you come in as a customer and leave as a friend.*

More time. *For those customers with their credit card payments up to date, we provided an app for settling bills in installments at rates reduced by 87%, to 1.99% per month.*

More assistance. *For those with overdue bills and who wish to discuss their situation or have questions, we have organized an exclusive team at our customer call center.*

More facilities. *We have launched a service for contracting and rolling over loans directly by ATM, phone and app.*

More empathy. *Each customer is unique. Instead of general and impersonal policy of renegotiation, we have adopted a case-by-case approach, seeking to provide the most appropriate alternative with the dispatch of SMS and e-mail to customers with tailor-made conditions.*

In this even more complex environment, Agibank began 2020 recording important progress in building a relationship bank for its current and future customers. The launching of new products, services, channels and functions and the improvements which have been implemented, have boosted a long-term relationship resulting in a virtuous circle of growth, anchored in an increasingly comprehensive portfolio and with more attractive conditions for improving the lives of people.

Over the course of the first quarter, the Bank reported significant progress in its financial and operating indicators through the months, result of new credit models introduced during 2019 as well as a more diversified portfolio mix. Agibank concluded the quarter with a total gross credit portfolio of R$ 1,774.2 million (+0.4% versus 1Q19) reaching a net income of R$ 41.7 million, a return on average equity (ROAE) of 23.6% and return on average assets (ROAA) of 4.9%. The Bank's risk and liquidity ratios – Basel Capital Adequacy Ratio of 13.4% and a Liquidity Coverage Ratio (LCR) of 1,451.8% – are illustrative of the institution's satisfactory capital and liquidity positions.

In March 2020, we recorded **90.0% of the credit portfolio with the federal government as counterparty.** This reflects a new origination strategy introduced in 2019 that considerably expands the target market and brings the risk profile of the credit portfolio down to a lower level . NPL (E-H) has continued a downward trajectory reaching 26.6% at the end of the quarter, translating into a reduction of 9.2 p.p. compared with March 2019. A further indicator supporting this is the Loan Loss Provision (LLP), which in March 2020 was 22.7% of the gross credit portfolio, a reduction of 6.9 p.p. compared with March 2019. This represents a lower cost of risk and a positive indicator for the future.

The returns reported are indicative of Agibank's capacity to reinvent itself on the back of a campaign to become the prime bank for each one of its customers. The Bank continued its gradual switch in the credit portfolio profile with a greater focus on lower nominal risks and rates such as payroll-deductible loans and payroll-deductible credit cards. These products together rose 74.8% in relation to March 2019, accounting for 27.9% of the portfolio (versus 15.8% in March 2019), in line with the strategy of closer customer relationships. In addition, Agibank continued to invest in technology, in improvements to the credit concession models and other stages in the credit cycle, in improved internal processes and in a better customer experience, with a resulting increase in digital transaction volumes and cross-selling of products.

Still in the first quarter, Agibank concluded the bidding process involving more than 15 insurance companies with the announcement of the Italian insurer, Generali – one of the largest asset management groups and one of the top 5 global insurance companies – as the exclusive partner for the sale of the group life insurance product for the next 5 years. The result of the operation is a more comprehensive product for the customer, with an upgrade in services and in coverage amount, but at the same premium as previously offered. The new life insurance policy can be arranged for less than R$ 0.50 per day, with the additional services of funeral assistance and reimbursement of medication expenses, as well as participating in the Federal Lottery's weekly draw for a prize of R$ 5,000.00. In the second half of 2020, Agibank also expects to expand the insurance portfolio, creating value at low cost to the customer as well as providing the opportunity for purchases through the digital channels such as the website and app.

This is just one more example of how the Bank has been consolidating its omnichannel strategy, accessible in all platforms with a unique offline and online blend for customers. In March, the Bank had a footprint on the ground in every Brazilian city with a population of more than 100 thousand, with 604 outlets which are more than just bricks-and-mortar spaces for providing services on-site: rather they are experience spaces where customers undergo digital inclusion as they address their financial needs with the help of technology. The outlets offer a free Wi-Fi network for downloading the app, for opening a checking account, carrying out paycheck portability or opting to collect social-security benefits through Agibank, far removed from the bureaucracy of the traditional financial market. Our digital channels have all been upgraded, from the reformulation of the customer experience at the ATMs to the app and internet banking, prepared alongside our customers through interviews and home visits to achieve an in depth understanding of their needs and concerns, serving as a tool for alignment of solutions and communication strategy.

Outlook. In the light of a still more complex macroeconomic environment, Agibank's competitive advantages come to the fore, allowing the Bank to become a sector beacon in a tougher scenario and growing consistently, albeit at a more modest pace. The asset light model the bank has implemented is well adjusted to this new dynamic and, set against a lean cost structure when compared with other market players, complying with its proposition of offering a more accessible and fair product and a unique value proposal to its target public. Also worthy of mention is that credit models are being improved through the absorption of new information now available and aligned to Brazil's new reality, making for the responsible concession of credit and ensuring sustainable growth.

This next quarter begins with the challenge of implementing one of Agibank's greatest achievements in recent years: the opportunity to become the best paycheck and benefits bank in Brazil. Agibank has been adapting its channels to this end, for example installing cash out options (ATMs) at its service outlets and enabling them as paying out units. In this way, the target market can be expected to increase appreciably, allowing the Bank to scale up its relationship strategy throughout the country.

In line with the strategy of increased accessibility in all channels and contrary to the trend in the big banks, despite an adverse scenario, Agibank continues to **expand its service network.** The Bank expects to roll out more than 100 service outlets by the end of 2020, focusing on regions where it ranked in the top few positions of the INSS auction: the states of Rio Grande do Sul, Maranhão, São Paulo (capital) and those in the North region of the country.

Still in terms of service channels and new solutions, immediately after the end of the quarter under review in this release, the Bank continued its rate of new service launches - **Saque Digital (**Digital Withdrawal**), Consignado Digital (**Digital Payroll Deductible Loans**)** and **Renovação via WhatsApp** (Rollover via Whatsapp**)** – achieving goals that were scheduled to second half of the year. Respectively, these new solutions allow: withdrawal of funds at more than 30 thousand ATMs pertaining to affiliated networks without the use of a smart card; a secure way of getting a personal payroll deductible loan through the digital channels without leaving home; and the rollover of loan operations via the most used messaging app in the country.

In this new environment, the consultant – Agibank's employee who has an in depth identification with the customer – now has an even more critical role to play: to serve the customer in a secure and humanized fashion, offering the appropriate and fairest products and services, stimulating them to do their own banking online through increasingly simple and complete channels, with an unequaled user experience, thought through and developed to serve a *persona* known to the Bank for more than twenty years.

Thus, with a highly engaged team linked to Agibank's proposition and with the capacity to make these transformations a reality, and in spite of a more complex scenario and therefore a more nebulous short and medium term outlook, the Bank is forecasting growth in the credit portfolio in 2020, a sustainable increase in its customer base and one increasingly grounded in relationships, aligned with its purpose: **making people's daily lives better**.

Acknowledgements. More than ever, Agibank wishes to thank its customers, employees, suppliers and partners for their support, endeavor, courage and dedication during one more quarter.

Porto Alegre, May 18th, 2020.
The Management

HIGHLIGHTS

- Agibank concluded the bidding process involving more than 15 insurance companies, announcing that the Italian company Generali – one of the largest asset management groups and one of the top 5 global insurers – as exclusive partner for the sale of group life insurance products for the next 5 years;
- In line with its **relationship banking** strategy, Agibank made an important move in the period by reducing by **23.1% the average interest rate on non-payroll deductible personal loans**, as shown in BACEN's website;
- The Bank posted a total of **768.9 thousand accounts** in March 2020, a year-on-year increase of 21.3%;
- **Digital transaction volume** increased by **90.4%** in 1Q20, an indication of a significant advance in the use of the Bank's products and services by the customers, in line with a reduction of **46.0%** in **cost per transaction**, indicative of the capture of economies of scale;
- The **Credit Portfolio** amounted to **R$ 1,774.2 million** in the period, an increase of **6.5%** in relation to the outstanding balance at the end of December 2019, of particular importance being the 91.0% of the credit portfolio backed by federal government risk in March 2020;
- **Defaulting decreased in the period,** as measured by two indicators: the **NPL** (E-H) decreased from 35.8% of the gross loan in March 2019 to **26.6% in March 2020**, its lowest level since 2018, and **LLP** expenses which, in March 2019, represented 29.6% of the gross credit portfolio, reaching **22.7% in March 2020**, a reduction of 6.9 p.p.;
- The **Basel Capital Adequacy Ratio** of **12.7%** and **LCR** of **1,451.8%** illustrate the institution´s satisfactory capital and liquidity positions, respectively;
- The Bank's **Cash** position was **R$ 1,013.6 million** in March 2020, **31.3%** higher compared with the outstanding in March 2019;
- **Net earnings** amounted to **R$ 14.2 million** in 1Q20 (+72.9% y/y), mainly due to a higher intermediation result largely generated by a gradual alteration in the Credit portfolio profile towards lower risk lines which generated lower LLP expenses, resulting in a **ROAE of 18.7%** and a **ROAA of 3.8%**;
- **Net Equity** was **R$ 532.5 million** in the period (+12.9% y/y);

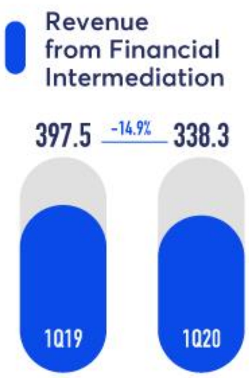
KEY INDICATORS

	In millions of Reais, unless otherwise stated	1Q20	1Q19	1Q20/1Q19
Results	Revenue from Financial Intermediation	338.3	397.5	-14.9%
	Expenses from Financial Intermediation	(144.6)	(236.1)	-38.8%
	Gross Profit from Financial Intermediation	193.7	161.4	20.0%
	Operating Expenses	(175.9)	(159.4)	10.4%
	Operating Income	17.7	2.0	769.2%
	Net Income	14.2	8.2	72.9%
Performance	ROAE[1] a.a. (%)	18.7%	24.0%	-5.3 p.p.
	ROAA[2] a.a. (%)	3.8%	5.2%	-1.4 p.p.
	Net Interest Margin[3] a.a. (%)	34.1%	46.2%	-12.1 p.p.
	Operating Efficiency Ratio[4] (%)	58.4%	46.7%	11.7 p.p.
	Risk-adjusted Operating Efficiency Ratio[5] (%)	91.6%	98.9%	-7.3 p.p.
	Net Margin[6] (%)	7.3%	5.1%	2.2 p.p.
Balance Sheet	Net Equity	532.5	471.6	12.9%
	Assets	2,648.3	2,293.5	15.5%
	Cash	1,013.6	772.0	31.3%
	Credit Portfolio	1,774.2	1,767.8	0.4%
	Leverage[7]	3.3	3.7	-0.4 p.p.
	Loan Loss Provision/Gross Credit Portfolio (%)	22.7%	29.6%	-6.9 p.p.
	NPL (>90 days) (%)	26.6%	35.8%	-9.2 p.p.
	Capital Adequacy Ratio (%)	13.4%	12.8%	0.6 p.p.
Others	Total Number of Clients	1,066,348	1,152,919	-7.5%
	Total Number of Accounts	768,985	633,730	21.3%
	Total Number of Outlets	604	608	-0.7%

(1) ROAE = 12-mo Net Income/Average Equity; (2) ROAA = 12-mo Net Income/Average Assets; (3) Net Financial Margin = 12-mo Gross Profit from Fin. Int../Average Interest-Bearing Assets; (4) Operating Efficiency Ratio = (Adm. Exp.. + Payroll Exp. + Tax Exp. + Other Operating Expenses and Revenues/Gross Profit from Fin. Int. before PBC + Services Revenue, Bank Fee Income; (5) Risk-adjusted OEI = (Adm. Expenses + Payroll Expenses + Tax Expenses + Other Operating Expenses and Revenues)/Gross Profit from Fin. Int. + Services Revenues + Bank Fee Income; (6) Net Margin = Net Income/Gross Profit from Fin. Int.; (7) Leverage = Total Credit Portfolio/Equity.

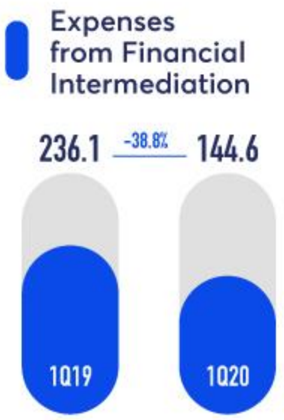
MD&A

REVENUE FROM FINANCIAL INTERMEDIATION



Revenue from Financial Intermediation was R$ 338.3 million in 1Q20, a decrease of 14.9% compared with the preceding quarter. This reflected a mix of origination which favored lines with lower risk and nominal rates such as payroll deductible loans and credit cards, as well as a reduction of 23.1% in interest rates on personal loans, which in turn represent lower risk. A further factor contributing to lower Revenue was the fall in the basic rate of interest – Selic, thus negatively influencing returns on financial investments.

EXPENSES FROM FINANCIAL INTERMEDIATION AND LIABILITY PORTFOLIO



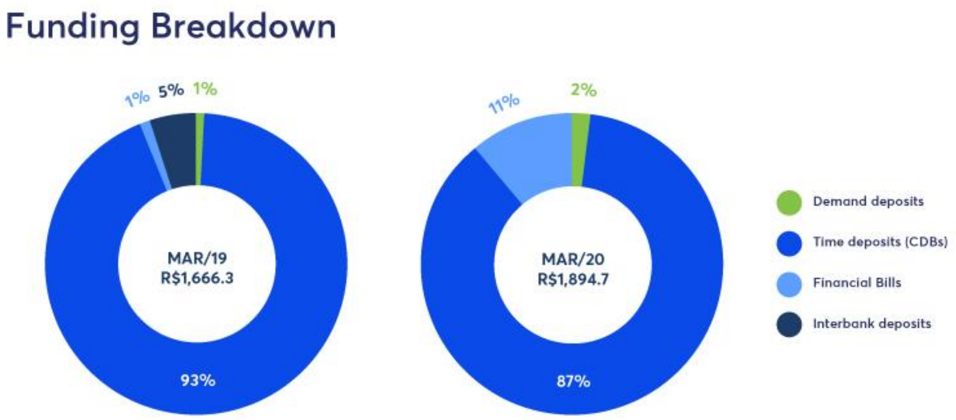
Expenses from Financial Intermediation amounted to R$ 144.6 million in 1Q20, a reduction of 38.8% in relation to the same period in the preceding year, largely due to a reduction in Loan Loss Provisions (LLP), capturing the benefits of a better portfolio mix and greater efficiency in the credit cycle stages from modeling to the concession and maintenance of the operations.

As for funding, the Bank relies on a fundraising structure whose main component is CDB-based (time deposits), appropriate for the profile of its credit portfolio, which is conservatively managed, maintaining comfortable levels of liquidity.

Agibank distributes its securities issued through the medium of more than 40 platforms and is currently undertaking a gradual process of diversification of its funding sources. This has proved beneficial and efficient in terms of dispersal and costs, notably with the issue of public, bilateral and subordinated Financial Bonds.

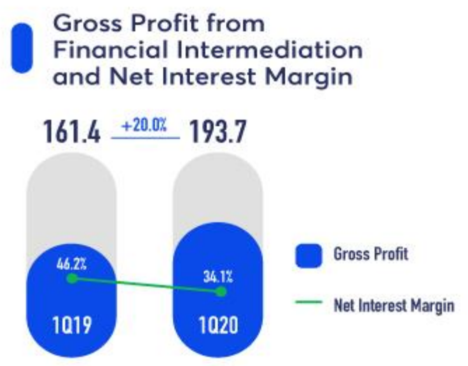
In the first quarter, the Central Bank of Brazil issued new resolutions for enhancing liquidity in the Brazilian financial system, notably in the form of Time Deposits with Special Guarantee (NDPGE) and Guaranteed Financial Bonds (LFG), the latter bearing a cost of Selic + 0.6% p.a. and the counterparty being the Central Bank itself. The NDPGE and LFG together give the Bank a potential increase in liquidity of about R$ 1.5 billion, which in March had still not been drawn. Agibank has been evaluating this and the other available limits and, should it decide to access them, it will be a possible alternative for reducing funding costs and/or the maintenance of its already comfortable level of liquidity.

Funding Breakdown



Worthy of note is the increase in the volume of Demand Deposits, these reporting R$ 29.8 million in March 2020. With the beginning of the payment of social security benefits, mainly following the INSS auction, the Bank expects an even greater advance in this resource given the profile of the customers that will naturally migrate to the institution under this new dynamic.

GROSS PROFIT FROM FINANCIAL INTERMEDIATION



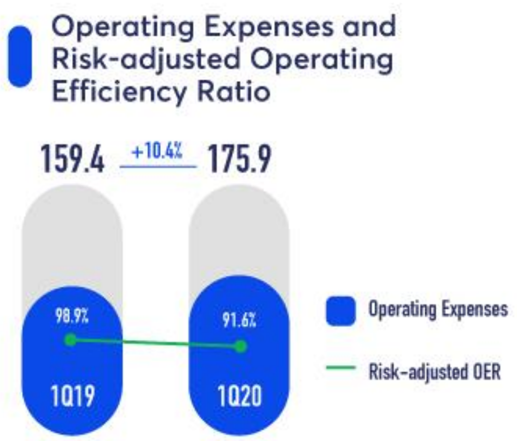
The Gross Profit from Financial Intermediation totaled R$ 193.7 million in 1Q20, an increase of 20.0% compared with the same period in 2019, for the same reasons which saw a greater proportional reduction in Expenses than the decline in Revenue, already mentioned above. The annualized Net Interest Margin, calculated based on the Gross Result from Financial Intermediation to Remunerated Assets, reached 34.1% in March 2020.

SERVICES REVENUE

In millions of Reais, unless otherwise stated	1Q20	1Q19	1Q20/1Q19
Comissions	5.9	6.1	-2.6%
Purchase Pool Administration Fees	0.8	1.0	-13.2%
Sign up Fees	3.8	4.0	-5.9%
Annuities	2.1	2.7	-24.2%
Other Fees	4.0	9.6	-58.6%
Total	**16.5**	**23.3**	**-29.1%**

Services Revenue, which includes revenue from fees and services rendered, amounted to R$ 16.5 million in 1Q20, a decline of 29.1% in relation to 1Q19, mainly due to lower income from credit card annuities.

OPERATING EXPENSES



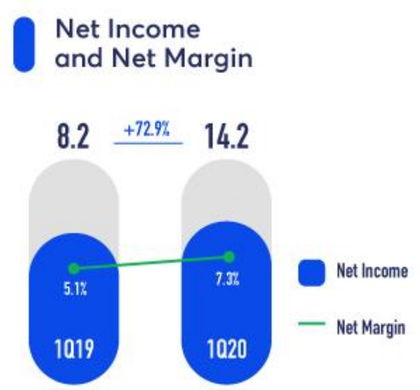
Net Operating Expenses were down 19.5% compared with the same period in 2019, reaching R$ 128.3 million in 1Q20. Worthy of mention is that in February 2019, approval was given for the partial spin off of the Bank's net equity to the company Nuova Holding S.A., a related party of the Bank. As a consequence of the spin off, Nuova Holding S.A. assumed control of the sales promoters, Soldi Promotora de Vendas Ltda and Promil Promotora de Vendas Ltda. Consequently, since this reorganization, the Employee Expenses for the service outlets has been booked under Administrative Expenses.

OPERATING EFFICIENCY RATIO

The Operating Efficiency Ratio (OER) adjusted for risk, the calculation methodology for which is shown as follows, reported 91.6% in March 2020, a decline of 7.3 p.p. compared with March 2019, reflecting the decrease in LLP expenses.

In millions of Reais, unless otherwise stated	1Q20	1Q19	1Q20/1Q19
Employee Expenses	(30.2)	62.3	-148.4%
Administrative Expenses	(144.0)	89.1	-261.5%
Tax Expenses	(17.9)	26.1	-168.4%
Other Operating Income and Expenses	(0.4)	5.2	-108.3%
Total Expenses	**(192.5)**	**182.8**	**-205.3%**
Revenue from Financial Intermediation before LLP	313.1	368.4	-15.0%
Banking Service Fees	16.5	23.4	-29.4%
Total Revenues	**329.7**	**391.8**	**-15.9%**
Operating Efficiency Ratio (%)	**(0.6)**	**0.5**	-105.1 p.p.
Loan Loss Provision (LLP)	(119.5)	(207.0)	-42.3%
Revenue from Financial Intermediation	193.7	161.4	20.0%
Risk-adjusted Operating Efficiency Ratio (%)	**91.6%**	**98.9%**	-7.3 p.p.

NET INCOME



Net Income at Agibank in 1Q20 was R$ 14.2 million, an increase of 72.9% compared to 1Q19 and equivalent to a Net Margin of 7.3%. This was largely a reflection of lower levels of delinquency translating into lower LLP expenses, as already demonstrated.

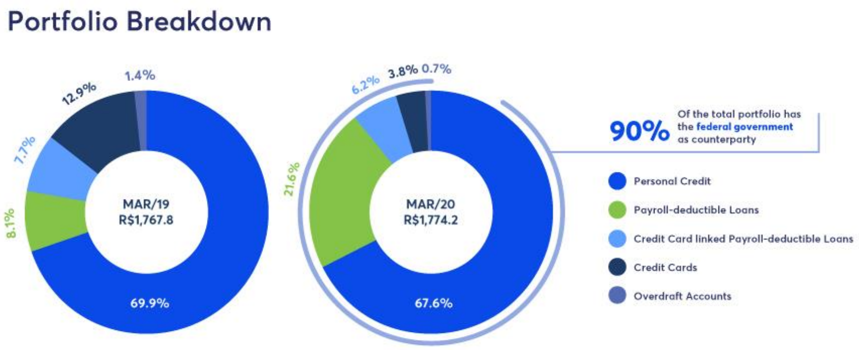
DIVIDENDS AND INTEREST ON EQUITY CAPITAL

In 1Q20, Agibank credited dividends as Interest on Equity Capital worth R$ 6.9 million.

ANALYSIS OF CREDIT OPERATIONS

CREDIT PORTFOLIO

In millions of Reais, unless otherwise stated	Portfolio			Var. %	
Credit Portfolio	**mar/20**	**dec/19**	**mar/19**	**mar/20 x dec/19**	**mar/20 x mar/19**
Personal Credit	1,130.2	1,084.7	1,178.5	4.2%	-4.1%
Payroll-Deductible Loans	361.5	263.0	135.9	37.5%	166.1%
Credit Card linked Payroll-Deductible Loans	104.2	113.0	130.6	-7.8%	-20.2%
Digital Credit Cards	64.3	93.4	217.1	-31.2%	-70.4%
Digital Overdraft Accounts	11.2	14.8	24.0	-24.3%	-53.3%
Credit Portfolio	**1,671.4**	**1,568.9**	**1,686.1**	**6.5%**	**-0.9%**
Securities and Credits Receivable	102.8	96.4	81.8	6.6%	25.8%
Total Gross Credit Portfolio	**1,774.2**	**1,665.4**	**1,767.8**	**6.5%**	**0.4%**
LLP - Credit Portfolio	(379.3)	(413.6)	(498.6)	-8.3%	-23.9%
LLP - Securities and Credits receivable	(5.1)	(3.6)	(3.0)	41.0%	67.6%
Net Credit Portfolio	**1,389.8**	**1,248.2**	**1,266.2**	**11.3%**	**9.8%**



As of March 31, 2020, the Total Credit Portfolio amounted to R$ 1,774.2 million, an increase of 6.5% compared with December 2019 and flat compared to March 2019, again the main feature being the growth in the Payroll-Deductible portfolio which together with the Payroll-Deductible Credit Card payment, represents 27.9% of the total credit portfolio (versus 15.8% in March 2019). It is worth pointing out that in March 2020, approximately 90.0% of the credit portfolio had the federal government as counterparty, meaning the portion of our customers' income/wages that is paid for by the Brazilian Government, considerably reducing the portfolio's risk. The Credit Portfolio, net of loan loss provisions amounted to R$ 1,389.8 million, 11.3% and 9.8% higher than the positions outstanding in December 2019 and March 2019, respectively.

QUALITY OF THE CREDIT OPERATIONS PORTFOLIO

In millions of Reais, unless otherwise state		Portfolio			Provision			Breakdown		
Rating	**% of provision**	**mar/20**	**dec/19**	**mar/19**	**mar/20**	**dec/19**	**mar/19**	**mar/20**	**dec/19**	**mar/19**
A	0.5%	1,084.0	904.2	850.7	(5.4)	(4.5)	(4.3)	65%	58%	50%
B	1%	45.6	76.4	70.3	(0.5)	(0.8)	(0.7)	3%	5%	4%
C	3%	52.0	61.2	96.2	(1.6)	(1.8)	(2.9)	3%	4%	6%
D	10%	44.9	49.2	65.1	(4.5)	(4.9)	(6.5)	3%	3%	4%
E	30%	58.7	57.3	85.4	(17.6)	(17.2)	(25.6)	4%	4%	5%
F	50%	47.5	49.1	77.8	(23.8)	(24.5)	(38.9)	3%	3%	5%
G	70%	42.1	39.2	69.4	(29.5)	(27.4)	(48.6)	3%	2%	4%
H	100%	296.6	332.4	371.1	(296.6)	(332.3)	(371.1)	18%	21%	22%
Total		**1,671.4**	**1,568.9**	**1,686.1**	**(379.3)**	**(413.5)**	**(498.6)**	**100%**	**100%**	**100%**

CAPITAL MANAGEMENT

BASEL CAPITAL ADEQUACY RATIO

In millions of Reais, unless otherwise stated	mar/20	dec/19	mar/19
Referential Equity - Tier I	460.1	467.2	398.0
Core Capital	460.1	467.2	398.0
Referential Equity	**493.0**	**499.3**	**398.0**
Referential Equity - Tier II	33.0	32.1	-
Credit Risk-weighted Assets	1,362.5	1,221.1	1,214.6
Market Risk-weighted Assets	13.8	11.0	10.2
Operational Risk-weighted Assets	2,515.1	2,236.4	1,895.2
Risk-weighted Assets	**3,891.3**	**3,468.5**	**3,120.0**
RBAN	154.4	152.9	247.6
Capital Adequacy Ratio (RE/RWA)	**12.7%**	**14.4%**	**12.8%**
Expanded Capital Adequacy Ratio (RE/(RWA+RBAN))	**12.2%**	**13.8%**	**11.8%**

The Bank's Capital Adequacy Ratio reported 12.7% in March 2020, a reduction of 0.1 p.p. compared with March 2019, basically due to the expansion of the reference equity.

LIQUIDITY MANAGEMENT

LIQUIDITY COVERAGE RATIO (LCR)

In millions of Reais, unless otherwise stated	mar/20	dec/19	mar/19
High Quality Liquid Assets	516.0	721.7	581.3
Potential Cash Outflows	35.5	19.6	22.6
LCR (%)	**1451.8%**	**3677.4%**	**2567.7%**

LCR indicates the Bank's capacity to absorb the effects of a scenario of stress with the outflow of a large volume of high quality liquid assets. The amounts are calculated based on the methodology defined by Brazilian Central Bank regulations, in line with Basel III guidelines.

In March 2020, LCR reached 1,451.8%, a reduction of 1,115.9 p.p. compared to March 2019. Despite this decline, a comfortable liquidity position has been maintained.

ABOUT AGIBANK

Agibank is a full-service bank that embraces each customer's needs as the most important element to be addressed. Digital always, onsite whenever customers need it to be, the Bank offers simple and reasonably priced products and services to streamline the financial lives of thousands of Brazilians. For those who prefer to handle things digitally, there is the App, Internet banking, chat and a relationship center that is always on call. For those who do not want to relinquish one-on-one service, there are more than 600 service outlets across Brazil, plus 2 thousand consultants available to address issues and offer solutions. Our portfolio includes upkeep charge-free checking accounts, credit and debit cards, credit facilities, investments, purchase pools, and insurance. A network of partners provides over 30 thousand ATMs and more than 2 million establishments certified to accept payments using QR Codes. For Agibank, a bank must be like life is: sometimes digital, sometimes physical, never imposing, making people's daily lives better.

DISCLAIMER

The statements in this document related to the prospects for the businesses, forecasts on operating and financial results and those relating to the outlook for growth of Banco Agibank S.A., are merely estimates and as such are based exclusively on the expectations of Management as to the future of the businesses. These expectations depend substantially on market conditions, the performance of the Brazilian economy, the sector and the international markets and are therefore subject to change without prior notice. All variations presented herein are calculated based on the numbers in thousands of Brazilian Reais, as are any roundings.

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Balance Sheet | Assets Consolidated

(In thousands of Reais)

ASSETS	mar/20 *unadited*	dec/19	mar/19 *unadited*	mar/20 x dec/19	mar/20 x mar/19
Current Assets	**2,052,472**	**2,141,911**	**2,000,637**	**-4.2%**	**2.6%**
Cash and bank deposits	31,714	21,596	1,544	46.9%	1954.0%
Short-term interbank investments	602,589	756,077	599,059	-20.3%	0.6%
Securities and derivative financial instruments	148,905	161,514	77,780	-7.8%	91.4%
Interbank accounts	476	2,150	3,766	-77.9%	-87.4%
Loan operations	1,395,887	1,375,794	1,588,253	1.5%	-12.1%
Allowance for loan losses	(368,724)	(404,542)	(496,586)	-8.9%	-25.7%
Securities trading and brokerage	-	-	6	-	-100.0%
Taxes and contributions recoverable	23,171	24,638	22,511	-6.0%	2.9%
Receivables from affiliated companies	10,635	5,079	108	109.4%	9747.2%
Deferred tax assets	64,881	63,263	80,394	2.6%	-19.3%
Miscellaneous	40,647	39,744	39,190	2.3%	3.7%
Notes and credits receivables	102,807	96,448	81,743	6.6%	25.8%
Allowance for loan losses	(5,064)	(3,591)	(3,022)	41.0%	67.6%
Prepaid expenses	4,548	3,741	5,891	21.6%	-22.8%
Long-term Receivables	**515,074**	**398,399**	**204,646**	**29.3%**	**151.7%**
Securities and derivative financial instruments	230,405	197,807	93,635	16.5%	146.1%
Loan operations	275,824	193,462	98,369	42.6%	180.4%
Allowance for loan losses	(10,922)	(9,390)	(2,593)	16.3%	321.2%
Funds receivable from closed groups	2,591	2,553	2,760	1.5%	-6.1%
Securities credits receivable	2	2	7	0.0%	-71.4%
Taxes and contributions to compensate	10,417	7,483	-	39.2%	-
Escrow deposits on judicial claims	2,506	2,231	8,233	12.3%	-69.6%
Prepaid expenses	4,251	4,251	4,235	0.0%	0.4%
Permanent Assets	**80,789**	**67,839**	**79,977**	**19.1%**	**1.0%**
Investments	34	34	107	0.0%	-68.2%
Property, plant and equipment	12,300	11,288	14,330	9.0%	-14.2%
Intangible assets	68,455	56,517	65,540	21.1%	4.4%
TOTAL ASSETS	**2,648,335**	**2,608,149**	**2,285,260**	**1.5%**	**15.9%**

Balance Sheet | Liabilities - Consolidated

(In thousands of Reais)

LIABILITIES	mar/20 *unaudited*	dec/19	mar/19 *unaudited*	mar/20 x dec/19	mar/20 x mar/19
Current liabilities	**1,000,041**	**1,115,304**	**612,030**	**-10.3%**	**63.4%**
Demand deposits	34,734	26,285	23,543	32.1%	47.5%
Interbank deposits	-	50,088	84,065	-100.0%	-100.0%
Time deposits	828,734	881,586	370,573	-6.0%	123.6%
Own Portfolio	-	-	5,496	-	-100.0%
Funds from acceptance (exchange)	236	233	389	1.3%	-39.3%
Funds from acceptcance and issue of securities	5,508	5,438	-	1.3%	-
Interbank accounts	365	-	405	-	-9.9%
Financing and borrowings	891	798	865	11.7%	3.0%
Collection and payment of taxes and similar	26,455	27,354	4,487	-3.3%	489.6%
Social and statutory	103	-	-	-	-
Tax and social security contributions	14,239	25,352	12,451	-43.8%	14.4%
Funds obligations with closed groups	816	514	811	58.8%	0.6%
Other liabilities	87,960	97,656	108,945	-9.9%	-19.3%
Long-term liabilities	**1,065,575**	**967,355**	**1,201,636**	**10.2%**	**-11.3%**
Time deposits	822,687	730,257	1,176,880	12.7%	-30.1%
Funds from acceptance	-	-	222	-	-100.0%
Real Estate Credit Notes, Mortgage Notes, Credit and Similar Notes	169,817	167,225	5,150	1.6%	3197.4%
Funds pending receipt - judicial collection	2,591	2,553	2,760	1.5%	-6.1%
Tax and social security	-	-	5,892	-	-100.0%
Equity eligible debt instruments	32,960	32,068	-	2.8%	-
Other liabilities	37,520	35,252	10,732	6.4%	249.6%
Deferred Income	**50,000**	**0**	**0**		**-**
Expected Revenue	50,000	-	-		-
Non-controlling interest	219	170	185	28.8%	18.4%
EQUITY	**532,500**	**525,320**	**471,409**	**1.4%**	**13.0%**
Capital Stock	321,500	326,927	322,484	-1.7%	-0.3%
Capital Reserves	11,436	11,436	11,436	0.0%	0.0%
Profit Reserves	186,590	193,458	129,297	-3.6%	44.3%
Adjustments to Market Value - securities and derivatives	(67)	38	8	-276.3%	-937.5%
(-)Treasury Shares	(1,112)	(6,539)	-	-83.0%	-
Retained Earnings	14,153	-	8,184	-	72.9%
TOTAL LIABILITIES AND EQUITY	**2,648,335**	**2,608,149**	**2,285,260**	**1.5%**	**15.9%**

Income Statement – Consolidated

(In thousands of Reais)

INCOME STATEMENT	1Q20 *unaudited*	1Q19 *unaudited*	1Q20/1Q19
REVENUE FROM FINANCIAL INTERMEDIATION	**338,265**	**397,595**	**-14.9%**
Loan operations	327,690	385,811	-15.1%
Short-term interbank investiments	7,080	8,627	-17.9%
Securities transactions	3,636	3,079	18.1%
Derivative financial instruments	(504)	(2)	25100.0%
Foreign exchange	363	80	353.8%
EXPENSES FROM FINANCIAL INTERMEDIATION	**(144,613)**	**(236,195)**	**-38.8%**
Market funding expenses	(25,130)	(29,065)	-13.5%
Loan operations and onlending	-	(116)	-100.0%
Foreign exchange expenses	-	(58)	-100.0%
Allowance for loan losses	(117,954)	(206,664)	-42.9%
Allowance for other doubtful accounts	(1,529)	(292)	423.6%
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	**193,652**	**161,400**	**20.0%**
OPERATING EXPENSES	**(175,948)**	**(159,364)**	**10.4%**
Revenue from services	10,040	16,194	-38.0%
Banking fees	6,505	7,151	-9.0%
Employee expenses	(30,189)	(62,335)	-51.6%
Administrative expenses	(144,001)	(88,039)	63.6%
Tax expenses	(17,873)	(26,130)	-31.6%
Other operating income (expenses)	(430)	(6,205)	-93.1%
Non-Operating Income	(4)	14	-128.6%
INCOME BEFORE TAXES	**17,700**	**2,050**	**763.4%**
Income tax and social distribution	(2,219)	6,180	-135.9%
Profit Sharing	(1,279)	-	-
Minority Interes	(49)	(46)	6.5%
NET INCOME	**14,153**	**8,184**	**72.9%**

RATING

FitchRatings

-- National Long-Term Rating ‘BBB(bra)’, Negative Outlook
-- National Short-Term Rating ‘F3(bra)’