



1Q20 Earnings Release

BancoDaycoval

Recurring Net Income

R\$ 278.1 million in **1Q20**

3.5% in 3 months
+ 24.0% in 12 months

Net Income

R\$ 395.9 million in **1Q20**

+ 6.1% in 3 months
+ 83.6% in 12 months

Shareholders' Equity

R\$ 3,896.7 million

+ 5.5% in 3 months
+ 14.4% in 12 months

Profitability

**Recurring
ROAE**

29.2% in **1Q20**

-2,1 p.p. in 3 months
+2.5 p.p. in 12 months

ROAE

41.6% in **1Q20**

+1.0 p.p. in 3 months
+15.9 p.p. in 12 months

Additional Provision Covid 19*

R\$ 154.3 million

* In view of the adverse economic scenario and in order to mitigate the impacts of the crisis caused by the Pandemic on March 31, 2020, the Bank constituted an additional provision for doubtful loans in the amount of R\$ 154.3 million.

MAIN FIGURES (R\$ million unless otherwise stated)	1Q20	4Q19	Δ	1Q19	Δ
RESULTS					
Income from loans operations	980.2	845.7	15.9%	787.6	24.5%
Net Income	395.9	373.2	6.1%	215.6	83.6%
Recurring Net Income	278.1	288.1	-3.5%	224.3	24.0%
FINANCIAL POSITION					
Total Assets	38,166.6	34,892.1	9.4%	28,398.8	34.4%
Expanded Loan Portfolio ⁽¹⁾	26,177.7	27,359.6	-4.3%	19,906.7	31.5%
- Companies	17,778.5	19,695.6	-9.7%	13,394.6	32.7%
- Payroll Loans	7,135.8	6,483.6	10.1%	5,638.4	26.6%
- Auto Loans	1,206.3	1,123.7	7.4%	821.1	46.9%
- Home Equity	57.1	56.7	0.7%	52.6	8.6%
Funding	25,576.3	24,268.5	5.4%	18,985.2	34.7%
Local Bonds	8,540.8	9,062.4	-5.8%	9,851.5	-13.3%
Total Deposits + LCI + LCM	10,301.1	9,949.1	3.5%	7,289.7	41.3%
Shareholders' Equity	3,896.7	3,695.2	5.5%	3,407.2	14.4%
CREDIT RATIOS					
Final Balance LLP	1,413.6	1,319.5	7.1%	1,195.9	18.2%
Nonperforming Loans Ratio (90 days overdue)	1.6%	1.5%	0.1 p.p	1.6%	0.0 p.p
Final Balance LLP / Loan Portfolio (%)	5.4%	4.8%	0.6 p.p	6.0%	-0.6 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	335.5%	331.9%	3.6 p.p	382.8%	-47.3 p.p
Final Balance Loan E-H / Loan Portfolio (%)	167.9%	156.4%	11.5 p.p	133.0%	34.9 p.p
HIGHLIGHTS					
Net Interest Margin (NIM-AR) (% p.a.) ⁽²⁾	13.4%	14.1%	-0.7 p.p	13.2%	0.1 p.p
Adjusted ROAE (%)	29.2%	31.3%	-2.1 p.p	26.7%	2.5 p.p
Adjusted ROAA (%)	3.2%	3.6%	-0.4 p.p	3.2%	0.0 p.p
Return on Average Equity (ROAE) (% p.a.)	41.6%	40.6%	1.0 p.p	25.7%	15.9 p.p
Return on Average Asset (ROAA) (% p.a.)	4.5%	4.7%	-0.2 p.p	3.1%	1.4 p.p
Efficiency Ratio (%)	24.7%	30.2%	-5.5 p.p	27.7%	-3.0 p.p
Recurring Efficiency Ratio (%)	28.2%	28.8%	-0.6 p.p	27.2%	0.3 p.p
BIS Index III (%)	14.2%	14.1%	0.1 p.p	16.0%	-1.8 p.p
Employees	2,457	2,353	4.2%	2,061	19.2%
Number of Branches (Companies)	45	45	-	44	2.3%

(1) Includes Avals and Sureties.

(2) Includes exchange-rate variance on liability transactions, foreign trading, and excludes matched operations—repurchase agreements—tri-party repos outstanding.



COVID 19 | Main measures implemented in operational management and support of Daycoval employees

Daycoval considers that the global scenario was significantly impacted by the initial developments of the COVID-19 pandemic, decreed by the World Health Organization (WHO) on March 11, 2020, and which strongly disrupted the majority of the world's economies. The final consequences of this pandemic will still require time to be calculated, given that the disease is as yet not under control. This has resulted in restrictions on national and international travel, the shuttering of many businesses and services in practically the entire world, the triggering of a strong crisis in a number of business sectors generating significant economic impacts, directives from governments to adopt social isolation as a way of preventing the spread of the virus and producing an environment of pronounced financial volatility and mounting uncertainties.

Our operational capacity has been preserved and, since the beginning of the pandemic, our actions have encompassed the Ministry of Health's guidelines. We created a crisis committee formed by the Executive Officers, Human Resources and Operational Risk Management staff. It meets daily and reports regularly to the Board of Directors and to all employees regarding its evaluation of the evolution of Covid-19 and how it influences our operations.

We have activated the Business Continuity Plan (PCN), and since the end of March/2020, we have intensified internal and external actions — on a consistent and timely basis — in order to minimize the impacts of the pandemic on our operations and our employees, highlighting:

- ✓ **Continuous and transparent communication with employees since the beginning of the pandemic;**
- ✓ **Guidelines for employee health care, prevention and well-being;**
- ✓ **Intensification of the Home Office work model, via remote access through laptop computers;**
- ✓ **Guidance on best at-home work practices;**
- ✓ **Leave of absence of employees in the at-risk groups for an indefinite period of time;**
- ✓ **Follow-up protocol for employees and family members presenting Covid-19 symptoms;**
- ✓ **Rotation of teams on the Bank's premises, adopting rules regarding distancing and precautionary conduct;**
- ✓ **Anticipation of the in-company H1N1 influenza vaccination campaign;**
- ✓ **Professional disinfection of the Bank's premises;**
- ✓ **Lives with the Executive Board;**
- ✓ **Focus on collateralized credit operations.**

COVID 19 | Campaigns

UNITED FOR THE OVERALL GOOD



The Bank has operated in a new format and with the employees same dedication. They and the teams remain united even while physically separated.

OVERALL GOOD CONNECTION



Conexão do Bem Daycoval

SUA DOAÇÃO VALE POR 3

Ajude a combater o coronavírus e seus efeitos na saúde e na economia. A cada máscara doada, o Banco Daycoval doa mais duas.

In order to combat the spread of the virus and its effects on health and the economy, for every Real donated by its employees Daycoval is donating two more. These funds will be used to purchase protective masks produced by small and medium-sized enterprises that are converting their activities to the production of such items.

FOOD DONATION



Daycoval and singer Bell Marques joined up in the food donation campaign, guaranteeing a ton of foodstuffs!

It's one more Daycoval solidarity initiative.

Main Events

Maintenance of Capital and Liquidity

Issuance of Financial Bills

- On February 19, 2020, the Bank issued **Financial Bills with perpetual maturity** in the amount of **R\$ 50 million**, which became part of the Supplemental Capital (Level I) as of April 15, 2020.
- On April 15, 2020, the Bank issued **Financial Bills with perpetual maturity** in the amount of **R\$ 240.0 million**, currently pending BACEN authorization to compose Supplemental Capital (Level I).

Both were carried out through shareholders' resources.

Free Cash

R\$ 4.4 billion in 1020

Addition Covid 19

Provision

R\$ 154.3 million

In view of the adverse economic scenario and to mitigate the impacts of this crisis, on March 31, 2020 the Bank set up an additional provision for loan losses in the amount of R\$ 154.3 million, generating a total balance of R\$ 444.4 million of additional provision.

IPO Cancellation

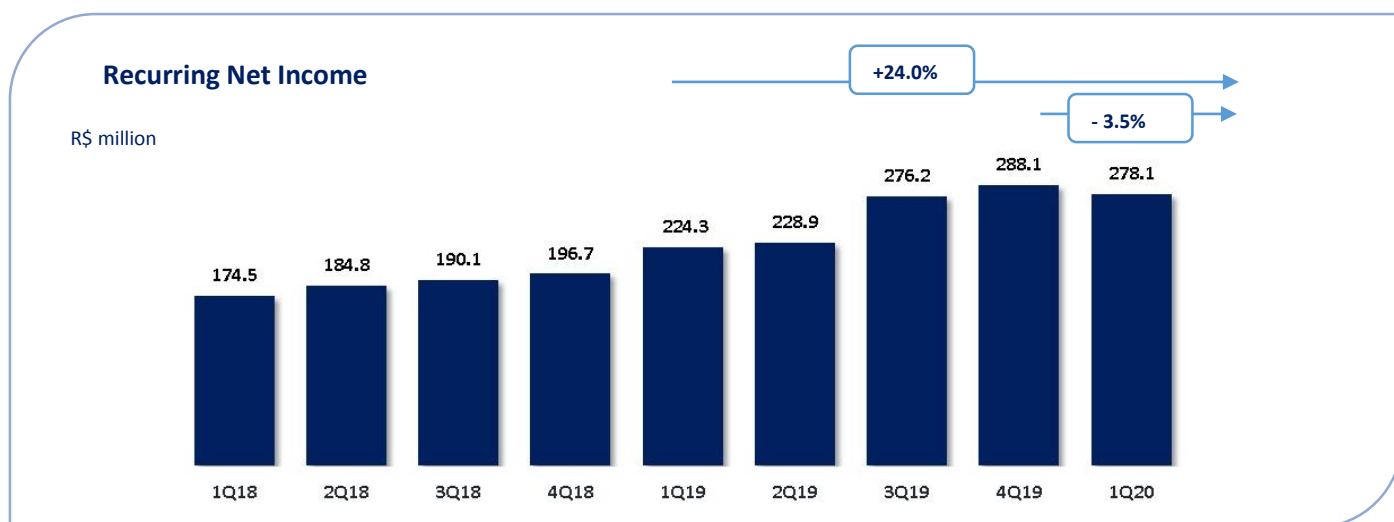
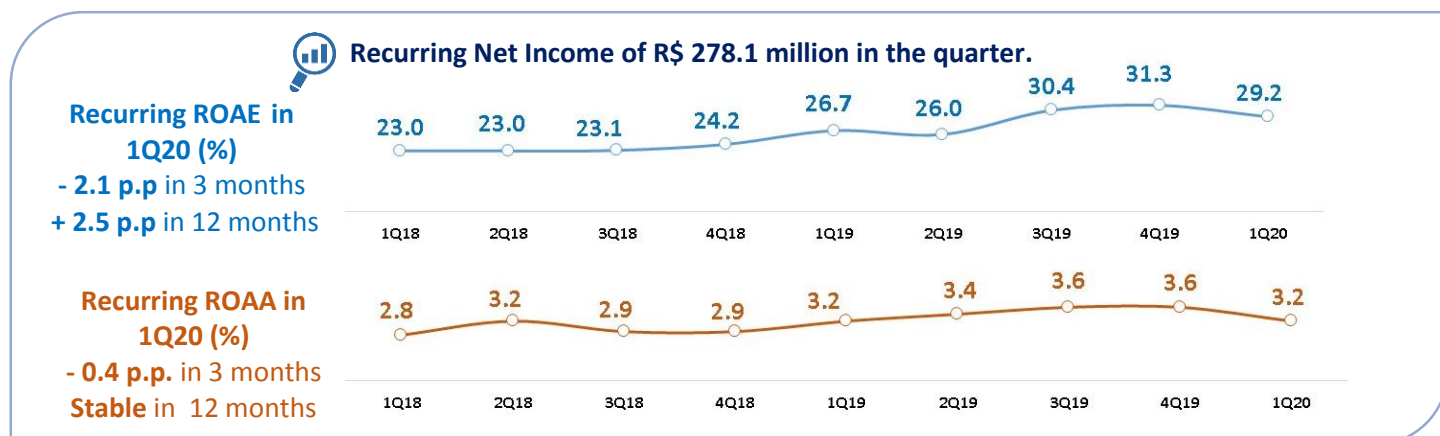
In view of the current unfavorable domestic and international capital market conditions, Banco Daycoval filed the cancellation requests with the CVM and B3 on April 15, 2020:

:

- of the registration of the primary and secondary distribution public offering of its preferred shares and conversion from securities issuer to "A" class, and
- the request to cancel the listing on the Level 2 trading segment, which was conditional to the carrying out of the Offer.

Profitability

Despite the macroeconomic uncertainties, the work we have done in recent years to strengthen our company, coupled with a solid capital and liquidity position, has prepared us to face the newly imposed challenges.



Recurring Net Income reached R\$ 278.1 million, growth of 24.0% in 12 months and a reduction of 3.5% over the previous quarter. This decrease in the quarter is due to the additional loan loss provision, in the amount of R\$ 119.7 million, constituted during the quarter.

In this quarter, the mark-to-market impact of the hedge on external funding and credit operations, was a positive R\$ 73.2 million. In 4Q19, this effect was a negative R\$ 23.0 million. The appreciation of the dollar against the real generated a positive change in the Cayman subsidiary.

We do not perform mark-to-market foreign funding that is not subject to hedge accounting. However, we perform it on the respective hedges, and therefore we consider this mark-to-market as non-recurring.

Recurring Key Figures (R\$ million)	1Q20	4Q19	Δ	1Q19	Δ
Accounting Net Income	395.9	373.2	6.1%	215.6	83.6%
(-) Hedge/ MTM R\$ - Foreign Issues and Credit Operations	73.2	(23.0)	n.a.	(9.6)	n.a.
(-) Exchange Variation - Equivalence - Branch	44.6	(6.0)	n.a.	0.9	n.a.
(-) Increase in the social contribution rate on Credit Assignments	-	114.1	n.a.	-	n.a.
Recurring Net Income	278.1	288.1	-3.5%	224.3	24.0%
Recurring ROAE (%)	29.2%	31.3%	-2.1 p.p	26.7%	2.5 p.p
Recurring ROAA (%)	3.2%	3.6%	-0.4 p.p	3.2%	0.0 p.p
Adjusted Efficiency Ratio (%)	28.2%	28.8%	-0.6 p.p	27.2%	1.1 p.p

Net Profit was R\$ 395.9 million, growth of 83.6% in 12 months and 6.1% higher than the previous quarter, with a new scenario emerging for the coming quarters. Return on average shareholders' equity (ROAE) was 41.6% in the quarter, 15.9 p.p. above 1Q19.

Net Income of R\$ 395.9 million in 1st quarter of 2020.

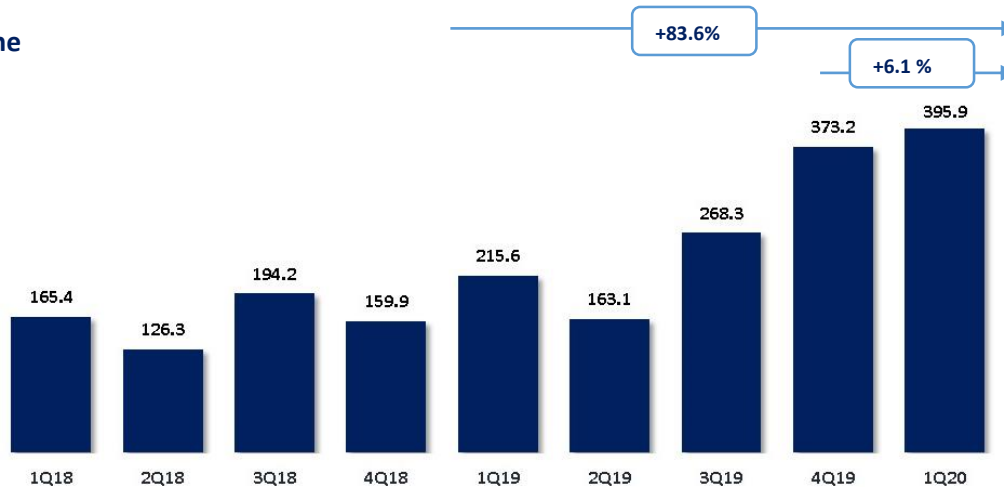
ROAE in 1Q20 (%)
+ 1.0 p.p in 3 months
+ 15.9 p.p in 12 months

ROAA in 1Q20 (%)
- 0.2 p.p. in 3 months
+1.4 p.p. in 12 months



Net Income

R\$ million



Adjusted and Recurring Net Interest Margin (NIM-AR)

NIM - AR of 13.4% in 1Q20

- 0.7 p.p in 3 months

+ 0.2 p.p. in 12 months



Recurring Adjusted Net Interest Margin (NIM-AR) (R\$ mn)	1Q20	4Q19	Δ	1Q19	Δ
Income from Financial Intermediation Reported	1,038.2	824.8	25.9%	723.1	43.6%
Hedge/MTM	132.2	(41.8)	n.a.	(15.9)	n.a.
Adjusted Income from Financial Intermediation (A)	906.0	866.6	4.5%	739.0	22.6%
Average Remunerated Assets	31,175.2	28,301.0	10.2%	25,369.7	22.9%
(-) Expenses of financial intermediation add back provisions	(2,713.6)	(2,434.5)	11.5%	(1,970.0)	37.7%
Average Remunerated Assets (B)	28,461.6	25,866.5	10.0%	23,399.7	21.6%
Recurring Adjusted Net Interest Margin (NIM-AR) (%YoY) (A/B)	13.4%	14.1%	-0.7 p.p	13.2%	0.2 p.p

Net Interest Margin (NIM)

Net Interest Margin (NIM) (R\$ million)	1Q20	4Q19	Δ	1Q19	Δ
Gross Income from Financial Intermediation	770.2	568.3	35.5%	522.7	47.3%
Exchange Rate Variation ⁽¹⁾	(0.1)	29.0	n.a.	(1.8)	-94.4%
Income from Receivables purchase ⁽¹⁾	115.0	104.2	10.4%	75.6	52.1%
Securities Adjustments	(0.1)	-	n.a.	-	n.a.
Income from Financial Intermediation	885.0	701.5	26.2%	596.5	48.4%
(-) Loan Loss Provision	153.2	123.3	24.2%	126.6	21.0%
Income from Financial Intermediation adjusted by Loan Loss Provision and Exchange Rate Variation (A)	1,038.2	824.8	25.9%	723.1	43.6%
Average Remunerated Assets (B)	31,175.2	28,301.0	10.2%	25,369.7	22.9%
Interbank Investments	6,030.0	4,479.0	34.6%	5,134.4	17.4%
Securities and Derivatives	2,759.1	2,094.0	31.8%	2,428.7	13.6%
Lending Operation (does not include assignments)	22,442.4	21,504.3	4.4%	17,548.3	27.9%
Trade Finance	(56.3)	223.7	n.a.	258.3	n.a.
Net Interest Margin (NIM) (% p.a.) (A/B)	14.0%	12.2%	1.7 p.p	11.9%	2.1 p.p

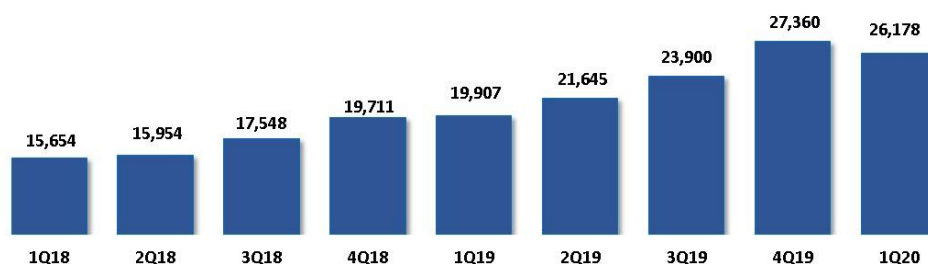
Expanded Loan Portfolio

Loan Portfolio Breakdown

1st quarter of 2020

R\$ million

Companies	67.9%
Payroll Loans	27.3%
Auto Loans	4.6%
Others	0.2%



Expanded Loan Portfolio (R\$ mn)	1Q20	4Q19	Δ	1Q19	Δ
Total Companies	17,778.5	19,695.6	-9.7%	13,394.6	32.7%
Working Capital	6,454.9	6,325.6	2.0%	4,856.6	32.9%
Receivables Purchase	3,920.4	5,765.3	-32.0%	2,911.9	34.6%
Guaranteed Account	1,689.5	1,760.9	-4.1%	1,681.8	0.5%
Trade Finance	1,546.5	1,738.1	-11.0%	1,185.7	30.4%
Leasing	1,252.2	1,203.8	4.0%	858.3	45.9%
BNDES	197.2	226.1	-12.8%	345.9	-43.0%
Avals and Sureties	2,717.7	2,675.8	1.6%	1,554.4	74.8%
Total Payroll Loans	7,135.8	6,483.6	10.1%	5,638.4	26.6%
Payroll Loans	6,600.9	5,965.4	10.7%	5,217.7	26.5%
Payroll Card	534.9	518.2	3.2%	420.7	27.1%
Total Auto Loans/Other	1,206.3	1,123.7	7.4%	821.1	46.9%
Total Home Equity	57.1	56.7	0.7%	52.6	8.6%
Total Expanded Loan Portfolio	26,177.7	27,359.6	-4.3%	19,906.7	31.5%

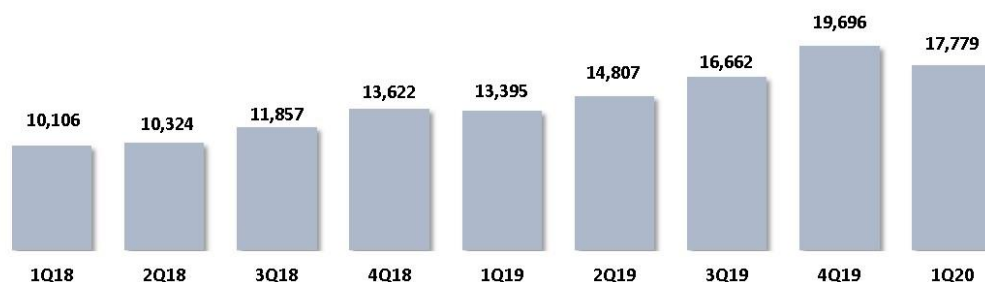
The loan portfolio reached R\$ 26.2 billion, growth of 31.5% in twelve months and reduction of 4.3% in the quarter. The companies credit segment ended with R\$ 17.8 billion, 9.7% lower than 4Q19, mainly motivated by the Purchase of Credit Rights product, which is short term. Credit to individuals totaled R\$ 8.4 billion in March 2020, growth of 29.0% in 12 months (or R\$ 1.9 billion) and 9.6% in the quarter. We are highlighting the increase in the payroll loan balance.

Companies Portfolio

R\$ million

R\$ 17.8 billion

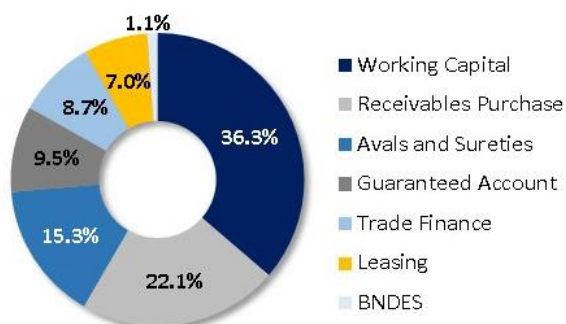
- 9.7% in 3 months
+ 32.7% in 12 months



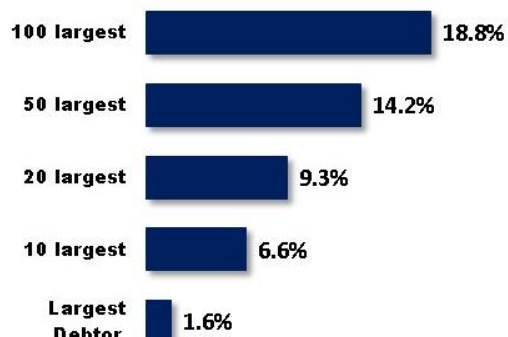
Credit to Companies Breakdown (R\$ mn)

	1Q20	4Q19	Δ	1Q19	Δ
Working Capital	6,454.9	6,325.6	2.0%	4,856.6	32.9%
Receivables Purchase	3,920.4	5,765.3	-32.0%	2,911.9	34.6%
Guaranteed Account	1,689.5	1,760.9	-4.1%	1,681.8	0.5%
Trade Finance	1,546.5	1,738.1	-11.0%	1,185.7	30.4%
Leasing	1,252.2	1,203.8	4.0%	858.3	45.9%
BNDES	197.2	226.1	-12.8%	345.9	-43.0%
Avals and Sureties	2,717.7	2,675.8	1.6%	1,554.4	74.8%
Total Companies	17,778.5	19,695.6	-9.7%	13,394.6	32.7%

Companies Portfolio Breakdown (%)



Credit Concentration (%)



Companies Overdue Loans (R\$ mn)

	1Q20	4Q19	Δ	1Q19	Δ
Overdue Loans more than 14 days past due	150.0	117.5	27.7%	176.5	-15.0%
Overdue Loans more than 60 days past due (*)	155.8	134.4	15.9%	181.6	-14.2%
Overdue Loans more than 90 days past due (*)	104.5	116.3	-10.1%	111.7	-6.4%

Credit Ratios - (%)

Final Balance LLP/Companies Portfolio (%)	4.6%	4.2%	0.4 p.p	6.0%	-1.4 p.p
Overdue Loans more than 14 days past due / Companies Portfolio	0.8%	0.6%	0.2 p.p	1.3%	-0.5 p.p
Overdue Loans more than 60 days past due / Companies Portfolio	0.9%	0.7%	0.2 p.p	1.4%	-0.5 p.p
Overdue Loans more than 90 days past due / Companies Portfolio	0.6%	0.6%	0.0 p.p	0.8%	-0.2 p.p

Coverage Ratios - (%)

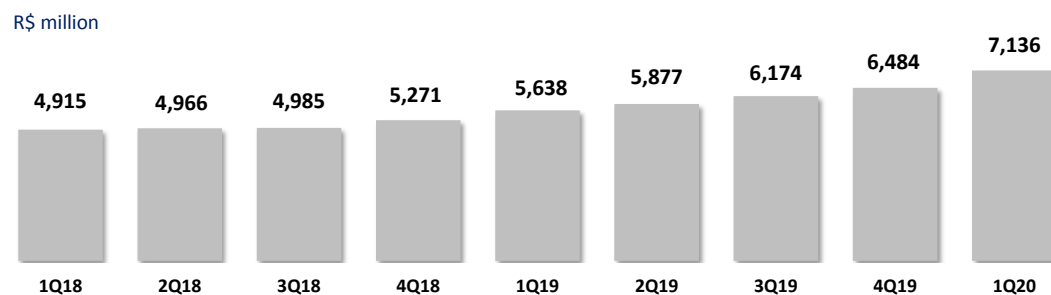
LLP Balance / Overdue Loans > 60 days (%)	526.6%	616.4%	-89.8 p.p	442.7%	83.9 p.p
LLP Balance / Overdue Loans > 90 days (%)	785.1%	712.3%	72.8 p.p	719.8%	65.3 p.p

(*) Installments falling due

Payroll Loans

R\$ 7.1 billion in 1Q20

+ 10.1% in 3 months
+ 26.6% in 12 months

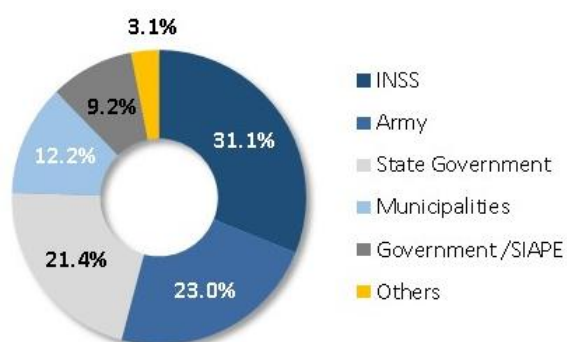


Payroll Loans ended 1Q20 with a balance of R\$ 7,135.8 million, a 10.1% increase compared to 4Q19 and an increase of 26.6% compared to 4Q19. The payroll card portfolio totaled R\$ 534.9 million in 1Q20, an increase of 3.2% in three months and growth of 27.1% in the last 12 months.

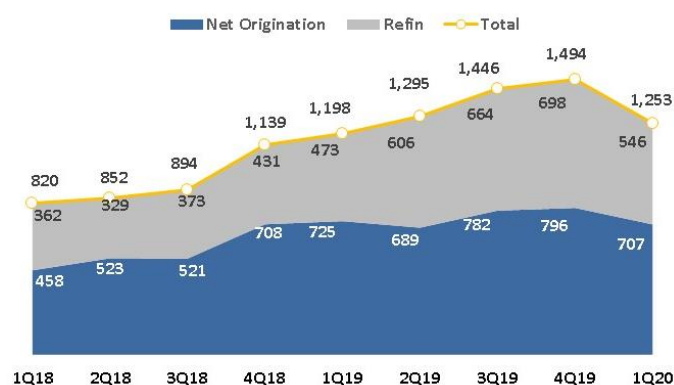
It is possible to simulate and contract loans and financing, refinancing, accompany proposals and registration updates through the APP|Payroll Loan software program. In 1Q20, more than R\$ 128.0 million was originated by this channel.

We are reducing the origination in the state and municipal agreements due to the higher risk linked to the dissemination of COVID-19.

Portfolio Distribution (%)



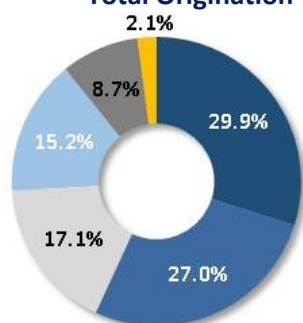
Origination



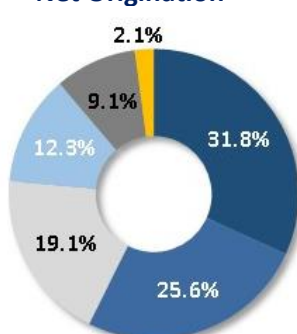
In the charts below we demonstrate Refinancing, where the client (public servant/INSS retiree) gets the primary loan with the Bank paid off and is given a new loan. In this operation, the commission paid to the correspondent bank is lower than the traditional one. The Bank adopted this strategy to focus more on the product margin.

Breakdown Payroll Origination

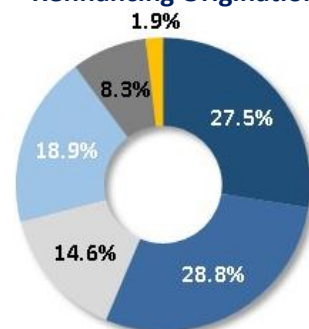
Total Origination



Net Origination



Refinancing Origination



INSS Army Municipalities State Government Government/SIAPE Others

Payroll Overdue Loans (R\$ mn)	1Q20	4Q19	Δ	1Q19	Δ
Overdue Loans more than 14 days past due	115.8	116.5	-0.6%	63.9	81.2%
Overdue Loans more than 60 days past due (*)	269.5	248.7	8.4%	183.5	46.9%
Overdue Loans more than 90 days past due (*)	235.6	215.9	9.1%	147.1	60.2%
Credit Ratios - (%)					
Final Balance LLP/Payroll Portfolio (%)	5.8%	5.8%	0.0 p.p	5.6%	0.2 p.p
Overdue Loans more than 14 days past due /Payroll Portfolio	1.6%	1.8%	-0.2 p.p	1.1%	-
Overdue Loans more than 60 days past due /Payroll Portfolio	3.8%	3.8%	0.0 p.p	3.3%	0.5 p.p
Overdue Loans more than 90 days past due /Payroll Portfolio	3.3%	3.3%	0.0 p.p	2.6%	0.7 p.p
Coverage Ratios - (%)					
LLP Balance / Overdue Loans > 60 days (%)	154.6%	151.7%	2.9 p.p	171.8%	-17.2 p.p
LLP Balance / Overdue Loans > 90 days (%)	176.8%	174.7%	2.1 p.p	214.3%	-37.5 p.p

(*) Installments falling due

A new Payroll Loan Website was created in 1Q20, which Daycoval is offering to its clients.

It is possible to formalize a contract in a fully digital manner through this the channel.

BancoDaycoval

Bem-vindo
ao seu novo jeito
de **fazer negócios.**

O novo portal
do correspondente
Daycoval chegou!

Facilidades:

- Integração de todos os produtos: empréstimo e cartão consignado e crédito em conta
- Cliente assina via whatsapp direto da sua casa

Juntos vamos mudar a forma de encantar e facilitar a vida dos nossos clientes.

Clique e acesse:

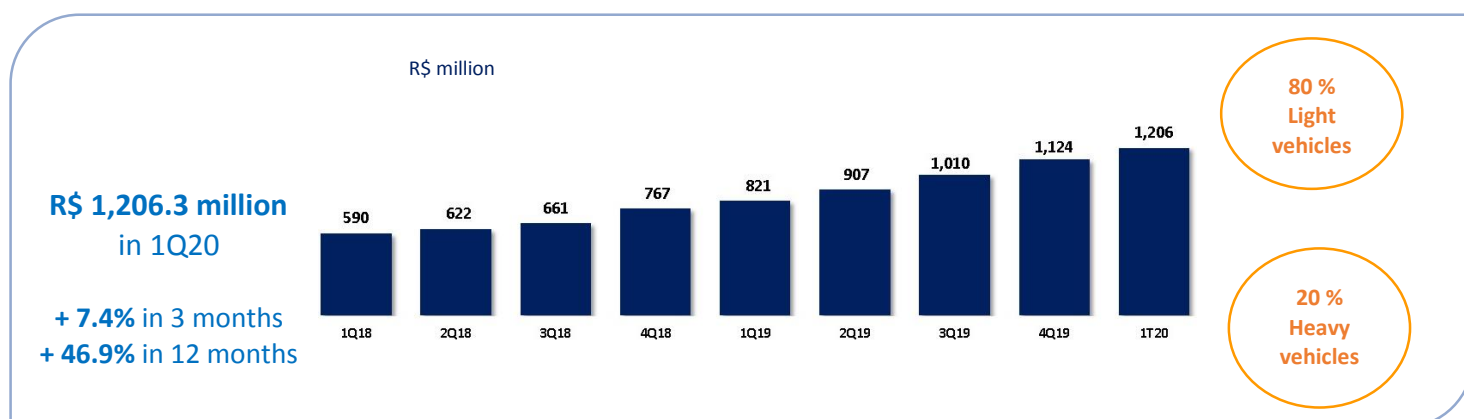
<https://youtu.be/eVo76UEwG9I>

Qualquer dúvida fale com seu gerente.

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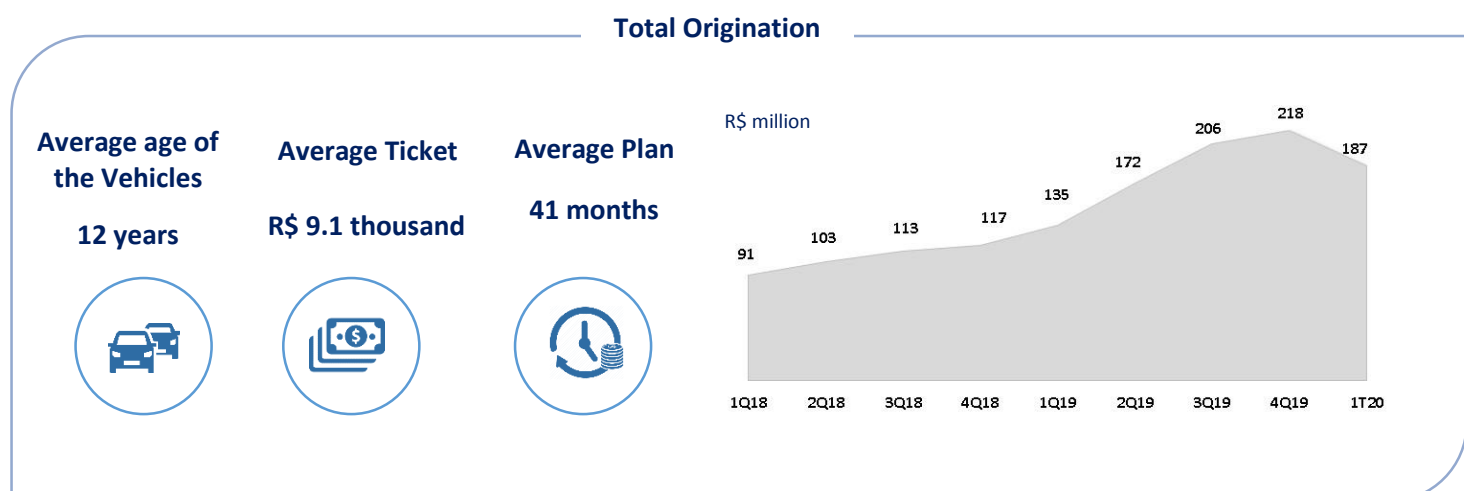
daycoval.com.br

Auto Loans



This segment ended 1Q20 with a balance of R\$ 1,206.3 million, an increase of 7.4% compared to 4Q19 and 46.9% in relation to 1Q19. Light vehicles remain the largest share in the portfolio in relation to heavy vehicles, representing 80% of the portfolio in 1Q20. Our performance continues to be supported by the + companies platform that delivers the best client journey experience.

We are reducing origination in this segment, as we believe it is the only product that is linked to unemployment



Auto Overdue Loans + Others (R\$ mn)	1Q20	4Q19	Δ	1Q19	Δ
Overdue Loans more than 14 days past due	39.2	32.6	20.2%	27.9	40.5%
Overdue Loans more than 60 days past due (*)	116.2	89.5	29.8%	71.1	63.4%
Overdue Loans more than 90 days past due (*)	77.4	61.7	25.4%	49.3	57.0%
Credit Ratios - (%)					
Final Balance LLP/Auto Loans Portfolio (%)	14.3%	9.9%	4.4 p.p	8.9%	5.4 p.p
Overdue Loans more than 14 days past due / Auto Loans Portfolio + Others	3.2%	2.9%	0.3 p.p	3.4%	-0.2 p.p
Overdue Loans more than 60 days past due / Auto Loans Portfolio + Others	9.6%	8.0%	1.6 p.p	8.7%	1.0 p.p
Overdue Loans more than 90 days past due / Auto Loans Portfolio + Others	6.4%	5.5%	0.9 p.p	6.0%	0.4 p.p
Coverage Ratios - (%)					
LLP Balance / Overdue Loans > 60 days (%)	148.5%	123.8%	24.7 p.p	102.4%	46.1 p.p
LLP Balance / Overdue Loans > 90 days (%)	222.9%	179.6%	43.3 p.p	147.7%	75.3 p.p

(*) Installments falling due

CGI – Home Equity

R\$ 57.1 million
in 1Q20

+ 8.6 % in 12 months

Advantages



- ✓ Credit limit from R\$ 50,000 to R\$ 1 million;
- ✓ Credit equivalent to up to 60% of the property;
- ✓ Up to 180 months to pay;

Guarantees



- ✓ Have own property built;
- ✓ Property in the name of the borrower;
- ✓ Property with value over R\$ 100,000;
- ✓ Income for credit approval comprised of up to 4 people;
- ✓ Legalized documentation.

Daycoval

ASSET MANAGEMENT

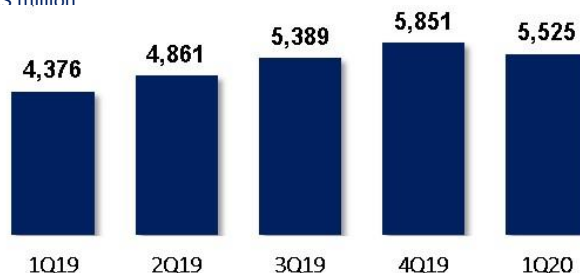
- ✓ **R\$ 5.5 billion of Assets under Management**



Management of 74 Funds

- ✓ **More than 35 thousand investors**

R\$ million



Daycoval Asset Management serves clients seeking sophisticated solutions aligned with their investment profile. With various types of investment funds and differentiated products and services, such as portfolio management. In 1Q20, it ended with a total of administered and/or managed funds of R\$ 5,524.7 million.

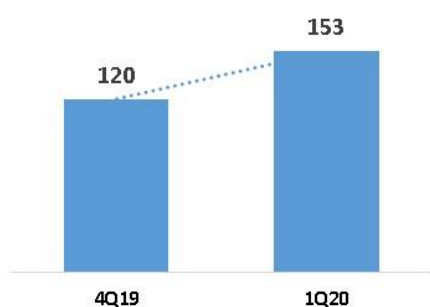
It currently manages 74 funds: 37 Multimarket Funds, 11 Fixed Income Funds, 12 Equity Funds, 7 FIDCs, 1 Real Estate Fund, 5 Holding Funds and 1 Managed Portfolio.

Gross revenue from investment fund management was R\$ 4.8 million in 1Q20 versus R\$3.8 million in 1Q19. Asset has a specialized team of 17 employees, including traders, managers, back office and commercial area, with deep market knowledge.

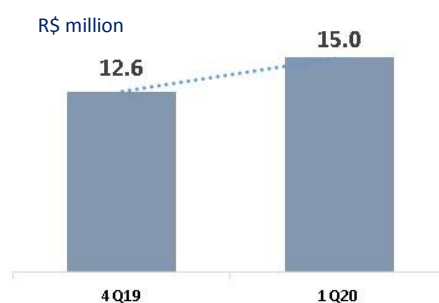
Custodial and Administration Services

The focus on the Capital Market services segment was expanded, with a new team focused on the Custodial and Administration segments. In 1Q20, the amount in Custody and Administration services (including through Daycoval Asset) reached R\$ 15.0 billion.

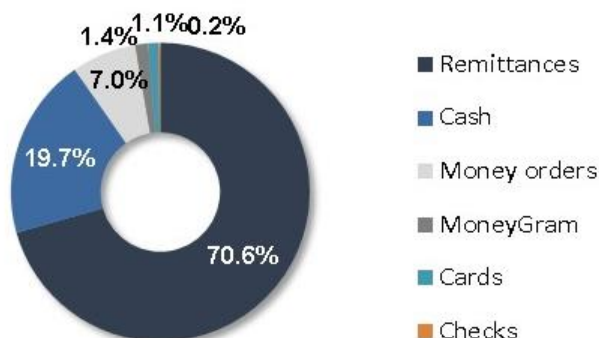
Number of Funds



Amount of Custodial and Administration Services

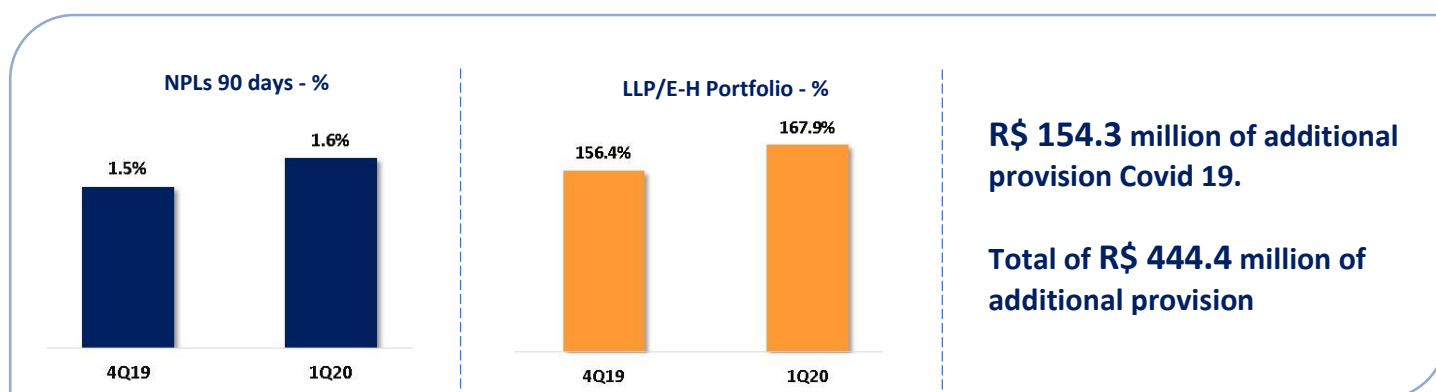


Mix of Products (%)



- ✓ + R\$ 1,792.6 million in cash transactions in 1st quarter of 20;
- ✓ + 1.084 thousand operations in 1Q20;
- ✓ 194 FX - Service Points;
- ✓ In 1Q20, 79% of the transactions originated in our own stores and 21% was through correspondents.
- ✓ We work with the expectation of a high reduction in the revenues of this product in the coming quarters, as we believe that the tourism sector should be one of the most impacted by this crisis and probably will be the segment that will take the longest to recover.

Credit Portfolio Quality



Banco Daycoval - R\$ mn

Rating	Required Provision	Loans	%	Provision*
AA	0.0%	4,639.9	17.7%	-
A	0.5%	8,268.7	31.6%	64.8
B	1.0%	9,537.1	36.4%	265.8
C	3.0%	2,307.8	8.8%	165.0
D	10.0%	582.2	2.2%	172.4
E	30.0%	101.0	0.4%	49.9
F	50.0%	107.5	0.4%	74.7
G	70.0%	41.9	0.2%	29.4
H	100.0%	591.6	2.3%	591.6
Total Portfolio		26,177.7	100.0%	1,413.6
Total Provision/ Portfolio				5.4%

94.5%
between AA-C

(*) Includes Avals and Sureties in the amount of R\$ 30.1 million in 1Q20.

An important indicator of the quality of the loan portfolio is the total operations rated AA and C, which are the best risk ratings under current regulations, totaling 94.5% of the total loan portfolio as at March 31, 2020. The balance of the loan loss provision represented 5.4% of the loan portfolio, against 4.8% in 4Q19.

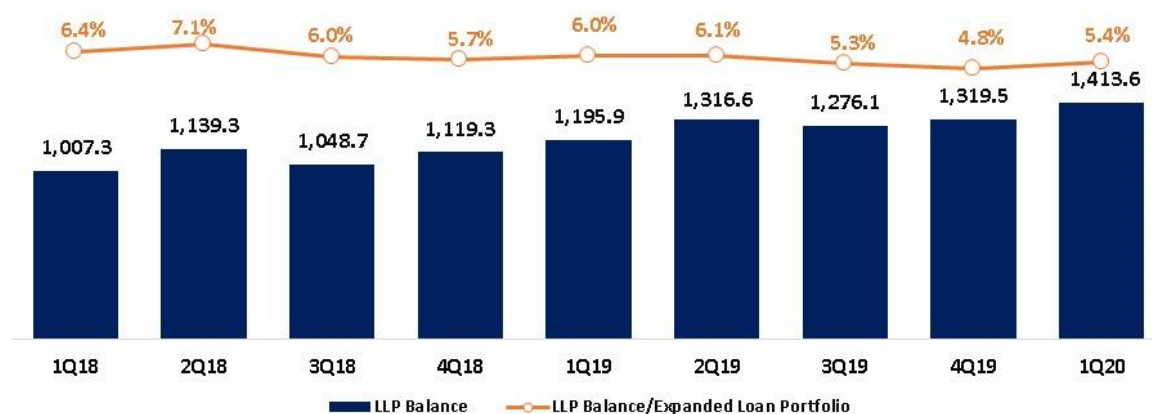
1Q20

Companies			Payroll		Vehicles and Others		C.G.I	
Rating	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision
AA - C	16,983.7	304.7	6,807.3	142.6	909.1	49.7	53.4	1.6
D	322.3	91.7	36.8	11.0	222.4	66.5	0.8	0.2
E	47.5	23.2	27.9	14.0	25.3	12.6	0.3	0.1
F	61.6	42.6	32.9	22.9	11.8	8.3	1.3	0.9
G	17.7	12.4	16.1	11.3	7.8	5.5	0.2	0.2
H	345.7	345.8	214.8	214.8	29.9	29.9	1.1	1.1
Total	17,778.5	820.4	7,135.8	416.6	1,206.3	172.5	57.1	4.1
LLP Balance/ Loans		4.6%			5.8%	14.3%	7.2%	

4Q19

Companies			Payroll		Vehicles and Others		C.G.I	
Rating	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision
AA - C	18,815.7	368.6	6,177.7	136.5	832.1	44.5	53.3	1.6
D	371.8	37.2	38.1	3.8	226.5	22.6	0.5	0.1
E	68.8	20.6	26.7	8.0	21.4	6.4	1.1	0.3
F	64.7	32.4	15.7	7.9	9.3	4.6	1.0	0.5
G	16.3	11.4	14.4	10.1	5.9	4.2	0.7	0.5
H	358.3	358.2	211.0	210.9	28.5	28.5	0.1	0.1
Total	19,695.6	828.4	6,483.6	377.2	1,123.7	110.8	56.7	3.1
LLP Balance/ Loans		4.2%			5.8%	9.9%	5.5%	

LLP Balance (including avals and sureties) /Expanded Loan Portfolio



Overview of Quality of Expanded Loan Portfolio (R\$ million)	1Q20	4Q19	Δ	1Q19	Δ
Expanded Loan Portfolio	26,177.7	27,359.6	-4.3%	19,906.7	31.5%
Establishment of Provision	158.5	130.1	21.8%	153.7	3.1%
LLP Balance	1,413.6	1,319.5	7.1%	1,195.9	18.2%
Final Balance Loan E-H	842.0	843.9	-0.2%	899.4	-6.4%
Overdue Loans more than 14 days past due	305.5	267.0	14.4%	269.0	13.6%
Overdue Loans more than 60 days past due (*)	565.5	476.5	18.7%	442.5	27.8%
Overdue Loans more than 90 days past due (*)	421.4	397.6	6.0%	312.4	34.9%
Credit Ratios - (%)					
Final Balance LLP/Loan Portfolio	5.4%	4.8%	0.6 p.p	6.0%	-0.6 p.p
Final Balance Loan E-H/Loan Portfolio	3.2%	3.1%	0.1 p.p	4.5%	-1.3 p.p
Overdue Loans more than 60 days past due / Loan Portfolio	2.2%	1.7%	0.5 p.p	2.2%	0.0 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	1.6%	1.5%	0.1 p.p	1.6%	0.0 p.p
Coverage Ratios - (%)					
Final Balance LLP / Overdue Loans more than 14 days past due	462.7%	494.2%	-31.5 p.p	444.6%	18.1 p.p
Final Balance LLP / Overdue Loans more than 60 days past due	250.0%	276.9%	-26.9 p.p	270.3%	-20.3 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	335.5%	331.9%	3.6 p.p	382.8%	-47.3 p.p
Final Balance LLP / Loan E-H	167.9%	156.4%	11.5 p.p	133.0%	34.9 p.p
Write-offs R\$ (mn)	(64.4)	(86.7)	-25.7%	(77.1)	-16.5%
Companies Recovered Loans	9.0	13.6	-33.8%	59.4	-84.8%
Retail Recovered Loans	10.7	11.5	-7.0%	11.0	-2.7%

(*) includes avals and sureties.

(**) falling due installments

Given the crisis caused by the Covid-19 pandemic and the uncertainties regarding the size of the impact it may have on the economy and, consequently, on our results, we increased in this quarter an additional R \$ 154.3 million in allowance for loan losses, totaling a general amount of additional provision of R \$ 444.4 million.

The provision balance totaled R \$ 1,413.6 million in 1Q20, an increase of 7.1% in the quarter and 18.2% in the last 12 months.

The balance of the E-H portfolio ended 1Q20 at R \$ 842.0 million, stable compared to 4Q19. The allowance for loan losses ratio divided by the E-H portfolio reached 167.9%, an improvement of 11.5 p.p. compared to 4Q19. In the last 12 months, we had an improvement of 34.9 pp in this index, demonstrating that our provisioning level in relation to the credit portfolio reflects the improvement in the quality of our operations and the improvement of the models used that are based on statistical models that capture information historical, current and prospective.

The PDD balance is related to the quality of our portfolio, which can be justified by the improvement in default indicators. Loans overdue for more than 90 days / portfolio of companies (including installments falling due) reached 1.6% in 1Q20, a slight increase of 0.1 pp compared to 4Q19. When we analyze the indicators of overdue loans for more than 14 and 60 days, we observe a worsening trend in the indexes during the quarter.

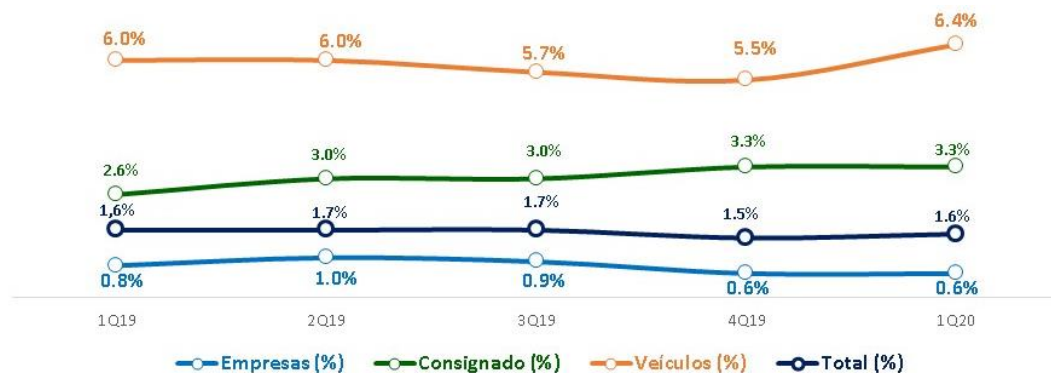
The amount written off for loss was R \$ 64.4 million during 1Q20.

LLP

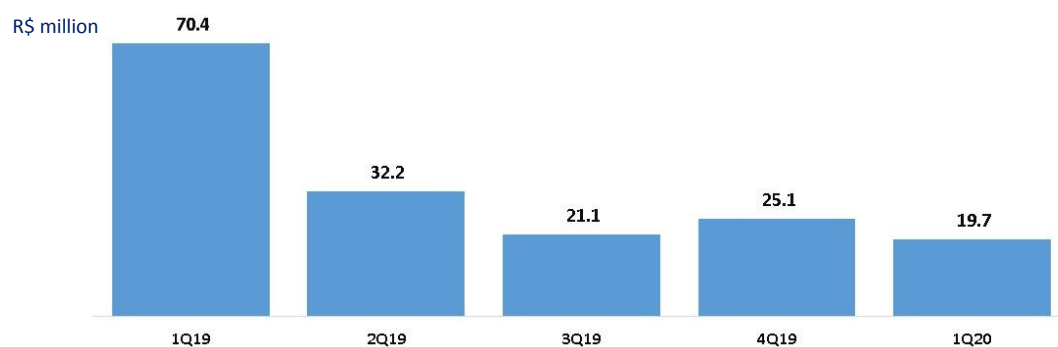
LLP (R\$ mn)	1Q20	4Q19	Δ	1Q19	Δ
Balance at the Beginning of the Period	1,319.5	1,276.1	3.4%	1,119.3	17.9%
Establishment of Provision	158.5	130.1	21.8%	153.7	3.1%
Companies	5.9	88.1	-93.3%	108.7	-94.6%
Avals and Sureties	5.1	5.3	-3.8%	1.5	n.a.
Payroll	70.4	13.7	n.a.	29.9	n.a.
Auto/Other	76.0	22.3	n.a.	12.7	n.a.
Property Guaranteed Credit	1.1	0.7	57.1%	0.9	22.2%
Write-offs	(64.4)	(86.7)	-25.7%	(77.1)	-16.5%
Companies	(26.0)	(44.9)	-42.1%	(34.9)	-25.5%
Retail	(38.4)	(41.8)	-8.1%	(42.2)	-9.0%
Final Balance LLP	1,413.6	1,319.5	7.1%	1,195.9	18.2%

(*) Includes Avals and Sureties in the amount of R\$ 30.1 million in 1Q20 and R\$ 25 million for 4Q19.

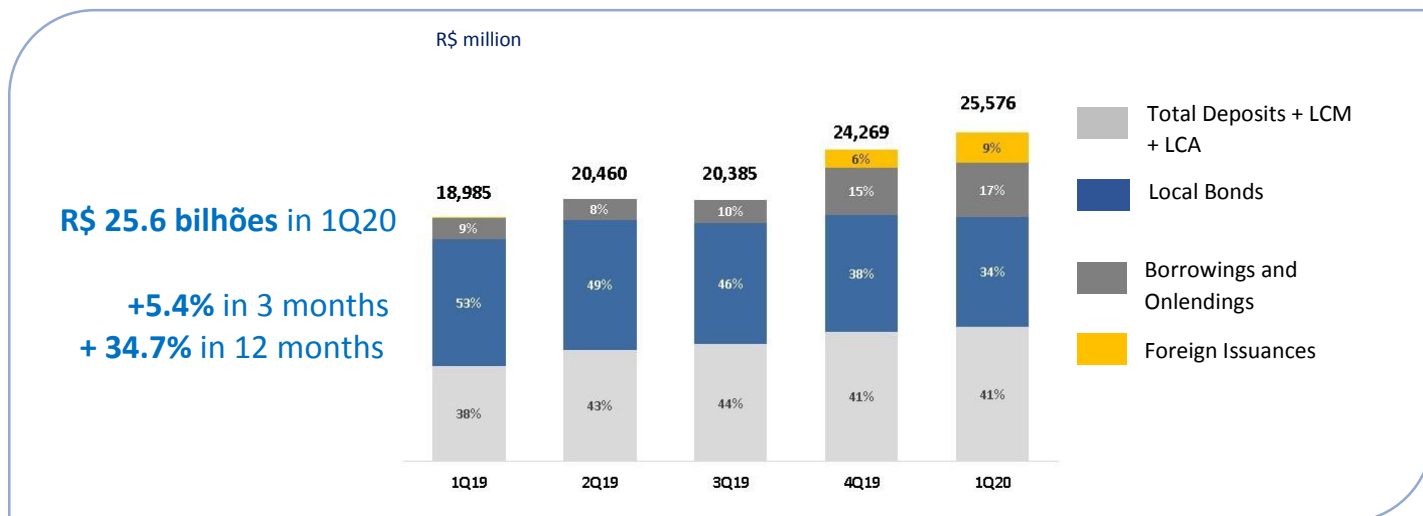
NPLs | 90 days



Recovered Loans



Funding



Funding (R\$ mn)	1Q20	4Q19	Δ	1Q19	Δ
Deposits	8,751.5	8,319.9	5.2%	5,627.2	55.5%
Letter of Credit Home Mortgage	821.4	845.9	-2.9%	884.6	59.4%
Letter of Credit Agribusiness	728.2	783.3	-7.0%	777.9	79.0%
Letter of Credit - LCI + LCM	1,549.6	1,629.2	-4.9%	1,662.5	-6.8%
Total Deposits + LCI + LCM	10,301.1	9,949.1	3.5%	7,289.7	41.3%
Local Bonds (Letras Financeiras)	8,540.8	9,062.4	-5.8%	9,851.5	-6.4%
Private Offerings	6,051.3	6,526.2	-7.3%	7,279.1	-16.9%
Public Offerings	2,489.5	2,536.2	-1.8%	2,572.4	n.a.
Subordinated Local Bonds (Letras Financeiras Subordinadas)	210.3	158.1	33.0%	150.1	n.a.
Borrowing and Onlending	4,183.2	3,687.4	13.4%	1,673.1	n.a.
Foreign borrowings	3,987.6	3,462.2	15.2%	1,329.0	n.a.
Domestic onlendings	195.6	225.2	-13.1%	344.1	-43.2%
Bonds (Foreign Issuances)	2,340.9	1,411.5	n.a.	20.8	n.a.
Total	25,576.3	24,268.5	5.4%	18,985.2	34.7%

Regarding total funding, the institution maintained its focus on the balance of the funds raised, either through lengthening operations or the solid expansion of its customer base, comprised of both individuals and companies.

Funding totaled R\$ 25.6 billion in 1Q20, a 34.7% growth in 12 months and 5.4% in three months. Positive contributions were the expansion of Foreign Issuances and Borrowings, which ended the quarter with a balance of R\$ 6.3 billion, an increase of 29.9% compared to 4Q19, motivated by the appreciation of the dollar against the real in the period.

Funding from Financial Bills reached a balance of R\$ 8.5 billion in 1Q20, down 5.8% compared to 4Q19 and a 13.3% reduction over 1Q19.

The bank is in a comfortable liquidity position, with stable funding sources and adequate funding structure. We ended the quarter with a free cash of R\$ 4.4 billion in 1Q20, 52.7% higher than 4Q19.

Asset and Liability Management

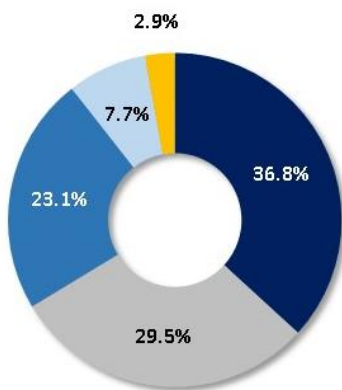


Positive Gap of 292 days

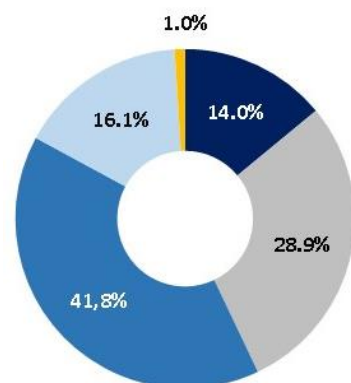
Loan Portfolio by Segment	Average term to Maturity ⁽¹⁾ days	Funding		Average term to Maturity ⁽¹⁾ days
Companies	226	Total Deposits		156
Trade Finance	68	Interbank Deposits		112
Payroll Loans	505	Local Bonds (letras financeiras)		580
Auto Loans	497	LCA (Letter of Credit Agribusiness)		90
Leasing	576	LCM (Letter Home Mortgage)		331
BNDES	401	DPGE (Guaranteed Time-Deposit Asset)		717
		Bonds		1,533
		Borrowing and Onlending		577
		BNDES		404
Total Loan Portfolio	344	Total Funding		636

Maturity of Operations

Loan Portfolio



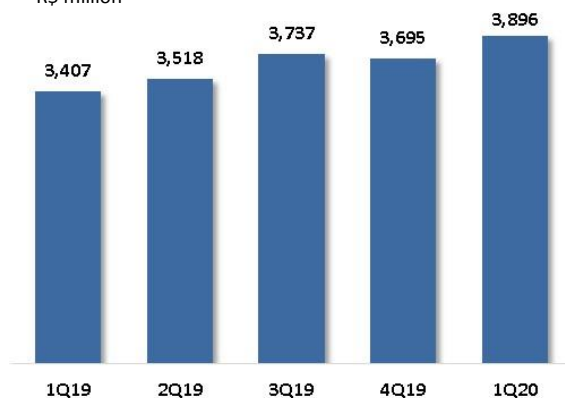
Funding



Up to 3 months
 3-12 months
 1-3 years
 3-5 years
 Over 5 years

Net Equity

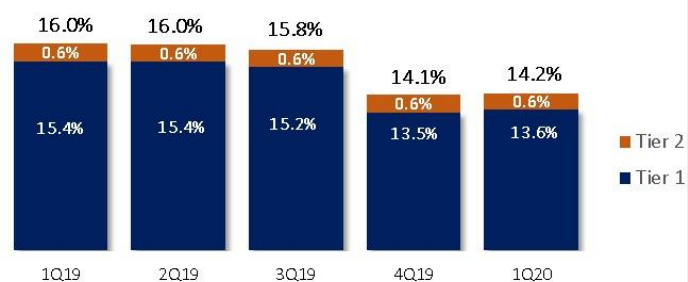
R\$ million



Shareholders' Equity (PL) totaled R\$ 3.9 billion in 1Q20, an increase of 14.4% compared to 1Q19.

In the first half of 2020, there was a payout of R\$ 45.2 million of Interest on Shareholders' Equity (ISE).

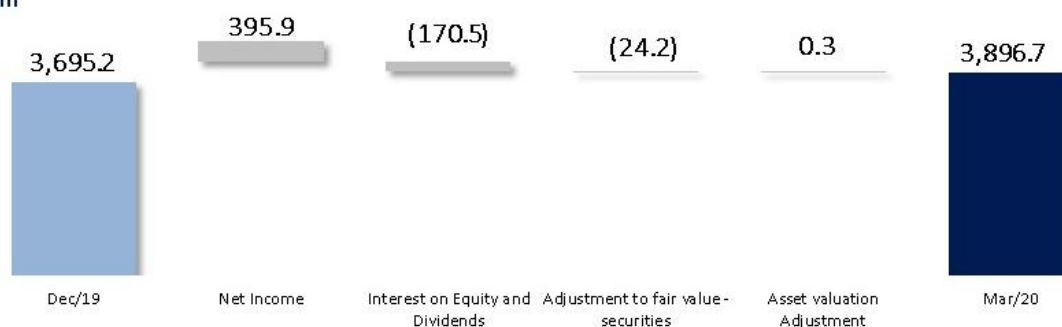
Basel Ratio (%)



The Basel Accord provides for banks to maintain a minimum percentage of equity weighted by the risk incurred in their operations. In Brazil, the Central Bank requires banks operating in Brazil to comply with a minimum percentage of 8.0% of risk-weighted assets, calculated based on the rules of the Basel III Accord.

Change in Shareholder's Equity – 1Q20

R\$ mn



Ratings

	Global Scale		National Scale		Outlook
	Long Term	Short Term	Long Term	Short Term	
Moody's	Ba2	-	Aa2.br	BR-1	Stable
Fitch Ratings	BB-	B	AA(bra)	F1+(bra)	Negative
Standard & Poors	BB-	B	brAA+	brA-1+	Stable
RISKbank	BRMP 3 - Low Risk for Long Term (up to 5 years) - negative				

Sovereign level

Financial Performance

Income from Financial Intermediation (R\$ mn)	1Q20	4Q19	Δ	1Q19	Δ
Loans Operations	980.2	845.7	15.9%	787.6	24.5%
Companies Portfolio	471.9	370.5	27.4%	389.3	21.2%
Payroll	423.4	392.6	7.8%	342.8	23.5%
Auto/Other	84.8	79.9	6.1%	52.9	60.3%
Direct Credit to Consumer	0.1	2.7	n.a.	2.6	-96.2%
Leasing Operation	137.5	131.5	4.6%	107.9	27.4%
Securities Operations	113.8	80.7	41.0%	117.1	-2.8%
Derivatives ⁽¹⁾	1,295.6	(111.7)	n.a.	(41.5)	n.a.
Foreign Exchange Operations	59.5	55.8	6.6%	43.9	35.5%
Sales or Transfer Financial Asset Operations	2.0	3.8	-46.8%	3.8	-46.8%
Income from Financial Intermediation (A)	2,588.6	1,005.8	157.4%	1,018.8	154.1%
Funding Operations ⁽²⁾	(733.6)	(263.8)	n.a.	(272.1)	n.a.
Borrowings and Onlendings Operations ⁽³⁾	(832.8)	42.7	n.a.	(24.7)	n.a.
Leasing Operation	(97.7)	(91.7)	6.5%	(70.2)	39.2%
Sales or Transfer Financial Asset Operations	(1.0)	(1.3)	-23.1%	(2.6)	-61.5%
Loan Loss Provision (LLP)	(153.3)	(123.3)	n.a.	(126.5)	21.2%
Expenses on Financial Intermediation (B)	(1,818.4)	(437.4)	315.7%	(496.1)	266.5%
Gross Income from Financial Intermediation (A-B)	770.2	568.4	35.5%	522.7	47.4%
Exchange Rate Variation ⁽⁴⁾	(0.1)	29.0	n.a.	(1.8)	n.a.
Income from Receivables purchase ⁽⁴⁾	115.0	104.2	10.4%	75.6	52.1%
Adjusted Income from Financial Intermediation	885.1	701.6	26.2%	596.5	48.4%
Hedge MTM - Foreign Issues and Credit Operations	132.2	(41.8)	n.a.	(8.4)	n.a.
Adjusted Gross Income from financial intermediation - Except MTM - Hedge	752.9	743.4	1.3%	604.9	24.5%
(1) Income from Derivatives (Hedge)	1,313.3	(122.2)		(41.2)	
(2) Foreign Exchange Variation without Foreign Issues	504.0	2.1		20.2	
(3) Foreign Exchange Variation without Borrowings abroad	860.1	56.7		6.6	
(4) Reclassified from other operating/expenses revenues.	114.9	133.2		75.6	

In 1Q20, revenues from credit operations reached R \$ 980.2 million, 15.9% higher than in 4Q19 and 24.5% above 1Q19, driven by the maintenance of margins and portfolio growth.

The line of credit operations for Companies ended 1Q20 with revenue of R\$ 471.9 million, an increase of 27.4% compared to 4Q19 and 21.2% higher when compared to the same period of the previous year. The Payroll Loan line ended the quarter with revenue of R\$ 423 million, an increase of 7.8% compared to 4Q19 and a 23.5% increase versus 1Q19 and the vehicle line with a balance of R \$ 84.8 million in the quarter.

Leasing Operations ended the quarter with revenue of R \$ 137.5 million, an increase of 4.6% compared to 4Q19 and 27.4% over 1Q19.

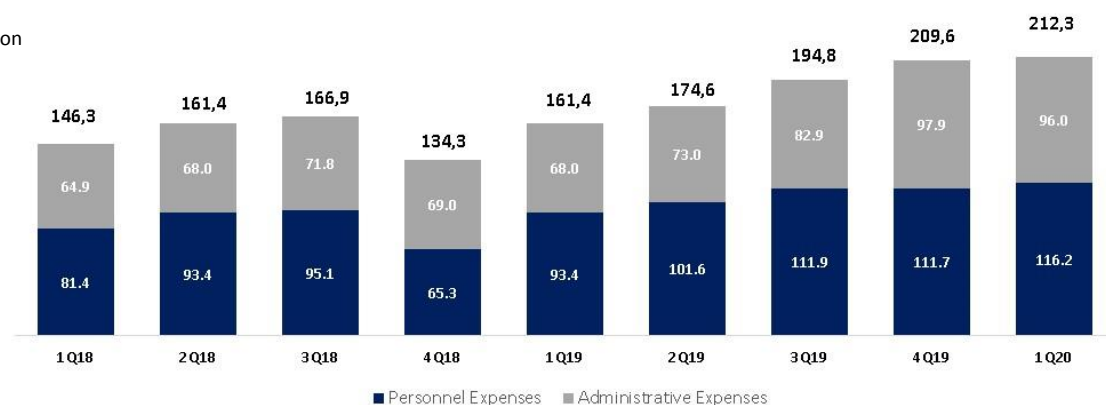
Gross Income from Financial Intermediation ended the quarter with a balance of R \$ 770.2 million. Excluding the effect of the Hedge MTM - Foreign Funding and Credit Operations, considering the reclassification of the exchange variation on passive operations and the revenue from the purchase of credit rights, the adjusted gross result of financial intermediation was R\$ 752.8 million in 1Q20.

Financial intermediation expenses were R\$ 1.8 billion in the quarter.

The result with derivatives was R \$ 1,295.6 million positive in 1Q20 and included R \$ 1,313.3 million positive hedge. Excluding these effects, the result with derivatives was negative R \$ 17.7 million in 1Q20 versus positive R \$ 10.5 million in 4Q19.

Personnel and Administrative Expenses

R\$ million

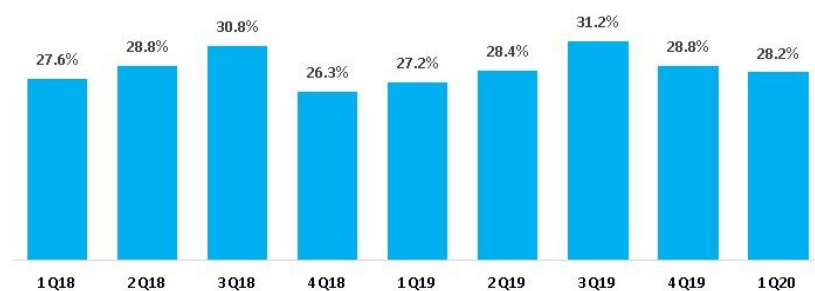


Personnel and Administrative Expenses (R\$ mn)	1Q20	4Q19	Δ	1Q19	Δ
Personnel Expenses	(116.2)	(111.7)	4.0%	(93.4)	24.4%
Administrative Expenses	(96.0)	(97.9)	-1.9%	(68.0)	41.2%
Personnel and Administrative Expense	(212.3)	(209.6)	1.3%	(161.4)	49.3%
Commission Expenses (Total)	(55.3)	(60.7)	-8.9%	(54.7)	6.3%
Payroll	(41.9)	(45.7)	-8.3%	(45.4)	-7.7%
Auto Loans	(13.3)	(14.9)	-10.7%	(9.2)	44.6%
Direct Credit to Consumer (DCC) + Others	(0.1)	(0.1)	0.0%	(0.1)	0.0%
Total	(267.6)	(270.3)	-1.0%	(216.1)	23.8%

Recurring Efficiency Ratio

28.2% in 1Q20

-0.6 p.p in 3 months
+1.1 p.p in 12 months



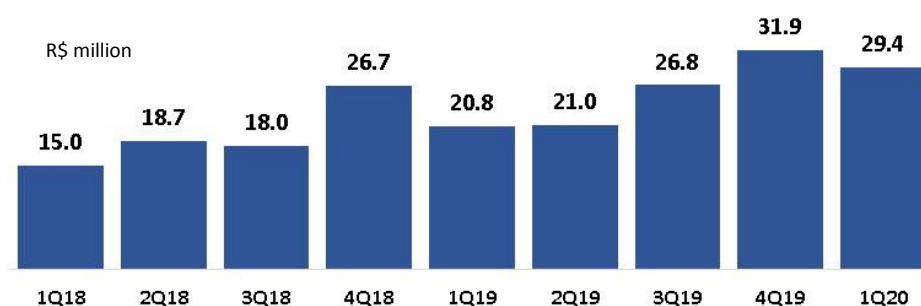
Recurring Efficiency Ratio (R\$ mn)	1Q20	4Q19	Δ	1Q19	Δ
(+) Personnel	(116.2)	(111.7)	4.0%	(93.4)	24.4%
(+) Administrative Expenses	(96.0)	(97.9)	-1.9%	(68.0)	41.2%
(+) Commissions	(55.3)	(60.7)	-8.9%	(54.7)	1.1%
(+) Depreciation and Amortization	2.8	2.8	0.0%	2.6	7.7%
Total Expenses (A)	(264.8)	(267.5)	-1.0%	(213.5)	24.0%
(+) Income from Recurring Financial Intermediation - LLP	791.2	733.4	7.9%	665.2	18.9%
(+) Income from Services Provided	31.8	61.9	-48.6%	46.8	-32.1%
(+) Income from Receivables purchase	115.0	104.2	10.4%	75.6	52.1%
(+) Other Adjustments	(0.1)	-	n.a	-	n.a
(+) Exchange Rate Variation	(0.1)	29.0	n.a	(1.8)	n.a
Total Income (B)	937.8	928.5	1.0%	785.8	19.3%
Recurring Efficiency Ratio (A/B) (%)	28.2%	28.8%	-0.6 p.p	27.2%	1.1 p.p
Profit Sharing	(29.4)	(26.8)	9.7%	(26.7)	10.1%
Recurring Efficiency Ratio (considering Profit Sharing) (%)	31.4%	31.7%	-0.3 p.p	30.6%	0.8 p.p

Other Operating Income/Expense

Other Operating Income/Expense presented a positive result of R\$ 128.9 million in 1Q20, compared to a positive R\$ 104.6 million in 4Q19. After excluding the effects of the foreign exchange variation, this result was a positive R\$ 84.4 million in 1Q20 versus a positive R\$ 81.7 million in 4Q19.

Profit Sharing Program

Expenses related to the provision for PPR and PLR payments totaled R\$ 24.9 million in 1Q20.



Annex I – Income Statement – in R\$ thousand

Income Statement	1Q20	4Q19	Δ	1Q19	Δ
Income from Financial Intermediation	2,588,596	1,005,759	n.a.	1,018,782	n.a.
Lending Operation	980,212	845,690	15.9%	787,610	24.5%
Leasing Operations	137,492	131,537	4.5%	107,862	27.5%
Securities Operations	113,771	80,669	41.0%	117,097	-2.8%
Derivatives	1,295,621	(111,735)	n.a.	(41,517)	n.a.
Foreign Exchange Operations	59,472	55,817	6.5%	43,954	35.3%
Operations Sale or Transfer of Financial Assets	2,028	3,781	-46.4%	3,776	-46.3%
Expenses of Financial Intermediation	(1,818,413)	(437,430)	n.a.	(496,101)	n.a.
Funding Expenses	(733,632)	(263,827)	n.a.	(272,113)	n.a.
Borrowing and Onlendings	(832,811)	42,766	n.a.	(24,656)	n.a.
Leasing Operations	(97,732)	(91,744)	6.5%	(70,212)	39.2%
Operations Sale or Transfer of Financial Assets	(1,009)	(1,336)	-24.5%	(2,579)	-60.9%
Loan Losses Provisions	(153,229)	(123,289)	n.a.	(126,541)	21.1%
Gross Profit from Financial Intermediation	770,183	568,329	35.5%	522,681	47.4%
Other Operating Income (Expenses)	(128,273)	(151,683)	-15.4%	(184,220)	-30.4%
Income from Services Provided	63,392	61,864	2.5%	46,790	35.5%
Income from Insurance	141	600	-76.5%	783	-82.0%
Personnel Expenses	(116,222)	(111,744)	4.0%	(93,384)	24.5%
Other Administrative Expenses	(151,341)	(158,615)	-4.6%	(122,698)	23.3%
Tax Expenses	(53,185)	(48,434)	9.8%	(39,235)	35.6%
Other Operating Income	183,477	170,943	0	103,571	77.2%
Other Operating Expenses	(54,535)	(66,297)	(0)	(80,047)	-31.9%
Operating Result	641,910	416,646	54.1%	338,461	89.7%
Non-operating Result	(1,401)	(1,560)	-12.6%	(92)	n.a.
Income before Taxes and Minority Interest	640,509	415,086	54.3%	338,369	89.3%
Income and Social Contribution Taxes	(215,230)	(10,039)	n.a.	(101,904)	111.2%
Provision for Income Tax	(96,440)	(159,032)	-39.4%	(75,468)	27.8%
Provision for Social Contribution Tax	(63,820)	(106,320)	n.a.	(44,742)	42.6%
Deferred Taxes	(54,970)	255,313	n.a.	18,306	n.a.
Profit-Sharing	(29,393)	(31,858)	-7.7%	(20,819)	41.2%
Minority Interest	(6)	(7)	-22.2%	(8)	-25.0%
Net Income	395,880	373,182	6.1%	215,638	83.6%