



BancoDaycoval

— 2Q20 —

Investor RELATIONS

Earnings Results

Great
Place
To
Work®

Certificado

29/11/2019 - 29/11/2020

BRASIL

“Overall Good Connection “ Campaign

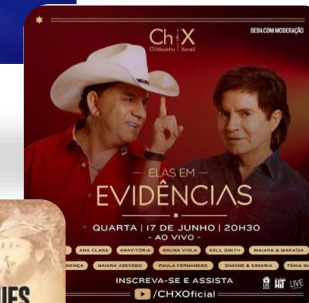


The “**Daycoval Overall Good Connection - Your donation is worth 3**” campaign distributes one million reusable masks in 200 locations and contributes to maintaining businesses activities during the pandemic.

Approximately 1,000 donations were made by employees, clients and partners. The bank tripled these donations to reach the target.

We help more than 200 locations in 18 cities.

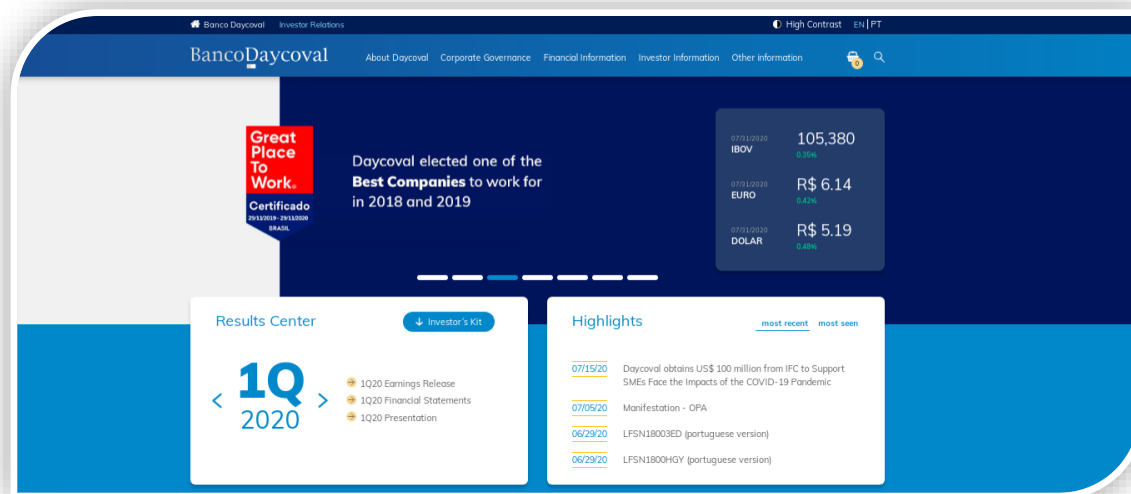
Food Donation



Part of a number of solidarity initiatives, the Bank donated an amount equivalent to 4 tons of food to the Amigos do Bem NGO, and supported the “Prato Feito” project by distributing more than 4,000 ready-to-eat meals to people in vulnerable situations who were affected by the pandemic.

Recent Initiatives

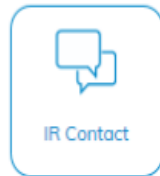
New Investor Relations website



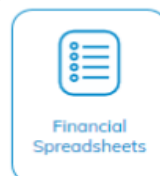
In order to offer greater accessibility and functionality, the IR area launched a new website. With a fully redesigned interface, the site presents some new features, such as:



Download
Center



IR Contact



Financial
Spreadsheets



Sustainability

Responsive design, enabling viewing of content in mobile (smartphones and tablets) and desktop versions;

Intelligent information layout, with segmentation and consolidation of content in a more objective and intuitive manner;

Clean layout, providing information in a clear and easy-to-navigate format.

Daycoval Academy



Academia Daycoval presents content designed to **develop, support and prepare** employees for what is coming tomorrow.

- **Time Management** – a necessary skill for professionals working from home offices.
- **Financial Management** – being knowledgeable can be important at this moment in time.
- **Behavioral Skills** – Content regarding emotional intelligence is essential in times of isolation and scarce connections with other people.
- **Technical Skills** – preparing employees for current demands with a view to the future, using digital transformation and project management practices, among others.



Pioneer in launching a loan 100% online and without the need for guarantees.



 **BNDES FGI**



In July, Daycoval started operating the New FGI PEAC (**Emergency Credit Program**) of the BNDES.

The Daycoval Emergency Credit is a loan from Banco Daycoval for companies, without the need for collateral.

The program aims to support **SMEs (small and medium-sized companies)** in obtaining credit, helping to overcome the economic crisis resulting from the pandemic.

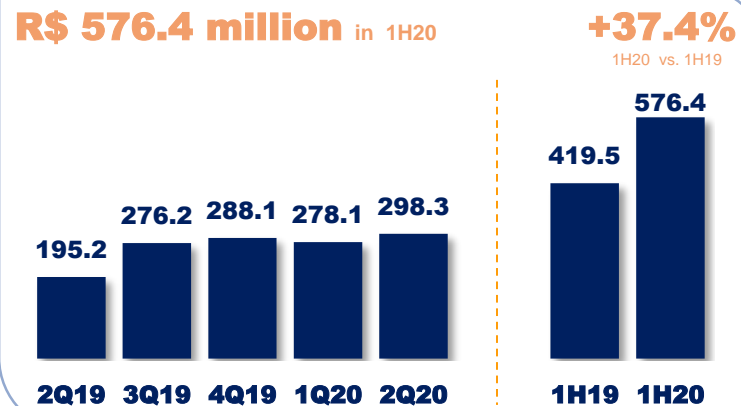
For more information, access this site:
<https://www.creditoemergencialdaycoval.com.br/>

Financial Highlights

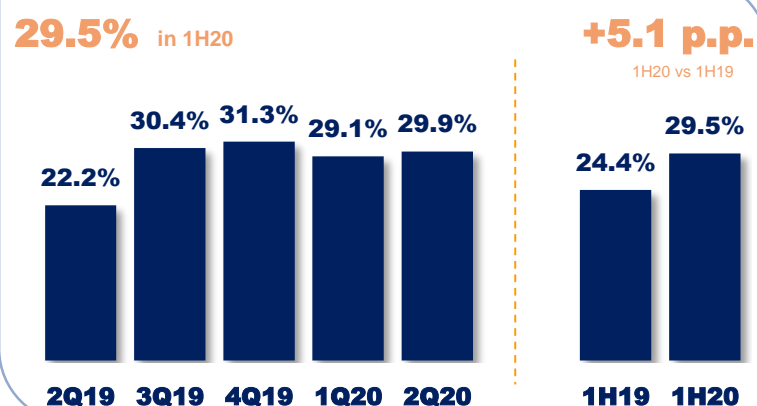
2Q20 and 1H20

In R\$ million

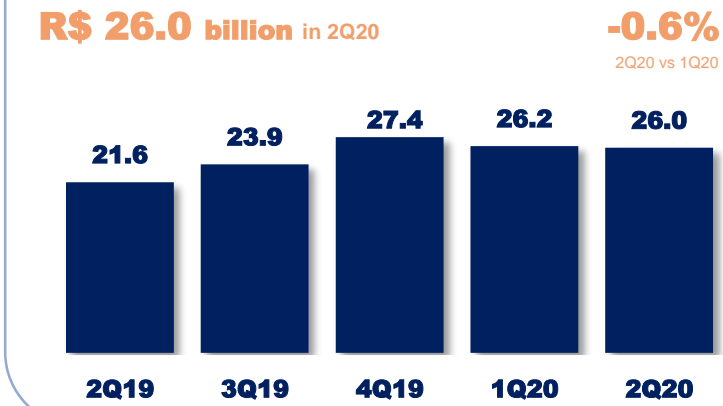
Recurring Net Income



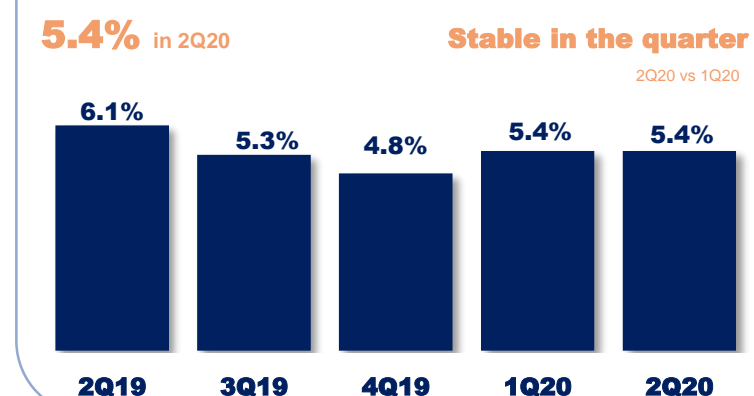
Recurring ROAE



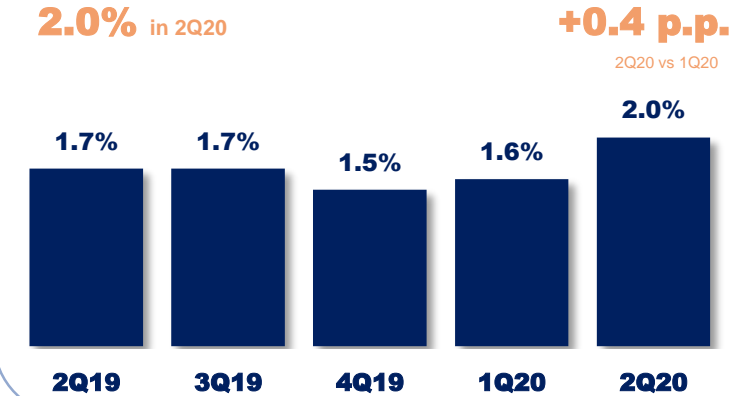
Expanded Loan Portfolio



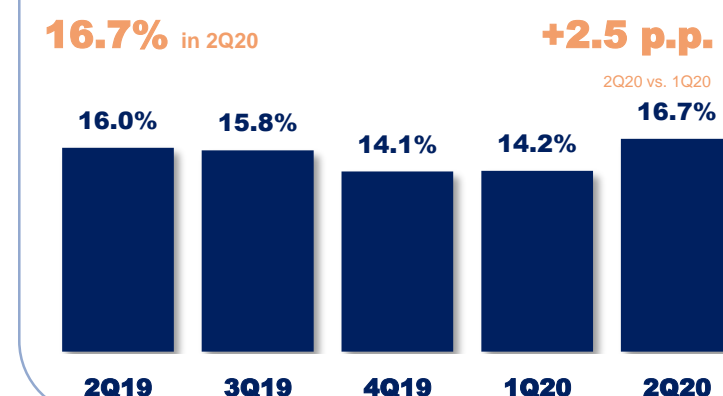
LLP Balance/Total Portfolio



NPLs | 90 days



Basel Ratio



Expanded Loan Portfolio

Loan Portfolio Breakdown

2nd quarter of 2020

Companies **68.4%**

Payroll Loans **27.0%**

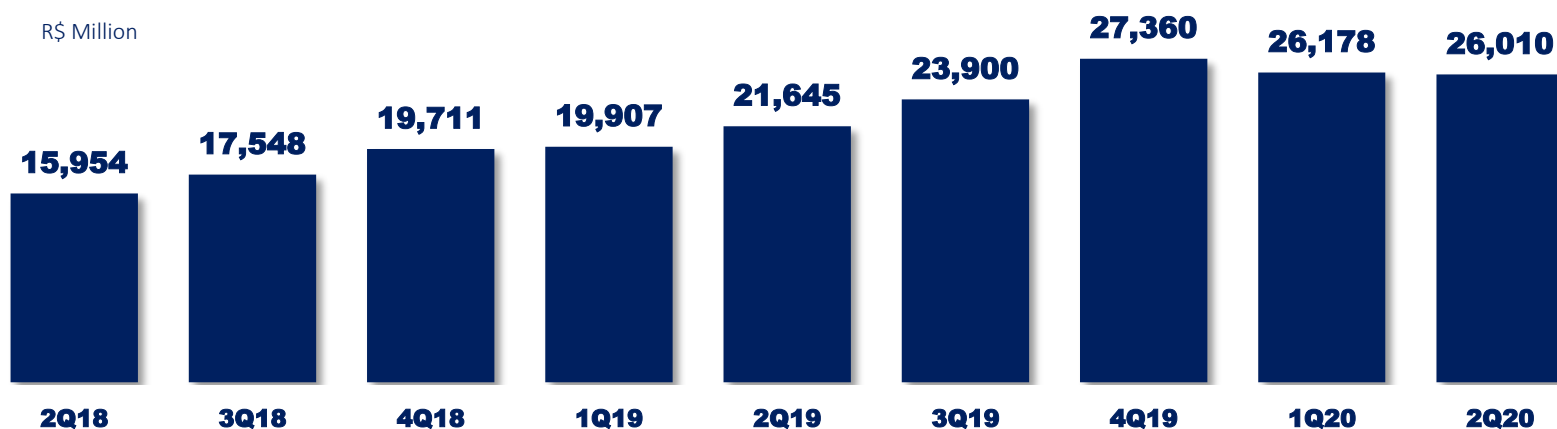
Auto Loans **4.4%**

Others **0.2%**

R\$ million	2Q20	1Q20	Chg. % 3 months	2Q19	Chg. % 12 months
Companies	9,908.3	9,888.2	0.2%	8,649.6	14.6%
Receivables Purchase	3,975.8	3,920.4	1.4%	3,316.9	19.9%
Leasing	1,315.1	1,252.2	5.0%	967.8	35.9%
Avals and Sureties	2,604.2	2,717.7	-4.2%	1,872.8	39.1%
Total Expanded Companies	17,803.4	17,778.5	0.1%	14,807.1	20.2%
Payroll Loans	6,473.8	6,600.9	-1.9%	5,422.4	19.4%
Payroll Card	533.3	534.9	-0.3%	455.0	17.2%
Total Payroll Loans	7,007.1	7,135.8	-1.8%	5,877.4	19.2%
Total Auto Loans + Others	1,141.8	1,206.3	-5.3%	907.4	25.8%
Home Equity	57.5	57.1	0.7%	53.4	7.7%
Total Expanded Loan Portfolio	26,009.8	26,177.7	-0.6%	21,645.3	20.2%

Expanded Loan Portfolio

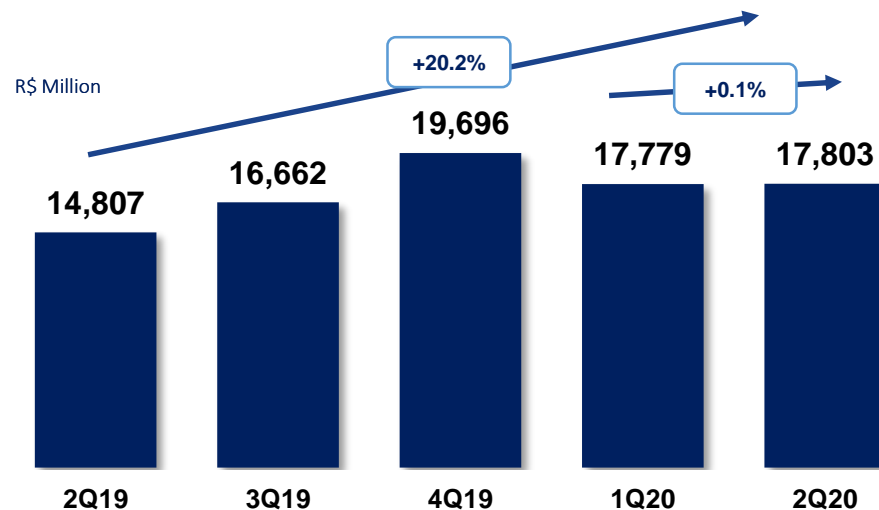
R\$ Million



Companies Portfolio

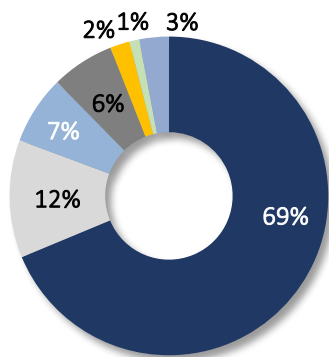
By Product (%)

Working Capital/ Guaranteed Account	48%
Receivables Purchases	22%
Avals and Sureties	15%
Trade Finance	7%
Leasing	7%
BNDES	1%

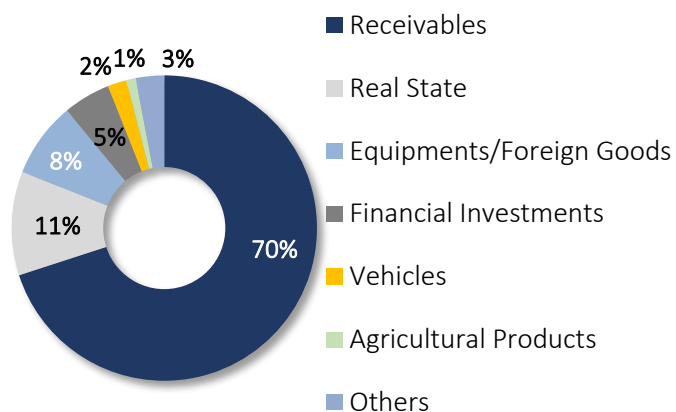


Collateral - %

Jun/19

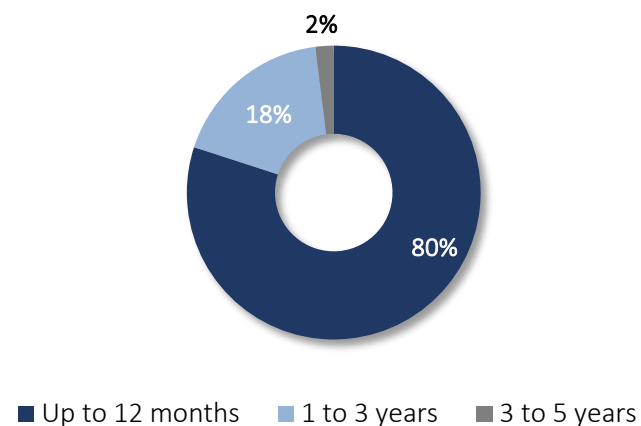


Jun/20



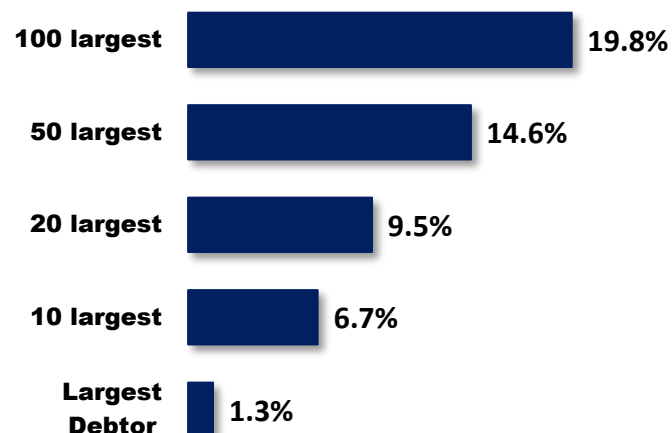
Outstanding Operation - %

2Q20



Companies Portfolio

Client Concentration

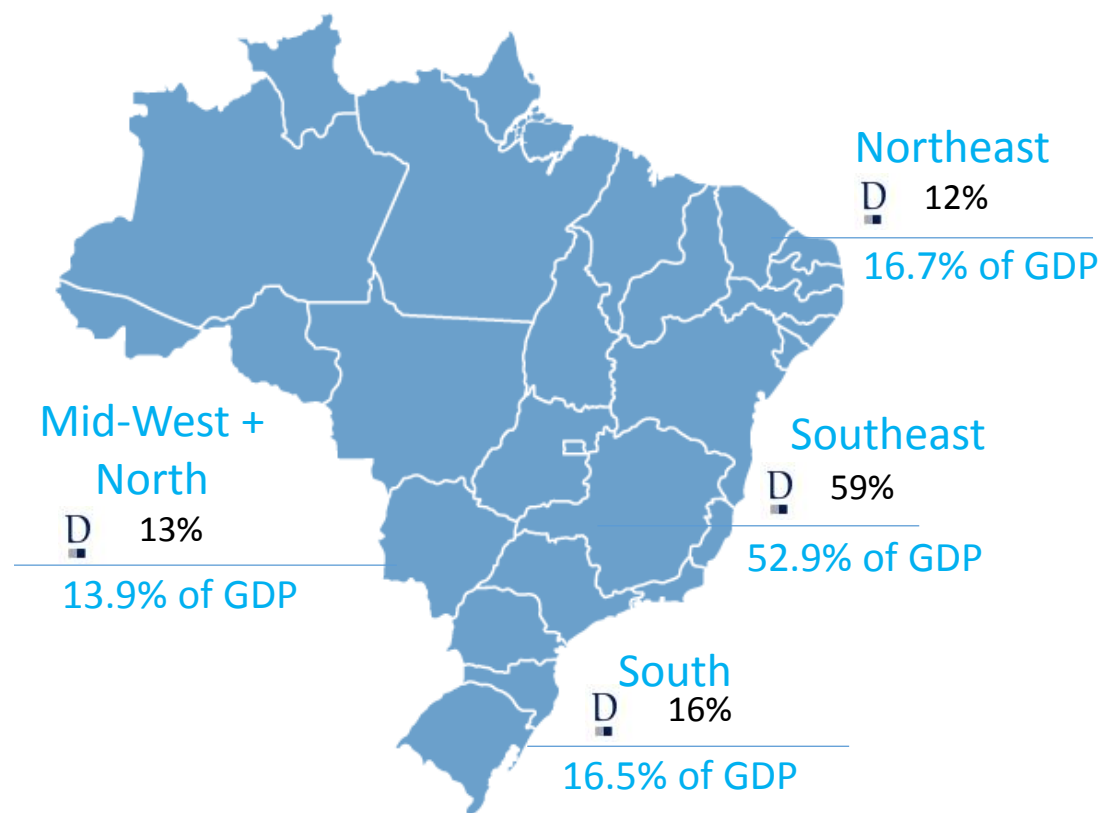


Concentration by sector	2Q20	2T19
Industry	42.9%	45.0%
Service	30.0%	28.7%
Commerce	19.9%	20.2%
10 Largest Sectors (*)		
Malt Industry	2.9%	1.7%
Auto Parts and Accessories Industry	2.7%	1.4%
Road Freight Transportation	2.6%	2.3%
Electricity Generation	2.2%	1.7%
Sugar and Alcohol Plant	2.0%	1.3%
Poultry Industry	2.0%	3.1%
Food and Cereal Wholesaler	1.7%	1.5%
Holding	1.6%	1.6%
Oil Industry	1.5%	2.5%
Technical services	1.3%	0.2%

(*) % over the total of the companies portfolio

National Presence

Loan Portfolio Distribution X GDP

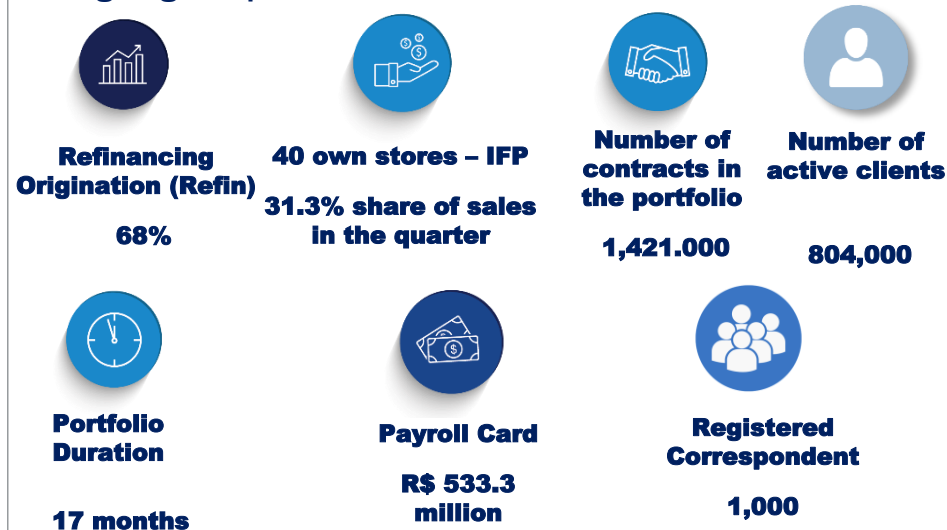


 GDP*  Loan Portfolio

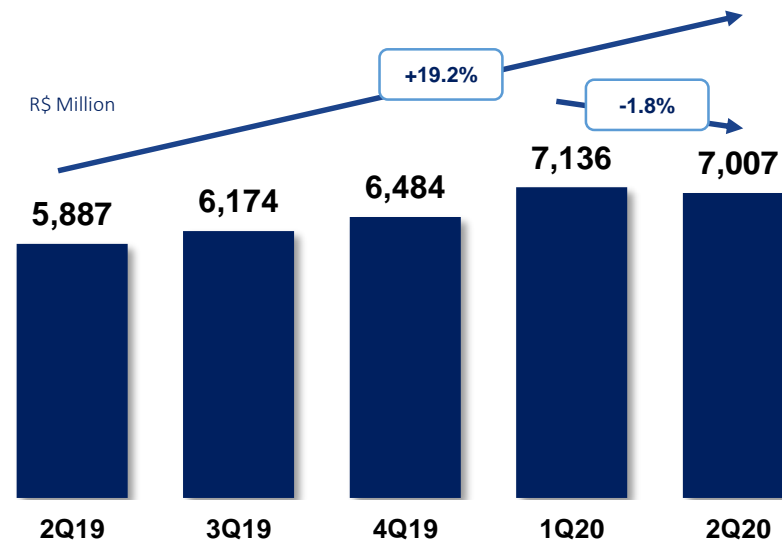
*Source: GDP by Geographical Region IBGE

Payroll Loans

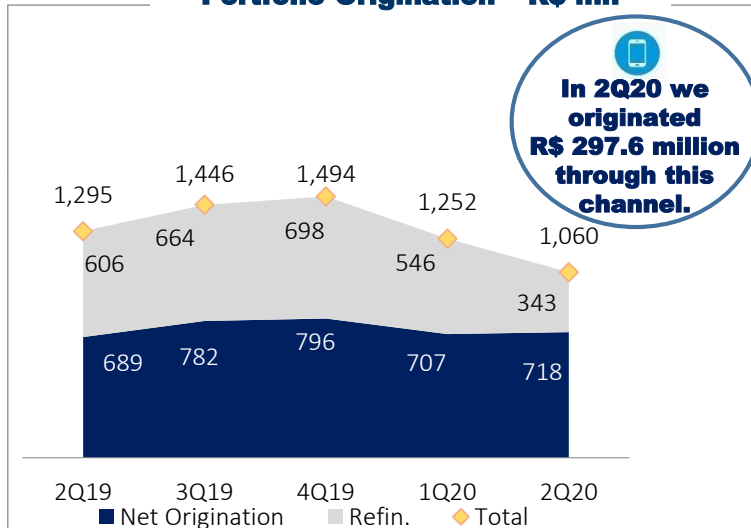
Highlights | 2Q20



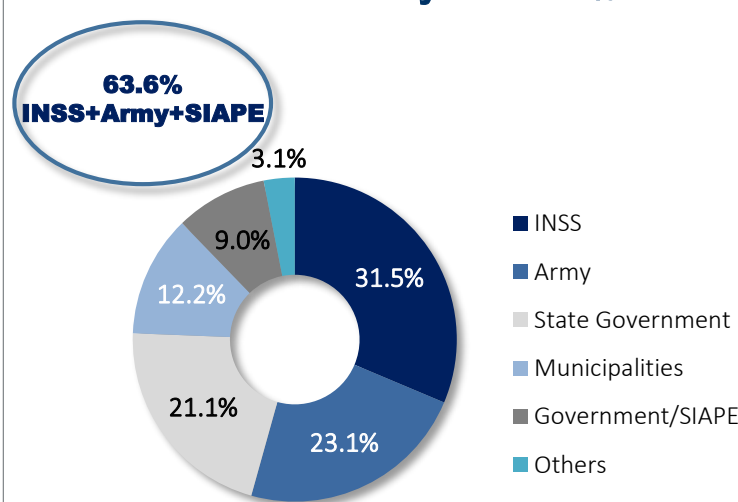
Total Portfolio



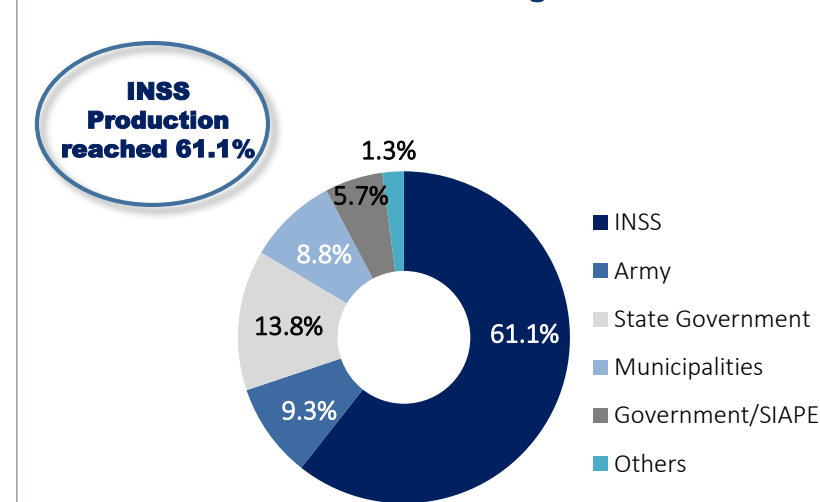
Portfolio Origination – R\$ mn



Breakdown Payroll Loan - %



Breakdown Loan Origination - %



Auto Loans

Highlights | 2Q20



Number of contracts

125,200



Average Ticket

R\$ 8,800



Portfolio Duration

16 months



Average Interest Rate (year)

37.1%



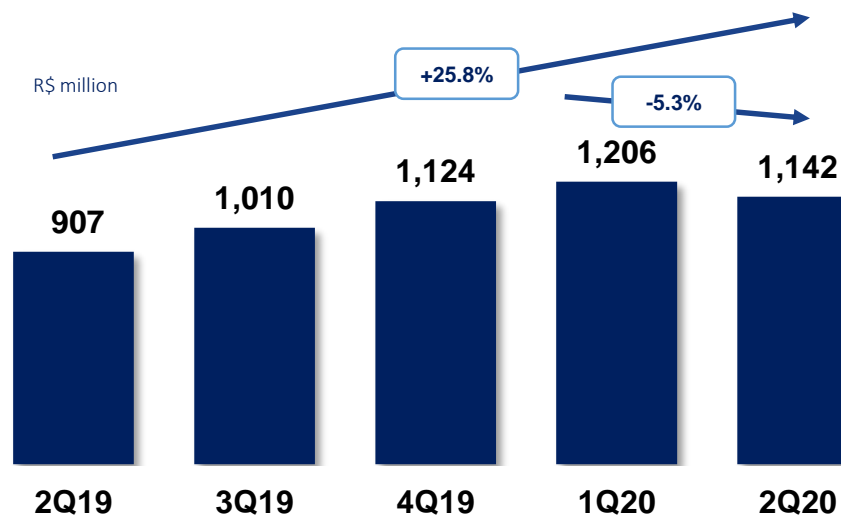
147

Promoters

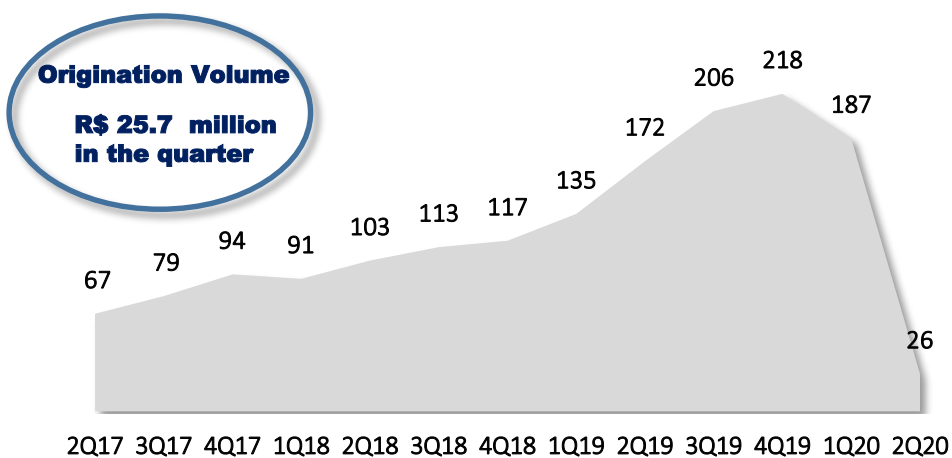


Focus on the Southeast of Brazil

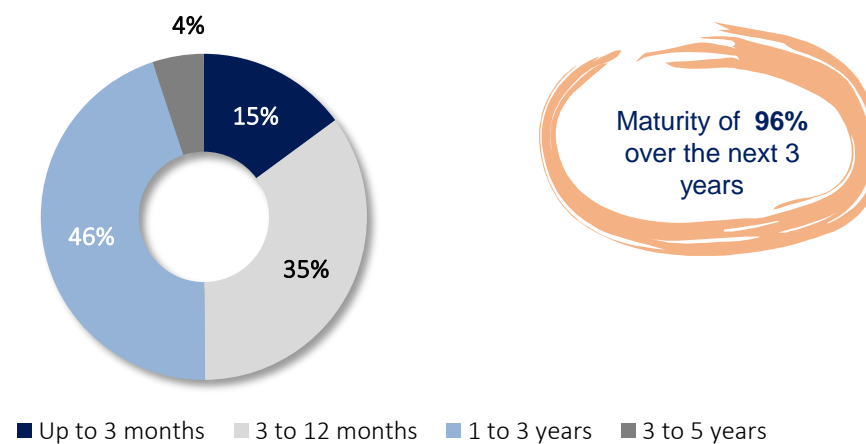
Auto Loan Portfolio

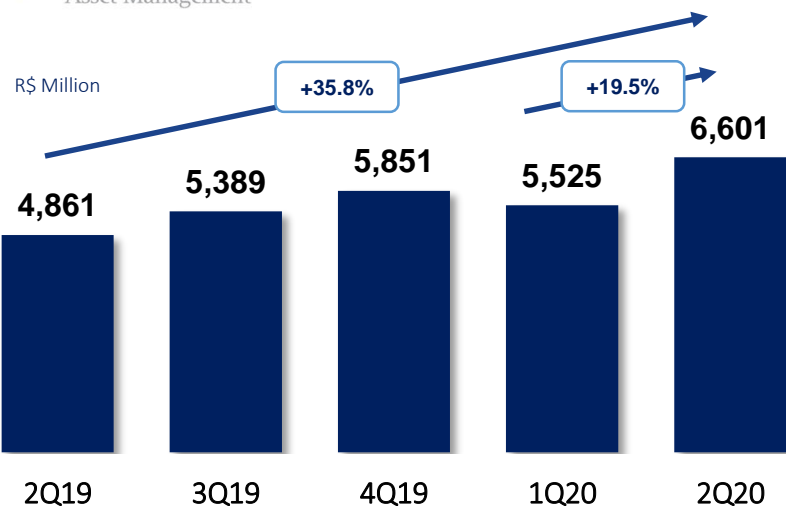


Origination of Auto Loan Portfolio – R\$ mn



Outstanding Operation (%)





Gross revenue from investment fund management

R\$ 5.2 mn in 2Q20

R\$ 10.0 mn in 1H20



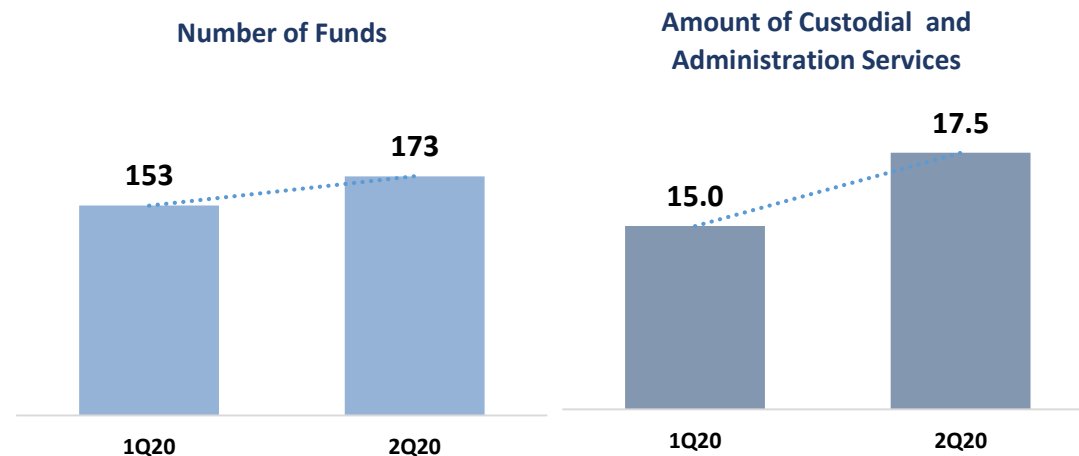
INVESTMENT FUNDS

Fixed Income, Multimarket,
Equity or Pensions.

Custodial and Administration

Structure with qualified professionals and a state-of-the-art technological infrastructure. Always presenting security and control of the information of its investors, in addition to features such as transparency in the fulfilment of its obligations and compliance with policies and best market practices.

R\$ 17.5 billion in Custodial and Administration Services in 2Q20



Treasury Products and Services for Companies



We offer our clients solutions for managing their market and liquidity risks, reflecting the expertise and conservative philosophy acquired over more than 50 years administering our portfolios. Additionally, using our extensive experience in executing contracts and guarantee controls, we offer customized solutions.

Volume traded in 1H20 per product

R\$ 5.2 billion
(FX)



FX

- Trade Finance
- Financial Transactions
- Symbolic transactions
- Direct and Portfolio Investment

**+8,500 transactions
during the semester**
+700 clients

R\$ 4.0 billion
(Derivatives)



Derivatives

- NDFs (Non-Deliverable Forwards)
- Swaps
- Options

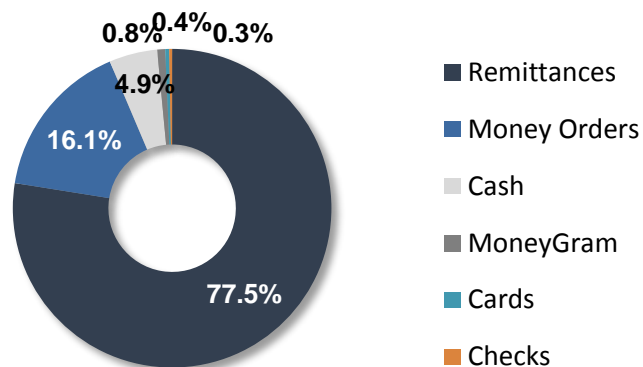
R\$ 3.7 billion
(Escrow Account)



Services

- Escrow Account
- Landing transactions services
- Support for structuring tailor made loans

Breakdown by Product (%)



Highlights | 2Q20

- ✓ + R\$ 2,309.0 million in transactions in 2Q20 versus R\$ 1,792.6 million in 1Q20 and movement of R\$ 4,101.6 million in 1H20 compared to R\$ 1,497.6 million in 1H19;
- ✓ + 2,426 thousand operations in 1H20 compared to 1,046 thousand in 1H19;
- ✓ 151 FX - Service Points;
- ✓ Remittance operations leveraged both transaction volumes and number of operations. The volume of the other products was reduced due to Covid-19.
- ✓ New DayPay Express product - Sending money with Daypay and receiving it at a Western Union location.

Products and Services



PURCHASE OF INTERNATIONAL CHECKS

Agility and efficiency in the sales of international checks. Main modalities, pension checks, retirement funds, commissions, among others.



INTERNATIONAL REMITTANCES

Send money, pay foreign courses or easily conduct financial transactions, quickly and without redtape.



DAYCOVAL EXCHANGE DELIVERY

Safely receive foreign currency in the comfort of your own home or office.



CASH

We make available the main foreign currencies circulating in the world, such as: Dollar, Euro, Pound, Peso, among others.



EXPRESS REMITTANCES

Quick and secure transfers between individuals who reside in different countries.



FOREIGN CURRENCY CARDS

Quick and secure transfers between individuals who reside in different countries.

Total Funding

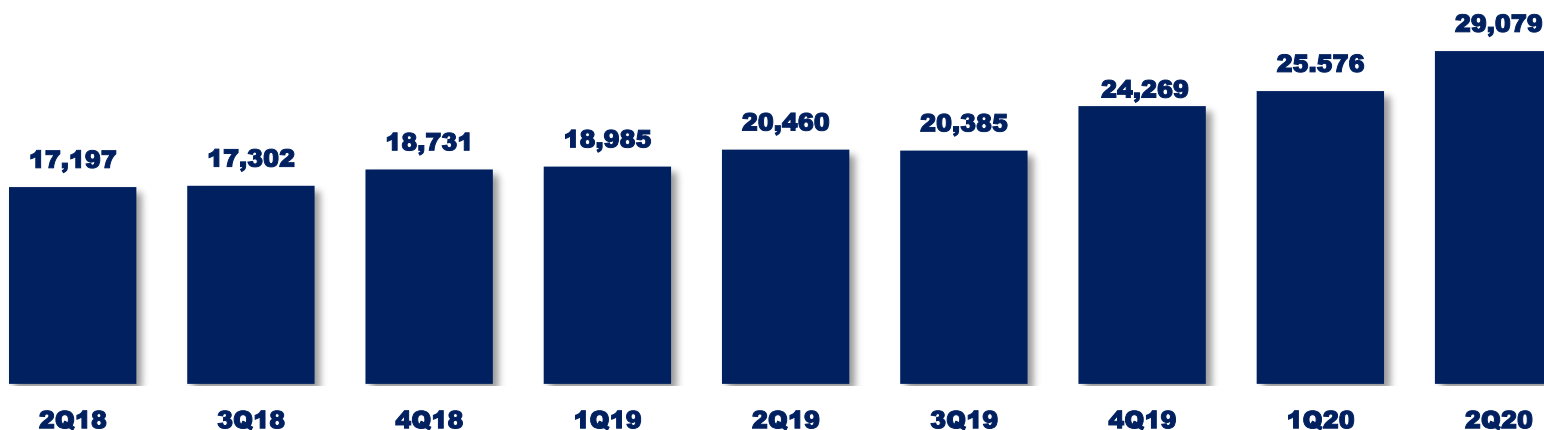
Breakdown

2nd quarter of 2020

Deposits + LCI* + LCA** **39.2%**
Local Bonds **38.0%**
Foreign Borrowing and Onlending **14.5%**
Bonds **8.3%**

Funding Evolution

R\$ Million



Total Funding (R\$ mn)	2Q20	1Q20	Δ	2Q19	Δ
Total Deposits	11,415.6	10,301.1	10.8%	8,549.3	33.5%
Deposits	9,590.9	8,751.5	9.6%	6,861.4	39.8%
Letters of Credit (LCI* + LCA**)	1,824.7	1,549.6	17.8%	1,687.9	8.1%
Local Bonds (Letras Financeiras)	11,042.8	8,751.1	26.2%	10,201.9	8.2%
Private Offerings	5,854.9	6,051.3	-3.2%	7,465.3	-21.6%
Public Offerings	2,305.6	2,489.5	-7.4%	2,583.7	-10.8%
Guaranteed Financial Bills	2,427.9	-	n.a.	-	n.a.
Subordinated + Perpetual Local Bonds	454.4	210.3	0.9%	152.9	5.6%
Foreign Borrowing and Onlending	4,209.9	4,183.2	0.6%	1,709.0	n.a.
Bonds	2,410.5	2,340.9	3.0%	-	n.a.
Total	29,078.8	25,576.3	13.7%	20,460.2	42.1%

*LCI = Real Estate Letters of Credit, ** LCA = Agribusiness Letters of Credit

Risk Rating Agencies

	Global Scale		National Scale	Perspective
	Long Term	Sovereign	Long Term	
Moody's ¹	Ba2	Ba2	Aa2.br	Stable
Fitch Ratings ²	BB-	BB-	AA(bra)	Negative
Standard & Poors ³	BB-	BB-	brAA+	Stable
RISKbank ⁴	BRMP 3 Low Risk for Long Term (up to 5 years) - negative			

Date : 1 - Feb/20, 2 - Apr/20, 3 - Jan/20, 4 - Apr/20 .

Maintenance of Capital and Liquidity



IFC Loan

The IFC, a member of the World Bank Group, granted a US\$ 100 million loan to Daycoval.

IFC's investment consists of a one-year loan, renewable for up to another year, to support Daycoval's working capital program and other types of loans to small and medium-sized enterprises (SMEs) that were affected by the Covid-19 outbreak.

At least 20% of the working capital line will be aimed at SMEs owned by women, using resources from the Women Entrepreneurs Opportunity Facility (WEOF), a global fund dedicated to expanding access for women entrepreneurs to capital.



Issuance of Guaranteed Financial Bills

In view of the adverse economic scenario, Daycoval made use of a line of loans granted by Brazil's Central Bank (BACEN) to the National Financial System.

At the end of the semester, the Bank had issued the amount of **R\$ 2,427.9 million** in Guaranteed Financial Bills.



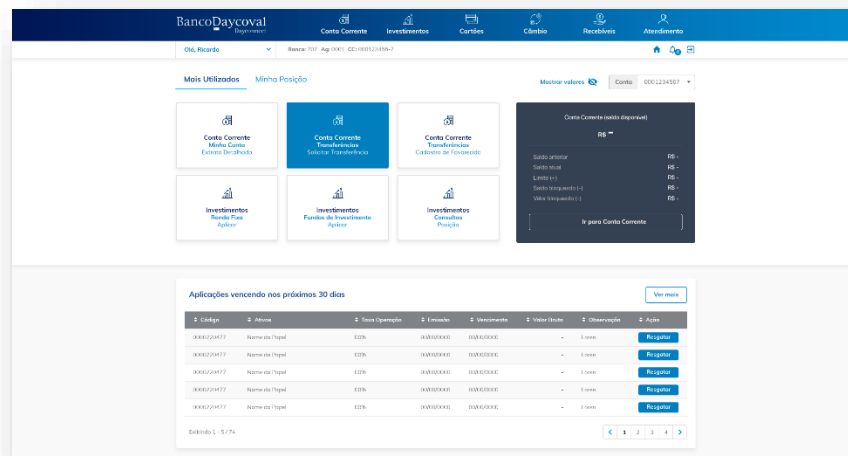
Issuance of Perpetual Financial Bills

On February 19, 2020, the Bank issued Financial Bills with perpetual maturity in the amount of R\$ 50 million and on April 15, 2020, the Bank issued Financial Bills with perpetual maturity in the amount of R\$ 240.0 million.

This amount became part of the Complementary Capital (Level I) in 1H20.

Both were carried out with funds from the shareholders.

New Dayconnect



Experience

New visual identity aligned with our application, to assure the same experience on all Banco Daycoval platforms. **More modern, current and digital.**

Menus and Navigation

The menus were reorganized, highlighting **the products customers use on a daily basis.**

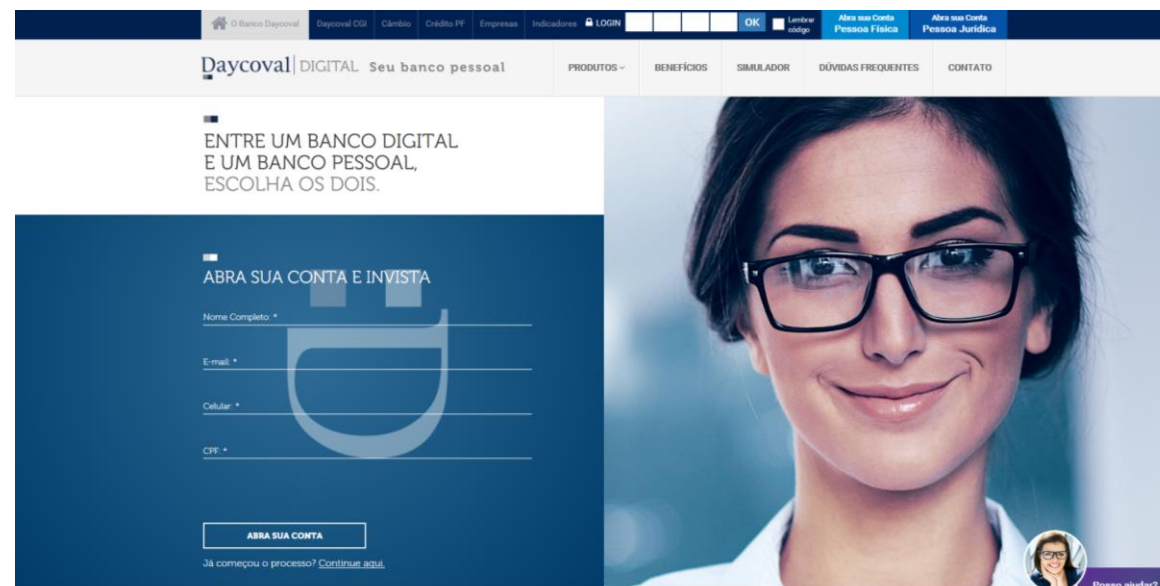
Home page

The new account gateway now displays **graphics and statements** for quickly **accessing account positions.**

Features

New features were added to the **statement and investments** to facilitate the management of your account.

Open Investment Platform



WIDE PRODUCT RANGE

LCI, LCA, Local Bonds, CDB, Funds and Automatic Credit.

DAYCOVAL AUTOMATIC CREDIT

Approved credit limit for those with Fixed Income investments in Daycoval Digital.

AUTOMATIC APP

For Digital customers, with 100% return on CDI and daily liquidity.

CONSULTING AND SERVICES

Direct Channel with investment specialists in addition to phone and email, through WhatsApp and Dayane (Virtual Assistant).

CANAL DIRETO PARA INVESTIMENTOS
(11)99753-0219
Atendimento via WhatsApp



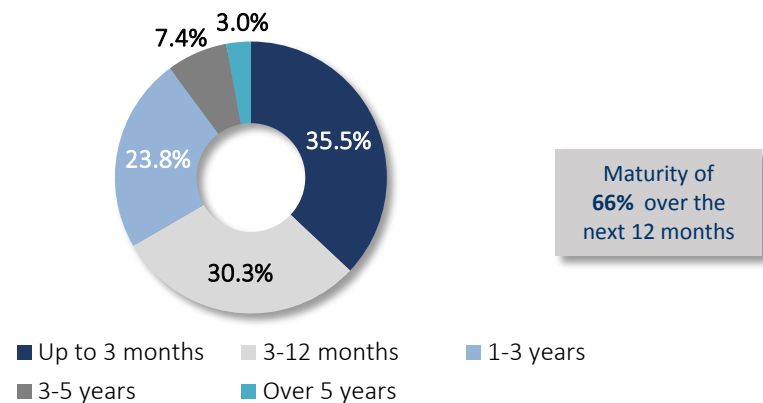
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PORTFOLIO DIVERSIFICATION

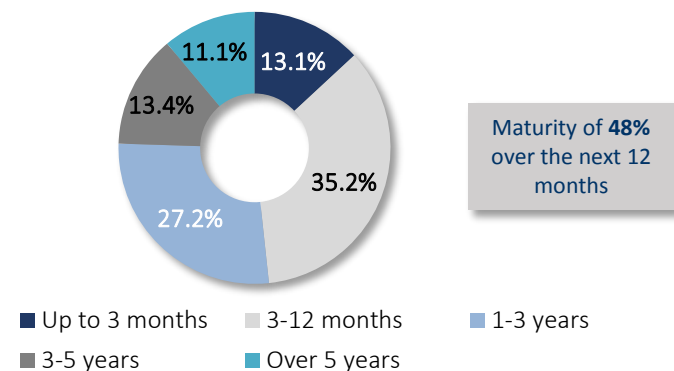
In addition to products issued by the Bank, we also offer products from other financial institutions.

Asset and Liability Maturity

Loan Portfolio – Outstanding Operations



Funding – Outstanding Operations



Free Cash
R\$ 8.1 billion



Positive Gap of 223 days

Loan Portfolio by Segment	Average term to Maturity ⁽¹⁾ days
Companies	223
Trade Finance	86
Payroll Loans	525
Auto Loans	483
Leasing	574
BNDES	424
Total Loan Portfolio	344

(1) From June 30, 2020.

Funding	Average term to Maturity ⁽¹⁾ days
Total Deposits	132
Interbank Deposits	221
Local Bonds (letras financeiras)	497
LCA (Letter of Credit Agribusiness)	85
LCM (Letter Home Mortgage)	309
Borrowing and Onlending	689
DPGE (Guaranteed Time-Deposit Asset)	689
Bonds	1,437
BNDES	428
Total Funding	567

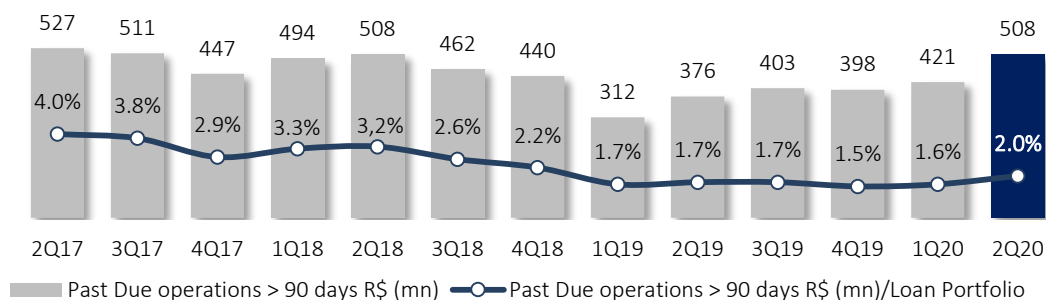
(1) From June 30, 2020.

Quality of Loan Portfolio

Overdue Loans	2Q19	3Q19	4Q19	1Q20	2Q20
Overdue Loans more than 90 days past due – <i>falling due installments</i> (R\$ mn)	376.3	402.6	397.6	421,4	507.9
Overdue Loans more than 60 days past due – <i>falling due installments</i> (R\$ mn)	512.0	481.7	476.5	565,5	679.9
Overdue Loans more than 14 days past due (R\$ mn)	334.9	248.6	267.0	305,5	289.8
LLP Balance/ Overdue Loans > 90 days (%) – <i>falling due installments</i>	281.9%	317.0%	331.9%	335,5%	276.0%
Overdue Loans > 90 days/Loan Portfolio (%) – <i>falling due installments</i>	1.7%	1.7%	1.5%	1,6%	2.0%

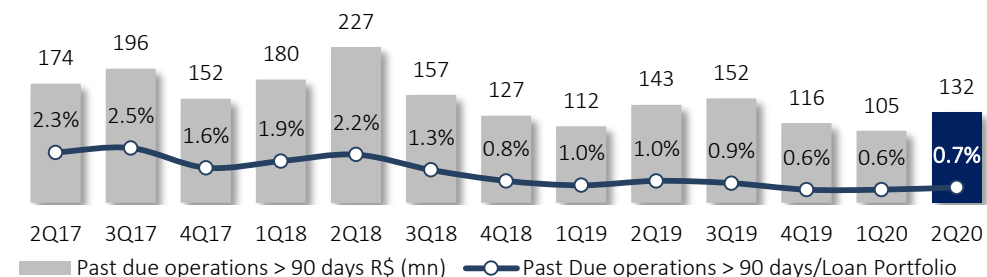
LOAN PORTFOLIO

Past due loans > 90 days – Installments falling due



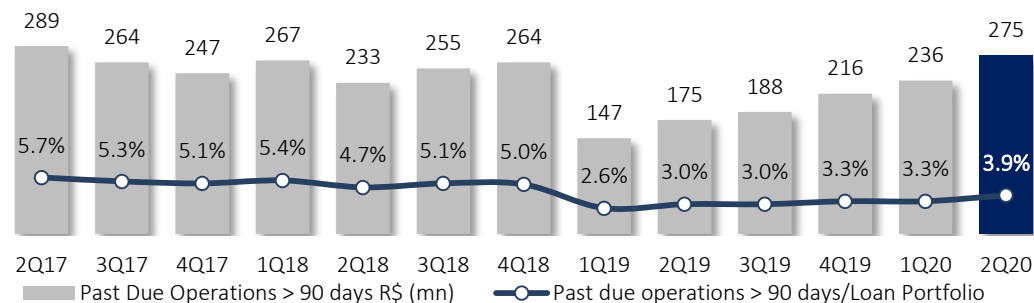
COMPANIES

Past due loans > 90 days – Installments falling due



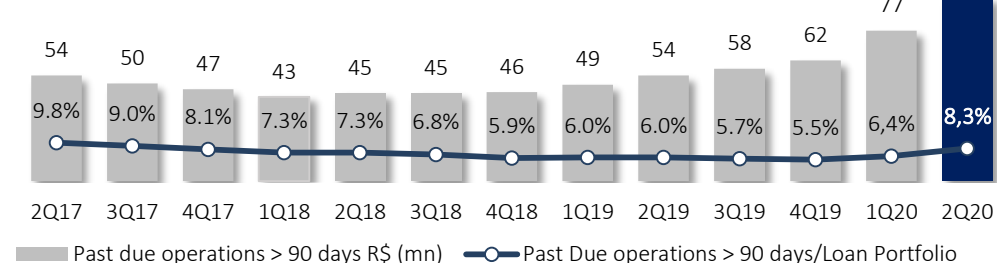
PAYROLL

Past due loans > 90 days – Installments falling due



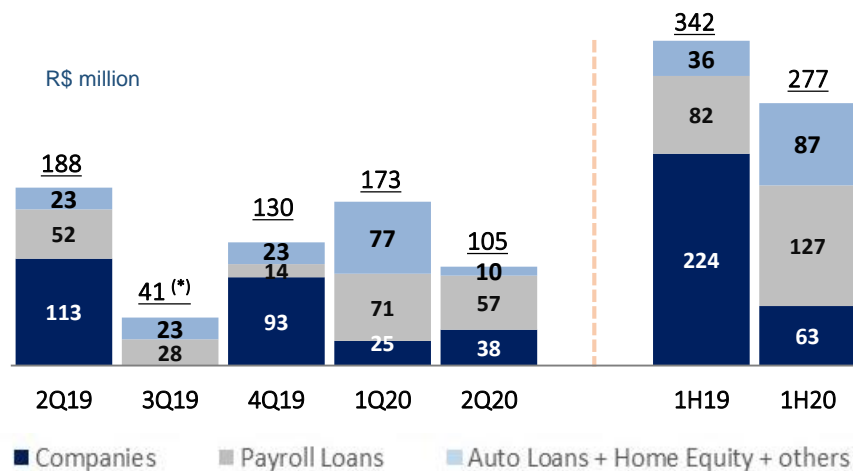
VEHICLES

Past due loans > 90 days – Installments falling due



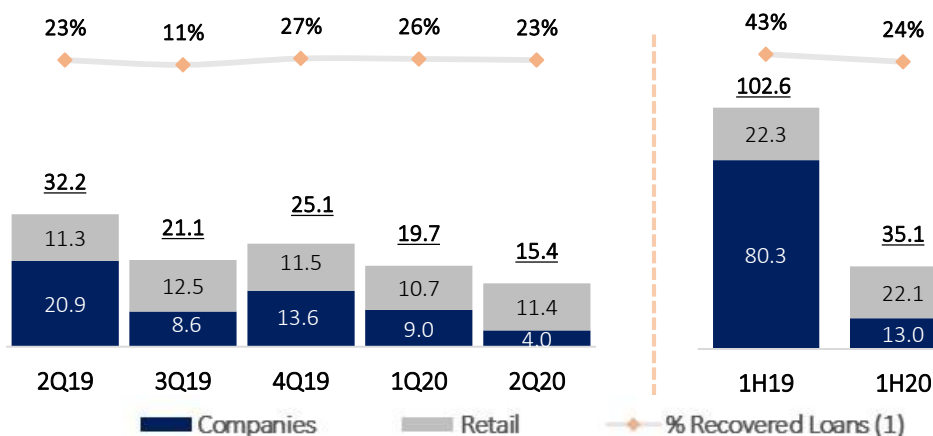
Quality of Loan Portfolio

Provision Expenses by segment (R\$ mn)



*In 3Q19, there was a R\$ 14.3 million reversal in the constitution of the provision in the Companies segment and R\$ 0.2 million in the Home Equity segment.

Recovered Loans (R\$ mn)



(1) Recovered Loans/write-off of the previous year.

Loan Portfolio E-H (R\$ mn)	2Q19	3Q19	4Q19	1Q20	2Q20
Companies ¹	653.4	511.2	494	463.6	457.6
Leasing	13.6	14.0	14.0	9.0	10.0
Payroll	271.1	264.5	267.9	291.7	307.6
Auto	58.7	60.9	65.2	74.8	98.3
Other	14.5	9.5	2.9	2.9	3.8
Total	1.011.3	860.1	844.0	842.0	877.3
Final Balance LLP	1,316.6	1,276.1	1,319.5	1,413.6	1,401.6
LLP/E-H Portfolio (%)	130.2%	148.4%	156.4%	167.9%	159.8%

1) Considers receivables purchase E-H portfolio.



The LLP Balance/E-H Portfolio was **159.8%** in 2Q20.



LLP Balance/ Overdue Loans 90 days was **276.0%** in 2Q20.



The additional LLP provision in the amount of R\$ 445.5 million, included in the indicators.

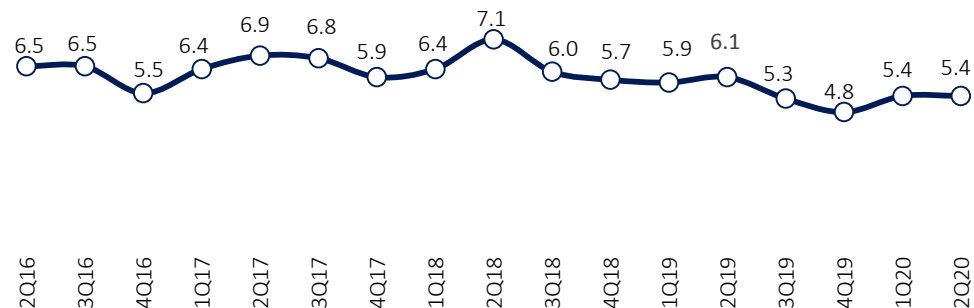


Total renegotiated loans for the semester was R\$ 2.6 billion, R\$ 2.3 billion related to Covid-19.

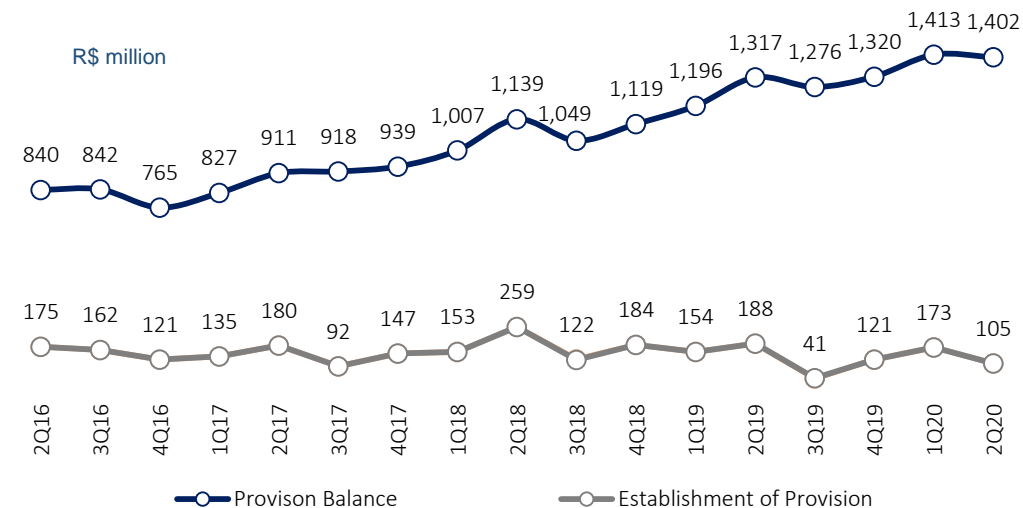
Write-off (R\$ mn)	2Q19	3Q19	4Q19	1Q20	2Q20	1H19	1H20
Companies	(28.6)	(40.4)	(44.9)	(33.2)	(66.1)	(63.5)	(99.3)
Retail	(38.9)	(41.1)	(41.8)	(45.4)	(50.5)	(81.1)	(95.9)
Total	(67.5)	(81.5)	(86.7)	(78.6)	(116.6)	(144.6)	(195.2)

Quality of Loan Portfolio

Total Provision / Loan Portfolio (%)

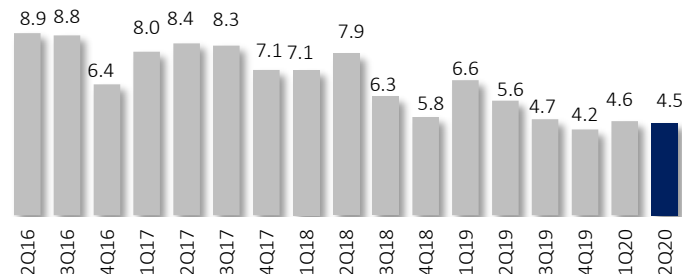


Balance and Establishment of Provision

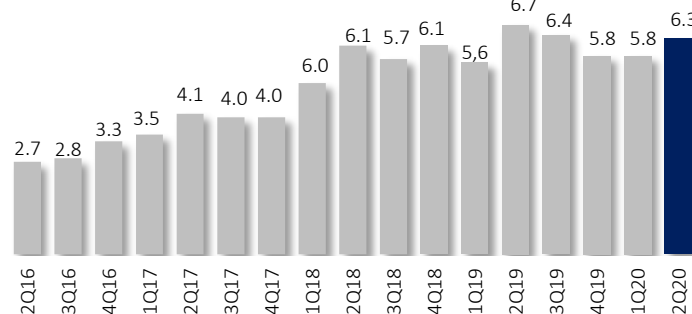


LLP Evolution / Portfolio by Segment (%)

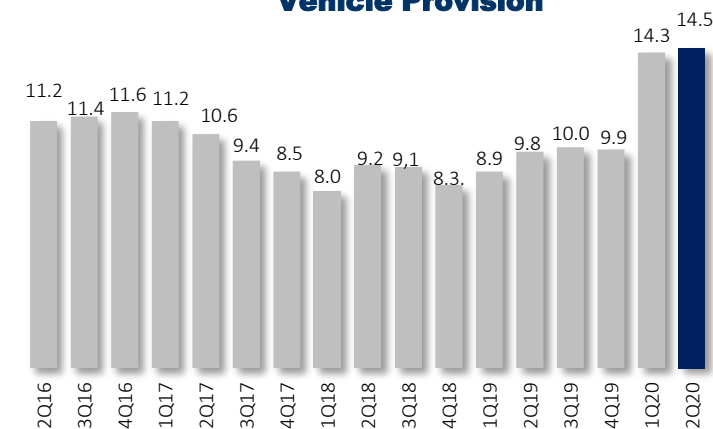
Companies Portfolio Provision ⁽¹⁾



Payroll Provision

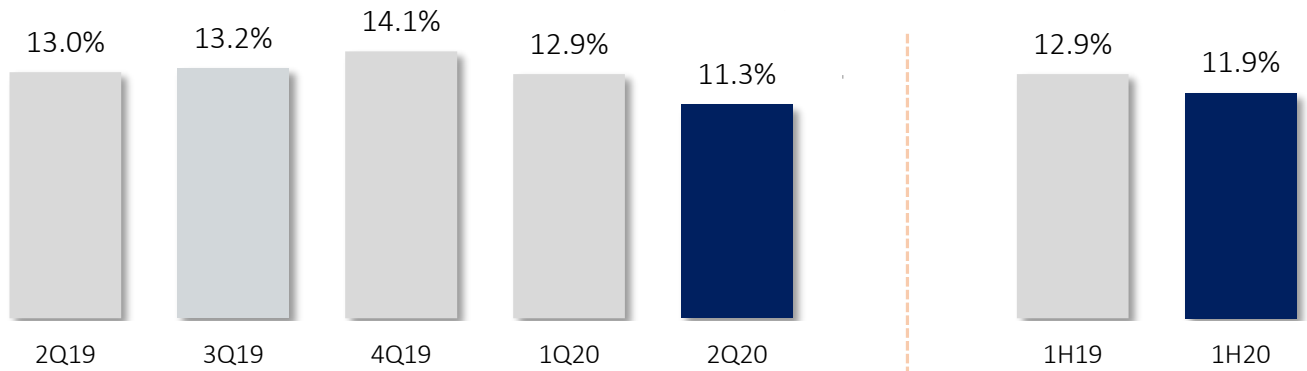


Vehicle Provision



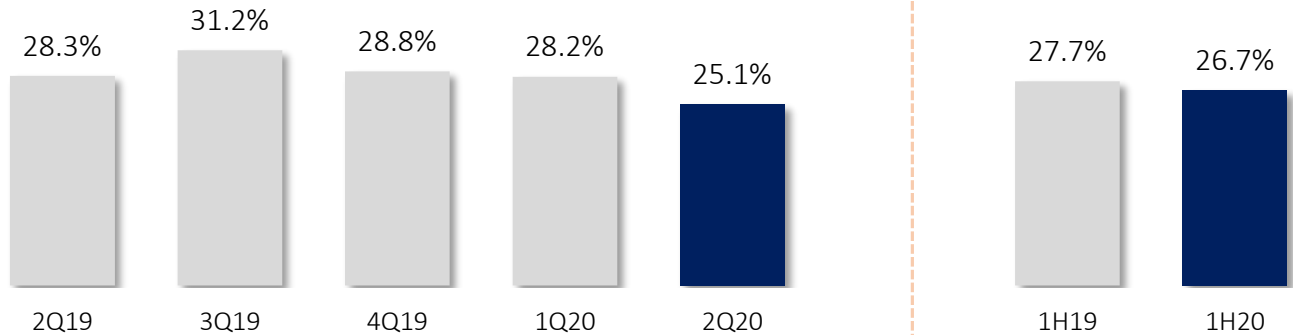
(1) Includes Receivables purchase and Leasing

Adjusted Net Interest Margin and Recurring - (NIM-AR)⁽¹⁾ - (%)



1) Includes exchange-rate variations on liability operations, foreign trade, the purchase of credit rights and portfolio transfers to other banks and excludes matched operations — repurchase agreements-tri-party repos outstanding.

Recurring Efficiency Ratio

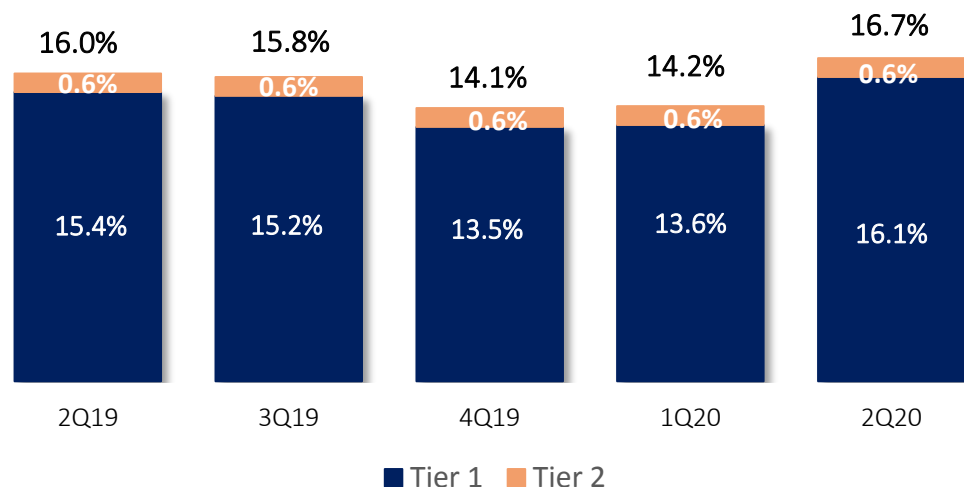


Personnel Expenses + Administrative Expenses + Commisions - Depreciation and Amortization

[Income from Financial Intermediation (- LLP)]+ Income from Services Provided + Income from Receivables Purchase + Exchange Rate Variation

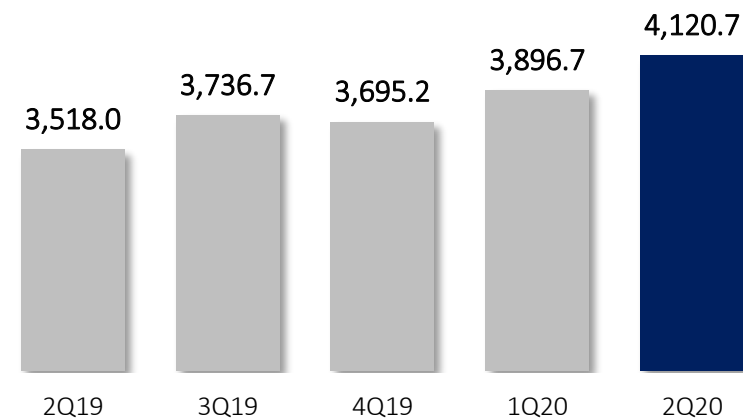
Capital

Basel Index III



Shareholders' Equity

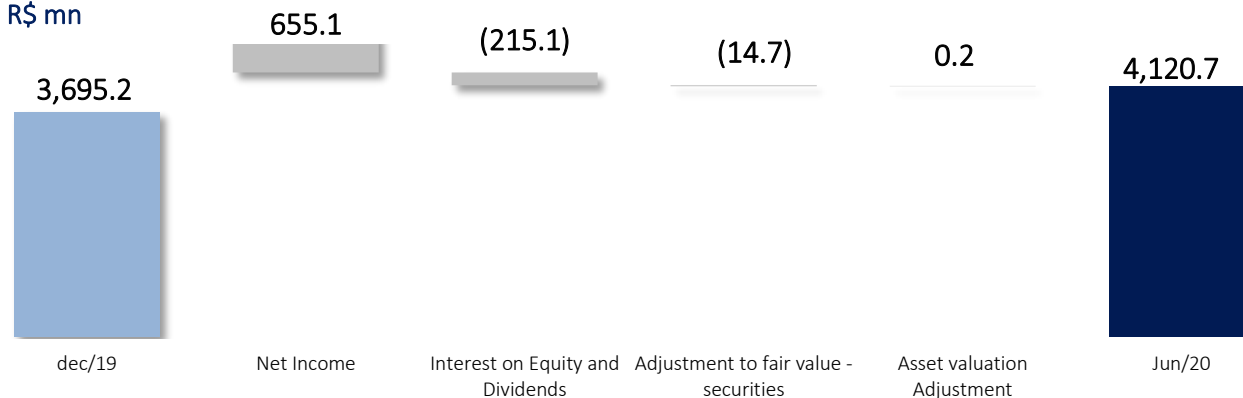
R\$ mn



Referential Equity
R\$ 4,561.4 million
Tier 1 – R\$ 4,402.2 million
Tier 2 – R\$ 159.2 million

Change in Shareholder's Equity – 1H20

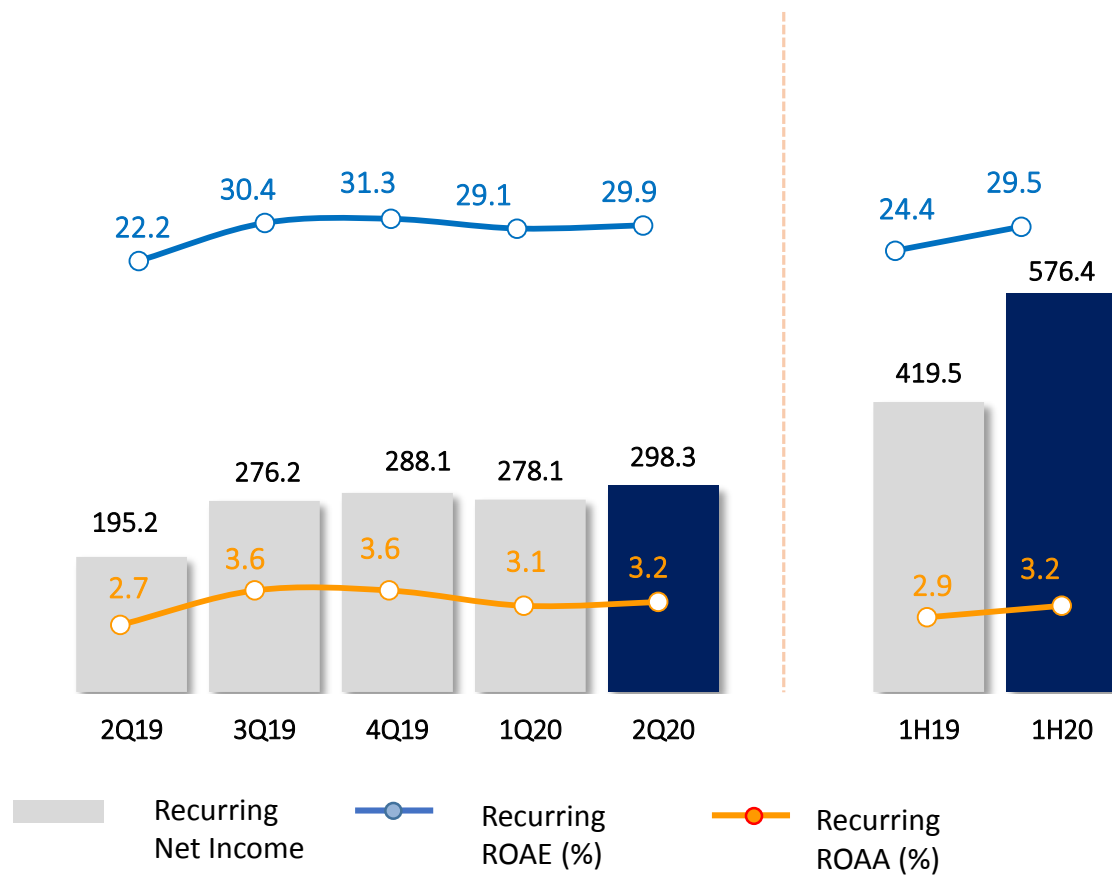
R\$ mn



Profitability

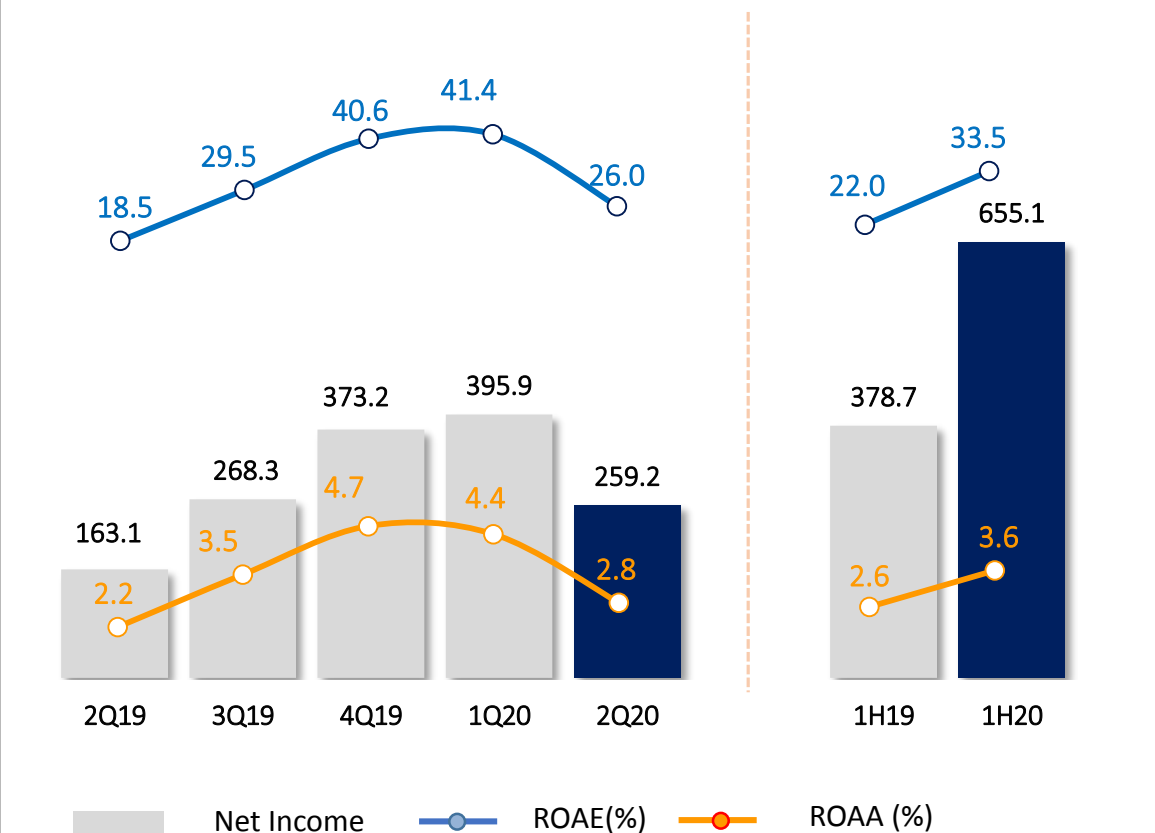
Recurring Net Income

R\$ Million



Net Income

R\$ Million



Profitability

Recurring Key Figures (R\$ mn)	2Q19	3Q19	4Q19	1Q20	2Q20	1H19	1H20
Net Income	163.1	268.3	373.2	395.9	259.2	378.7	655.1
(-) Hedge/MTM – Foreign Issues and Credit Operations	(29.4)	(22.9)	(23.0)	73.2	(49.7)	(39.0)	23,5
(-) Exchange Variation - Equivalence - Branch	(2.7)	15.0	(6.0)	44.6	10.6	(1.8)	55.2
(-) Increase in Social Contribution rate – Credit Assignments	-	-	114.1	-	-	-	-
Recurring Net Income	195.1	276.2	288.1	278.1	298.3	419.5	576.4
Recurring ROAE (%)	22.2%	30.4%	31.3%	29.1%	29.9%	24.4%	29.5%
Recurring ROAA (%)	2.7%	3.6%	3.6%	3.1%	3.2%	2.9%	3.2%
Recurring Efficiency Ratio (%)	28.3%	31.2%	28.8%	28.2%	25.1%	27.7%	26.7%

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