
4Q20

**Earnings
Release**

**Great
Place
To
Work®**

Certificado
11/12/2020 - 11/12/2021
BRASIL

Results

Recurring Net Income

R\$ 338.5 million in 4Q20
R\$ 1,211.8 million in 2020
+ 23.2% over 2019

Net Income R\$ 239.4 million in 4Q20
R\$ 1,182.6 million in 2020
+ 15.9% over 2019

Shareholders' Equity

R\$ 4,425.9 million
+ 1.6% in 3 months
+ 19.8% in 12 months

Profitability

Recurring ROAE

30.3% in 4Q20
29.3% in 2020
+1.6 p.p. over 2019

ROAE

21.5% in 4Q20
28.6% in 2020
-0.2 p.p. over 2019

Regulatory Capital

R\$ 4,872.4 million
Tier 1 – R\$ 4,711.3 million
Tier 2 – R\$ 161,1 million

MAIN FIGURES (R\$ million unless otherwise stated)	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
RESULTS								
Income from loans operations	1,155.4	1,081.2	6.9%	999.9	15.6%	4,374.4	3,791.6	15.4%
Net Income	239.4	288.2	-16.9%	373.2	-35.9%	1,182.6	1,020.2	15.9%
Recurring Net Income	338.5	297.0	14.0%	288.1	17.5%	1,211.8	983.9	23.2%
FINANCIAL POSITION								
Total Assets	49,159.8	44,097.8	11.5%	34,845.0	41.1%	49,159.8	34,845.0	41.1%
Expanded Loan Portfolio ⁽¹⁾	36,629.3	30,948.6	18.4%	27,359.6	33.9%	36,629.3	27,359.6	33.9%
- Companies	28,193.4	22,751.1	23.9%	19,695.6	43.1%	28,193.4	19,695.6	43.1%
- Payroll Loans	7,223.3	7,005.5	3.0%	6,483.6	11.4%	7,223.3	6,483.6	11.4%
- Auto Loans	1,144.3	1,129.1	1.3%	1,123.7	1.8%	1,144.3	1,123.7	1.8%
- Home Equity	68.3	62.9	8.6%	56.7	20.5%	68.3	56.7	20.5%
Funding	37,080.8	31,987.3	15.9%	24,268.5	52.8%	37,080.8	24,268.5	52.8%
- Total Deposits + LCI + LCM	16,217.3	14,647.0	10.7%	9,949.1	63.0%	16,217.3	9,949.1	63.0%
- Local Bonds	13,789.4	9,564.3	44.2%	9,220.5	49.6%	13,789.4	9,220.5	49.6%
- Foreign Borrowing and Onlending	4,668.7	5,181.4	-9.9%	3,687.4	n.a.	4,668.7	3,687.4	n.a.
- Foreign Issuances	2,405.4	2,594.6	-7.3%	1,411.5	n.a.	2,405.4	1,411.5	n.a.
Shareholders' Equity	4,425.9	4,354.2	1.6%	3,695.2	19.8%	4,425.9	3,695.2	19.8%
Regulatory Capital (Tier I and Tier II)	4,872.4	4,795.8	1.6%	3,891.8	25.2%	4,872.4	3,891.8	25.2%
CREDIT RATIOS								
Final Balance LLP ⁽¹⁾	1,579.5	1,466.4	7.7%	1,319.5	19.7%	1,579.5	1,319.5	19.7%
Nonperforming Loans Ratio (90 days overdue)	1.7%	1.9%	-0.2 p.p	1.5%	0.2 p.p	1.7%	1.5%	20.5%
Final Balance LLP/Loan Portfolio (%)	4.3%	4.7%	-0.4 p.p	4.8%	-0.5 p.p	4.3%	4.8%	-0.5 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	260.0%	250.3%	9.7 p.p	331.9%	-71.9 p.p	260.0%	331.9%	-71.9 p.p
Final Balance Loan E-H/Loan Portfolio (%)	172.3%	184.1%	-11.8 p.p	156.4%	15.9 p.p	172.3%	156.4%	15.9 p.p
HIGHLIGHTS								
Net Interest Margin (NIM-AR) (% p.a.) ⁽²⁾	11.7%	11.4%	0.3 p.p	14.1%	-2.4 p.p	11.3%	12.8%	-1.5 p.p
Recurring ROAE (%) ⁽³⁾	30.3%	28.1%	2.2 p.p	31.3%	-1.0 p.p	29.3%	27.7%	1.6 p.p
Recurring ROAA (%) ⁽⁴⁾	3.0%	2.9%	0.1 p.p	3.6%	-0.6 p.p	3.0%	3.3%	-0.3 p.p
Return on Average Equity (ROAE) (% p.a.)	21.5%	27.2%	-5.7 p.p	40.6%	-19.1 p.p	28.6%	28.8%	-0.2 p.p
Return on Average Asset (ROAA) (% p.a.)	2.1%	2.8%	-0.7 p.p	4.7%	-2.6 p.p	2.9%	3.4%	-0.5 p.p
Efficiency Ratio (%)	29.0%	25.5%	3.5 p.p	30.2%	-1.1 p.p	26.4%	30.2%	-3.8 p.p
Recurring Efficiency Ratio (%)	25.5%	24.7%	0.8 p.p	28.8%	-3.3 p.p	25.5%	28.9%	-3.4 p.p
BIS Index III (%)	14.5%	15.6%	-1.1 p.p	14.1%	0.4 p.p	14.5%	14.1%	0.4 p.p
Employees	2,553	2,418	5.6%	2,353	8.5%	2,553	2,353	8.5%
Number of Branches (Companies)	46	46	-	45	2.2%	46	45	2.2%

(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.

(3) Recurring ROAE = Recurring Net Income/Average Shareholders' Equity

(4) Recurring ROAA = Net Income/Average Assets



Message from the Management

We constantly sought to ensure that our Corporate Values are not just a set of repeated words but, rather, truths perceived by all our stakeholders, which underpin our commitment to respect, transparency, ethics and continuous development.

Focusing more on the business and relationships, we sustained the Bank's growth, ending the year with total assets of R\$ 49.2 billion, up 41.1% compared to 2019. Despite the country's economic slowdown, impacted by the Covid-19 Pandemic, Daycoval was able to maintain 2020's pace, principally focused on rapid adaptation to the current scenario to be closer to customers and able to understand their needs. We streamlined processes and continued to make investments in technology and digital platforms.

The Extended Loan Portfolio finished 2020 with an increase of R\$ 36.6 billion, 33.9% higher compared to the close of 2019. The growth did not affect the quality of the portfolio, whose final year-end Loan Default Index was 1.7%, while the LLP Balance (provision for doubtful accounts) closed at R\$ 1.5 billion. There is an additional provision of R\$ 574.1 million included in this balance.

Recurring Net Income 2020 ended the final three months at R\$ 338.5 million, 17.5% higher than the last quarter of 2019. Compared to 2019, our Recurring Net Income grew 23.2%, reaching R\$1.2 billion.

Return on Recurring Average Shareholders' Equity (ROAE) reached 30.3% in the last quarter of 2020, 1.0 percentage points lower than the previous year. Profitability ended the year at 29.3%, compared to 27.7% in 2019. Shareholders' Equity ended 2020 at R\$ 4.4 billion, representing growth of 19.8% in 12 months and the Basel Index stood at 14.5% at the end of the period, reflecting the Bank's high capital base.

Through the engagement of our employees and rapid adaptation to the scenario, quick decision making was the highlight for the period. The Efficiency Index at the close of the year was 26.4%, an improvement of 3.8 percentage points compared to the same period in 2019.

The Company's positive results were supported by a conservative credit strategy and the creation of new actions to meet the growing demand of the business segment, always aiming to expand relationships, margins and guarantees. This result was based on our ability to respond quickly to distinct scenarios and was confidently developed throughout the year.

We are mindful of our more than 50 years of history, one that is solidified by relations with a diversified client base of individuals, small and medium-sized companies and large corporations. We ended 2020 with more than 2,550 employees, 8% higher than 2019, in locations across the country, who adjusted their operations — even when working remotely — and remained committed to serving our customers well, dedicating their efforts to achieving sustainable results.

In this challenging year, Daycoval was listed in the Large Groups Guide of Valor Econômico (Brazilian newspaper) among the 200 largest groups operating in Brazil. In finance, the Bank was highlighted as one of the 20 largest in the sector, both in Revenue and Net Income, in addition to posting the sector's second-highest profitability. It was an achievement that involved competence and team engagement that yielded a Great Place To Work (GPTW) seal for the third consecutive year.

And because we base our work and efforts on this essence, in the following pages we are sharing our Company's main results during 2020.

Butantan Institute Donation



In line with the contribution to the benefit of the Brazilian population, Banco Daycoval made a **donation of 1 million reais** to the Butantan Institute for the construction of a COVID-19 vaccine factory, in addition to earmarking part of the investment for clinical research. The facility aims to be a multi-purpose vaccine production center for pandemic responses.

Mask Donation



The “**Conexão do Bem Daycoval – Sua doação vale por 3**” campaign distributed one million reusable masks in 200 locations and contributed to sustaining business activities during the Pandemic.

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

Food Donation



The Bank participated in a number of solidarity initiatives, among them: donation of four tons of food to the Amigos do Bem NGO, and support for the “Prato Feito” food project, which distributed more than 4,000 meals to vulnerable people who were affected by the Pandemic.

Recognitions in 2020

Great Place to Work | 2020



For the third consecutive year, Banco Daycoval was among the best companies to work for and received the seal *Great Place To Work*.

Valor Econômico Large Economic Groups



Daycoval was listed in the Valor Econômico Large Economic Groups Guide. In finance, the Bank was highlighted as one of the 20 largest in the sector, both in Revenue and Net Income, in addition to having the second-highest profitability in the sector.

20 melhores em rentabilidade patrimonial		
Grupo	Sede	Retorno sobre o Patrimônio Líquido (%)
1. IRB Brasil RE	RJ	20,7
2. Daycoval	SP	19,4
3. Allianz Seguros	SP	18,4
4. Caixa Seguradora	DF	18,3
5. Itaú Seguros	SP	18,2
6. Bradesco	SP	17,9
7. Mapfre	SP	17,8
8. Credicard	SP	17,7
9. Santander	SP	17,6
10. Bradesco	SP	17,5
11. Itaú	SP	17,4
12. Itaú	SP	17,3
13. Itaú	SP	17,2
14. Itaú	SP	17,1
15. Itaú	SP	17,0
16. Itaú	SP	16,9
17. Itaú	SP	16,8
18. Itaú	SP	16,7
19. Itaú	SP	16,6
20. Itaú	SP	16,5

Profitability

Recurring Figures

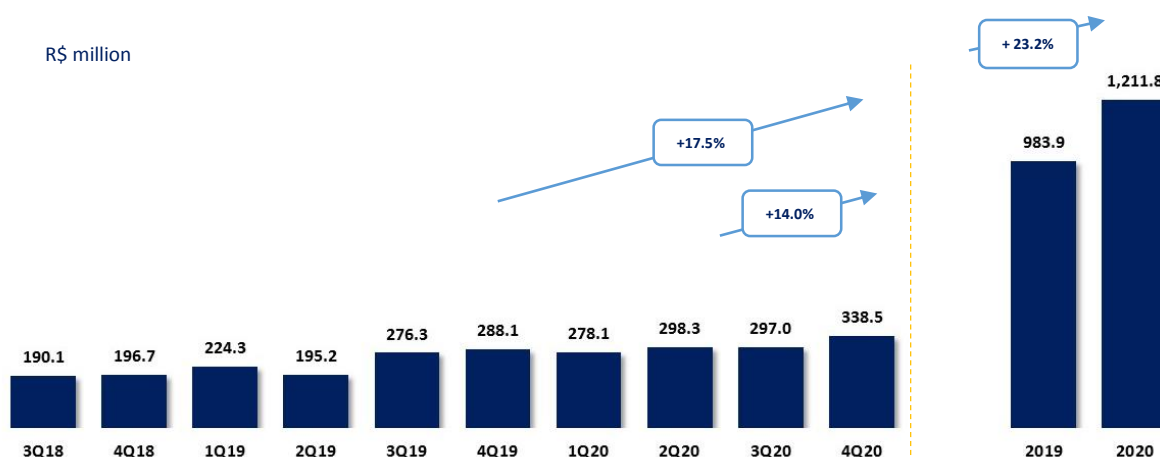
ROAE in 4Q20 (%)
+2.2 p.p in 3 months
- 1.0 p.p in 12 months

ROAA in 4Q20 (%)
+0.1 p.p in 3 months
-0,6 p.p. in 12 months



Recurring Net Income

R\$ million



Recurring Key Figures (R\$ million)	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
Accounting Net Income	239.4	288.2	-16.9%	373.2	-35.9%	1,182.6	1,020.2	15.9%
(-) Hedge/ MTM R\$ - Foreign Issues and Credit Operations	(77.3)	(16.9)	n.a.	(23.0)	n.a.	(70.7)	(84.9)	-16.7%
(-) Exchange Variation - Equivalence - Branch	(21.8)	8.1	n.a.	(6.0)	n.a.	41.5	7.1	n.a.
(-) Increase in the social contribution rate on Credit Assignments	-	-	n.a.	114.1	n.a.	-	114.1	n.a.
Recurring Net Income	338.5	297.0	14.0%	288.1	17.5%	1,211.8	983.9	23.2%
Adjusted ROAE (%)	30.3%	28.1%	2.2 p.p	31.3%	-1.0 p.p	29.3%	27.7%	1.6 p.p
Adjusted ROAA (%)	3.0%	2.9%	0.1 p.p	3.6%	-0.6 p.p	3.0%	3.3%	-0.3 p.p
Adjusted Efficiency Ratio (%)	25.5%	24.7%	0.8 p.p	28.8%	-3.3 p.p	25.5%	28.9%	-3.4 p.p

Despite the country's economic slowdown, impacted by the Covid-19 Pandemic, Daycoval has been in step, mainly focused on rapid adaptation to the current scenario, to be closer to customers and understand their needs. Thus, we ended the year with **Recurring Net Income** of R\$ 1,211.8 million, an amount 23.2% higher than in the same period last year, mainly motivated by the growth of the credit portfolio in the period and maintenance of margins. Profitability on average equity (recurring ROAE) ended at 29.3% in 2020, compared to 27.7% in the previous year.

In 4Q20, **Recurring Net Income** reached R\$ 338.5 million, an increase of 14.0% over 3Q20. We saw a negative impact of the mark-to-market of the *hedge* on external funding and credit operations in the quarter, of R\$ 77.3 million, and a positive change in the amount of R\$ 21.8 million at the Cayman Islands subsidiary, due to the appreciation of the dollar against the real over the period. Accrued for the year, there was a negative impact of R\$ 70.7 million from the mark-to-market of the hedge on external funding and credit operations and a positive impact of R\$ 41.5 million at the subsidiary in Cayman due to the exchange variation of the period.

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



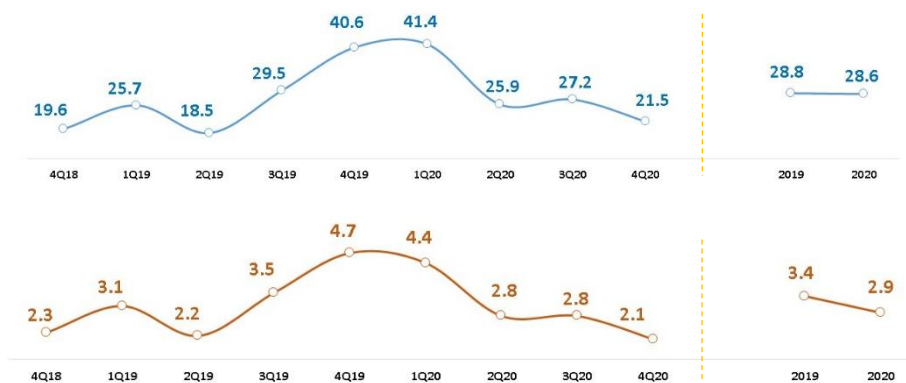
Net Income of R\$ 239.4 million in 4th quarter of 2020.

ROAE in 4Q20 (%)

- 5.7 p.p in 3 months
- 19.1 p.p in 12 months

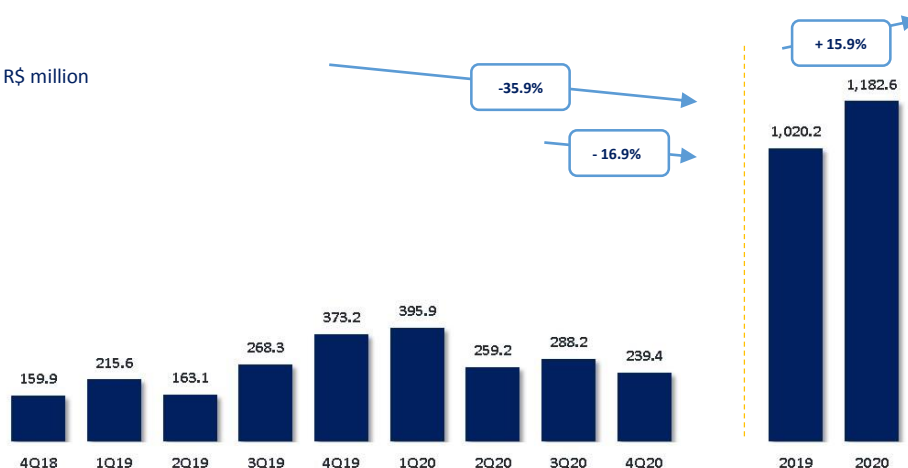
ROAA in 4Q20 (%)

- 0.7 p.p. in 3 months
- 2.6 p.p. in 12 months



Net Income

R\$ million



Net Income reached R\$ 239.4 million, a 16.9% reduction over 3Q20, due to the negative impact of hedge accounting over credit operations and foreign issuances. In 2020, Net Income was R\$ 1,182.6 million, an increase of 15.9% compared to 2019, due to the increase in the portfolio and stability in rates. Profitability on average shareholders' equity (ROAE) was 28.6% in the period, stable compared to 2019.

Adjusted and Recurring Net Interest Margin (NIM-AR)

NIM - AR of 11,7% in 4Q20
+ 0,3 p.p in 3 months
- 2,4 p.p. in 12 months



Recurring Adjusted Net Interest Margin (NIM-AR) (R\$ million)	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
Income from Financial Intermediation Reported	957.7	941.7	1.7%	824.8	16.1%	3,700.9	2,998.8	23.4%
Hedge/MTM - Foreign Issues and Credit Operations	(140.5)	(30.7)	n.a.	(41.8)	n.a.	(129.3)	(145.0)	n.a.
Adjusted Income from Financial Intermediation (A)	1,098.2	972.4	12.9%	866.6	26.7%	3,830.2	3,143.8	21.8%
Average Remunerated Assets	40,618.4	37,216.5	9.1%	28,301.0	43.5%	35,781.2	26,718.9	33.9%
(-) Expenses of financial intermediation add back provisions	(1,519.7)	(1,724.4)	-11.9%	(2,434.5)	-37.6%	(1,939.8)	(2,104.2)	-7.8%
Average Remunerated Assets (B)	39,098.7	35,492.1	10.2%	25,866.5	51.2%	33,841.4	24,614.7	37.5%
Recurring Adjusted Net Interest Margin (NIM-AR) (%YoY) (A/B)	11.7%	11.4%	0.3 p.p	14.1%	-2.4 p.p	11.3%	12.8%	-1.5 p.p

Net Interest Margin (NIM)

Net Interest Margin (NIM) (R\$ million)	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
Gross Income from Financial Intermediation	957.7	941.6	1.7%	824.8	16.1%	3,701.4	2,998.8	23.4%
Securities ⁽¹⁾	-	-	n.a.	0.0	n.a.	(0.5)	-	n.a.
Income from Financial Intermediation adjusted (A)	957.7	941.6	1.7%	824.8	16.1%	3,700.9	2,998.8	23.4%
Average Remunerated Assets (B)	40,618.4	37,216.5	9.1%	28,301.0	43.5%	35,781.2	26,718.9	33.9%
Interbank Investments	4,245.5	7,397.9	-42.6%	4,479.0	-5.2%	6,252.1	5,126.7	22.0%
Securities and Derivatives	6,558.9	5,061.6	29.6%	2,094.0	n.a.	4,562.6	2,150.7	n.a.
Lending Operation (does not include assignments)	30,464.0	24,974.1	22.0%	21,504.3	41.7%	25,266.1	19,245.2	31.3%
Trade Finance	(650.0)	(217.1)	n.a.	223.7	n.a.	- 299.6	196.3	n.a.
Net Interest Margin (NIM) (% p.a.) (A/B)	9.8%	10.5%	-0.7 p.p	12.2%	-2.4 p.p	10.3%	11.2%	-0.9 p.p

⁽¹⁾ Reclassified from other operating/expense revenues.

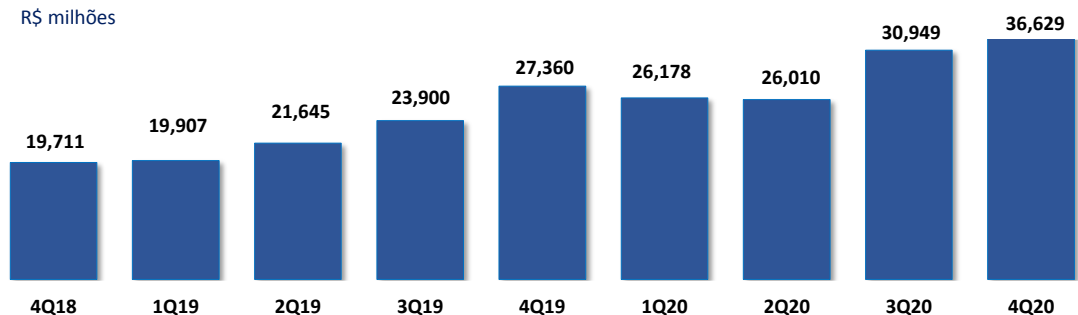
Expanded Loan Portfolio

Loan Portfolio Breakdown

4th quarter of 2020

Companies	77.0%
Payroll Loans	19.7%
Auto Loans	3.1%
Others	0.2%

R\$ milhões



Expanded Loan Portfolio (R\$ million)	4Q20	3Q20	Δ	4Q19	Δ
Total Companies	28,193.4	22,751.1	23.9%	19,695.6	43.1%
Working Capital	7,043.1	7,034.1	0.1%	6,325.6	11.3%
FGI PEAC	8,229.7	4,626.4	77.9%	-	n.a
Receivables Purchase	5,524.4	3,972.2	39.1%	5,765.3	-4.2%
Guaranteed Account	1,416.5	1,426.8	-0.7%	1,760.9	-19.6%
Leasing	1,421.1	1,346.2	5.6%	1,203.8	18.1%
Trade Finance	996.0	1,342.8	-25.8%	1,738.1	-42.7%
BNDES	165.4	162.2	2.0%	226.1	-26.8%
Avals and Sureties	3,397.2	2,840.4	19.6%	2,675.8	27.0%
Total Payroll Loans	7,223.3	7,005.5	3.1%	6,483.6	11.4%
Payroll Loans	6,682.0	6,457.0	3.5%	5,965.4	12.0%
Payroll Card	541.3	548.5	-1.3%	518.2	4.5%
Total Auto Loans/Other	1,144.3	1,129.1	1.3%	1,123.7	1.8%
Total Home Equity	68.3	62.9	8.6%	56.7	20.5%
Total Expanded Loan Portfolio	36,629.3	30,948.6	18.4%	27,359.6	33.9%

The loan portfolio reached R\$ 36.6 billion, growth of 18.4% in the quarter and 33.9% in the last 12 months. The credit segment companies ended with R\$ 28.2 billion, an increase of 23.9% compared to 3Q20 and up 43.1% compared to the same period of the previous year. Credit to individuals totaled R\$ 8.4 billion in December 2020, growth of 10.1% in 12 months and 2.9% in the quarter.

If we exclude credit through the BNDES' FGI PEAC (**Emergency Credit Access Program**), the Portfolio grew 7.9% in the quarter.

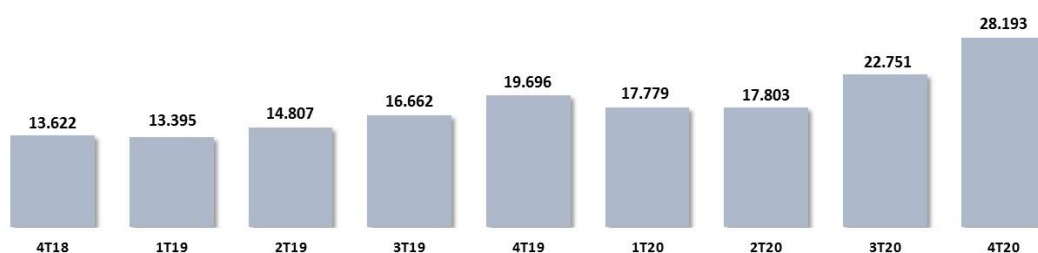
Over the second half of 2020, we granted R\$ 8.2 billion in credit through the FGI PEAC program, which began in July 2020. The line aims to assist **small and medium-sized enterprises (SMEs)** obtain credit, thus helping them traverse the economic crisis resulting from the Covid-19 Pandemic.

Companies Portfolio

R\$ million

R\$ 28.2 billion

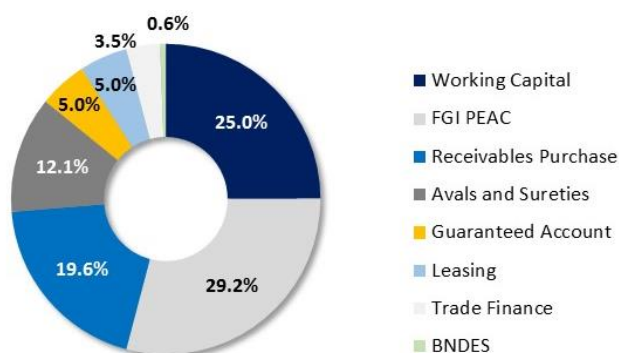
+ 23.9% in 3 months
+ 43.1% in 12 months



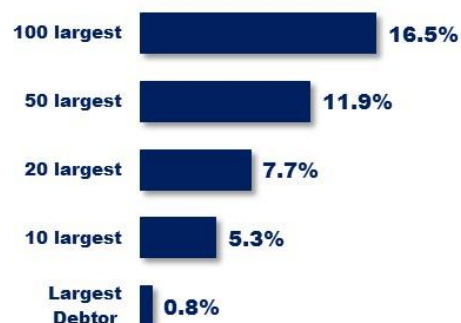
Credit to Companies Breakdown (R\$ million)	4Q20	3Q20	Δ	4Q19	Δ
Working Capital	7,043.1	7,034.1	0.1%	6,325.6	11.3%
FGI PEAC	8,229.7	4,626.4	77.9%	-	n.a
Receivables Purchase	5,524.4	3,972.2	39.1%	5,765.3	-4.2%
Guaranteed Account	1,416.5	1,426.8	-0.7%	1,760.9	-19.6%
Leasing	1,421.1	1,346.2	5.6%	1,203.8	18.1%
Trade Finance	996.0	1,342.8	-25.8%	1,738.1	-42.7%
BNDES	165.4	162.2	2.0%	226.1	-26.8%
Avals and Sureties	3,397.2	2,840.4	19.6%	2,675.8	27.0%
Total Companies	28,193.4	22,751.1	23.9%	19,695.6	43.1%

This credit concentration has remained at the same level for the past five years.

Breakdown by Product (%)



Credit Concentration (%)



Companies Overdue Loans (R\$ million)

	4Q20	3Q20	Δ	4Q19	Δ
Overdue Loans more than 14 days past due	76.3	88.8	-14.1%	117.5	-35.1%
Overdue Loans more than 60 days past due (*)	92.5	69.9	32.3%	134.4	-31.2%
Overdue Loans more than 90 days past due (*)	75.0	54.2	38.3%	116.3	-35.5%

Credit Ratios (%)

Final Balance LLP/Companies Portfolio (%)	3.2%	3.5%	-0.3 p.p	4.2%	-1.0 p.p
Overdue Loans more than 14 days past due / Companies Portfolio	0.3%	0.4%	-0.1 p.p	0.6%	-0.3 p.p
Overdue Loans more than 60 days past due / Companies Portfolio	0.3%	0.3%	-	0.7%	-0.4 p.p
Overdue Loans more than 90 days past due / Companies Portfolio	0.3%	0.2%	0.1 p.p	0.6%	-0.3 p.p

Coverage Ratios (%)

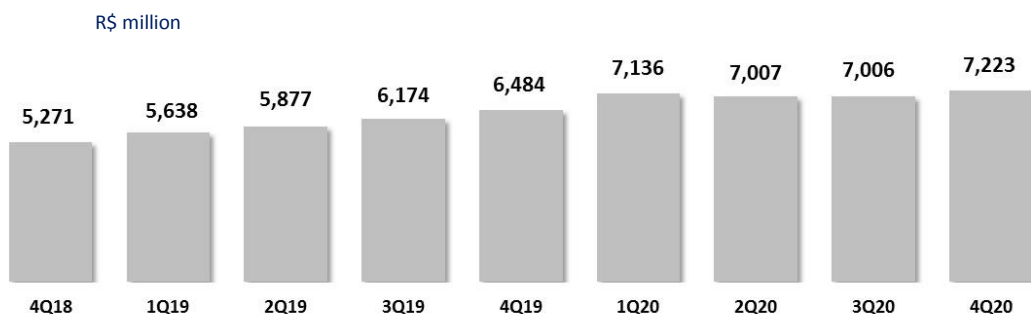
LLP Balance / Overdue Loans more than 60 days past due	961.1%	1127.1%	-166.0 p.p	616.4%	344.7 p.p
LLP Balance / Overdue Loans more than 90 days past due	1185.3%	1453.4%	-268.1 p.p	712.3%	473.0 p.p

(*) Installments falling due

Payroll Loans

R\$ 7.2 billion in 4Q20

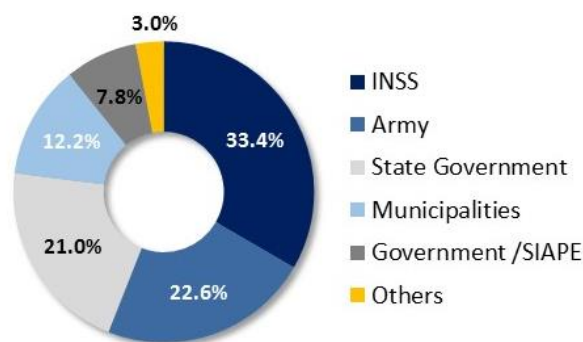
+3.1% in 3 months
+ 11.4% in 12 months



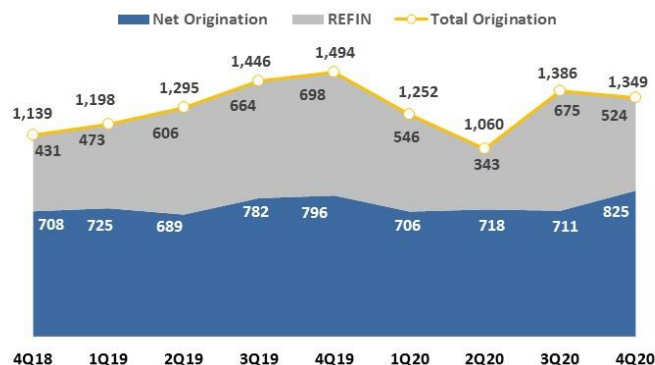
Payroll Loans ended 4Q20 with a balance of R\$ 7.2 billion, growth of 3.1% in the quarter and an increase of 11.4% versus December 2019. The payroll card portfolio totaled R\$ 541.3 million in 4Q20, down 1.3% compared to 3Q20 while up 4.5% in the last 12 months. We originated R\$ 1.3 billion in this quarter, 61% of which was net origination and 39% from refinancing (REFIN). In the year, R\$ 5.0 billion was originated.

The Payroll Loan APP makes it possible to simulate and contract loans and financing lines, conduct refinancing, monitor proposals and update client registration information. In 4Q20, R\$ 401.5 million was originated through this channel and in 2020, R\$ 1.2 billion was originated.

Payroll Breakdown (%)



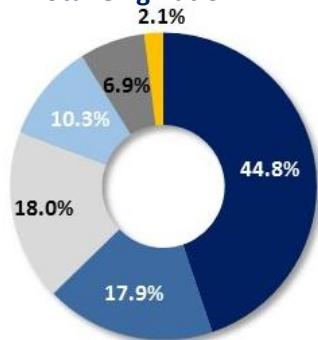
Portfolio Origination



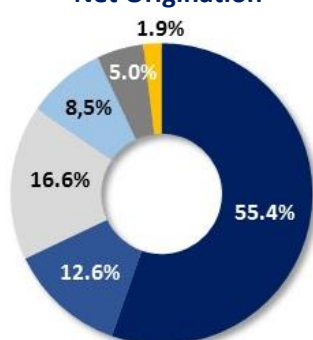
In the following charts, we present the Refinancing details, where the client (public servant/INSS retiree) settles the primary loan balance with the Bank and is given a new loan. The Bank adopted this strategy to focus more on the product's margin.

Breakdown Payroll

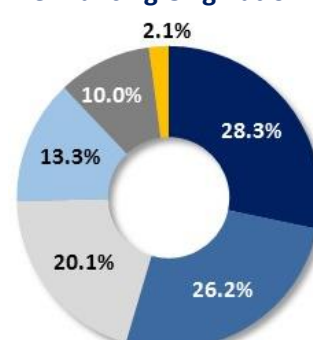
Total Origination



Net Origination



Refinancing Origination

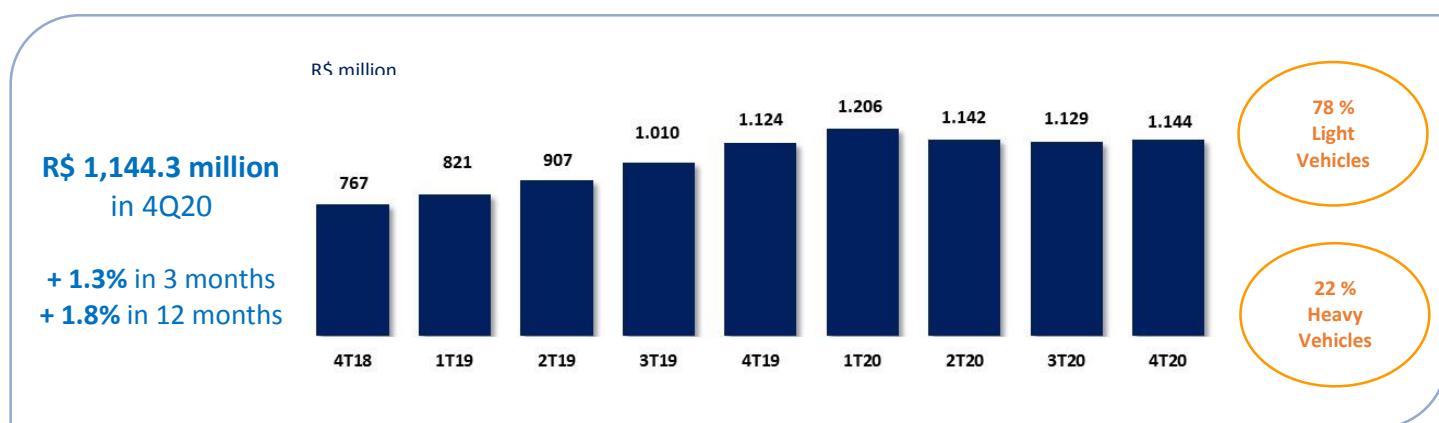


■ INSS ■ Army ■ State Government ■ Municipalities ■ Government/SIAPE ■ Others

Payroll Overdue Loans (R\$ million)	4Q20	3Q20	Δ	4Q19	Δ
Overdue Loans more than 14 days past due	166.6	171.5	-2.9%	116.5	43.0%
Overdue Loans more than 60 days past due (*)	556.4	694.5	-19.9%	248.7	123.7%
Overdue Loans more than 90 days past due (*)	455.8	444.5	2.5%	215.9	111.1%
Credit Ratios (%)					
Final Balance LLP/Payroll Portfolio (%)	7.5%	7.3%	0.2 p.p	5.8%	1.7 p.p
Overdue Loans more than 14 days past due /Payroll Portfolio	2.3%	2.4%	-0.1 p.p	1.8%	0.4 p.p
Overdue Loans more than 60 days past due /Payroll Portfolio	7.7%	9.9%	-2.2 p.p	3.8%	3.9 p.p
Overdue Loans more than 90 days past due /Payroll Portfolio	6.3%	6.3%	0.0 p.p	3.3%	3.0 p.p
Coverage Ratios (%)					
LLP Balance /Overdue Loans more than 60 days past due	97.6%	73.3%	24.3 p.p	151.7%	-53.9 p.p
LLP Balance / Overdue Loans more than 90 days past due	119.2%	114.5%	4.7 p.p	174.7%	-55.4 p.p

(*) Installments falling due

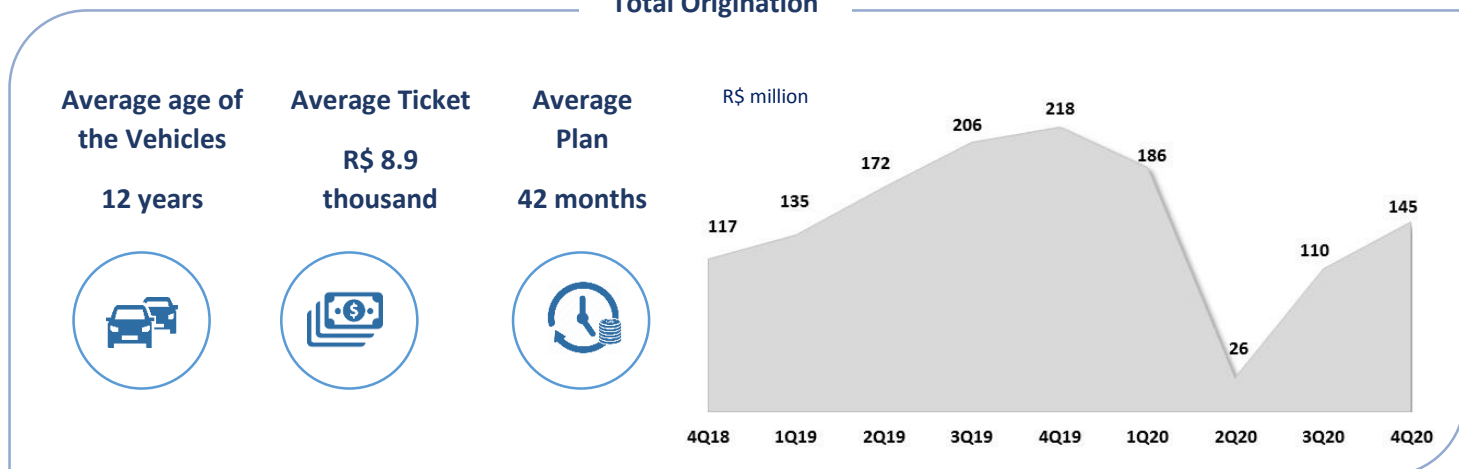
Auto Loans



This segment ended 4Q20 with a balance of R\$ 1.1 billion, up 1.3% compared to 3Q20 and an increase of 1.8% over 4Q19. Light vehicles continue to represent the largest share in the portfolio in relation to heavy vehicles, at 78% of the portfolio in 4Q20. Our performance continues to be supported by the platform (*PromAuto*) and business, which delivers the best client journey experience.

We are gradually returning to origination. In this quarter, R\$ 144.6 million was originated and R\$ 467.1 million was accrued in the year. We understand it to be the only segment of the bank linked to unemployment.

Total Origination



Auto Overdue Loans + Others (R\$ million)	4Q20	3Q20	Δ	4Q19	Δ
Overdue Loans more than 14 days past due	34.7	36.9	-6.0%	32.6	6.4%
Overdue Loans more than 60 days past due (*)	102.9	113.8	-9.6%	89.5	15.0%
Overdue Loans more than 90 days past due (*)	73.4	82.3	-10.9%	61.7	19.0%
Credit Ratios (%)					
Final Balance LLP/Auto Loans Portfolio + Others (%)	12.5%	14.5%	-2.0 p.p	9.9%	2.6 p.p
Overdue Loans more than 14 days past due / Auto Loans Portfolio + Others	3.0%	3.3%	-0.3 p.p	2.9%	0.1 p.p
Overdue Loans more than 60 days past due / Auto Loans Portfolio + Others	9.0%	10.1%	-1.1 p.p	8.0%	1.0 p.p
Overdue Loans more than 90 days past due / Auto Loans Portfolio + Others	6.4%	7.3%	-0.9 p.p	5.5%	0.9 p.p
Coverage Ratios (%)					
LLP Balance /Overdue Loans more than 60 days past due	139.4%	144.1%	-4.8 p.p	123.8%	15.6 p.p
LLP Balance / Overdue Loans more than 90 days past due	195.4%	199.2%	-3.8 p.p	179.6%	15.8 p.p

(*) Installments falling due

CGI – Home Equity

R\$ 68.3 million
in 4Q20

+ 8.6 % in 3 months
+ 20.5 % 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;

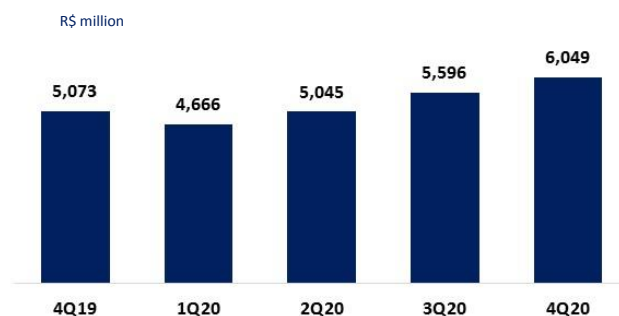
Guarantees



- ✓ 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.



- ✓ **R\$ 6.1 billion of Assets Under Management and Administration**
- ✓ **63 Funds**
- ✓ **More than 35 thousand investors**



Daycoval Asset Management serves clients seeking sophisticated solutions aligned with their investment profile. It accomplishes this through various types of investment funds and differentiated products and services, such as portfolio management. In 4Q20, it ended with total assets under management of R\$ 6,048.7 million.

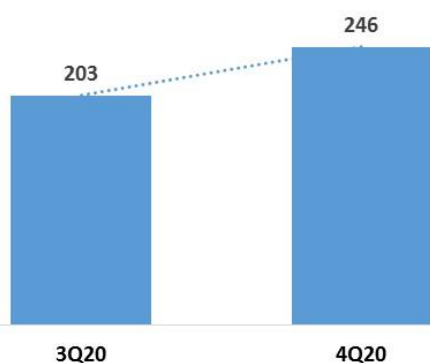
Currently, Daycoval Asset manages and administers 63 funds, including: 31 Multimarket Funds, 14 Fixed Income Funds, 6 Equity Funds, 4 Multi-strategy FIPs, 7 FIDCs and 1 Real Estate Fund.

Daycoval Asset Management is comprised of a specialized team of 17 employees, including traders, managers, back office and commercial area, with deep market knowledge.

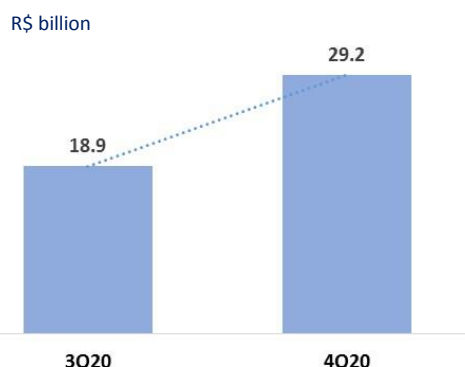
Custodial and Administration Services

The focus on the Capital Market services segment was expanded, with a new team focused on the Custodial and Administration segments. In 4Q20, assets under management, administration, controllership and custody (including through Daycoval Asset) reached R\$ 29.2 billion, through 246 funds.

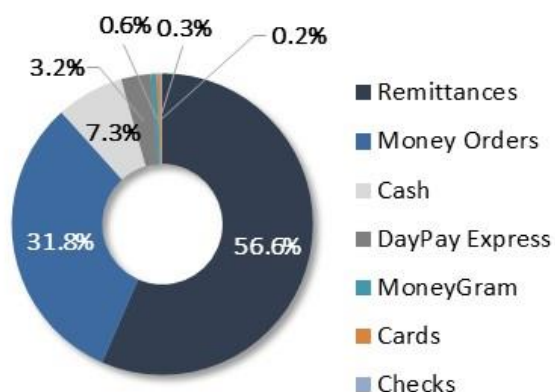
Number of Funds



Amount of Custodial and Administration Services

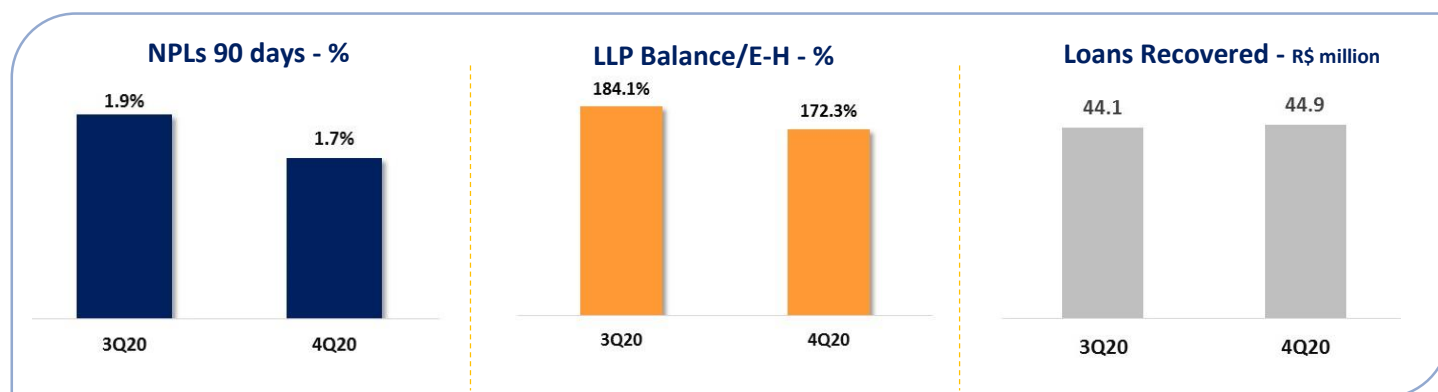


Product Mix (%)



- ✓ + R\$ 3.1 billion traded in 4Q20 versus R\$ 2.5 billion traded in 3Q20 and R\$ 9.6 billion in 2020 compared to R\$ 4.7 billion in 2019;
- ✓ + 4.0 million operations in 2020 compared to 0.9 million in 2019;
- ✓ 169 Service Points;
- ✓ Remittance operations leveraged volumes traded and quantity of operations. The volume of other products was reduced due to Covid-19.
- ✓ New DayPay Express Product – Sending money with Daypay and receiving it at a Western Union location.

Credit Portfolio Quality



Banco Daycoval - R\$ million

Rating	Required Provision	Loans	%	Provision*	
AA	0.0%	6,246.7	17.1%	23.1	96.0% between AA and C
A	0.5%	9,818.5	26.8%	86.7	
B	1.0%	16,951.1	46.3%	480.1	
C	3.0%	2,144.4	5.8%	179.1	
D	10.0%	551.7	1.5%	101.2	
E	30.0%	250.3	0.7%	117.1	
F	50.0%	118.3	0.3%	59.1	
G	70.0%	50.5	0.1%	35.3	
H	100.0%	497.8	1.4%	497.8	
Total Portfolio		36,629.3	100.0%	1,579.5	
Total Provision/ Portfolio				4.3%	

(*) Includes Avals and Sureties in the amount of R\$ 3.397.2 in the portfolio and R\$ 44.8 million in provision in 4Q20.

An important indicator of the loan portfolio quality is total operations rated between AA and C, which are the best risk ratings under current regulations and totaled 96.0% of the overall loan portfolio in 4Q20 versus 95.2% in 3Q20. The balance of the allowance for doubtful accounts represented 4.3% of the loan portfolio, a reduction of 0.4 p.p. compared to 3Q20.

4Q20

Companies			FGI PEAC		Payroll		Vehicles and Others		C.G.I	
Rating	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision
AA - C	19,368.7	357.9	8,165.8	206.4	6,655.2	153.4	905.6	49.3	65.4	2.0
D	261.8	47.1	53.8	10.1	89.6	16.7	145.8	27.3	0.8	0.2
E	82.5	38.2	-	-	136.1	64.0	31.5	14.8	0.2	0.1
F	52.6	26.3	2.4	1.2	49.7	24.9	13.5	6.7	-	-
G	13.2	9.3	-	-	27.8	19.4	8.7	6.1	0.8	0.5
H	184.9	184.9	7.7	7.6	264.8	264.8	39.2	39.2	1.2	1.2
Total	19,963.7	663.6	8,229.7	225.3	7,223.2	543.2	1,144.3	143.4	68.4	4.0
LLP Balance/ Loans		3.3%			2.7%	7.5%			12.5%	5.8%

3Q20

Companies			FGI PEAC		Payroll		Vehicles and Others		C.G.I	
Rating	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision
AA - C	17,497.3	304.7	4,591.9	118.6	6,452.5	138.4	877.0	42.4	58.2	1.7
D	274.3	80.1	34.0	10.2	212.3	63.5	154.7	46.3	-	-
E	102.3	50.3	0.5	0.3	40.6	20.2	30.6	15.3	1.3	0.6
F	77.8	53.9	-	-	25.3	17.7	14.1	9.8	0.3	0.2
G	10.2	7.1	-	-	19.3	13.5	8.2	5.8	0.4	0.3
H	162.8	162.9	-	-	255.5	255.5	44.5	44.5	2.7	2.7
Total	18,124.7	659.0	4,626.4	129.0	7,005.5	508.8	1,129.1	164.1	62.9	5.5
LLP Balance/ Loans		3.6%			2.8%	7.3%			14.5%	8.7%

4Q20 – Renegotiated Loans

COVID - 4Q20

Rating	Companies	Retail	Total	%
AA	272.7	-	272.7	20.0%
A	123.0	7.3	130.3	9.6%
B	508.3	80.4	588.7	43.2%
C	66.0	156.3	222.3	16.3%
D	30.3	72.1	102.4	7.5%
E	12.0	6.0	18.0	1.3%
F	1.9	2.1	4.0	0.3%
G	0.5	1.6	2.1	0.2%
H	19.4	2.7	22.1	1.6%
Total	1,034.1	328.5	1,362.6	100%

In 4Q20, the balance of renegotiated operations was R\$ 2.9 billion, which includes R\$ 1.3 billion related to operations renegotiated due to the circumstances involving the Covid-19 Pandemic. For more information, see note 9.f to the financial statements for the fiscal year ended December 31, 2020.

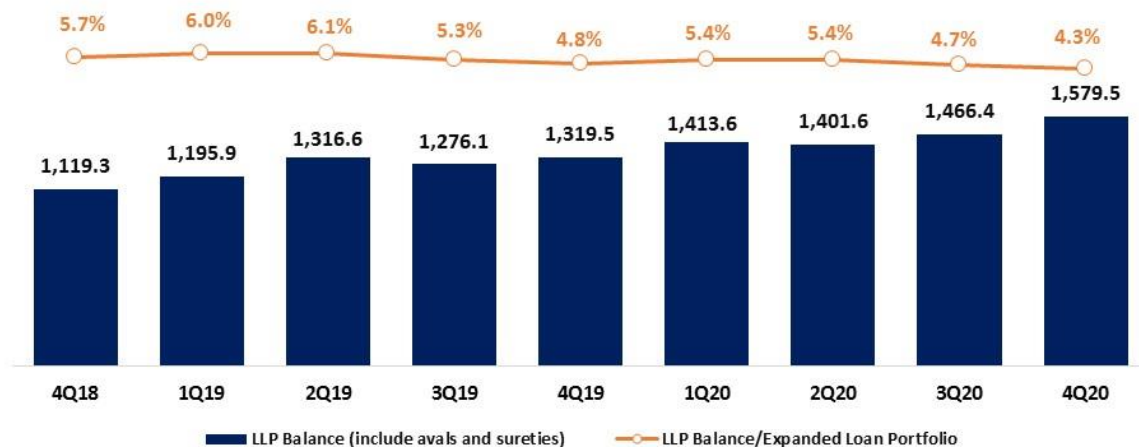
3Q20 - Renegotiated Loans

COVID - 3Q20

Rating	Companies	Retail	Total	%
AA	239.5	-	239.5	13.2%
A	152.0	215.5	367.5	20.2%
B	714.5	124.9	839.4	46.2%
C	83.0	164.5	247.5	13.6%
D	22.2	51.7	73.9	4.1%
E	18.9	4.2	23.1	1.3%
F	3.4	1.6	5.0	0.3%
G	1.9	0.2	2.1	0.1%
H	16.8	1.1	17.9	1.0%
Total	1,252.2	563.7	1,815.9	100%

In 3Q20, the balance of renegotiated operations was R\$ 3.2 billion, which includes R\$ 1.8 billion related to operations renegotiated due to the circumstances involving the Covid-19 Pandemic. For more information, see note 9.f to the financial statements related to the period ended on September 30, 2020.

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



Overview of Quality of Expanded Loan Portfolio (R\$ million)	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
Expanded Loan Portfolio	36,629.3	30,948.6	18.4%	27,359.6	33.9%	36,629.3	27,359.6	33.9%
Establishment of Provision	200.1	188.8	6.0%	121.4	64.8%	648.8	504.8	28.5%
LLP Balance	1,579.5	1,466.4	7.7%	1,319.5	19.7%	1,579.5	1,319.5	19.7%
Final Balance Loan E-H	916.9	796.4	15.1%	843.9	8.7%	916.9	843.9	8.7%
Overdue Loans more than 14 days past due	278.0	297.7	-6.6%	267.0	4.1%	278.0	267.0	4.1%
Overdue Loans more than 60 days past due (*)	755.6	883.2	-14.4%	476.5	58.6%	755.6	476.5	58.6%
Overdue Loans more than 90 days past due (*)	607.6	585.9	3.7%	397.6	52.8%	607.6	397.6	52.8%
Credit Ratios - (%)								
Final Balance LLP/Loan Portfolio	4.3%	4.7%	-0.4 p.p	4.8%	-0.5 p.p	4.3%	4.8%	-0.5 p.p
Final Balance Loan E-H/Loan Portfolio	2.5%	2.6%	-0.1 p.p	3.1%	-0.6 p.p	2.5%	3.1%	-0.6 p.p
Overdue Loans more than 60 days past due / Loan Portfolio	2.1%	2.9%	-0.8 p.p	1.7%	0.4 p.p	2.1%	1.7%	0.4 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	1.7%	1.9%	-0.2 p.p	1.5%	0.2 p.p	1.7%	1.5%	0.2 p.p
Coverage Ratios - (%)								
Final Balance LLP / Overdue Loans more than 14 days past due	568.3%	492.6%	75.7 p.p	494.2%	74.1 p.p	568.3%	494.2%	74.1 p.p
Final Balance LLP / Overdue Loans more than 60 days past due	209.0%	166.0%	43.0 p.p	276.9%	-67.9 p.p	209.0%	276.9%	-67.9 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	260.0%	250.3%	9.7 p.p	331.9%	-71.9 p.p	260.0%	331.9%	-71.9 p.p
Final Balance LLP / Loan E-H	172.3%	184.1%	-11.8 p.p	156.4%	15.9 p.p	172.3%	156.4%	15.9 p.p
Write-offs R\$	(86.3)	(124.2)	-30.5%	(77.8)	10.9%	(405.9)	(304.7)	33.2%
Companies Recovered Loans	31.4	28.8	9.0%	13.6	130.9%	73.1	102.8	-28.9%
Retail Recovered Loans	13.5	15.3	-11.8%	11.5	17.4%	51.0	46.5	9.7%

(*) falling due installments

The provision balance at the end of 12/31/2020 totaled R\$ 1,579.5 million in 4Q20, an increase of 7.7% in the quarter. When we analyzed 2020 versus 2019, we saw growth of 19.7%, comparatively lower than the portfolio growth in the period. However, when we compared the balance of the E-H Portfolio/Credit Portfolio, we obtained a reduction of 0.6 p.p. in 2020 from 2019, demonstrating the improvement in portfolio quality (balance of R\$ 574.1 million of additional provision incorporated in this amount). It is noteworthy that we continue to apply preventive management and continuous improvement of mathematical models, which in turn support the quality of our indicators.

The 90-day default coverage index reached 1.7% in December 2020, a drop of 0.2 p.p. in the quarter and an increase of 0.2 p.p. in the annual comparison. When we analyzed the indicators of loans overdue by more than 14 and 60 days, we observed a trend of improvement of the indexes in 4Q20. In the indicators for loans overdue by more than 90 days, there was a worsening of 3.7% in the period. Our quality indicators remain at comfortable levels.

The over 90-day coverage index reached 260.0% in December 2020, demonstrating the soundness of the balance sheet in view of the current macroeconomic situation.

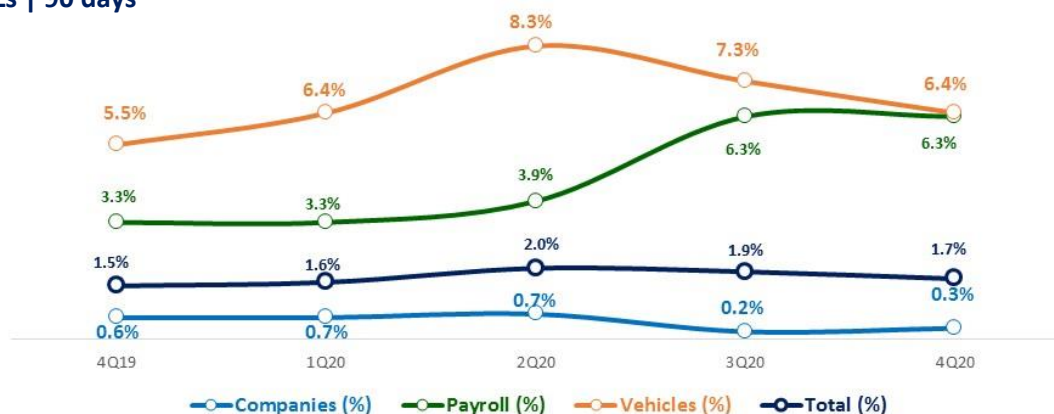
The balance of the E-H portfolio ended 4Q20 at R\$ 916.9 million, 15.1% higher than 3Q20 and 8.7% higher compared to the same period of the previous year. The provision index for doubtful accounts divided by the E-H Portfolio reached 172.3%, an improvement of 15.9 p.p. compared to 4Q19. The increase in this index shows that the level of provisioning in relation to the loan portfolio reflects the improvement in the quality of our operations and the constant progress of the models used.

The amount written off for losses was R\$ 86.3 million during 4Q20 and R\$ 405.8 million in 2020. Total credits recovered in the quarter was R\$ 44.9 million and in the year, R\$ 124.1 million.

LLP Changes

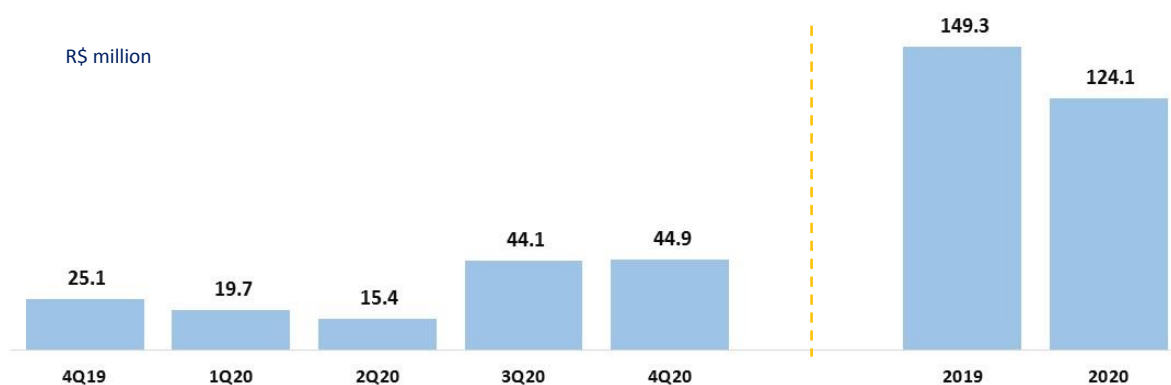
LLP (R\$ mn)	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
Balance at the Beginning of the Period	1,466.4	1401.6	4.6%	1,276.1	14.9%	1,319.5	1119.2	17.9%
Establishment of Provision	200.1	188.8	6.0%	121.4	64.8%	648.8	504.8	28.5%
Companies	10.4	(58.8)	n.a.	79.2	-86.9%	7.7	229.9	-96.7%
FGI PEAC	96.3	129.0	-25.3%	0.0	n.a.	225.3	-	n.a.
Avals and Sureties	14.7	(2.2)	n.a.	5.3	n.a.	19.8	5.7	n.a.
Payroll	78.5	105.9	-25.9%	13.7	n.a.	311.9	176.1	77.1%
Auto/Other	0.3	14.8	-98.0%	22.3	-98.7%	99.4	91.2	9.0%
Property Guaranteed Credit	(0.8)	0.3	n.a.	0.7	n.a.	1.8	1.6	12.5%
Exchange Rate Variation	0.7	(0.2)	n.a.	0.2	n.a.	-	17.1	0.3
Write-offs	(86.3)	(124.2)	-30.5%	(77.8)	10.9%	(405.9)	(304.7)	33.2%
Companies	(20.5)	(72.3)	-71.6%	(36.0)	-43.1%	(192.3)	(140.8)	36.6%
Retail	(65.8)	(51.9)	26.8%	(41.8)	57.4%	(213.6)	(163.9)	30.3%
Final Balance LLP	1,579.5	1,466.4	7.7%	1,319.5	19.7%	1,579.5	1,319.5	19.7%

NPLs | 90 days

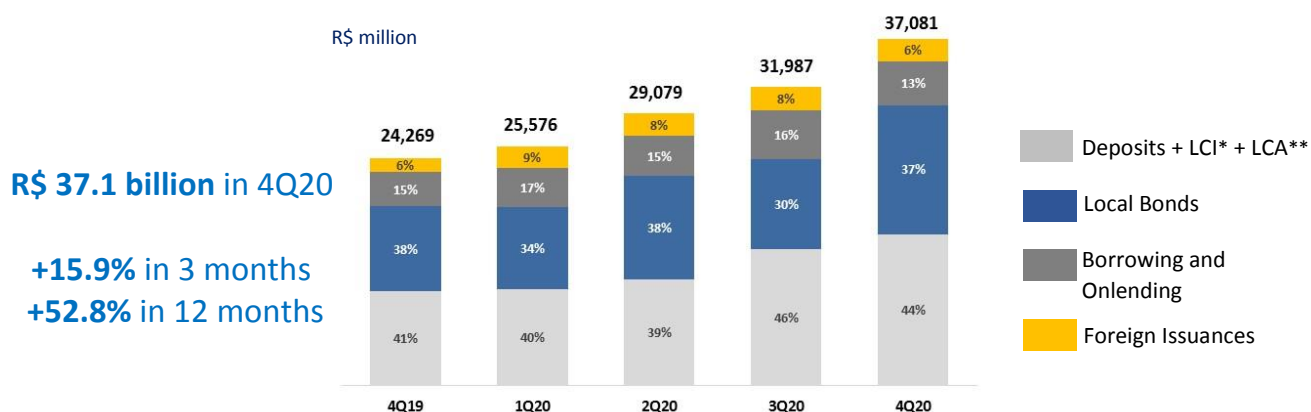


Recovered Loans

R\$ million



Funding



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

Total Funding (R\$ mn)	4Q20	3Q20	Δ	4Q19	Δ
Total Deposits	16,217.3	14,647.0	10.7%	9,949.1	63.0%
Deposits	14,027.6	12,720.5	10.3%	8,319.9	68.6%
Letters of Credit (LCI* + LCA**)	2,189.7	1,926.5	13.7%	1,629.2	34.4%
Local Bonds (Letras Financeiras)	13,789.4	9,564.3	44.2%	9,220.5	49.6%
Private Offerings	6,069.1	5,711.3	6.3%	6,526.2	-7.0%
Public Offerings	2,329.2	2,317.3	0.5%	2,536.2	-8.2%
Guaranteed Financial Bills	4,930.4	1,078.0	n.a.	-	n.a.
Subordinated + Perpetual Local Bonds	460.7	457.7	0.7%	158.1	n.a.
Foreign Borrowing and Onlending	4,668.7	5,181.4	-9.9%	3,687.4	n.a.
Foreign borrowings	4,503.9	5,021.1	-10.3%	3,462.2	n.a.
Domestic onlendings	164.8	160.3	2.8%	225.2	-26.8%
Foreign Issuances	2,405.4	2,594.6	-7.3%	1,411.5	n.a.
Total	37,080.8	31,987.3	15.9%	24,268.5	52.8%

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

Customer funding totaled R\$ 37.1 billion on December 31, 2020, up 15.9% compared to last quarter and 52.8% compared to the previous year, largely explained by the increase in secured local bonds and deposits.

Local Bonds funding reached a balance of R\$ 13.8 billion in 4Q20, an increase of 44.2% compared to 3Q20 and growth of 49.6% over the last 12 months. This growth in the quarter is within the expected range, as it is part of the maturity extension strategy with the issuance of LFGs (guaranteed financial bills).

We ended the quarter with free cash of R\$ 7.3 billion.

The institution kept its focus on the balance of funds raised, either through lengthening operations or the solid expansion of its customer base, comprised of both individuals and legal entities, in line with the expected evolution of the loan portfolio, always seeking to match assets and liabilities and achieve cost efficiencies.

Asset and Liability Management



Positive Gap of 92 days

Loan Portfolio by Segment

	Average term to Maturity ⁽¹⁾ days
Companies	204
FGI PEAC	620
Trade Finance	107
Payroll Loans	563
Auto Loans	472
Leasing	542
BNDES	478

Total Loan Portfolio

418

(1) From December, 2020

Funding

	Average term to Maturity ⁽¹⁾ days
Total Deposits	92
Interbank Deposits	620
Local Bonds (letras financeiras)	501
LCA (Letter of Credit Agribusiness)	219
LCM (Letter Home Mortgage)	257
DPGE (Guaranteed Time-Deposit Asset)	545
Bonds	1,329
Borrowing and Onlending	398
BNDES	489

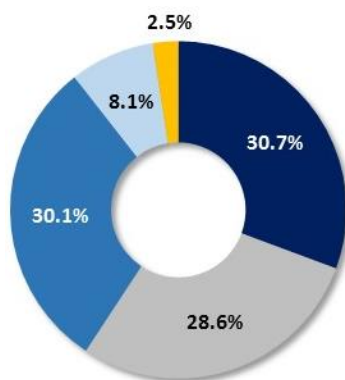
Total Funding

510

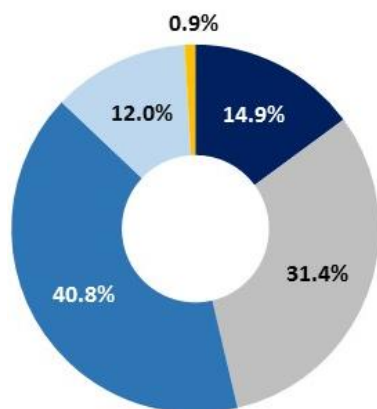
(1) From December, 2020

Maturity Of Operations

Loan Portfolio



Funding

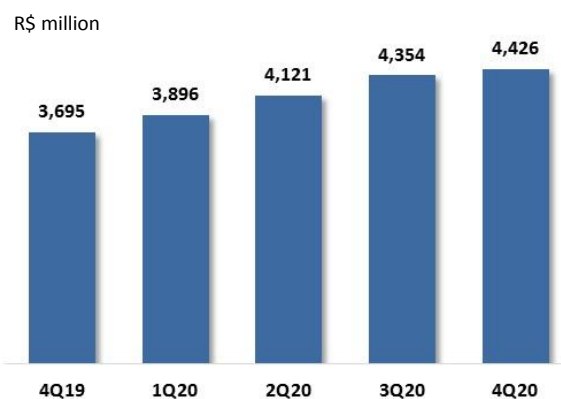


Up to 3 months
 3-12 months
 1-3 years
 3-5 years
 Over 5 years

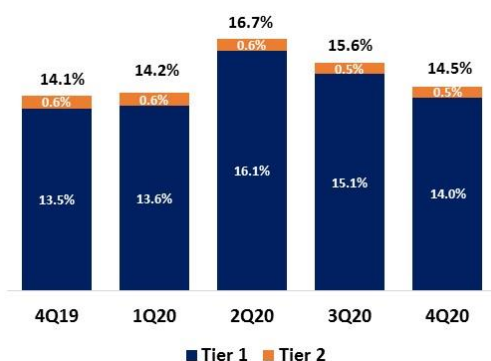
Shareholder's Equity

Shareholders' equity totaled R\$ 4.4 billion in 4Q20, an increase of 1.7% compared to 3Q20.

In 2020, it was decided to pay R\$ 173.6 million of Interest on Shareholders' Equity (ISE) and R\$ 133.3 million of Dividends.



Basel Index III

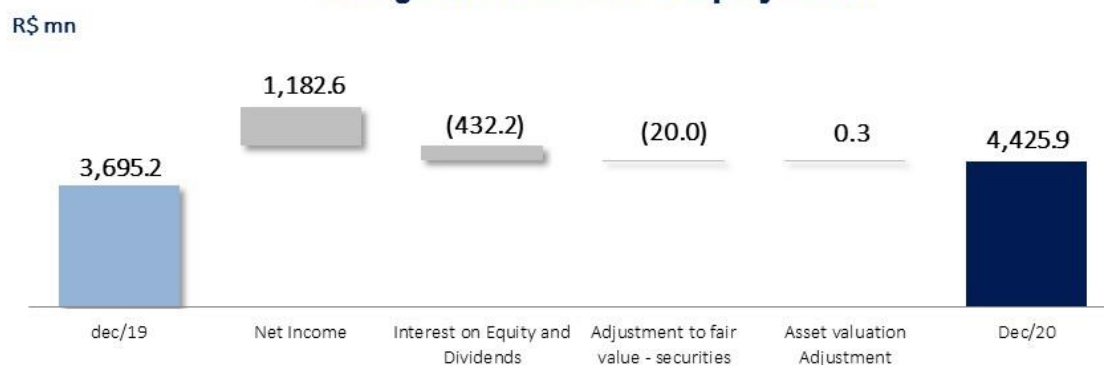


The Basel Accord requires banks to maintain a minimum percentage of equity weighted by the risk incurred in their operations. In Brazil, the Central Bank instructs banks operating in Brazil to comply with a minimum percentage of 8.0% of risk-weighted assets, calculated based on the rules of the Basel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

Calculation of regulatory capital (R\$ mn)

	2020
Regulatory capital	4,872.4
Regulatory Capital – Tier I Capital	4,711.3
Equity	4,425.9
Prudential adjustment - Bacen Resolution 4192/13	(11.8)
Complementary capital	297.2
Perpetual financial bills	297.2
Regulatory Capital - Tier II	161.1
Subordinated debts	161.1
Minimum required capital (RWA x 8%)	2,690.9
Basel ratio - Total	14.5%
Basel ratio - Tier I	14.0%
Basel ratio - Tier II	0.5%

Change in Shareholder's Equity – 2020



Ratings

Daycoval is classified by international rating agencies and the grades assigned reflect several factors, including the quality of its management, its operational performance and financial soundness, as well as other factors related to the financial sector and the economic environment in which the company is inserted, with the long-term rating in foreign currency limited to the sovereign rating. The following table shows the ratings assigned by the Moody's, Fitch and Standard & Poor's agencies.

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, 2 and 4 - Dec/20, 3 - Jan/21.

**Sovereign
Rating**

Financial Performance

Income from Financial Intermediation (R\$ mn)	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
Loans Operations	1,155.4	1,081.2	6.9%	999.9	15.6%	4,374.4	3,791.6	15.4%
Companies Portfolio	619.2	548.0	13.0%	487.0	27.1%	2,215.1	1,870.4	18.4%
Payroll	402.4	405.4	-0.7%	393.5	2.3%	1,646.3	1,496.9	10.0%
Auto/Other	85.8	83.3	3.0%	79.9	7.4%	332.8	271.6	22.5%
Home Equity	0.2	0.1	n.a.	0.1	100.0%	1.9	0.4	n.a.
Leasing Operation Result	47.8	44.4	7.7%	39.4	21.3%	178.3	152.3	17.1%
Securities Operations Result	26.8	34.5	-22.3%	27.4	-2.2%	144.7	133.1	8.7%
Derivatives Result ⁽¹⁾	(624.4)	299.1	n.a.	(111.7)	n.a.	1,229.7	(195.2)	n.a.
Operations linked to repurchase commitments and interbank deposits	9.9	30.9	-68.0%	22.4	n.a.	112.6	178.9	-37.1%
Foreign Exchange Operations	90.4	19.2	n.a.	45.5	98.7%	140.3	176.2	-20.4%
Sales or Transfer Financial Asset Operations	(0.1)	1.1	n.a.	2.4	n.a.	2.9	4.9	-40.8%
Income from Financial Intermediation (A)	658.0	1,466.0	-55.1%	985.9	-33.3%	6,004.6	4,089.5	46.8%
Funding Operations ⁽²⁾	(0.4)	(295.2)	-99.9%	(80.4)	-99.5%	(1,315.2)	(1,006.9)	30.6%
Borrowings and Onlendings Operations ⁽³⁾	300.0	(229.0)	n.a.	(80.6)	n.a.	(988.3)	(86.4)	n.a.
Loan Loss Provision (LLP)	(200.1)	(188.8)	6.0%	(121.4)	n.a.	(648.7)	(504.8)	28.5%
Expenses on Financial Intermediation (B)	99.5	(713.0)	n.a.	(282.4)	n.a.	(2,952.2)	(1,598.1)	84.7%
Gross Income from Financial Intermediation (A-B)	757.5	753.0	0.6%	703.5	7.7%	3,052.4	2,491.4	22.5%
Hedge MTM - Foreign Issues and Credit Operations	(140.5)	(30.7)	n.a.	(41.8)	n.a.	(129.3)	(145.0)	-10.8%
Adjusted Gross Income from financial intermediation	898.0	783.7	14.6%	745.3	20.5%	3,181.7	2,636.4	20.7%
⁽¹⁾ Result with derivatives (Hedge)	(559.0)	276.7		(122.2)		1,283.4	(187.6)	
⁽²⁾ Foreign Exchange Variation without Borrowings abroad	216.6	(74.1)		31.3		(489.4)	51.5	
⁽³⁾ Reclassified from other operating/expenses revenues.	301.9	(130.7)		37.1		(630.1)	15.5	

The line of credit operations for Companies ended 4Q20 with revenue of R\$ 619.2 million, an increase of 13.0% in the quarter and an increase of 27.1%, versus 4Q19. The Payroll line ended the quarter with revenue of R\$ 402.4 million, stable compared to last quarter. The auto line ended 4Q20 with a balance of R\$ 85.8 million, up 3.0% during the quarter, reflecting the return to portfolio growth.

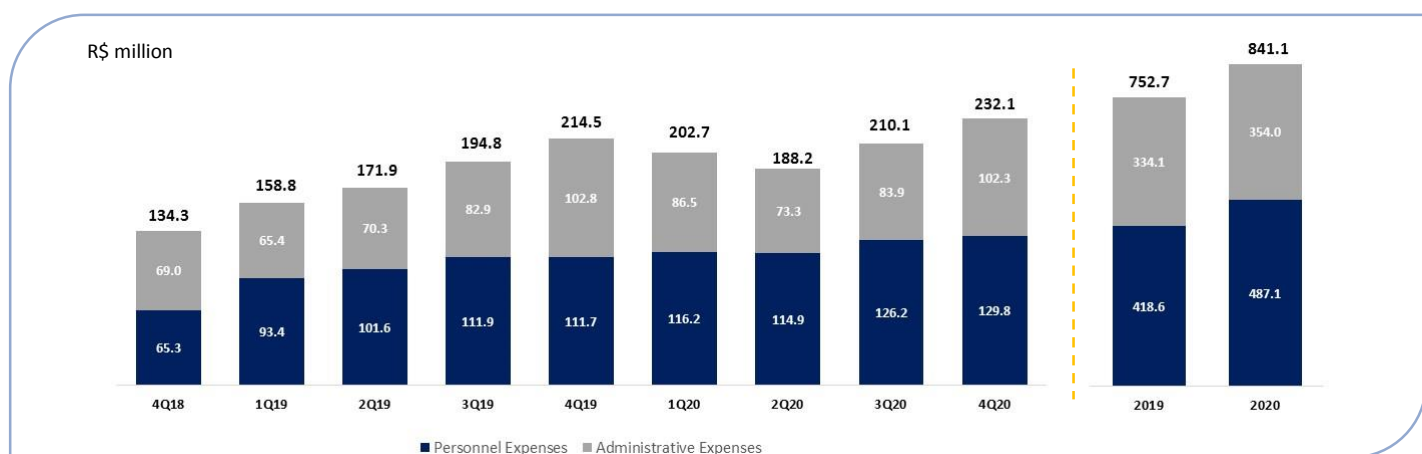
The result of Leasing operations ended the quarter with a balance of R\$ 47.8 million, up 7.7% compared to 3Q20 and growth of 21.6% in the last 12 months.

Gross Income from Financial Intermediation ended the quarter with a balance of R\$ 757.5 million. Excluding the effect of the MTM adjustment of the hedge of external issues and credit operations, the gross result of the adjusted financial intermediation was R\$ 898.0 million in 4Q20.

Expenses for market funding, borrowing and onlending totaled R\$ 299.6 in the quarter.

The result with derivatives was R\$ 624.4 million negative in 4Q20, including a R\$ 559.0 million negative hedge. Excluding this latter effect, the result with derivatives was R\$ 65.4 million negative in 4Q20 versus R\$ 22.4 million positive in 3Q20.

Administrative and Personnel Expenses



Personnel and Administrative Expenses (R\$ million)	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
Personnel Expenses	(129.8)	(126.2)	2.9%	(111.7)	16.2%	(487.1)	(418.6)	16.4%
Administrative Expenses	(102.3)	(83.9)	21.9%	(102.8)	-0.5%	(354.0)	(334.1)	6.0%
Personnel and Administrative Expense	(232.1)	(210.1)	10.5%	(214.5)	8.2%	(841.1)	(752.7)	11.7%
Commission Expenses (Total)	(65.8)	(46.7)	40.9%	(53.0)	24.2%	(198.8)	(218.6)	-9.1%
Payroll	(55.0)	(39.3)	39.9%	(38.0)	44.7%	(163.7)	(168.9)	-3.1%
Auto Loans	(10.6)	(7.3)	45.2%	(14.9)	-28.9%	(34.7)	(49.3)	-29.7%
Direct Credit to Consumer (DCC) + Others	(0.2)	(0.1)	n.a.	(0.1)	100.0%	(0.4)	(0.4)	0.0%
Total	(297.9)	(256.8)	16.0%	(267.5)	11.4%	(1,039.9)	(971.3)	7.1%
Recurring Efficiency Ratio (%)	25.5%	24.7%	0.8 p.p	28.8%	-3.3 p.p	26.4%	30.2%	-3.7 p.p
Recurring Efficiency Ratio (considering Profit Sharing) (%)	29.8%	27.6%	2.2 p.p	32.2%	-2.4 p.p	28.9%	31.9%	-3.0 p.p

Administrative and personnel expenses totaled R\$ 232.1 million in the quarter, an increase of 10.5% in the period, resulting from the 21.9% rise in administrative expenses due to the R\$ 13.7 million variation in donations and sponsorship of projects under the Laws of the Elderly, Sports, PRONAS, PRONON, FUMCAD/CONDECA and ROUANET/AUDIOVISUAL Laws.

When we analyze the annual 2020 x 2019, the growth was 11.7% in line with the Bank's growth.

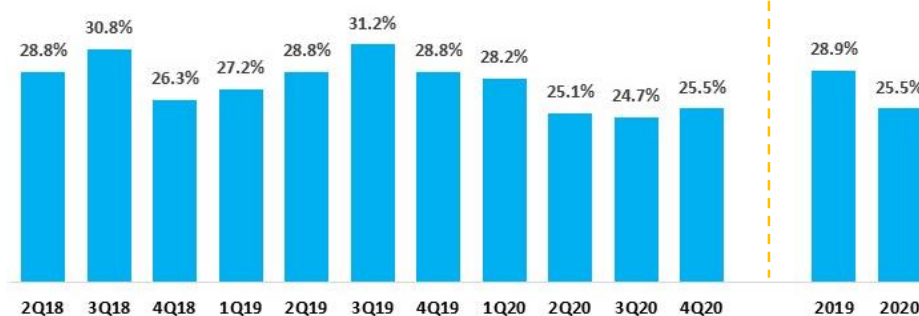
In this quarter, Commission expenses increased 40.9%, mainly due to the increase in origination.

Recurring Efficiency Ratio

25.5% in 4Q20

+0.8 p.p in 3 months

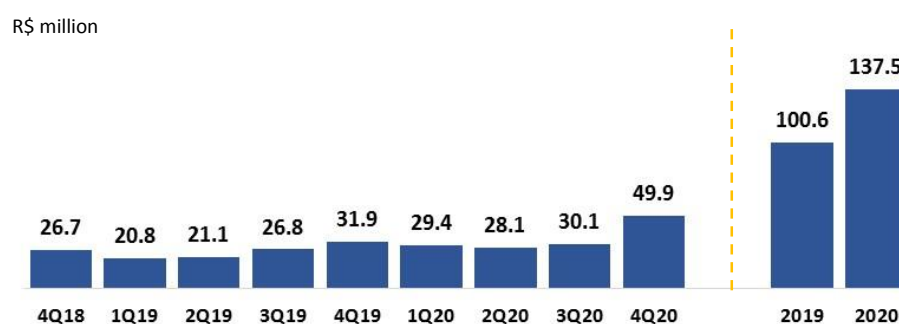
-3.3 p.p in 12 months



Recurring Efficiency Ratio (R\$ mn)	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
(+) Personnel	(129.8)	(126.2)	2.9%	(111.7)	16.2%	(487.1)	(418.6)	16.4%
(+) Administrative Expenses	(102.3)	(79.3)	29.0%	(95.1)	7.6%	(354.0)	(334.1)	6.0%
(+) Commissions	(65.8)	(51.2)	28.5%	(60.7)	8.4%	(198.8)	(218.6)	-9.1%
Total Expenses (A)	(297.9)	(256.7)	16.0%	(267.5)	11.4%	(1,039.9)	(971.3)	7.1%
(+) Income from Recurring Financial Intermediation - LLP	1,098.2	972.4	12.9%	866.6	26.7%	3,830.3	3,141.3	21.9%
(+) Income from Services Provided	68.6	65.1	5.4%	61.9	10.8%	240.7	216.9	11.0%
(+) Exchange Rate Variation	-	-	n.a.	-	n.a.	(0.5)	-	n.a.
Total Income (B)	1,166.8	1,037.5	12.5%	928.5	25.7%	4,070.5	3,358.2	21.2%
Recurring Efficiency Ratio (A/B) (%)	25.5%	24.7%	0.8 p.p	28.8%	-3.3 p.p	25.5%	28.9%	-3.4 p.p
Profit Sharing	(49.9)	(30.1)	65.8%	(31.9)	56.4%	(137.5)	(100.6)	36.7%
Recurring Efficiency Ratio (considering Profit Sharing) (%)	29.8%	27.6%	2.2 p.p	32.2%	-2.4 p.p	28.9%	31.9%	-3.0 p.p

Profit Sharing Program

Expenses related to the provision for PPR and PLR payments totaled R\$ 49.9 million in 4Q20 and R\$ 137.5 million in 2020.



Annex I – Income Statement – in R\$ thousand

Income Statement	4Q20	3Q20	Δ	4Q19	Δ	2020	2019	Δ
INCOME FROM FINANCIAL INTERMEDIATION	658.1	1,466.0	-55.1%	985.9	-33.2%	6,004.6	4,089.6	46.8%
Lending Operation	1,155.4	1,081.2	6.9%	999.9	15.6%	4,374.4	3,791.6	15.4%
Securities Operations and Derivatives	(597.6)	333.6	n.a.	(84.4)	n.a.	1,374.3	(62.1)	n.a.
Operations linked to repurchase commitments and interbank deposits	9.9	30.9	-68.0%	22.5	-56.0%	112.6	179.0	-37.1%
Foreign Exchange Operations	90.4	19.2	n.a.	45.5	98.7%	140.3	176.2	-20.4%
Operations Sale or Transfer of Financial Assets	(0.1)	1.1	n.a.	2.4	n.a.	2.9	4.9	-40.7%
EXPENSES FOR FINANCIAL INTERMEDIATION	299.5	(524.2)	n.a.	(161.0)	-286.0%	(2,303.5)	(1,093.3)	n.a.
Interbank and time deposits	(68.3)	(59.8)	14.2%	(80.4)	-15.0%	(267.1)	(319.9)	-16.5%
Bond issues in Brazil and abroad	67.8	(235.4)	n.a.	(123.4)	n.a.	(1,048.1)	(687.0)	52.6%
Borrowing and Onlendings	300.0	(229.0)	n.a.	42.8	600.9%	(988.3)	(86.4)	n.a.
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	957.6	941.8	1.7%	824.9	16.1%	3,701.1	2,996.3	23.5%
EXPENSES WITH ALLOWANCE FOR LOAN LOSSES	(200.0)	(188.8)	5.9%	(121.4)	64.7%	(648.7)	(504.8)	28.5%
Loan Portfolio	(140.8)	(184.5)	-23.7%	(117.0)	20.3%	(576.0)	(438.1)	31.5%
Other Credits	(44.6)	(6.5)	n.a.	0.9	n.a.	(52.9)	(61.0)	-13.3%
Avals and Sureties	(14.6)	2.2	n.a.	(5.3)	n.a.	(19.8)	(5.7)	n.a.
NET RESULT FROM FINANCIAL INTERMEDIATION	757.6	752.9	0.6%	703.5	7.7%	3,052.4	2,491.5	22.5%
OTHER OPERATING INCOME/EXPENSES	(329.3)	(256.7)	28.3%	(286.9)	14.8%	(1,032.7)	216.9	-1.3%
Income from Services Provided	68.6	65.1	5.4%	61.9	10.8%	240.7	90.5	11.0%
Personnel Expenses	(129.8)	(126.2)	2.9%	(111.7)	16.2%	(487.1)	(418.6)	16.4%
Other Administrative Expenses	(168.2)	(130.5)	28.9%	(155.8)	8.0%	(552.8)	(552.7)	0.0%
Tax Expenses	(57.9)	(52.5)	10.3%	(48.4)	19.6%	(206.0)	(183.6)	12.2%
Other Operating Income and expenses	(30.1)	(3.1)	n.a.	(4.1)	n.a.	(2.3)	109.8	-63.2%
Depreciation and amortization expenses	(2.9)	(2.9)	0.0%	(2.8)	3.6%	(11.4)	(10.8)	5.1%
Income from insurance operations	-	-	n.a.	0.6	-100.0%	0.2	2.5	-91.9%
Expenses Loan Loss Provisions	(9.0)	(6.6)	36.4%	(26.6)	-66.2%	(13.9)	(72.1)	-85.1%
OPERATING RESULT	428.3	496.2	-13.7%	416.6	2.8%	2,019.7	-	39.7%
NON-OPERATING RESULT	2.0	13.5	-85.2%	(1.6)	n.a.	11.6	19.3	n.a.
INCOME BEFORE TAXES AND MINORITY INTEREST	430.4	509.7	-15.6%	415.1	3.7%	2,031.3	-	40.5%
INCOME AND SOCIAL CONTRIBUTION TAXES	(141.1)	(191.4)	-26.3%	(10.0)	n.a.	(711.2)	(374.6)	n.a.
Provision for Income Tax	(56.0)	(154.5)	-63.8%	(159.0)	-64.8%	(388.8)	(374.6)	3.8%
Provision for Social Contribution Tax	(66.2)	(129.3)	-48.8%	(106.3)	-37.7%	(330.6)	(244.3)	35.3%
Deferred Taxes	(18.9)	92.4	n.a.	255.3	n.a.	8.2	294.2	-97.2%
STATUTORY PROFIT SHARING	(49.8)	(30.1)	65.4%	(31.9)	56.1%	(137.5)	-	36.7%
NET INCOME	239.4	288.2	-16.9%	373.2	-35.9%	1,182.6	-	15.9%