
1Q21

Earnings
Release

Great
Place
To
Work®

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

Recurring Net Income

R\$ 330.0 million in **1Q21**

-0.5% in 3 months
+ 18.8% in 12 months

Net Income

R\$ 436.7 million in **1Q21**

+ 82.4% in 3 months
+ 10.3% in 12 months

Shareholders' Equity

R\$ 4,855.7 million

+ 9.7% in 3 months
+ 24.6% in 12 months

Profitability

**Recurring
ROAE**

28.3% in **1Q21**

-1.4 p.p. in 3 months
-0,7 p.p. in 12 months

ROAE 37.5% no **1Q21**

+16.0 p.p. in 3 months
-3.9 p.p. in 12 months

Regulatory Capital

R\$ 5,306.6 million

+ 8.9 % in 3 months
+ 31.3 % in 12 months

MAIN FIGURES (R\$ million unless otherwise stated)	1Q21	4Q20	Δ	1Q20	Δ
RESULTS					
Income from loans operations	1,229.8	1,155.4	6.4%	1,149.7	7.0%
Net Income	436.7	239.4	82.4%	395.9	10.3%
Recurring Net Income	330.0	331.5	-0.5%	277.7	18.8%
FINANCIAL POSITION					
Total Assets	51,995.6	49,159.8	5.8%	38,166.6	36.2%
Expanded Loan Portfolio ⁽¹⁾	37,133.9	36,629.3	1.4%	26,177.7	41.9%
- Companies	28,421.8	28,193.4	0.8%	17,778.5	59.9%
- Payroll Loans	7,476.4	7,223.3	3.5%	7,135.8	4.8%
- Auto Loans	1,162.6	1,144.3	1.6%	1,206.3	-3.6%
- Home Equity	73.1	68.3	7.0%	57.1	28.0%
Funding	39,002.5	37,080.8	5.2%	25,576.3	52.5%
- Total Deposits + LCI + LCM	17,046.4	16,217.3	5.1%	10,301.1	65.5%
- Local Bonds	14,223.5	13,789.4	3.1%	8,751.1	62.5%
- Foreign Borrowing and Onlending	5,100.0	4,668.7	9.2%	4,183.2	21.9%
- Foreign Issuances	2,632.6	2,405.4	9.4%	2,340.9	12.5%
Shareholders' Equity	4,855.7	4,425.9	9.7%	3,896.7	24.6%
Regulatory Capital	5,306.6	4,872.4	8.9%	4,042.8	31.3%
CREDIT RATIOS					
Final Balance LLP ⁽¹⁾	1,591.3	1,579.5	0.7%	1,413.5	12.6%
Nonperforming Loans Ratio (90 days overdue)	1.6%	1.7%	-0.1 p.p	1.6%	-
Final Balance LLP/Loan Portfolio (%)	4.3%	4.3%	0.0 p.p	5.4%	-1.1 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	260.4%	260.0%	0.4 p.p	335.4%	-75.0 p.p
Final Balance Loan E-H/Loan Portfolio (%)	168.8%	172.3%	-3.3 p.p	167.9%	0.9 p.p
HIGHLIGHTS					
Net Interest Margin (NIM-AR) (% p.a.) ⁽²⁾	10.0%	11.6%	-1.6 p.p	12.9%	-2.9 p.p
Recurring ROAE (%) ⁽³⁾	28.3%	29.7%	-1.4 p.p	29.0%	-0.7 p.p
Recurring ROAA (%) ⁽⁴⁾	2.7%	2.9%	-0.2 p.p	3.1%	-0.4 p.p
Return on Average Equity (ROAE) (% p.a.)	37.5%	21.5%	16.0 p.p	41.4%	-3.9 p.p
Return on Average Asset (ROAA) (% p.a.)	3.5%	2.1%	1.4 p.p	4.4%	-0.9 p.p
Efficiency Ratio (%)	22.5%	29.0%	-6.5 p.p	24.0%	-1.5 p.p
Recurring Efficiency Ratio (%)	25.6%	25.8%	-0.2 p.p	27.3%	-1.7 p.p
BIS Index III (%)	15.0%	14.5%	0.5 p.p	14.2%	0.8 p.p
Employees	2,719	2,564	6.0%	2,464	10.3%
Number of Branches (Companies)	46	46	-	45	2.2%

(1) Includes Avals and Sureties.

(2) Includes exchange-rate variance on liability transactions, for 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

Investor Relations

Ricardo Gelbaum | IR Officer
Erich Romani | IR Manager
Claudine Wrobel | IR Specialist



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Daycoval obtains funding of US\$ 400 million from the IFC and Bank syndicate

- In April 2021, the Bank raised US\$ 400 million from IFC, a World Bank member, and a syndicate of Banks, with a maturity of up to 3.5 years.
- US\$ 130 million was financed with IFC funds and the remainder, US\$ 270 million, by the group of banks.

Some of these resources will be used to stimulate credit to women entrepreneurs and small- and medium-size companies, especially in less favored regions of Brazil.



Event | Economic and Investment Outlook for Brazil 2021

- The Bank held the second edition of the Economic and Investment Outlook for Brazil event.



- The online meeting brought together important authorities and representatives of the national economy, such as the presidents of the Central Bank, the BNDES and fund management professionals, to analyze the country's and the world's macroeconomic scenario, along with prospects for the financial market in 2021, factoring in the impacts of the Covid-19 pandemic.

Daycoval is featured in the Guia Valor de Fundos de Investimento (Investment Funds Guide | Valor Econômico)

- Daycoval's Ibovespa Ativo FIA, a Daycoval Asset Management fund, was recognized by the Valor Econômico Funds Guide.

Ações índice

10 mais rentáveis

Banrisul Índice FIA	Banrisul S.A. CVMC
BB Ações Alocação ETF FIA	BB Gestão de Recursos DTVM S.A.
Daycoval Ibovespa Ativo FIA	Daycoval A. M. Adm. de Recursos Ltda.
Itaú Ibovespa Ativo FIC FIA	Itaú Unibanco S.A.
Nest FIA	Nest International ADC De VM Ltda.
Oceana Valor FIC FIA	Oceana Investimentos ADCVM Ltda.
Plural Estratégia FIC FIA	Plural Investimentos GDR Ltda.
Schroder IBX Plus FIC FIA	Schroder Investment Management Brasil Ltda.
Schroder Sicredi Ibovespa FIA	Schroder Investment Management Brasil Ltda.
Sharp Ibovespa Ativo Feeder FIC FIA	Sharp Capital Gestora de Recursos Ltda.

- The selection of companies takes into account quantitative and qualitative criteria, especially the ESG criteria.

Profitability

Recurring Figures

ROAE in 1Q21 (%)

-1.4 p.p in 3 months

-0.7 p.p in 12 months



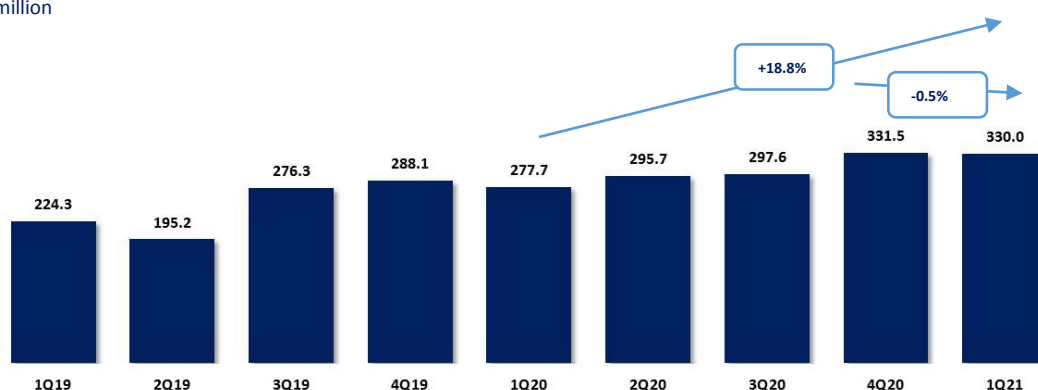
ROAA in 1Q21 (%)

-0.2 p.p in 3 months

-0.4 p.p. in 12 months

Recurring Net Income

R\$ million



Recurring Key Figures (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Accounting Net Income	436.7	239.4	82.4%	395.9	10.3%
(-) Hedge/ MTM R\$ - Foreign Issues and Credit Operations	81.5	(70.3)	n.a.	73.6	10.7%
(-) Exchange Variation - Equivalence - foreign investments	25.2	(21.8)	n.a.	44.6	-43.5%
Recurring Net Income	330.0	331.5	-0.5%	277.7	18.8%
Adjusted ROAE (%)	28.3%	29.7%	-1.4 p.p	29.0%	-0.7 p.p
Adjusted ROAA (%)	2.7%	2.9%	-0.2 p.p	3.1%	-0.4 p.p
Adjusted Efficiency Ratio (%)	25.6%	25.8%	-0.2 p.p	27.3%	-1.7 p.p

In 1Q21 **Recurring Net Income** reached R\$ 330.0 million, stable compared to 4Q20 and growth of 18.8% over 1Q20. This result reflects the reduction in the allowance for loan losses in 1Q21, the growth in the loan portfolio and the maintenance of margins.

According to the table above, in the accounting Net Income for 1Q21 was positive impact of the mark-to-market of *the hedge* on external funding and credit operations of R\$ 81.5 million and a positive exchange variation of R\$ 25.2 million in investments in subsidiaries abroad, resulting from the appreciation of the dollar against the real over 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\$ 436.7 million in 1st quarter of 2021.

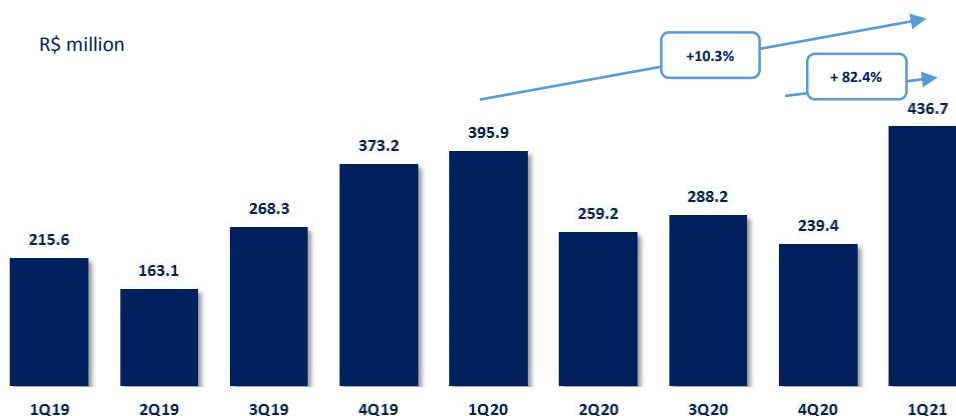
ROAE in 1Q21 (%)
+ 16.0 p.p in 3 months
- 3.9 p.p in 12 months

ROAA in 1Q21 (%)
+ 1.4 p.p. in 3 months
-0.9 p.p. in 12 months



Net Income

R\$ million



Accounting Key Figures (R\$ million)

	1Q21	4Q20	Δ	1Q20	Δ
Net Income (A)	436.7	239.4	82.4%	395.9	10.3%
Average Shareholders' Equity (B)	4,663.5	4,462.4	4.5%	3,828.2	21.8%
Average Assets (C)	49,645.3	45,793.1	8.4%	35,836.5	38.5%
Return on Average Equity (ROAE) (% p.a) (A/B)	37.5%	21.5%	16.0 p.p	41.4%	-3.9 p.p
Return on Average Asset (ROAA) (% p.a.) (A/C)	3.5%	2.1%	1.4 p.p	4.4%	-0.9 p.p

Net Income reached R\$ 436.7 million, an increase of 82.4% in three months and 10.3% over 1Q20. Profitability on average equity (ROAE) was 37.5% in the quarter, 16.0 p.p. above 4Q20.

This quarter we had a positive impact of the mark-to-market of the hedge on external funding and credit operations of R\$ 81.5 million and a positive exchange variation of R\$ 25.2 million in investments in subsidiaries abroad, resulting from the appreciation of the dollar against the real over the period.

Adjusted and Recurring Net Interest Margin (NIM-AR)

NIM - AR of 10.0% in 1Q21

- 1.6 p.p in 3 months

- 2,9 p.p. in 12 months



Recurring Adjusted Net Interest Margin (NIM-AR) (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Income from Financial Intermediation Reported	1,173.6	957.7	22.5%	1,038.7	13.0%
Hedge/MTM - Foreign Issues and Credit Operations	148.2	(127.8)	n.a	133.8	10.8%
Adjusted Income from Financial Intermediation (A)	1,025.4	1,085.5	-5.5%	904.9	13.3%
Average Remunerated Assets	43,800.6	40,618.4	7.8%	32,077.1	36.5%
(-) Expenses of financial intermediation add back provisions	(1,420.4)	(1,519.7)	-6.5%	(2,713.6)	-47.7%
Average Remunerated Assets (B)	42,380.2	39,098.7	8.4%	29,363.5	44.3%
Recurring Adjusted Net Interest Margin (NIM-AR) (%YoY) (A/B)	10.0%	11.6%	-1.6 p.p	12.9%	-2.9 p.p

Net Interest Margin (NIM)

Net Interest Margin (NIM) (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Gross Income from Financial Intermediation	1,173.6	957.7	22.5%	1,038.7	13.0%
Income from Financial Intermediation adjusted (A)	1,173.6	957.7	22.5%	1,038.7	13.0%
Average Remunerated Assets (B)	43,800.6	40,618.4	7.8%	32,077.1	36.5%
Interbank Investments	4,986.0	4,245.5	17.4%	5,988.8	-16.7%
Securities and derivative financial instruments	7,829.4	6,558.9	19.4%	2,745.0	n.a
Lending Operation (does not include assignments)	31,907.6	30,464.0	4.7%	23,348.8	36.7%
Trade Finance	(922.4)	(650.0)	41.9%	5.5	n.a
Net Interest Margin (NIM) (% p.a.) (A/B)	11.2%	9.8%	1.4 p.p	13.6%	-2.4 p.p

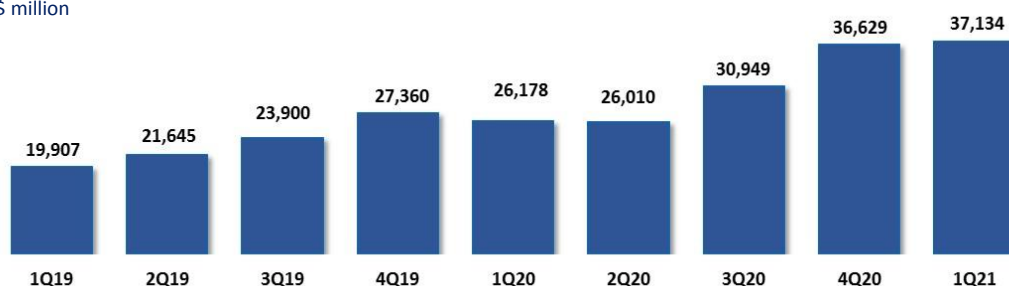
Expanded Loan Portfolio

Loan Portfolio Breakdown

1st quarter of 2021

R\$ million

Companies	76.5%
Payroll Loans	20.2%
Auto Loans	3.1%
Others	0.2%



Expanded Loan Portfolio (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Total Companies	28,421.8	28,193.4	0.8%	17,778.5	59.9%
Working Capital	6,710.8	7,043.1	-4.7%	6,455.0	4.0%
FGI PEAC	8,112.5	8,229.7	-1.4%	-	n.a
Receivables Purchase	4,904.7	5,524.4	-11.2%	3,920.4	25.1%
Guaranteed Account	1,588.8	1,416.5	12.2%	1,689.5	-6.0%
Leasing	1,420.5	1,421.1	0.0%	1,252.2	13.4%
Trade Finance	1,757.6	996.0	76.5%	1,546.5	13.7%
BNDES	154.7	165.4	-6.5%	197.2	-21.6%
Avals and Sureties	3,772.2	3,397.2	11.0%	2,717.7	38.8%
Total Payroll Loans	7,476.4	7,223.3	3.5%	7,135.8	4.8%
Payroll Loans	6,929.6	6,682.0	3.7%	6,600.9	5.0%
Payroll Card	546.8	541.3	1.0%	534.9	2.2%
Total Auto Loans/Other	1,162.6	1,144.3	1.6%	1,206.3	-3.6%
Total Home Equity	73.1	68.3	7.0%	57.1	28.0%
Total Expanded Loan Portfolio	37,133.9	36,629.3	1.4%	26,177.7	41.9%

The credit portfolio reached R\$ 37.1 billion, a growth of 1.4% in the quarter and 41.9% in the last 12 months. The credit segment companies ended with R\$ 28.4 billion, stable compared to 4Q20 and an increase of 59.9% compared to the same period of the previous year. Credit to individuals totaled R\$ 8.7 billion in 1Q21, 3.2% growth in the quarter and a 3.6% increase over 12 months.

The FGI PEAC program, which started in July 2020. This line was designed primarily to support **small and medium-sized enterprises (SMEs)** in obtaining credit, helping them through the economic crisis resulting from the Covid-19 pandemic, closed on December 31, 2020.

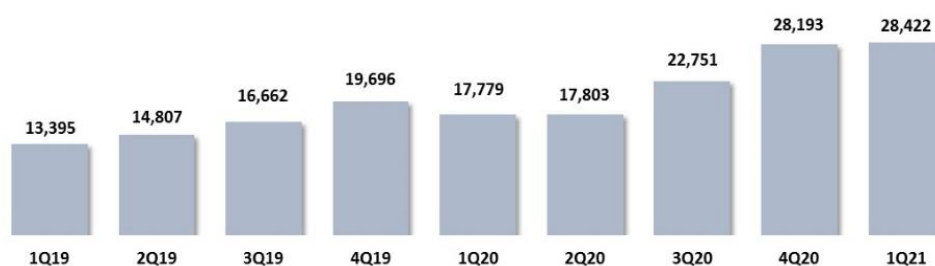
It should be clarified that Law No. 14.042/20 also allowed that up to 10% of the funds made available by the Federal Government in the FGI PEAC program be used to support companies with revenues of over R\$ 300 million, provided that they are active in the sectors of the economy most impacted by the pandemic and have committed to maintaining jobs for two months from the date of contracting the operation.

Companies Portfolio

R\$ million

R\$ 28.4 billion

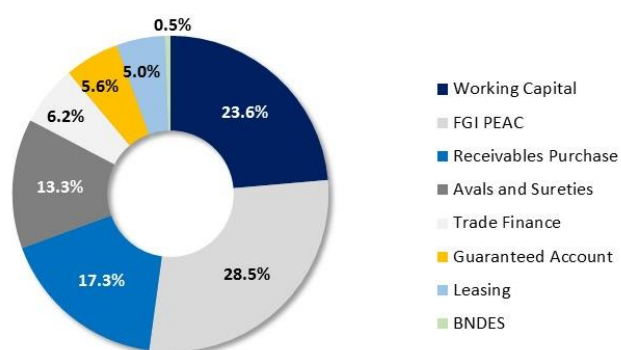
+ 0.8% in 3 months
+ 59.9% in 12 months



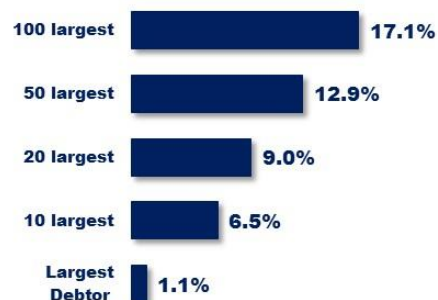
Credit to Companies Breakdown (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Working Capital	6,710.8	7,043.1	-4.7%	6,454.9	4.0%
FGI PEAC	8,112.5	8,229.7	-1.4%	-	n.a
Receivables Purchase	4,904.7	5,524.4	-11.2%	3,920.4	25.1%
Guaranteed Account	1,588.8	1,416.5	12.2%	1,689.5	-6.0%
Leasing	1,420.5	1,421.1	0.0%	1,252.2	13.4%
Trade Finance	1,757.6	996.0	76.5%	1,546.5	13.7%
BNDES	154.7	165.4	-6.5%	197.2	-21.6%
Avals and Sureties	3,772.2	3,397.2	11.0%	2,717.7	38.8%
Total Companies	28,421.8	28,193.4	0.8%	17,778.5	59.9%

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

Breakdown by Product (%)



Credit Concentration (%)

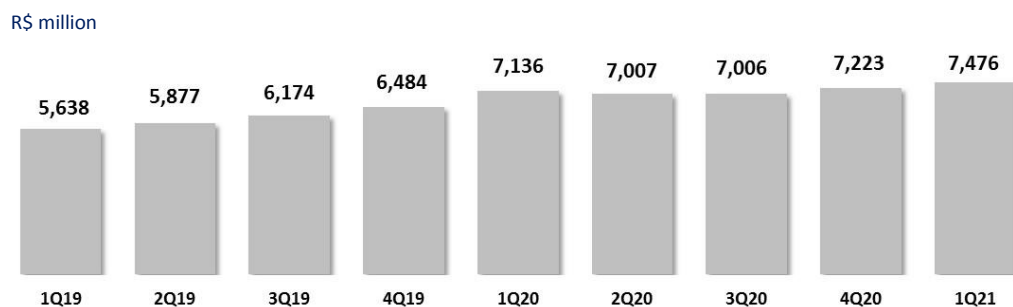


Payroll Loans

R\$ 7.5 billion in 1Q21

+ 3.5% in 3 months

+ 4.8% in 12 months

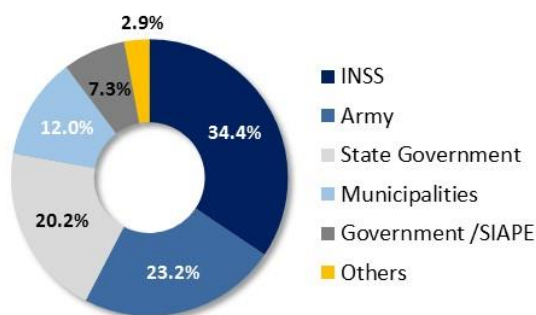


Payroll Loans ended 1Q21 with a balance of R\$ 7.5 billion, growth of 3.5% in the quarter and an increase of 4.8% versus March 2020. The payroll card portfolio totaled R\$ 546.8 million in 1Q21, up 1.0% compared to 4Q20.

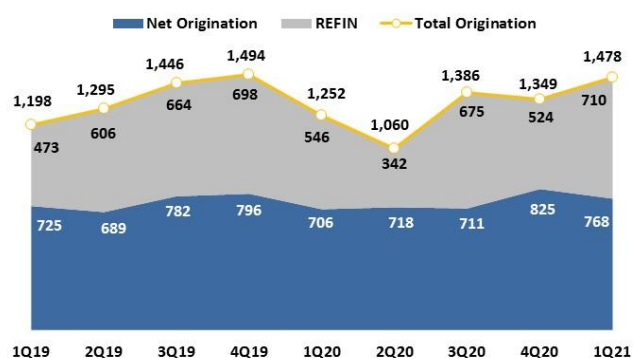
In this quarter, we originated R\$ 1.5 billion, 52% of which represented net origination and 48% from REFIN.

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 1Q21, R\$ 420.2 million originated through this channel.

Payroll Breakdown (%)



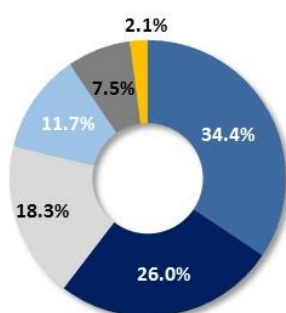
Portfolio Origination



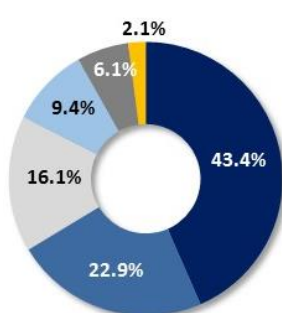
In the following charts, we present the Refinancing details, where the client (public servant/INSS retiree) settles the primary loan balance with the Bank and is given a new loan. The Bank adopted this strategy to focus more on the product's margin.

Breakdown Payroll

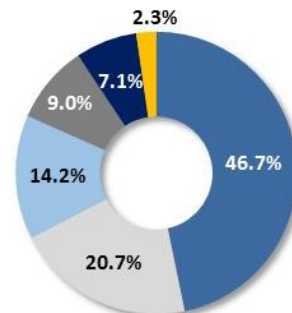
Total Origination



Net Origination

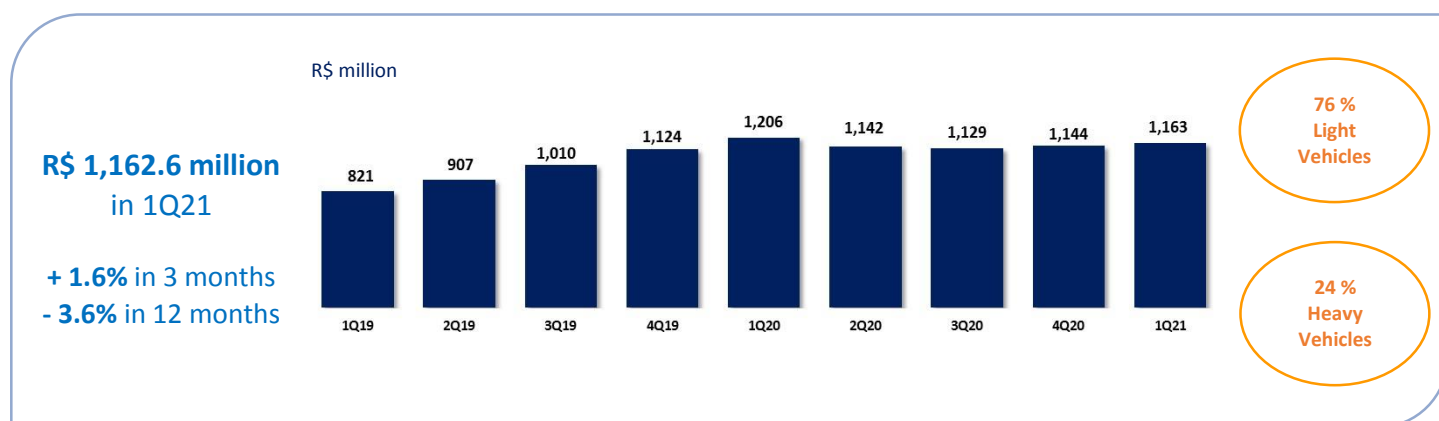


Refinancing Origination



INSS Army State Government Municipalities Government/SIAPE Others

Auto Loans



This segment ended 1Q21 with a balance of R\$ 1.2 billion, an increase of 1.6% compared to 4Q20 and a 3.6% reduction compared to 1T20. Light vehicles continue to represent the largest share in the portfolio in relation to heavy vehicles, at 76% of the portfolio in 1Q21. Our performance continues to be supported by the + companies platform, which delivers the best client journey experience.

We are gradually returning to origination. In 1Q21, R\$ 149.7 million was originated.

Total Origination



CGI – Home Equity

R\$ 73.1 million
in 1Q21

+ 7.0 % in 3 months
+ 28.0 % in 12 months

Advantages

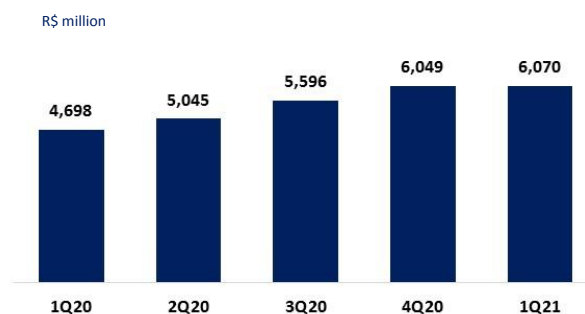
- ✓ Credit limit from R\$ 50,000 to R\$ 1 million;
- ✓ Credit equivalent to up to 60% of the property;
- ✓ Up to 180 months to pay;

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**
- ✓ **66 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 1Q21, it ended with total assets under management of R\$ 6,070.0 million.

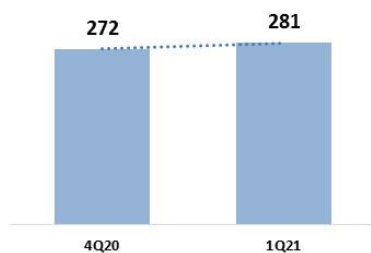
Currently, Daycoval Asset manages and administers 66 funds, including: 32 Multimarket Funds, 14 Fixed Income Funds, 6 Equity Funds, 6 Multi-strategy FIPs, 7 FIDCs, 1 Real Estate Fund and 1 Managed Portfolio.

Daycoval Asset Management is comprised of a specialized team of 18 employees, including traders, managers, back office and commercial area, with deep market knowledge.

Custodial, Management 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 1Q21, assets under management, administration, controllership and custody (including through Daycoval Asset) reached R\$ 32.0 billion.

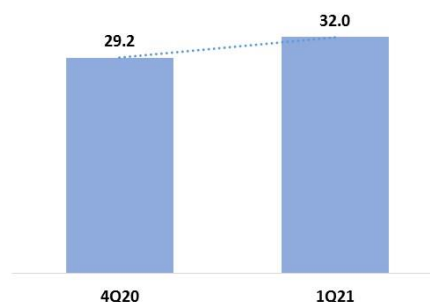
Number of Funds*



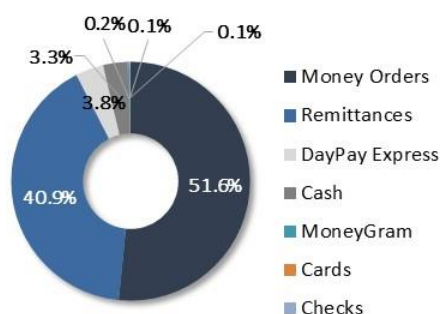
*Includes Investment Clubs and Managed Portfolio.

Amount of Custodial, Management and Administration Services

R\$ billion



Product Mix (%)



- ✓ + R\$ 3.0 billion traded in 1Q21 versus R\$ 3.1 billion traded in 4Q20;
- ✓ + 0.8 million operations in 1Q21 and in 4Q20;
- ✓ 172 Service Points;
- ✓ Remittance operations leveraged volumes traded and quantity of operations. The volume of other products was reduced due to the Pandemic Covid-19.
- ✓ New DayPay Express Product – Sending money with Daypay and receiving it at a Western Union location.

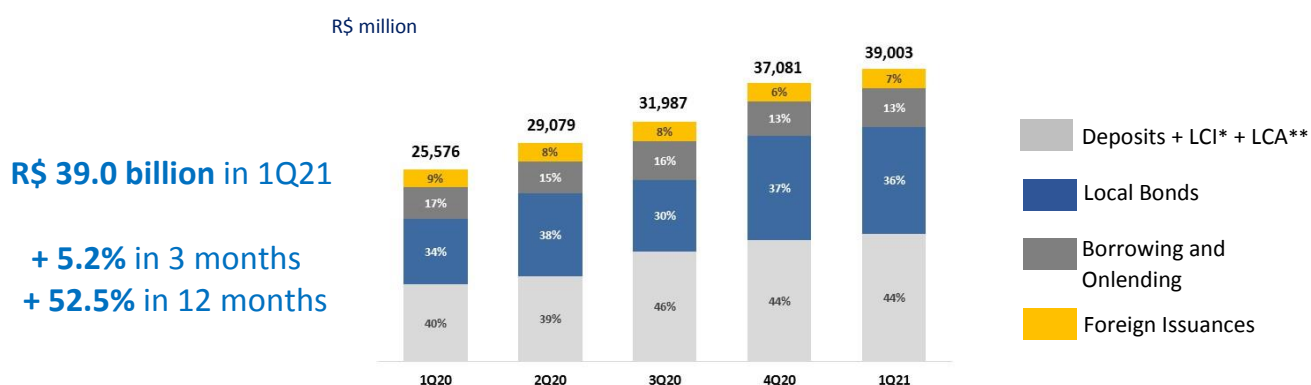
Treasury Products and Services for Companies

As a result of the experience and knowledge acquired over more than 50 years of credit conservatism and innovation in products and businesses, we offer our clients Treasury solutions for the management of market exposures and risks inherent to their activities. In addition, regarding our services, clients can count on the solidity and security of a judicious and disciplined Bank for the formalization of contracts and control of guarantees.

Volume traded in 1Q21 by modality



Funding



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

Total Funding (R\$ mn)	1Q21	4Q20	Δ	1Q20	Δ
Total Deposits	17,046.4	16,217.3	5.1%	10,301.1	65.5%
Deposits	14,473.2	14,027.6	3.2%	8,751.5	65.4%
Letters of Credit (LCI* + LCA**)	2,573.2	2,189.7	17.5%	1,549.6	66.1%
Local Bonds (Letras Financeiras)	14,223.5	13,789.4	3.1%	8,751.1	62.5%
Private Offerings	7,276.1	6,069.1	19.9%	6,051.3	20.2%
Public Offerings	1,797.9	2,329.2	-22.8%	2,489.5	-27.8%
Guaranteed Financial Bills	4,687.3	4,930.4	-4.9%	-	n.a.
Subordinated + Perpetual Local Bonds	462.2	460.7	0.3%	210.3	119.8%
Foreign Borrowing and Onlending	5,100.0	4,668.7	9.2%	4,183.2	21.9%
Foreign borrowings	4,946.4	4,503.9	9.8%	3,987.6	24.0%
Domestic onlendings	153.6	164.8	-6.8%	195.6	-21.5%
Foreign Issuances	2,632.6	2,405.4	9.4%	2,340.9	12.5%
Total	39,002.5	37,080.8	5.2%	25,576.3	52.5%

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

Funding totaled R\$39.0 billion on March 31, 2021, an increase of 5.2% compared to last quarter and 52.5% compared to the previous year, with growth in practically all lines, reflecting the movement observed over the period of migration of investor resources to more stable instruments.

Funding for Financial Bills reached a balance of R\$ 14.2 billion in 1Q21, an increase of 3.1% over 4Q20 and growth of 62.5% in the last 12 months.

We ended the quarter with free cash of R\$ 9.4 billion.

The institution remained focused 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.

In April 2021, Daycoval obtained a loan of US\$ 400.0 million, granted by IFC and syndicate of Banks, to offer working capital financing lines to small and medium-sized companies, including women-owned companies and to less favored regions of Brazil.

Below is more information about the operation.

Issuances in 2021

Banco Daycoval obtained US\$ 400 million in funding from the IFC and a syndicate of Banks

US\$ 400 million

Funding from the **IFC**, a member of the World Bank, with maturity in up to 3.5 years.
US\$ 130 million was financed using IFC funds and the remaining **US\$ 270 million** by the group of banks shown below:



Part of these funds will be used to stimulate the credit of women-owned companies and small- and medium-sized companies, mainly in less privileged regions of Brazil.

Asset and Liability Management



Positive Gap of 115 days

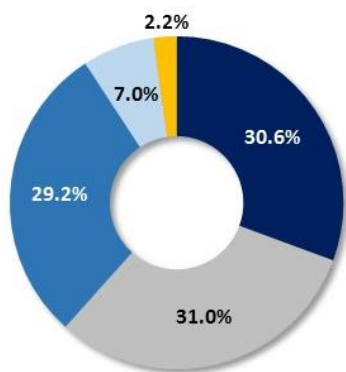
Loan Portfolio by Segment	Average term to Maturity ⁽¹⁾ days	Funding	Average term to Maturity ⁽¹⁾ days
Companies	195	Total Deposits	122
FGI PEAC	547	Interbank Deposits	238
Trade Finance	98	Local Bonds (letras financeiras)	521
Payroll Loans	562	LCA (Letter of Credit Agribusiness)	325
Auto Loans	464	LCM (Letter Home Mortgage)	227
Leasing	544	DPGE (Guaranteed Time-Deposit Asset)	455
BNDES	478	Bonds	1.238
		Borrowing and Onlending	340
		BNDES	488
Total Loan Portfolio	395	Total Funding	510

(1) From March, 2021

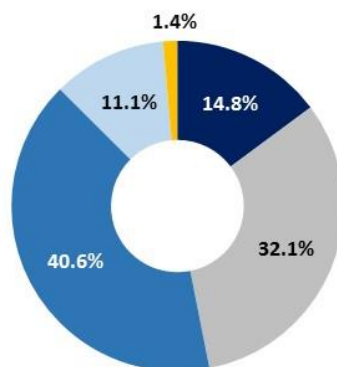
(1) From March, 2021

Maturity Of Operations

Loan Portfolio



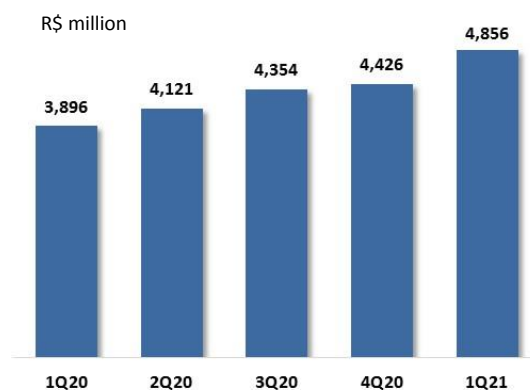
Funding



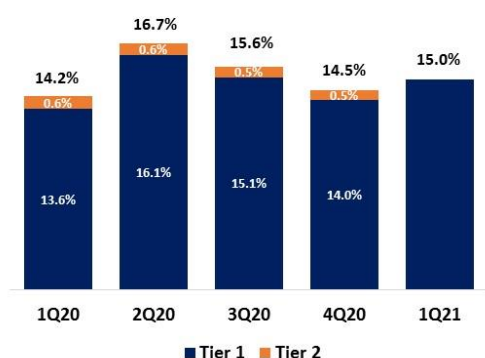
Up to 3 months
 3-12 months
 1-3 years
 3-5 years
 Over 5 years

Shareholders' Equity

Shareholders' equity totaled R\$ 4.9 billion in 1Q21, an increase of 9.7% compared to 4Q20.



Basel Index III

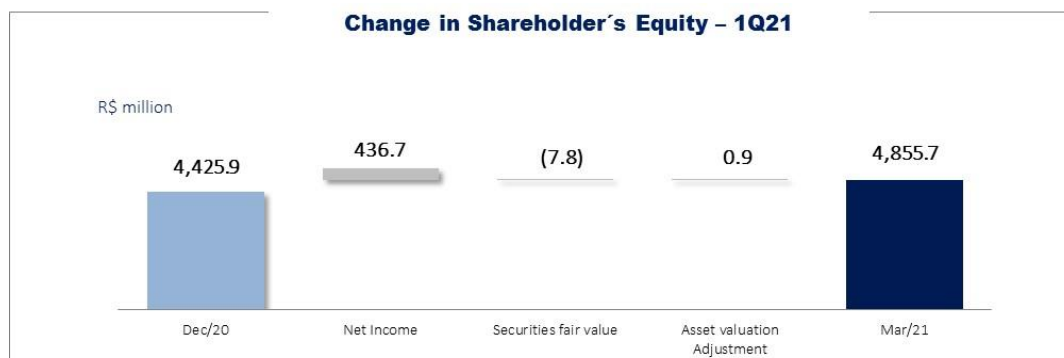


The Basel Accord requires banks to maintain a minimum percentage of equity weighted by the risk incurred in their operations. In Brazil, the Central Bank instructs banks operating in Brazil to comply with a minimum percentage of 8.0% of risk-weighted assets, plus 1.25% of Additional principal capital ("ACP"), calculated based on the rules of the Basel III Accord.

Calculation of regulatory capital (R\$ mn)

	1Q21
Regulatory capital	5,306.6
Regulatory Capital – Tier I Capital	5,306.6
Equity	4,855.7
Prudential adjustment - Bacen Resolution 4.192/13	(11.3)
Complementary capital	462.2
Perpetual financial bills	462.2
Minimum required capital (RWA x 8%)	2,830.0
Basel ratio - Total	15.0%
Basel ratio - Tier I	15.0%

Change in Shareholder's Equity – 1Q21



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

* Outlook stable for National Rating.

Sovereign Rating

In April / 21, Fitch Ratings changed the outlook of the National Rating to AA(bra) | Stable.

Credit Portfolio Quality

We operate in accordance with our risk culture and international best practices, aiming to protect our capital and ensure the profitability of our businesses. Our credit approval process, particularly the approval of new loans and risk monitoring, are structured according to our customer and product classification for our retail and wholesale segment.

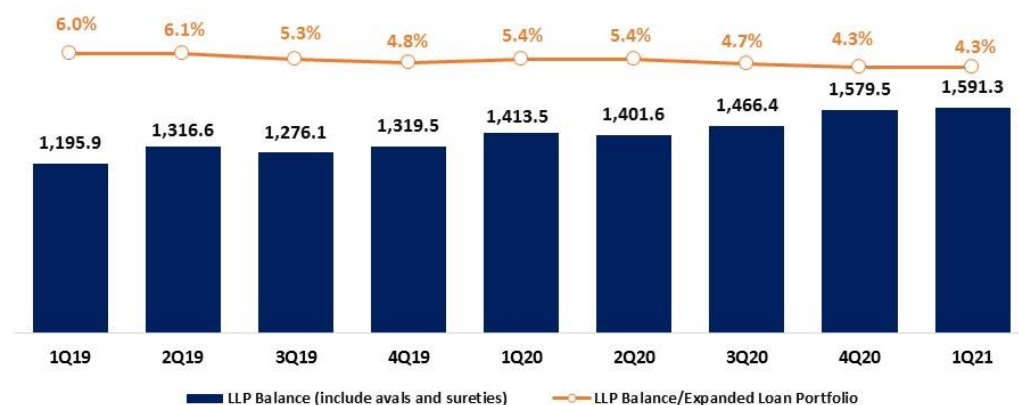
Banco Daycoval - R\$ million

Rating	Required Provision	Loans	%	Provision*	
AA	0.0%	5,811.0	15.6%	20.4	95.8% between AA and C
A	0.5%	11,289.8	30.4%	100.0	
B	1.0%	16,500.6	44.4%	466.5	
C	3.0%	2,059.8	5.4%	171.6	
D	10.0%	530.2	1.4%	97.6	
E	30.0%	185.7	0.5%	86.6	
F	50.0%	138.3	0.4%	69.2	
G	70.0%	130.0	0.4%	90.9	
H	100.0%	488.5	1.3%	488.5	
Total Portfolio		37,133.9	100.0%	1,591.3	
Total Provision/ Portfolio				4.3%	

(*) Includes Avals and Sureties in the amount of R\$ 3,772.2 in the portfolio and R\$ 44.3 million in provision in 1Q21.

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 95.8% of the overall loan portfolio in 1Q21. The balance of the allowance for doubtful accounts represented 4.3% of the loan portfolio, stable compared to 4Q20.

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



1Q21

Companies			FGI -Peac		Payroll		Vehicles and Others		C.G.I	
Rating	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision
AA - C	19,712.5	348.3	8,015.7	202.3	6,936.8	156.2	926.2	49.6	70.0	2.1
D	260.7	47.2	54.7	10.2	74.1	13.9	140.1	26.2	0.7	0.1
E	83.0	38.3	15.1	7.1	50.9	23.9	35.8	16.8	0.9	0.4
F	53.8	26.9	13.2	6.6	55.3	27.7	15.8	7.9	0.2	0.1
G	13.3	9.4	1.7	1.2	105.7	74.0	9.2	6.4	-	-
H	185.9	185.9	12.1	12.1	253.6	253.6	35.5	35.5	1.4	1.4
Total	20,309.2	656.0	8,112.5	239.5	7,476.4	549.3	1,162.6	142.4	73.2	4.1
LLP Balance/ Loans		3.2%			3.0%			7.3%		
								12.2%		

1Q21 – Renegotiated Loans

Covid Renegotiated– 1Q21

Rating	Companies	Retail	Total	%
AA	120.5	-	120.5	11.5%
A	111.6	5.5	117.1	11.1%
B	425.5	62.2	487.7	46.4%
C	54.6	130.9	185.5	17.7%
D	25.2	59.1	84.3	8.0%
E	10.0	7.1	17.1	1.6%
F	5.5	3.4	8.9	0.8%
G	2.4	2.2	4.6	0.4%
H	18.5	6.3	24.8	2.4%
Total	773.8	276.7	1,050.5	100%

In 1Q21, the balance of renegotiated operations was R\$ 2.8 billion, which includes R\$ 1.1 billion referring to operations renegotiated due to the circumstances involving the Covid-19 pandemic.

4Q20 – Renegotiated Loans

Covid Renegotiated – 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.

Overview of Quality of Expanded Loan Portfolio (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Expanded Loan Portfolio	37,133.9	36,629.3	1.4%	26,177.7	41.9%
Establishment of Provision	101.6	200.1	-49.2%	158.5	-35.9%
LLP Balance	1,591.3	1,579.5	0.7%	1,413.5	12.6%
Final Balance Loan E-H	942.5	916.9	2.8%	841.9	11.9%
Overdue Loans more than 14 days past due	285.0	278.0	2.5%	305.8	-6.8%
Overdue Loans more than 60 days past due (*)	709.9	755.6	-6.0%	546.5	29.9%
Overdue Loans more than 90 days past due (*)	611.1	607.6	0.6%	421.4	45.0%
Credit Ratios - (%)					
Final Balance LLP/Loan Portfolio	4.3%	4.3%	0.0 p.p	5.4%	-1.1 p.p
Final Balance Loan E-H/Loan Portfolio	2.5%	2.5%	0.0 p.p	3.2%	-0.7 p.p
Overdue Loans more than 60 days past due / Loan Portfolio	1.9%	2.1%	-0.2 p.p	2.1%	-0.2 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	1.6%	1.7%	-0.1 p.p	1.6%	-
Coverage Ratios - (%)					
Final Balance LLP / Overdue Loans more than 14 days past due	558.4%	568.2%	-9.8 p.p	462.2%	96.2 p.p
Final Balance LLP / Overdue Loans more than 60 days past due	224.2%	209.0%	15.2 p.p	258.6%	-34.5 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	260.4%	260.0%	0.4 p.p	335.4%	-75.0 p.p
Final Balance LLP / Loan E-H	168.8%	172.3%	-3.5 p.p	167.9%	0.8 p.p
Write-offs R\$	(90.2)	(86.3)	4.5%	(78.6)	14.8%
Companies Recovered Loans	21.6	31.4	-31.2%	9.0	n.a.
Retail Recovered Loans	13.0	13.5	-3.7%	10.7	21.5%

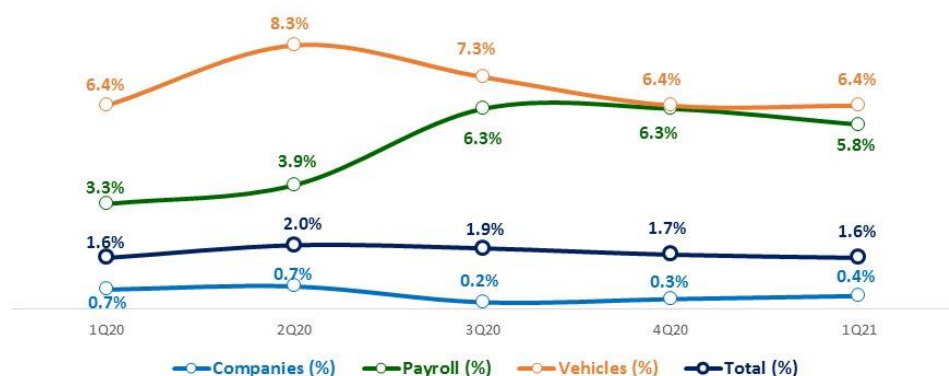
(*) falling due installments

The balance of the provision for doubtful loans ended 1Q21 at R\$ 1,591.3 million, stable in relation to 4Q20.

Loans overdue by 90 days

Loans overdue for more than 90 days reached 1.6% in 1Q21, a reduction of 0.1 p.p. compared to 4Q20. The reduction came from the payroll loan segment, which had been under pressure in the previous quarter. Our quality indicators remain at comfortable levels.

NPLs | 90 days



Loans overdue by more than 14 and more than 60 days

Loans overdue for more than 14 days rose 2.5% during the quarter, but declined 6.8% compared to 1Q20. Part of this result stemming from the improvement of new entrants. Loans overdue for more than 60 days ended 1Q21 down 6.0% versus 4Q20, evidencing a possible improvement of indicators in the next quarter.

Coverage Index

The over 90-day coverage index reached 260.4% in 1Q21, demonstrating the soundness of the balance sheet in view of the current macroeconomic situation.

The E-H portfolio balance ended 1Q21 at R\$ 942.5 million, 2.8% higher than 4Q20 and 11.9% higher compared to the same period of the previous year. The provision index for doubtful accounts divided by the E-H Portfolio reached 168.8%, a reduction of 3.5 p.p. compared to 4Q20. 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.

LLP Changes

LLP (R\$ mn)	1Q21	4Q20	Δ	1Q20	Δ
Balance at the Beginning of the Period	1,579.5	1466.4	7.7%	1,319.5	19.7%
Establishment of Provision	101.6	200.1	-49.2%	158.5	-35.9%
Companies	7.8	10.4	-25.0%	20.0	-61.0%
FGI PEAC	14.2	96.3	-85.3%	0.0	n.a.
Avals and Sureties	(0.5)	14.7	n.a.	5.1	n.a.
Payroll	61.4	78.5	-21.8%	70.4	-12.8%
Auto/Other	18.9	0.3	n.a.	76.0	-75.1%
Property Guaranteed Credit	0.2	(0.8)	n.a.	1.1	-81.8%
Exchange Rate Variation	(0.4)	0.7	n.a.	(14.1)	-97.2%
Write-offs	(90.2)	(86.3)	4.5%	(78.6)	14.8%
Companies	(14.9)	(20.5)	-27.3%	(33.2)	-55.1%
Retail	(75.3)	(65.8)	14.4%	(45.4)	65.9%
Final Balance LLP	1,591.3	1,579.5	0.7%	1,413.5	12.6%

The amount written off for losses was R\$ 90.2 million during 1Q21 and R\$ 86.3 million in 4Q20. Credits recovered in the quarter totaled R\$ 34.6 million versus R\$ 19.7 million in 1Q20.

NPLs by Segment

Companies Overdue Loans (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Overdue Loans more than 14 days past due	79.1	76.3	3.7%	150.3	-47.4%
Overdue Loans more than 60 days past due (*)	120.8	92.5	30.6%	155.8	-22.5%
Overdue Loans more than 90 days past due (*)	100.8	75.0	34.5%	104.5	-3.5%
Credit Ratios (%)					
Final Balance LLP/Companies Portfolio (%)	3.2%	3.2%	0.0 p.p	4.6%	-1.4 p.p
Overdue Loans more than 14 days past due / Companies Portfolio	0.3%	0.3%	0.0 p.p	0.8%	-0.5 p.p
Overdue Loans more than 60 days past due / Companies Portfolio	0.4%	0.3%	0.1 p.p	0.9%	-0.5 p.p
Overdue Loans more than 90 days past due / Companies Portfolio	0.4%	0.3%	0.1 p.p	0.6%	-0.2 p.p
Coverage Ratios (%)					
LLP Balance /Overdue Loans more than 60 days past due	741.3%	961.1%	-219.8 p.p	526.6%	214.7 p.p
LLP Balance / Overdue Loans more than 90 days past due	888.1%	1185.3%	-297.2 p.p	785.1%	103.0 p.p

(*) Installments falling due

Payroll Overdue Loans (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Overdue Loans more than 14 days past due	169.4	166.6	1.7%	115.8	46.3%
Overdue Loans more than 60 days past due (*)	481.1	556.4	-13.5%	269.5	78.5%
Overdue Loans more than 90 days past due (*)	432.7	455.8	-5.1%	235.6	83.6%
Credit Ratios (%)					
Final Balance LLP/Payroll Portfolio (%)	7.3%	7.5%	-0.2 p.p	5.8%	1.5 p.p
Overdue Loans more than 14 days past due /Payroll Portfolio	2.3%	2.3%	0.0 p.p	1.6%	0.5 p.p
Overdue Loans more than 60 days past due /Payroll Portfolio	6.4%	7.7%	-1.3 p.p	3.8%	2.7 p.p
Overdue Loans more than 90 days past due /Payroll Portfolio	5.8%	6.3%	-0.5 p.p	3.3%	2.5 p.p
Coverage Ratios (%)					
LLP Balance /Overdue Loans more than 60 days past due	114.1%	97.6%	16.5 p.p	154.6%	-40.4 p.p
LLP Balance / Overdue Loans more than 90 days past due	126.9%	119.2%	7.7 p.p	176.8%	-49.8 p.p

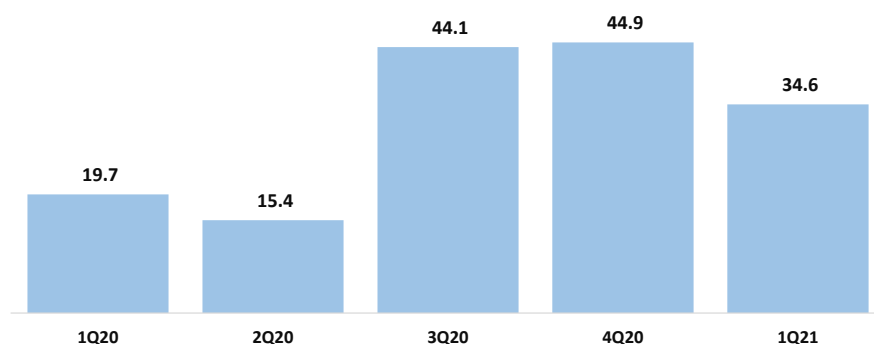
(*) Installments falling due

Auto Overdue Loans + Others (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Overdue Loans more than 14 days past due	36.1	34.7	4.0%	39.2	-7.9%
Overdue Loans more than 60 days past due (*)	104.1	102.9	1.2%	116.2	-10.4%
Overdue Loans more than 90 days past due (*)	74.2	73.4	1.1%	77.4	-4.1%
Credit Ratios (%)					
Final Balance LLP/Auto Loans Portfolio + Others (%)	12.3%	12.5%	-0.2 p.p	14.3%	-2.0 p.p
Overdue Loans more than 14 days past due / Auto Loans Portfolio + Others	3.1%	3.0%	0.1 p.p	3.2%	-0.1 p.p
Overdue Loans more than 60 days past due / Auto Loans Portfolio + Others	9.0%	9.0%	0.0 p.p	9.6%	-0.6 p.p
Overdue Loans more than 90 days past due / Auto Loans Portfolio + Others	6.4%	6.4%	0.0 p.p	6.4%	0.0 p.p
Coverage Ratios (%)					
LLP Balance /Overdue Loans more than 60 days past due	136.9%	139.4%	-2.5 p.p	148.5%	-11.6 p.p
LLP Balance / Overdue Loans more than 90 days past due	192.1%	195.4%	-3.3 p.p	222.9%	-30.8 p.p

(*) Installments falling due

Recovered Loans

R\$ million



Financial Performance

Income from Financial Intermediation (R\$ mn)	1Q21	4Q20	Δ	1Q20	Δ
Loans Operations	1,229.8	1,155.4	6.4%	1,149.7	7.0%
Companies Portfolio	702.7	619.2	13.5%	602.1	16.7%
Payroll	400.1	402.4	-0.6%	423.4	-5.5%
Auto/Other	83.6	85.8	-2.6%	84.8	-1.4%
Home Equity	0.1	0.2	-50.0%	0.1	0.0%
Leasing Operation Result	43.3	47.8	-9.4%	39.3	10.2%
Securities Operations Result	37.5	26.8	39.9%	55.6	-32.6%
Derivatives Result ⁽¹⁾	754.2	(624.4)	n.a.	1,295.6	-41.8%
Operations linked to repurchase commitments and interbank deposits	16.3	9.9	64.6%	29.8	-45.3%
Foreign Exchange Operations	(46.1)	90.4	n.a.	45.1	n.a.
Sales or Transfer Financial Asset Operations	0.8	(0.1)	n.a.	1.0	-20.0%
Income from Financial Intermediation (A)	1,992.5	658.0	202.8%	2,576.8	-22.7%
Funding Operations ⁽²⁾	(406.7)	(0.4)	n.a.	(705.2)	-42.3%
Borrowings and Onlendings Operations ⁽³⁾	(412.2)	300.0	n.a.	(832.8)	-50.5%
Loan Loss Provision (LLP)	(101.6)	(200.1)	-49.2%	(158.4)	-35.9%
Expenses on Financial Intermediation (B)	(920.5)	99.5	n.a.	(1,696.4)	-45.7%
Gross Income from Financial Intermediation (A-B)	1,072.0	757.5	41.5%	880.4	21.8%
Hedge MTM - Foreign Issues and Credit Operations	148.2	(127.8)	n.a.	133.8	10.8%
Adjusted Gross Income from financial intermediation	923.8	885.3	4.3%	746.6	23.7%
⁽¹⁾ Result with derivatives (Hedge)	791.7	(559.0)		1,279.5	
⁽²⁾ Foreign Exchange Variation without Borrowings abroad	(225.3)	216.6		504.0	
⁽³⁾ Reclassified from other operating/expenses revenues.	(325.8)	301.9		860.1	

In 1Q21, revenues from credit operations reached R\$ 1,229.8 million, 6.4% higher in relation to 4Q20 and 7.0% higher in the last 12 months, due to the maintenance of margins and growth of the companies portfolio.

The line of credit operations for Companies ended 1Q21 with revenue of R\$ 702.7 million, an increase of 13.5% in the quarter and an increase of 16.7%, versus 1Q20. The Payroll line ended the quarter with revenue of R\$ 400.1 million, stable compared to last quarter. The auto loans line ended 1Q21 with a balance of R\$ 83.6 million, down 2.6% during the quarter.

The Leasing operations ended the quarter with a balance of R\$ 43.3 million, a reduction of 9.4% compared to 4Q20, and growth of 10.2% over the last 12 months.

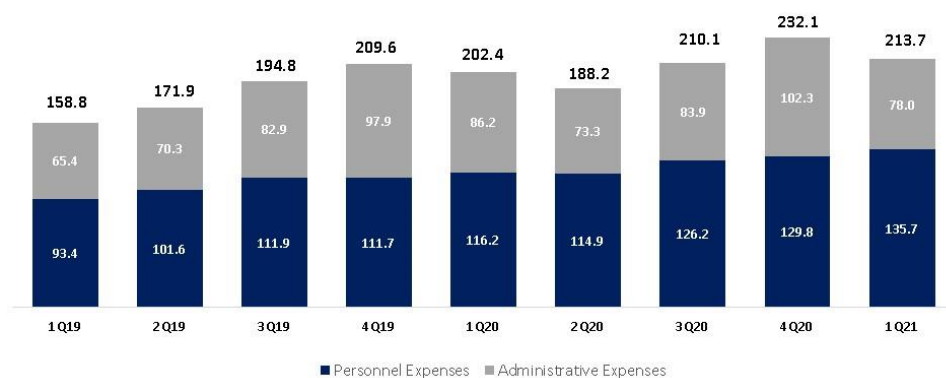
The cost of funding operations in the market and loans and transfers were R \$ 812.9 million in the quarter.

Gross Income from Financial Intermediation ended the quarter with a balance of R\$ 1,072.0 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\$ 923.8 million in 1Q21.

The result with derivatives was a positive R\$ 754.2 million in 1Q21, including a positive hedge of R\$ 791.7 million. Excluding this last effect, the result with derivatives was a negative R\$ 37.5 million in 1Q21 versus a negative R\$ 64.5 million in 4Q20.

Administrative and Personnel Expenses

R\$ million



Personnel and Administrative Expenses (R\$ million)	1Q21	4Q20	Δ	1Q20	Δ
Personnel Expenses	(135.7)	(129.8)	4.5%	(116.2)	16.8%
Administrative Expenses	(78.0)	(102.3)	-23.8%	(86.2)	-9.5%
Personnel and Administrative Expense	(213.7)	(232.1)	-7.9%	(202.4)	5.6%
Commission Expenses (Total)	(64.6)	(65.8)	-1.8%	(62.4)	3.5%
Payroll	(54.4)	(55.0)	-1.1%	(49.0)	11.0%
Auto Loans	(10.0)	(10.6)	-5.7%	(13.3)	-24.8%
Direct Credit to Consumer (DCC) + Others	(0.2)	(0.2)	-	(0.1)	100.0%
Total	(278.3)	(297.9)	-6.6%	(264.8)	5.1%
Recurring Efficiency Ratio (%)	25.6%	25.8%	-0.2 p.p	27.3%	-1.7 p.p
Recurring Efficiency Ratio (considering Profit Sharing) (%)	29.1%	30.1%	-1.0 p.p	30.4%	-1.3 p.p

Administrative and personnel expenses totaled R\$ 278.3 million in the quarter, a reduction of 6.6% for the period. In 1Q21, administrative expenses decreased by 23.8%, due to payments of donations and sponsorships in the amount of R \$ 15.4 million in 4Q20.

In 1Q21, Commission expenses closed virtually stable, in line with the loan portfolio.

Recurring Efficiency Ratio

25.6% in 1Q21

-0.2 p.p in 3 months

-1.7 p.p in 12 months

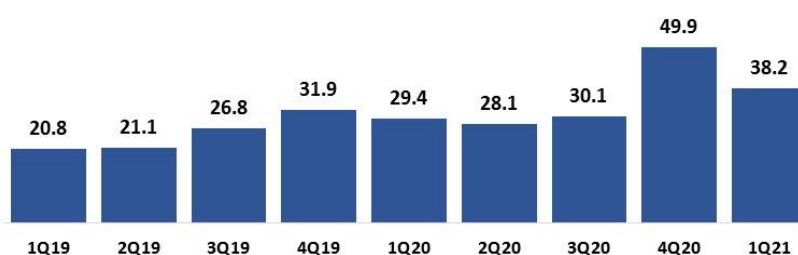


Recurring Efficiency Ratio (R\$ mn)	1Q21	4Q20	Δ	1Q20	Δ
(+) Personnel	(135.7)	(129.8)	4.5%	(116.2)	16.8%
(+) Administrative Expenses	(78.0)	(102.3)	-23.8%	(86.2)	-9.5%
(+) Commissions	(64.6)	(65.8)	-1.8%	(62.4)	3.5%
Total Expenses (A)	(278.3)	(297.9)	-6.6%	(264.8)	5.1%
(+) Income from Recurring Financial Intermediation - LLP	1,025.4	1,085.5	-5.5%	904.9	13.3%
(+) Income from Services Provided	60.8	68.6	-11.4%	63.4	-4.1%
Total Income (B)	1,086.2	1,154.1	-5.9%	968.3	12.2%
Recurring Efficiency Ratio (A/B) (%)	25.6%	25.8%	-0.2 p.p	27.3%	-1.7 p.p
Profit Sharing	(38.2)	(49.9)	-23.4%	(29.4)	29.9%
Recurring Efficiency Ratio (considering Profit Sharing) (%)	29.1%	30.1%	-1.0 p.p	30.4%	-1.3 p.p

Profit Sharing Program

R\$ million

Expenses related to the provision for PPR and PLR payments totaled R\$ 38.2 million in 1Q21 and R\$ 29.4 million in 1Q20.



Annex I – Income Statement – in R\$ thousand

Income Statement	1Q21	4Q20	Δ	1Q20	Δ
INCOME FROM FINANCIAL INTERMEDIATION	1,992.5	658.1	n.a.	2,576.9	-22.7%
Lending Operation	1,229.8	1,155.4	6.4%	1,149.7	7.0%
Securities Operations and Derivatives	791.7	(597.5)	n.a.	1,351.2	-41.4%
Operations linked to repurchase commitments and interbank deposits	16.3	9.9	64.6%	29.8	-45.3%
Foreign Exchange Operations	(46.1)	90.4	n.a.	45.2	n.a.
Operations Sale or Transfer of Financial Assets	0.8	(0.1)	n.a.	1.0	-20.0%
EXPENSES FOR FINANCIAL INTERMEDIATION	(818.9)	299.5	n.a.	(1,538.1)	-46.8%
Interbank and time deposits	(70.1)	(68.3)	2.6%	(77.6)	-9.7%
Bond issues in Brazil and abroad	(336.6)	67.8	n.a.	(627.7)	-46.4%
Borrowing and Onlendings	(412.2)	300.0	n.a.	(832.8)	-50.5%
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	1,173.6	957.6	22.6%	1,038.8	13.0%
EXPENSES WITH ALLOWANCE FOR LOAN LOSSES	(101.6)	(200.0)	-49.2%	(158.4)	-35.9%
Loan Portfolio	(100.5)	(140.8)	-28.6%	(139.3)	-27.9%
Other Credits	(98.9)	(44.6)	121.7%	(139.0)	-28.8%
Avals and Sureties	(2.9)	(14.6)	-80.1%	(13.9)	-79.1%
NET RESULT FROM FINANCIAL INTERMEDIATION	1,072.0	757.6	41.5%	880.4	21.8%
OTHER OPERATING INCOME/EXPENSES	(261.1)	(329.3)	-20.7%	(238.5)	9.5%
Income from Services Provided	60.8	68.6	-11.4%	63.4	-4.1%
Personnel Expenses	(135.7)	(129.8)	4.5%	(116.2)	16.8%
Other Administrative Expenses	(142.6)	(168.2)	-15.2%	(148.6)	-4.0%
Tax Expenses	(57.4)	(57.9)	-0.9%	(53.2)	7.9%
Other Operating Income and expenses	16.6	(30.1)	n.a.	38.6	-57.0%
Depreciation and amortization expenses	(2.9)	(2.9)	0.0%	(2.8)	3.6%
Expenses Loan Loss Provisions	0.1	(9.0)	n.a.	(19.8)	n.a.
OPERATING RESULT	810.9	428.3	89.3%	641.9	26.3%
NON-OPERATING RESULT	1.7	2.0	-15.0%	(1.4)	n.a.
INCOME BEFORE TAXES AND MINORITY INTEREST	812.6	430.3	88.8%	640.5	26.9%
INCOME AND SOCIAL CONTRIBUTION TAXES	(337.7)	(141.1)	n.a.	(215.2)	56.9%
Provision for Income Tax	(180.3)	(56.0)	n.a.	(96.4)	87.0%
Provision for Social Contribution Tax	(147.9)	(66.2)	n.a.	(63.8)	n.a.
Deferred Taxes	(9.5)	(18.9)	-49.7%	(55.0)	-82.7%
STATUTORY PROFIT SHARING	(38.2)	(49.8)	-23.3%	(29.4)	29.9%
NET INCOME	436.7	239.4	82.4%	395.9	10.3%