

2Q21

Earnings Release

**Great
Place
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Certificado
11/12/2020 - 11/12/2021
BRASIL

Recurring Net Income

R\$ 333.3 million in **2Q21**
R\$ 663.3 million in **1H21**
+15.7 % over 1H20

Net Income

R\$ 296.6 million in **2Q21**
R\$ 733.3 million in **1H21**
+11.9% over 1H20

Shareholders' Equity

R\$ 5,153.6 million
+6.1% in 3 months
+25.1% in 12 months

Profitability

Recurring ROAE **26.8%** in **2Q21**
27.5% in **1H21**
-1.8 p.p. over 1H20

ROAE **23.9%** in **2Q21**
30.5% in **1H21**
-3.0 p.p. over 1H20

Regulatory Capital

R\$ 5,601.9 million
+5.6% in 3 months
+22.8% in 12 months

MAIN FIGURES (R\$ million unless otherwise stated)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
RESULTS								
Income from loans operations	1,211.7	1,229.8	-1.5%	988.4	22.6%	2,441.5	2,137.8	14.2%
Net Income	296.6	436.7	-32.1%	259.2	14.4%	733.3	655.1	11.9%
Recurring Net Income	333.3	330.0	1.0%	295.8	12.7%	663.3	573.5	15.7%
FINANCIAL POSITION								
Total Assets	53,642.3	51,995.6	3.2%	40,221.3	33.4%	53,642.3	40,221.3	33.4%
Expanded Loan Portfolio ⁽¹⁾	39,895.1	37,247.3	7.1%	26,264.5	51.9%	39,895.1	26,264.5	51.9%
- Companies	30,359.0	28,421.8	6.8%	17,803.4	70.5%	30,359.0	17,803.4	70.5%
- Payroll Loans	8,091.2	7,476.4	8.2%	7,007.1	15.5%	8,091.2	7,007.1	15.5%
- Auto Loans	1,209.5	1,162.6	4.0%	1,141.8	5.9%	1,209.5	1,141.8	5.9%
- Home Equity	89.2	73.1	22.0%	57.5	55.1%	89.2	57.5	55.1%
- Corporate Securities	146.2	113.4	28.9%	254.7	-42.6%	146.2	254.7	-42.6%
Total Funding	39,290.5	39,002.5	0.7%	29,078.8	35.1%	39,290.5	29,078.8	35.1%
- Total Deposits + LCI + LCM	17,946.7	17,046.4	5.3%	11,415.6	57.2%	17,946.7	11,415.6	57.2%
- Local Bonds	12,379.2	14,223.5	-13.0%	11,042.8	12.1%	12,379.2	11,042.8	12.1%
- Foreign Borrowing and Onlending	6,629.3	5,100.0	9.4%	4,209.9	35.9%	6,629.3	4,209.9	57.5%
- Foreign Issuances	2,335.3	2,632.6	-16.9%	2,410.5	-35.2%	2,335.3	2,410.5	-3.1%
Shareholders' Equity	5,153.6	4,855.7	6.1%	4,120.7	25.1%	5,153.6	4,120.7	25.1%
Regulatory Capital	5,600.3	5,306.5	5.5%	4,561.3	22.8%	5,600.3	4,561.3	22.8%
- Capital Principal	5,140.7	4,844.3	6.1%	4,109.2	25.1%	5,140.7	4,109.2	25.1%
- Complementary Capital	459.6	462.2	-0.6%	292.9	56.9%	459.6	292.9	56.9%
- Tier II	-	-	-	159.2	n.a	-	159.2	n.a
CREDIT RATIOS								
Final Balance LLP ⁽¹⁾	1,644.0	1,591.3	3.3%	1,401.6	17.3%	1,644.0	1,401.6	17.3%
Nonperforming Loans Ratio (90 days overdue)	1.6%	1.6%	-	1.9%	-0.3 p.p	1.6%	1.9%	-0.3 p.p
Final Balance LLP / Loan Portfolio (%)	4.1%	4.3%	-0.2 p.p	5.3%	-1.2 p.p	4.1%	5.3%	-1.2 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	261.9%	260.4%	1.5 p.p	276.0%	-14.1 p.p	261.9%	276.0%	-14.1 p.p
Final Balance Loan E-H/ Loan Portfolio (%)	169.6%	168.8%	0.8 p.p	159.8%	9.8 p.p	169.6%	159.8%	9.8 p.p
HIGHLIGHTS								
Net Interest Margin (NIM-AR) (% p.a.) ⁽²⁾	10.0%	10.0%	0.0 p.p	11.2%	-1.2 p.p	9.9%	11.9%	-2.0 p.p
Recurring ROAE (%) ⁽³⁾	26.8%	28.3%	-1.5 p.p	29.6%	-2.8 p.p	27.5%	29.3%	-1.8 p.p
Recurring ROAA (%) ⁽⁴⁾	2.6%	2.7%	-0.1 p.p	3.2%	-0.6 p.p	2.6%	3.1%	-0.5 p.p
Return on Average Equity (ROAE) (% p.a.)	23.9%	37.5%	-13.6 p.p	25.9%	-2.0 p.p	30.5%	33.5%	-3.0 p.p
Return on Average Asset (ROAA) (% p.a.)	2.3%	3.5%	-1.2 p.p	2.8%	-0.5 p.p	2.9%	3.6%	-0.7 p.p
Efficiency Ratio (%)	31.1%	22.5%	8.6 p.p	27.4%	3.7 p.p	26.5%	25.4%	1.1 p.p
Recurring Efficiency Ratio (%)	30.0%	25.6%	4.4 p.p	24.7%	5.3 p.p	27.8%	26.1%	1.8 p.p
BIS Index III (%)	13.9%	15.0%	-1.1 p.p	16.7%	-2.8 p.p	13.9%	16.7%	-2.8 p.p
Employees	2,841	2,719	4.3%	2,348	21.0%	2,841	2,348	21.0%
Number of Branches (Companies)	46	46	-	46	-	46	46	-

⁽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 are presenting the results for the first half of 2021, still undergoing an adverse scenario, continuing to be cautious, striving for a solid and persistent work output. Aligned with an efficient management model, this combination has enabled us to grow our credit portfolio and funding while also generating robust results, recurrently, over the years.

The expanded credit portfolio totaled R\$ 39.9 billion at the end of June 2021, an amount 51.9% higher than in the first half of 2020. The Companies, Payroll-deductible loans and Vehicles portfolios grew 70.5%, 15.5% and 5.9%, respectively.

The progress in credit operations occurred with a delinquency rate of loans overdue by more than 90 days of 1.6% in 1H21, 0.3 p.p. lower than in 1H20. The balance of the loan loss allowance on the E-H portfolio classified, for its part, ended the first six months of 2021 with 169.6% coverage and the Coverage Ratio (LLP balance/Operations overdue by more than 90 days) at 261.9%, quite high levels.

Recurring net income was R\$ 663.3 million in the first half of 2021, an amount 15.7% higher than in the same period in 2020. In the semester, the Recurring ROAE was 27.5% p.a. and the Recurring ROAA was 2.6% p.a., while the Recurring Efficiency Index was 27.8%. Shareholders' equity at the closing of 1H21 totaled R\$ 5.2 billion, with growth of 25.1% in 12 months and the Basel Ratio was 13.9% at the end of the period, reflecting the Bank's high capital base.

Funding totaled R\$ 39.3 billion in June 2021, an increase of 35.1% compared to the previous year. The growth of the last 12 months was evidenced in practically all lines, reflecting the movement observed over the period of migration from investors' funds to more stable instruments.

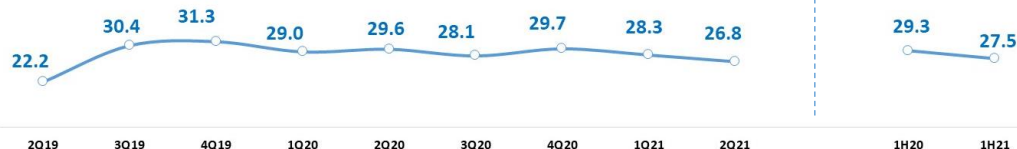
In the ESG pillar, Daycoval maintained investments in expanding social commitments. The company concluded the operation with the IFC, a member of the World Bank Group, and 11 other institutions, which resulted in a large syndicated transaction of approximately R\$ 2.3 billion, maturing in up to 3.5 years. The funding is intended to stimulate credit to women entrepreneurs of small and medium-sized companies in the less favored regions of Brazil. Another highlight was the creation of the Diversity Working Group, formed by 14 members from across Brazil, which will address issues for a consistent, diverse and inclusive environment for the free plurality of people, cultures and ideas.

With these results, Banco Daycoval is reaffirming the wisdom of a strategy that has been in place for more than 50 years: a balance between caution and long-term vision, credit and funding, and services and support for our stakeholders.

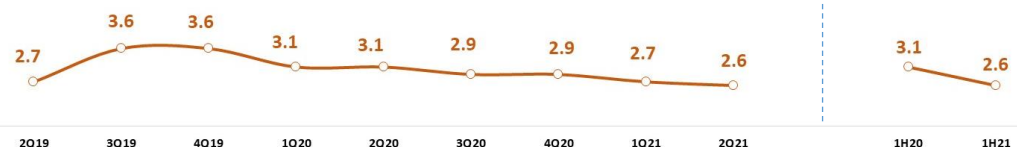
Profitability

Recurring Figures

ROAE in 2Q21 (%)
- 1.5 p.p in 3 months
- 2.8 p.p in 12 months

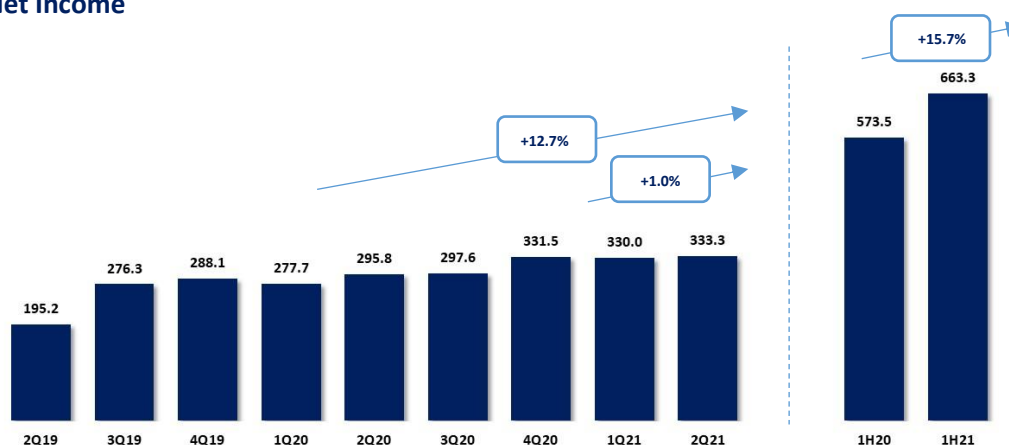


ROAA in 2Q21 (%)
- 0.1 p.p in 3 months
- 0.5 p.p. in 12 months



Recurring Net Income

R\$ million



Recurring Key Figures (R\$ million)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Accounting Net Income	296.6	436.7	-32.1%	259.2	14.4%	733.3	655.1	11.9%
(-) Hedge/ MTM R\$ - Foreign Issues and Credit Operations	(22.0)	81.5	n.a.	(47.2)	-53.4%	59.5	26.4	n.a.
(-) Increase in the social contribution rate on Credit Assignments	20.3	-	n.a.	-	n.a.	20.3	-	n.a.
(-) Exchange Variation - Equivalence - Branch	(35.0)	25.2	n.a.	10.6	n.a.	(9.8)	55.2	n.a.
Recurring Net Income	333.3	330.0	1.0%	295.8	12.7%	663.3	573.5	15.7%
Recurring ROAE (%)	26.8%	28.3%	-1.5 p.p	29.6%	-2.8 p.p	27.5%	29.3%	-1.8 p.p
Recurring ROAA (%)	2.6%	2.7%	-0.1 p.p	3.2%	-0.6 p.p	2.6%	3.1%	-0.5 p.p
Adjusted Efficiency Ratio (%)	30.0%	25.6%	4.4 p.p	24.7%	5.3 p.p	27.8%	26.1%	1.7 p.p

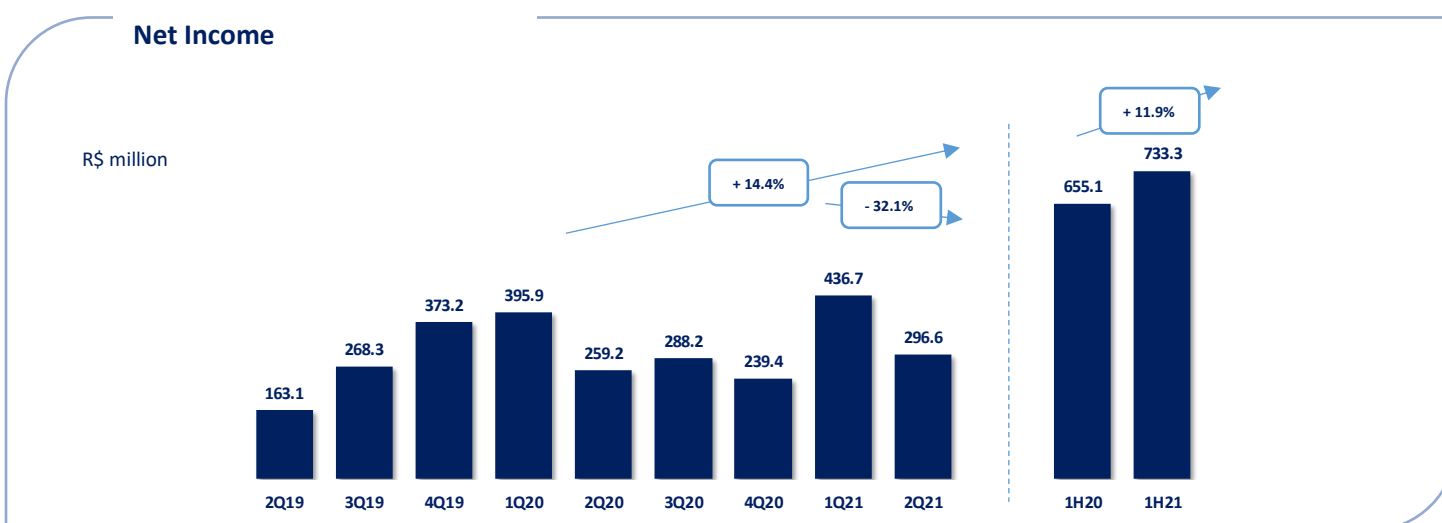
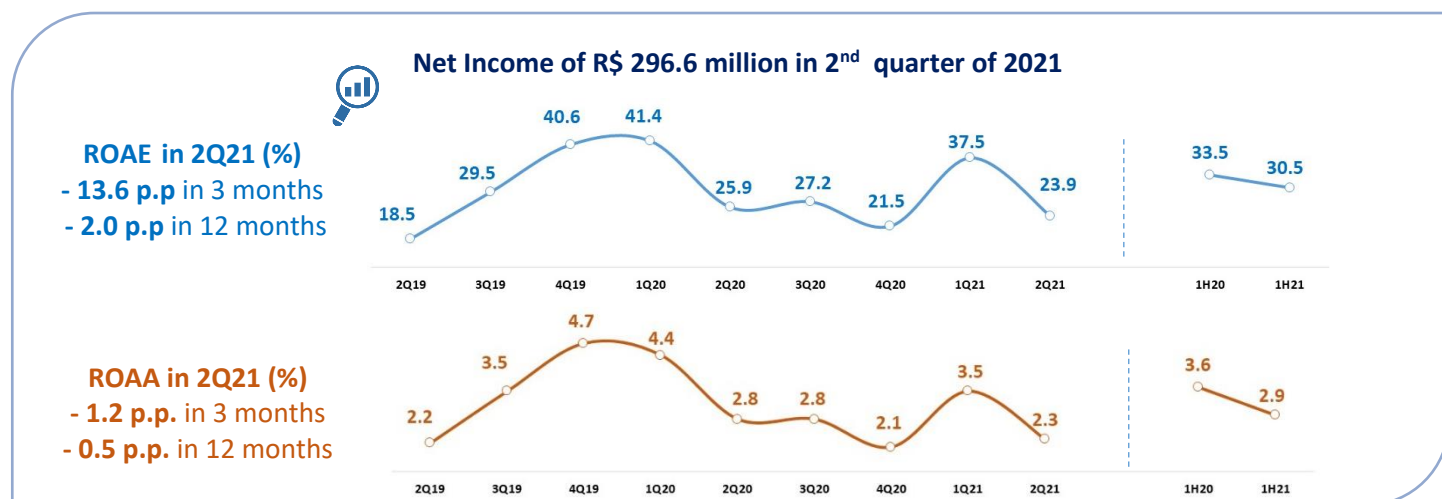
In the first six months of this year, the **Recurring Net Income** totaled R\$ 663.3 million, 15.7% higher than in the same period last year, motivated mainly by the growth of the credit portfolio in the period and the maintenance of the margins. Profitability on average shareholders' equity (Recurring ROAE) ended at 27.5% in the semester, compared to 29.3% in 1H20.

In 2Q21, **Recurring Net Income** reached R\$ 333.3 million, an increase of 1.0% compared to 1Q21 and 12.7% higher than in 2Q20.

As shown in the above table, in the Net Income for 2Q21 there was a negative impact from the mark-to-market of the hedge on external funding and credit operations in the amount of R\$ 22.0 million and of the negative exchange variation in the amount of R\$ 35.0 million on investments in subsidiaries abroad, resulting from the appreciation of the real against

the dollar in the period, and also a positive effect of R\$ 20.3 million related to the tax credit resulting from the increase in the *CSLL rate.

*The Social Contribution on Net Income rate for banks of any kind, was increased from 20% to 25% from July 1, 2021 to December 31, 2021, according to Law 14.183, of July 14, 2021. Accordingly, tax credits expected to be realized between July 1, 2021 and December 31, 2021 were constituted at the rate of 25% for the social contribution tax. At June 30, 2021, the effect of the recognition of the tax credit net of deferred liabilities with the increased rate was R\$ 19.8 million in the Bank and R\$ 424 thousand in Leasing.



Accounting Key Figures (R\$ million)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Net Income (A)	296.6	436.7	-32.1%	259.2	14.4%	733.3	655.1	11.9%
Average Shareholders' Equity (B)	4,969.1	4,663.5	6.6%	3,997.8	24.3%	4,816.3	3,908.6	23.2%
Average Assets (C)	52,016.2	49,645.3	4.8%	37,548.3	38.5%	50,830.7	36,476.7	39.4%
Return on Average Equity (ROAE) (% p.a.) (A/B)	23.9%	37.5%	-13.6 p.p	25.9%	-2.0 p.p	30.5%	33.5%	-3.0 p.p
Return on Average Asset (ROAA) (% p.a.) (A/C)	2.3%	3.5%	-1.2 p.p	2.8%	-0.5 p.p	2.9%	3.6%	-0.7 p.p

Net Income reached R\$ 296.6 million, a decrease of 32.1% over 1Q21, due to the increase in the constitution of the provision in the quarter and non-recurring impacts presented in the table of non-recurring indicators. In 1H21, Net Income was R\$ 733.3 million, an increase of 11.9% compared to 1H20. Return on average equity (ROAE) was 30.5% in the semester, 3.0 p.p. below 1H20.

In this quarter we had the negative impact of the mark-to-market of the hedge on external funding and credit operations of R\$ 22.0 million, negative exchange variation of R\$ 35.0 million on investments in subsidiaries abroad, resulting from the appreciation of the real against the dollar in the period, and the increase in the CSLL rate of R\$ 20.3 million, as mentioned above.

Adjusted and Recurring Net Interest Margin (NIM-AR)

NIM - AR of 10.0% in 2Q21
Stable in 3 months
- 1.2 p.p. in 12 months



Recurring Adjusted Net Interest Margin (NIM-AR) (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Income from Financial Intermediation Reported	1,022.0	1,173.6	-12.9%	762.8	34.0%	2,195.6	1,801.5	21.9%
Hedge/MTM - Foreign Issues and Credit Operations	(40.0)	148.2	n.a	(85.7)	-53.3%	108.2	48.1	n.a
Adjusted Income from Financial Intermediation (A)	1,062.0	1,025.4	3.6%	848.5	25.2%	2,087.4	1,753.4	19.0%
Average Remunerated Assets	46,003.7	43,800.6	5.0%	33,212.6	38.5%	44,901.7	32,644.9	37.5%
(-) Expenses of financial intermediation add back provisions	(1,842.0)	(1,420.4)	29.7%	(1,764.5)	4.4%	(1,631.2)	(2,257.5)	-27.7%
Average Remunerated Assets (B)	44,161.7	42,380.2	4.2%	31,448.1	40.4%	43,270.5	30,387.4	42.4%
Recurring Adjusted Net Interest Margin (NIM-AR) (%YoY) (A/B)	10.0%	10.0%	-	11.2%	-1.2 p.p	9.9%	11.9%	-2.0 p.p

Net Interest Margin (NIM)

Net Interest Margin (NIM) (R\$ million)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Gross Income from Financial Intermediation	1,022.00	1,173.6	-12.9%	763.2	33.9%	2,195.60	1,802.0	21.8%
Gross Income from Financial Intermediation Adjusted (A)	1,022.0	1,173.6	-12.9%	763.2	33.9%	2,195.6	1,802.0	21.8%
Average Remunerated Assets (B)	46,003.7	43,800.6	5.0%	33,212.6	38.5%	44,901.7	32,644.9	37.5%
Interbank Investments	5,108.2	4,986.0	2.5%	7,375.9	-30.7%	5,047.1	6,682.4	-24.5%
Securities and Derivatives	8,172.4	7,829.4	4.4%	3,884.9	n.a.	8,000.9	3,314.9	n.a
Lending Operation (does not include assignments)	33,370.1	31,907.6	4.6%	22,277.5	49.8%	32,638.8	22,813.2	43.1%
Trade Finance	(647.0)	(922.4)	-29.9%	(325.7)	98.6%	(785.1)	(165.6)	n.a
Net Interest Margin (NIM) (% p.a.) (A/B)	9.2%	11.2%	-2.0 p.p	9.5%	-0.3 p.p	10.0%	11.3%	-1.3 p.p

⁽¹⁾ Reclassified from other operating/expense revenues.

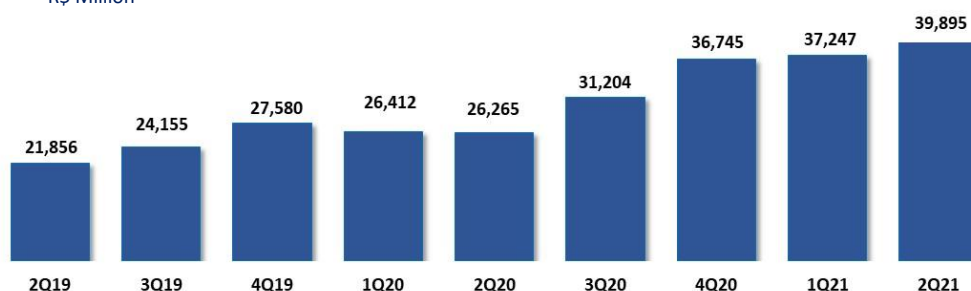
Expanded Loan Portfolio

Loan Portfolio Breakdown

2nd quarter of 2021

Companies	76.1%
Payroll Loans	20.3%
Auto Loans	3.0%
Others	0.6%

R\$ Million



Expanded Loan Portfolio (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ
Total Companies	30,359.0	28,421.8	6.8%	17,803.4	70.5%
Working Capital	6,805.8	6,710.8	1.4%	7,027.8	-3.2%
FGI PEAC	7,639.1	8,112.5	-5.8%	-	n.a
Receivables Purchase	6,643.5	4,904.7	35.5%	3,975.8	67.1%
Guaranteed Account	1,692.2	1,588.8	6.5%	1,456.6	16.2%
Trade Finance	1,931.3	1,757.6	9.9%	1,238.5	55.9%
Leasing	1,525.0	1,420.5	7.4%	1,315.1	16.0%
BNDES	146.3	154.7	-5.4%	185.4	-21.1%
Avals and Sureties	3,975.8	3,772.2	5.4%	2,604.2	52.7%
Total Payroll Loans	8,091.2	7,476.4	8.2%	7,007.1	15.5%
Payroll Loans	7,541.6	6,929.6	8.8%	6,473.8	16.5%
Payroll Card	549.6	546.8	0.5%	533.3	3.1%
Total Auto Loans/Other	1,209.5	1,162.6	4.0%	1,141.8	5.9%
Total Home Equity	89.2	73.1	22.0%	57.5	55.1%
Corporate Securities - Debentures	146.2	113.4	28.9%	254.7	-42.6%
Total Expanded Loan Portfolio	39,895.1	37,247.3	7.1%	26,264.5	51.9%

The Expanded Loan Portfolio continues to evolve steadily, up 7.1% in the quarter and 51.9% higher year-over-year. All segments showed an expansion of the balance, with the highlight being the acceleration of the corporate portfolio, driven by the purchase of credit rights and foreign trade products. In the individuals portfolio, we can highlight Payroll Loans, which returned to pre-pandemic origination levels.

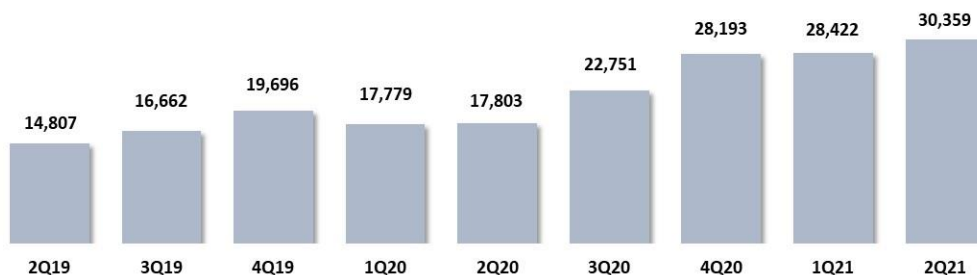
As of this quarter, we started to include in the Expanded Credit Portfolio in the Corporate Securities - Debentures line, mostly aimed at Large Companies (these are securities issued by companies to use the funds in their projects). For the issuing company, the advantage of offering these bonds is in raising funds and scheduling the bond payment according to its cash flow.

Companies Portfolio

R\$ 30.4 bilhões

+ 6.8% in 3 months
+ 70.5% in 12 months

R\$ million

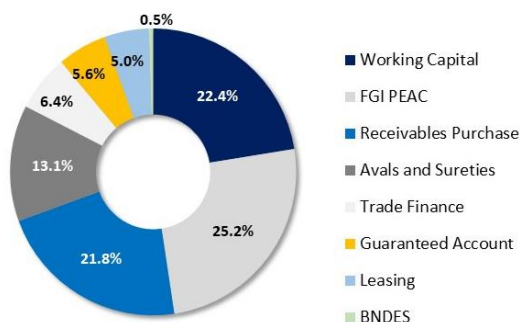


Credit to Companies Breakdown (R\$ mn)

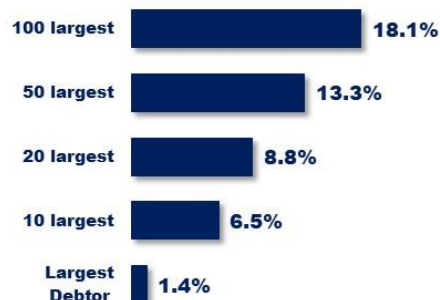
	2Q21	1Q21	Δ	2Q20	Δ
Working Capital	6,805.8	6,710.8	1.4%	7,027.8	-3.2%
FGI - PEAC	7,639.1	8,112.5	-5.8%	-	-
Receivables Purchase	6,643.5	4,904.7	35.5%	3,975.8	67.1%
Guaranteed Account	1,692.2	1,588.8	6.5%	1,456.6	16.2%
Trade Finance	1,931.3	1,757.6	9.9%	1,238.5	55.9%
Leasing	1,525.0	1,420.5	7.4%	1,315.1	16.0%
BNDES	146.3	154.7	-5.4%	185.4	-21.1%
Avals and Sureties	3,975.8	3,772.2	5.4%	2,604.2	52.7%
Total Companies	30,359.0	28,421.8	6.8%	17,803.4	70.5%

This credit concentration has remained at the same level over the last 5 years

Breakdown by Product



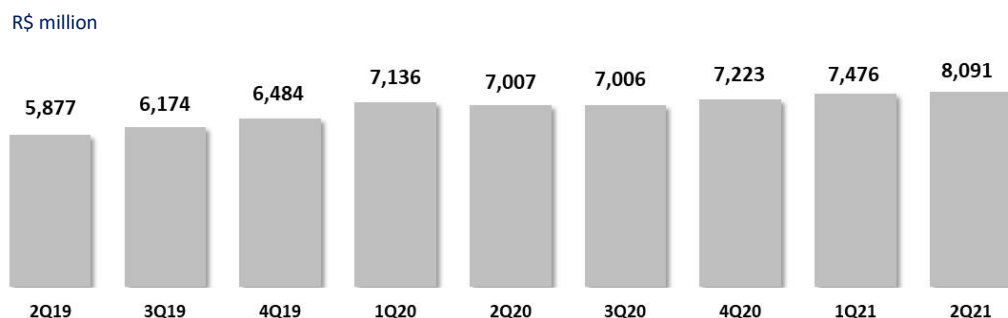
Client Concentration (%)



Payroll Loans

R\$ 8.1 billion in 2Q21

+ 8.2% in 3 months
+ 15.5% in 12 months

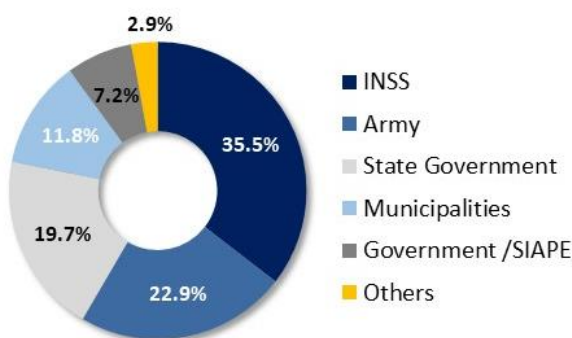


The Payroll-deductible loan line ended 2Q21 with a balance of R\$ 8.1 billion, an increase of 8.2% in the quarter and up 15.5% versus the same period in 2020. The payroll card portfolio totaled R\$ 549.6 million in 2Q21, flat for the quarter.

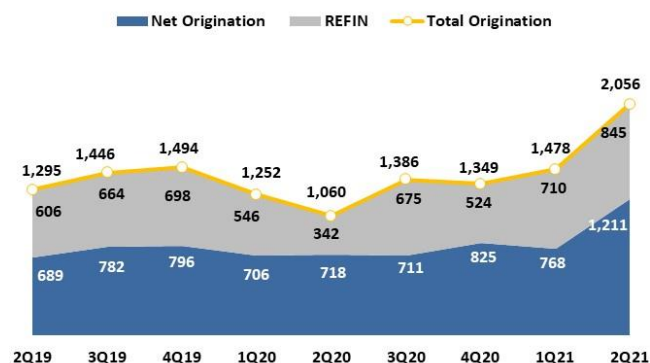
In 2Q21, we originated R\$ 2.1 billion, 59% which was net origination and 41% from REFIN.

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 2Q21, R\$ 551.3 million was originated through this channel.

Distribuição da Carteira (%)



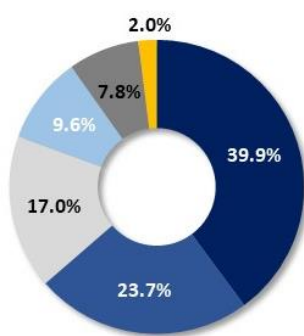
Originação



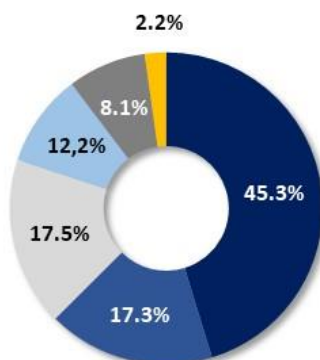
In the graphs below we demonstrate Refinancing, where the client (public servant / INSS retiree) has the primary loan settled with the Bank and is given a new loan. The Bank adopted this strategy to focus more on the product's margin.

Origination Breakdown

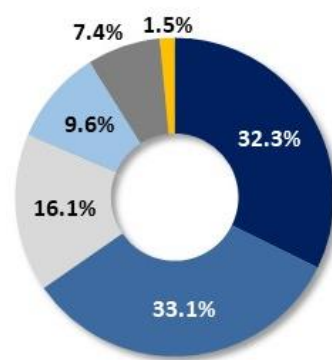
Total Origination



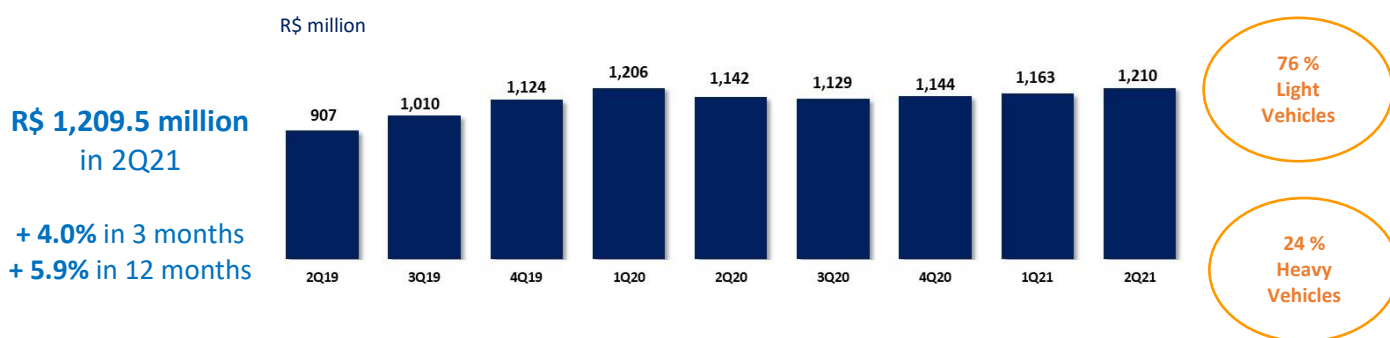
Net Origination



Refinancing Origination



Auto Loans



The vehicles portfolio continues to grow sustainably and is returning to the pre-pandemic level. In 2Q21 it ended the quarter with a balance of R\$ 1.2 billion, up 4.0% in the quarter and 5.9% in the last 12 months. We reached R\$ 183.5 million of origination in this quarter. Our performance continues to be supported by the + businesses platform, which delivers the best client journey experience.

Light vehicles continue to represent the largest share in the portfolio in relation to heavy vehicles, at 76% of the portfolio in 2Q21.

Total Origination

Average age of the Vehicles

12 years

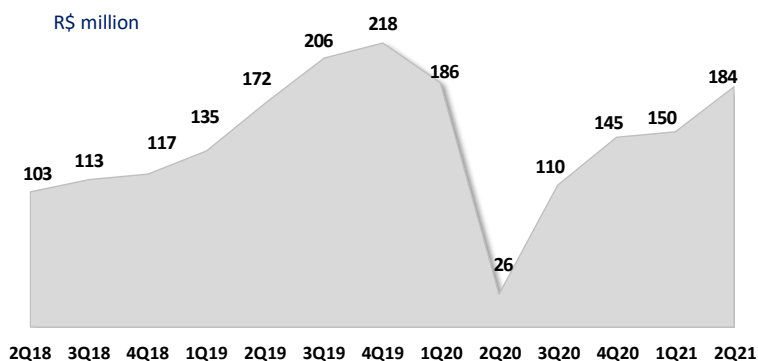


Average Ticket
R\$ 9.8 thousand



Average Plan

42 months



CGI – Home Equity

R\$ 89.2 million
in 2Q21

+ 22.0 % in 3 months
+ 55.1 % in 12 months

Advantages



- ✓ Credit limit from R\$ 50,000 to R\$ 1 million;
- ✓ Credit equivalent to up to 60% of the property; and
- ✓ 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.

Private Securities – Debentures

As of this quarter, we started to include in the Expanded Credit Portfolio the line of Private Bonds - Debentures (bonds issued by companies so that they can use these funds in their projects). For the Company, the advantage of offering these bonds is in raising funds and scheduling the bond maturities according to its cash flow.

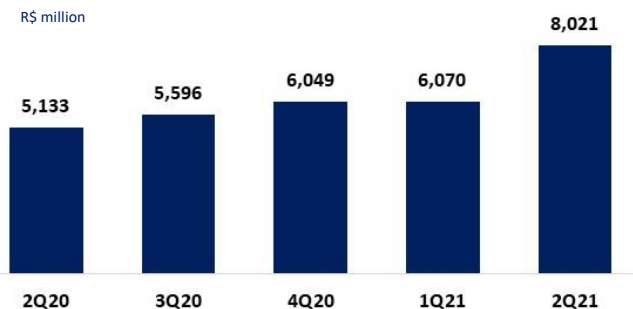
This line ended 2Q21 with a balance of R\$ 146.2 million.

Daycoval ASSET MANAGEMENT



- ✓ **R\$ 8.0 billion of Assets Under Management and Administration**
- ✓ **Management of 69 funds**
- ✓ **+ de 35 thousand of investors**

R\$ million



Daycoval Asset Management serves clients seeking sophisticated solutions aligned with their investment profile. It accomplishes this through a number of types of investment funds and differentiated products and services, such as portfolio management. In 2Q21, it ended with total assets under management of R\$ 8,021.1 million.

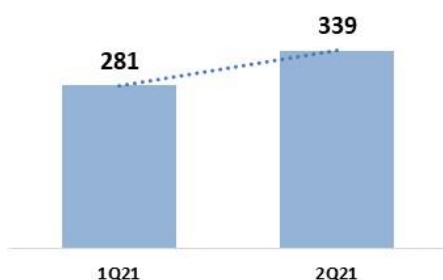
Currently, it manages 69 funds including: Multimarket Funds, Fixed Income Funds, Equity Funds, Participation Funds (“FIPs”), FIDCs Real Estate Fund, as well a Managed Portfolio.

Asset is comprised of a specialized team of 19 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 2Q21, the amount of Custodial and Administration services (including through Daycoval Asset) reached R\$ 38.9 billion.

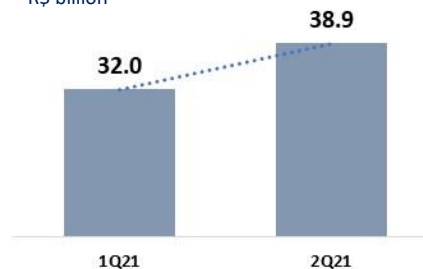
Number of Funds*



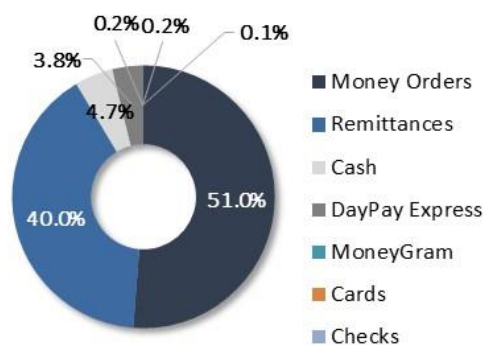
* Includes Investment Clubs and Managed Portfolio.

Amount of Custodial, Management and Administration Services

R\$ billion



Product Mix (%)

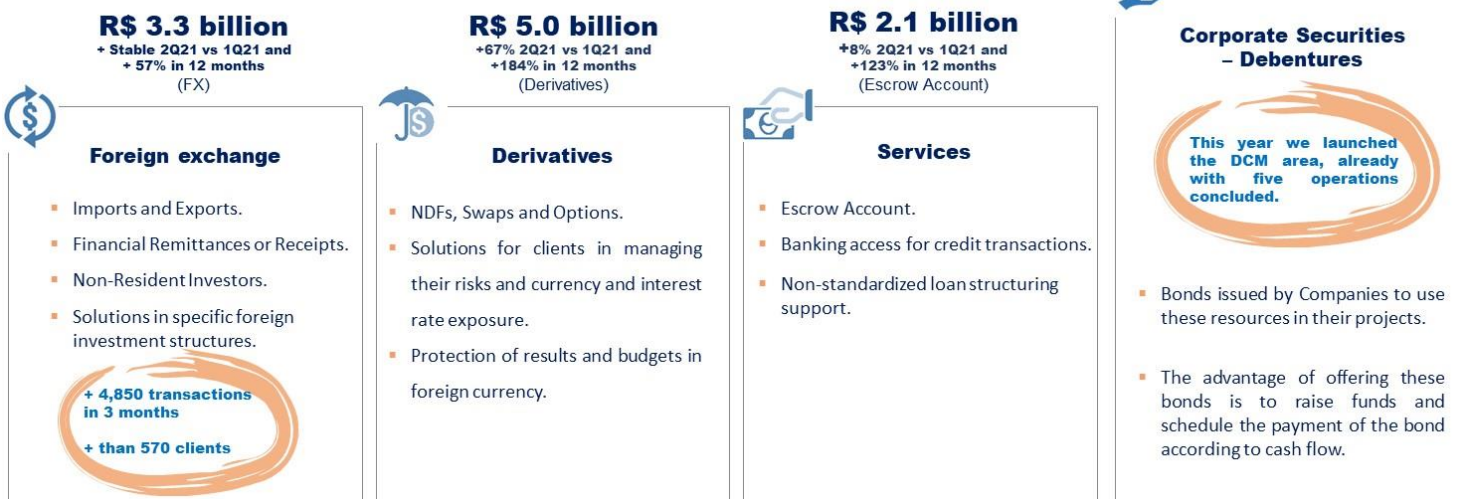


- ✓ + R\$ 3.4 billion transacted in 2Q21 versus R\$ 3.1 billion in 1Q21 and R\$ 6.5 billion in 1H21 versus R\$ 4.1 billion in 1H20;
- ✓ + 0.8 million operations in 2Q21 and 1Q21 and 1.6 million in 1H21 versus 2.4 million in 1H20;
- ✓ 168 Service Points;
- ✓ Remittance operations leveraged the volumes traded and the number of operations. The other products saw reductions in volume due to the effects of the Covid-19 pandemic.
- ✓ New DayPay Express Product – Sending money with Daypay and receiving it at a Western Union location.

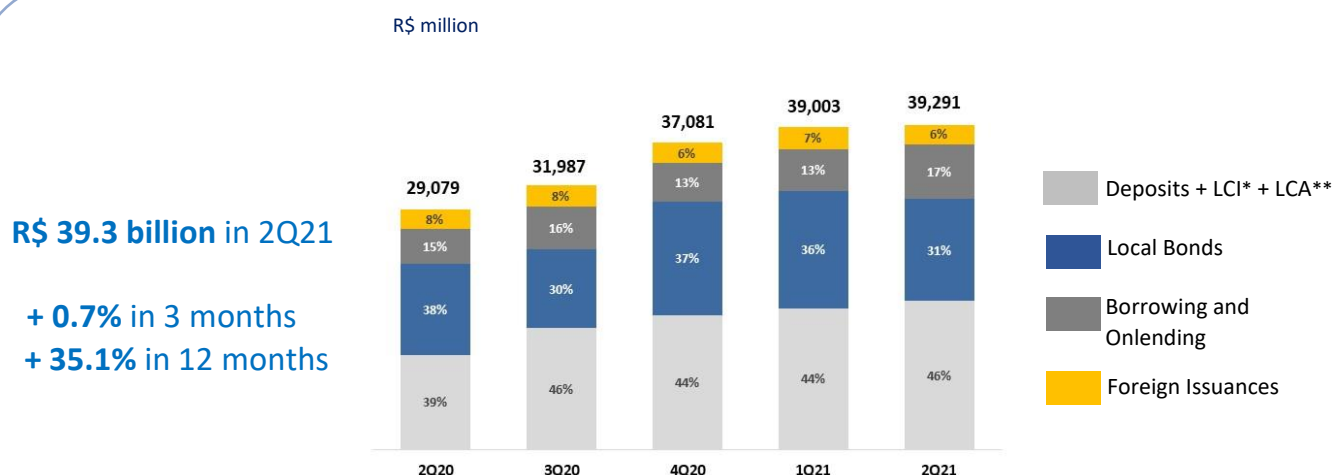
Treasury Products and Services for Companies

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 2Q21 by modality



Funding



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

Total Funding (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ
Total Deposits	17,946.7	17,046.4	5.3%	11,415.6	57.2%
Deposits	14,592.7	14,473.2	0.8%	9,590.9	52.2%
Letters of Credit (LCI* + LCA**)	3,354.0	2,573.2	30.3%	1,824.7	83.8%
Local Bonds (Letras Financeiras)	12,379.2	14,223.5	-13.0%	11,042.8	12.1%
Private Offerings	7,959.0	7,276.1	9.4%	5,854.9	35.9%
Public Offerings	1,494.7	1,797.9	-16.9%	2,305.6	-35.2%
Guaranteed Financial Bills	2,465.9	4,687.3	-47.4%	2,427.9	1.6%
Subordinated + Perpetual Local Bonds	459.6	462.2	-0.6%	454.4	1.1%
Foreign Borrowing and Onlending	6,629.3	5,100.0	30.0%	4,209.9	57.5%
Foreign borrowings	6,483.6	4,946.4	31.1%	4,026.0	61.0%
Domestic onlendings	145.7	153.6	-5.1%	183.9	-20.8%
Foreign Issuances	2,335.3	2,632.6	-11.3%	2,410.5	-3.1%
Total	39,290.5	39,002.5	0.7%	29,078.8	35.1%

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

Client funding totaled R\$ 39.3 billion in June 30, 2021, an increase of 0.7% compared to the previous quarter and of 35.1% compared to the previous year. The growth of the last 12 months was evidenced in practically all lines, reflecting the movement observed over the period of migration from investors' funds to more stable instruments.

In 2Q21, Daycoval obtained a US\$ 400.0 million loan from the IFC and syndicate of banks to provide working capital financing lines to small and medium-sized companies, including women-owned businesses, and to disadvantaged regions in Brazil.

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.

The funding of Local Bonds (Letras Financeiras) reached a balance of R\$ 12.4 billion in 2Q21, a reduction of 13.1% compared to 1Q21 and growth of 12.1% in the last 12 months. In this quarter there was a pre-payment of part of the Guaranteed Financial Bills, motivated by the higher rate, adjustment of the average term and the strategy of lengthening the maturities.

In the case of public Local Bonds, we had some small issues under ICVM 8 and with the maturities of previous issuances. On the other hand, we have perceived higher demand for private placements, which ended the quarter with a 9.4% increase and 35.9% growth in the last 12 months.

We ended the quarter with free cash of R\$ 7.5 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.

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	AA.br	Stable
Fitch Ratings ²	BB-	BB-	AA(bra)*	Negative
Standard & Poors ³	BB-	BB-	brAA+	Stable
RISKbank ⁴	BRLP 3 Low Risk for Long Term (up to 5 years) - negative			

Date : 1 – Global rating (Jun/21), National Rating (Jul/21), 2 and 4 – Jun/21, 3 – Jan/21.

* Outlook stable for National Rating.

Sovereign Rating

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

Asset and Liability Management



Positive Gap of 179 days

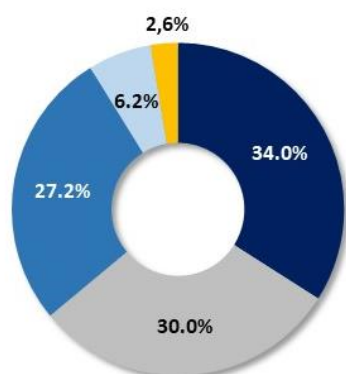
Loan Portfolio by Segment	Average term to Maturity ⁽¹⁾ days	Funding	Average term to Maturity ⁽¹⁾ days
Companies	171	Total Deposits	147
FGI - Peac	503	Interbank Deposits	113
Trade Finance	131	Local Bonds (letras financeiras)	650
Payroll Loans	587	LCA (Letter of Credit Agribusiness)	292
Auto Loans	468	LCM (Letter Home Mortgage)	279
Leasing	518	DPGE (Guaranteed Time-Deposit Asset)	364
BNDÉS	485	Bonds	1,175
		Borrowing and Onlending	400
		BNDÉS	494
Total Loan Portfolio	367	Total Funding	546

(1) From June 30, 2021

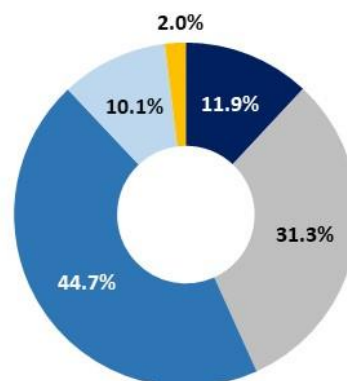
(1) From June 30, 2021

Maturity Of Operations

Loan Portfolio



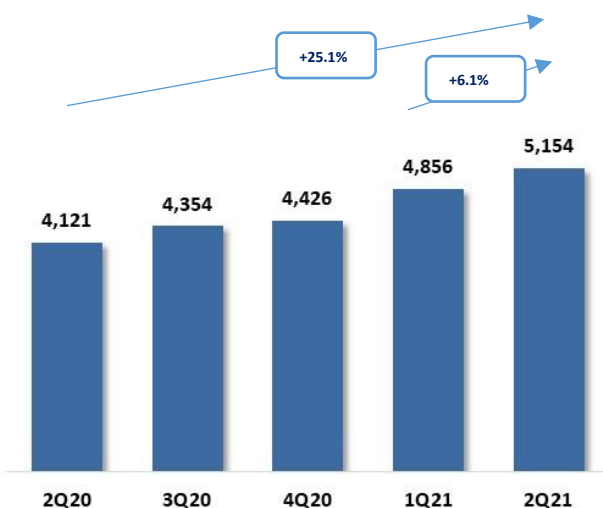
Funding



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

Shareholders' Equity

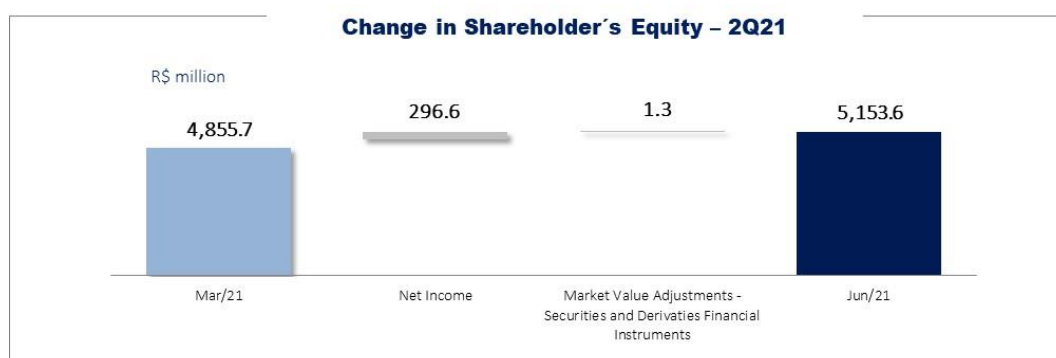
R\$ million



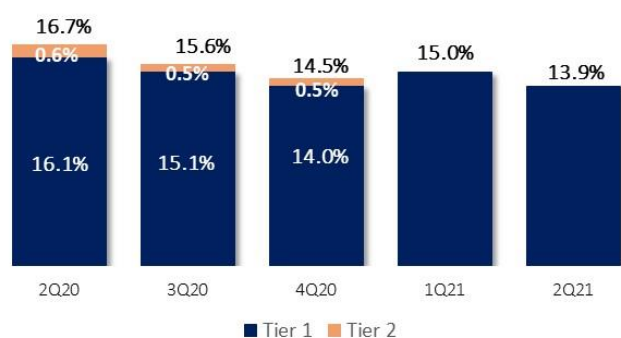
Calculation of Regulatory Capital (R\$ mn)

	2Q21
Regulatory Capital	5,600.3
Regulatory Capital – Tier I	5,600.3
Principal Capital	5,140.7
Equity	5,153.6
Prudential adjustment - Bacen Resolution 4.192/13	(12.9)
Complementary capital	459.6
Perpetual financial bills	459.6
Minimum required capital (RWA x 8%)	3,223.5
Basel ratio - Total	13.9%
Basel ratio - Tier I	13.9%

Change in Shareholder's Equity – 2Q21



Basel Ratio 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 requires banks installed in the country to observe the minimum percentage of 8.0% plus 1.625% of the "ACP conservation" capital surcharge, calculated based on the rules of the Basel III Agreement.

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.

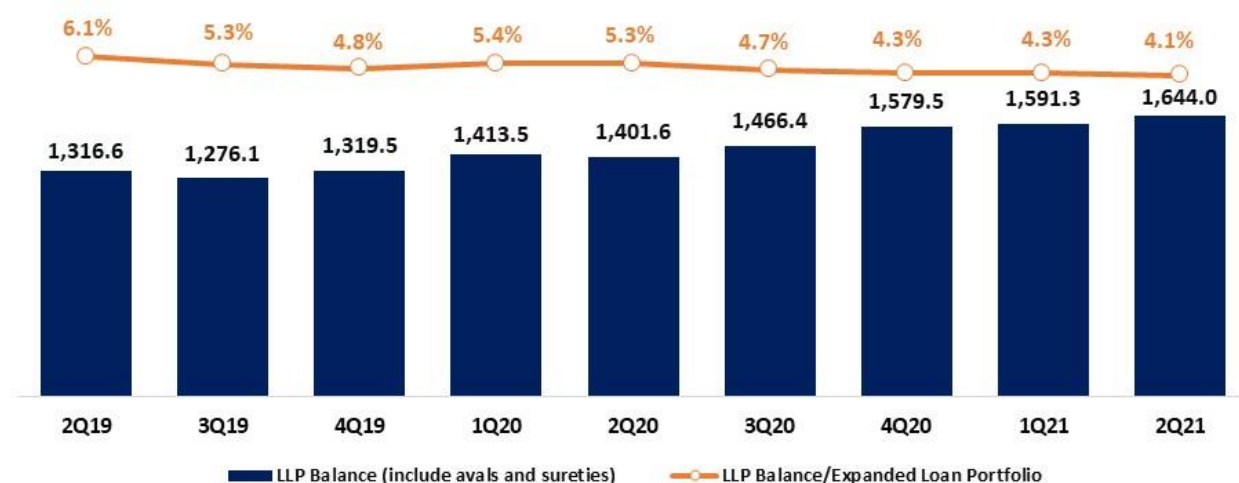
Banco Daycoval - R\$ mn

Rating	Required Provision	Loans	%	Provision*	
AA	0.0%	7,537.6	18.9%	26.9	96,3% entre AA e C
A	0.5%	12,353.4	31.0%	109.2	
B	1.0%	16,493.2	41.3%	466.4	
C	3.0%	2,016.0	5.1%	167.1	
D	10.0%	525.4	1.3%	96.4	
E	30.0%	178.9	0.4%	83.4	
F	50.0%	144.7	0.4%	72.3	
G	70.0%	78.7	0.2%	55.1	
H	100.0%	567.2	1.4%	567.2	
Total Portfolio		39,895.1	100.0%	1,644.0	
Total Provision/ Portfolio				4.1%	

(*) Includes Avals and Sureties in the amount of R\$ 3,975.8 in the portfolio and R\$ 46.9 million in provision in 2Q21.

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, which totaled 96.3% of the overall loan portfolio in 2Q21. The balance of the allowance for doubtful loans represented 4.1% of the loan portfolio, a reduction of 0.2 p.p. compared to 1Q21.

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



2Q21

Companies			FGI -Peac		Payroll		Vehicles and Others		C.G.I	
Rating	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision	Portfolio	Provision
AA - C	22,298.0	361.2	7,513.1	186.9	7,532.8	167.3	969.8	51.6	86.5	2.6
D	266.4	48.2	46.4	8.6	75.7	14.1	135.6	25.4	1.4	0.3
E	69.3	31.8	22.5	10.6	49.1	23.1	37.9	17.8	0.1	-
F	55.0	27.5	32.8	16.4	40.3	20.2	16.4	8.2	0.1	-
G	11.6	8.1	7.4	5.2	49.0	34.2	10.6	7.4	0.1	1.0
H	165.9	165.9	16.9	16.9	344.3	344.3	39.1	39.1	1.0	0.1
Total	22,866.2	642.7	0.0	0.0	8,091.2	603.2	1,209.4	149.5	89.2	4.0
LLP Balance/ Loans		2.8%		0.0%		7.5%		12.4%		4.5%

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%		5.6%

Expanded Credit Portfolio Quality

Overview of Quality of Expanded Loan Portfolio (R\$ million)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Expanded Loan Portfolio	39,895.1	37,247.9	7.1%	26,264.8	51.9%	39,895.1	26,264.8	51.9%
Establishment of Provision (*)	161.3	101.6	58.8%	101.4	59.1%	262.9	259.8	1.2%
LLP Balance	1,644.0	1,591.3	3.3%	1,401.6	17.3%	1,644.0	1,401.6	17.3%
Final Balance Loan E-H	969.5	942.5	2.9%	877.3	10.5%	969.5	877.3	10.5%
Overdue Loans more than 14 days past due	270.8	285.0	-5.0%	289.8	-6.6%	270.8	289.8	-6.6%
Overdue Loans more than 60 days past due (**)	746.1	709.9	5.1%	679.9	9.7%	746.1	679.9	9.7%
Overdue Loans more than 90 days past due (**)	627.8	611.1	2.7%	507.9	23.6%	627.8	507.9	23.6%
Credit Ratios - (%)								
Final Balance LLP/Loan Portfolio	4.1%	4.3%	-0.2 p.p	5.3%	-1.2 p.p	4.1%	5.3%	-1.2 p.p
Final Balance Loan E-H/Loan Portfolio	2.4%	2.5%	-0.1 p.p	3.3%	-0.9 p.p	2.4%	3.3%	-1.0 p.p
Overdue Loans more than 60 days past due / Loan Portfolio	1.9%	1.9%	0.0 p.p	2.6%	-0.7 p.p	1.9%	2.6%	-0.7 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	1.6%	1.6%	0.0 p.p	1.9%	-0.3 p.p	1.6%	1.9%	-0.4 p.p
Coverage Ratios - (%)								
Final Balance LLP / Overdue Loans more than 14 days past due	607.1%	558.4%	48.7 p.p	483.6%	123.5 p.p	607.1%	483.6%	123.5 p.p
Final Balance LLP / Overdue Loans more than 60 days past due	220.3%	224.2%	-3.9 p.p	206.1%	14.2 p.p	220.3%	206.1%	14.2 p.p
Final Balance LLP / Overdue Loans more than 90 days past due	261.9%	260.4%	1.5 p.p	276.0%	-14.1 p.p	261.9%	276.0%	-14.1 p.p
Final Balance LLP / Loan E-H	169.6%	168.8%	0.8 p.p	159.8%	9.8 p.p	169.6%	159.8%	9.8 p.p
Write-offs R\$ (mn)	(108.0)	(90.2)	19.7%	(116.6)	-7.4%	(198.2)	(195.2)	1.5%
Companies Recovered Loans	21.8	21.6	0.9%	4.0	445.0%	43.4	13.0	233.8%
Retail Recovered Loans	17.1	13.0	31.5%	11.4	50.0%	30.1	22.1	36.2%

(*) Includes avals and sureties.

(**) falling due installments

The balance of the provision for loan losses closed 2Q21 at R\$ 1,644.0 million, up 3.3% in the quarter. The Additional LLP balance was R\$556.1 million

LLP Changes

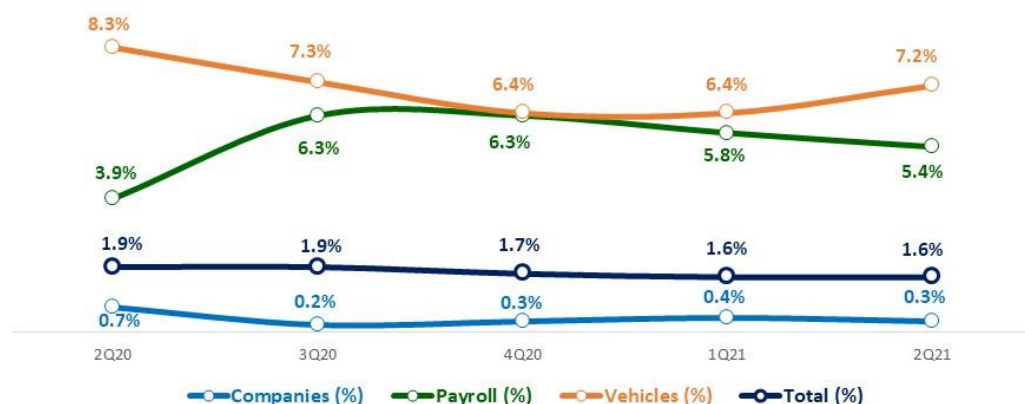
LLP (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Balance at the Beginning of the Period	1,591.3	1,579.5	0.7%	1,413.6	12.6%	1,579.5	1,319.5	19.7%
Establishment of Provision	161.3	101.6	58.8%	101.4	59.1%	262.9	259.8	1.2%
Companies	33.4	7.8	n.a	36.1	-7.5%	41.2	55.8	-26.2%
FGI - PEAC	5.1	14.2	-64.1%	0.0	n.a.	19.3	0.0	n.a.
Avals and Sureties	2.6	(0.5)	n.a	2.3	13.0%	2.1	7.4	-71.6%
Payroll	97.6	61.4	59.0%	57.0	71.2%	159.0	127.4	24.8%
Auto/Other	22.0	18.9	16.4%	8.3	n.a.	40.9	84.4	-51.5%
Property Guaranteed Credit	-	0.2	n.a	1.2	n.a.	0.2	2.3	-91.3%
Exchange Variation	0.6	(0.4)	n.a	(3.5)	n.a.	0.2	(17.5)	n.a.
Write-offs	(108.0)	(90.2)	19.7%	(116.9)	-7.6%	(198.2)	(195.2)	1.5%
Companies	(49.2)	(14.9)	n.a	(66.4)	-25.9%	(64.2)	(99.3)	-35.3%
Retail	(58.8)	(75.3)	-21.9%	(50.5)	16.4%	(134.0)	(95.9)	39.7%
Final Balance LLP*	1,644.0	1,591.3	3.3%	1,401.6	17.3%	1,644.0	1,401.6	17.3%

(*) Includes Avals and Sureties in the amount of R\$ 46.9 million in 2Q21 and R\$ 44.3 million for 1Q21.

Loans Overdue by more than 90 days

The default rate of over 90 days reached 1.6% in 2Q21, stable compared to 1Q21 and down 0.3 p.p. compared to the same period of last year. Our quality indicators remain at comfortable levels.

NPLs | 90 days



Loans Overdue for more than 14 and for more than 60 days

Loans more than 14 days past due decreased 5.0% during the quarter and declined 6.6% in the last 12 months; part of this result stemming from the improvement of new entrants. Loans overdue by more than 60 days ended 2Q21 with an increase of 5.1% versus 1Q21 and 9.7% above 2Q20, showing a possible improvement in next quarter's indicators.

Coverage Index

The coverage index for loans overdue more than 90 days reached 261.9% in 2Q21, demonstrating the soundness of the balance sheet in view of the current macroeconomic situation. The balance of the E-H portfolio ended 2Q21 at R\$ 969.5 million, 2.9% higher compared to 1Q21 and 10.5% over the same period of last year. The provision index for doubtful loans divided by the E-H Portfolio reached 169.6%, an increase of 0.8 p.p. compared to 1Q21. 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.

NLPs by Segment

Companies Overdue Loans (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ
Overdue Loans more than 14 days past due	62.8	79.1	-20.6%	113.5	-44.7%
Overdue Loans more than 60 days past due (*)	134.0	120.8	10.9%	169.8	-21.1%
Overdue Loans more than 90 days past due (*)	98.8	100.8	-2.0%	132.3	-25.3%
Credit Ratios - (%)					
Final Balance LLP/Companies Portfolio (%)	2.9%	3.1%	-0.2 p.p	4.5%	-1.6 p.p
Overdue Loans more than 14 days past due / Companies Portfolio	0.2%	0.3%	-0.1 p.p	0.6%	-0.4 p.p
Overdue Loans more than 60 days past due / Companies Portfolio	0.4%	0.4%	0.0 p.p	1.0%	-0.6 p.p
Overdue Loans more than 90 days past due / Companies Portfolio	0.3%	0.4%	-0.1 p.p	0.7%	-0.4 p.p
Coverage Ratios - (%)					
LLP Balance / Overdue Loans > 60 days (%)	662.3%	741.3%	-79.0 p.p	466.7%	195.6 p.p
LLP Balance / Overdue Loans > 90 days (%)	898.0%	888.1%	9.9 p.p	598.9%	299.1 p.p

(*) Installments falling due

Payroll Overdue Loans (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ
Overdue Loans more than 14 days past due	169.7	169.4	0.2%	136.3	24.5%
Overdue Loans more than 60 days past due (*)	489.8	481.1	1.8%	375.3	30.5%
Overdue Loans more than 90 days past due (*)	439.0	432.7	1.5%	274.8	59.7%
Credit Ratios - (%)					
Final Balance LLP/Payroll Portfolio (%)	7.5%	7.3%	0.2 p.p	6.3%	1.2 p.p
Overdue Loans more than 14 days past due / Payroll Portfolio	2.1%	2.3%	-0.2 p.p	1.9%	0.2 p.p
Overdue Loans more than 60 days past due / Payroll Portfolio	6.1%	6.4%	-0.3 p.p	5.4%	0.7 p.p
Overdue Loans more than 90 days past due / Payroll Portfolio	5.4%	5.8%	-0.4 p.p	3.9%	1.5 p.p
Coverage Ratios - (%)					
LLP Balance / Overdue Loans > 60 days (%)	123.2%	114.1%	9.1 p.p	116.9%	6.3 p.p
LLP Balance / Overdue Loans > 90 days (%)	137.4%	126.9%	10.5 p.p	159.6%	-22.2 p.p

(*) Installments falling due

Auto Overdue Loans + Others (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ
Overdue Loans more than 14 days past due	38.0	36.1	5.3%	39.4	-3.6%
Overdue Loans more than 60 days past due (*)	118.8	104.1	14.1%	127.7	-7.0%
Overdue Loans more than 90 days past due (*)	86.6	74.2	16.7%	94.2	-8.1%
Credit Ratios - (%)					
Final Balance LLP/Auto Loans Portfolio (%)	12.4%	12.3%	0.1 p.p	14.5%	-2.1 p.p
Overdue Loans more than 14 days past due / Auto Loans Portfolio + Others	3.1%	3.1%	0.0 p.p	3.5%	-0.4 p.p
Overdue Loans more than 60 days past due / Auto Loans Portfolio + Others	9.8%	9.0%	0.8 p.p	11.2%	-1.4 p.p
Overdue Loans more than 90 days past due / Auto Loans Portfolio + Others	7.2%	6.4%	0.8 p.p	8.3%	-1.1 p.p
Coverage Ratios - (%)					
LLP Balance / Overdue Loans > 60 days (%)	125.8%	136.9%	-11.1 p.p	129.4%	-3.6 p.p
LLP Balance / Overdue Loans > 90 days (%)	172.6%	192.1%	-19.5 p.p	175.5%	-2.9 p.p

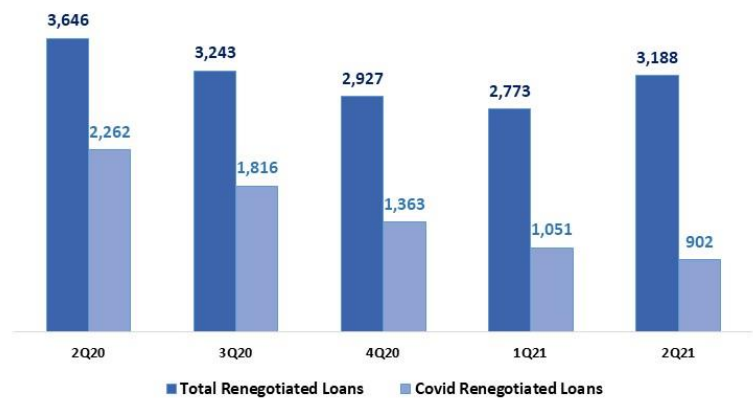
(*) Installments falling due

Renegotiation Portfolio

Renegotiated credit operations totaled R\$ 3.2 billion in 2Q21, which includes R\$ 0.9 billion related to renegotiated operations due to the circumstances involving the Covid-19 pandemic.

For more information, see explanatory note 9.f of the ITR of 2Q21.

Renegotiated Loans R\$ million



2Q21 – Renegotiated Loans

R\$ million

Covid Renegotiated - 2Q21

Rating	Companies	Retail	Total	%
AA	118.0	0.0	118.0	13.1%
A	130.5	4.2	134.7	14.9%
B	328.9	48.8	377.7	41.9%
C	44.6	102.7	147.3	16.3%
D	22.7	46.5	69.2	7.7%
E	8.1	5.9	14.0	1.6%
F	3.7	3.9	7.6	0.8%
G	0.3	2.6	2.9	0.3%
H	20.7	9.4	30.1	3.3%
Total	677.5	224.0	901.5	100.0%

1Q21 – Renegotiated Loans

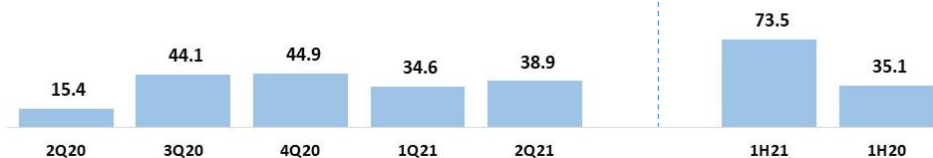
R\$ million

Covid Renegotiated - 1Q21

Rating	Companies	Retail	Total	%
AA	120.5	0.0	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	100.0%

Recovered Loans

R\$ million



Recovered Loans (R\$ million)

	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Companies Recovered Loans	21.8	21.6	0.9%	4.0	n.a	43.4	13.0	n.a
Retail Recovered Loans	17.1	13.0	31.5%	11.4	50.0%	30.1	22.1	36.2%

Financial Performance

Income from Financial Intermediation (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Loans Operations	1,211.7	1,229.8	-1.5%	988.4	22.6%	2,441.5	2,137.8	14.2%
Companies Portfolio	652.5	706.6	-7.7%	455.0	43.4%	1,359.1	1,056.3	28.7%
Payroll	429.4	400.0	7.3%	415.1	3.4%	829.4	838.5	-1.1%
Auto/Other	83.0	79.7	4.1%	78.9	5.2%	162.7	163.7	-0.6%
Direct Credit to Consumer	0.2	0.1	n.a.	1.4	-85.7%	0.3	1.5	-80.0%
Leasing Operation Result	46.6	43.4	7.4%	38.0	22.6%	90.0	77.8	15.7%
Securities Operations Result	65.9	37.5	75.7%	27.7	n.a.	103.4	83.3	24.1%
Derivatives result ⁽¹⁾	(1,159.0)	754.2	n.a.	259.4	n.a.	(404.8)	1,555.0	n.a.
Operations linked to repurchase commitments and interbank deposits	19.0	16.3	16.6%	42.0	-54.8%	35.3	71.8	-50.8%
Foreign Exchange Operations	147.7	(46.1)	n.a.	(14.5)	n.a.	101.6	30.7	n.a.
Sales or Transfer Financial Asset Operations	0.8	0.8	0.0%	0.9	-11.1%	1.6	1.9	-15.8%
Income from Financial Intermediation (A)	286.1	1,992.5	-85.6%	1,303.9	-78.1%	2,278.6	3,880.5	-41.3%
Funding Operations ⁽²⁾	31.4	(406.7)	n.a.	(314.3)	n.a.	(375.3)	(1,019.6)	-63.2%
Borrowings and Onlendings Operations ⁽³⁾	705.4	(412.2)	n.a.	(226.4)	n.a.	293.2	(1,059.2)	n.a.
Loan Loss Provision (LLP)	(161.4)	(101.6)	58.9%	(101.4)	59.2%	(263.0)	(259.8)	1.2%
Expenses on Financial Intermediation (B)	575.4	(920.5)	n.a.	(642.1)	n.a.	(345.1)	(2,338.6)	-85.2%
Gross Income from Financial Intermediation (A-B)	861.5	1,072.0	-19.6%	661.8	30.2%	1,933.5	1,541.9	25.4%
Hedge MTM - Foreign Issues and Credit Operations	(22.0)	148.2	n.a.	(85.7)	-74.3%	59.5	41.9	42.0%
Adjusted Gross Income from financial intermediation	883.5	1,072.0	-19.6%	661.8	30.2%	1,933.5	1,541.9	25.4%
(1) Foreign Exchange Variation without Foreign Issues	(1,207.0)	791.7		286.2		(415.3)	1,565.7	
(2) Foreign Exchange Variation without Borrowings abroad	367.9	1,072.0		(124.8)		142.6	(628.8)	
(3) Reclassified from other operating/expenses revenues.	711.9	148.2		(183.1)		386.1	(1,043.2)	

In 2Q21, revenues from credit operations reached R\$ 1,211.7 million, 1.5% lower than in 2Q21 and 22.6% higher than in the last 12 months due to the maintenance of margins and loan portfolio growth.

The line of credit operations for Companies ended 2Q21 with revenue of R\$ 652.5 million, a decrease of 7.7% in the quarter and an increase of 43.4% versus 2Q20, driven by the growth that occurred during 2020 and 1H21. The Payroll-deductible loan line closed the quarter with revenues of R\$ 429.4 million, up 7.3% compared to 1Q21 and 3.4% in 12 months. The vehicles line closed 2Q21 with a balance of R\$ 83.0 million, an increase of 4.1% during the quarter.

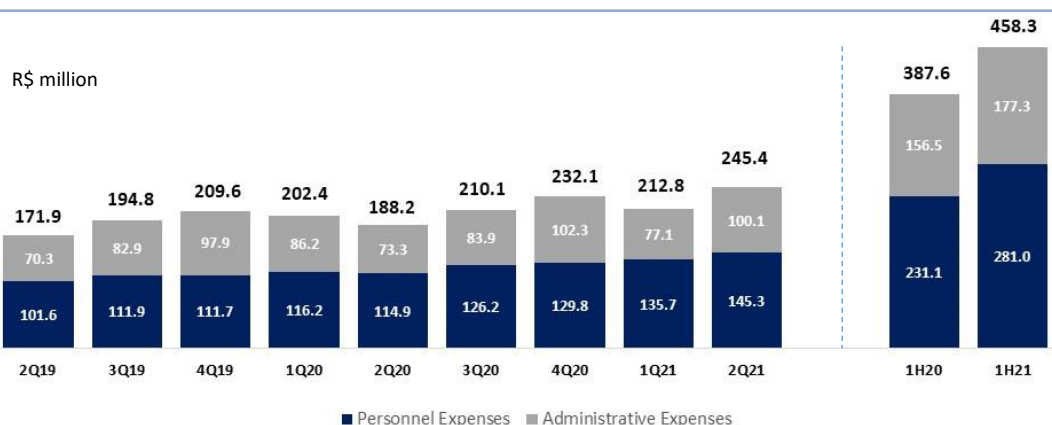
Leasing operations ended the quarter with a balance of R\$ 46.6 million, a 7.4% increase compared to 1Q21 and 22.6% growth in the last 12 months.

Expenses for market funding, borrowing and onlending totaled R\$ 736.8 million in the quarter.

Gross Income from Financial Intermediation ended the quarter with a balance of R\$ 861.5 million. Excluding the effect of the MTM adjustment of the hedge of the overseas issues and credit operations, the gross result of the adjusted financial intermediation was R\$ 883.5 million in 2Q21.

The result from derivatives was a negative R\$1,159.0 million in 2Q21, including a negative R\$1,207.0 million from hedge. Excluding this last effect, the result from derivatives was R\$48.0 million positive in 2Q21 versus R\$37.5 million negative in 1Q21.

Administrative and Personnel Expenses



Personnel and Administrative Expenses (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Personnel Expenses	(145.3)	(135.7)	7.1%	(114.9)	26.5%	(281.0)	(231.1)	21.6%
Administrative Expenses	(100.1)	(77.1)	29.8%	(73.3)	36.6%	(177.3)	(156.5)	13.3%
Personnel and Administrative Expense	(245.4)	(212.8)	15.3%	(188.2)	30.4%	(458.3)	(387.6)	18.2%
Commission Expenses (Total)	(93.5)	(65.5)	42.7%	(35.1)	166.4%	(158.9)	(97.6)	62.8%
Payroll	(81.5)	(55.3)	47.4%	(31.7)	157.1%	(136.7)	(80.7)	69.4%
Auto Loans	(11.7)	(10.0)	17.0%	(3.4)	244.1%	(21.7)	(16.7)	29.9%
Home Equity	(0.3)	(0.2)	50.0%	0.0	n.a.	(0.5)	(0.2)	150.0%
Total	(338.9)	(278.3)	21.8%	(220.4)	53.8%	(617.2)	(485.2)	27.2%
Recurring Efficiency Ratio (%)	30.0%	25.6%	436.4%	24.7%	5.3 p.p	27.8%	26.1%	1.7 p.p
Recurring Efficiency Ratio (considering Profit Sharing) (%)	33.3%	29.1%	4.3 p.p	27.9%	5.5 p.p	31.3%	29.2%	2.1 p.p

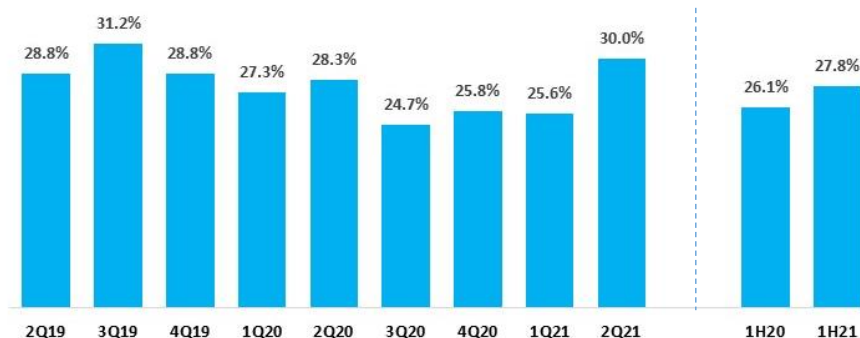
Administrative and personnel expenses totaled R\$245.4 million in the quarter, an increase of 15.3% in the period.

In 2Q21, personnel expenses grew 7.1% due to the constant growth in the workforce and administrative expenses increased by 29.8%, mainly driven by IT expenses and donations and sponsorships.

Recurring Efficiency Ratio

30.0% in 2Q21

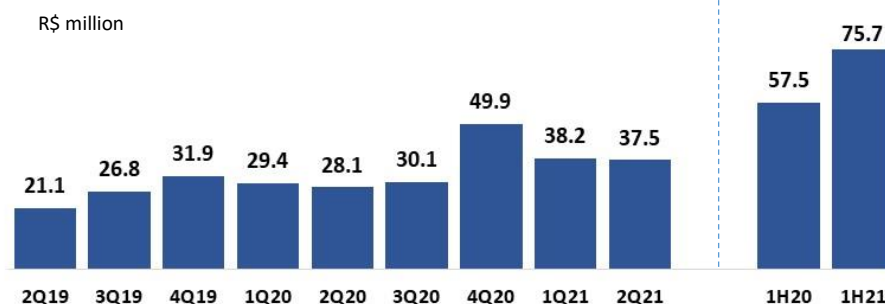
+4.4 p.p in 3 months
+5.3 p.p in 12 months



Recurring Efficiency Ratio (R\$ mn)	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
(+) Personnel	(145.3)	(135.7)	7.1%	(114.9)	26.5%	(281.0)	(231.1)	21.6%
(+) Administrative Expenses	(100.1)	(78.0)	28.3%	(73.3)	36.6%	(177.3)	(159.8)	11.0%
(+) Commissions	(93.5)	(64.6)	44.7%	(32.3)	189.5%	(158.9)	(94.3)	68.5%
Total Expenses (A)	(338.9)	(278.3)	21.8%	(220.5)	53.7%	(617.2)	(485.2)	27.2%
(+) Income from Recurring Financial Intermediation - LLP	1,062.8	1,025.4	3.6%	848.6	25.2%	2,088.2	1,753.6	19.1%
(+) Income from Services Provided	68.2	60.8	12.2%	43.6	56.4%	129.0	107.0	20.6%
Total Income (B)	1,130.2	1,086.2	4.1%	892.2	26.7%	2,216.4	1,860.1	19.2%
Recurring Efficiency Ratio (A/B) (%)	30.0%	25.6%	4.4 p.p	24.7%	5.3 p.p	27.8%	26.1%	1.7 p.p
Profit Sharing	(37.5)	(38.2)	-1.8%	(28.1)	33.5%	(75.7)	(57.5)	31.7%
Recurring Efficiency Ratio (considering Profit Sharing) (%)	33.3%	29.1%	4.3 p.p	27.9%	5.5 p.p	31.3%	29.2%	2.1 p.p

Profit Sharing Program

Expenses related to the provision for PPR and PLR payments totaled R\$ 37.5 million in 2Q21 and R\$ 75.7 million in 1H21.



Annex I – Income Statement – in R\$ thousand

Income Statement	2Q21	1Q21	Δ	2Q20	Δ	1H21	1H20	Δ
Income from Financial Intermediation	286.1	1,992.5	-85.6%	1,303.9	-78.1%	2,278.6	3,880.5	-41.3%
Lending Operation	1,211.7	1,229.8	-1.5%	988.4	22.6%	2,441.5	2,137.8	14.2%
Securities Operations and Derivatives	(1,093.1)	791.7	n.a.	287.1	n.a.	(301.4)	1,638.3	n.a.
Operations linked to repurchase commitments and interbank deposits	19.0	16.3	16.6%	42.0	-54.8%	35.3	71.8	-50.8%
Foreign Exchange Operations	147.7	(46.1)	n.a.	(14.5)	n.a.	101.6	30.7	n.a.
Operations Sale or Transfer of Financial Assets	0.8	0.8	0.0%	0.9	-11.1%	1.6	1.9	-15.8%
Expenses of Financial Intermediation	736.8	(818.9)	n.a.	(540.7)	-236.3%	(82.1)	(2,078.8)	-96.1%
Interbank and time deposits	(104.8)	(70.1)	49.5%	(61.4)	70.7%	(175.0)	(139.0)	25.9%
Bond issues in Brazil and abroad	136.2	(336.6)	n.a.	(252.9)	n.a.	(200.4)	(880.5)	n.a.
Borrowing and Onlendings	705.4	(412.2)	n.a.	(226.4)	n.a.	293.3	(1,059.3)	n.a.
Gross Profit from Financial Intermediation	1,022.9	1,173.6	-12.8%	763.2	34.0%	2,196.5	1,801.7	21.9%
Expenses with Allowance for Loan Losses	(161.4)	(101.6)	58.9%	(101.4)	59.2%	(263.0)	(259.8)	1.2%
Net Result from Financial Intermediation	861.5	1,072.0	-19.6%	661.8	30.2%	1,933.5	1,541.9	25.4%
Other Operating Income (Expenses)	(319.9)	(261.1)	22.5%	(208.6)	53.4%	(581.0)	(446.7)	30.1%
Income from Services Provided	68.2	60.8	12.2%	43.6	56.4%	129.0	107.0	20.6%
Personnel Expenses	(145.3)	(135.7)	7.1%	(114.9)	26.5%	(281.0)	(231.1)	21.6%
Other Administrative Expenses	(193.6)	(142.6)	35.8%	(105.5)	83.5%	(336.2)	(254.1)	32.3%
Tax Expenses	(57.3)	(57.4)	-0.2%	(42.4)	35.1%	(114.7)	(95.6)	20.0%
Other Operating Income and expenses	(41.6)	16.7	n.a.	(8.1)	n.a.	(24.9)	30.8	n.a.
Depreciation and amortization expenses	(3.2)	(3.0)	6.7%	(2.9)	10.3%	(6.2)	(5.6)	10.7%
Income from insurance operations	-	-	n.a.	-	n.a.	-	0.2	-100.0%
Expenses Loan Loss Provisions	52.9	0.1	n.a.	21.6	n.a.	53.0	1.7	n.a.
Operating Result	541.6	810.9	-33.2%	453.2	19.5%	1,352.5	1,095.2	23.5%
Non-operating Result	29.4	1.7	n.a.	(2.5)	n.a.	31.1	(3.9)	n.a.
Income before Taxes and Minority Interest	571.0	812.6	-29.7%	450.7	26.7%	1,383.6	1,091.3	26.8%
Income and Social Contribution Taxes	(236.9)	(337.7)	-29.8%	(163.4)	45.0%	(574.5)	(378.7)	51.7%
Provision for Income Tax	(158.6)	(180.3)	-12.0%	(81.8)	93.9%	(338.9)	(178.2)	90.2%
Provision for Social Contribution Tax	(132.7)	(147.9)	-10.3%	(71.2)	86.4%	(280.6)	(135.1)	n.a.
Deferred Taxes	54.4	(9.5)	n.a.	(10.4)	n.a.	45.0	(65.4)	n.a.
Profit-Sharing	(37.5)	(38.2)	-1.8%	(28.1)	33.5%	(75.7)	(57.5)	31.7%
Minority Interest	-	-	n.a.	-	n.a.	(0.1)	-	n.a.
Net Income	296.6	436.7	-32.1%	259.2	14.4%	733.3	655.1	11.9%