

Banco Daycoval S.A.

Individual and Consolidated
Interim Financial Information for the
Quarter Ended June 30, 2021 and
Report on Review of Interim
Financial Information

Deloitte Touche Tohmatsu Auditores Independientes

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of

Banco Daycoval S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Banco Daycoval S.A. ("Bank"), included in the Interim Financial Information Form – ITR, for the quarter ended June 30, 2021, which comprises the balance sheet as at June 30, 2021 and the related income statement and statement of comprehensive income for the three and six-month periods then ended and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil – BACEN, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission – CVM, applicable to the preparation of Interim Financial Information – ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the interim financial information referred to above was not prepared, in all material respects, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by Central Bank of Brazil – BACEN, and presented in accordance with the standards issued by Brazilian Securities and Exchange Commission – CVM.

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Other matter

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added - DVA for the six-month period ended June 30, 2020, prepared under the responsibility of the Bank's Management, the presentation of which in the interim financial information is required by the standards issued by the Brazilian Securities and Exchange Commission - CVM applicable to the preparation of Interim Financial Information - ITR. These statements were subject to review procedures performed together with the review of the Interim Financial Information - ITR to reach a conclusion on whether they were reconciled with the individual and consolidated interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not appropriately prepared, in all material respects, in relation to the interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Sao Paulo, August 4, 2021


DELOITTE TOUCHE TOHMATSU
Auditores Independentes


Vanderlei Minoru Yamashita
Engagement Partner

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| Number of shares (Units) | Current quarter 06/30/2021 |
|-----------------------------------|---------------------------------------|
| Common shares - Paid-in Capital | 1,323,471,042 |
| Preferred shares- Paid-in Capital | 567,201,876 |
| Total - Paid-in Capital | 1,890,672,918 |
| Common shares - Treasury Shares | 0 |
| Preferred shares- Treasury Shares | 0 |
| Total - Treasury Shares | 0 |

Individual Financial Statements / Balance Sheet - Asset
(In thousands of Brazilian reais - R\$)

| Account Number | Account description | Current quarter 06/30/2021 | Prior year 12/31/2020 |
|----------------|---|-------------------------------|--------------------------|
| 1 | Total Assets | 53,836,287 | 49,552,860 |
| 1.01 | Cash and cash equivalents | 1,151,129 | 3,812,370 |
| 1.01.01 | Cash | 273,581 | 342,892 |
| 1.01.02 | Interbank investments | 877,548 | 3,469,478 |
| 1.01.02.01 | Money market investments | 698,826 | 3,286,298 |
| 1.01.02.02 | Foreign currency investments | 178,722 | 183,180 |
| 1.02 | Financial assets | 47,480,173 | 40,846,597 |
| 1.02.01 | Restricted deposits - Central Bank of Brazil | 197,239 | 217,672 |
| 1.02.02 | Financial assets at fair value through profit or loss | 1,049,485 | 1,325,617 |
| 1.02.02.01 | Securities | 105,242 | 136,907 |
| 1.02.02.02 | Derivatives | 944,243 | 1,188,710 |
| 1.02.03 | Financial assets at fair value through other comprehensive income | 7,785,029 | 5,146,031 |
| 1.02.03.01 | Securities and derivatives | 7,785,029 | 5,146,031 |
| 1.02.04 | Financial assets at amortized cost | 38,448,420 | 34,157,277 |
| 1.02.04.01 | Interbank deposits | 1,522,491 | 1,017,200 |
| 1.02.04.02 | Money market investments | 1,811,165 | 1,078,694 |
| 1.02.04.03 | Securities and derivatives | 15,097 | 15,685 |
| 1.02.04.04 | Lending operations | 33,247,622 | 31,212,251 |
| 1.02.04.05 | Allowance for loan losses | -1,573,683 | -1,515,720 |
| 1.02.04.08 | Other financial assets | 3,425,728 | 2,349,167 |
| 1.03 | Tax assets | 1,697,420 | 1,628,398 |
| 1.03.01 | Current tax assets | 93,880 | 193,975 |
| 1.03.02 | Deferred tax assets | 1,603,540 | 1,434,423 |
| 1.04 | Other assets | 1,984,169 | 1,770,778 |
| 1.04.01 | Non current assets held for sale | 126,247 | 100,249 |
| 1.04.03 | Other | 1,857,922 | 1,670,529 |
| 1.04.03.01 | Debtors for escrow deposits | 1,533,355 | 1,438,626 |
| 1.04.03.02 | Other sundry credits | 324,567 | 231,903 |
| 1.05 | Investments | 1,462,227 | 1,432,901 |
| 1.05.01 | Equity domestic subsidiaries | 1,457,059 | 1,428,965 |
| 1.05.05 | Other investments | 5,168 | 3,936 |
| 1.06 | Permanent assets | 61,169 | 61,816 |
| 1.06.01 | Fixed assets | 113,420 | 108,670 |
| 1.06.03 | Accumulated Depreciation | -52,251 | -46,854 |

Individual Financial Statements / Balance Sheet - Liability
(In thousands of Brazilian reais - R\$)

| Account Number | Account description | Current quarter | Prior year |
|----------------|--|-----------------|------------|
| | | 06/30/2021 | 12/31/2020 |
| 2 | Total Liabilities | 53,836,287 | 49,552,860 |
| 2.01 | Financial liabilities at fair value through profit or loss | 7,609,394 | 5,614,932 |
| 2.01.01 | Foreign issuance | 2,335,328 | 2,405,406 |
| 2.01.02 | Borrowings | 4,884,257 | 3,151,462 |
| 2.01.03 | Derivatives | 389,809 | 58,064 |
| 2.02 | Financial liabilities at amortized cost | 35,168,384 | 34,067,224 |
| 2.02.01 | Deposits | 14,386,881 | 13,557,672 |
| 2.02.02 | Money market funding | 2,704,850 | 1,951,672 |
| 2.02.03 | Interbank deposits | 218,660 | 524,880 |
| 2.02.04 | Other funding | 17,857,993 | 18,033,000 |
| 2.02.04.01 | Issuance of securities | 15,653,397 | 16,055,053 |
| 2.02.04.02 | Borrowings | 1,599,337 | 1,352,440 |
| 2.02.04.03 | Domestic onlendings | 145,664 | 164,850 |
| 2.02.04.04 | Subordinated debts | 459,595 | 460,657 |
| 2.03 | Provision | 1,960,965 | 1,930,898 |
| 2.03.01 | Provision of risks | 1,914,114 | 1,886,117 |
| 2.03.02 | Provision for financial guarantees provided | 46,851 | 44,781 |
| 2.04 | Tax liabilities | 957,152 | 933,409 |
| 2.05 | Other liabilities | 2,986,757 | 2,580,524 |
| 2.05.01 | Foreign exchange portfolio | 2,338,286 | 1,718,030 |
| 2.05.02 | Interbank accounts | 161,189 | 227,702 |
| 2.05.03 | Other payables | 420,595 | 557,753 |
| 2.05.04 | Deferred income | 66,687 | 77,039 |
| 2.07 | Equity | 5,153,635 | 4,425,873 |
| 2.07.01 | Paid-in Capital | 3,557,260 | 3,557,260 |
| 2.07.03 | Earnings capital | 1,125 | 279 |
| 2.07.04 | Earnings reserves | 912,380 | 875,713 |
| 2.07.04.01 | Legal | 95,798 | 59,131 |
| 2.07.04.02 | Bylaws | 816,582 | 816,582 |
| 2.07.05 | Retained earnings / accumulated losses | 696,671 | 0 |
| 2.07.08 | Other comprehensive income | -13,801 | -7,379 |

Individual Income Statements

(In thousands of Brazilian reais - R\$)

| Account Number | Account description | Current quarter | | Current semester | | Prior year quarter | | Prior year semester | |
|----------------|---|--------------------------|-----------|--------------------------|---------|--------------------------|---|--------------------------|--|
| | | 04/01/2021 to 06/30/2021 | | 01/01/2021 to 06/30/2021 | | 04/01/2020 to 06/30/2020 | | 01/01/2021 to 06/30/2021 | |
| 3.01 | Income from Financial Intermediation | 233,419 | | 2,182,656 | | 1,257,578 | | 3,802,540 | |
| 3.01.01 | Lending Operations | 1,164,827 | | 2,351,011 | | 946,353 | | 2,051,741 | |
| 3.01.03 | Interbank investments | 83,061 | | 139,261 | | 67,659 | | 169,574 | |
| 3.01.04 | Foreign Exchange Transactions | - | 1,159,027 | - | 404,817 | 259,360 | | 1,554,981 | |
| 3.01.05 | Sale or Transfer of Financial Assets | 143,799 | | 95,626 | - | 16,675 | | 24,344 | |
| 3.01.06 | Operation of Sale or Transfer of Financial Assets | 759 | | 1,575 | | 881 | | 1,900 | |
| 3.02 | Expenses on Financial Intermediation | 575,248 | - | 347,102 | - | 645,187 | - | 2,348,163 | |
| 3.02.01 | Interbank and time deposits | - | 105,013 | - | 175,337 | 61,913 | - | 140,331 | |
| 3.02.02 | Issuance of securities in Brazil and abroad | 837,933 | | 85,998 | - | 484,074 | - | 1,950,761 | |
| 3.02.06 | Allowance for loan losses | - | 157,672 | - | 257,763 | 99,200 | - | 257,071 | |
| 3.03 | Gross Profit From Financial Intermediation | 808,667 | | 1,835,554 | | 612,391 | | 1,454,377 | |
| 3.04 | Other Operating (Expenses) Income | - | 255,627 | - | 487,282 | 178,178 | - | 393,666 | |
| 3.04.02 | Income from Services Provided | 64,021 | | 120,808 | | 39,697 | | 98,651 | |
| 3.04.03 | Personnel Expenses | - | 128,072 | - | 246,653 | 102,463 | - | 203,829 | |
| 3.04.04 | Other Administrative Expenses | - | 189,197 | - | 333,280 | 106,074 | - | 256,927 | |
| 3.04.05 | Tax Expenses | - | 49,688 | - | 101,299 | 36,990 | - | 84,300 | |
| 3.04.06 | Other Operating Income | 85,387 | | 106,674 | | 14,351 | | 49,644 | |
| 3.04.07 | Other Operating Expenses | - | 39,209 | - | 59,477 | 13,297 | - | 59,126 | |
| 3.04.08 | Equity Income | 1,131 | | 25,945 | | 26,598 | | 62,221 | |
| 3.05 | Income Before Taxes on Income and Profit | 553,040 | | 1,348,272 | | 434,213 | | 1,060,711 | |
| 3.06 | Income tax and social contribution | - | 219,491 | - | 540,833 | 147,576 | - | 349,724 | |
| 3.06.01 | Current | - | 277,748 | - | 592,789 | 143,567 | - | 296,397 | |
| 3.06.02 | Deferred | 58,257 | | 51,956 | - | 4,009 | - | 53,327 | |
| 3.07 | Profit or loss from continuing operations | 333,549 | | 807,439 | | 286,637 | | 710,987 | |
| 3.09 | Profit or loss before interests and statutory contributions | 333,549 | | 807,439 | | 286,637 | | 710,987 | |
| 3.10 | Statutory Participations / Contributions | - | 36,904 | - | 74,101 | 27,454 | - | 55,924 | |
| 3.10.01 | Equity interests | - | 36,904 | - | 74,101 | 27,454 | - | 55,924 | |
| 3.11 | Profit/Loss for the period | 296,645 | | 733,338 | | 259,183 | | 655,063 | |

Individual Income Statements**(In thousands of Brazilian reais - R\$)**

| Account Number | Account description | Current quarter | Current semester | Prior year quarter | Prior year semester |
|----------------|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 04/01/2021 to 06/30/2021 | 01/01/2021 to 06/30/2021 | 04/01/2020 to 06/30/2020 | 01/01/2021 to 06/30/2021 |
| 3.99 | Earnings per share - (R\$ / share) | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| 3.99.01 | Basic earnings per share | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| 3.99.01.01 | Common share | 0.15690 | 0.38790 | 0.13710 | 0.34650 |
| 3.99.01.02 | Preferred share | 0.15690 | 0.38790 | 0.13710 | 0.34650 |
| 3.99.02 | Diluted earnings per share | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| 3.99.02.01 | Common share | 0.15690 | 0.38790 | 0.13710 | 0.34650 |
| 3.99.02.02 | Preferred share | 0.15690 | 0.38790 | 0.13710 | 0.34650 |

Individual Statements of Comprehensive Income

(In thousands of Brazilian reais - R\$)

| Account Number | Account description | Current quarter | Current semester | Prior year quarter | Prior year semester |
|----------------|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 04/01/2021 to 06/30/2021 | 01/01/2021 to 06/30/2021 | 04/01/2020 to 06/30/2020 | 01/01/2021 to 06/30/2021 |
| 4.01 | Profit or loss for the period | 296,645 | 733,338 | 259,183 | 655,063 |
| 4.02 | Other Comprehensive Income | 1,331 | -6,422 | 9,416 | -14,706 |
| 4.02.01 | Amounts to be reclassified to profit or loss | 1,731 | -9,843 | 10,777 | -22,280 |
| 4.02.02 | Amounts that will not be reclassified to profit or loss | -400 | 3,421 | -1,361 | 7,574 |
| 4.04 | Comprehensive Income for the Period | 297,976 | 726,916 | 268,599 | 640,357 |

Individual Statements of Cash Flows
(In thousands of Brazilian reais - R\$)

| Account Number | Account description | Current semester | Prior year semester |
|----------------|---|--------------------------|--------------------------|
| | | 01/01/2021 to 06/30/2021 | 01/01/2021 to 06/30/2021 |
| 6.01 | Cash from Operating Activities | -3,212,475 | 2,003,160 |
| 6.01.01 | Net Cash Operating Activities | 738,869 | 660,381 |
| 6.01.01.01 | Profit or loss before income taxes | 733,338 | 655,063 |
| 6.01.01.02 | Profit or loss adjustments | 5,531 | 5,318 |
| 6.01.02 | Changes in assets and liabilities | -4,810,868 | 844,768 |
| 6.01.02.01 | (Increase) Decrease in interbank investments | -505,292 | -239,714 |
| 6.01.02.02 | (Increase) Decrease in securities and derivatives | -2,002,188 | -2,743,567 |
| 6.01.02.03 | (Increase) Decrease in interbank and interbranch | -50,052 | -69,710 |
| 6.01.02.04 | (Increase) Decrease in lending operations | -1,113,570 | -636,082 |
| 6.01.02.06 | (Increase) Decrease in other receivables | -2,293,277 | 695,370 |
| 6.01.02.07 | (Increase) Decrease in other assets | -21,810 | -8,643 |
| 6.01.02.08 | Increase (Decrease) in deposits | 522,989 | 1,258,675 |
| 6.01.02.09 | Increase (Decrease) in money market funding | 20,806 | 70,944 |
| 6.01.02.10 | Increase (Decrease) in funds from exchange acceptances and issuance of securities | 432,847 | 1,966,111 |
| 6.01.02.11 | Increase (Decrease) in borrowings and onlendings | 283,001 | -35,520 |
| 6.01.02.12 | Increase (Decrease) in other payables | 421,337 | 1,005,509 |
| 6.01.02.13 | Income tax and social contribution paid | -495,307 | -418,159 |
| 6.01.02.14 | Increase (Decrease) in deferred income | -10,352 | -446 |
| 6.01.03 | Other | 859,524 | 498,011 |
| 6.02 | Net Cash Investing Activities | -4,899 | -3,125 |
| 6.02.01 | Disposal of property and equipment in use | -4,899 | -3,125 |
| 6.03 | Net Cash Financing Activities | 598,235 | 1,288,162 |
| 6.03.01 | Increase (Decrease) in funds from exchange acceptances and issuance of securities | -904,579 | 765,209 |
| 6.03.02 | Increase (Decrease) in borrowings and onlendings | 1,677,505 | 513,493 |
| 6.03.03 | Increase (Decrease) in subordinated debts | -1,062 | 296,345 |
| 6.03.04 | Accrued interest on capital | -173,629 | -286,885 |
| 6.04 | Exchange Rate Changes on Cash and Cash Equivalents | -42,102 | 93,708 |
| 6.05 | Increase (Decrease) in Cash and Cash Equivalents | -2,661,241 | 3,381,905 |
| 6.05.01 | Cash and Cash Equivalents Opening Balance | 3,812,370 | 2,585,577 |
| 6.05.02 | Cash and Cash Equivalents Closing Balance | 1,151,129 | 5,967,482 |

Individual Statements of Changes in Shareholders Equity - from - 04/01/2021 to 06/30/2021
(In thousands of Brazilian reais - R\$)

| Account number | Account description | Capital | Capital Reserves | Earnings reserves | Valuation Adjustments to Equity | Retained earnings | Other comprehensive income | Equity |
|----------------|---|-----------|------------------|-------------------|---------------------------------|-------------------|----------------------------|-----------|
| 5.01 | Opening Balance | 3,557,260 | 279 | 875,713 | 0 | 0 | -7,379 | 4,425,873 |
| 5.02 | Adjusted Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.03 | Adjusted opening balance | 3,557,260 | 279 | 875,713 | 0 | 0 | -7,379 | 4,425,873 |
| 5.04 | Capital transactions with shareholders | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.04.01 | Capital increase | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.04.06 | Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.04.07 | Interest on Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.05 | Total comprehensive income | 0 | 0 | 0 | 0 | 733,338 | -6,422 | 726,916 |
| 5.05.01 | Profit for the period | 0 | 0 | 0 | 0 | 733,338 | 0 | 733,338 |
| 5.05.02 | Other comprehensive income | 0 | 0 | 0 | 0 | 0 | -6,422 | -6,422 |
| 5.05.02.01 | Financial instruments adjustments | 0 | 0 | 0 | 0 | 0 | -9,843 | -9,843 |
| 5.05.02.02 | Taxes on financial instrument adjustments | 0 | 0 | 0 | 0 | 0 | 3,421 | 3,421 |
| 5.06 | Equity internal changes | 0 | 846 | 36,667 | 0 | -36,667 | 0 | 846 |
| 5.06.01 | Constitution of capital reserves | 0 | 846 | 36,667 | 0 | -36,667 | 0 | 846 |
| 5.06.01.01 | Capital reserve | 0 | 846 | 0 | 0 | 0 | 0 | 846 |
| 5.06.01.02 | Legal reserve | 0 | 0 | 36,667 | 0 | -36,667 | 0 | 0 |
| 5.06.02 | Realização da Reserva Reavaliação | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.06.03 | Tributos sobre a Realização da Reserva de Reavaliação | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.07 | Closing Balance | 3,557,260 | 1,125 | 912,380 | 0 | 696,671 | -13,801 | 5,153,635 |

Individual Statements of Changes in Shareholders Equity - from - 04/01/2020 to 06/30/2020
(In thousands of Brazilian reais - R\$)

| Account number | Account description | Capital | Capital Reserves | Earnings reserves | Valuation Adjustments to Equity | Retained earnings | Other comprehensive income | Equity |
|----------------|---|-----------|------------------|-------------------|------------------------------------|-------------------|-------------------------------|-----------|
| | | | | | | | | |
| 5.01 | Opening Balance | 2,253,595 | 1,142 | 1,427,789 | 0 | 0 | 12,633 | 3,695,159 |
| 5.02 | Adjusted Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.03 | Adjusted opening balance | 2,253,595 | 1,142 | 1,427,789 | 0 | 0 | 12,633 | 3,695,159 |
| 5.04 | Capital transactions with shareholders | 1,303,665 | -1,142 | -1,427,789 | 0 | -89,788 | 0 | -215,054 |
| 5.04.01 | Capital increase | 1,303,665 | -1,142 | -1,302,523 | 0 | 0 | 0 | 0 |
| 5.04.06 | Dividends | 0 | 0 | -125,266 | 0 | 0 | 0 | -125,266 |
| 5.04.07 | Interest on Capital | 0 | 0 | 0 | 0 | -89,788 | 0 | -89,788 |
| 5.05 | Total comprehensive income | 0 | 0 | 0 | 0 | 655,063 | -14,706 | 640,357 |
| 5.05.01 | Profit for the period | 0 | 0 | 0 | 0 | 655,063 | 0 | 655,063 |
| 5.05.02 | Other comprehensive income | 0 | 0 | 0 | 0 | 0 | -14,706 | -14,706 |
| 5.05.02.01 | Financial instruments adjustments | 0 | 0 | 0 | 0 | 0 | -22,280 | -22,280 |
| 5.05.02.02 | Taxes on financial instrument adjustments | 0 | 0 | 0 | 0 | 0 | 7,574 | 7,574 |
| 5.06 | Equity internal changes | 0 | 279 | 32,753 | 0 | -32,753 | 0 | 279 |
| 5.06.01 | Constitution of capital reserves | 0 | 279 | 32,753 | 0 | -32,753 | 0 | 279 |
| 5.06.01.01 | Capital reserve | 0 | 279 | 0 | 0 | 0 | 0 | 279 |
| 5.06.01.02 | Legal reserve | 0 | 0 | 32,753 | 0 | -32,753 | 0 | 0 |
| 5.07 | Closing Balance | 3,557,260 | 279 | 32,753 | 0 | 532,522 | -2,073 | 4,120,741 |

Individual Statements of Value Added
(In thousands of Brazilian reais - R\$)

| Account number | Account description | Current semester | Prior year semester |
|----------------|--------------------------------------|--------------------------|--------------------------|
| | | 01/01/2021 to 06/30/2021 | 01/01/2021 to 06/30/2021 |
| 7.01 | Revenue | 2,098,430 | 3,639,956 |
| 7.01.01 | Income from Financial Intermediation | 2,182,656 | 3,802,828 |
| 7.01.02 | Revenue from Services | 120,808 | 98,651 |
| 7.01.03 | Allowance for Loan Losses | -257,763 | -257,071 |
| 7.01.04 | Other | 52,729 | -4,452 |
| 7.02 | Expenses on Financial Intermediation | -89,339 | -2,091,092 |
| 7.03 | Inputs Purchased from Third Parties | -324,512 | -249,198 |
| 7.03.01 | Materials and Utilities | -44,161 | -48,027 |
| 7.03.02 | Outside Services | -280,351 | -201,171 |
| 7.04 | Gross Value Added | 1,684,579 | 1,299,666 |
| 7.05 | Retention | -5,531 | -5,318 |
| 7.05.01 | Depreciation and Amortization | -5,531 | -5,318 |
| 7.06 | Wealth Created | 1,679,048 | 1,294,348 |
| 7.07 | Wealth Received in Transfer | 25,945 | 62,221 |
| 7.07.01 | Equity Income | 25,945 | 62,221 |
| 7.08 | Total Wealth for Distribution | 1,704,993 | 1,356,569 |
| 7.09 | Distribution of Wealth | 1,704,993 | 1,356,569 |
| 7.09.01 | Employees | 281,235 | 227,261 |
| 7.09.01.01 | Salaries and Wages | 235,286 | 134,079 |
| 7.09.01.02 | Benefits | 37,050 | 86,162 |
| 7.09.01.03 | Severance Pay Fund (FGTS) | 8,899 | 7,020 |
| 7.09.02 | Taxes | 681,651 | 466,516 |
| 7.09.02.01 | Federal | 672,399 | 459,518 |
| 7.09.02.02 | State | 1,369 | 604 |
| 7.09.02.03 | Municipal | 7,883 | 6,394 |
| 7.09.03 | Lenders and Lessors | 8,769 | 7,729 |
| 7.09.03.01 | Rentals | 8,769 | 7,729 |
| 7.09.04 | Shareholders | 733,338 | 655,063 |
| 7.09.04.01 | Interest on Capital | 0 | 89,788 |
| 7.09.04.03 | Retained Income / Loss accumulated | 733,338 | 565,275 |

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.

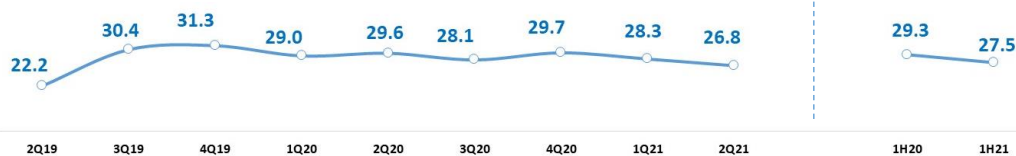
With these results, Banco Daycoval is reaffirming the wisdom of a strategy that has been in place for more than 50 years: a balance between caution and long-term vision, credit and funding, and services and support for our stakeholders.

Profitability

Recurring Figures

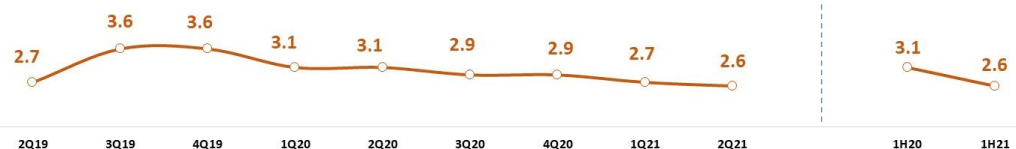
ROAE in 2Q21 (%)

- 1.5 p.p in 3 months
- 2.8 p.p in 12 months



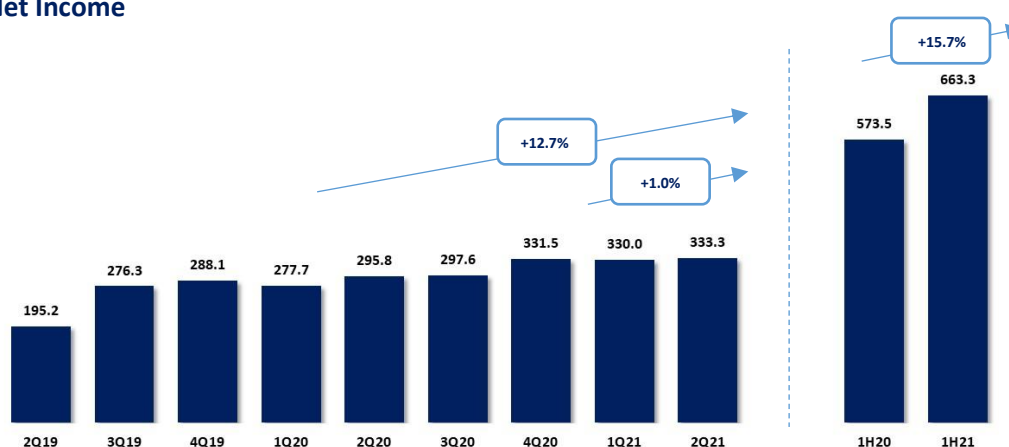
ROAA in 2Q21 (%)

- 0.1 p.p in 3 months
- 0.5 p.p. in 12 months



Recurring Net Income

R\$ million



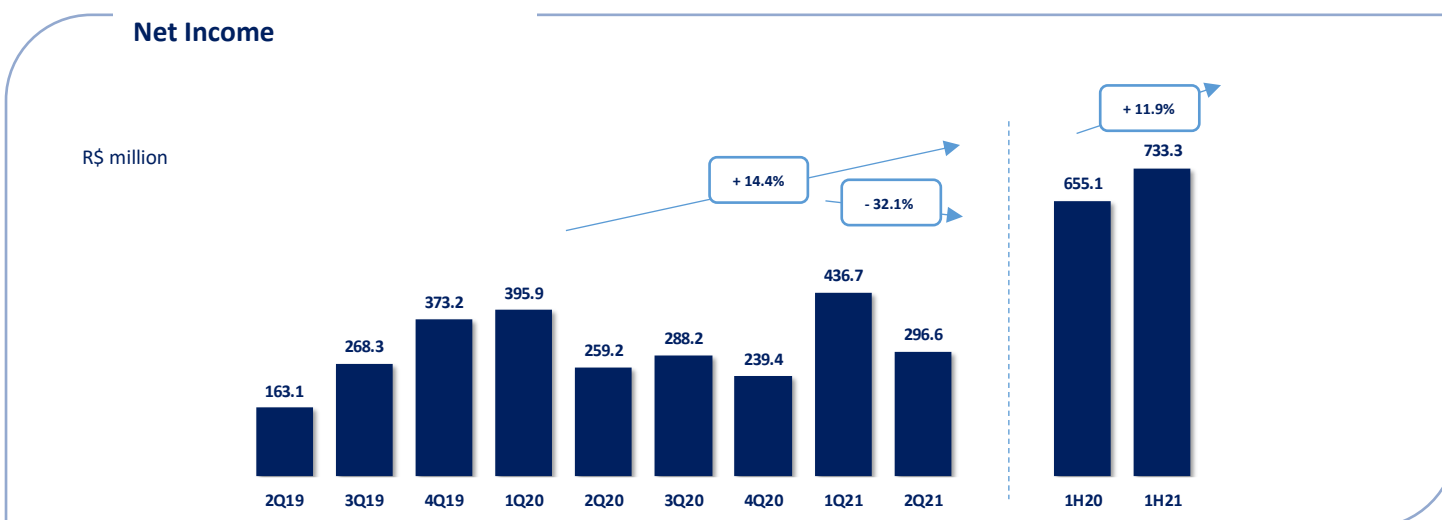
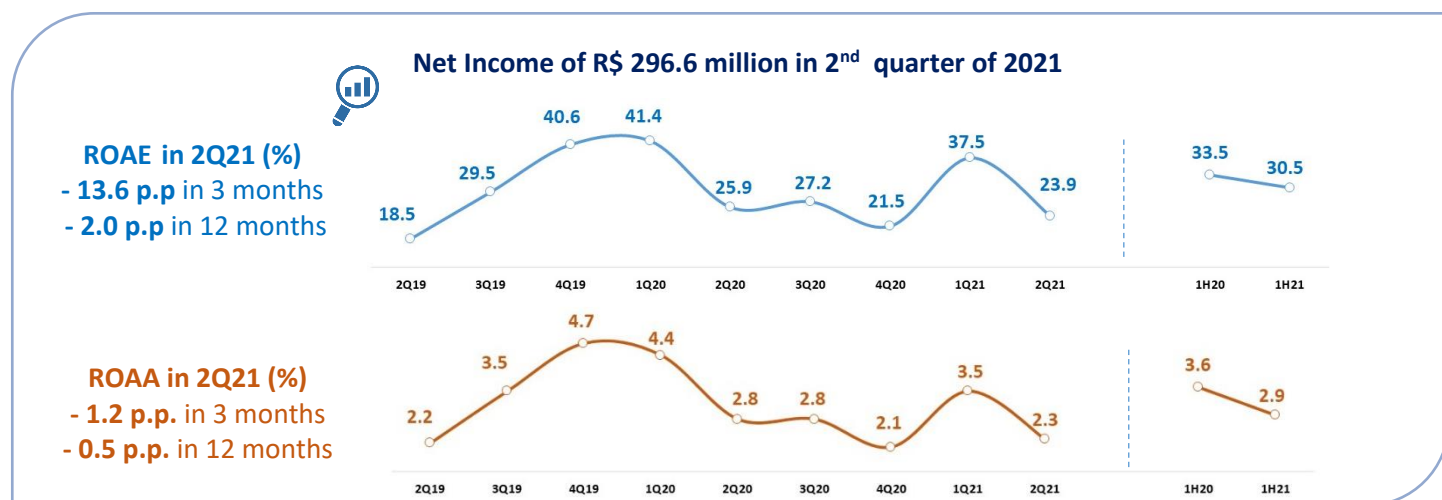
| Recurring Key Figures (R\$ million) | 2Q21 | 1Q21 | Δ | 2Q20 | Δ | 1H21 | 1H20 | Δ |
|--|--------------|--------------|-----------------|--------------|-----------------|--------------|--------------|-----------------|
| Accounting Net Income | 296.6 | 436.7 | -32.1% | 259.2 | 14.4% | 733.3 | 655.1 | 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.

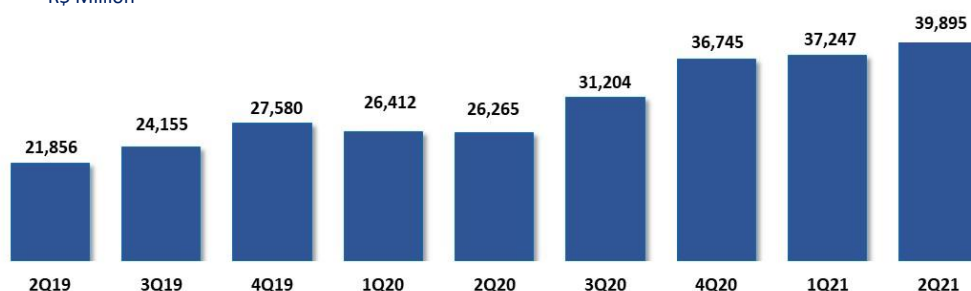
Expanded Loan Portfolio

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.

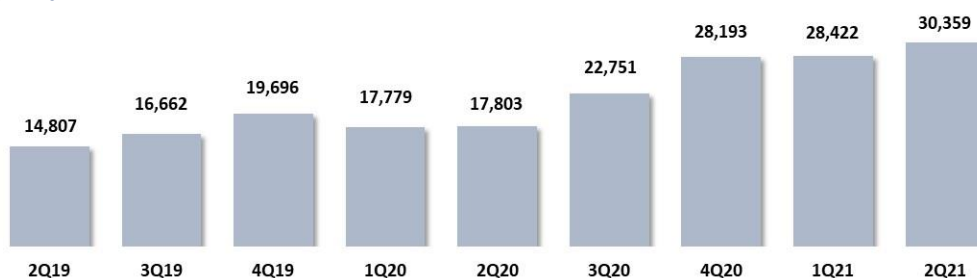
As of this quarter, we started to include in the Expanded Credit Portfolio in the Corporate Securities - Debentures line, mostly aimed at Large Companies (these are securities issued by companies to use the funds in their projects). For the issuing company, the advantage of offering these bonds is in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

Companies Portfolio

R\$ million

R\$ 30.4 billion

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

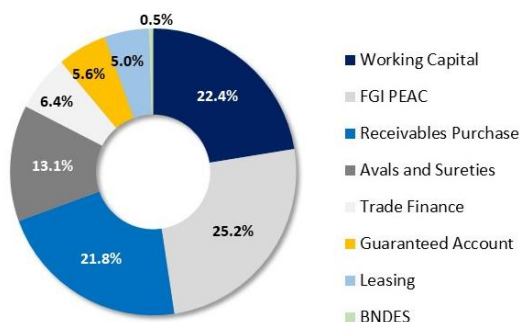


Credit to Companies Breakdown (R\$ mn)

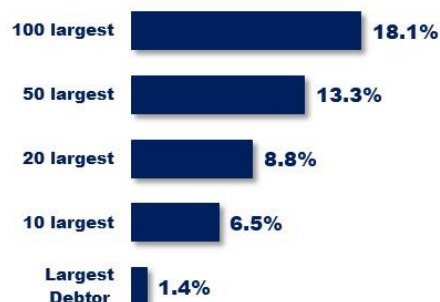
| | 2Q21 | 1Q21 | Δ | 2Q20 | Δ |
|------------------------|-----------------|-----------------|-------------|-----------------|--------------|
| Working Capital | 6,805.8 | 6,710.8 | 1.4% | 7,027.8 | -3.2% |
| FGI - PEAC | 7,639.1 | 8,112.5 | -5.8% | - | - |
| Receivables Purchase | 6,643.5 | 4,904.7 | 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



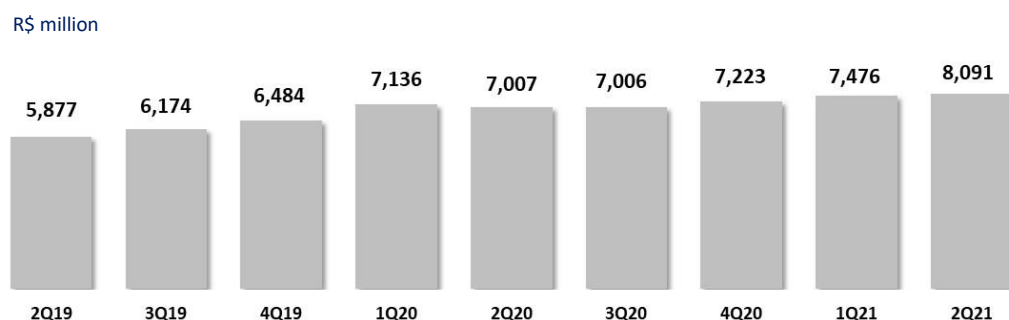
Client Concentration (%)



Payroll Loans

R\$ 8.1 billion in 2Q21

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

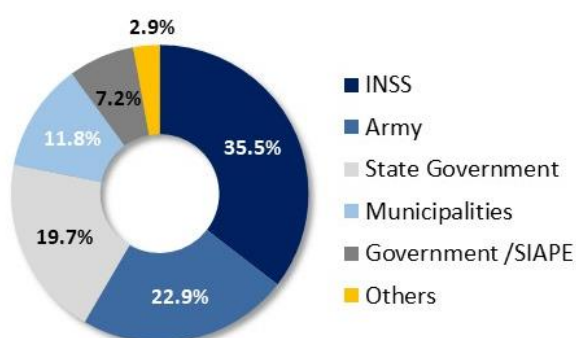


The Payroll-deductible loan line ended 2Q21 with a balance of R\$ 8.1 billion, an increase of 8.2% in the quarter and up 15.5% versus the same period in 2020. The payroll card portfolio totaled R\$ 549.6 million in 2Q21, flat for the quarter.

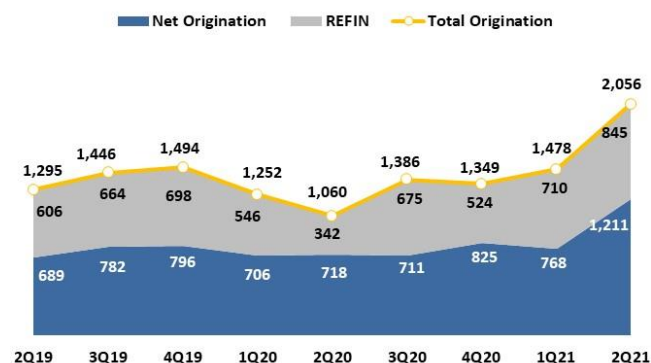
In 2Q21, we originated R\$ 2.1 billion, 59% which was net origination and 41% from REFIN.

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 (%)



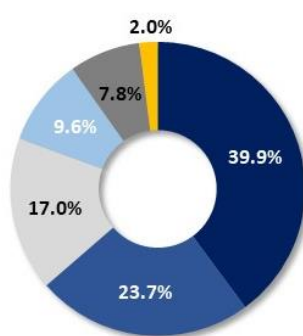
Originação



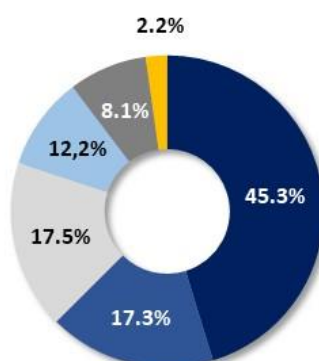
In the graphs below we demonstrate Refinancing, where the client (public servant / INSS retiree) has the primary loan settled with the Bank and is given a new loan. The Bank adopted this strategy to focus more on the product's margin.

Origination Breakdown

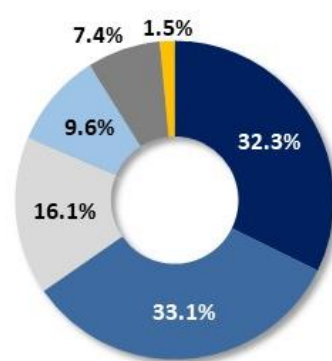
Total Origination



Net Origination

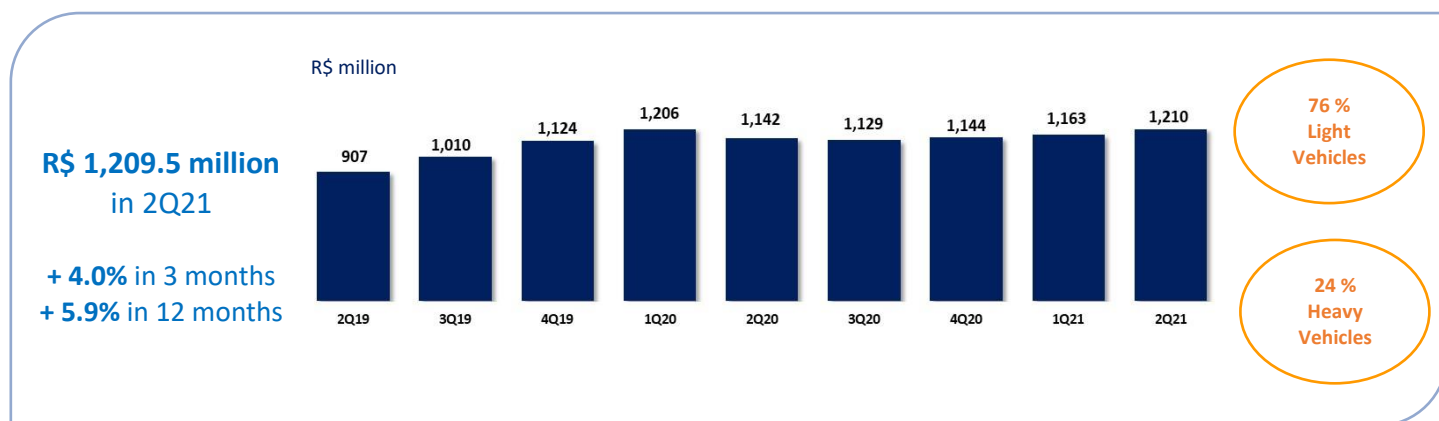


Refinancing Origination



INSS Army State Government Municipalities Government/SIAPE Others

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



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.

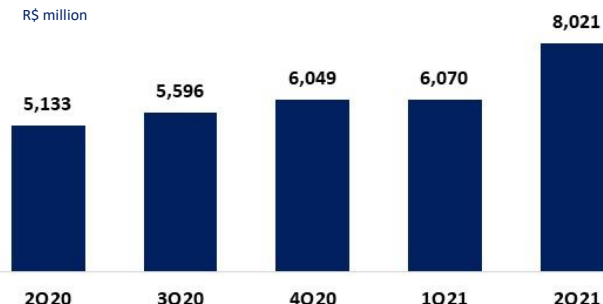
This line ended 2Q21 with a balance of R\$ 146.2 million.

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.

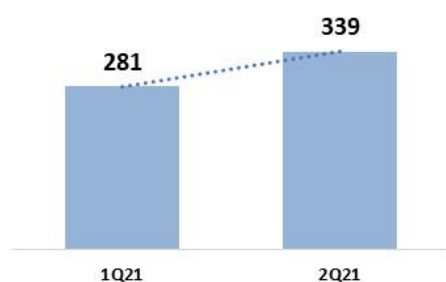
Currently, it manages 69 funds including: Multimarket Funds, Fixed Income Funds, Equity Funds, Participation Funds (“FIPs”), FIDCs Real Estate Fund, as well a Managed Portfolio.

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.

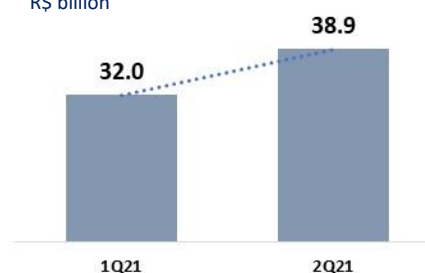
Number of Funds*



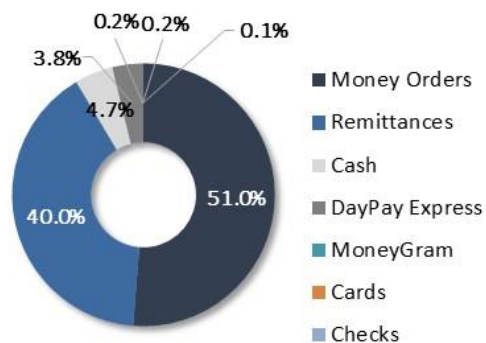
* Includes Investment Clubs and Managed Portfolio.

Amount of Custodial, Management and Administration Services

R\$ billion



Product Mix (%)

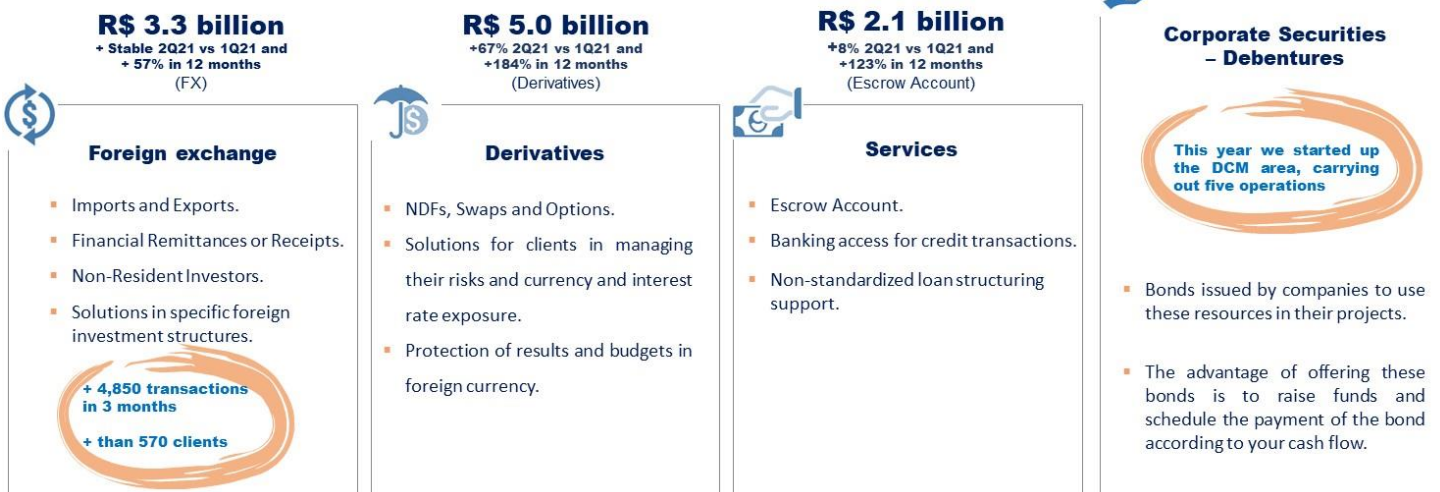


- ✓ + R\$ 3.4 billion transacted in 2Q21 versus R\$ 3.1 billion in 1Q21 and R\$ 6.5 billion in 1H21 versus R\$ 4.1 billion in 1H20;
- ✓ + 0.8 million operations in 2Q21 and 1Q21 and 1.6 million in 1H21 versus 2.4 million in 1H20;
- ✓ 168 Service Points;
- ✓ Remittance operations leveraged the volumes 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.

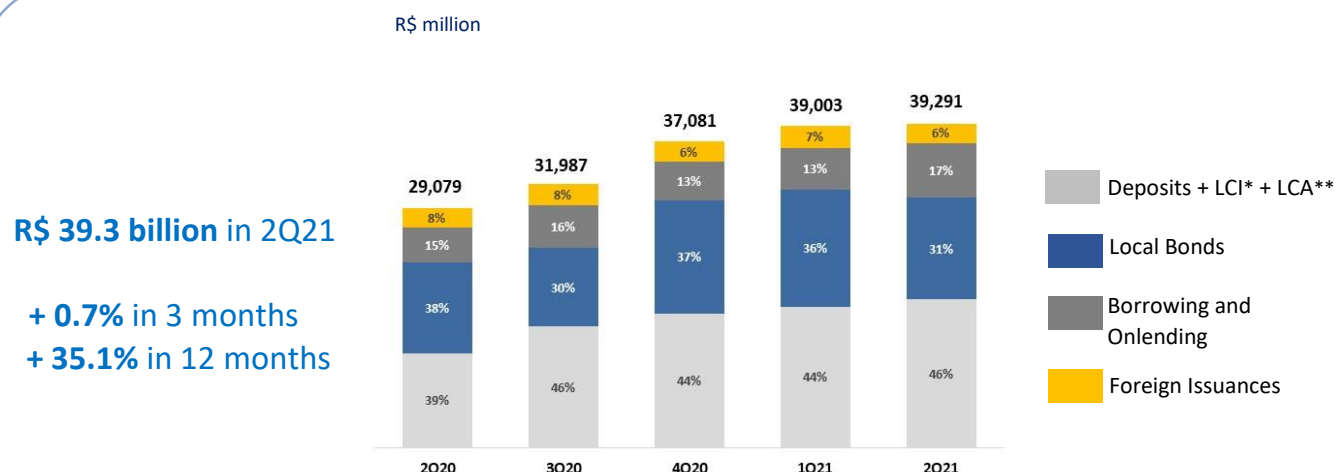
Treasury Products and Services for Companies

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

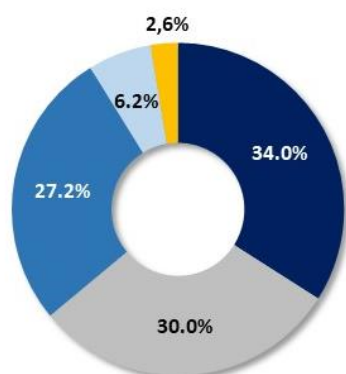
| Loan Portfolio by Segment | Average term to Maturity ⁽¹⁾ days | Funding | Average term to Maturity ⁽¹⁾ days |
|-----------------------------|--|--------------------------------------|--|
| Companies | 171 | Total Deposits | 147 |
| FGI - Peac | 503 | Interbank Deposits | 113 |
| Trade Finance | 131 | 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 |
| BNDIS | 485 | Bonds | 1,175 |
| | | Borrowing and Onlending | 400 |
| | | BNDIS | 494 |
| Total Loan Portfolio | 367 | Total Funding | 546 |

(1) From June 30, 2021

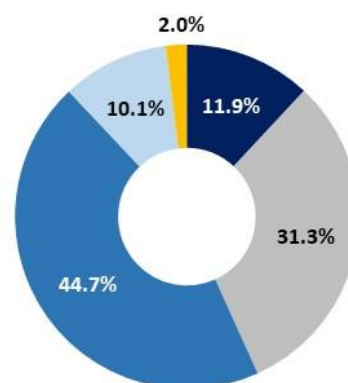
(1) From June 30, 2021

Maturity Of Operations

Loan Portfolio



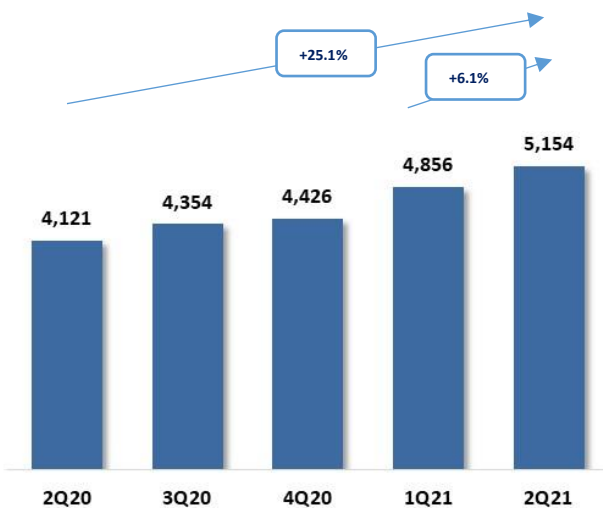
Funding



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

Shareholders' Equity

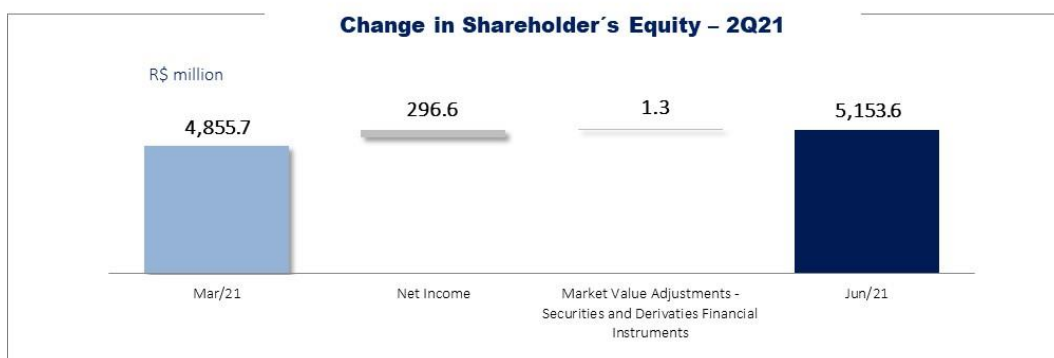
R\$ million



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.

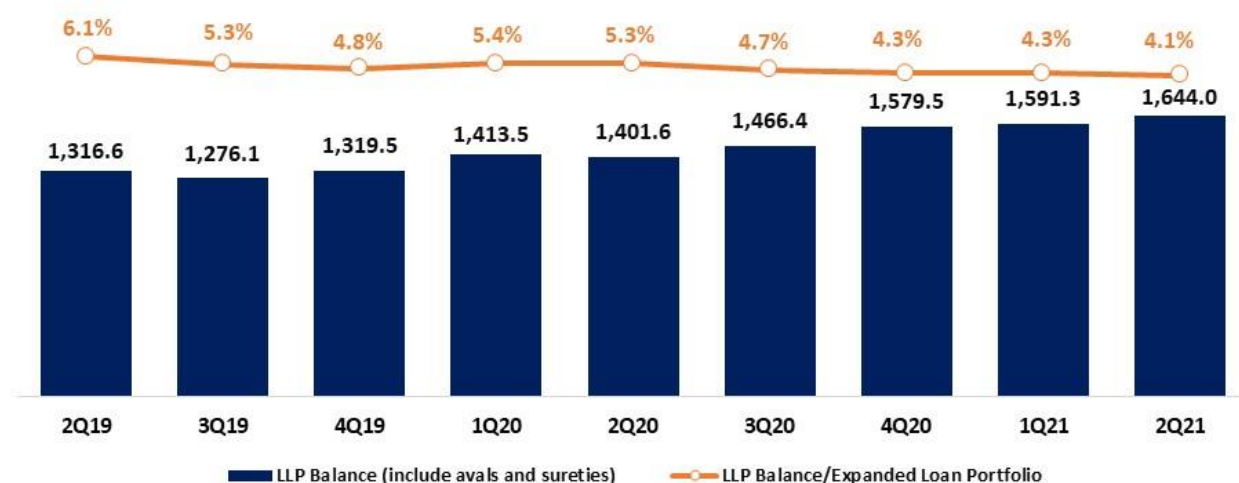
Banco Daycoval - R\$ mn

| Rating | Required Provision | Loans | % | Provision* | |
|-----------------------------------|--------------------|-----------------|---------------|----------------|---|
| AA | 0.0% | 7,537.6 | 18.9% | 26.9 | 96.3% between AA and 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% | |

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

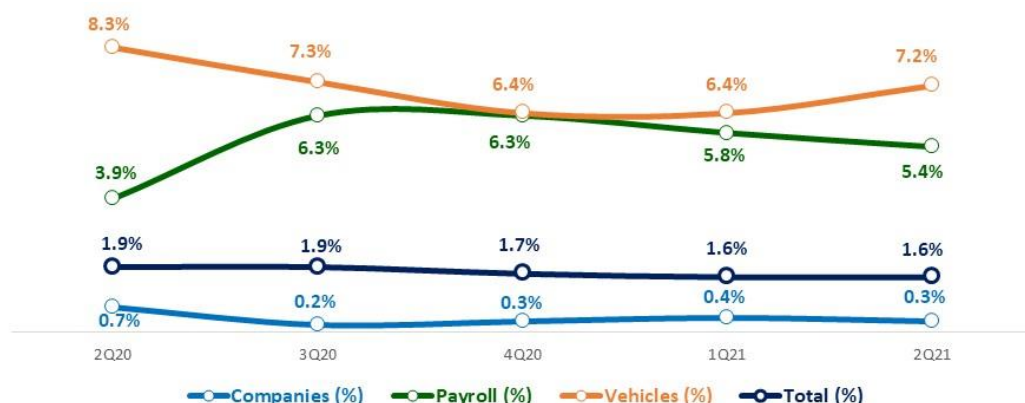
| LLP (R\$ mn) | 2Q21 | 1Q21 | Δ | 2Q20 | Δ | 1H21 | 1H20 | Δ |
|--|----------------|----------------|--------------|----------------|--------------|----------------|----------------|--------------|
| Balance at the Beginning of the Period | 1,591.3 | 1,579.5 | 0.7% | 1,413.6 | 12.6% | 1,579.5 | 1,319.5 | 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 |

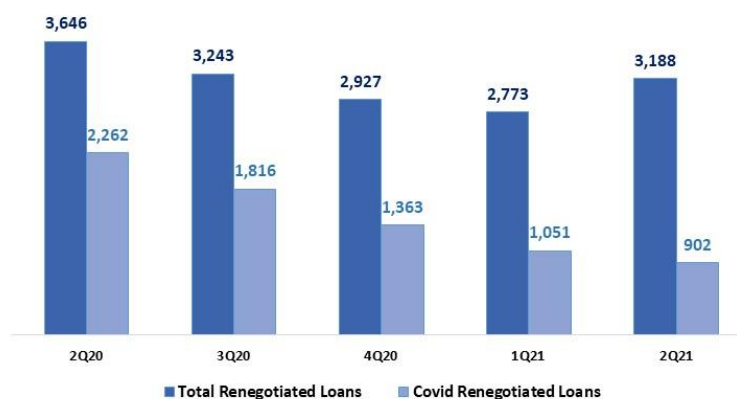
(*) Installments falling due

Renegotiated 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

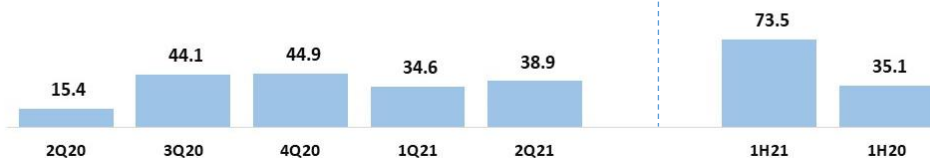
R\$ million

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.

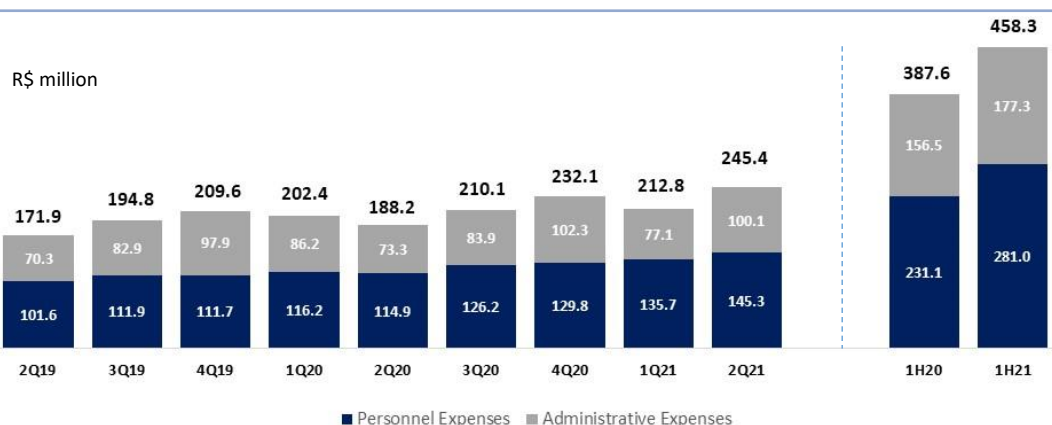
Leasing operations ended the quarter with a balance of R\$ 46.6 million, a 7.4% increase compared to 1Q21 and 22.6% growth in the last 12 months.

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 |

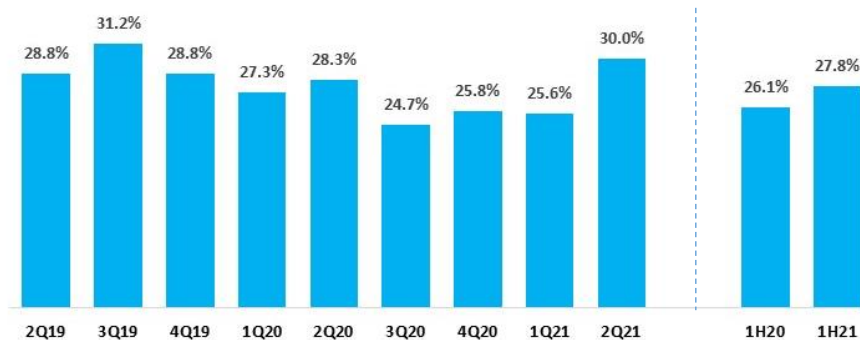
Administrative and personnel expenses totaled R\$245.4 million in the quarter, an increase of 15.3% in the period.

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

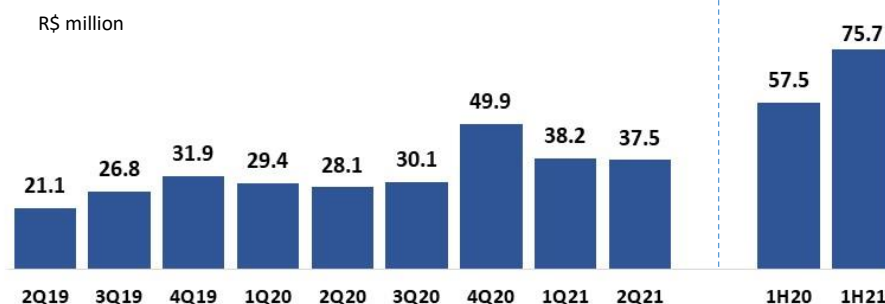
+4.4 p.p in 3 months
+5.3 p.p in 12 months



| 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.



CONSOLIDATED INTERIM FINANCIAL INFORMATION

Pursuant to the provisions set forth in CMN Resolution 4818/20, of the Central Bank of Brazil, the Bank has elected to prepare its Interim Financial Information in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil, as described in note 2. Accordingly the tables related to the standard information of the consolidated financial statements are not being presented, as they are applicable only upon the preparation of Consolidated Financial Statements in conformity with all Pronouncements issued by the Accounting Pronouncements Committee (CPC), approved by the CVM and in line with international standards issued by the IASB.

Below is the consolidated interim financial information for the three-month period ended June 30, 2021, prepared in accordance with the accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil.

As prescribed by CMN Resolution 4818/20 and BCB Resolution 2/20 which revoked CMN Resolution 4720/19 and BACEN Circular Letter 3959/19, respectively, the financial institutions and other institutions authorized to operate by BACEN, must prepare their interim financial statements in accordance with the criteria and procedures set out in these regulations, which address the disclosure of semiannual and annual financial statements, as well as their content, which include the balance sheets and statements of income, of comprehensive income, of cash flows and of changes in equity, the notes to the interim financial statements.

Following are the balance sheet and the respective statements of income and of other comprehensive income, of changes in equity, of cash flows and of value added in accordance with the accounting practices adopted in Brazil, applicable to financial institutions authorized by the Central Bank of Brazil to operate:

BALANCE SHEETS AS AT JUNE 30, 2021 AND AS AT DECEMBER 31, 2020 (In thousands of Brazilian reais - R\$)

| ASSETS | Note | Bank | | Consolidated | |
|---|-------------|--------------------|--------------------|--------------------|--------------------|
| | | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Cash | 4 | 273,581 | 342,892 | 273,900 | 343,040 |
| Restricted deposits - Central Bank of Brazil | 5 | 197,239 | 217,672 | 197,239 | 217,672 |
| Interbank accounts | | 4,521 | 549 | 4,521 | 549 |
| Financial instruments | | 49,729,644 | 45,613,574 | 50,722,484 | 46,419,815 |
| Interbank investments | 6 | 4,211,204 | 5,565,372 | 3,351,488 | 4,772,208 |
| Money market investments | 7 | 7,905,368 | 5,298,623 | 8,396,245 | 5,592,275 |
| Derivatives | 8.a | 944,243 | 1,188,710 | 944,243 | 1,188,710 |
| Own portfolio | | | | | |
| Lending portfolio | 9 | 26,438,333 | 25,522,495 | 26,654,074 | 25,713,559 |
| Finance lease | 9.i | - | - | 1,139,826 | 1,063,294 |
| Operating lease | 9 | - | - | 189,469 | 133,090 |
| (-) Unearned income from leasing operations | 9 | - | - | (189,042) | (132,864) |
| Other transactions with loan characteristics | 9 | 6,809,289 | 5,689,756 | 6,814,974 | 5,740,925 |
| Foreign exchange portfolio | 10 | 3,421,207 | 2,348,618 | 3,421,207 | 2,348,618 |
| (Allowance for loan losses) | 9.e | (1,573,683) | (1,515,720) | (1,597,187) | (1,534,740) |
| Lending operations | | (1,419,494) | (1,378,901) | (1,427,191) | (1,383,179) |
| Leasing operations | | - | - | (15,789) | (14,594) |
| Other | | (154,189) | (136,819) | (154,207) | (136,967) |
| Current and deferred tax assets | 19.b | 1,697,420 | 1,628,398 | 1,729,726 | 1,668,254 |
| Debtors for escrow deposits | | 1,533,355 | 1,438,626 | 1,536,433 | 1,441,954 |
| Tax | 18.c | 1,483,346 | 1,387,002 | 1,483,346 | 1,387,002 |
| Civil | 18.c | 37,110 | 36,693 | 37,193 | 36,693 |
| Labor | 18.c | 12,899 | 14,931 | 15,828 | 18,193 |
| Other | | - | - | 66 | 66 |
| Other credits | | 324,567 | 231,903 | 332,794 | 239,044 |
| Income receivable | | 34,387 | 33,327 | 38,417 | 35,448 |
| Trading account | | 138,424 | 76,423 | 138,424 | 76,423 |
| Other | 11 | 151,756 | 122,153 | 155,953 | 127,173 |
| Other assets | 12 | 126,247 | 100,249 | 126,252 | 100,250 |
| Repossessed assets | | 76,317 | 84,852 | 76,317 | 84,852 |
| (Allowance for repossessed assets losses) | | (4,376) | (8,564) | (4,376) | (8,564) |
| Prepaid expenses | | 54,306 | 23,961 | 54,311 | 23,962 |
| Investments | | 1,462,227 | 1,432,901 | 57,795 | 63,223 |
| Equity in domestic subsidiaries | 14 | 1,457,059 | 1,428,965 | - | - |
| Other investments | | 5,168 | 3,936 | 57,795 | 63,223 |
| Property and equipment in use | 15.a | 61,169 | 61,816 | 68,822 | 69,689 |
| Other property and equipment in use | | 113,420 | 108,670 | 125,046 | 119,874 |
| (Accumulated depreciation) | | (52,251) | (46,854) | (56,224) | (50,185) |
| Property and equipment for operating lease | 15.b | - | - | 189,207 | 130,650 |
| Leased assets | | - | - | 347,189 | 264,241 |
| (Accumulated depreciation) | | - | - | (157,982) | (133,591) |
| Intangible assets | | - | - | 304 | 351 |
| TOTAL ASSETS | | 53,836,287 | 49,552,860 | 53,642,290 | 49,159,751 |

The accompanying notes are an integral part of this interim financial information.

BALANCE SHEETS
AS AT JUNE 30, 2021 AND AS AT DECEMBER 31, 2020
(In thousands of Brazilian reais - R\$)

| LIABILITIES | Note | Bank | | Consolidated | |
|--|-------------|-------------------|-------------------|-------------------|-------------------|
| | | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Financial instruments | | 45,116,064 | 41,400,186 | 44,723,396 | 40,808,561 |
| Deposits | 16.b | 14,605,541 | 14,082,552 | 14,592,758 | 14,027,603 |
| Repurchase commitments | 16.a | 2,704,850 | 1,951,672 | 2,704,850 | 1,951,672 |
| Issuance of securities | 16.b | 17,988,725 | 18,460,459 | 17,608,840 | 17,923,783 |
| In Brazil | | 15,653,397 | 16,055,053 | 15,273,512 | 15,518,377 |
| Exterior | | 2,335,328 | 2,405,406 | 2,335,328 | 2,405,406 |
| Foreign borrowings | 16.b | 6,483,594 | 4,503,902 | 6,483,594 | 4,503,902 |
| Domestic onlendings | 16.b | 145,664 | 164,850 | 145,664 | 164,850 |
| Subordinated debts | 16.b | 459,595 | 460,657 | 459,595 | 460,657 |
| Derivatives | 8.a | 389,809 | 58,064 | 389,809 | 58,064 |
| Foreign currency portfolio | 10 | 2,338,286 | 1,718,030 | 2,338,286 | 1,718,030 |
| Interbank accounts | | 161,189 | 227,702 | 161,189 | 227,702 |
| Provision for risks | 18 | 1,914,114 | 1,886,117 | 1,927,954 | 1,900,524 |
| Tax | | 1,750,965 | 1,656,548 | 1,751,732 | 1,657,360 |
| Civil | | 106,585 | 166,760 | 107,178 | 167,308 |
| Labor | | 56,564 | 62,809 | 69,044 | 75,856 |
| Provision for financial guarantees provided | 9.e | 46,851 | 44,781 | 46,851 | 44,781 |
| Current and deferred tax liabilities | 19.b | 957,152 | 933,409 | 1,055,538 | 1,040,842 |
| Other payables | | 420,595 | 557,753 | 465,862 | 592,898 |
| Social and statutory | 17.a | 74,797 | 301,174 | 76,149 | 303,167 |
| Collected taxes and others | | 20,354 | 5,327 | 20,451 | 5,327 |
| Trading account | | 138,749 | 65,266 | 138,749 | 65,266 |
| Other | 17.b | 186,695 | 185,986 | 230,513 | 219,138 |
| Deferred income | | 66,687 | 77,039 | 106,826 | 117,540 |
| Noncontrolling interests | | - | - | 1,039 | 1,030 |
| Equity | 20 | 5,153,635 | 4,425,873 | 5,153,635 | 4,425,873 |
| Capital social | | 3,557,260 | 3,557,260 | 3,557,260 | 3,557,260 |
| Capital reserves | | 1,125 | 279 | 1,125 | 279 |
| Earnings reserves | | 912,380 | 875,713 | 912,380 | 875,713 |
| Other comprehensive income | | (13,801) | (7,379) | (13,801) | (7,379) |
| Retained earnings | | 696,671 | - | 696,671 | - |
| TOTAL LIABILITIES | | 53,836,287 | 49,552,860 | 53,642,290 | 49,159,751 |

The accompanying notes are an integral part of this interim financial information.

INCOME STATEMENTS
FOR THE QUARTERS AND SEMESTERS ENDED JUNE 30, 2021 AND 2020
(In thousands of Brazilian reais - R\$)

| | Note | Bank | | | | Consolidated | | | |
|---|---------------|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| | | Quarter ended 06/30/2021 | Semester ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2020 | Quarter ended 06/30/2021 | Semester ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2020 |
| INCOME FROM FINANCIAL INTERMEDIATION | | 233,419 | 2,182,656 | 1,257,578 | 3,802,540 | 286,068 | 2,278,602 | 1,303,891 | 3,880,521 |
| Lending operations | 21.a | 1,164,827 | 2,351,011 | 946,353 | 2,051,741 | 1,211,706 | 2,441,518 | 988,404 | 2,137,838 |
| Securities transactions and derivatives | 21.b | (1,101,953) | (311,934) | 279,241 | 1,639,262 | (1,093,137) | (301,412) | 287,099 | 1,638,340 |
| Interbank accounts | 21.c | 25,987 | 46,378 | 47,778 | 85,293 | 18,996 | 35,326 | 41,967 | 71,753 |
| Foreign exchange transactions | 21.d | 143,799 | 95,626 | (16,675) | 24,344 | 147,744 | 101,595 | (14,460) | 30,690 |
| Sale transactions or transfer of financial assets | | 759 | 1,575 | 881 | 1,900 | 759 | 1,575 | 881 | 1,900 |
| EXPENSES ON FINANCIAL INTERMEDIATION | | 732,920 | (89,339) | (545,987) | (2,091,092) | 736,791 | (82,120) | (540,727) | (2,078,806) |
| Interbank and time deposits | 21.e | (105,013) | (175,337) | (61,913) | (140,331) | (104,849) | (174,982) | (61,388) | (139,008) |
| Issuance of securities in Brazil and abroad | 21.e | 132,486 | (207,298) | (257,633) | (891,509) | 136,193 | (200,434) | (252,898) | (880,546) |
| Domestic onlendings | 21.f | 705,447 | 293,296 | (226,441) | (1,059,252) | 705,447 | 293,296 | (226,441) | (1,059,252) |
| GROSS PROFIT FROM FINANCIAL INTERMEDIATION | | 966,339 | 2,093,317 | 711,591 | 1,711,448 | 1,022,859 | 2,196,482 | 763,164 | 1,801,715 |
| EXPENSES ALLOWANCE FOR LOAN LOSSES | 9.e | (157,672) | (257,763) | (99,200) | (257,071) | (161,387) | (262,957) | (101,401) | (259,837) |
| Lending operations | | (132,315) | (231,122) | (75,656) | (214,388) | (136,012) | (236,446) | (77,820) | (217,108) |
| Other credits | | (22,794) | (24,571) | (21,281) | (35,326) | (22,812) | (24,441) | (21,318) | (35,372) |
| Guarantees and collaterals | | (2,563) | (2,070) | (2,263) | (7,357) | (2,563) | (2,070) | (2,263) | (7,357) |
| RESULTS FROM FINANCIAL INTERMEDIATION | | 808,667 | 1,835,554 | 612,391 | 1,454,377 | 861,472 | 1,933,525 | 661,763 | 1,541,878 |
| OTHER OPERATING INCOME (EXPENSES) | | (280,058) | (511,360) | (174,822) | (387,870) | (319,887) | (581,035) | (208,490) | (446,696) |
| Income from services provided | 21.g | 64,021 | 120,808 | 39,697 | 98,651 | 68,231 | 129,065 | 43,589 | 106,981 |
| Income from insurance operations | | - | - | - | - | - | (11) | 23 | 165 |
| Personnel expenses | 21.h | (128,072) | (246,653) | (102,463) | (203,829) | (145,342) | (281,010) | (114,907) | (231,129) |
| Other administrative expenses | 21.i | (189,197) | (333,280) | (106,074) | (256,927) | (193,568) | (336,213) | (105,516) | (254,080) |
| Tax expenses | 19.a.ii | (49,688) | (101,299) | (36,990) | (84,300) | (57,294) | (114,739) | (42,367) | (95,552) |
| Equity in subsidiaries | 14.a | 1,131 | 25,945 | 26,598 | 62,221 | - | - | - | - |
| Other operating income and expenses | 21.j | (27,958) | (23,755) | (14,505) | (523) | (41,570) | (24,915) | (8,067) | 30,795 |
| Depreciation and amortization expenses | | (2,811) | (5,531) | (2,684) | (5,318) | (3,252) | (6,220) | (2,854) | (5,633) |
| Expenses with provision for risks | | | | | | | | | |
| Tax | | (7,319) | (12,831) | (8,374) | (18,726) | (7,361) | (13,067) | (8,546) | (19,065) |
| Civil | | 54,893 | 60,175 | 33,826 | 28,426 | 55,188 | 60,447 | 33,837 | 28,399 |
| Labor | | 4,942 | 5,061 | (3,853) | (7,545) | 5,081 | 5,628 | (3,682) | (7,577) |
| OPERATING INCOME | | 528,609 | 1,324,194 | 437,569 | 1,066,507 | 541,585 | 1,352,490 | 453,273 | 1,095,182 |
| NONOPERATING INCOME | | 24,431 | 24,078 | (3,356) | (5,796) | 29,391 | 31,081 | (2,532) | (3,932) |
| INCOME BEFORE INCOME TAXES | | 553,040 | 1,348,272 | 434,213 | 1,060,711 | 570,976 | 1,383,571 | 450,741 | 1,091,250 |
| INCOME TAX AND SOCIAL CONTRIBUTION | 19.a.i | (219,491) | (540,833) | (147,576) | (349,724) | (236,823) | (574,545) | (163,436) | (378,666) |
| Provision for income tax | | (152,934) | (326,827) | (79,176) | (173,525) | (158,630) | (338,923) | (81,801) | (178,241) |
| Provision for social contribution | | (124,814) | (265,962) | (64,391) | (122,872) | (132,689) | (280,622) | (71,245) | (135,065) |
| Deferred tax assets / liabilities | | 58,257 | 51,956 | (4,009) | (53,327) | 54,496 | 45,000 | (10,390) | (65,360) |
| PROFIT SHARING | | (36,904) | (74,101) | (27,454) | (55,924) | (37,504) | (75,677) | (28,113) | (57,506) |
| NONCONTROLLING INTERESTS | | - | - | - | - | (4) | (11) | (9) | (15) |
| PROFIT | | 296,645 | 733,338 | 259,183 | 655,063 | 296,645 | 733,338 | 259,183 | 655,063 |

The accompanying notes are an integral part of this interim financial information.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND SIX-MONTH PERIOD ENDED JUNE 30, 2021 AND 2020
(In thousands of Brazilian reais - R\$)**

| | Bank & Consolidated | | | |
|---|-----------------------------|------------------------------|-----------------------------|------------------------------|
| | Quarter ended 06/30/2021 | Semester ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2020 |
| PROFIT FOR THE QUARTER | 296,645 | 733,338 | 259,183 | 655,063 |
| Other comprehensive income | 1,331 | (6,422) | 9,416 | (14,706) |
| Fair value adjustments - | | | | |
| Available-for-sale marketable securities | | | | |
| Attributable to the parent | 894 | (7,597) | 3,024 | (16,833) |
| Attributable to subsidiaries | 837 | (2,246) | 7,753 | (5,447) |
| Deferred taxes on valuation adjustments to equity | | | | |
| Assigned to the Parent | (400) | 3,421 | (1,361) | 7,574 |
| COMPREHENSIVE INCOME TOTAL | 297,976 | 726,916 | 268,599 | 640,357 |

The accompanying notes are an integral part of this interim financial information.

**INDIVIDUAL STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021 AND 2020
(In thousands of Brazilian reais - R\$)**

| | Note | Capital | Increase capital | Earnings capital | Earnings reserves | | Special earnings reserve | Adjustments of equity valuation | Accumulated Profits | Total |
|--|----------|------------------|------------------|------------------|-------------------|------------------|--------------------------|---------------------------------|---------------------|------------------|
| | | | | | Legal | Bylaws | | | | |
| BALANCE AS AT DECEMBER 31, 2020 | | 3,557,260 | - | 279 | 59,131 | 816,582 | - | (7,379) | - | 4,425,873 |
| Adjustment to fair value - | | | | | | | | | | |
| Available-for-sale marketable securities | | - | - | - | - | - | - | (6,422) | - | (6,422) |
| Update of equity securities | | - | - | 846 | - | - | - | - | - | 846 |
| Net income | | - | - | - | - | - | - | - | 733,338 | 733,338 |
| Allocations: | | | | | | | | | | |
| Legal Reserve | 20.e | - | - | - | 36,667 | - | - | - | (36,667) | - |
| BALANCE AS AT JUNE 30, 2021 | | 3,557,260 | - | 1,125 | 95,798 | 816,582 | - | (13,801) | 696,671 | 5,153,635 |
| BALANCE AS AT DECEMBER 31, 2019 | | 2,253,595 | - | 1,142 | 254,751 | 1,047,772 | 125,266 | 12,633 | - | 3,695,159 |
| Capital increase | | - | 1,303,665 | (1,142) | (254,751) | (1,047,772) | - | - | - | - |
| Capital increase - ratified by BACEN | | 1,303,665 | (1,303,665) | - | - | - | - | - | - | - |
| Adjustment to fair value - | | | | | | | | | | |
| Available-for-sale marketable securities | | - | - | - | - | - | - | (14,706) | - | (14,706) |
| Update of equity securities | | - | - | 279 | - | - | - | - | - | 279 |
| Additional dividends proposed | 20.d.iii | - | - | - | - | - | (125,266) | - | - | (125,266) |
| Net income | | - | - | - | - | - | - | - | 655,063 | 655,063 |
| Allocations: | | | | | | | | | | |
| Legal Reserve | 20.e | - | - | - | 32,753 | - | - | - | (32,753) | - |
| Interest on capital | 20.d.ii | - | - | - | - | - | - | - | (89,788) | (89,788) |
| BALANCE AS AT JUNE 30, 2020 | | 3,557,260 | - | 279 | 32,753 | - | - | (2,073) | 532,522 | 4,120,741 |

The accompanying notes are an integral part of this interim financial information.

STATEMENTS OF CASH FLOWS
FOR THE SEMESTER ENDED JUNE 30, 2021 AND 2020
(In thousands of Brazilian reais - R\$)

| | Bank | | Consolidated | |
|---|--------------------|------------------|--------------------|------------------|
| | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| OPERATING ACTIVITIES | | | | |
| PROFIT | 733,338 | 655,063 | 733,338 | 655,063 |
| Adjustments to reconcile profit | | | | |
| Net cash provided by operating activities | | | | |
| Depreciation and amortization | 5,531 | 5,318 | 6,220 | 5,633 |
| Deferred taxes | (51,956) | 53,327 | (45,000) | 65,360 |
| Current taxes | 592,789 | 296,397 | 619,545 | 313,306 |
| Provision for risks | 27,997 | 37,758 | 27,430 | 38,155 |
| Provision for guarantees and collaterals | 2,070 | 7,357 | 2,070 | 7,357 |
| Allowance for loan losses | 238,325 | 306,096 | 242,453 | 312,896 |
| Allowance for losses on leasing operations | - | - | 1,195 | (4,080) |
| Allowance for other loan losses | 15,853 | (61,148) | 15,724 | (61,102) |
| Allowance for other sundry loan losses | 1,515 | 4,766 | 1,515 | 4,766 |
| Allowance for losses on other assets | (4,188) | 4,386 | (4,188) | 4,385 |
| Exchange rate changes on cash and cash equivalents | 42,102 | (93,708) | 42,102 | (93,708) |
| Gains on disposal of permanent assets | 20,962 | 5,001 | 14,171 | 4,956 |
| Share of profit (loss) of subsidiaries and associates | (25,945) | (62,221) | - | - |
| TOTAL RECONCILIATION ADJUSTMENTS | 865,055 | 503,329 | 923,237 | 597,924 |
| ADJUSTED NET INCOME | 1,598,393 | 1,158,392 | 1,656,575 | 1,252,987 |
| CHANGES IN ASSETS AND LIABILITIES | (4,810,868) | 844,768 | (4,868,824) | 760,599 |
| (Increase) Decrease in Interbank accounts | (505,292) | (239,714) | (438,740) | (181,729) |
| (Increase) Decrease in securities and derivatives | (2,002,188) | (2,743,567) | (2,199,413) | (2,706,525) |
| (Increase) Decrease in interbank and interbranch accounts | (50,052) | (69,710) | (50,052) | (69,710) |
| (Increase) Decrease in lending operations | (1,113,570) | (636,082) | (1,260,847) | (724,779) |
| (Increase) Decrease in other receivables | (2,293,277) | 695,370 | (2,261,983) | 705,312 |
| (Increase) Decrease in other assets | (21,810) | (8,643) | (21,814) | (8,732) |
| Increase (Decrease) in deposits | 522,989 | 1,258,675 | 565,157 | 1,270,934 |
| Increase (Decrease) in repurchase commitments | 20,806 | 70,944 | 20,806 | 70,944 |
| Increase (Decrease) in funds from acceptance and issuance of securities | 432,847 | 1,966,111 | 589,637 | 1,955,147 |
| Increase (Decrease) in borrowings and onlendings | 283,001 | (35,520) | 283,001 | (35,520) |
| Increase (Decrease) in other payables | 421,337 | 1,005,509 | 445,679 | 925,341 |
| Income tax and social contribution paid | (495,307) | (418,159) | (529,541) | (437,166) |
| Increase (Decrease) in deferred income | (10,352) | (446) | (10,714) | (2,918) |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | (3,212,475) | 2,003,160 | (3,212,249) | 2,013,586 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Acquisition of property and equipment in use | (4,899) | (3,125) | (4,954) | (5,618) |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | (4,899) | (3,125) | (4,954) | (5,618) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Increase (Decrease) in funds from acceptance and issuance of securities | (904,579) | 765,209 | (904,579) | 765,209 |
| Increase (Decrease) in borrowings and onlendings | 1,677,505 | 513,493 | 1,677,505 | 513,493 |
| Increase (decrease) of subordinated debts | (1,062) | 296,345 | (1,062) | 296,345 |
| Dividends and interest on capital paid | (173,629) | (286,885) | (173,629) | (286,885) |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | 598,235 | 1,288,162 | 598,235 | 1,288,162 |
| EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (42,102) | 93,708 | (42,102) | 93,708 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (2,661,241) | 3,381,905 | (2,661,070) | 3,389,838 |
| Cash and cash equivalents at beginning of the quarter period | 3,812,370 | 2,585,577 | 3,812,518 | 2,592,027 |
| Cash and cash equivalents at end of the quarter period | 1,151,129 | 5,967,482 | 1,151,448 | 5,981,865 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (2,661,241) | 3,381,905 | (2,661,070) | 3,389,838 |

The accompanying notes are an integral part of this interim financial information.

**CONSOLIDATED STATEMENTS OF VALUE ADDED
FOR THE SEMESTER ENDED JUNE 30, 2021 AND 2020**
(In thousands of Brazilian reais - R\$)

| | Bank | | Consolidated | |
|--|------------------|--------------------|------------------|--------------------|
| | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| REVENUES | 2,098,430 | 3,639,956 | 2,203,866 | 3,756,458 |
| Income from financial intermediation | 2,182,656 | 3,802,828 | 2,278,602 | 3,880,809 |
| Revenue from services | 120,808 | 98,651 | 129,065 | 106,981 |
| Allowance for loan losses | (257,763) | (257,071) | (262,957) | (259,837) |
| Other | 52,729 | (4,452) | 59,156 | 28,505 |
| | (89,339) | (2,091,092) | (82,120) | (2,078,806) |
| EXPENSES | (89,339) | (2,091,092) | (82,120) | (2,078,806) |
| Expenses on financial intermediation | | | | |
| | (324,512) | (249,198) | (326,958) | (245,963) |
| INPUTS PURCHASED FROM THIRD PARTIES | (44,161) | (48,027) | (57,047) | (51,107) |
| Materials, electric power and other | (280,351) | (201,171) | (269,911) | (194,856) |
| GROSS VALUE ADDED | 1,684,579 | 1,299,666 | 1,794,788 | 1,431,689 |
| DEPRECIATION AND AMORTIZATION | (5,531) | (5,318) | (6,220) | (5,633) |
| TOTAL WEALTH CREATED BY THE BANK AND CONSOLIDATED | 1,679,048 | 1,294,348 | 1,788,568 | 1,426,056 |
| WEALTH RECEIVED IN TRANSFER | 25,945 | 62,221 | - | - |
| Equity in subsidiaries | 25,945 | 62,221 | - | - |
| WEALTH FOR DISTRIBUTION | 1,704,993 | 1,356,569 | 1,788,568 | 1,426,056 |
| DISTRIBUTION OF WEALTH | 1,704,993 | 1,356,569 | 1,788,568 | 1,426,056 |
| EMPLOYEES | 281,235 | 227,261 | 312,053 | 252,216 |
| Salaries and wages | 235,286 | 134,079 | 258,559 | 151,121 |
| Benefits | 37,050 | 86,162 | 43,168 | 92,973 |
| Severance pay fund (FGTS) | 8,899 | 7,020 | 10,326 | 8,122 |
| TAXES | 681,651 | 466,516 | 733,910 | 510,636 |
| Federal | 672,399 | 459,518 | 718,167 | 498,232 |
| State | 1,369 | 604 | 1,425 | 652 |
| Municipal | 7,883 | 6,394 | 14,318 | 11,752 |
| LENDERS AND LESSORS | 8,769 | 7,729 | 9,256 | 8,126 |
| Rentals | 8,769 | 7,729 | 9,256 | 8,126 |
| SHAREHOLDERS | 733,338 | 655,063 | 733,338 | 655,063 |
| Interest on capital | - | 89,788 | - | 89,788 |
| Retained earnings | 733,338 | 565,275 | 733,327 | 565,260 |
| Noncontrolling interests | - | - | 11 | 15 |

The accompanying notes are an integral part of this interim financial information.

**NOTES TO THE INTERIM INFORMATION (ITR)
FOR THE QUARTER AND SIX-MONTH PERIOD ENDED JUNE 30, 2021
(In thousands of Brazilian reais - R\$, unless otherwise stated)**

1 - GENERAL INFORMATION

Banco Daycoval S.A. ("Bank" or "Daycoval"), headquartered at Avenida Paulista, 1.793, in the City and State of São Paulo, is a publicly-held entity, organized as a full-service bank authorized to operate commercial, foreign exchange, investment, and lending and financing portfolios and, through its direct and indirect subsidiaries, also leasing portfolio, asset management, life insurance, pension plans and provision of services. The Bank is part of Daycoval Conglomerate and conducts its businesses on an integrated basis.

2 - PRESENTATION OF THE INTERIM INFORMATION

a) Apresentação

The Bank's quarter consolidated financial statements, which include its foreign branch, direct and indirect subsidiaries and the investment funds in which there is retention of risks and rewards, have been prepared in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil, and are in conformity with the accounting guidelines set out in the Brazilian Corporate Law (Law 6404/76), and the amendments introduced by Law 11638/07 and Law 11941/09, for the recognition of transactions including, when applicable, the rules and instructions from the National Monetary Council (CMN), the Central Bank of Brazil (BACEN) and the Standard Chart of Accounts for Financial Institutions (COSIF), the Brazilian and Securities Exchange Commission (CVM), the National Private Insurance Council (CNSP), the Private Insurance Superintendence (SUSEP) and the Accounting Pronouncements Committee (CPC).

As prescribed by CMN Resolution 4818/20 and BCB Resolution 2/20 which revoked CMN Resolution 4720/19 and BACEN Circular Letter 3959/19, respectively, the financial institutions and other institutions authorized to operate by BACEN, must prepare their financial statements in accordance with the criteria and procedures set out in these regulations, which address the disclosure of interim, semiannual and annual financial statements, as well as their content, which include the balance sheets and statements of income, of comprehensive income, of cash flows and of changes in equity, the notes to the financial statements and the disclosure of information on non-recurring results.

The Interim Financial Information was approved by Management on August 4, 2021.

Daycoval adopts presentation criteria in its financial statements so as to represent the economic substance of its transactions and in accordance with financial reporting criteria set out in BCB Resolution 2/20, and additional regulations, as follows:

Balance sheet

- i The presentation of balance sheet items in descending order of liquidity and liability, without segregating between current and noncurrent. The breakdowns by realization and payment term for the groups of significant assets and liabilities are presented in the notes to the Interim Financial Information, as prescribed in Article 23 of BCB Resolution 2/20.
- ii Presentation of "Total reserves at the Central Bank of Brazil".
- iii Presentation of the line item "Financial instruments", assets and liabilities.
- iv Loan portfolio:
 - Leasing operations under the financial method, which results in the presentation of these operations at present value, eliminating the line items "Lease property and equipment" and "Guaranteed residual value";
 - Purchase of credit rights, reclassified from "Assets - Sundry" to "Other sundry credits".
- v Presentation of line items "Current and deferred tax credits" and "Debtors for escrow deposits" separated from line item "Other receivables - sundry", as well as line items "Current and deferred tax liabilities" and "Provision for risks" separated from line items "Tax and social security" and "Other payables", respectively; and

- vi Daycoval started presenting the operations of Seguradora Lider of consortiums DPVAT in a single line of assets, included in "Insurance premiums" in Other receivables - other.

Statements of income

- i Income from lending operations starts being comprised as follows: (i) income from leasing operations and income from purchase of credit rights, the latter one previously classified in "Other operating income"; and (ii) advances on foreign exchange contracts, reclassified from "Foreign exchange transactions", except for income and expenses from differences in rates charged on the amounts of foreign currencies, presented as "Foreign exchange transactions".
- ii Highlight of gross profit from financial intermediation before expenses on allowance for loan losses.
- iii Expenses with allowance for loan losses start encompassing allowances for other loan losses added to the Expanded Loan Portfolio and for operations of Financial Guarantees provided.
- iv Other operating income and expenses start being presented in a single line item.
- v Highlight of "Expenses on depreciation and amortization" and "Expenses on provision for risks", which were previously presented in "Operating expenses".
- vi Presentation of the statement of comprehensive income, following the statement of income.

For purposes of presentation of the Interim Financial Information, on comparable basis, the reclassifications of the carrying amounts of profit or loss, due to the new reporting framework, did not change profit for the quarter ended June 30, 2021.

b) Process of convergence with International Financial Reporting Standards ("IFRS")

As part of the process of convergence with the International Financial Reporting Standards ("IFRS"), the Accounting Pronouncements Committee (CPC) has issued pronouncements related to the international accounting convergence process that have been approved by the CVM but not all of them have been ratified by the BACEN. Accordingly, in the preparation of the interim financial information, the Bank has adopted the following pronouncements that have been approved by the BACEN:

| Pronouncements CPC | Resolution CMN |
|---|----------------|
| CPC 00 (R1) - Conceptual Framework to Prepare and Disclose the Financial Report | 4144/12 |
| CPC 01 (R1) - Impairment of Assets | 3566/08 |
| CPC 03 (R2) - Statements of Cash Flows | 4818/20 |
| CPC 05 (R1) - Related-party Disclosures | 4818/20 |
| CPC 10 (R1) - Share-based Payment | 3989/11 |
| CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors | 4007/11 |
| CPC 24 - Events After the Reporting period | 4818/20 |
| CPC 25 - Provisions, Contingent Liabilities and Contingent Assets | 3823/09 |
| CPC 33 (R1) - Employee Benefits | 4877/20 |
| CPC 41 - Earnings per Share | 4818/20 |
| CPC 46 - Fair Value Measurement | 4748/19 |

All relevant information in the Individual and Consolidated Financial Statements of the Bank, and only such information, is being disclosed and corresponds to the information used by the Bank's Management in managing the Bank.

c) Consolidation

In the process of consolidation of the financial statements, the balances of assets, liabilities and results from the transactions among the Bank, its foreign branch, its direct and indirect subsidiaries and the investment funds acquired with substantial retention of risks and benefits, were eliminated, and the balances of net income and equity attributable to noncontrolling interests were recorded in separate line items.

The consolidated financial statements include the Bank and the following entities:

| | Ownership interest - % | |
|--|------------------------|--------|
| | 2021 | 2020 |
| Leasing operations | | |
| Daycoval Leasing – Banco Múltiplo S.A. ("Daycoval Leasing") | 100.00 | 100.00 |
| Financial activity - Foreign branch | | |
| Banco Daycoval S.A. - Cayman Branch | 100.00 | 100.00 |
| Insurance and pension plan activity | | |
| Dayprev Vida e Previdência S.A. ("Dayprev") | 97.00 | 97.00 |
| Non-financial activity | | |
| ACS Participações Ltda. ("ACS") | 99.99 | 99.99 |
| Daycoval Asset Management Administração de Recursos Ltda. ("Daycoval Asset") | 99.99 | 99.99 |
| IFP Promotora de Serviços de Consultoria e Cadastro Ltda. ("IFP") | 99.99 | 99.99 |
| SCC Agência de Turismo Ltda. ("SCC") | 99.99 | 99.99 |
| Treetop Investments Ltd. ("Treetop") | 99.99 | 99.99 |
| Investment funds | | |
| Multigestão Renda Comercial Fundo de Investimento Imobiliário - FII ("Fundo") ⁽¹⁾ | 67.97 | 68.10 |

(1) Pursuant to Art. 4 of CMN Resolution 4280/13, the investment funds in which Daycoval substantially assumes or retains all risks and rewards, on any account, must be consolidated in the financial statements of the controlling institution.

d) New rules issued by BACEN that will come into effect in future periods:

- i CMN Resolution No. 4817 and BCB Resolution No. 33: Provide for the criteria for accounting measurement and recognition of investments in associates, subsidiaries and joint ventures held by financial institutions and other institutions authorized to operate by the Central Bank of Brazil. Additionally, BCB Resolution No. 33 establishes the procedures applicable to financial institutions for disclosing the following information in the accompanying notes: i) acquisition of interests in associates, subsidiaries and joint ventures; ii) interests in associates, subsidiaries and joint ventures; and iii) merger, amalgamation and spin-off operations. Daycoval does not expect material accounting impacts after these standards become effective.
- ii CMN Resolution No. 4818: Consolidates the general criteria for the preparation and disclosure of individual and consolidated financial statements by financial institutions and other institutions authorized to operate by the Central Bank of Brazil. Establishes, from January 1, 2022, that financial institutions must prepare annual consolidated financial statements in accordance with the international accounting standards issued by the International Accounting Standards Board (IASB). It also establishes the need to disclose in the accompanying notes any differences between the criteria and procedures for classification, recognition and measurement applied in the consolidated statements under IFRS and those applied in the individual statements. The Consolidated Financial Statements under IFRS are prepared annually by Daycoval.
- iii CMN Resolution No. 4,872: Provides for the general criteria used to account for equity of institutions authorized to operate by the Central Bank of Brazil. The standard consolidated and updated the guidelines that dealt with the general criteria used to account for equity by institutions authorized to operate by the Central Bank of Brazil. Furthermore, a specific treatment was established for transaction costs incurred in the issuance of own equity instruments, in accordance with the provisions of the International Accounting Standard (IAS) 32 - Financial Instruments: Presentation, issued by the IASB. This Resolution is effective as of January 1, 2021. No material accounting impacts on Daycoval are expected when this Resolution becomes effective.

3 - SIGNIFICANT ACCOUNTING POLICIES

a) Functional and reporting currency, foreign currency-denominated transactions and share of profit (loss) of foreign entities:

i Functional and reporting currency

Daycoval's financial statements are presented in Brazilian reais (R\$), which is the Bank's functional and reporting currency. As prescribed by CMN Resolution 4524/16, Daycoval has defined that the functional and reporting currency for each of its direct and indirect subsidiaries, including foreign entities, will also be the Brazilian real (R\$).

ii Translation of foreign-currency denominated transactions

If foreign investees conduct transactions in a currency different from their respective functional currencies, these transactions will be converted by applying the exchange rates of the respective trial balance or balance sheet for monetary items, assets and liabilities stated at fair value and for items not classified as monetary items. For other cases, the exchange rates on the transaction date are applied.

iii Share of profit (loss) of foreign entities

The share of profit (loss) of foreign entities, the functional currency of which is defined in item "i" above, is recognized directly in Daycoval's income statements, in "Share of profit (loss) of subsidiaries".

b) Recording of income and expenses

Income and expenses are recorded on the accrual basis. Fixed-rate transactions are stated at the final amount, and income and expenses for future period are recognized as a reduction of the related assets and liabilities. Finance income and costs are recorded on a pro rata basis and calculated based on the exponential method, except those related to discounted notes or foreign transactions, which are calculated under the straight-line method. Floating-rate transactions or those indexed to foreign currencies are adjusted through the balance sheet date.

c) Cash and cash equivalents

Cash and cash equivalents are represented by cash and bank deposits, recorded in line items "Cash", "Interbank accounts", and "Securities - own portfolio", with original investment term of 90 days or less; the risk of change in their fair value is considered immaterial.

The breakdown of cash and cash equivalents is presented in Note 4.

d) Financial instruments

i Interbank accounts

Repurchase commitments are stated at cost, plus income earned through the balance sheet date, less allowance for impairment, when applicable.

The breakdown of Interbank accounts is presented in Note 6.

ii Securities

Securities are stated at cost plus income earned, as follows: (i) fixed-income securities are adjusted at the applicable interest rate based on the respective maturities; (ii) shares are adjusted based on the average price informed by the Stock Exchange where the shares are more traded; and (iii) investments in investment funds are adjusted based on the share price informed by the fund managers.

Securities are classified in conformity with BACEN Circular Letter 3068/01 into one of the following categories:

- Trading securities - securities acquired for the purpose of being actively and frequently traded, adjusted to fair value as a contra-entry to profit or loss.
- Available-for-sale securities - securities not acquired for the purpose of being actively and frequently traded, which Management does not intend to hold to maturity. The adjustments to fair value (unrealized gains and losses) are recorded as a separate component of equity, net of taxes, and are recognized in profit or loss when realized.
- Held-to-maturity securities - securities that the Bank has the positive intent and ability to hold to maturity and stated at cost, plus income earned, as a contra-entry to profit or loss.
- Bonuses arising from investments in shares issued by publicly-traded companies are recorded in the securities portfolio only according to the respective quantities, without modifying the amount of investments, when the corresponding shares are considered "ex-rights" on the stock exchange.

Dividends and interest on capital arising from investments in shares issued by publicly-traded companies are recorded as income when the related shares are

The breakdown and classification of securities are presented in Notes 7.a and 7.b.

iii Derivative financial instruments (assets and liabilities)

Derivatives consist of forward, futures and swap options and are recorded in conformity with BACEN Circular Letter 3082/02, which provides for the adoption of the following criteria:

- Option transactions - premiums received or paid are recorded at fair value in caption "Derivatives" in assets or liabilities, respectively, until the option is exercised, and recorded as a decrease or increase in the cost of the asset subject to the option, for the exercise of the option, or as income or expense in the event of non-exercise;
- Futures transactions - daily adjustments are recorded at fair value in line item "Trading account" in assets or liabilities and allocated daily to profit or loss as income

- Currency swap and forward transactions (NDF) - differential receivable or payable is recorded at fair value in caption "Derivatives" in assets or liabilities, respectively, and allocated to profit or loss as income (when relating to gains) or expense (when relating to losses); and
- Forward transactions - recorded at the final contractual amount, less the difference between such amount and the cash price of the asset, adjusted to fair value, income and expenses being recognized over the contractual terms.

Derivative transactions are stated at fair value, with gains and losses recorded as described below:

- Derivatives not qualified as hedge - in income or expense in profit or loss; and
- Derivatives qualified as hedge - classified as market risk hedge or cash flow hedge.

Market risk hedges are used to offset the risks arising from the exposure to changes in the fair value of the hedged item, with gains or losses recorded as a contra-entry to income or expense in profit or loss.

Cash flow hedges are used to offset the changes in estimated future cash flows, the effective portion used in such offset being recorded as a contra-entry to a separate item of equity, net of taxes, and any other change as a contra-entry to income or expense in profit or loss.

The breakdown of derivative financial instruments recorded in assets and liabilities accounts and in memorandum accounts is presented in Note 8.

iv Fair value measurement

The methodology applied to measure the fair value of financial assets and derivative financial instruments measured at fair value is based on the economic scenario and on the pricing models designed by Management, which include capturing average prices charged in the market, applicable to the balance sheet date. Accordingly, upon the financial settlement of these items, the results may be different from estimates.

The model of fair value measurement of financial instruments assets and liabilities, including derivatives, designed by the Management, takes into consideration the economic scenario, the collection of indicators and prices charged in the market, applicable to these instruments at the balance sheet date. The value of settlement of these financial instruments may be different from estimates.

e) Lending operations, other transactions with loan and lease characteristics and allowance for losses associated with the credit risks of these instruments

Leasing operations were reclassified so as to reflect its financial position in conformity with the financial method.

Lending and leasing operations are classified based on Management's risk assessment, considering the past experience with prior borrowers, the risk rating of such borrowers and their guarantors, the economic environment, and specific and overall portfolio risks, pursuant to CMN Resolution 2682/99, which requires a periodic analysis of the portfolio and its classification into nine risk rating levels from AA (minimum risk) to H (maximum risk - loss).

Additionally to the minimum levels of provision mentioned in Resolution 2682/99, and subsequent amendments, Daycoval also established a provision for additional credit risk, calculated on the basis of a credit risk assessment and monitoring from time to time revalued and approved by Management.

The allowance for losses associated with the credit risk is established in an amount sufficient to cover probable losses and in accordance with standards and guidelines from CMN and Bacen.

Also according to CMN Resolution 2682/99, the income from lending operations past due for more than 60 days, regardless of the risk rating, is only recognized when received, and H-rated loans remain as such for 180 days, after which period they are written off against the existing allowance and are controlled in memorandum accounts, no longer being recorded in the balance sheet.

Renegotiated operations are held at least at the same level of risk in which they were classified on the date of renegotiation. In case of significant amortization of the operation or when new significant or observable facts justify the change of risk level, the operation can be reclassified into a lower risk category.

Lending operations, other transactions with loan and lease characteristics and leasing transactions are measured at amortized cost.

The breakdown of lending operations, other transactions with loan and lease characteristics and leasing operations and that of the allowance for losses associated with the credit risks of these instruments are presented in Note 9.

f) Derecognition of financial assets

A financial asset is derecognized, as prescribed by CMN Resolution 3533/08, when the contractual rights to the financial asset's cash flows expire or when the asset is sold or transferred, which should be classified into the following categories:

- Transactions with substantial transfer of the risks and rewards: the assignor substantially transfers all the risks and rewards of ownership of the financial asset as follows: (i) unconditional sale of the financial asset; (ii) sale of the financial asset with repurchase option at its fair value on the repurchase date; and (iii) sale of the financial asset with call or put options, whose exercise is unlikely to occur;
- Transactions with substantial retention of the risks and rewards: the assignor substantially retains all the risks and rewards of ownership of the financial asset as follows: (i) sale of the financial asset with repurchase commitment at a fixed price or at the sales price plus any yields; (ii) securities lending agreements; (iii) sale of the financial assets with total return rate swap agreement, which transfers the market risk exposure back to the assignor; (iv) sale of the financial asset with call or put options whose exercise is likely to occur; and (v) sale of receivables, when the losses incurred by the buyer or assignee, if any, are compensated by the seller or assignor, or whose sale is made together with the acquisition of subordinated units of the buyer Receivables Investment Fund (FIDC); and
- Transactions with no substantial transfer or retention of the risks and rewards: transactions in which the assignor neither transfers nor substantially retains all the risks and rewards of ownership of the financial asset.

The transfer or retention of the risks and rewards of ownership of the financial asset is analyzed by comparing Daycoval's exposure, before and after the sale or transfer, with the changes in the present value of the financial asset's expected cash flows, adjusted at the appropriate market interest rate.

g) Foreign exchange transactions (gains and losses)

Foreign exchange transactions are stated at realizable values, plus income and exchange rate changes calculated on a daily pro rata basis.

The breakdown of foreign exchange transactions (gains and losses) is presented in Note 10.

h) Insurance operations

The operations of Seguradora Líder are stated in one single line item in assets, in "Other sundry receivables", proportionally to the interest held in the entity, in conformity with the regulatory amendments set out in SUSEP Circular Letter 595/19, which revoked articles 153 and 154 of SUSEP Circular Letter 517/15, which provided for the line-by-line presentation of the Consortium's assets and liabilities proportionally to the consortium's interest.

Total "Unearned insurance premium" amounts to R\$31 (R\$31 as at December 31, 2020), as shown in note 11.

i) Prepaid expenses

Prepaid expenses related to commissions paid to bank correspondents are controlled by contract and accounted for in line item "Prepaid expenses in assets, in the

Other prepaid expenses regarding expenses with issuance of securities in Brazil or abroad and with those relating to funds from the Interamerican Development Bank (IDB) are recognized in profit or loss on a pro rata basis, over the respective contractual terms.

Prepaid expenses are presented in Note 12.

j) Investments in subsidiaries

Investments in subsidiaries are accounted for under the equity method of accounting and applied to all associates in which the Bank has a significant influence. A significant influence is deemed to be a 20% equity interest or more in the voting capital.

The breakdown of investments in subsidiaries is presented in Note 14.

k) Other investments

Other investments are stated at cost, less allowance for loss, when applicable.

l) Property and equipment for use

Stated at acquisition cost, monthly adjusted by their respective accumulated depreciation, calculated under the straight-line method in accordance with the estimated useful and economic life of the assets, namely: property and equipment for use - 4% p.a.; facilities, furniture, equipment for use, security systems and communications - 10% p.a.; transportation systems - 10% and 20% p.a.; and data processing systems - 20% p.a., and adjusted by impairment, as applicable.

The breakdown of property and equipment for use is presented in Note 15.a.

m) Property and equipment for operating lease

Leased assets are stated at acquisition cost, less accumulated depreciation. Depreciation is calculated on a straight-line basis, with a 30% reduction benefits in the normal useful lives of assets for leasing operations carried out with legal entities, provided for by prevailing legislation.

The breakdown of property and equipment for operating lease is shown in note 15.b.

n) Held-for-sale non-financial assets

Held-for-sale non-financial assets, pursuant to CMN Resolution 4747, must be classified as:

a) own – which expected realization is through sale, are available for immediate sale and which disposal is highly probable within no more than one year; or

b) received – which receipt by the institution for settlement of financial instrument is difficult or doubtful nor intended for own use.

Held-for-sale non-financial assets are show in note 12.

o) Impairment of non-financial assets

The impairment of non-financial assets is recognized as a loss when the carrying amount of an asset or a cash-generating unit is higher than its recoverable or realizable value. A cash-generating unit is the smallest identifiable group of assets that generates cash flows substantially independent from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period in which they are identified, when applicable.

Non-financial assets, except those recorded in line items 'Other assets' and 'Current and deferred tax credits', are tested for impairment at least annually to determine if there is any indication that such assets might be impaired, pursuant to Note 12.

p) Funding

The deposits, issuance of securities in Brazil and abroad and borrowings and onlendings are recognized at initial value, plus interest and financial charges incurred up to the balance sheet date, calculated on a pro rata basis. Funds from acceptance of securities abroad and foreign onlendings are also increased by the exchange variation calculated at the foreign currency quote announced by BACEN at the balance sheet date.

Funds from issuance of securities and foreign onlendings, subject to hedge accounting, are measured at fair value at the balance sheet date, and the effects of this measurement are recognized in the statement of income.

The breakdown of funding is presented in Note 16.

q) Provisions, contingent assets and liabilities and legal obligations (tax and labor)

The recognition, measurement and disclosure of the provisions for contingent assets and liabilities and legal obligations are carried out in accordance with the criteria established by Technical Pronouncement CPC 25 – Provisions, Contingent Liabilities and Contingent Assets approved by CMN Resolution 3823/2009 and BACEN Circular Letter 3429/2010, as follows:

i Provisions

Are recognized when there is a present obligation as a result of past events, where it is likely that an outflow of funds will be required to settle an obligation and which can be reliably estimated. Daycoval, for the constitution of the provisions, considers the opinion of its legal advisors and the Management for its recognition.

ii Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The contingent asset is only recognized in the financial assets when there is sufficient evidence that its realization is certain, otherwise, it is only disclosed in the financial statements.

iii Contingent liabilities

Contingent liabilities are not recorded as their existence will be confirmed only upon the occurrence or not of one or more uncertain future events that are beyond Daycoval's control. Contingent liabilities do not satisfy the criteria for their recognition as they are considered as possible losses and disclosed in the notes to the interim financial information. Contingent liabilities assessed as remote loss are not recognized and disclosed.

iv Legal obligations (tax and social security)

Legal obligations (tax and social security) - refer to lawsuits challenging the legality and constitutionality of certain taxes and contributions. The amount under litigation is determined, accrued and adjusted on a monthly basis, regardless of its likelihood of loss.

The breakdown of contingent assets and liabilities and legal obligations is presented in Note 18.

r) Taxes

Tax credits from income tax and social contribution on net profit, calculated on temporary additions, are recorded in line item "Tax credits", and the provision for deferred tax liabilities on excess depreciation, adjustments to fair value of marketable securities, inflation adjustment of escrow deposits, among others, are recorded in "Deferred taxes". Only the income tax rate is applied to surplus depreciation.

Tax credit arising from temporary differences on the fair value measurement of certain financial assets and financial liabilities, including derivative agreement, provisions for tax, civil and labor contingencies and allowances for loan losses, are recognized only when all requirements for its recognition, established by CMN Resolution 4842/20, are met.

Taxes are recognized in the statement of income, except when they refer to items recognized directly in equity. Deferred taxes, comprising tax credits and deferred tax liabilities, are calculated on the temporary differences between the tax base of assets and liabilities and their carrying amounts.

The calculation of income tax and social contribution and the breakdown of tax credits and deferred tax liabilities are respectively presented in Notes 19.a.i and 19.d.

The realization of tax credits is presented in Note 19.e.

s) Earnings per share

Earnings per share are calculated based on criteria and procedures set out in Technical Pronouncement CPC 41 – Earnings per Share, considering the provisions applicable to financial institutions, as prescribed by CMN Resolution 4818/20.

Earnings per share are shown in note 20.f.

t) Interest on capital

CMN Resolution 4706/18, which came into effect beginning January 1, 2019, establishes procedures for the recognition of interest on capital, which must be recognized after declared or proposed and if representing a present obligation at the balance sheet date.

Dividends and interest on capital declared are recognized in current liabilities in line item "Social and statutory" and dividends proposed and not yet approved are recognized in equity in line item "Special earnings reserves".

Interest on capital is presented in Note 20.d.

u) Use of accounting estimates

The preparation of the financial statements requires Management to make estimates and adopt assumptions that, in its best judgment, affect the reported amounts of certain assets and liabilities (financial or not), revenues, expenses and other transactions, such as:

- i depreciation rates of property and equipment items and lease property and equipment;
- ii Amortization of deferred assets;
- iii Allowance for loan and lease losses;
- iv Measurement of financial instruments; and
- v Provisions for contingencies.

The actual settlement amounts of these financial or non-financial assets and liabilities could differ from those estimates.

v) Non-recurring result

Non-recurring result is that:

- i Arising from operations/transactions carried out by the Bank that are not directly related to its core activities;
- ii Indirectly related to the Bank's core activities; and
- iii Arising from operations/transactions not expected to be frequently carried out in future years.

The breakdown of non-recurring result is shown in note 21.k.

4 - CASH AND CASH EQUIVALENTS

| | Bank | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Cash | 273,581 | 342,892 | 273,900 | 343,040 |
| Money market investments ⁽¹⁾ | 698,826 | 3,286,298 | 698,826 | 3,286,298 |
| Foreign currency investments ⁽²⁾ | 178,722 | 183,180 | 178,722 | 183,180 |
| Total | 1,151,129 | 3,812,370 | 1,151,448 | 3,812,518 |

(1) Money market investments comprising cash and cash equivalents, do not contain the amount of money market investments – third-party (note 6), for the Bank and the Consolidated.

(2) Refers to foreign currency investments (note 6) maturing within up to 90 days from the investment date.

5 - RESERVES AT THE CENTRAL BANK

| | Bank and Consolidated | |
|-------------------------------------|-----------------------|----------------|
| | 06/30/2021 | 12/31/2020 |
| Reserves in instant payment account | 25,239 | 4,755 |
| Compulsory reserves in cash on | | |
| Time deposits | 157,020 | 197,067 |
| Mandatory collections | | |
| Other mandatory collections | 14,980 | 15,850 |
| Total | 197,239 | 217,672 |

6 - INTERBANK ACCOUNTS

| | Bank | | | | |
|---|------------------|----------------|----------------|------------------|------------------|
| | 06/30/2021 | | | | 12/31/2020 |
| | Up to 3 months | 3 to 12 months | 1 to 3 Years | Total | Total |
| Investments in repurchase transactions | 2,509,991 | - | - | 2,509,991 | 4,364,992 |
| Own portfolio | 698,826 | - | - | 698,826 | 3,286,298 |
| Financial Treasury Bills (LFT) | 44,953 | - | - | 44,953 | 1,175,000 |
| National Treasury Bills (LTN) | 2,483 | - | - | 2,483 | 750,000 |
| National Treasury Notes (NTN) | 651,390 | - | - | 651,390 | 1,361,298 |
| Financed portfolio | 1,811,165 | - | - | 1,811,165 | 1,078,694 |
| Financial Treasury Bills (LFT) | 500,044 | - | - | 500,044 | - |
| National Treasury Bills (LTN) | 350,321 | - | - | 350,321 | - |
| National Treasury Notes (NTN) | 960,800 | - | - | 960,800 | 1,078,694 |
| Interbank deposits | 116,181 | 995,669 | 410,641 | 1,522,491 | 1,017,200 |
| Investments in foreign currencies ⁽¹⁾ | 178,722 | - | - | 178,722 | 183,180 |
| Total | 2,804,894 | 995,669 | 410,641 | 4,211,204 | 5,565,372 |

| | Consolidated | | | | |
|---|------------------|----------------|----------------|------------------|------------------|
| | 06/30/2021 | | | | 12/31/2020 |
| | Up to 3 months | 3 to 12 months | 1 to 3 Years | Total | Total |
| Investments in repurchase transactions | 2,509,991 | - | - | 2,509,991 | 4,364,992 |
| Own portfolio | 698,826 | - | - | 698,826 | 3,286,298 |
| Financial Treasury Bills (LFT) | 44,953 | - | - | 44,953 | 1,175,000 |
| National Treasury Bills (LTN) | 2,483 | - | - | 2,483 | 750,000 |
| National Treasury Notes (NTN) | 651,390 | - | - | 651,390 | 1,361,298 |
| Financed portfolio | 1,811,165 | - | - | 1,811,165 | 1,078,694 |
| Financial Treasury Bills (LFT) | 500,044 | - | - | 500,044 | - |
| National Treasury Bills (LTN) | 350,321 | - | - | 350,321 | - |
| National Treasury Notes (NTN) | 960,800 | - | - | 960,800 | 1,078,694 |
| Interbank deposits | 116,181 | 135,953 | 410,641 | 662,775 | 224,036 |
| Investments in foreign currencies ⁽¹⁾ | 178,722 | - | - | 178,722 | 183,180 |
| Total | 2,804,894 | 135,953 | 410,641 | 3,351,488 | 4,772,208 |

(1) Refer to investments in foreign currencies maturing within up to 90 days from the investment date.

7 - MONEY MARKET INVESTMENTS

a) Breakdown by category and type

| | Bank | | | | | |
|---|---------------|---------------------------|---------------------|---------------------------|---------------|---------------------------|
| | 06/30/2021 | | | 12/31/2020 | | |
| | Adjusted cost | Fair value adjustment at: | | Fair value ⁽¹⁾ | Adjusted cost | Fair value ⁽¹⁾ |
| | | Result | Shareholders Equity | | | |
| Trading securities | 106,481 | (1,239) | - | 105,242 | 140,768 | 136,907 |
| Own portfolio | 1,345 | (15) | - | 1,330 | 39,398 | 38,441 |
| Debentures | 1,345 | (15) | - | 1,330 | 17,388 | 16,440 |
| Financial Bills - LF | - | - | - | - | 22,010 | 22,001 |
| Linked to repurchase commitments | 105,136 | (1,224) | - | 103,912 | 101,370 | 98,466 |
| Debentures | 105,136 | (1,224) | - | 103,912 | 101,370 | 98,466 |
| Securities available for sale | 7,816,503 | - | (31,474) | 7,785,029 | 5,170,079 | 5,146,031 |
| Own portfolio | 6,652,404 | - | (22,233) | 6,630,171 | 3,799,361 | 3,781,060 |
| Financial Treasury Bills - LFT | 6,213,001 | - | (12,982) | 6,200,019 | 3,697,175 | 3,678,455 |
| National Treasury Bills - LTN | 40,878 | - | (2,285) | 38,593 | 40,145 | 40,260 |
| National Treasury Notes - NTN | 4 | - | - | 4 | 4 | 4 |
| Investment fund units | 349,692 | - | (7,149) | 342,543 | 50,717 | 50,614 |
| Foreign securities | 7,744 | - | 191 | 7,935 | 8,057 | 8,450 |
| Debentures | 41,000 | - | (7) | 40,993 | 624 | 645 |
| Certificates of Real Estate Receivables - CRA | 85 | - | (1) | 84 | 2,639 | 2,632 |
| Linked to repurchase commitments | 796,561 | - | (7,844) | 788,717 | 780,135 | 776,232 |
| Financial Treasury Bills - LFT | 748,376 | - | (5,084) | 743,292 | 734,013 | 730,008 |
| National Treasury Bills - LTN | 48,185 | - | (2,760) | 45,425 | 46,122 | 46,224 |
| Linked to guarantees ⁽²⁾ | 367,538 | - | (1,397) | 366,141 | 590,583 | 588,739 |
| Financial Treasury Bills - LFT | 367,538 | - | (1,397) | 366,141 | 590,583 | 588,739 |
| Held-to-maturity securities ⁽³⁾ | 15,097 | - | - | 15,097 | 15,685 | 15,685 |
| Own portfolio | 15,097 | - | - | 15,097 | 15,685 | 15,685 |
| Other government bonds | 15,097 | - | - | 15,097 | 15,685 | 15,685 |
| Total | 7,938,081 | (1,239) | (31,474) | 7,905,368 | 5,326,532 | 5,298,623 |

| | Consolidated | | | | | | |
|--|---------------|---------------------------|----------|---------------------------|-----------|-----------|---------------|
| | 06/30/2021 | | | 12/31/2020 | | | |
| | Adjusted cost | Fair value adjustment at: | | Fair value ⁽¹⁾ | | | Adjusted cost |
| Result | | Shareholders Equity | | | | | |
| Trading securities | 106,893 | (1,239) | - | 105,654 | 140,768 | 136,907 | |
| Own portfolio | 1,757 | (15) | - | 1,742 | 39,398 | 38,441 | |
| Debentures | 1,345 | (15) | - | 1,330 | 17,388 | 16,440 | |
| Financial Bills - LF | - | - | - | - | 22,010 | 22,001 | |
| Financial Treasury Bills - LFT | 412 | - | - | 412 | - | - | |
| Linked to repurchase commitments | 105,136 | (1,224) | - | 103,912 | 101,370 | 98,466 | |
| Debentures | 105,136 | (1,224) | - | 103,912 | 101,370 | 98,466 | |
| Securities available for sale | 8,297,023 | - | (21,529) | 8,275,494 | 5,459,132 | 5,439,683 | |
| Own portfolio | 7,132,924 | - | (12,288) | 7,120,636 | 4,088,414 | 4,074,712 | |
| Financial Treasury Bills - LFT | 6,247,139 | - | (13,106) | 6,234,033 | 3,731,211 | 3,712,399 | |
| National Treasury Bills - LTN | 40,878 | - | (2,285) | 38,593 | 40,145 | 40,260 | |
| National Treasury Notes - NTN | 4 | - | - | 4 | 4 | 4 | |
| Investment fund units | 710,827 | - | (575) | 710,252 | 218,322 | 218,132 | |
| Foreign securities | 90,420 | - | 3,686 | 94,106 | 95,327 | 100,498 | |
| Debentures | 41,000 | - | (7) | 40,993 | 624 | 645 | |
| Certificates of Agribusiness Receivables - CRA | 2,094 | - | (1) | 2,093 | 2,639 | 2,632 | |
| Certificates of Bank Deposit - CDB | 137 | - | - | 137 | 131 | 131 | |
| Bills of exchange - LC | 425 | - | - | 425 | 11 | 11 | |
| Linked to repurchase commitments | 796,561 | - | (7,844) | 788,717 | 780,135 | 776,232 | |
| Financial Treasury Bills - LFT | 748,376 | - | (5,084) | 743,292 | 734,013 | 730,008 | |
| National Treasury Bills - LTN | 48,185 | - | (2,760) | 45,425 | 46,122 | 46,224 | |
| Linked to guarantees ⁽²⁾ | 367,538 | - | (1,397) | 366,141 | 590,583 | 588,739 | |
| National Treasury Bills - LTN | 367,538 | - | (1,397) | 366,141 | 590,583 | 588,739 | |
| Held-to-maturity securities ⁽³⁾ | 15,097 | - | - | 15,097 | 15,685 | 15,685 | |
| Own portfolio | 15,097 | - | - | 15,097 | 15,685 | 15,685 | |
| Other government bonds | 15,097 | - | - | 15,097 | 15,685 | 15,685 | |
| Total | 8,419,013 | (1,239) | (21,529) | 8,396,245 | 5,615,585 | 5,592,275 | |

(1)) The securities' fair value was calculated based on the prices and rates prevailing as at June 30, 2021 and December 31, 2020, as disclosed by the Brazilian Financial and Capital Markets Association (ANBIMA) - by the managers of the investment fund in which the Bank invests, the B3 S.A. - Brasil, Bolsa, Balcão, and other market makers in the case of securities acquired abroad.

(2) Securities linked to guarantees refer to securities conducted on B3 S.A. - Brasil, Bolsa, Balcão.

(3) For securities classified as held to maturity, the fair value relates to the initial value adjusted by interest recognized as at June 30, 2021 and December 31, 2020.

b) Breakdown by maturity:

| | Bank | | | | | | 12/31/2020 |
|--|----------------|----------------|--------------|--------------|--------------|------------|------------|
| | 06/30/2021 | | | | | | |
| | Up to 3 months | 3 to 12 months | 1 to 3 Years | 3 to 5 Years | Over 5 years | Fair Value | |
| Federal government securities | 263,353 | 16,350 | 833,441 | 2,123,133 | 4,157,197 | 7,393,474 | 5,083,690 |
| Treasury Bills | 263,353 | 15,831 | 749,942 | 2,123,133 | 4,157,193 | 7,309,452 | 4,997,202 |
| National Treasure Letters | - | 519 | 83,499 | - | - | 84,018 | 86,484 |
| National Treasury Notes | - | - | - | - | 4 | 4 | 4 |
| Foreign securities | 227 | 7,800 | - | - | 15,005 | 23,032 | 24,135 |
| Eurobonds and similar instruments | 227 | 7,708 | - | - | - | 7,935 | 8,450 |
| Other government bonds | - | 92 | - | - | 15,005 | 15,097 | 15,685 |
| Private-sector securities | - | 105,243 | 84 | - | 40,992 | 146,319 | 140,184 |
| Debentures ⁽¹⁾ | - | 105,243 | - | - | 40,992 | 146,235 | 115,551 |
| Certificates of Agribusiness Receivables | - | - | 84 | - | - | 84 | 2,632 |
| Financial Bills ⁽¹⁾ | - | - | - | - | - | - | 22,001 |
| Investment fund units | 41,827 | - | - | - | 300,716 | 342,543 | 50,614 |
| Real estate investment fund | 38,688 | - | - | - | - | 38,688 | 48,342 |
| Credit rights funds | - | - | - | - | 300,716 | 300,716 | - |
| Other investment funds | 3,139 | - | - | - | - | 3,139 | 2,272 |
| Total | 305,407 | 129,393 | 833,525 | 2,123,133 | 4,513,910 | 7,905,368 | 5,298,623 |

| | Consolidated | | | | | | 12/31/2020 |
|--|----------------|----------------|--------------|--------------|--------------|------------|------------|
| | 06/30/2021 | | | | | | |
| | Up to 3 months | 3 to 12 months | 1 to 3 Years | 3 to 5 Years | Over 5 years | Fair Value | |
| Federal government securities | 275,848 | 16,763 | 854,454 | 2,123,638 | 4,157,197 | 7,427,900 | 5,117,634 |
| Treasury Bills | 275,848 | 16,244 | 770,955 | 2,123,638 | 4,157,193 | 7,343,878 | 5,031,146 |
| National Treasure Letters | - | 519 | 83,499 | - | - | 84,018 | 86,484 |
| National Treasury Notes | - | - | - | - | 4 | 4 | 4 |
| Foreign securities | 1,230 | 23,395 | 32,855 | 4,467 | 47,256 | 109,203 | 116,183 |
| Eurobonds and similar instruments | 1,230 | 23,303 | 32,855 | 4,467 | 32,251 | 94,106 | 100,498 |
| Other government bonds | - | 92 | - | - | 15,005 | 15,097 | 15,685 |
| Private-sector securities | 407 | 105,243 | 221 | 18 | 43,001 | 148,890 | 140,326 |
| Debentures ⁽¹⁾ | - | 105,243 | - | - | 40,992 | 146,235 | 115,551 |
| Certificates of Agribusiness Receivables | - | - | 84 | - | 2,009 | 2,093 | 2,632 |
| Certificates of long-term deposits | 11 | - | 126 | - | - | 137 | 131 |
| Exchange bills | 396 | - | 11 | 18 | - | 425 | 11 |
| Financial bills ⁽¹⁾ | - | - | - | - | - | - | 22,001 |
| Investment fund units | 207,575 | - | - | - | 502,677 | 710,252 | 218,132 |
| Fixed income investment funds | 142,301 | - | - | - | - | 142,301 | 151,982 |
| Real estate investment fund | 5,705 | - | - | - | - | 5,705 | 8,784 |
| Multimarket investment funds | 41,362 | - | - | - | - | 41,362 | 40,875 |
| Equity funds | 15,068 | - | - | - | - | 15,068 | 14,219 |
| Credit rights funds | - | - | - | - | 502,677 | 502,677 | - |
| Other investment funds | 3,139 | - | - | - | - | 3,139 | 2,272 |
| Total | 485,060 | 145,401 | 887,530 | 2,128,123 | 4,750,131 | 8,396,245 | 5,592,275 |

(1) As set forth in the sole paragraph of Article 7 of BACEN Circular Letter No. 3068/01, securities classified as "Trading securities" are presented with a realization term of up to 12 months, regardless of their respective maturities.

8 - DERIVATIVES

The Bank conducts derivative transactions so as to meet own or its clients' needs, which are recognized in balance sheet, profit or loss, and memorandum accounts.

Derivatives used are properly approved based on the product use policy. Pursuant to this policy, prior to the implementation of each product, all aspects should be analyzed, such as: objectives, methods of use, underlying risks and appropriate supporting operational infrastructure.

The credit and market risk components of derivatives are monitored on a daily basis, and specific limits are set for derivative transactions for clients and also for registration and settlement chambers. Such limits are managed through a system that consolidates exposures by counterparty. Any discrepancies are promptly identified and addressed for immediate solution.

The market risk of derivatives is managed based on a prevailing risk policy, pursuant to which potential risks of price fluctuations in the financial markets are centralized in the Treasury department, which provides hedge for the other areas.

The main derivative financial instruments contracted by Daycoval as at June 30, 2021 are as follows:

- Future market contracts - commitments to purchase or sell, interest rates and foreign currencies on a future date at a given price or yield and can be settled in cash or by physical delivery of the underlying asset of the contract. The notional value represents the notional value of the contract. The adjustments regarding the changes in the price of underlying assets of the contract are daily settled.
- Forward contracts - forward exchange contracts represent contracts for currency exchange at a price contracted on an agreed-upon future settlement date. There may be only the physical delivery or only the financial settlement of the difference between the prices of currencies underlying the contract ("*Non deliverable forwards - NDF*").
- Index swap contracts ("*Swaps*") - these are commitments to settle in cash on a date or future dates (in case there is more than one payment flow) the difference between both financial indicators stipulated and different ones (interest rates, foreign currency, inflation indexes, among others) on a notional value of principal.
- Options - options contracts subject the purchaser, by paying a premium, and the seller (writer) to the obligation, by receiving a premium, to purchase or sell a financial asset (interest rates, shares, currencies, among others) in a term limited to a price of contract.

No operations were carried out with derivative financial instruments among companies comprising the Consolidated.

i Hedge

The hedging strategy is determined based on the Bank's operating risk exposure limits. Whenever its transactions have risk exposures above the preset limits, which might result in significant fluctuations in the Bank's profit or loss, the Bank uses derivatives, contracted in the organized or over-the-counter market, to hedge against such risks, according to the hedging rules set forth in BACEN Circular Letter 3082/02.

The hedge instruments seek to mitigate market, currency fluctuation and interest rate risks. According to the market liquidity, the maturity dates of hedge instruments are the closest possible to the dates of the financial flows of the hedged transactions so as to ensure an efficient hedge.

The Bank has a market risk hedge structure designed to offset the risks arising from the exposure to changes in the fair value relating to the fluctuation of foreign currency (US dollar and euro fluctuation) and of the Libor interest rate on foreign borrowings - (hedged items) recorded in "Payables for securities issued abroad" (Note 16.b) and "Payables for foreign borrowings" (Note 16.b).

The table below summarizes the market risk hedge structure:

| 06/30/2021 | | | | Changes in fair value | | Effectiveness |
|------------------------|------------|-----------------|------------------|-----------------------|------------------|---------------|
| Hedge Item | Maturity | principal Value | Hedge Instrument | Hedge Item | Hedge Instrument | |
| Foreign issuance | 12/13/2024 | USD 350,000 | Swap | (496,177) | 499,755 | 100.72% |
| Foreign issuance | 12/13/2024 | USD 100,000 | Swap | (55,507) | 57,649 | 103.86% |
| Funding IFC | 03/15/2022 | USD 110,000 | Swap | (298,094) | 297,022 | 99.64% |
| Funding IFC | 06/15/2022 | USD 100,000 | Swap | (19,170) | 23,829 | 124.30% |
| Funding IFC | 09/16/2024 | USD 130,000 | Swap | (66,252) | 68,667 | 103.65% |
| Funding IFC | 03/15/2023 | USD 254,000 | Swap | (133,904) | 135,830 | 101.44% |
| Funding IFC | 03/15/2023 | USD 16,000 | Swap | (4,748) | 4,672 | 98.40% |
| Funding IDB - A/B Loan | 12/15/2023 | USD 150,000 | Swap | (170,428) | 167,262 | 98.14% |
| Funding IDB - A/B Loan | 12/15/2021 | USD 253,000 | Swap | (279,029) | 277,403 | 99.42% |
| Funding IDB - A/B Loan | 12/15/2021 | € 25,000 | Swap | (38,106) | 37,194 | 97.61% |
| | | | | <u>(1,561,415)</u> | <u>1,569,283</u> | |

| 12/31/2020 | | | | Changes in fair value | | Effectiveness |
|---------------------------------|------------|-----------------|------------------|-----------------------|------------------|---------------|
| Hedge item | Maturity | principal Value | Hedge Instrument | Hedge Item | Hedge Instrument | |
| Foreign issuance | 12/13/2024 | USD 350,000 | Swap | (519,766) | 547,074 | 105.25% |
| Foreign issuance ⁽¹⁾ | 12/13/2024 | USD 100,000 | Swap | (7,270) | 5,193 | 71.43% |
| Funding IFC | 03/15/2022 | USD 110,000 | Swap | (285,883) | 285,180 | 99.75% |
| Funding IFC ⁽¹⁾ | 06/15/2022 | USD 100,000 | Swap | 5,612 | (8,447) | 150.52% |
| Funding IDB - A/B Loan | 12/15/2023 | USD 150,000 | Swap | (183,561) | 186,879 | 101.81% |
| Funding IDB - A/B Loan | 12/15/2021 | USD 253,000 | Swap | (309,827) | 313,083 | 101.05% |
| Funding IDB - A/B Loan | 12/15/2021 | € 25,000 | Swap | (47,975) | 47,112 | 98.20% |
| | | | | <u>(1,348,670)</u> | <u>1,376,074</u> | |

(1) In measuring the effectiveness for the second quarter of 2021, considering the marked-to-market adjustments to the hedge accounting structures of Issuance and Funding, each one in the amount of US\$100 million, the effectiveness percentage rates were 103.8% and 124.3%, respectively, showing the compliance of these structures with the requirements set out in BACEN Circular Letter 3082/02. As at December 31, 2020, these structures were 71.4% and 150.5%, respectively, due to atypical and timely behavior of the domestic and foreign interest curves, used for the marked-to-market of these structures. We stress that Daycoval's Management timely monitors its hedge accounting structures.

The accounting hedge structure for these transactions was established by linking a cash flow swap contract to each borrowing maturity, either interest or principal plus interest, and the Bank's long position is identical to the yield of borrowings agreements.

a) Breakdown of amounts of differentials receivable and payable recorded in assets and liabilities as "Derivatives" (Bank and Consolidated):

| | 06/30/2021 | | | | | | | 12/31/2020 | | | |
|---|-------------------|--------------------------|----------------|-------------------|-------------------|-----------------|-----------------|-----------------|-------------------|--------------------------|------------------|
| | Amortized cost | Fair value adjustment | Fair value | Up to 3 months | 3 to 12 months | 1 to 3 Years | 3 to 5 Years | Over 5 years | Amortized cost | Fair value adjustment | Fair value |
| Assets | | | | | | | | | | | |
| Derivatives | 864,200 | 80,043 | 944,243 | 90,077 | 362,677 | 162,364 | 329,125 | - | 1,078,757 | 109,953 | 1,188,710 |
| Swaps - differential receivable | 755,536 | 71,895 | 827,431 | 3,042 | 341,907 | 153,357 | 329,125 | - | 985,440 | 109,867 | 1,095,307 |
| Currency forward receivable | 77,887 | 7,647 | 85,534 | 56,170 | 20,770 | 8,594 | - | - | 81,027 | 95 | 81,122 |
| Premiums paid for purchase of stock options | 272 | 501 | 773 | 360 | - | 413 | - | - | 9,013 | (9) | 9,004 |
| Foreign exchange coupon (DDI) | 18,250 | - | 18,250 | 18,250 | - | - | - | - | 942 | - | 942 |
| Dollar futures (DOL) | 4,153 | - | 4,153 | 4,153 | - | - | - | - | 1,764 | - | 1,764 |
| Interest rate (DI) | 8,102 | - | 8,102 | 8,102 | - | - | - | - | 571 | - | 571 |
| Coupon future IPC-A (DAP) | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities | | | | | | | | | | | |
| Derivatives | 374,905 | 14,904 | 389,809 | 46,255 | 41,101 | 164,523 | 137,930 | - | 62,383 | (4,319) | 58,064 |
| Swaps - differential receivable | 299,204 | 21,304 | 320,508 | 272 | 19,016 | 163,290 | 137,930 | - | 24,061 | (1,648) | 22,413 |
| Currency forward receivable | 68,257 | (6,439) | 61,818 | 38,913 | 22,085 | 820 | - | - | 23,708 | (3,564) | 20,144 |
| Premiums paid for purchase of stock options | 734 | 39 | 773 | 360 | - | 413 | - | - | 366 | 893 | 1,259 |
| Foreign exchange coupon (DDI) | 2,238 | - | 2,238 | 2,238 | - | - | - | - | 5,351 | - | 5,351 |
| Dollar futures (DOL) | 471 | - | 471 | 471 | - | - | - | - | 1,681 | - | 1,681 |
| Interest rate (DI) | 3,734 | - | 3,734 | 3,734 | - | - | - | - | 7,207 | - | 7,207 |
| Coupon future IPC-A (DAP) | 267 | - | 267 | 267 | - | - | - | - | 9 | - | - |

b) Breakdown by type of contract and counterparty (Bank and consolidated):

| | 06/30/2021 | | 12/31/2020 | |
|---------------------------------|----------------|----------------|------------------|---------------|
| | Assets | Liabilities | Assets | Liabilities |
| Futures | 30,505 | 6,710 | 3,277 | 14,248 |
| B3 S.A. - Bolsa, Brasil, Balcão | 30,505 | 6,710 | 3,277 | 14,248 |
| Swap | 827,431 | 320,508 | 1,095,307 | 22,413 |
| Financial institutions | 802,236 | 319,569 | 1,079,353 | 17,450 |
| Companies | 25,176 | 922 | 15,954 | 4,963 |
| Individuals | 19 | 17 | - | - |
| Forward | 85,534 | 61,818 | 81,122 | 20,144 |
| Companies | 85,534 | 61,695 | 81,122 | 20,144 |
| Individuals | - | 123 | - | - |
| Options | 773 | 773 | 9,004 | 1,259 |
| Financial institutions | - | 773 | - | 1,259 |
| Companies | - | - | 8,107 | - |
| Individuals | 773 | - | 897 | - |

c) Breakdown of notional values recorded in memorandum accounts by type of strategy of contract and notional index (Bank and Consolidated):

| | 06/30/2021 | | | | | | 12/31/2020 |
|-------------------------------|----------------|----------------|--------------|--------------|--------------|------------|------------|
| | Up to 3 months | 3 to 12 months | 1 to 3 Years | 3 to 5 Years | Over 5 years | Total | Total |
| Swap | | | | | | | |
| Assets | | | | | | | |
| Hedge accounting | - | 1,258,969 | 610,450 | 1,442,055 | - | 3,311,474 | 3,222,174 |
| Dollar x CDI | - | 116,580 | 610,450 | 1,442,055 | - | 2,169,085 | 2,079,785 |
| Dollar X PRE | - | 1,028,951 | - | - | - | 1,028,951 | 1,028,951 |
| Euro x PRE | - | 113,438 | - | - | - | 113,438 | 113,438 |
| Trading objective | 1,523 | 32,719 | 115,802 | 11,161 | - | 161,205 | 38,457 |
| Dollar x CDI | 1,523 | 4,470 | 10,816 | 7,851 | - | 24,660 | 27,744 |
| Dollar x PRE | - | - | 43,300 | - | - | 43,300 | - |
| CDI x PRE | - | 8,145 | 54,954 | 3,310 | - | 66,409 | 10,008 |
| CDI x Dollar | - | 5,000 | - | - | - | 5,000 | - |
| PRE x Dollar | - | 15,104 | 6,732 | - | - | 21,836 | 705 |
| Liabilities | | | | | | | |
| Hedge accounting | - | 532,650 | 1,502,028 | 1,253,556 | - | 3,288,234 | 1,263,800 |
| Dollar x CDI | - | - | 1,502,028 | 1,253,556 | - | 2,755,584 | 731,150 |
| Dollar X PRE | - | 532,650 | - | - | - | 532,650 | 532,650 |
| Trading objective | 6,799 | 12,649 | 62,154 | 543 | - | 82,145 | 45,960 |
| CDI X PRE | 5,563 | 7,195 | 62,078 | 543 | - | 75,379 | 30,607 |
| PRE x IPC-A | - | 5,000 | - | - | - | 5,000 | - |
| PRE x Dollar | 1,236 | 454 | 76 | - | - | 1,766 | 15,353 |
| Forward | 2,132,042 | 923,197 | 65,086 | - | - | 3,120,325 | 2,554,630 |
| Purchase of call options | 990,357 | 471,098 | 65,086 | - | - | 1,526,541 | 1,095,793 |
| Sale of options | 1,141,685 | 452,099 | - | - | - | 1,593,784 | 1,458,837 |
| Future | 2,951,121 | 6,996,697 | 3,013,339 | 600,872 | 578,327 | 14,140,356 | 17,464,511 |
| Purchase of options | 729,485 | 1,329,805 | 10,899 | 381,385 | 562,902 | 3,014,476 | 2,550,175 |
| Foreign exchange coupon (DDI) | 490,748 | 1,329,805 | - | - | - | 1,820,553 | 1,695,591 |
| Dollar futures (DOL) | 238,737 | - | - | - | - | 238,737 | 606,192 |
| Interest rate (DI) | - | - | 8,419 | 303,689 | 488,811 | 800,919 | 248,392 |
| Coupon future IPC-A (DAP) | - | - | 2,480 | 77,696 | 74,091 | 154,267 | - |
| Sale of options | 2,221,636 | 5,666,892 | 3,002,440 | 219,487 | 15,425 | 11,125,880 | 14,914,336 |
| Foreign exchange coupon (DDI) | - | 89,293 | 118,031 | 9,583 | 15,425 | 232,332 | 610,803 |
| Dollar futures (DOL) | - | - | - | - | - | - | - |
| Interest rate (DI) | 2,221,636 | 5,577,599 | 2,880,171 | 209,904 | - | 10,889,310 | 14,293,895 |
| Coupon future IPC-A (DAP) | - | - | 4,238 | - | - | 4,238 | 9,638 |
| Options | - | 23,149 | 2,485 | - | - | 25,634 | 41,429 |
| Purchase of options | - | 11,331 | 1,048 | - | - | 12,379 | 35,878 |
| Foreign currency | - | 11,331 | 1,048 | - | - | 12,379 | 35,878 |
| Sale of options | - | 11,818 | 1,437 | - | - | 13,255 | 5,551 |
| Foreign currency | - | 11,818 | 1,437 | - | - | 13,255 | 5,551 |

9 - LENDING OPERATIONS

a) Summary of credit portfolio and extended credit portfolio

| | Bank | | Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Loans | 26,438,333 | 25,522,495 | 26,654,074 | 25,713,559 |
| Leasing ⁽¹⁾ | - | - | 1,303,566 | 1,178,864 |
| Other transactions with loan characteristics | 6,809,289 | 5,689,756 | 6,814,974 | 5,740,925 |
| Income receivable from advances granted (Note 10 - Exchange Gains) | 9,906 | 8,374 | 9,906 | 8,374 |
| Financed imports (Nota 10 - Exchange Losses) | 34,915 | 33,257 | 34,915 | 33,257 |
| Advances on foreign exchange contracts (Nota 10 - Exchange Losses) | 956,620 | 558,245 | 956,620 | 558,245 |
| Income to be allocated to advances granted (Note 10 - Exchange Losses) | (991) | (1,113) | (991) | (1,113) |
| Total lending operations | 34,248,072 | 31,811,014 | 35,773,064 | 33,232,111 |
| Private securities - debentures | 146,235 | 115,551 | 146,235 | 115,551 |
| Financial guarantees provided | 3,975,779 | 3,397,207 | 3,975,779 | 3,397,207 |
| Total da carteira de crédito ampliada | 38,370,086 | 35,323,772 | 39,895,078 | 36,744,869 |

(1) The leasing portfolio is comprised of finance and operating lease transactions at present value.

b) Breakdown of portfolio with loan characteristics

i By segment, type of operation and risk level

| Bank | | | | | | | | | | |
|---|------------------|-------------------|-------------------|------------------|----------------|----------------|----------------|---------------|----------------|-------------------|
| 06/30/2021 | AA | A | B | C | D | E | F | G | H | Total |
| Corporate Segment | 4,600,599 | 6,248,080 | 12,777,688 | 594,366 | 271,873 | 87,233 | 84,861 | 18,303 | 175,206 | 24,858,209 |
| Loans | 129,626 | 1,547,920 | 4,063,167 | 328,068 | 165,490 | 59,801 | 48,074 | 10,565 | 149,463 | 6,502,174 |
| FGI PEAC ⁽³⁾ | 38,572 | 1,823,594 | 5,535,742 | 115,154 | 46,359 | 22,526 | 32,812 | 7,387 | 16,909 | 7,639,055 |
| Discounted trade notes | 498,658 | 61,178 | 375,221 | 15,311 | 4,796 | 992 | 2,007 | 167 | 421 | 958,751 |
| Financing | 127,470 | 508,914 | 801,631 | 30,077 | 20,385 | 3,340 | 25 | - | 7,152 | 1,498,994 |
| Rural and agro-industrial financing | - | 143,783 | 76,883 | - | - | - | - | - | - | 220,666 |
| Payables for purchase of assets | - | 17,372 | - | - | - | - | 200 | - | 1,048 | 18,620 |
| Purchase of credit rights without right of recourse | 3,498,795 | 1,677,622 | 1,346,215 | 94,449 | 23,681 | 574 | 1,743 | 184 | 213 | 6,643,476 |
| Credits linked to transactions acquired under assignment | - | 10,804 | - | - | - | - | - | - | - | 10,804 |
| Advances on foreign exchange contracts | 26,340 | 338,927 | 577,800 | 11,307 | 11,162 | - | - | - | - | 965,536 |
| Financed imports | 281,138 | 117,966 | 1,029 | - | - | - | - | - | - | 400,133 |
| Retail segment | - | 5,034,101 | 2,251,485 | 1,303,494 | 212,740 | 87,143 | 56,821 | 59,740 | 384,339 | 9,389,863 |
| Payroll-deduction loans | - | 5,024,402 | 1,621,765 | 882,042 | 75,736 | 49,107 | 40,329 | 48,958 | 344,273 | 8,086,612 |
| Loans backed by real estate | - | - | 81,137 | 805 | 1,400 | 92 | 87 | 150 | 964 | 84,635 |
| Loans assigned with substantial retention of risks and benefits | - | 4,160 | 342 | 69 | 11 | - | - | - | 4 | 4,586 |
| Discounted trade notes | - | 74 | 4 | 4 | 10 | 3 | 3 | 4 | 65 | 167 |
| Vehicle financing | - | - | 543,692 | 420,574 | 135,583 | 37,941 | 16,402 | 10,628 | 39,033 | 1,203,853 |
| Real estate financing | - | - | 4,545 | - | - | - | - | - | - | 4,545 |
| Credits linked to transactions acquired under assignment | - | 5,465 | - | - | - | - | - | - | - | 5,465 |
| Total portfolio of transactions with loan characteristics | 4,600,599 | 11,282,181 | 15,029,173 | 1,897,860 | 484,613 | 174,376 | 141,682 | 78,043 | 559,545 | 34,248,072 |
| Corporate segment | | | | | | | | | | |
| Private securities - debentures (Note 7.a) | 146,235 | - | - | - | - | - | - | - | - | 146,235 |
| Total private securities | 146,235 | - | - | - | - | - | - | - | - | 146,235 |
| Corporate segment | | | | | | | | | | |
| Financial guarantees provided | 2,485,983 | 591,490 | 836,506 | 41,099 | 20,071 | 216 | - | - | 414 | 3,975,779 |
| Total financial guarantees provided | 2,485,983 | 591,490 | 836,506 | 41,099 | 20,071 | 216 | - | - | 414 | 3,975,779 |
| Total extended credit portfolio | 7,232,817 | 11,873,671 | 15,865,679 | 1,938,959 | 504,684 | 174,592 | 141,682 | 78,043 | 559,959 | 38,370,086 |
| Segregation of the portfolio of transactions with loan characteristics in normal course and in abnormal course | | | | | | | | | | |
| In normal course ⁽¹⁾ | 4,600,599 | 11,008,565 | 14,410,977 | 1,594,312 | 339,115 | 86,910 | 48,975 | 4,068 | 174,658 | 32,268,179 |
| In abnormal course ⁽²⁾ | - | 273,616 | 618,196 | 303,548 | 145,498 | 87,466 | 92,707 | 73,975 | 384,887 | 1,979,893 |
| Total portfolio of transactions with loan characteristics | 4,600,599 | 11,282,181 | 15,029,173 | 1,897,860 | 484,613 | 174,376 | 141,682 | 78,043 | 559,545 | 34,248,072 |

9 - LENDING OPERATIONS

| 12/31/2020 | AA | A | B | C | D | E | F | G | H | Total |
|---|------------------|------------------|-------------------|------------------|----------------|----------------|----------------|---------------|----------------|-------------------|
| Corporate Segment | 3,734,331 | 4,716,778 | 13,568,335 | 742,129 | 283,970 | 76,089 | 52,891 | 13,140 | 187,413 | 23,375,076 |
| Loans | 87,841 | 1,000,361 | 4,089,075 | 471,435 | 179,286 | 70,604 | 48,915 | 12,999 | 163,538 | 6,124,054 |
| FGI PEAC ⁽³⁾ | 40,337 | 1,682,058 | 6,367,769 | 75,630 | 53,783 | - | 2,442 | - | 7,648 | 8,229,667 |
| Discounted trade notes | - | 167,560 | 710,944 | 15,671 | 17,404 | 1,180 | 597 | 134 | 2,106 | 915,596 |
| Financing | 75,441 | 406,334 | 799,469 | 25,888 | 17,488 | 4,243 | 920 | - | 6,711 | 1,336,494 |
| Rural and agro-industrial financing | - | 127,042 | 145,347 | - | - | - | - | - | - | 272,389 |
| Payables for purchase of assets | - | 5,071 | 6,630 | 601 | - | - | - | - | - | 12,302 |
| Purchase of credit rights without right of recourse | 3,228,107 | 1,164,270 | 978,380 | 135,973 | 12,457 | 62 | 17 | 7 | 5,104 | 5,524,377 |
| Credits linked to transactions acquired under assignment | - | 16,294 | - | - | - | - | - | - | - | 16,294 |
| Advances on foreign exchange contracts | - | 107,724 | 434,994 | 16,931 | 3,552 | - | - | - | 2,306 | 565,507 |
| Financed imports | 302,605 | 40,064 | 35,727 | - | - | - | - | - | - | 378,396 |
| Retail segment | - | 4,339,950 | 2,031,553 | 1,254,706 | 236,210 | 167,879 | 63,210 | 37,244 | 305,186 | 8,435,938 |
| Payroll-deduction loans | - | 4,316,847 | 1,489,784 | 837,663 | 89,625 | 136,114 | 49,725 | 27,782 | 264,760 | 7,212,300 |
| Loans backed by real estate | - | - | 61,626 | 958 | 150 | 189 | - | 775 | 1,237 | 64,935 |
| Loans assigned with substantial retention of risks and benefits | - | 10,006 | 778 | 158 | 20 | 2 | - | - | 16 | 10,980 |
| Discounted trade notes | - | 150 | 14 | 6 | 9 | 5 | 17 | 4 | 159 | 364 |
| Vehicle financing | - | - | 476,577 | 415,921 | 145,779 | 31,569 | 13,468 | 8,683 | 39,014 | 1,131,011 |
| Real estate financing | - | - | 2,774 | - | 627 | - | - | - | - | 3,401 |
| Credits linked to transactions acquired under assignment | - | 12,947 | - | - | - | - | - | - | - | 12,947 |
| Total portfolio of transactions with loan characteristics | 3,734,331 | 9,056,728 | 15,599,888 | 1,996,835 | 520,180 | 243,968 | 116,101 | 50,384 | 492,599 | 31,811,014 |
| Corporate segment | | | | | | | | | | |
| Private securities - debentures (Note 7.a) | 115,551 | - | - | - | - | - | - | - | - | 115,551 |
| Total private securities | 115,551 | - | - | - | - | - | - | - | - | 115,551 |
| Corporate segment | | | | | | | | | | |
| Financial guarantees provided | 2,213,910 | 333,747 | 746,994 | 89,296 | 9,778 | 3,069 | - | - | 413 | 3,397,207 |
| Total financial guarantees provided | 2,213,910 | 333,747 | 746,994 | 89,296 | 9,778 | 3,069 | - | - | 413 | 3,397,207 |
| Total extended credit portfolio | 6,063,792 | 9,390,475 | 16,346,882 | 2,086,131 | 529,958 | 247,037 | 116,101 | 50,384 | 493,012 | 35,323,772 |
| Segregation of the portfolio of transactions with loan characteristics in normal course and in abnormal course | | | | | | | | | | |
| In normal course ⁽¹⁾ | 3,734,331 | 8,762,914 | 14,967,733 | 1,599,632 | 362,669 | 86,661 | 51,826 | 13,286 | 155,620 | 29,734,672 |
| In abnormal course ⁽²⁾ | - | 293,814 | 632,155 | 397,203 | 157,511 | 157,307 | 64,275 | 37,098 | 336,979 | 2,076,342 |
| Total portfolio of transactions with loan characteristics | 3,734,331 | 9,056,728 | 15,599,888 | 1,996,835 | 520,180 | 243,968 | 116,101 | 50,384 | 492,599 | 31,811,014 |

9 - LENDING OPERATIONS

| Consolidated | | | | | | | | | | |
|---|------------------|-------------------|-------------------|------------------|----------------|----------------|----------------|---------------|----------------|-------------------|
| 06/30/2021 | AA | A | B | C | D | E | F | G | H | Total |
| Corporate segment | 4,905,377 | 6,727,828 | 13,405,175 | 671,396 | 292,639 | 91,608 | 87,848 | 18,919 | 182,411 | 26,383,201 |
| Loans | 137,061 | 1,547,920 | 4,063,167 | 328,068 | 165,490 | 59,801 | 48,074 | 11,052 | 149,463 | 6,510,096 |
| FGI PEAC ⁽³⁾ | 38,572 | 1,823,594 | 5,535,742 | 115,154 | 46,359 | 22,526 | 32,812 | 7,387 | 16,909 | 7,639,055 |
| Discounted trade notes | 498,658 | 61,178 | 375,221 | 15,311 | 4,796 | 992 | 2,007 | 167 | 421 | 958,751 |
| Financing | 133,369 | 557,523 | 940,040 | 34,564 | 25,328 | 3,490 | 559 | - | 11,940 | 1,706,813 |
| Rural and agro-industrial financing | - | 143,783 | 76,883 | - | - | - | - | - | - | 220,666 |
| Debtors for purchase of assets | - | 17,372 | - | - | - | - | 200 | - | 1,048 | 18,620 |
| Purchase of credit rights without right of recourse | 3,501,900 | 1,679,263 | 1,347,154 | 94,449 | 23,681 | 574 | 1,743 | 184 | 213 | 6,649,161 |
| Credits linked to transactions acquired under assignment | - | 10,804 | - | - | - | - | - | - | - | 10,804 |
| Advances on foreign exchange contracts | 26,340 | 338,927 | 577,800 | 11,307 | 11,162 | - | - | - | - | 965,536 |
| Leasing | 288,339 | 429,498 | 488,139 | 72,543 | 15,823 | 4,225 | 2,453 | 129 | 2,417 | 1,303,566 |
| Financed imports | 281,138 | 117,966 | 1,029 | - | - | - | - | - | - | 400,133 |
| Retail segment | - | 5,034,101 | 2,251,485 | 1,303,494 | 212,740 | 87,143 | 56,821 | 59,740 | 384,339 | 9,389,863 |
| Payroll-deduction loans | - | 5,024,402 | 1,621,765 | 882,042 | 75,736 | 49,107 | 40,329 | 48,958 | 344,273 | 8,086,612 |
| Loans backed by real estate | - | - | 81,137 | 805 | 1,400 | 92 | 87 | 150 | 964 | 84,635 |
| Loans granted with substantial retention of risks and benefits | - | 4,160 | 342 | 69 | 11 | - | - | - | 4 | 4,586 |
| Discounted trade notes | - | 74 | 4 | 4 | 10 | 3 | 3 | 4 | 65 | 167 |
| Vehicle financing | - | - | 543,692 | 420,574 | 135,583 | 37,941 | 16,402 | 10,628 | 39,033 | 1,203,853 |
| Real estate financing | - | - | 4,545 | - | - | - | - | - | - | 4,545 |
| Credits linked to operations acquired under assignment | - | 5,465 | - | - | - | - | - | - | - | 5,465 |
| Total portfolio of transactions with loan characteristics | 4,905,377 | 11,761,929 | 15,656,660 | 1,974,890 | 505,379 | 178,751 | 144,669 | 78,659 | 566,750 | 35,773,064 |
| Corporate segment | 146,235 | - | - | - | - | - | - | - | - | 146,235 |
| Private securities - debentures (Note 7.a) | 146,235 | - | - | - | - | - | - | - | - | 146,235 |
| Total private securities | 146,235 | - | - | - | - | - | - | - | - | 146,235 |
| Corporate segment | 2,485,983 | 591,490 | 836,506 | 41,099 | 20,071 | 216 | - | - | 414 | 3,975,779 |
| Financial guarantees provided | 2,485,983 | 591,490 | 836,506 | 41,099 | 20,071 | 216 | - | - | 414 | 3,975,779 |
| Total financial guarantees provided | 2,485,983 | 591,490 | 836,506 | 41,099 | 20,071 | 216 | - | - | 414 | 3,975,779 |
| Total extended credit portfolio | 7,537,595 | 12,353,419 | 16,493,166 | 2,015,989 | 525,450 | 178,967 | 144,669 | 78,659 | 567,164 | 39,895,078 |
| Segregation of the portfolio of transactions with loan characteristics in normal course and in abnormal course | | | | | | | | | | |
| In normal course ⁽¹⁾ | 4,905,377 | 11,487,331 | 15,035,986 | 1,670,586 | 359,254 | 91,189 | 51,084 | 4,597 | 180,123 | 33,785,527 |
| In abnormal course ⁽²⁾ | - | 274,598 | 620,674 | 304,304 | 146,125 | 87,562 | 93,585 | 74,062 | 386,627 | 1,987,537 |
| Total portfolio of transactions with loan characteristics | 4,905,377 | 11,761,929 | 15,656,660 | 1,974,890 | 505,379 | 178,751 | 144,669 | 78,659 | 566,750 | 35,773,064 |

9 - LENDING OPERATIONS

| 12/31/2020 | AA | A | B | C | D | E | F | G | H | Total |
|---|------------------|------------------|-------------------|------------------|----------------|----------------|----------------|---------------|----------------|-------------------|
| Corporate segment | 4,032,750 | 5,144,836 | 14,172,539 | 800,386 | 305,763 | 79,417 | 55,089 | 13,231 | 192,162 | 24,796,173 |
| Loans | 100,517 | 1,000,361 | 4,089,075 | 471,435 | 179,965 | 70,604 | 48,915 | 12,999 | 163,538 | 6,137,409 |
| FGI PEAC ⁽³⁾ | 40,337 | 1,682,058 | 6,367,769 | 75,630 | 53,783 | - | 2,442 | - | 7,648 | 8,229,667 |
| Discounted trade notes | - | 167,560 | 710,944 | 15,671 | 17,404 | 1,180 | 597 | 134 | 2,106 | 915,596 |
| Financing | 86,555 | 447,620 | 915,069 | 31,566 | 18,992 | 4,243 | 920 | - | 9,238 | 1,514,203 |
| Rural and agro-industrial financing | - | 127,042 | 145,347 | - | - | - | - | - | - | 272,389 |
| Debtors for purchase of assets | - | 5,071 | 6,630 | 601 | - | - | - | - | - | 12,302 |
| Purchase of credit rights without right of recourse | 3,257,464 | 1,178,380 | 986,082 | 135,973 | 12,457 | 62 | 17 | 7 | 5,104 | 5,575,546 |
| Credits linked to transactions acquired under assignment | - | 16,294 | - | - | - | - | - | - | - | 16,294 |
| Advances on foreign exchange contracts | - | 107,724 | 434,994 | 16,931 | 3,552 | - | - | - | 2,306 | 565,507 |
| Leasing | 245,272 | 372,662 | 480,902 | 52,579 | 19,610 | 3,328 | 2,198 | 91 | 2,222 | 1,178,864 |
| Financed imports | 302,605 | 40,064 | 35,727 | - | - | - | - | - | - | 378,396 |
| Retail segment | - | 4,339,950 | 2,031,553 | 1,254,706 | 236,210 | 167,879 | 63,210 | 37,244 | 305,186 | 8,435,938 |
| Payroll-deduction loans | - | 4,316,847 | 1,489,784 | 837,663 | 89,625 | 136,114 | 49,725 | 27,782 | 264,760 | 7,212,300 |
| Loans backed by real estate | - | - | 61,626 | 958 | 150 | 189 | - | 775 | 1,237 | 64,935 |
| Loans granted with substantial retention of risks and benefits | - | 10,006 | 778 | 158 | 20 | 2 | - | - | 16 | 10,980 |
| Discounted trade notes | - | 150 | 14 | 6 | 9 | 5 | 17 | 4 | 159 | 364 |
| Vehicle financing | - | - | 476,577 | 415,921 | 145,779 | 31,569 | 13,468 | 8,683 | 39,014 | 1,131,011 |
| Real estate financing | - | - | 2,774 | - | 627 | - | - | - | - | 3,401 |
| Credits linked to operations acquired under assignment | - | 12,947 | - | - | - | - | - | - | - | 12,947 |
| Total portfolio of transactions with loan characteristics | 4,032,750 | 9,484,786 | 16,204,092 | 2,055,092 | 541,973 | 247,296 | 118,299 | 50,475 | 497,348 | 33,232,111 |
| Corporate segment | | | | | | | | | | |
| Private securities - debentures (Note 7.a) | 115,551 | - | - | - | - | - | - | - | - | 115,551 |
| Total private securities | 115,551 | - | - | - | - | - | - | - | - | 115,551 |
| Corporate segment | | | | | | | | | | |
| Financial guarantees provided | 2,213,910 | 333,747 | 746,994 | 89,296 | 9,778 | 3,069 | - | - | 413 | 3,397,207 |
| Total financial guarantees provided | 2,213,910 | 333,747 | 746,994 | 89,296 | 9,778 | 3,069 | - | - | 413 | 3,397,207 |
| Total extended credit portfolio | 6,362,211 | 9,818,533 | 16,951,086 | 2,144,388 | 551,751 | 250,365 | 118,299 | 50,475 | 497,761 | 36,744,869 |
| Segregation of the portfolio of transactions with loan characteristics in normal course and in abnormal course | | | | | | | | | | |
| In normal course ⁽¹⁾ | 4,032,750 | 9,189,193 | 15,571,515 | 1,656,820 | 383,180 | 89,402 | 54,004 | 13,285 | 158,812 | 31,148,961 |
| In abnormal course ⁽²⁾ | - | 295,593 | 632,577 | 398,272 | 158,793 | 157,894 | 64,295 | 37,190 | 338,536 | 2,083,150 |
| Total portfolio of transactions with loan characteristics | 4,032,750 | 9,484,786 | 16,204,092 | 2,055,092 | 541,973 | 247,296 | 118,299 | 50,475 | 497,348 | 33,232,111 |

(1) Operations without past-due installments and/or with installments past due up to 14 days.

(2) Operations with at least one installment past due for more than 14 days.

(3) Loans made, beginning July 2020, within the scope of the Emergency Credit Access Program (PEAC), established through Provisional Act (MP) 975/20, passed into Law 14042/20, collateralized by the Investment Guarantee Fund (FGI).

ii Breakdown of the loan, other loan and leasing portfolio by maturity:

| Bank | | | | | | | | | | |
|---|------------------|-------------------|-------------------|------------------|----------------|----------------|----------------|---------------|----------------|-------------------|
| 06/30/2021 | AA | A | B | C | D | E | F | G | H | Total |
| In normal course ⁽¹⁾ | 4,600,599 | 11,008,565 | 14,410,977 | 1,594,312 | 339,115 | 86,910 | 48,975 | 4,068 | 174,658 | 32,268,179 |
| Installments falling due | 4,600,599 | 11,003,005 | 14,389,978 | 1,589,260 | 337,598 | 86,568 | 48,940 | 4,058 | 173,894 | 32,233,900 |
| Up to 3 months | 3,948,665 | 3,290,497 | 3,919,728 | 277,899 | 76,054 | 18,011 | 9,272 | 494 | 17,687 | 11,558,307 |
| 3 to 12 months | 558,631 | 2,866,814 | 4,426,284 | 458,215 | 155,317 | 27,709 | 15,648 | 2,002 | 56,165 | 8,566,785 |
| 1 to 3 years | 85,197 | 3,211,009 | 5,036,755 | 560,108 | 96,265 | 29,189 | 19,506 | 1,066 | 76,407 | 9,115,502 |
| 3 to 5 years | 6,023 | 1,118,714 | 748,870 | 190,275 | 9,198 | 10,753 | 4,177 | 339 | 20,904 | 2,109,253 |
| Over 5 years | 2,083 | 515,971 | 258,341 | 102,763 | 764 | 906 | 337 | 157 | 2,731 | 884,053 |
| Past due up to 14 days | - | 5,560 | 20,999 | 5,052 | 1,517 | 342 | 35 | 10 | 764 | 34,279 |
| In abnormal course ⁽²⁾ | - | 273,616 | 618,196 | 303,548 | 145,498 | 87,466 | 92,707 | 73,975 | 384,887 | 1,979,893 |
| Installments falling due | - | 270,901 | 596,777 | 280,339 | 122,562 | 66,644 | 71,008 | 56,524 | 233,555 | 1,698,310 |
| Up to 3 months | - | 82,141 | 132,256 | 40,247 | 16,070 | 8,269 | 8,360 | 5,852 | 25,002 | 318,197 |
| 3 to 12 months | - | 55,512 | 173,973 | 81,555 | 40,011 | 19,662 | 20,199 | 14,828 | 58,180 | 463,920 |
| 1 to 3 years | - | 79,406 | 193,810 | 114,600 | 51,366 | 30,092 | 33,258 | 25,412 | 97,268 | 625,212 |
| 3 to 5 years | - | 39,038 | 61,673 | 31,357 | 11,276 | 7,074 | 8,039 | 8,045 | 39,607 | 206,109 |
| Over 5 years | - | 14,804 | 35,065 | 12,580 | 3,839 | 1,547 | 1,152 | 2,387 | 13,498 | 84,872 |
| Installments paid due | - | 2,715 | 21,419 | 23,209 | 22,936 | 20,822 | 21,699 | 17,451 | 151,332 | 281,583 |
| Up to 60 days | - | 2,715 | 21,417 | 20,962 | 9,605 | 7,272 | 6,801 | 3,690 | 17,878 | 90,340 |
| 61 to 90 days | - | - | - | 1,652 | 10,415 | 2,557 | 3,691 | 1,731 | 9,781 | 29,827 |
| 91 to 180 days | - | - | - | 586 | 2,794 | 9,909 | 8,458 | 6,835 | 28,499 | 57,081 |
| 181 to 360 days | - | - | 2 | 9 | 122 | 1,084 | 2,749 | 5,195 | 95,174 | 104,335 |
| Total portfolio of transactions with loan characteristics | 4,600,599 | 11,282,181 | 15,029,173 | 1,897,860 | 484,613 | 174,376 | 141,682 | 78,043 | 559,545 | 34,248,072 |
| Term ⁽³⁾ | | | | | | | | | | |
| Up to 3 months | 9,282 | - | - | - | - | - | - | - | - | 9,282 |
| 3 to 12 months | 11,850 | - | - | - | - | - | - | - | - | 11,850 |
| 1 to 3 years | 40,716 | - | - | - | - | - | - | - | - | 40,716 |
| 3 to 5 years | 32,111 | - | - | - | - | - | - | - | - | 32,111 |
| Over 5 years | 52,276 | - | - | - | - | - | - | - | - | 52,276 |
| Total private securities | 146,235 | - | - | - | - | - | - | - | - | 146,235 |
| Financial guarantees provided | 2,485,983 | 591,490 | 836,506 | 41,099 | 20,071 | 216 | - | - | 414 | 3,975,779 |
| Total financial guarantees provided | 2,485,983 | 591,490 | 836,506 | 41,099 | 20,071 | 216 | - | - | 414 | 3,975,779 |
| Total extended credit portfolio | 7,232,817 | 11,873,671 | 15,865,679 | 1,938,959 | 504,684 | 174,592 | 141,682 | 78,043 | 559,959 | 38,370,086 |
| Provision associated with credit risk | | | | | | | | | | |
| Minimum required ⁽⁴⁾ | - | 56,411 | 150,292 | 56,936 | 48,461 | 52,313 | 70,841 | 54,630 | 559,545 | 1,049,429 |
| Additional ⁽⁵⁾ | 17,383 | 45,129 | 285,554 | 104,382 | 42,162 | 29,644 | - | - | - | 524,254 |
| Total provision associated with credit risk on the portfolio of transactions with loan characteristics | 17,383 | 101,540 | 435,846 | 161,318 | 90,623 | 81,957 | 70,841 | 54,630 | 559,545 | 1,573,683 |
| Minimum required ⁽⁴⁾ | - | 2,957 | 8,365 | 1,233 | 2,007 | 65 | - | - | 414 | 15,041 |
| Additional ⁽⁵⁾ | 9,507 | 2,366 | 15,894 | 2,260 | 1,746 | 37 | - | - | - | 31,810 |
| Total provision associated with credit risk on financial guarantees provided ⁽⁶⁾ | 9,507 | 5,323 | 24,259 | 3,493 | 3,753 | 102 | - | - | 414 | 46,851 |
| Total provision associated with credit risk on extended credit portfolio | 26,890 | 106,863 | 460,105 | 164,811 | 94,376 | 82,059 | 70,841 | 54,630 | 559,959 | 1,620,534 |

| 12/31/2020 | AA | A | B | C | D | E | F | G | H | Total |
|---|------------------|------------------|-------------------|------------------|----------------|----------------|----------------|---------------|----------------|-------------------|
| In normal course ⁽¹⁾ | 3,734,331 | 8,762,916 | 14,967,733 | 1,599,631 | 362,669 | 86,661 | 51,826 | 13,286 | 155,621 | 29,734,674 |
| Installments falling due | 3,734,331 | 8,699,030 | 14,939,472 | 1,593,389 | 360,552 | 86,509 | 51,603 | 13,259 | 154,361 | 29,632,506 |
| Up to 3 months | 3,059,723 | 2,161,152 | 3,163,768 | 316,040 | 74,498 | 12,713 | 8,830 | 1,345 | 22,199 | 8,820,268 |
| 3 to 12 months | 560,607 | 2,194,656 | 4,762,479 | 438,953 | 158,659 | 34,744 | 15,083 | 4,553 | 43,632 | 8,213,366 |
| 1 to 3 years | 101,363 | 2,806,255 | 5,544,640 | 574,098 | 114,144 | 29,791 | 21,057 | 6,894 | 67,590 | 9,265,832 |
| 3 to 5 years | 9,474 | 1,116,305 | 1,219,363 | 171,899 | 12,364 | 9,020 | 6,461 | 389 | 19,555 | 2,564,830 |
| Over 5 years | 3,164 | 420,662 | 249,222 | 92,399 | 887 | 241 | 172 | 78 | 1,385 | 768,210 |
| Past due up to 14 days | - | 63,886 | 28,261 | 6,242 | 2,117 | 152 | 223 | 27 | 1,260 | 102,168 |
| In abnormal course ⁽²⁾ | - | 293,812 | 632,155 | 397,204 | 157,511 | 157,307 | 64,275 | 37,098 | 336,978 | 2,076,340 |
| Installments falling due | - | 293,454 | 609,808 | 370,022 | 137,618 | 129,804 | 47,621 | 25,713 | 166,697 | 1,780,737 |
| Up to 3 months | - | 47,705 | 105,836 | 39,998 | 27,439 | 11,156 | 4,691 | 2,845 | 17,574 | 257,244 |
| 3 to 12 months | - | 65,661 | 162,460 | 108,057 | 38,426 | 27,971 | 11,892 | 6,893 | 44,628 | 465,988 |
| 1 to 3 years | - | 111,063 | 234,043 | 148,790 | 54,503 | 50,537 | 19,909 | 10,295 | 72,877 | 702,017 |
| 3 to 5 years | - | 51,059 | 78,054 | 50,247 | 13,219 | 28,215 | 9,553 | 4,523 | 23,932 | 258,802 |
| Over 5 years | - | 17,966 | 29,415 | 22,930 | 4,031 | 11,925 | 1,576 | 1,157 | 7,686 | 96,686 |
| Installments paid due | - | 358 | 22,347 | 27,182 | 19,893 | 27,503 | 16,654 | 11,385 | 170,281 | 295,603 |
| Up to 60 days | - | 358 | 22,347 | 23,995 | 9,557 | 8,213 | 3,740 | 2,141 | 15,784 | 86,135 |
| 61 to 90 days | - | - | - | 2,646 | 7,159 | 3,855 | 1,565 | 1,111 | 11,946 | 28,282 |
| 91 to 180 days | - | - | - | 541 | 3,177 | 10,774 | 8,188 | 5,602 | 49,074 | 77,356 |
| 181 to 360 days | - | - | - | - | - | 4,661 | 3,161 | 2,531 | 93,477 | 103,830 |
| Total portfolio of transactions with loan characteristics | 3,734,331 | 9,056,728 | 15,599,888 | 1,996,835 | 520,180 | 243,968 | 116,101 | 50,384 | 492,599 | 31,811,014 |
| Term ⁽³⁾ | | | | | | | | | | |
| Up to 3 months | 2,526 | - | - | - | - | - | - | - | - | 2,526 |
| 3 to 12 months | 18,401 | - | - | - | - | - | - | - | - | 18,401 |
| 1 to 3 years | 50,505 | - | - | - | - | - | - | - | - | 50,505 |
| 3 to 5 years | 23,274 | - | - | - | - | - | - | - | - | 23,274 |
| Over 5 years | 20,845 | - | - | - | - | - | - | - | - | 20,845 |
| Total private securities | 115,551 | - | - | - | - | - | - | - | - | 115,551 |
| Financial guarantees provided | 2,213,910 | 333,747 | 746,994 | 89,296 | 9,778 | 3,069 | - | - | 413 | 3,397,207 |
| Total financial guarantees provided | 2,213,910 | 333,747 | 746,994 | 89,296 | 9,778 | 3,069 | - | - | 413 | 3,397,207 |
| Total extended credit portfolio | 6,063,792 | 9,390,475 | 16,346,882 | 2,086,131 | 529,958 | 247,037 | 116,101 | 50,384 | 493,012 | 35,323,772 |
| Provision associated with credit risk | | | | | | | | | | |
| Minimum required ⁽³⁾ | - | 45,284 | 155,999 | 59,905 | 52,018 | 73,190 | 58,051 | 35,269 | 492,599 | 972,315 |
| Additional ⁽⁴⁾ | 14,225 | 36,227 | 296,397 | 109,826 | 45,256 | 41,474 | - | - | - | 543,405 |
| Total provision associated with credit risk on the portfolio of transactions with loan characteristics | 14,225 | 81,511 | 452,396 | 169,731 | 97,274 | 114,664 | 58,051 | 35,269 | 492,599 | 1,515,720 |
| Minimum required ⁽³⁾ | - | 1,669 | 7,470 | 2,679 | 978 | 921 | - | - | 413 | 14,130 |
| Additional ⁽⁴⁾ | 8,839 | 1,335 | 14,193 | 4,911 | 851 | 522 | - | - | - | 30,651 |
| Total provision associated with credit risk on financial guarantees provided | 8,839 | 3,004 | 21,663 | 7,590 | 1,829 | 1,443 | - | - | 413 | 44,781 |
| Total provision associated with credit risk on extended credit portfolio | 23,064 | 84,515 | 474,059 | 177,321 | 99,103 | 116,107 | 58,051 | 35,269 | 493,012 | 1,560,501 |

| Consolidated | | | | | | | | | | |
|---|------------------|-------------------|-------------------|------------------|----------------|----------------|----------------|---------------|----------------|-------------------|
| 06/30/2021 | AA | A | B | C | D | E | F | G | H | Total |
| In normal course ⁽¹⁾ | 4,905,377 | 11,487,331 | 15,035,986 | 1,670,586 | 359,254 | 91,189 | 51,084 | 4,597 | 180,123 | 33,785,527 |
| Installments falling due | 4,905,377 | 11,481,067 | 15,014,731 | 1,665,461 | 357,239 | 90,847 | 51,049 | 4,587 | 179,359 | 33,749,717 |
| Up to 3 months | 3,979,375 | 3,353,448 | 4,006,090 | 289,161 | 79,667 | 18,963 | 9,712 | 636 | 18,197 | 11,755,249 |
| 3 to 12 months | 644,834 | 3,006,553 | 4,613,817 | 483,467 | 163,429 | 29,020 | 16,523 | 2,315 | 57,613 | 9,017,571 |
| 1 to 3 years | 224,176 | 3,425,089 | 5,323,742 | 592,181 | 102,764 | 30,994 | 20,299 | 1,140 | 79,225 | 9,799,610 |
| 3 to 5 years | 54,808 | 1,179,743 | 811,840 | 197,628 | 10,431 | 10,964 | 4,177 | 339 | 21,593 | 2,291,523 |
| Over 5 years | 2,184 | 516,234 | 259,242 | 103,024 | 948 | 906 | 338 | 157 | 2,731 | 885,764 |
| Past due up to 14 days | - | 6,264 | 21,255 | 5,125 | 2,015 | 342 | 35 | 10 | 764 | 35,810 |
| In abnormal course ⁽²⁾ | - | 274,598 | 620,674 | 304,304 | 146,125 | 87,562 | 93,585 | 74,062 | 386,627 | 1,987,537 |
| Installments falling due | - | 271,868 | 599,158 | 281,014 | 123,135 | 66,701 | 71,542 | 56,574 | 234,610 | 1,704,602 |
| Up to 3 months | - | 82,480 | 132,910 | 40,449 | 16,192 | 8,302 | 8,589 | 5,868 | 25,180 | 319,970 |
| 3 to 12 months | - | 55,861 | 174,959 | 81,797 | 40,213 | 19,687 | 20,440 | 14,861 | 58,517 | 466,335 |
| 1 to 3 years | - | 79,687 | 194,519 | 114,829 | 51,561 | 30,092 | 33,323 | 25,412 | 97,789 | 627,212 |
| 3 to 5 years | - | 39,037 | 61,703 | 31,358 | 11,329 | 7,073 | 8,039 | 8,045 | 39,625 | 206,209 |
| Over 5 years | - | 14,803 | 35,067 | 12,581 | 3,840 | 1,547 | 1,151 | 2,388 | 13,499 | 84,876 |
| Installments paid due | - | 2,730 | 21,514 | 21,044 | 9,626 | 7,290 | 6,919 | 3,701 | 18,010 | 90,834 |
| Up to 60 days | - | 2,730 | 21,514 | 21,044 | 9,626 | 7,290 | 6,919 | 3,701 | 18,010 | 90,834 |
| 61 to 90 days | - | - | - | 1,652 | 10,448 | 2,566 | 3,765 | 1,737 | 9,847 | 30,015 |
| 91 to 180 days | - | - | - | 586 | 2,794 | 9,921 | 8,609 | 6,855 | 28,710 | 57,475 |
| 181 to 360 days | - | - | 2 | 8 | 122 | 1,084 | 2,750 | 5,195 | 95,450 | 104,611 |
| Total portfolio of transactions with loan characteristics | 4,905,377 | 11,761,929 | 15,656,660 | 1,974,890 | 505,379 | 178,751 | 144,669 | 78,659 | 566,750 | 35,773,064 |
| Term ⁽³⁾ | | | | | | | | | | |
| Up to 3 months | 9,282 | - | - | - | - | - | - | - | - | 9,282 |
| 3 to 12 months | 11,850 | - | - | - | - | - | - | - | - | 11,850 |
| 1 to 3 years | 40,716 | - | - | - | - | - | - | - | - | 40,716 |
| 3 to 5 years | 32,111 | - | - | - | - | - | - | - | - | 32,111 |
| Over 5 years | 52,276 | - | - | - | - | - | - | - | - | 52,276 |
| Total private securities | 146,235 | - | - | - | - | - | - | - | - | 146,235 |
| Financial guarantees provided | 2,485,983 | 591,490 | 836,506 | 41,099 | 20,071 | 216 | - | - | 414 | 3,975,779 |
| Total financial guarantees provided | 2,485,983 | 591,490 | 836,506 | 41,099 | 20,071 | 216 | - | - | 414 | 3,975,779 |
| Total extended credit portfolio | 7,537,595 | 12,353,419 | 16,493,166 | 2,015,989 | 525,450 | 178,967 | 144,669 | 78,659 | 567,164 | 39,895,078 |
| Provision associated with credit risk | | | | | | | | | | |
| Minimum required ⁽³⁾ | - | 58,810 | 156,567 | 59,247 | 50,538 | 53,625 | 72,335 | 55,061 | 566,750 | 1,072,933 |
| Additional ⁽⁴⁾ | 17,383 | 45,129 | 285,554 | 104,382 | 42,162 | 29,644 | - | - | - | 524,254 |
| Total provision associated with credit risk on the portfolio of transactions with loan characteristics | 17,383 | 103,939 | 442,121 | 163,629 | 92,700 | 83,269 | 72,335 | 55,061 | 566,750 | 1,597,187 |
| Minimum required ⁽³⁾ | - | 2,957 | 8,365 | 1,233 | 2,007 | 65 | - | - | 414 | 15,041 |
| Additional ⁽⁴⁾ | 9,507 | 2,366 | 15,894 | 2,260 | 1,746 | 37 | - | - | - | 31,810 |
| Total provision associated with credit risk on financial guarantees provided | 9,507 | 5,323 | 24,259 | 3,493 | 3,753 | 102 | - | - | 414 | 46,851 |
| Total provision associated with credit risk on extended credit portfolio | 26,890 | 109,262 | 466,380 | 167,122 | 96,453 | 83,371 | 72,335 | 55,061 | 567,164 | 1,644,038 |

| 12/31/2020 | AA | A | B | C | D | E | F | G | H | Total |
|---|------------------|------------------|-------------------|------------------|----------------|----------------|----------------|---------------|----------------|-------------------|
| In normal course ⁽¹⁾ | 4,032,750 | 9,189,193 | 15,571,514 | 1,656,822 | 383,179 | 89,403 | 54,004 | 13,286 | 158,810 | 31,148,961 |
| Installments falling due | 4,032,750 | 9,125,121 | 15,542,989 | 1,650,535 | 380,592 | 89,251 | 53,781 | 13,259 | 157,546 | 31,045,824 |
| Up to 3 months | 3,118,113 | 2,240,923 | 3,257,773 | 327,089 | 77,788 | 13,276 | 9,242 | 1,345 | 22,573 | 9,068,122 |
| 3 to 12 months | 627,695 | 2,316,494 | 4,940,503 | 460,751 | 166,935 | 35,615 | 16,049 | 4,553 | 44,535 | 8,613,130 |
| 1 to 3 years | 221,217 | 2,976,743 | 5,814,135 | 595,006 | 122,283 | 30,971 | 21,835 | 6,894 | 69,226 | 9,858,310 |
| 3 to 5 years | 61,857 | 1,170,274 | 1,280,588 | 175,290 | 12,699 | 9,148 | 6,483 | 389 | 19,827 | 2,736,555 |
| Over 5 years | 3,868 | 420,687 | 249,990 | 92,399 | 887 | 241 | 172 | 78 | 1,385 | 769,707 |
| Past due up to 14 days | - | 64,072 | 28,525 | 6,287 | 2,587 | 152 | 223 | 27 | 1,264 | 103,137 |
| In abnormal course ⁽²⁾ | - | 295,593 | 632,578 | 398,270 | 158,794 | 157,893 | 64,295 | 37,189 | 338,538 | 2,083,150 |
| Installments falling due | - | 295,224 | 610,206 | 370,933 | 138,653 | 130,317 | 47,643 | 25,783 | 167,311 | 1,786,070 |
| Up to 3 months | - | 47,890 | 105,906 | 40,263 | 27,687 | 11,206 | 4,697 | 2,856 | 17,819 | 258,324 |
| 3 to 12 months | - | 66,157 | 162,635 | 108,546 | 38,917 | 28,103 | 11,908 | 6,920 | 44,967 | 468,153 |
| 1 to 3 years | - | 112,134 | 234,196 | 148,947 | 54,785 | 50,847 | 19,909 | 10,327 | 72,906 | 704,051 |
| 3 to 5 years | - | 51,074 | 78,054 | 50,247 | 13,233 | 28,236 | 9,553 | 4,523 | 23,933 | 258,853 |
| Over 5 years | - | 17,969 | 29,415 | 22,930 | 4,031 | 11,925 | 1,576 | 1,157 | 7,686 | 96,689 |
| Installments paid due | - | 369 | 22,372 | 27,337 | 20,141 | 27,576 | 16,652 | 11,406 | 171,227 | 297,080 |
| Up to 60 days | - | 369 | 22,372 | 24,153 | 9,738 | 8,248 | 3,740 | 2,148 | 16,000 | 86,768 |
| 61 to 90 days | - | - | - | 2,646 | 7,225 | 3,874 | 1,565 | 1,115 | 12,058 | 28,483 |
| 91 to 180 days | - | - | - | 538 | 3,178 | 10,795 | 8,188 | 5,613 | 49,383 | 77,695 |
| 181 to 360 days | - | - | - | - | - | 4,659 | 3,159 | 2,530 | 93,786 | 104,134 |
| Total portfolio of transactions with loan characteristics | 4,032,750 | 9,484,786 | 16,204,092 | 2,055,092 | 541,973 | 247,296 | 118,299 | 50,475 | 497,348 | 33,232,111 |
| Term ⁽³⁾ | | | | | | | | | | |
| Up to 3 months | 2,526 | - | - | - | - | - | - | - | - | 2,526 |
| 3 to 12 months | 18,401 | - | - | - | - | - | - | - | - | 18,401 |
| 1 to 3 years | 50,505 | - | - | - | - | - | - | - | - | 50,505 |
| 3 to 5 years | 23,274 | - | - | - | - | - | - | - | - | 23,274 |
| Over 5 years | 20,845 | - | - | - | - | - | - | - | - | 20,845 |
| Total private securities | 115,551 | - | - | - | - | - | - | - | - | 115,551 |
| Financial guarantees provided | 2,213,910 | 333,747 | 746,994 | 89,296 | 9,778 | 3,069 | - | - | 413 | 3,397,207 |
| Total financial guarantees provided | 2,213,910 | 333,747 | 746,994 | 89,296 | 9,778 | 3,069 | - | - | 413 | 3,397,207 |
| Total extended credit portfolio | 6,362,211 | 9,818,533 | 16,951,086 | 2,144,388 | 551,751 | 250,365 | 118,299 | 50,475 | 497,761 | 36,744,869 |
| Provision associated with credit risk | | | | | | | | | | |
| Minimum required ⁽³⁾ | - | 47,424 | 162,041 | 61,653 | 54,197 | 74,189 | 59,150 | 35,333 | 497,348 | 991,335 |
| Additional ⁽⁴⁾ | 14,225 | 36,227 | 296,397 | 109,826 | 45,256 | 41,474 | - | - | - | 543,405 |
| Total provision associated with credit risk on the portfolio of transactions with loan characteristics | 14,225 | 83,651 | 458,438 | 171,479 | 99,453 | 115,663 | 59,150 | 35,333 | 497,348 | 1,534,740 |
| Minimum required ⁽³⁾ | - | 1,669 | 7,470 | 2,679 | 978 | 921 | - | - | 413 | 14,130 |
| Additional ⁽⁴⁾ | 8,839 | 1,335 | 14,193 | 4,911 | 851 | 522 | - | - | - | 30,651 |
| Total provision associated with credit risk on financial guarantees provided | 8,839 | 3,004 | 21,663 | 7,590 | 1,829 | 1,443 | - | - | 413 | 44,781 |
| Total provision associated with credit risk on extended credit portfolio | 23,064 | 86,655 | 480,101 | 179,069 | 101,282 | 117,106 | 59,150 | 35,333 | 497,761 | 1,579,521 |

(1) Operations without past-due installments and/or with installments past due up to 14 days.

(2) Operations with at least one installment past due for more than 14 days.

(3) Private securities are presented with their respective term.

(4) Allowance for loan losses associated with credit risk, considering the minimum percentages required by CMN Resolution 2682/99, and subsequent amendments.

(5) Additional allowance established in relation to the minimum percentage required by the regulation in force, based on an own methodology of credit risk evaluation and also in connection with the factors described in Note 26.e.

(6) As established by CMN Resolution 4512/16 concerning accounting procedures applicable to the evaluation and recording of the liability provision for financial guarantees provided, the Bank recorded the provision for bank guarantees based on the parameters set by CMN Resolution 2682/99, and subsequent amendments, which requires periodic portfolio analysis and its classification into nine levels, namely "AA" (minimum risk) and "H" (maximum risk - loss).

iii By line of business

| | Bank | | | |
|--|-------------------|----------------|-------------------|----------------|
| | 06/30/2021 | | 12/31/2020 | |
| | Value | % exposure | Value | % exposure |
| Total extended credit portfolio | 38,370,086 | 100.00% | 35,323,772 | 100.00% |
| Public Sector | 202,944 | 0.53% | 186,339 | 0.53% |
| Federal government | 96,432 | 0.25% | 53,657 | 0.15% |
| State government | 37,817 | 0.10% | 82,463 | 0.23% |
| Municipal government | 68,695 | 0.18% | 50,219 | 0.14% |
| Private Sector | 38,167,142 | 99.47% | 35,137,433 | 99.47% |
| Corporate entity | 28,191,728 | 73.47% | 26,314,323 | 74.49% |
| Industrial | 12,492,343 | 32.56% | 11,168,913 | 31.62% |
| Commercial | 6,612,842 | 17.23% | 6,782,938 | 19.20% |
| Financial | 85,753 | 0.22% | 66,275 | 0.19% |
| Other services | 9,000,790 | 23.46% | 8,292,122 | 23.47% |
| Rural | - | - | 4,075 | 0.01% |
| Individual | 9,975,414 | 26.00% | 8,823,110 | 24.98% |

| | Consolidated | | | |
|--|-------------------|----------------|-------------------|----------------|
| | 06/30/2021 | | 12/31/2020 | |
| | Value | % exposure | Value | % exposure |
| Total extended credit portfolio | 39,895,078 | 100.00% | 36,744,869 | 100.00% |
| Public Sector | 202,944 | 0.51% | 186,339 | 0.51% |
| Federal government | 96,432 | 0.24% | 53,657 | 0.15% |
| State government | 37,817 | 0.09% | 82,463 | 0.22% |
| Municipal government | 68,695 | 0.17% | 50,219 | 0.14% |
| Private Sector | 39,692,134 | 99.49% | 36,558,530 | 99.49% |
| Corporate entity | 29,709,904 | 74.47% | 27,730,561 | 75.47% |
| Industrial | 12,942,935 | 32.44% | 11,422,323 | 31.09% |
| Commercial | 6,900,479 | 17.30% | 6,943,729 | 18.90% |
| Financial | 228,905 | 0.57% | 69,205 | 0.19% |
| Other services | 9,637,585 | 24.16% | 9,290,988 | 25.29% |
| Rural | - | - | 4,316 | 0.01% |
| Individual | 9,982,230 | 25.02% | 8,827,969 | 24.03% |

c) Financial guarantees provided (Bank and Consolidated)

| | 06/30/2021 | 12/31/2020 |
|--------------------------------------|------------------|------------------|
| | Value | Value |
| Open credits for import | 109,240 | 109,189 |
| Beneficiaries of guarantees provided | 3,866,539 | 3,288,018 |
| Total | 3,975,779 | 3,397,207 |

d) Concentration of the portfolio with loan characteristics

| | Bank | | | |
|--------------------------|-------------------|----------------|-------------------|----------------|
| | 06/30/2021 | | 12/31/2020 | |
| | Value | % of portfolio | Value | % of portfolio |
| Largest debtor | 542,373 | 1.58% | 297,800 | 0.94% |
| 10 largest debtors | 2,278,507 | 6.65% | 1,982,491 | 6.23% |
| 50 next largest debtors | 3,322,588 | 9.70% | 2,944,842 | 9.26% |
| 100 next largest debtors | 2,908,321 | 8.49% | 2,643,229 | 8.31% |
| Other debtors | 25,196,283 | 73.57% | 23,942,652 | 75.27% |
| Total | 34,248,072 | 100.00% | 31,811,014 | 100.00% |

| | Consolidated | | | |
|--------------------------|-------------------|----------------|-------------------|----------------|
| | 06/30/2021 | | 12/31/2020 | |
| | Value | % of portfolio | Value | % of portfolio |
| Largest debtor | 542,373 | 1.52% | 297,800 | 0.90% |
| 10 largest debtors | 2,280,166 | 6.37% | 1,982,491 | 5.97% |
| 50 next largest debtors | 3,439,984 | 9.62% | 3,103,787 | 9.34% |
| 100 next largest debtors | 3,074,284 | 8.59% | 2,809,662 | 8.45% |
| Other debtors | 26,436,257 | 73.90% | 25,038,371 | 75.34% |
| Total | 35,773,064 | 100.00% | 33,232,111 | 100.00% |

e) Movement and breakdown of the allowance for loan losses

e.1) Movement of the allowance for loan losses

| | Bank | | | |
|---|------------|------------|------------|------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Opening balance of the allowance for loan losses | 1,571,379 | 1,396,296 | 1,560,501 | 1,298,127 |
| Operations written off as loss | (107,850) | (115,013) | (197,543) | (188,890) |
| Establishment (reversal) net for the period | 157,672 | 99,200 | 257,763 | 257,071 |
| Minimum required by CMN Resolution 2682/99 ⁽¹⁾ | 148,661 | 101,405 | 273,073 | 151,427 |
| Sureties and pledges provided ⁽²⁾ | 1,414 | 145 | 912 | 2,474 |
| Additional to the minimum required ⁽³⁾ | 6,930 | 1,014 | (16,409) | 120,709 |
| Exchange variation | 667 | (3,364) | 187 | (17,539) |
| Closing balance of the allowance for loan losses | 1,620,534 | 1,383,847 | 1,620,534 | 1,383,847 |

| | Consolidated | | | |
|---|--------------|------------|------------|------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Opening balance of the allowance for loan losses | 1,591,320 | 1,413,595 | 1,579,521 | 1,319,586 |
| Operations written off as loss | (108,002) | (116,778) | (198,253) | (195,380) |
| Recognition (reversal) of the expenses on the allowance for loan losses in the period | 161,387 | 101,401 | 262,957 | 259,837 |
| Minimum required by CMN Resolution 2682/99 ⁽¹⁾ | 152,376 | 103,606 | 278,267 | 154,193 |
| Sureties and pledges provided ⁽²⁾ | 1,414 | 145 | 912 | 2,474 |
| Additional to the minimum required ⁽³⁾ | 6,930 | 1,014 | (16,409) | 120,709 |
| Exchange variation | 667 | (3,364) | 187 | (17,539) |
| Closing balance of the allowance for loan losses | 1,644,038 | 1,401,582 | 1,644,038 | 1,401,582 |

e.2) Breakdown of the allowance for loan losses

| | Bank | | Consolidated | |
|---|------------|------------|--------------|------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Portfolio of transactions with loan characteristics | 1,573,683 | 1,515,720 | 1,597,187 | 1,534,740 |
| Minimum required by CMN Resolution 2682/99 ⁽¹⁾ | 1,049,429 | 972,315 | 1,072,933 | 991,335 |
| Additional to the minimum required ⁽³⁾ | 524,254 | 543,405 | 524,254 | 543,405 |
| Financial guarantees provided | 46,851 | 44,781 | 46,851 | 44,781 |
| Minimum required by CMN Resolution 2682/99 ⁽¹⁾ | 15,041 | 14,130 | 15,041 | 14,130 |
| Additional to the minimum required ⁽³⁾ | 31,810 | 30,651 | 31,810 | 30,651 |
| Total allowance for loan losses | 1,620,534 | 1,560,501 | 1,644,038 | 1,579,521 |

(1) This refers to the allowance for losses associated with credit risk considering the minimum percentages required by CMN Resolution No. 2682/99, and subsequent amendments.

(2) Pursuant to CMN Resolution 4512/16 on the accounting procedures applicable for the evaluation and recording of a liability provision for financial guarantees provided, the Bank recorded the provision for bank guarantees based on the parameters set by CMN Resolution 2682/99, and subsequent amendments, which requires the periodic portfolio analysis and its classification into nine levels, namely "AA" (minimum risk) and "H" (maximum risk - loss).

(3) Additional provision established in relation to the minimum percentage required by the regulation in force, based on a proprietary credit risk evaluation methodology and also in connection with the factors described in Note 26.e.

f) Renegotiation and recovery of transactions with loan characteristics

| | Bank | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| Movement of renegotiated operations for the period | | | | |
| Opening balance | 2,822,908 | 1,535,564 | 2,927,159 | 1,590,097 |
| Write-off of renegotiated operations to loss for the period | (31,449) | (29,887) | (31,592) | (29,887) |
| Payments / repayments for the period of renegotiated operations | (1,320,600) | (576,709) | (1,377,491) | (585,736) |
| Renegotiated operations for the period | 1,637,381 | 2,584,624 | 1,670,038 | 2,671,868 |
| Final balance | 3,108,240 | 3,513,592 | 3,188,114 | 3,646,342 |
| Breakdown of the balance of renegotiated operations | | | | |
| Operations in normal course ⁽¹⁾ | 2,742,524 | 3,075,908 | 2,820,343 | 3,207,422 |
| Installments falling due | 2,736,871 | 3,064,037 | 2,814,083 | 3,194,998 |
| Up to 3 months | 622,833 | 643,778 | 636,814 | 661,017 |
| 3 to 12 months | 895,404 | 1,230,579 | 923,844 | 1,277,172 |
| 1 to 3 years | 1,071,657 | 941,761 | 1,099,777 | 1,001,782 |
| 3 to 5 years | 138,758 | 189,601 | 145,429 | 196,709 |
| Over 5 years | 8,219 | 58,318 | 8,219 | 58,318 |
| Installments past due for up to 14 days | 5,653 | 11,871 | 6,260 | 12,424 |
| Operations in abnormal course ⁽²⁾ | 365,716 | 437,684 | 367,771 | 438,920 |
| Installments falling due | 304,907 | 389,644 | 306,388 | 389,644 |
| Up to 3 months | 46,039 | 60,650 | 46,776 | 60,650 |
| 3 to 12 months | 99,592 | 121,012 | 99,935 | 121,012 |
| 1 to 3 years | 139,924 | 175,155 | 140,325 | 175,155 |
| 3 to 5 years | 17,714 | 27,933 | 17,714 | 27,933 |
| Over 5 years | 1,638 | 4,894 | 1,638 | 4,894 |
| Installments past due | 60,809 | 48,040 | 61,383 | 49,276 |
| Up to 60 days | 26,149 | 27,752 | 26,380 | 28,475 |
| 61 to 90 days | 11,620 | 4,686 | 11,681 | 4,797 |
| 91 to 180 days | 16,616 | 9,530 | 16,755 | 9,735 |
| 181 to 360 days | 6,424 | 6,072 | 6,567 | 6,269 |
| Total | 3,108,240 | 3,513,592 | 3,188,114 | 3,646,342 |

(1) Operations without late payment and/or installments up to 14 days past due.

(2) Operations with at least installment over 14 days past due.

As at June 30, 2021, the balance of renegotiated transactions includes R\$901,726 (R\$2,262,030 as at June 30, 2020) relating to the renegotiated transactions as a result of the circumstances involving the COVID-19 pandemic.

As at June 30, 2021, the Bank recovered loans previously written off as loss, in the amounts of R\$76,948 (R\$34,575 as at June 30, 2020) and Daycoval Leasing recovered the amount of R\$2,598 (R\$430 as at June 30, 2020), recognized in the statements of income in line item "Loan portfolio".

g) Linked lending transactions (Bank and Consolidated)

| | 06/30/2021 | 12/31/2020 |
|---|------------|------------|
| Restricted lending transactions | | |
| Loans | 63,632 | 62,223 |
| Payables for restricted lending transactions | | |
| Bank certificates of deposit - CDBs | 63,118 | 62,164 |

h) Assignment of Loans (Bank and Consolidated)

The loan assignments carried out by the Bank comply with the accounting criteria described in CMN Resolution 3533/08, with respect to the classification of such assignments as "Operations with substantial retention of risks and rewards".

As at June 30, 2021 and December 31, 2020, no loans were assigned.

As at June 30, 2021, the carrying amount of credit assignments, shown in note 9.b.i - "Loans assignment with substantial retention of risks and benefits", amounts to R\$4,586 (R\$10,980 as at December 31, 2020), including the respective obligation assumed by assignment, disclosed in Note 17.b - "Other payables – Sundry – Payables for sale and transfer of financial assets", in the amount of R\$4,822 (R\$11,771 as at December 31, 2020).

Such loan assignments did not generate advanced profit or loss for the Bank.

i) Reconciliation of the breakdown of the finance lease portfolio, at present value, with the account balances:

Under the accounting system adopted by the COSIF chart of accounts, finance lease transactions are recorded according to their nature, which are summarized below:

| | 06/30/2021 | 12/31/2020 |
|--|------------------|------------------|
| Assets | | |
| Finance lease transactions | | |
| Finance lease receivable | 1,111,581 | 1,001,763 |
| (-) Unearned income from finance lease receivable | (1,082,405) | (979,326) |
| Total | 29,176 | 22,437 |
| Residual values | | |
| Unrealized residual values | 481,309 | 474,140 |
| Offsetting residual values | (481,309) | (474,140) |
| Total | - | - |
| Sundry | | |
| Commitment fee | 699 | 267 |
| Total | 699 | 267 |
| Property and equipment for finance lease | | |
| Leased assets | 1,761,595 | 1,624,577 |
| Excess depreciation | 324,426 | 277,906 |
| (-) Insufficient depreciation | (56,633) | (41,058) |
| (-) Accumulated depreciation on finance lease assets | (701,109) | (631,816) |
| Unamortized lease losses | 29,702 | 34,378 |
| Total | 1,357,981 | 1,263,987 |
| Liabilities | | |
| Other payables | | |
| (-) Prepaid guaranteed residual value (VRGA) | (248,030) | (223,397) |
| Total | (248,030) | (223,397) |
| Total finance lease at present value | 1,139,826 | 1,063,294 |

10 - FOREIGN EXCHANGE PORTFOLIO (BANK AND CONSOLIDATED)

| | 06/30/2021 | | | 12/31/2020 | |
|---|------------------|------------------|---------------|------------------|------------------|
| | Up to 3 months | 3 to 12 Months | 1 to 3 years | Value | Value |
| Assets | | | | | |
| Foreign exchange purchased pending settlement | 928,578 | 418,912 | 85,277 | 1,432,767 | 718,100 |
| Right on foreign exchange sold | 1,034,705 | 981,813 | - | 2,016,518 | 1,656,019 |
| (-) Advances received in local currency | (37,984) | - | - | (37,984) | (33,875) |
| Income receivable from advances granted (Note 9.a) | 5,425 | 4,417 | 64 | 9,906 | 8,374 |
| Total | 1,930,724 | 1,405,142 | 85,341 | 3,421,207 | 2,348,618 |
| Liabilities | | | | | |
| Foreign exchange sold pending settlement | 933,366 | 906,213 | - | 1,839,579 | 1,594,525 |
| (-) Financed imports (Note 9.a) | (34,915) | - | - | (34,915) | (33,257) |
| Payable for foreign exchange purchased | 959,738 | 435,039 | 94,170 | 1,488,947 | 713,795 |
| (-) Advances on foreign exchange contracts (Note 9.a) | (480,112) | (387,242) | (89,266) | (956,620) | (558,245) |
| Foreign currencies payable | 304 | - | - | 304 | 99 |
| Unearned income on advances granted (Note 9.a) | 428 | 542 | 21 | 991 | 1,113 |
| Total | 1,378,809 | 954,552 | 4,925 | 2,338,286 | 1,718,030 |

11 - OTHER CREDITS

| | Bank | | | |
|--|----------------|--------------|----------------|---------------|
| | 06/30/2021 | | 12/31/2020 | |
| | Current | Noncurrent | Current | Noncurrent |
| Salary advances | 6,953 | - | 1,302 | - |
| Advances for payment of our account | 20,763 | - | 17,129 | - |
| Reimbursable payments | 910 | - | 889 | - |
| Prepaid profit sharing | - | - | 36,227 | - |
| Discount on the acquisition of lending operations ⁽¹⁾ | 4,702 | 6,094 | 6,279 | 11,089 |
| Sundry debtors ⁽²⁾ | 112,334 | - | 49,238 | - |
| Total | 145,662 | 6,094 | 111,064 | 11,089 |

| | Consolidated | | | |
|--|----------------|--------------|----------------|---------------|
| | 06/30/2021 | | 12/31/2020 | |
| | Current | Noncurrent | Current | Noncurrent |
| Salary advances | 7,331 | - | 1,425 | - |
| Advances for payment of our account | 21,591 | - | 17,775 | - |
| Reimbursable payments | 910 | - | 889 | - |
| Prepaid profit sharing | - | - | 36,382 | - |
| Discount on the acquisition of lending operations ⁽¹⁾ | 4,702 | 6,094 | 6,279 | 11,089 |
| Insurance premiums receivable | 31 | - | 31 | - |
| Sundry debtors ⁽²⁾ | 115,294 | - | 53,303 | - |
| Total | 149,859 | 6,094 | 116,084 | 11,089 |

(1) As at June 30, 2021 and December 31, 2020, refers to premiums paid on the acquisition of loan operations from other institutions comprising the National Financial System, to be recognized in the Bank's income statements, in line item "Lending operations", due to the lapse of the transaction term.

(2) As at June 30, 2021, the line item "Sundry debtors" includes primarily: (i) amounts of overdraft account depositors in the amount of R\$61,902 for the Bank and R\$61,970 for the Consolidated (R\$34,896 for the Bank and R\$37,030 for the Consolidated as at December 31, 2020); and (ii) release of trade notes in the amount of R\$25,711 for the Bank and for the Consolidated (R\$447 for the Bank and for the Consolidated as at December 31, 2020).

12 - OTHER ASSETS

| | Bank | | | | | | 12/31/2020 |
|------------------------|----------------|----------------|--------------|--------------|--------------|--------|------------|
| | 06/30/2021 | | | | | | |
| | Up to 3 months | 3 to 12 Months | 1 to 3 years | 3 to 5 years | Over 5 years | Value | |
| Prepaid expenses | 6,028 | 15,765 | 26,186 | 2,929 | 3,398 | 54,306 | 23,961 |
| Total prepaid expenses | 6,028 | 15,765 | 26,186 | 2,929 | 3,398 | 54,306 | 23,961 |

| | Consolidated | | | | | | 12/31/2020 |
|------------------------|----------------|----------------|--------------|--------------|--------------|--------|------------|
| | 06/30/2021 | | | | | | |
| | Up to 3 months | 3 to 12 Months | 1 to 3 years | 3 to 5 years | Over 5 years | Value | |
| Prepaid expenses | 6,033 | 15,765 | 26,186 | 2,929 | 3,398 | 54,311 | 23,962 |
| Total prepaid expenses | 6,033 | 15,765 | 26,186 | 2,929 | 3,398 | 54,311 | 23,962 |

Non-financial assets held for sale

As at June 30, 2021, held-for-sale non-financial assets total R\$76,317 (R\$84,852 as at December 31, 2020), for the Bank and Consolidated. In the quarter, the impairment adjustment is de R\$4,376 (R\$8,564 as at December 31, 2020), for the Bank and Consolidated. As at June 30, 2021 and December 31, 2020, the Bank and Consolidated do not have own assets classified as "held-for-sale non-financial assets".

13 - FOREIGN BRANCH

The balances of the transactions of Bank Daycoval S.A. - Cayman Branch (foreign branch) conducted with third parties and included in the Bank's financial statement information are as follows:

| | 06/30/2021 | | 12/31/2020 | |
|-------------------------------|----------------|-----------------------------|----------------|-----------------------------|
| | US\$ thousand | R\$ thousand ⁽¹⁾ | US\$ thousand | R\$ thousand ⁽¹⁾ |
| Assets | | | | |
| Cash and cash equivalents | 284 | 1,419 | 350 | 1,819 |
| Interbank accounts | 25,300 | 126,556 | 28,950 | 150,444 |
| Securities | 1,586 | 7,935 | 3,196 | 16,609 |
| Lending operations | 279,451 | 1,397,869 | 100,228 | 520,855 |
| Other credits | 6,059 | 30,308 | 5,783 | 30,053 |
| Other assets | 59 | 294 | - | - |
| Total Assets | 312,739 | 1,564,381 | 138,507 | 719,780 |
| Liabilities | | | | |
| Demand deposit | 2,454 | 12,277 | 2,271 | 11,802 |
| Time deposits | 181,578 | 908,291 | 15,170 | 78,834 |
| Issuance of securities | 1,509 | 7,546 | - | - |
| Other miscellaneous borrowing | 94,702 | 473,716 | 90,040 | 467,911 |
| Deferred income | 167 | 838 | 40 | 208 |
| Total Liabilities | 280,410 | 1,402,668 | 107,521 | 558,755 |

⁽¹⁾ The amounts in US dollars have been translated into Brazilian reais (R\$) at the exchange rates of R\$/US\$5.0022 and R\$/US\$5.1967, disclosed by the BACEN, for June 30, 2021 and December 31, 2020, respectively.

As at June 30, 2021, income from exchange rate changes in the amount of R\$5,894 (income of R\$28,056 as at June 30, 2020) on the investment in Banco Daycoval S.A. - Cayman Branch was recognized in the Bank's profit or loss.

14 - INVESTMENTS

a) Direct subsidiaries

| Company | Equity | Capital | Number of shares | Ownership interest - % | Net income for the semester | | Adjusted investment | | | Equity in earnings | | | |
|---------------------------------|---------|---------|------------------|------------------------|-----------------------------|------------|---------------------|------------------|------------------|--------------------|---------------|-----------------|---------------|
| | | | | | 06/30/2021 | 06/30/2020 | 06/30/2021 | 12/31/2020 | 06/30/2020 | of the quarter | | of the semester | |
| | | | | | | | | | | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| Daycoval Leasing ⁽¹⁾ | 575,065 | 343,781 | 5,780,078,463 | 100.0 | 36,873 | 33,464 | 544,580 | 504,256 | 462,145 | 18,919 | 15,617 | 36,873 | 33,464 |
| Dayprev | 34,592 | 25,000 | 19,591,614 | 97.0 | 375 | 486 | 33,554 | 33,210 | 33,160 | 135 | 268 | 364 | 472 |
| ACS | 822,765 | 623,597 | 54,225,800 | 99.9 | (14,082) | 26,762 | 822,765 | 838,129 | 827,560 | (19,609) | 9,660 | (14,082) | 26,762 |
| Daycoval Asset | 56,160 | 1,554 | 36,875 | 99.9 | 2,790 | 1,523 | 56,160 | 53,370 | 47,680 | 1,686 | 1,053 | 2,790 | 1,523 |
| Total | | | | | | | 1,457,059 | 1,428,965 | 1,370,545 | 1,131 | 26,598 | 25,945 | 62,221 |

(1) This refers to the discount on the acquisition of another financial institution in 2015, which is being fully amortized over a period of ten years, and the recognition of the deferred tax liability set up at the rates in effect at the time of amortization. The balance as at June 30, 2021 is R\$30,485 (R\$33,936 and R\$37,287 as at December 31, 2020 and June 30, 2020, respectively).

b) Indirect subsidiaries

| Company | Equity | Capital | Number of shares | Ownership interest - % | Net income for the semester | | Adjusted investment | | | Equity in earnings | | | |
|--------------|---------|---------|------------------|------------------------|-----------------------------|------------|---------------------|----------------|----------------|--------------------|--------------|-----------------|---------------|
| | | | | | 06/30/2021 | 06/30/2020 | 06/30/2021 | 12/31/2020 | 06/30/2020 | of the quarter | | of the semester | |
| | | | | | | | | | | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| IFP | 231,482 | 260,020 | 260,020,000 | 99.9 | (7,541) | (5,158) | 231,482 | 239,022 | 237,331 | (1,296) | (2,516) | (7,541) | (5,158) |
| SCC | 13,988 | 10,020 | 10,020,000 | 99.9 | 253 | 132 | 13,988 | 13,735 | 13,547 | 131 | 59 | 253 | 132 |
| Treetop | 93,573 | 13,349 | 2,668,585 | 99.9 | (7,861) | 1,971 | 93,573 | 106,525 | 102,799 | (22,249) | 7,564 | (11,668) | 29,152 |
| Total | | | | | | | 339,043 | 359,282 | 353,677 | (23,414) | 5,107 | (18,956) | 24,126 |

(2) As at June 30, 2021, the foreign exchange variation expense of R\$3,807 (income of R\$27,181 as at June 30, 2020) on the investment in Treetop was recognized in the income of ACS Participações (direct parent company), mentioned in table 14.a).

(3) As at June 30, 2021, the equity in the results of investees includes expense of R\$18,956 (income of R\$24,126 as at June 30, 2020) which was recognized in the income of ACS Participações (direct controlling entity), mentioned in table 14.a).

15 - PROPERTY AND EQUIPMENT IN USE AND FOR OPERATING LEASE
a) Property and equipment in use

| Bank | | | | | |
|---------------------------|------|--------------------------|------------|------------|--------|
| 06/30/2021 | | | | 12/31/2020 | |
| Annual depreciation | Cost | Accumulated depreciation | Net amount | Net amount | |
| Airplane | 10% | 75,865 | (28,449) | 47,416 | 51,209 |
| Computers and peripherals | 20% | 23,601 | (14,939) | 8,662 | 5,868 |
| Communications equipment | 20% | 717 | (596) | 121 | 139 |
| Security equipment | 10% | 1,457 | (1,077) | 380 | 438 |
| Facilities | 10% | 939 | (673) | 266 | 281 |
| Furniture and equipment | 10% | 7,732 | (5,031) | 2,701 | 2,376 |
| Vehicles | 20% | 3,109 | (1,486) | 1,623 | 1,505 |
| Total | | 113,420 | (52,251) | 61,169 | 61,816 |

| | | | Consolidated | | |
|---------------------------|---------------------|---------|--------------------------|------------|------------|
| | | | 06/30/2021 | | 12/31/2020 |
| | Annual depreciation | Cost | Accumulated depreciation | Net amount | Net amount |
| Airplane | 10% | 75,865 | (28,449) | 47,416 | 51,209 |
| Computers and peripherals | 20% | 24,805 | (16,034) | 8,771 | 5,982 |
| Communications equipment | 20% | 997 | (664) | 333 | 365 |
| Security equipment | 10% | 1,457 | (1,077) | 380 | 438 |
| Properties | 4% | 2,642 | (260) | 2,382 | 2,617 |
| Facilities | 10% | 4,981 | (1,350) | 3,631 | 3,523 |
| Furniture and equipment | 10% | 9,654 | (5,904) | 3,750 | 3,379 |
| Vehicles | 20% | 4,645 | (2,486) | 2,159 | 2,176 |
| Total | | 125,046 | (56,224) | 68,822 | 69,689 |

b) Property and equipment for operating lease (Consolidated)

| 06/30/2021 | | | | | 12/31/2020 |
|-------------------------|------------------|--------------------------|--------------------------|----------------|----------------|
| Annual depreciation | Acquisition cost | Accumulated depreciation | Allowance for impairment | Net value | Net value |
| Facilities | 10% | 60 | (4) | 56 | - |
| Machinery and equipment | 10% | 333,938 | (153,475) | 177,739 | 130,472 |
| Furniture | 10% | 1,293 | (92) | 1,201 | 2 |
| Vehicles | 20% | 11,898 | (1,687) | 10,211 | 176 |
| Total | | 347,189 | (155,258) | 189,207 | 130,650 |

16 - REPURCHASE TRANSACTIONS AND FUNDING INSTRUMENTS

a) Breakdown of repurchase transaction by maturity (Bank and Consolidated)

| | 06/30/2021 Up to 3 months | 12/31/2020 Up to 3 months |
|--------------------------------|---------------------------------|---------------------------------|
| Repurchase transactions | | |
| Own portfolio | 893,784 | 872,979 |
| Financial Treasury Bills (LFT) | 740,378 | 725,978 |
| National Treasury Bills (LTN) | 45,106 | 45,637 |
| Debentures | 108,300 | 101,364 |
| Third-party portfolio | 1,811,066 | 1,078,693 |
| Financial Treasury Bills (LFT) | 500,042 | - |
| National Treasury Bills (LTN) | 350,319 | - |
| National Treasury Notes (NTN) | 960,705 | 1,078,693 |
| Total | 2,704,850 | 1,951,672 |

b) Summary of fundraising instruments

Below is the summary of fundraising instruments used by Daycoval:

| | Bank | | Consolidated | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Deposits | 14,605,541 | 14,082,552 | 14,592,758 | 14,027,603 |
| Demand deposits | 1,442,155 | 1,673,989 | 1,436,803 | 1,672,424 |
| Interbank deposits | 218,660 | 524,880 | 218,660 | 524,880 |
| Time deposits | 12,921,467 | 11,874,297 | 12,914,036 | 11,820,913 |
| Other deposits | 23,259 | 9,386 | 23,259 | 9,386 |
| Issuance of securities | 17,988,725 | 18,460,459 | 17,608,840 | 17,923,783 |
| Mortgage loan notes | 1,452,454 | 825,215 | 1,452,454 | 825,215 |
| Agribusiness letter of credit | 1,901,522 | 1,364,527 | 1,901,522 | 1,364,527 |
| Financial bills | 12,299,421 | 13,865,311 | 11,919,536 | 13,328,635 |
| Foreign issuance | 2,335,328 | 2,405,406 | 2,335,328 | 2,405,406 |
| Borrowings | 6,629,258 | 4,668,752 | 6,629,258 | 4,668,752 |
| Foreign borrowings | 6,483,594 | 4,503,902 | 6,483,594 | 4,503,902 |
| Foreign-currency payables | 145,664 | 164,850 | 145,664 | 164,850 |
| Subordinated debts (Note 16.d) | 459,595 | 460,657 | 459,595 | 460,657 |
| Financial bills | 459,595 | 460,657 | 459,595 | 460,657 |
| Total | 39,683,119 | 37,672,420 | 39,290,451 | 37,080,795 |

c) Segregation of money market funding by term

| | Bank | | | | | | 12/31/2020 |
|--|------------------|-------------------|-------------------|------------------|----------------|-------------------|-------------------|
| | Up to 3 months | 3 to 12 Months | 1 to 3 years | 3 to 5 years | Over 5 years | Total | Total |
| Deposits | 3,001,518 | 3,787,907 | 7,200,671 | 545,754 | 69,691 | 14,605,541 | 14,082,552 |
| Demand deposits | 1,442,155 | - | - | - | - | 1,442,155 | 1,673,989 |
| Interbank deposits | 43,853 | 83,262 | 4,797 | 84,985 | 1,763 | 218,660 | 524,880 |
| Time deposits | 1,492,251 | 3,704,645 | 7,195,874 | 460,769 | 67,928 | 12,921,467 | 11,874,297 |
| Other deposits | 23,259 | - | - | - | - | 23,259 | 9,386 |
| Issuance of securities | 1,025,389 | 5,231,137 | 8,006,646 | 3,488,964 | 236,589 | 17,988,725 | 18,460,459 |
| Mortgage loan notes | 258,392 | 376,210 | 797,295 | 5,019 | 15,538 | 1,452,454 | 825,215 |
| Agribusiness letter of credit | 454,332 | 607,465 | 832,452 | 7,273 | - | 1,901,522 | 1,364,527 |
| Financial bills ^{(1) (7)} | 312,665 | 4,234,753 | 6,376,899 | 1,154,053 | 221,051 | 12,299,421 | 13,865,311 |
| Foreign issuance ⁽²⁾ | - | 12,709 | - | 2,322,619 | - | 2,335,328 | 2,405,406 |
| Money market funding | 668,888 | 3,299,873 | 2,415,559 | 242,355 | 2,583 | 6,629,258 | 4,668,752 |
| Issuance of securities | 650,037 | 3,253,331 | 2,355,747 | 224,479 | - | 6,483,594 | 4,503,902 |
| Foreign-currency payables ⁽³⁾ | 522,289 | 758,021 | - | - | - | 1,280,310 | 978,124 |
| Foreign borrowings ^{(4) (5) (6)} | 127,748 | 2,495,310 | 2,355,747 | 224,479 | - | 5,203,284 | 3,525,778 |
| Domestic onlendings - official institutions | 18,851 | 46,542 | 59,812 | 17,876 | 2,583 | 145,664 | 164,850 |
| BNDES | 8,496 | 15,276 | 9,311 | - | - | 33,083 | 53,057 |
| FINAME | 10,355 | 31,266 | 50,501 | 17,876 | 2,583 | 112,581 | 111,793 |
| Subordinated debts (Note 16.d) | - | - | - | - | 459,595 | 459,595 | 460,657 |
| Financial bills | - | - | - | - | 459,595 | 459,595 | 460,657 |
| Total | 4,695,795 | 12,318,917 | 17,622,876 | 4,277,073 | 768,458 | 39,683,119 | 37,672,420 |

| | Consolidated | | | | | | 12/31/2020 |
|---|----------------|----------------|--------------|--------------|--------------|------------|------------|
| | 06/30/2021 | | | | | | |
| | Up to 3 months | 3 to 12 Months | 1 to 3 years | 3 to 5 years | Over 5 years | Total | |
| | | | | | | Total | Total |
| Deposits | 2,996,107 | 3,787,907 | 7,196,344 | 542,710 | 69,690 | 14,592,758 | 14,027,603 |
| Demand deposits | 1,436,803 | - | - | - | - | 1,436,803 | 1,672,424 |
| Interbank deposits | 43,854 | 83,262 | 4,797 | 84,985 | 1,762 | 218,660 | 524,880 |
| Time deposits | 1,492,191 | 3,704,645 | 7,191,547 | 457,725 | 67,928 | 12,914,036 | 11,820,913 |
| Other deposits | 23,259 | - | - | - | - | 23,259 | 9,386 |
| Issuance of securities | 1,025,389 | 5,231,137 | 7,943,369 | 3,172,356 | 236,589 | 17,608,840 | 17,923,783 |
| Mortgage loan notes | 258,392 | 376,210 | 797,295 | 5,019 | 15,538 | 1,452,454 | 825,215 |
| Agribusiness letter of credit | 454,332 | 607,465 | 832,452 | 7,273 | - | 1,901,522 | 1,364,527 |
| Financial bills ^{(1) (7)} | 312,665 | 4,234,753 | 6,313,622 | 837,445 | 221,051 | 11,919,536 | 13,328,635 |
| Foreign issuance ⁽²⁾ | - | 12,709 | - | 2,322,619 | - | 2,335,328 | 2,405,406 |
| Money market funding | 668,888 | 3,299,873 | 2,415,559 | 242,355 | 2,583 | 6,629,258 | 4,668,752 |
| Issuance of securities | 650,037 | 3,253,331 | 2,355,747 | 224,479 | - | 6,483,594 | 4,503,902 |
| Foreign-currency payables ⁽³⁾ | 522,289 | 758,021 | - | - | - | 1,280,310 | 978,124 |
| Foreign borrowings ^{(4) (5) (6)} | 127,748 | 2,495,310 | 2,355,747 | 224,479 | - | 5,203,284 | 3,525,778 |
| Domestic onlendings - official institutions | 18,851 | 46,542 | 59,812 | 17,876 | 2,583 | 145,664 | 164,850 |
| BNDES | 8,496 | 15,276 | 9,311 | - | - | 33,083 | 53,057 |
| FINAME | 10,355 | 31,266 | 50,501 | 17,876 | 2,583 | 112,581 | 111,793 |
| Subordinated debts (Note 16.d) | - | - | - | - | 459,595 | 459,595 | 460,657 |
| Financial bills | - | - | - | - | 459,595 | 459,595 | 460,657 |
| Total | 4,690,384 | 12,318,917 | 17,555,272 | 3,957,421 | 768,457 | 39,290,451 | 37,080,795 |

(1) Pursuant to the Notice to the Market, published on March 12, 2019, the Bank has completed the seventh issuance of Financial Bills in the amount of R\$2 billion, 4 series in the amount of R\$500 million maturing as at March 15, 2021, as at March 15, 2022, as at March 15, 2023 and as at March 15, 2024, respectively.

(2) At December 13, 2019 Daycoval issued US\$350 million in bonuses in the foreign market. On February 4, 2020 there was a new issuance additional thereto for US\$100 million in bonuses in the foreign market, both falling due on December 13, 2024. These instruments are remunerated at 4.25% p.a.

(3) The balance of "Foreign-currency payables" refers to funding for foreign exchange operations related to export and import financing.

(4) As at June 30, 2021, includes foreign loan transactions, in the amount of US\$1 billion (US\$613 million as at December 31, 2020) and €25 million (€25 million as at December 31, 2020), subject to hedge accounting of market risk (note 8), which carrying amount and fair value amount to R\$4,863,272 and R\$4,884,257, respectively (R\$3,161,498 and R\$3,151,462 as at December 31, 2020).

(5) In December 2019, Bank Daycoval S.A. concluded the funding in the amount of US\$425 million with BID Invest, a member of the Inter-American Development Bank targeted at the private sector. The loan mature between two and four years. Funds will be transferred to the corporate loan portfolio in accordance with the terms and conditions agreed upon among the parties such as, for example, the focus on small- and mid-sized entities, distribution to economic and social development areas, investment in energy efficiency and gender equality. These transactions are recognized in line item "Foreign borrowings".

(6) On July 8, 2020, Daycoval raised from the International Finance Corporation - IFC the amount of US\$100 million related to hedge accounting. In April and May 2021, Daycoval raised from the International Finance Corporation - IFC, US\$364 million and US\$16 million, respectively, related to hedge accounting.

(7) Includes the funding through Guaranteed Financial Bills, pursuant to CMN Resolution 4795/20, in the amount of R\$2,465,859.

Financial covenants

There was no breach of covenants linked to borrowing agreements with the International Finance Corporation - IFC and the Inter-American Development Bank - IDB, recognized in line item "Borrowings", that could result in the accelerated maturity of the agreements entered into with the Bank and these institutions.

d) Subordinated debts (Bank and Consolidated)

| Capital level | Instruments of Funding | 06/30/2021 | | Amount | Interest rate | Date of BACEN'S authorization to comprise Tier of Capital ⁽¹⁾ |
|-------------------------------------|------------------------|------------|------------|--------|---------------|--|
| | | issuance | maturity | | | |
| Complementary Tier I | Financial bills | 02/19/2020 | Perpetual | 50 | 135% CDI | 04/15/2020 |
| Complementary Tier I | Financial bills | 04/15/2020 | Perpetual | 240 | 150% CDI | 06/10/2020 |
| Complementary Tier I ⁽²⁾ | Financial bills | 02/11/2021 | Perpetual | 164 | 150% CDI | 03/05/2021 |
| Capital level | Instruments of Funding | 12/31/2020 | | Amount | Interest rate | Date of BACEN'S authorization to comprise Tier of Capital ⁽¹⁾ |
| | | issuance | maturity | | | |
| Tier II ⁽²⁾ | Financial bills | 02/28/2018 | 03/05/2025 | 10 | 120% CDI | 04/04/2018 |
| Tier II ⁽²⁾ | Financial bills | 10/30/2018 | 10/30/2028 | 135 | 122% CDI | 11/30/2018 |
| Complementary Tier I | Financial bills | 02/19/2020 | Perpetual | 50 | 135% CDI | 04/15/2020 |
| Complementary Tier I | Financial bills | 04/15/2020 | Perpetual | 240 | 150% CDI | 06/10/2020 |

(1) Funding was authorized by the BACEN to comprise the Bank's Tier of Capital, pursuant to CMN Resolution 4192/13.

(2) Early redemption of Financial Bills with subordination clause (LFSN) eligible to the Tier II of Capital (PR), pursuant to note 24.a), for purpose of change for a new Supplementary Subordinated Financial Bill (LFSC) eligible to Tier I of the PR, as supplementary capital, pursuant to CMN Resolution 4733/19.

17 - OBLIGATION

a) Social and statutory

| | Bank | | Consolidated | |
|----------------------------------|---------------|----------------|---------------|----------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| | Current | Current | Current | Current |
| Dividends and bonuses payable | - | 167,588 | - | 167,588 |
| Profit sharing program | 74,677 | 133,466 | 76,029 | 135,459 |
| Bonus and profit sharing payable | 120 | 120 | 120 | 120 |
| Total | 74,797 | 301,174 | 76,149 | 303,167 |

b) Sundry

| | Bank | | Consolidated | |
|---|----------------|------------|----------------|------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| | Current | Noncurrent | Current | Noncurrent |
| Cashier's checks | - | - | 526 | - |
| Creditors for unreleased resources | 7,415 | - | 2,235 | - |
| Payables to related party | 897 | - | 1,108 | - |
| Payables for sales operations and transfer of financial assets (Nota 9.h) | 4,822 | - | 11,458 | 313 |
| Accrued payments ⁽¹⁾ | 87,193 | - | 62,583 | - |
| Sundry creditors ⁽²⁾ | 86,368 | - | 107,763 | - |
| Total | 186,695 | - | 185,673 | 313 |

| | Bank | | Consolidated | |
|---|----------------|------------|----------------|------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| | Current | Noncurrent | Current | Noncurrent |
| Cashier's checks | - | - | 526 | - |
| Creditors for unreleased resources | 7,415 | - | 2,235 | - |
| Payables for sales operations and transfer of financial assets (Nota 9.h) | 4,822 | - | 11,458 | 313 |
| Investment funds quota obligations ⁽³⁾ | 19,431 | - | 19,544 | - |
| Accrued payments ⁽¹⁾ | 99,229 | - | 71,732 | - |
| Sundry creditors ⁽²⁾ | 99,616 | - | 113,330 | - |
| Total | 230,513 | - | 218,825 | 313 |

(1) As at June 30, 2021, the balance of "Accrued payments" (Bank and Consolidated) is mainly comprised of the following: (i) personnel expenses in the amount of R\$41,489 for the Bank and R\$48,113 for the Consolidated (R\$28,338 for the Bank and R\$33,606 for the Consolidated as at December 31, 2020); (ii) expenses on suppliers in the amount of R\$18,774 for the Bank and R\$21,700 for the Consolidated (R\$14,567 for the Bank and R\$16,080 for the Consolidated as at December 31, 2020); and (iii) commission payable in the amount of R\$17,349 for the Bank and Consolidated (R\$18,283 as at December 31, 2020 for the Bank and Consolidated).

(2) As at June 30, 2021, the balance of "Sundry creditors" (Bank and Consolidated) is mainly comprised of: (i) unreleased resources in the amount of R\$13,711 (R\$3,759 as at December 31, 2020); (ii) commitments deriving from credit card transactions in the amount of R\$52,681 (R\$46,118 as at December 31, 2020); and (iii) trade payables to Daycoval Leasing in the amount of R\$5,243, for the Consolidated (R\$3,376 as at December 31, 2020).

(3) Pursuant to Art. 4 of CMN Resolution 4280/13, the investment funds in which Daycoval substantially assumes or retains all risks and rewards, on any account, must be consolidated in the interim financial information of the controlling institution.

18 - CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS
a) Contingent assets

Daycoval and its subsidiaries did not recognize contingent assets as at June 30, 2021 and December 31, 2020.

b) Contingent liabilities assessed as probable losses and legal obligations

The Bank is a party to lawsuits involving labor, civil and tax matters. Provisions are recorded based on the criteria described in note 3.q. The Bank's management understands that the provisions recorded are sufficient to cover probable losses on these lawsuits.

The balances of provisions for tax, civil and labor risks recognized and the respective variations for the quarter ended June 30, 2021 and for the year ended December 31, 2020, are broken down below:

| | Bank | | Consolidated | |
|----------------------------|------------------|------------------|------------------|------------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Legal obligation tax risks | 1,750,965 | 1,656,548 | 1,751,732 | 1,657,360 |
| Civil lawsuits | 106,585 | 166,760 | 107,178 | 167,308 |
| Labor lawsuits | 56,564 | 62,809 | 69,044 | 75,856 |
| Total | 1,914,114 | 1,886,117 | 1,927,954 | 1,900,524 |

| Risks | Semester ended June 30, 2021 | | | | | | | |
|--------------|------------------------------|----------------------|---------------|---------------------------|--------------------------|----------------------|---------------|--------------------------------|
| | Bank | | | | Consolidated | | | |
| | Balance at the beginning | Inflation adjustment | Recognition | Balance at the end of the | Balance at the beginning | Inflation adjustment | Recognition | Balance at the end of the year |
| Tax | 1,656,548 | 12,831 | 81,586 | 1,750,965 | 1,657,360 | 12,833 | 81,539 | 1,751,732 |
| Civil | 166,760 | - | (60,175) | 106,585 | 167,308 | - | (60,130) | 107,178 |
| Labor | 62,809 | - | (6,245) | 56,564 | 75,856 | - | (6,812) | 69,044 |
| Total | 1,886,117 | 12,831 | 15,166 | 1,914,114 | 1,900,524 | 12,833 | 14,597 | 1,927,954 |

| Risks | Year ended December 31, 2020 | | | | | | | |
|--------------|------------------------------|----------------------|---------------|---------------------------|--------------------------|----------------------|---------------|--------------------------------|
| | Bank | | | | Consolidated | | | |
| | Balance at the beginning | Inflation adjustment | Recognition | Balance at the end of the | Balance at the beginning | Inflation adjustment | Recognition | Balance at the end of the year |
| Tax | 1,530,665 | 27,943 | 97,940 | 1,656,548 | 1,530,665 | 27,943 | 98,752 | 1,657,360 |
| Civil | 184,760 | - | (18,000) | 166,760 | 185,247 | - | (17,939) | 167,308 |
| Labor | 59,619 | - | 3,190 | 62,809 | 73,522 | - | 2,334 | 75,856 |
| Total | 1,775,044 | 27,943 | 83,130 | 1,886,117 | 1,789,434 | 27,943 | 83,147 | 1,900,524 |

c) Escrow deposits for tax, civil and labor risks

| | Bank | | Consolidated | |
|--------------|------------------|------------------|------------------|------------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Tax | 1,483,346 | 1,387,002 | 1,483,346 | 1,387,002 |
| Civil | 37,110 | 36,693 | 37,193 | 36,693 |
| Labor | 12,899 | 14,931 | 15,828 | 18,193 |
| Total | 1,533,355 | 1,438,626 | 1,536,367 | 1,441,888 |

d) The Bank is challenging in court the legality of certain taxes and contributions and the related amounts are fully accrued:

Income Tax

Challenges the effect from the extinguishment of the inflation adjustment to the balance sheet and twice PAT deduction, the amount accrued totaling R\$34,394 (R\$25,646 as at December 31, 2020). Total escrow deposits for these challenges amounts to R\$22,622 (R\$22,512 as at December 31, 2020). In November 2019, the escrow deposits for the lawsuit filed in 2004 were converted into income for the Brazilian government, thus settling the related litigation. Also, the lawsuit from 1997 to 2002 is still ongoing.

Social contribution tax

(i) Challenges the effect from the extinguishment of the inflation adjustment to the balance sheet and challenges the requirement of a different tax rate. In November 2019, the escrow deposits for the lawsuit filed in 2004 were converted into income for the Brazilian government, thus settling the related litigation. The lawsuit from 1997 to 2002 is still ongoing; and (ii) challenges the increase in tax rate from 9% to 15%, prescribed by Provisional Act 413/08, passed into Law 11727/08, and from 15% to 20%, as prescribed by Law 13169/15, which amends Law 7689/88, the latter amendment related to the period between September 1, 2015 and December 31, 2019. The amount accrued amounts to R\$896,931 (R\$809,381 as at December 31, 2020) and the total escrow deposits for this lawsuit amount to R\$847,730 (R\$755,499 as at December 31, 2020).

COFINS

Challenges the constitutionality of Law 9718/98. The amount accrued amounts to R\$688,545 (R\$684,488 as at December 31, 2020) and the total escrow deposits for this lawsuit amount to R\$503,048 (R\$499,762 as at December 31, 2020).

PIS

Challenges the application of Law 9718/98 and the tax authorities' requirement of calculation of the PIS tax basis in noncompliance with Constitutional Amendments 01/94, 10/96 and 17/97. The amount accrued amounts to R\$104,018 (R\$103,412 as at December 31, 2020) and the total escrow deposits for this lawsuit amount to R\$106,224 (R\$105,594 as at December 31, 2020).

The provision for other legal liabilities amounts to R\$3,722 (R\$3,635 as at December 31, 2020) and the total escrow deposits for this lawsuit amount to R\$3,722 (R\$3,635 as at December 31, 2020).

e) Daycoval Leasing has been challenging in courts the Tax Assessment Notices and Fine Interpretation issued by the State of São Paulo, as described below:

AIIM No. 4.012.543-9 in the amount of R\$75,327 is assessed as remote loss, the likelihood of favorable outcome of which is supported by the signature of ICMS Agreement No. 36 and ratified by São Paulo State Decrees No. 56045/2010 and No. 56952/2013. Of the original tax assessment amount which amounted to R\$54,148, the amount of R\$6,322, relating to the States of Santa Catarina and Alagoas, was assessed as possible loss and subject to payment under the Special Installment Program (PEP) enacted by the São Paulo State government through Decree 60444/2014. The balance of remote loss of R\$47,826 refers to the State of Espírito Santo.

Case No. 0030121-4.2011.8.16.0021 - ISS Tax Execution from the municipality of Cascavel-PR, in the amount of R\$37, assessed as remote loss, which aims at the collection of ISS relating to lease transactions conducted with customers located in that municipality.

Case No. 0160975-31.2016.8.13.0702 - ISS Tax Execution from the municipality of Uberlândia-MG, in the amount of R\$236, assessed as remote loss, which aims at the collection of ISS relating to lease transactions conducted with customers located in that municipality.

f) Contingent liabilities assessed as possible losses

Contingent liabilities classified as possible losses are not recognized in the accounts and are represented by civil and labor market.

As at June 30, 2021, the civil lawsuits correspond to an approximate risk of R\$125,163 for the Bank and Consolidated (R\$38,143 for the Bank and Consolidated as at December 31, 2020)

As at June 30, 2021, labor lawsuits amount to R\$601 for the Bank and R\$602 for the Consolidated (R\$502 for the Bank and R\$503 for the Consolidated as at December 31, 2020).

There are no ongoing administrative proceedings for noncompliance with the rules of the National Financial System or payment of fines, which may have significant impacts on the financial position of the Bank or its subsidiaries.

19 - TAX

Taxes and contributions are calculated pursuant to the legislation currently in force. The following rates were levied:

| Tax and contributions | Rate |
|---|-------------|
| Income Tax | 15.00% |
| Income tax surcharge (on the amount exceeding R\$240,000.00) | 10.00% |
| Social contribution - financial institutions ⁽¹⁾ | 20.00% |
| Social contribution - non-financial institutions ⁽²⁾ | 9.00% |
| PIS | 0.65% |
| Cofins | 4.00% |
| ISS | up to 5.00% |

(1) Constitutional Amendment (EC) No. 103/19 increased the Social Contribution on Net Income rate for Banks to 20%, as of March 1, 2020. For non-financial subsidiaries, the rate remains at 9%. Pursuant to Law No. 14,183/21, the Social Contribution on Net Income (CSLL) rate was increased from 20% to 25%, from July 1, 2021 to December 31, 2021, as per Note 19.c

(2) The non-financial subsidiaries falling under the non-cumulative computation regime are subject to PIS and COFINS rates of, respectively, 1.65% and 7.6% on operating income, and 0.65% and 4% on financial income. For non-financial subsidiaries subject to taxable profit computed as a percentage of gross sales, PIS and Cofins rates are 0.65% and 3%.

a) Expenses with taxes and contributions**i Calculation of income tax (IR) and social contribution on net profit (CSLL):**

| | Bank | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| Current taxes | | | | |
| Profit before taxes on income and profit sharing | 533,472 | 1,307,894 | 422,619 | 1,033,729 |
| Charges (IR and CSLL) at effective rates | (240,062) | (452,154) | (190,179) | (465,184) |
| Additions and Deductions | | | | |
| Equity in subsidiaries | - | 27,999 | - | - |
| Interest on capital | - | 40,404 | - | 40,404 |
| Non-deductible expenses net of non-taxable revenues | (1,890) | 19,797 | (7,148) | 32,009 |
| CSLL rate difference (Note 19.c) | 19,827 | - | 20,251 | - |
| Other values | 2,932 | 14,230 | 899 | 14,105 |
| Income tax and social contribution for the period | (219,193) | (349,724) | (176,177) | (378,666) |
| Current tax | (592,789) | (296,397) | (619,545) | (313,306) |
| Deferred tax | 51,956 | (53,327) | 45,000 | (65,360) |

ii Tax expenses

| | Bank | | Consolidated | |
|------------------------------|------------------|-----------------|------------------|-----------------|
| | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| Contributions to COFINS | (78,554) | (65,733) | (84,082) | (70,660) |
| Contributions to PIS / PASEP | (12,765) | (10,682) | (14,159) | (11,567) |
| ISS | (5,835) | (4,855) | (12,111) | (10,080) |
| Other tax expenses | (4,145) | (3,030) | (4,387) | (3,245) |
| Total | (101,299) | (84,300) | (114,739) | (95,552) |

b) Tax assets and liabilities

| | Bank | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Tax assets | | | | |
| Current | 93,880 | 193,975 | 112,088 | 220,528 |
| Taxes and contributions for offset ⁽¹⁾ | 93,880 | 193,975 | 112,069 | 220,509 |
| Recoverable income tax | - | - | 19 | 19 |
| Deferred | 1,603,540 | 1,434,423 | 1,617,638 | 1,447,726 |
| Tax credits (note 19.d) | 1,603,540 | 1,434,423 | 1,617,638 | 1,447,726 |
| Total | 1,697,420 | 1,628,398 | 1,729,726 | 1,668,254 |
| Tax liabilities | | | | |
| Current | 532,641 | 622,640 | 564,079 | 670,861 |
| Provision for income tax on income | 320,816 | 375,989 | 332,362 | 391,594 |
| Provision for social contribution on income | 177,377 | 206,547 | 191,826 | 233,817 |
| Taxes and contributions payable | 34,448 | 40,104 | 39,891 | 45,450 |
| Deferred | 424,511 | 310,769 | 491,459 | 369,981 |
| Tax liabilities (note 19.d) | 424,511 | 310,769 | 491,459 | 369,981 |
| Total | 957,152 | 933,409 | 1,055,538 | 1,040,842 |

(1) As at June 30, 2021, "Taxes and contributions for offset" comprise, substantially, prepaid income tax and social contribution in the amount of R\$91,233 (R\$191,462 at December 31, 2020), for the Bank, and R\$101,542 (R\$206,646 at December 31, 2020), for the Consolidated.

c) **Deferred income tax and social contribution on temporary additions and deductions (asset and liability):**

As required by BACEN Resolution 4842/20, the recognition of deferred tax assets and liabilities ('Tax credits' and 'Deferred tax obligations') arising on temporary differences must meet all the following conditions: (i) the entity has a history of taxable profit or income for income tax and social contribution purposes, recorded at least in three of the past five fiscal years, including the reporting year; and (ii) the entity expects to generate future taxable profits or income for income tax and social contribution purposes in subsequent periods, based on an entity-specific technical study that shows the likelihood of future taxes payable against which the tax credits can be offset within ten years or less.

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, pursuant to Law No. 14,183, of July 14, 2021. Accordingly, the tax credits expected to be realized between July 1, 2021 and December 31, 2021 were set up at the rate of 25% for the Social Contribution. As at June 30, 2021, the effect of recognizing the tax credit net of deferred liabilities at the increased rate was R\$19,827 for the Bank and R\$424 for Leasing.

As at June 30, 2021, the Bank did not recognize tax credits in assets. In the Consolidated, the balance of tax credits not recognized in assets amounted to R\$10,773 (R\$8,040 as at December 31, 2020).

d) **Origin of tax credits and deferred tax liabilities:**

Tax Credits

Deferred income tax and social contribution on:

Provision for tax risks
Allowance for loan losses
Adjustment to fair value of securities and derivatives
Inflation adjustment of contingencies
Other temporary additions

Total tax credits on temporary differences

| Semester ended June 30, 2021 | | | | | |
|------------------------------|--------------------------------|------------------|------------------|--------------------------------|------------------|
| Bank | | | Consolidated | | |
| 12/31/2020 | Recognition / (Realization) | 06/30/2021 | 12/31/2020 | Recognition / (Realization) | 06/30/2021 |
| 181,760 | - | 181,760 | 182,358 | (47) | 182,311 |
| 761,590 | 129,710 | 891,300 | 773,458 | 129,710 | 903,168 |
| 108,882 | 24,605 | 133,487 | 108,917 | 25,447 | 134,364 |
| 259,770 | 5,774 | 265,544 | 259,770 | 5,774 | 265,544 |
| 122,421 | 9,028 | 131,449 | 123,223 | 9,028 | 132,251 |
| 1,434,423 | 169,117 | 1,603,540 | 1,447,726 | 169,912 | 1,617,638 |

Deferred tax liabilities

Deferred income tax and social contribution on:

Adjustment to fair value of securities and derivatives
Unrealized profit (loss) on derivatives
Deferred income tax on excess depreciation
Amortization of negative goodwill on the acquisition of Daycoval Leasing
Inflation adjustment of escrow deposits

Total deferred tax liabilities on temporary differences

| 12/31/2020 | Recognition / (Realization) | 06/30/2021 | 12/31/2020 | Recognition / (Realization) | 06/30/2021 |
|----------------|--------------------------------|----------------|----------------|--------------------------------|----------------|
| 76,709 | (24,233) | 52,476 | 76,709 | (24,233) | 52,476 |
| 11,562 | 131,047 | 142,609 | 11,562 | 131,047 | 142,609 |
| - | - | - | 59,212 | 7,736 | 66,948 |
| 15,852 | 1,553 | 17,405 | 15,852 | 1,553 | 17,405 |
| 206,646 | 5,375 | 212,021 | 206,646 | 5,375 | 212,021 |
| 310,769 | 113,742 | 424,511 | 369,981 | 121,478 | 491,459 |

Tax Credits

Deferred income tax and social contribution on:

| |
|--|
| Provision for tax risks |
| Allowance for loan losses |
| Adjustment to fair value of securities and derivatives |
| Inflation adjustment of contingencies |
| Other temporary additions |

Total tax credits on temporary differences

Deferred tax liabilities

Deferred income tax and social contribution on:

| |
|--|
| Adjustment to fair value of securities and derivatives |
| Unrealized profit (loss) on derivatives |
| Deferred income tax on excess depreciation |
| Amortization of negative goodwill on the acquisition of Daycoval Leasing |
| Inflation adjustment of escrow deposits |

Total deferred tax liabilities on temporary differences

| Year ended December 31, 2020 | | | | | |
|------------------------------|--------------------------------|------------------|------------------|--------------------------------|------------------|
| Bank | | | Consolidated | | |
| 12/31/2019 | Recognition / (Realization) | 12/31/2020 | 12/31/2019 | Recognition / (Realization) | 12/31/2020 |
| 181,760 | - | 181,760 | 181,993 | 365 | 182,358 |
| 690,077 | 71,513 | 761,590 | 700,189 | 73,269 | 773,458 |
| 56,800 | 52,082 | 108,882 | 56,800 | 52,117 | 108,917 |
| 246,831 | 12,939 | 259,770 | 246,831 | 12,939 | 259,770 |
| 131,993 | (9,572) | 122,421 | 133,604 | (10,381) | 123,223 |
| 1,307,461 | 126,962 | 1,434,423 | 1,319,417 | 128,309 | 1,447,726 |

| 12/31/2019 | Recognition / (Realization) | 12/31/2020 | 12/31/2019 | Recognition / (Realization) | 12/31/2020 |
|----------------|--------------------------------|----------------|----------------|--------------------------------|----------------|
| 17,940 | 58,769 | 76,709 | 17,940 | 58,769 | 76,709 |
| 4,770 | 6,792 | 11,562 | 4,770 | 6,792 | 11,562 |
| - | - | - | 36,976 | 22,236 | 59,212 |
| 12,746 | 3,106 | 15,852 | 12,746 | 3,106 | 15,852 |
| 194,465 | 12,181 | 206,646 | 194,465 | 12,181 | 206,646 |
| 229,921 | 80,848 | 310,769 | 266,897 | 103,084 | 369,981 |

e) Estimated realization of tax credits:

Up to 1 year
Up to 2 years
Up to 3 years
Up to 4 years
Up to 5 years
Over 5 years
Total

| Bank | | | | | |
|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|
| 06/30/2021 | | | 12/31/2020 | | |
| Temporary differences | | | Temporary differences | | |
| Income Tax | Social contribution | Total | Income Tax | Social contribution | Total |
| 151,337 | 130,449 | 281,786 | 242,405 | 193,928 | 436,333 |
| 130,966 | 109,288 | 240,254 | 210,725 | 168,583 | 379,308 |
| 129,420 | 108,051 | 237,471 | 5,311 | 4,249 | 9,560 |
| 142,160 | 118,243 | 260,403 | 14,737 | 11,788 | 26,525 |
| 11,707 | 9,366 | 21,073 | 319,199 | 252,186 | 571,385 |
| 314,293 | 248,260 | 562,553 | 6,285 | 5,027 | 11,312 |
| 879,883 | 723,657 | 1,603,540 | 798,662 | 635,761 | 1,434,423 |

Up to 1 year
Up to 2 years
Up to 3 years
Up to 4 years
Up to 5 years
Over 5 years
Total

| Consolidated | | | | | |
|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|
| 06/30/2021 | | | 12/31/2020 | | |
| Temporary differences | | | Temporary differences | | |
| Income Tax | Social contribution | Total | Income Tax | Social contribution | Total |
| 155,245 | 133,999 | 289,244 | 247,059 | 197,651 | 444,710 |
| 133,140 | 111,027 | 244,167 | 212,459 | 169,970 | 382,429 |
| 130,415 | 108,841 | 239,256 | 5,957 | 4,766 | 10,723 |
| 142,586 | 118,584 | 261,170 | 15,015 | 12,005 | 27,020 |
| 11,804 | 9,444 | 21,248 | 319,280 | 252,252 | 571,532 |
| 314,293 | 248,260 | 562,553 | 6,285 | 5,027 | 11,312 |
| 887,483 | 730,155 | 1,617,638 | 806,055 | 641,671 | 1,447,726 |

As at June 30, 2021, the present value of total tax credits is R\$1,361,440 for the Bank (R\$1,305,721 as at December 31, 2020) and R\$1,374,484 for the Consolidated (R\$1,318,531 as at December 31, 2020), and was calculated based on the expected realization of temporary differences, discounted by the average borrowing rate of the Bank and Daycoval Leasing, projected for the corresponding periods.

Taxable income projections consider macroeconomic assumptions, exchange and interest rates, estimates of new financial operations, among others, which may vary in relation to actual results.

20 - EQUITY (Controlling Company)**a) Capital**

In the quarter ended June 30, 2021 and year ended December 31, 2020, the Bank's capital amounts to R\$3,557,260, being fully subscribed and paid in, represented by 1,890,672,918 registered shares, comprised of 1,323,471,042 common shares and 567,201,876 preferred shares.

b) Capital increase

The Extraordinary General Meeting held on February 10, 2020 decided on and approved the Bank's capital increase in the amount of R\$1,303,665, upon the merger of capital, legal and statutory reserves, the issuance of 84,291,724 common shares, fully subscribed and paid in on the same date. This capital increase was ratified by the BACEN on May 13, 2020.

c) Breakdown of common and preferred shares:

| | 06/30/2021 | 12/31/2020 |
|--|----------------------|----------------------|
| Common shares - at the beginning of the year | 1,323,471,042 | 230,820,429 |
| Conversion of common shares into preferred shares ⁽¹⁾ | - | (94,533,646) |
| Stock bonus due to capital increase ⁽²⁾ | - | 84,291,724 |
| Share split ⁽³⁾ | - | 1,102,892,535 |
| Common shares - at the end of the year | 1,323,471,042 | 1,323,471,042 |
| Preferred shares - at the beginning of the year | 567,201,876 | - |
| Conversion of common shares into preferred shares ⁽¹⁾ | - | 94,533,646 |
| Share split ⁽³⁾ | - | 472,668,230 |
| Preferred shares - at the end of the year | 567,201,876 | 567,201,876 |
| Total de ações | 1,890,672,918 | 1,890,672,918 |

(1) The meeting of the Board of Directors held on February 10, 2020 decided on and approved the conversion of 94,533,646 common shares into preferred shares, all registered, book-entry and without par value.

(2) The Extraordinary General Meeting held on February 10, 2020 decided on and approved the Bank's capital increase in the amount of R\$1,303,665, upon the merger of capital, legal and statutory reserves, the issuance of 84,291,724 common shares, fully subscribed and paid in on the same date. This capital increase was ratified by the BACEN on May 13, 2020.

(3) The Extraordinary General Meeting held on March 5, 2020 decided on the split of all common and preferred shares, so that each share was replaced by six new shares. Capital was comprised of 315,112,153 registered, book-entry shares without par value, of which 220,578,507 are common and 94,533,646 are preferred shares to 1,890,672,918 shares, of which 1,323,471,042 are common and 567,201,876 are preferred shares.

d) Interest on capital and/or dividends:

According to the bylaws, the shareholders are entitled to dividends and/or interest on capital corresponding to no less than 25% of profit for the year, adjusted in accordance with the Brazilian corporate law.

Interest on capital is calculated on equity, limited to the variation of the TJLP (long-term interest rate), contingent upon the existence of profit determined before its deduction or retained earnings and earnings reserves.

i) Statement of calculation of interest on capital:

In the quarter ended June 30, 2021, there was no resolution on the payment of interest on capital.

| | 06/30/2020 | % ⁽¹⁾ |
|---|----------------|------------------|
| Profit | 733,338 | |
| (-) Legal reserve | (32,753) | |
| Adjusted profit | 700,585 | |
| Amount of interest on capital | 89,788 | |
| (-) Withholding income tax related to interest on capital | (13,469) | |
| Net value of interest on capital and mandatory dividends | 76,319 | 10.89 |

(1) Refers to the percentage corresponding to the sum of the net interest on capital on adjusted profit.

ii Interest on capital declared and/or paid:

No interest on capital relating to the semester ended June 30, 2021 was declared and/or paid.

| Board of Director's Meeting Date | Availability date | 06/30/2020 | | | | |
|----------------------------------|-------------------|-----------------|--------|---------------|-----------------|---------------|
| | | Price per share | | Gross amount | IRRF | Net amount |
| | | ON | PN | | | |
| 06/30/2020 | 07/15/2020 | 0.0236 | 0.0236 | 44,544 | (6,682) | 37,862 |
| 03/31/2020 | 04/15/2020 | 0.0239 | 0.0239 | 45,244 | (6,787) | 38,457 |
| | | Total | | 89,788 | (13,469) | 76,319 |

iii Additional dividends proposed for prior-years:

As at December 31, 2019, additional dividends in the amount of R\$125,266 approved at the Annual General Meeting held on February 7, 2020 were proposed. The additional dividends were distributed to shareholders on February 13, 2020.

e) Earnings reserves

| | 06/30/2021 | 12/31/2020 |
|---------------------------------------|----------------|----------------|
| Legal reserve ^{(1) (3)} | 95,798 | 59,131 |
| Statutory reserves ^{(2) (3)} | 816,582 | 816,582 |
| Total | 912,380 | 875,713 |

(1) 5% of profit for the year must be allocated to this reserve until it reaches 20% of capital, according to the prevailing legislation.

(2) Reserve recorded according to the bylaws.

(3) The Extraordinary General Meeting held on February 10, 2020 decided on and approved the Bank's capital increase in the amount of R\$1,303,665, upon the merger of capital, legal and statutory reserves, the issuance of 84,291,724 common shares, fully subscribed and paid in on the same date. This capital increase was ratified by the BACEN on May 13, 2020.

f) Earnings per share

| | 06/30/2021 | 06/30/2020 |
|---|---------------|---------------|
| Profit attributable to shareholders | 296,645 | 733,338 |
| Profit attributable each group of shares | | |
| Common shares | 207,651 | 513,337 |
| Preferred shares | 88,994 | 220,001 |
| Weighted average number of shares issued and comprising the capital ⁽¹⁾ | | |
| Common shares | 1,323,471,042 | 1,323,471,042 |
| Preferred shares | 567,201,876 | 567,201,876 |
| Basic earnings per shares | | |
| Common shares | 0.1569 | 0.3879 |
| Preferred shares | 0.1569 | 0.3879 |
| Diluted earnings per shares | | |
| Common shares | 0.1569 | 0.3879 |
| Preferred shares | 0.1569 | 0.3879 |

(1) The weighted average number of shares was calculated based on the variations of shares as at June 30, 2021 and 2020 and, also, in accordance with the criteria and procedures set out in technical pronouncement CPC 41 – Earnings per Share, considering the applicability to financial institutions, as prescribed by CMN Resolution 4818/20.

21 - INCOME STATEMENTS

INCOME FROM FINANCIAL INTERMEDIATION

a) Lending operations

| | Bank | | Consolidated | | Bank | | Consolidated | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| Lending operations | 1,001,449 | 844,632 | 1,006,345 | 848,730 | 2,041,850 | 1,801,404 | 2,051,613 | 1,809,788 |
| Advance on deposits | 1,194 | 704 | 1,194 | 704 | 2,463 | 3,215 | 2,463 | 3,215 |
| Secured account / overdraft account | 86,148 | 90,303 | 86,148 | 90,303 | 162,444 | 193,174 | 162,444 | 193,174 |
| Discounted notes | 30,741 | 54,172 | 30,741 | 54,172 | 63,924 | 90,131 | 63,924 | 90,131 |
| Onlending - Resolution 3844/10 | (211) | 3,327 | (211) | 3,327 | 7 | 15,913 | 7 | 15,913 |
| Working capital | 145,424 | 140,946 | 145,424 | 140,946 | 280,650 | 282,001 | 280,650 | 282,001 |
| Export Credit Notes - CCE | 3,941 | 45,124 | 3,941 | 45,124 | 48,072 | 134,834 | 48,072 | 134,834 |
| Onlending - BNDES | 1,293 | 2,080 | 1,293 | 2,080 | 3,016 | 5,679 | 3,016 | 5,679 |
| Onlending - FINAME | 3,420 | 2,120 | 3,420 | 2,120 | 6,919 | 5,933 | 6,919 | 5,933 |
| Rural credit | 4,549 | 4,204 | 4,549 | 4,204 | 8,773 | 8,017 | 8,773 | 8,017 |
| Financing with intervention | 1,336 | 3,323 | 1,336 | 3,323 | 3,226 | 6,881 | 3,226 | 6,881 |
| Foreign currency financing | (27,577) | 6,314 | (27,577) | 6,314 | (10,069) | 47,147 | (10,069) | 47,147 |
| FGE PEAC | 240,820 | - | 240,820 | - | 484,091 | - | 484,091 | - |
| Payroll-deductible loans | 417,037 | 355,168 | 417,037 | 355,168 | 807,818 | 821,727 | 807,818 | 821,727 |
| Vehicle financing | 82,905 | 75,601 | 82,905 | 75,601 | 162,575 | 157,287 | 162,575 | 157,287 |
| Real estate financing | 4,270 | 84 | 4,270 | 84 | 7,936 | 169 | 7,936 | 169 |
| Daypay - discount of freight forwarder's checks | 24 | 56 | 24 | 56 | 60 | 178 | 60 | 178 |
| Other lending operations | 6,046 | 60,951 | 10,942 | 65,049 | 9,729 | 17,012 | 19,492 | 25,396 |
| Loan origination income | 89 | 155 | 89 | 155 | 216 | 2,106 | 216 | 2,106 |
| Result of lease operations | - | - | 39,395 | 37,811 | - | - | 78,146 | 77,142 |
| Revenue from leasing | - | - | 178,524 | 140,626 | - | - | 342,835 | 277,689 |
| Finance leasing - internal resources | - | - | 145,066 | 119,299 | - | - | 277,432 | 235,426 |
| Operating leasing - internal resources | - | - | 25,770 | 18,025 | - | - | 48,210 | 34,810 |
| Gain on disposal of leased assets | - | - | 7,688 | 3,302 | - | - | 17,193 | 7,453 |
| Expenses on leasing | - | - | (139,129) | (102,815) | - | - | (264,689) | (200,547) |
| Finance leasing - internal resources | - | - | (116,495) | (89,087) | - | - | (223,165) | (173,840) |
| Operating leasing - internal resources | - | - | (662) | (384) | - | - | (1,808) | (454) |
| Loss on disposal of leased assets | - | - | (21,972) | (13,344) | - | - | (39,716) | (26,253) |
| Other transactions with loan characteristics | 121,037 | 86,459 | 121,037 | 86,459 | 232,213 | 215,762 | 232,213 | 215,762 |
| Advance on foreign exchange contracts / advance on export contracts | 12,819 | 12,501 | 12,819 | 12,501 | 25,912 | 26,823 | 25,912 | 26,823 |
| Income from acquisition of receivables without right of recourse | 108,218 | 73,958 | 108,218 | 73,958 | 206,301 | 188,939 | 206,301 | 188,939 |
| Recoveries from lending and leasing operations | 42,341 | 15,262 | 44,929 | 15,404 | 76,948 | 34,575 | 76,948 | 35,146 |
| Recovery of credits previously written off as loss (Note 9.e) | 42,341 | 15,262 | 42,341 | 15,262 | 76,948 | 34,575 | 76,948 | 34,575 |
| Recovery of credits previously written off as loss (Note 9.e) - Leases | - | - | 2,588 | 142 | - | - | 2,598 | 571 |
| Total | 1,164,827 | 946,353 | 1,211,706 | 988,404 | 2,351,011 | 2,051,741 | 2,441,518 | 2,137,838 |

b) Operations with securities and derivatives

| | Bank | | Consolidated | | Bank | | Consolidated | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| Securities transactions | | | | | | | | |
| Fixed-income securities | 55,572 | 18,433 | 56,907 | 21,681 | 90,080 | 43,715 | 93,317 | 48,827 |
| Variable-income securities | 12 | 65 | 12 | 65 | 18 | 69 | 18 | 69 |
| Investments in investment fund units | 929 | 192 | 8,235 | 4,466 | 1,240 | 223 | 9,651 | (4,082) |
| Gain (loss) on sale of securities | 10 | (302) | 10 | (302) | 761 | 153 | 761 | 153 |
| Fair value adjustments | 812 | (497) | 987 | (161) | 1,893 | (5,069) | 766 | (6,798) |
| Foreign investments | 6 | 2,094 | 6 | 2,094 | 29 | 45,316 | 30 | 45,316 |
| Devaluation of investments in investment fund shares | (267) | (104) | (267) | (104) | (1,138) | (126) | (1,138) | (126) |
| Total | 57,074 | 19,881 | 65,890 | 27,739 | 92,883 | 84,281 | 103,405 | 83,359 |
| Derivatives | | | | | | | | |
| Earnings | | | | | | | | |
| Swap | (444,737) | 1,708,905 | (444,737) | 1,708,905 | 3,971,562 | 3,057,128 | 3,971,562 | 3,057,128 |
| Currency forward | 57,047 | 253,595 | 57,047 | 253,595 | 590,689 | 568,377 | 590,689 | 568,377 |
| Future | 80,081 | 103,769 | 80,081 | 103,769 | 440,390 | 273,784 | 440,390 | 273,784 |
| Options | 975 | 29,361 | 975 | 29,361 | 7,033 | 37,526 | 7,033 | 37,526 |
| Losses | | | | | | | | |
| Swap | (486,827) | (1,462,661) | (486,827) | (1,462,661) | (4,480,956) | (1,689,317) | (4,480,956) | (1,689,317) |
| Currency forward | (42,871) | (218,029) | (42,871) | (218,029) | (562,925) | (334,148) | (562,925) | (334,148) |
| Future | (321,720) | (123,779) | (321,720) | (123,779) | (365,743) | (305,688) | (365,743) | (305,688) |
| Options | (975) | (31,801) | (975) | (31,801) | (4,867) | (52,681) | (4,867) | (52,681) |
| Total ⁽¹⁾ | (1,159,027) | 259,360 | (1,159,027) | 259,360 | (404,817) | 1,554,981 | (404,817) | 1,554,981 |
| Total | (1,101,953) | 279,241 | (1,093,137) | 287,099 | (311,934) | 1,639,262 | (301,412) | 1,638,340 |

(1) As at June 30, 2021, income on derivative instruments includes net losses on mark-to-market in the amount of R\$45,465 (net losses on mark-to-market in the amount of R\$37 as at June 30, 2020) for the Bank and Consolidated.

c) Interbank accounts

| |
|--|
| Repurchase operations (assets) |
| Own portfolio |
| Third-party portfolio |
| Repurchase operations (liabilities) |
| Own portfolio |
| Third party portfolio |
| Result of repurchase operations |
| Interbank deposits |
| Fixed rate |
| Variable rate |
| Total |
| Total |

| Bank | | Consolidated | | Bank | | Consolidated | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| 36,890 | 54,056 | 36,890 | 54,056 | 61,834 | 108,238 | 61,834 | 108,238 |
| 22,913 | 38,650 | 22,913 | 38,650 | 40,626 | 67,777 | 40,626 | 67,777 |
| 13,977 | 15,406 | 13,977 | 15,406 | 21,208 | 40,461 | 21,208 | 40,461 |
| (20,473) | (16,996) | (20,473) | (16,996) | (30,649) | (45,361) | (30,649) | (45,361) |
| (6,562) | (1,506) | (6,562) | (1,506) | (9,542) | (3,412) | (9,542) | (3,412) |
| (13,911) | (15,490) | (13,911) | (15,490) | (21,107) | (41,949) | (21,107) | (41,949) |
| 16,417 | 37,060 | 16,417 | 37,060 | 31,185 | 62,877 | 31,185 | 62,877 |
| 8,889 | 9,904 | 1,898 | 4,093 | 13,295 | 21,602 | 2,243 | 8,062 |
| 681 | 814 | 681 | 814 | 1,898 | 814 | 1,898 | 814 |
| 9,570 | 10,718 | 2,579 | 4,907 | 15,193 | 22,416 | 4,141 | 8,876 |
| 25,987 | 47,778 | 18,996 | 41,967 | 46,378 | 85,293 | 35,326 | 71,753 |

d) Foreign exchange operations

| |
|---|
| Income from foreign exchange operations |
| Expenses on foreign exchange operations |
| Exchange rate changes |
| Total |

| Bank | | Consolidated | | Bank | | Consolidated | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| 17,070 | 17,192 | 17,070 | 17,192 | 30,456 | 32,595 | 30,456 | 32,595 |
| (20,254) | (10,636) | (16,309) | (8,421) | (38,020) | (23,723) | (30,051) | (17,377) |
| 146,983 | (23,231) | 146,983 | (23,231) | 101,190 | 15,472 | 101,190 | 15,472 |
| 143,799 | (16,675) | 147,744 | (14,460) | 95,626 | 24,344 | 101,595 | 30,690 |

EXPENSES ON FINANCIAL INTERMEDIATION

e) Interbank and time deposits and issuances of securities in Brazil and abroad

| |
|--|
| Interbank Deposits |
| Fixed |
| Floating |
| Time deposits |
| Fixed |
| Floating |
| Linked to asset operations (CMN Resolution 2921/02) (Note 9.g) |
| Exchange variation |
| Expenses with contribution to deposit insurance fund |
| Total |
| Issuance of securities in Brazil |
| Mortgage loan notes |
| Fixed |
| Floating |
| Agribusiness letter of credit |
| Fixed |
| Floating |
| Financial Bills |
| Fixed |
| Floating |
| Total |
| Issuance of securities abroad |
| Interest |
| Exchange variation |
| Adjustment to fair value of hedged issuance |
| Total |
| Total |

| Bank | | Consolidated | | Bank | | Consolidated | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| (3,443) | (6,862) | (3,443) | (6,862) | (6,206) | (10,145) | (6,206) | (10,145) |
| - | (480) | - | (480) | - | (954) | - | (954) |
| (3,443) | (6,382) | (3,443) | (6,382) | (6,206) | (9,191) | (6,206) | (9,191) |
| (101,570) | (55,051) | (101,406) | (54,526) | (169,131) | (130,186) | (168,776) | (128,863) |
| (2,641) | (2,016) | (2,641) | (1,615) | (4,370) | (3,632) | (4,371) | (2,624) |
| (92,987) | (49,586) | (92,823) | (49,463) | (153,297) | (119,711) | (152,941) | (119,396) |
| (516) | (516) | (516) | (516) | (829) | (1,106) | (829) | (1,106) |
| (3) | (2) | (2) | (2) | (10,635) | (5,703) | (10,635) | (5,703) |
| (5,426) | (2,928) | (5,426) | (2,928) | (10,635) | (5,703) | (10,635) | (5,703) |
| (105,013) | (61,913) | (104,849) | (61,388) | (175,337) | (140,331) | (174,982) | (139,008) |
| (12,511) | (7,197) | (12,511) | (7,197) | (19,573) | (16,194) | (19,573) | (16,194) |
| (4,042) | (1,030) | (4,042) | (1,030) | (6,442) | (2,107) | (6,442) | (2,107) |
| (8,469) | (6,167) | (8,469) | (6,167) | (13,131) | (14,087) | (13,131) | (14,087) |
| (17,435) | (6,543) | (17,435) | (6,543) | (25,996) | (14,258) | (25,996) | (14,258) |
| (8,450) | (404) | (8,450) | (404) | (11,946) | (865) | (11,946) | (865) |
| (8,985) | (6,139) | (8,985) | (6,139) | (14,050) | (13,393) | (14,050) | (13,393) |
| (142,005) | (88,449) | (138,344) | (83,714) | (246,234) | (197,767) | (239,594) | (186,804) |
| (16,288) | (11,294) | (16,288) | (11,294) | (31,950) | (20,951) | (31,950) | (20,951) |
| (125,717) | (77,155) | (122,056) | (72,420) | (214,284) | (176,816) | (207,644) | (165,853) |
| (171,951) | (102,189) | (168,290) | (97,454) | (291,803) | (228,219) | (285,163) | (217,256) |
| (24,377) | (25,671) | (24,331) | (25,671) | (56,626) | (54,131) | (56,402) | (54,131) |
| 367,950 | (124,784) | 367,950 | (124,784) | 142,681 | (628,835) | 142,681 | (628,835) |
| (39,136) | (4,989) | (39,136) | (4,989) | (1,550) | 19,676 | (1,550) | 19,676 |
| 304,437 | (155,444) | 304,483 | (155,444) | 84,505 | (663,290) | 84,729 | (663,290) |
| 132,486 | (257,633) | 136,193 | (252,898) | (207,298) | (891,509) | (200,434) | (880,546) |

f) Borrowings and onlendings (Bank e Consolidated)

| |
|--|
| Foreign borrowings |
| Interest |
| Exchange variation |
| Adjustment to fair value of hedged loans |
| Obligation with Bank abroad |
| Interest |
| Exchange variation |
| Onlending operations |
| BNDES |
| FINAME |
| Total |

| Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
|-----------------------------|-----------------------------|------------------------------|------------------------------|
| 632,879 | (177,058) | 302,915 | (794,393) |
| (30,684) | (20,144) | (52,139) | (48,475) |
| 711,892 | (142,502) | 386,075 | (801,273) |
| (48,329) | (14,412) | (31,021) | 55,355 |
| 75,945 | (47,373) | (2,268) | (257,902) |
| (4,424) | (6,976) | (10,449) | (16,134) |
| 80,369 | (40,397) | 8,181 | (241,768) |
| (3,377) | (2,010) | (7,351) | (6,957) |
| (785) | (916) | (1,887) | (3,208) |
| (2,592) | (1,094) | (5,464) | (3,749) |
| 705,447 | (226,441) | 293,296 | (1,059,252) |

OTHER OPERATING INCOME (EXPENSES)

g) Income from service provision

| | Bank | | Consolidated | | Bank | | Consolidated | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| Bank fees | 29,547 | 17,191 | 29,547 | 17,193 | 54,351 | 48,704 | 54,351 | 48,708 |
| Income from financial guarantees provided | 12,934 | 7,794 | 12,934 | 7,794 | 23,941 | 15,736 | 23,941 | 15,736 |
| Asset management ⁽¹⁾ | 5,513 | 2,569 | 6,109 | 6,304 | 10,026 | 4,346 | 11,408 | 12,151 |
| Other services | 16,027 | 12,143 | 19,641 | 12,298 | 32,490 | 29,865 | 39,365 | 30,386 |
| Total | 64,021 | 39,697 | 68,231 | 43,589 | 120,808 | 98,651 | 129,065 | 106,981 |

⁽¹⁾ Includes income from management, administration, custody and controllership services for investment funds and clubs.

h) Personnel expenses

| | Bank | | Consolidated | | Bank | | Consolidated | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| Executive Committee's and Board of Directors' compensation | (20,211) | (18,453) | (21,042) | (19,211) | (40,421) | (36,907) | (42,081) | (38,422) |
| Benefits | (18,966) | (15,218) | (22,074) | (17,742) | (37,028) | (30,198) | (43,147) | (35,422) |
| Social security charges | (25,074) | (20,100) | (28,540) | (22,383) | (48,418) | (39,512) | (54,960) | (44,542) |
| Proceeds | (63,484) | (48,432) | (73,330) | (55,308) | (120,154) | (96,636) | (140,151) | (112,164) |
| Training | (11) | (8) | (11) | (11) | (21) | (40) | (21) | (43) |
| Interns' compensation | (326) | (252) | (345) | (252) | (611) | (536) | (650) | (536) |
| Total | (128,072) | (102,463) | (145,342) | (114,907) | (246,653) | (203,829) | (281,010) | (231,129) |

i) Other administrative expenses

| | Bank | | Consolidated | | Bank | | Consolidated | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| Public utilities (water, power and gas) | (626) | (502) | (831) | (649) | (1,247) | (1,116) | (1,687) | (1,479) |
| Rent and insurance | (5,001) | (5,411) | (5,233) | (5,589) | (9,446) | (10,571) | (9,936) | (10,977) |
| Communication | (3,129) | (3,003) | (3,597) | (3,385) | (6,124) | (6,277) | (7,098) | (7,080) |
| Charitable contributions | (4,614) | (2,653) | (14,619) | (3,201) | (7,825) | (5,009) | (17,829) | (5,557) |
| Maintenance and upkeep of asset | (3,681) | (1,064) | (3,980) | (1,216) | (5,144) | (2,772) | (5,744) | (3,121) |
| Consumables | (409) | (269) | (434) | (290) | (713) | (645) | (770) | (1,070) |
| Data processing | (28,307) | (19,915) | (28,966) | (20,553) | (53,486) | (43,981) | (54,912) | (45,268) |
| Promotions, advertising and publications | (6,808) | (6,208) | (7,190) | (6,470) | (12,784) | (15,120) | (13,532) | (15,790) |
| Outside, technical and specialized services ⁽¹⁾ | (124,532) | (57,897) | (116,203) | (54,768) | (214,489) | (150,618) | (201,768) | (142,431) |
| Other administrative expenses | (12,090) | (9,152) | (12,525) | (9,395) | (22,022) | (20,618) | (22,937) | (21,307) |
| Total | (189,197) | (106,074) | (193,568) | (105,516) | (333,280) | (256,927) | (336,213) | (254,080) |

⁽¹⁾ Includes the recognition of expenses on commissions paid in advance to third parties, upon origination of lending operations.

j) Other operating income

| | Bank | | Consolidated | | Bank | | Consolidated | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| Exchange rate changes ⁽¹⁾ | - | 5,383 | - | 10,864 | 15,403 | 28,056 | 25,496 | 55,509 |
| Inflation adjustment of escrow deposits | 7,395 | 8,094 | 7,508 | 8,111 | 12,808 | 18,121 | 12,984 | 18,153 |
| Other operating income | 1,045 | 874 | 1,811 | 2,793 | 1,980 | 5,427 | 5,042 | 7,687 |
| Total | 8,440 | 14,351 | 9,319 | 21,768 | 30,191 | 49,644 | 43,522 | 81,349 |
| Exchange rate changes | (21,387) | (190) | (34,996) | (213) | (21,389) | - | (34,998) | (23) |
| Other operating income ⁽²⁾ | (14,934) | (28,666) | (15,816) | (29,613) | (32,455) | (49,475) | (33,337) | (49,789) |
| Interest expense | (77) | - | (77) | (9) | (102) | (692) | (102) | (742) |
| Total | (36,398) | (28,856) | (50,889) | (29,835) | (53,946) | (50,167) | (68,437) | (50,554) |
| Total | (27,958) | (14,505) | (41,570) | (8,067) | (23,755) | (523) | (24,915) | 30,795 |

⁽¹⁾ Refers to the reclassification of foreign exchange variation on investments abroad, not eliminated in the consolidation process of the financial statements.

⁽²⁾ Other operating expenses for the six-month period ended June 30, 2021 comprise mainly: (i) discounts and reimbursements in loan operations - R\$15,751 for the Bank and Consolidated (R\$12,845 for the Bank and Consolidated as at June 30, 2020); and (ii) settlement of lawsuits - R\$6,614 for the Bank and Consolidated (R\$11,699 for the Bank and for the Consolidated as at June 30, 2020).

k) Regulatory non-recurring profit (Bank and Consolidated)

| | Bank | | Consolidated | | Bank | | Consolidated | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Quarter ended 06/30/2021 | Quarter ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 | Semester ended 06/30/2021 | Semester ended 06/30/2020 |
| Profit for the quarter | 296,645 | 259,183 | 296,645 | 259,183 | 733,338 | 655,063 | 733,338 | 655,063 |
| Regulatory non-recurring result | | | | | | | | |
| Amortization of negative goodwill on acquisition of another financial institution | (949) | (949) | (949) | (949) | (1,956) | (1,956) | (1,898) | (1,956) |
| Increase in the CSLL rate on the tax credit (Note 19.c) | (19,827) | - | (20,251) | - | (19,827) | - | (20,251) | - |
| Regulatory recurring profit | 275,869 | 258,234 | 275,445 | 258,234 | 711,613 | 653,107 | 711,189 | 653,107 |

22 - RELATED-PARTY TRANSACTIONS

The National Monetary Council (CMN), through the publication by the Central Bank of Brazil (BACEN) of Resolution 4.693/18, has regulated the conditions and limits for loan transactions with related parties to be carried out by financial institutions and leasing companies, defining the concept of qualified interest as direct or indirect interest in another company, similar to or above 15% of the respective shares or units.

The Resolution also established that the sum of the balance of loan transactions with related parties must not exceed 10% of the adjusted equity (PLA), subject to the individual limits of 1% for loans with natural persons and 5% for loans with legal persons, as prescribed in article 7 of the Resolution. These limits must be calculated on the loan transaction date.

- a) **The direct and indirect subsidiaries and the Bank's shareholders enter into transactions with the Bank under usual market conditions. These transactions are contracted at rates consistent with those prevailing in the market on the transaction and settlement dates.**

The table below shows the balance of the Bank's transactions with its respective related parties as at June 30, 2021 and December 31, 2020:

| Transactions | Bank | | | |
|---|-------------------------|----------------------|-------------------------|----------------------|
| | 06/30/2021 | | 12/31/2020 | |
| | Assets (liabilities) | Income (expenses) | Assets (liabilities) | Income (expenses) |
| Derivative transactions | (12) | (9) | - | - |
| Other related parties - individuals | (12) | (9) | - | - |
| Interbank deposits | 859,716 | 11,053 | 793,164 | 21,642 |
| Direct subsidiaries | 859,716 | 11,053 | 793,164 | 21,642 |
| Daycoval Leasing - Banco Múltiplo S.A. | 859,716 | 11,053 | 793,164 | 21,642 |
| Time deposits | (9,609) | - | (5,232) | - |
| Direct subsidiaries | (365) | - | (97) | - |
| ACS Participações Ltda. | (15) | - | (19) | - |
| Daycoval Asset Management Ltda. | (32) | - | (13) | - |
| Daycoval Leasing - Banco Múltiplo S.A. | (282) | - | (13) | - |
| Dayprev Vida e Previdência S.A. | (12) | - | (52) | - |
| Multigestão Renda Corporativa F.I. Imobiliário FII | (24) | - | - | - |
| Indirect subsidiaries | (4,985) | - | (1,302) | - |
| IFP Promotora de Serviços de Consultoria e Cadastro Ltda. | (476) | - | (436) | - |
| SCC Agência de Turismo Ltda. | (15) | - | (2) | - |
| Treetop Investments Ltd. | (4,494) | - | (864) | - |
| Other associates | (40) | - | (8) | - |
| 3SV Adm. de Bens Participações Ltda | (16) | - | (2) | - |
| C.P. Participações e Cobranças S/C | (1) | - | - | - |
| Daycoval Metais Ltda. | (2) | - | (2) | - |
| M.P. Promotora de Vendas Ltda. | (1) | - | - | - |
| Paratei Agropecuária e Imobiliária Ltda. | - | - | (1) | - |
| Shtar Empreendimentos e Participações S.A. | (1) | - | (1) | - |
| Valco Adm. Part. e Representações Ltda. | (17) | - | - | - |
| Yona Participações Ltda. | (2) | - | (2) | - |
| Other related parties – individuals | (4,219) | - | (3,825) | - |
| Interbank deposits | (101,086) | (7,669) | (124,389) | (22,217) |
| Direct subsidiaries | (81) | (75) | (8,051) | (45) |
| ACS Participações Ltda. | (81) | (75) | (8,051) | (45) |
| Indirect subsidiaries | (7,349) | (505) | (45,333) | (9,073) |
| IFP Promotora de Serviços de Consultoria e Cadastro Ltda. | (495) | (247) | (28,998) | (1,056) |
| SCC Agência de Turismo Ltda. | (2,467) | (34) | (2,601) | (323) |
| Treetop Investments Ltd. | (4,387) | (224) | (13,734) | (7,694) |
| Other associates | (8,007) | (95) | (3,579) | (58) |
| Daycoval Metais Ltda. | (59) | (1) | (84) | (1) |
| Shtar Empreendimentos e Participações S.A. | (2,446) | (34) | (2,411) | (27) |
| Valco Adm. Part. e Representações Ltda. | (5,502) | (60) | (1,084) | (30) |
| Other related parties – individuals | (85,649) | (6,994) | (67,426) | (13,041) |

| Transactions | Bank | | | |
|---|-------------------------|----------------------|-------------------------|----------------------|
| | 06/30/2021 | | 12/31/2020 | |
| | Assets (liabilities) | Income (expenses) | Assets (liabilities) | Income (expenses) |
| Financial bills | (571,031) | (13,480) | (720,522) | (34,156) |
| Direct subsidiaries | (309,940) | (4,781) | (367,192) | (12,691) |
| ACS Participações Ltda. | (309,940) | (4,781) | (367,192) | (12,691) |
| Indirect subsidiaries | (69,944) | (1,860) | (169,483) | (5,055) |
| IFP Promotora de Serviços de Consultoria e Cadastro Ltda. | (59,188) | (1,407) | (159,179) | (4,751) |
| SCC Agência de Turismo Ltda. | (10,756) | (453) | (10,304) | (304) |
| Other related parties – individuals | (191,147) | (6,839) | (183,847) | (16,410) |
| Agribusiness letter of credit | (18,431) | (1,308) | (13,367) | (11,728) |
| Other related parties – individuals | (18,431) | (1,308) | (13,367) | (11,728) |
| Mortgage Loan Notes | (34,662) | (5,796) | (25,121) | (6,786) |
| Other related parties – individuals | (34,662) | (5,796) | (25,121) | (6,786) |
| Prepaid expenses | - | (10,849) | - | (21,340) |
| Indirect subsidiaries | - | (10,849) | - | (21,340) |
| IFP Promotora de Serviços de Consultoria e Cadastro Ltda. | - | (10,849) | - | (21,340) |
| Administration fees | 13 | 74 | - | - |
| Direct subsidiaries | 13 | 74 | - | - |
| Multigestão Renda Corporativa F.I. Imobiliário FII | 13 | 74 | - | - |
| Bookkeeping fees | 3 | 18 | - | - |
| Direct subsidiaries | 3 | 18 | - | - |
| Multigestão Renda Corporativa F.I. Imobiliário FII | 3 | 18 | - | - |

b) The table below shows the yield rates and respective terms of the transactions between the Bank and its related parties as at June 30, 2021:

| Transactions | Interest rate ⁽¹⁾ | Up to 3 months | 3 to 12 months | 1 to 3 years | 3 to 5 years | Over 5 years | Total assets (liabilities) |
|---|------------------------------|----------------|----------------|--------------|--------------|--------------|----------------------------|
| Derivative transactions | | - | - | (5) | (7) | - | (12) |
| Other related parties - individuals | | - | - | (5) | (7) | - | (12) |
| Interbank deposits | | - | 859,716 | - | - | - | 859,716 |
| Direct subsidiaries | | - | 859,716 | - | - | - | 859,716 |
| Daycoval Leasing - Banco Múltiplo S.A. | Floating | - | 859,716 | - | - | - | 859,716 |
| Time deposits | | (60) | (674) | (31,650) | (62,626) | (6,076) | (101,086) |
| Direct subsidiaries | | - | - | - | (81) | - | (81) |
| ACS Participações Ltda. | | - | - | - | (81) | - | (81) |
| Indirect subsidiaries | | (60) | - | (4,327) | (2,962) | - | (7,349) |
| IFP Promotora de Serviços de Consultoria e Cadastro Ltda. | Floating | - | - | - | (495) | - | (495) |
| SCC Agência de Turismo Ltda. | Floating | - | - | - | (2,467) | - | (2,467) |
| Treetop Investments Ltd. | Fixed | (60) | - | (4,327) | - | - | (4,387) |
| Other associates | | - | - | (2,446) | (5,561) | - | (8,007) |
| Daycoval Metais Ltda. | Floating | - | - | - | (59) | - | (59) |
| Shtar Empreendimentos e Participações S.A. | Floating | - | - | (2,446) | - | - | (2,446) |
| Valco Adm. Part. e Representações Ltda. | Floating | - | - | - | (5,502) | - | (5,502) |
| Other related parties - individuals | | - | (674) | (24,877) | (54,022) | (6,076) | (85,649) |
| Financial Bills | | (386) | (8,031) | (214,532) | (345,227) | (2,855) | (571,031) |
| Direct subsidiaries | | - | - | (63,277) | (246,663) | - | (309,940) |
| ACS Participações Ltda. | Fixed / Floating | - | - | (63,277) | (246,663) | - | (309,940) |
| Indirect subsidiaries | | - | - | - | (69,944) | - | (69,944) |
| IFP Promotora de Serviços de Consultoria e Cadastro Ltda. | Floating | - | - | - | (59,188) | - | (59,188) |
| SCC Agência de Turismo Ltda. | Floating | - | - | - | (10,756) | - | (10,756) |
| Other related parties - individuals | Fixed / Floating | (386) | (8,031) | (151,255) | (28,620) | (2,855) | (191,147) |
| Agribusiness letter of credit | | (128) | (386) | (12,601) | (5,316) | - | (18,431) |
| Other related parties - individuals | Fixed / Floating | (128) | (386) | (12,601) | (5,316) | - | (18,431) |
| Mortgage Loan Notes | | (2,014) | (6,806) | (9,660) | (671) | (15,511) | (34,662) |
| Other related parties - individuals | Fixed / Floating | (2,014) | (6,806) | (9,660) | (671) | (15,511) | (34,662) |

(1) The yield rates range from: (i) Fixed from 2.8% to 14.2% p.a.; and (ii) Floating from 97% to 120% of the CDI rate.

c) Compensation of key management personnel

The Annual Shareholders' Meeting sets the overall compensation of Management, as established by the Bank's bylaws.

The Annual Shareholders' Meeting held on April 30, 2021 set the overall compensation of up to R\$85 million for the year ending December 31, 2021(R\$85 million for the year ended December 31, 2020).

| | 06/30/2021 | 12/31/2020 |
|--|---------------|---------------|
| Total compensation | 40,421 | 36,907 |
| Direct and fringe benefits (healthcare plan) | 611 | 561 |
| Total | 41,032 | 37,468 |

The Bank does not offer other short or long-term post-employment or severance benefits to its key management personnel.

d) Ownership interest

As at June 30, 2021 and December 31, 2020, the Daycoval's Management held jointly the following interests in the Bank's capital:

| | 06/30/2021 | 12/31/2020 |
|-----------------------|------------|------------|
| Common shares (ON) | 100.00% | 100.00% |
| Preferred shares (PN) | 100.00% | 100.00% |

23 - FAIR VALUE OF FINANCIAL INSTRUMENTS**a) Determination and hierarchy of fair value**

Daycoval uses the following hierarchy to determine and disclose the fair value of financial instruments:

- Level 1: prices quoted in an active market for the same instrument;
- Level 2: prices quoted in an active market for similar assets or liabilities or based on other valuation method, mainly the "Discounted cash flows" method, in which all significant inputs are based on observable market data; and
- Level 3: valuation techniques in which significant inputs are not based on observable market data.

| Accounting classification | Bank | | | |
|--|--------------|-----------|------------|-----------|
| | 06/30/2021 | | 12/31/2020 | |
| | Level 1 | Level 2 | Level 1 | Level 2 |
| Financial assets adjusted to fair value: | | | | |
| Through profit or loss | | | | |
| Marketable securities | | | | |
| Private securities | 105,242 | - | 114,906 | 22,001 |
| Derivatives | | | | |
| Swap, forward and options operations | - | 913,738 | - | 1,185,433 |
| Future market | 30,505 | - | 3,277 | - |
| Through other comprehensive results - shareholders' equity | | | | |
| Marketable securities | | | | |
| Federal public securities | 7,393,474 | - | 5,083,690 | - |
| Marketable securities abroad | - | 7,935 | - | 8,450 |
| Private securities | 40,993 | 84 | 645 | 2,632 |
| Investment fund shares | 342,543 | - | 50,614 | - |
| Financial liabilities adjusted to fair value: | | | | |
| Through profit or loss | | | | |
| Issuances abroad | | | | |
| Issuances abroad (bonds) | - | 2,335,328 | - | 2,405,406 |
| Obligations for loans | | | | |
| Loans abroad | - | 4,884,257 | - | 3,151,462 |
| Derivatives | | | | |
| Swap, forward and options operations | - | 383,099 | - | 43,816 |
| Futures market | 6,710 | - | 14,248 | - |
| Accounting classification | Consolidated | | | |
| | 06/30/2021 | | 12/31/2020 | |
| | Level 1 | Level 2 | Level 1 | Level 2 |
| Financial assets adjusted to fair value: | | | | |
| Through profit or loss | | | | |
| Marketable securities | | | | |
| Private securities | 105,654 | - | 114,906 | 22,001 |
| Derivatives | | | | |
| Swap, forward and options operations | - | 913,738 | - | 1,185,433 |
| Futures market | 30,505 | - | 3,277 | - |
| Through other comprehensive results - shareholders' equity (available for sale) | | | | |
| Marketable securities | | | | |
| Federal public securities | 7,427,488 | - | 5,117,634 | - |
| Marketable securities abroad | - | 94,106 | - | 100,498 |
| Private securities | 40,993 | 2,655 | 645 | 2,774 |
| Investment fund shares | 710,252 | - | 218,132 | - |
| Financial liabilities adjusted to fair value: | | | | |
| Through profit or loss | | | | |
| Issuances of securities | | | | |
| Issuances abroad (bonds) | - | 2,335,328 | - | 2,405,406 |
| Obligations for loans | | | | |
| Loans abroad | - | 4,884,257 | - | 3,151,462 |
| Derivatives | | | | |
| Swap, forward and options operations | - | 383,099 | - | 43,816 |
| Futures market | 6,710 | - | 14,248 | - |

In the semester ended June 30, 2021 and year ended December 31, 2020, Daycoval had no financial instrument classified in Level 3 category.

b) Fair value determination method

Description of the method to calculate the fair value of financial instruments, considering valuation techniques that adopt Daycoval's estimates on assumptions that a participant would use to value its instruments.

Marketable securities

The prices of marketable securities quoted at market price are the best indicators of its respective fair values. It should be noted that, for certain financial instruments, there is no liquidity of transactions and/or quotes available and accordingly it is necessary to adopt estimates of present value and other techniques for fair value definition. In the absence of price quoted by ANBIMA - Brazilian Financial and Capital Markets Association, the fair values of public securities are determined in view of the rates or prices given by other market agents that trade such securities. The fair values of debt securities (e.g.: debentures) of companies are calculated by discounting estimated cash flows, based on interest rates charged in the market and applicable to each payment flow or maturity of these debts. The fair values of shares regarding investments in investment funds are made available by their respective managers.

Derivatives

• **Swaps:** cash flows are discounted at present value on the basis of interest curves or other indexators that reflect the risk factors, at prices of derivatives quoted in B3, of Brazilian public securities in secondaries or derivatives and marketable securities traded abroad. These interest curves are used to obtain fair value of swaps.

• **Futures and Forward ("NDF"):** quotes on stock exchanges or based on the same criteria of valuation at fair value of swap contracts.

• **Options:** determined in view of mathematic models using market data such as implicit volatility, interest value and fair value of the underlying asset.

Issuances abroad and loan obligations

These are calculated by discounting estimated cash flows at market interest rates.

c) Fair values of financial assets and liabilities valued at amortized cost

The fair value of financial assets and liabilities recorded at amortized cost is estimated by comparing the current market interest rate of similar financial instruments. The estimated fair value is based on discounted cash flows at present value, at observable market interest rate for financial instruments with similar credit risk and maturity. For debt instruments quoted, the value is determined at market prices. For securities issued whose market price is not available, a discounted cash flow model is used on the basis of the appropriate future interest rate curve for the remaining of the term up to maturity. For other instruments with variable rate, an adjustment is made to reflect changes in credit spread required since the date the instrument was initially recognized.

Comparison of the value of the financial instruments recorded at amortized cost and the respective estimated fair value:

| Accounting classification | Bank | | | |
|---|----------------|------------|----------------|------------|
| | 06/30/2021 | | 12/31/2020 | |
| | Amortized cost | Fair value | Amortized cost | Fair value |
| Financial assets valued at amortized cost: | | | | |
| Short-term Interbank accounts | 4,211,204 | 4,394,841 | 5,565,372 | 5,755,929 |
| Credit operations and with credit granting characteristics | 34,248,072 | 34,986,874 | 31,811,014 | 34,175,638 |
| Marketable securities issued by governments of other countries | 15,097 | 17,373 | 15,685 | 18,563 |
| Financial liabilities valued at amortized cost: | | | | |
| Local funding (interbank deposits, time deposits and issuances of securities in Brazil) | 29,253,119 | 28,687,872 | 28,914,887 | 29,124,695 |
| Obligations from loans and onlendings | 1,745,001 | 1,691,769 | 1,517,290 | 1,450,082 |
| Accounting classification | Consolidated | | | |
| | 06/30/2021 | | 12/31/2020 | |
| | Amortized cost | Fair value | Amortized cost | Fair value |
| Financial assets valued at amortized cost: | | | | |
| Short-term Interbank accounts | 3,351,488 | 3,533,312 | 4,772,208 | 4,960,963 |
| Credit operations and with credit granting characteristics | 34,469,498 | 35,157,587 | 32,053,247 | 34,439,659 |
| Lease operations | 1,303,566 | 1,183,102 | 1,178,864 | 1,392,945 |
| Marketable securities issued by governments of other countries | 15,097 | 17,373 | 15,685 | 18,563 |
| Financial liabilities valued at amortized cost: | | | | |
| Local funding (interbank deposits, time deposits and issuances of securities in Brazil) | 28,865,803 | 28,300,556 | 27,864,170 | 28,534,635 |
| Obligations from loans and onlendings | 1,745,001 | 1,691,769 | 1,517,290 | 1,450,082 |

The financial instruments valued at amortized cost, for purposes of valuating its potential fair value, were classified as "Level 2" instruments. This valuation considered the prices quoted in an active market for similar assets or liabilities or based on another valuation method, mainly the "discounted cash flows" method, in which all significant inputs are based on observable market data.

24 - INTEGRATED RISK AND CAPITAL MANAGEMENT

Daycoval believes that the risk management is an important instrument for adding value to the Prudential Conglomerate's entities, shareholders, employees and customers, besides contributing to strengthen the corporate governance and the internal control environment. The Governance, Risk and Compliance (GRC) area, subordinated to the Senior Management, plays an institutional role towards the enhancement of the operating, market, liquidity, credit, compliance, social and environmental and capital risk management processes, procedures, criteria and tools, in order to ensure a high level of security in all its operations on an integrated basis.

In addition to complying with the requirements of CMN Resolution 4557, Daycoval understands that the integrated management of risks is a key instrument for generation of value to the institution, shareholders, employees and customers. Accordingly, it establishes strategies and objectives to reach optimal balance between the growth goals and return on investments and the risks related thereto, thus allowing to explore its funds effectively and efficiently in pursuing the entity's objectives.

The structuring of the process of Integrated Management of Corporate Risks contributes to a better Corporate Governance, which is one of Daycoval's strategic focus developed by weighing objectives, demands and institutional culture.

The identification of risks aims to map the risk events of internal and external nature that may undermine the objectives of the business units. In this scenario, the Risks Committee established and risk managers play an important role in the various areas of the Bank, in order to ensure the ongoing and sustainable growth of the institution.

The Bank's Risk Managers identify, measure, control, evaluate and manage the risks, ensuring the consistency between the risks assumed and the acceptable risk level defined by the Institution, as well as report the exposure to the Management, business areas and regulatory bodies. Within this context, the risk appetite defines the nature and level of the risks acceptable for the institution and the risk culture guides the necessary behavior to manage these risks. Daycoval invests in the development of risk management processes supported by corporate values (agility, safety, integrity, soundness, relationship and sustainability) which strengthen the employees' responsibility for the business sustainability.

a) Capital management

The Board of Directors, Daycoval's ultimate capital management body is responsible for approving the Capital Management Policy, the acceptable capital level, approving the capital plan and determining when the contingency plan must be implemented, in addition to revising the capital management policies and strategies, as well as the capital plan, at least annually, so as to determine its compatibility with its strategic planning and the market conditions. The explanatory notes on capital have been prepared in accordance with BACEN regulations to determine its capital sufficiency on an annual basis and are shown below:

i Basel Accord

Banco Daycoval's minimum capital requirements are presented as a Based Indicator by dividing the regulatory capital (PR) by the Minimum Capital Required, consisting of the sum of portions of risk-weighted assets or RWA, multiplied by the percentage of minimum capital requirement, which is currently 8.00%. These minimum requirements are an integral part of a set of standards announced by BACEN, in order to implement global capital requirements, known as Basel III.

Basel III rules seek to improve the quality of financial institutions' capital, restricting the use of financial instruments not capable of absorbing losses, and deducting assets that may threaten the value of capital due to low liquidity, dependence on future profits for realization or difficulty to measure value. These instruments include tax credits, intangible assets and investments in non-controlled companies, especially those performing in insurance industry.

The Regulatory Capital ("PR") is defined as the sum of Tier I (principal and complementary capital) and of Tier II, calculated on a consolidated basis, considering the institutions comprising the Prudential Conglomerate that, for Banco Daycoval, include the Bank's operations, its branch abroad and Daycoval Leasing.

CMN Resolutions 4192/13 and 4193/13 establish the criteria and procedures to calculate the minimum requirements for regulatory capital ("PR"), of Tier I, of Principal Capital and of Additional Principal Capital, at the following percentages:

| | % minimum Capital | |
|---|-------------------|--------------|
| | 06/30/2021 | 12/31/2020 |
| Minimum Regulatory Capital ("PR") | 8.00% | 8.00% |
| Tier I | 6.00% | 6.00% |
| Capital | 4.50% | 4.50% |
| Complementary capital | 1.50% | 1.50% |
| Tier II | 2.00% | 2.00% |
| Additional principal capital ("ACP") | 1.625% | 1.25% |
| ACP - Conservation ⁽¹⁾ | 1.625% | 1.25% |
| ACP - Countercyclical ⁽²⁾ | 0.00% | 0.00% |
| ACP - Systemic ⁽³⁾ | 0.00% | 0.00% |
| Total capital required (PR + ACP) | 9.63% | 9.25% |

⁽¹⁾ CMN Resolution No. 4783/20 established the decrease in the Addition to Principal Conservation Capital (ACP Conservation), from April 1, 2021 to September 30, 2021, from 1.25% to 1.625%. The requirement will be gradually re-established by June 30, 2022 at 2.5%.

⁽²⁾ Pursuant to Bacen Circular 3769/15, article 3, the percentage of ACP Countercyclical is equal to 0%.

⁽³⁾ The Additional Systemic Importance (ACP Systemic) is determined on the basis of criteria set by BACEN Circular 3768/15. The percentage of ACP Systemic is up to 2%, provided that the reason between total exposure, pursuant to article 2, item II, of BACEN Circular Letter 3748/15, as of December 31 of the penultimate year in relation to the base date of calculation, and the Brazilian GDP, is higher than 10%, otherwise the percentage of ACP Systemic is equal to 0%.

The breakdown of the Regulatory Capital, Minimum Required Capital, risk-weighted assets ("RWA") and Basel ratio is as follows:

| | 03/31/2021 | 12/31/2020 |
|--|-------------------|-------------------|
| Regulatory capital for comparison with risk-weighted assets (RWAs) | 5,600,294 | 4,872,419 |
| Regulatory Capital – Tier I | 5,600,294 | 4,711,334 |
| Capital | 5,140,699 | 4,414,120 |
| Equity | 5,153,635 | 4,425,873 |
| Prudential adjustment - Bacen Resolution 4192/13 | (12,936) | (11,753) |
| Complementary capital | 459,595 | 297,214 |
| Perpetual financial bills (Note 16.d) | 459,595 | 297,214 |
| Regulatory Capital - Tier II | - | 161,085 |
| Subordinated debts (Note 16.d) | - | 161,085 |
| Minimum required capital (RWAx 8%) | 3,223,471 | 2,690,899 |
| Risk-Weighted Assets (RWA) | 40,293,388 | 33,636,241 |
| Credit risk | 32,920,940 | 29,635,831 |
| Market risk | 4,569,874 | 1,195,440 |
| Foreign exchange asset - RWAcam | 571,925 | 889,695 |
| Assets indexed to fixed interest - RWAjur1 | 3,838,069 | 115,093 |
| Assets indexed to foreign exchange coupon - RWAjur2 | 80,993 | 88,198 |
| Assets indexed to inflation - RWAjur3 | 1,511 | 5,771 |
| Shares - RWApac | 77,376 | 96,683 |
| Operational risk - RWAopad | 2,802,574 | 2,804,970 |
| Basel ratio - Total | 13.90% | 14.49% |
| Basel ratio - Tier I | 13.90% | 14.01% |
| Basel ratio - Tier II | - | 0.48% |
| Portion of the interest rate in the Banking Book (Pbanking) ⁽¹⁾ | 588,527 | 579,996 |
| Surplus required capital | | |
| On minimum requirement | 73.73% | 81.07% |
| On total requirement | 44.40% | 56.60% |

b) Market risk

Market risk is the risk of incurring losses due to fluctuations in the fair values of the positions held by a financial institution, including the risks to which the transactions subject to exchange rate changes, interest rates, stock prices, and commodity prices are exposed.

i Main market risks to which Daycoval is exposed:

Interest rate risk

Possible interest rate fluctuations that could adversely affect the value of the financial instruments. This risk is classified as follows:

- Parallel change risk: exposure of profit and loss to parallel changes in the interest curve, resulting in equal differentials for all terms.
- Risk of changes in curve slope: exposure of profit or loss to the changes in the timeframe structure of the interest curve, resulting in changes in pending or curve form.

Currency price risk

The exposure of foreign currency positions to the changes in the exchange type.

Price Risk

The exposure of outstanding securities to adverse market price fluctuations. This risk is classified as follows:

- Generic or systematic risk: exposure of the position value to the changes in prices in general;
- Specific risk: exposure not related to the changes in prices in general but related to the issuer's own characteristics

ii Market Risk management methodologies

Value-at-Risk (VaR)

The Value-at-Risk or VaR is the benchmark used in the market and a measure that properly summarizes the market risk exposure from the trading activities (trading portfolio). It represents the potential maximum loss in the market value that, under normal market conditions, can result in a specific position or portfolio, considering a defined certainty level (confidence level) and time horizon.

Among the different methodologies available to calculate the VaR (parametric, historical simulation and Montecarlo simulation), Daycoval understands that the parametric methodology is the most adequate to the characteristics of the positions of its trading portfolio.

Parametric methodology

It is based on the normality statistics in the distribution of probabilities related to the risk factor changes, based on the volatilities and correlations to determine the potential change of a position. Accordingly, the risk factors must be identified and the positions must be allocated to the defined vertices. Subsequently, the volatilities of each risk factor and the correlations to the positions are applied.

Banking Book

Managing the risk of variation in interest rates in financial instruments classified as Interest Rate Risk in the Banking Book (IRRBB) is based on the following metrics:

- ΔEVE (Delta Economic Value of Equity): difference between the present value of the sum of flows of repricing of instruments subject to IRRBB in a base scenario and the present value of the sum of repricing of flows of these instruments in a shock scenario of interest rates;
- ΔNII (Delta Net Interest Income): difference between the result of trading of instruments subject to IRRBB in a base scenario and the result of trading of these instruments in a shock scenario in interest rates.

iii Stress test

It is a supplementary tool to the VaR measures and scenario analysis used to measure and assess the risk to which the Bank is exposed. It is based on the definition of a set of movements for certain market variables and the determination of the effects from the movements on the portfolio value. The stress test results are periodically analyzed by the Market Risk Committee.

iv Scenario analysis

The purpose of the scenario analysis is to assist the senior management in understanding the impact caused by certain events on the Bank, using a risk analysis tool that defines the long-term scenarios that affect the parameters or variables defined for risk measurement.

Differently from the stress tests, which consider the impact from the changes in the market risk factors on the short-term portfolio, the scenario analysis determines the impact from more complex events on the Bank as a whole.

In the definition of the scenarios, the following factors are considered:

- The experience and expertise of the persons responsible for the areas involved;
- The proper number of relevant variables and their explanation power in order to avoid unnecessary problems in the analysis and interpretation of the results.

As a risk management governance practice, Daycoval and its subsidiaries adopt a continuous risk management process that involves controlling all the positions exposed to the market risk. The market risk limits are determined according to the characteristics of the operations, which are segregated in the following portfolios:

- Trading portfolio: refers to transactions with financial instruments and commodities, including derivatives, that are held for the purpose of being actively traded or to hedge other financial instruments comprising the trading portfolio. These held-for-trading transactions are those intended for the resale, obtain gains from actual or expected price fluctuations, or arbitrage.
- Banking portfolio: refers to all transactions that are not classified in the trading portfolio and are represented by transactions arising from the Bank's business lines.

The segregation above is related to the way Management manages Daycoval's business and its exposure to the market risks, in conformity with the best market practices, the transaction classification criteria set forth in prevailing regulations issued by BACEN and the –Basel Accord. Therefore, according to the nature of the activities, the sensitivity analysis, as prescribed by CVM Instruction 475/08, was conducted for the trading and banking portfolio operations, as they represent significant exposures for Daycoval's profit or loss.

The table below shows the sensitivity analysis of the Trading and Banking Portfolio as at June 30, 2021 and December 31, 2020:

| Risk factors | 06/30/2021 | | | 12/31/2020 | | |
|----------------------|------------------|------------------|--------------------|------------------|------------------|------------------|
| | Scenarios | | | Scenarios | | |
| | 1 | 2 | 3 | 1 | 2 | 3 |
| Fixed rate | (79,913) | (144,392) | (202,903) | (142) | (65) | 113 |
| Foreign currencies | (16,722) | (54,259) | (89,294) | 27,095 | 86,955 | 153,140 |
| Price indices | (26) | (36) | (45) | (12) | (23) | (33) |
| Variable income | (6,964) | (14,895) | (22,826) | (8,697) | (18,607) | (28,517) |
| Other | (54,556) | (116,690) | (178,823) | (409) | (874) | (1,340) |
| Total Trading | (158,181) | (330,272) | (493,891) | 17,835 | 67,386 | 123,363 |
| Total Banking | (361,474) | (594,320) | (808,721) | (334,592) | (472,281) | (606,124) |
| Total | (519,655) | (924,592) | (1,302,612) | (316,757) | (404,895) | (482,761) |

The sensitivity analysis was carried out considering the following scenarios:

• Scenario 1: refers to the stress scenario considered probable for the risk factors and its preparation is based on available market inputs (B3 S.A., ANBIMA, etc.). Accordingly, risk factors considered were: (i) quotation of R\$/US\$5.66 (R\$/US\$5.91 as at December 31, 2020); (ii) fixed interest rate of 8.95% p.a. (5.35% p.a. as at December 31, 2020); (iii) Ibovespa of 103,977 points (97,594 points as at December 31, 2020); and (iv) exchange coupon of 3.46% p.a. (3.73% p.a. as at December 31, 2020); and (v) price index of 1.90% p.a. (13.66% p.a. as at December 31, 2020).

• Scenario 2: as set out by CVM Instruction 475/08, a 25% stress of the risk factors was considered for this scenario. Accordingly, risk factors considered were: (i) quotation of R\$/US\$7.08 (R\$/US\$7.38 as at December 31, 2020); (ii) fixed interest rate of 11.19% p.a. (6.69% p.a. as at December 31, 2020); (iii) Ibovespa of 77,983 points (73,195 points as at December 31, 2020); and (iv) exchange coupon of 4.33% p.a. (4.66% p.a. as at December 31, 2020); and (v) price index of 2.38% p.a. (17.07% p.a. as at December 31, 2020).

• Scenario 3: as set out by CVM Instruction 475/08, a 50% stress of the risk factors was considered for this scenario. Accordingly, risk factors considered were: (i) quotation of R\$/US\$8.49 (R\$/US\$8.86 as at December 31, 2020); (ii) fixed interest rate of 13.43% p.a. (8.03% p.a. as at December 31, 2020); (iii) Ibovespa of 51,988 points (48,797 points as at December 31, 2020); and (iv) exchange coupon of 5.19% p.a. (5.59% p.a. as at December 31, 2020); and (v) price index of 2.85% p.a. (20.49% p.a. as at December 31, 2020).

It is worth mentioning that the results shown in the table above reflect the impacts for each scenario projected on a static position of the portfolio as at June 30, 2021 and December 31, 2020. The market dynamics produces constant changes in this position and thus it does not necessarily reflect the actual position on the date these financial statements are disclosed. Additionally, as mentioned above, there is a continuous management of the trading and banking portfolios' positions to mitigate the risks associated to such portfolios, according to the strategy defined by Management and, when there are indications of deterioration of a certain position, proactive actions are taken to minimize possible adverse impacts and maximize the risk/return ratio for Daycoval.

v Backtesting

Backtesting is the comparison between the former estimated gain/loss and the effective gain/loss. The purpose is to analyze the model adequacy. For purposes of backtesting, effective gains/losses are used for each business unit.

c) Liquidity risk

Liquidity risk is the risk of mismatches between tradable assets and payable liabilities — payables and receivables mismatches — that might affect the payment ability of the Bank, taking into consideration the different currencies and settlement terms of its assets and liabilities.

The main liquidity risk factors can have external or internal origin:

i Main external risk factors:

- Macroeconomic factors, both national and international;
- Liquidity policies set by the regulator;
- Situations where the confidence and, consequently, the system liquidity was affected;
- Credit agencies' ratings: sovereign risk and organization risk;
- Lack of funds in the market.

ii The main internal risk factors are:

- Bank's risk appetite and definition of the acceptable liquidity level;
- Terms and rates mismatches caused by the characteristics of the traded products and services;
- Concentration policy, both in funding and credit granting;
- Covenants assumed by the Institution: financial, economic and related to environmental management;
- Increase in the number of early redemptions of funds raised or transactions with immediate or grace period liquidity clauses;
- Exposure to illiquid or low liquidity assets;
- Leverage.

This type of risk is particularly important at the financial institutions, as economic / political / financial events and even changes in the perception of confidence or expectations may quickly turn into major solvency problems. This is a risk that needs to be constantly managed, with extremely care with respect to matches and terms between receivables and payables; either at the short, medium or long terms.

The controls over liquidity risks are performed with high frequency in portfolio. Accordingly, the balance between obligations and receipts from institution's books is analyzed. In addition to an in-depth analysis of cash flows, extreme scenarios of liquidity risks are considered, together with performance triggers.

d) Credit risk

Possible losses from the borrower's or counterparty's non-compliance with respective obligations as agreed upon; the devaluation, reduction of remunerations and expected gains on financial instruments from the erosion of credit quality of the counterparty, the intervening party or of the mitigating instrument; the restructuring of financial instruments; or costs of recovery from exposures characterized as problematic assets.

i Classification of operations

Daycoval adopts consistent and verifiable criteria to classify its loan transactions that combine the borrower's economic, financial, personal and market information with the accessory guarantees provided to the transaction. Based on this information, minimum allowances will be recognized to cover the risks assumed, as prescribed by BACEN Resolution 2682/99, and subsequent amendments, from the Central Bank of Brazil.

ii Daycoval credit scoring models

Models designed through statistic approach and used to classify risks in the credit granting process, after applying the credit policies previously analyzed and approved with customer data, as well as operations verified and relevant. It should also be noted that the assets underlying financing, for purposes of developing a score model, are classified and a risk classification is obtained for each product.

iii Treasury - financing of government bonds, over-the-counter derivatives and brokers

Low-risk strategies are adopted in the structuring of operations based on the exposure limit analysis against the counterparties' equity, trading agreements previously agreed and according to the objective technical assessment conditions of the counterparties' credit risk and strict selection of brokers related to prime banks to deal with the positions allocated.

e) Operational risk

Operational risk is the possibility of an entity incurring losses due to failure, deficiency or ineffectiveness of internal processes, people and systems, or external events. It includes the legal risk associated to inadequacy or deficiency in contracts entered into by the Bank, as well as penalties due to noncompliance with legal provisions, and compensation paid for damages caused to third parties as a result of the activities conducted by the Bank.

In managing operational risks, the Bank relies on a qualified risk management framework to identify, control and identify operational risks, as well as to disseminate the risk mitigation culture.

- Measurement of the risk impact;
- Assessment of the risk frequency;
- Calculation of the risk severity (impact x probability);
- Measurement of the control effectiveness.

We believe that this activity is inherent in the processes adopted by all areas, resulting in the design of a Risk and Control Matrix, which presents a detailed overview of the exposure to the operational risk, being possible to analyze the risks with greater level of exposure to, if necessary, align the mitigation action plan.

For purposes of business continuity, the strategy defined is to keep all business areas and lines in operation, including relevant services provided by third parties, in contingency. In order to fulfill the resolution of senior management, the business continuity management must be implemented to ensure the continuity of the activities and limit losses arising from a possible suspension of the critical business processes.

f) Compliance risk

Compliance risk is the risk associated to legal or regulatory sanctions, financial losses or even reputation losses arising from the lack of compliance with legal and regulatory provisions and codes of conduct.

At Daycoval, the monitoring of activities for compliance with laws and regulations is carried out by the Governance, Risk and Compliance (GRC) area to ensure the compliance with the Bank's and Conglomerate's deadlines and objectives, as well as to manage, on integrated basis, this risk together with the other risks, ensuring the effectiveness of the activities related to the compliance activity for compliance with regulatory, legal and internal rules.

g) Social and environmental responsibility

Refers to the possibility of incurring losses arising from social and environmental damages, related to each entity individually, comprising Daycoval Group, in accordance with the following principles:

The Social and Environmental Responsibility Policy (PRSA) is supported by the regulatory principles on relevance and proportionality, which consider the compatibility of the internal actions matching the level of exposure to the social and environmental risk of the operations and complexity of the activities, seeking to promote appropriate treatment for the management of this risk.

At Daycoval, the methodology adopted considers the classification of the potential social and environment impact for the codes of activities and, the application of a social and environmental practice questionnaire for operations falling under the internal criteria defined.

The social and environmental risk mitigation measures are carried out through mapping of processes, risks and controls, monitoring of new standards related to the matter and management of the social and environmental risk by the first line of defense in its daily operations, relying on the support, as the case may, from the GRC and legal areas.

The governance also relies on the Executive Social and Environmental Risk Committee, which main duty is to provide instructions on the institutional principles that guide the social and environmental actions in the business and relationship with stakeholders, aiming at ensuring the appropriate integration with the PRSA.

25 - EMPLOYEE BENEFITS

a) Education incentive and profit sharing programs

As part of its strategy of being ranked among the best companies to work in Brazil, the Bank invests in the training and welfare of its employees, through programs involving college and MBA and postgraduate students, participates in the federal government's Minor Apprentice program, and implements its own internship programs.

The Bank offers a profit sharing program to all employees. This program is designed in partnership with the Union of Bank Employees and is tied to performance goals annually evaluated, using the criteria according to the Performance Evaluation program.

26 - OTHER INFORMATION

a) Asset management

Banco Daycoval S.A. and Daycoval Asset Management are responsible for the management, administration, controllership and custody of third-party funds through investment funds, investment clubs and managed portfolios, whose net assets as at June 30, 2021, totaled R\$38.9 billion (R\$29.2 billion as at December 31, 2020).

b) Insurance coverage against losses

Despite the low risk exposure as a result of their assets not being physically concentrated, the Bank and its subsidiaries insure their assets at amounts considered sufficient to cover probable losses.

c) Relationship with Auditors

In accordance with CVM Instruction 381, of January 14, 2003, we inform that the firm engaged to review the Bank's financial statement information and audit the financial statements for the quarter ended June 30, 2021, has not provided any other services to the Bank and the Group companies, other than the independent audit services.

Our policy, including our subsidiaries, to engage non-audit services from our independent auditors, is based on applicable regulation and internationally accepted principles that preserve the independence of the auditor. These principles consist of: (a) the auditor must not audit its own work; (b) the auditor must not exercise managerial functions in its client; and (c) the auditor must not promote the interests of its client.

d) Audit Committee

As required by CMN Resolution 3198/04, and with a view to adopting the industry best practices when conducting its businesses, Extraordinary General Meeting held on March 26, 2009 has decided on and approved the establishment of an Audit Committee, which will be comprised of 3 independent members, pursuant to the prevailing legislation. The establishment of this committee was ratified by the Central Bank of Brazil on May 26, 2009.

e) Impacts from the COVID-19 pandemic

Daycoval believes that the scenario worldwide was marked by the initial impacts of the COVID-19 pandemic, declared by the World Health Organization (WHO) on March 11, 2020, which has ultimately heavily affected most of the economies in the world. The final impacts of this pandemic will take a long time to be determined as the disease is not yet under control, which leads to restrictions on national and international travels, shutdown of several business and services throughout the world, provoking a serious crisis in various economic sectors, generating significant economic impacts and government orders for social isolation as a way to stop the virus transmission, resulting in an environment of strong financial volatility and growing uncertainty.

To mitigate the crisis impacts, governments and the central banks worldwide have been regulating the local economy by adopting measures to control the pandemic. In Brazil, numerous measures were adopted by the Monetary Policy Committee (COPOM) and the Central Bank of Brazil, such as the decrease of the interest rate from 4.50% p.a. (December 2019) to 2.75% p.a. (December 2020); the National Monetary Council and the federal government have approved at extraordinary meetings measures to help boosting the Brazilian economy to recover from the adverse effects caused by the virus. The main measures adopted are:

- Resolution 4782/20 – facilitates the renegotiation of loans of natural persons and legal entities and exempt banks from raising the level of the allowance for loan losses;

- Resolution 4783/20 – reduces minimum capital requirements for institutions, reducing the required capital buffer from 2.5% to 1.25%, to expand the credit granting capacity of institutions;
- Resolution 4795/20 – authorizes the Central Bank of Brazil to grant loans using the Special Temporary Liquidity Line for acquisition of Financial Bills collateralized by financial assets or securities (LTEL-LFG);
- Resolution 4803/20 – allows reclassifying transactions renegotiated between March 1 and September 30, 2020 to the classification level on February 29, 2020.
- Resolution 4820, which establishes, for a given period, bans on interest on equity capital, on increase in management fees, on repurchase of shares and on capital reduction, to be observed by financial institutions and other institutions authorized to operate by the Central Bank of Brazil, considering the potential effects of the Coronavirus (Covid-19) pandemic on the National Financial System.
- Circular Letter 4030, which amends Circular Letter 3809/16, established the procedures for recognition of mitigating instruments in the calculation of the portion of risk-weighted assets (RWA) regarding exposures to credit risks subject to the calculation of capital requirements through standardized approach (RWACPAD), as provided for by Resolution 4193/13.
- CMN Resolution 4843/20 extends the emergency measures introduced by Resolution 4810/20 applicable to procedures related to the granting, control and oversight of rural credit operations, as a result of the social distancing measures adopted to mitigate the impacts from the COVID-19 pandemic;
- CMN Resolution 4856/20 amends Resolution 4782/20 which established for an defined period, as a result of the potential impacts from the COVID-19 on the economy, temporary criteria for the characterization of the loan operation restructuring for purposes of credit risk management;
- CMN Resolution 4855/20, provides for the criteria for measurement of the allowance for loan losses of operations carried out within the scope of the emergency programs established to face the effects from the COVID-19 pandemic on the economy.

In addition to the measures adopted to allow the liquidity of the National Financial System, the Executive and Legislative Branches seek to approve bills that minimize the repercussion of Covid-19, proposing a temporary tax collection suspension (such as IOF relief on loan transactions and PIS/COFINS deferral) and granting tax benefits to the most affected economic sectors and workers.

It is not possible to control or predict whether other measures or policies will be adopted by the government and the respective bodies, in response to the current or future economic situation in Brazil nor how the intervention or governmental policies will affect the Brazilian economy and, consequently, our operations and revenues.

We estimate that our assets and liabilities may be impacted owing to the COVID-19, even if we adopt economic, administrative and operational measures to protect them but, up to the date of approval of this interim financial information and, considering the current period of crisis caused by the virus, we were unable to measure such impacts, other than those already reported in our interim financial information as at June 30, 2021.

The main items in our interim financial information that may be impacted are listed below:

- Financial instruments: the market value and, consequently, the realizable value may vary significantly due to the price volatility of these assets, mainly those issued by private companies that pose a greater credit risk;
- Loan transactions: we may observe an increase in the level of default of loans taken by natural persons and legal entities as the economic conditions deteriorate. As at June 30, 2021, considering the data available, we supplemented our allowance, as shown in note 9.e.;
- Funding: as the current scenario is highly volatile and with high degrees of uncertainty in credit and capital markets, liquidity of funds available for investments can be reduced and result in increase in our current funding costs;
- Tax credits: their realization will depend on future results, which can be affected due to the pandemic impacts if it continues for a long period;
- Civil provisions: the number of lawsuits may increase and we may be a party to a higher number of lawsuits, mainly involving contractual revisions and renewals.

The operational capacity of our activities are preserved and, since the beginning of the pandemic, our actions have taken into consideration the guidelines from the Ministry of Health. We created a crisis committee, comprised of the Executive HR and Operational Risk Management Officers, which meets on a daily basis and periodically reports to the Board of Directors and all employees the assessments on the Covid-19 progress and its impacts on operations.

We deployed the Business Continuity Plan (BCP) and, since the announcement of the current pandemic scenario, we intensified the internal and external actions, on a consistent and timely basis, in order to mitigate the impacts from this pandemic on our operations and our employees, stressing that the operating processes and internal controls are preserved and operating normally.

Some of these measures are as follows:

- Leave of absence for employees comprising the risk group for an unspecified period;
- Strengthening of teleworking, using computers (laptops) with remote access so that a significant portion of our employees perform their activities from home; activities from home;
- Protocol for monitoring of employees and family members who display Covid-19 symptoms;
- Extensive communication with agencies, customers and employees in relation to the virus prevention measures; and
- Creation of the "Conexão do Bem Daycoval" campaign, to fight virus dissemination and its effects on health and economy, where every Real donated by employees is doubled by Daycoval. These resources will be used to purchase face masks produced by small- and midsized companies that are shifting their activities to produce these items.

One of the main objectives of our risk management framework is to supervise the capital allocation and liquidity to maintain appropriate risk levels in accordance with the limits set internally and by regulators, in addition to monitoring the domestic and foreign economic scenarios, to maintain the administrative and operational capacity.

The future impacts related to the pandemic on the economic conditions will continue to be determined and monitored by Management, even though they are highly uncertain.

All economic projections will depend on the pandemic progress and control, as its duration or aggravation cannot be reliably estimated, which will adversely impact economies around the world for an indeterminate period and may negatively affect the results and performance of operations.

A Administração

Luiz Alexandre Cadorin
Contador
CRC 1SP243564/O-2

Commentary on the Behavior of Business Projections

Not applicable.

Other Information that the Company understands Relevant

Not applicable.

Opinions and Declarations / Opinion of the Fiscal Council or Equivalent Body

Up to the date of presentation of the financial statements, there is no Fiscal Council installed.

Summarized Audit Committee Opinions and Statements / Report (statutory, set forth in specific CVM regulation)

Not applicable for the six-month ended June 30, 2021.

Summarized Audit Committee Opinions and Statements / Opinion or Report, if any (either statutory or not)**SUMMARY OF THE AUDIT COMMITTEE REPORT**

The Audit Committee ("Committee") of Banco Daycoval SA ("Bank") was installed by resolution of the Board of Directors, aiming at the adoption of Best Market Practices, in accordance with Resolution No. 3198/04, of the National Monetary Council, being composed of three independent members, under the terms of the legislation in force. The constitution of this committee was approved by the Central Bank of Brazil on May 26, 2009, having among its attributions, advising the Board of Directors in evaluating the quality of the financial statements and monitoring compliance with legal and regulatory requirements.

Within the scope of its activities, the Committee: (i) met with the Independent Auditors responsible for examining these financial statements and for the issuance of a report on their adequacy in all relevant aspects in accordance with accounting practices adopted in Brazil, based on the accounting guidelines issued by the Brazilian Corporation Law, the rules and instructions from the National Monetary Council, the Central Bank of Brazil and the Accounting Plan for Financial Institutions, the Securities Commission and the Private Insurance Superintendence and the Accounting Pronouncements Committee. The Committee also assessed aspects related to the hiring of auditors, their certifications and qualifications; (ii) monitored the planning and schedule of work by the Internal Auditors and reviewed the notes and conclusions of the work carried out in the period, always evaluating the degree of risk of the notes, as well as the follow-up of these notes; (iii) evaluated the work carried out by the Risk Management, Controls and Compliance area to improve the main processes and systems, as well as the existing reports for risk management and governance support; (iv) evaluated the process of issuing and presenting the financial statements to ensure their quality, transparency and integrity; (v) evaluated the effectiveness of the Bank's internal controls and the risk management system, as well as the reports issued; (vi) discussed with the Bank's Management issues related to activities, internal management, the improvement of risk management and governance, and any notes raised by regulatory bodies. The impacts of the Covid 19 pandemic on the economy were also discussed, as well as the measures taken by the Executive and Legislative Powers; (vii) met to prepare the annual work plan and review its internal regulations, as well as to formalize the minutes of the meetings. As a result of the meetings and evaluation of the reports received, the Audit Committee's Detailed Report was prepared, which contains the activities and results of the work and the notes that the committee deemed appropriate to submit to the executive board.

Based on the reports presented by the Independent Auditors, on the monitoring of the execution of the work of the Internal Audit, on the activities performed by the areas responsible for the management of Risks, Controls and Compliance and on the information received from the Bank's Management and, considering the natural limitations arising from the scope performance, the Committee recommends to the Board of Directors the approval of the financial statements for the semester ended June 30, 2021.

São Paulo, August 4, 2021

The Audit Committee

Marcelo Cardinal Palumbo - Coordinator of the Audit Committee

José Ferreira da Silva - Member of the Audit Committee

Ricardo Fraccaroli de Almeida - Member of the Audit Committee

Opinions and Statements / Statement of Directors on the Financial Statements**DECLARATION ON FINANCIAL STATEMENTS**

In compliance with CVM Instruction 480/09, the directors of Banco Daycoval S.A., a publicly-held company registered with the BM&FBOVESPA S.A.—Bolsa de Valores, Mercadorias & Futuros in Category B, hereby DECLARES that they reviewed, discussed and agreed to the financial statements for the quarter and semester ended June 30, 2021.

São Paulo, August 4, 2021.

SALIM DAYAN

Executive Director

MORRIS DAYAN

Executive Director

CARLOS MOCHE DAYAN

Executive Director

ALBERT ROUBEN

Director

MARIA REGINA R. M. NOGUEIRA

Director

NILO CAVARZAN

Director

RICARDO GELBAUM

Director

ALEXANDRE TEIXEIRA

Director

ALEXANDRE RHEIN

Director

PAULO AUGUSTO LUZ FERREIRA SABA

Director

EDUARDO CAMPOS RAYMUNDO

Director

CLAUDINEI APARECIDO PEDRO

Director

ELIE JACQUES MIZRAHI

Director

ERICK WARNER DE CARVALHO

Director

Opinions and Statements / Statement of Directors on the Report of the Independent Auditors**DECLARATION ON THE REPORT OF THE INDEPENDENT AUDITORS**

Pursuant to CVM Instruction No. 480/09, the directors of Banco Daycoval S.A., a publicly-held company registered with the CVM in Category B, hereby DECLARES that they have reviewed, discussed and agreed with the opinions expressed in the Independent Auditors' Quarterly Information, Deloitte Touche Tohmatsu - Auditores Independentes, referring to the financial statements for the quarter and semester ended June 30, 2021.

São Paulo, August 4, 2021.

SALIM DAYAN
Executive Director

MORRIS DAYAN
Executive Director

CARLOS MOCHE DAYAN
Executive Director

ALBERT ROUBEN
Director

MARIA REGINA R. M. NOGUEIRA
Director

NILO CAVARZAN
Director

RICARDO GELBAUM
Director

ALEXANDRE TEIXEIRA
Director

ALEXANDRE RHEIN
Director

PAULO AUGUSTO LUZ FERREIRA SABA
Director

EDUARDO CAMPOS RAYMUNDO
Director

CLAUDINEI APARECIDO PEDRO
Director

ELIE JACQUES MIZRAHI
Director

ERICK WARNER DE CARVALHO
Director