

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

## **Banco Daycoval S.A.**

Individual and Consolidated Financial Statements for the  
Six-month Period and Year Ended December 31, 2021  
and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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

## INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Management and Shareholders of  
Banco Daycoval S.A.

### **Opinion**

We have audited the accompanying individual and consolidated financial statements of Banco Daycoval S.A. ("Bank"), identified as Bank and consolidated, respectively, which comprise the balance sheet as at December 31, 2021, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the six-month period and year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Banco Daycoval S.A. as at December 31, 2021, and its individual and consolidated financial performance and its individual and consolidated cash flows for the six-month period and year then ended, in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil (BACEN).

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Bank and its subsidiaries in accordance with the relevant ethical requirements set out in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Key audit matters**

Key audit matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the current six-month period and year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not provide a separate opinion on these matters.

#### *Allowance for loan losses*

Allowances for loan losses are recognized pursuant to the regulations issued by the BACEN, in particular the National Monetary Council (CMN) Resolution 2682, and are based on the analyses of outstanding loan transactions (past-due and current), in accordance with the internal policies that consider the determination of credit ratings.

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The estimation of the allowance for loan losses involves internal models when determining the borrower's rating that take into account financial and economic data, market inputs, masterfile information, restricted collaterals, default level, among others. The borrower's rating is also revised by the Bank's Management when the financial condition of a given borrower or a given economic sector changes, including due to the impacts arising from the COVID-19. As such revision involves judgment in the loss estimate by Management, we believe that this matter is a key audit matter in our audit approach, including the involvement of senior members of our staff.

#### *How the matter was addressed in our audit*

Our audit procedures included, without limitation: (i) understanding the internal model used in determining the credit rating; (ii) understanding the accrual criterion adopted by the Bank; (iii) reading the Bank's accrual policy; (iv) conducting tests on the design, implementation and effectiveness of internal controls; (v) challenging the key assumptions and Management's significant judgments in determining the credit rating, including due to the impacts arising from the COVID-19; (vi) recalculating, on a sampling basis, the amounts accrued; and (vii) assessing the disclosures in the individual and consolidated financial statements.

Based on the audit procedures performed, we believe that the criteria and assumptions adopted by the Bank's Management and the policy used to determine the allowance for loan losses are appropriate, in the context of the financial statements taken as a whole.

#### **Other matters**

##### *Statements of value added*

The individual and consolidated statements of value added ("DVA") for the six-month period and year ended December 31, 2021, prepared under the responsibility of the Bank's Management, the presentation of which is not required by accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the BACEN, were subject to audit procedures performed together with the audit of the Bank's financial statements. In forming our opinion, we assess whether these individual and consolidated statements of value added are reconciled with the financial statements 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. In our opinion, these statements of value added have been appropriately prepared, in all material respects, in accordance with the criteria set out in CPC 09 and are consistent with the individual and consolidated financial statements taken as a whole.

#### **Other information accompanying the individual and consolidated financial statements and the independent auditor's report**

Management is responsible for the other information. The other information comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and those charged with governance for the individual and consolidated financial statements**

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the BACEN, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's and its subsidiaries' financial reporting process.

## **Auditor's responsibilities for the audit of the individual and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Bank and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current six-month period and year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, February 8, 2022

  
DELOITTE TOUCHE TOHMATSU  
Auditoras Independentes Ltda.

  
Vanderlei Minoru Yamashita  
Engagement Partner

## MANAGEMENT REPORT

Dear Shareholders,

The Management of Banco Daycoval S.A. (“Daycoval” or “Bank”) is pleased to submit to you the Management Report and accompanying Individual and Consolidated Financial Statements, together with the Independent Auditor’s Report containing an unqualified opinion thereon, for the year ended December 31, 2021. The comments herein presented refer to Daycoval’s consolidated financial position for the respective year.

2021 was a hard year. We began with a feeling of fresh start – with our spirit revived. After a period of major challenges, we started to glimpse a new context, with a certain feeling of normality. However, some uncertainties led us to believe that it would not be easy. A new pandemic wave was observed, at the same time political issues and their economic impacts have arisen, and the scenario of high inflation and interest rates, shortage of inputs and the impact of new Covid-19 waves have made any plan to go back to square one.

Daycoval was no exception. We ended up getting used to the scenario of uncertainty and moved forward. We posted growth in all indicators and areas. The Expanded Loan Portfolio grew 27.1% p.a., when compared to 2020, a year planned to consolidate the growth levels from prior years. We reached outstanding Funding and Investment volumes, without losing efficiency in processes and continuously investing in innovation, processes and people.

Our history of more than 50 years is marked by the strength to overcome barriers and create alternatives to innovate and grow. In 2021 we reached 3 thousand employees throughout the country and adapted our operations even remotely, committed in serving our clients and dedicating efforts to reach sustainable performance. We are extremely proud of this as Daycoval is a Bank made of people and for the people. We also grew in terms of the ESG (Environmental, Social and Corporate Governance) pillar, with much more structured criteria, practices and metrics.

The technological innovation is already rooted in our processes, Dayane, our virtual assistant, performs hundreds of thousands of services every month, and Dayconnect, our application, offers a large number of financial solutions to our clients and investors. We found a balance between the impersonality of the digital and human services, but automated and efficient.

The Expanded Loan Portfolio amounted to R\$46,715.3 million at the end of 2021, a 27.1% growth when compared to the end of 2020. Such growth did not affect the portfolio quality which posted a Default Level of 1.5% at the end of the year, while the balance of the allowance for loan losses amounted to R\$1,647.6 million at the end of the year. This balance includes R\$469.2 million as additional allowance.

We posted profit of R\$1,414.2 million at the end of 2021, 19.6% up when compared to 2020. The Return on Average Equity (ROAE) was 28.3% in 2021, which remained virtually stable when compared to previous years. Equity amounted to R\$4,981.3 million at the end of 2021, a 12.5% growth in 12 months and the Basel Ratio was 13.0%, at the end of the year, which reflects the Bank’s high capital base.

In terms of Funding, Daycoval completed during the year three syndicated issuances with IFC (International Finance Corporation), BID Invest (Inter-American Development Bank) and the pool of Banks, totaling US\$851.0 million, with a term of up to 4 years, to offer working capital financing to small- and mid-sized entities, including women-owned companies and less favorable regions in Brazil. Locally, Daycoval carried out the tenth public offering of Financial Bills (LFs), in a total amount of R\$1.0 billion in three series, the longest with a 4-year term.

Daycoval was ranked in the Major Groups Guide from Valor Econômico among the 200 largest groups operating in Brazil. In finance, the Bank was a highlight as one of the 20 biggest in the sector, both in terms of Revenue and Profit.

## About Banco Daycoval

Daycoval is specialized in the segment of corporate loans, financing and lease, also operating significantly in the Retail segment through payroll loan, auto loan, tourism exchange and investment transactions.

In the year ended 2021, relying on a team comprised of 3,035 professionals and headquartered in the city of São Paulo, State of São Paulo, Daycoval reached an expanded loan portfolio of R\$46.7 billion, total assets of R\$61.9 billion, equity of R\$5.0 billion and profit of R\$1.4 billion. As a result of its conservative strategy, the Bank stands out for its low leverage, high liquidity and performance reflected in a Basel III ratio of 13.0%.

### 2021 Main Indicators

Main Indicators	2021
Total Assets - R\$ million	61,931.6
Expanded Loan Portfolio- R\$ million	46,715.3
Total Funding - R\$ million	47,338.5
Net Income - R\$ milhões	1,414.2
Shareholders' Equity - R\$ million	4,981.3
Return on Average Equity (ROAE) (% p.a.)	28.3%
Return on Average Asset (ROAA) (% p.a.)	2.6%
Net Interest Margin (NIM) (% p.a.)	9.0%
Efficiency Ratio (%)	29.9%
BIS Index III (%)	13.0%

## Distribution

Consistently with the proposal for growing with diversification, Banco Daycoval currently has 48 branches located in 21 States, including the Federal District. Daycoval also has a branch in the Cayman Islands, which is an important instrument not only for funding purposes, but also for opening commercial credit facilities and handling our relationships with correspondent banks.

In the year ended 2021, IFP - Promotora de Serviços de Consultoria e Cadastro Ltda., a Daycoval Group's company, a correspondent engaged in fostering payroll-deductible loan transactions, accounted for approximately 15.9% of total origination and 7.6% of the Bank's INSS transactions. IFP has 47 stores throughout the country and 680 employees. To improve its productivity, IFP also provides services to other financial institutions.

Daycoval Câmbio had 166 points of service at the end of 2021. The Bank also operates through partnerships with travel operators and agencies to facilitate access to clients and offer greater flexibility for conducting their operations and providing rapid and secure service. In 2021, 3.5 million transactions were conducted in different currencies and type, with turnover equivalent to R\$17.0 billion.

## Rating

Banco Daycoval's ratings demonstrate the low level of risk and soundness attained in its operations. The information obtained by the respective risk rating agencies is widely taken into account by the financial market, but, for all effects, should not be construed as an investment advice.

According to the reports disclosed, the ratings reflect the understanding of the risk rating agencies about Banco Daycoval:

- I) AA (bra), in National scale by Fitch Rating with "stable" perspective
- II) AA.br, in National scale by Moody's with "stable" perspective
- III) brAA+, in National scale by Standard&Poor's with "stable" perspective

## Operating and Financial Performance

Banco Daycoval's strategy is to diversify its funding, either from the standpoint of source or from the standpoint of instrument, so as to be aligned with the expected loan portfolio growth, always seeking the combination of assets and liabilities and cost effectiveness. In 2021 funding grew in line with the loan portfolio growth and totaled R\$47.3 billion at the end of the year, a growth by 27.7% when compared to the same period in 2020.

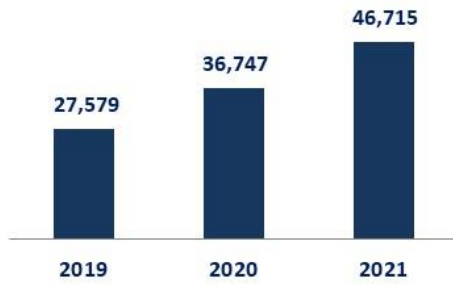
The structural operations, from the international standpoint the borrowing of US\$851 million from the IFC, BID Invest and pool of Banks, with up to 4-year term, aiming at increasing the access to credit for small- and medium-sized entities, including women-owned companies and less favorable regions in Brazil, must be highlighted. Locally, Daycoval completed its tenth public offering of Financial Bills (LFs), issuing a total amount of R\$1 billion. The amount is divided in three series, the first of which in the amount of R\$202 million for two years; the second in the amount of R\$494 million for three years; and the third in the amount of R\$304 million for four years.

By the end of 2021, the expanded loan portfolio balance was R\$46.7 billion, up by 27.1% compared to 2020. The corporate loan segment, the Bank's core business, grew by 28.2% in the year.

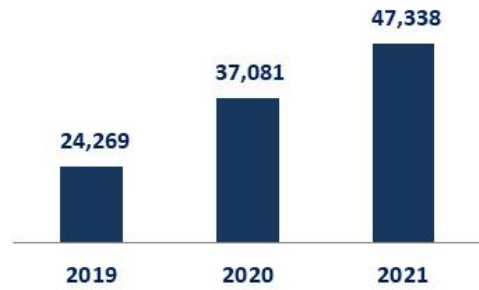
Profit reached R\$1.4 billion in 2021, up by 19.6% against 2020. The Return On Average Equity (ROAE) reached 28.3% p.a., the Return On Average Assets (ROAA) was 2.6% p.a., the Gearing Ratio was 29.9% in the year and the Net Interest Margin (NIM) was 9.0% p.a.



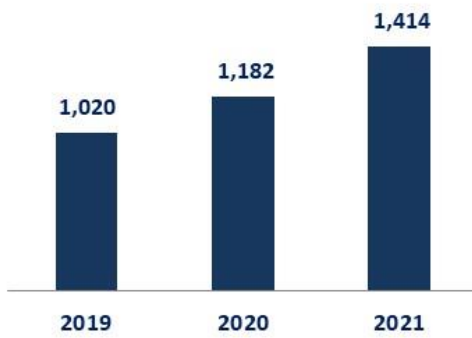
Expanded Loan Portfolio - R\$ MM



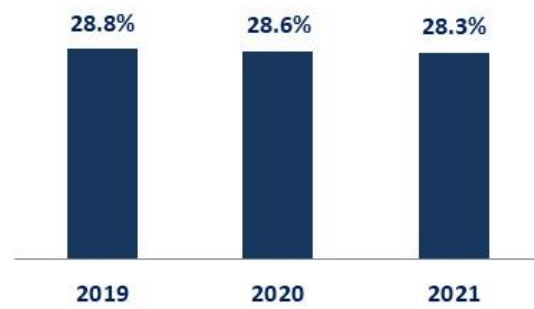
Total Funding - R\$ MM



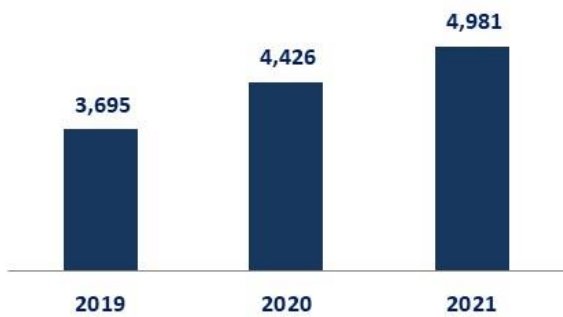
Net Income - R\$ MM



Return on Average Equity (ROAE)  
(% p.a.)



Shareholders' Equity - R\$ MM



## **Corporate Governance**

Banco Daycoval's corporate management policy is consistent with the principles set out by the Brazilian Institute of Corporate Governance (IBGC) and the best market practices. The Bank often seeks to improve its management model, driven by sustainability guidelines and ethics, transparency, respect and responsibility principles in conducting its business and maintaining relationship equity towards all of its stakeholders.

### **Audit Committee**

The Audit Committee, established and instated in the first half of 2009, pursuant to the National Monetary Council (CMN) Resolution 3198 of 2004, is responsible for assessing the quality and completeness of the Bank's financial statements, complying with legal and regulatory requirements, ensuring the performance, independence and quality of external auditors' work, as well as ensuring the internal audit performance and quality and effectiveness of the Bank's internal control and risk management systems.

### **Integrated risk and capital management**

The Bank considers the risk management an important instrument for adding value to the Bank, shareholders, employees and clients, besides contributing to strengthen the corporate governance and the internal control environment. Accordingly, it constantly makes investments to enhance processes, procedures, criteria and tools designed for managing operational, market, liquidity, credit, compliance, social and environmental and capital management risks, in order to ensure a high degree of safety for all of its operations. Daycoval adopts preventive measures and continuously operates to enhance its risk policies and internal control systems with a view to avoiding or mitigating the exposure to risks to the maximum extent. Daycoval draws on a continuing, integrated risk management framework, aligned with the Bank's strategic goals, through its Risk Appetite Statement (RAS) and with capital management framework, designed to identify, monitor, control and mitigate the risks underlying its activities, as well as to disseminate such risk mitigation culture. It also relies on committees and periodic reports from the relevant areas so as to ensure appropriate risk management and efficient governance.

The management framework for the Operational Risk, Compliance Risk, Social and Environmental Risk, Market and Liquidity Risks, Credit and Capital Management Risk is comprised of the Board of Directors, Executive Board, Risk Board, Integrated Risk and Capital Committee and respective committees.

More information on Risk Management and the Required Regulatory Capital, pursuant to the prevailing law, can be obtained at: [www.daycoval.com.br/ri](http://www.daycoval.com.br/ri).

## **People**

When talking about Daycoval Group's growth and development, one strength must be highlighted: the individuals. Having a motivated and interested team is a decisive factor to make Daycoval one of the best places to work, certified by the Great Place to Work since 2018, and one of our principles revolves around believing that human capital is imperative for the good business performance. Accordingly, Daycoval continuously invests in the training and wellbeing of its employees. To inspire employees, Daycoval offers learning opportunities, adopts ethical and non-discriminatory practices, maintains a pleasant and highly productive work environment and pays fair compensation.

As at December 31, 2021, Daycoval relied on a talented, motivated team of 3,035 professionals. We are growing, which is good for business and people, as more opportunities and new challenges will arise for everyone.

The Daycoeduca Program stands out among the major initiatives targeted at continuous development, offering Undergraduate, Graduate or MBA scholarships. 698 employees were contemplated under this development strategy.

Currently 81% of our staff had some type of experience with college education. In the 1<sup>st</sup> half of 2021, 39,793 hours of training were given, encompassing programs in the IT, anti-money laundering, sustainability, custody, internal process, certification and risk management areas. As part of “Em Busca da Excelência” project, under the Knowledge pillar, special courses on leadership and educational lectures on financial products and services, personal finance, among other matters, are offered to managers. Developing our employees to face today’s challenges and preparing them for tomorrow is one of the RH management strategy adopted.

During the pandemic, Academia Daycoval, an e-learning platform, was made available offering a series of courses and videos to support the current moment. Courses addressing self-knowledge, home office, technical and regulatory knowledge and new capabilities were offered to employees, in addition to videos on stretching, breathing and mediation. The Academia had 33,797 accesses.

The Executive Board continues to draw on the communication platform and a routine was created where executives speak directly to all employees and answer questions and doubts. This is an important strategy when we talk about engagement and alignment.

The Bank relies on a qualified team and always seeks professionals willing to overcome challenges. It recognizes the potential of employees, offering professional and personal development and growth. Our employees encompass different generations: 54.6% of generation Y, 31.8% of generation X, 9.0% of generation Z and roughly 4.6% of Baby Boomers. The Trainee Program continues to attract more and more young professionals with strong potential, we ended the semester with 60 young professionals, as we need to create a pipeline of talented professionals to support the projected growth.

The Bank also participates in the Young Apprentice Program through an agreement with ESPRO (Ensino Social Profissionalizante – Social, Vocational Education), besides offering welfare and labor gymnastics programs. Vaccination campaigns are organized and courses involving healthcare actions, social life and personal support are provided for the wellbeing of employees and their families. Moreover, free music classes and running training are promoted, seeking to enhance the quality of life.

## **Sustainability**

2021 was marked by the continuing sustainable development of the business and proximity with clients, employees and stakeholders, even in light of the uncertainties and challenges imposed by the Covid-19 pandemic. Banco Daycoval maintained its strategic course supported by its Corporate Values to ensure the safety of its employees, clients and suppliers in its offices, through rigid protocols, supporting individuals and companies, offering means and solutions to protect its business, home and community.

Daycoval continued to invest in expanding its social commitments at the ESG (Environmental, Social and Corporate Governance) pillar. In 2021, the IFC, a member of the World Bank Group, has led two financing tranches strengthening the capacity to expand the loan portfolio of Banco Daycoval. With a focus on female entrepreneurship and small- and mid-sized entities (SMEs), Daycoval had access to loans of US\$384 million and US\$151 million, respectively, in the first and second semesters. Also, under the coordination of BID Invest, the syndication process in the amount of US\$300 million was completed, which also strengthened Daycoval’s position in matters of social nature.

In view of the challenges posed by the pandemic and thinking about adding value to positively impact the society through charitable actions, Daycoval has carried out another edition of the “Conexão do Bem” campaign to collect clothes, blankets and shoes. The Bank has donated an amount in cash for every piece collected, which will be used to buy basic staple baskets for poor communities throughout Brazil.

### **Social Responsibility**

Significant progress in social responsibility projects and actions was observed in this period. Approximately R\$25 million was invested in conformity with tax incentive laws and R\$17 million in direct donations, totaling R\$42 million in the promotion of cultural, educational and sports initiatives and actions focused on health and life quality. Some institutions must be highlighted such as: Hospital Pequeno Príncipe, Hospital de Barretos, Hospital Albert Einstein, Instituto Olga Kos, APAE, GRAAC, Fundação Dorina Nowill, Fundação Gol de Letra, Projeto Musicantes, MASP, among others.

### **Relationship with Independent Auditors**

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In accordance with CVM Instruction 381 of January 14, 2003, we inform that the company engaged to audit the financial statements for the years ended December 31, 2021 and 2020 was not engaged to perform services to the Bank other than external audit.

### **Executive Board Statement**

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Pursuant to the provisions set out in CVM Instruction 480/09, the Bank’s Executive Board states that it has discussed, reviewed and agreed with the opinions expressed in the independent auditor’s report, as well as the financial statements for the six-month period and year ended December 31, 2021.

### **Acknowledgements**

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Banco Daycoval S.A.’s management thanks the shareholders, clients, suppliers and the financial community for the essential support and trust shown, as well as our professionals who have made such performance possible.

São Paulo, February 08, 2022.

The Management

For further information on Banco Daycoval’s performance, please visit [www.daycoval.com.br/ri](http://www.daycoval.com.br/ri).

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

ASSETS	Note	Bank		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Cash</b>	<b>4</b>	<b>311,805</b>	<b>342,892</b>	<b>312,094</b>	<b>343,040</b>
<b>Restricted deposits - Central Bank of Brazil</b>	<b>5</b>	<b>435,630</b>	<b>217,672</b>	<b>435,630</b>	<b>217,672</b>
<b>Interbank accounts</b>		<b>3,319</b>	<b>549</b>	<b>3,319</b>	<b>549</b>
<b>Financial instruments</b>		<b>57,617,009</b>	<b>45,613,574</b>	<b>58,641,525</b>	<b>46,419,815</b>
Interbank investments	6	4,659,241	5,565,372	3,310,566	4,772,208
Money market investments	7	9,597,269	5,298,623	10,079,292	5,592,275
Derivatives	8.a	933,080	1,188,710	935,598	1,188,710
Own portfolio					
Lending portfolio	9	27,295,601	25,522,495	27,583,232	25,713,559
Finance lease	9.i	-	-	1,591,383	1,063,294
Operating lease	9	-	-	218,144	133,090
(-) Unearned income from leasing operations	9	-	-	(217,893)	(132,864)
Other transactions with loan characteristics	9	11,557,562	5,689,756	11,566,947	5,740,925
Foreign exchange portfolio	10	3,574,256	2,348,618	3,574,256	2,348,618
<b>Allowance for loan losses</b>	<b>9.e</b>	<b>(1,575,832)</b>	<b>(1,515,720)</b>	<b>(1,601,748)</b>	<b>(1,534,740)</b>
Lending operations		(1,416,314)	(1,378,901)	(1,425,902)	(1,383,179)
Leasing operations		-	-	(16,310)	(14,594)
Other		(159,518)	(136,819)	(159,536)	(136,967)
<b>Current and deferred tax assets</b>	<b>19.b</b>	<b>1,739,710</b>	<b>1,628,398</b>	<b>1,786,185</b>	<b>1,668,254</b>
<b>Debtors for escrow deposits</b>		<b>1,581,364</b>	<b>1,438,626</b>	<b>1,585,388</b>	<b>1,441,954</b>
Tax	18.c	1,528,906	1,387,002	1,528,906	1,387,002
Civil	18.c	38,773	36,693	38,856	36,693
Labor	18.c	13,685	14,931	17,559	18,193
Other		-	-	67	66
<b>Other credits</b>		<b>257,060</b>	<b>231,903</b>	<b>265,210</b>	<b>239,044</b>
Income receivable		35,177	33,327	40,627	35,448
Trading account		85,596	76,423	85,596	76,423
Other	11	136,287	122,153	138,987	127,173
<b>Other assets</b>	<b>12</b>	<b>159,321</b>	<b>100,249</b>	<b>159,321</b>	<b>100,250</b>
Non-financial assets held for sale		89,204	84,852	89,204	84,852
(Allowance for losses on non-financial assets held for sale)		(3,270)	(8,564)	(3,270)	(8,564)
Prepaid expenses		73,387	23,961	73,387	23,962
<b>Investments</b>		<b>1,531,285</b>	<b>1,432,901</b>	<b>52,814</b>	<b>63,223</b>
Equity in subsidiaries	14	1,525,731	1,428,965	-	-
Other investments		5,554	3,936	52,814	63,223
<b>Property and equipment in use</b>	<b>15.a</b>	<b>61,154</b>	<b>61,816</b>	<b>68,358</b>	<b>69,689</b>
Property and equipment in use		119,541	108,670	130,994	119,874
(Accumulated depreciation)		(58,387)	(46,854)	(62,636)	(50,185)
<b>Property and equipment for operating lease</b>	<b>15.b</b>	<b>-</b>	<b>-</b>	<b>223,203</b>	<b>130,650</b>
Leased assets		-	-	409,213	264,241
(Accumulated depreciation)		-	-	(186,010)	(133,591)
<b>Intangible assets</b>		<b>-</b>	<b>-</b>	<b>257</b>	<b>351</b>
<b>TOTAL ASSETS</b>		<b>62,121,825</b>	<b>49,552,860</b>	<b>61,931,556</b>	<b>49,159,751</b>

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

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

LIABILITIES	Note	Bank		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Financial instruments</b>		<b>52,995,770</b>	<b>41,400,186</b>	<b>52,562,790</b>	<b>40,808,561</b>
Deposits	16.b	17,331,441	14,082,552	17,281,007	14,027,603
Repurchase commitments	16.a	2,474,519	1,951,672	2,474,519	1,951,672
<b>Issuance of securities</b>	<b>16.b</b>	<b>20,542,824</b>	<b>18,460,459</b>	<b>20,160,278</b>	<b>17,923,783</b>
In Brazil		17,928,549	16,055,053	17,546,003	15,518,377
Abroad		2,614,275	2,405,406	2,614,275	2,405,406
Foreign borrowings	16.b	8,709,577	4,503,902	8,709,577	4,503,902
Domestic onlendings - official institutions	16.b	195,571	164,850	195,571	164,850
Subordinated debts	16.b	992,038	460,657	992,038	460,657
Derivatives	8.a	207,588	58,064	207,588	58,064
Foreign exchange portfolio	10	2,542,212	1,718,030	2,542,212	1,718,030
<b>Interbank and interbranch accounts</b>		<b>217,061</b>	<b>227,702</b>	<b>217,061</b>	<b>227,702</b>
<b>Provision for risks</b>	<b>18</b>	<b>1,975,484</b>	<b>1,886,117</b>	<b>1,987,709</b>	<b>1,900,524</b>
Tax		1,812,691	1,656,548	1,813,790	1,657,360
Civil		115,688	166,760	116,382	167,308
Labor		47,105	62,809	57,537	75,856
<b>Provision for financial guarantees provided</b>	<b>9.e</b>	<b>42,873</b>	<b>44,781</b>	<b>42,873</b>	<b>44,781</b>
<b>Current and deferred tax liabilities</b>	<b>19.b</b>	<b>1,231,008</b>	<b>933,409</b>	<b>1,370,966</b>	<b>1,040,842</b>
<b>Other payables</b>		<b>613,322</b>	<b>557,753</b>	<b>661,559</b>	<b>592,898</b>
Social and statutory	17.a	368,900	301,174	371,570	303,167
Collected taxes and others		11,698	5,327	11,856	5,327
Trading account		46,905	65,266	46,905	65,266
Other	17.b	185,819	185,986	231,228	219,138
<b>Deferred income</b>		<b>65,029</b>	<b>77,039</b>	<b>106,264</b>	<b>117,540</b>
<b>Noncontrolling interests</b>		<b>-</b>	<b>-</b>	<b>1,056</b>	<b>1,030</b>
<b>Equity</b>	<b>20</b>	<b>4,981,278</b>	<b>4,425,873</b>	<b>4,981,278</b>	<b>4,425,873</b>
Capital		3,557,260	3,557,260	3,557,260	3,557,260
Capital reserves		1,125	279	1,125	279
Earnings reserves		1,423,037	875,713	1,423,037	875,713
Other comprehensive income		(144)	(7,379)	(144)	(7,379)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>62,121,825</b>	<b>49,552,860</b>	<b>61,931,556</b>	<b>49,159,751</b>

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

**INCOME STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021 AND  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)**

	Note	2nd semester of 2021		Bank		Consolidated	
		Bank	Consolidated	2021	2020	2021	2020
<b>INCOME FROM FINANCIAL INTERMEDIATION</b>		<b>4,171,741</b>	<b>4,290,914</b>	<b>6,354,397</b>	<b>5,826,511</b>	<b>6,569,516</b>	<b>6,004,608</b>
Lending operations	21.a	2,846,943	2,966,080	5,197,954	4,196,192	5,407,598	4,374,427
Securities transactions and derivatives	21.b	1,200,962	1,225,450	889,028	1,366,651	924,038	1,374,345
Interbank accounts	21.c	69,308	31,301	115,686	134,222	66,627	112,580
Foreign exchange transactions	21.d	54,207	67,762	149,833	126,527	169,357	140,337
Sale transactions or transfer of financial assets		321	321	1,896	2,919	1,896	2,919
<b>EXPENSES ON FINANCIAL INTERMEDIATION</b>		<b>(2,215,576)</b>	<b>(2,201,541)</b>	<b>(2,304,915)</b>	<b>(2,323,707)</b>	<b>(2,283,661)</b>	<b>(2,303,534)</b>
Interbank and time deposits	21.e	(450,501)	(449,395)	(625,838)	(268,844)	(624,377)	(267,105)
Issuance of securities in Brazil and abroad	21.e	(904,268)	(891,339)	(1,111,566)	(1,066,545)	(1,091,773)	(1,048,111)
Borrowings and onlendings	21.f	(860,807)	(860,807)	(567,511)	(988,318)	(567,511)	(988,318)
<b>GROSS PROFIT FROM FINANCIAL INTERMEDIATION</b>		<b>1,956,165</b>	<b>2,089,373</b>	<b>4,049,482</b>	<b>3,502,804</b>	<b>4,285,855</b>	<b>3,701,074</b>
<b>EXPENSES ON THE ALLOWANCE FOR LOAN LOSSES</b>	<b>9.e</b>	<b>(179,554)</b>	<b>(183,604)</b>	<b>(437,317)</b>	<b>(642,553)</b>	<b>(446,561)</b>	<b>(648,697)</b>
Lending operations		(173,820)	(177,870)	(404,942)	(569,964)	(414,316)	(575,961)
Other credits		(9,712)	(9,712)	(34,283)	(52,815)	(34,153)	(52,962)
Guarantees and collaterals		3,978	3,978	1,908	(19,774)	1,908	(19,774)
<b>PROFIT FROM FINANCIAL INTERMEDIATION</b>		<b>1,776,611</b>	<b>1,905,769</b>	<b>3,612,165</b>	<b>2,860,251</b>	<b>3,839,294</b>	<b>3,052,377</b>
<b>OTHER ADMINISTRATIVE AND OPERATING INCOME (EXPENSES)</b>		<b>(629,850)</b>	<b>(724,100)</b>	<b>(1,141,210)</b>	<b>(905,020)</b>	<b>(1,305,135)</b>	<b>(1,032,707)</b>
Income from services provided	21.g	150,913	160,973	271,721	220,846	290,020	240,688
Income from insurance operations		-	19	-	-	8	191
Personnel expenses	21.h	(283,739)	(324,338)	(530,392)	(430,086)	(605,348)	(487,080)
Other administrative expenses	21.i	(434,343)	(425,098)	(767,623)	(565,805)	(761,293)	(552,820)
Tax expenses	19.a.ii	(109,322)	(126,408)	(210,621)	(181,041)	(241,147)	(206,006)
Equity in subsidiaries	14.a	67,694	-	93,639	110,358	-	-
Other operating income and expenses	21.j	12,777	23,644	(10,978)	(34,651)	(1,271)	(2,349)
Depreciation and amortization expenses		(6,242)	(6,761)	(11,773)	(10,697)	(12,981)	(11,444)
Expenses with provision for risks							
Tax		(28,315)	(28,592)	(41,146)	(28,755)	(41,659)	(29,493)
Civil		(9,103)	(9,204)	51,072	18,001	51,243	17,940
Labor		9,830	11,665	14,891	(3,190)	17,293	(2,334)
<b>OPERATING INCOME</b>		<b>1,146,761</b>	<b>1,181,669</b>	<b>2,470,955</b>	<b>1,955,231</b>	<b>2,534,159</b>	<b>2,019,670</b>
<b>NONOPERATING INCOME</b>		<b>494</b>	<b>9,150</b>	<b>24,572</b>	<b>7,376</b>	<b>40,231</b>	<b>11,630</b>
<b>INCOME BEFORE INCOME TAXES</b>		<b>1,147,255</b>	<b>1,190,819</b>	<b>2,495,527</b>	<b>1,962,607</b>	<b>2,574,390</b>	<b>2,031,300</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>19.a.i</b>	<b>(377,395)</b>	<b>(419,385)</b>	<b>(918,228)</b>	<b>(645,161)</b>	<b>(993,930)</b>	<b>(711,178)</b>
Provision for income tax		(106,898)	(115,606)	(433,725)	(371,583)	(454,529)	(388,808)
Provision for social contribution		(131,593)	(151,454)	(397,555)	(302,708)	(432,076)	(330,579)
Deferred tax assets (liabilities)		(138,904)	(152,325)	(86,948)	29,130	(107,325)	8,209
<b>PROFIT SHARING</b>		<b>(88,999)</b>	<b>(90,561)</b>	<b>(163,100)</b>	<b>(134,830)</b>	<b>(166,238)</b>	<b>(137,486)</b>
<b>NONCONTROLLING INTERESTS</b>		<b>-</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>(23)</b>	<b>(20)</b>
<b>PROFIT</b>		<b>680,861</b>	<b>680,861</b>	<b>1,414,199</b>	<b>1,182,616</b>	<b>1,414,199</b>	<b>1,182,616</b>

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

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021 AND  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)**

	Bank and Consolidated		
	2nd semester of 2021	2021	2020
<b>PROFIT</b>	<b>680,861</b>	<b>1,414,199</b>	<b>1,182,616</b>
<b>Other comprehensive income</b>	<b>13,657</b>	<b>7,235</b>	<b>(20,012)</b>
<b>Fair value adjustments -</b>			
<b>Available-for-sale marketable securities</b>			
Attributable to the parent	29,465	21,869	(37,741)
Attributable to subsidiaries	(2,547)	(4,793)	746
Deferred taxes on valuation adjustments to equity			
Attributable to the parent	(13,261)	(9,841)	16,983
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>694,518</b>	<b>1,421,434</b>	<b>1,162,604</b>

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



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021 AND  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)**

	Note	Capital	Capital increase	Capital reserves	Earnings reserves			Other comprehensive income	Retained earnings	Total
					Legal	Bylaws	Special earnings reserve			
<b>BALANCE AS AT JUNE 30, 2021</b>		<b>3,557,260</b>	-	<b>1,125</b>	<b>95,798</b>	<b>816,582</b>	-	<b>(13,801)</b>	<b>696,671</b>	<b>5,153,635</b>
Adjustment to fair value -										
Available-for-sale marketable securities		-	-	-	-	-	-	13,657	-	13,657
Additional prior-year dividends proposed	20.d.iv	-	-	-	-	(500,008)	-	-	-	(500,008)
Profit		-	-	-	-	-	-	-	680,861	680,861
Allocations:										
Legal reserve	20.e	-	-	-	34,043	-	-	-	(34,043)	-
Bylaws reserve	20.e	-	-	-	-	976,622	-	-	(976,622)	-
Dividends	20.d.iii	-	-	-	-	-	-	-	(160,235)	(160,235)
Interest on capital	20.d.ii	-	-	-	-	-	-	-	(206,632)	(206,632)
<b>BALANCE AS AT DECEMBER 31, 2021</b>		<b>3,557,260</b>	-	<b>1,125</b>	<b>129,841</b>	<b>1,293,196</b>	-	<b>(144)</b>	-	<b>4,981,278</b>
<b>BALANCE AS AT DECEMBER 31, 2020</b>		<b>3,557,260</b>	-	<b>279</b>	<b>59,131</b>	<b>816,582</b>	-	<b>(7,379)</b>	-	<b>4,425,873</b>
Adjustment to fair value -										
Available-for-sale marketable securities		-	-	-	-	-	-	7,235	-	7,235
Inflation adjustment to equity securities		-	-	846	-	-	-	-	-	846
Additional prior-year dividends proposed	20.d.iv	-	-	-	-	(500,008)	-	-	-	(500,008)
Profit		-	-	-	-	-	-	-	1,414,199	1,414,199
Allocations:										
Legal reserve	20.e	-	-	-	70,710	-	-	-	(70,710)	-
Bylaws reserve	20.e	-	-	-	-	976,622	-	-	(976,622)	-
Dividends	20.d.iii	-	-	-	-	-	-	-	(160,235)	(160,235)
Interest on capital	20.d.ii	-	-	-	-	-	-	-	(206,632)	(206,632)
<b>BALANCE AS AT DECEMBER 31, 2021</b>		<b>3,557,260</b>	-	<b>1,125</b>	<b>129,841</b>	<b>1,293,196</b>	-	<b>(144)</b>	-	<b>4,981,278</b>
<b>BALANCE AS AT DECEMBER 31, 2019</b>		<b>2,253,595</b>	-	<b>1,142</b>	<b>254,751</b>	<b>1,047,772</b>	<b>125,266</b>	<b>12,633</b>	-	<b>3,695,159</b>
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		-	-	-	-	-	-	(20,012)	-	(20,012)
Inflation adjustment to equity securities		-	-	279	-	-	-	-	-	279
Additional prior-year dividends proposed	20.d.iv	-	-	-	-	-	(125,266)	-	-	(125,266)
Profit		-	-	-	-	-	-	-	1,182,616	1,182,616
Allocations:										
Legal reserve	20.e	-	-	-	59,131	-	-	-	(59,131)	-
Bylaws reserve	20.e	-	-	-	-	816,582	-	-	(816,582)	-
Dividends	20.d.iii	-	-	-	-	-	-	-	(133,358)	(133,358)
Interest on capital	20.d.ii	-	-	-	-	-	-	-	(173,545)	(173,545)
<b>BALANCE AS AT DECEMBER 31, 2020</b>		<b>3,557,260</b>	-	<b>279</b>	<b>59,131</b>	<b>816,582</b>	-	<b>(7,379)</b>	-	<b>4,425,873</b>

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021 AND**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(In thousands of Brazilian reais - R\$)

	2nd semester of 2021		Bank		Consolidated	
	Bank	Consolidated	2021	2020	2021	2020
<b>OPERATING ACTIVITIES</b>						
<b>PROFIT</b>	<b>680,861</b>	<b>680,861</b>	<b>1,414,199</b>	<b>1,182,616</b>	<b>1,414,199</b>	<b>1,182,616</b>
<b>ADJUSTMENTS TO RECONCILE PROFIT</b>						
<b>TO NET CASH USED IN OPERATING ACTIVITIES</b>						
Depreciation and amortization	6,242	6,761	11,773	10,697	12,981	11,444
Deferred taxes	138,904	152,325	86,948	(29,130)	107,325	(8,209)
Current taxes	238,491	267,060	831,280	674,291	886,605	719,387
Provision for risks	61,370	59,755	89,367	111,072	87,185	111,090
Provision for guarantees and collaterals	(3,978)	(3,978)	(1,908)	(1,908)	(1,908)	19,774
Allowance for loan losses	173,820	175,904	404,762	642,038	410,444	653,228
Allowance for losses on leasing operations	-	1,966	-	-	3,872	(5,193)
Allowance for other loan losses	12,628	12,628	35,863	(30,472)	35,553	(30,326)
Allowance for other sundry loan losses	(2,916)	(2,916)	(1,400)	11,213	(1,400)	11,214
Allowance for losses on other assets	(1,105)	(1,105)	(5,294)	227	(5,294)	226
Exchange rate changes on cash and cash equivalents	(43,377)	(43,377)	(20,878)	17,000	(20,878)	17,000
Gains on disposal of permanent assets	5,161	(13,804)	3,180	823	(14,041)	3,259
Share of profit (loss) of subsidiaries and associates	(67,694)	-	(93,639)	(110,358)	-	-
<b>TOTAL RECONCILIATION ADJUSTMENTS</b>	<b>517,546</b>	<b>611,219</b>	<b>1,340,054</b>	<b>1,317,175</b>	<b>1,500,444</b>	<b>1,502,894</b>
<b>ADJUSTED PROFIT</b>	<b>1,198,407</b>	<b>1,292,080</b>	<b>2,754,253</b>	<b>2,499,791</b>	<b>2,914,643</b>	<b>2,685,510</b>
<b>CHANGES IN ASSETS AND LIABILITIES</b>	<b>(4,618,734)</b>	<b>(2,118,903)</b>	<b>(7,729,152)</b>	<b>(2,920,128)</b>	<b>(7,888,872)</b>	<b>(3,109,165)</b>
(Increase) Decrease in interbank accounts	(362,645)	126,313	(1,600,406)	(13,732)	(1,044,897)	101,893
(Increase) Decrease in securities and derivatives	(1,914,491)	(1,908,154)	(3,916,680)	(4,747,418)	(4,107,568)	(4,688,141)
(Increase) Decrease in interbank and deposits with the Central Bank	(181,317)	(181,317)	(231,369)	15,934	(231,369)	15,934
(Increase) Decrease in lending operations	(860,448)	(1,576,972)	(2,140,636)	(8,968,536)	(2,876,010)	(9,157,147)
(Increase) Decrease in other receivables	(5,178,230)	(5,018,876)	(7,321,678)	(932,999)	(7,286,753)	(976,921)
(Increase) Decrease in other assets	(31,968)	(33,069)	(53,778)	33,589	(53,778)	33,656
Increase (Decrease) in deposits	2,725,901	2,688,248	3,248,890	5,687,217	3,253,405	5,707,660
Increase (Decrease) in repurchase commitments	(230,330)	(230,330)	522,847	680,530	522,847	680,530
Increase (Decrease) in funds issuance of securities	2,224,939	2,246,875	2,657,785	5,047,532	2,811,915	5,036,945
Increase (Decrease) in borrowings and onlendings	(1,023,150)	1,021,598	937,358	23,651	937,358	23,651
Increase (Decrease) in other payables	356,608	903,692	817,777	740,937	883,143	632,064
Income tax and social contribution paid	(141,945)	(156,348)	(637,252)	(527,040)	(685,889)	(555,095)
Increase (Decrease) in deferred income	(1,658)	(563)	(12,010)	40,207	(11,276)	35,806
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(3,420,327)</b>	<b>(826,823)</b>	<b>(4,974,899)</b>	<b>(420,337)</b>	<b>(4,974,229)</b>	<b>(423,655)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Acquisition of property and equipment in use	(6,227)	(6,335)	(11,126)	(4,890)	(11,655)	(7,874)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(6,227)</b>	<b>(6,335)</b>	<b>(11,126)</b>	<b>(4,890)</b>	<b>(11,655)</b>	<b>(7,874)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Increase (Decrease) in funds from acceptance and issuance of securities	329,159	304,562	(575,419)	783,674	(575,419)	783,674
Increase (Decrease) in borrowings and onlendings	3,299,040	1,254,292	3,299,040	957,699	3,299,040	957,699
Increase (decrease) in subordinated debts	532,444	8,362	531,381	302,562	531,381	302,562
Dividends and interest on capital paid	(653,851)	(653,851)	(827,481)	(374,915)	(827,481)	(374,915)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>3,506,792</b>	<b>913,365</b>	<b>2,427,521</b>	<b>1,669,020</b>	<b>2,427,521</b>	<b>1,669,020</b>
<b>EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>43,377</b>	<b>43,377</b>	<b>20,878</b>	<b>(17,000)</b>	<b>20,878</b>	<b>(17,000)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>123,615</b>	<b>123,584</b>	<b>(2,537,626)</b>	<b>1,226,793</b>	<b>(2,537,485)</b>	<b>1,220,491</b>
Cash and cash equivalents at beginning of the year	1,151,129	1,151,449	3,812,370	2,585,577	3,812,518	2,592,027
Cash and cash equivalents at end of the year	1,274,744	1,275,033	1,274,744	3,812,370	1,275,033	3,812,518
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>123,615</b>	<b>123,584</b>	<b>(2,537,626)</b>	<b>1,226,793</b>	<b>(2,537,485)</b>	<b>1,220,491</b>

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

**STATEMENTS OF VALUE ADDED  
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021 AND  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)**

	2nd semester of 2021		Bank		Consolidated	
	Bank	Consolidated	2021	2020	2021	2020
<b>REVENUES</b>	<b>4,128,782</b>	<b>4,274,967</b>	<b>6,227,212</b>	<b>5,363,587</b>	<b>6,478,815</b>	<b>5,592,183</b>
Income from financial intermediation	4,171,741	4,290,914	6,354,397	5,826,511	6,569,516	6,004,608
Revenue from services	150,913	160,973	271,721	220,846	290,020	240,688
Allowance for loan losses	(179,554)	(183,604)	(437,317)	(642,553)	(446,561)	(648,697)
Other	(14,318)	6,684	38,411	(41,217)	65,840	(4,416)
<b>EXPENSES</b>	<b>(2,215,576)</b>	<b>(2,201,541)</b>	<b>(2,304,915)</b>	<b>(2,323,707)</b>	<b>(2,283,661)</b>	<b>(2,303,534)</b>
Expenses on financial intermediation	(2,215,576)	(2,201,541)	(2,304,915)	(2,323,707)	(2,283,661)	(2,303,534)
<b>INPUTS PURCHASED FROM THIRD PARTIES</b>	<b>(423,980)</b>	<b>(413,191)</b>	<b>(748,492)</b>	<b>(549,829)</b>	<b>(740,131)</b>	<b>(536,022)</b>
Materials, electric power and other	(79,394)	(87,524)	(123,555)	(112,145)	(144,571)	(119,140)
Outside services	(344,586)	(325,667)	(624,937)	(437,684)	(595,560)	(416,882)
<b>GROSS VALUE ADDED</b>	<b>1,489,226</b>	<b>1,660,235</b>	<b>3,173,805</b>	<b>2,490,051</b>	<b>3,455,023</b>	<b>2,752,627</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>(6,242)</b>	<b>(6,761)</b>	<b>(11,773)</b>	<b>(10,697)</b>	<b>(12,981)</b>	<b>(11,444)</b>
<b>TOTAL WEALTH CREATED BY THE BANK AND CONSOLIDATED</b>	<b>1,482,984</b>	<b>1,653,474</b>	<b>3,162,032</b>	<b>2,479,354</b>	<b>3,442,042</b>	<b>2,741,183</b>
<b>WEALTH RECEIVED IN TRANSFER</b>	<b>67,694</b>	<b>-</b>	<b>93,639</b>	<b>110,358</b>	<b>-</b>	<b>-</b>
Equity in subsidiaries	67,694	-	93,639	110,358	-	-
<b>WEALTH FOR DISTRIBUTION</b>	<b>1,550,678</b>	<b>1,653,474</b>	<b>3,255,671</b>	<b>2,589,712</b>	<b>3,442,042</b>	<b>2,741,183</b>
<b>DISTRIBUTION OF WEALTH</b>	<b>1,550,678</b>	<b>1,653,474</b>	<b>3,255,671</b>	<b>2,589,712</b>	<b>3,442,042</b>	<b>2,741,183</b>
<b>EMPLOYEES</b>	<b>327,250</b>	<b>363,120</b>	<b>608,485</b>	<b>498,785</b>	<b>675,173</b>	<b>549,481</b>
Salaries and wages	274,611	302,282	509,897	420,082	560,841	457,610
Benefits	41,976	48,422	79,026	63,792	91,590	74,505
Severance pay fund (FGTS)	10,663	12,416	19,562	14,911	22,742	17,366
<b>TAXES, FEES AND CONTRIBUTIONS</b>	<b>532,204</b>	<b>597,573</b>	<b>1,213,855</b>	<b>892,335</b>	<b>1,331,483</b>	<b>992,268</b>
Federal	520,279	577,832	1,192,678	876,277	1,295,999	964,318
State	1,824	1,832	3,193	1,529	3,257	1,586
Municipal	10,101	17,909	17,984	14,529	32,227	26,364
<b>LENDERS AND LESSORS</b>	<b>10,363</b>	<b>11,908</b>	<b>19,132</b>	<b>15,976</b>	<b>21,164</b>	<b>16,798</b>
Rentals	10,363	11,908	19,132	15,976	21,164	16,798
<b>SHAREHOLDERS</b>	<b>680,861</b>	<b>680,861</b>	<b>1,414,199</b>	<b>1,182,616</b>	<b>1,414,199</b>	<b>1,182,636</b>
Dividends	160,235	160,235	160,235	133,358	160,235	133,358
Interest on capital	206,632	206,632	206,632	173,545	206,632	173,545
Retained earnings	313,994	313,982	1,047,332	875,713	1,047,309	875,713
Noncontrolling interests	-	12	-	-	23	20

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(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 - FINANCIAL STATEMENTS**

**a) Presentation**

The Bank's 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 6,404/76), and the amendments introduced by Law 11,638/07 and Law 11,941/09, 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 4,818/20 and BCB Resolution 2/20 which revoked CMN Resolution 4,720/19 and BACEN Circular Letter 3,959/19, 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 individual and consolidated financial statements were approved by Management on February 8, 2022.

Daycoval adopts presentation criteria in its interim financial information 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.

**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) issued several pronouncements related to the international convergence which have been approved by CVM but not all of them have been ratified by BACEN. Accordingly, in the preparation of the financial statements, the Bank has adopted the following pronouncements that have been approved by the BACEN:

Pronouncements issued by the CPC	CMN Resolution
CPC 00 (R1) - Conceptual Framework for Financial Reporting	(*) 4,144/12
CPC 01 (R1) - Impairment of Assets	(*) 3,566/08
CPC 03 (R2) - Statements of Cash Flows	4,818/20
CPC 05 (R1) - Related-party Disclosures	4,818/20
CPC 10 (R1) - Share-based Payment	3,989/11
CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors	(*) 4,007/11
CPC 24 - Events After the Reporting period	4,818/20
CPC 25 - Provisions, Contingent Liabilities and Contingent Assets	3,823/09
CPC 33 (R1) - Employee Benefits	4,877/20
CPC 41 - Earnings per Share	4,818/20
CPC 46 - Fair Value Measurement	(*) 4,748/19

(\*) Resolutions revoked as from January 1<sup>st</sup> 2022, by CMN Resolution 4,924/2021.

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 rewards, were eliminated, and the balances of profit 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 - %	
	12/31/2021	12/31/2020
<b>Leasing operations</b>		
Daycoval Leasing – Banco Múltiplo S.A. ("Daycoval Leasing")	100.00	100.00
<b>Financial activity - Foreign branch</b>		
Banco Daycoval S.A. - Cayman Branch	100.00	100.00
<b>Insurance and pension plan activity</b>		
Dayprev Vida e Previdência S.A. ("Dayprev")	97.00	97.00
<b>Non-financial activity</b>		
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
<b>Investment fund</b>		
Multigestão Renda Comercial Fundo de Investimento Imobiliário - FII ("Fundo") <sup>(1)</sup>	67.97	67.97

(1) Pursuant to Art. 4 of CMN Resolution 4,280/13, the investment funds in which Daycoval substantially assumes or retains all risks and rewards, on any account, must be consolidated in the Parent's financial statements.

**d) New standards issued by the BACEN effective in the future:**

i. CMN Resolution No. 4,817 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. 4,818: 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 and establishes that:

- Financial institutions registered as a publicly-held company or that are leading companies of a prudential conglomerate classified in Segment S1 to S3, according to specific regulation, must prepare annual consolidated financial statements in accordance with the international accounting standards issued by the International Accounting Standards Board (IASB), with the disclosure in the accompanying notes of the main differences between the accounting practices adopted in the preparation of individual financial statements in accordance with the accounting practices applicable to financial institutions (BRGAAP) and the accounting practices adopted for the Consolidated in IFRS.
- The financial institutions that disclose or publish consolidated financial statements, either voluntarily or by virtue of legal, regulatory, bylaws or contractual provisions and related to periods below one year, must adopt the international accounting standard in the preparation of these financial statements.

This Resolution comes into effect on January 1, 2022 and the Management of Daycoval is assessing the impact of its adoption on its disclosures for the year beginning 2022.

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 2022. No material accounting impacts on Daycoval are expected when this Resolution becomes effective.

iv. CMN Resolution No. 4,924 and BCB Resolution No. 120: Provides for the general principles for recognition, measurement, bookkeeping and disclosure by the financial institutions and other institutions authorized to operate by the Central Bank of Brazil. The procedures includes, without limitation, the adoption of a standard currency (e.g.: SPOT foreign exchange or PTAX foreign exchange) for the translation of transactions and financial statements, so as to reduce mismatches in the financial statements. This Resolution comes into effect beginning January 1, 2022 and Management is assessing the impacts of its adoption.

v. CMN Resolution No. 4,958: Provides for the minimum requirements of Regulatory Capital (PR), Tier I, and Principal Capital, and for the Additional Principal Capital (ACP). This Resolution comes into effect beginning January 3, 2022 and Management does not expect material impacts on Daycoval upon its adoption.

vi. CMN Resolution 4,966: Provides for the concepts and accounting criteria applicable to financial instruments, as well as for designation and recognition of hedge relationships (hedge accounting) by financial institutions and other institutions authorized to operate by the Central Bank of Brazil. This Resolution comes into effect beginning January 1, 2025 and Management will determine the impacts of its adoption.

### 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 4,524/16, 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 ate 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 classified in conformity with BACEN Circular Letter 3,068/01 into one of the following categories: (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 3,068/01 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 considered "ex-rights" on the stock exchange.

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 3,082/02, 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 (when relating to gains) or expense (when relating to losses);

- 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 2,682/99, 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 2,682/99, 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 2,682/99, and subsequent amendments, 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 3,533/08, 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.

As at December 31, 2021, there is no balance of "Unearned insurance premium" (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 as expense in line item "Other administrative expenses".

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 and communications systems - 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 4,747, 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 statements 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 3,823/2009 and BACEN Circular Letter 3,429/2010, as follows:

**i. Provisions**

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 recognition of the provisions, considers the opinion of its legal advisors and 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 fully within the control of the entity. The contingent asset is not recognized in the financial assets, except when there is sufficient evidence that its realization is certain, otherwise, it is disclosed in the notes to the financial statements when the inflow of economic benefits is probable.

**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 "Current and deferred 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 "Current and deferred taxes". Only the income tax rate is applied to excess 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 4,842/20, 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 4,818/20.

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 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 profit or loss**

Non-recurring profit or loss is the profit or loss:

- 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 profit or loss is shown in note 21.k.

#### 4 - CASH AND CASH EQUIVALENTS

	Bank		Consolidated	
	2021	2020	2021	2020
Cash	311,805	342,892	312,094	343,040
Money market investments <sup>(1)</sup>	675,884	3,286,298	675,884	3,286,298
Foreign currency investments <sup>(2)</sup>	287,055	183,180	287,055	183,180
<b>Total</b>	<b>1,274,744</b>	<b>3,812,370</b>	<b>1,275,033</b>	<b>3,812,518</b>

(1) Money market investments comprising cash and cash equivalents, do not include the amount of interbank 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	
	2021	2020
Reserves in instant payment account	3,369	4,755
Compulsory reserves in cash on		
Demand deposits	181,074	197,067
Mandatory collections		
Compulsory on time deposits	235,956	-
Other mandatory collections	15,231	15,850
<b>Total</b>	<b>435,630</b>	<b>217,672</b>

**6 - INTERBANK ACCOUNTS**

	Bank				
	2021			2020	
	Up to 3 months	3 to 12 months	1 to 3 Years	Total	Total
<b>Investments in repurchase transactions</b>	<b>1,954,989</b>	-	-	<b>1,954,989</b>	<b>4,364,992</b>
<b>Own portfolio</b>	<b>675,884</b>	-	-	<b>675,884</b>	<b>3,286,298</b>
Financial Treasury Bills (LFT)	420,492	-	-	420,492	1,175,000
National Treasury Bills (LTN)	155,860	-	-	155,860	750,000
National Treasury Notes (NTN)	99,532	-	-	99,532	1,361,298
<b>Financed portfolio</b>	<b>1,279,105</b>	-	-	<b>1,279,105</b>	<b>1,078,694</b>
Financial Treasury Bills (LFT)	29,501	-	-	29,501	-
National Treasury Bills (LTN)	265,198	-	-	265,198	-
National Treasury Notes (NTN)	984,406	-	-	984,406	1,078,694
	-	<b>2,152,466</b>	<b>264,731</b>	<b>2,417,197</b>	<b>1,017,200</b>
<b>Interbank deposits</b>	<b>287,055</b>	-	-	<b>287,055</b>	<b>183,180</b>
<b>Investments in foreign currencies <sup>(1)</sup></b>	<b>2,242,044</b>	<b>2,152,466</b>	<b>264,731</b>	<b>4,659,241</b>	<b>5,565,372</b>

	Consolidated				
	2021			2020	
	Up to 3 months	3 to 12 months	1 to 3 Years	Total	Total
<b>Investments in repurchase transactions</b>	<b>1,954,989</b>	-	-	<b>1,954,989</b>	<b>4,364,992</b>
<b>Own portfolio</b>	<b>675,884</b>	-	-	<b>675,884</b>	<b>3,286,298</b>
Financial Treasury Bills (LFT)	420,492	-	-	420,492	1,175,000
National Treasury Bills (LTN)	155,860	-	-	155,860	750,000
National Treasury Notes (NTN)	99,532	-	-	99,532	1,361,298
<b>Financed portfolio</b>	<b>1,279,105</b>	-	-	<b>1,279,105</b>	<b>1,078,694</b>
Financial Treasury Bills (LFT)	29,501	-	-	<b>29,501</b>	-
National Treasury Bills (LTN)	265,198	-	-	265,198	-
National Treasury Notes (NTN)	984,406	-	-	984,406	1,078,694
<b>Interbank deposits</b>	-	<b>803,791</b>	<b>264,731</b>	<b>1,068,522</b>	<b>224,036</b>
<b>Investments in foreign currencies <sup>(1)</sup></b>	<b>287,055</b>	-	-	<b>287,055</b>	<b>183,180</b>
<b>Total</b>	<b>2,242,044</b>	<b>803,791</b>	<b>264,731</b>	<b>3,310,566</b>	<b>4,772,208</b>

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

**7 - MARKETABLE SECURITIES**

a) Breakdown by category and type

	Bank					
	2021			2020		
	Fair value adjustment at:			Fair value <sup>(1)</sup>	Curve value	Fair value <sup>(1)</sup>
Curve value	Profit or loss	Equity				
<b>Trading securities</b>	<b>78,824</b>	<b>(626)</b>	-	<b>78,198</b>	<b>140,768</b>	<b>136,907</b>
<b>Own portfolio</b>	<b>38</b>	-	-	<b>38</b>	<b>39,398</b>	<b>38,441</b>
Debentures <sup>(4)</sup>	38	-	-	38	17,388	16,440
Financial Bills - LF	-	-	-	-	22,010	22,001
<b>Linked to repurchase commitments</b>	<b>78,786</b>	<b>(626)</b>	-	<b>78,160</b>	<b>101,370</b>	<b>98,466</b>
Debentures <sup>(4)</sup>	78,786	(626)	-	78,160	101,370	98,466
<b>Available for sale</b>	<b>9,504,399</b>	-	<b>(2,171)</b>	<b>9,502,228</b>	<b>5,170,079</b>	<b>5,146,031</b>
<b>Own portfolio</b>	<b>8,086,841</b>	-	<b>(5,658)</b>	<b>8,081,183</b>	<b>3,799,361</b>	<b>3,781,060</b>
Financial Treasury Bills (LFT)	7,120,803	-	4,916	7,125,719	3,697,175	3,678,455
National Treasury Bills (LTN)	2,135	-	(64)	2,071	40,145	40,260
National Treasury Notes (NTN)	338	-	(9)	329	4	4
Investment fund units	887,977	-	(10,394)	877,583	50,717	50,614
Foreign securities	8,627	-	33	8,660	8,057	8,450
Debentures <sup>(4)</sup>	2,029	-	(26)	2,003	624	645
Certificates of Agribusiness Receivables - CRA <sup>(4)</sup>	967	-	(2)	965	2,639	2,632
Certificados de recebíveis imobiliários - CRI <sup>(4)</sup>	30,020	-	(112)	29,908	-	-
Rural product notes - CPR <sup>(4)</sup>	33,945	-	-	33,945	-	-
<b>Linked to repurchase commitments</b>	<b>1,115,308</b>	-	<b>3,718</b>	<b>1,119,026</b>	<b>780,135</b>	<b>776,232</b>
Financial Treasury Bills (LFT)	964,109	-	3,127	967,236	734,013	730,008
National Treasury Bills (LTN)	-	-	-	-	46,122	46,224
Debentures <sup>(4)</sup>	151,199	-	591	151,790	-	-
<b>Linked to guarantees<sup>(2)</sup></b>	<b>302,250</b>	-	<b>(231)</b>	<b>302,019</b>	<b>590,583</b>	<b>588,739</b>
Financial Treasury Bills (LFT)	275,796	-	(286)	275,510	590,583	588,739
Debentures <sup>(4)</sup>	26,454	-	55	26,509	-	-
<b>Held-to-maturity securities<sup>(3)</sup></b>	<b>16,843</b>	-	-	<b>16,843</b>	<b>15,685</b>	<b>15,685</b>
<b>Own portfolio</b>	<b>16,843</b>	-	-	<b>16,843</b>	<b>15,685</b>	<b>15,685</b>
Other government bonds	16,843	-	-	16,843	15,685	15,685
<b>Total</b>	<b>9,600,066</b>	<b>(626)</b>	<b>(2,171)</b>	<b>9,597,269</b>	<b>5,326,532</b>	<b>5,298,623</b>



	Consolidated					
	2021			2020		
	Curve value	Fair value adjustment at:		Fair value <sup>(1)</sup>	Curve value	Fair value <sup>(1)</sup>
Profit or loss		Equity				
<b>Trading securities</b>	<b>79,149</b>	<b>(626)</b>	<b>-</b>	<b>78,523</b>	<b>140,768</b>	<b>136,907</b>
<b>Own portfolio</b>	<b>363</b>	<b>-</b>	<b>-</b>	<b>363</b>	<b>39,398</b>	<b>38,441</b>
Debentures <sup>(4)</sup>	38	-	-	38	17,388	16,440
Financial Bills - LF	-	-	-	-	22,010	22,001
Financial Treasury Bills (LFT)	325	-	-	325	-	-
<b>Linked to repurchase commitments</b>	<b>78,786</b>	<b>(626)</b>	<b>-</b>	<b>78,160</b>	<b>101,370</b>	<b>98,466</b>
Debentures <sup>(4)</sup>	78,786	(626)	-	78,160	101,370	98,466
<b>Available for sale</b>	<b>9,975,880</b>	<b>-</b>	<b>8,046</b>	<b>9,983,926</b>	<b>5,459,132</b>	<b>5,439,683</b>
<b>Own portfolio</b>	<b>8,558,322</b>	<b>-</b>	<b>4,559</b>	<b>8,562,881</b>	<b>4,088,414</b>	<b>4,074,712</b>
Financial Treasury Bills (LFT)	7,155,817	-	4,872	7,160,689	3,731,211	3,712,399
National Treasury Bills (LTN)	2,135	-	(64)	2,071	40,145	40,260
National Treasury Notes (NTN)	338	-	(9)	329	4	4
Investment fund units	1,229,572	-	(1,029)	1,228,543	218,322	218,132
Foreign securities	101,178	-	930	102,108	95,327	100,498
Debentures <sup>(4)</sup>	2,029	-	(26)	2,003	624	645
Certificates of Agribusiness Receivables - CRA <sup>(4)</sup>	3,095	-	(3)	3,092	2,639	2,632
Certificates of real estate receivables - CRI <sup>(4)</sup>	30,020	-	(112)	29,908	-	-
Certificates of long-term deposits - CDB	162	-	-	162	131	131
Bills of exchange - LC	31	-	-	31	11	11
Rural product notes - CPR <sup>(4)</sup>	33,945	-	-	33,945	-	-
<b>Linked to repurchase commitments</b>	<b>1,115,308</b>	<b>-</b>	<b>3,718</b>	<b>1,119,026</b>	<b>780,135</b>	<b>776,232</b>
Financial Treasury Bills (LFT)	964,109	-	3,127	967,236	734,013	730,008
National Treasury Bills (LTN)	-	-	-	-	46,122	46,224
Debentures <sup>(4)</sup>	151,199	-	591	151,790	-	-
<b>Linked to guarantees<sup>(2)</sup></b>	<b>302,250</b>	<b>-</b>	<b>(231)</b>	<b>302,019</b>	<b>590,583</b>	<b>588,739</b>
Financial Treasury Bills (LFT)	275,796	-	(286)	275,510	590,583	588,739
Debentures <sup>(4)</sup>	26,454	-	55	26,509	-	-
<b>Held-to-maturity securities<sup>(3)</sup></b>	<b>16,843</b>	<b>-</b>	<b>-</b>	<b>16,843</b>	<b>15,685</b>	<b>15,685</b>
<b>Own portfolio</b>	<b>16,843</b>	<b>-</b>	<b>-</b>	<b>16,843</b>	<b>15,685</b>	<b>15,685</b>
Other government bonds	16,843	-	-	16,843	15,685	15,685
<b>Total</b>	<b>10,071,872</b>	<b>(626)</b>	<b>8,046</b>	<b>10,079,292</b>	<b>5,615,585</b>	<b>5,592,275</b>

(1) The securities' fair value was calculated based on the prices and rates prevailing as at and December 31, 2021 and 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, and, when applicable, based on discount cash flow models.

(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 in the period ended December 31, 2021 and 2020.

(4) Rural product notes, debentures, certificates of agribusiness receivables and certificates of real estate receivables are presented net of the allowance for losses associated with the credit risk. As at December 31, 2021, the allowance balance is R\$2,990, pursuant to note 9.e.

b) Breakdown by maturity:

	Bank						Fair Value	Fair Value
	2021					2020		
	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 years	Fair Value		
<b>Federal government bonds</b>	<b>15,565</b>	<b>104,979</b>	<b>787,694</b>	<b>2,908,655</b>	<b>4,553,972</b>	<b>8,370,865</b>	<b>5,083,690</b>	
Financial Treasury Bills (LFT) <sup>(1)</sup>	14,343	104,979	786,520	2,908,651	4,553,972	8,368,465	4,997,202	
National Treasury Bills (LTN)	1,222	-	849	-	-	2,071	86,484	
National Treasury Notes (NTN)	-	-	325	4	-	329	4	
<b>Foreign securities</b>	<b>8,660</b>	<b>103</b>	<b>-</b>	<b>-</b>	<b>16,740</b>	<b>25,503</b>	<b>24,135</b>	
Eurobonds and similar bonds	8,660	-	-	-	-	8,660	8,450	
Other government bonds	-	103	-	-	16,740	16,843	15,685	
<b>Private-sector securities</b>	<b>-</b>	<b>96,704</b>	<b>153,599</b>	<b>39,982</b>	<b>33,033</b>	<b>323,318</b>	<b>140,184</b>	
Debentures <sup>(1)</sup>	-	78,198	138,074	10,074	32,154	258,500	115,551	
Certificates of Agribusiness Receivables - CRA	-	86	-	-	879	965	2,632	
Certificates of real estate receivables - CRI	-	-	-	29,908	-	29,908	-	
Financial Bills <sup>(1)</sup>	-	-	-	-	-	-	22,001	
Rural product notes - CPR	-	18,420	15,525	-	-	33,945	-	
<b>Investment fund units</b>	<b>36,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>841,160</b>	<b>877,583</b>	<b>50,614</b>	
Real estate investment fund	34,154	-	-	-	-	34,154	48,342	
Credit rights funds	-	-	-	-	841,160	841,160	-	
Other investment funds	2,269	-	-	-	-	2,269	2,272	
<b>Total</b>	<b>60,648</b>	<b>201,786</b>	<b>941,293</b>	<b>2,948,637</b>	<b>5,444,905</b>	<b>9,597,269</b>	<b>5,298,623</b>	

	Consolidated						Fair Value	Fair Value
	2021					2020		
	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 years	Fair Value		
<b>Federal government bonds</b>	<b>28,346</b>	<b>105,304</b>	<b>809,447</b>	<b>2,909,090</b>	<b>4,553,973</b>	<b>8,406,160</b>	<b>5,117,634</b>	
Financial Treasury Bills (LFT) <sup>(1)</sup>	27,124	105,304	808,273	2,909,086	4,553,973	8,403,760	5,031,146	
National Treasury Bills (LTN)	1,222	-	849	-	-	2,071	86,484	
National Treasury Notes (NTN)	-	-	325	4	-	329	4	
<b>Foreign securities</b>	<b>15,734</b>	<b>17,764</b>	<b>34,372</b>	<b>-</b>	<b>51,081</b>	<b>118,951</b>	<b>116,183</b>	
Eurobonds and similar bonds	15,734	17,661	34,372	-	34,341	102,108	100,498	
Other government bonds	-	103	-	-	16,740	16,843	15,685	
<b>Private-sector securities</b>	<b>-</b>	<b>96,715</b>	<b>153,761</b>	<b>40,002</b>	<b>35,160</b>	<b>325,638</b>	<b>140,326</b>	
Debentures <sup>(1)</sup>	-	78,198	138,074	10,074	32,154	258,500	115,551	
Certificates of Agribusiness Receivables - CRA	-	86	-	-	3,006	3,092	2,632	
Certificates of real estate receivables - CRI	-	-	-	29,908	-	29,908	-	
Certificates of long-term deposits - CDB	-	-	162	-	-	162	131	
Exchange bills	-	11	-	20	-	31	11	
Financial bills <sup>(1)</sup>	-	-	-	-	-	-	22,001	
Rural product notes - CPR	-	18,420	15,525	-	-	33,945	-	
<b>Investment fund units</b>	<b>166,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,061,838</b>	<b>1,228,543</b>	<b>218,132</b>	
Fixed-income investment funds	110,645	-	-	-	-	110,645	151,982	
Real estate investment fund	10,507	-	-	-	-	10,507	8,784	
Multimarket investment funds	31,676	-	-	-	-	31,676	40,875	
Equity funds	11,608	-	-	-	-	11,608	14,219	
Credit rights funds	-	-	-	-	1,061,838	1,061,838	-	
Other investment funds	2,269	-	-	-	-	2,269	2,272	
<b>Total</b>	<b>210,785</b>	<b>219,783</b>	<b>997,580</b>	<b>2,949,092</b>	<b>5,702,052</b>	<b>10,079,292</b>	<b>5,592,275</b>	

(1) As set forth in the sole paragraph of Article 7 of BACEN Circular Letter No. 3,068/01, securities classified as "Trading securities" are presented with 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 December 31, 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 contracted price.

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

### i Hedge transactions

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:

2021				Changes in fair value		Effectiveness
Hedged Item	Maturity	Principal amount	Hedge Instrument	Hedged Item	Hedge Instrument	
Foreign issuance	12/13/2024	USD 350,000	Swap	(730,094)	724,831	99.28%
Foreign issuance <sup>(1)</sup>	12/13/2024	USD 100,000	Swap	(52,362)	54,556	104.19%
Funding IFC	03/15/2022	USD 110,000	Swap	(321,531)	321,309	99.93%
Funding IFC <sup>(1)</sup>	06/15/2022	USD 100,000	Swap	(38,631)	39,096	101.20%
Funding IFC	09/16/2024	USD 130,000	Swap	(14,419)	16,635	115.37%
Funding IFC	03/15/2023	USD 254,000	Swap	(27,167)	29,654	109.15%
Funding IFC	03/15/2023	USD 16,000	Swap	(5,691)	5,752	101.07%
Funding IFC	09/15/2023	USD 135,000	Swap	(28,527)	27,317	95.76%
Funding IDB - A/B Loan	12/15/2023	USD 150,000	Swap	(264,159)	263,499	99.75%
Funding IDB - A/B Loan	12/15/2023	USD 300,000	Swap	(24,863)	23,880	96.05%
				<b>(1,507,444)</b>	<b>1,506,529</b>	

2020				Changes in fair value		Effectiveness
Hedged Item	Maturity	Principal amount	Hedge Instrument	Hedged Item	Hedge Instrument	
Foreign issuance	12/13/2024	USD 350,000	Swap	(519,766)	547,074	105.25%
Foreign issuance <sup>(1)</sup>	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 <sup>(1)</sup>	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%
				<b>(1,348,670)</b>	<b>1,376,074</b>	

(1) In measuring the effectiveness for the year ended December 31, 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 104.2% and 101.2%, respectively, showing the compliance of these structures with the requirements set out in BACEN Circular Letter 3,082/02. 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):

	2021							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
<b>Assets</b>											
<b>Bank</b>											
<b>Derivatives</b>	<b>72,077</b>	<b>861,003</b>	<b>933,080</b>	<b>128,207</b>	<b>75,325</b>	<b>725,012</b>	<b>4,536</b>	-	<b>1,078,757</b>	<b>109,953</b>	<b>1,188,710</b>
Swaps - differential receivable	18,347	845,919	864,266	91,775	57,087	711,102	4,302	-	985,440	109,867	1,095,307
Currency forward receivable	37,392	14,104	51,496	22,724	14,628	13,910	234	-	81,027	95	81,122
Premiums paid for purchase of stock options	2,858	980	3,838	228	3,610	-	-	-	9,013	(9)	9,004
Foreign exchange coupon futures (DDI)	10,940	-	10,940	10,940	-	-	-	-	942	-	942
Dollar futures (DOL)	816	-	816	816	-	-	-	-	1,764	-	1,764
Interest rate futures (DI)	783	-	783	783	-	-	-	-	571	-	571
Coupon futures IPC-A (DAP)	941	-	941	941	-	-	-	-	-	-	-
<b>Subsidiary</b>											
<b>Derivatives</b>	<b>520</b>	<b>1,998</b>	<b>2,518</b>	-	-	-	-	<b>2,518</b>	-	-	-
Swaps - differential receivable	520	1,998	2,518	-	-	-	-	2,518	-	-	-
<b>Total Consolidated - Assets</b>	<b>72,597</b>	<b>863,001</b>	<b>935,598</b>	<b>128,207</b>	<b>75,325</b>	<b>725,012</b>	<b>4,536</b>	<b>2,518</b>	<b>1,078,757</b>	<b>109,953</b>	<b>1,188,710</b>
<b>Liabilities</b>											
<b>Derivatives</b>	<b>77,102</b>	<b>130,486</b>	<b>207,588</b>	<b>76,616</b>	<b>8,313</b>	<b>122,659</b>	-	-	<b>62,383</b>	<b>(4,319)</b>	<b>58,064</b>
Swaps - differential payable	1,362	128,622	129,984	6,365	960	122,659	-	-	24,061	(1,648)	22,413
Currency forward payable	18,236	657	18,893	15,150	3,743	-	-	-	23,708	(3,564)	20,144
Premiums paid for sale of stock options	2,631	1,207	3,838	228	3,610	-	-	-	366	893	1,259
Foreign exchange coupon futures (DDI)	44,085	-	44,085	44,085	-	-	-	-	5,351	-	5,351
Dollar futures (DOL)	5,858	-	5,858	5,858	-	-	-	-	1,681	-	1,681
Interest rate futures (DI)	4,685	-	4,685	4,685	-	-	-	-	7,207	-	7,207
Coupon futures IPC-A (DAP)	245	-	245	245	-	-	-	-	9	-	9

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

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
<b>Bank</b>				
<b>Futures</b>	<b>13,480</b>	<b>54,873</b>	<b>3,277</b>	<b>14,248</b>
B3 S.A. - Bolsa, Brasil, Balcão	13,480	54,873	3,277	14,248
<b>Swap</b>	<b>864,266</b>	<b>129,984</b>	<b>1,095,307</b>	<b>22,413</b>
Financial institutions	813,687	128,771	1,079,353	17,450
Companies	50,429	1,213	15,954	4,963
Individuals	150	-	-	-
<b>Forward (NDF)</b>	<b>51,496</b>	<b>18,893</b>	<b>81,122</b>	<b>20,144</b>
Companies	51,267	18,753	81,122	20,144
Individuals	229	140	-	-
<b>Options</b>	<b>3,838</b>	<b>3,838</b>	<b>9,004</b>	<b>1,259</b>
Financial institutions	-	3,838	-	1,259
Companies	596	-	8,107	-
Individuals	3,242	-	897	-
<b>Subsidiary</b>				
<b>Swap</b>	<b>2,518</b>	-	-	-
Financial institutions	2,518	-	-	-

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

	2021					2020	
	Up to 3 months	3 to 12 months	1 to 3 Years	3 to 5 Years	Over 5 years	Total	Total
<b>Bank</b>							
<b>Swap</b>							
<b>Assets</b>							
<b>Hedge accounting</b>	<b>116,580</b>	<b>532,650</b>	<b>2,664,920</b>	-	-	<b>3,314,150</b>	<b>3,222,174</b>
Dollar x CDI	116,580	-	2,664,920	-	-	2,781,500	2,079,785
Dollar x fixed rate	-	532,650	-	-	-	532,650	1,028,951
Euro x fixed rate	-	-	-	-	-	-	113,438
<b>Trading objective</b>	<b>12,126</b>	<b>106,715</b>	<b>165,920</b>	<b>8,192</b>	-	<b>292,953</b>	<b>38,457</b>
CDI x Dollar	5,000	4,001	2,002	-	-	11,003	-
CDI x fixed rate	5,388	17,463	115,362	3,019	-	141,232	10,008
Dollar x CDI	1,488	4,385	10,587	5,173	-	21,633	27,744
Dollar x fixed rate	-	43,300	25,000	-	-	68,300	-
Fixed rate x Dollar	250	37,566	12,969	-	-	50,785	705
<b>Liabilities</b>							
<b>Hedge accounting</b>	-	-	<b>4,585,408</b>	-	-	<b>4,585,408</b>	<b>1,263,800</b>
Dollar x CDI	-	-	4,585,408	-	-	4,585,408	731,150
Dollar x fixed rate	-	-	-	-	-	-	532,650
<b>Trading objective</b>	<b>3,782</b>	<b>23,429</b>	<b>875</b>	<b>50</b>	-	<b>28,136</b>	<b>45,960</b>
CDI x Dollar	-	16,935	-	-	-	16,935	-
CDI x fixed rate	530	343	-	50	-	923	30,607
Fixed rate x Dollar	3,252	6,151	875	-	-	10,278	15,353
<b>Subsidiary</b>							
<b>Swap</b>							
<b>Assets</b>							
<b>Trading objective</b>	-	-	-	-	<b>16,410</b>	<b>16,410</b>	-
Reais x Dollar	-	-	-	-	16,410	16,410	-
<b>Forward ("NDF")</b>	<b>2,268,873</b>	<b>331,749</b>	<b>90,369</b>	<b>1,063</b>	-	<b>2,692,054</b>	<b>2,554,630</b>
Long position	875,506	203,760	89,833	1,063	-	1,170,162	1,095,793
Short position	1,393,367	127,989	536	-	-	1,521,892	1,458,837
<b>Futures</b>	<b>3,243,205</b>	<b>4,442,167</b>	<b>3,556,184</b>	<b>869,569</b>	<b>499,567</b>	<b>12,610,692</b>	<b>17,464,511</b>
<b>Long position</b>	<b>910,771</b>	<b>1,254,692</b>	<b>532,257</b>	<b>490,672</b>	<b>480,204</b>	<b>3,668,596</b>	<b>2,550,175</b>
Foreign exchange coupon (DDI)	910,771	1,229,670	-	-	-	2,140,441	1,695,591
Dollar futures (DOL)	-	-	-	-	-	-	606,192
Interest rate futures (DI)	-	2,786	298,183	273,787	430,230	1,004,986	248,392
Coupon future IPC-A (DAP)	-	22,236	234,074	216,885	49,974	523,169	-
<b>Short position</b>	<b>2,332,434</b>	<b>3,187,475</b>	<b>3,023,927</b>	<b>378,897</b>	<b>19,363</b>	<b>8,942,096</b>	<b>14,914,336</b>
Foreign exchange coupon (DDI)	-	208,067	268,335	37,157	17,028	530,587	610,803
Dollar futures (DOL)	435,660	-	-	-	-	435,660	-
Interest rate futures (DI)	1,896,774	2,979,408	2,755,592	341,740	-	7,973,514	14,293,895
Coupon future IPC-A (DAP)	-	-	-	-	2,335	2,335	9,638
<b>Options</b>	<b>5,273</b>	<b>55,115</b>	-	-	-	<b>60,388</b>	<b>41,429</b>
<b>Long position</b>	<b>2,613</b>	<b>26,779</b>	-	-	-	<b>29,392</b>	<b>35,878</b>
Foreign currency	2,613	26,779	-	-	-	29,392	35,878
<b>Short position</b>	<b>2,660</b>	<b>28,336</b>	-	-	-	<b>30,996</b>	<b>5,551</b>
Foreign currency	2,660	28,336	-	-	-	30,996	5,551

**9 - LENDING OPERATIONS**

**a) Summary of credit portfolio and extended credit portfolio**

	Bank		Consolidated	
	2021	2020	2021	2020
Loans	27,295,601	25,522,495	27,583,232	25,713,559
Leasing <sup>(1)</sup>	-	-	1,779,303	1,178,864
Other transactions with loan characteristics	11,557,562	5,689,756	11,566,947	5,740,925
Income receivable from advances granted (Note 10 - Exchange Gains)	18,091	8,374	18,091	8,374
Financed imports (Nota 10 - Exchange Losses)	26,091	33,257	26,091	33,257
Advances on foreign exchange contracts (Note 10 - Exchange Losses)	1,035,288	558,245	1,035,288	558,245
Income to be allocated to advances granted (Note 10 - Exchange Losses)	(1,446)	(1,113)	(1,446)	(1,113)
<b>Total credit portfolio</b>	<b>39,931,187</b>	<b>31,811,014</b>	<b>42,007,506</b>	<b>33,232,111</b>
Private-sector securities (Note 7.a) <sup>(2)</sup>	326,308	118,183	326,308	118,183
Financial guarantees provided	4,381,471	3,397,207	4,381,471	3,397,207
<b>Total extended credit portfolio</b>	<b>44,638,966</b>	<b>35,326,404</b>	<b>46,715,285</b>	<b>36,747,501</b>

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

<sup>(2)</sup> Private-sector securities are comprised of rural product notes (CPR), debentures, certificates of agribusiness receivables and certificates of real estate receivables.

**b) Breakdown of portfolio with loan characteristics**

**i. By segment, type of operation and risk level**

2021	Bank									Total
	AA	A	B	C	D	E	F	G	H	
<b>Corporate Segment</b>	<b>7,816,252</b>	<b>7,480,514</b>	<b>12,985,916</b>	<b>696,633</b>	<b>260,641</b>	<b>100,044</b>	<b>112,477</b>	<b>32,036</b>	<b>197,012</b>	<b>29,681,525</b>
Loans	454,914	1,552,702	4,712,774	401,094	168,524	56,947	59,980	14,987	136,263	7,558,185
FGI PEAC <sup>(3)</sup>	24,400	1,574,574	4,414,679	79,818	49,761	39,197	45,856	15,086	43,423	6,286,794
Discounted trade notes	115,694	50,665	297,363	24,460	3,066	416	424	322	5,368	497,778
Financing	132,947	692,565	865,647	13,131	8,755	2,813	4,429	-	6,518	1,726,805
Rural and agro-industrial financing	-	235,204	47,233	-	-	-	-	-	-	282,437
Payables for purchase of assets	-	17,847	-	-	-	-	-	-	200	18,047
Purchase of credit rights without right of recourse	6,476,148	2,727,249	1,924,548	158,860	30,535	671	1,788	1,641	5,240	11,326,680
Advances on foreign exchange contracts	-	384,138	649,535	18,259	-	-	-	-	-	1,051,932
Import financing	612,149	245,570	74,137	1,011	-	-	-	-	-	932,867
<b>Retail segment</b>	<b>-</b>	<b>5,471,227</b>	<b>2,582,263</b>	<b>1,402,628</b>	<b>191,884</b>	<b>89,336</b>	<b>50,437</b>	<b>58,223</b>	<b>403,664</b>	<b>10,249,662</b>
Payroll-deductible loans	-	5,470,709	1,776,344	911,361	62,374	50,736	32,775	45,206	359,787	8,709,292
Loans backed by real estate	-	-	94,196	1,243	211	306	176	921	-	97,382
Loans assigned with substantial retention of risks and rewards	-	479	55	14	2	-	-	-	-	550
Discounted trade notes	-	39	-	-	3	3	2	4	28	79
Vehicle financing	-	-	707,393	489,821	129,294	37,597	17,484	12,092	43,520	1,437,201
Real estate financing	-	-	4,275	189	-	694	-	-	-	5,158
<b>Total portfolio of transactions with loan characteristics</b>	<b>7,816,252</b>	<b>12,951,741</b>	<b>15,568,179</b>	<b>2,099,261</b>	<b>452,525</b>	<b>189,380</b>	<b>162,914</b>	<b>90,259</b>	<b>600,676</b>	<b>39,931,187</b>
<b>Corporate segment</b>	<b>78,964</b>	<b>152,647</b>	<b>79,453</b>	<b>14,352</b>	<b>892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326,308</b>
Private-sector securities (Note 7.a)	78,964	152,647	79,453	14,352	892	-	-	-	-	326,308
<b>Total private-sector securities</b>	<b>78,964</b>	<b>152,647</b>	<b>79,453</b>	<b>14,352</b>	<b>892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326,308</b>
<b>Corporate segment</b>	<b>2,303,462</b>	<b>992,893</b>	<b>995,303</b>	<b>70,351</b>	<b>17,790</b>	<b>1,258</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>4,381,471</b>
Financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
<b>Total financial guarantees provided</b>	<b>2,303,462</b>	<b>992,893</b>	<b>995,303</b>	<b>70,351</b>	<b>17,790</b>	<b>1,258</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>4,381,471</b>
<b>Total extended credit portfolio</b>	<b>10,198,678</b>	<b>14,097,281</b>	<b>16,642,935</b>	<b>2,183,964</b>	<b>471,207</b>	<b>190,638</b>	<b>162,914</b>	<b>90,259</b>	<b>601,090</b>	<b>44,638,966</b>

9 - LENDING OPERATIONS

2020	AA	A	B	C	D	E	F	G	H	Total
<b>Corporate Segment</b>	<b>3,734,331</b>	<b>4,716,778</b>	<b>13,568,335</b>	<b>742,129</b>	<b>283,970</b>	<b>76,089</b>	<b>52,891</b>	<b>13,140</b>	<b>187,413</b>	<b>23,375,076</b>
Loans	87,841	1,000,361	4,089,075	471,435	179,286	70,604	48,915	12,999	163,538	6,124,054
Discounted trade notes	40,337	1,682,058	6,367,769	75,630	53,783	-	2,442	-	7,648	8,229,667
Financing	-	167,560	710,944	15,671	17,404	1,180	597	134	2,106	915,596
Rural and agro-industrial financing	75,441	406,334	799,469	25,888	17,488	4,243	920	-	6,711	1,336,494
Payables for purchase of assets	-	127,042	145,347	-	-	-	-	-	-	272,389
Purchase of credit rights without right of recourse	-	5,071	6,630	601	-	-	-	-	-	12,302
Credits and financing linked to transactions acquired under assignment	3,228,107	1,164,270	978,380	135,973	12,457	62	17	7	5,104	5,524,377
Advances on foreign exchange contracts	-	16,294	-	-	-	-	-	-	-	16,294
Sureties and pledged honored	-	107,724	434,994	16,931	3,552	-	-	-	2,306	565,507
Import financing	302,605	40,064	35,727	-	-	-	-	-	-	378,396
<b>Retail segment</b>	<b>-</b>	<b>4,339,950</b>	<b>2,031,553</b>	<b>1,254,706</b>	<b>236,210</b>	<b>167,879</b>	<b>63,210</b>	<b>37,244</b>	<b>305,186</b>	<b>8,435,938</b>
Payroll-deductible 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 rewards	-	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 and financing linked to transactions acquired under assignment	-	12,947	-	-	-	-	-	-	-	12,947
<b>Total portfolio of transactions with loan characteristics</b>	<b>3,734,331</b>	<b>9,056,728</b>	<b>15,599,888</b>	<b>1,996,835</b>	<b>520,180</b>	<b>243,968</b>	<b>116,101</b>	<b>50,384</b>	<b>492,599</b>	<b>31,811,014</b>
<b>Corporate segment</b>										
Private-sector securities (Note 7.a)	118,183	-	-	-	-	-	-	-	-	118,183
<b>Total private-sector securities</b>	<b>118,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,183</b>
<b>Corporate segment</b>										
Financial guarantees provided	2,213,910	333,747	746,994	89,296	9,778	3,069	-	-	413	3,397,207
<b>Total financial guarantees provided</b>	<b>2,213,910</b>	<b>333,747</b>	<b>746,994</b>	<b>89,296</b>	<b>9,778</b>	<b>3,069</b>	<b>-</b>	<b>-</b>	<b>413</b>	<b>3,397,207</b>
<b>Total extended credit portfolio</b>	<b>6,066,424</b>	<b>9,390,475</b>	<b>16,346,882</b>	<b>2,086,131</b>	<b>529,958</b>	<b>247,037</b>	<b>116,101</b>	<b>50,384</b>	<b>493,012</b>	<b>35,326,404</b>



9 - LENDING OPERATIONS

Consolidated										
2021	AA	A	B	C	D	E	F	G	H	Total
<b>Corporate segment</b>	<b>8,371,263</b>	<b>8,162,178</b>	<b>13,703,679</b>	<b>772,996</b>	<b>288,321</b>	<b>109,241</b>	<b>114,655</b>	<b>32,169</b>	<b>203,342</b>	<b>31,757,844</b>
Loans	494,108	1,563,991	4,714,747	401,094	168,525	56,947	60,496	14,987	136,262	7,611,157
FGI PEAC <sup>(3)</sup>	24,400	1,574,574	4,414,679	79,818	49,761	39,197	45,856	15,086	43,423	6,286,794
Discounted trade notes	115,694	50,665	297,363	24,460	3,066	416	424	322	5,368	497,778
Financing	141,418	748,795	1,007,574	22,125	17,665	8,026	4,595	-	11,265	1,961,463
Rural and agro-industrial financing	-	235,204	47,233	-	-	-	-	-	-	282,437
Debtors for purchase of assets	-	17,847	-	-	-	-	-	-	200	18,047
Purchase of credit rights without right of recourse	6,482,015	2,730,768	1,924,548	158,860	30,535	671	1,788	1,641	5,240	11,336,066
Advances on foreign exchange contracts	-	384,138	649,535	18,259	-	-	-	-	-	1,051,932
Leasing	501,479	610,626	573,863	67,369	18,769	3,984	1,496	133	1,584	1,779,303
Import financing	612,149	245,570	74,137	1,011	-	-	-	-	-	932,867
<b>Retail segment</b>	<b>-</b>	<b>5,471,227</b>	<b>2,582,263</b>	<b>1,402,628</b>	<b>191,884</b>	<b>89,336</b>	<b>50,437</b>	<b>58,223</b>	<b>403,664</b>	<b>10,249,662</b>
Payroll-deductible loans	-	5,470,709	1,776,344	911,361	62,374	50,736	32,775	45,206	359,787	8,709,292
Loans backed by real estate	-	-	94,196	1,243	211	306	176	921	329	97,382
Loans assigned with substantial retention of risks and rewards	-	479	55	14	2	-	-	-	-	550
Discounted trade notes	-	39	-	-	3	3	2	4	28	79
Vehicle financing	-	-	707,393	489,821	129,294	37,597	17,484	12,092	43,520	1,437,201
Real estate financing	-	-	4,275	189	-	694	-	-	-	5,158
<b>Total portfolio of transactions with loan characteristics</b>	<b>8,371,263</b>	<b>13,633,405</b>	<b>16,285,942</b>	<b>2,175,624</b>	<b>480,205</b>	<b>198,577</b>	<b>165,092</b>	<b>90,392</b>	<b>607,006</b>	<b>42,007,506</b>
<b>Corporate segment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Private-sector securities (Note 7.a)	78,964	152,647	79,453	14,352	892	-	-	-	-	326,308
<b>Total private-sector securities</b>	<b>78,964</b>	<b>152,647</b>	<b>79,453</b>	<b>14,352</b>	<b>892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326,308</b>
<b>Corporate segment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
<b>Total financial guarantees provided</b>	<b>2,303,462</b>	<b>992,893</b>	<b>995,303</b>	<b>70,351</b>	<b>17,790</b>	<b>1,258</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>4,381,471</b>
<b>Total extended credit portfolio</b>	<b>10,753,689</b>	<b>14,778,945</b>	<b>17,360,698</b>	<b>2,260,327</b>	<b>498,887</b>	<b>199,835</b>	<b>165,092</b>	<b>90,392</b>	<b>607,420</b>	<b>46,715,285</b>
<b>Breakdown of portfolio of transaction with loan characteristics in normal and abnormal course</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transactions in normal course <sup>(1)</sup>	8,371,263	13,133,768	15,528,159	1,772,053	293,605	90,361	71,215	4,597	163,478	39,428,499
Transactions in abnormal course <sup>(2)</sup>	-	499,637	757,783	403,571	186,600	108,216	93,877	85,795	443,528	2,579,007
<b>Total portfolio of transaction with loan characteristics in normal and abnormal course</b>	<b>8,371,263</b>	<b>13,633,405</b>	<b>16,285,942</b>	<b>2,175,624</b>	<b>480,205</b>	<b>198,577</b>	<b>165,092</b>	<b>90,392</b>	<b>607,006</b>	<b>42,007,506</b>

9 - LENDING OPERATIONS

2020	AA	A	B	C	D	E	F	G	H	Total
<b>Corporate segment</b>	<b>4,032,750</b>	<b>5,144,836</b>	<b>14,172,539</b>	<b>800,386</b>	<b>305,763</b>	<b>79,417</b>	<b>55,089</b>	<b>13,231</b>	<b>192,162</b>	<b>24,796,173</b>
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 <sup>(3)</sup>	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 and financing 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
Import financing	302,605	40,064	35,727	-	-	-	-	-	-	378,396
<b>Retail segment</b>	<b>-</b>	<b>4,339,950</b>	<b>2,031,553</b>	<b>1,254,706</b>	<b>236,210</b>	<b>167,879</b>	<b>63,210</b>	<b>37,244</b>	<b>305,186</b>	<b>8,435,938</b>
Payroll-deductible 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 rewards	-	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 and financing linked to operations acquired under assignment	-	12,947	-	-	-	-	-	-	-	12,947
<b>Total portfolio of transactions with loan characteristics</b>	<b>4,032,750</b>	<b>9,484,786</b>	<b>16,204,092</b>	<b>2,055,092</b>	<b>541,973</b>	<b>247,296</b>	<b>118,299</b>	<b>50,475</b>	<b>497,348</b>	<b>33,232,111</b>
<b>Corporate segment</b>										
Private-sector securities (Note 7.a)	118,183	-	-	-	-	-	-	-	-	118,183
<b>Total private-sector securities</b>	<b>118,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,183</b>
<b>Corporate segment</b>										
Financial guarantees provided	2,213,910	333,747	746,994	89,296	9,778	3,069	-	-	413	3,397,207
<b>Total financial guarantees provided</b>	<b>2,213,910</b>	<b>333,747</b>	<b>746,994</b>	<b>89,296</b>	<b>9,778</b>	<b>3,069</b>	<b>-</b>	<b>-</b>	<b>413</b>	<b>3,397,207</b>
<b>Total extended credit portfolio</b>	<b>6,364,843</b>	<b>9,818,533</b>	<b>16,951,086</b>	<b>2,144,388</b>	<b>551,751</b>	<b>250,365</b>	<b>118,299</b>	<b>50,475</b>	<b>497,761</b>	<b>36,747,501</b>

(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 14,042/20, collateralized by the Investment Guarantee Fund (FGI).

ii. By maturity, risk level and breakdown of the provision associated with the credit risk

Bank										
2021	AA	A	B	C	D	E	F	G	H	Total
<b>In normal course <sup>(1)</sup></b>	<b>7,816,252</b>	<b>12,452,220</b>	<b>14,815,886</b>	<b>1,700,420</b>	<b>270,704</b>	<b>81,392</b>	<b>69,870</b>	<b>4,598</b>	<b>158,712</b>	<b>37,370,054</b>
<b>Installments falling due</b>	<b>7,816,252</b>	<b>12,365,148</b>	<b>14,776,940</b>	<b>1,688,175</b>	<b>269,193</b>	<b>81,121</b>	<b>69,693</b>	<b>4,580</b>	<b>157,844</b>	<b>37,228,946</b>
Up to 3 months	5,948,530	4,183,189	4,542,593	368,646	85,911	18,791	13,406	468	21,264	15,182,798
3 to 12 months	1,593,141	3,195,114	5,009,989	466,305	116,867	29,345	24,409	1,203	48,492	10,484,865
1 to 3 years	196,127	3,276,115	4,409,753	549,823	60,598	23,466	29,732	2,294	66,666	8,614,574
3 to 5 years	77,459	1,137,890	521,561	189,754	5,216	8,885	1,942	458	18,535	1,961,700
Over 5 years	995	572,840	293,044	113,647	601	634	204	157	2,887	985,009
Past due up to 14 days	-	87,072	38,946	12,245	1,511	271	177	18	868	141,108
<b>In abnormal course <sup>(2)</sup></b>	<b>-</b>	<b>499,521</b>	<b>752,293</b>	<b>398,841</b>	<b>181,821</b>	<b>107,988</b>	<b>93,044</b>	<b>85,661</b>	<b>441,964</b>	<b>2,561,133</b>
<b>Installments falling due</b>	<b>-</b>	<b>492,602</b>	<b>718,567</b>	<b>365,729</b>	<b>160,541</b>	<b>85,187</b>	<b>72,433</b>	<b>61,661</b>	<b>249,298</b>	<b>2,206,018</b>
Up to 3 months	-	310,249	136,839	63,919	21,248	11,256	9,529	7,135	25,333	585,508
3 to 12 months	-	55,829	220,479	106,162	51,200	26,150	23,466	17,671	62,208	563,165
1 to 3 years	-	78,292	256,515	145,629	72,681	38,844	33,783	28,449	103,797	757,990
3 to 5 years	-	33,287	64,693	34,528	12,025	6,391	4,354	6,730	43,221	205,229
Over 5 years	-	14,945	40,041	15,491	3,387	2,546	1,301	1,676	14,739	94,126
<b>Installments past due</b>	<b>-</b>	<b>6,919</b>	<b>33,726</b>	<b>33,112</b>	<b>21,280</b>	<b>22,801</b>	<b>20,611</b>	<b>24,000</b>	<b>192,666</b>	<b>355,115</b>
Up to 60 days	-	6,919	33,726	30,479	11,926	9,931	7,277	4,696	29,798	134,752
61 to 90 days	-	-	-	1,931	6,638	3,523	3,050	2,150	15,660	32,952
91 to 180 days	-	-	-	702	2,716	8,218	8,140	12,254	41,700	73,730
181 to 360 days	-	-	-	-	-	1,129	2,144	4,900	105,508	113,681
<b>Total portfolio of transactions with loan characteristics</b>	<b>7,816,252</b>	<b>12,951,741</b>	<b>15,568,179</b>	<b>2,099,261</b>	<b>452,525</b>	<b>189,380</b>	<b>162,914</b>	<b>90,259</b>	<b>600,676</b>	<b>39,931,187</b>
<b>Term <sup>(3)</sup></b>										
3 to 12 months	51,921	24,255	17,676	3,162	-	-	-	-	-	97,014
1 to 3 years	26,509	55,515	61,777	11,190	892	-	-	-	-	155,883
3 to 5 years	-	40,187	-	-	-	-	-	-	-	40,187
Over 5 years	534	32,690	-	-	-	-	-	-	-	33,224
<b>Total private-sector securities (Note 7.a)</b>	<b>78,964</b>	<b>152,647</b>	<b>79,453</b>	<b>14,352</b>	<b>892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326,308</b>
Financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
<b>Total financial guarantees provided</b>	<b>2,303,462</b>	<b>992,893</b>	<b>995,303</b>	<b>70,351</b>	<b>17,790</b>	<b>1,258</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>4,381,471</b>
<b>Total extended credit portfolio</b>	<b>10,198,678</b>	<b>14,097,281</b>	<b>16,642,935</b>	<b>2,183,964</b>	<b>471,207</b>	<b>190,638</b>	<b>162,914</b>	<b>90,259</b>	<b>601,090</b>	<b>44,638,966</b>
<b>Provision associated with credit risk</b>										
Minimum required <sup>(4)</sup>	-	64,759	155,682	62,978	45,252	56,814	81,457	63,181	600,676	1,130,799
Additional <sup>(5)</sup>	-	-	295,795	77,673	39,370	32,195	-	-	-	445,033
<b>Total provision associated with credit risk on the portfolio of transactions with loan characteristics</b>	<b>-</b>	<b>64,759</b>	<b>451,477</b>	<b>140,651</b>	<b>84,622</b>	<b>89,009</b>	<b>81,457</b>	<b>63,181</b>	<b>600,676</b>	<b>1,575,832</b>
Minimum required <sup>(4)</sup>	-	764	795	430	89	-	-	-	-	2,078
Additional <sup>(5)</sup>	-	-	303	531	78	-	-	-	-	912
<b>Total provision associated with credit risk on private-sector securities</b>	<b>-</b>	<b>764</b>	<b>1,098</b>	<b>961</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,990</b>
Minimum required <sup>(4)</sup>	-	4,964	9,953	2,111	1,779	377	-	-	414	19,598
Additional <sup>(5)</sup>	-	-	18,910	2,603	1,548	214	-	-	-	23,275
<b>Total provision associated with credit risk on financial guarantees provided <sup>(6)</sup></b>	<b>-</b>	<b>4,964</b>	<b>28,863</b>	<b>4,714</b>	<b>3,327</b>	<b>591</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>42,873</b>
<b>Total provision associated with credit risk on extended credit portfolio</b>	<b>-</b>	<b>70,487</b>	<b>481,438</b>	<b>146,326</b>	<b>88,116</b>	<b>89,600</b>	<b>81,457</b>	<b>63,181</b>	<b>601,090</b>	<b>1,621,695</b>

2020	AA	A	B	C	D	E	F	G	H	Total
<b>In normal course <sup>(1)</sup></b>	<b>3,734,331</b>	<b>8,762,916</b>	<b>14,967,733</b>	<b>1,599,631</b>	<b>362,669</b>	<b>86,661</b>	<b>51,826</b>	<b>13,286</b>	<b>155,621</b>	<b>29,734,674</b>
<b>Installments falling due</b>	<b>3,734,331</b>	<b>8,699,030</b>	<b>14,939,472</b>	<b>1,593,389</b>	<b>360,552</b>	<b>86,509</b>	<b>51,603</b>	<b>13,259</b>	<b>154,361</b>	<b>29,632,506</b>
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
<b>Past due up to 14 days</b>	<b>-</b>	<b>63,886</b>	<b>28,261</b>	<b>6,242</b>	<b>2,117</b>	<b>152</b>	<b>223</b>	<b>27</b>	<b>1,260</b>	<b>102,168</b>
<b>In abnormal course <sup>(2)</sup></b>	<b>-</b>	<b>293,812</b>	<b>632,155</b>	<b>397,204</b>	<b>157,511</b>	<b>157,307</b>	<b>64,275</b>	<b>37,098</b>	<b>336,978</b>	<b>2,076,340</b>
<b>Installments falling due</b>	<b>-</b>	<b>293,454</b>	<b>609,808</b>	<b>370,022</b>	<b>137,618</b>	<b>129,804</b>	<b>47,621</b>	<b>25,713</b>	<b>166,697</b>	<b>1,780,737</b>
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
<b>Installments past due</b>	<b>-</b>	<b>358</b>	<b>22,347</b>	<b>27,182</b>	<b>19,893</b>	<b>27,503</b>	<b>16,654</b>	<b>11,385</b>	<b>170,281</b>	<b>295,603</b>
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
<b>Total portfolio of transactions with loan characteristics</b>	<b>3,734,331</b>	<b>9,056,728</b>	<b>15,599,888</b>	<b>1,996,835</b>	<b>520,180</b>	<b>243,968</b>	<b>116,101</b>	<b>50,384</b>	<b>492,599</b>	<b>31,811,014</b>
<b>Term <sup>(3)</sup></b>										
Up to 3 months	2,526	-	-	-	-	-	-	-	-	2,526
3 to 12 months	18,401	-	-	-	-	-	-	-	-	18,401
1 to 3 years	50,589	-	-	-	-	-	-	-	-	50,589
3 to 5 years	25,822	-	-	-	-	-	-	-	-	25,822
Over 5 years	20,845	-	-	-	-	-	-	-	-	20,845
<b>Total private-sector securities (Note 7.a)</b>	<b>118,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,183</b>
Financial guarantees provided	2,213,910	333,747	746,994	89,296	9,778	3,069	-	-	413	3,397,207
<b>Total financial guarantees provided</b>	<b>2,213,910</b>	<b>333,747</b>	<b>746,994</b>	<b>89,296</b>	<b>9,778</b>	<b>3,069</b>	<b>-</b>	<b>-</b>	<b>413</b>	<b>3,397,207</b>
<b>Total extended credit portfolio</b>	<b>6,066,424</b>	<b>9,390,475</b>	<b>16,346,882</b>	<b>2,086,131</b>	<b>529,958</b>	<b>247,037</b>	<b>116,101</b>	<b>50,384</b>	<b>493,012</b>	<b>35,326,404</b>
<b>Provision associated with credit risk</b>										
Minimum required <sup>(4)</sup>	-	45,284	155,999	59,905	52,018	73,190	58,051	35,269	492,599	972,315
Additional <sup>(5)</sup>	14,225	36,227	296,397	109,826	45,256	41,474	-	-	-	543,405
<b>Total provision associated with credit risk on the portfolio of transactions with loan characteristics</b>	<b>14,225</b>	<b>81,511</b>	<b>452,396</b>	<b>169,731</b>	<b>97,274</b>	<b>114,664</b>	<b>58,051</b>	<b>35,269</b>	<b>492,599</b>	<b>1,515,720</b>
Minimum required <sup>(4)</sup>	-	1,669	7,470	2,679	978	921	-	-	413	14,130
Additional <sup>(5)</sup>	8,839	1,335	14,193	4,911	851	522	-	-	-	30,651
<b>Total provision associated with credit risk on financial guarantees provided</b>	<b>8,839</b>	<b>3,004</b>	<b>21,663</b>	<b>7,590</b>	<b>1,829</b>	<b>1,443</b>	<b>-</b>	<b>-</b>	<b>413</b>	<b>44,781</b>
<b>Total provision associated with credit risk on extended credit portfolio</b>	<b>23,064</b>	<b>84,515</b>	<b>474,059</b>	<b>177,321</b>	<b>99,103</b>	<b>116,107</b>	<b>58,051</b>	<b>35,269</b>	<b>493,012</b>	<b>1,560,501</b>

Consolidated										
2021	AA	A	B	C	D	E	F	G	H	Total
<b>In normal course <sup>(1)</sup></b>	<b>8,371,263</b>	<b>13,133,768</b>	<b>15,528,159</b>	<b>1,772,053</b>	<b>293,605</b>	<b>90,361</b>	<b>71,215</b>	<b>4,597</b>	<b>163,478</b>	<b>39,428,499</b>
<b>Installments falling due</b>	<b>8,371,255</b>	<b>13,046,605</b>	<b>15,488,923</b>	<b>1,759,799</b>	<b>292,086</b>	<b>90,087</b>	<b>71,034</b>	<b>4,579</b>	<b>162,610</b>	<b>39,286,978</b>
Up to 3 months	6,024,804	4,280,930	4,641,788	380,592	89,335	19,805	13,831	467	21,842	15,473,394
3 to 12 months	1,713,034	3,380,173	5,222,737	486,742	124,483	32,120	24,848	1,203	50,009	11,035,349
1 to 3 years	434,281	3,587,035	4,737,239	580,893	70,771	28,416	30,203	2,294	69,064	9,540,196
3 to 5 years	190,203	1,224,822	592,625	197,925	6,894	9,112	1,947	458	18,807	2,242,793
Over 5 years	8,933	573,645	294,534	113,647	603	634	205	157	2,888	995,246
<b>Past due up to 14 days</b>	<b>8</b>	<b>87,163</b>	<b>39,236</b>	<b>12,254</b>	<b>1,519</b>	<b>274</b>	<b>181</b>	<b>18</b>	<b>868</b>	<b>141,521</b>
<b>In abnormal course <sup>(2)</sup></b>	<b>-</b>	<b>499,637</b>	<b>757,783</b>	<b>403,571</b>	<b>186,600</b>	<b>108,216</b>	<b>93,877</b>	<b>85,795</b>	<b>443,528</b>	<b>2,579,007</b>
<b>Installments falling due</b>	<b>-</b>	<b>492,712</b>	<b>723,952</b>	<b>370,026</b>	<b>164,238</b>	<b>85,372</b>	<b>73,191</b>	<b>61,760</b>	<b>249,855</b>	<b>2,221,106</b>
Up to 3 months	-	310,270	137,500	64,665	22,728	11,286	9,619	7,151	25,439	588,658
3 to 12 months	-	55,882	221,965	107,685	53,416	26,215	23,799	17,715	62,418	569,095
1 to 3 years	-	78,328	259,455	147,657	72,682	38,934	34,117	28,488	103,998	763,659
3 to 5 years	-	33,287	64,991	34,528	12,025	6,391	4,355	6,730	43,261	205,568
Over 5 years	-	14,945	40,041	15,491	3,387	2,546	1,301	1,676	14,739	94,126
<b>Installments past due</b>	<b>-</b>	<b>6,925</b>	<b>33,831</b>	<b>33,545</b>	<b>22,362</b>	<b>22,844</b>	<b>20,686</b>	<b>24,035</b>	<b>193,673</b>	<b>357,901</b>
Up to 60 days	-	6,925	33,831	30,912	13,008	9,951	7,326	4,707	29,970	136,630
61 to 90 days	-	-	-	1,931	6,638	3,534	3,076	2,155	15,752	33,086
91 to 180 days	-	-	-	702	2,716	8,229	8,140	12,273	41,992	74,052
181 to 360 days	-	-	-	-	-	1,130	2,144	4,900	105,959	114,133
<b>Total portfolio of transactions with loan characteristics</b>	<b>8,371,263</b>	<b>13,633,405</b>	<b>16,285,942</b>	<b>2,175,624</b>	<b>480,205</b>	<b>198,577</b>	<b>165,092</b>	<b>90,392</b>	<b>607,006</b>	<b>42,007,506</b>
<b>Term <sup>(3)</sup></b>										
3 to 12 months	51,921	24,255	17,676	3,162	-	-	-	-	-	97,014
1 to 3 years	26,509	55,515	61,777	11,190	892	-	-	-	-	155,883
3 to 5 years	-	40,187	-	-	-	-	-	-	-	40,187
Over 5 years	534	32,690	-	-	-	-	-	-	-	33,224
<b>Total private-sector securities (Note 7.a)</b>	<b>78,964</b>	<b>152,647</b>	<b>79,453</b>	<b>14,352</b>	<b>892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326,308</b>
Financial guarantees provided	2,303,462	992,893	995,303	70,351	17,790	1,258	-	-	414	4,381,471
<b>Total financial guarantees provided</b>	<b>2,303,462</b>	<b>992,893</b>	<b>995,303</b>	<b>70,351</b>	<b>17,790</b>	<b>1,258</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>4,381,471</b>
<b>Total extended credit portfolio</b>	<b>10,753,689</b>	<b>14,778,945</b>	<b>17,360,698</b>	<b>2,260,327</b>	<b>498,887</b>	<b>199,835</b>	<b>165,092</b>	<b>90,392</b>	<b>607,420</b>	<b>46,715,285</b>
<b>Provision associated with credit risk</b>										
Minimum required <sup>(4)</sup>	-	68,167	162,860	65,269	48,020	59,573	82,546	63,274	607,006	1,156,715
Additional <sup>(5)</sup>	-	-	295,795	77,673	39,370	32,195	-	-	-	445,033
<b>Total provision associated with credit risk on the portfolio of transactions with loan characteristics</b>	<b>-</b>	<b>68,167</b>	<b>458,655</b>	<b>142,942</b>	<b>87,390</b>	<b>91,768</b>	<b>82,546</b>	<b>63,274</b>	<b>607,006</b>	<b>1,601,748</b>
<b>Provision associated with credit risk</b>										
Minimum required <sup>(4)</sup>	-	764	795	430	89	-	-	-	-	2,078
Additional <sup>(5)</sup>	-	-	303	531	78	-	-	-	-	912
<b>Total provision associated with credit risk on private-sector securities</b>	<b>-</b>	<b>764</b>	<b>1,098</b>	<b>961</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,990</b>
Minimum required <sup>(4)</sup>	-	4,964	9,953	2,111	1,779	377	-	-	414	19,598
Additional <sup>(5)</sup>	-	-	18,910	2,603	1,548	214	-	-	-	23,275
<b>Total provision associated with credit risk on financial guarantees provided <sup>(6)</sup></b>	<b>-</b>	<b>4,964</b>	<b>28,863</b>	<b>4,714</b>	<b>3,327</b>	<b>591</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>42,873</b>
<b>Total provision associated with credit risk on extended credit portfolio</b>	<b>-</b>	<b>73,895</b>	<b>488,616</b>	<b>148,617</b>	<b>90,884</b>	<b>92,359</b>	<b>82,546</b>	<b>63,274</b>	<b>607,420</b>	<b>1,647,611</b>

2020	AA	A	B	C	D	E	F	G	H	Total
<b>In normal course <sup>(1)</sup></b>	<b>4,032,750</b>	<b>9,189,193</b>	<b>15,571,514</b>	<b>1,656,822</b>	<b>383,179</b>	<b>89,403</b>	<b>54,004</b>	<b>13,286</b>	<b>158,811</b>	<b>31,148,962</b>
<b>Installments falling due</b>	<b>4,032,750</b>	<b>9,125,121</b>	<b>15,542,989</b>	<b>1,650,535</b>	<b>380,592</b>	<b>89,251</b>	<b>53,781</b>	<b>13,259</b>	<b>157,547</b>	<b>31,045,825</b>
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	19,828	2,736,556
Over 5 years	3,868	420,687	249,990	92,399	887	241	172	78	1,385	769,707
<b>Past due up to 14 days</b>	<b>-</b>	<b>64,072</b>	<b>28,525</b>	<b>6,287</b>	<b>2,587</b>	<b>152</b>	<b>223</b>	<b>27</b>	<b>1,264</b>	<b>103,137</b>
<b>In abnormal course <sup>(2)</sup></b>	<b>-</b>	<b>295,593</b>	<b>632,578</b>	<b>398,270</b>	<b>158,794</b>	<b>157,893</b>	<b>64,295</b>	<b>37,189</b>	<b>338,537</b>	<b>2,083,149</b>
<b>Installments falling due</b>	<b>-</b>	<b>295,224</b>	<b>610,206</b>	<b>370,933</b>	<b>138,653</b>	<b>130,317</b>	<b>47,643</b>	<b>25,783</b>	<b>167,310</b>	<b>1,786,069</b>
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	23,932	258,852
Over 5 years	-	17,969	29,415	22,930	4,031	11,925	1,576	1,157	7,686	96,689
<b>Installments past due</b>	<b>-</b>	<b>369</b>	<b>22,372</b>	<b>27,337</b>	<b>20,141</b>	<b>27,576</b>	<b>16,652</b>	<b>11,406</b>	<b>171,227</b>	<b>297,080</b>
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
<b>Total portfolio of transactions with loan characteristics</b>	<b>4,032,750</b>	<b>9,484,786</b>	<b>16,204,092</b>	<b>2,055,092</b>	<b>541,973</b>	<b>247,296</b>	<b>118,299</b>	<b>50,475</b>	<b>497,348</b>	<b>33,232,111</b>
<b>Term <sup>(3)</sup></b>										
Up to 3 months	2,526	-	-	-	-	-	-	-	-	2,526
3 to 12 months	18,401	-	-	-	-	-	-	-	-	18,401
1 to 3 years	50,589	-	-	-	-	-	-	-	-	50,589
3 to 5 years	25,822	-	-	-	-	-	-	-	-	25,822
Over 5 years	20,845	-	-	-	-	-	-	-	-	20,845
Total private-sector securities (Note 7.a)	118,183	-	-	-	-	-	-	-	-	118,183
Financial guarantees provided	2,213,910	333,747	746,994	89,296	9,778	3,069	-	-	413	3,397,207
<b>Total financial guarantees provided</b>	<b>2,213,910</b>	<b>333,747</b>	<b>746,994</b>	<b>89,296</b>	<b>9,778</b>	<b>3,069</b>	<b>-</b>	<b>-</b>	<b>413</b>	<b>3,397,207</b>
<b>Total extended credit portfolio</b>	<b>6,364,843</b>	<b>9,818,533</b>	<b>16,951,086</b>	<b>2,144,388</b>	<b>551,751</b>	<b>250,365</b>	<b>118,299</b>	<b>50,475</b>	<b>497,761</b>	<b>36,747,501</b>
<b>Provision associated with credit risk</b>										
Minimum required <sup>(4)</sup>	-	47,424	162,041	61,653	54,197	74,189	59,150	35,333	497,348	991,335
Additional <sup>(5)</sup>	14,225	36,227	296,397	109,826	45,256	41,474	-	-	-	543,405
<b>Total provision associated with credit risk on the portfolio of transactions with loan characteristics</b>	<b>14,225</b>	<b>83,651</b>	<b>458,438</b>	<b>171,479</b>	<b>99,453</b>	<b>115,663</b>	<b>59,150</b>	<b>35,333</b>	<b>497,348</b>	<b>1,534,740</b>
Minimum required <sup>(4)</sup>	-	1,669	7,470	2,679	978	921	-	-	413	14,130
Additional <sup>(5)</sup>	8,839	1,335	14,193	4,911	851	522	-	-	-	30,651
<b>Total provision associated with credit risk on financial guarantees provided <sup>(6)</sup></b>	<b>8,839</b>	<b>3,004</b>	<b>21,663</b>	<b>7,590</b>	<b>1,829</b>	<b>1,443</b>	<b>-</b>	<b>-</b>	<b>413</b>	<b>44,781</b>
<b>Total provision associated with credit risk on extended credit portfolio</b>	<b>23,064</b>	<b>86,655</b>	<b>480,101</b>	<b>179,069</b>	<b>101,282</b>	<b>117,106</b>	<b>59,150</b>	<b>35,333</b>	<b>497,761</b>	<b>1,579,521</b>

(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-sector securities are presented with their respective maturities.

(4) Allowance for loan losses associated with credit risk, considering the minimum percentages required by CMN Resolution 2,682/99, 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 rating and also in connection with the factors described in Note 26.e.

(6) As established by CMN Resolution 4,512/16 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 2,682/99, 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			
	2021		2020	
	Value	% exposure	Value	% exposure
<b>Total extended credit portfolio</b>	<b>44,638,966</b>	<b>100.00%</b>	<b>35,326,404</b>	<b>100.00%</b>
<b>Public Sector</b>	<b>84,622</b>	<b>0.19%</b>	<b>186,339</b>	<b>0.53%</b>
Federal government	-	0.00%	53,657	0.15%
State government	27,680	0.06%	82,463	0.23%
Municipal government	56,942	0.13%	50,219	0.14%
<b>Private Sector</b>	<b>44,554,344</b>	<b>99.81%</b>	<b>35,140,065</b>	<b>99.47%</b>
<b>Legal entity</b>	<b>33,669,797</b>	<b>75.43%</b>	<b>26,316,955</b>	<b>74.50%</b>
Industrial	13,563,046	30.38%	11,168,913	31.62%
Commercial	8,582,364	19.23%	6,782,938	19.20%
Financial	158,413	0.35%	66,275	0.19%
Other services	11,047,978	24.75%	8,294,754	23.48%
Rural	317,996	0.71%	4,075	0.01%
<b>Individual</b>	<b>10,884,547</b>	<b>24.38%</b>	<b>8,823,110</b>	<b>24.98%</b>

	Consolidated			
	2021		2020	
	Value	% exposure	Value	% exposure
<b>Total extended credit portfolio</b>	<b>46,715,285</b>	<b>100.00%</b>	<b>36,747,501</b>	<b>100.00%</b>
<b>Public Sector</b>	<b>84,622</b>	<b>0.18%</b>	<b>186,339</b>	<b>0.51%</b>
Federal government	-	0.00%	53,657	0.15%
State government	27,680	0.06%	82,463	0.22%
Municipal government	56,942	0.12%	50,219	0.14%
<b>Private Sector</b>	<b>46,630,663</b>	<b>99.82%</b>	<b>36,561,162</b>	<b>99.49%</b>
<b>Legal entity</b>	<b>35,736,751</b>	<b>76.50%</b>	<b>27,733,193</b>	<b>75.47%</b>
Industrial	14,092,265	30.17%	11,422,323	31.08%
Commercial	8,963,271	19.19%	6,943,729	18.90%
Financial	468,453	1.00%	69,205	0.19%
Other services	11,894,766	25.46%	9,293,620	25.29%
Rural	317,996	0.68%	4,316	0.01%
<b>Individual</b>	<b>10,893,912</b>	<b>23.32%</b>	<b>8,827,969</b>	<b>24.02%</b>

c) Financial guarantees provided (Bank and Consolidated)

	2021	2020
Open credits for import	99,860	109,189
Beneficiaries of guarantees provided	4,281,611	3,288,018
<b>Total</b>	<b>4,381,471</b>	<b>3,397,207</b>

d) Concentration of the portfolio with loan characteristics

	Bank			
	2021		2020	
	Value	% of portfolio	Value	% of portfolio
Largest debtor	517,044	1.29%	297,800	0.94%
10 largest debtors	2,519,327	6.31%	1,982,491	6.23%
50 next largest debtors	4,622,274	11.58%	2,944,842	9.26%
100 next largest debtors	3,688,522	9.24%	2,643,229	8.31%
Other debtors	28,584,020	71.58%	23,942,652	75.27%
<b>Total</b>	<b>39,931,187</b>	<b>100.00%</b>	<b>31,811,014</b>	<b>100.00%</b>

	Consolidated			
	2021		2020	
	Value	% of portfolio	Value	% of portfolio
Largest debtor	517,044	1.23%	297,800	0.90%
10 largest debtors	2,593,019	6.17%	1,982,491	5.97%
50 next largest debtors	4,872,284	11.60%	3,103,787	9.34%
100 next largest debtors	3,873,514	9.22%	2,809,662	8.45%
Other debtors	30,151,645	71.78%	25,038,371	75.34%
<b>Total</b>	<b>42,007,506</b>	<b>100.00%</b>	<b>33,232,111</b>	<b>100.00%</b>



e) Variations and breakdown of the allowance for loan losses

e.1) Variations of the allowance for loan losses

	Bank		Consolidated	
	2021	2020	2021	2020
<b>Opening balance of the allowance for loan losses</b>	<b>1,560,501</b>	<b>1,298,127</b>	<b>1,579,521</b>	<b>1,319,586</b>
Operations written off as loss	(379,661)	(397,294)	(382,009)	(405,877)
<b>Recognition (reversal) of expenses on the allowance for loan losses in the year</b>	<b>437,317</b>	<b>642,553</b>	<b>446,561</b>	<b>648,697</b>
Minimum required by CMN Resolution 2,682/99 <sup>(1)</sup>	536,759	406,741	546,003	412,885
Sureties and pledges provided <sup>(2)</sup>	5,469	3,622	5,469	3,622
Additional to the minimum required <sup>(3)</sup>	(104,363)	249,305	(104,363)	249,305
<b>Exchange rate changes</b>	<b>(548)</b>	<b>(17,115)</b>	<b>(548)</b>	<b>(17,115)</b>
<b>Recognition (reversal) of allowance for loan losses associated with the credit risk of private-sector securities (Note 7a)</b>	<b>2,990</b>	<b>-</b>	<b>2,990</b>	<b>-</b>
<b>Closing balance of the allowance for loan losses</b>	<b>1,621,695</b>	<b>1,560,501</b>	<b>1,647,611</b>	<b>1,579,521</b>

e.2) Breakdown of the allowance for loan losses

	Bank		Consolidated	
	2021	2020	2021	2020
<b>Portfolio of transactions with loan characteristics</b>	<b>1,575,832</b>	<b>1,515,720</b>	<b>1,601,748</b>	<b>1,534,740</b>
Minimum required by CMN Resolution 2,682/99 <sup>(1)</sup>	1,130,799	972,315	1,156,716	991,335
Additional to the minimum required <sup>(3)</sup>	445,033	543,405	445,032	543,405
<b>Financial guarantees provided</b>	<b>42,873</b>	<b>44,781</b>	<b>42,873</b>	<b>44,781</b>
Minimum required by CMN Resolution 2,682/99 <sup>(1)</sup>	19,598	14,130	19,598	14,130
Additional to the minimum required <sup>(3)</sup>	23,275	30,651	23,275	30,651
<b>Private-sector securities</b>	<b>2,990</b>	<b>-</b>	<b>2,990</b>	<b>-</b>
Minimum required by CMN Resolution 2,682/99 <sup>(1)</sup>	2,078	-	2,078	-
Additional to the minimum required <sup>(3)</sup>	912	-	912	-
<b>Total allowance for loan losses</b>	<b>1,621,695</b>	<b>1,560,501</b>	<b>1,647,611</b>	<b>1,579,521</b>

(1) This refers to the allowance for losses associated with credit risk considering the minimum percentages required by CMN Resolution No. 2,682/99, and subsequent amendments.

(2) Pursuant to CMN Resolution 4,512/16 on the accounting procedures applicable for the evaluation and recording of a provision for financial guarantees provided, the Bank recorded the provision for bank guarantees based on the parameters set by CMN Resolution 2,682/99, 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	
	2021	2020	2021	2020
<b>Variations in renegotiated operations for the period</b>				
<b>Opening balance</b>	<b>2,822,908</b>	<b>1,535,565</b>	<b>2,927,159</b>	<b>1,590,097</b>
Write-off of renegotiated operations to loss for the period	(80,720)	(55,079)	(81,657)	(55,506)
Payments / repayments for the period of renegotiated operations	(2,861,961)	(1,014,614)	(2,942,845)	(1,034,711)
Renegotiated operations for the period	3,399,355	2,357,036	3,466,958	2,427,279
<b>Closing balance</b>	<b>3,279,582</b>	<b>2,822,908</b>	<b>3,369,615</b>	<b>2,927,159</b>
<b>Breakdown of the balance of renegotiated operations</b>				
<b>Operations in normal course <sup>(1)</sup></b>	<b>2,676,318</b>	<b>2,479,983</b>	<b>2,758,743</b>	<b>2,582,109</b>
<b>Installments falling due</b>	<b>2,666,869</b>	<b>2,470,249</b>	<b>2,749,209</b>	<b>2,571,869</b>
Up to 3 months	655,547	647,211	674,030	666,963
3 to 12 months	1,118,177	840,535	1,143,627	883,166
1 to 3 years	790,133	846,708	821,492	882,707
3 to 5 years	90,012	127,693	97,060	130,931
Over 5 years	13,000	8,102	13,000	8,102
<b>Installments past due for up to 14 days</b>	<b>9,449</b>	<b>9,734</b>	<b>9,534</b>	<b>10,240</b>
<b>Operations in abnormal course <sup>(2)</sup></b>	<b>603,264</b>	<b>342,925</b>	<b>610,872</b>	<b>345,050</b>
<b>Installments falling due</b>	<b>502,836</b>	<b>298,415</b>	<b>508,917</b>	<b>300,142</b>
Up to 3 months	61,980	44,227	63,967	44,555
3 to 12 months	192,672	103,073	195,812	103,861
1 to 3 years	231,148	135,096	232,062	135,673
3 to 5 years	15,431	14,722	15,471	14,756
Over 5 years	1,605	1,297	1,605	1,297
<b>Installments past due</b>	<b>100,428</b>	<b>44,510</b>	<b>101,955</b>	<b>44,908</b>
Up to 60 days	51,247	19,731	52,609	19,991
61 to 90 days	13,231	10,256	13,263	10,349
91 to 180 days	23,434	8,258	23,490	8,302
181 to 360 days	12,516	6,265	12,593	6,266
<b>Total</b>	<b>3,279,582</b>	<b>2,822,908</b>	<b>3,369,615</b>	<b>2,927,159</b>

(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 December 31, 2021, the balance of renegotiated transactions includes R\$680,814 (R\$1,362,602 as at December 31, 2020), relating to the renegotiated transactions as a result of the circumstances involving the COVID-19 pandemic.

As at December 31, 2021, the Bank recovered loans previously written off as loss, in the amount of R\$177,505 (R\$120,462 as at December 31, 2020) and Daycoval Leasing recovered the amount of R\$3,519 (R\$3,646 as at December 31, 2020), recognized in the statements of income in line item "Loan portfolio".

g) Restricted lending transactions (Bank and Consolidated)

	2021	2020
<b>Restricted lending transactions</b>		
Loans	59,343	62,223
<b>Payables for restricted lending transactions</b>		
Bank certificates of deposit - CDBs	58,262	62,164

h) Sale or assignment of financial assets (Bank and Consolidated)

The loan assignments carried out by the Bank comply with the accounting criteria described in CMN Resolution 3,533/08, with respect to the classification of such assignments as "Operations with substantial retention of risks and rewards".

As at December 31, 2021, the balance of loans with substantial retention of risks and rewards amounts to R\$550, pursuant to Note 9.b.i (R\$10,980 as at December 31, 2020), with the respective obligation assumed by the assignment, shown in Note 17.b, in the amount of R\$576 (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:

	2021	2020
<b>Assets</b>		
<b>Finance lease transactions</b>		
Finance lease receivable	1,589,455	1,001,763
(-) Unearned income from finance lease receivable	(1,557,946)	(979,326)
<b>Total</b>	<b>31,509</b>	<b>22,437</b>
<b>Residual values</b>		
Unrealized residual values	638,801	474,140
Offsetting residual values	(638,801)	(474,140)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Sundry</b>		
Commitment fee	1,171	267
<b>Total</b>	<b>1,171</b>	<b>267</b>
<b>Property and equipment for finance lease</b>		
Leased assets	2,339,887	1,624,577
Excess depreciation	403,645	277,906
(-) Insufficient depreciation	(80,244)	(41,058)
(-) Accumulated depreciation on finance lease assets	(826,724)	(631,816)
Unamortized lease losses	24,533	34,378
<b>Total</b>	<b>1,861,097</b>	<b>1,263,987</b>
<b>Liabilities</b>		
<b>Other payables</b>		
(-) Prepaid guaranteed residual value (VRGA)	(302,394)	(223,397)
<b>Total</b>	<b>(302,394)</b>	<b>(223,397)</b>
<b>Total finance lease at present value</b>	<b>1,591,383</b>	<b>1,063,294</b>

**10 - FOREIGN EXCHANGE PORTFOLIO (BANK AND CONSOLIDATED)**

	2021			2020	
	Up to 3 months	3 to 12 Months	1 to 3 years	Value	Value
<b>Assets</b>					
Foreign exchange purchased pending settlement	1,006,650	610,374	10,317	1,627,341	718,100
Right on foreign exchange sold	1,026,773	929,919	-	1,956,692	1,656,019
(-) Advances received in local currency	(27,868)	-	-	(27,868)	(33,875)
Income receivable from advances granted (Note 9.a)	8,965	9,126	-	18,091	8,374
<b>Total</b>	<b>2,014,520</b>	<b>1,549,419</b>	<b>10,317</b>	<b>3,574,256</b>	<b>2,348,618</b>
<b>Liabilities</b>					
Foreign exchange sold pending settlement	1,077,817	934,670	-	2,012,487	1,594,525
(-) Financed imports (Note 9.a)	(26,091)	-	-	(26,091)	(33,257)
Payables for foreign exchange purchased	980,558	597,268	10,613	1,588,439	713,795
(-) Advances on foreign exchange contracts (Note 9.a)	(489,038)	(546,250)	-	(1,035,288)	(558,245)
Amounts in foreign currencies payable	1,219	-	-	1,219	99
Unearned income on advances granted (Note 9.a)	561	885	-	1,446	1,113
<b>Total</b>	<b>1,545,026</b>	<b>986,573</b>	<b>10,613</b>	<b>2,542,212</b>	<b>1,718,030</b>

**11 - OTHER SUNDRY CREDITS**

	Bank			
	2021		2020	
	Current	Noncurrent	Current	Noncurrent
Salary advances	1,514	-	1,302	-
Advances for payment of our account	20,868	-	17,129	-
Reimbursable payments	905	-	889	-
Prepaid profit sharing	54,042	-	36,227	-
Premiums paid on the acquisition of lending operations <sup>(1)</sup>	3,513	2,451	6,279	11,089
Sundry debtors <sup>(2)</sup>	52,994	-	49,238	-
<b>Total</b>	<b>133,836</b>	<b>2,451</b>	<b>111,064</b>	<b>11,089</b>

	Consolidated			
	2021		2020	
	Current	Noncurrent	Current	Noncurrent
Salary advances	1,648	-	1,425	-
Advances for payment of our account	21,405	-	17,775	-
Reimbursable payments	1,264	-	889	-
Prepaid profit sharing	54,342	-	36,382	-
Premiums paid on the acquisition of lending operations <sup>(1)</sup>	3,513	2,451	6,279	11,089
Insurance premiums receivable	-	-	31	-
Sundry debtors <sup>(2)</sup>	54,364	-	53,303	-
<b>Total</b>	<b>136,536</b>	<b>2,451</b>	<b>116,084</b>	<b>11,089</b>

<sup>(1)</sup> As at December 31, 2021 and 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.

<sup>(2)</sup> As at December 31, 2021, line item "Sundry debtors" includes primarily: (i) amounts of overdraft account depositors in the amount of R\$40,703 for the Bank and R\$40,867 for the Consolidated (R\$34,896 for the Bank and R\$37,030 for the Consolidated as at December 31, 2020).

**12 - OTHER ASSETS**

	Bank						Value	Value	
	2021					Value			Value
	Up to 3 months	3 to 12 Months	1 to 3 years	3 to 5 years	Over 5 years				
Prepaid expenses	8,982	26,857	30,785	3,387	3,376	73,387	23,961		
<b>Total prepaid expenses</b>	<b>8,982</b>	<b>26,857</b>	<b>30,785</b>	<b>3,387</b>	<b>3,376</b>	<b>73,387</b>	<b>23,961</b>		

	Consolidated						Value	Value	
	2021					Value			Value
	Up to 3 months	3 to 12 Months	1 to 3 years	3 to 5 years	Over 5 years				
Prepaid expenses	8,982	26,857	30,785	3,387	3,376	73,387	23,962		
<b>Total prepaid expenses</b>	<b>8,982</b>	<b>26,857</b>	<b>30,785</b>	<b>3,387</b>	<b>3,376</b>	<b>73,387</b>	<b>23,962</b>		

**Held-for-sale non-financial assets**

As at December 31, 2021, held-for-sale non-financial assets total R\$89,204 (R\$84,852 as at December 31, 2020) with impairment adjustment in the amount of R\$3,270 (R\$8,564 as at December 31, 2020), for the Bank and Consolidated.

**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 interim financial information are as follows:

	2021		2020	
	US\$ thousand	R\$ thousand <sup>(1)</sup>	US\$ thousand	R\$ thousand <sup>(1)</sup>
<b>Assets</b>				
Cash and cash equivalents	402	2,245	350	1,819
Interbank accounts	45,450	253,634	28,950	150,444
Securities	1,552	8,661	3,196	16,609
Lending operations	253,446	1,414,356	100,228	520,855
Other credits	18,170	101,396	5,783	30,053
<b>Total assets</b>	<b>319,020</b>	<b>1,780,292</b>	<b>138,507</b>	<b>719,780</b>
<b>Liabilities</b>				
Demand deposit	2,635	14,706	2,271	11,802
Time deposits	92,787	517,798	15,170	78,834
Securities issued abroad	8,403	46,892	-	-
Borrowings and onlendings	183,156	1,022,099	90,040	467,911
Other sundry payables	1	5	-	-
Deferred income	46	259	40	208
<b>Total liabilities</b>	<b>287,028</b>	<b>1,601,759</b>	<b>107,521</b>	<b>558,755</b>

<sup>(1)</sup> The amounts in US dollars have been translated into Brazilian reais (R\$) at the exchange rates of R\$/US\$5.5808 and R\$/US\$5.1967, disclosed by the BACEN, for December 31, 2021 and 2020, respectively.

As at December 31, 2021, income from exchange rate changes in the amount of R\$12,689 (income of R\$19,583 as at December 31, 2020) on the investment in Banco Daycoval S.A. - Cayman Branch was recognized in the Bank's profit or loss.

14 - INVESTMENTS IN SUBSIDIARIES

a) Direct subsidiaries

Companies	Year ended									
	Equity	Capital	Number of shares	% interest	Profit (loss)		Amount of the adjusted investment		Share of profit (loss) of subsidiaries	
					2021	2020	2021	2020	2021	2020
Daycoval Leasing <sup>(1)</sup>	610,053	343,781	5,780,078,463	100.0	71,861	72,125	583,019	504,256	71,861	72,125
Dayprev	35,166	25,000	19,591,614	97.0	901	642	34,028	33,210	874	623
ACS	848,099	623,597	54,225,800	99.9	13,688	30,397	848,098	838,129	13,688	30,397
Daycoval Asset	60,586	1,554	36,875	99.9	7,216	7,213	60,586	53,370	7,216	7,213
<b>Total</b>							<b>1,525,731</b>	<b>1,428,965</b>	<b>93,639</b>	<b>110,358</b>

(1) The discount on the acquisition of another financial institution in 2015 is being fully amortized over a period of ten years, as well as the recognition of the deferred tax liability set up at the rates in effect at the time of amortization. The balance as at December 31, 2021 is R\$27,034 (R\$33,936 as at December 31, 2020).

b) Indirect subsidiaries

Companies	Year ended									
	Equity	Capital	Number of shares	% interest	Profit (loss)		Amount of the adjusted investment		Share of profit (loss) of subsidiaries	
					2021	2020	2021	2020	2021	2020
IFP	237,589	260,020	260,020,000	99.9	(1,434)	(3,466)	237,588	239,022	(1,434)	(3,466)
SCC	14,308	10,020	10,020,000	99.9	573	320	14,308	13,735	573	320
Treetop	104,678	14,892	2,668,585	99.9	(5,481)	4,015	104,678	106,525	(1,774)	25,943
<b>Total</b>							<b>356,574</b>	<b>359,282</b>	<b>(2,635)</b>	<b>22,797</b>

(2) As at December 31, 2021, income from exchange rate changes in the amount of R\$3,707 (income of R\$21,928 as at December 31, 2020) on the investment in Treetop was recognized in profit or loss of ACS Participações (direct parent company), mentioned in table 14.a) above.

(3) As at December 31, 2021, the share in profit (loss) of subsidiaries includes expense of R\$2,635 (income of R\$22,797 as at December 31, 2020) which was recognized in profit or loss of ACS Participações (direct parent company), mentioned in table 14.a).

**15 - PROPERTY AND EQUIPMENT IN USE AND FOR OPERATING LEASE**

a) Property and equipment in use

	Bank				
	2021				2020
	Annual depreciation	Acquisition cost	Accumulated depreciation	Net amount	Net amount
Aircraft	10%	75,865	(32,242)	43,623	51,209
Computers and peripherals	20%	27,373	(16,536)	10,837	5,868
Communications equipment	20%	755	(615)	140	139
Security equipment	10%	1,457	(1,132)	325	438
Properties in use	4%	1,500	(240)	1,260	-
Facilities	10%	939	(688)	251	281
Furniture and equipment in use	10%	8,396	(5,289)	3,107	2,376
Vehicles	20%	3,256	(1,645)	1,611	1,505
<b>Total</b>		<b>119,541</b>	<b>(58,387)</b>	<b>61,154</b>	<b>61,816</b>

	Consolidated				
	2021				2020
	Annual depreciation	Acquisition cost	Accumulated depreciation	Net amount	Net amount
Aircraft	10%	75,865	(32,242)	43,623	51,209
Computers and peripherals	20%	28,577	(17,637)	10,940	5,982
Communications equipment	20%	1,035	(706)	329	365
Security equipment	10%	1,457	(1,132)	325	438
Properties in use	4%	4,142	(559)	3,583	2,617
Facilities	10%	5,039	(1,563)	3,476	3,523
Furniture and equipment in use	10%	10,368	(6,229)	4,139	3,379
Vehicles	20%	4,511	(2,568)	1,943	2,176
<b>Total</b>		<b>130,994</b>	<b>(62,636)</b>	<b>68,358</b>	<b>69,689</b>

b) Property and equipment for operating lease (Consolidated)

		2021			2020	
		Annual depreciation	Acquisition cost	Accumulated depreciation	Allowance for impairment	Net amount
Facilities	10%	60	(13)	-	47	-
Machinery and equipment	10%	407,743	(182,911)	(2,252)	222,580	130,472
Furniture	10%	17	(3)	-	14	2
Vehicles	20%	1,393	(831)	-	562	176
<b>Total</b>		<b>409,213</b>	<b>(183,758)</b>	<b>(2,252)</b>	<b>223,203</b>	<b>130,650</b>

16 - REPURCHASE TRANSACTIONS AND FUNDING INSTRUMENTS

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

	2021	2020
	Up to 3 months	Up to 3 months
<b>Repurchase transactions</b>		
<b>Own portfolio</b>	<b>1,195,541</b>	<b>872,979</b>
Financial Treasury Bills (LFT)	963,474	725,978
National Treasury Bills (LTN)	-	45,637
Debentures	232,067	101,364
<b>Third-party portfolio</b>	<b>1,278,978</b>	<b>1,078,693</b>
Financial Treasury Bills (LFT)	29,453	-
National Treasury Bills (LTN)	265,194	-
National Treasury Notes (NTN)	984,331	1,078,693
<b>Total</b>	<b>2,474,519</b>	<b>1,951,672</b>

b) Summary of funding instruments

The table below shows the summary of funding instruments used by Daycoval:

	Bank		Consolidated	
	2021	2020	2021	2020
<b>Deposits</b>	<b>17,331,441</b>	<b>14,082,552</b>	<b>17,281,007</b>	<b>14,027,603</b>
Demand deposits	1,539,909	1,673,989	1,535,027	1,672,424
Interbank deposits	988,220	524,880	988,220	524,880
Time deposits	14,791,000	11,874,297	14,745,448	11,820,913
Other deposits	12,312	9,386	12,312	9,386
<b>Issuance of securities</b>	<b>20,542,824</b>	<b>18,460,459</b>	<b>20,160,278</b>	<b>17,923,783</b>
Mortgage loan notes	1,465,309	825,215	1,465,309	825,215
Agribusiness and financial letter of credit	2,392,038	1,364,527	2,392,038	1,364,527
Financial bills	14,071,202	13,865,311	13,688,656	13,328,635
Foreign issuance	2,614,275	2,405,406	2,614,275	2,405,406
<b>Borrowings and onlendings</b>	<b>8,905,148</b>	<b>4,668,752</b>	<b>8,905,148</b>	<b>4,668,752</b>
Foreign borrowings	8,709,577	4,503,902	8,709,577	4,503,902
Onlendings - official institutions	195,571	164,850	195,571	164,850
<b>Subordinated debts (Note 16.d)</b>	<b>992,038</b>	<b>460,657</b>	<b>992,038</b>	<b>460,657</b>
Financial bills	992,038	460,657	992,038	460,657
<b>Total</b>	<b>47,771,451</b>	<b>37,672,420</b>	<b>47,338,471</b>	<b>37,080,795</b>

c) Breakdown of funding instruments by terms

	Bank					
	2021					2020
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
<b>Deposits</b>	<b>3,678,116</b>	<b>5,238,061</b>	<b>7,703,033</b>	<b>676,730</b>	<b>35,501</b>	<b>17,331,441</b>
Demand deposits	1,539,909	-	-	-	-	1,539,909
Interbank deposits	8,308	650,961	115,589	213,362	-	988,220
Time deposits	2,117,587	4,587,100	7,587,444	463,368	35,501	14,791,000
Other deposits	12,312	-	-	-	-	12,312
<b>Issuance of securities</b>	<b>1,295,032</b>	<b>6,375,168</b>	<b>10,948,458</b>	<b>1,660,219</b>	<b>263,947</b>	<b>20,542,824</b>
Mortgage loan notes	123,176	270,528	1,048,948	16,355	6,302	1,465,309
Agribusiness and financial letters of credit	257,887	933,611	1,197,364	3,176	-	2,392,038
Financial bills <sup>(1) (6)</sup>	897,639	5,134,708	6,140,522	1,640,688	257,645	14,071,202
Foreign issuance <sup>(2)</sup>	16,330	36,321	2,561,624	-	-	2,614,275
<b>Borrowings and onlendings</b>	<b>1,369,383</b>	<b>2,321,121</b>	<b>5,188,298</b>	<b>25,340</b>	<b>1,006</b>	<b>8,905,148</b>
<b>Foreign borrowings</b>	<b>1,343,836</b>	<b>2,265,402</b>	<b>5,100,339</b>	<b>-</b>	<b>-</b>	<b>8,709,577</b>
Foreign-currency payables <sup>(3)</sup>	908,517	976,241	-	-	-	1,884,758
Foreign borrowings <sup>(4) (5)</sup>	435,319	1,289,161	5,100,339	-	-	6,824,819
<b>Repasses de instituições oficiais</b>	<b>25,547</b>	<b>55,719</b>	<b>87,959</b>	<b>25,340</b>	<b>1,006</b>	<b>195,571</b>
BNDES	14,429	24,206	31,897	1,389	-	71,921
FINAME	11,118	31,513	56,062	23,951	1,006	123,650
<b>Subordinated debts (Note 16.d)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>992,038</b>	<b>992,038</b>
Financial bills	-	-	-	-	992,038	992,038
<b>Total</b>	<b>6,342,531</b>	<b>13,934,350</b>	<b>23,839,789</b>	<b>2,362,289</b>	<b>1,292,492</b>	<b>47,771,451</b>



	Consolidated						2020 Total
	2021						
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total	
<b>Deposits</b>	<b>3,673,166</b>	<b>5,238,061</b>	<b>7,698,206</b>	<b>636,073</b>	<b>35,501</b>	<b>17,281,007</b>	<b>14,027,603</b>
Demand deposits	1,535,027	-	-	-	-	1,535,027	1,672,424
Interbank deposits	8,308	650,961	115,589	213,362	-	988,220	524,880
Time deposits	2,117,519	4,587,100	7,582,617	422,711	35,501	14,745,448	11,820,913
Other deposits	12,312	-	-	-	-	12,312	9,386
<b>Issuance of securities</b>	<b>1,295,032</b>	<b>6,375,168</b>	<b>10,577,149</b>	<b>1,648,982</b>	<b>263,947</b>	<b>20,160,278</b>	<b>17,923,783</b>
Mortgage loan notes	123,176	270,528	1,048,948	16,355	6,302	1,465,309	825,215
Agribusiness and financial letters of credit	257,887	933,611	1,197,364	3,176	-	2,392,038	1,364,527
Financial bills <sup>(1) (6)</sup>	897,639	5,134,708	5,769,213	1,629,451	257,645	13,688,656	13,328,635
Foreign issuance <sup>(2)</sup>	16,330	36,321	2,561,624	-	-	2,614,275	2,405,406
<b>Borrowings and onlendings</b>	<b>1,369,383</b>	<b>2,321,121</b>	<b>5,188,298</b>	<b>25,340</b>	<b>1,006</b>	<b>8,905,148</b>	<b>4,668,752</b>
<b>Foreign borrowings</b>	<b>1,343,836</b>	<b>2,265,402</b>	<b>5,100,339</b>	<b>-</b>	<b>-</b>	<b>8,709,577</b>	<b>4,503,902</b>
Foreign-currency payables <sup>(3)</sup>	908,517	976,241	-	-	-	1,884,758	978,124
Foreign borrowings <sup>(4) (5)</sup>	435,319	1,289,161	5,100,339	-	-	6,824,819	3,525,778
<b>Onlendings - official institutions</b>	<b>25,547</b>	<b>55,719</b>	<b>87,959</b>	<b>25,340</b>	<b>1,006</b>	<b>195,571</b>	<b>164,850</b>
BNDES	14,429	24,206	31,897	1,389	-	71,921	53,057
FINAME	11,118	31,513	56,062	23,951	1,006	123,650	111,793
<b>Subordinated debts (Note 16.d)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>992,038</b>	<b>992,038</b>	<b>460,657</b>
Financial bills	-	-	-	-	992,038	992,038	460,657
<b>Total</b>	<b>6,337,581</b>	<b>13,934,350</b>	<b>23,463,653</b>	<b>2,310,395</b>	<b>1,292,492</b>	<b>47,338,471</b>	<b>37,080,795</b>

(1) Pursuant to the Notice to the Market, published on April 29, 2021, the Bank has completed the eighth issuance of Financial Bills, in the amount of R\$233.5 million, in 6 series maturing on January 2, 2026, January 4, 2027, January 3, 2028, January 2, 2029, January 2, 2020 and January 2, 2031. On May 20, 2021, the Bank has completed the ninth issuance of Financial Bills, in the amount of R\$150 thousand, in 3 series of R\$50 thousand each, maturing on May 20, 2024, May 20, 2025 and May 20, 2026. On October 21, 2021, Daycoval has completed its tenth public offering of Financial Bills, issuing a total of R\$1 billion. The amount is divided in three series, the first in the amount of R\$202 million for two years; the second in the amount of R\$494 million for three years; and the third in the amount of R\$304 million for four years.

(2) On December 13, 2019, Bank Daycoval issued US\$350 million in bonds in the foreign market and, on February 4, 2020, a new issuance was carried out to supplement the previous issuance in the amount of US\$100 million in bonds in the foreign market, both maturing on December 13, 2024 and subject to hedge accounting of market risk. The interest rate of these instruments is 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 December 31, 2021, includes foreign loan transactions, in the amount of US\$1.6 billion (US\$613 million and €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\$6,284,123 and R\$6,306,997, respectively (R\$3,161,498 and R\$3,151,462 as at December 31, 2020).

(5) On July 8, 2020, Daycoval raised from International Finance Corporation – IFC the amount of US\$100 million, subject to hedge accounting. (5) In April and May 2021, Daycoval raised from the International Finance Corporation - IFC, US\$384 million and US\$16 million, respectively, subject to hedge accounting. On October 13, 2021, in addition to the funding in the amount of US\$135 million, carried out on September 30, 2021, Daycoval has received a borrowing in the amount of US\$16 million, subject to accounting hedge, from the International Finance Corporation - IFC, a member of the World Bank Group and a pool of another ten financial institutions. On December 16, 2021, Daycoval raised from BID Invest, the amount of US\$300 million, subject to hedge accounting.

(6) Includes the funding through Guaranteed Financial Bills, pursuant to CMN Resolution 4795/20, in the amount of R\$1,980,335 (R\$4,930,395 as at December 31, 2020, settled in advance in August 2021).

#### 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)

2021						
Tier of Capital	Funding Instrument	Dates of issuance	Dates of maturity	Issuance amount (R\$ million)	% of index	Date of BACEN'S authorization to comprise Capital <sup>(1)</sup>
Complementary Tier I	Financial bills	10/15/2021	Perpetual	500	140% CDI	10/15/2021
Complementary Tier I <sup>(2)</sup>	Financial bills	02/11/2021	Perpetual	164	150% CDI	03/05/2021
Complementary Tier I	Financial bills	04/15/2020	Perpetual	240	150% CDI	06/10/2020
Complementary Tier I	Financial bills	02/19/2020	Perpetual	50	135% CDI	04/15/2020
2020						
Tier of Capital	Funding Instrument	Dates of issuance	Dates of maturity	Issuance amount (R\$ million)	% of index	Date of BACEN'S authorization to comprise Capital <sup>(1)</sup>
Complementary Tier I	Financial bills	04/15/2020	Perpetual	240	150% CDI	06/10/2020
Complementary Tier I	Financial bills	02/19/2020	Perpetual	50	135% CDI	04/15/2020
Tier II <sup>(2)</sup>	Financial bills	10/30/2018	30/10/2028	135	122% CDI	11/30/2018
Tier II <sup>(2)</sup>	Financial bills	02/28/2018	05/03/2025	10	120% CDI	04/04/2018

(1) Funding was authorized by the BACEN to comprise the Bank's Regulatory Capital, pursuant to CMN Resolution 4,192/13.

(2) Early redemption of Financial Bills with subordination clause eligible to the Tier II of the Regulatory Capital (PR), pursuant to note 24.a), for purposes of change for a new Supplementary Subordinated Financial Bill eligible to Tier I of the PR, as supplementary capital, pursuant to CMN Resolution 4,733/19.

**17 - OTHER OBLIGATIONS**

**a) Social and statutory**

	Bank		Consolidated	
	2021	2020	2021	2020
	Current		Current	
Dividends and/or interest on capital payable	205,104	167,588	205,104	167,588
Profit sharing program	163,676	133,466	166,346	135,459
Bonus and profit sharing payable	120	120	120	120
<b>Total</b>	<b>368,900</b>	<b>301,174</b>	<b>371,570</b>	<b>303,167</b>

**b) Sundry**

	Bank			
	2021		2020	
	Current	Noncurrent	Current	Noncurrent
Cashier's checks	-	-	526	-
Creditors for unreleased resources	3,841	-	2,235	-
Payables to related party	1,322	-	1,108	-
Payables for sales operations and transfer of financial assets (Nota 9.h)	576	-	11,458	313
Accrued payments <sup>(1)</sup>	85,345	-	62,583	-
Sundry creditors <sup>(2)</sup>	94,735	-	107,763	-
<b>Total</b>	<b>185,819</b>	<b>-</b>	<b>185,673</b>	<b>313</b>

	Consolidated			
	2021		2020	
	Current	Noncurrent	Current	Noncurrent
Cashier's checks	-	-	526	-
Creditors for unreleased resources	3,841	-	2,235	-
Payables for sales operations and transfer of financial assets (Nota 9.h)	576	-	11,458	313
Payables for investment funds units <sup>(3)</sup>	18,627	-	19,544	-
Accrued payments <sup>(1)</sup>	96,760	-	71,732	-
Sundry creditors <sup>(2)</sup>	111,424	-	113,330	-
<b>Total</b>	<b>231,228</b>	<b>-</b>	<b>218,825</b>	<b>313</b>

(1) As at December 31, 2021, the balance of "Accrued payments" (Bank and Consolidated) is mainly comprised of the following: (i) personnel expenses in the amount of R\$38,316 for the Bank and R\$46,030 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\$25,098 for the Bank and R\$27,533 for the Consolidated (R\$14,567 for the Bank and R\$16,080 for the Consolidated as at December 31, 2020); and (iii) commissions payable in the amount of R\$16,233 for the Bank and Consolidated (R\$18,283 as at December 31, 2020 for the Bank and Consolidated).

(2) As at December 31, 2021, the balance of "Sundry creditors" (Bank and Consolidated) is mainly comprised of: (i) unreleased resources in the amount of R\$28,735 (R\$3,759 as at December 31, 2020); (ii) discounted notes partially received, in the amount of R\$34,715 (R\$22,788 as at December 31, 2020); and (iii) trade payables to Daycoval Leasing in the amount of R\$3,515, for the Consolidated (R\$3,376 as at December 31, 2020).

(3) Pursuant to Art. 4 of CMN Resolution 4,280/13, 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 parent company.

**18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS**

**a) Contingent assets**

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

**b) Provisions for lawsuits 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 years ended December 31, 2021 and 2020, are broken down below:

	Bank		Consolidated	
	2021	2020	2021	2020
Legal obligations - tax risks	1,812,691	1,656,548	1,813,790	1,657,360
Civil lawsuits	115,688	166,760	116,382	167,308
Labor lawsuits	47,105	62,809	57,537	75,856
<b>Total</b>	<b>1,975,484</b>	<b>1,886,117</b>	<b>1,987,709</b>	<b>1,900,524</b>

Risks	Year ended December 31, 2021							
	Bank				Consolidated			
	Opening balance	Inflation adjustment	Recognition (reversal)	Closing balance	Opening balance	Inflation adjustment	Recognition (reversal)	Closing balance
Tax	1,656,548	41,146	114,997	<b>1,812,691</b>	1,657,360	41,146	115,284	<b>1,813,790</b>
Civil	166,760	-	(51,072)	<b>115,688</b>	167,308	-	(50,926)	<b>116,382</b>
Labor	62,809	-	(15,704)	<b>47,105</b>	75,856	-	(18,319)	<b>57,537</b>
<b>Total</b>	<b>1,886,117</b>	<b>41,146</b>	<b>48,221</b>	<b>1,975,484</b>	<b>1,900,524</b>	<b>41,146</b>	<b>46,039</b>	<b>1,987,709</b>

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

**c) Escrow deposits for tax, civil and labor risks**

	Bank		Consolidated	
	2021	2020	2021	2020
Tax	1,528,906	1,387,002	1,528,906	1,387,002
Civil	38,773	36,693	38,856	36,693
Labor	13,685	14,931	17,559	18,193
<b>Total</b>	<b>1,581,364</b>	<b>1,438,626</b>	<b>1,585,321</b>	<b>1,441,888</b>

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

**IRPJ**

Challenges the effect from the extinguishment of the inflation adjustment to the balance sheet and twice PAT deduction, the amount accrued totaling R\$60,311 (R\$57,469 as at December 31, 2020). Total escrow deposits for these challenges amounts to R\$22,878 (R\$22,512 as at December 31, 2020).

**CSLL**

Challenges the effect from the extinguishment of the inflation adjustment to the balance sheet, challenges the requirement of a different tax rate and challenges the increase in tax rate from 9% to 15%, prescribed by Provisional Act 413/08, passed into Law 11,727/08, and from 15% to 20%, as prescribed by Law 13169/15. The amount accrued amounts to R\$945,087 (R\$809,381 as at December 31, 2020) and the total escrow deposits for this lawsuit amount to R\$882,641 (R\$755,499 as at December 31, 2020).

**COFINS**

Challenges the constitutionality of Law 9718/98. The amount accrued amounts to R\$698,034 (R\$684,488 as at December 31, 2020) and the total escrow deposits for this lawsuit amount to R\$510,734 (R\$499,762 as at December 31, 2020).

**PIS**

Challenges the application of Law 9,718/98 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\$105,437 (R\$103,412 as at December 31, 2020) and the total escrow deposits for this lawsuit amount to R\$107,705 (R\$105,594 as at December 31, 2020).

The provision for other legal liabilities amounts to R\$3,821 (R\$3,635 as at December 31, 2020) and the total escrow deposits for this lawsuits amount to R\$3,821 (R\$3,635 as at December 31, 2020).

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

**AIIM No. 4,012,543-9** Settled this year, fully in favor of Daycoval Leasing, shown in the prior periods in the amount of R\$75,327, 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. 56,045/10 and No. 56,952/13. 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 60,444/14.

**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\$243, assessed as remote loss, which aims at the collection of ISS relating to lease transactions conducted with customers located in that municipality.

**Case No. 1013470-42,2021,8,26,0068** Civil Writ of Security for the suspension of payment of the ISS assessed by the municipality of Barueri-SP supported by the decision of ADPF 189. Assessed as possible loss. The municipality of Barueri-SP has charged from Daycoval Leasing the amount of R\$6,623, an amount related to the difference of the ISS due in 2016 and 2017, calculated between the prevailing tax rate at the time, determined by the municipality, and a 2% rate, which was considered legally applicable by the judge for the lease service. The adjusted amount is R\$10,706.

**f) Contingent liabilities assessed as possible losses**

Contingent liabilities assessed as possible losses are not recognized and are represented by civil and labor lawsuits.

As at December 31, 2021, civil lawsuits correspond to an approximate amount of R\$133,941 for the Bank and Consolidated (R\$38,143 for the Bank and Consolidated as at December 31, 2020).

As at December 31, 2021, labor lawsuits amount to R\$142 for the Bank and R\$143 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 - TAXES

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

Taxes and contributions	Rate
Income tax	15.00%
Income tax surcharge (on the amount exceeding R\$240,000.00)	10.00%
Social contribution - financial institutions <sup>(1)</sup>	25.00%
Social contribution - non-financial institutions <sup>(2)</sup>	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.*

*(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 deemed, 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	
	2021	2020	2021	2020
<b>Profit before income tax and social contribution and profit sharing</b>	<b>2,332,427</b>	<b>1,827,777</b>	<b>2,408,152</b>	<b>1,893,794</b>
Charges (IR and CSLL) at effective rates <sup>(1)</sup>	(1,102,506)	(822,500)	(1,137,044)	(852,207)
<b>Increases/decreases of IR and CSLL charges</b>				
Equity in subsidiaries	45,522	49,661	-	-
Interest on capital	103,316	78,095	103,316	78,095
Non-deductible expenses net of non-taxable revenues	(14,766)	(1,185)	(12,274)	9,004
Other amounts	50,206	50,768	52,072	53,930
<b>Income tax and social contribution for the year</b>	<b>(918,228)</b>	<b>(645,161)</b>	<b>(993,930)</b>	<b>(711,178)</b>
Current tax	(831,280)	(674,291)	(886,605)	(719,387)
Deferred tax	(86,948)	29,130	(107,325)	8,209

*(1) The effective IRPJ and CSLL rate considered in the 1st half of 2021 was 45% and is 50% in the 2nd half of 2021.*

ii. Tax expenses

	Bank		Consolidated	
	2021	2020	2021	2020
Contributions to COFINS	(161,330)	(140,478)	(174,632)	(151,488)
Contributions to PIS / PASEP	(26,216)	(22,828)	(29,048)	(24,831)
ISS	(12,948)	(10,822)	(26,906)	(22,263)
Other tax expenses	(10,127)	(6,913)	(10,561)	(7,424)
<b>Total</b>	<b>(210,621)</b>	<b>(181,041)</b>	<b>(241,147)</b>	<b>(206,006)</b>

b) Tax assets and liabilities

	Bank		Consolidated	
	2021	2020	2021	2020
<b>Tax assets</b>				
<b>Current</b>	<b>242,367</b>	<b>193,975</b>	<b>274,295</b>	<b>220,528</b>
Taxes and contributions for offset <sup>(1)</sup>	242,367	193,975	274,276	220,509
Recoverable income tax	-	-	19	19
<b>Deferred</b>	<b>1,497,343</b>	<b>1,434,423</b>	<b>1,511,890</b>	<b>1,447,726</b>
Tax credits (note 19.d)	1,497,343	1,434,423	1,511,890	1,447,726
<b>Total</b>	<b>1,739,710</b>	<b>1,628,398</b>	<b>1,786,185</b>	<b>1,668,254</b>
<b>Tax liabilities</b>				
<b>Current</b>	<b>760,530</b>	<b>622,640</b>	<b>819,638</b>	<b>670,861</b>
Provision for income tax on income	425,885	375,989	444,905	391,594
Provision for social contribution on income	283,824	206,547	317,692	233,817
Taxes and contributions payable	50,821	40,104	57,041	45,450
<b>Deferred</b>	<b>470,478</b>	<b>310,769</b>	<b>551,328</b>	<b>369,981</b>
Tax liabilities (note 19.d)	470,478	310,769	551,328	369,981
<b>Total</b>	<b>1,231,008</b>	<b>933,409</b>	<b>1,370,966</b>	<b>1,040,842</b>

(1) As at December 31, 2021, "Taxes and contributions for offset" comprise, substantially, prepaid income tax and social contribution in the amount of R\$239,605 (R\$191,462 at December 31, 2020), for the Bank, and R\$262,881 (R\$206,646 as 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 4,842/20, 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.

As at December 31, 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\$8,520 (R\$8,040 as at December 31, 2020).

d) Origin of tax credits and deferred tax liabilities

	Year ended December 31, 2021					
	Bank			Consolidated		
	2020	Recognition/ (Realization)	2021	2020	Recognition/ (Realization)	2021
<b>Tax Credits</b>						
<b>Deferred income tax and social contribution on:</b>						
Provision for tax risks	181,760	-	181,760	182,358	112	182,470
Allowance for loan losses	761,590	10,994	772,584	773,458	11,932	785,390
Adjustment to fair value of securities and derivatives	108,882	68,016	176,898	108,917	67,998	176,915
Inflation adjustment of civil, tax and labor risks	259,770	18,516	278,286	259,770	18,516	278,286
Other temporary additions, including provisions for civil and labor risks	122,421	(34,606)	87,815	123,223	(34,394)	88,829
<b>Total tax credits on temporary differences</b>	<b>1,434,423</b>	<b>62,920</b>	<b>1,497,343</b>	<b>1,447,726</b>	<b>64,164</b>	<b>1,511,890</b>

	2020	Recognition/ (Realization)	2021	2020	Recognition/ (Realization)	2021
<b>Deferred tax liabilities</b>						
<b>Deferred income tax and social contribution on:</b>						
Adjustment to fair value of securities and derivatives	76,709	150,654	227,363	76,709	150,654	227,363
Unrealized profit (loss) on derivatives	11,562	(11,562)	-	11,562	(11,562)	-
Deferred income tax on excess depreciation	-	-	-	59,212	21,638	80,850
Amortization of negative goodwill on the acquisition of Daycoval Leasing	15,852	3,105	18,957	15,852	3,105	18,957
Inflation adjustment of escrow deposits	206,646	17,512	224,158	206,646	17,512	224,158
<b>Total deferred tax liabilities on temporary differences</b>	<b>310,769</b>	<b>159,709</b>	<b>470,478</b>	<b>369,981</b>	<b>181,347</b>	<b>551,328</b>

	Year ended December 31, 2020					
	Bank			Consolidated		
	12/31/2019	Recognition/ (Realization)	12/31/2020	12/31/2019	Recognition/ (Realization)	12/31/2020
<b>Tax Credits</b>						
<b>Deferred income tax and social contribution on:</b>						
Provision for tax risks	181,760	-	181,760	181,993	365	182,358
Allowance for loan losses	690,077	71,513	761,590	700,189	73,269	773,458
Adjustment to fair value of securities and derivatives	56,800	52,082	108,882	56,800	52,117	108,917
Inflation adjustment of civil, tax and labor risks	246,831	12,939	259,770	246,831	12,939	259,770
Other temporary additions, including provisions for civil and labor risks	131,993	(9,572)	122,421	133,604	(10,381)	123,223
<b>Total tax credits on temporary differences</b>	<b>1,307,461</b>	<b>126,962</b>	<b>1,434,423</b>	<b>1,319,417</b>	<b>128,309</b>	<b>1,447,726</b>

	12/31/2019	Recognition/ (Realization)	12/31/2020	12/31/2019	Recognition/ (Realization)	12/31/2020
<b>Deferred tax liabilities</b>						
<b>Deferred income tax and social contribution on:</b>						
Adjustment to fair value of securities and derivatives	17,940	58,769	76,709	17,940	58,769	76,709
Unrealized profit (loss) on derivatives	4,770	6,792	11,562	4,770	6,792	11,562
Deferred income tax on excess depreciation	-	-	-	36,976	22,236	59,212
Amortization of negative goodwill on the acquisition of Daycoval Leasing	12,746	3,106	15,852	12,746	3,106	15,852
Inflation adjustment of escrow deposits	194,465	12,181	206,646	194,465	12,181	206,646
<b>Total deferred tax liabilities on temporary differences</b>	<b>229,921</b>	<b>80,848</b>	<b>310,769</b>	<b>266,897</b>	<b>103,084</b>	<b>369,981</b>

e) Estimated realization and present value of tax credits

	Bank					
	2021			2020		
	Temporary differences		Total	Temporary differences		Total
Income Tax	Social contribution	Income Tax		Social contribution		
Up to 1 year	119,794	95,837	215,631	242,405	193,928	436,333
Up to 2 years	118,161	94,531	212,692	210,725	168,583	379,308
Up to 3 years	131,857	105,487	237,344	5,311	4,249	9,560
Up to 4 years	126,290	101,034	227,324	14,737	11,788	26,525
Up to 5 years	11,854	9,483	21,337	319,199	252,186	571,385
Over 5 years	325,661	257,354	583,015	6,285	5,027	11,312
<b>Total</b>	<b>833,617</b>	<b>663,726</b>	<b>1,497,343</b>	<b>798,662</b>	<b>635,761</b>	<b>1,434,423</b>

	Consolidated					
	2021			2020		
	Temporary differences		Total	Temporary differences		Total
Income Tax	Social contribution	Income Tax		Social contribution		
Up to 1 year	123,904	99,125	223,029	247,059	197,651	444,710
Up to 2 years	120,538	96,433	216,971	212,459	169,970	382,429
Up to 3 years	132,962	106,369	239,331	5,957	4,766	10,723
Up to 4 years	126,675	101,342	228,017	15,015	12,005	27,020
Up to 5 years	11,960	9,568	21,528	319,280	252,252	571,532
Over 5 years	325,661	257,353	583,014	6,285	5,027	11,312
<b>Total</b>	<b>841,700</b>	<b>670,190</b>	<b>1,511,890</b>	<b>806,055</b>	<b>641,671</b>	<b>1,447,726</b>

As at December 31, 2021, the present value of total tax credits is R\$1,207,691 for the Bank (R\$1,305,721 as at December 31, 2020) and R\$1,220,734 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.

The earnings projections that allow generating a tax basis take into consideration macroeconomic assumptions, exchange and interest rates, and the forecast of new financial and other transactions. Actual results could differ from those estimates.



**20 - EQUITY (PARENT COMPANY)**

**a) Capital**

As at December 31, 2021 and 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, represented by 84,291,724 common shares assigned to the respective shareholders. This capital increase was ratified by the BACEN on May 13, 2020.

**c) Breakdown of and variations in capital**

	2021	2020
<b>Common shares - opening balance</b>	<b>1,323,471,042</b>	<b>230,820,429</b>
Conversion of common shares into preferred shares <sup>(1)</sup>	-	(94,533,646)
Stock bonus due to capital increase <sup>(2)</sup>	-	84,291,724
Share split <sup>(3)</sup>	-	1,102,892,535
<b>Common shares - closing balance</b>	<b>1,323,471,042</b>	<b>1,323,471,042</b>
<b>Preferred shares - opening balance</b>	<b>567,201,876</b>	-
Conversion of common shares into preferred shares <sup>(1)</sup>	-	94,533,646
Share split <sup>(3)</sup>	-	472,668,230
<b>Preferred shares - closing balance</b>	<b>567,201,876</b>	<b>567,201,876</b>
<b>Total shares</b>	<b>1,890,672,918</b>	<b>1,890,672,918</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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, represented by 84,291,724 common shares assigned to the current shareholders. This capital increase was ratified by the BACEN on May 13, 2020.

<sup>(3)</sup> 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 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 and mandatory dividends:**

	2021	% <sup>(1)</sup>	2020	% <sup>(1)</sup>
<b>Profit</b>	<b>1,414,199</b>		<b>1,182,616</b>	
(-) Legal reserve	(70,710)		(59,131)	
<b>Adjusted profit</b>	<b>1,343,489</b>		<b>1,123,485</b>	
Amount of interest on capital	206,632		173,545	
(-) Withholding income tax related to interest on capital	(30,995)		(26,032)	
Mandatory dividends	160,235		133,358	
<b>Net value of interest on capital and mandatory dividends</b>	<b>335,872</b>	<b>25.00</b>	<b>280,871</b>	<b>25.00</b>

<sup>(1)</sup> Refers to the percentage corresponding to the sum of the net interest on capital and dividends on adjusted profit.

ii. Interest on capital declared and/or paid:

Interest on capital was declared and/or paid, which, net of withholding income tax, will be attributed to mandatory minimum dividends for the year ended December 31, 2021, as shown below:

Board of Director's Meeting Date	Availability date	2021		Gross amount	IRRF	Net amount
		Price per share				
		ON	PN			
12/30/2021	01/17/2022	0.0279	0.0279	52,788	(7,918)	44,870
09/30/2021	10/15/2021	0.0814	0.0814	153,844	(23,077)	130,767
<b>Total</b>				<b>206,632</b>	<b>(30,995)</b>	<b>175,637</b>

Board of Director's Meeting Date	Availability date	2020		Gross amount	IRRF	Net amount
		Price per share				
		ON	PN			
12/30/2020	01/15/2021	0.0213	0.0213	40,271	(6,040)	34,231
09/30/2020	10/15/2020	0.0230	0.0230	43,486	(6,523)	36,963
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
<b>Total</b>				<b>173,545</b>	<b>(26,032)</b>	<b>147,513</b>

iii. Dividends:

	2021	2020
Board of Director's Meeting Date	02/08/2022	02/09/2021
Availability date	02/09/2022	02/11/2021
Price per share in R\$ - ON	0.0848	0.0705
Price per share in R\$ - PN	0.0848	0.0705
Total amount of dividends - R\$ thousand	160,235	133,358

iv. Additional prior-year dividends:

Additional dividends in the amount of R\$500,008 were distributed, as approved at the Annual General Meeting held on October 14, 2021, made available to shareholders on October 15, 2021, relating to prior years (R\$125,266 was distributed in 2020 relating to prior years).

e) Earnings reserves

	2021	2020
Legal reserve <sup>(1) (3)</sup>	129,841	59,131
Bylaws reserves <sup>(2) (3)</sup>	1,293,196	816,582
<b>Total</b>	<b>1,423,037</b>	<b>875,713</b>

(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, represented by 84,291,724 assigned to the respective shareholders. This capital increase was ratified by the BACEN on May 13, 2020.

f) Earnings per share

	2021	2020
<b>Profit attributable to shareholders</b>	1,414,199	1,182,616
<b>Profit attributable to each group of shares</b>		
Common shares	989,939	827,831
Preferred shares	424,260	354,785
<b>Weighted average number of shares issued and comprising the capital<sup>(1)</sup></b>		
Common shares	1,323,471,042	1,323,471,042
Preferred shares	567,201,876	567,201,876
<b>Basic earnings per shares</b>		
Common shares	0.7480	0.6255
Preferred shares	0.7480	0.6255
<b>Diluted earnings per shares</b>		
Common shares	0.7480	0.6255
Preferred shares	0.7480	0.6255

(1) The weighted average number of shares was calculated based on the variations of shares as at December 31, 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 4,818/20.

21 - INCOME STATEMENTS

INCOME FROM FINANCIAL INTERMEDIATION

a) Loan portfolio

	Bank		Consolidated	
	2021	2020	2021	2020
<b>Lending operations</b>	<b>4,371,620</b>	<b>3,682,846</b>	<b>4,396,238</b>	<b>3,700,625</b>
Advance to depositors	5,688	7,421	5,688	7,421
Secured account / overdraft account	379,995	344,741	380,013	344,741
Discounted notes	113,820	194,491	113,820	194,491
Onlending - Resolution 3844/10	178	15,997	178	15,997
Working capital	637,427	662,041	637,427	662,041
Export Credit Notes - CCE	154,307	183,090	154,307	183,090
Onlending - BNDES	6,388	10,041	6,388	10,041
Onlending - FINAME	14,934	12,000	14,934	12,000
Rural credit	18,120	17,122	18,120	17,122
Financing with intervention	8,221	16,272	8,221	16,272
Foreign currency financing	21,335	44,675	21,335	44,675
FGI PEAC	936,013	217,108	936,013	217,108
Payroll-deductible loans	1,687,719	1,611,309	1,687,719	1,611,309
Vehicle financing	346,692	315,414	346,692	315,414
Real estate financing	17,051	375	17,051	375
Daypag - discount of freight forwarder's checks	86	255	86	255
Other lending operations	23,220	28,127	47,820	45,906
Loan origination income	426	2,367	426	2,367
<b>Result of lease operations</b>	<b>-</b>	<b>-</b>	<b>181,507</b>	<b>156,810</b>
<b>Revenue from leasing</b>	<b>-</b>	<b>-</b>	<b>772,969</b>	<b>577,037</b>
Finance leasing - internal resources	-	-	627,480	478,604
Operating leasing - internal resources	-	-	108,259	73,780
Gain on disposal of leased assets	-	-	37,230	24,653
<b>Expenses on leasing</b>	<b>-</b>	<b>-</b>	<b>(591,462)</b>	<b>(420,227)</b>
Finance leasing - internal resources	-	-	(499,287)	(360,223)
Operating leasing - internal resources	-	-	(4,240)	(2,169)
Loss on disposal of leased assets	-	-	(87,935)	(57,835)
<b>Other transactions with loan characteristics</b>	<b>648,829</b>	<b>392,882</b>	<b>648,829</b>	<b>392,882</b>
Advance on foreign exchange contracts / advance on export contracts	61,803	50,887	61,803	50,887
Income from acquisition of receivables without right of recourse	587,026	341,995	587,026	341,995
<b>Recoveries from lending and leasing operations</b>	<b>177,505</b>	<b>120,464</b>	<b>181,024</b>	<b>124,110</b>
Recovery of credits previously written off as loss (Note 9.f)	177,505	120,464	177,505	120,464
Recovery of credits previously written off as loss (Note 9.f) - Leases	-	-	3,519	3,646
<b>Total</b>	<b>5,197,954</b>	<b>4,196,192</b>	<b>5,407,598</b>	<b>4,374,427</b>

b) Securities and derivatives transactions

	Bank		Consolidated	
	2021	2020	2021	2020
<b>Securities transactions</b>				
Fixed-income securities	347,467	92,739	355,398	100,394
Variable-income securities	26	86	493	86
Investments in investment fund units	26,261	738	50,936	2,472
Gain (loss) on disposal of securities	1,607	522	1,607	522
Fair value adjustments	2,535	(2,465)	1,616	(4,160)
Foreign investments	6,783	45,364	6,784	45,364
<b>Total</b>	<b>384,679</b>	<b>136,984</b>	<b>416,834</b>	<b>144,678</b>
<b>Derivatives</b>				
<b>Gains</b>				
Swap	9,271,219	4,434,927	9,274,074	4,434,927
Currency forward ("NDF")	979,809	881,934	979,809	881,934
Future	953,472	577,260	953,472	577,260
Options	10,879	45,099	10,879	45,099
<b>Losses</b>				
Swap	(9,173,329)	(3,271,115)	(9,173,329)	(3,271,115)
Currency forward ("NDF")	(960,289)	(633,841)	(960,289)	(633,841)
Future	(568,811)	(743,606)	(568,811)	(743,606)
Options	(8,601)	(60,991)	(8,601)	(60,991)
<b>Total <sup>(1)</sup></b>	<b>504,349</b>	<b>1,229,667</b>	<b>507,204</b>	<b>1,229,667</b>
<b>Total</b>	<b>889,028</b>	<b>1,366,651</b>	<b>924,038</b>	<b>1,374,345</b>

(1) As at December 31, 2021, gain (loss) on derivative instruments includes net losses on mark-to-market in the amount of R\$24,268 (net gains of R\$21,995 as at December 31, 2020).

c) Interbank accounts

	Bank		Consolidated	
	2021	2020	2021	2020
<b>Repurchase operations (assets)</b>	<b>159,086</b>	<b>164,164</b>	<b>159,086</b>	<b>164,164</b>
Own portfolio	83,596	109,039	83,596	109,039
Third-party portfolio	75,463	55,125	75,463	55,125
Short position	27	-	27	-
<b>Repurchase operations (liabilities)</b>	<b>(124,034)</b>	<b>(64,408)</b>	<b>(124,034)</b>	<b>(64,408)</b>
Own portfolio	(48,757)	(7,876)	(48,757)	(7,876)
Third party portfolio	(75,251)	(56,532)	(75,251)	(56,532)
Free trading	(26)	-	(26)	-
<b>Gain on repurchase operations</b>	<b>35,052</b>	<b>99,756</b>	<b>35,052</b>	<b>99,756</b>
<b>Interbank deposits</b>				
Fixed rate	24,860	31,211	24,860	9,569
Variable rate	55,774	3,255	6,715	3,255
<b>Total</b>	<b>80,634</b>	<b>34,466</b>	<b>31,575</b>	<b>12,824</b>
<b>Total</b>	<b>115,686</b>	<b>134,222</b>	<b>66,627</b>	<b>112,580</b>

d) Foreign exchange operations

	Bank		Consolidated	
	2021	2020	2021	2020
Income from foreign exchange operations	126,911	(108,248)	126,911	(108,248)
Expenses on foreign exchange operations	(99,333)	(49,109)	(79,809)	(35,298)
Exchange rate changes	122,255	283,884	122,255	283,883
<b>Total</b>	<b>149,833</b>	<b>126,527</b>	<b>169,357</b>	<b>140,337</b>

EXPENSES ON FINANCIAL INTERMEDIATION

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

	Bank		Consolidated	
	2021	2020	2021	2020
<b>Interbank deposits</b>	<b>(27,964)</b>	<b>(16,495)</b>	<b>(27,964)</b>	<b>(16,495)</b>
Fixed	-	(960)	-	(960)
Floating	(27,964)	(15,535)	(27,964)	(15,535)
<b>Time deposits</b>	<b>(597,874)</b>	<b>(252,349)</b>	<b>(596,413)</b>	<b>(250,610)</b>
Fixed	(18,911)	(7,512)	(18,911)	(6,505)
Floating	(553,192)	(227,526)	(551,731)	(226,794)
Linked to asset operations (CMN Resolution 2921/02) (Note 9.g)	(2,762)	(1,956)	(2,762)	(1,956)
Exchange rate changes	-	(33)	-	(33)
Expenses on contribution to FGC	(23,009)	(15,322)	(23,009)	(15,322)
<b>Total</b>	<b>(625,838)</b>	<b>(268,844)</b>	<b>(624,377)</b>	<b>(267,105)</b>
<b>Issuance in Brazil</b>				
<b>Mortgage loan notes</b>	<b>(69,769)</b>	<b>(27,341)</b>	<b>(69,769)</b>	<b>(27,341)</b>
Fixed	(19,021)	(4,254)	(19,021)	(4,254)
Floating	(50,748)	(23,087)	(50,748)	(23,087)
<b>Agribusiness letter of credit</b>	<b>(104,267)</b>	<b>(25,794)</b>	<b>(104,267)</b>	<b>(25,794)</b>
Fixed	(46,041)	(2,772)	(46,041)	(2,772)
Floating	(58,226)	(23,022)	(58,226)	(23,022)
<b>Financial Bills</b>	<b>(719,928)</b>	<b>(346,240)</b>	<b>(700,504)</b>	<b>(328,495)</b>
Fixed	(90,666)	(48,450)	(90,666)	(48,450)
Floating	(629,262)	(297,790)	(609,838)	(280,045)
<b>Total</b>	<b>(893,964)</b>	<b>(399,375)</b>	<b>(874,540)</b>	<b>(381,630)</b>
<b>Issuance abroad</b>				
Interest	(119,669)	(110,398)	(119,300)	(109,709)
Exchange rate changes	(117,555)	(486,392)	(117,555)	(486,392)
Adjustment to fair value of hedged issuance	19,622	(70,380)	19,622	(70,380)
<b>Total</b>	<b>(217,602)</b>	<b>(667,170)</b>	<b>(217,233)</b>	<b>(666,481)</b>
<b>Total</b>	<b>(1,111,566)</b>	<b>(1,066,545)</b>	<b>(1,091,773)</b>	<b>(1,048,111)</b>

f) Borrowings and onlendings (Bank and Consolidated)

	2021	2020
<b>Foreign borrowings</b>	<b>(401,092)</b>	<b>(713,270)</b>
Interest	(129,573)	(89,449)
Exchange rate changes	(238,609)	(630,142)
Adjustment to fair value of hedged loans	(32,910)	6,321
<b>Obligation with Bank abroad</b>	<b>(150,784)</b>	<b>(261,395)</b>
Interest	(23,603)	(28,766)
Exchange rate changes	(127,181)	(232,629)
<b>Onlending operations - official institutions</b>	<b>(15,635)</b>	<b>(13,653)</b>
BNDES	(3,933)	(5,644)
FINAME	(11,702)	(8,009)
<b>Total</b>	<b>(567,511)</b>	<b>(988,318)</b>

**OTHER OPERATING AND ADMINISTRATIVE INCOME (EXPENSES)**

**g) Income from service provision**

	Bank		Consolidated	
	2021	2020	2021	2020
Bank fees	126,942	112,861	126,942	112,865
Income from financial guarantees provided	49,348	35,060	49,348	35,060
Asset management <sup>(1)</sup>	24,149	11,561	41,899	30,184
Other services	71,282	61,364	71,831	62,579
<b>Total</b>	<b>271,721</b>	<b>220,846</b>	<b>290,020</b>	<b>240,688</b>

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

**h) Personnel expenses**

	Bank		Consolidated	
	2021	2020	2021	2020
Executive Committee's and Board of Directors' compensation	(80,842)	(73,814)	(84,163)	(76,878)
Benefits	(78,920)	(63,634)	(91,485)	(74,338)
Social security charges	(104,568)	(81,044)	(119,156)	(92,453)
Proceeds	(264,663)	(210,298)	(309,060)	(242,092)
Training	(103)	(157)	(104)	(165)
Interns' compensation	(1,296)	(1,139)	(1,380)	(1,154)
<b>Total</b>	<b>(530,392)</b>	<b>(430,086)</b>	<b>(605,348)</b>	<b>(487,080)</b>

**i) Other administrative expenses**

	Bank		Consolidated	
	2021	2020	2021	2020
Public utilities (water, power and gas)	(2,884)	(2,260)	(3,796)	(2,996)
Rent and insurance	(20,593)	(19,093)	(22,652)	(19,948)
Communication	(12,518)	(11,990)	(14,532)	(13,710)
Charitable contributions	(17,514)	(19,395)	(31,465)	(20,954)
Maintenance and upkeep of assets	(11,557)	(4,605)	(13,379)	(5,866)
Consumables	(1,364)	(1,830)	(1,501)	(2,126)
Data processing	(117,510)	(94,100)	(120,409)	(96,737)
Promotions, advertising and publications	(31,616)	(27,390)	(33,414)	(28,666)
Outside, technical and specialized services <sup>(1)</sup>	(482,202)	(330,200)	(447,614)	(305,133)
Other administrative expenses	(69,865)	(54,942)	(72,531)	(56,684)
<b>Total</b>	<b>(767,623)</b>	<b>(565,805)</b>	<b>(761,293)</b>	<b>(552,820)</b>

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

**j) Other operating income and expenses**

	Bank		Consolidated	
	2021	2020	2021	2020
Exchange rate changes <sup>(1)</sup>	36,094	28,056	58,731	66,200
Inflation adjustment of escrow deposits	41,066	28,525	41,311	28,610
Other operating income	10,341	6,173	16,265	16,882
<b>Total</b>	<b>87,501</b>	<b>62,754</b>	<b>116,307</b>	<b>111,692</b>
Exchange rate changes	(23,405)	(8,476)	(38,238)	(24,441)
Other operating expenses <sup>(2)</sup>	(73,876)	(88,219)	(78,139)	(88,822)
Interest expense	(1,198)	(710)	(1,201)	(778)
<b>Total</b>	<b>(98,479)</b>	<b>(97,405)</b>	<b>(117,578)</b>	<b>(114,041)</b>
<b>Total</b>	<b>(10,978)</b>	<b>(34,651)</b>	<b>(1,271)</b>	<b>(2,349)</b>

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

*(2) Other operating expenses for the year ended December 31, 2021 are mainly comprised of: (i) discounts and reimbursements in loan operations - R\$36,175 for the Bank and Consolidated (R\$53,111 for the Bank and Consolidated as at December 31, 2020); and (ii) settlement of lawsuits - R\$16,835 for the Bank and Consolidated (R\$21,778 for the Bank and Consolidated as at December 31, 2020).*

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

	Bank		Consolidated	
	2021	2020	2021	2020
<b>Profit for the period</b>	<b>1,414,199</b>	<b>1,182,616</b>	<b>1,414,199</b>	<b>1,182,616</b>
<b>Regulatory non-recurring profit</b>				
Amortization of negative goodwill on acquisition of another financial institution (net of taxes)	(3,624)	(3,854)	(3,624)	(3,854)
<b>Regulatory recurring profit</b>	<b>1,410,575</b>	<b>1,178,762</b>	<b>1,410,575</b>	<b>1,178,762</b>

**22 - RELATED-PARTY TRANSACTIONS**

- 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, and are presented in conformity with CMN Resolution No. 4693/18 and CMN Resolution No. 4818/20.

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

Transactions	Bank			
	2021		2020	
	Assets (liabilities)	Income (expenses)	Assets (liabilities)	Income (expenses)
<b>Derivative transactions</b>	<b>(28)</b>	<b>(26)</b>	-	-
<b>Other related parties - individuals</b>	<b>(28)</b>	<b>(26)</b>	-	-
<b>Interbank deposits</b>	<b>1,348,675</b>	<b>38,007</b>	<b>793,164</b>	<b>21,642</b>
<b>Direct subsidiaries</b>	<b>1,348,675</b>	<b>38,007</b>	<b>793,164</b>	<b>21,642</b>
Daycoval Leasing - Banco Múltiplo S.A.	1,348,675	38,007	793,164	21,642
<b>Loan operations <sup>(1)</sup></b>	<b>15,154</b>	<b>1,090</b>	-	-
<b>Other related parties - legal entities</b>	<b>15,154</b>	<b>1,090</b>	-	-
Danuri Importação e Exportação Ltda	15,154	1,090	-	-
<b>Demand deposits</b>	<b>(8,973)</b>	-	<b>(5,232)</b>	-
<b>Direct subsidiaries</b>	<b>(292)</b>	-	<b>(97)</b>	-
ACS Participações Ltda.	(25)	-	(19)	-
Daycoval Asset Management Ltda.	(59)	-	(13)	-
Daycoval Leasing - Banco Múltiplo S.A.	(86)	-	(13)	-
Dayprev Vida e Previdência S.A.	(6)	-	(52)	-
Multigestão Renda Corporativa F.I. Imobiliário FII	(116)	-	-	-
<b>Indirect subsidiaries</b>	<b>(4,591)</b>	-	<b>(1,302)</b>	-
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(659)	-	(436)	-
SCC Agência de Turismo Ltda.	(14)	-	(2)	-
Treetop Investments Ltd.	(3,918)	-	(864)	-
<b>Other related parties - legal entities</b>	<b>(69)</b>	-	<b>(8)</b>	-
3SV Adm. de Bens Participações Ltda	(10)	-	(2)	-
C.P. Participações e Cobranças S/C	(1)	-	-	-
Daycoval Metais Ltda.	(1)	-	(2)	-
M.P. Promotora de Vendas Ltda.	(2)	-	-	-
Paratei Agropecuária e Imobiliária Ltda.	(3)	-	(1)	-
Shtar Empreendimentos e Participações S.A.	(3)	-	(1)	-
Valco Adm. Part. e Representações Ltda.	(47)	-	-	-
Yona Participações Ltda.	(2)	-	(2)	-
<b>Other related parties – individuals</b>	<b>(4,021)</b>	-	<b>(3,825)</b>	-
<b>Time deposits</b>	<b>(124,551)</b>	<b>(15,046)</b>	<b>(124,389)</b>	<b>(22,217)</b>
<b>Direct subsidiaries</b>	<b>(31,199)</b>	<b>(894)</b>	<b>(8,051)</b>	<b>(45)</b>
ACS Participações Ltda.	(30,236)	(880)	(8,051)	(45)
Daycoval Asset Management Ltda.	(963)	(14)	-	-
<b>Indirect subsidiaries</b>	<b>(14,352)</b>	<b>(1,516)</b>	<b>(45,333)</b>	<b>(9,073)</b>
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(7,035)	(778)	(28,998)	(1,056)
SCC Agência de Turismo Ltda.	(2,422)	(146)	(2,601)	(323)
Treetop Investments Ltd.	(4,895)	(592)	(13,734)	(7,694)
<b>Other related parties - legal entities</b>	<b>(8,667)</b>	<b>(398)</b>	<b>(3,579)</b>	<b>(58)</b>
Daycoval Metais Ltda.	(61)	(3)	(84)	(1)
Shtar Empreendimentos e Participações S.A.	(2,488)	(118)	(2,411)	(27)
Valco Adm. Part. e Representações Ltda.	(6,118)	(277)	(1,084)	(30)
<b>Other related parties – individuals</b>	<b>(70,333)</b>	<b>(12,238)</b>	<b>(67,426)</b>	<b>(13,041)</b>

Transactions	Bank			
	2021		2020	
	Assets (liabilities)	Income (expenses)	Assets (liabilities)	Income (expenses)
<b>Financial bills</b>	<b>(594,000)</b>	<b>(51,472)</b>	<b>(720,522)</b>	<b>(34,156)</b>
<b>Direct subsidiaries</b>	<b>(320,552)</b>	<b>(20,174)</b>	<b>(367,192)</b>	<b>(12,691)</b>
ACS Participações Ltda.	(320,552)	(20,174)	(367,192)	(12,691)
<b>Indirect subsidiaries</b>	<b>(61,994)</b>	<b>(5,892)</b>	<b>(169,483)</b>	<b>(5,055)</b>
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	(50,757)	(4,506)	(159,179)	(4,751)
SCC Agência de Turismo Ltda.	(11,237)	(1,386)	(10,304)	(304)
<b>Other related parties – individuals</b>	<b>(211,454)</b>	<b>(25,406)</b>	<b>(183,847)</b>	<b>(16,410)</b>
<b>Agribusiness letter of credit</b>	<b>(28,361)</b>	<b>(5,480)</b>	<b>(13,367)</b>	<b>(11,728)</b>
Other related parties – individuals	(28,361)	(5,480)	(13,367)	(11,728)
<b>Mortgage Loan Notes</b>	<b>(34,642)</b>	<b>(7,643)</b>	<b>(25,121)</b>	<b>(6,786)</b>
Other related parties – individuals	(34,642)	(7,643)	(25,121)	(6,786)
<b>Prepaid expenses</b>	-	<b>(37,234)</b>	-	<b>(21,340)</b>
<b>Indirect subsidiaries</b>	-	<b>(37,234)</b>	-	<b>(21,340)</b>
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	-	(37,234)	-	(21,340)
<b>Administration fees</b>	<b>14</b>	<b>77</b>	-	-
<b>Direct subsidiaries</b>	<b>14</b>	<b>77</b>	-	-
Multigestão Renda Corporativa F.I. Imobiliário FII	14	77	-	-
<b>Bookkeeping fees</b>	<b>3</b>	<b>15</b>	-	-
<b>Direct subsidiaries</b>	<b>3</b>	<b>15</b>	-	-
Multigestão Renda Corporativa F.I. Imobiliário FII	3	15	-	-

(1) 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, equivalent 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 individuals and 5% for loans with legal entities, as prescribed in article 7 of the Resolution. These limits must be calculated on the loan transaction date.

b) The table below shows the yield rates and respective terms of the transactions between the Bank and its related parties as at December 31, 2021:

Transactions	Interest rate <sup>(1)</sup>	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total assets (liabilities)
<b>Derivative transactions</b>		-	-	(19)	(9)	-	(28)
Other related parties - individuals	Fixed	-	-	(19)	(9)	-	(28)
<b>Interbank deposits</b>		-	1,348,675	-	-	-	1,348,675
<b>Direct subsidiaries</b>		-	1,348,675	-	-	-	1,348,675
Daycoval Leasing - Banco Múltiplo S.A.	Floating	-	1,348,675	-	-	-	1,348,675
<b>Loan operations</b>		15,154	-	-	-	-	15,154
<b>Other related parties - legal entities</b>		15,154	-	-	-	-	15,154
Danuri Importação e Exportação Ltda	Floating	15,154	-	-	-	-	15,154
<b>Time deposits</b>		(142)	(862)	(39,434)	(78,025)	(6,088)	(124,551)
<b>Direct subsidiaries</b>		-	-	-	(31,199)	-	(31,199)
ACS Participações Ltda.	Floating	-	-	-	(30,236)	-	(30,236)
Daycoval Asset Management Ltda.	Floating	-	-	-	(963)	-	(963)
<b>Indirect subsidiaries</b>		(68)	-	(4,827)	(9,457)	-	(14,352)
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	Floating	-	-	-	(7,035)	-	(7,035)
SCC Agência de Turismo Ltda.	Floating	-	-	-	(2,422)	-	(2,422)
Treetop Investments Ltd.	Fixed	(68)	-	(4,827)	-	-	(4,895)
<b>Other related parties - legal entities</b>		-	-	(2,549)	(6,118)	-	(8,667)
Daycoval Metais Ltda.	Floating	-	-	(61)	-	-	(61)
Shtar Empreendimentos e Participações S.A.	Floating	-	-	(2,488)	-	-	(2,488)
Valco Adm. Part. e Representações Ltda.	Floating	-	-	-	(6,118)	-	(6,118)
<b>Other related parties - individuals</b>		(74)	(862)	(32,058)	(31,251)	(6,088)	(70,333)



Transactions	Interest rate <sup>(1)</sup>	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total assets (liabilities)
<b>Financial Bills</b>		<b>(392)</b>	<b>(1,953)</b>	<b>(218,737)</b>	<b>(370,119)</b>	<b>(2,799)</b>	<b>(594,000)</b>
<b>Direct subsidiaries</b>		-	-	-	<b>(320,552)</b>	-	<b>(320,552)</b>
ACS Participações Ltda.	Fixed / Floating	-	-	-	(320,552)	-	(320,552)
<b>Indirect subsidiaries</b>		-	-	<b>(50,757)</b>	<b>(11,237)</b>	-	<b>(61,994)</b>
IFP Promotora de Serviços de Consultoria e Cadastro Ltda.	Floating	-	-	(50,757)	-	-	(50,757)
SCC Agência de Turismo Ltda.	Floating	-	-	-	(11,237)	-	(11,237)
<b>Other related parties - individuals</b>	Fixed / Floating	<b>(392)</b>	<b>(1,953)</b>	<b>(167,980)</b>	<b>(38,330)</b>	<b>(2,799)</b>	<b>(211,454)</b>
<b>Agribusiness letter of credit</b>		<b>(675)</b>	<b>(8,027)</b>	<b>(16,600)</b>	<b>(3,059)</b>	-	<b>(28,361)</b>
Other related parties - individuals	Fixed / Floating	(675)	(8,027)	(16,600)	(3,059)	-	(28,361)
<b>Mortgage Loan Notes</b>		<b>(1,812)</b>	<b>(3,919)</b>	<b>(11,659)</b>	<b>(10,951)</b>	<b>(6,301)</b>	<b>(34,642)</b>
Other related parties - individuals	Fixed / Floating	(1,812)	(3,919)	(11,659)	(10,951)	(6,301)	(34,642)

(1) The yield rates range from: (i) Fixed from 1.4% to 14.3% p.a.; and (ii) Floating from 97.5% 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 ended December 31, 2021 (R\$85 million for the year ended December 31, 2020).

	2021	2020
Total compensation	80,842	73,814
Direct and fringe benefits (healthcare plan)	1,264	1,152
<b>Total</b>	<b>82,106</b>	<b>74,966</b>

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

	2021	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			
	2021		2020	
	Level 1	Level 2	Level 1	Level 2
<b>Financial assets measured at fair value:</b>				
<b>Through profit or loss</b>				
<b>Marketable securities</b>				
Private-sector securities	78,198	-	114,906	22,001
<b>Derivatives</b>				
Swap, forward and options operations	-	919,600	-	1,185,433
Futures market	13,480	-	3,277	-
<b>Through other comprehensive income - equity (available for sale)</b>				
<b>Marketable securities</b>				
Federal government bonds	8,370,865	-	5,083,690	-
Marketable securities abroad	-	8,660	-	8,450
Private-sector securities	180,302	64,818	645	2,632
Investment fund units	877,583	-	50,614	-
<b>Financial liabilities measured at fair value:</b>				
<b>Through profit or loss</b>				
<b>Issuances abroad</b>				
Issuances abroad (bonds)	-	2,614,275	-	2,405,406
<b>Obligations for loans</b>				
Loans abroad	-	6,054,043	-	3,151,462
<b>Derivatives</b>				
Swap, forward and options operations	-	152,715	-	43,816
Futures market	54,873	-	14,248	-

Accounting classification	Consolidated			
	2021		2020	
	Level 1	Level 2	Level 1	Level 2
<b>Financial assets measured at fair value:</b>				
<b>Through profit or loss</b>				
<b>Marketable securities</b>				
Private-sector securities	78,198	-	114,906	22,001
Federal government bonds	325	-	-	-
<b>Derivatives</b>				
Swap, forward and options operations	-	919,600	-	1,185,433
Futures market	13,480	-	3,277	-
<b>Through other comprehensive income - equity (available for sale)</b>				
<b>Marketable securities</b>				
Federal government bonds	8,405,835	-	5,071,410	-
Marketable securities abroad	-	102,108	-	100,498
Private-sector securities	180,302	67,138	645	2,774
Investment fund units	1,228,543	-	218,132	-
<b>Financial liabilities measured at fair value:</b>				
<b>Through profit or loss</b>				
<b>Issuances of securities</b>				
Issuances abroad (bonds)	-	2,614,275	-	2,405,406
<b>Obligations for loans</b>				
Loans abroad	-	6,054,043	-	3,151,462
<b>Derivatives</b>				
Swap, forward and options operations	-	152,715	-	43,816
Futures market	54,873	-	14,248	-

As at December 31, 2021 and 2020, Daycoval had no financial instrument classified in Level 3.

**b) Fair value measurement method**

Description of the method to measure 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 measurement. In the absence of price quoted by ANBIMA - Brazilian Financial and Capital Markets Association, the fair values of government bonds are determined in view of the rates or prices given by other market agents that trade such securities. The fair values of debt securities of companies, when not available in the active market, are calculated by discounting estimated cash flows, based on interest rates adopted in the market and applicable to each payment flow or maturity of these debts. The fair values of the units 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 fair value measurement of swap contracts.

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

**Issuances abroad and payables for loans**

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

**c) Fair values of financial assets and liabilities measured 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, using the observable market interest rate for financial instruments with similar credit risk and maturity. For debt instruments quoted, the value is determined based on 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 subject to floating 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			
	2021		2020	
	Amortized cost	Fair value	Amortized cost	Fair value
<b>Financial assets measured at amortized cost:</b>				
Interbank accounts	4,659,241	4,990,196	5,565,372	5,755,929
Credit operations with loan characteristics	39,931,187	40,472,177	31,811,014	34,175,638
Marketable securities issued by governments of other countries	16,843	18,891	15,685	18,563
<b>Financial liabilities measured at amortized cost:</b>				
Local funding (interbank deposits, time deposits and issuances of securities in B	34,699,807	34,506,485	28,914,887	29,124,695
Borrowings and onlendings	2,851,105	1,749,563	1,517,290	1,450,082
Accounting classification	Consolidated			
	2021		2020	
	Amortized cost	Fair value	Amortized cost	Fair value
<b>Financial assets measured at amortized cost:</b>				
Interbank accounts	3,310,566	3,628,844	4,772,208	4,960,963
Credit operations with loan characteristics	40,228,203	40,786,373	32,053,247	34,439,659
Lease operations	1,779,303	1,870,618	1,178,864	1,392,945
Marketable securities issued by governments of other countries	16,843	18,891	15,685	18,563
<b>Financial liabilities measured at amortized cost:</b>				
Local funding (interbank deposits, time deposits and issuances of securities in B	34,271,709	34,078,388	27,864,170	28,534,635
Borrowings and onlendings	2,851,105	1,749,563	1,517,290	1,450,082

The financial instruments measured at amortized cost, for purposes of assessing 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 clients, 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 4,557, Daycoval understands that the integrated management of risks is a key instrument for disseminating a behavior that encourage the establishment of a culture oriented to manage these risks. Accordingly, it establishes strategies and objectives to reach optimal balance between the growth goals and return on investments and the underlying risks, 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 the better Corporate Governance, which is one of Daycoval's strategic focus, in line with the guidelines of Management, Integrated Risk and Capital Management Executive Committee, to steer actions in order to ensure compliance with prevailing regulation, guarantee the implementation of actions and access to the information necessary for such management.

The responsibility for risk identification and management is structured according to the concept of three lines of defense, in order to map the risk events of internal and external nature that may affect the objectives of the business units. In this scenario, the Risk Committee and risk managers play an important role in the various areas of the Bank, in order to ensure the Bank's continuing and sustainable growth.

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 and, are expressed as indices that link the capital available and the right-weighted assets (RWA).

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-subsidiaries, especially those operating in the 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 which, for Banco Daycoval, include the Bank's operations, its branch abroad and Daycoval Leasing.

CMN Resolutions 4,192/13 and 4,193/13 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 % of capital	
	2021	2020
<b>Minimum Regulatory Capital ("PR")</b>	<b>8.00%</b>	<b>8.00%</b>
<b>Tier I</b>	<b>6.00%</b>	<b>6.00%</b>
Principal capital	4.50%	4.50%
Complementary capital	1.50%	1.50%
<b>Tier II</b>	<b>2.00%</b>	<b>2.00%</b>
<b>Additional principal capital ("ACP")</b>	<b>2.00%</b>	<b>1.25%</b>
ACP - Conservation <sup>(1)</sup>	2.00%	1.25%
ACP - Countercyclical <sup>(2)</sup>	0.00%	0.00%
ACP - Systemic <sup>(3)</sup>	0.00%	0.00%
<b>Total capital required (PR + ACP)</b>	<b>10.00%</b>	<b>9.25%</b>

(1) CMN Resolution No. 4,783/20 established 2% in the Additional Principal Conservation Capital (ACP Conservation), from October 1, 2021 to March 30, 2021, and from April 1, 2022 at 2.5%.

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

(3) The Systemic Importance Additional (Systemic ACP) is determined on the basis of criteria set by BACEN Circular 3768/15. The percentage of Systemic ACP is up to 2%, provided that the reason between total exposure, pursuant to article 2, item II, of BACEN Circular Letter 3,748/15, 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 Systemic ACP is equal to 0%.

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

	2021	2020
<b>Regulatory capital</b>	<b>5,958,513</b>	<b>4,872,419</b>
<b>Regulatory Capital – Tier I</b>	<b>5,958,513</b>	<b>4,711,334</b>
<b>Principal Capital</b>	<b>4,966,475</b>	<b>4,414,120</b>
Equity	4,981,278	4,425,873
Prudential adjustments - Bacen Resolution 4192/13	(14,803)	(11,753)
<b>Complementary capital</b>	<b>992,038</b>	<b>297,214</b>
Perpetual financial bills (Note 16.d)	992,038	297,214
<b>Regulatory Capital - Tier II</b>	<b>-</b>	<b>161,085</b>
Subordinated debts (Note 16.d)	-	161,085
<b>Minimum required capital (RWAx 8%)</b>	<b>3,670,434</b>	<b>2,690,899</b>
<b>Risk-Weighted Assets (RWA)</b>	<b>45,880,423</b>	<b>33,636,241</b>
<b>Credit risk</b>	<b>40,863,566</b>	<b>29,635,831</b>
<b>Market risk</b>	<b>2,582,403</b>	<b>1,195,440</b>
Foreign exchange asset - RWAcam	971,726	889,695
Assets indexed to fixed interest - RWAjur1	1,514,641	115,093
Assets indexed to foreign exchange coupon - RWAjur2	93,077	88,198
Assets indexed to inflation - RWAjur3	2,959	5,771
Assets indexed to floating rate - RWApacs	-	96,683
<b>Operational risk - RWAopad</b>	<b>2,434,454</b>	<b>2,804,970</b>
<b>Basel ratio - Total</b>	<b>12.99%</b>	<b>14.49%</b>
Basel ratio - Tier I	12.99%	14.01%
Basel ratio - Tier II	-	0.48%
Exposure of assets to the interest rate in the Banking Book (IRRBB)	661,122	579,996
<b>Surplus regulatory capital</b>		
On minimum requirement	62.34%	81.07%
On total requirement	29.87%	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:

- $\Delta$ EVE (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;
- $\Delta$ NI (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 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 December 31, 2021 and 2020:

Risk factors	2021			2020		
	Scenarios			Scenarios		
	1	2	3	1	2	3
Fixed rate	(61,365)	(134,732)	(199,949)	(142)	(65)	113
Foreign currencies	2,941	8,056	14,365	27,095	86,955	153,140
Price indices	4	10	15	(12)	(23)	(33)
Variable income	-	-	-	(8,697)	(18,607)	(28,517)
Other	-	-	-	(409)	(874)	(1,340)
<b>Total Trading Book</b>	<b>(58,420)</b>	<b>(126,666)</b>	<b>(185,569)</b>	<b>17,835</b>	<b>67,386</b>	<b>123,363</b>
<b>Total Banking Book</b>	<b>(510,477)</b>	<b>(1,093,680)</b>	<b>(1,646,240)</b>	<b>(334,592)</b>	<b>(472,281)</b>	<b>(606,124)</b>
<b>Total geral</b>	<b>(568,897)</b>	<b>(1,220,346)</b>	<b>(1,831,809)</b>	<b>(316,757)</b>	<b>(404,895)</b>	<b>(482,761)</b>

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\$6.34 (R\$/US\$5.91 as at December 31, 2020); (ii) fixed interest rate of 14.50% p.a. (5.35% p.a. as at December 31, 2020); (iii) Ibovespa of 85,954 points (97,594 points as at December 31, 2020); and (iv) exchange coupon of 3.63% p.a. (3.73% p.a. as at December 31, 2020); and (v) price index of 7.21% 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\$7.92 (R\$/US\$7.38 as at December 31, 2020); (ii) fixed interest rate of 18.13% p.a. (6.69% p.a. as at December 31, 2020); (iii) Ibovespa of 64,466 points (73,195 points as at December 31, 2020); and (iv) exchange coupon of 4.54% p.a. (4.66% p.a. as at December 31, 2020); and (v) price index of 9.01% 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\$9.51 (R\$/US\$8.86 as at December 31, 2020); (ii) fixed interest rate of 21.75% p.a. (8.03% p.a. as at December 31, 2020); (iii) Ibovespa of 42,977 points (48,797 points as at December 31, 2020); and (iv) exchange coupon of 5.45% p.a. (5.59% p.a. as at December 31, 2020); and (v) price index of 10.82% 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 December 31, 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 risk model efficiency 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 extreme 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 frequently performed 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**

Risk associated with 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 deterioration 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. In these processes, the Governance, Risk and Compliance (GRC) area works in synergy with the managers of the executive areas, in the application of the methodologies and tools used in the corporate analysis of the following factors:

- 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 principles of relevance and proportionality.

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

### 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 December 31, 2021, totaled R\$49.6 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 statements for the year ended December 31, 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 3,198/04, 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 their duration is highly uncertain.

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 changes in interest rates; 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:

- CMN Resolution 4,782/20 – facilitates the renegotiation of loans of natural persons and legal entities and exempt banks from raising the level of the allowance for loan losses;
- CMN Resolution 4,803/20 – amended by Resolution 4855/20, allows reclassifying transactions renegotiated between March 1 and September 30, 2020 to the classification level on February 29, 2020;
- CMN Resolution 4,820/20, establishes, for a given period, bans on interest on 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 4,030, which amends Circular Letter 3,809/16, 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 4,193/13;
- CMN Resolution 4,855/20, 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.
- CMN Resolution 4,856/20 amends Resolution 4,782/20 which established for a 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 4,894/21 extends the emergency measures introduced by Resolution 4,810/20 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;

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 these financial statements 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 financial statements as at December 31, 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 December 31, 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, who 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 listed below:

- Leave of absence for employees comprising the vulnerable 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;
- Protocol for monitoring of employees and family members who display COVID-19 symptoms;
- Extensive communication with agencies, clients and employees in relation to the virus spread 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 mid-sized companies that are shifting their activities to produce these items. 1 million face masks was distributed by this campaign.

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.

**The Management**

**Luiz Alexandre Cadorn**  
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CRC 1SP243564/O-2