International Conference Call
Banco Pan (BPAN04)
3Q25 Earnings Results
November 11th, 2025

Operator: Good morning, everyone. Welcome to Banco Pan's teleconference for discussing our results related to the 3Q25.

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We would like to inform everyone that this event is being recorded, and all participants will be in listen-only mode during the Company's presentation. Once the Bank's remarks are completed, there will be a question-and-answer session when further instructions will be provided.

Before proceeding, we shall inform you that statements that may be made during this conference call related to Banco Pan's forward-looking perspectives, projections, financial and operational goals are based on the beliefs and assumptions of the Bank's management and on information currently available to the Company. Future-looking statements are no guarantee of future performance. This involves risks and uncertainties because they relate to future events and therefore depend on circumstances that may or may not occur.

Investors and analysts should understand that general economic conditions, industry and other operating factors could also affect the Bank's future results and could cause the results to differ naturally from those expressed in such forward-looking statements.

With us here today, we have Mr. André Luiz Calabro, Banco Pan's Director-President and Mr. Inácio Caminha, Head of Investors Relations.

We will now give the floor to Mr. André Luiz Calabro, who will begin today's presentation. Please, Mr. Calabro, you may proceed.

André Luiz Calabro:

Good morning. Thank you everyone for being here with us today in our earnings release, and before talking about our performance in the quarter, I would like to mention this relevant factor we have disclosed recently.

We were told by our controlling shareholder about the incorporation of shares, and all the needed analysis are ongoing now. They are being done by our independent advisors. They are ongoing and we are waiting for more information. Any additional information relevant will be promptly informed to the market, according to the transparency that guide our actions.

And now let's talk about the highlights of the quarter. I would like to highlight some important points that we had. The first one is the expansion on the credit origination new and about the products in all the segments, we grew a lot in the private loan. We all resumed the leadership in motorcycles, a growth in used vehicles. Also, we are working now for having a rebound in the INSS in the next quarters, and also a gradual rebound on the cards and private loans where we have been careful because of the macro scenario here in the country.

Regarding operational leverage, we disclosed in the last quarter we had this no exception of portfolio as a strategy, also we had an improvement in the expenses, so besides increasing the portfolio, we have had an improvement in the expense, personal expenses, admin expenses. We have had good results with a decrease in these indicators.

Regarding revenues, we had growing margin and growing fee revenue. Regarding delinquency, there was a decrease in motorcycles and light vehicles. We have had very controlled delinquency, and of course private loans and cars we are being more careful because of the macro scenario in the country. So we have been working with a more controlled production and delinquency it's kind of nervous, let's say so.

Regarding efficiency, we are working with the B2C channel originations there. So we have had several AI models that we are using, data models combined. It's intensive work in this strategy.

Regarding self-service, we have had good results, very positive indicators results. Our UX, client experience and the bot usage has been improving so that we can offer a better service to our clients.

And the last highlight, really important, regarding the quality and the focus on our client, is important to highlight that for the second quarter in a row, the Bank has presented good positions in the rank. Last half we were in sixth in the Bacen ranking, so we have improved. This shows our commitment to our client in the Reclame Aqui we had an 8.1 grade, so this shows our commitment to our client as well.

And of course, we have been working in our new app. It is a long-term project; we are going to disclose more novelties in the next half.

I think these are the first points and Inácio is now going to continue with the presentation. Thank you.

Inácio Caminha:

So now continuing to page 3, we have details about how the results of the Bank have kept flat, around R$ 200 million. So we have reduced the credit assignments, and in the 2Q there was no credit assignment, the portfolio grew strongly, reaching R$ 61.5 billion, leveraging the results and ROE evolving to 12%.

On page 4 we have the big numbers, the big figures. Clients, we closed with 32.5 million in this quarter. The portfolio, R$ 61.5 billion, representing a growth of 6%. Very important growth in the quarter. Net income, a growth of 9%, amounting to R$ 209 million in ROE, 12.1%.

Regarding the engagement on page 6, we were rather kind of flat in this quarter. Total and active clients, 59% of our basis, 2.3 products in the cross-sell index, Pix keys 9.5 and transaction volume amounting to R$ 32.3 in the quarter.

Regarding origination on page 7, we have here a rebound driven by vehicles. We had a record origination of R$ 5.2 bi, and also the new product, private payroll loan, in which we are working hard. We had very good results in this quarter.

Public payroll loan/INSS still with shy volumes, but we imagine that in the future we are going to escalate it again. And FGTS, an EP Clean flat stable in this 3Q. So we originated R$ 8,4 bi, R$ 1 bi more than on the previous quarter.

Credit portfolio, R$ 61.5 bi, an important growth of 6% in the quarter. Vehicles is the main portfolio with R$ 36.5 bi, almost 60% of the portfolio. Public payroll plus FGTS decreased in the margin due to a smaller origination, and private payroll has a more relevant growth, totalizing R$ 2.8 million in a portfolio for which we see a very promising future.

Regarding credit card is flat, volumes in a softer growth because of credit characteristics and the behavior of the product.

Regarding delinquency, on page 9, the portfolio mix changes gradually, especially with the reduction of the payroll loan and FGTS, so we have more risk in the operations, but we offset these with more spread. When we look at the indicators of arrears, we see that there was Vehicles contributing here. Vehicles increase in the Over 90, but we perceive this in the total movement of the portfolio because the Clean portfolio is kind of more difficult.

So, due to this, on page 10 we see that new cards issued continue with a limited offer, with 144 new credit cards, and TPV also decreasing to R$ 3.6 with a R$ 63 million revenue.

Insurance, on page 11, the performance was a strong good and here we see the relationship it has with Vehicles, but also with the private payroll loan, so we can work on several types of policies with our clients, amounting to R$ 268 in prices issued and R$ 124 in revenues in this quarter.

Now the financial highlights on page 13, we see that our interest margins totalized R$ 2.6 bi in the quarter, 17% with or without assignment, so we didn't do arrears or on-day portfolio assignments.

Credit cost had 9% in the quarter, it's a level very close to the 1Q25. And in the 2Q there was this decrease because we did this arrears portfolio assignment in the 2Q, so, we penalized the financial margin 14.8%.

If we hadn't done these assignments in the last quarter, the cost of credit would be almost flat. So we see how comfortable we are here with the risk management at the Bank. And of course NIM after credit cost closed at 7.4%, R$ 1.1 billion on the quarter.

On page 14 we have the lines regarding the results. Expenses, we see that the efficiency agenda is working. On the personal expenses, for instance, we reduced to R$ 201 million in 3Q. Expenses as a whole decreased gradually, and expenses with contingencies also decreased. So, we have this ongoing work bringing more leverage to the Bank.

Regarding fee revenues, we see an important leap in the levels you know, we had R$ 420 million around and now we've reached R$ 464 this quarter, and profitability R$ 209, 12.1% of ROE.

So, to close this first part of our call, we have here equity and capital, 12.7%.

With that, I close the first part and open for the Q&A session.

Q&A Session

Brian Flores, Citi:

Hello, good morning. Thank you for taking my question. Well, I have only one.

It's clear that you are broadening origination, congratulations for this initiative, but also, we see that the risk cost is growing notably, of course, because the way you are operating. But I would like to understand if the margin adjusted according to the risk would continue on this level. Is there a space for improving? And please, could you explain about the levers of this potential improvement? Thank you.

Inácio Caminha:

Hi, Brian. Thank you for the question.

I think that we see some room for improvement. The mix, as you said, is changing towards this. The products, naturally, have a little bit more risk, but we try to offset this with the pricing, with the more aligned spread to have more return, even with the risk.

And if you look at our historical records in the long term, this movement has been happening since some time. So we don't expect an abrupt change of levels, but an ongoing and positive construction, we understand that this is going to happen. Thinking about the financial margin and when you adjust the risk, of course we had a change in the 4966 that changed the level of the initial risk. When you continue and you have a more adjusted mix of products for improving the risk, then the risk improves, there is a better result, and so we understand that there is still space for improvement.

Brian Flores:

Okay. Thank you. Thank you, Inácio.

Operator:

And since there is no more questions, I would like now to hand over to Mr. Calabro for the final remarks.

André Luiz Calabro:

Again, I think that the main messages here that we would like you to take home. Well, since we have already spoken about this, our growth strategy is based on the diversification of origination of our products with a controlled risk.

And so, as Inácio commented, this is going to materialize along the next quarters. We are working on the products of the Bank; we see excellent results on light vehicles and private payroll loans. We are resuming now the INSS, the public payroll loans.

We have been working very well on delinquency, reducing also the fixed expenses, improving in the variable expenses. So, this is a daily work that we do, and the results are showing up in the average and the long-term, this is going to get even better.

Talking about efficiency but also about excellence regarding our clients, we can disclose that we have some very positive indicators like the ranking Bacen, the Reclame Aqui. This shows our commitment regarding the services that we deliver to our clients, and so we believe that this is going to improve our recurrence, improve the relationship.

So the strategy is set up since the beginning, since my first day at work here at Banco Pan. So we are going to continue with this strategy because we believe that quarter upon quarter, we're going to get this very good, great result.

So thank you so much and we finish this today.

Operator:

This concludes Banco Pan's conference call. We thank you for your attendance and wish you a nice day.