



**Conference
Call
3Q19**

Disclaimer

- This presentation may include statements representing expectations about future events or results of Banco PAN. These statements are based upon projections and analyses which reflect present views and/or expectations of the Management of the Bank with regards to its performance and to the future of its business. ■ ■

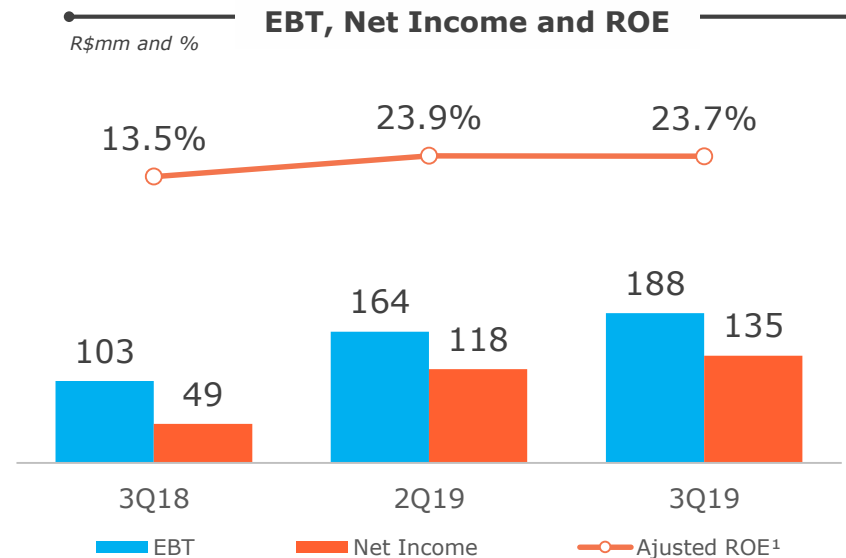
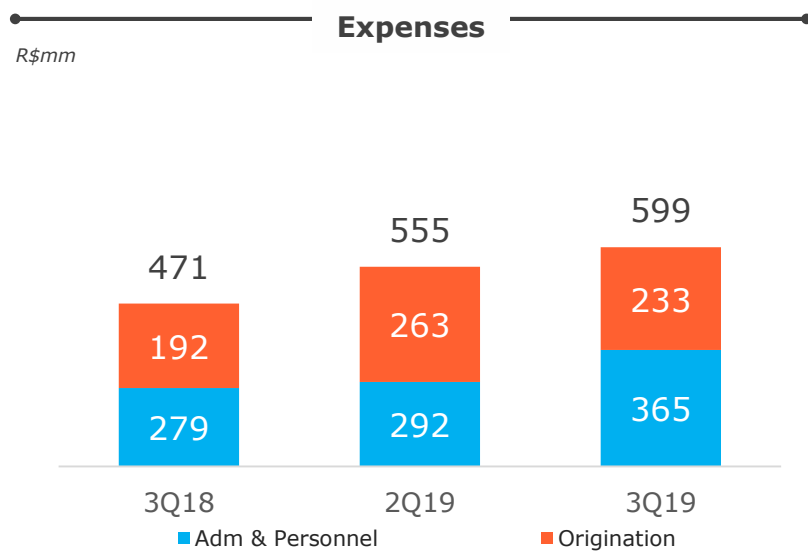
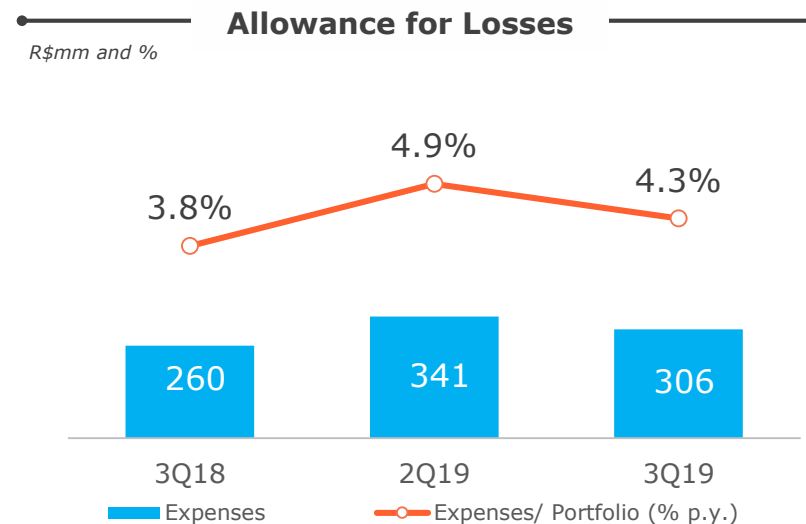
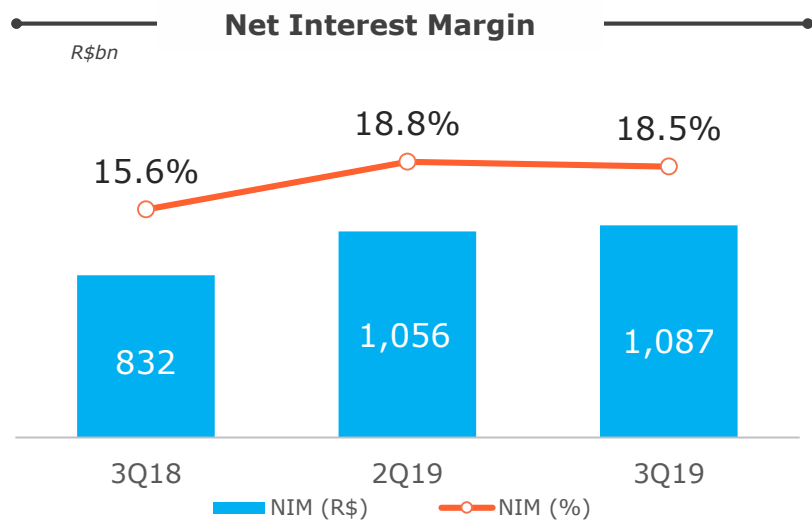
Risks and uncertainties related to the bank's businesses, to the competitive and market environment, to the macro economical conditions and other factors described in "Risk Factors" in the Reference Form, filed with the Comissão de Valores Mobiliários, may cause effective results to differ materially from such plans, objectives, expectations, projections and intentions.

HIGHLIGHTS

- ✓ **Follow on** in the total amount of **R\$ 1.04bn** (50% primary offer & 50% secondary offer);
- ✓ **Net Income of R\$134.6 million** in 3Q19, **up 14%** from R\$117.7 million in 2Q19 and **174%** from R\$49.1 million in 3Q18;
- ✓ **Adjusted ROE (unaudited) of 23.7% p.y.** in 3Q19, versus a return of 23.9% p.y. in 2Q19 and 13.5% p.y. in 3Q18;
- ✓ **Accumulated Net Income of R\$348.4 million** in 9M19, **up 136%** from R\$147.9 million in 9M18;
- ✓ **Monthly average retail origination reached R\$1,777 million in 3Q19, up 10%** from R\$1,614 million in 2Q19 and **24%** from R\$1,428 million in 3Q18;
- ✓ The **On-balance Credit Portfolio** ended the quarter at **R\$23.6 billion** in 3Q19, increasing by **5%** from R\$22.5 billion in 2Q19 and **20%** from R\$19.7 billion in 3Q18;
- ✓ **Time Deposits totaled R\$12,0 billion** in 3Q19, increasing **44%** in 12 months, corresponding **52%** of the funding;
- ✓ **Managerial Net Interest Margin of 18.5% p.y.** in 3Q19, versus a margin of 18.8% p.y. in 2Q19 and 15.6% p.y. in 3Q18;
- ✓ **Shareholders' Equity** ended the quarter at **R\$4.8 billions** and the **Basel Ratio** at **15.7%¹**.

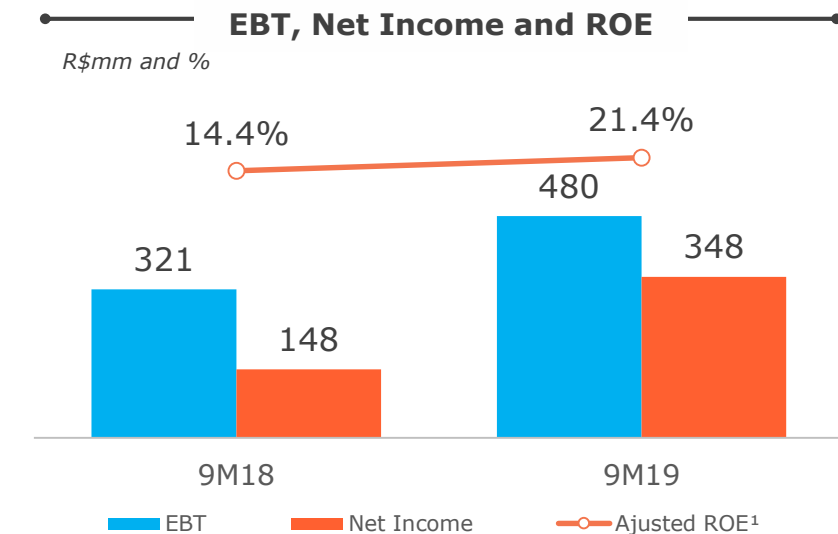
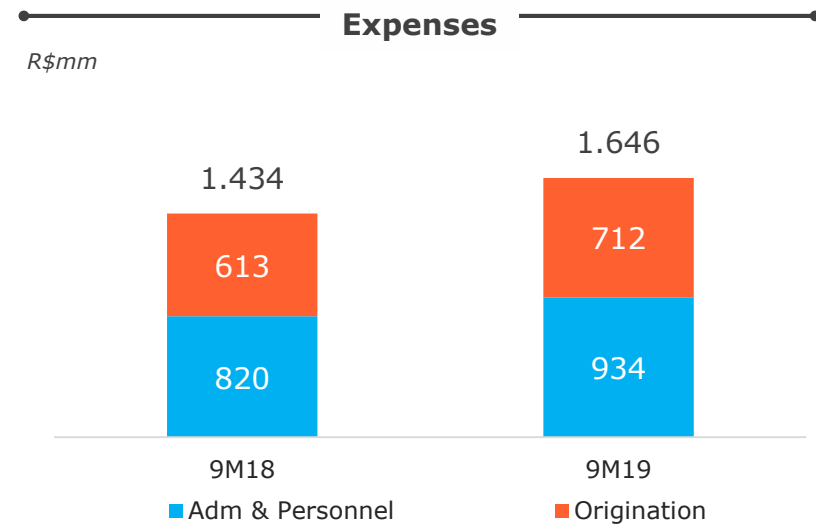
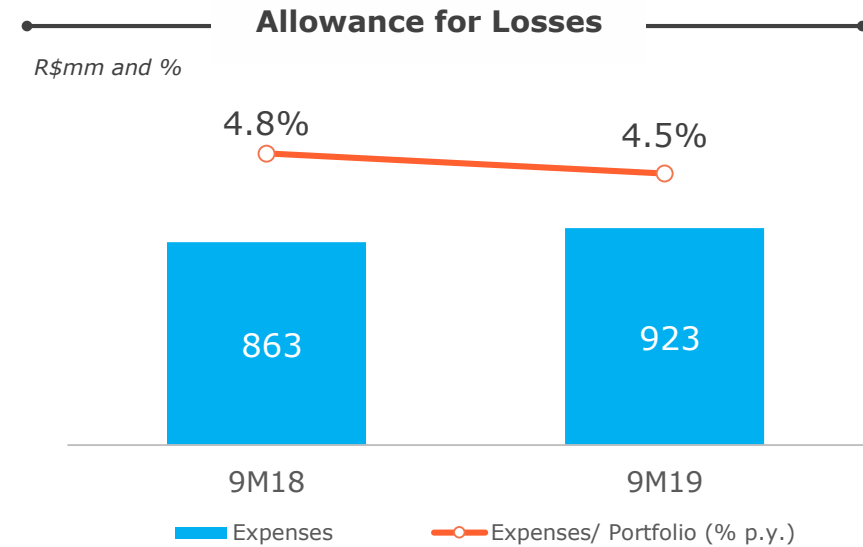
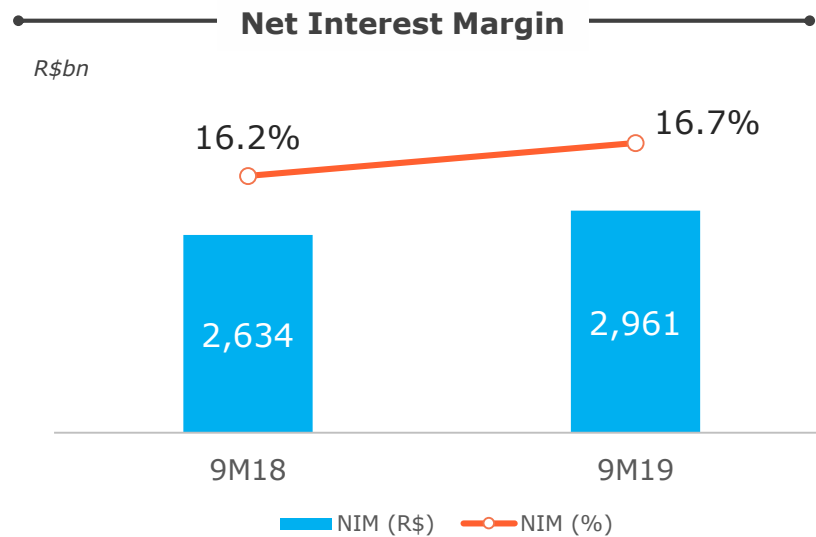
¹ Considering the capital increase concluded on September, 2019 in the total amount of R\$522 mm, still pending approval by the Central Bank of Brazil.

EARNINGS



Note: (1) Unaudited adjusted ROAE includes (i) excess of funding expenses (26.4% p.a. vs. 120% CDI), as an adjustment to the Net Income, and (ii) excess of DTA related to losses (38% of equity vs. 5% of equity on market average) as an adjustment to Shareholders' Equity

EARNINGS – 9M19 vs 9M18



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ROAE

ROAE and Adjusted ROAE
(Unaudited)



R\$ MM	9M19	9M18	3T19	2T19	3T18
Net Income (A)	348.4	147.9	134.6	117.7	49.1
Excess of Financial expenses (net of taxes)	163.6	116.8	58.5	54.3	41.8
Adjusted Net Income (B)	512.0	264.7	193.0	172.0	91.0
Average Shareholder's Equity (C)	4,463	3,802	4,529	4,190	4,032
Excess of DTA related to losses	1,280	1,347	1,266	1,311	1,331
Adjusted Average Shareholder's Equity (D)	3,184	2,455	3,263	2,879	2,701
ROAE (p.y.) – A/C	15.3%	9.3%	11.9%	11.2%	4.9%
ROAE Adjusted (p.y.) – B/D	21.4%	14.4%	23.7%	23.9%	13.5%

ROAE (unaudited) adjusted by two remaining legacies:

(i) withdraw the excess of financial expenses from fixed rate time deposits issued between 2005 and 2008 (avg. maturity in 2023), compared to what PAN pays for the same term in the market; and

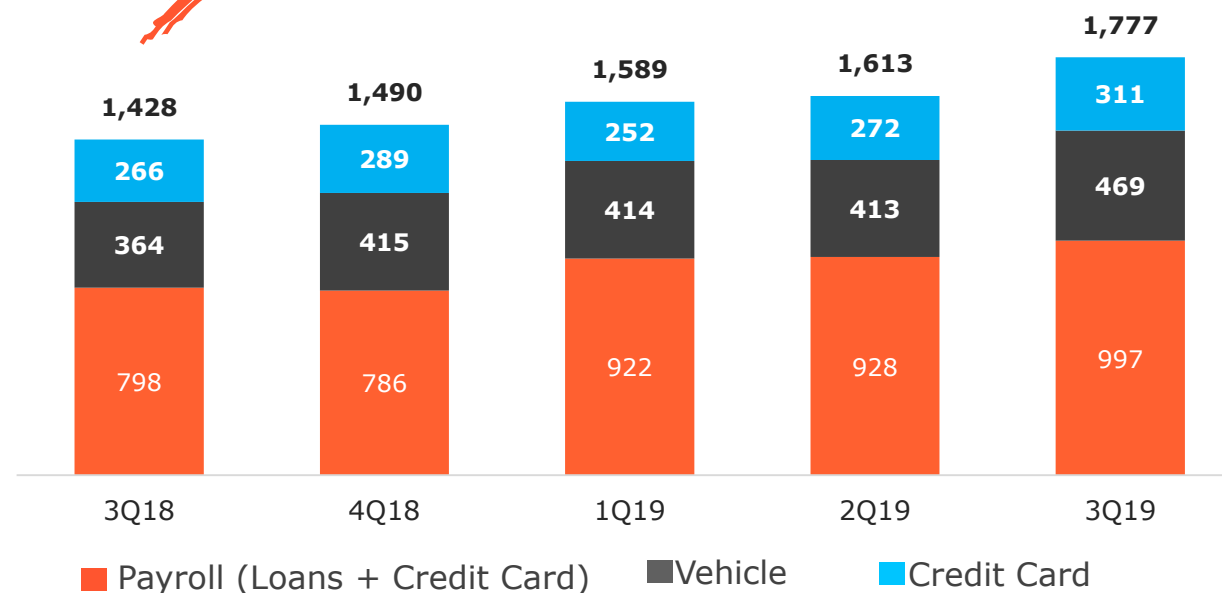
(ii) exclusion of the excess of deferred tax assets related to losses arising from the accounting inconsistencies found in 2010.

RETAIL CREDIT



Monthly Average
R\$ MM

+24%



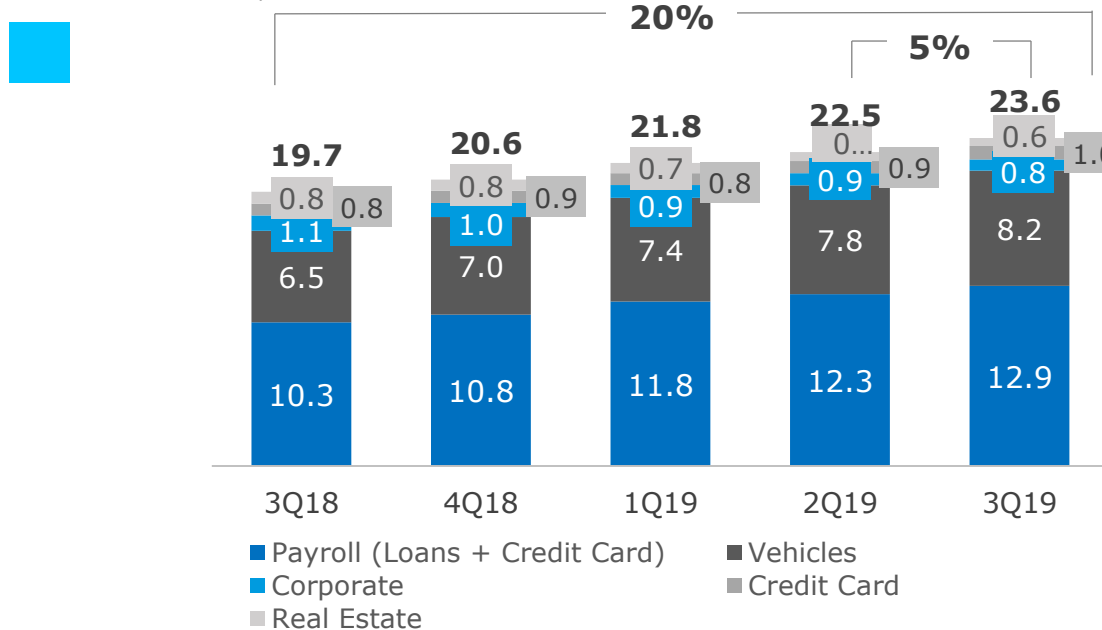
✓ **123 thousand new clients per month on 3Q19**

✓ **4,7 million managed clients**

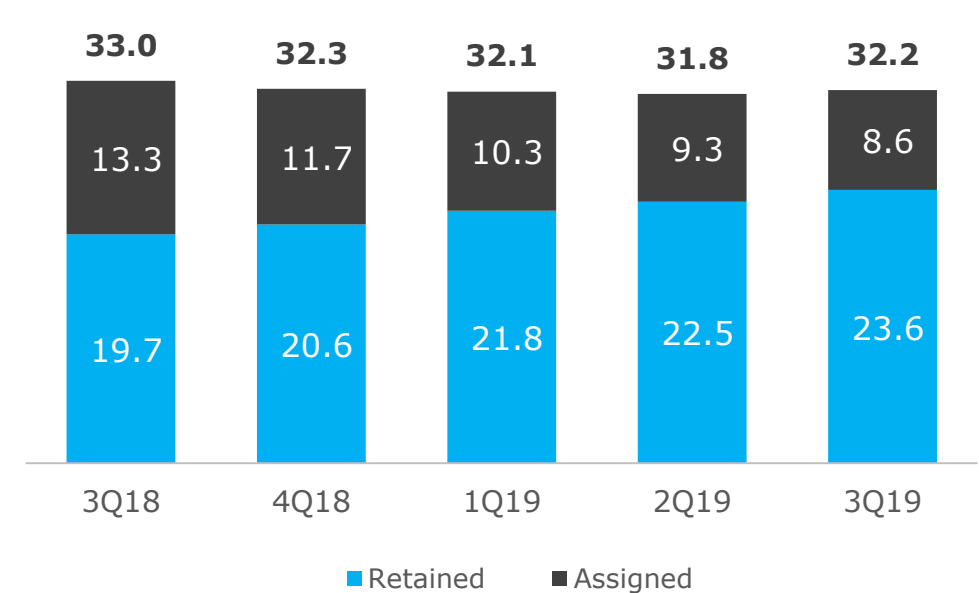
Credit PORTFOLIO

R\$ MM	3Q19	Share %	2Q19	Share %	3Q18	Share %	Δ 3Q19/ 2Q19	Δ 3Q19/ 3Q18
Payroll Deductible (Loans + Credit Card)	12,882	55%	12,285	55%	10,265	52%	5%	25%
Vehicle	8,224	35%	7,786	35%	6,543	33%	6%	26%
Corporate Loans	811	3%	866	4%	1,114	6%	-6%	-27%
Credit Cards	953	4%	862	4%	832	4%	11%	15%
Real Estate	579	2%	645	3%	849	4%	-10%	-32%
Others	101	-	91	-	102	1%	12%	-1%
TOTAL	23,550	100%	22,535	100%	19,704	100%	5%	20%

On Balance Portfolio
R\$ Bi



Originated Portfolio
R\$ Bi

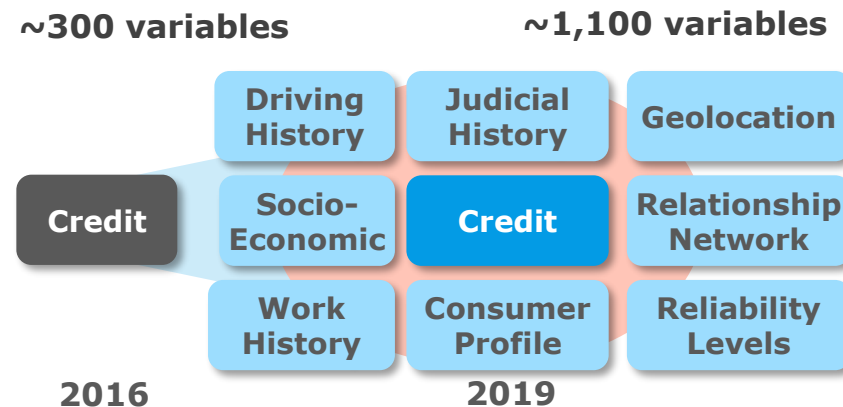
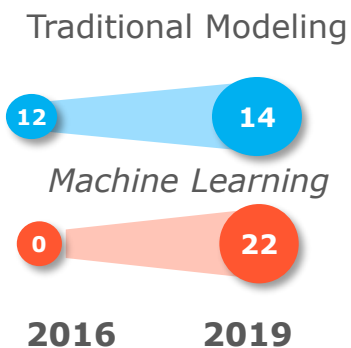


Machine Learning & Deep Learning Models

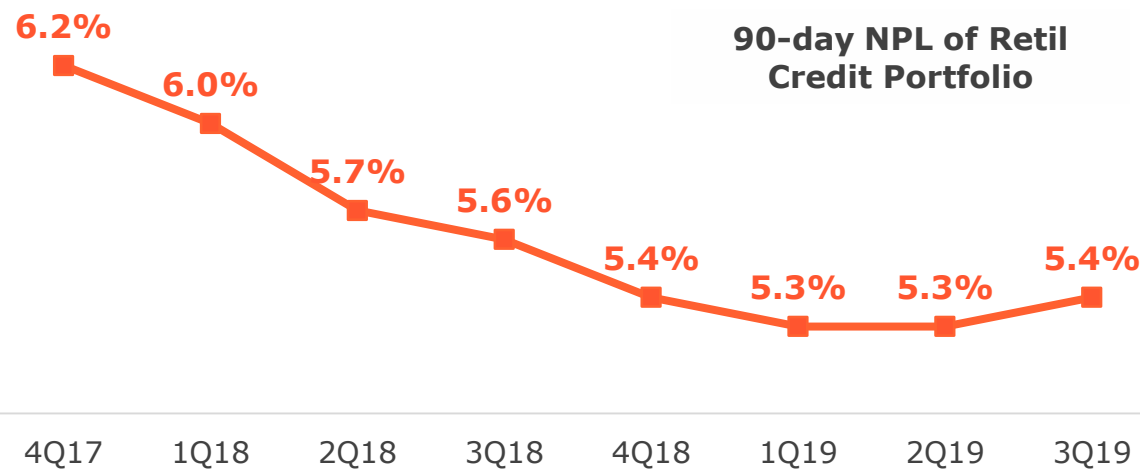
Unstructured **DATA**

Intensive use of **Analytics**

Increase in credit collection through digital channels (+40% of share)



Retail Credit Portfolio Credit Quality



PAYROLL DEDUCTIBLE

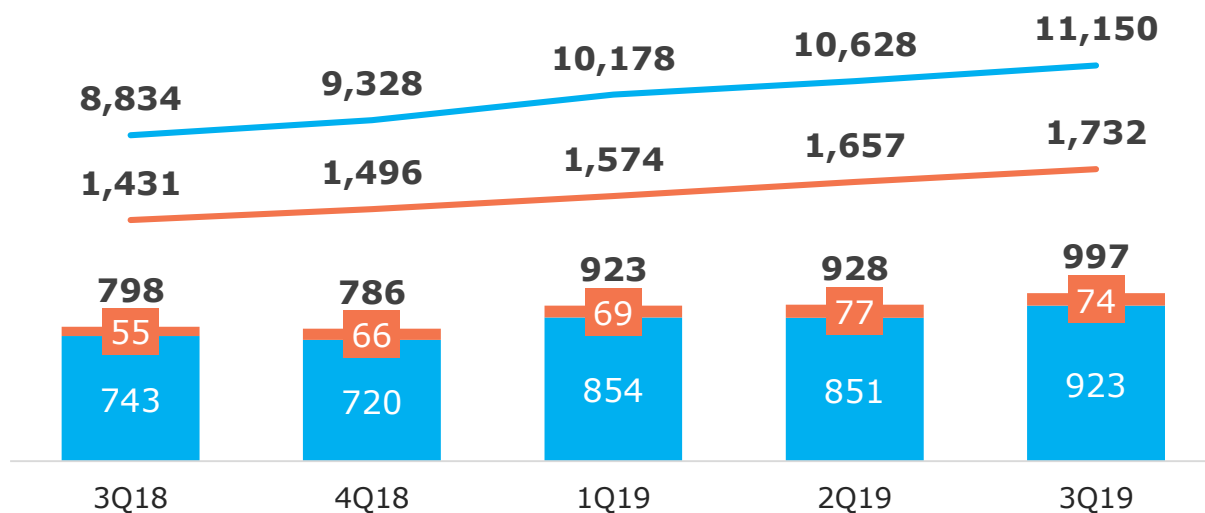
LOANS AND CREDIT CARDS

Overview

- Exclusive for public sector employees, INSS (social security) retiree & pensioners
- Average Ticket of **R\$5.4k**
- Duration of **30 months**

Evolution of Portfolio & Monthly Avg. Origination

R\$ MM



	3Q18	2Q19	3Q19
Federal	87%	89%	91%
INSS – Social Security	59%	65%	62%
SIAPE	18%	14%	16%
Armed Forces	10%	10%	13%
States	12%	10%	8%
Municipalities	1%	1%	1%
Total (R\$ MM)	2,395	2,785	2,992

25%

✓ +R\$ 1,2 bn of loans formalized digitally

■ Credit Card Origination

■ Loan Origination

— Credit Card Portfolio

— Loan Portfolio

Overview

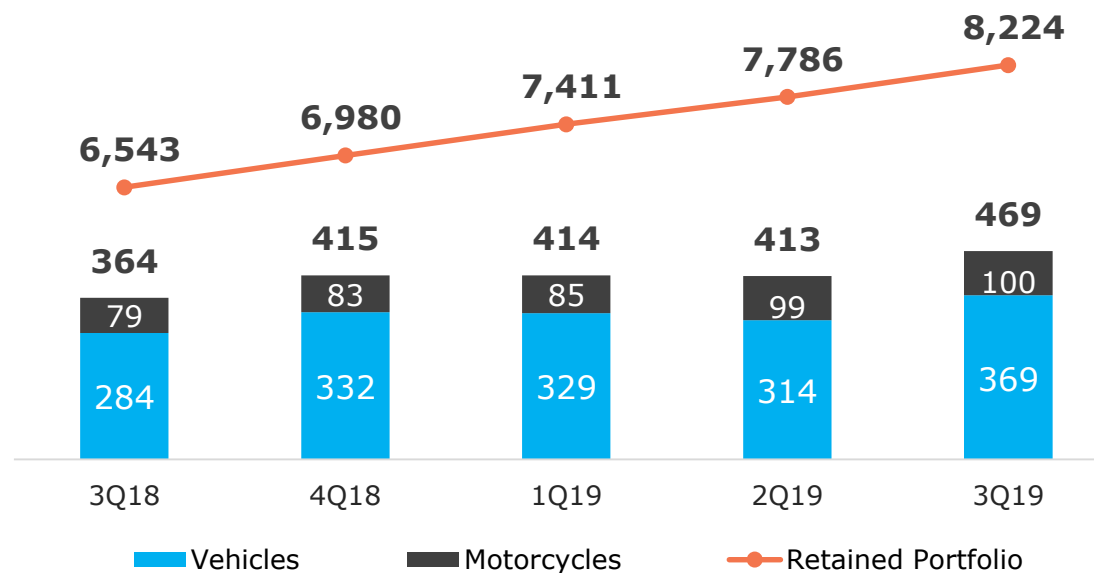
- Actively present in **9,734** multi-brand & single-brand vehicle dealers
- Average Ticket: Vehicles: **R\$26k** / Motorcycles: **R\$12k**
- Duration of **18 months**
- Average LTV of **60%**

Information on Origination

	Light		Motorcycles	
	3Q19	3Q18	3Q19	3Q18
Origination R\$ MM	1,109	853	298	213
Avg. Tenor months	45	46	41	39
Downpayment %	41%	41%	24%	24%

Evolution of Portfolio & Monthly Avg. Origination

R\$ MM



✓ Launch of the digital formalization platform

¹ Loan to Value

MEANS OF PAYMENT

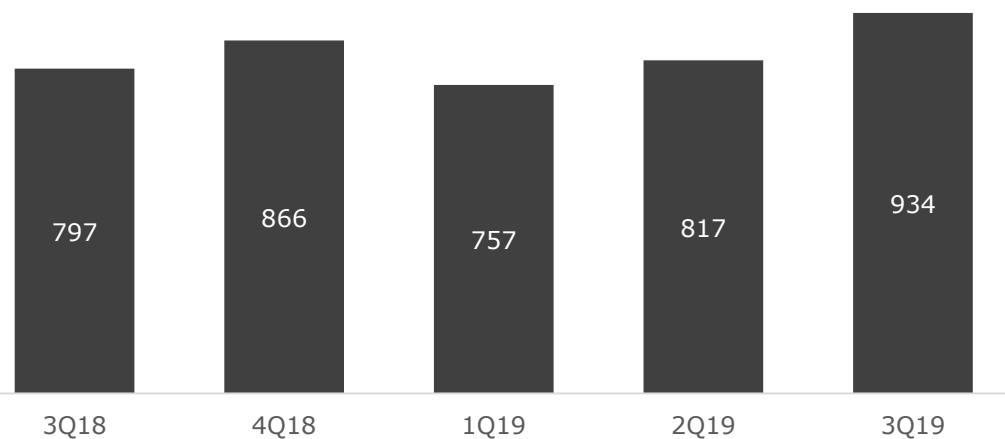
Highlights

- ✓ Increase of **210%** in the number of credit cards issued in 3Q19 over 3Q18
- ✓ Relevant changes in cross sell efforts and efficiency gains through *analytics* & CRM
- ✓ **+1 million** downloads of the app since it was launched



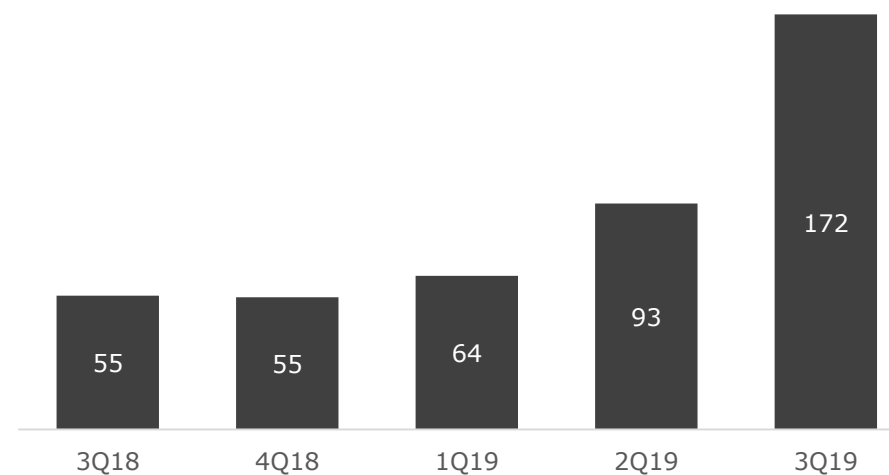
Transaction Volume

R\$ MM



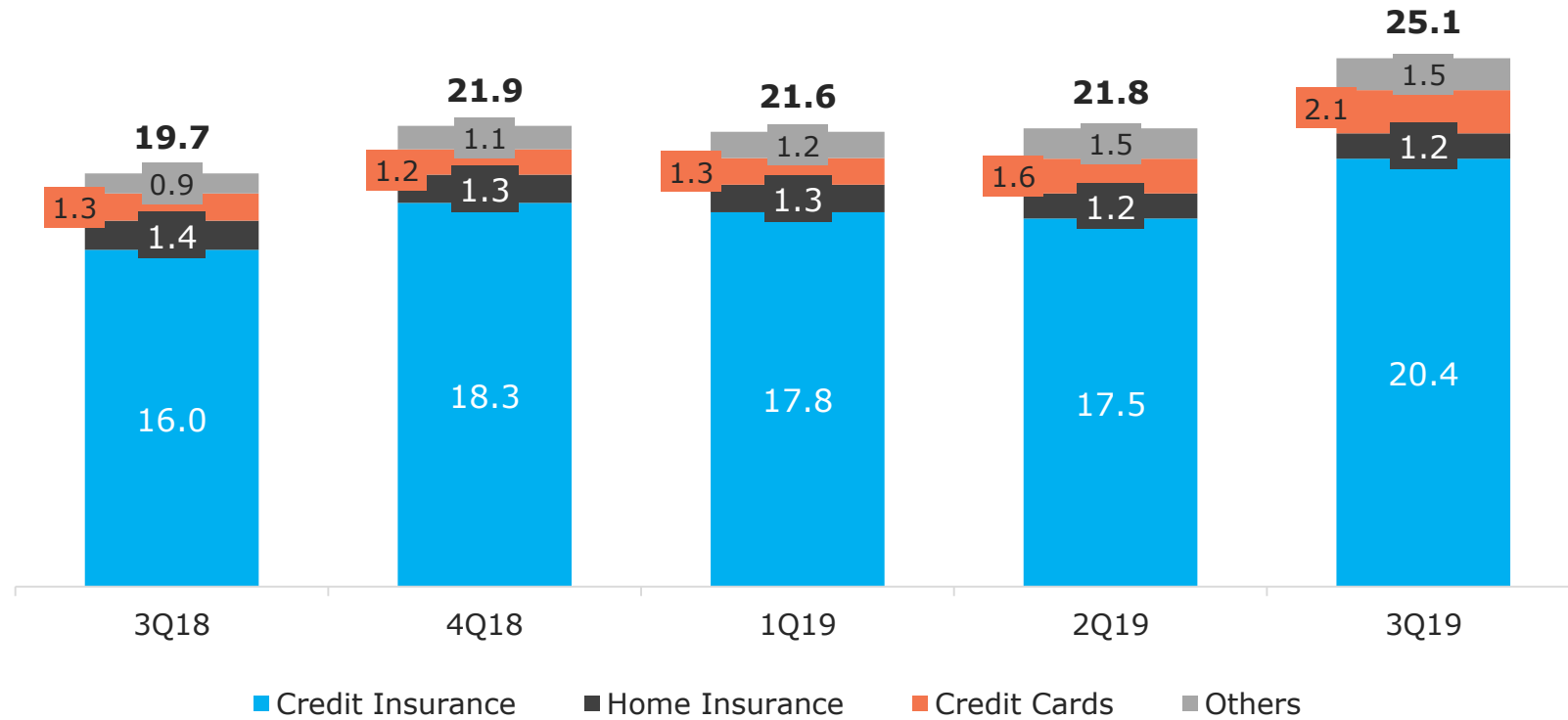
#of Credit Card Issued

Thousand



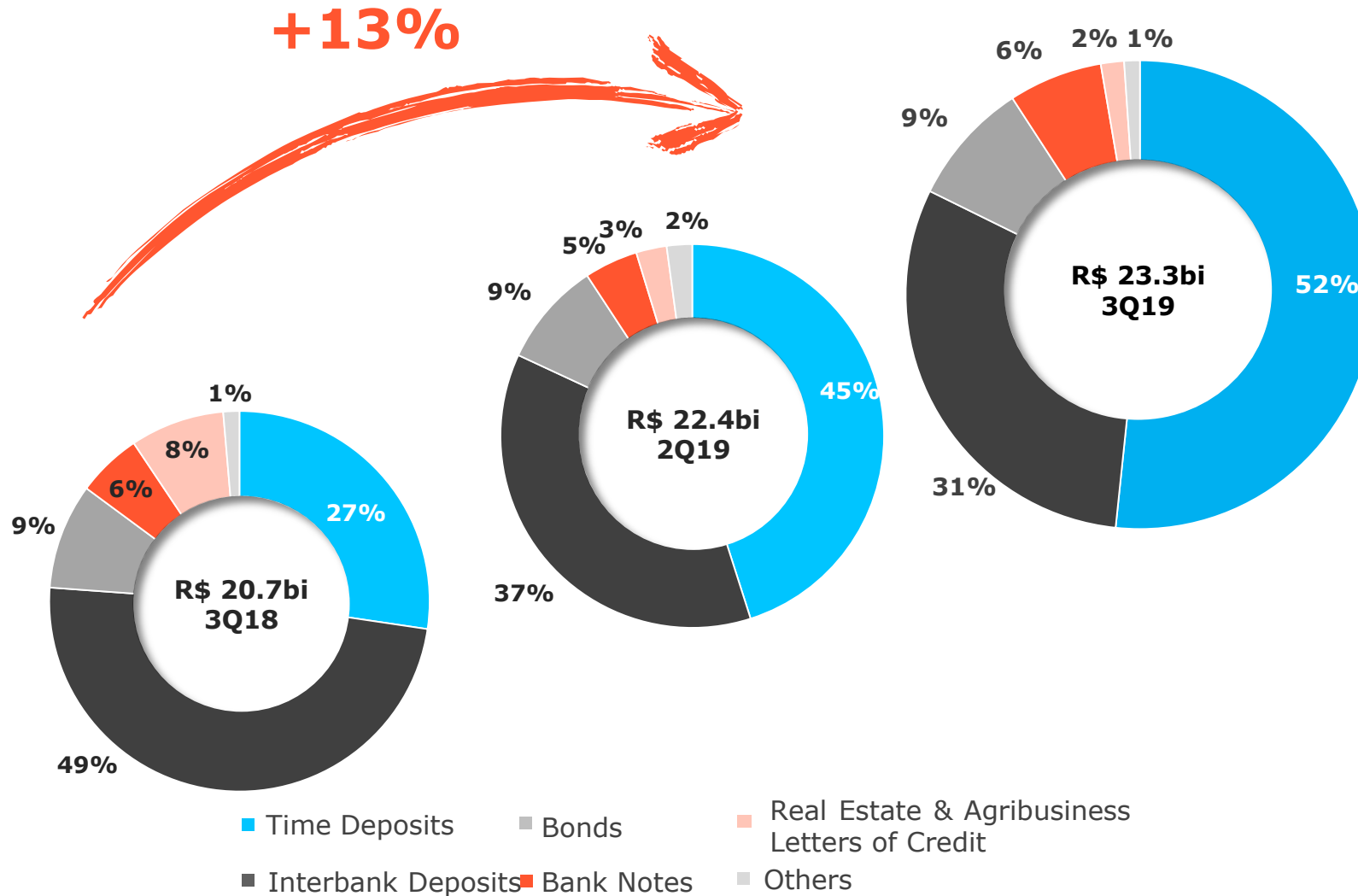
Insurance Premiums

Monthly Average
R\$ MM

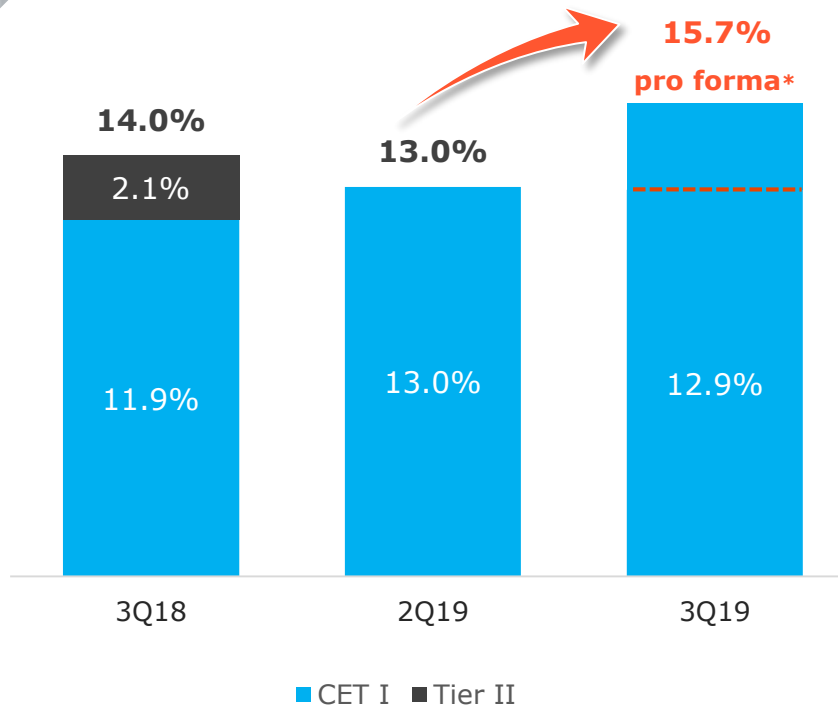


Funding

- ✓ Strong increase and dispersion of funding in 2019
- ✓ Funding through time deposits increased 44% in 12 months



BASEL RATIO



R\$ MM	3Q18	2Q19	3Q19	3Q19*
Reference Shareholder's Equity	2,526	2,417	2,465	3,039
CET I	2,139	2,417	2,465	3,039
Tier II	386	-	-	-
Required Reference Shareholder's Equity	1,893	1,958	2,013	2,027
RWA	18,032	18,648	19,175	19,306

* Basel Ratio pro forma considering the capital increase concluded on September, 2019 in the total amount of R\$522 mm, still pending approval by the Central Bank of Brazil.

Full DIGITAL Bank



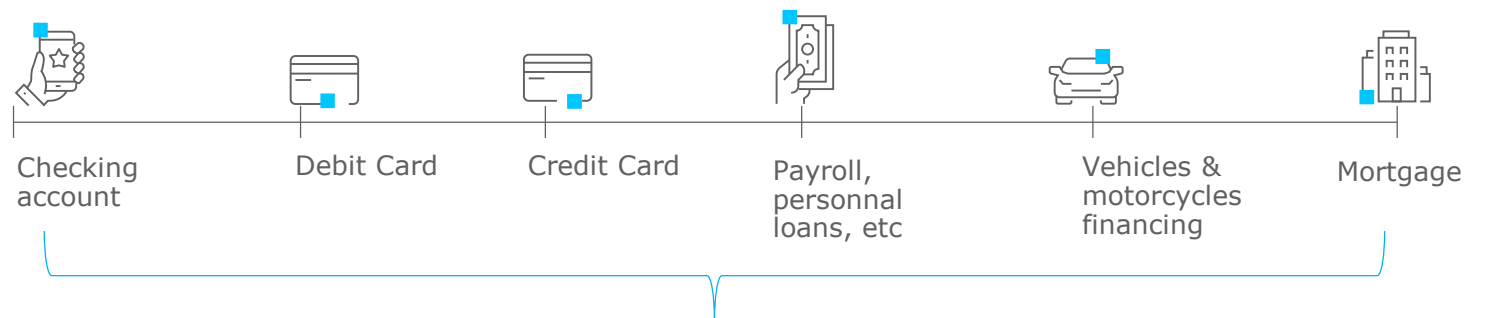
Opportunities

- Concentrated Market
- Connected population
- Unsatisfied customers: high fees and low credit limit
- Unbanked population with low penetration of financial services
- Favorable regulation "agenda BC+"

Value Proposition

- Full Digital Banking & Credit Card with zero fees
- Full digital platform with several credit products and services, addressing real customer needs
 - Assertiveness in credit: personalized pricing & limits
 - Personalized user interface

Client lifecycle



Complete product offering

↑ Life Time Value

↑ Cross sell

↓ CAC

↓ Cost to Serve



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