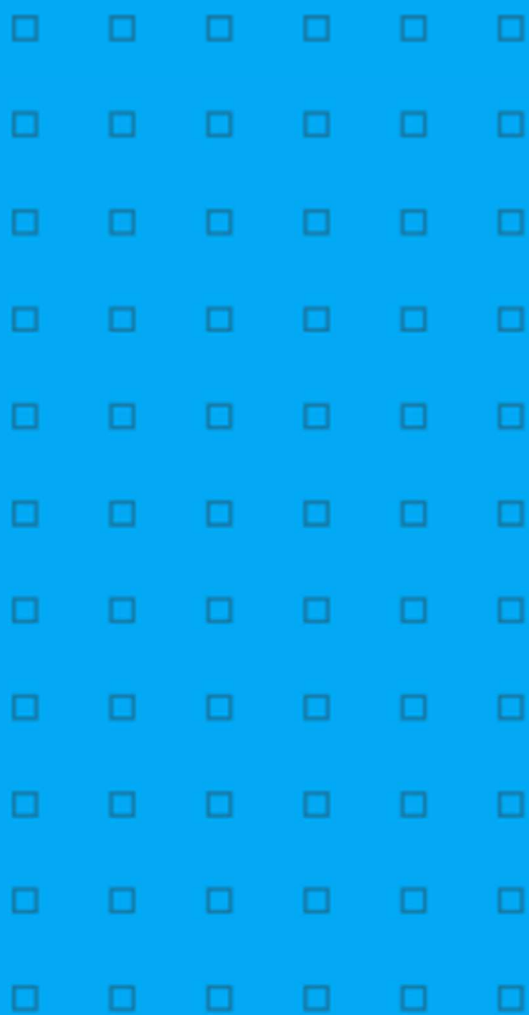




Interim Financial Statements

3Q20



(A free translation of the original in Portuguese)



Management Report

3Q20



(A free translation of the original in Portuguese)

TO THE STOCKHOLDERS

The Management of Banco Pan S.A. ("PAN", "Bank", or "Company") and its subsidiaries are pleased to present herewith the Management Report and related quarterly information for the period ended September 30, 2020, together with the independent auditor's report on review. The information meets the requirements in Law 4,595/64 (National Financial System Law) and Law 6,404/76 (Brazilian Corporate Law), and of the National Monetary Council (CMN), Brazilian Central Bank (BACEN), and the Brazilian Securities Commission (CVM), as well as of other statutory rules and regulations.

MESSAGE TO STOCKHOLDERS

Despite the adverse effects on the economy caused by the Covid-19 crisis, the third quarter was positive presenting improved default indicators and evidence that certain segments of the economy have already resumed their activities. The Bank's management has prioritized the well-being of its employees and servicing customers via digital platforms, with high capital and liquidity levels. Profitability has been achieved and necessary investments made to ensure the execution of our long-term strategy.

We closed 3Q20 with a profit of R\$ 170 million for the quarter (a growth of 18% in the quarter) and an adjusted ROE (unaudited) of 21.5%. In the nine-month period ended September 2020, we reported profit of R\$ 485 million (an increase of 39% year on year) and an adjusted ROE (unaudited) of 21.6%.

Our directed strategy brought positive results. This approach provided transparency on the effects of default rates in the current crisis and allowing us to better manage our business. Since the beginning of the pandemic, only two installments out of 13.5 thousand customers have been extended, and 92% of the subsequent installments overdue have already been settled.

The Covid-19 crisis has posed great challenges; with the strength of our digital initiative, we engaged more closely with our customers and partners when they most needed us. In 3Q20, our credit concession platform became 69% digital (2Q20 - 63%) for payroll loans and 96% (2Q20 - 90%) for Vehicle Financing. In September, 82% of our combined payroll loans and vehicle/motorcycle financing origination was made via digital platforms. However, our strategy is not limited only to providing digital credit concession: we seek to be a fully Digital Bank.

We offer a broad financial product platform with a focus on our customers by offering a complete set of financial products especially designed for Class C, D, and E target audience - a transparent, simple, and quality-assured formula.

In general, our Digital Bank has performed very satisfactorily. We know that we are on target based on the terms of engagement with our customers and the experience we provide to them. We are investing in new products and in the provision of better quality services, accelerated our delivery in sustainable manner.

As a result of this strategy, in 3Q20 we launched the Poupa PAN, a solution specially designed for customers who seek low-risk investments with daily liquidity and acceptable returns. Our credit and financial education features will soon be included in Poupa PAN, and we look forward to servicing the increasing number of customers who are both engaged and satisfied with our digital banking approach.

We reaffirm our long-term view based on (i) our significant participation in the related markets; (ii) our ability to distribute products, whether through B2B, which has become more efficient with its variable cost structure, or through the increasingly digital B2C; (iii) our credit expertise, increasing customer attraction and engagement; (iv) our customer base and flow; (v) our capacity for delivery, with low execution risk of digital launches by building on products already in the market (improving platforms for payroll-deductible loans and vehicles) and the Digital Bank; and (vi) increasing number of new products offered over the long term.



In this quarter, CaixaPar carried out a secondary public offering of its preferred shares (Follow On), with no related changes in the Bank's ownership interest.

ECONOMIC ENVIRONMENT

In September, the National Financial System (SFN) credit operations balance was R\$ 3.8 trillion, an increase of 1.9% in the month and 10.2% in the comparison with the previous year. The levels of loans to individuals improved in September and reached pre-crisis levels. General purpose corporate credit lines ended September with a balance of R\$ 1,067 billion, an increase of 26.5% over the past 12 months. Personal credit portfolios offered to families reached R\$ 1,153 billion, a growth of 8.7% in 12 months, highlights of which were credit card and payroll-deducted loans.

Inflation in September, measured by the Amplified Consumer Price Index (IPCA), increased to 0.64% m/m; inflation for the last 12 months was 3.14% p.a.. Future projected inflation in the short term has worsened significantly as a result of a sharp increase in the prices of food and manufactured goods. A number of factors are behind the increase in food price inflation (both in the offering and in the demand aspects), in addition to the deteriorating exchange rate affecting food consumed outside the home and manufactured goods. Despite being temporary, these factors are expected to put pressure on inflation in the next months before dropping off in 2021.

Economic activities have partially resumed in 3Q20. In August, all sectors showed signs of recovery. Retail sales are above pre-pandemic levels, while industrial production and services volume are 2.6% and 9.8% smaller, respectively. In September, the indicators pointed to a continued economic recovery.

However, data provided by CAGED indicates that 788 thousand jobs were terminated in Brazil from March to August. This was below the expectations prepared in the last months. The National Domicile Sampling Survey (PNAD) estimates an unemployment rate of 13.8% for the quarter ended in July, showing no signs of recovery in employment rates.

DIGITAL ACCOUNT

Our digital strategy continues to make progress, and our customers have access to a complete current account: 100% digital, with no maintenance fee, a multiple card without an annual fee, a monthly package of fee-free transfers, ATM withdrawals through the Rede 24 horas (a network of automatic teller machines), deposits via slips, payments of bills, salary portability, fixed-income investments, and several credit products and other services.

We believe that our focus on the C, D, and E classes allows us to develop specific products that are designed for the needs of this target market. This, in turn, puts the Bank in a perfect position as the provider of a great, simple, and effective experience.

Through our Digital Account, we offer discounts in drugstores, supermarkets and e-commerce platforms through agreements with various partners, which are constantly expanding to provide even more advantages and products to our customers. In 3Q20, we reaffirmed our strategy by intensifying partner diversification; highlights are Dafiti and ClubPetro, who joined many other successful partners, such as Méliuz and eCred. They all support new customer attraction and the development and distribution of distinguished products.

In addition, our co-branded credit cards have also provided benefits to our customers, which improved the products we offer to our customers.

In general, our distribution channel diversification strategy will be maintained, with new digital partnerships (46 in total). We will also count on our bank correspondents and our 60 stores to support the offering of our Digital Account and other products.

With an important history of credit offered to the C, D, and E classes, we understand that the Bank's current and former customer base is the starting point for our acquisition strategy, which is based on another five approaches: offerings to the potential customers requesting credit on a monthly basis; digital marketing; physical distribution network; new origination partners; and a "member get member" program.



We have a robust business position for highly demanded credit products and, as a result, the monetization risk is substantially reduced. The Bank has a robust experience not only in credit origination, but also in appropriate pricing and collection mechanisms. These features are critical for a successful operation, in which the credit is still the key instrument for customer attention, engagement and monetization.

Our account already includes a number of products: Complete Current Account, Personal Loan, Credit and Debit Card, Emergency Limit, Salary Portability, Poupa PAN, among others. Furthermore, we are continually launching new products to improve the customer experience and leverage engagement.

We believe that Banco PAN presents a unique combination of size, broad experience in credit concession, and a fast growing digital platform that is highly scalable. In addition, our markets are broad. This permits our digital account, a powerful instrument, to optimize cross-selling and upselling opportunities, in addition to incrementing the portfolio of products and increasing customer loyalty.

BANK'S STRUCTURE

The Bank is a key player among the Brazilian medium-sized banks and focuses on granting credit to individuals of the C, D, and E social classes, as well as government employees, retirees and pensioners of the National Institute of Social Security (INSS), offering payroll-deductible credit (loan and credit card), financing of used cars and new motorcycles, conventional credit cards, personal loans, and insurance.

The Bank has 2,416 employees and 60 service branches based in Brazil's major cities and is present throughout the country via its light asset structure and digital platforms. It has over 770 correspondent banks offering payroll-deductible loans and more than 15 thousand multibrand stores and concessionaires offering vehicle and motorcycle financing.

ORIGINATION OF CREDIT PORTFOLIO AND RETAIL

During 3Q20, PAN originated a monthly average of R\$ 2,288 million in new credit operations, which is a record for a three-month period, compared with R\$ 1,982 million in the second quarter of 2020, and R\$ 1,803 million in the third quarter of 2019, an increase of 15% in the quarter and 29% in the year.

The growth is mainly a result of the vehicle financing and credit card operations, which experienced strong recovery and exceeded pre-crisis levels. In general terms, we increase our market share in the vehicle business, more specially in sales of new motorcycles. In the credit card segment, after a quarter with more restrictions, we were able to resume a good volume of operations.

The Credit Portfolio totaled R\$ 25,300 million at the end of 3Q20, an increase of 2% in relation to R\$ 24,730 million at the end of 2Q20 and of 7% in relation to the R\$ 23,550 million in 3Q19. The core portfolio, which is comprised of payroll-deducted portfolios, vehicle financing, and credit cards, grew by 4% and 11% over the quarter and 12-month period, respectively. Corporate Credit and Real Estate portfolios, both in runoff phases, decreased by 71% and 27% in the 12-month period, respectively.

Because of the Covid-19 economic crisis, the Bank has been careful in lengthening contracts and, since the beginning of the pandemic, it conceded only two installment extensions to approximately 13.5 thousand customers, representing less than 1.2% of the portfolio, all with guarantees; 92% of the subsequent installments overdue have already been settled.

In the second quarter, as expected, credits overdue more than 90 days increased with a recovery in the third quarter, from 7.0% to 6.7% - a clear improvement.

The short-term default indicators, for 15 to 90 days overdues, decreased from 8.9% in June to 7.3% in September, an improvement in the quarter, reaching lower levels than in the pre-crisis period. This resilient profile of the credit portfolio reflects the payroll-deductible loans and loans with guarantees responsible for 94% of the portfolio.



In addition to holding credits in its portfolios, the Bank assigns credits without co-obligation to third parties, which totaled R\$ 1,744 million in 3Q20, compared with R\$ 2,367 million assigned in 2Q19, and R\$ 1,097 million in 3Q19.

Our origination capacity is strong, which allows us to use concessions without co-obligation as a practical liquidity and capital management instrument. However, even with those credit concessions, we were able to expand our retained portfolio in comparison with the previous quarter, which is an evidence of the aforementioned capacity for origination.

Finally, the core portfolio (payroll loan + vehicles + cards) increased by 4.3% and 10.9% in relation to 2Q20 and 3Q19, respectively, a very satisfactory result, especially when considering the level of uncertainties.

The Originated Credit Portfolio balance, which includes both the Expanded Credit Portfolio and the balance of portfolios assigned to the controlling stockholders (off-balance portfolio), totaled R\$ 32.6 billion at the quarter-end.

PAYROLL-DEDUCTIBLES (Loan and credit card)

Our digital strategy comprises not only the digital account, but also the digitalization of credit origination processes for a number of products. Since the final launch of the digital formalization platform, in April 2019, digitally formalized loans totaled more than R\$ 7.5 billion. In the third quarter of 2020, the platform was responsible for the formalization of 69% of the total contracts originated. In September, the volume of contracts digitally formalized surpassed 72% of total loans generated.

The platform permits the digital contracting of payroll-deductible loans. The process is entirely paperless and operates with facial recognition signature features, providing a more efficient, cost-saving, profitable operation, with enhanced security and faster loan contracting, thus generating a more favorable experience for all parties and loyalty, especially with the current quarantine restrictions.

For our partners, this platform represented an important tool, both for reducing costs from fraud and greater agility in closing operations.

The platform combined market positioning with enhanced business partner relationships, allowing PAN to maintain its position as a significant player in Federal agreements and its listing among the largest originators in the INSS beneficiary and pensioner loan market.

In 3Q20, loans to government employees and INSS beneficiaries totaled R\$ 3,274 million, compared to R\$ 3,502 million in 2Q20 and R\$ 2,770 million in 3Q19, equivalent to a slight decrease of 3% and an increase of 21% increase in relation to the previous quarter and the 12-month period, respectively. Card operations totaled R\$ 342 million in 3Q20, compared with R\$ 223 million in 2Q19 and R\$ 222 million in 3Q19.

The payroll-deductible loan portfolio at the end of the quarter totaled R\$ 11,205 million, compared to R\$ 10,981 million in 2Q20 and R\$ 11,150 million in 3Q19, an increase of 2% in the quarter, stable figure in the year. The credit card portfolio at the end of the quarter totaled R\$ 2,069 million, an increase of 6% when compared with the balance of R\$ 1,946 million of the previous quarter and an increase of 19% in relation to the balance of R\$ 1,732 million in 3Q19.



VEHICLE FINANCING

The digital formalization platform for vehicle financing was launched in October 2019 and has reached R\$ 3.8 billion digitally contracted since then. In the quarter, it had a notable increase, reaching 96% of the contracts signed using facial recognition. In addition to the formalization platform, the Bank has developed a unique App that for financing simulations and a pre-analysis of credit with minimal data, in addition to monitoring proposals and the issuance of vehicle inspection reports, improving agility in the process and a better experience both for the commercial partner and the final customer.

The Bank also offers financing for used cars (mainly between four to eight years old) and new motorcycles, building on its expertise in credit and collection in order to optimize the risk vs. return ratio. Financing was made through multibrand stores and concessionary partners, thereby broadening the Bank's operational base.

PAN became the leading institution in the motorcycle financing segment in the last few months, beating the auto manufacturer banks. We made important progress and gained more market share by offering simple, safe contracting experiences for the final customers and our partners. Doing business in this specialty market throughout the years promotes excellent performance opportunities to work with the younger low-income customer, capitalizing on gains from the Bank's long history, experience and knowledge of credit.

After facing the negative effects of the pandemic in 2Q20, the vehicles market recovered in 3Q20 and originated R\$ 1,715 million of new financing, including light vehicles and motorcycles, a growth of 61% in comparison to R\$ 1,066 million in 2Q20 and 24% in relation to the R\$ 1,379 million in 3Q19. We recovered more speedily than the market in general and increased our market share.

Light vehicle originations totaled R\$ 1,169 million in 3Q20 (2Q20 - R\$ 852 million; 3Q19 - R\$ 1,080 million). In the motorcycle segment, originations totaled R\$ 547 million in 3Q20 (2Q20 - R\$ 214 million; 3Q19 - R\$ 300 million).

The vehicle financing portfolio totaled R\$ 9,759 million at the end of the quarter, an increase of 5% in relation to R\$ 9,314 million in 2Q20 and 19% against the R\$ 8,224 million in 3Q19.

As explained before, the vehicle origination market recovered in 3Q20 after a sharp decrease in the past quarter. In general, our recovery response was faster than the markets' and we have already resumed pre-crisis levels.

CREDIT CARDS

Consistent with our customer and product diversification strategy, we continued with a robust evolution in the credit card segment, relying on our partners to originate new cards and expand our customer base. The digital journey for our customers continues to be our priority and we have seen important progress, with customers becoming increasingly digital.

In the quarter, the relationship with card customers using WhatsApp represented approximately 47% of total customer service operations. This represents another important service channel for customers, improving customer experience and interaction with the Bank.

As previously mentioned, we intensified the relationship with partners to increase distribution of credit cards in marketplaces and the launching of co-branded cards, in addition to the incentive to accelerate the process of innovation, establishing new partnerships in this quarter and increasing our distribution channels.

We highlight the digital channels that were responsible for 88% of total sales. This volume was also a result of the increase in sales actions, significant changes in cross selling and increase in the efficiency of analytics and CRM. We ended the third quarter with more than 82% of the invoices issued digitally.



During 3Q20, credit card transactions totaled R\$ 1,532 million, a 33% increase in comparison with R\$ 1,154 million recorded in 2Q20 and 64% higher than the R\$ 934 million posted in 3Q19. Another highlight is the increase in online operations, which represented 30% of the volume of transactions in 3Q20, in comparison with 20% in 3Q19.

At the end of the quarter, the card portfolio totaled R\$ 1,422 million, 17% and 49% higher when compared to R\$ 1,214 million and R\$ 953 million in 2Q20 and 3Q19, respectively.

INSURANCE

In line with the origination of vehicle financing, we originated R\$ 104.7 million in insurance premiums in 3Q20, in relation to R\$ 67.5 million and R\$ 75.4 million originated in 2Q20 and in the 12-month period, respectively. The premiums which originated in the quarter included: R\$ 81.6 million in credit protection insurance, R\$ 10.7 million in card insurance; R\$ 3.1 million in housing project insurance; and R\$ 9.3 million in other insurance (PAN Motorcycle Assistance and Mechanic Warranty).

This is an important front for growth in revenue from services, and first signs of progress have already appeared, in addition to vehicle financing insurance, and it will be leveraged by the digital banking features.

CREDIT FOR COMPANIES (run off)

The Corporate Credit portfolio, which includes endorsements and sureties, totaled R\$ 238 million in 3Q20 (2Q20 - R\$ 677 million; 3Q19 - R\$ 811 million). The portfolio, without sureties, is fully provided for and has a good level of guarantees.

REAL ESTATE CREDIT (run off)

The balance of real estate credits granted to individuals totaled R\$ 379 million at the end of 3Q20 (2Q20 - R\$ 405 million; 3Q19 - R\$ 466 million), appropriately provided for.

Credits granted to legal entities totaled R\$ 44 million (fully provided for) at the end of 3Q20 (2Q20 - R\$ 46 million; 3Q19 - R\$ 113 million).

FUNDING

The balance of funds raised totaled R\$ 25.5 billion at the end of 3Q20, and is broken down as follows: (i) R\$ 12.2 billion in time deposits, being 48% of the total; (ii) R\$ 8.5 billion in interbank deposits, being 33% of the total; (iii) R\$ 4.3 billion related to issues of financial bills, or 17% of the total; (iv) real estate letters of credit - R\$ 300 million, or 1% of the total; and (v) other sources of financing - R\$ 176 million, equivalent to 1% of the total.



RESULTS

MANAGEMENT NET FINANCIAL MARGIN (NIM)

In the third quarter of 2020, Management Net Financial Margin was 20.5% p.a., compared to 19.1% p.a. in the second quarter of 2020 and 18.4% p.a. in the third quarter of 2019. This robust result was a result of the credit operation spreads and credit assignment gains.

ALLOWANCES FOR LOSSES AND RECOVERY OF CREDITS

Following an increase in credit expenses in the second quarter of 2020 due to the impacts of the Covid-19 pandemic and the consequent increase in default rates, the results improved in the third quarter, and expenses totaled R\$ 366 million (2Q20 - R\$ 414 million. 3Q19 - R\$ 306 million).

In 3Q20, the recovery of credits previously written off as losses totaled R\$ 66 million, compared to the R\$ 49 million recovered in 2Q20 and the R\$ 58 million recovered in 3Q19. Thus, net credit provision expenses totaled R\$ 300 million (2Q20 - R\$ 366 million; 3Q19 - R\$ 248 million), which represents an important improvement for 4.8% in relation to the portfolio.

COSTS AND EXPENSES

Personnel and administrative expenses totaled R\$ 398 million in 3Q20, compared to R\$ 369 million recorded in 2Q20 and R\$ 365 million in 3Q19, reflecting mainly personnel expenses, including a collective bargaining adjustment, and charges.

Credit origination expenses totaled R\$ 316 million at the end of the quarter, compared to R\$ 223 million in 2Q20 and R\$ 234 million in 3Q19, together with origination volumes, product mix, and marketing.

NET RESULT

In the third quarter of 2020, the Bank's operating profit before income tax totaled R\$ 259 million, 25% higher than the R\$ 207 million profit in the second quarter of 2020 and of 38% compared to the R\$ 188 million in the third quarter of 2019. The accumulated profit before income tax in 2020 totaled R\$ 677 million, an increase of 41% compared to R\$ 480 million in the same period in 2019.

Net profit totaled R\$ 170 million, 18% higher than the R\$ 144 million profit in the second quarter of 2020 and an increase of 26% compared to the R\$ 135 million profit in the third quarter of 2019. The accumulated net profit in 2020 totaled R\$ 485 million, an increase of 39% compared to R\$ 348 million in the same period in 2019.

The major factors underlying the positive results for the most recent quarters were: (i) robust financial margin; (ii) improved efficiency; and (iii) expansion in the core portfolio.

The annualized average return on equity for 3Q20 was 13.2% (2Q20 - 11.4%; 3Q19 - 11.9%). In the accumulated for the year, this amounted to 12.7% (9M19 - 10.4%). The annualized adjusted average return (unaudited) for 3Q20 was 21.5% (2Q20 - 19.9%; 3Q19 - 23.4%). In the accumulated for the year, this amounted to 21.6% (9M19 - 21.4%).

Adjustments reflect matters arising from past legacies: (i) higher financial expenses from fixed Bank Deposit Certificates (CDBs) issued between 2005 and 2008 (with average maturity in 2023), compared to the Bank's current funding cost for the same period; and (ii) higher tax credit from tax losses, when compared to the banking market, arising from accounting inconsistencies in 2010.



EQUITY AND CAPITAL

The Bank's consolidated equity was R\$ 5,221 in September 2020 (June 2020 - R\$ 5,113 million; September 2019 - R\$ 4,831 million).

The Prudential Conglomerate Basel Index at the end of 3Q20 was 16.5%, in comparison with the 15.9% recorded at the end of 2Q20, and to the 12.9% recorded at 3Q19, all fully comprised of Principal Capital.

INDEPENDENT AUDITORS

PricewaterhouseCoopers Auditores Independentes ("PwC") has been our auditor since the first quarter of 2011. Pursuant to CVM Instruction 381, PAN contracted PwC for non-audit services during the first nine months of 2020 (i) to issue a diligence report on capital market operations for a fee of R\$ 900 thousand; (ii) for Brand Protection purposes, for a fee of R\$ 432 thousand; (iii) to provide consulting services related to cybersecurity for a fee of R\$ 370 thousand; and (iv) to issue a report on internal controls related to credit concession operations for a fee of R\$ 264 thousand; in aggregate these are being reported as they exceed 5% of the total fees for the external audit services. This policy complies with principles that preserve the auditor's independence, consistent with internationally accepted standards, according to which the auditor should not audit its own work, exercise management functions for its client or promote its client's interests.

ACKNOWLEDGMENTS

The Bank wishes to thank its employees for their efforts and engagement in the execution of its business strategy as also its customers, investors, and partners, who honor the Bank with their continued support and trust.

São Paulo, October 29, 2020.



BANCO PAN S.A. AND SUBSIDIARIES

BALANCE SHEET

AT SEPTEMBER 30, 2020 AND DECEMBER 31, 2019

(All amounts in thousands of reais - R\$)

(A free translation of the original in Portuguese)

ASSETS	Note	Bank		Consolidated	
		9/30/2020	12/31/2019	9/30/2020	12/31/2019
Cash and cash equivalents	5	1,468,205	1,231,440	1,469,414	1,234,219
Financial instruments		28,364,602	26,535,952	28,607,000	26,785,679
Interbank investments	6	-	12,795	-	12,795
Investments in interbank deposits		-	12,795	-	12,795
Marketable securities and derivatives	7.a	2,300,139	2,131,333	2,538,736	2,375,755
Own portfolio		2,062,189	727,913	2,299,865	972,231
Subject to guarantees		140,075	287,937	140,996	288,041
Linked to repurchase agreements		97,875	297,944	97,875	297,944
Linked to the BACEN		-	529,436	-	529,436
Derivatives		-	288,103	-	288,103
Interbank investments		21,623	127,540	21,623	127,540
Payables and receivables to be settled		17,214	-	17,214	-
Credits - Deposits at the BACEN		539	101,569	539	101,569
Local correspondents		3,870	25,971	3,870	25,971
Loan operations	8	23,544,633	21,798,640	23,544,871	21,799,357
Loan operations		24,104,009	22,485,395	24,104,009	22,485,395
Securities and credits receivable		1,325,356	1,141,980	1,325,595	1,142,697
(Provisions for expected losses associated to the credit risk)	8.c	(1,884,732)	(1,828,735)	(1,884,733)	(1,828,735)
Other financial assets	9	2,498,207	2,465,644	2,501,770	2,470,232
Taxes		3,794,968	3,667,471	3,964,090	3,839,695
To be offset/recoverable		430,108	369,884	494,669	437,727
Tax credits	32.b	3,364,860	3,297,587	3,469,421	3,401,968
Other assets		352,227	362,083	361,901	372,038
Other assets	11.a	318,735	364,659	327,401	373,676
(Provision for losses)	11.a	(62,031)	(84,916)	(63,152)	(86,219)
Prepaid expenses	11.b	95,523	82,340	97,652	84,581
Investments		911,259	885,117	12,625	1,144
Investments in subsidiaries	12.a	898,634	883,973	-	-
Other investments	12.b	12,625	1,144	12,625	1,144
Property and equipment	13	25,026	28,628	25,026	28,628
Other assets in use		85,154	80,456	85,154	80,456
(Accumulated depreciation)		(60,128)	(51,828)	(60,128)	(51,828)
Intangible	14	148,400	179,580	152,434	185,224
Intangible assets		494,867	469,035	516,786	490,955
(Accumulated depreciation)		(346,467)	(289,455)	(364,352)	(305,731)
Other assets	10	312,842	329,560	346,857	351,504
TOTAL ASSETS		35,377,529	33,219,831	34,939,347	32,798,131



BANCO PAN S.A. AND SUBSIDIARIES

BALANCE SHEET

AT SEPTEMBER 30, 2020 AND DECEMBER 31, 2019

(All amounts in thousands of reais - R\$)

(continued)

LIABILITIES AND EQUITY	Note	Bank		Consolidated	
		9/30/2020	12/31/2019	9/30/2020	12/31/2019
Financial instruments		27,360,856	25,674,597	26,737,743	25,069,661
Deposits	15.a	21,399,644	20,356,864	20,784,348	19,759,979
Demand deposits		55,879	26,614	55,828	26,574
Derivative financial instruments		8,785,974	8,629,103	8,522,037	8,365,928
Time deposits		12,557,791	11,701,147	12,206,483	11,367,477
Funds obtained in the open market	15.b	100,512	303,856	92,695	295,805
Own portfolio		100,512	303,856	92,695	295,805
Funds from acceptance and issuance of securities	15.c	4,584,295	1,868,324	4,584,295	1,868,324
Funds from financial and real estate bills		4,584,295	1,868,324	4,584,295	1,868,324
Interbank investments	16	1,147,580	933,731	1,147,580	933,731
Receipts and payments pending settlement		1,056,472	796,912	1,056,472	796,912
Local correspondents		91,108	136,819	91,108	136,819
Derivatives	7.c	-	124,979	-	124,979
Other financial obligations	17	128,825	2,086,843	128,825	2,086,843
Provisions	18	509,344	521,557	588,182	591,125
Tax obligations		367,684	341,494	462,908	441,713
Current	19	367,684	328,077	377,384	343,059
Deferred	32.b	-	13,417	85,524	98,654
Other liabilities		1,918,227	1,756,015	1,929,096	1,769,464
Social and statutory		237,523	265,988	237,523	266,277
Sundry	20	1,680,704	1,490,027	1,691,573	1,503,187
EQUITY	21	5,221,418	4,926,168	5,221,418	4,926,168
Share capital:		<u>4,175,222</u>	<u>3,653,410</u>	<u>4,175,222</u>	<u>3,653,410</u>
Domiciled in the country		3,668,646	3,261,355	3,668,646	3,261,355
Domiciled abroad		506,576	392,055	506,576	392,055
Capital increase		-	521,812	-	521,812
Capital reserve		207,322	207,322	207,322	207,322
Revenue reserve		557,982	557,982	557,982	557,982
Other comprehensive income		(14,161)	(14,358)	(14,161)	(14,358)
Accumulated profit		295,053	-	295,053	-
TOTAL LIABILITIES AND EQUITY		35,377,529	33,219,831	34,939,347	32,798,131

The accompanying notes are an integral part of these interim financial statements.

**STATEMENT OF INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2020 AND 2019**

(All amounts in thousands of reais unless otherwise stated)

(A free translation of the original in Portuguese)

	Note	Bank		Consolidated	
		9/30/2020	9/30/2019	9/30/2020	9/30/2019
Results from financial intermediation		6,966,600	5,949,944	6,969,268	5,982,421
Income from credit operations	8.g	6,615,034	5,853,715	6,618,521	5,858,733
Result from leasing operations	8.g	-	-	47	821
Result from operations with marketable securities	7.d	94,310	85,228	93,444	111,866
Result on derivative financial instruments	7.c	255,635	17	255,635	17
Result on foreign exchange operations		1,460	4,656	1,460	4,656
Result from compulsory investments		161	6,328	161	6,328
Expenses on financial intermediation		(2,883,919)	(2,724,856)	(2,870,022)	(2,697,963)
Result from market funding operations	15.d	(1,781,686)	(1,802,013)	(1,767,788)	(1,775,148)
Provisions for expected losses associated to the credit risk	8.c	(1,102,233)	(922,843)	(1,102,234)	(922,815)
Gross profit on financial intermediation		4,082,681	3,225,088	4,099,246	3,284,458
Other operating income (expenses)		(3,434,193)	(2,729,110)	(3,460,610)	(2,779,808)
Revenue from services rendered	22	306,739	282,745	316,600	302,805
Equity in the results of subsidiaries	12.a	14,566	19,850	-	-
Personnel	23	(418,454)	(356,336)	(419,641)	(357,476)
Other administrative expenses	24	(1,871,544)	(1,499,715)	(1,886,360)	(1,521,883)
Tax	25	(189,288)	(141,429)	(192,438)	(148,747)
Expenses with provisions	26	(145,620)	(124,446)	(153,781)	(148,497)
Other operating income (expenses)	27	(1,130,592)	(909,779)	(1,124,990)	(906,010)
Operating profit		648,488	495,978	638,636	504,650
Non-operating profit (loss)	28	19,031	(25,052)	37,921	(25,136)
Profit before taxation		667,519	470,926	676,557	479,514
Taxes on income	32.a	(182,891)	(122,561)	(191,929)	(131,149)
Income tax		(133,994)	(89,780)	(141,013)	(97,996)
Social contribution		(105,553)	(55,255)	(108,179)	(58,610)
Deferred tax assets		56,656	22,474	57,263	25,457
NET PROFIT		484,628	348,365	484,628	348,365

**Basic and diluted earnings per share - weighted average number of outstanding shares
attributable to stockholders - R\$**

Earnings per common share	0.40	0.29	-	-
Earnings per preferred share	0.40	0.29	-	-

The accompanying notes are an integral part of these interim financial statements.

**BANCO PAN S.A. AND SUBSIDIARIES****STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2020 AND 2019**

(All amounts in thousands of reais - R\$)

(A free translation of the original in Portuguese)

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Profit	484,628	348,365	484,628	348,365
Items that will be reclassified to profit or loss				
Other comprehensive income	197	991	197	991
Unrealized losses on financial assets available for sale	(1,149)	(79)	(1,149)	(79)
Unrealized gains in other comprehensive income	1,255	1,574	1,255	1,574
Tax effect	91	(504)	91	(504)
COMPREHENSIVE INCOME FOR THE PERIOD	484,825	349,356	484,825	349,356
Attributable to:				
Controlling stockholders	484,825	349,356	484,825	349,356

The accompanying notes are an integral part of these interim financial statements.



BANCO PAN S.A.

**STATEMENT OF CHANGES IN PARENT COMPANY EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2020 AND 2019**

(All amounts in thousands of reais - R\$)

(A free translation of the original in Portuguese)

	Share capital	Capital increase	Capital reserve	Revenue reserves		Other comprehensive income	Retained earnings	Total
				Legal reserve	For integrity of equity			
AT DECEMBER 31, 2018	3,653,410	-	207,322	19,991	223,304	(8,108)	-	4,095,919
Capital increase (Note 1.a)	-	521,812	-	-	-	-	-	521,812
Other comprehensive income	-	-	-	-	-	991	-	991
Profit	-	-	-	-	-	-	348,365	348,365
Allocations:								
Interest on capital provisioned (Note 21.c)	-	-	-	-	-	-	(136,272)	(136,272)
AT SEPTEMBER 30, 2019	3,653,410	521,812	207,322	19,991	223,304	(7,117)	212,093	4,830,815
AT DECEMBER 31, 2019	3,653,410	521,812	207,322	45,788	512,194	(14,358)	-	4,926,168
Capital increase (Note 1.a)	521,812	(521,812)	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	197	-	197
Profit	-	-	-	-	-	-	484,628	484,628
Allocations:								
Interest on capital provisioned (Note 21.c)	-	-	-	-	-	-	(189,575)	(189,575)
AT SEPTEMBER 30, 2020	4,175,222	-	207,322	45,788	512,194	(14,161)	295,053	5,221,418

The accompanying notes are an integral part of these interim financial statements.


BANCO PAN S.A. AND SUBSIDIARIES
**STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2020 AND 2019**

(All amounts in thousands of reais - R\$)

(A free translation of the original in Portuguese)

	Note	Bank		Consolidated	
		9/30/2020	9/30/2019	9/30/2020	9/30/2019
CASH FLOWS FROM OPERATING ACTIVITIES:					
NET PROFIT		484,628	348,365	484,628	348,365
Adjustments that do not affect cash flow:					
Effect of foreign exchange rate changes on cash and cash equivalents		(1,924)	(1,532)	(1,924)	(1,532)
Depreciation and amortization	24	48,602	28,953	48,636	28,985
Amortization of goodwill	27	17,946	17,946	18,789	18,789
Constitution of provision for civil, labor, and tax contingencies	18	145,620	124,446	153,781	148,497
Indexation for inflation of civil, labor, and tax provisions	18	2,677	2,897	6,838	4,466
Reversal of provision for other assets	28	(15,339)	(7,442)	(15,484)	(7,550)
Result on the sale of other assets	28	(3,692)	32,494	(3,525)	32,686
Assignments of rights	28	-	-	(18,912)	-
Equity in the results of subsidiaries	12.a	(14,566)	(19,850)	-	-
Provisions for expected losses associated to the credit risk	8.c	1,102,233	922,843	1,102,234	922,815
Deferred income tax and social contribution		(56,656)	(22,474)	(57,263)	(25,457)
Adjusted profit		1,709,529	1,426,646	1,717,798	1,470,064
Changes in assets and liabilities:					
Decrease in interbank deposits		12,795	3,897	12,795	3,897
Decrease/(increase) in marketable securities		40,560	(28,050)	47,214	(42,947)
Decrease (increase) in derivatives		163,124	(181,475)	163,124	(181,475)
Decrease (increase) in interbank investments		319,766	(207,039)	319,766	(207,039)
Increase in credit operations		(2,861,756)	(3,868,677)	(2,861,278)	(3,868,434)
Increase in other financial assets		(16,429)	(787,822)	(15,404)	(785,172)
Increase in other tax assets		(70,841)	(56,107)	(67,161)	(56,686)
Decrease in other credits		14,227	1,584	13,754	5,273
Increase in other assets		(76,450)	(133,285)	(76,163)	(133,565)
Increase in deposits		1,042,780	2,595,304	1,024,369	2,561,283
Decrease in funds obtained in the open market		(203,344)	(9,758)	(203,110)	(8,663)
Increase in acceptances and issue of securities		77,524	77,540	77,524	77,540
Increase in other financial liabilities		557,967	100,491	557,967	100,491
Decrease in provisions		(160,510)	(157,452)	(163,562)	(162,516)
Increase in tax liabilities		358,496	216,284	363,794	228,313
Increase in other liabilities		173,885	344,313	171,305	343,484
Payment of income tax and social contribution		(332,306)	(68,267)	(342,599)	(77,890)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		749,017	(731,873)	740,133	(734,042)
CASH FLOW FROM INVESTING ACTIVITIES:					
Increase in available-for-sale marketable securities		(406,269)	(421,696)	(406,269)	(421,696)
Decrease in available-for-sale marketable securities		514,810	397,902	514,810	397,902
Increase in marketable securities held to maturity		(644,758)	(378,099)	(644,758)	(378,099)
Decrease in marketable securities held to maturity		38,116	354,387	38,116	354,387
Disposal of assets not for own use		112,922	156,605	112,922	156,683
Acquisition of investments		(19,026)	-	(19,026)	-
Purchase of property and equipment	13.b	(4,761)	(14,106)	(4,761)	(14,106)
Increase in intangible assets	14.b	(26,424)	(50,179)	(26,424)	(50,179)
Assignments of rights	28	-	-	7,314	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(435,390)	44,814	(428,076)	44,892
CASH FLOWS FROM FINANCING ACTIVITIES:					
Funds from acceptance and issue of securities		3,868,073	1,235,177	3,868,073	1,235,177
Redemption of funds from acceptance and issue of securities		(1,229,626)	(691,045)	(1,229,626)	(691,045)
Issue of subordinated debt	17.b	-	8,000	-	8,000
Settlement/payments of subordinated debts		(2,515,985)	(267,500)	(2,515,985)	(267,500)
Capital increase	21.a	-	521,812	-	521,812
Dividends and interest on capital paid		(201,248)	(74,325)	(201,248)	(74,325)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(78,786)	732,119	(78,786)	732,119
NET INCREASE IN CASH AND CASH EQUIVALENTS		234,841	45,060	233,271	42,969
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	1,231,440	16,374	1,234,219	19,714
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		1,924	1,532	1,924	1,532
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	1,468,205	62,966	1,469,414	64,215
ADDITIONAL INFORMATION ON CASH FLOWS					
Interest paid		(1,785,406)	(1,445,872)	(1,778,896)	(1,443,797)
Interest received		5,955,921	6,255,332	5,962,686	6,262,256
Transfer of assets not for own use		(22,702)	1,494	(22,702)	1,494
Unrealized gains on financial assets		106	1,495	106	1,495

The accompanying notes are an integral part of these interim financial statements.



BANCO PAN S.A. AND SUBSIDIARIES

**STATEMENT OF VALUE ADDED
FOR THE PERIODS ENDED SEPTEMBER 30, 2020 AND 2019**

(All amounts in thousands of reais - R\$)

(A free translation of the original in Portuguese)

	Note	Bank		Consolidated	
		9/30/2020	9/30/2019	9/30/2020	9/30/2019
INCOME		4,931,871	4,268,515	4,961,573	4,301,557
Financial intermediation		6,966,600	5,949,944	6,969,268	5,982,421
Services rendered	22	306,739	282,745	316,600	302,805
Provisions for expected losses associated to the credit risk	8.c	(1,102,233)	(922,843)	(1,102,234)	(922,815)
Other operating expenses		(1,239,235)	(1,041,331)	(1,222,061)	(1,060,854)
EXPENSES ON FINANCIAL INTERMEDIATION	15.d	(1,781,686)	(1,802,013)	(1,767,788)	(1,775,148)
INPUTS ACQUIRED FROM THIRD PARTIES		(1,767,328)	(1,431,164)	(1,781,815)	(1,453,018)
Materials, energy and other	24	(2,531)	(3,146)	(2,532)	(3,151)
Third-party services	24	(295,260)	(281,042)	(304,089)	(294,132)
Commissions payable to correspondent banks	24	(930,060)	(746,874)	(932,470)	(750,829)
Others		(539,477)	(400,102)	(542,724)	(404,906)
Data processing	24	(211,881)	(156,831)	(212,056)	(158,366)
Financial system services	24	(158,516)	(101,967)	(159,162)	(102,586)
Advertising, promotions, and publicity	24	(61,784)	(35,311)	(61,837)	(35,575)
Communication	24	(46,391)	(34,569)	(46,499)	(34,727)
Asset search and seizure expenses	24	(17,101)	(23,647)	(17,104)	(23,662)
Maintenance and conservation of property	24	(4,888)	(4,609)	(4,891)	(4,614)
Transport	24	(3,023)	(4,357)	(3,027)	(4,367)
Fees and emoluments	24	(2,575)	(4,211)	(2,972)	(4,744)
Travel	24	(1,449)	(4,153)	(1,450)	(4,158)
Others	24	(31,869)	(30,447)	(33,726)	(32,107)
GROSS VALUE ADDED		1,382,857	1,035,338	1,411,970	1,073,391
DEPRECIATION AND AMORTIZATION		(66,548)	(46,899)	(67,425)	(47,774)
NET VALUE ADDED PRODUCED BY THE ENTITY		1,316,309	988,439	1,344,545	1,025,617
VALUE ADDED RECEIVED IN TRANSFER	12.a	14,566	19,850	-	-
Equity in the results of subsidiaries		14,566	19,850	-	-
TOTAL VALUE ADDED TO BE DISTRIBUTED		1,330,875	1,008,289	1,344,545	1,025,617
DISTRIBUTION OF VALUE ADDED		1,330,875	1,008,289	1,344,545	1,025,617
Personnel		364,907	308,886	365,942	309,850
Direct remuneration	23	281,776	236,364	282,514	237,051
Benefits	23	59,699	52,350	59,907	52,574
FGTS		18,541	15,957	18,630	16,010
Other	23	4,891	4,215	4,891	4,215
Taxes, fees, and contributions		425,726	311,440	438,066	327,522
Federal		409,652	298,353	421,229	312,505
State		2,074	10	2,143	10
Municipal		14,000	13,077	14,694	15,007
Remuneration of third-party capital	24	55,614	39,598	55,909	39,880
Rent		55,614	39,598	55,909	39,880
Remuneration of own capital		484,628	348,365	484,628	348,365
Interest on capital benefit	21.c	189,575	136,272	189,575	136,272
Retained earnings		295,053	212,093	295,053	212,093

The accompanying notes are an integral part of these interim financial statements.

1) Operations

Banco PAN S.A. ("Bank", "PAN", "Parent company" or "Institution"), is a publicly traded corporation authorized to operate as a multiple bank. In February 2020, it launched its digital account and, thus, offers a complete credit platform and financial services focused on social classes C, D and E. It operates, directly or indirectly, through its subsidiaries in the markets for payroll-deductible credit (loan and credit card), vehicle financing (used cards and new motorcycles), credit cards, personal credit, emergency limit (overdraft facility), as well as sale of insurance. In services, in addition to all the transactions inherent to a current account, the Bank also offers salary portability. In addition, the Bank has a portfolio of "run-off" financing for corporate credit, construction financing for developers and builders; real estate financing; financing for purchases of machinery and equipment, foreign exchange transactions, acquisition of real estate receivables, and vehicle and other asset leasing operations. It also manages vehicles and property consortium groups. Services rendered among the entities of the Conglomerate and the costs of operational and administrative structures are shared, jointly or individually.

As an alternative strategy to raising funds in the market and as an integral part of the business plan, the Bank also executes credit assignments (both transferring and substantially retaining the risks and benefits) of its portfolio to other financial institutions. On the assignment of loans with the substantial transfer of risks and benefits, the results are immediately recognized in the statement of income and the related risk is mitigated ensuring that capital is adequately preserved (Note 3.h). These results are recorded in the interim financial statements under "Income from financial intermediation".

Pursuant to a stockholders' agreement, the Bank is jointly controlled by Banco BTG Pactual S.A. ("BTG Pactual") and Caixa Participações S.A. - CAIXAPAR ("CAIXAPAR"), a wholly-owned subsidiary of Caixa Econômica Federal (Federal Savings and Loans Bank).

At 9/30/2020, PAN's capital was distributed as follows:

Stockholders	Shareholding structure (thousands of shares)				Total	%
	Common	%	Preferred	%		
BTG Pactual	334,131	50.8	206,371	37.7	540,502	44.9
CAIXAPAR	323,430	49.2	-	-	324,430	26.8
Mercado	-	-	341,124	62.3	341,124	28.3
Total	657,561	100.0	547,495	100.0	1,205,056	100.0

a) Corporate events

A capital increase from the Primary Offering in September 2019 was approved by BACEN on 1/14/2020. Accordingly, the Bank's capital currently amounts to R\$ 4,175,222,121.46, represented by 1,205,056 thousand shares distributed as follows:

On 8/12/2020 and 8/20/2020, the Bank disclosed, in a significant corporate event notice to the market, the performance of a secondary public offering of 89,599,665 new registered, book-entry preferred shares, with no par value, with restricted placement efforts, without any issuance onus or liens of the Bank and exclusively held by CAIXAPAR ("Seller Stockholder"), pursuant to CVM Instruction 476. This operations was approved by the Board of Directors of the Seller Stockholder on 8/27/2020, with a price per share of R\$ 8.30, thus totaling R\$ 743,677,219.50. On 9/3/2020, CAIXAPAR informed the Company that it sold all its 89,599,665 preferred shares issued by the Company and that it did not alter its ownership of common shares issued by the Bank. As a result, no changes occurred either in the ownership control or in the administrative structure of the Company or in the Company's effective Stockholders' Agreement.

2) Presentation of the interim accounting information

The parent company interim accounting information of Banco PAN is presented together with the interim accounting information of the Bank and its subsidiaries ("Consolidated"), and has been prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), observing the provisions of Law 4,595/64 (National Financial System Law) and Law 6,404/76 (Brazilian Corporation Law) and the changes introduced by Laws 11,638/07 and 11,941/09, for the recording of transactions, associated with the standards and instructions established by BACEN, and the Resolutions of the National Monetary Council (CMN), and the Brazilian Securities Commission (CVM), where applicable.

a) Consolidation:

The parent company and consolidated interim accounting information were approved by the Board of Directors and the Executive Board on 10/29/2020 and on 10/26/2020, respectively.

The subsidiaries included in the consolidation and the corresponding equity interest of the parent company are as follows:

Direct subsidiaries	Total equity interest %	
	9/30/2020	12/31/2019
Pan Arrendamento Mercantil S.A.	100.00	100.00
Brazilian Finance & Real Estate S.A.	100.00	100.00
Brazilian Securities Companhia de Securitização.	100.00	100.00
Pan Administradora de Consórcio Ltda.	100.00	100.00
BM Sua Casa Promotora de Vendas Ltda.	100.00	100.00

b) Reclassification of interim financial statement items:

The Bank, in compliance with BACEN standards - Resolution 4,720, of 5/30/2019, and Circular Letter 3,959, of 9/4/2019, is presenting asset and liability accounts in the balance sheet according to their liquidity with details in the explanatory notes of amounts split between those expected to be realized or settled in up to 12 months and for longer periods, for each item presented in assets or liabilities.

The consolidated equity and income statement reclassifications for base dates 12/31/2019 and 9/30/2019, respectively, are as follows:

- Consolidated statement of income

PUBLISHED	9/30/2019	CURRENT	
		Reclassifications	9/30/2019
Other administrative expenses (a)	(1,522,129)	246	(1,521,883)
Expenses with provisions (b)	-	(148,497)	(148,497)
Other operating income (expenses) (c)	(1,054,261)	148,251	(906,010)

(a) Were in Other operating expenses, and reclassified to Other administrative expenses;

(b) Were in Other operating expenses, and reclassified to Provisions; and

(c) Considers all allocations of items (a) and (b).

The earnings per share of Banco PAN has also been updated due to the adoption of the aforementioned standards. At 9/30/2019, the earnings per share disclosed was R\$ 0.29.

(A free translation of the original in Portuguese)



Notes to the interim financial statements

• **Consolidated assets**

As originally reported		Reclassified	
Account	12/31/2019	12/31/2019	Account
Cash and cash equivalents	4,220	4,220	Cash and cash equivalents
Investments in the open market	1,229,999	1,229,999	Cash and cash equivalents
(Allowance for doubtful accounts)	(1,828,735)	(1,828,735)	(Provisions for expected losses associated to the credit risk)
Income receivable	1,874	1,874	Other assets
Negotiation and intermediation of receivables	3,066	3,066	Other financial assets
Real estate receivables	4,588	4,588	Other financial assets
Sundry	2,462,578	2,462,578	Other financial assets
Sundry	3,839,695	3,839,695	Taxes
Sundry	349,630	349,630	Other assets

• **Consolidated liabilities**

As originally reported		Reclassified	
Account	12/31/2019	12/31/2019	Account
Interdependent accounts	247	247	Sundry
Collection of taxes and similar charges	7,176	7,176	Sundry
Taxes and social security	441,713	441,713	Tax obligations
Negotiation and intermediation of receivables	20,481	20,481	Sundry
Subordinated debts	1,885,320	1,885,320	Other financial obligations
Sundry	201,523	201,523	Other financial obligations
Sundry	591,125	591,125	Provisions
Results of future periods	2	2	Sundry

3) Significant accounting practices

a) Functional and presentation currency:

The parent company and consolidated interim accounting information is presented in Brazilian Real/Reais (R\$), which is the Bank's functional currency.

b) Determination of the results of operations:

Income and expenses are recorded on the accrual basis of accounting, and are prorated. Financial income and expenses are calculated based on the exponential method, except for foreign transactions or discounted notes, which are calculated on the straight-line method. Transactions with floating rates or indexed to foreign currencies are adjusted up to the balance sheet date at agreed-upon rates.

c) Cash and cash equivalents:

Cash and cash equivalents comprise cash in local and foreign currencies, investments in the money market, interbank deposits, bank certificates of deposit and fixed-income funds, with maturities at the original investment date equal to or less than 90 days and which present an immaterial risk of change in fair value, which are utilized by the Bank to manage its short-term commitments.

d) Interbank investments:

Interbank investments are accounted for at the amount invested plus related earnings up to the balance sheet date.

e) Marketable securities:

Marketable securities are recorded at the cost of acquisition plus income earned and are presented in the balance sheet, pursuant to BACEN Circular Letter 3,068/2001. They are classified in the following categories:

- Trading securities - securities acquired for the purpose of being actively and frequently traded are adjusted to fair value, with the increase or decrease arising from this adjustment reflected in the result for the period.
- Available-for-sale securities - securities that cannot be classified as trading securities or held-to-maturity securities are adjusted to fair value, with the increase or decrease arising from this adjustment reflected in a separate account in equity, net of tax effects. Unrealized gains and losses are recognized in the result for the period when effectively realized; and
- Held-to-maturity securities - securities, which the Bank intends and has the ability to hold in its portfolio to maturity, are stated at cost, plus related earnings with a corresponding entry to results for the period.

f) Derivative financial instruments:

The derivative financial instruments consist of futures, swaps and forwards. These financial instruments are classified, on the date the transaction is contracted, reflecting management's intention whether to use them as hedging instruments or not. The appreciation or depreciation in value is recognized in the income or expense accounts of the corresponding financial instruments, in accordance with BACEN Circular 3,082/02 and Circular Letter 3,026/02.

Derivative financial instruments are valued at market values with the appreciation or depreciation recorded in the results. The gains or losses on derivative financial instruments considered as a market risk hedge, whether realized or unrealized, are also recorded in the result for the period.

The Bank uses derivative financial instruments mainly to hedge against unfavorable variations in the fair value of positions held.

The fair values of derivative financial instruments and their respective hedged items are determined based on available market information, mainly the prices and rates provided by B3 S.A., the Brazilian Commodities, Futures and Stock Exchange. Where applicable, mathematical models of rate interpolations are utilized for intermediate periods and rate extrapolations for longer periods.

Future cash flows, discounted to present value by future interest curves, obtained based on information issued by B3 S.A., are utilized to measure the market value of swaps.

The marking to market of futures contracts, such as interest contracts (1-day DI), foreign exchange contracts (DOL) and foreign exchange coupons (DDI), is determined based on the market price in a unique price (PU) format, which is released daily by B3 S.A. Based on this price, the daily adjustments are recorded in assets or liabilities and appropriated daily to the results as income or expenses.

Derivative financial instrument transactions (futures, forwards, and swaps) are registered at B3 S.A. (stock exchange) or at the Organized Counter for Assets and Derivatives (B3 S.A. - over-the-counter). The differences receivable and payable are recorded in the respective derivative financial instrument balance sheet accounts, with a corresponding entry to results from derivative financial instruments in the statement of income, and the nominal amounts of these transactions are recorded in memorandum accounts.

The balances of assets and liabilities and the results are disclosed in Note 7.c.

g) Credit operations:

Operations relating to loans, leasing, advances on foreign exchange contracts, real estate receivables and other credits with credit concession characteristics are accounted for at present value and calculated on a daily pro rata basis, based on the variation of the index and in the interest rate up to the 59th day in default.

The provision for expected losses associated to the credit risk is constituted based on management's judgment as to the risk level, considering the economic scenario, past experience, and specific and global risks related to the operation, to the debtors and guarantors, in compliance with CMN Resolution 2,682/99, which requires a periodic portfolio analysis and the classification of risk into nine levels. Level AA represents the minimum risk and H the maximum risk. Additionally, the overdue periods as defined in this Resolution and a doubling up for transactions with an unexpired term exceeding 36 months are also taken into consideration when rating customer risk.

Income from credit operations past due for more than 60 days, regardless of the risk level, is only recognized when realized. Operations classified in level H remain at this level for six months, after which they are

written-off against the existing allowance and controlled in a memorandum account and no longer presented in the Bank's balance sheet.

Renegotiated transactions remain, at least, at the same rating at which they were classified prior to the renegotiation. Renegotiated loan operations that had already been written-off against the allowance and that were recorded in memorandum accounts are classified in level H, and any gains resulting from the renegotiation are recognized as income only when effectively received. When there is a significant amortization of a credit operation or when relevant new facts justify a change in risk level, the operation can be reclassified to a lower risk category.

The provision for expected losses associated to the credit risk is determined at an amount which is sufficient to cover probable losses and considers CMN and BACEN rules and instructions, as well as the assessments carried out by management in determining credit risk.

The provision for expected losses associated to the credit risk related to loans assigned with a substantial retention of risks and benefits is calculated based on the same guidelines established by BACEN for unassigned credit operations.

h) Transactions for the sale or transfer of financial assets:

From January 1, 2012, as determined by CMN Resolution 3,533/08, transactions for the sale or transfer of financial assets are classified and recorded as described below:

- The following procedures are observed for recording the sale or transfer of financial assets classified in the category of transactions with a substantial transfer of risks and benefits:

In transactions involving the disposal of assets, the financial asset being sold or transferred is written-off from the account in which the original transaction was recorded. The gain or loss determined in the transaction is separately appropriated to the result for the period.

In transactions involving the purchase of assets, the financial asset acquired is recorded at the amount paid, based on the nature of the original transaction.

- The following procedures are observed for recording the sale or transfer of financial assets classified in the category of transactions with substantial retention of risks and benefits:

For transactions for the sale of assets, the financial asset, which is the object of the sale or transfer, remains recorded in assets at the full amount. The amounts received as a result of the transactions are recorded in assets, with a corresponding entry in liabilities for the obligation assumed, and the income and expenses are appropriated to the result for the period over the remaining term of the transaction in a segregated manner.

For transactions for the purchase of assets, the amounts paid are recorded in assets as a right receivable and the income is appropriated to the result for the period over the remaining term of the transaction.

i) Other assets:

Other assets are comprised mainly of assets not for own use and prepaid expenses. Assets not for own use comprise repossessed assets or assets received in lieu of payment, which are available for sale, and which are adjusted through a valuation allowance, where applicable, calculated based on the historical losses on the sale of repossessed assets. Prepaid expenses relate to advance payments for benefits or services that will occur or be provided in future periods. These expenses are appropriated to the result of the period in which the future benefits are generated.

j) Investments:

Investments in subsidiaries are accounted for on the equity method. Other investments are stated at cost of acquisition, less the corresponding provision for loss and impairment, where applicable.

k) Property and equipment:

Property and equipment correspond to the rights acquired over physical assets destined for maintaining the business or which are exercised for this purpose, including those arising from transactions which transfer the risks, benefits and control over the assets to the Bank. The assets mainly consist of installations, leasehold improvements, furniture, and equipment in use.

The assets are stated at cost of acquisition less accumulated depreciation and adjustments for impairment, where applicable. Depreciation is calculated on the straight-line method at annual rates which consider the estimated economic useful lives of the assets.

Property and equipment acquired as from January 1, 2017 are stated in conformity with Resolution 4,535/16.

l) Intangible assets:

Intangible assets correspond to identifiable non-monetary assets without physical substance, acquired or developed by the institution, destined for maintaining the business or which are exercised for this purpose.

The assets are stated at acquisition and other directly attributable costs less accumulated amortization and adjustments for impairment, where applicable. These assets are basically represented by goodwill based on the expected future profitability of the investments, licenses and expenses on the acquisition and development of software. Intangible assets with defined useful lives are amortized on the straight-line method over the estimated period of their use.

The intangible assets acquired as from January 1, 2017 are stated in conformity with Resolution 4,534/16.

m) Impairment of non-financial assets:

Non-financial assets are subject to an evaluation of their recoverable values annually, or more frequently if conditions or circumstances indicate the possibility of loss in value. Any losses identified are recognized in the result for the period when the carrying amount of an asset exceeds its recoverable amount, which is determined as follows:

- i. Potential sales or realization amount less corresponding expenses; or
- ii. Value in use calculated based on the cash-generating unit.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets or groups of assets.

n) Income tax and social contribution (assets and liabilities):

Provisions for income tax and social contribution due are recorded based on taxable profit, adjusted for additions and exclusions established by the applicable tax legislation. Deferred tax assets on temporary additions are realized on the utilization or reversal of the respective provisions in respect of which the credits were recognized. Deferred tax assets on tax loss carry-forwards are realized according to the generation of profit, up to the limit of 30% of taxable income for the base period. These deferred tax assets are recognized based on their expected realization, which is periodically reviewed, considering technical studies and analyses prepared by management.

The tax rates and calculation bases are detailed in Note 32.

o) Deposits and funds obtained in the market:

Deposits and funds obtained in the market are stated at the amounts of the liabilities and consider, where applicable, the charges payable up to the balance sheet date, recognized on a daily pro rata basis.

p) Specific accounting policies of the consortium segment:

The management fee is recorded when received from the consortium groups. Commissions on sales of quotas are recorded when the consortium quotas are sold, and other income and expenses are recorded monthly on the accrual basis.

The liabilities for unclaimed funds are recorded at the amount to be returned to the members of the discontinued consortium groups, including remuneration equal to that generated by their quotas in the investment funds in which the active groups hold investments.

q) Provisions, contingent assets and liabilities and legal obligations (taxes and social security):

Provisions and contingent assets and contingent liabilities and legal obligations (tax and social security) are measured and disclosed in conformity with the criteria established by CMN Resolution 3,823/09, which established, among other things:

- Contingent assets - not recorded in the interim accounting information, except when there is evidence that their realization is virtually certain.
- Provisions - recorded in the interim accounting information when, based on the opinion of the Bank's management under advice of the legal counsel, the risk of losing an administrative or legal action is considered to be probable, and whenever the amounts involved can be reliably measured.
- Contingent liabilities do not meet the recognition criteria, because they are considered as possible of loss and, therefore, are only disclosed in the notes to the accounting information, when significant.
- Legal obligations (tax and social security) - correspond to lawsuits challenging the legality and constitutionality of certain taxes and contributions, which, regardless of the likelihood of success, are recognized at the full amount in the interim accounting information.

r) Residual benefit in securitized transactions:

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Notes to the interim financial statements

The benefit corresponds to the residual balance, net of any guarantees provided, of the separate equity of the securitized transactions which, in accordance with Law 9,514/97, will be reintegrated to the common equity of the securitization company when the lien is released, and the related mortgage-backed and agribusiness securities are settled.

s) Earnings (loss) per share:

Basic earnings per share are calculated by dividing the profit or loss attributable to the stockholders by the weighted average number of shares in issue during the period.

t) Use of accounting estimates:

The preparation of interim accounting information requires management to make estimates and assumptions, to the best of its judgment, that affect the reported amounts of certain financial or non-financial assets and liabilities, income and expenses, and other transactions, such as: (i) estimated tax credit assets; (ii) depreciation rates of property and equipment and amortization of intangible assets; (iii) provisions necessary to absorb the potential risks arising from civil, labor or tax processes; (iv) provision for loss on assets not for own use; (v) impairment of non-financial assets; (vi) estimated fair value of specific financial instruments; and (iv) expected losses associated to the credit risk. The actual settlement amounts of these financial or non-financial assets and liabilities could differ from the estimates.

u) Events after the reporting period:

Events which have occurred between the reporting date of the interim accounting information and the date of its approval by management are classified as:

- i. events that require adjustment, related to conditions existing at the reporting date of the interim accounting information; and
- ii. events that do not require adjustment, related to conditions which did not exist at the reporting date of the interim accounting information.

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Notes to the interim financial statements

4) Balance sheet and statement of income by business segment

a) Consolidated balance sheet:

Assets	Financial (1)	Consortiu m (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Cash and cash equivalents	1,468,205	7,826	1,208	15	(7,840)	1,469,414
Marketable securities and derivatives	2,300,139	58,254	155,854	375,797	(351,308)	2,538,736
Interbank accounts	21,623	-	-	-	-	21,623
Credit operations (6)	23,544,632	-	239	-	-	23,544,871
Other financial assets	2,498,207	-	3,563	-	-	2,501,770
Taxes	3,859,573	9,872	49,931	44,714	-	3,964,090
Other assets	354,081	204	7,580	36	-	361,901
Investments	709,844	-	-	-	(697,219)	12,625
Property and equipment	25,026	-	-	-	-	25,026
Intangible assets	150,194	180	728	1,332	-	152,434
Other assets	326,068	18,856	5,965	2,595	(6,627)	346,857
Total at 9/30/2020	35,257,592	95,192	225,068	424,489	(1,062,994)	34,939,347
Total at 12/31/2019	33,092,903	73,744	227,983	428,618	(1,025,117)	32,798,131

Liabilities	Financial (1)	Consortium (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Deposits	21,135,679	-	-	-	(351,331)	20,784,348
Funds obtained in the open market	100,512	-	-	-	(7,817)	92,695
Funds from issuance of securities	4,584,295	-	-	-	-	4,584,295
Interbank accounts	1,147,580	-	-	-	-	1,147,580
Other financial obligations	128,825	-	-	-	-	128,825
Provisions	574,331	6,157	3,026	4,668	-	588,182
Tax obligations	446,399	6,529	4,806	5,174	-	462,908
Other liabilities	1,918,553	9,486	2,923	4,761	(6,627)	1,929,096
Equity	5,221,418	73,020	214,313	409,886	(697,219)	5,221,418
Total at 9/30/2020	35,257,592	95,192	225,068	424,489	(1,062,994)	34,939,347
Total at 12/31/2019	33,092,903	73,744	227,983	428,618	(1,025,117)	32,798,131

b) Consolidated statement of income

	Financial (1)	Consortium (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Results from financial intermediation	6,966,647	1,423	4,292	4,857	(7,951)	6,969,268
Expenses on financial intermediation	(2,877,972)	-	(1)	-	7,951	(2,870,022)
Gross result	4,088,675	1,423	4,291	4,857	-	4,099,246
Other operating income (expenses)	(3,441,657)	5,563	(2,585)	(1,455)	(20,476)	(3,460,610)
Non-operating result	19,059	18,912	(50)	-	-	37,921
Taxes on income	(181,449)	(8,802)	(539)	(1,139)	-	(191,929)
Total at 9/30/2020	484,628	17,096	1,117	2,263	(20,476)	484,628
Total at 9/30/2019	348,365	5,304	2,642	21,923	(29,869)	348,365

(1) Represented by Banco PAN S.A. and Pan Arrendamento Mercantil S.A.

(2) Represented by Pan Administradora de Consórcio Ltda.

(3) Represented by Brazilian Securities Companhia de Securitização.

(4) Represented by BM Sua Casa Promotora de Vendas Ltda. and Brazilian Finance & Real Estate S.A.

(5) Eliminations between companies in different segments.

(6) Amounts net of the provision for expected losses associated to the credit risk.

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Notes to the interim financial statements

5) Cash and cash equivalents

	Bank		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Funds in local currency	427	225	1,636	3,004
Funds in foreign currency	2,782	1,216	2,782	1,216
Subtotal (cash)	3,209	1,441	4,418	4,220
Short-term interbank investments (1)	1,464,996	1,229,999	1,464,996	1,229,999
Total	1,468,205	1,231,440	1,469,414	1,234,219

(1) Refers to transactions with original maturities equal to or less than 90 days and which present an immaterial risk of change in fair value.

6) Interbank investments:

The Bank's interbank deposits at 12/31/2019 amounted to R\$ 12,795, with maturities ranging from 91 to 180 days.

a) Income from interbank investments:

This income is classified in the statement of income as results from operations with securities:

Bank and Consolidated	9/30/2020	9/30/2019
Income from investments in purchase and sale transactions:	30,342	11,960
Own portfolio position	30,342	11,881
Third-party portfolio position	-	79
Income from interbank deposits	24	211
Total (Note 7.d)	30,366	12,171

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Notes to the interim financial statements

7) Marketable securities and derivatives

a) Composition of portfolio:

The portfolio of marketable securities and derivatives at 9/30/2020 and 12/31/2019, by type of security, was comprised as follows:

	Bank		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Marketable securities	2,300,139	1,843,230	2,538,736	2,087,652
Own portfolio:	2,062,189	727,913	2,299,865	972,231
National Treasury Notes (NTN)	1,297,396	550,051	1,297,396	550,051
Financial Treasury Bills (LFT)	764,457	177,520	764,457	177,520
Social Development Fund (FDS)	336	342	336	342
Mortgage-backed securities (CRI)	-	-	237,676	244,318
Subject to guarantees:	140,075	287,937	140,996	288,041
Financial Treasury Bills (LFT)	140,075	287,937	140,075	287,937
Bank Deposit Certificates (CDB)	-	-	921	104
Subject to repurchase agreements:	97,875	297,944	97,875	297,944
National Treasury Notes (NTN)	90,070	190,818	90,070	190,818
Financial Treasury Bills (LFT)	7,805	107,126	7,805	107,126
Linked to BACEN:	-	529,436	-	529,436
Financial Treasury Bills (LFT) (1)	-	529,436	-	529,436
Derivative financial instruments	-	288,103	-	288,103
Difference receivable on swaps (Note 7.c)	-	288,103	-	288,103
Total	2,300,139	2,131,333	2,538,736	2,375,755

(1) Amount linked to BACEN, resulting from the Bank's capital increase approved by its Board of Directors on September 19, 2019 and by BACEN on January 14, 2020.

b) Composition by category and term:

Bank	9/30/2020								12/31/2019	
	Current		Non-current			Net book value (1)(2)(3)	Adjusted cost	Mark-to-market adjustment	Net book value (1)(2)(3)	Mark-to-market adjustment
	No stated maturity	Up to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years					
Trading securities	-	7,193	218,210	38,256	-	263,659	264,461	(802)	359,782	(39)
Financial Treasury Bills (LFT)	-	7,193	218,210	38,256	-	263,659	264,461	(802)	359,782	(39)
Available-for-sale securities:	-	282,094	345,348	12,588	8,648	648,678	649,826	(1,148)	742,237	3
Financial Treasury Bills (LFT)	-	282,094	345,348	12,588	8,648	648,678	649,826	(1,148)	742,237	3
Securities held to maturity:	336	481,817	650,710	113,168	141,771	1,387,802	1,387,802	-	741,211	-
National Treasury Notes (NTN)	-	481,817	650,710	113,168	141,771	1,387,466	1,387,466	-	740,869	-
Social Development Fund (FDS)	336	-	-	-	-	336	336	-	342	-
Total	336	771,104	1,214,268	164,012	150,419	2,300,139	2,302,089	(1,950)	1,843,230	(36)

Consolidated	9/30/2020								12/31/2019	
	Current		Non-current			Net book value (1)(2)(3)	Adjusted cost	Mark-to-market adjustment	Net book value (1)(2)(3)	Mark-to-market adjustment
	No stated maturity	Up to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years					
Trading securities	-	7,193	218,210	38,256	-	263,659	264,461	(802)	359,782	(39)
Financial Treasury Bills (LFT)	-	7,193	218,210	38,256	-	263,659	264,461	(802)	359,782	(39)
Available-for-sale securities:	-	303,027	563,012	12,588	8,648	887,275	908,923	(21,648)	986,659	(21,754)
Financial Treasury Bills (LFT)	-	282,094	345,348	12,588	8,648	648,678	649,826	(1,148)	742,237	3
Mortgage-backed securities (CRI)	-	20,012	217,664	-	-	237,676	258,176	(20,500)	244,318	(21,757)
Bank Deposit Certificates (CDB)	-	921	-	-	-	921	921	-	104	-
Securities held to maturity:	336	481,817	650,710	113,168	141,771	1,387,802	1,387,802	-	741,211	-
National Treasury Notes (NTN)	-	481,817	650,710	113,168	141,771	1,387,466	1,387,466	-	740,869	-
Social Development Fund (FDS)	336	-	-	-	-	336	336	-	342	-
Total	336	792,037	1,431,932	164,012	150,419	2,538,736	2,561,186	(22,450)	2,087,652	(21,793)

(1) Brazilian Association of Financial and Capital Market Institutions (ANBIMA) and the Commodities, Futures and Stock Exchange ("B3 S.A."). In the case of the mortgage-backed securities, the market value was determined using internal models and data based on observable market parameters.

(2) This column presents the carrying amount subsequent to the mark-to-market adjustment, in accordance with item (2), except for the securities classified as held to maturity, whose market value was higher than the adjusted cost by R\$ 48,104 (12/31/2019 - higher by R\$ 41,832). In order to comply with Article 8 of BACEN Circular 3,068/2001, Banco PAN declares that it has both the financial ability and the intention to hold to maturity the securities classified in the 'securities held to maturity' category; and

(3) When establishing deadlines, the maturities of the securities were considered, regardless of their accounting classification.

c) Derivative financial instruments:

The derivative financial instruments consist of futures, swaps and forwards. These financial instruments are classified, on the date the transaction is contracted, reflecting management's intention whether to use them as hedging instruments or not. The appreciation or depreciation in value is recognized in the income or expense accounts of the corresponding financial instruments, in accordance with BACEN Circular 3,082/02 and Circular Letter 3,026/02. The Bank's risk management policy established that derivative instruments should be used to hedge against exposure resulting from the Bank's credit operations as well as from foreign exchange exposure from offshore operations.

Derivative instruments are used based on two strategies: trading portfolio (negotiation) and banking portfolio (non-negotiation). The trading portfolio includes derivatives that are used to guiding strategies, to dispute resolution efforts, or to hedge other negotiation portfolio elements. The non-negotiation portfolio includes derivatives used to hedge instruments classified in the banking portfolio, including those used as hedge accounting. Risks within these portfolios are managed according to perspectives that are consolidated based on risk factors.

Derivative financial instrument transactions, as well as transactions with marketable securities classified as "held for trading" or "available for sale", are valued at market value, and the related appreciation or depreciation are recorded in the results. The market value of instruments traded in Stock exchanges corresponds to the instrument market quotations or the quotation of similar products. If there is no market quotation for any products, their market value should be defined under the discounted cash flow method or via pricing models. The gains or losses on derivative financial instruments considered as a market risk hedge, whether realized or unrealized, are also recorded in the results for the period.

The fair values of derivative financial instruments and their respective hedged items are determined based on available market information, mainly the prices and rates provided by B3 S.A., the Brazilian Commodities, Futures and Stock Exchange. Where applicable, mathematical models of rate interpolations are utilized for intermediate periods and rate extrapolations for longer periods. Future cash flows, discounted to present value by future interest yield curves, obtained from B3 S.A., as adjusted according to the counterparty credit risk (credit value adjustment (CVA)).

The marking to market of futures contracts, such as interest contracts (1-day DI), foreign exchange contracts (DOL) and foreign exchange coupons (DDI), is determined based on the market price in a unique price (PU) format, which is released daily by B3 S.A. Based on this price, the daily adjustments are recorded in assets or liabilities and appropriated daily to the results as income or expenses.

Derivative financial instrument transactions (futures, forwards, and swaps) are registered at B3 S.A. (stock exchange) or at the Organized Counter for Assets and Derivatives (B3 S.A. - over-the-counter). The differences receivable and payable are recorded in the respective derivative financial instrument balance sheet accounts, with a corresponding entry to results from derivative financial instruments in the statement of income, and the nominal amounts of these transactions are recorded in memorandum accounts.

i) Breakdown of derivative financial instruments (assets and liabilities) stated at cost as indexed for inflation, marked to market, and carrying amount, by period:

Bank and Consolidated	Adjusted cost	Carrying amount	Current Up to 30 days	Total at 9/30/2020	Total at 12/31/2019
Asset position:	-	-	-	-	288,103
Swap	-	-	-	-	288,103
Liability position	-	-	-	-	(124,979)
Swap	-	-	-	-	(124,979)
Subtotal	-	-	-	-	163,124
Futures (a)	(16,937)	(16,937)	(16,937)	(16,937)	(5,538)
Asset position	6,153	6,153	6,153	6,153	3,066
Liability position	(23,090)	(23,090)	(23,090)	(23,090)	(8,604)
Total	(16,937)	(16,937)	(16,937)	(16,937)	157,586

(a) Recorded in accounts of negotiation and intermediation of securities.

ii) Derivative financial instruments by index:

Bank and Consolidated	9/30/2020	12/31/2019			
	Notional value	Notional value	Adjusted cost	Mark-to-market	Carrying amount
Swap contracts					
Asset position:	-	470,910	281,679	6,424	288,103
Foreign currency	-	470,910	281,679	6,424	288,103
Liability position	-	2,225,560	(117,033)	(7,946)	(124,979)
Interbank market	-	678,355	(20,306)	(2,137)	(22,443)
Fixed rate	-	1,547,205	(96,727)	(5,809)	(102,536)
Futures					
Purchase Commitments:	1,266,962	1,397,077	-	-	-
Interbank market	1,155,455	1,315,611	-	-	-
Other	111,507	81,466	-	-	-
Sale Commitments:	18,409,524	13,127,996	-	-	-
Interbank market	18,295,201	13,042,503	-	-	-
Foreign currency	2,816	4,027	-	-	-
Other	111,507	81,466	-	-	-
Total	19,676,486	17,221,543	164,646	(1,522)	163,124

iii) Composition by maturity (notional value):

Bank and Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2020	12/31/2019
Swap	-	-	-	-	-	-	2,696,470
U.S. dollar x CDI	-	-	-	-	-	-	1,149,265
CDI x Fixed rate	-	-	-	-	-	-	1,547,205
Futures	3,407,245	2,816	1,882,430	4,126,745	10,257,250	19,676,486	14,525,073
DDI	-	-	112,244	-	110,770	223,014	162,932
DI	3,407,245	-	1,770,186	4,126,745	10,146,480	19,450,656	14,358,114
U.S. dollar	-	2,816	-	-	-	2,816	4,027
Total	3,407,245	2,816	1,882,430	4,126,745	10,257,250	19,676,486	17,221,543

iv) Place of negotiation and counterparties:

Bank and Consolidated	9/30/2020	12/31/2019
B3 S.A. (over-the-counter)	-	2,696,470
B3 S.A. (Exchange)	19,676,486	14,525,073
Total	19,676,486	17,221,543

Counterparties: At 9/30/2020, B3 S.A. is the sole counterparty (B3 S.A. - 84.34% and Financial Institutions - 15.66% at 12/31/2019).

v) Margins provided as guarantee for derivative financial instruments:

Public securities	Bank and Consolidated	
	9/30/2020	12/31/2019
Financial Treasury Bills (1)	63,037	205,344
Financial Treasury Bills (2)	-	524
Total	63,037	205,868

(1) B3 S.A. securities offered as guarantee; and

(2) Securities offered as guarantee - swaps.

vi) Hedge accounting- market value

Bank and Consolidated	9/30/2020	12/31/2019
Financial Instruments		
Asset position	1,859,353	2,867,671
Futuros DI1 B3 S.A. Time deposit certificates (1)	1,859,353	958,981
Swap - U.S. dollar (2)	-	1,908,690
Liability position	(19,542,437)	(15,216,800)
Futuros DI1 B3 S.A. - Fixed rate - Brazilian Reais (3)	(19,542,437)	(15,216,800)
Hedged item		
Asset position	13,684,154	11,787,028
Credit operations (3)	13,684,154	11,787,028
Liability position	(1,771,523)	(2,796,880)
Time deposit certificates (1)	(1,771,523)	(920,015)
Subordinated debt abroad (2)	-	(1,876,865)

(1) Used as protection against the fixed interest risk of long-term deposit certificates (Note 15).

(2) Used to hedge funding operation abroad (Note 17.b).

(3) This hedged item includes the following retail credit operations: Payroll loans and Vehicles (Note 8)

vii) Result with derivative financial instruments:

Bank and Consolidated	9/30/2020			9/30/2019		
	Revenue	Expense	Net	Revenue	Expense	Net
Swap	1,041,358	(439,235)	602,123	902,221	(758,700)	143,521
Options	-	-	-	1,722	(1,297)	425
Futures	2,054,546	(2,401,034)	(346,488)	943,015	(1,086,944)	(143,929)
Total	3,095,904	(2,840,269)	255,635	1,846,958	(1,846,944)	17

d) Results of operations with marketable securities:

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Fixed income securities	63,944	73,057	63,078	99,695
Interbank investments (Note 6.a)	30,366	12,171	30,366	12,171
Total	94,310	85,228	93,444	111,866

8) Credit operations
a) Composition of the portfolio by type of operation:

	Bank				Consolidated			
	9/30/2020		12/31/2019		9/30/2020		12/31/2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Payroll-deductible loans (1)	9,907,545	39.16	9,468,073	40.34	9,907,545	39.16	9,468,073	40.34
Vehicles (1)	9,759,129	38.57	8,853,900	37.72	9,759,129	38.57	8,853,900	37.72
Financing - credit cards (2)	2,375,229	9.39	2,045,591	8.72	2,375,229	9.39	2,045,591	8.72
Overdraft accounts	1,198,100	4.74	1,058,643	4.51	1,198,100	4.74	1,058,643	4.51
Loans with real estate guarantees	255,531	1.01	300,444	1.28	255,531	1.01	300,444	1.28
Working capital	54,124	0.21	143,760	0.61	54,124	0.21	143,760	0.61
Credits linked to assignment of loans (3)	99,307	0.39	157,729	0.67	99,307	0.39	157,729	0.67
Housing financing	123,115	0.49	136,993	0.58	123,115	0.49	136,993	0.58
Export financing	14,699	0.06	46,402	0.20	14,699	0.06	46,402	0.20
Renegotiated loans	160,281	0.63	110,403	0.47	160,281	0.63	110,403	0.47
Housing financing	4,002	0.02	7,303	0.03	4,002	0.02	7,303	0.03
Personal credit	21,763	0.09	1	-	21,763	0.09	1	-
Overdraft account	1,521	0.01	25	-	1,521	0.01	25	-
Total credit operations	23,974,346	94.76	22,329,267	95.13	23,974,346	94.76	22,329,267	95.13
Other receivables (4)	1,325,356	5.24	1,141,980	4.87	1,325,356	5.24	1,142,697	4.87
Subtotal	25,299,702	100.00	23,471,247	100.00	25,299,941	100.00	23,471,964	100.00
(+/-) Adjustment to market value (1)	129,663	-	156,128	-	129,663	-	156,128	-
Total	25,429,365	-	23,627,375	-	25,429,604	-	23,628,092	-
Current	11,851,451		10,935,013		11,851,690		10,935,730	
Non-current	13,577,914		12,692,362		13,577,914		12,692,362	

(1) Contracts including hedge accounting transactions (Note 7.c.vi);

(2) Financing provided to Visa and MasterCard credit card holders.

(3) Payroll-linked credit operations assigned with substantial retention of risks and benefits (Note 8.f ii); and

(4) Credit card receivables and credit instruments receivable with loan characteristics.

b) Analysis of the portfolio by risk levels and maturity:

Bank	Risk Levels								Total at 9/30/2020	Total at 12/31/2019
	Abnormal course of operations									
	A	B	C	D	E	F	G	H		
Falling due in days	1,198,680	456,010	438,976	270,628	149,769	103,885	103,977	616,884	3,338,809	3,315,320
01 to 30	52,224	21,457	21,483	12,510	7,231	5,183	5,104	24,947	150,139	142,417
31 to 60	47,890	20,689	19,700	11,548	6,689	4,750	4,725	23,262	139,253	138,655
61 to 90	46,654	20,204	19,707	11,497	6,658	4,731	4,697	23,180	137,328	136,945
91 to 180	131,851	56,847	55,426	31,972	18,687	13,258	13,186	65,151	386,378	380,609
181 to 365	220,534	96,706	92,642	53,740	31,342	22,202	22,081	111,031	650,278	646,132
Over 365	699,527	240,107	230,018	149,361	79,162	53,761	54,184	369,313	1,875,433	1,870,562
Past due in days	82,304	149,753	103,111	78,454	62,908	62,487	92,898	623,057	1,254,972	1,133,465
01 to 14	73,016	2,623	10,112	5,295	3,185	2,265	1,942	11,280	109,718	107,802
15 to 30	9,288	142,149	11,000	7,032	3,871	2,713	3,012	14,343	193,408	180,382
31 to 60	-	4,981	75,613	12,530	7,245	4,984	4,980	23,380	133,713	109,173
61 to 90	-	-	4,589	43,018	7,567	5,144	5,021	24,067	89,406	80,116
91 to 180	-	-	1,797	10,579	38,358	43,257	73,007	106,615	273,613	210,931
181 to 365	-	-	-	-	2,682	4,124	4,936	278,930	290,672	224,631
Over 365	-	-	-	-	-	-	-	164,442	164,442	220,430
Subtotal	1,280,984	605,763	542,087	349,082	212,677	166,372	196,875	1,239,941	4,593,781	4,448,785
Allowance required	6,405	6,058	16,263	34,908	63,803	83,186	137,812	1,239,941	1,588,376	1,530,907

Bank	Risk Levels								Total at 9/30/2020	Total at 12/31/2019
	Normal course of operations									
	A	B	C	D	E	F	G	H		
Falling due in days	20,428,809	31,962	26,175	11,519	10,571	9,644	10,932	176,309	20,705,921	19,022,462
01 to 30	2,840,303	9,004	4,580	1,154	888	709	817	7,845	2,865,300	2,521,108
31 to 60	719,176	2,514	1,868	864	713	600	711	6,350	732,796	669,997
61 to 90	664,283	2,151	1,607	760	667	569	650	4,017	674,704	625,755
91 to 180	1,771,007	4,368	3,549	1,733	1,596	1,345	1,458	14,396	1,799,452	1,667,801
181 to 365	2,886,350	4,945	4,511	2,271	2,164	1,953	2,090	26,904	2,931,188	2,716,001
Over 365	11,547,690	8,980	10,060	4,737	4,543	4,468	5,206	116,797	11,702,481	10,821,800
Subtotal	20,428,809	31,962	26,175	11,519	10,571	9,644	10,932	176,309	20,705,921	19,022,462
Allowance required	102,144	319	785	1,152	3,172	4,822	7,653	176,309	296,356	297,827
Total (1)	21,709,793	637,725	568,262	360,601	223,248	176,016	207,807	1,416,250	25,299,702	23,471,247
Total allowance	108,549	6,377	17,048	36,060	66,975	88,008	145,465	1,416,250	1,884,732	1,828,735

Consolidated	Risk Levels									
	Abnormal course of operations									
	A	B	C	D	E	F	G	H	Total at 9/30/2020	Total at 12/31/2019
Falling due in days	1,198,680	456,010	438,976	270,628	149,769	103,885	103,977	616,884	3,338,809	3,315,320
01 to 30	52,224	21,457	21,483	12,510	7,231	5,183	5,104	24,947	150,139	142,417
31 to 60	47,890	20,689	19,700	11,548	6,689	4,750	4,725	23,262	139,253	138,655
61 to 90	46,654	20,204	19,707	11,497	6,658	4,731	4,697	23,180	137,328	136,945
91 to 180	131,851	56,847	55,426	31,972	18,687	13,258	13,186	65,151	386,378	380,609
181 to 365	220,534	96,706	92,642	53,740	31,342	22,202	22,081	111,031	650,278	646,132
Over 365	699,527	240,107	230,018	149,361	79,162	53,761	54,184	369,313	1,875,433	1,870,562
Past due in days	82,304	149,753	103,111	78,454	62,908	62,487	92,898	623,057	1,254,972	1,133,465
01 to 14	73,016	2,623	10,112	5,295	3,185	2,265	1,942	11,280	109,718	107,802
15 to 30	9,288	142,149	11,000	7,032	3,871	2,713	3,012	14,343	193,408	180,382
31 to 60	-	4,981	75,613	12,530	7,245	4,984	4,980	23,380	133,713	109,173
61 to 90	-	-	4,589	43,018	7,567	5,144	5,021	24,067	89,406	80,116
91 to 180	-	-	1,797	10,579	38,358	43,257	73,007	106,615	273,613	210,931
181 to 365	-	-	-	-	2,682	4,124	4,936	278,930	290,672	224,631
Over 365	-	-	-	-	-	-	-	164,442	164,442	220,430
Subtotal	1,280,984	605,763	542,087	349,082	212,677	166,372	196,875	1,239,941	4,593,781	4,448,785
Allowance required	6,405	6,058	16,263	34,908	63,803	83,186	137,812	1,239,941	1,588,376	1,530,907

Consolidated	Risk Levels									
	Normal course of operations									
	A	B	C	D	E	F	G	H	Total at 9/30/2020	Total at 12/31/2019
Falling due in days	20,429,048	31,962	26,175	11,519	10,571	9,644	10,932	176,309	20,706,160	19,023,179
01 to 30	2,840,542	9,004	4,580	1,154	888	709	817	7,845	2,865,539	2,521,825
31 to 60	719,176	2,514	1,868	864	713	600	711	6,350	732,796	669,997
61 to 90	664,283	2,151	1,607	760	667	569	650	4,017	674,704	625,755
91 to 180	1,771,007	4,368	3,549	1,733	1,596	1,345	1,458	14,396	1,799,452	1,667,801
181 to 365	2,886,350	4,945	4,511	2,271	2,164	1,953	2,090	26,904	2,931,188	2,716,001
Over 365	11,547,690	8,980	10,060	4,737	4,543	4,468	5,206	116,797	11,702,481	10,821,800
Subtotal	20,429,048	31,962	26,175	11,519	10,571	9,644	10,932	176,309	20,706,160	19,023,179
Allowance required	102,145	319	785	1,152	3,172	4,822	7,653	176,309	296,357	297,828
Total (1)	21,710,032	637,725	568,262	360,601	223,248	176,016	207,807	1,416,250	25,299,941	23,471,964
Total allowance	108,550	6,377	17,048	36,060	66,975	88,008	145,465	1,416,250	1,884,733	1,828,735

(1) Not including the market value adjustment (Note 8.a).

c) Changes in the provision for expected losses associated to the credit risk (1):

Bank	9/30/2020			9/30/2019		
	Loan operations	Other (1)	Total	Loan operations	Other (1)	Total
Opening balance	1,828,735	67,984	1,896,719	1,331,624	100,931	1,432,555
Constitution/reversal of provision	1,115,762	(13,529)	1,102,233	965,701	(42,858)	922,843
Write-off against provision	(1,059,765)	-	(1,059,765)	(803,888)	7,889	(795,999)
Closing balance	1,884,732	54,455	1,939,187	1,493,437	65,962	1,559,399
Current	1,216,481	54,455	1,270,936	1,068,722	65,962	1,134,684
Non-current	668,251	-	668,251	424,715	-	424,715
Credit recoveries (2)	200,530	-	200,530	175,680	-	175,680
Effect on results (3)	(915,233)	13,530	(901,703)	(790,021)	42,858	(747,163)

Consolidated	9/30/2020			9/30/2019		
	Loan operations	Other (1)	Total	Loan operations	Other (1)	Total
Opening balance	1,828,735	67,984	1,896,719	1,331,653	100,931	1,432,584
Constitution/reversal of provision	1,115,763	(13,529)	1,102,234	965,673	(42,858)	922,815
Write-off against provision	(1,059,765)	-	(1,059,765)	(803,889)	7,889	(796,000)
Closing balance	1,884,733	54,455	1,939,188	1,493,437	65,962	1,559,399
Current	1,216,482	54,455	1,270,937	1,068,722	65,962	1,134,684
Non-current	668,251	-	668,251	424,715	-	424,715
Credit recoveries (2)	204,064	-	204,065	181,545	-	181,545
Effect on results (3)	(911,699)	13,530	(898,169)	(784,128)	42,858	(741,270)

(1) Includes other credits without credit characteristics (Notes 9 and 10);

(2) In the period ended 9/30/2020, credits previously written-off against the allowance, totaling R\$ 204,064, were recovered (recovered credits of R\$ 200,530 in the Bank, R\$ 47 referring to lease operations, recovered credits of R\$ 3,487 in Brazilian Finance & Real Estate). In 1Q20, there was the assignment of credits with losses without retention of risks and benefits in the amount of R\$ 1,427,219, whose sale amounted to R\$ 36,058, affecting the recovery of credits account; and

(3) Charge from allowance constituted, net of income from credits recovered.

d) Classification by area of economic activity:

	Bank				Consolidated			
	9/30/2020		12/31/2019		9/30/2020		12/31/2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Individuals	23,771,875	93.96	21,827,226	93.00	23,771,875	93.96	21,827,226	92.99
Services	1,127,810	4.46	1,204,531	5.13	1,128,049	4.46	1,205,248	5.13
Construction and real estate development	136,415	0.54	266,214	1.14	136,654	0.54	266,931	1.14
Other services	602,523	2.38	586,761	2.50	602,523	2.38	586,761	2.50
Financial	306,932	1.21	246,302	1.05	306,932	1.21	246,302	1.05
Transportation and logistics	5,979	0.02	35,974	0.15	5,979	0.02	35,974	0.15
Utilities	65,674	0.26	61,443	0.26	65,674	0.26	61,443	0.26
Media, IT and Telecom	9,415	0.04	6,690	0.03	9,415	0.04	6,690	0.03
Vehicle rental	776	-	1,047	-	776	-	1,047	-
Health, security and education	96	-	100	-	96	-	100	-
Commercial	312,980	1.24	321,226	1.37	312,980	1.24	321,226	1.37
Wholesale and retail	312,980	1.24	321,226	1.37	312,980	1.24	321,226	1.37
Basic industries	64,947	0.26	70,964	0.30	64,947	0.26	70,964	0.30
Paper and pulp	42,999	0.17	42,999	0.18	42,999	0.17	42,999	0.18
Other industries	21	-	6,038	0.03	21	-	6,038	0.03
Textiles	15,258	0.06	15,258	0.07	15,258	0.06	15,258	0.07
Chemical industry	6,669	0.03	6,669	0.03	6,669	0.03	6,669	0.03
Agribusiness	22,090	0.09	47,300	0.20	22,090	0.09	47,300	0.20
Sugar and ethanol	15,664	0.06	25,513	0.11	15,664	0.06	25,513	0.11
Agribusiness and animal protein	6,426	0.03	21,787	0.09	6,426	0.03	21,787	0.09
Total (1)	25,299,702	100.00	23,471,247	100.00	25,299,941	100.00	23,471,964	100.00

(1) Not including the market value adjustment (Note 8.a).

e) Concentration of credit operations:

Largest borrowers	Bank				Consolidated			
	9/30/2020		12/31/2019		9/30/2020		12/31/2019	
	Amount	%	Amount	%	Amount	%	Amount	%
10 largest borrowers	568,454	2.25	513,400	2.19	568,454	2.25	513,400	2.19
50 next largest borrowers	591,138	2.34	618,843	2.64	591,138	2.34	618,843	2.64
100 next largest borrowers	233,287	0.92	285,450	1.22	233,287	0.92	285,450	1.22
Other borrowers	23,906,823	94.49	22,053,554	93.96	23,907,062	94.49	22,054,271	93.96
Total	25,299,702	100.00	23,471,247	100.00	25,299,941	100.00	23,471,964	100.00

f) Transactions for the sale or transfer of financial assets:
I. Transactions with substantial transfer of risks and benefits:

In the periods ended 9/30/2020 and 9/30/2019, credits were assigned to financial institutions as below:

Bank and Consolidated	9/30/2020			9/30/2019		
	Assignment amount	Present value	Result (1)	Assignment amount	Present value	Result (1)
Payroll-deductible loans	6,890,100	4,961,927	1,928,173	4,139,878	3,042,969	1,096,909
Total (Note 8.g)	6,890,100	4,961,927	1,928,173	4,139,878	3,042,969	1,096,909

II. Transactions with substantial retention of risks and benefits:
Assignment after CMN Resolution 3,533/08

The responsibilities for loans assigned with substantial retention of risks and benefits amounted to R\$ 99,307, in Banco PAN and Consolidated (R\$ 157,729 at 12/31/2019), calculated at present value using the agreed contract rates. Obligations of R\$ 120,098 (R\$ 201,523 at 12/31/2019) were assumed for these credits (Note 17.a).

g) Income from credit and leasing operations:

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Profit on credit assignments (Note 8.f)	1,928,173	1,096,909	1,928,173	1,096,909
Performance bonus on assignments	480,919	714,659	480,919	714,659
Payroll-deductible loans	1,623,772	1,642,962	1,623,772	1,642,962
Vehicles	1,529,880	1,380,459	1,529,880	1,380,459
Credit cards	699,508	582,461	699,508	582,461
Recovery of credits written off as losses	200,530	175,680	204,064	181,545
Working capital/overdraft accounts	103,235	109,147	103,235	109,147
Income from loans with real estate guarantees	43,775	44,150	43,775	44,150
Export financing	-	11,658	-	11,658
Renegotiated loans	19,907	14,115	19,907	14,115
Housing loans	8,073	4,644	8,073	4,644
Income from real estate developments	715	747	715	747
Personal credit	2,701	5	2,701	5
Overdraft account	310	-	310	1
Other	1	42	1	15
Adjustment to market value - Retail Portfolio (1)	(26,465)	76,077	(26,465)	76,077
Total	6,615,034	5,853,715	6,618,568	5,859,554

(1) Mark-to-market of accounting hedges on retail credits: payroll-deductible loans and vehicle financing.

9) Other financial assets

	Bank		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Amounts receivable from credit assignments	2,486,633	2,451,147	2,486,633	2,451,147
Negotiation and intermediation of receivables	6,153	3,066	6,153	3,066
Acknowledgment of debt (1)	5,421	11,431	5,421	11,431
Real estate receivables (2)	-	-	3,563	4,588
Total	2,498,207	2,465,644	2,501,770	2,470,232
Current	1,470,722	1,391,596	1,473,591	1,395,117
Non-current	1,027,485	1,074,048	1,028,179	1,075,115

(1) Includes provision for debt acknowledgment of R\$ 12,894 at 9/30/2020 (R\$ 29,027 at 12/31/2019) (Note 8.c); and

(2) INCC/IGPM/Savings Account /CDI with no indexation accruals, interest of 0% to 20.05% per annum, maturing on 11/15/2034.

10) Other assets

	Bank		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Judicial and tax deposits	184,135	197,786	204,849	219,413
Amounts receivable from related parties	12,967	19,814	7,071	13,227
Amounts receivable from payroll-linked loans (1)	5,828	17,920	5,828	17,920
Residual benefit in securitized transactions	-	-	4,076	3,588
Other (2)	109,912	94,040	125,033	97,356
Total	312,842	329,560	346,857	351,504
Current	270,874	293,698	284,734	290,991
Non-current	41,968	35,862	62,123	60,513

(1) Refers basically to amounts received and not yet transferred to the Bank by State and Municipal governments, which transfers are being negotiated by the Bank (allowance for losses constituted), and to transfers in arrears for more than 180 days, the balance of which at September 31, 2020 amounted to R\$ 34,154 (R\$ 31,779 at 12/31/2019) (Note 8.c); and

(2) Includes allowance for other receivables without credit characteristics of R\$ 7,407 (12/31/2019 - R\$ 7,178) (Note 8.c).

11) Other assets

a) Assets not for own use and other:

Residual value	Bank				Consolidated			
	Cost	Provision for losses	9/30/2020	12/31/2019	Cost	Provision for losses	9/30/2020	12/31/2019
Assets not for own use	317,819	(62,031)	255,788	279,298	326,485	(63,152)	263,333	287,012
Properties	295,035	(53,750)	241,285	258,826	303,206	(54,410)	248,796	266,494
Vehicles	22,784	(8,281)	14,503	20,472	23,279	(8,742)	14,537	20,518
Other	916	-	916	445	916	-	916	445
Total	318,735	(62,031)	256,704	279,743	327,401	(63,152)	264,249	287,457
Current			256,704	279,743			264,249	287,457

b) Prepaid expenses

	Bank		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Financial system services	76,683	60,783	78,664	63,021
Data processing	4,939	4,211	4,939	4,211
Software maintenance	4,603	5,564	4,603	5,564
Expenses for issuance of securities	4,538	1,778	4,538	1,778
Other	4,760	10,004	4,908	10,007
Total	95,523	82,340	97,652	84,581
Current	19,346	26,840	20,381	27,728
Non-current	76,177	55,500	77,271	56,853

12) Investments

a) Investments in subsidiaries

Companies	Share capital	Adjusted Equity	Number of shares/ quotas held (in thousands)			Participation in share capital %	Adjusted result	Balance of Investments		Equity accounting adjustment (1)	
			Common	Preferred	Quotas			9/30/2020	12/31/2019	Period ended	
										9/30/2020	9/30/2019
Pan Arrendamento Mercantil S.A. (2)	356,735	199,622	11	-	-	100.00	(5,910)	199,622	205,532	(5,910)	(10,018)
Pan Administradora de Consórcio Ltda. (2)	42,388	73,020	-	-	48,168	100.00	17,096	73,020	55,924	17,096	5,304
Brazilian Securities Companhia de Securitização (2)(3)	174,201	214,313	77,865	-	-	100.00	1,117	214,953	214,580	1,117	2,642
Brazilian Finance & Real Estate S.A. (4)	107,662	184,607	0.2	0.5	-	100.00	5,884	184,607	177,894	5,884	9,779
BM Sua Casa Promotora de Vendas Ltda. (2)(3)	179,864	225,279	-	-	179,864	100.00	(3,621)	226,432	230,043	(3,621)	12,143
Total								898,634	883,973	14,566	19,850

(1) Considers results determined by the companies subsequent to acquisition and includes equity variations in the investees not derived from results, as well as adjustments arising from the equalization of accounting principles, where applicable.

(2) Companies whose interim accounting information for the period ended 9/30/2020 were reviewed by the same independent auditor as that of Banco PAN.

(3) The carrying amounts of the related investments include goodwill on acquisition, net of amortization, amounting to R\$ 1,793, of which R\$ 1,153 is related to BM Sua Casa Promotora de Vendas Ltda and R\$ 640 to Brazilian Securities Companhia de Securitização; and

(4) A company whose interim accounting information for the period ended 9/30/2020 were reviewed by another independent auditor.

b) Other investments:

Bank and Consolidated	9/30/2020	12/31/2019
Bw Properties S.A.	10,710	-
Asset and Security Registration Center (Certa)	1,536	765
Interbank Payment Chamber (CIP)	379	379
Total	12,625	1,144

13) Property and equipment
a) Property and equipment comprise the following:

Bank and Consolidated	Annual depreciation rate	Cost	Depreciation	Residual value	
				9/30/2020	12/31/2019
Facilities, furniture and equipment in use	10%	46,955	(34,817)	12,138	17,038
Security and communications systems	10%	2,934	(1,603)	1,331	633
Data processing systems	20%	35,265	(23,708)	11,557	10,957
Total at 9/30/2020		85,154	(60,128)	25,026	-
Total at 12/31/2019		80,456	(51,828)	-	28,628

b) Changes in property and equipment by category:

Bank and Consolidated	Facilities, furniture and equipment in use	Security and communications systems	Data processing systems	Total
At 12/31/2019	17,038	633	10,957	28,628
Purchases	292	1,142	3,327	4,761
Disposals	(18)	-	(21)	(39)
Depreciation	(5,174)	(444)	(2,706)	(8,324)
At 9/30/2020	12,138	1,331	11,557	25,026

14) Intangible assets
a) Intangible assets comprise the following:

Bank	Amortization rate	Cost	Amortization	Residual value	
				9/30/2020	12/31/2019
Software development expenses	20% to 50%	265,353	(159,031)	106,322	120,289
Goodwill	10%	229,514	(187,436)	42,078	59,291
Total at 9/30/2020		494,867	(346,467)	148,400	-
Total at 12/31/2019		469,035	(289,455)	-	179,580

Consolidated	Amortization rate	Cost	Amortization	Residual value	
				9/30/2020	12/31/2019
Software development expenses	20% to 50%	266,254	(159,752)	106,502	120,503
Goodwill	10%	250,532	(204,600)	45,932	64,721
Total at 9/30/2020		516,786	(364,352)	152,434	-
Total at 12/31/2019		490,955	(305,731)	-	185,224

b) Changes in intangible assets by category:

Bank	Expenses with software development	Goodwill	Total
At 12/31/2019	120,289	59,291	179,580
Additions	26,424	-	26,424
Disposals	(113)	-	(113)
Amortization	(40,278)	(17,213)	(57,491)
At 9/30/2020	106,322	42,078	148,400

Consolidated	Expenses with software development	Goodwill	Total
At 12/31/2019	120,503	64,721	185,224
Additions	26,424	-	26,424
Disposals	(113)	-	(113)
Amortization	(40,312)	(18,789)	(59,101)
At 9/30/2020	106,502	45,932	152,434

15) Deposits, funds obtained in the open market and funds from acceptance and issuance of securities
a) Deposits:

Bank	Current				Non-current		12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2020	
Demand deposits (1)	55,879	-	-	-	-	55,879	26,614
Interbank deposits	4,170,263	4,351,774	69	239,062	24,806	8,785,974	8,629,103
Term deposits (2)	367,489	1,400,125	891,035	2,120,240	7,778,902	12,557,791	11,701,147
Total at 9/30/2020	4,593,631	5,751,899	891,104	2,359,302	7,803,708	21,399,644	-
Total at 12/31/2019	8,667,798	701,951	824,116	2,818,821	7,344,178	-	20,356,864

Consolidated	Current				Non-current		12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2020	
Demand deposits	55,828	-	-	-	-	55,828	26,574
Interbank deposits	4,170,263	4,351,774	-	-	-	8,522,037	8,365,928
Term deposits (1)	328,569	1,337,196	867,108	2,035,749	7,637,861	12,206,483	11,367,477
Total at 9/30/2020	4,554,660	5,688,970	867,108	2,035,749	7,637,861	20,784,348	-
Total at 12/31/2019	8,639,222	695,433	813,812	2,464,562	7,146,950	-	19,759,979

(1) Hedge accounting transactions (Note 7.c).

b) Funds obtained in the open market:

Bank	Current				Non-current		12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2020	
Own portfolio	92,695	-	-	5,323	2,494	100,512	303,856
Financial Treasury Bills (LFT)	-	-	-	5,323	2,494	7,817	107,140
National Treasury Notes (NTN)	92,695	-	-	-	-	92,695	196,716
Total at 9/30/2020	92,695	-	-	5,323	2,494	100,512	-
Total at 12/31/2019	196,716	2,157	-	1,497	103,486	-	303,856

Consolidated	Current				Non-current		12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2020	
Own portfolio	92,695	-	-	-	-	92,695	295,805
Financial Treasury Bills (LFT)	-	-	-	-	-	-	99,089
National Treasury Notes (NTN)	92,695	-	-	-	-	92,695	196,716
Total at 9/30/2020	92,695	-	-	-	-	92,695	-
Total at 12/31/2019	196,716	2,157	-	1,120	95,812	-	295,805

c) Funds from acceptance and issuance of securities

Bank and Consolidated	Current				Non-current		12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2020	
Financial Bills	17,738	64,221	67,001	3,859,179	276,325	4,284,464	1,532,113
Real estate letters of credit (LCI)	75,609	24,649	48,675	74,222	76,676	299,831	336,211
Total at 9/30/2020	93,347	88,870	115,676	3,933,401	353,001	4,584,295	-
Total at 12/31/2019	41,131	94,560	118,566	396,668	1,217,399	-	1,868,324

d) Expenses on deposits, funds obtained in the open market, funds from the issuance of securities and subordinated debt:

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Time deposits	803,820	1,012,152	796,036	997,490
Foreign exchange variation	572,223	132,287	572,223	132,287
Interbank deposits	222,991	368,690	217,044	356,878
Marketable securities issued abroad and subordinated debt	77,388	159,940	77,388	159,940
Financial bills	70,045	59,976	70,045	59,976
Credits assigned with retention of risk	11,852	23,824	11,852	23,824
Contributions to the deposit guarantee fund	11,251	10,438	11,251	10,438
Housing loan bills	7,745	22,028	7,745	22,028
Purchase and sale commitments	4,371	12,473	4,204	12,082
Agribusiness letters of credit	-	205	-	205
Total	1,781,686	1,802,013	1,767,788	1,775,148

16) Interbank accounts

Bank and Consolidated	9/30/2020	12/31/2019
Receipts and payments pending settlement	1,056,472	796,912
Correspondent banks (1)	91,108	136,819
Total	1,147,580	933,731
Current	1,147,580	933,731

(1) Refer to the receipt of installments related to contracts assigned to be transferred to the assignees, updated at the agreed contractual rates. The accounts are represented by: vehicle financing, payroll-linked loans, and real-estate financing.

17) Other financial obligations

a) Breakdown

Bank and Consolidated	9/30/2020	12/31/2019
Assignment with substantial retention of risks and benefits (8.f ii)	120,098	201,523
Subordinated debts (b)	8,727	1,885,320
Total	128,825	2,086,843
Current	62,319	1,965,351
Non-current	66,506	121,492

b) Subordinated debts:

The composition of tranches and balances updated to the base dates is as follows:

Bank and Consolidated	9/30/2020	12/31/2019
Foreign:		
(1) US\$ 456,792	-	1,876,865
Local:		
(2) R\$ 8,000	8,727	8,455
Total	8,727	1,885,320
Current	-	1,876,865
Non-current	8,727	8,455

(1) The mark-to-market adjustment of the subordinated debt was accounted for in the result of operations of funds obtained in the market, which represented income of R\$ 6,546 in the quarter ended 9/30/2020 (expense of R\$ 24,007 in the quarter ended 9/30/2019). They were issued on 4/23/2004 and settled on 4/23/2020. This transaction had a market risk hedge (Note 7.c.); and

(2) Subordinated Financial Bills issued on 4/18/2019, maturing on 4/16/2027.

18) Provisions, contingent liabilities and legal obligations (tax and social security):

Provisions

The Bank is a party to labor, civil and tax lawsuits arising in the normal course of its business. The corresponding provisions are constituted for all civil, tax and labor processes whenever losses are considered probable, supported by the history of losses, advice of the legal advisors, the type and complexity of the lawsuits, and recent court sentences. The provision recorded is sufficient to cover the risk of loss arising from these lawsuits.

Labor

The claims have been brought by former employees and service providers to claim payment of labor rights, arising, in general, arising from their classification as bank employees, and, in particular, overtime, based on Article 224 of the Consolidation of Labor Laws (CLT), in respect of or ancillary responsibility in lawsuits involving service providers.

Labor claims are monitored by external legal counsel and managed individually through a computerized system.

Labor claims are provisioned to reflect the history of loss in similar lawsuits that were concluded in the last 12 or 24 months, depending on the type of plaintiff.

Civil

These processes are of a condemnatory nature to pay or indemnify, referring to indemnity, tariff revisions and tariff claims.

Civil lawsuits that are managed via a computerized system are divided into two groups, as follows:

1) lawsuits with common characteristics

A statistical model is applied to constitute the provision for civil lawsuits with common characteristics, before a court decision is issued, which is calculated based on the average loss in all the lawsuits which terminated over the last 12 months, by cluster.

2) strategic civil lawsuits

A provision is constituted individually when the likelihood of loss is assessed as probable, based on the advice of internal legal counsel, legal firms, the nature and complexity of the related lawsuits, and the applicable case law.

There are no other significant administrative actions in progress for non-compliance with National Financial System rules or that could require the payment of fines, which could have a material effect on the financial position of the Bank or its subsidiaries.

I. Provisions segregated by nature:

	Bank		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Civil	304,683	307,231	316,225	318,882
Labor claims	202,169	211,859	211,620	221,694
Tax	2,492	2,467	60,337	50,549
Total	509,344	521,557	588,182	591,125

II. Change in provisions:

Bank	Civil	Labor	Tax	Total
At 12/31/2019	307,231	211,859	2,467	521,557
Constitution, net of reversals	95,897	49,293	430	145,620
Indexation and interest accruals	2,630	-	47	2,677
Write-off due to payment	(101,075)	(58,983)	(452)	(160,510)
At 9/30/2020	304,683	202,169	2,492	509,344

Consolidated	Civil	Labor	Tax	Total
At 12/31/2019	318,882	221,694	50,549	591,125
Constitution, net of reversals	98,318	49,174	6,289	153,781
Indexation and interest accruals	2,786	-	4,052	6,838
Write-off due to payment	(103,761)	(59,248)	(553)	(163,562)
At 9/30/2020	316,225	211,620	60,337	588,182

I. Contingent liabilities classified as possible risk of loss:

The main discussions related to fiscal and tax litigation with likelihood of risk of loss considered as possible are described below.

IRPJ/CSLL - Capital gains obtained on the demutualization of the stock exchange B3 (over-the-counter), in addition to interest on arrears on income tax and social contribution losses, referring to 2008 and 2009. In September 2020, the amounts related to these contingencies totaled approximately R\$ 721.

IRPJ/CSLL - Deductibility of losses in credit operations and operating expenses referring to 2007 to 2010 and 2012. In September 2020, the amounts related to these contingencies totaled approximately R\$ 227,147.

IRPJ/CSLL - Overstated deductibility of expenses related to PIS/COFINS paid in 2014. In September 2020, the balance related to this contingency was approximately R\$ 22,211.

IRPJ/CSLL - Amortization of goodwill and, consequently, no addition in the determination of the calculation basis in the ownership interest of BFRE, in 2015 and 2016. In September 2020, the balance related to this contingency was approximately R\$ 8,230.

PIS/COFINS - Deductibility of calculation basis swap expenses in 2010. In September 2020, the balance related to this contingency was approximately R\$ 4,643.

INSS on profit sharing - social security contribution on payments made as profit sharing in 2012, 2013 and 2016. In September 2020, the amounts related to these contingencies totaled approximately R\$ 72,773.

IRRF - Capital gain on the acquisition of an ownership interest abroad in 2012. In September 2020, the balance related to this contingency was approximately R\$ 77,533.

ISSQN on guaranteed residual value (VRG) - Failure to collect this tax in relation to the calculation basis of Pan Arrendamento Mercantil in the period from 2008 to 2017. In September 2020, the amounts related to these contingencies totaled approximately R\$ 139,575; and

Offsetting - Disallowance of offsetting requests for IRPJ, CSLL, PIS, and COFINS resulting from overpayments or incorrect payments. In September 2020, the amounts related to these contingencies totaled approximately R\$ 166,988.

19) Current tax liabilities

	Bank		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Taxes and contributions on income	267,502	278,193	276,861	292,562
Social Contribution on Revenues (COFINS)	61,903	19,645	62,080	20,039
Taxes and contributions on salaries	21,689	15,164	21,736	15,216
Social Integration Program (PIS)	10,059	3,192	10,090	3,265
Withholding tax at source on payments to third parties	4,566	9,052	4,646	9,107
Service Tax (ISS)	1,645	1,824	1,651	1,863
Withholding tax on fixed-income securities	320	1,007	320	1,007
Total	367,684	328,077	377,384	343,059
Current	367,684	328,077	377,384	343,059

20) Other sundry liabilities

	Bank		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Payments due	867,900	734,004	868,266	734,566
Assignment-related operations	582,652	496,170	582,652	496,170
Collections	84,486	118,017	84,726	118,258
Credit card transactions	32,826	30,570	32,826	30,570
Negotiation and intermediation of receivables	23,639	16,238	24,923	20,481
Amounts payable to affiliates	11,841	14,669	11,121	13,268
Specific consortium	-	-	7,065	7,757
Other	77,360	80,359	79,994	82,117
Total	1,680,704	1,490,027	1,691,573	1,503,187
Current	1,669,704	1,477,806	1,679,651	1,490,073
Non-current	11,000	12,221	11,922	13,114

21) Equity

a) Composition of capital - number of shares:

Total subscribed and fully paid-up capital at 9/30/2020 amounted to R\$ 4,175,222 (12/31/2019 - R\$ 3,653,410).

The nominative registered shares with no par value are shown below (in thousands of shares).

	9/30/2020	12/31/2019
Common	657,561	657,561
Preferred	547,495	547,495
Total	1,205,056	1,205,056

b) Revenue reserves:

Legal reserve - pursuant to its Bylaws, the Bank appropriates 5% of net income, after the deduction of accumulated losses and the income tax provision, to the legal reserve, the balance of which should not exceed 20% of the Bank's paid-up capital. However, in accordance with Article 193, paragraph 1, of Corporation Law 6,404/76, the Bank may opt not to appropriate a portion of its net income to the legal reserve in the year in which the balance of this reserve plus the capital reserves exceeds 30% of capital.

Reserve for integrity of equity - the purpose of the reserve is to ensure that there are sufficient funds to meet the Bank's regulatory and operational capital requirements. The reserve can be converted into capital by a decision of the Board of Directors. Observing the limit of authorized capital, the reserve can be formed, in accordance with a proposal of the Board of Directors, with up to 100% of the net income remaining after the annual appropriations, but may not exceed the amount of the Bank's capital.

c) Interest on capital distributions:

Stockholders are entitled to a minimum dividend calculated based on 35% of annual net income, adjusted pursuant to the Bylaws and Article 202 of Law 6,404/76.

The calculation of the provision for interest on capital is as follows:

	9/30/2020	% (1)	9/30/2019	% (1)
Profit	484,628		348,365	
(-) Legal reserve	(24,231)		(17,418)	
Calculation basis	460,397		330,947	
Interest on capital (gross) provisioned/paid	189,575		136,272	
Withholding Income Tax related to interest on capital	(28,436)		(20,441)	
Interest on capital (net) provisioned/paid	161,139	35.0%	115,831	35.0%

(1) (1) Percentage of interest on capital on the calculation basis.

22) Revenue from services rendered

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Loan operations	155,047	145,253	155,057	145,275
Credit cards	91,946	87,862	91,946	87,862
Business intermediation	52,677	41,552	52,677	41,552
Consortium plan management	-	-	9,665	19,800
Other	7,069	8,078	7,255	8,316
Total	306,739	282,745	316,600	302,805

23) Personnel expenses

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Payroll	270,345	217,944	271,083	218,631
Social charges	72,088	63,407	72,329	63,636
Benefits (Note 31)	59,699	52,350	59,907	52,574
Fees (Note 29.b)	11,431	18,420	11,431	18,420
Other	4,891	4,215	4,891	4,215
Total	418,454	356,336	419,641	357,476

24) Other administrative expenses

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Commissions payable to correspondent banks	930,060	746,874	932,470	750,829
Third-party services	295,260	281,042	304,089	294,132
Data processing	211,881	156,831	212,056	158,366
Financial system services	158,516	101,967	159,162	102,586
Advertising, promotions and publicity	61,784	35,311	61,837	35,575
Rentals	55,614	39,598	55,909	39,880
Depreciation and amortization	48,602	28,953	48,636	28,985
Communication	46,391	34,569	46,499	34,727
Asset search and seizure expenses	17,101	23,647	17,104	23,662
Maintenance and conservation of property	4,888	4,609	4,891	4,614
Transportation	3,023	4,357	3,027	4,367
Fees and emoluments	2,575	4,211	2,972	4,744
Water, power and gas	1,699	2,012	1,700	2,017
Travel	1,449	4,153	1,450	4,158
Consumption materials	832	1,134	832	1,134
Other	31,869	30,447	33,726	32,107
Total	1,871,544	1,499,715	1,886,360	1,521,883

25) Tax

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Social contribution on revenues (COFINS)	148,996	107,345	151,000	111,774
Social Integration Program (PIS)	24,212	17,444	24,591	18,266
Services Tax (ISS)	13,796	12,874	14,000	13,284
Taxes and charges	2,284	3,766	2,847	5,423
Total	189,288	141,429	192,438	148,747

26) Expenses with provisions

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Provision/reversal of civil lawsuits	(95,897)	(124,985)	(98,318)	(127,317)
Provision/reversal of labor lawsuits	(49,293)	814	(49,174)	2,142
Provision/reversal of tax lawsuits	(430)	(275)	(6,289)	(23,322)
Total	(145,620)	(124,446)	(153,781)	(148,497)

27) Other operating income (expenses)

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Recovery of charges and expenses	91,078	196,292	96,257	197,546
Indexation/foreign exchange gains	16,535	32,043	13,320	31,802
Residual benefit in securitized transactions	-	-	2,958	1,555
Expenses with assigned credit operations	(1,070,987)	(1,016,241)	(1,070,987)	(1,016,241)
Discounts granted	(74,290)	(42,288)	(74,290)	(42,288)
Losses on loan/financing operations and frauds	(37,583)	(43,144)	(37,583)	(43,144)
Liens	(21,413)	(18,316)	(21,434)	(18,356)
Amortization of goodwill (Note 14.b)	(17,946)	(17,946)	(18,789)	(18,789)
Other	(15,986)	(179)	(14,442)	1,905
Total	(1,130,592)	(909,779)	(1,124,990)	(906,010)

28) Non-operating result

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Reversal/(devaluation) of other assets	15,339	7,442	15,484	7,550
Result on the sale of other assets	3,692	(32,494)	3,525	(32,686)
Income from sale of consortium groups (1)	-	-	18,912	-
Total	19,031	(25,052)	37,921	(25,136)

(1) In May 2020, Pan Administradora de Consórcio Ltda. concluded the assignment and transfer of the management of consortium groups.

29) Balances and transactions with related parties

Transactions with related parties (direct and indirect) are carried out under conditions and rates which are compatible with the average terms practiced with third parties effective on the contract dates.

a) Balances and transactions with related parties

Bank	Maximum term	9/30/2020	12/31/2019	9/30/2020	9/30/2019
		Assets (liabilities)	Assets (liabilities)	Income (expenses)	Income (expenses)
Short-term interbank investments (a)		1,464,996	1,160,000	30,074	11,774
Banco BTG Pactual S.A.	10/1/2020	1,249,997	710,000	29,390	11,117
Caixa Econômica Federal	-	214,999	450,000	684	657
Loan assignments (b)		1,947,828	2,036,099	477,987	714,659
Caixa Econômica Federal	No term	1,947,828	2,036,099	477,987	714,659
Other credits		12,968	19,814	-	-
Caixa Econômica Federal	No term	266	6,755	-	-
,Too Seguros S.A.	No term	6,784	6,453	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	21	19	-	-
Brazilian Securities Companhia de Securitização (c) (d)	No term	895	1,596	-	-
Pan Administradora de Consórcio Ltda.(c) (d)	No term	300	301	-	-
Brazilian Finance & Real Estate S.A. (c) (d)	No term	4,690	4,690	-	-
Pan Arrendamento Mercantil S.A.	No term	12	-	-	-
Demand deposits (e)		(395)	(382)	-	-
,Too Seguros S.A.	No term	(344)	(341)	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	-	(1)	-	-
Pan Administradora de Consórcio Ltda.	No term	(8)	(16)	-	-
Pan Arrendamento Mercantil S.A.	No term	(29)	(5)	-	-
BM sua Casa Promotora de Vendas Ltda.	No term	(2)	(2)	-	-
Brazilian Finance & Real Estate S.A.	No term	(3)	(8)	-	-
Brazilian Securities Companhia de Securitização	No term	(9)	(9)	-	-
Interbank deposits (f)		(8,585,579)	(8,215,331)	(215,221)	(348,298)
Banco BTG Pactual S.A.	10/13/2020	(502,283)	(190,000)	(15,192)	(6,806)
Caixa Econômica Federal	12/23/2020	(7,819,359)	(7,762,156)	(194,082)	(329,680)
Pan Arrendamento Mercantil S.A.	1/11/2023	(263,937)	(263,175)	(5,947)	(11,812)
Time deposits (g)		(365,369)	(352,509)	(8,686)	(15,209)
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	8/28/2023	(12,930)	(17,145)	(858)	(393)
Pan Administradora de Consórcio Ltda.	9/13/2023	(58,254)	(50,300)	(1,256)	(2,182)
Brazilian Securities Companhia de Securitização	9/11/2023	(154,933)	(155,452)	(3,546)	(6,870)
Brazilian Finance & Real Estate S.A.	9/14/2023	(104,381)	(98,910)	(2,300)	(4,347)
BM sua Casa Promotora de Vendas Ltda.	9/6/2023	(33,740)	(29,007)	(682)	(1,262)
Key management personnel	7/24/2023	(1,131)	(1,695)	(44)	(155)
Liabilities for purchase and sale commitments		(7,818)	(8,952)	(259)	(4,625)
Banco BTG Pactual S.A.	-	-	-	(50)	(3,866)
Caixa Econômica Federal	-	-	(900)	(42)	(368)
Pan Administradora de Consórcio Ltda.	2/28/2023	(7,818)	(8,052)	(167)	(391)
Funds from real estate and financial bills (h)		-	(377)	(6)	(128)
Key management personnel	-	-	(377)	(6)	(128)
Derivative financial instruments (i)		-	185,694	392,285	90,599
Banco BTG Pactual S.A.	-	-	185,694	392,285	90,599

Other obligations		(11,841)	(14,668)	-	-
,Too Seguros S.A.	No term	(11,121)	(13,268)	-	-
Brazilian Finance & Real Estate S.A.	No term	(558)	(494)	-	-
Brazilian Securities Companhia de Securitização	No term	(159)	(904)	-	-
Pan Arrendamento Mercantil S.A.	No term	(3)	(2)	-	-
Income from services rendered (j)		-	-	53,288	42,280
,Too Seguros S.A.	-	-	-	52,543	41,304
Pan Administradora de Consórcio Ltda.	-	-	-	-	9
Caixa Econômica Federal	-	-	-	745	967
Personnel expenses		-	-	(220)	(197)
,Too Seguros S.A.	-	-	-	(220)	(197)
Other administrative expenses		-	-	(37,315)	(19,870)
,Too Seguros S.A.	-	-	-	(3,952)	(4,289)
Banco BTG Pactual S.A.	-	-	-	(6,477)	(2,155)
BTG Pactual Corretora	-	-	-	(159)	(80)
Tecban S.A.	-	-	-	(850)	(474)
Interbank Payment Chamber	-	-	-	(25,877)	(12,872)
Income from loan assignments		-	-	1,389,230	670,008
Caixa Econômica Federal	-	-	-	1,389,230	609,966
Banco BTG Pactual S.A.	-	-	-	-	60,042

(a) Refer to the Bank's investments with rates equivalent to those of the CDI.

(b) Refers to the performance bonus on the assignment of credits without recourse.

(c) Balance accrued related to dividends to be paid up to 12/31/2020, of which: R\$ 3,347 relates to Brazilian Finance & Real Estate S.A., R\$ 251 to Brazilian Securities Companhia de Securitização, and R\$ 298 to Pan Administradora de Consórcio Ltda.

(d) Balance of R\$ 1,343, related to the remaining balance of the capital decrease of Brazilian Finance & Real Estate S.A., according to the Extraordinary General Meeting held on 9/18/2013. Balance accrued of R\$ 644, substantially related to the amounts received from several borrowers referring to credit operations acquired from Brazilian Securities Companhia de Securitização.

(e) Refer to the outstanding balances of current accounts of affiliates held at the Bank.

(f) Refer to the funding through interbank deposits with rates equivalent to those of the CDI.

(g) Refer to the funding through time deposits effected at the Bank.

(h) Refer to funds raised through real estate and financial bills made by the Bank.

(i) Refer to swaps.

(j) Refers to the commissions paid to the Bank for insurance intermediation and the commissions paid to the correspondent for business intermediation.

Consolidated	Maximum term	9/30/2020	12/31/2019	9/30/2020	9/30/2019
		Assets (liabilities)	Assets (liabilities)	Income (expenses)	Income (expenses)
Available funds (a)		538	1,260	-	-
Caixa Econômica Federal	10/1/2020	538	1,260	-	-
Interbank investments (b)		1,464,996	1,160,000	30,074	11,774
Banco BTG Pactual S.A.	10/1/2020	1,249,997	710,000	29,390	11,117
Caixa Econômica Federal	10/1/2020	214,999	450,000	684	657
Loan assignments (c)		1,947,828	2,036,099	477,987	714,659
Caixa Econômica Federal	No term	1,947,828	2,036,099	477,987	714,659
Other credits		7,071	13,227	-	-
Caixa Econômica Federal	No term	266	6,755	-	-
,Too Seguros S.A.	No term	6,784	6,453	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	21	19	-	-
Demand deposits (d)		(344)	(342)	-	-
,Too Seguros S.A.	No term	(344)	(341)	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	-	(1)	-	-
Interbank deposits (e)		(8,321,642)	(7,952,156)	(209,274)	(336,486)
Banco BTG Pactual S.A.	10/13/2020	(502,283)	(190,000)	(15,192)	(6,806)
Caixa Econômica Federal	12/23/2020	(7,819,359)	(7,762,156)	(194,082)	(329,680)
Time deposits (f)		(14,061)	(18,840)	(902)	(548)
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	8/28/2023	(12,930)	(17,145)	(858)	(393)
Key management personnel	7/24/2023	(1,131)	(1,695)	(44)	(155)
Liabilities for purchase and sale commitments		-	(900)	(92)	(4,234)
Banco BTG Pactual S.A.	-	-	-	(50)	(3,866)
Caixa Econômica Federal	-	-	(900)	(42)	(368)
Funds from real estate and financial bills (g)		-	(377)	(6)	(128)
Key management personnel	-	-	(377)	(6)	(128)
Derivative financial instruments (h)		-	185,694	392,285	90,599
Banco BTG Pactual S.A.	-	-	185,694	392,285	90,599
Other obligations		(11,121)	(13,268)	-	-
,Too Seguros S.A.	No term	(11,121)	(13,268)	-	-
Income from services rendered (i)		-	-	53,288	42,271
,Too Seguros S.A.	-	-	-	52,543	41,304
Caixa Econômica Federal	-	-	-	745	967
Personnel expenses		-	-	(220)	(197)
,Too Seguros S.A.	-	-	-	(220)	(197)
Other administrative expenses		-	-	(37,315)	(19,870)
,Too Seguros S.A.	-	-	-	(3,952)	(4,289)
Banco BTG Pactual S.A.	-	-	-	(6,477)	(2,155)
BTG Pactual Corretora	-	-	-	(159)	(80)
Tecban S.A.	-	-	-	(850)	(474)
Interbank Payment Chamber	-	-	-	(25,877)	(12,872)

Income from loan assignments	-	-	1,389,230	670,008
Caixa Econômica Federal	-	-	1,389,230	609,966
Banco BTG Pactual S.A.	-	-	-	60,042

(a) Refer to current accounts of Brazilian Securities Companhia de Securitização, BM sua Casa Promotora de Vendas Ltda., and Brazilian Mortgages Companhia Hipotecária.

(b) Refer to the Bank's investments with rates equivalent to those of the CDI.

(c) Refers to the performance bonus on the assignment of credits without recourse.

(d) Refer to the outstanding balances of current accounts of affiliates held at the Bank.

(e) Refer to the funding through interbank deposits with rates equivalent to those of the CDI.

(f) Refer to the funding through time deposits effected at the Bank.

(g) Refer to funds raised through real estate and financial bills made by the Bank.

(h) Refer to swaps.

(i) Refer to the commission paid to the Bank for insurance intermediation.

b) Key management remuneration:

At the Extraordinary General Meeting held on 6/29/2020, a remuneration ceiling for the Bank's Officers for the year 2020 was approved (irrespective of the year in which the amounts are paid), of R\$ 18,225 (R\$ 25,385 in 2019).

Short-term benefits provided to management (1)

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Fee expenses (Note 23)	11,431	18,420	11,431	18,420
Social security contributions (INSS)	2,572	4,145	2,572	4,145
Total	14,003	22,565	14,003	22,565

(1) (1) Recorded in the "Personnel expenses" account.

PAN does not provide long-term benefits or share-based remuneration to its key management personnel.

• Other information

Pursuant to legislation, the Bank provides credit operations to related parties, only at comparable market conditions, including related limits, interest rates, grace periods, maturities and required guarantees. Criteria are approved to classify these operations according to their risks for purposes of constituting the allowance for probable losses, without additional or differentiated benefits in relation to the operations carried out with other customers with the same profile.

30) Financial instruments

- **Risk management**

The Bank has exposure in assets and liabilities involving derivative financial instruments, which are recorded in its balance sheet, income and expenses and memorandum accounts.

The Bank's management establishes a risk policy and exposure limits. The control and compliance management area, which is independent of the business and operational areas, is responsible for identifying, assessing, monitoring and reporting compliance with the risk guidelines established by management.

- **Capital management**

The Bank considers capital management to be a strategic process designed to optimize the utilization of available capital, contribute to the achievement of its strategic objectives and comply with the minimum capital limits established by the regulatory authority.

The Bank's capital management framework is compatible with the nature of its operations, the complexity of its products and services and its risk exposure and covers all the companies of the Group's financial conglomerate.

Capital management is a continuous process of (i) monitoring and controlling capital; (ii) assessing the need for capital to cover the potential risks to the Bank; and (iii) planning the capital targets and requirements. Capital management is based on the Bank's strategic objectives, business opportunities and the regulatory environment.

The Bank manages its capital based on a timely and prospective approach, in line with best practices and in compliance with the recommendations issued by the Basel Committee, through policies and strategies that anticipate the capital that could be required as a result of possible changes in market conditions, and which are reviewed periodically by the Executive Board and Board of Directors.

OPERATING LIMITS - BASEL ACCORD

Banco PAN complies with the minimum capital requirements established by CMN Resolutions 4,192/13 and 4,193/13. Required capital amounts are calculated in accordance with BACEN Circular 3,644/13 for credit risk, BACEN Circulars 3,634/13 to 3,639/13, 3,641/13 and 3,645/13 for market risk, and BACEN Circular 3,640/13 for operating risk.

The calculation of the indicators of Prudential Capital of the Conglomerate is presented below:

Calculation basis - Basel index	9/30/2020	12/31/2019
Tier I reference equity	3,395,748	2,499,049
Core capital	3,395,748	2,499,049
Tier II reference equity	8,727	8,455
Reference equity for comparison with risk-weighted assets (RWA)	3,404,475	2,507,504
Reference equity	3,404,475	2,507,504
- Credit risk	18,570,840	17,299,562
- Market risk	510	4,742
- Operating risk	2,113,560	2,309,501
Risk-weighted assets (RWA)	20,684,910	19,613,805
Basel index	16.46%	12.78%
Tier I	16.42%	12.74%
Tier II	0.04%	0.04%

- **Credit risk**

Credit risk can arise from losses from the non-fulfillment by customers or counterparties of their corresponding financial obligations under the agreed terms, the devaluation of a loan agreement as a result of a deterioration in the borrower's risk rating, decreased gains or remuneration, advantages granted in renegotiations and recovery costs.

Management of credit risks involves policies and strategies, operating limits, risk mitigation techniques and procedures for maintaining the credit risk exposure at levels which are considered to be acceptable by the Bank.

- **Market risk**

This risk related to the possibility of losses arising from rate volatility and the mismatching of the terms and currencies of the consolidated asset and liability portfolios. These risks are managed daily through methodologies established by best practice guidelines.

The transactions are exposed to the following risk factors: fixed interest rates, interest rates linked to foreign exchange variations and their corresponding spot rates, interest rates linked to price indices (National Consumer Price Index (INPC), National Civil Construction Index (INCC), Amplified Consumer Price Index (IPCA) and the General Market Price Index (IGPM)), as well as other interest rates (TR), foreign exchange variations (US\$) and share price variations.

The financial instruments are segregated into the following portfolios:

Trading portfolio: all transactions conducted with financial instruments, including derivatives, realized with the intention of trading or for hedging other trading portfolio instruments. Transactions realized for trading are those intended for resale, for obtaining benefits from effective or expected changes in prices or arbitrage.

Banking portfolio: all transactions not classified in the trading portfolio. These consist of structured operations arising from the business lines of the organization and any related hedges.

Sensitivity analysis:

Risk factors	Trading and Banking Portfolio exposures subject to variation:	SCENARIOS (*)		
		(1) Probable	(2) Possible	(3) Remote
Interest rates	Fixed interest rates	(105)	(12,624)	(26,189)
Coupon - other interest rates	Coupon rates of interest rates	(36)	(5,832)	(10,612)
Coupon - price index	Coupon rates of price indices	(2)	(1,231)	(2,057)
Foreign currency	Foreign exchange rates	(2)	(46)	(93)
Foreign exchange coupon	Foreign exchange coupon rates	-	(1)	(2)
Total at 9/30/2020		(145)	(19,734)	(38,953)
Total at 12/31/2019		(200)	(37,117)	(74,675)

(*) Amounts gross of taxes.

The sensitivity analysis was effected based on the market data for the last day in September 2020, including the adverse impact on the positions for each scenario. The effects do not consider the correlation between the scenario and the risk factors and tax effects.

Scenario 1: a one basis point (0.01%) scenarios stress factor (upward or downward) was applied to the forward interest rate structure in all scenarios/terms. For example: a 10% p.a. rate becomes 10.01% p.a. or 9.99% p.a. For foreign currencies and shares, a 1% stress factor was applied to the effective price.

Scenario 2: a 25% stress factor (increase or decrease) was applied to the rates (application of the 1.25 multiplier). For example: For example: a 10% p.a. rate becomes 12.50% p.a. or 7.50% p.a. For foreign currencies and shares, a 25% stress factor was applied to the effective price.

Scenario 3: a 50% stress factor (increase or decrease) was applied to the rates (application of the 1.50 multiplier). For example: a 10% p.a. rate becomes 15.00% p.a. or 5.00% p.a. For foreign currencies and shares, a 50% stress factor was applied to the effective price.

The results of scenarios (2) and (3) are for simulations which involve significant stress situations, without considering correlated factors among the indices. They do not reflect possible variations arising from market dynamics, the probability of the occurrence of which is considered to be low, and also, from measures which could be taken by the Institution itself to mitigate any potential risks.

The Bank uses derivative financial instruments for hedging purposes to meet its needs for managing market risks arising from the mismatching of currencies, indices, portfolio terms and arbitrage.

Foreign Exchange Exposure

The assets and liabilities linked to foreign currencies at 9/30/2020 and 12/31/2019 are presented below:

Liabilities - U.S. dollar	9/30/2020	12/31/2019
Subordinated debts	-	1,876,865
Total	-	1,876,865

The Bank uses derivative financial instruments for hedging purposes to meet its needs for managing market risks arising from the mismatching of currencies, indices, portfolio terms and arbitrage.

At 9/30/2020 and 12/31/2019, the position of derivative financial instruments, in foreign currency, was as follows:

	Notional value		Market value	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Purchased position - U.S. dollar				
Swaps	-	1,149,265	-	1,908,691
Total	-	1,149,265	-	1,908,691
Sold position - U.S. dollar				
DOL	(2,816)	2,011	(2,816)	2,011
Total	(2,816)	2,011	(2,816)	2,011

- **Liquidity risk**

Liquidity risk is defined as the possibility of the Bank not being able to efficiently honor its expected and unexpected, current and future obligations, including those arising from related guarantees, without affecting its daily operations and without incurring significant losses; and also, the possibility of the Bank not being able to negotiate a specific position at market price, due to the amount being significant in relation to the financial volume normally transacted or some market interruptions.

The liquidity position, mismatching of primary risk factors, and of rates and terms of assets and liabilities in the portfolio, are constantly monitored.

The Bank maintains adequate liquidity levels, resulting from the quality of its assets and risk controls, in accordance with the Liquidity Risk Management Policy established and the regulatory requirements of the National Monetary Council (CMN) Resolutions 2,804/00 and 4,090/12. The results of the analyses of liquidity gaps are reported every two weeks to the Treasury Committee.

- **Operating risk**

This risk refers to the possibility of losses occurring as a result of the failure, deficiency or inadequacy of internal processes, people and systems, or external events. This definition includes legal risk which is the risk related to the inadequacy or deficiencies in contracts entered into by the Bank, as well as any sanctions imposed as a result of non-compliance with the legal provisions and indemnities for damages to third parties arising from the activities carried out by the Bank.

The operating risk management structure is comprised of the Conglomerate's different areas and committees that participate in the operating and legal risk management process, with their respective roles and responsibilities, and comply with the segregation of duties. These areas and committees seek synergy, efficiency, process efficacy and effectiveness, besides respecting risk limits and appetite defined by the Conglomerate's management.

In compliance with the requirements established by BACEN Circular 3,930/19, the information on the risk management process is available for consultation on the website: <https://ri.bancopan.com.br/governanca-corporativa/gestao-de-riscos>.

- **Market value**

The net book and market values of the main financial instruments are presented below:

Consolidated	9/30/2020			12/31/2019		
	Net book value	Market value	Unrealized profit (loss)	Net book value	Market value	Unrealized profit (loss)
Marketable securities	2,538,736	2,586,840	48,104	2,087,652	2,129,484	41,832
- Trading securities	263,659	263,659	-	359,782	359,782	-
- Available-for-sale securities	887,275	887,275	-	986,659	986,659	-
- Securities held to maturity	1,387,802	1,435,906	48,104	741,211	783,043	41,832
Loan operations	25,429,604	29,366,561	3,936,957	23,628,092	26,962,845	3,334,753
Interbank deposits	8,522,037	8,544,263	(22,226)	8,365,928	8,395,004	(29,076)
Time deposits	12,206,483	13,708,446	(1,501,963)	11,367,477	13,042,521	(1,675,044)
Funds from issuance of securities	4,584,295	4,605,997	(21,702)	1,868,324	1,888,784	(20,460)
Subordinated debts	8,727	10,559	(1,832)	1,885,320	1,887,098	(1,778)
Unrealized profit with no tax effects			2,437,338			1,650,227

Determination of the market value of financial instruments:

- The market values of marketable securities, subordinated debts, and derivative financial instruments are based on market price quotations at the balance sheet date. When market quotations are not available, the market values are based on pricing models or equivalent instruments.

- The market values of the loan and leasing operations are determined by discounting future flows at the rates practiced in the market for equivalent transactions at the balance sheet date.

- The market values of time and interbank deposits and borrowings and onlendings are calculated by applying the rates practiced at the balance sheet date for equivalent instruments to the existing assets and liabilities.

31) Employee benefits

In line with best market practices, PAN offers a number of social benefits to its employees, including: (a) healthcare assistance; (b) dental care assistance; (c) life insurance; (d) meal vouchers; (e) food vouchers. In the period ended 9/30/2020, the benefit expenses amounted to R\$ 59,699 and R\$ 59,907 in the Bank and in the Consolidated, respectively (R\$ 52,350 and R\$ 52,574 in the Bank and in the Consolidated, respectively, in the period ended 9/30/2019).

32) Income tax and social contribution

a) income tax and social contribution reconciliation:

	Bank		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Profit before income tax and social contribution	667,519	470,926	676,557	479,514
Total charges/credits at the nominal rate (1)	(289,064)	(188,370)	(290,093)	(189,096)
Effect on tax calculation:				
Equity in the results of investees	6,555	7,940	-	-
Interest on capital	85,309	54,509	85,309	54,509
Other amounts (2)	14,309	3,360	12,855	3,438
Income tax and social contribution expense	(182,891)	(122,561)	(191,929)	(131,149)

(1) Standard rates: (i) the provision for income tax is recorded based on the rate of 15% of taxable profit, plus a 10% surcharge; (ii) the social contribution on net income for financial institutions is calculated at the rate of 15% up to February 20, and 20% as from 3/1/2020, pursuant to Constitutional Amendment 103/2019; and (iii) at the rate of 15% in Pan Arrendamento Mercantil S.A., and (iv) at the rate of 9% for other companies.

(2) Includes, basically, (i) the equalization of the effective social contribution rate in relation to the rate (40% in January/20 and February/20, and 45% as from March/20); and (ii) the deductions of tax incentives.

b) Origin and change in deferred income tax and social contribution assets:

Bank	At 12/31/2019	Constituted	Realized	At 9/30/2020
Allowance for doubtful accounts	1,258,340	496,005	(464,960)	1,289,385
Provision for civil contingencies	138,254	44,828	(45,975)	137,107
Provision for labor contingencies	94,210	25,762	(28,996)	90,976
Provision for tax contingencies	1,110	60	(48)	1,122
Provision for loss on assets not for own use	38,212	13,631	(20,534)	31,309
Mark-to-market adjustment of derivatives		230,996	(199,384)	31,612
Other provisions	485,083	577,383	(448,497)	613,969
Total deferred tax assets on temporary differences	2,015,209	1,388,665	(1,208,394)	2,195,480
Income tax and social contribution losses	1,282,378	5,783	(118,781)	1,169,380
Total deferred tax assets	3,297,587	1,394,448	(1,327,175)	3,364,860
Deferred tax liabilities (Note 32.e)	(13,417)	-	13,417	-
Deferred tax assets, net of deferred tax liabilities	3,284,170	1,394,448	(1,313,758)	3,364,860

Consolidated	At 12/31/2019	Constituted	Realized	At 9/30/2020
Allowance for doubtful accounts	1,271,124	496,036	(464,799)	1,302,361
Provision for civil contingencies	142,391	45,828	(47,025)	141,194
Provision for labor contingencies	97,728	26,111	(29,494)	94,345
Provision for tax contingencies	20,343	2,647	(447)	22,543
Provision for loss on assets not for own use	38,451	13,631	(20,589)	31,493
Mark-to-market adjustment of derivatives	10,588	235,541	(204,411)	41,718
Other provisions	485,137	577,839	(448,881)	614,095
Total deferred tax assets on temporary differences	2,065,762	1,397,633	(1,215,646)	2,247,749
Income tax and social contribution losses	1,336,206	7,901	(122,435)	1,221,672
Total deferred tax assets	3,401,968	1,405,534	(1,338,081)	3,469,421
Deferred tax liabilities (Note 32.e)	(98,654)	(287)	13,417	(85,524)
Deferred tax assets, net of deferred tax liabilities	3,303,314	1,405,247	(1,324,664)	3,383,897

c) Expected realization of deferred tax assets from temporary differences and income tax and social contribution carry-forward losses:

The projected realization of deferred tax assets was based on the study of the current and future scenarios, effected at 6/30/2020. The key assumptions used for projections were macroeconomic indicators, production indicators, and cost of funding. This projected realization of deferred tax assets, and of the assumptions adopted, was approved by the Bank's Board of Directors on 7/30/2020.

Deferred income tax and social contribution assets will be realized as the temporary differences are reversed or when they qualify for tax deductibility, or on the offset of the tax losses, a portion of which offset is being challenged at the administrative level. Management is confident its objectives will be attained.

The estimated realization of these assets is as follows:

Bank	Temporary differences		Income tax and social contribution losses		Total	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019	9/30/2020	12/31/2019
In 2020	771,610	810,036	10,586	56,507	782,196	866,543
In 2021	785,574	731,169	24,124	129,235	809,698	860,404
In 2022	487,367	324,970	158,393	257,805	645,760	582,775
In 2023	42,989	51,716	310,911	348,498	353,900	400,214
In 2024	32,505	17,569	398,999	490,333	431,504	507,902
From 2025 to 2026	33,214	37,536	266,367	-	299,581	37,536
From 2027 to 2029	42,221	42,213	-	-	42,221	42,213
Total	2,195,480	2,015,209	1,169,380	1,282,378	3,364,860	3,297,587

Consolidated	Temporary differences		Income tax and social contribution losses		Total	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019	9/30/2020	12/31/2019
In 2020	774,720	816,747	10,959	58,383	785,679	875,130
In 2021	790,854	733,530	25,013	131,962	815,867	865,492
In 2022	493,466	329,911	159,593	260,933	653,059	590,844
In 2023	44,980	53,896	312,811	350,278	357,791	404,174
In 2024	36,779	27,261	401,731	491,786	438,510	519,047
From 2025 to 2026	49,442	42,740	270,773	2,943	320,215	45,683
From 2027 to 2029	57,508	61,677	1,842	971	59,350	62,648
Total	2,247,749	2,065,762	1,182,722	1,297,256	3,430,471	3,363,018

At 9/30/2020, the present value of deferred tax assets, calculated based on the Bank's average funding rate, totaled R\$ 2,940,440 in the Bank and R\$ 2,985,659 in Consolidated (R\$ 2,605,824 in the Bank and R\$ 2,647,017 in Consolidated at 12/31/2019).

In accordance with Article 5, paragraph 2 of CVM Resolution 3,059/02, the deferred tax assets which originated from tax losses incurred by excluding the credit from excess depreciation, in the amount of R\$ 38,950 (R\$ 38,950 at 12/31/2019), are not subject to the generation of profits based on a technical study.

d) Unrecorded deferred tax assets:

At 9/30/2020, there were tax losses of approximately R\$ 230,396 and R\$ 582,747 in the Bank and Consolidated, respectively (12/31/2019 - R\$ 230,396 in the Bank and R\$ 583,211 in the Consolidated), in respect of which tax credits had not been recorded, amounting to R\$ 103,678 in the Bank and R\$ 244,605 in the Consolidated (12/31/2019 - R\$ 103,678 in the Bank and R\$ 244,804 in the Consolidated).

e) Deferred tax liabilities:

Bank	At 12/31/2019	Constituted	Realized	At 9/30/2020
Mark-to-market adjustment of derivatives	(13,417)	-	13,417	-
Total (Note 32.b)	(13,417)	-	13,417	-

Consolidated	At 12/31/2019	Constituted	Realized	At 9/30/2020
Adjustment to market value of marketable and other securities	(20,452)	(287)	13,417	(7,322)
Excess depreciation	(78,202)	-	-	(78,202)
Total (Note 32.b)	(98,654)	(287)	13,417	(85,524)

33) Other information

- a) Guarantees and sureties granted totaled R\$ 313,061 at September 30, 2019;
- b) The policy of the Bank and its subsidiaries is to contract insurance covering cash, checks received as collateral and assets at amounts which are considered sufficient to cover potential losses.
- c) At 9/30/2020 and 12/31/2019, the Bank and its subsidiaries had no lease agreements for acquisitions.
- d) Agreements for the Clearance and Settlement of Liabilities - CMN Resolution 3,263/05: the Bank entered into an agreement for the clearance and settlement of liabilities in the ambit of the National Financial System (SFN), in respect of transactions with corporate entities whether or not SFN members. The objective of this resolution is to permit the compensation of credits and debits with the same counterparty, where the maturity of the related rights and obligations can be accelerated to the date on which an event of default by either party occurs or in the case of the bankruptcy of the debtor.
- e) On January 20, 2015, Law 13,097 was enacted, converting Provisional Measure 656/14, which, among others, amends the rules for the tax deduction of losses on receivables for defaults on contracts as from October 8, 2014 (Art. 9, Law 9,430/96). For defaulted contracts prior to this date, the prior regulations continue to be applicable.
- f) Since the beginning of the coronavirus (COVID-19) pandemic, the Bank has been adopting measures to minimize the impacts to its employees, customers, suppliers and, consequently, its operation. The actions have focused on the continuity and sustainability of the businesses in addition to the recommendations of applicable agencies. Management has been managing the developments from the pandemic, acting in a timely manner to mitigate its effects.

Declaration of the Executive Board

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission (CVM), the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed and approved the parent company and consolidated interim accounting information for the period ended 9/30/2020.

Declaration of the Executive Board

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission (CVM), the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed and agreed with the conclusion expressed in the independent auditor's review report on the parent company and consolidated interim accounting information for the period ended 9/30/2020.

BOARD OF DIRECTORS

Gregório Moreira Franco
CRC 1SP219426/O-2
ACCOUNTANT *

(A free translation of the original in Portuguese)

**Banco Pan S.A.
and subsidiaries**
**Parent company and consolidated
interim financial statements at
September 30, 2020
and report on review of
quarterly information**



(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Banco Pan S.A.

Introduction

We have reviewed the accompanying balance sheet of Banco Pan S.A. ("Bank") as at September 30, 2020, and the related statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended, as well as the consolidated balance sheet of Banco Pan S.A. and its subsidiaries ("Consolidated") as at September 30, 2020, and the related consolidated statements of income, comprehensive income and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these parent company and consolidated interim financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of the review

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

Conclusion

Based on our review, nothing came to our attention that causes us to believe that the accompanying interim accounting information referred to above does not present fairly, in all material respects, the financial position of Banco Pan S.A. and of Banco Pan S.A. and its subsidiaries as at September 30, 2020, and the parent company financial performance and cash flows for the nine-month period then ended, as well as the consolidated financial performance and cash flows for the nine-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the BACEN.



Banco Pan S.A.

Emphasis of matter

Deferred tax assets

Banco Pan S.A. and its subsidiaries present tax credit assets of R\$ 3.5 billion (Note 32(b)) at September 30, 2020. Management has based its estimates of the recoverability of the tax credits on the forecast scenario studies approved by the Board of Directors on July 30, 2020. Macroeconomic projections and indicators of business volumes and funding costs were among the key assumptions used. The realization of the tax credits depend on the management-approved business plan goals being met. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated interim statements of value added for the nine-month period ended September 30, 2020. These statements are the responsibility of the Bank's management, and are presented as supplementary information for BACEN purposes. These statements were submitted to the review procedures performed in respect of the quarterly information for the purpose of concluding whether they were reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria defined in this accounting standard, and in a consistent manner in relation to the parent company and consolidated interim accounting information taken as a whole.

São Paulo, October 29, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Tatiana Fernandes Kagohara Gueorguiev
Contadora CRC 1SP245281/O-6

