



Conference Call 2Q20

Disclaimer

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

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



HIGHLIGHTS

2Q 2020

- **Credit Portfolio** of **R\$ 24.7 bi** (-1% 1Q20 | +10% 2Q19);
- **Monthly Average Retail Origination** of **R\$ 2.0 bi** (+11% 1Q20 | +23% 2Q19);
- **5.7 MM Customers Under Management** (+8% 1Q20 | +24% 2Q19);
- **EBIT** of **R\$ 207 MM** (-1% 1Q20 | +26% 2Q19) and **R\$ 417 MM** in 1H20 (+43% 1H19)
- **Net income** of **R\$ 144 MM** (-16% 1Q20 | +22% 2Q19) and **R\$ 314 MM** in 1H20 (+47% 1H19);
- **ROE** of **11.4%** (13.7% 1Q20 | 11.2% 2Q19) e **12.5%** no 1H20 (10.3% 1H19) ;
- **Adjusted ROE** (unaudited) **de 19.9%** (23.5% 1Q20 | 23.9% 2Q19) e **21.5%** no 1H20 (22.4% 1H19);
- **Shareholders' Equity** of **R\$ 5.1 bi** and **Basel Ratio** of **15.9%**.



Conservative approach to loan deferral



Only **2 installments** of 11 thousand customers were deferred (from the 5k installments due in June, 87% were paid)



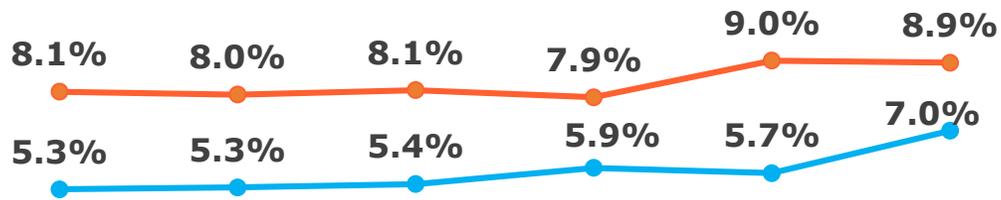
Totalling **less than 1%** of the portfolio, **100% with collateral**



Controlled default rates, reflecting the strategy adopted

Crisis Impact Deferred Loans

Default Ratios



Over 15 to 90 detail



1Q19

2Q19

3Q19

4Q19

1Q20

2Q20

Mar

Apr

May

Jun

Jul

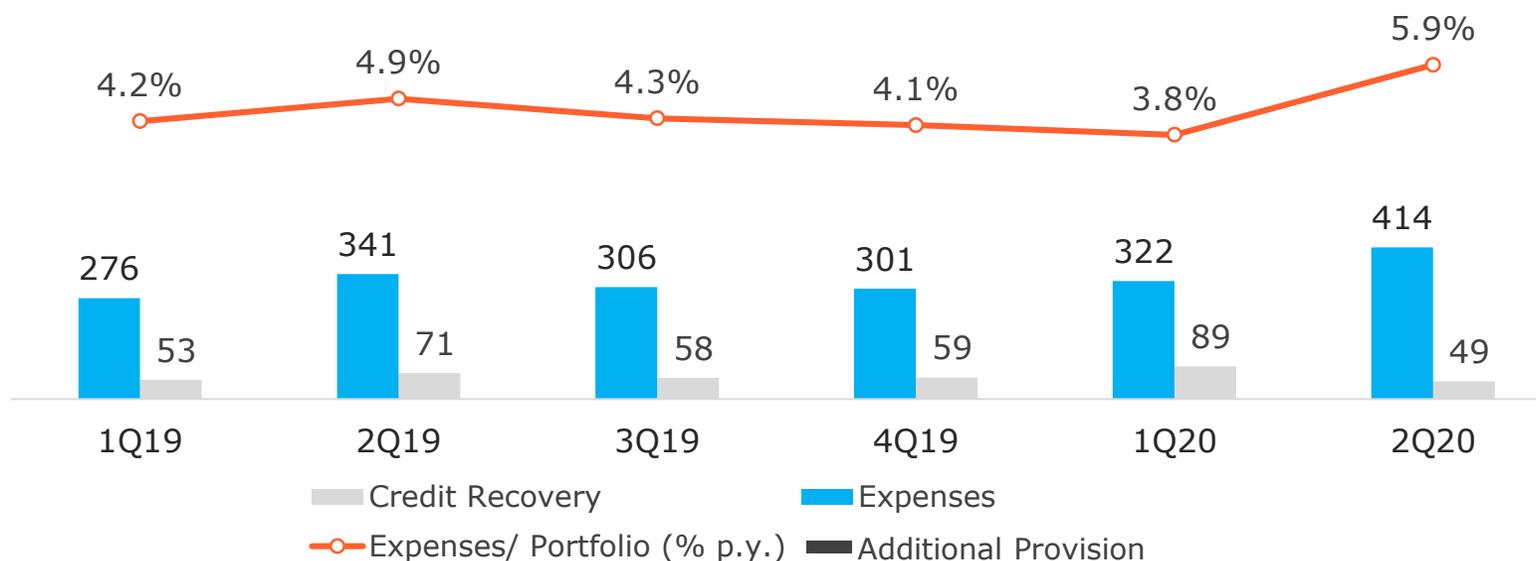
● % Over 90 ● % Over 15 to 90

LOAN PORTFOLIO QUALITY

RETAIL



Allowance for loan losses and credit recovery



Net allowance for loan losses +R\$ 133 MM in quarter (lower credit recovery of R\$ 37 MM in corporate loans)

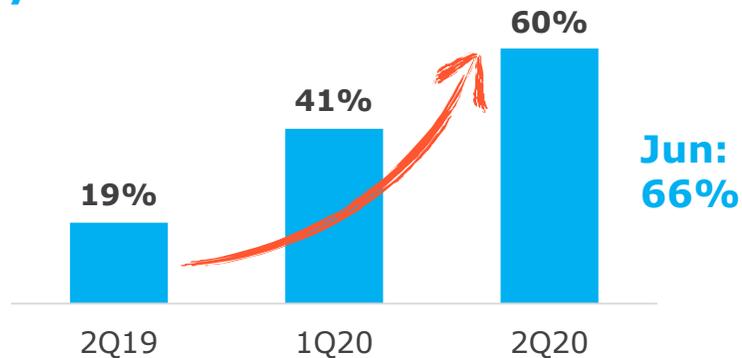
- **Resilient portfolio:** payroll + collateralized portfolio account for **95%** of loan portfolio
- **Vehicle provisions:** in June, it returned to the level of 1Q20, indicating an important improvement in payments

DIGITAL STRATEGY | B2B & B2C

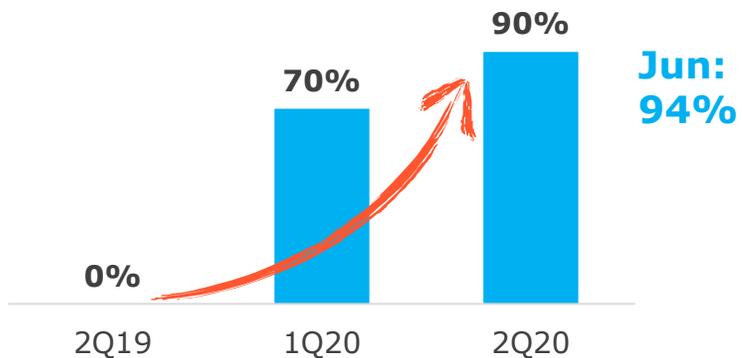
The Digital Strategy has made significant progress with the intensification of digital formalization, the launch of new products and services at Digital Bank and partnerships expansion

Digital Formalization

Payroll-Loans



Vehicles



+ Client and Partners Engagement

Digital Bank



Current Features

- Full Checking Account
- Credit and Debit Cards
- Emergency Limit
- Personal loan
- Salary Portability
- Chat Support on the App



Next Features

- Payroll-Loan Self-contracting
- Fixed Income Investments
- Financial education

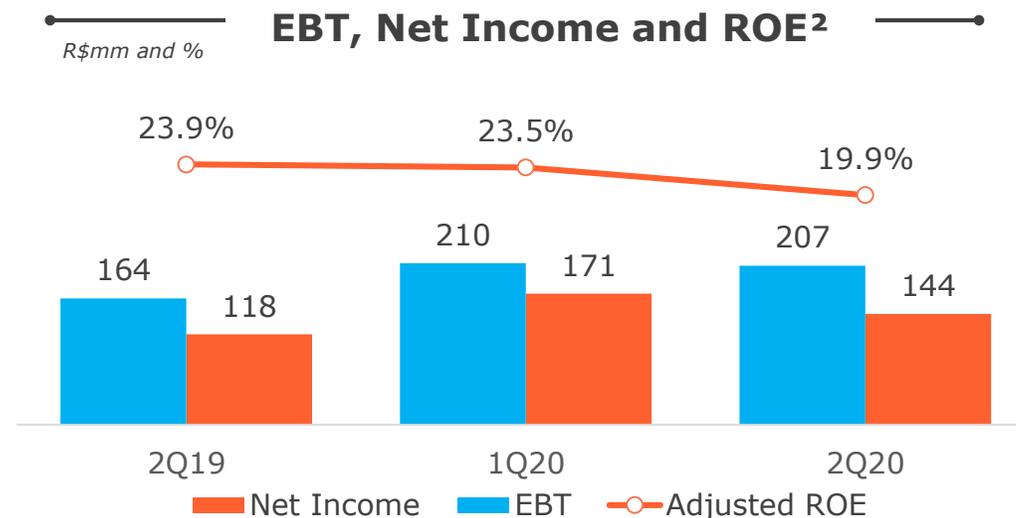
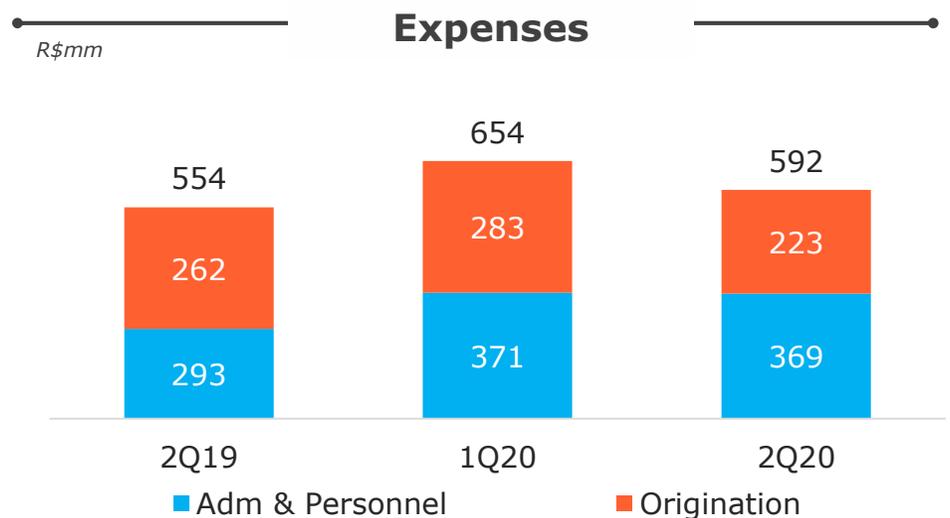
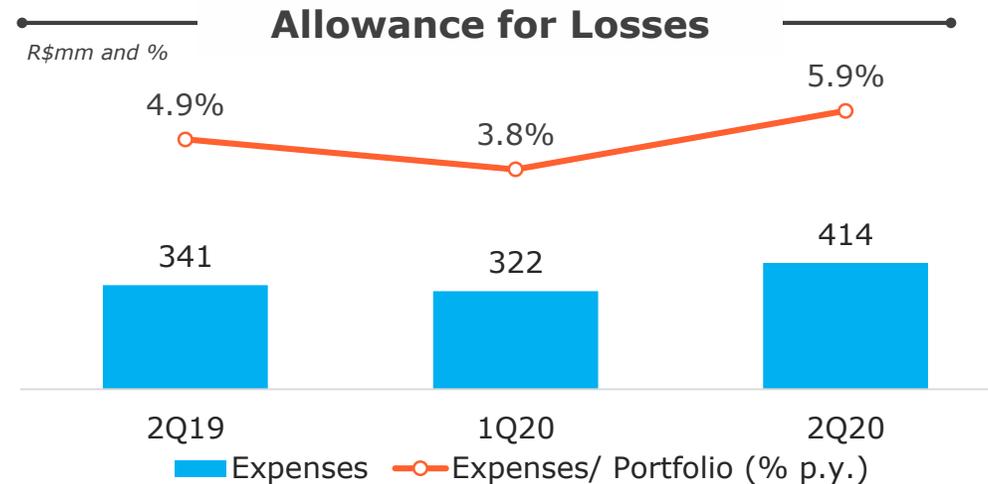
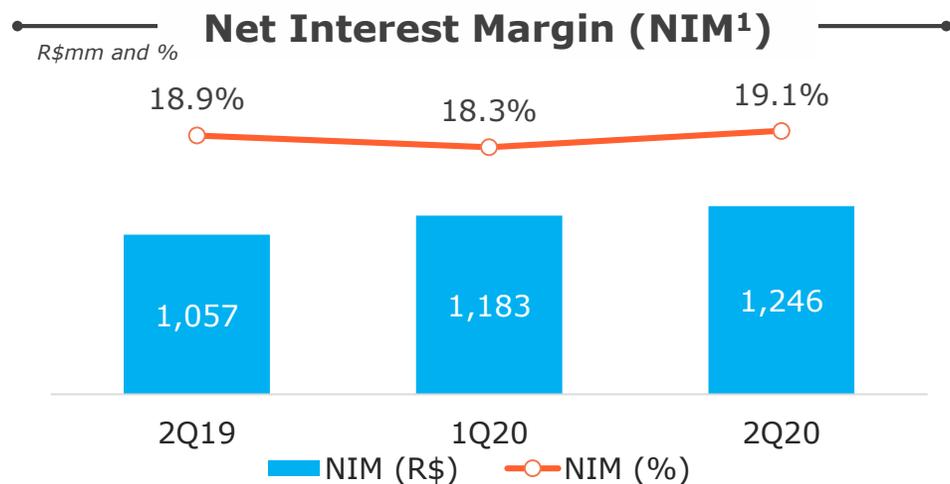
New Partnerships



- New distribution channels
- Better credit risk assessment
- Credit-as-a-service
- New business and technologies
- Innovation Hub

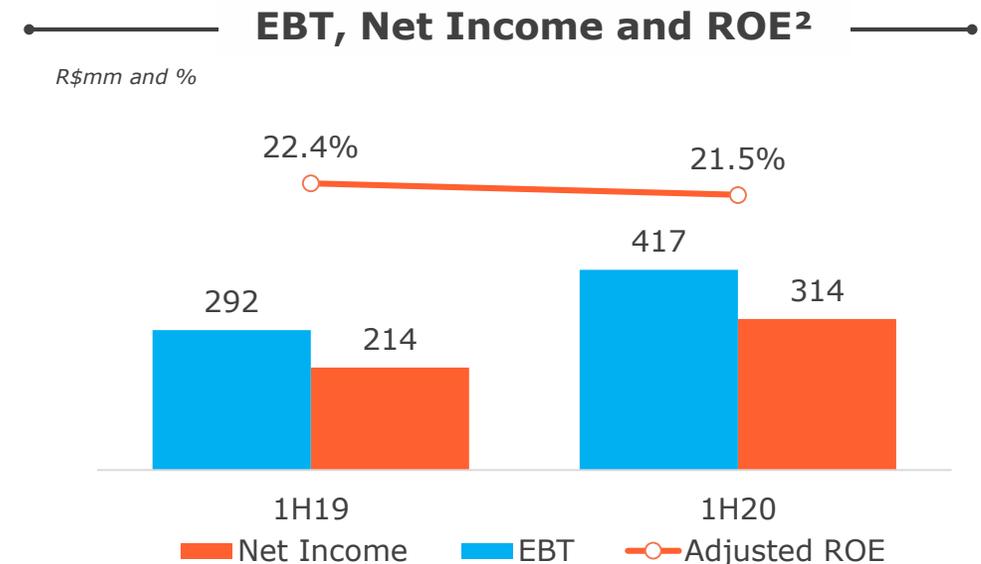
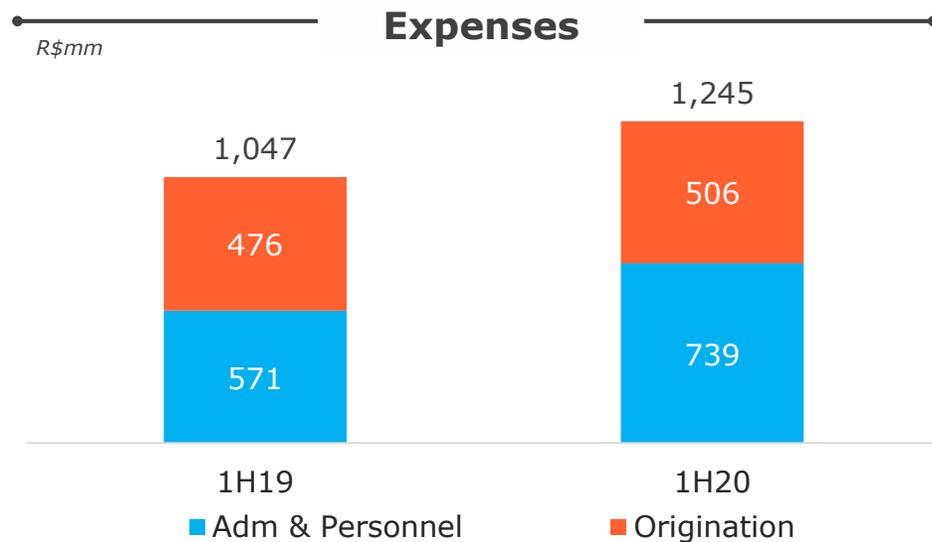
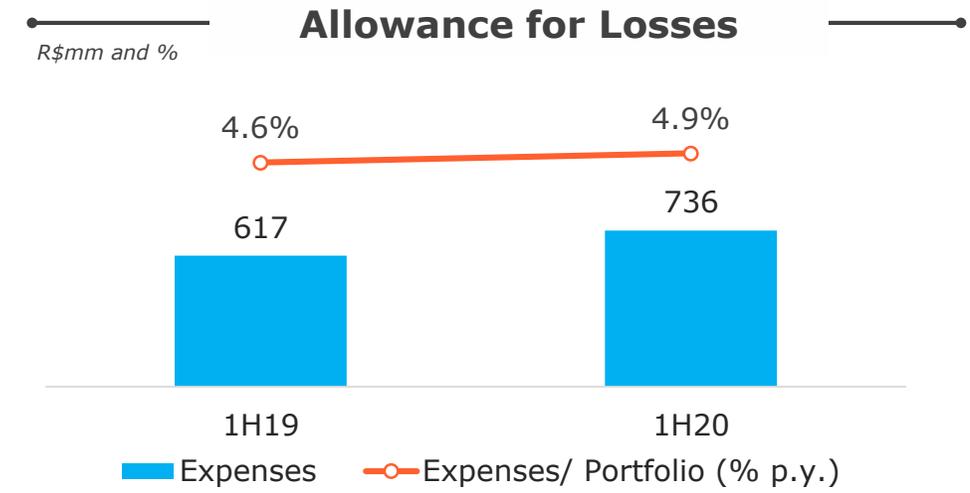
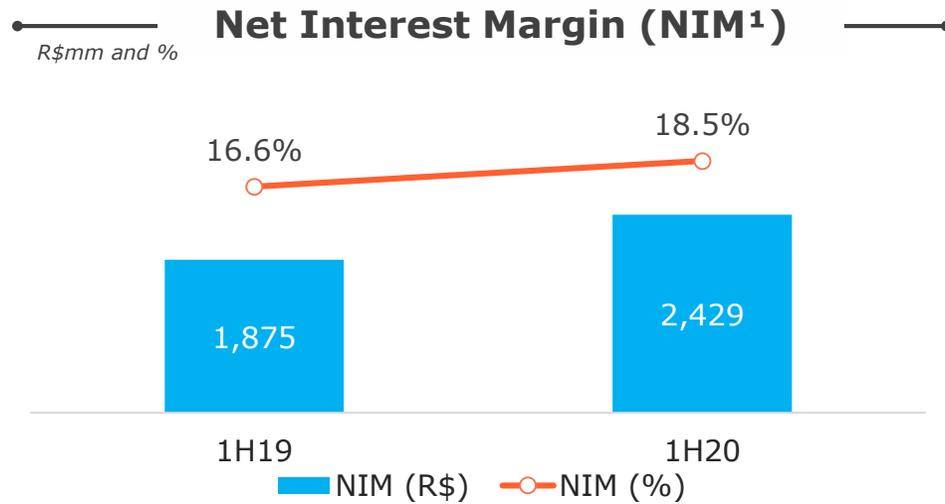


Quarter Earnings



Note: (1) NIM: Managerial Net Interest Margin (2) Unaudited adjusted ROAE includes (i) excess of funding expenses, as an adjustment to the Net Income, and (ii) excess of DTA related to losses arising from the accounting inconsistencies found in 2010. as an adjustment to Shareholders' Equity as an adjustment to Shareholders' Equity

Half-Year Earnings



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ROAE

ROAE and Adjusted ROAE
(Unaudited)



R\$ MM	2Q20	1Q20	2Q19	1H20	1H19
Net Income (A)	144	171	118	314	214
Excess of Financial expenses (net of taxes)	55	55	54	111	105
Adjusted Net Income (B)	199	225	172	424	319
Average Shareholder's Equity (C)	5,066	4,974	4,190	5,019	4,161
Excess of DTA related to losses	1,069	1,136	1,311	1,080	1,315
Adjusted Average Shareholder's Equity (D)	3,997	3,838	2,879	3,939	2,847
ROAE (p.y.) – A/C	11.4%	13.7%	11.2%	12.5%	10.3%
ROAE Adjusted (p.y.) – B/D	19.9%	23.5%	23.9%	21.5%	22.4%

ROAE (unaudited) adjusted by two remaining legacies:

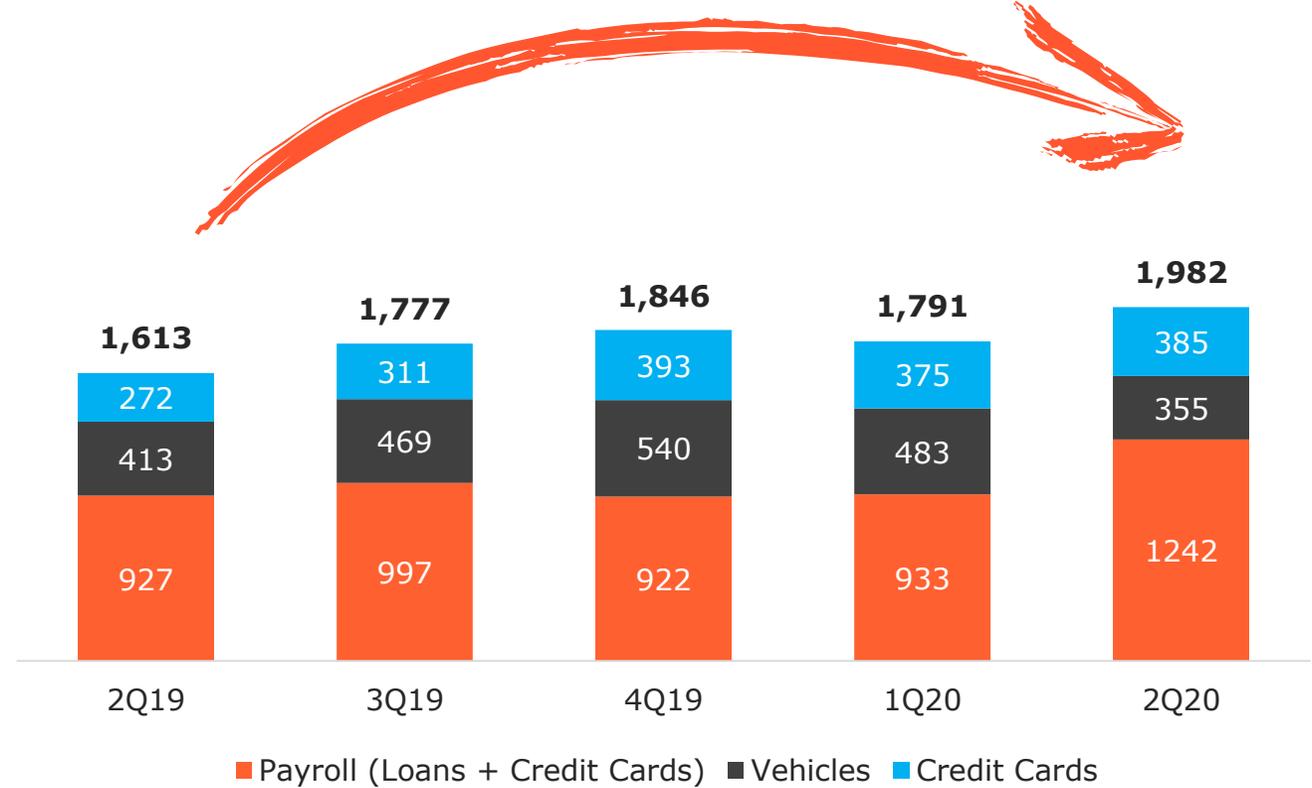
- (i) withdraw the excess of financial expenses from fixed rate time deposits issued between 2005 and 2008 (avg. maturity in 2023), compared to what PAN pays for the same term in the market; and
- (ii) exclusion of the excess of deferred tax assets related to losses arising from the accounting inconsistencies found in 2010.

CREDIT ORIGINATION



Monthly Average
R\$ MM

+23%



179 thousand new clients¹ per month on 2Q20

5.7 million managed clients

(1) New clients without relationship within the last 12 months

Retained Portfolio

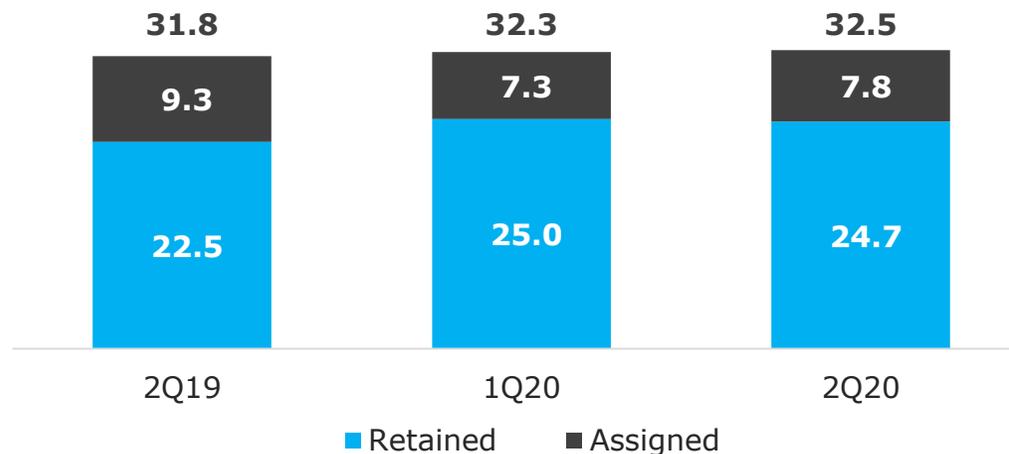
R\$ MM	2Q20	Part. %	Δ 2Q20/ 1Q20	Δ 2Q20/ 2Q19
Payroll Deductible (Loans + Card)	12,927	52%	-3%	5%
Vehicles	9,314	38%	0%	20%
Credit Cards	1,214	5%	7%	40%
Corporate Loans	677	3%	-3%	-21%
Real Estate	451	2%	-6%	-30%
Others	147	1%	18%	62%
TOTAL	24,730	100%	-1%	10%

% of Retained Portfolio:

Payroll + Collateralized Portfolio = 95%

Renegotiated Loans = 0.6%

Originated Portfolio - R\$ Bi



PAYROLL DEDUCTIBLE

LOANS AND CREDIT CARDS

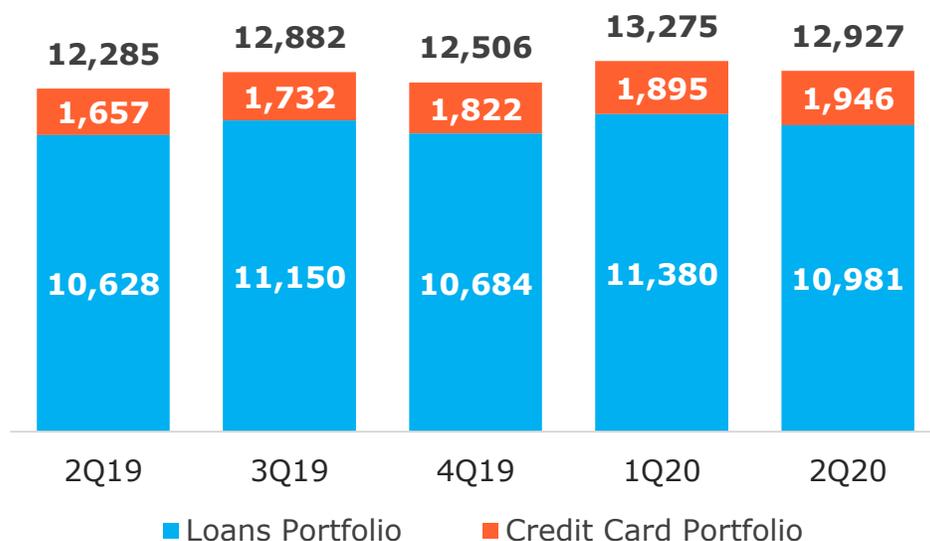


Overview

- Exclusive for public sector employees, INSS (social security) retiree & pensioners
- Average Ticket of **R\$ 5.4k**
- Duration of **37 months**

Portfolio Evolution

R\$ MM



Origination Breakdown

	2Q20	1Q20	2Q19
Federal	95%	88%	89%
INSS	89%	75%	65%
SIAPE	5%	9%	14%
Armed Forces	1%	4%	10%
States	4%	11%	10%
Municipalities	1%	1%	1%
Total Monthly Avg. R\$ MM	1,242	933	927
Loans Monthly Avg.	1,167	859	851
Cards Monthly Avg.	74	74	76

VEHICLE Financing

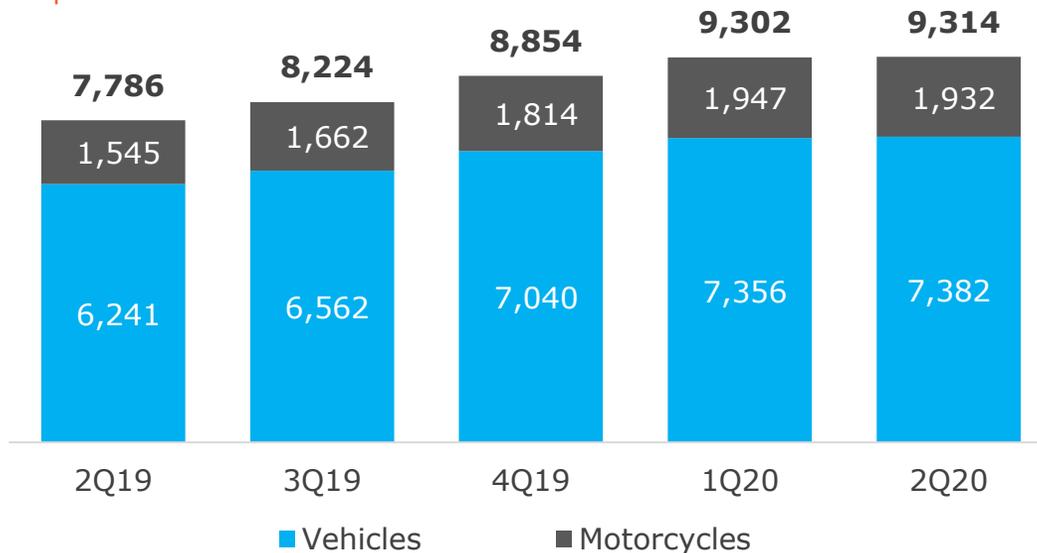


Overview

- Actively present in more than **12.4k** multi-brand & single-brand vehicle dealers
- Average Ticket: Vehicles: **R\$ 25k** / Motorcycles: **R\$ 13k**
- Duration: Vehicles: **18 months** / Motorcycles: **16 months**
- Downpayment (%): Vehicles: **36%** / Motorcycles: **22%**

Portfolio Evolution

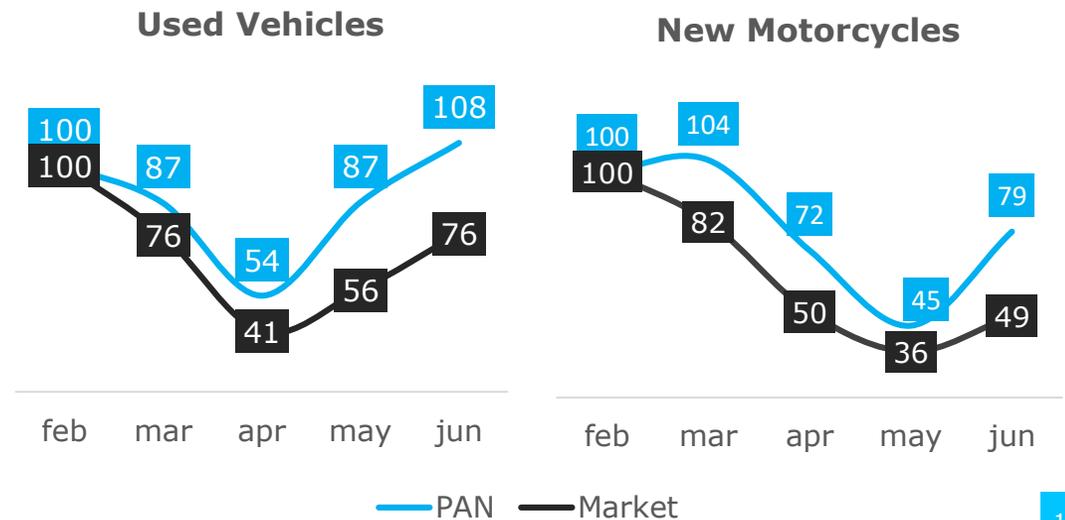
R\$ MM



Average Monthly Origination

R\$ MM	2Q20	1Q20	2Q19
Vehicles	284	370	314
Motorcycles	71	113	99
Total	355	483	413

Origination Evolution (Feb = 100)



CREDIT CARDS



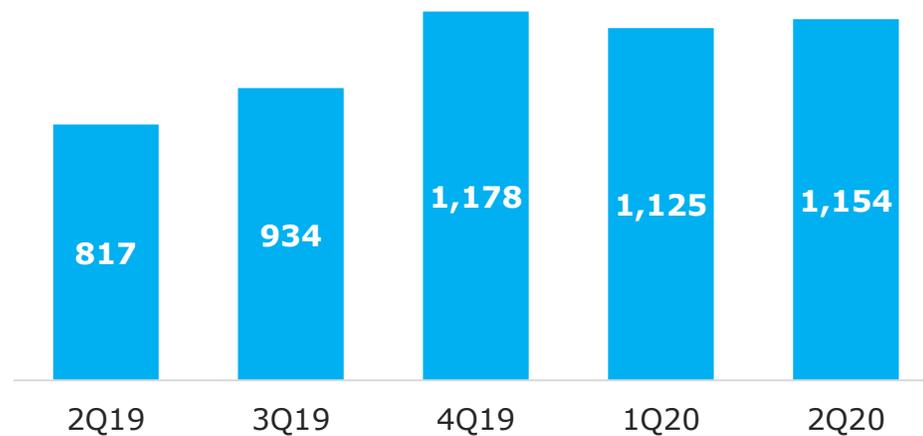
Highlights

- **Stable transaction volume** and reduction new cards issuance due to **more restrictive approach**
- **Expansion** of the origination channels
- Customers becoming **more digital**
 - New cards: 69% self-contracted on digital channels
 - Service: 39% held by chat and WhatsApp
 - Digital Invoice: 80% of the base is digitally issued



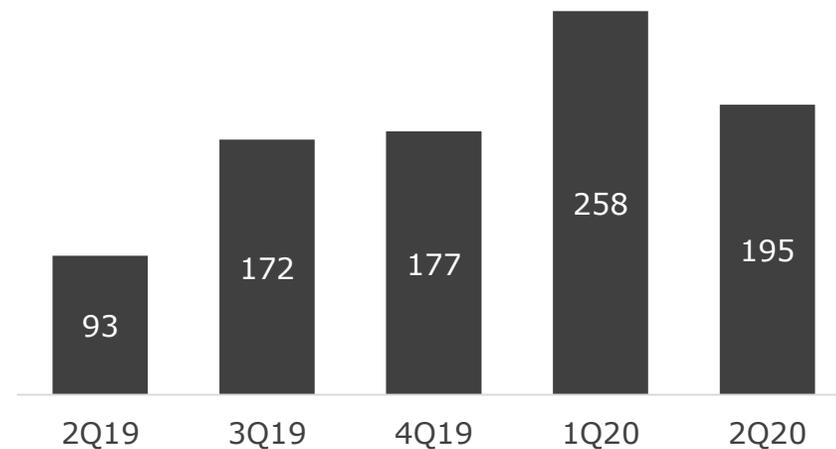
Transaction Volume

R\$ MM



of Credit Cards Issued

Thousand

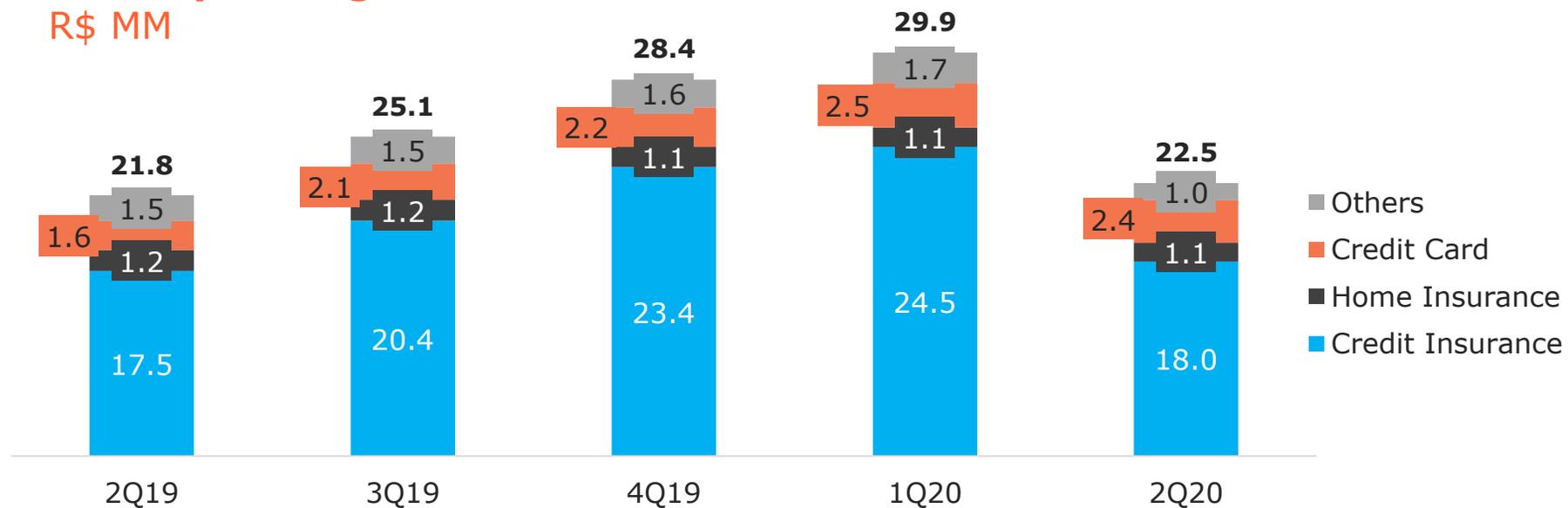


Insurance Premiums

Highlights

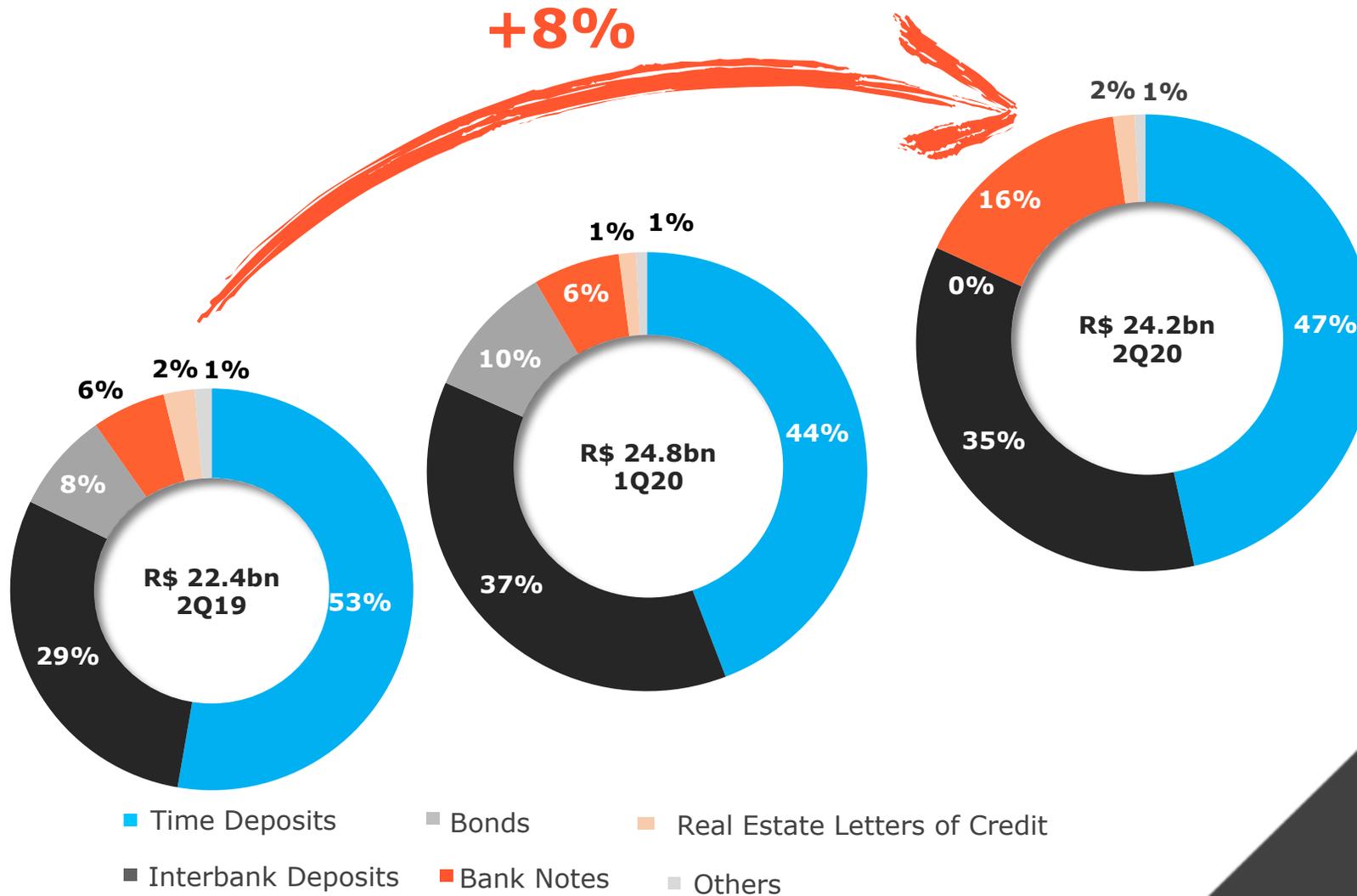
- Lower premiums in the quarter following vehicles origination decrease
- Digital Bank as leverage for future growth

Monthly Average R\$ MM



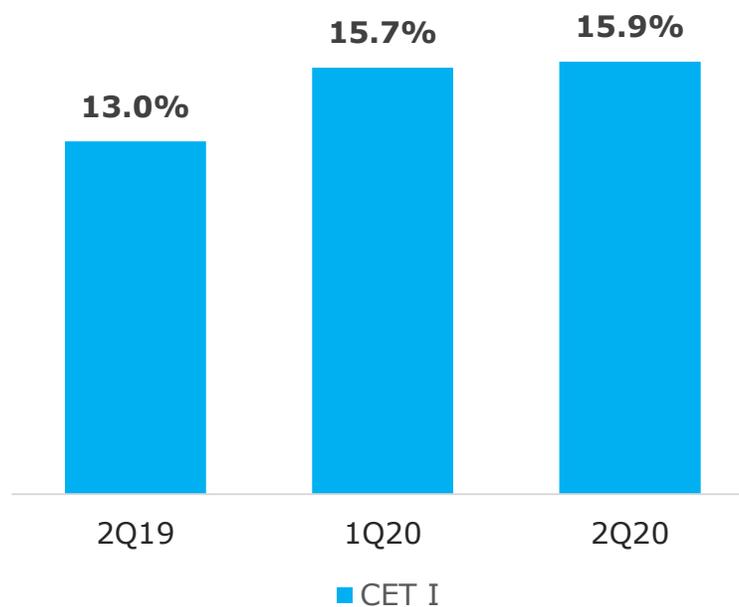
Funding

- Maintenance of high liquidity level
- Focus on funding diversification



BASEL

RATIO



R\$ MM	2Q19	1Q20	2Q20
Reference Shareholder's Equity	2.417	3.212	3.266
CET I	2.417	3.204	3.257
Tier II	0	8	9
Required Reference Shareholder's Equity	1.958	2.154	1.902
RWA	18.648	20.518	20.566



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