

Financial Statements

2Q20

Management Report

2Q20

TO THE STOCKHOLDERS

The Management of Banco Pan S.A. ("PAN", "Bank", or "Company") and its subsidiaries present herein the Management Report and related quarterly information for the six-month period ended June 30, 2020, together with the independent auditor's report. 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.

TO THE STOCKHOLDERS,

Although we are only half way through the year, 2020 will be a milestone in Banco PAN's history. Firstly, we and society as a whole were taken by surprise by a pandemic that forced us to adapt the way we work, review our risk metrics and rethink our future. We can confidently state that we have managed to safeguard the well-being of our employees, maintain the level of service and satisfaction of our customers, preserve our liquidity, maintain a high level of capital and optimize profitability in the current market. We closed 2Q20 with a profit of R\$ 144 million for the quarter and an adjusted ROE (unaudited) of 19.9%. In the six-month period ended June, we obtained a profit of 314 million and an adjusted ROE (unaudited) of 21.5%.

Despite the significant challenge presented by the crisis environment, we launched, in February 2020, our Digital Bank, which we believe to be the future of PAN and our main leverage in service and proximity with our current 5.7 million customers and many more to come. We would like to elaborate on this perspective in this analysis.

Since the beginning of the crisis caused by the pandemic, we have shared with customers, the market and our stockholder's information on our approach and strategy. Such discussions have strengthened our purpose: we exist to help Brazil society to transform challenges into achievements, supported by complete credit products and financial services, present in all phases of lives, prioritizing transparency, the simplification of processes and quality of service. This crisis has not modified our purpose. Our purpose has become more focused. We believe we will meet our mission by fully embracing the digital environment, the launch of our Digital Bank and the results achieved to date being signs that we are on the right path.

Following the launch of our Digital Bank on February 5, we are very pleased with the receptivity and the level of use of our platform, whether being for credit products or services. This response is witness to our effective communication with our customers and satisfaction as to the experience we have been providing them. We believe that the best way to manage our business is to link an understanding of the customer and the fulfilling of their needs with the offer of suitable products and services, thus, achieving not only rapid expansion, but, primarily, sustainable growth. We are privileged to have significant differentiating advantages to continue the journey upon which we recently embarked: credit expertise, deep knowledge of our customers and their consumption and behavior patterns, in addition to an extensive customer basis (and potential customers) of our traditional products. Our ability to execute and deliver in meeting expectations is a significant factor and an important pillar. We intend to supplement further credit and financial education features in the short term. With these advantages, we have observed a more competitive CAC, which we imagine will decrease even further.

The Digital Bank is not an island within Banco PAN, the Bank as whole became a truly digital institution. Proof is the increase in our traditional products, already in expansion and which were strengthened in recent months. As an example of this trend, in 2Q20 the percentage of digitalization in our credit granting reached 60% (vs. 41% in 1Q20) in payroll-deductible credit and 90% (vs. 70% in 1Q20) in vehicle financing. We believe there is still room to increase these percentages, strengthening our participation in both markets, which has resulted in adequate and sustainable margins. This perception may be evidenced in our historical and current results, even in times of crisis.

Self-contracting will become a significant element in PAN's evolution. Slowly, this channel has been gaining space in customer service, further diversifying our business and increasing profitability. Soon it will be another option available in the Digital Bank app to leverage the contracting of payroll-deductible loans through a simpler and more transparent experience.

We are very pleased with the results obtained to date and excited with our journey ahead. We remain focused on overcoming this crisis and on the well-being of our employees and customers, and reaffirm our long-term view based on our significant participation in the related markets; our ability to distribute products, whether through B2B, which has become more efficient and has a variable cost structure, or through the increasingly digital B2C; our credit expertise, increasing customer attraction and engagement; and the low risk of execution of the digital launches building on products already delivered (better market platforms for payroll-deductible loans and vehicles) and the Digital Bank, in addition to the number of options of new products offered over the long term.

The current environment demands caution, however, we are confident that our strategy will promote the sustainability of our business and that we are a solid and profitable bank, with a well-structured operation.

ECONOMIC ENVIRONMENT

In June, the National Financial System (SFN) credit operations balance was R\$ 3.6 trillion, an increase of 1.1% in the month and 9.8% in the comparison with the previous year. The loans to individual improved slightly in June, but their levels are still low. This data shows a strong concentration of credit granted to companies in an attempt to contain the economic effects of the COVID-19 crisis. These corporate credit lines ended March with a balance of R\$ 1,007 billion, an increase of 22.4% over the past 12 years. Personal credit portfolios offered to families reached R\$ 1.1 trillion, a growth of 8.9% in twelve months, highlights of which were payroll-deducted loans and loans.

Inflation in June, measured by the Amplified Consumer Price Index (IPCA), increased to 0.26%, in relation to a deflation of 0.38% recorded in May, therefore, the inflation for the last 12 months was 2.12% p.a. Although this trend confirms the overwhelmingly positive perspective for inflation, the most recent readings indicate that the high risks for the 2020 IPCA are becoming a reality. This pressure comes mostly from prices for fuel, electric power and pharmaceutical products. Moreover, in the last couple of months, there were clear signs of a of the effects from a depreciating currency, increasing prices of manufactured goods and processed food; core measures increased margins, though at low levels.

According to the National Domicile Sampling Survey (PNAD) (Brazilian Institute of Geography and Statistics (IBGE)), the Brazilian unemployment rate was 12.5% (seasonally adjusted) in the quarter ended May, an increase in relation to 11.6% in the quarter ended March (seasonally adjusted). Using the methodology of the Central Bank to generate monthly data, we estimate that, up to date, 10 million workers have lost their jobs due to the pandemic in Brazil. The impact of the pandemic was much more significant on informal employment; 6.8 million informal workers lost their jobs between February and May, in comparison with 3.3 million formal workers in the same period. The Emergency Aid (*Auxílio Emergencial*) payment was more than sufficient to contain the loss of salaries in the short term, and probably contributed to the recovery of the economic activities in May and June.

DIGITAL ACCOUNT

The Digital Account, focused on classes C, D and E, provides to customers access to a complete current account: 100% digital, with no maintenance fee, a multiple card without an annual fee, a monthly package of free of charge transfers, ATM withdrawals through the Rede 24 horas (a network of automatic teller machines), deposits via slips, payments of bills, salary portability, in addition to several credit products and other services.

Moreover, we offer discounts in drugstores, supermarkets and e-commerce stores through agreements with various partners. Customers will also benefit by being able to use their debit card for digital payments for services such as Netflix, Spotify and Uber.

Our strategy is based on six approaches: provide offerings to the Bank's customer base including active and former customers; present to the potential customers requesting credit on a monthly basis; digital marketing; physical distribution network; new origination partners; and a 'customer introduces customer' program.

In the second quarter, we established a strong on-line presence, established several strategies to explore customer bases and flow, intensified the diversification of subscription channels through partners, highlights

of these partnerships are Mobills and Celcoin, and offered the Digital Account in 60 stores. In the next quarters, we will maintain the diversification of channels seeking new partnerships, and also working with correspondent banks to offer the Digital Account.

Offering access to credit is our main lever to attract, engage and monetize customers. Accordingly, the Account already offers three credit products: emergency limit, credit card and personal credit line.

By the end of 2020, the Bank will launch new credit products and the self-contracting of payroll-deductible loans, offer insurance and new services such as topping-up prepaid cell phones and the municipal transport *Bilhete Único* (Unified Ticket), in addition to a platform for financial planning and organization to help our customers save money using simple fixed-income investment options.

The digital account is 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 and insurance.

The Bank has 2,434 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 700 correspondent banks offering payroll-deductible loans and more than 12.4 multibrand stores and concessionaires offering vehicle and motorcycle financing.

ORIGINATION OF CREDIT PORTFOLIO AND RETAIL

During 2Q20, PAN originated a monthly average of R\$ 1,982 million in new credit operations, compared with R\$ 1,791 million in the first quarter of 2020, and R\$ 1,613 million in the second quarter of 2019, an increase of 11% in the quarter and 23% in the year.

The growth mainly arises from Federal Government payroll-deductible loans due to the extension of maturities and the decrease in interest rates for the INSS beneficiaries. The vehicle financing segment decreased, however, it has been recovering throughout the quarter.

The Expanded Credit Portfolio totaled R\$ 24,730 million at the end of 2Q20, a slight decrease of -1% in relation to R\$ 25,021 million at the end of 1Q20 and an increase of 10% in relation to the R\$ 22,536 million in 2Q19. The core portfolio, which is comprised of payroll-deducted portfolios, vehicle financing, and credit cards, grew by 19% over the 12 months. Corporate Credit and Real Estate portfolios, both in runoff phases, decreased by 25% and 36% in the 12-month period, respectively.

Due to the global Covid-19 economic crisis, the Bank adopted a conservative attitude towards the extension of contracts and, since the beginning of the pandemic, it postponed only two installments of approximately 11 thousand customers, representing less than 1% of the portfolio, all with guarantees.

Accordingly, the indicator of credits overdue for more than 90 days on the portfolio increased in a controlled manner and ended the quarter at 7.0%. The portfolio assignments also affected this indicator, excluding this effect, the balance would be 6.5%.

The indicator of short-term default, from 15 to 90 days overdue, decreased from 10.8% in April to 8.9% in June, evidencing an improvement in the quarter.

It is also important to point out the resilient profile of the credit portfolio, whose payroll-deductible loans and loans with guarantees are responsible for 95% of the portfolio.

In addition to holding credits in its portfolios, the Bank assigns credits without co-obligation to third parties, which totaled R\$ 2,367 million in 2Q20, compared with R\$ 851 million assigned in 1Q20, and R\$ 1,079 million in 2Q19.

The assignment of credits without recourse is a normal instrument of capital and liquidity management and, in 2Q20, it strengthened even further the balance metrics, with due caution. At the same time, the maintenance of the credit portfolio held was kept at the same level as the previous quarter, reinforcing our great capacity of credit origination.

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\$ 32.5 billion at the quarter-end.

PAYROLL-DEDUCTIBLES (LOAN AND CREDIT CARD)

Since the final launch of the digital formalization platform, in April 2019, digitally formalized loans totaled more than R\$ 5.4 billion. In the second quarter of 2020, the platform was responsible for the formalization of 60% of the total contracts originated. In June, the volume of contracts digitally formalized surpassed 66% 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 now with the quarantine restrictions.

The platform, together with market positioning and the relationship with business partners, assures the Bank remains a significant player in Federal Government agreements, placing it amongst the largest originators in the INSS (social security) beneficiary and pensioner loan market.

In 2Q20, loans to government employees and INSS beneficiaries totaled R\$ 3,502 million, compared to R\$ 2,577 million in 1Q20 and R\$ 2,554 million in 2Q19, equivalent to a 36% and 37% increase in relation to the previous quarter and the 12-month period, respectively. Payroll-deductible credit card operations totaled R\$ 223 million in 2Q20, compared with R\$ 222 million in 1Q20 and R\$ 231 million in 2Q19.

The payroll-deductible loan portfolio at the end of the quarter totaled R\$ 10,981 million, compared to R\$ 11,380 million in 1Q20 and R\$ 10,628 million in 2Q19, a decrease of 4% in the quarter, and an increase of 4% in the quarter and an increase of 3% in the year. The payroll-deductible credit card portfolio at the end of the quarter totaled R\$ 1,946 million, an increase of 3% when compared with the balance of R\$ 1,895 million of the previous quarter and an increase of 17% in relation to the balance of R\$ 1,657 million in 2Q19.

VEHICLE FINANCING

The digital formalization platform for vehicle financing was launched in October 2019 and has reached R\$ 2.1 billion digitally contracted since then. In the quarter, it had a notable increase, reaching 90% of the contracts signed using facial recognition. In June 2020, 94% of vehicle financing contracts were digitally formalized, contributing positively to the operation especially during the current quarantine. In addition to the formalization platform, the Bank has developed a unique App 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 is the leading institution in the motorcycle financing segment, excluding the auto manufacturer banks. Doing business in this specialty market 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.

In 2Q20, the vehicles market was affected by the pandemic effects, and the Bank originated R\$ 1,067 million of new financing, including light vehicles and motorcycles, a decrease of 26% in comparison to R\$ 1,450 million in 1Q20 and 14% in relation to the R\$ 1,239 million in 2Q20. It is important to point out that April was the month with the lower rate of credits originated, and the market, in general, showed a strong recovery in May and June.

Light vehicle originations totaled R\$ 852 million in 2Q20 (1Q20 - R\$ 1,109 million; 2Q19 - R\$ 941 million). In the motorcycle segment, originations totaled R\$ 214 million in 2Q20 (1Q20 - R\$ 340 million; 2Q19 - R\$ 298 million).

The vehicle financing portfolio totaled R\$ 9,314 million at the end of the quarter, remaining stable at R\$ 9,302 million in 1Q20 and with a 20% growth against the R\$ 7,786 million in 2Q19.

CREDIT CARDS

The continuous evolution of the digital journey of our customers is our priority and we have seen important progress, with customers becoming increasingly digital.

In the quarter, the relationship with card customers using WhatsApp grew by approximately 60%, and was responsible for over 124 thousand customers serviced, becoming another important channel in which the customer can use the self-service facility or talk to an operator, improving customers' experience, and their relationship 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.

As a result of these strategies and a higher credit offering under a more conservative approach, 195 thousand new credit cards were issued in the second quarter of 2020, a decrease in relation to the 258 thousand in 1Q20. We highlight the electronic channels that were responsible for 69% 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. At the end of the quarter, more than 80% of the invoices were issued digitally, representing over 500 thousand customers receiving their invoices via electronic means.

During 2Q20, credit card transactions totaled R\$ 1,154 million, a 3% increase in comparison with R\$ 1,125 million recorded in 1Q20 and 41% higher than the R\$ 817 million posted in 2Q19. Another highlight is the increase in online operations, which represented 32% of the volume of transactions in 2Q20, in comparison with 23% in 1Q20.

At the end of the quarter, the card portfolio totaled R\$ 1,214 million, 7% and 41% higher when compared to R\$ 1,139 million and R\$ 862 million in 1Q20 and 2Q19, respectively.

INSURANCE

In line with the origination of vehicle financing, we originated R\$ 67.5 million in insurance premiums in 2Q20, in relation to R\$ 89.7 million and R\$ 65.4 million originated in 1Q20 and in the 12-month period, respectively. The premiums which originated in the quarter included: R\$ 54.1 million in credit protection insurance, R\$ 7.2 million in card insurance; R\$ 3.2 million in housing project insurance; and R\$ 2.9 million in other insurance (PAN Motorcycle Assistance and Mechanic Warranty).

CORPORATE CREDIT (IN RUN OFF)

The Corporate Credit portfolio, which includes endorsements and sureties, totaled R\$ 677 million in 2Q20 (1Q20 - R\$ 701 million; 2Q19 - R\$ 867 million). The portfolio, without sureties, is fully provided for and has a good level of guarantees.

REAL ESTATE CREDIT (IN RUN OFF)

The balance of real estate credits granted to individuals totaled R\$ 405 million at the end of 2Q20 (1Q20 - R\$ 426 million; 2Q19 - R\$ 488 million), appropriately provided for.

Credits granted to legal entities totaled R\$ 46 million at the end of 2Q20 (1Q20 - R\$ 53 million; 2Q19 - R\$ 157 million). This portfolio was already fully provided for.

FUNDING

The balance of funds raised totaled R\$ 24.2 billion at the end of 2Q20, and is broken down as follows: (i) R\$ 11.3 billion in time deposits, being 47% of the total; (ii) R\$ 8.5 billion in interbank deposits, being 35%; (iii) R\$ 3.8 billion related to issuance of financial bills, or 16%; (v) real estate letters of credit - R\$ 366 million, or 2%; and (vi) other sources of financing - R\$ 201 million, equivalent to 1%. In April 2020, a security issued abroad in the amount of USD 457MM was settled.

RESULTS

MANAGEMENT NET FINANCIAL MARGIN

In the second quarter of 2020, Management Net Financial Margin was 19.1% p.a., compared to 18.3% p.a. in the first quarter of 2020 and 18.9% p.a. in the second quarter of 2019. This robust characteristic is a result of the credit operation spreads and credit assignment gains.

ALLOWANCES FOR LOSSES AND RECOVERY OF CREDITS

The allowances for losses totaled R\$ 414 million in the quarter, against R\$ 322 million in 1Q20 and R\$ 341 million in 2Q19.

In 2Q20, the amount of recovery of credits previously written off as losses totaled R\$ 49 million in the quarter, compared to the R\$ 89 million recovered in 1Q20, and the R\$ 71 million recovered in 2Q19.

Consequently, the net allowance for loss expenses totaled R\$ 366 million (1Q20 - R\$ 233 million; 2Q19 - R\$ 270 million).

In vehicle financing, the expenses with allowances for loan losses in relation to the portfolio increased in April and May, and in June they returned to the level of 1Q20, evidencing an important improvement in receipts.

COSTS AND EXPENSES

Personnel and administrative expenses totaled R\$ 369 million in 2Q20, compared to R\$ 371 million recorded in 1Q20 and R\$ 293 million in 2Q19.

Credit origination expenses totaled R\$ 223 million at the end of the quarter, compared to R\$ 283 million in 1Q20 and R\$ 262 million in 2Q19.

NET RESULT

In the second quarter of 2020, the Bank's pre tax profit totaled R\$ 207.0 million, stable in relation to the profit before taxation of R\$ 210.2 million in the first quarter of 2020 and an increase of 26% compared to the R\$ 164.5 million in the second quarter of 2019.

Profit totaled R\$ 143.9 million, 16% lower than the R\$ 170.6 million profit in the first quarter of 2020 and an increase of 22% compared to the R\$ 117.7 million in the second quarter of 2019.

The annualized average return on equity for 2Q20 was 11.4% (1Q20 - 13.7%; 2Q19 - 11.2%), whereas the adjusted return (not covered by independent auditor's scope) was 19.9% in 2Q20 (1Q20 - 23.5%; 2Q19 - 23.9%).

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 annual 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\$ 5,113 million at June 30, 2020, (March 2020 - R\$ 5,022 million; June 2019 - R\$ 4,227 million).

The Prudential Conglomerate Basel Index at the end of 2Q20 was 15.9%, in comparison with the 15.7% recorded at the end of 1Q20, and to the 13.0% recorded at 2Q19, all fully comprised of Principal Capital.

INDEPENDENT AUDITORS

The Bank's Quarterly Information and Accounting Statements are now audited by PricewaterhouseCoopers Auditores Independentes ("PwC") as from the first quarter of 2011. In accordance with CVM Instruction 381, PAN hired PwC in the first half of 2020 to provide the following services: (i) issuance of a diligence report on capital market operations in the amount of R\$ 816 thousand; (ii) Brand Protection in the amount of R\$ 432 thousand; (iii) consulting services related to the cyber security area in the amount of R\$ 370 thousand; and (iv) issuance of a report on internal controls related to credit assignment operations in the amount of R\$ 264 thousand, totaling more than 5% of the total fees for external audit services. The adopted policy attends to the principles that preserve the auditor's independence, according to internationally accepted criteria, that is, the auditor should not audit his own work, nor perform managerial functions in his client or promote his 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, July 30, 2020.



BANCO PAN S.A. AND SUBSIDIARIES

BALANCE SHEET

AT JUNE 30, 2020 AND DECEMBER 31, 2019

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

ASSETS	Note	Bank		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash and cash equivalents	5	884,642	1,231,440	886,782	1,234,219
Financial instruments		27,314,753	26,535,952	27,551,863	26,785,679
Interbank investments	6	-	12,795	-	12,795
Investments in interbank deposits		-	12,795	-	12,795
Marketable securities and derivatives	7.a	2,179,113	2,131,333	2,412,140	2,375,755
Own portfolio		1,909,698	727,913	2,140,802	972,231
Linked to the BACEN		-	529,436	-	529,436
Subject to repurchase agreements		67,641	297,944	67,641	297,944
Subject to guarantees		201,774	287,937	203,697	288,041
Derivatives		-	288,103	-	288,103
Interbank accounts		35,425	127,540	35,425	127,540
Payables and receivables to be settled		14,620	-	14,620	-
Credits - Deposits at the Brazilian Central Bank		509	101,569	509	101,569
Local correspondents		20,296	25,971	20,296	25,971
Credit operations	8	22,807,571	21,798,640	22,807,867	21,799,357
Credit operations		23,584,624	22,485,395	23,584,624	22,485,395
Securities and credits receivable		1,138,370	1,141,980	1,138,667	1,142,697
(Provisions for expected losses associated to the credit risk)	8.c	(1,915,423)	(1,828,735)	(1,915,424)	(1,828,735)
Other financial assets	9	2,292,644	2,465,644	2,296,431	2,470,232
Taxes		3,783,156	3,667,471	3,951,026	3,839,695
To be offset/recoverable		331,632	369,884	394,045	437,727
Tax credits	33.b	3,451,524	3,297,587	3,556,981	3,401,968
Other credits	11	328,256	329,560	364,884	351,504
Other assets		344,368	362,083	354,109	372,038
Other assets	12.a	348,100	364,659	356,772	373,676
(Provision for impairment)	12.a	(83,326)	(84,916)	(84,452)	(86,219)
Prepaid expenses	12.b	79,594	82,340	81,789	84,581
PERMANENT ASSETS		1,086,080	1,093,325	195,162	214,996
Investments		896,961	885,117	1,473	1,144
Investments in subsidiaries	13.a	895,488	883,973	-	-
Other investments	13.b	1,473	1,144	1,473	1,144
Property and equipment	14	27,297	28,628	27,297	28,628
Other property and equipment in use		84,589	80,456	84,589	80,456
(Accumulated depreciation)		(57,292)	(51,828)	(57,292)	(51,828)
Intangible assets	15	161,822	179,580	166,392	185,224
Intangible assets		488,868	469,035	510,787	490,955
(Accumulated amortization)		(327,046)	(289,455)	(344,395)	(305,731)
TOTAL ASSETS		33,741,255	33,219,831	33,303,826	32,798,131

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



BANCO PAN S.A. AND SUBSIDIARIES

BALANCE SHEET

AT JUNE 30, 2020 AND DECEMBER 31, 2019

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

LIABILITIES AND EQUITY	Note	Bank		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Financial instruments		25,861,904	25,674,597	25,245,518	25,069,661
Deposits	16.a	20,464,850	20,356,864	19,857,041	19,759,979
Demand deposits		37,720	26,614	37,686	26,574
Interbank deposits		8,804,830	8,629,103	8,541,211	8,365,928
Time deposits		11,622,300	11,701,147	11,278,144	11,367,477
Funds obtained in the open market	16.b	69,379	303,856	60,802	295,805
Own portfolio		69,379	303,856	60,802	295,805
Funds from acceptance and issuance of securities	16.c	4,213,619	1,868,324	4,213,619	1,868,324
Funds from financial bills and real estate letters		4,213,619	1,868,324	4,213,619	1,868,324
Interbank accounts	17	960,532	933,731	960,532	933,731
Receipts and payments pending settlement		833,726	796,912	833,726	796,912
Local correspondents		126,806	136,819	126,806	136,819
Derivatives	7.c	4,044	124,979	4,044	124,979
Other financial obligations	18	149,480	2,086,843	149,480	2,086,843
Provisions	19	526,351	521,557	596,798	591,125
Tax obligations		368,430	341,494	460,969	441,713
Current	20	368,430	328,077	375,540	343,059
Deferred	33.b	-	13,417	85,429	98,654
Other liabilities		1,871,828	1,756,015	1,887,799	1,769,464
Social and statutory		164,662	265,988	164,662	266,277
Sundry	21	1,707,166	1,490,027	1,723,137	1,503,187
EQUITY	22	5,112,742	4,926,168	5,112,742	4,926,168
Share capital:		4,175,222	3,653,410	4,175,222	3,653,410
Domiciled in the country		3,818,305	3,261,355	3,818,305	3,261,355
Domiciled abroad		356,917	392,055	356,917	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 loss		(19,229)	(14,358)	(19,229)	(14,358)
Retained earnings		191,445	-	191,445	-
TOTAL LIABILITIES		33,741,255	33,219,831	33,303,826	32,798,131

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



BANCO PAN S.A. AND SUBSIDIARIES

STATEMENT OF INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019
 (All amounts in thousands of reais unless otherwise stated)

	Note	Bank		Consolidated	
		6/30/2020	6/30/2019	6/30/2020	6/30/2019
Results from financial intermediation		4,891,805	3,793,719	4,892,540	3,815,290
Income from credit operations	8.g	4,589,523	3,800,758	4,591,603	3,804,333
Result from leasing operations	8.g	-	-	18	276
Result from operations with marketable securities	7.d	56,946	60,779	55,583	78,499
Derivative financial instruments	7.c	244,027	(72,248)	244,027	(72,248)
Result of foreign exchange operations	10.a	1,148	4,430	1,148	4,430
Result of compulsory investments		161	-	161	-
Expenses on financial intermediation		(2,201,110)	(1,727,570)	(2,190,394)	(1,709,760)
Result from market funding operations	16.d	(1,464,814)	(1,110,285)	(1,454,097)	(1,092,500)
Provisions for expected losses associated to the credit risk	8.c	(736,296)	(617,285)	(736,297)	(617,260)
Gross result on financial intermediation		2,690,695	2,066,149	2,702,146	2,105,530
Other operating expenses		(2,280,032)	(1,755,715)	(2,301,952)	(1,791,094)
Revenue from services rendered	23	189,207	184,509	198,413	198,506
Equity in the results of subsidiaries	13.a	16,766	10,761	-	-
Personnel	24	(272,725)	(225,597)	(273,611)	(226,314)
Other administrative expenses	25	(1,216,202)	(965,667)	(1,227,065)	(979,866)
Tax	26	(123,627)	(83,887)	(125,918)	(88,756)
Expenses with provisions	27	(87,348)	(69,078)	(89,700)	(90,765)
Other operating expenses	28	(786,103)	(606,756)	(784,071)	(603,899)
Operating result		410,663	310,434	400,194	314,436
Non-operating result	29	(1,848)	(22,592)	17,045	(22,740)
Profit before taxation		408,815	287,842	417,239	291,696
Taxes on income	33.a	(94,365)	(74,028)	(102,789)	(77,882)
Income tax		(133,253)	(39,947)	(138,372)	(45,666)
Social contribution		(104,860)	(24,560)	(106,787)	(26,879)
Deferred tax assets		143,748	(9,521)	142,370	(5,337)
PROFIT		314,450	213,814	314,450	213,814
Basic and diluted earnings per share - weighted average number of outstanding shares attributable to stockholders - R\$					
Earnings per common share		0.26	0.19	-	-
Earnings per preferred share		0.26	0.19	-	-

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



BANCO PAN S.A. AND SUBSIDIARIES

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019**
(All amounts in thousands of reais - R\$)

	Note	Bank		Consolidated	
		6/30/2020	6/30/2019	6/30/2020	6/30/2019
Profit		314,450	213,814	314,450	213,814
Items that will be reclassified to profit or loss					
Other comprehensive income (loss)		(4,871)	462	(4,871)	462
Unrealized losses on financial assets		(7,414)	683	(7,414)	683
Tax effect		2,543	(221)	2,543	(221)
COMPREHENSIVE INCOME FOR THE PERIOD		309,579	214,276	309,579	214,276
Attributable to:					
Controlling stockholders		309,579	214,276	309,579	214,276

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



BANCO PAN S.A.

**STATEMENT OF CHANGES IN PARENT COMPANY EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019**
(All amounts in thousands of reais - R\$)

	Share capital	Capital increase	Capital reserve	Revenue reserves		Other comprehensive income (loss)	Retained earnings	Total
				Legal	For integrity of equity			
AT DECEMBER 31, 2018	3,653,410	-	207,322	19,991	223,304	(8,108)	-	4,095,919
Other comprehensive income (loss)	-	-	-	-	-	462	-	462
Profit	-	-	-	-	-	-	213,814	213,814
Allocations:								
Interest on capital provisioned (Note 22.c)	-	-	-	-	-	-	(83,639)	(83,639)
AT JUNE 30, 2019	3,653,410	-	207,322	19,991	223,304	(7,646)	130,175	4,226,556
AT DECEMBER 31, 2019	3,653,410	521,812	207,322	45,788	512,194	(14,358)	-	4,926,168
Capital increase	521,812	(521,812)	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	(4,871)	-	(4,871)
Profit	-	-	-	-	-	-	314,450	314,450
Allocations:								
Interest on capital provisioned (Note 22.c)	-	-	-	-	-	-	(123,005)	(123,005)
AT JUNE 30, 2020	4,175,222	-	207,322	45,788	512,194	(19,229)	191,445	5,112,742

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



BANCO PAN S.A. AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019

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

	Note	Bank		Consolidated	
		6/30/2020	6/30/2019	6/30/2020	6/30/2019
CASH FLOWS FROM OPERATING ACTIVITIES:					
PROFIT		314,450	213,814	314,450	213,814
Non cash adjustments that affect profit:					
Effect of foreign exchange rate changes on cash and cash equivalents		(1,181)	(1,038)	(1,181)	(1,038)
Depreciation and amortization	25	31,687	17,953	31,711	17,976
Amortization of goodwill	28	11,965	11,965	12,526	12,526
Constitution of provision for civil, labor, and tax contingencies	19	87,348	69,078	89,700	90,765
Indexation for inflation of civil, labor, and tax provisions	19	2,001	1,922	2,600	2,696
Reversal/(devaluation) of other assets	29	(1,589)	(3,889)	(1,758)	(3,990)
Result on the sale of other assets	29	3,437	26,481	3,625	26,730
Assignment of rights	29	-	-	(18,912)	-
Equity in the results of subsidiaries	13.a	(16,766)	(10,761)	-	-
Provisions for expected losses associated to the credit risk	8.c	736,296	617,285	736,297	617,260
Deferred income tax and social contribution		(143,748)	9,521	(142,370)	5,337
Adjusted profit		1,023,900	952,331	1,026,688	982,076
Changes in assets and liabilities:					
Decrease (increase) in interbank deposits		12,795	(3,077)	12,795	(3,077)
Decrease in marketable securities		65,481	302,417	72,114	294,051
Decrease (increase) in derivatives		167,168	(24,449)	167,168	(24,449)
Decrease (increase) in interbank investments		118,916	(354,922)	118,916	(354,922)
(Increase) in credit operations		(1,758,682)	(2,589,927)	(1,758,262)	(2,589,872)
Decrease (increase) in other financial assets		189,479	(694,642)	190,280	(692,657)
Decrease (increase) in other tax assets		28,063	(16,744)	31,039	(14,151)
(Increase) in other credits		(1,400)	(2,910)	(2,000)	(352)
(Increase) in other assets		(41,689)	(86,621)	(41,494)	(86,628)
Increase in deposits		107,986	1,869,479	97,062	1,843,831
(Decrease) increase in funds obtained in the open market		(234,477)	440,629	(235,003)	440,615
Increase in acceptances and issue of securities		46,234	46,301	46,234	46,301
Increase (decrease) in other financial liabilities		578,622	(34,251)	578,622	(34,251)
(Decrease) in provisions		(84,555)	(104,600)	(86,627)	(107,704)
Increase in tax liabilities		261,354	80,375	262,010	85,327
Increase in other liabilities		194,056	203,435	196,578	203,307
Payment of income tax and social contribution		(234,418)	(24,264)	(242,754)	(30,085)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		438,833	(41,440)	433,366	(42,640)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Increase in available-for-sale marketable securities		(295,350)	(279,263)	(295,350)	(279,263)
Decrease in available-for-sale marketable securities		250,416	280,189	250,416	280,189
Increase in marketable securities held to maturity		(383,527)	(304,500)	(383,527)	(304,500)
Decrease in marketable securities held to maturity		26,988	344,074	26,988	344,074
Disposal of assets not for own use		57,556	96,854	57,556	96,854
Acquisition of investments		(329)	-	(329)	-
Purchase of property and equipment	14.b	(4,164)	(3,753)	(4,164)	(3,753)
Increase in intangible assets	15.b	(20,230)	(31,367)	(20,230)	(31,367)
Assignment of rights		-	-	4,828	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(368,640)	102,234	(363,812)	102,234
CASH FLOWS FROM FINANCING ACTIVITIES:					
Issue of funds from acceptance and issue of securities		2,567,221	964,933	2,567,221	964,933
Redemption of funds from acceptance and issue of securities		(268,160)	(385,204)	(268,160)	(385,204)
Issue of subordinated debt	18.b	-	8,000	-	8,000
Settlement/payment of subordinated debts		(2,515,985)	(267,500)	(2,515,985)	(267,500)
Dividends and interest on capital paid		(201,248)	(86,715)	(201,248)	(86,715)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(418,172)	233,514	(418,172)	233,514
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(347,979)	294,308	(348,618)	293,108
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		1,181	1,038	1,181	1,038
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	884,642	311,720	886,782	313,860
ADDITIONAL INFORMATION ON CASH FLOWS					
Interest paid		(1,128,701)	(1,019,128)	(1,124,719)	(1,017,881)
Interest received		4,120,367	4,407,620	4,125,002	4,413,869
Transfer of assets not for own use		(1,649)	1,674	(1,649)	1,674
Unrealized gains (losses) on securities available for sale		(7,414)	683	(7,414)	683

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



BANCO PAN S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019

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

	Note	Bank		Consolidated	
		6/30/2020	6/30/2019	6/30/2020	6/30/2019
INCOME		3,481,382	2,674,482	3,510,456	2,691,658
Financial intermediation		4,891,805	3,793,719	4,892,540	3,815,290
Services rendered	23	189,207	184,509	198,413	198,506
Provisions for expected losses associated to the credit risk	8.c	(736,296)	(617,285)	(736,297)	(617,260)
Other operating expenses		(863,334)	(686,461)	(844,200)	(704,878)
EXPENSES ON FINANCIAL INTERMEDIATION	16.d	(1,464,814)	(1,110,285)	(1,454,097)	(1,092,500)
INPUTS ACQUIRED FROM THIRD PARTIES		(1,149,072)	(922,583)	(1,159,717)	(936,568)
Materials, energy and other	25	(1,781)	(2,171)	(1,782)	(2,176)
Third-party services	25	(186,680)	(175,416)	(193,110)	(184,647)
Commissions payable to correspondent banks	25	(620,213)	(506,305)	(622,623)	(508,972)
Other		(340,398)	(238,691)	(342,202)	(240,773)
Data processing	25	(138,430)	(95,832)	(138,534)	(95,906)
Financial system services	25	(103,207)	(64,633)	(103,615)	(65,039)
Advertising, promotions and publicity	25	(30,370)	(14,799)	(30,392)	(14,992)
Communication	25	(29,654)	(22,931)	(29,740)	(23,036)
Asset search and seizure expenses	25	(11,142)	(15,452)	(11,143)	(15,464)
Maintenance and conservation of property	25	(3,398)	(2,840)	(3,399)	(2,844)
Transport	25	(2,134)	(2,617)	(2,138)	(2,624)
Fees and emoluments	25	(1,702)	(2,965)	(1,943)	(3,278)
Travel	25	(1,409)	(2,507)	(1,410)	(2,510)
Other	25	(18,952)	(14,115)	(19,888)	(15,080)
GROSS VALUE ADDED		867,496	641,614	896,642	662,590
DEPRECIATION AND AMORTIZATION		(43,652)	(29,918)	(44,237)	(30,502)
NET VALUE ADDED PRODUCED BY THE ENTITY		823,844	611,696	852,405	632,088
VALUE ADDED RECEIVED IN TRANSFER	13.a	16,766	10,761	-	-
Equity in the results of subsidiaries		16,766	10,761	-	-
TOTAL VALUE ADDED TO BE DISTRIBUTED		840,610	622,457	852,405	632,088
DISTRIBUTION OF VALUE ADDED		840,610	622,457	852,405	632,088
Personnel		238,112	194,836	238,890	195,444
Direct remuneration	24	180,469	147,288	181,020	147,720
Benefits	24	41,631	34,146	41,783	34,289
FGTS		12,235	10,293	12,310	10,326
Other	24	3,777	3,109	3,777	3,109
Taxes, fees and contributions		252,605	188,676	263,428	197,508
Federal		243,737	180,147	254,108	187,782
State		6	4	9	4
Municipal		8,862	8,525	9,311	9,722
Remuneration of third-party capital	25	35,443	25,131	35,637	25,322
Rentals		35,443	25,131	35,637	25,322
Remuneration of own capital		314,450	213,814	314,450	213,814
Interest on capital	22.c	123,005	83,639	123,005	83,639
Retained earnings		191,445	130,175	191,445	130,175

The accompanying notes are an integral part of these 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 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 cars 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 vehicle 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 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).

On March 8, 2019, the jointly-controlling stockholder CAIXAPAR exercised its right to acquire 50% of the shares subscribed and paid up by the jointly-controlling stockholder BTG Pactual, relating to the capital increase approved by the Board of Directors on November 6, 2017, amounting to R\$ 400,000,001.04, as approved by the Brazilian Central Bank (BACEN) on April 18, 2018. With regard to this capital increase, BTG Pactual and CAIXAPAR agreed that there would be a right of acquisition, by CAIXAPAR, of 50% of the shares subscribed and paid up by BTG Pactual in the capital increase ("Purchase Option"). The Purchase Option was settled on December 24, 2019 upon the effective transfer of the shares from BTG Pactual to CAIXAPAR.

Furthermore, as disclosed in the relevant facts notice published on September 9 and 19, 2019, the Bank made a primary public offering of 63,250,000 new preferred shares including the additional batch ("Primary Offering"), as well as the secondary public offering of 63,250,000 preferred shares, held by CAIXAPAR, including the additional batch ("Secondary Offering" and, together with the Primary Offering, the "Offering"). On September 19, 2019, the Board of Directors of the Bank and of CAIXAPAR approved the price per share of R\$ 8.25, resulting in an Offering totaling R\$ 1,043,625,000.00, of which R\$ 521,812,500.00 related to the Primary Offering, with a resulting increase in the Bank's share capital to R\$ 521,812,500.00.

The capital increase resulting from the Primary Offering was approved by BACEN on 1/14/2020, and the Bank was informed about the decision on 1/15/2020. Accordingly, the Bank's capital currently amounts to R\$ 4,175,222,121.46, represented by 1,205,056 thousand shares distributed as follows:

At 6/30/2020, PAN's capital was distributed as follows:



Stockholders	Shareholding structure (thousands of shares)				Total	
	Common	%	Preferred	%		%
BTG Pactual	334,131	50.8	164,371	30.0	498,502	41.4
CAIXAPAR	323,430	49.2	89,600	16.4	413,030	34.3
Market	-	-	293,524	53.6	293,524	24.3
Total	657,561	100.0	547,495	100.0	1,205,056	100.0

2) Presentation of the accounting information

The parent company accounting information of Banco PAN is presented together with the 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 accounting information was authorized for issue by the Board of Directors and the Executive Board on 7/30/2020.

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

Direct subsidiaries	Total equity interest %	
	6/30/2020	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 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 and payment, therefore, the Bank presents in the explanatory notes the amount 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 6/30/2019, respectively, are as below:

- **Consolidated statement of income**

PUBLISHED	CURRENT		
	6/30/2019	Reclassifications	6/30/2019
Other administrative expenses (a)	(980,190)	324	(979,866)
Expenses with provisions (b)	-	(90,765)	(90,765)
Other operating income (expenses) (c)	(694,340)	90,441	(603,899)

(a) Originally presented in Other operating expenses, reclassified to Other administrative expenses;

(b) Originally presented in Other operating expenses, 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 6/30/2019, the earnings per share disclosed was R\$ 0.19.



- **Consolidated assets**

PUBLISHED		CURRENT	
Previous nomenclature	12/31/2019	12/31/2019	Current nomenclature
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**

PUBLISHED		CURRENT	
Previous nomenclature	12/31/2019	12/31/2019	Current nomenclature
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 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 7c.

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 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 33.

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 accounting information, except when there is evidence that their realization is guaranteed.

- Provisions - recorded in the 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 or remote losses and, therefore, are only disclosed in the notes to the accounting information, when significant.
- Legal obligations (tax and social security) - correspond to amounts related 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 accounting information.

r) Residual benefit in securitized transactions:

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 (loss) per share are calculated by dividing the profit or loss attributable to the stockholders by the weighted average number of shares in issue at the financial statement dates.

t) Use of accounting estimates:

The preparation of 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 (vii) expected losses associated to 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 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 accounting information; and
- ii. events that do not require adjustment, related to conditions which did not exist at the reporting date of the accounting information.



4) Balance Sheet and Statement of Income by Business Segment

a) Consolidated Balance Sheet:

Assets	Financial (1)	Consortium (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Cash and cash equivalents	884,642	8,595	2,133	17	(8,605)	886,782
Marketable securities and derivatives	2,179,113	52,658	160,175	364,350	(344,156)	2,412,140
Interbank accounts	35,425	-	-	-	-	35,425
Credit operations (6)	22,807,571	-	296	-	-	22,807,867
Other financial assets	2,292,644	-	3,787	-	-	2,296,431
Taxes	3,845,853	8,999	49,475	46,699	-	3,951,026
Other receivables and other assets	688,005	21,917	11,979	4,033	(6,941)	718,993
Permanent assets	879,501	191	828	1,513	(686,871)	195,162
Total at 6/30/2020	33,612,754	92,360	228,673	416,612	(1,046,573)	33,303,826
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	20,201,225	-	-	-	(344,184)	19,857,041
Funds obtained in the open market	69,379	-	-	-	(8,577)	60,802
Funds from issuance of securities	4,213,619	-	-	-	-	4,213,619
Interbank accounts	960,532	-	-	-	-	960,532
Derivatives	4,044	-	-	-	-	4,044
Other financial obligations	149,480	-	-	-	-	149,480
Provisions	582,453	6,734	2,768	4,843	-	596,798
Tax obligations	447,084	5,289	4,549	4,047	-	460,969
Other liabilities	1,872,196	10,482	7,267	4,795	(6,941)	1,887,799
Equity	5,112,742	69,855	214,089	402,927	(686,871)	5,112,742
Total at 6/30/2020	33,612,754	92,360	228,673	416,612	(1,046,573)	33,303,826
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
Income from financial intermediation	4,891,823	1,089	3,347	2,400	(6,119)	4,892,540
Expenses on financial intermediation	(2,196,512)	-	(1)	-	6,119	(2,190,394)
Gross result	2,695,311	1,089	3,346	2,400	-	2,702,146
Other operating income (expenses)	(2,284,303)	1,106	(2,106)	(931)	(15,718)	(2,301,952)
Non-operating results	(1,825)	18,912	(42)	-	-	17,045
Provision for IRPJ and CSLL	(94,733)	(7,176)	(392)	(488)	-	(102,789)
Total at 6/30/2020	314,450	13,931	806	981	(15,718)	314,450
Total at 6/30/2019	213,814	3,853	2,339	15,141	(21,333)	213,814

(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.

5) Cash and Cash Equivalents

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Funds in local currency	212	225	2,352	3,004
Funds in foreign currency	2,432	1,216	2,432	1,216
Subtotal (cash)	2,644	1,441	4,784	4,220
Short-term interbank investments (1)	881,998	1,229,999	881,998	1,229,999
Total	884,642	1,231,440	886,782	1,234,219

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

**6) Interbank investments:**

Bank and Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	6/30/2020	12/31/2019
Investments in interbank deposits	-	-	-	-	-	12,795
Total at 6/30/2020	-	-	-	-	-	-
Total at 12/31/2019	-	-	12,795	-	-	12,795

a) Income from interbank investments:

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

Bank and Consolidated	6/30/2020	6/30/2019
Income from investments in purchase and sale transactions:	19,215	8,189
Own portfolio position	19,215	8,138
Third-party portfolio position	-	51
Income from interbank deposits	24	119
Total (Note 7.d)	19,239	8,308

7) Marketable securities and derivatives**a) Composition of portfolio:**

The portfolio of marketable securities and derivatives at 6/30/2020 and 12/31/2019, by type of security, was comprised as follows:

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Marketable securities	2,179,113	1,843,230	2,412,140	2,087,652
Own portfolio:	1,909,698	727,913	2,140,802	972,231
Mortgage-backed securities (CRI)	-	-	231,104	244,318
Financial Treasury Bills (LFT)	852,020	177,520	852,020	177,520
National Treasury Notes (NTN)	1,057,339	550,051	1,057,339	550,051
Social Development Fund (FDS)	339	342	339	342
Linked to BACEN:	-	529,436	-	529,436
Financial Treasury Bills (LFT) (1)	-	529,436	-	529,436
Subject to repurchase agreements:	67,641	297,944	67,641	297,944
Financial Treasury Bills (LFT)	8,574	107,126	8,574	107,126
National Treasury Notes (NTN)	59,067	190,818	59,067	190,818
Subject to guarantees:	201,774	287,937	203,697	288,041
Financial Treasury Bills (LFT)	201,774	287,937	201,774	287,937
Bank Deposit Certificates (CDB)	-	-	1,923	104
Derivative financial instruments	-	288,103	-	288,103
Difference receivable on swaps (Note 7.c)	-	288,103	-	288,103
Total	2,179,113	2,131,333	2,412,140	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	6/30/2020								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:	-	4,635	220,159	38,465	-	263,259	263,395	(136)	359,782	(39)
Financial Treasury Bills (LFT)	-	4,635	220,159	38,465	-	263,259	263,395	(136)	359,782	(39)
Available-for-sale securities:	-	317,889	481,220	-	-	799,109	799,306	(197)	742,237	3
Financial Treasury Bills (LFT)	-	317,889	481,220	-	-	799,109	799,306	(197)	742,237	3
Securities held to maturity:	339	473,106	449,446	51,141	142,713	1,116,745	1,116,745	-	741,211	-
National Treasury Notes (NTN)	-	473,106	449,446	51,141	142,713	1,116,406	1,116,406	-	740,869	-
Social Development Fund (FDS)	339	-	-	-	-	339	339	-	342	-
Total	339	795,630	1,150,825	89,606	142,713	2,179,113	2,179,446	(333)	1,843,230	(36)

Consolidated	6/30/2020								12/31/2019	
	Current		Non-current			Carrying amount (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:	-	4,635	220,159	38,465	-	263,259	263,395	(136)	359,782	(39)
Financial Treasury Bills (LFT)	-	4,635	220,159	38,465	-	263,259	263,395	(136)	359,782	(39)
Available-for-sale securities:	-	348,148	683,988	-	-	1,032,136	1,061,304	(29,168)	986,659	(21,754)
Financial Treasury Bills (LFT)	-	317,889	481,220	-	-	799,109	799,306	(197)	742,237	3
Bank Deposit Certificates (CDB)	-	1,439	484	-	-	1,923	1,923	-	104	-
Mortgage-backed securities (CRI)	-	28,820	202,284	-	-	231,104	260,075	(28,971)	244,318	(21,757)
Securities held to maturity:	339	473,106	449,446	51,141	142,713	1,116,745	1,116,745	-	741,211	-
National Treasury Notes (NTN)	-	473,106	449,446	51,141	142,713	1,116,406	1,116,406	-	740,869	-
Social Development Fund (FDS)	339	-	-	-	-	339	339	-	342	-
Total	339	825,889	1,353,593	89,606	142,713	2,412,140	2,441,444	(29,304)	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\$ 50,885 (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 result 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	Mark-to-market	Carrying amount	Current				Non-current	Total at 6/30/2020	Total at 12/31/2019
				Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
Asset position:	-	-	-	-	-	-	-	-	-	288,103
Swap	-	-	-	-	-	-	-	-	-	288,103
Liability position:	(4,036)	(8)	(4,044)	(4,044)	-	-	-	-	(4,044)	(124,979)
Swap	(4,036)	(8)	(4,044)	(4,044)	-	-	-	-	(4,044)	(124,979)
Subtotal	(4,036)	(8)	(4,044)	(4,044)	-	-	-	-	(4,044)	163,124
Futures (a)	(3,944)	-	(3,944)	(3,944)	-	-	-	-	(3,944)	(5,538)
Asset position	3,505	-	3,505	3,505	-	-	-	-	3,505	3,066
Liability position	(7,449)	-	(7,449)	(7,449)	-	-	-	-	(7,449)	(8,604)
Total	(7,980)	(8)	(7,988)	(7,988)	-	-	-	-	(7,988)	157,586

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



ii) Derivative financial instruments by index:

Bank and Consolidated	6/30/2020				12/31/2019			
	Notional value	Adjusted cost	Mark-to-market	Carrying amount	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:	38,772	(4,036)	(8)	(4,044)	2,225,560	(117,033)	(7,946)	(124,979)
Interbank market	-	-	-	-	678,355	(20,306)	(2,137)	(22,443)
Fixed rate	38,772	(4,036)	(8)	(4,044)	1,547,205	(96,727)	(5,809)	(102,536)
Futures								
Purchase Commitments:	1,778,208	-	-	-	1,397,077	-	-	-
Interbank market	1,670,715	-	-	-	1,315,611	-	-	-
Other	107,493	-	-	-	81,466	-	-	-
Sale Commitments:	15,487,539	-	-	-	13,127,996	-	-	-
Interbank market	15,377,326	-	-	-	13,042,503	-	-	-
Foreign currency	2,720	-	-	-	4,027	-	-	-
Other	107,493	-	-	-	81,466	-	-	-
Total	17,304,519	(4,036)	(8)	(4,044)	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	6/30/2020	12/31/2019
Swap	38,772	-	-	-	-	38,772	2,696,470
U.S. dollar x CDI	-	-	-	-	-	-	1,149,265
CDI x Fixed rate	38,772	-	-	-	-	38,772	1,547,205
Futures	1,193,399	2,720	3,041,098	3,495,803	9,532,727	17,265,747	14,525,073
DDI	-	-	-	108,121	106,866	214,987	162,932
DI	1,193,399	-	3,041,098	3,387,682	9,425,861	17,048,040	14,358,114
U.S. dollar	-	2,720	-	-	-	2,720	4,027
Total	1,232,171	2,720	3,041,098	3,495,803	9,532,727	17,304,519	17,221,543

iv) Place of negotiation and counterparties:

Bank and Consolidated	6/30/2020	12/31/2019
B3 S.A. (over-the-counter)	38,772	2,696,470
B3 S.A. (Exchange)	17,265,747	14,525,073
Total	17,304,519	17,221,543

Counterparties: At 6/30/2020, they were distributed as follows in the Bank and Consolidated: B3 S.A. 99.78% and Financial Institutions 0.22%.

v) Margins provided as guarantee for derivative financial instruments:

Public securities	Bank and Consolidated	
	6/30/2020	12/31/2019
Financial Treasury Bills (1)	114,295	205,344
Financial Treasury Bills (2)	-	524
Total	114,295	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	6/30/2020	12/31/2019
Financial Instruments		
Asset position	1,314,588	2,867,671
Futuros DI1 B3 S.A. - Fixed rate - Brazilian Reais (1)	1,314,588	958,981
Swap - U.S. dollar (2)	-	1,908,690
Liability position	(15,493,481)	(15,216,800)
Futuros DI1 B3 S.A. - Fixed rate - Brazilian Reais (3)	(15,493,481)	(15,216,800)
Hedged item		
Asset position	13,524,018	11,787,028
Credit operations (3)	13,524,018	11,787,028
Liability position	(1,336,706)	(2,796,880)
Time deposit certificates (1)	(1,336,706)	(920,015)
Subordinated debt abroad (2)	-	(1,876,865)

(1) Used as protection against the fixed interest risk of long-term deposit certificates. (Note 16)

(2) Used to hedge funding operation abroad; (Nota 18.b) and

(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	6/30/2020			6/30/2019		
	Revenue	Expense	Net	Revenue	Expense	Net
Swap	1,037,314	(435,191)	602,123	431,740	(425,398)	6,342
Options	-	-	-	1,722	(1,297)	425
Futures	1,477,384	(1,835,480)	(358,096)	635,009	(714,024)	(79,015)
Total	2,514,698	(2,270,671)	244,027	1,068,471	(1,140,719)	(72,248)

d) Results of operations with marketable securities:

	Bank		Consolidated		
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	
Fixed income securities		37,707	52,471	36,344	70,191
Interbank investments (Note 6.a)		19,239	8,308	19,239	8,308
Total		56,946	60,779	55,583	78,499

8) Credit operations

a) Composition of the portfolio by type of operation:

	Bank				Consolidated			
	6/30/2020		12/31/2019		6/30/2020		12/31/2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Payroll-deductible loans (1)	9,723,155	39.83	9,468,073	40.34	9,723,155	39.83	9,468,073	40.34
Vehicles (1)	9,313,574	38.15	8,853,900	37.72	9,313,574	38.15	8,853,900	37.72
Financing - credit cards (2)	2,286,060	9.37	2,045,591	8.72	2,286,060	9.37	2,045,591	8.72
Bank overdrafts	1,144,085	4.69	1,058,643	4.51	1,144,085	4.69	1,058,643	4.51
Loans with real estate guarantees	274,216	1.12	300,444	1.28	274,216	1.12	300,444	1.28
Working capital	96,557	0.40	143,760	0.61	96,557	0.40	143,760	0.61
Credits linked to the assignment of loans (3)	114,105	0.47	157,729	0.67	114,105	0.47	157,729	0.67
Housing financing	128,348	0.53	136,993	0.58	128,348	0.53	136,993	0.58
Export financing	40,567	0.17	46,402	0.20	40,567	0.17	46,402	0.20
Renegotiated loans	144,682	0.59	110,403	0.47	144,682	0.59	110,403	0.47
Real estate development financing	4,048	0.02	7,303	0.03	4,048	0.02	7,303	0.03
Personal credit	1,723	0.01	1	-	1,723	0.01	1	-
Overdraft facility	783	-	25	-	783	-	25	-
Total credit operations	23,271,903	95.34	22,329,267	95.13	23,271,903	95.34	22,329,267	95.13
Other receivables (4)	1,138,370	4.46	1,141,980	4.87	1,138,667	4.46	1,142,697	4.87
Subtotal	24,410,273	100.00	23,471,247	100.00	24,410,570	100.00	23,471,964	100.00
(+/-) Adjustment to market value (1)	312,721	-	156,128	-	312,721	-	156,128	-
Total	24,722,994	-	23,627,375	-	24,723,291	-	23,628,092	-
Current	11,606,163		10,935,013		11,606,460		10,935,730	
Non-current	13,116,831		12,692,362		13,116,831		12,692,362	

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

(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.fII); 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									
	Abnormal course of operations									
	A	B	C	D	E	F	G	H	Total at 6/30/2020	Total at 12/31/2019
Falling due in days:	1,216,297	561,630	577,618	278,502	183,142	132,705	103,185	616,771	3,669,850	3,315,320
01 to 30	52,879	25,410	26,784	14,359	9,471	6,828	5,068	22,688	163,487	142,417
31 to 60	48,606	24,353	24,723	13,189	8,720	6,296	4,645	21,604	152,136	138,655
61 to 90	44,175	23,650	23,879	12,740	8,421	6,104	4,503	21,021	144,493	136,945
91 to 180	131,856	67,278	69,186	36,639	24,123	17,451	12,905	60,100	419,538	380,609
181 to 365	230,975	115,685	118,835	62,328	40,862	29,564	22,197	123,120	743,566	646,132
Over 365	707,806	305,254	314,211	139,247	91,545	66,462	53,867	368,238	2,046,630	1,870,562
Past due in days	82,971	167,810	101,025	117,931	99,388	83,404	74,983	647,075	1,374,587	1,133,465
01 to 14	72,454	3,367	12,563	6,803	4,501	2,852	2,136	18,380	123,056	107,802
15 to 30	10,517	156,237	13,670	7,360	4,696	3,696	2,766	38,119	237,061	180,382
31 to 60	-	8,206	63,671	14,509	9,499	6,656	4,872	21,569	128,982	109,173
61 to 90	-	-	8,296	81,822	10,750	7,180	5,125	36,611	149,784	80,116
91 to 180	-	-	2,825	7,437	67,127	59,110	54,670	77,175	268,344	210,931
181 to 365	-	-	-	-	2,815	3,910	5,414	250,772	262,911	224,631
Over 365	-	-	-	-	-	-	-	204,449	204,449	220,430
Subtotal	1,299,268	729,440	678,643	396,433	282,530	216,109	178,168	1,263,846	5,044,437	4,448,785
Allowance required	6,497	7,295	20,359	39,643	84,759	108,054	124,718	1,263,845	1,655,170	1,530,907

Bank	Risk Levels									
	Normal course of operations									
	A	B	C	D	E	F	G	H	Total at 6/30/2020	Total at 12/31/2019
Falling due in days	19,107,127	34,827	26,918	17,840	13,061	10,742	9,445	145,876	19,365,836	19,022,462
01 to 30	2,578,319	8,594	5,213	1,951	1,150	805	581	6,895	2,603,508	2,521,108
31 to 60	659,860	2,529	2,152	1,573	1,084	705	506	3,547	671,956	669,997
61 to 90	615,214	2,268	1,908	1,421	974	686	484	3,281	626,236	625,755
91 to 180	1,629,145	4,810	4,065	2,973	2,085	1,542	1,148	12,078	1,657,846	1,667,801
181 to 365	2,698,476	5,880	4,899	3,290	2,445	2,079	1,818	17,202	2,736,089	2,716,001
Over 365	10,926,113	10,746	8,681	6,632	5,323	4,925	4,908	102,873	11,070,201	10,821,800
Subtotal	19,107,127	34,827	26,918	17,840	13,061	10,742	9,445	145,876	19,365,836	19,022,462
Allowance required	95,535	348	808	1,784	3,919	5,371	6,611	145,877	260,253	297,827
Total (1)	20,406,395	764,267	705,561	414,273	295,591	226,851	187,613	1,409,722	24,410,273	23,471,247
Total allowance	102,032	7,643	21,167	41,427	88,678	113,425	131,329	1,409,722	1,915,423	1,828,735



Consolidated	Risk Levels									
	Abnormal course of operations									
	A	B	C	D	E	F	G	H	Total at 6/30/2020	Total at 12/31/2019
Falling due in days	1,216,297	561,630	577,618	278,502	183,142	132,705	103,185	616,771	3,669,850	3,315,320
01 to 30	52,879	25,410	26,784	14,359	9,471	6,828	5,068	22,688	163,487	142,417
31 to 60	48,606	24,353	24,723	13,189	8,720	6,296	4,645	21,604	152,136	138,655
61 to 90	44,175	23,650	23,879	12,740	8,421	6,104	4,503	21,021	144,493	136,945
91 to 180	131,856	67,278	69,186	36,639	24,123	17,451	12,905	60,100	419,538	380,609
181 to 365	230,975	115,685	118,835	62,328	40,862	29,564	22,197	123,120	743,566	646,132
Over 365	707,806	305,254	314,211	139,247	91,545	66,462	53,867	368,238	2,046,630	1,870,562
Past due in days	82,971	167,810	101,025	117,931	99,388	83,404	74,983	647,075	1,374,587	1,133,465
01 to 14	72,454	3,367	12,563	6,803	4,501	2,852	2,136	18,380	123,056	107,802
15 to 30	10,517	156,237	13,670	7,360	4,696	3,696	2,766	38,119	237,061	180,382
31 to 60	-	8,206	63,671	14,509	9,499	6,656	4,872	21,569	128,982	109,173
61 to 90	-	-	8,296	81,822	10,750	7,180	5,125	36,611	149,784	80,116
91 to 180	-	-	2,825	7,437	67,127	59,110	54,670	77,175	268,344	210,931
181 to 365	-	-	-	-	2,815	3,910	5,414	250,772	262,911	224,631
Over 365	-	-	-	-	-	-	-	204,449	204,449	220,430
Subtotal	1,299,268	729,440	678,643	396,433	282,530	216,109	178,168	1,263,846	5,044,437	4,448,785
Allowance required	6,497	7,295	20,359	39,643	84,759	108,054	124,718	1,263,845	1,655,170	1,530,907

Consolidated	Risk Levels									
	Normal course of operations									
	A	B	C	D	E	F	G	H	Total at 6/30/2020	Total at 12/31/2019
Falling due in days	19,107,424	34,827	26,918	17,840	13,061	10,742	9,445	145,876	19,366,133	19,023,179
01 to 30	2,578,616	8,594	5,213	1,951	1,150	805	581	6,895	2,603,805	2,521,825
31 to 60	659,860	2,529	2,152	1,573	1,084	705	506	3,547	671,956	669,997
61 to 90	615,214	2,268	1,908	1,421	974	686	484	3,281	626,236	625,755
91 to 180	1,629,145	4,810	4,065	2,973	2,085	1,542	1,148	12,078	1,657,846	1,667,801
181 to 365	2,698,476	5,880	4,899	3,290	2,445	2,079	1,818	17,202	2,736,089	2,716,001
Over 365	10,926,113	10,746	8,681	6,632	5,323	4,925	4,908	102,873	11,070,201	10,821,800
Subtotal	19,107,424	34,827	26,918	17,840	13,061	10,742	9,445	145,876	19,366,133	19,023,179
Allowance required	95,536	348	808	1,784	3,919	5,371	6,611	145,877	260,254	297,828
Total (1)	20,406,692	764,267	705,561	414,273	295,591	226,851	187,613	1,409,722	24,410,570	23,471,964
Total allowance	102,033	7,643	21,167	41,427	88,678	113,425	131,329	1,409,722	1,915,424	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	6/30/2020			6/30/2019		
	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	749,750	(13,454)	736,296	648,200	(30,915)	617,285
Write-off against allowance	(663,062)	-	(663,062)	(559,746)	-	(559,746)
Closing balance	1,915,423	54,530	1,969,953	1,420,078	70,016	1,490,094
Current	1,252,811	54,530	1,307,341	1,037,742	70,016	1,107,758
Non-current	662,612	-	662,612	382,336	-	382,336
Credit recoveries (2)	135,808	-	135,808	119,849	-	119,849
Effect on results (3)	(613,942)	13,454	(600,488)	(528,351)	30,915	(497,436)

Consolidated	6/30/2020			6/30/2019		
	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	749,751	(13,454)	736,297	648,175	(30,915)	617,260
Write-off against allowance	(663,062)	-	(663,062)	(559,747)	-	(559,747)
Closing balance	1,915,424	54,530	1,969,954	1,420,081	70,016	1,490,097
Current	1,252,812	54,530	1,307,342	1,037,745	70,016	1,107,761
Non-current	662,612	-	662,612	382,336	-	382,336
Credit recoveries (2)	137,906	-	137,906	123,726	-	123,726
Effect on results (3)	(612,655)	13,454	(599,201)	(524,449)	30,915	(493,534)

(1) Includes other credits without credit characteristics (Notes 9 and 11);

(2) In the period ended 6/30/2020, credits previously written-off against the allowance, totaling R\$ 137,906, were recovered (recovered credits of R\$ 135,808 in the Bank, R\$ 18 referring to lease operations, recovered credits of R\$ 2,080 in Brazilian Finance & Real Estate). In the period ended 6/30/2020, 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			
	6/30/2020		12/31/2019		6/30/2020		12/31/2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Individuals	22,811,735	93.45	21,827,226	93.00	22,811,735	93.45	21,827,226	92.99
Services	1,178,297	4.83	1,204,531	5.13	1,178,594	4.83	1,205,248	5.13
Construction and real-estate development	187,807	0.77	266,214	1.14	188,104	0.77	266,931	1.14
Other services	579,227	2.37	586,761	2.50	579,227	2.37	586,761	2.50
Financial	305,825	1.25	246,302	1.05	305,825	1.25	246,302	1.05
Transportation and logistics	32,670	0.13	35,974	0.15	32,670	0.13	35,974	0.15
Utilities	64,096	0.26	61,443	0.26	64,096	0.26	61,443	0.26
Media, IT and Telecom	7,580	0.03	6,690	0.03	7,580	0.03	6,690	0.03
Vehicle rental	992	-	1,047	-	992	-	1,047	-
Health, security and education	100	-	100	-	100	-	100	-
Commercial	308,303	1.26	321,226	1.37	308,303	1.26	321,226	1.37
Wholesale and retail	308,303	1.26	321,226	1.37	308,303	1.26	321,226	1.37
Basic industries	70,928	0.29	70,964	0.30	70,928	0.29	70,964	0.30
Paper and pulp	42,999	0.18	42,999	0.18	42,999	0.18	42,999	0.18
Other industries	6,002	0.02	6,038	0.03	6,002	0.02	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	41,010	0.17	47,300	0.20	41,010	0.17	47,300	0.20
Sugar and ethanol	24,353	0.10	25,513	0.11	24,353	0.10	25,513	0.11
Agribusiness and animal protein	16,657	0.07	21,787	0.09	16,657	0.07	21,787	0.09
Total (1)	24,410,273	100.00	23,471,247	100.00	24,410,570	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			
	6/30/2020		12/31/2019		6/30/2020		12/31/2019	
	Amount	%	Amount	%	Amount	%	Amount	%
10 largest borrowers	556,253	2.28	513,400	2.19	556,253	2.28	513,400	2.19
50 next largest borrowers	632,477	2.59	618,843	2.64	632,477	2.59	618,843	2.64
100 next largest borrowers	266,377	1.09	285,450	1.22	266,377	1.09	285,450	1.22
Other borrowers	22,955,166	94.04	22,053,554	93.96	22,955,463	94.04	22,054,271	93.96
Total	24,410,273	100.00	23,471,247	100.00	24,410,570	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 6/30/2020 and 6/30/2019, credits were assigned to financial institutions as below:

Bank and Consolidated	6/30/2020			6/30/2019		
	Assignment amount	Present value	Result (1)	Assignment amount	Present value	Result (1)
Payroll-deductible loans	4,507,697	3,217,750	1,289,947	2,608,120	1,946,425	661,695
Total (Note 8.g)	4,507,697	3,217,750	1,289,947	2,608,120	1,946,425	661,695

(1) Recorded in income from credit operations (Note 8g).

**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\$ 114,105, in Banco PAN and Consolidated (R\$ 157,729 at 12/31/2019), calculated at present value using the agreed contract rates. Obligations of R\$ 140,816 (R\$ 201,523 at 12/31/2019) were assumed for these credits.

g) Income from credit and leasing operations:

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Profit on credit assignments (Note 8.f)	1,289,947	661,695	1,289,947	661,695
Performance bonus on assignments (1)	320,882	463,253	320,882	463,253
Payroll-deductible loans	1,079,576	1,078,880	1,079,576	1,078,880
Vehicles	1,013,596	900,178	1,013,596	900,178
Credit cards	478,604	375,639	478,604	375,639
Recovery of credits written off as losses	135,808	119,849	137,906	123,726
Working capital/overdraft accounts	69,560	69,579	69,560	69,579
Income from loans with real estate guarantees	27,249	29,729	27,249	29,729
Export financing	-	10,826	-	10,826
Renegotiated loans	11,935	9,189	11,935	9,189
Housing loans	5,001	6,248	5,001	6,248
Income from real estate developments	560	549	560	549
Personal credit	113	3	113	3
Overdraft facility	99	-	99	-
Other	-	43	-	17
Adjustment to market value - Retail Portfolio (2)	156,593	75,098	156,593	75,098
Total	4,589,523	3,800,758	4,591,621	3,804,609

(1) Reclassified from "Profit on credit assignments"; and

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

**9) Other financial assets**

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Amounts receivable from credit assignments	2,276,499	2,451,147	2,276,499	2,451,147
Acknowledgment of debt (1)	12,640	11,431	12,640	11,431
Negotiation and intermediation of receivables	3,505	3,066	3,505	3,066
Real estate receivables (2)	-	-	3,787	4,588
Total	2,292,644	2,465,644	2,296,431	2,470,232
Current	1,222,521	1,391,596	1,228,128	1,395,117
Non-current	1,070,123	1,074,048	1,068,303	1,075,115

(1) Includes provision for debt acknowledgment of R\$ 12,549 at 6/30/2020 (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) Foreign exchange operations**a) Result on foreign exchange transactions:**

Bank and Consolidated	6/30/2020	6/30/2019
Income from export financing	49,499	15,276
Foreign exchange variations	(48,351)	(10,846)
Total	1,148	4,430

11) Other assets

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Judicial and tax deposits	192,810	197,786	214,856	219,413
Amounts receivable from payroll-linked loans (1)	11,442	17,920	11,442	17,920
Amounts receivable from related parties	10,594	19,814	4,903	13,227
Residual benefit in securitized transactions	-	-	2,812	3,588
Other (2)	113,410	94,040	130,871	97,356
Total	328,256	329,560	364,884	351,504
Current	286,373	293,698	301,231	290,991
Non-current	41,883	35,862	63,653	60,513

(1) Refer mainly to: (i) 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 6/30/2020 amounted to R\$ 34,666 (R\$ 31,779 at 12/31/2019) (Note 8.c); and

(2) Includes allowance for other receivables without credit characteristics of R\$ 7,315 (12/31/2019 - R\$ 7,178) (Note 8.c).

**12) Other assets****a) Assets not for own use and other:**

Residual value	Bank				Consolidated			
	Cost	Provision for losses	6/30/2020	12/31/2019	Cost	Provision for losses	6/30/2020	12/31/2019
Assets not for own use:	347,385	(83,326)	264,059	279,298	356,057	(84,452)	271,605	287,012
Properties	311,539	(75,255)	236,284	258,826	319,711	(75,915)	243,796	266,494
Vehicles	35,846	(8,071)	27,775	20,472	36,346	(8,537)	27,809	20,518
Other	715	-	715	445	715	-	715	445
Total	348,100	(83,326)	264,774	279,743	356,772	(84,452)	272,320	287,457
Current			264,774	279,743			272,320	287,457

b) Prepaid expenses

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Financial system services	60,616	60,783	62,532	63,021
Data processing	4,715	4,211	4,715	4,211
Software maintenance	4,276	5,564	4,276	5,564
Expenses for issuance of securities abroad	-	379	-	379
Other	9,987	11,403	10,266	11,406
Total	79,594	82,340	81,789	84,581
Current	20,646	26,840	21,715	27,728
Non-current	58,948	55,500	60,074	56,853

**13) 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			6/30/2020	6/30/2020 12/31/2019	6/30/2020	6/30/2019
Pan Arrendamento Mercantil S.A. (2)	356,735	206,579	11	-	-	100.00	1,047	206,579	205,532	1,047	(10,572)
Pan Administradora de Consórcio Ltda. (2)	42,388	69,855	-	-	48,168	100.00	13,931	69,855	55,924	13,931	3,853
Brazilian Securities Companhia de Securitização (2)(3)	174,201	214,089	77,865	-	-	100.00	805	214,817	214,580	805	2,339
Brazilian Finance & Real Estate S.A. (4)	107,662	181,352	0.2	0.5	-	100.00	3,081	181,352	177,894	3,081	7,193
BM Sua Casa Promotora de Vendas Ltda. (2)(3)	179,864	221,575	-	-	179,864	100.00	(2,098)	222,885	230,043	(2,098)	7,948
								895,488	883,973	16,766	10,761

(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 financial statements and quarterly information for the period ended 6/30/2020 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\$ 2,038, of which R\$ 1,310 is related to BM Sua Casa Promotora de Vendas Ltda. and R\$ 728 to Brazilian Securities Companhia de Securitização; and

(4) A company whose quarterly information for the period ended 6/30/2020 was reviewed by another independent auditor.

b) Other Investments:

Bank and Consolidated	6/30/2020	12/31/2019
Asset and Security Registration Center (Certa)	1,094	765
Interbank Payment Chamber (CIP)	379	379
Total	1,473	1,144

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

Bank and Consolidated	Annual depreciation rate	Cost	Depreciation	Residual value	
				6/30/2020	12/31/2019
Facilities, furniture and equipment in use	10%	46,985	(33,159)	13,826	17,038
Security and communications systems	10%	2,929	(1,451)	1,478	633
Data processing systems	20%	34,675	(22,682)	11,993	10,957
Total at 6/30/2020		84,589	(57,292)	27,297	-
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	291	1,137	2,736	4,164
Disposals	-	-	(20)	(20)
Depreciation	(3,503)	(292)	(1,680)	(5,475)
At 6/30/2020	13,826	1,478	11,993	27,297

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

Bank	Amortization rate	Cost	Amortization	Residual value	
				6/30/2020	12/31/2019
Software development expenses	20% to 50%	259,354	(145,347)	114,007	120,289
Goodwill	10%	229,514	(181,699)	47,815	59,291
Total at 6/30/2020		488,868	(327,046)	161,822	-
Total at 12/31/2019		469,035	(289,455)	-	179,580

Consolidated	Amortization rate	Cost	Amortization	Residual value	
				6/30/2020	12/31/2019
Software development expenses	20% to 50%	260,255	(146,058)	114,197	120,503
Goodwill	10%	250,532	(198,337)	52,195	64,721
Total at 6/30/2020		510,787	(344,395)	166,392	-
Total at 12/31/2019		490,955	(305,731)	-	185,224

b) Changes in intangible assets by category:

Bank	Software development expenses	Goodwill	Total
At 12/31/2019	120,289	59,291	179,580
Additions	20,230	-	20,230
Write-offs	(300)	-	(300)
Amortization	(26,212)	(11,476)	(37,688)
At 6/30/2020	114,007	47,815	161,822

Consolidated	Software development expenses	Goodwill	Total
At 12/31/2019	120,503	64,721	185,224
Additions	20,230	-	20,230
Write-offs	(300)	-	(300)
Amortization	(26,236)	(12,526)	(38,762)
At 6/30/2020	114,197	52,195	166,392

16) 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	6/30/2020	
Demand deposits (1)	37,720	-	-	-	-	37,720	26,614
Interbank deposits	5,825,410	2,952,130	731	1,146	25,413	8,804,830	8,629,103
Term deposits (2)	794,294	764,449	1,393,334	1,650,395	7,019,828	11,622,300	11,701,147
Total at 6/30/2020	6,657,424	3,716,579	1,394,065	1,651,541	7,045,241	20,464,850	-
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	6/30/2020	
Demand deposits (1)	37,686	-	-	-	-	37,686	26,574
Interbank deposits	5,589,081	2,952,130	-	-	-	8,541,211	8,365,928
Term deposits (2)	784,487	760,187	1,290,009	1,572,925	6,870,536	11,278,144	11,367,477
Total at 6/30/2020	6,411,254	3,712,317	1,290,009	1,572,925	6,870,536	19,857,041	-
Total at 12/31/2019	8,639,222	695,433	813,812	2,464,562	7,146,950	-	19,759,979

(1) Does not consider average historical turnover.

(2) 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	6/30/2020	
Own portfolio	60,802	-	-	-	8,577	69,379	303,856
Financial Treasury Bills (LFT)	-	-	-	-	8,577	8,577	107,140
National Treasury Notes (NTN)	60,802	-	-	-	-	60,802	196,716
Total at 6/30/2020	60,802	-	-	-	8,577	69,379	-
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	6/30/2020	
Own portfolio	60,802	-	-	-	-	60,802	295,805
Financial Treasury Bills (LFT)	-	-	-	-	-	-	99,089
National Treasury Notes (NTN)	60,802	-	-	-	-	60,802	196,716
Total at 6/30/2020	60,802	-	-	-	-	60,802	-
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	6/30/2020	
Financial Bills	105,517	138,376	81,467	3,041,080	481,326	3,847,766	1,532,113
Real estate letters of credit (LCI)	13,582	62,860	107,710	103,096	78,605	365,853	336,211
Total at 6/30/2020	119,099	201,236	189,177	3,144,176	559,931	4,213,619	-
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	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Foreign exchange gains/losses	572,223	(19,459)	572,223	(19,459)
Time deposits	576,444	666,908	570,450	657,250
Interbank deposits	172,677	257,128	168,079	249,262
Marketable securities issued abroad and subordinated debt	77,389	122,918	77,389	122,918
Financial bills	40,638	34,534	40,638	34,534
Credits assigned with retention of risk	8,594	17,079	8,594	17,079
Contributions to the deposit guarantee fund	7,154	6,604	7,154	6,604
Housing loan bills	5,799	16,086	5,799	16,086
Purchase and sale commitments	3,896	8,324	3,771	8,063
Agribusiness letters of credit	-	163	-	163
Total	1,464,814	1,110,285	1,454,097	1,092,500

17) Interbank accounts

Bank and Consolidated	6/30/2020	12/31/2019
Receipts and payments pending settlement	833,726	796,912
Local correspondents (1)	126,806	136,819
Total	960,532	933,731
Current	960,532	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.

18) Other financial liabilities

a) Breakdown

Bank and Consolidated	6/30/2020	12/31/2019
Subordinated debts (b)	8,664	1,885,320
Assignments with co-obligation	140,816	201,523
Total	149,480	2,086,843
Current	68,001	1,965,351
Non-current	81,479	121,492

b) Subordinated debts:

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

Bank and Consolidated	6/30/2020	12/31/2019
Foreign:		
(1) US\$ 456,792	-	1,876,865
Local:		
(2) R\$ 8,000	8,664	8,455
Total	8,664	1,885,320
Current	-	1,876,865
Non-current	8,664	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 period ended 6/30/2020 (expense of R\$ 36,871 in the period ended 6/30/2019). They were issued on 4/23/2010 with maturity on 4/23/2020 and this transaction had a market risk hedge (Note 7.c.)
- (2) Subordinated Financial Bills issued on 4/18/2019, maturing on 4/16/2027.

19) 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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Civil	307,545	307,231	319,146	318,882
Labor	216,317	211,859	226,116	221,694
Tax	2,489	2,467	51,536	50,549
Total	526,351	521,557	596,798	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	59,141	27,783	424	87,348
Indexation and interest accruals	1,966	-	35	2,001
Write-off due to payment	(60,793)	(23,325)	(437)	(84,555)
At 6/30/2020	307,545	216,317	2,489	526,351

Consolidated	Civil	Labor	Tax	Total
At 12/31/2019	318,882	221,694	50,549	591,125
Constitution, net of reversals	60,835	27,855	1,010	89,700
Indexation and interest accruals	2,084	-	516	2,600
Write-off due to payment	(62,655)	(23,433)	(539)	(86,627)
At 6/30/2020	319,146	226,116	51,536	596,798

I. Contingent liabilities classified as possible losses:

The principal litigation cases of a fiscal and tax nature with likelihood of risk of loss considered as possible are described below:

In the third quarter of 2012, a tax assessment notice was issued against Pan Arrendamento Mercantil S.A. by the Brazilian Federal Revenue Service (RFB), through which the tax authority assessed income tax and social contribution on net income allegedly owed for the tax years 2007 and 2008, totaling R\$ 19,167 (R\$ 16,157, adjusted up to June 2020), including fines and arrears interest. A decision was

issued in favor of the Voluntary Appeal, and PAN filed a Special Appeal, which is awaiting decision regarding its acceptance.

In the final quarter of 2012, three tax assessment notices were issued against Banco PAN S.A. by the Brazilian Federal Revenue Service, through which the tax authority assessed income tax and social contribution on net income allegedly owed for the tax years 2007 and 2008, totaling R\$ 170,477 (R\$ 200,036, adjusted up to June 2020), including fines and arrears interest. Two tax assessment notices are suspended as requested by the Administrative Board of Tax Appeals. The third notice is waiting the result of the diligence in order for the decision on the Company's Voluntary Appeal to be issued.

In the final quarter of 2013, tax assessment notices were issued against Pan Arrendamento Mercantil S.A. by the São Paulo municipal tax authority for Services Tax (ISS) payable on the guaranteed residual value (VRG) charged on lease transactions realized from 2008 to 2012, totaling R\$ 43,657 (R\$ 130,045, adjusted up to June 2020), including fines and interest on arrears. The objection and appeals filed by the company with the Municipal Board of Taxes of São Paulo were in the last resort and irrevocably considered as being without merit. The Municipality filed a tax foreclosure and the Company filed an action for annulment against the Municipality of São Paulo, which obtained a partially favorable outcome in the court of appeals. Currently, the Bank turned to higher courts through special and extraordinary appeals, and is awaiting a decision regarding their acceptance. In the third quarter of 2018, the Bank received another assessment notice regarding the same matter for the 2013-2015 period, whose principal, plus fine and interest, totaled R\$ 4,227 (R\$ 6,292, adjusted up to June 2020).

During 4Q13, Banco PAN S.A. received a tax assessment notice for IRPJ and CSLL for 2008 and 2009, referring to taxes levied on alleged capital gains obtained on the demutualization of the stock exchange (over-the-counter), which, with fines and interest on arrears, totaled R\$ 480 (R\$ 720, adjusted up to June 2020), in addition the disallowance of income tax and social contribution losses from those periods was determined. The Bank is waiting the result of the diligence requested by the Administrative Board of Tax Appeals in order for the decision on the Bank's Voluntary Appeal to be issued.

In the first quarter of 2015, two tax assessment notices were issued against Banco Pan S.A., relating to 2010, for income tax and social contribution payable, claiming disallowance of unsupported operating expenses, adjustments of net income for the period, and unauthorized eliminations, the principal of which, with fines, amounts to R\$ 6,077 (R\$ 8,949, adjusted up to June 2020). Another assessment notice was issued disallowing certain swap-related expenses deducted from the Social Integration Program (PIS) and Social Contribution on Revenues (COFINS), the adjusted principal of which, with fines, amounts to R\$ 3,320 (R\$ 4,634, adjusted up to June 2020). Both processes are at the Administrative Board of Tax Appeals. The first process was partially accepted, and this led to the filling of a motion for resettlement by the General Counsel to the National Treasury (PGFN). Once a decision on this matter is issued, the Bank will challenge the motion for resettlement with the Superior Branch of the Administrative Board of Tax Appeals. The second process has been postponed as requested by the Administrative Board of Tax Appeals.

During the last quarter of 2016, Banco PAN S.A. received a tax assessment notice for alleged non-payment of social security contributions on profit sharing paid to its employees from January to October 2012, amounting to R\$ 3,100 (R\$ 3,682, adjusted up to June 2020), including fines and interest on arrears. The matter is awaiting judgment on the administrative challenge by the Regional Branch of the Brazilian Federal Revenue Service (RFB).

During the last quarter of 2017, the RFB issued three tax assessment notices against Banco PAN S.A. through which tax claims were constituted for: (i) social security, mainly on profit sharing distributed to employees in 2013; (ii) Withholding Income Tax (IRRF), for an alleged capital gain on the acquisition of an ownership interest abroad in 2013; and (iii) income tax and social contribution related to 2012. The total claims, plus fines and interest on arrears, amount to R\$ 111,411 (R\$ 117,819, adjusted up to June 2020). In the first case, the Voluntary Appeal of the Bank at the Administrative Board of Tax Appeals was determined to be without merit. As a result, the Bank filed a Special Appeal, which was partially accepted. The other proceedings are at the Administrative Board of Tax Appeals, awaiting the final judgment of the Voluntary Appeals of the Bank.

During the third quarter of 2019, Banco PAN S.A. received a tax assessment notice regarding the collection of IRPJ and CSLL for 2014, referring to an alleged over deduction of expenses in the payment of PIS and COFINS in the period, of R\$ 21,697 (R\$ 22,151, adjusted up to June 2020), including fines and interest on arrears. The proceeding is at the Administrative Board of Tax Appeals, awaiting the final judgment of the Voluntary Appeal of the Bank.

In the fourth quarter of 2019, the Brazilian Federal Revenue service issued a Tax Assessment Notice against Banco Pan S.A., with respect to the tax credit arising from goodwill that was allegedly incorrectly amortized and, consequently, not added back to the IRPJ and CSLL calculation base. The Notice relates to 2015-2016 and amounts to R\$ 8,046, plus fines and interest on arrears, as adjusted up to December 2019 (R\$ 8,204 adjusted up to June 2020). The matter is awaiting judgment on the administrative challenge by the Regional Branch of the Brazilian Federal Revenue Service (RFB).

In addition to the administrative proceedings above, the Bank and its investees are also party to legal and administrative proceedings regarding incorrect tax offsetting using tax credits. In June 2020, the adjusted balance was approximately R\$ 160,385.

20) Current tax obligations

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Taxes and contributions on income	266,069	278,193	272,924	292,562
Social Contribution on Revenues (COFINS)	68,454	19,645	68,599	20,039
Taxes and contributions on salaries	16,768	15,164	16,802	15,216
Government Social Integration Program (PIS)	11,123	3,192	11,150	3,265
Withholding tax at source on payments to third parties	3,900	9,052	3,938	9,107
Service Tax (ISS)	1,506	1,824	1,517	1,863
Withholding tax on fixed-income securities	610	1,007	610	1,007
Total	368,430	328,077	375,540	343,059
Current	368,430	328,077	375,540	343,059

**21) Other sundry liabilities**

	Bank		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Payments due	846,244	734,004	846,777	734,566
Operations linked to assignment	644,284	496,170	644,284	496,170
Collections	86,343	118,017	86,584	118,258
Credit card transactions	33,148	30,570	33,148	30,570
Amounts payable to related parties	16,476	14,669	15,225	13,268
Negotiation and intermediation of receivables	9,116	16,238	14,858	20,481
Third-party funds in transit	141	247	141	247
Collection of taxes and similar charges	37	7,176	37	7,176
Specific consortium amounts	-	-	7,564	7,757
Other	71,377	72,936	74,519	74,694
Total	1,707,166	1,490,027	1,723,137	1,503,187
Current	1,696,509	1,477,806	1,711,632	1,490,073
Non-current	10,657	12,221	11,505	13,114

22) Equity**a) Composition of capital - number of shares:**

Total subscribed and fully paid-up capital at 6/30/2020 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).

	6/30/2020	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:



	6/30/2020	% (1)	6/30/2019	% (1)
Profit	314,450		213,814	
(-) Legal reserve	(15,723)		(10,691)	
Calculation base	298,728		203,123	
Interest on capital (gross) provisioned/paid	123,005		83,639	
Withholding Income Tax related to interest on capital	(18,451)		(12,546)	
Interest on capital (net) provisioned/paid	104,554	35.0%	71,093	35.0%

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

23) Income from services rendered

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Loan operations	91,470	94,076	91,477	94,090
Credit cards	59,419	57,761	59,419	57,761
Business intermediation	32,940	27,015	32,940	27,015
Consortium plan management	-	-	9,100	13,836
Other	5,378	5,657	5,477	5,804
Total	189,207	184,509	198,413	198,506

24) Personnel expenses

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Payroll	174,685	134,781	175,236	135,213
Social charges	46,848	41,054	47,031	41,196
Benefits (Note 32)	41,631	34,146	41,783	34,289
Fees (Note 30.b)	5,784	12,507	5,784	12,507
Other	3,777	3,109	3,777	3,109
Total	272,725	225,597	273,611	226,314

25) Other administrative expenses

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Commissions payable to correspondent banks	620,213	506,305	622,623	508,972
Third-party services	186,680	175,416	193,110	184,647
Data processing	138,430	95,832	138,534	95,906
Financial system services	103,207	64,633	103,615	65,039
Rentals	35,443	25,131	35,637	25,322
Depreciation and amortization	31,687	17,953	31,711	17,976
Advertising, promotions and publicity	30,370	14,799	30,392	14,992
Communication	29,654	22,931	29,740	23,036
Asset search and seizure expenses	11,142	15,452	11,143	15,464
Maintenance and conservation of property	3,398	2,840	3,399	2,844
Transportation	2,134	2,617	2,138	2,624
Fees and emoluments	1,702	2,965	1,943	3,278
Travel	1,409	2,507	1,410	2,510
Water, power and gas	1,186	1,371	1,187	1,376
Consumption materials	595	800	595	800
Other	18,952	14,115	19,888	15,080
Total	1,216,202	965,667	1,227,065	979,866

26) Tax expenses

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Social contribution on revenues (COFINS)	97,256	62,832	98,754	65,843
Social Integration Program (PIS)	15,804	10,210	16,093	10,772
Services Tax (ISS)	8,687	8,390	8,875	8,675
Taxes and charges	1,880	2,455	2,196	3,466
Total	123,627	83,887	125,918	88,756

27) Expenses with provisions

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Constitution/reversal of provision for civil proceedings	(59,141)	(85,902)	(60,835)	(88,378)
Constitution/reversal of provision for labor proceedings	(27,783)	17,100	(27,855)	18,598
Constitution/reversal of provision for tax proceedings	(424)	(276)	(1,010)	(20,985)
Total	(87,348)	(69,078)	(89,700)	(90,765)

28) Other operating income and expenses

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Recovery of charges and expenses	59,431	137,294	59,959	138,328
Indexation/foreign exchange variations	10,675	16,149	10,831	16,278
Residual benefit in securitized transactions	-	-	1,095	1,005
Assignment of loans	(757,077)	(684,605)	(757,077)	(684,605)
Discounts granted	(48,366)	(20,008)	(48,366)	(20,008)
Losses on loan/financing operations and frauds	(22,150)	(26,329)	(22,150)	(26,329)
Liens	(12,598)	(11,700)	(12,618)	(11,736)
Amortization of goodwill (Note 15.b)	(11,965)	(11,965)	(12,526)	(12,526)
Other	(4,053)	(5,592)	(3,219)	(4,306)
Total	(786,103)	(606,756)	(784,071)	(603,899)

29) Non-operating result

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Result on the sale of other assets	(3,437)	(26,481)	(3,625)	(26,730)
Reversal/(devaluation) of other assets	1,589	3,889	1,758	3,990
Assignment of rights (1)	-	-	18,912	-
Total	(1,848)	(22,592)	17,045	(22,740)

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

30) 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	6/30/2020	12/31/2019	6/30/2020	6/30/2019
		Assets (liabilities)	Assets (liabilities)	Revenue (expenses)	Revenue (expenses)
Short-term interbank investments (a)		881,998	1,160,000	19,127	8,070
Banco BTG Pactual S.A.	7/1/2020	879,999	710,000	18,443	7,715
Caixa Econômica Federal	-	1,999	450,000	684	355
Loan assignments (b)		2,028,658	2,036,099	320,882	463,253
Caixa Econômica Federal	No term	2,028,658	2,036,099	320,882	463,253
Other credits		10,593	19,814	-	-
Caixa Econômica Federal	No term	275	6,755	-	-
,Too Seguros S.A.	No term	4,605	6,453	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	22	19	-	-
Brazilian Securities Companhia de Securitização (c) (d)	No term	701	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	-	-
Demand deposits (e)		(379)	(382)	-	-
,Too Seguros S.A.	No term	(341)	(341)	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	(3)	(1)	-	-
Pan Administradora de Consórcio Ltda.	No term	(18)	(16)	-	-
Pan Arrendamento Mercantil S.A.	No term	(6)	(5)	-	-
BM sua Casa Promotora de Vendas Ltda.	No term	(2)	(2)	-	-
Brazilian Finance & Real Estate S.A.	No term	(2)	(8)	-	-
Brazilian Securities Companhia de Securitização	No term	(7)	(9)	-	-
Interbank deposits (f)		(8,603,343)	(8,215,331)	(166,588)	(243,996)
Banco BTG Pactual S.A.	7/16/2020	(503,158)	(190,000)	(12,343)	(4,112)
Caixa Econômica Federal	9/25/2020	(7,836,566)	(7,762,156)	(149,648)	(232,018)
Pan Arrendamento Mercantil S.A.	1/23/2023	(263,619)	(263,175)	(4,597)	(7,866)
Time deposits (g)		(393,056)	(352,509)	(6,710)	(9,996)
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	3/2/2023	(48,061)	(17,145)	(673)	(244)
Pan Administradora de Consórcio Ltda.	12/14/202	(52,658)	(50,300)	(963)	(1,427)
Brazilian Securities Companhia de Securitização	3/13/2023	(158,252)	(155,452)	(2,744)	(4,546)
Brazilian Finance & Real Estate S.A.	3/13/2023	(102,746)	(98,910)	(1,769)	(2,858)
BM sua Casa Promotora de Vendas Ltda.	3/6/2023	(30,500)	(29,007)	(518)	(827)
Key management	12/19/202	(839)	(1,695)	(43)	(94)
Liabilities for purchase and sale commitments		(8,577)	(8,952)	(193)	(3,394)
Banco BTG Pactual S.A.	-	-	-	(47)	(2,823)
Caixa Econômica Federal	-	-	(900)	(21)	(311)
Pan Administradora de Consórcio Ltda.	2/28/2023	(8,577)	(8,052)	(125)	(260)
Funds from real estate and agribusiness letters of credit and financial bills (h)		(278)	(377)	(6)	(98)
Key management	8/7/2020	(278)	(377)	(6)	(98)
Derivative financial instruments (i)		(4,044)	185,694	392,285	2,393
Banco BTG Pactual S.A.	7/1/2020	(4,044)	185,694	392,285	2,393



Notes to the financial statements

Other obligations		(15,721)	(14,668)	-	-
,Too Seguros S.A.	No term	(15,225)	(13,268)	-	-
Brazilian Finance & Real Estate S.A.	No term	(324)	(494)	-	-
Brazilian Securities Companhia de Securitização	No term	(168)	(904)	-	-
Pan Arrendamento Mercantil S.A.	No term	(4)	(2)	-	-
Income from services rendered (j)		-	-	33,304	27,548
,Too Seguros S.A.	-	-	-	32,830	26,872
Pan Administradora de Consórcio Ltda.	-	-	-	-	9
Caixa Econômica Federal	-	-	-	474	667
Personnel expenses		-	-	(145)	(130)
,Too Seguros S.A.	-	-	-	(145)	(130)
Other administrative expenses		-	-	(26,177)	(12,196)
,Too Seguros S.A.	-	-	-	(2,732)	(2,846)
Banco BTG Pactual S.A.	-	-	-	(5,316)	(1,508)
BTG Pactual Corretora	-	-	-	(61)	(53)
Tecban S.A.	-	-	-	(539)	(358)
Interbank Payment Chamber	-	-	-	(17,529)	(7,431)
Income from loan assignments		-	-	949,733	357,610
Caixa Econômica Federal	-	-	-	949,733	297,568
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\$ 245, 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 related parties 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 made at the Bank.

(h) Refer to funds raised through agribusiness and real estate letters of credit and financial bills with average rates of 104.55% of the CDI.

(i) Refer to swaps.

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

Consolidated	Maximum term	6/30/2020	12/31/2019	6/30/2020	6/30/2019
		Assets	Assets	Revenue	Revenue
		(liabilities)	(liabilities)	(expenses)	(expenses)
Available funds (a)		353	1,260	-	-
Caixa Econômica Federal	7/1/2020	353	1,260	-	-
Interbank investments (b)		881,998	1,160,000	19,127	8,070
Banco BTG Pactual S.A.	7/1/2020	879,999	710,000	18,443	7,715
Caixa Econômica Federal	No term	1,999	450,000	684	355
Loan assignments (c)		2,028,658	2,036,099	320,882	463,253
Caixa Econômica Federal	No term	2,028,658	2,036,099	320,882	463,253
Other credits		4,902	13,227	-	-
Caixa Econômica Federal	No term	275	6,755	-	-
,Too Seguros S.A.	No term	4,605	6,453	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	22	19	-	-
Demand deposits (d)		(344)	(342)	-	-
,Too Seguros S.A.	No term	(341)	(341)	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	(3)	(1)	-	-
Interbank deposits (e)		(8,339,724)	(7,952,156)	(161,991)	(236,130)



Notes to the financial statements

Banco BTG Pactual S.A.	7/16/2020	(503,158)	(190,000)	(12,343)	(4,112)
Caixa Econômica Federal	9/25/2020	(7,836,566)	(7,762,156)	(149,648)	(232,018)
Time deposits (f)		(48,900)	(18,840)	(716)	338
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	3/2/2023	(48,061)	(17,145)	(673)	(244)
Key management	12/19/2022	(839)	(1,695)	(43)	(94)
Liabilities for purchase and sale commitments		-	(900)	(68)	(3,134)
Banco BTG Pactual S.A.	4/1/2020	-	-	(47)	(2,823)
Caixa Econômica Federal	-	-	(900)	(21)	(311)
Funds from real estate and agribusiness letters of credit and financial bills (g)		(278)	(377)	(6)	(98)
Key management	8/7/2020	(278)	(377)	(6)	(98)
Derivative financial instruments (h)		(4,044)	185,694	392,285	2,393
Banco BTG Pactual S.A.	7/1/2020	(4,044)	185,694	392,285	2,393
Other obligations		(15,225)	(13,268)	-	-
,Too Seguros S.A.	No term	(15,225)	(13,268)	-	-
Income from services rendered (i)		-	-	33,304	27,539
,Too Seguros S.A.	-	-	-	32,830	26,872
Caixa Econômica Federal	-	-	-	474	667
Personnel expenses		-	-	(145)	(130)
,Too Seguros S.A.	-	-	-	(145)	(130)
Other administrative expenses		-	-	(26,177)	(12,196)
,Too Seguros S.A.	-	-	-	(2,732)	(2,846)
Banco BTG Pactual S.A.	-	-	-	(5,316)	(1,508)
BTG Pactual Corretora	-	-	-	(61)	(53)
Tecban S.A.	-	-	-	(539)	(358)
Interbank Payment Chamber	-	-	-	(17,529)	(7,431)
Income from loan assignments		-	-	949,733	357,610
Caixa Econômica Federal	-	-	-	949,733	297,568
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 related parties 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 made at the Bank.

(g) Refer to funds raised through agribusiness and real estate letters of credit and financial bills with average rates of 104.55% of the CDI.

(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 PAN Conglomerate 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	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Fee expenses (Note 24)	5,784	12,507	5,784	12,507
Social security contributions (INSS)	1,301	2,814	1,301	2,814
Total	7,085	15,321	7,085	15,321

(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.

31) 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	6/30/2020	12/31/2019
Tier I reference equity	3,257,331	2,499,049
Core capital	3,257,331	2,499,049
Tier II reference equity	8,664	8,455
Reference equity for comparison with risk-weighted assets (RWA)	3,265,995	2,507,504
Reference equity	3,265,995	2,507,504
- Credit risk	18,171,017	17,299,562
- Market risk	36	4,742
- Operating risk	2,396,524	2,309,501
Risk-weighted assets (RWA)	20,567,577	19,613,805
Basel index	15.88%	12.78%
Tier I	15.84%	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	(88)	(6,984)	(14,120)
Coupon - other interest rates	Coupon rates of interest rates	(39)	(5,842)	(10,648)
Coupon - price index	Coupon rates of price indices	(13)	(2,883)	(5,375)
Foreign currency	Foreign exchange rates	-	(3)	(7)
Foreign exchange coupon	Foreign exchange coupon rates	-	(1)	(3)
Total at 6/30/2020		(140)	(15,713)	(30,153)
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 June 2020, including 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: 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 6/30/2020 and 12/31/2019 are presented below:

Liabilities - U.S. dollar	6/30/2020	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 6/30/2020 and 12/31/2019, the position of derivative financial instruments, in foreign currency, was as follows:

	Notional value		Market value	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Purchased position - U.S. dollar				
Swap	-	1,149,264	-	1,908,691
Total	-	1,149,264	-	1,908,691
Sold position - U.S. dollar				
DOL	2,720	2,011	2,720	2,011
Total	2,720	2,011	2,720	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 3,678/13, 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	6/30/2020			12/31/2019		
	Net book value	Market value	Unrealized profit (loss)	Net book value	Market value	Unrealized profit (loss)
Marketable securities	2,412,140	2,463,025	50,885	2,087,652	2,129,484	41,832
- Trading securities	263,259	263,259	-	359,782	359,782	-
- Available-for-sale securities	1,032,136	1,032,136	-	986,659	986,659	-
- Securities held to maturity	1,116,745	1,167,630	50,885	741,211	783,043	41,832
Credit operations	24,723,291	28,528,607	3,805,316	23,628,092	26,962,845	3,334,753
Interbank deposits	8,541,211	8,540,090	1,121	8,365,928	8,395,004	(29,076)
Time deposits	11,278,144	12,901,610	(1,623,466)	11,367,477	13,042,521	(1,675,044)
Funds from issuance of securities	4,213,619	4,236,264	(22,645)	1,868,324	1,888,784	(20,460)
Subordinated debts	8,664	10,337	(1,673)	1,885,320	1,887,098	(1,778)
Unrealized profit with no tax effects			2,209,538			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.

32) 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 6/30/2020, the benefit expenses amounted to R\$ 41,631 and R\$ 41,783 in the Bank and in the Consolidated, respectively (R\$ 34,146 and R\$ 34,289 in the Bank and in the Consolidated, respectively, in the period ended 6/30/2019).

33) Income tax and social contribution

a) Income tax and social contribution reconciliation:

	Bank		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Profit before income tax and social contribution	408,815	287,842	417,239	291,696
Total charge at the nominal rate (1)	(172,647)	(115,137)	(173,751)	(114,744)
Effect on tax calculation:				
Equity in the results of investees	7,545	4,304	-	-
Interest on capital	55,352	33,456	55,352	33,456
Other amounts (2)	15,385	3,349	15,610	3,406
Income tax and social contribution expense	(94,365)	(74,028)	(102,789)	(77,882)

(1) Standard rate: (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 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	Constituted	Realized	At
	12/31/2019			6/30/2020
Allowance for doubtful accounts	1,258,340	331,333	(218,810)	1,370,863
Provision for civil contingencies	138,254	27,956	(27,815)	138,395
Provision for labor contingencies	94,210	16,083	(12,950)	97,343
Provision for tax contingencies	1,110	48	(38)	1,120
Provision for loss on assets not for own use	38,212	626	(1,341)	37,497
Mark-to-market adjustment of derivatives	-	128,328	(105,569)	22,759
Other provisions	485,083	427,142	(298,726)	613,499
Total deferred tax assets on temporary differences	2,015,209	931,516	(665,249)	2,281,476
Income tax and social contribution losses	1,282,378	5,783	(118,113)	1,170,048
Total deferred tax assets	3,297,587	937,299	(783,362)	3,451,524
Deferred tax liabilities (Note 33.e)	(13,417)	-	13,417	-
Deferred tax assets, net of deferred tax liabilities	3,284,170	937,299	(769,945)	3,451,524

Consolidated	At	Constituted	Realized	At
	12/31/2019			6/30/2020
Allowance for doubtful accounts	1,271,124	331,357	(218,673)	1,383,808
Provision for civil contingencies	142,391	28,313	(28,203)	142,501
Provision for labor contingencies	97,728	16,381	(13,284)	100,825
Provision for tax contingencies	20,343	434	(39)	20,738
Provision for loss on assets not for own use	38,451	626	(1,393)	37,684
Mark-to-market adjustment of derivatives	10,588	132,841	(107,690)	35,739
Other provisions	485,137	427,541	(299,110)	613,568
Total deferred tax assets on temporary differences	2,065,762	937,493	(668,392)	2,334,863
Income tax and social contribution losses	1,336,206	7,005	(121,093)	1,222,118
Total deferred tax assets	3,401,968	944,498	(789,485)	3,556,981
Deferred tax liabilities (Note 33.e)	(98,654)	(191)	13,416	(85,429)
Deferred tax assets, net of deferred tax liabilities	3,303,314	944,307	(776,069)	3,471,552

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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
In 2020	734,901	810,036	10,592	56,507	745,493	866,543
In 2021	879,854	731,169	24,138	129,235	903,992	860,404
In 2022	512,452	324,970	158,484	257,805	670,936	582,775
In 2023	43,590	51,716	311,089	348,498	354,679	400,214
In 2024	34,015	17,569	399,227	490,333	433,242	507,902
From 2025 to 2026	34,477	37,536	266,518	-	300,995	37,536
From 2027 to 2029	42,187	42,213	-	-	42,187	42,213
Total	2,281,476	2,015,209	1,170,048	1,282,378	3,451,524	3,297,587

Consolidated	Temporary differences		Income tax and social contribution losses		Total	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
In 2020	737,946	816,747	10,989	58,383	748,935	875,130
In 2021	882,783	733,530	25,089	131,962	907,872	865,492
In 2022	518,367	329,911	159,849	260,933	678,216	590,844
In 2023	45,512	53,896	313,026	350,278	358,538	404,174
In 2024	38,021	27,261	401,905	491,786	439,926	519,047
From 2025 to 2026	49,937	42,740	270,680	2,943	320,617	45,683
From 2027 to 2029	62,297	61,677	1,630	971	63,927	62,648
Total	2,334,863	2,065,762	1,183,168	1,297,256	3,518,031	3,363,018

At 6/30/2020, the present value of deferred tax assets, calculated based on the Bank's average funding rate, totaled R\$ 3,037,505 in the Bank and R\$ 3,082,454 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 6/30/2020, 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\$ 244,618 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 6/30/2020
Mark-to-market adjustment of derivatives	(13,417)	-	13,417	-
Total (Note 33.b)	(13,417)	-	13,417	-

Consolidated	At 12/31/2019	Constituted	Realized	At 6/30/2020
Adjustment to market value of marketable and other securities	(20,452)	(191)	13,416	(7,227)
Excess depreciation	(78,202)	-	-	(78,202)
Total (Note 33.b)	(98,654)	(191)	13,416	(85,429)

34) Other Information

- a) Guarantees and sureties granted totaled R\$ 319,482 at June 30, 2020 (R\$ 313,061 at December 31, 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 6/30/2020 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 consider 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 Board of Directors

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission, the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed, and approved the parent company and consolidated financial statements as at and for the six-month period ended 6/30/2020.



Declaration of the Board of Directors

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission, the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed, and agreed with the conclusion expressed by the auditors on the parent company and consolidated financial statements as at and for the six-month period ended 6/30/2020.



São Paulo, July 30, 2020

BOARD OF DIRECTORS

Gregório Moreira Franco
CRC 1SP219426/O-2
ACCOUNTANT

Banco Pan S.A.

***Parent company and consolidated
financial statements
at June 30, 2020
and independent auditor's report***





(A free translation of the original in Portuguese)

Independent auditor's report

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

Opinion

We have audited the accompanying parent company financial statements of Banco Pan S.A. ("Bank"), which comprise the balance sheet as at June 30, 2020 and the statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the accompanying consolidated financial statements of Banco Pan S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at June 30, 2020 and the consolidated statements of income, comprehensive income and cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

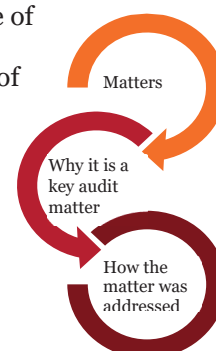
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco Pan S.A. and of Banco Pan S.A. and its subsidiaries as at June 30, 2020, and the Bank's financial performance and cash flows, as well as the consolidated financial performance and the cash flows, for the six-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Basis for opinion

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

Key audit matters

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





Banco Pan S.A.

We planned and performed the June 30, 2020 audit on the basis that the operations of the Bank and its subsidiaries are similar to those in the prior period. Accordingly, the Key Audit Matters, as well as our audit approach, were consistent with the prior period.

Why it is a key audit matter	How the matter was addressed in the audit
<p>Provision for expected losses associated to the credit risk (Notes 3g and 8)</p> <p>The Bank and its subsidiaries operate mainly in the retail banking sector (Note 1). Management's judgment is applied to determine assumptions and criteria when recording the provision for expected losses associated to the credit risk.</p> <p>This process is consistent with the standards and instructions issued by the National Monetary Council (CMN) and the BACEN for estimating credit risk. We focused again on this area in our audit because of the inherent risks.</p>	<p>Our key audit procedures considered the understanding of the significant controls in place to calculate the provision for expected losses associated to the credit risk, the completeness of the database, the processing and recording of the provisions and related disclosures in the notes to the financial statements.</p> <p>We also tested the reconciliation of the accounting balances with the analytical records and recalculated, on a test basis, the provision for expected losses associated to the credit risk, based on the Bank's policies, which include, among others, an evaluation of the risks and effects of delinquencies, consistent with applicable standards.</p> <p>We consider that the assumptions and criteria used by Management are reasonable in relation to the information provided in the financial statements.</p>

Information technology environment	
<p>The Bank and its subsidiaries operate in a business environment in which the information technology structure is critical to the development of its operations and to ensure it continues as a going concern. This technology structure involves the processing of a high volume of transactions on a daily basis, which rely on diverse processes to manage the access and security of the information.</p> <p>Information technology risks inherent in the processing of transactions, through different legacy systems, could generate incorrect information critical to the preparation of the financial statements.</p> <p>We decided to again select this area for focus in our audit because of these risks.</p>	<p>With the support of our system specialists, our audit encompassed an understanding and testing of the information technology general controls and security. These address systemic changes and program development, the security over program and database access, data processing center physical security and compensating controls, when required.</p> <p>We also tested automated controls over technology-dependent information, access restrictions and segregation of duties for processes relevant to the financial statement presentation.</p> <p>Our procedures provided us with reasonable audit evidence of the information technology environment over the preparation of financial statements.</p>



Banco Pan S.A.

Why it is a key audit matter**How the matter was addressed in the audit**

Tax credits (Notes 3n and 33b)

The Bank and its subsidiaries recorded assets of R\$ 3.6 billion from tax losses and temporary differences in calculating Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) accounted for based on projected taxable profit. The projections are based on a study prepared by Management of current and future scenarios that require the use of judgment and subjective assumptions.

We focused again on this area in our audit as the use of different assumptions in determining projected taxable profit could significantly change the estimated offset dates and tax credit amounts. The selection of these estimates are required to comply with CMN and BACEN protocols for recording and maintaining such assets in the financial statements.

Our key audit procedures considered an understanding of the calculation and accounting processes based on tax regulations and accounting standards for tax credits, including the CMN and BACEN specific requirements. We also obtained an understanding of the relevant assumptions used by Management to estimate future taxable profits supporting the tax credits realization.

We compared the assumptions used by the Bank and its subsidiaries to project taxable profits with the budgets approved by the Board of Directors and with market projections. Finally, we performed back-testing to support the reasonableness of past projections.

We consider that the assumptions and criteria adopted by Management are reasonable in relation to the tax credit assets booked, the maintenance thereof and estimated realization.

Other matters

Statements of value added

The parent company and consolidated statements of value added for the six-month period ended June 30, 2020, prepared under the responsibility of the Bank's management and presented as supplementary information for purposes of the Brazilian Central Bank, were submitted to audit procedures performed in conjunction with the audit of the Bank's financial statements. The presentation of these statements is required by the Brazilian corporate legislation for listed companies. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Added Value". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the independent auditor's report

The Bank's management is responsible for the other information that comprises the Management Report.

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



Banco Pan S.A.

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

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

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

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

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



Banco Pan S.A.

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

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

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

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

São Paulo, July 30, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

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

SUMMARY OF THE AUDIT COMMITTEE REPORT

1st half of 2020

The Audit Committee ("COAUD") for Banco PAN S.A. ("Bank") presents a summary of its report as required by CMN Resolution No. 3,198, of May 27, 2004, article 17, 2nd. paragraph, to the financial statements for the 1st half of 2020, expressing its opinion and discussing information that it considers material to the users of the financial information.

The information was presented in the meetings held with Management, the internal areas of the Bank, their reports presented to COAUD, as well as in interactions with the Internal Audit function and the Independent Audit firm.

The COAUD was informed that there were no changes in criteria or material facts that could impact the Balance Sheet or the Bank's results in this period, other than those in the Explanatory Notes, which include: (i) the establishment of the amount of provision for expected losses associated to the credit risk, considering the standards and instructions introduced by the National Monetary Council (CMN) and the Brazilian Central Bank, associated with the judgment and assumptions used by Management to determine the credit risk, for which the Independent Audit firm considers that the assumptions and criteria adopted by the Bank's Management to be reasonable and consistent with the information disclosed in the financial statements; (ii) the Information Technology environment, for which the Independent Audit firm indicated its suitability for the process of preparation of the financial statements; and (iii) tax credits, for which the Independent Audit firm considers the assumptions and criteria adopted by the Bank's Management to be reasonable in relation to the tax credit assets, the maintenance thereof and estimated realization. Additionally, as regards the financial statements for the six-month period ended June 30, 2020, the Independent Audit firm considers that they were properly prepared, in all material respects, and are consistent with the parent company and consolidated financial statements taken as a whole. The key matters for the period were: (i) issuance of financial bills with guarantees; (ii) disposal of ongoing consortium groups; and (iii) maturity, with subsequent settlement, of a bond issued by PAN abroad.

Considering the above, and taking into account the limitations on its responsibilities in its reliance on the veracity of information received from the Bank, the COAUD considers that:

a) The Bank has been improving the monitoring of the main risk indicators, reporting monthly in the Risk Appetite Statement (RAS), and also its corporate governance. The Bank has been reviewing and updating the Corporate Policies of Relationship with Customers and Users of Products and Services, and Trading of Securities. Moreover, the Bank's management continuously makes efforts to improve the cyber security environment and its technology systems.

b) There is no material fact or evidence that could impair the effectiveness or independence of the internal and independent audits, which are compatible with the size and characteristics of the Bank; and

c) The parent company and consolidated financial statements of the Bank and the accompanying notes, together with the Management Report and the Independent Auditor's Report, were prepared in accordance with current regulations, with the requirements of the Brazilian Central Bank and the accounting practices adopted in Brazil, to reflect the Bank's current financial position and performance.

São Paulo, July 28, 2020.

AMIN ALVES MURAD

President

FÁBIO DE BARROS PINHEIRO

Member

PEDRO PAULO LONGUINI

Member



**BANCO PAN S.A.
LISTED COMPANY**

**National Corporate Taxpayers' Register (CNPJ/MF): 59.285.411/0001-13
Commercial Registry Number (NIRE): 35.300.012.879**

OPINION OF THE FISCAL COUNCIL

The Fiscal Council of Banco PAN S.A. ("Bank"), in the performance of its legal and statutory duties, examined the Bank's Management Report as well as the Bank's financial statements for the six-month period ended June 30, 2020, and the notes to those statements. Based on: **(a)** the independent auditor's report issued by PricewaterhouseCoopers Auditores Independentes on July 30, 2020 ("Financial Statements"), which states that the auditors had sufficient access to the information necessary to prepare such report and the financial statements, and whose key audit matters were: **1** – Provision for expected losses associated to the credit risk, concluding that the assumptions and criteria that management used were reasonable and consistent with the information disclosed in the financial statements, according to Notes 3g and 8; **2** – the Information Technology environment, to which were applied IT systems audit procedures related to the testing of general technology and information security controls. These addressed systemic changes and program development, the security over program and database access, data processing center physical security and compensating controls, when required, in addition to testing of automated controls or of the technology-dependent information, and access restriction and segregation of duties related to significant processes for the preparation of the financial statements; and **3** – Tax Credit, in relation to the total credits totaling R\$ 3.6 billion in Banco PAN and its subsidiaries, arising from temporary differences in calculating Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) accounted for based on projected taxable profit, according to Notes 3n and 33b; **(b)** the meeting with the independent auditors; **(c)** on the summarized Audit Committee report, dated July 30, 2020; and **(d)** by analysis of documents, information, and clarifications that the Bank's Board of Directors, mainly the Controllership and Compliance Board, provided to the Fiscal Council; present its opinion in respect to the financial statements.

The Fiscal Board considers that the Financial Statements: **(a)** properly reflect the activities in the period ended June 30, 2020, and the Bank's financial performance; and **(b)** were prepared in accordance with current regulations, to reflect the Bank's current financial position and performance.

São Paulo, September 4, 2020.

Peter Edward Cortes Marsden Wilson

Anibal Cardoso Joaquim

Alexandre Xavier Ywata de Carvalho

