BANCO PAN

Earnings Release

4Q21

Highlights
4Q21

Total Clients

17.1MM

+13% 3Q21

Credit Portfolio

R$ 34.9 Bn

+5% 3Q21

Transaction Volume

R$ 18.7 Bn

+36% 3Q21

Net Income

R$ 190 MM

-0.5% 3Q21

ROE

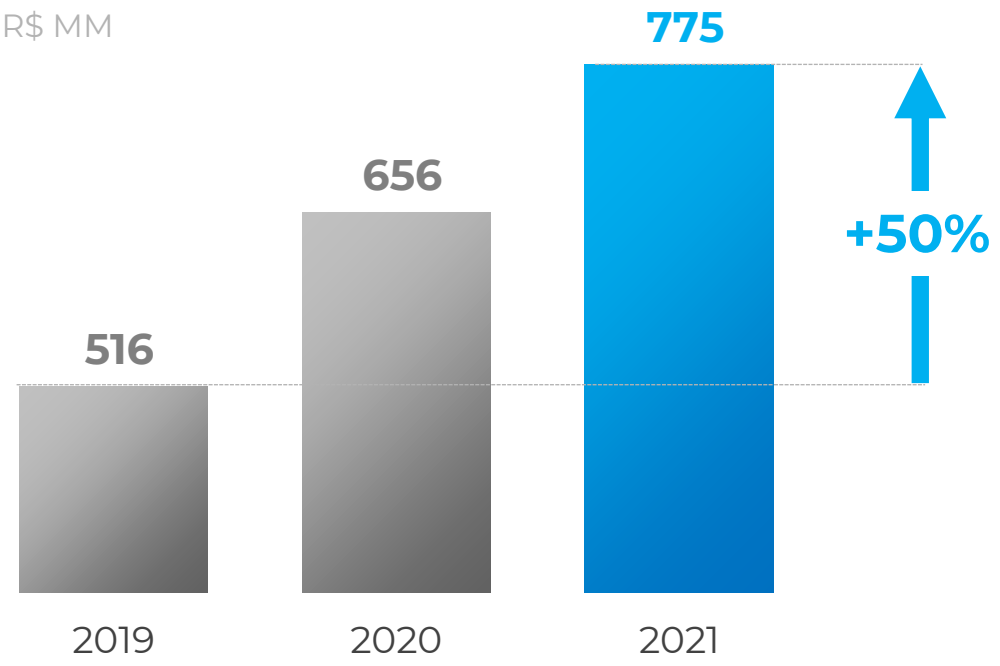
13.3% p.y.

13.6% p.y. 3Q21

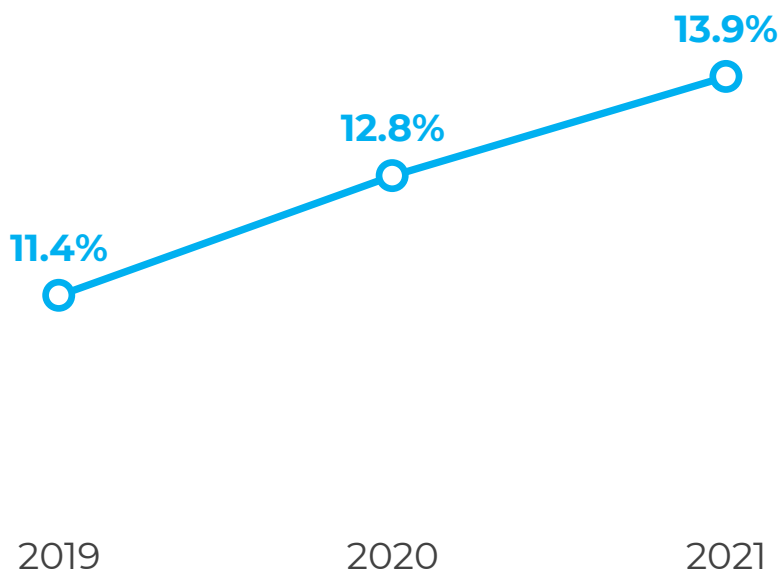
Net Income and Profitability
Consistent evolution

Strong bottom line growth with significant frontloaded investments

Net Income
R$ MM



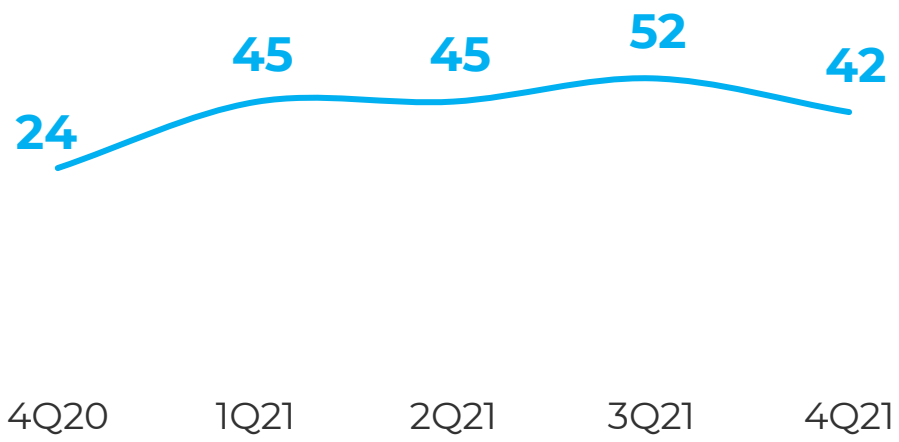
ROE
% p.y.



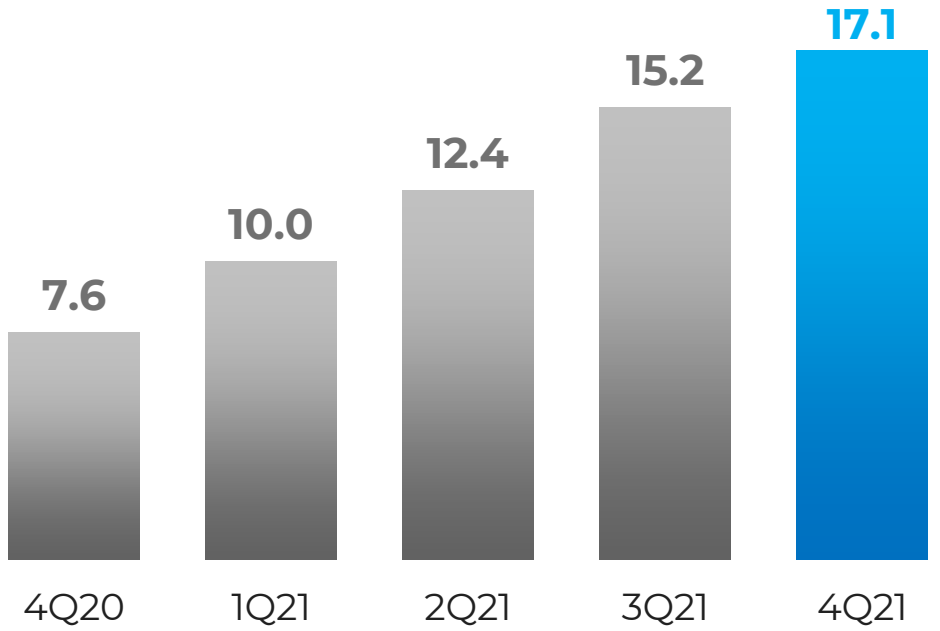
Growth
Scaling up total clients

Optimization of new clients flow and CAC[1]

Total New Clients
thousand / business day



Total Clients
MM



1 – CAC: Customer Acquisition Cost, measured in reais per customer purchased and includes costs with marketing, onboarding, card shipping, credit evaluation and more

BANCO PAN

Update Banking Unit

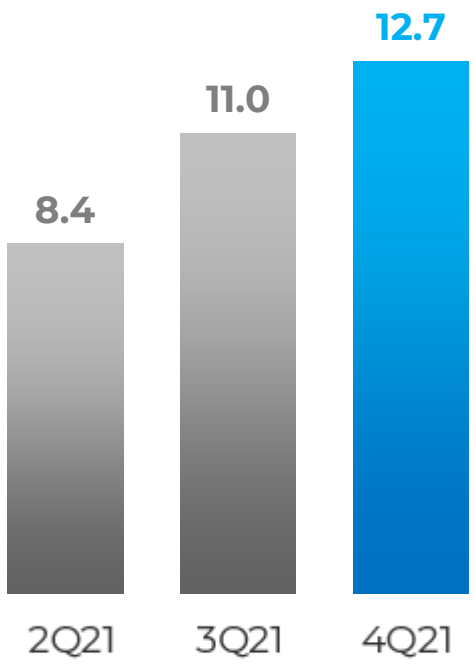
Update Banking Unit
Main drivers

1. **Growth:** 12.7 MM clients and **CAC[1] reduction** due to organic flow increase
2. **Engagement:** high activation level with **CSI[2] evolution** with new products in the app
3. **Services:** in-app purchases intensification, generating growing **fee revenues**
4. **Credit:** high penetration and **relevant in-app origination,** reducing costs

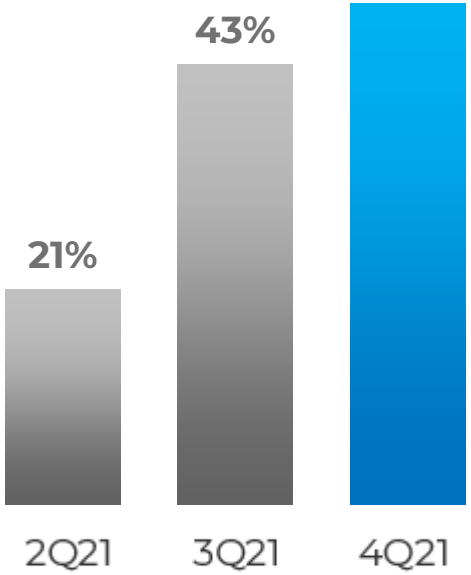
1 – CAC: Client Acquisition Cost, measured in reais per customer acquired including costs with marketing, onboarding, cards, credit bureaus, among others
2 – CSI: Cross sell Index: measured by the number of products consumed per active client

Banking Clients
Higher organic flow with lower CAC

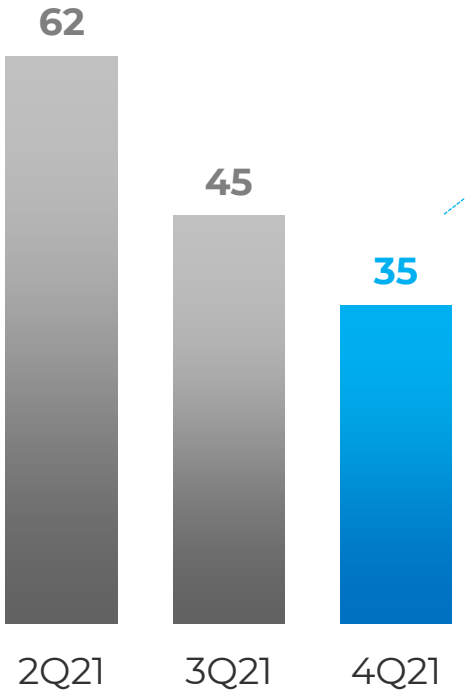
Banking Clients
MM



Organic Flow
% of new *banking clients*



CAC[1]
R$/ Client



Marketing

Onboarding

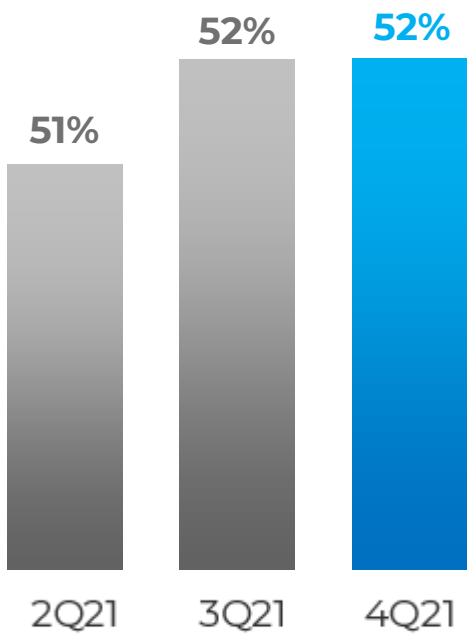
Credit Bureaus

Card
(embossing + delivery)

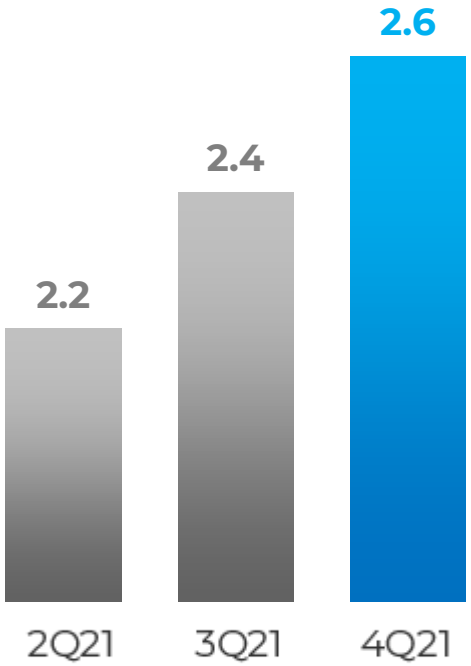
1 – CAC: Client Acquisition Cost, measured in reais per customer acquired including costs with marketing, onboarding, cards, credit bureaus, among others

Banking Clients Engagement
Cross-sell expansion with higher transaction volume

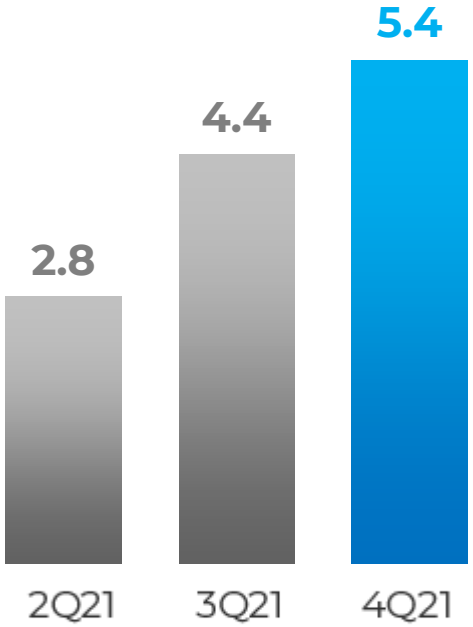
Active Clients[1]
% of *active banking clients*



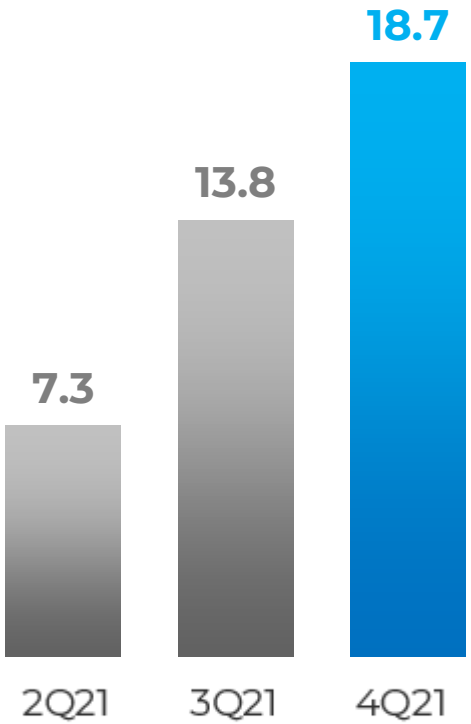
Cross Sell Index[2]
products / active banking client



Accounts with PIX Keys
MM



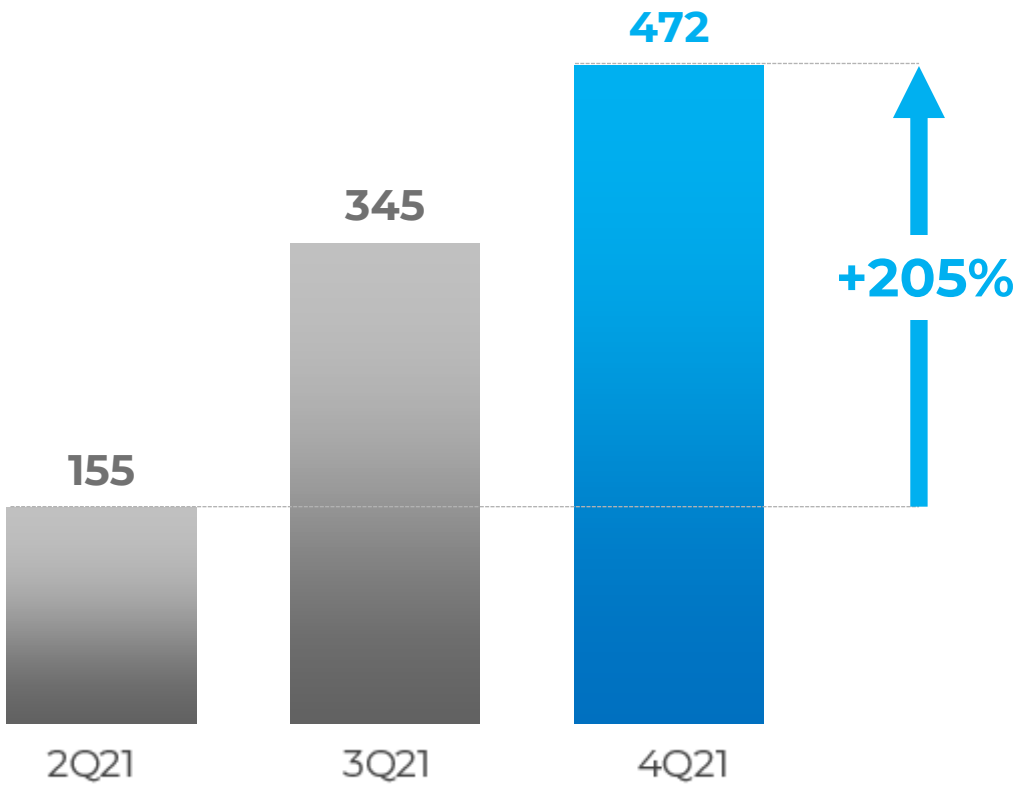
Transaction Volume[3]
R$ Bn



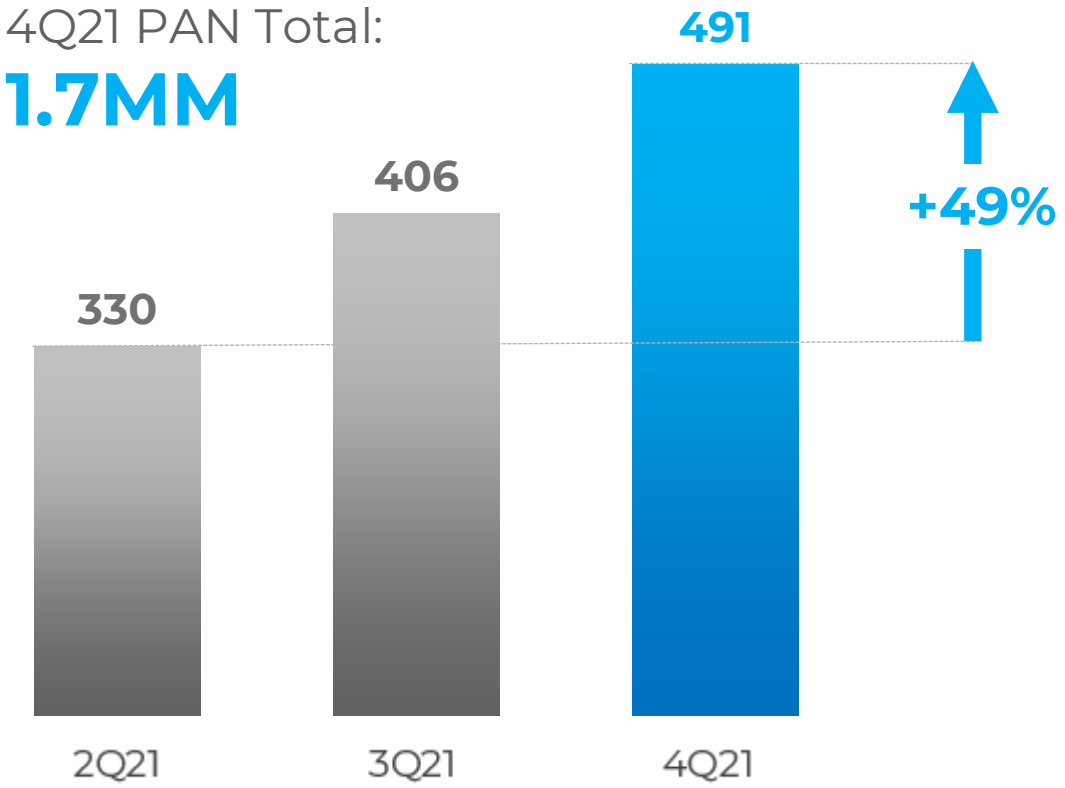
1 - Customers who have credit, deposit in current account, or who have carried out any transaction in the last 90 days prior to the end of the quarter
2 - Considers the average number of products consumed per active customer in the quarter.
3 – App, credit card and debit card.

Banking Clients Engagement
Increasing use of services

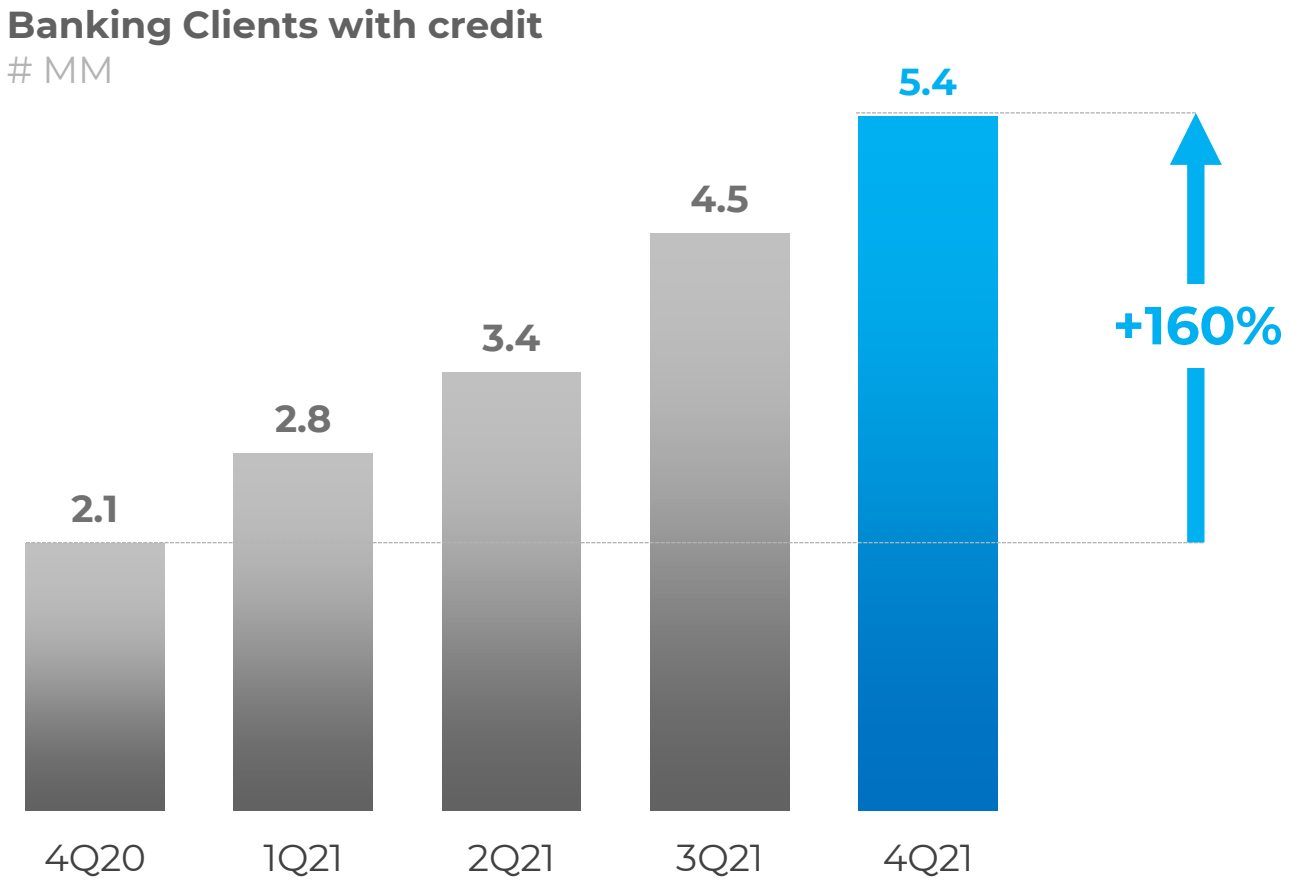
Mobile top up - Clients per quarter
Thousands



Insurance - Clients with active contracts
Thousands



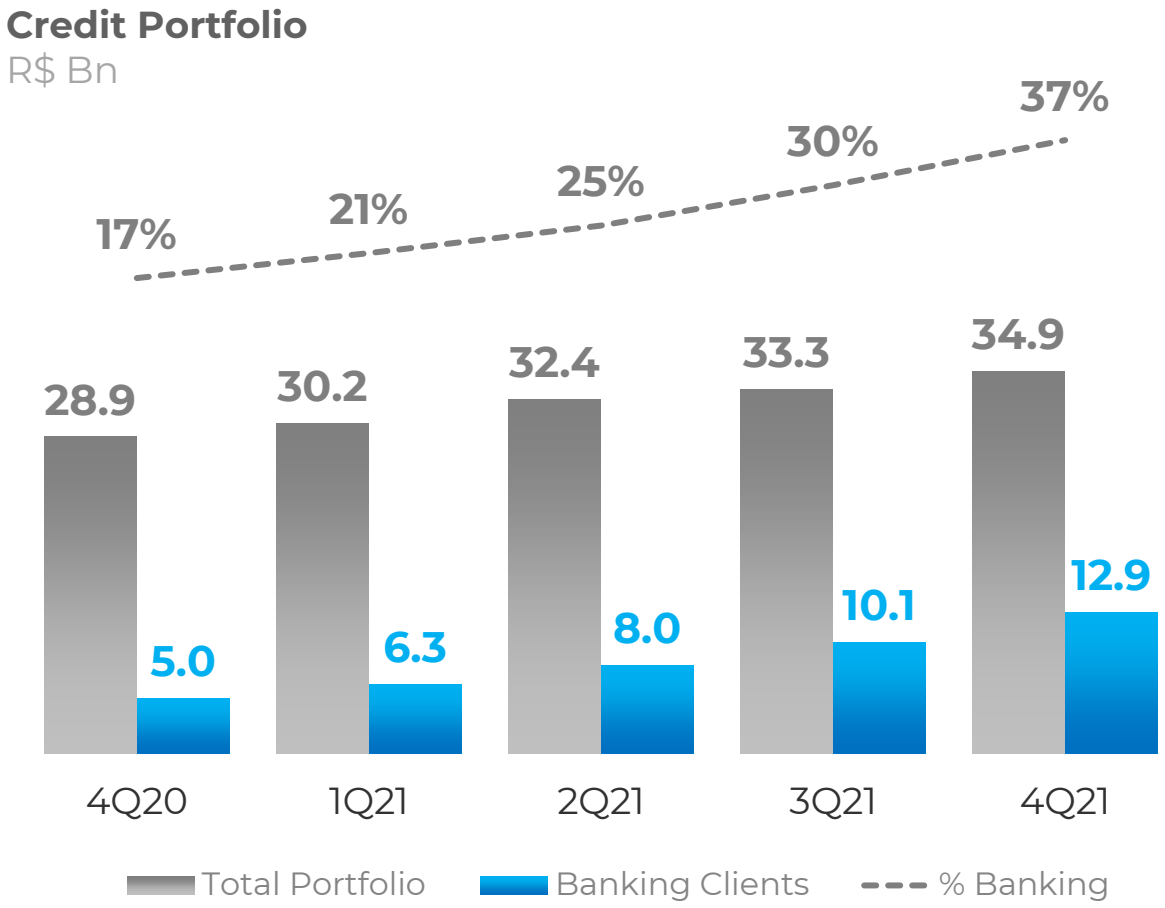
Banking Clients Engagement
Cross-sell expansion through credit

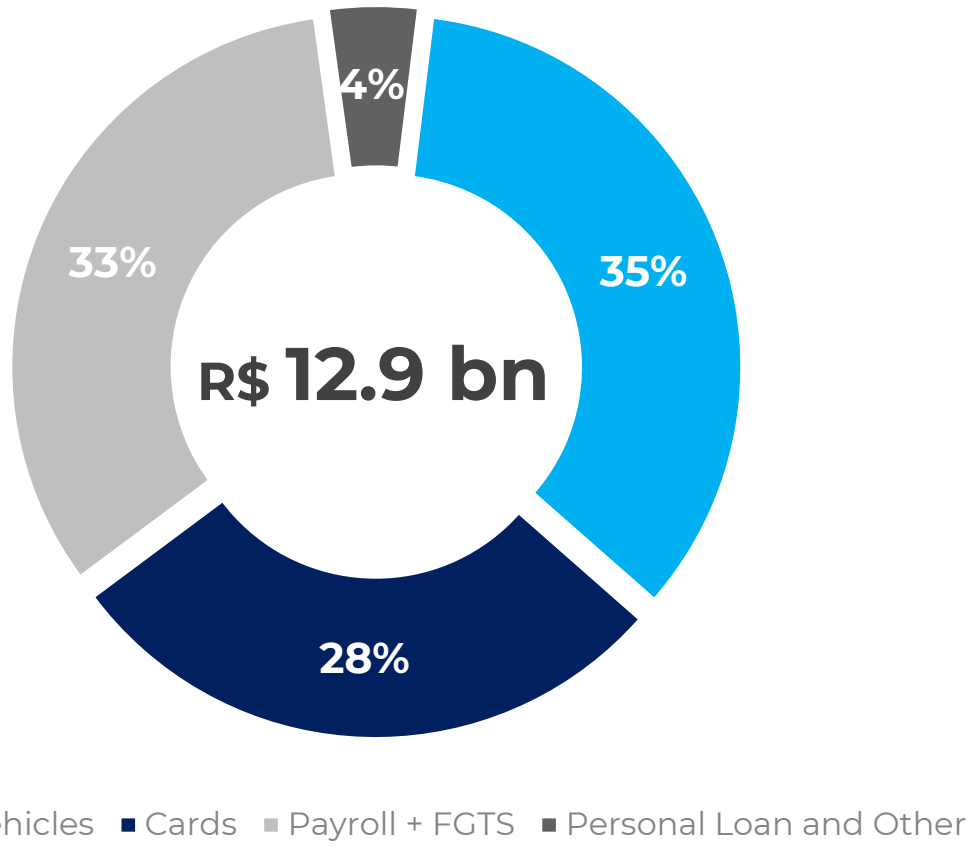


In-App deployments:

- July/21: **FGTS**
- September/21: **Payroll**
- October/21: **Car equity**
- December/ 21: **Pre-approved Vehicles**

Banking Clients Engagement
Increased penetration in credit portfolio





Mosaico
Cashback integration, financial products and *Loja PAN*

Cashback penetration impacting GMV

GMV Black Friday

R$535 million[1]

+105% y.o.y.

Launch of new financial products

+500 K

Requested cards since Nov/21

Accelerating Marketplace in PAN's app

1 = Novembre 26th to November29th

BANCO PAN

Margins and Credit

Margins and Credit
Risk and products diversification

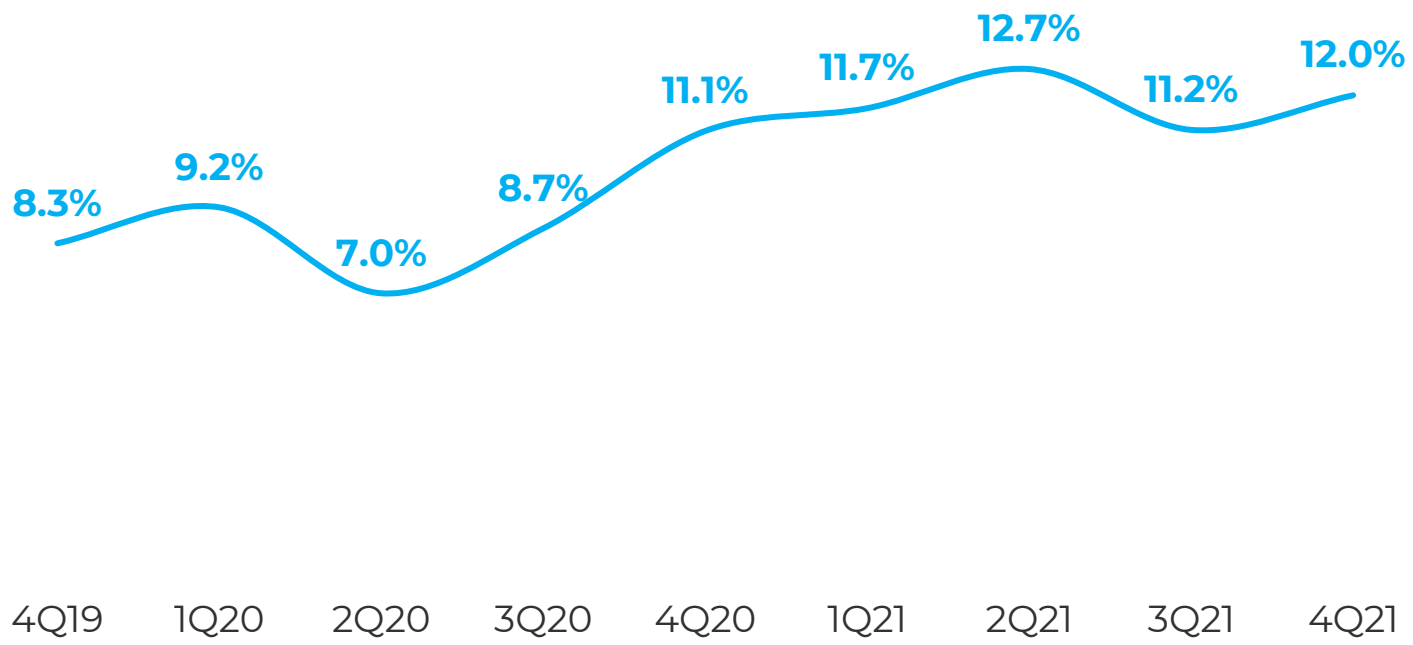
Net interest margin levels after credit cost remains high

1. **Deliquency rate:** gradual growth offset by **higher gross margin** maintaining **irrelevant renegotiation volumes**
2. **Interest rates hiking:** **100% hedged portfolio**, and origination repricing
3. **Asset quality:** **44% of assets free of credit risk** (payroll and FGTS) **+ 43% with collateral** (vehicles)
4. **Assignments:** after margin compression in 2021, business is expected to **resume profitability throughout 2022**

Net Interest Margin After Credit Cost
Risk-adjusted return approach

NIM ex-assignments after credit cost

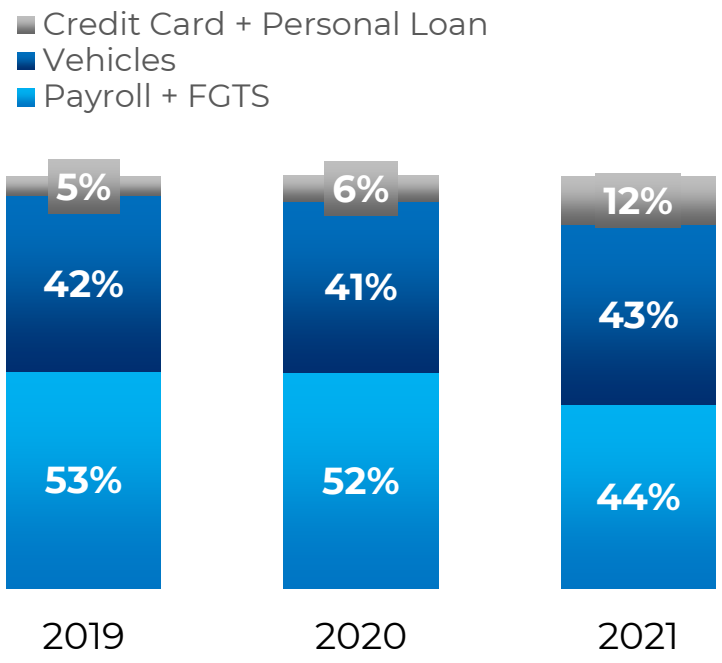
%



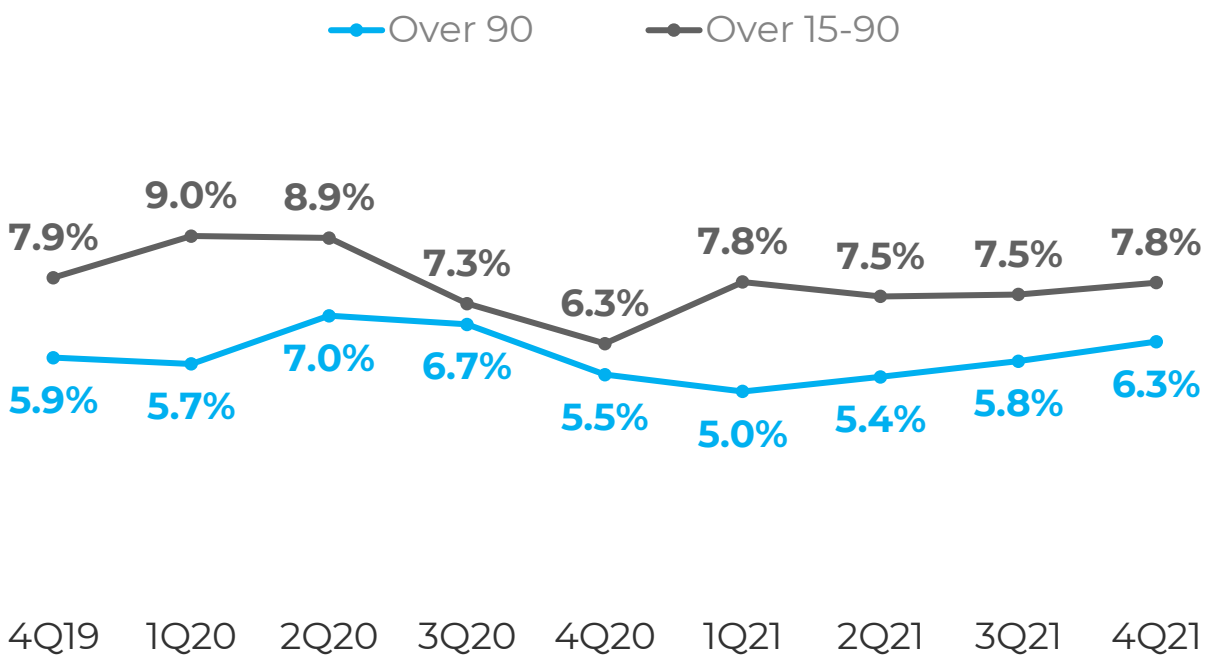
1. Margins running at high levels
2. Highly collateralized portfolio
3. Greater conservatism in origination and collection

Retail Deliquency Rates
Gradual change in portfolio mix

Portfolio Break Down
%



Retail Deliquency Rates
%

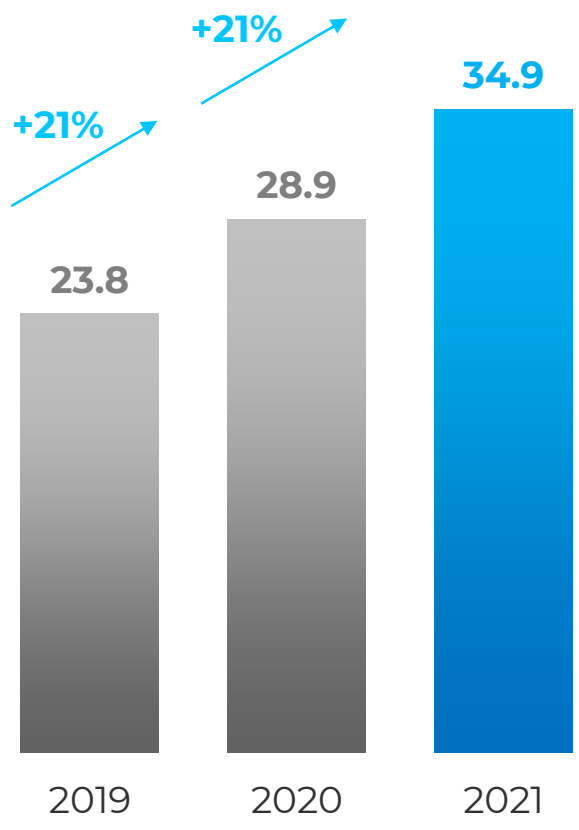


Net Interest Margin

NIM without assignments growing above the portfolio

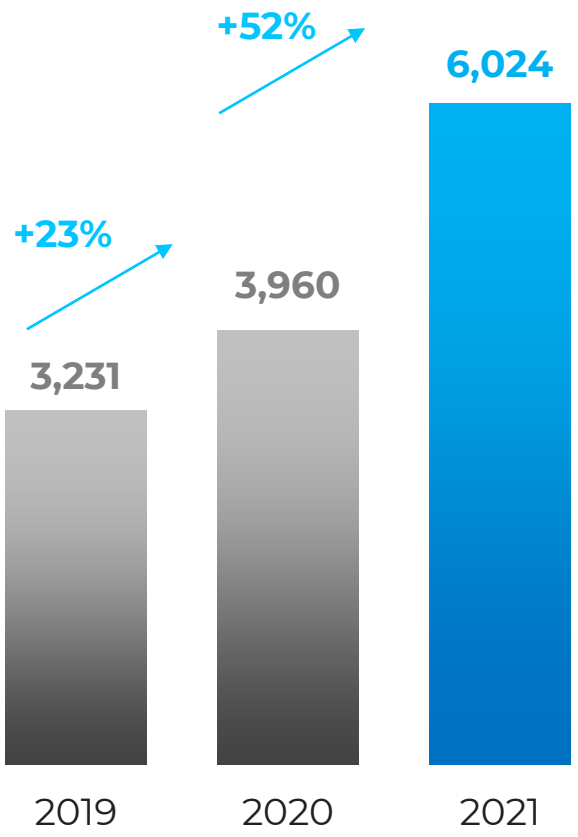
Credit Portfolio

R$ MM



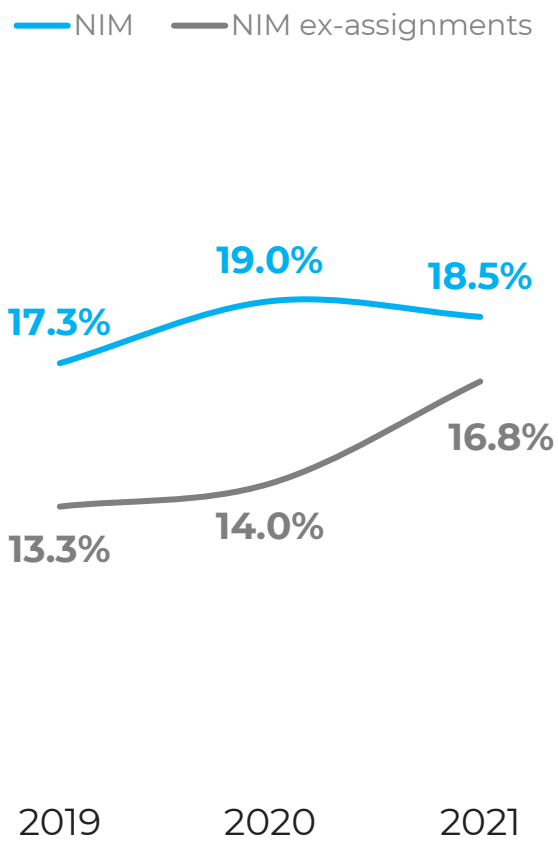
NIM ex-assignments

R$ MM



NIM

% p.y.



BANCO PAN

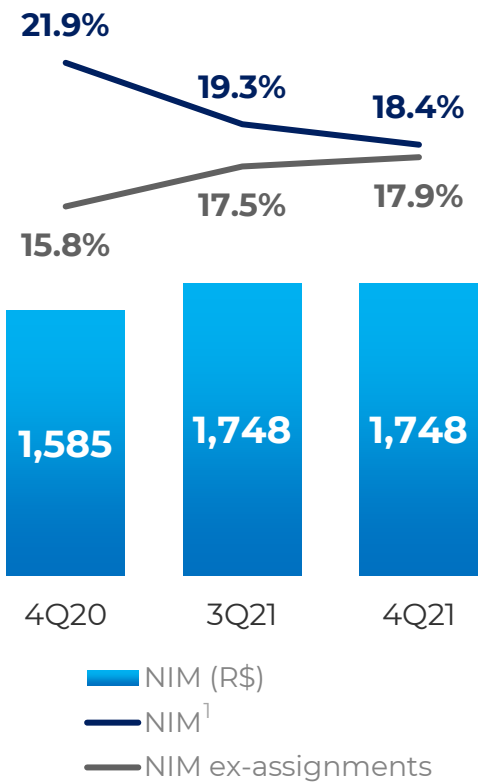
Financial Highlights

4Q21

Quarterly Results

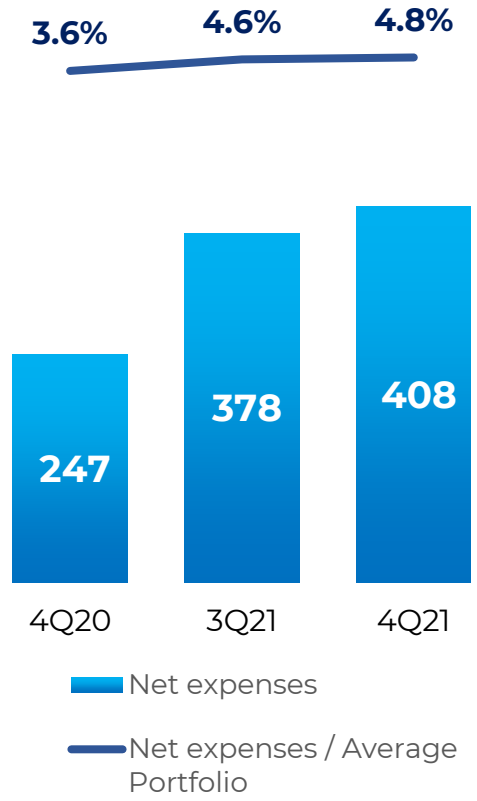
Net Interest Margin

R$ MM & % p.y.



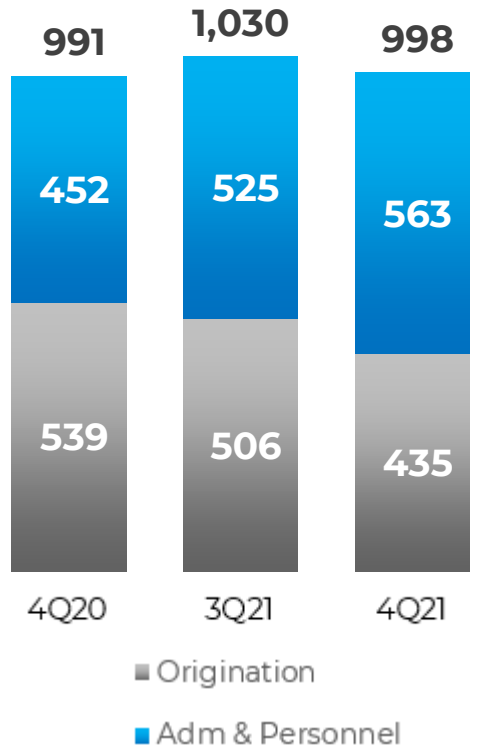
Net Provision Expenses

R$ MM & % p.y.



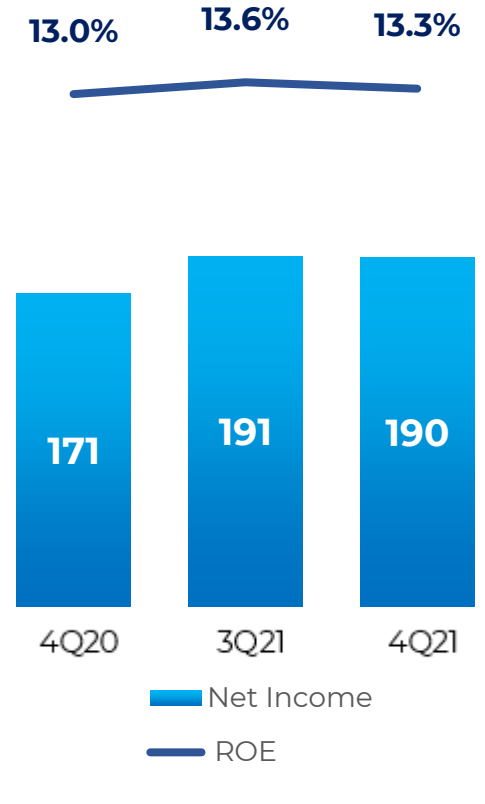
Expenses

R$ MM



Profitability

R$ MM & % p.y.

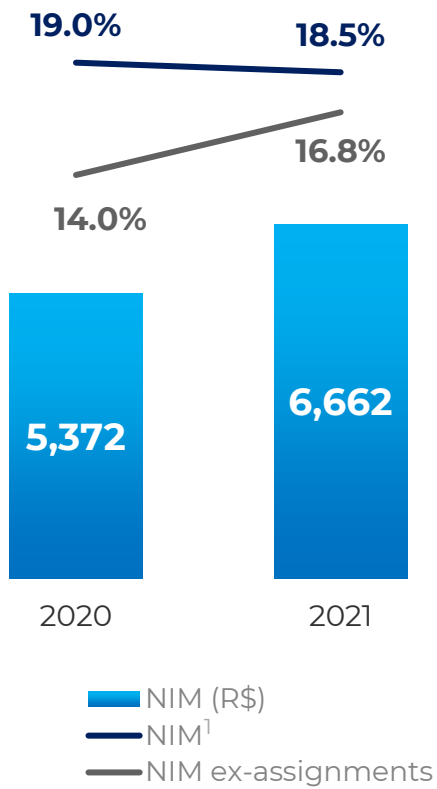


1 - NIM = Managerial Net Interest Margin

Annual Results

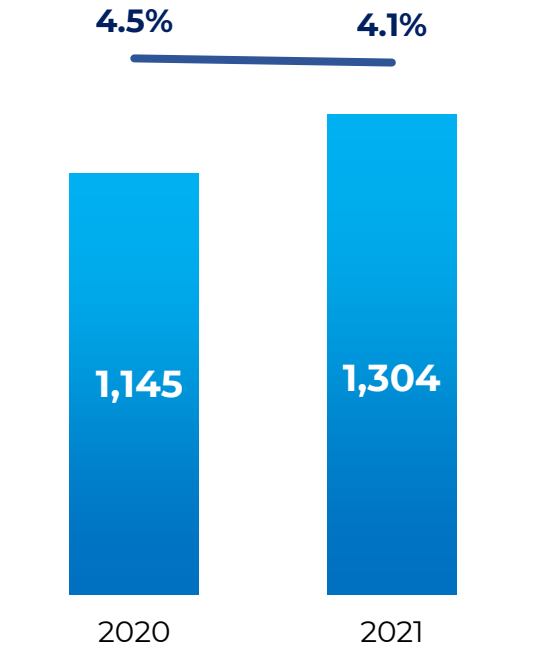
Net Interest Margin

R$ MM & % p.y.



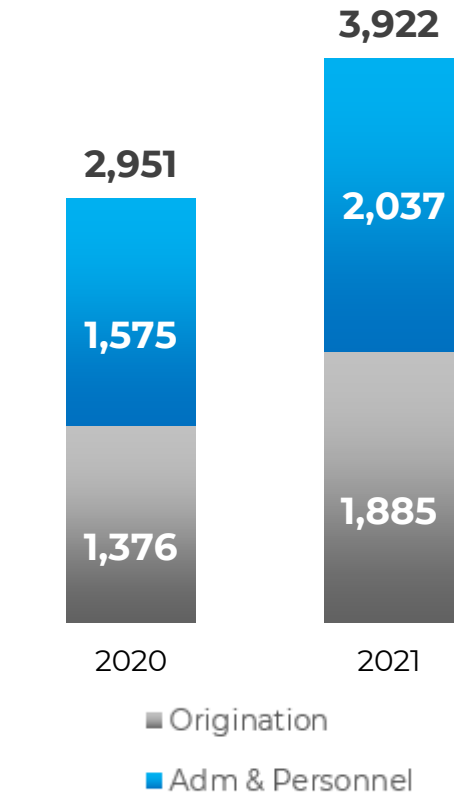
Net Provision Expenses

R$ MM & % p.y.



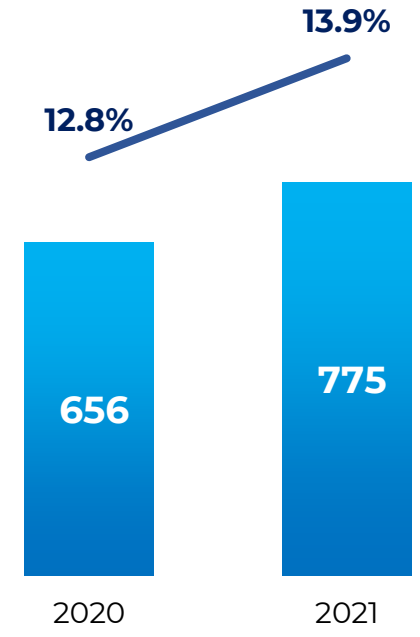
Expenses

R$ MM



Profitability

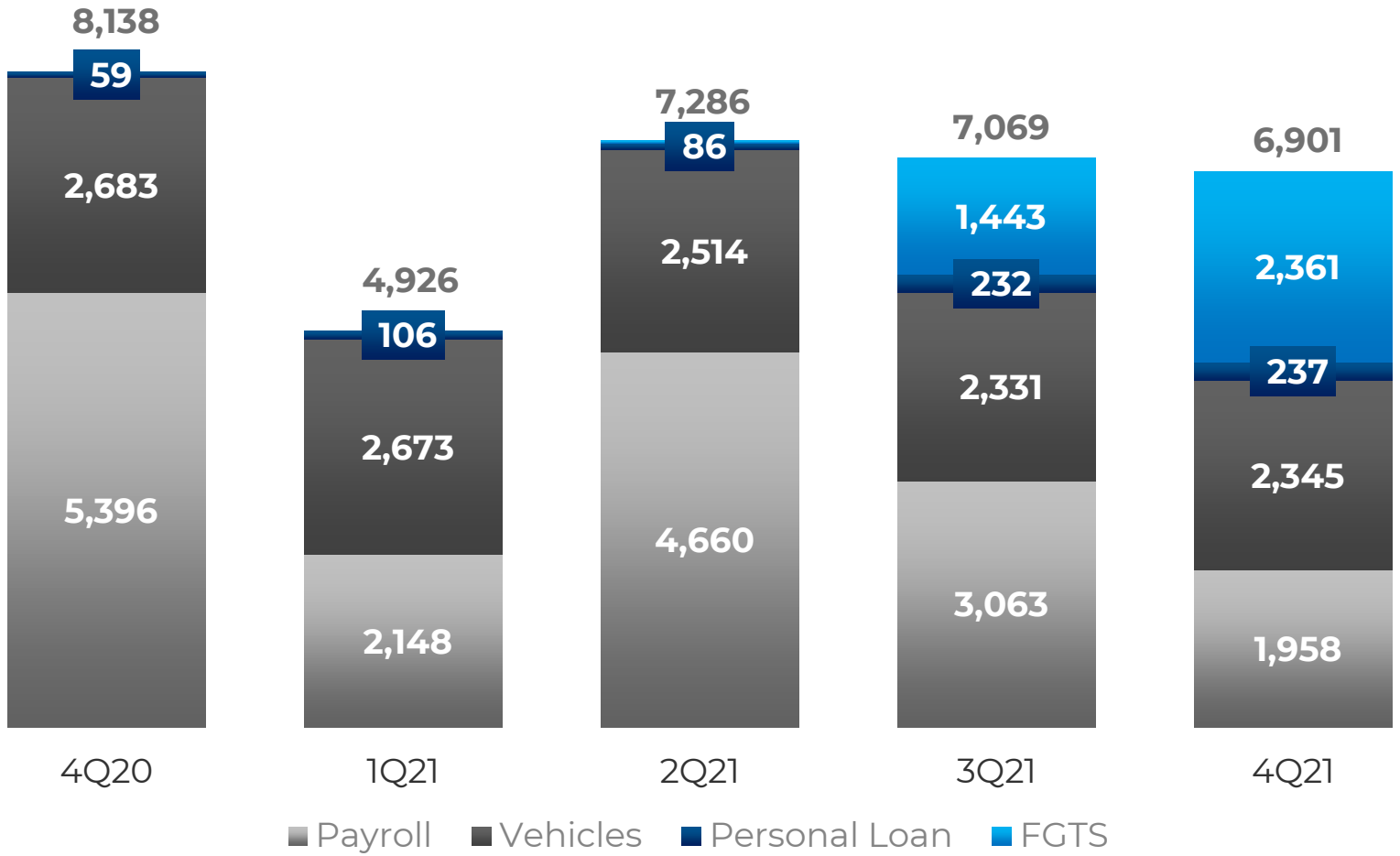
R$ MM & % p.y.



1 - NIM = Managerial Net Interest Margin

RETAIL ORIGINATION

Quarterly Value | R$ MM



+2.2 MM

Clients with **FGTS**

Credit Portfolio

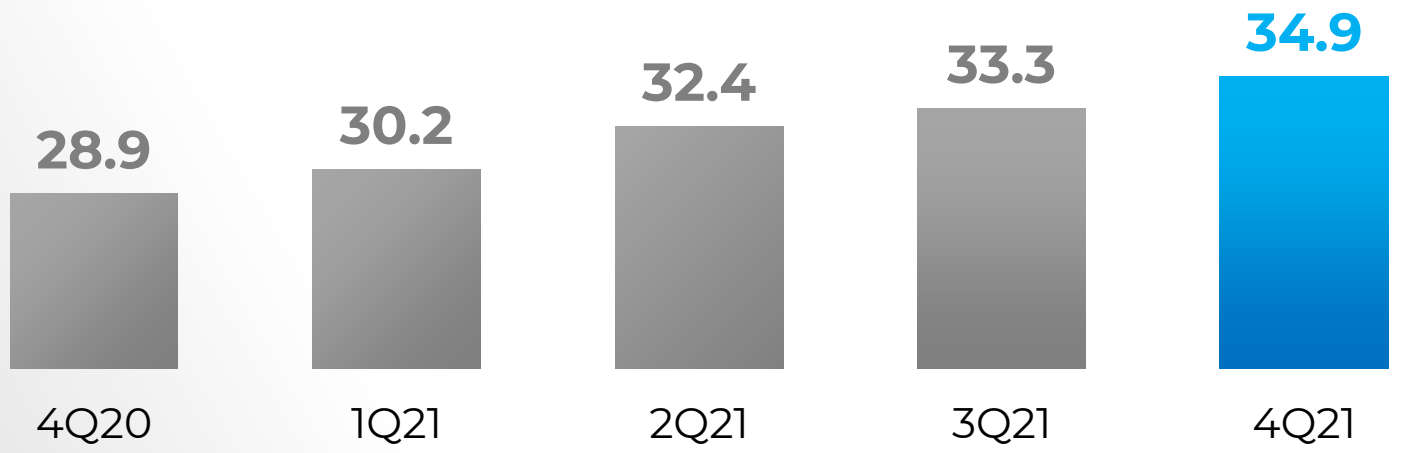
Retained Portfolio | R$ MM

	4Q21	Part. %	Δ 4Q21/ 3Q21	Δ 4Q21/ 4Q20	4Q20	Part. %
Payroll + FGTS	15,517	44%	3%	3%	15,127	52%
Vehicles	14,885	43%	5%	32%	11,299	39%
Credit Cards	3,649	10%	17%	106%	1,772	6%
Personal Loan	470	1%	31%	539%	74	0%
Run Off	375	1%	-13%	-41%	636	2%
TOTAL	**34,896**	**100%**	**5%**	**21%**	**28,907**	**100%**

Collateralized Portfolio=
88%

Renegotiated Portfolio =
0.3%

R$ Bn



PAYROLL DEDUCTIBLE + FGTS

LOANS AND CREDIT CARDS

Overview

Payroll for public sector employees, INSS (social security) retiree, pensioners + **FGTS**

.

Average Ticket Loans:
R$ 6 K

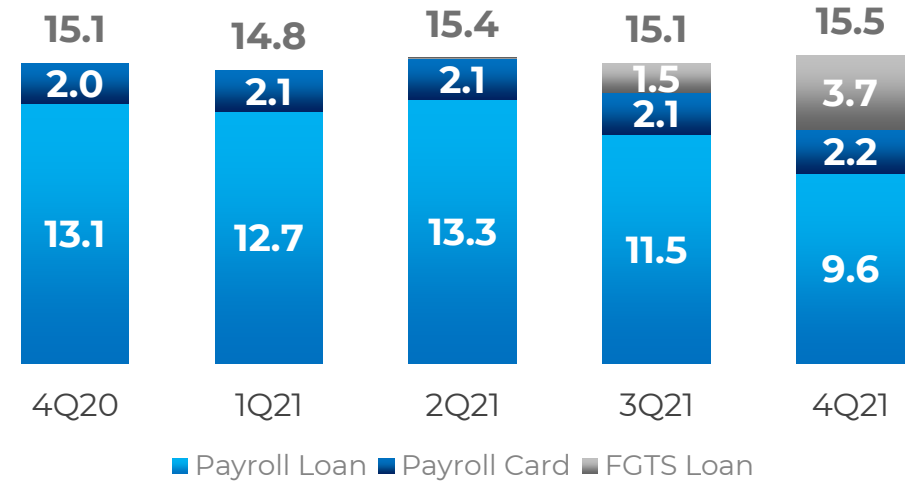
FGTS:
R$ 1.6 K

Duration Loans
35 months

FGTS:
24 months

Portfolio Evolution

R$ Bn



Average Monthly Origination

R$ MM

	4Q21	3Q21	4Q20
Payroll Loan	568	935	1,737
Payroll Cards	85	86	62
FGTS Loan	787	481	-
Total	**1,440**	**1,502**	**1,799**

Origination Breakdown

%

	4Q21	3Q21	4Q20
Federal	**97%**	**96%**	**97%**
INSS + FGTS	91%	90%	92%
SIAPE	5%	5%	4%
Armed Forces	1%	1%	1%
State + Municipalities	**3%**	**4%**	**3%**

VEHICLES FINANCING

Overview

Present in more than **18.6k** multi-brand & single-brand vehicles dealers.

Average Ticket Vehicles: **R$ 32 k**

Motorcycles: **R$ 15 k**

Duration Vehicles: **19 months**

Motorcycles: **16 months**

Downpayment *(%)* Vehicles: **34%**

Motorcycles: **20%**

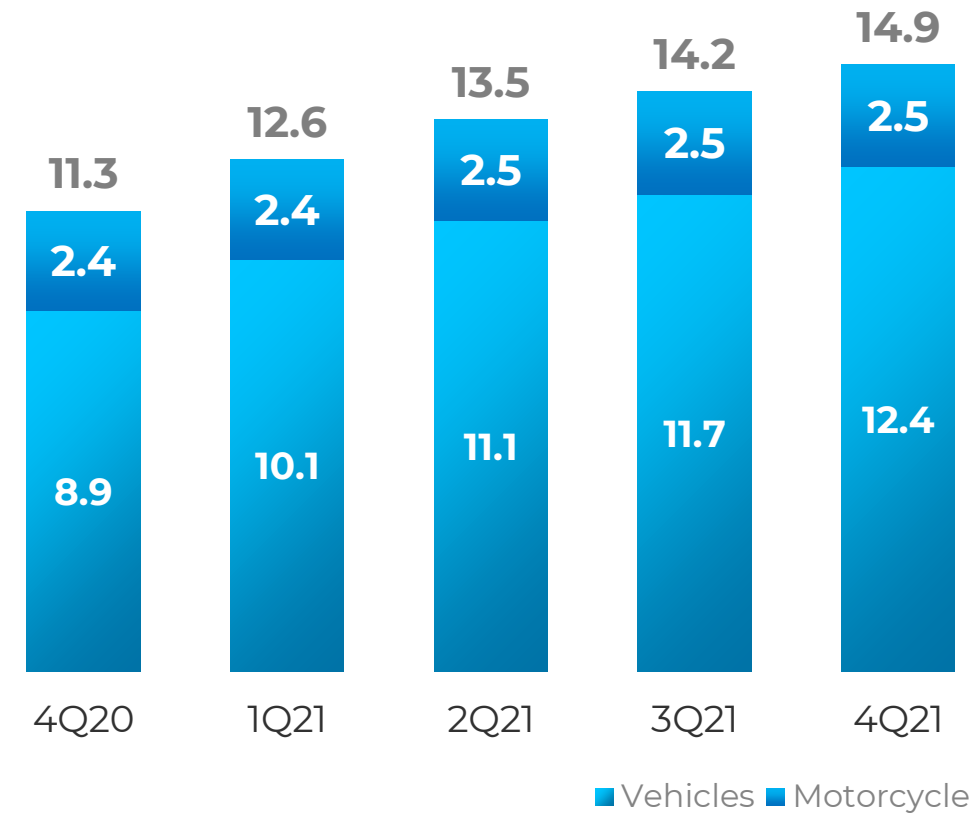
Average Monthly Origination

R$ MM

	4Q21	3Q21	4Q20
Vehicles	677	662	730
Motorcycles	104	115	164
Total	**782**	**777**	**894**

Portfolio Evolution

R$ Bn

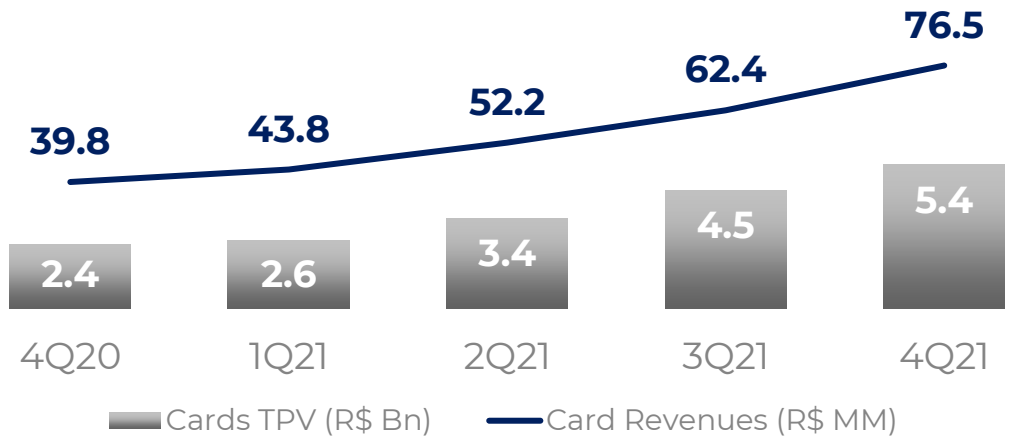


CARDS

Higher **engagement level** and **transactionality** of existing clients

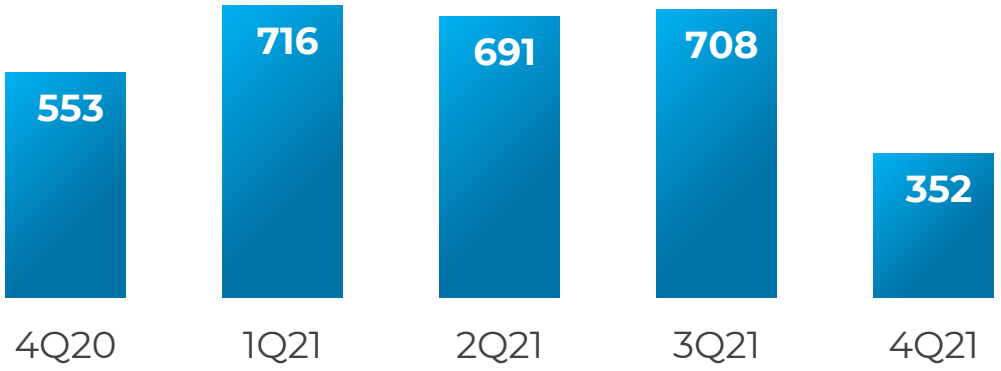
Preventive action in credit granting by reducing the volume of issued cards

Cards Transaction Volume and Revenues



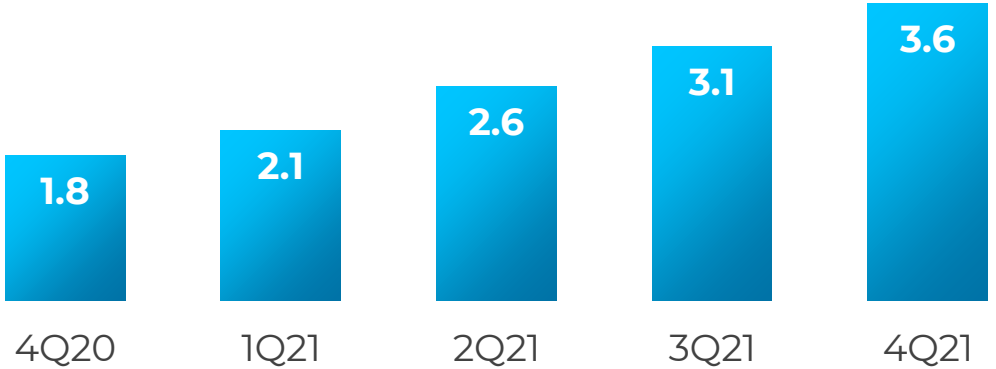
Credit Cards Issued

Thousands



Portfolio Evolution

R$ Bn



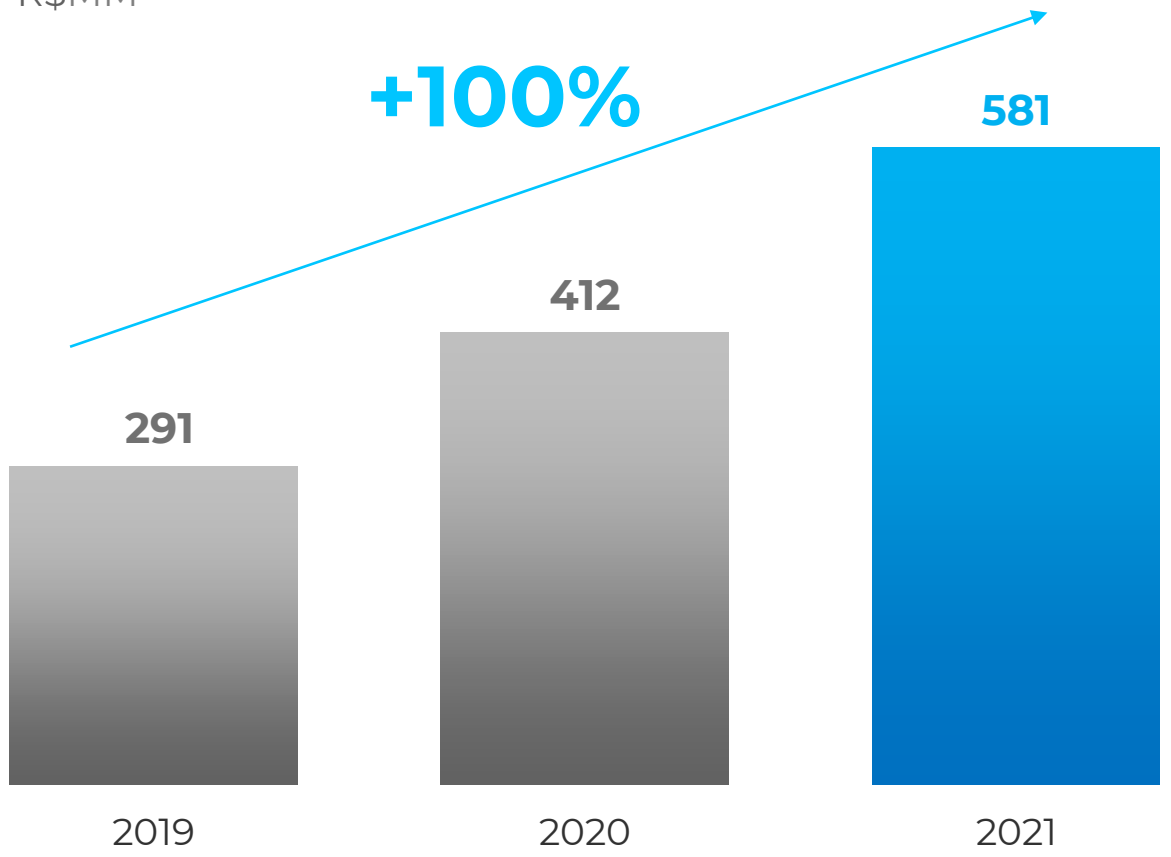
INSURANCE

1.7 MM
Active Clients

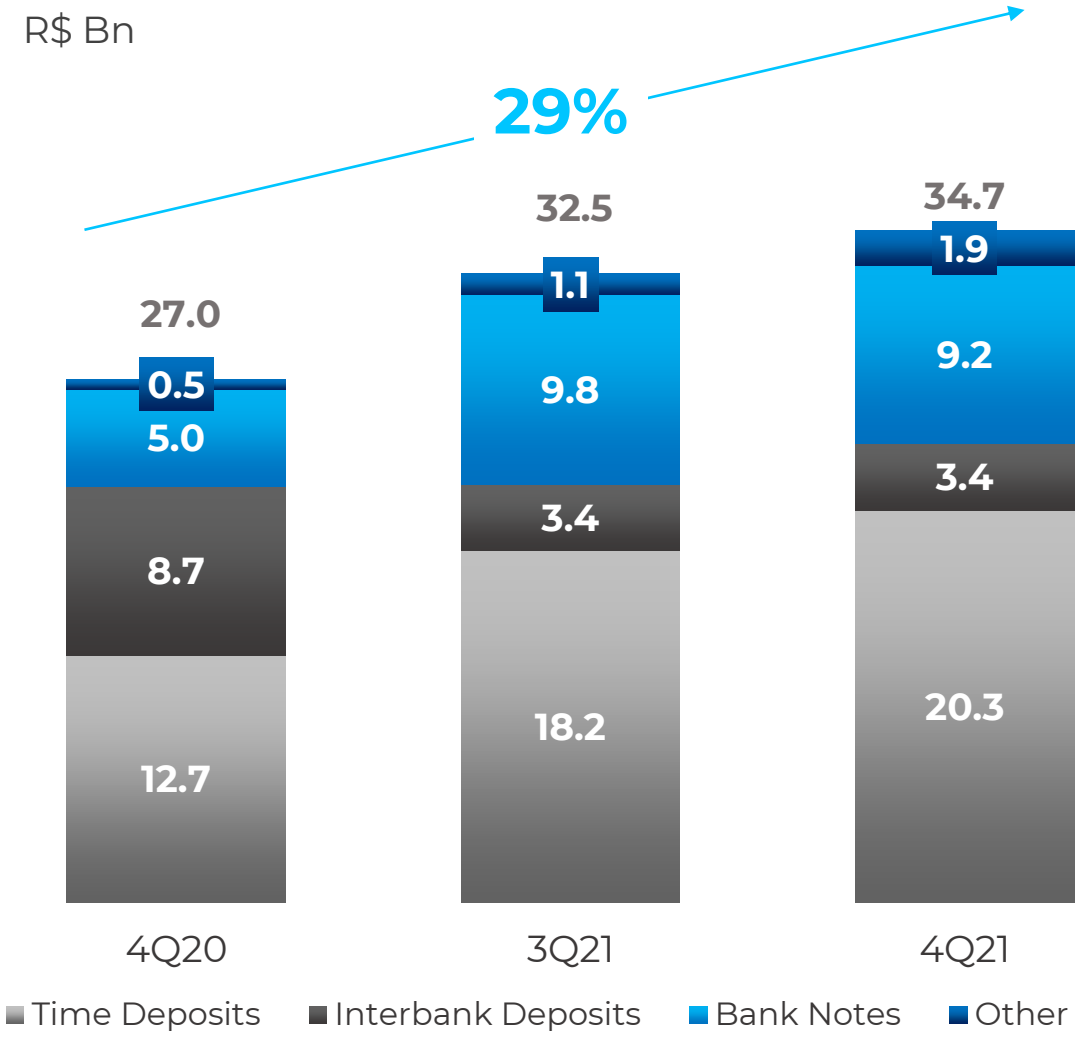
R$124 MM
Insurance Premiums 4Q21

R$54 MM
Insurance Revenues 4Q21

Insurance Premiums
R$MM



FUNDING



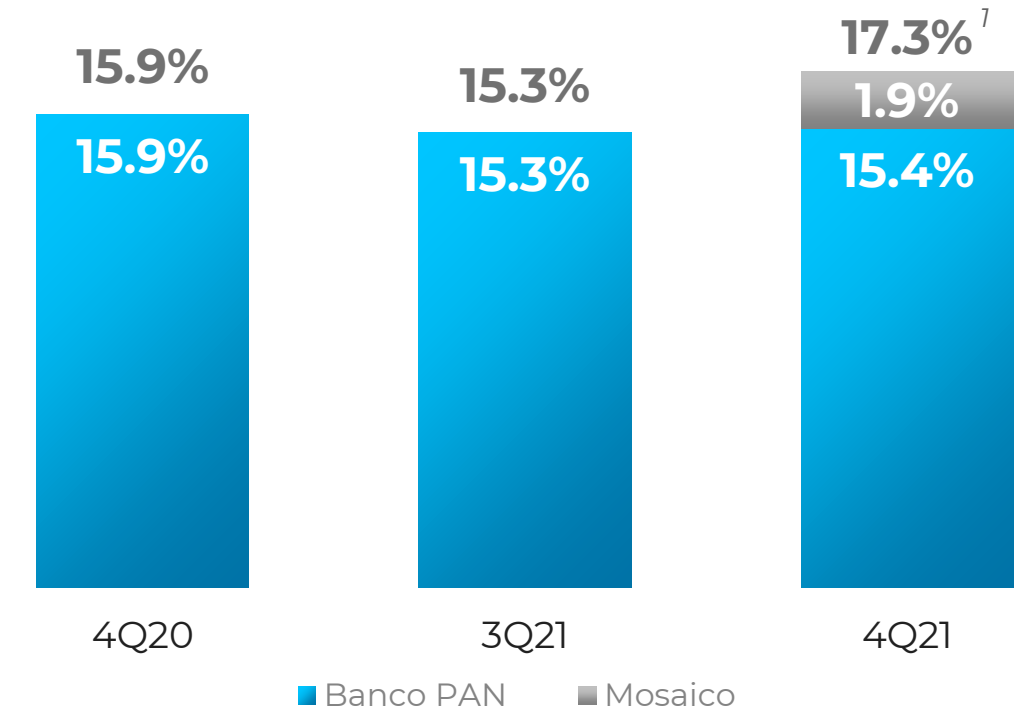
New **US$ 150 MM** funding line improving resources for **microentrepreneurs** and boosting **PAN's ESG strategy.**

BID Invest

Ratings	Local	Global
S&P Global Ratings	AAA	BB-
Moody's	AAA	-
FitchRatings	AA	BB-

Basel Ratio
Fully comprised by Common Equity Tier I

High levels with relevant internal capital generation



R$ MM	4Q21[2]	3Q21	2Q21
Ref. Shareholders' Equity	**5,204**	**4,241**	**4,095**
Required Shareholders' Equity	3,001	2,669	2,530
RWA	**30,013**	**27,735**	**26,286**

1 - Due to the consolidation of Banco PAN in the prudential conglomerate of BTG Pactual, the individual Basel ratio is no longer formally disclosed. However, we continue to release a managerial ratio to demonstrate our capitalization.
2 – Includes Mosaico Acquisition

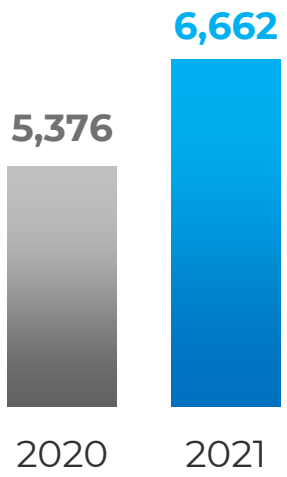
Monetization
Relevant investments leading to revenue diversification

Total Investments
R$ Bn

R$ 1 billion
(2021, non-capitalized)

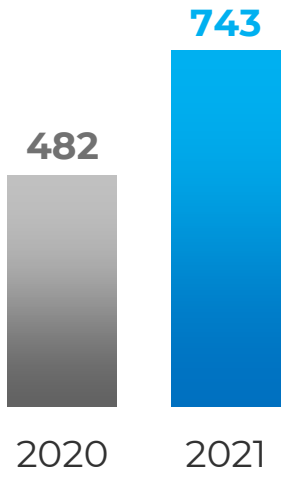
Net Interest Margin
R$ MM

+24%



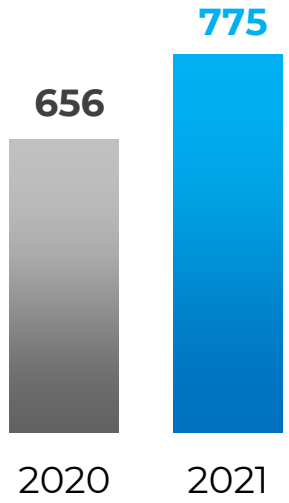
Fee Revenues
R$ MM

+54%



Net profit
R$ MM

+18%



ROE
% p.y.

+1.1 p.p.

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