

# *Earnings Results*

Banco  
**PAN**

3Q18

A photograph of three business professionals in an office setting. A man in a white shirt and glasses is pointing at a laptop held by a woman in a dark suit. Another person is partially visible in the background. The scene is brightly lit, likely from a window.

# *Disclaimer*

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

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

# Digital Transformation



More than 200 people exclusively dedicated

## Payroll

(Loans + Credit Card)  
Digital Origination in own sales points increased from 2.3% to 10.2% in the quarter

## Vehicles

Simulator for proposal evaluation

## Credit Card

New app got 40k downloads in launch month

## CRM

Digital platform reached 22% of recovery share

## Collection

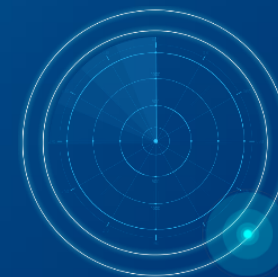
History of 20 million customers

## Customer Service

3.7 mm access on site

## Investments

History of 260k downloads and launch of new flow for online account opening



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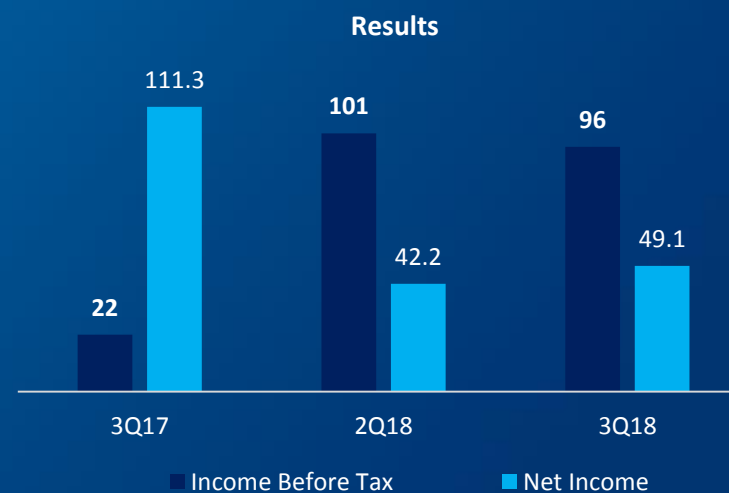
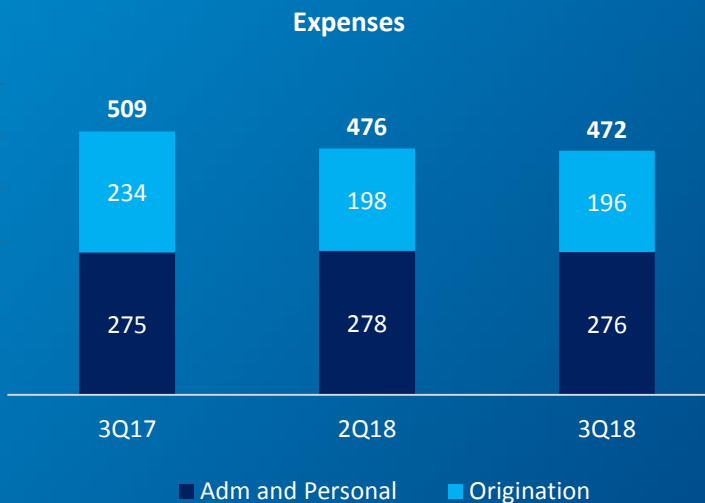
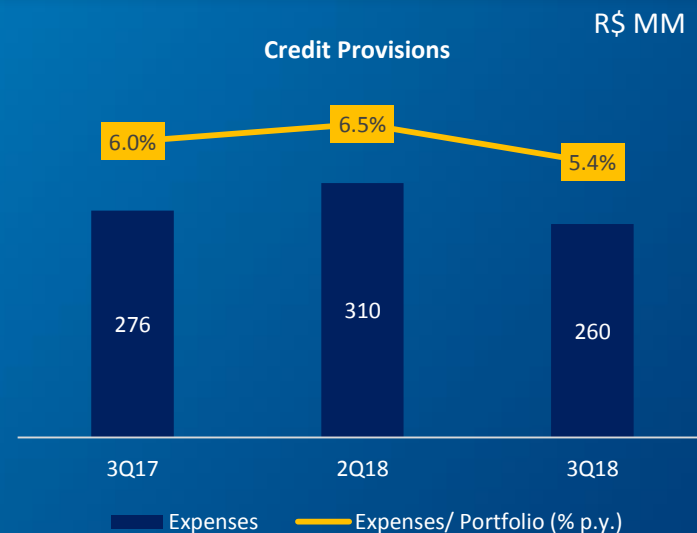
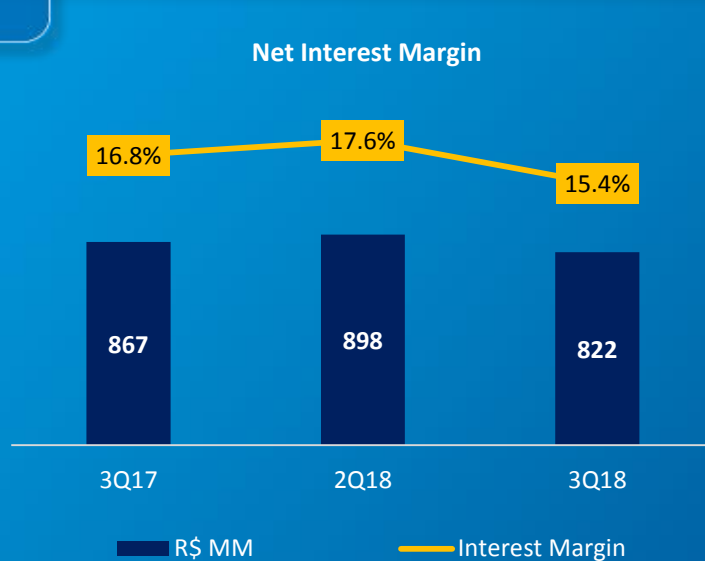
# 3Q18

## Financial Highlights

- ✓ Average monthly retail origination of **R\$1,428 million** in 3Q18, conquering **144 thousand new clients**;
- ✓ Total **Credit Portfolio** ended 3Q18 at **R\$19.7 billion** versus a balance of R\$19.4 billion at the end of 2Q18 and R\$18.8 billion in 3Q17, highlighting payroll and vehicle financing portfolios increase of 15% and 13% respectively in 12 months;
- ✓ Income before taxes of **R\$321 million in 9M18, increasing 157%** against 9M17, and Net Income of R\$ 148 million in 9M18 versus R\$ 158 million in 9M17;
- ✓ ROAE of 5.2% p.y. in 9M18 and **Adjusted ROAE** (unaudited) of **14.4% p.y.**;
- ✓ ROAE of 4.9% p.y. in 3Q18 and **Adjusted ROAE** (unaudited) of **13.5% p.y.**;
- ✓ Shareholders' Equity ended the quarter at **R\$4,047 million** and Basel Ratio of **14.0%**.

# Results

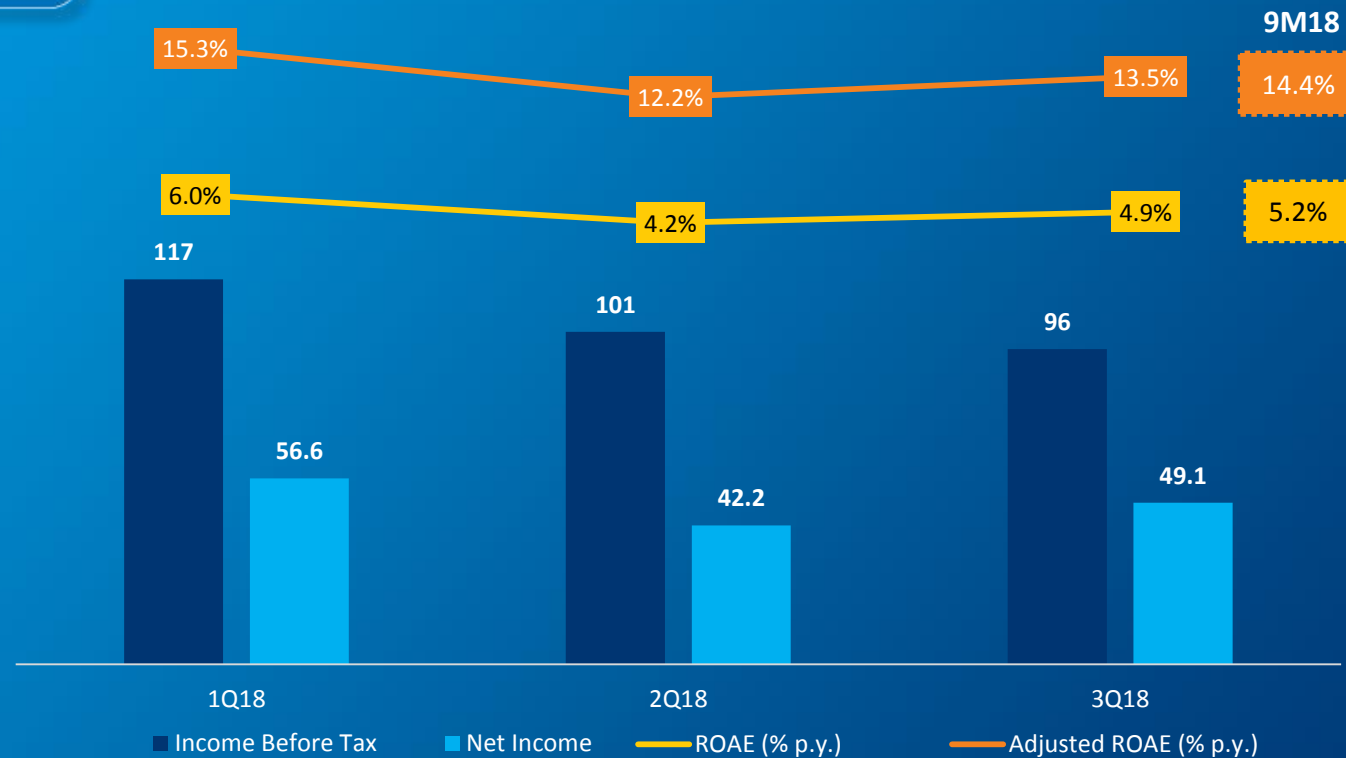
Strong interest margin and Recurring income from operations



# Return

## ROAE and Adjusted ROAE (unaudited)

R\$ MM



ROAE (unaudited) adjusted by 2 legacies:

(i) withdraw the excess of financial expenses from pre-fixed CDBs issued between 2005 and 2008 (average maturity in 2023), compared to what PAN pays for the same term in the market; and

(ii) exclude from shareholder's equity the excess referred tax credit related to losses arising from the accounting inconsistencies found in 2010.



## Strategic Positioning

## Retail Credit

Monthly average Origination (R\$ MM)

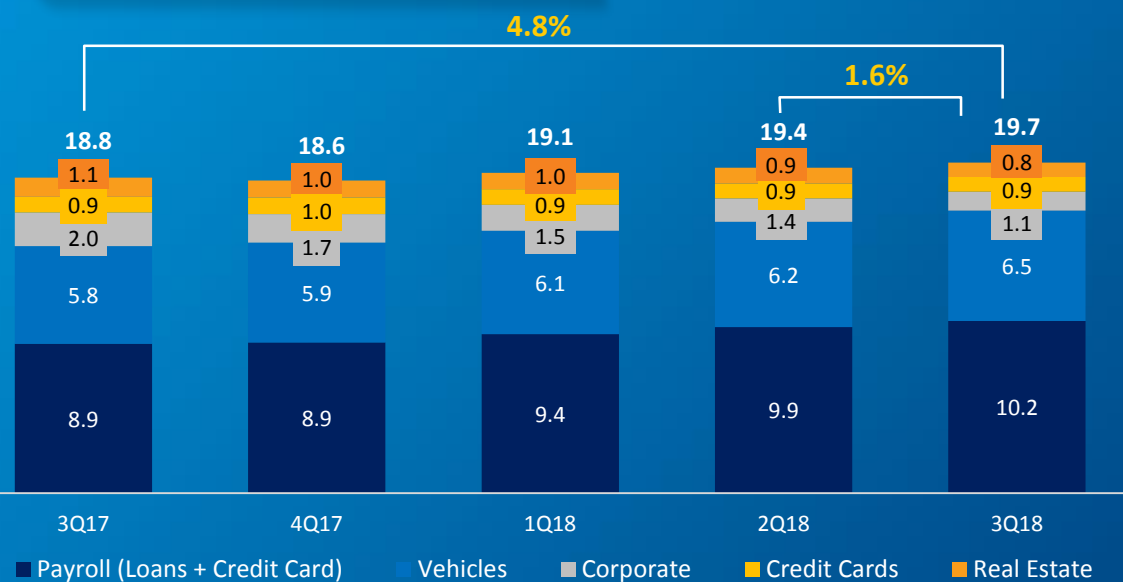


# Credit

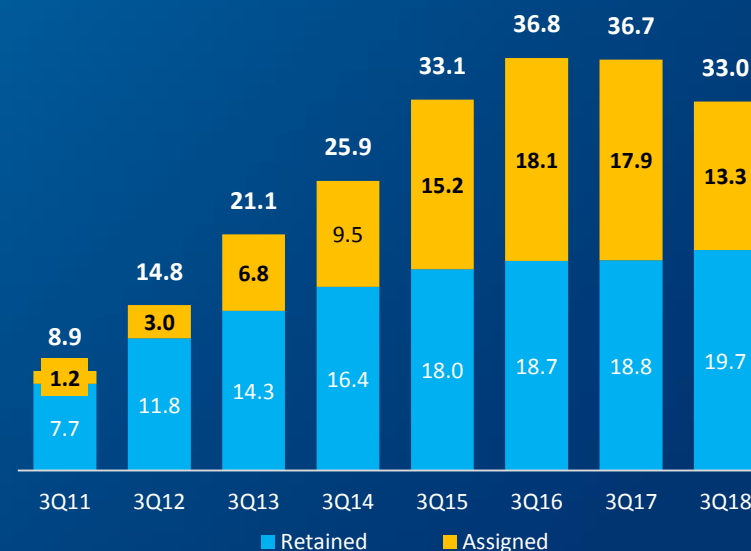
## Portfolio

R\$ MM	3Q18	Part. %	2Q18	Part. %	3Q17	Part. %	Δ 3Q18/ 2Q18	Δ 3Q18/ 3Q17
Payroll Deductible (Loans + Credit Card)	10,212	50%	9,858	50%	8,871	47%	4%	15%
Vehicle Financing	6,543	32%	6,243	32%	5,779	31%	5%	13%
Corporate Loans	1,114	7%	1,367	7%	1,992	11%	-19%	-44%
Real Estate	849	5%	923	5%	1,136	6%	-8%	-25%
Credit Cards	885	5%	900	5%	928	5%	-2%	-5%
Others	102	1%	106	1%	93	-	-4%	10%
<b>On Balance Credit Portfolio</b>	<b>19,704</b>	<b>100%</b>	<b>19,397</b>	<b>100%</b>	<b>18,799</b>	<b>100%</b>	<b>2%</b>	<b>5%</b>

On Balance Portfolio (R\$ Bi)



Originated Portfolio (On + Off Balance) (R\$ Bi)





# Retail Credit

## *quality*



Machine Learning models

Unstructured Data

Intensive use of analytics

Collection increased through digital channels (more than 20% share)

### 90 days NPL (%)



# Payroll-Deductible: Loans and Credit Cards

Origination focusing on federal risk

## Overview

Operations exclusively with public sector servants, retirees and INSS pensioners (market top 5)

Average ticket of R\$ 5.9k

Duration of 35 months

## Origination by segment (Loans and Credit Cards)

	3Q18	2Q18	3Q17
<b>Federal</b>	<b>87%</b>	<b>81%</b>	<b>87%</b>
INSS	59%	59%	62%
SIAPE	18%	12%	14%
Armed Forces	10%	10%	15%
<b>States</b>	<b>12%</b>	<b>18%</b>	<b>8%</b>
<b>Municipalities</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Total</b>	<b>2,395</b>	<b>2,399</b>	<b>2,103</b>

## Evolution of portfolio and monthly avg. origination

(R\$ MM)



# Vehicle

## Financing



### Overview

Credit and collection expertise

Present in **6,669** multi brand vehicle dealers

Average ticket of **R\$ 23.7k**

Duration of **18 months**

Average LTV of **62%**



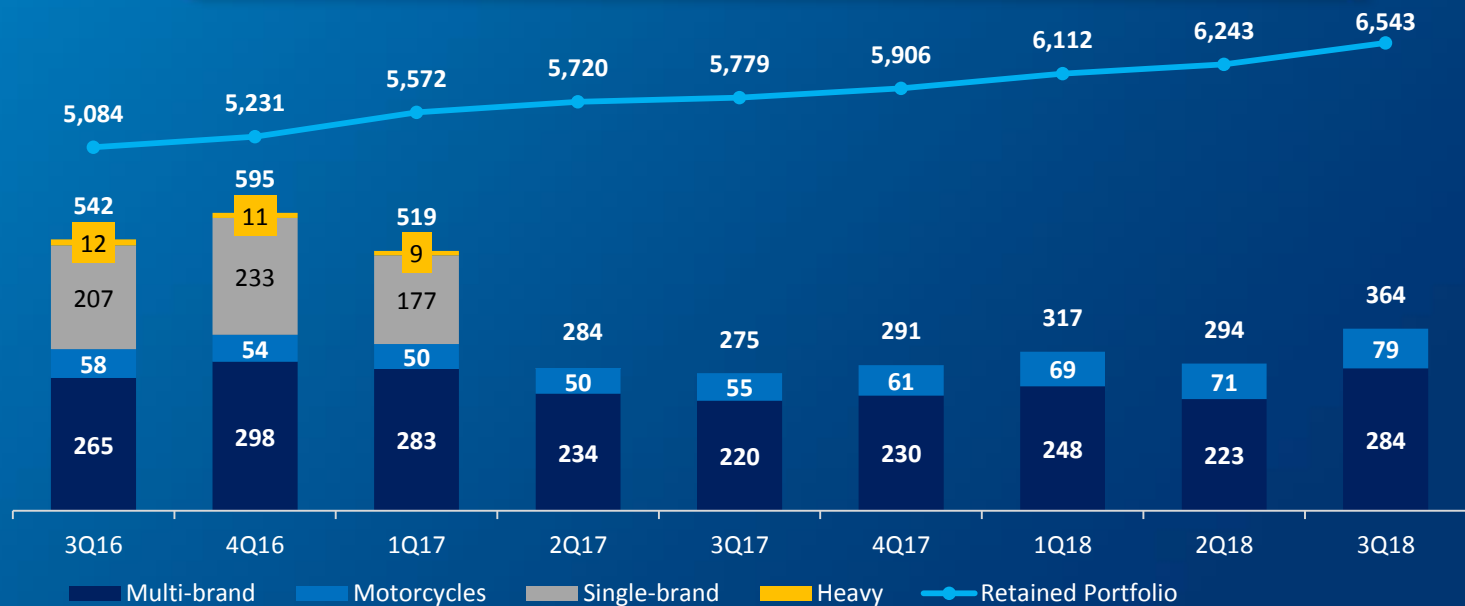
### Information on Origination

	Light		Motorcycles	
	3Q18	3Q17	3Q18	3Q17
Origination (R\$ MM)	853	660	238	165
Average tenor (month)	46	46	40	39
Downpayment	40%	40%	25%	24%



### Evolution of portfolio and monthly avg. origination

(R\$ MM)

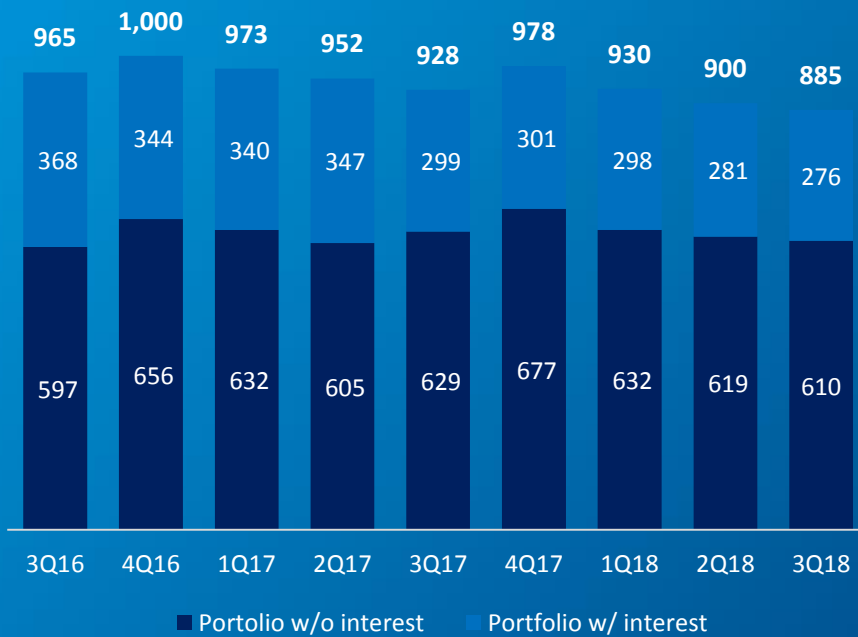


1st on motorcycling financing origination volumes excluding captive financial companies

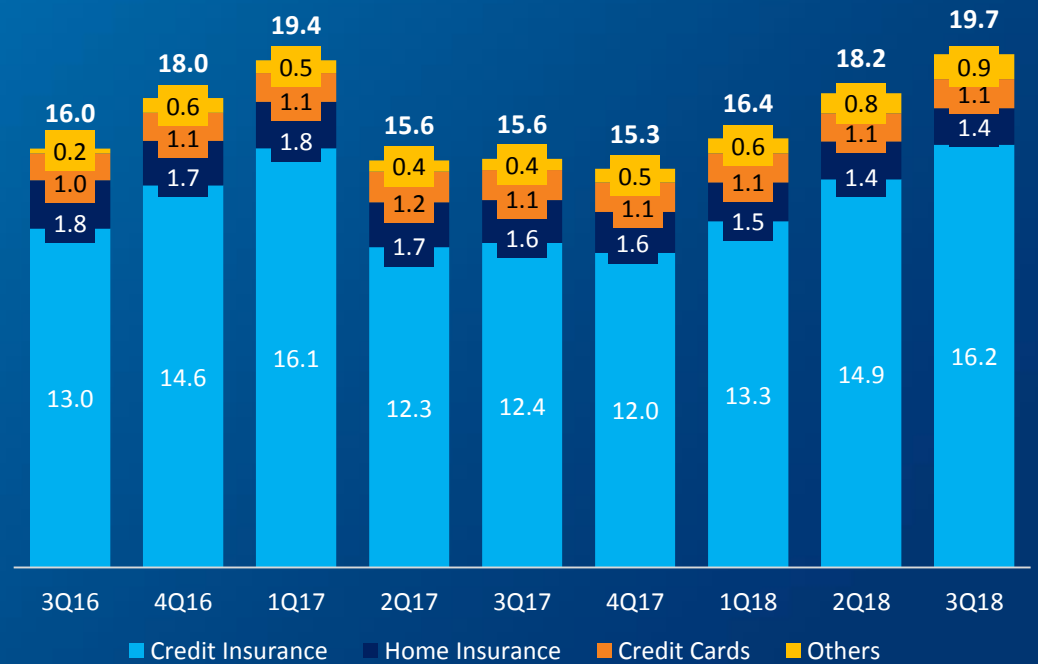
# Credit Cards and Insurance



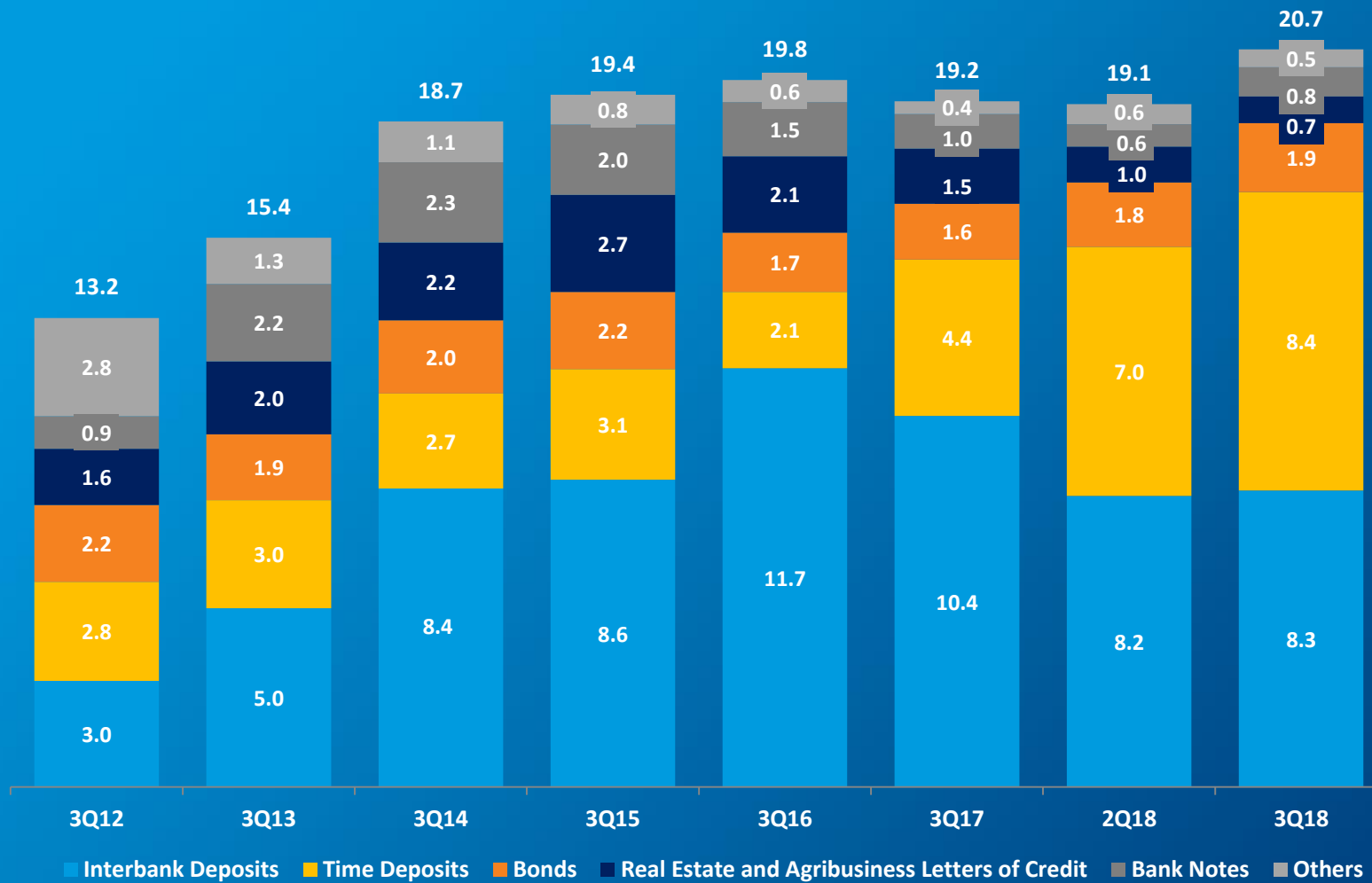
## Credit Card Portfolio (R\$ MM)



## Monthly Avg. Insurance (Premium originated by PAN) (R\$ MM)



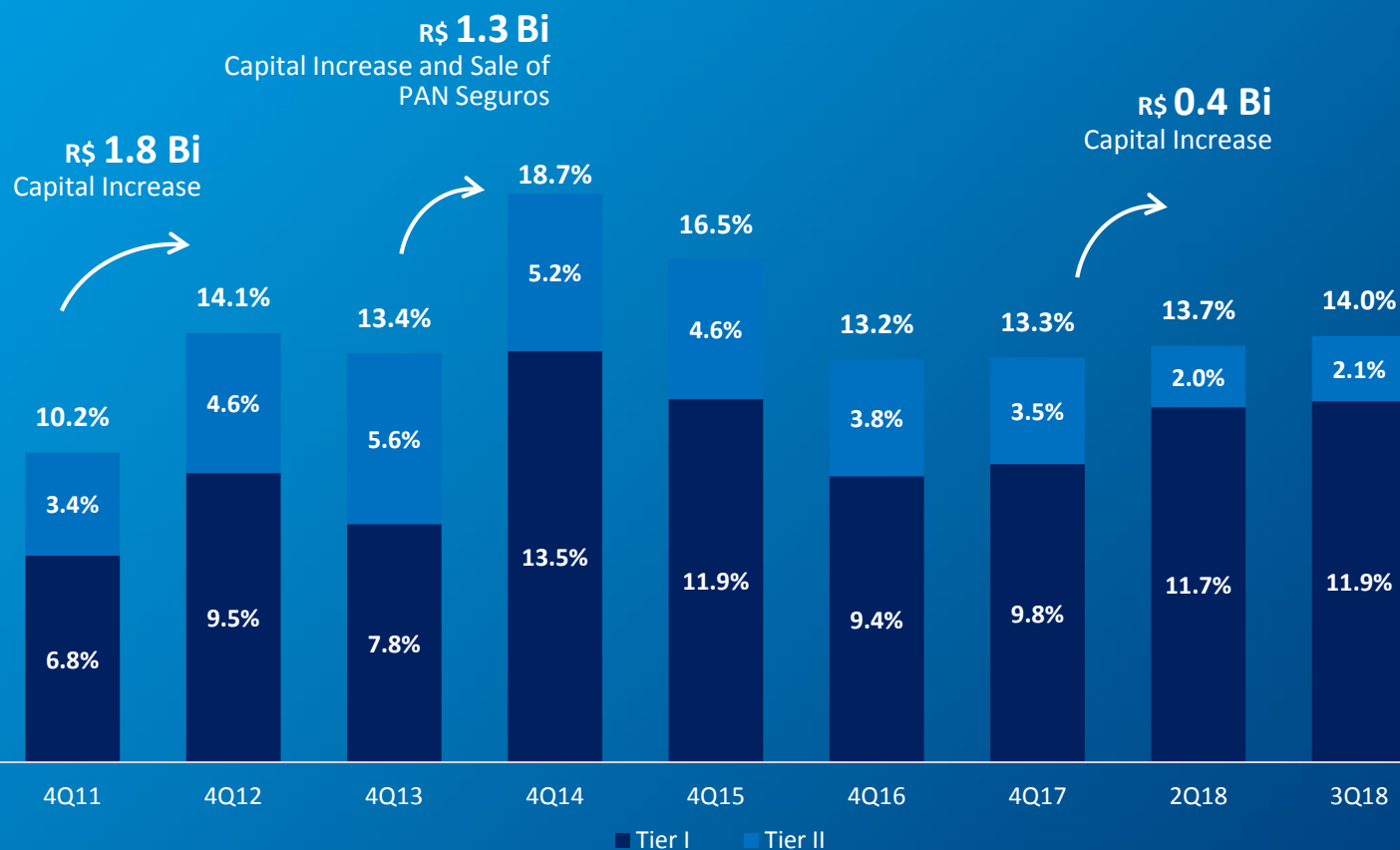
## App PAN Investments for digital account



✓ TD balance reached R\$ 8,4 billion, growing 90% in 12 months.

# Funding

# Capital Ratio



R\$ MM	3Q17	2Q18	3Q18
<b>Reference Shareholders' Equity</b>	<b>2,393</b>	<b>2,438</b>	<b>2,526</b>
Tier I	1,763	2,076	2,140
Tier II	630	362	386
<b>Required Reference Shareholders' Equity</b>	<b>2,060</b>	<b>1,870</b>	<b>1,893</b>
<b>RWA</b>	<b>19,620</b>	<b>17,808</b>	<b>18,032</b>



**Robust and complementary Shareholders, with potential synergy with CAIXA**



**Funding and Capital available**

## *What makes Banco PAN unique?*

**Digital Platforms**  
will generate  
**efficiency gains**



**Strong presence**  
on selected markets



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