



**Earnings  
Release**

# **3Q21**



**São Paulo, November 3, 2021** – Pursuant to legal provisions, Banco PAN SA (“PAN”, “Banco”, “Banco PAN” or “Company”) and its subsidiaries disclose the results for the quarter ended on September 30, 2021, accompanied by the Independent Auditors' Report. The Bank's operating and financial information, except where otherwise indicated, is presented based on consolidated figures and in reais, in accordance with the Corporate Law and Accounting Practices adopted in Brazil.

## **NOTICE TO SHAREHOLDERS**

Our vision is to lead the digital financial inclusion of Brazilian families, democratizing banking access and offering a complete platform for financial products and services. We remain focused on continuously getting to know our customers and offering solutions that make a difference in their lives and products that leverage their individual success, amongst them: Credit, Banking, Payment Methods, Insurance, Savings and Marketplace.

Our business strategy is supported by 3 pillars of action: growth, engagement and monetization. In 3Q21, we increased awareness of our brand, signed a strategic partnership with Luciano Huck, and continued to invest in digital media and in the consolidation of the PAN brand. As a result of this strategy, we grew our base by **52 thousand new customers per business day, 43%** of which **entered via organic flow** in September.

We ended the 3Q21 with **15.2 million customers**, of which **52% are active customers**<sup>1</sup>, and by creating an increasingly complete range of services and products, engagement levels will strengthen even further.

In this sense, the incorporation of Mosaico announced in October is another step towards becoming a complete platform, creating the largest consumer and banking ecosystem, driven by technology, enabling a unique value proposition, involving the choice and acquisition of the best products, with cashback on the best price and the best credit and payment conditions, both for the more than 15.2 million PAN customers and for the more than 22 million (in 2Q21) monthly users of Mosaico's platforms.

In addition, the quarter featured big news. In July, we officially launched the Personal Loan with FGTS guarantee, being the only bank to offer its contract through the app. In September, we included the hiring of Turbo PAN, our payment machine, in the app and announced the acquisition of Mobiauto, the largest independent digital platform for the sale of vehicles in Brazil, with 4.6 million monthly accesses and 78% organic flow.

This demonstrates that our technology team is strategic for PAN's continued growth. We have more than 800 technology professionals, organized in more than 60 squads and 100% integrated with the business areas. As a result, we had an acceleration in the pace of product development and delivery in an increasingly assertive manner. The high investment in technology and products, in line with our customer-focused culture, allowed us to reach **214 million accesses to the application** and a **total**

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<sup>1</sup> Banking clients who have credit with a debit balance or who carried out account transactions or transactions in the last 90 days

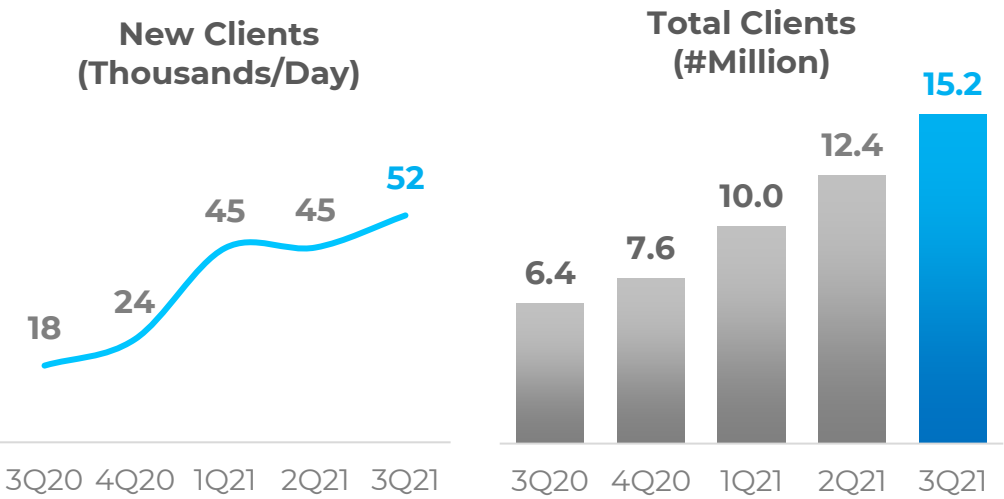


**transaction volume of R\$ 13.8 Billion** in the third quarter, growing 89% in the quarter and demonstrating engagement from our base.

As next steps, we have an intense journey of releases in the coming months. In October, we launched the payroll loan in the app, in addition to car equity, and in November we will launch the Buscapé card, offering cashback to our customers. Next, our app will receive our marketplace, insurance tab, pre-approved vehicle credit and the Saúde PAN, and will also be updated with a new version adding new features and improving the user experience.

Analyzing our results, we originated more than R\$7 billion in new credits in 3Q21 and reached R\$33.3 billion in the credit portfolio, 90% of which with collateral.

Our drive to maintain healthy growth in line with an efficient engagement strategy allows us to consistently monetize our operation. In 3Q21, we posted net income of R\$191 million and an accounting ROE of 13.6%, maintaining significant levels of investment.





## MAIN INDICATORS

	R\$ MM	3Q21	2Q21	3Q20	3Q21 x 2Q21	3Q21 x 3Q20
Results	Net Interest Margin	1,748	1,710	1,358	2%	29%
	Net Income	191	202	170	-5%	12%
	Adjusted Net Income	224	241	223	-7%	0%
Performance	Net Interest Margin (% p.y.)	19.3%	20.5%	20.5%	-1.2 p.y.	-1.2 p.y.
	Accounting ROE (% p.y.)	13.6%	14.7%	13.2%	-1.1 p.y.	0.4 p.y.
	Adjusted ROE - Unaudited (% p.y.)	18.4%	20.6%	21.5%	-2.2 p.y.	-3.1 p.y.
	Delinquency Index (90 days) p.y. - Retail	5.8%	5.4%	6.7%	0.4 p.y.	-0.9 p.y.
	Default Index (15 to 90 days) p.y. - Retail	7.5%	7.5%	7.3%	0.0 p.y.	0.2 p.y.
	PDD Expense/ Average Portfolio	4.6%	3.6%	4.8%	1.0 p.y.	-0.2 p.y.
Balance Sheet	Total Assets	43,994	42,682	34,939	3%	26%
	Total Credit Portfolio	33,262	32,355	25,3	3%	31%
	Fundraising	32,465	30,211	25,497	7%	27%
	Equity	5,676	5,559	5,221	2%	9%
	Basel Ratio	15.3%	15.6%	16.5%	-0.3 p.y.	-1.2 p.y.
	Main Capital	15.3%	15.6%	16.5%	-0.3 p.y.	-1.2 p.y.
Stocks	Net Income per Share (Reais)	0.17	0.16	0.14	6%	18%
	Equity Value per Share (Reais)	4.61	4.51	4.33	2%	7%
	Market Value	19,233	28,994	9,785	-34%	97%
Other	Total Customers (thousand)	15,182	12,376	6,446	23%	136%
	Banking Clients (thousand)	10,992	8,352	2,492	32%	341%
	Retail Origination	7,032	7,287	5,352	-3%	31%
	Credits Transferred without Co-obligation	2,916	2,425	1,744	20%	67%
	Employees	3,105	2,886	2,416	8%	29%
	Bank Correspondents	879	854	771	3%	14%
	Multibrand stores and dealerships	18,234	17,417	15,027	5%	22%



## MAIN INDICATORS

	R\$ MM	9M21	9M20	9M21 X 9M20
Results	Net Interest Margin	4,914	3,787	30%
	Net Income	584	485	21%
	Adjusted Net Income	692	647	7%
Performance	Net Interest Margin (% p.y.)	19.5%	19.2%	0.2 p.p.
	Accounting ROE (% p.y.)	14.2%	12.7%	1.4 p.p.
	Adjusted ROE - Unaudited (% p.y.)	19.8%	21.6%	-1.8 p.p.
	PDD Expense/ Average Portfolio	3.8%	4.9%	-1.1 p.p.
Stocks	Net Income per Share (Reais)	0.48	0.40	21%
	Equity Value per Share (Reais)	4.61	4.33	7%
	Market Value	19,233	9,785	97%
Others	Retail Origination	19,232	14,394	34%
	Credits Transferred	6,604	4,962	33%



# 3Q21 Highlights



New Clients  
per day

**52k**

+196% 3Q20

Clients

**15.2mm**

+136% 3Q20

Transaction  
Volume

R\$  
**13.3 bi**

+501% 3Q20

Credit  
Portfolio

R\$  
**33.3 bn**

+31% 3Q20

Net Income

R\$  
**191 mm**

+12% 3Q20

ROE

**13.6%**  
p.y.

13.2% p.y. 3Q20





# BUSINESS LINES

## Payroll Deductible Loans and FGTS

In July 2021, we started offering personal loans guaranteed by the FGTS on our platform. We were pioneers in offering FGTS birthday anticipation 100% digitally directly through the account's app. In addition to directly reaching our target audience, this modality provides the opportunity for those who are denied access to personal credit without impacting default rates, increasing customer engagement and loyalty.

During 3Q21, we proved the size of the demand for this product and its cross-sell power. Since its launch, we have already created a portfolio of R\$1,473 million, with a growing monthly demand.

In this market, we focus on payroll-deductible credit cards and loans to public servants, retirees and INSS (National Institute of Social Security) pensioners. Our strategy is to remain as a relevant player with a focus on federal agreements, staying among the largest originators of the INSS beneficiaries and pensioners market.

In October 2021, we included the payroll in our app, facilitating new credit contracts. We believe this new experience is aligned to our strategy of offering a complete platform, increasingly engaging our B2C audience.

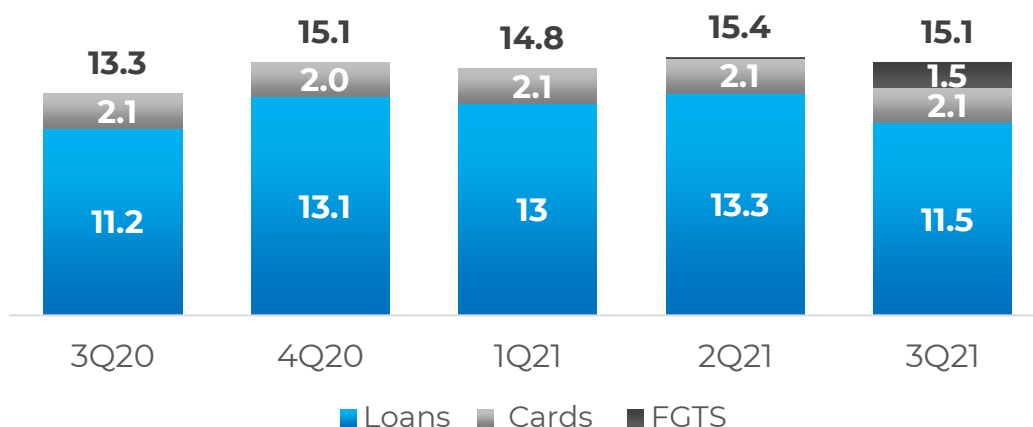
Our operation focused on federal agreements and digitally formalized remained strong in the quarter, even with a decline due to the 2Q21 peak, when there was an increase in the consignable margin. In 3Q21 we originated R\$2,805 million, compared to volumes of R\$4,393 million in 2Q21 and R\$3,274 million in 3Q20 .

In the payroll credit card product, we originated R\$ 257 million in 3Q21, compared to R\$ 267 million originated in 2Q21 and R\$ 342 million originated in 3Q20, registering a decrease of 4% in the quarter and 25% in the 12-month comparison

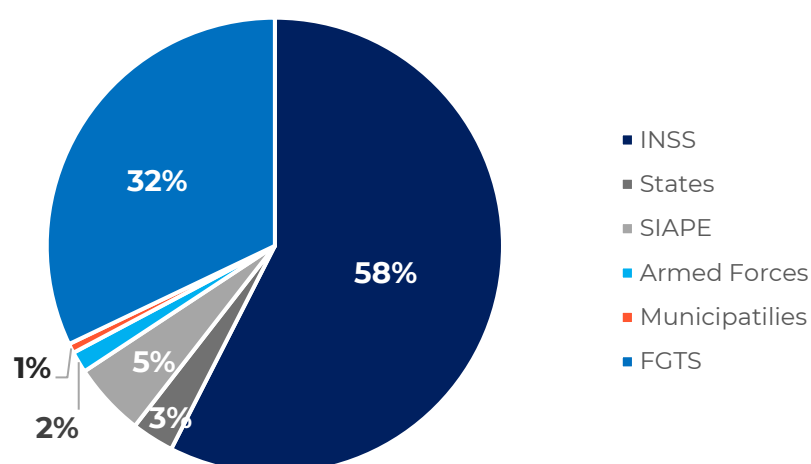
The payroll-deductible loan portfolio ended the quarter with a balance of R\$ 11,530 million, compared to R\$ 13,298 million in 2Q21 and R\$ 11,204 million in 3Q20, down 13% in the quarter and up 3% in the annual comparison. The payroll credit card portfolio ended the quarter with a balance of BRL 2,120 million, an increase of 1% compared to the balance of BRL 2,089 million in the previous quarter and 2% compared to the balance of BRL 2,069 million in the 3Q20.



### Payroll and FGTS Portfolio Evolution (R\$ Bn)



### 3Q21 - Origination by Covenant (%)



## Vehicle Financing

In this segment, we focus on financing used light vehicles (mostly between 4 and 8 years of use) and new motorcycles.

In 3Q21, we acquired Mobiauto, the largest independent digital vehicle sales platform in Brazil. In addition to credit expertise, we believe that the acquisition of Mobiauto will be an important instrument to leverage PAN's participation in the financing of light vehicles and motorcycles. The objective is to improve the customer experience and increase the engagement of partner retailers, expanding the PAN ecosystem through technology and products and services contextualization.

Also in the 3Q21, we originated R\$2,331 million in new financing for light vehicles and motorcycles, down 7% compared to the R\$2,514 million in 2Q21, and up 36% compared to the R\$1,715 million originated in 3Q20.



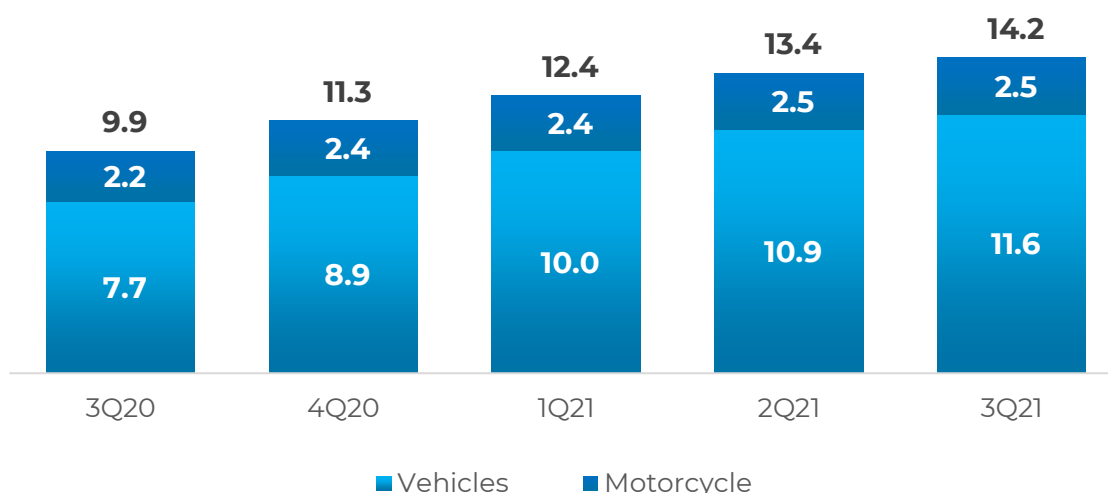
Light vehicle origination was R\$1,986 million in 3Q21, 8% down on the R\$2,164 million originated in 2Q21 and 70% up over the R\$1,169 million originated in 3Q20. In the motorcycle segment, we originated R\$ 345 million in 3Q21, compared to R\$350 million in 2Q21 and R\$547 million in 3Q20, down 1% and 37%, respectively.

See below for more details on the origination in these segments in 3Q21:

	Light	Motorcycles
Origination (R\$MM)	1,986	345
Market Share (sep/21)	7%	16%
Average Term (months)	19	16
<b>% Input</b>	<b>35%</b>	<b>20%</b>

The vehicle loan portfolio ended the quarter at R\$14,233 million, 6% up over the R\$13,413 million in 2Q20 and 43% over the R\$9,920 million at the end of 3Q21.

### Vehicles Portfolio Evolution (R\$ Bn)



## Credit Card

Leveraged by the growth of our digital bank and in line with our strategy of diversifying customers and products, we continued with the strong evolution of the credit card segment expanding our customer base.

Our credit card portfolio grows as our customers use installment and revolving credit instruments. We ended 3Q21 with a balance of R\$3,118 million, an increase of 19% and 119% compared to the balances of R\$2,622 million and R\$1,422 million in 2Q21 and 3Q20, respectively.

We have launched the cobranded Buscapé card, in a joint initiative with Mosaico. The new card will offer benefits such as the annual fee waiver, cashback on all purchases and a lowest price guarantee. The customer will still be able to monitor the price of the purchased item and, if he finds the same product at a lower price, it will be possible to request a refund of the difference.



## Personal Loan

Focused on the strategy of creating a complete platform for PAN customers, the personal loan, aims to complement the range of products that, in our view, engage and retain the end customer.

Personal loans are a fundamental tool in the daily lives of clients, who at various times face the need to supplement their cash flow, make specific investments and cover their daily needs.

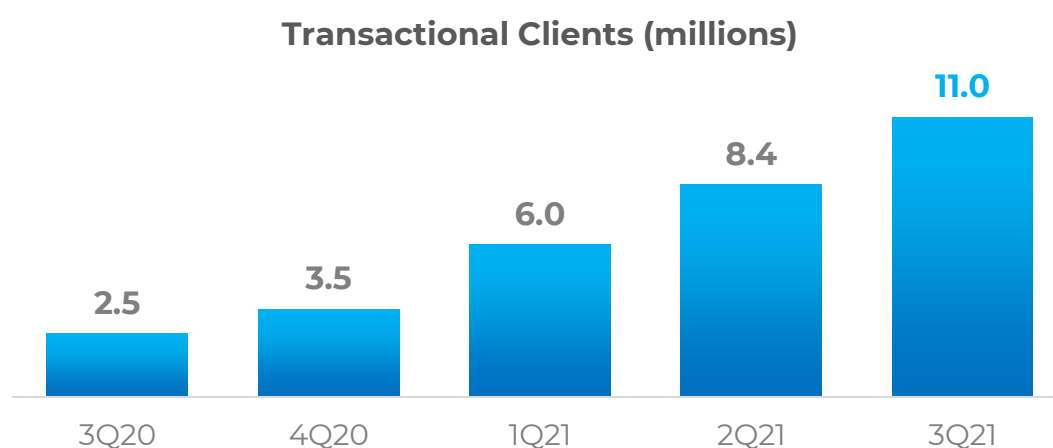
We ended 3Q21 with a portfolio of R\$359 million, 65% higher than the R\$217 million in 2Q21 and 1,442% higher than the R\$23 million in 3Q20.

## Run off Credit (Business and Real Estate)

The run-off portfolio continued to decrease significantly, 35% in 12 months, and ended the quarter at R\$429 million, basically formed by real estate loans with a high level of provisioning.

## Transactional Bank

Each day more, our account offers products and services that increase our customers real engagement. Credit started as the main instrument for attracting, engaging, and monetizing customers, but our strategy goes further. By the end of 3Q21, our active customers used an average of 2.4 products. We believe that the launch of new products in the app will increase this indicator in a short period, indicating an increase in engagement.

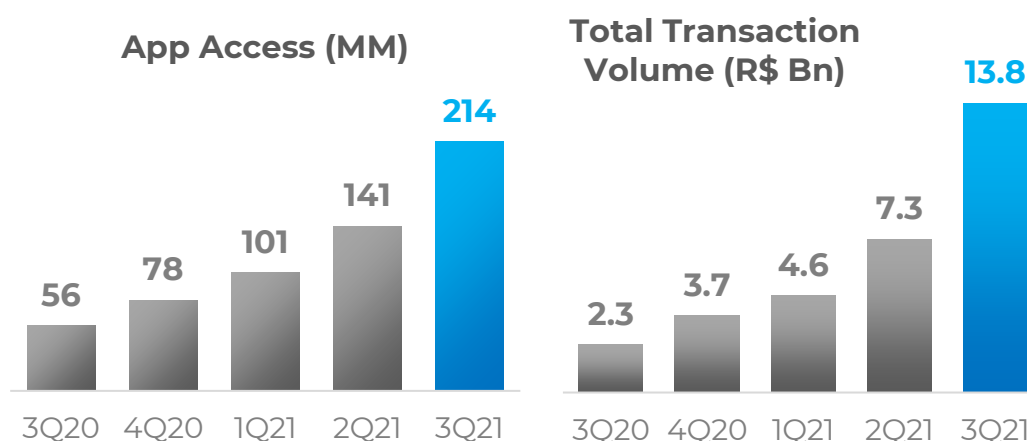


Our engagement continues to grow in an accelerated pace with 52% of active clients<sup>2</sup> and 214 million accesses to our app. Also, we reached over R\$13.8 billion in the total volume transacted during the 3Q21.

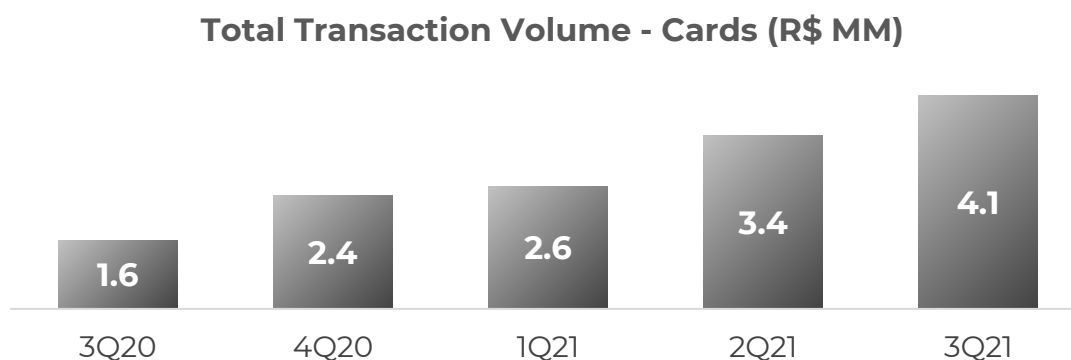
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<sup>2</sup> Customers who have credit with a debit balance or who carried out account transactions or transactions in the last 90 days





The engagement of our customers is a priority for Banco PAN and throughout the development of our platform we have seen this engagement reflected in more transactions on our digital account and credit and debit cards. In this quarter, we reached more than R\$4.1 billion in card transaction volume, an increase of 147% compared to the R\$1.6 billion in 3Q20.



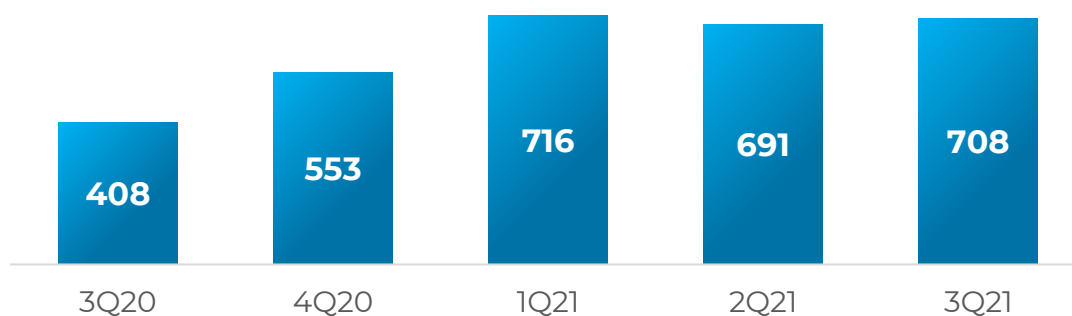
We believe that the credit card is an important instrument for customer engagement, allowing cash flow control and obtaining benefits. In addition, the card is a credit access tool for a public that receives little attention from banks in general.

We understand that PAN's role is to help democratize credit, using our long history and expertise combined with transactional tools to engage our client, bringing a product that was previously inaccessible.

In 3Q21, we maintained an accelerated pace of issuance of new credit cards, reaching 708 thousand in the quarter, a 74% growth compared to the 408 thousand cards issued in 3Q20.



### New Credit Cards (thousand)



In addition, the ongoing new product launch schedule will make the customer experience even more complete, leveraging engagement. The digital account, by centralizing the entire relationship with customers, becomes an indispensable tool for optimizing cross-sell and upsell opportunities, in addition to increasing the product portfolio and increasing loyalty.

### Insurance

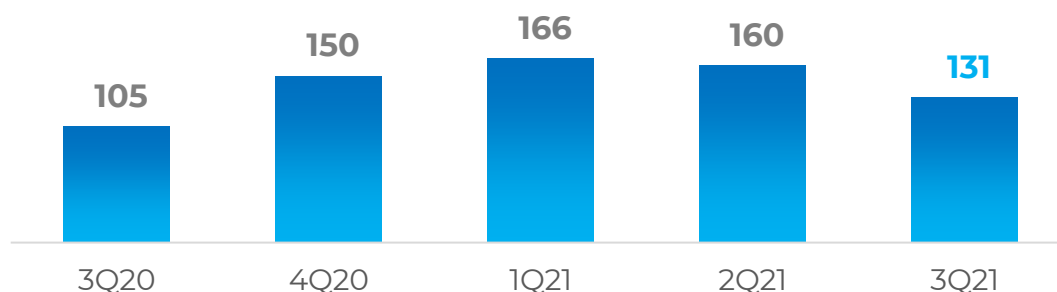
Our insurance segment continues to be a priority within the strategy of diversification, cross sell and expansion of our complete service platform, focused on meeting our clients specific needs.

Also in the second half of 2021, the product portfolio will expand significantly, increasing customer loyalty and facilitating the hiring of services on a one-stop-shop platform, 100% available in the app. The new offers include: Life Insurance, Income Loss Insurance, Device Insurance (cellular), Home Insurance, among others.

In 3Q21, we originated R\$131 million in insurance premiums, compared to the R\$160 million and R\$105 million originated in 2Q21 and 3Q20, respectively.

Year-to-date, we reached total premiums of R\$457 million and over 1.5 million customers.

### Insurance Premiums (R\$ MM)





## Savings

We offer options that are simple to understand, easy to access and have a low risk. In the view of these characteristics, in 2020 we launched the Poupa PAN, a time deposit (CDB) with daily liquidity that yields more than traditional savings (Poupança), a product widely used by our clients in other financial institutions, nowadays concentrated in the 5 largest Brazilian banks.

## Acquiring

By investing in payment solutions, we enter a fast-growing market and aim to offer a complete solution, with an in-app experience, which benefits from a range of transactional finance and credit products, such as smoke credit and advance payment. receivables. The payment market, mainly for micro-entrepreneurs and self-employed workers, presents relevant opportunities.

In our current customer base, we see a large presence of micro-entrepreneurs and self-employed workers and we understand that offering acquiring solutions is an important step towards creating a complete and integrated platform. In addition, the acquiring service increases engagement, increases the flow of information and diversifies our revenue streams.

In line with our strategy to scale the payment business line, we entered into a partnership with GetNinjas, which connects consumers to service providers, with approximately 2.5 MM customers. In September, we started selling the new “Turbo PAN” to Banco PAN's machine through our application and we expect to increase sales in the coming months.



# CREDIT

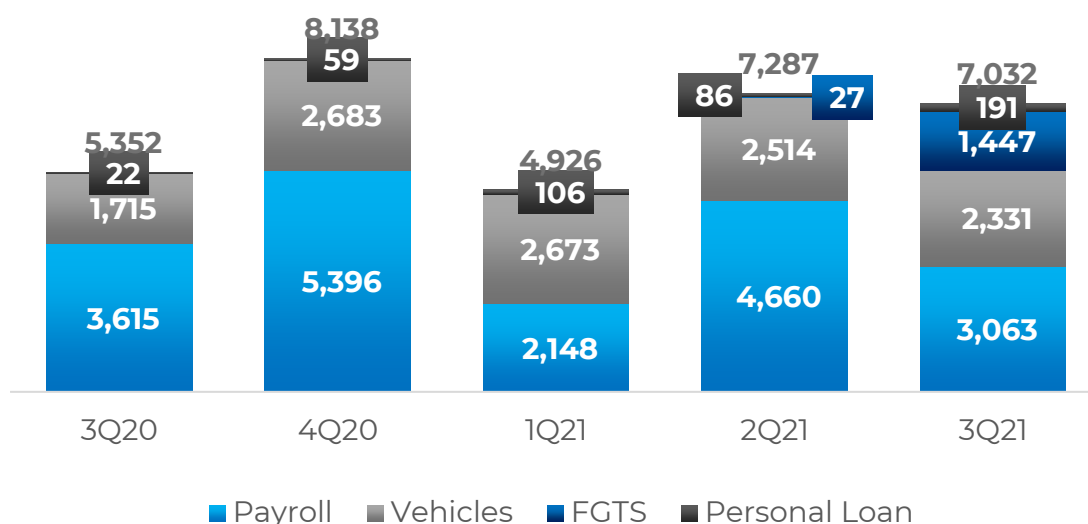
## CREDIT ORIGINATION

With investments in innovation and process simplification, we advanced in the credit origination strategy, both in B2B and 2C segments, creating a wide distribution network. The introduction of technologies, such as digital formalization now present in almost 100% of our origination, allows for the expansion of our capillarity through current and future partners, especially digital natives, and the expansion of partner loyalty due to the lowest operating cost and better experience. In addition, these innovations bring reductions in the origination and servicing cost not only to us but also to our partners, including reduced fraud and civil claims.

During 3Q21, we originated a monthly average of R\$2,344 million in new credits, compared to R\$2,429 million in 2Q21 and R\$1,784 million in 3Q20, recording a decrease of 3% in the quarter, and an increase of 31% in 12 months.

Produtos	3Q21	2Q21	3Q20	$\Delta 3Q21/2Q21$	$\Delta 3Q21/3Q20$
Payroll Loans	2,805	4,393	3,274	-36%	-14%
Payroll Credit Cards	257	267	342	-4%	-25%
Vehicles	1,986	2,164	1,169	-8%	70%
Motorcycles	345	350	547	-1%	-37%
Personal Loans	191	86	22	121%	779%
FGTS	1,447	27	0	-	-
<b>Total</b>	<b>7,032</b>	<b>7,287</b>	<b>5,352</b>	<b>-3%</b>	<b>31%</b>

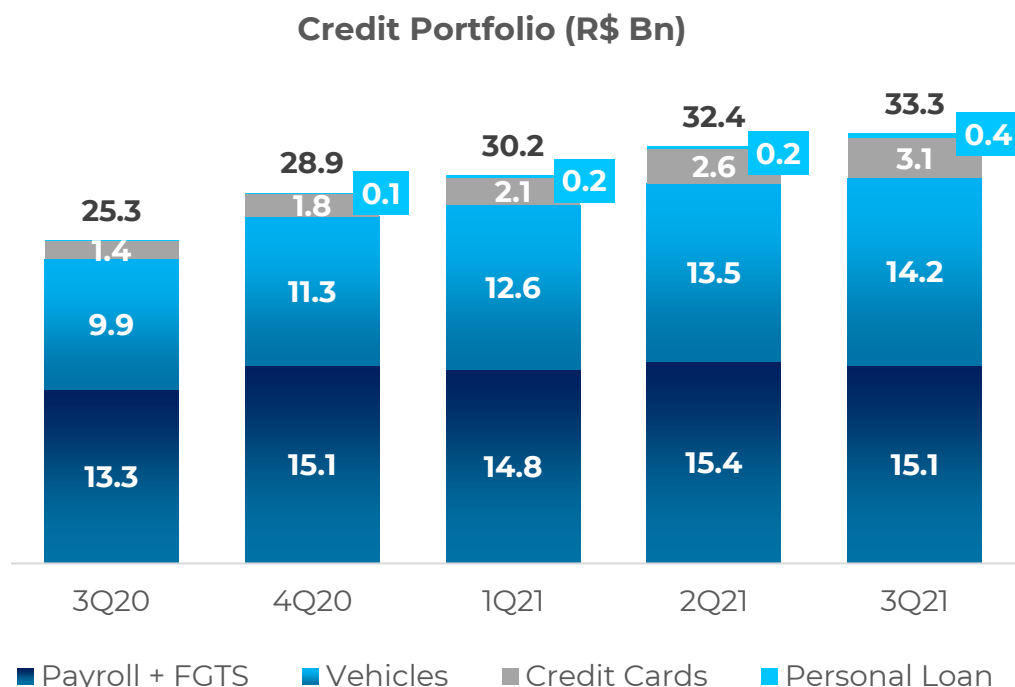
Credit Origination (R\$ MM)





## CREDIT PORTFOLIO

The Expanded Credit Portfolio ended 2Q21 with a balance of R\$33,262 million, growing 3% in relation to the balance of R\$32,355 million at the end of 2Q21, and 31% compared to the balance of R\$25,300 million in the 3Q20.



We present below the composition of the Retained Credit Portfolio by business segment:

	3T21	Part. %	Δ 3T21/ 2T21	Δ 3T21/ 3T20	3T20	Part. %
Payroll + FGTS	15,123	46%	-2%	14%	13,274	52%
Vehicles	14,233	43%	5%	43%	9,920	39%
Credit Cards	3,118	9%	19%	119%	1,422	6%
Personal Loans	359	1%	66%	1,373%	23	0%
Run Off	429	1%	-22%	-35%	661	3%
<b>TOTAL</b>	<b>33,262</b>	<b>100%</b>	<b>3%</b>	<b>31%</b>	<b>25,300</b>	<b>100%</b>

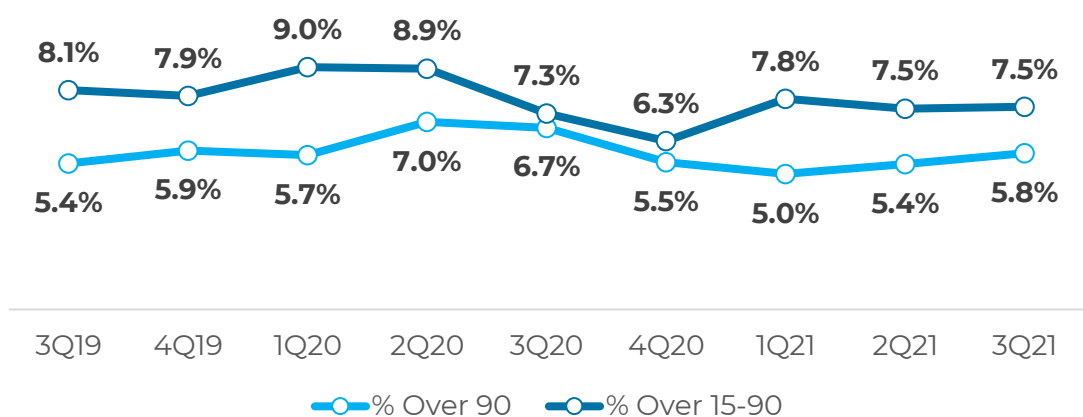
## RETAIL CREDIT QUALITY

In 3Q21, the indicator of overdue loans above 90 days on the portfolio was 5.8% compared to 5.4% in 2Q21, in line with the historical average and evolving according to the change in the portfolio mix. The indicator of overdue loans between 15 and 90 days over the total portfolio in 3Q21 was 7.5%, in line with that presented in 1Q21 and 0.2 p.p. higher than the 7.3% of 2Q20.



We continue to manage the credit portfolio conservatively, following the developments of the Covid - 19 pandemic and its possible impacts on the economy.

### Default Ratios - Retail



Below is the classification of the credit portfolio recorded in the balance sheet by risk category, according to Resolution No. 2,682 of the National Monetary Council ("CMN"):

R\$ MM	3Q21	Part. %	2Q21	Part. %	3Q20	Part. %	3Q21 x 2Q21	3Q21 x 3Q20
"AA" to "C"	30,767	92%	29,889	92%	22,916	91%	2.94%	34.26%
"D" to "H"	2,495	8%	2,465	8%	2,384	9%	1.20%	4.66%
<b>Total</b>	<b>33,262</b>	<b>100%</b>	<b>32,355</b>	<b>100%</b>	<b>25,300</b>	<b>100%</b>	<b>2.80%</b>	<b>31.47%</b>

## CREDIT PORTFOLIO ASSIGNMENT

Besides retaining credits in its portfolio, PAN's strategy also includes the assignment of credits without recourse as a usual instrument of capital and liquidity. In 3Q21, we made assignments of R\$2,916 million, compared to the R\$2,424 million in 2Q21 and the amount of R\$1,744 million in 3Q20. Even performing credit restraining, we were able to expand our retained credit portfolio, demonstrating our ability to originate.

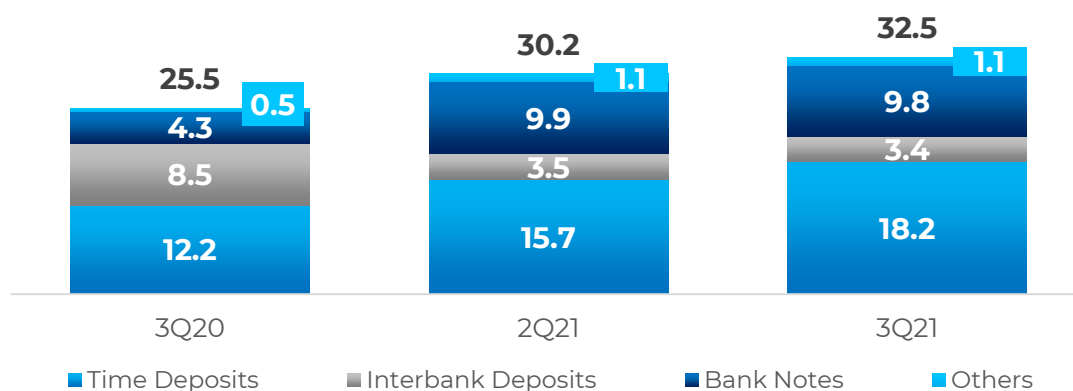


# FUNDING

The balance of funds raised totaled R\$32.5 billion at the end of 3Q21, presenting the following composition: (i) R\$18.2 billion in time deposits, representing 56% of the total; (ii) R\$9.8 billion related to issues of financial letter issues, or 30.2% of the total; (iii) R\$3.4 billion in interbank deposits, or 10.5% of the total and; (iv) other financing sources, which corresponded to R\$1.1 billion, equivalent to 3.3% of total funding.

Funding Sources <sup>3</sup> R\$ MM	3Q21	Part. %	2Q21	Part. %	3Q20	Part. %	Δ 3Q21/ 3Q21	Δ 3Q21/ 3Q20
Time Deposits	18,181	56%	15,703	52%	12,206	48%	16%	49%
Interbank Deposits	3,411	11%	3,534	12%	8,522	33%	-3%	-60%
Bank Notes	9,808	30%	9,923	33%	4,293	17%	-1%	128%
Others	1,065	3%	1,051	3%	476	2%	1%	124%
<b>Total</b>	<b>32,465</b>	<b>100%</b>	<b>30,211</b>	<b>100%</b>	<b>25,497</b>	<b>100%</b>	<b>7%</b>	<b>27%</b>

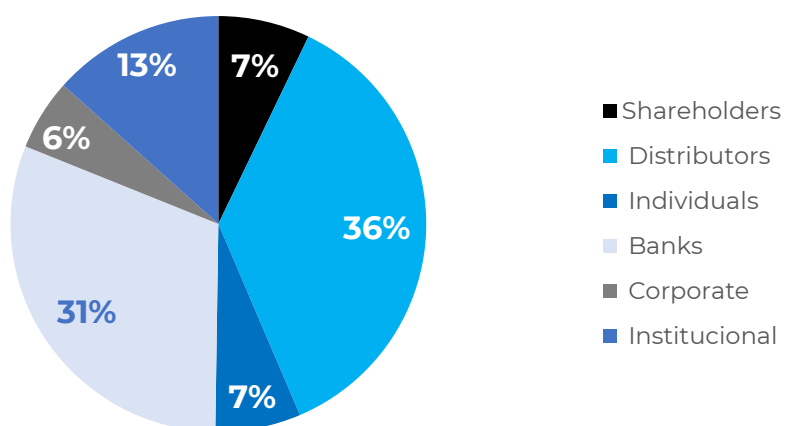
## Evolution of funding sources



<sup>3</sup> In accordance with Article 8 of Central Bank Circular 3068/01, PAN declares that it has the financial capacity and the intention of holding to maturity those securities classified as "held-to-maturity securities" in its financial statements.

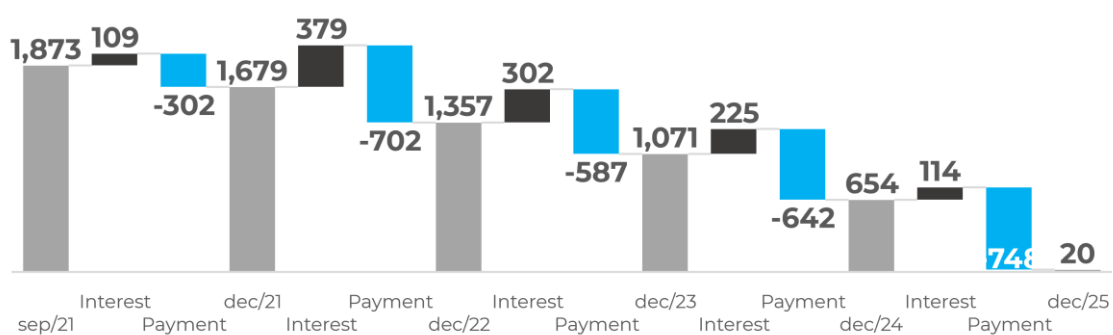


### Opening by Investor type (%)



Below, you can see the future flow of pre-fixed legacy CDBs (issued between 2005 and 2008), which are subject to adjustment in Net Income and ROE. At the end of the first half of 2021, the total balance was R\$1,873 million:

### Future Flow - Fixed rate time deposits (R\$ MM)





# RESULTS

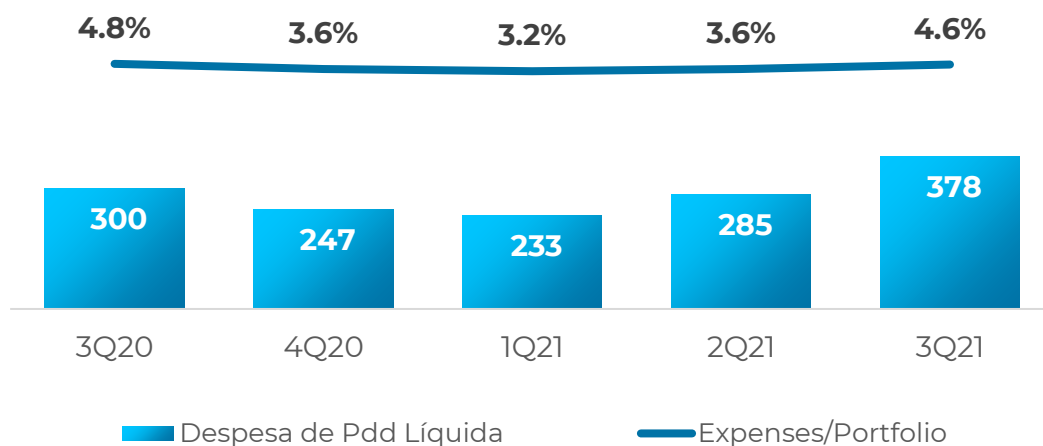
## Net Interest Margin - NIM

In the 3rd quarter of 2021, the Managerial NIMI was 19.3% compared to 20.5% in 2Q21 and 20.5% in 3Q20. This level remained high and is related to the robust spreads of the credit operations, the expansion of new lines of credit with higher margins and gains from portfolio assignments.

R\$ MM	3Q21	2Q21	3Q20	Δ 3Q21/ 2Q21	Δ 3Q21/ 3Q20
<b>1. Net Interest Margin</b>	<b>1,748</b>	<b>1,710</b>	<b>1,358</b>	<b>2%</b>	<b>29%</b>
<b>2. Average Interest-Earning Assets</b>	<b>38,769</b>	<b>35,790</b>	<b>28,504</b>	<b>8%</b>	<b>30%</b>
- Loan Portfolio	32,808	31,257	24,855	5%	32%
- Securities and Derivatives	5,462	4,472	2,475	2%	121%
- Interbank Investments	499	61	1,173	710%	-58%
<b>Net Interest Margin - NIM (%)</b>	<b>19.3%</b>	<b>20.5%</b>	<b>20.5%</b>	<b>-1.2 p.p.</b>	<b>-1.2 p.p.</b>

## Allowance for Loan Losses and Credit Collection

The net loan provision expenses totaled R\$ 378 million, compared to R\$ 285 million in 2nd quarter of 2021 and the R\$ 300 million in 3Q20. In relation to the portfolio, these annualized net recovery expenses increased from 3.6% in the 2Q21 to 4.6% in the 3Q21.



## Costs and expenses

Administrative and personnel expenses totaled R\$ 525 million in 3Q21, compared to R\$ 498 million in 2Q21 and R\$ 394 million in 3Q20, mainly reflecting the increase in the Bank's structure.

Credit origination expenses totaled R\$ 506 million at the end of the quarter, compared to R\$ 524 million in 2Q21 and R\$ 320 million in 3Q20, following the volume of credit origination and customer acquisition.



Expenses (R\$ MM)	3Q21	2Q21	3Q20	Δ 3Q21/ 2Q21	Δ 3Q21/ 3Q20
Personnel Expenses <sup>4</sup>	190	165	132	15%	43%
Administrative Expenses	335	334	262	0%	28%
<b>Personnel and Administrative Expenses</b>	<b>525</b>	<b>498</b>	<b>394</b>	<b>5%</b>	<b>33%</b>
Commission Expenses	290	344	227	-16%	28%
Other Origination Expenses	215	180	93	20%	132%
<b>Origination Expenses</b>	<b>506</b>	<b>524</b>	<b>320</b>	<b>-3%</b>	<b>58%</b>
<b>Total</b>	<b>1,030</b>	<b>1,022</b>	<b>715</b>	<b>1%</b>	<b>44%</b>

## Results

In 3Q21, we recorded an EBIT of R\$ 280 million, an increase of 2% compared to the EBIT of R\$ 273 million in the 2nd quarter of 2021 and 8% compared to the EBIT of R\$ 259 million in the 3Q20.

Net Income was R\$ 191 million, 5% lower than the R\$ 202 million profit in 2Q21 and 12% up on the R\$ 170 million profit in the 3Q20.

The main factors that have contributed positively to the results of recent quarters are: (i) robust net interest margin; (ii) cost of credit under control; and (iii) revenues from the provision of services.

It is important to point out that we continue to invest in the expansion of our platform and in the acquisition of clients, without deferral or activation.

Income Statement (R\$ MM)	3Q21	2Q21	3Q20	Δ 3Q21/ 2Q21	Δ 3Q21/ 3Q20
<b>Net Interest Margin</b>	<b>1,748</b>	<b>1,710</b>	<b>1,359</b>	<b>2%</b>	<b>29%</b>
Credit Provisions	(554)	(388)	(366)	43%	51%
<b>Gross Interim Result. financial</b>	<b>1,194</b>	<b>1,322</b>	<b>992</b>	<b>-10%</b>	<b>20%</b>
Revenue stemming from the provision of services	207	160	118	29%	75%
Administrative and Personnel Expenses	(525)	(498)	(394)	5%	33%
Commission Expenses	(290)	(344)	(227)	-16%	28%
Other costs of origination	(215)	(180)	(93)	20%	132%
Tax Expenses	(100)	(98)	(67)	-1%	50%
Other income and expenses	8	(89)	(70)	-109%	-112%
<b>Income before taxes</b>	<b>280</b>	<b>273</b>	<b>259</b>	<b>2%</b>	<b>8%</b>
Provision for Income Tax and CSLL	(88)	(71)	(89)	25%	-1%
<b>Net Income</b>	<b>191</b>	<b>202</b>	<b>170</b>	<b>-5%</b>	<b>12%</b>

The annualized return on average equity was 13.6% in 3Q21, compared to a return of 14.7% in 2Q21 and 13.2% in 3Q20. Annualized adjusted return (unaudited) was 18.4% in 3Q21, compared to returns of 20.6% in 2Q21 and 21.5% in 3Q20.

The adjustment consists on the adequation of two remaining legacies: (i) the excess financial expense of pre-fixed CDBs issued between 2005 and 2008 (with average

<sup>4</sup> Excluindo despesas de pessoal relacionadas à origemação



maturity in 2023), compared to PAN's current funding cost for the same period and (ii) the tax credit surplus of tax loss, in relation to the banking market, arising from accounting inconsistencies encountered in 2010.

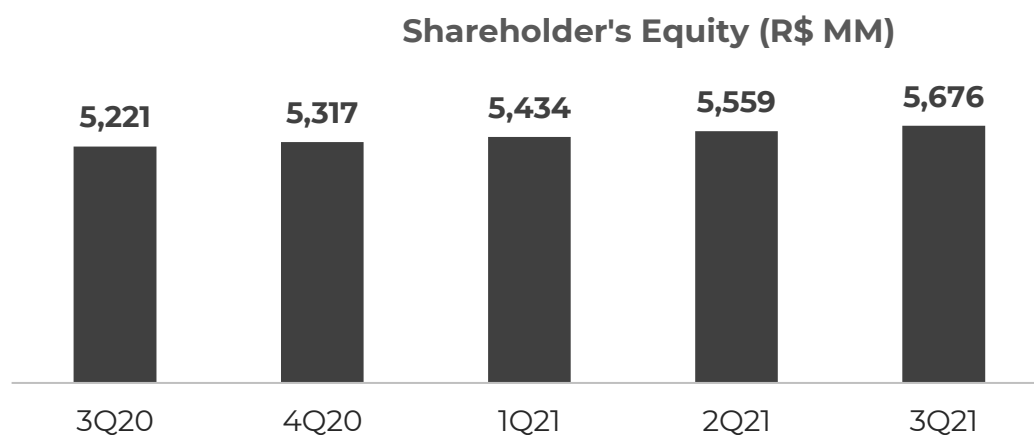
<b>R\$ MM – Unaudited</b>	<b>3Q21</b>	<b>2Q21</b>	<b>3Q20</b>	<b>Δ 3Q21/ 2Q21</b>	<b>Δ 3Q21/ 3Q20</b>
Net Income	191	202	170	-5.5%	12.4%
Excess of Fin. Exp (Net Taxes)	32	39	53	-17.0%	-39.0%
<b>Adjusted Net Income</b>	<b>224</b>	<b>241</b>	<b>223</b>	<b>-7.3%</b>	<b>0.2%</b>
Average Shareholders' Equity	5,617	5,496	5,167	2.2%	8.7%
Excess of Tax Credit and Loss	759	812	1,014	-6.5%	-25.2%
<b>Adjusted Average Shareholders' Equity</b>	<b>4,858</b>	<b>4,685</b>	<b>4,153</b>	<b>3.7%</b>	<b>17.0%</b>
ROAE Accounting (p.y.)	13.6%	14.7%	13.2%	-1.1 p.p.	0.4 p.p.
<b>Adjusted ROAE (p.y.)</b>	<b>18.4%</b>	<b>20.6%</b>	<b>21.5%</b>	<b>-2.2 p.p.</b>	<b>-3.10 p.p.</b>



# EQUITY, RATINGS & MARKET

## SHAREHOLDERS EQUITY

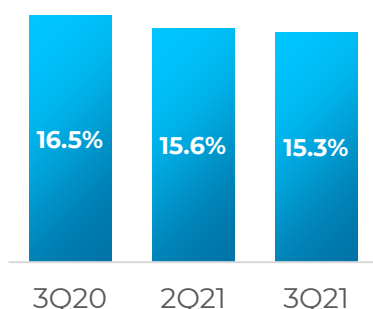
PAN's Consolidated Shareholders' Equity equaled R\$ 5,676 million in September 2021, compared to R\$ 5,559 million in June 2021 and R\$ 5,221 million in September 2020.



## BASEL RATIO – MANAGERIAL<sup>5</sup>

Due to the consolidation of Banco PAN in the prudential consolidated of BTG Pactual, the individual Basel ratio is no longer formally disclosed. However, we continue to release a management index to monitor Banco PAN's capitalization.

The managerial Basel Ratio (pro forma) ended the 3rd quarter of 2021 at 15.3% compared to the 15.6% recorded at the end of the 2nd quarter of 2021 and the 16.5% recorded in the 3rd quarter of 2020, all fully comprised by Principal Capital.



R\$ MM	3Q20	2Q21	3Q21
Reference Shareholders' Equity	3,404	4,095	4,241
Required Reference Shareholders' Equity	1,913	2,530	2,669
<b>RWA</b>	<b>20,685</b>	<b>26,286</b>	<b>27,735</b>

<sup>5</sup> 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 management index to demonstrate our capitalization



## RATINGS

In 2021, after an important period of consistent and growing results, we obtained rating upgrades in some of the main agencies that rate us.

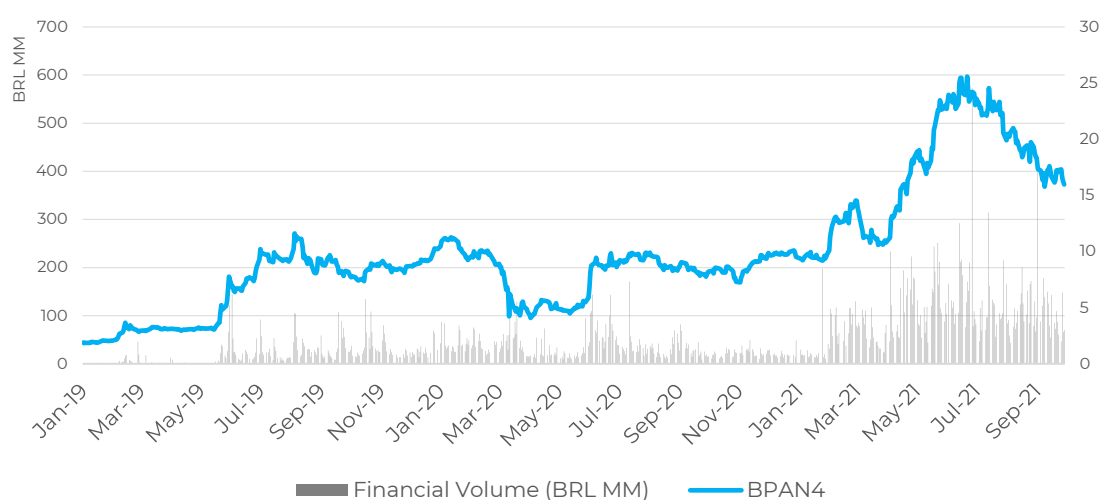
PAN's long-term corporate ratings are presented below:

Rating Agency	Global Scale	Local Scale	Prospect
<b>Standard &amp; Poor's</b>	<b>BB-</b>	<b>AAA</b>	<b>Stable</b>
<b>Fitch Ratings</b>	<b>BB-</b>	<b>AA</b>	<b>Stable</b>
<b>Riskbank</b>	<b>Low Risk for Long Term 3   9.54<sup>6</sup></b>		

## STOCK PERFORMANCE

PAN shares (BPAN4)<sup>7</sup> ended 3Q21 quoted at R\$ 15.96 and had an average daily trading of R\$ 113.7 million in the quarter, compared to R\$ 139.5 million traded per day in 2Q21 and R\$ 33.8 million from 3Q20, up 18.5% and 236% respectively.

On September 30, 2021, the market value of the PAN was BRL 19 billion.



<sup>6</sup> Under review

<sup>7</sup> Listed in Corporate Governance Level 1



# BALANCE SHEET & INCOME STATEMENTS

<b>BALANCE SHEET</b>			
(R\$ MM)			
<b>ASSETS</b>	<b>3Q21</b>	<b>1T21</b>	<b>3Q20</b>
<b>Cash and cash equivalents</b>	<b>876,996</b>	<b>130,922</b>	<b>1,469,414</b>
<b>Securities and derivative financial instruments</b>	<b>3,836,108</b>	<b>3,778,434</b>	<b>2,538,736</b>
<b>Interbank relations</b>	<b>1,867,075</b>	<b>1,538,914</b>	<b>21,623</b>
<b>Credit operations</b>	<b>30,811,857</b>	<b>30,183,788</b>	<b>23,544,871</b>
Credit operations	30,342,714	29,897,544	24,104,009
Securities and credits to be received	2,272,963	2,134,744	1,325,595
(Provision for doubtful accounts)	-1,803,820	-1,848,500	-1,884,733
<b>Other financial asset</b>	<b>1,407,996</b>	<b>2,079,892</b>	<b>2,501,770</b>
<b>Taxes</b>	<b>4,251,201</b>	<b>4,151,143</b>	<b>3,964,090</b>
<b>Other assets</b>	<b>452,789</b>	<b>378,083</b>	<b>346,857</b>
<b>Other values and assets</b>	<b>338,022</b>	<b>322,024</b>	<b>361,901</b>
<b>Permanent</b>	<b>151,887</b>	<b>119,178</b>	<b>190,085</b>
<b>TOTAL ASSETS</b>	<b>43,993,931</b>	<b>42,682,377</b>	<b>34,939,347</b>
<b>LIABILITIES</b>	<b>3Q21</b>	<b>2Q21</b>	<b>3Q20</b>
<b>Deposits</b>	<b>21,846,075</b>	<b>19,406,912</b>	<b>20,784,348</b>
Cash Deposits	254,470	169,694	55,828
Interbank Deposits	3,411,051	3,533,888	8,522,037
Term Deposits	18,180,554	15,703,330	12,206,483
<b>Open market funding</b>	<b>2,200</b>	<b>1,440,703</b>	<b>92,695</b>
<b>Acceptance and bond issuance resources</b>	<b>10,080,720</b>	<b>10,223,429</b>	<b>4,584,295</b>
<b>Interbank Relations</b>	<b>2,297,143</b>	<b>2,043,406</b>	<b>1,147,580</b>
<b>Derivative Financial Instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financial liabilities</b>	<b>538,095</b>	<b>580,965</b>	<b>128,825</b>
<b>Provisions</b>	<b>446,463</b>	<b>497,994</b>	<b>588,182</b>
<b>Tax obligations</b>	<b>571,122</b>	<b>548,149</b>	<b>462,909</b>
<b>Other liabilities</b>	<b>2,535,925</b>	<b>2,382,264</b>	<b>1,929,096</b>
<b>Equity</b>	<b>5,676,188</b>	<b>5,558,555</b>	<b>5,221,418</b>
Share capital	4,175,222	4,175,222	4,175,222
Capital Increase	-	-	-
Capital reserve	207,322	207,322	207,322
Profit reserves	958,655	958,655	557,982
Other comprehensive results	-20,642	-21,767	-14,161
Retained earnings	355,631	239,123	295,053
<b>TOTAL LIABILITIES</b>	<b>43,993,931</b>	<b>42,682,377</b>	<b>34,939,347</b>



<b>CONSOLIDATED INCOME STATEMENT</b> (R\$ MM)	<b>3Q21</b>	<b>2Q21</b>	<b>3Q20</b>
<b>FINANCIAL INTERMEDIATION REVENUES</b>	<b>2,241,448</b>	<b>2,231,276</b>	<b>1,672,085</b>
Income from credit operations	1,854,913	2,116,974	1,622,304
Income from securities transactions	109,858	74,776	37,861
Income from derivative financial instruments	256,117	36,795	11,608
Exchange operation result	778	45	312
Result of compulsory applications	19,782	2,686	-
<b>FINANCIAL INTERMEDIATION EXPENSES</b>	<b>(1,047,183)</b>	<b>(908,971)</b>	<b>(679,718)</b>
Capture operations in the market	(493,040)	(521,167)	(313,691)
Provisions for expected losses associated with credit risk	(554,143)	(387,804)	(366,027)
<b>GROSS FINANCIAL INTERMEDIATION RESULT</b>	<b>1,194,265</b>	<b>1,322,305</b>	<b>992,367</b>
<b>OTHER OPERATING INCOME (EXPENSES)</b>	<b>(931,767)</b>	<b>(1,054,160)</b>	<b>(753,925)</b>
Revenues from The Provision of Services	207,230	160,307	118,187
Staff expenses	(205,009)	(179,028)	(146,030)
Other administrative expenses	(825,317)	(843,268)	(568,563)
Tax expenses	(99,762)	(98,400)	(66,520)
Expenses of provisions	(8,452)	(66,969)	(64,081)
Other income and expenses	(457)	(26,802)	(26,918)
<b>OPERATING RESULTS</b>	<b>262,498</b>	<b>268,145</b>	<b>238,442</b>
<b>OTHER NON-OPERATING INCOME AND EXPENSES</b>	<b>17,122</b>	<b>5,086</b>	<b>20,876</b>
<b>RESULT BEFORE TAXES</b>	<b>279,620</b>	<b>273,231</b>	<b>259,318</b>
<b>TAXES ON PROFIT</b>	<b>(88,254)</b>	<b>(70,746)</b>	<b>(89,140)</b>
Provision for income tax	(18,015)	(112,363)	(2,641)
Provision for social contribution	(14,077)	(91,241)	(1,392)
Deferred tax assets	(56,162)	132,858	(85,107)
	-	-	-
<b>NET INCOME FOR THE PERIOD</b>	<b>191,366</b>	<b>202,485</b>	<b>170,178</b>