Earnings Release

4Q20

São Paulo, February 8, 2021 – Pursuant to legal provisions, Banco PAN S.A. ("PAN", "Bank", "Banco PAN" or "Company") and its subsidiaries announce their results for the fiscal year ended December 31, 2020 accompanied by the Independent Auditor's Report. The Bank's operating and financial information, except when otherwise stated, is presented based on consolidated figures and in Brazilian reais, pursuant to Brazilian Corporate Law and the Brazilian Accounting Practices.

NOTICE TO THE SHAREHOLDERS

The 2020 year has brought unprecedented challenges to society. The well-being of our clients, partners and employees remains a priority, so we continue to invest in technology to promote the best user experience through our digital channels.

An intensive Technology and Data usage allowed us to achieve remarkable results this year, engaging our clients, creating a full digital platform to meet the needs of our target audience, expanding our products and service base. However, we understand that we are only at the beginning of our journey, building a bank focused on our client, exploring the entire financial services ecosystem for classes C, D and E.

It is important to emphasize that this period presented a unique growth opportunity to PAN. Our 2020 results confirmed that the strategy initiated in 2017 was successful and well executed, focused on the implementation of a complete bank, using technology to reach clients and partners.

This strategy promoted a competitive advantage over other players, significantly improving user experience, accelerating service, increasing loyalty and helping to prevent fraud in the credit concession. Therefore, our investments have placed us in a unique position to continue expanding our client base through our transactional bank, with higher engagement and in different revenue lines.

However, these growth opportunities came with important challenges for our business. We had to face an unprecedented crisis due to the Covid-19, which initially impacted our delinquency rates. In this context, we operated in a conservative manner, increasing the bank's liquidity and preserving capital using credit assignments, raising credit granting criteria and restricting credit deferrals to less than 1% of the total credit portfolio, with 97% of subsequent overdue installments already paid.

Our portfolio performance significantly improved, showing its resilience, composed mainly of payroll-deductible loan credit and secured credit. Additionally, our credit granting and collection expertise allowed us to expand our portfolio while reducing credit cost. In 4Q20 the delinquency rates significantly dropped with delinquency index over 90 days decreasing to 5.5% compared to 6.7% in 3Q20.

Our credit origination reached record levels with the increase in payroll-deductible loan credit limit, the expansion of market share in light vehicles and the acceleration of credit card business, leveraged by the Digital Bank's growth. We increased the origination rate by 85% in the 4Q20 over the 4Q19 and by 50% over the 3Q20. With this, our retained credit portfolio grew 22% to R$28,9 billion at the end of 2020, compared to 4Q19, growing above market average.

We ended 4Q20 with net income of R$171 million, remaining stable over the last quarter, and an adjusted ROE (unaudited) of 20.9%. In the 2020, we reached a net income of R$656 million, 27% higher than 2019, and an adjusted ROE (unaudited) of 21.4%.

Our full platform of financial products continues consistently improving, focused on the client, offering a full range of financial products designed especially for the low-income public, always prioritizing transparency, process simplification and service quality.

We are extremely proud of our Digital Bank' performance. Managing to constant improve our engagement metrics, focused on expanding our customer base and offering new products and services.

We restate our long-term vision based on our: (i) relevant presence in the markets we operate; (ii) on our ability to distribute products, either through the B2B which is becoming more efficient and has a variable cost structure, or through the growing digital B2C; (iii) our credit expertise, driving customer attraction and engagement; (iv) customer base and flow; (v) delivery capacity, resulting in low execution risk, and (vi) the growing offer of new products over time.

ECONOMIC ENVIRONMENT

In December, the balance of credit operations of the National Financial System ('SFN') totaled R$4.0 trillion, recording a growth of 16% in the month and 15.5% in the annual comparison. Corporate loans ended the month of December with a balance of R$1,091 billion, increasing by 21.1% over twelve months. Household credit reached R$1.229 billion, up by 10.4% in twelve months, with highlight to credit card and consumer loans payroll-deductible.

Inflation as measured by the IPCA in December stood at 1.35% m/m, accelerating compared to the November result (0.89% m/m), leading inflation in 12 months to end 2020 at 4.52% p/a. The outlook for short-term inflation has significantly weakened, driven by the extraordinary increase in food and industrial goods prices. Several factors have led to an increase in food inflation (both supply and demand), as well as the high level of the exchange rate, which has led to a reallocation to out-of-home food and industrial goods. Despite being transitory in character, current pressures affecting the more cyclical components of inflation may not disappear as quickly.

Caged data indicates that Brazil had lost 67,000 formal jobs in December. However, the employment growth in recent months has been enough to offset the losses of the pandemic, leading Brazil to gain 142,000 formal positions by 2020. On the other hand, PNAD indicates an unemployment rate of 14.6% in the quarter ended in November, not yet indicating a recovery in employment.

MAIN INDICATORS

	R$ million	4Q20	3Q20	4Q19	Δ4Q20/ 3Q20	Δ4Q20/ 4Q19	2020	2019	Δ2020/ 2019
Income Statement	Managerial Interest Margin	1,585	1,359	1,225	+17%	+29%	5,373	4,183	+28%
	Net Income	171	170	168	+0.4%	+2%	656	516	+27%
	Adjusted Net Income – non audited	224	223	227	+0.3%	-1%	871	737	+18%
Performance	Managerial Interest Margin (%)	21.9%	20.5%	19.9%	+1.4 p.p.	+2.0 p.p.	19.0%	17.3%	+1.7 p.p.
	Accounting ROE (%)	13.0%	13.2%	13.7%	-0.2 p.p.	-0.7 p.p.	12.8%	11.4%	+1.4 p.p.
	Adjusted ROE – unaudited (%)	20.9%	21.5%	24.6%	-0.6 p.p.	-3.7 p.p.	21.4%	22.5%	-1.1 p.p.
	Delinquency Rate (90 days) - Retail	5.5%	6.7%	5.9%	-1.2 p.p.	-0.4 p.p.	5.5%	5.9%	-0.4 p.p.
	Delinquency Rate (15 to 90 days) - Retail	6.3%	7.3%	7.9%	-1.0 p.p.	-1.6 p.p.	6.3%	7.9%	-1.6 p.p.
	ADA Expenses / Average Portfolio	3.6%	4.8%	4.1%	-1.2 p.p.	-0.5 p.p.	4.3%	4.4%	-0.1 p.p.
Balance	Total Assets	38,524	34,939	32,798	+10%	+17%	38,524	32,798	+17%
	Credit Portfolio	28,907	25,300	23,785	+14%	+22%	28,907	23,785	+22%
	Funding	27,026	25,497	23,716	+6%	+14%	27,026	23,716	+14%
	Shareholders' equity	5,317	5,221	4,926	+2%	+8%	5,317	4,926	+8%
	Basel Ratio (%)	15.9%	16.5%	12.8%	-0.6 p.p.	+3.1 p.p.	15.9%	12.8%	+3.1 p.p.
	Common Equity Tier I (%)	15.9%	16.5%	12.8%	-0.6 p.p.	+3.1 p.p.	15.9%	12.8%	+3.1 p.p.
Shares	Earnings Per Share (Reais)	0.14	0.14	0.15	-	-7%	0.54	0.45	+20%
	Equity Value per Share (Reais)	4.41	4.33	4.31	2%	2%	4.41	4.31	+2%
	Market cap	11,484	9,785	11,909	17%	-4%	11,484	11,909	-4%
Other	Retail Origination	10,263	6,845	5,540	+50%	+85%	28,445	20,481	+39%
	Credit Assignments without Recourse	2,523	1,744	1,680	+45%	+50%	7,485	4,723	+58%
	Employees (#)	2,497	2,416	2,458	+3%	+2%	2,497	2,458	+2%
	Bank Correspondents (#)	774	771	648	-	+19%	774	648	+19%
	Multi-brand stores and dealers (#)	16,000	15,027	12,286	+6%	+30%	16,000	12,286	+30%

DIGITAL ACCOUNT

The Digital Account enables our clients to access a full checking account: 100% digital, without maintenance fee, with a free monthly transfer package, multiple card (credit and/or debit), 24-hour withdrawals, deposit slips, utilities payments, wage portability, investments, insurance and several credit products and services.

In addition, we offer several discounts at drugstores, supermarkets and online stores through agreements with multiple partners. Our co-branded credit cards also offer advantages to our customers by by creating an important range of products focused on our target audience.

Our customer acquisition strategy is based on six pillars: offering to the active and former customer base; flow of potential customers requesting credit on a monthly basis; digital marketing; physical distribution network; new origination partners; and a 'member get member' program.

In 4Q20 we significantly expanded our credit card product lines, widely benefiting from the growth of digital banking and the expansion of the direct relationship with the customer through our app. Credit is still our main tool for attracting, engaging and monetizing clients, but Banco PAN offers more than just credit.

Currently we offer several products, such as: Full Checking Account, Personal Loan, Credit and Debit Card, Overdraft Banking, Payroll Portability, Poupa PAN among others. In addition, we have developed an important insurance sales platform, with several different options for our clients being launched during 2020 and 2021.

In addition, our efforts are directed towards the launch of new products aiming to make user experience even more complete thus leveraging client engagement. The Digital Account, by focusing on the entire relationship with our customers, becomes a relevant tool to expand our product portfolio, optimizing opportunities for cross sell and upsell and increasing our customer's loyalty.

CREDIT ORIGINATION

PAN is one of the leading mid-sized retail banks in Brazil, focusing on C, D and E income class individuals, civil servants and INSS retirees and pensioners, offering payroll-deductible loans and credit cards, used vehicle loans, new motorcycle financing, conventional credit cards and insurance.

With 2,497 employees, PAN has 60 points of service in Brazil's major cities and is present nationwide, with an asset light structure, operating via digital platforms with over 770 brokers as partners, offering payroll-deductible loans and more than 16,000 multi-brand and single-brand vehicle dealers.

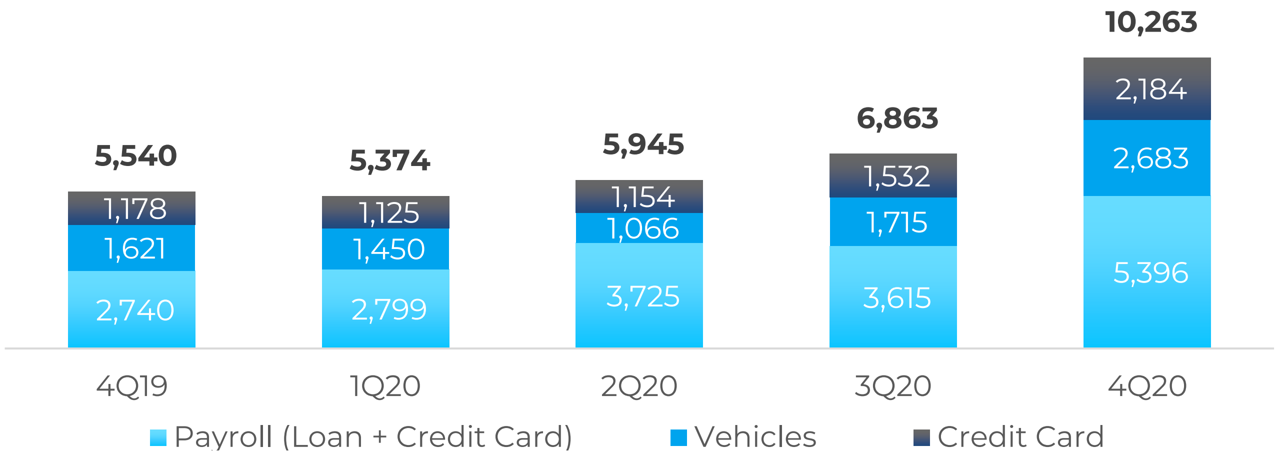
In 4Q20, PAN originated a monthly average of R$3,421 million in new credit, against R$2,288 million in 3Q20 and R$1,847 million in 4Q19, an increase of 50% in the quarter and 85% in 12 months.

The growth resulted from an expansion in all our business lines. In the payroll-deductible loan segment, origination has benefited from the regulatory change approved for the last quarter of 2020 that expanded the payroll loan margin from 30% to 35% of total income.

In vehicles, the optimization of our credit grating process and the gains from the digital formalization significantly accelerated the origination, with a growth of 56.4% compared to 3Q20. In credit cards, the origination is benefited by the performance of our digital bank, being an important product to activate and engage our client.

Quarter Origination (R$ million)

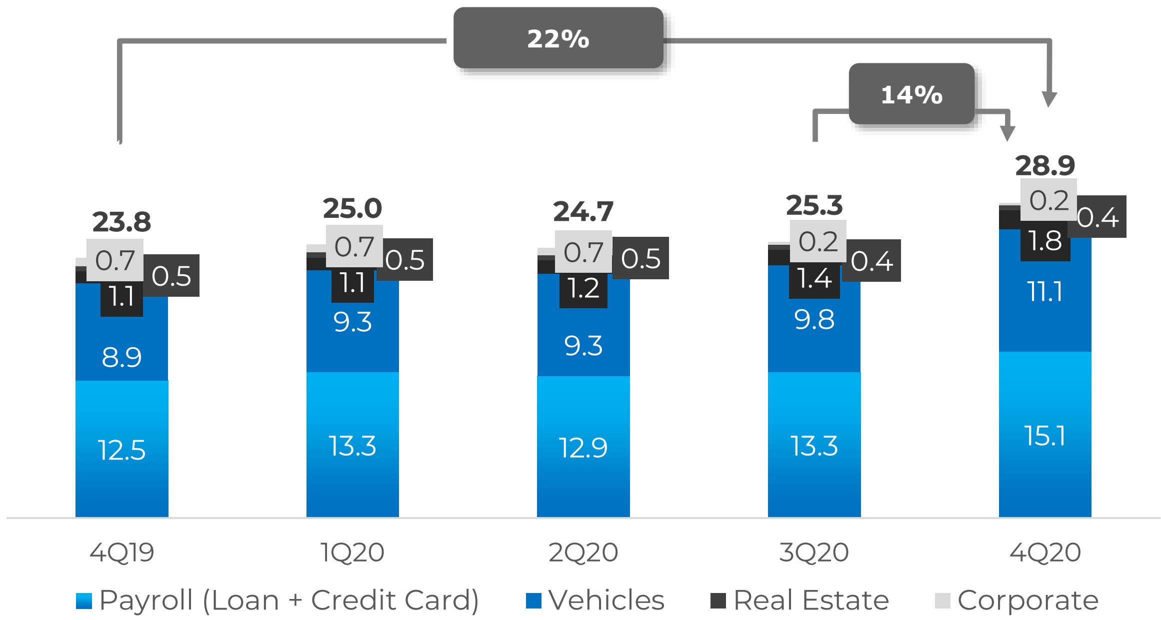
Products	4Q20	3Q20	4Q19	Δ4Q20/ 3Q20	Δ4Q20/ 4Q19
Payroll Deductible (Loans + Cards)	5,396	3,615	2,740	49%	97%
Vehicles	2,683	1,715	1,621	56%	66%
Credit Cards	2,184	1,532	1,178	43%	85%
Total	**10,263**	**6,862**	**5,539**	**50%**	**85%**



Credit Portfolio

The Expanded Credit Portfolio closed the 4Q20 at R$28,907 million, with a slight increase of 14% in relation to R$25,300 million at the end of the 3Q20, and growth of 22% in relation to R$23,785 million in the 4Q19. The core portfolio, comprising payroll-deductible loans, vehicle financing and credit cards, increased by 25% in the last 12 months. The Corporate and Real Estate Credit portfolios, both in run off, fell by 69% and 17%, respectively, over a 12-month period.

Credit Portfolio (R$ Billion)



The table below shows a breakdown of the credit portfolio by segment:

R$ million	4Q20	Share %	3Q20	Share %	4Q19	Share %	Δ4Q20/ 3Q20	Δ4Q20/ 4Q19
Payroll-Deductible (Loans)	13,098	45%	11,205	44%	10,684	45%	17%	23%
Vehicles	11,140	39%	9,759	39%	8,854	37%	14%	26%
Payroll-Deductible (Credit Card)	2,031	7%	2,069	8%	1,822	8%	-2%	11%
Credit Cards	1,772	6%	1,422	6%	1,087	5%	25%	63%
Real Estate	412	1%	423	2%	496	2%	-3%	-17%
Corporate Loans	224	1%	238	1%	732	3%	-6%	-69%
Other	230	1%	184	1%	110	0%	25%	109%
Total	**28,907**	**100%**	**25,300**	**100%**	**23,785**	**100%**	**14%**	**22%**

The table below shows the total loan portfolio by maturity on December 31, 2020:

R$ million	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	Over 360 days	Total
Payroll-Deductible (Loans)	362	517	852	1,568	9,799	13,098
Vehicles	820	967	1,316	2,285	5,752	11,140
Payroll-Deductible (Credit Card)	1,980	25	15	8	3	2,031
Credit Cards	1,064	357	228	118	4	1,772
Real Estate	55	14	20	37	286	412
Corporate Loans	134	3	16	15	56	224
Other	32	33	39	48	79	230
Total	**4,447**	**1,916**	**2,487**	**4,079**	**15,978**	**28,907**
Share (%)	**15%**	**7%**	**9%**	**14%**	**55%**	**100%**

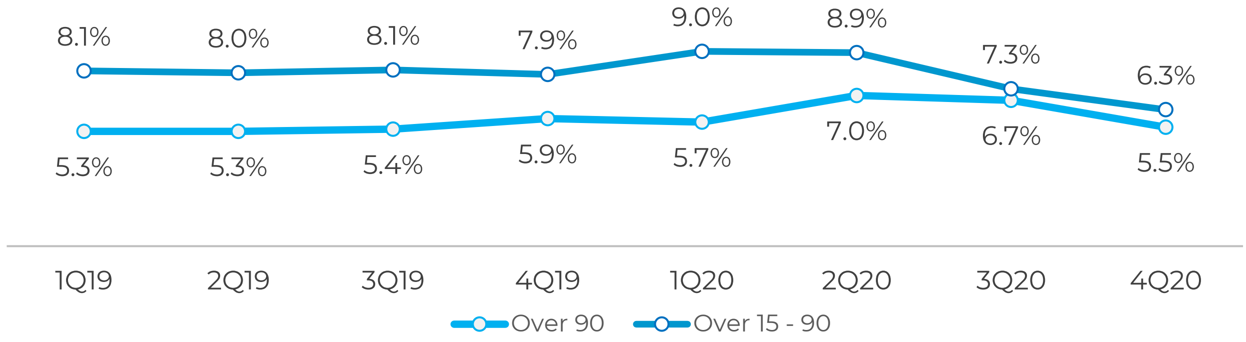
Retail Credit Portfolio

In the 4Q20, the improvement trend of our delinquency metrics was confirmed, with a significant reduction of overdue credit over 90 days over the total portfolio, to 5.5% compared to 6.7% in the 3Q20 returning to the pre-crisis level.

Overall, during the 2020 crisis, the bank adopted a conservative position in contracts deferral (only to installments) and, since the beginning of the pandemic, postponed less than 1% of the portfolio, with all deferred contracts being secured. In addition, 97% of the subsequent overdue installments have already been settled in 4Q20.

The shorter delinquency index, 15 to 90 days overdue, showed an important reduction from 7.3% in 3Q20 to 6.3% in 4Q20, showing lower rates than the pre-crisis. In addition, the resilient profile of the credit portfolio, whose payroll deductible credits and collateral credits account for 93% of the portfolio, remained stable.

Delinquency Indices | Over 90 and Over 15-90



The ratings of Banco PAN's retail credit portfolio are shown below, recorded on the balance sheet by risk rating, pursuant to Resolution 2,682 of the National Monetary Council ("CMN"):

R$ million	4Q20	Share %	3Q20	Share %	4Q19	Share %	Δ4Q20 /3Q20	Δ4Q20 /4Q19
"AA" to "C"	26,565	92.8%	22,881	91%	21,208	94%	16%	25%
"D" to "H"	2,075	7.2%	2,137	9%	1,791	6%	-3%	16%
Total	**28,640**	**100%**	**25,018**	**100%**	**22,999**	**100%**	**14%**	**25%**

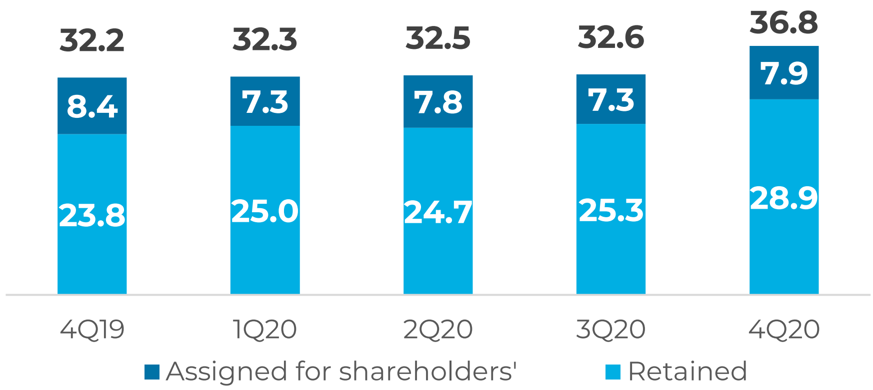
Originated Credit Portfolio

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, and in the 4Q20 these assignments totaled R$2,523 million, against R$1,744 million in 3Q20 and R$1,680 million in 4Q19. Notwithstanding, even with credit assignments, we were able to strongly expand our retained credit portfolio, showing our great origination capacity.

Regarding core portfolio (payroll-deductible loans + vehicles +credit cards) growth, we observe an increase of 15% and 25% respectively against 3Q20 and 4Q19.

The originated credit portfolio balance, which considers both credit in PAN's balance sheet ("on-balance portfolio") and the balance of the portfolios assigned to the controlling shareholders ("off-balance portfolio"), ended the quarter at R$36.8 billion.

Originated Credit Portfolio Evolution (R$ Bi)



Products

Payroll Deductible (Loans and Credit Cards)

The 4Q20 was marked by the temporary increase in the payroll loan margin and we granted R$ 5,211 million in loans to public servants and INSS beneficiaries, compared to the volumes of R$ 3,274 million in the 3rd quarter of 2020 and R$ 2,508 million in the 4th quarter of 2019, an increase of 59% and 108%, compared to the previous quarter and in 12 months, respectively. In 2020, we granted R$ 14,456 million compared to the R$ 10,392 million granted in 2019, an increase of 40%.

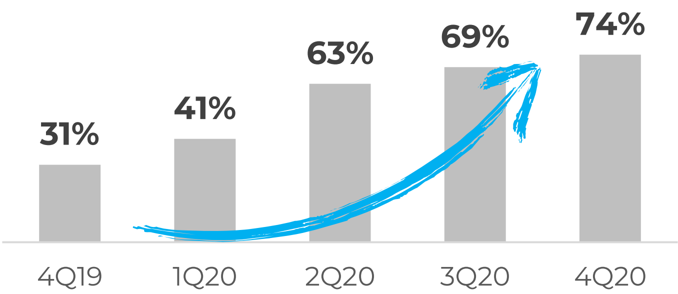
In the payroll-deductible credit card segment, PAN originated R$185 million in 4Q20, versus R$342 million in 3Q20 and R$232 million in 4Q19. In 2020, we granted R$972 million compared to the R$891 million granted in 2019, showing a 9% increase.

Our origination is optimized through our digital formalization platform, that accounted for 74% of the total contracts originated in 4Q20. In December, the total volume of contracts digitally formalized exceeded 82% of the total origination.

The platform allows clients to contract payroll-deductible loans through a paperless method, authenticated by facial biometrics. This paperless technology improves efficiency and profitability, resulting in cost savings, enhanced security and greater speed, thus improving loyalty and the experience of all those involved, especially at this time of lockdown restrictions.

For our partners, the platform has proven to be an important tool, both for reducing fraud costs and for accelerating the execution of operations.

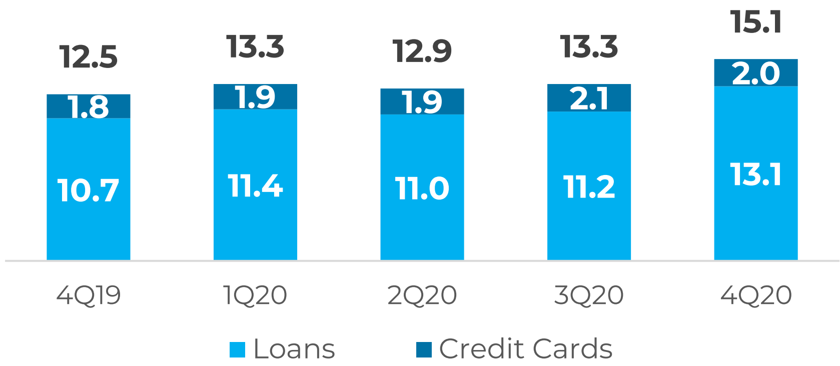
Digital Formalization - Payroll



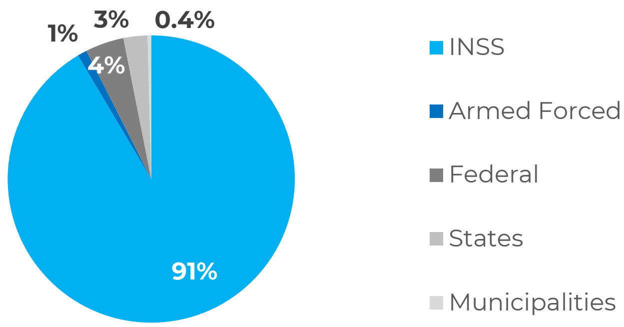
This platform, combined with PAN's positioning in the market and the relationship with its business partners, enables the Bank to remain a major player focused on federal partnerships, ranking among the largest players in the origination of credits for Social Security (INSS) retirees and pensioners.

The payroll-deductible loan portfolio ended the quarter with a balance of R$13,098 million, compared to R$11,205 million in the 3Q20 and R$10,684 million in the 4Q19, presenting a 17% growth in the quarter and 23% in the annual comparison. Meanwhile, the payroll-deductible credit card portfolio ended the quarter at R$2,031 million, 2% more than the R$2,069 million recorded in the previous quarter and up 11% from R$1,822 million at 4Q19.

Portfolio Evolution (R$ million)



4Q20 - Origination by Partnership (%)



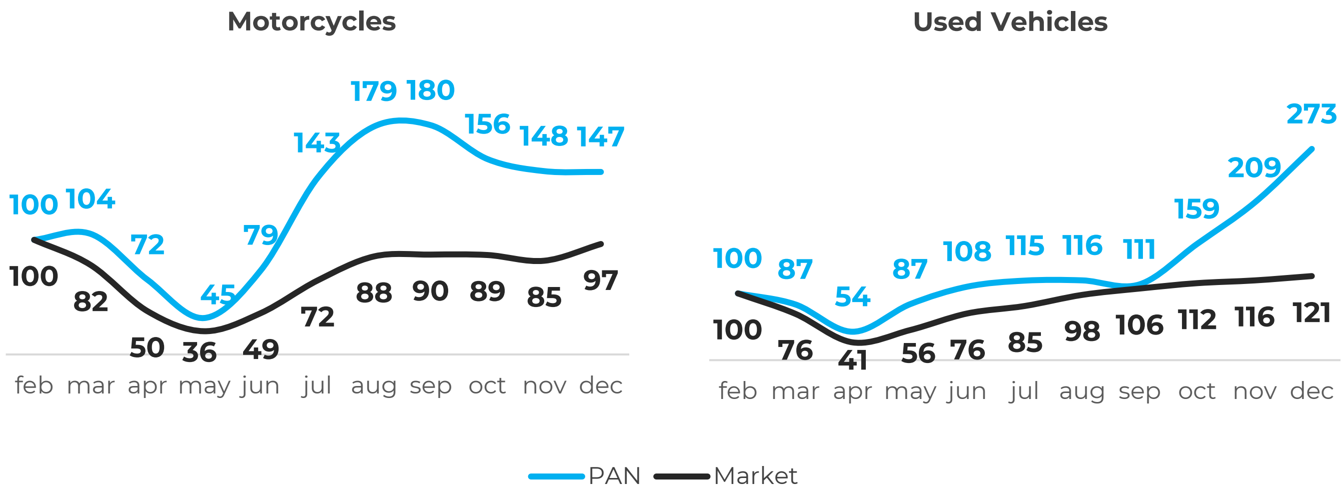
Vehicle Financing

After being affected by the pandemic in the 2Q20, the vehicle market recovered during the 4Q20 and R$2,683 million in new financing for light vehicles and motorcycles originated, an increase of 56% compared to R$1,715 million in the 3Q20 and 66% compared to R$1,621 million originated in the 4Q19.

Overall, we have recovered faster than the market, presenting a market share gain over the year, both in motorcycles and used vehicles, in which we reached 11% market share.

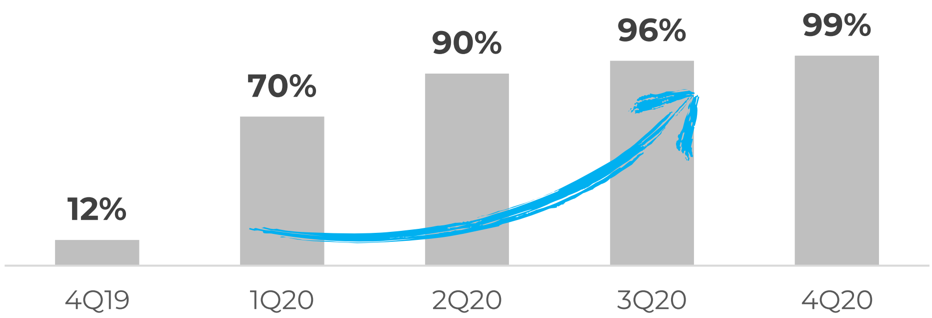
BANCO PAN

Monthly Origination in 2020 (February/2020 = 100)



During the quarter, digital formalization made significant progress, reaching 99% of the contracts signed through facial biometrics, benefiting the operation especially at this time of quarantine. In addition to the formalization platform, we have an exclusive platform that simulates financing and offers credit pre-analysis based on just a few pieces of information, in addition to monitoring applications and issuing vehicle reports, increasing agility and providing a better experience for its commercial partners and final customers.

Digital Formalization - Vehicles e Motorcycles



PAN focuses on used vehicle (mostly from four to eight years of use) and new motorcycle financing, capturing the benefits from its expertise in credit and collection in order to optimize the risk/return ratio of these operations. We originate the financing through an extremely diversified network of multi-brand stores and partner dealerships.

In motorcycles, we are the leading bank in the origination segment. Benefiting from its credit knowledge and long-term experience, PAN's strategy of concentrating its operation in a specific niche has resulted in an excellent performance inclusive among younger public.

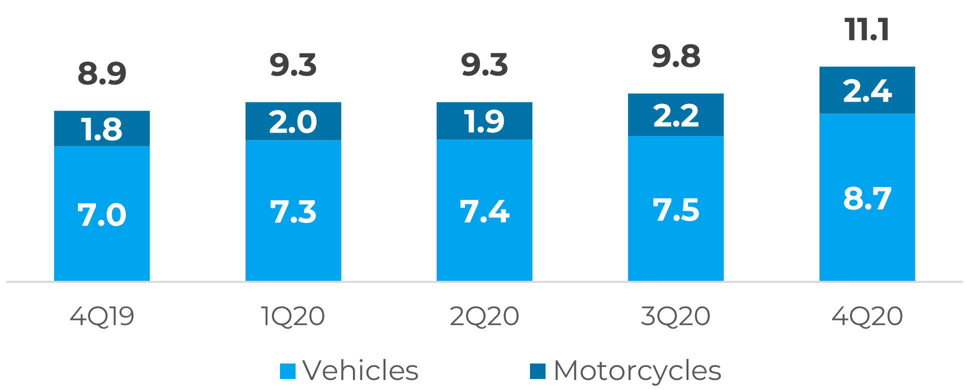
Light vehicle financing origination amounted to R$2,191 million in 4Q19, versus R$1,169 million in 3Q20 and R$1,273 million in 4Q19, while in 2020 we originated R$5,322 million compared to R$4,310 million in 2019, registering an 23% increase. In the motorcycle segment, was originated R$492 million in the 3Q20, compared to R$547 million in the 3Q20 and R$349 million in the 4Q19, while in 2020 was originated R$1,592 million compared to R$1,201 million in 2019, registering an increase of 33%.

The chart below shows more details on origination in these segments:

2020	Light Vehicles	Motorcycles
Origination (R$ million)	5,322	1,592
Market Share (dec/20)	11%	25%
Avg. Maturity (months)	46	41
% Down Payment	**35%**	**22%**

The vehicle financing portfolio closed the quarter at R$11,140 million, up 14% from R$9,759 million in 3Q20 and 26% higher than the R$8,854 million recorded in 4Q19.

Portfolio Evolution (R$ million)



Credit Cards

Leveraged by our digital bank growth, and in line with our client and product diversification strategy, we continue with the strong evolution of the credit card segment, by using, in addition to our digital account channel, our partners to originate new credit cards and expand our customer base. The full digital journey of our customers remains a priority and we have been experiencing important evolutions in this direction.

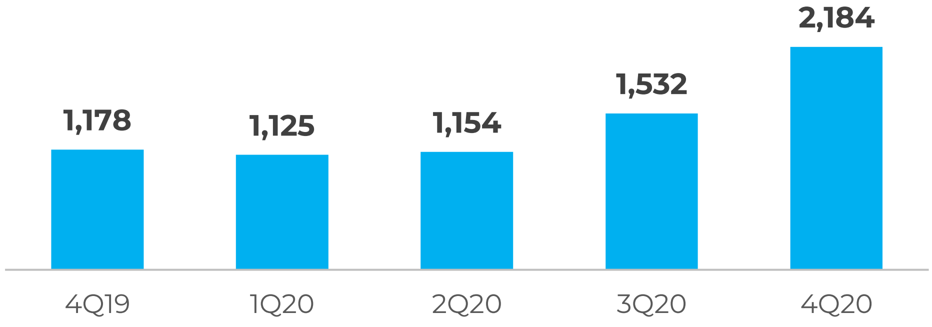
As previously mentioned, we increased investment in digital media and intensified the relationship with partners to expand the distribution of credit cards in marketplaces and the launch of co-branded cards. These partnerships, in addition to expanding the number of customers, promote the innovation process, diversify our origination sources and expand the range of information that supports our credit models.

Digital channels were accounting for most of the sales. This amount was leveraged by the increase in sales initiatives, relevant changes in cross-selling and greater efficiency in analytics and CRM.

Credit card transactions totaled R$2,184 million in 4Q20, up 43% from R$1,532 million in 3Q20 and 85% from the R$1,178 million recorded in 4Q19. In 2020, we traded a total of R$5,996 million, a 63% growth compared to R$3,686 million in 2019.

This growth is due to greater commitment, greater satisfaction with our product and the expansion of our client base.

Transaction Volume (R$ million)



The credit card portfolio ended the quarter at R$1,772 million, up 25% from R$1,422 million in 3Q20 and 63% higher than the R$1,087 million recorded in 4Q19.

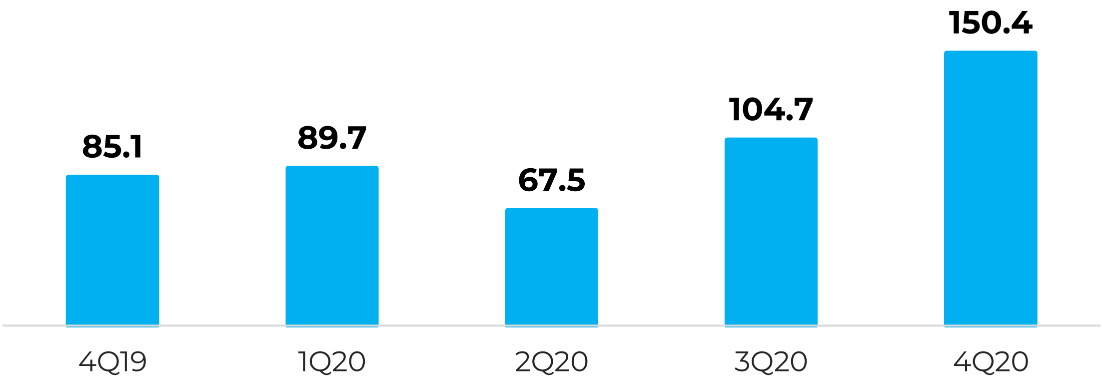
Insurance

In 4Q20, we originated R$150.4 million in insurance premiums, versus R$104.7 million and the R$85.1 million originated in the 3Q20 and the 4Q19 months, respectively. Premiums originated in 4Q20 included: R$127.9 million from credit insurance, R$5.2 million from credit card insurance, R$3.1 million from home insurance and R$14.2 million from other insurance products, which include our new products: PAN Moto Assistance and Mechanical Guarantee. In 2020 we originated R$ 412 million in insurance premiums.

Our insurance business remains a priority within our diversification, cross sell and expansion strategy of our full-service banking platform. During 2020, new products were launched, focused on attending the specific needs of our client.

In addition, by 2021 our product portfolio will expand even more, increasing our customer loyalty and enabling the services hiring in a one-stop-shop platform.

Total Premiums Origination (R$ million)



Corporate Credit (run off)

The Corporate Credit portfolio closed the quarter at R$224 million, down from R$238 million in 3Q20 and R$732 million in 4Q19. The portfolio is provisioned and covered by collaterals.

Real Estate Credit (run off)

Real estate credit granted to individuals totaled R$372 million at the end of 4Q19, versus R$379 million in the 3Q20 and R$442 million in the 4Q19, showing a very conservative level of provisioning.

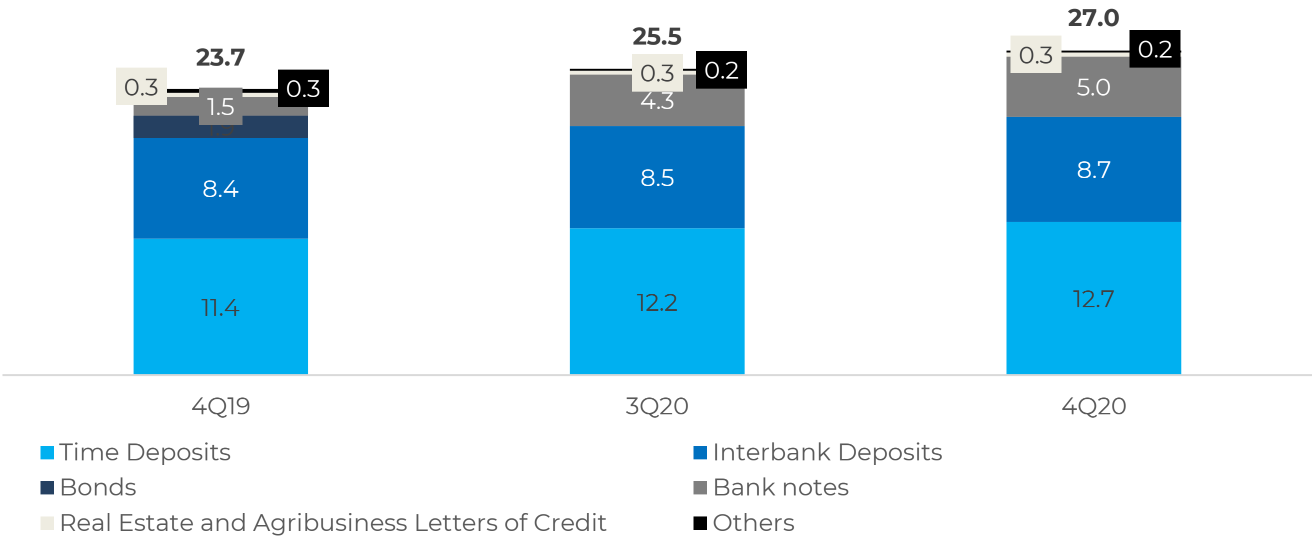
Real estate credit granted to companies stood at R$40 million in 4Q20 (fully provisioned), versus R$44 million in 3Q20 and R$54 million in 4Q19.

Funding

The balance of funds raised totaled R$27.0 billion at the end of the 4Q20, with the following composition: (i) R$12.7 billion in time deposits, representing 47% of the total; (ii) R$8.5 billion in interbank deposits, or 32% of the total; (iii) bank notes equivalent to R$5.0 billion, or 19% of the total; (iv) real estate and agribusiness letters of credit (LCI and LCA) amounting to R$327 million, or 1% of the total; and (v) other funding sources totaling R$180 million, or 1% of the total.

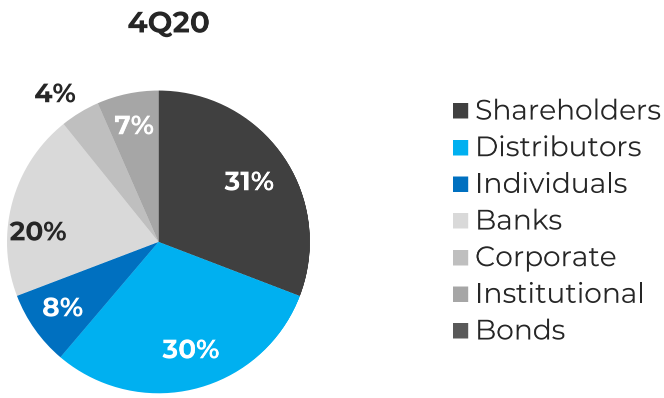
Funding Sources[1] R$ million	4Q20	Share %	3Q20	Share %	4Q19	Share %	Δ 4Q20/ 3Q20	Δ 4Q20/ 4Q19
Time Deposits	12,743	47%	12,206	48%	11,367	48%	4%	12%
Interbank Deposits	8,748	32%	8,522	33%	8,366	35%	3%	5%
Bank Notes	5,027	19%	4,293	17%	1,541	6%	17%	226%
LCI and LCA	327	1%	300	1%	336	1%	9%	-3%
Bonds	-	-	-	-	1,877	8%	-	-
Other	180	1%	176	1%	228	1%	2%	-21%
Total	**27,025**	**100%**	**25,498**	**100%**	**23,715**	**100%**	**6%**	**14%**

Evolution of Funding Sources (R$ Billion)



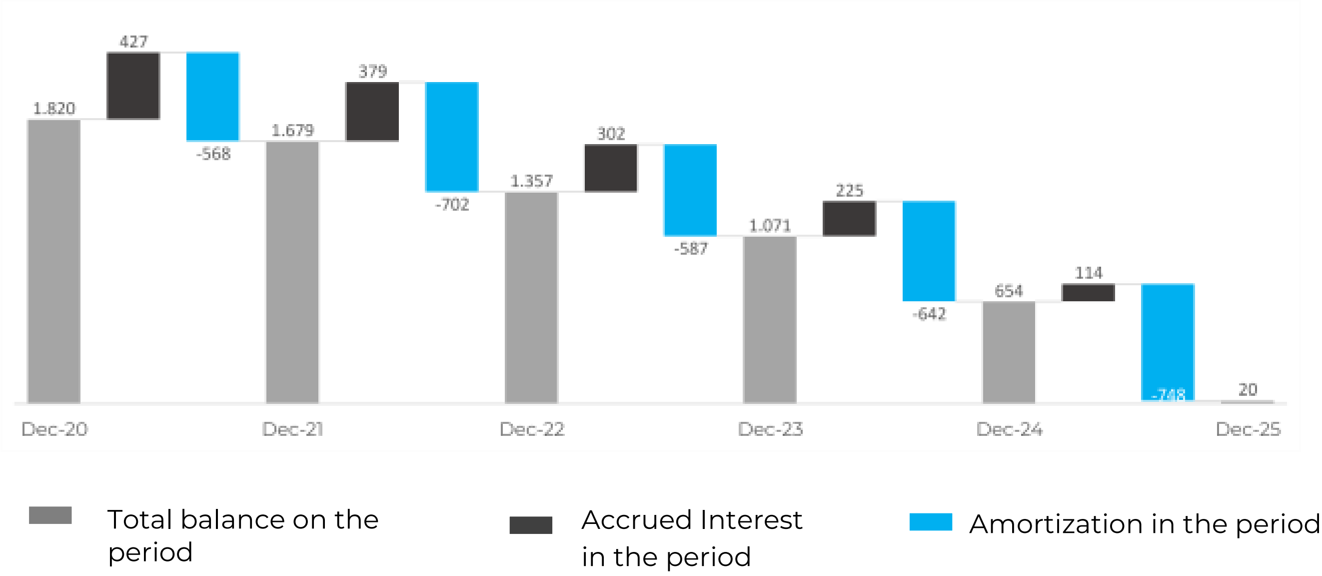
[1] In accordance with Article 8 of Central Bank Circular 3068/01, PAN declares that it has the financial capacity and the intention of holding to maturity those securities classified as "held-to-maturity securities" in its financial statements.

Funding by Investor (%)



The flow of fixed rate time deposits (issued between 2005 and 2008), which is subject of the adjustment in ROE. In 4Q20, we recorded relevant maturities, already observing a reduction in the total value and consequently we will experience a lower impact on the accounting ROE for the year 2021:

Future Flow – Legacy Deposits (R$ million)



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Results

Managerial Net Financial Margin - NIM

NIM came to 21.9% in 4Q20, up from 20.5% in 3Q20 and from 19.9% in 4Q19. NIM came to 19.0% in 2020, up from 17.3% in 2019. This level remained high, and is related to the solid spreads on credit operations, the expansion of new credit lines with higher margins and gains on portfolio assignment.

R$ million	4Q20	3Q20	3Q19	Δ4Q20/ 3Q20	Δ4Q20/ 4Q19
1. Managerial Net Interest Margin	**1,585**	**1,359**	**1,225**	**17%**	**29%**
2. Average Interest-Earning Assets	**31,204**	**28,504**	**26,402**	**9%**	**18%**
- Loan Portfolio	27,103	24,855	23,356	9%	16%
- Securities and Derivatives	2,742	2,475	2,394	11%	15%
- Interbank Investments	1,358	1,173	654	16%	109%
Net Interest Margin - NIM (%)	**21.9%**	**20.5%**	**19.9%**	**1.4 p.p.**	**2.0 p.p.**

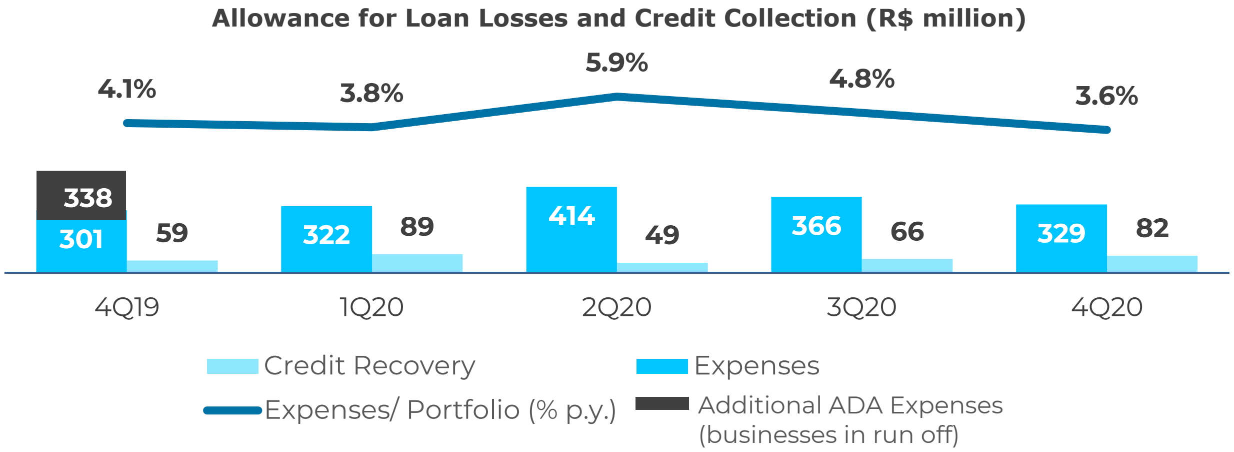
R$ million	2020	2019	Δ2020/ 2019
1. Managerial Net Interest Margin	**5,373**	**4,184**	**28%**
2. Average Interest-Earning Assets	**28,331**	**24,229**	**21%**
- Loan Portfolio	24,792	21,729	17%
- Securities and Derivatives	2,539	2,075	14%
- Interbank Investments	999	424	22%
Net Interest Margin - NIM (%)	**19.0%**	**17.3%**	**1.7 p.p.**

Allowance for Loan Losses and Credit Collection

The allowance for loan losses totaled R$329 million in 4Q20, versus R$366 million in 3Q20 and R$301 million in 4Q19. In 2020 the expenses for the credit provision totaled R$1,432 million, compared to R$ 1,224 million in 2019 (not considering additional provision expenses in the amount of R$338 million realized in 4Q19).

In 4Q20, the recoverable value of credits previously written-off as losses totaled R$82 million, versus R$66 million recovered in 3Q20 and the R$59 million recovered in 4Q19. In 2020, the amount of credits recovered was R$287 million compared to R$240 million in the previous year, representing a growth of 19% in credit recovery.

Thus, the allowance for loan losses less credit collection totaled R$247 million, versus R$300 million in 3Q20 and R$243 million in 4Q19. Regarding the portfolio, these net recovery expenses decreased from 4.8% in the 3Q20 to 3.6% in the 4Q20. In 2020, the allowance for loan losses less credit collection came to R$1,145 million, over the R$984 million recorded in 2019, recording a decline in net recovery expenses from 4.5% to 4.4%.



Costs and Expenses

Personnel and administrative expenses totaled R$452 million in 4Q20, versus R$398 million in 3Q20 and R$402 million in 4Q19, reflecting mainly personnel and billing expenses and being affected by a one-off related to the investment write-off in the digital formalization platform. In 2020, administrative expenses totaled R$1,605 million, compared to R$1,332 million in 2019.

Credit origination expenses totaled R$539 million in the quarter, versus R$316 million in 3Q19 and R$247 million in 4Q19, following the strong volumes of credit origination and our customer base expansion. In 2020, credit origination expenses totaled R$1,347 million, compared to R$959 million in 2019.

Expenses (R$ million)	**4Q20**	**3Q20**	**4Q19**	**Δ 4Q20/ 3Q20**	**Δ 4Q20/ 4Q19**
Personnel Expenses[1]	136	132	144	3%	-6%
Administrative Expenses	316	266	258	19%	22%
Personnel and Administrative Expenses	**452**	**398**	**402**	**14%**	**12%**
Commission Expenses	406	224	190	81%	114%
Other Origination Expenses	133	93	56	43%	138%
Origination Expenses	**539**	**316**	**247**	**71%**	**118%**
Total	**991**	**715**	**649**	**39%**	**53%**

Expenses (R$ million)	**2020**	**2019**	**Δ 2020/ 2019**
Personnel Expenses[1]	542	502	8%
Administrative Expenses	1,063	835	27%
Personnel and Administrative Expenses	**1,605**	**1,336**	**20%**
Commission Expenses	1,013	756	34%
Other Origination Expenses	333	203	64%
Origination Expenses	**1,347**	**959**	**40%**
Total	**2,951**	**2,295**	**29%**

[1] *Excluding personnel expenses related to origination*

Income Statement

In the 4Q20, we recorded EBIT of R$261 million, remaining stable when compared to the R$259 million in the 3Q20, and up 22% compared to the R$215 million in the 4Q19. For the year 2020, we registered a EBIT of R$938 million with 35% growth when compared to the R$694 million in 2019.

Net Income was R$171 million, remaining stable when compared to the R$170 million in the 3Q20 and 2% up versus R$168 million in the 4Q19. For the year 2020, we registered a record Net Income of R$656 million with 27% growth when compared to the R$516 million in the same period in 2019.

The main factors that have positively contributed to the results of the last quarters are: (i) robust financial margin; (ii) increased efficiency; and (iii) credit cost under control.

Income Statement (R$ million)	4Q20	3Q20	4Q19	Δ 4Q20/ 3Q20	Δ 4Q20/ 4Q19
Managerial Net Interest Margin	**1,585**	**1,359**	**1,225**	**17%**	**29%**
Allowance for Loan Losses	-329	-366	-301	-10%	9%
Gross Income from Financial Intermediation	**1,256**	**993**	**923**	**26%**	**36%**
Income from services rendered	166	118	115	40%	44%
Personnel and Administrative Expenses	-452	-398	-412	14%	10%
Commission Expenses	-406	-224	-180	81%	125%
Other Origination Expenses	-133	-93	-56	44%	137%
Tax Expenses	-105	-67	-74	58%	42%
Other income and expenses	-64	-70	-100	-10%	-36%
Result before taxes	**261**	**259**	**215**	**1%**	**21%**
Provision for Income Tax and Social Contribution	-90	-89	-47	1%	90%
Net result	**171**	**170**	**168**	**0%**	**2%**

Income Statement (R$ million)	2020	2019	Δ 2020/ 2019
Managerial Net Interest Margin	**5,372**	**4,183**	**28%**
Allowance for Loan Losses	-1,431	-1,224	17%
Gross Profit from Financial Intermediation	**3,941**	**2,958**	**33%**
Income from services rendered	482	418	15%
Personnel and Administrative Expenses	-1,605	-1,387	16%
Commission Expenses	-1,013	-705	44%
Other Origination Expenses	-333	-203	64%
Tax Expenses	-298	-223	34%
Other income and expenses	-237	-164	45%
Result before taxes	**938**	**694**	**35%**
Provision for Income Tax and Social Contribution	-282	-179	58%
Net result	**656**	**516**	**27%**

The annualized average ROE stood at 13.0% in 4Q20, versus 13.2% in 3Q20 and 13.7% in 4Q19. The adjusted annualized average ROE (unaudited) was 20.9% in 4Q20, versus 21.5% in 3Q20 and 24.6% in

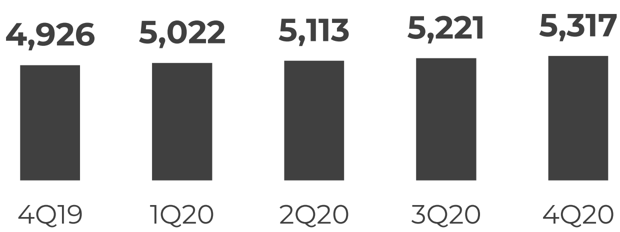
4Q19. In 2020, the return on average equity was 12.8%, compared to the 11.4% in 2019. The adjusted ROE (unaudited) was 21.4% in 2020 compared to 22.5% in 2019.

The adjustment consists in the rectification of two remaining legacies: (i) excess financial expenses related to fixed rate time deposits issued between 2005 and 2008 (average maturity in 2023), compared to the current funding cost of the NAP for the same term and (ii) excess deferred tax assets related to losses, compared to the banking sector average, arising from the accounting inconsistencies found in 2010.

R$ million – Unaudited	4Q20	3Q20	4Q19	2020	2019
Net Income	171	170	168	656	516
Financial Expense Surplus (Net of Taxes)	53	53	60	215	221
Adjusted Net Income	**224**	**223**	**227**	**871**	**737**
Average Shareholders' Equity	5,269	5,167	4,878	5,122	4,511
Surplus Tax Credit and Tax Losses	982	1,220	1,189	1,050	1,238
Adjusted Average Shareholders' Equity	**4,287**	**3,947**	**3,689**	**4,071**	**3,273**
Accounting ROAE (p.y.)	13.0%	13.2%	13.7%	12.8%	11.4%
Adjusted ROAE (p.y.)	**20.9%**	**21.5%**	**24.6%**	**21.4%**	**22.5%**

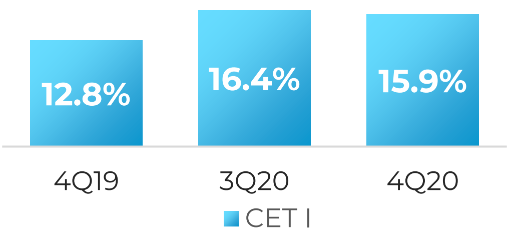
Shareholders' Equity

PAN's consolidated shareholders' equity amounted to R$5,317 million in December 2020, versus R$5,221 million in September 2020 and R$4,926 million in December 2019.



Basel Ratio

The Basel Ratio of the Prudential Conglomerate ended 4Q20 at 15.9%, versus 16.5% at the end of 3Q20 and 12.8% in 4Q19, (all made up entirely by Tier I Common Equity).



R$ million	4Q19	3Q20	4Q20
Reference Shareholders' Equity	**3,085**	**3,404**	**3,648**
Tier I	3,077	3,396	3,639
Tier II	8	9	9
Required Reference Shareholders' Equity	2,073	1,913	2,121
RWA	19,614	20,685	22,926

Ratings

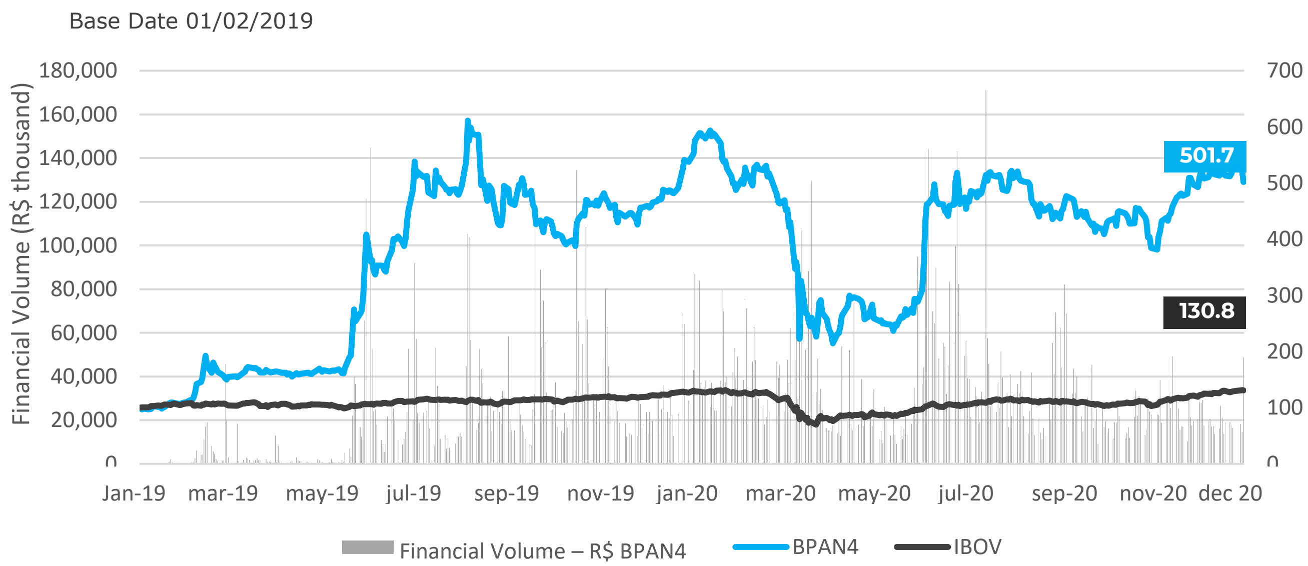
PAN's long-term corporate ratings are presented below:

Rating Agency	Global Scale	National Scale	Outlook
Fitch Ratings	**B+**	**A (br)**	**Stable**
Standard & Poor's	**B+**	**brAA**	**Stable**
Riskbank	**Low Risk for Medium Term 1 | 9.54**		

Stock Performance

PAN's shares (BPAN4)[1] ended 4Q20 priced at R$9.53 with an average trading volume of R$22.0 million, versus R$33.8 million traded in 3Q20. In the annual comparison, the trading daily average registered R$35.4 million, an increase of 70% over the R$20.8 million registered in 2019.

On December 31, 2020, PAN's market cap was R$11.5 billion, equivalent to 2.2x its book value.



Source: *Reuters*

[1]Listed in Corporate Governance Level 1

EXHIBITS

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 AND 2019		
(In thousands of Reais)		
ASSETS	**Dec 2020**	**Dec 2019**
Cash and cash equivalents	1,256,792	1,247,014
Securities and derivative financial instruments	2,945,552	2,375,755
Interbank partnerships	9,047	127,540
Loan Operations	27,212,153	21,799,357
Loan Operations	27,466,468	22,485,395
Securities and Loans Receivable	1,644,175	1,142,697
(Allowance for doubtful accounts)	-1,898,490	-1,828,735
Others financial assets	2,144,068	2,470,232
Taxes	4,095,561	3,839,695
Other assets	353,213	351,504
Other values and assets	374,658	372,038
FIXED	132,904	214,996
TOTAL ASSETS	**38,523,948**	**32,798,131**

LIABILITIES	Dec 2020	Dec 2019
Deposits	**21,566,403**	**19,759,979**
Demand Deposits	76,056	26,574
Interbank Deposits	8,747,715	8,365,928
Time Deposits	12,742,632	11,367,477
Open market funding	**1,307,042**	**295,805**
Acceptance funds and securities issue	**5,346,049**	**1,868,324**
Interbank partnerships	**1,491,821**	**933,731**
Derivative financial instruments	**-**	**124,979**
Others financial assets	**112,439**	**2,086,843**
Provisions	**513,622**	**591,125**
Taxes	**536,768**	**441.713**
Other liabilities	**2,332,336**	**1,769,464**
Shareholders' Equity	**5,317,468**	**4,926,168**
Share capital	4,175,222	3,653,410
Capital reserve	207,322	521,812
Profit reserves	958,655	557,982
Other comprehensive results	-23,731	-14,358
TOTAL LIABILITIES	**38,523,948**	**32,798,131**

CONSOLIDATED INCOME STATEMENTS AS OF SEPTEMBER 30, 2020 AND DECEMBER 31, 2020 AND 2019 *(In thousands of Reais)*	4Q20	3Q20	2020	2019
REVENUES FROM FINANCIAL INTERMEDIATION	**2,045,672**	**1,672,085**	**7,597,689**	**6,405,315**
Income from credit operations	2,082,546	1,622,304	7,283,863	6,339,376
Results from securities operations	68,184	37,861	161,628	153,584
Result from derivative financial instruments	(105,196)	11,608	150,439	(101,386)
Exchange operating result	138	312	1,598	4,958
Result from compulsory operations	-	-	161	8,783
EXPENSES FROM FINANCIAL INTERMEDIATION	**(790,911)**	**(679,628)**	**(3,660,933)**	**(3,787,614)**
Market funding operations	(461,755)	(313,691)	(2,229,543)	(2,225,116)
Provisions for expected losses associated with credit risk	(329,156)	(365,937)	(1,431,390)	(1,562,498)
GROSS RESULT FROM FINANCIAL INTERMEDIATION	**1,254,761**	**992,456**	**3,936,756**	**2,617,701**
OTHER OPERATING INCOME (EXPENSES)	**(1,005,437)**	**(754,015)**	**(3,048,796)**	**(2,227,369)**
Revenues from Services	165,656	118,187	482,256	417,654
Personnel Expenses	(154,511)	(146,030)	(574,152)	(501,695)
Other administrative expenses	(836,652)	(568,562)	(2,376,748)	(1,793,348)
Tax expenses	(105,107)	(66,520)	(297,545)	(222,775)
Provisions Expenses	(42,783)	(64,081)	(196,564)	(200,206)
Other income and expenses	(32,040)	(27,009)	(86,043)	73,001
OPERATING INCOME	**249,324**	**238,442**	**887,960**	**390,332**
OTHER NON-OPERATING INCOME AND EXPENSES	**11,816**	**20,876**	**49,737**	**(34,189)**
RESULTS BEFORE TAXES	**261,140**	**259,318**	**937,697**	**356,143**
TAXES ON INCOME	**(90,199)**	**(89,140)**	**(282,128)**	**159,792**
Provision for income tax	(63,765)	(2,641)	(204,778)	(188,630)
Provision for social contribution	(51,838)	(1,392)	(160,017)	(117,643)
Deferred tax assets	25,404	(85,107)	82,667	466,065
NET INCOME FOR THE PERIOD	**170,941**	**170,178**	**655,569**	**515,935**