



# INTERIM FINANCIAL STATEMENTS

## 3Q21





# Management Report

## 3Q21

**São Paulo, October 26, 2021** – In accordance with legal provisions, Banco PAN S.A. (“PAN”, “Bank”, “Banco PAN” or “Institution”) and its subsidiaries are pleased to present the results for the quarter ended September 30, 2021, accompanied by the Independent Auditor’s Report. The Bank’s operating and financial information, unless otherwise indicated, is presented based on consolidated figures and in Reais, in accordance with Brazilian Corporate Law and with accounting practices adopted in Brazil.

## MESSAGE TO THE STOCKHOLDERS,

Our vision is to be a leader for the digital financial inclusion of Brazilian families, democratizing banking access and offering a complete platform for financial products and services. We are fully focused on getting to know our customers in detail and offering solutions that make a difference to their lives and offering products to promote their successes including: Credit, Banking, Payment Methods, Insurance, Savings and Marketplace.

Our business strategy is supported by three pillars of action: growth, engagement and monetization. In 3Q21, we expanded the awareness of our brand, we signed a strategic partnership with Luciano Huck and we continue 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 captured through organic flows** in September.

We closed 3Q21 with **15.2 million customers, 52% of which are active customers**, with an increasingly complete offering of services and products to further strengthen engagement.

The merger of Mosaico announced in October is another step towards developing a complete platform, creating the largest consumer and banking ecosystem, driven by technology. This will drive a unique value proposition, involving the choice and acquisition of optimum products, with cashback over the best price and the best credit and payment conditions, to over 15.2 million PAN customers and over 22 million (in 2Q21) monthly users of Mosaico's platforms.

The quarter also featured great news. In July, we officially launched the Personal Loan with an FGTS guarantee, being the only bank to offer this through an app. In September, we included the Turbo PAN offering, a payment device, 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 visits and a 78% organic flow.

This is witness that our technological area is strategic to our continued growth. We have a team with over 800 professionals organized in 60+ squads with a fully integrated performance in the business areas. This permitted an increasingly assertive acceleration in the pace of product development and delivery. The high investment in technology and products, consistent with our customer-focused culture, permitted **214 million visits to the app** and a **total transacted volume of R\$ 13.8 billion** in the third quarter, growing 89% in the quarter and demonstrating the engagement of our base.

For our next steps, we plan an intense journey of launches in the coming months. In October we rolled-out the payroll-deductibles facility in the app in addition to car equity; in November we will launch the Buscapé card, offering cashback to our customers. Next, our app will incorporate 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 over 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 a healthy growth in line with an efficient engagement strategy allows us to consistently monetize our operation. In 3Q21, we posted net profit of R\$ 191 million and an accounting ROE of 13.6%, reflecting significant levels of investment.

## DIGITAL ACCOUNT

Our account increasingly presents products and services that enhance the real engagement of our customers. Offering credit was the main instrument for attracting, engaging and monetizing customers, now our strategy goes further. At 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 within a short period, demonstrating even more engagement.

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

## ORIGINATION OF CREDIT PORTFOLIO AND RETAIL

During 3Q21, PAN originated a monthly average of R\$ 2,340 million in new credit operations, compared with R\$ 2,429 million in 2Q21 and R\$ 1,748 million in 3Q20, a decrease of 3.7% in the quarter due to the sharper decline in payroll-deductibles and an increase of 31.1% compared to 3Q20. The highlight of the quarter was the start of the EP FGTS operation, which presented exponential growth, totaling R\$ 1.5 billion in new credits.

Payroll-deductibles operations totaled R\$ 3,101 million in 3Q21, compared with R\$ 4,660 million in 2Q21 and R\$ 3,615 million in 3Q20.

For vehicles, the Bank originated R\$ 2,325 million of new financing, down 8% in comparison to R\$ 2,514 million in 2Q21 and up 36% in relation to R\$ 1,715 million in 3Q20.

The Expanded Credit Portfolio totaled R\$ 33,262 million at the end of 3Q21, an increase of 3% in relation to R\$ 32,355 million at the end of 2Q21 and an increase of 31% compared to R\$ 25,300 million in 3Q20.

In 3Q21, portfolio credits past due over 90 days were 5.8%, compared to 5.4% in 2Q21, in line with the historical average and the trend to change the portfolio mix. The indicator of credits past due between 15 and 90 days over the total portfolio in 3Q21 was 7.5%, in line with that presented in 1Q21 and 0.2 pp. higher than the 7.3% in 2Q20.

## PAYROLL-DEDUCTIBLES AND FGTS

In July 2021, we began offering on our platform personal loans guaranteed by the FGTS. We were pioneers in offering 100% digital advance withdrawal of FGTS anniversary-withdrawal directly through the account's app. In addition to directly reaching our target audience, this modality provides the opportunity for customers with unfavorable credit scores to have access to personal loans without impacting default rates, increasing customer engagement and loyalty.

During 3Q21, we were witness to the demand for this product and its cross-selling power. Since its launch, we have already created a portfolio of R\$ 1,473 million, with robust monthly demand.

In the payroll-deductibles market, our focus is on granting payroll-deductible loans and credit cards to government employees, retirees and pensioners of the National Institute of Social Security (INSS). Our strategy is to keep focused on federal agreements, as these are the largest market originators of INSS beneficiaries and pensioners.

In October 2021, we included payroll-deductibles in our app, making it easier to contract new credits. This new experience is in line with our strategy of offering a complete platform, increasingly engaging through our B2C audience.

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

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

The payroll-deductible loan portfolio at the end of the quarter totaled R\$ 11,530 million, compared to R\$ 13,298 million in 2Q21 and R\$ 11,204 million in 3Q20, a decrease of 13% in the quarter and an increase of 3% in the year. The payroll-deductible credit card portfolio at the end of the quarter totaled R\$ 2,120 million, an increase of 1% when compared with the balance of R\$ 2,089 million in the previous quarter and of 2% in relation to the balance of R\$ 2,069 million in 3Q20.

## **VEHICLE FINANCING**

In this segment, we focus on financing pre-owned light vehicles (mainly between four to eight years old) 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 bring 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 PAN's ecosystem through technology and contextualization of products and services

In 3Q21, the Bank originated R\$ 2,331 million of new financing, including light vehicles and motorcycles, down 7% in comparison to R\$ 2,514 million in 2Q21 and up 36% in relation to R\$ 1,715 million in 3Q20.

The origination of light vehicles was R\$ 1,986 million in 3Q21, a decrease of 8% compared to R\$ 2,164 million originated in 2Q21 and an increase of 70% against R\$ 1,169 million originated in 3Q20. In the motorcycles segment, we originated R\$ 345 million in 3Q21, compared to R\$ 350 million in 2Q21 and R\$ 547 million in 3Q20, a decrease of 1% and 37%, respectively.

## **CREDIT CARDS**

Leveraged by the growth of our digital account and in line with our strategy of diversifying customers and products, we continue developing the credit card segment and expanding our customer base.

Our credit card portfolio grew as our customers used installment payment and revolving credit instruments. At the end of 3Q21, the card portfolio totaled R\$ 3,118 million, 19% and 119% higher when compared to R\$ 2,622 million and R\$ 1,422 million in 2Q21 and 3Q20, respectively.

We recently launched the cobranded Buscapé card, in a joint initiative with Mosaico. The new card will offer benefits such as an annual fee waiver, cashback on all purchases and the lowest price guarantee. Customers will also be able to monitor the price of the purchased item and, if they identify a lower price, can request a refund of the difference.

## **PERSONAL LOANS**

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

Personal loans are fundamental to the daily lives of customers, who at times need to supplement their cash flows, 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.

## **INSURANCE**

Our insurance business continues to be a priority within our strategy of diversification, cross sell and expansion of our complete services platform.

Also in the second half of 2021, our product portfolio will be expanded, enhancing the loyalty of our customers and facilitating the contracting of services through a one-stop-shop platform, 100% available through the app. New offers include: PIX Insurance, FGTS Insurance, Life Insurance, Income Loss Insurance, Device Insurance (cellphone), Home Insurance, among others, which will be launched between the end of this year and the first half of next year.

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

Year-to-date, we reached a total of premiums of R\$ 457 million, with more than 1.5 million customers.

## **RUN-OFF PORTFOLIO**

The run-off portfolio continued to decline significantly, 35% in 12 months, and ended the quarter at R\$ 429 million, basically represented by mortgages with a high level of provisions.

## **FUNDING**

The balance of funds raised totaled R\$ 32,465 million at the end of 3Q21, comprised as follows: (i) R\$ 18,181 million in time deposits, being 56% of the total; (ii) R\$ 9,808 million related to issuance of financial bills, or 30.2% of the total; (iii) R\$ 3,411 million in interbank deposits, or 10.5% of the total and; (v) other sources of financing - R\$ 1,065 million, equivalent to 3.3% of the total funding.

## **RESULTS**

### **MANAGEMENT NET FINANCIAL MARGIN**

In 3Q21, Management Net Financial Margin was 19.3% p.a., compared to 20.5% p.a. in 2Q21 and 20.5% p.a. in 3Q20. This level remained high, and is related to robust spreads of credit operations.

### **ALLOWANCE FOR LOSSES AND RECOVERY OF CREDITS**

The allowance for losses charge was R\$ 378 million, against R\$ 285 million in 2Q21 and R\$ 300 million in 3Q20. As a percentage of the portfolio, these annualized net recovery expenses rose from 3.6% in 2Q21 to 4.6% in 3Q21.

### **COSTS AND EXPENSES**

The Bank's expenses totaled R\$ 1,030 million in 3Q21, compared to R\$ 1,022 million in 2Q21 and R\$ 715 million in 3Q20, mainly reflecting the increase in the Bank's structure and following the volumes of customer acquisition and credit origination.

## NET RESULT

In 3Q21, the Bank's pretax profit totaled R\$ 280 million, up 2% in relation to the pretax profit of R\$ 273 million in 2Q21 and an increase of 8% compared to the R\$ 259 million in 3Q20.

Net Profit totaled R\$ 191 million, down 5% when compared to the net profit of R\$ 202 million in 2Q21 and up 12% compared to the net profit of R\$ 170 million in 3Q20.

The major factors contributing positively to the results for the most recent quarters were: (i) robust financial margin; (ii) cost of credit under control; and (iii) growing revenues from the provision of services.

We continue to invest in the expansion of our platform and in the acquisition of customers, without deferral or activation.

The annualized average return on equity for 3Q21 was 13.6%, against 14.7% in 2Q21 and 13.2% in 3Q20), whereas the adjusted annualized return (unaudited) was 18.4% in 3Q21, against 20.6% in 2Q21 and 21.5% in 3Q20).

The adjustment refers to two legacies from the past: (i) higher financial expenses from fixed Bank Deposit Certificates (CDBs) issued between 2005 and 2008 (with average maturity in 2023), compared to the Bank's current funding cost for the same period; and (ii) higher tax credit from tax losses, when compared to the banking market, arising from accounting inconsistencies in 2010.

## EQUITY AND CAPITAL

The Bank's consolidated equity was R\$ 5,676 million in September 2021, compared to R\$ 5,559 million in June 2021 and R\$ 5,221 million in September 2020.

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 Conglomerate Basel Index (pro forma) at the end of 3Q20 was 15.3%, in comparison with 15.6% at the end of 2Q21 and 16.5% in 3Q20, all fully comprised of Principal Capital.

## INDEPENDENT AUDITORS

PricewaterhouseCoopers Auditores Independentes ("PwC") has been our auditor since the first quarter of 2011. Pursuant to CVM Instruction 381, PAN engaged PwC in 2021 to provide the following services: (i) consultancy services for the General Data Protection Law (GDPL) with fees of R\$ 94 thousand; (ii) issuance of a report on internal controls related to credit assignment operations for fees of R\$ 273 thousand; and (iii) work related to Capital Markets for fees of R\$ 112 thousand, all totaling less than 5% of the total fees related to external audit services. The policy adopted complies with principles that preserve the auditor's independence, consistent with internationally accepted standards, according to which the auditor should not audit his/her own work, exercise management functions for his/her client or promote his/her client's interests.

## ACKNOWLEDGEMENTS

The Bank wishes to thank its employees for their efforts and engagement in the execution of its business strategy and also its customers, investors, and partners, who honor the Bank with their continued support and trust.

São Paulo, October 26, 2021

**BANCO PAN S.A. AND SUBSIDIARIES**
**BALANCE SHEET**
**AS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020**

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

ASSETS	Note	Bank		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
<b>Cash and cash equivalents</b>	<b>5</b>	<b>2,439</b>	<b>2,905</b>	<b>2,955</b>	<b>4,854</b>
<b>Financial instruments</b>		<b>38,568,804</b>	<b>33,334,517</b>	<b>38,797,077</b>	<b>33,562,758</b>
<b>Interbank investments</b>	<b>6</b>	<b>873,990</b>	<b>1,251,889</b>	<b>874,041</b>	<b>1,251,938</b>
Investments in the open market		873,990	1,251,889	873,990	1,251,889
Investments in savings deposits		-	-	51	49
<b>Marketable securities</b>	<b>7.a</b>	<b>3,610,425</b>	<b>2,721,513</b>	<b>3,836,108</b>	<b>2,945,552</b>
Own portfolio		3,414,638	1,232,193	3,638,441	1,455,548
Subject to guarantees		188,772	193,389	190,652	194,073
Subject to repurchase agreements		7,015	1,295,931	7,015	1,295,931
<b>Interbank accounts</b>		<b>1,867,075</b>	<b>9,047</b>	<b>1,867,075</b>	<b>9,047</b>
Payments and receipts pending settlement		37,028	-	37,028	-
Credits - Deposits at the BACEN		1,827,568	5,507	1,827,568	5,507
Local correspondents		2,479	3,540	2,479	3,540
<b>Loan operations</b>	<b>8</b>	<b>30,811,826</b>	<b>27,212,114</b>	<b>30,811,857</b>	<b>27,212,153</b>
Loan operations		30,342,714	27,466,468	30,342,714	27,466,468
Securities and credits receivable		2,272,861	1,644,136	2,272,963	1,644,175
(Provisions for expected losses associated to the credit risk)	8.c	(1,803,749)	(1,898,490)	(1,803,820)	(1,898,490)
<b>Other financial assets</b>	<b>9</b>	<b>1,405,488</b>	<b>2,139,954</b>	<b>1,407,996</b>	<b>2,144,068</b>
<b>Taxes</b>		<b>4,096,534</b>	<b>3,920,474</b>	<b>4,251,201</b>	<b>4,095,561</b>
Current		530,306	529,741	579,383	596,917
Deferred	32.b	3,566,228	3,390,733	3,671,818	3,498,644
<b>Other receivables</b>	<b>10</b>	<b>427,433</b>	<b>318,898</b>	<b>452,789</b>	<b>353,213</b>
<b>Other assets</b>		<b>330,014</b>	<b>365,853</b>	<b>338,022</b>	<b>374,658</b>
Other assets	11.a	207,472	315,152	214,774	322,900
(Provision for losses)	11.a	(53,215)	(56,587)	(54,265)	(57,661)
Prepaid expenses	11.b	175,757	107,288	177,513	109,419
<b>Investments</b>		<b>920,853</b>	<b>904,000</b>	<b>15,654</b>	<b>12,625</b>
Investments in subsidiaries	12.a	905,199	891,375	-	-
Other investments	12.b	15,654	12,625	15,654	12,625
<b>Property and equipment</b>	<b>13</b>	<b>49,097</b>	<b>23,360</b>	<b>49,097</b>	<b>23,360</b>
Other assets in use		79,760	82,320	79,760	82,320
(Accumulated depreciation)		(30,663)	(58,960)	(30,663)	(58,960)
<b>Intangible assets:</b>	<b>14</b>	<b>85,237</b>	<b>93,419</b>	<b>87,136</b>	<b>96,919</b>
Intangible assets		546,352	496,699	568,271	518,619
(Accumulated amortization)		(461,115)	(403,280)	(481,135)	(421,700)
<b>TOTAL ASSETS</b>		<b>44,480,411</b>	<b>38,963,426</b>	<b>43,993,931</b>	<b>38,523,948</b>

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



**BANCO PAN S.A. AND SUBSIDIARIES**
**BALANCE SHEET**
**AS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020**

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

<b>LIABILITIES AND EQUITY</b>	<b>Note</b>	<b>Bank</b>		<b>Consolidated</b>	
		<b>09/30/2021</b>	<b>12/31/2020</b>	<b>09/30/2021</b>	<b>12/31/2020</b>
<b>Financial instruments</b>		<b>35,421,138</b>	<b>30,445,809</b>	<b>34,764,233</b>	<b>29,823,754</b>
<b>Deposits</b>	<b>15.a</b>	<b>22,498,237</b>	<b>22,181,345</b>	<b>21,846,075</b>	<b>21,566,403</b>
Demand deposits		254,502	76,092	254,470	76,056
Interbank deposits		3,678,017	9,011,115	3,411,051	8,747,715
Time deposits		18,565,718	13,094,138	18,180,554	12,742,632
<b>Funds obtained in the open market</b>	<b>15.b</b>	<b>6,943</b>	<b>1,314,155</b>	<b>2,200</b>	<b>1,307,042</b>
Own portfolio		6,943	1,314,155	2,200	1,307,042
<b>Funds from acceptance and issuance of securities</b>	<b>15.c</b>	<b>10,080,720</b>	<b>5,346,049</b>	<b>10,080,720</b>	<b>5,346,049</b>
Funds from financial and real estate bills		10,080,720	5,346,049	10,080,720	5,346,049
<b>Interbank accounts</b>	<b>16</b>	<b>2,297,143</b>	<b>1,491,821</b>	<b>2,297,143</b>	<b>1,491,821</b>
Receipts and payments pending settlement		2,136,010	1,380,060	2,136,010	1,380,060
Local correspondents		161,133	111,761	161,133	111,761
<b>Other financial liabilities</b>	<b>17</b>	<b>538,095</b>	<b>112,439</b>	<b>538,095</b>	<b>112,439</b>
<b>Provisions</b>	<b>18</b>	<b>374,776</b>	<b>438,344</b>	<b>446,463</b>	<b>513,622</b>
<b>Tax obligations</b>		<b>480,195</b>	<b>439,986</b>	<b>571,122</b>	<b>536,768</b>
Current	19	450,991	439,986	456,011	451,148
Deferred	32.e	29,204	-	115,111	85,620
<b>Other liabilities</b>		<b>2,528,114</b>	<b>2,321,819</b>	<b>2,535,925</b>	<b>2,332,336</b>
Social and statutory		303,312	325,131	303,312	325,131
Sundry	20	2,224,802	1,996,688	2,232,613	2,007,205
<b>EQUITY</b>	<b>21</b>	<b>5,676,188</b>	<b>5,317,468</b>	<b>5,676,188</b>	<b>5,317,468</b>
Share capital:		4,175,222	4,175,222	4,175,222	4,175,222
Domiciled in Brazil		3,661,861	3,606,057	3,661,861	3,606,057
Domiciled abroad		513,361	569,165	513,361	569,165
Capital reserve		207,322	207,322	207,322	207,322
Revenue reserve		958,655	958,655	958,655	958,655
Other comprehensive loss		(20,642)	(23,731)	(20,642)	(23,731)
Retained earnings		355,631	-	355,631	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>44,480,411</b>	<b>38,963,426</b>	<b>43,993,931</b>	<b>38,523,948</b>

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

**BANCO PAN S.A. AND SUBSIDIARIES**  
**STATEMENT OF INCOME**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020**  
(All amounts in thousands of reais - R\$ unless otherwise stated)

	Note	Bank		Consolidated	
		09/30/2021	09/30/2020	09/30/2021	09/30/2020
<b>Income from financial intermediation</b>		<b>7,460,293</b>	<b>6,966,600</b>	<b>7,467,046</b>	<b>6,969,268</b>
Income from loan operations	8.g	6,640,557	6,615,034	6,644,393	6,618,521
Result from leasing operations	8.g	-	-	51	47
Result from operations with marketable securities	7.e	258,815	94,310	261,681	93,444
Result from derivative financial instruments	7.d	537,071	255,635	537,071	255,635
Result from foreign exchange operations		1,382	1,460	1,382	1,460
Result from compulsory investments		22,468	161	22,468	161
<b>Expenses on financial intermediation</b>		<b>(2,525,803)</b>	<b>(2,884,147)</b>	<b>(2,510,046)</b>	<b>(2,870,250)</b>
Result from market funding operations	15.d	(1,269,470)	(1,781,686)	(1,253,641)	(1,767,788)
Provisions for expected losses associated with credit risk	8.c	(1,256,333)	(1,102,461)	(1,256,405)	(1,102,462)
<b>Gross result from financial intermediation</b>		<b>4,934,490</b>	<b>4,082,453</b>	<b>4,957,000</b>	<b>4,099,018</b>
<b>Other operating income (expenses)</b>		<b>(4,120,979)</b>	<b>(3,433,965)</b>	<b>(4,137,214)</b>	<b>(3,460,382)</b>
Income from services rendered	22	533,395	306,739	534,788	316,600
Equity in the results of subsidiaries	12.a	11,861	14,566	-	-
Personnel expenses	23	(558,140)	(418,454)	(559,388)	(419,641)
Other administrative expenses	24	(2,911,736)	(1,871,544)	(2,922,486)	(1,886,360)
Tax expenses	25	(282,762)	(189,288)	(285,322)	(192,438)
Expenses with provisions	26	(124,469)	(145,620)	(122,901)	(153,781)
Other operating income (expenses)	27	(789,128)	(1,130,364)	(781,905)	(1,124,762)
<b>Operating result</b>		<b>813,511</b>	<b>648,488</b>	<b>819,786</b>	<b>638,636</b>
Non-operating results	28	14,275	19,031	13,825	37,921
<b>Profit before taxation</b>		<b>827,786</b>	<b>667,519</b>	<b>833,611</b>	<b>676,557</b>
<b>Taxes on income</b>	32.a	<b>(243,658)</b>	<b>(182,891)</b>	<b>(249,483)</b>	<b>(191,929)</b>
Income tax		(230,929)	(133,994)	(234,386)	(141,013)
Social contribution		(188,576)	(105,553)	(190,014)	(108,179)
Deferred tax assets		175,847	56,656	174,917	57,263
<b>NET PROFIT</b>		<b>584,128</b>	<b>484,628</b>	<b>584,128</b>	<b>484,628</b>

**Basic and diluted earnings per share - weighted average number of outstanding shares attributable to stockholders - R\$**

Earnings per common share	0.48	0.40	-	-
Earnings per preferred share	0.48	0.40	-	-

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

**BANCO PAN S.A. AND SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020**  
 (All amounts in thousands of reais - R\$)

	Bank		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
<b>Net profit</b>	<b>584,128</b>	<b>484,628</b>	<b>584,128</b>	<b>484,628</b>
<b>Items that will be reclassified to profit or loss</b>				
<b>Other comprehensive income</b>	<b>3,089</b>	<b>197</b>	<b>3,089</b>	<b>197</b>
Unrealized gains/(losses) on available-for-sale financial assets	712	(1,149)	712	(1,149)
Unrealized gains/(losses) on other comprehensive income	4,088	1,256	4,088	1,256
Tax effect	(1,711)	90	(1,711)	90
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>587,217</b>	<b>484,825</b>	<b>587,217</b>	<b>484,825</b>
Attributable to:				
Controlling stockholders	587,217	484,825	587,217	484,825

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

**BANCO PAN S.A.**  
**STATEMENT OF CHANGES IN PARENT COMPANY EQUITY**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020**  
 (All amounts in thousands of reais - R\$)

	Share capital	Capital increase	Capital reserve	Revenue reserves		Other comprehensive income	Retained earnings	Total
				Legal	Equity preservation			
<b>AT DECEMBER 31, 2019</b>	<b>3,653,410</b>	<b>521,812</b>	<b>207,322</b>	<b>45,788</b>	<b>512,194</b>	<b>(14,358)</b>	<b>-</b>	<b>4,926,168</b>
Capital increase	521,812	(521,812)	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	197	-	197
Net profit	-	-	-	-	-	-	484,628	484,628
Appropriation:								
Interest on capital and dividends provisioned (Note 21.c)	-	-	-	-	-	-	(189,575)	(189,575)
<b>AT SEPTEMBER 30, 2020</b>	<b>4,175,222</b>	<b>-</b>	<b>207,322</b>	<b>45,788</b>	<b>512,194</b>	<b>(14,161)</b>	<b>295,053</b>	<b>5,221,418</b>
<b>AT DECEMBER 31, 2020</b>	<b>4,175,222</b>	<b>-</b>	<b>207,322</b>	<b>78,566</b>	<b>880,089</b>	<b>(23,731)</b>	<b>-</b>	<b>5,317,468</b>
Other comprehensive income	-	-	-	-	-	3,089	-	3,089
Net profit	-	-	-	-	-	-	584,128	584,128
Appropriation:								
Interest on capital and dividends provisioned (Note 21.c)	-	-	-	-	-	-	(228,497)	(228,497)
<b>AT SEPTEMBER 30, 2021</b>	<b>4,175,222</b>	<b>-</b>	<b>207,322</b>	<b>78,566</b>	<b>880,089</b>	<b>(20,642)</b>	<b>355,631</b>	<b>5,676,188</b>

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

**BANCO PAN S.A. AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020**  
 (All amounts in thousands of reais - R\$)

	Note	Bank		Consolidated	
		09/30/2021	09/30/2020	09/30/2021	09/30/2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
<b>NET PROFIT</b>		<b>584,128</b>	<b>484,628</b>	<b>584,128</b>	<b>484,628</b>
Adjustments for non-cash items:					
Effect of foreign exchange rate changes on cash and cash equivalents		(1,398)	(1,924)	(1,398)	(1,924)
Depreciation and amortization	24	56,274	48,602	56,298	48,635
Amortization of goodwill	27	17,946	17,946	17,789	18,789
Constitution of provision for civil, labor, and tax contingencies	18	124,469	145,620	122,901	153,781
Impairment charge (reversal) for other assets	28	9,907	(15,339)	9,894	(15,522)
Result on the sale of other assets	28	(24,182)	(3,692)	(23,719)	(3,487)
Assignment of rights	28	-	-	-	(18,912)
Equity in the results of subsidiaries	12.a	(11,861)	(14,566)	-	-
Provisions for expected losses associated to the credit risk	8.c	1,256,333	1,102,461	1,256,405	1,102,462
Deferred income tax and social contribution		(175,847)	(56,656)	(174,917)	(57,263)
<b>Adjusted profit</b>		<b>1,835,769</b>	<b>1,707,080</b>	<b>1,848,381</b>	<b>1,711,187</b>
<b>Changes in assets and liabilities:</b>					
Decrease (increase) in interbank investments		-	12,795	(2)	12,795
(Increase) decrease in marketable securities		(199,003)	40,560	(197,950)	47,214
Decrease in derivatives		-	163,124	-	163,124
(Increase) decrease in interbank accounts		(1,052,706)	319,766	(1,052,706)	319,766
(Increase) in loan operations		(4,874,048)	(2,861,756)	(4,874,112)	(2,861,278)
Decrease (increase) in other financial assets		739,939	(16,429)	741,544	(15,404)
(Increase) decrease in tax assets		(213)	(70,841)	19,277	(67,161)
(Increase) decrease in other receivables		(95,970)	13,999	(94,466)	13,526
(Increase) in other assets		(76,118)	(76,450)	(75,771)	(76,163)
Increase in deposits		316,892	1,042,780	279,672	1,024,369
(Decrease) in funds obtained in the open market		(1,307,212)	(203,344)	(1,304,842)	(203,310)
Increase in funds from acceptance and issuance of securities		296,117	77,524	296,117	77,524
Increase in other financial liabilities		425,656	557,967	425,656	557,967
(Decrease) in provisions		(188,038)	(157,833)	(190,060)	(156,724)
Increase in tax obligations		424,339	358,496	422,174	363,794
Increase in other liabilities		232,712	173,885	230,007	171,305
Income tax and social contribution paid		(384,130)	(332,306)	(387,820)	(342,599)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		<b>(3,906,014)</b>	<b>749,017</b>	<b>(3,914,901)</b>	<b>740,132</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
(Increase) in available-for-sale marketable securities		(225,130)	(406,269)	(225,130)	(406,269)
Decrease in available-for-sale marketable securities		478,989	514,810	478,989	514,810
(Increase) in marketable securities held to maturity		(1,523,348)	(644,758)	(1,523,348)	(644,758)
Decrease in marketable securities held to maturity		579,973	38,116	579,973	38,116
Proceeds on disposal of assets not for own use		126,323	112,922	126,323	112,922
(Acquisition) of investments		(3,029)	(19,026)	(3,029)	(19,026)
(Purchase) of property and equipment	13.b	(41,138)	(4,761)	(41,138)	(4,761)
(Increase) in intangible assets	14.b	(50,047)	(26,424)	(50,047)	(26,424)
Assignment of rights		-	-	7,456	7,314
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<b>(657,407)</b>	<b>(435,390)</b>	<b>(649,951)</b>	<b>(428,076)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Funds from acceptance and issuance of securities		6,741,834	3,868,073	6,741,834	3,868,073
Redemption of funds from acceptance and issuance of securities		(2,303,280)	(1,229,626)	(2,303,280)	(1,229,626)
Settlement/payment of subordinated debts		-	(2,515,985)	-	(2,515,985)
Interest on capital paid		(254,896)	(201,248)	(254,896)	(201,248)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<b>4,183,658</b>	<b>(78,786)</b>	<b>4,183,658</b>	<b>(78,786)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(379,763)</b>	<b>234,841</b>	<b>(381,194)</b>	<b>233,270</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>5</b>	<b>1,254,794</b>	<b>1,231,440</b>	<b>1,256,792</b>	<b>1,234,219</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>1,398</b>	<b>1,924</b>	<b>1,398</b>	<b>1,924</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5</b>	<b>876,429</b>	<b>1,468,205</b>	<b>876,996</b>	<b>1,469,414</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>					
Interest paid		(1,480,565)	(1,785,406)	(1,480,565)	(1,778,896)
Interest received		6,438,348	5,955,921	6,442,677	5,962,686
Transfer of assets not for own use		(24,258)	18,504	(24,258)	18,504
Unrealized gains (losses) on financial assets		4,800	107	4,800	107

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

**BANCO PAN S.A. AND SUBSIDIARIES**
**STATEMENT OF VALUE ADDED**
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020**

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



	Note	Bank		Consolidated	
		09/30/2021	09/30/2020	09/30/2021	09/30/2020
<b>INCOME</b>		<b>5,855,980</b>	<b>4,931,871</b>	<b>5,873,237</b>	<b>4,961,573</b>
Financial intermediation		7,460,293	6,966,600	7,467,046	6,969,268
Services rendered	22	533,395	306,739	534,788	316,600
Provisions for expected losses associated with credit risk	8.c	(1,256,333)	(1,102,461)	(1,256,405)	(1,102,462)
Other income (expenses)		(881,375)	(1,239,007)	(872,192)	(1,221,833)
<b>EXPENSES ON FINANCIAL INTERMEDIATION</b>	<b>15.d</b>	<b>(1,269,470)</b>	<b>(1,781,686)</b>	<b>(1,253,641)</b>	<b>(1,767,788)</b>
<b>INPUTS ACQUIRED FROM THIRD PARTIES</b>		<b>(2,757,945)</b>	<b>(1,767,328)</b>	<b>(2,768,327)</b>	<b>(1,781,816)</b>
Materials, energy, and other	24	(3,475)	(2,531)	(3,477)	(2,533)
Third-party services	24	(409,376)	(301,330)	(417,170)	(311,238)
Commissions payable to correspondent banks	24	(1,460,227)	(936,845)	(1,460,227)	(939,255)
<b>Other</b>		<b>(884,867)</b>	<b>(526,622)</b>	<b>(887,453)</b>	<b>(528,790)</b>
Data processing	24	(257,693)	(211,881)	(257,818)	(212,056)
Financial system services	24	(217,222)	(153,531)	(217,910)	(154,177)
Advertising, promotions, and publicity	24	(209,894)	(61,784)	(210,159)	(61,837)
Communication	24	(83,588)	(46,391)	(83,648)	(46,499)
Asset search and seizure expenses	24	(9,780)	(16,960)	(9,793)	(16,970)
Maintenance and conservation of property	24	(10,573)	(4,888)	(10,575)	(4,891)
Transport	24	(2,782)	(3,023)	(2,782)	(3,027)
Fees and emoluments	24	(2,253)	(1,781)	(2,989)	(2,179)
Travel	24	(851)	(1,449)	(851)	(1,450)
Other	24	(90,231)	(24,934)	(90,928)	(25,704)
<b>GROSS VALUE ADDED</b>		<b>1,828,565</b>	<b>1,382,857</b>	<b>1,851,269</b>	<b>1,411,969</b>
<b>DEPRECIATION AND AMORTIZATION</b>		<b>(74,220)</b>	<b>(66,549)</b>	<b>(75,087)</b>	<b>(67,424)</b>
<b>NET VALUE ADDED GENERATED</b>		<b>1,754,345</b>	<b>1,316,308</b>	<b>1,776,182</b>	<b>1,344,545</b>
<b>VALUE ADDED RECEIVED IN TRANSFER</b>	<b>12.a</b>	<b>11,861</b>	<b>14,566</b>	-	-
Equity in the results of subsidiaries		11,861	14,566	-	-
<b>TOTAL VALUE ADDED TO BE DISTRIBUTED</b>		<b>1,766,206</b>	<b>1,330,874</b>	<b>1,776,182</b>	<b>1,344,545</b>
<b>DISTRIBUTION OF VALUE ADDED</b>		<b>1,766,206</b>	<b>1,330,874</b>	<b>1,776,182</b>	<b>1,344,545</b>
<b>Personnel</b>		<b>486,446</b>	<b>364,908</b>	<b>487,616</b>	<b>365,942</b>
Direct remuneration	23	381,429	281,777	382,214	282,515
Benefits	23	72,989	59,699	73,141	59,907
FGTS		24,169	18,541	24,401	18,629
Other	23	7,859	4,891	7,860	4,891
<b>Taxes, fees, and contributions</b>		<b>598,115</b>	<b>425,724</b>	<b>606,577</b>	<b>438,066</b>
Federal		575,885	411,719	583,718	423,363
State		18	5	18	10
Municipal		22,212	14,000	22,841	14,693
<b>Remuneration of third-party capital</b>	<b>24</b>	<b>97,517</b>	<b>55,614</b>	<b>97,861</b>	<b>55,909</b>
Rentals		97,517	55,614	97,861	55,909
<b>Remuneration of own capital</b>		<b>584,128</b>	<b>484,628</b>	<b>584,128</b>	<b>484,628</b>
Interest on capital	21.c	228,497	189,575	228,497	189,575
Retained earnings		355,631	295,053	355,631	295,053

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

## 1) Operations

Banco PAN S.A. ("Bank", "PAN", "Parent company" or "Institution"), is a publicly traded corporation authorized to operate as a multiple bank. In February 2020, it launched its digital account and, thus, offers a complete credit platform and financial services focused on classes C, D and E. It operates, directly or indirectly, through its subsidiaries in the markets for payroll-deductible credit (loan and credit card), vehicle financing (pre-owned cars and new motorcycles), credit card, personal credit, emergency limit (overdraft facility), as well as sale of insurance. In services, in addition to all the transactions inherent to a current account, the Bank also offers salary portability. In addition, the Bank has a portfolio of "run-off" financing for corporate credit, construction financing for developers and builders; real estate financing; acquisition of real estate receivables, and vehicle and other asset leasing operations. It also manages vehicle and property consortium groups. Services rendered among the entities of the Conglomerate and the costs of operational and administrative structures are shared, jointly or individually.

As an alternative strategy to raising funds in the market and as an integral part of the business plan, the Bank also executes credit assignments (mostly with the substantial transfer of risks and benefits) of its portfolio to other financial institutions. Upon assignment of loans with the substantial transfer of risks and benefits, the results are immediately recognized in the statement of income and the related risk is mitigated ensuring that capital is adequately preserved (Note 3.h). These results are recorded in the statement of income under "Income from financial intermediation".

Banco PAN is controlled by Banco BTG Pactual S.A. ("BTG Pactual"), which holds 71.69% of its total capital.

At 9/30/2021, Banco PAN's capital was distributed as follows:

Stockholders	Shareholding structure (thousands of shares)					
	Common	%	Preferred	%	Total	%
Banco BTG Pactual S.A.	657,561	100.00%	206,337	37.69%	863,898	71.69
Market (free float)	-	-	341,159	62.31%	341,159	28.31
<b>Total</b>	<b>657,561</b>	<b>100.00%</b>	<b>547,496</b>	<b>100.00%</b>	<b>1,205,057</b>	<b>100.00</b>

\* Direct and indirect interest through Banco Sistema S.A., a subsidiary of Banco BTG Pactual S.A.

### a) Corporate events

On April 5, 2021, Caixa Participações S.A. ("CaixaPar"), a wholly owned subsidiary of Caixa Econômica Federal ("CAIXA"), and Banco Sistema S.A. ("Banco Sistema"), subsidiary of Banco BTG Pactual S.A. ("BTG Pactual"), entered into a Share Purchase and Sale Agreement and Other Covenants for the acquisition of all registered common shares with no par value issued by the Company and held by CaixaPar ("Agreement"), representing 49.2% of the voting capital and 26.8% of the Company's total capital, fully subscribed and paid-in, for R\$ 11.42 for each of the Shares Subject to the Transaction ("Transaction").

On May 19, 2021, after the compliance with all conditions precedent of the transaction, including approvals from the Brazilian Central Bank and the Brazilian antitrust agency, the acquisition of Banco PAN by Banco Sistema was concluded, terminating on that date the shareholders' agreement of Banco PAN entered into by and between BTG Pactual and CaixaPar on January 31, 2011.

- **Acquisition of Mobiauto Edição de Anúncios Online Ltda**

On September 13, 2021, Banco PAN informed its stockholders and the market in general that it had signed a contract for the acquisition of 80% of the quotas of Mobiauto Edição de Anúncios Online Ltda, the largest independent digital platform for the marketing of vehicles in Brazil. The closure of the transaction is subject to the verification of certain conditions precedent, including obtaining all necessary regulatory approvals, including that of the Brazilian Central Bank.

- **Merger of the shares of Mosaico Tecnologia ao Consumidor S.A.**

On October 3, 2021, Banco PAN S.A. (B3: BPAN4 – “PAN”) signed an Agreement for Association and Other Covenants (“Agreement for Association”) for the merger of all shares issued by Mosaico Tecnologia ao Consumidor S.A. (“Mosaico”) (B3: MOSI3), a native digital company that brings together the Zoom, Buscapé and Bondfaro brands, and that owns the largest platform of content and sales origination for e-commerce in Brazil (“Operation”).

Once approved by the general meetings of PAN and Mosaico, the Operation will be carried out through the merger of the shares issued by Mosaico into PAN, with the issuance of 101,276,624 new registered book-entry preferred shares, with no par value, of PAN (“BPAN4 shares”) to be submitted to the stockholders of Mosaico, at an exchange ratio of 0.8x (MOSI3/BPAN4). Accordingly, Mosaico's capital will be fully held by PAN and the current stockholders of Mosaico will hold 7.8% of PAN's capital.

The closure of the Operation is conditional on the fulfillment of the usual suspensive market conditions, including obtaining, by Mosaico and PAN, of the approvals of the respective General Meetings, as well as the approvals of the Brazilian antitrust agency (CADE) and the Brazilian Central Bank (BACEN).

## 2) **Presentation of the interim financial statements**

The interim financial statements of Banco PAN are presented together with the interim financial statements of the Bank and its subsidiaries (“Consolidated”), and have been prepared in accordance with accounting practices adopted in Brazil applicable to financial institutions, pursuant to the regulations of the National Monetary Council (CMN) and the Brazilian Central Bank (BACEN), observing the provisions of Law 4,595/64 (National Financial System Law) and Law 6,404/76 (Brazilian Corporation Law), associated with the standards issued by the Brazilian Securities Commission (CVM), where applicable, and with the accounting principles and best accounting practices recommended.



**a) Consolidation:**

The parent company and consolidated interim financial statements of Banco PAN were authorized for issue by the Board of Directors on October 26, 2021.

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

Stockholders	Total equity interest %	
	09/30/2021	12/31/2020
Pan Arrendamento Mercantil S.A.	100.00	100.00
Brazilian Finance & Real Estate S.A.	100.00	100.00
Brazilian Securities Companhia de Securitização	100.00	100.00
Pan Administradora de Consórcio Ltda.	100.00	100.00
BM Sua Casa Promotora de Vendas Ltda.	100.00	100.00

**3) Significant Accounting Practices****a) Functional and presentation currency:**

The parent company and consolidated interim financial statements are presented in Brazilian Real/Reais (R\$), which is the Bank's functional currency.

**b) Determination of the results of operations:**

Income and expenses are recorded on the accrual basis of accounting, and are prorated. Financial income and expenses are calculated based on the exponential method, except for foreign transactions or discounted notes, which are calculated on the straight-line method. Transactions with floating rates or indexed to foreign currencies are adjusted up to the balance sheet date at agreed-upon rates.

**c) Cash and cash equivalents:**

Cash and cash equivalents comprise cash in local and foreign currencies, investments in the money market, interbank deposits, bank certificates of deposit and fixed-income funds, with maturities at the original investment date equal to or less than 90 days and which present an immaterial risk of change in fair value, which are utilized by the Bank to manage its short-term commitments.

**d) Interbank investments:**

Interbank investments are accounted for at the amount invested plus accrued earnings to the balance sheet date.

**e) Marketable securities:**

Marketable securities are recorded at the cost of acquisition plus income earned and are presented in the balance sheet, pursuant to BACEN Circular Letter 3,068/2001. They are classified in the following categories:

- Trading securities - securities acquired for the purpose of being actively and frequently traded are adjusted to fair value, with the increase or decrease arising from this adjustment reflected in income;
- Available-for-sale securities - securities that cannot be classified as trading securities or held-to-maturity securities are adjusted to fair value, with the increase or decrease arising from this

adjustment reflected in a separate account in equity, net of tax effects. Unrealized gains and losses are recognized in income when effectively realized; and

- Held-to-maturity securities - securities, which the Bank intends and has the ability to hold in its portfolio to maturity, are stated at cost, plus related earnings with a corresponding entry to income.

#### **f) Derivative financial instruments:**

The derivative financial instruments consist of futures, swaps and forwards. These financial instruments are classified, on the date the transaction is contracted, reflecting management's intention whether to use them as hedging instruments or not. The appreciation or depreciation in value is recognized in the income or expense accounts of the corresponding financial instruments, in accordance with BACEN Circular Letter 3,082/02, and Circular Letter 3,026/02.

Derivative financial instruments are valued at market values with the appreciation or depreciation recorded in the results. The gains or losses on derivative financial instruments considered as a market risk hedge, whether realized or unrealized, are also recorded in income.

The Bank uses derivative financial instruments mainly to hedge against unfavorable variations in the fair value of positions held.

The fair values of derivative financial instruments and their respective hedged items are determined based on available market information, mainly the prices and rates provided by B3 S.A., the Brazilian Commodities, Futures and Stock Exchange. Where applicable, mathematical models of rate interpolations are utilized for intermediate periods and rate extrapolations for longer periods.

Future cash flows, discounted to present value by future interest curves, obtained based on information issued by B3 S.A., are utilized to measure the market value of swaps.

The marking to market of futures contracts, such as interest contracts (1-day DI), foreign exchange contracts (DOL) and foreign exchange coupons (DDI), is determined based on the market price in a unique price (PU) format, which is released daily by B3 S.A. Based on this price, the daily adjustments are recorded in assets or liabilities and appropriated daily to the results as income or expenses.

Derivative financial instrument transactions (futures, forwards, and swaps) are registered at B3 S.A. (stock exchange) or at the Organized Counter for Assets and Derivatives (B3 S.A. - over-the-counter). The differences receivable and payable are recorded in the respective derivative financial instrument balance sheet accounts, with a corresponding entry to results from derivative financial instruments in the statement of income, and the nominal amounts of these transactions are recorded in memorandum accounts.

The balances of assets and liabilities and the results are disclosed in Note 7.c.

#### **g) Loan operations:**

Operations relating to loans, leasing, advances on foreign exchange contracts, real estate receivables and other credits with credit concession characteristics are accounted for at present value and calculated on a daily pro rata basis, based on the variation of the index and in the interest rate up to the 59th day in default.

The provision for expected losses associated with credit risk is constituted based on management's judgment as to the risk level, considering the economic scenario, past experience, and specific and global risks related to the operation, to the debtors and guarantors, in compliance with CMN Resolution 2,682/99, which requires a periodic portfolio analysis and the classification of risk into nine levels. Level AA represents the minimum risk and H the maximum risk. Additionally, the overdue periods as defined in this Resolution and a doubling up for transactions with an unexpired term exceeding 36 months are also taken into consideration when rating customer risk.

Income from loan operations past due for more than 60 days, regardless of the risk level, is only recognized when realized. Operations classified in Level H remain at this level for six months, after which period they are written off against the existing allowance, controlled in a memorandum account and no longer presented in the Bank's balance sheet.

Renegotiated transactions remain, at least, at the same rating at which they were classified prior to the renegotiation. Renegotiated loan operations that had already been written off against the allowance and that were recorded in memorandum accounts are classified in level H, and any gains resulting from the renegotiation are recognized as income only when effectively received. When there is a significant amortization of a loan operation or when relevant new facts justify a change in risk level, the operation can be reclassified to a lower risk category (CMN Resolution 2,682/99).

The provision for expected losses associated with credit risk is determined at an amount which is sufficient to cover probable losses and considers CMN and BACEN rules and instructions, as well as the assessments carried out by management in determining the credit risk in operations.

The provision for expected losses associated with credit risk related to loans assigned with a substantial retention of risks and benefits is calculated based on the same guidelines established by CMN and BACEN for unassigned loan operations.

#### **h) Transactions for the sale or transfer of financial assets:**

As determined by CMN Resolution 3,533/08, transactions for the sale or transfer of financial assets are classified and recorded as described below:

- The following procedures are observed for recording the sale or transfer of financial assets classified in the category of transactions with a substantial transfer of risks and benefits:

In transactions involving the disposal of assets, the financial asset being sold or transferred is written off from the account in which the original transaction was recorded. The gain or loss determined in the transaction is separately appropriated to the result for the period.

In transactions involving the purchase of assets, the financial asset acquired is recorded at the amount paid, based on the nature of the original transaction.

- The following procedures are observed for recording the sale or transfer of financial assets classified in the category of transactions with substantial retention of risks and benefits:

For transactions for the sale of assets, the financial asset, which is the object of the sale or transfer, remains recorded in assets at the full amount. The amounts received as a result of the transaction are recorded in assets, with a corresponding entry in liabilities for the obligation assumed, and the income and expenses are appropriated to income over the remaining term of the transaction in a segregated manner; and

For transactions for the purchase of assets, the amounts paid are recorded in assets as a right receivable and the income is appropriated to the result for the period over the remaining term of the transaction.

#### **i) Other assets:**

Other assets are comprised mainly of non-financial assets held for sale and prepaid expenses. Non-financial assets held for sale correspond to assets received in the settlement of financial instruments of difficult or doubtful solution not intended for own use (BNDU) and assets for own use that will be realized by their sale, which are available for immediate sale and whose disposal is highly likely in a period of one year, and which

are adjusted through a valuation allowance, where applicable, calculated based on the historical losses of non-financial assets held for sale that were sold. Prepaid expenses relate to advance payments for benefits or services that will occur or be provided in future periods. These expenses are appropriated to the result of the period in which the future benefits are generated.

**j) Investments:**

Investments in subsidiaries are accounted for on the equity method. Other investments are stated at cost of acquisition, less the corresponding provision for loss and impairment, where applicable.

**k) Property and equipment:**

Property and equipment relate to the rights acquired over physical assets destined for maintaining the business or which are exercised for this purpose, including those arising from transactions which transfer the risks, benefits and control over assets to the Bank. The assets mainly consist of facilities, leasehold improvements, furniture, and equipment in use.

The assets are stated at cost of acquisition less accumulated depreciation and adjustments for impairment, where applicable. Depreciation is calculated on the straight-line method at annual rates which consider the estimated economic useful lives of the assets.

The composition of the costs of assets and their depreciation are presented in Note 13.

**l) Intangible assets:**

Intangible assets relate to identifiable non-monetary assets without physical substance, acquired or developed by the institution, destined for maintaining the business or which are exercised for this purpose.

The assets are stated at acquisition and other directly attributable costs less accumulated amortization and adjustments for impairment, where applicable. These assets are basically represented by goodwill based on the expected future profitability of the investments, licenses and expenses on the acquisition and development of software. Intangible assets with finite useful lives are amortized on the straight-line method over the estimated period of their use.

The composition of intangible assets is presented in Note 14.

**m) Impairment of non-financial assets:**

Non-financial assets are subject to an annual evaluation of their recoverable values, or more frequently if conditions or circumstances indicate the possibility of loss in value. Any losses identified are recognized in income when the carrying amount of an asset exceeds its recoverable amount, which is determined as follows:

- i. Potential sales or realization amount, less corresponding expenses; or
- ii. Value in use calculated based on the cash-generating unit.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets or groups of assets.

**n) Income tax and social contribution (assets and liabilities):**

Provisions for income tax and social contribution due are recorded based on taxable profit, adjusted for additions and exclusions established by the applicable tax legislation. Deferred tax assets on temporary additions are realized on the utilization or reversal of the respective provisions in respect of which the credits were recognized. Deferred tax assets on tax loss carry-forwards are realized according to the expected generation of profit, limited to an annual offset of 30% of taxable income. These deferred tax assets are

recognized based on their expected realization, which is periodically reviewed, considering technical studies and analyses prepared by management.

The tax rates and calculation bases are detailed in Note 32.

**o) Deposits and funds obtained in the market:**

Deposits and funds obtained in the market are stated at the corresponding amounts of the liabilities and consider, where applicable, the charges accrued up to the balance sheet date, recognized on a daily pro rata basis.

**p) Specific accounting policies for the consortium segment:**

The management fee is recognized when received from the consortium groups. Commissions on sales of quotas are recorded when the consortium quotas are sold, and other income and expenses are recorded monthly on the accrual basis.

The liabilities for unclaimed funds are recorded at the amount equivalent to returns due to the members of the discontinued consortium groups, including remuneration from their quotas in the investment funds in which the active groups hold investments.

**q) Provisions, contingent assets and liabilities and legal obligations (tax and social security):**

Provisions and contingent assets and contingent liabilities and legal obligations (tax and social security) are measured and disclosed in conformity with the criteria established by CMN Resolution 3,823/09, including, among other:

- Contingent assets - not recorded in the interim financial statements, except when there is evidence that their realization is guaranteed.
- Provisions - recorded in the interim financial statements based on estimates of the Bank's management, under advice of the legal counsel, when the risk of loss of an administrative or legal action is considered to be probable and can be reliably measured.
- Contingent liabilities considered as representing a possible risk of loss are only disclosed in the notes to the interim financial statements, when significant. Those classified as remote risk of loss require neither provision nor disclosure; and
- Legal obligations (tax and social security) - correspond to amounts related to lawsuits challenging the legality and constitutionality of certain taxes and contributions, which, regardless of the likelihood of success, are recognized at the full amount in the interim financial statements.

**r) Residual benefit in securitized transactions:**

The benefit corresponds to the residual balance, net of any guarantees provided, of the separate equity of the securitized transactions which, in accordance with Law 9,514/97, to be returned to the securitization company when the lien is released, and the related mortgage-backed and agribusiness securities are settled.

**s) Earnings per share:**

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

**t) Use of accounting estimates:**

The preparation of interim financial statements requires management to make estimates and assumptions, to the best of its judgment, that affect the reported amounts of certain financial or non-financial assets and liabilities, income and expenses, and other transactions, such as: (i) estimated tax credit assets; (ii) depreciation rates of property and equipment and amortization of intangible assets; (iii) provisions necessary to absorb the potential risks arising from civil, labor or tax processes; (iv) provision for loss on non-financial assets held for sale; (v) impairment of non-financial assets; (vi) estimated fair value of specific financial instruments and; (vii) expected losses associated with credit risk . The actual settlement amounts of these financial or non-financial assets and liabilities could differ from the estimates.

**u) Classification of recurring and non-recurring results:**

As provided for in BCB Resolution 2, of 8/12/2020, PAN classifies recurring and non-recurring results, in the notes to interim financial statements, according to the accounting policy approved by its Board, which is based on the segregation of the non-recurring events that occurred and contributed to the results, which are not directly or indirectly related to PAN's normal activities.

**v) Events after the reporting period:**

Events which have occurred between the reporting date of the interim financial statements and the date of their approval by management are classified as:

- i. events that require adjustment, related to conditions existing at the reporting date of the interim financial statements; and
- ii. events that do not require adjustment, related to conditions which did not exist at the reporting date of the interim financial statements.

#### 4) Balance Sheet and Statement of Income by Business Segment and Recurring Results

##### a) Consolidated Balance Sheet:

Assets	Financial (1)	Other (2)	Eliminations (3)	Total
Cash and cash equivalents	2,439	540	(24)	2,955
Interbank investments	873,990	4,793	(4,742)	874,041
Marketable securities	3,610,425	610,847	(385,164)	3,836,108
Interbank accounts	1,867,075	-	-	1,867,075
Loan operations (4)	30,811,826	31	-	30,811,857
Other financial assets	1,405,488	2,508	-	1,407,996
Taxes	4,160,965	90,236	-	4,251,201
Other receivables	439,841	18,674	(5,726)	452,789
Other assets	331,546	6,476	-	338,022
Investments	718,616	-	(702,962)	15,654
Property and equipment	49,097	-	-	49,097
Intangible assets	86,052	1,084	-	87,136
<b>Total at 9/30/2021</b>	<b>44,357,360</b>	<b>735,189</b>	<b>(1,098,618)</b>	<b>43,993,931</b>
<b>Total at 12/31/2020</b>	<b>38,842,623</b>	<b>735,847</b>	<b>(1,054,522)</b>	<b>38,523,948</b>

Liabilities	Financial (1)	Other (2)	Eliminations (3)	Total
Deposits	22,231,263	-	(385,188)	21,846,075
Funds obtained in the open market	6,942	-	(4,742)	2,200
Funds from acceptances and issuance of securities	10,080,720	-	-	10,080,720
Interbank accounts	2,297,143	-	-	2,297,143
Other financial liabilities	538,095	-	-	538,095
Provisions	439,312	7,151	-	446,463
Tax obligations	559,296	11,826	-	571,122
Other liabilities	2,528,401	13,250	(5,726)	2,535,925
Equity	5,676,188	702,962	(702,962)	5,676,188
<b>Total at 9/30/2021</b>	<b>44,357,360</b>	<b>735,189</b>	<b>(1,098,618)</b>	<b>43,993,931</b>
<b>Total at 12/31/2020</b>	<b>38,842,623</b>	<b>735,847</b>	<b>(1,054,522)</b>	<b>38,523,948</b>

##### b) Consolidated Statement of Income:

	Financial (1)	Other (2)	Eliminations (3)	Total
Income from financial intermediation	7,460,343	15,947	(9,244)	7,467,046
Expenses on financial intermediation	(2,519,219)	(71)	9,244	(2,510,046)
<b>Gross result</b>	<b>4,941,124</b>	<b>15,876</b>	<b>-</b>	<b>4,957,000</b>
Other operating income (expenses)	(4,127,156)	364	(10,422)	(4,137,214)
Non-operating results	14,335	(510)	-	13,825
Taxes on income	(244,175)	(5,308)	-	(249,483)
<b>Total at 9/30/2021</b>	<b>584,128</b>	<b>10,422</b>	<b>(10,422)</b>	<b>584,128</b>
<b>Total at 9/30/2020</b>	<b>484,628</b>	<b>20,476</b>	<b>(20,476)</b>	<b>484,628</b>

(1) Represented by Banco PAN S.A. and Pan Arrendamento Mercantil S.A.

(2) Represented by BM Sua Casa Promotora de Vendas Ltda., Brazilian Securities Companhia de Securitização, Brazilian Finance & Real Estate S.A., and Pan Administradora de Consórcio Ltda.

(3) Eliminations between companies in different segments.

(4) Amounts net of the provision for expected losses associated with credit risk.

### c) Consolidated Statement of Recurring and Non-recurring Income:

The consolidated statement of recurring income at 9/30/2020 is presented below. There were no non-recurring events for the base period ended 9/30/2021.

Consolidated Statement of Recurring Income	Accounting Income	Non-recurring Events	Recurring Income
Income from financial intermediation	6,969,268	-	6,969,268
Expenses on financial intermediation	(2,870,250)	-	(2,870,250)
<b>Gross result</b>	<b>4,099,018</b>	-	<b>4,099,018</b>
Other operating income (expenses)	(3,460,382)	-	(3,460,382)
Non-operating results (1)	37,921	18,912	19,009
Taxes on income	(191,929)	(6,430)	(185,499)
<b>Net result at 9/30/2020</b>	<b>484,628</b>	<b>12,482</b>	<b>472,146</b>

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

### 5) Cash and Cash Equivalents

	Bank		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Funds in local currency	82	201	598	2,150
Funds in foreign currency	2,357	2,704	2,357	2,704
<b>Subtotal (cash)</b>	<b>2,439</b>	<b>2,905</b>	<b>2,955</b>	<b>4,854</b>
Interbank investments (1)	873,990	1,251,889	874,041	1,251,938
<b>Total</b>	<b>876,429</b>	<b>1,254,794</b>	<b>876,996</b>	<b>1,256,792</b>

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

### 6) Interbank investments:

#### a) Composition and maturities:

Bank	Current				Non-current	9/30/2021	12/31/2020
	Up to 30 days	31 to 90	91 to 180 days	181 to 360 days	More than 360 days		
<b>Investments in the open market:</b>	<b>873,990</b>	-	-	-	-	<b>873,990</b>	<b>1,251,889</b>
<b>Own portfolio position</b>	<b>873,990</b>	-	-	-	-	<b>873,990</b>	<b>1,251,889</b>
Financial Treasury Bills (LFT)	590,991	-	-	-	-	590,991	1,249,990
National Treasury Bills (LTN)	282,999	-	-	-	-	282,999	1,899
<b>Total at 9/30/2021</b>	<b>873,990</b>	-	-	-	-	<b>873,990</b>	-
<b>Total at 12/31/2020</b>	<b>1,251,889</b>	-	-	-	-	-	<b>1,251,889</b>



Consolidated	Current				Non-current	9/30/2021	12/31/2020
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
<b>Investments in the open market:</b>	<b>873,990</b>	-	-	-	-	<b>873,990</b>	<b>1,251,889</b>
<b>Own portfolio position</b>	<b>873,990</b>	-	-	-	-	<b>873,990</b>	<b>1,251,889</b>
Financial Treasury Bills (LFT)	590,991	-	-	-	-	590,991	1,249,990
National Treasury Bills (LTN)	282,999	-	-	-	-	282,999	1,899
<b>Investments in savings deposits</b>	<b>51</b>	-	-	-	-	<b>51</b>	<b>49</b>
<b>Total at 9/30/2021</b>	<b>874,041</b>	-	-	-	-	<b>874,041</b>	-
<b>Total at 12/31/2020</b>	<b>1,251,938</b>	-	-	-	-	-	<b>1,251,938</b>

## b) Income from interbank investments:

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

Bank and Consolidated	9/30/2021	9/30/2020
<b>Income from investments in purchase and sale transactions:</b>	<b>11,990</b>	<b>30,342</b>
Own portfolio position	11,990	30,342
<b>Income from interbank deposits</b>	-	<b>24</b>
<b>Total (Note 7e)</b>	<b>11,990</b>	<b>30,366</b>

## 7) Marketable Securities

### a) Composition of portfolio:

The portfolio of marketable securities at 9/30/2021 and 12/31/2020, by type of security, was comprised as follows:

	Bank		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
<b>Own portfolio:</b>	<b>3,414,638</b>	<b>1,232,193</b>	<b>3,638,441</b>	<b>1,455,548</b>
National Treasury Notes (NTN)	2,968,611	686,952	2,968,611	686,952
Financial Treasury Bills (LFT)	445,699	544,907	445,699	544,907
Social Development Fund (FDS)	328	334	328	334
Mortgage-backed securities (CRI)	-	-	223,803	223,355
<b>Subject to guarantees:</b>	<b>188,772</b>	<b>193,389</b>	<b>190,652</b>	<b>194,073</b>
Financial Treasury Bills (LFT)	188,772	193,389	188,772	193,389
Bank Deposit Certificates (CDB)	-	-	1,880	684
<b>Subject to repurchase agreements:</b>	<b>7,015</b>	<b>1,295,931</b>	<b>7,015</b>	<b>1,295,931</b>
National Treasury Notes (NTN)	2,292	1,137,705	2,292	1,137,705
Financial Treasury Bills (LFT)	4,723	158,226	4,723	158,226
<b>Total</b>	<b>3,610,425</b>	<b>2,721,513</b>	<b>3,836,108</b>	<b>2,945,552</b>

## b) Composition by category and term:

Bank	9/30/2021								12/31/2020		
	Current		Non-current					Monetarily adjusted cost	Mark-to-market adjustment	Net book value	
	No stated maturity	Up 12 months	1 to 3 years	3 to 5 years	More than 5 years	(1)	(2)			(3)	(1)
<b>Trading securities:</b>	-	<b>195,136</b>	<b>40,342</b>	-	-	<b>235,478</b>	<b>235,688</b>	<b>(210)</b>	<b>254,387</b>	<b>(569)</b>	
Financial Treasury Bills (LFT)	-	195,136	40,342	-	-	235,478	235,688	(210)	254,387	(569)	
<b>Available-for-sale securities:</b>	-	<b>340,704</b>	<b>49,804</b>	<b>13,208</b>	-	<b>403,716</b>	<b>403,787</b>	<b>(71)</b>	<b>642,134</b>	<b>(783)</b>	
Financial Treasury Bills (LFT)	-	340,704	49,804	13,208	-	403,716	403,787	(71)	642,134	(783)	
<b>Securities held to maturity</b>	<b>328</b>	<b>254,297</b>	<b>1,068,311</b>	<b>829,092</b>	<b>819,203</b>	<b>2,971,231</b>	<b>2,971,231</b>	-	<b>1,824,992</b>	-	
National Treasury Notes (NTN)	-	254,297	1,068,311	829,092	819,203	2,970,903	2,970,903	-	1,824,658	-	
Social Development Fund (FDS)	328	-	-	-	-	328	328	-	334	-	
<b>Total</b>	<b>328</b>	<b>790,137</b>	<b>1,158,457</b>	<b>842,300</b>	<b>819,203</b>	<b>3,610,425</b>	<b>3,610,706</b>	<b>(281)</b>	<b>2,721,513</b>	<b>(1,352)</b>	

Consolidated	9/30/2021								12/31/2020		
	Current		Non-current					Monetarily adjusted cost	Mark-to-market adjustment	Net book value	
	No stated maturity	Up 12 months	1 to 3 years	3 to 5 years	More than 5 years	(1)	(2)			(3)	(1)
<b>Trading securities:</b>	-	<b>195,136</b>	<b>40,342</b>	-	-	<b>235,478</b>	<b>235,688</b>	<b>(210)</b>	<b>254,387</b>	<b>(569)</b>	
Financial Treasury Bills (LFT)	-	195,136	40,342	-	-	235,478	235,688	(210)	254,387	(569)	
<b>Available-for-sale securities:</b>	-	<b>368,020</b>	<b>248,171</b>	<b>13,208</b>	-	<b>629,399</b>	<b>660,687</b>	<b>(31,288)</b>	<b>866,173</b>	<b>(36,087)</b>	
Financial Treasury Bills (LFT)	-	340,704	49,804	13,208	-	403,716	403,787	(71)	642,134	(783)	
Mortgage-backed securities (CRI)	-	27,316	196,487	-	-	223,803	255,020	(31,217)	223,355	(35,304)	
Bank Deposit Certificates (CDB)	-	-	1,880	-	-	1,880	1,880	-	684	-	
<b>Securities held to maturity</b>	<b>328</b>	<b>254,297</b>	<b>1,068,311</b>	<b>829,092</b>	<b>819,203</b>	<b>2,971,231</b>	<b>2,971,231</b>	-	<b>1,824,992</b>	-	
National Treasury Notes (NTN)	-	254,297	1,068,311	829,092	819,203	2,970,903	2,970,903	-	1,824,658	-	
Social Development Fund (FDS)	328	-	-	-	-	328	328	-	334	-	
<b>Total</b>	<b>328</b>	<b>817,453</b>	<b>1,356,824</b>	<b>842,300</b>	<b>819,203</b>	<b>3,836,108</b>	<b>3,867,606</b>	<b>(31,498)</b>	<b>2,945,552</b>	<b>(36,656)</b>	

(1) Brazilian Association of Financial and Capital Market Institutions (ANBIMA) and the Commodities, Futures and Stock Exchange ("B3 S.A."). For the mortgage-backed securities, the market value was determined using internal models and data based on observable market parameters.

(2) Includes mark-to-market adjustment, according to item (2), except for securities classified as held to maturity, whose market value is lower than the cost by R\$ 146,055 (12/31/2020 - higher by R\$ 51,857). In order to comply with Article 8 of BACEN Circular Letter 3,068/01, Banco PAN declares that it has both the financial ability and the intention to hold to maturity the securities classified in the "securities held to maturity" category; and

(3) When establishing deadlines, the maturities of the securities were considered, regardless of their accounting classification.

### c) Derivative financial instruments

The derivative financial instruments consist of futures, swaps and forwards. These financial instruments are classified, on the date the transaction is contracted, reflecting management's intention to use them or not as hedging instruments. The appreciation or depreciation in value is recognized in the income or expense accounts of the corresponding financial instruments, in accordance with BACEN Circular Letter 3,082/02, and Circular Letter 3,026/02. The Bank's risk management policy established that derivative instruments should be used to hedge against exposure resulting from the Bank's loan operations as well as from foreign exchange exposure from offshore operations.

Derivative instruments are used for two strategies: trading portfolio (negotiation) and banking portfolio (non-negotiation). The trading portfolio includes derivatives that are used to guide strategies, for dispute resolutions, or to hedge other negotiation portfolio elements. The non-negotiation portfolio includes derivatives used to hedge instruments classified in the banking portfolio, including those used as hedge accounting. Risks within these portfolios are managed according to perspectives that are consolidated based on risk factors.

Derivative financial instrument transactions, as well as transactions with marketable securities classified as "held for trading" or "available for sale", are valued at market value, and the related appreciation or depreciation are recorded in the results. The market value of instruments traded in stock exchanges corresponds to the instrument market quotations or the quotation of similar products. If there is no market quotation for any products, their market value should be defined under the discounted cash flow method or via pricing models. The gains or losses on derivative financial instruments considered as a market risk hedge, whether realized or unrealized, are also recorded in the result for the period.

The fair values of derivative financial instruments and their respective hedged items are determined based on available market information, mainly the prices and rates provided by B3 S.A., the Brazilian Commodities, Futures and Stock Exchange. Where applicable, mathematical models of rate interpolations are utilized for intermediate periods and rate extrapolations for longer periods. Future cash flows, discounted to present value by future interest yield curves, obtained from B3 S.A., as adjusted according to the counterparty credit risk (credit value adjustment (CVA)).

The marking to market of futures contracts, such as interest contracts (1-day DI), foreign exchange contracts (DOL) and foreign exchange coupons (DDI), is determined based on the market price in a unique price (PU) format, which is released daily by B3 S.A. Based on this price, the daily adjustments are recorded in assets or liabilities and appropriated daily to the results as income or expenses.

Derivative financial instrument transactions (futures, forwards, and swaps) are registered at B3 S.A. (stock exchange) or at the Organized Counter for Assets and Derivatives (B3 S.A. - over-the-counter). The differences receivable and payable are recorded in the respective derivative financial instrument balance sheet accounts, with a corresponding entry to results from derivative financial instruments in the statement of income, and the nominal amounts of these transactions are recorded in memorandum accounts.

**i) Derivative financial instruments (assets and liabilities) include interest accruals, mark to market adjustments, and carrying amount, by period:**

Bank and Consolidated	Monetarily adjusted cost	Current	Total -	Total -
		Up to 30 days	9/30/2021	12/31/2020
<b>Futures contracts (1)</b>	<b>14,506</b>	<b>14,506</b>	<b>14,506</b>	<b>(6,867)</b>
Asset position (Note 9)	17,751	17,751	17,751	2,394
Liability position	(3,245)	(3,245)	(3,245)	(9,261)
<b>Total</b>	<b>14,506</b>	<b>14,506</b>	<b>14,506</b>	<b>(6,867)</b>

(1) Recorded as negotiation and intermediation of securities.

**ii) Derivative financial instruments by index:**

Bank and Consolidated	9/30/2021	12/31/2020
	Notional value	Notional value
<b>Futures</b>		
<b>Purchase Commitments:</b>	<b>977,444</b>	<b>1,319,785</b>
Interbank market	923,107	1,216,512
Other	54,337	103,273
<b>Sale Commitments:</b>	<b>22,256,246</b>	<b>20,268,647</b>
Interbank market	22,199,175	20,162,784
Foreign currency	2,734	2,590
Other	54,337	103,273
<b>Total</b>	<b>23,233,690</b>	<b>21,588,432</b>

**iii) Composition by maturity (notional value):**

Bank and Consolidated	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	9/30/2021	12/31/2020
<b>Futures</b>	<b>3,702,123</b>	<b>2,734</b>	<b>2,691,660</b>	<b>4,850,781</b>	<b>11,986,392</b>	<b>23,233,690</b>	<b>21,588,432</b>
DDI	-	-	108,674	-	-	108,674	206,546
DI	3,702,123	-	2,582,986	4,850,781	11,986,392	23,122,282	21,379,296
U.S. dollar	-	2,734	-	-	-	2,734	2,590
<b>Total</b>	<b>3,702,123</b>	<b>2,734</b>	<b>2,691,660</b>	<b>4,850,781</b>	<b>11,986,392</b>	<b>23,233,690</b>	<b>21,588,432</b>

**iv) Place of negotiation and counterparties:**

At 9/30/2021 and 12/31/2020, the counterparty is only B3 S.A.

**v) Margins provided as guarantee for derivative financial instruments:**

Public securities	Bank and Consolidated	
	9/30/2021	12/31/2020
Financial Treasury Bills (1)	89,517	96,724
<b>Total</b>	<b>89,517</b>	<b>96,724</b>

(1) B3 S.A. securities offered as guarantee.

**vi) Hedge accounting – market value:**

<b>Bank and Consolidated</b>	<b>9/30/2021</b>	<b>12/31/2020</b>
<b>Financial instruments</b>		
<b>Asset position</b>		
Futures D11 B3 S.A. Fixed rate - Brazilian Reais (1)	1,352,262	1,933,206
<b>Liability position</b>		
Futures D11 B3 S.A. Fixed rate - Brazilian Reais (2)	<b>(19,169,651)</b>	<b>(18,633,887)</b>
<b>Hedged item</b>		
<b>Asset position</b>		
Loan operations (2)	17,432,528	17,214,182
<b>Liability position</b>		
Time deposit certificates (1)	<b>(1,391,992)</b>	<b>(1,904,951)</b>

(1) Used as protection against the fixed interest risk of long-term deposit certificates (Note 15); and

(2) This hedged item includes the following retail loan operations: Payroll-deductible loans and vehicles. (Note 8)

**d) Result from derivative financial instruments:**

<b>Bank and Consolidated</b>	<b>9/30/2021</b>			<b>9/30/2020</b>		
	<b>Revenue</b>	<b>Expense</b>	<b>Net</b>	<b>Revenue</b>	<b>Expense</b>	<b>Net</b>
Swap	-	-	-	1,041,358	(439,235)	602,123
Futures	2,499,114	(1,962,043)	537,071	2,054,546	(2,401,034)	(346,488)
<b>Total</b>	<b>2,499,114</b>	<b>(1,962,043)</b>	<b>537,071</b>	<b>3,095,904</b>	<b>(2,840,269)</b>	<b>255,635</b>

**e) Result from operations with marketable securities**

	<b>Bank</b>		<b>Consolidated</b>	
	<b>9/30/2021</b>	<b>9/30/2020</b>	<b>9/30/2021</b>	<b>9/30/2020</b>
Fixed-income securities	246,825	63,944	249,691	63,078
Interbank investments (Note 6.b)	11,990	30,366	11,990	30,366
<b>Total</b>	<b>258,815</b>	<b>94,310</b>	<b>261,681</b>	<b>93,444</b>

## 8) Loan operations

### a) Composition of the portfolio by type of operation:

	Bank				Consolidated			
	9/30/2021		12/31/2020		9/30/2021		12/31/2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Vehicles (1)	13,721,918	41.25	11,139,940	38.54	13,721,918	41.25	11,139,940	38.54
Payroll-deductible loans (1)	9,905,611	29.78	11,535,216	39.90	9,905,611	29.78	11,535,216	39.90
Financing - credit cards (2)	3,051,304	9.17	2,364,148	8.18	3,051,304	9.17	2,364,148	8.18
Bank overdrafts	1,607,273	4.83	1,475,084	5.10	1,607,273	4.83	1,475,084	5.10
FGTS loan	1,472,838	4.43	-	-	1,472,838	4.43	-	-
Credits linked to the assignment of loans (3)	408,614	1.23	87,568	0.30	408,614	1.23	87,568	0.30
Personal credit	344,375	1.04	70,698	0.24	344,375	1.04	70,698	0.24
Housing financing	319,162	0.96	372,362	1.29	319,162	0.96	372,362	1.29
Renegotiated loans	120,637	0.36	156,409	0.54	120,637	0.36	156,409	0.54
Working capital	23,091	0.07	53,638	0.19	23,091	0.07	53,638	0.19
Emergency credit limit	14,615	0.04	2,917	0.01	14,615	0.04	2,917	0.01
Export financing	-	-	5,316	0.02	-	-	5,316	0.02
<b>Total loan operations</b>	<b>30,989,438</b>	<b>93.17</b>	<b>27,263,296</b>	<b>94.31</b>	<b>30,989,438</b>	<b>93.17</b>	<b>27,263,296</b>	<b>94.31</b>
Other credits (4)	2,272,861	6.83	1,644,136	5.69	2,272,963	6.83	1,644,175	5.69
<b>Subtotal</b>	<b>33,262,299</b>	<b>100.00</b>	<b>28,907,432</b>	<b>100.00</b>	<b>33,262,401</b>	<b>100.00</b>	<b>28,907,471</b>	<b>100.00</b>
(+/-) Adjustment to market value (1)	(646,724)	-	203,172	-	(646,724)	-	203,172	-
<b>Total</b>	<b>32,615,575</b>	<b>-</b>	<b>29,110,604</b>	<b>-</b>	<b>32,615,677</b>	<b>-</b>	<b>29,110,643</b>	<b>-</b>
<b>Current</b>	<b>15,382,697</b>		<b>13,132,320</b>		<b>15,382,799</b>		<b>13,132,359</b>	
<b>Non-current</b>	<b>17,232,878</b>		<b>15,978,284</b>		<b>17,232,878</b>		<b>15,978,284</b>	

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

(2) Financing provided to Visa and MasterCard credit card holders.

(3) Loan operations assigned with substantial retention of risks and benefits (Note 8.f ii); and

(4) Credit card receivables and credit instruments receivable with loan characteristics.

### b) Analysis of the portfolio by risk levels and maturity:

Bank	Risk levels									
	Operations in course - Abnormal									
	A	B	C	D	E	F	G	H	Total - 9/30/2021	Total - 12/31/2020
<b>Falling due</b>	<b>1,588,938</b>	<b>676,026</b>	<b>652,126</b>	<b>298,841</b>	<b>188,872</b>	<b>108,774</b>	<b>100,622</b>	<b>439,289</b>	<b>4,053,488</b>	<b>3,279,579</b>
01 to 30	69,068	32,954	33,048	15,948	9,863	6,266	5,755	20,488	193,390	146,467
31 to 60	67,049	31,216	30,108	14,376	9,029	5,646	5,189	18,630	181,243	145,486
61 to 90	65,001	30,417	29,820	14,208	8,814	5,478	5,020	18,101	176,859	135,759
91 to 180	183,031	84,544	82,569	38,991	24,015	14,622	13,213	49,325	490,310	381,042
181 to 365	303,722	140,847	135,009	63,085	38,479	22,843	20,693	85,502	810,180	653,159
Over 365	901,067	356,048	341,572	152,233	98,672	53,919	50,752	247,243	2,201,506	1,817,666
<b>Past due in days</b>	<b>172,269</b>	<b>247,025</b>	<b>205,482</b>	<b>163,159</b>	<b>149,816</b>	<b>128,377</b>	<b>127,993</b>	<b>626,640</b>	<b>1,820,761</b>	<b>1,292,327</b>
01 to 14	159,884	12,974	26,409	22,546	14,800	12,283	13,962	31,123	293,981	168,023
15 to 30	12,385	222,479	20,005	10,332	7,113	4,811	4,642	17,692	299,459	231,517
31 to 60	-	11,572	144,435	22,541	13,702	9,044	8,499	26,496	236,289	123,587
61 to 90	-	-	10,546	94,657	15,408	9,024	8,047	26,596	164,278	87,559
91 to 180	-	-	4,087	13,083	93,881	87,991	87,496	112,405	398,943	205,664
181 to 365	-	-	-	-	4,912	5,224	5,347	361,789	377,272	319,589
Over 365	-	-	-	-	-	-	-	50,539	50,539	156,388
<b>Subtotal</b>	<b>1,761,207</b>	<b>923,051</b>	<b>857,608</b>	<b>462,000</b>	<b>338,688</b>	<b>237,151</b>	<b>228,615</b>	<b>1,065,929</b>	<b>5,874,249</b>	<b>4,571,906</b>
<b>Allowance required</b>	<b>8,806</b>	<b>9,231</b>	<b>25,729</b>	<b>46,200</b>	<b>101,606</b>	<b>118,575</b>	<b>160,030</b>	<b>1,065,927</b>	<b>1,536,104</b>	<b>1,579,904</b>

Bank	Risk levels									
	Operations in course - Normal									
	A	B	C	D	E	F	G	H	Total - 9/30/2021	Total - 12/31/2020
<b>Falling due</b>	<b>27,083,434</b>	<b>85,575</b>	<b>56,845</b>	<b>19,551</b>	<b>11,209</b>	<b>8,890</b>	<b>8,815</b>	<b>113,731</b>	<b>27,388,050</b>	<b>24,335,526</b>
01 to 30	3,651,753	31,841	14,732	3,925	2,083	1,393	981	4,310	3,711,018	3,007,854
31 to 60	1,089,382	8,855	6,477	2,546	1,488	1,028	819	3,336	1,113,931	848,462
61 to 90	985,466	6,807	4,942	2,015	1,181	840	690	2,762	1,004,703	786,321
91 to 180	2,514,587	12,182	9,329	4,026	2,251	1,593	1,333	6,797	2,552,098	2,106,235
181 to 365	3,937,259	10,577	8,080	2,970	1,760	1,518	1,494	11,270	3,974,928	3,426,036
Over 365	14,904,987	15,313	13,285	4,069	2,446	2,518	3,498	85,256	15,031,372	14,160,618
<b>Subtotal</b>	<b>27,083,434</b>	<b>85,575</b>	<b>56,845</b>	<b>19,551</b>	<b>11,209</b>	<b>8,890</b>	<b>8,815</b>	<b>113,731</b>	<b>27,388,050</b>	<b>24,335,526</b>
<b>Allowance required</b>	<b>135,417</b>	<b>855</b>	<b>1,705</b>	<b>1,955</b>	<b>3,363</b>	<b>4,446</b>	<b>6,171</b>	<b>113,733</b>	<b>267,645</b>	<b>318,586</b>
<b>Total (1)</b>	<b>28,844,641</b>	<b>1,008,626</b>	<b>914,453</b>	<b>481,551</b>	<b>349,897</b>	<b>246,041</b>	<b>237,430</b>	<b>1,179,660</b>	<b>33,262,299</b>	<b>28,907,432</b>
<b>Total allowance</b>	<b>144,223</b>	<b>10,086</b>	<b>27,434</b>	<b>48,155</b>	<b>104,969</b>	<b>123,021</b>	<b>166,201</b>	<b>1,179,660</b>	<b>1,803,749</b>	<b>1,898,490</b>

Consolidated	Risk levels									
	Operations in course - Abnormal									
	A	B	C	D	E	F	G	H	Total - 9/30/2021	Total - 12/31/2020
<b>Falling due</b>	1,588,938	676,026	652,126	298,841	188,872	108,774	100,622	439,289	4,053,488	3,279,579
01 to 30	69,068	32,954	33,048	15,948	9,863	6,266	5,755	20,488	193,390	146,467
31 to 60	67,049	31,216	30,108	14,376	9,029	5,646	5,189	18,630	181,243	145,486
61 to 90	65,001	30,417	29,820	14,208	8,814	5,478	5,020	18,101	176,859	135,759
91 to 180	183,031	84,544	82,569	38,991	24,015	14,622	13,213	49,325	490,310	381,042
181 to 365	303,722	140,847	135,009	63,085	38,479	22,843	20,693	85,502	810,180	653,159
Over 365	901,067	356,048	341,572	152,233	98,672	53,919	50,752	247,243	2,201,506	1,817,666
<b>Past due in days</b>	<b>172,269</b>	<b>247,025</b>	<b>205,482</b>	<b>163,159</b>	<b>149,816</b>	<b>128,377</b>	<b>127,993</b>	<b>626,640</b>	<b>1,820,761</b>	<b>1,292,327</b>
01 to 14	159,884	12,974	26,409	22,546	14,800	12,283	13,962	31,123	293,981	168,023
15 to 30	12,385	222,479	20,005	10,332	7,113	4,811	4,642	17,692	299,459	231,517
31 to 60	-	11,572	144,435	22,541	13,702	9,044	8,499	26,496	236,289	123,587
61 to 90	-	-	10,546	94,657	15,408	9,024	8,047	26,596	164,278	87,559
91 to 180	-	-	4,087	13,083	93,881	87,991	87,496	112,405	398,943	205,664
181 to 365	-	-	-	-	4,912	5,224	5,347	361,789	377,272	319,589
Over 365	-	-	-	-	-	-	-	50,539	50,539	156,388
<b>Subtotal</b>	<b>1,761,207</b>	<b>923,051</b>	<b>857,608</b>	<b>462,000</b>	<b>338,688</b>	<b>237,151</b>	<b>228,615</b>	<b>1,065,929</b>	<b>5,874,249</b>	<b>4,571,906</b>
<b>Allowance required</b>	<b>8,806</b>	<b>9,231</b>	<b>25,729</b>	<b>46,200</b>	<b>101,606</b>	<b>118,575</b>	<b>160,030</b>	<b>1,065,927</b>	<b>1,536,104</b>	<b>1,579,904</b>

Consolidated	Risk levels									
	Operations in course - Normal									
	A	B	C	D	E	F	G	H	Total - 9/30/2021	Total - 12/31/2020
<b>Falling due</b>	<b>27,083,434</b>	<b>85,575</b>	<b>56,845</b>	<b>19,551</b>	<b>11,209</b>	<b>8,890</b>	<b>8,917</b>	<b>113,731</b>	<b>27,388,152</b>	<b>24,335,566</b>
01 to 30	3,651,753	31,841	14,732	3,925	2,083	1,393	1,083	4,310	3,711,120	3,007,894
31 to 60	1,089,382	8,855	6,477	2,546	1,488	1,028	819	3,336	1,113,931	848,462
61 to 90	985,466	6,807	4,942	2,015	1,181	840	690	2,762	1,004,703	786,321
91 to 180	2,514,587	12,182	9,329	4,026	2,251	1,593	1,333	6,797	2,552,098	2,106,235
181 to 365	3,937,259	10,577	8,080	2,970	1,760	1,518	1,494	11,270	3,974,928	3,426,036
Over 365	14,904,987	15,313	13,285	4,069	2,446	2,518	3,498	85,256	15,031,372	14,160,618
<b>Subtotal</b>	<b>27,083,434</b>	<b>85,575</b>	<b>56,845</b>	<b>19,551</b>	<b>11,209</b>	<b>8,890</b>	<b>8,917</b>	<b>113,731</b>	<b>27,388,152</b>	<b>24,335,566</b>
<b>Allowance required</b>	<b>135,417</b>	<b>855</b>	<b>1,705</b>	<b>1,955</b>	<b>3,363</b>	<b>4,446</b>	<b>6,242</b>	<b>113,733</b>	<b>267,716</b>	<b>318,586</b>
<b>Total (1)</b>	<b>28,844,641</b>	<b>1,008,626</b>	<b>914,453</b>	<b>481,551</b>	<b>349,897</b>	<b>246,041</b>	<b>237,532</b>	<b>1,179,660</b>	<b>33,262,401</b>	<b>28,907,472</b>
<b>Total allowance</b>	<b>144,223</b>	<b>10,086</b>	<b>27,434</b>	<b>48,155</b>	<b>104,969</b>	<b>123,021</b>	<b>166,272</b>	<b>1,179,660</b>	<b>1,803,820</b>	<b>1,898,490</b>

(1) Not including the market value adjustment (Note 8.a).

**c) Change in the provision for expected losses associated with credit risk (1):**

Bank	9/30/2021			9/30/2020		
	Loan operations	Other receivables	Total	Loan operations	Other (1)	Total
<b>Opening balance</b>	<b>1,898,490</b>	<b>54,856</b>	<b>1,953,346</b>	<b>1,828,735</b>	<b>67,984</b>	<b>1,896,719</b>
Constitution/reversal of allowance	1,274,336	(18,003)	1,256,333	1,115,990	(13,529)	1,102,461
Write-off against allowance	(1,369,077)	-	(1,369,077)	(1,059,993)	-	(1,059,993)
<b>At the end of the period</b>	<b>1,803,749</b>	<b>36,853</b>	<b>1,840,602</b>	<b>1,884,732</b>	<b>54,455</b>	<b>1,939,187</b>
<b>Current</b>	<b>1,265,698</b>	<b>36,853</b>	<b>1,302,551</b>	<b>1,216,481</b>	<b>54,455</b>	<b>1,270,936</b>
<b>Non-current</b>	<b>538,051</b>	<b>-</b>	<b>538,051</b>	<b>668,251</b>	<b>-</b>	<b>668,251</b>
<b>Credit recoveries (2)</b>	<b>356,582</b>	<b>-</b>	<b>356,582</b>	<b>200,530</b>	<b>-</b>	<b>200,530</b>
<b>Effect on results (3)</b>	<b>(917,754)</b>	<b>18,003</b>	<b>(899,751)</b>	<b>(915,460)</b>	<b>13,529</b>	<b>(901,931)</b>

Consolidated	9/30/2021			9/30/2020		
	Loan operations	Other receivables	Total	Loan operations	Other (1)	Total
<b>Opening balance</b>	<b>1,898,490</b>	<b>54,856</b>	<b>1,953,346</b>	<b>1,828,735</b>	<b>67,984</b>	<b>1,896,719</b>
Constitution/reversal of allowance	1,274,408	(18,003)	1,256,405	1,115,991	(13,529)	1,102,462
Write-off against allowance	(1,369,078)	-	(1,369,078)	(1,059,993)	-	(1,059,993)
<b>At the end of the period</b>	<b>1,803,820</b>	<b>36,853</b>	<b>1,840,673</b>	<b>1,884,733</b>	<b>54,455</b>	<b>1,939,188</b>
<b>Current</b>	<b>1,265,769</b>	<b>36,853</b>	<b>1,302,622</b>	<b>1,216,482</b>	<b>54,455</b>	<b>1,270,937</b>
<b>Non-current</b>	<b>538,051</b>	<b>-</b>	<b>538,051</b>	<b>668,251</b>	<b>-</b>	<b>668,251</b>
<b>Credit recoveries (2)</b>	<b>360,469</b>	<b>-</b>	<b>360,469</b>	<b>204,064</b>	<b>-</b>	<b>204,064</b>
<b>Effect on results (3)</b>	<b>(913,939)</b>	<b>18,003</b>	<b>(895,936)</b>	<b>(911,926)</b>	<b>13,529</b>	<b>(898,397)</b>

(1) Includes other credits without credit characteristics (Notes 9 and 10);

(2) In the period ended 9/30/2021, credits previously written off against the allowance, totaling R\$ 360,469, were recovered (recovered credits of R\$ 356,582 in the Bank, R\$ 51 referring to lease operations, and recovered credits of R\$ 3,836 in Brazilian Finance & Real Estate); and

(3) Charge from allowance, net of income from credits recovered.



## d) Classification by area of economic activity:

	Bank				Consolidated			
	9/30/2021		12/31/2020		9/30/2021		12/31/2020	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Individuals</b>	<b>31,491,326</b>	<b>94.67</b>	<b>27,112,094</b>	<b>93.79</b>	<b>31,491,326</b>	<b>94.67</b>	<b>27,112,094</b>	<b>93.79</b>
<b>Services</b>	<b>1,396,365</b>	<b>4.20</b>	<b>1,334,397</b>	<b>4.62</b>	<b>1,396,467</b>	<b>4.20</b>	<b>1,334,436</b>	<b>4.62</b>
Financial	698,228	2.10	617,935	2.14	698,228	2.10	617,935	2.14
Utilities	99,389	0.30	82,145	0.28	99,389	0.30	82,145	0.28
Construction and real-estate development	85,455	0.25	133,189	0.46	85,557	0.26	133,228	0.46
Media, IT and Telecom	10,273	0.03	10,025	0.04	10,273	0.03	10,025	0.04
Transportation and logistics	5,017	0.02	6,334	0.02	5,017	0.02	6,334	0.02
Vehicle rental	545	-	759	-	545	-	759	-
Health, security and education	143	-	167	-	143	-	167	-
Other services	497,315	1.50	483,843	1.68	497,315	1.50	483,843	1.68
<b>Commercial</b>	<b>374,521</b>	<b>1.13</b>	<b>376,090</b>	<b>1.30</b>	<b>374,521</b>	<b>1.13</b>	<b>376,090</b>	<b>1.30</b>
Wholesale and retail	374,521	1.13	376,090	1.30	374,521	1.13	376,090	1.30
<b>Basic industries</b>	<b>79</b>	<b>-</b>	<b>65,033</b>	<b>0.22</b>	<b>79</b>	<b>-</b>	<b>65,033</b>	<b>0.22</b>
Textiles	1	-	15,258	0.05	1	-	15,258	0.05
Paper and pulp	-	-	42,999	0.15	-	-	42,999	0.15
Chemical industry	-	-	6,669	0.02	-	-	6,669	0.02
Other industries	78	-	107	-	78	-	107	-
<b>Agribusiness</b>	<b>8</b>	<b>-</b>	<b>19,818</b>	<b>0.07</b>	<b>8</b>	<b>-</b>	<b>19,818</b>	<b>0.07</b>
Agribusiness and animal protein	8	-	4,149	0.02	8	-	4,149	0.02
Sugar and ethanol	-	-	15,669	0.05	-	-	15,669	0.05
<b>Total (1)</b>	<b>33,262,299</b>	<b>100.00</b>	<b>28,907,432</b>	<b>100.00</b>	<b>33,262,401</b>	<b>100.00</b>	<b>28,907,471</b>	<b>100.00</b>

(1) Not including the market value adjustment (Note 8.a).

## e) Concentration of loan operations:

	Bank				Consolidated			
	9/30/2021		12/31/2020		9/30/2021		12/31/2020	
	Amount	%	Amount	%	Amount	%	Amount	%
10 largest borrowers	763,502	2.30	697,064	2.41	763,502	2.30	697,064	2.41
50 next largest borrowers	606,854	1.82	682,777	2.36	606,854	1.82	682,777	2.36
100 next largest borrowers	243,530	0.73	260,884	0.90	243,530	0.73	260,884	0.90
Other borrowers	31,648,413	95.15	27,266,707	94.32	31,648,515	95.15	27,266,746	94.32
<b>Total</b>	<b>33,262,299</b>	<b>100.00</b>	<b>28,907,432</b>	<b>100.00</b>	<b>33,262,401</b>	<b>100.00</b>	<b>28,907,471</b>	<b>100.00</b>

## f) Transactions for the sale or transfer of financial assets:

## I. Transactions with substantial transfer of risks and benefits:

In the periods ended 9/30/2021 and 9/30/2020, loans were assigned to financial institutions as below:

Bank and Consolidated	9/30/2021			9/30/2020		
	Assignment amount	Present value	Result	Assignment amount	Present value	Result
Payroll-deductible loans	8,204,832	6,604,102	1,600,730	6,890,100	4,961,927	1,928,173
<b>Total (Note 8.g)</b>	<b>8,204,832</b>	<b>6,604,102</b>	<b>1,600,730</b>	<b>6,890,100</b>	<b>4,961,927</b>	<b>1,928,173</b>

## II. Transactions with substantial retention of risks and benefits:

### Assignments after CMN Resolution 3,533/08

The responsibilities for loans assigned with substantial retention of risks and benefits amounted to R\$ 408,614, in Banco PAN and Consolidated (R\$ 87,568 at 12/31/2020), calculated at present value using the agreed contract rates. Obligations of R\$ 528,192 (R\$ 103,655 at 12/31/2020) were assumed for these loans (Note 17.a).

#### g) Income from loan and leasing operations:

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Vehicles	2,162,403	1,529,880	2,162,403	1,529,880
Payroll-deductible loans	1,829,891	1,623,772	1,829,891	1,623,772
Profit on loan assignments (Note 8.f)	1,600,730	1,928,173	1,600,730	1,928,173
Credit cards	924,984	699,508	924,984	699,508
Performance bonus on assignments	287,228	480,920	287,228	480,920
Recovery of loans written off as losses	356,582	200,530	360,469	204,064
Working capital/overdraft accounts	117,590	103,235	117,590	103,235
Personal credit	110,589	2,701	110,589	2,701
Housing loans	48,780	52,563	48,780	52,563
FGTS loan	26,136	-	26,136	-
Renegotiated loans	21,045	19,907	21,045	19,907
Emergency credit limit	4,464	310	4,464	310
Other	31	-	31	-
Adjustment to market value - Retail Portfolio (1)	(849,896)	(26,465)	(849,896)	(26,465)
<b>Total</b>	<b>6,640,557</b>	<b>6,615,034</b>	<b>6,644,444</b>	<b>6,618,568</b>

(1) Mark-to-market of accounting hedges on retail credits: payroll-deductible loans and vehicle financing (Note 7.c.vi).

## 9) Other financial assets

	Bank		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Amounts receivable from loan assignments	1,382,632	2,134,439	1,382,632	2,134,439
Negotiation and intermediation of securities	17,751	2,394	17,751	2,394
Acknowledgment of debt (1)	4,289	3,121	4,289	3,121
Real estate receivables (2)	-	-	2,508	4,114
Other	816	-	816	-
<b>Total</b>	<b>1,405,488</b>	<b>2,139,954</b>	<b>1,407,996</b>	<b>2,144,068</b>
<b>Current</b>	<b>819,881</b>	<b>1,183,861</b>	<b>819,873</b>	<b>1,185,176</b>
<b>Non-current</b>	<b>585,607</b>	<b>956,093</b>	<b>588,123</b>	<b>958,892</b>

(1) Includes provision for debt acknowledgment of R\$ 9,842 at 9/30/2021 (R\$ 15,314 at 12/31/2020) (Note 8.c); and

(2) INCC/IGPM/SAVINGS/CDI with no indexation accruals, interest from 0% to 20.05% per annum, maturing on 11/15/2034.

## 10) Other receivables

	Bank		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Judicial and tax deposits	183,357	174,082	203,328	194,926
Amounts receivable from related parties	58,176	18,798	53,059	13,411
Amounts receivable from payroll-deductible loans (1)	3,924	6,213	3,924	6,213
Residual benefit in securitized transactions	-	-	4,530	3,887
Other (2)	181,976	119,805	187,948	134,776
<b>Total</b>	<b>427,433</b>	<b>318,898</b>	<b>452,789</b>	<b>353,213</b>
<b>Current</b>	<b>334,576</b>	<b>276,836</b>	<b>337,236</b>	<b>292,177</b>
<b>Non-current</b>	<b>92,857</b>	<b>42,062</b>	<b>115,553</b>	<b>61,036</b>

(1) Basically refers to amounts received and not yet transferred to the Bank by state and municipal governments, whose transfers are being negotiated by the Bank (allowance for losses constituted), and to transfers in arrears for more than 180 days, the balance of which at 9/30/2021 amounted to R\$ 19,088 (R\$ 32,040 at 12/31/2020) (Note 8.c); and

(2) Includes allowance for other credits without credit characteristics of R\$ 7,923 at 9/30/2021 (R\$ 7,502 at 12/31/2020) (Note 8.c).

## 11) Other assets

### a) Assets not for own use and other:

Residual value	Bank				Consolidated			
	Cost	Allowance for losses	9/30/2021	12/31/2020	Cost	Allowance for losses	9/30/2021	12/31/2020
<b>Assets not for own use</b>	<b>206,584</b>	<b>(53,215)</b>	<b>153,369</b>	<b>258,009</b>	<b>213,886</b>	<b>(54,265)</b>	<b>159,621</b>	<b>264,683</b>
Properties	186,114	(45,952)	140,162	244,273	193,150	(46,748)	146,402	250,929
Vehicles	20,470	(7,263)	13,207	13,736	20,736	(7,517)	13,219	13,754
Other	888	-	888	556	888	-	888	556
<b>Total</b>	<b>207,472</b>	<b>(53,215)</b>	<b>154,257</b>	<b>258,565</b>	<b>214,774</b>	<b>(54,265)</b>	<b>160,509</b>	<b>265,239</b>
<b>Current</b>			<b>154,257</b>	<b>258,565</b>			<b>160,509</b>	<b>265,239</b>

### b) Prepaid expenses

	Bank		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Financial system services	122,778	89,076	122,915	89,249
Advertising and publicity	20,341	-	20,341	-
Data processing	4,404	5,040	4,404	5,040
Software maintenance	6,740	4,059	6,740	4,059
Other	21,494	9,113	23,113	11,071
<b>Total</b>	<b>175,757</b>	<b>107,288</b>	<b>177,513</b>	<b>109,419</b>
<b>Current</b>	<b>42,346</b>	<b>70,416</b>	<b>43,330</b>	<b>71,386</b>
<b>Non-current</b>	<b>133,411</b>	<b>36,872</b>	<b>134,183</b>	<b>38,033</b>

## 12) Investments

### a) Investments in subsidiaries:

Companies	Share capital	Adjusted equity	Number of shares/quotas held (in thousands)				Equity interest %	Adjusted results	Balance of investments			Equity accounting adjustment (1)	
			Common shares	Preferred shares	Quotas				9/30/2021	9/30/2021	12/31/2020	Period ended	
												9/30/2021	9/30/2020
Pan Arrendamento Mercantil S.A. (2)	356,735	201,422	11	-	-	100.00	1,439	201,422	199,983	1,439	(5,910)		
Pan Administradora de Consórcio Ltda. (2)	42,388	77,131	-	-	48,168	100.00	2,234	77,131	74,898	2,234	17,096		
Brazilian Securities Companhia de Securitização (2)(3)	174,201	215,742	77,865	-	-	100.00	1,485	216,033	214,894	1,485	1,117		
Brazilian Finance & Real Estate S.A. (4)	107,662	190,060	0.2	0.5	-	100.00	6,832	190,060	183,070	6,832	5,884		
BM Sua Casa Promotora de Vendas Ltda. (2)(3)	179,864	220,029	-	-	179,864	100.00	(129)	220,553	218,530	(129)	(3,621)		
								<b>905,199</b>	<b>891,375</b>	<b>11,861</b>	<b>14,566</b>		

(1) Considers results determined by the companies subsequent to acquisition and includes equity interests in the investees other than from results, as well as adjustments arising from the equalization of accounting principles, where applicable.

(2) Companies' interim financial statements for the period ended 9/30/2021 reviewed by the same independent auditor as that of Banco PAN.

(3) The carrying amounts of the related investments include goodwill on acquisition, net of amortization, amounting to R\$ 815, R\$ 524 of which is related to BM Sua Casa Promotora de Vendas Ltda and R\$ 291 to Brazilian Securities Companhia de Securitização; and

(4) Company's interim financial statements for the period ended 9/30/2021 reviewed by another independent auditor.

**b) Other investments:**

<b>Bank and Consolidated</b>	<b>9/30/2021</b>	<b>12/31/2020</b>
Bw Properties S.A.	10,710	10,710
Asset and Security Registration Center (Certa)	4,565	1,536
Interbank Payment Chamber (CIP)	379	379
<b>Total</b>	<b>15,654</b>	<b>12,625</b>

**13) Property and equipment****a) Property and equipment comprise the following:**

<b>Bank and Consolidated</b>	<b>Annual depreciation rate</b>	<b>Cost</b>	<b>Depreciation</b>	<b>Residual value</b>	
				<b>9/30/2021</b>	<b>12/31/2020</b>
Facilities, furniture and equipment in use	10%	12,635	(1,691)	10,944	9,646
Security and communications systems	10%	4,270	(2,246)	2,024	1,208
Data processing systems	20%	51,377	(25,960)	25,417	12,506
Card machines	33%	11,478	(766)	10,712	-
<b>Total at 9/30/2021</b>		<b>79,760</b>	<b>(30,663)</b>	<b>49,097</b>	<b>-</b>
<b>Total at 12/31/2020</b>		<b>82,320</b>	<b>(58,960)</b>	<b>-</b>	<b>23,360</b>

**b) Changes in property and equipment by category:**

<b>Bank and Consolidated</b>	<b>Facilities, furniture and equipment in use</b>	<b>Security and communications systems</b>	<b>Data processing systems</b>	<b>Card machines</b>	<b>Total</b>
<b>At 12/31/2020</b>	<b>9,646</b>	<b>1,208</b>	<b>12,506</b>	<b>-</b>	<b>23,360</b>
Purchases	10,423	1,682	17,555	11,478	41,138
Disposals	(5,416)	(80)	(15)	-	(5,511)
Depreciation	(3,709)	(786)	(4,629)	(766)	(9,890)
<b>At 9/30/2021</b>	<b>10,944</b>	<b>2,024</b>	<b>25,417</b>	<b>10,712</b>	<b>49,097</b>

**14) Intangible assets****a) Intangible assets comprise the following:**

<b>Bank</b>	<b>Amortization rate</b>	<b>Cost</b>	<b>Amortization</b>	<b>Residual value</b>	
				<b>9/30/2021</b>	<b>12/31/2020</b>
Software development expenses	20% to 50%	316,838	(250,728)	66,110	57,079
Goodwill	10%	229,514	(210,387)	19,127	36,340
<b>Total at 9/30/2021</b>		<b>546,352</b>	<b>(461,115)</b>	<b>85,237</b>	<b>-</b>
<b>Total at 12/31/2020</b>		<b>496,699</b>	<b>(403,280)</b>	<b>-</b>	<b>93,419</b>

<b>Consolidated</b>	<b>Amortization rate</b>	<b>Cost</b>	<b>Amortization</b>	<b>Residual value</b>	
				<b>9/30/2021</b>	<b>12/31/2020</b>
Software development expenses	20% to 50%	317,739	(251,482)	66,257	57,251
Goodwill	10%	250,532	(229,653)	20,879	39,668
<b>Total at 9/30/2021</b>		<b>568,271</b>	<b>(481,135)</b>	<b>87,136</b>	<b>-</b>
<b>Total at 12/31/2020</b>		<b>518,619</b>	<b>(421,700)</b>	<b>-</b>	<b>96,919</b>

## b) Changes in intangible assets by category:

Bank	Software development expenses	Goodwill	Total
<b>At 12/31/2020</b>	<b>57,079</b>	<b>36,340</b>	<b>93,419</b>
Additions	50,047	-	50,047
Disposals	(35)	-	(35)
Amortization	(40,981)	(17,213)	(58,194)
<b>At 9/30/2021</b>	<b>66,110</b>	<b>19,127</b>	<b>85,237</b>

Consolidated	Software development expenses	Goodwill	Total
<b>At 12/31/2020</b>	<b>57,251</b>	<b>39,668</b>	<b>96,919</b>
Additions	50,047	-	50,047
Disposals	(35)	-	(35)
Amortization	(41,006)	(18,789)	(59,795)
<b>At 9/30/2021</b>	<b>66,257</b>	<b>20,879</b>	<b>87,136</b>

## 15) Deposits, funds obtained in the open market and funds from acceptance and issuance of securities

## a) Deposits:

Bank	Current				Non-current	9/30/2021	12/31/2020
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
Demand deposits	254,502	-	-	-	-	254,502	76,092
Interbank deposits	450,660	884,049	12,752	258,642	2,071,914	3,678,017	9,011,115
Time deposits (1)	953,084	2,682,101	1,789,470	3,866,955	9,274,108	18,565,718	13,094,138
<b>Total at 9/30/2021</b>	<b>1,658,246</b>	<b>3,566,150</b>	<b>1,802,222</b>	<b>4,125,597</b>	<b>11,346,022</b>	<b>22,498,237</b>	-
<b>Total at 12/31/2020</b>	<b>3,615,576</b>	<b>6,233,016</b>	<b>1,009,768</b>	<b>2,294,827</b>	<b>9,028,158</b>	-	<b>22,181,345</b>

Consolidated	Current				Non-current	9/30/2021	12/31/2020
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
Demand deposits	254,470	-	-	-	-	254,470	76,056
Interbank deposits	450,660	884,049	12,752	15,036	2,048,554	3,411,051	8,747,715
Time deposits (1)	951,740	2,679,031	1,781,005	3,838,511	8,930,267	18,180,554	12,742,632
<b>Total at 9/30/2021</b>	<b>1,656,870</b>	<b>3,563,080</b>	<b>1,793,757</b>	<b>3,853,547</b>	<b>10,978,821</b>	<b>21,846,075</b>	-
<b>Total at 12/31/2020</b>	<b>3,607,960</b>	<b>6,218,217</b>	<b>955,563</b>	<b>2,019,878</b>	<b>8,764,785</b>	-	<b>21,566,403</b>

(1) Hedge accounting transactions (Note 7.c.vi).

**b) Funds obtained in the open market:**

Bank	Current				Non-current	9/30/2021	12/31/2020
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
<b>Own portfolio</b>	2,200	-	-	243	4,500	6,943	1,314,155
Financial Treasury Bills (LFT)	-	-	-	243	4,500	4,743	158,110
National Treasury Notes (NTN)	2,200	-	-	-	-	2,200	1,156,045
<b>Total at 9/30/2021</b>	<b>2,200</b>	-	-	<b>243</b>	<b>4,500</b>	<b>6,943</b>	-
<b>Total at 12/31/2020</b>	<b>1,307,042</b>	-	-	<b>5,004</b>	<b>2,109</b>	-	<b>1,314,155</b>

Consolidated	Current				Non-current	9/30/2021	12/31/2020
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
<b>Own portfolio</b>	2,200	-	-	-	-	2,200	1,307,042
Financial Treasury Bills (LFT)	-	-	-	-	-	-	150,997
National Treasury Notes (NTN)	2,200	-	-	-	-	2,200	1,156,045
<b>Total at 9/30/2021</b>	<b>2,200</b>	-	-	-	-	<b>2,200</b>	-
<b>Total at 12/31/2020</b>	<b>1,307,042</b>	-	-	-	-	-	<b>1,307,042</b>

**c) Funds from acceptance and issuance of securities:**

Bank and Consolidated	Current				Non-current	9/30/2021	12/31/2020
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
Financial Bills (LF)	323,742	2,083,640	80,518	119,996	7,191,265	9,799,161	5,018,678
Real estate letters of credit (LCI)	57,018	61,895	21,377	83,475	57,794	281,559	327,371
<b>Total at 9/30/2021</b>	<b>380,760</b>	<b>2,145,535</b>	<b>101,895</b>	<b>203,471</b>	<b>7,249,059</b>	<b>10,080,720</b>	-
<b>Total at 12/31/2020</b>	<b>41,372</b>	<b>92,007</b>	<b>974,917</b>	<b>3,577,688</b>	<b>660,065</b>	-	<b>5,346,049</b>

**d) Expenses on deposits, funds obtained in the open market, funds from issuance of securities and subordinated debt:**

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Time deposits	767,357	803,820	758,238	796,036
Interbank deposits	163,459	222,991	156,876	217,044
Financial bills	277,169	70,045	277,169	70,045
Purchase and sale commitments	17,632	4,371	17,505	4,204
Contributions to the deposit guarantee fund	15,881	11,251	15,881	11,251
Loans assigned with retention of risk	19,002	11,852	19,002	11,852
Real estate letters of credit	8,970	7,745	8,970	7,745
Foreign exchange gains/losses	-	572,223	-	572,223
Marketable securities issued abroad and subordinated debt	-	77,388	-	77,388
<b>Total</b>	<b>1,269,470</b>	<b>1,781,686</b>	<b>1,253,641</b>	<b>1,767,788</b>

## 16) Interbank accounts

<b>Bank and Consolidated</b>	<b>9/30/2021</b>	<b>12/31/2020</b>
Receipts and payments pending settlement	2,136,010	1,380,060
Local correspondents (1)	161,133	111,761
<b>Total</b>	<b>2,297,143</b>	<b>1,491,821</b>
<b>Current</b>	<b>2,297,143</b>	<b>1,491,821</b>

(1) Refer to the receipt of installments related to contracts assigned to be transferred to the assignees, updated at the agreed contractual rates. The accounts are represented by vehicle financing, payroll-deductible loans, and real-estate financing.

## 17) Other financial liabilities

### a) Breakdown:

<b>Bank and Consolidated</b>	<b>9/30/2021</b>	<b>12/31/2020</b>
Assignment with substantial retention of risks and benefits (8.f ii)	528,192	103,655
Subordinated debts (b)	9,094	8,784
Other	809	-
<b>Total</b>	<b>538,095</b>	<b>112,439</b>
<b>Current</b>	<b>234,351</b>	<b>58,386</b>
<b>Non-current</b>	<b>303,744</b>	<b>54,053</b>

### b) Subordinated debts:

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

<b>Bank and Consolidated</b>	<b>9/30/2021</b>	<b>12/31/2020</b>
<b>In Brazil:</b>		
(1) R\$ 8,000	9,094	8,784
<b>Total</b>	<b>9,094</b>	<b>8,784</b>
<b>Non-current</b>	<b>9,094</b>	<b>8,784</b>

(1) Subordinated Financial Bills issued on 4/18/2019, maturing on 4/16/2027.

## 18) Provisions, contingent assets and liabilities and legal obligations (tax and social security)

### Provisions:

The Bank is a party to labor, civil and tax lawsuits arising in the normal course of its business. The corresponding provisions are constituted for all civil, tax and labor processes whenever losses are considered probable, supported by the history of losses, advice of the legal advisors, the type and complexity of the lawsuits, and recent judicial precedent. The provision recorded is sufficient to cover the risk of loss arising from these lawsuits.

### Labor

The claims have been brought by former employees and service providers claiming compensation for labor rights, arising, in general, from their classification as bank employees, particularly for overtime, based on Article 224 of the Consolidation of Labor Laws (CLT), in respect of ancillary responsibility in lawsuits involving service providers.

Labor claims are managed individually through a computerized system and, even though they are conducted and assessed by specialized internal and external legal counsel, are provided for in accordance with the history of losses for similar lawsuits concluded in the last 12 or 24 months, depending on the type of plaintiff, which may be updated annually and adjusted at a rate of 1% per month, whose periodic monitoring shows the adequacy of the provision amounts.



## Civil

These lawsuits are claims for payment, indemnities, tariff revisions and tariff claims.

Civil lawsuits that are managed via a computerized system are divided into two groups, as follows:

### 1) lawsuits with common characteristics

A statistical model is applied to form the provision for civil lawsuits with common characteristics, which is calculated based on the average loss for all lawsuits which terminated over the last 12 months, updated at every three months, by cluster.

### 2) strategic civil lawsuits

The provision for the strategic civil lawsuits is recorded according to the judgment of the internal experts, based on the combined analysis of the elements of the lawsuit, opinion of the outsourced law firm, time of the proceeding, understanding of the courts on the matter, as well as impacts on the image and operations of the Bank.

There are no other significant administrative proceedings in progress for non-compliance with National Financial System rules or that could require the payment of fines, which could have a material effect on the financial position of the Bank or its subsidiaries.

## Tax lawsuits

Administrative and judicial proceedings filed by the Federal Government, States, Municipalities and the Federal District against Grupo PAN, aiming to demand taxes due from their respective jurisdictions, whether registered or not as delinquent debt. All tax discussions are conducted by specialized firms.

The provision for taxes is supported by extensive studies, taking into account procedural, jurisprudential, doctrinal aspects and which, as supported by legal counsel, are classified as a probable loss.

### I. Provisions by nature:

	Bank		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Civil	258,074	294,662	265,044	305,467
Labor	114,258	141,139	117,689	147,209
Tax	2,444	2,543	63,730	60,946
<b>Total</b>	<b>374,776</b>	<b>438,344</b>	<b>446,463</b>	<b>513,622</b>

### II. Change in provisions:

Bank	Civil	Labor	Tax	Total
<b>At 12/31/2020</b>	<b>294,662</b>	<b>141,139</b>	<b>2,543</b>	<b>438,344</b>
Constitution, net of reversals	86,031	38,462	(24)	124,469
Indexation and interest accruals	-	-	18	18
Write-off due to payment	(122,619)	(65,343)	(93)	(188,055)
<b>At 9/30/2021</b>	<b>258,074</b>	<b>114,258</b>	<b>2,444</b>	<b>374,776</b>

Consolidated	Civil	Labor	Tax	Total
<b>At 12/31/2020</b>	<b>305,467</b>	<b>147,209</b>	<b>60,946</b>	<b>513,622</b>
Constitution, net of reversals	85,113	35,949	1,839	122,901
Indexation and interest accruals	-	-	1,125	1,125
Write-off due to payment	(125,536)	(65,469)	(180)	(191,185)
<b>At 9/30/2021</b>	<b>265,044</b>	<b>117,689</b>	<b>63,730</b>	<b>446,463</b>

### III. Contingent liabilities with possible risk of losses:

The main discussions related to fiscal and tax litigation with likelihood of loss considered as possible are described below.

**IRPJ/CSLL** – Capital gain obtained on the demutualization of B3 (over-the-counter), in addition to the disallowance of income tax and social contribution losses, referring to 2008 and 2009. In September 2021, the amount related to this lawsuit totals approximately R\$ 732.

**IRPJ/CSLL** – Deductibility of losses on loan operations and other operating expenses, referring to 2007 to 2016. In September 2021, the amounts related to these lawsuits total approximately R\$ 857,618.

**IRPJ/CSLL** – Broader deductibility of expenses related to the payment of PIS/COFINS referring to 2014. In September 2021, the amount related to this lawsuit totals approximately R\$ 22,669.

**IRPJ/CSLL** – Deductibility of goodwill paid on the acquisition of equity interests amortized in 2014 to 2016. In September 2021, the amount related to these lawsuits totals approximately R\$ 9,850.

**PIS/COFINS** – Deductibility of swap expenses from the calculation base, referring to 2010. In September 2021, the amount related to this lawsuit totals approximately R\$ 4,717.

**INSS on profit or gain sharing and Workers' Meal Program (PAT)** – Levy of social security contributions on payments made as profit or gain sharing and PAT for 2012, 2013 and 2016. In September 2021, the amounts related to these lawsuits total approximately R\$ 75,827.

**IRRF** – Capital gain from the acquisition of equity interest abroad, referring to 2012. In September 2021, the amount related to this lawsuit totals approximately R\$ 78,950.

**ISSQN on VRG** – Tax assessment notices were issued against Pan Arrendamento Mercantil S.A. by the São Paulo municipal tax authority for Services Tax (ISS) payable on the guaranteed residual value (VRG) charged on lease transactions carried out from 2008 to 2017, totaling R\$ 160,516 adjusted up to September 2021; and

**Non-approval of tax offsetting** - Rejection of requests for offsetting IRPJ, CSLL, PIS, COFINS, resulting from overpayments or undue payments. In September 2021, the amounts related to these lawsuits total approximately R\$ 230,567.

## 19) Current tax obligations

	Bank		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Taxes and contributions on income	391,118	374,906	395,711	385,746
Social Contribution on Revenues (COFINS)	25,077	33,298	25,309	33,493
Taxes and contributions on salaries	22,162	17,424	22,189	17,468
Withholding tax at source on payments to third	6,386	5,648	6,510	5,692
Social Integration Program (PIS)	4,075	5,411	4,115	5,446
ISS	1,991	2,807	1,995	2,811
Withholding tax on fixed-income securities	182	492	182	492
<b>Total</b>	<b>450,991</b>	<b>439,986</b>	<b>456,011</b>	<b>451,148</b>
<b>Current</b>	<b>450,991</b>	<b>439,986</b>	<b>456,011</b>	<b>451,148</b>

## 20) Other sundry liabilities

	Bank		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Payments due	1,306,727	963,945	1,307,128	964,196
Operations linked to assignments	656,525	764,657	656,525	764,657
Collections	77,636	101,664	77,877	101,904
Credit card transactions	47,622	46,293	47,622	46,293
Negotiation and intermediation of securities	12,159	13,713	13,422	15,213
Amounts payable to related parties	19,548	30,880	18,935	30,250
Specific consortium amounts	-	-	3,940	6,840
Other	104,585	75,536	107,164	77,852
<b>Total</b>	<b>2,224,802</b>	<b>1,996,688</b>	<b>2,232,613</b>	<b>2,007,205</b>
<b>Current</b>	<b>2,223,839</b>	<b>1,986,175</b>	<b>2,231,009</b>	<b>1,995,806</b>
<b>Non-current</b>	<b>963</b>	<b>10,513</b>	<b>1,604</b>	<b>11,399</b>

## 21) Equity

### a) Composition of capital - number of shares:

Total subscribed and fully paid-up capital at 9/30/2021 and 12/31/2020 amounted to R\$ 4,175,222.

The nominative registered shares with no par value are shown below (in thousands of shares).

	9/30/2021	12/31/2020
Common	657,561	657,561
Preferred	547,495	547,495
<b>Total</b>	<b>1,205,056</b>	<b>1,205,056</b>

### b) Revenue reserves:

Legal reserve - pursuant to its Bylaws, the Bank appropriates 5% of net profit, after the deduction of accumulated losses and the income tax provision, to the legal reserve, the balance of which should not exceed 20% of the Bank's paid-up capital. Pursuant to Article 193, paragraph 1, of Corporation Law 6,404/76, the Bank may opt not to appropriate a portion of its net profit to the legal reserve in the year in which the balance of this reserve plus the capital reserves exceeds 30% of capital.

Preservation of equity reserve - the purpose of the reserve is to ensure that there are sufficient funds to meet the Bank's regulatory and operational capital requirements. The reserve can be converted into capital by a decision of the Board of Directors. Observing the limit of authorized capital, this reserve can be formed,

in accordance with a proposal of the Board of Directors, with up to 100% of the net profit remaining after the annual appropriations, but may not exceed the amount of the Bank's capital.

### c) Interest on capital:

Stockholders are entitled to a minimum distribution equal to 35% of annual profit, adjusted pursuant to the Bylaws and Article 202 of Law 6,404/76.

The calculation of the interest on capital is as follows:

	9/30/2021	% (1)	9/30/2020	% (1)
<b>Net profit</b>	<b>584,128</b>		<b>484,628</b>	
(-) Legal reserve	(29,206)		(24,231)	
<b>Calculation base</b>	<b>554,921</b>		<b>460,397</b>	
<b>Interest on capital (gross) provisioned/paid</b>	<b>228,497</b>		<b>189,575</b>	
Withholding Income Tax related to interest on capital	(34,275)		(28,436)	
<b>Interest on capital (net) provisioned/paid</b>	<b>194,222</b>	<b>35%</b>	<b>161,139</b>	<b>35%</b>

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

## 22) Income from services rendered

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Loan operations	234,996	155,047	234,996	155,057
Credit cards	155,431	91,946	155,431	91,946
Business intermediation	141,467	52,677	141,467	52,677
Other	1,501	7,069	2,894	16,920
<b>Total</b>	<b>533,395</b>	<b>306,739</b>	<b>534,788</b>	<b>316,600</b>

## 23) Personnel expenses

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Salaries	(362,743)	(270,345)	(363,528)	(271,083)
Social charges	(95,863)	(72,088)	(96,173)	(72,329)
Benefits (Note 31)	(72,989)	(59,699)	(73,141)	(59,907)
Fees (Note 29.b)	(18,686)	(11,431)	(18,686)	(11,431)
Other	(7,859)	(4,891)	(7,860)	(4,891)
<b>Total</b>	<b>(558,140)</b>	<b>(418,454)</b>	<b>(559,388)</b>	<b>(419,641)</b>

## 24) Other administrative expenses

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Commissions payable to correspondent banks	(1,460,227)	(936,845)	(1,460,227)	(939,255)
Third-party services	(409,376)	(301,330)	(417,170)	(311,238)
Data processing	(257,693)	(211,881)	(257,818)	(212,056)
Financial system services	(217,222)	(153,531)	(217,910)	(154,177)
Advertising, promotions and publicity	(209,894)	(61,784)	(210,159)	(61,837)
Communication	(83,588)	(46,391)	(83,648)	(46,499)
Rentals	(97,517)	(55,614)	(97,861)	(55,909)
Depreciation and amortization	(56,274)	(48,602)	(56,298)	(48,636)
Maintenance and conservation of property	(10,573)	(4,888)	(10,575)	(4,891)
Asset search and seizure expenses	(9,780)	(16,960)	(9,793)	(16,970)
Fees and emoluments	(2,253)	(1,781)	(2,989)	(2,179)
Water, power and gas	(1,480)	(1,699)	(1,482)	(1,700)
Transportation	(2,782)	(3,023)	(2,782)	(3,027)
Consumption materials	(1,995)	(832)	(1,995)	(832)
Travel	(851)	(1,449)	(851)	(1,450)
Other	(90,231)	(24,934)	(90,928)	(25,704)
<b>Total</b>	<b>(2,911,736)</b>	<b>(1,871,544)</b>	<b>(2,922,486)</b>	<b>(1,886,360)</b>

## 25) Tax expenses

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Social contribution on revenues (COFINS)	(220,206)	(148,996)	(221,806)	(151,000)
Social Integration Program (PIS)	(35,784)	(24,212)	(36,064)	(24,591)
Services Tax (ISS)	(22,045)	(13,796)	(22,078)	(14,000)
Taxes and charges	(4,727)	(2,284)	(5,374)	(2,847)
<b>Total</b>	<b>(282,762)</b>	<b>(189,288)</b>	<b>(285,322)</b>	<b>(192,438)</b>

## 26) Expenses with provisions

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Constitution/reversal of provision for civil	(86,031)	(95,897)	(85,113)	(98,318)
Constitution/reversal of provision for labor	(38,462)	(49,293)	(35,949)	(49,174)
Constitution/reversal of provision for tax	24	(430)	(1,839)	(6,289)
<b>Total</b>	<b>(124,469)</b>	<b>(145,620)</b>	<b>(122,901)</b>	<b>(153,781)</b>

## 27) Other operating income and expenses

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Recovery of charges and expenses	139,358	91,078	140,648	96,257
Indexation/foreign exchange variations	20,780	16,561	22,713	14,883
Assignment of loans	(741,390)	(1,070,987)	(741,390)	(1,070,987)
Discounts granted	(82,526)	(74,290)	(82,526)	(74,290)
Losses on loan/financing operations and frauds	(53,246)	(37,583)	(53,246)	(37,583)
Liens	(28,773)	(21,413)	(28,789)	(21,434)
Amortization of goodwill (Note 14.b)	(17,946)	(17,946)	(18,789)	(18,789)
Other	(25,385)	(15,784)	(20,526)	(12,819)
<b>Total</b>	<b>(789,128)</b>	<b>(1,130,364)</b>	<b>(781,905)</b>	<b>(1,124,762)</b>

## 28) Non-operating results

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Reversal/(impairment) of other assets	(9,907)	15,339	(9,894)	15,522
Result on the sale of other assets	24,182	3,692	23,719	3,487
Assignment of rights (1)	-	-	-	18,912
<b>Total</b>	<b>14,275</b>	<b>19,031</b>	<b>13,825</b>	<b>37,921</b>

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

## 29) Balances and transactions with related parties

Transactions with related parties (direct and indirect) are carried out under conditions and rates which are compatible with the average terms practiced with third parties obtained on the contract dates.

### a) Balances and transactions with related parties

Bank	Maximum term	9/30/2021	12/31/2020	9/30/2021	9/30/2020
		Assets (liabilities)	Assets (liabilities)	Revenue (expenses)	Revenue (expenses)
<b>Interbank investments (a)</b>		<b>590,991</b>	<b>1,251,889</b>	<b>10,883</b>	<b>30,074</b>
Banco BTG Pactual S.A.	10/01/2021	590,991	1,249,990	10,824	29,390
Caixa Econômica Federal (b)	-	-	1,899	59	684
<b>Loan assignments</b>		<b>2,764</b>	<b>1,812,488</b>	<b>159,468</b>	<b>477,987</b>
Banco BTG Pactual S.A. (c)	No term	2,764	-	2,764	-
Caixa Econômica Federal (b)	-	-	1,812,488	156,704	477,987
<b>Other credits</b>		<b>58,991</b>	<b>16,107</b>	<b>7</b>	<b>-</b>
Banco BTG Pactual S.A.	No term	816	-	7	-
Caixa Econômica Federal (b)	-	-	162	-	-
,Too Seguros S.A.	No term	53,035	10,533	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	24	25	-	-
Brazilian Securities Companhia de Securitização (d) (e)	No term	767	1,036	-	-
Pan Administradora de Consórcio Ltda.(d) (e)	No term	946	948	-	-
Brazilian Finance & Real Estate S.A. (d) (e)	No term	3,403	3,403	-	-
<b>Demand deposits (f)</b>		<b>(370)</b>	<b>(373)</b>	<b>-</b>	<b>-</b>
,Too Seguros S.A.	No term	(337)	(337)	-	-
Pan Arrendamento Mercantil S.A.	No term	(9)	(4)	-	-
Pan Administradora de Consórcio Ltda.	No term	(4)	(17)	-	-
BM sua Casa Promotora de Vendas Ltda.	No term	(3)	(1)	-	-
Brazilian Securities Companhia de Securitização	No term	(14)	(10)	-	-
Brazilian Finance & Real Estate S.A.	No term	(3)	(4)	-	-
<b>Interbank deposits (g)</b>		<b>(2,590,665)</b>	<b>(8,579,895)</b>	<b>(120,680)</b>	<b>(215,221)</b>
Banco BTG Pactual S.A.	5/26/2026	(2,323,699)	(502,285)	(59,282)	(15,192)
Caixa Econômica Federal (b)	-	-	(7,814,210)	(54,816)	(194,082)
Pan Arrendamento Mercantil S.A.	1/11/2023	(266,966)	(263,400)	(6,582)	(5,947)
<b>Time deposits (h)</b>		<b>(445,447)</b>	<b>(394,523)</b>	<b>(10,715)</b>	<b>(8,686)</b>
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	8/24/2024	(58,428)	(41,873)	(1,511)	(858)
Pan Administradora de Consórcio Ltda.	9/09/2024	(69,936)	(60,562)	(1,657)	(1,256)
Brazilian Securities Companhia de Securitização	9/16/2024	(165,048)	(153,432)	(3,873)	(3,546)
Brazilian Finance & Real Estate S.A.	9/04/2024	(110,123)	(102,642)	(2,651)	(2,300)
BM sua Casa Promotora de Vendas Ltda.	9/04/2024	(40,057)	(34,870)	(936)	(682)
Key management personnel	3/15/2027	(1,855)	(1,144)	(87)	(44)

Bank	Maximum term	9/30/2021	12/31/2020	9/30/2021	9/30/2020
		Assets (liabilities)	Assets (liabilities)	Revenue (expenses)	Revenue (expenses)
<b>Liabilities for purchase and sale commitments</b>					
Banco BTG Pactual S.A.	-	(4,742)	(7,112)	(5,831)	(50)
Caixa Econômica Federal (b)	-	-	-	(23)	(42)
Pan Administradora de Consórcio Ltda.	8/31/2026	(4,742)	(7,112)	(127)	(167)
<b>Funds from real estate letters of credit and financial bills (i)</b>					
Key management personnel	-	-	-	-	(6)
<b>Derivative financial instruments (j)</b>					
Banco BTG Pactual S.A.	-	-	-	-	392,285
<b>Other liabilities</b>					
Banco BTG Pactual S.A.	No term	(165,910)	-	-	-
,Too Seguros S.A.	No term	(18,935)	(30,250)	-	-
Brazilian Finance & Real Estate S.A.	No term	(503)	(538)	-	-
Brazilian Securities Companhia de Securitização	No term	(106)	(55)	-	-
BM Sua Casa Promotora de Vendas Ltda.	No term	-	(38)	-	-
Pan Arrendamento Mercantil S.A.	No term	(3)	-	-	-
<b>Income from services rendered (k)</b>					
,Too Seguros S.A.	-	-	-	141,468	52,543
Caixa Econômica Federal (b)	-	-	-	235	745
<b>Personnel expenses</b>					
,Too Seguros S.A.	-	-	-	(243)	(220)
<b>Other administrative expenses</b>					
,Too Seguros S.A.	-	-	-	(4,046)	(3,952)
Banco BTG Pactual S.A.	-	-	-	(3,309)	(6,477)
BTG Pactual Corretora	-	-	-	(89)	(159)
Tecban S.A.	-	-	-	(5,806)	(850)
Interbank Payment Chamber	-	-	-	(18,243)	(25,877)
<b>Income from loan assignments</b>					
Caixa Econômica Federal (b)	-	-	-	-	1,389,230

(a) Refer to the Bank's investments with rates equivalent to the CDI rate;

(b) From 5/19/2021 Caixa Participações S.A. ("CaixaPar"), a wholly-owned subsidiary of Caixa Econômica Federal ("CAIXA"), is no longer considered a related party (Note 1);

(c) Refers to the performance bonus on the assignment of loans without recourse;

(d) Provisions for dividends to be paid to 12/31/2021, of which: R\$ 2,060 relates to Brazilian Finance & Real Estate S.A., R\$ 335 to Brazilian Securities Companhia de Securitização, and R\$ 946 to Pan Administradora de Consórcio Ltda.;

(e) Provisioned balance of R\$ 1,343, referring to the remaining balance of the capital reduction of Brazilian Finance & Real Estate S.A., according to the AGE of 9/18/2013; provisioned balance of R\$ 432, substantially related to amounts received from different borrowers referring to loan operations acquired from the company Brazilian Securities Companhia de Securitização;

(f) Refer to the outstanding balances of current accounts of affiliates held at the Bank;

(g) Refer to the funding through interbank deposits with rates equivalent to the CDI rate;

(h) Refer to the funding through time deposits made at the Bank;

(i) Refer to the funding through real estate letters of credit and financial bills made by Banco PAN;

(j) Refer to swaps; and

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

Consolidated	Maximum term	9/30/2021	12/31/2020	9/30/2021	9/30/2020
		Assets (liabilities)	Assets (liabilities)	Revenue (expenses)	Revenue (expenses)
<b>Cash and cash equivalents (a)</b>		-	<b>597</b>	-	-
Caixa Econômica Federal (b)	-	-	597	-	-
<b>Interbank investments (c)</b>		<b>590,991</b>	<b>1,251,938</b>	<b>10,883</b>	<b>30,074</b>
Banco BTG Pactual S.A.	10/01/2021	590,991	1,249,990	10,824	29,390
Caixa Econômica Federal (b)	-	-	1,948	59	684
<b>Loan assignments (d)</b>		<b>2,764</b>	<b>1,812,488</b>	<b>159,468</b>	<b>477,987</b>
Banco BTG Pactual S.A.	No term	2,764	-	2,764	-
Caixa Econômica Federal (b)	-	-	1,812,488	156,704	477,987
<b>Other credits</b>		<b>53,875</b>	<b>10,720</b>	<b>7</b>	-
Banco BTG Pactual S.A.	No term	816	-	7	-
Caixa Econômica Federal (b)	-	-	162	-	-
,Too Seguros S.A.	No term	53,035	10,533	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	24	25	-	-
<b>Demand deposits (e)</b>		<b>(337)</b>	<b>(337)</b>	-	-
,Too Seguros S.A.	No term	(337)	(337)	-	-
<b>Interbank deposits (f)</b>		<b>(2,323,699)</b>	<b>(8,316,495)</b>	<b>(114,098)</b>	<b>(209,274)</b>
Banco BTG Pactual S.A.	5/26/2026	(2,323,699)	(502,285)	(59,282)	(15,192)
Caixa Econômica Federal (b)	-	-	(7,814,210)	(54,816)	(194,082)
<b>Time deposits (g)</b>		<b>(60,283)</b>	<b>(43,017)</b>	<b>(1,598)</b>	<b>(902)</b>
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	8/24/2024	(58,428)	(41,873)	(1,511)	(858)
Key management personnel	3/15/2027	(1,855)	(1,144)	(87)	(44)
<b>Liabilities for purchase and sale commitments</b>		-	-	<b>(5,854)</b>	<b>(92)</b>
Banco BTG Pactual S.A.	-	-	-	(5,831)	(50)
Caixa Econômica Federal (b)	-	-	-	(23)	(42)
<b>Funds from real estate letters of credit and financial bills (h)</b>		-	-	-	<b>(6)</b>
Key management personnel	-	-	-	-	(6)
<b>Derivative financial instruments (i)</b>		-	-	-	<b>392,285</b>
Banco BTG Pactual S.A.	-	-	-	-	392,285
<b>Other liabilities</b>		<b>(184,845)</b>	<b>(30,250)</b>	-	-
Banco BTG Pactual S.A.	No term	(165,910)	-	-	-
,Too Seguros S.A.	No term	(18,935)	(30,250)	-	-
<b>Income from services rendered (j)</b>		-	-	<b>141,703</b>	<b>53,288</b>
,Too Seguros S.A.	-	-	-	141,468	52,543
Caixa Econômica Federal (b)	-	-	-	235	745
<b>Personnel expenses</b>		-	-	<b>(243)</b>	<b>(220)</b>
,Too Seguros S.A.	-	-	-	(243)	(220)
<b>Other administrative expenses</b>		-	-	<b>(31,493)</b>	<b>(37,315)</b>
,Too Seguros S.A.	-	-	-	(4,046)	(3,952)
Banco BTG Pactual S.A.	-	-	-	(3,309)	(6,477)
BTG Pactual Corretora	-	-	-	(89)	(159)
Tecban S.A.	-	-	-	(5,806)	(850)
Interbank Payment Chamber	-	-	-	(18,243)	(25,877)
<b>Income from loan assignments</b>		-	-	-	<b>1,389,230</b>
Caixa Econômica Federal (b)	-	-	-	-	1,389,230



- (a) Refer to current accounts of Brazilian Securities Companhia de Securitização, BM sua Casa Promotora de Vendas Ltda., and Brazilian Mortgages Companhia Hipotecária;
- (b) From 5/19/2021 Caixa Participações S.A. ("CaixaPar"), a wholly-owned subsidiary of Caixa Econômica Federal ("CAIXA"), is no longer considered a related party (Note 1);
- (c) Refer to the Bank's investments with rates equivalent to the CDI rate;
- (d) Refer to the performance bonus on the assignment of loans without recourse;
- (e) Refer to the outstanding balances of current accounts of affiliates held at the Bank;
- (f) Refer to the funding through interbank deposits with rates equivalent to the CDI rate;
- (g) Refer to the funding through time deposits made at the Bank;
- (h) Refer to the funding through real estate letters of credit and financial bills made by Banco PAN;
- (i) Refer to swaps; and
- (j) Refer to the commission paid to the Bank for insurance intermediation.

## b) Management remuneration:

At the Extraordinary General Meeting held on 4/29/2021, a remuneration ceiling for the PAN Conglomerate Officers for the year 2021 was approved (irrespective of the year in which the amounts are paid), of R\$ 24,445 (R\$ 18,225 in 2020).

### Short-term benefits provided to management (1)

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Fee expenses (Note 23)	(18,686)	(11,431)	(18,686)	(11,431)
Social security contributions (INSS)	(4,204)	(2,572)	(4,204)	(2,572)
<b>Total</b>	<b>(22,890)</b>	<b>(14,003)</b>	<b>(22,890)</b>	<b>(14,003)</b>

(1) Recorded in the "Personnel expenses" account.

### • Other information

Pursuant to legislation, the Bank provides loan operations with related parties, only at comparable market terms and conditions, including related limits, interest rates, grace periods, maturities and required guarantees. Criteria are approved to classify these operations according to their risks for purposes of constituting the allowance for probable losses, without additional or differentiated benefits in relation to the operations carried out with other clients with the same profile.

## 30) Financial Instruments

### • Risk management

The Bank is a wholly-owned subsidiary of the BTG Group and its assets and liabilities are affected by derivative financial instruments, which are recorded in the balance sheet, income and expenses and memorandum accounts.

The Bank's senior management is dedicated to risk management principles and the Board of Directors is responsible for approving the risk appetite included in the Risk Appetite Statement (RAS). Approval also extends to the policies, strategies and limits for risk management, among other guidelines of this management, pursuant to article 48 of CMN Resolution 4,557/2017. The control and compliance management area, which is independent of the business and operational areas, is responsible for identifying, assessing, measuring, monitoring and controlling risk, in addition to reporting compliance with the risk guidelines established by management, without jeopardizing the duties of the Board of Directors included in Resolution above.

- **Capital management**

The Bank considers capital management to be one of its strategic pillars designed to optimize the utilization of available capital, contribute to the achievement of its objectives and strategies, whilst complying with the minimum capital limits established by the regulations in force.

Capital management is a continuous process of: (i) monitoring and controlling capital; (ii) assessing the need for capital to cover the potential risks to the Bank; and (iii) planning the capital targets and requirements. Capital management is based on the Bank's strategic objectives, business opportunities and the regulatory environment.

The Bank manages its capital based on a timely and prospective approach, in line with best practices and in compliance with the recommendations issued by the Basel Committee, consolidated in the regulation issued by CMN and BACEN, through policies and strategies that anticipate the capital that could be required as a result of possible changes in market conditions, and which are reviewed periodically by the Executive Board and Board of Directors. Management includes the allocation of capital funds for the expansion of the Bank's businesses, including for the necessary investments, according to the strategies that are being implemented.

Senior management is fully committed and the Board of Directors approves all policies and strategies for capital management, in accordance with article 48 of CMN Resolution 4,557/2017.

#### OPERATING LIMITS - BASEL ACCORD

Banco BTG Pactual became the sole owner of Banco PAN and, consequently, Banco PAN became a member of the group of companies that comprise the BTG Pactual Economic and Financial Conglomerate, which reports, on a consolidated basis, its indicators of capital to the Brazilian Central Bank (Note 1).

PAN prepares and reports its operating limit calculations using a "managerial" format (pro forma) as from June 30, 2021, therefore complying with the minimum capital requirements established by CMN Resolutions 4,192/13 and 4,193/13. Capital requirements are calculated in accordance with BACEN Circular 3,644/13 for credit risk, BACEN Circulars 3,634/13 to 3,639/13, 3,641/13 and 3,645/13 for market risk, and BACEN Circular 3,640/13 for operating risk.

The calculation of the Indicators of Capital is presented below:

Calculation base - Basel index	9/30/2021*	12/31/2020
<b>Tier I reference equity</b>	<b>4,232,174</b>	<b>3,639,036</b>
Core capital	4,232,174	3,639,036
Tier II reference equity	9,094	8,784
<b>Reference equity for comparison with risk-weighted assets (RWA)</b>	<b>4,241,268</b>	<b>3,647,820</b>
<b>Reference equity</b>	<b>4,241,268</b>	<b>3,647,820</b>
- Credit risk	24,759,894	20,811,865
- Market risk	1,212	238
- Operating risk	2,973,556	2,113,560
Risk-weighted assets (RWA)	<b>27,734,662</b>	<b>22,925,663</b>
<b>Basel index</b>	<b>15.29%</b>	<b>15.91%</b>
<b>Tier I</b>	<b>15.26%</b>	<b>15.87%</b>
<b>Tier II</b>	<b>0.03%</b>	<b>0.04%</b>

\*Pro-forma

Further details about the risk and capital management can be found in the Corporate Governance/Risk Management section of BTG Pactual's website, [www.btgpactual.com.br/ri](http://www.btgpactual.com.br/ri).

- **Credit risk**

Credit risk can arise from losses from the non-fulfillment by customers or counterparties of their corresponding financial obligations under the agreed terms, a default on a loan agreement as a result of a deterioration in the borrower's risk rating, decreased gains or remuneration, advantages granted in renegotiations and recovery costs.

Management of credit risks is carried out based on policies and strategies, operating limits, risk mitigation techniques and procedures for maintaining the credit risk exposure at levels which are considered to be acceptable by the Bank.

- **Market risk**

This risk relates to the possibility of losses arising from rate volatility and the mismatching of the terms and currencies of the Bank's consolidated asset and liability portfolios. These risks are managed daily through methodologies established by best practice guidelines.

The transactions are exposed to the following risk factors: fixed interest rates, interest rates linked to foreign exchange variations and their corresponding spot rates, interest rates linked to price indexes (National Consumer Price Index (INPC), National Civil Construction Index (INCC), Amplified Consumer Price Index (IPCA) and the General Market Price Index (IGPM), as well as other interest rates (TR), foreign exchange variations (US\$) and share price variations.

The financial instruments are segregated into the following portfolios:

Trading portfolio: all transactions conducted with financial instruments, including derivatives, held with the intention of trading or for hedging other trading portfolio instruments. Transactions realized for trading are those intended for resale, for obtaining benefits from effective or expected changes in prices or arbitrage.

Banking portfolio: all transactions not classified in the trading portfolio. These consist of structured operations arising from the Bank's business lines and any related hedges.

#### Sensitivity analysis:

Risk factors	Trading and Banking Portfolio exposures subject to variation:	SCENARIOS(*)		
		(1) Probable	(2) Possible	(3) Remote
Interest rates	Fixed interest rates	(33)	(8,430)	(16,133)
Coupon - other interest rates	Coupon rates of interest rates	(24)	(4,408)	(8,018)
Coupon - price index	Coupon rates of price index	(45)	(3,721)	(6,373)
Foreign exchange coupon	Foreign exchange coupon rates	-	(3)	(7)
<b>Total at 9/30/2021</b>		<b>(102)</b>	<b>(16,562)</b>	<b>(30,531)</b>
<b>Total at 12/31/2020</b>		<b>(167)</b>	<b>(14,587)</b>	<b>(28,363)</b>

The sensitivity analysis was effected based on the market data for the last day in September 2021, always considering the adverse impact on the positions for each scenario. The effects do not consider the correlation between the scenario and the risk factors and tax effects.

**Scenario 1:** a one basis point (0.01% scenarios stress factor (increase or decrease) was applied to the forward interest rate structure in all scenarios/terms. For example: a 10% p.a. rate becomes 10.01% p.a. or 9.99% p.a. For foreign currencies and shares, a 1% stress factor was applied to the effective price.

**Scenario 2:** A 25% stress factor (increase or decrease) was applied to the rates (application of the 1.25 multiplier). For example: a 10% p.a. rate becomes 12.50% p.a. or 7.50% p.a. For foreign currencies and shares, a 25% stress factor was applied to the effective price.

**Scenario 3:** A 50% stress factor (increase or decrease) was applied to the rates (application of the 1.50 multiplier). For example: a 10% p.a. rate becomes 15.00% p.a. or 5.00% p.a. For foreign currencies and shares, a 50% stress factor was applied to the effective price.

The results of scenarios (2) and (3) are for simulations which involve significant stress situations, without considering mitigating actions. They do not reflect expected variations arising from market dynamics, the probability of the occurrence of which is considered to be low, and ignore measures which could be taken to mitigate potential risks.

The Bank uses derivative financial instruments for hedging purposes to meet its needs for managing market risks arising from the mismatching of currencies, indices, portfolio terms and arbitrage.

### Foreign exchange exposure

The Bank uses derivative financial instruments for hedging purposes to meet its needs for managing market risks arising from the mismatching of currencies, indices, portfolio terms and arbitrage.

At 9/30/2021 and 12/31/2020, the position of derivative financial instruments, in foreign currency, was as follows:

	Bank		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Sold position - U.S. dollar				
DOL	(2,734)	(2,590)	(2,734)	(2,590)
<b>Total</b>	<b>(2,734)</b>	<b>(2,590)</b>	<b>(2,734)</b>	<b>(2,590)</b>

- **Liquidity risk**

Liquidity risk is defined as the possibility of the Bank not being able to honor its expected and unexpected, current and future obligations, including those arising from related guarantees, without affecting its daily operations and without incurring significant losses; and also, the possibility of the Bank not being able to negotiate a specific position at market price, due to the amount being significant in relation to the financial volume normally transacted or some market interruptions.

The liquidity position, mismatching of primary risk factors, and of rates and terms of assets and liabilities in the portfolio, are constantly monitored.

The Bank maintains adequate liquidity levels, resulting from the quality of its assets and risk controls, in accordance with the Liquidity Risk Management Policy established and the regulatory requirements of the National Monetary Council (CMN Resolutions 2,804/00 and 4,090/12). The results of the gap analyses of liquidity gaps are reported every two weeks to the Treasury Committee or whenever necessary.

- **Operating risk**

This risk refers to the possibility of losses occurring as a result of the failure, deficiency or inadequacy of internal processes, people and systems, or external events. This definition includes legal risk which is the risk related to the inadequacy or deficiencies in contracts entered into by the Bank, as well as any sanctions imposed as a result of non-compliance with the legal provisions and indemnities for damages to third parties arising from the activities carried out by the Bank.

The operating risk management structure is comprised of the Conglomerate's different areas and committees that participate in the operating and legal risk management process, with their respective roles and responsibilities, and comply with the segregation of duties. These areas and committees seek synergy, efficiency, process efficacy and effectiveness, besides respecting risk limits and appetite defined by the management of the Conglomerate's management.

In compliance with the requirements established by BACEN Circular 3,930/19, the information on the risk management process is available for consultation on the website: <https://ri.bancopan.com.br/governanca-corporativa/gestao-de-riscos>.

### Market value

The net book and market values of the main financial instruments are presented below:

Consolidated	9/30/2021			12/31/2020		
	Net book value	Market value	Unrealized profit (loss)	Net book value	Market value	Unrealized profit (loss)
Marketable securities	3,836,108	3,690,053	(146,055)	2,945,552	2,997,409	51,857
- Trading securities	235,478	235,478	-	254,387	254,387	-
- Available-for-sale securities	629,399	629,399	-	866,173	866,173	-
- Securities held to maturity	2,971,231	2,825,176	(146,055)	1,824,992	1,876,849	51,857
Loan operations	32,615,677	35,698,395	3,082,718	29,110,643	33,718,706	4,608,063
Interbank deposits	3,411,051	3,571,863	(160,812)	8,747,715	8,776,018	(28,303)
Time deposits	18,180,554	18,966,441	(785,887)	12,742,632	14,302,803	(1,560,171)
Funds from issuance of securities	10,080,720	10,429,633	(348,913)	5,346,049	5,381,192	(35,143)
Subordinated debts	9,094	11,391	(2,297)	8,784	10,285	(1,501)
<b>Unrealized profit - pretax</b>			<b>1,638,754</b>			<b>3,034,802</b>

### Determination of the market value of financial instruments:

- The market values of marketable securities, subordinated debts, and derivative financial instruments are based on market price quotations at the balance sheet date. When market quotations are not available, the market values are based on pricing models or equivalent instruments.

- The market values of the loan and leasing operations are determined by discounting future flows at the rates practiced in the market for equivalent transactions at the balance sheet date.

- The market values of time and interbank deposits and borrowings and onlendings are calculated by applying the rates practiced at the balance sheet date for equivalent instruments to the existing assets and liabilities.

### 31) Employee Benefits

In line with the best market practices, PAN offers a number of social benefits to its employees, including: (a) healthcare assistance; (b) dental care assistance; (c) life insurance; (d) meal vouchers; (e) food vouchers. In the period ended 9/30/2021, the benefit expenses amounted to R\$ 72,989 and R\$ 73,141 in the Bank and in the Consolidated, respectively (R\$ 59,699 and R\$ 59,907 in the Bank and in the Consolidated, respectively, in the period ended 9/30/2020).

## 32) Income Tax and Social Contribution

### a) Income tax and social contribution reconciliation:

	Bank		Consolidated	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
<b>Profit before income tax and social contribution</b>	<b>827,786</b>	<b>667,519</b>	<b>833,611</b>	<b>676,557</b>
Total charges at the nominal statutory combined rate (1)	(386,337)	(289,064)	(386,622)	(290,093)
<b>Reconciliation to tax expense:</b>				
Equity in the results of investees	5,930	6,555	-	-
Interest on capital	114,249	85,309	114,249	85,309
Other amounts (2)	22,500	14,309	22,890	12,855
<b>Income tax and social contribution expense</b>	<b>(243,658)</b>	<b>(182,891)</b>	<b>(249,483)</b>	<b>(191,929)</b>

(1) Statutory rates: (i) the provision for income tax is recorded based on the rate of 15% of taxable profit, plus a 10% surcharge; (ii) the social contribution on net profit for the Bank is calculated at the rate of 20% (25% from 7/2021 up to 12/2021); for Arrendamiento Mercantil at the rate of 15% (20% from 7/2021 up to 12/2021), and for other companies at the rate of 9%.

(2) Refers mainly to the difference in the CSLL rate due to the increase established by Law 14,183/21 (Note 33d).

### b) Origin and change in deferred income tax and social contribution assets:

Bank	At 12/31/2020	Constituted	Realized	At 9/30/2021
Provision for expected losses associated with credit risk	1,376,171	596,248	(269,338)	1,703,081
Provision for civil contingencies	132,598	53,254	(69,718)	116,134
Provision for labor contingencies	63,512	17,647	(29,743)	51,416
Provision for tax contingencies	1,145	1,216	(1,261)	1,100
Provision for loss on assets not for own use	28,860	7,392	(8,910)	27,342
Mark-to-market adjustment of derivatives	33,447	423,837	(457,284)	-
Other provisions	634,763	578,653	(496,731)	716,685
<b>Total deferred tax assets on temporary differences</b>	<b>2,270,496</b>	<b>1,678,247</b>	<b>(1,332,985)</b>	<b>2,615,758</b>
Income tax and social contribution losses	1,120,237	321	(170,088)	950,470
<b>Total deferred tax assets</b>	<b>3,390,733</b>	<b>1,678,568</b>	<b>(1,503,073)</b>	<b>3,566,228</b>
Deferred tax liabilities (Note 32.e)	-	(29,204)	-	(29,204)
<b>Deferred tax assets, net of deferred tax liabilities</b>	<b>3,390,733</b>	<b>1,649,364</b>	<b>(1,503,073)</b>	<b>3,537,024</b>

Consolidated	At 12/31/2020	Constituted	Realized	At 9/30/2021
Provision for expected losses associated with credit risk	1,389,209	596,686	(269,497)	1,716,398
Provision for civil contingencies	136,417	54,099	(71,952)	118,564
Provision for labor contingencies	65,644	17,795	(30,833)	52,606
Provision for tax contingencies	22,789	2,422	(1,313)	23,898
Provision for loss on assets not for own use	29,028	7,894	(9,204)	27,718
Mark-to-market adjustment of derivatives	48,294	424,198	(460,025)	12,467
Other provisions	635,416	579,948	(496,798)	718,566
<b>Total deferred tax assets on temporary differences</b>	<b>2,326,797</b>	<b>1,683,042</b>	<b>(1,339,622)</b>	<b>2,670,217</b>
Income tax and social contribution losses	1,171,847	1,260	(171,506)	1,001,601
<b>Total deferred tax assets</b>	<b>3,498,644</b>	<b>1,684,302</b>	<b>(1,511,128)</b>	<b>3,671,818</b>
Deferred tax liabilities (Note 32.e)	(85,620)	(29,491)	-	(115,111)
<b>Deferred tax assets, net of deferred tax liabilities</b>	<b>3,413,024</b>	<b>1,654,811</b>	<b>(1,511,128)</b>	<b>3,556,707</b>

**c) Expected realization of deferred tax assets arising from temporary differences and income tax and social contribution carry-forward losses:**

The projected realization of deferred tax assets was based on the study of the current and future scenarios, at 6/30/2021, the main assumptions for which were macroeconomic indicators, production indicators, and cost of funding. This study was approved by the Bank's Board of Directors on 7/27/2021.

Deferred income tax and social contribution assets will be realized as the temporary differences are reversed or when they qualify for tax deductibility, or on the offset of the tax losses, a portion of which offset is being challenged at the administrative level. Management is confident its position will prevail.

The estimated realization of these assets is as follows:

Bank	Temporary differences		Income tax and social contribution losses		Total	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020	9/30/2021	12/31/2020
2021	413,813	1,044,953	39,375	196,810	453,188	1,241,763
2022	1,331,286	957,838	112,360	130,395	1,443,646	1,088,233
2023	750,142	142,447	298,043	329,520	1,048,185	471,967
2024	27,429	26,822	442,540	412,482	469,969	439,304
2025	16,106	25,762	58,152	51,030	74,258	76,792
From 2026 to 2029	76,982	72,674	-	-	76,982	72,674
<b>Total</b>	<b>2,615,758</b>	<b>2,270,496</b>	<b>950,470</b>	<b>1,120,237</b>	<b>3,566,228</b>	<b>3,390,733</b>

Consolidated	Temporary differences		Income tax and social contribution losses		Total	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020	9/30/2021	12/31/2020
2021	417,043	1,048,508	39,724	197,642	456,767	1,246,150
2022	1,335,427	961,670	113,573	131,873	1,449,000	1,093,543
2023	754,176	146,921	299,735	331,223	1,053,911	478,144
2024	32,567	32,231	445,051	415,021	477,618	447,252
2025	28,039	37,443	60,851	53,538	88,890	90,981
From 2026 to 2029	102,965	100,024	3,717	3,600	106,682	103,624
<b>Total</b>	<b>2,670,217</b>	<b>2,326,797</b>	<b>962,651</b>	<b>1,132,897</b>	<b>3,632,868</b>	<b>3,459,694</b>

At 9/30/2021, the present value of the tax credits, calculated based on Banco PAN's average funding rate, totaled R\$ 2,909,951 and R\$ 2,947,947 in the Consolidated (R\$ 3,012,595 in Banco PAN and R\$ 3,058,602 in the Consolidated at 12/31/2020).

Pursuant to Article 5, paragraph 2 of CMN Resolution 3,059/02, the tax credits arising from tax losses incurred by excluding the credit from excess depreciation, of R\$ 38,950 (R\$ 38,950 at 12/31/2020), are not subject to the generation of profits projected on a technical study.

**d) Unrecorded tax credits:**

At 9/30/2021, total tax losses of R\$ 230,396 and R\$ 582,047 were available in the Bank and Consolidated, respectively (12/31/2020 - R\$ 230,396 in the Bank, and R\$ 582,869 in the Consolidated), including tax assets/credits not recorded of R\$ 103,678 in the Bank, and R\$ 244,338 in the Consolidated (12/31/2020 - R\$ 103,678 in the Bank, and R\$ 244,667 in the Consolidated).

**e) Deferred tax liabilities:**

Bank	At 12/31/2020	Constituted	At 9/30/2021
Adjustment to market value of marketable and other securities	-	(29,204)	(29,204)
<b>Deferred tax assets, net of deferred tax liabilities</b>	-	<b>(29,204)</b>	<b>(29,204)</b>

Consolidated	At 12/31/2020	Constituted	At 9/30/2021
Adjustment to market value of marketable and other securities	(7,418)	(29,491)	(36,909)
Excess depreciation	(78,202)	-	(78,202)
<b>Deferred tax assets, net of deferred tax liabilities</b>	<b>(85,620)</b>	<b>(29,491)</b>	<b>(115,111)</b>

**33) Other Information**

- a) At 9/30/2021 and 12/31/2020, the Bank and its subsidiaries had no lease agreements for assets.
- b) Agreements for the Clearance and Settlement of Liabilities - CMN Resolution 3,263/05: the Bank entered into an agreement for the clearance and settlement of liabilities within the National Financial System (SFN), in respect of transactions with corporate entities being SFN members or not. This resolution allows for the offsetting of credits and debits with the same counterparty, where the settlement of the related rights and obligations can be accelerated to match the date on which an event of default by either party occurs or in the case of the bankruptcy of the debtor.
- c) Since the beginning of the COVID-19 pandemic, the Bank has been adopting measures to minimize its impacts, as also to assure the continuity and sustainability of the business, in addition to following the recommendations of authoritative bodies. The well-being of customers, partners, employees and suppliers is a priority. Management continues to monitor any new developments from the pandemic, ready to respond in a timely manner to minimize any effects.
- d) On March 1, 2021, Provisional Measure 1,034 was published, establishing an increase in the Social Contribution on Net Income (CSLL) rate for banks from 20% to 25% between July 1, 2021 and December 31, 2021, decreasing again to 20% from January 2022. For all other financial institutions, which were previously subject to a CSLL rate of 15%, the rate was increased to 20% for the same period, decreasing again to 15% as from January 2022. This Provisional Measure was enacted into Law 14,183, published in the Federal Official Gazette on July 15, 2021.

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### Declaration of the Executive Board

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission, the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed and agrees with the parent company and consolidated interim financial statements for the period ended 9/30/2021.

### Declaration of the Executive Board

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission, the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed and agrees with the conclusion expressed by the independent auditors on the parent company and consolidated interim financial statements for the period ended 9/30/2021.

São Paulo, October 26, 2021

**BOARD OF DIRECTORS**

**Chairman**

Amos Genish

**Board Members**

Alexandre Camara e Silva

Fábio de Barros Pinheiro

Fábio Soares de Miranda Carvalho

Marcelo Adilson Tavarone Torresi

Roberto Balls Sallouti

Sérgio Cutolo dos Santos

**EXECUTIVE BOARD**

**Chief Executive Officer**

Carlos Eduardo Pereira Guimarães

**Officers**

Alex Sander Moreira Gonçalves

Camila Corá Reis Pinto Piccini

Dermeval Bicalho Carvalho

Diogo Ciuffo da Silva

Leandro Marçal Araujo

Mauro Dutra Mediano Dias

Roberta Cardim Geyer

**SUPERVISORY BOARD**

Peter Edward Cortes Marsden Wilson

Aníbal Cardoso Joaquim

Oswaldo de Assis Filho

**AUDIT COMMITTEE**

Fábio de Barros Pinheiro

Pedro Paulo Longuini

Sidnei Corrêa Marques

**ACCOUNTANT**

Gregório Moreira Franco

CRC 1SP219426/O-2

**Banco Pan S.A.  
and subsidiaries**  
Parent company and consolidated  
interim financial statements at  
September 30, 2021  
and report on review



## **Report on review of parent company and consolidated interim financial statements**

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

### **Introduction**

We have reviewed the accompanying balance sheet of Banco Pan S.A. ("Bank") as at September 30, 2021, and the related statements of income, comprehensive income, changes in equity and cash flows for nine-month period then ended, as well as the accompanying consolidated balance sheet of Banco Pan S.A. and its subsidiaries ("Consolidated") as at September 30, 2021, and the related consolidated statements of income, comprehensive income, and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these parent company and consolidated interim financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express a conclusion on these interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements referred to above do not present fairly, in all material respects, the financial position of Banco Pan S.A. and of Banco Pan S.A. and its subsidiaries as at September 30, 2021, and the parent company financial performance and its cash flows for the nine-month period then ended, as well as the consolidated financial performance and the consolidated cash flows for the nine-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the BACEN.



Banco Pan S.A.

### **Emphasis of matter**

#### **Deferred tax assets**

Banco Pan S.A. and its subsidiaries present tax credit assets of R\$ 3.7 billion (Note 32(b)) at September 30, 2021. Management has based its estimates of the recoverability of the tax credits on the forecast scenario studies approved by the Board of Directors on July 27, 2021. Macroeconomic projections and indicators of business volumes and funding costs were among the key assumptions used. The realization of the tax credits depends on the management-approved business plan goals being met. Our conclusion is not qualified in respect of this matter.

#### **Other matters**

#### **Statements of Value Added**

We have also reviewed the parent company and consolidated interim Statements of Value Added for the nine-month period ended September 30, 2021. These statements are the responsibility of the Bank's management, and are presented as supplementary information for BACEN purposes. These statements have been subjected to review procedures performed together with the review of the interim financial statements for the purpose of concluding whether they are reconciled with the interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these Statements of Value Added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and in a consistent manner in relation to the parent company and consolidated interim financial statements taken as a whole.

São Paulo, October 26, 2021

PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/O-5

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