



**Conference
Call
4Q19**

Disclaimer

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

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

FULL

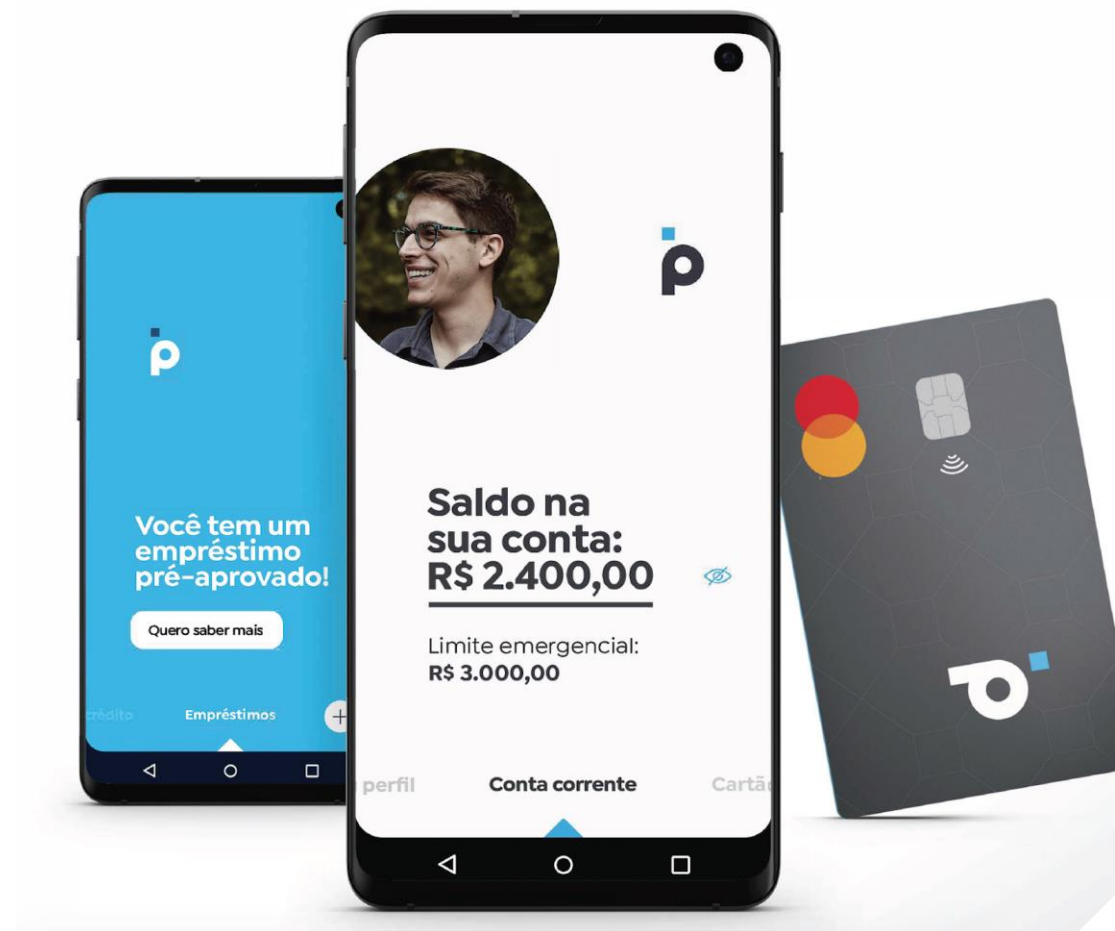
DIGITAL

BANK

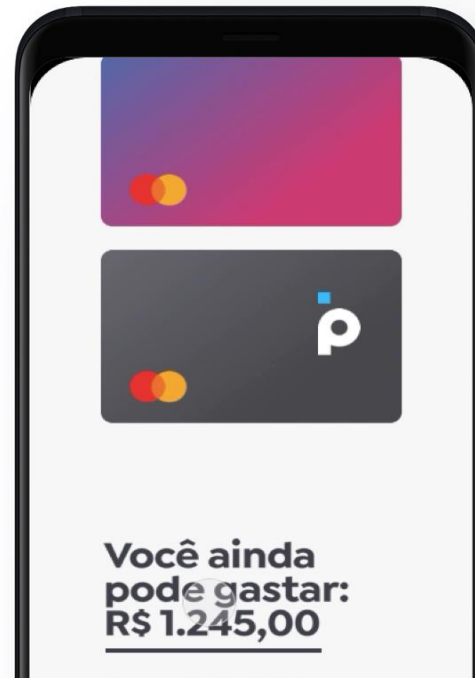


- Transparency
- Personalized credit
- Suitable fees & limits
- Assertive use of data

Available on the
app stores:



- + **200h** of recording
- + **40k** interviewed individuals
- + **18** different prototypes
- + **200** tests on streets

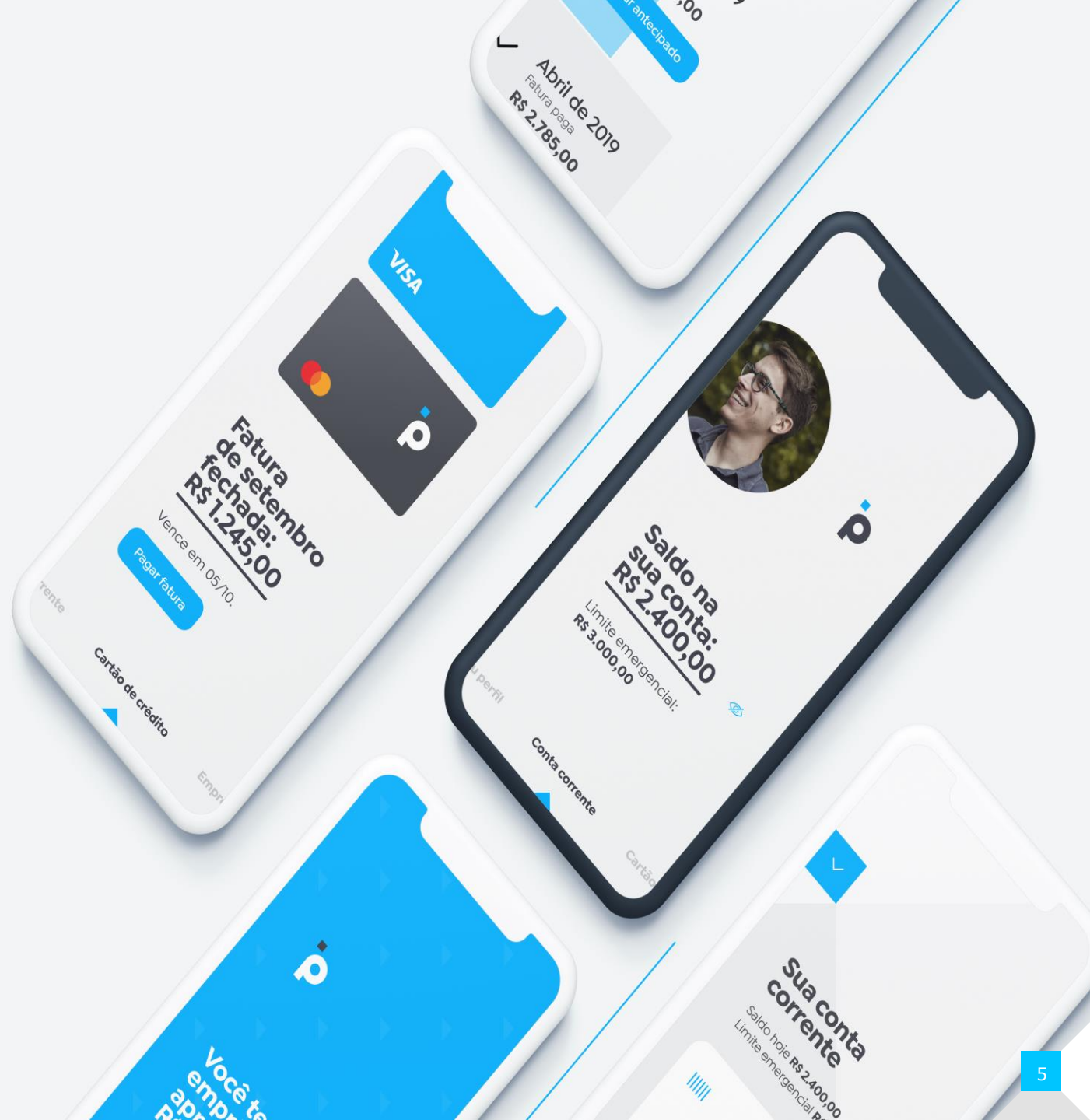


- Full Digital Account
- Money Transfers & Transactions Scheduling
- Payments
- Cash in
- Emergency limit
- Personal Loans
- Multiple Card
- Chat service
- Sponsored Browsing
- No fee
- Unique design
- Exclusive offers

We are dedicated to **low-income individuals.**

Coming Soon:

- New credit products
- Insurances
- Simple options of investments
- Financial education
- Other services



HIGHLIGHTS

- **Credit Portfolio of R\$23.8 billion** in 2019 (+16% in 12 months, +20% on 'core' portfolio);
- **Monthly average retail origination of R\$1,846 million** in 4Q19 (+4% over 3Q19 and +24% in 12 months);
- **4.9 million clients** in 2019, versus 4.3 million in 2018;
- **Managerial Net Interest Margin of 19.9% p.y.** in 4Q19 (18.4% p.y. in 3Q19 and 15.6% p.y. in 4Q18);
- **Net Income of R\$167.6 million** in 4Q19 (+25% over 3Q19 and +128% in 12 months);
- **Accumulated Net Income of R\$516 million** in 2019, (+133% in 12 months| R\$ 221.5 million in 2018);
- **ROAE of 13.7% p.y.** in 4Q19 and **11.4% p.y.** in 2019 (5.8% in 2018);
- **Adjusted ROE (unaudited) of 24.6% p.y.** in 4Q19 and **22.5% p.y.** in 2019 (15.5% in 2018);
- **Shareholders' Equity of R\$4.9 billion** and **Basel Ratio of 15.6%** (considering the Capital Increase approved on January, 2020).

Increase in Social Contribution on Net Income tax rate

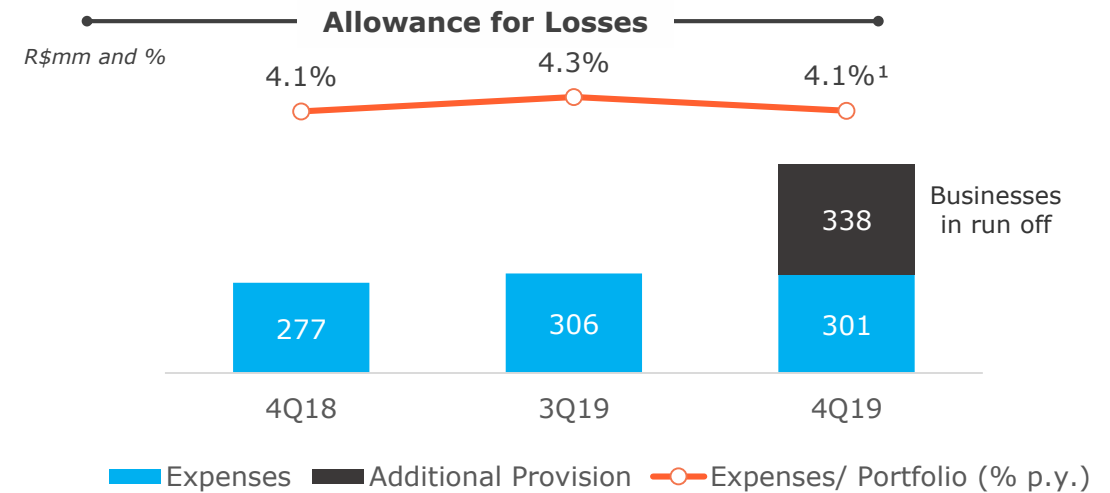
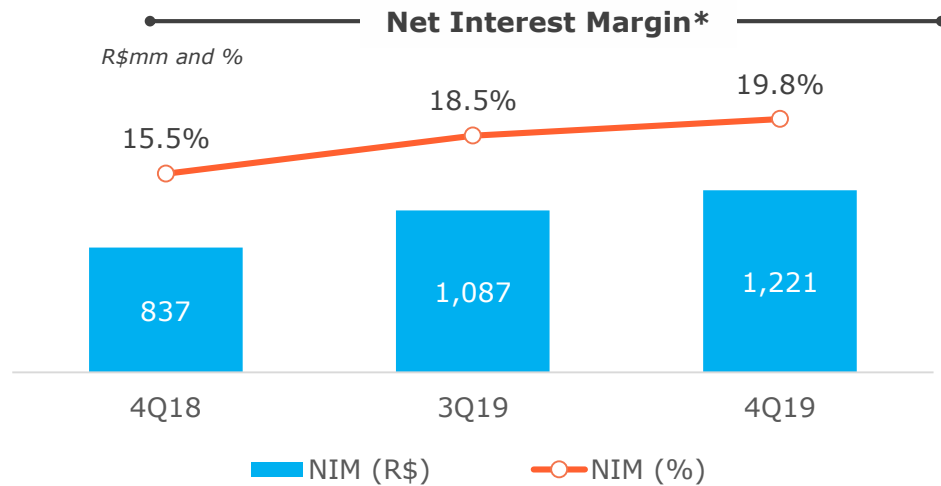


The change in Social Contribution on Net Income (“CSLL”) tax rate applicable to banks has generated an extraordinary result of R\$ 337 million due to the increase in deferred tax assets. In order to off set this impact, we have adopted the following measures:

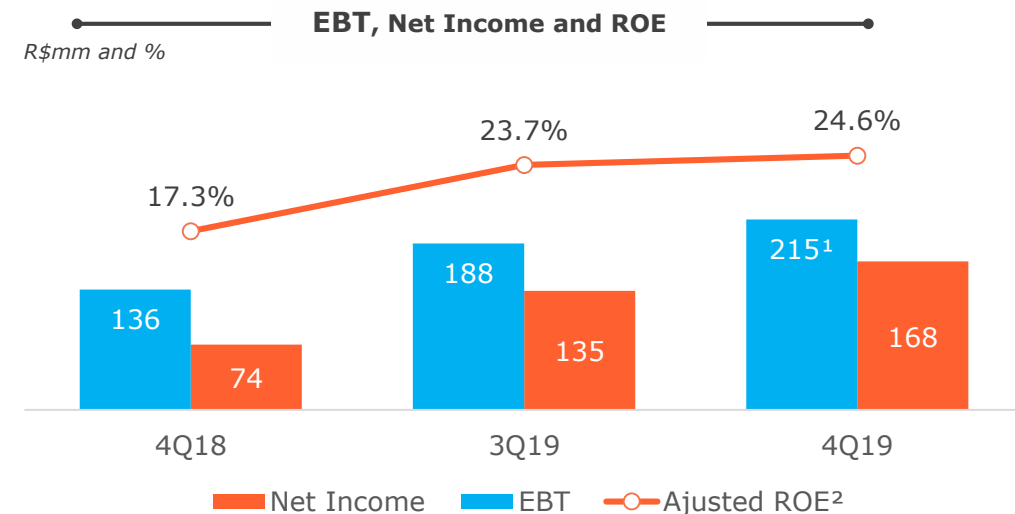
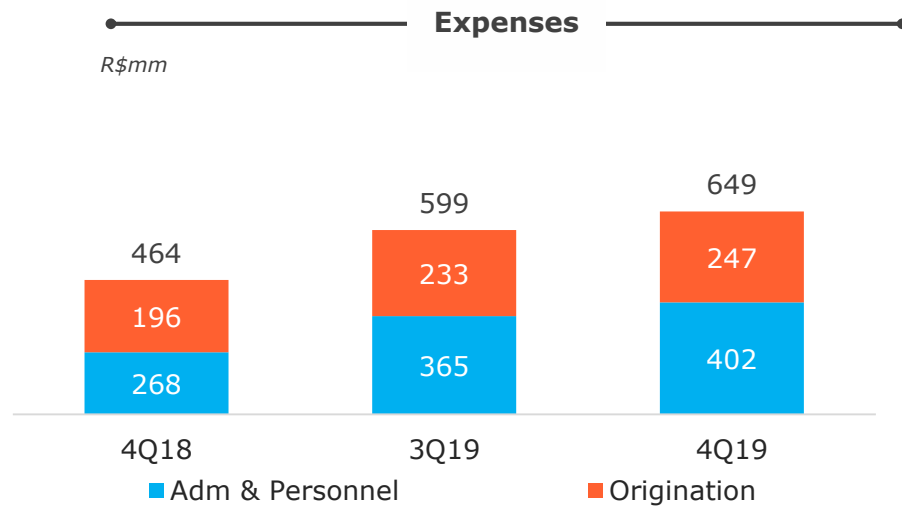
- R\$ 141 million write off of deferred tax assets (DTA) related to losses from PAN Arrendamento Mercantil (leasing Company) to avoid the increase in the consolidated stock of DTA;
- Additional provision in the amount of R\$338 million in run off portfolios (R\$186 million net of taxes) strengthening the Company’s balance sheet.

Therefore, the increase in the CSLL tax rate resulted in a positive impact of R\$10 million in 4Q19 Net Income.

EARNINGS

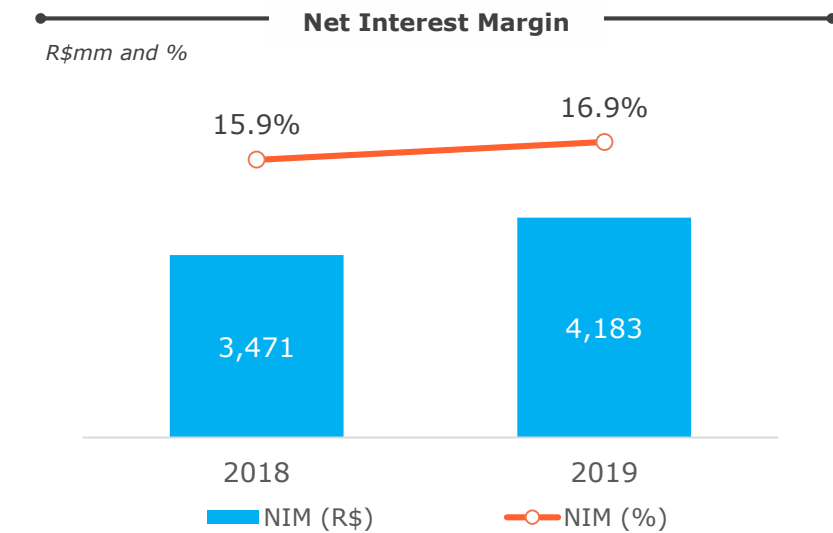


*NIM: Managerial Net Interest Margin

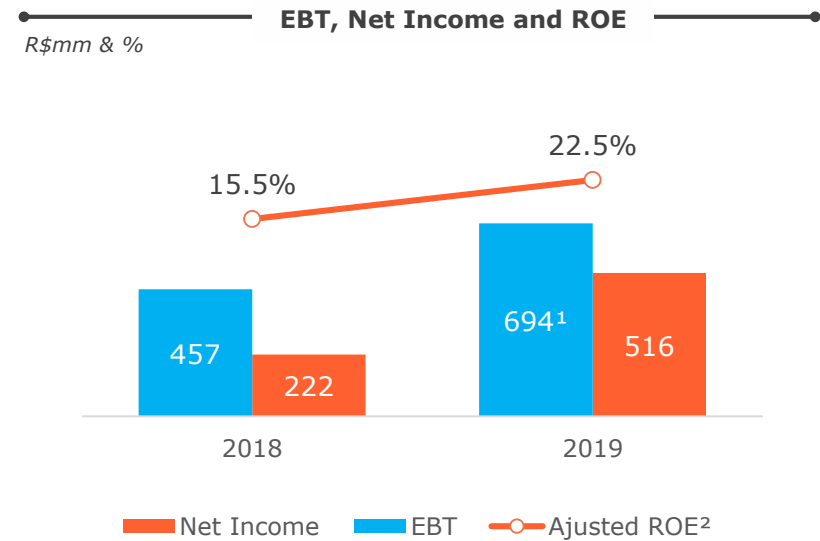
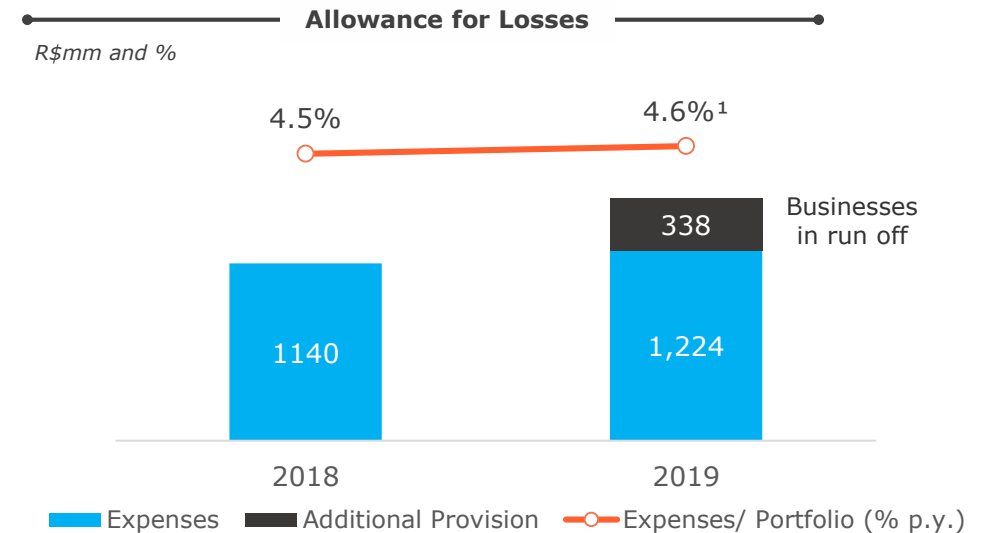
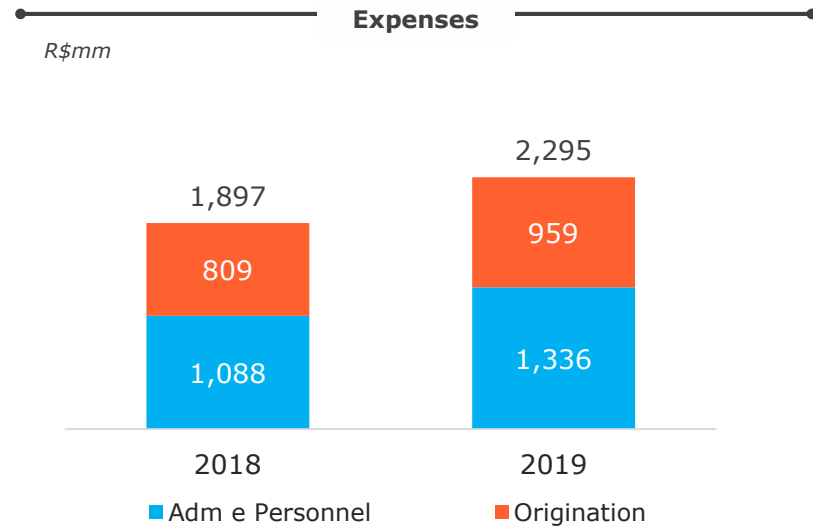


Note: (1) The ALL expenses/portfolio and EBT do not consider the additional provision made in 4Q19 due to the increase on "CSLL" tax rate (Constitutional Amendment n. 103/2019)
 (2) Unaudited adjusted ROAE includes (i) excess of funding expenses (27% p.a. vs. 120% CDI), as an adjustment to the Net Income, and (ii) excess of DTA related to losses arising from the accounting inconsistencies found in 2010, as an adjustment to Shareholders' Equity as an adjustment to Shareholders' Equity

EARNINGS – 2019 vs 2018



*NIM: Managerial Net Interest Margin



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P&L Statement



R\$ MM	4Q19	3Q19	4Q18	2019	2018	Δ4Q19/ 3Q19	Δ4Q19/ 4Q18	Δ2019/ 2018
Interest Margin	1,225	1,083	839	4,183	3,471	13%	46%	20%
Interest Margin (%)	19.9%	18.4%	15.6%	16.9%	15.9%	1,5 p.p.	4,3 p.p.	1,0 p.p.
Credit Provisions ¹	(301)	(306)	(277)	(1,224)	(1,140)	1%	-9%	-7%
Gross Income from Finan. Intermed.¹	923	778	562	2,958	2,331	19%	64%	27%
Income from services	115	104	103	418	378	10%	11%	11%
Administrative and Personnel Expenses	(402)	(365)	(268)	(1,336)	(1,088)	-10%	-50%	-23%
Expenses with Comissions	(190)	(182)	(152)	(756)	(634)	-5%	-26%	-19%
Others expenses with origination	(56)	(52)	(44)	(203)	(175)	-9%	-26%	-16%
Tax Expenses	(74)	(60)	(45)	(223)	(172)	-23%	-66%	-29%
Others	(100)	(35)	(21)	(164)	(182)	-83%	-	10%
Income Before Tax¹	215	188	136	694	457	14%	58%	52%
Income and Social Contribution	(57)	(53)	(62)	(188)	(235)	-7%	1%	20%
Net tax credit gain (CSLL)	196	-	-	196	-	-	-	-
Additional Provision	(186)	-	-	(186)	-	-	-	-
Net Income	167.6	134.6	73.6	515.9	221.5	25%	128%	133%

Note: (1) Unaudited - do not consider the additional provision made in 4Q19 due to the increase on "CSLL" tax rate (Constitutional Amendment n. 103/2019)

(2) Unaudited adjusted ROAE includes (i) excess of funding expenses (27% p.a. vs. 120% CDI), as an adjustment to the Net Income, and (ii) excess of DTA related to losses arising from the accounting inconsistencies found in 2010. as an adjustment to Shareholders' Equity as an adjustment to Shareholders' Equity

ROAE

ROAE and Adjusted ROAE
(Unaudited)



R\$ MM	4Q19	3Q19	4Q18	2019	2018
Net Income (A)	167.6	134.6	73.6	515.9	221.5
Excess of Financial expenses (net of taxes)	59.6	58.4	45.0	221.5	161.9
Adjusted Net Income (B)	227.2	193.0	118.7	737.4	383.4
Average Shareholder's Equity (C)	4,878	4,529	4,072	4,511	3,826
Excess of DTA related to losses	1,189	1,266	1,328	1,238	1,347
Adjusted Average Shareholder's Equity (D)	3,689	3,263	2,743	3,273	2,479
ROAE (p.y.) – A/C	13.7%	11.9%	7.2%	11.4%	5.8%
ROAE Adjusted (p.y.) – B/D	24.6%	23.4%	17.3%	22.5%	15.5%

ROAE (unaudited) adjusted by two remaining legacies:

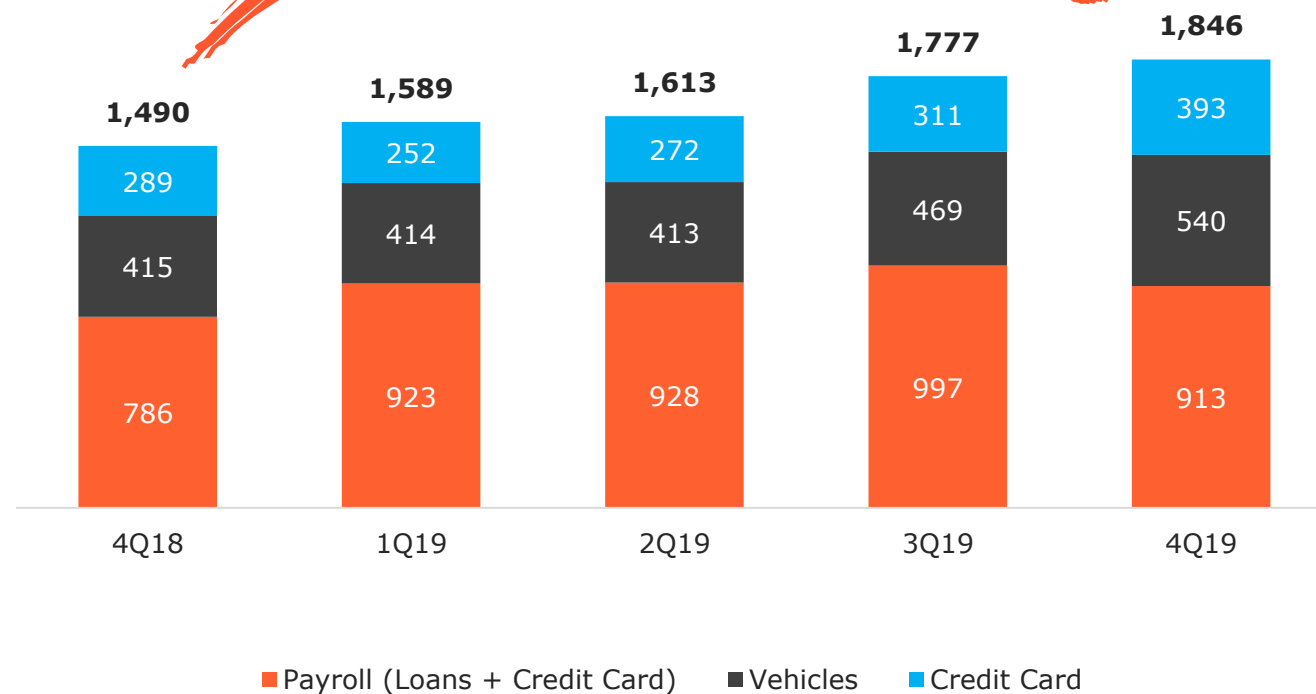
- (i) withdraw the excess of financial expenses from fixed rate time deposits issued between 2005 and 2008 (avg. maturity in 2023), compared to what PAN pays for the same term in the market; and
- (ii) exclusion of the excess of deferred tax assets related to losses arising from the accounting inconsistencies found in 2010.

RETAIL CREDIT



Monthly Average
R\$ MM

+24%



✓ **115 thousand new clients per month on 4Q19**

✓ **4,9 million managed clients**

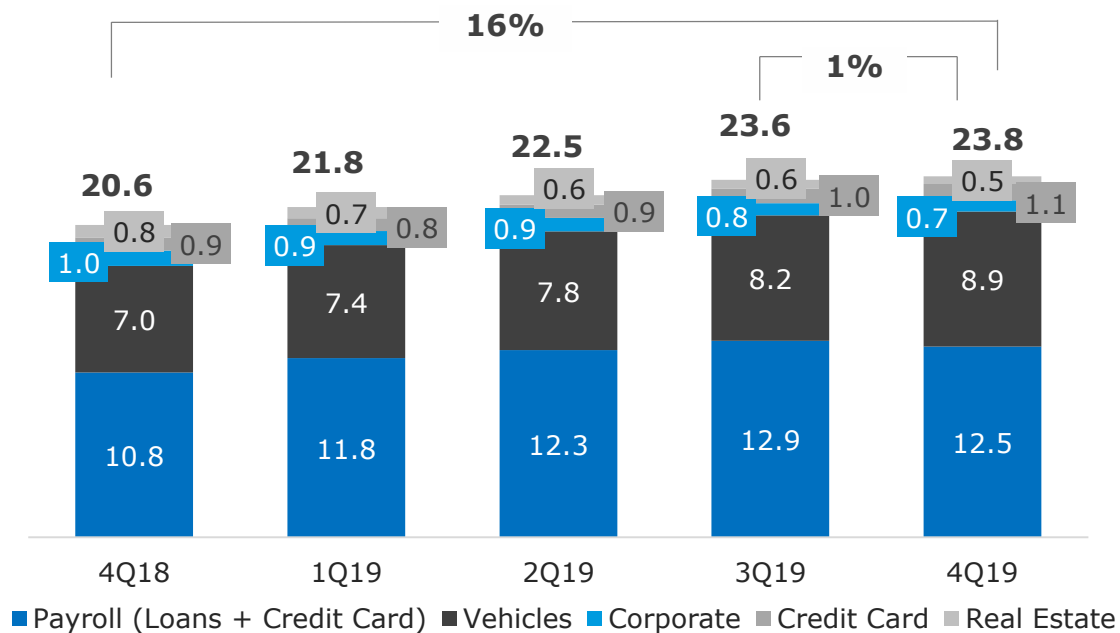
Credit PORTFOLIO



R\$ MM	4Q19	Part. %	3Q19	Part. %	4Q18	Part. %	Δ 4Q19/ 3Q19	Δ 4Q19/ 4Q18
Payroll Deductible (Loans + Credit Card)	12,506	53%	12,882	55%	10,824	52%	-3%	16%
Vehicles	8,854	37%	8,224	35%	6,980	33%	8%	27%
Credit Cards	1,087	5%	953	4%	877	4%	14%	24%
Corporate Loans	732	3%	811	4%	995	6%	-10%	-26%
Real Estate	496	2%	579	2%	802	4%	-14%	-38%
Others	110	-	101	-	97	1%	9%	14%
TOTAL	23,785	100%	23,550	100%	20,574	100%	1%	16%

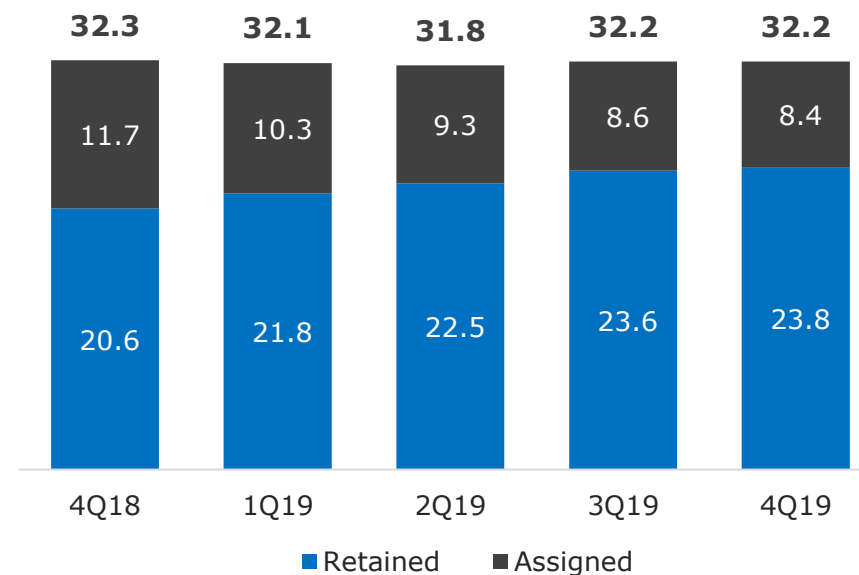
On Balance Portfolio

R\$ Bi



Originated Portfolio

R\$ Bi

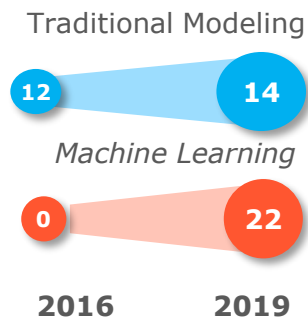


Machine Learning & Deep Learning Models

Unstructured Data

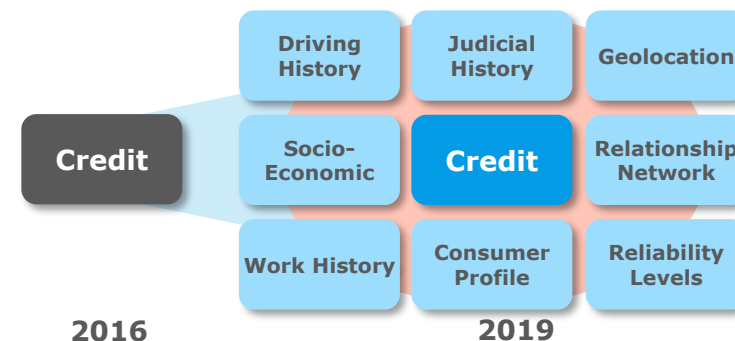
Intensive use of analytics

Increase in credit collection through digital channels



~300 variables

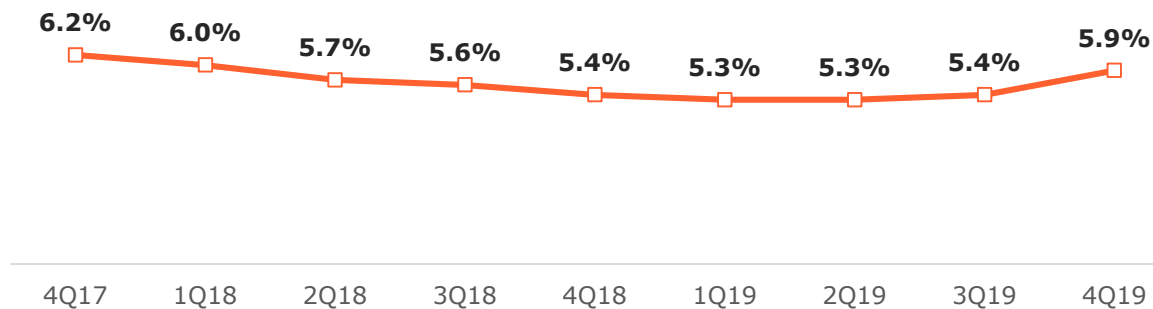
~1,100 variables



Retail Credit Portfolio

Credit Quality

90-day NPL Ratio



Main variations in 4Q19:

- +0.2% payroll portfolio dynamics;
- +0.2% change of mix (products/clients)

PAYROLL DEDUCTIBLE



LOANS AND CREDIT CARDS

Overview

Exclusive for public sector employees, INSS (social security) retiree & pensioners

Average Ticket of **R\$5.2k**

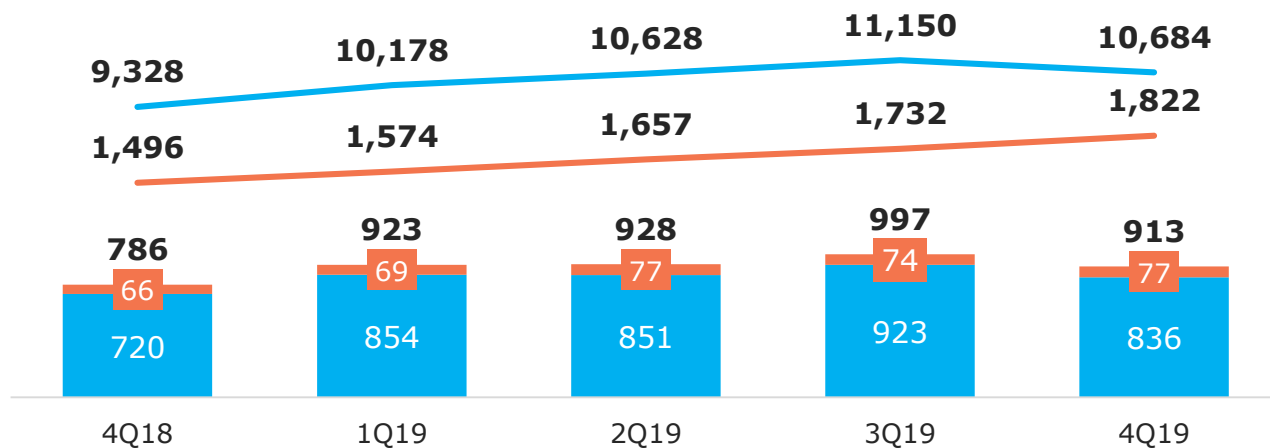
Duration of **35 months**

	2018	2019
Federal	88%	88%
INSS – Social Security	62%	64%
SIAPE	16%	13%
Armed Forces	10%	11%
States	11%	10%
Municipalities	1%	1%
Total (R\$ MM)	10,052	11,283

12%

Evolution of Portfolio & Monthly Avg. Origination

R\$ MM



✓ +R\$ 2,0 bn of loans formalized digitally

- Credit Card Origination
- Loans Origination
- Loans Portfolio
- Credit Card Portfolio

VEHICLE Financing



Overview

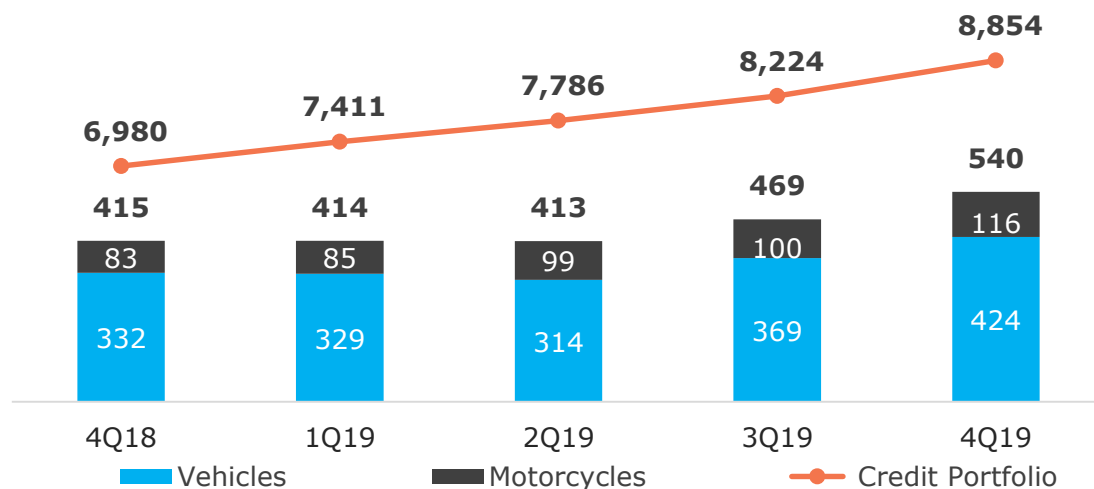
- Actively present in **11,517** multi-brand & single-brand vehicle dealers
- Average Ticket: Vehicles: **R\$26k** / Motorcycles: **R\$12k**
- Duration of **18 months**

Information on Origination

	Light		Motorcycles	
	2018	2019	2018	2019
Origination R\$ MM	3,262	4,310	907	1,202
Avg. Tenor months	46	46	40	41
Downpayment %	40%	42%	25%	24%

Evolution of Portfolio & Monthly Avg. Origination

R\$ MM



✓ **Launch of digital formalization in oct/19, reaching R\$ 198 milhões until dec/19**

MEANS OF PAYMENT



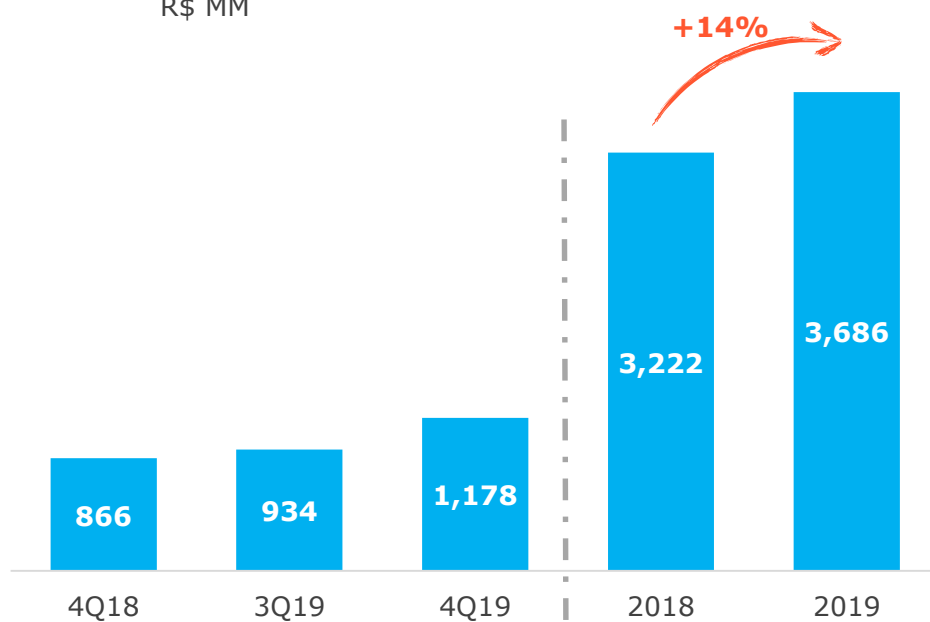
Highlights

- ✓ Significant improvements on clients' digital journey and cross selling efforts
- ✓ Enhanced relationship with digital partners (market places)
- ✓ Launch of cobranded credit cards



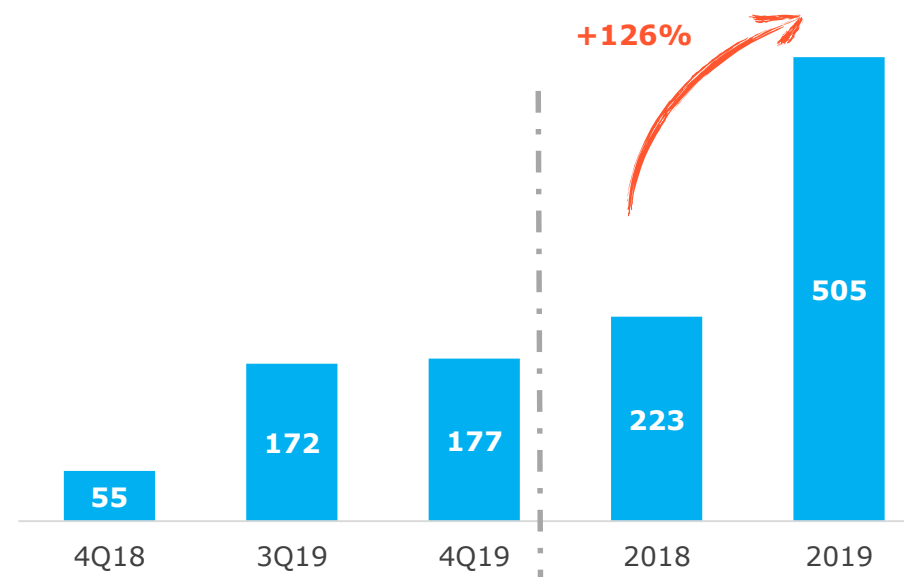
Transaction Volume

R\$ MM



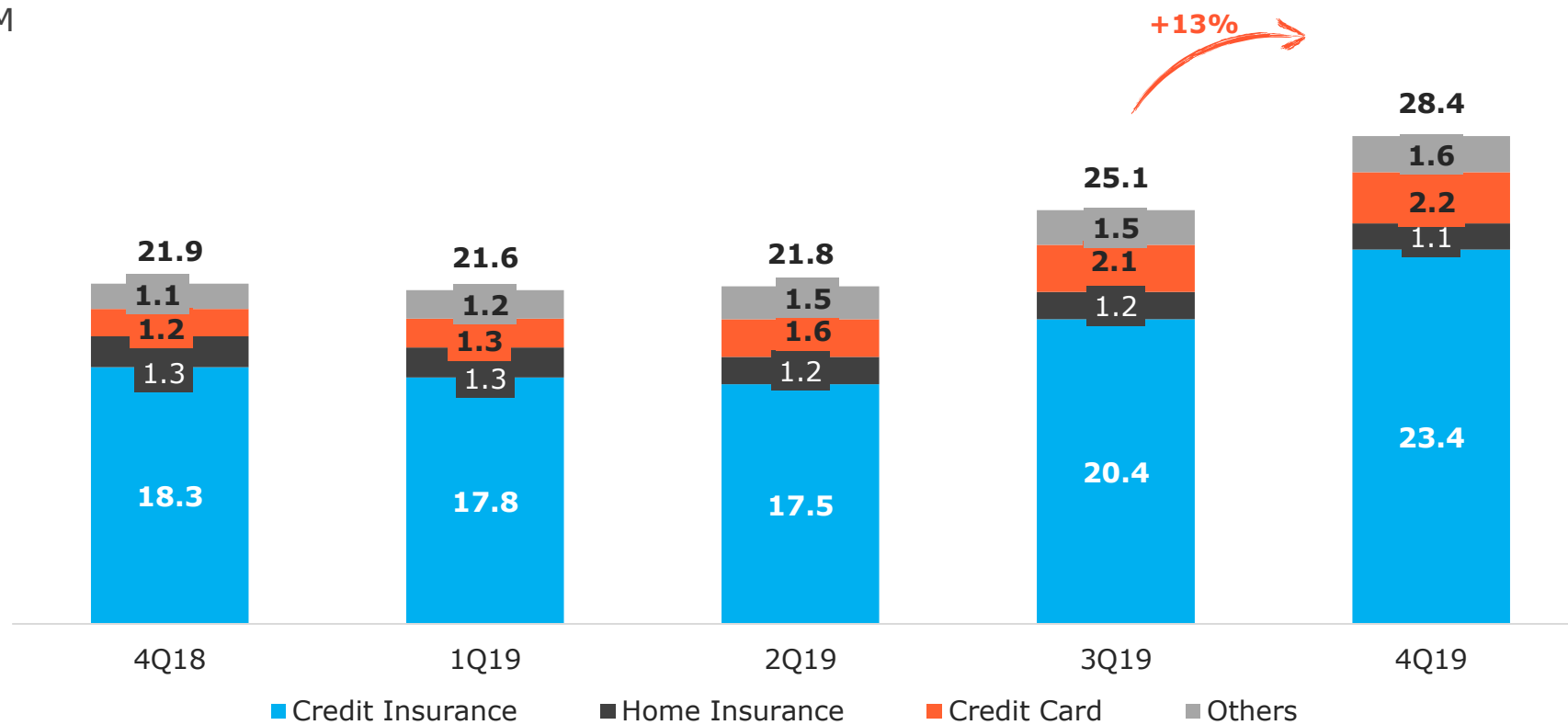
of Credit Cards Issued

Thousand



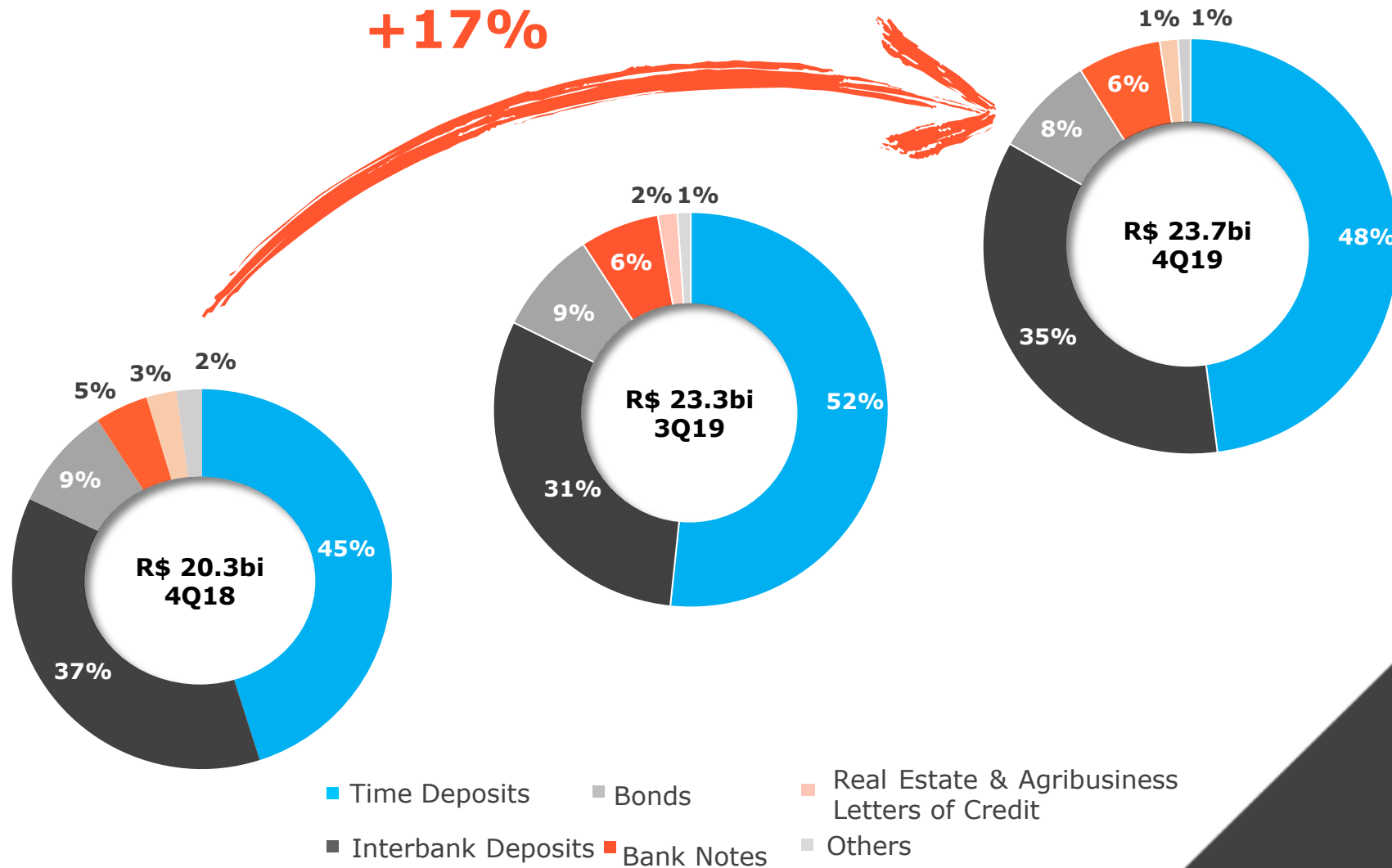
Insurance Premiums

Monthly Average
R\$ MM

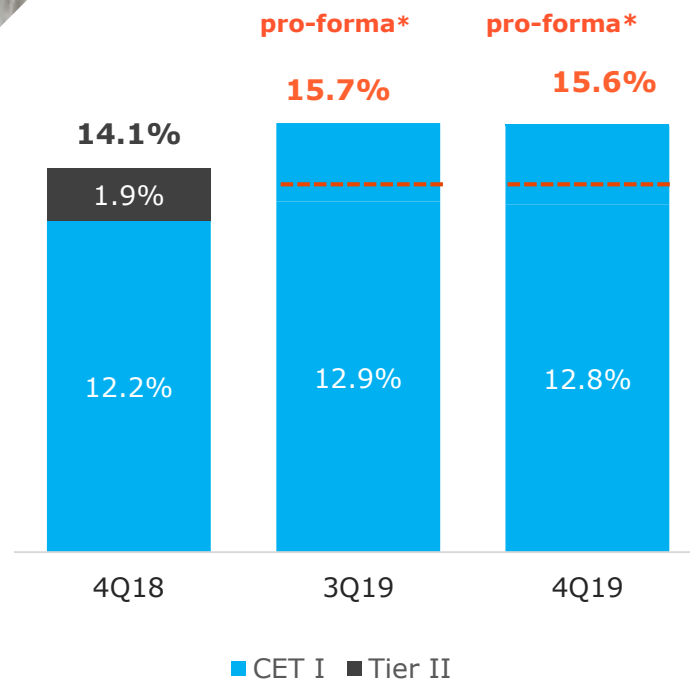


Funding

✓ Strong increase and dispersion of funding over the last quarters



BASEL RATIO



	R\$ MM	4Q18	3Q19	4Q19*
Reference Shareholder's Equity		2.632	2.465	3.081
CET I		2.274	2.465	3.073
Tier II		358	-	8
Required Reference Shareholder's Equity		1.963	2.013	2.073
RWA		18.694	19.175	19.745

* Basel Ratio considering the capital increase concluded on September, 2019, in the total amount of R\$522 mm, approved by the Central Bank of Brazil on January, 2020.



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