



Corporate Presentation

—
3Q20



WHAT MAKES
**BANCO
PAN**

UNIQUE



- 1 One-Stop-Shop Platform to Meet Brazilian Low-Income Population's Demand for Credit & Banking Services**
- 2 Unique Combination of Size, Growth and Profitability**
- 3 Long Track-Record in Credit for the Low-Income Population in Brazil with Strong Market Positioning**
- 4 Large Addressable Market with Clear Potential for Transformation / growth potential in payroll & vehicles**
- 5 Full Digital Bank to Boost Growth with Low Monetization Risk**
- 6 Well-Seasoned Management Team Supported by Reference Shareholders**

Complete Banking Solutions Platform

Focused on Credit for the Low-Income Population

B2B



15k Vehicle Dealers



770 Brokers



46 Digital Partnerships

One-stop-shop Platform



B2C



App Platform



60 Own Stores



Web Platform

Asset Light Omnichannel Distribution Network

Digital formalization and API platform to improve efficiency and scalability

Unique Business Profile

Combination of solid credit history with high growth profile leveraging on our scalable and fast-growing digital platform

Solid Credit History

Credit Portfolio: R\$25.3bn

High Growth Profile

Credit Portfolio 17-9M20 Growth: 36%

Strong Origination Capacity

*Average Monthly Origination
3Q20: R\$2.3bn*



Strong Business Position




High Growth Digital Platform

Highly Scalable Digital Platform

*Digital Formalization
Payroll: 69%
Vehicle: 96%⁽²⁾*

High Profitability

Adj. ROE⁽¹⁾ 3T20: 21.5%

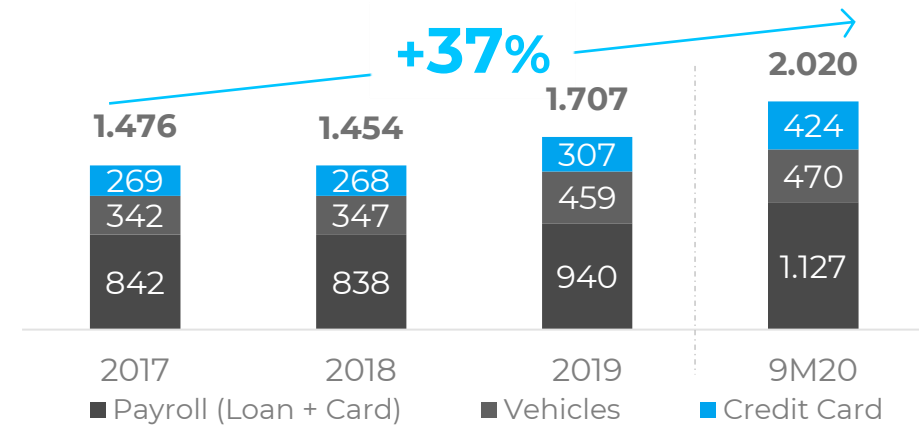
Large Addressable Market

*Brazilian Low-Income Population:
189mm*

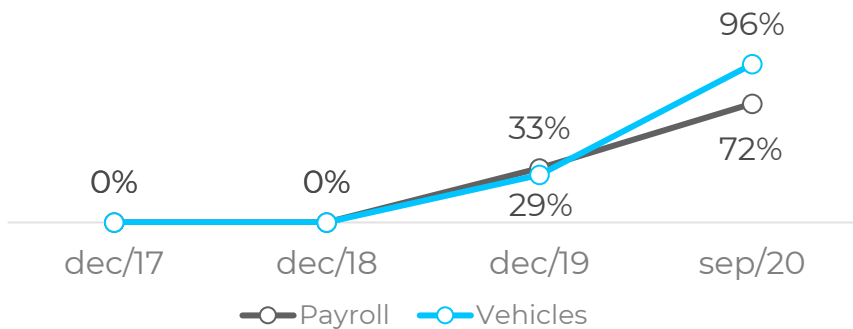
Note: (1) Unaudited adjusted ROAE includes (i) withdraw the excess of financial expenses from fixed rate time deposits issued between 2005 and 2008 (avg. maturity in 2023), and (ii) excess of DTA related to losses arising from the accounting inconsistencies found in 2010, as an adjustment to Shareholders' Equity (2) As of 3Q20

Strong Origination Capacity Leading to a Robust Portfolio

Retail Credit Monthly Origination ⁽¹⁾ R\$m

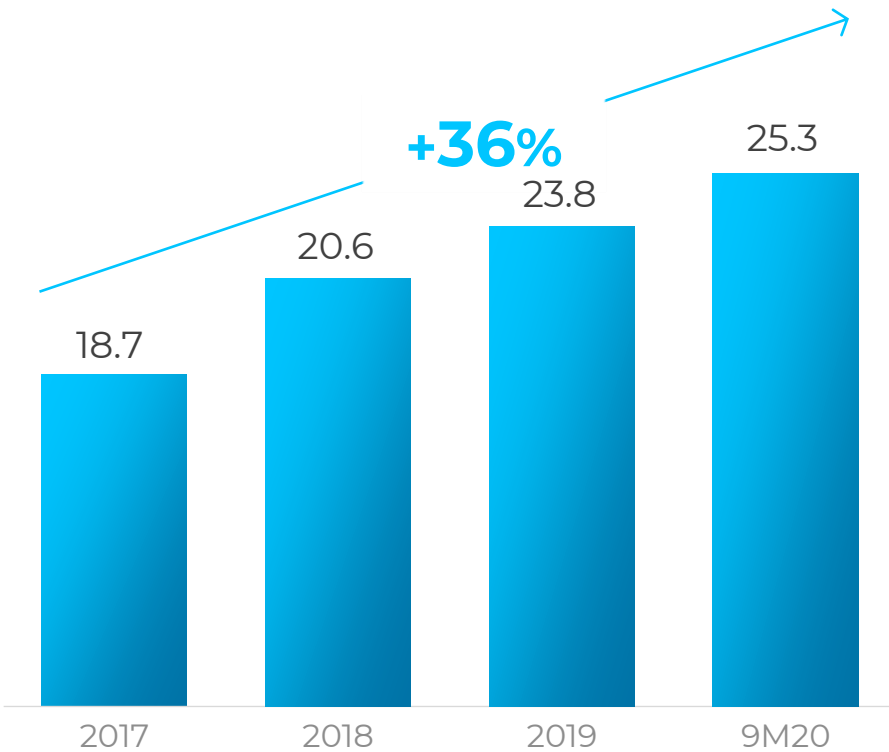


Digital Formalization %



Note: (1) Excluding runoff business

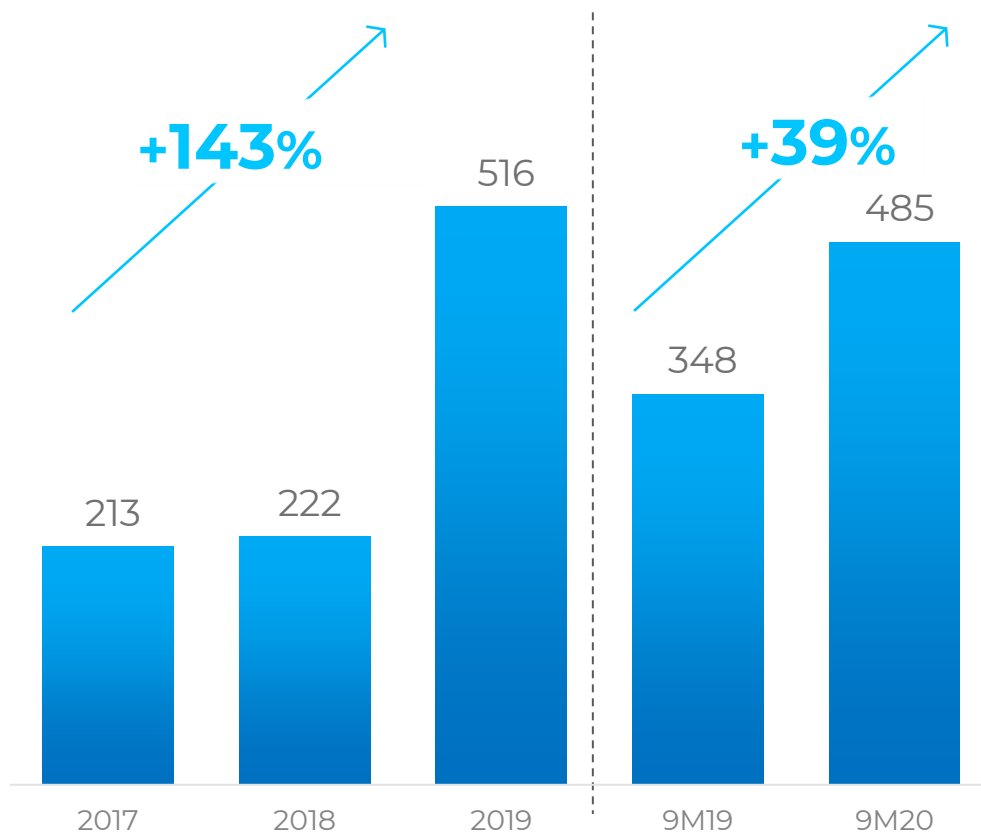
Credit Portfolio R\$bi



Solid Operational Performance Delivering High Profitability

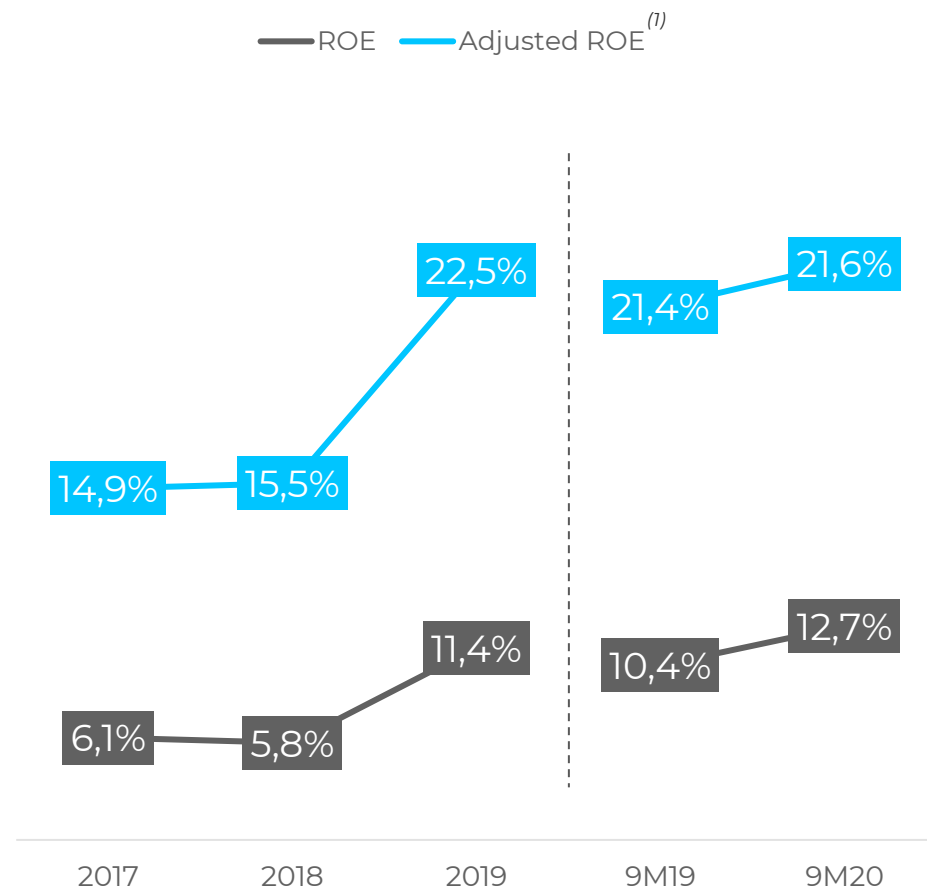
Net Income

R\$m



Return on Equity

%

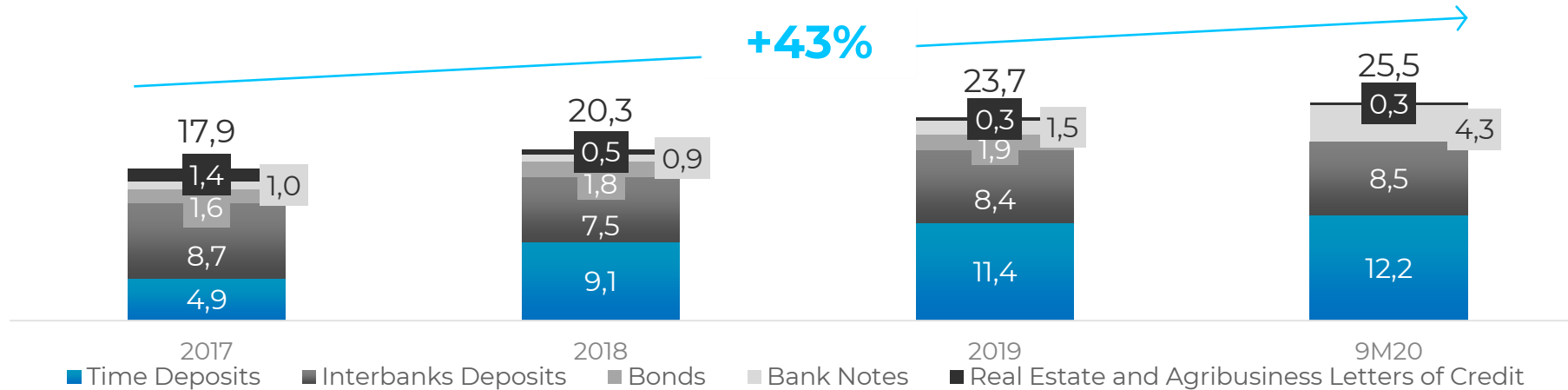


Note: (1) Unaudited adjusted ROAE includes (i) withdraw the excess of financial expenses from fixed rate time deposits issued between 2005 and 2008 (avg. maturity in 2023), and (ii) excess of DTA related to losses arising from the accounting inconsistencies found in 2010, as an adjustment to Shareholders' Equity

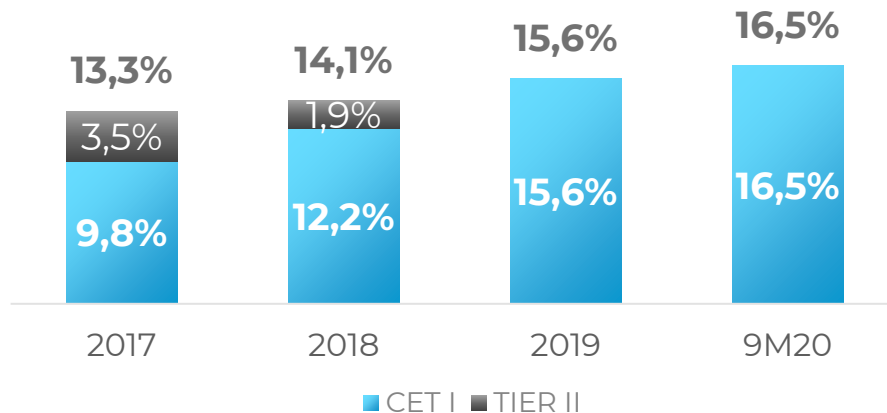
Diversified Funding With Solid Capital Position

Increased and diversified funding...

R\$bi



...Combined with strong capital base %



Ratings (long term)

S&P Global
Ratings

AA – (local) | B+ (global)
Outlook Stable

Fitch Ratings

A (local) | B+ (global)
Outlook Stable

Long Track Record in Credit with Resilient Portfolio

R\$ 181Bn originated portfolio since 2011 adding machine learning and data analytics to improve credit modeling

Defensive Portfolio Mix Portfolio Mix⁽¹⁾



Payroll + Collateral: 94%



Renegotiated Loans : 0.6%



Payroll Loans: 95% on federal sector⁽²⁾



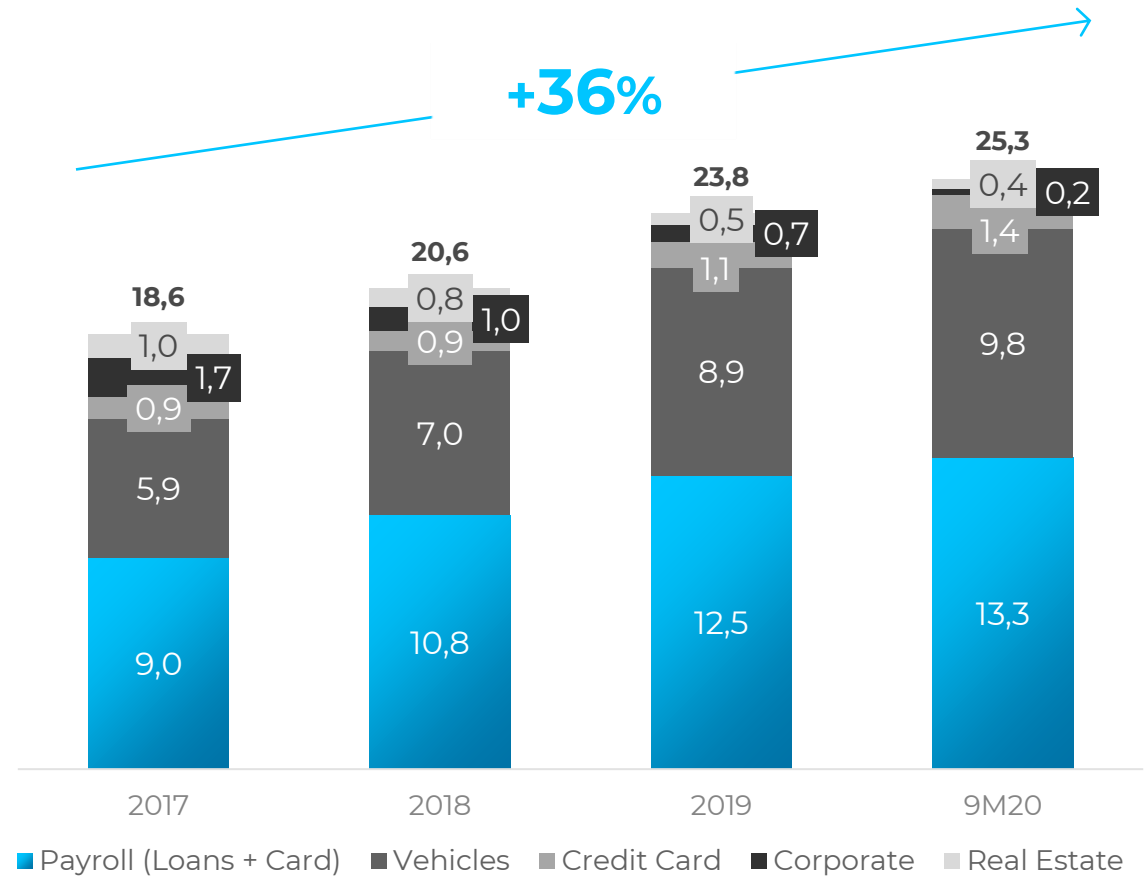
Vehicles: 36% down payment



Motorcycles: 22% down payment

Credit Portfolio Breakdown

R\$bi

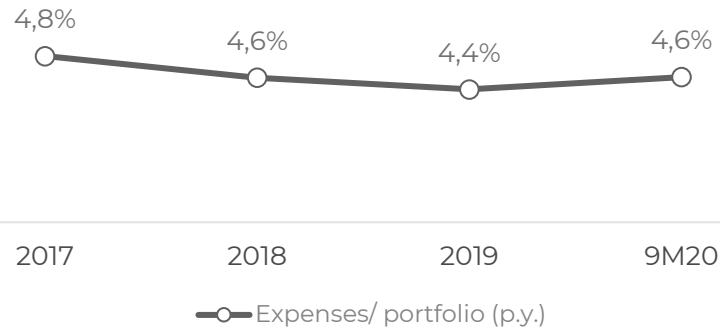


Notes: (1) As of 3Q20

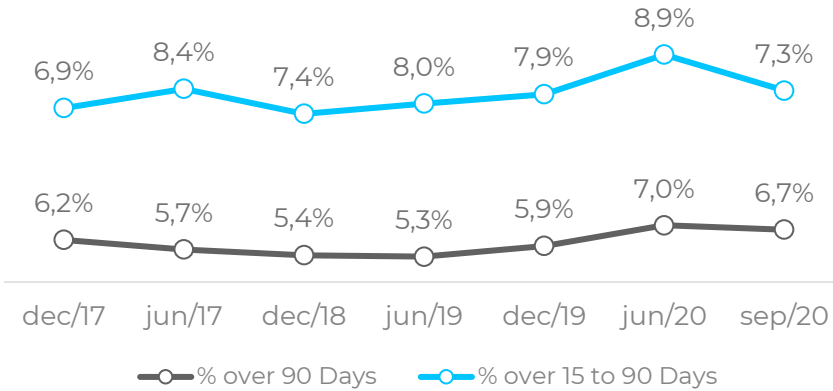
(2) Includes Army, SIAPE (Federal Public Servants) and INSS (General Private Sector Pension)

Successful Credit Experience in different Economic Scenarios

Consistent Results Overtime...



Controlled Default Ratios...



...Managing COVID-19 in a Restrictive Approach



2 installments of **13,5k** clients have been extended and **92%** of the subsequent overdue installments have already **been paid**

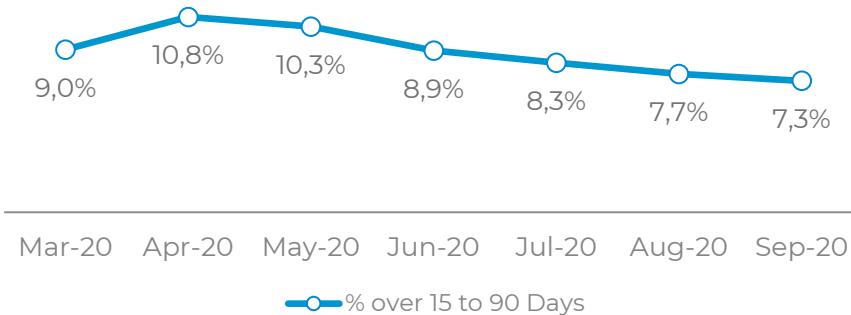


Over 15 to 90 lower than the pre-crisis levels



Default rates presenting **gradual improvement**

...With relevant Improvements on our Shortest Default Ratio



Brazil: a Large and Growing Addressable Market

210 MM (Brazil's population)

189 MM (Low-Income⁽¹⁾)

55 MM (Unbanked)



Payroll Loans⁽¹⁾

R\$ 413 bn

11% growth
(sep-19 | sep-20)
3.4% Mkt Share

Credit Cards

R\$ 257 bn

0,1% growth
(sep-19 | sep-20)
0.6% Mkt Share

Vehicles

R\$ 209 bn

9% growth
(sep-19 | sep-20)
4.7% Mkt Share

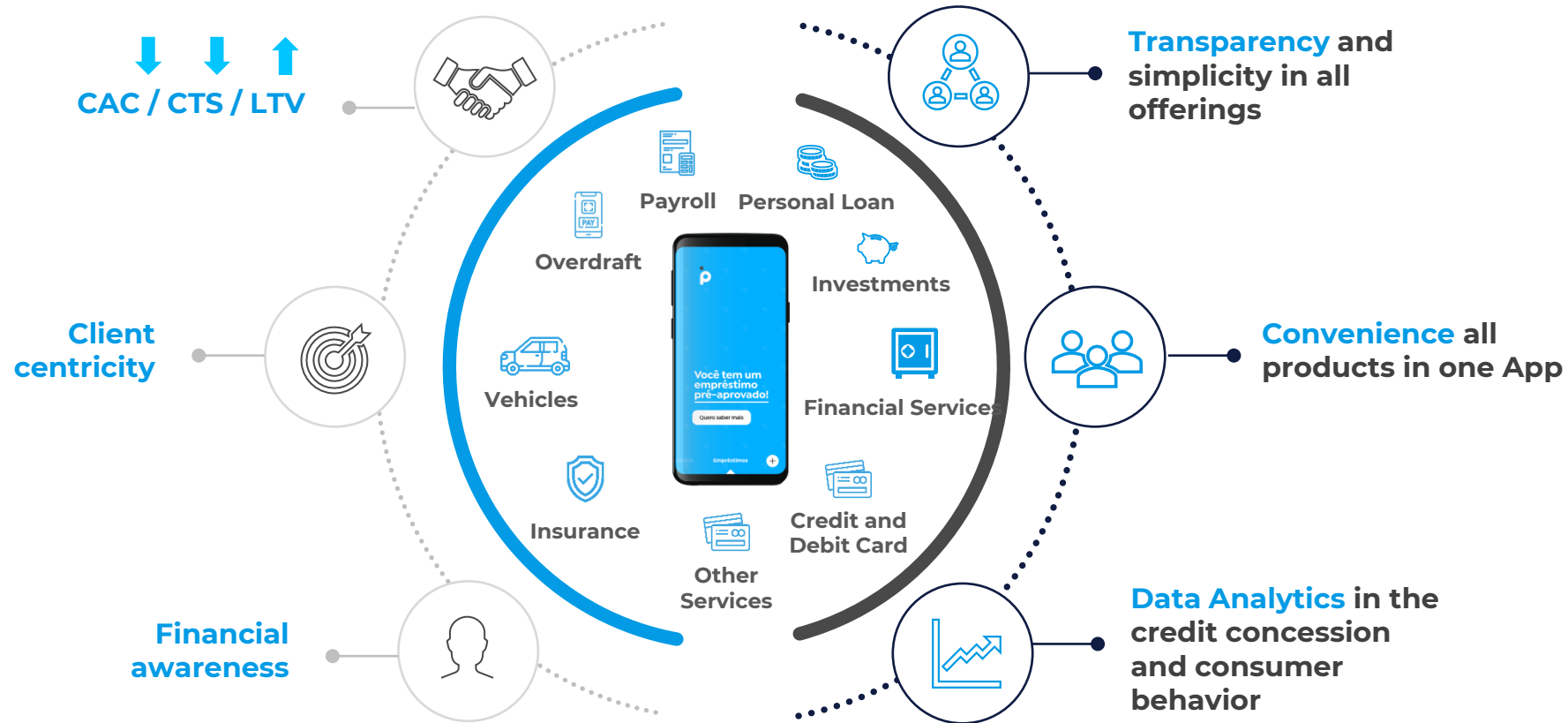
Sources: IBGE and Brazilian Central Bank

Notes: (1) Considers population with monthly income below R\$5.0 thousand per month / family or 5 minimum wages (R\$ 5,214 per month); (2) As of Sep/20

(3) Public Payroll Loans

Fully Implemented Digital Bank to Boost Growth

Platform focused on offering what we believe to be the best service for low-income individuals, improving cross-selling and customer loyalty



Expected Upcoming Features and Products

- ✓ Self-hiring payroll
- ✓ More Insurance Products
- ✓ Financial Education

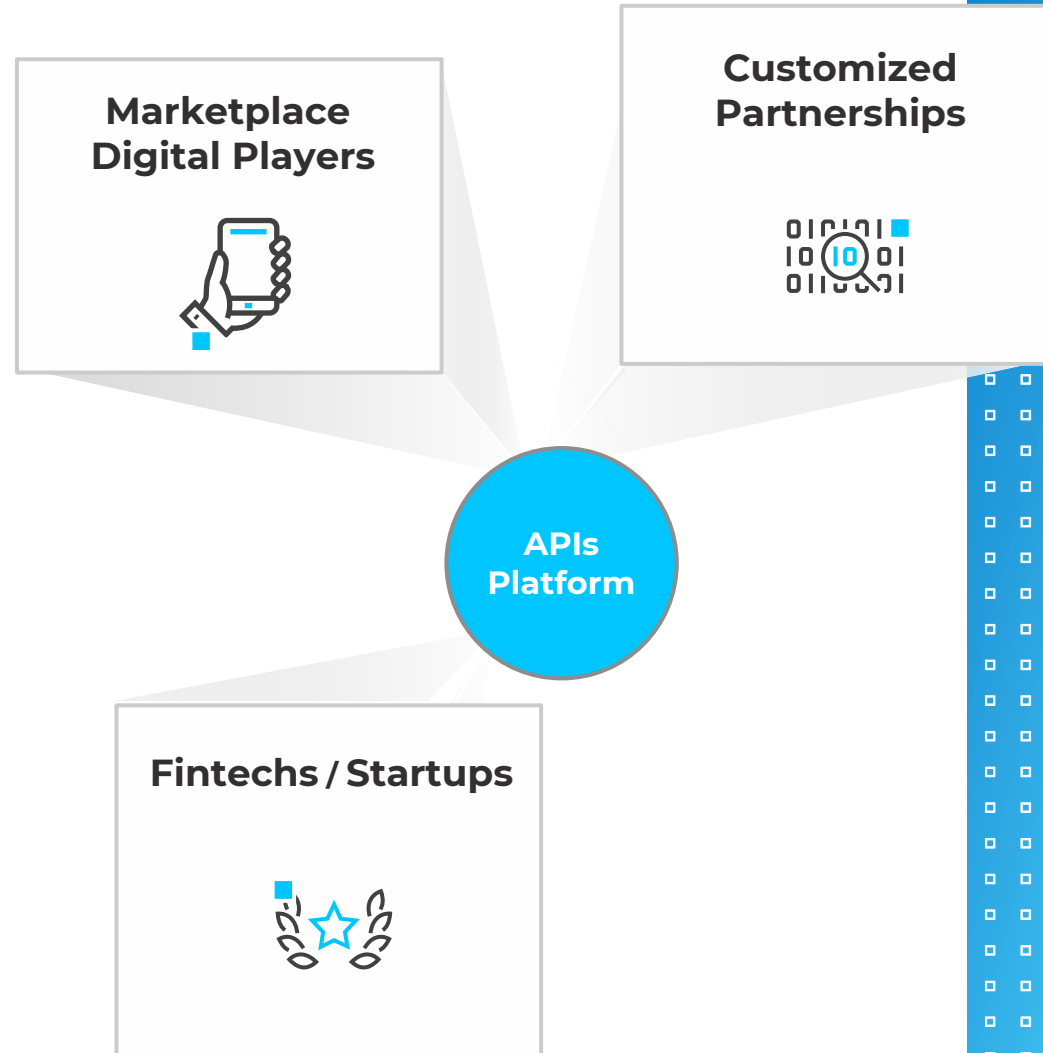
Relevant Partnership Ecosystems Accelerating Growth of the Digital Bank

Banking as a Service

- New distribution channels for PAN products
- Credit as a service
- Enhanced credit risk assessment
- Open APIs platform for easy integration and scalability

Banking as a Platform

- Partnerships with Fintechs / Startups to accelerate product delivery
- Access to cutting-edge technologies and new businesses
- Innovation Hub



Seasoned Management Backed by Reference Shareholders and Solid Governance



44.9%

50.8%
ON

37.7%
PN

26.8%

49.2%
ON

0%
PN

28.3%

0%
ON

63.3%
PN



participações

Free-float

Board of Directors

BTG PACTUAL

- Amos Genish
Chairman
- Roberto Sallouti
- Sérgio Cutolo
- Alexandre Camara

CAIXA

- Pedro Guimarães
Vice-Chairman
- Eduardo Dacache
- Marcelo Sampaio

INDEPENDENT MEMBERS

- Fábio Carvalho
- Fábio Pinheiro
- Marcelo Torresi

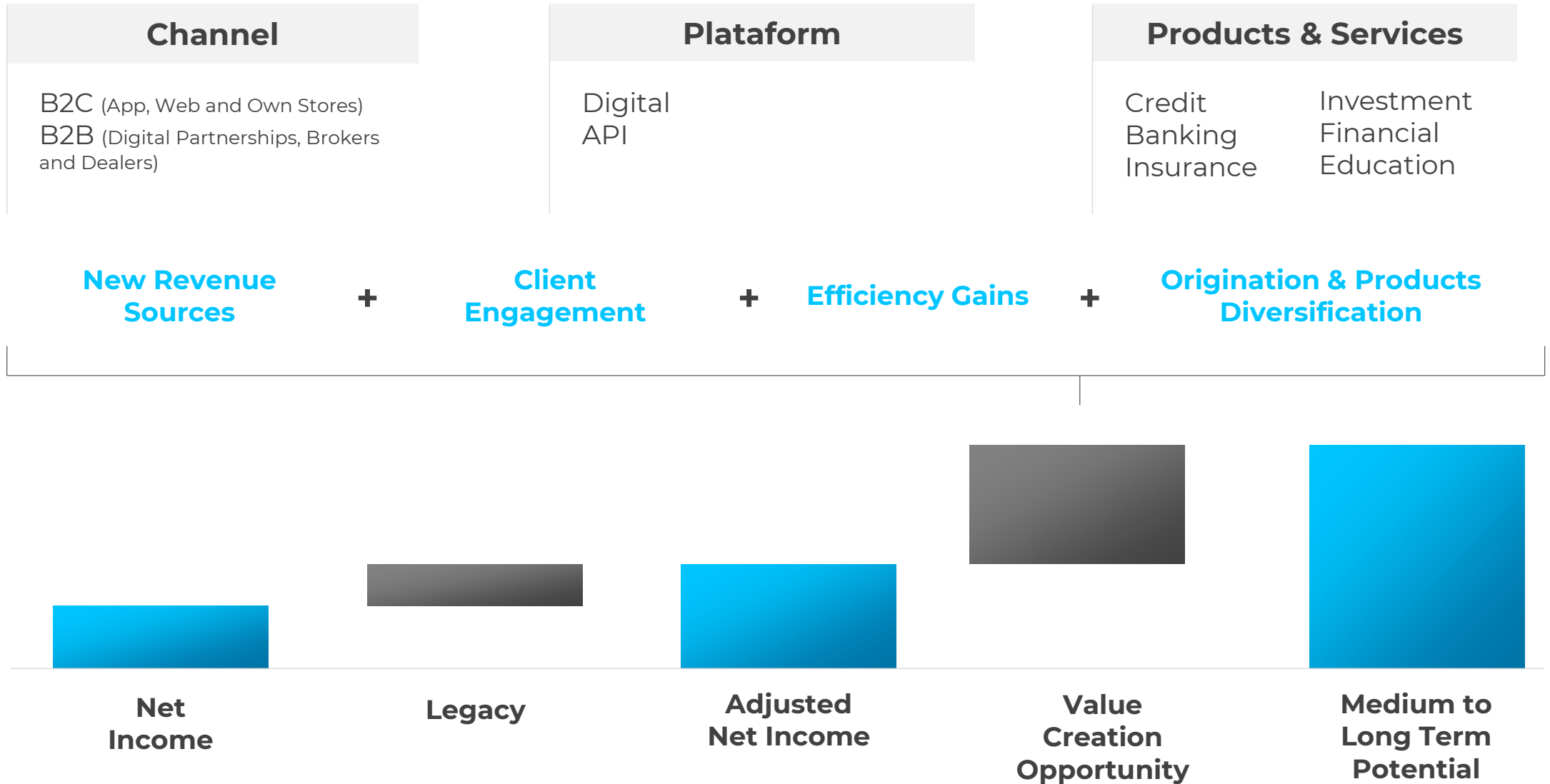
Board of Officers

- Cadu Guimarães
CEO
- Mauro Dutra
CFO
- Alex Sander Gonçalves
CCO
- Demerval Bicalho
CRO
- Diogo Ciuffo
Digital Officer
- Roberta Geyer
Credit Officer¹

Note: (1) Pending approval by Brazilian Central Bank

Challenger Low-Income Retail Bank

Supported by a Complete Digital Platform





Financials

—
3Q20



HIGHLIGHTS
3Q20



Average Origination

R\$ 2.3 bi / month
(+15% 2Q20; +29% 3Q19)

EBIT

R\$ 259 MM in 3Q20
(+25% 2Q20; +38% 3Q19)
R\$ 677 MM in 9M20
(+41% 9M19)

Adjusted ROE

21.5%p.y. in 3Q20
(19.9%p.y. 2Q20; 23.4%p.y. 3Q19)
21.6%p.y. in 9M20
(21.4%p.y. 9M19)

Shareholders' Equity

R\$ 5.2 bi in 3Q20
(R\$5.1 bi 2Q20; R\$4.8 bi 3Q19)

Credit Portfolio

R\$ 25.3 bi
(+2% 2Q20; +7% 3Q19)

Net Income

R\$ 170 MM in 3Q20
(+18% 2Q20; +26% 3Q19)
R\$ 485 MM in 9M20
(+39% 9M19)

ROE

13.2%p.y. in 3Q20
(11.4%p.y. 2Q20; 11.9% 3Q19)
12.7%p.y. in 9M20
(10.4%p.y. 9M19)

Basel Ratio

16.5% in 3Q20
(15.9% 2Q20; 12.9% 3Q19)

Portfolio Performance - Retail



Default rates presenting **improvement**



Over 15 to 90 lower than the pre-crisis levels

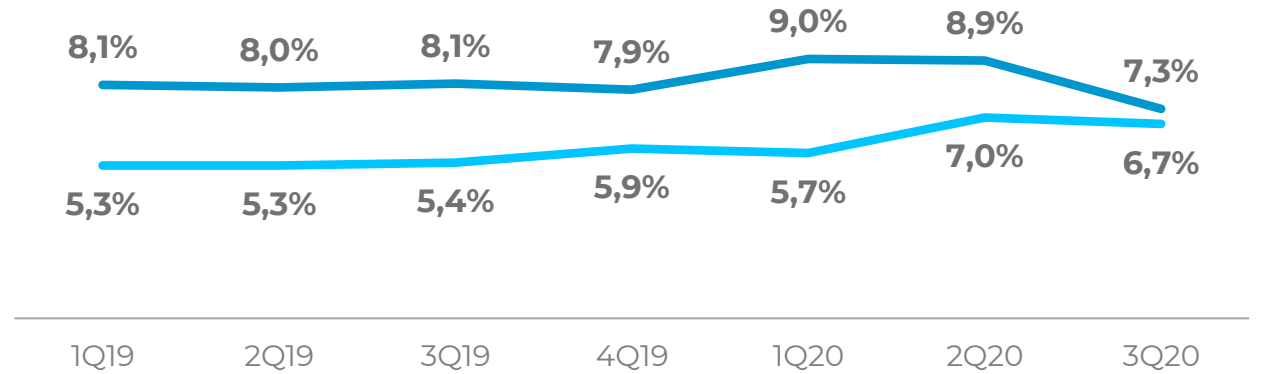


2 installments of **13,5k** clients have been deferred and **92%** of the subsequent overdue installments have already **been paid**



Credit policy **remains conservative**

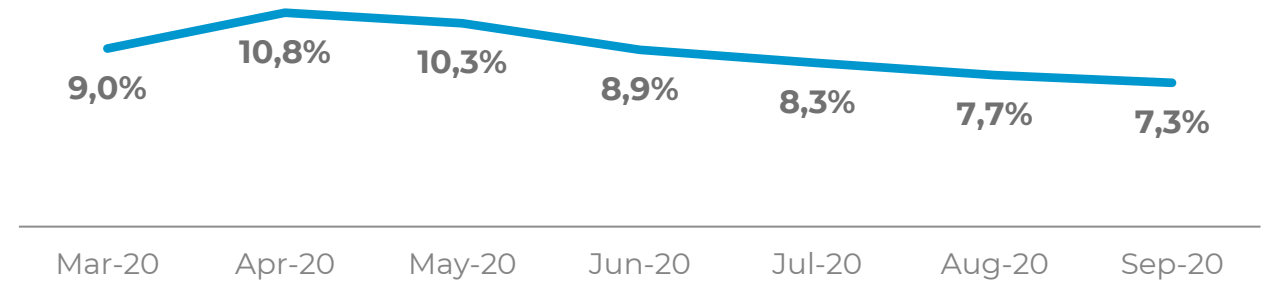
Default Ratios



% over 15 to 90

% over 90

Over **15 to 90** detail





Cost of Credit

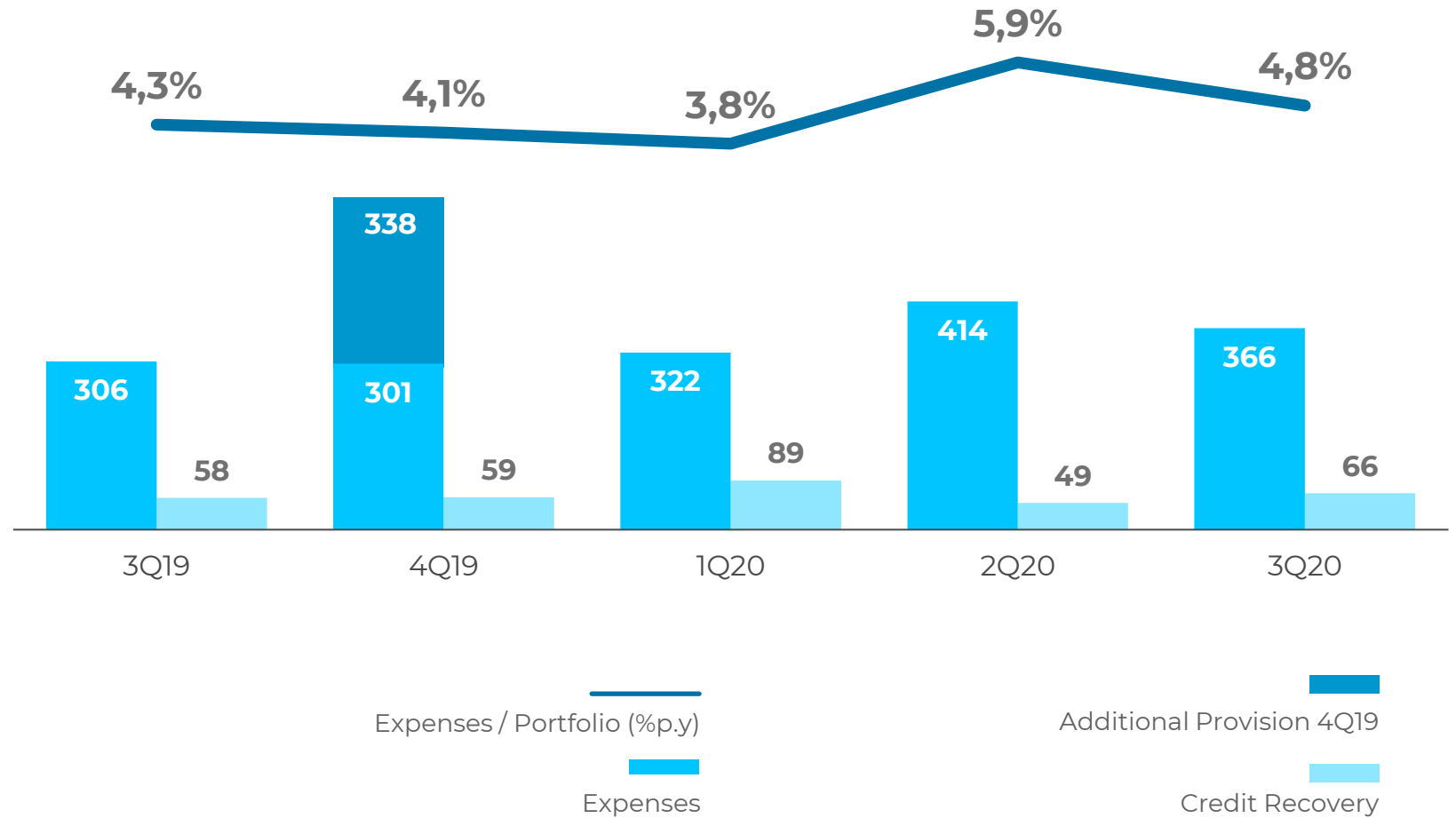
Net allowance for loan losses

Significant reduction to 4.8%, in line with the **default behavior**

Resilient Portfolio

Payroll + collateralized portfolio **account for 94%** of loan portfolio

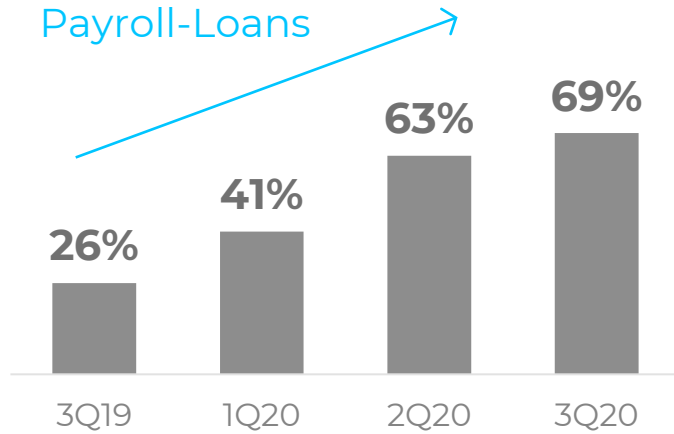
Allowance for loan losses and credit recovery- R\$MM



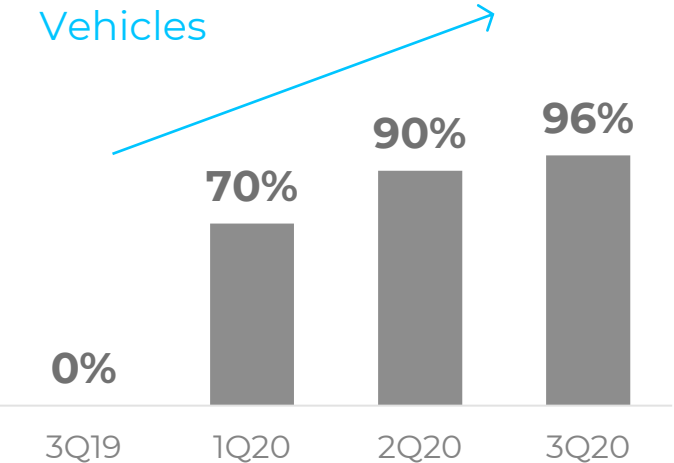
DIGITAL STRATEGY EVOLUTION

Digital Formalization

Payroll-Loans



Vehicles



82% of Digital Formalization

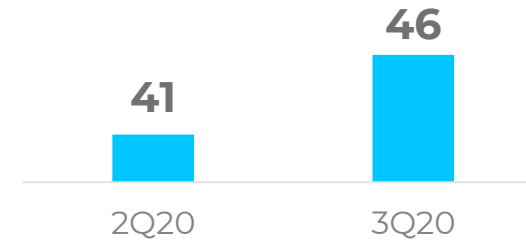
In Sep/20 (Vehicles and Payroll)

Digital Bank

- Full Checking Account
- Personal loan
- Credit Card
- Debit Card
- Payments and Money Transfers
- Emergency Limit
- Salary Portability
- Poupa Pan (Savings) **new!**
- PIX **new!**

Partnerships

Total of Partners

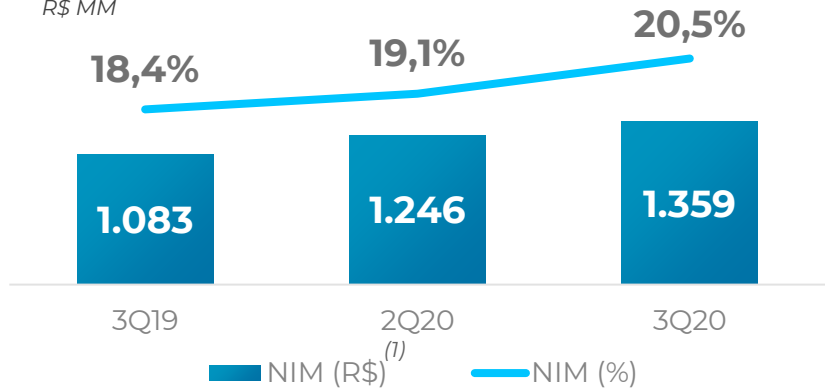


Clients and Partners Engagement

Quarter Earnings

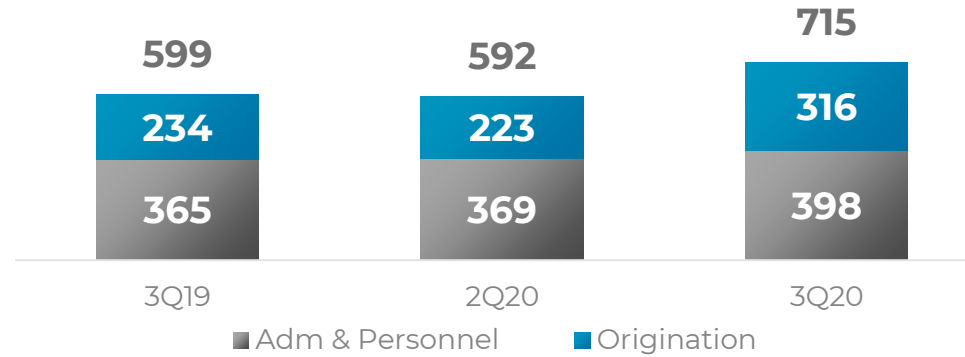
Net Interest Margin

R\$ MM



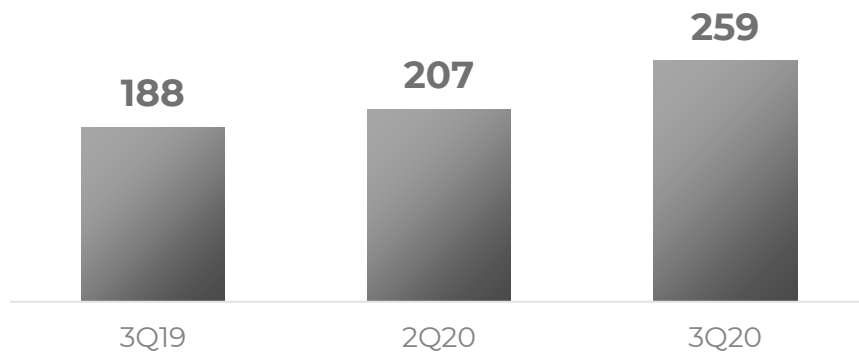
Expenses

R\$ MM



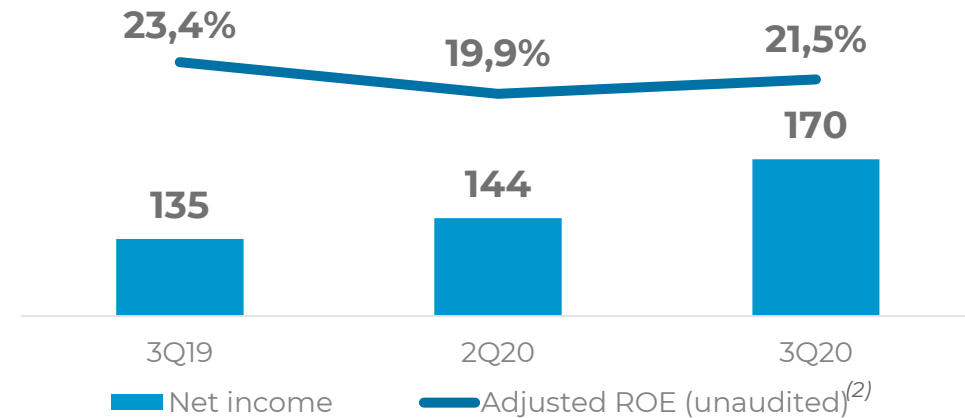
EBT

R\$ MM



Profitability

R\$ MM



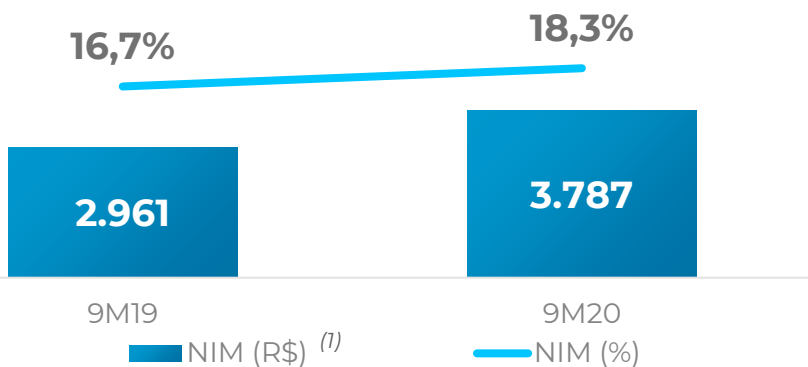
Note: (1) NIM = Net Interest Margin (2) Unaudited adjusted ROAE includes: (i) excess of funding expenses, as an adjustment to the Net Income, and (ii) excess of DTA related to losses arising from the accounting inconsistencies found in 2010, as an adjustment to Shareholders' Equity.

9M20 Earnings



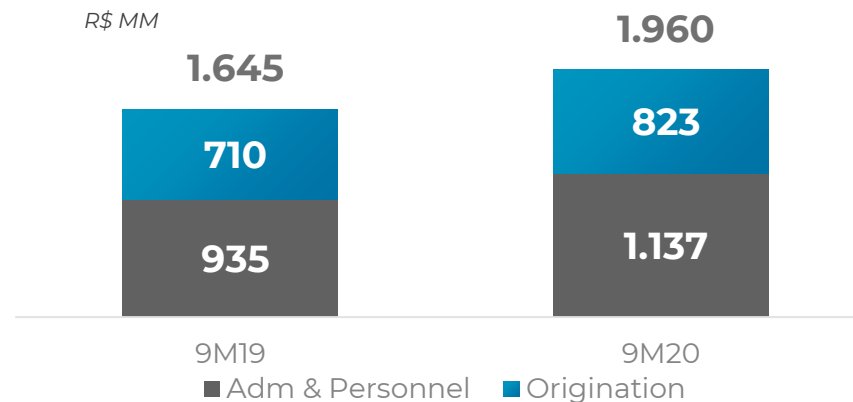
Net Interest Margin

R\$ MM



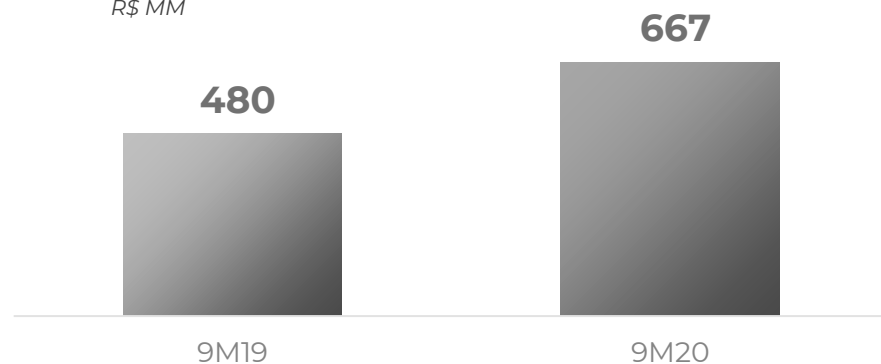
Expenses

R\$ MM



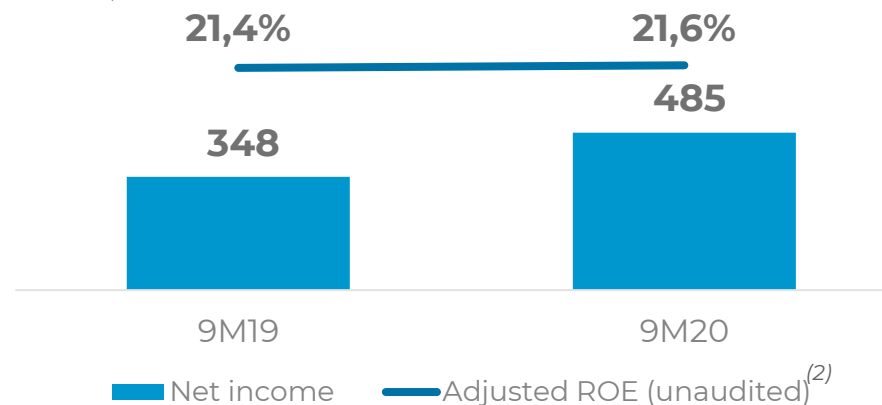
EBT

R\$ MM



Profitability

R\$ MM



Note: (1) NIM = Net Interest Margin (2) Unaudited adjusted ROAE includes: (i) excess of funding expenses, 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.

Adjusted ROE

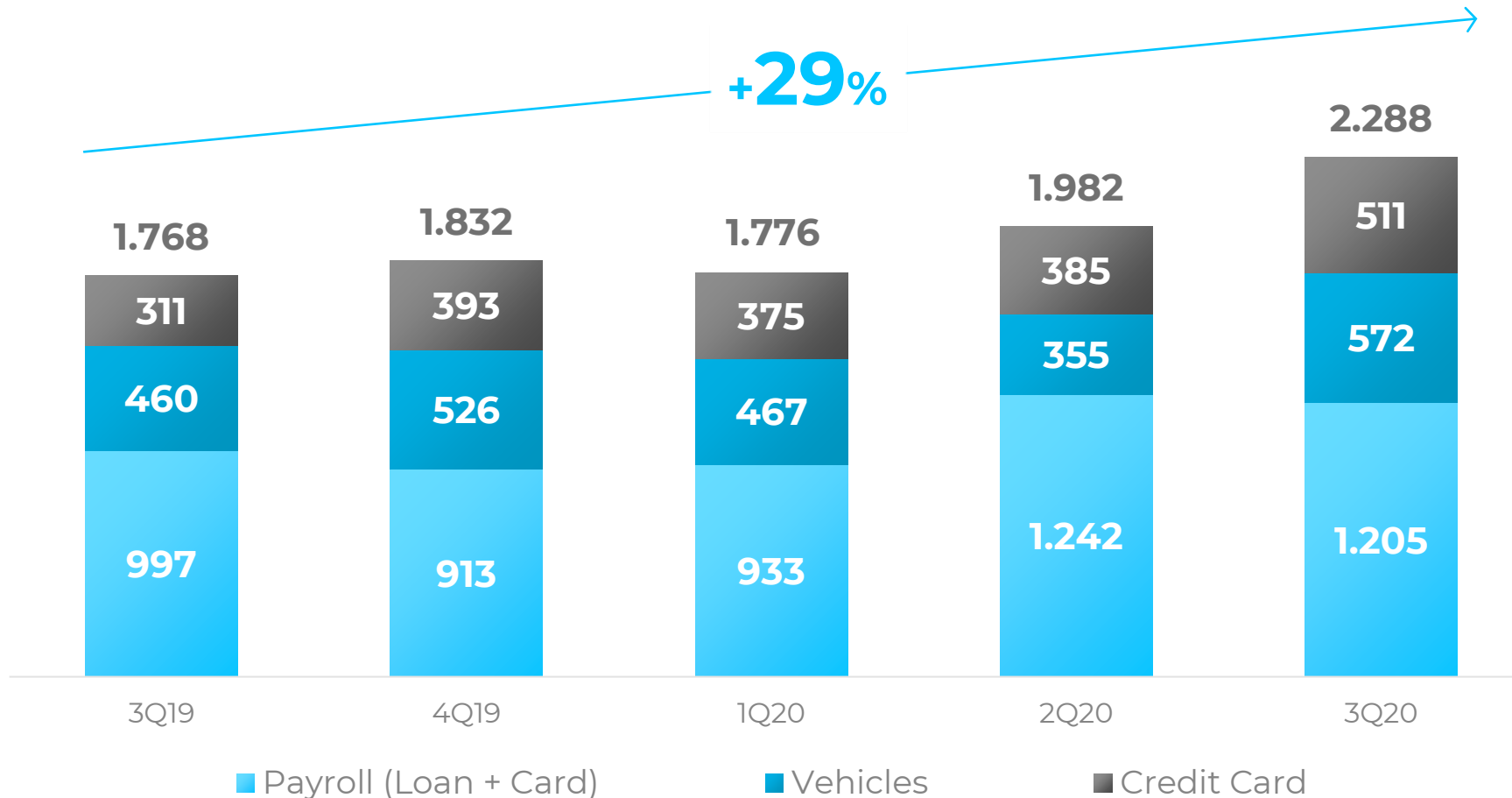
<i>R\$ MM</i>	3Q20	9M20	3Q20 x2Q20	3Q20 x3Q19	9M20 x9M19
EBT	259	677	+25,3%	+38,1%	+41,1%
Net Income (A)	170	485	+18,3%	+26,5%	+39,1%
Excess of Financial expenses (net of taxes)	53	163	-2,5%	-6,6%	+0,5%
Adjusted Net Income (B)	223	647	+12,6%	+16,7%	+26,9%
Average Shareholders' Equity (C)	5,167	5,074	+2,0%	+14,1%	+13,7%
Excess of DTA related to losses	1,220	1,279	-3,9%	-14,6%	-11,1%
Adjusted Average Shareholders' Equity (D)	3,947	3,795	+3,9%	+27,3%	+25,5%
ROAE (p.y.) A/C	13.2%	12.7%	+1.8p.p.	+1.3p.p.	+2.3p.p.
ROAE Adjusted (p.y.) B/D⁽¹⁾	21.5%	21.6%	+1.6p.p.	-1.9p.p.	+0.2p.p.

Note: (1) Unaudited adjusted ROAE includes: (i) excess of funding expenses, 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.



Retail Origination

Monthly Average | R\$ MM



Credit Portfolio



Core Portfolio =

+4.4% vs 2Q20⁽¹⁾

Payroll + Collateralized Portfolio =

94%

Renegotiated Loans =

0.6%

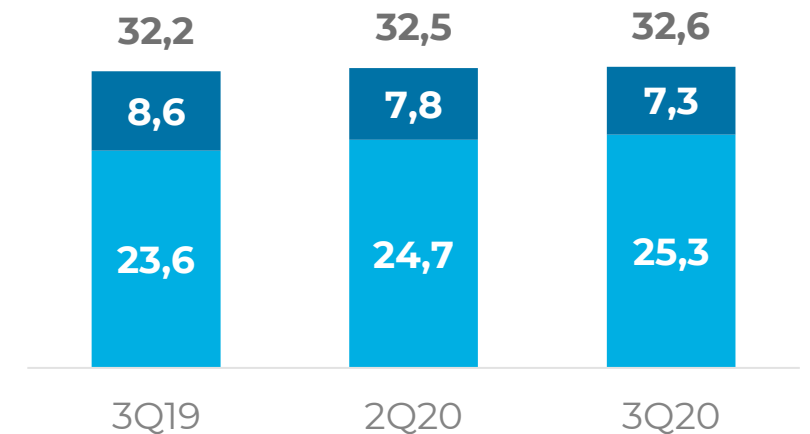
Retail Portfolio

	R\$ MM	3Q20	Share %	Δ 3Q20/ 2Q20	Δ 3Q20/ 3Q19	3Q19	Share %
Payroll (Loan + Card)		13,274	52%	3%	3%	12,882	55%
Vehicles		9,759	39%	5%	19%	8,224	35%
Credit Card		1,422	6%	17%	49%	953	4%
Real Estate		423	2%	-6%	-27%	579	2%
Corporate		238	1%	-65%	-71%	811	3%
Others		184	1%	25%	81%	101	0%
TOTAL		25,300	100%	2%	7%	23,550	100%

Originated Portfolio

R\$ BI

- Assigned for shareholders'
- Retained



Note: (1): Excluding Real Estate and Corporate portfolios



Business

Line
—

3Q20

PAYROLL DEDUCTIBLE

LOANS AND CREDIT CARDS

Overview

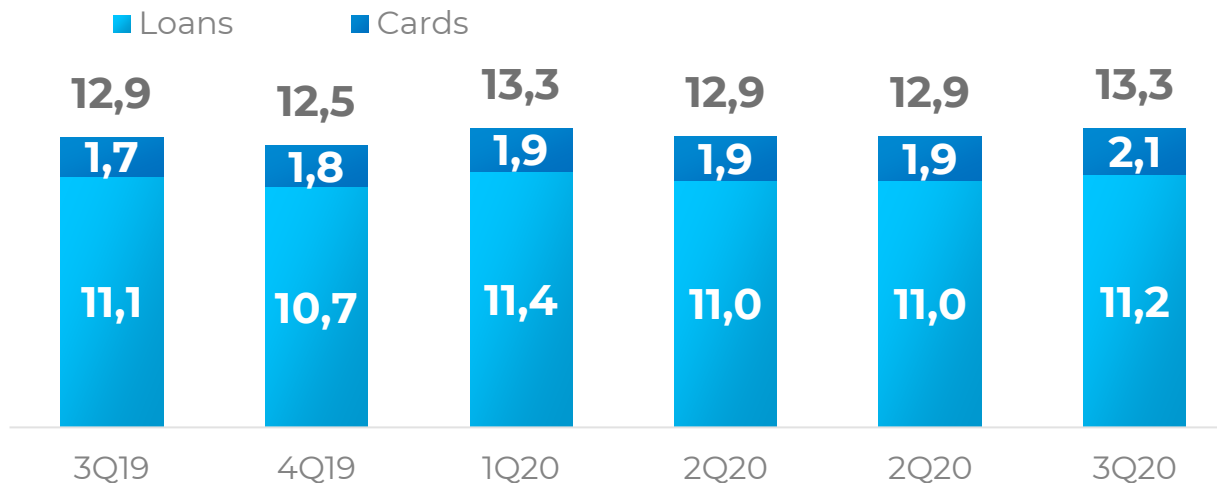
Exclusive for public sector employees, INSS (social security) retiree & pensioners

Average Ticket of **R\$ 5.1 mil**

Duration of **37 months**

Portfolio Evolution

R\$ BI



Origination Breakdown

	3Q20	2Q20	3Q19
Federal	95%	95%	89%
INSS	84%	89%	61%
SIAPE	10%	5%	16%
Armed Forces	1%	1%	13%
States	4%	4%	8%
Municipalities	1%	1%	1%
Total Monthly Avg. R\$ MM	1,205	1,242	997
Loans - Monthly Avg.	1,091	1,167	923
Cards - Monthly Avg.	114	74	74

VEHICLES FINANCING



Overview

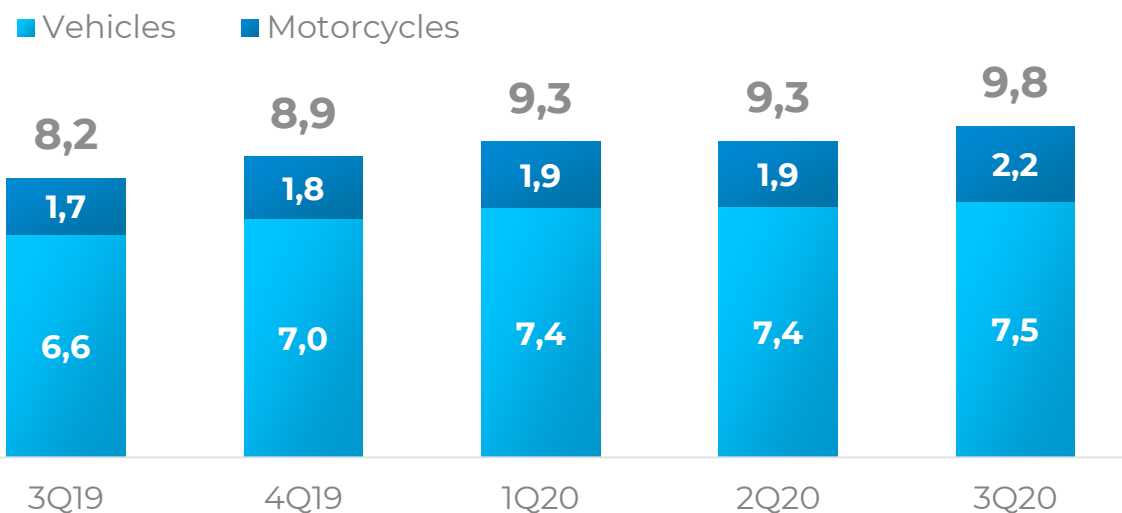
<p>Actively present in more than 15k multi-brand & single-brand vehicles dealers</p>	<p>Average Ticket Vehicles: R\$ 25k</p> <p>Motorcycles: R\$ 13k</p>	<p>Duration Vehicles: 18 months</p> <p>Motorcycles: 16 months</p>	<p><i>Downpayment (%)</i> Vehicles: 36%</p> <p>Motorcycles: 23%</p>
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Average Monthly Origination

R\$ MM	3Q20	2Q20	3Q19
Vehicles	390	284	360
Motorcycles	182	71	100
Total	572	355	460

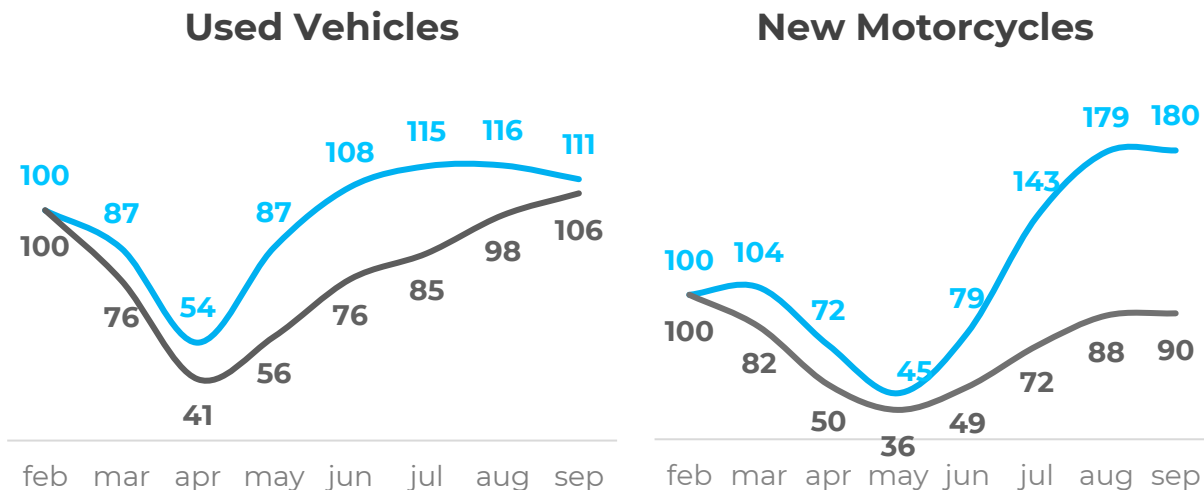
Portfolio Evolution

R\$ BI



Market Evolution - Base 100

— PAN — Market



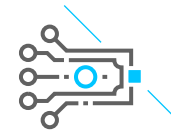
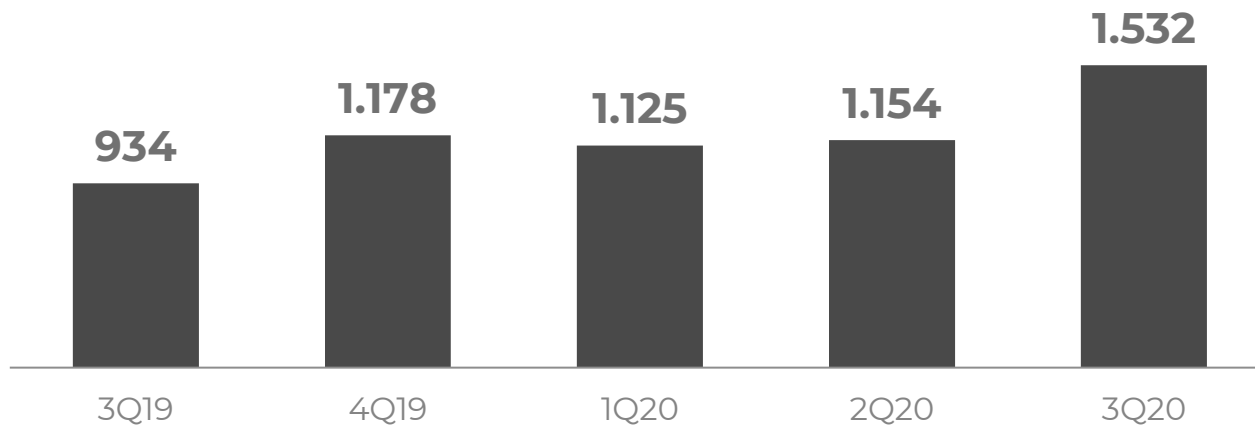
CREDIT CARDS

Highlights

Revenues growth and increase cards issuance through **multiple channels**



Transaction Volume R\$ MM



Clients becoming more **digital**

- **New Cards:**
88% self-contracted on digital channels
- **Service:**
47% held by chat and WhatsApp
- **Digital bill:**
82% of the base is digitally issued

INSURANCE PREMIUMS

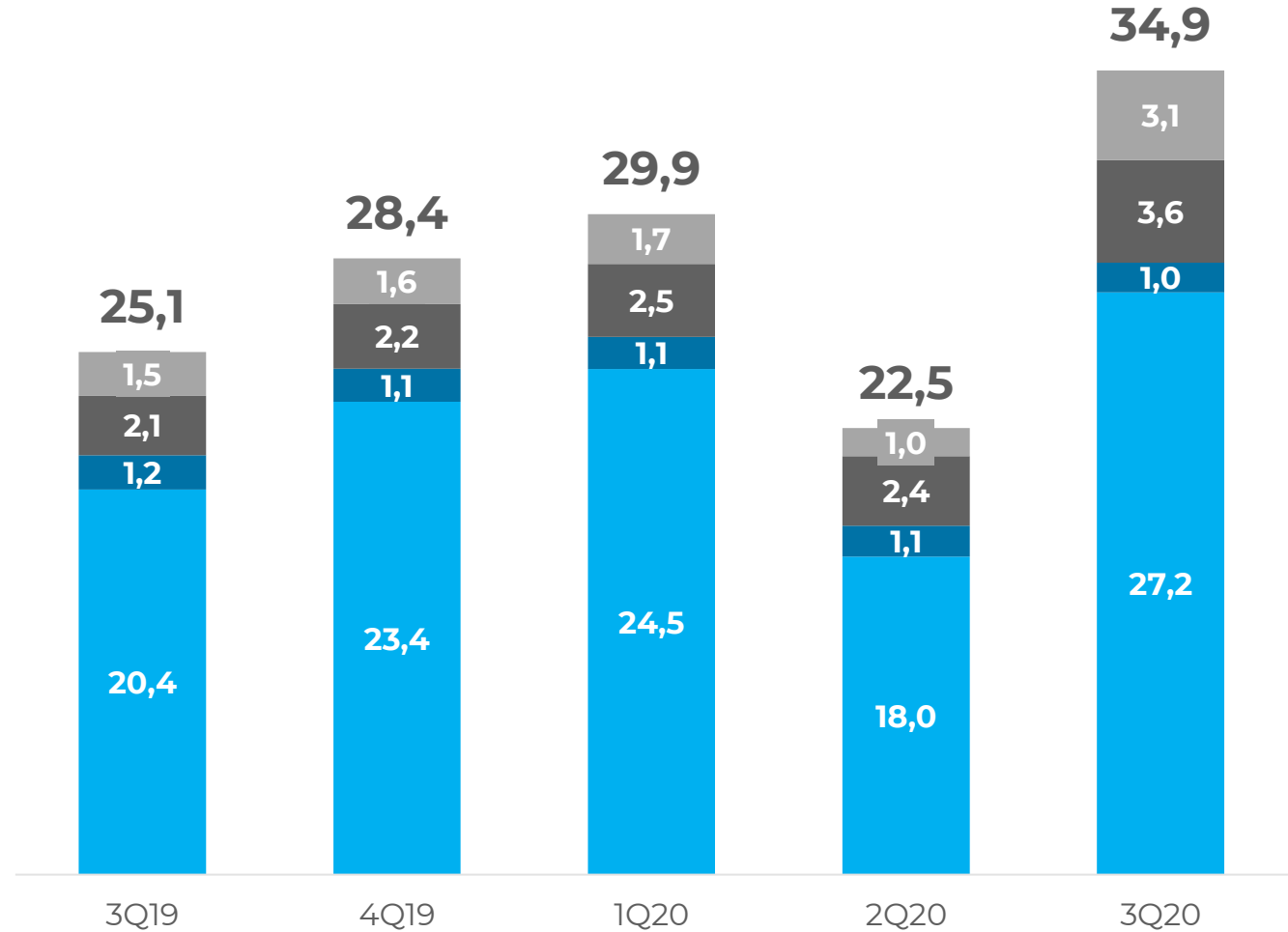
 Monthly average R\$ MM

Highlights

Recovery in the quarter following the **return to vehicles origination**

Digital Bank as a growth lever

- Others
- Credit Card
- Home Insurance
- Credit Insurance





IR CONTACTS

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