



Financial Statements

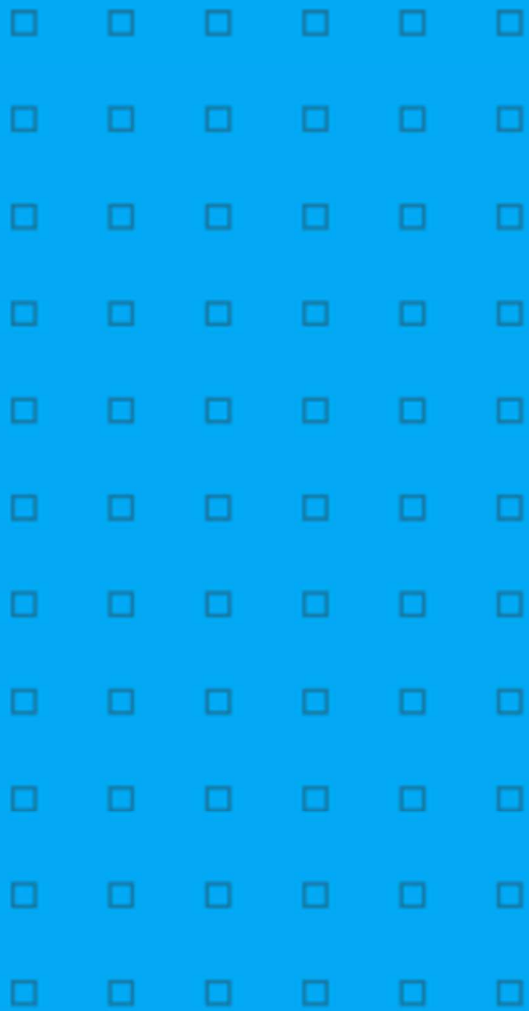
December 2020





Management Report

4Q20



TO THE STOCKHOLDERS

The Management of Banco PAN S.A. ("PAN", "Bank", or "Company") and its subsidiaries are pleased to present the Management Report and related quarterly information for the period ended December 31, 2020, together with the independent auditor's report on review. The information meets the requirements in Law 4,595/64 (National Financial System Law) and Law 6,404/76 (Brazilian Corporate Law), and of the National Monetary Council (CMN), Brazilian Central Bank (BACEN), and the Brazilian Securities Commission (CVM), as well as of other statutory rules and regulations.

TO THE STOCKHOLDERS

A retrospective of 2020 reveals a year of unprecedented challenges. The well-being of our clients, partners and employees was a priority throughout, and we continued to invest in technology to promote the best possible client experience through our digital channels.

The use of data and the intense application of technology allowed us to achieve remarkable results, by engaging clients, creating a complete digital platform to meet the needs of our target audience and expanding our base of products and services. This is only the beginning of our journey. We are building a bank focused on our clients, exploring the entire financial services ecosystem for the C, D and E classes of society.

This period presented a unique growth opportunity for PAN. The 2020 results proved that the strategy initiated in 2017, with a focus on the implementation of a complete bank, using technology to reach clients and partners was correct and well executed.

This strategy promoted a competitive advantage vis-à-vis other players, significantly improving the relationship with clients, streamlining customer service, increasing customer loyalty and helping to prevent fraud when granting credit.

However, growth opportunities also came with important challenges for our business. We still face an unprecedented crisis caused by Covid-19, which initially impacted our default rates. Our response was assertive, increasing liquidity and preserving the bank's capital using assignment instruments, raising the parameters for granting credit and restricting extensions to less than 1% of the total loan portfolio, with 97% of the subsequent outstanding installments already paid.

Our portfolio performed very well, showing its resilience, mainly composed of payroll-deductible and collateralized loans. Moreover, our expertise in granting credit and collection promoted the growth of the portfolio together with the reduction in the cost of credit. In 4Q20, default rates dropped significantly, with the over 90 days cases falling to 5.5% compared to 6.7% in 3Q20.

Our credit origination reached record levels with an increase in the INSS allowable margin, the expansion of market share in light vehicles and the acceleration of the credit card business leveraged by the Digital Account growth. We increased the pace of origination by 85% in 4Q20 compared to 4Q19 and by 50% compared to 3Q20. As a result, our retained credit portfolio grew 22% to R\$ 28.9 billion at the end of 2020 compared to 4Q19, advancing at a stronger pace than the financial system in Brazil.

We ended 4Q20 with net income of R\$ 171 million, in line with the last quarter, and an adjusted ROE (unaudited) of 20.9%. In 2020, we achieved a net income of R\$ 656 million, 27% above the 2019 result, and an adjusted ROE (unaudited) of 21.4%.

Our broad platform of financial products continues to advance consistently, with a focus on the customer, offering a complete range of products designed especially for members of the C, D and E classes, always prioritizing transparency, simplification of processes and quality in service

We are extremely satisfied with the performance of our Digital Account. We maintained a constant evolution of engagement metrics and continued focused on expanding our customer base and offering new products and services.

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

DIGITAL ACCOUNT

The Digital Account provide clients access to a complete current account: 100% digital, with no maintenance fee, a multiple card without an annual fee, a monthly package of free of charge transfers, ATM withdrawals through the Rede 24 horas (a network of automatic teller machines), deposits via slips, payments of bills, salary portability, investment products, insurance, in addition to several credit products and other services.

Moreover, we offer discounts in drugstores, supermarkets and e-commerce stores through agreements with various partners. Our co-branded credit cards also provide advantages to our clients by creating an important range of products aimed at our target audience.

Our strategy is based on six approaches: provide offerings to the Bank's customer base including active and former clients; present to the potential clients requesting credit on a monthly basis; digital marketing; physical distribution network; new origination partners; and a 'customer introduces customer' program.

In 4Q20, we significantly expanded our credit lines for the credit card product, largely benefiting from the growth of the Digital Account and the expansion of the direct customer relationship through our application. Offering access to credit continues to be our main lever to attract, engage and monetize clients, but Banco PAN goes beyond granting credit.

Today we offer several products, such as: Complete Current Account, Personal Loan, Credit and Debit Card, Emergency Limit, Salary Portability, PAN Savings, among others. In addition, we have developed an important platform for the sale of insurance, with different formats adjusted for our clients, launching throughout 2020 and 2021.

Furthermore, our efforts continue to focus on the launch of new products ensuring an even more complete customer experience, leveraging our engagement. The digital account, by centralizing the whole relationship with our clients, is a powerful instrument to optimize cross-selling and upselling opportunities, in addition to incrementing the portfolio of products and increasing customer loyalty.

BANK'S STRUCTURE

The Bank is a key player among the Brazilian medium-sized banks and focuses on granting credit to individuals of the C, D, and E social classes, as well as government employees, retirees and pensioners of the National Institute of Social Security (INSS), offering payroll-deductible credit (loan and credit card), financing for pre-owned cars and new motorcycles, conventional credit cards, personal loans and insurance.

The Bank has 2,497 employees and 60 service branches in Brazil's major cities and is present throughout the country via its light asset structure and digital platforms. It has over 770 correspondent banks offering payroll-deductible loans and more than 16 multibrand stores and concessionaires offering vehicle and motorcycle financing.

ORIGINATION OF CREDIT PORTFOLIO AND RETAIL

During 4Q20, PAN originated a monthly average of R\$ 3,421 million in new credit operations, compared with R\$ 2,288 million in the third quarter of 2020, and R\$ 1,847 million in the fourth quarter of 2019, an increase of 50% in the quarter and of 85% in the year.

The growth was the result of an expansion across all of our business lines. In the payroll-deductible loans business, origination benefited from the regulatory change approved for the last quarter of 2020 that expanded the loan's allowable margin from 30% to 35% of income.

For vehicles, the optimization of our credit line and the gains from the digitalization of the contracting process significantly accelerated origination, with growth of 56.4% compared to 3Q20. In credit cards, origination is benefited by the performance of our Digital Account, being an important activation and engagement product for our customer.

The Expanded Credit Portfolio totaled R\$ 28,907 million at the end of 4Q20, an increase of 14% in relation to R\$ 25,300 million at the end of 3Q20 and an increase of 22% in relation to the R\$ 23,785 million in 4Q19. The core portfolio, which is comprised of payroll-deducted portfolios, vehicle financing, and credit cards, grew by 25% over the 12 months. Corporate Credit and Real Estate portfolios, both in runoff phases, decreased by 69% and 17% in the 12-month period, respectively.

In the 4th quarter of 2020, the improving trend in our default metrics was confirmed with a significant reduction in the indicator of credits overdue for more than 90 days on the total portfolio to 5.5% compared to 6.7% in 3Q20, returning to the pre-crisis level.

In general, during the 2020 crisis, the bank adopted a conservative position in the lengthening contract tenures (only two installments) and, since the beginning of the pandemic, agreed to postpone less than 1% of the portfolio, with all extended contracts having guarantees. In addition, in 4Q20, 97% of subsequent overdue installments had already been paid.

The indicator of short-term default, from 15 to 90 days overdue, decreased from 7.3% in 3Q20 to 6.3% in 4Q20, showing lower rates than the pre-crisis. Moreover, the resilient profile of the credit portfolio, whose payroll-deductible loans and securitized loans account for 93% of the portfolio, remained stable.

In addition to holding credits in its portfolios, the Bank assigns credits without co-obligation to third parties as a normal instrument of capital and liquidity management, and performed assignment of R\$ 2,523 million in 4Q20, compared with R\$ 1,744 million in 3Q20, and R\$ 1,680 million in 4Q19. However, even with credit assignments, we were able to expand our retained credit portfolio in a relevant manner, demonstrating our great origination capacity. When we observe the growth of the core portfolio (payroll-deductibles + vehicles + cards), we see an increase of 15% and 25%, respectively, against 3Q20 and 4Q19.

The Originated Credit Portfolio balance, which includes both the Expanded Credit Portfolio and the balance of portfolios assigned to the controlling stockholders (off-balance portfolio), totaled R\$ 36.8 billion at the quarter-end.

PAYROLL-DEDUCTIBLES (Loan and Credit Card)

4Q20 was marked by a temporary increase in allowable margins and we granted R\$ 5,211 million in loans to government employees and INSS beneficiaries, compared to R\$ 3,274 million in 3Q20 and R\$ 2,508 million in 4Q19, equivalent to a 59 % and 108% increase in relation to the previous quarter and the 12-month period, respectively. In 2020, we granted R\$ 14,456 million compared to the R\$ 10,392 million granted in 2019, an increase of 40%.

Payroll-deductible credit card operations totaled R\$ 185 million in 4Q20, compared with R\$ 342 million in 3Q20 and R\$ 232 million in 4Q19. In 2020, we granted R\$ 972 million compared to the R\$ 891 million granted in 2019, an increase of 9%.

Our origination is optimized by our digital formalization platform which, in the 4th quarter of 2020, reached 74% of the originated contracts. In December, the volume exceeded 82% of the total origination.

The platform permits the digital contracting of payroll-deductible loans. The process is entirely paperless and operates with facial recognition signature features, providing a more efficient, cost-saving, profitable operation, with enhanced security and faster loan contracting, thus generating a more favorable experience for all parties and loyalty, especially now with the quarantine restrictions.

For our partners, the platform proved to be an important tool, both for reducing the cost of fraud and for greater agility in concluding operations. The platform, allied to market positioning and the relationship with business partners, assures the Bank remains a significant player in Federal agreements, placing it among the largest originators in the INSS (social security) beneficiary and pensioner loan market.

The payroll-deductible loan portfolio at the end of the quarter totaled R\$ 13,098 million, compared to R\$ 11,205 million in 3Q20 and R\$ 10,684 million in 4Q19, an increase of 17% in the quarter and of 23% in the year. The payroll-deductible credit card portfolio at the end of the quarter totaled R\$ 2,031 million, a slight decrease of 2% when compared with the balance of R\$ 2,069 million in the previous quarter and an increase of 11% in relation to the balance of R\$ 1,822 million in 4Q19.

VEHICLE FINANCING

Have been affected by the pandemic in 2Q20, the vehicles market recovered throughout the year and in 4Q20, and the Bank originated R\$ 2,683 million of new financing, including light vehicles and motorcycles, a growth of 56% in comparison to R\$ 1,715 million in 3Q20 and 66% in relation to the R\$ 1,621 million in 4Q19.

In general, we recovered faster than the market, with a gain in market share in the year, both in motorcycles and in the pre-owned vehicle segment, where we reached an 11% market share.

In the quarter, digital formalization advanced significantly, reaching 99% of contracts signed via facial biometrics, benefiting the operation especially in times of quarantine.

In addition to the formalization platform, the Bank has developed a unique App for financing simulations and a pre-analysis of credit with minimal data, in addition to monitoring proposals and the issuance of vehicle inspection reports, improving agility in the process and a better experience both for the commercial partner and the final customer.

The Bank also offers financing for pre-owned cars (mainly between four to eight years old) and new motorcycles, building on its expertise in credit and collection in order to optimize the risk vs. return ratio. Financing was made through multi-brand stores and concessionary partners.

For motorcycles, we are the leading bank in origination, focused on the younger customer, capturing excellent performance given our long history, experience and credit knowledge.

Light vehicle originations totaled R\$ 2,191 million in 4Q20 (3Q20 - R\$ 1,169 million; 4Q19 - R\$ 1,273 million). In 2020, originations totaled R\$ 5,322 million (2019 - R\$ 4,310 million, an increase of 23%). In motorcycles, originations totaled R\$ 492 million in 4Q20 (3Q20 - R\$ 547 million; 4Q19 - R\$ 349 million). In 2020, originations totaled R\$ 1,592 million (2019 - R\$ 1,201 million, an increase of 33%).

The vehicle financing portfolio totaled R\$ 11,140 million at the end of the quarter, an increase of 14% in relation to R\$ 9,759 million in 3Q20 and 26% against the R\$ 8,854 million in 4Q19.

CREDIT CARDS

Leveraged by the growth of our Digital Account and in line with our strategy of diversifying clients and products, we continue witnessing the strong evolution of the credit card segment, using, in addition to our digital account channel, our partners to originate new cards and expand our customer base. The continuous evolution of the digital journey of our clients is a priority and we have seen important progress.

As previously mentioned, we intensified the relationship with partners to increase distribution of credit cards in marketplaces and the launching of co-branded cards. These partnerships, in addition to expanding the number of clients, encourage the innovation process, diversify our sources of origination and expand the range of information that feeds our credit models.

The digital channels were responsible for most of the sales. This volume was also a result of the increase in sales actions, significant changes in cross selling and increase in the efficiency of analytics and CRM.

During 4Q20, credit card transactions totaled R\$ 2,184 million, a 43% increase in comparison with R\$ 1,532 million recorded in 3Q20 and 85% higher than the R\$ 1,178 million posted in 4Q19. In 2020, transactions amounted to R\$ 5,996 million, 63% above the R\$ 3,686 million in 2019.

This growth is the result of greater engagement, greater satisfaction with our product and expansion of our customer base.

At the end of the quarter, the card portfolio totaled R\$ 1,772 million, 25% and 63% higher when compared to R\$ 1,422 million and R\$ 1,087 million in 3Q20 and 4Q19, respectively.

INSURANCE

In 4Q20, we originated R\$ 150.4 million in insurance premiums, compared to R\$ 104.7 million and R\$ 85.1 million in 3Q20 and in 4Q19, respectively. Premiums originated in the quarter included: R\$ 127.9 million in credit protection insurance, R\$ 5.2 million in card insurance; R\$ 3.1 million in housing project insurance; and R\$ 14.2 million in other insurance, which is composed of our new products: PAN Motorcycle Assistance and Mechanic Warranty. In 2020, we originated R\$ 412 million in premiums.

Our insurance business continues to be a priority within our strategy of diversification, cross sell and expansion of our complete banking services platform. Throughout 2020, new products were launched, focused on meeting the specific needs of our clients.

In addition, in 2021 our product portfolio will expand even further, making our clients loyal and facilitating the contracting of services on a one-stop-shop platform.

CORPORATE CREDIT (IN RUN OFF)

The Corporate Credit portfolio totaled R\$ 224 million in 4Q20 (3Q20 - R\$ 238 million; 4Q19 - R\$ 732 million). The portfolio is fully provided for and has a good level of guarantees.

REAL ESTATE CREDIT (IN RUN OFF)

The balance of real estate credits granted to individuals totaled R\$ 372 million at the end of 4Q20 (3Q20 - R\$ 379 million; 4Q19 - R\$ 442 million), appropriately provided for.

Credits granted to legal entities totaled R\$ 40 million at the end of 4Q20 (3Q20 - R\$ 44 million; 4Q19 - R\$ 54 million). This portfolio was already fully provided for.

FUNDING

The balance of funds raised totaled R\$ 27.0 billion at the end of 4Q20, analyzed as follows: (i) R\$ 12.7 billion in time deposits, being 47% of the total; (ii) R\$ 8.7 billion in interbank deposits, being 32% of the total; (iii) R\$ 5.0 billion related to issuance of financial bills, or 19% of the total; (v) real estate letters of credit - R\$ 327 million, or 1% of the total; and (vi) other sources of financing - R\$ 180 million, equivalent to 1% of the total funding.

RESULTS

MANAGEMENT NET FINANCIAL MARGIN

In the fourth quarter of 2020, Management Net Financial Margin was 21.9% p.a., compared to 20.5% p.a. in the third quarter of 2020 and 19.9% p.a. in the fourth quarter of 2019. In 2020, Management Net Financial Margin was 19.0% compared to 17.3% in 2019. This level remained high, and is related to the robust spreads of credit operations, the expansion of new lines of credit with higher margins and gains in the portfolio assignment.

ALLOWANCES FOR LOSSES AND RECOVERY OF CREDITS

The allowances for losses totaled R\$ 329 million in 4Q20, against R\$ 366 million in 3Q20 and R\$ 301 million in 4Q19. In 2020, the allowance for loss expenses totaled R\$ 1,432 million, compared to R\$ 1,224 million in 2019 (excluding supplemental provisions of R\$ 338 million in 4Q19).

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

Consequently, the net allowance for loss expenses totaled R\$ 247 million (3Q20 - R\$ 300 million; 4Q19 - R\$ 243 million). As a percentage of the portfolio, these net recovery expenses decreased from 4.8% in the third quarter of 2020 to 3.6% in the fourth quarter of 2020. In 2020, the net allowance for loss expenses totaled R\$ 1,145 million compared to R\$ 984 million in 2019, a decrease in net recovery expenses from 4.5% to 4.4%.

COSTS AND EXPENSES

Administrative and personnel expenses totaled R\$ 452 million in 4Q20, compared to R\$ 398 million in 3Q20 and R\$ 402 million in 4Q19, reflecting expenses mainly with personnel and collection and being impacted by a once-off charge for write-off of investments in the digital formalization platform. In 2020, administrative and personnel expenses totaled R\$ 1,605 million (2019 - R\$ 1,332 million).

Credit origination expenses totaled R\$ 539 million at the end of the quarter, compared to R\$ 316 million in 3Q20 and R\$ 247 million in 4Q19, accompanying the strong credit origination volumes and the expansion of our customer base. In 2020, expenses totaled R\$ 1,347 million (2019 - R\$ 959 million).

NET INCOME

In the fourth quarter of 2020, the Bank's pretax profit totaled R\$ 261 million, stable in relation to the pretax profit of R\$ 259 million in the third quarter of 2020 and an increase of 22% compared to the R\$ 215 million in the fourth quarter of 2019. In 2020, pretax profit totaled R\$ 938 million, an increase of 35% in relation to the pretax profit of R\$ 694 million in 2019.

Net income totaled R\$ 171 million, stable when compared to the R\$ 170 million net income in 3Q20 and an increase of 2% compared to net income of R\$ 168 million in the fourth quarter of 2019. In 2020, we achieved a record net income of R\$ 656 million, an increase of 27% compared to the net income of R\$ 516 million in the same period in 2019.

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

The annualized average return on equity for 4Q20 was 13.0% (3Q20 - 13.2%; 4Q19 - 13.7%), whereas the adjusted annualized return (unaudited) was 20.9% in 4Q20 (3Q20 - 21.5%; 4Q19 - 24.6%). In 2020, the average return on equity was 12.8% compared to 11.4% in 2019, whereas the adjusted (unaudited) return was 21.4% in 2020 compared to 22.5% in 2019.

Adjustments reflect matters arising from past operating legacies: (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\$ 5,317 million in December 2020, (September 2020 - R\$ 5,221 million; December 2019 - R\$ 4,926 million).

The Prudential Conglomerate Basel Index at the end of 4Q20 was 15.9%, in comparison with the 16.5% recorded at the end of 3Q20, and with the 15.6% recorded in 4Q19, 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 contracted PwC in 2020 to provide the following non audit services: (i) issuance of a diligence report on capital market operations for a fee of R\$ 900 thousand; (ii) Brand Protection for a fee of R\$ 432 thousand; (iii) cybersecurity consultancy for a fee of R\$ 370 thousand; and (iv) issuance of a report on internal controls related to credit assignment operations for a fee of R\$ 264 thousand, which, in aggregate exceeded 5% of the total fees for the 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 its own work, exercise management functions for its client or promote its client's interests.

ACKNOWLEDGEMENTS

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

São Paulo, February 2, 2021.



BANCO PAN S.A. AND SUBSIDIARIES
BALANCE SHEET
AT DECEMBER 31, 2020 AND 2019
 (All amounts in thousands of reais - R\$)

ASSETS	Note	Bank		Consolidated	
		12/31/2020	12/31/2019	12/31/2020	12/31/2019
Cash and cash equivalents	5	2,905	1,441	4,854	4,220
Financial instruments		33,334,517	27,765,951	33,562,758	28,015,678
Interbank investments	6	1,251,889	1,242,794	1,251,938	1,242,794
Investments in the open market		1,251,889	1,229,999	1,251,889	1,229,999
Investments in interbank deposits		-	12,795	-	12,795
Investments in savings deposits		-	-	49	-
Marketable securities and derivatives	7.a	2,721,513	2,131,333	2,945,552	2,375,755
Own portfolio		1,232,193	727,913	1,455,548	972,231
Subject to guarantees		193,389	287,937	194,073	288,041
Subject to repurchase agreements		1,295,931	297,944	1,295,931	297,944
Linked to the BACEN		-	529,436	-	529,436
Derivatives		-	288,103	-	288,103
Interbank accounts		9,047	127,540	9,047	127,540
Credits - Deposits at the Brazilian Central Bank		5,507	101,569	5,507	101,569
Local correspondents		3,540	25,971	3,540	25,971
Credit operations	8	27,212,114	21,798,640	27,212,153	21,799,357
Credit operations		27,466,468	22,485,395	27,466,468	22,485,395
Securities and credits receivable		1,644,136	1,141,980	1,644,175	1,142,697
Provisions for expected losses - credit risk	8.c	(1,898,490)	(1,828,735)	(1,898,490)	(1,828,735)
Other financial assets	9	2,139,954	2,465,644	2,144,068	2,470,232
Taxes		3,920,474	3,667,471	4,095,561	3,839,695
Current		529,741	369,884	596,917	437,727
Deferred	32.b	3,390,733	3,297,587	3,498,644	3,401,968
Other assets		365,853	362,083	374,658	372,038
Other assets	11.a	315,152	364,659	322,900	373,676
Provision for impairment	11.a	(56,587)	(84,916)	(57,661)	(86,219)
Prepaid expenses	11.b	107,288	82,340	109,419	84,581
Investments		904,000	885,117	12,625	1,144
Investments in subsidiaries	12.a	891,375	883,973	-	-
Other investments	12.b	12,625	1,144	12,625	1,144
Property and equipment	13	23,360	28,628	23,360	28,628
Other property and equipment in use		82,320	80,456	82,320	80,456
Accumulated depreciation		(58,960)	(51,828)	(58,960)	(51,828)
Intangible assets:	14	93,419	179,580	96,919	185,224
Intangible assets		496,699	469,035	518,619	490,955
Accumulated amortization		(403,280)	(289,455)	(421,700)	(305,731)
Other assets	10	318,898	329,560	353,213	351,504
TOTAL ASSETS		38,963,426	33,219,831	38,523,948	32,798,131

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


BANCO PAN S.A. AND SUBSIDIARIES
BALANCE SHEET
AT DECEMBER 31, 2020 AND 2019

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

LIABILITIES AND EQUITY	Note	Bank		Consolidated	
		12/31/2020	12/31/2019	12/31/2020	12/31/2019
Financial instruments		30,445,809	25,674,597	29,823,754	25,069,661
Deposits	15.a	22,181,345	20,356,864	21,566,403	19,759,979
Demand deposits		76,092	26,614	76,056	26,574
Interbank deposits		9,011,115	8,629,103	8,747,715	8,365,928
Time deposits		13,094,138	11,701,147	12,742,632	11,367,477
Funds obtained in the open market	15.b	1,314,155	303,856	1,307,042	295,805
Own portfolio		1,314,155	303,856	1,307,042	295,805
Funds from acceptance and issuance of securities	15.c	5,346,049	1,868,324	5,346,049	1,868,324
Funds from financial and real estate bills		5,346,049	1,868,324	5,346,049	1,868,324
Interbank accounts	16	1,491,821	933,731	1,491,821	933,731
Receipts and payments pending settlement		1,380,060	796,912	1,380,060	796,912
Local correspondents		111,761	136,819	111,761	136,819
Derivatives	7.c	-	124,979	-	124,979
Other financial liabilities	17	112,439	2,086,843	112,439	2,086,843
Provisions	18	438,344	521,557	513,622	591,125
Tax obligations		439,986	341,494	536,768	441,713
Current	19	439,986	328,077	451,148	343,059
Deferred	32.b	-	13,417	85,620	98,654
Other liabilities		2,321,819	1,756,015	2,332,336	1,769,464
Social and statutory		325,131	265,988	325,131	266,277
Sundry	20	1,996,688	1,490,027	2,007,205	1,503,187
EQUITY	21	5,317,468	4,926,168	5,317,468	4,926,168
Share capital:		4,175,222	3,653,410	4,175,222	3,653,410
Domiciled in the country		3,606,057	3,261,355	3,606,057	3,261,355
Domiciled abroad		569,165	392,055	569,165	392,055
Capital increase		-	521,812	-	521,812
Capital reserve		207,322	207,322	207,322	207,322
Revenue reserve		958,655	557,982	958,655	557,982
Other comprehensive loss		(23,731)	(14,358)	(23,731)	(14,358)
TOTAL LIABILITIES		38,963,426	33,219,831	38,523,948	32,798,131

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

BANCO PAN S.A. AND SUBSIDIARIES
STATEMENT OF INCOME
SECOND HALF OF 2020 AND YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	Note	Bank			Consolidated	
		Second half of 2020	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Income from financial intermediation		4,699,312	9,591,118	8,148,467	9,597,475	8,190,959
Income from credit operations	8.g	4,689,242	9,278,765	8,117,738	9,283,593	8,124,178
Result from leasing operations	8.g	-	-	-	56	842
Result from operations with marketable securities	7.d	103,208	160,155	118,374	161,628	153,584
Derivative financial instruments	7.c	(93,588)	150,439	(101,386)	150,439	(101,386)
Foreign exchange operations, net gain		450	1,598	4,958	1,598	4,958
Compulsory investments - gain		-	161	8,783	161	8,783
Expenses on financial intermediation		(1,476,660)	(3,677,771)	(3,822,002)	(3,660,933)	(3,787,614)
Result from market funding operations	15.d	(781,566)	(2,246,381)	(2,259,476)	(2,229,543)	(2,225,116)
Provisions for expected losses - credit risk	8.c	(695,094)	(1,431,390)	(1,562,526)	(1,431,390)	(1,562,498)
Gross result on financial intermediation		3,222,652	5,913,347	4,326,465	5,936,542	4,403,345
Other operating income (expenses)		(2,736,701)	(5,016,733)	(4,092,012)	(5,048,582)	(4,013,013)
Income from services rendered	22	282,721	471,927	391,949	482,256	417,654
Equity in the results of subsidiaries	12.a	3,897	20,663	(110,225)	-	-
Personnel	23	(299,942)	(572,667)	(499,872)	(574,152)	(501,695)
Other administrative expenses	24	(1,673,129)	(2,889,331)	(2,136,084)	(2,907,683)	(2,164,654)
Tax	25	(169,993)	(293,620)	(213,185)	(297,545)	(222,775)
Expenses with provisions	26	(103,541)	(190,889)	(175,532)	(196,564)	(200,206)
Other operating expenses	27	(776,714)	(1,562,816)	(1,349,063)	(1,554,894)	(1,341,337)
Operating result		485,951	896,614	234,453	887,960	390,332
Non-operating income (expenses), net	28	30,634	28,785	(33,959)	49,737	(34,189)
Profit before taxation		516,585	925,399	200,494	937,697	356,143
Taxes on income	32.a	(175,466)	(269,830)	315,441	(282,128)	159,792
Income tax		(63,338)	(196,591)	(178,149)	(204,778)	(188,630)
Social contribution		(52,123)	(156,982)	(113,459)	(160,017)	(117,643)
Deferred tax		(60,005)	83,743	607,049	82,667	466,065
NET INCOME		341,119	655,569	515,935	655,569	515,935

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

Earnings per common share	0.26	0.54	0.44	-	-
Earnings per preferred share	0.26	0.54	0.44	-	-

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



BANCO PAN S.A. AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

SECOND HALF OF 2020 AND YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	Bank			Consolidated	
	Second half of 2020	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Profit	341,119	655,569	515,935	655,569	515,935
Items that will be reclassified to profit or loss					
Other comprehensive income (loss)	(4,502)	(9,373)	(6,250)	(9,373)	(6,250)
Unrealized gains / (losses) on financial assets	(586)	(785)	(83)	(785)	(83)
Unrealized gains / (losses) on other comprehensive income (loss)	(6,333)	(13,548)	(9,393)	(13,548)	(9,393)
Tax effect	2,417	4,960	3,226	4,960	3,226
COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	336,617	646,196	509,685	646,196	509,685
Attributable to:					
Controlling stockholders	336,617	646,196	509,685	646,196	509,685

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



BANCO PAN S.A.

**STATEMENT OF CHANGES IN PARENT COMPANY EQUITY
SECOND HALF OF 2020 AND YEARS ENDED DECEMBER 31, 2020 AND 2019**
(All amounts in thousands of reais - R\$)

(A free translation of the original in Portuguese)

	Share capital	Capital increase	Capital reserve	Revenue reserves		Other comprehensive income (loss)	Retained earnings	Total
				Legal	Equity preservation			
AT DECEMBER 31, 2018	3,653,410	-	207,322	19,991	223,304	(8,108)	-	4,095,919
Capital increase (Note 1.a)	-	521,812	-	-	-	-	-	521,812
Other comprehensive income (loss)	-	-	-	-	-	(6,250)	-	(6,250)
Net income for the year	-	-	-	-	-	-	515,935	515,935
Appropriations:								
Legal reserve	-	-	-	25,797	-	-	(25,797)	-
Transfer from retained earnings to revenue reserve	-	-	-	-	288,890	-	(288,890)	-
Distributions of interest on capital and dividends (Note 21.c)	-	-	-	-	-	-	(201,248)	(201,248)
AT DECEMBER 31, 2019	3,653,410	521,812	207,322	45,788	512,194	(14,358)	-	4,926,168
AT DECEMBER 31, 2019	3,653,410	521,812	207,322	45,788	512,194	(14,358)	-	4,926,168
Capital increase (Note 1.a)	521,812	(521,812)	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	(9,373)	-	(9,373)
Net income for the year	-	-	-	-	-	-	655,569	655,569
Appropriations:								
Legal reserve	-	-	-	32,778	-	-	(32,778)	-
Transfer from retained earnings to revenue reserve	-	-	-	-	367,895	-	(367,895)	-
Distributions of interest on capital and dividends (Note 21.c)	-	-	-	-	-	-	(254,896)	(254,896)
AT DECEMBER 31, 2020	4,175,222	-	207,322	78,566	880,089	(23,731)	-	5,317,468
AT JUNE 30, 2020	4,175,222	-	207,322	45,788	512,194	(19,229)	191,445	5,112,742
Other comprehensive income (loss)	-	-	-	-	-	(4,502)	-	(4,502)
Net income for the period	-	-	-	-	-	-	341,119	341,119
Appropriations:								
Legal reserve	-	-	-	32,778	-	-	(32,778)	-
Transfer from retained earnings to revenue reserve	-	-	-	-	367,895	-	(367,895)	-
Distributions of interest on capital and dividends (Note 21.c)	-	-	-	-	-	-	(131,891)	(131,891)
AT DECEMBER 31, 2020	4,175,222	-	207,322	78,566	880,089	(23,731)	-	5,317,468

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


BANCO PAN S.A. AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
SECOND HALF OF 2020 AND YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	Note	Bank			Consolidated	
		Second half of 2020	12/31/2020	12/31/2019	12/31/2020	12/31/2019
CASH FLOWS FROM OPERATING ACTIVITIES:						
NET INCOME		341,119	655,569	515,935	655,569	515,935
Non cash items not affecting net income:						
Effect of foreign exchange rate changes on cash and cash equivalents		(872)	(2,053)	(1,828)	(2,053)	(1,828)
Depreciation and amortization		73,787	105,474	41,978	105,516	42,021
24		11,965	23,930	23,930	25,053	25,053
Amortization of goodwill		103,541	190,889	175,532	196,564	200,206
18		690	2,691	3,855	7,211	4,242
Constitution of provision for civil, labor, and tax contingencies		(19,193)	(20,782)	(8,512)	(20,974)	(8,521)
18		(11,440)	(8,003)	42,471	(9,851)	42,710
Interest and indexation accruals on civil, labor and tax provisions		-	-	-	(18,912)	-
28		(3,897)	(20,663)	110,225	-	-
Equity in the results of subsidiaries	12.a	695,094	1,431,390	1,562,526	1,431,390	1,562,498
Provisions for expected losses - credit risk	8.c	60,005	(83,743)	(607,049)	(82,667)	(466,065)
Deferred income tax and social contribution						
Adjusted profit		1,250,799	2,274,699	1,859,063	2,286,846	1,916,251
Changes in assets and liabilities:						
Decrease (increase) in interbank deposits		-	12,795	(8,898)	12,746	(8,898)
(Increase) decrease in marketable securities		(74,883)	(9,402)	(44,982)	2,040	(61,882)
(Increase) decrease in derivatives		(4,044)	163,124	(59,087)	163,124	(59,087)
Decrease in interbank investments		557,667	676,583	82,056	676,583	82,056
(Increase) in credit operations		(5,099,310)	(6,857,992)	(4,352,898)	(6,857,314)	(4,352,604)
Decrease (increase) in other financial assets		149,924	339,403	(729,505)	339,877	(727,126)
(Increase) in other tax assets		(197,323)	(169,260)	(147,127)	(173,228)	(155,062)
Decrease in other credits		11,034	9,634	8,277	6,931	14,149
(Increase) in other assets		(67,562)	(109,251)	(166,466)	(106,032)	(166,246)
Increase in deposits		1,716,495	1,824,481	3,185,011	1,806,424	3,148,735
Increase in funds obtained in the open market		1,244,776	1,010,299	34,332	1,011,237	35,618
Increase in funds from acceptance and issuance of securities		60,722	106,956	104,269	106,956	104,269
(Decrease) increase in other financial liabilities		(37,041)	541,581	32,881	541,581	32,881
(Decrease) in provisions		(192,238)	(276,793)	(214,203)	(281,278)	(222,190)
Increase in tax obligations		267,914	529,268	455,787	536,823	473,235
Increase in other liabilities		318,100	512,156	688,982	509,224	688,440
Payment of income tax and social contribution		(196,358)	(430,776)	(158,683)	(441,768)	(171,002)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		(291,328)	147,505	568,809	140,772	571,537
CASH FLOW FROM INVESTING ACTIVITIES:						
(Increase) in available-for-sale marketable securities		(198,835)	(494,185)	(610,897)	(494,185)	(610,897)
Decrease in available-for-sale marketable securities		362,355	612,771	565,001	612,771	565,001
(Increase) in marketable securities held to maturity		(671,220)	(1,054,747)	(415,700)	(1,054,747)	(415,700)
Decrease in marketable securities held to maturity		39,860	66,848	364,082	66,848	364,082
Disposal of assets not for own use		85,254	142,810	213,106	142,810	213,149
Acquisition of investments		(18,697)	(19,026)	-	(19,026)	-
Purchase of property and equipment	13.b	(2,677)	(6,841)	(15,708)	(6,841)	(15,708)
Increase in intangible assets	14.b	(11,036)	(31,266)	(67,407)	(31,266)	(67,407)
Dividends received		3,896	3,896	3,332	-	-
Assignment of rights		-	-	-	9,799	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(411,100)	(779,740)	35,809	(773,837)	32,520
CASH FLOWS FROM FINANCING ACTIVITIES:						
Funds raised from acceptance and issue of securities		4,426,369	6,993,590	1,350,272	6,993,590	1,350,272
Redemption of funds from acceptance and issuance of securities		(3,354,661)	(3,622,821)	(836,178)	(3,622,821)	(836,178)
Issue of subordinated debt	17.b	-	-	8,000	-	8,000
Settlement/payment of subordinated debts		-	(2,515,985)	(348,571)	(2,515,985)	(348,571)
Capital increase	21.a	-	-	521,812	-	521,812
Dividends and interest on capital paid		-	(201,248)	(86,715)	(201,248)	(86,715)
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,071,708	653,536	608,620	653,536	608,620
NET INCREASE IN CASH AND CASH EQUIVALENTS		369,280	21,301	1,213,238	20,471	1,212,677
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	884,642	1,231,440	16,374	1,234,219	19,714
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		872	2,053	1,828	2,053	1,828
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	1,254,794	1,254,794	1,231,440	1,256,743	1,234,219
ADDITIONAL INFORMATION ON CASH FLOWS						
Interest paid		(1,997,507)	(3,126,208)	(2,141,766)	(3,105,028)	(2,130,288)
Interest received		4,265,455	8,385,822	8,241,468	8,394,322	8,249,231
Transfer of assets not for own use		23,309	22,068	1,890	22,068	1,890
Unrealized gains (losses) on securities available for sale		(6,919)	(14,333)	(9,476)	(14,333)	(9,476)

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


BANCO PAN S.A. AND SUBSIDIARIES
**STATEMENT OF VALUE ADDED
SECOND HALF OF 2020 AND YEARS ENDED DECEMBER 31, 2020 AND 2019**
(All amounts in thousands of reais - R\$)

	Note	Bank			Consolidated	
		Second half of 2020	12/31/2020	12/31/2019	12/31/2020	12/31/2019
INCOME		3,449,283	6,930,665	5,443,266	6,971,673	5,495,436
Financial intermediation		4,699,312	9,591,118	8,148,467	9,597,475	8,190,959
Services rendered	22	282,721	471,927	391,949	482,256	417,654
Provisions for expected losses - credit risk	8.c	(695,094)	(1,431,390)	(1,562,526)	(1,431,390)	(1,562,498)
Other operating expenses		(837,656)	(1,700,990)	(1,534,624)	(1,676,668)	(1,550,679)
EXPENSES ON FINANCIAL INTERMEDIATION	15.d	(781,566)	(2,246,381)	(2,259,476)	(2,229,543)	(2,225,116)
INPUTS ACQUIRED FROM THIRD PARTIES		(1,553,765)	(2,702,837)	(2,038,826)	(2,720,756)	(2,066,982)
Materials, energy, and other	24	(1,993)	(3,773)	(4,403)	(3,775)	(4,409)
Third-party services	24	(233,683)	(424,453)	(390,951)	(436,859)	(408,856)
Commissions payable to correspondent banks	24	(897,672)	(1,520,892)	(1,060,297)	(1,523,302)	(1,065,441)
Other		(420,417)	(753,719)	(583,175)	(756,820)	(588,276)
Data processing	24	(135,271)	(273,701)	(221,383)	(273,917)	(222,961)
Financial system services	24	(114,379)	(214,580)	(164,012)	(215,463)	(164,842)
Advertising, promotions, and publicity	24	(88,429)	(118,799)	(64,906)	(118,872)	(65,245)
Communication	24	(38,587)	(68,242)	(46,937)	(68,374)	(47,138)
Asset search and seizure expenses	24	(9,260)	(20,318)	(30,339)	(20,344)	(30,354)
Maintenance and conservation of property	24	(2,650)	(6,047)	(6,243)	(6,050)	(6,249)
Transport	24	(1,448)	(3,582)	(5,815)	(3,587)	(5,828)
Fees and emoluments	24	(1,079)	(2,331)	(3,941)	(2,896)	(4,624)
Travel	24	(316)	(1,724)	(6,773)	(1,726)	(6,779)
Others	24	(28,998)	(44,395)	(32,826)	(45,591)	(34,256)
GROSS VALUE ADDED		1,113,952	1,981,447	1,144,964	2,021,374	1,203,338
DEPRECIATION AND AMORTIZATION		(85,752)	(129,404)	(65,908)	(130,569)	(67,074)
NET VALUE ADDED GENERATED		1,028,200	1,852,043	1,079,056	1,890,805	1,136,264
VALUE ADDED RECEIVED IN TRANSFER	12.a	3,897	20,663	(110,225)	-	-
Equity in the results of subsidiaries		3,897	20,663	(110,225)	-	-
TOTAL VALUE ADDED TO BE DISTRIBUTED		1,032,097	1,872,706	968,831	1,890,805	1,136,264
DISTRIBUTION OF VALUE ADDED		1,032,097	1,872,706	968,831	1,890,805	1,136,264
Personnel		260,492	498,604	434,071	499,887	435,662
Direct remuneration	23	203,556	384,025	331,309	384,947	332,525
Benefits	23	40,264	81,895	74,325	82,155	74,627
FGTS		12,298	24,533	21,872	24,634	21,945
Other	23	4,374	8,151	6,565	8,151	6,565
Taxes, fees, and contributions		384,909	637,513	(36,455)	653,938	129,016
Federal		372,603	616,339	(54,631)	631,850	108,120
State		-	5	15	134	14
Municipal		12,306	21,169	18,161	21,954	20,882
Remuneration of third-party capital	24	45,577	81,020	55,280	81,411	55,651
Rentals		45,577	81,020	55,280	81,411	55,651
Remuneration of own capital		341,119	655,569	515,935	655,569	515,935
Interest on capital	21.c	131,891	254,896	201,248	254,896	201,248
Retained earnings		209,228	400,673	314,687	400,673	314,687

The accompanying notes are an integral part of these 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 of society in Brazil. 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 (both transferring and substantially retaining the 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".

Pursuant to a stockholders' agreement, Banco PAN is jointly controlled by Banco BTG Pactual S.A. ("BTG Pactual") and Caixa Participações S.A. - CAIXAPAR ("CAIXAPAR"), a wholly-owned subsidiary of Caixa Econômica Federal (Federal Savings and Loans Bank).

At 12/31/2020, PAN's capital was distributed as follows:

Stockholders	Shareholding structure (thousands of shares)					
	Common	%	Preferred	%	Total	%
BTG Pactual	334,131	50.8	206,371	37.7	540,502	44.9
CAIXAPAR	323,430	49.2	-	-	323,430	26.8
Market	-	-	341,124	62.3	341,124	28.3
Total	657,561	100.0	547,495	100.0	1,205,056	100.0

a) Corporate events

The capital increase resulting from the Primary Offering, carried out by Banco PAN in September 2019, was approved by BACEN on 1/14/2020, and the Bank's capital currently amounts to R\$ 4,175,222,121.46, represented by 1,205,056 thousand shares.

On 08/12/2020 and 08/20/2020, Banco PAN communicated to the market advising of its secondary public offering, with restricted placement efforts, pursuant to CVM Instruction 476, of 89,599,665 registered preferred shares, all book-entry, without par value, and free and clear of any liens or encumbrances issued by Banco PAN and exclusively owned by CAIXAPAR ("Selling Shareholder"). The transaction was approved by the Board of Directors of the Selling Shareholder on 08/27/2020, at a price per share of R\$ 8.30, resulting in a total amount of R\$ 743,677,219.50. On 09/03/2020, CAIXAPAR informed Banco PAN that it sold all of its preferred shares, corresponding to 89,599,665 shares issued by the Company, also informing that said sale does not change its position of common shares issued by the Bank and, thus, there was no change in

the composition of the control or in the administrative structure of the Company, and there was no change in the Company's Shareholders' Agreement in force.

2) Presentation of the financial statements

The financial statements of Banco PAN is presented together with the financial statements of the Bank and its subsidiaries ("Consolidated"), and have been prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by 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) and the changes introduced by Laws 11,638/07 and 11,941/09, for the recording of transactions, associated with the standards and instructions established by BACEN, and the Resolutions of the National Monetary Council (CMN), and the Brazilian Securities Commission (CVM), where applicable.

a) Consolidation:

The parent company and consolidated financial statements of Banco PAN were authorized for issue by the Board of Directors on 1/25/2021 and by the Executive Board on 2/2/2021.

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

Direct subsidiaries	Total equity interest %	
	12/31/2020	12/31/2019
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

b) Reclassification of financial statement items:

The Bank, in compliance with BACEN standards - Resolution 4,720, of 5/30/2019, and Resolution 2, of 8/12/2020, is presenting asset and liability accounts in the balance sheet according to their liquidity and payment, therefore, the Bank presents in the explanatory notes the amount expected to be realized or settled in up to 12 months and for longer periods for each item presented in assets or liabilities.

The consolidated balance sheet and income statement reclassifications for the base date 12/31/2019 are as below:

- Consolidated statement of income

	AS ORIGINALLY PRESENTED		AS CURRENTLY PRESENTED	
		12/31/2019	Reclassifications	12/31/2019
Other administrative expenses (a)		(2,164,636)	(18)	(2,164,654)
Expenses with provisions (b)		-	(200,206)	(200,206)
Other operating income (expenses) (c)		(1,541,561)	200,224	(1,341,337)

(a) Originally presented in Other operating expenses, reclassified to Other administrative expenses;

(b) Originally presented in Other operating expenses, and reclassified to Provisions; and

(c) Considers all allocations of items (a) and (b).

The earnings per share of Banco PAN has also been updated upon adoption of the standards. At 12/31/2019, the earnings per share disclosed was R\$ 0.44.

- **Consolidated assets**

AS ORIGINALLY PRESENTED		AS CURRENTLY PRESENTED	
Previously presented as	12/31/2019	12/31/2019	Current presentation
Allowance for doubtful accounts	(1,828,735)	(1,828,735)	Provisions for expected losses - credit risk
Income receivable	1,874	1,874	Other assets
Negotiation and intermediation of receivables	3,066	3,066	Other financial assets
Real estate receivables	4,588	4,588	Other financial assets
Sundry	2,462,578	2,462,578	Other financial assets
Sundry	3,839,695	3,839,695	Taxes
Sundry	349,630	349,630	Other assets

- **Consolidated liabilities**

AS ORIGINALLY PRESENTED		AS CURRENTLY PRESENTED	
Previously presented as	12/31/2019	12/31/2019	Current presentation
Interdependent accounts	247	247	Sundry
Collection of taxes and similar charges	7,176	7,176	Sundry
Taxes and social security	441,713	441,713	Tax obligations
Negotiation and intermediation of receivables	20,481	20,481	Sundry
Subordinated debts	1,885,320	1,885,320	Other financial liabilities
Sundry	201,523	201,523	Other financial liabilities
Sundry	591,125	591,125	Provisions
Results of future periods	2	2	Sundry

3) Significant Accounting Practices

a) Functional and presentation currency

The parent company and consolidated 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 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 the result for the year;
- 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 the result for the year 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 results for the year.

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 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 the result for the year.

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) Credit 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 to the 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 credit 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 they are written-off against the existing allowance and 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 credit operation or when relevant new facts justify a change in risk level, the operation can be reclassified to a lower risk category.

The provision for expected losses associated to the 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 credit risk.

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

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

From January 1, 2012, 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 year.

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 the result for the year 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 year over the remaining term of the transaction.

i) Other assets:

Other assets are comprised mainly of assets not for own use and prepaid expenses. Assets not for own use comprise repossessed assets or assets received in lieu of payment, which are available for sale, and which are adjusted through a valuation allowance, where applicable, calculated based on the historical losses on the sale of repossessed assets. 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 correspond 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.

Property and equipment acquired from January 1, 2017 are stated in conformity with Resolution 4,535/16.

l) Intangible assets:

Intangible assets correspond 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 intangible assets acquired as from January 1, 2017 are stated in conformity with Resolution 4,534/16.

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 the result for the year 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 generation of profit, up to the limit of 30% of taxable income for the base period. 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 amounts of the liabilities and consider, where applicable, the charges payable up to the balance sheet date, recognized on a daily pro rata basis.

p) Specific accounting policies of the consortium segment:

The management fee is recorded 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 to be returned to the members of the discontinued consortium groups, including remuneration equal to that generated by their quotas in the investment funds in which the active groups hold investments.

q) Provisions, contingent assets and liabilities and legal obligations (taxes 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, which established, among other things:

- Contingent assets - not recorded in the financial statements, except when there is evidence that their realization is guaranteed.
- Provisions - recorded in the financial statements when, based on the opinion of the Bank's management under advice of the legal counsel, the risk of losing an administrative or legal action is considered to be probable, and whenever the amounts involved can be reliably measured.
- Contingent liabilities do not meet the recognition criteria, because they are considered as possible losses and, therefore, are only disclosed in the notes to the financial statements, when significant. Those classified as remote losses 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 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, will be reintegrated to the common

equity of the securitization company when the lien is released, and the related mortgage-backed and agribusiness securities are settled.

s) Earnings (loss) per share:

Basic earnings (loss) 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 financial statement dates.

t) Use of accounting estimates:

The preparation of 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 assets not for own use; (v) impairment of non-financial assets; and (vi) estimated fair value of specific financial instruments and; (vii) expected losses associated to the 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 12/12/2020, PAN classifies recurring and non-recurring results, in notes to financial statements, according to the accounting policy approved by the board, which is based on the segregation of the non-recurring events that occurred and contributed to the results, which are not related or are incidentally related to typical PAN activities.

v) Events after the reporting period:

Events which have occurred between the reporting date of the 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 financial statements; and
- ii. events that do not require adjustment, related to conditions which did not exist at the reporting date of the financial statements.

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

a) Consolidated Balance Sheet:

Assets	Financial (1)	Consortium (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Cash and cash equivalents	2,905	19	1,950	12	(32)	4,854
Interbank investments	1,251,889	7,161	-	-	(7,112)	1,251,938
Marketable securities and derivatives	2,721,513	60,562	154,117	360,866	(351,506)	2,945,552
Interbank investments	9,047	-	-	-	-	9,047
Loan operations (6)	27,212,113	-	40	-	-	27,212,153
Other financial assets	2,139,954	-	4,114	-	-	2,144,068
Taxes	3,984,622	9,110	51,841	49,988	-	4,095,561
Other assets	367,824	173	6,657	4	-	374,658
Investments	702,468	-	-	-	(689,843)	12,625
Property and equipment	23,360	-	-	-	-	23,360
Intangible assets	94,968	172	629	1,150	-	96,919
Other assets	331,960	18,213	6,463	2,606	(6,029)	353,213
Total at 12/31/2020	38,842,623	95,410	225,811	414,626	(1,054,522)	38,523,948
Total at 12/31/2019	33,092,903	73,744	227,983	428,618	(1,025,117)	32,798,131

Liabilities	Financial (1)	Consortium (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Deposits	21,917,941	-	-	-	(351,538)	21,566,403
Funds obtained in the open market	1,314,154	-	-	-	(7,112)	1,307,042
Funds from issuance of securities	5,346,049	-	-	-	-	5,346,049
Interbank investments	1,491,821	-	-	-	-	1,491,821
Other financial liabilities	112,439	-	-	-	-	112,439
Provisions	502,153	3,919	2,973	4,577	-	513,622
Tax obligations	518,512	7,213	5,058	5,985	-	536,768
Other liabilities	2,322,086	9,380	3,439	3,460	(6,029)	2,332,336
Equity	5,317,468	74,898	214,341	400,604	(689,843)	5,317,468
Total at 12/31/2020	38,842,623	95,410	225,811	414,626	(1,054,522)	38,523,948
Total at 12/31/2019	33,092,903	73,744	227,983	428,618	(1,025,117)	32,798,131

b) Consolidated statement of income

	Financial (1)	Consortium (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Income from financial intermediation	9,591,173	1,741	4,357	9,854	(9,650)	9,597,475
Expenses on financial intermediation	(3,670,583)	-	-	-	9,650	(3,660,933)
Gross result	5,920,590	1,741	4,357	9,854	-	5,936,542
Other operating income (expenses)	(5,025,108)	7,414	(2,740)	(1,936)	(26,212)	(5,048,582)
Non-operating results	28,809	21,017	(89)	-	-	49,737
Taxes on income	(268,722)	(10,252)	(486)	(2,668)	-	(282,128)
Total at 12/31/2020	655,569	19,920	1,042	5,250	(26,212)	655,569
Total at 12/31/2019	515,935	6,269	4,251	28,503	(39,023)	515,935

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

(2) Represented by Pan Administradora de Consórcio Ltda.

(3) Represented by Brazilian Securities Companhia de Securitização.

(4) Represented by BM Sua Casa Promotora de Vendas Ltda. and Brazilian Finance & Real Estate S.A.;

(5) Eliminations between companies in different segments.

(6) Amounts net of the provision for expected losses associated to the credit risk.

c) Consolidated Statement of Recurring Income:

	Accounting Result	Non-recurring Events	Recurring Income
Income from financial intermediation	9,597,475	-	9,597,475
Expenses on financial intermediation	(3,660,933)	-	(3,660,933)
Gross result	5,936,542	-	5,936,542
Other operating income (expenses)	(5,048,582)	-	(5,048,582)
Non-operating income, net (1)	49,737	18,912	30,825
Taxes on income	(282,128)	(6,430)	(275,698)
Result at 12/31/2020	655,569	12,482	643,087

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

5) Cash and Cash Equivalents

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Funds in local currency	201	225	2,150	3,004
Funds in foreign currency	2,704	1,216	2,704	1,216
Subtotal (cash)	2,905	1,441	4,854	4,220
Interbank investments (1)	1,251,889	1,229,999	1,251,889	1,229,999
Total	1,254,794	1,231,440	1,256,743	1,234,219

(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	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	12/31/2020	12/31/2019
Investments in the open market:	1,251,889	-	-	-	1,251,889	1,229,999
Own portfolio position	1,251,889	-	-	-	1,251,889	1,229,999
Financial Treasury Bills (LFT)	1,249,990	-	-	-	1,249,990	594,904
National Treasury Bills - LTN	1,899	-	-	-	1,899	635,095
Investments in interbank deposits	-	-	-	-	-	12,795
Total at 12/31/2020	1,251,889	-	-	-	1,251,889	-
Total at 12/31/2019	1,229,999	-	12,795	-	-	1,242,794

Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	12/31/2020	12/31/2019
Investments in the open market:	1,251,889	-	-	-	1,251,889	1,229,999
Own portfolio position	1,251,889	-	-	-	1,251,889	1,229,999
Financial Treasury Bills (LFT)	1,249,990	-	-	-	1,249,990	594,904
National Treasury Bills (LTN)	1,899	-	-	-	1,899	635,095
Investments interbank deposits	-	-	-	-	-	12,795
Investments in savings deposits	49	-	-	-	49	-
Total at 12/31/2020	1,251,938	-	-	-	1,251,938	-
Total at 12/31/2019	1,229,999	-	12,795	-	-	1,242,794

b) Income from interbank investments:

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

Bank and Consolidated	12/31/2020	12/31/2019
Income from investments in purchase and sale transactions:	35,648	19,057
Own portfolio position	35,648	18,979
Third-party portfolio position	-	78
Income from interbank deposits	24	253
Total (Note 7.d)	35,672	19,310

7) Marketable securities and derivatives
a) Composition of portfolio:

The portfolio of marketable securities and derivatives at 12/31/2020 and 12/31/2019, by type of security, was comprised as follows:

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Marketable securities	2,721,513	1,843,230	2,945,552	2,087,652
Own portfolio:	1,232,193	727,913	1,455,548	972,231
National Treasury Notes (NTN)	686,952	550,051	686,952	550,051
Financial Treasury Bills (LFT)	544,907	177,520	544,907	177,520
Social Development Fund (FDS)	334	342	334	342
Mortgage-backed securities (CRI)	-	-	223,355	244,318
Subject to guarantees:	193,389	287,937	194,073	288,041
Financial Treasury Bills (LFT)	193,389	287,937	193,389	287,937
Bank Deposit Certificates (CDB)	-	-	684	104
Subject to repurchase agreements:	1,295,931	297,944	1,295,931	297,944
National Treasury Notes (NTN)	1,137,705	190,818	1,137,705	190,818
Financial Treasury Bills (LFT)	158,226	107,126	158,226	107,126
Linked to BACEN:	-	529,436	-	529,436
Financial Treasury Bills (LFT) (1)	-	529,436	-	529,436
Derivative financial instruments	-	288,103	-	288,103
Difference receivable on swaps (Note 7.c)	-	288,103	-	288,103
Total	2,721,513	2,131,333	2,945,552	2,375,755

(1) Amount linked to BACEN, resulting from the Bank's capital increase approved by its Board of Directors on September 19, 2019 and by BACEN on January 14, 2020.

b) Composition by category and term:

Bank	12/31/2020								12/31/2019	
	Current		Non-current			Net book value (1) (2) (3)	Adjusted cost	Mark-to-market adjustment	Net book value (1) (2) (3)	Mark-to-market adjustment
	No stated maturity	Up to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years					
Trading securities	-	7,229	208,642	38,516	-	254,387	254,956	(569)	359,782	(39)
Financial Treasury Bills (LFT)	-	7,229	208,642	38,516	-	254,387	254,956	(569)	359,782	(39)
Available-for-sale securities	-	276,320	344,466	12,674	8,674	642,134	642,917	(783)	742,237	3
Financial Treasury Bills (LFT)	-	276,320	344,466	12,674	8,674	642,134	642,917	(783)	742,237	3
Securities held to maturity:	334	485,186	661,180	235,165	443,127	1,824,992	1,824,992	-	741,211	-
National Treasury Notes (NTN)	-	485,186	661,180	235,165	443,127	1,824,658	1,824,658	-	740,869	-
Social Development Fund (FDS)	334	-	-	-	-	334	334	-	342	-
Total	334	768,735	1,214,288	286,355	451,801	2,721,513	2,722,865	(1,352)	1,843,230	(36)

Consolidated	12/31/2020								12/31/2019	
	Current		Non-current			Net book value (1) (1)(2)(3)	Adjusted cost	Mark-to-market adjustment	Net book value (1) (2) (3)	Mark-to-market adjustment
	No stated maturity	Up to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years					
Trading securities	-	7,229	208,642	38,516	-	254,387	254,956	(569)	359,782	(39)
Financial Treasury Bills (LFT)	-	7,229	208,642	38,516	-	254,387	254,956	(569)	359,782	(39)
Available-for-sale securities	-	298,253	546,572	12,674	8,674	866,173	902,260	(36,087)	986,659	(21,754)
Financial Treasury Bills (LFT)	-	276,320	344,466	12,674	8,674	642,134	642,917	(783)	742,237	3
Mortgage-backed securities (CRI)	-	21,511	201,844	-	-	223,355	258,659	(35,304)	244,318	(21,757)
Bank Deposit Certificates (CDB)	-	422	262	-	-	684	684	-	104	-
Securities held to maturity:	334	485,186	661,180	235,165	443,127	1,824,992	1,824,992	-	741,211	-
National Treasury Notes (NTN)	-	485,186	661,180	235,165	443,127	1,824,658	1,824,658	-	740,869	-
Social Development Fund (FDS)	334	-	-	-	-	334	334	-	342	-
Total	334	790,668	1,416,394	286,355	451,801	2,945,552	2,982,208	(36,656)	2,087,652	(21,793)

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

(2) This column presents the carrying amount subsequent to the mark-to-market adjustment, in accordance with item (2), except for the securities classified as held to maturity, whose market value was higher than the adjusted cost by R\$ 51,857 (12/31/2019 - higher by R\$ 41,832). In order to comply with Article 8 of BACEN Circular 3,068/2001, 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 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 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 credit operations as well as from foreign exchange exposure from offshore operations.

Derivative instruments are used based on two strategies: trading portfolio (negotiation) and banking portfolio (non-negotiation). The trading portfolio includes derivatives that are used to guiding strategies, to dispute resolution efforts, 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 year.

The fair values of derivative financial instruments and their respective hedged items are determined based on available market information, mainly the prices and rates released 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) stated at inflation-indexed cost, marked to market, and carrying amount, by period:

Bank and Consolidated	Adjusted cost	Carrying amount	Current Up to 30 days	Total - 12/31/2020	Total - 12/31/2019
Asset position:	-	-	-	-	288,103
Swap	-	-	-	-	288,103
Liability position	-	-	-	-	(124,979)
Swap	-	-	-	-	(124,979)
Subtotal	-	-	-	-	163,124
Futures (a)	(6,867)	(6,867)	(6,867)	(6,867)	(5,538)
Asset position	2,394	2,394	2,394	2,394	3,066
Liability position	(9,261)	(9,261)	(9,261)	(9,261)	(8,604)
Total	(6,867)	(6,867)	(6,867)	(6,867)	157,586

(a) Recorded as negotiation and intermediation of securities.

ii) Derivative financial instruments by index:

Bank and Consolidated	12/31/2020		12/31/2019		
	Notional value	Notional value	Adjusted cost	Mark-to-market	Carrying amount
Swap contracts					
Asset position:	-	470,910	281,679	6,424	288,103
Foreign currency	-	470,910	281,679	6,424	288,103
Liability position	-	2,225,560	(117,033)	(7,946)	(124,979)
Interbank market	-	678,355	(20,306)	(2,137)	(22,443)
Fixed rate	-	1,547,205	(96,727)	(5,809)	(102,536)
Futures					
Purchase Commitments:	1,319,785	1,397,077	-	-	-
Interbank market	1,216,512	1,315,611	-	-	-
Other	103,273	81,466	-	-	-
Sale Commitments:	20,268,647	13,127,996	-	-	-
Interbank market	20,162,784	13,042,503	-	-	-
Foreign currency	2,590	4,027	-	-	-
Other	103,273	81,466	-	-	-
Total	21,588,432	17,221,543	164,646	(1,522)	163,124

iii) Composition by maturity (notional value):

Bank and Consolidated	Up to 30 days	31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	12/31/2020	12/31/2019
Swap	-	-	-	-	-	-	2,696,470
U.S. dollar x CDI	-	-	-	-	-	-	1,149,265
CDI x Fixed rate	-	-	-	-	-	-	1,547,205
Futures	1,832,660	2,590	3,459,173	4,200,448	12,093,561	21,588,432	14,525,073
DDI	103,918	-	-	-	102,628	206,546	162,932
DI	1,728,742	-	3,459,173	4,200,448	11,990,933	21,379,296	14,358,114
U.S. dollar	-	2,590	-	-	-	2,590	4,027
Total	1,832,660	2,590	3,459,173	4,200,448	12,093,561	21,588,432	17,221,543

iv) Place of negotiation and counterparties:

Bank and Consolidated	12/31/2020	12/31/2019
B3 S.A. (over-the-counter)	-	2,696,470
B3 S.A. (Exchange)	21,588,432	14,525,073
Total	21,588,432	17,221,543

Counterparties: At 12/31/2020, the counterparty is B3 S.A. (B3 S.A. 84.34% and Financial Institutions 15.66%. at 12/31/2019).

v) Margins provided as guarantee for derivative financial instruments:

Public securities	Bank and Consolidated	
	12/31/2020	12/31/2019
Financial Treasury Bills (1)	96,724	205,344
Financial Treasury Bills (2)	-	524
Total	96,724	205,868

(1) B3 S.A. securities offered as guarantee; and
(2) Securities offered as guarantee - swaps.

vi) Accounting Hedge - market value

Bank and Consolidated	12/31/2020	12/31/2019
Financial Instruments		
Asset position	1,933,206	2,867,671
Futures DI1 B3 S.A. Fixed rate - Brazilian Reais (1)	1,933,206	958,981
Swap - U.S. dollar (2)	-	1,908,690
Liability position	(18,633,887)	(15,216,800)
Futures DI1 B3 S.A. - Fixed Rate - Brazilian Reais (3)	(18,633,887)	(15,216,800)
Hedged item		
Asset position	17,214,182	11,787,028
Credit operations (3)	17,214,182	11,787,028
Liability position	(1,904,951)	(2,796,880)
Time deposit certificates (1)	(1,904,951)	(920,015)
Subordinated debt abroad (2)	-	(1,876,865)

(1) Used as protection against the fixed interest risk of long-term deposit certificates; (Note 15)
(2) Used to hedge funding operation abroad; (Note 17.b) and
(3) This hedged item includes the following retail credit operations: Payroll-deductible loans and Vehicles. (Note 8)

vii) Result with derivative financial instruments:

Bank and Consolidated	12/31/2020			12/31/2019		
	Revenue	Expense	Net	Revenue	Expense	Net
Swap	1,041,358	(439,235)	602,123	855,530	(783,165)	72,365
Options	-	-	-	1,722	(1,297)	425
Futures	2,635,730	(3,087,414)	(451,684)	1,221,305	(1,395,481)	(174,176)
Total	3,677,088	(3,526,649)	150,439	2,078,557	(2,179,943)	(101,386)

d) Result of operations with marketable securities

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Fixed-income securities	124,483	99,064	125,956	134,274
Interbank investments (Note 6.b)	35,672	19,310	35,672	19,310
Total	160,155	118,374	161,628	153,584

8) Credit operations
a) Composition of the portfolio by type of operation:

	Bank				Consolidated			
	12/31/2020		12/31/2019		12/31/2020		12/31/2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Payroll-deductible loans (1)	11,535,216	39.90	9,468,073	40.34	11,535,216	39.91	9,468,073	40.34
Vehicles (1)	11,139,940	38.54	8,853,900	37.72	11,139,940	38.54	8,853,900	37.72
Financing - credit cards (2)	2,364,148	8.18	2,045,591	8.72	2,364,148	8.18	2,045,591	8.72
Bank overdrafts	1,475,084	5.10	1,058,643	4.51	1,475,084	5.10	1,058,643	4.51
Loans with real estate guarantees	248,186	0.86	300,444	1.28	248,186	0.86	300,444	1.28
Working capital	53,638	0.19	143,760	0.61	53,638	0.18	143,760	0.61
Credits linked to the assignment of loans (3)	87,568	0.30	157,729	0.67	87,568	0.30	157,729	0.67
Housing financing	120,172	0.42	136,993	0.58	120,172	0.42	136,993	0.58
Export financing	5,316	0.02	46,402	0.20	5,316	0.02	46,402	0.20
Renegotiated loans	156,409	0.54	110,403	0.47	156,409	0.54	110,403	0.47
Housing financing	4,004	0.01	7,303	0.03	4,004	0.01	7,303	0.03
Personal credit	70,698	0.24	1	-	70,698	0.24	1	-
Overdraft facility	2,917	0.01	25	-	2,917	0.01	25	-
Total credit operations	27,263,296	94.31	22,329,267	95.13	27,263,296	94.31	22,329,267	95.13
Other receivables (4)	1,644,136	5.69	1,141,980	4.87	1,644,175	5.69	1,142,697	4.87
Subtotal	28,907,432	100.00	23,471,247	100.00	28,907,471	100.00	23,471,964	100.00
(+/-) Adjustment to market value (1)	203,172	-	156,128	-	203,172	-	156,128	-
Total	29,110,604	-	23,627,375	-	29,110,643	-	23,628,092	-
Current	13,132,320		10,935,013		13,132,359		10,935,730	
Non-current	15,978,284		12,692,362		15,978,284		12,692,362	

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

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

(3) Payroll-linked credit 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 - 12/31/2020	Total - 12/31/2019
Falling due	1,239,223	444,773	420,042	202,635	163,771	104,816	83,039	621,280	3,279,579	3,315,320
01 to 30	52,285	22,538	20,910	10,281	7,296	4,892	3,954	24,311	146,467	142,417
31 to 60	50,860	22,608	20,948	10,176	7,373	4,942	3,978	24,601	145,486	138,655
61 to 90	49,396	20,277	19,163	9,503	6,686	4,484	3,631	22,619	135,759	136,945
91 to 180	136,496	58,594	53,509	26,180	18,919	12,683	10,248	64,413	381,042	380,609
181 to 365	235,688	98,985	90,463	43,967	32,409	21,735	17,624	112,288	653,159	646,132
Over 365	714,498	221,771	215,049	102,528	91,088	56,080	43,604	373,048	1,817,666	1,870,562
Past due in days	99,717	184,699	93,487	71,181	66,486	73,565	55,798	647,394	1,292,327	1,133,465
01 to 14	91,033	3,693	13,676	10,984	8,669	7,667	8,131	24,170	168,023	107,802
15 to 30	8,684	177,242	11,918	5,826	5,115	3,326	2,891	16,515	231,517	180,382
31 to 60	-	3,764	62,489	11,597	8,269	5,744	4,693	27,031	123,587	109,173
61 to 90	-	-	3,834	37,953	8,329	5,535	4,573	27,335	87,559	80,116
91 to 180	-	-	1,570	4,821	32,524	46,754	30,995	89,000	205,664	210,931
181 to 365	-	-	-	-	3,580	4,539	4,515	306,955	319,589	224,631
Over 365	-	-	-	-	-	-	-	156,388	156,388	220,430
Subtotal	1,338,940	629,472	513,529	273,816	230,257	178,381	138,837	1,268,674	4,571,906	4,448,785
Allowance required	6,694	6,295	15,406	27,382	69,077	89,191	97,186	1,268,673	1,579,904	1,530,907

Bank	Risk Levels									
	Operations in course - Normal									
	A	B	C	D	E	F	G	H	Total - 12/31/2020	Total - 12/31/2019
Falling due	24,045,151	39,049	31,037	12,035	8,864	7,523	8,176	183,691	24,335,526	19,022,462
01 to 30	2,969,906	11,753	6,097	1,527	959	716	572	16,324	3,007,854	2,521,108
31 to 60	835,481	3,460	2,585	1,086	705	524	480	4,141	848,462	669,997
61 to 90	775,200	2,882	2,134	916	593	461	431	3,704	786,321	625,755
91 to 180	2,070,008	5,601	4,525	1,949	1,352	1,075	1,064	20,661	2,106,235	1,667,801
181 to 365	3,385,603	5,879	5,235	2,338	1,754	1,577	1,701	21,949	3,426,036	2,716,001
Over 365	14,008,953	9,474	10,461	4,219	3,501	3,170	3,928	116,912	14,160,618	10,821,800
Subtotal	24,045,151	39,049	31,037	12,035	8,864	7,523	8,176	183,691	24,335,526	19,022,462
Allowance required	120,227	390	931	1,203	2,659	3,761	5,723	183,692	318,586	297,827
Total (1)	25,384,091	668,521	544,566	285,851	239,121	185,904	147,013	1,452,365	28,907,432	23,471,247
Total Allowance	126,921	6,685	16,337	28,585	71,736	92,952	102,909	1,452,365	1,898,490	1,828,735

Consolidated	Risk Levels									
	Operations in course - Abnormal									
	A	B	C	D	E	F	G	H	Total - 12/31/2020	Total - 12/31/2019
Falling due	1,239,223	444,773	420,042	202,635	163,771	104,816	83,039	621,280	3,279,579	3,315,320
01 to 30	52,285	22,538	20,910	10,281	7,296	4,892	3,954	24,311	146,467	142,417
31 to 60	50,860	22,608	20,948	10,176	7,373	4,942	3,978	24,601	145,486	138,655
61 to 90	49,396	20,277	19,163	9,503	6,686	4,484	3,631	22,619	135,759	136,945
91 to 180	136,496	58,594	53,509	26,180	18,919	12,683	10,248	64,413	381,042	380,609
181 to 365	235,688	98,985	90,463	43,967	32,409	21,735	17,624	112,288	653,159	646,132
Over 365	714,498	221,771	215,049	102,528	91,088	56,080	43,604	373,048	1,817,666	1,870,562
Past due in days	99,717	184,699	93,487	71,181	66,486	73,565	55,798	647,394	1,292,327	1,133,465
01 to 14	91,033	3,693	13,676	10,984	8,669	7,667	8,131	24,170	168,023	107,802
15 to 30	8,684	177,242	11,918	5,826	5,115	3,326	2,891	16,515	231,517	180,382
31 to 60	-	3,764	62,489	11,597	8,269	5,744	4,693	27,031	123,587	109,173
61 to 90	-	-	3,834	37,953	8,329	5,535	4,573	27,335	87,559	80,116
91 to 180	-	-	1,570	4,821	32,524	46,754	30,995	89,000	205,664	210,931
181 to 365	-	-	-	-	3,580	4,539	4,515	306,955	319,589	224,631
Over 365	-	-	-	-	-	-	-	156,388	156,388	220,430
Subtotal	1,338,940	629,472	513,529	273,816	230,257	178,381	138,837	1,268,674	4,571,906	4,448,785
Allowance required	6,694	6,295	15,406	27,382	69,077	89,191	97,186	1,268,673	1,579,904	1,530,907

Consolidated	Risk Levels									
	Operations in course - Normal									
	A	B	C	D	E	F	G	H	Total - 12/31/2020	Total - 12/31/2019
Falling due	24,045,190	39,049	31,037	12,035	8,864	7,523	8,176	183,691	24,335,565	19,023,179
01 to 30	2,969,946	11,753	6,097	1,527	959	716	572	16,324	3,007,894	2,521,825
31 to 60	835,481	3,460	2,585	1,086	705	524	480	4,141	848,462	669,997
61 to 90	775,200	2,882	2,134	916	593	461	431	3,704	786,321	625,755
91 to 180	2,070,008	5,601	4,525	1,949	1,352	1,075	1,064	20,661	2,106,235	1,667,801
181 to 365	3,385,602	5,879	5,235	2,338	1,754	1,577	1,701	21,949	3,426,035	2,716,001
Over 365	14,008,953	9,474	10,461	4,219	3,501	3,170	3,928	116,912	14,160,618	10,821,800
Subtotal	24,045,190	39,049	31,037	12,035	8,864	7,523	8,176	183,691	24,335,565	19,023,179
Allowance required	120,227	390	931	1,203	2,659	3,761	5,723	183,692	318,586	297,828
Total (1)	25,384,130	668,521	544,566	285,851	239,121	185,904	147,013	1,452,365	28,907,471	23,471,964
Total Allowance	126,921	6,685	16,337	28,585	71,736	92,952	102,909	1,452,365	1,898,490	1,828,735

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

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

Bank	12/31/2020			12/31/2019		
	Credit operations	Other (1)	Total	Credit operations	Other (1)	Total
Opening balance	1,828,735	67,984	1,896,719	1,331,624	100,931	1,432,555
Constitution/reversal of provision	1,444,518	(13,128)	1,431,390	1,595,473	(32,947)	1,562,526
Write-off against allowance	(1,374,763)	-	(1,374,763)	(1,098,362)	-	(1,098,362)
At the end of the period	1,898,490	54,856	1,953,346	1,828,735	67,984	1,896,719
Current	1,223,882	54,856	1,278,738	1,154,668	67,984	1,222,652
Non-current	674,608	-	674,608	674,067	-	674,067
Credit recoveries (2)	281,652	-	281,652	233,061	-	233,061
Effect on results (3)	(1,162,866)	13,128	(1,149,738)	(1,362,412)	32,947	(1,329,465)

Consolidated	12/31/2020			12/31/2019		
	Credit operations	Other (1)	Total	Credit operations	Other (1)	Total
Opening balance	1,828,735	67,984	1,896,719	1,331,653	100,931	1,432,584
Constitution/reversal of provision	1,444,518	(13,128)	1,431,390	1,595,445	(32,947)	1,562,498
Write-off against allowance	(1,374,763)	-	(1,374,763)	(1,098,363)	-	(1,098,363)
At the end of the period	1,898,490	54,856	1,953,346	1,828,735	67,984	1,896,719
Current	1,223,882	54,856	1,278,738	1,154,668	67,984	1,222,652
Non-current	674,608	-	674,608	674,067	-	674,067
Credit recoveries (2)	286,536	-	286,536	240,343	-	240,343
Effect on results (3)	(1,157,982)	13,128	(1,144,854)	(1,355,102)	32,947	(1,322,155)

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

(2) In the year ended 12/31/2020, credits previously written-off against the allowance, totaling R\$ 286,536, were recovered (recovered credits of R\$ 281,652 in the Bank, R\$ 56 referring to lease operations, recovered credits of R\$ 4,828 in Brazilian Finance & Real Estate). In the first quarter 2020, there was the assignment of credits with losses without retention of risks and benefits in the amount of R\$ 1,427,219, whose sale amounted to R\$ 36,058, affecting the recovery of credits account; and

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

d) Classification by area of economic activity:

	Bank				Consolidated			
	12/31/2020		12/31/2019		12/31/2020		12/31/2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Individuals	27,112,094	93.79	21,827,226	93.00	27,112,094	93.79	21,827,226	92.99
Services	1,334,397	4.62	1,204,531	5.13	1,334,436	4.62	1,205,248	5.13
Construction and real-estate development	133,189	0.46	266,214	1.14	133,228	0.46	266,931	1.14
Other services	730,787	2.53	586,761	2.50	730,787	2.53	586,761	2.50
Financial	370,991	1.28	246,302	1.05	370,991	1.28	246,302	1.05
Transportation and logistics	6,334	0.02	35,974	0.15	6,334	0.02	35,974	0.15
Utilities	82,145	0.28	61,443	0.26	82,145	0.28	61,443	0.26
Media, IT and Telecom	10,025	0.03	6,690	0.03	10,025	0.03	6,690	0.03
Vehicle rental	759	-	1,047	-	759	-	1,047	-
Health, security and education	167	-	100	-	167	-	100	-
Commercial	376,090	1.30	321,226	1.37	376,090	1.30	321,226	1.37
Wholesale and retail	376,090	1.30	321,226	1.37	376,090	1.30	321,226	1.37
Basic industries	65,033	0.22	70,964	0.30	65,033	0.22	70,964	0.30
Paper and pulp	42,999	0.15	42,999	0.18	42,999	0.15	42,999	0.18
Other industries	107	-	6,038	0.03	107	-	6,038	0.03
Textiles	15,258	0.05	15,258	0.07	15,258	0.05	15,258	0.07
Chemical industry	6,669	0.02	6,669	0.03	6,669	0.02	6,669	0.03
Agribusiness	19,818	0.07	47,300	0.20	19,818	0.07	47,300	0.20
Sugar and ethanol	15,669	0.05	25,513	0.11	15,669	0.05	25,513	0.11
Agribusiness and animal protein	4,149	0.02	21,787	0.09	4,149	0.02	21,787	0.09
Total (1)	28,907,432	100.00	23,471,247	100.00	28,907,471	100.00	23,471,964	100.00

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

e) Concentration of credit operations:

Largest borrowers	Bank				Consolidated			
	12/31/2020		12/31/2019		12/31/2020		12/31/2019	
	Amount	%	Amount	%	Amount	%	Amount	%
10 largest borrowers	697,064	2.41	513,400	2.19	697,064	2.41	513,400	2.19
50 next largest borrowers	682,777	2.36	618,843	2.63	682,777	2.37	618,843	2.64
100 next largest borrowers	260,884	0.90	285,450	1.22	260,884	0.90	285,450	1.21
Other borrowers	27,266,707	94.33	22,053,554	93.96	27,266,746	94.32	22,054,271	93.96
Total	28,907,432	100.00	23,471,247	100.00	28,907,471	100.00	23,471,964	100.00

f) Transactions for the sale or transfer of financial assets:
I. Transactions with substantial transfer of risks and benefits:

In the years ended 12/31/2020 and 12/31/2019, credits were assigned to financial institutions as below:

Bank and Consolidated	12/31/2020			12/31/2019		
	Assignment amount	Present value	Result (1)	Assignment amount	Present value	Result (1)
Payroll-deductible loans	10,287,866	7,484,456	2,803,410	6,495,901	4,723,283	1,772,618
Total (Note 8.g)	10,287,866	7,484,456	2,803,410	6,495,901	4,723,283	1,772,618

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\$ 87,568, in Banco PAN and Consolidated (R\$ 157,729 at 12/31/2019), calculated at present value using the agreed contract rates. Obligations of R\$ 103,655 (R\$ 201,523 at 12/31/2019) were assumed for these credits (Note 17.a).

g) Income from credit and leasing operations:

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Profit on credit assignments (Note 8.f)	2,803,410	1,772,618	2,803,410	1,772,618
Performance bonus on assignments	608,432	965,154	608,432	965,154
Payroll-deductible loans	2,234,372	2,202,061	2,234,372	2,202,061
Vehicles	2,099,760	1,877,229	2,099,760	1,877,229
Credit cards	935,493	801,019	935,493	801,019
Recovery of credits written off as losses	281,652	233,061	286,536	240,343
Working capital/overdraft accounts	140,713	144,758	140,713	144,758
Income from loans with real estate guarantees	70,249	55,450	70,249	55,450
Renegotiated loans	28,373	19,598	28,373	19,598
Personal credit	15,927	4	15,927	4
Housing loans	11,690	7,166	11,690	7,166
Income from real estate developments	919	947	919	947
Overdraft facility	726	1	726	1
Export financing	-	11,700	-	11,700
Other	5	47	5	47
Adjustment to market value - Retail Portfolio (1)	47,044	26,925	47,044	26,925
Total	9,278,765	8,117,738	9,283,649	8,125,020

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

9) Other financial assets

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Amounts receivable from credit assignments	2,134,439	2,451,147	2,134,439	2,451,147
Negotiation and intermediation of receivables	2,394	3,066	2,394	3,066
Acknowledgment of debt (1)	3,121	11,431	3,121	11,431
Real estate receivables (2)	-	-	4,114	4,588
Total	2,139,954	2,465,644	2,144,068	2,470,232
Current	1,183,861	1,391,596	1,185,176	1,395,117
Non-current	956,093	1,074,048	958,892	1,075,115

- (1) Includes provision for debt acknowledgment of R\$ 15,314 at 12/31/2020 (R\$ 29,027 at 12/31/2019) (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 assets

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Judicial and tax deposits	174,082	197,786	194,926	219,413
Amounts receivable from related parties	18,798	19,814	13,411	13,227
Amounts receivable from payroll-deductible loans (1)	6,213	17,920	6,213	17,920
Residual benefit in securitized transactions	-	-	3,887	3,588
Other (2)	119,805	94,040	134,776	97,356
Total	318,898	329,560	353,213	351,504
Current	276,836	293,698	292,177	290,991
Non-current	42,062	35,862	61,036	60,513

- (1) Refer mainly to amounts received and not yet transferred to the Bank by State and Municipal governments, which 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 December 31, 2020 amounted to R\$ 32,040 (R\$ 31,779 at 12/31/2019) (Note 8.c); and
 (2) Includes allowance for other receivables without credit characteristics of R\$ 7,502 (R\$ 7,178 at 12/31/2019) (Note 8.c).

11) Other assets

a) Assets not for own use and other:

Residual value	Bank				Consolidated			
	Cost	Provision for losses	12/31/2020	12/31/2019	Cost	Provision for losses	12/31/2020	12/31/2019
Assets not for own use:	314,596	(56,587)	258,009	279,298	322,344	(57,661)	264,683	287,012
Properties	292,681	(48,408)	244,273	258,826	299,988	(49,059)	250,929	266,494
Vehicles	21,915	(8,179)	13,736	20,472	22,356	(8,602)	13,754	20,518
Other	556	-	556	445	556	-	556	445
Total	315,152	(56,587)	258,565	279,743	322,900	(57,661)	265,239	287,457
Current			258,565	279,743			265,239	287,457

b) Prepaid expenses

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Financial system services	96,119	60,783	98,245	63,021
Data processing	5,040	4,211	5,040	4,211
Software maintenance	4,059	5,564	4,059	5,564
Expenses for issuance of securities abroad	244	1,778	244	1,778
Other	1,826	10,004	1,831	10,007
Total	107,288	82,340	109,419	84,581
Current	70,416	26,840	71,386	27,728
Non-current	36,872	55,500	38,033	56,853

12) Investments

a) Investments in subsidiaries

Companies	Share capital	Adjusted equity	Number of shares/ quotas held (in thousands)			Equity interest %	Adjusted results	Balances of investments			Equity accounting adjustment (1)	
			Common	Preferred	Quotas			12/31/2020	12/31/2020	12/31/2019	Year ended	
											12/31/2020	12/31/2019
Pan Arrendamento Mercantil S.A. (2)	356,735	199,983	11	-	-	100.0	(5,549)	199,983	205,532	(5,549)	(149,248)	
Pan Administradora de Consórcio Ltda. (2)	42,388	74,898	-	-	48,168	100.0	19,920	74,898	55,924	19,920	6,269	
Brazilian Securities Companhia de Securitização (2)(3)	174,201	214,341	77,865	-	-	100.0	1,042	214,894	214,580	1,042	4,251	
Brazilian Finance & Real Estate S.A. (4)	107,662	183,070	0.2	0.5	-	100.0	8,019	183,070	177,894	8,019	13,208	
BM Sua Casa Promotora de Vendas Ltda. (2)(3)	179,864	217,534	-	-	179,864	100.0	(2,769)	218,530	230,043	(2,769)	15,295	
								891,375	883,973	20,663	(110,225)	

(1) Considers results determined by the companies subsequent to acquisition and includes equity variations in the investees not derived from results, as well as adjustments arising from the equalization of accounting principles, where applicable.

(2) Companies whose financial statements for the year ended 12/31/2020 were audited 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\$ 1,549, of which R\$ 996 is related to BM Sua Casa Promotora de Vendas Ltda and R\$ 553 to Brazilian Securities Companhia de Securitização; and

(4) Company whose financial statements for the year ended 12/31/2020 were audited by another independent auditor.

b) Other investments:

Bank and Consolidated	12/31/2020	12/31/2019
Bw Properties S.A.	10,710	-
Asset and Security Registration Center (Certa)	1,536	765
Interbank Payment Chamber (CIP)	379	379
Total	12,625	1,144

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

Bank and Consolidated	Annual depreciation rate	Cost	Depreciation	Residual value	
				12/31/2020	12/31/2019
Facilities, furniture and equipment in use	10%	43,069	(33,423)	9,646	17,038
Security and communications systems	10%	2,974	(1,766)	1,208	633
Data processing systems	20%	36,277	(23,771)	12,506	10,957
Total at 12/31/2020		82,320	(58,960)	23,360	-
Total at 12/31/2019		80,456	(51,828)	-	28,628

b) Changes in property and equipment:

Bank and Consolidated	Facilities, furniture and equipment in use	Security and communications systems	Data processing systems	Total
At 12/31/2019	17,038	633	10,957	28,628
Purchases	296	1,181	5,364	6,841
Disposals	(978)	-	(21)	(999)
Depreciation	(6,710)	(606)	(3,794)	(11,110)
At 12/31/2020	9,646	1,208	12,506	23,360

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

Bank	Amortization rate	Cost	Amortization	Residual value	
				12/31/2020	12/31/2019
Software development expenses	20% to 50%	267,185	(210,106)	57,079	120,289
Goodwill	10%	229,514	(193,174)	36,340	59,291
Total at 12/31/2020		496,699	(403,280)	93,419	-
Total at 12/31/2019		469,035	(289,455)	-	179,580

Consolidated	Amortization rate	Cost	Amortization	Residual value	
				12/31/2020	12/31/2019
Software development expenses	20% to 50%	268,087	(210,836)	57,251	120,503
Goodwill	10%	250,532	(210,864)	39,668	64,721
Total at 12/31/2020		518,619	(421,700)	96,919	-
Total at 12/31/2019		490,955	(305,731)	-	185,224

b) Changes in intangible assets:

Bank	Software development expenses	Goodwill	Total
At 12/31/2019	120,289	59,291	179,580
Additions	31,266	-	31,266
Disposals	(112)	-	(112)
Amortization	(94,364)	(22,951)	(117,315)
At 12/31/2020	57,079	36,340	93,419

Consolidated	Software development expenses	Goodwill	Total
At 12/31/2019	120,503	64,721	185,224
Additions	31,266	-	31,266
Disposals	(112)	-	(112)
Amortization	(94,406)	(25,053)	(119,459)
At 12/31/2020	57,251	39,668	96,919

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

Bank	Current				Non-current		12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	12/31/2020	
Demand deposits	76,092	-	-	-	-	76,092	26,614
Interbank deposits	2,933,804	5,768,786	10	283,606	24,909	9,011,115	8,629,103
Term deposits (1)	605,680	464,230	1,009,758	2,011,221	9,003,249	13,094,138	11,701,147
Total at 12/31/2020	3,615,576	6,233,016	1,009,768	2,294,827	9,028,158	22,181,345	-
Total at 12/31/2019	8,667,798	701,951	824,116	2,818,821	7,344,178	-	20,356,864

Consolidated	Current				Non-current		12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	12/31/2020	
Demand deposits	76,056	-	-	-	-	76,056	26,574
Interbank deposits	2,933,804	5,768,781	-	45,130	-	8,747,715	8,365,928
Term deposits (1)	598,100	449,436	955,563	1,974,748	8,764,785	12,742,632	11,367,477
Total at 12/31/2020	3,607,960	6,218,217	955,563	2,019,878	8,764,785	21,566,403	-
Total at 12/31/2019	8,639,222	695,433	813,812	2,464,562	7,146,950	-	19,759,979

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

b) Funds obtained in the open market:

Bank	Current				Non-current		12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	12/31/2020	
Own portfolio	1,307,042	-	-	5,004	2,109	1,314,155	303,856
Financial Treasury Bills (LFT)	150,997	-	-	5,004	2,109	158,110	107,140
National Treasury Notes (NTN)	1,156,045	-	-	-	-	1,156,045	196,716
Total at 12/31/2020	1,307,042	-	-	5,004	2,109	1,314,155	-
Total at 12/31/2019	196,716	2,157	-	1,497	103,486	-	303,856

Consolidated	Current				Non-current		12/31/2020	12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days			
Own portfolio	1,307,042	-	-	-	-	1,307,042	295,805	
Financial Treasury Bills (LFT)	150,997	-	-	-	-	150,997	99,089	
National Treasury Notes (NTN)	1,156,045	-	-	-	-	1,156,045	196,716	
Total at 12/31/2020	1,307,042	-	-	-	-	1,307,042	-	
Total at 12/31/2019	196,716	2,157	-	1,120	95,812	-	295,805	

c) Funds from acceptance and issuance of securities

Bank and Consolidated	Current				Non-current		12/31/2020	12/31/2019
	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days			
Financial Bills	23,219	44,203	907,820	3,444,284	599,151	5,018,677	1,532,113	
Real estate letters of credit (LCI)	18,153	47,804	67,097	133,404	60,914	327,372	336,211	
Total at 12/31/2020	41,372	92,007	974,917	3,577,688	660,065	5,346,049	-	
Total at 12/31/2019	41,131	94,560	118,566	396,668	1,217,399	-	1,868,324	

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

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Time deposits	1,183,112	1,358,655	1,173,665	1,339,851
Foreign exchange gains/losses	572,223	71,214	572,223	71,214
Interbank deposits	269,918	468,225	262,730	453,160
Marketable securities issued abroad and subordinated debt	77,388	194,306	77,388	194,306
Financial bills	97,809	82,252	97,809	82,252
Credits assigned with retention of risk	14,647	27,635	14,647	27,635
Contributions to the deposit guarantee fund	15,919	14,252	15,919	14,252
Real estate letters of credit	9,470	26,629	9,470	26,629
Purchase and sale commitments	5,895	16,103	5,692	15,612
Agribusiness letters of credit	-	205	-	205
Total	2,246,381	2,259,476	2,229,543	2,225,116

16) Interbank accounts

Bank and Consolidated	12/31/2020	12/31/2019
Receipts and payments pending settlement	1,380,060	796,912
Local correspondents (1)	111,761	136,819
Total	1,491,821	933,731
Current	1,491,821	933,731

(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

Bank and Consolidated	12/31/2020	12/31/2019
Assignment with substantial retention of risks and benefits (8.f ii)	103,655	201,523
Subordinated debts (b)	8,784	1,885,320
Total	112,439	2,086,843
Current	58,386	1,965,351
Non-current	54,053	121,492

b) Subordinated debts:

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

Bank and Consolidated	12/31/2020	12/31/2019
Abroad:		
(1) US\$ 456,792	-	1,876,865
In Brazil:		
(2) R\$ 8,000	8,784	8,455
Total	8,784	1,885,320
Current	-	1,876,865
Non-current	8,784	8,455

(1) The mark-to-market adjustment of the subordinated debts was accounted for in the result of operations of funds obtained in the market, the amount of which represented an income of R\$ 6,546 in the year ended 12/31/2020 (expense of R\$ 13,962 in the year ended 12/31/2019). They were issued on 4/23/2010 with maturity on 4/23/2020 and this transaction had a market risk hedge (Note 7.c.)

(2) 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 court sentences. 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 to claim payment of labor rights, arising, in general, from their classification as bank employees, and, in particular, 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 monitored by external legal counsel and managed individually through a computerized system.

Labor claims are provisioned to reflect the history of loss in similar lawsuits that were concluded in the last 12 or 24 months, depending on the type of plaintiff.

Civil

These processes are of a condemnatory nature to pay or indemnify, referring to indemnity, 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 constitute the provision for civil lawsuits with common characteristics, before a court decision is issued, which is calculated based on the average loss in all the lawsuits which terminated over the last 12 months, by cluster.

2) strategic civil lawsuits

A provision is constituted individually when the likelihood of loss is assessed as probable, based on the advice of internal legal counsel, legal firms, the nature and complexity of the related lawsuits, and the applicable case law.

There are no other significant administrative actions 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.

I. Provisions by nature:

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Civil	294,662	307,231	305,467	318,882
Labor	141,139	211,859	147,209	221,694
Tax	2,543	2,467	60,946	50,549
Total	438,344	521,557	513,622	591,125

II. Change in provisions:

Bank	Civil	Labor	Tax	Total
At 12/31/2019	307,231	211,859	2,467	521,557
Constitution, net of reversals	136,584	53,827	478	190,889
Indexation and interest accruals	2,629	-	62	2,691
Write-off due to payment	(151,782)	(124,547)	(464)	(276,793)
At 12/31/2020	294,662	141,139	2,543	438,344

Consolidated	Civil	Labor	Tax	Total
At 12/31/2019	318,882	221,694	50,549	591,125
Constitution, net of reversals	139,099	50,408	7,057	196,564
Indexation and interest accruals	2,786	-	4,425	7,211
Write-off due to payment	(155,300)	(124,893)	(1,085)	(281,278)
At 12/31/2020	305,467	147,209	60,946	513,622

I. 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 the calendar years 2008 and 2009. In December 2020, the amounts related to these lawsuits total approximately R\$ 723;

IRPJ / CSLL - Deductibility of losses on credit operations and operating expenses in 2007 to 2010, 2012 and 2015. In December 2020, the amounts related to these lawsuits total approximately R\$ 498,308;

IRPJ / CSLL - Greater deductibility of expenses related to the payment of PIS/COFINS referring to the calendar year 2014. In December 2020, the amount related to this lawsuit totals approximately R\$ 22,290.

IRPJ / CSLL - Amortization of goodwill, and consequently, lack of addition in the determination of the calculation base, in the equity interest of BFRE, in 2015 and 2016. In December 2020, the amount related to this lawsuit totals approximately R\$ 8,333.

PIS / COFINS - Deductibility of swap expenses from the calculation base, referring to the calendar year 2010. In December 2020, the amount related to this lawsuit totals approximately R\$ 4,656.

INSS on profit or gain sharing - Levy of social security contributions on payments made as profit or gain sharing in 2012, 2013 and 2016. In December 2020, the amounts related to these lawsuits total approximately R\$ 74,543;

IRRF - Capital gain from the acquisition of equity interest abroad, in 2012. In December 2020, the amount related to this lawsuit totals approximately R\$ 77,781.

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\$ 143,946 adjusted up to December 2020; and

Non-approval of tax offsetting - Rejection of requests for offsetting IRPJ, CSLL, PIS, COFINS, resulting from overpayments or undue payments. In December 2020, the amounts related to these lawsuits total approximately R\$ 222,252.

19) Current tax obligations

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Taxes and contributions on income	374,906	278,193	385,746	292,562
Social Contribution on Revenues (COFINS)	33,298	19,645	33,493	20,039
Taxes and contributions on salaries	17,424	15,164	17,468	15,216
Withholding tax at source on payments to third parties	5,648	9,052	5,692	9,107
Social Integration Program (PIS)	5,411	3,192	5,446	3,265
Service Tax (ISS)	2,807	1,824	2,811	1,863
Withholding tax on fixed-income securities	492	1,007	492	1,007
Total	439,986	328,077	451,148	343,059
Current	439,986	328,077	451,148	343,059

20) Other sundry liabilities

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Payments due	963,945	734,004	964,196	734,566
Operations linked to assignment	764,657	496,170	764,657	496,170
Collections	101,664	118,017	101,904	118,258
Credit card transactions	46,293	30,570	46,293	30,570
Negotiation and intermediation of receivables	13,713	16,238	15,213	20,481
Amounts payable to related parties	30,880	14,669	30,250	13,268
Specific consortium amounts	-	-	6,840	7,757
Other	75,536	80,359	77,852	82,117
Total	1,996,688	1,490,027	2,007,205	1,503,187
Current	1,986,175	1,477,806	1,995,806	1,490,073
Non-current	10,513	12,221	11,399	13,114

21) Equity

a) Composition of capital - number of shares:

Total subscribed and fully paid-up capital at 12/31/2020 amounted to R\$ 4,175,222 (12/31/2019 - R\$ 3,653,410).

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

	12/31/2020	12/31/2019
Common	657,561	657,561
Preferred	547,495	547,495
Total	1,205,056	1,205,056

b) Revenue reserves:

Legal reserve - pursuant to its Bylaws, the Bank appropriates 5% of net income, 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. However, in accordance with Article 193, paragraph 1, of Corporation Law 6,404/76, the Bank may opt not to appropriate a portion of its net income 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, the reserve can be formed, in accordance with a proposal of the Board of Directors, with up to 100% of the net income remaining after the annual appropriations, but may not exceed the amount of the Bank's capital.

c) Distributions of interest on capital/dividends:

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

The calculation of the interest on capital/dividends is as follows:

	12/31/2020	% (1)	12/31/2019	% (1)
Profit	655,569		515,935	
(-) Legal reserve	(32,778)		(25,797)	
Calculation base	622,791		490,138	
Interest on capital (gross) provisioned/paid	246,130		198,000	
Withholding Income Tax related to interest on capital	(36,919)		(29,700)	
Interest on capital (net) provisioned/paid	209,211		168,300	
Proposed dividends	8,766		3,248	
Interest on capital (net) and dividends	217,977	35%	171,548	35%

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

22) Income from services rendered

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Credit operations	253,353	204,101	253,365	204,129
Credit cards	130,520	118,041	130,520	118,041
Business intermediation	80,207	59,015	80,207	59,015
Consortium plan management	-	-	10,039	25,290
Other	7,847	10,792	8,125	11,179
Total	471,927	391,949	482,256	417,654

23) Personnel expenses

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Payroll	367,125	307,154	368,047	308,370
Social charges	98,596	87,673	98,899	87,978
Benefits (Note 31)	81,895	74,325	82,155	74,627
Fees (Note 29.b)	16,900	24,155	16,900	24,155
Other	8,151	6,565	8,151	6,565
Total	572,667	499,872	574,152	501,695

24) Other administrative expenses

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Commissions payable to correspondent banks	1,520,892	1,060,297	1,523,302	1,065,441
Third-party services	424,453	390,951	436,859	408,856
Data processing	273,701	221,383	273,917	222,961
Financial system services	214,580	164,012	215,463	164,842
Advertising, promotions and publicity	118,799	64,906	118,872	65,245
Depreciation and amortization	105,474	41,978	105,516	42,021
Rentals	81,020	55,280	81,411	55,651
Communication	68,242	46,937	68,374	47,138
Asset search and seizure expenses	20,318	30,339	20,344	30,354
Maintenance and conservation of property	6,047	6,243	6,050	6,249
Transportation	3,582	5,815	3,587	5,828
Fees and emoluments	2,331	3,941	2,896	4,624
Water, power and gas	2,267	2,644	2,269	2,650
Travel	1,724	6,773	1,726	6,779
Consumption materials	1,506	1,759	1,506	1,759
Other	44,395	32,826	45,591	34,256
Total	2,889,331	2,136,084	2,907,683	2,164,654

25) Tax expenses

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Social contribution on revenues (COFINS)	231,896	162,926	234,358	168,571
Social Integration Program (PIS)	37,683	26,476	38,144	27,523
Services Tax (ISS)	20,914	17,939	21,129	18,467
Taxes and charges	3,127	5,844	3,914	8,214
Total	293,620	213,185	297,545	222,775

26) Charges for provisions

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Constitution/reversal of provision for civil proceedings	(136,584)	(158,411)	(139,099)	(161,806)
Constitution/reversal of provision for labor proceedings	(53,827)	(15,532)	(50,408)	(14,143)
Constitution/reversal of provision for tax proceedings	(478)	(1,589)	(7,057)	(24,257)
Total	(190,889)	(175,532)	(196,564)	(200,206)

27) Other operating income and expenses

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Recovery of charges and expenses	124,081	248,239	129,325	250,319
Indexation/foreign exchange variations	24,902	38,513	21,643	39,479
Assignment of loans	(1,468,851)	(1,414,338)	(1,468,851)	(1,414,338)
Discounts granted	(113,136)	(102,507)	(113,136)	(102,507)
Losses on loan/financing operations and frauds	(50,303)	(56,639)	(50,303)	(56,639)
Liens	(33,197)	(25,883)	(33,223)	(25,924)
Amortization of goodwill (Note 14.b)	(23,930)	(23,930)	(25,053)	(25,053)
Other	(22,382)	(12,518)	(15,296)	(6,674)
Total	(1,562,816)	(1,349,063)	(1,554,894)	(1,341,337)

28) Non-operating results

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Reversal of provision for other assets	20,782	8,512	20,974	8,521
Result on the sale of other assets	8,003	(42,471)	9,851	(42,710)
Revenue from the sale of consortium groups (1)	-	-	18,912	-
Total	28,785	(33,959)	49,737	(34,189)

(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 effective on the contract dates.

a) Balances and transactions with related parties

Bank	Maximum term	12/31/2020	12/31/2019	12/31/2020	12/31/2019
		Assets	Assets	Revenue	Revenue
		(liabilities)	(liabilities)	(expenses)	(expenses)
Interbank investments (a)		1,251,889	1,160,000	35,502	18,865
Banco BTG Pactual S.A.	01/04/2021	1,249,990	710,000	34,406	17,796
Caixa Econômica Federal	01/04/2021	1,899	450,000	1,096	1,069
Loan assignment (b)		1,812,488	2,036,099	605,500	965,154
Caixa Econômica Federal	No term	1,812,488	2,036,099	605,500	965,154
Other credits		16,107	18,471	-	-
Caixa Econômica Federal	No term	162	6,755	-	-
,Too Seguros S.A.	No term	10,533	6,453	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	25	19	-	-
Brazilian Securities Companhia de Securitização (c) (d)	No term	1,036	1,596	-	-
Pan Administradora de Consórcio Ltda.(c) (d)	No term	948	301	-	-
Brazilian Finance & Real Estate S.A. (c) (d)	No term	3,403	3,347	-	-
Demand deposits (e)		(373)	(382)	-	-
,Too Seguros S.A.	No term	(337)	(341)	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	-	(1)	-	-
Pan Administradora de Consórcio Ltda.	No term	(17)	(16)	-	-
Pan Arrendamento Mercantil S.A.	No term	(4)	(5)	-	-
BM sua Casa Promotora de Vendas Ltda.	No term	(1)	(2)	-	-
Brazilian Finance & Real Estate S.A.	No term	(4)	(8)	-	-
Brazilian Securities Companhia de Securitização	No term	(10)	(9)	-	-
Interbank deposits (f)		(8,579,895)	(8,215,331)	(259,915)	(442,297)
Banco BTG Pactual S.A.	01/08/2021	(502,285)	(190,000)	(17,810)	(9,531)
Caixa Econômica Federal	03/26/2021	(7,814,210)	(7,762,156)	(234,918)	(417,701)
Pan Arrendamento Mercantil S.A.	01/11/2023	(263,400)	(263,175)	(7,187)	(15,065)
Time deposits (g)		(394,523)	(352,509)	(10,505)	(19,489)
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	08/28/2023	(41,873)	(17,145)	(995)	(518)
Pan Administradora de Consórcio Ltda.	12/15/2023	(60,562)	(50,300)	(1,538)	(2,811)
Brazilian Securities Companhia de Securitização	09/11/2023	(153,432)	(155,452)	(4,271)	(8,783)
Brazilian Finance & Real Estate S.A.	12/06/2023	(102,642)	(98,910)	(2,795)	(5,587)
BM sua Casa Promotora de Vendas Ltda.	09/06/2023	(34,870)	(29,007)	(844)	(1,622)
Key management	07/24/2023	(1,144)	(1,695)	(62)	(168)
Liabilities for purchase and sale commitments		(7,112)	(8,952)	(915)	(4,795)
Banco BTG Pactual S.A.	-	-	-	(613)	(3,873)
Caixa Econômica Federal	-	-	(900)	(99)	(432)

Notes to the financial statements

Pan Administradora de Consórcio Ltda.	03/01/2023	(7,112)	(8,052)	(203)	(490)
Funds from real estate letters of credit and financial bills (h)		-	(377)	(6)	(130)
Key management personnel	-	-	(377)	(6)	(130)
Derivative financial instruments (i)		-	185,694	392,285	49,799
Banco BTG Pactual S.A.	-	-	185,694	392,285	49,799
Other Obligations		(30,881)	(14,668)	-	-
,Too Seguros S.A.	No term	(30,250)	(13,268)	-	-
Brazilian Finance & Real Estate S.A.	No term	(538)	(494)	-	-
Brazilian Securities Companhia de Securitização	No term	(55)	(904)	-	-
BM Sua Casa Promotora de Vendas Ltda.	No term	(38)	-	-	-
Pan Arrendamento Mercantil S.A.	No term	-	(2)	-	-
Income from services rendered (j)		-	-	81,241	59,879
,Too Seguros S.A.	-	-	-	80,073	58,599
Pan Administradora de Consórcio Ltda.	-	-	-	-	23
Caixa Econômica Federal	-	-	-	1,168	1,257
Personnel expenses		-	-	(293)	(265)
,Too Seguros S.A.	-	-	-	(293)	(265)
Other administrative expenses		-	-	(53,993)	(56,779)
,Too Seguros S.A.	-	-	-	(5,075)	(5,675)
Banco BTG Pactual S.A.	-	-	-	(7,657)	(31,563)
BTG Pactual Corretora	-	-	-	(114)	(106)
Tecban S.A.	-	-	-	(1,509)	(718)
Interbank Payment Chamber	-	-	-	(39,638)	(18,717)
Income from loan assignments		-	-	2,030,669	1,135,002
Caixa Econômica Federal	-	-	-	2,030,669	1,074,960
Banco BTG Pactual S.A.	-	-	-	-	60,042

(a) Refer to the Bank's applied funds with rates equivalent to those of the CDI.

(b) Refers to the performance bonus on the assignment of credits without recourse.

(c) Provisions for dividends to be paid up 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.

(d) Provisioned balance of R\$ 1,343, referring to the remaining balance of the capital reduction of Brazilian Finance & Real Estate S.A., according to AGE of 09/18/2013; provisioned balance of R\$ 701, substantially related to amounts received from different borrowers referring to credit operations acquired from Brazilian Securities Companhia de Securitização; provisioned balance of R\$ 2, related to the apportionment of administrative expenses of the company Pan Administradora de Consórcio Ltda.;

(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 those of the CDI.

(g) Refer to the funding through time deposits effected at the Bank.

(h) Refer to funding through real estate letters of credit and financial bills made by Banco PAN.

(i) Refer to swaps.

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

Consolidated	Maximum term	12/31/2020	12/31/2019	12/31/2020	12/31/2019
		Assets	Assets	Revenue	Revenue
		(liabilities)	(liabilities)	(expenses)	(expenses)
Cash and cash equivalents (a)		597	1,260	-	-
Caixa Econômica Federal	01/04/2021	597	1,260	-	-
Interbank investments (b)		1,251,889	1,160,000	35,502	18,865
Banco BTG Pactual S.A.	01/04/2021	1,249,990	710,000	34,406	17,796
Caixa Econômica Federal	01/04/2021	1,899	450,000	1,096	1,069
Loan assignments (c)		1,812,488	2,036,099	605,500	965,154
Caixa Econômica Federal	No term	1,812,488	2,036,099	605,500	965,154
Other credits		10,720	13,227	-	-
Caixa Econômica Federal	No term	162	6,755	-	-
,Too Seguros S.A.	No term	10,533	6,453	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	25	19	-	-
Demand deposits (d)		(337)	(342)	-	-
,Too Seguros S.A.	No term	(337)	(341)	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	-	(1)	-	-
Interbank deposits (e)		(8,316,495)	(7,952,156)	(252,728)	(427,232)
Banco BTG Pactual S.A.	01/08/2021	(502,285)	(190,000)	(17,810)	(9,531)
Caixa Econômica Federal	03/26/2021	(7,814,210)	(7,762,156)	(234,918)	(417,701)
Time deposits (f)		(43,017)	(18,840)	(1,057)	(686)
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	08/28/2023	(41,873)	(17,145)	(995)	(518)
Key management	07/24/2023	(1,144)	(1,695)	(62)	(168)
Liabilities for purchase and sale commitments		-	(900)	(712)	(4,305)
Banco BTG Pactual S.A.	-	-	-	(613)	(3,873)
Caixa Econômica Federal	-	-	(900)	(99)	(432)
Funds from real estate letters of credit and financial bills (g)		-	(377)	(6)	(130)
Key management	-	-	(377)	(6)	(130)
Derivative financial instruments (h)		-	185,694	392,285	49,799
Banco BTG Pactual S.A.	-	-	185,694	392,285	49,799
Other obligations		(30,250)	(13,268)	-	-
,Too Seguros S.A.	No term	(30,250)	(13,268)	-	-
Income from services rendered (i)		-	-	81,241	59,856
,Too Seguros S.A.	-	-	-	80,073	58,599
Caixa Econômica Federal	-	-	-	1,168	1,257
Personnel expenses		-	-	(293)	(265)
,Too Seguros S.A.	-	-	-	(293)	(265)
Other administrative expenses		-	-	(53,993)	(56,779)
,Too Seguros S.A.	-	-	-	(5,075)	(5,675)
Banco BTG Pactual S.A.	-	-	-	(7,657)	(31,563)
BTG Pactual Corretora	-	-	-	(114)	(106)
Tecban S.A.	-	-	-	(1,509)	(718)
Interbank Payment Chamber	-	-	-	(39,638)	(18,717)
Income from loan assignments		-	-	2,030,669	1,135,002
Caixa Econômica Federal	-	-	-	2,030,669	1,074,960
Banco BTG Pactual S.A.	-	-	-	-	60,042

- (a) Refer to current accounts of Brazilian Securities Companhia de Securitização, BM sua Casa Promotora de Vendas Ltda., and Brazilian Mortgages Companhia Hipotecária.
- (b) Refer to the Bank's investments with rates equivalent to those of the CDI.
- (c) Refer to the performance bonus on the assignment of credits without recourse.
- (d) Refer to the outstanding balances of current accounts of related parties held at the Bank.
- (e) Refer to the funding through interbank deposits with rates equivalent to those of the CDI.
- (f) Refer to the funding through time deposits made at the Bank.
- (g) Refer to the funding through real estate letters of credit and financial bills made by Banco PAN.
- (h) Refer to swaps.
- (i) Refer to the commission paid to the Bank for insurance intermediation.

b) Key management remuneration:

At the Extraordinary General Meeting held on 6/29/2020, a remuneration ceiling for the PAN Conglomerate Officers for the year 2020 was approved (irrespective of the year in which the amounts are paid), of R\$ 18,225 (R\$ 25,385 in 2019).

Short-term benefits provided to management (1)

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Fee expenses (Note 23)	16,900	24,155	16,900	24,155
Social security contributions (INSS)	3,803	5,435	3,803	5,435
Total	20,703	29,590	20,703	29,590

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

PAN does not provide long-term benefits or share-based remuneration to its key management personnel.

• Other information

Pursuant to legislation, the Bank provides credit operations with related parties, only when 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 has exposure in assets and liabilities involving derivative financial instruments, which are recorded in its balance sheet, income and expenses and memorandum accounts.

The Bank's management establishes a risk policy and exposure limits. The control and compliance management area, which is independent of the business and operational areas, is responsible for identifying, assessing, monitoring and reporting compliance with the risk guidelines established by management.

• Capital management

The Bank considers capital management to be a strategic process designed to optimize the utilization of available capital, contribute to the achievement of its strategic objectives and comply with the minimum capital limits established by the regulatory authority.

The Bank's capital management framework is compatible with the nature of its operations, the complexity of its products and services and its risk exposure and covers all the companies of the Group's financial conglomerate.

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, 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.

OPERATING LIMITS - BASEL ACCORD

Banco PAN complies with the minimum capital requirements established by CMN Resolutions 4,192/13 and 4,193/13. Required capital amounts 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 Prudential Capital of the Conglomerate is presented below:

Calculation base - Basel index	12/31/2020	12/31/2019
Tier I reference equity	3,639,036	2,499,049
Core capital	3,639,036	2,499,049
Tier II reference equity	8,784	8,455
Reference equity for comparison with risk-weighted assets (RWA)	3,647,820	2,507,504
Reference equity	3,647,820	2,507,504
- Credit risk	20,811,865	17,299,562
- Market risk	238	4,742
- Operating risk	2,113,560	2,309,501
Risk-weighted assets (RWA)	22,925,663	19,613,805
Basel index	15.91%	12.78%
Tier I	15.87%	12.74%
Tier II	0.04%	0.04%

For 12/31/2019, the adjusted Basel Index would be 15.61% due to the capital increase related to the primary distribution of preferred shares in Sep/19, approved by BACEN on 1/14/2020.

- **Credit risk**

Credit risk can arise from losses from the non-fulfillment by clients or counterparties of their corresponding financial obligations under the agreed terms, the devaluation of 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 involves 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 related to the possibility of losses arising from rate volatility and the mismatching of the terms and currencies of the 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, realized 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 business lines of the organization and any related hedges.

Sensitivity analysis:

Risk factors	Trading and Banking Portfolio exposures subject to volatility	SCENARIOS(*)		
		(1) Probable	(2) Possible	(3) Remote
Interest rates	Fixed interest rates	(87)	(8,493)	(17,419)
Coupon - other interest rates	Coupon rates of interest rates	(36)	(5,372)	(9,841)
Coupon - price index	Coupon rates of price index	(43)	(686)	(1,032)
Foreign currency	Foreign exchange rates	(1)	(35)	(69)
Foreign exchange coupon	Foreign exchange coupon rates	-	(1)	(2)
Total at 12/31/2020		(167)	(14,587)	(28,363)
Total at 12/31/2019		(200)	(37,117)	(74,675)

(*) Amounts gross of taxes.

The sensitivity analysis was effected based on the market data for the last day in December 2020, including 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 (upward or downward) 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 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 correlated factors among the indices. They do not reflect possible variations arising from market dynamics, the probability of the occurrence of which is considered to be low, and also, from measures which could be taken by the Institution itself to mitigate any 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 assets and liabilities linked to foreign currencies at 12/31/2020 and 12/31/2019 are presented below:

Liabilities - U.S. dollar	12/31/2020	12/31/2019
Subordinated debts	-	1,876,865
Total	-	1,876,865

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 12/31/2020 and 12/31/2019, the position of derivative financial instruments, in foreign currency, was as follows:

	Notional value		Market value	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Purchased position - U.S. dollar				
Swap	-	1,149,265	-	1,908,690
Total	-	1,149,265	-	1,908,690
Sold position - U.S. dollar				
DOL	(2,590)	2,011	(2,590)	2,011
Total	(2,590)	2,011	(2,590)	2,011

- **Liquidity risk**

Liquidity risk is defined as the possibility of the Bank not being able to efficiently 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.

- **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 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 (unaudited) 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	12/31/2020			12/31/2019		
	Net book value	Market value	Unrealized profit (loss)	Net book value	Market value	Unrealized profit (loss)
Marketable securities	2,945,552	2,997,409	51,857	2,087,652	2,129,484	41,832
- Trading securities	254,387	254,387	-	359,782	359,782	-
- Available-for-sale securities	866,173	866,173	-	986,659	986,659	-
- Securities held to maturity	1,824,992	1,876,849	51,857	741,211	783,043	41,832
Credit operations	29,110,643	33,718,706	4,608,063	23,628,092	26,962,845	3,334,753
Interbank deposits	8,747,715	8,776,018	(28,303)	8,365,928	8,395,004	(29,076)
Time deposits	12,742,632	14,302,803	(1,560,171)	11,367,477	13,042,521	(1,675,044)
Funds from issuance of securities	5,346,049	5,381,192	(35,143)	1,868,324	1,888,784	(20,460)
Subordinated debts	8,784	10,285	(1,501)	1,885,320	1,887,098	(1,778)
Unrealized profit - pretax			3,034,802			1,650,227

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 year ended 12/31/2020, the benefit expenses amounted to R\$ 81,895 and R\$ 82,155 in the Bank and in the Consolidated, respectively (R\$ 74,325 and R\$ 74,627 in the Bank and in the Consolidated, respectively, in the year ended 12/31/2019).

32) Income tax and social contribution

a) Income tax and social contribution reconciliation:

	Bank		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Profit before income tax and social contribution	925,399	200,494	937,697	356,143
Total charges at the nominal statutory combined rate	(405,110)	(80,198)	(406,619)	(138,917)
Reconciliation to tax expense:				
Equity in the results of investees	9,298	(44,090)	-	-
Interest on capital	110,758	79,200	110,758	79,200
Rate difference (2)	-	353,789	-	353,789
Write-off of PFBN tax credit (2) (3)	-	-	-	(141,126)
Other amounts	15,224	6,740	13,733	6,846
Income tax and social contribution expense	(269,830)	315,441	(282,128)	159,792

(1) Statutory rate: (i) 15% of taxable profit, plus a 10% surcharge; (ii) the social contribution on net income for financial institutions is calculated at the rate of 15% and at the rate of 9% for other companies.

(2) On 11/12/2019, the Constitutional Amendment 103/2019 was enacted, which raised from 15% to 20% the Social Contribution on Net Income (CSLL) rate for financial institutions as from 3/1/2020. Because of these changes, the Bank recognized R\$ 353,789 related to this difference identified in tax rates for tax credits with expected realization as from 03/2020; and

(3) Tax credit from income tax and social contribution partially written off due to application of new assumptions in Pan Arrendamento Mercantil's business plan and, consequently, in the expected realization of such credits.

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

Bank	At 12/31/2019	Constituted	Realized	At 12/31/2020
Provisions for expected losses associated to the credit risk	1,258,340	644,126	(526,295)	1,376,171
Provision for civil contingencies	138,254	63,227	(68,883)	132,598
Provision for labor contingencies	94,210	29,652	(60,350)	63,512
Provision for tax contingencies	1,110	89	(54)	1,145
Provision for loss on assets not for own use	38,212	13,764	(23,116)	28,860
Mark-to-market adjustment of derivatives	-	352,571	(319,124)	33,447
Other provisions	485,083	808,526	(658,846)	634,763
Total deferred tax assets on temporary differences	2,015,209	1,911,955	(1,656,668)	2,270,496
Income tax and social contribution losses	1,282,378	5,783	(167,924)	1,120,237
Total deferred tax assets	3,297,587	1,917,738	(1,824,592)	3,390,733
Deferred tax liabilities (Note 32.e)	(13,417)	-	13,417	-
Deferred tax assets, net of deferred tax liabilities	3,284,170	1,917,738	(1,811,175)	3,390,733

Consolidated	At 12/31/2019	Constituted	Realized	At 12/31/2020
Provisions for expected losses associated to the credit risk	1,271,124	644,380	(526,295)	1,389,209
Provision for civil contingencies	142,391	64,336	(70,310)	136,417
Provision for labor contingencies	97,728	30,033	(62,117)	65,644
Provision for tax contingencies	20,343	4,518	(2,072)	22,789
Provision for loss on assets not for own use	38,451	13,766	(23,189)	29,028
Mark-to-market adjustment of derivatives	10,588	363,579	(325,873)	48,294
Other provisions	485,137	809,508	(659,229)	635,416
Total deferred tax assets on temporary differences	2,065,762	1,930,120	(1,669,085)	2,326,797
Income tax and social contribution losses	1,336,206	7,539	(171,898)	1,171,847
Total deferred tax assets	3,401,968	1,937,659	(1,840,983)	3,498,644
Deferred tax liabilities (Note 32.e)	(98,654)	(383)	13,417	(85,620)
Deferred tax assets, net of deferred tax liabilities	3,303,314	1,937,276	(1,827,566)	3,413,024

c) Expected realization of deferred tax assets 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 12/31/2020. This study of projected realization of deferred tax assets, and of the assumptions adopted, was approved by the Bank's Board of Directors on 2/2/2021.

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 objectives will be attained.

The estimated realization of these assets is as follows:

Bank	Temporary differences		Income tax and social contribution losses		Total	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
2020	-	810,036	-	56,507	-	866,543
2021	1,044,953	731,169	196,810	129,235	1,241,763	860,404
2022	957,838	324,970	130,395	257,805	1,088,233	582,775
2023	142,447	51,716	329,520	348,498	471,967	400,214
2024	26,822	17,569	412,482	490,333	439,304	507,902
2025	25,762	31,849	51,030	-	76,792	31,849
From 2026 to 2029	72,674	47,900	-	-	72,674	47,900
Total	2,270,496	2,015,209	1,120,237	1,282,378	3,390,733	3,297,587

Consolidated	Temporary differences		Income tax and social contribution losses		Total	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
2020	-	816,747	-	58,383	-	875,130
2021	1,048,508	733,530	197,642	131,962	1,246,150	865,492
2022	961,670	329,911	131,873	260,933	1,093,543	590,844
2023	146,921	53,896	331,223	350,278	478,144	404,174
2024	32,231	27,261	415,021	491,786	447,252	519,047
2025	37,443	36,644	53,538	2,943	90,981	39,587
From 2026 to 2029	100,024	67,773	3,600	971	103,624	68,744
Total	2,326,797	2,065,762	1,132,897	1,297,256	3,459,694	3,363,018

At 12/31/2020, the present value of the tax credits, calculated based on Banco PAN's average funding rate, totaled R\$ 3,012,595 and R\$ 3,058,602 in the Consolidated (R\$ 2,605,824 in Banco PAN and R\$ 2,647,017 in the Consolidated at 12/31/2019).

In accordance with Article 5, paragraph 2 of CVM Resolution 3,059/02, the tax credits arising from tax losses incurred by excluding the credit from excess depreciation, in the amount of R\$ 38,950 (R\$ 38,950 at 12/31/2019), are not subject to the generation of profits based on a technical study.

d) Unrecorded tax credits:

At 12/31/2020, there were tax losses of approximately R\$ 230,396 and R\$ 582,869 in the Bank and Consolidated, respectively (12/31/2019 - R\$ 230,396 in the Bank and R\$ 583,211 in the Consolidated),

in respect of which tax credits had not been recorded, amounting to R\$ 103,678 in the Bank and R\$ 244,667 in the Consolidated (12/31/2019 - R\$ 103,678 in the Bank and R\$ 244,804 in the Consolidated).

e) Deferred tax liabilities:

Bank	At 12/31/2019	Constituted	Realized	At 12/31/2020
Mark-to-market adjustment of derivatives	(13,417)	-	13,417	-
Total (Note 32.b)	(13,417)	-	13,417	-

Consolidated	At 12/31/2019	Constituted	Realized	At 12/31/2020
Adjustment to market value of marketable and other securities	(20,452)	(383)	13,417	(7,418)
Excess depreciation	(78,202)	-	-	(78,202)
Total (Note 32.b)	(98,654)	(383)	13,417	(85,620)

33) Other Information

- a) Guarantees and sureties granted totaled R\$ 313,061 at 12/31/2019. The transaction was closed in the 3rd quarter of 2020;
- b) The policy of the Bank and its subsidiaries is to contract insurance covering cash, checks received as collateral and assets at amounts which are considered sufficient to cover potential losses.
- c) At 12/31/2020 and 12/31/2019, the Bank and its subsidiaries had no lease agreements for own acquisitions.
- d) 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 in the National Financial System (SFN), in respect of transactions with corporate entities whether or not SFN members. This resolution allows for the offsetting of credits and debits with the same counterparty, where the maturity of the related rights and obligations can be accelerated to the date on which an event of default by either party occurs or in the case of the bankruptcy of the debtor.
- e) On January 20, 2015, Law 13,097 was enacted, converting Provisional Measure 656/14, which, among other matters, amends the rules on the deduction of losses on receivables for defaults on contracts as from October 8, 2014 (Art. 9, Law 9,430/96). For defaulted contracts prior to this date, the prior regulations continue to be applicable.
- f) Since the beginning of the coronavirus (COVID-19) pandemic, the Bank has been adopting measures to minimize the impacts to its employees, clients, suppliers and, consequently, its operation. Actions were taken to assure the continuity and sustainability of the business in addition to the health and safety recommendations of applicable agencies. Management has been managing the developments from the pandemic, acting in a timely manner to mitigate its effects.

Declaration of the Board of Directors

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 approved the parent company and consolidated financial statements for the year ended 12/31/2020.

Declaration of the Board of Directors

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 agreed with the conclusion expressed by the auditors on the parent company and consolidated financial statements for the year ended 12/31/2020.

São Paulo, February 2, 2021.

BOARD OF DIRECTORS

Chairman

Amos Genish

Vice Chairman

Pedro Duarte Guimarães

Board Members

Sérgio Cutolo dos Santos

Alexandre Camara e Silva

Roberto Balls Sallouti

João Eduardo de Assis Pacheco Dacache

Marcelo Sampaio Cunha Filho

Fábio Soares de Miranda Carvalho

Fábio de Barros Pinheiro

Marcelo Adilson Tavarone Torresi

EXECUTIVE BOARD

Chief Executive Officer

Carlos Eduardo Pereira Guimarães

Officers

Alex Sander Moreira Gonçalves

Dermeval Bicalho Carvalho

Diogo Ciuffo da Silva

Mauro Dutra Mediano Dias

Roberta Cardim Geyer

SUPERVISORY BOARD

Peter Edward Cortes Marsden Wilson

Aníbal Cardoso Joaquim

Alexandre Xavier Ywata de Carvalho

AUDIT COMMITTEE

Amin Alves Murad

Fábio de Barros Pinheiro

Pedro Paulo Longuini

ACCOUNTANT

Gregório Moreira Franco

CRC 1SP219426/O-2

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Banco Pan S.A.
Parent company and consolidated
financial statements at
December 31, 2020
and independent auditor's report

Independent auditor's report

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

Opinion

We have audited the accompanying parent company financial statements of Banco Pan S.A. ("Bank") which comprise the balance sheet as at December 31, 2020 and the statements of income, comprehensive income, changes in equity and cash flows for the second half period and year then ended, as well as the accompanying consolidated financial statements of Banco Pan S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2020 and the consolidated statements of income, comprehensive income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above 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 December 31, 2020, and the Bank's financial performance and cash flows for the second half period and year then ended, as well as the consolidated financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

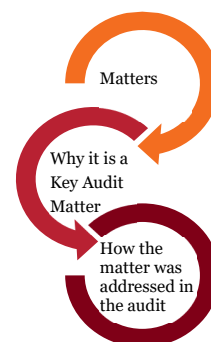
Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Bank and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Banco Pan S.A.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Our audit for 2020 was planned and performed taking into consideration that the Bank and its subsidiaries' operations did not present significant changes compared to the prior year. Accordingly, the Key Audit Matters, as well as our audit approach, were substantially aligned with those of the prior year.

Why it is a Key Audit Matter

How the matter was addressed in the audit

Provision for expected losses - credit risk (Notes 3g and 8)

The Bank and its subsidiaries operate mainly in the retail banking sector (Note 1). Management's judgment is applied to determine assumptions and criteria when recording the provision for expected losses associated to credit risks.

This process is consistent with the standards and instructions issued by the National Monetary Council (CMN) and the BACEN for estimating credit risk. We focused again on this area in our audit because of the nature of the inherent risks.

Our key audit procedures considered the understanding of the significant controls in place to calculate the provision for losses associated to credit risks, the completeness of the database, the processing and recording of the provisions and related disclosures.

We also tested the reconciliation of the accounting balances with the analytical records and recalculated, on a test basis, the provision for expected losses associated to credit risks, based on the Bank's policies, which include, among others, an evaluation of the risks and effects of delinquencies, consistent with applicable standards.

We consider the assumptions and criteria used by Management to be reasonable in relation to the information provided in the financial statements.

Information technology environment

The Bank and its subsidiaries operate in a business environment in which the information technology structure is critical to the development of its operations and to ensure it continues as a going concern. This technology structure involves the processing of a high volume of transactions on a daily basis, which relies on diverse processes to manage the access and security of the information.

Information technology risks inherent in the processing of transactions, through different legacy systems, could generate incorrect information critical to the preparation of the financial statements.

We decided to again select this area for focus in our audit because of these level of risks.

With the support of our system specialists, our audit encompassed an understanding and testing of the information technology general controls and security. These address systemic changes and program development, the security over program and database access, data processing center physical security and compensating controls, when required.

We also tested automated controls over technology-dependent information, access restrictions and segregation of duties for processes relevant to the financial statement presentation.

Our procedures provided us with reasonable audit evidence of the information technology environment over the preparation of financial statements.

Why it is a Key Audit Matter

How the matter was addressed in the audit

Tax credits (Notes 3n and 32b)

The Bank and its subsidiaries recorded deferred tax assets of R\$ 3.5 billion from income tax and social contribution tax losses and temporary differences supported by projections of taxable profit. The projections are based on a study prepared by Management of current and future scenarios that require the use of judgment and subjective assumptions.

We focused again on this area in our audit as the use of different assumptions in determining projected taxable profit could significantly change the estimated offset dates and tax credit amounts. The selection of these estimates are required to comply with CMN and BACEN protocols for recording and maintaining such assets in the financial statements.

Our key audit procedures considered an understanding of the calculation and accounting processes based on tax regulations and accounting standards for tax credits, including the CMN and BACEN specific requirements. We also obtained an understanding of the relevant assumptions used by Management to estimate future taxable profits supporting the tax credits realization.

We compared the assumptions used by the Bank and its subsidiaries to project taxable profits with the budgets approved by the Board of Directors and with market projections. Finally, we performed back-testing to support the reasonableness of past projections.

We consider the assumptions and criteria adopted by Management to be reasonable in relation to the tax credit assets booked, the maintenance thereof and estimated realization.

Banco Pan S.A.

Other matters

Statements of value added

The parent company statement of value added for the second half period and year ended December 31, 2020, as well as the consolidated statement of value added for the year then ended, prepared under the responsibility of the Bank's management and presented as supplementary information for purposes of the Brazilian Central Bank, were submitted to audit procedures performed in conjunction with the audit of the Bank's financial statements. The presentation of these statements is required by the Brazilian corporate legislation for listed companies. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Bank's management is responsible for the other information that comprises the Management Report

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Bank and its subsidiaries.

Banco Pan S.A.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

Banco Pan S.A.

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 2, 2021

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

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



SUMMARY OF THE AUDIT COMMITTEE REPORT

2ND HALF OF 2020

The Audit Committee ("COAUD") for Banco PAN S.A. ("Bank") presents a summary of its report as required by CMN Resolution 3,198, of May 27, 2004, article 17, 2nd paragraph, to the financial statements for the 2nd half of 2020, including the Explanatory Notes ("Financial Statements"), Management Report and Independent Auditor's Report, and disclosures of information that it considers material to the users of the financial information.

The information was presented in the meetings held with Management, operating areas, the reports produced and presented to COAUD, as well as in interactions with the Bank's Internal Audit function and the Independent Audit firm.

The COAUD was informed that there were no changes in criteria or material facts that could impact the balance sheet or the Bank's results in this period, other than those in the explanatory notes, which include: (i) determining the amount of the provision for expected losses associated with credit risk, in accordance with the applicable regulations in force, associated with the judgment and assumptions used by Management to determine credit risk. The Independent Auditors Report indicates that it had treated as key audit matters (i) the assumptions and criteria adopted by the Company's Management for information disclosed in the financial statements; (ii) the Information Technology environment, for the process of preparation of the financial statements; and (iii) underlying tax credit assumptions and criteria adopted by the Bank's Management for the tax credit assets, maintenance and estimated realization. Additionally, as regards the financial statements, the Independent Audit firm considered that they were properly prepared, in all material respects, and are consistent with the PAN Conglomerate's parent company and consolidated accounting information taken as a whole. The main issues that occurred in this period were: (i) acceleration of intangible asset expenses (digital formalization); (ii) expiration of legacy bank deposit certificates; (iii) renewal of funding through the issuance of guaranteed financial bills; and (iv) funding through DPGE-DI.

Considering the above, and taking into account the limitations on its responsibilities in its reliance on the veracity of information received from the Bank, the COAUD considers that:

a) The Bank has been improving the monitoring of the main risk indicators, reported monthly in the Risk Appetite Statement (RAS) and also its corporate governance, in which we highlight the creation of the Internal Audit Corporate Policy, which aims to define the attributions, responsibilities and principles that regulate the performance of the PAN Conglomerate's Internal Audit. Moreover, the Bank's Management continues to exert its best efforts to continuously improve the Company's cybersecurity and technology systems environment, with the completion of the Cybersecurity Program in December 2020, developed with the objective of adhering to legal requirements, in particular Resolution 4,658/18 of the Brazilian Central Bank, and based on best practices;

b) There is no material fact or evidence that could impair the effectiveness or independence of the internal and independent audits, which are compatible with the size and characteristics of the Bank; and

c) The parent company and consolidated financial statements of the Bank and the accompanying notes, together with the Management Report and the Independent Auditor's Report, were prepared in accordance with current regulations, with the requirements of the Brazilian Central Bank and the accounting practices adopted in Brazil, to reflect the Bank's current financial position and performance.

São Paulo, February 2, 2021

AMIN ALVES MURAD

President

FÁBIO DE BARROS PINHEIRO

Member

PEDRO PAULO LONGUINI

Member



BANCO PAN S.A.
LISTED COMPANY
National Corporate Taxpayers' Register (CNPJ/MF): 59.285.411/0001-13
Commercial Registry Number (NIRE): 35.300.012.879

OPINION OF THE FISCAL COUNCIL

The Fiscal Council of Banco PAN S.A. ("Bank"), in the performance of its legal and statutory duties, examined the Bank's Management Report as well as the Bank's financial statements for the year ended December 31, 2020, and the notes to those statements. Based on: **(a)** the independent auditor's report issued by PricewaterhouseCoopers Auditores Independentes on February 2, 2021, which states that the auditors had sufficient access to the information necessary to prepare such report and the financial statements, and reported its key audit matters, within the context of its audit, as: **1** – the provision for expected losses - credit risk, concluding that the assumptions and criteria that management used were reasonable and consistent with the information disclosed in the financial statements (Notes 3g and 8); **2** – the Information Technology environment, to which were applied IT systems audit procedures related to the testing of general technology and information security controls. These addressed systemic changes and program development, the security over program and database access, data processing center physical security and compensating controls, when required, in addition to testing of automated controls or of the technology-dependent information, and access restriction and segregation of duties related to significant processes for the preparation of the financial statements; and **3** – Tax Credit, in relation to the total credits of R\$ 3.5 billion in Banco PAN and its subsidiaries, arising from temporary differences in calculating Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) accounted for based on projected taxable profit, (Notes 3n and 32b); **(b)** the meeting with the independent auditors; **(c)** on the summarized Audit Committee report, dated February 2, 2021; and **(d)** by analysis of documents, information, and clarifications that the Bank's Board of Directors, mainly the Controllershship and Compliance Board, provided to the Fiscal Council.

The Fiscal Board considers that these documents: **(a)** properly reflect the activities in the year ended December 31, 2020, and the Bank's financial performance; and **(b)** may be submitted for assessment and approval at the Bank's General Meeting of Stockholders.

São Paulo, February 2, 2021

Alexandre Xavier Ywata de Carvalho Aníbal Cardoso Joaquim

Peter Edward Cortes Marsden Wilson

