

Operator: Good morning, ladies and gentlemen, and welcome to Banco Pan Conference call to renew the results for the fourth quarter of 2023. The audio and slides of this conference call are being broadcast simultaneously over the Internet on the company's EO website, www.bancopan.com.br/ri and on the webcast platform. A presentation is also available for download. We would like to inform you that all participants will be in listen only mode during the company presentation and soon we will start the Q&A session when further instructions will be provided. Please be advised that forecasts about future events are subject to risks and uncertainties that may cause such expectations not to be fulfilled or differ material from what is expected. These forward looking statements speak only as of the date they are made, and the company undertakes no obligation to update them.

Present with us today are Mr. Carlos Eduardo Guimarães, the CEO of Banco Pan, and Mr. Inácio Caminho, head of investor relations and fund raising. I would now like to turn the floor over to Mr. Carlos Eduardo, who will begin the presentation. Carlos, you may proceed, please.

Carlos Eduardo Guimarães: Good morning, everybody, and welcome to another release presentation for Banco Pan.

We begin on slide number two. We had strong credit originations this quarter, 28% higher than in the last quarter. And we are using a conservative strategy and our origination focus on projects with warranty and good credit. Our portfolio grew 7% in the fourth quarter. There was a slight reduction in delinquency ratio thanks to better refund origination harvest. We continue to move forward in terms of the experience and convenience of our app.

Page number three. We ended the quarter with 28 million close by, more than half also have credit with us. In the credit portfolio, we reached 41.8 billion growth of 7%. These are the previous quarter. In terms of adjusted net income, we had 195 million, a growth of 11.1% for our OE. Now, I would now like to give the floor to Ignacio, who will offer you more details on our project.

Inácio Caminha: Morning, everybody. We continue on slide number five. We see the ongoing growth of our customer base, not only in terms of brand positioning, but in terms of U.S. that we deliver to clients who have contributed significantly and our

channels ever more integrated. Doubtlessly, this will give press to the growth of our customer base, increasing that figure of 28 million clients.

In slide number six, some details on engagement. 65% are active clients. We have 2.2 projects for active clients. We also see our (inint) [00:03:46] evolving to 2.8 million clients. And in TPP, we can see more directly the evolution of transactionality. We went from 22 million per quarter in the fourth quarter of 2022 to 25 million with experience for continuous growth. Retail origination on slide seven, I think you can observe that we had strong figures, 9.6 billion for the quarter with a high in vehicle, 4.2 billion in the quarter.

In the month to month evolution, we have 1.6 billion. In January, we continue on with a very strong pace. We're absolutely leaders in the new motorcycle segment and we have 35.6% in like vehicle and in others we have another 11%. And of course, the trend will remain strong.

In FGTS, we also are strong and in B2C, we're working towards having ever more share. Now, since the beginning, we're running two thirds coming from B2C credit and change payroll coming up also very strong. We're quite confident about coming quarters. Personal loans are slower because of a more conservative stance and for change during 2024.

We'll speak about the credit portfolio in more detail on slide eight. Throughout the year, we have been practically flat. We began with a strong dynamic growth of 7% totaling 41.8 billion. Once again, driven by vehicles and payroll, part is very strong in vehicles of 32%, leading to a portfolio of 32 billion with 7 billion for payroll and credit cards also very strong.

On slide number nine, well, we have a very clear view of the improvement in delinquent fee rates. We have already mentioned in the previous quarter and we hope that this will gradually evolve going forward. We ended with 13 to 99% and the other 7% a more significant trough as you can see. Now, what we like to observe in delinquency rates is the behavior of margins in terms of credit. We had a trend that was very close to a 9%, and we now see an evolution towards 10% as we have been mentioned, we have a new high business vehicle and a very good position. And the trend towards an increase is what we expect for 2024.

On slide number ten, this is something we have reiterated since the beginning of our credit history. This is the main tool to monetize and engage customers or clients. We have been evolving in this metric where the growth quarter quarter was tied to the growth. Of course, we have a number of clients with credit. We do want to increase our share for all of them become ever more relevant with each individual client. This

is what we're seeking, this level of engagement that will compliment transactional relative. This is important for monetization.

The revenue on slide 11, very important. How we continue to grow the performance of this quarter totaled 375 million. This is very visible because of the evolution of vehicle, 163 million for vehicles, 51 million for insurer and premium. And in marketplace we had a growth because of Black Friday, something that we had already expected. And this makes us move forward in terms of our fee revenue.

Let's speak a bit about cars on slide number 12. We continue to maintain a conservative stance, but we are now issuing new cards with a completely different dynamic where it is showing lower values for clients. And as they use their credit, we work on these clients in such a way that they can broader their capacity for loyalty or online cards a reduction in risk exposure. Now, this has not happened so far, but we are enhancing the number of clients that are using the pen and the TQP volumes show you an increase of 3.4 to 3.7 for the quarter and in revenues per card, we have a lag between beginning the invoicing and the interchange values. And we do expect the growth in the coming quarters.

When it comes to insurance, on slide number 13, we see the evolution of premium accompanying the evolution of vehicles, totaling 229 million premiums issued with 3.4 billion clients with active insurance. This is a highly interesting business that will complement the client's experience.

Think about the marketplace on slide number 14. Of course, we were expecting an increase because of Black Friday, although the country as a whole observed a drop because of the 2022, there was 915 billion of GMT with 6.3% of take rate. We have already spoken about this new take rate dynamic, changing the competitive scenario among the retailers. There was the drop in the quarter. What we have here as part of the strategy through with motorcycle and all of that environment. What we are truly seeking is to make the most of the top of the funnel. We have 2 million new to navigating, which represents an enormous opportunity to bring that client into our environment, all for a new project. And this has had a good evolution in our app. We have a very pleasant experience within our app, which is another tool that will help us in extending engagement or transaction outages during the year. We ended up with 60 million in revenues multi also, which is our other marketplace has contributed to the experience of our clients. We have 9.000 stores working with the platform of mobile and with constant growth, which is always very positive when we look at the share of clients that are funding their cards and there have been so multi out, so we have reached practically 8%. It was 5% at the end of 2022. This has grown as well as the volume of new funding and the reach and representativeness of mobile also have been very positive. We have 12 million visits per month, we have at the end of

the year and we have a lower base during 2023. So there is a significant growth dynamic here. We ended the year with 291 vehicles and 25.7 million revenues for the quarter.

Let's speak a bit about financial highlights on slide 17. We have that in gross margin on a sound basis, pointing towards the growth in this margin. The name after, well, we've grown from 3 to 3.8 and we exclude the assignment from other area. So this dynamic is very important for our results.

Now if you look at the results on slide 18, the total margin reached 19.1%, 2,017 billion for the quarter. That provisioned expenses extremely well-controlled. This is what we expect representing 4.7% of our portfolio, expenses as a whole gave increased during the quarter. This, of course, driven by a stronger origination, practically 600 million in expenses with origination and 260 was administrative expenses and personnel. We ended up in profitability with 195 billion and ROIC of 11% due to the acquisition of motorcycle. If we look at these three indicators from a yearly viewpoint, we continue with very good margins, with an outlook for improvement. We total 7.7 million in revenue in 2023, expenses with net provision of 5.6% compared to a portfolio of 4.7 because of the control of the cards portfolio. In expenses, a growth of 2% as a whole. Now on the course associated to origination, now administrative and personal expenses growing 5% and in 2024, we already have survey efficiency that is significant and we will see a considerable enhancement during 2024. And these other expenses have the results for the year 777 million adjusted ROI of 11.3%.

Now in 2024, we have a legacy deposit that will consume part of our results with maturity at the end of 2025. We're very close to the maturity date and this will contribute upon maturity with an additional two points of return on equity. An important dynamic going forward that we will follow up on to conclude with equity and capital. We ended the quarter with 15.8 Bassil ratio quite compatible with our growth strategy along with our funding base, but offers a significant comfort to continue on advancing in our assets.

I would like to return the floor to Cadu to speak about the outlook for the year.

Carlos Eduardo Guimarães: Now, to conclude the presentation on slide 21, these are outlook for 2024. We expect over 11 growth in our credit portfolio. A significant drop in the amount of credit assigned compared to the value as of 2023. The NIM will remain similar. We will continue to grow our origination with an increase in the B2C channels. Now the NIM after credit cards will grow due to the greater margins of the recent vehicle vintages. We will continue to focus on engagement levels and transactionality present by new channels, products and the repositioning of our

brand, which will end up being more aspirational. With this, we would like to conclude the presentation and open the floor for questions and answers. Thank you.

Operator: We will now go on to the question and answer session for investors and analysts. Should you wish to pose the question, please press star one or send your questions to the chat at the bottom right of the webcast platform. Our first question comes from the phone from Olavo from UBS. You may proceed, sir.

Olavo: Good morning, Cadu and Ignácio, thank you for the presentation. I have two questions. The first, you have shown us the figures of your portfolio and the CBI operation. I would like to have an overview of the purchase of projects and how we should look upon this for the rest of the semester.

A second question, refer to the legal framework for guarantees. Now there has been a recovery in terms of vehicle and after the legislation that has been suggested, what is going to happen with the pricing of vehicles and how you are going to collect for this going forward? Thank you very much for taking my question.

Carlos Eduardo Guimarães: Well, thank you for the question, Olavo, let's begin with the purchase of the portfolio. It was a payroll portfolio, something we were able to do in December, a very good operation. And of course, connected to our strategy. New acquisitions may take place. We have actively sought out the acquisition of new portfolios and we believe that they will appear throughout the year 2024. All of this has to do with our strategy. Now, for those who understand risk, know the price of purchase and sale, this was a very good opportunity with the right price. So we made the investment of 1.3 billion. We do expect to carry out new operations throughout the year. Of course, if the profitability of Gorgon now the legal framework of guarantees that will impact us in the vehicle business. The law is now in effect, but there are still uncertainties riddling there. We don't know how it will work. The great bet is that there will be less friction when we seek out and apprehend a vehicle an officer of trust. Is what the previously. You can now do this through notaries or through the Department of Motor Vehicle. We still don't know how to operate presently. We haven't changed the pricing of the vehicles based on our expectations of how this will operate. It's not very clear to us how all of this will roll out in practice. Thank you.

Olavo: Thank you very much, Cadu, for the answer.

Operator: The next question comes from Flavio from Bank of America. You may proceed, sir.

Flavio: Good morning, Cadu, good morning, Ignacio. Thank you for taking the question. I have two questions. The first question, referring to the credit portfolio, we have upstairs when we speak with other banks, is that they will also have an increase

throughout the year. And I would like to know how you're getting prepared for this new competitive scenario that will be somewhat more fierce, not only how you're getting prepared in the auto business, but also in the area of payroll, which is one of your focuses. Another point that I would like to explore more, you were speaking about your credit portfolio for 2024, and your new credit is assigned by strategy.

Carlos Eduardo Guimarães: Thank you for the question, Flavio. First of all, we have always worked in highly competitive markets, vehicle payroll, the workers compensation funds, or credit cars. These are very competitive markets and we believe that 2024 will continue on with the competition. Well, we have been preparing our differential, something that will set us so far so that we can compete in a more relevant way in the segment. As Ignacio mentioned previously, the funding of motorcycles, we have more than 30% of this market. We are by far leaders in business of funding, of vehicles. Also, we are in the third and fourth place for the largest funders in Brazil. And this market, well, they have been very competitive for some time. We could have new entrants which would make competition ever more fierce, but we believe that we are ready to continue to be relevant players in the segments in which we are presented here closed and payroll in due to as part of the workers Compensation fund. Well, this is our background during the last few years. Regarding your second question, the growth of the portfolio in 2023, we held a five out of almost 13 billion highs of the portfolio. In 2024, we're expecting a relevant increase in this assignment. This is a tool to enhance the portfolio and you will see this in our balance. Secondly, we're more optimistically with the increase in origination and increase that began in the fourth quarter. When you put together the increase in origination that began in the third quarter and we're going to continue like this in 2024 and a lower volume of assignments in 2024 compared to 2023, this leads us to expect a significant growth in our credit portfolio.

Now, this change in your assignment strategy, which is the underlying reason you have done this during the second half of the year. Well, the rationale we always considered credit assignment as an important part of our business, an important tool to be able to generate capital, bonding, manage risk. It has always been and will continue to be important for us beginning in 2024 and 2023, 24, for not only Banco Pan, but the group as a whole feels more comfortable with an increase in holding back these portfolio because of the amount, because of the capital that we have that the group has or will have the amount of funding and the price of access to funding. When we look at it through this broader outlook of funding and capital, not only for Pan, but for the group as a whole, this gives us the comfort of reducing the amount of assignments expected for the year 2024. I see. Thank you very much. Thank you for the answers.

Operator: Our next question comes from my Matheus Rafaeli from Itaú BBA. You may proceed, sir.

Matheus Rafaeli: Good morning, everybody. Thank you for taking my question. We're going to speak about prices again. When we began speaking about credit cards, we saw a significant increase in the number of issuer. So you were speaking about your approach, your approach with clients. If you could give us more color to understand one based on your approach, what we can expect throughout 2024 so that we can work with this during the year and what it is that we can expect to change.

Carlos Eduardo Guimarães: Well, thank you for the question, Matheus. In the fourth quarter, we truly didn't present number of credit cards issues, but if we translate this into expected rates, what is it that we do? We base ourselves on the number of cards issued, multiply this by the average limit origination and the updating index. When working with, the credit card in the fourth quarter has a protection representative in the bank that is truly very small. There was an increase but a fine or increase when you work with these multiplications that I have just mentioned, quantity, ticket usage and activation. This year of 35 million reais of origination in December when we were aiming towards 3 billion. This is still a minor business that we're working very cautiously with the credit card on this. So it's a positive with a very tight margin, but something that brings about important engagement, which is what we are seeking. Now, having said all of this, we do want to continue to grow in the number of cards during 2024, but we don't expect a growth in the share of the credit card portfolio as part of the bank portfolio throughout 2024. We hope that it will remain very close to the 5% that we have. Thank you very much.

Matheus Rafaeli: Thank you.

Operator: Our next question comes from Arnold Schraze from Santander, Brazil. You may proceed, sir.

Arnold Schraze: Good morning. And thank you for taking my question. My question refers to the default dynamic. It has been relatively stable vs the previous quarters, but it has had a significant drop in terms of the 15 to 19 days something that is very positive, which is your expectation for 2024? And I have another question for 2024, which are your greatest revenues? Do they come from credit? Will that default level pose a difficulty with it? Thank you.

Carlos Eduardo Guimarães: Not only in the recent past the third quarter and the fourth quarter, but also for 2024. What we have said is that the default levels will have a slight improvement. Our expectations for improvement in the results for 2024 comes mainly from better pricing and a better margins for the credit and not due to a significant evolution in the cost of credit in our more recent vintages. And I'm

referring to the end of 2022 and 2023. The price of the loss that we expected is more aligned with the price that we had before. These are what is about to come. At the beginning of 2022, we expected a loss on the pricing. We felt that the loss was greater and of course the pressure, the net cost of margins at the end of 2022 and maybe in 2023, the expected loss that we put in the pricing of products became more aligned. As we tend to forget the fact, the problem is not to have a high loss or minor losses. The problem is that if you have a significant discrepancy between the loss that you thought you would have to for the example, pricing, it will complicate things. So we see a slight reduction in the default indicator. But something present the net margin of the call, the President explained by what I have just said, due to the better prices that we have attached to originations. That's very good. Thank you very much.

Arnold Schraze: Thank you.

Operator: Our next question comes from Brian Flowers from Citibank. You may proceed.

Brian Flowers: Well, good morning. Thank you for taking my question. I would like to understand the dynamic of this new direction. You're working with the CGT file, but I think this will become ever more typical, if you could refer to this somewhat.

Carlos Eduardo Guimarães: Well, thank you for the question, Brian. Now, the sound was not very good. I believe you were referring to the FGTS? Yes, that was precisely it. Origination of the workers compensation fund, the FGTS is in around 350-400 million eyes per month. And this is what we expected for the year of 2024, it's a highly competitive markets where we have a significant position, we have became leaders without significant market share of reservation, but also where they complete the future experience with self-contracting and the FGTS project continue to be very important for the Banco Pan. The origination of FGTS will continue in the range 350-400 million reais, a good amount, 60, 75% is due to the differences for the bank or (inint) [00:34:08]. This is the business that we like. It's important for the client. It has a competitive rate. This is the project that has come to a standstill. It is important for the client, it is important for the bank and we will continue to be flat and our origination throughout 2024. Origination, when I said that the portfolio that we're going to ground in 2024, there were payroll and FGTS. When we signed those in 2024, the portfolio as a whole, it means that the FGTS portfolio will also have to grow during 2024.

Brian Flowers: Very good. Thank you very much for the answer.

Operator: Thank you. Our next question comes from Eric Ito from Bradesco BBA. You may proceed.

Eric Ito: Good morning, Cadu and Ignacio. Thank you for taking my question. I have two questions. First of all, I would like to better understand the growth of your credit portfolio that was significant this year. What do you expect in terms your portfolio growth this year? And if you will have an increase in profit in the coming quarters because you're working with more profitable vintages or is the growth slower as this will wipe away the growth? And as Ignacio mentioned, this acquisition will bring about two more points in ROI. What will happen once it is more normalized going forward to 2025?

Carlos Eduardo Guimarães: Well, thank you for the questions, Eric. First all, we don't offer guidance from the bank. What I can say is that profit for 2024, we expect a slight increase. And when you grant that, we're going to work by much less throughout 2024, this impacts the short term results and enhances the medium term results when we have less time. This will impact the short term results because we have better instances, better indicators, more efficiency and cost despite a significant reduction in the amount of time. We hope to have greater profit in 2024, vis a vis 2023. For 2025, the expectation is to have a significant increase in larger part of our portfolio will have been held back until the end of 2024. When you speak about sustainable role in 2025 and 2026, think sustainable return on equity should be 21 to 22% for defense. But this is for 2022, this is what we're thinking here. Of course, there's a certain path that we have to tread, and this path is the integration of everything that we are building, integration of different channels with different projects and, of course, bringing transnationality, where we have had an evolution.

Eric Ito: Well, thank you very much, Cadu.

Operator: Thank you. We would like to remind you that to propose a question, please press star one or send your questions to the chat at the lower right of our webcast platform. As we have no further questions, I would like to return the floor to Carlos Eduardo for his closing remarks. Thank you very much to all of you for your attendance at one more conference call. And as we mentioned during the presentation, we hope to have a 2024 better than 2023. We hope to see you again at our next earnings results conference. Thank you. The Banco Pan conference call here would like to thank all of you for your presentation, your attendance. And so you have a good day.

Legenda:

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