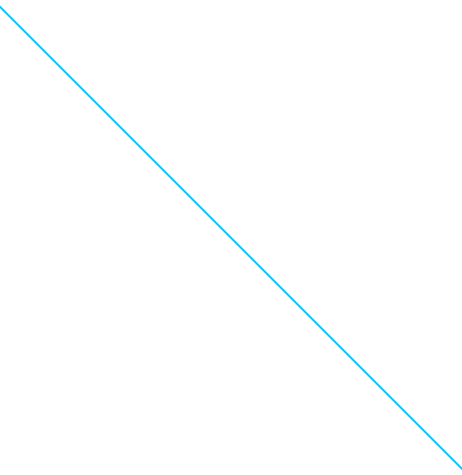




# Corporate Presentation

—  
4Q20



# WHAT MAKES **BANCO PAN** UNIQUE



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

# Complete Banking Solutions Platform

## Focused on Credit for the Low-Income Population

### B2B



**16k** Vehicle Dealers



**770** Brokers



**46** Digital Partnerships

### One-stop-shop Platform



### B2C



**App** Platform



**60** Own Stores



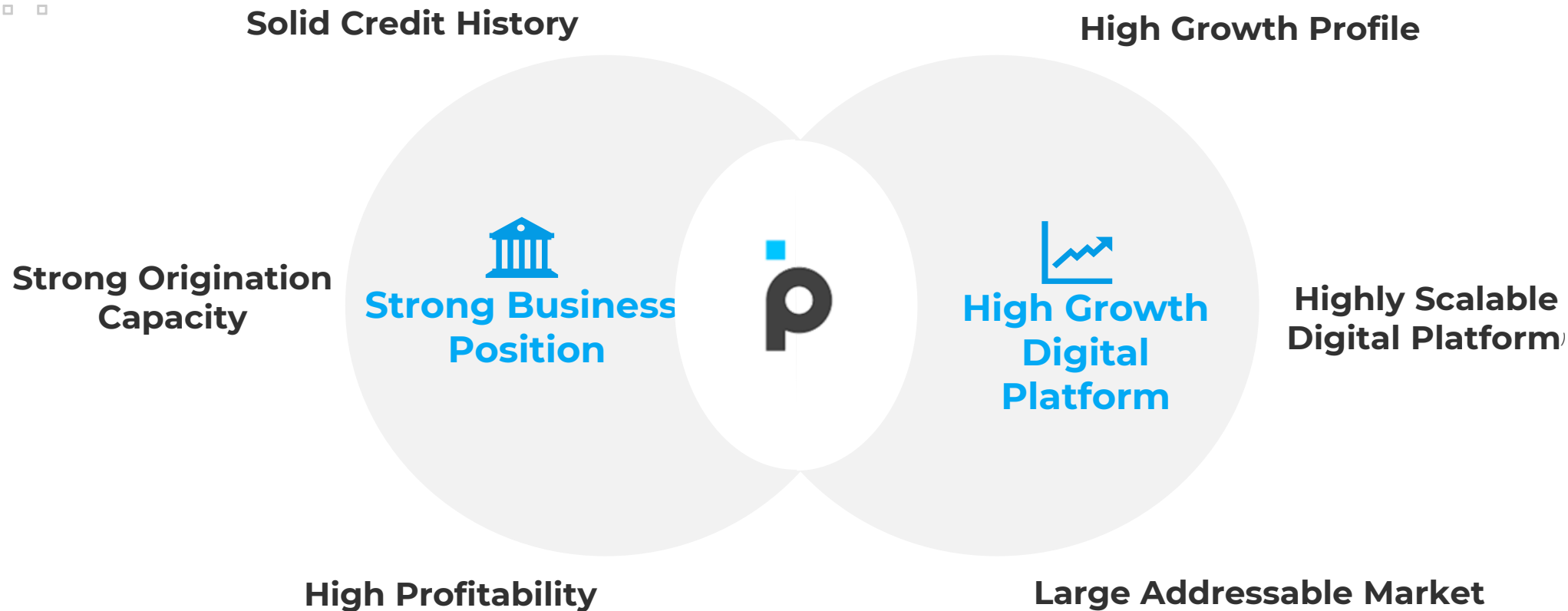
**Web** Platform

Asset Light Omnichannel Distribution Network

Digital formalization and API platform to improve efficiency and scalability

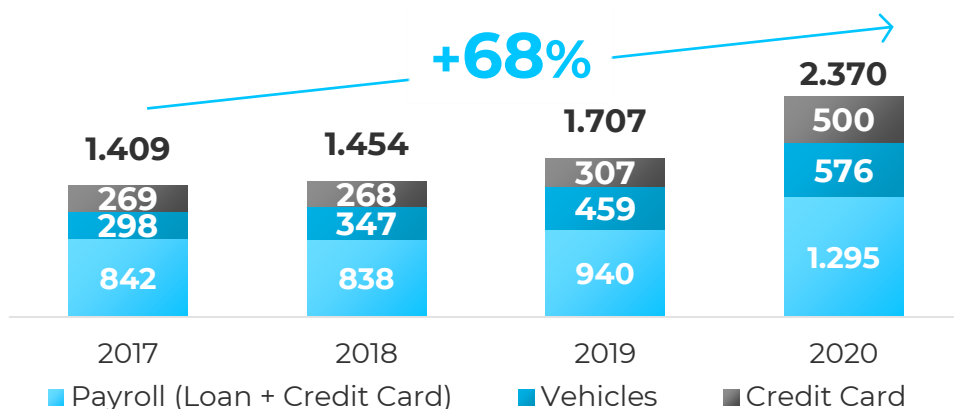
# Unique Business Profile

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

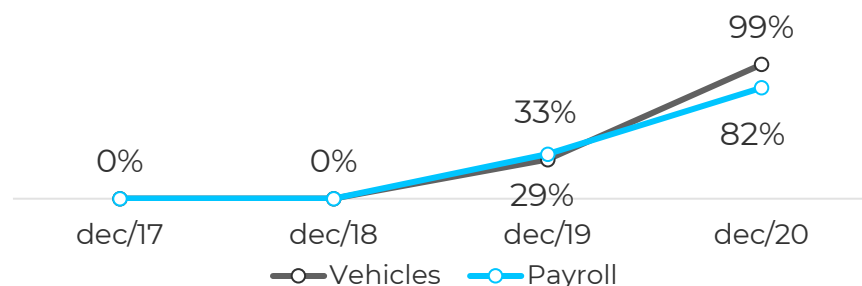


# Strong Origination Capacity Leading to a Robust Portfolio

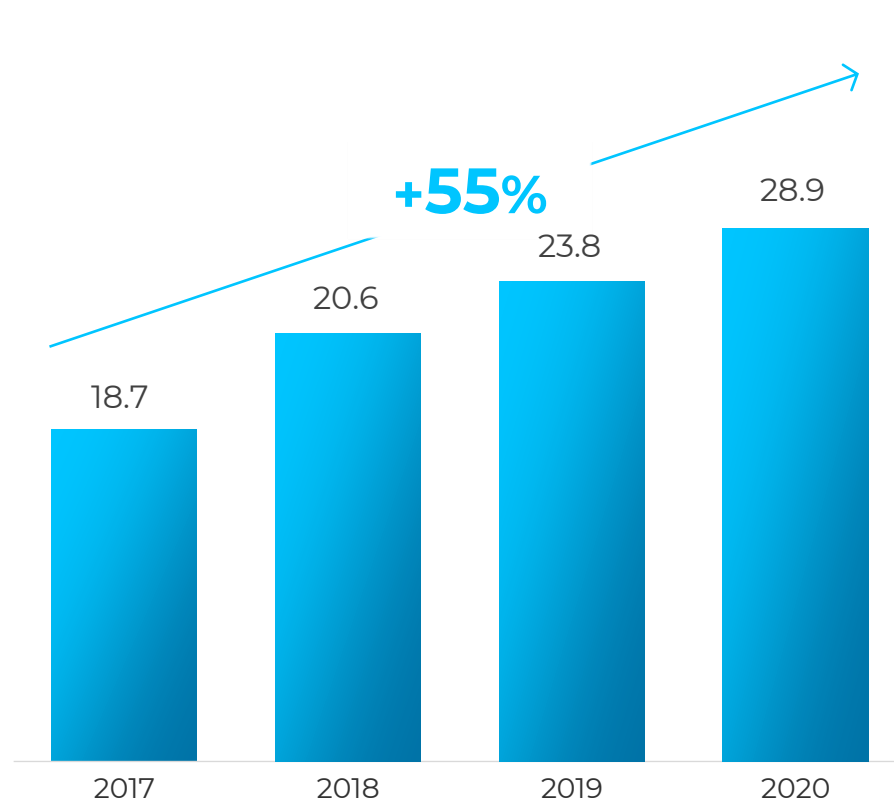
**Retail Credit Monthly Origination <sup>(1)</sup>** R\$m



**Digital Formalization** %



**Credit Portfolio** R\$bi

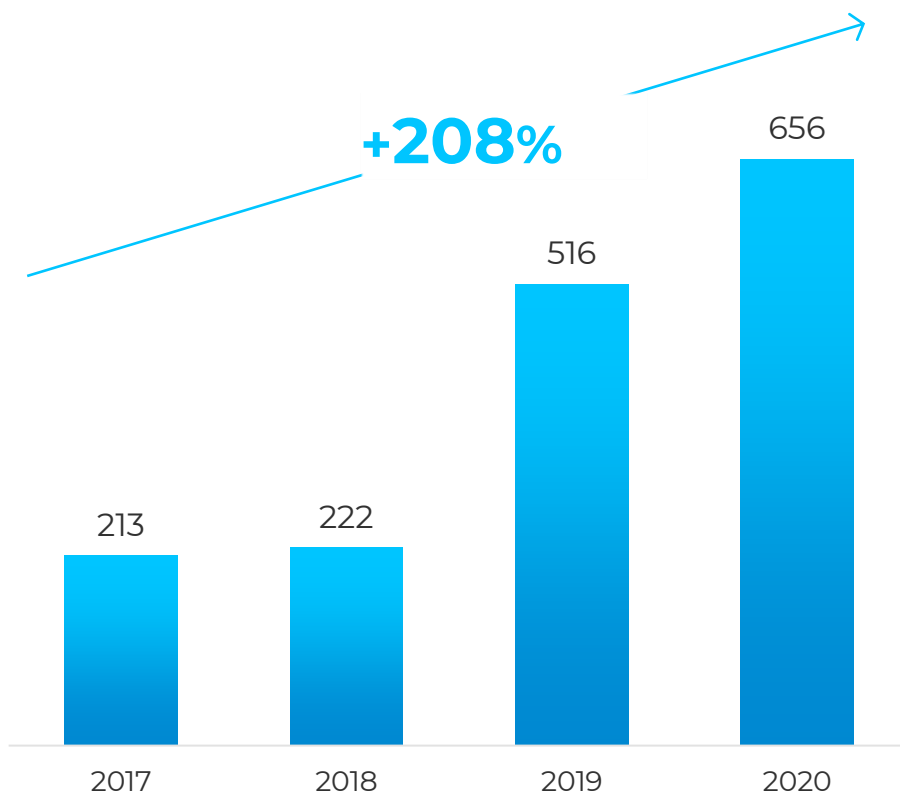


Note: (1) Excluding runoff business

# Solid Operational Performance Delivering High Profitability

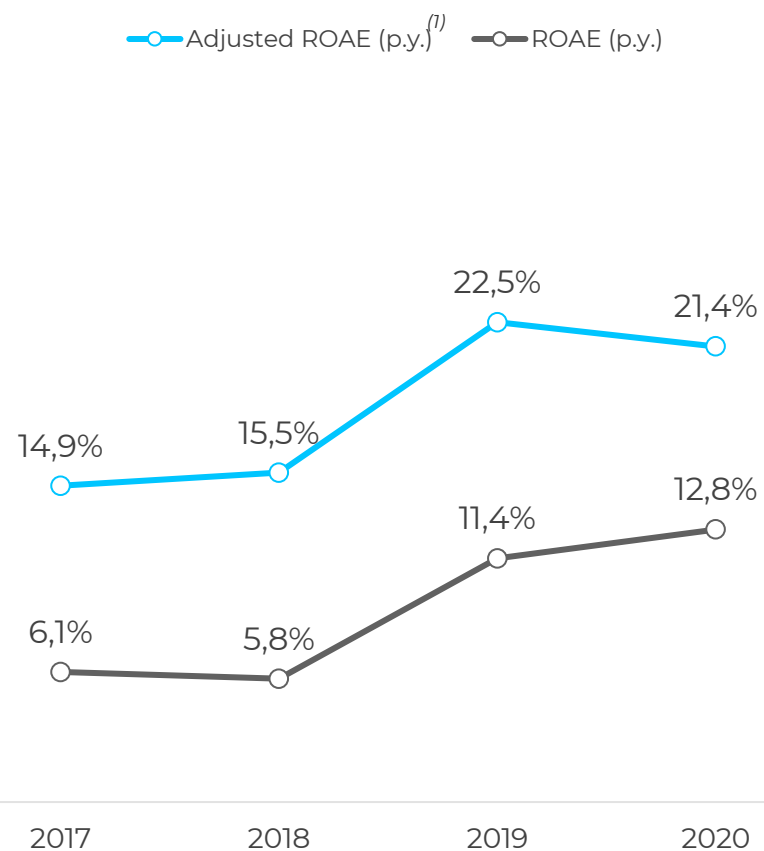
## Net Income

R\$m



## Return on Equity

%

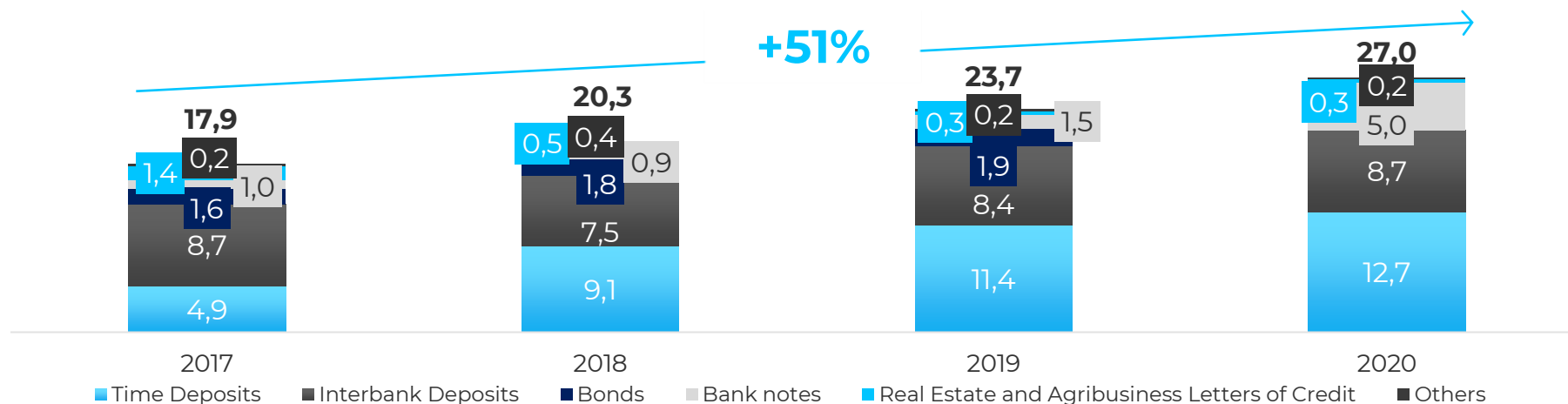


Note: (1) Unaudited adjusted ROAE includes (i) withdraw the excess of financial expenses from fixed rate time deposits issued between 2005 and 2008 (avg. maturity in 2023), and (ii) excess of DTA related to losses arising from the accounting inconsistencies found in 2010, as an adjustment to Shareholders'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

# Diversified Funding With Solid Capital Position

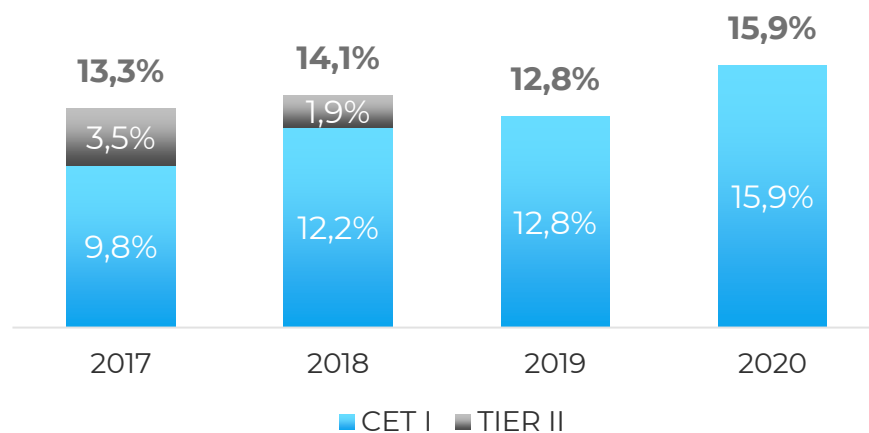
## Increased and diversified funding...

R\$bi



## ...Combined with strong capital base

%



## Ratings (long term)

**S&P Global**  
Ratings

**AA (local) | B+ (global)**  
positive Credit Watch

**FitchRatings**

**A+ (local) | BB- (global)**  
Outlook Stable

# Long Track Record in Credit with Resilient Portfolio

## Defensive Portfolio Mix Portfolio Mix<sup>(1)</sup>



**Payroll + Collateral: 93%**



**Renegotiated Loans : 0.5%**



**Payroll Loans: 96%** on federal sector<sup>(2)</sup>



**Vehicles: 35%** down payment



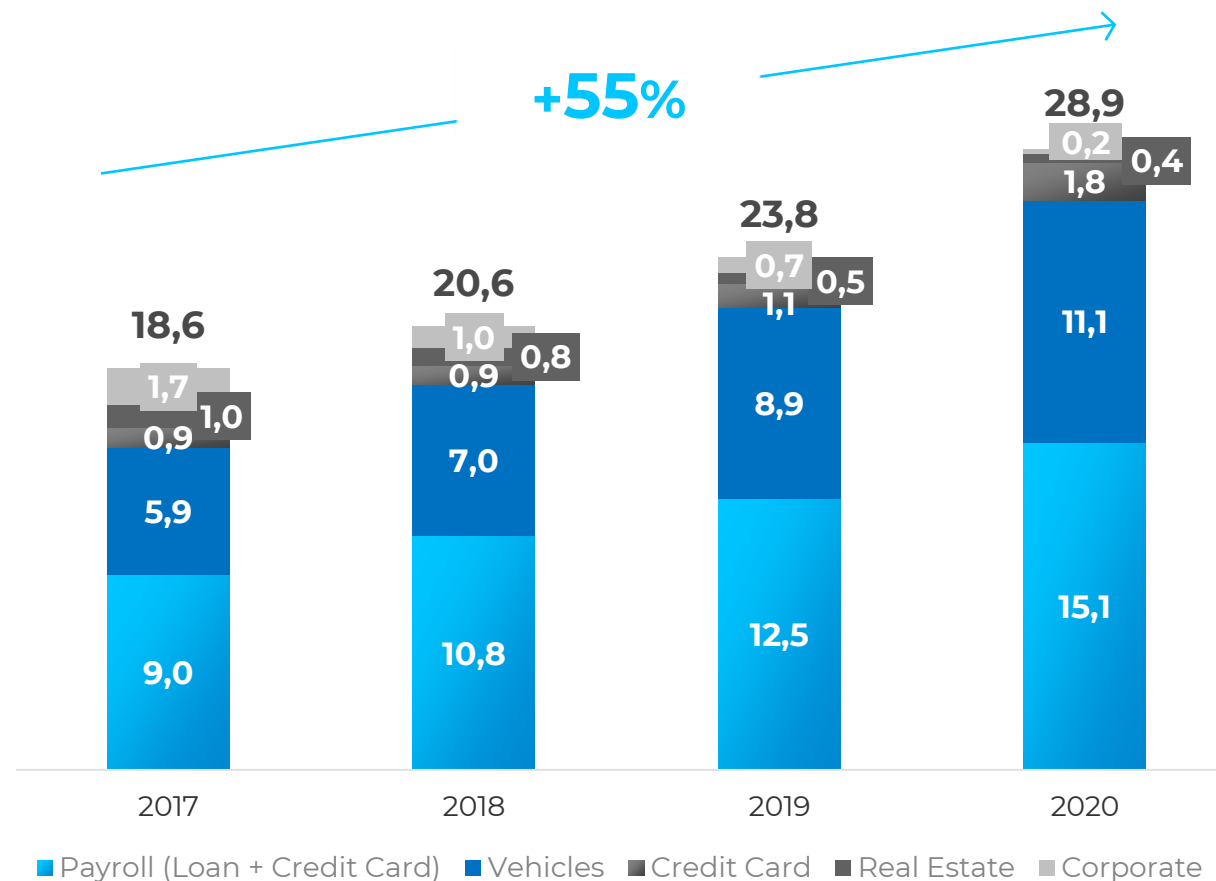
**Motorcycles: 22%** down payment

Notes: (1) As of 4Q20

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

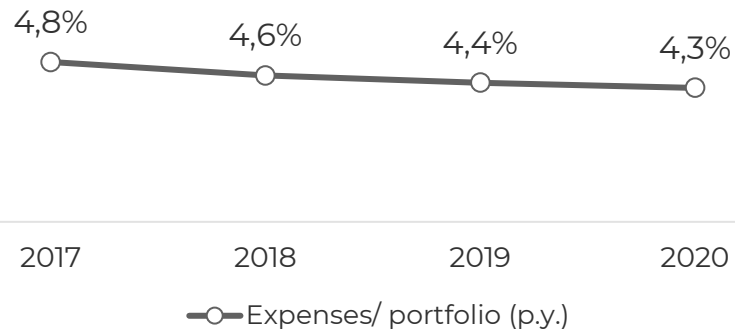
## Credit Portfolio Breakdown

R\$bi

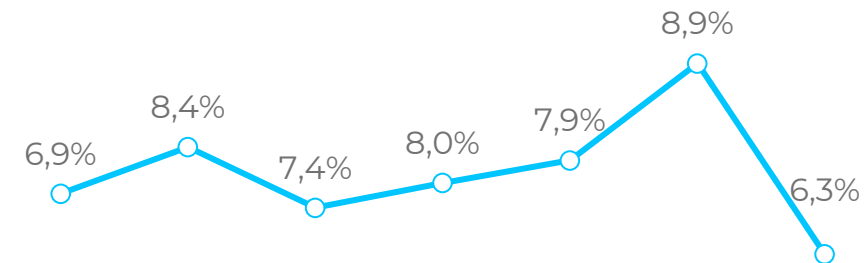


# Successful Credit Experience in different Economic Scenarios

## Consistent Results Overtime



## Controlled Default Ratios



## Managing COVID-19 in a Restrictive Approach



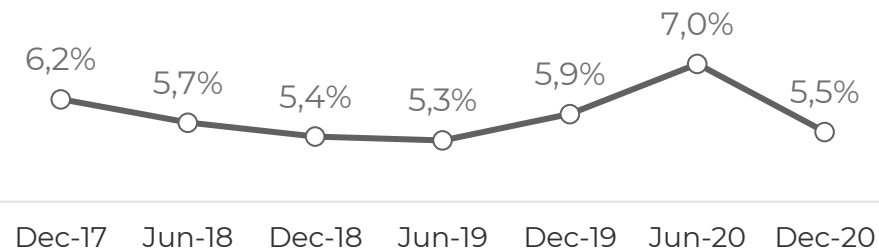
**Less than 1%** of the portfolio was deferred and **97%** of the subsequent overdue installments were paid.



Over 15 to 90 lower than the **historical series**



Default rates presenting **expressive improvement**



—○—% over 90 days    —○—% over 15 to 90 days

# Brazil: a Large and Growing Addressable Market

**210 MM** (Brazil's population)

**189 MM** (Low-Income<sup>(1)</sup>)

**55 MM** (Unbanked)

## Payroll Loans<sup>(2)</sup>

**R\$ 439 bn**

14% growth  
(dec-19 | dec-20)  
3.6% Mkt Share

## Credit Cards

**R\$ 285 bn**

1% growth  
(dec-19 | dec-20)  
0.6% Mkt Share

## Vehicles

**R\$ 221 bn**

8% growth  
(dec-19 | dec-20)  
5.1% Mkt Share<sup>(3)</sup>



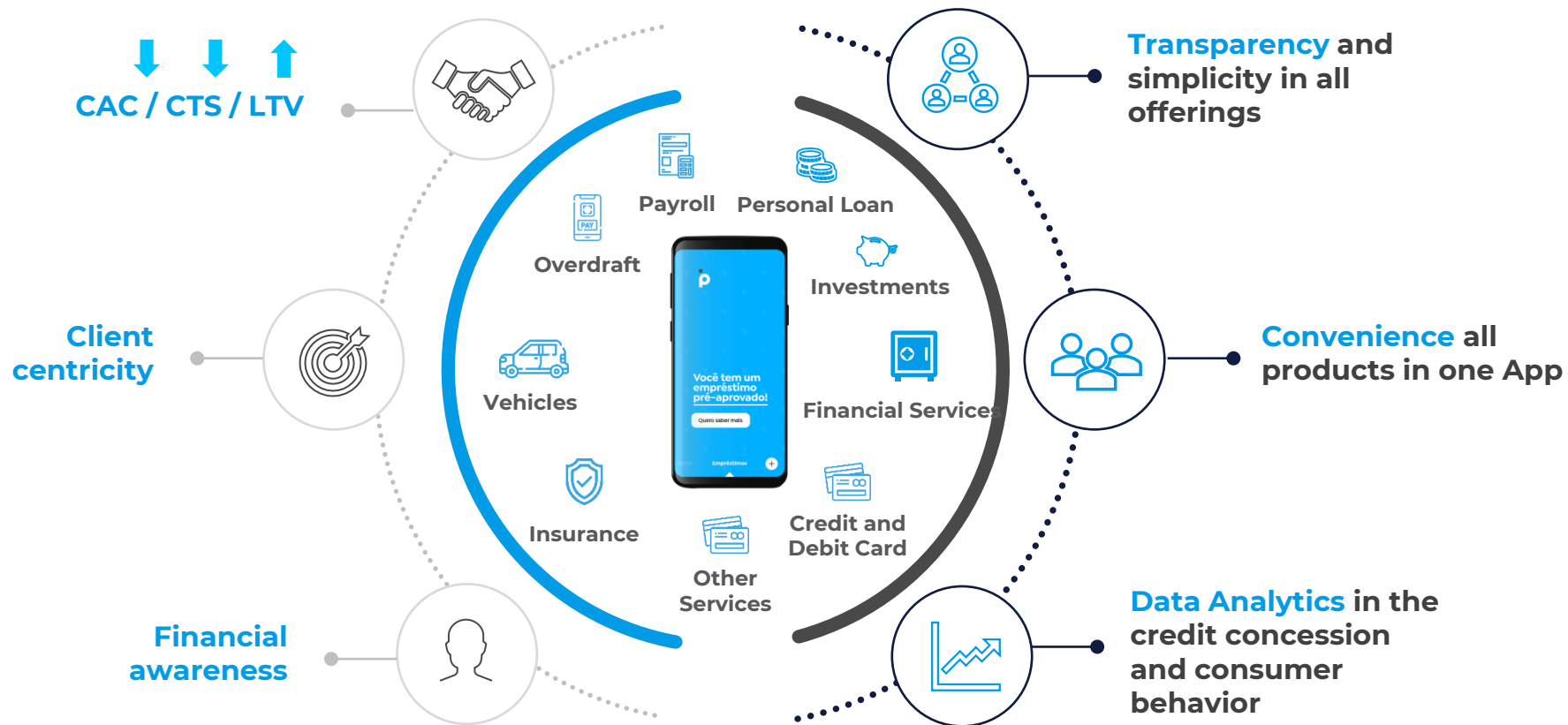
Sources: IBGE and Brazilian Central Bank

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

(3) Includes all vehicles markets (used and new).

# Fully Implemented Digital Bank to Boost Growth

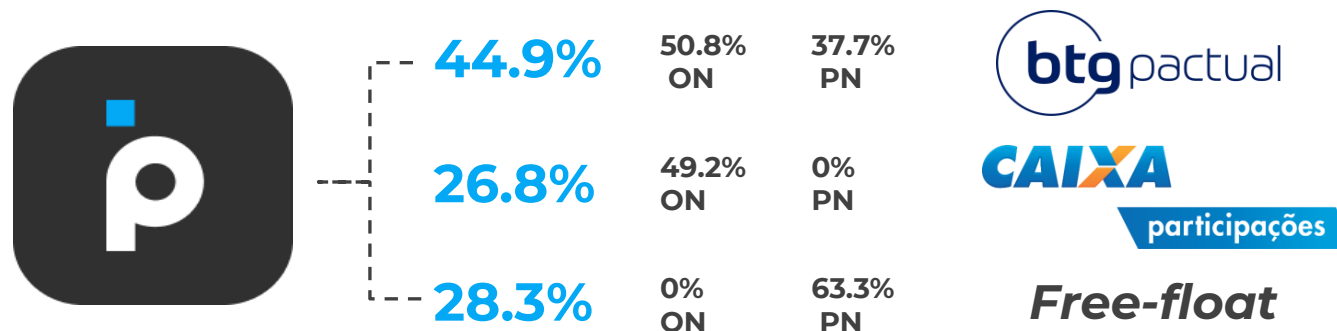
Platform focused on offering what we believe to be the best service for low-income individuals, improving cross-selling and customer loyalty



## Expected Upcoming Features and Products

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

# Seasoned Management Backed by Reference Shareholders and Solid Governance



## Board of Directors

### BTG PACTUAL

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

### CAIXA

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

### INDEPENDENT MEMBERS

- Fábio Carvalho
- Fábio Pinheiro
- Marcelo Torresi

## Board of Officers

- Cadu Guimarães  
CEO
- Mauro Dutra  
CFO
- Alex Sander Gonçalves  
CCO
- Demerval Bicalho  
CRO
- Diogo Ciuffo  
Digital Officer
- Roberta Geyer  
Credit Officer<sup>1</sup>



## Financials

—  
4Q20



# HIGHLIGHTS 4Q20



## Average Origination

**R\$ 3.4 in 4Q20**  
(+50% 3Q20; +85% 4Q19)

**R\$ 2.4bi in 2020**  
(+39% 2019)

## EBIT

**R\$ 261 MM in 4Q20**  
(+0.7% 3Q20; +22% 4Q19)

**R\$ 938 MM in 2020**  
(+35% 2019)

## Adjusted ROE

**20.9%p.y. in 4Q20**  
(21.5%p.y. 3Q20; 24.6%p.y. 4Q19)

**21.4%p.y. in 2020**  
(22.5%p.y. 2019)

## Shareholders' Equity

**R\$ 5.3 bi in 4Q20**  
(+2% 3Q20; +8% 4Q19)

## Credit Portfolio

**R\$ 28.9 bi**  
(+14% 3Q20; +22% 4Q19)

## Net Income

**R\$ 171 MM in 4Q20**  
(+0.4% 3Q20; +2% 4Q19)

**R\$ 656 MM in 2020**  
(+27% 2019)

## ROE

**13.0%p.y. in 4Q20**  
(13.2%p.y. 3Q20; 13.7% 4Q19)

**12.8%p.y. in 2020**  
(11.4%p.y. 2019)

## Basel Ratio

**15.9% in 4Q20**  
(16.4% 3Q20; 12.8% 4Q19)

# Portfolio Performance Retail



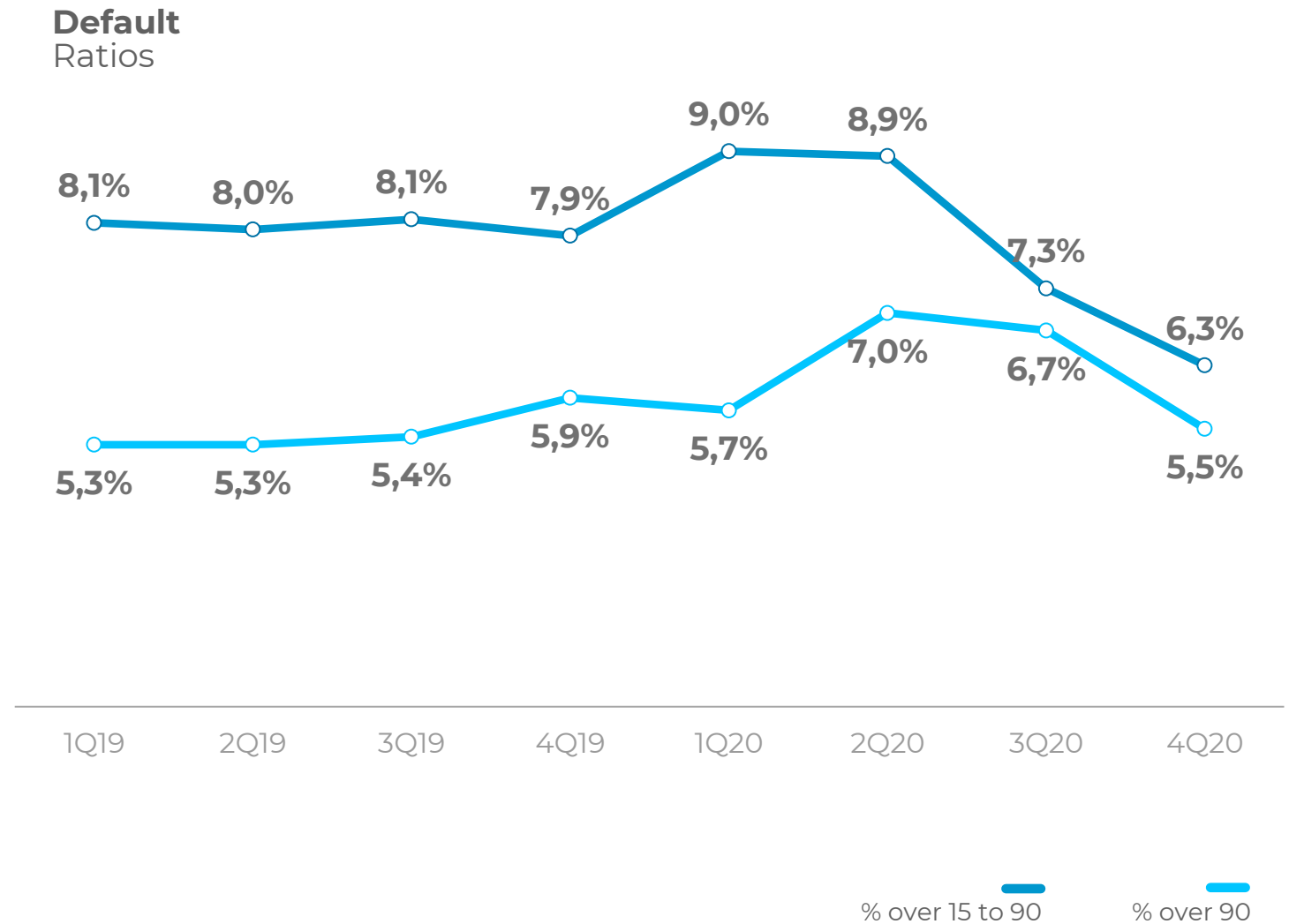
Default rates presenting **significant improvement**



Over 15 to 90 posting **historical lows**



**Less than 1%** of the portfolio was deferred and **97%** of the subsequent overdue installments were paid.





## Credit Provisions

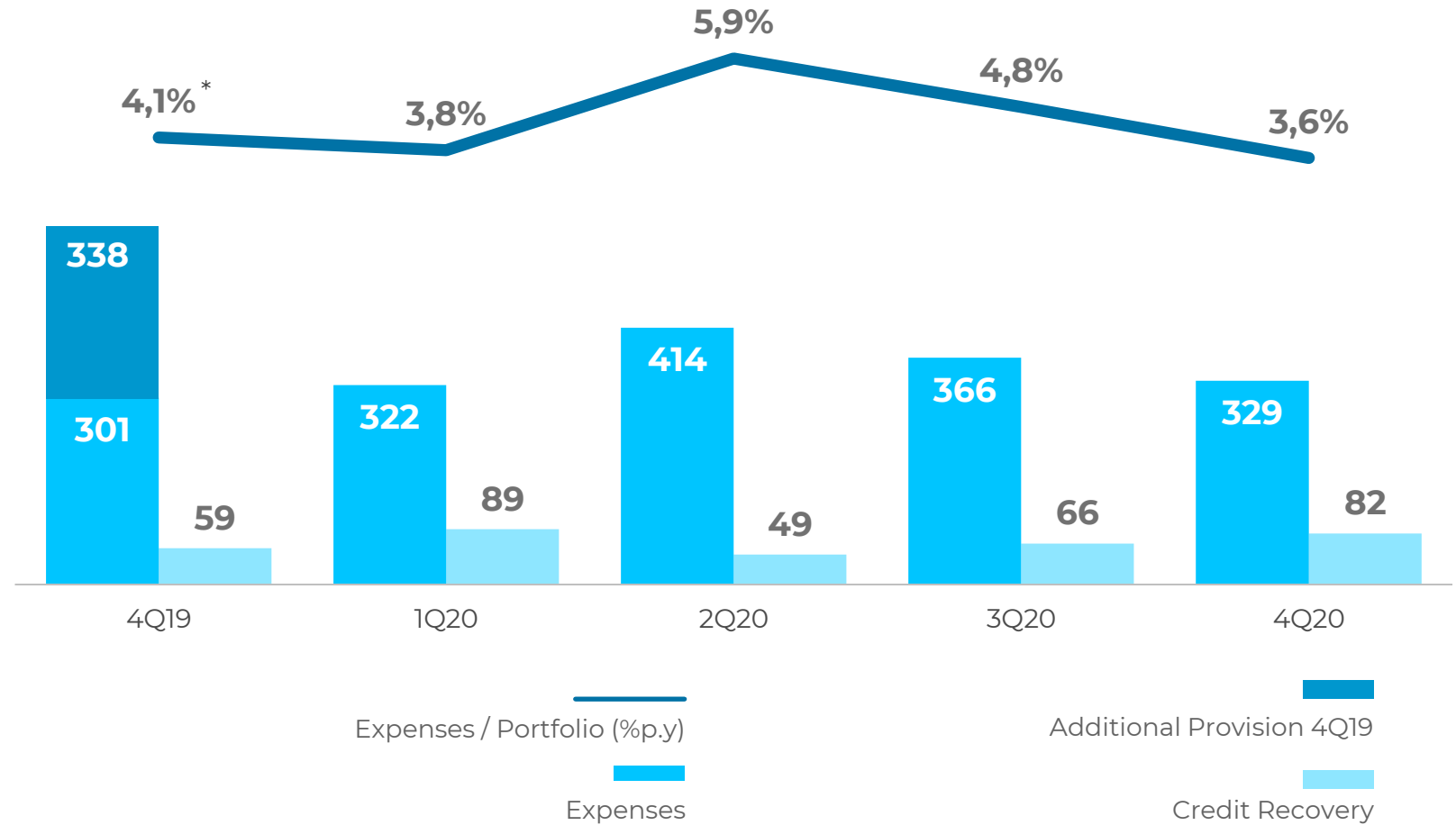
### Net allowance for loan losses

Significant reduction to 3.6%, in line with the **default behavior**

### Resilient Portfolio

Payroll + collateralized loans **account for 93%** of total portfolio

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

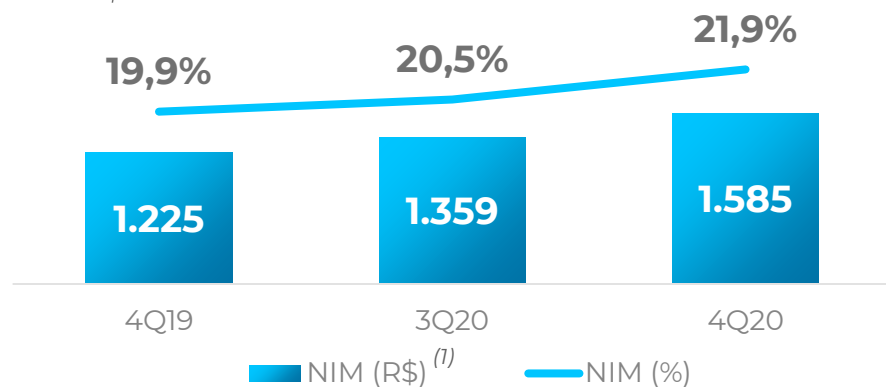


\*Does not include 4Q19 additional provision

# Quarter Earnings

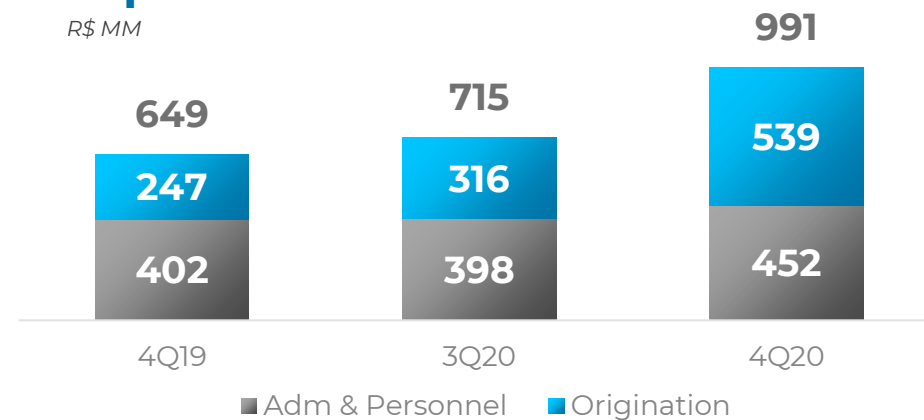
## Net Interest Margin

R\$ MM



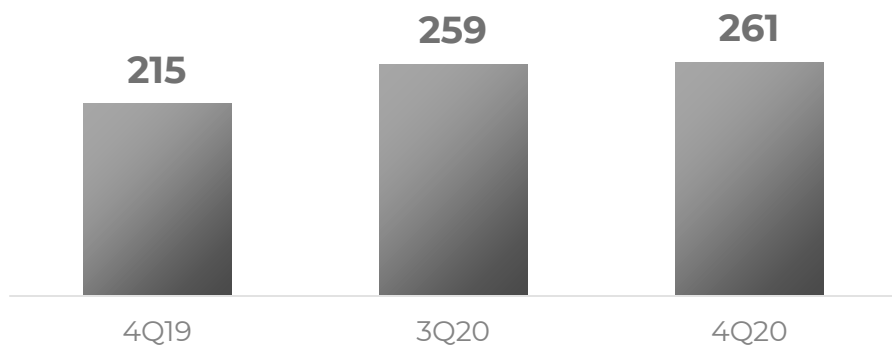
## Expenses

R\$ MM



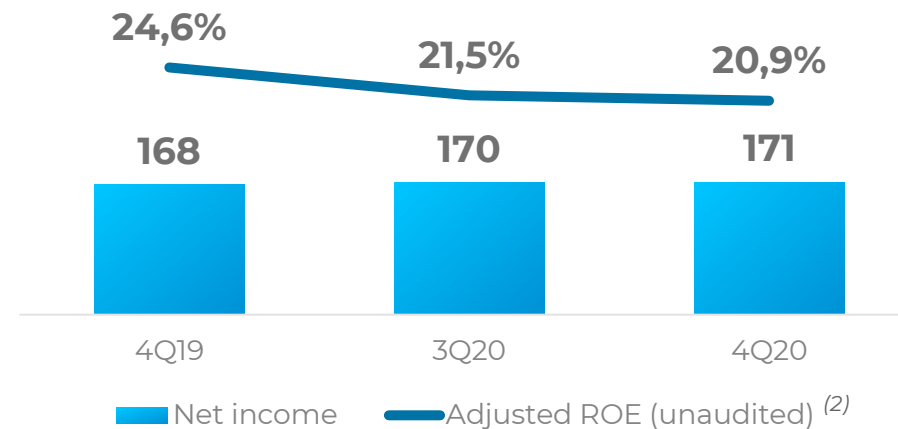
## EBT

R\$ MM



## Profitability

R\$ MM

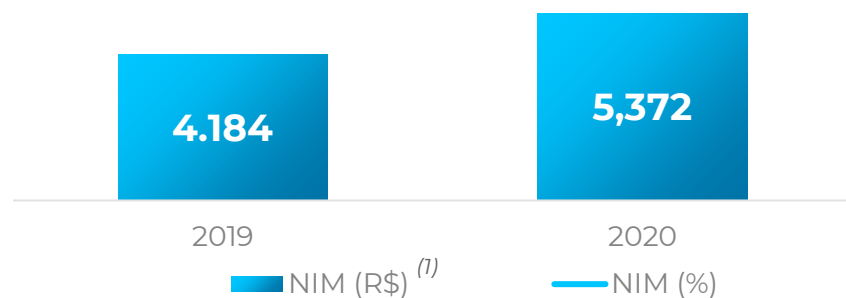


Note: (1) NIM = Net Interest Margin (2) Unaudited adjusted ROAE includes: (i) excess of funding expenses, as an adjustment to the Net Income, and (ii) excess of DTA related to losses arising from the accounting inconsistencies found in 2010, as an adjustment to Shareholders' Equity.

# 2020 Earnings

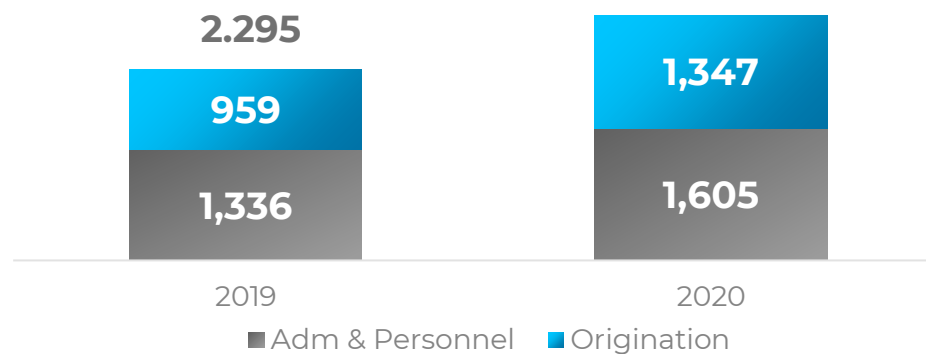
## Net Interest Margin

R\$ MM  
17,3%  
19,0%



## Expenses

R\$ MM  
2.295  
2.951



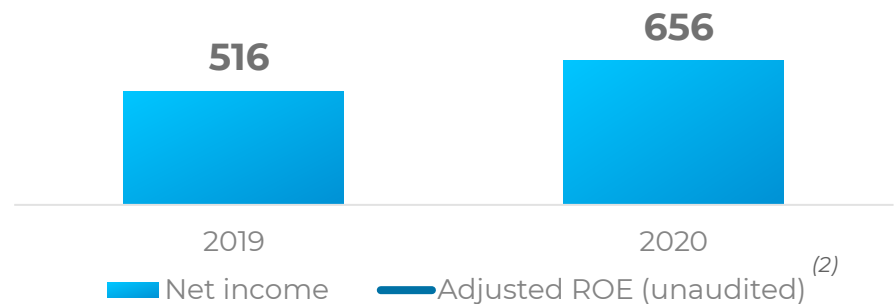
## EBT

R\$ MM  
694  
938



## Profitability

R\$ MM  
22,5%  
21,4%



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

# Adjusted ROE

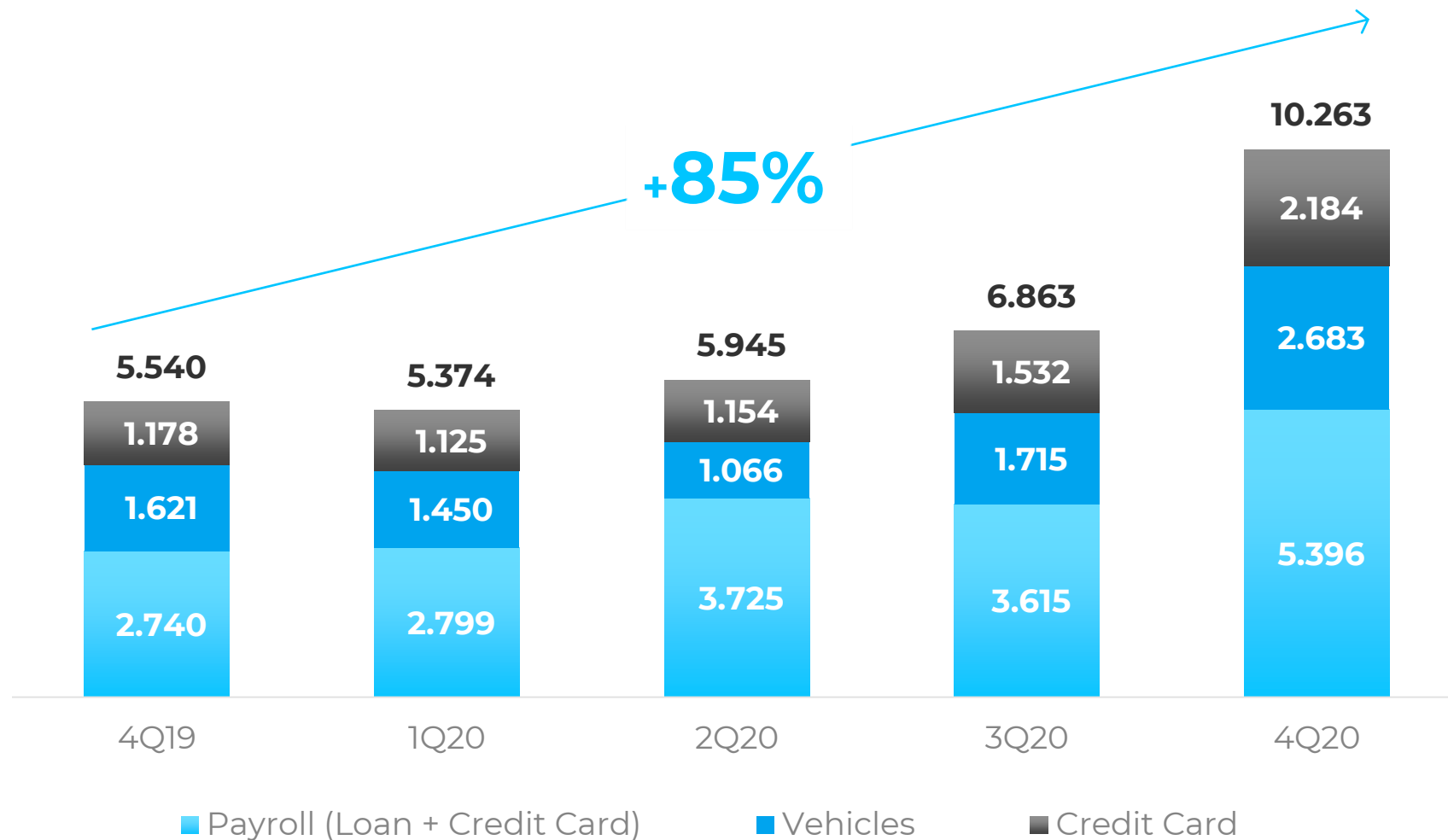
R\$ MM	4Q20	2020	4T20 x3T20	4T20 x4T19	2020 X2019
<b>EBT</b>	<b>261</b>	<b>938</b>	<b>+0,7%</b>	<b>+21,5%</b>	<b>+35,0%</b>
<b>Net Income (A)</b>	<b>171</b>	<b>656</b>	<b>+0,4%</b>	<b>+2,0%</b>	<b>+27,1%</b>
<b>Excess of Financial expenses (net of taxes)</b>	<b>53</b>	<b>215</b>	<b>-0,2%</b>	<b>-11,4%</b>	<b>-2,7%</b>
<b>Adjusted Net Income (B)</b>	<b>224</b>	<b>871</b>	<b>+0,3%</b>	<b>-1,5%</b>	<b>+18,1%</b>
<b>Average Shareholders' Equity (C)</b>	<b>5,269</b>	<b>5,122</b>	<b>+1,8%</b>	<b>+7,9%</b>	<b>+13,5%</b>
<b>Excess of DTA related to losses</b>	<b>983</b>	<b>1,050</b>	<b>-3,1%</b>	<b>-17,4%</b>	<b>-15,1%</b>
<b>Adjusted Average Shareholders' Equity (D)</b>	<b>4,287</b>	<b>4,071</b>	<b>+3,2%</b>	<b>+16,2%</b>	<b>+24,4%</b>
<b>ROAE (p.y.) A/C</b>	<b>13.0%</b>	<b>12.8%</b>	<b>-0.2p.p.</b>	<b>-0.7p.p.</b>	<b>+1.4p.p.</b>
<b>ROAE Adjusted (p.y.) B/D<sup>(1)</sup></b>	<b>20.9%</b>	<b>21.4%</b>	<b>-0.6p.p.</b>	<b>-3.7p.p.</b>	<b>-1.1p.p.</b>

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



# Retail Origination

Total Quarter | R\$ MM



# Credit Portfolio



Total Portfolio =  
**+22%** vs 2019

Payroll + Collateralized Portfolio =  
**93%**

Renegotiated Loans =  
**0.5%**

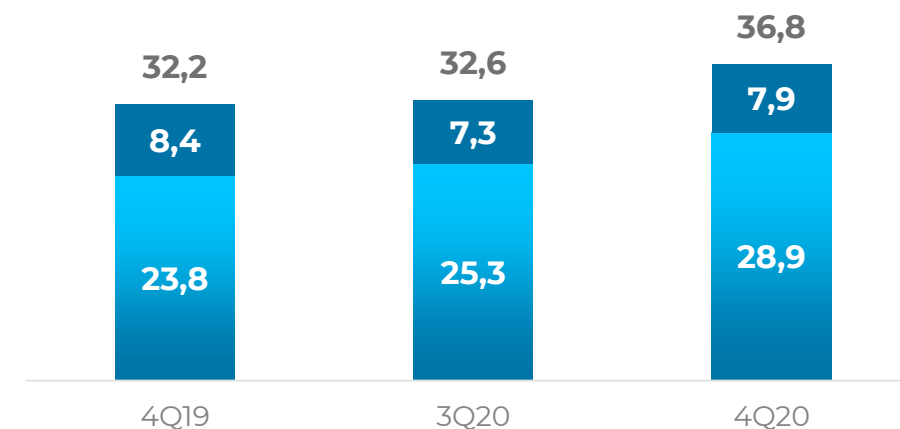
## Retained Portfolio

	R\$ MM	4Q20	Share %	Δ 4Q20/ 3Q20	Δ 4Q20/ 4Q19	4Q19	Share %
Payroll (Loan + Card)		15,129	52%	14%	21%	12,506	53%
Vehicles		11,140	39%	14%	26%	8,854	37%
Credit Card		1,772	6%	25%	63%	1,087	5%
Real Estate		412	1%	-3%	-17%	496	2%
Corporate		224	1%	-6%	-69%	732	3%
Others		230	1%	25%	109%	110	0%
<b>TOTAL</b>		<b>28,907</b>	<b>100%</b>	<b>14%</b>	<b>22%</b>	<b>23,785</b>	<b>100%</b>

## Originated Portfolio

R\$ BI

- Assigned for shareholders'
- Retained





**Business**  
**Line**  
**4Q20**



# PAYROLL DEDUCTIBLE

## LOANS AND CREDIT CARDS



### Overview

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

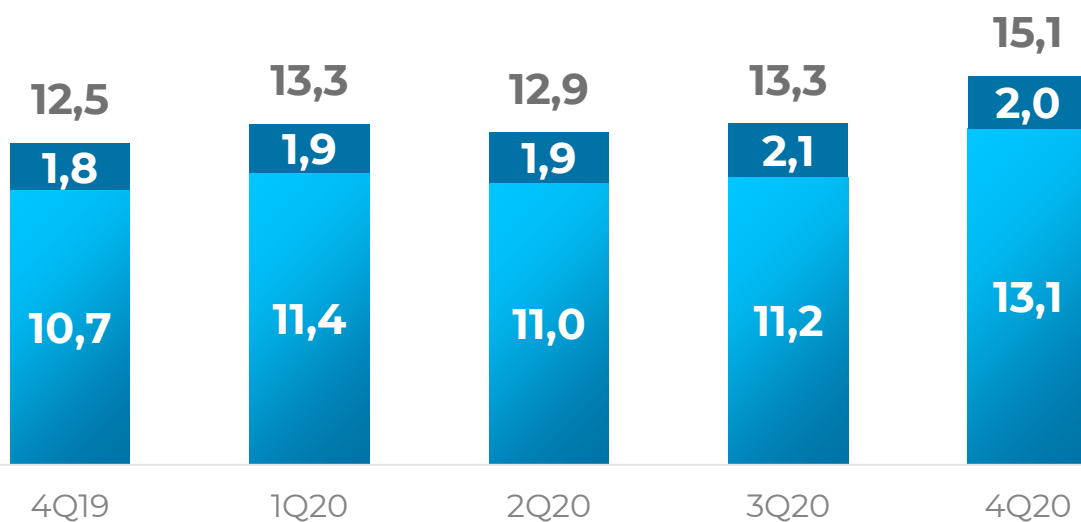
Average Ticket of **R\$ 4.1k**

Duration of **38 months**

### Portfolio Evolution

R\$ BI

Loans Credit Cards



### Origination Breakdown

	4Q20	3Q20	4Q19	2020	2019
<b>Federal</b>	<b>96%</b>	<b>95%</b>	<b>87%</b>	<b>94%</b>	<b>89%</b>
INSS	91%	84%	67%	86%	64%
SIAPÉ	4%	10%	11%	7%	13%
Armed Forces	1%	1%	10%	1%	11%
<b>States + Municipalities</b>	<b>4%</b>	<b>5%</b>	<b>13%</b>	<b>6%</b>	<b>11%</b>
<b>Total Monthly Avg. R\$ MM</b>	<b>1,799</b>	<b>1,205</b>	<b>913</b>	<b>1,295</b>	<b>940</b>
Loans - Monthly Avg.	1,737	1,091	836	1,214	866
Cards - Monthly Avg.	62	114	77	81	74

# VEHICLES FINANCING

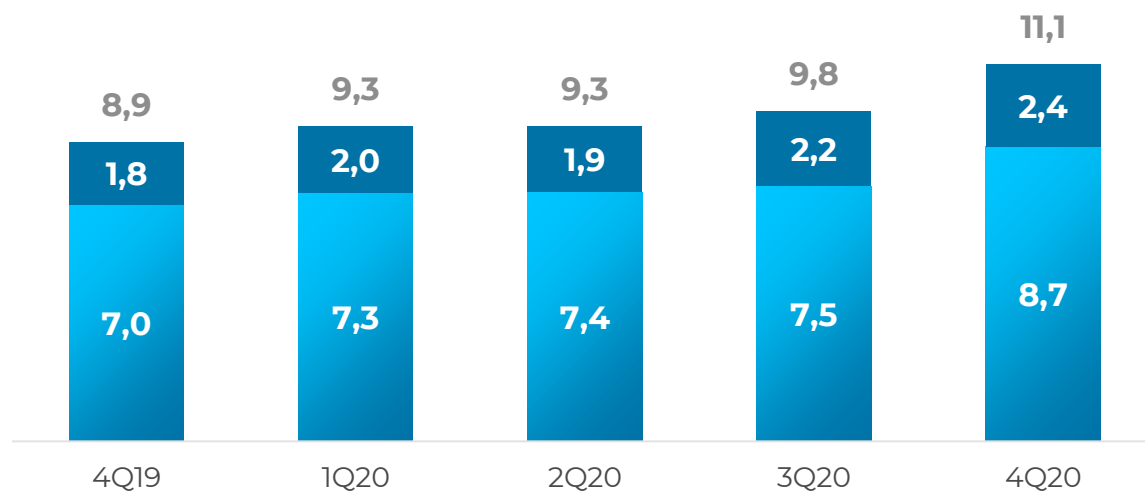
## Overview

Actively present in more than <b>16k</b> multi-brand & single-brand vehicles dealers	Average Ticket Vehicles: <b>R\$ 25k</b> Motorcycles: <b>R\$ 13k</b>	Duration Vehicles: <b>19 months</b> Motorcycles: <b>16 months</b>	<i>Downpayment (%)</i> Vehicles: <b>35%</b> Motorcycles: <b>22%</b>
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## Portfolio Evolution

R\$ BI

■ Vehicles ■ Motorcycles

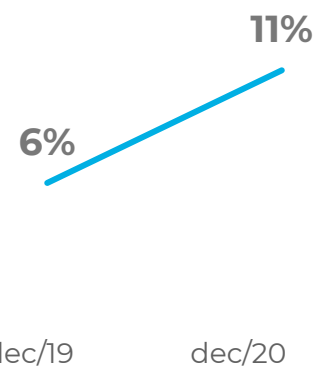


## Average Monthly Origination

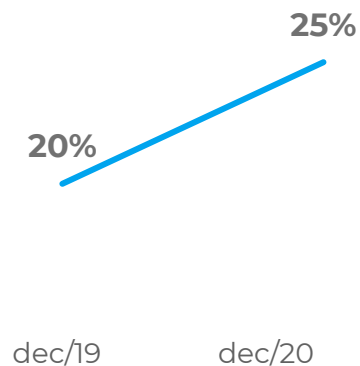
R\$ MM	4Q20	3Q20	4Q19	2020	2019
Vehicles	730	390	424	443	359
Motorcycles	164	182	116	133	100
<b>Total</b>	<b>894</b>	<b>572</b>	<b>540</b>	<b>576</b>	<b>459</b>

## Market Share

### Vehicles

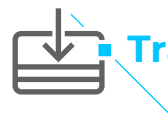


### Motorcycles

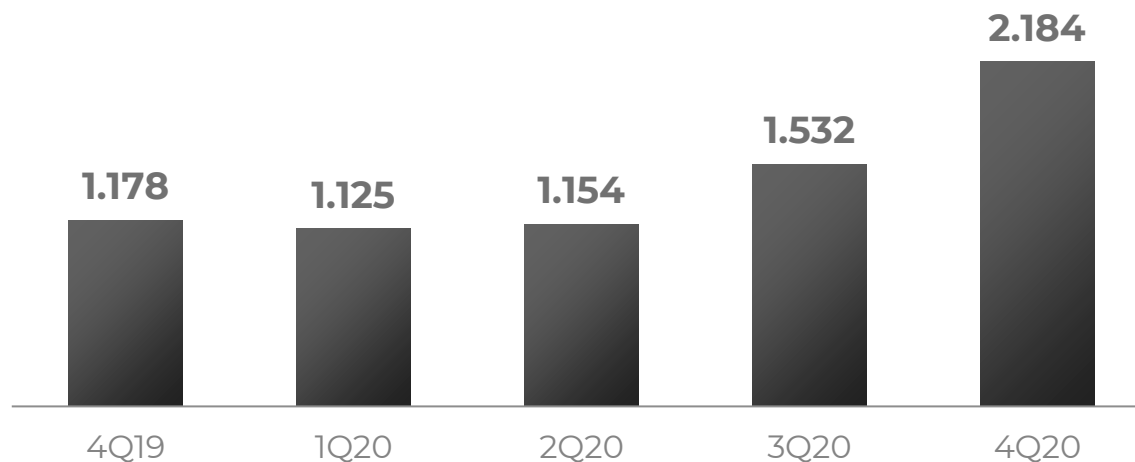


# CREDIT CARDS

**Strong revenue growth**, leveraged by digital bank, with increased emissions through **multiple channels**



**Transaction Volume** R\$ MM



**R\$ 6bi**  
**transaction**  
**volume in 2020**

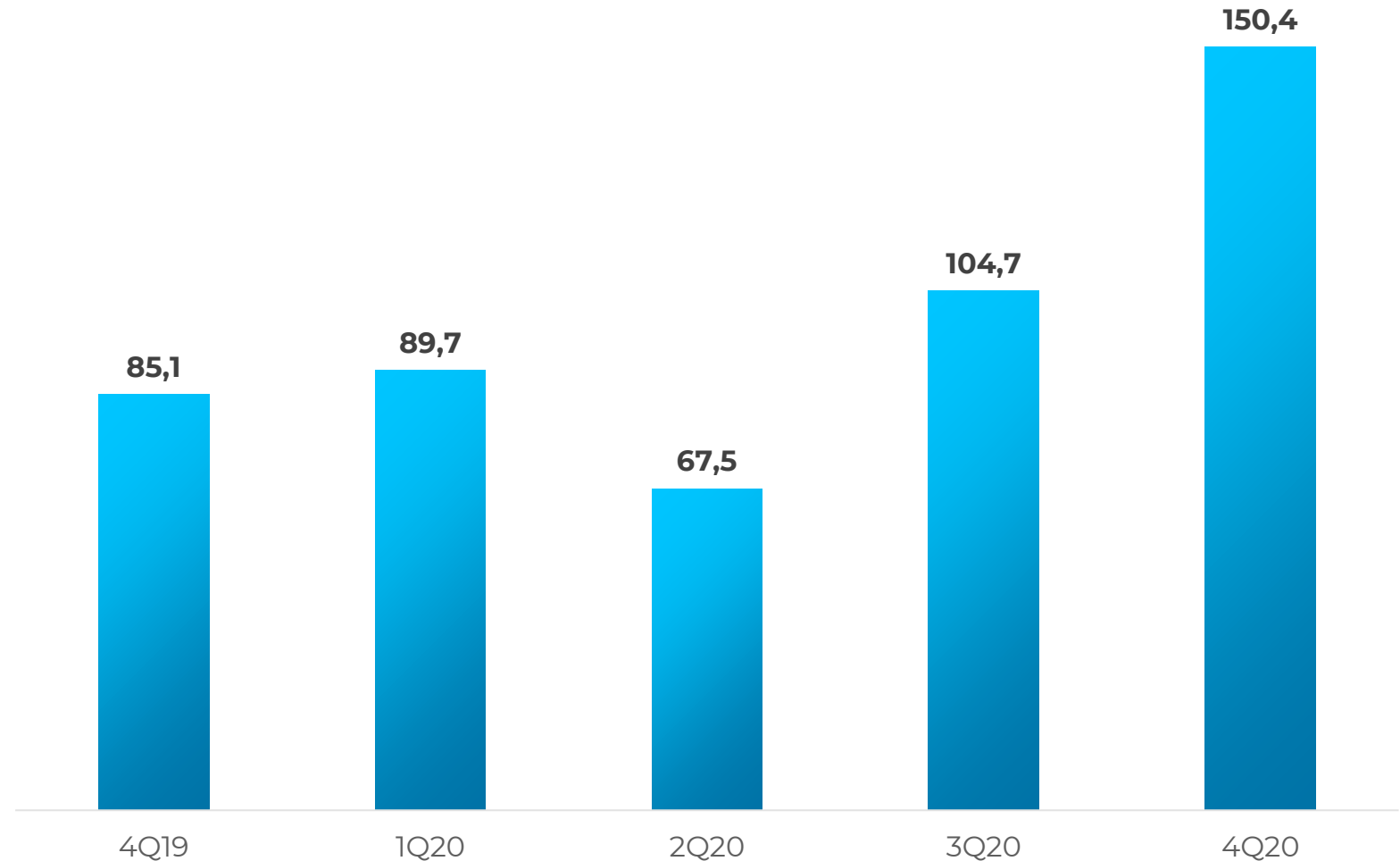
# INSURANCE PREMIUMS

 **Total Quarter** R\$ MM

## Highlights

 **R\$ 412 MM** in insurance premiums in 2020

 **3 new products** in 2020 and **pipeline to additional** products in 2021





## IR CONTACTS

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**(55 11) 3264-5343**

**ri@grupopan.com**

**ri.bancopan.com.br/en**