



**Investor
Presentation
2Q20**

DISCLAIMER

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

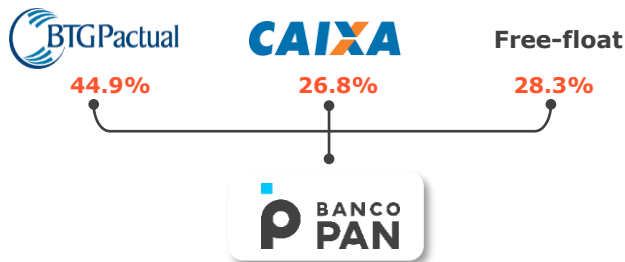
Risks and uncertainties related to the bank's businesses, to the competitive and market environment, to the macro economical conditions and other factors described in "Risk Factors" in the Reference Form, reported to the Comissão de Valores Mobiliários (CVM), may cause effective results to differ materially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



01. Corporate Overview

Sponsorship
from **Strong Shareholders**

Corporate Structure



Board of Directors

CAIXA

Pedro Guimarães
(Vice Chairman)

Eduardo Dacache

Marcelo Sampaio

BTGPactual

Amos Genish
(Chairman)

Sérgio Cutolo

Alexandre Camara

Roberto Sallouti

**Independent
Members**

Fábio Carvalho

Fábio Pinheiro

Marcelo Torresi

TEAM & RATINGS

EXECUTIVE TEAM

Skilled Senior Management

CARLOS EDUARDO GUIMARÃES – CEO

**ALEX SANDER
GONÇALVES**
CCO

DIOGO CIUFFO
Director of Digital Bank &
Means of Payment

MAURO DUTRA
CFO & IRO

ROBERTA GEYER*
Director of Credit &
Collection

**DERMEVAL BICALHO
CARVALHO**
CRO, Compliance,
Ombudsman & Cyber
Security Officer

RATINGS
(long term)

FitchRatings
B+ | A (br)
Stable Outlook

**STANDARD
& POOR'S**
B+ | brAA -
Stable Outlook

Other areas:

Strategic Information
Legal Office
Operations & IT
Marketing, HR & Partnerships

*Pending approval by Central Bank of Brazil

What Makes Banco PAN Unique...

1

Long track-record in credit for the low-income individuals in Brazil, with strong position in its core markets

2

Sizable Client Base with 5.7 mm managed clients and organic flow of new clients

3

R\$24.7 Bn Credit Portfolio and 19.9% p.y. Adjusted (unaudited) Return on Equity in 2Q20

4

Ongoing digitalization process and strong competitive advantages in a large addressable market with potential for transformation

5

Full Digital Bank to boost future growth with low execution risk to monetize

6

Capital and Funding

PAN at
a Glance

TARGET AUDIENCE

Low- income
individuals



5.7 million managed clients

~179k new clients per month



Payroll

Loans and Credit Cards:

- Public employees,
- INSS Pensioners and retirees



Vehicles and motorcycles loans

- Used vehicles: mainly 4 to 8 years of usage
- New motorcycles



+700

brokers originating
payroll-loans



+12 thousand

multi-brand &
single-brand dealers



60

points of service



Credit Card

Strategy focused on co-branded partnerships, digital channels and cross sell, boosted by CRM

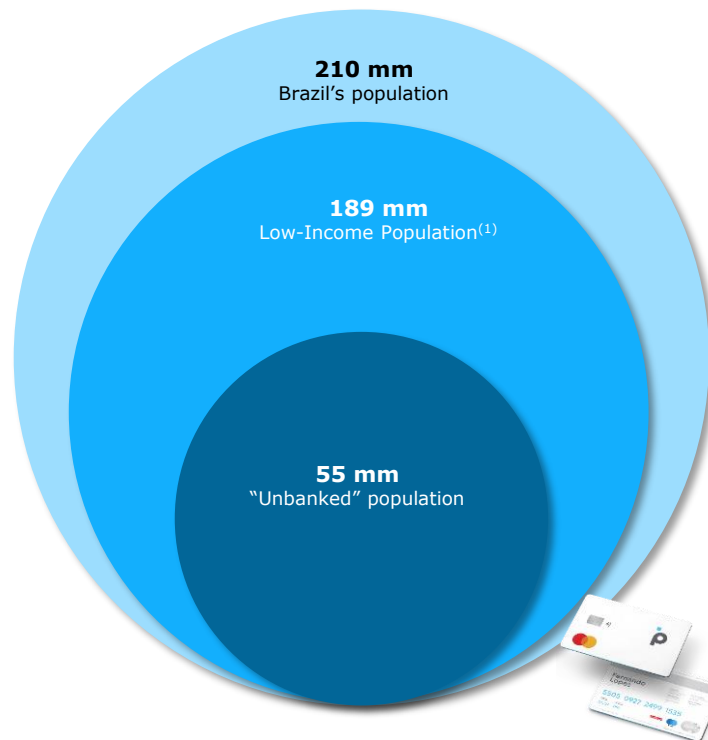
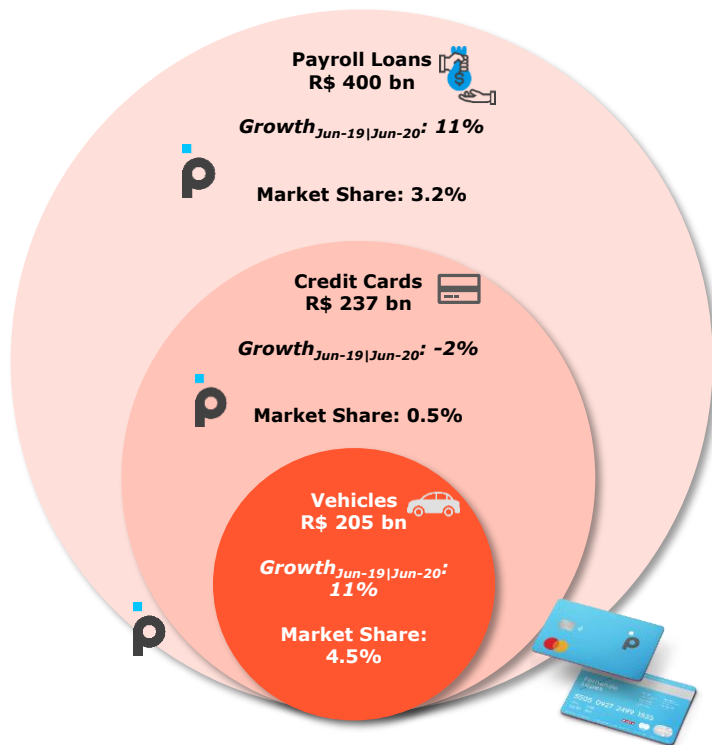


Insurance

Fee business over insurance premiums originated in vehicle finance, payroll loans and credit cards

Total of R\$174 billion consumer credit origination since 2011

Brazil: a Large and Growing Addressable Market



Source: IBGE and Brazilian Central Bank

Note: (1) Considers population with monthly income below R\$5.0 thousand per month / family or 5 minimum wages (R\$ 5,214 per month)

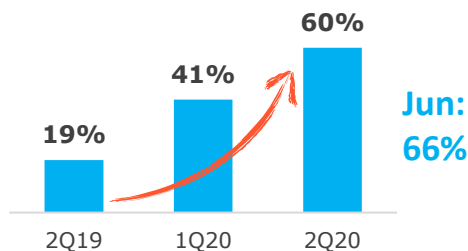


03. Full Digital Bank

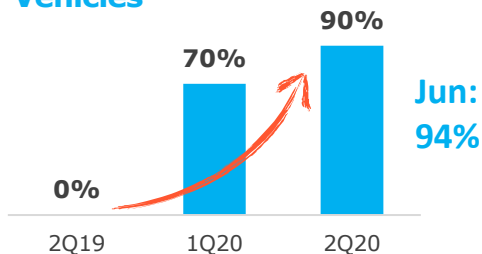
The Digital Strategy has made significant progress with the intensification of digital formalization, the launch of new products and services at Digital Bank and partnerships expansion

Digital Formalization

Payroll-Loans



Vehicles



Digital Bank



Current Features

- Full Checking Account
- Credit and Debit Cards
- Emergency Limit
- Personal loan
- Salary Portability
- Chat Support on the App



Next Features

- Payroll-Loan Self-contracting
- Fixed Income Investments
- Financial education

New Partnerships

Claró

celcoin

Mobills

- New distribution channels
- Better credit risk assessment
- Credit-as-a-service
- New business and technologies
- Innovation Hub

+ Client and Partners Engagement





03. Operational & Financial Highlights



HIGHLIGHTS 2Q 2020

- **Credit Portfolio** of **R\$ 24.7 bi** (-1% 1Q20 | +10% 2Q19);
- **Monthly Average Retail Origination** of **R\$ 2.0 bi** (+11% 1Q20 | +23% 2Q19);
- **5,7 MM Customers Under Management** (+8% 1Q20 | +24% 2Q19);
- **EBIT** of **R\$ 207 MM** (-1% 1Q20 | +26% 2Q19) and **R\$ 417 MM** in 1H20 (+43% 1H19)
- **Net income** of **R\$ 144 MM** (-16% 1Q20 | +22% 2Q19) and **R\$ 314 MM** in 1H20 (+47% 1H19);
- **ROE** of **11.4%** (13.7% 1Q20 | 11.2% 2Q19) e **12.5%** no 1H20 (10,3% 1H19);
- **Adjusted ROE** (unaudited) **de 19.9%** (23.5% 1Q20 | 23.9% 2Q19) e **21.5%** no 1H20 (22.4% 1H19);
- **Shareholders' Equity** of **R\$ 5.1 bi** and **Basel Ratio** of **15.9%**.



Conservative approach to loan deferral



Only **2 installments** of 11 thousand customers were deferred (from the 5k installments due in June, 87% were paid)



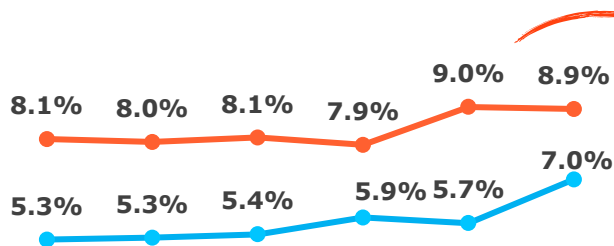
Totalling **less than 1%** of the portfolio, **100% with collateral**



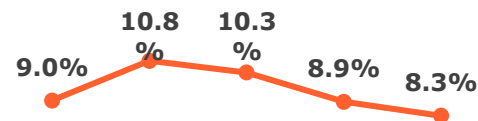
Controlled default rates, reflecting the strategy adopted

Crisis Impact Deferred Loans

Default Ratios



Over 15 to 90 detail



1Q19

2Q19

3Q19

4Q19

1Q20

2Q20

Mar

Apr

May

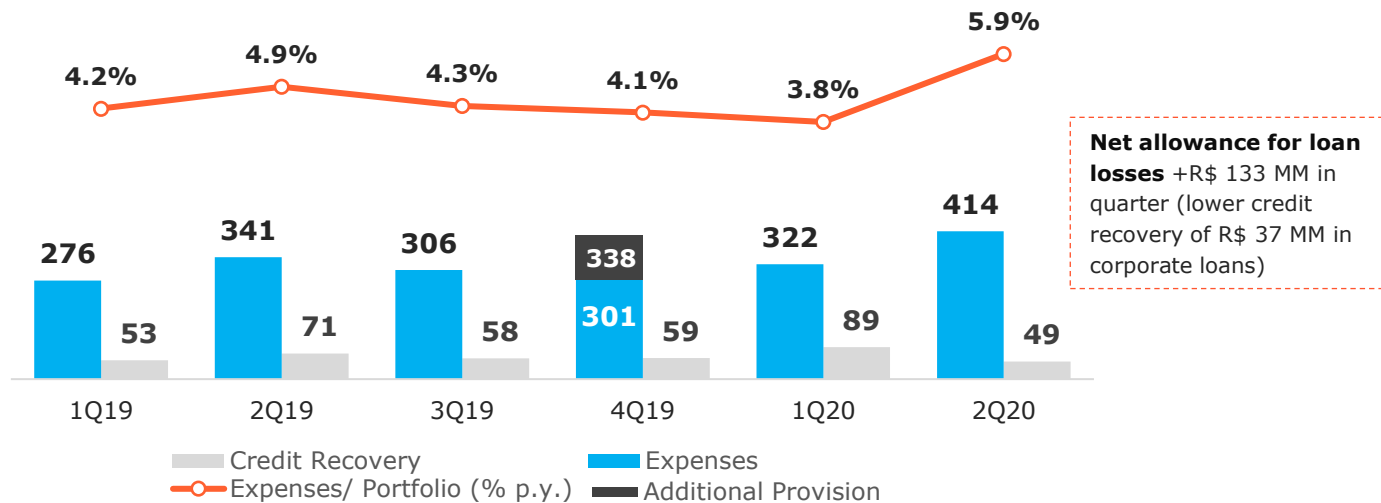
Jun

Jul

—●— % Over 90

—●— % Over 15 to 90

Allowance for loan losses and credit recovery



- **Resilient portfolio:** payroll + collateralized portfolio account for **95%** of loan portfolio
- **Vehicle provisions:** in June, it returned to the level of 1Q20, indicating an important improvement in receipts

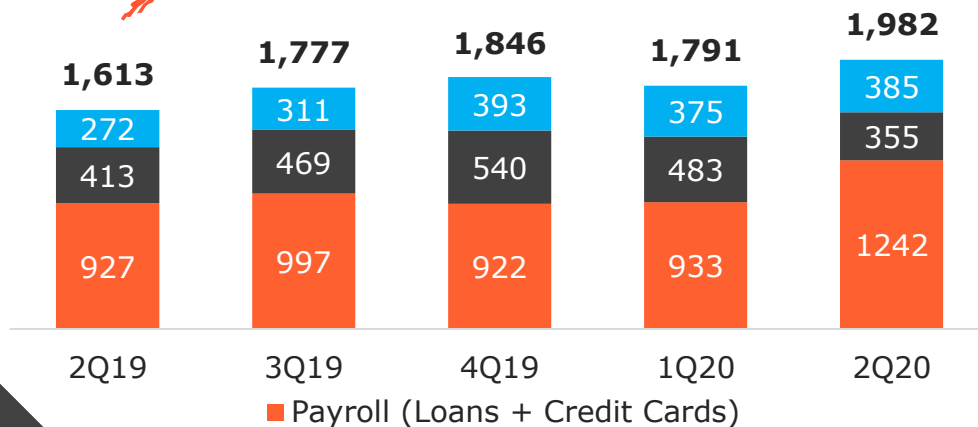
RETAIL

CREDIT



Monthly average
R\$ MM

+23%



179 thousand new clients¹ per month on 2Q20

5.7 million managed clients

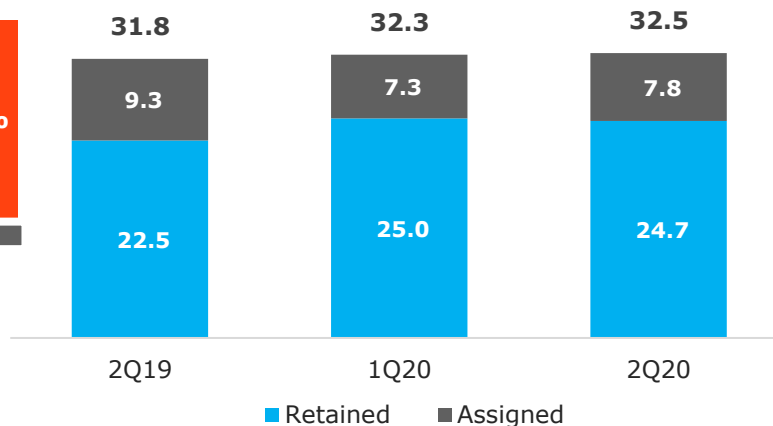
(1) New clients without relationship within the last 12 months

Retained Portfolio

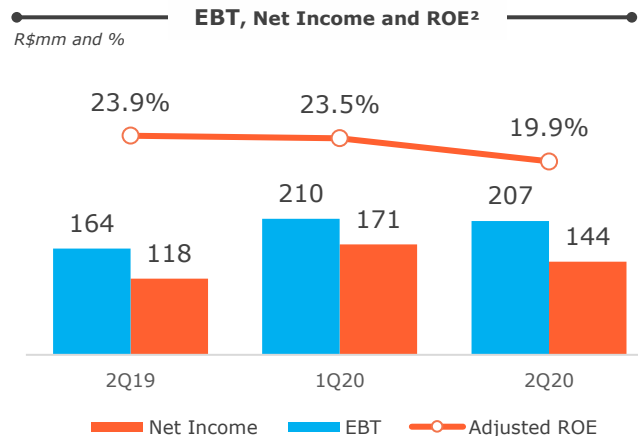
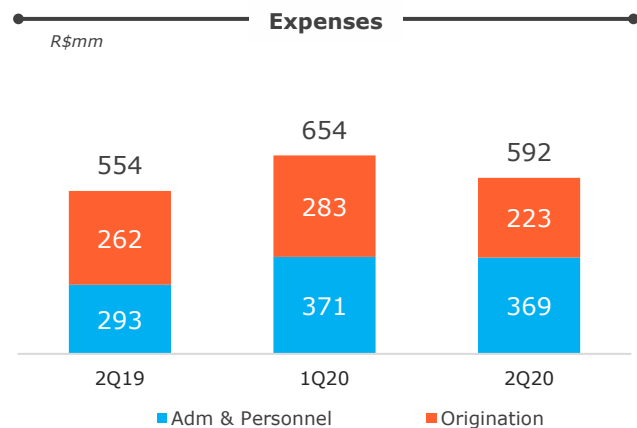
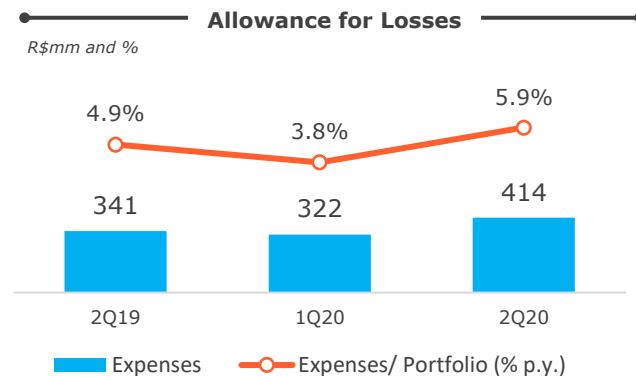
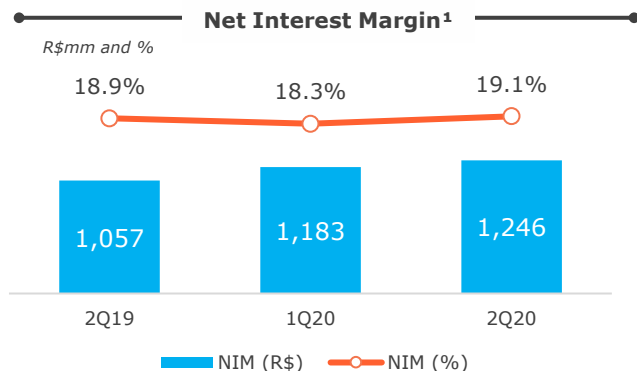
R\$ MM	2Q20	Part. %	Δ 2Q20/ 1Q20	Δ 2Q20/ 2Q19
Payroll Deductible (Loans+Credit Card)	12,927	52%	-3%	5%
Vehicles	9,314	38%	0%	20%
Credit Cards	1,214	5%	7%	40%
Corporate Loans	677	3%	-3%	-21%
Real Estate	451	2%	-6%	-30%
Others	147	1%	18%	62%
TOTAL	24,730	100%	-1%	10%

Originated Portfolio

R\$ Bn

**% Retained Portfolio:****Payroll + Collateralized Portfolio = 95%****Renegotiated Loans : 0.6%**

Quarter Earnings

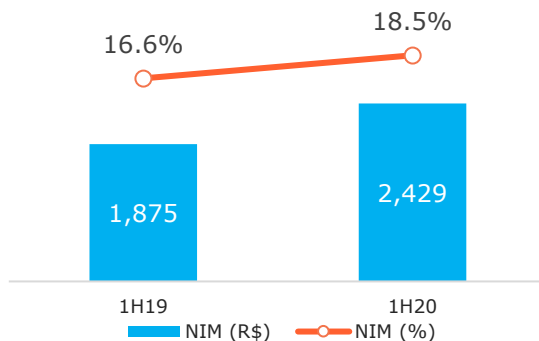


Note: (1) NIM: Managerial Net Interest Margin (2) Unaudited adjusted ROAE includes (i) excess of funding expenses as an adjustment to the Net Income, and (ii) excess of DTA related to losses arising from the accounting inconsistencies found in 2010.

Half-Year Earnings

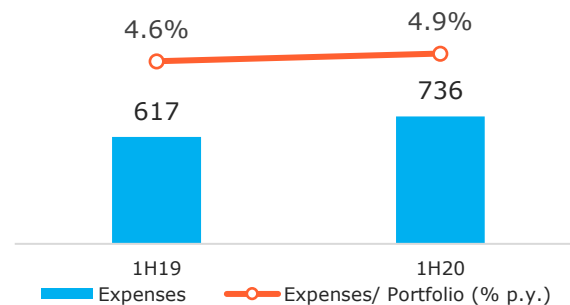
Net Interest Margin¹

R\$m and %



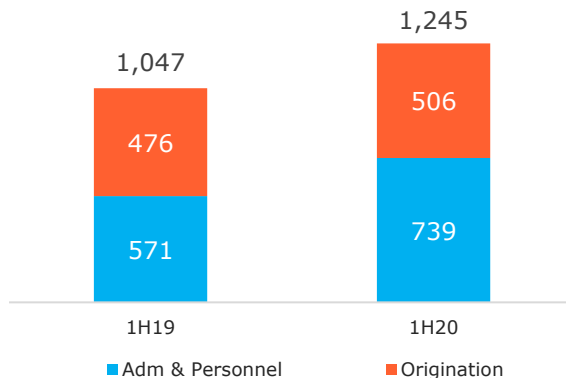
Allowance for Losses

R\$m and %



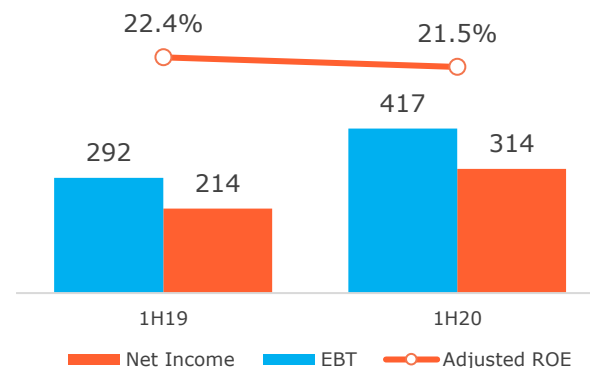
Expenses

R\$m



EBT, Net Income and ROE²

R\$m and %



Note: (1) NIM: Managerial 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.

R\$ MM	2Q20	1H20	Δ2Q20/ 1Q20	Δ2Q20/ 2Q19	Δ6M20/ 6M19
Interest Margin	1,246	2,428	5%	18%	30%
Interest Margin (%)	19.1%	18.5%	0.8 p.p.	0.2 p.p.	1.6 p.p.
Credit Provisions	(414)	(736)	29%	21%	19%
Gross Income from Finan. Intermed.	832	1,692	-3%	16%	35%
Income from services	89	198	-18%	-10%	0%
Administrative and Personnel Expenses	-369	-762	4%	21%	26%
Expenses with Comissions	-178	-384	-17%	-11%	10%
Others expenses with origination	-45	-99	-17%	-10%	4%
Tax Expenses	-72	-126	35%	68%	42%
Others	-50	-102	-5%	-4%	271%
Income Before Tax	207	417	-2%	25%	43%
Provision for Income Tax and Social Contribution	(63)	(103)	59%	35%	32%
Net Income	144	314	-16%	22%	47%

ROAE

ROAE and Adjusted ROAE
(Unaudited)

R\$ MM	2Q20	1Q20	2Q19	1H20	1H19
Net Income (A)	144	171	118	314	214
Excess of Financial expenses (net of taxes)	55	55	54	111	105
Adjusted Net Income (B)	199	225	172	424	319
Average Shareholders' Equity (C)	5,066	4,974	4,190	5,019	4,161
Excess of DTA related to losses	1,069	1,136	1,311	1,080	1,315
Adjusted Average Shareholders' Equity (D)	3,997	3,838	2,879	3,939	2,847
ROAE (p.y.) – A/C	11.4%	13.7%	11.2%	12.5%	10.3%
ROAE Adjusted (p.y.) – B/D	19.9%	23.5%	23.9%	21.5%	22.4%

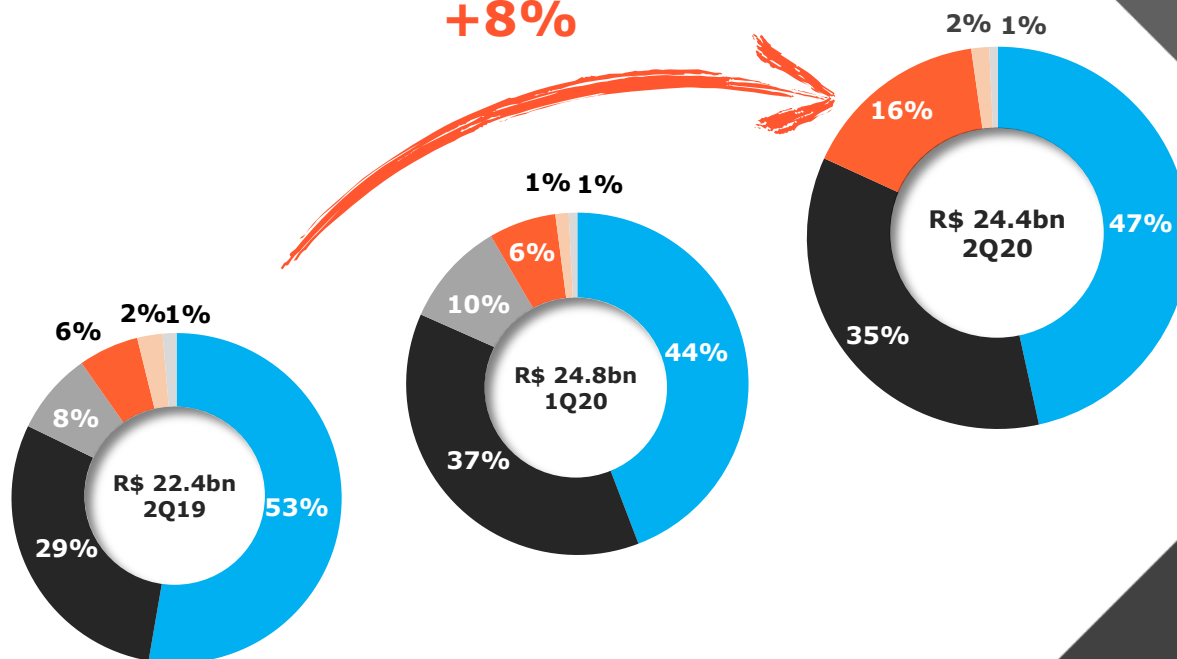
ROAE (unaudited) adjusted by two remaining legacies:

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

Funding

- Maintenance of high liquidity level
- Focus in funding diversification

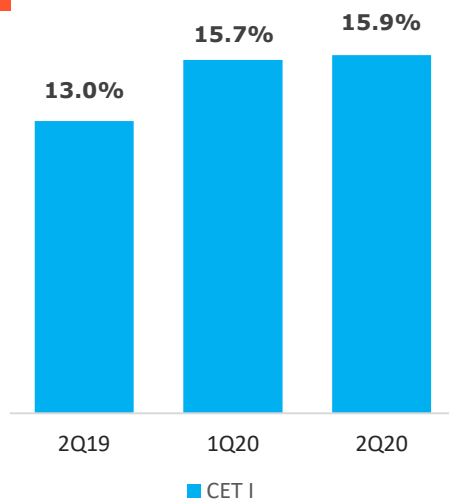
+8%



- Time Deposits
- Bonds
- Real Estate & Agribusiness Letters of Credit
- Interbank Deposits
- Bank Notes
- Others

BASEL

RATIO



R\$ MM	2Q20	1Q20	2Q19
Reference Shareholders' Equity	3,266	3,212	2,417
CET I	3,257	3,204	2,417
Tier II	9	8	0
Required Reference Shareholders' Equity	1,902	2,154	1,958
RWA	20,566	20,518	18,648



04. Business Lines

PAYROLL DEDUCTIBLE

LOANS AND CREDIT CARDS

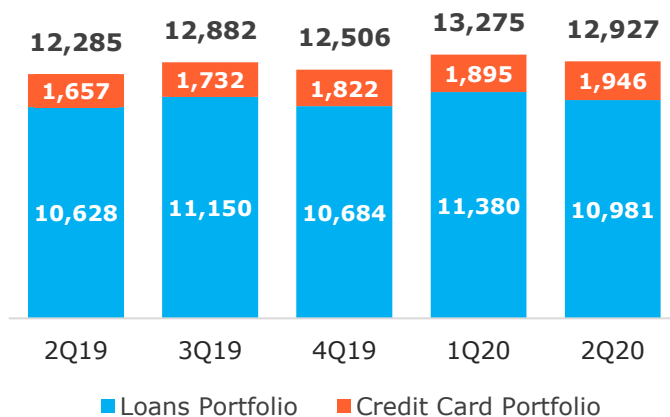


Overview

- Exclusively for public sector employees, INSS (social security) retiree & pensioners
- Average Ticket of **R\$5.4k**
- Duration of **37 months**

Portfolio Evolution

R\$ MM



Origination Breakdown

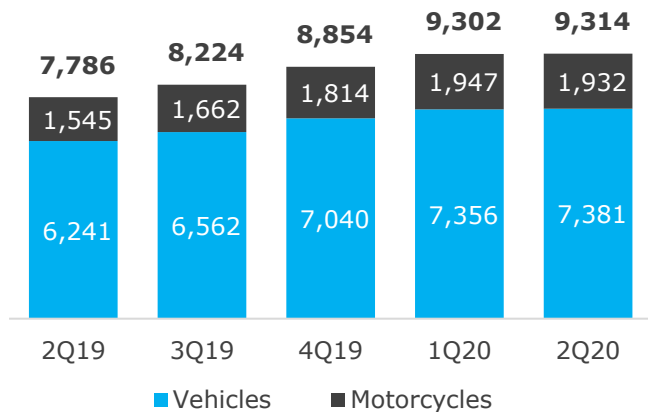
	2Q20	1Q20	2Q19
Federal	95%	88%	89%
INSS	89%	75%	65%
SIAPÉ	5%	9%	14%
Armed Forces	1%	4%	10%
States	4%	11%	10%
Municipalities	1%	1%	1%
Total Monthly Avg. R\$ MM	1,242	933	927
Loans Monthly Avg.	1,167	859	851
Cards Monthly Avg.	74	74	77

Overview

- Actively present in more than **12.4k** multi-brand & single-brand vehicle dealers
- Average Ticket: Vehicles: **R\$25k** / Motorcycles: **R\$13k**
- Duration: Vehicles: **18 months** / Motorcycles: **16 months**
- Downpayment (%): Vehicles: **36%** / Motorcycles: **22%**

Portfolio Evolution

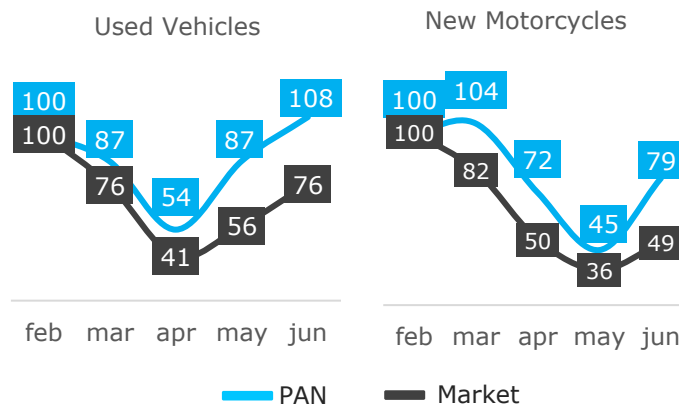
R\$ MM



Average Monthly Origination

R\$ MM	2Q20	1Q20	2Q19
Vehicles	284	370	314
Motorcycles	71	113	99
Total	355	483	413

Base 100



CREDIT CARDS

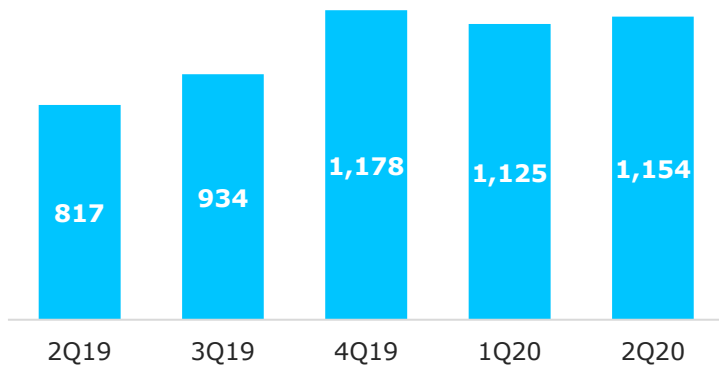
Destaques

- **Stable transaction volume** and reduction new cards issuance due to **more restrictive approach**
- **Expansion** of the origination channels
- Clients becoming **more digital**
 - New cards: 69% self-contracted on digital channels
 - Service: 39% held by chat and WhatsApp
 - Digital Invoice: 80% of the base is digitally issued



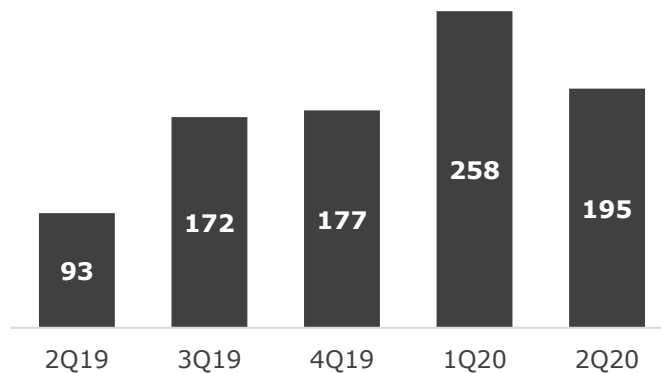
Transaction Volume

R\$ MM



of Credit Cards Issued

Thousand



Insurance

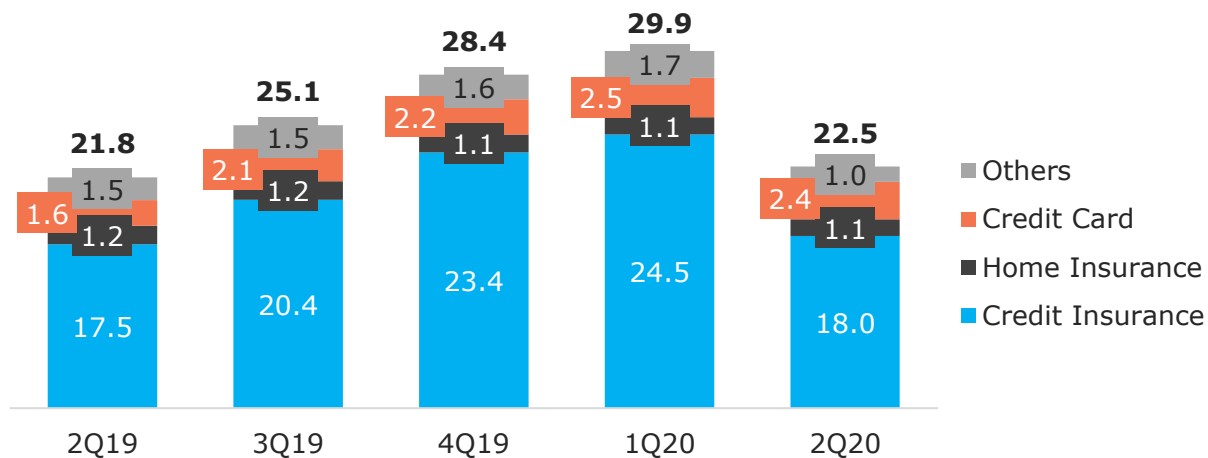
Premiums

Highlights

- Lower premiums in the quarter following vehicles origination decrease
- Digital Bank as future leveraging channel

Monthly Average

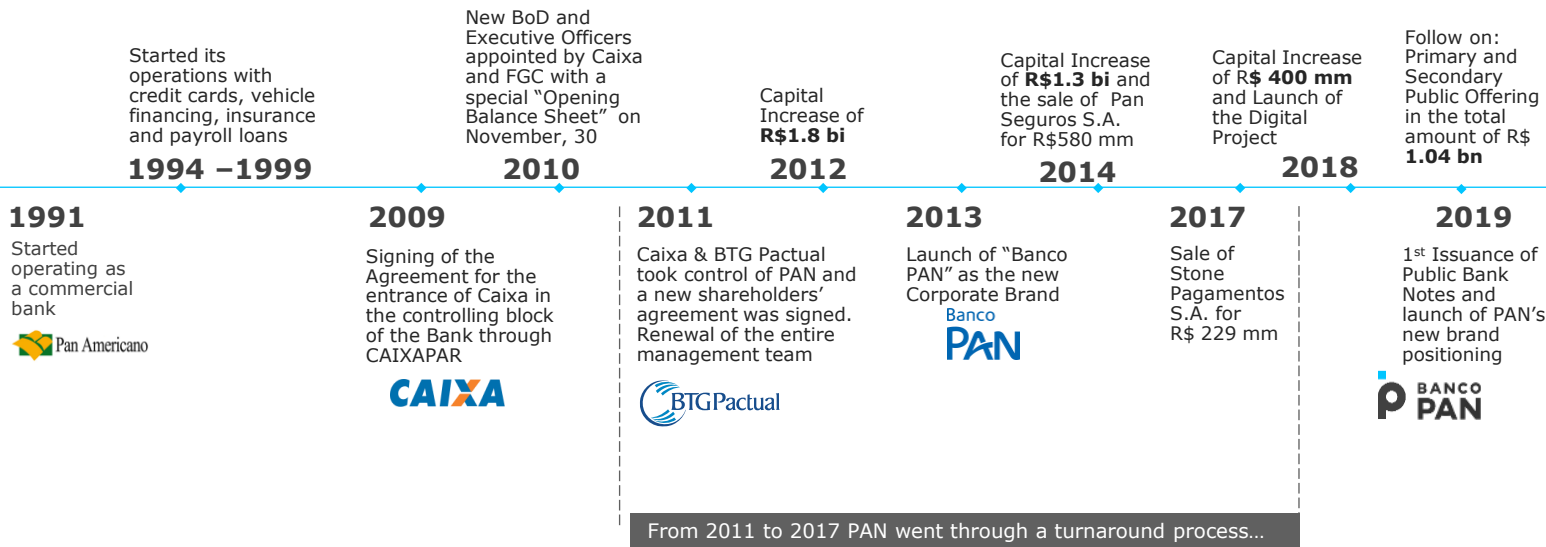
R\$ MM



APPENDIX



HISTORY



More than 90% of the employees was hired after Jan/2011

Training and qualification of the new team

Revision of all credit concession process

Implementation of new controls, origination platforms and systems

Creation of new Committees and policies to strengthen the Corporate Governance



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