Earnings Release
3Q20

São Paulo, November 04, 2020 – Pursuant to legal provisions, Banco PAN S.A. ("PAN", "Bank", "Banco PAN" or "Company") and its subsidiaries announce their results for the quarter ended September 30, 2020, accompanied by the Independent Auditor's Report. The Bank's operating and financial information, except when otherwise stated, is presented based on consolidated figures and in Brazilian reais, pursuant to Brazilian Corporate Law and Brazilian Accounting Practices.

MESSAGE TO SHAREHOLDERS

Despite the adverse effects of the crisis caused by COVID-19 on the economy, the third quarter had a positive outlook, with the improvement in delinquency indicators and the understanding that segments of the economy are already beginning to resume activity. We continuously manage Banco PAN in a conservative manner, prioritizing the wellfare of our employees, customer service via digital platforms, preserving high levels of capital and liquidity and delivering profitability, as well as promoting the necessary investments to ensure continued success in our long-term strategy.

We ended 3Q20 with net income of R$170 million, 18% above 2Q20 and an adjusted ROE (unaudited) of 21.5%. In the 9M20, we reached a net income of R$485 million, 39% above 9M19 and an adjusted ROE (unaudited) of 21.6%.

Our limited strategy of postponements has proven to be successful. This positioning provides a clear view on the real impacts of the crisis on our delinquency rates and allowed us to manage our business with an economic view. Only 2 installments of 13,500 customers have been deferred since the beginning of the pandemic and 92% of the subsequent overdue installments have already been paid.

In the challenging scenario caused by the crisis, our digital initiative demonstrated a strength, allowing us getting closer to our clients and partners when they most need it. In 3Q20, the percentage of digitalization in our credit origination reached 69% (vs 63% in 2Q20) in Payroll-Deductible Loans Credit and 96% (vs 90% in 2Q20) in Vehicle Finance. In September, 82% of our combined origination of Payroll and Vehicles was digitally formalized. However, our strategy is not limited to the digitalization of credit granting processes, but a complete Digital Bank.

We have already a vast platform of financial products and we continue to advance consistently, always focused on the client, offering a complete range of financial products designed especially for the low income class, always prioritizing transparency, simplification of processes and service quality.

Overall, we are very pleased with the numbers of our Digital Bank. We consider that we are on the right direction when it comes to our communication with our customers and the experience we are providing to them, and we continue investing to expand our product offering and provide better quality service to grow not only in a accelerated, but mainly in a sustainable way.

In line with this strategy, we launched in 3Q20 the "Poupa PAN", a savings instrument specially designed for those clients who require a low risk investment, with daily liquidity and compatible return. Additionally, new features of credit and financial education will be included in the short term and we expect to have more and more engaged and satisfied customers with our digital bank.

We restate our long-term vision based on our (i) relevant presence in the markets we operate; (ii) ability to distribute products, either through the B2B which is becoming more efficient and has a variable cost structure, or through the growing digital B2C; (iii) credit expertise, driving customer attraction and engagement; (iv) current extensive client base and new clients flow; (v) low execution risk of digital fronts due to the products already delivered (best platform in the market for consignment and vehicles) and digital banking, and (vi) growing offer of new products over time.

In this quarter, Caixapar has held a secondary public offer of its preferred share with no changes in the controlership of Banco Pan. After the offer, the total free float shares and BTG Pactual participation, thus resulting in the following structure:

Ownership Structure (thousand of shares)						
	ON	% ON	PN	%PN	Total	%
Banco BTG Pactual S.A.	334.131	50,8%	206.371	37,7%	540.502	44,9%
Caixa Participações S.A.	323.430	49,2%	–	–	323.430	26,8%
Free Float	–	–	341.124	62,3%	341.124	28.3%
Total	**657.561**	**100,0%**	**547.495**	**100,0%**	**1.205.056**	**100,0%**

ECONOMIC ENVIRONMENT

In September, the balance of credit operations of the National Financial System ('SFN') totaled R$3.8 trillion, recording a growth of 1.9% in the month and 10.2% in the annual comparison. Individual loans recorded an improvement in September, back to pre crises levels. Corporate loans ended the month of September with a balance of R$1,067 billion, increasing by 26.5% over twelve months. Household credit reached R$1.153 billion, up by 8.7% in twelve months, with highlight to consumer loans and payroll-deductible.

September IPCA inflation was 0.64% m/m, accelerating from its August print (0.24% m/m), leading 12-month inflation to close 3Q20 at 3.14% y/y. Over the past quarter, the outlook for short-term inflation has deteriorated significantly, driven up by the extraordinary rise in food prices and industrial goods. Several factors behind the rise in food inflation (both supply and demand-driven) as well as the high level of the FX rate are leading to a passthrough to food-away-from-home and industrial goods. These are temporary factors but are likely to keep inflation under pressure over the next few months.

The economic activity in Q3 has posted a recovery. In August, all sectors continued to show a recovery. Retail sales are already running above pre-pandemic levels while industrial production is 2.6% lower and services volume is 9.8% below. Indicators for September signal continuity of the economic recovery.

Nevertheless, Caged data indicate that Brazil lost 788k net payroll jobs between March and August. Lower-than-expected net payroll job loss numbers. PNAD survey shows an unemployment rate of 13.8% in the quarter ending in July and still does not indicate a recovery in employment.

3Q20 Highlights

Financial Information

- ✓ **Monthly average origination** reached **R$2,288 million** in 3Q20, up **15%** from R$1,982 million in the previous quarter and up **29%** from R$1,768 million in 3Q19;
- ✓ The **Credit Portfolio** ended the quarter at **R$25.3 billion** with growth of **2%** from R$24.7 billion in 2Q20 and up **7%** from R$23.5 billion in 3Q19;
- ✓ **Managerial net interest margin of 20.5% p.y.** in 3Q20, versus 19.1% p.y. in 2Q20 and 18.4% p.y. in 3Q19;
- ✓ **Net income of R$259 million** in 3Q20, up **25%** from R$2,207 million in 2Q20 and up **38%** from R$188 million in 3Q19;
- ✓ **EBIT of R$677 million** in 9M20, up 41% from 9M19;
- ✓ **Net income of R$170 million** in 3Q20, up **18%** from R$144 million in 2Q20 and up **26%** from R$135 million in 3Q19;
- ✓ **Net income of R$485 million** in 9M20, up **39%** from R$348 million in 9M19;
- ✓ **Accounting ROE of 13.2%** in 3Q20, versus 11.4% in 2Q20 and 11.9% in 3Q19;
- ✓ **Accounting ROE of 12.7%** in 9M20, versus 10.4% in 9M19;
- ✓ **Adjusted ROE** (unaudited) of **21.5%** in 3Q20, versus 19.9% in 2Q20 and 23.4% in 3Q19;
- ✓ **Adjusted ROE** (unaudited) of **21.6%** in 9M20, versus 21.4% in 9M19; and
- ✓ **Shareholders' equity** ended the quarter at **R$5.2 billion** and the **Basel Ratio** stood at **16.5%**.

MAIN INDICATORS

	R$ million	3Q20	2Q20	3Q19	Δ3Q20/ 2Q20	Δ3Q20/ 3Q19
Income Statement	Managerial Interest Margin	1,359	1,246	1,083	+9%	+25%
	Net Income	170	144	135	+18%	+26%
	Adjusted Net Income	223	199	191	+12%	+17%
Performance	Managerial Interest Margin (%)	20.5%	19.1%	18.4%	+1.4 p.p.	+2.1 p.p.
	Accounting ROE (%)	13.2%	11.4%	11.9%	+1.8 p.p.	+1.3 p.p.
	Adjusted ROE – unaudited (%)	21.5%	19.9%	23.4%	+1.6 p.p.	-1.9 p.p.
	Delinquency Rate (90 days) - Retail	6.7%	7.0%	5.4%	-0.3 p.p.	+1.3 p.p.
	Delinquency Rate (15 to 90 days) - Retail	7.3%	8.9%	8.1%	-1.6 p.p.	-0.8 p.p.
	ADA Expenses / Average Portfolio	4.8%	5.9%	4.3%	-1.1 p.p.	+0.5 p.p.
Balance	Total Assets	34,939	33,304	31,548	+5%	+11%
	Total Credit Portfolio	25,300	24,730	23,550	+2%	+7%
	Funding	25,497	24,220	23,280	+5%	+10%
	Shareholders' equity	5,221	5,113	4,831	+2%	+8%
	Basel Ratio (%)	16.5%	15.9%	12.9%	+0.6 p.p.	+3.6 p.p.
	Common Equity Tier I (%)	16.5%	15.9%	12.9%	+0.6 p.p.	+3.6 p.p.
Shares	Earnings Per Share (reais)	0.14	0.12	0.11	+17%	+27%
	Equity Value per Share (reais)	4.33	4.24	4.23	+2%	+2%
	Market cap	9,785	10,604	9,283	-8%	+5%
Others	Retail Origination	6,863	5,945	5,305	+15%	+29%
	Credit Assignments without Recourse	1,744	2,367	1,097	-26%	+59%
	Employees (#)	2,416	2,434	2,413	-1%	-
	Bank Correspondents (#)	771	706	644	+9%	+20%
	Multi-brand stores and dealers (#)	15,027	12,449	10,455	+21%	+44%

DIGITAL ACCOUNT

Our digital strategy is strongly improving, today our customers already benefit from a complete checking account: 100% digital, without maintenance fee, with a free monthly transfer package, no fee multiple card (credit and/or debit), 24-hour withdrawals, deposit slips, utilities payments, wage portability, fixed income investment and several credit products and services.

We understand that our unique positioning, focused on the C, D and E classes, allows us to concentrate efforts to develop products specially designed for our customers' needs. This sets us in a unique position to provide an excellent, simple and effective experience.

It is important to highlight that our Digital Account offers several discounts in drugstores, supermarkets and online stores through agreements with multiple partners, which are constantly broadened to offer a full range of facilities and products. In 3Q20, we reinforce this strategy by intensifying the diversification efforts of partners, especially partnerships such as Dafiti and ClubPetro, which have joined several other successful partnerships such as Méliuz and eCred, that participate both in attracting new customers and in the development and distribution of unique products.

In addition, our co-branded credit cards also offer advantages to our customers by strengthening the product portfolio focused on our target audience.

In addition, our strategy of diversification of distribution channels will be maintained, with new digital partnerships (46 in total), always relying on the banking correspondents and with our own 60 stores as partners for the Digital Account and products offering.

Given our significant experience in granting credit to class C, D and E, we understand that the PAN's active customer and former customer base is the starting point of our acquisition strategy, which is based on 5 pillars in addition to this base: supply to potential customer flow requesting credit on a monthly basis; digital marketing; physical distribution network; new origination partners; and a 'member get member' program.

Our strong business position in credit products highly demanded allows the monetization risk to be substantially reduced. Our wide experience is not only in credit origination, but also in the accurate pricing and collection mechanisms that are fundamental to a successful operation in which credit is the principal instrument for attracting, engaging and monetizing customers.

Our account already offers several products: Full Checking Account, Personal Loan, Credit and Debit Card, Overdraft Banking, Payroll Portability, "Poupa PAN" among others. In addition, our efforts continue to be directed towards the launch of new products aiming to make the customer experience even more complete by leveraging the engagement.

We believe we offer an unique combination of scale, extensive credit experience and a rapidly growing and highly scalable digital platform. In addition, we have a large adressable market. In this scenario, our Digital Account will be a relevant tool to expand our product portfolio, optimizing opportunities for cross sell and upsell and increasing our customers loyalty.

CREDIT ORIGINATION

PAN is one of the leading mid-sized retail banks in Brazil, focusing on C, D and E income class individuals, civil servants and INSS retirees and pensioners, offering payroll-deductible loans and credit cards, used vehicle loans, new motorcycle financing, conventional credit cards and insurance.

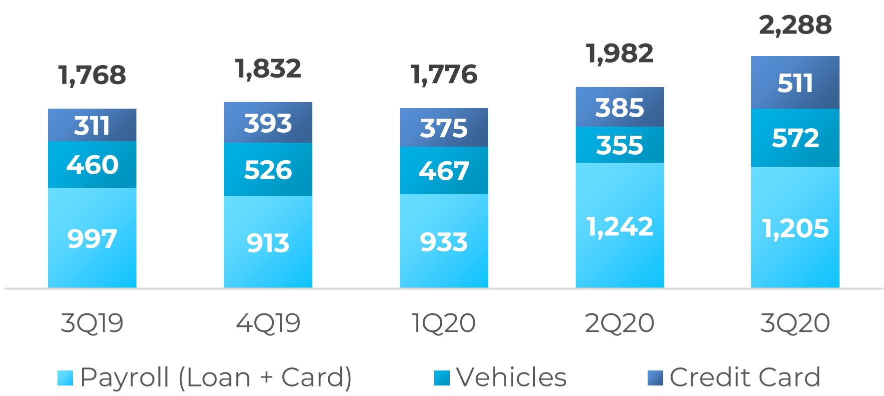
With 2,416 employees, PAN has 60 points of service in Brazil's major cities and is present nationwide, with an asset light structure, operating via digital platforms with over 770 brokers as partners offering payroll-deductible loans and more than 15,000 multi-brand and single-brand vehicle dealers.

In 3Q20, PAN originated a monthly average of R$2,288 million in new credit, record volume for a quarter, versus R$1,982 million in 2Q20 and R$1,803 million in 3Q19, an increase of 15% in the quarter and 29% in 12 months.

The growth was largely due to financing vehicles and credit cards, showing strong recovery, already exceeding pre-crisis levels. Overall, we have observed a gain in market share of these products, especially new motorcycles. On credit cards, after a quarter with more restrictions, we have resumed a growing rate of invoicing.

Average Monthly Origination (R$ million)

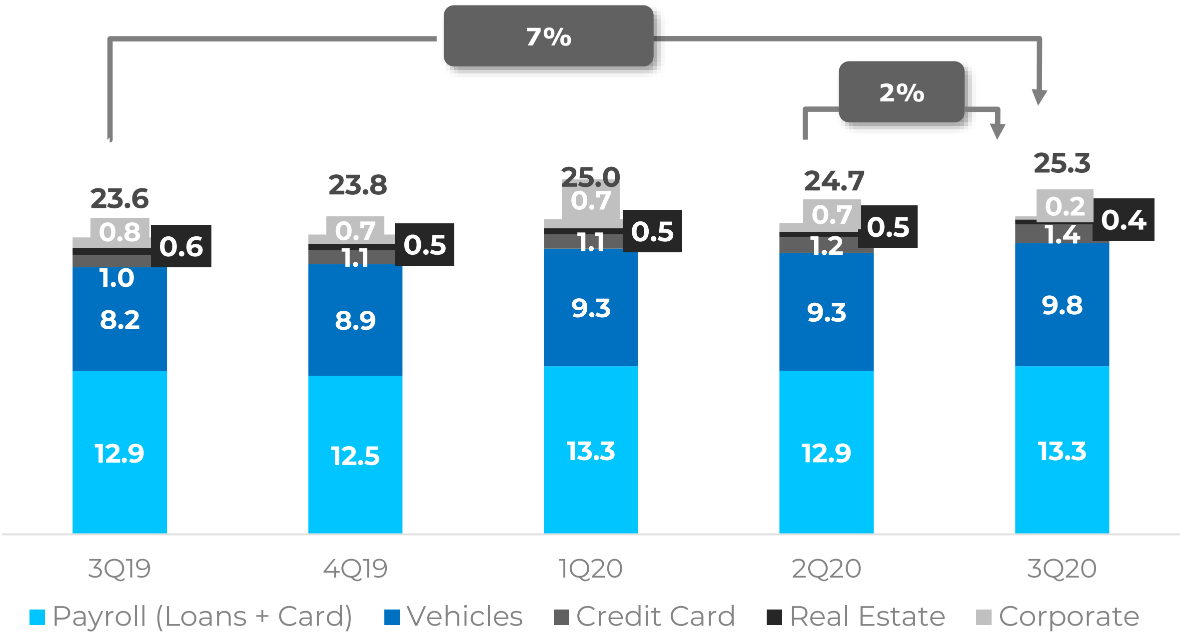
Products	3Q20	2Q20	3Q19	Δ3Q20/ 2Q20	Δ3Q20/ 3Q19
Payroll Deductible (Loans + Cards)	1,205	1,242	997	-3%	21%
Vehicles	572	355	460	61%	24%
Credit Cards	511	385	311	33%	64%
Total	**2,288**	**1,982**	**1,768**	**15%**	**29%**



Credit Portfolio

The Credit Portfolio closed the 3Q20 at R$25,300 million, with a slight increase of 2% in relation to R$24,730 million at the end of the 2Q20, and growth of 7% in relation to R$23,550 million in the 3Q19. The Core portfolio, comprising payroll-deductible loans and credit cards, vehicle financing and credit cards, increased by 11% in the last 12 months. The Corporate and Real Estate Credit portfolios, both in run off, fell by 71% and 27%, respectively, over a 12-month period.

Credit Portfolio (R$ Billion)



The table below shows a breakdown of the credit portfolio by segment:

R$ million	3Q20	Share %	2Q20	Share %	3Q19	Share %	Δ3Q20/ 2Q20	Δ3Q20/ 3Q19
Payroll Deductible (Loan)	11,205	44%	10,981	44%	11,150	4%	2%	-
Vehicles	9,759	39%	9,314	38%	8,224	35%	5%	19%
Payroll Deductible (Card)	2,069	8%	1,946	8%	1,732	7%	6%	19%
Credit Cards	1,422	6%	1,214	5%	953	4%	17%	49%
Real Estate	423	2%	451	2%	579	2%	-6%	-27%
Corporate Loans and Guarantees	238	1%	677	3%	811	3%	-65%	-71%
Other	184	1%	147	0%	101	0%	25%	81%
Total	**25,300**	**100%**	**24,730**	**100%**	**23,550**	**100%**	**2%**	**7%**

The table below shows the total loan portfolio by maturity on September 30, 2020:

R$ million	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	Over 360 days	Total
Payroll-Deductible (Loans)	369	488	746	1,368	8,234	11,205
Vehicles	788	850	1,200	2,019	4,901	9,759
Payroll-Deductible (Cards)	2,011	34	13	8	4	2,069
Credit Cards	883	272	171	91	5	1,422
Real Estate	57	15	21	37	293	423
Corporate Loans and Guarantees	144	6	10	20	58	238
Other	19	18	25	38	84	184
Total	**4,271**	**1,684**	**2,186**	**3,581**	**13,578**	**25,300**
Share (%)	**17%**	**7%**	**9%**	**14%**	**54%**	**100%**

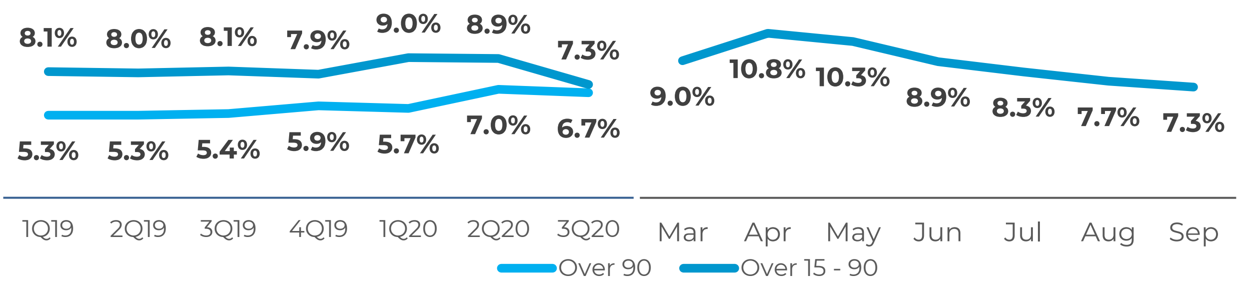
Retail Credit Portfolio

In the face of the global economic crisis caused by Covid-19, the bank adopted a conservative attitude in contracts defferal and, since the beginning of the pandemic, postponed only 2 installments of approximately 13,500 clients representing roughly 1,2% of the portfolio. Of this total postponed, 100% have collaterals. In addition, 92% of the subsequent overdue installments have already been settled.

Naturally, in the 2Q the index of overdue credit over 90 days on the credit portfolio increased, but in the 3Q it had already recovered, from 7.0% to 6.7%, showing an improvement trend.

The shorter delinquency index, 15 to 90 days overdue, showed an important reduction from 8.9% in June to 7.3% in September, showing lower rates than the pre-crisis scenario. In addition, the resilient profile of the credit portfolio, whose payroll deductible credits and collateral credits account for 94% of the portfolio, was maintained.

Default Ratio | Over 90 and Over 15-90



The ratings of Banco PAN's retail credit portfolio are shown below, recorded on the balance sheet by risk rating, pursuant to Resolution 2,682 of the National Monetary Council ("CMN"):

R$ million	3Q20	Share %	2Q20	Share %	3Q19	Share %	Δ3Q20/ 2Q20	Δ3Q20/ 3Q19
"AA" to "C"	22,881	91%	21,833	91%	21,209	94%	5%	8%
"D" to "H"	2,13	9%	2,174	9%	1,416	6%	-2%	51%
Total	**25,018**	**100%**	**24,007**	**100%**	**22,625**	**100%**	**4%**	**11%**

Originated Credit Portfolio

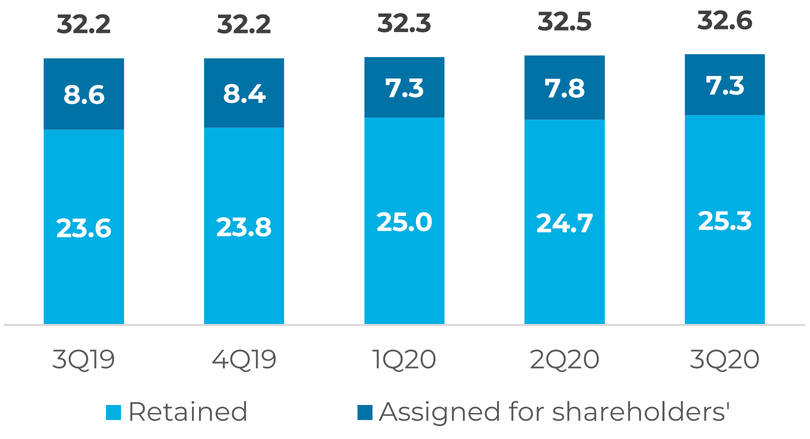
Besides retaining credits in its portfolio, PAN's strategy also includes the assignment of credits without recourse, which totaled R$1,744 million in 3Q20, against R$2,367 million in 2Q20 and R$1,097 million in 3Q19.

Due to our strong origination capacity, the assignment without co-obligation is a typical and practical instrument of capital and liquidity management. However, even realizing credit assignments, we were able to expand our retained credit portfolio in comparison to the previous quarter, reassuring our already mentioned great origination capacity.

Finally, when we observe the growth of the core portfolio (payroll, vehicles and credit cards) we notice an increase of 11.2% and 4.4% respectively against 2Q20 and 3Q19, a satisfactory performance given the current level of uncertainties.

The originated credit portfolio balance, which considers both credit in PAN's balance sheet ("on-balance portfolio") and the balance of the portfolios assigned to the controlling shareholders ("off-balance portfolio"), ended the quarter at R$32.6 billion.

Originated Credit Portfolio Evolution (R$ Billion)



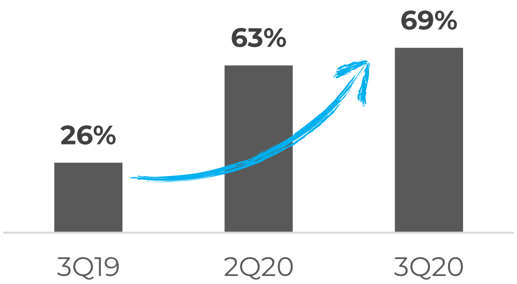
Products

Payroll Deductible (Loans and Cards)

It is important to emphasize that our digital strategy comprises not only the digital account but also the digitalization of processes involving the origination of credit in several products. Since the full launch of the digital formalization platform in April 2019, the total volume of loans formalized digitally exceeded R$7.5 billion. The platform accounted for 69% of the total contracts originated in 3Q20. In September, the total volume of contracts digitally formalized exceeded 72% of the total origination.

The platform allows clients to contract payroll-deductible loans through a 100% paperless method, authenticated by facial biometrics. This paperless technology improves efficiency and profitability, resulting in cost savings, enhanced security and greater speed, thus improving the experience of all those involved and loyalty, especially at this time of lockdown restrictions.

For our partners, the platform has proven to be an important tool, both for reducing the fraud cost and for accelerating the execution of operations.

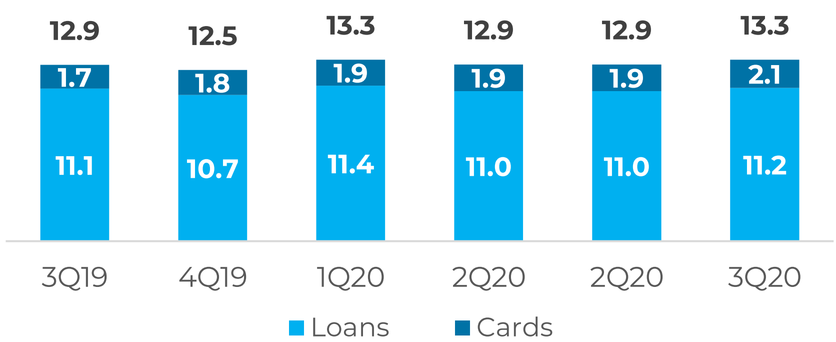


This platform, combined with PAN's positioning in the market and the relationship with its business partners, enables the Bank to remain a major player focused on federal partnerships, ranking among the largest players in the origination of credits for Social Security (INSS) retirees and pensioners.

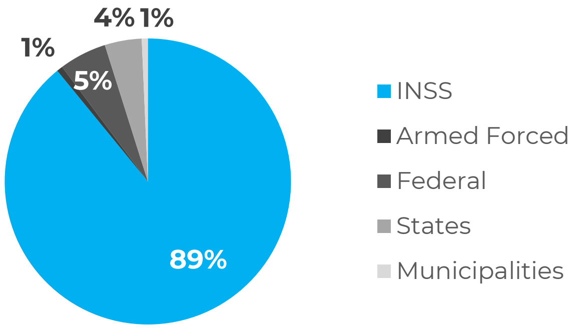
In 3Q20, PAN granted loans to civil servants and INSS retirees and pensioners totaling R$3,274 million, versus R$3,502 million in 2Q20, and R$2,770 million in 3Q19, with an decrease of 3% and increase of 21% over the previous quarter and the last 12 months, respectively. In the payroll-deductible card segment, PAN originated R$342 million in 3Q20, versus R$223 million in 2Q20 and R$222 million in 3Q19.

The payroll-deductible loan portfolio closed 3Q20 at R$11,205 million, versus R$10,981 million in 2Q20 and R$11,150 million in 3Q19, with an 2% increase in the quarter and remaining stable in an annual basis. Meanwhile, the payroll-deductible card portfolio closed the quarter at R$2,069 million, 6% more than the R$1,946 million recorded in the previous quarter and up 19% from R$1,732 million at 3Q19.

Portfolio Evolution (R$ million)

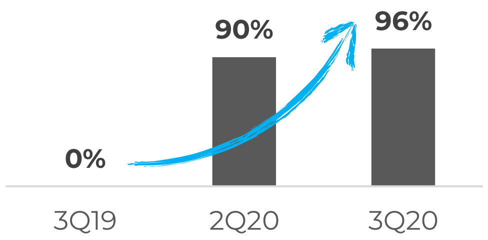


3Q20 - Origination by Partnership (%)



Vehicle Financing

The digital vehicle financing formalization platform was launched in October 2019 and has totaled R$3.8 billion digitally contracted since then. During the quarter, it made significant progress, reaching 96% of the contracts signed through facial biometrics, benefiting the operation. In addition to the formalization platform, we have an exclusive platform that simulates financing and offers credit pre-analysis based on just a few pieces of information, in addition to monitoring applications and issuing vehicle reports, increasing agility and providing a better experience for its commercial partners and final customers.



PAN focuses on used vehicle (mostly from four to eight years of usage) and new motorcycle financing, capturing the benefits from its expertise in credit and collection in order to optimize the risk/return ratio of these operations. PAN operates in the vehicle financing segment through multi-brand and single-brand vehicle dealers, increasing the fragmentation of this operation.

We are the leaders in the motorcycle segment, excluding car manufacturers and in recent months we have made important progress, achieving market share by providing a similar and safe experience at the time of contracting, both for the end customer and for our partners. The performance in a specific sector over the years guarantees us an excellent performance, acting even with a youthful public, by capturing gains with our long history, experience and credit knowledge.

After being affected by the pandemic in the 2Q20, the vehicle market recovered in the 3Q20 and R$1,715 million in new financing for light vehicles and motorcycles originated, an increase of 61% compared to R$1,066 million in the 2Q20 and 24% compared to R$1,379 million originated in the 3Q19. Overall, we recovered more quickly than the market showing gains in participation in the period.

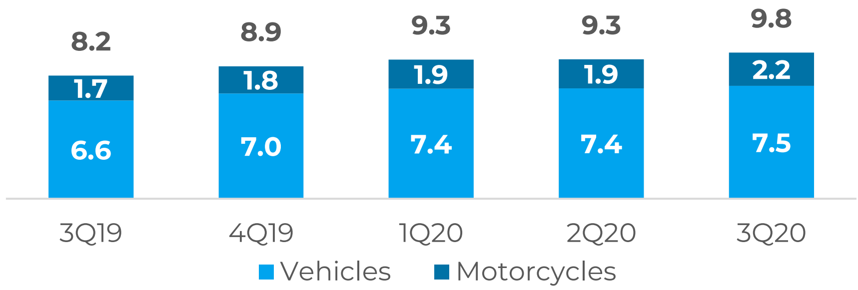
Light vehicle financing origination amounted to R$1,169 million in 3Q20, versus R$852 million in 2Q20 and R$1,080 million in 3Q19, while motorcycle financing origination came to R$547 million in 3Q20 versus R$214 million in 2Q20 and R$300 million in 3Q19.

The chart below shows more details on origination in these segments:

3Q20	Light Vehicles	Motorcycles
Origination (R$ million)	1,169	547
Market Share	5%	33%
Ranking	5th	1st
Avg. Maturity (months)	45	41
% Down Payment	**36%**	**23%**

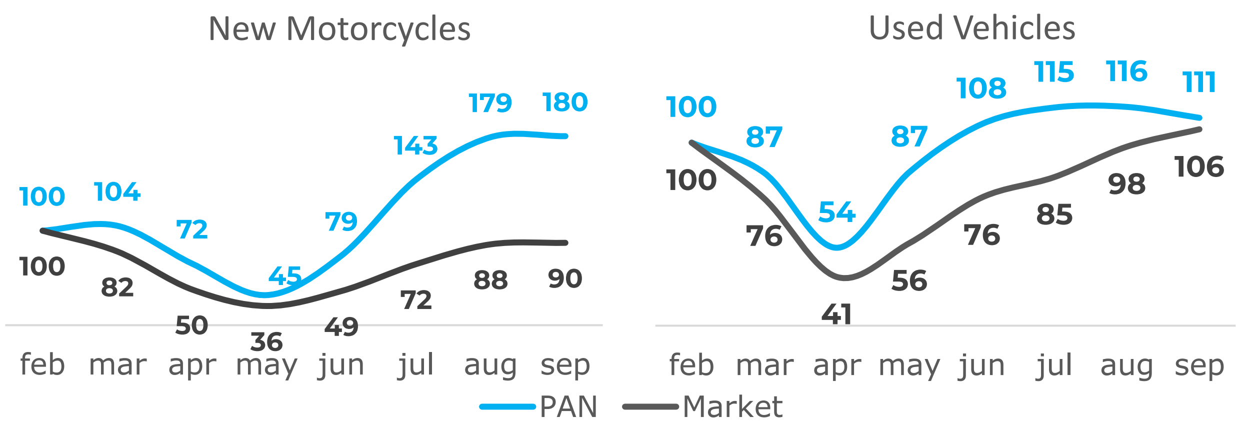
The vehicle financing portfolio closed the quarter at R$9,759 million, up 5% from R$9,314 million in 2Q20 and 19% higher than the R$8,224 million recorded in 3Q19.

Portfolio Evolution (R$ million)



As previously explained, during 3Q20, vehicle origination recovered after a strong drop in 2Q20, generally we are moving faster than the market, already returning to pre-crisis levels.

Monthly Origination (February = 100)



Credit Cards

Aligned with our strategy of customer and product diversification, we continue with the solid evolution of the credit card segment, using our partners to originate new cards and expand our customer base. The digital journey of our customers remains a priority and we have been experiencing important evolutions in this direction, with customers becoming more and more digital.

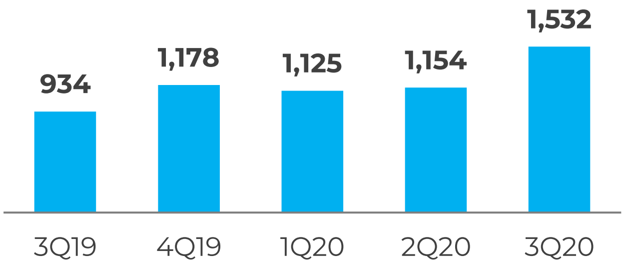
In this quarter we progressed even more in the relationship with card customers through WhatsApp, with about 47% of the total customer service, therefore the customer benefits from another support channel, improving the user experience, improving the relationship and increasing their interaction with the Bank.

As previously mentioned, we have intensified our relationship with partners to expand the credit card distribution in marketplaces and launch of cobranded cards, in addition to the incentive to accelerate the innovation process, signing new partnerships this quarter and increasing our distribution channels.

We highlight the e-channels which were responsible for 88% of total sales. This amount was leveraged by the increase in sales initiatives, relevant changes in cross-selling and greater efficiency in analytics and CRM. We ended the 3Q20 with an additional 82% of the invoices issued digitally.

Credit card transactions totaled R$1,532 million in 3Q20, up 33% from R$1,154 million in 2Q20 and 64% from the R$934 million recorded in 3Q19. Another highlight is the progress of online operations, which represented 30% of the transaction volume in 3Q20, compared to 20% in 3Q19.

Transaction Volume (R$ million)



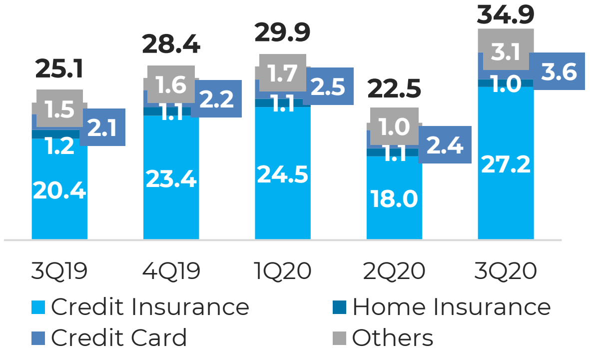
The credit card portfolio ended the quarter at R$1,422 million, up 17% from R$1,214 million in 3Q19 and 49% higher than the R$953 million recorded in 3Q19.

Insurance

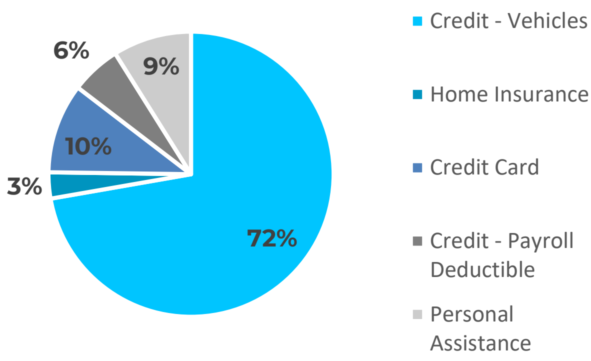
Aligned with the origination of vehicle financing, we originated R$104.7 million in insurance premiums in the 3Q20, compared to R$67.5 million and R$75.4 million originated in the 2Q20 and in 12 months, respectively. Premiums originated in 3Q20 included: R$81.6 million from credit insurance, R$10.7 million from credit card insurance, R$3.1 million from home insurance and R$9.3 million from other insurance products (PAN Moto Assistance and Mechanical Guarantee).

This is an important front for growth in services revenues and we have already seen the first signs of it beyond vehicles, and it will be leveraged by the digital bank.

Average Monthly Premium Origination (R$ MM)



3Q20 - Origination By Product (%)



Corporate Credit (run off)

The Corporate Credit portfolio ended the quarter at R$238 million, from R$677 million on 2Q20 and R$811 million on 3Q19. The portfolio is provisioned and covered by collaterals.

Real Estate Credit (run off)

Real estate credit granted to individuals totaled R$379 million on 3Q20, versus R$405 million on 2Q20 and R$466 million on 3Q19, showing a very conservative level of provisioning.

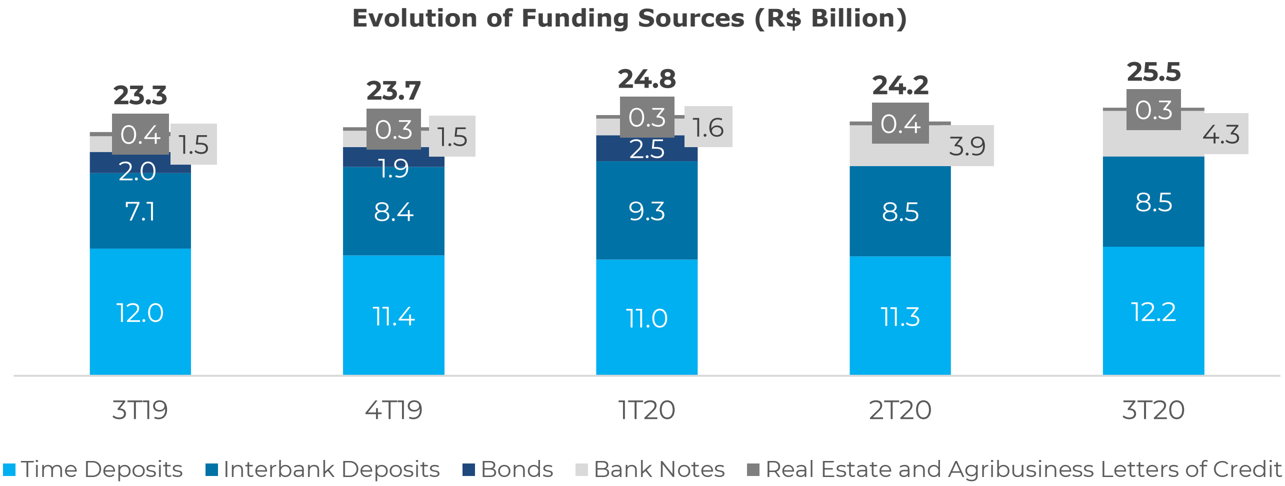
Real estate credit granted to companies stood at R$44 million in 3Q20 (fully provisioned), versus R$46 million in 2Q20 and R$113 million in 3Q19.

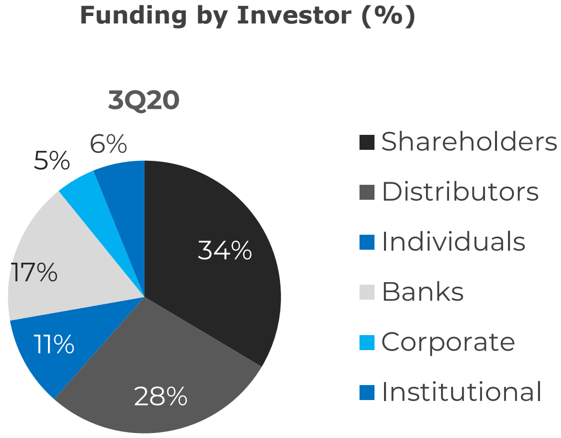
Funding

The balance of funds raised totaled R$25.5 billion at the end of the 3Q20, with the following composition: (i) R$12.2 billion in time deposits, representing 48% of the total; (ii) R$8.5 billion in interbank deposits, or 33% of the total; (iii) R$4.3 billion referring to issues of financial letters, or 17% of the total; (v) real estate credit letters with a balance of R$300 million, or 1% of the total; and (vi) other sources of funding, corresponding to R$176 million, equivalent to 1% of total funding.

Funding Sources[1] R$ million	**3Q20**	**Share %**	**2Q20**	**Share %**	**3Q19**	**Share %**	**Δ3Q20/ 2Q20**	**Δ3Q20/ 3Q19**
Time Deposits	12,206	48%	11,278	47%	12,027	52%	8%	1%
Interbank Deposits	8,522	33%	8,541	35%	7,130	31%	-	20%
Bank Notes	4,293	17%	3,857	16%	1,509	6%	11%	184%
LCI and LCA	300	1%	366	2%	373	2%	-18%	-20%
Bonds	-	-	-	-	1,989	9%	-	-
Other	176	1%	179	1%	252	1%	-2%	-30%
Total	**25,498**	**100%**	**24,220**	**100%**	**23,280**	**100%**	**5%**	**10%**

[1] In accordance with Article 8 of Central Bank Circular 3068/01, PAN declares that it has the financial capacity and the intention of holding to maturity those securities classified as "held-to-maturity securities" in its financial statements.





The flow of fixed rate time deposits (issued between 2005 and 2008), which is subject of the adjustment in ROE, shows relevant maturities in the 4Q20:

(R$ million)	2020	2021	2022	2023	2024	2025	2026	2027
Balance (FV)	3,274	2,706	2,004	1,417	775	27	15	0
Amortization (FV)	931	568	702	587	642	748	12	15
Amortization (PV)	880	451	445	296	267	254	3	3

Results

Managerial Net Financial Margin- NIM

NIM came to 20.5% in 3Q20, up from 19.1% in 2Q20 and from 18.4% in 3Q19. This level was related to the robust spreads of credit operations and gains by transfer of portfolio.

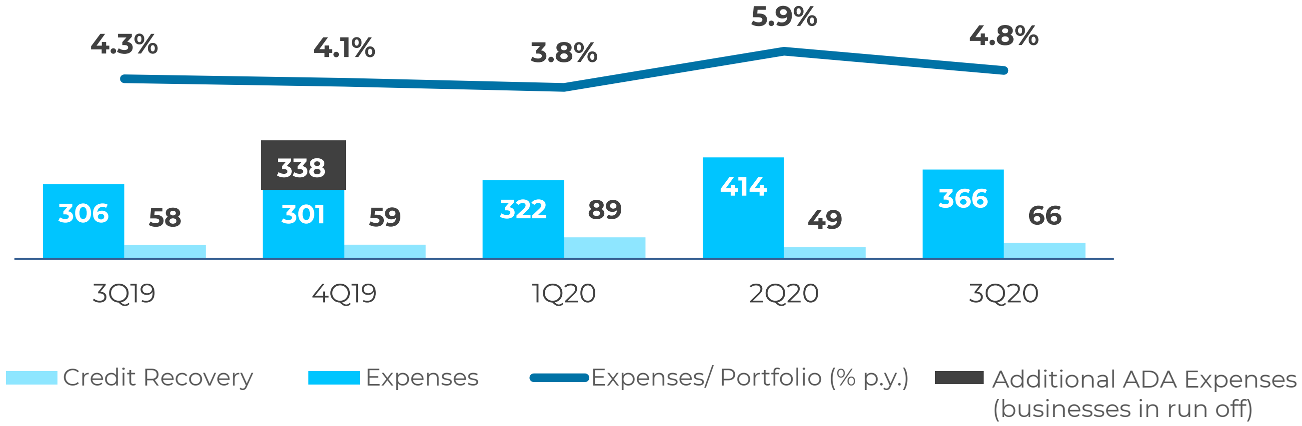
R$ million	3Q20	2Q20	3Q19	Δ3Q20/2Q20	Δ3Q20/3Q19
1. Managerial Net Interest Margin	**1,359**	**1,246**	**1,083**	**9%**	**25%**
2. Average Interest-Earning Assets	**28,504**	**27,926**	**25,057**	**2%**	**14%**
- Loan Portfolio	24,855	24,558	22,736	1%	9%
- Securities and Derivatives	2,475	2,552	2,132	-3%	16%
- Interbank Investments	1,173	816	189	44%	521%
Net Interest Margin - NIM (%)	**20.5%**	**19.1%**	**18.4%**	**1.4 p.p.**	**2.1 p.p.**

Allowance for Loan Losses and Credit Collection

After an improvement in expenses with credit provision in the 2Q20 due to the impacts of COVID 19 and the consequent increase in default, the 3Q20 showed an improvement, totaling expenses of R$366 million, compared to R$414 million in the 2Q20 and R$306 million in the 3Q19.

In 3Q20, the recoverable value of credits previously written-off as losses totaled R$66 million, versus R$49 million recovered in 2Q20 and the R$58 million recovered in 3Q19. Thus, the allowance for loan losses less credit collection totaled R$300 million, versus R$366 million in 2Q20 and R$248 million in 3Q19. An important improvement to 4,8% against total portfolio.

Allowance for Loan Losses and Credit Collection (R$ million)



Costs and Expenses

Personnel and administrative expenses totaled R$398 million in 3Q20, versus R$369 million in 2Q20 and R$365 million in 3Q19, maily related to personel including collective labor agreement and collection costs.

Credit origination expenses stood at R$316 million at the end of the quarter, versus R$223 million in 2Q20 and R$234 million in 3Q19, in line with the credit origination volumes increase and due to marketing expenses.

Expenses (R$ million)	3Q20	2Q20	3Q19	Δ3Q20/ 2Q20	Δ3Q20/ 3Q19
Personnel Expenses[1]	132	125	118	6%	12%
Administrative Expenses	266	243	247	9%	8%
1. Subtotal I	**398**	**369**	**365**	**8%**	**9%**
Commission Expenses	224	170	169	32%	32%
Other Origination Expenses	93	54	65	72%	43%
2. Subtotal II - Origination	**316**	**223**	**234**	**41%**	**35%**
3. Total (I + II)	**715**	**592**	**599**	**21%**	**19%**

Income Statement

In the 3Q20, we recorded EBIT of R$259 million, with growth of 25%, compared to the R$207 million in the 2Q20 and recording a growth of 38% compared to the R$188 million in the 3Q19. For the year 2020, we registered a EBIT of R$677 million with 41% growth when compared to the R$480 million in the same period in 2019.

Net Income was R$170 million, up 18% versus R$144 million in the 2Q20 and 26% up versus R$135 million in the 3Q19. For the year 2020, we registered a Net Income of R$485 million with 39% growth when compared to the R$348 million in the same period in 2019.

The main factors that have positively contributed to the results of the last quarters are: (i) robust financial margin; (ii) increased efficiency; and (iii) expansion of the core portfolio.

Income Statement (R$ million)	3Q20	2Q20	3Q19	Δ3Q20/ 2Q20	Δ3Q20/ 3Q19
Managerial Net Interest Margin	**1,359**	**1,245**	**1,087**	**9%**	**25%**
Allowance for Loan Losses	-366	-414	-306	-12%	20%
Gross Income from Financial Intermediation	**993**	**831**	**782**	**19%**	**27%**
Income from services rendered	118	89	104	32%	13%
Personnel and Administrative Expenses	-398	-369	-365	8%	9%
Commission Expenses	-224	-170	-169	32%	33%
Other Origination Expenses	-93	-54	-65	74%	43%
Tax Expenses	-67	-72	-60	-6%	12%
Other income and expenses	-70	-50	-39	41%	79%
Income before Taxes	**259**	**207**	**188**	**25%**	**38%**
Provision for Income Tax and Social Contribution	-89	-63	-53	41%	68%
Net income (loss)	**170**	**144**	**135**	**18%**	**26%**

[1] *Excluding personel expenses related to credit origination*

The annualized average ROE stood at 13.2% in 3Q20, versus 11.4% in 2Q20 and 11.9% in 3Q19. Looking at the 9M20 was 12.7%, versus 10.4% in 9M19.

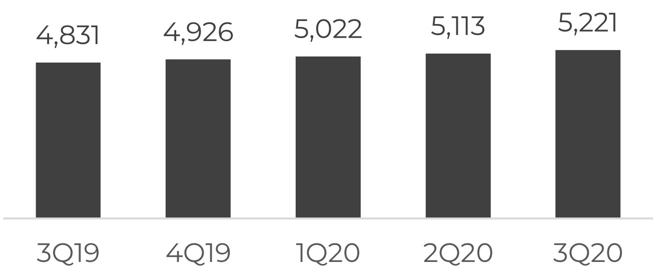
The adjusted average ROE (unaudited) came to 21.5% in 3Q20, versus 19.9% in 2Q20 and 23.4% in 3Q19. Looking at the 9M20 it reached 21.6%, versus 21.4% in 9M19.

The adjustment consists in the rectification of two remaining legacies: (i) excess financial expenses related to fixed rate time deposits issued between 2005 and 2008 (average maturity in 2023), compared to the current funding cost of the NAP for the same term and (ii) excess deferred tax assets related to losses, compared to the banking sector average, arising from the accounting inconsistencies found in 2010.

R$ million – Unaudited	**3Q20**	**2Q20**	**3Q19**
Net Income	170	144	135
Excess Interest Margin (Net of taxes)	53	55	57
Adjusted Net Income	**223**	**199**	**191**
Average Shareholders' Equity	5,167	5,066	4,529
Excess Tax Assets - Tax Losses	1,220	1,069	1,429
Adjusted Average Shareholders' Equity	**3,947**	**3,997**	**3,100**
Accounting ROAE	13.2%	11.4%	11.9%
Adjusted ROAE	**21.5%**	**19.9%**	**23.4%**

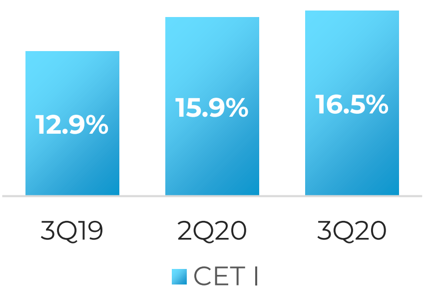
Shareholders' Equity

PAN's consolidated shareholders' equity amounted to R$5,221 million in September 2020, versus R$5,113 million in June 2020 and R$4,831 million in September 2019.



Basel Ratio

The Basel Ratio of the Prudential Conglomerate ended 3Q20 at 16.5%, versus 15.9% at the end of 2Q20 and 12.9% in 3Q19, (all made up entirely by Tier I Common Equity).



R$ million	**3Q19**	**2Q20**	**3Q20**
Reference Shareholders' Equity	**2,465**	**3,266**	**3,404**
Tier I	2,465	3,257	3,396
Tier II	0	9	9
Required Reference Shareholders' Equity	2,013	1,902	1,913
RWA	19,175	20,566	20,685

Ratings

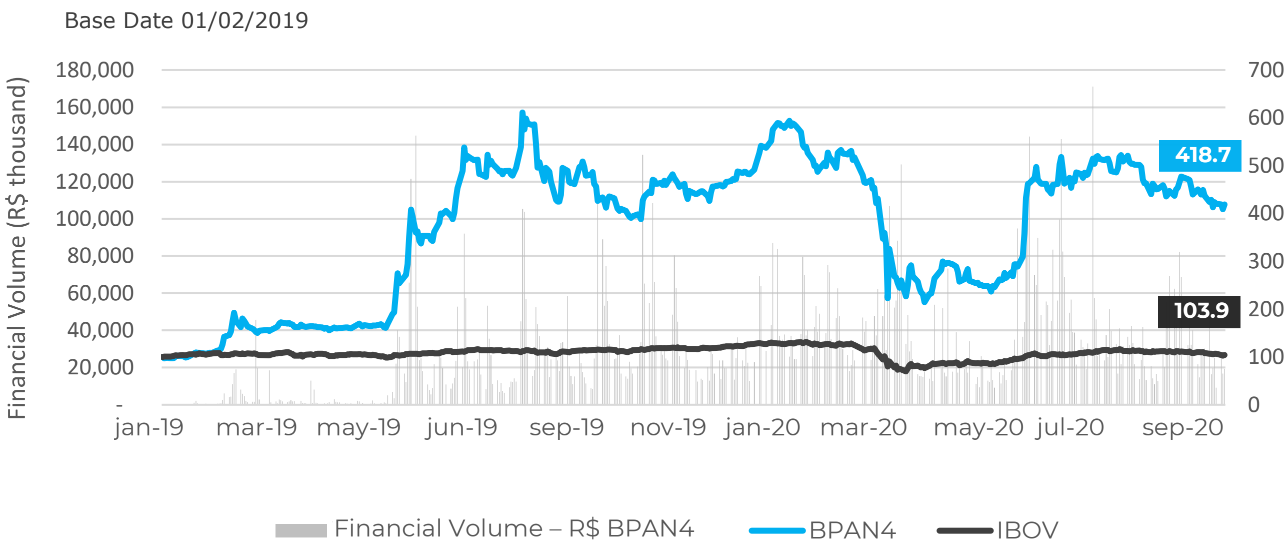
PAN's long-term corporate ratings are presented below:

Rating Agency	Global Scale (LT)	National Scale (LT)	Outlook
Fitch Ratings	**B+**	**A (br)**	**Stable**
Standard & Poor's	**B+**	**brAA-**	**Stable**
Riskbank	**Low Risk for Medium Term 1 | 9.58**		

Stock Performance

PAN's shares (BPAN4)[1] ended 3Q20 at R$8.12 and presented a daily trading average of R$33.9 million in the quarter, compared with R$40.7 million daily trade in 2Q20.

On September 30, 2020, PAN's market cap was R$9.8 billion, equivalent to 1.9x its book value.



Source: *Reuters*

[1]Listed in Corporate Governance Level 1 and in the following indexes: IBRA, IBXX, IFNC, IGTC, IGCX, ITAG AND SMLL.

EXHIBITS

STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2020 AND JUNE 30, 2020 (In thousands of reais)		
ASSETS	**Sep/20**	**Jun/20**
Cash and cash equivalents	1,469,414	886,782
Securities and derivative financial instruments	2,538,736	2,412,140
Interbank partnerships	21,623	35,425
Loan Operations	23,544,871	22,807,867
Loan Operations	24,104,009	23,584,624
Securities and Loans Receivable	1,325,595	1,138,667
(Allowance for Loan Losses)	(1,884,733)	(1,915,424)
Others financial assets	2,501,770	2,296,431
Taxes	3,964,090	3,951,026
Other assets	346,857	364,884
Other values and assets	361,901	354,109
FIXED	**190,085**	**195,162**
TOTAL ASSETS	**34,939,347**	**33,303,826**

LIABILITIES	**Sep/20**	**Jun/20**
Deposits	**20,784,348**	**19,857,041**
Demand Deposits	55,828	37,686
Interbank Deposits	8,522,037	8,541,211
Time Deposits	12,206,483	11,278,144
Open market funding	**92,695**	**60,802**
Acceptance funds and securities issue	**4,584,295**	**4,213,619**
Interbank partnerships	**1,147,580**	**960,532**
Derivative financial instruments	**-**	**4,044**
Others financial assets	**128,825**	**149,480**
Provisions	**588,182**	**596,798**
Taxes	**462,908**	**460,969**
Other liabilities	**1,929,096**	**1,887,799**
Shareholders' Equity	**5,221,418**	**5,112,742**
Share capital	4,175,222	4,175,222
Capital reserve	207,322	207,322
Profit reserves	557,982	557,982
Other comprehensive results	(14,161)	(19,229)
Accrued profit	295,053	191,445
TOTAL LIABILITIES	**34,939,347**	**33,303,826**

CONSOLIDATED INCOME STATEMENTS AS OF SEPTEMBER 30, 2020 AND JUNE 30, 2020 *(In thousands of reais)*	3Q20	2Q20
REVENUES FROM FINANCIAL INTERMEDIATION	**1,672,085**	**1,689,110**
Income from credit operations	1,622,304	1,798,340
Results from securities operations	37,861	15,963
Result from derivative financial instruments	11,607	(125,572)
Exchange operating result	312	379
EXPENSES FROM FINANCIAL INTERMEDIATION	**(679,628)**	**(858,877)**
Market funding operations	(313,691)	(444,442)
Provisions for expected losses associated with credit risk	(365,937)	(414,435)
GROSS RESULT FROM FINANCIAL INTERMEDIATION	**992,457**	**830,233**
OTHER OPERATING INCOME (EXPENSES)	**(754,015)**	**(641,406)**
Revenues from Services	118,187	89,302
Personnel Expenses	(146,030)	(133,186)
Other administrative expenses	(568,562)	(458,439)
Tax expenses	(66,520)	(72,267)
Expenses with provisions	(64,081)	49,337
Other Operating Revenues and Expenses	(27,009)	(17,479)
OPERATING INCOME	**238,442**	**188,827**
OTHER NON-OPERATING INCOME AND EXPENSES	**20,876**	**18,211**
RESULTS BEFORE TAXES	**259,318**	**207,038**
TAXES ON INCOME	**(89,140)**	**(63,146)**
Provision for income tax	(2,641)	(129,375)
Provision for social contribution	(1,392)	(104,346)
Fiscal deferred assets	(85,107)	170,575
NET INCOME FOR THE YEAR	**170,178**	**143,892**