

## **PagBank posts record quarter with net income (Non-GAAP) of 542 million BRL (+31% y/y)**

*In acquiring, record TPV of 124 billion BRL, three times the industry's growth;*

*In banking, record revenue of 434 million BRL, +41% higher than the same period in 2023.*



*PagBank headquarters in São Paulo (Photo: PagBank)*

**São Paulo, Brazil, August 20, 2024**—PagBank (NYSE: PAGS), a complete digital bank in financial services and payments solution, announces its results for the second quarter of 2024 (2Q24). Among the key highlights of the period, the company recorded a **record net income (Non-GAAP) of 542 million BRL (+31% y/y)**. **Net income** in a GAAP basis, also a record, was **504 million BRL (+31% y/y)**.

After almost two years as CEO of PagBank, Alexandre Magnani celebrates the record numbers, the result of the strategy implemented and executed since the beginning of 2023: *"We have nearly **32 million clients**. These figures consolidate PagBank as a solid and complete bank, reinforcing our purpose of facilitating the financial life of people and businesses in a simple, integrated, secure and accessible way,"* says the CEO.

In acquiring, the **TPV** registered was a record, reaching **124.4 billion BRL**, an annual growth of +34% (+11% t/t), more than three times the industry's growth. This figure was driven by growth in all segments, especially in Micro and Small Enterprises (MSMEs), which accounted for 67% of TPV, and new business growth verticals, especially online, cross-border and automation, which already account for a third of TPV.

In digital banking, PagBank reached **76.4 billion BRL** in **cash-in** (+52% y/y), contributing to the record volume of **deposits**, which reached a total of **34.2 billion BRL**, up an impressive +87% y/y and 12% q/q. This reflects the +39% y/y growth in PagBank checking accounts and the higher volume of investments raised in CDBs issued by the bank, which grew +127% in the last twelve months.

*"This month, we received the **AAA.br** rating from **Moody's**, with a stable outlook, the highest level on the local scale. In less than a year, both **S&P Global** and **Moody's** have given us the highest rating on their local scale: triple-A. At PagBank, our customers have the same solidity as the country's largest financial institutions but with better returns and terms. This is only possible because we have a lean cost structure and the agility of a fintech,"* says Magnani.

In 2Q24, the **credit portfolio** grew +11% y/y to **2.9 billion BRL**, leveraging low-risk, high-engagement products such as credit cards, payroll deduction loans and anticipation of FGTS anniversary withdrawals while resuming other credit lines.

According to Artur Schunck, CFO of PagBank, the acceleration in volumes and revenues, combined with cost and expense discipline, were the main drivers of the record results. *"We have managed to balance growth and profitability. Revenue growth has accelerated in recent quarters and our investments in expanding commercial teams, marketing activities and improving customer service have not impacted profit growth, giving us the impetus to raise our TPV and Non-GAAP net income guidance,"* said Schunck.

As the first half of 2024 draws to a close, the company has raised its TPV and Non-GAAP net income guidance for the year. For TPV, the company now expects growth of between +22% and +28% year-over-year, significantly higher than the guidance of between +12% and +16% provided at the beginning of the year. For Non-GAAP net income, the company now expects growth of between +19% and +25% y/y, higher than the guidance of between +16% and +22% provided at the beginning of the year.

## Other Highlights

**Total Revenue and Income** in 2Q24 was **4.6 billion BRL** (+19% y/y), driven by solid growth in higher-margin financial services revenues. The **number of clients** reached **31.6 million**, bolstering PagBank's position as one of the largest digital banks in the country.

PagBank has been working on launching **new products and services** that will expand its increasingly complete portfolio of solutions to make it easier for its customers to do business. The digital bank has just launched the service of **anticipating receivables from other POS**, with same-day deposit to the account for customers with a PagBank domicile. This August, eligible customers can count on this service in their bank account.

*"This will be a new way for merchants to access their receivables centrally. It will allow them to view and forecast all sales from any acquirer in the PagBank application, without having to access multiple applications,"* Magnani explains. According to the CEO, in this first phase of the product, the company offers features such as self-service contracting, same-day disbursement for PagBank customers, and customized negotiations by acquirer and amount.

Another feature that has just been made available is the **multiple payment of boletos**. This allows several payments to be made simultaneously in a single transaction, reducing the time needed to process each *boleto* individually. The solution mainly benefits PF (individual) or PJ (business) account users who want to pay several bills at once. In addition to these launches, there are many more to come.

*"For our 6.4 million merchant and business customers, these and other competitive advantages, such as zero fees for new merchants, on-the-spot prepayments to PagBank accounts, express POS delivery and Pix acceptance, are key differentiators. We are focused on attracting and retaining customers and encouraging them to use PagBank as their main bank, thereby generating more value for the company and contributing to our sustainable growth,"* added Alexandre Magnani, CEO of PagBank.

To access PagBank's full balance sheet for 2Q24, [click here](#).

### **Important Note Regarding Forward-Looking Statements**

*This document contains certain forward-looking statements. Forward-looking statements are not historical facts or related to future events and are subject to risks and uncertainties. There can be no assurance that the forward-looking statements contained in this press release will be realized or achieved. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events or otherwise.*

##

**PagBank** promotes innovative solutions in financial services and means of payment, automating the purchase, sale, and transfer process to leverage individuals' and enterprises' businesses simply and securely. A company of the UOL Group – leader of the Brazilian Internet – **PagBank** acts as an issuer and acquirer, offering digital accounts and providing complete solutions for online and face-to-face payments (by mobile devices and POS devices).

**PagBank** also has a wide variety of means of payment, such as credit and prepaid cards, bank transfers, payments by billet, and balance in the account, among others. PagBank (PagSeguro Internet Payment Institution S.A) is regulated by the Central Bank of Brazil as an electronic money-issuing payment institution, issuer of post-paid instruments and acquirer, having partnerships with the leading credit card issuers. Its parent company, PagSeguro Digital, is listed in the U.S. (NYSE: PADS) and regulated by the Securities and Exchange Commission (SEC). The distribution of investment funds is carried out by BancoSeguro S.A., authorized by the Central Bank of Brazil, the Securities and Exchange Commission, and affiliated with ANBIMA.

#### **PRESS CONTACTS**

##### **XCOM - PagBank's communications agency**

Thiago de Paula / [thiago.paula@xcom.net.br](mailto:thiago.paula@xcom.net.br) / (+5511) 99238-0575

Milton Rizzato / [milton.rizzato@xcom.net.br](mailto:milton.rizzato@xcom.net.br) / (+5511) 98360-1000

Claudio Ferreira / [claudio.ferreira@xcom.net.br](mailto:claudio.ferreira@xcom.net.br) / (+5511) 98816-7888

Deborah Slobodtsov / [deborah.slo@xcom.net.br](mailto:deborah.slo@xcom.net.br) / (+5511) 98829-7900

Visit the [PagBank Press Room](#)