



**Investor
Presentation
1Q20**

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.

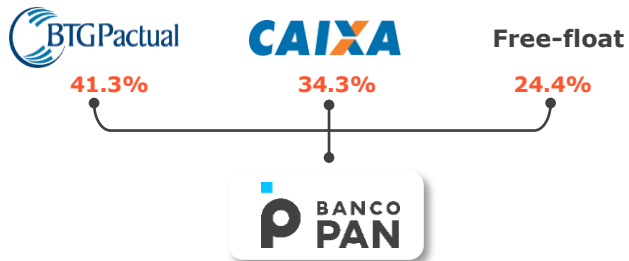
Risks and uncertainties related to the bank's businesses, to the competitive and market environment, to the macro economical conditions and other factors described in "Risk Factors" in the Reference Form, reported to the Comissão de Valores Mobiliários (CVM), may cause effective results to differ materially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

Caio Megale

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

**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:

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

CURRENT SCENARIO | OUR ACTIONS







OUR PEOPLE

-  97% of our office staff in **Home Office** with a **connected** leadership
-  Salary, Vouchers and half of 13th Salary **payment in advance**
-  24h Medical Assistance (**telehealth**)
-  Psychological, legal and financial orientation **support**






OUR CLIENTS

-  **100% digital** relationship and services
-  **Customized benefits and extended** offers
-  Overdraft **rate reduced** to 4% p.m.
-  **Extension of credit card installments** up to 24 months



OUR BUSINESS

-  Increase in **liquidity** position
-  Conservative **credit approach**
-  Solid **Capital level**
-  Increased **cost efficiency**

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 5.3 mm managed clients and organic flow of new clients

3

R\$25.0 Bn Credit Portfolio and 23.5% p.y. Adjusted (unaudited) Return on Equity in 1Q20

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



5.3 million managed clients

~750k credit requests per month

~196k 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



+670

brokers originating
payroll-loans



+12.2 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

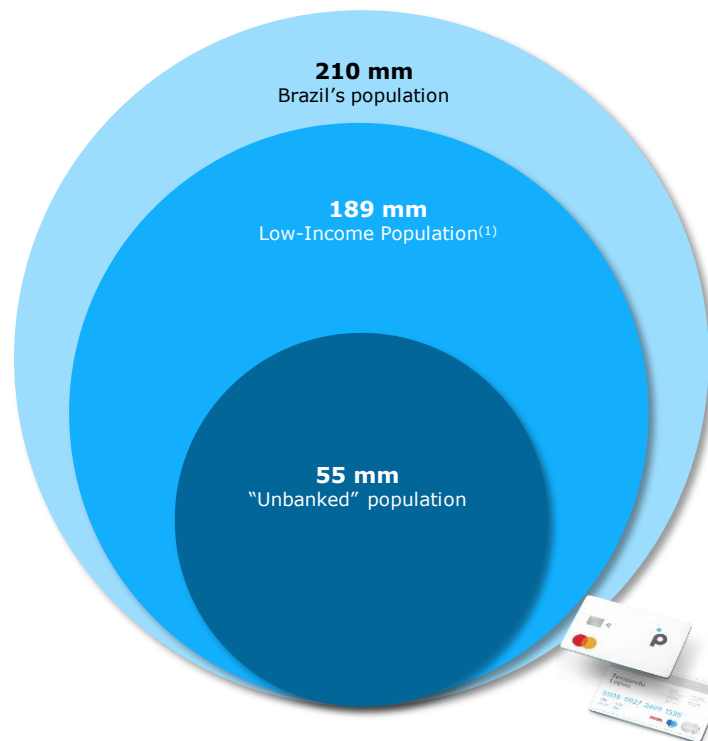
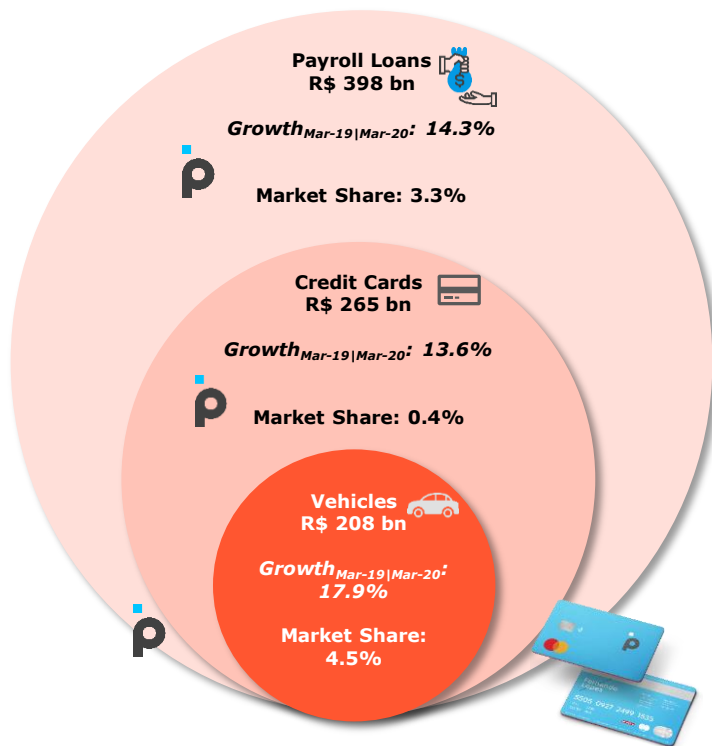


Insurance

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

Total of R\$169 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)

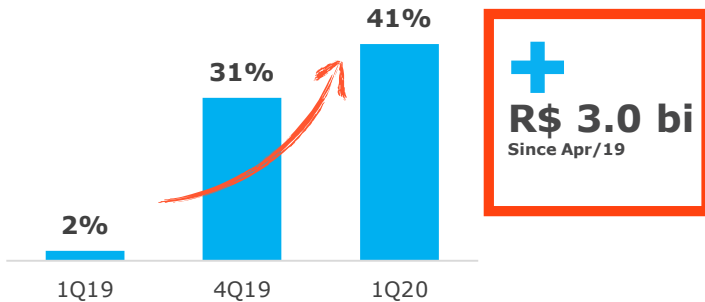


03. Full Digital Bank

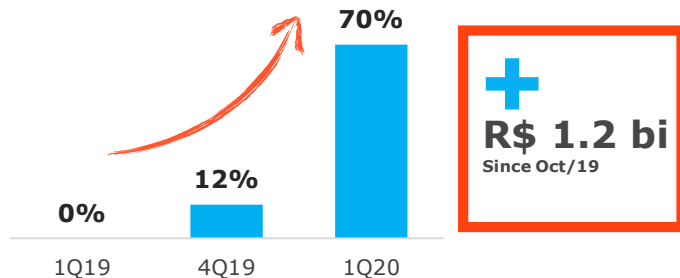
We are well positioned to face the current scenario, with competitive advantages

Digital Formalization

Payroll-Loans



Vehicles



Digital Bank

- Launch of the Digital Account App on February, 5th
- Enhancing customer service via WhatsApp
- Origination of credit cards through digital channels reached **71%**
- **New Partnerships**





03. Operational & Financial Highlights



HIGHLIGHTS

- **Credit Portfolio** of **R\$25.0 billion** in 1Q20 (**+15%** in 12 months, **+19%** on 'core' portfolio);
- **Monthly Average Retail Origination** of **R\$1.8 billion** in 1Q20 (**-3%** over 4Q19 | **+13%** in 12 months);
- **5.3 million customers under management** (4.4 million in 1Q19);
- **Managerial Net Interest Margin** of **18.3% p.y.** in 1Q20 (20.0% p.y. in 4Q19 and 15.0% p.y. in 1Q19);
- **Net income** of **R\$170.6 million** in 1Q20 (**+2%** over 4Q19 | **+77%** over 1Q19);
- **ROAE** of **13.7% a.a.** in 1Q20 (13.7% p.y. in 4Q19 and 9.3% p.y. in 1Q19);
- **Adjusted ROE** (unaudited) of **23.5% p.y.** in 1Q20 (24.6% p.y. in 4Q19 and 21.0% p.y. in 1Q19);
- **Shareholders' Equity** of **R\$5.0 billion** and **Basel Ratio** of **15.7%.**

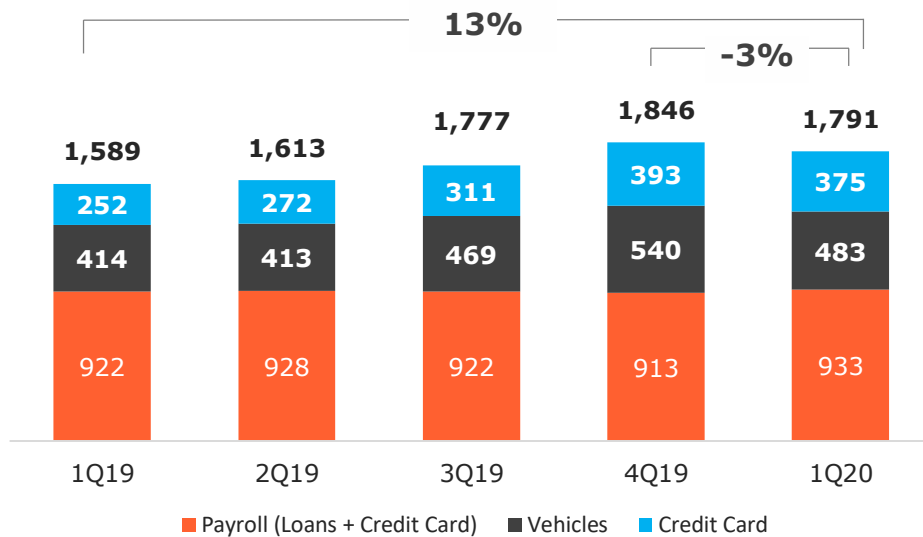
RETAIL

CREDIT



Monthly average

R\$ MM



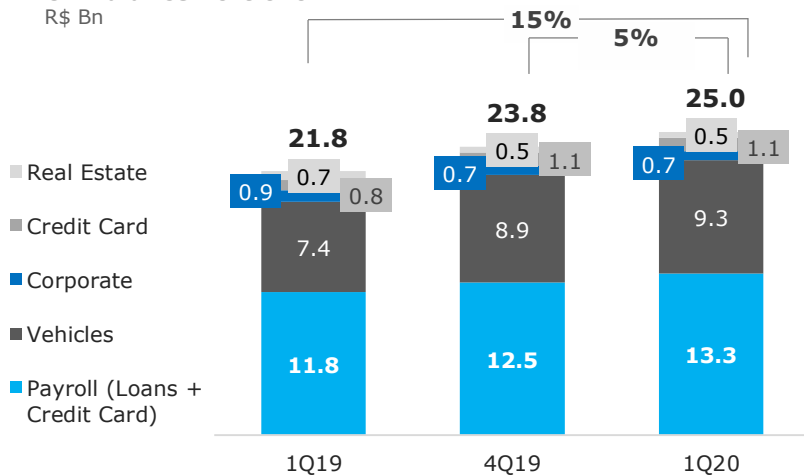
PORTFOLIO

**Payroll Loans +
Collateralized
Loan Portfolio =
93%**

R\$ MM	1Q20	Part. %	4Q19	Part. %	1Q19	Part. %	Δ 1Q20/ 4Q19	Δ 1Q20/ 1Q19
Payroll Deductible (Loans+Credit Card)	13,275	53%	12,506	53%	11,751	54%	6%	13%
Vehicles	9,302	37%	8,854	37%	7,411	34%	5%	26%
Credit Cards	1,139	5%	1,087	5%	834	4%	5%	37%
Corporate Loans	701	3%	732	3%	930	4%	-4%	-25%
Real Estate	479	2%	496	2%	737	3%	-4%	-35%
Others	125	0%	110	0%	91	0%	14%	37%
TOTAL	25,021	100%	23,785	100%	21,754	100%	5%	15%

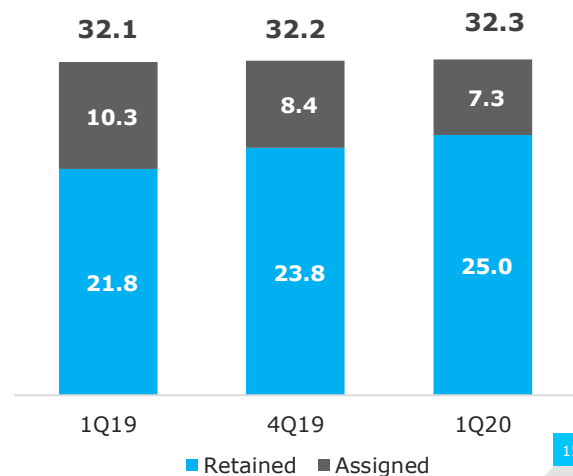
On Balance Portfolio

R\$ Bn



Originated Portfolio

R\$ Bn



■ Retained ■ Assigned

Credit Portfolio

Credit Quality

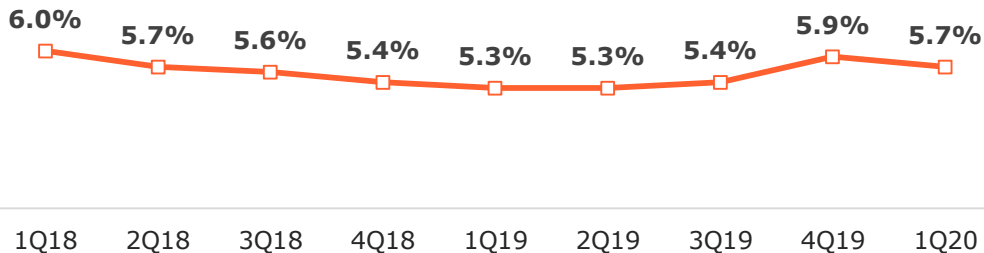
Conservative Credit Origination Approach

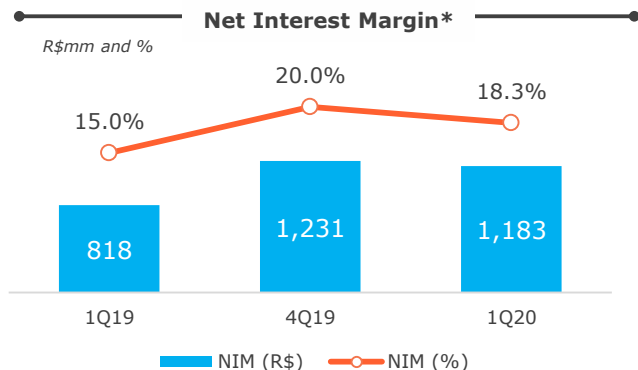


Payroll Loans: 88% on federal codes, 35 months duration, R\$ 2.4k average ticket

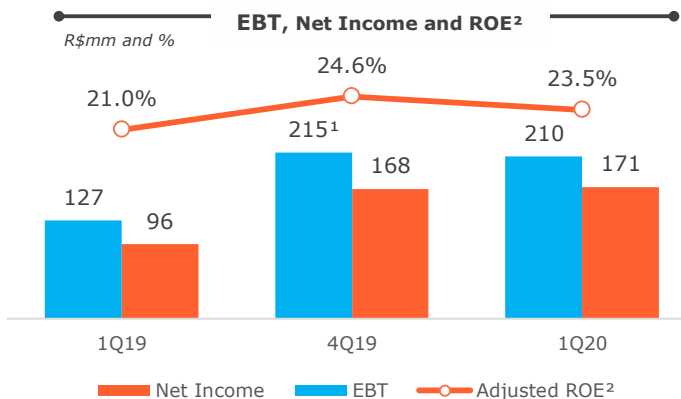
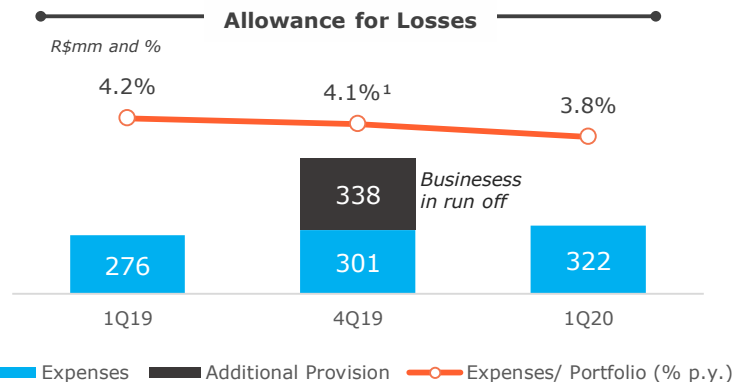
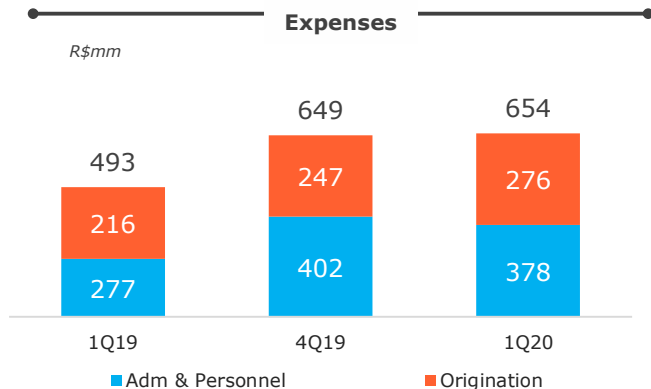
Vehicles: Vehicles: 35% downpayment, 18 months duration, R\$ 26k average ticket
Motorcycles: 21% downpayment, 16 months duration, R\$ 12k average ticket

90-day NPL Ratio (%)





*NIM: Managerial Net Interest Margin



Note: (1) The ALL expenses/portfolio and EBT in 4Q19 do not consider the additional provision made due to the increase on "CSLL" tax rate (Constitutional Amendment n. 103/2019)

(2) Unaudited adjusted ROAE includes (i) excess of funding expenses (27% p.a. vs. 120% CDI), 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	1Q20	4Q19	1Q19	Δ1Q20/ 4Q19	Δ1Q20/ 1Q19
Interest Margin	1,183	1,231	818	-4%	45%
Interest Margin (%)	18.3%	20.0%	15.0%	-1.7 p.p.	3.3 p.p.
Credit Provisions ¹	(322)	(301)	(276)	7%	17%
Gross Income from Finan. Intermed.¹	861	929	542	-7%	59%
Income from services	109	115	99	-5%	10%
Administrative and Personnel Expenses	(378)	(402)	(277)	-6%	36%
Expenses with Comissions	(222)	(190)	(170)	16%	30%
Others expenses with origination	(54)	(56)	(46)	-3%	19%
Tax Expenses	(54)	(74)	(46)	-28%	18%
Others	(52)	(106)	25	-51%	-
Income Before Tax¹	210	215	127	-2%	65%
Provision for Income Tax and Social Contribution	(40)	(57)	(31)	-31%	27%
Net tax credit gain (CSLL)	-	196	-	-	-
Additional Provision (net of taxes)	-	(186)	-	-	-
Net Income	170.6	167.6	96.1	2%	77%

Note: (1) Unaudited - do not consider the additional provision made in 4Q19 due to the increase on "CSLL" tax rate (Constitutional Amendment n. 103/2019)

ROAE

ROAE and Adjusted ROAE
(Unaudited)

R\$ MM	1T20	4T19	1T19
Net Income (A)	170.6	167.6	96.1
Excess of Financial expenses (net of taxes)	54.7	59.7	50.8
Adjusted Net Income (B)	225.3	227.2	146.9
Average Shareholders' Equity (C)	4,974	4,879	4,125
Excess of DTA related to losses	1,136	1,189	1,325
Adjusted Average Shareholders' Equity (D)	3,838	3,689	2,800
ROAE (p.y.) – A/C	13.7%	13.7%	9.3%
ROAE Adjusted (p.y.) – B/D	23.5%	24.6%	21.0%

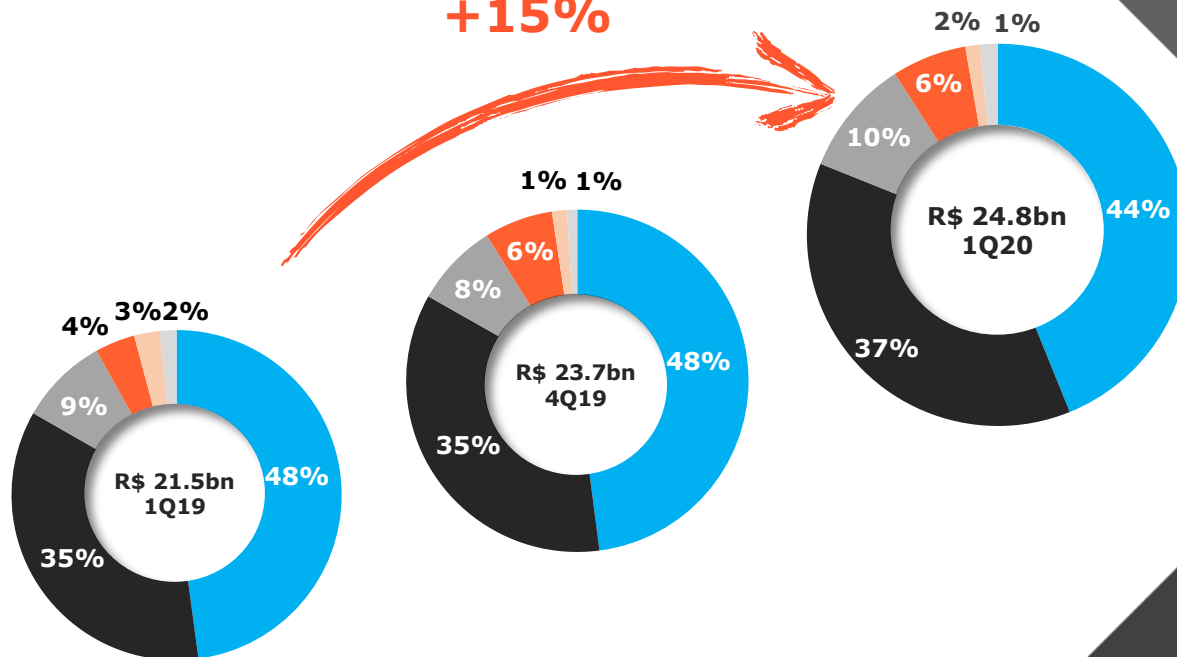
ROAE (unaudited) adjusted by two remaining legacies:

- (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

- ✓ Strong increase and dispersion of funding over the last years

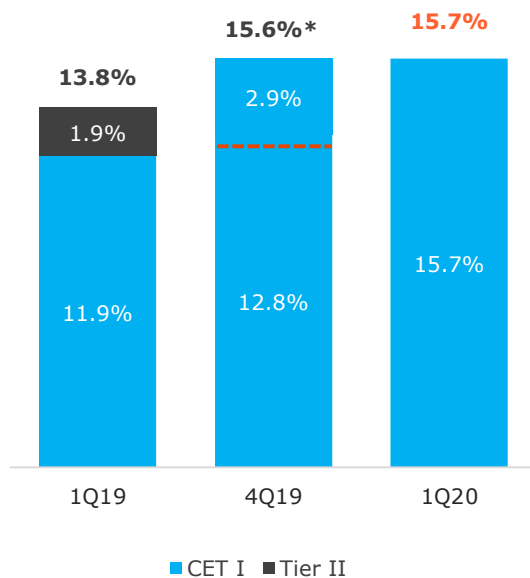
+15%



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

BASEL

RATIO



R\$ MM	1Q19	4Q19	1Q20
Reference Shareholders' Equity	2,546	3,081	3,212
CET I	2,033	3,073	3,204
Tier II	513	8	8
Required Reference Shareholders' Equity	1,880	2,073	2,154
RWA	17,903	19,745	20,518

* Basel Ratio considering the capital increase concluded on September, 2019, in the total amount of R\$522 mm, approved by the Central Bank of Brazil on January, 2020.



04. Business Lines

PAYROLL DEDUCTIBLE

LOANS AND CREDIT CARDS

Overview

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

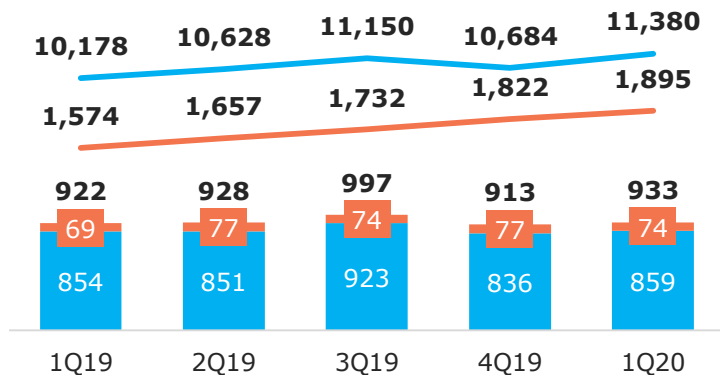
Average Ticket of **R\$2.4k**

Duration of **35 months**

Origination breakdown	1Q19	4Q19	1Q20
Federal	89%	88%	88%
INSS – Social Security	65%	67%	75%
SIAPÉ	13%	11%	9%
Armed Forces	11%	10%	4%
States	10%	11%	11%
Municipalities	1%	1%	1%
Total R\$ MM	2,767	2,740	2,799

Evolution of Portfolio & Monthly Avg. Origination

R\$ MM



Loans Origination
Loans Portfolio

Credit Card Origination
Credit Card Portfolio

Overview

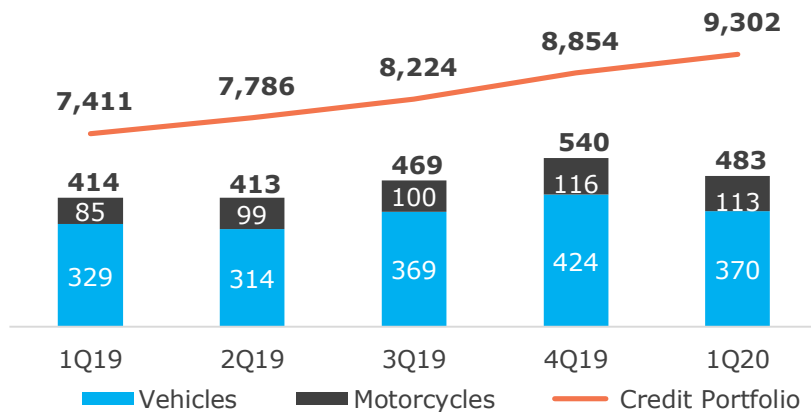
- Actively present in more than **12.2k** multi-brand & single-brand vehicle dealers
- Average Ticket: Vehicles: **R\$26k** / Motorcycles: **R\$12k**
- Duration: Vehicles: **18 months** / Motorcycles : **16 months**

Origination Overview

	Vehicles		Motorcycles	
	1Q19	1Q20	1Q19	1Q20
Origination R\$ MM	985	1,110	340	340
Avg. Tenor months	46	46	42	42
Downpayment %	33%	35%	21%	21%

Evolution of Portfolio & Monthly Avg. Origination

R\$ MM



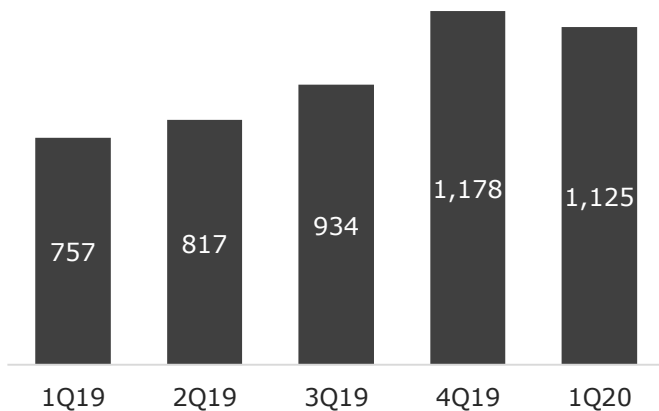
MEANS OF PAYMENT

Highlights

- ✓ Significant improvements on client's digital journey and cross selling efforts
- ✓ Enhanced relationship with digital partners (market places)
- ✓ Launch of cobranded credit cards
- ✓ The origination of credit cards through digital channels reached **71%** in 1Q20

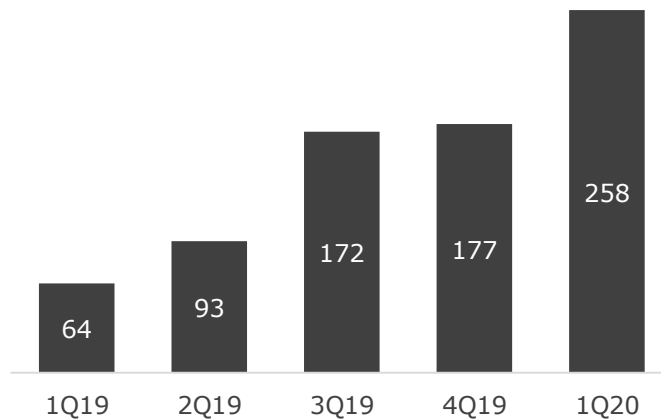
Transaction Volume

R\$ MM



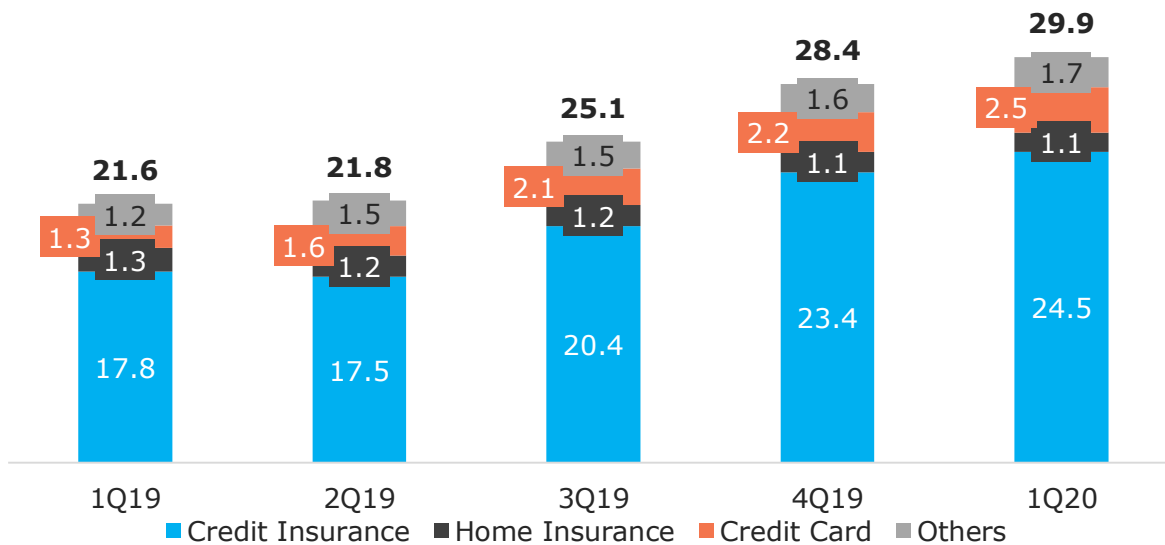
of Credit Cards Issued

Thousand



Insurance Premiums

Monthly Average
R\$ MM



APPENDIX



HISTORY

Started its operations with credit cards, vehicle financing, insurance and payroll loans

1994 – 1999

New BoD and Executive Officers appointed by Caixa and FGC with a special "Opening Balance Sheet" on November, 30

2010

Capital Increase of **R\$1.8 bi**

2012

Capital Increase of **R\$1.3 bi** and the sale of Pan Seguros S.A. for R\$580 mm

2014

Capital Increase of **R\$ 400 mm** and Launch of the Digital Project

2018

Follow on: Primary and Secondary Public Offering in the total amount of R\$ **1.04 bn**

2019

1st Issuance of Public Bank Notes and launch of PAN's new brand positioning



1991

Started operating as a commercial bank



2009

Signing of the Agreement for the entrance of Caixa in the controlling block of the Bank through CAIXAPAR



2011

Caixa & BTG Pactual took control of PAN and a new shareholders' agreement was signed. Renewal of the entire management team



2013

Launch of "Banco PAN" as the new Corporate Brand



2017

Sale of Stone Pagamentos S.A. for R\$ 229 mm

From 2011 to 2017 PAN went through a turnaround process...

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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