Banco Pine (PINE4)

Record Profitability, but Credit Trends Remain in Focus

3Q26 Earnings Review

Banco Pine delivered another solid quarter, with net income reaching R$186 mn (+12% QoQ, +79% YoY, +1% vs. XPe) and ROAE climbing to a record 40.4%, supported by robust loan growth, continued mix shift toward higher-yielding payroll lending and operating leverage. Private payroll remained the key growth driver, with securitizations as an important tool to support expansion. On the asset quality front, Stage 2 exposures declined and coverage improved, which we view as encouraging signs, although NPL formation and credit costs continued to trend upward as the newer payroll vintages mature. Capital ratios also remained under focus, with the Basel ratio declining to 12.8% amid strong RWA growth. **Overall, the quarter reinforces our constructive view on the name, but we expect investors to remain focused on the evolution of credit costs, the performance of private-payroll vintages, and the bank's ability to balance growth with capital preservation going forward.**

Loan growth remained a key highlight, with the expanded portfolio reaching R$24.6 bn (+13% QoQ, +44% YoY), driven by the continued expansion of collateralized retail lending, particularly private payroll loans, which now account for 34% of the book. As a result, the yield-route accounted for 51.6% of the portfolio (+10.6 p.p. vs. 3Q25).

Asset quality metrics continued to normalize following the strong expansion of the high-yield portfolio, with NPLs and credit costs moving higher as newer payroll vintages mature. At the same time, some underlying indicators were more encouraging, including lower Stage 2 exposures (-147 bps QoQ, at ~4.9%) and stronger reserve coverage regarding Stage 3 exposures (109% in 3Q vs. 105% in 2Q).

Risk-adjusted NII remained healthy. Gross financial margin reached R$875mn (+40% QoQ, +142% YoY), driving NIM to 15.1% (+2.6 p.p. QoQ), while Risk-Adj. NIM improved to 8.2% (+0.8 pp QoQ). As expected given the evolving portfolio mix, higher credit costs partially offset these gains, but profitability remained well supported by strong origination volumes, attractive yields, and expanding risk-adj margins.

Fees softened sequentially after a strong 2Q, while operating leverage drove further efficiency gains. As a result, EBT rose 17% QoQ and net income reached a record R$186 mn (+12% QoQ, +1% vs. XPe), with ROAE climbing to 40.4%. Capital ratios declined as loan growth outpaced capital generation, with Tier 1 and Basel ratios reaching 10.1% and 12.8%, respectively. The securitizations, including the R$1.5 bn INSS securitization completed in October, should provide additional capital support and help sustain growth going forward.

Banco Pine (PINE4)	**Buy**
Target Price (R$/shr.)	19.0
Current Price (R$/shr.)	11.6
Upside (%)	*63.8%*
Market Cap (R$ bn)	2.8
Free Float (%)	*20.3%*
ADTV (R$ mn)	17.3

Bernardo Guttmann
TMT, Banks & Non-Bank Financials
bernardo.guttmann@xpi.com.br

Matheus Guimarães, CFA
Banks & Non-Bank Financials
matheus.guimaraes@xpi.com.br

Guilherme Meneghetti
Banks & Non-Bank Financials
guilherme.meneghetti@xpi.com.br

Figure 01: Banco Pine 3Q26 Earnings Results[1]

Key Figures | R$ mn	3Q26	3Q26E	A/E	2Q26	Q/Q	3Q25	Y/Y
Risk Adj. NII	**490**	**501**	**-2%**	**458**	**7%**	**275**	**78%**
Recurring Op. Expenses	(235)	(221)	6%	(180)	30%	(134)	75%
Recurring EBT	**299**	**293**	**2%**	**256**	**17%**	**171**	**75%**
Recurring Net Income	186	184	1%	167	12%	104	79%

Source: Company's IR; XP Investments. Notes: [1] BRGAAP figures adjusted for banking correspondent expenses.

Disclaimer

1. This report was prepared by XP Investimentos CCTVM S.A. ("XP Investimentos or XP") according to the requirements provided in CVM Resolution 20/2021 and aims to provide information that can help the investors make their own investment decisions, and does not constitute any kind of offer or purchase request and/or sale of any product. The information contained in this report is considered valid on the date of disclosure and has been obtained from public sources. XP Investimentos is not liable for any decisions made by the customer based on this report.
2. This report was prepared considering the product risk classification in order to generate allocation results for each investor profile.
3. All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst(s) compensation was, is or will be, directly or indirectly related to the specific recommendations or views expressed in this research report.
4. The signatory of this report declare that the recommendations reflect solely and exclusively their personal analyses and opinions, which have been produced independently, including in relation to XP Investimentos and which are subject to modifications without notice due to changes in market conditions, and that their remuneration are indirectly affected by revenue from business and financial transactions carried out by XP Investimentos.
5. The analyst responsible for the content of this report and the compliance with CVM Resolution 20/2021 is indicated above, and, in the event of an indication of another analyst in the report, the person responsible will be the first accredited analyst to be mentioned in Report.
6. XP Investimentos' analysts are obligated to comply with all the rules laid down in the APIMEC's conduct code for the securities analyst and XP Investimentos' analyst of securities conduct policy.
7. Customer service is carried out by XP Investimentos employees or by autonomous investment agents who perform their activities through XP, in accordance with CVM Resolution 178/2023, which are registered in the national association of brokers and distributors of securities ("ANCORD"). The autonomous agent of investment may not provide consulting, administration or management of customer net worth, and must act as an intermediary and request prior authorization from the client for the realization of any operation in the capital market.
8. For the purpose of verifying the adequacy of the investor's profile to the investment services and products offered by XP Investimentos, we use the methodology of adequacy of products by portfolio, in accordance with the ANBIMA Rules and Procedures of Suitability No. 01 and the ANBIMA Code of Regulation and Best Practices for Distribution of Investment Products. This methodology consists of assigning a maximum risk score for each investor profile (conservative, moderate and aggressive), as well as a risk score for each of the products offered by XP Investimentos, so that all customers can have access to all products, provided that within the amounts and limits of the risk score defined for their profile. Before applying to the products and/or contracting the services subject to this material, it is important that you verify that your current risk score includes the application in the products and/or the contracting of the services in question, as well as whether there are limitations of volume, concentration and/or quantity for the desired application. You can consult this information directly at the time of transmission of your order or by consulting the overall risk of your wallet on the portfolio screen (Risk View).f your current risk score does not support the desired application/contract, or if there are limitations in relation to the amount and/or financial volume for said application/contracting, this means that, based on the current composition of your portfolio, this application/contract is not appropriate to your profile. If you have questions about the process of suiting the products offered by XP Investimentos to your investor profile, please refer to the FAQ. Market conditions, climate change and the macroeconomic scenario can affect investment performance.
9. The profitability of financial products may present variations and their price or value may increase or decrease in a short period of time. Past performance is not necessarily indicative of future results. Performance disclosed is not net of any applicable taxes. The information present in this material is based on simulations and the actual results may be significantly different.
10. This report is intended exclusively for to the XP Investimentos' network, including independent XP agents and XP customers, and may also be released on XP's website. It is prohibited to reproduce or redistribute this report to any person, in whole or in part, whatever the purpose, without the prior express consent of XP Investimentos.
11. XP Investimentos' ombudsman has the mission to serve as a contact channel whenever customers who do not feel satisfied with the solutions given by the company to their problems. The contact can be made via telephone 0800 722 3710 if you are in Brazil or via ombudsman form if you are in other localities: ttps://institucional.xpi.com.br/ouvidoria.aspx/.
12. The cost of the transactions billing policies are defined in the operational cost tables which are made available on XP Investimentos website: www.xpi.com.br.
13. XP Investimentos is exempt from any liability for any damages, direct or indirect, that come from the use of this report or its contents.
14. Technical analysis and fundamental analysis follow different methodologies. Technical analysis is performed following concepts such as trends, support, resistance, candles, volume, and moving averages, amongst others. Fundamental analysis uses as information the results disseminated by the issuing companies and their projections. In this way, the opinions of fundamental analysts, who seek the best returns given the market conditions, the macroeconomic scenario and the specific events of the company and the sector, may differ from the opinions of technical analysts, which aim to Identify the most likely movements on asset prices, using "stops" limit possible losses.
15. Equity investments available are portion a company's capital that is traded on the market. Stock is a variable financial investment (i.e. an investment in which profitability is not pre-established and varies depending on market quotations). Investment in stock is a high-risk investment and past performance is not necessarily indicative of future results and no statement or warranty, expressed or implied, is made in this material in relation to future performance. Market conditions, macroeconomic scenario, company and sector specific events can affect investment performance and may even result in significant asset losses. The recommended duration for equity investments is medium-long term. There is no guarantee of investment return for customers' investments in stock.
16. Investment in options is the purchase or sale rights of a good shall be negotiated at a price fixed at a future date, and the purchaser of the negotiated duty should pay a premium to the seller as in a secure agreement. Operations with these derivatives are considered very high risk for presenting high risk and return relationships and some positions present the possibility of losses higher than the capital invested. The recommended duration for the investment is short-term and the customer's assets are not guaranteed in this type of product.
17. Investment in terms are contracts for the purchase or sale of a certain number of shares at a fixed price for settlement within a specified period. The term of the contract is freely chosen by the investors, complying with the minimum period of 16 days and a maximum of 999 days. The price will be the value of the added share of a portion corresponding to the interest-which are set freely on the market, depending on the term of the contract. Every transaction in the term requires a guarantee deposit. These guarantees are provided in two forms: coverage or margin.
18. Investments in futures markets are subject to significant loss of principal. a commodity is an object or price determinant of a future contract or other derivative instrument, which may substantiate an index, a fee, a movable value or a physical product. Commodities are considered high risk investments, which include the possibility of price fluctuation due to the use of financial leverage. The recommended duration for commodity investments is short-term and customers' assets are not guaranteed in this type of product. Market conditions and the macroeconomic scenario can affect the performance investments.
19. This institution is adhering ANBIMA Code of Regulation and best practices for the distribution activity of retail investment products.
20. XP Investments US, LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission, has assumed responsibility for this research for purposes of U.S. law. All transactions arising from this research should be directed to XP Investments US, LLC, at +1 646-664-0525.
21. XP Investimentos (a) managed or co-managed a public offering of securities for the subject company in the past 12 months, or (b) received compensation for investment banking services from the subject company in the past 12 months; or (c) expects to receive or intends to seek compensation for investment banking services from the subject company in the next 3 months.


research