

PAN

3Q16 Earnings Results

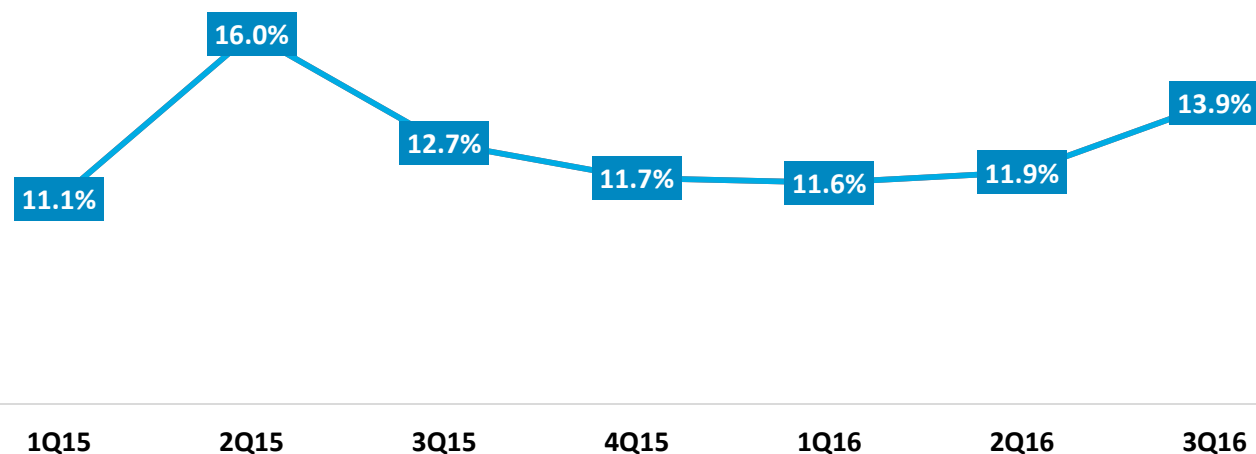
This presentation may include statements representing expectations about future events or results of Banco Pan. These statements are based upon projections and analyses which reflect present views and/or expectations of the Management of the Bank with regards to its performance and to the future of its 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, filed with the Comissão de Valores Mobiliários, may cause effective results to differ materially from such plans, objectives, expectations, projections and intentions.

- ✓ Retail credit origination monthly average of R\$ 1,818 million;
- ✓ The Credit Portfolio ended the 3Q16 at R\$ 18.7 billion;
- ✓ The credits rated between “AA” and “C”, according to the BACEN Resolution n. 2,682, represented 92.3% of the Retail Credit Portfolio;
- ✓ The Corporate Loan Portfolio, including Guarantees Issued, ended at R\$ 3,175 million;
- ✓ The Managerial Net Interest Margin was 13.9% in 3Q16;
- ✓ Net result was negative in R\$ 13.0 million in 3Q16; and
- ✓ Shareholders’ Equity stood at R\$ 3,412 million and Basel Ratio came to 13.4%.

Main Indicators (R\$ MM)	3Q16	2Q16	3Q15	Δ 3Q16/2Q16	Δ 3Q16/3Q15
Total Retail Credit Origination	5,455	5,243	4,841	4%	13%
Assignments without Recourse	2,647	2,081	3,159	27%	-16%
Total Credit Portfolio	18,716	18,180	17,978	3%	4%
Retail Portfolio	15,541	14,821	13,383	5%	16%
Corporate Portfolio	3,175	3,359	4,595	-5%	-31%
Total Assets	27,896	27,035	26,380	3%	6%
Funding	19,820	19,479	19,410	2%	2%
Shareholders’ Equity	3,412	3,422	3,602	0%	-5%
Interest Margin	751	629	655	20%	15%
Net Results	(13)	(128)	44	90%	-
Net Interest Margin (%)	13.9%	11.9%	12.7%	2.0 p.p.	1.2 p.p.
Basel Ratio	13.4%	14.0%	16.3%	-0.6 p.p.	-2.9 p.p.
Common Equity Tier I	9.6%	10.0%	11.8%	-0.4 p.p.	-2.2 p.p.
Tier II	3.8%	4.0%	4.5%	-0.2 p.p.	-0.7 p.p.

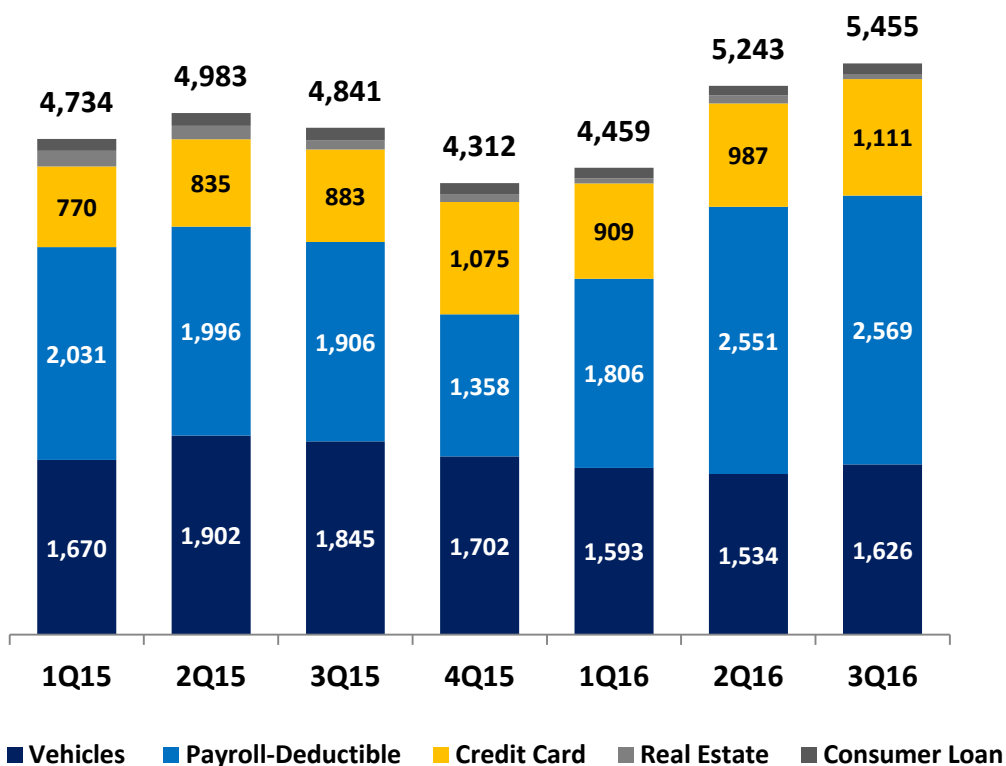
Managerial Net Interest Margin (R\$ MM)	3Q16	2Q16	3Q15	Δ 3Q16/ 2Q16	Δ 3Q16/ 3Q15
Income from Financial Intermediation Before ALL	767	675	672	13%	14%
(+) Exchange Rate Variation	(15)	(48)	(17)	68%	10%
1. Interest Margin	751	628	655	20%	15%
2. Average Interest-Earning Assets	22,688	22,131	21,543	3%	5%
- Average Loan Portfolio	18,176	17,543	17,927	4%	1%
- Average Securities and Derivatives	2,343	2,653	2,303	-12%	2%
- Average Interbank Investments	2,169	1,935	1,313	12%	65%
(1/2) Managerial Net Interest Margin (% a.a.)	13.9%	11.9%	12.7%	2.0 p.p.	1.2 p.p.



R\$ MM	3Q16	2Q16	3Q15	Δ 3Q16/ 2Q16	Δ 3Q16/ 3Q15
Interest Margin	751	628	655	20%	15%
Allowance for Loan Losses	(246)	(271)	(323)	9%	24%
Gross Income from Financial Intermediation (Adjusted)	505	357	332	41%	52%
Other Operating Revenues (Expenses)	68	(11)	6	-	1103%
Administrative and Personnel Expenses	(550)	(502)	(455)	-10%	-21%
Tax Expenses	(67)	(50)	(61)	-32%	-8%
Income from Operations	(44)	(206)	(180)	79%	76%
Non Operating Expenses	(14)	(17)	(14)	19%	0%
Income and Social Contribution Taxes	45	95	238	-53%	-81%
(Loss)/Net Income	(13)	(128)	44	90%	-

Quarter Total

(R\$ MM)



Monthly Average

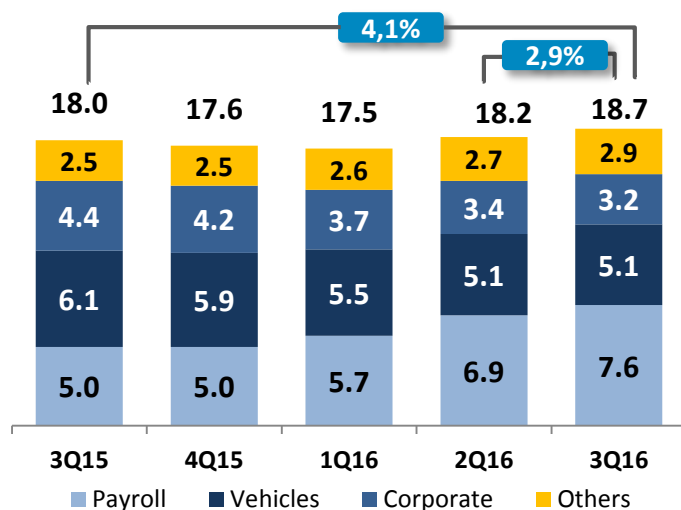
(R\$ MM)

Products	3T16	2T16	3T15	Δ 3T16/ 2T16	Δ 3T16/ 3T15
Payroll	856	850	635	1%	35%
Vehicles	542	511	615	6%	-12%
Credit Cards	370	329	294	12%	26%
Institutional	265	259	267	2%	-1%
Payroll	105	70	27	50%	288%
Real Estate	16	26	29	-38%	-38%
Consumer Loan	33	30	40	1%	-17%
Total	1,818	1,747	1,661	4%	9%

R\$ MM	3Q16	Part. %	2Q16	Part. %	3Q15	Part. %	Δ 3Q16/ 2Q16	Δ 3Q16/ 3Q15
Payroll Deductible Loans	7,592	41%	6,950	38%	5,025	28%	9%	51%
Vehicle Financing	5,084	27%	5,126	28%	6,081	34%	-1%	-16%
Corporate	3,175	17%	3,359	18%	4,595	26%	-5%	-31%
Payroll Deductible Credit Cards	988	5%	747	4%	384	2%	30%	157%
Real Estate	804	4%	905	6%	847	4%	-11%	-5%
Conventional Credit Cards	368	2%	383	2%	330	2%	-4%	11%
Others	705	4%	710	4%	716	4%	-1%	-2%
On Balance Credit Portfolio	18,716	100%	18,180	100%	17,978	100%	3%	4%

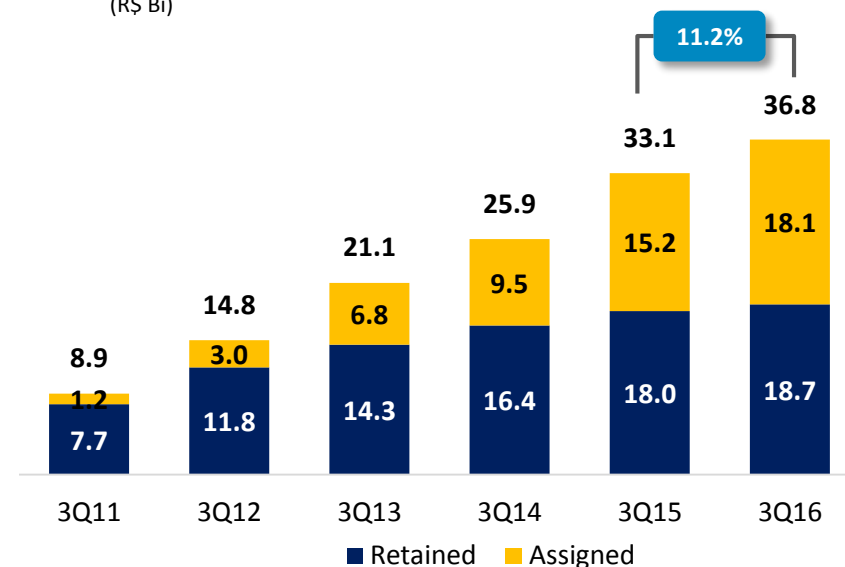
On Balance Portfolio

(R\$ Bi)

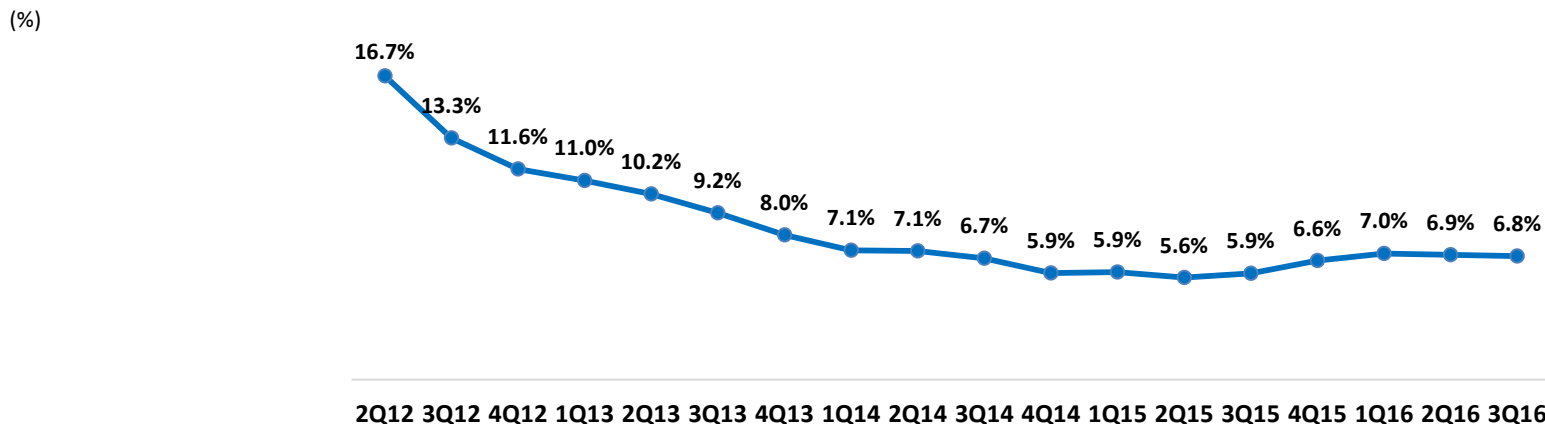


Originated Portfolio (On + Off Balance)

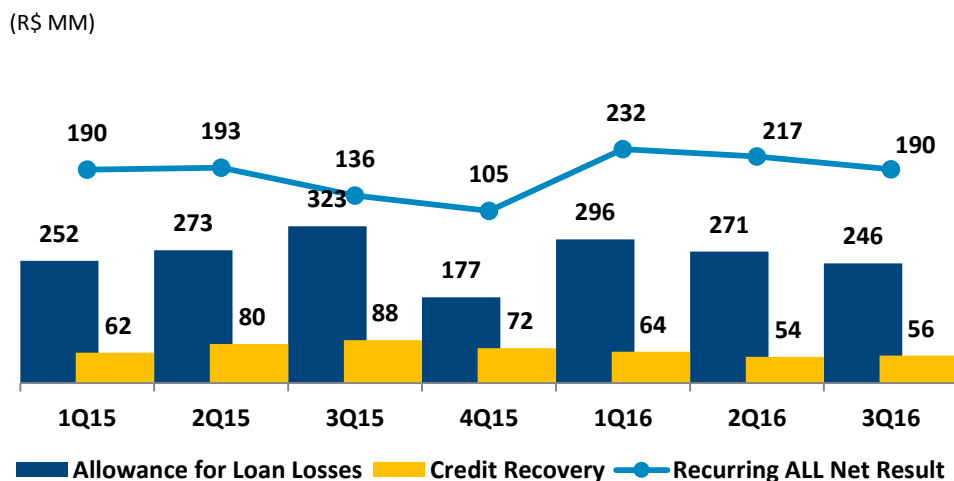
(R\$ Bi)



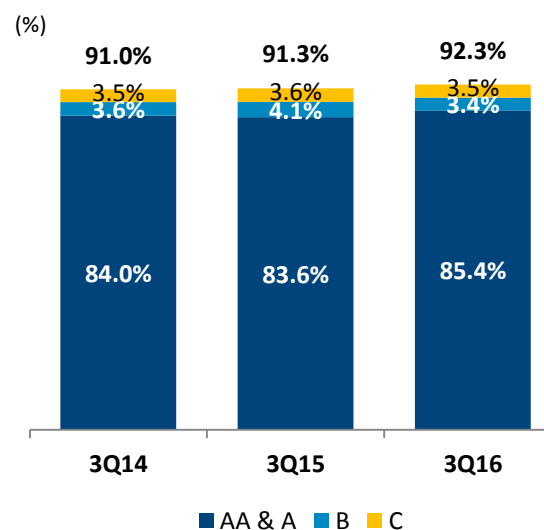
Non-performing loans over 90 days



Provisioning Expenses and Credit Recovery

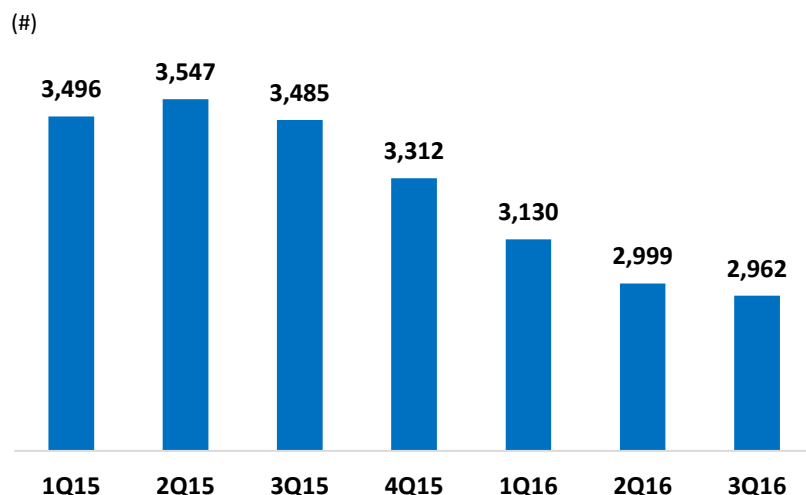


Retail Credits - AA a C

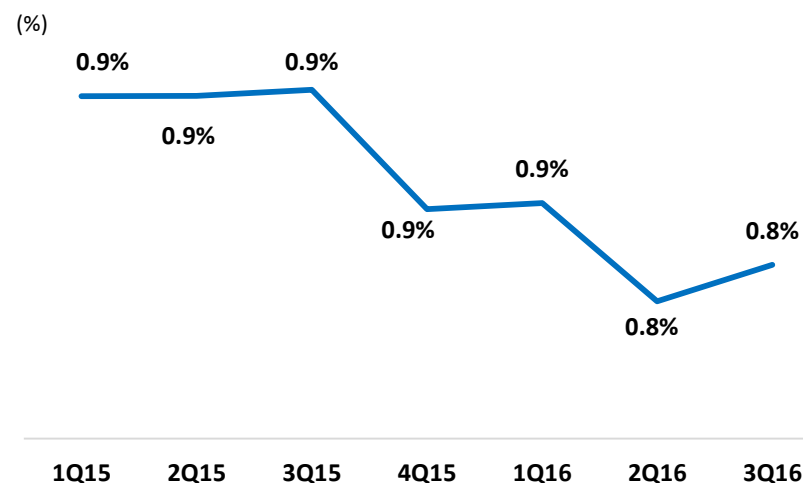


G&A Expenses (R\$ MM)	3Q16	2Q16	3Q15	Δ 3Q16/ 2Q16	Δ 3Q16/ 3Q15
Personnel expenses	126	115	129	10%	-2%
Administrative expenses	169	162	173	4%	-3%
1. Subtotal I	295	276	302	7%	-2%
Comission Expenses - BACEN Circular 3,738	95	90	33	5%	184%
Deferred Comissions and other origination expenses	161	136	120	19%	34%
2. Subtotal II - Credit Origination	256	225	153	13%	67%
3. Total (I + II)	550	502	455	10%	21%

Number of Employees

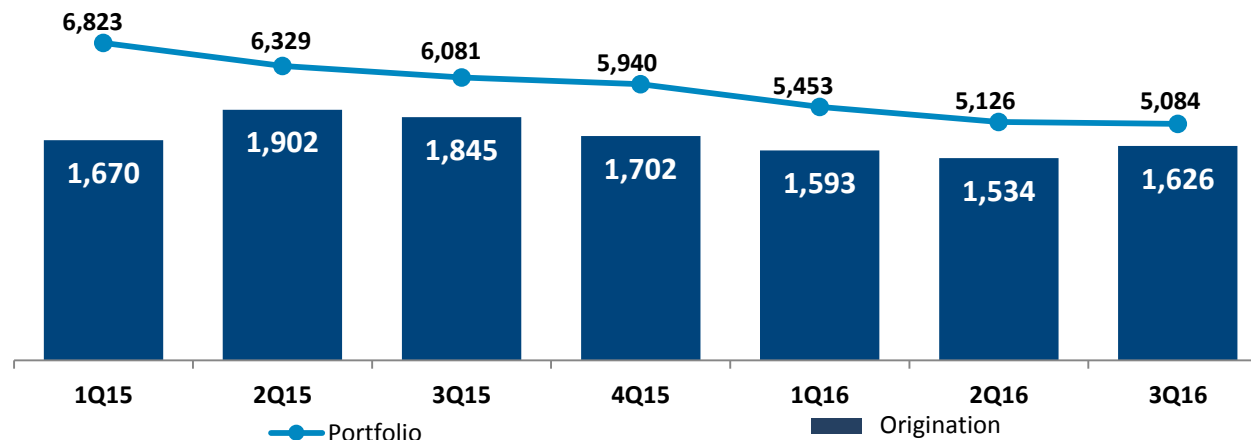


Subtotal I / Originated Portfolio



Portfolio and Origination

(R\$ MM)



Origination Information (3Q16)

3Q16	Light-New	Light-Used	Motorcycles	Heavy
Origination (R\$ MM)	376.1	1,041.5	172.5	36.0
Market Share	11.0%*	9.2%	24.0%	0.3%
Ranking	6º	5º	2º	9º
Average Rate	1.68%	2.08%	2.66%	2.37%
Average Tenor	46	45	40	44
Downpayment	37.9%	4.5%	22.8%	43.3%

* Without automakers banks

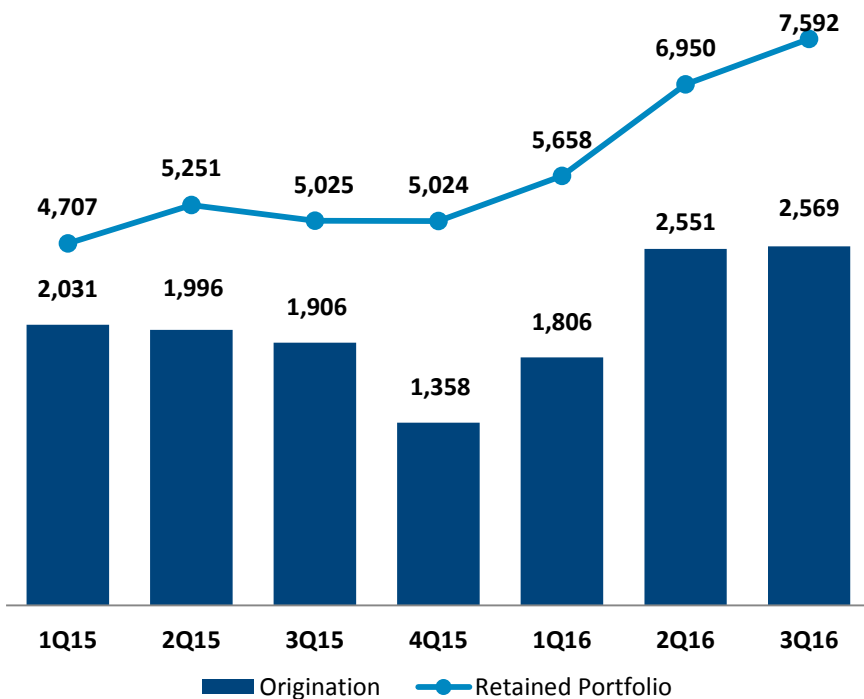
Production by group

(%)

Origination group	3Q16
Largest Group	2%
2 nd largest group	1%
3 rd largest group	1%
10 largest groups	10%
50 largest groups	20%

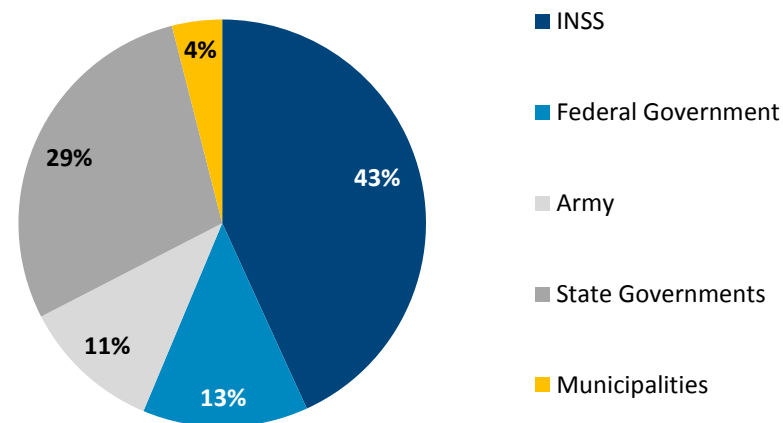
Evolution of Portfolio and Origination

(R\$ MM)



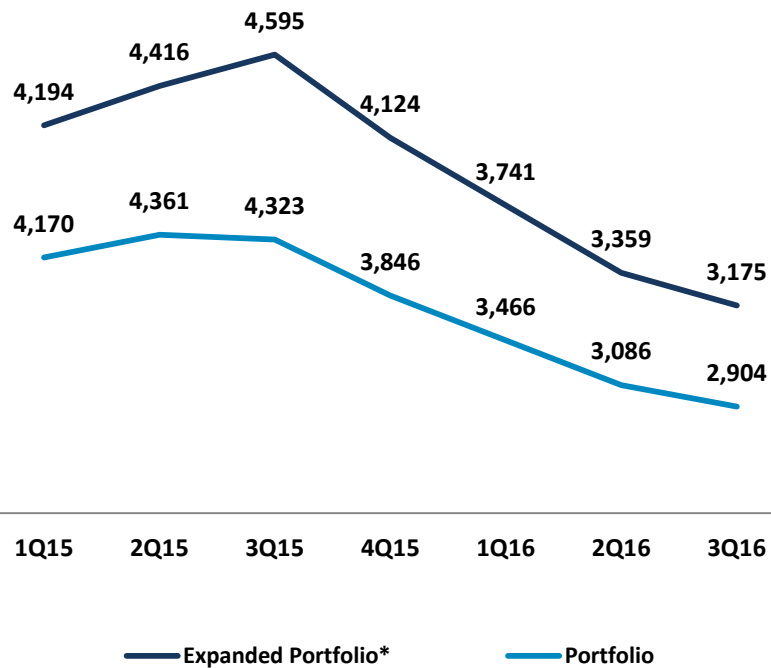
Origination by Segment (3Q16)

(%)



Evolution of Portfolio

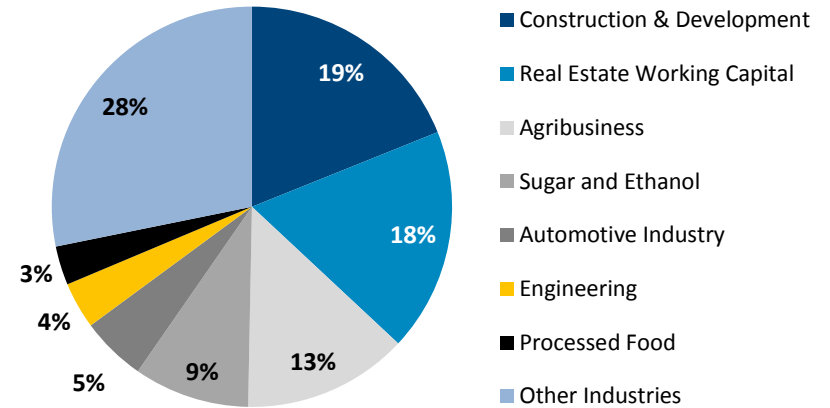
(R\$ MM)



* Including Guarantees

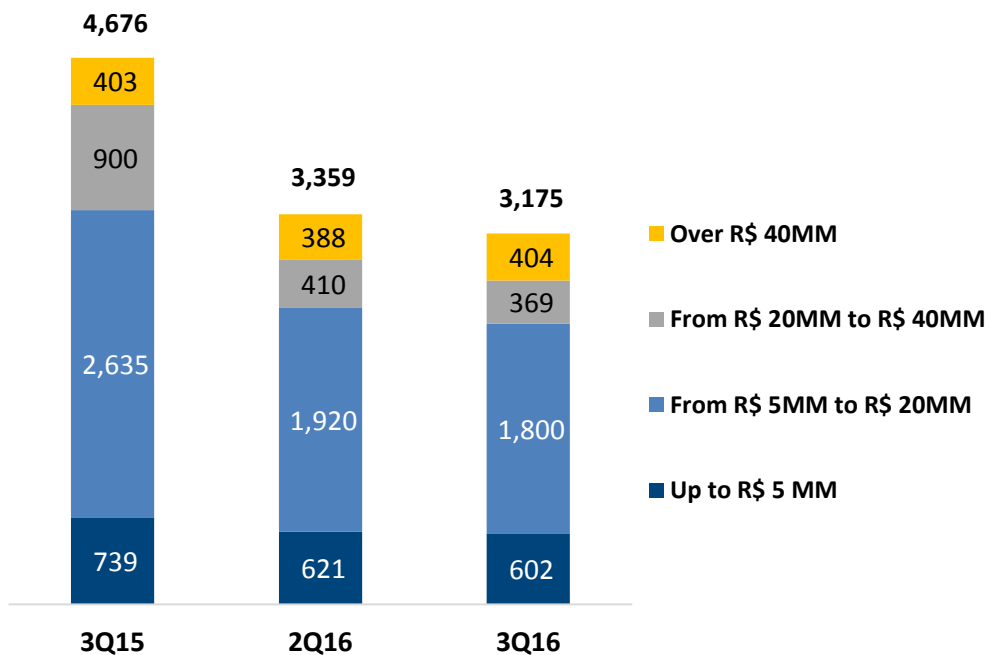
Corporate Loan Portfolio by Industry (3Q16)

(%)



Portfolio by Ticket

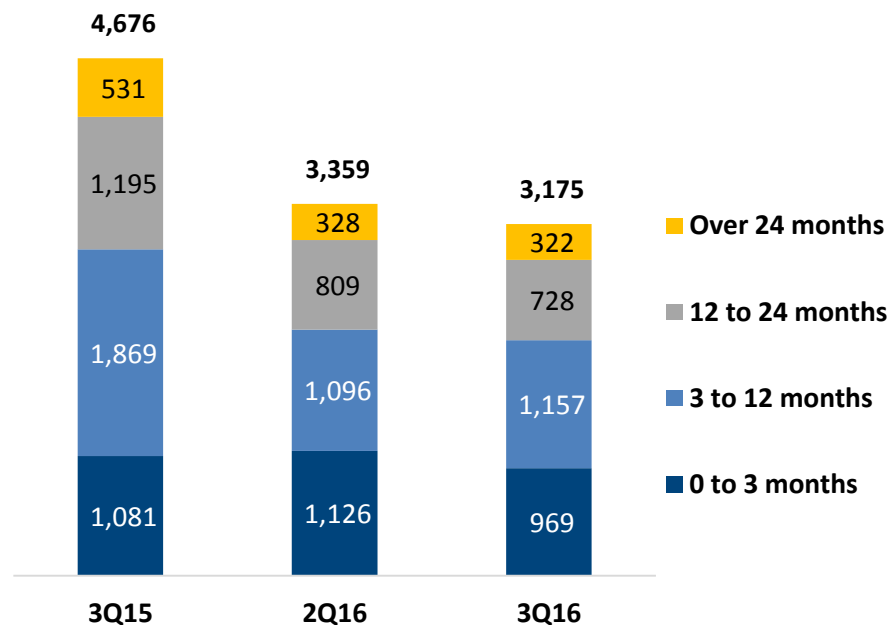
(R\$ MM)



76% below R\$ 20MM

Maturity of the Portfolio

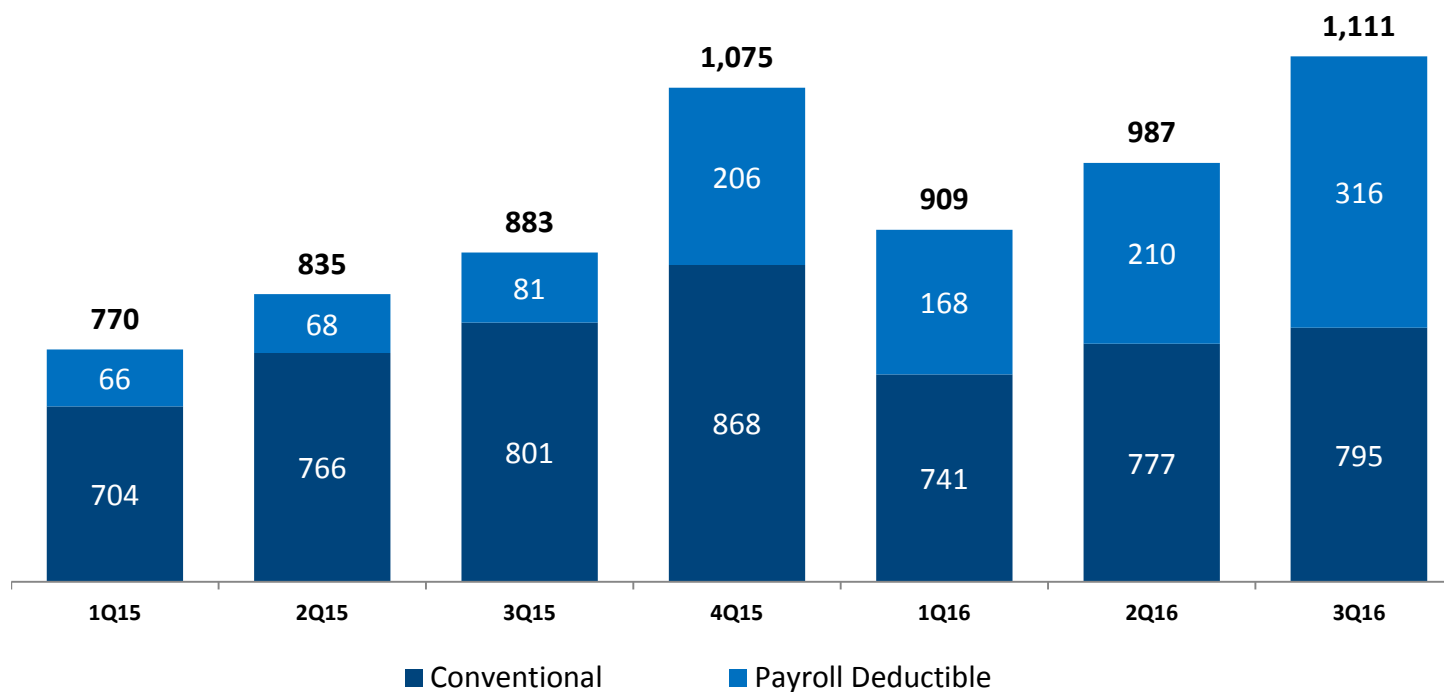
(R\$ MM)



67% matures in less than 12 months

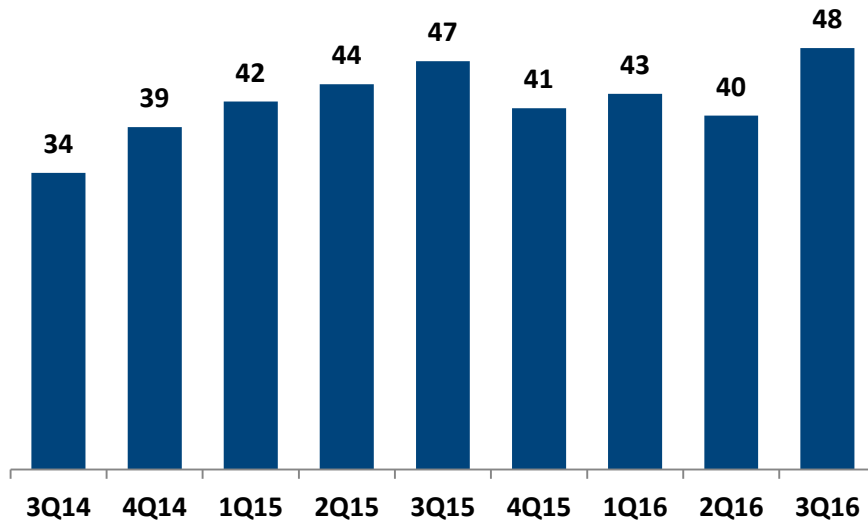
Transactions Volume

(R\$ MM)



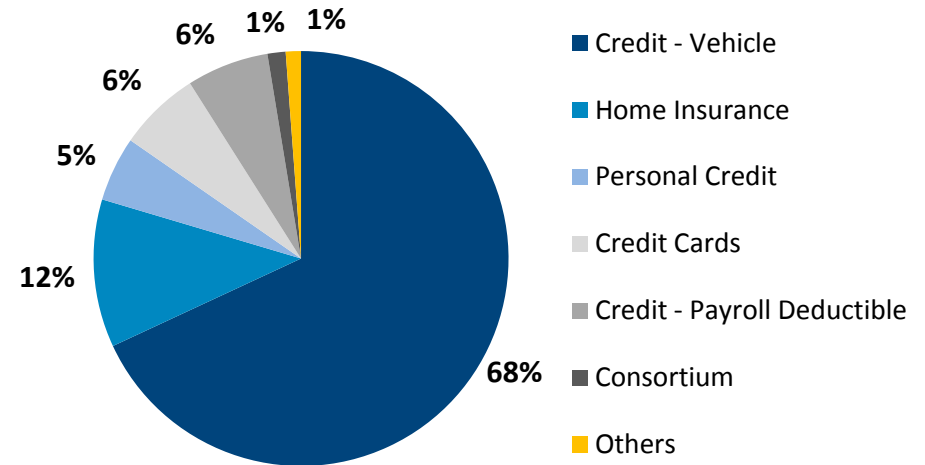
Insurance Premium – Pan’s Origination

(R\$ MM)

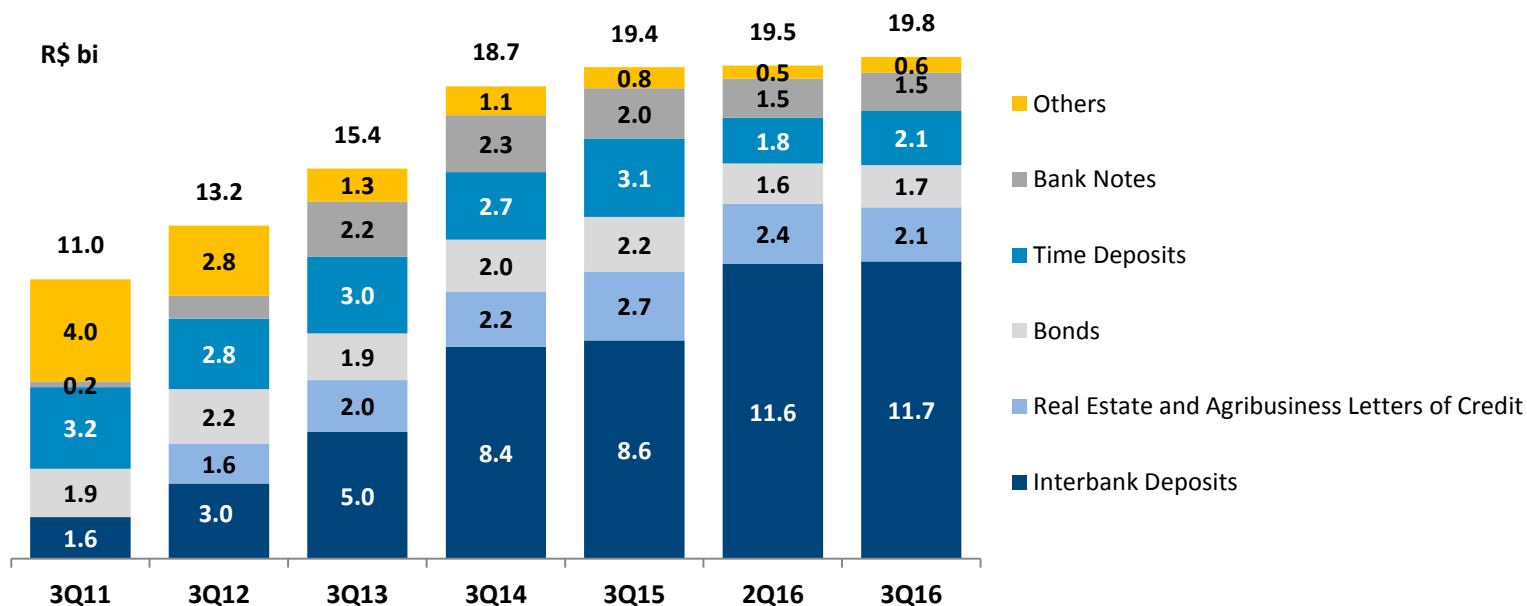


Insurance Premium – Origination by Product

(%)



Funding Sources (R\$ MM)	3Q16	Part. %	2Q16	Part. %	3Q15	Part. %	Δ 3Q16/ 2Q16	Δ 3Q16/ 3Q15
Interbank Deposits	11,742	59.2%	11,642	60%	8,617	44%	1%	36%
Real Estate and Agribusiness Letters of Credit	2,142	10.8%	2,382	12%	2,717	14%	-10%	-21%
Time Deposits	2,139	10.8%	1,814	9%	3,097	16%	18%	-31%
Bonds	1,662	8.4%	1,582	8%	2,168	11%	5%	-23%
Bank Notes	1,518	7.7%	1,533	8%	1,978	10%	-1%	-23%
Others	617	3%	526	3%	833	4%	17%	-26%
Total	19,820	100.0%	19,479	100%	19,410	100%	2%	2%



R\$ MM	3Q16	2Q16	3Q15
1. Reference Shareholders' Equity (PR)	2,709	2,759	3,302
Common Equity Tier I	1,931	1,982	2,385
Tier II	778	777	916
2. Required Reference Shareholders' Equity	2,121	2,075	2,225
Risk Weighted Assets	1,943	1,890	2,077
Exchange Variation Risk	10	2	6
Interest (Pre-fixed)	33	59	35
Operational Risk	135	123	107
Basel Ratio(1 / (2 / 11%))	13.4%	14.0%	16.3%
Common Equity Tier I	9.6%	10.0%	11.8%
Tier II	3.8%	4.0%	4.5%

PAN

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