

PAN

4Q16 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.

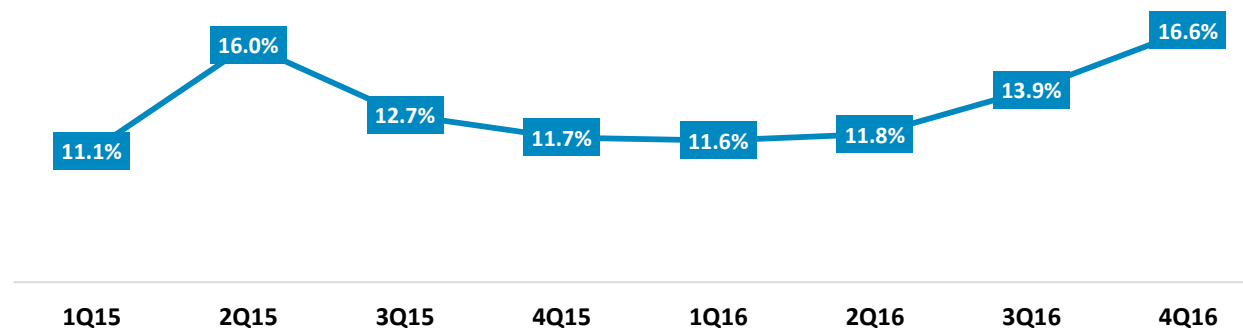
Risks and uncertainties related to the bank's businesses, to the competitive and market environment, to the macro-economical conditions and other factors described in "Risk Factors" in the Reference Form, filed with the Comissão de Valores Mobiliários, may cause effective results to differ materially from such plans, objectives, expectations, projections and intentions.

- ✓ **Retail credit origination monthly average of R\$ 1,825 million** in 4Q16 and R\$ 1,719 million in 2016;
- ✓ The **Credit Portfolio** ended the 2016 at **R\$ 19.2 billion** in 4Q16;
- ✓ The credits rated between **“AA” and “C”**, according to the BACEN Resolution n. 2,682, represented **92.4%** of the Retail Credit Portfolio;
- ✓ The **Corporate Loan Portfolio**, including Guarantees Issued, ended 2016 at **R\$ 3,190 million**;
- ✓ The **Managerial Net Interest Margin** was **16.6%** in 4Q16 and 13.2% in 2016;
- ✓ **Net Income of R\$ 196.8 thousand** in 4Q16 and negative in R\$ 237.2 million in 2016; and
- ✓ **Shareholders’ Equity** ended 2016 at **R\$ 3,412 million** and **Basel Ratio** came to **13.3%**.

Main Indicators (R\$ MM)	2016	2015	4Q16	3Q16	Δ 2016 / 2015	Δ 4Q16 / 3Q16
Total Retail Credit Origination	20,631	18,870	5,474	5,455	9%	0%
Assignments without Recourse	9,861	10,488	2,891	2,647	-6%	9%
Total Credit Portfolio	19,196	17,603	19,196	18,716	9%	3%
Retail Portfolio	16,007	13,479	16,007	15,541	19%	3%
Corporate Portfolio	3,190	4,124	3,190	3,175	-23%	-
Total Assets	27,506	26,097	27,506	27,896	5%	-1%
Funding	19,790	19,104	19,790	19,820	4%	-
Shareholders’ Equity	3,412	3,644	3,412	3,412	-6%	-
Interest Margin	2,868	2,634	882	751	9%	17%
Net Results	(237)	8	2	(13)	-	-
Net Interest Margin (%)	13.2%	12.4%	16.6%	13.9%	0.8 p.p.	2.7 p.p.
Basel Ratio	13.3%	16.5%	13.3%	13.4%	-3.2 p.p.	-0.1 p.p.
Common Equity Tier I	9.5%	11.9%	9.5%	9.6%	-2.4 p.p.	-0.2 p.p.
Tier II	3.8%	4.6%	3.8%	3.8%	-0.8 p.p.	-

Increase of the Interest Margin

Managerial Net Interest Margin (R\$ MM)	2016	2015	4Q16	3Q16	Δ 2016/ 2015	Δ 4Q16/ 3Q16
Income from Financial Intermediation Before ALL	2,945	2,918	897	767	1%	17%
(+) Exchange Rate Variation	(77)	(284)	(15)	(15)	-73%	-
1. Interest Margin	2,868	2,634	882	751	9%	17%
2. Average Interest-Earning Assets	21,799	21,300	22,475	22,688	2%	-1%
- Average Loan Portfolio	18,085	17,502	18,681	18,176	3%	3%
- Average Securities and Derivatives	2,633	2,725	2,681	2,343	-3%	14%
- Average Interbank Investments	1,081	1,074	1,113	2,169	1%	-49%
(1/2) Managerial Net Interest Margin (% a.a.)	13.2%	12.4%	16.6%	13.9%	0.8 p.p.	2.7 p.p.



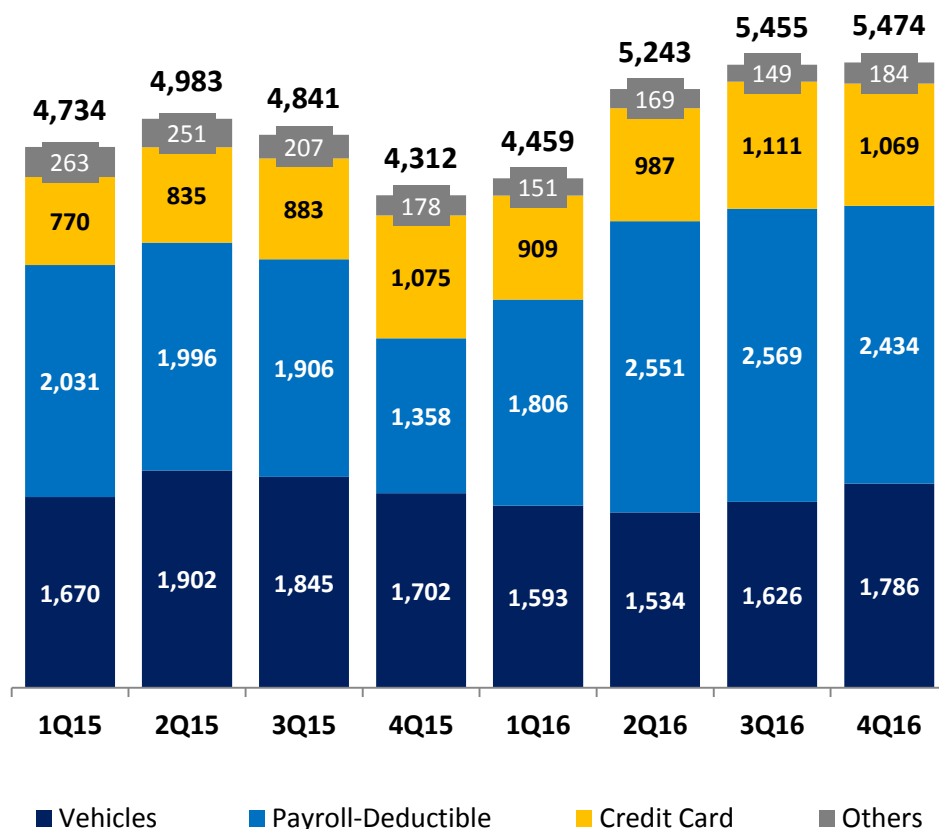
Focus on quality in origination and cost control

R\$ MM	2016	2015	4Q16	3Q16	Δ 2016/ 2015	Δ 4Q16/ 3Q16
Interest Margin	2,868	2,634	882	751	9%	17%
Allowance for Loan Losses	(1,118)	(1,025)	(306)	(246)	-9%	-24%
Gross Income from Financial Intermediation (Adjusted)	1,749	1,609	576	505	9%	14%
Other Operating Revenues (Expenses)	150	277	43	68	-46%	-36%
Administrative and Personnel Expenses	(1,147)	(1,142)	(292)	(295)	-	1%
Origination Expenses	(902)	(625)	(239)	(256)	-44%	6%
Tax Expenses	(235)	(244)	(66)	(67)	4%	1%
Income from Operations	(384)	(124)	22	(44)	-	-
Non Operating Expenses	(66)	(74)	(22)	(14)	11%	-54%
Income and Social Contribution Taxes	213	207	0	45	3%	-
(Loss)/Net Income	(237)	8	0,2	(13)	-	-

Since 2011, the monthly origination increased from R\$ 700 MM to R\$ 1.8 Bi

Quarterly Origination

(R\$ MM)



Monthly Average

(R\$ MM)

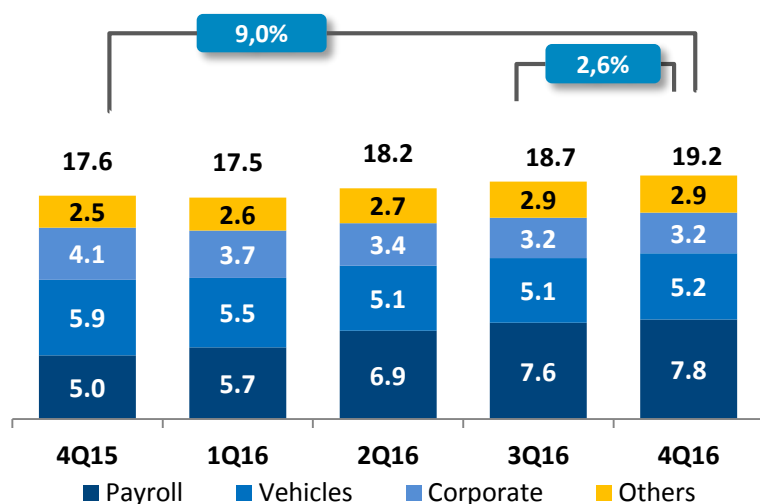
Products	4Q16	3Q16	Δ 4Q16/ 3Q16
Payroll	811	856	-5%
Vehicles	595	542	10%
Credit Cards	356	370	-4%
Institutional	294	265	11%
Payroll	63	105	-41%
Others	61	50	24%
Total	1,825	1,818	0.3%

Change in retained portfolio mix and expansion of the originated portfolio

R\$ MM	4Q16	Part. %	3Q16	Part. %	4Q15	Part. %	Δ 4Q16/ 3Q16	Δ 4Q16/ 4Q15
Payroll Loans	7,836	41%	7,592	41%	5,024	29%	3%	56%
Vehicle Financing	5,231	27%	5,084	27%	5,940	34%	3%	-12%
Corporate Loans	3,190	17%	3,175	17%	4,124	23%	3%	-24%
Payroll Credit Cards	1,072	6%	988	5%	508	3%	9%	111%
Real Estate	774	4%	804	4%	879	5%	-4%	-12%
Credit Cards	344	2%	368	2%	345	2%	-6%	-
Others	748	4%	705	4%	783	4%	6%	-4%
On Balance Credit Portfolio	19,196	100%	18,716	100%	17,603	100%	3%	9%

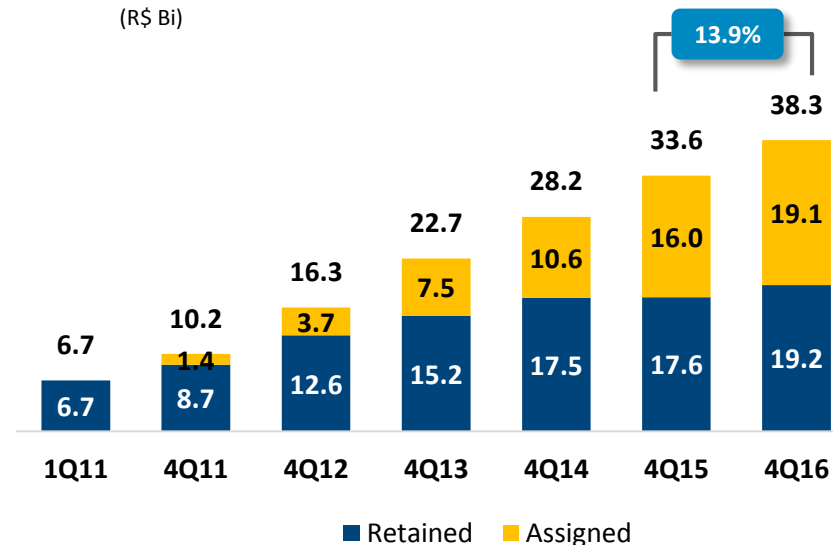
On Balance Portfolio

(R\$ Bi)

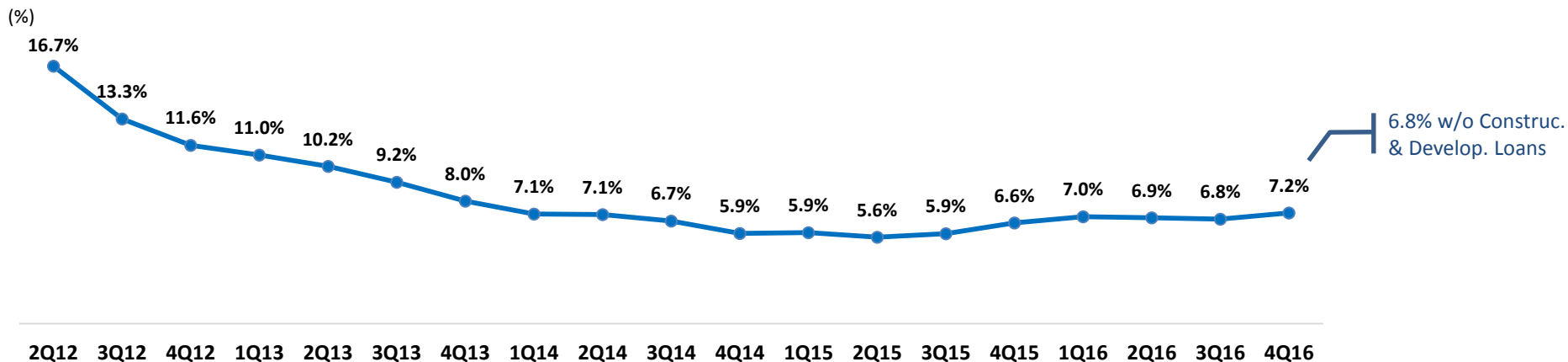


Originated Portfolio (On + Off Balance)

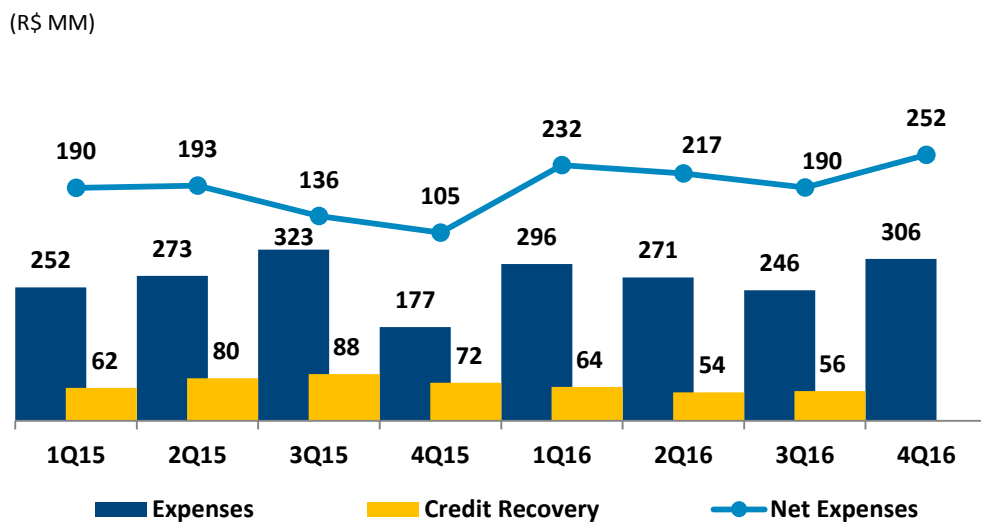
(R\$ Bi)



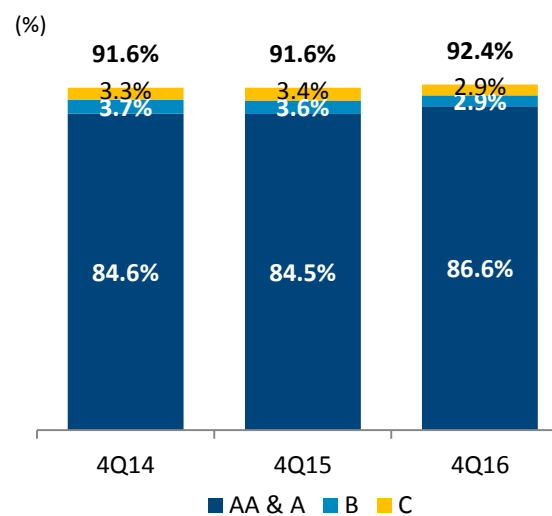
Non-performing loans over 90 days



Provisioning Expenses and Credit Recovery



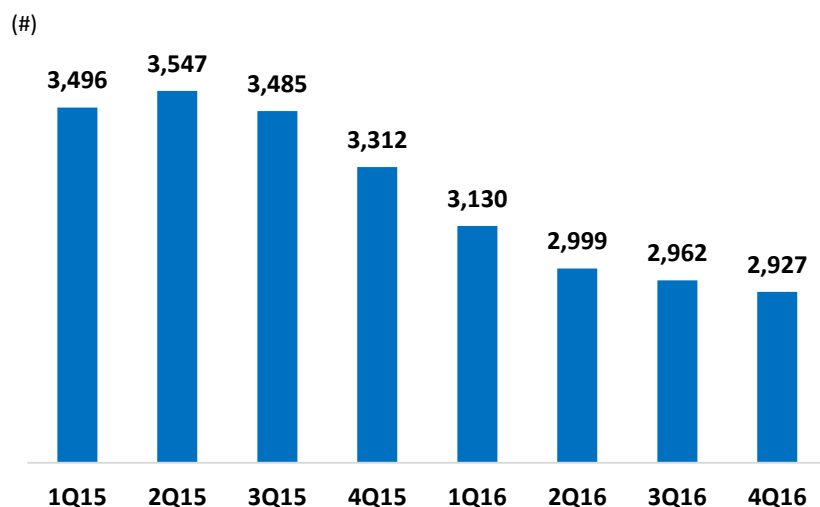
Retail Credits - AA to C



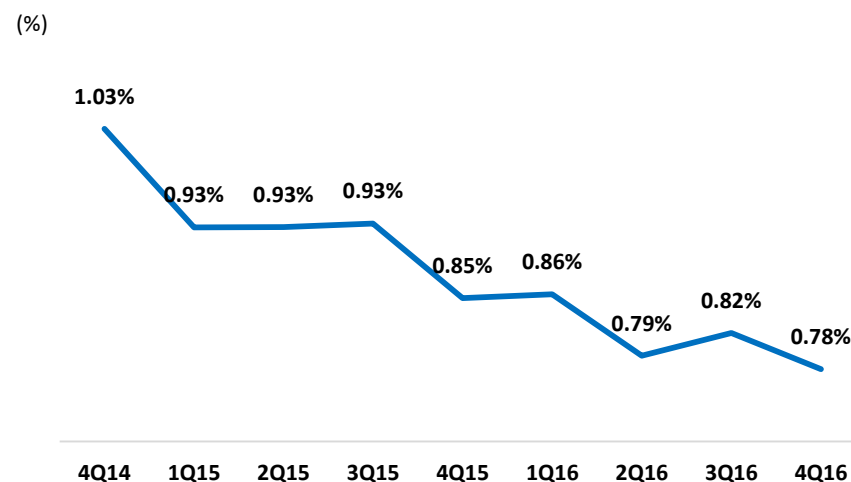
Efficiency gain and commission effects

G&A Expenses (R\$ MM)	2016	2015	4Q16	3Q16	Δ 2016/ 2015	Δ 4Q16/ 4Q15
Personnel expenses	509	529	130	126	-4%	3%
Administrative expenses	638	614	162	169	4%	-4%
1. Subtotal I	1,147	1,142	292	295	-	-1%
Comission Expenses - BACEN Circular 3,738	331	125	92	95	164%	-2%
Deferred Comissions and other origination expenses	571	499	147	161	14%	-9%
2. Subtotal II - Credit Origination	902	625	239	256	44%	-6%
3. Total (I + II)	2,049	1,767	531	550	16%	-4%

Number of Employees

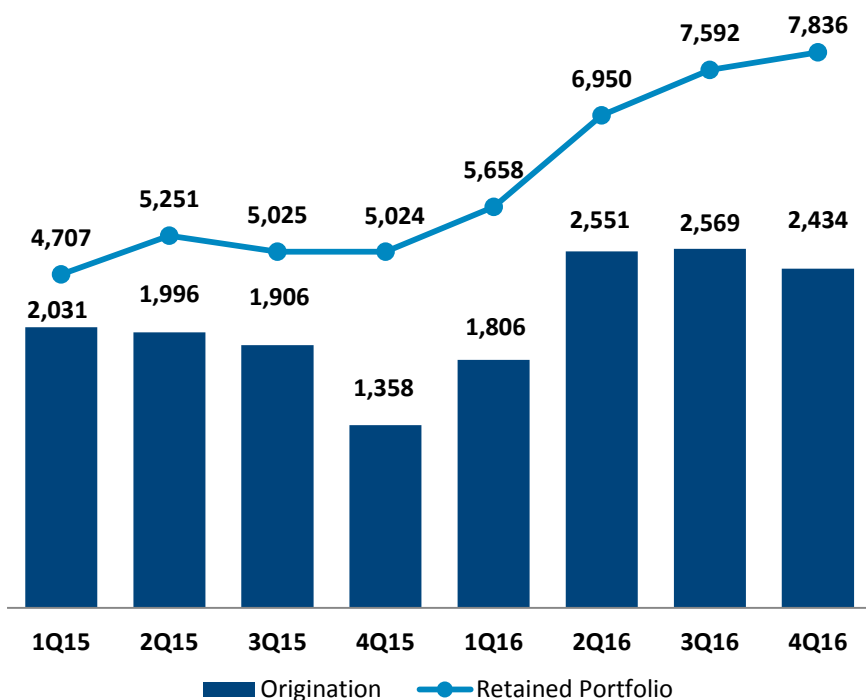


Subtotal I / Originated Portfolio



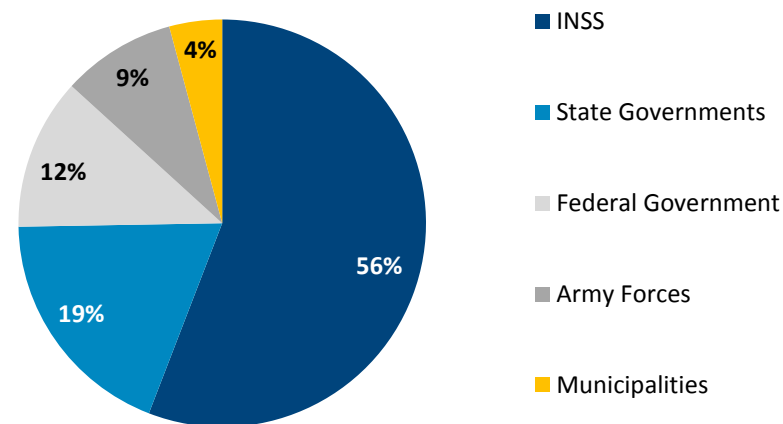
Evolution of Portfolio and Origination

(R\$ MM)



Origination by Segment (4Q16)

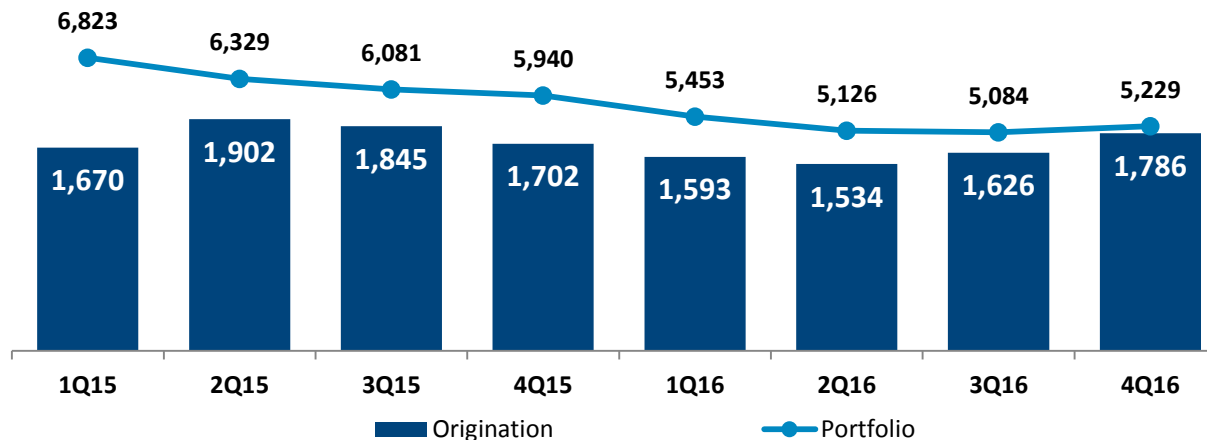
(%)



77% in federal agreements

Portfolio and Origination

(R\$ MM)



Origination Information (4Q16)

4Q16	Light-New	Light-Used	Motorcycles	Heavy
Origination (R\$ MM)	424	1.167	162	32
Market Share	12.6%*	9.2%	22.5%	4.4%
Ranking	4º*	5º	2º	5º
Average Rate	1.59%	1.93%	2.52%	2.34%
Average Tenor	46	45	40	44
Downpayment	37.9%	41.6%	23.1%	44.3%

* Without automakers banks

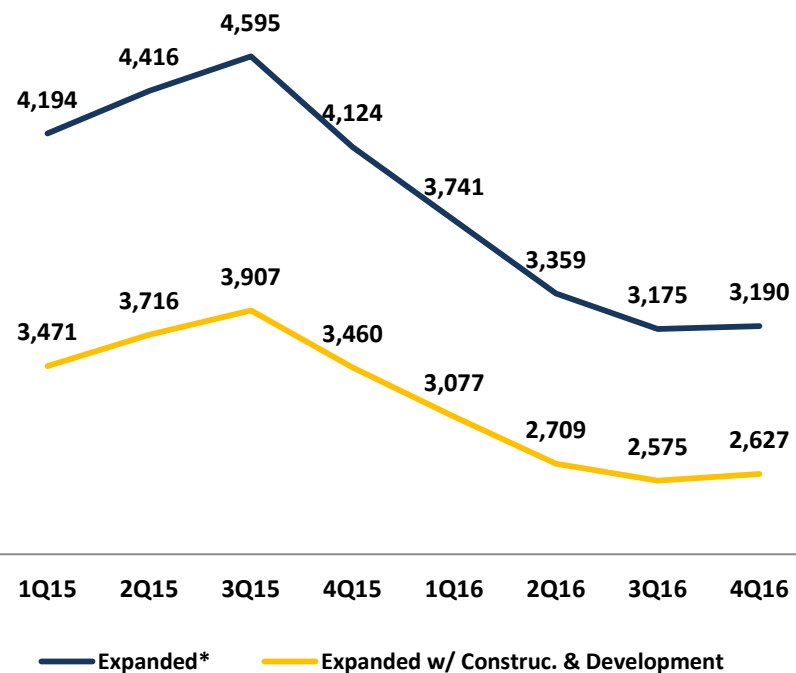
Origination by group

(%)

Origination group	4Q16
Largest Group	3%
10 largest groups	9%
50 largest groups	20%

Evolution of Portfolio

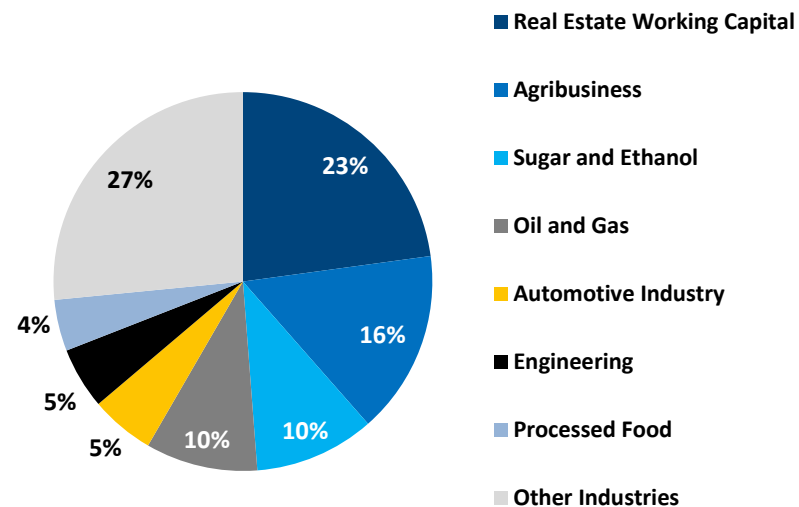
(R\$ MM)



* Including Guarantees

Corporate Loan Portfolio¹ by Industry (4Q16)

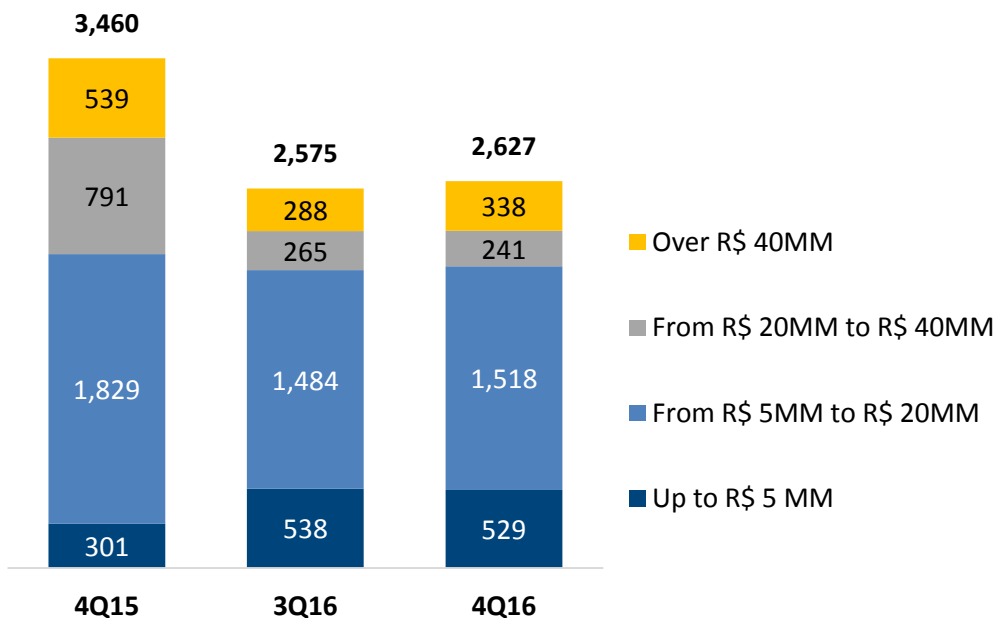
(%)



1 – without Construc. & Development

Portfolio by Ticket¹

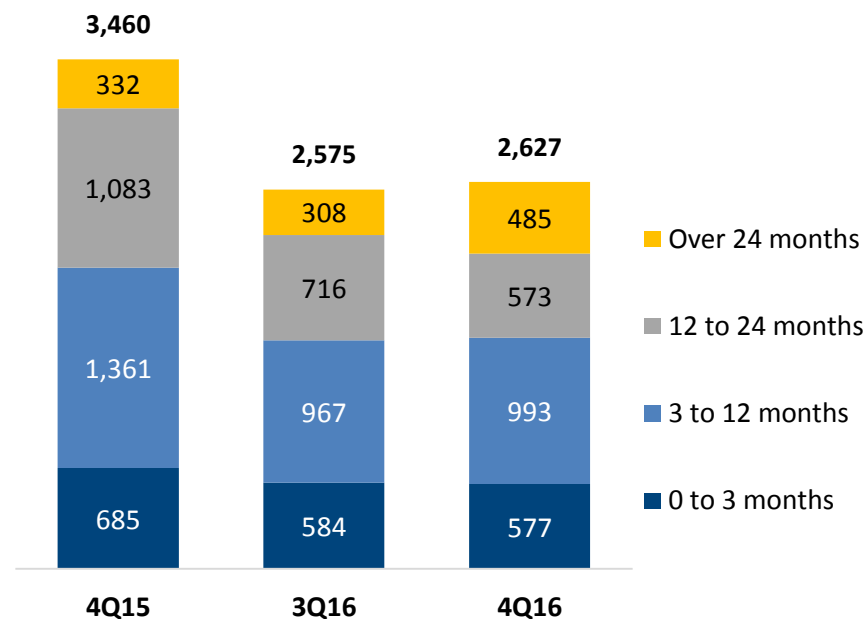
(R\$ MM)



78% below R\$ 20MM

Maturity of the Portfolio¹

(R\$ MM)



60% matures in less than 12 months

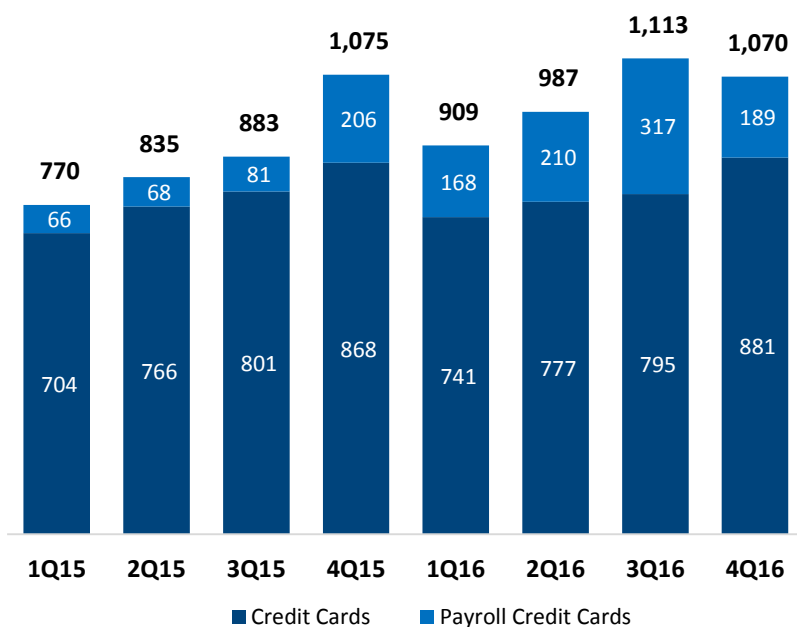
1 – without Construc. & Development

Overview

- At the end of 4Q16, Banco Pan had 2.0 million credit cards issued, which recorded R \$ 1,070 million in transactions during the quarter.

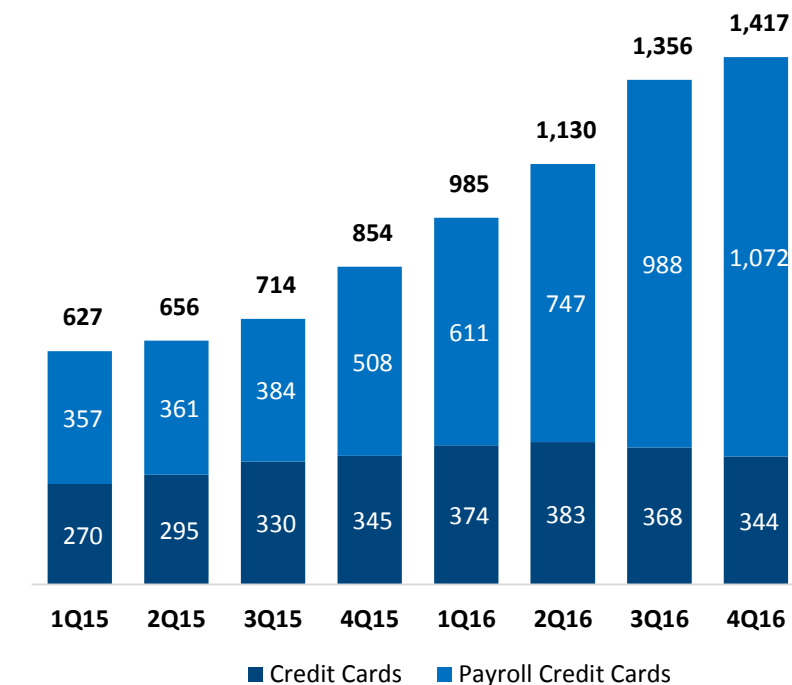
Transactions Volume

(R\$ MM)



Credit Portfolio

(R\$ MM)

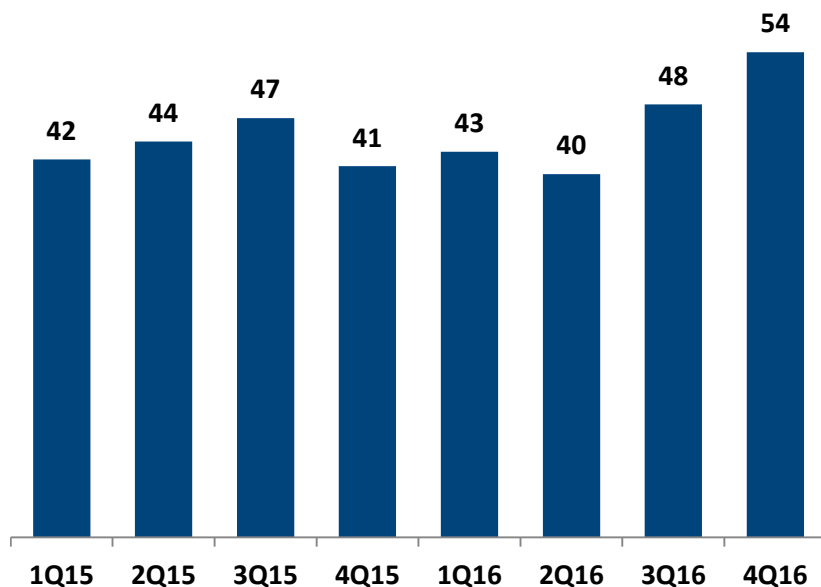


Overview

- Upon completion of the sale of Pan Seguros in Dec / 2014, Banco Pan will continue to originate premiums until 2034, receiving a service fee

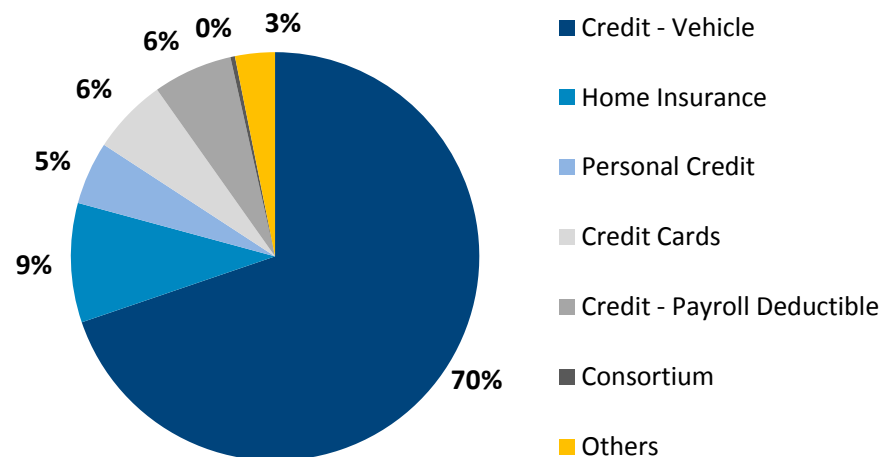
Insurance Premium – Pan’s Origination

(R\$ MM)

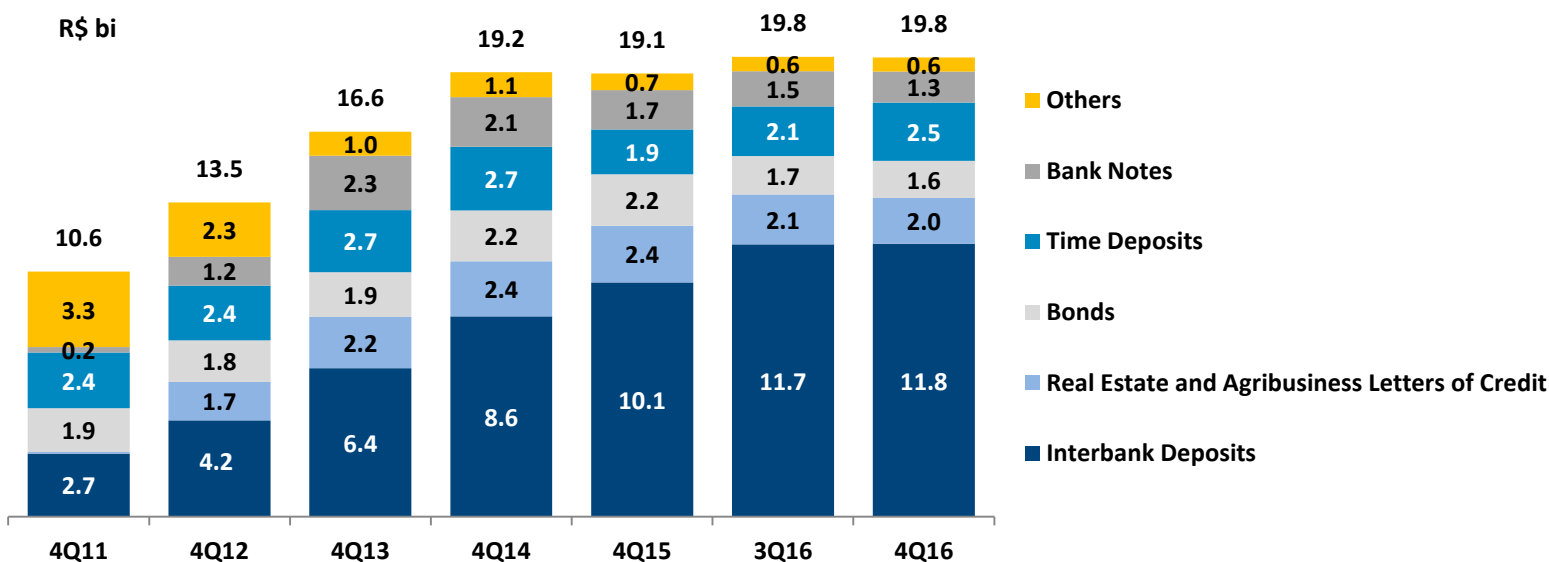


Insurance Premium – Origination by Product

(%)



Funding Sources (R\$ MM)	4Q16	Part. %	3Q16	Part. %	4Q15	Part. %	Δ 4Q16/ 3Q16	Δ 4Q16/ 4Q15
Interbank Deposits	11,66	59%	11,742	59%	10,097	53%	-	17%
Time Deposits	2,514	13%	2,139	11%	1,927	10%	18%	30%
Real Estate and Agribusiness Letters of Credit	1,977	10%	2,142	11%	2,440	13%	-8%	-19%
Bonds	1,594	8%	1,662	8%	2,218	12%	-4%	-28%
Bank Notes	1,328	7%	1,518	8%	1,695	9%	-13%	-22%
Others	611	3%	617	3%	726	4%	-1%	-16%
Total	19,790	100%	19,820	100%	19,104	100%	-0.2%	4%



R\$ MM	4Q16	3Q16	4Q15
1. Reference Shareholders' Equity (PR)	2,690	2,709	3,320
Common Equity Tier I	1,910	1,931	2,401
Tier II	779	778	920
2. Required Reference Shareholders' Equity	2,129	2,121	2,211
Risk Weighted Assets	1,960	1,943	2,069
Exchange Variation Risk	17	10	19
Interest (Pre-fixed)	17	33	17
Operational Risk	135	135	107
Basel Ratio(1 / (2 / 11%))	13.3%	13.4%	16.5%
Common Equity Tier I	9.5%	9.6%	11.9%
Tier II	3.8%	3.8%	4.6%

PAN

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