



Financial Statements

3Q16 Financial Statements

ASSETS	Note	Bank		Consolidated		LIABILITIES AND EQUITY	Note	Bank		Consolidated	
		30/09/2016	31/12/2015	30/09/2016	31/12/2015			30/09/2016	31/12/2015		
CURRENT ASSETS		12.070.790	10.794.892	12.446.882	11.374.915	CURRENT LIABILITIES		18.167.659	15.928.257	18.827.898	16.589.051
Available funds	5	13.744	43.156	20.029	48.043	Deposits	16.a	12.144.445	10.613.117	12.144.028	10.610.077
Short-term interbank investments	6.a	1.730.334	1.626.065	1.179.569	1.168.723	Demand deposits		44.581	75.647	44.178	73.247
Applications in the open market		1.127.288	1.084.203	1.127.288	1.084.203	Interbank deposits		11.710.145	10.060.290	11.710.145	10.060.044
Investments in interbank deposits		603.046	541.862	52.281	84.520	Term deposits		389.719	477.180	389.705	476.786
Marketable securities and derivative financial instruments	7	780.185	219.766	833.320	287.390	Funds obtained in the open market	16.b	2.470.939	1.543.421	2.470.939	1.543.421
Own portfolio	7.a	252.057	81.691	290.819	144.005	Own portfolio		1.655.284	1.121.672	1.655.284	1.121.672
Linked to repurchase commitments	7.a	499.834	63.296	514.207	68.606	Third-party portfolio		815.655	152.179	815.655	152.179
Derivative financial instruments	7.c	17.274	62.769	17.274	62.769	Free movement portfolio		-	269.570	-	269.570
Subject to guarantees		11.020	12.010	11.020	12.010	Funds from acceptance and issuance of securities	16.c	1.819.064	2.114.167	2.431.592	2.705.900
Interbank accounts		42.834	21.357	42.834	21.357	Funds from real estate securities, mortgages, letters of credit and similar securities		1.819.064	2.114.167	2.431.592	2.705.900
Payments and receipts to be settled		21.677	-	21.677	-	Interbank accounts		113.326	102.786	113.326	102.786
Credits - Deposits at Brazilian Central Bank		1.499	2.959	1.499	2.959	Local correspondents	17	113.326	102.786	113.326	102.786
Local correspondents		19.658	18.398	19.658	18.398	Interdependent operations		10.606	28.988	10.606	28.988
Loan operations	8	7.043.178	6.135.018	7.646.581	6.821.182	Resources of third parties in transit		10.606	28.988	10.606	28.988
Private sector credit operations		7.720.350	6.725.520	8.448.128	7.494.684	Borrowings	18.a	-	-	677	1.096
(Allowance for doubtful accounts)	8.c	(677.172)	(590.502)	(801.547)	(673.502)	Foreign		-	-	677	1.096
Leasing operations	8	-	-	1.766	3.632	Derivative financial instruments	7.c	10.069	3.393	10.069	3.393
Leasing operations receivable		-	-	2.624	5.444	Derivative financial instruments		10.069	3.393	10.069	3.393
(Allowance for lease losses)	8.c	-	-	(858)	(1.812)	Other liabilities		1.599.210	1.522.385	1.646.661	1.593.390
Other credits		2.243.172	2.330.686	2.321.808	2.475.530	Collection of taxes and similar charges		15.300	10.714	15.422	11.040
Foreign exchange portfolio	9.a	122.303	245.201	122.303	245.201	Foreign exchange portfolio	9.a	-	6	-	6
Income receivable		5.446	1.234	1.652	1.485	Social and statutory		2.708	2.679	2.708	3.222
Negotiation and intermediation of securities		1.155	4.169	2.218	5.233	Tax and social security contributions	21.a	38.908	35.499	50.158	59.203
Real estate receivables	10	-	-	5.653	7.218	Negotiation and intermediation of securities		921	10.153	25.063	45.341
Securities and credits receivable	8 and 11	741.904	842.258	749.616	855.990	Subordinated debts	19	162.582	250.782	162.582	250.782
(Allowance for other doubtful accounts)	8.c	(46.604)	(62.063)	(47.367)	(62.298)	Sundry	21.b	1.378.791	1.212.552	1.390.728	1.223.796
Other	11	1.418.968	1.299.887	1.487.733	1.422.701						
Other assets		217.343	418.844	400.975	549.058						
Other assets	12.a	157.575	140.922	348.908	281.697						
(Provision for impairment)	12.a	(38.247)	(34.134)	(48.250)	(45.923)						
Prepaid expenses	12.b	98.015	312.056	100.317	313.284						

ASSETS	Note	Bank		Consolidated		LIABILITIES AND EQUITY	Note	Bank		Consolidated	
		30/09/2016	31/12/2015	30/09/2016	31/12/2015			30/09/2016	31/12/2015		
LONG-TERM RECEIVABLES		13.667.742	12.983.265	15.158.980	14.444.834	LONG-TERM LIABILITIES		5.155.089	5.228.803	5.656.106	5.862.660
Interbank investments	6.a	85.745	85.732	74.969	21.021	Deposits	16.a	1.963.196	1.608.419	1.781.106	1.487.034
Investments in interbank deposits		85.745	85.732	74.969	21.021	Interbank deposits		31.367	36.803	31.367	36.803
Marketable securities and derivative financial instruments	7	1.708.602	2.139.409	2.089.210	2.540.071	Term deposits		1.931.829	1.571.616	1.749.739	1.450.231
Own portfolio	7.a	134.227	262.759	449.058	589.496	Funds obtained in the open market	16.b	98.701	100.551	94.750	94.298
Linked to repurchase commitments	7.a	1.256.854	1.211.406	1.336.842	1.285.331	Own portfolio		98.701	100.551	94.750	94.298
Derivative financial instruments	7.c	185.019	621.324	170.808	621.324	Funds from acceptance and issuance of securities	16.c	715.060	831.259	1.082.007	1.298.243
Subject to guarantees		132.502	43.920	132.502	43.920	Funds from real estate securities, mortgages, letters of credit and similar securities		715.060	831.259	1.082.007	1.298.243
Loan operations	8	8.306.215	7.642.370	8.932.052	8.360.231	Borrowings	18.a	-	-	130.541	153.634
Private sector credit operations		8.586.858	7.914.310	9.242.781	8.662.534	Foreign		-	-	130.541	153.634
(Allowance for doubtful accounts)	8.c	(280.643)	(271.940)	(310.729)	(302.303)	Derivative financial instruments	7.c	177.765	26.358	177.765	13.037
Leasing operations	8	-	-	206	3.863	Derivative financial instruments		177.765	26.358	177.765	13.037
Leasing operations receivable		-	-	233	4.275	Other liabilities		2.200.367	2.662.216	2.389.937	2.816.414
(Allowance for lease losses)	8.c	-	-	(27)	(412)	Tax and social security contributions	21.a	-	-	93.522	93.799
Other credits		3.276.762	2.978.998	3.767.911	3.381.965	Subordinated debts	19	1.653.783	2.107.153	1.653.783	2.107.153
Specific claims		-	-	878	1.444	Sundry	21.b	546.584	555.063	642.632	615.462
Real estate receivables	10	-	-	38.308	32.561						
Securities and credits receivable	8 and 11	38.475	100.479	48.975	100.479	RESULTS OF FUTURE PERIODS		571	1.565	571	1.565
(Allowance for other doubtful accounts)	8.c	(12.145)	(15.832)	(12.483)	(15.832)	Results of future periods		571	1.565	571	1.565
Other	11	3.250.432	2.894.351	3.692.233	3.263.313	PARTICIPATION OF MINORITY STOCKHOLDERS		-	-	17	19
Other assets		290.418	136.756	294.632	137.683	Participation of minority shareholders		-	-	17	19
Prepaid expenses	12.b	290.418	136.756	294.632	137.683						
PERMANENT ASSETS		996.349	1.024.265	290.292	277.343	EQUITY		3.411.562	3.643.797	3.411.562	3.643.797
Investments		920.062	937.500	47.918	3.471	Capital:	22	3.460.732	3.460.732	3.460.732	3.460.732
Participations in subsidiaries	13.a	919.683	934.029	47.539	-	Domiciled in the country		3.003.939	3.080.704	3.003.939	3.080.704
Other investments	13.b	379	3.471	379	3.471	Domiciled abroad		456.793	380.028	456.793	380.028
Assets in use	14	26.177	30.912	43.085	50.128	Capital reserve		195.208	195.208	195.208	195.208
Other fixed assets in use		52.792	51.731	82.145	81.088	Revenue reserves		7.719	7.719	7.719	7.719
(Accumulated Depreciation)		(26.615)	(20.819)	(39.060)	(30.960)	Carrying value adjustments		(14.663)	(19.862)	(14.663)	(19.862)
Intangible assets	15.b	50.110	55.853	199.289	223.744	Accumulated deficit		(237.434)	-	(237.434)	-
Intangible assets		114.015	99.067	368.500	353.220						
(Accumulated amortization)		(63.905)	(43.214)	(169.211)	(129.476)						
TOTAL ASSETS		26.734.881	24.802.422	27.896.154	26.097.092	TOTAL LIABILITIES AND EQUITY		26.734.881	24.802.422	27.896.154	26.097.092

The accompanying notes are an integral part of this quarterly information.



BANCO PAN S.A. AND SUBSIDIARIES

**STATEMENTS OF OPERATIONS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015**

(All amounts in thousands of reais - R\$, except share data)

(A free translation of the original in Portuguese)

	Note	Bank		Consolidated	
		9/30/2016	9/30/2015	9/30/2016	9/30/2015
INCOME FROM FINANCIAL INTERMEDIATION		4.443.463	5.509.138	4.617.472	5.771.953
Income from credit operations	8.g	4.794.715	4.660.065	5.007.773	4.870.932
Result of leasing operations	8.g	-	-	1.994	8.263
Results from operations with securities	7.h	359.612	249.845	359.527	280.056
Result with derivative financial instruments	7.g	(710.864)	599.228	(751.822)	612.702
EXPENSES OF FINANCIAL INTERMEDIATION		(2.526.280)	(3.439.142)	(2.677.478)	(3.622.673)
Funds obtained in the market	16.d	(1.788.420)	(2.835.593)	(1.876.389)	(2.928.654)
Borrowing and onlending operations	18.b	-	-	19.170	(29.604)
Result of foreign exchange operations	9.b	(7.398)	183.837	(7.398)	183.837
Allowance for losses	8.c	(730.462)	(787.386)	(812.861)	(848.252)
GROSS RESULT OF FINANCIAL INTERMEDIATION		1.917.183	2.069.996	1.939.994	2.149.280
OTHER OPERATING INCOME (EXPENSES)		(2.292.254)	(2.307.579)	(2.346.010)	(2.412.215)
Revenue from services rendered	23	331.278	330.587	357.339	350.138
Equity in the results of investees	13.a	(25.545)	(48.710)	32.087	-
Personnel expenses	24	(256.163)	(219.036)	(379.090)	(390.455)
Other administrative expenses	25	(1.564.910)	(1.450.938)	(1.498.180)	(1.343.721)
Tax expenses	26	(129.479)	(137.652)	(169.114)	(181.781)
Other operating income	27.a	211.441	171.084	241.663	197.624
Other operating expenses	27.b	(858.876)	(952.914)	(930.716)	(1.044.020)
OPERATING RESULT		(375.071)	(237.583)	(406.016)	(262.935)
NON-OPERATING RESULT	28	(44.735)	(35.184)	(44.943)	(40.546)
RESULT BEFORE TAXATION ON THE RESULT AND PARTICIPATIONS		(419.806)	(272.767)	(450.959)	(303.481)
INCOME TAX AND SOCIAL CONTRIBUTION	32.a	182.372	247.142	213.523	277.855
Income tax		(3.979)	11.719	9.607	22.273
Social contribution		(2.667)	6.771	(5.138)	7.926
Deferred tax asset		189.018	228.652	209.054	247.656
PARTICIPATION OF MINORITY SHAREHOLDERS		-	-	2	1
NET LOSS		(237.434)	(25.625)	(237.434)	(25.625)
LOSS PER OUTSTANDING SHARE – IN REAIS					
(Represented by 929,040,163 shares at 9/30/2016 and 9/30/2015)		(0,26)	(0,03)		

The accompanying notes are an integral part of this quarterly information.



BANCO PAN S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015
 (All amounts in thousands of reais - R\$)

(A free translation of the original in Portuguese)

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
REVENUE	3,015.736	3,913.901	3,072.278	4,046.933
Financial intermediation	4.443.463	5.509.138	4.617.472	5.771.953
Services rendered	331.278	330.587	357.339	350.138
Allowance for losses	(730.462)	(787.386)	(812.861)	(848.252)
Other operating income (expenses)	(1.028.543)	(1.138.438)	(1.089.672)	(1.226.906)
EXPENSES ON FINANCIAL INTERMEDIATION	(1.795.818)	(2.651.756)	(1.864.617)	(2.774.421)
INPUTS ACQUIRED FROM THIRD PARTIES	(1.163.278)	(1.071.894)	(1.055.233)	(923.319)
Materials, energy and other	(1.577)	(1.442)	(2.832)	(2.771)
Third-party services	(143.049)	(112.365)	(169.961)	(141.413)
Commissions paid to correspondent banks	(1.018.652)	(958.087)	(882.440)	(779.135)
GROSS VALUE ADDED	56.640	190.251	152.428	349.193
DEPRECIATION AND AMORTIZATION	(35.630)	(30.834)	(48.655)	(44.225)
NET VALUE ADDED PRODUCED BY THE ENTITY	21.010	159.417	103.773	304.968
VALUE ADDED RECEIVED IN TRANSFER	(25.545)	(48.710)	32.087	-
Equity in the results of investees	(25.545)	(48.710)	32.087	-
TOTAL VALUE ADDED TO BE DISTRIBUTED	(4.535)	110.707	135.860	304.968
DISTRIBUTION OF VALUE ADDED	(4.535)	110.707	135.860	304.968
Staff	218.306	191.386	320.181	336.246
Direct remuneration	175.174	156.319	249.299	265.469
Benefits	28.732	23.801	48.614	51.097
Government Severance Indemnity Fund (FGTS)	12.804	8.853	20.519	17.014
Other	1.596	2.413	1.749	2.666
Taxes, fees and contributions	(14.968)	(81.150)	14.840	(42.621)
Federal	(30.519)	(96.968)	(17.184)	(75.476)
State	3	1	7	11
Municipal	15.548	15.817	32.017	32.844
Remuneration of third party capital	29.561	26.096	38.275	36.969
Rentals	29.561	26.096	38.275	36.969
Remuneration of own capital	(237.434)	(25.625)	(237.434)	(25.626)
Net loss	(237.434)	(25.625)	(237.434)	(25.625)
Participation of minority stockholders	-	-	(2)	(1)

The accompanying notes are an integral part of this quarterly information.



BANCO PAN S.A.

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015
(All amounts in thousands of reais - R\$)

(A free translation of the original in Portuguese)

	Capital	Capital reserve	Revenue reserves		Carrying value adjustments	Accumulated deficit	Total
			Legal	For integrity of equity			
AT DECEMBER 31, 2014	3.460.732	195.208	232	2.587	(24.273)	-	3.634.486
Carrying value adjustment	-	-	-	-	(6.838)	-	(6.838)
Loss for the period	-	-	-	-	-	(25.625)	(25.625)
AT SEPTEMBER 30, 2015	3.460.732	195.208	232	2.587	(31.111)	(25.625)	3.602.023
AT DECEMBER 31, 2015	3.460.732	195.208	635	7.084	(19.862)	-	3.643.797
Carrying value adjustment	-	-	-	-	5.199	-	5.199
Loss for the period	-	-	-	-	-	(237.434)	(237.434)
AT SEPTEMBER 30, 2016	3.460.732	195.208	635	7.084	(14.663)	(237.434)	3.411.562

The accompanying notes are an integral part of this quarterly information.



BANCO PAN S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015
 (All amounts in thousands of reais - R\$)

(A free translation of the original in Portuguese)

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
CASH FLOWS FROM OPERATING ACTIVITIES:				
NET LOSS FOR THE PERIOD	(237.434)	(25.625)	(237.434)	(25.625)
Adjustments that do not affect cash flow:				
Depreciation and amortization	26.896	22.100	29.866	25.436
Amortization of goodwill	8.734	8.734	18.789	18.789
Constitution of provision for contingencies	186.552	136.273	238.625	156.873
Reversal of provision for impairment of assets not for own use	(2.165)	(4.153)	(4.231)	(8.752)
Loss on disposal of assets not for own use	47.946	39.596	50.119	48.189
Impairment losses	-	-	-	1.425
Equity in the results of investees	25.545	48.710	(32.087)	-
Allowance for losses	730.462	787.386	812.861	848.252
Income tax and social contribution - deferred	(189.018)	(228.652)	(209.054)	(247.656)
Adjusted profit	597.518	784.369	667.454	816.931
Changes in assets and liabilities:				
(Increase) in interbank investments	(209.826)	(284.766)	(170.339)	(195.996)
Decrease (increase) in marketable securities	(610.695)	560.520	(585.882)	513.997
(Decrease) increase in derivative financial instruments	639.883	(427.262)	667.415	(403.248)
(Increase) in interbank investments	(10.939)	(40.129)	(10.939)	(40.129)
(Increase) in credit operations	(2.302.468)	(978.704)	(2.210.081)	(1.040.192)
Decrease in leasing operations	-	-	5.524	24.083
(Increase) in other receivables	(23.731)	(210.413)	(25.671)	(161.217)
(Increase) decrease in other assets	(44.687)	14.103	(101.953)	(61.835)
Increase in deposits	1.886.104	246.995	1.828.022	334.901
Increase in funds obtained in the open market	925.668	387.721	927.972	392.196
Increase in funds from acceptances and issues of securities	537.883	803.775	458.640	788.442
Increase (decrease) in other liabilities	(345.129)	767.243	(408.901)	691.785
Increase (decrease) in interdependent accounts	(18.382)	33.733	(18.382)	33.733
Increase (decrease) in result of future periods	(995)	47	(995)	47
NET CASH PROVIDED BY OPERATING ACTIVITIES	1.020.204	1.657.232	1.021.884	1.693.498
CASH FLOWS FROM INVESTMENT ACTIVITIES:				
Disposal of assets not for own use	46.744	30.178	47.200	30.564
Disposal of investments	-	38.393	-	-
Increase in investments	(12.359)	(2.676)	(12.359)	(2.676)
Acquisition of fixed assets in use	(1.469)	(4.809)	(1.871)	(6.419)
Acquisition of intangible assets	(14.948)	(19.657)	(15.285)	(21.829)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	17.968	41.429	17.685	(360)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Decrease) in financial securities	(294.038)	(361.436)	(294.038)	(361.436)
(Reduction) in obligations for marketable securities abroad	-	(1.041.293)	-	(1.041.293)
(Reduction) in subordinated debts	(223.942)	(64.725)	(223.942)	(64.725)
Issuance (redemption) of agribusines letters of credit	(655.147)	15.571	(655.147)	15.571
Variation in minority interests	-	-	-	(1)
NET CASH USED IN FINANCING ACTIVITIES	(1.173.127)	(1.451.883)	(1.173.127)	(1.451.884)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(134.956)	246.778	(133.558)	241.254
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	396.699	296.507	401.586	307.298
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (Note 5)	261.743	543.285	268.028	548.552
ADDITIONAL INFORMATION ON CASH FLOWS				
Interest paid	(2.153.208)	(1.744.089)	(2.229.560)	(2.559.295)
Interest received	4.763.513	4.630.892	4.844.172	5.389.735
Transfer of assets not for own use	(43.288)	(34.225)	(43.468)	(34.604)
Unrealized losses on securities available for sale	14.663	(10.348)	14.663	(10.348)

The accompanying notes are an integral part of this quarterly information.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

1) OPERATIONS

Banco Pan S.A. (the "Bank", "PAN" or "Institution") is a corporation authorized to operate as a multi-service bank, directly or indirectly, through its subsidiaries, in the following markets: consumer financing; personal credit; credit card; payroll-linked loans; financing for the purchase of vehicles, machinery and equipment; foreign exchange; financing for companies; construction financing for developers and builders; real estate financing for individuals; acquisition of real estate receivables and issue of mortgage-backed securities ("CRI"), issue of Agribusiness Receivable Certificates ("CRA"), leasing of vehicles and other assets; as well as consortium purchase plans for vehicles and real estate. The benefits of services rendered between the Group companies and the costs of operational and administrative structures are absorbed, jointly or individually, by these companies.

As an alternative strategy to raising funds in the market and as an integral part of the business plan, the Bank realizes credit assignments (with the transfer or substantial retention of risks and benefits) of its portfolio to other financial institutions. In the assignment of loans with the substantial transfer of risks and benefits, the results are immediately recognized in the revenue and expenses of these operations and the related risk assets are decreased, thereby ensuring that capital is adequately maintained (Note 3g). These results are recorded in the parent company quarterly information under "Income from financial intermediation".

Through a stockholders' agreement, the Bank is jointly controlled by Banco BTG Pactual S.A. and Caixa Econômica Federal (Federal Savings and Loans Bank), through its wholly-owned subsidiary Caixa Participações S.A. Presented below is the Bank's current shareholding structure:

Stockholders	Common	%	Preferred	%	Total	%
Banco BTG Pactual S.A.	272,865,193	51.00	102,031,711	25.90	374,896,904	40.35
Caixa Participações S.A.	262,164,546	49.00	112,732,358	28.61	374,896,904	40.35
Board of Directors	3	-	4	-	7	-
Market	5	-	179,246,343	45.49	179,246,348	19.30
Total	535,029,747	100.00	394,010,416	100.00	929,040,163	100.00

2) PRESENTATION OF THE QUARTERLY INFORMATION

The parent company quarterly information of Banco PAN is presented together with the quarterly information of the Bank and its subsidiaries ("Consolidated"), and has been prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), observing the provisions of Law 4,595/64 (National Financial System Law) and Law 6,404/76 (Brazilian Corporation Law) and the changes introduced by Laws 11,638/07 and 11,941/09, for recording the transactions, as well as the standards and instructions established by BACEN, Resolutions of the National Monetary Council (CMN), and the Brazilian Securities Commission (CVM), where applicable.

The Brazilian Accounting Pronouncements Committee (CPC) has issued pronouncements, as part of the convergence process with international accounting standards, approved by CVM, but not all of these have been ratified by BACEN. Accordingly, in preparing its quarterly information, the Bank adopted, where applicable, the following pronouncements that have already been ratified by BACEN:

1. CPC 01 (R1) - Impairment of Assets - ratified by CMN Resolution 3,566/08;
2. CPC 03 (R2) - Statement of Cash Flows - ratified by CMN Resolution 3,604/08;
3. CPC 05 - Related-party Disclosures - ratified by CMN Resolution 3,750/09;



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

4. CPC 25 - Provisions, Contingent Liabilities and Contingent Assets - ratified by CMN Resolution 3,823/09;
5. CPC 24 - Events After the Reporting Period - ratified by CMN Resolution 3,973/11;
6. CPC 10 (R1) - Share-based Payment - ratified by CMN Resolution 3,989/11;
7. CPC 23 - Accounting Policies, Changes in Estimates and Correction of Errors - ratified by CMN Resolution 4,007/11;
8. Basic Conceptual Pronouncement (R1) - Conceptual Framework for Financial Reporting - ratified by CMN Resolution 4,144/12; and
9. CPC33 (R1) - Employee Benefits - ratified by CMN Resolution 4,424/15.

The parent company and consolidated quarterly information for the period ended 9/30/2016 was authorized for issue by the Board of Directors and Executive Board on November 7, 2016.

The subsidiaries included in the consolidation and the corresponding equity interest of the parent company are as follows:

Direct/Indirect subsidiaries	Total equity interest %	
	9/30/2016	12/31/2015
Pan Arrendamento Mercantil S.A.	99.97	99.97
Panserv Prestadora de Serviços Ltda.	99.99	99.99
Brazilian Finance & Real Estate S.A.	100.00	100.00
BM Sua Casa Promotora de Vendas Ltda.	99.99	99.99
Brazilian Securities Companhia de Securitização.	100.00	100.00
Brazilian Mortgages Companhia Hipotecária.	100.00	100.00
Panamericano Administradora de Consórcio Ltda.	99.99	99.99

3) SIGNIFICANT ACCOUNTING PRACTICES

a) Cash and cash equivalents and functional and presentation currency:

Cash and cash equivalents comprise cash in local and foreign currencies, investments in the money market, interbank deposits, bank certificates of deposit and fixed-income funds, with maturities at the original investment date equal to or less than 90 days and which present an immaterial risk of change in fair value, which are utilized by the Bank to manage its short-term commitments.

The parent company and consolidated quarterly information are presented in reais, which is the Bank's functional currency.

b) Determination of the results of operations:

Income and expenses are recorded on the accrual basis of accounting, and are prorated when resulting from financial transactions. Financial income and expenses are calculated based on the exponential method, except when resulting from foreign transactions or discounted notes, which are calculated on the straight-line method. Transactions with floating rates or indexed to foreign currencies are adjusted up to the balance sheet date at agreed-upon rates.

c) Interbank investments:

Interbank investments are presented at cost plus related earnings up to the balance sheet date.

d) Marketable securities:

Marketable securities are recorded at the investment amount plus income earned through the balance sheet date, based on the yield rate and maturity, adjusted to fair value, where applicable. They are classified in the following categories:

- Trading securities - securities acquired for the purpose of being actively and frequently traded are adjusted to fair value, with the increase or decrease arising from this adjustment reflected in the result for the period;
- Available-for-sale securities - securities that cannot be classified as trading securities or held-to-maturity securities are adjusted to fair value, with the increase or decrease arising from this adjustment reflected in a separate account in equity, net of tax effects. Unrealized gains and losses are recognized in the results for the period when effectively realized; and
- Held-to-maturity securities - securities which the Bank intends and has the necessary means to hold in its portfolio to maturity, which are stated at cost, plus related earnings with a corresponding entry to the result for the period.

e) Derivative financial instruments:

The derivative financial instruments consist of futures, swaps and forwards. These financial instruments are classified, on the date the transaction is contracted, considering management's intention to use them or not as hedging instruments. The valuations or devaluations are recognized in the income or expense accounts of the corresponding financial instruments, in accordance with BACEN Circular 3,082/02 and Circular Letter 3,026/02.

Operations with derivative financial instruments are valued at market value, accounting for the appreciation or depreciation in the results. The gains or losses on derivative financial instruments considered as a market risk hedge, whether realized or unrealized, are also recorded in the result for the period.

The Bank uses derivative financial instruments mainly to hedge against unfavorable variations in the fair value of the positions assumed.

The fair value of derivative financial instruments and their respective hedged items is determined based on available market information, mainly the prices and rates released by São Paulo Commodities, Futures and Stock Exchange (BM&FBOVESPA). Where applicable, mathematical models of rate interpolations for interim periods and rate extrapolations for longer periods are utilized.

Future cash flows, discounted to present value by future interest curves, obtained based on information released by BM&FBOVESPA, are utilized to measure the fair value of swaps.

The marking to market of futures contracts, such as interest contracts (1-day DI), foreign exchange contracts (DOL) and foreign exchange coupons (DDI), is determined based on the market price in a unique price (PU) format, which is released daily by BMF&BOVESPA. Based on this price, the daily adjustments are recorded in assets or liabilities and appropriated daily to the results as income or expenses.

Derivative financial instrument transactions (futures, forwards and swaps) are in the custody of BM&FBOVESPA or at the Organized Counter for Assets and Derivatives (CETIP S.A.). The differences receivable and payable are recorded in the respective derivative financial instrument balance sheet accounts, with a corresponding entry to results from derivative financial instruments in the statement of operations, and the nominal amounts of these transactions are recorded in memorandum accounts.

The foreign currency forwards with no physical delivery, i.e. non-deliverable forwards (NDF), are traded in the over-the-counter (OTC) market and consist of contracts for the purchase or sale of foreign currency at a future date and at a pre-established exchange rate. Financial settlement occurs based on the difference between the contracted exchange rate and the spot rate at the time of settlement. Future interest rate curves, obtained based on information released by BM&FBOVESPA, are used to price the NDFs.

The balances of assets and liabilities and the results are shown in Notes 7c and 7g.

f) Credit operations:

Operations of loan and leasing, advances on foreign exchange contracts and other credits with credit concession characteristics are classified based on management's opinion as to their risk level, considering the economic scenario, past experience, and specific and global risks related to the operation, debtors and guarantors, in compliance with the parameters and guidelines established by CMN Resolution 2,682/99, which requires a periodic portfolio analysis and the classification of risk into nine levels, where AA represents the minimum risk and H the maximum risk. Additionally, the length of delay in settlement defined in this Resolution and a double count for financing and real estate receivable transactions with an unexpired term exceeding 36 months are also taken into consideration when rating customer risk.

Income from credit operations past due for more than 60 days, regardless of the risk level, is only recognized when realized. Operations classified in level H remain at this level for six months, after which they are written-off against the existing allowance and controlled in a memorandum account and no longer presented in the Bank's balance sheet.

Renegotiated transactions remain, at least, at the same rating at which they were classified prior to the renegotiation. Renegotiated loan operations that had already been written-off against the allowance and that were recorded in memorandum accounts are classified in level H, and any gains resulting from the renegotiation are recognized as income only when effectively received. When there is a significant amortization of a credit operation or when relevant new facts justify a change in risk level, the operation can be reclassified to a lower risk category.

The allowance for losses is determined at an amount which is sufficient to cover probable losses and considers CMN and BACEN rules and instructions, as well as the assessments carried out by management in determining credit risk.

The allowance for loan losses related to loan assignments with co-obligation is calculated based on the same guidelines established by BACEN for unassigned loan operations.

g) Transactions for the sale or transfer of financial assets:

From January 1, 2012, as determined by CMN Resolution 3,533/08, transactions for the sale or transfer of financial assets are classified and recorded as follows:

- The following procedures are observed for recording the sale or transfer of financial assets classified in the category of transactions with a substantial transfer of risks and benefits:
In transactions involving the disposal of assets, the financial asset which is being sold or transferred is written-off from the account in which the original transaction was recorded. The gain or loss determined in the transaction is separately appropriated to the result for the period.

In transactions involving the purchase of assets, the financial asset acquired is recorded at the amount paid, based on the nature of the original transaction.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

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- The following procedures are observed for recording the sale or transfer of financial assets classified in the category of transactions with substantial retention of risks and benefits:

In transactions for the disposal of assets, the financial asset, which is the object of the sale or transfer, remains recorded in assets at the full amount. The amounts received as a result of the transaction are recorded in assets, with a corresponding entry in liabilities for the obligation assumed, and the income and expenses are appropriated separately to the result for the period over the remaining term of the transaction; and

In transactions for the purchase of assets, the amounts paid are recorded in assets as a right receivable and the income is appropriated to the result for the period over the remaining term of the transaction.

h) Assets not for own use:

These assets mainly comprise repossessed assets or assets received in lieu of payment, which are available for sale, which are adjusted through the constitution of a valuation allowance, where applicable, calculated based on the historical losses on the sale of the repossessed assets.

i) Prepaid expenses:

Prepaid expenses relate to funds applied in advance payments, whose related benefits or services will occur or be provided in future periods. These expenses are appropriated to the result of the period in which the future benefits are generated. This group mainly consists of commissions paid to correspondent banks and expenses on securities issued abroad.

As from January 2, 2015, PAN adopted the accounting registration criteria for the remuneration of correspondent banks, determined by BACEN Circular 3,693/13 with subsequent amendments introduced by BACEN Circular 3,738/14.

In the period ended 9/30/2016, the amount recorded in expenses relating to 2/3 of the commissions at the time of origination was R\$ (218,977).

j) Other current assets and long-term receivables:

These assets are stated at cost plus related income and monetary and exchange variations, less the corresponding provision for adjustment to realizable value, where applicable.

k) Investments:

Investments in subsidiaries are accounted for on the equity method. Other investments are stated at cost of acquisition, less the corresponding provision for loss and impairment, where applicable.

l) Fixed assets:

Fixed assets correspond to the rights acquired over physical assets for maintaining the business or which are exercised for this purpose, including those arising from transactions which transfer the risks, rewards and control over the assets to the Bank. The assets mainly consist of properties, installations and leasehold improvements, furniture and equipment in use.

The assets are stated at cost of acquisition less accumulated depreciation and adjusted for impairment, where applicable. Depreciation is calculated on the straight-line method at annual rates which consider the estimated economic useful lives of the assets.

m) Intangible assets:

Intangible assets correspond to the rights acquired over non-physical assets for maintaining the business or which are exercised for this purpose.

The assets are stated at acquisition or formation cost, less accumulated amortization and an adjustment for impairment, where applicable, and mainly comprise goodwill paid for the future profitability of an investment, licenses and expenses for the acquisition and development of software. Intangible assets are amortized on the straight line method over the estimated period of their use.

n) Income tax and social contribution (assets and liabilities):

Deferred tax assets on temporary additions are realized on the utilization and/or reversal of the corresponding provisions in respect of which they were recorded. Deferred tax assets on tax losses are realized as taxable income is generated, up to the limit of 30% of taxable income for the reporting period. These deferred tax assets are recognized based on their expected realization, which is periodically reviewed, considering the technical studies and analyses prepared by management.

The provision for income tax is recorded at 15% of taxable income, plus a 10% surtax. Social contribution on net income is calculated for financial companies at the rate of 20% as from September 2015, and, for the other companies, the rate is 9%.

Provisions for other taxes and social contributions are recorded pursuant to the specific applicable legislation.

o) Impairment of non-financial assets:

Non-financial assets are subject to an annual evaluation of their recoverable values, or more frequently if conditions or circumstances indicate the possibility of loss in value. Any losses identified are recognized in the result for the period when the carrying amount of an asset exceeds its recoverable amount, determined as follows:

- i. potential sales or realization amount less corresponding expenses; or
- ii. value in use calculated based on the cash generating unit.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

p) Deposits and funds obtained in the market:

Deposits and funds obtained in the market are stated at the amounts of the liabilities and consider, where applicable, the charges payable up to the balance sheet date, recognized on a daily pro rata basis.

q) Specific accounting policies of the consortium segment:

The management fee is recognized when received from the consortium groups. Commissions on sales of quotas are recorded when the consortium quotas are sold and other income and expenses are recorded monthly on the accrual basis.

The liabilities for unclaimed funds are recorded at the amount to be returned to the members of the discontinued consortium groups, including remuneration equal to that generated by their quotas in the investment funds in which the active groups hold investments.

r) Current and long-term liabilities:

Known or estimated liabilities, charges and risks are presented at monetarily adjusted amounts through the balance sheet date. Liabilities in foreign currency are translated into local currency at the exchange rates in effect on the balance sheet date, as disclosed by BACEN.

s) Contingent assets and liabilities and legal obligations (taxes and social security):

Contingent assets and contingent liabilities and legal obligations (tax and social security) are recognized, measured and disclosed in conformity with CMN Resolution 3,823/09, which approved CPC Accounting Standard 25 - Provisions, Contingent Assets and Contingent Liabilities, the main criteria of which are as follows:

- Contingent assets - not recorded in the quarterly information, except when there is evidence that their realization is guaranteed.
- Contingent liabilities - recorded in the quarterly information when, based on the opinion of the Bank's management and legal advisors, the risk of losing an administrative or legal action is deemed probable, and whenever the amounts involved can be reliably measured. Contingent liabilities classified as a possible loss by the legal advisors are disclosed in the notes to the financial statements, when significant, whereas those classified as remote losses require neither provision nor disclosure; and
- Legal obligations (tax and social security) - correspond to amounts related to lawsuits challenging the legality and constitutionality of certain taxes and contributions, which, regardless of the likelihood of success, are recognized at the full amount in the quarterly information.

t) Residual benefit of securitized transactions:

The benefit corresponds to the residual balance, net of any guarantees provided, of the separate equity of the securitized transactions which, in accordance with Law 9,514/97, will be reintegrated to the common equity of the securitization company when the lien is released and the related mortgage-backed securities are settled.

u) Earnings per share:

Earnings per share are calculated based on the number of outstanding shares at the quarterly information date.

v) Use of accounting estimates:

The preparation of quarterly information requires management, to the best of its judgment, to make estimates and assumptions, that affect the reported amounts of certain financial or non-financial assets and liabilities, income and expenses, and other transactions, such as: (i) deferred tax assets; (ii) depreciation rates of property and equipment and amortization of intangible assets; (iii) provisions necessary to absorb the potential risks arising from contingent liabilities; (iv) provision for loss on assets not for own use; (v) allowance for loan and lease losses; (vi) impairment of non-financial assets, and (vii) estimated fair value of specific financial instruments. The actual settlement amounts of these financial or non-financial assets and liabilities could differ from these estimates.

w) Events after the reporting period:

Events which have occurred between the reporting date of the quarterly information and the date of its approval by management are divided into:

- i) events that require adjustment, related to conditions existing at the reporting date of the quarterly information; and
- ii) events that do not require adjustment, related to conditions which did not exist at the reporting date of the quarterly information.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

4) BALANCE SHEET AND STATEMENT OF OPERATIONS BY BUSINESS SEGMENT

a) Consolidated Balance Sheet:

Assets	Financial (1)	Consortium (2)	Securitization (3)	Sales promoter (4)	Other (5)	Eliminations (6)	Total
Current assets	12,342,125	2,086	70,934	36,676	10,195	(15,134)	12,446,882
Long-term receivables	14,628,842	22,722	313,957	241,408	152,302	(200,251)	15,158,980
Permanent assets	864,569	65	2,923	21,140	-	(598,405)	290,292
Total at 9/30/2016	27,835,536	24,873	387,814	299,224	162,497	(813,790)	27,896,154
Total at 12/31/2015	25,994,196	36,610	400,737	279,645	153,355	(767,451)	26,097,092

Liabilities	Financial (1)	Consortium (2)	Securitization (3)	Sales promoter (4)	Other (5)	Eliminations (6)	Total
Current liabilities	18,802,720	5,216	13,485	14,342	5,925	(13,790)	18,827,898
Long-term liabilities	5,620,666	6,690	157,822	68,796	3,726	(201,594)	5,656,106
Deferred income	571	-	-	-	-	-	571
Minority stockholders	17	-	-	-	-	-	17
Equity	3,411,562	12,967	216,507	216,086	152,846	(598,406)	3,411,562
Total at 9/30/2016	27,835,536	24,873	387,814	299,224	162,497	(813,790)	27,896,154
Total at 12/31/2015	25,994,196	36,610	400,737	279,645	153,355	(767,451)	26,097,092



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

b) Consolidated statement of operations:

Statement of operations	Financial (1)	Consortium (2)	Securitization (3)	Sales promoter (4)	Other (5)(6)	Eliminations (7)	Total
- Income from financial intermediation	4,633,576	1,166	(40,324)	26,520	14,336	(17,802)	4,617,472
- Expenses on financial intermediation	(2,742,399)	-	47,119	-	-	17,802	(2,677,478)
Gross result of financial intermediation	1,891,177	1,166	6,795	26,520	14,336	-	1,939,994
- Other operating income (expenses)	(2,320,821)	(6,603)	(6,552)	(44,237)	116	-	(2,378,097)
- Equity in the results of investees	27,050	-	-	-	-	5,037	32,087
- Non-operating income/expenses	(45,069)	-	560	(433)	(1)	-	(44,943)
- Income tax and social contribution	210,227	1,831	(28)	6,441	(4,948)	-	213,523
- Minority stockholders	2	-	-	-	-	-	2
Loss at 9/30/2016	(237,434)	(3,606)	775	(11,709)	9,503	5,037	(237,434)
Loss at 9/30/2015	(56,621)	(1,386)	(27,070)	11,856	(43,388)	90,984	(25,625)

- (1) Represented by Banco Pan S.A., Pan Arrendamento Mercantil S.A., Brazilian Mortgages Companhia Hipotecária and BMSR II Participações S.A.
(2) Represented by Panamericano Administradora de Consórcio Ltda.
(3) Represented by Brazilian Securities Companhia de Securitização.
(4) Represented by Panserv Prestadora de Serviços Ltda. and BM Sua Casa Promotora de Vendas Ltda.
(5) Represented by Brazilian Finance & Real Estate S.A. and Pan Holding S.A.
(6) Pan Holding S.A. was split-off at September 30, 2015.
(7) Eliminations between companies in different segments.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

5) CASH AND CASH EQUIVALENTS

	Bank		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Funds in local currency	265	12,171	6,550	17,058
Funds in foreign currency	13,479	30,985	13,479	30,985
Total available funds (cash)	13,744	43,156	20,029	48,043
Short-term interbank investments (1)	247,999	353,543	247,999	353,543
Total cash and cash equivalents	261,743	396,699	268,028	401,586

(1) Includes transactions with maturities at the original investment date equal to or less than 90 days and which present an immaterial risk of change in fair value.

6) INTERBANK INVESTMENTS

a) Composition and maturities:

Bank	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Money market investments:							
Own portfolio position							
National Treasury Bills (LTN)	247,999	-	-	-	-	247,999	18,000
National Treasury Notes (NTN)	-	-	41,170	-	-	41,170	640,289
Subtotal	247,999	-	41,170	-	-	289,169	658,289
Third-party portfolio position							
National Treasury Notes (NTN)	-	-	838,119	-	-	838,119	156,047
Subtotal	-	-	838,119	-	-	838,119	156,047
Short position							
National Treasury Notes (NTN)	-	-	-	-	-	-	269,867
Subtotal	-	-	-	-	-	-	269,867
Interbank deposits	21,283	76,036	112,080	393,647	85,745	688,791	627,594
Total at 9/30/2016	269,282	76,036	991,369	393,647	85,745	1,816,079	-
Total at 12/31/2015	32,158	1,102,432	49,284	442,191	85,732	-	1,711,797

Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Money market investments:							
Own portfolio position							
National Treasury Bills (LTN)	247,999	-	-	-	-	247,999	18,000
National Treasury Notes (NTN)	-	-	41,170	-	-	41,170	640,289
Subtotal	247,999	-	41,170	-	-	289,169	658,289
Third-party portfolio position							
National Treasury Notes (NTN)	-	-	838,119	-	-	838,119	156,047
Subtotal	-	-	838,119	-	-	838,119	156,047
Short position							
National Treasury Notes (NTN)	-	-	-	-	-	-	269,867
Subtotal	-	-	-	-	-	-	269,867
Interbank deposits	13,128	17,147	21,183	823	74,969	127,250	105,541
Total at 9/30/2016	261,127	17,147	900,472	823	74,969	1,254,538	-
Total at 12/31/2015	18,427	1,086,109	4,120	60,067	21,021	-	1,189,744



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

b) Income from interbank investments:

This income is classified in the statement of operations as results from operations with securities:

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Income from investments in purchase and sale agreements:				
Own portfolio position	21,884	17,717	21,884	17,717
Third-party portfolio position	79,124	40,028	79,124	40,028
Short position	15,402	16,333	15,402	16,333
Subtotal	116,410	74,078	116,410	74,078
Income from interbank deposits	63,823	29,725	10,816	8,181
Total (Note 7h)	180,233	103,803	127,226	82,259

7) MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Composition of portfolio:

The portfolio of marketable securities and derivative financial instruments at September 30, 2016 and December 31, 2015, by type of paper, was comprised as follows:

	Bank		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Own portfolio:	386,284	344,450	739,877	733,501
Bank Deposit Certificates (CDB)	-	-	2,284	1,938
Mortgage-backed securities (CRI)	-	-	341,565	347,403
Financial Treasury Bills (LFT)	98,550	177,483	108,266	217,066
National Treasury Bills (LTN)	279,669	64,654	279,669	64,654
National Treasury Notes (NTN)	7,735	101,996	7,735	101,996
Quotas in investment funds	-	-	28	27
Social Development Fund (FDS)	330	317	330	317
Other	-	-	-	100
Subject to repurchase agreements:	1,756,688	1,274,702	1,851,049	1,353,937
Financial Treasury Bills (LFT)	416,928	100,590	486,855	163,909
National Treasury Bills (LTN)	1,124,141	726,020	1,124,141	726,020
National Treasury Notes (NTN)	215,619	448,092	215,619	448,092
Bank Deposit Certificates (CDB)	-	-	14,088	12,784
Quotas in fixed income funds	-	-	10,346	3,132
Subject to guarantees:	143,522	55,930	143,522	55,930
Financial Treasury Bills (LFT)	102,968	16,810	102,968	16,810
National Treasury Bills (LTN)	11,020	-	11,020	-
National Treasury Notes (NTN)	29,534	39,120	29,534	39,120
Total marketable securities	2,286,494	1,675,082	2,734,448	2,143,368
Derivative financial instruments:	202,293	684,093	188,082	684,093
Difference receivable on swaps	200,400	684,093	186,189	684,093
Difference receivable on Non-deliverable Forwards (NDF)	1,352	-	1,352	-
Options	541	-	541	-
Total	2,488,787	2,359,175	2,922,530	2,827,461



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

b) Analysis of marketable securities by category and term (Bank and consolidated)

Bank	9/30/2016					12/31/2015				
	No stated maturity	Up to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Net book value (1) (2)	Adjusted cost	Mark-to-market adjustment	Carrying amount (1) (2)	Mark-to-market adjustment
Trading securities										
Financial Treasury Bills (LFT)	-	-	-	4,081	-	4,081	4,088	(7)	3,703	1
National Treasury Bills (LTN)	-	262,747	268,918	14,276	-	545,941	545,660	281	-	-
National Treasury Notes (NTN)	-	-	-	-	-	-	-	-	1,509	10
Total trading securities	-	262,747	268,918	18,357	-	550,022	549,748	274	5,212	11
Available-for-sale securities										
Financial Treasury Bills (LFT)	-	-	-	553,078	61,287	614,365	614,654	(289)	291,180	38
National Treasury Notes (NTN)	-	-	-	-	-	-	-	-	189,179	(1,633)
Total available-for-sale securities	-	-	-	553,078	61,287	614,365	614,654	(289)	480,359	(1,595)
Securities held to maturity (3)										
National Treasury Bills (LTN)	-	499,834	369,055	-	-	868,889	868,889	-	790,674	-
National Treasury Notes (NTN)	-	-	244,126	-	8,762	252,888	252,888	-	398,520	-
Social Development Fund (FDS)	330	-	-	-	-	330	330	-	317	-
Total securities held to maturity	330	499,834	613,181	-	8,762	1,122,107	1,122,107	-	1,189,511	-
Total	330	762,581	882,099	571,435	70,049	2,286,494	2,286,509	(15)	1,675,082	(1,584)



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

Consolidated	9/30/2016								12/31/2015	
	No stated maturity	Up to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Carrying amount (1) (2)	Adjusted cost	Mark-to-market adjustment	Carrying amount (1) (2)	Mark-to-market adjustment
Trading securities:										
Financial Treasury Bills (LFTs)	-	-	-	4,081	-	4,081	4,088	(7)	3,703	1
National Treasury Bills (LTN)	-	262,747	268,918	14,276	-	545,941	545,660	281	-	-
National Treasury Notes (NTN)	-	-	-	-	-	-	-	-	1,509	10
Quotas in investment funds	28	-	-	-	-	28	28	-	27	-
Total trading securities	28	262,747	268,918	18,357	-	550,050	549,776	274	5,239	11
Available-for-sale securities:										
Financial Treasury Bills (LFT)	-	-	-	632,721	61,287	694,008	694,303	(295)	394,082	39
National Treasury Notes (NTN)	-	-	-	-	-	-	-	-	189,179	(1,633)
Bank Deposit Certificates (CDB)	-	4,436	11,936	-	-	16,372	16,372	-	14,722	-
Quotas in investment funds	10,346	-	-	-	-	10,346	10,346	-	3,132	-
Mortgage-backed securities (CRI)	-	38,325	100,166	96,294	106,780	341,565	363,535	(21,970)	347,403	(28,765)
Total available-for-sale securities	10,346	42,761	112,102	729,015	168,067	1,062,291	1,084,556	(22,265)	948,518	(30,359)
Securities held to maturity (3):										
National Treasury Bills (LTN)	-	499,834	369,055	-	-	868,889	868,889	-	790,674	-
National Treasury Notes (NTN)	-	-	244,126	-	8,762	252,888	252,888	-	398,520	-
Social Development Fund (FDS)	330	-	-	-	-	330	330	-	317	-
Other	-	-	-	-	-	-	-	-	100	-
Total securities held to maturity	330	499,834	613,181	-	8,762	1,122,107	1,122,107	-	1,189,611	-
Total	10,704	805,342	994,201	747,372	176,829	2,734,448	2,756,439	(21,991)	2,143,368	(30,348)

(1) The fair value of securities was determined based on prices and rates prevailing at the balance sheet dates, released by the Brazilian Association of Financial and Capital Market Institutions (ANBIMA) and the São Paulo Commodities, Futures and Stock Exchange (BM&FBOVESPA). In the case of the mortgage-backed securities, the fair value was determined using internal models and data based on observable market parameters.

(2) This column presents the carrying amount subsequent to the mark-to-market adjustment, in accordance with item (1), except for the securities classified as held to maturity, whose market value was higher than the adjusted cost by R\$ 8,089 (December 31, 2015 - lower by R\$ 45,332).

(3) In compliance with the provisions of Article 8 of BACEN Circular 3,068/2001, Banco PAN declares that it has both the financial ability and the intention to hold to maturity the securities classified in the 'securities held to maturity' category.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

c) Derivative financial instruments:

Bank	9/30/2016				12/31/2015			
	Notional value	Carrying amount	Restated cost	Mark-to-market	Notional value	Carrying amount	Restated cost	Mark-to-market
Asset position:	3,096,626	202,293	194,991	7,302	2,834,742	684,093	684,292	(199)
Swap	3,011,121	200,400	192,685	7,715	2,822,272	684,093	684,292	(199)
Currency forwards	6,130	1,352	1,395	(43)	12,470	-	-	-
Options to be exercised	79,375	541	911	(370)	-	-	-	-
Liability position:	3,095,376	(187,834)	(128,653)	(59,181)	2,834,742	(29,751)	(20,647)	(9,104)
Swap	3,011,121	(187,557)	(128,078)	(59,479)	2,822,272	(29,127)	(20,397)	(8,730)
Currency forwards	6,130	-	-	-	12,470	(624)	(250)	(374)
Options issued	78,125	(277)	(575)	298	-	-	-	-
Subtotal - net position	-	14,459	66,338	(51,879)	-	654,342	663,645	(9,303)
Futures	-	234	234	-	-	(5,984)	(5,984)	-
Asset position	6,223,622	1,155	1,155	-	6,649,854	4,169	4,169	-
Liability position	6,223,622	(921)	(921)	-	6,649,854	(10,153)	(10,153)	-
Total		14,693	66,572	(51,879)		648,358	657,661	(9,303)

Consolidated	9/30/2016				12/31/2015			
	Notional value	Carrying amount	Restated cost	Mark-to-market	Notional value	Carrying amount	Restated cost	Mark-to-market
Asset position:	2,959,042	188,082	185,190	2,892	2,697,158	684,093	684,307	(214)
Swap	2,873,537	186,189	182,884	3,305	2,684,688	684,093	684,307	(214)
Currency forwards	6,130	1,352	1,395	(43)	12,470	-	-	-
Options to be exercised	79,375	541	911	(370)	-	-	-	-
Liability position:	3,095,376	(187,834)	(128,653)	(59,181)	2,697,158	(16,430)	(5,233)	(11,197)
Swap	3,011,121	(187,557)	(128,078)	(59,479)	2,684,688	(15,806)	(4,983)	(10,823)
Currency forwards	6,130	-	-	-	12,470	(624)	(250)	(374)
Options issued	78,125	(277)	(575)	298	-	-	-	-
Subtotal - net position	-	248	56,537	(56,289)	-	667,663	679,074	(11,411)
Futures	-	234	234	-	-	(5,984)	(5,984)	-
Asset position	6,223,622	1,155	1,155	-	6,649,854	4,169	4,169	-
Liability position	6,223,622	(921)	(921)	-	6,649,854	(10,153)	(10,153)	-
Total		482	56,771	(56,289)		661,679	673,090	(11,411)



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

d) Composition by maturity (notional value):

Bank	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Swap	55,490	6,089	-	83,195	2,866,347	3,011,121	2,822,272
U.S. dollar x CDI	55,490	1,089	-	53,139	1,134,918	1,244,636	1,050,324
CDI x U.S. dollar	-	5,000	-	30,056	-	35,056	87,114
CDI x fixed rate	-	-	-	-	1,433,476	1,433,476	1,441,011
Fixed rate x U.S. dollar	-	-	-	-	18,385	18,385	44,025
Libor x CDI	-	-	-	-	62,214	62,214	-
CDI x Libor	-	-	-	-	137,584	137,584	137,584
Libor x CDI	-	-	-	-	-	-	62,214
Libor x U.S. dollar	-	-	-	-	79,770	79,770	-
Currency forwards	-	6,130	-	-	-	6,130	12,470
Fixed rate x U.S. dollar	-	6,130	-	-	-	6,130	12,470
Options	-	157,500	-	-	-	157,500	-
Purchase/Sale	-	79,375	-	-	-	79,375	-
Sale/Sale	-	78,125	-	-	-	78,125	-
Futures	48,931	40,054	-	1,601,972	4,532,665	6,223,622	6,649,854
DDI	2,271	6,480	-	86,495	116,214	211,460	638,358
DI	40,979	-	-	1,515,477	4,416,451	5,972,907	5,853,890
U.S. dollar	5,681	33,574	-	-	-	39,255	157,606
Total	104,421	209,773	-	1,685,167	7,399,012	9,398,373	9,484,596

Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Swap	55,490	6,089	-	83,195	2,728,763	2,873,537	2,684,688
U.S. dollar x CDI	55,490	1,089	-	53,139	1,134,918	1,244,636	1,050,324
CDI x U.S. dollar	-	5,000	-	30,056	-	35,056	87,114
CDI x fixed rate	-	-	-	-	1,433,476	1,433,476	1,441,011
Fixed rate x U.S. dollar	-	-	-	-	18,385	18,385	44,025
Libor x CDI	-	-	-	-	62,214	62,214	62,214
Libor x U.S. dollar	-	-	-	-	79,770	79,770	-
Currency forwards	-	6,130	-	-	-	6,130	12,470
Fixed rate x U.S. dollar	-	6,130	-	-	-	6,130	12,470
Options	-	157,500	-	-	-	157,500	-
Purchase/Sale	-	79,375	-	-	-	79,375	-
Sale/Sale	-	78,125	-	-	-	78,125	-
Futures	48,931	40,054	-	1,601,972	4,532,665	6,223,622	6,649,854
DDI	2,271	6,480	-	86,495	116,214	211,460	638,358
DI	40,979	-	-	1,515,477	4,416,451	5,972,907	5,853,890
U.S. dollar	5,681	33,574	-	-	-	39,255	157,606
Total	104,421	209,773	-	1,685,167	7,261,428	9,260,789	9,347,012

NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

e) Place of negotiation and counterparties:

Notional value	Bank		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Central System for Custody and Financial Settlement of Securities (CETIP) (over the counter)	3,017,251	2,834,742	2,879,667	2,697,158
BM&FBOVESPA	6,381,122	6,649,854	6,381,122	6,649,854
Total	9,398,373	9,484,596	9,260,789	9,347,012

Counterparties: At 9/30/2016, they were as follows: BM&F 68.90%, Financial Institutions 30.33% and other 0.76%.

f) Hedge Accounting - market value

	Bank		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Financial Instruments				
Asset position	2,229,468	2,497,447	2,363,147	2,579,697
Swap – U.S. Dollar (1)	1,887,613	2,497,447	1,887,613	2,497,447
Futures DDI BM&F – U.S. Dollar (2)	-	-	66,463	-
Swap – U.S. Dollar (2)	-	-	67,216	82,250
DI1 BM&F Futures - fixed rate - Brazilian reais (3)	341,855	-	341,855	-
Liability position	(3,324,157)	-	(3,324,157)	-
Swap - fixed rate - Brazilian reais (4)	(1,602,923)	-	(1,602,923)	-
DI1 BM&F Futures - fixed rate - Brazilian reais (4)	(1,721,234)	-	(1,721,234)	-
Hedged item				
Asset position	3,317,888	-	3,317,888	-
Credit operations (4)	3,317,888	-	3,317,888	-
Liability position	(1,982,318)	(2,203,182)	(2,113,536)	(2,279,703)
Subordinated debt abroad (1)	(1,645,421)	(2,203,182)	(1,645,421)	(2,203,182)
Funds raised abroad (2)	-	-	(131,218)	(76,521)
Time deposit certificates (3)	(336,897)	-	(336,897)	-

(1) On June 23, 2016, Bonds, corresponding to 8.64% of the debt, were settled in advance in the amount of US\$ 43,208, and, consequently, the proportional write-off of the derivative instrument was designated as hedge accounting;

(2) Used as protection of the loan operation abroad with the Inter-American Development Bank (IDB);

(3) Used as protection against the fixed risk of long-term deposit certificates; and

(4) This hedged item includes the following retail credit operations: payroll-linked loans; vehicles and personal credit.

g) Result with derivative financial instruments:

	Bank			Consolidated		
	9/30/2016			9/30/2016		
	Income	Expense	Net	Income	Expense	Net
Swap	875,810	(1,371,398)	(495,588)	839,491	(1,376,037)	(536,546)
Currency forwards	4,366	(1,561)	2,805	4,366	(1,561)	2,805
Options	418	(1,077)	(659)	418	(1,077)	(659)
Futures	1,080,530	(1,297,952)	(217,422)	1,080,530	(1,297,952)	(217,422)
Total at 9/30/2016	1,961,124	(2,671,988)	(710,864)	1,924,805	(2,676,627)	(751,822)
Total at 9/30/2015	3,395,092	(2,795,864)	599,228	3,442,812	(2,830,110)	612,702

h) Securities transactions:

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Fixed income securities	179,379	146,042	232,301	197,797
Short-term interbank investments (Note 6b)	180,233	103,803	127,226	82,259
Total	359,612	249,845	359,527	280,056



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

8) CREDIT OPERATIONS

a) Composition of the portfolio by type of operation:

	Bank				Consolidated			
	9/30/2016		12/31/2015		9/30/2016		12/31/2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Consumer financing (1)	5,081,290	29.82	5,929,863	37.57	5,081,290	27.54	5,929,863	34.23
Payroll-linked loans (1)	6,903,330	40.51	4,491,946	28.46	6,903,330	37.43	4,491,946	25.93
Working capital	1,463,897	8.59	1,965,511	12.45	1,463,897	7.94	1,965,511	11.34
Export financing	532,137	3.12	740,102	4.69	532,137	2.87	740,102	4.27
Housing financing	1,756	0.01	11,266	0.07	563,619	3.06	627,108	3.62
Financing provided to credit card holders (2)	1,356,047	7.96	853,919	5.41	1,356,047	7.35	853,919	4.93
Loans with real estate guarantees	-	-	-	-	674,172	3.66	720,063	4.16
Credits linked to the assignment of loans (3)	364,171	2.14	419,142	2.66	364,171	1.97	419,142	2.42
Financing of real estate developments	-	-	-	-	147,666	0.80	181,482	1.05
Personal credit (1)	27,419	0.16	48,249	0.31	27,419	0.15	48,249	0.28
Renegotiated loans	80,436	0.47	67,027	0.42	80,436	0.44	67,027	0.39
Leasing operations (4)	-	-	-	-	2,856	0.02	9,719	0.06
Bank overdrafts	324,501	1.91	112,788	0.71	324,502	1.76	112,788	0.65
Other	-	-	17	-	-	-	18	-
Total credit operations	16,134,984	94.69	14,639,830	92.75	17,521,542	94.99	16,166,937	93.31
Other receivables (5)	780,379	4.58	942,737	5.97	798,591	4.33	956,469	5.52
Advances on foreign exchange contracts and income receivable (6)	124,965	0.73	202,360	1.28	124,965	0.68	202,360	1.17
Total	17,040,328	100.00	15,784,927	100.00	18,445,098	100.00	17,325,766	100.00
(+/-) Adjustment to market value (1)	172,224	-	-	-	172,224	-	-	-
Credit portfolio adjusted to market value	17,212,552	-	15,784,927	-	18,617,322	-	17,325,766	-

(1) Credit portfolio including hedge accounting transactions (Note 7f).

(2) Financing provided to Visa and MasterCard credit card holders.

(3) Payroll-linked loan operations assigned with substantial retention of risks and benefits of the financial assets involved in the transactions (Note 8f).

(4) Recorded at present value.

(5) Credit card receivables and credit instruments receivable with loan characteristics.

(6) Advances on foreign exchange contracts are recorded as a reduction of "Other Liabilities" (Note 9).



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

b) Analysis of the portfolio by risk levels and maturity:

Days	Bank										
	Risk Levels										
	Abnormal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 9/30/2016	Total at 12/31/2015
Falling due	-	678,895	356,218	396,776	256,198	97,786	76,381	72,922	261,645	2,196,821	2,429,056
01 to 30	-	23,448	16,849	20,915	15,044	4,454	3,999	3,516	12,919	101,144	100,085
31 to 60	-	29,678	15,832	17,699	11,530	3,818	3,598	3,135	11,280	96,570	96,666
61 to 90	-	27,791	15,067	18,466	26,474	4,003	3,159	3,231	11,679	109,870	110,110
91 to 180	-	78,345	43,215	49,239	26,528	11,876	9,654	8,201	33,205	260,263	271,043
181 to 365	-	127,548	73,433	84,156	54,575	19,728	15,466	15,140	56,386	446,432	498,335
Over 365	-	392,085	191,822	206,301	122,047	53,907	40,505	39,699	136,176	1,182,542	1,352,817
Past due	-	51,715	75,131	101,538	143,817	72,979	51,278	56,041	319,654	872,153	733,704
01 to 14	-	46,907	3,686	16,427	25,443	1,968	1,738	1,169	5,209	102,547	131,225
15 to 30	-	4,808	68,582	9,708	24,190	2,613	1,551	2,164	13,937	127,553	88,277
31 to 60	-	-	2,863	71,640	17,454	9,526	3,851	3,066	12,775	121,175	94,754
61 to 90	-	-	-	2,635	32,943	7,469	4,147	3,423	12,873	63,490	72,357
91 to 180	-	-	-	1,128	11,398	39,897	31,217	33,532	52,430	169,602	175,393
181 to 365	-	-	-	-	32,389	11,506	8,774	12,687	222,430	287,786	171,698
Subtotal	-	730,610	431,349	498,314	400,015	170,765	127,659	128,963	581,299	3,068,974	3,162,760
Allowance required	-	3,653	4,313	14,949	40,001	51,229	63,830	90,274	581,299	849,548	783,637

Days	Risk Levels										
	Normal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 9/30/2016	Total at 12/31/2015
Falling due	-	12,135,515	1,021,053	426,727	308,300	34,771	5,814	8,394	30,780	13,971,354	12,622,167
01 to 30	-	1,649,117	64,196	75,271	43,406	2,470	865	371	12,283	1,847,979	1,378,372
31 to 60	-	443,149	65,561	23,924	34,461	554	203	134	777	568,763	521,016
61 to 90	-	416,423	36,985	10,193	3,444	18,260	179	117	620	486,221	480,596
91 to 180	-	1,109,356	92,950	44,302	40,574	1,875	398	249	1,254	1,290,958	1,409,616
181 to 365	-	1,845,912	309,066	101,374	63,716	3,157	808	342	10,267	2,334,642	2,170,191
Over 365	-	6,671,558	452,295	171,663	122,699	8,455	3,361	7,181	5,579	7,442,791	6,662,376
Subtotal	-	12,135,515	1,021,053	426,727	308,300	34,771	5,814	8,394	30,780	13,971,354	12,622,167
Allowance required	-	60,678	10,211	12,802	30,830	10,432	2,907	5,876	30,780	164,516	153,994
Total (1)	-	12,866,125	1,452,402	925,041	708,315	205,536	133,473	137,357	612,079	17,040,328	15,784,927
Total allowance	-	64,331	14,524	27,751	70,831	61,661	66,737	96,150	612,079	1,014,064	937,631

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Days	Consolidated										
	Risk Levels										
	Abnormal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 9/30/2016	Total at 12/31/2015
Falling due	-	797,671	430,407	465,022	276,902	107,233	81,417	77,757	270,905	2,507,314	2,722,440
01 to 30	-	25,459	18,014	21,995	15,404	4,622	4,154	3,604	13,135	106,387	104,613
31 to 60	-	31,635	16,979	18,735	11,889	3,984	3,752	3,222	11,468	101,664	101,113
61 to 90	-	29,719	16,198	19,484	26,826	4,165	3,312	3,314	11,871	114,889	114,468
91 to 180	-	83,926	46,517	52,209	27,552	12,353	10,108	8,446	33,756	274,867	286,586
181 to 365	-	137,966	79,623	89,736	56,437	20,500	15,954	15,599	57,388	473,203	521,187
Over 365	-	488,966	253,076	262,863	138,794	61,609	44,137	43,572	143,287	1,436,304	1,594,473
Past due	-	53,818	88,396	198,928	191,265	122,194	95,307	56,441	346,855	1,153,204	1,006,229
01 to 14	-	48,523	4,580	17,228	31,181	8,060	1,777	1,189	5,298	117,836	199,370
15 to 30	-	5,295	80,022	9,987	52,867	2,654	1,641	2,194	13,983	168,643	120,783
31 to 60	-	-	3,794	167,107	29,855	12,396	3,970	3,099	12,928	233,149	162,439
61 to 90	-	-	-	3,254	33,186	24,439	4,275	3,458	13,026	81,638	104,410
91 to 180	-	-	-	1,352	11,787	50,094	74,742	33,638	52,805	224,418	245,547
181 to 365	-	-	-	-	32,389	24,551	8,902	12,863	248,815	327,520	173,680
Subtotal	-	851,489	518,803	663,950	468,167	229,427	176,724	134,198	617,760	3,660,518	3,728,669
Allowance required	-	4,257	5,188	19,918	46,816	68,828	88,362	93,938	617,760	945,067	881,696

Days	Risk Levels										
	Normal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 9/30/2016	Total at 12/31/2015
Falling due	-	12,620,341	1,103,258	541,552	359,129	46,769	29,611	45,354	38,564	14,784,578	13,597,097
01 to 30	-	1,664,591	64,453	75,412	43,451	2,504	869	372	12,294	1,863,946	1,434,497
31 to 60	-	451,181	75,707	57,000	45,679	10,265	23,699	135	788	664,454	566,553
61 to 90	-	430,427	37,232	10,328	7,169	18,291	183	7,364	4,340	515,334	524,563
91 to 180	-	1,146,612	119,391	62,691	40,702	1,969	411	29,864	1,287	1,402,927	1,535,718
181 to 365	-	1,889,757	339,656	145,972	87,562	3,288	832	349	13,611	2,481,027	2,357,854
Over 365	-	7,037,773	466,819	190,149	134,566	10,452	3,617	7,270	6,244	7,856,890	7,177,912
Subtotal	-	12,620,341	1,103,258	541,552	359,129	46,769	29,611	45,354	38,564	14,784,578	13,597,097
Allowance required	-	63,102	11,033	16,247	35,913	14,031	14,806	31,749	38,564	225,445	171,758
Total (1)	-	13,471,830	1,622,061	1,205,502	827,296	276,196	206,335	179,552	656,324	18,445,098	17,325,766
Total allowance	-	67,359	16,221	36,165	82,729	82,859	103,168	125,687	656,324	1,170,512	1,053,454

(1) Excluding mark-to-market amounting to R\$ 172,224 (Note 8a).

c) Change in the allowance for losses⁽¹⁾:

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Opening balance	954,613	842,259	1,070,436	959,818
- Allowance constituted	730,462	787,386	812,861	848,252
- Write off against allowance	(641,562)	(638,827)	(683,336)	(682,716)
Closing balance	1,043,513	990,818	1,199,961	1,125,354
- Credit recoveries (2)	154,031	195,691	174,900	230,464
- Effect on results (3)	(576,431)	(591,696)	(637,961)	(617,788)

(1) Includes: (i) other receivables with features of credit operations; (ii) foreign exchange transactions; (iii) other receivables without features of credit operations (Note 11); and (iv) receivables assigned with substantial retention of risks and benefits (Note 21b);

(2) In the period ended 9/30/2016, credits previously written-off against the allowance, totaling R\$ 174,900, were recovered (being credits of R\$ 154,031 in the Bank, R\$ 2,486 referring to lease operations and R\$ 18,383 of real estate credits).

(3) Expense of allowance constituted less income from credits recovered.



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d) Classification by area of economic activity:

Area of economic activity	Bank				Consolidated			
	9/30/2016		12/31/2015		9/30/2016		12/31/2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Individuals	14,194,463	83.31	12,100,600	76.66	14,998,005	81.31	12,971,002	74.87
Agribusiness	468,361	2.75	676,591	4.28	468,361	2.53	676,591	3.91
Sugar and ethanol	196,402	1.14	252,963	1.60	196,402	1.06	252,963	1.46
Agribusiness and animal protein	271,959	1.61	423,628	2.68	271,959	1.47	423,628	2.45
Commercial	546,647	3.21	706,584	4.48	546,935	2.97	707,341	4.08
Wholesale and retail	546,647	3.21	706,584	4.48	546,935	2.97	707,341	4.08
Basic industries	264,419	1.55	445,576	2.82	264,742	1.44	446,065	2.57
Auto parts	8,263	0.05	11,814	0.07	8,263	0.04	11,814	0.07
Chemical industry	23,550	0.14	49,269	0.31	23,550	0.13	49,269	0.28
Other industries	156,753	0.92	308,810	1.96	157,076	0.85	309,299	1.79
Paper and pulp	59,574	0.35	65,280	0.41	59,574	0.33	65,280	0.38
Textiles	16,279	0.09	10,403	0.07	16,279	0.09	10,403	0.06
Services	1,566,438	9.18	1,855,576	11.76	2,167,055	11.75	2,524,767	14.57
Construction and real-estate development	782,285	4.59	886,401	5.62	1,381,092	7.49	1,550,243	8.95
Financial	121,729	0.71	113,421	0.72	121,729	0.66	113,421	0.65
Vehicle rental	23,755	0.14	31,621	0.20	23,755	0.13	31,621	0.18
Media, IT and Telecom	589	0.01	18,647	0.12	589	0.01	18,647	0.11
Other services	455,705	2.67	609,792	3.86	457,513	2.48	615,140	3.55
Health, security and education	21,885	0.13	4,636	0.03	21,885	0.12	4,636	0.03
Transportation and logistics	135,858	0.79	177,374	1.12	135,858	0.74	177,374	1.02
Utilities	24,632	0.14	13,684	0.09	24,634	0.13	13,685	0.08
Total (1)	17,040,328	100.00	15,784,927	100.00	18,445,098	100.00	17,325,766	100.00

(1) Excluding mark-to-market amounting to R\$ 172,224 (Note 8a).



NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

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e) Concentration of credit operations:

Largest borrowers	Bank				Consolidated			
	9/30/2016		12/31/2015		9/30/2016		12/31/2015	
	Amount	%	Amount	%	Amount	%	Amount	%
10 largest borrowers	406,410	2.39	465,059	2.95	432,350	2.34	545,855	3.15
50 next largest borrowers	891,740	5.23	1,039,428	6.58	1,023,856	5.55	1,392,001	8.03
100 next largest borrowers	841,637	4.94	1,099,030	6.96	1,002,199	5.43	1,361,446	7.86
Other borrowers	14,900,541	87.44	13,181,410	83.51	15,986,693	86.68	14,026,464	80.96
Total	17,040,328	100.00	15,784,927	100.00	18,445,098	100.00	17,325,766	100.00

f) Transactions for the sale or transfer of financial assets:

I. Transactions with substantial transfer of risks and benefits:

In the period ended 9/30/2016 and 9/30/2015, credits were assigned to financial institutions as presented below:

	Bank					
	9/30/2016			9/30/2015		
	Assignment amount	Present value	Result (1)	Assignment amount	Present value	Result (1)
Consumer financing	3,757,157	3,493,203	263,954	4,520,948	4,238,652	282,296
Payroll-linked loans	4,454,173	3,349,080	1,105,093	4,965,686	3,940,823	1,024,863
Housing financing	6,149	6,097	52	164,692	162,867	1,825
Real estate development financing	-	-	-	2,853	2,830	23
Loans with real estate guarantees	151,253	138,744	12,509	-	-	-
Total	8,368,732	6,987,124	1,381,608	9,654,179	8,345,172	1,309,007

	Consolidated					
	9/30/2016			9/30/2015		
	Assignment amount	Present value	Result (1)	Assignment amount	Present value	Result (1)
Consumer financing	3,757,157	3,493,203	263,954	4,520,948	4,238,652	282,296
Payroll-linked loans	4,454,173	3,349,080	1,105,093	4,965,686	3,940,823	1,024,863
Housing financing	6,149	5,916	233	164,692	157,615	7,077
Real estate development financing	-	-	-	2,853	2,766	87
Loans with real estate guarantees	151,253	121,751	29,502	-	-	-
Total	8,368,732	6,969,950	1,398,782	9,654,179	8,339,856	1,314,323

(1) Recorded in income from credit operations.

II. Transactions with substantial retention of risks and benefits:

Assignments after CMN Resolution 3,533/08

The responsibilities for loans assigned with substantial retention of risks and benefits amounted to R\$ 364,171, in Banco PAN and Consolidated (R\$ 419,142 at December 31, 2015), calculated at present value using the agreed contract rates. Obligations in the amount of R\$ 434,007 (R\$ 489,692 at December 31, 2015) were assumed for these credits.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

g) Income on loan and leasing operations:

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Profit on credit assignments (Note 8f)	1,381,608	1,309,007	1,398,782	1,314,323
Consumer financing (1)	1,073,258	1,097,248	1,073,258	1,097,248
Payroll-linked loans (1)	1,255,245	871,898	1,255,245	871,898
Credit cards	424,316	310,981	424,316	310,981
Export financing	216,606	546,996	216,606	546,996
Working capital	237,382	293,126	237,382	293,126
Recovery of credits written-off as losses (2)	154,031	195,691	174,900	230,464
Personal credit (1)	14,241	21,460	14,241	21,460
Renegotiated loans	9,684	4,998	9,684	4,998
Housing loans	364	1,306	66,391	67,944
Income from real estate developments	-	-	15,178	21,361
Income from loans with real estate guarantees	-	-	98,000	88,359
Leasing, net of expenses (3)	-	-	509	2,683
Other	27,980	7,354	25,275	7,354
Total	4,794,715	4,660,065	5,009,767	4,879,195

(1) Mark-to-market hedge accounting on the following retail credit operations: payroll-linked loans; vehicles and personal credit.

(2) In the Consolidated, this balance includes loan and leasing operations; and

(3) Does not include recovery of lease receivables written-off as losses.

9) FOREIGN EXCHANGE PORTFOLIO

a) Balance sheet accounts:

Bank and Consolidated	9/30/2016	12/31/2015
Assets - Other receivables		
Foreign exchange purchases pending settlement	116,864	233,525
Income receivable	5,439	11,676
Total assets	122,303	245,201
Liabilities - Other liabilities		
Liabilities for exchange purchases	119,526	190,690
Advances on foreign exchange contracts	(119,526)	(190,684)
Total liabilities	-	6

b) Result on foreign exchange transactions:

Bank and Consolidated	9/30/2016	9/30/2015
Income from export financing	139,775	586,164
Foreign exchange variations	(147,173)	(402,327)
Total	(7,398)	183,837

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10) REAL ESTATE RECEIVABLES

These receivables comprise portfolios of housing loans acquired by Brazilian Securities, which could be utilized as guarantees for the future issuance of mortgage-backed securities (CRIs).

Consolidated	Final maturity	Charges	% interest p.a.	9/30/2016	12/31/2015
Tranches 95 and 96 (1)	9/8/2027	Referential Rate (TR)	8.65	5,275	6,182
Real estate credit note (CCI)	1/22/2044	National Civil Construction Index (INCC)/General Market Price Index (IGPM)/Savings Account/Interbank Deposit Certificate (CDI) and with no monetary restatement	0 to 20.05	38,686	33,597
Total				43,961	39,779

(1) These tranches were securitized.

Credit quality:

The contracts include a clause which places a lien on the financed property.

The assets are considered to be of good quality, since they are only acquired when they present characteristics, such as: guarantees, payment history and other factors, which demonstrate a high probability of realization, to enable their securitization.

11) OTHER RECEIVABLES - SUNDRY

	Bank		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Deferred tax assets (Note 32b)	2,874,590	2,686,160	3,285,461	3,061,285
Securities and credits receivable (1)	780,379	942,737	798,591	956,469
Taxes and contributions to be offset	195,418	204,598	253,058	276,376
Amounts receivable from credit assignments	1,169,866	921,297	1,169,866	921,297
Judicial and tax deposits	221,645	205,857	257,184	243,404
Amounts receivable from affiliates	43,124	41,346	35,587	30,607
Amounts receivable from payroll-linked loans (2)	82,458	62,814	82,458	62,814
Advances for payments	10,025	5,849	10,892	6,603
Residual benefit of securitized transactions (3)	-	-	3,727	8,433
Salary and other advances	480	908	660	1,526
Other	71,794	65,409	81,073	73,669
Total	5,449,779	5,136,975	5,978,557	5,642,483

(1) Refer to credit card receivables and securities receivable with credit concession characteristics.

(2) Refer mainly to: (i) amounts received and not yet transferred to the Bank by State and Municipal governments, whose transfers are being negotiated by the Bank, which constitutes a full allowance for losses, and for transfers in arrears for more than 180 days, the balance of which at September 30, 2016 amounted to R\$ 23,387 (R\$ 13,710 at December 31, 2015); and (ii) allowance for other receivables without credit features of R\$ 3,299 (R\$ 2,706 at December 31, 2015); and

(3) Refers to operations originating from Brazilian Securities Companhia de Securitização.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY INFORMATION

All amounts in thousands of reais unless otherwise stated

12) OTHER ASSETS

a) Assets not for own use and other:

	Residual value							
	Bank				Consolidated			
	Cost	Allowance for losses	9/30/2016	12/31/2015	Cost	Allowance for losses	9/30/2016	12/31/2015
Vehicles	33,763	(10,883)	22,880	26,925	34,208	(11,917)	22,291	26,355
Vehicles under special regime	25,835	(19,345)	6,490	3,995	27,227	(19,345)	7,882	5,191
Property	97,333	(8,019)	89,314	73,196	282,737	(16,988)	265,749	199,971
Properties under special regime	-	-	-	-	4,092	-	4,092	1,585
Total assets not for own use	156,931	(38,247)	118,684	104,116	348,264	(48,250)	300,014	233,102
Other items	644	-	644	2,672	644	-	644	2,672
Total other assets	157,575	(38,247)	119,328	106,788	348,908	(48,250)	300,658	235,774

b) Prepaid expenses:

	Bank		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Commissions paid to correspondent banks	376,268	439,368	380,619	439,444
Expenses for issuance of securities abroad	5,312	6,451	5,312	6,481
Other	6,853	2,993	9,018	5,042
Total	388,433	448,812	394,949	450,967



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All amounts in thousands of reais unless otherwise stated

13) INVESTMENTS

a) Subsidiaries:

Companies	Share capital	Adjusted equity	Number of shares/quotas held (in thousands)			Percentage ownership	Adjusted profit (loss)	Balance of investments		Equity accounting adjustment (1) Period ended	
			Comm. (ON)	Pref. (PN)	Units			9/30/2016	12/31/2015	9/30/2016	9/30/2015
Pan Arrendamento Mercantil S.A. (2)	141,521	55,198	11	-	-	99.97	(7,249)	55,181	62,429	(7,247)	(3,027)
Panserv Prestadora de Serviços Ltda. (2)	22,061	16,542	-	-	22,061	99.99	(16,645)	16,542	33,186	(16,645)	(1,200)
Panamericano Administradora de Consórcio (2)(3)	12,388	12,967	-	-	14,077	99.99	(3,606)	12,967	16,572	(3,606)	(1,095)
Pan Holding S.A.(4)	-	-	-	-	-	-	-	-	-	-	(43,388)
Brazilian Securities Companhia de Securitização (2)	174,201	216,507	77,865	-	-	100.00	775	218,545	214,690	775	-
Brazilian Finance & Real Estate S.A. (2)(5)	107,662	152,846	239	478	-	100.00	9,504	152,846	143,321	9,504	-
Brazilian Mortgages Companhia Hipotecária (2)(5)	236,631	150,628	748	748	-	100.00	(45,348)	212,851	266,202	(45,348)	-
BM Sua Casa Promotora de Vendas Ltda. (2)(5)	179,864	199,544	-	-	179,264	99.99	4,935	203,212	197,629	4,935	-
Stone Pagamentos S.A. (6)(7)(8)	491,792	470,683	480	-	-	10.10	32,087	47,539	-	32,087	-
Total								919,683	934,029	(25,545)	(48,710)

- (1) Considers results determined by the companies subsequent to acquisition and includes equity variations in the investees not derived from results, as well as adjustments arising from the equalization of accounting principles, where applicable.
- (2) Companies whose financial information for the quarter ended 9/30/2016 was audited by the same independent auditor as Banco PAN.
- (3) On November 5, 2015, the Bank acquired 2,958 quotas (21.01%) of Panamericano Administradora de Consórcio from Pan Arrendamento Mercantil and, accordingly, the Bank became the direct owner of 99.99% of the company.
- (4) Company split off at September 30, 2015.
- (5) Companies directly controlled by the Bank as from September 30, 2015; previously these companies were directly controlled by Pan Holding S.A. The carrying amounts of the related investments include goodwill on acquisition, net of amortization, which amounts to R\$ 67,929 (Brazilian Mortgages Companhia Hipotecária R\$ 62,223, BM Sua Casa Promotora de Vendas Ltda. R\$ 3,668 and Brazilian Securities Companhia de Securitização R\$ 2,038).
- (6) Company audited by other independent auditors;
- (7) On June 27, 2016, the Bank made a capital contribution of R\$ 12,360; and
- (8) As from August 2016, Banco PAN reclassified the investment of Stone to associated because it began to exercise significant influence, and therefore started to utilize the equity method of accounting.

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b) Other Investments:

	Bank and Consolidated	
	9/30/2016	12/31/2015
Stone Pagamentos S.A. (1)	-	3,092
Interbank Payment Chamber	379	379
Total	379	3,471

(1) As from August 1, 2016 Banco PAN started to recognize the investment under the Equity Method of Accounting (Note 13a).

14) FIXED ASSETS

a) Fixed assets:

Fixed assets are stated at cost of acquisition, less depreciation, which is calculated on the straight-line method at annual rates which take into consideration the economic useful lives of the assets

Bank	Annual rate	Cost	Depreciation	Residual value	
				9/30/2016	12/31/2015
Facilities, furniture and equipment in use	10%	27,263	(12,665)	14,598	17,340
Security and communications systems	10%	1,400	(477)	923	1,032
Data processing systems	20%	24,092	(13,437)	10,655	12,329
Transportation systems	20%	37	(36)	1	211
Total at 9/30/2016		52,792	(26,615)	26,177	-
Total at 12/31/2015		51,731	(20,819)	-	30,912

Consolidated	Annual rate	Cost	Depreciation	Residual value	
				9/30/2016	12/31/2015
Facilities, furniture and equipment in use	10%	56,439	(25,037)	31,402	36,433
Security and communications systems	10%	1,407	(477)	930	1,033
Data processing systems	20%	24,262	(13,510)	10,752	12,451
Transportation systems	20%	37	(36)	1	211
Total at 9/30/2016		82,145	(39,060)	43,085	-
Total at 12/31/2015		81,088	(30,960)	-	50,128

b) Change in fixed assets:

Bank	Facilities, furniture and equipment in use	Security and communications systems	Data processing systems	Transportation systems	Total
At 12/31/2015	17,340	1,032	12,329	211	30,912
Purchases	221	-	1,640	-	1,861
Disposals	(207)	(4)	(7)	(174)	(392)
Depreciation	(2,756)	(105)	(3,307)	(36)	(6,204)
At 9/30/2016	14,598	923	10,655	1	26,177

Consolidated	Facilities, furniture and equipment in use	Security and communications systems	Data processing systems	Transportation systems	Total
At 12/31/2015	36,433	1,033	12,451	211	50,128
Purchases	1,051	7	1,640	-	2,698
Disposals	(642)	(4)	(7)	(174)	(827)
Depreciation	(5,440)	(106)	(3,332)	(36)	(8,914)
At 9/30/2016	31,402	930	10,752	1	43,085

15) INTANGIBLE ASSETS

a) Goodwill:

Goodwill on the acquisition of investments amounted to R\$ 116,449 (Consolidated - R\$ 250,532), based on the related expected future profitability, and is being amortized on the straight-line basis over a ten-year period or upon realization. This goodwill is recorded in the parent company quarterly information under investments and in the consolidated quarterly information under intangible assets.

The amortization of goodwill totaled R\$ 8,734 in the parent company and R\$ 18,789 in the Consolidated for the period ended 9/30/2016.

b) Intangible assets acquired comprise the following:

Bank	Amortization rate	Cost	Amortization	Residual value	
				9/30/2016	12/31/2015
Expenses with software development	20% to 50%	113,993	(63,884)	50,109	55,852
Other	10%	22	(21)	1	1
Total at 9/30/2016		114,015	(63,905)	50,110	-
Total at 12/31/2015		99,067	(43,214)	-	55,853

Consolidated	Amortization rate	Cost	Amortization	Residual value	
				9/30/2016	12/31/2015
Expenses with software development	20% to 50%	117,946	(64,802)	53,144	58,810
Goodwill (Note 15a)	10%	250,532	(104,388)	146,144	164,933
Other	10%	22	(21)	1	1
Total at 9/30/2016		368,500	(169,211)	199,289	-
Total at 12/31/2015		353,220	(129,476)	-	223,744

c) Change in intangible assets by class:

Bank	Expenses with software design	Other	Total
At 12/31/2015	55,852	1	55,853
Additions	15,713	-	15,713
Disposals	(765)	-	(765)
Amortization for the period	(20,691)	-	(20,691)
At 9/30/2016	50,109	1	50,110

Consolidated	Expenses with software design	Goodwill (Note 15a)	Other	Total
At 12/31/2015	58,810	164,933	1	223,744
Additions	16,050	-	-	16,050
Disposals	(765)	-	-	(765)
Amortization for the period	(20,951)	(18,789)	-	(39,740)
At 9/30/2016	53,144	146,144	1	199,289



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16) DEPOSITS, FUNDS OBTAINED IN THE OPEN MARKET AND FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES

a) Deposits:

Bank	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Demand deposits (1)	44,581	-	-	-	-	44,581	75,647
Interbank deposits	-	11,699,760	2,380	8,005	31,367	11,741,512	10,097,093
Term deposits (2)	16,285	34,491	9,779	329,164	1,931,829	2,321,548	2,048,796
Total at 9/30/2016	60,866	11,734,251	12,159	337,169	1,963,196	14,107,641	-
Total at 12/31/2015	10,130,698	238,582	98,672	145,165	1,608,419	-	12,221,536

Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Demand deposits (1)	44,178	-	-	-	-	44,178	73,247
Interbank deposits	-	11,699,760	2,380	8,005	31,367	11,741,512	10,096,847
Term deposits (2)	16,285	34,491	9,779	329,150	1,749,739	2,139,444	1,927,017
Total at 9/30/2016	60,463	11,734,251	12,159	337,155	1,781,106	13,925,134	-
Total at 12/31/2015	10,128,298	238,582	98,278	144,919	1,487,034	-	12,097,111

(1) Classified as from 1 to 30 days, without considering average historical turnover and

(2) Hedge accounting transactions (Note 7f).

b) Funds obtained in the open market:

Bank	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Own Portfolio	1,655,284	-	-	-	98,701	1,753,985	1,222,223
National Treasury Bills (LTN)	1,126,173	-	-	-	-	1,126,173	685,340
Financial Treasury Bills (LFT)	317,663	-	-	-	98,701	416,364	100,551
National Treasury Notes (NTN)	211,448	-	-	-	-	211,448	436,332
Third-party portfolio	815,655	-	-	-	-	815,655	152,179
National Treasury Notes (NTN)	815,655	-	-	-	-	815,655	152,179
Free Movement Portfolio	-	-	-	-	-	-	269,570
National Treasury Notes (NTN)	-	-	-	-	-	-	269,570
Total at 9/30/2016	2,470,939	-	-	-	98,701	2,569,640	-
Total at 12/31/2015	1,273,851	269,570	-	-	100,551	-	1,643,972

Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Own Portfolio	1,655,284	-	-	-	94,750	1,750,034	1,215,970
National Treasury Bills (LTN)	1,126,173	-	-	-	-	1,126,173	685,341
Financial Treasury Bills (LFT)	317,663	-	-	-	94,750	412,413	94,298
National Treasury Notes (NTN)	211,448	-	-	-	-	211,448	436,331
Third-party portfolio	815,655	-	-	-	-	815,655	152,179
National Treasury Notes (NTN)	815,655	-	-	-	-	815,655	152,179
Free Movement Portfolio	-	-	-	-	-	-	269,570
National Treasury Notes (NTN)	-	-	-	-	-	-	269,570
Total at 9/30/2016	2,470,939	-	-	-	94,750	2,565,689	-
Total at 12/31/2015	1,273,851	269,570	-	-	94,298	-	1,637,719

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c) Funds from acceptance and issuance of securities:

Bank	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Marketable securities - local							
Financial Bills (LF)	-	266,295	434,690	139,104	523,311	1,363,400	1,555,272
Agribusiness letters of credit (LCA)	-	21,894	62,791	20,084	113,871	218,640	825,064
Real estate letters of credit (LCI)	-	339,507	160,144	374,555	77,878	952,084	565,090
Total at 9/30/2016	-	627,696	657,625	533,743	715,060	2,534,124	-
Total at 12/31/2015	152,927	773,492	490,422	697,326	831,259	-	2,945,426

Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Marketable securities - local							
Mortgage-backed securities (CRI)	69	137	206	394	7,112	7,918	8,633
Financial Bills (LF)	-	266,295	434,690	139,104	523,311	1,363,400	1,555,272
Agribusiness letters of credit (LCA)	-	21,894	62,791	20,084	113,871	218,640	825,064
Real estate letters of credit (LCI)	61,636	560,370	306,323	557,599	437,713	1,923,641	1,615,174
Total at 9/30/2016	61,705	848,696	804,010	717,181	1,082,007	3,513,599	-
Total at 12/31/2015	175,075	915,674	603,373	1,011,778	1,298,243	-	4,004,143

d) Expenses on deposits, funds obtained in the open market, funds from the issuance of securities and subordinated debt:

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Interbank deposits	1,164,905	780,970	1,164,894	780,595
Term deposits	303,198	375,676	285,907	365,930
Financial bills	170,633	214,141	170,633	214,141
Foreign exchange variations	(322,730)	862,504	(322,730)	862,504
Securities issued abroad and subordinated debt	105,250	168,834	105,250	168,834
Real estate letters of credit - LCI	70,174	42,879	174,745	145,898
Purchase and sale commitments	235,707	153,976	235,196	153,137
Agribusiness letters of credit (LCA)	48,714	83,820	48,714	83,537
Funds raised abroad - subordinated debt and marketable securities	(25,827)	92,163	(25,827)	92,163
Contributions to the Deposit Guarantee Fund (FGC)	3,735	5,298	4,946	6,583
Credits assigned with retention of risk	34,661	55,332	34,661	55,332
Total	1,788,420	2,835,593	1,876,389	2,928,654

17) INTERBANK ACCOUNTS - LOCAL CORRESPONDENTS

The accounts refer to the receipt of portions of contracts assigned and of assets repossessed relating to contracts assigned to be transferred to the assignees, updated at the rates agreed in the contracts.

The accounts are represented by consumer financing, personal credit, payroll-linked loans, and real-estate financing, which, at 9/30/2016, amounted to R\$ 113,326 (R\$ 102,786 at December 31, 2015).

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18) BORROWINGS

a) Balance sheet accounts:

Consolidated	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	9/30/2016	12/31/2015
Abroad (1)(2)	-	-	677	-	130,541	131,218	154,730
Total at 9/30/2016	-	-	677	-	130,541	131,218	-
Total at 12/31/2015	1,096	-	-	-	153,634	-	154,730

(1) Operation of Brazilian Securities with Interamerican Development Bank (BID); and

(2) Hedge accounting transaction (Note 7f).

b) Result on borrowings:

Borrowings	Consolidated	
	9/30/2016	9/30/2015
Local (1)	-	(11,523)
Foreign (2)(3)	19,170	(18,081)
Total	19,170	(29,604)

(1) Bank Credit Note (CCB) settled on December 4, 2015 with Credit Suisse.

(2) At 9/30/2015, the amount of R\$ (2,227) was reclassified to "Other operating expenses"; and

(3) The foreign exchange variations represented income of R\$ 26,530 at 9/30/2016 (RS 26,165 at 9/30/2015).

19) SUBORDINATED DEBTS

Presented below is the composition of the tranches and balances restated to the balance sheet dates:

Maturity	Original term in years	Transaction amount	Currency	Remuneration	Bank and Consolidated	
					9/30/2016	12/31/2015
Foreign (1.2):						
2020	10	US\$ 456,792,000	US\$	8.50% p.a.	1,645,421	2,203,182
Local:						
2018 (3)	06	R\$ 10,000	R\$	100.0% of CDI rate + 1.35% p.a.	16,592	14,876
2019 (4)	06	R\$ 100,000	R\$	100.0% of IPCA rate + 5.60% p.a.	153,695	139,288
2019 (5)	05	R\$ 500	R\$	111% of CDI	657	589
Total					1,816,365	2,357,935

(1) The mark-to-market adjustment of the subordinated debts was accounted for in the result of operations of funds obtained in the market, the amount of which represented an income of R\$ 25,827 in the period ended 9/30/2016 (expense of R\$ 81,069 in the period ended 9/30/2015). This operation has a market risk hedge (Note 7f).

(2) On June 23, 2016, the Bonds were paid in advance, corresponding to 8.64% of the debt in the amount of US\$ 43,208;

(3) Subordinated Financial Bills issued on May 22, 2012, maturing on May 22, 2018.

(4) Subordinated Financial Bills issued on June 5, 2013, maturing on April 5, 2019.

(5) Subordinated Financial Bills issued on October 13, 2014, maturing on October 14, 2019.

20) CONTINGENT LIABILITIES AND LEGAL OBLIGATIONS (TAX AND SOCIAL SECURITY)

Provisions classified as probable losses:

The Bank is a party to labor, civil and tax lawsuits arising in the normal course of its business. The corresponding provisions are constituted for processes, whenever losses are deemed probable, based on the opinion of the legal advisors, the type and complexity of the lawsuits and recent court sentences. The provision recorded is sufficient to cover the risk of loss arising from these lawsuits.



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Labor claims

The claims have been brought by former employees and service providers, designed to obtain the payment of labor amounts in general, arising from the requested classification of service providers as bank employees, and, in particular, overtime, based on the interpretation of Article 224 of the Consolidation of Labor Laws (CLT), or ancillary responsibility in lawsuits involving service providers.

The claims are managed individually through a computerized system and the provisions are constituted case by case, based on the criteria described above. Provisions are constituted for the full amount in the case of lawsuits with an unfavorable court decision.

Civil

These processes comprise payables for condemnatory actions relating to damages, protests of bills and notes, returned checks, inclusion of debtor names in the credit restriction register and the restitution of amounts.

The processes are managed individually through a computerized system and the provisions are constituted case by case when there is a likelihood of probable loss, considering the opinion of the legal advisors, the nature and complexity of the lawsuits and recent court decisions.

The related amounts are fully provided in the case of lawsuits with an unfavorable court decision. For calculating the value at risk in the other actions, the historical loss index of the processes concluded in the prior twelve months is applied to the amounts claimed.

I - Provisions segregated by nature:

	Bank		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Civil	187,126	141,534	200,591	153,638
Labor claims	115,226	98,623	181,439	132,741
Tax	364	3,635	15,856	17,317
Total (1)	302,716	243,792	397,886	303,696

(1) Note 21b.

II - Change in provisions:

Bank	Civil	Labor	Tax	Total
At 12/31/2015	141,534	98,623	3,635	243,792
Reductions	(72,055)	(55,568)	(5)	(127,628)
Constituted, net of amounts reversed	117,647	72,171	(3,266)	186,552
At 9/30/2016	187,126	115,226	364	302,716

Consolidated	Civil	Labor	Tax	Total
At 12/31/2015	153,638	132,741	17,317	303,696
Reductions	(75,569)	(68,854)	(12)	(144,435)
Constituted, net of amounts reversed	122,522	117,552	(1,449)	238,625
At 9/30/2016	200,591	181,439	15,856	397,886

There are no other significant administrative actions in progress for non-compliance with National Financial System rules or that could require the payment of fines, which could have a material effect on the financial position of the Bank or its subsidiaries.

III- Contingent liabilities classified as possible losses:

In the third quarter 2012, a tax assessment notice was issued against Pan Arrendamento Mercantil S.A. by the Brazilian Federal Revenue Service, through which the tax authority assessed income tax and social contribution on net income allegedly owed for the tax years 2007 and 2008, totaling R\$ 19,167, including fines and arrears interest. The process is at the Board of Tax Appeals, awaiting the judgment of the Voluntary Appeal of the company.

In the final quarter of 2012, three tax assessment notices were issued against Banco Pan S.A. by the Brazilian Federal Revenue Service, through which the tax authority assessed income tax and social contribution on net income allegedly owed for the tax years 2007 and 2008, totaling R\$ 170,477, including fines and arrears interest. The process is at the Board of Tax Appeals, awaiting the final judgment of the Voluntary Appeal of the company.

In the final quarter of 2013, tax assessment notices were issued against Pan Arrendamento Mercantil S.A. by the São Paulo municipal tax authority for Service Tax (ISS) payable on the guaranteed residual value (VRG) charged by the company in lease transactions during the period from 2008 to 2012, totaling R\$ 43,656 (not restated), including fines and arrears interest. The objection and appeals filed by the company with the Municipal Board of Taxes of São Paulo were finally and irrevocably considered as being without merit. The Company is waiting to be served with the formal notice of the decision to file a lawsuit against the Municipality.

In the first quarter of 2015, two tax assessment notices were issued against Banco Pan S.A., relating to the fiscal year 2010, one of which was issued for income tax and social contribution payable due to the disallowance of unsupported operating expenses, adjustments of net income for the year, and unauthorized eliminations, the non-restated principal of which, plus fine, amounts to R\$ 6,077. The other assessment notice was issued based on the unacceptability of having certain swap-related expenses deducted from the Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) calculation bases, the non-restated principal of which, plus fine, amounts to R\$ 3,320. These processes are being analyzed at the administrative level.

In the second quarter of 2016, two tax assessment notices were issued against Banco Pan S.A. by the São Paulo municipal tax authority for Service Tax (ISS) payable on fees arising from collection services, in the period from November 2011 to October 2012, whose updated amount of principal, fine and interest totaled R\$ 8,650. These proceedings are being analyzed at the administrative level.

Management, based on the opinion of its legal advisors, classified the likelihood of loss on these processes as possible.

21) OTHER LIABILITIES

a) Tax and social security:

	Bank		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Social contribution on revenues (COFINS)	14,724	12,426	15,893	15,118
Withholding tax at source on payments to third parties	10,803	6,969	11,019	7,315
Taxes and contributions on salaries	8,264	8,703	10,852	15,429
Government social integration program (PIS)	2,393	2,019	2,615	2,559
Service tax (ISS)	1,750	2,066	1,843	3,044
Withholding tax on fixed-income securities	445	1,896	445	2,075
Taxes and contributions on income	529	1,420	12,838	13,664
Provision for deferred income tax (Note 32e)	-	-	88,175	93,798
Total	38,908	35,499	143,680	153,002

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b) Sundry obligations:

	Bank		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Assignment with co-obligation - Payroll (1)	434,007	489,692	434,007	489,692
Credit card operations	590,059	664,694	590,059	664,709
Provision for contingent liabilities (Note 20)	302,716	243,792	397,886	303,696
Provision for payments to be effected	447,630	245,515	460,303	263,554
Collections	66,745	51,281	66,985	51,521
Amounts payable to affiliates	24,001	34,505	16,680	14,759
Amounts payable to correspondent banks	1,496	3,529	3,529	3,590
Allowance for loan assignment losses (Note 8c)	263	566	263	566
Specific consortium amounts	-	-	4,621	7,366
Other	58,458	34,041	59,027	39,805
Total	1,925,375	1,767,615	2,033,360	1,839,258

(1) Refers to the obligations assumed for credit assignment operations, with the substantial retention of risks and benefits, prior to CMN Resolution 3,533/08, and pledges (Note 8f).

22) EQUITY

a) Composition of capital in number of shares:

At September 30, 2016 and December 31, 2015, fully subscribed and paid-up capital totaled R\$ 3,460,732 and comprised nominative registered shares, with no par value, as presented in the table below:

	9/30/2016	12/31/2015
Common	535,029,747	535,029,747
Preferred	394,010,416	394,010,416
Total	929,040,163	929,040,163

b) Revenue reserves:

Legal reserve - pursuant to its Bylaws, the Bank should appropriate 5% of net income, after the deduction of accumulated losses and the income tax provision, to the legal reserve, the balance of which should not exceed 20% of the Bank's paid-up capital. However, in accordance with Article 193, paragraph 1, of Corporation Law 6,404/76, the Bank could choose not to appropriate a portion of its net income to the legal reserve in the year in which the balance of this reserve plus the capital reserves exceeds 30% of capital.

Reserve for integrity of equity - the purpose of the reserve is to ensure that there are sufficient funds to meet the Bank's regulatory and operational capital requirements. The reserve can be converted into capital by a decision of the Board of Directors. Observing the limit of authorized capital, the reserve could be formed, in accordance with the Board of Directors' proposal, with up to 100% of the net income remaining after the annual appropriations, but may not exceed the amount of the Bank's capital.

c) Dividends and interest on capital:

Stockholders are entitled to a minimum dividend calculated based on 35% of annual net income, adjusted pursuant to the Bylaws and Article 202 of Law 6,404/76.

At the Meeting of the Board of Directors held on February 1, 2016, the members approved the payment of interest on capital for 2015 amounting to R\$ 3,152, ratified at the Annual General Meeting deliberating on the management's accounts for that year, comprised as follows: R\$ 0.003392520 gross per share (R\$ 0.002881753 net of the 15% withholding income tax).

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23) INCOME FROM SERVICES RENDERED

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Credit operations	193,192	216,296	193,192	216,296
Income from credit cards	90,005	73,755	90,005	73,755
Income from commissions/brokerage	37,516	35,562	38,945	35,562
Income from collection services	803	1,139	803	1,139
Consortium plan management	-	-	19,683	13,647
Other	9,762	3,835	14,711	9,739
Total	331,278	330,587	357,339	350,138

24) PERSONNEL EXPENSES

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Salaries	163,880	143,991	230,219	240,913
Social charges	50,661	36,503	79,428	71,223
Benefits	28,732	23,801	48,614	51,097
Fees	11,294	12,328	19,080	24,556
Other	1,596	2,413	1,749	2,666
Total	256,163	219,036	379,090	390,455

25) OTHER ADMINISTRATIVE EXPENSES

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Commissions paid to correspondent banks	1,018,652	958,087	882,440	779,135
Third-party services	143,049	112,365	169,961	141,413
Financial system services	102,511	114,724	108,701	116,858
Data processing	100,547	80,306	102,648	82,241
Rentals	29,561	26,096	38,275	36,969
Communications	35,607	28,103	38,044	32,527
Depreciation and amortization	26,896	22,100	29,866	25,436
Advertising, promotions and publicity	11,159	27,544	13,673	30,562
Expenses for search and seizure of assets	20,951	17,334	20,951	17,334
Maintenance and repair of assets	1,924	1,869	3,323	3,800
Travel	3,530	4,822	4,883	6,863
Transportation	3,084	3,196	3,424	3,774
Fees and charges	2,862	2,802	5,843	6,697
Consumption materials	369	426	468	593
Other	64,208	51,164	75,680	59,519
Total	1,564,910	1,450,938	1,498,180	1,343,721

26) TAX EXPENSES

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Social contribution on revenues (COFINS)	95,899	101,358	114,724	121,831
Services tax (ISS)	15,517	15,623	23,479	26,096
Social Integration Program (PIS)	15,584	16,471	19,381	21,142
Taxes and charges	2,479	4,200	11,530	12,712
Total	129,479	137,652	169,114	181,781



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27) OTHER OPERATING INCOME AND EXPENSES

a) Other operating income:

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Recovery of charges and expenses	66,411	45,638	69,186	51,492
Monetary/foreign exchange variation gains	126,282	88,764	132,517	114,608
Residual benefit in securitized transactions	-	-	2,085	6,448
Reversal of provisions	3,372	689	11,122	8,614
Other	15,376	35,993	26,753	16,462
Total	211,441	171,084	241,663	197,624

b) Other operating expenses:

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Assignment of loans	344,760	366,367	344,760	366,367
Provisions	189,818	185,789	246,898	256,187
Loss on loan/financing operations and frauds	48,285	42,269	48,782	43,328
Monetary/foreign exchange variation losses	184,821	284,420	184,855	285,909
Discounts granted	23,575	21,890	24,156	22,731
Amortization of goodwill	8,734	8,734	18,789	18,789
Liens	17,810	19,794	17,845	19,813
Other	41,073	23,651	44,631	30,896
Total	858,876	952,914	930,716	1,044,020

28) NON-OPERATING RESULT

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Result on sale of other assets	(47,946)	(39,596)	(50,119)	(48,189)
Reversal/devaluation of other assets	2,165	4,153	4,231	8,752
Impairment of non-financial assets	-	-	-	(1,425)
Other	1,046	259	945	316
Total	(44,735)	(35,184)	(44,943)	(40,546)

29) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties (direct and indirect) are carried out under conditions and rates which are compatible with the average terms practiced with third parties effective on the contract dates.



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a) Balances and transactions with related parties:

	Maximum term	Bank			
		9/30/2016	12/31/2015	9/30/2016	9/30/2015
		Assets (liabilities)	Assets (liabilities)	Income (expenses)	Income (expenses)
Short-term interbank investments (a)					
Banco BTG Pactual S.A.	-	-	-	5,080	10,682
Brazilian Mortgages Cia Hipotecária	6/27/2017	498,443	466,298	47,009	16,048
Caixa Econômica Federal	7/1/2016	247,999	-	3,613	3,567
Pan Arrendamento Mercantil S.A.	11/1/2018	63,098	55,756	5,998	5,495
Total		809,540	522,054	61,700	35,792
Loan assignment (b)					
Caixa Econômica Federal	-	1,169,866	921,297	-	-
Total		1,169,866	921,297	-	-
Other credits					
Caixa Econômica Federal	No term	29,109	25,376	-	-
Pan Seguros S.A.	No term	6,249	4,583	-	-
Panamericana Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	14	11	-	-
Brazilian Mortgages Companhia Hipotecária	No term	3,412	3,958	-	-
Pan Arrendamento Mercantil S.A.	No term	-	13	-	-
Panserv Prestadora de Serviços Ltda.	No term	10	432	-	-
BM Sua Casa Promotora de Vendas Ltda.	No term	-	21	-	-
Brazilian Securities Companhia de Securitização (j)	No term	3,948	2,764	-	-
Panamericano Administradora de Consórcio Ltda.	No term	739	1	-	-
Brazilian Finance & Real Estate S.A. (j)	No term	3,732	3,732	-	-
Banco BTG Pactual S.A.	No term	-	456	-	-
Total		47,213	41,347	-	-
Demand deposits (c)					
Pan Seguros S.A.	No term	(286)	(245)	-	-
Panamericana Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	(10)	(101)	-	-
Panamericano Administradora de Consórcio Ltda.	No term	(25)	(8)	-	-
Pan Arrendamento Mercantil S.A.	No term	(29)	(88)	-	-
Panserv Prestadora de Serviços Ltda.	No term	(5)	(5)	-	-
BM Sua Casa Promotora de Vendas Ltda.	No term	(2)	(11)	-	-
Brazilian Finance & Real Estate S.A.	No term	(1)	(10)	-	-
Brazilian Mortgages Cia Hipotecária	No term	(335)	(2,273)	-	-
Brazilian Securities Companhia de Securitização	No term	(6)	(5)	-	-
Key management personnel	No term	(117)	(3)	-	-
Total		(816)	(2,749)	-	-
Interbank deposits (d)					
Banco BTG Pactual S.A.	7/1/2016	(432,000)	(310,000)	(49,390)	(182,811)
Caixa Econômica Federal	7/27/2016	(11,226,113)	(9,691,077)	(1,106,135)	(574,363)
Brazilian Mortgages Companhia Hipotecária	5/5/2016	-	(246)	(11)	(375)
Total		(11,658,113)	(10,001,323)	(1,155,536)	(757,549)
Time deposits (e)					
Panamericana Adm. e Corret. de Seg.de Prev. Privada Ltda.	5/29/2019	(26,442)	(14,569)	(2,050)	(1,506)
Panamericano Administradora de Consórcio Ltda.	6/13/2019	(3,342)	(7,837)	(655)	(715)
Panserv Prestadora de Serviços Ltda.	5/23/2019	(32,969)	(21,059)	(2,760)	(2,270)
Brazilian Securities Companhia de Securitização	3/18/2019	(70,094)	(37,735)	(7,319)	(496)
Brazilian Finance & Real Estate S.A.	6/12/2019	(71,727)	(49,656)	(5,995)	(4,589)
BM Sua Casa Promotora de Vendas Ltda.	6/5/2019	(3,972)	(5,492)	(561)	(495)

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BMSR II Participações S.A.	-	-	-	-	(69)
Pan Holding S.A.	-	-	-	-	(1,685)
Total		(208,546)	(136,348)	(19,340)	(11,825)
Liabilities for purchase and sale commitments					
Banco BTG Pactual S.A.	7/1/2016	(510,001)	(630,001)	(55,378)	(8,742)
Caixa Econômica Federal	-	(101)	(901)	(453)	(443)
Panamericano Administradora de Consórcio Ltda.	8/31/2022	(3,950)	(6,254)	(511)	(838)
Total		(514,052)	(637,156)	(56,342)	(10,023)
Funds from real estate and agribusiness letters of credit and financial bills (f)					
Banco BTG Pactual S.A.	2/23/2018	(122,834)	(404,366)	(24,442)	(39,547)
Key management personnel	1/28/2020	(34,889)	(30,719)	(3,186)	(2,498)
Brazilian Securities Companhia de Securitização	-	-	-	-	(283)
Total		(157,723)	(435,085)	(27,628)	(42,328)
Derivative financial instruments (g)					
Brazilian Securities Companhia de Securitização	2/15/2022	14,211	(13,321)	40,957	(15,796)
Banco BTG Pactual S.A.	2/15/2022	66,155	351,450	(232,434)	140,823
Total		80,366	338,129	(191,477)	125,027
Other liabilities					
Pan Seguros S.A.	No term	(16,613)	(14,756)	-	-
Panserv Prestadora de Serviços Ltda.	No term	(6,305)	(18,354)	-	-
Brazilian Mortgages Companhia Hipotecária	No term	(938)	(1,343)	-	-
Brazilian Finance & Real Estate S.A.	No term	(77)	(16)	-	-
Pan Arrendamento Mercantil S.A.	No term	-	(36)	-	-
BM Sua Casa Promotora de Vendas Ltda.	No term	(1)	-	-	-
Total		(23,934)	(34,505)	-	-
Income from services rendered (h)					
Pan Seguros S.A.	-	-	-	40,537	8,486
Total		-	-	40,537	8,486
Personnel expenses (i)					
Brazilian Mortgages Companhia Hipotecária	-	-	-	(266)	-
Pan Seguros S.A.	-	-	-	(152)	(144)
Total		-	-	(418)	(144)
Other administrative expenses					
Panserv Prestadora de Serviços Ltda.	-	-	-	(151,557)	(189,454)
Pan Seguros S.A.	-	-	-	(2,795)	(1,445)
Tecban S.A.	-	-	-	(1,015)	(1)
Interbank Payment Chamber	-	-	-	(5,502)	(7,078)
Total		-	-	(160,869)	(197,978)
Income from loan assignments					
Caixa Econômica Federal	-	-	-	1,381,608	1,309,007
Total		-	-	1,381,608	1,309,007

(a) Refer to the Bank's applications with rates equivalent to those of the CDI.

(b) Refers to the performance bonus on the assignment of credits without recourse.

(c) Refer to the outstanding balances of current accounts of affiliates held at the Bank.

(d) Refer to the funding through interbank deposits with rates equivalent to those of the CDI.

(e) Refer to the funding through time deposits made at the Bank.

(f) Refer to the capture of funds through letters of credit for agribusiness and real estate and financial bills with rates at an average of 97.7% of the CDI.

(g) Refer to swaps.

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- (h) Refers to the commissions paid to the Bank for insurance intermediation and the commissions paid to the correspondent for business intermediation.
 (i) Refer to the portion of expenses on group life insurance that the Bank pays to its employees.
 (j) Dividends receivable amounting to: R\$ 2,389 from Brazilian Finance & Real Estate S.A. and R\$ 1,700 from Brazilian Securities Companhia de Securitização.

	Maximum term	Consolidated			
		9/30/2016	12/31/2015	9/30/2016	9/30/2015
		Assets (liabilities)	Assets (liabilities)	Income (expenses)	Income (expenses)
Available funds (a)					
Caixa Econômica Federal	No term	2,609	2,403	-	-
Total		2,609	2,403	-	-
Short-term interbank investments (b)					
Banco BTG Pactual S.A.	-	-	-	5,080	10,682
Caixa Econômica Federal	7/1/2016	247,999	-	3,613	3,567
Total		247,999	-	8,693	14,249
Loan assignment (c)					
Caixa Econômica Federal	-	1,169,866	921,297	-	-
Total		1,169,866	921,297	-	-
Other credits					
Caixa Econômica Federal	No term	29,109	25,376	-	-
Pan Seguros S.A.	No term	6,249	4,583	-	-
Panamericana Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	14	11	-	-
Banco BTG Pactual S.A.	No term	-	456	-	-
Total		35,372	30,426	-	-
Demand deposits (d)					
Pan Seguros S.A.	No term	(286)	(245)	-	-
Panamericana Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	(10)	(101)	-	-
Key management personnel	No term	(117)	(3)	-	-
Total		(413)	(349)	-	-
Interbank deposits (e)					
Banco BTG Pactual S.A.	7/1/2016	(432,000)	(310,000)	(49,390)	(182,811)
Caixa Econômica Federal	7/27/2016	(11,226,113)	(9,691,077)	(1,106,135)	(574,363)
Total		(11,658,113)	(10,001,077)	(1,155,525)	(757,174)
Time deposits (f)					
Panamericana Adm. e Corret. de Seg.de Prev. Privada Ltda.	11/23/2018	(26,442)	(14,569)	(2,050)	(1,506)
Total		(26,442)	(14,569)	(2,050)	(1,506)
Liabilities for purchase and sale commitments					
Banco BTG Pactual S.A.	7/1/2016	(60,496)	(630,001)	(55,378)	(8,742)
Caixa Econômica Federal	-	(101)	(901)	(453)	(443)
Total		(60,597)	(630,902)	(55,831)	(9,185)
Funds from real estate and agribusiness letters of credit and financial bills (g)					
Banco BTG Pactual S.A.	2/23/2018	(169,162)	(404,366)	(31,593)	(48,839)
Key management personnel	5/14/2022	(36,740)	(33,409)	(3,356)	(2,567)
Total		(205,902)	(437,775)	(34,949)	(51,406)
Derivative financial instruments (h)					
Banco BTG Pactual S.A.	2/15/2022	66,155	351,450	(232,434)	140,823
Total		66,155	351,450	(232,434)	140,823



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Other liabilities					
Pan Seguros S.A.	No term	(16,613)	(14,759)	-	-
Total		(16,613)	(14,759)	-	-
Income from services rendered (i)					
Pan Seguros S.A.	-	-	-	40,537	8,486
Panamericana Adm. e Corret. de Seg.de Prev. Privada Ltda.	-	-	-	-	1,381
Total		-	-	40,537	9,867
Personnel expenses (j)					
Pan Seguros S.A.	-	-	-	(197)	(362)
Total		-	-	(197)	(362)
Other administrative expenses					
Pan Seguros S.A.	-	-	-	(2,795)	(1,445)
Banco BTG Pactual S.A.	-	-	-	-	(237)
Tecban S.A.	-	-	-	(1,015)	(1)
Interbank Payment Chamber	-	-	-	(5,502)	(7,078)
Total		-	-	(9,312)	(8,761)
Income from loan assignments					
Caixa Econômica Federal	-	-	-	1,398,782	1,314,323
Total		-	-	1,398,782	1,314,323

(a) Refer to the current accounts of the companies Pan Holding S.A. and Brazilian Mortgages Companhia Hipotecária.

(b) Refer to the Bank's applications with rates equivalent to those of the CDI.

(c) Refers to the performance bonus on the assignment of credits without recourse.

(d) Refer to the outstanding balances of current accounts of affiliates held at the Bank.

(e) Refer to the funding through interbank deposits with rates equivalent to those of the CDI.

(f) Refer to the funding through time deposits made at the Bank.

(g) Refer to the capture of funds through agribusiness and real estate letters of credit and financial bills with rates at an average of 97.7% of the CDI.

(h) Refer to swaps.

(i) Refers to the commissions paid to the Bank for insurance intermediation and the commissions paid to the correspondent for business intermediation.

(j) Refer to the portion of expenses on group life insurance that the Bank pays to its employees.

b) Key management remuneration:

At the Annual General Meeting, held on April 29, 2016, the maximum amount of key management remuneration for 2016 was established at R\$ 30,000 (R\$ 35,000 in 2015) (expenses with fees). The amount in the PAN Group for 2016 is R\$ 60,000 (R\$ 70,000 in 2015).

Short-term benefits provided to management (1)

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Expenses with fees (Note 24)	11,294	12,328	19,080	24,556
Social security contributions (INSS)	2,541	2,774	4,293	5,525
Total	13,835	15,102	23,373	30,081

(1) Recorded in the "Personnel expenses" account.

PAN provides no long-term benefits, related to employment contract rescissions, or share-based remuneration to its key management personnel.



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- **Other information**

In accordance with the legislation in force, financial institutions cannot grant loans or advances to the following:

- I. Directors and members of the advisory, administrative, supervisory or similar boards and their respective spouses and relatives up to the second degree.
- II. Individuals or legal entities holding an ownership interest of more than 10%.
- III. Legal entities in which the financial institution itself and any of its directors or managers and their spouses and relatives up to the second degree hold an ownership interest of more than 10%.

30) FINANCIAL INSTRUMENTS

- **Risk management**

The Bank has exposure with assets and liabilities involving derivative financial instruments, which are recorded in balance sheet, income and expenses and memorandum accounts.

The Bank's management is responsible for establishing a risk policy and exposure limits. The control and compliance management area, which is independent of the business and operational areas, is responsible for identifying, assessing, monitoring and reporting compliance with the risk guidelines established by management.

- **Capital management**

The Bank considers that capital management is a strategic process designed to optimize the utilization of available capital, contribute to the achievement of its strategic objectives and comply with the minimum capital limits established by the regulatory authority.

The Bank's capital management framework is compatible with the nature of its operations, the complexity of its products and services and its risk exposure and covers all the companies of the Group's financial conglomerate.

Capital management is a continuous process for (i) monitoring and controlling capital; (ii) assessing the need for capital to face the potential risks to the Institution; and (iii) planning the capital targets and requirements. Capital management is based on the Bank's strategic objectives, business opportunities and the regulatory environment.

The Bank manages its capital based on a timely and prospective approach, in line with best practices and in compliance with the recommendations issued by the Basel Committee, through policies and strategies that anticipate the capital that could be required as a result of possible changes in market conditions and which are reviewed periodically by the Executive Board and Board of Directors.

OPERATING LIMITS - BASEL ACCORD

PAN complies with the minimum capital requirements established by CMN Resolutions 4,192/13 and 4,193/13. Required capital amounts are calculated in accordance with BACEN Circular 3,644/13 for credit risk, BACEN Circulars 3,634/13 to 3,639/13, 3,641/13 and 3,645/13 for market risk, and BACEN Circular 3,640/13 for operating risk.

The calculation of the indicators of Prudential Capital of the Conglomerate were as follows:

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Calculation basis - Basel ratio	9/30/2016	12/31/2015
Tier I reference equity	1,930,735	2,400,644
Core capital	1,930,735	2,400,644
Tier II reference equity	778,255	919,813
Reference equity for comparison with risk-weighted assets (RWA)	2,708,990	3,320,457
Reference equity	2,708,990	3,320,457
- Credit risk	18,471,288	18,804,777
- Market risk	408,468	324,085
- Operating risk	1,285,684	971,467
Risk-weighted assets (RWA)	20,165,440	20,100,329
Basel ratio	13.43%	16.52%
Tier I	9.57%	11.94%
Tier II	3.86%	4.58%

- **Credit risk**

Credit risk is the possibility of the occurrence of losses related to the non-fulfillment by customers or counterparties of their corresponding financial obligations under the agreed terms, the devaluation of a loan agreement as a result of a deterioration in the borrower's risk rating, decreased gains or remuneration, advantages granted in renegotiations and recovery costs.

Management of credit risks involves policies and strategies, operating limits, risk mitigation techniques and procedures for maintaining the credit risk exposure at levels which are considered to be acceptable by the Institution.

- **Market risk**

This risk arises from the possibility of loss due to rate fluctuations and the mismatching of the terms and currencies of the consolidated asset and liability portfolios. These risks are managed daily through methodologies established by best practice guidelines.

The transactions are exposed to the following risk factors: fixed interest rates, interest rates linked to foreign exchange variations and their corresponding spot rates, interest rates linked to price indexes (National Consumer Price Index (INPC), National Civil Construction Index (INCC), Amplified Consumer Price Index (IPCA) and the General Market Price Index (IGPM)), as well as other interest rates (TR), foreign exchange variations (US\$) and share price variations.

The financial instruments are segregated into the following portfolios:

Trading portfolio - all transactions conducted with financial instruments, including derivatives, held with the intention of trading or for hedging other trading portfolio instruments. Transactions held for trading are those intended for resale, for obtaining benefits from effective or expected changes in prices or arbitrage.

Banking portfolio: all transactions not classified in the trading portfolio. They consist of structural operations arising from the business lines of the organization and any related hedges.



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Sensitivity analysis at 9/30/2016

Risk factors	Trading and Banking Portfolio exposures subject to variation:	SCENARIOS(*)		
		(1)Probable	(2)Possible	(3)Remote
Interest rates	Fixed interest rates	(1,663)	(478,471)	(929,284)
Coupon - other interest rates	Coupon rates of interest rates	(341)	(86,240)	(161,520)
Coupon - price index	Coupon rates of price indexes	(477)	(67,940)	(128,845)
Foreign currency	Foreign exchange rates	(691)	(17,274)	(34,548)
Foreign exchange coupon	Foreign exchange coupon rates	(12)	(422)	(1,333)
Total at 9/30/2016		(3,184)	(650,347)	(1,255,530)
Total at 12/31/2015		(2,186)	(773,335)	(1,570,755)

(*) Amounts gross of taxes.

The sensitivity analysis was effected based on the market data for the last day in June 2016, always considering the adverse impact on the positions for each vertex. The effects do not consider the correlation between the vertices and the risk factors and tax effects.

Scenario 1: a one basis point (0.01%) shock (upward or downward) was applied to the forward interest rate structure in all vertices/terms. For example: a 10% p.a. rate becomes 10.01% p.a. or 9.99% p.a. For foreign currencies and shares, a 1% shock was applied to the effective price.

Scenario 2: a 25% shock (upward or downward) was applied to the rates (application of a 1.25 multiplier). For example: a 10% p.a. rate becomes 12.50% p.a. or 7.50% p.a. For foreign currencies and shares, a 25% shock was applied to the effective price.

Scenario 3: a 50% shock (upward or downward) was applied to the rates (application of a 1.50 multiplier). For example: a 10% p.a. rate becomes 15.00% p.a. or 5.00% p.a. For foreign currencies and shares, a 50% shock was applied to the effective price.

It should be noted that the results of scenarios (2) and (3) refer to simulations which involve significant stress situations, without considering correlation factors among the indexes. They do not reflect possible variations arising from market dynamics, the probability of the occurrence of which is considered to be low, and also, from measures which could be taken by the Institution itself to mitigate any potential risks.

The Bank uses derivative financial instruments for hedging purposes to meet its needs for managing market risks arising from the mismatching of currencies, indexes, portfolio terms and arbitrage.

At September 30, 2016 and December 31, 2015, the position of the derivative financial instruments, in foreign currency, was as follows:

	Notional value		Market value	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Purchased position - U.S. Dollar				
Swap	1,386,619	1,112,537	2,027,298	2,627,538
DDI	73,926	62,964	73,926	62,964
DOL	1,623	133,012	1,623	133,012
Options	541	-	541	-
Total	1,462,709	1,308,513	2,103,388	2,823,514
Sold position - U.S. dollar				
Swap	133,211	131,141	112,640	139,215
DDI	164,907	575,394	164,907	575,394
DOL	40,878	90,860	40,878	90,860
NDF	6,130	12,470	5,282	12,987
Options	277	-	277	-
Total	345,403	809,865	323,984	818,456

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- **Liquidity risk**

Liquidity risk is defined as the possibility that the Institution will not be able to efficiently honor its expected and unexpected, current and future obligations, including those arising from related guarantees, without affecting its daily transactions and without incurring significant losses; and also, the possibility that the Institution will not be able to negotiate a specific position at market price, due to the amount being elevated in relation to the financial volume usually transacted or because of some market discontinuity.

The liquidity position, mismatching of primary risk factors and the rates and terms of assets and liabilities in the portfolio are constantly monitored.

The Bank maintains adequate liquidity levels, resulting from the quality of its assets and risk controls, in accordance with the Liquidity Risk Management Policy established and the regulatory requirements of the National Monetary Council (CMN Resolutions 2,804/00 and 4,090/12). The results of the gap analyses designed to assess liquidity risk are reported fortnightly to the Treasury Committee.

- **Operating risk**

This risk refers to the possibility of losses occurring as a result of the failure, deficiency or inadequacy of internal processes, people and systems, or external events. This definition includes legal risk, which is the risk related to the inadequacy or deficiencies in contracts entered into by the Institution, as well as any sanctions imposed as a result of non-compliance with legal provisions and indemnities for damages to third parties arising from the activities carried out by the Institution.

In order to comply with the principles of CMN Resolution 2,554/98 and Item III of Article 9 of CMN Resolution 3,380/06, the Group has an independent organizational framework responsible for the management and control of operating risks. The Internal Control, Compliance and Operating Risk area is also responsible for the prevention of money laundering and for Business Continuity activities.

In compliance with the requirements established by BACEN Circular 3,678/13, the information on the risk management process is available for consultation on the website: www.bancopan.com.br/ri "Risk Management Report"

- **Market value**

The net book and market values of the main financial instruments are presented below:

Item	9/30/2016			12/31/2015		
	Net book value	Market value	Unrealized profit (loss)	Net book value	Market value	Unrealized profit (loss)
Marketable securities	2,734,448	2,742,537	8,089	2,143,368	2,098,036	(45,332)
- Adjustment of trading securities	550,050	550,050	-	5,239	5,239	-
- Adjustment of available-for-sale securities	1,062,291	1,062,291	-	948,518	948,518	-
- Adjustment of securities held to maturity	1,122,107	1,130,196	8,089	1,189,611	1,144,279	(45,332)
Loan and leasing operations	18,445,098	21,276,642	2,831,544	17,325,766	18,527,053	1,201,287
Term deposits	2,139,444	3,506,166	(1,366,722)	1,927,017	2,612,617	(685,600)
Interbank deposits	11,741,512	11,745,033	(3,521)	10,096,847	10,099,971	(3,124)
Funds from issuance of securities	3,513,599	3,518,202	(4,603)	4,004,143	4,010,740	(6,597)
Borrowings	131,218	131,218	-	154,730	166,004	(11,274)
Subordinated debts	1,816,365	1,815,499	866	2,357,935	2,352,388	5,547
Unrealized profit with no tax effects			1,465,653			454,907

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Determination of the market value of financial instruments:

- The market values of marketable securities, subordinated debts and derivative financial instruments are based on market price quotations at the balance sheet date. When these market quotations are not available, the market values are based on pricing models or equivalent instruments.
- The market values of the loan or leasing operations are determined by discounting future flows at the rates practiced in the market for equivalent transactions at the balance sheet date.
- The market values of time and interbank deposits and borrowings and onlendings are calculated by applying the rates practiced for equivalent instruments at the balance sheet date to the existing assets and liabilities.

31) EMPLOYEE BENEFITS

On May 4, 2015, the National Superintendency of Complementary Pensions (PREVIC) approved the withdrawal of the sponsorship of the Bank for the Benefits Plan V of the Silvio Santos Group, because the Bank had ceased to be part of the same economic group of the companies that comprise the Benefits Plan V, and also because it did not form part of the policies/benefit plan adopted by the institution. In the period ended 9/30/2015, the contribution amounted to R\$ 223 and R\$ 230 in the Bank and in the Consolidated, respectively.

In line with best market practices, PAN offers a number of social benefits to its employees, including: (a) healthcare assistance; (b) dental care assistance; (c) life insurance; (d) meal vouchers; (e) food vouchers. In the period ended 9/30/2016, the related expenses amounted to R\$ 28,224 and R\$ 48,355 in the Bank and in the Consolidated, respectively, (R\$ 24,514 and R\$ 52,006 in the Bank and in the Consolidated, respectively, in the period ended 9/30/2015).

32) INCOME TAX AND SOCIAL CONTRIBUTION

a) Calculation of income tax and social contribution in the results:

	Bank		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Loss before income tax and social contribution	(419,806)	(272,767)	(450,959)	(303,481)
Effective rate (1) / (2)	45%	45%	-	-
Total income tax and social contribution credit at the effective rate	188,913	122,745	208,800	128,920
Effect on tax calculation:				
Constitution of CSLL tax credit (2)	-	147,550	-	150,876
Equity in the results of investees	(11,495)	(21,920)	14,439	-
Other amounts	4,954	(1,233)	(9,716)	(1,941)
Income tax and social contribution credit in the period	182,372	247,142	213,523	277,855

(1) In Consolidated, the effective rate is not presented because different rates are used for financial segment and other companies.

(2) Law 13,169/15 was published on October 7, 2015, originated from Provisional Measure 675/15, which increased from 15% to 20% the Social Contribution on Net Income (CSLL) rate charged to financial institutions as from September 1, 2015. The collection is effective up to December 31, 2018, returning to 15% as from 2019.

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b) Origin and change in deferred income tax and social contribution assets:

	Bank			
	At 12/31/2015	Additions	Amount realized	At 9/30/2016
Allowance for doubtful accounts	1,098,709	328,707	(235,773)	1,191,643
Provision for civil contingencies	63,690	53,024	(32,507)	84,207
Provision for labor contingencies	44,381	34,232	(26,761)	51,852
Provision for tax contingencies	1,597	54	(1,505)	146
Provision for loss on assets not for own use	13,576	5,069	(1,434)	17,211
Mark-to-market adjustment of derivatives	56,341	219,602	(257,319)	18,624
Other provisions	130,315	126,480	(18,836)	237,959
Total deferred tax assets on temporary differences	1,408,609	767,168	(574,135)	1,601,642
Income tax and social contribution losses	1,277,551	124	(4,727)	1,272,948
Deferred tax assets, net of deferred tax liabilities	2,686,160	767,292	(578,862)	2,874,590

	Consolidated			
	At 12/31/2015	Additions	Amount realized	At 9/30/2016
Allowance for doubtful accounts	1,190,930	357,009	(242,538)	1,305,401
Provision for civil contingencies	68,717	55,861	(34,835)	89,743
Provision for labor contingencies	56,311	53,130	(34,927)	74,514
Provision for tax contingencies	7,056	905	(1,627)	6,334
Provision for loss on assets not for own use	19,446	5,194	(3,986)	20,654
Mark-to-market adjustment of derivatives	72,449	236,118	(265,020)	43,547
Other provisions	150,165	129,198	(28,736)	250,627
Total deferred tax assets on temporary differences	1,565,074	837,415	(611,669)	1,790,820
Income tax and social contribution losses	1,496,211	10,938	(12,508)	1,494,641
Total deferred tax assets	3,061,285	848,353	(624,177)	3,285,461
Deferred tax liabilities (Note 33(e))	(93,798)	(8,163)	13,786	(88,175)
Deferred tax assets, net of deferred tax liabilities	2,967,487	840,190	(610,391)	3,197,286

c) Expected realization of deferred tax assets in respect of temporary differences and income tax and social contribution losses:

The projected realization of deferred tax assets was based on a review of the study of the current and future scenarios, effected at 9/30/2016. The main assumptions utilized in the projections were based on macroeconomic indicators, production indicators and the cost of funding. This projected realization of deferred tax assets, and of the assumptions adopted, was approved by the Bank's Board of Directors on 8/1/2016.

Deferred income tax and social contribution assets will be realized as the temporary differences are reversed or when they qualify for tax deductibility, or on the offset of the tax losses, a portion of which offset is being discussed at the administrative level, with excellent prospects of success for the Bank.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

All amounts in thousands of reais unless otherwise stated

The estimated realization of these assets is as follows:

	Bank					
	Temporary differences		Income tax and social contribution losses		Total	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015
2016	357,701	368,589	1,209	2,706	358,910	371,295
2017	721,587	565,549	19,605	7,450	741,192	572,999
2018	459,084	265,755	43,133	1,733	502,217	267,488
2019	41,821	155,558	103,582	77,218	145,403	232,776
2020	4,177	36,514	170,847	143,922	175,024	180,436
2021	607	50	188,304	199,861	188,911	199,911
2022	2,220	2,183	213,265	236,938	215,485	239,121
2023	5,492	5,240	247,488	283,446	252,980	288,686
2024	5,120	5,240	276,996	324,268	282,116	329,508
2025	3,833	3,931	8,519	9	12,352	3,940
Total	1,601,642	1,408,609	1,272,948	1,277,551	2,874,590	2,686,160

	Consolidated					
	Temporary differences		Income tax and social contribution losses		Total	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015
2016	376,503	384,363	5,801	10,397	382,304	394,760
2017	762,769	592,849	28,329	20,190	791,098	613,039
2018	483,886	288,168	57,023	16,116	540,909	304,284
2019	64,839	176,972	118,660	92,892	183,499	269,864
2020	28,202	66,724	185,798	156,416	214,000	223,140
2021	19,170	1,257	202,938	217,919	222,108	219,176
2022	14,221	10,883	229,313	250,655	243,534	261,538
2023	10,813	10,312	262,546	297,478	273,359	307,790
2024	10,130	10,312	293,824	338,297	303,954	348,609
2025	20,287	23,234	25,619	13,718	45,906	36,952
2026	-	-	5,617	-	5,617	-
Total	1,790,820	1,565,074	1,415,468	1,414,078	3,206,288	2,979,152

At 9/30/2016, the present value of deferred tax assets, calculated based on the Bank's average funding rate, totaled R\$ 1,831,510 in the Bank and R\$ 2,014,659 in Consolidated (R\$ 1,491,591 in the Bank and R\$ 1,640,235 in Consolidated at December 31, 2015).

In accordance with Article 5, paragraph 2 of CVM Resolution 3,059/02, the deferred tax assets which originated from tax losses incurred by excluding the credit from excess depreciation, in the amount of R\$ 79,173 (R\$ 82,133 at December 31, 2015), are not subject to the generation of profits based on a technical study.

d) Unrecorded deferred tax assets:

At 9/30/2016, deferred tax assets of R\$ 456,602 in the Bank and Consolidated were not recorded in respect of tax losses of approximately R\$ 1,141,506 (R\$ 1,130,522 at December 31, 2015 in the Bank and Consolidated), since they did not meet all of the conditions established by BACEN.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

All amounts in thousands of reais unless otherwise stated

e) Deferred tax liabilities:

Consolidated	At 12/31/2015	Additions	Amount realized	At 9/30/2016
Mark-to-market adjustment of derivative financial instruments	(10,167)	(8,163)	10,536	(7,794)
Excess depreciation	(83,631)	-	3,250	(80,381)
Total	(93,798)	(8,163)	13,786	(88,175)

33) OTHER INFORMATION

- a) Guarantees and sureties granted totaled R\$ 270,819 at September 30, 2016 (R\$ 277,656 at December 31, 2015).
- b) The policy of the Bank and its subsidiaries is to contract insurance for its cash, checks received as collateral and assets at amounts which are considered sufficient to cover potential losses.
- c) At 9/30/2016 and 9/30/2015, the Bank and its subsidiaries did not have lease agreements for own acquisitions.
- d) CMN Resolution 4,036/11 became effective on January 1, 2012 and permits the deferral of the net loss generated by the renegotiation of previously assigned credit operations. The maximum term for deferral was the earlier of December 31, 2015, or the date of maturity of the renegotiated operations, based on the straight-line method. The Resolution has been in effect since January 1, 2012. The Bank does not utilize the option permitted by this Resolution.
- e) Agreements for the Clearing and Settlement of Liabilities - CMN Resolution 3,263/05: the Bank entered into an agreement for the clearing and settlement of liabilities in the ambit of the National Financial System (SFN), in respect of transactions with corporate entities whether or not they were SFN members. This resolution is designed to permit the compensation of credits and debits with the same counterparty, whereby the maturity of the related rights and obligations can be accelerated to the date on which an event of default by either party occurs or in the case of the bankruptcy of the debtor.
- f) On January 20, 2015, Law 13,097 was published, converting Provisional Measure 656/14, which, among other matters, amends the rules on the deduction of losses on receivables for defaults on contracts as from October 8, 2014 (art. 9 of Law 9,430/96).

For defaulted contracts prior to this date, the /previously existing rules continue to be applicable.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

All amounts in thousands of reais unless otherwise stated

Declaration of the Executive Board

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission, the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed and agreed with the parent company and consolidated quarterly information for the period ended September 30, 2016.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

All amounts in thousands of reais unless otherwise stated

Declaration of the Executive Board

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission, the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed and agreed with the conclusion expressed in the parent company and consolidated report on review of the quarterly information for the period ended September 30, 2016.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
All amounts in thousands of reais unless otherwise stated

São Paulo, November 7, 2016

BOARD OF DIRECTORS

Gregório Moreira Franco
CRC 1SP219426/O-2
CONTADOR

(A free translation of the original in Portuguese)

**Banco Pan S.A.
and subsidiaries**
Quarterly information - ITR
at September 30, 2016
and report on review of
quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Banco Pan S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Banco Pan S.A. (the "Bank") and of Banco Pan S.A. and its subsidiaries ("Consolidated"), for the period ended September 30, 2016, comprising the balance sheet as at that date and the related statements of operations, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting practices and other explanatory information.

The management of the Bank is responsible for the preparation of the interim financial information in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Banco Pan S.A.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR).

Emphasis of matter

Deferred tax assets

As disclosed in Note 32 to the interim accounting information, deferred tax assets totaling R\$ 3.3 billion at September 30, 2016 were recorded in Banco Pan S.A. and its subsidiaries, which were recognized based on the long-term financial projections for the realization of these deferred tax assets. These projections for the realization of the deferred tax assets was reviewed by management, based on a study of current and future scenarios, and was approved by the Board of Directors on August 1, 2016. The main assumptions utilized for the projections were based on macroeconomic and production indicators and the cost of funding. The realization of the deferred tax assets within the estimated period is contingent on the attainment of the projected amounts and the implementation of the business plan as approved by management. Our conclusion is not qualified in respect of this matter.

Banco Pan S.A.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2016. These statements are the responsibility of management and are required to be presented in accordance with standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Quarterly Information (ITR). The statements were submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim financial information taken as a whole.

São Paulo, November 7, 2016

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Carlos Augusto da Silva
Contador CRC 1SP197007/O-2