

Earnings Results

Banco
PAN

4Q17

A photograph of three business professionals in an office setting. A man in a white shirt and glasses is on the left, looking at a laptop held by a woman in a dark suit. Another person is partially visible on the right. The scene is brightly lit, likely from a window.

Disclaimer

This presentation may include statements representing expectations about future events or results of Banco PAN. These statements are based upon projections and analyses which reflect present views and/or expectations of the Management of the Bank with regards to its performance and to the future of its business.

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

4Q17

Highlights

- ✓ Net Income of **R\$ 54.9 million** in 4Q17 and an accumulated Net Income of **212.6 million** in 2017;
- ✓ The Loan Portfolio closed 4Q17 at **R\$ 18.6 billion**;
- ✓ PAN originated a monthly retail average of **R\$ 1,301 million** in 4Q17;
- ✓ Net Interest Margin was **17.5% a.a.** in 4Q17 and **16.6% p.y. in 2017**;
- ✓ Shareholders' Equity ended the quarter at **R\$ 3,556 million** and a Basel Ratio of **13.3%**.

Recent Events:

- ✓ Sale of the participation of **10.1%** of Stone Pagamentos S.A. for **R\$ 229 million** on October 31, 2017;
- ✓ Capital Increase of **R\$ 400 million** announced on November 6, 2017;
- ✓ Shareholders agreements renewed until February, 2027.

Strong interest margin and income from operations improvement

P&L Statement (R\$ MM)	2017	2016	4Q17	3Q17	4Q16	Δ 2017/ 2016	Δ 4Q17/ 3Q17
Interest Margin	3.622	2.969	885	867	982	22%	2%
Interest Margin (% p.y.)	16,6%	13,6%	17,5%	16,8%	18,7%	3,0 p.p.	0,7 p.p.
Credit Provisions	(1.120)	(1.118)	(269)	(276)	(306)	-	-2%
Gross Income from Finan. Intermed. (Adjusted)	2.503	1.850	615	590	677	35%	4%
Administrative and Personnel Expenses	(1.117)	(1.147)	(272)	(275)	(292)	-3%	-1%
Origination Expenses	(985)	(902)	(207)	(234)	(239)	9%	12%
Tax Expenses	(220)	(235)	(43)	(44)	(66)	-6%	3%
Others	73	(17)	34	(15)	(80)	-	-
Income Before Tax	253	(450)	128	22	1	-	-
Income and Social Contribution Tax	(41)	213	(74)	89	-	-	-
Net Income/ (Loss)	212,6	(237,2)	54,9	111,3	(0,2)	-	-51%

P & L
statement

PAN at a Glance

Overview



Payroll Loans

Loans and credit cards with payroll deductions to INSS Pensioners and Public Servants (mostly federal)



Credit Cards

Credit Card to individuals exploring partnerships with retailers and service providers



Vehicle Financing

Financing through multibrand dealers

Mostly Vehicles up to 7-8 years of use



Insurance

Fee business over insurance premiums originated in vehicle, payroll and credit card



Others

Run-off portfolio: Corporate Loans, Home Equity and vehicles financed through single-brand dealers

Origination network

(Payroll and Vehicle)



2017
Highlights

R\$ 3.6 billion Shareholders' Equity

6,142 multi-brand vehicle dealers

865 brokers for payroll

60 sales points

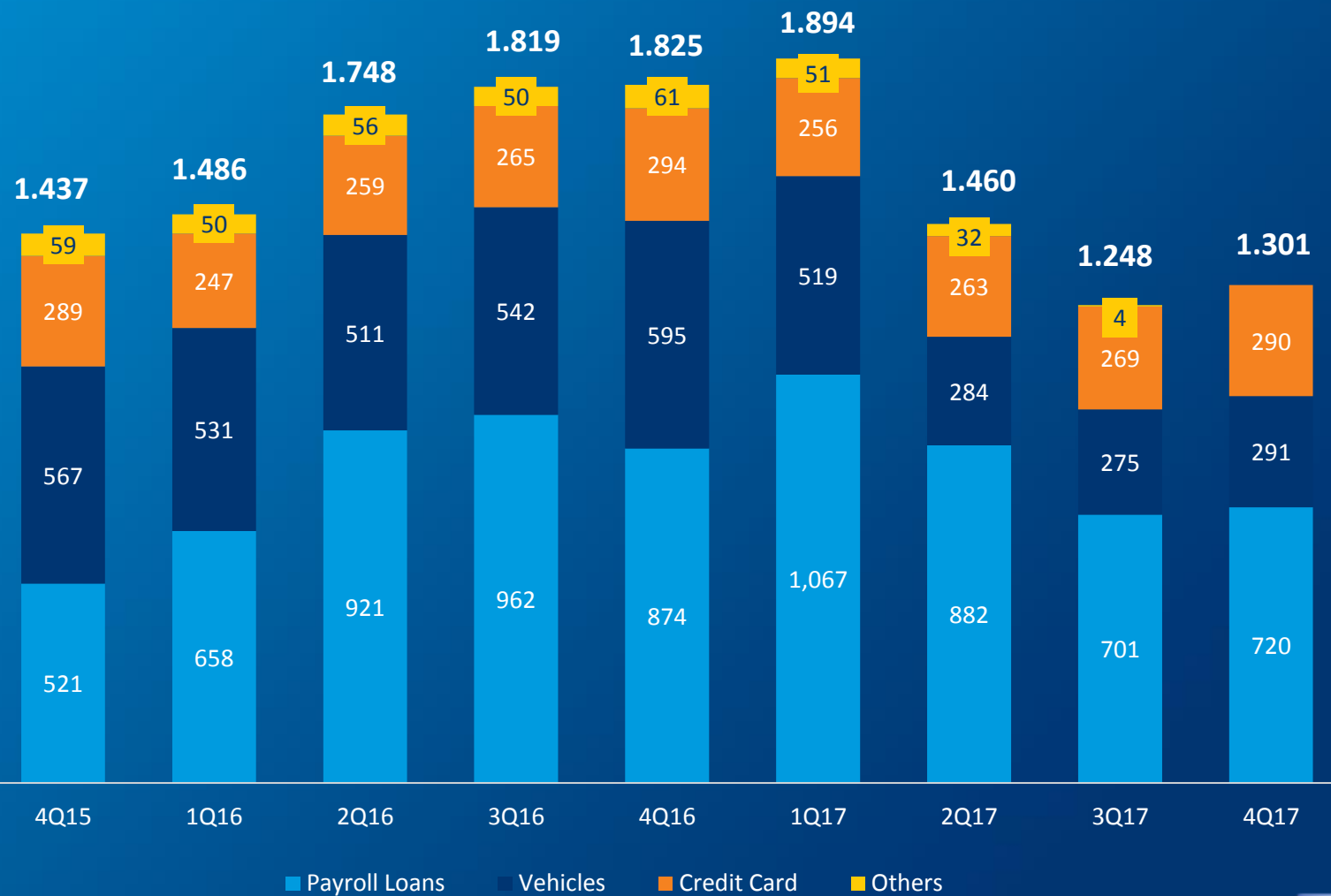
4.3 mm active clients

2.2 mm credit cards

2,161 employees

Retail Credit

Monthly average Origination (R\$ MM)



Strategic
repositioning

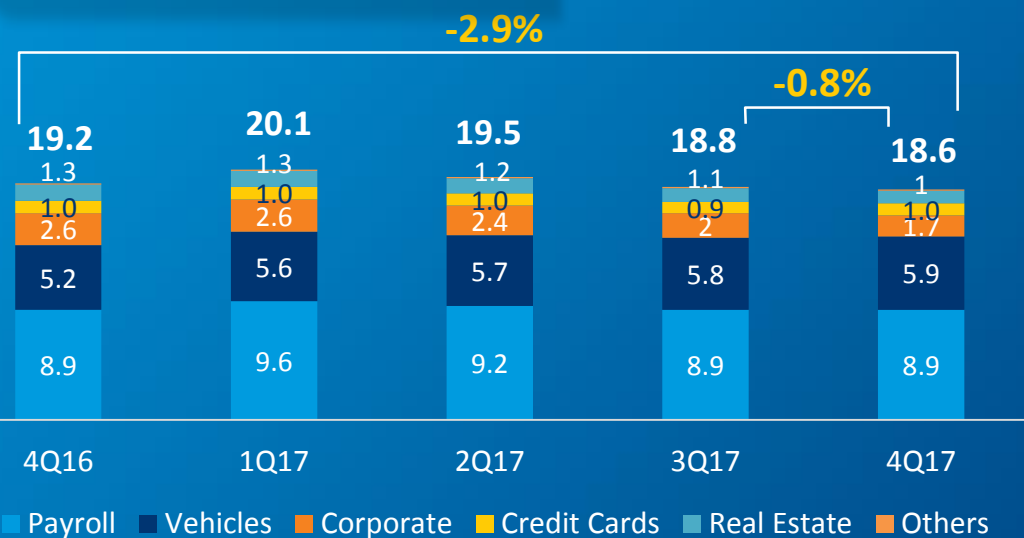
Credit

Portfolio

Portfolio mix with focus on payroll

R\$ MM	4Q17	Part. %	3Q17	Part. %	4Q16	Part. %	Δ 4Q17/ 3Q17	Δ 4Q17/ 4Q16
Payroll Loans	8.947	48%	8.871	47%	8.909	46%	1%	-
Vehicle Financing	5.906	32%	5.779	31%	5.231	27%	2%	13%
Corporate Loans	1.699	9%	1.992	11%	2.627	14%	-15%	-35%
Real Estate	1.016	5%	1.136	6%	1.338	7%	-11%	-24%
Credit Cards	978	5%	928	5%	1.000	5%	5%	-2%
Others	99	1%	93	-	93	-	7%	7%
On Balance Credit Portfolio	18.645	100%	18.799	100%	19.196	100%	-1%	-3%

On Balance Portfolio (R\$ Bi)



Originated Portfolio (On + Off Balance) (R\$ Bi)

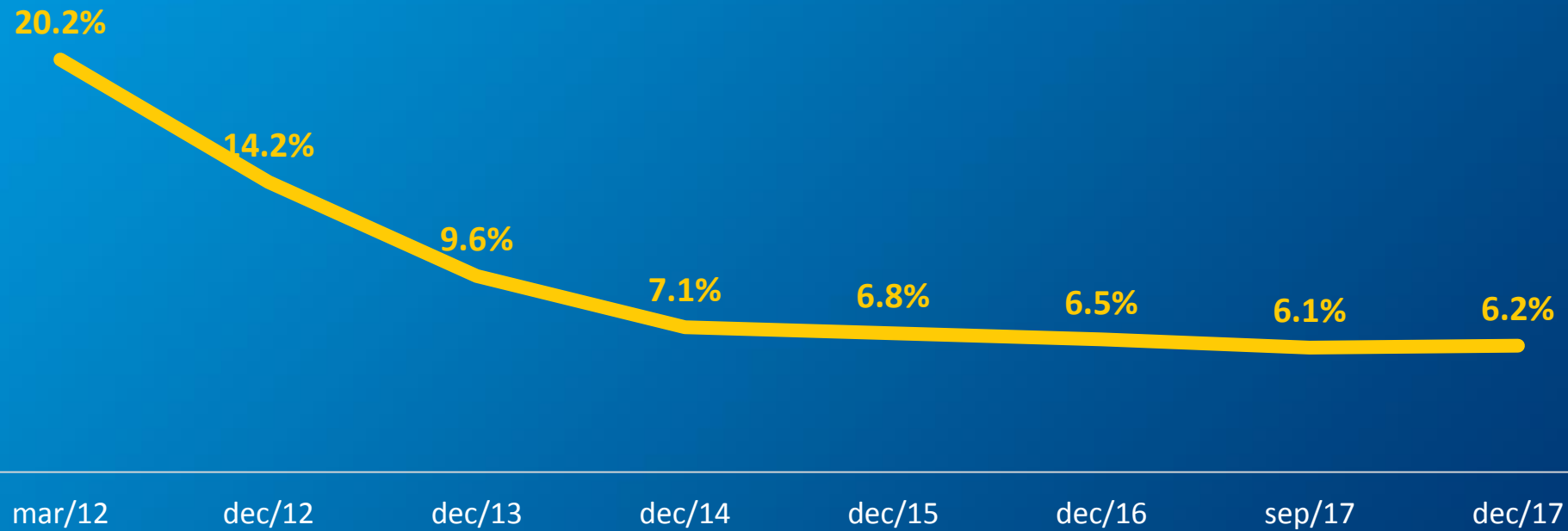


Retail Credit

quality



90 days NPL (%)



Efficiency gain

G&A Expenses (R\$ MM)	2017	2016	4Q17	3Q17	4Q16	Δ 2017/ 2016	Δ 4Q17/ 3Q17
Personnel expenses	464	509	116	101	130	-9%	15%
Administrative expenses	654	638	155	174	162	2%	-11%
1. Subtotal I	1,117	1,147	272	275	292	-3%	-1%
Comission Expenses (upfront)	433	331	83	97	92	31%	-14%
Deferred Comissions and other exp.	552	571	124	137	147	-3%	-10%
2. Subtotal II – Credit Origination	985	902	207	234	239	9%	-12%
3. Total (I + II)	2,102	2,049	479	509	531	3%	-6%

Number of Employees

(#)



Subtotal I / Originated Portfolio

(%)



Payroll-Deducted: Loans and Credit Cards

Origination focusing on federal risk

Overview

Operations exclusively with public sector servants and **INSS pensioners**

Average ticket of R\$ 5.7k

Duration of **34 months**

Origination by segment (Loans and Credit Cards)

	2017	2016	2015
Federal	87%	74%	67%
INSS	62%	52%	46%
SIAPE	14%	13%	16%
Armed Forces	11%	9%	5%
States	10%	22%	27%
Municipalities	3%	4%	6%
Total Geral (R\$ MM)	10,109	10,244	7,714

Evolution of portfolio and monthly avg. origination (R\$ MM)



Vehicle

Financing



Banco Pan repositioned itself in the market



Overview

Present in **6,142** multi brand vehicle dealers

Average ticket of R\$ **18.3k**

Duration of **18 months**

Average LTV of **64%**

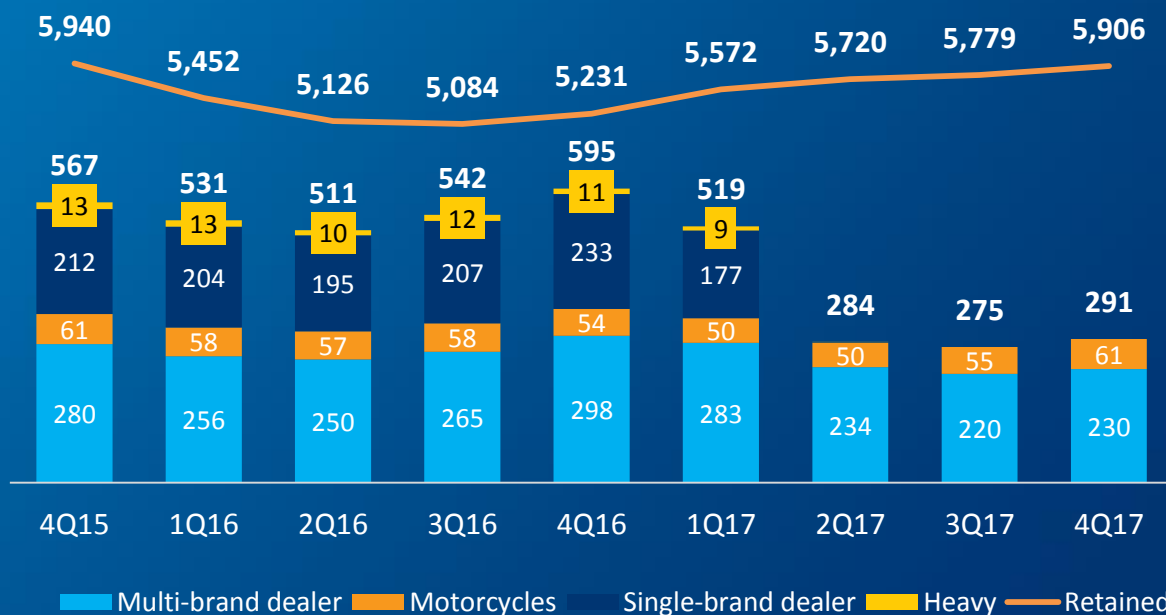


Information on Origination

	Light		Motorcycles	
	4Q17	4Q16	4Q17	4Q16
Origination (R\$ MM)	691	893	183	162
Average tenor (month)	46	46	39	40
Downpayment	39%	38%	22%	23%



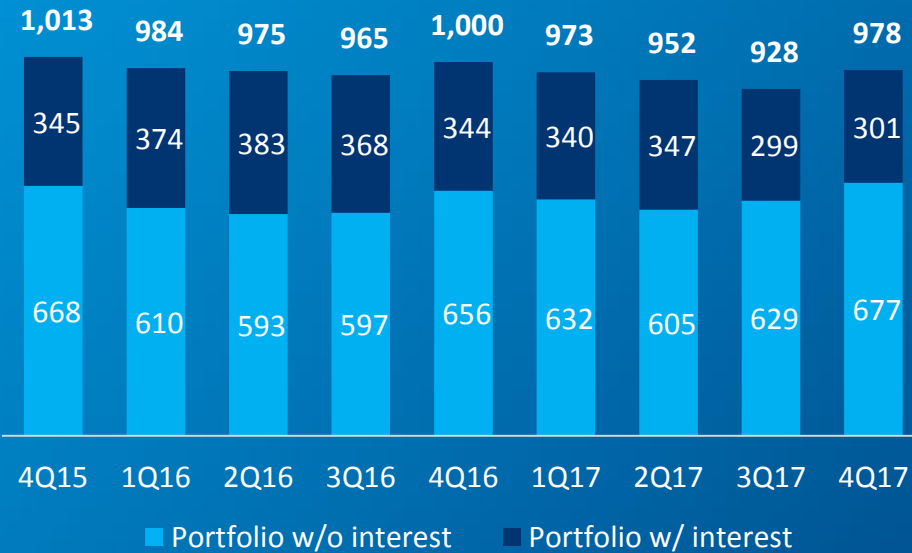
Evolution of portfolio and monthly avg. origination (R\$ MM)



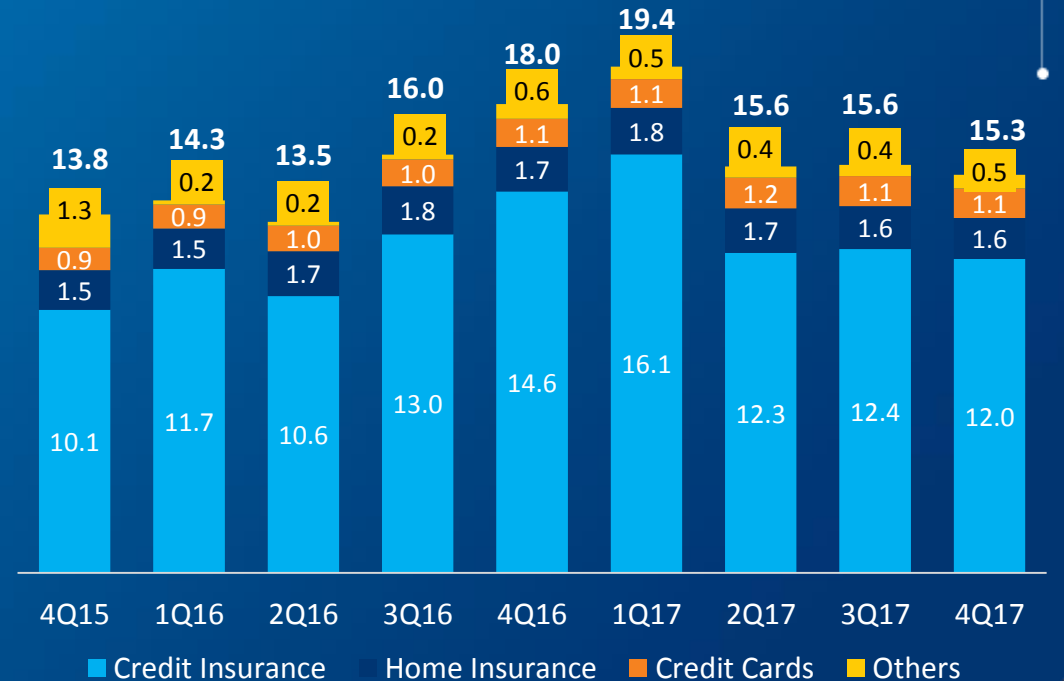
Credit Cards and Insurance



Credit Card Portfolio (R\$ MM)

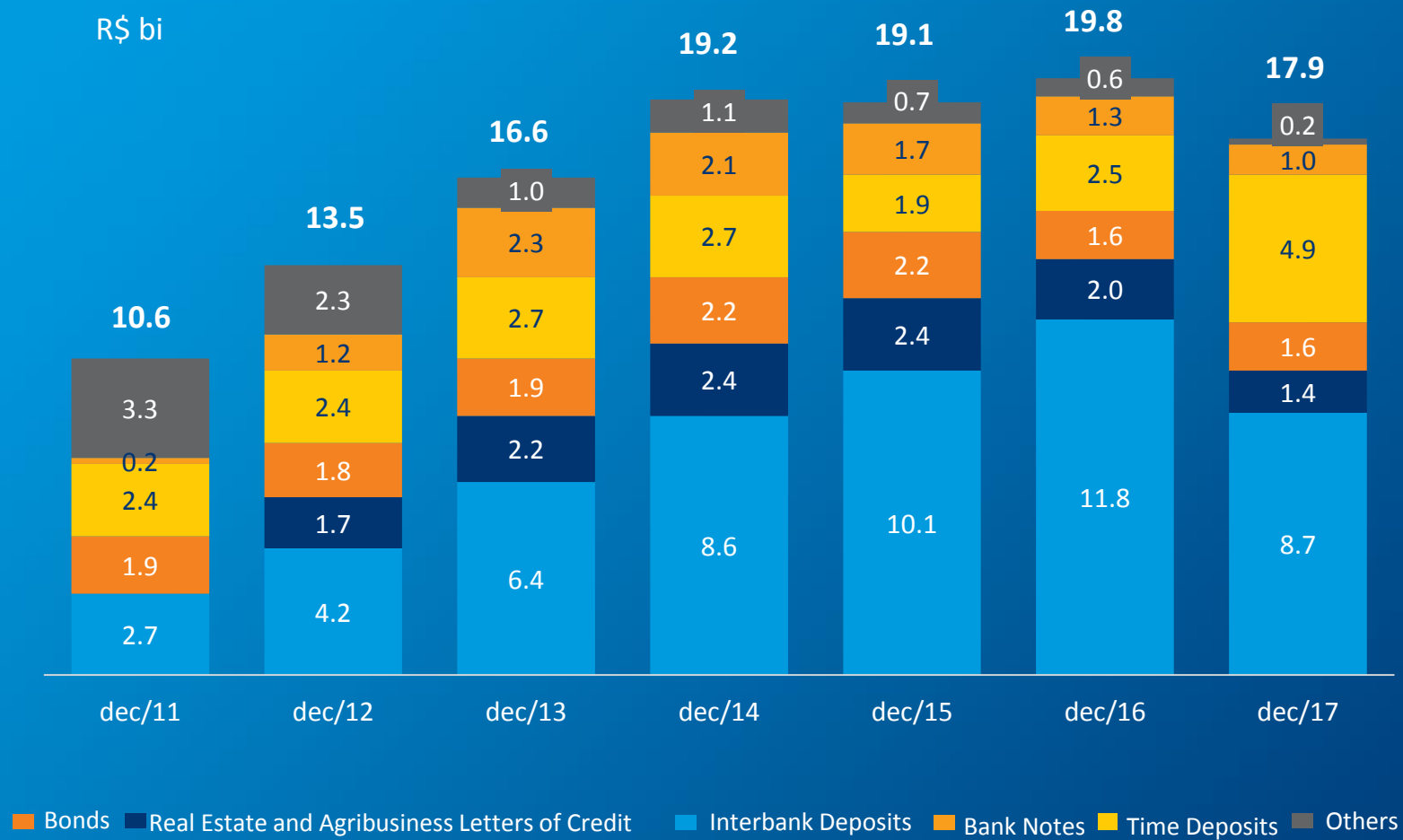


Monthly Avg. Insurance (Premium originated by PAN) (R\$ MM)

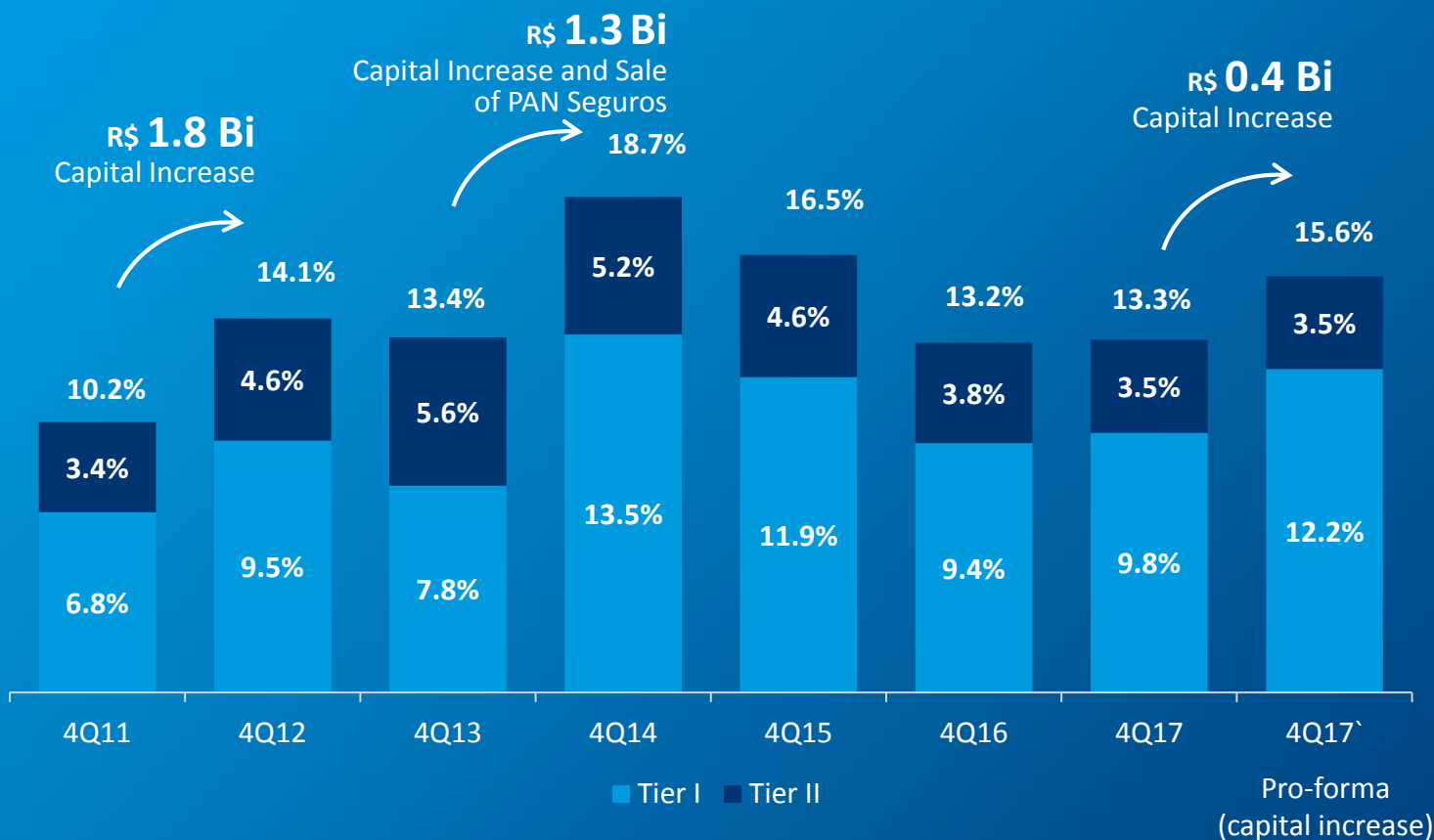


APP PAN Investments for digital account

Funding



Capital Ratio



R\$ MM	4Q17 Pro-forma	4Q17	3Q17
Reference Shareholders' Equity	2,857	2,416	2,393
Tier I	2,226	1,785	1,763
Tier II	631	631	631
Required Reference Shareholders' Equity	1,917	1,904	2,060
RWA	18,257	18,137	19,620

*Pro-forma: Simulation of the data of Dez, 2017 case of increase of the capital had already been homologated by Central Bank of Brazil.



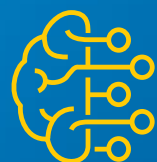
Shareholder
support



Experienced team
and **solid governance**

What makes Banco PAN attractive?

Agile structure
with **digital focus**



Strong presence
on selected markets





Appendix I

*Run-off
Portfolio*

Corporate Loans

Run-off portfolio, still maintaining client diversification and strong collateral monitoring

Overview



Average ticket
of **R\$ 10 million**



Duration of
13 months

Evolution of Portfolio (R\$ MM)





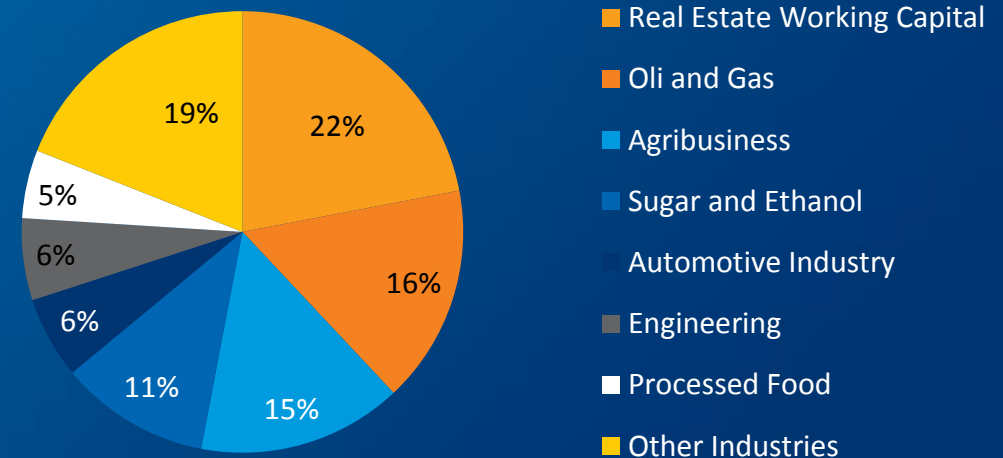
Corporate Loans

Run-off portfolio, still maintaining client diversification and strong collateral monitoring

Portfolio Distribution

Economic Groups	%
10 largest	31%
Next 20 largest	21%
Next 50 largest	26%
Next 100 largest	21%
Other exposures	1%

Corporate Loan Portfolio by Industry (4Q17)

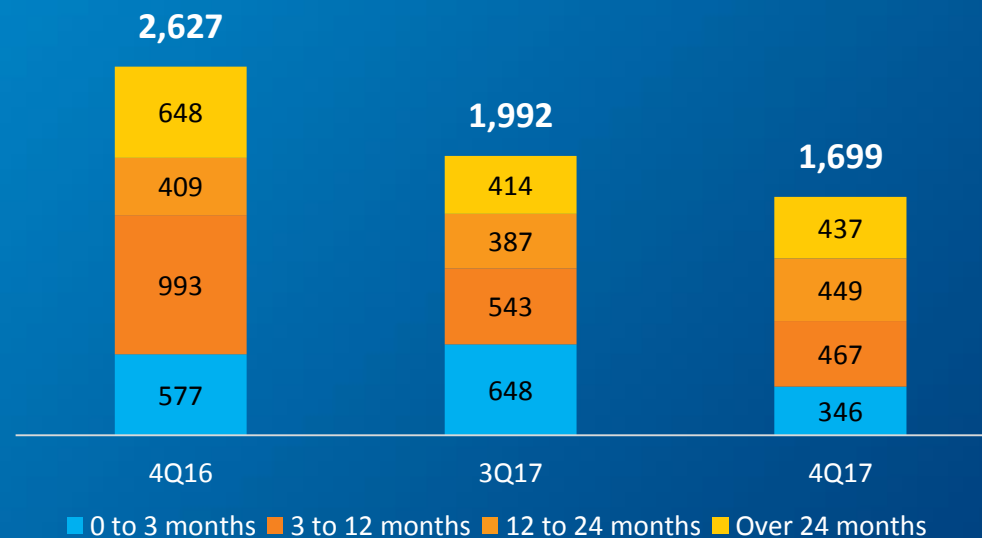
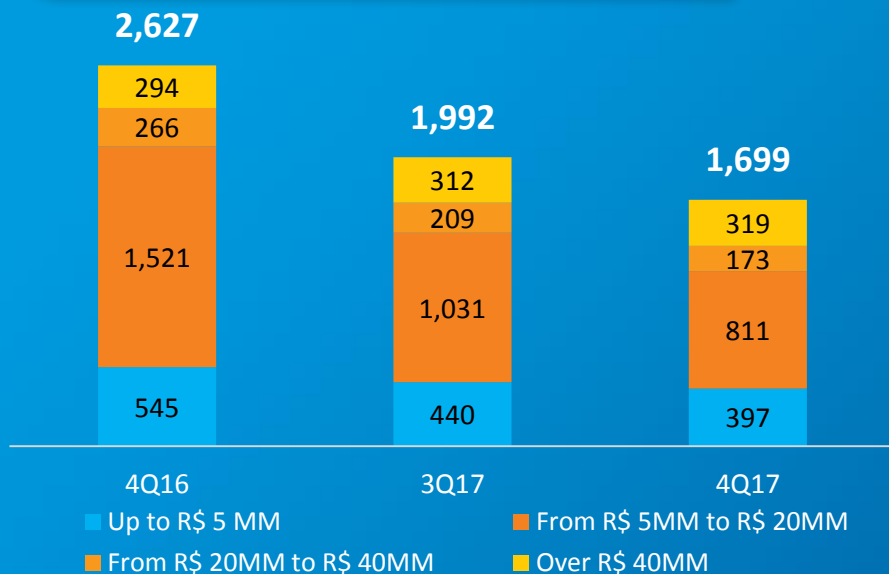


Portfolio by Ticket (R\$ MM)

71% below
R\$ 20MM

Maturity of the Portfolio (R\$ MM)

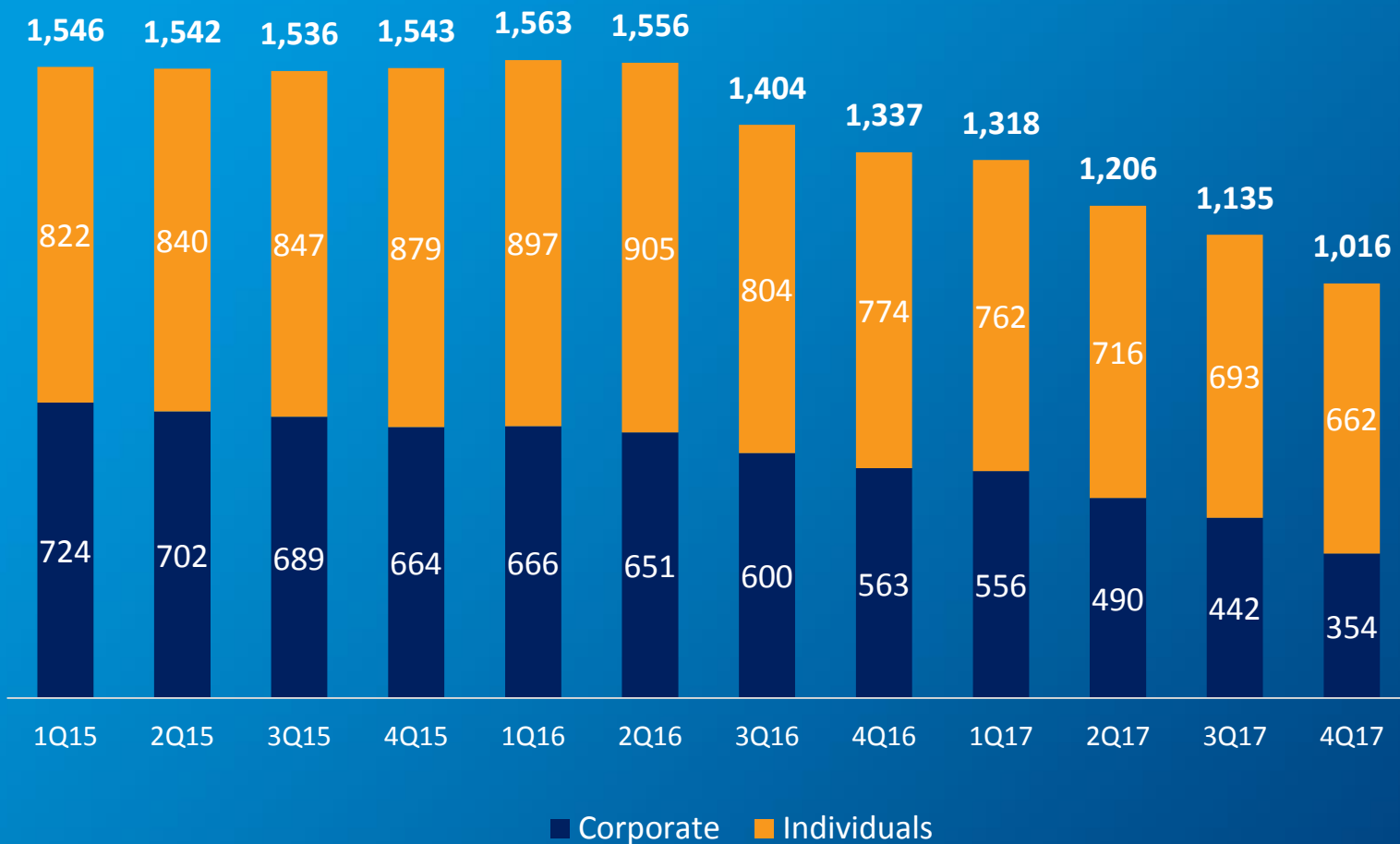
48% matures in
less than 12 months



Corporate Loans

Real Estate

Portfolio
(R\$ MM)



IR Contacts:

(55 11) 3264-5343 | ri@grupopan.com
www.bancopan.com.br/ir

Banco
PAN