

2014 Earnings Results



PAN

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.

Highlights

- ✓ **Average credit assets monthly origination of R\$ 1,422.5 million** in 2014, **17.0% up** on the monthly average of R\$1,216.0 million in 2013;
- ✓ **Average credit assets monthly origination of R\$ 1,911.5 million in 4Q14, 43.4% up** on the monthly average of R\$ 1,332.5 million in **3Q14** and **41.4% up** on the monthly average in 4Q13;
- ✓ **Loan Portfolio with Retained Result totaled R\$ 17.5 billion, 6.9% up** on the R\$ 16.4 billion in **3Q14** and **15.5% up** on the R\$ 15.2 billion in **4Q13**;
- ✓ **Portfolios with risk category between “AA” to “C” reached 91.4% of Total Loan Portfolio**, compared to 90.6% in 3Q14 and 86.8% in 4Q13;
- ✓ **Allowance for loan losses net expense came to R\$ 677.3 million in 2014, 14.6% down** from the R\$ 792.9 million in 2013;
- ✓ **Consolidated Net Income of R\$ 7.8 million in 2014**, compared to the net loss of R\$ 151.7 million in 2013 and Net Income of R\$ 226.5 million in 4Q14, compared to the net loss of R\$ 69.7 million in 3Q14 and the net loss of R\$ 182.9 million in 4Q13; and
- ✓ **Consolidated Shareholders’ Equity reached R\$ 3,634.5 million and a Basel ratio of 18.7%** at the end of **2014**.

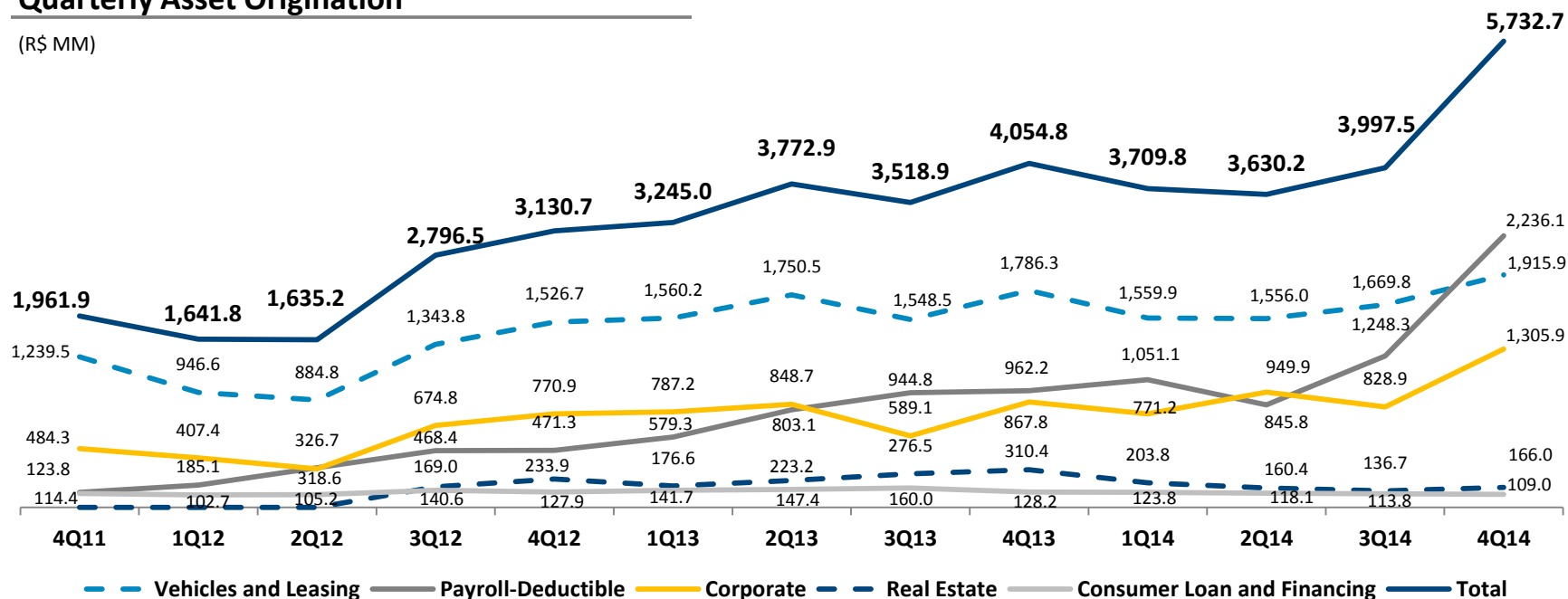
P&L Statement and NIM

P&L Statement (R\$ MM)	2014	2013	4Q14	3Q14	Δ 2014 / 2013	Δ 4Q14 / 3Q14
Revenue from Financial Intermediation	4,471.2	3,883.4	1,439.1	1,179.4	15.1%	22.0%
Lending Operations	4,685.0	4,130.3	1,485.9	1,046.2	13.4%	42.0%
Commissions due to Credit Assignments	(300.0)	(318.2)	(126.7)	(45.9)	5.7%	-176.0%
Expenses for Credit Assignments	(385.7)	(333.7)	(148.2)	(67.9)	-15.6%	-118.1%
Securities transactions	261.6	340.7	78.5	76.0	-23.2%	3.4%
Derivative transactions	100.8	(53.4)	97.6	115.1	288.7%	-15.2%
Foreign exchange transactions	109.5	117.7	52.0	56.0	-7.0%	-7.2%
Expenses on Financial Intermediation	(3,231.1)	(2,523.4)	(963.3)	(966.3)	-28.0%	0.3%
Funding Operations and Derivatives Transactions	(2,232.6)	(1,428.6)	(714.1)	(716.7)	-56.3%	0.4%
Loan Operations	(44.7)	(90.3)	(12.7)	(20.0)	50.5%	36.8%
Allowance for Loan Losses	(953.7)	(1,004.5)	(236.6)	(229.6)	5.1%	-3.0%
Gross Profit from Financial Intermediation	1,240.1	1,360.0	475.8	213.1	-8.8%	123.3%
Other Operating Revenues (Expenses)	57.4	171.8	(35.4)	79.8	-66.6%	-144.3%
Administrative, Personnel and Tax Expenses	(1,656.0)	(1,592.9)	(468.3)	(403.1)	-4.0%	-16.2%
Income from Operations	(358.5)	(61.1)	(27.8)	(110.3)	-486.8%	74.8%
Non Operating Expenses	(68.2)	(55.6)	(25.6)	(14.3)	-22.6%	-79.6%
Revenue from the sale of Pan Seguros and Pan Corretora	386.5	-	386.5	-	0.0%	0.0%
Income and Social Contribution Taxes	48.0	(35.1)	(106.7)	54.9	236.7%	-294.1%
Net Income	7.8	(151.7)	226.5	(69.6)	105.2%	425.1%
Net Interest Margin (R\$ MM)	2014	2013	4Q14	3Q14	Δ 2014 / 2013	Δ 4Q14 / 3Q14
1. Income from Financial Intermediation Before ALL	2,193.9	2,364.5	712.4	442.7	-7.2%	60.9%
2. Average Interest-Earning Assets	19,609.3	16,829.6	21,077.0	19,808.1	16.5%	6.4%
- Average Loan Portfolio	16,335.1	13,862.7	16,948.4	16,110.7	17.8%	5.2%
- Average Securities and Derivatives	2,180.0	2,096.9	2,464.5	2,031.4	4.0%	21.3%
- Average Interbank Investments	1,094.1	870.0	1,664.2	1,666.1	25.8%	-0.1%
(1) / (2) Net Interest Margin - NIM (% p.a.)	11.2%	14.0%	14.2%	9.2%	2.8 p.p.	5.0 p.p.

Loan Portfolio - Asset Origination

Quarterly Asset Origination

(R\$ MM)



Average Monthly Origination by Product

(R\$ MM)

Products	2014		2013		4Q14		3Q14		Δ 2014 / 2013	Δ 4Q14 / 3Q14
	Production	%	Production	%	Production	%	Production	%		
Vehicles and Leasing	558.5	39.3%	553.8	45.5%	638.6	33.4%	556.6	41.8%	0.8%	14.7%
Payroll-Deductible	448.4	31.5%	274.1	22.5%	745.4	39.0%	416.1	31.2%	63.6%	79.1%
Corporate	321.3	22.6%	257.7	21.2%	435.3	22.8%	276.3	20.7%	24.7%	57.5%
Real Estate	55.6	3.9%	82.2	6.8%	55.4	2.9%	45.6	3.4%	-32.4%	21.5%
Consumer Loan and Financing	38.7	2.7%	48.1	4.0%	36.3	1.9%	37.9	2.8%	-19.5%	-4.3%
Total	1,422.5	100.0%	1,216.0	100.0%	1,911.0	100.0%	1,332.5	100.0%	17.0%	43.4%

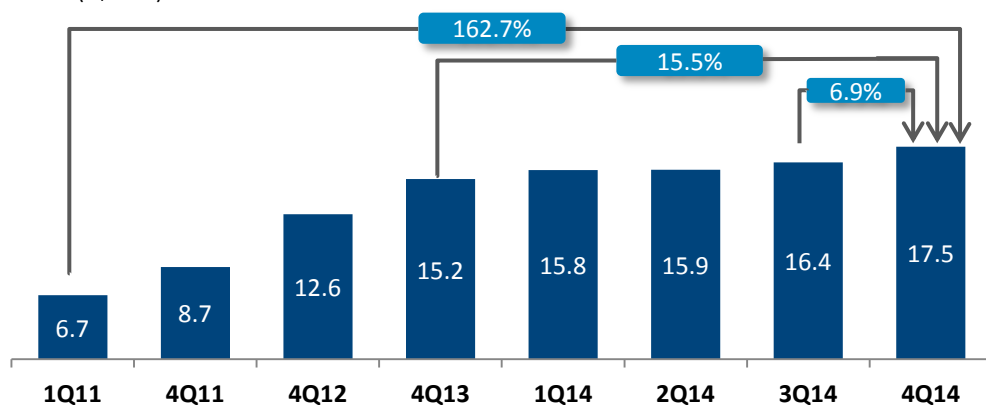
Credit Portfolio

Expanded Credit Portfolio “on balance sheet”

Type of Loans (R\$ MM)	4Q14	Part. %	3Q14	Part. %	4Q13	Part. %	Δ 4Q14 / 3Q14	Δ 4Q14 / 4Q13
Vehicle Financing	7,375.0	42.1%	7,595.6	46.3%	8,275.0	54.5%	-2.9%	-10.9%
Corporate	4,159.5	23.7%	3,659.1	22.3%	3,249.0	21.4%	13.7%	28.0%
Payroll Deduction Loans ¹	3,879.6	22.1%	3,168.1	19.3%	1,730.5	11.4%	22.5%	124.2%
Real Estate	766.9	4.4%	704.2	4.3%	648.3	4.3%	8.9%	18.3%
Amounts Receivable with Credit Characteristics	621.5	3.5%	545.4	3.3%	560.1	3.7%	14.0%	11.0%
Credit Cards	596.8	3.4%	587.4	3.6%	573.6	3.8%	1.6%	4.0%
Others	136.7	0.8%	145.3	0.9%	140.1	0.9%	-5.9%	-2.4%
Credit Portfolio	17,536.0	100.0%	16,405.1	100.0%	15,176.7	100.0%	6.9%	15.5%
Credits Assigned with Recourse ²	96.9		156.7		498.7		-38.1%	-80.6%
Total Credit Portfolio	17,632.9		16,561.8		15,675.5		6.5%	12.5%

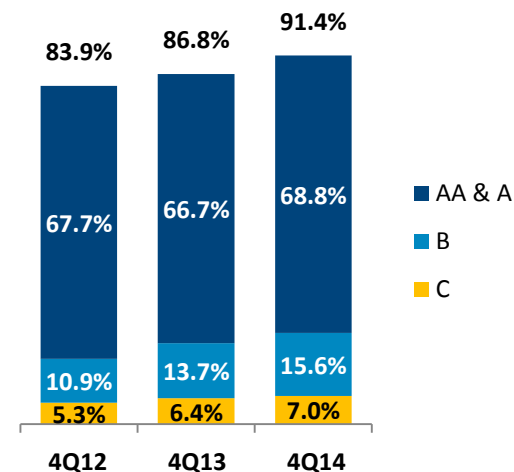
Credit Portfolio with Retained Result

(R\$ MM)



Portfolio Quality

(%)



¹ The loan portfolio retained at the bank includes credits assigned with substantial retention of risks and rewards in accordance with Resolution 3.533/08

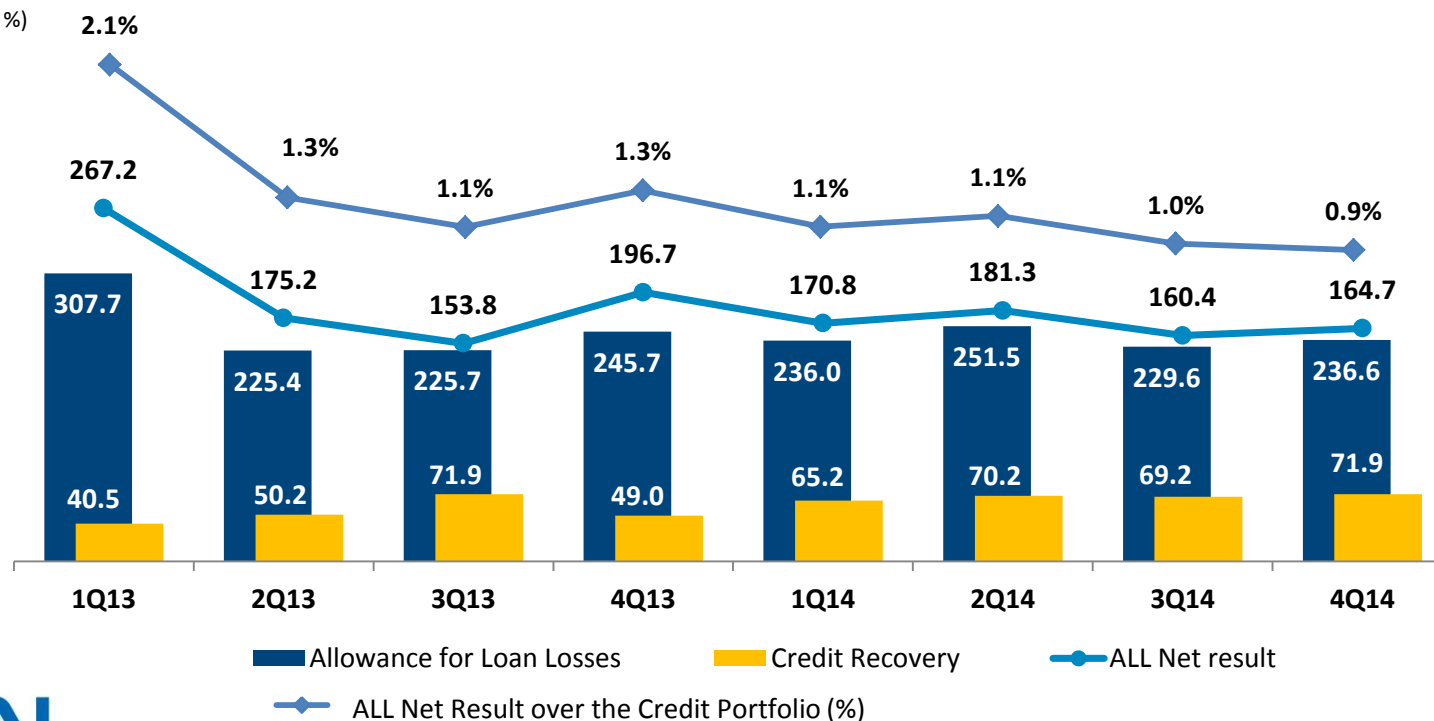
² Balance of credit operations assigned to other financial institutions before 2011

Costs and Expenses

G&A Expenses (R\$ MM)	2014	2013	4Q14	3Q14	Δ 2014 / 2013	Δ 4Q14 / 3Q14
Personnel expenses	453.3	430.3	136.0	107.3	5.4%	26.7%
Other administrative expenses	1,006.8	945.2	271.8	252.6	6.5%	7.6%
Tax expenses	195.9	217.4	60.4	43.2	-9.9%	39.9%
Total	1,656.0	1,592.9	468.3	403.1	4.0%	16.2%

Allowance for Loan Losses and Credit Recovery

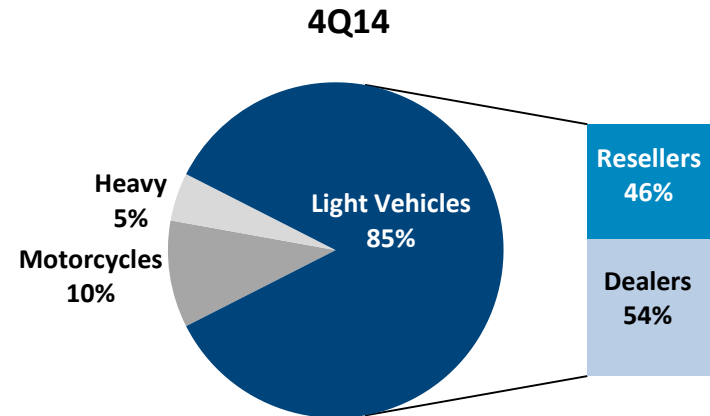
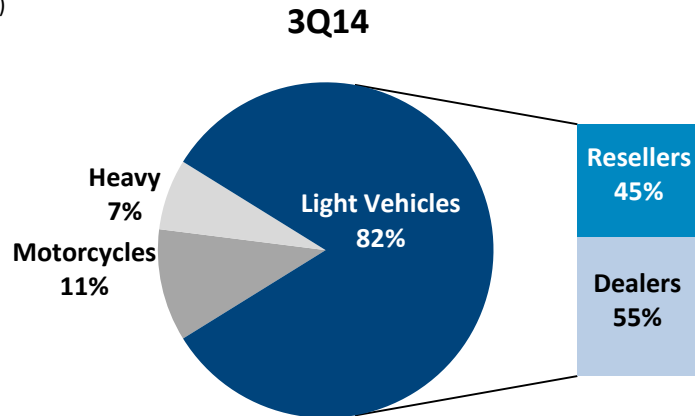
(R\$ MM and %)



Vehicle Loans

Share in new Vehicle Financing

(%)



Spread Out Origination

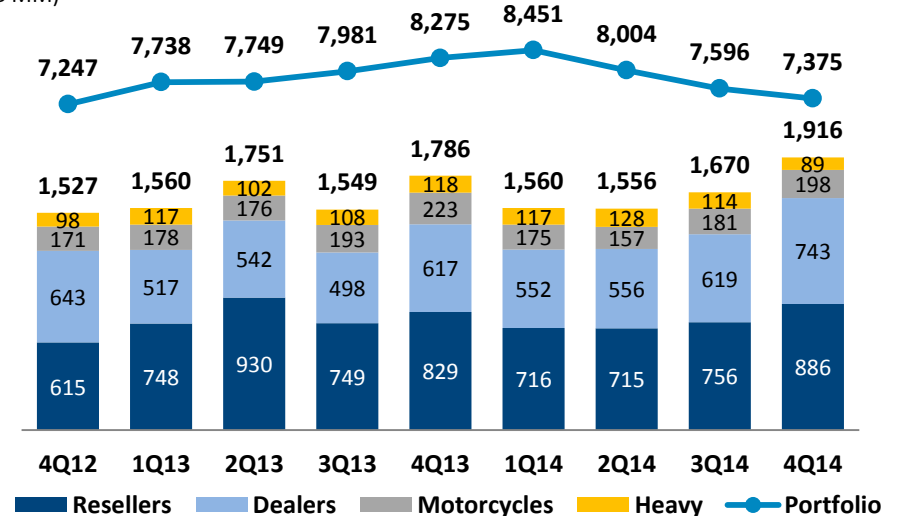
(%)

Origination by Group*	4Q14
Largest Group	2.6%
2 nd Largest Group	2.0%
3 rd Largest Group	1.5%
10 largest groups	14.0%
50 largest groups	29.0%

* % of total origination of vehicle financing by economic group (dealers network)

Evolution of Portfolio and Production by Product

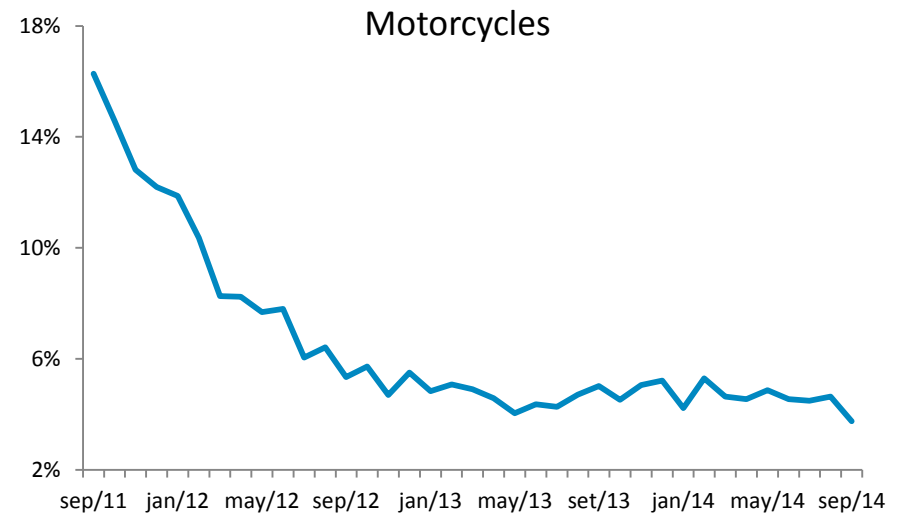
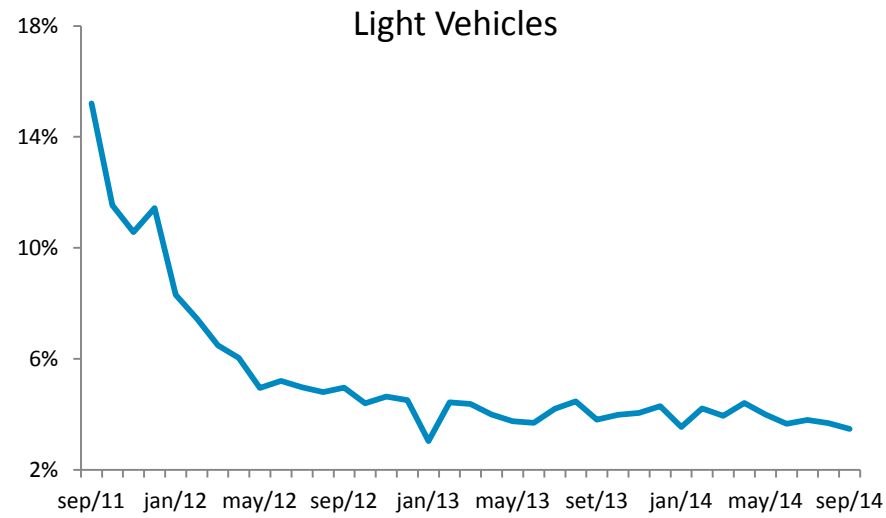
(R\$ MM)



Vehicle Loans

Delinquency per Vintage*

(%)

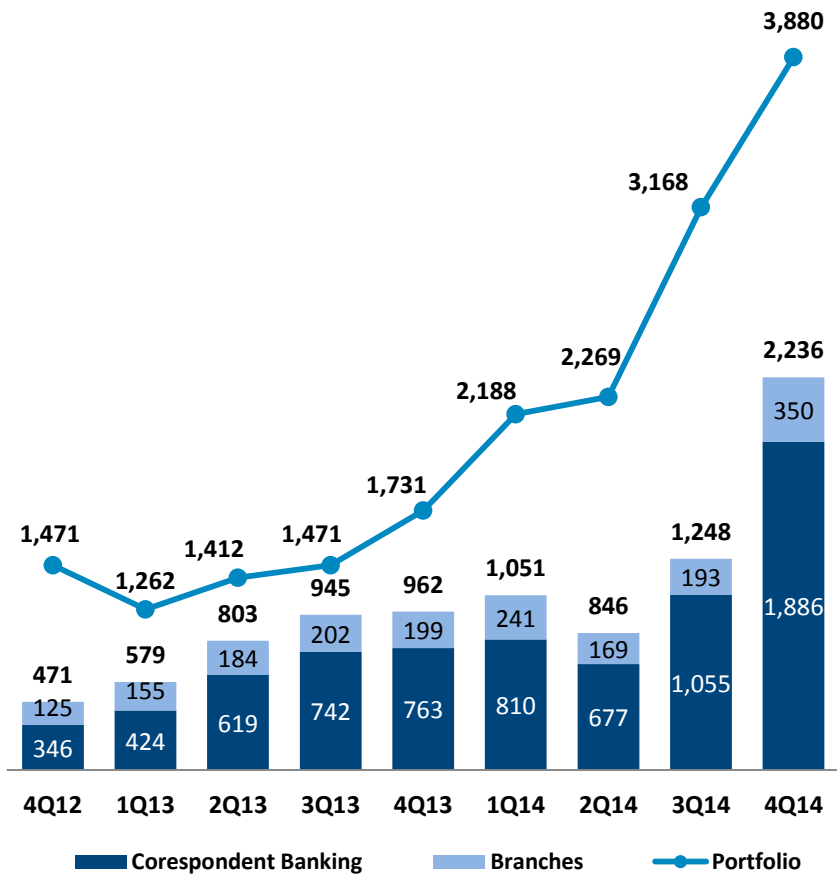


* % of non performing loans over 30 days 3 months after concession

Payroll Deduction Loans

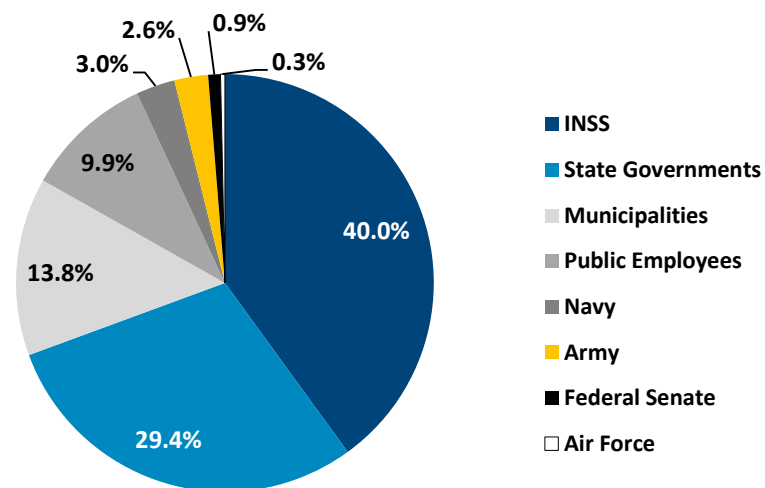
Evolution of Portfolio and Production

(R\$ MM)



Production by Segment (4Q14)

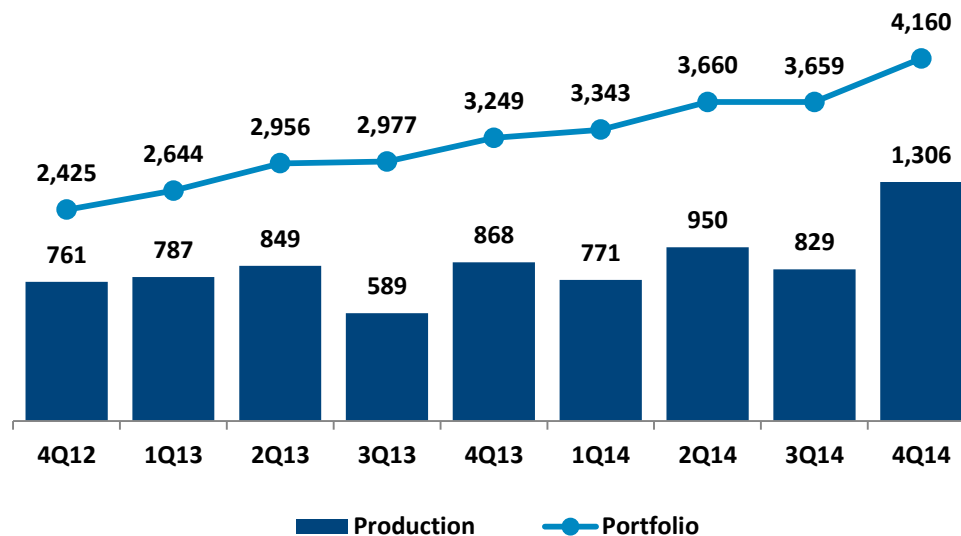
(%)



Corporate Loans

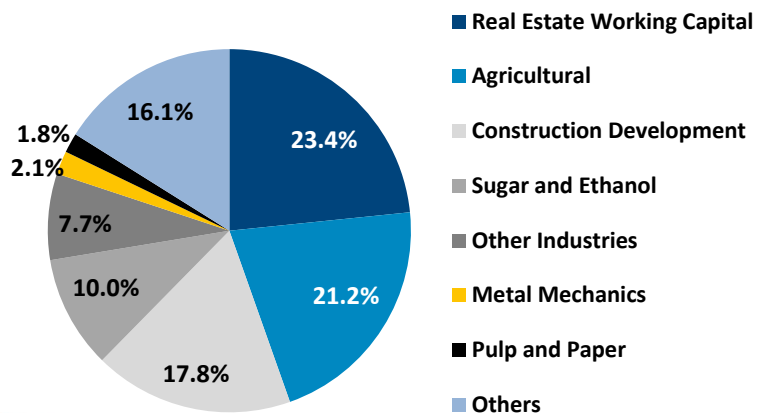
Evolution of Portfolio and Production

(R\$ MM)



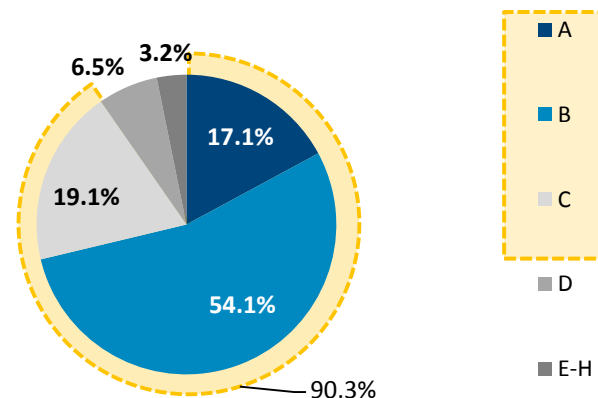
Corporate Loan Portfolio by Industry (4Q14)

(%)



Credit Portfolio by Rating (4Q14)

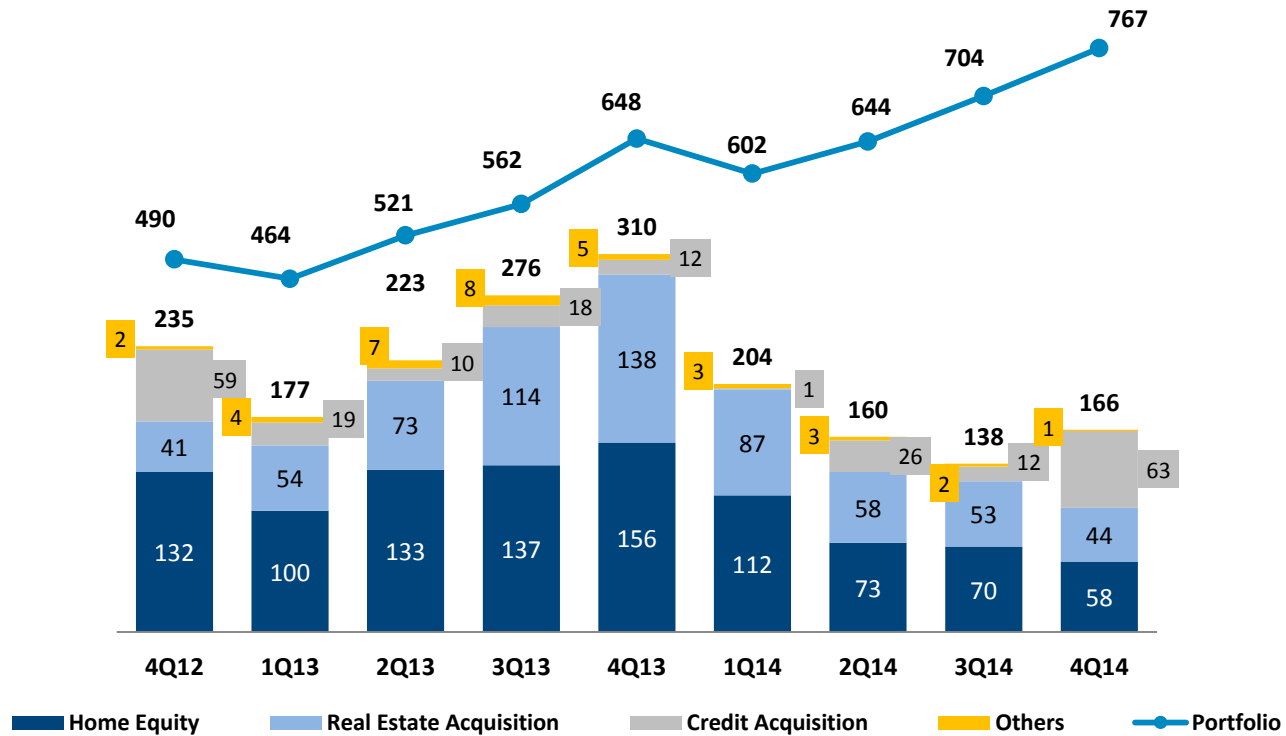
(%)



Real Estate Loans

Evolution of Portfolio and Production

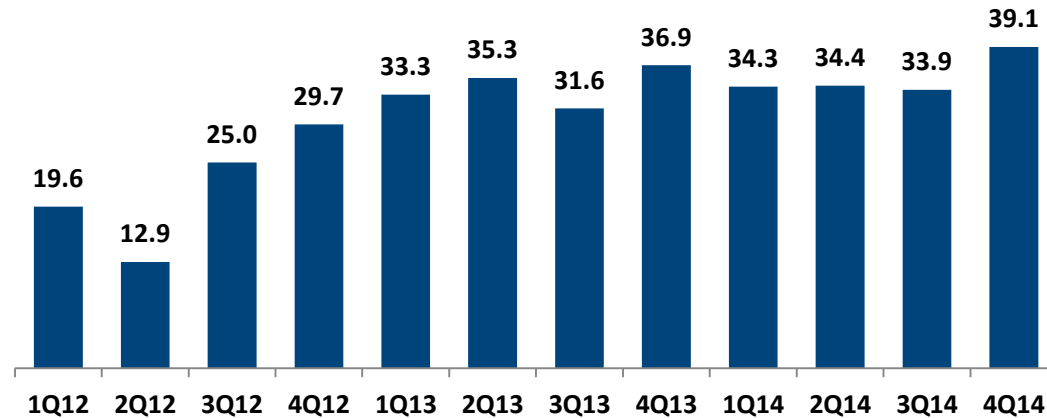
(R\$ MM)



Insurance

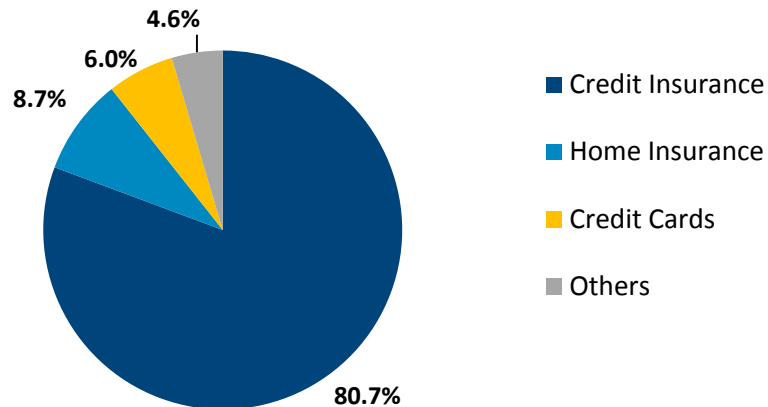
Insurance Premium – Pan’s Origination

(R\$ MM)



Insurance Premium – Pan’s Origination by Product (4Q14)

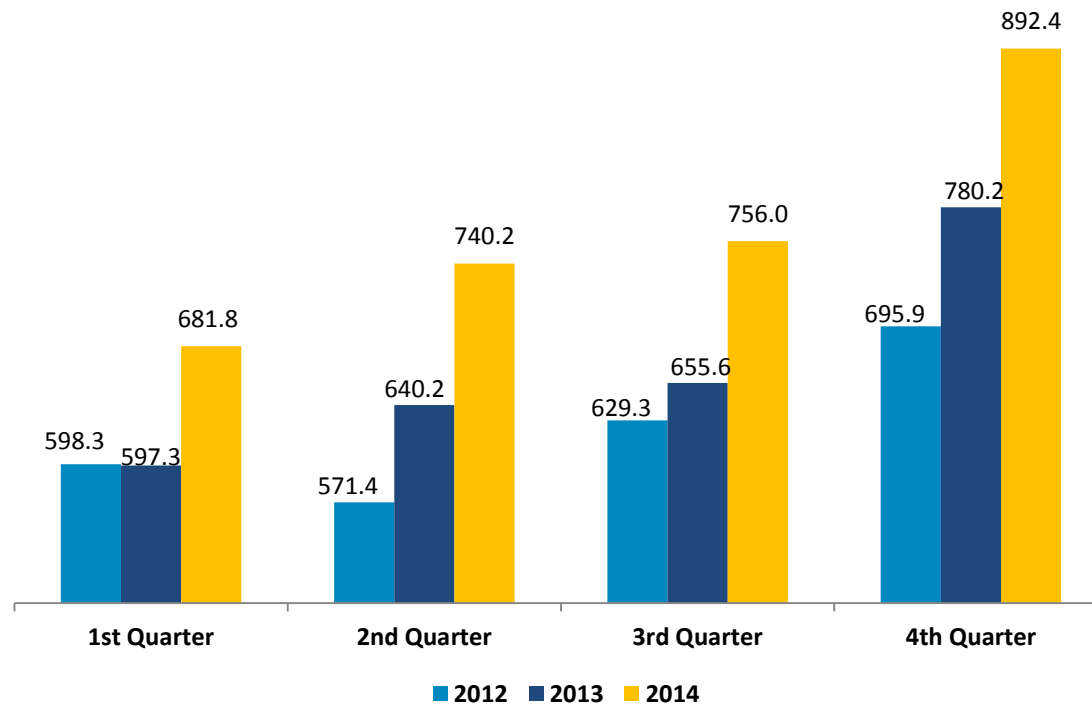
(%)



Credit Cards

Transactions Volume

(R\$ MM)



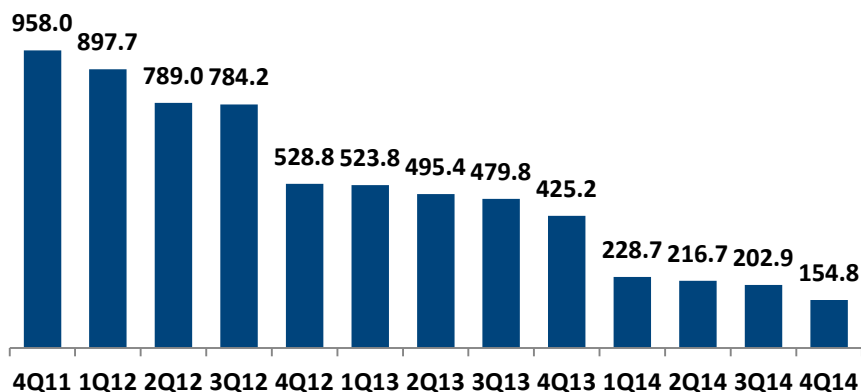
Funding

Funding Sources (R\$ MM)	4Q14	Part. %	3Q14	Part. %	4Q13	Part. %	Δ 4Q14 / 3Q14	Δ 4Q14 / 4Q13
Interbank Deposits	8,631.5	42.5%	8,370.3	41.6%	6,404.4	36.2%	3.1%	34.8%
Time Deposits	2,736.0	13.5%	2,666.3	13.2%	2,682.9	15.2%	2.6%	2.0%
Real Estate and Agribusiness Letters of Credit	2,377.3	11.7%	2,180.4	10.8%	2,196.1	12.4%	9.0%	8.3%
Bonds	2,197.1	10.8%	2,048.4	10.2%	1,931.2	10.9%	7.3%	13.8%
Bank notes	2,139.5	10.5%	2,251.7	11.2%	2,345.1	13.3%	-5.0%	-8.8%
Repurchase Agreements (REPO)	1,176.0	5.8%	1,472.3	7.3%	1,087.0	6.1%	-20.1%	8.2%
Assigned Credit Operations ³	690.0	3.4%	591.5	2.9%	0.0	0.0%	16.7%	0.0%
Loans	168.3	0.8%	225.5	1.1%	339.8	1.9%	-25.4%	-50.5%
Credits Assigned with Recourse (before 2011)	96.9	0.5%	156.7	0.8%	498.7	2.8%	-38.1%	-80.6%
Other	117.4	0.6%	168.3	0.8%	193.5	1.1%	-30.2%	-39.3%
Total	20,330.2	100.0%	20,131.4	100.0%	17,678.7	100.0%	1.0%	15.0%

³Assigned Credit Operations refers to credits assigned with substantial retention of risks and rewards in accordance with Resolution 3.533/08

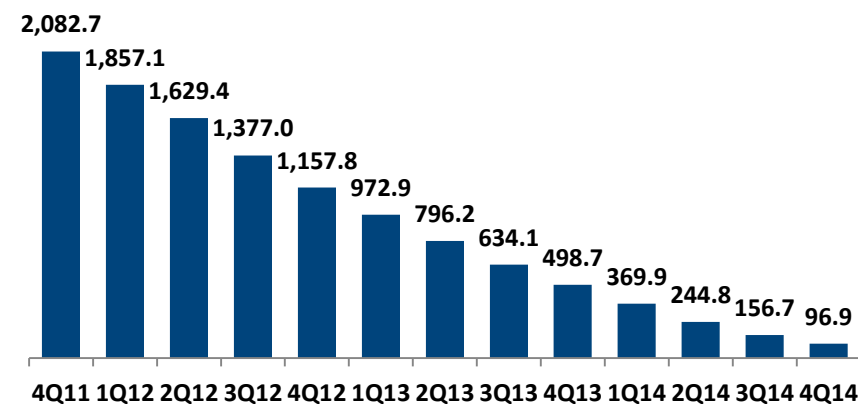
DPGE

(R\$ MM)



Credits Assigned with Recourse (Before 2011)

(R\$ MM)



Basel Ratio and Operating Margin

R\$ MM	4Q14	3Q14	4Q13
1. Reference Shareholders' Equity (PR)	3,797.7	3,553.6	2,572.5
Common Equity Tier I	2,746.6	2,505.4	1,497.3
Tier II	1,051.1	1,048.2	1,075.2
2. Required Reference Shareholders' Equity	2,235.4	2,159.3	2,106.1
Risk Weighted Assets - PEPR	2,022.1	1,955.4	1,881.5
Exchange Variation Risk - PCAM	7.1	14.6	23.0
Interest (pre-fixed) - PJUR1	27.0	10.0	33.5
Interest (inflation) - PJUR3	0	0	0.3
Operational Risk - POPR	179.2	179.2	167.8
Basel Ratio (1 / (2 / 11%))	18.7%	18.1%	13.4%
Common Equity Tier I	13.5%	12.8%	7.8%
Tier II	5.2%	5.3%	5.6%
3. Banking Positioning Risk - RBAN	68.0	68.9	198.9
Operating Margin (1 - 2 - 3)	1,494.3	1,325.4	267.6

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